UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 99th CONGRESS

FIRST SESSION

VOLUME 131—PART 16

JULY 30, 1985 TO AUGUST 14, 1985

(PAGES 21287 TO 22834)

GENERAL SERVICES ADMINISTRATION
LAW
LIBRARY
CENTRAL OFFICE

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1985

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

99-1 (Pt. 16)

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 99th CONGRESS, FIRST SESSION

SENATE—*Tuesday July 30, 1985*

(Legislative day of Tuesday, July 16, 1985)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Honorable MARK O. HATFIELD, a Senator from the State of Oregon.

(Note: The first 35 minutes of today's session were conducted in reduced lighting and without electrical systems due to a temporary electrical power failure.)

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Gracious God, Father of us all, Lord of lords and Friend of friends, we beseech Thee on behalf of the hostages who remain captive in Lebanon. The drama of TWA flight 847 is passed, though the memory of the ordeal is engraved on our hearts, but we must not, we will not, forget those Americans who remain in captivity: The Reverend Benjamin Weir, William Buckley, Peter Kilburn, the Reverend Martin Lawrence Jenco, Terry Anderson, David Jacobsen, and Thomas Sutherland. Wherever they are, whoever their captors, whatever their circumstances, we thank Thee Thou art with them Lord, and we pray for their soon release.

Grant Thy peace and comfort to their loved ones who have been waiting so long with such unrelieved patience. Help them in their deep anxiety and frustration with Thy comfort and encouragement. We pray that those in authority, who bear responsibility for American citizens under such circumstances, will exercise their best judgment and their finest expertise without delay. Give them wisdom and courage and make them relentless in their effort to free the captives. We pray in His name whose mission was the freedom of those in captivity. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 30, 1985.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable MARK O. HATFIELD, a Senator from the State of Oregon, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. HATFIELD thereupon assumed the Chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

I make a request from the Chair that without the benefit of amplification, we should be conscious to elevate the decibels of our speaking.

The majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each and then we have a number of special orders of 15 minutes each under the control of the distinguished Senator from New York Senator D'AMATO, special orders for Senators D'AMATO, DOLE, MCCLURE, HUMPHREY, HEINZ, DECONCINI, LEAHY, NICKLES, PROXMIRE, and BAUCUS. I assume the last two Senators, PROXMIRE and BAUCUS, are not under the control of the distinguished Senator from New York. I would guess that special orders could be conducted in the dark, but I do not believe they can be heard since the little machines are not operating in their offices, but if not, if no one shows up for special orders in the next few moments, we will recess subject to the call of the Chair and perhaps we can reduce the time for the special orders and still conclude those before noon.

At noon, there will be the weekly policy luncheon for both Republicans and Democrats, so we will recess at noon and stay in recess until the hour of 2 o'clock. At the hour of 2 o'clock, it will be the intention of the majority leader to turn to the conference report to accompany the DOD authorization bill, and following disposition of the DOD conference report, hopefully today, hopefully by 4 o'clock this afternoon by unanimous consent, the Senate will turn to the Kennedy-Mathias comprehensive test-ban resolution. Rollcall votes can be expected throughout the day's session.

Also, the Senate can be expected to turn to the conference report to accompany the foreign assistance bill and S. 876, the veterans' health care bill, and hopefully later this evening, the Compact of Free Association. It is my understanding that some of the problems with that measure have been taken care of.

It would also seem that there is a good possibility of getting a budget resolution, however meaningful, at least get something done this week, and I know the distinguished chairman of the Budget Committee, Senator DOMENICI, and the ranking Democratic member, Senator CHILES, will be working throughout the day to see if they can conclude at least the initial stages of a package, so hopefully we could have a budget resolution on the Senate floor before we begin the August recess on this coming Friday, unless by resolution the timing of the recess is changed.

I urge my colleagues that rather than to offer amendments and include the farm bill, South Africa, the budget resolution, and cargo preference, perhaps they would permit the leaders on each side to work out the time for adjournment. We would be happy to co-

---

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

operate with Members who have a special problem.

(Later the following occurred:)

Mr. DOLE. Mr. President, as I have indicated before, there will be the customary 2-hour recess so Republicans and Democrats may have their caucus or policy luncheon.

Following that will be the DOD authorization conference report, which I hope will be completed by 4 p.m. We shall take it up at 2.

Following that, as a result of a unanimous-consent agreement, we will turn to the Kennedy-Mathias test-ban resolution. There will be a Record vote on that matter.

We also hope to turn to the conference report on the foreign assistance bill and S. 876, the veterans health care bill, and hopefully, before the day ends, which could be rather late, the Compact of Free Association.

Mr. President, this is Tuesday and there are a number of requests coming now for action on certain matters this week. We are certainly willing to accommodate Senators on both sides of the aisle, but they will have to accommodate us with time agreements or give us some indication that we can dispose of their particular piece of legislation.

It is also my hope that today, the Senate Agriculture Committee will report out a farm bill, at least a commodities portion of it, and maybe every section of it except for food stamps and the so-called farm credit title. We probably cannot pass that this week, but at least, we hope to have some debate on the farm legislation.

I think we can take care of the supplemental appropriations conference report, perhaps a couple of appropriations bills, and we have probably seven or eight items we hope to do by unanimous consent: Veterans' judiciary review, International Air Transportation Protection Act, In-Flight Medical Emergencies Act, Mentally-Ill Persons Act, Handicapped Children's Protection Act, and the Mississippi Sioux Indian education bill. Those are items that we hope can be disposed of in rapid order.

The other major areas that I have indicated are the energy and water appropriations bill, legislative appropriations bill, supplemental appropriations conference report, discussion of the farm bill, Compact of Free Association, Japan trade bill—I hope to propound a unanimous-consent request today on the Japan trade bill—South African conference report, and perhaps the Genocide Treaty to sort of round out the week.

Mr. President, that will probably take a little time. It is also my hope that we will have a budget resolution this week. It seems to me that the air is fairly well cleared as far as major items that were under consideration. I am convinced that we are better off with a budget resolution than with no budget resolution at all, particularly on the Senate side. On the House side in the Rules Committee, they can limit amendments and limit debate, but that is not so on the Senate side. It is my hope that the chairman and the conferees on the Senate side will wrap up the so-called budget resolution. It may not be as meaningful as we had hoped, but it may be better than no budget at all. In fact, I think it probably is marginally better.

We would like to complete action on that. If we can indicate that these matters will be resolved before the week is out, then hopefully, we can avoid spending the afternoon arguing about whether or not Congress will be in session in August and how long and what we need to complete during the August recess. I think most of the items of concern can be completed by Friday, maybe late Friday.

Mr. President, I ask for the cooperation of my colleagues. There will probably be late-night sessions each night this week and without any windows of any kind. So everybody should be alerted that we are planning on an August recess and we do hope it will start at the close of business Friday. At the same time, we know there are more matters that should be disposed of and I shall be meeting with the distinguished minority leader [Mr. BYRD]. I know he is very interested in completing as much work as possible and has been very helpful in trying to expedite the business of the Senate.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

LET US BE FOUND WORKING

Mr. BYRD. Mr. President, we are reminded of the days when Senators did not have microphones. So perhaps if we speak up a little the few who are here can be heard.

I am reminded of the time in the 1700's on an occasion when the Massachusetts Legislature was meeting, and at noon the clouds became so heavy and the sky so overcast that it was almost dark at that early hour. In that religious age, members of the legislature thought that the "end of time" was at hand, and they began falling on their knees and praying, feeling that the moment of judgment was near.

The speaker of the house of representatives assumed the rostrum and he said: "Gentleman, the hour of judgment is either fast approaching or it is not. If it is not, then everything will turn out well. If it is indeed the judgment hour that is approaching, let us be found working. Let candles, therefore, be brought."

So, Mr. President, we may have to send out and get candles, but we will be equal to the task if that necessity comes upon us.

I reserve the remainder of my time by unanimous consent.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. DOLE. Mr. President, I am advised that a number of our colleagues are on the way to the floor and I am also advised that we may be in the dark for some time around here. So perhaps I will encourage my colleagues to either deliver their messages in the special order category or permit us to include those in the RECORD.

The distinguished Senator from New York is on his way to the floor and also the Senator from Wisconsin, Senator KASTEN, who would like a portion of my time.

So, if there is no objection, I see no reason they could not go ahead and make their statements. It would be a good day to talk about the budget.

Mr. BYRD. Unless they are on the elevators.

Mr. DOLE. If they are on the elevators they are going to have a problem, but otherwise I think we may continue for a while.

And I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KASTEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PERSECUTION OF SOVIET JEWS

Mr. KASTEN. Mr. President, I would like to take this opportunity to bring to the attention of my colleagues the plight of Soviet Jewry. In late July 1984, the Soviet Union began a substantial crackdown on Hebrew teachers and Jewish cultural activists. They are the major victims of what appears to be an official campaign to stop the current revival of Jewish culture in the Soviet Union. Their only crime is that they continue to speak out for such basic causes as self-determination, freedom of religion, and the right of emigration.

To date, I know of 10 of these men who have been convicted, several on trumped-up charges specifically designed to discredit them. Two were savagely beaten following their arrests. In addition to the arrests and beatings, many Soviet Jews are being

fired from their jobs, their homes have been searched, their phones disconnected, and their mail seized. Articles have appeared in Soviet newspapers and on Soviet television that are discrediting to the Jewish culture. A local Leningrad television program last November identified several activists by name and accused them of engaging in "Zionist" subversion. A program broadcast in Moscow equated Zionism with Nazism and accused World War II Jewish leaders of collaborating with the Nazis in collecting Jews for the death camps.

Let me tell you of Yosef Bernstein, from Kiev. He is 48 years old and married with one daughter. Yosef is a teacher of Judaism and Hebrew. He and his family requested permission to emigrate to Israel in 1976. Afterward, all members of his family lost their jobs. In November 1984, Yosef was boarding a train when he was arrested with no charge. Only later did his family hear about his arrest and it was at his trial that they first learned of any details. On being granted a visit to see Yosef, his wife and daughter were horrified to discover his face marked with razor cuts, one eye being damaged and not focusing properly, and the other bandaged up. With no medical treatment, serious complications resulted from his unattended wounds. The prison doctors reported that he is 99-percent blind in both eyes and that the cuts on his face have become serious enough to be life threatening. According to Soviet law, any prisoner in such a serious state of health must be released. However, the prison authorities have informed Yosef that they will nevertheless find him employment in a labor camp. There are many other such accounts similar to this one.

There can be no doubt that this campaign has been consciously directed by Soviet authorities to discredit and destroy the revival of Jewish culture in the Soviet Union. The methods of arrests, beatings, evidence planting, and the use of media to slander these people have created a renewed atmosphere of crisis in the Soviet Jewish community. My concern is: What lies ahead for the Jewish people of the Soviet Union?

Mr. President, I ask my colleagues to urge the Soviet Union to live up to the commitments they have made with regard to human rights and stop this tragic campaign. Although we are limited as to what we can do to help Soviet Jews, it is of the utmost importance that, as Americans, we stand firm and speak out against this travesty. We must never forget the basic human rights our forefathers fought for, that are so shamelessly lacking in the Soviet Union.

RECOGNITION OF SENATOR D'AMATO

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New York [Mr. D'AMATO] is recognized for not to exceed 15 minutes.

TRIBUTE TO SENATOR KASTEN FOR HUMAN RIGHTS PURSUIT

Mr. D'AMATO. Mr. President, I would like to applaud my colleague, Senator KASTEN, for his vigorous pursuit of human rights, and for his work as chairman of the Foreign Relations Subcommittee. His actions in the Congress speak far more eloquently than any speeches on the subject of human rights. I applaud his remarks, and would like to be associated with them.

THE 10TH ANNIVERSARY OF THE HELSINKI FINAL ACT

Mr. D'AMATO. Mr. President, I rise today to call to the attention of my colleagues in the Senate and the American people the 10th anniversary of a very important event. On the first of August 1975, representatives of 35 nations gathered in Helsinki to sign the Final Act of the Conference on Security and Cooperation in Europe. We are commemorating this event in ceremonies beginning today in Helsinki, where a delegation led by our Secretary of State, George Shultz, will take part in a 3-day international meeting of the signatory states.

The Final Act, which has become known as the Helsinki accords, was signed at the height of United States-Soviet détente. Many hopes were vested in this document. Expectations were raised among people everywhere that the process set in motion by the Helsinki Final Act would be a route to better understanding and cooperation and would lead to a lessening of tensions between the nations of the East and the nations of the West.

On this, the first day of the commemoration of the signing of the Final Act 10 years ago, it is appropriate to review the balance sheet on the Helsinki process. As Chairman of the U.S. Commission on Security and Cooperation in Europe, the Commission established by the Congress and the President to—

• • • Monitor the acts of the signatories which reflect compliance with or violation of the articles of the Final Act of the Conference on Security and Cooperation in Europe, with particular regard to the provisions relating to human rights and cooperation in humanitarian fields.

I am afraid there is little good news to report.

Conditions within the Soviet Union, which showed some brief, spotty signs of improvement until the Soviet invasion of Afghanistan, have worsened steadily. Soviet denials of human rights and fundamental freedoms are all-pervasive. Current conditions are the worst they have been since the end of Stalin's rule.

Conditions within Eastern European nations are not as bleak as those in the Soviet Union. Some progress has been made in specific nations on specific issues. However, the recent suppression of the Solidarity Free Trade Union in Poland shows how fragile and how very limited such progress has been.

As a result of Soviet disregard of their promises to respect human rights and fundamental freedoms, voices have risen calling for the United States to denounce the Final Act as a fraud and to end our participation in the Helsinki process. Some of my distinguished colleagues in this body have supported this point of view. Indeed, there is a division of opinion on the Helsinki Commission itself regarding the future of the Helsinki process and the U.S. role in the process.

This debate on the future of the Helsinki process has spread into the public media, with commentators like George Will and William Safire criticizing continued U.S. participation in the process. Influential emigres like Vladimir Bukovsky have joined in supporting an end to U.S. participation.

In light of the manifest failure by the Soviet Government to live up to its promises, this debate on the future of the Helsinki process is both timely and valuable. It should continue as a means to increase public understanding of the issues involved, to sharpen and clarify the opposing positions, and hopefully to reach a consensus we can all support.

To help this discussion proceed, the Commission staff has produced a report entitled "The Helsinki Process—Ten Years Later." This short document is an important summary of the pros and cons of the process over the past 10 years.

I have been a member of the Helsinki Commission since 1981; I became chairman of the Commission in April of this year. As chairman, I want to take this opportunity to set forth my views on the Helsinki process.

The Helsinki Final Act was not, as many people portray it, a tradeoff of western recognition of Soviet hegemony over Eastern Europe in return for Soviet promises on human rights. Specifically, the United States has never recognized the forcible and illegal incorporation of Latvia, Lithuania, and Estonia into the Soviet Union.

While Basket I of the Final Act establishes as principles of conduct between signatory states the principles of sovereign equality, nonuse of force, inviolability of frontiers, territorial integrity of states, peaceful settlements of disputes, and nonintervention in in-

ternal affairs, among others, the United States does not recognize these principles as establishing a de jure recognition of the Soviet empire in Eastern Europe. In fact, if the Final Act contained formal public verification and automatic enforcement provisions, these principles would be a mortal threat to the Soviet empire.

Let me provide a specific example in support of this assertion. Principle II of Basket I states, in part, that:

> The participating states will refrain in their mutual relations, as well as in their international relations in general, from the threat or use of force against the territorial integrity or political independence of any state * * *.

Principle VI of Basket I states, in part, that:

> The participating states will refrain from any intervention, direct or indirect, individual or collective, in the internal or external affairs failling within the domestic jurisdiction of another participating state, regardless of their mutual relations. They will accordingly refrain from any form of armed intervention or threat of such intervention against another participating state.

If the Soviet Union were to reverse its historic practice of disobeying international law and living up to its responsibilities under international agreements only when it suits its purposes to do so, the situation in Poland would be far different today. In violation of Principles II and VI, the Soviet Union in 1981 conducted a substantial military exercise called Zapad 81. This exercise constituted both a "threat * * * of force against the * * * political independence" of Poland, and a "threat of such [armed] intervention against another participating state."

Far from sanctioning the continuation of Soviet hegemony over Eastern Europe, the Helsinki Final Act is a tool, if it is properly used, to make Soviet maintenance of their empire much more difficult. Indeed, the United States has formally charged the Soviet Union with violation of the security provisions of Basket II relating to confidence building measures for their conduct of Zapad 81 in secret.

Critics who claim that we granted Soviet conquests formal recognition in the Helsinki Final Act ignore the fact that the Final Act allows peaceful changes of international borders by agreement among the participating states. If the iron fist of the Soviet Army were removed from the throats of the nations of Eastern Europe, accommodations resolving post-World War II territorial changes established by Soviet armed force would be possible. I am confident the critics of the process do not have in mind changing Eastern European borders by armed force. That method, after all, is the only one banned by the Final Act.

We can and we must do better in using the Helsinki Final Act's provisions to support our interests and the interests of our allies. The Final Act is a "bully pulpit" from which the leaders of the West can address their people. The Final Act can be either the formal structure through which we guide and manage the advancement of human rights, cooperation, and security, or it can be a method by which we can inform our own people of the reasons for the lack of progress in these areas.

Another major thrust of the debate over the future of the process focuses on the lack of progress in human rights behind the Iron Curtain. In addition to claiming, inaccurately, that the Helsinki Final Act ratified the Soviet empire in Eastern Europe, critics claim that the Soviets signed the Final Act intending to ignore its human rights provisions. This is, so far as it is possible to tell from observing their behavior, probably an accurate charge.

I share the hope of all freedom loving people that the Soviet leadership will change its ways and decide to enter the community of civilized nations by implementing the promises they made to respect human rights and fundamental freedoms. The facts, however, do not encourage this hope.

While there appears little, if any, chance of substantial change in the way the Soviet Union treats its people, the way it does so in the face of its solemn international pledges to the contrary is of increasing importance. We see on the horizon a variety of possible Soviet initiatives as they seek a more active role in world affairs under their new leader, Mikhail Gorbachev. Our task is to make certain that all of these initiatives are seen in the harsh light of the true nature of Soviet totalitarianism and its negative impact on human lives.

Arrogant and cynical Soviet violations of their promises to respect human rights and fundamental freedoms are supremely relevant to the world we face today. The Soviets are seeking agreements on trade and on security issues. If they cannot be trusted to live up to promises on human rights, an area in which their security is not involved, how can they be trusted to live up to agreements on trade or arms reduction?

The Soviet Union has given us an unparalleled opportunity to illuminate the true nature of their goals and values through the way they treat their own people. While complex discussions of numbers of missiles and methods of financing trade put the average American to sleep, 19.3 million Americans can trace their ancestry on one or the other side of their family to Eastern Europe or to the Soviet Union within the past two generations. When we tell the stories of the Shcharanskys, the Beguns, and the Orlovs of the Soviet Union, we tell our own citizens what happens to those who fall under the control of a brutal, monstrous system designed to sustain the power and privileges of its leaders at all costs. We tell our people what is happening to their loved ones, relatives, and friends. The power of this message must not be overlooked.

Finally, let us look at what will happen if we do not continue to participate in the process. First, the stories of the heroes struggling for freedom behind the Iron Curtain will disappear from international discourse. The Helsinki process gives us a way to keep hope alive for the refuseniks and for the dissidents who are being crushed under the weight of the security services of the Soviet Union and its allies. If we pull out, the light of hope will go off all over Eastern Europe and the Soviet Union.

Second, the allies are unlikely to follow us in any unilateral withdrawal from the process. Since their concerns are weighted more heavily toward the economic, security, and family reunification aspects of the Helsinki Final Act, they would be very difficult to persuade to abandon the process with us. Accordingly, there is a very real risk that the Soviet Union would then be the dominant power in a negotiating process involving all of our allies, but not us. This is a receipe for disaster for the West.

Let us look at a specific example. Under the Helsinki process, there is a continuing negotiation going on in Stockholm, Sweden, called the conference on security, confidence building measures and disarmament in Europe, which is better known by its initials, CDE. If we were to unilaterally pull out of the Helsinki process, CDE would continue. This would present the Soviet Union with something they have been vainly seeking since 1955—an all-European security conference.

An all-European security conference could mean the death of the western alliance. The Soviets would attempt to use such a forum to separate us from our allies and drive us out of Europe. They might be tempted to offer substantial concrete concessions in the bargaining in order to break up NATO. Then, several years later, the Soviet Army would move west again and secure effective Soviet control of Europe.

In conclusion, the Helsinki Final Act and the Helsinki process are enormous assets to the United States and to the West. In order to obtain full benefit from them, we must prove we are serious. We must take advantage of the opportunities inherent in the process to link progress on human rights issues to progress on other issues of importance to the Soviet Union and its allies. We must endeavor to continue to preserve a unified Western alliance on human rights and other issues. We must not allow the voices of hope and

freedom behind the Iron Curtain to be silenced.

To make the process work, our State Department must begin to actively coordinate our foreign policy toward the Soviet Union and the East bloc to make human rights one of the guiding principles of our policy. We must have continuing operational linkage between our various negotiations.

We must not make trade agreements until our human rights concerns are satisfied. We must move with caution on other agreements, demanding public verification procedures and automatic compliance provisions in any agreements we sign affecting our security. Most of all, we must keep in the public mind the lessons of the nature of Soviet policy and the quality of Soviet promises in international agreements.

All Americans who believe in human rights must continue their support for the Helsinki process. Without it, human rights in the Soviet Union and Eastern Europe will become forgotten issues. Without it, Soviet duplicity and subterfuge in international negotiations will be ignored. Without it, millions of friends of the United States who are struggling for their freedom behind the Iron Curtain will lose hope.

I am pleased to have had this opportunity to discuss this vital subject this morning. The Commission will continue to play a central role in the public debate on the future of the Helsinki process. There will be a sequence of hearings at which interested parties will be encouraged to present their views. I look forward to this process and I encourage all of my colleagues to participate in the continuing debate.

Mr. President, I ask unanimous consent that the report entitled "The Helsinki Process—Ten Years Later" be printed in the RECORD. It is an important summary of the pros and cons of the process over 10 years.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE HELSINKI PROCESS—10 YEARS LATER

Ten years after the Helsinki Final Act was signed on August 1, 1975, it is time to review the balance sheet. Few real changes in European relations can be directly attributed to the Helsinki accords. In fact, the record in some critical areas such as human rights and human contacts shows clear backward movement. On the other hand, the Helsinki agreement has contributed to a number of useful, if not vital, developments in other areas over the past ten years. These factors must be a part of any overall assessment of the usefulness of the Helsinki process.

The Helsinki process has given a positive push to a vast range of East-West interactions since 1975. The principles of the Final Act supplied the participating states with a useful diplomatic tool to call public attention to violations of the Final Act. They have also become an international standard to which participating states can be held accountable.

The Belgrade and Madrid Review Meetings, as well as at the numerous experts meetings held as part of the CSCE process, have significantly contributed to unity and cohesion among NATO countries, at a time when the Alliance has been under serious stress in other areas.

Other positive developments have included a small but growing degree of independent activity by the nations of Eastern Europe and a larger role for the Neutral and Non-aligned (NNA) countries in facing the problems confronting comtemporary Europe.

The CSCE process was also the forum for two of the three high-level political contacts between the USSR and the U.S. in 1983 and 1984, a time when bilateral relations were at a low point.

The following section-by-section review of the Helsinki Final Act presents, in capsule form, some of the highlights of developments within the Helsinki process over the past ten years.

I. BASKET I: HUMAN RIGHTS AND CONFIDENCE-BUILDING MEASURES

Human rights

In general, the Basket I Declaration of Principles has kindled new hopes and evoked new awareness of human and civil rights throughout Europe and North America. Despite the repression of the various Helsinki monitoring groups in Eastern Europe and the Soviet Union, and imprisonment of many of their members, these groups have demonstrated that the Helsinki Final Act is a unique and unprecedented means of exposing human rights abuses in their respective countries. The principles of the Helsinki Final Act permitted the West to maintain continuing pressure on human rights issues, and to make a direct connection between human rights and issues of security in Europe.

A. Human Rights Activists.

From 1975 through 1979, the Soviet government adopted a slightly more tolerant stance towards limited dissent. Known arrests of human rights activists ran at about 80 per year; various unofficial groups functioned; information on dissent reached the West. In late 1979, the Kremlin adopted a much harsher stance against dissidents. Arrest rates tripled to nearly 240 per year, charges against dissidents grew vaguer, sentences became longer, repressive new laws were passed and conditions of incarceration worsened.

The German Democratic Republic also continues to have a poor record on human rights. As a result, there exists in the G.D.R. and estimated 6000 to 9500 prisoners of conscience, most of whom are prosecuted for efforts to emigrate to the F.R.G.

Czechoslovakia's record in implementing the Final Act's human rights provisions has also remained poor. Twenty-three activists remained imprisoned while the human rights movement as a whole struggles on under constant harassment by the regime.

The declaration of martial law in 1981 dealt a blow to the climate for human rights in Poland. Despite two major amnesties in 1983 and 1984, new arrests of prominent Solidarity and human rights activists have brought the number of political prisoners sentenced or under detention in Poland to an estimated 200.

In the decade since Helsinki, Romania has remained one of the most repressive countries in Eastern Europe. Romania's laws and regulations present one of Europe's more extensive arrays of legal constraints on the exercise of civil and political rights. Due to severe repression, there are no organized human rights monitoring groups in Romania today.

Hungary has a positive record for implementing Helsinki and Madrid human rights provisions relative to its Warsaw Pact allies. However, as a one-party regime, the Hungarian Government does not allow full freedom of expression. In 1982 the authorities began a crackdown on the dissident community, signalling a lessening of tolerance of their independent, unofficial publishing activity and forcing them to conduct their activities more discreetly.

In Bulgaria, there has been no organized dissent nor a human rights movement, as far as information reaching the West is concerned. There have, however, regularly been cases of overt repression of individuals for political or religious reasons.

B. Actions Against Labor Unions

In 1977 and 1978, Soviet workers tried to organize two independent labor unions, the Association of Free Trade Unions of Workers and the Free Interprofessional Association of Workers. Both unions were brutally suppressed, and today at least 25 Soviet citizens are imprisoned or held in psychiatric hospitals for their labor union activism or for organizing strikes.

Solidarity organizers in Poland have indicated that the Helsinki Final Act gave impetus to the creation of their union. Despite Madrid pledges respecting free trade unions, Solidarity has been de-legalized since October 1982 and its members and supporters are subject to discrimination, harassment, surveillance, detention, prosecution and frequently to physical attack for continued union activity.

C. Treatment of Prisoners of Conscience

Conditions of detention for the estimated 10,000 Soviet political prisoners have deteriorated markedly. Last year, nine such prisoners died while in detention—a post-Stalin record. There has also been a sharp increase in reported beatings and maltreatment of political prisoners. Helsinki monitors have been brutalized and given long periods of imprisonment.

D. Religious Persecution

About half of the estimated 10,000 Soviet prisoners of conscience are thought to be religious believers who have run afoul of the restrictive Soviet laws on the practice of religion. With 71 known arrests in 1984, religious believers represent the single largest category of new Soviet political prisoners. Although members of all religious groups are subject to harassment and imprisonment, Evangelical Protestants are particularly subject to arrest. The Soviet Union has also banned certain denominations like the Ukrainian Catholic Church, with four million members, and the Jehovah's Witnesses. Anti-semitic publications printed by State publishing houses also have continued to appear.

Although religion in the German Democratic Republic is generally discouraged with believers often subject to discrimination, churches have been allowed some freedom to operate. The Evangelical Lutheran Church, in particular, remains the one element in the G.D.R. where divergent opinions can be expressed in relative freedom.

In Czechoslovakia, religious orders are outlawed and the repression of the Jehovah's Witnesses and the Franciscan Order

continues. Citizens who profess their religious beliefs cannot hold public office. The government's unwillingness to accord the church autonomy in the conduct of religious affairs has stalled talks that began 18 months ago between the Vatican and the Government of Czechoslovakia.

Compared with other East European countries, the practice of religion in Poland is relatively free. The Primate, the Episcopate as a whole and the clergy continue to call for greater individual freedom and respect for human rights. The government, however, has engaged in harassment and an increased propaganda campaign directed at the Church. Church-State relations, which had been showing some signs of improvement, have been strained since the Popieluszko murder trial.

There are fourteen recognized religious denominations in Romania. However, religious activity carried beyond the highly circumscribed limits set by the government is dealt with harshly. The Eastern Rite Catholic, or Uniate, Church is still banned, although it repeatedly has appealed for legal reinstatement.

While believers in Hungary do not face the same persecution endured by believers in neighboring states, the church heirarchies do not act freely from State control. Within the Catholic Church, a basic community movement has formed, led by Father Gyorgy Bulanyi, which has criticized the church hierarchy for its acquiescence to State influence.

E. Discrimination Against National Minorities and Forcible Slavicization

There has been little progress in ensuring rights for members of many national minorities in the Soviet Union and Eastern Europe. In some states, most notably the USSR, restrictions on national minorities and ethnic groups have intensified; churches and cultural monuments have been destroyed, limitations on the use of native languages have increased and histories have been rewritten. Advocates of greater national and cultural rights—Ukrainians, Balts, Jews, Crimean Tatars, Georgians, Armenians and others—continue to be persecuted.

Bulgaria is involved in a campaign to forcibly Bulgarize its sizeable Turkish minority, said to number 800,000. This campaign reportedly has included brutal coercion and as many as several hundred deaths.

Insensitivity to the cultural heritage and educational needs of Romania's extensive Hungarian and German minorities, inadequate safeguards against discrimination by state authorities and harsh persecution of minority advocates remain a concern.

There are fears among the 600,000-strong Hungarian minority in Czechoslovakia that actions, such as a law which is regarded as detrimental to Hungarian language schooling, may hinder cultural expression. One minority rights activist was recently released after being held in detention for a full year without trial.

F. Forced labor

About five million people are currently engaged in various types of forced labor in the Soviet Union; about half are incarcerated in the Soviet gulag system of 1,100 forced labor camps; the other half are part of mobile labor brigades. Although many of these prisoners are criminals, at least 10,000 of them are prisoners of conscience.

G. Psychiatric Abuse

During the last ten years, thousands of mentally competent Soviet citizens have been subjected to involuntary psychiatric treatment because of religious or political activities. The independent Soviet Working Commission to Investigate the Use of Psychiatry for Political Purposes documented more than 70 cases of such abuse, and was investigating more than 200 other suspected cases when it was suppressed by Soviet authorities. As of Spring, 1985, Amnesty International had documentation on 166 prisoners held in psychiatric hospitals for political or religious beliefs. Psychoactive drugs are routinely used on such prisoners. In 1983, the Soviet Union withdrew from the World Psychiatric Association rather than risk explusion for psychiatric abuse practices.

H. Unofficial Citizens Groups

Following the signing of the Helsinki Accords, several citizens groups were founded in the Soviet Union to monitor implementation of the accord's provisions. Helsinki monitoring groups were founded in Moscow, Ukraine, Lithuania, Armenia and Georgia. In addition, serveral other groups adopted Helsinki principles in monitoring human rights violations i.e., the Working Commisson on Psychiatric Abuse and various religious committees for the defense of believers. Other activists formed the Solzhenitsyn Fund, the Right to Emigration group, the pacifist "Group of Trust" and others. In all cases, the Soviet authorities have responded by acts of persecution, ranging from threats of violence and loss of employment to imprisonment, forced emigration and incarceration in psychiatric hospitals.

Helsinki monitoring groups in Poland were first formed under KOR (Committee for Social Self Defense) auspices in 1979 and later subsumed under the Solidarity Union in 1980. The Helsinki Committee was temporarily disbanded in the immediate aftermath of martial law and the arrests of its members. Since its re-establishment, the Helsinki Committee has steadily issued detailed reports on civil and human rights violations in Poland.

In Czechosolvakia, freedom of expression, assembly and association is entirely subject to the whim of the state, and groups or individuals attempting to exercise such freedom outside of acceptable channels are suppressed. For example, Charter '77, an informal group of human rights activists established in January 1977, and VONS (The Committee for the Unjustly Accused or Persecuted) are targets of frequent harassment.

In Hungary, independent peace groups like Dialogue, religious groups and other unofficial organizations have met with harassment in recent years.

Confidence-building measures

While for the West, human rights and human contacts are the major focus of CSCE, for the Soviet Union the main issue is military security. In fact over the years the major negotiations in the SSCE have concentrated on striking a balance between these two principal areas of the Helsinki Final Act.

At the Madrid CSCE review conference, the major trade-off was agreement to Western proposals for experts meetings on human rights and human contacts in exchange for an open-ended Conference on Confidence and Security-Building Measures and Disarmament in Europe, strongly desired by the Soviet Union. Such a conference was convened in Stockholm on January 17, 1984 and has been in session more or less continuously ever since.

The conference has made little visible progress in reconciling the widely-divergent proposals of the two sides, East and West, based on different interpretations of the Conference mandate. If there is to be any agreement on the radically different sets of proposals—concrete confidence-building measures put forward by the West versus declaratory measures such as non-use of force by the East—it will most probably not come until close to the beginning of the next CSCE review meeting in Vienna scheduled for the fall of 1986.

II. BASKET II: COOPERATION IN ECONOMICS, SCIENCE AND TECHNOLOGY AND ENVIRONMENT

The course of East-West economic relations and scientific exchanges during the 1970s suggests that these forms of cooperation are indeed linked. As political relations between the two regions improved in the early 1970s and culminated in the signing of the Helsinki Final Act in 1975, East-West trade expanded. Later in the decade, however, as political tensions arose between East and West, economic and scientific cooperation failed to expand further.

Nonetheless, many positive steps have been taken since 1975 to promote East-West cooperation in the fields of science and technology, the protection of the environment, commerce and industrial cooperation. The CSCE process has initiated a practical and useful dialogue among the industrialized countries of the East and West. Basket II of the Helsinki Final Act has been and will continue to be a useful vehicle for the promotion of economic and functional cooperation between the East and West in balance with improved implementation of other Final Act provisions.

With a membership almost identical with CSCE, the United Nations Economic Commission for Europe (ECE) is one of five U.N. regional economic commissions and implements many of the Basket II provisions of the Final Act and Madrid Concluding Document of a multilateral nature, particularly in fields such as trade, energy, transportation, and environment.

Economics

A. Trade Growth

U.S. participation in East-West trade not only increased in terms of value in the post-Helsinki period, it increased at a higher rate than did U.S. trade in general. While this trade was conducted by private U.S. firms independently of the U.S. Government, it can be said that the Final Act was important in fostering an atmosphere conducive to the development of East-West trade. By the 1980s, East-West trade as a whole failed to expand further and, in some cases, began to decrease as economic problems and the souring of overall relations following the Soviet invasion of Afghanistan and the declaration of martial law in Poland, made trading with the East less attractive than in previous years. As these problems have generally bottomed out, East-West trade is again on the rise.

B. Business Contacts and Facilities

There have been positive developments as a result of limited unilateral efforts on the part of Eastern European countries to improve the conditions for Western firms in their countries. While these efforts have not created business facilities comparable to those available in the West, they have improved the situation for foreign business concerns.

Science and Technology

Since the signing of the Final Act of the CSCE, there has been a significant expansion of international cooperation in re-

search and training and in the exchange of information. An example of this cooperation was the increased number of Soviet and American scientists participating in exchange programs in the late 1970s. Interacademy exchanges with the Soviet Union were dropped after the invasion of Afghanistan. The forced exile of Andrei Sakharov has also had a negative impact on such exchanges. Within the CSCE, a Scientific Forum was held in Hamburg in February 1980 which brought together leading scientists from all 35 participating states.

Environment

The primary event in this field, and one that was influenced by the Helsinki process, was the high-level meeting on the environment held under the auspices of the ECE in Geneva in 1979. At the meeting, the Convention on Long-Range, Transboundary Air Pollution was signed.

III. BASKET III: HUMAN CONTACTS, INFORMATION, CULTURAL COOPERATION AND EDUCATIONAL COOPERATION AND EXCHANGES

Human contacts

A. The Helsinki Final Act has, to some degree, led to freer travel policies in Eastern Europe and allowed an overall increase in people-to-people contacts between the United States and Eastern Europe. Since 1975, every East European signatory has taken limited steps toward implementation of the Final Act's human contacts provisions. This has resulted in the resolution of outstanding emigration cases and helped to ease bilateral tensions between Western and Eastern signatories. In a number of Eastern signatories, particularly the USSR, initial improvements made after 1975 have not been sustained.

The human contacts provisions of the Final Act have also provided the main framework for raising individual human contacts cases. The U.S. Government, citing the human contacts provisions of the Final Act as justification, has made frequent intercessions on behalf of relatives of U.S. citizens. Since 1975, thousands of these cases have been favorably resolved.

Soviet performance in the fields of emigration, family reunification, family visits and international travel has deteriorated significantly since 1980. Emigration of Soviet Jews has plummeted to its lowest level since 1975—from a high in 1979 of 51,320 to a low of 896 in 1984. Jews, Germans and Armenians experience severe obstacles in their attempts to emigrate, while the chances for other Soviet citizens are extremely remote. Those refused emigration permission often endure harassment such as loss of work and demotion, unavailability of higher education, surveillance and living under the threat of prosecution. These and other human contacts problems will be discussed at a CSCE experts meeting in Bern, Switzerland beginning in March, 1986.

B. GDR emigration practices are perhaps best symbolized by the stark reality of the Berlin Wall. In the three months following the Helsinki summit, it has been estimated that nearly 100,000 GDR citizens sought to emigrate to West Germany, citing the Final Act's provisions on family reunification. Gradual progress in intra-German cooperation has led to an increase in emigration from the German Democratic Republic and a decrease in restrictions in travel.

C. Romania's emigration record has been mixed. Its emigration laws, regulations and practices remain restrictive. However, individuals whose departure present no economic loss to the country may eventually secure exit permission, but only after years of harassment. Since 1975, emigration from Romania has tripled and last year reached an aggregated high of 21,284.

Information

Harsh new measures have been adopted in the Soviet Union and Eastern Europe to discourage free expression and contacts with foreigners. Soviet jamming of radio broadcasts was resumed in the summer of 1980. Direct dial telephone lines, instituted as an Olympic come-on in 1980, were phased out by mid 1982. A few direct-dial lines from Moscow were restored for certain Western commercial firms in 1985. Non-communist newspapers and periodicals are only rarely available through official sources to the average Soviet citizen. Soviet authorities are responsible for non-delivery of mail between the West and the Soviet Union, and frequently interfere with telephone communications. Many Soviet dissidents have had their telephone lines cut off for "abusing" the service.

Under the Helsinki Final Act, the participating states expressed their intention to improve working conditions for foreign journalists by a number of means, such as easing entry visa requirements and internal travel controls, permitting greater access to sources and facilitating the transmission abroad of journalistic products. A bilateral exchange of notes between the U.S. and Soviet Union in 1975 provided for the reciprocal issuance to journalists of multiple entry and exit visas, which had long been sought by Western correspondents permanently accredited in the USSR.

Cultural cooperation

The only major developments in the realm of East-West cultural cooperation and exchanges since the signing of the Final Act have been the completion of bilateral cultural exchange agreements between U.S. and Bulgaria, Hungary and Romania. A major meeting on the subject, the CSCE Cultural Forum, will be held from October 15 to November 29, 1985 in Budapest.

Educational cooperation and exchanges

The Helsinki Final Act has played an important and influential role in facilitating U.S. educational cooperation and exchanges with Eastern Europe. These provisions enhanced conditions for increased and more balanced academic exchanges.

The report, prepared by the staff of the U.S. Commission on Security and Cooperation in Europe—the Helsinki Commission—shows that the East block signatories have not lived up to the standards set forth in the accords as had been hoped during the détente era of the early and mid-1970's.

As I say that, I may note that the lights just went on in the Chamber. See, we have a sign from above that what I say is true. Now, if the Soviet Union could only help turn on the lights in terms of human freedom and dignity around the world, what a better place this planet Earth would be.

One of the most notable failings of the Helsinki accords has been the poor performance of some signatories in the critical area of human rights.

I would like to note that the Soviet Union in particular has ignored the human rights provisions of the Helsinki accords. We can only characterize their human rights record as "despicable." It is obvious that the Soviet Union today has little regard for the fundamental freedoms of thought, conscience, religion, and belief that were cornerstones of the agreements signed 10 years ago.

I believe my colleagues will agree with the cochairman of the Commission, Representative HOYER, and me that the lack of significant progress in the area of human rights such as we find in the Soviet Union is not and should not be viewed as a denial of the credibility and utility of the CSCE process. This process has legitimized human rights as a matter of diplomatic discourse among nations and has placed it on the agenda of our allies.

Mr. President, the 10-year review of the Helsinki process reveals:

Since 1979, the Kremlin has adopted a much harsher stand toward dissidents: arrests tripled, charges grew vaguer, and sentences became longer.

Detention conditions for the 10,000 political prisoners in the U.S.S.R. have worsened. There has been a reported sharp increase in beatings and maltreatment of prisoners.

Thousands of mentally competent Soviet citizens have been subjected to involuntary psychiatric treatment because of religious or political activities.

Soviet performance in the field of emigration, family reunification, family visits, and international travel has deteriorated significantly since 1980. Jewish, German, and Armenian annual emigration rates fell to under 1,000 per group. Emigration of Soviet Jews is at the lowest level since 1975.

The Soviets have resumed the jamming of radio broadcasts; frequently interfere with telephone communications; and bear responsibility for the nondelivery of mail from the West.

Advocates of greater national and cultural rights in the Soviet Union and Eastern Europe continued to be persecuted—these include Ukranians, Balts, Jews, Crimean Tatars, Georgians, Armenians, and others.

About 5 million people are being held in various types forced labor in the U.S.S.R. Although many are criminals—at least 10,000 are prisoners of conscience.

About 6,000 to 9,500 prisoners of conscience are being held in the German Democratic Republic, most for wanting to emigrate to the Federal Republic of Germany.

Romania remains one of the most repressive countries in Eastern Europe.

The 1981 declaration of martial law in Poland dealt a major blow to human rights. Despite two major amnesties since then, new arrests of political prisoners have brought those under detention to an estimated 200.

In Czechoslovakia, freedom of expression, assembly, and association is

entirely subject to the whim of the State. Religious orders are outlawed and there is continued repression of the Jehovah's Witnesses and the Franciscan Order.

I would like to particularly point out that the treatment of Jews in the U.S.S.R. has not improved since the signing of the Helsinki Final Act 10 years ago. Under the thinly disguised veil of anti-Zionism, the Soviet Union has harshly persecuted their Jewish community.

During this time of supposed improved relations between the United States and the Soviet Union, the rate of emigration of Soviet Jewry is barely above the last year's level. Although a relatively high number of Soviet Jews were allowed to emigrate in April of this year, that number has since declined dramatically.

In 1979, over 51,000 Jews were allowed to emigrate from the Soviet Union. In 1984, the Soviet Union allowed only 896 Soviet Jews to emigrate, a 98-percent decrease and the lowest year in recent memory.

Those people applying to emigrate and denied permission, refuseniks, must endure intimidation and persecution. Refuseniks are forced from their jobs and called "parasites of society." The number of Jews interested in emigrating is estimated to be 400,000.

However, restricting the freedom of Soviet Jewry does not end with closed borders. Any attempt to preserve Jewish culture is met with swift retribution. Those brave enough to teach Hebrew, such as Iosef Begun, are harassed, threatened, and incarcerated, usually on trumped-up charges. The crime of these Jews is desire to preserve their ethnic heritage.

Like all citizens of the Soviet Union, Jews are severely restricted from practicing their religion. Jews, however, are afforded none of the token freedoms that other religions are allowed. Jews cannot produce or import religious articles or publish prayer books or periodicals, or have any central structure or organization. In a nation with the third largest Jewish population, there are only 50 synagogues. Jewish cemeteries have been and continue to be desecrated or converted to other uses.

The Kremlin's crackdown on Jewish emigration and the teaching of Jewish heritage is a rerun of the state-sponsored anti-Semitism we have witnessed throughout history. It provides that the Soviet Union has far to go before it justifies its signature on the Helsinki Final Act.

As the leader of the Free World, it is our duty to call upon the U.S.S.R to end this vicious and needless antisemitic campaign. We must emphasize that the continuation of this persecution presents a real obstacle to constructive relations between the United States and the Soviet Union.

Indeed, there is linkage between their conduct on human rights and any agreements on increased trade or other bilateral accords. The normalization of relationships becomes very important. Peace is important. But Soviet actions on human rights are fundamental and basic to any meaningful agreements that the U.S. and the U.S.S.R. may hope to enter into now or in the future.

Mr. President, I wish that this Senator and the Commission would have been able to present a brighter picture. But the truth should not be colored. The picture we present is bleak. I believe that the Helsinki Commission and the Helsinki process should be utilized as a rallying cry and as a bastion of strength for truth and justice. We must use our potential as the leader of the Free World to assist those who are denied human rights and who have no hope other than the strength of this country.

Thank you, Mr. President.

RINGING OF CONVENING BELL

Mr. DOLE. Mr. President, I understand it may be necessary to do a few mechanical things right now about ringing the convening bell and a few other things we should have done earlier. I wonder if we might do that now.

The PRESIDING OFFICER (Mr. MATTINGLY). The clerk will ring the bells. The legislative clerk rang the convening bell of the Senate.

Mr. DOLE. Mr. President, let me advise my colleagues who may be listening, it is not a vote bell. The announced convening hour is 9:30 a.m. It is now 10:10 a.m. We have been making progress. I thank the distinguished Senator from New York. We have probably made a little history today in the U.S. Senate. As far I can tell, there have not been many recent times when we were without illumination. Of course perhaps I should say that we have always had and continue to have illumination in the Senate, but we have rarely been without lights

RECOGNITION OF SENATOR DOLE

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, I commend the distinguished chairman of the so-called Helsinki Commission for his efforts to focus on the shortcomings, particularly in the Soviet Union and other Communist bloc countries, insofar as human rights are concerned.

TENTH ANNIVERSARY OF THE SIGNING OF THE HELSINKI FINAL ACT

Mr. DOLE. Mr. President, the cause of human rights is at the core of American foreign policy because it is central to America's conception of itself. These values are hardly an American invention, yet America has perhaps been unique in its commitment to base its foreign policy on the pursuit of such ideals. For this reason, Mr. President, it is appropriate that we mark the 10th anniversary of the signing of the Helsinki Final Act. As former cochairman of the Commission on the Security and Cooperation in Europe, I have a special appreciation of what the Helsinki process is all about.

The Helsinki Final Act, now 10 years old, was born at what seemed to be an encouraging moment in East-West relations: The United States and the Soviet Union had just reached the first agreements on strategic arms limitation. Broad avenues for economic cooperation appeared to be opening. Genuine progress on human rights seemed possible. And so Helsinki was born as an attempt to deal with the problems of security, economic relations, contracts between our peoples, their basic freedoms, and standards of international conduct.

However, while the Helsinki Final Act is an eloquent statement of aspirations, to which the United States gladly subscribes, tragically, the U.S.S.R. has not approached the Helsinki process with the same commitment and vigor that we have. The Russians promised to abide by Helsinki but they lied. Our records are a true testimony to our respective forms of government.

Reflecting on the experience of the last 10 years, we are disappointed, but not really surprised, that the years since the signing have seen many setbacks for our efforts to strength security, expands cooperation, build mutual confidence, and protect human rights. The record speaks for itself: Simply, there are governments in the East which have from the outset treated their commitment to human rights under the Final Act with open contempt.

Mr. President, the words made famous by Ernest Heminway, while not spoken in the context of the Helsinki process, is still timely. As Americans, we are legitimately concerned about the manner in which the governments of others countries treat their people. As Americans, they insist that our own Government make known the views of the American public on this vital issue and the international community. The point is clear. We must all learn from history. And the one lesson taught by the past is that respect for human rights leads to a relaxation of international tension, not the other way around.

In the most profound sense, the Helsinki process represents an historic effort to bridge the divisions between

East and West in Europe. It is modest in its expectations but profound in embodying the most basic interests, deepest convictions, and highest hopes of all the people of Europe. There can be no lasting security of cooperation in Europe as long as one government is afraid of its own people and seeks reassurance in imposing a system of force on its people—and on its neighbors.

Secretary of State Shultz, who is presently in Helsinki to mark the 10th anniversary, should have our position clear: That our concern for human rights is permanent and we will continue to advance this cause in every appropriate forum. We will continue to speak the truth. The struggle for human rights knows no political affiliation, it will remain a permanent priority of American foreign policy.

Thank you Mr. President.

THE ANNIVERSARY OF THE SIGNING OF THE HELSINKI FINAL ACT

Mr. HUMPHREY. Mr. President, on August 1, we will be commemorating the 10th anniversary of the signing of the Final Act of the Conference on Security and Cooperation in Europe, better known as the Helsinki accords.

Ten years ago 35 nations including the United States and the U.S.S.R. signed a document whose purpose was the promotion of peace, security, justice and cooperation among themselves and with all the other nation states of the world. The Helsinki process, and follow up, is an important one in international relations and must be supported and enhanced. Unfortunately however, Helsinki has fallen far short of our expectations for it.

In the years since the signing of this document of goodwill, the U.S.S.R. has violated every single one of the principles of the Helsinki agreement both within its own borders and in its actions toward other nations.

Nowhere are Soviet violations of the universally accepted humanitarian spirit of the Helsinki accords more flagrant than in its invasion of the ancient and free nation of Afghanistan. Here the Soviets, behind a screen of enforced unaccessibility, have let the mask of humanitarian concern fall from its face. In Afghanistan we see the true expression of Soviet intentions.

The 18th semiannual report on implementation of Helsinki Final Act submitted by the President to the Commission on Security and Cooperation in Europe indicates that:

> The Soviet Union has continued to violate both the letter and spirit of principles guiding relations between states as set forth in the Helsinki Final Act. The Soviet Union persists in its occupation of Afghanistan and in its efforts to eradicate national opposition. In conducting its ruthless war against Afghanistan, the Soviet Union has used chemical weapons, bombed civilian targets, used ground and air forces to destroy villages and crops, and employed weapons intended to cripple or main noncombatants.

If we wonder what it would be like to fight a war with the U.S.S.R. we need look no further than Afghanistan, for here a small and largely unarmed people is being subjected to the total war of the Red Army. Not since the times of Genghis Khan, and maybe not even then, has a people been starved, maimed, tortured, murdered, burned, bombed and plagued into extinction. That is the way the Soviet Union fights its war, in violation of every principle of international law.

The Helsinki accords forbid the threat or use of force. They proclaim the inviolability of frontiers and territorial integrity of states, the nonintervention in internal affairs and perhaps, most importantly, the respect for human rights and fundamental freedoms including the freedom of thought, conscience, religion or belief.

Helsinki Watch, an organization which monitors violations of the accords, has written a report called "Tears, Blood and Cries," documenting human rights violations in Afghanistan.

From time to time I have submitted portions of this report to the CONGRESSIONAL RECORD. Today, on the 10th anniversary of the signing of the Helsinki accords, I would again like to commend this report to my colleagues to remind us of the ephemeral nature of Soviet promises and the brutal face of Soviet reality.

Mr. DOLE. Mr. President, under the special order the Senator from Kansas had 15 minutes. I have used about 2 minutes of that time, I believe. I yield the remainder of my time to the distinguished Senator from Wyoming [Mr. WALLOP].

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Wyoming is recognized.

Mr. WALLOP. Mr. President, I thank the majority leader.

TENTH ANNIVERSARY OF THE HELSINKI FINAL ACT

Mr. WALLOP. Mr. President, 10 years ago the U.S. Government raised the world's hope that, through diplomacy, the iron bars that imprison all who live within the Soviet Empire had been parted just a bit, and that, over the years, through diplomacy, little by little, the Soviet Empire would become a little less rigorous toward its people. We all wanted this very much, not just for humanitarian reasons, but because we believe, along with Andrei Sakharov, that the danger to peace comes not from weapons, but from governments that are unconstrained by the people they govern. The essence of the Helsinki accords, as presented to the free people of the West by such eminent statesmen as Helmut Schmidt and Henry Kissinger was that we would assure the Soviet Empire's masters that we would not challenge their legal right to their empire, while in return the masters of the empire pledged themselves not to be so heavy-handed.

Ten years later, all but two of the Soviet Union's Helsinki monitors are in the gulag or in mental hospitals. While Jews were then emigrating at a rate of 50,000 per year, today the rate is about 900 per year. By general agreement—and you can see it in all the papers of this country and Europe—the masters' hand is heavier than ever. From this we can draw a host of lessons about the Soviet Union and about how we are compelled to deal with it. But today I want to draw just one lesson about another matter, on which there can really be no argument: the eminent Western statesmen who conceived the Helsinki accords for the West were eminently wrong. Their view of the accords has not prevailed. Rather, the Soviet view of the accords has prevailed. Our statesmen proved to have little grasp of the fundamentals of statecraft. They were outdone not just by the Soviets, but above all by their own failure to face up to the twin questions that every negotiator must answer: "Does the other side really mean to keep its commitments? What do we do if it does not"?

Traditional training in diplomacy stresses the necessity of finding the true common ground between two parties, and the overriding importance of making sure that all parties understand everyone's commitments in precisely the same way. To neglect such factors is not to accomplish what the agreement is supposed to accomplish, but to sow the seeds of a greater discord. That discord we witness today.

But our very clever contemporary Western diplomats have adopted an entirely opposite set of precepts when working with the Soviet Union. Knowing, however dimly, that the Soviet Union's fundamental purposes are irreconcilable with those of free peoples, and knowing that Western public opinion would reject outright capitulation to Soviet objectives, yet zealously desiring agreements "for the sake of advancing the prospects of peace," our experts have decided to fudge.

Time and time again, they have deliberately entered into agreements that they knew full well the Soviets deliberately understand very differently from the way Western opinion understands them. Time and time again they have entered into agreements that they know the Soviets do not intend to keep. Moreover, they have done so completely aware that they themselves were not prepared to recommend any move to force the Soviets to comply.

Why have they done this? Because each of them wants to "bring home

the bacon" from negotiations, regardless of how rancid it might be. Another reason is that our experts genuinely, but ever so foolishly, regard the diplomatic process as a good thing in itself. If we can just engage them in the process on any subject, the thinking goes, we can "hold their feet to the fire." Mr. President, I ask simply: What fire? The last refuge of the experts on the Helsinki process is that it has given us a chance to "raise the subject" of Soviet violations of human rights at international gatherings.

Who are we kidding? Does this mean that prior to 1975 we did not have the right, indeed the duty, to speak the plain truth about the Soviet Empire's denial to its citizens of every right known to man? Of course we did in fact, if one simply glances at the West's newspapers prior to 1969, one sees the Soviet Empire referred to routinely in far harsher terms than one sees today. The very last corner of the "experts" refuge is "the Europeans." If we did not have Soviet acquiescence, in the Helsinki Final Act, that it is OK to raise the subject of human rights, "the Europeans" would be scandalized if we do it, even abandoning the alliance and running into the Soviet's arms.

I have no doubt that "the Europeans" with whom our "experts" habitually fraternize feel this way. But I also have no doubt that such are not the majority of Europeans. At any rate, for the sake of an alliance with such people, it would not be worth turning ourselves into moral hypocrites.

So, in sum, the pitiable sufferings of Soviet dissidents who believed in our experts' views of the Helsinki process should teach us the value of those views. The 10 years since the Helsinki Final Act do not teach us anything about the Soviets that we did already not know. They do however tell us that the people at the State Department and in the foreign policy establishment who severely pass themselves off as the fountain of wisdom on foreign affairs have proved incompetent. They have allowed the figments of their desires and imaginations to overcome the respect due to the fundamentals of their craft. Perhaps now, this decade later, we should ask for an honest reappraisal. The purpose of negotiations should be to achieve real change, not temporary satisfaction.

Mr. LONG. Mr. President, I join my colleagues today in this body and the other body in commemoration of the 10th anniversary of the signing of the Helsinki Final Act. It is my honor to do so both in my capacity as a Security and Cooperation in Europe Commissioner and as one who is keenly concerned with the eradication of human rights abuses throughout the world.

The Final Act was signed on August 1, 1985 by the United States, Canada, the Soviet Union, and every nation in Europe with the exception of Albania. Signatory nations agreed to expand their cooperation with other signatory states in a number of areas, including those relating to military, economic, and humanitarian affairs. Further, they made explicit their intention to "respect and put into practice" a number of specific principles. Among those was the principle of respect for basic human rights.

The act created, for the first time, a means whereby the governments of signatory nations would be open to regular and systematic examinations of their record of human rights improvements and abuses. Each nation affirmed its committment to endure such examination and potential criticism by other Helsinki accord nations. The lengthy periodic review meetings provide a forum for these encouters. It has evolved over these 10 years that the meetings have offered a way in which to draw attention to the myriad abuses of human rights perpetrated by the Soviets and the Eastern bloc countries.

However, it cannot be said that there are fewer violations of human rights throughout the world or among signatory nations today than there were 10 years ago. Among the worst offenders is the Soviet Union. "The Eighteenth Semiannual Report on the Implementation of The Helsinki Final Act" states, unequivocally:

> The Soviet Union has continued to violate both the letter and spirit of principles guiding relations between states as set forth in the Helsinki Final Act.

Notable is their use of chemical weapons against the freedom fighters of occupied Afghanistan.

The Soviets flagrantly abuse the rights of their own citizens as well. Incarceration in mental hospitals or prison has befallen religious and peace activists and those working for the achievement of greater political and cultural rights. The Soviets have continued their widespread campaign to eliminate all religious observances. The Sakharovs remain in internal exile in Gorky. The mistreatment of dissidents of all types goes on.

Further, in a now well publicized and most distressing development, the number of individuals currently allowed to emigrate from the Soviet Union is at its lowest level in years. Only 327 Jews were allowed to leave the U.S.S.R. between October 1, 1984 and February 28, 1985. Anti-Semitic propaganda abounds. There are reports that at no time since the reign of Stalin have there been more acts of official discrimination and repression directed against Soviet Jews. I have spoken to this body before about the plight of a refusenik whom I have adopted. His name is Yuli Kasharovsky and he has been attempting to emigrate from the Soviet Union since 1971. He has been denied work, placed under house arrest, imprisoned on trumped-up charges and even led away from his home in chains. His is not an isolated case, Mr. President. It is but one example of a widespread pattern of human rights abuses.

Violations have taken place in other countries as well. The Rumanian regime's performance in observing basic human rights continues to deteriorate. Their citizens are denied the rights of free speech and free assembly. Those wishing to emigrate are often demoted or they may lose their jobs altogether. Bulgarian violations of rights are at an all-time high. It is reported that:

> Bulgarian officials have not prevented security forces from committing the reported, detention and murder of the ethnic Turkish minority during the government's campaign to assimilate these people by forcing them to change from Turkish names to Bulgarian names.

I could go on. The picture which I have outlined is bleak. However, it is not intended to discourage. We must not abandon our responsibility to work for improvements whenever we have the opportunity to do so. The "Helsinki process" aids us by creating a climate which allows us to remain cognizant of those abuses which occur. We must remain aware. Further, we must redouble our efforts to eliminate the mistreatment of individuals and groups throughout the world. The Helsinki Final Act is a document of hope. It is with the hope that we may someday live in a world in which nations abide by the principles enshrined in The Final Act that we celebrate the 10th anniversary of its signing.

Mr. DECONCINI. Mr. President, this morning a number of Members of the Senate—those who are and others who are not members of the Helsinki Commission—had statements for the RECORD.

Mr. President, I am pleased to participate in the commemoration of the 10th anniversary of the Final Act of the Conference on Security and Cooperation in Europe. On August 1, 1975, heads of governments from the United States, Canada, the Soviet Union, and 32 European nations signed this international document, better known as the Helsinki accords. Nearly every aspect of East-West relations, including military security, trade and economic cooperation, and humanitarian rights are addressed in the Helsinki accords. In the last 10 years, periodic conferences and subordinate meetings have been held to review the implementation of the Helsinki provisions and to discuss new measures to strengthen cooperation and security between the signatory nations. Although each provision of this comprehensive document is of equal impor-

tance in the pursuit of peaceful relations, I would like to focus upon the basic human rights standards—the universal principles of freedom of thought, conscience, and belief—which are rooted in the hearts of humanity.

In agreeing to the Helsinki accords, the signatory nations have acknowledged their adherence to principles of freedom, not necessarily to the sophisticated modes of parliamentary democracy, but to the basic rights of citizens to emigrate, to be reunited with their families, and to enjoy at least minimal respect by their government of their individuality and personal worth. Unfortunately, blatant abuse of these fundamental rights is evident in many signatory countries, particularly in the Soviet Union. It is a well-known fact that Soviet authorities have consistently violated the basic human rights of that nation's citizens. Men and woman are restricted, deprived, and often imprisoned merely because of their religious or political beliefs.

The arrest and exile of Andrei Sakharov, a renowned Soviet dissident scientist and advocate of individual rights, is just one example of the atrocities carried out by Soviet officials. Sakharov has dedicated many years of his life to the welfare of all mankind. He is the founder of the "Committee for Human Rights," which stresses the vital need for fair trials, a free press, and freedom for political prisoners within his own country. His ideals formed the basis of the human rights section of the Helsinki accords, and he is the first Russian to ever win the Nobel Peace Prize. His accomplishments are numerous and worthy of praise. Any yet, these very achievements are discredited by his own government.

Sakharov has been classifed as a "renegade" who has sold out to the West. His "subversive activities" have cost him the renouncement of several state titles and awards. Because of his condemnation of the invasion of Afghanistan by the Soviet Union, he is being held hostage in the city of Gorky which is isolated from the outside world.

The punishment of a man with such a brilliant scientific career and with such a deep compassion for the suffering of others is beyond comprehension. More importantly, Sakharov's endurance of continual harassment and pain is to be admired by all of us. His sustaining hope for social justice represents the human enterprise that exists outside the totalitarian Soviet system.

Anatoly Shcharansky represents the plight of Soviet Jews wishing to live as Jews. As he became actively involved in the human rights movement in his country, as he became increasingly aware of the injustices prevalent in Soviet society, and as he became more outspoken about the inequitable treatment many of his fellow citizens endure, Soviet authorities responded with severe pressure—eventually leading to his arrest on March 15, 1977. Shcharansky was charged with treason, was unlawfully tried, and was ultimately sentenced to 13 years in prison. His crime was that he issued reports about his government's abuse of the human rights provisions of the Helsinki accords. Shcharansky's tragic fate is not unique. Many Soviet citizens who became Helsinki monitors are incarcerated in prisons, labor camps, and psychiatric hospitals, or are serving terms of exile.

The plight of the Sakharovs and the Shcharanskys is a significant one. Their strong determination, trememdous courage, and undying sustaining power must never go unnoticed. Their message to the world is clear. We must never lose sight of what we believe in, and we must never cease striving toward the fundamental rights of freedom of religion, thought, and conscience to which every human being is entitled. Perhaps we will never reach these worthy ideals for all mankind, but that should not stop us from trying.

On the 10th anniversary of the signing of the Helsinki accords, let's take this opportunity to reaffirm our commitment to human rights and the common values which unite us with our NATO allies. The defense of democratic ideals and the protection of individual freedoms are how we, as a society, will be judged by history and future generations.

Mr. PELL. Mr. President, 10 years ago, on August 1, 1975 the leaders of 33 European nations, the United States and Canada signed the Final Act of the Conference on Security and Cooperation in Europe [CESE]. After 2 years of intensive negotiations, the signing ceremony represented a breakthrough in international diplomatic relations. While the Final Act encompasses nearly every aspect of East-West relations, for the first time, human rights were accorded the status of a fundamental element of those relations. The 35 participating states recognized that respect for human rights is as important a factor in state-to-state relations as respect for national borders or refraining from the use of force.

Significantly, the Helsinki Final Act also called upon the signatories to promote exchanges and contacts in the cultural, educational and scientific fields as a means of achieving greater mutual understanding among people. Such humanitarian cooperation among the people of the 35 nations, it was believed, should lead to a lessening of tensions among the governments of those nations and, eventually, to the establishment of genuine peace.

As a founding member and original cochairman of the U.S. Commission on Security and Cooperation in Europe, I have witnessed the hard realities of implementing the provisions of the Helsinki Final Act. Despite pledges to respect human rights and facilitate the freer movement of people, information and ideas, the Soviet Union imprisons human rights activists, denies Jews and others the right to join their relatives abroad, jams Western radio broadcasts and severely restricts the exercise of religious rights. Unfortunately, many of the Warsaw Pact nations, especially Czechoslovakia and Romania, have followed the Soviet example of repression.

Yet, there have been positive developments in the last 10 years as well as accomplishments that are too often forgotten in light of the overwhelming amount of work yet to be achieved. The Helsinki Final Act was the impetus for theater seminars, academic exchange agreements, writers' conference, legal statutes to ease travel restrictions and joint scientific research projects—all of which have borne positive results for both East and West. These improvements in private and official contracts are evidence that the Eastern governments are aware of their commitments to some provisions of the Final Act.

Mr. President, we must strive to ensure that other commitments—especially the human rights pledges—are met with no less vigor and determination. One method to achieve this is to ensure that the discussion of further exchanges among artists, businessmen, writers, journalists and politicians be linked to considerations of the State's recognition of the individual's right to exercise fundamental rights: To practice his religion, to live in the country of his choice, to work in his field or to travel. Only by constantly reminding the Eastern governments of their obligation to respect human rights as we engage in cooperative endeavors will we create the kind of leverage that will ultimately ensure successful exchange programs—those which incorporate balance, reciprocity and dignity among all citizens' contacts, East and West. In short, the Helsinki Final Act set a standard of governmental conduct that must apply to all human interaction.

Ours is not an easy task. The drafters of the Final Act recognized that achievement of the goals embodied in that historic document would be slow and gradual. Yet we should not be deterred by temporary setbacks. A firm and uncompromising commitment to the value of human rights will eventually produce the results of a more humane and just world.

Mr. HEINZ. Mr. President, August 1, 1985 marks the 10th anniversary of the signing of the Helsinki Final Act.

This document provides a framework to work to resolve the humanitarian, economic, political, and military differences that divide Europe. It stresses that improvement in each of these areas is equally important to strengthening security and cooperation.

The Western signers of the Final Act, to preserve and reinforce the principles of the accord, have instituted a thorough review of the situation in Europe in order to determine whether these principles are being observed. There have been some positive results in the area of human rights in Eastern Europe, as well as in economic cooperation between East and West. However, the overall performance of the Warsaw Pact nations, including the Soviet Union, has remained seriously flawed. The Soviet Union, above all other states, continues to violate this agreement, particularly principle seven, which calls for "respect for human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief."

Proponents of greater cultural and political freedoms have been targeted by Soviet officials and treated in ways that are clearly in violation of the Helsinki Final Act. Andrei Sakharov and his wife Yelena Bonner remain under virtual house arrest at their place of exile in the closed city of Gorki. They are denied contact with friends and relatives. They have not received proper medical care which they require as an elderly couple.

One of the most blatant violations of the accord is the treatment of Dr. Yuri Orlov and the Moscow Helsinki Watch Group. The group, founded in 1976 by Dr. Orlov, was meant to monitor violations of the Helsinki Final Act from within the Soviet Union, but it has been persecuted so harshly that it no longer operates. Dr. Orlov embodies the plight of the group; the 60-year-old physicist was incarcerated in a hard labor camp for 7 years and is presently in internal exile in the remotest corner of Siberia. His health has been destroyed by the term in the labor camp—he suffers from chronic illnesses, including a serious kidney disease, and has lost all of his teeth. Other members of the group have been sentenced to psychiatric hospitals, prisons, labor camps, or internal exile. Three members are known to have died after years of mistreatment in Soviet labor camps. This is just one known and isolated case; any person or group who attempt to express themselves outside the framework of the Soviet system continues to run the risk of persecution and arrest.

Soviet performance in other areas of human rights has been equally deplorable. For example, the current regime continues to use internment in psychiatric hospitals as punishment for dissidents and free thinkers. Perfectly sane individuals are forcibly committed to such facilities, resulting in the deterioration of their mental and physical health, and sometimes in their death.

Thousands of citizens remain in the Soviet Union, despite their wish to join relatives abroad. The Soviet Government continues to deny its citizens, particularly Jews, exit permission from the country, claiming that the vast majority of those who wished to emigrate have already done so. Paradoxically, those who apply to leave and are forced to stay, face mental and physical harassment while they remain in the country.

The situation of religious believers also remains grim. For example, a harsh campaign was recently instituted against Hebrew teachers and Jewish cultural activists, resulting in more than a dozen arrests. Ukrainian dissidents and Eastern Rite Catholics have been subjected to mounting harassment. Baptists, Pentacostals, and Russian Orthodox activists are also subjected to suppression, persecution, and often arrest and imprisonment.

In the international arena, the Soviet war in Afghanistan is a direct violation of the principles of the accord governing noninterference in the affairs of other nations. Along the same lines, Soviet support for the Vietnamese occupation of Kampuchea also violates the same principles.

The Soviet Union signed and agreed to the principles of the Helsinki Final Act. Why then does it remain one of the chief violators of this accord? These continuing internal and international violations constitute an open affront to the constructive steps which the document seeks to promote.

As we observe the anniversary of this important and farsighted document, let us reaffirm our commitment to the principles by the Helsinki Final Act. With our strong support, we can improve human conditions and freedoms throughout the world.

Mr. PRESSLER. Mr. President, August 1 marks the 10th anniversary of the signing of the Helsinki accords. I would like to take a moment to reflect on what this agreement has meant to this country.

Before the United States and its allies agreed to participate in the European Security Conference, at which the Helsinki accords were adopted, we insisted on certain conditions and prerequisites. First, that the United States and Canada had to be participants in the European negotiations. Second, the Soviet Union and Poland were required to sign treaties normalizing relations with West Germany. Third, a bilateral agreement was signed normalizing relations between West Germany and East Germany. Fourth, negotiations on mutual force reductions in Central Europe were initiated. Finally, the Soviets agreed that the conference should recognize the independence, territorial integrity, and right to self-determination of every European country. Most U.S. objectives were thus achieved prior to the security conference.

Under the declaration of principles of the Helsinki Final Acts, each side agreed to respect the sovereignty of each others borders, including the right to change frontiers by peaceful means. The territorial aspects remain central to the accords, although in recent years more emphasis has been placed on the human rights provisions.

The human rights provisions have provided the West with legitimate international means to press the Soviets and East European governments on their failure to comply with conditions pertaining to the free flow of information and people across borders. We must continue to stress the Soviet and East bloc failures in this area.

Importantly, while relations between the United States and the Soviet Union remain clouded, the Helsinki accords do provide a basis for a continuing dialogue between the East and the West. In addition, the accords have helped the governments of Eastern Europe loosen their diplomatic dependence on the Soviet Union. Bilateral and multilateral relations with the West have improved as the East Europeans have struggled to gain maneuvering room from the Soviets. The neutral countries and nonaligned Yugoslavia, threatened with obscurity between the two blocs, have found a new role for themselves through the Helsinki process.

Mr. President, let us hope that our observance of the 10th anniversary of the signing of the Helsinki accords will further promote the continuous process of change within the Eastern bloc. Steady pressure from the West and world opinion may eventually ease more barriers between East and West. The Helsinki process remains one avenue for the pursuit of such changes.

Mr. GRASSLEY. Mr. President, I rise today to speak regarding the upcoming 10th anniversary of the signing of the Helsinki accords. Mr. President 35 nations have gathered in Helsinki to recognize this agreement which was designed, at least by the west, with the purpose of improving Soviet human rights compliance.

Two questions must be addressed by all governments attending this ceremony:

First, whether there has indeed been any improvement in the Soviet Government's behavior in regard to the way they treat their citizens and

Second, if the answer is no, whether the Helsinki process is worth continuing.

Clearly on its face the answer to the first question is no. Conditions are worse for Soviet Jews and other reli-

gious minorities now than they have been in years.

I believe the answer to the second question, at least for the moment is yes.

Two years ago the junior Senator from Arizona and I formed the Interparliamentary Group for Human Rights [IPG]—a group dedicated to improving Soviet compliance with the Helsinki accords. That group has grown to include over 700 parliamentarians in 15 countries. I ask unanimous consent that the attached IPG report on the recent Ottawa human rights experts meeting be printed in the RECORD in full.

In order for Helsinki to be determined to be a viable process we must demonstrate to the Soviets, united Western resolve on the importance of human rights. The IPG will work diligently from now until the 1986 Vienna review conference to that end. IPG activity will center around parliamentary meetings, communications programs, and parliamentary visits to the U.S.S.R. We are dedicated to raising the consciousness of the world community regarding Soviet human rights abuses and it is incumbent upon all of us to try to constructively improve the Helsinki prior to disavowing the process. Throwing the baby out with the bath water will not improve the lot of Soviet Christians and Jews whose only desire is to believe and live as they wish.

Let us redouble our efforts over the next year and a half to increase Soviet compliance with the Helsinki by constantly focusing the spotlight on the accords.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

IPG REPORT CONCERNING OTTAWA HUMAN RIGHTS EXPERTS MEETING

The Ottawa human rights experts meeting concluded on June 17, 1985. This report will summarize the Ottawa proceedings, analyze the results of the Ottawa meeting with reference to the Helsinki process and Soviet human rights performance, and will offer conclusions and recommendations as to IPG intiatives to strengthen the Helsinki process and to prepare for future human rights experts meetings.

The Ottawa experts meeting was called for in the Concluding Document of the Conference on Security and Cooperation in Europe (CSCE) Madrid Review Conference (September 9, 1983). The experts discussed questions concerning respect for human rights and fundamental freedoms, as embodied in the Helsinki Final Act, by the 35 Helsinki signatory nations (Canada, the United States, the Soviet Union, and all of Eastern and Western Europe, with the exception of Albania). The mandate of the Madrid meeting called for a concluding document and recommendations to the participating States.

SUMMARY OF OTTAWA PROCEEDINGS

The Ottawa meeting opened on May 7, 1985. Prior to the formal opening, a two-week preparatory meeting was held to establish the agenda and procedures for the experts meeting. There was considerable disagreement among the participating States as to the agenda and procedures, particularly in two areas: (1) whether portions of the meeting would be open to the press and public; and (2) the amount of time given to discussion at each plenary session. The compromise reached established the following agenda and procedures:

(1) The Ottawa meeting would have two sessions open to the press and public, the welcoming remarks by Canadian Foreign Minister Joe Clark on May 7 and the closing statement made by delegations on June 17.

(2) The first three weeks of the Ottawa meeting (May 7-28) would be devoted to opening statements and a review of implementation by the participating States of their performance on questions of human rights and fundamental freedoms.

(3) Three weeks (May 28-June 14) would be devoted to a discussion of proposals for recommendations and the drafting of a concluding document which would contain the experts' recommendations.

During the review of implementation phase, a thorough discussion of the participating States' human rights performance was undertaken. Many Western and neutral delegations strongly criticized the U.S.S.R.'s performance in the areas of religous freedom, the repression of Soviet Helsinki monitoring groups, the free movement of peoples and information, the abuse of psychiatry for political purposes, officially sanctioned anti-religous propaganda, the treatment of prisoners, and the reduction in the emigration of Soviet Jews and ethnic Germans.

The participating States could not agree on either recommendations or a concluding document for the meeting. Proposals for recommendations and a concluding document were offered by 17 Western nations acting as a group, by 7 Eastern nations (including the Soviet Union) on behalf of the Warsaw Pact, and by the neutral/nonaligned (NNA) nations.

The Western proposals contained numerous recommendations for improving human rights performance.[1] For example, the Western nations proposed: (1) a re-publication by all States of the Helsinki Final Act and the Madrid Concluding Document, as well as other relevant international agreements on human rights; (2) guaranteeing the right of persons to give and receive religious instruction; (3) guaranteeing religious believers the freedom to establish contact with co-religionists abroad; (4) guaranteeing the right to produce, acquire and make full use of materials necessary to the practice of religion or belief; (5) respecting the rights of national minorities and safeguarding national and cultural identity; (6) protecting individuals from psychiatric abuse; (7) allowing foreign observers at legal proceedings; (8) responding to inquiries about human rights performance from governments, private individuals or groups, etc.

The Warsaw pact proposals repeated familiar Soviet positions on human rights. The proposals referred to peace as the fundamental human right, and called on the States to focus on racism, unemployment, homelessness, the right to work, etc. These proposals, which concentrated on issues outside the CSCE framework and did not address Soviet and East European performance under the Final Act, were rejected by the Western and NNA delegations.

[1] This document, known as OME.47, is available on request from the IPG office.

The NNA proposal attempted to reach a compromise between East and West which would result in a concluding document at Ottawa. The NNA proposal recommended that the participating States consider, at the Vienna Review Conference, the possibility of holding further human rights experts meetings. This proposal, was rejected by the Soviet Union, with the result that no concluding document or recommendations could be agreed to at Ottawa, and therefore, the Madrid mandate was not achieved.

During the closing remarks, the frustration felt by many Western and neutral delegations surfaced. The failure to agree on a concluding document was properly ascribed by many delegations to the obstructive attitude of the Soviet delegation. Further, some delegations suggested the lack of progress at Ottawa might have an impact on other CSCE meetings. The Swiss delegation, in its remarks, said that it would be difficult to develop and make concrete a concluding document at the Stockholm Conference on Disarmament in Europe when a similar document on human rights and fundamental freedoms did not exist as an outcome of the Ottawa meeting.

RESULTS OF THE OTTAWA MEETING

The Ottawa meeting had both positive and negative results with regard to the Helsinki process and Soviet human rights performance. First, there was a frank and thorough discussion of Soviet human rights performance. Many Western and neutral delegations made reference to specific instances of Soviet noncompliance with the Final Act. This review contributed to the further strengthening of the Helsinki process as the only viable international forum for a candid discussion of Soviet performance.

Second, most of the IPG proposals submitted to the participating States were incorporated into the Western proposals made at Ottawa. As such, IPG was able to establish its credibility as a serious player in the Helsinki process; no other non-governmental organization (ngo) submitted proposals to improve the participating States' compliance. Further, the fact that 17 Western nations agreed to a framework for human rights in the Helsinki process represented a major achievement in the promotion of Western unity to support human rights concerns. It is unclear, however, as to whether the Western framework (i.e. OME.47) truly represents ongoing Western policy for future CSCE meetings.

Third, the Ottawa meeting was the first in the history of the Helsinki process to fail to reach agreement on a concluding document and recommendations. This result did create an imbalance, in terms of progress, between the major areas of the Final Act which may have peaceful settlement of disputes. As such, the Ottawa meeting failed to achieve the mandate contained in the Madrid Concluding Document, i.e. to submit recommendations and a concluding document, and thus was not fully successful. The IPG staff believes this represents a significant failure of the Ottawa meeting.

Fourth, the Ottawa meeting did not attract sufficient press and media attention in the Western and neutral countries. As Leonard Sussman, Executive Director of Freedom House (a U.S.-based human rights organization) observed, "the most important aspect of the Helsinki process is its public nature . . . To the extent that the press does not convey this information, people everywhere, including the mass media themselves, suffer." The lack of coverage at

Ottawa partially mitigated the achievement regarding a thorough review of Soviet performance, in that world public opinion was not fully informed of the Soviet record.[2]

Finally, the arrangements made by the Canadian Secretariat to allow access by representatives of ngos and other prominent individuals were unsatisfactory. In order to have access to the conference facilities, these individuals had to be accompanied at all times by a conference delegate. By comparison, the access given to the Madrid Conference was far less restrictive, although security was quite strict. This result may have an adverse impact at future human rights experts meetings, in that the participating States may choose to observe the Ottawa model in granting access to ngos and other individuals. Therefore, efforts should be made by the Western and neutral signatories to assure that these unsatisfactory procedures do not become a precedent in the ongoing Helsinki process.

CONCLUSIONS AND RECOMMENDATIONS

As has been noted, the Ottawa meeting produced mixed results in terms of progress within the Helsinki process on the question of improving Soviet human rights performance. From IPG's participation at Ottawa, I believe there are initiatives which can be undertaken to strengthen the Helsinki process as a vehicle for the expression of IPG interests and concerns.

First, it is essential that IPG continue to build public support for the Helsinki process and to increase awareness of Soviet performance. To this end, parliamentary hearings on the Helsinki process should be undertaken as soon as possible. Attached is a letter from several IPG members who were present in Ottawa, asking the heads of parliaments in Western and neutral nations to convene such hearings. It is the hope of IPG that a series of these hearings could be held before the Vienna Review Conference in November 1986.

Second, IPG members should make every effort to inform the press and media about future Helsinki human rights meetings and our concerns about Soviet performance. We recommend that IPG members consider placing articles in their major newspapers, particularly before the Budapest Cultural Forum (October 1985) and the Berne Human Contracts Meeting (April 1986). Further, we believe IPG members should hold meetings with the editorial boards of major newspapers to acquaint them with the Helsinki process and to encourage wider coverage of future human rights meetings.

Third, IPG members should meet with their country's delegation to the Ottawa meeting as soon as possible. It is important that we be fully apprised of the results at Ottawa, and that we convey our ongoing interest in the Helsinki process. The assessment by our country's delegation to Ottawa will be useful in determining the direction of our activities, and will further strengthen relations with our government's policymakers.

Fourth, there should be a regular exchange of ideas and suggestions with relevant executive agencies. For this purpose, meetings with government officials and the use of question time or similar parliamentary vehicles will keep Soviet human rights performance on your government's agenda for bilateral, multilateral and CSCE relations with the U.S.S.R. These activities will also demonstrate to our governments that parliamentarians should be more visible and active participants in the Helsinki process, because we have a serious and thoughtful viewpoint that governments must consider. One goal of IPG which should be pursued is to have parliamentarians represented in every country's delegation to future Helsinki meetings; the interaction with governments can contribute significantly to achieving this goal. This action is especially important for the Vienna Review Conference, scheduled to begin in November 1986.

In conclusion, we believe that the outcome of the Ottawa meeting presents a challenge to our organization. Although the results of Ottawa did not fully meet our expectations, the value of the Helsinki process as a forum to hold the U.S.S.R. accountable to world public opinion is unquestionable. IPG's approach to the Helsinki process should be characterized, in our view, by healthy scepticism but not cynicism, by a long-term approach to improving Soviet performance, and by a renewed commitment to making the process serve our common goal, the strengthening of Western and neutral unity in support of human rights in the Soviet Union.

[EDITOR'S NOTE.—The views expressed in this report do not necessarily reflect the views of all IPG members.]

ATTACHMENT

May 10, 1985.

We urge you to hold public hearings in your parliament to assess the contribution of the Helsinki Final Act to the improvement of human rights in the Soviet Union.

We believe that such hearings will call public attention to the Helsinki human rights standards. We are convinced that there should be a frank evaluation of the human rights performance of all Helsinki signatory nations.

Through this action, we can realistically assess the contribution of the Helsinki process to concrete progress in the human rights field.

We ask that such hearings be held after the conclusion of the Ottawa Human Rights Experts Meeting of the Conference on Security and Cooperation in Europe (CSCE) on June 17, 1985, and before the 10th anniversary of the Helsinki Accords on August 1, 1985.

We thank you for your attention to these matters and look forward to hearing from you.

Sincerely,

Senator Dennis DeConcini, United States.
Senator Charles Grassley, United States.
Representative John Edward Porter, United States.
Representative Tom Lantos, United States.
Etienne Pinte, Member of National Assembly, France.
Dr. Josef Hochtl, Member of Parliament, Austria.
Reg Stackhouse, Member of Parliament, Canada.

Mr. BOREN. Mr. President, today we recognize the 10th anniversary of the signing of the Helsinki accords. I join many of my colleagues in acknowledging this day, and in calling for a renewed commitment on the part of the United States and all signatory nations to observance of the spirit and letter of the accords.

The Helsinki Final Act was the product of long discussions among many nations. Ten years later, the document is still viewed as a benchmark set of guidelines for international relations and individual rights. Although the accords deal with many principles of global relations, the provisions regarding human rights have a particular significance to many of us.

This is a time when we are acutely aware of the many groups of people and individuals around the world—from Afghanistan to South Africa to the Soviet Union—who are being deprived of their basic rights as citizens of our world. Many of us in the Senate have been involved in working on behalf of these neighbors in every way we can. Often we call for compliance with the terms of the Helsinki agreement. We are all very aware of claims and counterclaims about the true significance of the accords. However, there are certain elements of the accords which cannot be disputed. Among these is the explicit agreement of all parties to the accords to respect the rights of every individual. Yet in the countries which I have mentioned, and in many other countries in all corners of the world, governments continue to ignore and abridge the rights of their citizens.

As we recall the importance of the Helsinki accords, Mr. President, let us remind ourselves and all governments of the world of the tremendous responsibilities which we have—responsibilities which include working for the good of the citizens of the countries which we serve. I will not outline here individual cases of human rights abuse, nor will I denounce specific actions of specific governments. Instead, I call upon the Government of the United States and the governments of all nations to reveiw the Helsinki accords this week, and then to review their own policies and actions. And, Mr. President, I challenge our own Government and governments around the world to respond by making whatever changes may be necessary in national policy to bring their country into complete compliance with the terms of the Helsinki accords.

The power and potential of government is great. Governments have the ability to solve problems and provide for the well-being of their peoples. Governments also have the ability to repress and stifle the creative and intellectual powers of their peoples. Mr. President, I believe that the Helsinki accords are a mighty attempt to encourage responsibility among the governments of the world. By exercising that responsibility wisely, governments and individuals within nations can move together toward meeting the tremendous human needs which are present and toward addressing our common problems and goals.

---

[2] An exception to the lack of coverage was the attention given to the meeting by Christopher Wren of the NEW YORK TIMES and by Voice of America and Radio Free Europe/Radio Liberty.

May this 10th anniversary of the Helsinki accords truly be a time of rededication to the principle of respect for the human rights of all individuals.

Mr. LAUTENBERG. Mr. President, I rise to join my colleagues in this special order to commemorate the 10th anniversary of the signing of the Helsinki accords on August 1, 1985.

Ten years ago when 35 nations signed the Final Act of Security and Cooperation in Europe, widely known as the Helsinki accords, many hoped that a new era in human rights had dawned. The signatory nations committed themselves to sweeping human rights guarantees including the freedom of thought, conscience, religion or belief. Every Helsinki nation agreed to abide by the Universal Declaration of Human Rights, which declares that everyone has the right to leave any country including their own. Signatory States also agreed to guarantee the right of individuals to monitor compliance with the Helsinki accords.

But history judges nations not by the promises they make, but by the promises they keep. A decade later, many of the promises made at Helsinki remain unfulfilled. Unfortunately, it is the signatory nations whose citizens are most in need of the Helsinki accords protections whose governments have failed to honor these commitments. The Soviet Union's treatment of its Jewish citizens is a glaring example of this sad fact.

Despite signing the Helsinki guarantee that every citizen has the right to leave any country, including their own, the Soviet Union has permitted only a small fraction of its Jewish population to emigrate. Although in 1979, a record 51,000 Jews were permitted to leave the Soviet Union, in 1984, only 896 Soviet Jews were granted permission to emigrate. That number is a small portion of the 400,000 who are estimated to have applied to emigrate, and of the 20,000 repeatedly refused permission to leave.

Soviet Jews, unable to emigrate and forced to remain in the Soviet Union against their will, face a dismal fate. Often they lose their jobs and face increased persecution simply as a result of applying to emigrate. Even Soviet Jews who have never expressed a desire to leave their country are denied the most basic rights to which the Soviet Union explicitly committed itself a decade ago. Jews are forbidden to attend religious services, learn Hebrew, or instruct their children in the fundamentals of their faith. Government-sponsored harrassment, persecution, arrests and imprisonment of Soviet Jews solely because of their cultural and religious beliefs have increased dramatically in recent years. Such treatment violates both the spirit and the letter of the Helsinki accords.

The Soviet Union has not only failed to honor the basic human rights commitments set forth in the Helsinki accords; it has relentlessly persecuted those men and women who acted on their right to monitor their governments record of compliance. The Helsinki Watch Group in Moscow has been decimated and no longer can fulfill its appointed task; 51 members of that group or its affiliates are in prison, labor camps, psychiatric hospitals, or in exile; 3 of the group's members have died after years of harsh treatment in Soviet labor camps; 20 others have been released after serving sentences.

The Soviet treatment of Jews and other minorities is but a painful reminder of how far we still must go to make the promises of the Helsinki accords a reality. The United States must continue to use its influence to obtain the compliance of signatory States with the commitments undertaken in the Helsinki accords. We must actively seek improvements in the lives of those who are denied the freedoms set forth in the accords. For this reason, I have joined 38 of my colleagues in sending a letter to General Secretary Gorbachev urging him to make good on the promises of Helsinki and ease the repression of Soviet Jews.

The Helsinki accords are a beacon of hope for oppressed people the world over. Each follow-up Helsinki conference convened to monitor compliance with the Helsinki accords provides another forum in which to train the international spotlight on human rights abuses. The existence of the accords provides a legitimate basis for Americans to raise human rights issues with signatory countries.

The Helsinki accords provide a measuring stick to see how far we have come and how far we still must go to achieve full observance of the promises made in Finland 10 years ago. They are of concrete and enduring value; 10 years from now, I hope to be proud of the record of this country's record in seeking to make their promises a reality.

Mr. D'AMATO. Mr. President, I want to thank Senators WALLOP, HUMPHREY and others for making statements on behalf of the 10th anniversary of the signing of the Helsinki Final Act. I also want to thank the distinguished majority leader for allowing us time to put forth this forum on human rights.

Our colleagues in the House are also joining our vigilant efforts to commemorate the anniversary of the Helsinki human rights movement, but today's congressional statements on the Helsinki Final Act are more than commemoration. We are strongly affirming our support for a process that needs to be reaffirmed—and adhered to better by the Soviets and their satellites.

Soon, Secretary of State Shultz and his counterpart from the Soviet Union will meet in Helsinki. I am hopeful that their talks will be successful. We must use the occasion of the 10th anniversary of the accords as the conduit for increased observance by the signatories of the principles embodied in the Helsinki Final Act.

RECOGNITION OF SENATOR BAUCUS

The PRESIDING OFFICER. The Senator from Montana is recognized for not to exceed 15 minutes.

THE TRADE DEFICIT

Mr. BAUCUS. Mr. President, an historian has observed that "the real crises are often concealed in occurrences so trivial in appearance that they pass unobserved."

On March 21 of this year, there was such an occurrence. It seemed trivial at the time but profound in retrospect.

That morning, the Commerce Department announced that consumer spending remained strong, but was being satisfied by imports rather than domestic products.

We were inhaling goods from around the world. But American industry was sputtering to a halt.

As a result, the first quarter GNP estimate was slashed in half, to barely 2 percent.

The trade deficit was no longer an abstract problem. It was stopping the American economy dead in its tracks.

The trade problem had become a trade crisis.

THE JANUARY-JUNE STATISTICS

Now, even more startling evidence has arrived. About an hour ago, the biannual trade statistics were released.

They show that the downward spiral is accelerating.

During the first half of 1985, exports rose just slightly—by 2 percent. But imports jumped dramatically—by 8 percent. and our overall trade deficit deepened to $70 billion for just 6 months.

To put it another way, for every dollar worth of U.S. goods going out, a $1.50 worth of foreign goods were coming in.

THE IMPACT

Mr. President, these trade deficit figures are not just more abstract statistics for economists to debate about.

They represent a serious threat to America's economic health.

First of all, the trade deficit represents a lost foothold in export markets. We won't recover that foothold easily. Our competitors will step in.

Second, it represents the loss of key industries and millions of jobs: In Butte, MT, where the mines all are closed; in Silicon valley, where U.S. companies are losing their market

share and laying workers off, and in every farming State, where the most efficient farmers in the world have seen agricultural exports shrivel.

These are not isolated examples. The story is the same in every State, whether companies are losing export sales abroad or drowning in the flood of imports here at home.

Our constituents are not taking this lightly. They are frustrated. And they are angry.

They were perfectly good employees, working hard, minding their own business. Suddenly, they do not have jobs.

THE RAZOR'S EDGE

As a result, Congress is under increasing political pressure, to do something.

And we are walking the razor's edge.

On one side is this administration's trade policy—it is a do nothing policy. So far as I can tell, this is a simple-minded recitation of antiquated lasseiz-faire economics.

Mr. President, figures do not lie.

If our huge trade deficit tells us anything, it tells us that the administration's do nothing policy has failed, and failed dismally.

We cannot sustain this policy, either economically or politically.

But the other side of the razor's edge is just as dangerous.

That other side is stark protectionism. Build a wall around America. Stop the imports.

Sounds simple. But, as H.L. Mencken used to say, "for every problem there's a simple solution. And it's usually wrong."

Ultimately, protectionism will shrink the world economy and leave everyone worse off, just as it did in the 1930's, when the Senate amended the Smoot-Hawley bill 1,253 times and plunged the world deeper into depression.

So, what is the alternative? How do we balance along the razor's edge?

Let me describe a policy framework.

THE DOLLAR

First of all, we have to reduce the value of the dollar.

Over the past few weeks, the dollar has fallen somewhat. But it still constitutes a 35-percent surtax on U.S. exports and a 35-percent subsidy for U.S. imports.

How can we compete in the international arena with that kind of surtax on our exports and an equal subsidy provided for imports?

We have to help bring that dollar down further.

As a first step, obviously we must reduce the budget deficit—if not exactly along the lines proposed by the Senate budget conferees, then in some agreement resulting in about a $65 billion reduction in the fiscal year 1986 deficit.

Mr. President, it is regrettable that the President seems not to want to help Congress reduce the deficit. He is both standing on the sidelines and opposing all compromise. If he remains on the sidelines, the solutions will be much more severe in the future than they would be today.

Reducing the deficit requires sacrifice, frankly, it requires the efforts of the President, the Speaker, and this body to no longer be prisoners of their past rhetoric, to swallow a little bit of pride, to be statesmen, and to compromise a little. We must all work together to do what we should do: get that budget deficit down.

But even that will not be enough, Mr. President. We will still have to establish some mechanism for coordinating international monetary policy to help force the dollar down gradually. This is tricky. It is hard to do.

But there are 123,000 people working in the Treasury Department. It seems to me that someone down there should be able to come up with a better proposal than the half-hearted G-10 report that was released a few weeks ago.

And if they don't come up with something, we will direct action, along the lines proposed in section 103 of Senator BENTSEN's "Trade Emergency Act."

UNFAIR FOREIGN TRADE PRACTICES

Mr. President, we also must respond more aggressively to unfair foreign trade practices.

For years, America has been trying to set free trade by example.

But other countries have not followed our example. Instead, they have practiced a kind of "new mercantilism," protecting their own markets and subsidizing the invasion of ours.

For example, Canada subsidizes the production of softwood lumber by selling cutting rights dirt cheap, driving perfectly efficient U.S. timbermen out of their own market.

A similar fate has befallen other key U.S. industries.

Enough is enough.

It's time to follow the advice of Thomas Jefferson, who said that "free commerce is not to be given in exchange for restrictions and vexations."

We have given our trading partners free trade.

They have responded with restrictions and vexations.

It's time to get tough.

Not by erecting massive import barriers.

But simply by tightening up our trade laws to cover mercantilistic practices like industrial targeting and natural resource subsidies.

And we should drive tougher bargains to increase market access for U.S. products.

To accomplish this, we should change our approach.

We should abandon the endless rounds of fruitless legalisms, and simply set a reasonable U.S. export target.

If that target's not met, we should retaliate.

This kind of results-oriented approach is especially appropriate in our negotiations with Japan.

It would be a mistake to blame Japan for the whole trade crisis.

But it would also be a mistake to overlook the fact that there is a problem.

Japan has benefited from the open postwar trading system more than any other country.

But Japan continues to stubbornly protect its domestic market.

Sometimes, it's to protect inefficient but politically powerful groups like the beef producers or sawmill operators.

Others times, it's to incubate "sunrise" industries like telecommunications until they can compete on their own.

For years, we've been negotiating for reduction in Japan's protectionist barriers.

And for years, the Japanese have been engaging in an elaborate "Kabuki play."

Japanese negotiators drag their feet, haggling over every detail. Then they reluctantly relent, and lower a few trade barriers.

But new barriers replace old, and U.S. sales don't substantially increase.

Yesterday we saw another example of this.

The Japanese released another so-called market access package that's long on promises and short on results.

We should stop begging for more concessions and simply set a target for U.S. exports to Japan.

The Finance Committee has reported legislation, S. 1404, that moves in this direction.

When this bill comes to the Senate floor I plan to offer an amendment, along with Senator CHILES and Senator BOREN, that would improve the bill by replacing the trade balance target with a series of reasonable sales targets.

As amended, the bill will cut through all the negotiations about tariffs, quotas, standards, inspections, and distribution systems, so that we can focus on U.S. sales, plain and simple.

AMERICAN PRODUCTIVITY

Then it will be up to us.

In the end, we must produce our way out of the trade crisis.

Let's face it. In some respects, we've become complacent. We've assumed that America would remain the No. 1 economic power automatically.

But there's no such guarantee. We have to work hard to maintain our position.

Lately we've been falling behind.

Our competitors have been increasing their productivity faster than we have:

Germany twice as fast;

France five times as fast; and

Japan six times as fast.

Why has this happened? Why are we losing our edge?

Simple. Our competitors have adapted better to the hypercompetitive global economy.

Let me give one example.

For years, the Japanese Government has been translating U.S. scientific journals into Japanese and circulating them to Japanese businesses, so that they can keep up with U.S. research developments.

In contrast, we have virtually ignored the 10,000 Japanese scientific and technical journals, thinking that the Japanese were imitators, not innovators.

Whether or not that belief was justified once, it's not justified now. Japan is third in overall scientific research, and leads in many aspects of process technology.

We should be working just as hard to learn from the Japanese as they have been working to learn from us.

This is just one small example. We need to make many other changes.

We need tax policies that encourage savings and investment.

We need to improve the quality of "inputs" into our economy by improving public education and training.

And we need to improve our management and labor policies to encourage cooperation rather than confrontation, long-term planning rather than short-sighted financial gamesmanship.

CONCLUSION

Mr. President, none of these changes will come easily. But if we delay, the changes will be harder.

And, as I said before, we face a crisis. If we fail to act, things will get worse. But perhaps the crisis will galvanize us to act, to restore our competitiveness, we can do it and we must.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BAUCUS. I am happy to yield to my illustrious colleague from Louisiana.

Mr. LONG. Mr. President, I wish to compliment the Senator on a very logical and wise statement.

It would appear that the President and his advisers intend to take the attitude that a $200 billion deficit in our Federal budget and a deficit of $160 billion or more in our trade accounts are just nothing to be concerned about, that everything will take care of itself.

Recently, some members of the administration have taken to wearing the Adam Smith tie, a red tie with a little picture of Adam Smith woven into the tie.

If they are counting on Adam Smith economics to save them, they are just not reading Adam Smith and properly understanding what they are reading there.

The so-called laissez-faire theory that originated with Adam Smith does not just say that the Government should be in a vacuum. The theory is that the Government should set up its laws to assure complete free competition, and then let the competitors compete. But it was intended that the Government should oppose monopoly, that there should be no Government favorites and there should be a free market in which to compete.

When one has the kind of world that we are confronted with today, that situation simply does not exist.

I was talking just this morning to one of our able staff members, Mr. Mike Stern, well known to the distinguished Senator, and Mr. Stern was making the point that in visiting the People's Republic of China and shopping in the markets there, he was amazed to see that there seemed to be no rhyme or reason to the way they priced the products that they had. He could not understand why. The same article might be for sale in the market for several different prices, a variation of prices for the same identical product.

His thought was that apparently the Chinese have not placed a particular monetary value on their labor or the various components that go into the product, and so that their pricing appears to be completely arbitrary for a great number of their products.

The same thing is true in many respects when one deals with Communist countries. They just keep their books different than the way we do.

Mr. BAUCUS. That is true.

Mr. LONG. And they are privileged to price things how they want to price them.

So in trading with the Socialist and Communist countries we are not trading by the same rule book.

Mr. BAUCUS. That is correct.

Mr. LONG. We do not do business the same way. It is rather arbitrary, and you wonder how they arrive at their pricing.

Most countries in the free world do take an interest in the value of their currency.

We have heard for years that Japan by their arrangement with the Government-business alliance, which has been described as Japan, Inc., from time to time, has used the power of the Government to keep the value of their currency below its equivalent value in the United States. I do not challenge their sovereign right to engage in that type of conduct.

I am told that most countries actually do what they think best in their national interest to keep their currency about the level it should be compared to our dollar.

But by the same token, the United States should take an interest in what its dollar would trade for compared to the other currencies. If by valuing their currency far below ours, they are in effect dumping into our market, then that could be a matter of grave concern to our working people.

The rule of thumb that one uses for trade is that every $1 billion of trade deficit costs you about 25,000 jobs. Some say it will be more jobs than that. But in any event, to just take that one standard, with the deficit that is predicted and that we are running at this very moment, that would be around 4 million jobs. Four million jobs is a lot of jobs in this country.

I am told that among the young blacks in America, for example, about 40 percent of young blacks who are available to the job market are unemployed, and a very high percentage of young whites are unemployed in the job market.

Think how good it would have been in this country if we had three percentage points less of unemployment. With unemployment running over 7 percent, if you take 3 points off of it and get down around 4, that would be a blessing. We have not known for a very long time here in America.

Mr. BAUCUS. I think the Senator makes some excellent points. The members of the administration who are wearing Adam Smith ties forget that Adam Smith ewed and wrote in a different period of time. He propounded the theory of the invisible hand and of comparative advantage. Countries would produce goods in which they have a comparative advantage and other countries would buy them.

That assumed that countries would not protect industries or erect trade barriers. As the Senator so ably points out, that does not describe the real world.

During this century, countries have changed their economic policy. Today there are Socialist countries, Communist countries, and countries like Japan which, in some sense, is an open society, but in another sense is a very closed society. The Japanese Government and the people of Japan have worked together and developed an economic policy in which foreign trade is the main tool of development.

So the theory of comparative advantage is not working as envisioned because countries' governments are changing comparative advantage through subsidies or wage policies. They are ignoring comparative advantage by granting protection and by targeting. And we have to deal with the real world. As the Senator very ably points out, we have to be willing to fight fire with fire.

Mr. LONG. Well, the fact that the United States has an unemployment insurance program with a tax on manufacturers which is reflected in the price of the product, our cost of caring for the unemployed is a comparative advantage for the other country that does not have those costs.

Mr. BAUCUS. That is correct.

Mr. LONG. And the fact that we have a Medicare Program to provide health care for elderly people who are ill, who otherwise would die without adequate medical care, that also works out to be a comparative advantage for the country that does not bear those costs. The fact that we have a Social Security Program to prevent poverty, wretchedness, penury in old age—that again is a comparative advantage for countries who do not have those expenses.

The fact we have a minimum-wage law is a comparative advantage for those who can pay labor as little as they wish. The fact that we have collective bargaining laws that have made it possible for workers to join together and bargain collectively for better working conditions, that is a comparative advantage for the other country, not for us.

At some point, this U.S. Government needs to look and see to what extent we are willing to see our people suffer and penalized without jobs because of the comparative advantage that we have provided for other countries that lack our social protections. When we provided the minimum wage law, we did not have in mind relieving the American worker of his job. We had in mind assuring him of a better standard of living. However, the effects of this and other laws are matters that we should consider.

The big problem here is that something is going on that is bad for the country. It is somewhat like riding down the Niagara River. If you have no foresight, if you are not planning ahead and if you wait until you can see the falls, at that point, if you are in the middle of the river, it is just too late to do anything to save yourself. You should have been moving toward the shore or taking some steps to keep from going over the falls before you started finding yourself about to do so.

Mr. Paul Volcker put it about as well as anyone I know. He said that the enormous fiscal deficits the Nation runs, and I am sure he would say the same thing about the trade deficit—those are two very serious problems that must be addressed. He said that it is just a matter of time before something very bad will happen. Mr. Volcker says he cannot tell us when it will happen, but it will happen.

Mr. BAUCUS. And he also says unless we change our policies it is going to happen sooner rather than later. We do not know exactly when, but sooner rather than later.

Mr. LONG. I am sure that is correct. My thought about all of this is that we ought not to be fretting about when it is going to happen. I think we ought to decide to act right now.

Mr. BAUCUS. The Senator has always said that we do not want to wait to find out when disaster will strike, that we do not want to be here when it does.

Mr. LONG. I do not want to know how soon it will happen. I would rather not find out. We ought to start making moves right now to prevent it from happening.

I regret to say it is very unfortunate that the President seems to be completely unwilling to address the fact that we have a problem. It makes this Senator wonder: Does he think that this thing can drift along for another couple of years until someone else is President? Just why would the President think that we can afford just to take an ambivalent attitude toward these enormous deficits and toward what they are expected to cause, their logical result?

Obviously, the Senator has some ideas and I applaud him for the suggestions he has made. I do not know whether it would solve the problem or not, but I do know we ought to be moving in that direction. We ought to be doing things to correct the overvalued dollar.

Incidentally, that raises another problem. How can anyone contend the dollar is not overvalued? The traders in all the whole wide world know it is overvalued, and all the media know it is overvalued.

It might surprise the Senator to know the administration has a policy that they are not supposed to discuss anything in terms of an overvalued dollar. I was at a meeting with farm people on a commission appointed, I believe, by the President, and the representative from the Treasury Department was there to ask about these problems which obviously hurt the farmers, just like they hurt everybody else in the country. They were asking, "Why doesn't the administration do something about the overvalued dollar?" The representative from the Treasury Department explained something I could not understand prior to that time. He said in this administration and at the Treasury Department, they will not discuss anything in terms of an overvalued dollar. He said they were willing to discuss problems that related to a strong dollar.

Here is something that has millions of people out of work, that is destroying industries and destroying communities around the country, and is obviously bad for America—and they say the administration does not want to discuss the problem in terms of what it is. They would like to talk about it in terms of something real good. "This is some great, great strong dollar. A good thing for the country."

In Louisiana we have about 12 percent of the people unemployed. It should not be more than 4 or 6 percent. But, no, that is a problem, and the strong dollar may have something to do with that.

Mr. BAUCUS. Why do you think the administration likes this strong dollar? Why do you think the administration is unwilling to discuss ways to help bring the dollar more in line with other countries' currencies? Does the Senator have any idea why the administration turns a deaf ear to this problem?

Mr. LONG. Mr. President, it beats me. I just do not know the answer to it. It is something I cannot understand. I would like to find out. I would like somebody to explain to me why the administration thinks in those terms.

Do they really have anyone with any real economic credentials who thinks that? For example, I recall an economist who held a position with the Council of Economic Advisers. They got rid of him.

Mr. BAUCUS. That is right.

Mr. LONG. He was an honest, intelligent man doing his job. He was a man of integrity, with talent and ability, and he was advising them. He had the job, he was confirmed. But he was telling the administration the truth. Why do they not listen to some of those people, and, if not, who are they relying upon? Who are their economic advisers? Is it the same fellow who was advising on supply-side economics who is advising on all of this?

Mr. BAUCUS. Mr. President, I have no idea to whom they are listening. Sometimes I wonder. Perhaps they like the strong dollar because it shows foreign investment is coming in to pay for the deficit. Our able colleague from New York, Senator MOYNIHAN, has often pointed out that this administration created and maintains these deficits to shrink the Government down to practically zero. Maybe they think the strong dollar keeps interest rates from going higher and so takes the pressure off them to do anything about the budget deficit. I do not know.

I certainly cannot understand—with all the jobs being lost, with all the market share we are losing, with the abysmal decline of American industry that will continue if nothing is done—why the administration does not try to address the problem.

We all know that the overvalued U.S. dollar is right at the heart of the problem. I cannot understand their lack of concern.

Mr. LONG. Mr. President, I congratulate the Senator on his statement. I believe it serves a purpose. I think every time a Senator takes the floor to address himself to something that is clearly in error and needs correction, at least it tends to move us a little bit more in the direction the Nation must necessarily go. The Senator well knows that I am not going to be running for reelection at the end of this term, so this Senator has about a

year and a half left to serve in this body. This Senator is not interested in partisan advantage. I am not interested in some political advantage for me. I am a lifelong Democrat. I wish Democrats well. I am not going to change parties at this late date. It is too late in life for me to change.

Mr. BAUCUS. It is never too late for the able Senator from Louisiana to do whatever he wants to do.

Mr. LONG. But the thought of the Senator from Louisiana is that we should not be trying to decide this type of thing based on who is right. It ought to be based on what is right. I just cannot for the life of me understand how, against all the best economic advice one could receive, the administration insists on these enormous twin deficits—the unprecedented peacetime deficits which would, in terms of dollars, but not in terms of purchasing power, put even wartime deficits to shame. So with these twin enormous deficits—the enormous peacetime deficit in our budget and the enormous deficit that is growing and putting people out of work throughout America in our trade accounts—it makes me wonder why in the name of common sense, would one go forward, and what kind of advice are they getting down there? Is the President just flying, you might say, by the seat of his pants? Where does one gain the idea that this is the way to do it?

Mr. BAUCUS. I have no idea, Mr. President.

Mr. LONG. Can there not be any planning behind this?

Mr. BAUCUS. I have no idea. I cannot understand it.

For the life of me, I cannot understand why the administration refuses to listen to others when they so clearly and correctly point out that we have a huge competitiveness problem. We have to address it right now. It will take time. Let us begin immediately. I cannot understand the administration's attitude.

Mr. President, I yield the floor.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KASTEN). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 15 minutes.

HOW CAN MANKIND SURVIVE IN THIS NUCLEAR AGE?

Mr. PROXMIRE. Mr. President, recent editions of both Time magazine and Newsweek featured the atomic age that arrived 40 years ago with our bombing of Hiroshima as their cover stories. Both magazines told the story in the one way that can bring tears to our eyes and resolution to our hearts. They described what that one first nuclear bomb in Hiroshima did to the human beings who lived in that doomed city. In the Time story the picture captions read as follows: "Those who could walk stumbled over the bodies; they wore tatters and were covered with ash." And "The whole area gone. Children lay in the arms of dead parents, parents carried dead children." In the Newsweek article the picture captions told the same hideous story: "In a place reduced to a desert of ash, the living could not even count the dead" and "The flash tattooed the design of women's kimonos onto the flesh of their backs."

Mr. President, that was the dawn of the nuclear age: the horrible, heartbreaking beginning of nuclear war. Two nuclear bombs—one at Hiroshima, one a few days later at Nagasaki. The only time in human history that nuclear weapons have ever been used in wartime. If any Member of the Congress, if any American, has any illusion that we can fight a nuclear war and expect to survive, consider that these Hiroshima and Nagasaki bombs were only two, relatively puny, feeble nuclear explosives. Today France and England and the People's Republic of China each have bombs with thousands of times the destructive power of the fat atom bombs this country dropped on the two Japanese cities. And the United States and the Soviet Union? Each of our two countries has more than 10,000 strategic nuclear bombs—each with many, many times the power of the Hiroshima or Nagasaki bomb.

Each of the superpowers also has more than 15,000 tactical nuclear weapons that can individually pinpoint and totally obliterate any target on Earth. One Newsweek picture caption gave us a hint of our power to inflict death, it read: "One new Trident submarine will carry as much destructive power as 25 World War II's."

Think of that. One new Trident submarine will carry as much destructive power as 25 World War II's.

That means that one submarine will carry more destructive power than all of the explosives throughout the World War II, 25 times as much. And we have 36 Trident submarines.

Is the Soviet Union satisfied they have enough? Is the United States? No way. Both superpowers rush to pile up bigger and bigger and bigger nuclear arsenals. Each could blow up every significant target on Earth 5 times, 10 times, perhaps 20 times. But the build-up races on. Conceivably the steady accretion of nuclear weapons could stop—possibly as a result of arms control negotiations now underway at Geneva. The arsenals might be cut in half. They might even shrink by a factor of 4 or 5 or even 10. Would not that be progress? No. The arms race would continue and it might very well be more dangerous because it would be less stable, more unpredictable. As long as both superpowers have their scientists devoting most of their genius to finding ways to make nucler defenses more immense and nuclear offenses more penetrating and devastating, the number of weapons on both sides and even their megatonnage will mean less than their steadily increasing accuracy, their infinite speed and the steady capacity of nuclear offense to score breakthroughts that will first match then surpass any defense.

What hope is there for survival with this exploding nuclear power. The hope is reflected in another Newsweek caption that referred to the Hiroshima bomb of August 1945. It read: "The bomb ignited a movement whose passions have never cooled."

Mr. President, that movement represents the solid common sense of the people of this country. It is a vast majority of the people of America. They have said in one statewide referendum after another and in every competent public opinion poll by overwhelming margins that they want the nuclear arms race to stop. And that means an end to nuclear weapons testing, to nuclear weapons production, to nuclear weapons deployment. We must negotiate that kind of a comprehensive, mutual and especially verifiable agreement and we must use every bit of scientific resources we can muster to establish a system of verification and communication with the Soviet Union that will give us the strongest possible fighting chance for peace.

That's my answer. Time and Newsweek have their answers.

Here they are:

Time concludes:

In the end we face a hard, self-evident fact: whether because we dropped the bomb, or because we live in its shadow, or because we are able to use it, we have created an enormous handicap for ourselves, and we will have to learn to survive and endure in spite of that handicap. The handicap will not disappear. It only remains to be seen if we will disappear, or if, by an effort of will and judgment, we can make our handicap work in our favor, never pretending that imperfection is a state of grace, a gift tied directly to a perception of common humanity.

Newsweek concludes with a more understandable dialog between two people in love who disagree on this great issue.

Dottie was an idealist, he thought, and he was a realist; she saw the bomb as destruc-

tive of life, where he saw it saving lives. His case for the defense rested on the historic fact that the planet had survived the first 40 years of the atomic age. But certainty had died as a condition of existence at Hiroshima at 8:15 on the morning of August 6, 1945, a casualty of the first nuclear weapon; it became the lot of humankind to live permanently and dangerously, with the bomb.

MYTH OF THE DAY: THAT THE REAGAN ADMINISTRATION HAS REDUCED CRIME

Mr. PROXMIRE. Mr. President, the myth of the day is: The Reagan administration has reduced the crime rate. The fact: It has not. When crime statistics for 1983 were released in April 1984, then Attorney General William French Smith took credit for the reported 7-percent drop in serious crimes, stating: "This marvelous news proves we are beginning to win the battle against crime with some of the most significant initiatives and results in years." Attorney General Smith had similarly taken credit for a 3-percent drop in the crime rate the previous year. But, when the preliminary statistics for 1984 were released in April 1985, no such proud words were heard from Attorney General Meese because the volume of violent crime showed no decline from 1983. Apparently, the administration only claims responsibility when the crime rate drops.

The question remains whether the Reagan administration's purported battle against crime produced the welcome reduction in the crime rate in 1982 and 1983? The simple answer is no. Just as the wax wings of the mythological figure Icarus melted when exposed to the bright light of the sun, the administration's claim that it deserves credit for reducing the crime rate dissolves when exposed to the bright light of reason.

In reality, significant drops in the crime rate in the early and mid-1980's were predicted as much as 10 years ago by crime experts, simply by studying demographics. A disproportionate percentage of crimes—approximately 80 percent—are committed by individuals between the ages of 15 and 29. Think of that—80 percent of the crime in this country committed by individuals between the ages of 15 and 29. Throughout the 1970's, crime rates rose because the post-World War II baby boom generation fell within these age parameters. As the bulk of baby boomers moved beyond the high crime years during the 1980's, crime rates, without help from the administration, fell naturally. The Reagan administration simply benefited from being in the right place at the right time.

To the extent that demographics do not explain the entire drop in 1982 and 1983, the Reagan administration is responsible, but in a way that it has not been eager to acknowledge. According to Dr. James P. Lynch of the Bureau of Social Science Research, and an expert on crime statistics, recent studies have shown that, contrary to the common wisdom, as the health of the economy declines, so does the crime rate. Dr. Lynch states that an unhealthy economy decreases the mobility of our citizenry, which, in turn, reduces the opportunities for crime. Of course, during 1982, this country was mired in a deep recession that could be expected to force down crime rates. Since the economy did not begin to expand again until late 1983, the effect for that year was also to force crime rates down.

Finally, Mr. President, let us not forget that 99 percent of the crimes reported in the FBI figures fall under State and local jurisdiction, not Federal jurisdiction. The Federal Government has nothing to do with it. If any law enforcement group deserves credit for reducing crime rates, it is State and local authorities.

Therefore, while we can all rejoice over the decline in the crime rate for 1982 and 1983, we should not succumb to the myth that it is the product of the Reagan administration's tough talk about crime. And we should ask why, in spite of favorable demographics, the decline stalled in 1984.

NAZI HUNTERS' NEW TOP PRIZE

Mr. PROXMIRE. Mr. President, the Washington Post of July 6 reported that with the recent identification of Josef Mengele's remains in Brazil, Nazi hunters are now shifting their attention to new top targets.

One such Nazi war criminal is Alois Brunner, who is now living in hiding in Syria.

Brunner is reputed to have been responsible for sending more than 125,000 Jews to their deaths. By his orders, Jewish neighborhoods and communities in Austria, Greece, and France were wiped out.

Only in a system of such absolute moral corruption as Nazi Germany could a man such as Brunner have attained such power.

Brunner was a madman who had a hunger to inflict brutal torture personally. He was obsessed with killing Jewish children and women of childbearing age in order that the next generation not be able to take revenge for what he had done.

Brunner was entirely without remorse for his actions. He intended to live a full life after his wartime occupation without fear of prosecution.

So far, this villain has gotten his wish. Since the late 1940's, Brunner has found refuge in the Arab world.

He is 73 years old now, and his victims may never have the satisfaction of seeing Brunner brought into a courtroom.

The Simon Wiesenthal Center for Holocaust Studies will soon announce rewards for information leading to the capture of 10 of the most notorious war criminals still at large.

Brunner will be on this list.

The United States can aid in this struggle if it joins the 96 nations that have ratified the Genocide Treaty.

Our absence from the list of signatories of the Genocide Treaty is conspicuous. By signing the Genocide Treaty, the United States would send a clear message to the world community that we have not forgotten the victims of the Holocaust. It would emphasize that we fervently desire that all nations, especially those in which known war criminals reside, recognize their responsibility to prosecute men such as Alois Brunner before they die.

Mr. President, the Genocide Treaty has now been reported to the floor of the Senate for the sixth time since World War II. The treaty has enjoyed the support of every President since the end of that war.

It is unconscionable that the Genocide Treaty has languished in the Senate for so long.

The Senate has committed itself to taking up the Genocide Treaty during the 99th Congress. There is no sense in delaying ratification.

THE WESTWAY HIGHWAY LANDFILL

Mr. PROXMIRE. Mr. President, on April 2, along with Senators HUMPHREY, LAUTENBERG, and BRADLEY, I introduced S. 826 which would end funding for the Westway Highway landfill in New York City.

Three recent pieces by Sidney Shanberg, the New York columnist for the New York Times, detail Westway's tangled legal and political history.

As Shanberg aptly points out, "As a public works project, the Westway plan may be this generation's largest suggested misuse of scarce public funds."

Even worse, Shanberg cites attempts by high Federal officials to push the project through even in the face of massive evidence of potential environmental harm and vastly less expensive alternatives.

Mr. President, no aspect of Westway warrants the huge sums necessary for completion of what Shanberg correctly calls a megaboondoggle.

I ask my colleagues to examine this project carefully and reject it. Anything less is irresponsible.

I ask unanimous consent to include these articles in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, July 27, 1985]

CAJUN FLIES AND WESTWAY

(By Sydney H. Schanberg)

As I leave on vacation, the frontpage news is about the Mayor rushing to the rescue of a New Orleans chef whose restaurant was closed down by the Health Department because of a "number of violations" severe enough to cause "foodborne illness"—including a "massive" infestation of flies.

The Mayor, said the boldly played stories, swarmed to the restaurant with two city commissioners, a mayoral advance man, a special assistant, a press aide, two bodyguards and the obligatory television crews. They saw to it that the flies which had been feasting on the crabmeat, popcorn and shrimp gumbo and bread pudding were asked to leave, thus enabling the violations to be lifted and the Cajun chef to open his doors and begin charging $50 a meal to the Columbus Avenue hungry.

This is big news? Yes, as a matter of fact, it is big news in a city where the newspapers have shrunk to four in number and suffer from frequent bouts of sleeping sickness—and not just in the soporific summertime.

Too often in this town, the media's idea of big news is the Mayflower Madam's little black book or the fall-off in summer rentals in the Hamptons that has forced homeowners who would prefer spending the season in Europe to actually live in their own beachside houses.

Now I have nothing against the Hamptons or black books or even flies on Cajun food. We all need trivia on our newspaper pages to leaven the serious stories that weigh down the mind. But if trivia begins to dominate, the mind can become air-headed.

All this is by way of grinding an ax about a story I consider important—the proposed spending of at least $4 billion, and more likely $10 billion or $15 billion with overruns, for a four-mile road and real estate deal known as Westway.

Our newspapers, oddly, can't seem to find space for Westway and its scandal. The lone exception in the region is The Newark Star-Ledger, which has lately provided first-rate coverage. It is hard to understand the silence.

As a public works project, the Westway plan may be this generation's largest suggested misues of scarce public funds, but we do owe it an educational debt—as a wondrous, unfolding case study of wheeling and stealing on a grand scale. Rather than using the money to build this brief underground highway through landfill that will gouge 200 acres out of the Hudson so that developers can erect luxury apartment towers on Lower Manhattan's West Side waterfront, we could spend it instead on an ordinary road that would move vehicles just as well. By that method—known as the "trade-in" alternative—we would have possibly $1 billion left over for rehabilitating the subways, which can use all the help they can get.

But the trade-in idea doesn't have many big friends in this city. The big unions say Westway will mean jobs. Big business says it will mean big business. The politicians don't want to offend anyone big because it's the big people who pay for their election campaigns.

So the Mayor is for it and the Governor is for it. And so are Senators Moynihan and D'Amato. Not least, David Rockefeller is for it.

Because most of the money for Westway would be Federal, more and more Congressmen are growing nervous about it—because they know it's a mega-boondoggle. So the Koch-Cuomo-D'Amato-Moynihan-Rockefeller juggernaut has become frenetic in its lobbying.

Meanwhile, more scandal has oozed out at the latest court battle over the Federal permits for Westway—more unbelievable testimony by pro-Westway Government officials, more documents indicating a cover-up of essential data, more evidence that the political fix had been put in by senior officials in Washington to bring the Corps of Engineers and other Federal agencies into line so that the permits would be granted.

Our New York politicians have ignored the false testimony and the cover-ups from the beginning. But the Federal judge, Thomas Griesa, has slowly lost his patience—first appealing to the pro-Westway witnesses and their lawyers to tell the truth and then warning them, in effect, that they were on the edge of fraud. His decision—on whether the permit process violated Federal law—is due soon, and we can expect to see an attempt by the Westway lobby to discredit Judge Griesa as biased.

The city's newspapers, like the big politicians, have also ignored most of the scandal. The New York dailies, strangely asleep, run only occasional bland stories, sometimes just snippets—rarely anything about the chicanery. That too, is part of the shame of Westway.

[From the New York Times, July 6, 1985]

THE TESTIMONY DOESN'T WASH

(By Sydney H. Schanberg)

"You have an obligation . . . to want the truth. You are not doing that."

Federal Judge Thomas Griesa used those words this week to admonish the Federal attorneys who are representing the Army Corps of Engineers in the latest trial on the proposed Westway project. The corps is backing the project, and the judge was distressed by the vague and shifting testimony of the corps' key witness, a marine biologist named William Dovel. The testimony "doesn't wash," Judge Griesa said.

The judge has repeatedly warned the pro-Westway Government lawyers, throughout years of legal battle over this $4 billion highway and real estate mega-project, that they have a responsibility to persuade their clients to take their courtroom oath seriously. What has emerged instead is a steady pattern of cover-ups, distortion and incredible testimony.

In this most recent episode, the Corps of Engineers has used a speculative theory put forth by Mr. Dovel as the principal basis for granting its latest go-ahead landfill permit for Westway—the first permit having been thrown out by Judge Griesa three years ago as violative of Federal environmental laws. The second permit is fast beginning to smell the same way.

Mr. Dovel's hypothesis is that striped bass only pass through the Hudson River area that the Westway development would fill in, that it is not a crucial habitat where they linger and grow toward maturity and that therefore the landfill would not harm the river's aquatic life.

Mr. Dovel may indeed have come to believe this theory now, but he didn't tell anyone about it when he worked for the corps in early 1984 as a field supervisor taking fish samples in the river as research for a required environmental impact statement. Thus, the corps' preliminary statement—in May 1984—said that Westway would have a "significant adverse impact" on the base population.

It was not until the latter half of 1984 that Mr. Dovel began telling the corps and others about this migratory theory. One of those he told was George Lamb—whom he has known for years, who is the senior operating executive of the Rockefeller foundation and who from the beginning has been on the board of directors of a lobbying group pushing for approval of Westway.

Mr. Lamb, in a telephone interview, said that Mr. Dovel "came to me after he had finished his [sampling] work for the corps and said that he had a handle on the population dynamics and movement of the striped bass." Mr. Dovel asked Mr. Lamb for funding to develop his theory further and Mr. Lamb agreed, eventually paying him $9,000 for three months' work.

This money came from Jackson Hole Preserve Inc., the foundation Mr. Lamb works for, which is headed by Laurance S. Rockefeller. Mr Rockefeller's brother, David, has been actively campaigning for Westway in high places in Washington.

Did Mr. Lamb tell Mr. Dovel of his own vigorous advocacy of Westway? "Of course I did," he said. "And he [Dovel] said to me: 'I want to make one thing clear to you. It makes no difference to me whether Westway is built. All I care about is understanding the fish.' "

Mr. Lamb says he replied to Mr. Dovel that "I would go along with that priority—the fish first—but I told him that if you can show that this project [Westway] would not hurt the fish population, I would like to see Westway go forward."

So Mr. Dovel proceeded to put his theory on paper and to convey his hypotheses to corps officials. And Mr. Lamb also proceeded to press the theory on the corps. Finally, last November, the corps produced its final environmental statement, relying not on new data but on the Dovel theory. The result: The impact on the fish had been reduced from "significant" (which would have required denial of the Westway permit) to "minor."

On the witness stand, Mr. Dovel changed his testimony several times and appeared rattled at being thrust into a conflict-of-interest controversy. But he is not the villain here. He was used by others—principally the Corps of Engineers, which had apparently gotten the political word from Washington that this project was to be approved and which needed an "expert" to justify that approval.

Consider what this boils down to. A biologist who was paid by a Westway advocate was used as the primary support for granting the Westway permit by an agency that was supposed to be reaching an independent judgment.

If it sounds as if there's something wrong here, maybe there is.

[From the New York Times, July 2, 1985]

GETTING "THE MESSAGE"

(By Sydney H. Schanberg)

There have been two major discoveries in the latest trial in Federal Court on the proposed Westway project. One is that the Army Corps of Engineers, the agency that earlier this year granted the go-ahead landfill permit for this 4.2-mile highway and real estate plan with its $4 billion price tag, kept no records of what took place at its internal meetings—in defiance of the Federal judge's order to do so.

The trial's second discovery, based on documents obtained by Westway opponents, is evidence strongly suggesting that people at

the top in Washington were sending out the word to those Federal agencies most crucially involved in the Westway decision that the project was to be approved—regardless of the evidence against it.

These documents also show that powerful figures such as David Rockefeller and Senator Alfonse D'Amato were personally pushing hard on those people at the top to get the project approved. Mr. Rockefeller, for instance, waged a campaign to try to discredit the scientific and legal findings of those he called "lower level bureaucrats in the Federal agencies."

Up to now, the campaign has succeeded. But the Federal Judge, Thomas Griesa—who in earlier Westway trials found coverups and distortion of evidence by Westway advocates—will now decide whether the Corps of Engineers, whose first permit he threw out in 1982 as violative of Federal law, has followed his orders and the law in issuing this second permit.

The latest testimony has focused on the Environmental Protection Agency, whose role was also pivotal. Professionals in E.P.A. at regional level and higher have opposed Westway from the start, pointing most recently to the Corps's own environmental finding in May 1984 that construction of Westway with its 169 acres of waterfront landfill would result in a "significant adverse impact" on the Hudson River's striped bass population.

That finding, under existing conservation law, would have pretty much compelled the corps to deny the landfill permit. But this was a preliminary report and by November 1984, when the Corps released its final environmental statement, the impact had been reduced from "significant" to "minor." The only trouble was that the statistics on the damage to aquatic life hadn't changed between May and November. Only the language had changed.

The E.P.A.'s response, here at the regional level in New York, was that since the damage data was the same and the corps offered no credible explanation for softening the language, the permit should be denied. That's when David Rockefeller and others stepped up their campaign against the E.P.A.'s "lower level bureaucrats."

Their purpose, not veiled at all in the documents that have emerged in the Westway trial, was to pressure the E.P.A. into diluting its opposition so as to allow the corps some breathing space to grant the Westway permit without a flood of negative publicity.

However, the New York regional head of the E.P.A., Christopher Daggett, wouldn't budge. So E.P.A. headquarters in Washington simply took away from him the job of writing the E.P.A.'s final recommendation to the corps.

Here's a memo that was sent to the E.P.A. chief, Lee Thomas, by Phil Angell, special assistant to Mr. Thomas: "Lee, I'm troubled by both the tone and content of this [Daggett] letter. It doesn't appear that Daggett has gotten the message; nothing will kill this project faster than this letter."

And here are some minutes taken of an internal E.P.A. meeting: "Bigger issues: Daggett et al. . . . It will be bound to come out that Regional technical comments were rewritten by HQ lawyers, out of normal course of review and preparation, and it could look bad (like Gorsuch era)."

Nonetheless they began rewriting, and some E.P.A. officials in Washington, people who also apparently had not "gotten the message" from above, became alarmed. One of them wrote, in an interoffice memo: "Major points in the region's letter have been diluted or omitted and the result is a vague response that the corps could interpret as a change in, E.P.A.'s earlier position. Such an interpretation may undermine any potential corps decision to deny the permit."

Such objections were overridden, and the final letter to the corps was a pale version of the original Daggett draft. The corps thereupon granted the Westway permit.

What Judge Griesa will now decide is whether "the message" that delivered this permit was legal or illegal.

RECOGNITION OF SENATOR NICKLES

The PRESIDING OFFICER. Under the previous order, the Senator from Oklahoma is recognized for not to exceed 15 minutes.

FARM BILL, OIL IMPORT FEES, AND THE BUDGET

Mr. NICKLES. Mr. President, Congress today and this week we will be making some important decisions in regards to the budget and the farm bill. I urge my colleagues today—to go forward and complete action on the budget and on the farm bill before the August recess.

Mr. President, I believe it is very, very important that we complete action on both items this week or, if it is necessary, next week or even the following week. I have a lot of things that are important to me in Oklahoma and I am sure every Member of the House and Senate does as well. I think it is even more important that we fulfill our constitutional responsibility in regard to fiscal and agriculture policy.

A lot of people, a lot of businesses, a lot of farmers are out there waiting for us to make these decisions. If we adjourn without a budget, in all probability we will not have a budget and I think it is irresponsible for those of us who are elected to represent the American people not to pass a budget.

I also think it is important, if we are going to have a budget, we have a good budget, not a budget for budget's sake but a good budget. In fiscal year 1985, it is estimated by OMB that we are going to spend $96 billion more than we spent last year. The deficits continue to rise. The deficit projections are already this year, year to date, over $160 billion. They are estimated by the end of this fiscal year to exceed $220 billion. That is not financially responsible. That is not something we can bring back to our constituents this August or next year and say, "Hey, haven't we done a great job?" Congress has done a dismal job on the budget. We need a good budget. We need a budget that will show fiscal discipline. We need a budget that will show that we are making substantial headway in curbing Federal spending. I hope that we will have the guts, the patience, and the willingness by Members in both parties in both Houses to come to grips with this enormous issue and that we will do it this week. If we adjourn without a budget and without a farm bill, we are basically throwing up our hands and saying, "Well, we tried, but we didn't get there." I do not think that is the way to go. So when we are meeting in an hour or so in our respective caucuses, I hope that Senators on both sides will say, "Let us keep our shoulder to the wheel, let us continue working and see if we can come up with a bipartisan solution that can pass both Houses, that will show substantial fiscal discipline."

Mr. President, I have heard a lot of comments concerning oil import fees and why the President would not sign on to this idea. I compliment my colleague, Senator BOREN, for his initiative in this area.

Mr. President, I ask unanimous consent that an article by Senator BOREN in the Washington Post on July 29 be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 29, 1985]

WE NEED AN OIL IMPORT FEE

(By David Boren)

Never has the case for an oil import fee been stronger. Congress and the president should unite and put it in place as soon as possible. I recently introduced a bill that would place a $5-per-barrel import fee on foreign crude oil and $10 on imported refined products. It would raise as much as $15 billion per year for the Treasury. There are a host of clear and convincing reasons to support it.

First, it could help resolve the current political deadlock over the budget. We cannot afford to let the budget process collapse. Tossing in the towel on the battle against the deficit would cast a cloud over the nation's economic future. The money raised by the import fee would help reduce the deficit and provide more room for budget negotiators to resolve other controversial issues that now divide them.

Second, an import fee would put a safety net under the price of domestic oil and would protect the financial system against the shock of any sudden fall of oil prices. The value of oil reserves in the ground is used as security for billions of dollars in loans held by American banks. Some analysts have predicted that oil prices could plunge sharply to $20 per barrel or even lower. While this is unlikely, if it happened it would threaten the stability of the banking and financial system in oil-producing regions of the country and would send shock waves into money centers such as New York and Chicago. We cannot afford to subject our economy to such risks.

Those who argue that an oil import fee could slow economic growth fail to take into account the disruption of the economy which could occur without it. They also fail to assess what a sudden drop in oil prices would do to employment and income in the domestic oil industry. One private study indicated that if oil fell to $20 per barrel, domestic drilling would be cut in half and hundreds of thousands of jobs would be lost.

Third, the proposal is fair tax policy and will promote energy independence. Domestic oil producers pay the windfall profits tax and state severance taxes. Foreign producers do not. Why should our tax policy continue to encourage the creation of jobs for exploration and refining in other nations instead of here at home. Already the portion of oil we obtain from overseas has begun to increase again. It is clearly in the interest of national security for us to lessen our dependence on these foreign sources.

The import fee must be placed on refined as well as on crude oil to prevent the other producing nations from simply switching their U.S. sales from crude oil to refined products. Our refineries are already in trouble. More than 100 U.S. refineries have folded in recent years, and our refining capacity is already below the 14 million barrels a day needed to meet emergency national security requirements.

Fourth, an import fee would promote energy conservation. If oil prices continue to fall toward artifically low levels, wasteful use of energy will once more be encouraged. The bill before the Senate would promote conservation while protecting consumers against unreasonable prices. The fee would begin to phase out as crude oil prices reached $25 per barrel and would end entirely at the $30 level.

Fifth, the proposal can be implemented in a manner that will maintain regional fairness and preserve our own competitiveness in trade. The bill I introduced provides rebates on the fee for home heating oil in order to protect those in New England and the Northeast who depend upon this fuel. It also provides a rebate to American manufacturers who use imported crude oil in the process of making products for export. This would ensure that American businesses such as the chemical industry would not be placed at a competitive disadvantage in the cost of their products for export to other markets.

Recently, one of my fellow senators said to me, "The import fee makes so much sense that Congress probably won't pass it." I hope that he was wrong. We can't afford the luxury or continuing to discard good ideas.

Mr. NICKLES. Mr. President, I compliment Senator BOREN for his leadership on the oil import fee. A lot of people say, "Well, we do not need nor can we stand to have tax increases," but at least this Senator from Oklahoma looks at an oil import fee a little differently than some other proposed tax increases. Sure, it provides more money to reduce the deficit, but I might point out that right now under present policies domestic production is at a disadvantage because we place an additional tax on domestic production while we have no tax on imports.

I testified before the Finance Committee on energy taxation. I said that we have a glaring inequality on energy taxes because we do have an excise tax on domestic production. It is called the windfall profit tax. That tax is only on domestic production. It is not on imports. Therefore, we discourage domestic production and we encourage imports.

The windfall profit tax is not a minor tax, it is a very significant tax. It is called a profits tax but it has nothing whatsoever to do with profits. It is an excise tax on domestic production. It has raised, since its passage in 1980, over $77 billion. So, again, those are taxes on domestic production and not on imports.

We have given an economic advantage to imports. We have been encouraging imports and imports are also a significant problem to the economic health of our country. We spent last year over $55 billion on oil and product imports.

If nothing else, I think we should equalize this disadvantage we are putting on domestic producers by at least putting a comparable tax on imports. A comparable tax would probably be in the neighborhood of the tax that the Senator from Oklahoma proposed in his bill, which I am pleased to cosponsor. Last year, the windfall profit tax raised $9 billion. The total corporate income tax in the United States last year was $54 billion. A lot of the oil companies paid into that $54 billion. So they paid their fair share on the corporate income tax and then they were saddled with an additional $9 billion windfall profit tax.

The year before, it was even more dramatic. In 1983, the total corporate income tax was $36 billion, but the total amount of windfall profit tax was $12.2 billion. So windfall profit taxes that year equaled about a third of the total corporate income tax. And, again, I will remind the Senate that oil companies paid a substantial portion of that $36 billion. And there was no tax on imports. So there has been a heavy, heavy excise tax on domestic production but no comparable tax on imports. When we are looking at tax policy, it may not be a part of this deficit reduction package—and if it is not, that is fine—but I hope that we spend most of our efforts in trying to cut spending in this package, not raising revenues.

I think we do need to get the package passed. The oil import fee is estimated by the Budget Committee to collect $25 billion over a 3-year period. Along with the import fee is the COLA delay for Social Security and other entitlement programs which will reduce spending $12 billion over the same period. With these items and others, we are looking at a package that reduces the deficit $338 billion. So let us not forget about that $338 billion.

The Senate package was $295 billion over a 3-year period before the latest oil import free proposal or the coupling of the Social Security. Let us not abandon that $295 billion.

We must also not forget that those were cuts of projected increases, not cuts of last year's spending levels. I think people in the country today are looking for real cuts, not facades, not the type of cuts such as your spouse or son or daughter might make, saying "yes, I saved a lot of money, I bought this garment and it cost $50; it was supported to cost $100, and therefore I saved $50."

That is the type of savings we have been looking at in Washington, DC, and I think that is one of the reasons why the American people have become so disillusioned, in many cases disappointed or disgusted, with Members of Congress, so I hope that we will see some real budget savings. I hope that some of the decisions that will be made in the next hour or so say, "Yes, we are going to work; we are going to continue to push for significant real cuts."

I also hope, Mr. President, that Congress and the leaders in both the House and Senate will decide today that we are not going to adjourn until we get a farm bill, or at least we are not going to adjourn until those elements of the farm bill which are critical, time-sensitive, will be decided. That is primarily, Mr. President, the wheat portions of the bill. Wheat farmers right now are preparing their land and they do not know if there is going to be a 20-percent set-aside, a 30-percent set-aside or any set-aside as a condition for participating in the program. They have no idea. Congress is going to be marching out, yet Father Time marches on. But they have to make decisions on plantings; they have to make decisions on buying fertilizer; they have to make decisions on renting land—an unbelievable number of decisions. They are in financial straits right now.

We, in Congress, are complicating their decisions by not making our decisions on time. We need to let them know what is going to be in the farm bill, whether it is good or bad. If we start making decisions after they have put their seeds in the ground and the crops are on their way, I think it is not responsible, from my point of view. So I hope that, as a bare minimum, we will pass those elements of the farm bill that are critical for them to make decisions.

Mr. President, we are looking at an August recess. I, for one—and I think there are several other Senators who are making the same statement—say, "Let us do our business before we take this recess."

I know that others will say that we need this time to be with our constituents, and I totally agree. But I think these areas in the budget and the farm bill are critical enough that it is important that we finish them before we take the month off.

I have also been somewhat concerned and a little disgusted, as many taxpayers are, when I learned of the number of congressional junkets and trips that will commence starting next week. I was kind of surprised and maybe a little shocked when I read in

the Washington Post that all the military and State Department planes are taken. In other words, Congress is getting ready to fly away, and away we go—and away we go at taxpayers' expense.

Mr. President, not all congressional trips are junkets. Maybe a majority are, although I doubt that they are worthwhile. I think that is a decision for the taxpayers to make.

In that regard, I introduced legislation yesterday that would call for greater congressional accountability so that at least taxpayers would know how much money their Congressmen and Senators are spending when they go abroad and how much these trips cost. Right now, these figures are kind of hidden in the Department of Defense and other agencies. You do not see a line item for the Department of Defense on congressional travel. You do not see a line item for the State Department appropriations for congressional travel, but it is there.

When you see people talking about 27-day trips to 8 or 10 or 12 different countries, it makes you wonder whether or not it is strictly a factfinding trip or whether it is a vacation subsidized by the taxpayers.

Again, I think the taxpayers need to be making the ultimate decisions. The legislation I introduced did not prohibit any travel. It said that there needed to be an accounting item that would be made public, so that the public could find out the cost of the trips.

When you know that many Members are traveling around the country, I personally find it irresponsible on our part to leave for those types of trips until we finish the business we are elected to do, and right now that means, basically, the budget and the farm bill. They may be things we do not want to do, but they need to be done.

Recently, I told my son he had to cut the grass before he could go swimming. He did not want to cut the grass, and the grass continued to grow, and he was not allowed to go swimming until the grass was cut.

I hope we are able to get out in the month of August, but I think it is time we cut the budget and do the farm bill before we recess for August.

SCHEDULE

Mr. DOLE. Mr. President, I understand that we have notified all those who wished to use their time under the special orders before 12 o'clock, and they have not arrived. I assume that their statements will be made part of the record.

In a moment, I intend to recess until 2 p.m., so that we might have the Republican and Democratic policy luncheons.

I indicate to my colleagues that at 2 p.m. we will proceed to the consideration of the conference report to accompany the DOD authorization bill. I am advised by the chairman of the committee, Senator GOLDWATER, that he hopes to dispose of that measure in a couple of hours. That may or may not be the case. I hope that is the case.

Then we can turn to the Kennedy-Mathias test ban resolution. And I believe that will take less than 30 minutes if we are not troubled with amendments on whether or not we should do something next week and if we do what it should be.

Then we would go to the veterans health care bill, which I believe is now in the process of being resolved, and a number of other matters we can dispose of by unanimous consent and hopefully the Compact of Free Association proposal, if that can be worked out by this evening.

I would again indicate we may be in rather late this evening and probably Wednesday and Thursday evenings of this week, because there are a number of things that have been called to my attention that Members on both sides would like to dispose of.

It is still my hope, now that the air is clear, that we can have a budget resolution this week. I have not had an opportunity to visit with the distinguished chairman of the committee, Senator DOMENICI, but it would seem to me, with the parameters that are now set, that it should not take long for the conferees to reach some agreement. Hopefully, they will cut as much Federal spending as possible and we can then move on the budget resolution this week.

RECESS UNTIL 2 P.M.

Mr. DOLE. Mr. President, I move that the Senate now stand in recess until the hour of 2 p.m.

There being no objection, the motion was agreed to, and at 11:51 a.m., the Senate recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. COHEN].

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business.

CAFE REQUIREMENTS

Mr. BOSCHWITZ. Mr. President, I rise today to express my reluctant opposition to the Evans amendments.

The Energy and Policy Act of 1975 mandated that passenger automobiles should meet Corporate Automobile Fuel Economy [CAFE] standards. However, the act also included a provision that gave the Secretary of Transportation the authority to relax the CAFE standards if economic or energy supply circumstances warranted it.

This of course is the situation we find ourselves in today. A petition by Ford Motor Co. and General Motors to lower the 27.5 miles per gallon standard to 26.0 miles per gallon has been filed, because both companies state it is impossible for them to meet the higher requirements this fall in time for model year 1986.

They argue they cannot meet the fleet average because of the shift in consumer demand back toward larger cars. They argue that this shift has occurred because of low and stable gasoline prices. Therefore, they argue they should not be penalized for responding to consumer demand, and should be granted at least 3 years, if not an indefinite period, at the 26.0 miles per gallon level.

The Department of Transportation has since ruled that the companies should be given 1 year to retool, but that by model year 1987 the companies should be in compliance with the 27.5 miles per gallon standard.

I cannot support the contention that the big two auto companies need at least 3 additional years to comply with a law that has been on the books since 1975. I also cannot support the idea that the Congress should reward these companies for making inaccurate economic assumptions and thus poor marketing decisions.

However, I do support the Department of Transportation's position that the changing economic conditions have had some effect on the companies ability to meet the standards, and therefore I am willing to support the 1-year stay they propose.

But, Mr. President, I want the record to clearly reflect that should the various parties return to Congress next year, seeking an additional extension of the 26.0 level, I will be one of, if not the first, to stand up in opposition to any further extension.

REMARKS OF HARRY DARBY AT DEDICATION OF EISENHOWER STATUE

Mr. DOLE. Mr. President, on June 15, 1985, Harry Darby, former Senator from Kansas, donated a 17-foot bronze statue of Dwight D. Eisenhower to the Eisenhower Library in Abilene, KS. I was honored to participate in the dedication ceremony and had the opportunity to hear Harry Darby's remarks. Senator Darby was a personal friend and adviser to President Eisenhower, and I ask unanimous consent that his dedication speech may be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS BY HARRY DARBY

Distinguished guests all—how wonderful it is for all of us to be together here, Ike's hometown, to dedicate this statue and pay

tribute to him as the 34th President of the United States from Kansas.

By honoring Dwight Eisenhower today, we recognize him as a man of integrity and courage with a deep passion for justice, fair play and equal rights in all of his many accomplishments.

From a Kansas farm boy, he went on to be supreme allied commander in Europe and President of the United States and to become loved by more people in more parts of the world than any other man who served in public life.

No man in our memory has so firm a place in the hearts of our Nation—he was a symbol of all that is good about America—truly a champion of peace.

In that same spirit of peace—I ask all of you to join with us as we formally present this statue through the National Archives to the people of the United States as an expression of our respect, admiration, love and esteem for President Eisenhower.

JERRY DAHMEN: REPORTING AT ITS BEST

Mr. PRESSLER. Mr. President, the news media are perennially under critical attack and scrutiny as they play an increasing role in national and world events. I would like at this time to accentuate the positive by telling my colleagues about a newsman in my home State of South Dakota. Jerry Dahmen, news director of KXRB/KIOV Radio in Sioux Falls, has racked up a series of awards and honors that reflect great credit on him, his station, and the best traditions of American journalism.

One notable aspect of Jerry's achievements is that he consistently finds good news—he has won awards for blizzard coverage, to be sure, but he has also been able to do stories about high school students seeking to save their school, about people helping themselves and others. This year he was given the Lowell Thomas Youth Award for his coverage of the Canova, SD, high school students. He was one of four to receive recognition this year from the Southern Baptist Radio Television Commission for his positive news stories.

United Press International has cited Jerry more than 30 times at the State and national level for newscasts, documentaries, features, and spot news. The Farmers Union has praised his coverage of agriculture, South Dakota retailers named him newsman of the year, and the Disabled American Veterans thanked him for outstanding coverage of veterans issues. These are just a few of his many honors.

Jerry has also shown that a radio reporter in the heartland of America can find international news, just as long as he has a telephone line. He has interviewed officials in Iran and marine officers in Lebanon from his desk in Sioux Falls.

Each week, Jerry Dahmen produces and narrates the "Good News Report," which President Reagan recently recognized as an example of positive radio programming. He's done documentaries on drug abuse and people who have overcome severe handicaps. He has shared his knowledge and understanding of the media with civic and professional organizations, and has given speeches on motivation and goal achievement.

Mr. President, I believe that Jerry Dahmen represents journalism at its very best. He has turned down offers to move to larger cities, because he likes living in South Dakota and South Dakota is proud to have him. We know we count on him for the news we need to go about our business. He's an aggressive reporter who is not cynical. He's a newsman who understands that information isn't gloom and doom—it is education, enlightenment, and occasionally inspiration.

I ask unanimous consent to have printed in the RECORD a list of his awards.

There being no objection, the list was ordered to be printed in the RECORD as follows:

HONORS WON BY JERRY DAHMEN

United Press International awards: Best story (state), 1979, "Outstanding Contributor" (state), 1979, Stringer of the Year (state), 1979, Outstanding coverage of Iran (state), 1980, Outstanding coverage of railroad agreement (state), 1980, Stringer of the Year (state), 1980, Outstanding Radio Contributor (state), 1980, Best Documentary (state), 1981, Best Public service investigative story (state), 1981, First place newscast (state), 1982, Best newscast (state), 1983, Best documentary and spot news in state 1983, Regional awards, best newscast and spot news, 1984, National UPI Award for Best Story, blizzard coverage, 1984, Best Regional Feature, 1985, Best Newscast, Documentary, Feature, and Spot News Awards (state), 1985, National UPI Award for Best Feature for stations with 5 or fewer fulltime newspersons, 1985.

Other notable awards: First place winner of the Lowell Thomas Good News Award, 1985, Third place winner of the Lowell Thomas Good News Award, 1984, Northwest Broadcast News Association, three awards, South Dakota Social Workers, Best Public Service Coverage, 1982, South Dakota Farmers Union, Outstanding Reporting on Farm Issues, 1982, University of South Dakota, Tom Brokaw Broadcasting Award, 1984, Finalist, Documentary entered in International Radio Festival of New York, 1985, Southern Baptist Radio Television Commission, Abe Lincoln Award, 1985, South Dakota Retailers Association Newsman of the Year, South Dakota Disabled American Veterans, Best Media Support, 1985.

MAYOR PATRICIA McKENZIE: A TRIBUTE

Mr. HEFLIN. Mr. President, I rise today with my colleagues to pay tribute to Patricia Patterson McKenzie, the distingushed mayor of Atmore, AL.

First elected in 1976, Mrs. McKenzie has worked to improve the city and its surroundings and has served the people well. She has been responsible for providing fellowship and nutritional meals to Atmore's senior citizens, installing a natural gas pipeline, expanding Atmore's water system, and has instigated other projects, such as a summer food program, energy conservation projects, and a traffic safety program.

Mr. President, her most recent and prized accomplishment is one for which Mayor McKenzie will certainly be remembered in future years. Patricia McKenzie is primarily responsible for beginning the first major restoration project of one of Atmore's oldest structures. Rachel Patterson Elementary School is being transformed into a multipurpose recreation facility. This civic center will contain a cultural program for public enrichment and maintain a special emphasis on young people.

Mr. President, I feel safe in saying that because of Mayor Patricia McKenzie's efforts, a piece of history, in the form of Atmore's school house, is being saved and will now be passed down to Atmore's children.

In addition to Mayor McKenzie's fine accomplishments as mayor, she has had many personal accomplishments as well. She is a past member of the human resources steering committee for the National League of Cities and coordinator of the NLC women in municipal government. She is also a past chairman of the county and city affiliates of the American Cancer Society. In 1979, she was named Atmore's Most Outstanding Citizen of the Year.

Mr. President, the listing of Mayor McKenzie's accomplishments throughout her career could go on and on. To list them all, would seem endless. To have listed none would seem an injustice.

Mr. President, Mayor Patricia Patterson McKenzie is to be commended for her fine efforts and success as mayor to Atmore. On behalf of all of Atmore's citizens I thank her for all she has done for her city and our State.

Thank you, Mr. President.

THE RETIREMENT OF MAJ. GEN. HUGH J. CLAUSEN AS THE JUDGE ADVOCATE GENERAL OF THE U.S. ARMY

Mr. HEFLIN. Mr. President, on July 31, 1985, the Department of the Army will lose the services of an outstanding leader when Maj. Gen. Hugh J. Clausen retires from his position as the Judge Advocate General.

General Clausen is a native of Mobile, AL, and a graduate of the University of Alabama School of Law. In fact, Mr. President, my law school career overlapped with that of General Clausen, and, since first meeting during those years, we have remained

good friends. I have, naturally, followed his distinguished career with interest, and, during my term as chief justice of the Alabama Supreme Court, I attempted to attract General Clausen away from the Army to a position in the Alabama Department of Court Management. Obviously, he chose to remain with the Army—its gain was Alabama's loss.

After his retirement from the Army, General Clausen will assume the position of vice president for administration and secretary to the board of trustees at Clemson University. I can ensure both of my distinguished colleagues from South Carolina that he will be an excellent attribute to their State.

After graduating from law school in 1950, General Clausen was commissioned as an officer in the U.S. Army Reserve, Judge Advocate General's Corps, before being called to active duty in 1951. During the last 34 years, he has completed the advanced management program in the Graduate School of Business Administration of Harvard University, the nonresident course of the U.S. Army War College, U.S. Army Command and General Staff College, the U.S. Army Language School, and the advanced class at the Judge Advocate General's School.

Mr. President, through the years, General Clausen has served in a variety of positions, each of which helped prepare him for his tenure as the Judge Advocate General. He has served as Staff Judge Advocate in Vietnam and at Fort Hood, TX. He also served 2 years here in Washington in the Office of the Chief of Legislation Liaison. In addition, General Clausen has been Chief of the Military Justice Division, commander of the U.S. Army Legal Services Agency, and Chief Judge of the Army Court of Military Review.

In September 1978, General Clausen was appointed Assistant Judge Advocate General for Military Law. Following that assignment, he was named the Assistant Judge Advocate General of the Army, and, finally, in July 1981, he began his tenure as the Judge Advocate General.

Mr. President, during his service career, General Clausen has received awards including the Legion of Merit with Oak Leaf Cluster, the Bronze Star Medal with three Oak Leaf Clusters, the Meritorious Service Medal, the Air Medal with Oak Leaf Cluster, and the Army Commendation Medal with Oak Leaf Cluster.

I congratulate Maj. Gen. Hugh J. Clausen on his outstanding career and accomplishments. As a friend I am proud of his excellent work, and am certain that he will continue to distinguished himself.

THE SOVIET NUCLEAR TEST MORATORIUM OFFER

Mr. PELL. Mr. President, I was pleased and encouraged by the Soviet declaration of a brief unilateral moratorium on nuclear testing and their offer to join the United States in a mutual moratorium. I only hope that the offer reflects a genuine Soviet interest in the achievement of a comprehensive ban on nuclear explosions.

The best way to test Soviet intent would be for us to offer to sit down at the bargaining table with them at the earliest possible date to discuss how best to bring an end to nuclear explosions. We should be willing to treat their offer seriously and to explore every possible means of breaking through the present impasse.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

The majority leader is recognized.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, I understand the distinguished minority leader is on his way to the Chamber. We hope to dispose of the conference report on S. 960. It will not take more than 1 minute. If we can finish that, then we can move to the conference report on S. 1160, and I am advised by the distinguished chairman, Senator GOLDWATER, that it will not take a great deal of time. Following that, we will take up the test ban treaty resolution.

I hope we can avoid amendments on what will happen during the August recess. We have been encouraging our colleagues to not offer a number of amendments to that proposal.

INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT—CONFERENCE REPORT

Mr. DOLE. Mr. President, I submit a report of the committee of conference on S. 960 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 960) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act and other acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, and the African Development Foundation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report will be printed in the House proceedings of the RECORD.)

Mr. LUGAR, Mr. President, we are considering the International Security and Development Cooperation Act of 1985 which the Senate and House conferees have agreed to late last week. I strongly urge my colleagues to pass this measure because it represents a balanced and fair compromise between the House and the Senate foreign aid bills. If passed, we will have the first foreign aid authorization bill in 4 years and in so doing we will help restore the foreign aid authorization process to its rightful place in Congress' role in foreign policy.

Enactment of this bill is very much in the national security interest of the United States. It authorizes security assistance for our allies and friends to improve their defenses against external aggression and internal conflicts and it also authorizes economic and development assistance to Third World nations beleagured with a vast array of economic problems. This bill also provides constructive approaches to dealing with international terrorism, airport security and the chronic and troubling problem of the international traffic in narcotics and drugs. When progress is made in each of these areas, we protect and promote the interests of the United States.

The authorization levels approved by the conferees represent a serious attempt to strike a viable balance between the House and the Senate bills. The conferees agreed that the overall numbers should fall below those of the Senate and above those approved by the House. In order to accomplish this objective, we settled on a slightly lower figure for security assistance than was approved in this Chamber, but the House reconciled itself to slightly lower figures than it wanted for development assistance. This was necessary to reach the common ground of a constructive compromise that is workable and balanced. Overall, slightly less than one-half of the $12.7 billion authorization level in the bill would go to military assistance, the remainder to economic and development assistance. The largest share of the authorization levels would go to Israel and Egypt, the two Camp David countries which have been the leading recipients of U.S. security and economic assistance for some time.

The conferees also agreed on several important issues central to the conduct of our foreign policy. We agreed on balanced funding levels for the Philippines—$70 million in military assistance and $110 million in ESF—and authorized funding levels for humani-

tarian purposes for the democratic resistance in Nicaragua. The bill repeals the prohibition against assistance to nongovernmental forces in Angola, authorizes assistance to non-Communist forces in Cambodia and Afghanistan and continues the constructive programs for economic and military assistance in Central America, especially in El Salvador where our programs have helped slow down and reverse the deteriorating situation of recent years.

This is a good bill, it represents the labor of many people who have put in countless hours in order to develop a viable compromise. It merits broad, strong bipartisan support in the Senate, as I am sure it will receive in the House.

I would like to thank my fellow conferees on both side of the aisle, especially the distinguished ranking minority member of the Senate Foreign Relations Committee, as well as the committee staff members for their tireless effort and sage counsel throughout the past several months work on this bill.

Mr. PELL. Mr. President, I want to add my endorsement to the conference report on the foreign aid authorization legislation that is now before the Senate. This report is the culmination of an arduous process and, as such, represents a compromise between the original House and Senate foreign aid bills passed earlier this year. We have attempted in this report to address a number of highly contentious issues in a fair, bipartisan manner. The conferees, and the staffs of both committees, sought to fashion a compromise that best reflected the views of the Congress, as expressed in our respective bills, and that best served the foreign policy interests of our country. I urge its swift passage by the Senate.

I also want to take a moment to congratulate our chairman, the Senator from Indiana [Mr. LUGAR]. He steered this legislation through some very troubled waters. With his leadership, and his willingness to listen to competing views and to fashion fair and workable compromies, he has led us to the point where the Congress, for the first time in 4 long years, will pass an authorization bill for the Foreign Aid Program. He deserves our thanks and admiration for this devotion to this task, which is, as all of us know, not always easy, and almost never popular. May I add that his staff supported him in a fair and excellent way. However, our Nation's interests are well served by this effort, and we are all in Senator LUGAR's debt for his work on this legislation.

Mr. President, I am pleased that after 4 years the Senate and the full Congress have returned to regular process, requiring a full authorization prior to approval of funding for the foreign assistance programs. I support that process and earnestly hope that we will continue in this manner in the future consideration of foreign assistance programs.

I also wish to thank my own staff, particularly Gerald Christianson, Gerald Connolly, and Bill Ashworth for their invaluable help.

Mr. DOLE. Mr. President, I have been honored to be majority leader of this body for nearly 7 months now. One of the most important goals I have set for myself in this position has been to do what I can to restore some of the orderly conduct of business to the Senate, particularly in the authorization and appropriations processes.

For that reason, I am especially pleased that the Senate will take final action today on the foreign aid authorization bill. This will be the first time since 1981 that we have succeeded in passing a foreign aid bill, taking it to conference and bringing it back to the Senate for final action. For that reason, today is something of a red letter day—a real milestone on the road toward restoration of orderly and rational procedures in this body.

It is doubly satisfying, moreover, that we have reached this stage without ducking the tough foreign aid issues which have stymied progress on this legislation in past years. Here in the Senate, and in conference, we have dealt with Central America, including the most difficult issue of aid to the so-called Contras in Nicaragua. We have dealt with the Middle East—Israel, Egypt, Jordan and the rest. We have tackled some of the difficult African problems, including some like the Clark amendment which have been with us for several years. And we have put flesh on our policies of support for the freedom fighters of Afghanistan and Kampuchea.

There are many people, on both sides of the aisle, who share credit for the progress of this legislation. The chairman of the Foreign Relations Committee, Senator LUGAR, is the principal architect of this bill and has been the principal strategist in bringing it to fruition. He deserves a lion's share of our praise and thanks today. The distinguished ranking member of the committee, Senator PELL, has worked with the chairman in an exemplary bipartisan way, to insure that we would have good, practical legislation, aimed at our national interest and not at partisan interests. The conferees from the Senate side each did a superb job—in addition to Senators LUGAR and PELL, they were Senators HELMS, MATHIAS, KASSEBAUM and BOSCHWITZ, from the majority; and Senators BIDEN, SARBANES and ZORINSKY from the minority. And, of course, all the other members of the Foreign Relations Committee have each contributed in major ways to this final product, too, and each deserves recognition. Finally, I would be remiss if I did not take special note of the work of the Foreign Relations Committee staff, both majority and minority, who did so much of the backstage work to get us where we are today.

At a time when we seem to be having difficulty moving some other important legislation, it is encouraging and satisfying to see this important bill ready for final passage. It shows we can act—effectively, decisively and in a bipartisan way. Hopefully the spirit of cooperation embodied in the passage of this bill will show us the way on other equally important matters.

PEACE CORPS PROVISIONS

Mr. CRANSTON. Mr. President, I am pleased to recommend to my colleagues support of the provisions of title IX of the conference agreement on the proposed International Security and Development Cooperation Act of 1985, which relate to the Peace Corps. In addition to the reauthorization provision, the conference agreement contains three provisions similar to those in S. 882, the proposed Peace Corps Amendments of 1985, which I, joined by Senators MATHIAS, PELL, KASSEBAUM, and DODD, introduced on April 4. These provisions would establish a statutory Peace Corps National Advisory Council; declare a policy of providing opportunities for a volunteer corps of at least 10,000; and require overseas appointments of Peace Corps employees to be made on a nonpartisan basis. Also, the conference agreement would modify the existing 5-year limitation on the period that U.S. citizens generally may be employed by the Peace Corps and authorize the appropriation of $130 million for the Peace Corps for each of fiscal years 1986 and 1987.

TWENTY-FIFTH ANNIVERSARY OF THE PEACE CORPS

Mr. President, next year the Peace Corps will celebrate its 25th anniversary. For almost a quarter of a century Americans of all ages have volunteered for the Peace Corps. In all, over 100,000 Americans have served as Peace Corps volunteers. They have established a record of service throughout the world of which every one of us can and should be proud.

Former Peace Corps volunteers are continuing to contribute in a multitude of ways, from activities in small communities to national leadership. Two former Peace Corps volunteers, the Senator from Connecticut [Mr. DODD] and former Senator Tsongas from Massachusetts, have been elected to this body. Four former volunteers currently serve in the House of Representatives.

For a period of time, however, the visibility of the Peace Corps had seemed to diminish. Some wondered whether the Peace Corps still existed or whether the idealism of the sixties which had spawned and nurtured this program had been replaced by a con-

sumptionistic, materialistic orientation. In 1981, the legislation I authored in the International Security and Development Cooperation Act of 1981 set the Peace Corps free from the Federal bureaucracy in which it had been buried and was hibernating and gave it an opportunity to reestablish its presence, both in the public eye at home and throughout the world.

The Peace Corps is alive and well today and is thriving. Public interest in Peace Corps volunteer service is strong, as demonstrated by the flood of inquiries received by the Peace Corps in response to Peace Corps Director Loret Ruppe's call this past spring for 600 volunteers to go to Africa to help deal with the agricultural challenges facing that famine-ridden part of our world. Inquiries were pouring into Peace Corps offices at the rate of 1,000 calls a day. However, even as we rejoice in the renewal of interest in this program, there is more than can be done to help continue to stimulate this revival and renewal of the ideals and the vision that the Peace Corps has always symbolized and to reinforce the bipartisan, nonpartisan nature of support for the program.

OPPORTUNITY FOR RENEWAL AND REDEDICATION OF THE PROGRAM

Mr. President, the 25th anniversary of this unique program—which so well exemplifies the compassion and the willingness to help those in need which is integral to the American spirit—presents us with a special opportunity to reflect upon the Peace Corps and on where it should be going in the next 25 years.

Despite the renewed sense of interest in and a much greater public awareness of the Peace Corps since Congress granted it independence in 1981, the Peace Corps today is one-third the size it was in 1966 when more than 15,000 Peace Corps volunteers were serving throughout the world. Today, we have barely 5,000 volunteers. Concerns over the utilization of overseas Peace Corps staff posts as political patronage plums continue to plague the program. The resources, talents, and ideas of the thousands and thousands of former Peace Corps volunteers bearing on the future direction of the Peace Corps Program are not used as a part of the formal structure within which Peace Corps planning and programming decisions are made. It is long since past time, for example, for the appointment of a former Peace Corps volunteer as Director of the Peace Corps.

Provisions of the conference agreement are aimed at addressing each of these issues.

AUTHORIZATION OF APPROPRIATIONS

With respect to the authorization of appropriations, I believe that the agreement—providing authorizations of appropriations of $130 million for each of fiscal years 1986 and 1987—represents a fair compromise between the Senate-passed authorization of $128.6 million for fiscal year 1986 and the House-passed authorization of $136.1 million in each of fiscal years 1986 and 1987. In this connection, I note that, based on Senate provisions, the conference agreement contains a potential additional source of funding for the Peace Corps operations. The conference report would authorize the President to transfer to the Peace Corps, for use in carrying out the purposes of the Peace Corps Act in Central American countries, funds appropriated for nonmilitary assistance in Central America for fiscal years 1988, 1989, and 1990 pursuant to new section 435 of the Foreign Assistance Act of 1961.

I would encourage the use of that authority to the full extent that the Peace Corps believes it can make effective use of additional funding for its programs in Central America.

In addition, I am delighted that the conferees agreed to include in the joint explanatory statement language I suggested to underscore the unique role of the Peace Corps as an instrument for enabling dedicated Americans to serve the peoples of its host countries and for increasing mutual understanding between Americans and the people of other countries. Thus, the explanatory statement of the conferees stresses that in making these additional funds available to the Peace Corps for use in Central America, the conferees do not intend to change in any way the fundamental precept, first enunciated by Secretary of State Dean Rusk in 1961, that the Peace Corps is not to be used as an instrument of U.S. foreign policy.

NATIONAL ADVISORY COUNCIL

I am also very pleased that the House conferees agreed, with a very few modifications, with all of which I concur fully, to the Senate proposal—embodying provisions from amendment No. 121, which I, together with Senator KASSEBAUM, submitted and the Senate agreed to on May 15—to establish a statutory, bipartisan Peace Corps National Advisory Council to replace the existing advisory committee.

This new council would be directed to evaluate the accomplishments of the Peace Corps, assess the potential capabilities and future role of the Peace Corps, and make recommendations to the Director of the Peace Corps, the President, and the Congress. The council's recommendations would serve to help guide the future direction of the Peace Corps and ensure that the purposes and programs of the Peace Corps are carried out in ways that are economical, effecient, responsive to changing needs in host and potential host countries, and to changing relationships among peoples, and in accordance with law.

The council would consist of 15 voting members—nominated by the President and confirmed by the Senate—who would be required to be broadly representative of the general public, with the Secretary of State and the Administrator of AID, or their designees, and the Director and Deputy Director of the Peace Corps serving as nonvoting members ex-officio. At least seven of the voting members would have to be former Peace Corps volunteers and not more than eight could be members of the same political party. The council would elect annually its own chairman and vice chairman who could not be of the same political party.

This council is designed to serve as a real, working group, not a perfunctory rubberstamp.

I am convinced that this is the right point in the history of the Peace Corps to create a new, specialized, representative bipartisan body, to bring together individuals with relevent experience and insights about the role that the Peace Corps should play in the world during the Peace Corps' next quarter of a century.

Mr. President, there is currently a nonstatutory advisory council to the Peace Corps. However, as far as we can tell from the scant information available about it, it contains no former Peace Corps volunteers and does not have the type of mission, responsibilities, scope, or experience and representative membership as the advisory council which would be established under this legislation. Under the conference agreement, beginning 60 days after the date of enactment, no such administratively established council would be permitted to exist.

The changes made in this provision in the conference agreement are relatively minor in nature and include modifications to the council membership to make the Secretary of State a nonvoting, rather than a voting member, and add the AID Administrator as a nonvoting member.

Mr. President, for further information regarding the background and intent of the provisions to establish the National Advisory Council, I refer my colleagues to my remarks at the time of Senate adoption of my amendment, beginning on page S. 6164 of the RECORD for May 15.

NONPARTISAN APPOINTMENTS OF OVERSEAS PERSONNEL

The conference agreement contains, without modification, the provision in amendment No. 121 to amend the Peace Corps Act to provide that overseas staff appointments must be nonpartisan. This provision deals with a problem that has plagued the Peace Corps through both Republican and Democratic administrations. Unfortunately, Peace Corps country directorships have sometimes been viewed as

political patronage prizes. These post are too important to be handed out to unqualified persons. A Peace Corps country director is a vital link both to the Government of the host country and to scores of volunteers in the field who must depend on the country director's good judgment and sensitivity on numerous occasions.

Peace Corps volunteers often serve in precarious positions, hundreds of miles from any governmental—ours or the host country's—support mechanism or protection. They don't live, as do most Foreign Service officers, in American compounds or foreigners' enclaves with special commissary and diplomatic privileges. Peace Corps volunteers live generally at the level and in the communities of the people they come to serve and help.

They deserve to know that their country director and support staff were chosen specifically because of the capacity to be of help to Peace Corps volunteers and not as a reward for political contributions or campaign work.

Unlike overseas diplomatic missions of the U.S. Government, which are supported by a cadre of career, professional Foreign Service staff, the Peace Corps overseas programs are staffed by very small numbers of American employees serving in the Peace Corps for statutorily limited periods, generally no more than 5 years. Under the circumstances, missteps or miscalculations by an unqualified Peace Corps country director or other staff person could have dire consequences. Each overseas Peace Corps staff member must be competent and dedicated to the goals of the Peace Corps and to the wellbeing and success of the volunteers and should be expressly selected because of and only because of those attributes.

Again, for further information on the background and intent of this provision, I would refer my colleagues to my statement on amendment No. 121, beginning on page S 6164 of the May 15 RECORD.

POLICY FOR A VOLUNTEER CORPS OF AT LEAST 10,000

Mr. President, the conference agreement contains a provision, derived from the House-passed bill, declaring that it is the policy of the United States and a purpose of the Peace Corps Act to provide sufficient opportunities for service to maintain a volunteer corps of at least 10,000, to the maximum extent appropriate and consistent with programmatic and fiscal considerations.

In 1984, there were about 5,200 Peace Corps volunteers serving in 60 countries around the world. For the past 18 years, however, the number of Peace Corps volunteers has steadily declined, from its height of more than 15,000 in 1966, to 9,000 in 1970 and 6,000 in 1980. The worldwide distribution has also declined. Almost half of the current volunteers—2,400—serve in Africa. Less than 200 serve in South America—all of those in only two countries.

Obviously, an increase in the size of the Peace Corps must be carefully planned and executed. Expansion must be tailored to, first, the needs of and requests for assistance from host countries; second, the pool of qualified volunteers; third, the capacity of the Peace Corps to provide adequate training and support to and placement of volunteers; and, fourth, budgetary realities given our very critical deficit problem and the great competition for scarce resources. But I believe there is little doubt that a goal of a total volunteer strength of at least 10,000 is worthwhile and attainable in this decade or early in the next.

Mr. President, as I noted at the time of Senate consideration and adoption of amendment No. 121, although my bill, S. 882, contained a provision to establish an at-least-10,000-volunteers goal, because the distinguished chairman of the Foreign Relations Committee (Mr. LUGAR) was not then receptive to that provision, it was not included in the amendment I finally offered after considerable discussion. However, as I also noted, on page S 6165 of the May 15 RECORD, the chairman then agreed that in the conference he would take another look at the modified language I had planned to include in my amendment. He was, of course, true to his word and, I am very pleased that he, upon reconsideration, and the other Senate conferees were agreeable to the goal provision in the form I had originally included it in my floor amendment. It also includes the House bill's amendment to Peace Corps Act section 11, modified so as to require that no Peace Corps annual report specify any plan to carry out the new statutory goal.

LIMITATION ON LENGTH OF PEACE CORPS EMPLOYMENT

Mr. President, the House-passed measure contained a provision to extend from 5 to 7½ years the general maximum duration of the period that a U.S. citizen may be employed by the Peace Corps. Although the Senate bill contained no comparable provision, we were sympathetic to some of the reasons cited for such expansion and, after much staff discussion prior to the conference, have been able to reach accord on provisions that meet the Peace Corps' need to retain some number of its U.S. citizen employees longer than 5 years.

Thus, the conference agreement contains the House provision in the amendment with modifications. The agreement specifies four purposes for which appointments of U.S. citizens in excess of 5 years may be made: First, to permit Peace Corps employees who have served at least 2½ years abroad to serve in the United States; second, to permit Peace Corps employees who have served at least 2½ years in the United States to serve abroad; third, to permit employees who have served at least 2½ years in a recruiting, selection, or training assignment to serve either in the United States or abroad in an assignment other than the one in which they have most recently served; or, fourth, to promote the continuity of functions in administering the Peace Corps.

The conference agreement would also limit the total number of appointments or assignments of U.S. citizens in effect at any one time for more than 5 years to no more than 15 percent of the total of all appointments or assignments of U.S. citizens at that time. However, without regard to these limitations on the number of U.S. citizen employees who may be employed, and the purposes for which they may be employed, for more than 5 years, the conference agreement would permit the Director of the Peace Corps under special circumstances personally to extend on an individual basis an employee's service up to 1 year beyond 5 years. This authority to extend an employee's appointment would be in addition to the Director's existing authority, currently set forth in section 7(a)(2)(A), to provide under the same terms and conditions up-to-1-year extensions of the general limitation—which the conference agreement would increase from 5 years to 7½ years—on the duration of U.S. citizen's Peace Corps employment.

The conference agreement would also require the Director to submit to the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs by January 1, 1986, a report on the criteria to be used, pursuant to the four statutory-purpose provisions, in exercising the new authority to employ U.S. citizens beyond 5 years for up to 7½ years. The Director would thereafter be required to submit annual reports on the exercise of that authority and the Director's authorities personally to approve the two types of 1-year extensions.

Under these provisions, if at a given point there were a total of 800 U.S. citizen employees of the Peace Corps, no more than 120—15 percent of 800—would be permitted at that time to have appointments or assignments in excess of 5 years, but employees serving in their 6th year pursuant to up-to-1-year extensions personally approved by the Peace Corps Director under special circumstances would not be counted against the 15-percent limit. However, each employee serving with an extension beyond 7½ year would be counted. The conference report joint statement stresses the views of the conferees that the extraordinary short-term extension au-

thority should continue to be exercised sparingly by the Director, as it has been.

CONCLUSION

Mr. President, I want to express my appreciation to the conferees on this legislation for the cooperative, constructive attitude with which they approached the negotiations on provisions relating to the Peace Corps. I would especially like to thank for their fine work on these provisions the very able chairman, Representative DANTE FASCELL, and ranking minority member, Representative WILLIAM BROOMFIELD, of the House Committee on Foreign Affairs, and committee staff consultant Margaret Goodman; the distinguished chairman, Senator RICHARD LUGAR, and ranking minority member, Senator CLAIBORNE PELL, of our committee, and my fellow committee member, Senator CHRIS DODD, who as a former Peace Corps volunteer has a strong personal interest in matters relating to the Agency. I also would like to express my gratitude for their fine work and cooperation on these provisions to members of the Senate committee majority staff, especially Mark Blitz, and minority staff, Gerry Christianson and Gerry Connolly, and staff assisting Senator DODD, Robert Dockery. I also want to thank for their outstanding efforts the staff who assisted me, Susanne Martinez, Ed Scott, and Jon Steinberg.

Mr. President, the Peace Corps has always been a very special program for me. In the midsixties I had the honor of serving as a Peace Corps program evaluator, visiting volunteers on the job in Ghana. Seeing first hand the tremendous work being done by these dedicated Americans left me with an enduring commitment to this truly outstanding endeavor.

Peace Corps volunteers have contributed in countless ways to the goal of world peace and understanding. Both America and the world have much to gain from an expanded, rededicated, and nonpartisan Peace Corps. I believe that enactment of this legislation will provide an opportunity to reinforce and strengthen the bipartisan support for this program and help make the next 25 years the best they can be for this unique people-to-people effort.

Mr. DOMENICI. Mr. President, I am pleased that the conferees on S. 960, the foreign assistance authorization bill, agreed to authorize economic assistance and cultural exchange funding for Central America for the next 4 years. This landmark multi-year authorization implements one of the major recommendations of the National Bipartisan Commission on Central America, chaired by former Secretary of State Henry Kissinger.

A long-term commitment to the economic and social development of Central America is established by this legislation. Other recommendations of the bipartisan commission are also included: assistance for granting clear titles to land reform recipients; reform of judicial and civil police systems in the region; and establishment of a Central America Development Organization.

The Agency for International Development, the U.S. Information Agency, and other executive branch organizations should move forward as rapidly as possible to take advantage of this expression of congressional endorsement of the Bipartisan Commission. Until now, too many activities have been delayed by redtape and lack of high-level attention. Most of the money requested has been appropriated, so with this policy language, there's no more room for excuses to delay implementation.

The distinguished chairman of the Foreign Relations Committee has done a good job with this legislation, and is well on the way to restoring the Foreign Relations Committee to its traditional status as a major actor in foreign policy. I thank him for his help.

Mr. PELL. Mr. President, will the Senator yield to me in order that I might direct a couple of questions to him concerning economic support funds [ESF] for Ecuador?

Mr. LUGAR. I will be glad to yield to the distinguished Senator.

Mr. PELL. Mr. President, I thank the distinguished chairman of the Foreign Relations Committee for yielding to me. I am specifically interested in whether this bill earmarks any ESF for the Government of Ecuador in fiscal years 1986 and 1987. Am I correct that the legislation does not, in fact, earmark any ESF for Ecuador?

Mr. LUGAR. Yes, that is correct.

Mr. PELL. Can the Senator explain to me the reason for this and whether he feels Ecuador is entitled to this type of assistance?

Mr. LUGAR. Yes, I will be glad to respond to the Senator. As the Senator knows, the Foreign Relations Committee does not, as a general rule, earmark funds unless there is a compelling reason to do so. However, while the bill does not earmark ESF for Ecuador, I would say that I am very supportive of President Febres-Cordero's recent request to President Reagan for ESF in this and subsequent fiscal years. In addition, I would say that the absence, or the lack of, an earmark does not, in any way, diminish Ecuador's need for ESF support. On the contrary, Ecuador's needs ought to be considered carefully. It is fast becoming one of the most progressive countries in terms of its economic policies and human rights record among countries in that region.

Mr. PELL. Can the Senator tell me since there is no earmark, whether the conference report contains a specific recommendation with respect to ESF for Ecuador during the next 2 fiscal years and, also whether he considers that amount sufficient?

Mr. LUGAR. I would say in response to the Senator that the administration recommended $15 million in ESF for Ecuador in fiscal years 1986 and 1987. However, in my judgment this amount should not be considered a ceiling on ESF for Ecuador during the next 2 years. Rather, I would hope that the administration would consider this a minimal amount. It is my belief that Ecuador, under the leadership of President Febres-Cordero, is on the road to becoming a strong and viable democracy and ally of U.S. interests in Latin America and that, further, this is the kind of government the administration and the Congress should support.

Mr. PELL. What is the Senator's view of a potential reprogramming request for Ecuador?

Mr. LUGAR. The bill, of course, does not make any such recommendation with respect to a reprogramming of unexpended fiscal year 1985 funds. As the Senator knows, I met recently with President Febres-Cordero and I was truly impressed with his determination to make his country a genuine Latin American success story. However, it is clear to me that in order for him to be successful, he needs to have our help. So I would say to my friend that I would be very supportive and, indeed, I would encourage the State Department to consider Ecuador's needs with this in mind. I believe that adequate funds for Ecuador would be a wise and prudent investment that would reap substantial dividends for the United States in this part of the world for years to come.

Mr. PELL. I thank the Senator for yielding. I agree with him that Ecuador requires and deserves a substantial amount of ESF and I will work with him in this regard.

Mr. SARBANES and Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I wish to thank my distinguished colleague, Senator PELL, for his comments, and to add my own congratulations to him, and to the majority and minority staff who did extraordinary work.

Likewise, to our colleagues who worked so hard on this bill.

Mr. SARBANES. Mr. President, this is a significant case. It is the first time that the Congress will have passed a foreign assistance authorization in 4 years. We have been operating really on the basis of a continuing resolution, which is not the way to do business.

I commend the chairman and the ranking member for their persistent and consistent efforts over a very sustained period of time in order to bring

this about. This is the way we ought to be legislating.

Mr. President, I am pleased that we are back on the right track with respect to this important legislation.

Mr. LUGAR. Mr President, I move adoption of the conference report.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the conference report.

The conference report was agreed to.

Mr. LUGAR. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF DEFENSE AUTHORIZATION—CONFERENCE REPORT

Mr. GOLDWATER. Mr. President, I submit a report of the committee of conference on S. 1160 and ask for its immeditate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 29, 1985.)

Mr. GOLDWATER. Mr. President, I am pleased to bring to the Senate the conference report on S. 1160, the Department of Defense authorization bill for fiscal year 1986. After 2 weeks of extensive negotiations, House and Senate conferees have resolved nearly 1,000 funding differences and more than 350 language differences.

Before I highlight some of the more important agreements contained in this bill, I would like to first thank my friend and colleague Senator NUNN, the ranking minority member of the Armed Services Committee, for his invaluable help in completing this conference. As always, his sound judgment and close cooperation were essential in our efforts to reach agreement with the House conferees. Mr. President, I have participated in many conferences during my years on the Armed Services Committee, but I cannot remember a single year during which the committee's work has been managed in a greater spirit of bipartisan cooperation. That is a real credit to Senator NUNN.

I would also like to express my great appreciation to the chairmen and ranking minority members of each of the subcommittees of the Armed Services Committee for their diligent efforts in resolving the differences within their subcommittees' jurisdiction. And I would also like to thank all the members of the committee for their steadfast support and cooperation throughout this conference.

Finally, the staff of the committee—both majority and minority—should be commended for their professionalism and hard work in completing this conference report.

Mr. President, the bill I am recommending to the Senate today, together with the expected outcome of the conference on the military construction authorization bill, will total about $302.5 billion for the national defense budget function in fiscal year 1986. This funding level is the same as that contained in the tentative bipartisan agreement on the budget—a level I expect to be retained in the first concurrent budget resolution. A funding level of $302.5 billion allows the defense budget to grow only enough to cover the projected rise in inflation during fiscal year 1986. I continue to believe that this figure is too low, and that it does not provide adequate resources to meet our national security requirements.

Nevertheless, Mr. President, I am recommending that the Senate approve this conference report. No one will be surprised to learn that there are many matters in this bill with which I personally disagree. Both the House and the Senate again burdened the defense authorization bill with narrow, parochial concerns that in many cases do not belong on this bill, and which contribute nothing to our national defense. Although some of these provisions were eliminated in conference, a number remain. However, I am urging the Senate to approve this bill because, on the whole, it will strengthen our national security. Conference reports by their very nature involve compromise—and concessions were made by both sides on a number of issues.

At this time, I would like to briefly highlight the major provisions of the conference report:

SDI

The conferees agreed to provide $2.75 billion, and left the allocation of these funds to the discretion of the program manager.

BINARY CHEMICAL MUNITIONS

The conference report provides for the initial production of binary chemical munitions, following certain Presidential certifications.

PEACEKEEPER (MX)

The conference report capped deployment of MX missiles in existing Minuteman silos at 50, and procured 12 missiles in fiscal year 1986.

ASAT

The conferees agreed to limit ASAT tests against an object in space to three through the end of fiscal year 1986.

SMALL ICBM

The Conferees added $100 million to the amount requested for the small ICBM.

M-1 TANK

The conferees approved procurement of 840 m-1 tanks.

SERGEANT YORK DIVISION AIR DEFENSE (DIVAD) GUN

The conferees approved the procurement of 72 Divad guns for $210 million. This money may be spent only after the Divad has proved its effectiveness during follow-on test and evaluation.

F/A-18

84 Navy F/A-18 fighter aircraft were approved by the conferees.

F-16 AND F-15

The conference report provides for the procurement of 180 F-16 aircraft and 48 F-15's for the Air Force.

SHIPBUILDING

The conferees approved $10 billion for the construction of 21 new ships and 5 conversions.

AIRLIFT AIRCRAFT

The conferees approved the procurement of 16 C-5B and 12 KC-10A Aircraft, and continued development of the C-17.

PAY RAISE

The conferees approved a 3 percent military pay raise, effective October 1, 1985.

OPERATIONS AND MAINTENANCE

The conferees approved $79.3 billion to sustain improvements in the readiness and sustainability of our Armed Forces.

PROCUREMENT POLICY

The conference report contains a number of provisions designed to improve the procurement process.

BASE CLOSURES

The conferees approved a provision that will expedite procedures to close nonessential bases.

OTHER ECONOMY AND EFFICIENCY MEASURES

The conference report eliminated several other congressionally imposed impediments to the efficient management of our defense program.

Mr. President, the remainder of my statement provides greater detail regarding the provisions of the conference report.

51-059 O-86-2 (Pt. 16)

STRATEGIC FORCE ISSUES

The conference committee resolved differences of over $3.1 billion between the Senate and House bills involving strategic programs. While adjustments were made in a number of programs due to budgetary constraints, the conferees agreed to maintain the momentum of the Strategic Modernization Program.

STRATEGIC DEFENSE INITIATIVE

The Senate bill provided $2.97 billion for the President's strategic defense initiative [SDI], while leaving the allocation of this reduction to the discretion of the SDI program manager. The House bill provided $2.5 billion, and specifically allocated this reduction against each of the five major program elements. The conference committee remained strongly supportive of a vigorous research effort under the strategic defense initiative, with its goal of determining the feasibility of developing strategic defenses for the United States and its allies. The conferees therefore recommended an authorization of $2.75 billion for the SDI in fiscal year 1986, and left the allocation of the reduction to the discretion of the program manager.

BINARY CHEMICAL MODERNIZATION PROGRAM

The conference committee took another important step toward restoring a credible U.S. chemical deterrent capability. Resolving the differences between the two bills on this program was one of the most difficult issues faced by the conferees. The final agreement, which required concessions from both sides, restricted the funding for the procurement of binary munitions—including components—and the associated production facilities until the President provides a certification to Congress. The President must certify that the United States has developed a plan, in cooperation with the Supreme Allied Commander, Europe, to deploy U.S. binary chemical munitions under appropriate contingencies to deter chemical attacks against the United States and our allies, and that he has consulted with NATO members on this plan.

No funds may be expended for the final assembly of complete binary munitions until October 1, 1987, and are available thereafter only if there has been no verifiable international agreement on chemical weapons, and the President makes a further certification to the Congress. In addition, the conferees adopted language expressing the sense of the Congress that unitary chemical munitions currently stored in the United States and in NATO should be replaced with modern binary munitions for safety reasons.

PEACEKEEPER (MX) MISSILE

The conferees provided $1.85 billion for the procurement of 12 MX missiles in fiscal year 1986, including initial spares, and the support equipment required to deploy 50 missiles in existing silos. The conference report includes statutory language limiting the number of Peacekeeper missiles deployed in existing Minutemen silos to 50. The conference provision is explicit with regard to the possibility of MX deployments beyond 50 should the President propose—and the Congress approve—a more survivable basing mode for the MX—the President always has the prerogative to request additional MX missiles for deployment if there is a significant change in the strategic environment—the conferees anticipate further missile procurements for the Operational Test Program and the Missile Aging and Surveillance Program, and expect that between 12 and 21 missiles will be procured for these purposes in fiscal year 1987.

ANTI-SATELLITE WEAPONS

The conference report includes statutory language that permits testing of the U.S. miniature homing vehicle antisatellite [ASAT] system against an object in space following a Presidential certification on the need for, and arms control implications of, such testing. This provision provides funding for not more than three such tests against an object in space through the end of fiscal year 1986. The conferees fully funded the administration's $149.9 million request for research and development. However, the conferees reduced the request for procurement by $65 million, and invited the Air Force to reprogram funds into the Research and Development Program for the purpose of resolving technical issues.

TACAMO (E-6A) AIRCRAFT

The Senate bill fully funded the adminstration's request of $86.3 million for research and development, and $400.2 million for the procurement of two E-6A submarine communications relay aircraft and associated spares. The House bill contained no funding for this program. In view of the importance the conferees attach to the sea-based leg of the U.S. strategic triad, and their judgment that this leg can be no more survivable or effective than the communications systems that support it, the conferees agreed to fully fund the E-6A Program.

ADVANCED TECHNOLOGY BOMBER AND ADVANCED CRUISE MISSILE

The conferees agreed to provide full funding for these programs in fiscal year 1986. The actual funding levels are classified.

SMALL ICBM

The Senate bill fully funded the administration's request for the small ICBM, or Midgetman missile. The House bill added an additional $150 million to the administration's request. The conferees agreed to provide an additional $100 million to the administration's request for the small ICBM to reduce risk in the program, including work on alternative guidance options and advanced propulsion techniques.

The conferees expressed the need for more information about this program that they expect to have available before proceeding to full-scale engineering development. The conferees directed the Air Force to report to the Committees on Armed Services by October 1, 1985, regarding tradeoffs that result from the congressionally imposed weight constraint on the missile, as well as other issues. In addition, the conferees directed that an independent review of the program be conducted by the Defense Science Board. I personally have a number of serious concerns about this program, not the least of which is its cost.

TACTICAL WARFARE ISSUES

Both the House and Senate Armed Services Committees continue to place strong emphasis on the modernization of our conventional forces. The agreements reached by the conferees will continue—and in some cases accelerate—the modernization of those forces.

ARMY

The conferees agreed on the procurement of 840 M-1 tanks in 1986, and provided advanced procurement funds for another 840 tanks in 1987. As a result of favorable contract negotiations and savings related to multiyear procurement, the conferees were able to reduce the administration's funding request for M-1 tanks by nearly $100 million without reducing the number of tanks procured.

The conferees approved the procurement of 72 Sergeant York Division Air Defense [Divad] guns for $210 million. These funds may not be expended until the Divad successfully demonstrates that it will meet system specifications during follow-on testing. The conferees also approved $72 million for the procurement of 150 field artillery ammunition support vehicles [FAASV], and $30 million for the procurement of 34 M-9 armored combat earth movers [ACE].

The conferees expressed strong support for the development of remotely piloted vehicles [RPV's], but expressed concern over the Army's current RPV Program, the Aquila. Recognizing the cost and performance problems that have hampered the Aquila Program, the conferees agreed to the Senate language directing that the program be restructured.

NAVY

For the Navy the conferees agreed to authorize 11 A-6E medium attack aircraft, 5 more than requested by the administration. A total of 84 F/A-18 aircraft were approved for 1986, along with advanced procurement funds for 84 aircraft in 1987. For F/A-18 research and development, the conferees

approved an additional $7 million to continue the development of modifications that will give the F/A-18 an austere all-weather attack capability. The conferees also approved the procurement of four UH-60 Blackhawk helicopters to supplement the Navy's aging inventory of search and rescue [SAR] helicopters.

The conferees expressed strong support for the administration's efforts to fill out weapons inventories. The conferees approved the requested procurement levels for all Navy air-to-air and air-to-ground missiles with the exception of the Sidewinder which the conferees increased by 630 missiles. The conferees agreed to a funding level of $583.7 million for the development of Navy/Marine Corps, JVX—now designated MV-22 Osprey—tiltrotor aircraft. The MV-22 Osprey is expected to begin replacing CH-46 assault helicopters in 1991.

AIR FORCE

The conferees agreed to the Senate funding levels for the procurement of 180 F-16 and 48 F-15 fighter aircraft. In recognition of the savings which may be achieved from competition, the conferees approved a modification of the House provision calling for fighter competition. This modification requires the Secretary of the Air Force to establish a competition in 1986 for the procurement of future fighter aircraft. This competition shall be among all suitable aircraft including the F-20.

The conferees also agreed to the Senate funding levels for research and development of the advanced medium range air-to-air missile [AMRAAM]. Production funds of $150 million and advance procurement of $30 million were approved with the understanding that these funds would be applied to qualify the second source manufacturer—in an effort to achieve vigorous competition—and to initiate producibility improvements designed to lower the production cost of the missiles. The conferees also agreed that none of the production funds may be spent prior to a certification to the Congress by the Secretary of Defense that the total production cost of the AMRAAM Program has been capped at $5.2 billion—in 1984 dollars—for the procurement of 17,000 missiles.

The conferees agreed to the House funding level for three HH-60 Nighthawk helicopters to begin the modernization of the Air Force inventory of combat rescue aircraft. And in recognition of the need to continue the modernization of air defense systems at NATO facilities, the conferees authorized $75 million for NATO cooperative air defense efforts. These funds are to be matched by a similar commitment from our NATO allies for the procurement and manning of NATO air defenses.

SEA POWER AND FORCE PROJECTION

SHIPBUILDING

The conferees approved $10,001.2 million for 21 new construction ships and 5 conversions. The conferees agreed to fund one Trident ballistic missile submarine, four SSN-688 class nuclear attack submarines, three CG-47 class Aegis cruisers, one LHD-1 class amphibious assault ship, and 4 MSH coastal mine hunters. In addition to the long-lead funds provided for reactivation of the fourth battleship, U.S.S. *Wisconsin*, the conferees agreed that full reactivation of the ship was authorized if funds were available from savings in other shipbuilding contracts.

ANTISUBMARINE WARFARE AIRCRAFT

The conferees authorized 24 LAMPS Mark-III [Sea Hawk] helicopters, and 6 LAMPS Mark-I [Sea Sprite] helicopters.

The conferees also authorized up to nine P-3 Orions, but adopted a creative approach to funding these land-based antisubmarine warfare aircraft. Since overall ASW capability can be enhanced by improving existing aircraft as well as building new ones, the conferees provided the Secretary of the Navy with the discretion to shift some funds authorized for new aircraft into a program to upgrade older ones. Competitive bids will be required for the upgrade program, which effectively creates an alternative, and thus promotes competition, for the procurement funds as well.

AIRLIFT AIRCRAFT PROCUREMENT

The conferees agreed to continue funding for the multiyear procurement of C-5B cargo aircraft and KC-10A advanced tanker/cargo aircraft; 16 C-5B and 12 KC-10A aircraft will be purchased in fiscal year 1986. The conferees also agreed to support continued development of the new C-17 airlifter.

MANPOWER AND PERSONNEL ISSUES

The most significant differences between the Senate and House were in the end strength levels of military forces, in the level of reductions to be pursued in the military retirement system, and in military pay.

ACTIVE DUTY

The conferees agreed to an active duty end strength of 780,800 for the Army, 571,300 for the Navy, 606,470 for the Air Force, and 198,800 for the Marine Corps.

CIVILIANS

The conference agreement provides for a 1-year continuation of the test program which permits the Department of Defense to manage its civilian work force without an end strength imposed by the Congress, and without the use of end strengths as an administrative management tool. The Department would be required to report back to the Congress on the results of this test next year.

MILITARY PAY RAISE

The conferees approved the Senate's recommendation to provide a 3-percent raise in basic pay, basic allowance for subsistence, and basic allowance for quarters to be effective on October 1, 1985.

MILITARY RETIREMENT

The conferees agreed to reduce the authorized level of appropriations available to fund the military retirement accrual fund in fiscal year 1986 by $2.9 billion below the level needed under existing law. The Secretary of Defense will be required to submit two legislative proposals to the Congress by September 15, 1985, which, if enacted, would result in a $2.9 billion savings as required by the conference agreement. The proposals submitted by the Secretary of Defense must grandfather all retirees and those already serving in the military. One proposal, if enacted, would have to obtain the agreed upon savings without making changes in the cost-of-living adjustment mechanism now in law.

OPERATIONS AND MAINTENANCE

The conferees approved $79.3 billion for the operation and maintenance of the Armed Forces in fiscal year 1986, including civilian salaries, base operations, and training. The conference action represents a reduction of 3.2 billion from the administration's February request of $82.5 billion. Despite this reduction, the conference report will enable us to maintain the improvements that have been made in the readiness and sustainability of our Armed Forces over the past several years.

The current and projected strength of the U.S. economy, inflation reductions from previous years, and the strength of the dollar in the international markets permitted financial reductions in stock fund accounts, inflation estimates, and foreign currency funds. The savings realized from these reductions were applied to: Increase funding of maintenance and logistical support efforts; increase aircraft flying hours for all the services; increase steaming days for the ships of the Navy; increase battalion training days for the Army; add funds to real property maintenance accounts; increase depot maintenance funding; restore the recommended pay reduction for civilian Department of Defense workers; and provide funds for a number of other high priority readiness related items.

DRUG INTERDICTION

The conferees agreed to renew the Department of Defense's contribution in support of drug law enforcement assistance missions by providing surveillance, detection, and interdiction support. An allocation of $15 million will pay for Coast Guard personnel onboard Navy ships for this purpose. This effort will help fight drug traffic

without granting the military authority to make arrests. The conferees hope other agreements in command, control, and coordination will make the assistance missions better coordinated and more effective.

HUMANITARIAN ASSISTANCE

The conference report contains two provisions which will provide assistance to refugees. One provision provided $10 million for transportation of humanitarian relief supplies to Afghan refugees. Another provision directs the Secretary of Defense to provide excess nonlethal, humanitarian supplies for distribution to refugees.

OTHER OPERATIONS AND MAINTENANCE RELATED ISSUES

The Department of Defense working capital funds were reduced by $200 million; funding support for the 10th Pan American Games was provided; and foreign currency funds were transferred to operations and maintenance accounts.,

PROCUREMENT POLICY ISSUES

As part of the conference report, the conferees adopted the Defense Procurement Improvement Act of 1985. The act has provisions dealing with many aspects of the defense procurement process and is intended to address some recent high-visibility problems. The following major provisions were adopted to improve the procurement process by:

First, promoting continuous competition throughout the period of time in which a weapon system or other defense equipment is being acquired, provided that such competition is cost effective, would not result in acceptable delays, and is otherwise in the national security interest;

Second, requiring the Secretary of Defense to evaluate the use of thorough "should cost" estimates for each major defense program;

Third, ensuring that military and civilian personnel in the Department of Defense with substantial defense procurement responsibility are properly qualified;

Fourth, ensuring that the career path for military officers who have specialized in defense acquisition offers sufficient opportunity for advancement and promotion;

Fifth, providing mandatory training for personnel responsible for quality assurance in contractor facilities;

Sixth, promoting increased disclosure of the activities of employees of defense contractors who were former employees of the Department of Defense, and who were directly involved in defense procurement;

Seventh, preventing conflicts of interest by employees of the Department of Defense involved in the negotiation and administration of defense contracts;

Eighth, continuing procurement technical assistance through outreach programs;

Ninth, shifting the burden of proof in certain matters in the resolution of Government contract disputes;

Tenth, providing the Director of the Defense Contract Audit Agency with subpoena authority;

Eleventh, improving the accounting for contracted advisory and assistance services;

Twelfth, making certain indirect expenses of contractors unallowable;

Thirteenth, establishing penalties for the submission of unallowable costs to DOD for reimbursement;

Fourteenth, increasing the penalties for the submission of false claims to DOD;

Fifteenth, making certain improvements in the selected acquisition report system;

Sixteenth, limiting the basis of progress payments; and,

Seventeenth, establishing a rule of mandatory debarment from defense contracting for at least 1 year for individuals convicted of fraud in defense contracting.

The conference report also includes requests for reports on several subjects including: spare parts; contractor profits; independent cost estimates; minority business contracting; and a civilian acquisition agency.

NATO COOPERATION

In the area of armaments cooperation within NATO, the bill contains two significant measures. First, the conferees agreed to provisions designed to enhance the Department of Defense's ability to enter into NATO cooperative projects for the research, development, and production of defense equipment. Specifically, the provisions provide authority for the President to enter into agreements with other NATO countries for a cooperative project, and provides authority for the Secretary of Defense to implement such agreements.

Second, the bill earmarks $200 million in research and development funding which can only be spent as part of cooperative development projects with one or more of our NATO allies. In addition, the bill earmarks $50 million for the acquisition of certain items manufactured by other member nations of NATO for side-by-side testing with comparable U.S.-manufactured items.

ECONOMY AND EFFICIENCY MEASURES

The conferees adopted a number of measures that sought to eliminate congressionally imposed impediments to the efficient management of our defense program. These changes will enable us to attain more security for our defense dollar, and it is my hope that this is just the beginning of our efforts to eliminate these impediments. Senator GRAMM will describe these provisions in greater detail in his statement. I would simply like to highlight these provisions, and commend my colleague from Texas for his strong leadership on these issues.

BASE CLOSURES

The conferees report includes a provision that will expedite the procedures by which the Secretary of Defense can close nonessential military bases. The closure of these nonessential bases will save American taxpayers millions of dollars each year.

CONTRACTING OUT

The conferees agreed to direct that the Department of Defense contract out for the performance of services and activities when it is determined, in accordance with law, that such performance is cost-effective and in the interests of our national defense. Additionally, the conferees agreed to raise the thresholds for cost comparison and economic impact studies associated with decisions to contract out in order to permit the Department to reach decisions on this issue in a more efficient manner.

WALSH-HEALY

In the Walsh-Healey and Contract Work Hours and Safety Standards Acts provisions, the conferees agreed to accept Senate bill S. 1105 as a substitute. The resulting provisions on flextime and overtime charges will apply to all Federal contractor employees, not just to those associated with the Department of Defense. The amendment will become effective on January 1, 1986.

MONRONEY

In resolving the Monroney Act differences between the two bills, the conferees accepted the Senate provisions without amendment. These provisions will prohibit the establishment of pay rates for prevailing rate employees of the Department of Defense using surveys of wages paid outside the local wage area. This change would become effective on October 1, 1985, and it will only affect new employees. Current employee wages will not be reduced by this amendment.

Together, the Walsh-Healy and Monroney Act provisions will save the American taxpayer approximately $500 million in the coming fiscal year, and further savings in the years ahead.

Mr. President, that completes my report.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I am pleased to join my colleague, the distinguished chairman of the Armed Services Committee, Mr. GOLDWATER, in bringing the conference report on S. 1160, the Defense Authorization Act for fiscal year 1986 to the floor.

The conference on this bill was long, arduous, and covered many difficult issues.

I have been in a lot of conferences in the last 12 years, Mr. President, and I

think this one was the most difficult in terms of substance, but it was the most diligent in terms of hard work and schedule. I think an awful lot of that is attributable to our chairman of the committee, Mr. GOLDWATER. He did a tremendous job.

There were approximately 1,350 differences between the House and Senate bills which the conferees had to resolve—1,000 dollar or funding differences and another 350 differences in language. The conferees met 14 different times over the last 2 weeks, and many of the meetings went late into the evening.

The spirit of compromise and cooperation which allowed the conference to complete its work is a tribute to the leadership of Chairman GOLDWATER of our committee and Chairman ASPIN and Representative DICKINSON of the House Armed Services Committee. This was the first conference for Senator GOLDWATER and Representative ASPIN as chairmen of their respective committees.

If it had not been for the work they did and also for Representative DICKINSON, we could have been on this conference for several months. As a matter of fact, for a long time, I thought we would be. Both Chairman GOLDWATER and Chairman ASPIN did an outstanding job in keeping the conference on an even keel and in establishing the frame work and procedures to resolve the knotty issues.

I want to add a personal note of thanks to the Senator from Arizona both for his service in the conference and for his work during the consideration of this bill on the floor and during the consideration of this bill in the committee. As he has already stated, we approached this with a bipartisan cooperative spirit and it could not have been done without Chairman GOLDWATER. He is frank, he is candid, he is knowledgeable, he has wisdom in these issues, and he has years of experience. Without his leadership, we indeed would not be here today with this conference report. The Senate and the Nation as a whole are fortunate—in fact, they are indeed fortunate, all of us are—to have a man of his wisdom and experience serving as chairman of the Committee on Armed Services.

Mr. President, the Senator from Arizona has outlined the details of the conference agreement, and I won't repeat what he has said. I would just like to highlight the resolution of what I consider some of the more important issues before the conference which will have a major policy impact.

TWO-YEAR BUDGET

In my judgment, one of the key decisions of the conference was the adoption of the Senate provision requiring DOD to shift to a 2-year budget cycle beginning in fiscal year 1988.

This will be a very profound change. It is a change, in my opinion, that is long overdue. All of us who deal with this bill each year are aware that the burdens of the annual budget process have become too cumbersome for Congress and also too cumbersome for the Department of Defense. Virtually all aspects of the defense budget are now subject to annual authorizations. There are nearly 2,000 procurement programs and over a thousand research and development programs. Reviewing each in detail every year is proving more and more time-consuming and unnecessary and, in my opinion, unworkable.

More important, however, by using its time to review virtually every line item in the budget, both the Congress and the Department forgo opportunities to focus on the more fundamental issues of defense policy: the establishment of national priorities and the broad allocation of defense resources toward those priorities.

We are not able to get to fundamental questions like defense strategy and defense reorganization because we are too bogged down in the details. If you take the multiplier effect for the amount of time we spend in Congress, there are literally thousands of man-years going in from the Department of Defense. So I believe this is a fundamental reform which I am hopeful the Defense Department will embrace with enthusiasm. This provision gives them 2 years to do so. It phases in this process in an orderly way.

The conference committee adopted the Senate provision which I sponsored that would require the Secretary of Defense to submit a 2-year Defense budget to the Congress for fiscal year 1988 and fiscal year 1989 at the beginning of the 100th Congress. This provision recognizes that it will not be possible to move to a 2-year budget without adequate planning and preparation. For this reason, the provision, first, expresses the sense of the Congress that, beginning in fiscal year 1988, Congress should adopt 2-year Defense budgets; second, requires the President to submit a 2-year budget, beginning in fiscal year 1988; and third, directs the Secretary of Defense to provide a report, by April 1, 1986, on the implications of moving to a 2-year budget cycle for the Defense Department. The Secretary is encouraged to develop recommendations on needed changes in current procedures and statutes in order to implement a 2-year budget process.

Mr. President, last November, Chairman GOLDWATER and I wrote the Secretary of Defense and asked that he submit a 2-year budget for fiscal year 1986. In all fairness to Secretary Weinberger, our request was made too late in the budget preparation process to be carried out this year.

The provision adopted by the conference puts the Defense Department on notice that Congress expects the Defense Department to submit a complete 2-year budget in calendar year 1987 for fiscal year 1988 and fiscal year 1989. This will begin that process in the new Congress.

NATO

I am pleased that the conferees agreed to a provision to enhance the Defense Department's ability to enter into NATO cooperative projects for research, development and production of defense equipment. The provision provides authority for the President to enter into agreements with other NATO countries for cooperative agreements, and provides authority for the Secretary of Defense to implement such agreements.

This provision will provide an important companion to the amendment on NATO cooperative research and development which Senators ROTH, GLENN, WARNER, and I sponsored in the Senate. This amendment sets aside $200 million for new cooperative research and development projects with one or more of our NATO allies. It further encourages more side-by-side testing of European-manufactured systems when comparable U.S. systems reach the operational test and evaluation phase.

These provisions were incorporated in the conference report, and I think are among the most important in terms of our alliance.

STRATEGIC PROGRAMS

On the MX missile, I think the conference reached a sensible, bipartisan compromise that will hopefully keep us from having to revisit this issue every year. The chairman has already gone into that. The conference agreement establishes a cap in permanent law on the deployment of MX missiles in existing Minuteman silos at 50. The conferees limited the acquisition of MX missiles beyond 50 to those required for test purposes only. The conferees also agreed to the production of 12 MX missiles in fiscal year 1986 and recommended that from 12-21 missiles be produced in fiscal year 1987.

If the President proposed and the Congress approved a new basing mode, more than 50 MX missiles could be deployed. But for now, the signal is clear: No more survivable basing mode, no more MX's.

The conference agreement authorizes $2,750 million for the strategic defense initiative, a reduction of $1 billion from the President's original budget request. This funding level represents an even split between the $2,972 million authorized by the Senate and the $2,500 million authorized by the House. The conferees left the allocation of funds within the SDI Program to the discretion of the program director. While I support the

overall level of funding for the SDI program, I continue to be concerned about the pace and direction of the program.

On the advanced technology bomber [ATB] and the advanced cruise missile [ACM], I am pleased to report that the conference agreement fully authorizes the amount requested in the budget for the advanced technology bomber [ATB] and the advanced cruise missile [ACM], which was the Senate position. The amendments by Senator BYRD requiring all funds appropriated for those two programs to be fully used only on these programs and by Senator KENNEDY prohibiting the expenditure of funds for more than 100 B-1B bombers helped us convince the House conferees that the Senate strongly supported these programs. Both of these amendments were included in the conference agreement as well. These programs will be the cutting edge of our strategic deterrent and will provide great technological and economic leverage on the Soviets, in my opinion, both militarily and in arms control.

ASAT

On the antisatellite [ASAT] issue, the conference report provides for a "dual track" approach, balancing our need to eliminate the Soviets' monopoly in this weapons category with our interest in promoting a forward-looking U.S. ASAT arms control posture. Under the compromise approved by the conferees, the first tests against objects in space of the U.S. F-15/miniature homing vehicle [MSV] can be conducted, but only if the President submits the arms control certification required under current law. Three such tests are permitted between now and the end of fiscal year 1986. By restricting the number of tests that can be conducted, the conferees hope to give our arms control negotiators more time to achieve an agreement limiting or otherwise restricting ASAT systems.

On the very important question of chemical munitions, I hope the House will see the wisdom of the conference report, which, indeed, was a compromise between the House and the Senate. The binary chemicals munitions issue was one of the most important and difficult issues addressed by the conference committee. After more than a week of protracted negotiations, the Senate conferees led by Senator GLENN and Senator COHEN persuaded their House colleagues that NATO could not be given a veto power over a major U.S. defense program of this importance. The conferees agreed, however, that if we were not going to insist that binary chemical munitions had to be stored in peacetime in Europe, there must at least be a guarantee that the munitions could be deployed to Europe in a contingency.

The conference report prohibits the establishment of production facilities for binary munitions, as well as any long-lead procurement or assembly, until the President certifies that the United States, in cooperation with SACEUR, has developed a plan to deploy these munitions to Europe under appropriate contingency plans and that the allies have been consulted on that plan. The report also expresses the sense of the Congress that existing chemical weapons stocks in Europe should be replaced with binary munitions, but this language is nonbinding.

In virtually every other respect, the Senate receded to the House-passed restrictions on the binary program. These include a ban on final assembly prior to October 1, 1987 and conditions relating to arms control, storage, transportation, testing, performance specifications, safety and the accelerated destruction of the existing U.S. stockpile of unitary chemical munitions.

In my judgment, the lack of an adequate chemical capability is one of the Achilles' heels of NATO defenses. I urge my Senate colleagues and the Members of the House to support this compromise.

CONVENTIONAL PROGRAMS

Mr. President, it is important to note that even though this conference report provides no real growth in defense spending for fiscal year 1986 except inflation, there are significant increases in the quantities of weapons authorized for conventional procurement. This bill authorizes 18 percent more combat and support aircraft than last year, 44 percent more missiles, torpedoes, and mines than last year, and 19 percent more tracked combat vehicles than in fiscal year 1985.

One of the reasons for this is the discovery of additional funds during the course of the process in the Defense Department. Another reason was some initiatives taken in terms of retirement and others that saved considerable amounts of money.

We gave priority to retaining the highest production rates possible and sustaining procurement of improved conventional munitions. In fact, we bought more aircraft and more munitions than were originally requested by the administration in their original budget request that grew by 5.6 percent over inflation. I ask unanimous consent that summary information on major procurement programs be printed in the RECORD at the conclusion of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. NUNN. My colleagues may ask how we can buy more than was requested while reducing the budget request by $19.6 billion? Nearly half of the $7.6 billion reduction in procurement recommended by the conferees was accomplished through financing adjustments. The administration's discovery of $4 billion in savings figured prominently in this.

We are pleased that there are substantial cost savings occurring in DOD. Credit must go to Secretary Weinberger and the services for cost reductions. But these savings and the method in which they were discovered have raised credibility problems over DOD's accounting practices. The Armed Services Committee intends to scrutinize these practices, and especially the methods used by DOD to budget for inflation.

While I am the first among my colleagues to argue that we should cut unnecessary funds before we cut required programs, the picture that emerges from conference is a mixed one. This year, the two Armed Services Committees had made recommendations to terminate a number of systems. The House was more aggressive in this regard than was the Senate. It was unprecedented to find a total of 12 major programs recommended for termination in one of the two bills. Mr. President, following is a list of major programs recommended for termination in either of the bills taken to conference:

TABLE 5.—PROGRAMS RECOMMENDED FOR TERMINATION BY THE HOUSE AND SENATE IN FISCAL YEAR 1986

H.R. 1872	S. 1160
P-3 ASW Patrol Aircraft	SH-2 ASW helicopter
E-6 radio relay aircraft	Field Artillery Support Veh.
AMRAAM air-to-air missile	C-12 utility aircraft
MC-130 special operations aircraft	9mm handguns
Joint Tactical Information Distribution System.	
RAM surface-to-air missile	
Joint Surveillance Target Attack System [JSTARS].	
Link Spruce	

Mr. President, every one of these programs was restored in conference, although some were continued with certain restrictions. Let me state that there is substantial merit in each system. I don't question that on a case-by-case basis, the conference made the right decision to continue these programs.

At the same time, the conference took action on several major new starts contained in the fiscal year 1986 budget request. In the research and development accounts, the conference funded five major new start programs that cost only $1.3 billion this year, but which will cost between $150 to $200 billion over the next 10 years. Again, Mr. President, I have for the RECORD at this point a list of the five major new starts I am referring to:

TABLE 6.—FIVE MAJOR NEW STARTS IN FISCAL YEAR 1986 AUTHORIZATION

	Fiscal year 1986 funds (millions)	Projected costs (billions)
LXH [future Army helicopter]	$125	$40
Advanced tactical fighter [AF]	170	15 to 50
Advanced tactical aircraft [N]	6	35 to 40
JVX [V-22 N/MC "tilt-rotor" aircraft]	583	23
C-17 AF transport	383	37
Total (billion)	1.267	150 to 195

These five programs represent a very large mortgage on our future at a time when we are continuing current programs, many at inefficient rates. This may have been acceptable if the budget were going to grow every year by 5 percent, but we are likely to face an optimistic ceiling of 3 percent real growth and possibly no growth over the next 5 years. We must have a better understanding of the affordability of these programs. That is why I sponsored an amendment during Senate consideration of the defense authorization bill requiring the Department of Defense to submit two modified 5-year defense plans, one at 3 percent real growth and the second at zero real growth. I am pleased that the conference agreement includes this provision; we must have this information in order to determine the affordability of the major new starts and the impacts of a constrained budget on DOD priorities.

That is why I consider the action by the conference to restore funding for the 12 terminated programs to be a mixed picture. I have no doubt that in the unique circumstances that accompanied these programs the conference made the right decision to continue all of them. In the greater picture, however, I doubt the conference made the right choice. There are two truisms that emerge from this: Congress can't terminate programs, and DOD can't resist starting new ones.

We are going to have to do both—terminate marginal programs and resist starting new ones—if we are to have a strong, stable, and affordable defense program in the future.

OPERATIONS AND MAINTENANCE

In the important area of operations and maintenance, the conference agreement includes reductions of approximately $4.2 billion, offset by a restoration of $1 billion to restore the funds taken out of the budget by OMB for the 5-percent reduction in Federal civilian pay originally proposed for fiscal year 1986.

A large part of the savings in the O&M area, Mr. President, were in the area of financing adjustments—lower anticipated inflation, lower fuel prices, and improvements in foreign currency exchange rates based on the continuing strength of the U.S. dollar overseas. The experience of the past several years strongly suggests that these financing savings can be made without any impact on the programs funded in the O&M accounts.

In fact, I think it is important to note what O&M programs were not cut to meet the conference committee's zero real growth target. The conference agreement does not make any reductions to the operating tempos—flying hours, steaming time, or field training exercises—requested by the services. The conference agreement even includes small increases above the budget request for depot maintenance and for real property maintenance. In other words, I think the conference agreement does a good job of meeting our budget target without cutting any important readiness programs funded in the O&M accounts. Senators DIXON and HUMPHREY deserve great credit for this achievement.

PERSONNEL

The most far-reaching action taken by the conferees in the military manpower area is the provision designed to initiate a major restructuring and reform of the military personnel management and compensation system, particularly the military retirement system.

Both the House and Senate bills reduced the funding available to the military services for payment of basic pay and the military retirement accrual changes in fiscal year 1986.

The conference agreement reduces this funding by $2.9 billion in fiscal year 1986, which is the midpoint between the House reduction of $4 billion and the Senate reduction of $1.8 billion. The conferees directed the Secretary of Defense to submit two legislative proposals to the House and Senate Armed Services Committees by September 15, 1985, to achieve this level of savings. One of these proposals must achieve the $2.9 billion in savings through changes other than changes to the current cost-of-living allowance formula.

It is very important that this provision be understood by our military men and women in service today.

The conferees directed the Defense Department to indicate what changes they would propose to achieve a range of savings in military retirement costs from $1.8 billion up to $5.4 billion in fiscal year 1986. The Department was directed to report on the recruiting and retention impact of the five different levels of savings suggested by the conferees within this range.

Mr. President, an important part of this initiative in both the House and Senate bills was the pledge that structural changes in the military retirement system will not include changes to the retirement system for personnel currently on active duty or retired. The conferees reiterated this pledge.

I think it is very important that that be understood by our military personnel who are serving and have already served our Nation and are retired.

I strongly support the conference agreement in this area. A comprehensive review and reform of the military retirement system is long overdue and I look forward to working with Senators GLENN, WILSON, and the other members of the Manpower and Personnel Subcommittee on this effort in the coming months.

The conference agreement also includes a series of provisions in the House bill making a number of important changes to the survivor benefit plan [SBP]. These changes are designed to simplify the program so that potential participants will have a better understanding of the benefits available to their survivors. The changes also include several important reforms, such as requiring spousal concurrence if a military retiree wants to elect participation in the SBP at anything less than the maximum level.

DEFENSE ACQUISITION POLICY

Both the House and Senate bills contained a number of provisions dealing with defense acquisition policy, some of them very far reaching. The conferees assigned these issues to a special panel of the conference, headed up on our side by Senators LEVIN and QUAYLE. Some of the issues in this area were debated and negotiated over the entire 2 weeks of the conference and were only resolved at the end of the conference.

The most difficult issue in this area concerned the so-called revolving door provisions in both bills. The conference agreement adopts the entire Senate formulation requiring a defense employee performing a procurement function to disqualify himself or herself from further activity with a defense contractor when there are contacts regarding post-governmental service employment with that contractor. However, for any Presidential appointee who acts as a primary Government representative negotiating a contract or contract settlement, there is a 2-year ban on accepting employment with the contractor with whom those negotiations were held.

In addition, the present law requiring former Department of Defense employees to report to the Department on the nature of certain post-employment activities has been substantially strengthened. An administrative penalty for failing to file the required reports in a timely manner has been added so as to increase the likelihood of compliance and enforcement.

Both the Senate and House bills included provisions regarding the allowability of certain costs incurred by contractors and submitted to the Government for reimbursement. Under the conference agreement, 10 categories of costs identified in the statute will be unallowable on most defense

contracts. The Secretary of Defense is given the responsibility to implement this section by regulation, which may establish appropriate definitions, exclusions, limitations, and qualifications.

The Secretary is also required to identify with greater specificity and clarity whether an additional 16 categories of costs will be unallowable on defense contracts.

If the Secretary determines by clear and convincing evidence that cost submitted by a contractor are unallowable under the costs principles governing defense contracts, the contractor's cost shall be disallowed and a penalty equal to the amount of the disallowed cost, plus interest, shall be assessed. If a contractor submits a request for the reimbursement of costs which have been previously determined to be unallowable, the contractor's cost shall be disallowed and a penalty of not more than two times the amount of the unallowable cost shall be imposed.

Finally, the conference agreement requires contractors to certify, under penalty of perjury, that to the best of their knowledge and belief all indirect costs included in a cost settlement proposal are allowable under the statute and regulations.

Both the Senate and House bills included provisions to expand the use of dual sources for major systems in the Department of Defense. Under the conference agreement, the Secretary of Defense is required to prepare an acquisition strategy for each major system that generally provides for competitive alternative sources to be available for the entire period from full-scale development through the end of production. This requirement for dual sourcing is satisfied if the alternative systems, developed or produced, serve similar functions and compete effectively with each other.

Mr. President, I remain concerned about the problems we have in the defense acquisition process as well as the overall complexity of this process. I am also becoming concerned, however, that Congress is adding to these problems by increasing the amount of statutory requirements and DOD regulations in dealing with contractors.

I think we have put so many things in the statutory and regulatory checklist that we have left out the all important ingredient called common sense. I think we have taken away flexibility and authority, not in this bill but the cumulative effect of many different laws over the years.

I constantly come to the unpleasant conclusion that today's problems were perhaps yesterday's solutions. I hope that tomorrow's problems are not today's solutions, but I have to be marked down as rather skeptical in this area. I would like to find a few pilot projects and converse with the chairman on this next year where we could waive most if not all procurement regulations and see how our managers can do if we simply tell them to use good management and common sense on a few programs. I have not found those pilot programs yet but I would like to ask my chairman to help in that general approach during the next 12 months.

GENERAL PROVISIONS

The conference dealt with a broad range of policy issues included as general provisions in the two bills.

On the question of the use of the polygraph in the Department of Defense, the conferees agreed that the polygraph was a useful tool in counterintelligence investigations. The conferees also agreed that the Department of Defense should proceed slowly in this area until we had some experience with the use of the polygraph and until the Department took other measures to improve personnel security practices such as reducing the number of people with clearances and reducing the backlog in periodic reinvestigations.

The conferees agreed to create a temporary authority for the Secretary of Defense to conduct a polygraph program which includes mandatory polygraphs for persons in the Department of Defense and Defense contractors with access to special access programs and information classified at the "top secret" level. However, no more than 3,500 mandatory polygraphs can be conducted under this program in fiscal year 1986. Up to 7,000 will be permitted in fiscal year 1987. In addition, a series of reports are required on the conduct of this program. I expect that Congress will revisit this issue in the fiscal year 1988 authorization bill to determine whether the polygraph program in the Department of Defense should be continued, and if so under what rules.

The House bill included a provision barring the introduction of U.S. Armed Forces into or over Nicaragua for combat except in certain specified circumstances. The conferees were concerned that this provision may be an unconstitutional restraint on the President's powers of Commander in Chief, and questioned whether it was wise to list in law those circumstances when the United States would use force and when we would not. Finally, they were concerned about the consistency of any such legislation with the War Powers Resolution.

As a result, the conferees agreed on a sense of Congress provision that the President should not introduce U.S. Armed Forces into or over Nicaragua for combat and providing that nothing in the provision should be construed as affecting the authority and responsibility of the President or Congress under the Constitution, statutes, or treaties of the United States.

Another issue in which many members have been interested is the extent to which the Armed Forces can be used to enhance the enforcement of our drug laws and to interdict illegal drug shipments into the United States. The conference adopted several measures which will assist in this important effort. I think it is important to highlight the fact that we did not give the power of arrest to the military. That was debated long and hard, but it lieu thereof I think we put in a much more effective provision that will go I believe a long way toward helping combat drug traffic in the oceans and the surrounding areas of our territorial waters. What we did was to authorize 500 additional personnel for the U.S. Coast Guard for stationing on U.S. naval vessels in waters where drug interdiction is a possibility. These Coast Guard members would then be available to conduct arrests and searches and seizures of drug smugglers, operating from the naval vessel. The important part of this, when it is implemented, is that any drug smuggler looking at any Navy ship will have to believe that that ship has the power, with the Coast Guard personnel on board, to search and seize and arrest if necessary. I think that will serve as an additional deterrent in this very important area.

The Bennett amendment in the House bill would have permitted members of the Armed Forces to make arrests and conduct searches and seizures outside the land area of the United States. However, the conferees believe that the longstanding policy of the United States that Armed Forces not be used to enforce civil laws, as established in the Posse Comitatus Act, should be respected. We concluded that the best solution was to increase the number of Coast Guard personnel available to work on Navy vessels to conduct arrests. Other provisions in the conference report will increase surveillance and interdiction of illicit drug traffickers by Active and Reserve Forces of the United States.

The Senate bill included three provisions affecting labor costs in the Department of Defense. The conferees agreed to drop the Senate provision amending the Davis-Bacon Act and raising its threshold of applicability to DOD contracts. The conference report includes the Senate provision amending the so-called Monroney amendment which provides a wage-adjustment mechanism for DOD wage-scale employees. Finally, the conferees have agreed to incorporate reforms to the Walsh-Healy Act regarding overtime pay for Federal contracts which were recently reported favorably by the Senate Labor and Human Resources Committee.

The Senate bill included a provision granting the Secretary of Defense

broad authority to close or realign military installations, and authorized $1 billion for this purpose. The conference report does not contain these Senate provisions. However, the conferees have agreed to streamline the procedural requirements with which the Department must comply when it determines to close or realign a military installation.

Finally, the Senate conferees accepted a provision in the House bill which creates a new article in the Uniform Code of Military Justice making espionage in peacetime a capital offense. In addition, standards are included in the article for the imposition of the death penalty.

CONCLUSION

Mr. President, this is a massive bill. The statement of managers is over 600 type-written pages, and the bill itself is over 500 type-written pages. So clearly it will be some time before one can give a complete and thorough analysis of all of the provisions and their implications.

It is not too early to talk about the challenges that still remain even with the work this bill represents. I think all of us realize that it is very unlikely that we will ever realize the real growth in defense spending that the Pentagon's current 5-year defense plan represents. I believe we must face up to the growing prospect that defense spending has not only leveled off after years of growth, but could very well stay at basically a no-growth pattern until Congress and the American public are convinced that the deficit is being reined in and that increased defense spending is closing the gap between our strategy and our capabilities.

I must add my voice to those who expressed disappointment—I am sure we have heard from colleagues on both sides of this—with the President's position on the compromise plan that was presented by the leaders of our Budget Committee, Senator DOMENICI and Senator CHILES and Members on both sides of the aisle.

I believe that this strikes a blow against the hope that many of us had for meaningful and credible deficit reduction this year. I must say that the longer the President avoids the leadership responsibilities—and I must add the leadership of Congress—in this important deficit reduction area the more difficult the job is going to be in the future. In my opinion this does not bode well for our national security and for our defense budgets in the future. I know there are many different views as to the provisions of that compromise, but I had the view, viewing it from a distance and not having been involved with it, that it was our best and perhaps final hope for a credible package this year. Again, I emphasize that we are not going to be able to sustain the momentum in the defense program as long as we have $180 billion to $200 billion deficits and I see nothing now which indicates that we are going to come to grips with that problem in the budget process in a meaningful way this year, so that is not good news for defense.

Earlier this year I suggested that in approaching the defense bill with a new realism about projected growth, there were a number of things we can do to avoid major damage to our national security down the road:

We can develop realistic criteria against which we can judge progress or lack thereof in meeting defense requirements;

We can change our military strategy to one based on realistic resources;

We can refocus the debate on defense spending from input to output;

We can cap the MX deployment in vulnerable Minuteman silos;

We can restrain the administration's request for SDI funding to a more prudent and affordable level;

We can devise a system in which the Department of Defense maximizes existing production rates and balances this with new starts;

We can and must insist that our allies shoulder a greater share of the common defense burden;

We can carefully think through whether existing agreements on strategic offensive arms can continue to serve our national security interests while contributing to the attainment of a more comprehensive and significant arms reduction agreement in the new negotiations on nuclear and space arms; and

We can carry out long overdue and badly needed reforms in the structure of the military services and the entire Defense Department.

Mr. President, we did not try to address all of these areas in this bill; we couldn't even if we had wanted to.

But this bill makes progress in addressing at least some of these issues. The conference agreement caps the MX deployment in vulnerable Minuteman silos, for example, and restrains the growth in the SDI program.

In other areas, however, such as maximizing the production rate of Defense programs and balancing current programs with new starts, this conference report is less successful.

I look forward to continuing to address these problems and challenges with my colleagues on the Armed Services Committee in the coming months. The committee is preparing to spend the next several months developing legislation to reform the structure of the military services and the entire Department of Defense.

In closing, Mr. President, I want to add a personal note of thanks to the Senator from Arizona for his service in this difficult conference. Senator GOLDWATER is without peer in this body in his knowledge and grasp of the entire range of issues affecting our national security. The Senate and the Nation are indeed fortunate to have a man of his wisdom and experience serving as chairman of the Armed Services Committee.

I also want to thank all of the members of our committee for their diligent work in this conference and throughout the year in bringing us to the point of passing this conference report. I want to particularly note the outstanding leadership of Senator WARNER and Senator HART on the Strategic Subcommittee; of Chairman GOLDWATER and Senator KENNEDY on tactical issues; of Senator COHEN and Senator EXON on the Seapower and Force Projection Subcommittee; of Senator WILSON and Senator GLENN on the Manpower and Personnel Subcommittee; of Senator HUMPHREY and Senator DIXON on the Preparedness Subcommittee; and of Senator THURMOND and Senator BINGAMAN on the Military Construction Subcommittee. The leaders of our new Defense Acquisition Subcommittee, Senator QUAYLE and Senator LEVIN, deserve a special commendation for their work in a very difficult and controversial area.

I also want to thank the staffs of both the House and Senate Armed Services Committees for their untiring and professional efforts. Led by Kim Wincup and Al Chase in the House and Jim McGovern and Arnold Punaro in the Senate, the staffs of the Armed Services committee provide superb support year round. I want to particularly thank our Democratic staff, Bill Hoehn, Jeff Smith, David Lyles, John Hamre, Bob Bell, Patty Watson, Russell Miller, Colleen Getz, Kathy Bognivitz, Shelly Turney, Pam Powell, and Monica Chavez for their work on this bill and throughout the year. I want to add a special note of thanks to Hugh Evans of the Senate legislative counsel and Bob Cover of the House for their support in writing the bill. Hugh and Bob have been doing this work for committees as far back as I can remember and they do a superb and extremely professional job.

Mr. President, this conference report represents the culmination of a great deal of hard work by many Senators. I urge my colleagues to support it.

Again I want to thank my colleague and friend from the State of Arizona for his superb, outstanding leadership and all the members of the committee for their splendid cooperation.

I also want to emphasize that Chairman ASPIN on the House side, as chairman of the conference, I think did an outstanding job in guiding this conference, in cooperation with Senator GOLDWATER. The two worked together in a splended fashion over very many difficult issues and I congratulate them both for their leadership.

EXHIBIT 1

TABLE 1.—COMPARISON OF REQUEST VERSUS ACTION FOR PROCUREMENT OF AIRCRAFT

	Fiscal year 1985 action	Fiscal year 1986 request	Conference action	Request versus action	Fiscal year 1985 versus fiscal year 1986 authorization
Combat aircraft:					
EH–60	18	18	18	0	0
AH–64	144	144	144	0	8
UH–60	86	78	78	0	−8
A–6E	6	6	11	5	5
EA–6B	6	12	12	0	6
AV–8B	32	46	46	0	14
F–14	24	18	18	0	−8
F/A–18	84	84	84	0	0
CH–53	10	14	14	0	4
AH–1T	22	22	22	0	0
SH–60	24	18	24	6	0
P–3C	9	9	9	0	0
E–2	6	6	6	0	0
SH–2F	6	6	6	0	0
C–2	8	8	8	0	0
USMCR tanker (KC–1)	2	0	2	2	0
E–6	0	2	2	0	2
UH–60	2	0	4	4	2
B–1B	34	48	48	0	14
F–15	42	48	48	0	8
F–16	150	180	180	0	30
KC–10	8	12	12	0	4
MC–130	2	1	1	0	−1
C–5B	8	16	16	0	8
C–130	16	0	14	14	−2
HH–60	0	3	3	0	3
TR–1	4	8	6	−2	2
Total combat	753	807	836	29	83
Trainers/administrative:					
C–12s	6	0	6	6	0
UC–12B	12	12	12	0	0
VH–60	0	9	9	0	9
T–34	0	38	19	−19	19
F–16 (adversary)	10	12	12	0	2
C–20 Navy	0	0	2	2	2
C–20 Air Force	3	8	8	0	6
C–12J	6	0	6	6	0
T–16	10	33	33	0	23
Total trainers	47	112	107	−5	60
Total aircraft	800	919	943	24	143

TABLE 2.—COMPARISON BUDGET REQUEST VERSUS ACTION FOR MISSILE/TORPEDO/MINE PROCUREMENT

	Fiscal year 1985 action	Fiscal year 1986 request	Conference action	Request versus action	1985 versus fiscal year 1986 action
Missiles/torpedos:					
Chaparral	0	300	700	0	800
Patriot	440	585	585	0	145
Hawk (Marine Corps)	500	550	550	0	50
Stinger					
Army	2,360	3,439	2,909	−530	549
Marine Corps	700	800	800	0	100
Hellfire					
Army	5,342	6,576	6,576	0	1,234
Navy	438	1,304	1,304	0	865
TOW II					
Army	12,000	20,100	20,100	0	8,100
Marine Corps	3,555	4,782	4,782	0	1,227
MLRS	50,472	72,000	72,000	0	21,528
Tomahawk	180	249	249	0	69
Sparrow					
Navy	1,671	1,872	1,872	0	201
Air Force	404	425	425	0	21
Sidewinder					
Navy	1,000	1,220	1,850	630	850
Air Force	0	800	1,502	702	1,502
Phoenix	265	265	265	0	0
Harpoon					
Navy	354	395	395	0	41
Air Force	85	0	0	0	−85
HARH					
Navy	013	904	904	0	91
Air Force	871	1,715	1,715	0	844
SM 1 MR	600	0	0	0	−600
SM 2 MR	529	846	846	0	317
SM 2 ER	255	470	470	0	215
RAM	30	117	117	0	87
Sidearm	0	168	885	717	805
Laser Maverick	600	1,500	1,500	0	900
IIR Maverick					
Navy	0	195	195	0	195
Air Force	2,600	3,500	2,950	−550	350
AGN–130	0	97	0	−97	0
AMRAAM	0	90	0	−90	0
GLCM	120	95	95	0	−25
MX 48 Torpedo	138	123	123	0	−15
MX 46 Torpedo	1,565	500	500	0	−1,065
Captor Mine	300	0	150	160	−150
MX 67 Mobile Mine	280	280	200	0	0
Total Missiles/Torpedos	88,467	128,262	123,184	952	38,723

TABLE 3.—COMPARISON OF BUDGET REQUEST VERSUS ACTION FOR SHIPBUILDING AND CONVERSION

	Fiscal year 1985 request	Fiscal year 1986 request	Conference action	Request versus action	Fiscal year 1985 versus fiscal year 1986 authorization
Shipbuilding/conversions:					
Trident	1	1	1	0	0
SSN–688	4	4	4	0	0
CV SLEP	1				−1
CG–47	3	3	3	0	0
DDG–51	1				−1
LSD–41	2	2	2	0	0
LHD–1		1	1	0	1
MCM	4	4	2	−2	−2
MSH		4	4	0	4
TAO	3	2	2	0	−1
TAGOS	2	2	2	0	0
AG sound barge		1	1	0	1
TAGS surveying ships	1				−2
LCAC	9	12	12	0	3
Conversions					
TACS	1	3	3	0	2
TAVB		1	1	0	1
Total shipbuilding and conversions:					
Major combatants	12	11	11	0	4
Other combatants/auxiliaries	11	13	11	−2	0
Other vessels	8	12	12	0	3
Conversions	1	4	4	0	3

TABLE 4.—COMPARISON OF BUDGET REQUEST VERSUS ACTION FOR PROCUREMENT OF WEAPONS, TRACKED COMBAT VEHICLES

	Fiscal year 1985 request	Fiscal year 1986 request	Conference action	Fiscal year 1986 versus action	Fiscal year 1985 versus fiscal year 1986 authorization
Weapons, tracked combat vehicles:					
M577 CP carrier	167	115	115	0	−52
M113 APC	35	325	325	0	290
Bradley FVS	655	716	716	0	61
M109 howitzer	70	0	0	0	−70
Field arty supt veh	170	197	150	−47	−20
M88 recov veh	180	240	210	−30	30
M1 tank	840	840	840	0	0
Divad	n/a	117	72	−45	72
Chaparral fire unit	0	0	24	24	24
Improved TOW vehicle		0	68	68	68
Total weapons, and combat vehicles	2,117	2,550	2,520	−30	403

Mr. GOLDWATER. Mr. President, will the Senator yield? I thank my friend from Georgia for his very overly kind remarks and assure him that the two of us will get together in the coming months to try to work out something, not just to help procurement but to do what we can to help get the whole defense matter straightened out. It has been since probably 1958—and we can go back to 1922—that the Congress has last exercised its constitutional mandate to oversee the military.

As a result, the military of our country needs help—not just the Joint Chiefs, not just the Secretary of Defense, not just the individual services; but it is time that Congress devotes time to helping them.

I can assure my friend from Georgia that they are aware of this. They have already made some great strides. I think we have seen the end of $600 toilet seats and $2,000 screwdrivers and the other foolishness that we put up with.

I assure my friend from Georgia that I am going to stand ready at any time to help him, and the two of us will try to help everybody else in uniform achieve that goal.

Mr. NUNN. I thank the Senator from Arizona. I assure him that the feeling is mutual, and he will have my total cooperation toward those ends.

Mr. THURMOND. Mr. President, the conference report that we are considering today reflects several months of detailed analysis by the Senate and the House, and represents a bipartisan consensus for a strong national defense. The conference agreement approves approximately $302.5 billion for defense. This is a reduction of $19.7 billion from President Reagan's request for defense spending for fiscal year 1986.

The level of spending authorized in this bill provides no increase beyond inflation over defense spending for fiscal year 1985. The President's request contained real growth of 5.9 percent. Although the House-Senate conference on the fiscal year 1986 first concurrent budget resolution has not completed its work, the expected out-

come for the national defense function is consistent with the funding level in the conference report presented to the Senate today.

Mr. President, all of my colleagues worked very hard to resolve nearly 1,400 differences in the two bills, and I would like to commend several of my colleagues for their singular efforts in completing the conference. The committee chairman and ranking member, Senators BARRY GOLDWATER and SAM NUNN, respectively, deserve special credit for their leadership and hard work throughout the conference. Senator GOLDWATER did an outstanding job during his first year as chairman of the Armed Services Committee. Senators BILL COHEN and JOHN GLENN helped resolve the issue of renewed production of chemical weapons which was one of the most controversial issues considered by the conference.

There were nearly 100 differences in the area of procurement reform that had to be reconciled, and Senators DAN QUAYLE and CARL LEVIN worked very long and diligently to resolve these highly complex procurement related issues. Senator PHIL GRAMM of Texas did an outstanding job advocating the Senate position regarding base closures and the repeal of certain provisions of the Davis-Bacon Act and the Walsh-Healey Act.

Senator WARNER worked diligently to resolve differences on the SDI and the MX missile.

Senator WILSON did a fine job resolving differences in personnel matters, especially military retirement.

Mr. President, the conference committee had to resolve $3.1 billion in differences in strategic programs; and while the cuts made by both Houses will have serious impact on certain programs, there is continued momentum in the administration's Strategic Modernization Program.

I ask unanimous consent to have printed in the RECORD a summary of conference actions.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

I. STRATEGIC MODERNIZATION

Binary Chemical Weapons.—The resumption of production of chemical weapons after a sixteen year moratorium is recommended by the conference committee. Funds were approved with certain conditions. The President must first certify that a plan exists to deploy binary munitions under various contingency plans to deter chemical attack against our forces and that the President has consulted with our NATO allies for any deployments involving NATO. Second, funds for final assembly of binary munitions components is fenced until October 1, 1985. After that date, final assembly can take place only if there has been no intervening verifiable international agreement on chemical weapons and the President further certifies that it is vital to our security and that binary weapons will meet safety and performance specifications.

Peacekeeper Missile (MX).—The conference committee approved the procurement of 12 missiles during fiscal year 1986 with statutory language limiting the deployment of MX missiles in existing Minuteman silos to 50. More than 50 missiles could be deployed, however, if the President requests and the Congress approves a survivable basing mode for the MX.

Strategic Defense Initiative (SDI).—The President requested approximately $3.7 billion for SDI. The conferees approved a total of $2.75 billion for fiscal year 1986 which provides 100% real growth over the fiscal year 1985 level for SDI. The House bill had specified reductions in the SDI account in each of the five major program elements. The Senate bill left the allocation of resources to the discretion of the program manager which was also the position adopted by the conference committee.

Small Mobile ICBM (Midgetman).—The House bill added $150 million to the Administration's request for the Midgetman program whereas the Senate bill funded the program at the requested level. The conferees agreed to an additional $100 million above the Administration request in an effort to reduce risk, work on advanced propulsion and work on alternative guidance systems. The total authorized for the program is $724 million.

II. TACTICAL WARFARE PROGRAMS

Army Programs

M-1 Tank (Abrams Tank).—The conference committee approved funds for 840 M-1 tanks for fiscal year 1986 and advance procurement funds for 840 M-1 tanks in fiscal year 1987.

Division Air Defense Gun (DIVAD or Sergeant York).—This program has been plagued by testing problems. Therefore the conferees fenced funds for 72 DIVAD guns pending successful testing that must demonstrate that the gun can meet system specifications.

AH-64 Attack Helicopter (Apache).—The Administration requested 144 Apache helicopter for fiscal year 1986. This request was approved with the provision that 18 helicopters go to the Army National Guard.

Navy Programs

Ship Construction.—The conferees approved $10 billion for the construction of 23 new ships and the conversion of four ships for fiscal year 1986. These ships include three Aegis cruisers, one Trident submarine, four Los Angeles class attack submarines and the reactivation of the battleship Wisconsin.

Anti-submarine Warfare (ASW) Aircraft.—The Administration requested nine P-3C Orion ASW aircraft for fiscal year 1986. The Senate bill approved this request. The House bill denied the request. The Conferees agreed to approve funds for up to nine new P-3Cs. The Navy has the authority, however, to use $120 million of these procurement funds to modify inservice aircraft. The conferees also approved 24 LAMPS Mark III helicopters and six LAMPS Mark I helicopters. The six LAMPS Mark I helicopters will serve as ASW assets for Naval Reserve.

Air Force Programs

Advanced Medium Range Air-to-Air Missile (AMRAAM).—The House bill provided no funds for AMRAAM while the Senate bill authorized $150 million for procurement in fiscal year 1986 and $30 million in advanced procurement for fiscal year 1987. The conference committee agreed to provide $150 million for procurement and directed that a second source be qualified to promote competition. None of the funds can be spent until the Secretary of Defense certifies that all 17,000 missiles can be bought for $5.2 billion in constant 1984 dollars. The conferees took these steps because of their concern about cost growth in the program.

Fighter Competition.—The House bill directed the Secretary of the Air Force to compete the purchase of F-16 aircraft for fiscal year 1986 against the F-20. The Senate bill contained no such provision. The conference committee directed that a competition be conducted among all suitable aircraft rather than limiting it to just the F-16 and F-20.

Guard and Reserve Initiatives.—The conferees agreed upon several measures to modernize our Guard and Reserve forces. Funds were approved to buy 14 C-130H aircraft to replace 30 year old "A" model C-130s. Eight are designated for the Air National Guard and six for the Air Force Reserve. The Army National Guard will receive $100 million for unspecified equipment and $58 million for Chaparral air defense missile systems. The Naval Reserve will receive $45 million in unspecified equipment and $25 million for UH-60 helicopters. The Marine Corps will receive $60 million in unspecified equipment and $40 million to purchase tanker aircraft. The Air National Guard will also receive $30 million in unspecified equipment, six C-12J aircraft, and $12 million to modify three C-131 aircraft.

III. OPERATIONS AND MAINTENANCE

The Administration requested $82.5 billion for operations and maintenance. The conferees agreed to fund $79.3 billion of the request. The reductions in this area were made primarily through changes in inflation estimates. The conferees feel very strongly that these accounts should be funded on a priority basis. Accordingly, the funds provided allow increased flying hours for all services, increased steaming days for the Navy and increased battalion training days for the Army.

IV. MANPOWER AND PERSONNEL

The conferees approved an active duty end strength of 2,167,370 personnel which allows for 60% of the growth requested by the Administration. The Senate bill authorized a 3% pay raise effective October 1, 1985. The House bill had a similar provision that authorized a pay raise effective January 1, 1986. The House receded to the Senate on this provision. Additionally, the conferees directed the Department of Defense to submit proposals for changing military retirement. The changes recommended by the Department of Defense must provide for $2.9 billion savings in the retirement accrual account for fiscal year 1986. The conference committee reduced the authorization for appropriation for the retirement accrual charge by $2.9 billion. The conferees were explicit that all personnel on active duty prior to the enactment of any changes will be "grandfathered" under the present system.

V. BASE CLOSURES

The Senate bill provided streamlined provisions for the closure of unnecessary bases. The House had no similar provision. The conferees agreed to remove the requirement that the Secretary of Defense make public announcement of any intention to close a base. Now the Secretary of Defense will simply submit a base closure list with the annual budget submission. The requirement that the Secretary of Defense must comply

with the National Environmental Policy Act in base closures has been removed. The Senate bill also provided that $1 billion be available for construction of new facilities in conjunction with base closures. Unfortunately, the Senate receded to the House on this provision.

Mr. WARNER. Mr. President, I join the distinguished chairman of the committee, the Senator from Arizona, and the distinguished ranking minority member, the Senator from Georgia, and I express appreciation to all participants in the conference. They worked very effectively—as did Mr. ASPIN and his colleagues and the gentleman from Alabama—in reaching a resolution of difficult decisions.

I thank the distinguished Senator from South Carolina [Mr. THURMOND] for his reference to the various members of the committee. Throughout the long negotiations, he was present by our side to give the senior type of advice that is indispensable in reaching a resolution of these issues.

I hope the Senate will accept the recommendations of the chairman and the ranking minority member and will accept this report.

Mr. GRAMM. Mr. President, as the only freshman member of the Senate on the Arms Services Committee and in the conference, it was a great honor for me to have an opportunity to work on the conference with our chairman, BARRY GOLDWATER, a man whose book I read—"Conscience of a Conservative"—when I was in the 11th grade, and to serve with the distinguished Senator from Georgia.

I believe we have written an excellent conference report. There are clearly areas where the House prevailed that I would have preferred the Senate prevail. I think we have put together a sound program that, on balance, represents a good stewardship of the taxpayers' money.

I am especially proud of the progress we made in promoting competition, in undertaking procurement reform, in sweeping aside provisions of the law that had prevented the marketplace from functioning to the advantage of the taxpayer.

In this bill, we repeal the Walsh-Healey provisions that have imposed a rigid constraint on overtime payments which over the next 3 years, had that change not occurred, would have cost the taxpayers $1.8 billion. I am happy to say that we have repealed that provision here, not just for the Defense Department but for all Government as well.

We have repealed the so-called Monroney amendment, which is a provision of law that imposed noncompetitive wages.

We have undertaken extensive reform related to base closure.

We have included a very strong provision that clearly contains a mandate to shut down military bases that are operating inefficiently, that clearly seeks the Pentagon to evaluate every military facility in the country and determine whether or not it is required for the national security of the Nation. We set up a streamlined process whereby that evaluation can be undertaken.

We eliminate the old two-stage notification process to Congress of a proposed base closure and go to one stage.

We repealed section 10 of the United States Code, 2687, section (b)(2), which specifically required that the National Environmental Policy Act apply to base closings. Now it will be up to those who claim environmental concerns to justify that NEPA should apply to base closing. There will be no specific requirement in law that it apply.

Clearly, by this repeal we intend to put the burden of proof on those who claim environment impact from the closure of a military base. Our objective is promote economy and efficiency.

Finally, Mr. President, I am very proud of the reform we have undertaken relating to contracting out. I never cease to be amazed that there are those in Congress who claim that they want competitive bidding and they want efficiency, but they never apply competitive bidding from the private sector as it relates to the Government.

For the first time, by any law, we have a requirement that where a cost differential of at least 10 percent exists, it is the policy of the United States to contract out.

We lower the threshold for the expedited procedure from the current 10 employees affected, or smaller, to use the short form, to 40 employees or less. I think that is a substantial change.

So this conference report will be discussed in great detail as it is implemented. But we can say one thing that is very clear and it is that this conference is probably our strongest effort ever to run the Pentagon like a business and to get a good return for the taxpayer on the taxpayers' money as it relates to defense.

Mr. KENNEDY. Mr. President, I want to respond to the statement of the Senator from Texas who pointed out that the conference agreement includes a provision repealing the Walsh-Healy Act requirement that Federal contractors pay time-and-a-half for work in excess of 8 hours a day. The Senator from Texas correctly pointed out that the conference agreement repeals this Walsh-Healy requirement for all Government contracts, not just those authorized by the DOD authorization bill. It is very important that the Senate understand the reason for adopting this Governmentwide change in the defense bill.

The Walsh-Healy language originally added to the Senate-passed bill, and the companion language which amended the Davis-Bacon Act as it applied to military construction contracts, violated Senate rule 15 and would have subjected the entire Defense bill to a point of order, but for an extraordinary procedure adopted by the majority in committee. It is absolutely clear that both measures fall within the exclusive jurisdiction of the Labor and Human Resources Committee here in the Senate.

More importantly, Davis-Bacon and Walsh-Healy fall within the jurisdiction of the Education and Labor Committee in the House, and for that reason, 10 House conferees from that committee participated in the Defense conference. Insistence by the majority that these labor provisions be included in the final conference deadlocked the conference and would have cost us a bill but for a last minute compromise. Under that compromise, all language in the Senate-passed bill relating to Davis-Bacon and Walsh-Healy was dropped. However, in order to ensure that we could enact a Defense bill, the House Labor Committee conferees agreed to accept Walsh-Healy language, which was, with one minor change, identical to that contained in S. 1105, which had been reported by the Senate Labor Committee on July 24. During consideration of the first budget resolution, both the House and Senate had voted to instruct the relevant committees of jurisdiction to report legislation affecting a Governmentwide change in Walsh-Healy. This action by both bodies persuaded the House conferees that agreeing to accept the Senate Labor Committee bill enabled them to preserve an important jurisdictional point regarding Walsh-Healy while at the same time, enabling us to reach agreement on the conference report. The House also insisted, and succeeded, in requiring the Senate to recede on the Davis-Bacon amendment.

Mr. GOLDWATER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the conference report. On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. NUNN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, I would like to congratulate the conferees for setting aside their differences and putting together a strong defense bill which I can support. The process of forging a consensus requires compromise, and in the interest of achieving a national consensus I am prepared to support this bill. But I would be shirking my responsibility to the residents of Maryland and the citizens of this country if I did not voice some of my reservations about this bill in the hope that we can get even better legislation in the future.

I am deeply concerned about the possibility that the strategic defense initiative program, as it is currently structured, contains the seed that could carry the arms race into space while simultaneously spurring on the arms competition here on Earth. There is no doubt that the United States must continue to vigorously investigate a range of ballistic missile defense technologies as a hedge against a Soviet breakout from the ABM Treaty. But the current SDI program goes far beyond what is needed to deter a Soviet breakout. Indeed, because of many of the legally questionable prototype experiments scheduled for the late 1980's and early 1990's—experiments that come suspiciously close to crossing the line between permitted research and forbidden development—the SDI program, in its existing form, may well precipitate the unraveling of the ABM Treaty.

That is basically why I cosponsored an earlier amendment to the DOD authorization bill that would have allowed vigorous SDI research to continue, but would have delayed some of the more legally dubious prototype experiments. That amendment was not adopted by the Senate and is not reflected in the conference.

I am also disappointed that two of my SDI amendments which passed the full Senate failed to survive the conference. These amendments called for studies to investigate the budgetary and economic impact of the projected SDI program. It seems only prudent that before we invest in what former Secretary of Defense Harold Brown has estimated may be over a trillion-dollar program, we should have a solid understanding of how this investment will affect our other spending priorities—in both the defense and nondefense areas. It is economic common sense that before we make an investment, we should examine the opportunity cost of that investment. Heavy investment into research for SDI may crowd out funds from more pressing research to enhance our conventional force capabilities, a subject in which the distinguished Senator from Georgia has exhibited great leadership and interest. Such heavy investments may also create a "brain drain" from the civilian sector to the military sector at a time when we need that talent to compete with stiff competition from abroad. A study of the economic impact of the SDI Program could help us avert these potential problems. Therefore, I urge Senators to keep these studies in mind and to authorize them at any early date.

But, while I am disappointed that these measures did not survive the conference, I am heartened that the conferees have endorsed an amendment reaffirming the Senate's committment to the ABM Treaty. This is an important statement and should serve as a future guide to the SDI decisions we make.

Mr. METZENBAUM. Mr. President, I really did not intend to come over and speak on this subject but I am frank to say that there are many things in the conference report that defy comprehension.

Some of them are very disturbing.

They put back funds for 37 R&D and procurement programs that have been cut either by the Senate or the House.

Put back? Why? I am not sure why. But I do know that the conference report stretches out procurements in order to give the illusion of a no-growth budget. And it is disturbing to me that every time in this body we try to make some headway—some reforms with reference to Defense Department procedures, spending practices, and procurement programs—we go backward.

The Current News which is a publication of the Department of the Air Force, part 2, main edition, Monday, July 29, reproduces a headline that reads, "Defense Conferees Gut House-passed Reforms."

That headline is from the Washington Times, which I am prepared to admit is not my favorite newspaper. But they did have it right yesterday when they talked about the fact that the defense conferees gutted the House-passed reforms. The article went on to say:

Amid much sound and fury, the Senate and House conferees working on the 1986 defense appropriations bill gutted many house-passed military procurement reforms.

Look at the July 29 edition of the Department of the Air Force's Current News and you'll find a quote from the Baltimore Sun, "Navy Fears Computers May Make It Prey to Thieves."

Then they have another quote from the Washington Post:

Pentagon Refuses to Furnish a Plane to Procurement Critic Representative Dingell.

And a quote from the New York Times:

Two Sergeants Convicted in Theft of Weapons.

Another story from the Baltimore Sun:

Defense Aide Faults Fraud Prosecution—Only 11 of 400 Cases End With Court Action.

Another quote from the Los Angeles Times of July 26.

GSA Rejects $79 Vacuum Cleaner; Opts for $348 Model. Navy Man Fired, Arbitrary Probe had Sought Less Expensive Units, but Was Overruled.

The American people know that the House and the Senate met in conference on the defense bill and that the administration was involved.

They know we are talking about balancing the budget.

They hear and read about these horror stories, and about wasteful Defense Department spending.

Yet, we see it going on and on and on.

We see that the Conference Committee report goes backward, not forward, on these issues.

Let me point out that the House bill prohibited Department of Defense contracting officers from taking jobs for a 2-year period after leaving the Government with firms with which they had negotiated or whose contracts they had supervised. That sounds like a good position.

Why should somebody who had been involved in negotiating with the Defense Department firm be in a position to go out into the private sector and take a job with that firm? So there was a prohibition in the House bill saying that those contracting officers could not take those jobs for a 2-year period after leaving the Government.

Mr. GOLDWATER. Will the Senator yield?

(At this point, Mr. EAST assumed the Chair.)

Mr. METZENBAUM. I will yield for a question.

Mr. GOLDWATER. The Senator is a little bit wrong. Our bill still says that.

Mr. METZENBAUM. No.

Mr. GOLDWATER. Yes. It does.

Mr. METZENBAUM. Well, if the Senator would be good enough to point that out to me, I think what your bill says and what you have done is you have limited—I will get to that in just a moment. But I might say to my friend from Arizona that if I am wrong, I will be very pleased to have him point it out to me because I will feel so good about it I will have no difficulty in accepting and admitting my error on the floor of the Senate. But at this moment, I do not believe that is the fact.

I believe that what the Senate has done is to back away from the strong House language in order to provide to contract officers what might be described as an enormous incentive to be nice to the defense contractors—to please the contractors. That is an incentive to represent themselves, and not the interests of the Government. I have to say to my colleagues from Arizona and Georgia, both of whom are men for whom I have the highest respect, why did we back off? Why did

we turn our head away from that which the House had done? Let me give you one example:

A top Pentagon procurement official recently solicited business from major defense contractors for her post-Pentagon consulting business. We all read about that individual this week. She sent letters out saying she is going into the consulting business when she leaves the Government, which I think was absolutely outrageous on her part—I cannot believe that anyone in Government would send out letters soliciting business for when he or she leaves.

That individual may or may not be covered under the watered-down revolving door provisions approved by the conference.

She might be covered because she is a high-level political appointee. And the change was made to limit this prohibition only to high-level political appointees. She is the Deputy Under Secretary for Defense for Acquisition Management, and it very well may be that she was covered.

But the point is that it may not have covered her because it applies only to primary negotiators.

I do not know if she is or is not a primary negotiator.

The real question is why did we limit it to high-level political appointees? Why not make it applicable to everyone of those officers throughout the country who is on the firing line negotiating those cotracts? Why should they not be prohibited? What makes them so sacred that they should be exempt from this prohibition that the House put into their bill? I believe that our backing off the House provision is a symbol of our unwillingness today to address what is wrong with the DOD procurement system. It is a devastating blow to those who have worked so doggedly in and out of the Department of Defense to get for the taxpayers a fair return on their defense dollar.

Let me say at this point that there are not many people in the U.S. Senate who equal the concern of the Senator from Arizona for protecting the taxpayers' dollars in the field of defense spending.

My colleague from Arizona and I wrote an 8-page letter to the Department of Defense some years ago, spelling out some of our main concerns.

He and I went into court, sued the Navy for refusing to use competitive bidding in connection with the purchase of a plane. So I have great respect for the Senator.

But somehow or other, this Department of Defense conference report backs off strong House provisions on the revolving door. Those provisions really had some substance to them. The House language would have covered thousands and thousands of procurement officers throughout the country. Now we are going to take care of a few selected individuals, high-level political appointees.

This is not a political matter to me. I do not care what the politics are of the person who is negotiating. I am more concerned about the fact that the Government gets an honest dollar's worth of material for every dollar that we spend, that we not give away our money, that the people who are doing the negotiation have integrity, that they have the confidence of the American people behind them, and that they know those people who are making those contracts can be trusted and counted upon.

Mr. GOLDWATER. Will the Senator yield.

Mr. METZENBAUM. I yield.

Mr. GOLDWATER. I think the Senator will be interested to know that on the matter that the Senator from Ohio and I went to court, we finally won. After 15 years those airplanes now have to be purchased by contract.

Mr. METZENBAUM. I could not be more pleased than to hear that from my colleague from Arizona. It shows maybe with a little persistence and 5, 10, or 15 years in between, we are able to convince the Navy to mend its ways.

I wonder whether the chairman of the committee would be good enough to respond to a question? That question has to do with the fact that he had indicated at one point that the language does cover this issue and that there has not been a backing off.

Am I not correct that the conference report limits the applicability of this matter only to high level political appointees, or language to that effect, and that the broader language that the House had brought to the conference committee was eliminated?

Mr. GOLDWATER. The Senator is correct.

The language says, "Whoever being a Presidential appointee in Federal employment acts as a primary Government representative in the negotiation of Government contracts or the settlement thereof with a defense contractor shall not, within 2 years after the termination of said activities" and so forth and so on.

I was referring to the revolving door which was the most sticky point we had. We were never able to get the House to recede. Finally, and I think it was the last decision that we reached, the revolving door stayed and it applies to high ranking officers. They are not allowed to take jobs for 2 years under extreme penalties.

Mr. METZENBAUM. Am I not correct that only those who are high-level official appointees are prohibited with respect to revolving door? I do not understand it, and frankly I have difficulty with it.

The limitations in the conference apply to—and I am picking out a number—I would guess about one-tenth of 1 percent of all those who would be involved in these negotiations or procurement provisions and 99⅘ percent would not be covered. Why did the Senate insist that the House back down on this issue?

Mr. GOLDWATER. I cannot give the precise reason because the Senators who negotiated that are not here. But this was one of 1,300 items that we had to decide. It was the stickiest thing that we had, the revolving door. As the Senator has indicated, it is probably less than one-tenth of 1 percent of all the corporate officers in this country who could ever fall under the revolving-door law or the Presidential appointment executive.

In order to reach an agreement, we finally came to an agreement with the House, but the Senators who negotiated that are not here. I think they are coming. If they are not, we will just have to let it go.

Mr. METZENBAUM. I wonder if the Senator would be good enough to advise me as to who those Senators are in order that I might inquire of them why they did what they did? The one-tenth of 1 percent about whom I am talking, to which the law would still be applicable, are not the problem. It is not a matter of who are the corporate officers; it is a question of who are the procurement officers. I am saying that it is the 99⅘ percent of procurement officers have been made exempt and can go out and get jobs with defense contractors under this language, whereas they could not under the House language.

Mr. GOLDWATER. Senators QUAYLE and LEVIN negotiated this.

Mr. NUNN. I might add that I have asked Senator LEVIN to come over, knowing you had questions on this. They did spend 50 or 60 hours negotiating this provision.

It is not as simple as might be seen on the surface. There are two component parts of this problem. One part, as the Senator from Ohio has so well identified, is the perception of conflict of interest in negotiating contracts, a very real problem. The Senate conferees, particularly Senator LEVIN and Senator QUAYLE, feel very strongly about this.

The other side of the coin is a provision so broad in its application that it discourages competent people from ever being willing to take these positions. If, by trying to prevent the perception of possible conflict of interest, you end up with a very incompetent work force in terms of those procuring governmental contracts, then you may have cut off your nose to spite your face.

If you make this prohibition so broad that it sweeps everybody in, including the 99.9 percent of the people who never discuss contracts or never discuss future employment contracts

while negotiating procurement contracts, never have any indication of that, and fully and zealously guard the Government interest in this, you have to ask the question, what have you done to Government employees? What have you done to the prospects of getting top procurement people from the business world who have good judgment and business experience involved in Government in the first place?

So it is a two-edged sword and it is a much more complicated matter than simply saying we are going to eliminate conflict of interest.

I think the House had good points. I think the Senate had good points. Senator LEVIN went into this in great detail and the committee did. I am sure he can answer details of the question. I do believe you have to look at it both from the point of view of getting competent people to work in the Government and handle these very important matters and also the point of view of conflict of interest. Both have to be considered in any kind of agreement.

Mr. METZENBAUM. I appreciate what the Senator from Georgia has said, but I am not willing to agree that you cannot get competent people to work in Government unless you assure them that the day they get out of Government they can go to work for the people with whom they have just been negotiating. That is what this issue is all about. We were not saying they could not go out and get a job. They just could not go out and work with the contractors with whom they had been negotiating.

I notice that the distinguished Senator from Michigan, my good friend Senator LEVIN, has returned to the floor. I would like to inquire of him if he can illuminate for the Senator from Ohio why the Senate insisted that the House back off its strong language with respect to the prohibition for 2 years of any procurement officer going to work for a company with which that procurement officer had been dealing?

What concerns me is that the language of this conference report, which has to be interpreted as being in the bill at the insistence of the Senate, is weaker than the strong, effective language of the House. And as I mentioned prior to the time the Senator from Michigan arrived on the floor; newspapers report that the Senate gutted House-passed reforms.

The article I quoted indicated that the House had moved in the right direction. They had passed something providing a prohibition against taking jobs for a period of 2 years with a defense contractor with whom there had been contract negotiations.

That makes sense. Why should somebody representing the U.S. Government be in a position to say, "Listen, I am leaving here in about 6 months." We are talking about this contract, where we are buying some material or some guns or weaponry. "Incidentially, when I leave here, will there be anything open at Lockheed"? Or General Dynamics or Boeing or whomsoever else the defense contractor might be.

I cannot for the life of me understand why we are called upon to pass a conference committee report when our representatives have given away one of the best things that was in the bill. As a consequence, the House-passed reforms became pretty much of a nullity.

I would be very happy to hear from my friend from Michigan as to why there was this giving up or shift.

Mr. LEVIN. I thank my friend for his question. The last question asked is the critical question: Why should a Pentagon employee be able to discuss employment for himself at the same time that he or she is monitoring a contract for the taxpayers of the United States? That is the question which the Senator asked. It is a critical question.

The answer is she or he should not.

It is an absolute outrage that any person should be able to discuss employment for himself or herself at the same time they are monitoring a contract. That was prohibited in our bill. Not only was it prohibited, but you get a 10-year ban if you do it—not a 2-year ban the way the House bill provided, but a 10-year ban in the Senate bill if you discuss employment for yourself at the same time you monitor a contract for the Pentagon.

As a matter of fact, if you have any contact with the procurement process in the Senate bill and you discuss employment for yourself, you are going to get banned for 10 years.

The House bill is a lot weaker in that respect. It requires much more significant involvement in the procurement process before their 2-year ban comes into effect than we do for our 10-year ban to come into effect.

The difference is that we hinge it on the combination of discussing employment for yourself at the same time that you are involved in the procurement process for the Pentagon.

To answer the Senator's question, which is a very direct question, a very appropriate question, I give a very direct answer: It is outrageous that anybody is able to do it. You cannot do it under the Senate bill. You cannot do it under the conference agreement. If you do, you get a 10-year ban, which is like a lifetime ban at the age at which most people are able to retire. So we cover that situation, which is exactly the situation which should be covered.

I want to assure my friend from Ohio that the facts as he outlines them in his hypothetical circumstance are very effectively taken care of in the Senate bill, far more effectively than in the House bill—far more effectively, for two reasons. I repeat them because they are important. There is a lot of confusion on this issue.

The two reasons are that we have a 10-year ban in those circumstances which the Senator identified—a 10-year ban, No. 1.

No. 2, the ban applies to personnel of the Pentagon who have any contact with that contract. It is not limited to significant procurement function. Any kind of contact is covered.

Mr. METZENBAUM. But it is only applicable to major political appointees?

Mr. LEVIN. No, Mr. President.

Mr. METZENBAUM. How does it happen that the Washington Times reports—first of all, it reports that "Defense Conferees gut House-Passed Reforms." It goes on to say:

> Amid much sound and fury, Senate and House conferees working on the 1986 defense appropriations bill gutted many House-passed military procurement reforms, but left in place two important measures dealing with unallowable billings by contractors and the Pentagon's so-called "revolving door."
>
> The bill also includes a revolving-door amendment designed to prevent conflicts of interest when Pentagon officials leave their government jobs to to to work for military contractors.
>
> The provision prohibits presidential appointees from taking jobs with a military contractor for two years after they leave their government jobs if the appointee was one of primary negotiators on a contract won by that company.

It has to be a Presidential appointee who must also be one of the primary negotiators.

Mr. LEVIN. Mr. President, may I answer the question?

Mr. METZENBAUM. Yes, Mr. President. Are they wrong?

Mr. LEVIN. They are wrong because they left out the critical thing which I just indicated to my friend. That is that the Senate provision is retained in this conference report.

Mr. METZENBAUM. Would the Senator from Michigan——

Mr. LEVIN. The 2-year ban on certain officials is on top of the Senate provision.

Mr. METZENBAUM. Would the Senator from Michigan read to me the language that we will be acting on this afternoon that covers this point that will convince me that it goes beyond the major political appointees?

Mr. LEVIN. Mr. President, it is a mighty long provision. I can read it. It will take me about 10 minutes.

Mr. METZENBAUM. Can we not pull out the language?

Mr. LEVIN. I shall give the page number.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, I thank the Chair.

I heard just a few minutes ago that the conference report on the large military authorization bill was the pending matter on the floor of the Senate.

I wish to highly commend the Senator from Arizona who served as chairman of this entire proceeding from the time we started on the bill until now. I attended as many of these sessions as I could, including the conference in the dome of the Capitol.

Mr. President, it is the longest and I think the most difficult defense bill that we have had since I have been in the Senate—and there has been a great number of tough ones and long ones and difficult ones.

The Senator from Arizona and the Senator from Georgia [Mr. NUNN], the ranking minority member, have been of tremendous service to the country. There is no reason why I should be bragging on them, but we all thank them for service they have given to the country, assisted by unusually valuable staff. These matters are difficult. They are delicate. Many of them are secret. They are all important. Defense, of course, is the most important thing we have and we must be right in it. We have to spend a lot of money. I never did believe in spending more than you had for any purpose.

They are not the only ones who have worked long and hard. Many Senators have given a tremendous amount of time and effort in this difficult matter. As one who is in a position to judge the value of the work they have done and what it means to the country and the sensitivity of it, I wanted to make these remarks as part of our system. I know there is for all of them a sense of gratitude in the hearts and minds of the membership and the people at large for the work that these gentlemen have done. I especially thank the Senators.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. STENNIS. Yes, I yield.

Mr. GOLDWATER. Mr. President, I wish to express my thanks to my teacher. I served under the Senator from Mississippi on the Armed Services Committee year after year after year. I learned all the hard facts of life under him, and so if there is any thanks to be offered, I say for Senator NUNN, too, I think the thanks should go to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I thank the Senator. I learned from the Senator from Arizona and the Senator from Georgia and other members of the committee. God bless them all.

I yield the floor, Mr. President.

Mr. PRYOR. Mr. President, I wonder if the distinguished Senator from Arizona might yield for two or three questions, or perhaps any of the conferees who might be involved in specific subject matter.

Mr. GOLDWATER. I might say to my friend that we have the Senator from Ohio already asking questions. If the Senator would like to wait until he is through——

Mr. PRYOR. The Senator from Arkansas will be very happy to wait. I apologize. I did not know the Senator from Ohio was in the process of asking questions.

Mr. GOLDWATER. That is all right.

Mr. PRYOR. I will be glad to wait.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, for a brief moment I will suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I want to return to the subject. I have been studying the language that my colleague from Michigan has pointed out to me with respect to that which is in the bill. I want to acknowledge that, indeed, there is a 10-year provision in that language as compared to the House 2-year provision. But, all the 10-year provision amounts to is, if the defense contractor brings up the matter of employment, the Federal employee must notify the Secretary of Defense. If subsequently, that employee takes a job without the permission of the Secretary of Defense or if he takes a job and has not given the notification, the Secretary of Defense can really come down hard on him. He really can do something effective.

The Secretary of Defense has tremendous power under this bill to do something about those officials who take a job in violation of these provisions without giving notification or without having been given consent.

Let me tell you what it says, Mr. President. It says, "The person may not accept or continue employment with the defense contractor during the 10-year period beginning with the date of separation from Government service."

And then it goes on to say what really may happen. It says, "The Secretary may impose on the person an administrative penalty in the amount of $10,000, or in such lesser amount as may be prescribed by the Secretary, taking into consideration all the circumstances."

Mr. LEVIN. Mr. President, will the Senator yield for a question?

Mr. METZENBAUM. Not yet.

Mr. LEVIN. Will the Senator yield just to agree that the word is "and" before the $10,000 fine?

Mr. METZENBAUM. "In the amount of $10,000 or in such lesser amount——"

Mr. LEVIN. No. Will the Senator agree that the person may not accept the employment for 10 years, and the Secretary may impose a fine?

Mr. METZENBAUM. OK. We are not in disagreement. I think it completes the picture. The $10,000 fine—or some lesser amount—is against the person who is taking the job.

Let us picutre how this works.

Colonel X is working on the job, and he is negotiating a contract for many hundreds of millions of dollars, or maybe even billions. The defense contractor talks with him about taking a job after he leaves the Government.

It is sort of questionable as to whether he gave or did not give the appropriate notice, and in all probability he did not. So he takes a job with a defense contractor, and it pays $150,000 or $200,000 a year. I do not think that is so high, because that is the kind of money defense contractors pay, and much more besides.

Then, all of a sudden, the Secretary of Defense learns all about it, although, in all likelihood, he would pay no attention to it, he is so busy.

So he comes around and says: "I found this out and I notice that you took that job."

He says, "Well, I did."

He says, "You didn't give me notice."

He says, "Well, I guess I sort of overlooked that."

He says, "Well, I'll have to assess an administrative penalty against you."

He says, "Mr. Secretary, I'm not sure that you have the legal right to do that. In fact, I don't work for you any more, and I don't know how you get the authority to assess me with a penalty, notwithstanding the fact that it is in the law."

I doubt very much that you can do that—that a public official, working for the U.S. Government, may assess an administrative penalty against Mr. Smith of Mr. Jones or somebody else just because he or she had once held a job in the U.S. Government.

So what happens? He says: "Well, I'll tell you what. If you don't make it for $10,000, but make it $2,500 or a couple of thousand dollars, I will pay it and we'll forget about it."

The Secretary says: "I don't want to get into a legal wrangle and have a lot of legal expenses, and that's what I'll do."

Meanwhile, he keeps the job. There is nothing that says he does not keep the job.

I do not know of any injunctive remedies here, but I doubt that the Secretary of Defense would use injunctive remedies.

We have backed away from the flat prohibition that was called for, for 2 years, in the House bill.

Senator LEVIN points out that 10 years is a lot longer than 2 years, and indeed it is. But the fact is that the 10 years is rather meaningless, whereas the 2 years were very meaningful.

Other countries, such as France, have a ban on going to work for contractors. If you go to work for a defense contractor after you work as a military procurement officer for the Government, you go to the slammer. But all we have is a questionable administrative penalty.

I stand here and I ask what is wrong with us? Why are we so concerned about what all these poor military retirees are going to do?

I will tell you what they are going to do.

They will get a job with somebody with whom they did not negotiate.

They will get another kind of job.

They do not have to work only for the defense contractors with whom they have negotiated.

It has been suggested to me, in floor conversations with my friend from Michigan, that a procurement officer may have negotiated with 300 different contractors. So be it. I doubt it, but so be it. Then, put a limitation on it—only the contractors with which he negotiated in the last 2 or 3 years. Handle it that way, if that is a problem. Or, if it is really that serious, let him go out and find a job with the hundreds of thousands of other employers in this country and not with one of those 300.

Why are we so unwilling to protect the dollars of the American taxpayers? What is there about us that makes us give away the ball when we have it won? All we had to do was recede to the House, and we would have had something that was significant. But no. We negotiated for 50 hours and wound up with a weaker bill. Why?

Mr. President, I ask unanimous consent that I may yield the floor to the distinguished Senator from Arkansas, because I think he has a few gems of wisdom he would like to share with us.

The PRESIDING OFFICER. Is there objection?

Mr. LEVIN. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I should like to have an opportunity to answer the question, and then I will be happy to yield the floor. But if the Senator from Arkansas was on his feet first, I have no objection.

Mr. METZENBAUM. There is no problem.

Mr. PRYOR. Mr. President, I suggest that the Senator from Michigan proceed.

Mr. LEVIN. Mr. President, my friend from Ohio has asked the question: Why? Why did we not just accept the House way of stopping the revolving door?

The answer is that the Senate provision was better, tougher, and fairer. That is why.

The Senate voted on this provision, against the provision which my friend from Ohio has described, by a vote of 67 to 22. So the conferees were defending a position the Senate had taken after a great deal of debate. It was not just failing to give in to the House. It was insisting upon a Senate position which two-thirds of us thought was better, tougher, and fairer than the House provision.

The Senator from Ohio said, first of all, that we did not have anything in the bill. He obviously did not like the bill as it came out of conference. He said we had nothing in there except a 2-year ban because the Washington Times said that, and I think that now he is persuaded with respect to that.

Mr. METZENBAUM. I said there was something in the bill, but I said it was limited to the political appointees.

Mr. LEVIN. The Washington Times is in error. It is not the first time.

Second, we in the Senate believed, at the time of our vote and in conference, that our provision was a better, tougher, and fairer provision. Why? We covered people that the House did not touch: we said that if you have any contact with a defense contractor, even if it is less than significant responsibility for procurement action, which is the House language, and—to use my friend's words at the time of his hypothetical question—you are negotiating with that contractor, you cannot accept employment. You cannot do it. We have a 10-year ban.

Then the Senator from Ohio says that all there is is a discretionary $10,000 fine. That is all the Secretary of Defense can do. But my friend from Ohio has failed to see the word "and" in there. The person may not accept or continue employment with the defense contractor during the 10-year period beginning with the date of the separation from Government service, and is subject to a $10,000 administrative penalty.

Then the Senator says he does not think the Secretary of Defense will seek an injunction. Why not? We have a flat-out prohibition. Why should he not seek an injunction? That is in subsection C, two paragaphs below that, that the Secretary of Defense may take action—we authorize the action—against an individual after the date on which the individual's employment with the Government has terminated. We authorize the Secretary of Defense to do that.

So, just to repeat, to answer the question which my friend from Ohio asks, we think we have a better provision.

Mr. METZENBAUM. Mr. President, will the Senator yield?

Mr. LEVIN. I yield the floor.

Mr. METZENBAUM. I ask the Senator to yield for a question.

Let us assume that somebody takes this job and violates these provisions completely—and I respect the fact that the word "and" is included.

My question to the Senator is this: Is this the only remedy that the Secretary of Defense may have to get an injunction in order to keep somebody from keeping a job they have been working on for 6 months or a year? Or are there criminal penalties for violating this provision?

Mr. LEVIN. The answer is that an injunction and an administrative penalty are provided.

Mr. METZENBAUM. No criminal penalty.

Mr. LEVIN. There is a good reason for it. We have a criminal law right now that says you may not negotiate employment for yourself at the same time you are handling a procurement function—18 U.S.C. 207. It has not worked. It has not stopped this revolving door which my friend from Ohio and my friend from Arkansas are worried about.

The revolving door smells, and we want to stop it. We want to hit the right people in the process. We think the Senate provision hits the right people. I could not agree more with the Senator. This revolving door stinks, and we should stop it. The question is how to stop it.

We had one approach; the House had another approach. We had a 10-year ban if you do not recuse yourself. We hit a much broader group of people, in a sense, than the House did because we provided that if they have any contact with a procurement function they are covered by our provision, while the House provided they had to have a certain kind of procurement responsibility. So, in two senses, our revolving door provision was broader than the House was. Theirs, in one sense, was broader because of the flat 2-year ban on all procurement officials above a certain level.

The Senate position was upheld on the floor here by a vote of 67 to 22. So we have been through this once before as to which is the most advantageous approach.

But let me tell you, we have tried the criminal approach. It has not resulted in one conviction, although we know this is going on. As least I do not believe there is one conviction that we

know of that resulted from the current criminal language. We thought we would try an administrative fine and we would get the Secretary of Defense to stop these folks from going to work if they have not recused themselves and where there has been any contact between a person with an employment function and any negotiations or any discussion relative to employment.

Mr. METZENBAUM. Mr. President, so we do not just have the Washington Times as the sole authority for the Senator from Ohio, let me bring in the Washington Post, as well. This what the Washington Post says:

> Another lightning rod for House critics was a conference rendering of a procurement reform that had been approved with overwhelming support as a signal of legislative pique with defense contractor abuses and Pentagon inattention. A House measure designed to stop the revolving door situation barred Pentagon officials from working for 2 years after leaving Government with any defense contractor whose business they significantly influenced. Conferees, reflecting the Senate concerns that officials could be deprived of job prospects because of some obscure decision regarding the contractor, voted to narrow the restrictions to Presidential appointees who are among the primary negotiators on any contract. They would be barred for 2 years from going to work for the contractor. Some House Members said the compromise fails to regulate the numerous officials in lower jobs who play critical roles in the weapons procurement process.

What we are talking about here is stopping the revolving door. The House had some tough language in it. The Senate language is arcane, difficult to enforce. There is not one Member in this U.S. Senate who is going to live long enough to see a Secretary of Defense go into court and ask for an injunction to keep some former employee of the Department of Defense from holding a job with a defense contractor. And I doubt that any of us will live long enough to see a Secretary of Defense fine some individual because he or she has taken a job with the defense contractor, in violation of these provisions.

I am afraid that we were making some headway through the House. I think that the House's pique with respect to defense contractors taking advantage of the Government was evident. But when we got to the conference committee? Just as in past years—I remember coming on the floor of the U.S. Senate and getting some amendments passed on issues of this kind, going over to the conference committee and, "good-bye, Charlie"—they are no longer in the conference report when they get back here. Somehow, the defense contractors always have their way. They won this battle, and let us not kid ourselves.

Mr. PRYOR. Mr. President, needless to say, I have enjoyed this discussion.

I see that the Senator from Arizona is rising. I am glad to yield to him at this point.

Mr. GOLDWATER. What was it the Senator wanted to talk about?

Mr. PRYOR. I wanted to make a comment on this little colloquy that has been going on on the floor, and then I might like to ask the Senator from Michigan a few questions, or the Senator from Arizona.

Mr. GOLDWATER. Senator LEVIN and Senator QUAYLE are the experts on this particular point. They fought through day after day and they came up with what I considered to be a very tough piece of legislation, so talk to them.

Mr. PRYOR. Well, I will be glad to talk to them, and I admire those Senators very much and I admire the Senator from Arizona.

First, I wish to make a comment on the colloquy or debate that we are holding at this moment relative to the revolving door. One, I compliment all those involved who have been involved with the revolving door issue. It has been an issue which has plagued this body and this Congress for a long period of time. In my opinion, after watching it, I hate to say as a layman, at least as one who is not on the Armed Services Committee, I do not feel that the revolving door issue in its magnitude, nor, let us say, in its impact on the defense industry and defense procurement has gotten any better. In fact, I am afraid it has gotten worse.

Hopefully, as a result of some legislation, or the press or the Congress or all of us together shining some light on this subject, hopefully it will get better. I am very hopeful it will.

I compliment all of those who have been involved in trying to shape something that will work. I also compliment the Senator from Ohio, because he has taken this issue and he has studied this issue. Evidently he does not agree with what the conference has done, and I am not saying that the Senator from Arkansas does.

But there is one thing I want to try to get straight for the record so that we all know it. My very good friend and close associate, the Senator from Michigan, Senator LEVIN, has stated several times during the last few minutes that by a vote of 67 to 22 some weeks ago, or perhaps now 2 months ago, that the Senate addressed itself to this issue and spoke on the issue of the revolving door. I do not argue that summation by the Senator from Michigan. I would like to elaborate on that vote.

At this point, the Senator from Arkansas is going to admit that the Senator from Arkansas made a mistake. The day that I brought to the floor of the Senate, along with the Senator from Iowa, Senator GRASSLEY, a massive reform bill that truly encompassed five to seven major problems in what I considered defense contracting and the relationship of our Pentagon to the defense contractor, let me tell you what my mistake was. And I will admit it to the Senator from Ohio. They say confession is good for the soul.

Where we had one up-or-down vote on the issue of revolving door, on the issue of dual sources, on the issue of more competition in contracting and right down the line, had the Senator from Arkansas realized on that day what was happening, what was going on, the complexities of this issue, the Senator from Arkansas, if he had it to do over again, would have asked for six separate votes, one of which would have been the issue pinpointed to that issue of the revolving door problem. We never had a vote just on the revolving door problem to the best of my knowledge and the best of my understanding.

So I stand corrected. I made a mistake. We should have had five or six votes that afternoon, rather than one trying to reform the whole system. We should have had a separate vote, I believe, on dual sourcing. I believe we should have had a separate vote, I say to my friend from Ohio, on the issue of more competition in contracting. I am hoping we will some day have a vote on the legislation introduced, and I hope I am still a cosponsor of, and that has been sponsored by and spoken of eloquently by the Senator from Iowa, Senator GRASSLEY, on what he calls his creeping capitalism bill to require more competition in defense contracting.

That is out of the way. I wanted to state that. I wanted to make certain that our colleagues have realized that we have never, in my opinion, this year had a specific vote up or down on the issue of the problem of revolving door.

My concern is about what the conferees have adopted without taking away one thing from the motive of the Senator from Michigan, and the Senator from Indiana, Senator QUAYLE has worked hard for procurement reform. But my concern is that we have taken in that conference some leeway with a modification in saying that in effect we have adopted a double standard, and a double standard has been applied to what I would call senior officials, or senior bureaucrats, whichever you might call them, being judged against a different ethical standard from the lower ones, or those in the lower echelons who are not Presidential appointees. What we have done is we have put a ban only on Presidential appointees, as the Senator from Arkansas understands, who are also involved in procurement and this may encompass only 5, 10, or maybe 15 individuals. I know I cannot change this

right now. I think it is too late. But I would like to register my concern, and we have opened up a door. We are employing a double standard for those Presidential appointees versus those in the lower echelon.

That is my first concern. I wanted my friend from Michigan to know this. We have talked about this matter in his office. I certainly, once again, take nothing away from the motive and the spirit with which the Senator is attempting to bring about reform. I just do not agree with what the conference has done.

I have one or two other concerns I would like to express, if I might. I am not going to take but a few more minutes.

Second, I would like to state—maybe this should be in the form of a question on the issue of chemical weapons. The issue of chemical weapons, I say to my friend from Arizona—as you have known and other of my colleagues have known—has been an issue that has concerned me for some time. As I recall the other body, the House of Representatives, had a provision in one of the provisions or caveats which stated basically that if we were to produce any chemical weapons further in this country after the ban of 1969, the resumption of reductions, that we would have to clear first with NATO and that NATO member contries would have to tell this country, yes, we will store chemical weapons or nerve gas on our soil if you produce them. I understand that language has been taken from the conference report.

I am wondering if there might be a comment or further explanation from the distinguished chairman.

Mr. GOLDWATER. I will be very happy to try to explain this. I think I can. But the Senator who did most of the work, the Senator from Ohio, Senator GLENN, can stand by and correct me where I am wrong if I am wrong.

(Mr. MATHIAS assumed the chair.)

Mr. GOLDWATER. To begin with, the House for the first time in 15 or 16 years passed a bill involving chemical warfare. They have consistently turned it down. The Senator I think is fully aware of the fact that the Soviet invasion of Afghanistan has demonstrated that they have used chemical warfare. Last year or the year before, I was privileged when I served on the Intelligence Committee to have testimony on the extent that the Soviets have developed chemical warfare. I do not believe I am allowed to go too far into this because it is rather classified. But I have to tell my friend from Arkansas that we have no defense against chemical warfare. So what the House passed—and I have to say they are going to vote for that in the House—the conference committee took another important step toward restoring a credible U.S. chemical deterrent capability. Resolving the differences between the two bills on this program was one of the most difficult issues faced by the conferees. The final agreement which required concessions from both sides restricted the funding for the procurement of binary munitions including components and the associated production facilities until the President provides a certification to Congress. I want to call my friend's attention to the fact that we are talking about binary weapons. That means there are two parts to it—one to propel it, the other one to go off. Until you put the two together, they are no good.

The President has to certify to Congress and the President must certify that the United States has developed a plan in cooperation with the supreme allied commander of Europe to deploy binary chemical munitions under appropriate contingencies to deter chemical attacks against the United States and our allies, and that he has consulted with NATO members on this plan. No funds may be expended for the final assembly of complete binary munitions until October 1, 1987, and are available thereafter only if there has been no verifiable international agreement on chemical weapons and the President makes a further certification to the Congress.

In addition the conferees adopted language expressing the sense of the Congress that unitary chemical munitions currently stored in the United States, and in NATO, should be replaced with modern binary munitions for safety reasons.

I think this was a tremendous victory. I cannot think of—I can think of one other weapons system that is badly needed in NATO, but this is the one weapons system that the supreme commander has been begging for because they know that the moment the Soviets use chemical weapons we have absolutely no defense. I ask my friend, Senator GLENN from Ohio, if he would have any more comments on this.

Mr. GLENN. Mr. President, I think the chairman has stated very well what the conference agreed to. Let me just say to my friend from Arkansas, this is a matter of safety for our own troops. I hope our friends over in the House of Representatives who are going to vote on this thing realize what they are voting on. This is not a new hideous weapons system. It is not something new. It is not new toxicity. It is not anything except safety for our own people. We have chemical weapons now. They are stored in Europe. That is no secret. I will not give more information than that. But that has been published time after time. We have them in this country. They are unitary weapons. By that we mean they are already mixed. If that weapon leaks—and some are getting old and are dangerous, some have been taken out of stockpile now—it is a danger to our own people. I do not know of anything in our whole weapons bag in this country that is more demagoged or more misrepresented than what we are trying to do in getting safer weapons to replace those that are dangerous for our own people. We have been through this on this floor ad nauseum. They have done the same thing over in the House. To say we do not want safety for our own troops mystifies the devil out of me. Yet, that is what we have said. We have said it repeatedly. We argued on this floor about it. People keep coming back and saying they are awful, hideous chemical weapons, they are terrible, and we should not do this. My God, friends and neighbors, all the people in the gallery, war is hell, as Sherman—or whoever it was—said. That includes chemical weapons.

All we are trying to do is to say we want safety for our own troops handling these things. That is what is in this bill. Along with that we said we do not want NATO having a veto over a U.S. weapons systems. To give them a veto over this would say that the United States cannot produce, we cannot provide a chemical weapon deterrent to the Soviet Union. In effect we would be giving the Soviets encouragement, and if war ever starts, they could make a chemical attack on the United States or its allies without our retaliating in kind. Is it a deterrent? We say nuclear weapons are a deterrent. We say conventional forces are a deterrent. So we want to match the Soviets in chemical weapons. We say we want a good navy. That is a deterrent, so they will never make a mistake by attacking the United States. Yet somehow, which mystifies me, we get beyond that when we come to chemical weapons, and we suddenly say it is too hideous. People may get hurt. I will tell you who is going to get hurt if we do not make binaries. It is our own troops, our own people, Senator. Those are the people in danger right now, not the Soviets. It is our own people that are at risk. They have these unitary gas weapons out there now that are beginning to leak, they are old, and they need to be replaced. We want to replace them with binaries. That keeps the toxic elements apart so that they are not dangerous for our people to store or handle.

We even put in the bill that the components will be stored in separate States, in heaven's name, in separate States. We also say that the two components cannot be shipped together in the same vehicle.

What else can we do? We are talking safety not for the Soviets; we are talking safety for our people from the existing weapons systems. Why can we not get that across? Why do people point their fingers at us and say,

"Well, he is awful, he is for poison nerve gas?" How many times have I heard that?

How many times have I been booed because I wanted safety for our own people, our own troops.

I hope the people in the House read the record of this, or I hope they are listening to this, so that they know what is intended in this conference report is safety for our people, our people, our people. I repeat it.

I do not know how we do that unless we have the binary system.

Right now we have unitary chemical weapons out there. We are not proposing a new toxic gas. We have the weapons out there now and they are endangering our own people. All we are saying is we will replace those systems one by one. For every new binary we make we will destroy more than one equivalent in unitaries. We do not want a bigger stockpile of chemical weapons, only a safer stockpile.

In World War I, the Germans used gas. We did not. Fortunately, the British and French had it in stock and they used it. The Germans stopped using it.

Mr. PRYOR. Will the Senator yield?

Mr. GLENN. Not yet. I am not quite finished.

In World War II we had it and they had it and nobody used it. In Korea we had it and they had it and nobody used it. In Vietnam, a different situation where they used it in a limited way. In Afghanistan, the Afghans do not have it but the Soviets do and the Soviets are using it.

I think the deterrent effect is pretty clear. Why we think our nuclear systems will deter the Soviets, our conventional weaponry will deter the Soviets, our naval forces will deter the Soviets, our air forces will deter the Soviets, but when we get to chemical weapons and they have a tremendous capability yet we don't need a chemical deterrent—that makes no sense.

It snows me why we think that. It is against every fact of warfare. Yet we cannot bear to believe that something like chemical weapons can have a deterrent effect on the Soviets.

I think the record is very, very clear. I hope my friends in the House will understand, and I will repeat it one more time for their benefit in case they read what we say today. I repeat, binary chemical weapons are for safety for our troops. We have unitary chemical weapons. They are out there now. They are unsafe. We only want to replace them with binary, weapons which are safe. That is the major purpose of what we wanted to do in this bill. Also we wanted to ensure that we did not give NATO a veto over a major American weapons system, in this case chemical weapons. If we do that, what is to prevent the Soviets from raising cain with all the groups across Europe, getting them to object to MX's, or to M-1 tanks, or to whatever they want to object to in the future? We in effect would say we cannot stand that kind of criticism so we would give in to NATO, should they object; we will let them say what weapons system this Nation cannot have, regardless of our judgment in the matter.

I do not want to see that kind of precedent set.

So we worked out this compromise. I do not think there was any one of the subpanels in the conference that had longer hours or a greater number of meetings than we did on chemical weapons. Frankly, when we started out we were poles apart from the House on this, and I doubted we could work out a compromise. But we gave some, they gave some, Senator COHEN was in the middle of these same meetings that I was, and we worked it out. I am proud that we were able to work it out. They got what they wanted in the way of consultation with NATO and on some requirements on setback for the time when chemical weapons could first be produced. We got what we wanted in that NATO does not have a veto over us, and we are still able to start construction, with some delay, soon after certifications are made, as the chairman pointed out.

We worked this thing out. We did not get everything we wanted and they did not get everything they wanted. But it is something that both the Senate and House can live with.

The main thing is we will have a deterrent against Soviet use of chemical weapons. With this bill going through, our chemical weapons will be safe for our people to handle, to store, and to work with because the toxic elements will be kept apart.

I urge my colleagues on the floor and the Senator from Arkansas to please support this. It is a delicate compromise, and it does provide a deterrent.

Mr. PRYOR. Will the Senator yield?

Mr. GLENN. Certainly.

Mr. PRYOR. I feel that the Senator from Arkansas owes the Senator from Ohio an apology, the Senator from Arizona, the chairman, and Senator NUNN, the ranking member of Armed Services.

In no way did I intend to get on the floor and restart or rekindle the debate on chemical warfare, nerve gas. I have debated that issue until I am sick of it. I do not want to hear of it again.

All I am trying to do is raise one issue: What happened to the provision about NATO and, second, what is going to happen now if NATO countries say, "No, you go ahead and make all the nerve gas you want. We have enough to kill 50,000 people, or everybody on Earth 50,000 times, or more, or 50 times, or more." It does not matter after you killed everyone one time.

What is going to happen if they say they will not store it on their soil?

Mr. GLENN. It will still be a deterrent against the Soviet in that we will have it in our stockpile, and it will be safe for our own troops.

Mr. PRYOR. That is the question the Senator from Arkansas was asking. I did not mean to go back into general debate on nerve gas because, do you know what? You won. That issue is over. We are going to start making nerve gas again.

Mr. GLENN. Let me say one more thing. When the people of Europe see and realize that they have the more unsafe, the less safe, unitary weapons in their midst right now, which they have—and that has been printed in the paper so I am not giving anything away—that they are less safe than the binaries we are offering them which will be safer for their own people, their own troops, I cannot imagine them not accepting it.

Mr. PRYOR. When they find out we are going to make new binary nerve gas they will flock over here by the planeload to get all we can produce so they can put it on their soil.

Mr. GLENN. If they are smart they will, because what they will be replacing are their old weapons which are not as safe for their troops as the new weapons.

Mr. PRYOR. I understand that very well. I thank the Senator.

Mr. METZENBAUM. Will the Senator yield?

Mr. PRYOR. I believe I am to yield to the Senator from Maine.

Mr. COHEN. The short answer on NATO is that there was no NATO provisions in the Senate bill. When it comes to the question of the Senate recession, there were about 13 major recessions in this particular provision. Nine of the recessions were made by the Senate and four by the House. Three of the ones made by the House strengthened the bill. So when it comes to an analysis of the chemical weapons provision, I think there was a major concession made by the Senate in order to accommodate the House. At the same time, we were not, as the Senator from Ohio said, prepared to give a veto to NATO over major systems that may have deterrent value elsewhere, outside of NATO, such as in the Persian Gulf. But the major concession, as I said, was made by the Senate in order to accommodate the House.

Mr. METZENBAUM. Mr. President, I will be very brief. I stood on the floor a minute ago and I asked why did the Senate insist on its position rather than accepting the House language which provided for a fine up to $5,000 and up to 1 year imprisonment if you took a job with a defense contractor with whom you had been negotiating?

In response, my friend from Michigan [Mr. LEVIN] said we did so because the Senate had voted by a vote of 67 to 22 that that was the position they wanted to take. But what we were voting on when we rejected, by 67 to 22, the Pryor amendment, was not this issue of the revolving door alone. The Pryor amendment included five or six other issues as well.

I wonder whether the Senator from Arkansas [Mr. PRYOR] who was the author of that amendment, would be good enough to tell us what else was included besides the revolving door issue, at least in part, so we may clarify the fact that when the vote was 67 to 22, it was not on this item.

Mr. PRYOR. I thank the Senator from Ohio.

Mr. President, the Senator from Arkansas does not have before him all the issues involved. One issue I remember in addition to the revolving door issue was the dual-source contracting provision. Another issue dealt with competition in contracting, which was a very detailed amendment.

The Senator from Indiana [Mr. QUAYLE], as I recall, argued that provision and other provisions very eloquently, and, I might say, on the other side, regrettably. But there were several other provisions in that particular amendment offered by the Senator from Iowa and myself and several others which did receive 22 or 23 votes.

In retrospect, my only point is that I wish we had singled out the revolving door issue, singled out the competition issue, and singled out the dual-source issue. I think, as we go along, we learn from our mistakes here. I hope we are big enough to admit them. Certainly, I made a tactical mistake. I wish we had had several separate votes. There was extensive debate on the several encompassed issues.

Mr. NUNN. Mr. President, will the Senator from Arkansas yield for an observation?

Mr. PRYOR. Yes, although the Senator from Ohio has the floor.

Mr. NUNN. The Senator is probably correct in his perception about dividing out the issues of the amendment. I shall not quarrel with that. But we have to find, in the Armed Services Committee and in the Senate as a whole, a way to have fewer amendments. We had 113. If the Senator had used his tactical retrospective strategy, we would have had 119. The House had even more than that.

Frankly, when we get to conference on that many items, and we had 1,300 items in disagreement—at least 200 or 300 of them were very important, some of them technical, obviously. When you get to this stage, frankly, it is impossible—and this is why we are so fortunate to have had Senators LEVIN and QUAYLE so much involved in this. I was and the chairman, at probably any one hour of the conference, involved in 10 or 12 different issues. We have gotten to the point where this bill has become almost unmanageable, particularly when you get to conference and have that many differences.

So the Senator's idea on tactics, I hope, is not a spreading situation, because we do have to find a way to look at the number of amendments in this bill.

Mr. PRYOR. Let me say to my friend from Georgia, Mr. President, when you are spending almost $1 trillion of the taxpayers' money, I think perhaps there ought to be more scrutiny and perhaps even more amendments. Someone said the other day if this bill keeps on going the way it is, it is going to be as complicated as the farm bill before long. That is going to have a lot of amendments, too.

Mr. NUNN. We may not have a farm bill this year.

Mr. GOLDWATER. Mr. President, will the Senator yield for an observation?

Mr. METZENBAUM. If I may, without losing my right to the floor.

Mr. GOLDWATER. This is a conference report. It is not amendable. We have been talking about this now for 2½ hours. We have two or three very important matters that have to come up before tonight. We understand the Senators' position, the position of both of the Senators. If they come up again next year, we will certainly keep them in mind. I would like to ask the Senators if they would not let us vote so we can get on with the business of the Senate.

Mr. METZENBAUM. Mr. President, I assure my friend from Arizona that I have no intention of delaying this body. I just want to clarify this last point, then I shall conclude.

The Senator from Michigan made a very strong point, when I asked why, why, why the Senate had given in on this issue, or insisted upon its position, that it was because the Senate had voted to that effect. As Senator PRYOR has just indicated, there were six different items involved and I have now been able to procure those. It was dual sourcing, revolving door, quality control of contractors—requiring contractors to pay back funds for defects—burden of proof on contractors for all costs, criminal penalties for false billings, and spare-part breakout in order to encourage competition in spare-part procurement.

The Senate will not speak to this issue. We should have given in to the House; they did a better job than we did. I think the defense contractors have had their day.

Now I think I have had my day and my time. I yield the floor.

Mr. GOLDWATER. Well, I am glad.

Mr. LEVIN. Mr. President, will the Senator yield?

Mr. GOLDWATER. Certainly, I yield, Mr. President.

Mr. LEVIN. Mr. President, let me address first my friend from Arkansas. He indicated the fact that his amendment contained more than just the revolving door. He is, of course, correct. My friend from Ohio is, of course, correct also in pointing that out. They both would agree and I am sure Senator QUAYLE would agree that, No. 1, revolving door was one part of that amendment which was defeated and it was the most important, most discussed issue in that amendment which was defeated 67 to 22. I think Senator PRYOR and Senator QUAYLE would confirm the fact that revolving door was a critical part of the floor debate and one of the items included in that amendment. I think it is fair to say it was defeated 67 to 22.

To be technically accurate, it was the Pryor-Grassley amendment that was rejected 67 to 22 rather than revolving door itself, but it contained revolving door.

Second, if I may, the Senator from Ohio and the Senator from Arkansas should understand that even though we happen to disagree on revolving door, that should not diminish the fact that they made a major contribution and continue to make a major contribution and even though we might disagree on a better way to close that revolving door, I want to assure them I am glad they are here and I hope they continue to do that.

Finally, Mr. President, I should like to read from a Wall Street Journal article. My friend from Ohio has read the Washington Times here and the Washington Post today saying that the House caved in to the Senate. Well, now let me read the Wall Street Journal. It says here:

> Lawmakers stumbled for days over the 2-year ban offered by Charles Bennett, with Senators Levin and Quayle arguing that Presidential appointees should be exempted.

That is exactly the opposite of what we ended up with, by the way.

> But Mr. Quayle and Mr. Levin relented—

We relented, according to the Wall Street Journal—

> as it became clear that the bill might fail in the House if Mr. Bennett was dissatisfied.

So here is a newspaper article, since we are apparently relying on newspaper articles, which takes exactly the opposite position of the Washington Post and the Washington Times. They say the House caved in to the Senate, but we have the Wall Street Journal saying that Senators QUAYLE and LEVIN relented to the House. So pick your newspaper, I will not. Let me assure everybody I will not pick between these august newspapers.

Mr. GOLDWATER. Mr. President, the Senator has finished?

Mr. LEVIN. Almost, Mr. President; 10 more seconds.

Representative BENNETT is apparently satisified with the outcome of this. He was the sponsor in the House of the revolving door and the other reform amendments. I think the fact that he has been quoted to the effect that he is satisfied with the solution in conference speaks well of the compromise we made.

I thank my friend, the Chairman.

Mr. GOLDWATER. Mr. President, the yeas and nays have been ordered. I wonder if the Presiding Officer would put the questions?

Mr. QUAYLE. First, Mr. President, may I just associate myself with the remarks made by the Senator from Michigan?

The PRESIDING OFFICER. The Senator from Indiana.

Mr. QUAYLE. He is absolutely right. The major contentious point at the conference was the revolving door, despite all the other procurement issues, and they were many. In fact, I do believe that it was a principle issue. We went up in the committee and on the floor here to look at that 2-year provision. We thought it was bad public policy. We have drawn it as narrowly and tightly as possible in the conference as a compromise with the House. If I had my way, that amendment would not be in there. I think we have looked at this in a substantial way. I think the Senate, in fact, was correct in its first analysis and its first legislative try at this.

Mr. President, I support the conference committee report on the defense authorization bill for fiscal 1986. The report is a result of 3 weeks of very difficult negotiations with our counterparts on the House side. Although there are some matters in this package with which I disagree, I feel that this report can be supported by all the Members of the Senate.

In my view, the most contentious issues in the conference were the defense acquisition policy provisions. We had nearly 40 differences between the House and Senate in this very complex area. Before I present the details of these final provisions, I want to commend and thank my colleague, Senator CARL LEVIN, for his tireless work in the more than 40 hours of negotiation that it took to resolve these issues. Without his close involvement, we would not have been able to resolve the acquisition policy matters in the way we did.

Because of the large number of issues in disagreement between the House and the Senate in the defense acquisition policy area, I will only focus on the most controversial.

We had a major difference in our approach to requiring multiple sources for major weapon systems and other defense equipment. The provision approved by the Senate focused on establishing and maintaining two or more sources for the production of major systems and equipment. The House provision would have extended this requirement to the full-scale development phase of major programs and required the Secretary of Defense to follow very rigid criteria for waiving these requirements. In addition, the House would have placed a statutory limitation on the numbers of waivers that the Secretary could grant in a fiscal year.

Although I felt that our original provision had most effectively addressed the multiple source issue, some accommodation to the House position was necessary if we were to finish the conference. The conferees agreed to accept the House position on requiring multiple sources during the full-scale development phase, as well as production of major defense systems and equipment. However, we did succeed in giving the Secretary of Defense additional flexibility in applying the multiple-sourcing requirements and the conferees agreed to remove any limitation on the Secretary's use of his waiver authority.

Another area of major disagreement was the allowable cost provision. The Senate had approved a provision that would have required the Secretary of Defense to clarify in regulation the allowability or unallowability of certain indirect expenses submitted to the Defense Department for reimbursement. The Senate provision also would have provided the Secretary of Defense the authority to assess increased penalties against contractors knowingly submitting unallowable costs for reimbursement. The House allowable cost provision would have placed rigid categories of unallowable indirect costs directly in statute and applied criminal sanctions to those defense contractors knowingly submitting such unallowable costs for reimbursement.

Despite our serious concern with the need to crack down on defense contractors who continue to submit unallowable costs for reimbursement, the Senate conferees had very serious reservations about mandating categories of unallowable indirect costs in statute without giving the Secretary of Defense some flexibility to deal with situations unforeseen by Members of Congress. The conferees therefore agreed to place the categories of unallowable costs in statute, but included the authority for the Secretary of Defense to modify them as necessary in the implementing regulations. The conferees also agreed to drop the criminal penalties in favor of the stiff administrative penalties provided in the Senate provision.

By far the most contentious issue was the so-called revolving door issue. The Senate provisions would have addressed the issue of conflict of interest by employees or officers of the Department of Defense negotiating employment with defense contractors over whom they have substantial procurement responsibility by a comprehensive disqualification requirement. The House provision would have applied a flat 2-year prohibition on any employee or officer in the Department of Defense taking a job with a defense contractor over whom they had substantial procurement responsibility.

I remain convinced that our disqualification requirement was the most equitable and effective means of addressing the conflict-of-interest problem. It became apparent, however, that disagreement on this issue could result in the breakup of the entire conference. For that reason, the Senate conferees very reluctantly agreed to a limited two-prohibition ban on certain DOD employees.

Mr. President, the defense acquisition policy subcommittee is now in the process of setting an agenda for the review of acquisition issues throughout the remainder of this session of the 99th Congress. The experience with the various procurement provisions that were introduced on the floor of both the Senate and the House has convinced me of the great danger in legislating without the benefit of adequate committee review and consideration. It is my hope that our subcommittee agenda this year will allow us to more effectively direct any legislative action on this very complex area of defense acquisition.

Besides defense aquisition issues, the conference also reached a number of critical agreements concerning strategic arms. Perhaps the most important of these concerned the President's strategic defense initiative [SDI]. The conference agreed to authorize the SDI at $2.75 billion in fiscal year 1986 and eliminated all House restrictions on the allocation of these moneys within the SDI account.

The compromise funding level for SDI and $250 million more than what the House bill authorized for SDI and represents a real increase over last year's authorization of $1.4 billion for SDI. It would be a mistake, however, to think that the conference gave SDI or the administration a blank check.

While the articulation of administration policy with regard to SDI has matured considerably and, in my opinion, very positively, toward emphasizing how SDI can strengthen deterrence and help protect key United States and NATO military assets, the specific programs to implement this policy are either missing or not properly supported. The conference report asks a number of specific questions that the Strategic Defense Initiative Office [SDIO] must answer in detail. Certainly, without a better match between programs and policy, funding for the SDI next year will be in trouble.

I, for one, am most concerned that SDIO has focused far too much on achieving the distant prospect of nearly perfect defenses against threat of an all-out Soviet attack and too little effort on developing near-term ground-based preferential defenses against the much more pressing threat that Soviet missiles now pose to key United States and allied military assets.

Stated simply, the United States should at least attempt to develop the sort of antitactical ballistic missile systems [ATBM's] that the Soviets have already developed and are deploying, SA-10's and SA-X-12's. Indeed, if we do not, the existing theater asymmetrics in Europe and the Far East will only get worse, increasing the Soviet incentive to strike first in a crisis in these critical regions.

In this regard, I was pleased that the conference requested a study on the possibility of developing near-term defenses for our key military assets and our ICBM's. The conference specifically asked that this study consider the adequacy of our own Anti-Tactical Missile [ATM] Program.

Although not explicitly mentioned in this request, using active defenses to make MX less vulnerable clearly was in mind. The conference report tentatively limited the number of MX's deployed in existing silos to 50 until a more survivable basing mode is proposed. Devising a new basing mode may take time. The conferees recognized this and made clear provision to keep the MX Program going in the interim. In specific, the conference stipulated that between 12 and 21 MX's will be procured in fiscal year 1987 for testing purposes.

As important as active ground-based defenses may be to securing the future of MX, they may be equally important to the viability of the small ICBM [SICBM]. The conference limited additional money for this program to $100 million rather than the $150 million that the House bill called for.

Although the conferees were anxious to have a few more survivable land-based missile and hope that the SICBM might fit this bill, they questioned whether or not the congressionally mandated size—30,000 to 33,000 pounds—and warhead limits—one per missile—made much sense. In specific, the current weight limit on the SICBM may prevent the missile from being able to penetrate even crude Soviet missile defenses and may make the cost of deploying prompt U.S. land-based warheads prohibitive.

The conferees also were concerned about the feasibility and cost of relying solely on mobility to make this new missile survivable The cost of making mobile launchers hard enough and of manning these launchers has driven the price estimates for SICBM well beyond those for MX. For these reasons I believe the conference was wise in directing the Air Force to review these problems and report to the Committees on Armed Services by October 1, 1985. As with MX, we may well find that fixed basing or limited mobility and some form of active defense is the best basing mode.

Until our land-based missile force is modernized, our sea-based missile force will be relatively important. Recognizing this, the conference agreed finally to fund the advanced procurement of E-6A's, submarine communications relay aircraft. These planes are critical if we are to communicate effectively with our ballistic missile and attack submarines. Currently, we rely on C-130's, which are too limited in range and lift capability to sustain its communications mission for a sufficient period of time. Procuring the E-A will remedy this problem. Certainly, it makes little sense to spend $60 billion to buy the new Trident submarines through the 1990's and not have the ability to command and control them.

The conference, of course, did not limit itself to addressing strategic nuclear issues; it also was concerned about conventional weapons and increasing NATO cooperation. One of the most important actions the conference agreed to was an amendment I offered to give the President new powers to encourage greater United States-NATO arms cooperation. Currently, our NATO allies are cooperating in the research and development of several key weapons systems on nearly a 50-50 basis with the United States. Yet, under existing law these allies cannot produce these weapons without going through a complicated procedure reserved for underdeveloped nations who want simply to buy complete weapons systems from the United States. The language that the conference agreed to will remedy this problem and open the way to more joint development of weapons systems with our allies.

Mr. President, these are some of the highlights of the conference committee report. The report deserves the Senate's support and I hope will serve as a guide to both the House and Senate Appropriations Committees when they mark up later this year.

Mr. McCLURE. Mr. President I would like to seek clarification of section 1612 of the Department of Defense fiscal year 1986 authorization from the distinguished Armed Services Subcommittee chairman, Senator HUMPHREY.

Is it the chairman's understanding that the intent of section 1612 is to prohibit any action being taken by the President to modernize the national defense stockpile by reducing stockpile goals below those that were in effect on October 1, 1984?

Mr. HUMPHREY. Mr. President, the Senator from Idaho is correct. The language contained in section 1612 as offered by the House and concurred in by the Senate would prohibit the President, before October 1, 1986, from taking any action to implement or administer a lowering of the goals for strategic and critical materials in the stockpile below those in effect on October 1, 1984, unless the appropriate committees of Congress authorizes such reductions.

Mr. McCLURE. Mr. President, i thank the distinguished subcommittee chairman of the Armed Services Committee for that clarification.

Mr. LEVIN. Mr. President, this conference report deserves comment. Though surely not to everyone's satisfaction, it does reflect the benefits of the conference process. In a number of respects, the conference report is superior to the bill which passed the Senate. I would like to highlight certain of these improvements.

MX

First is the MX. Barring an unexpected breakthrough in basing modes, the Congress has capped the MX Program at 50 missiles to be deployed only in present silos. Not only does this cap the number of missiles, it also puts a ceiling on ultimate costs for MX and we can also hope that it will bring to an end the divisive and turbulent debate over this missile—a debate whose principal value was to illuminate the dangerous nature of these missiles to our nuclear deterrence.

SDI

The administration's request for funds to support research for the space based defense initiative was so large as to raise serious questions as to whether this money could possibly be spent wisely. The judgment of both the House and Senate was that the figure was too high and the final authorization figure is more than 25 percent less than the administration requested. It is important that SDI research be carefully controlled to ensure that it does not become a pot of gold for defense contractors and also to ensure that SDI development and testing strictly conform with the provisions of the ABM Treaty. I am confident that the decision of the House and the Senate puts the administration on notice that Congress will hold the SDI Program to these standards.

The ASAT Program continues to be a cause of concern to the Congress. There is the feeling that a too enthusiastic and premature testing program could damage the prospects of reaching an agreement with the Soviet Union controlling the development and employment and employment of ASAT's. This report permits three tests against an object in space during fiscal year 1986 providing the Presi-

dent certifies the need for, and arms control limitations of such testing. This agreement no better surely than the unlimited Senate provision relative to ASAT.

The compromise position taken on chemical weapons cannot please those who desired a ban on the production of new chemical weapons. But its surely better than the Senate position which placed few conditions on the production of binary weapons.

I am especially pleased that we have authorized the expenditure of $100,000 to pay the expense of an mutual, exchange visit program between senior United States and Soviet civilian defense officials and military officers. I submitted this proposal to the Congress because I am certain that personal knowledge and face to face communications between these senior officials in both governments can be of vital importance during periods of tension between these two nations and can reduce the risk of miscalculation.

UCMJ DEATH PENALTY

The conference agreement creates a new peacetime espionage offense under the Uniform Code of Military Justice which authorizes a sentence of death. I have opposed reinstituting a Federal civilian death penalty for several reasons which also apply to establishing a death penalty under the military code.

First, capital punishment is irreversible and our system of justice is not error proof. Dozens of capital cases have been documented where people have been sentenced to death who were later found to be innocent.

Second, in those States which currently authorize the death penalty for serious crimes, the death penalty continues to be applied in a discriminatory manner, against minorities and those who are too poor to afford the best legal representation. Third, there is no persuasive evidence that the death penalty deters crimes. In fact, States with capital punishment have murder rates twice as high as the States that do not have capital punishment.

Mr. President, in addition to these general reasons why I oppose capital punishment, there are specific reasons why we should not enact this provision. The espionage provision in the DOD authorization bill includes statutory procedures for implementing the sentence of death, while the UCMJ has 13 other capital offenses that will not be covered by the statutory procedures in this provision. At a June 26, 1985 hearing on espionage, I asked Chapman Cox, general counsel at DOD, whether there was any reason why the Congress should not adopt statutory provisions establishing procedures for capital cases. Mr. Cox stated:

> We believe that the sentencing procedures as provided for by the Congress under the Uniform Code of Military Justice are the right ones for the military system. We believe it should be the President who establishes the guidelines and procedures that meet the needs of the armed forces, as Commander-in-Chief, for sentencing in all of the Military Justice Code.

An additional reason why it is not wise to adopt statutory procedures for the crime of peacetime espionage is that the Supreme Court has not yet addressed the question whether congressional action is constitutionally required to establish necessary procedural protections in capital cases. The Department of Defense maintains that action by the Congress is not necessary and that it is more appropriate for the executive branch to establish procedures for the military. But in adopting statutory procedures for peacetime espionage which are different from those which apply to all other capital offenses in the Code, Congress is expressing a preference for statutory procedures. On this point, Mr. Cox stated:

> . . . we now have these procedures in the Code with respect to all of our capital punishment. If you as a Congress impose the statutory system on one punitive article, you create doubt that the other procedure is constitutionally valid. We would strongly urge you against doing that

Thus, in approving this provision establishing different procedures for peacetime espionage than are applicable to all other capital offenses under the military code, we will be creating confusion and a lack of uniformity in the military justice system. Additionally, congressional approval of statutory factors for the crime of peacetime espionage may prejudice the Government's position that the executive branch, rather than the Congress, should establish procedures for capital offenses under the military code. That is why Secretary Weinberger wrote to Chairman Goldwater after the McCollum amendment was approved by the House and stated that "* * * constitutionally sufficient guidelines already exist in R.C.M. 1104 of the Manual for Courts Martial. The rules in the manual, which reflect the standards to which we hold military personnel, are preferable to those in the House bill." The wiser course of action would have been to adopt the amendment to the DOD authorization bill approved by the House 1 day before the McCollum amendment was approved. That amendment called for a study of capital punishment in the military. Instead, we are taking hasty action which is inappropriate where the issue involves life and death.

Also, by establishing capital punishment for peacetime espionage, we will lose any opportunity to obtain valuable information from those convicted of espionage about their spying activities. Furthermore, once a convicted spy is executed, the Government will not be able to make a trade for Americans being held in foreign nations. In 1978, the United States traded convicted Soviet spy Robert Thompson—a U.S. citizen who worked as an Air Force clerk—for an American student and an Israeli pilot. Thompson spent 13 years in prison for espionage before he was traded to the Soviets.

In 1962, the United States swapped a KGB colonel, Rudolph Abel, for Francis Gary Powers, a U-2 pilot who worked for the CIA. William Donovan, Abel's defense attorney, argued during his trial that Abel should not be sentenced to death because it might be possible to swap Abel for an American later. Donovan told the sentencing judge that "* * * it is possible that in the foreseeable future an American of equivalent rank will be captured by Soviet Russia or an ally; at such time an exchange of prisoners through diplomatic channels could be considered to be in the best interest of the United States." Donovan proved to be right. Because the judge did not sentence Abel to death, the United States was able to trade him for Gary Powers 5 years later.

In summary, Congress is acting too hastily in response to the Walker case without taking the time to consider the consequences which will result from having two separate procedures and guidelines for capital offenses under the military code. The espionage provision will create confusion, lack of uniformity, and call into question the constitutionality of the procedures for capital cases contained in the Manual for Courts Martial. Those who are charged with peacetime espionage will be subject to different procedures than those persons who are charged with wartime espionage. Furthermore, the decision to enact a peacetime espionage statute is inconsistent with national security interests, because it may limit our ability to obtain valuable information about espionage activities and will prevent us from trading persons convicted of espionage in the United States for American citizens being held in other countries.

NATIONAL ENVIRONMENTAL POLICY ACT AND BASE CLOSINGS

Mr. President, I was also deeply involved in the debate over the conference action to strike the explicit reference to the National Environmental Policy Act from the revised base closing provisions.

For a variety of substantive and procedural reasons, I opposed many of the changes to the base closing statute and military construction procedures that were adopted by the Senate Armed Services Committee. When this issue was considered by the Senate, I voted to strike the committee-reported section, but supported the straightfor-

ward, well-reasoned and significant procedural reforms offered by the ranking member of our Armed Services Committee, Senator NUNN, and the ranking member of our Military Construction Subcommittee, Senator BINGAMAN. I am sorry that that amendment failed to pass on a tie vote.

In the authorization conference, a subpanel met to consider the Senate's proposal to streamline the base closing provisions. I believe that the conferees have done a good job of focusing their statutory revisions on procedural matters, and have provided a reasonably expedited process by which the Secretary of Defense may propose, and the Congress will have a meaningful opportunity to consider, individual base closing and realignment recommendations.

In revising the statutory provisions in title 10 regarding base closings, the conferees have deleted the explicit reference to the National Environmental Policy Act.

Mr. President, when the subpanel made its report to the full conference on this matter, there were explicit representations made to the full conference, that the conferees' action did not intend to alter the application of the National Environmental Policy Act to base closing. I supported the conference agreement on this portion only because of the assurances that our action would not affect the applicability by its own terms of the National Environmental Policy Act to base closings and realignments.

Mr. President, this Senator will be carefully watching the Department's implementation of this important provision.

Mr. BINGAMAN. Mr. President, I rise in support of the conference report on S. 1160, the fiscal year 1986 Defense Authorization Act. I want to join my colleagues in commending the senior Senator from Arizona and the senior Senator from Georgia for their leadership in the Conference Committee's deliberations. On the whole, we reached fair and responsible compromises with the House conferees on the 1,350 items that were in disagreement between the two bills, and we did so more rapidly than anyone could have realistically expected at the start of the conference.

Mr. President, I would just like to comment briefly on a few of the results of the conference.

I think the conference report vindicates the view that several of us expressed earlier this year that we could adopt a zero real growth budget level for defense, as our Federal budget crisis requires, but still be able to continue our defense modernization at a rapid pace.

For example, the conferees were able to authorize 29 more combat aircraft than were requested this year, and 83 more than were approved last year. In the shipbuilding account, the only reduction from the President's request was for two mine countermeasure ships which were postponed for a year largely because of problems in the program. The threat-based conventional munitions accounts—missiles, torpedos, and mines—were approved almost in their entirety, with increases for some programs offsetting reductions in others. The same could be said of the Army weapons and combat vehicles account. The bottom line is that the conferees were able to fund the high priority modernization programs of the services at the $302.5 billion spending level.

Mr. President, I also want to highlight the conferees' action on three specific issues: university research, military base closures, and polygraphs.

The conferees authorized $75 million above the President's $971 million request for DOD support of basic research. The $75 million addition is to be spent on a university research initiative in which we would like to see all the technical agencies of the U.S. Government participate. The additional funding will help address the crisis of obsolete instrumentation in our university laboratories and will help educate additional American graduate students in the physical sciences and engineering.

I welcome this initiative. Over the past 2 years DOD support for its technology base programs had fallen even while overall DOD research budgets continued to grow. It was important to reverse that trend and, even in this year of no real growth in the overall defense budget, to reassert the need for DOD to do its share to maintain our scientific infrastructure, especially in our universities.

Mr. President, the compromise the conferees reached on streamlining the military base closure and realignment process was a very fair one. The compromise provision largely parallels the proposal put forward by Senator NUNN and myself when the Senate debated the defense authorization bill in May. Most importantly for me, the conferees agreed to preserve the authorization and appropriations process for military construction projects associated with base closures and realignments. We streamlined the notice process, reducing it to a one-step process from the current two-step process, and required base closure and realignment notices be submitted with the President's budget request. We reduced the paperwork required to be submitted with the notices from "detailed justifications" to "evaluations" of various factors.

The conferees did not go as far as Senator NUNN and I had proposed with regard to the National Environmental Policy Act. We had proposed to waive judicial review of NEPA, except for the question as to whether an environmental impact statement was required. The Gramm provision included in the Senate bill waived NEPA entirely for base closures when there is a federal deficit. However, the House conferees rejected any language waiving NEPA (or parts of NEPA) in the case of base closures. They agreed to delete the specific reference to NEPA in section 2687 of title 10 of the U.S. Code in the belief that this would not affect the need for the Defense Department to comply with NEPA in the case of base closures and realignments.

I believe that the base closure compromise is a sound one. I agree with Senators GOLDWATER and GRAMM that the impediments to closures of unneeded bases had become too severe. This bill should restore the balance between the executive and legislative branches that existed prior to 1976 when a restrictive base closure provision was first enacted. It should allow base closures to be successfully implemented as they were in the overwhelming majority of cases prior to 1976.

Mr. President, the conference also reached a responsible compromise on the utilization of mandatory polygraph examinations for counterintelligence purposes in the Defense Department. In the wake of the Walker espionage case, the House had passed a sweeping measure which would have granted DOD permanent authorization to subject all employees and contractors with security clearances to these examinations. It would have required polygraph examinations for those in special access programs. It would have placed no limits on the number of polygraph exams to be conducted in the Department. The Senate Armed Services Committee had included a provision in the Senate bill which authorized a 1-year continuation of a 3,500 person test program on the use of the polygraph examinations in the special access programs of the Department of Defense. The conference, with the senior Senator from Georgia taking the lead in framing the final compromise, decided that a measured approach was appropriate, that we should not remove all constraints on the use of polygraphs by the Defense Department. The conferees agreed that the test program should be expanded to include those with access to top secret information as well as those in special access programs. In fiscal year 1986 up to 3,500 tests may be conducted under this program with up to 7,000 tests in fiscal year 1987. A series of reports are required on the conduct of this program to help future Congresses decide on whether to extend the mandatory counterintelligence polygraph program.

I am convinced that this measured approach is the proper one to follow.

We should not turn to the polygraph instrument as a technical fix for our counterintelligence needs. The problem is much more complex than that and can not be solved so simply.

To conclude, Mr. President, the conference report in my view represents a solid and responsible effort to deal with our Nation's defense requirements. I do not agree with every element of the report, nor would any other member of the Conference Committee. But, on balance, we arrived at a sound defense program, one that I am pleased to endorse to my colleagues.

APPLICABILITY OF NEPA TO BASE CLOSINGS

Mr. DIXON. Mr. President, Senator GRAMM was on the floor to describe, among other things, how the conference report handles the question of the applicability of the National Environmental Policy Act, known as NEPA, to questions involving base closings.

As the Senate knows, curent law explicitly requires full compliance with NEPA by the Department of Defense when they propose closing military bases. This provision was enacted in 1977. Even before passage of this section, however, the Department of Defense had to consider NEPA when proposing base closures, but the environmental law's application was more limited and depended on factual questions in each individual base closure.

The conference chose to delete the explicit requirement of current law. There seemed to be some feeling among the conferees that the existing provision would force the Defense Department to provide a full environmental impact statement for every base or facility closure, no matter how limited. Frankly, I do not agree that current law has that kind of impact. What is important, however, is that the conferees did not intend to exempt the Defense Department from NEPA, but rather simply to return to the situation where the need to provide a full environmental impact statement would depend on the facts and circumstances of the individual case.

While I was not on the floor to hear Senator GRAMM's earlier remarks, my understanding was that he made the same essential point. I do not believe he intends, and in my opinion, a majority of the conferees of both the House and the Senate do not intend, for the Defense Department to ignore NEPA requirements. I believe the real intent of the conferees was to ensure the continued application of NEPA to base closures, but to ensure that full-blown environmental impact statements, and the procedural protection for communities around those bases this process implies, is used only in cases where the environmental impact of the base closure is significant. I have no doubt, for example, the NEPA would fully apply to any attempt to close Great Lakes Naval Station, and that both the House and Senate conferees would want it to apply to a base closure as large as that one. There are many smaller bases and facilities, however, where full environmental impact statements are not necessary.

What the conferees intend, in my view, is for the Defense Department to carefully consider each base closure they might propose, and to apply the complete NEPA procedure in cases where there may be significant environmental impacts resulting from the closure, but not to feel compelled to use the full-blown process where environmental impacts appear to be minimal.

I want to make it clear, Mr. President, that my acceptance of this provision is based on that understanding. If the Defense Department should attempt to go forward on base closures with major potential environmental impacts, and that clearly includes impacts on the communities around those bases, without full consideration of and compliance with the applicable provisions of NEPA, then it will be my intention to bring this issue back before the Senate for further consideration. I am convinced that the Congress would never vote to exempt base closures from NEPA, and that the provisions in the conference report before us today do not accomplish that objective. The Defense Department should have no doubt of congressional intent in this matter, and of how serious an issue it is.

Mr. DOMENICI. Mr. President, I rise to commend the conferees for bringing the Senate this conference agreement on the DOD authorization bill. I know the conferees worked long and hard to forge this agreement, solving many difficult policy and program differences. As one who has also been working toward a conference agreement for nearly 2 months now, I think I can speak authoritatively about how hard it can be to get an agreement.

The conference agreement based on CBO's best judgment, equates in a functional total of $303.1 billion, only slightly over the target for defense passed by the Senate.

Once again, I congratulate the distinguished chairman [Senator GOLDWATER] and the members of the committee for their work in arriving at this conference agreement. I urge my colleagues to join me in supporting it.

THE NATIONAL DEFENSE PROGRAM FOR 1986

Mr. BYRD. Mr. President, I wish to compliment and congratulate the managers of this conference report, the distinguished chairman of the Armed Service Committee, Mr. GOLDWATER, and the distinguished ranking Democrat on that committee, Mr. NUNN, for their excellent work on this measure. The range of issue addressed in this measure, and the over 1,300 separate matters which had to be resolved by the conferees, testifies to the critical importance of this measure and the skill, energy, and endurance of our conferees.

I am pleased that the funding level approved by the conferees on this measure, which combined with the effects of other defense funding legislation, is some $302.5 billion, reflected the Senate position. This figure represents a zero-percent real growth level for 1986 over 1985, which is a substantial reduction from that proposed by the administration, and represents the lowest real growth in Pentagon programs since the Reagan administration took office. I hope that this outcome will deliver a strong message to the Pentagon leadership that it is imperative to implement major reforms in the way DOD business is done, to end its outrageous pattern of profligate waste. The long trail of costing scandals, and questionable budgeting procedures, has served to erode much of the national consensus underlying a vigorous defense program.

It is my hope that such reforms will, in the long run, enhance our national security by stretching the defense dollar further and achieving better results for the money provided in our authorization and appropriations measure. For our part, I believe the Senate can take pride in the significant number of important changes in the Pentagon procurement process that have been mandated by this measure. Needless to say, we expect them to be implemented vigorously. I greatly appreciate the favorable consideration that was given to a number of proposals that I made in this area and that were approved on the floor when the Senate considered its authorization measure this past May.

These provisions given final approval in the conference report are intended to increase significantly the capabilities of the Defense Department to protect the hard-earned taypayer dollars invested in the weapons and operations of our Armed Forces.

Specifically, the conferees approved my proposal to increase from $10,000 to $1,000,000, the maximum fine which may be imposed on a defense contractor who knowingly submits a false, fictitious, or fraudulent claim for Government payment.

Increasing by 100 times, this maximum criminal fine under the Federal False Claims Act should represent a more effective deterrent to such abuses by multibillion-dollar defense corporations, whose profits often are millions of dollars,

The conferees also approved my amendment to grant subpoena power for certain contractor records and documents to the Director of the Defense Contract Audit Agency, the Pentagon agency with the primary responsibility for guarding against cost abuses.

This provision is intended to increase DCAA's capabilities to scrutinize contractor cost proposals and to reduce delays contractors often seek to create in settling such charges.

Also approved were my amendments establishing an additional penalty on contractors for submitting inaccurate, incomplete, or outdated cost and pricing data, charging interest on penalties for violations of certain cost regulations, and increasing the interest rate that may be imposed on contractor repayments of money owed the Government.

These procurement reform provisions are part of a major package of reforms in this conference report—reforms which are aimed at eliminating the waste, fraud, and abuse the American people have heard so much about in defense programs.

The committee is to be complimented, in particular, for these reform initiatives, and I would like to single out for special praise for his leadership in this area, our distinguished colleague from Michigan, Senator CARL LEVIN.

Senator LEVIN, the ranking minority member of the committee's Defense Acquisition Policy Committee, has been in the forefront of procurement reform efforts, especially in the area of increasing competition in defense procurement, from his first year in the Senate. This was long before procurement reform became the popular crusade it now is. He is to be particularly commended for his continuing leadership in this complex area so important to protecting our taxpayers and strengthening our military capabilities.

Mr. President, the conference report before us also makes important changes in the defense budget priorities proposed by the administration for fiscal year 1986. The conferees have struck a better balance between maintaining our strategic nuclear forces and improving our conventional military capabilities, which are in greater need of strengthening.

In this regard, I am also gratified that the conferees accepted my amendments on our Nation's Strategic Bomber Program. The amendments provided that the Stealth programs are of such a critical nature to our strategic triad that they should be full funded, and that the funding cannot be reprogrammed or used for any other purpose. I note that the conference did in fact fully fund those programs. The amendments also expressed the sense of the Congress that the B-1 Program should be capped at 100 aircraft, and we would not welcome a Pentagon request for any additional B-1's. Indeed, the conference also accepted an amendment by the distinguished Senator from Massachusetts, Mr. KENNEDY, which I strengthened by way of a modification on the Senate floor, that the Pentagon may not expand any funds for research, development, design, demonstration, or procurement of more than 100 B-1 bombers—including any derivative or modified version of that aircraft. The clear intent of the decisions by the conferees is that a fully funded Stealth Program is expected, and the earliest operational capability of that aircraft is desired.

By these actions, the conferees have stated clearly that the most cost-effective way of maintaining our nuclear deterrent strength is to deploy the Stealth bomber as soon as possible.

The conferees also are to be commended for adding $100 million to reduce the risk in the program to develop the midgetman small intercontinental ballistic missile. This missile has greater potential to be a more survivable deterrent weapon than does the vulnerable MX missile.

The conference report also contains $2.75 billion for the strategic defense initiative, or Star Wars Program, a much more reasonable funding level than the $3.7 billion originally proposed. The final amount provided a vigorous research program which can be managed much more effectively and with far less risk of wasted resources.

Regarding improvements to our conventional forces, the conferees made a wise decision to authorize increases in our combat readiness accounts for aircraft flying hours, ship steaming days, unit field exercises, depot maintenance, and real property maintenance. These activities are critical to maintaining and improving our daily combat readiness.

The conferees also authorized 18 percent more combat and support aircraft, including the additional C-130-type aircraft I supported for our Reserve Forces, 44-percent more missiles, torpedoes, and mines, and 19-percent more tracked combat vehicles than in the current fiscal year.

I also was pleased that the conferees decided to adopt the Senate position granting a 3-percent increase, effective October 1, 1985, in basic pay, basic allowance for subsistence, and basic allowance for quarters for military personnel. Our patriotic and high-quality military men and women deserve this pay raise for their many sacrifices in the defense of our country. This pay raise only partially restores the lost resources they have suffered in comparison to salaries they could earn in civilian life.

Finally, I am pleased to note that the conference accepted in its entirety the amendment I offered to require the President to report on the dangers to the national security associated with the loss of domestic ferroalloy production capacity. The ability to make feroalloys from the raw materials is an essential component of our defense preparedness. I am pleased that this important problem will be addressed. Our security depends upon a sound industrial base, no less than upon adequate military strength.

I urge adoption of this conference report.

Mr. KENNEDY. Mr. President, I support the conference report on the DOD Authorization Act, although I have many serious reservations about several of the provisions—particularly those relating to SDI, chemical weapons, MX and antisatellite weapons. Nonetheless, I believe that the conferences made important improvements in this legislation, and I believe that it deserves the support of the full Senate.

I will not repeat at length my concern about the SDI and ASAT programs and the dangers they pose to stability and deterrence. While the conferees did reduce funding for SDA, and limit the number of ASAT tests, these two programs will continue to go forward at a pace and in a manner that could jeopardize the ABM Treaty and begin a new round of escalation of the arms race in offensive and defensive weapons.

By any objective assessment, the current SDI regime will surely and inevitably break the ABM Treaty before the conclusion of the period of so-called research. Even before any technical violations occur, however, is the more fundamental problem that the SDI Program represents a kind of anticipatory breach of the ABM Treaty, a clear signal to the Soviet Union that, if our scientists are successful in their research, we intend to deploy a system that would abrogate the treaty. Under these circumstances, it is difficult to imagine why the administration would think that the Soviets should be willing to constrain their own ABM efforts—much less reduce their offensive weapons—while we move full bore ahead with ours.

If we are serious about getting the Soviets to address their apparent violations of the treaty, such as the Krasnoyarsk radar, we should be prepared to limit our own efforts and abide by the limitations of the treaty—in letter and spirit.

The ABM Treaty has been one of our most successful arms control agreements. Without it, any hope for significant reductions in offensive arms will be erased.

I am deeply troubled by the conferees decision to allow the Air Force to proceed with testing the F-15 antisatellite system. We have a unique opportunity to conclude a treaty that would dramatically restrict antisatellite weapons, and so help assure the survivability of our critical early warning, communication, navigation, and intelligence satellites.

The Soviet Union now possesses only a rudimentary low-altitude ASAT

system which poses no threat to our most valuable high-altitude satellites. Moreover, the Soviets have not tested their system in some time. We can take advantage of the de facto moratorium and seek to at least try and negotiate a treaty—or move ahead with our test program and perhaps jeopardize any hope for an end to the arms race in space.

I oppose the decision to resume production of new chemical weapons. Although I share my colleagues concern about the Soviet chemical weapons program, I am not convinced that our deterrent is so degraded that we should undermine the credibility of our chemical arms control proposal in Geneva by joining those who continue active chemical weapons programs. In addition to jeopardizing the success of the proposed treaty tabled by Vice President Bush, our decision to resume chemical weapons production will almost surely raise the likelihood of chemical weapons proliferation and use by other nations.

While I continue to be concerned about these important strategic programs, I take heart in the work the conference committee has done with the remainder of the bill. The legislation provides important funding for vital conventional weapons programs that form our best hope to reduce our reliance on a nuclear response. Important research and development efforts have been preserved that will allow us to take advantage of our technological superiority to outthink and outmaneuver our opponents on the modern battlefield. A small but significant step has been taken in attempting to redress our dramatic shortfall in munitions—though much more needs to be done.

Most important of all, are the people programs—without which all the sophisticated weaponry would be for naught.

In particular, I want to call my colleagues' attention to a number of important provisions of this bill that affect military personnel and their families. First, the bill preserves the 3-percent pay raise for the full fiscal year—the position of the Senate (the House delayed the pay raise till January 1, 1986). The conferees adopted a number of provisions that will ease the financial burden of travel and PCS moves on the military family—the costs of which are not now adequately reimbursed by the military. The conferees agreed to initiate a dental benefit plan under CHAMPUS—a provision sponsored in the House by Congresswoman SCHROEDER and which was a part of my own bill, S. 1123, the Military Family Act. Several other provisions of that legislation—concerning spouse employment, education for dependents, and increased attention to the problems of families were also retained in the conference report. Many of these legislative provisions were offered in the Senate by the chairman of our Manpower Subcommittee, Senator WILSON, and myself. Taken together, these provisions show a growing awareness of the importance of the military family to the readiness and morale of our forces. I am also pleased that Chairman WILSON has agreed to hold hearings on the quality and availability of military medical care, and would give specific attention to such pressing areas as coverage for organ transplants, and protection against the costs of catastrophic illness. I want to commend Senator WILSON, who has shown great leadership in this area.

There are many other important provisions in this legislation. Significant procurement policy reforms have been adopted, including measures that would help eliminate conflict of interest and restore public confidence in the procurement process. Increased attention to competition—as evidenced by the decision to establish a competition for fighter aircraft in fiscal year 1986—is a welcomed development. The hasty revision of base closing law adopted in our committee has been substantially and sensibly rewritten. The Senate has agreed to drop its provision which would have undermined the Davis-Bacon Act. This provision, which survived in the Senate only by virtue of a tie vote on my amendment to delete it, did not follow the normal committee process, being adopted instead without hearings and without the benefit of consideration by the committee of jurisdiction—the Labor and Human Resources Committee. In addition the conferees dropped the Armed Services Committee provision on Walsh-Healey in favor of the more carefully crafted version adopted by the Labor Committee.

In conclusion I want to commend our chairman, Senator GOLDWATER and our ranking minority member, Senator NUNN, for their diligent efforts in bringing back to the Senate this conference report. It has been a great pleasure to work with them in helping to draft this legislation which is so vital to our national security.

Mr. DOLE. Mr. President, I want to thank all the members of the Senate Armed Services Committee for their diligence in producing a DOD authorization bill. In cooperation with their colleagues on the House Armed Services Committee, the conferees demonstrated great determination in refraining from any significant cuts in the military budget that would have impaired this Nation's defense. That, Mr. President, is sound defense policy.

The task the conference committee had before them was a challenging one. Many issues divided the conferees. Nevertheless, they came up with a defense authorization bill that will maintain the progress that this Nation's military has made over the last 4 years. Difficult issues, like binary chemical weapons. MX, SDI, ASAT, were dealt with an unusual, yet refreshing, bipartisan manner. Perhaps the most important part of the bill included changes in the way the Pentagon purchases equipment and services. Much was accomplished given the pressure to reduce the Federal deficit.

There are many individuals, from both sides of the aisle and Chambers who deserve a great deal of credit. However, the chairman of the Senate Armed Services Committee, Senator GOLDWATER, deserves a great deal of the credit. For he, in cooperation with Senator NUNN, ranking minority member of the committee, insured that we would have a good, practical piece of legislation—one that supports our national defense.

The conferees, reflecting the prevailing views of both Chambers, have shown resolve in completing the task of rearming America as we try to establish a fiscal year 1986 budget. It proved that we can work together on issues that sometimes divide us. I hope this cooperation can extend to other issues facing this Congress.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I want to correct report language associated with an amendment of mine on the recording of should cost information. This amendment is section 917 of the conference report.

Mr. President, I should like to read a paragraph in the report language pertaining to my should cost amendment. I quote from page 6646 of the July 29, 1985 RECORD:

> This provision is intended to require no new additional information from contractors, only that contractors—

and I want to emphasize these words

> —provide to the Department of Defense information they already gather and correlate. The Department of Defense has indicated that this legislative requirement will necessitate the development of new systems and procedures for recording data related to defense contracts. Because no implementation date is specified, it is understood that these requirements apply to negotiated major system contracts and the major subcontracts entered into after the date of enactment of this legislation. In addition, it is recognized that regulations implementing this language must, in accordance with Public Law 98-577 and Public Law 98-525, be published for public comment for at least 30 days prior to their implementation.

In response to these points, I should like to make the following comments.

Mr. President, where in the amendment does it say: "Provide to DOD?" Or even correlate? There is no requirement to provide information to the Department of Defense in this amendment. The amendment reads, "cause to be recorded." I want to make perfectly clear for everybody in this body that the Department of Defense has acknowledged this point in testimo-

ny—that "provide to DOD" is not part of the amendment.

The second point I want to make is that no new systems are required for recording. The amendment allows that the recording be done by the contractors, as it is currently done. We want to make that very clear. When our amendment was adopted, we were not asking for a whole bunch of new information, or something out of the clear blue sky. We were asking for information that already exists.

The third point I want to make is this: The requirements of the amendment do not apply to only—and I quote the report—"negotiated major systems contracts and the major contracts entered into after the date of enactment of this legislation."

In fact, the requirements apply to all contracts, past, present, and future, including those currently in development and production.

The report language acknowledges that the information exists presently. The report language already recognizes that. Obviously, that information is based on past and current contracts, and that is the express intent of this legislation.

Furthermore, the amendment—and I should like to read the first paragraph of the amendment that the Senate receded to—defines covered contracts as follows:

> A contract that is awarded by a defense agency using procedures as defined in chapter 137 of this title, and that is subject to the provisions of section 2306 of this title, including contracts for full-scale engineering, development or production.

I say to the Senate that it seems clear to me that this paragraph covers a contract so awarded, whether past, present, or future.

I should also like to quote from House debate a statement by Representative RUSSO of Illinois:

> This amendment would apply to both ongoing contracts and future contract negotiations.

Thank you, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the conference report. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Idaho [Mr. SYMMS], is necessarily absent.

The PRESIDING OFFICER (Mr. NICKLES). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 94, nays 5, as follows:

[Rollcall Vote No. 167 Leg.]

YEAS—94

Abdnor	Bentsen	Boschwitz
Andrews	Biden	Bradley
Armstrong	Bingaman	Bumpers
Baucus	Boren	Burdick
Byrd	Hart	Murkowski
Chafee	Hatch	Nickles
Chiles	Hawkins	Nunn
Cochran	Hecht	Packwood
Cohen	Heflin	Pell
Cranston	Heinz	Pressler
D'Amato	Helms	Pryor
Danforth	Hollings	Quayle
DeConcini	Humphrey	Riegle
Denton	Inouye	Rockefeller
Dixon	Johnston	Rudman
Dodd	Kassebaum	Sarbanes
Dole	Kasten	Sasser
Domenici	Kennedy	Simon
Durenberger	Kerry	Simpson
Eagleton	Lautenberg	Specter
East	Laxalt	Stafford
Evans	Leahy	Stennis
Exon	Levin	Stevens
Ford	Long	Thurmond
Garn	Lugar	Trible
Glenn	Mathias	Wallop
Goldwater	Matsunaga	Warner
Gore	Mattingly	Weicker
Gorton	McClure	Wilson
Gramm	McConnell	Zorinsky
Grassley	Mitchell	
Harkin	Moynihan	

NAYS—5

Hatfield	Metzenbaum	Roth
Melcher	Proxmire	

NOT VOTING—1

Symms

So the conference report was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The minority leader is recognized.

SCHEDULE

Mr. BYRD. Mr. President, I sought recognition at this time in order that I may ask the distinguished majority leader—there are a goodly number of Senators on the floor—as to what the program is for the rest of the day, tomorrow, and the rest of the week, if the distinguished majority leader can tell us.

Mr. DOLE. Mr. President, if the distinguished minority leader will yield, we will take up the resolution for the conference of test-ban treaty by agreement. I am not certain whether there will be amendments to that or how long the debate might occur. I assume there will be, sooner or later, a record vote requested on that amendment. Then we hope to turn to five items that we think we have an agreement on, veterans' judicial review, 1-year extension of the so-called ICE Program, Handicapped Children's Protection Act, Indian education bill, and veteran's health care. We would like to do those this evening. They can be done very quickly. Then I hope to bring up the Compact of Free Association tonight, but I now understand that there is some confusion on the administration's position. There are different agencies which have different views. I am advised by the distinguished chairman of the committee, Senator MCCLURE. that is probably not going to be possible. Is that correct?

Mr. MCCLURE. Will the Senator yield? I thank the Senator for yielding. I think there is some doubt right now as to whether we will be able to get to it today, but before the end of the day, we ought to know whether it will be possible at all to get to it this week.

Mr. DOLE. It may be that we will find another item to bring up this evening. I am advised by the distinguished chairman of the Appropriations Committee that he would like very much to bring up the energy appropriations bill, energy and water appropriations bill, at the earliest possible time. We hope to have some disposition of that.

I am about convinced that there is no way we will report out a farm bill, and the only way we will get action or even discussion on a farm bill is to try to amend the bill that is on the calendar. So that might happen tomorrow. I know there will be opposition to that. But I think we ought to know where the opposition comes from. And, in addition to that, to the balance of the week, supplemental appropriations conference report, I will be making a unanimous-consent request on the Japan trade bill, South African conference report, if that is available, and perhaps the budget resolution conference report to fill out the balance of the week.

Mr. BYRD. What about the legislative appropriation? That was reported on the 25th.

Mr. DOLE. The chairman did not indicate. He may have meant to include that. I can check that. I understand that does not take a great deal of time.

Mr. BYRD. Does the distinguished majority leader expect to keep the Senate in late today or can you tell us about when the Senate might go home for the day?

Mr. DOLE. If we can complete action on the Mathias-Kennedy resolution fairly quickly, then I think we can turn to the unanimous-consent items and probably announce no additional rollcall votes tonight.

Mr. KENNEDY. If I can have the attention of the majority leader, we are quite prepared to enter into a time limit with the majority leader. I think we can dispose of this in less than an hour if the majority leader wants to propound a unanimous-consent agreement, and limit it even to a half hour. I think we can accommodate the Members in terms of the time. I have four or five Members who indicated they would like to speak, but I think they would speak very briefly and we could accommodate the calendar.

Mr. DOLE. I doubt we can reach a time agreement at this time. I have

been notified by the distinguished Senator from Wyoming that he is not interested in a time agreement. I have just been advised by the chairman that he may have a substitute. Senator LUGAR may have a substitute. So perhaps we might as well commence action on that item to see where it goes.

Mr. BYRD. So the distinguished majority leader is saying, if I understand him correctly, that there will likely be another rollcall vote or votes before the Senate goes out for the evening and mainly in connection with the resolution that is offered by Mr. KENNEDY.

Mr. DOLE. That is correct.

UNANIMOUS-CONSENT REQUEST—S. 1404

Mr. DOLE. Mr. President, before we turn to the resolution of Senators KENNEDY and MATHIAS, I would like to propound a unanimous-consent request.

Mr. President, I ask unanimous consent that when the Senate proceeds to the consideration of Calendar No. 226, S. 1404, a bill to require the President to respond to unfair trade practices of Japan, it be considered under the following time agreement: 1 hour of debate on the bill to be equally divided between the chairman of the Finance Committee [Mr. PACKWOOD], and the ranking minority member [Mr. LONG], or their designees; 1 hour of debate on all first-degree amendments, to be equally divided; 30 minutes on all second-degree amendments, to be equally divided; 10 minutes of debate on any debatable motions, appeals, or points of order, if submitted, to be equally divided;

That no motions to recommit shall be in order; that no other amendments except those dealing with the subject of trade with Japan shall be in order;

And that the agreement be in the usual form, with respect to the division and control of time.

Mr. BYRD. Mr. President, reserving the right to object, and I am reluctant to object, I will have to object.

The PRESIDING OFFICER. Objection is heard.

COMPREHENSIVE NUCLEAR TEST BAN TREATY RESOLUTION

The PRESIDING OFFICER. Under the previous order the clerk will report S.J. Res. 179 by title.

The bill clerk read as follows:

A joint resolution (S.J. Res. 179) requesting the President of the United States to resume negotiations with the Soviet Union for a verifiable comprehensive test ban treaty.

The Senate proceeded to consider the joint resolution.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I offer this resolution in behalf of myself and the Senator from Maryland (Mr. MATHIAS), as well as Mr. HATFIELD, Mr. KERRY, Mr. MELCHER, and Mr. CRANSTON.

Mr. President, I ask unanimous consent that the Senator from Arkansas (Mr. BUMPERS) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I am pleased to join with my colleagues in offering this joint resolution expressing the sense of Congress that—in light of this week's United States and Soviet proposals on nuclear testing—the President should propose to the U.S.S.R. an immediate resumption of negotiations to achieve a verifiable comprehensive ban on all nuclear tests. These negotiations were broken off in 1982.

Last year, the Senate adopted a similar resolution offered by Senator MATHIAS and myself by 77 to 22. Every President since President Eisenhower has supported and worked for a comprehensive test ban. They all shared the conviction that a comprehensive test ban is essential to halting the nuclear arms race. It is not a partisan or ideological issue. Just yesterday, Senator MCCLURE from Idaho—with whom we often differ on arms control—expressed his support for this concept included in this resolution.

The United States made a commitment to a comprehensive test ban—in the Limited Test Ban Treaty of 1963 and the Non-Proliferation Treaty of 1968. Recent events—including the beginning of arms talks in Geneva, the announcement of a summit this fall, and now the exchange of United States and Soviet proposals on testing—represent a new, more promising climate for arms control. And a comprehensive test ban offers an early opportunity for a meaningful agreement. Substantial progress was made in the late 1970's toward concluding a comprehensive test ban. The Soviets at that time even agreed during those discussions to on-site inspection.

I had the opportunity at that time to be a Senate delegate to those arms control talks and even sat in while the negotiations were taking place. Very substantial progress was made during those negotiations. The talks themselves were interrupted in 1979, but they were not terminated until 1982.

The Soviets also agreed to accept the placement sensors within the Soviet Union and the United States. There was a discussion about exactly what number and types would be necessary in order to give adequate verification. But the issues of verification were very considerably discussed. Although no outcome was actually reached, these items were very much on the minds of the negotiators.

Our resolution does not seek unilateral or unverifiable measures. We believe that an effective test ban treaty must include appropriate verification, and that negotiations are essential to ensure adequate verification. But nothing can be achieved if both sides do not sit down and talk. The people of the world have every reason to expect the United States to respond to the Soviet Union's proposal by offering a suggestion that could mean real progress toward reducing the danger of nuclear war. As we approach the 40th anniversary of the Hiroshima bomb on August 6, there would be no more fitting commemoration than an agreement to resume negotiations to end nuclear testing for all time.

I would point out, Mr. President, that at the present time we do have negotiations on a number of arms control issues ongoing. Those negotiations include the issue of Star Wars, theater nuclear weapons, as well as strategic weapons. So those are being negotiated at the present time.

I, for one, wish there had been greater progress. But nonetheless I think all of us are very hopeful that as a result of the pre-summit negotiations and perhaps at the summit itself there might be some additional breakthrough on those particular areas which are in active negotiation.

But there are effectively no serious negotiations involving nuclear testing.

Mr. President, a comprehensive test ban concept which has been endorsed by every President since President Eisenhower. It seems to me, Mr. President, that it would be appropriate, given the actions which have been taken this week by the United States and the U.S.S.R. on nuclear moratorium. None of us who are supporting this particular proposal are making a judgment about what Secretary Gorbachev's motivation is in making his proposal. We have also seen the initiatives by the United States to invite inspection for American testing in the United States. It does seem to me that given these developments that adoption of this resolution would be an important and vital signal that we in the United States are deadly serious on the question of trying to reach a test ban, with all of its positive implications in terms of proliferation of nuclear weapons, and its implications for limiting the future escalation of the arms race. This circumstance offers an opportunity that should not be dismissed out of hand.

All we are asking for is negotiations. This resolution is not unilateral in any respect. It asks for negotiations and there is every hope that, with those negotiations, we could achieve a successful resolution as to how we might be able to bring about a cessation of nuclear tests, which assuring adequate verification to preserve our security in-

terests. If we were able to do so, Mr. President, I quite sincerely doubt that there could be any step taken that would be more meaningful in terms of making an important contribution to slowing down the arms race.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise in support of the resolution and ask unanimous consent to be included as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. I would like to state a very simple, very direct proposition to this body and, in turn, to the executive.

It is an extraordinary fact that, by 1979, just a few years back—6 years ago; we could reach back and touch it—the United States and the Soviet Union and the United Kingdom could be said to have, in effect, reached agreement on a comprehensive test ban treaty. The negotiations had been going on a long while, as the distinguished Senator from Massachusetts observed. They began with President Eisenhower, and continued intermittently through five succeeding administrations. By 1979, agreement had been reached among the three powers that they would enter into that test ban and each party would allow monitors on its soil, placed by the other parties to the agreement, to verify the matter.

The issue was why do you have to have seismic instruments on the soil of the other country? Simply because, at the lowest levels of explosions, the external seismic devices are not reliable. This is a fact of geology and physics and understood. And, in a quite extraordinary departure, the Soviet Union agreed to have 10 devices placed within its borders. We did the same. There remained to be negotiated just how many would be placed in the United Kingdom.

It is a fact that the United Kingdom does not carry out explosions within that small island. The number of monitors, and their location, was a matter of negotiations—two, three, four, whatever—but the issue was clearly within the power of the negotiators to resolve, having already reached the basic agreement between the Soviet Union and the United States to exchange national technical means.

It happened, Mr. President, that in 1979, President Carter, thinking to advance the SALT II agreement, decided not to press to completion a comprehensive test ban treaty such that it might be signed and brought to the Senate. He felt that the one would interfere with the other and that the strategic arms treaty was more important.

It may have been, but nothing came of it. SALT II, too, never even came to the floor after the Soviet invasion of Afghanistan. But there remains on the record this extraordinary near agreement. Surely we ought to resume negotiations toward a comprehensive test ban treaty.

Mr. President, in conclusion I wish also to mention, as the 40th anniversary of the August 6, 1945, Hiroshima explosion approaches, an essay published recently by Dr. Glenn Seaborg, the discoverer of plutonium. The second of the two weapons used in World War II, on August 9, 1945, was a plutonium weapon.

In 1942, Dr. Glenn T. Seaborg led a team of scientists who successfully isolated plutonium, the explosive ingredient in the first of many such nuclear weapons. For this work Dr. Seaborg was awarded the Nobel Prize for chemistry. He later served for a decade, 1961 to 1971, as Chairman of the Atomic Energy Commission.

In an essay published in The New York Times on July 16, Dr. Seaborg renews his call for the adoption of a nuclear test ban treaty. He writes that:

> While other scientific discoveries in the past may have had an equal or greater effect on man's existence, . . . no other exploded in his face as did . . . plutonium. . . . Plutonium today serves as an explosive ingredient in tens of thousands of nuclear weapons. . . . I am afraid there is too large a probability that these will be unleashed unless substantive progress in arms limitation and cutback is achieved. In my opinion, the initial most effective and easily defined step in this direction is a verifiable ban on all testing of nuclear weapons—a comprehensive test ban.

Few persons can speak from such a wealth of experience and attention to the subject of nuclear weaponry. Dr. Seaborg's words ought to be considered carefully.

In the context of this 40th year, he has specifically said that no more important measure is available that could be taken than to agree to comprehensive test ban. The powers involved have almost reached that point. They have committed themselves to do so under the nonproliferation treaty and the Limited Test Ban Treaty of 1963. We have, in effect, committed ourselves to such measures. We owe it to ourselves, we owe it to the 100-odd nations that joined in the nonproliferation treaty, we owe it to mankind to pursue these matters. We are so close to success, it would be absurd not to press further the last few miles of negotiations.

I commend Dr. Seaborg's essay to the attention of the Senate and ask that his article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From The New York Times, July 16, 1985]

MAN'S FIRST GLIMPSE OF PLUTONIUM

(Glenn Theodore Seaborg directed the group of chemists who isolated plutonium and other transuranium elements, and for this work he and Edwin M. McMillan shared the 1951 Nobel Prize in chemistry. Dr. Seaborg, chairman of the United States Atomic Energy Commission from 1961 to 1971, is now a leading proponent of a nuclear arms test ban. He is a member of the National Commission on Excellence in Education.)

(By Glenn T. Seaborg)

Other scientific discoveries in the past may have had an equal or greater effect on man's existence, but no other exploded in his face as did the first man-made element, plutonium. The announcement to the world of its existence was in the form of the nuclear bomb dropped over Nagasaki.

My colleagues and I synthesized, identified and determined the key nuclear properties of plutonium in late 1940 and early 1941 in Berkeley using the cyclotrons of the late Ernest O. Lawrence. My co-workers were Joe Kennedy and Ed McMillan, junior faculty members, Emilio Segre, a research associate, and Art Wahl, a graduate student.

The experiments, performed at our own initiative before the United States entered World War II, were part of our regular academic research program, and the results were voluntarily withheld from publication and kept secret when their importance became apparent to us.

On the stormy night of Feb. 23, 1941, Art Wahl performed the oxidation that gave us proof that what we had made was chemically different from all other known elements. It was the first realization of the alchemist's dream of large-scale transmutation, the first synthetic element seen by man.

That experiment, and the first chemical identification of the element with the atomic number 94, took place in Room 307 of Gilman Hall. This form of the element was known as plutonium-238.

Almost concurrent with this work was our successful attempt to synthesize and determine the essential nuclear properties of the form of major importance, plutonium-239. In an experiment on March 28, 1941, we demonstrated that this undergoes fission with slow neutrons with a large probability, revealing that it had the potential for serving as the explosive ingredient of a nuclear bomb.

We first suggested a name for this element in a report to the Uranium Committee in Washington in March 1942. I remember very clearly the debates within our small group as to what that name should be. For a while—in retrospect, very foolishly—we considered such names as "extremium" and "ultimium," on the basis that this must be the heaviest element that it would be possible to synthesize. (How silly such a name would seem today when scientists have succeeded in synthesizing elements up to and including that with the atomic number 109.) Noting that natural uranium, number 92, had been named after the planet Uranus, and that McMillan had suggested that the next element, number 93, be named neptunium after Neptune, the next planet after Uranus, we decided to name our element after Pluto.

We debated whether that name should be "plutium" or "plutonium," the sound of which we liked much better. We decided to take the name that sounded better, and which, I believe, is also etymologically correct. There was also a great deal of debate

about what we should suggest as the chemical symbol. Although it should more logically have been "Pl," we decided on "Pu" because we liked the sound of it much better. We expected a much greater reaction than we ever received to this suggestion.

I moved to the Metallurgical Laboratory of the University of Chicago on April 19, 1942, my 30th birthday, to work on the chemical processes that would be used for the extraction of plutonium from uranium and the highly radioactive fission products following its synthesis through the nuclear chain reaction. Here we worked with cyclotron-produced plutonium on a scale of less than one-millionth part of an ounce. We were all very excited when we saw the first speck on Aug. 20, 1942, and when we were able to weigh one ten-millionth of an ounce of it on Sept. 10, 1942.

Most of our tiny Chicago supply of plutonium was lent in the summer of 1943 to Los Alamos for a crucial experiment. In returning the sample to the Metallurgical Laboratory, advantage was taken of my presence in Santa Fe on a short vacation trip, in order to save the time which would have been lost in a cumbersome official transfer of the material. A Los Alamos physicist, Robert Wilson, met Mrs. Seaborg and me at breakfast at about 5 A.M. in a Santa Fe restaurant, having escorted the sample from Los Alamos with the implied protection of a high-powered rifle. I then transported the sample by train in my suitcase, without benefit of firearms, back to Chicago.

Many of us found it necessary on an almost routine basis to circumvent misguided, progress-impeding security rules in order to get our job done in the limited time available. However, these were not actions that could have revealed substantive secret information, and, as is well known, the wartime development of the atomic bomb was extraordinarily successful from the standpoint of keeping it secret.

Unfortunately much outmoded security apparatus is in operation today. It would be a major scandal if the public were informed of the amount of time, effort and money wasted today to protect trivial, harmless and even publicly known information that is still classified as confidential and secret.

Plutonium today serves as an explosive ingredient in tens of thousands of nuclear weapons in the possession of both the East and the West, poised for obliterative use in a dangerously unstable situation. I am afraid there is too large a probability that these will be unleashed unless substantive progress in arms limitation and cutback is achieved. In my opinion, the initial most effective and easily defined step in this direction is a verifiable ban on all testing of nuclear weapons—a comprehensive test ban.

It is a source of frustration to me that so many ardent and well-meaning proponents of arms limitation do not concentrate on this as a first step, but rather lend their efforts to objectives that will require very laborious effort toward much better definition and which should more logically follow as succeeding steps on a longer time scale.

Mr. PROXMIRE. Mr. President, I also support the Kennedy-Mathias resolution. Let me just read the Resolved section of the resolution. It is very brief.

That it is the sense of the Congress that at the earliest possible date, the President of the United States should propose to the Soviet Union the immediate resumption of negotiations toward the conclusion of a verifiable comprehensive test ban treaty.

Mr. President, we are on the spot. The Premier of the Soviet Union, Mr. Gorbachev, has announced a suspension of testing by the Soviet Union beginning August 6. He has done that as the basis for beginning negotiations with this country on the Test Ban Treaty. We have a promise—this country has made a pledge. I want to read to the Senate the pledge we made, ratified by the U.S. Senate.

In 1963, we adopted a limited test ban treaty. In the preamble to that treaty, this Nation agreed to the following assertion:

Seeking to achieve the discontinuance of all test explosions of nuclear weapons for all time, determined to continue negotiations to this end—

Determined to continue negotiations to this end. That was a pledge, the word of this country. Let me underline that, Mr. President, because in 1974 we made it even more explicit.

In the 1974 treaty, we had a treaty that limited the size of underground explosions. In that treaty between the two superpowers, we moved out of the preamble right down to the articles of agreement. Paragraph 3 of article 1 of the treaty reads as follows in its entirety—it is very brief, one sentence.

The parties shall continue their negotiations with a view toward achieving a solution to the problem of cessation of all underground nuclear weapons tests.

Mr. President, we promised that; we pledged it. It seems to me the word of this country is being challenged. We made that commitment. We are not asking that any particular agreement be accepted. We are simply asking that our President appoint negotiators.

Obviously, we must be completely satisfied that the treaty is verifiable. This is not a unilateral action. It would be entirely within the power of the President of the United States once those negotiations are started to reject an agreement. We are simply asking that negotiations begin. And we have a promise to do that.

It seems to me, Mr. President, this is the least the United States can do in view of the fact that twice—not once but twice—we have made this commitment. Our word is at stake. We ought to keep our word.

Mr. BUMPERS. Mr. President, I also rise in support of the resolution and applaud the distinguished Senators from Massachusetts and Maryland for bringing this very timely resolution before the Senate. We have a test ban treaty, which the Senator from Wisconsin has alluded to, that was signed in 1963. It is what we call the Limited Test Ban Treaty, but it really is a ban on atmospheric testing. But underground testing has continued.

Do you know how many there were in the world last year? Between the United States and the Soviet Union, 43 nuclear explosions underground, and 17 already this year. And that doesn't include the French, British, or Chinese. We first began to get upset about the effects of nuclear testing back in 1959 when we took that first, small, embryonic step and signed what we call the Antarctica Treaty, which, among other things, banned all nuclear tests in Antarctica. It does not sound very important but that was a remote area which people were looking at, at the time for doing nuclear testing.

Then we followed that by the well-documented Limited Test Ban Treaty. That was the time when President Kennedy brought great favor on the United States by stepping out with confidence and stability and perception and said: "We are going to quit testing in the atmosphere and, Mr. Khrushchev, we invite you to follow suit." The Soviets at that time were agitated, and they said: "This is fine for you because you are way ahead of us." And so they went ahead with testing and then they quit, and then a treaty conference was convened and within 8 weeks, we had a very significant treaty signed with the Soviet Union and, to my knowledge, it has never been violated by either side.

And then in 1967, because we were beginning to send vehicles into space, people knew the mindset of some people would be, "Let's start testing in space; there is no prohibition against it there." So, in 1967, we negotiated a ban on space testing and deployment of nuclear weapons. It did not take very long, but it was an important step in this whole picture.

Then, in 1974, we signed the Threshold Test Ban Treaty which said no more underground testing of nuclear bombs with explosive power in excess of 150 kilotons. Even though we had been abiding by it, that treaty has never been ratified by the U.S. Senate. And then we followed that, in 1976, with what we call the Peaceful Nuclear Explosion Treaty, which would extend the limits to all nonweapons nuclear explosions—and it, too, has not been ratified by the U.S. Senate.

And, in 1982, the United Nations, everybody's favorite whipping boy, voted 111 to 1 to ban all nuclear testing of all kinds. Guess who was the one? One hundred eleven to one. The United States voted no, with 35 abstentions. And in July 1982, at the same time as the famous walk in the woods by the Soviet Ambassador to the intermediate arms talks with our own Ambassador Paul Nitze, took place, the United States announced it would not resume negotiations on a Comprehensive Test Ban Treaty, and we have not been back. A comprehensive test ban treaty has been sought by every President since President Eisenhower, except the present occupant of the White House.

Mr. President, I wish sometimes, as I suspect some of my colleagues do, that I were President for a day or two. First of all, if I had been President the day before yesterday, I would have preempted Secretary Gorbachev because I would have made the offer of a testing moratorium to him first. A linchpin of Soviet foreign policy is to drive a wedge between the United States and our NATO allies. How do you think it is going to play in Western Europe for Secretary Gorbachev to say, "We are going to ban all nuclear testing for 5 months," and we say, "We will never do that, but we will let you come over and watch us explode one."

Can anybody tell me what sense that makes? Who is supposed to be impressed with such an offer? They do their own underground tests. They do not need to come to monitor one of ours. But if I were President today and had already been preempted by Secretary Gorbachev with this bold move on his part, I would have said, "Mr. Secretary, I will see your 5 months and raise you three," and see how he responded to that. He is new. We are not dealing with the Moscow geriatric unit any longer. The Soviets have by their standards—and incidentally, according to mine any more—a very young leader, and a Politburo being filled with like kind.

Now, I do not really know ever quite what Soviet intentions are. It pays to have a very healthy skepticism and questionable attitude about Soviet conduct in military and foreign affairs. But here is a new leader of the Soviet Union taking a very bold step and saying, "We are not going to test anymore for 5 months. How about joining us?" And we sputter around and say, "No, we know you just conducted some tests recently and you probably got all the information you need, but we have some more tests we want to do." In the scheme of things, I ask you, Mr. President, what could that possibly amount to? The answer is, "Not very much." You may say, "Well, we can't verify such a treaty." And yet studies show that we most certainly can monitor explosions of under 150 kilotons. As a matter of fact, we are developing the technology where we can even monitor 1 kiloton explosions. And as our electronics and other technologies improve at their current rapid pace, we'll probably be able to do even better than that. But why get into all of that? Why not negotiate that? Why not do what the resolution calls for and send an Ambassador back to the negotiations, and because of that deep distrust between the United States and the Soviet Union and who will violate it and who will not, let them negotiate a treaty that requires whatever it takes to verify the treaty.

It is my belief that we now or soon will have the technology of verifying such a treaty. And so I say why not. We are not even saying, "Yes, we are going to abide by the moratorium." What we are saying is, "Let us send somebody back to Geneva and sit down and start talking about the possibility of eliminating these underground tests." There again in the scheme of what is going on in the nuclear arms race it is not very much. It is what Neil Armstrong I guess would call, "One small step for mankind." But I can tell you that if the people of Hiroshima, who on August 6 are going to be memorializing their own holocaust, had a chance as citizens of that city to sit in the U.S. Senate on this one very insignificant small step, it would not take them very long to cut through the rhetoric and the politics of this issue, and I feel certain that my colleagues will do likewise. I certainly so urge them.

Mr. President, I yield the floor.

Mr. SIMON. Mr. President, my colleagues—and I shall be very brief—I join in support of this resolution and will add a few words to what my colleague from Arkansas has just said. We are on a course that has to be reversed. As a matter of fact, when I first really sensed what kind of a world we are living in was in Senator BUMPERS' State of Arkansas about 4 years ago.

An Air Force sergeant was walking along and accidentally dropped a wrench. A series of things happened. A Titan missile went up in the air, landed in a wooded field some miles away, and the newspapers reported that it was a 9-megaton warhead.

I got to thinking: I do not really understand what the heck 9 megatons is. So I asked our Congressional Research Service. I said, "Tell me in terms I can understand what 9 megatons means."

They gave me two answers. One is that if you take all the bombs of World War II, including Nagasaki and Hiroshima, they total about 2 megatons. Or, No. 2, in TNT equivalency terms, if you see a car go up in El Salvador or Lebanon, ordinarily that is 1, 2, or 3 tons of TNT. In TNT equivalency terms, a megaton is a railroad freight train, loaded with TNT, 300 miles long; 9 megatons, 2,700 miles long—almost from Los Angeles to Washington, DC.

As everyone in this body knows, we have a lot of warheads much bigger than 9 megatons. The United States today has about 9,500 large strategic warheads. The Soviets have about 9,000. We have, in addition, between us, about 30,000 smaller, tactical nuclear warheads.

We have the ability, within a matter of hours, to create a world where never again is the laughter of a child going to be heard and never again is there going to be a blade of grass grown. Somehow, we have to move away from this course, which is a catastrophic course.

I am a realist. I have been one of those who supported the Trident missile. I support the cruise missile. I did not support the MX and some of the other things.

We cannot just unilaterally disarm. But this resolution says, "Let us agree."

I happen to think that the Senator from Arkansas was absolutely right. Secretary Gorbachev scored a PR victory yesterday, and we should go one up on it. We should say, "Let's not only take the 5 months, but we will volunteer to take sensors in our country if you will do the same."

So far as the technology and the verifiability are concerned, I was one of the delegates to the special U.N. session on disarmament back in 1978. Without getting into classified information—it is probably no longer classified—at that point we could monitor all but the tiniest explosions, and we certainly have not gone backward since then. At that point, the Soviets were willing to put sensors in their country if we did it in ours. This is a minimal kind of step.

What we need, it seems to me—the basic thing we need—is to change the atmosphere.

Some in this Chamber are much more knowledgeable than I. I see the Senator from Virginia [Mr. WARNER], a former Secretary of the Navy, and he knows a lot more about these things than I do.

I think the real question today is not SS-20's, Pershing 2's, and all the other technicalities. The question is, How do we change the atmosphere so that we can move in a constructive direction, so that Soviets and the United States do not misunderstand each other and accidentally bring curtains for everyone?

This is a very modest resolution. It says: "Let's have the United States and the Soviet Union sit down, and let's try to work out a comprehensive, verifiable ban on tests." I think it makes sense. It is so overwhelmingly logical that I hope this body accepts it, and accepts it with not just a 51-to-49 vote but with a resounding vote.

I yield the floor, Mr. President.

AMENDMENT NO. 557

Mr. LUGAR. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Indiana [Mr. LUGAR] proposes an amendment numbered 557:

Add at the end of the Kennedy-Mathias resolution the following new section:

The Congress finds that:

August 6 marks the 40th anniversary of the detonation of the nuclear bomb at Hiroshima;

The Soviet Union has announced its intention to begin a five-month moratorium on nuclear testing on August 6;

A complete cessation of nuclear test explosions must be related to the ability of the United States to maintain credible deterrent forces;

Any test ban agreement must be verifiable and must be made in the context of deep and verifiable arms reductions;

The United States has concluded, based upon a thorough evaluation of the evidence, that the Soviet Union has repeatedly violated the Limited Test Ban Treaty and likely violated the Threshold Test Ban Treaty;

The President has now invited a Soviet team to observe and measure a nuclear test at the Nevada Test Site, without a requirement of reciprocity, or any other conditions;

Mr. LUGAR. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 558

Mr. LUGAR. Mr. President, I sent a perfecting amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Indiana [Mr. LUGAR] proposes an amendment numbered 558:

At the end of the Lugar amendment, add the following:

It is the sense of the Congress that at the earliest appropriate date, following certification by the President that, in the context of the requirement to maintain a viable nuclear deterrent, of assuring Soviet compliance and of achieving deep reductions in nuclear arms, substantial progress has been made on the verification of nuclear weapons testing, to include onsite monitoring, the President should propose to the Soviet Union the timely resumption of negotiations with the objective of concluding a verifiable comprehensive test ban treaty.

Mr. LUGAR. Mr. President, let me explain, first of all, the procedure and then make a comment on the substance of these amendments.

The distinguished Senator from Massachusetts and others have offered a joint resolution with regard to a nuclear test ban treaty. The amendment that I offered to that resolution is, in fact, six clauses that state findings. This is additional language to that offered by the distinguished Senator from Massachusetts in at least three areas. In short, his language is now a part of the resolution, but I have added three clauses.

In addition to that, I have offered a perfecting amendment, which is the gist of the resolution, that I would substitute for the Kennedy resolution. As opposed to substituting it, I have in fact added to the Kennedy resolution. Indeed, in both cases, Senator KENNEDY and others have added a thought, and the import of what I have attempted to do is to add additional thoughts to that.

The net effect to all this, on which Members may wish to vote in due course, would be, in my judgment to give a more accurate viewpoint of the stance of the Senate if we are to offer advice to the President.

Mr. President, I have taken this action because it seems to me, as stated in the last three findings of the first Lugar amendment, that any test ban agreement must be verifiable and must be made in the context of deep and verifiable arms reductions.

These are the two basic objectives that we are after. They must be constant, at least constantly in front of us, so that we do not get off the track in terms of our basic objectives.

We have proposed to the Soviet Union on many occasions that we believe that deep reductions of weapons are important. We hope that at some point they will wish to enter into negotiations that are serious to destroy substantial numbers of nuclear weapons. But we have also been constant in demanding verification, and that I think has to be uppermost if we are to be offering instructions to our President or suggestions or urgings, as the case may be.

We have also tried to say, at least in this amendment, that the United States has concluded unhappily, based upon a thorough evaluation of the evidence, that the Soviet Union has repeatedly violated the Limited Test Ban Treaty and has likely violated the Threshold Test Ban Treaty.

That is important, Mr. President, to lay before us. We get into these broad discussions of a better world and how it might be achieved through treaty. Sometimes we become very forgetful of even recent history. The facts are the Soviets have violated these treaties. This is an important point, if you are taking a look at the overall picture. It underscores the need for verification.

I submit beyond that, Mr. President, it underscores the very real problem we have that after violations occur, it is not self-evident precisely what is to be done. These treaties are not self-enforcing, not a police force to blow the whistle.

Before in some type of general way we begin offering instructions to our President and ask him to offer them to our negotiators, we better pin down history and pin down precisely what we are after.

I think we ought to recognize this particular exercise comes literally within 48 hours after our President has made a significant proposal to the Soviet Union that he has in fact invited a Soviet team to observe and to measure a nuclear test at the Nevada test site without a requirement of reciprocity or any other condition.

Indeed, Mr. President, I listened to commentators last night on the major television shows; trying to fathcm why we would offer something without reciprocity. It seemed inconceivable that our President would offer something, put something on the table, without wanting to know precisely what there was in return.

Let me just say that anyone offering advice to the President today on how to be more effective, how to be more magnanimous really ought to consider what the man has done in the last 48 hours and that ought to be up front in our findings, not some vague thought that the President has been derelict in pushing these things along. The President is way up front. It ought to be our purpose today to celebrate that fact rather than to leave some vague connotation that this President does not know how to go about negotiating, that he has to be urged and jabbed and pushed by this body. That is nonsense.

So the import of the first Lugar amendment is just to call attention in case Members have not noticed that the President has now invited a Soviet team to come to Nevada on our soil.

Mr. President, the Soviet Union has not ever invited us to do the same. Many Members would anticipate that they might have if they were serious about the whole verification process, but they have not. Perhaps they will as a reciprocal action. I just think it is very important before we get into gratuitous advice, before we begin to spread the thought that somehow this body is out of kilter to the Chief Executive, we better listen to what the President is saying and applaud that fact, and the Lugar amendment does that, and those who vote for that will join in that applause.

Now, Mr. President, as the perfecting amendment reads, and Members have heard the clerk recite it, we do indicate if we must, Congress at the earliest appropriate date will do some urging with the President, but we add these following words:

. . . following certification by the President that, in the context of the requirement to maintain a viable nuclear deterrent, . . .

And that we must maintain in the particular world in which we live . . .

. . . of assuring Soviet compliance and of achieving deep reductions in nuclear arms, substantial progress has been made on the verification of nuclear weapons testing, to include onsite monitoring. . . .

Precisely the invitation that the President has made to the Soviets to come to Nevada to do that.

Mr. President, I think that this is a perfectly straightforward proposition. I would not have chosen this particular time to offer advice to the President. Some have chosen that time and, therefore, we are responding.

I might mention for the sake of Members who are attempting to follow this issue that I have visited with the National Security Council, asked their counsel on this particular issue, and they have offered these thoughts

which I have incorporated in this language.

This does not come off the top of my head or with any pride of authorship but rather as a considered thought by our administration as to what would be useful if we must offer advice at all.

But I ask, Mr. President, that Members seriously consider the thought that the adoption of a simple resolution we heard before would undercut the serious and considered proposals the United States has made and made up front and bilateral discussions with the Soviet Union calling for a strenghtened verification of the nuclear testing field.

Furthermore, under current circumstances and given the scale and the scope of Soviet modernization programs, the U.S. restraint, the U.S. testing is necessary to ensure continued credibility and effectiveness of the U.S. nuclear deterrent.

Let me just say that in my judgment, Mr. President, the Kennedy-Mathias, et al., resolution, without the amendments, seems to me to fail to recognize the willingness of the President to go the extra mile in inviting the Soviet experts to observe and measure a nuclear test in order to make progress in resolving serious verification concerns.

Mr. President, this administration is determined to make progress in the area of nuclear testing limitations and will continue to seek ways in which we can correct the serious vertification problems associated with the Threshold Test Ban Treaty and its companion, Peaceful Nuclear Explosion Treaty. If we are to ratify the treaties and implement their verification provisions, there is no assurance these problems will be resolved, notwithstanding the Soviet's contentions to the contrary.

While the United States has been unable to reach a definitive conclusion due to verification uncertainties and ambiguities the evidence does indicate likely Soviet violations of the Threshold Test Band Treaty's 150 kiloton threshold for a number of tests, and the evidence is clear that the Soviet Union has repeatedly violated the Limited Test Ban Treaty.

In an effort to improve our ability to monitor Soviet testing, the United States has sought so far unsuccessfully to engage the Soviet Union in discussions about verification improvements. The Soviet agreement to such negotiations would represent an important step toward developing more effective limitations in the nuclear testing field.

Mr. President, let me adjust these thoughts in concluding this initial argument: The Comprehensive Test Band Treaty continues to be the long-term objective of this administration's arms control policy, when considered in the context of a deep and verifiable arms reduction, improved verification capabilities, expanded confidence-building measures, and the maintenance of effective deterrents, but it is important to keep all of that context in mind if we are to make an important statement and offer consequential advice to the Chief Executive.

Mr. WARNER. Mr. President, will the Senator yield for a question?

Mr. LUGAR. Yes; I will be very pleased to yield for a question.

Mr. WARNER. I think the Senator has made a very valuable contribution not only to the pending measure before the body but also in his statements. But I would like to have just a clarification of the second part of the amendment. The phrase is in here of "assuring Soviet compliance." Was that directed to any particular area or overall compliance with arms control agreements?

Mr. LUGAR. It is in the language offered as a part of the general context of considerations. It would be overall assurance. I have mentioned specific problems with the two types of treaties that we have discussed today.

Mr. WARNER. But this is in here for the purposes of broadening it?

Mr. LUGAR. That is correct, broadening our consideration to keep our eye on deep cuts. That really may or may not be a part of the intent of the original authors, but I have added it to that without striking anything that they have said, simply that we may keep ahead of us our overall goal.

Mr. WARNER. So the word "compliance" is all ratified treaties?

Mr. LUGAR. That is correct.

Mr. WARNER. And the second phrase "to include onsite monitoring," could the Senator broaden that? I understand technically what it means.

Mr. LUGAR. Well, the whole concept of onsite monitoring, as the Senator from Virginia knows, includes a number of different ideas. This is not a limiting phrase, but it offers at least any number of possibilities.

Mr. WARNER. That was the precise question. Is it intended to be a limiting phrase or goal?

Mr. LUGAR. It is a goal and it includes any number of tactical steps that one might find leading to that.

Mr. WARNER. I thank the Senator from Indiana.

Mr. LUGAR. I thank the Senator for his questions.

I yield the floor.

Mr. MATHIAS. Mr. President, I am pleased and honored to join once again with the senior Senator from Massachusetts in introducing the joint resolution calling upon the President to resume comprehensive test ban negotiations with the Soviet Union. It is a very simple concept. There is no novelty about it. I think it is well understood in the Senate and it is well understood beyond the Senate. We seek simply to begin to talk again about a comprehensive test ban. So this resolution contains no surprises.

Last year, the Senate, by an overwhelming majority, 77 to 22, voted for a provision containing the same language as the resolution now before us; a provision calling on the President to resume comprehensive test ban negotiations.

The Senator from Indiana, the distinguished chairman of the Foreign Relations Committee, by offering his amendments, has expanded this concept to go beyond comprehensive test ban. I welcome his interest in the broad area of arms control. But historically, the comprehensive test ban has been treated separately. And—as much as I hope that we will some day go as far as the Senator from Indiana has proposed toward achieving reduction of the nuclear arsenals—I think we would be well-advised today to keep to this well-trodden ground that we understand and we know as the comprehensive test ban.

I regret that we have to go over this ground again. I further regret that, by not having acted to resume negotiations for a comprehensive test ban, we have provided the Soviet Union with yet another excuse to portray the United States as the obstacle to peace in the nuclear age.

This call for renewed comprehensive test ban negotiations is based on really an astonishingly simple principle that nations can more easily resolve their differences when they are communicating in a businesslike manner than when they are not. Yesterday's flurry of American and Soviet proposals on the subject of nuclear tests is a promising sign that both sides seek some eventual limitation on nuclear testing. But I think, Mr. President, that the exchange which took place yesterday also demonstrates what can happen when both sides try to communicate by means of the media. Already each side has rejected the other side's proposal and branded it as mere propaganda.

What we are calling for today in this resolution is simply the resumption—not even the new beginning, but the resumption, of old business—the resumption of a businesslike dialog on the important issue of the comprehensive test ban. We are asking the President to go back to the negotiating table for a dialog that was broken off, as the Senator from Massachusetts said, in 1982.

The President's invitation to the Soviet Union to observe and to measure with its own instruments one of our tests clearly demonstrates a belief that cooperative measures can lead to improvement of verification capability. So why should we not get together to discuss cooperative measures that can improve our verification capabilities.

The Soviet Union has already accepted the principle of onsite inspections during past negotiations. I think that fact addresses itself to one of the points in the amendment that has been offered by the Senator from Indiana, because we are all very clear that verification has got to be an integral part of any agreement. It has been agreed on all sides that there will be onsite verification. And if it is agreed on all sides that there is going to be onsite verification, that means adequate onsite verification. I can see no harm, and a great possibility of good, in trying to work out mutually acceptable verification arrangements.

Now, I am mindful that the Senator from Indiana has called on us to address the steps taken by President Reagan. But the history of the comprehensive test ban negotiations is a history longer than that of a single Presidential term, longer than the history of a single administration. The United States pledged to seek a Comprehensive Test Ban Treaty in 1963, when the Limited Test Ban Treaty was signed. But even before that, President Eisenhower—certainly, of all American Presidents, a president who understood the meaning of war, a President who understood what the dawn of the nuclear age meant to warfare—President Eisenhower adopted a policy of seeking a comprehensive test ban. And when, in 1963, we signed the Limited Test Ban Treaty, the preface to that treaty set forth the fact that both sides agreed to seek:

> The discontinuance of all test explosions of nuclear weapons for all time.

That is the official commitment of the United States of America. We asserted that both parties were "determined to continue negotiations to this end." I will repeat that, "Determined to continue negotiations to this end."

Now, that pledge to the world was not a passing or an idle thought on the part of the U.S. Government and the people of the United States. That pledge was explicitly reaffirmed and prefaced in the Non-Proliferation Treaty and again in 1974 when the United States and the Soviet Union signed the Threshold Test Ban Treaty. So this is something that we have promised the world again and again and again in the most solemn manner that a nation can undertake to make a promise.

And we have a national interest beyond our own nuclear survival in keeping our promise. The world is approaching the nonproliferation review conference this year, but will also approach the expiration of the Non-Proliferation Treaty in a few years' time. We must consider the smaller nations of the world, the nations of the world that are now nonnuclear, the nations of the world that have so far abided by the Non-Proliferation Treaty. These powers have made in the Non-Proliferation Treaty, the kind of solemn pledges that the United States made when we promised as solemnly as we can that we will at least continue to negotiate for comprehensive ban. If these nations see that we are ignoring that promise, repudiating that promise, I think the world can have very little hope that the commitments made under the Non-Proliferation Treaty will survive.

So there is more at stake here than simply our own desire to reduce the number of nuclear tests. Again, let me give some of the background. It took the Cuban missile crisis of 1962 to shock both sides into the realization that it could happen. The Senator from Mississippi I know well remembers those days in 1962 when we in Washington, I think for the first time, realized that it could happen. We realized that we were for the first time within the bombsights of nuclear bombs, that the nuclear age had dawned with a vengence, and that the dome of this U.S. Capitol was in the bombsight. It was in the shock of that realization that we first accepted the concept of the Limited Test Ban Treaty. Unfortunately, our sustained efforts to continue negotiations toward a verifiable Comprehensive Test Ban Treaty were broken off in 1982. Let us hope that it will not require another experience like the Cuban missile crisis before we shed our complacency and resume comprehensive test ban negotiations.

I am not suggesting that a comprehensive test ban will end the arms race. But I think it can slow it down. I would submit to the Senate that if we had signed a comprehensive test ban agreement in 1963, we might very well have prevented the development of MIRV'd missiles, which most nuclear stategists agree today have led to a more destabilizing nuclear environment than would otherwise exist. The distinguished Senator from Mississippi who has served with such distinction as chairman of the Armed Services Committee can confirm or question this proposition.

We did not heed the warnings of the former Senator from Massachusetts, Mr. Brooke, who laid that proposition before the Senate with great force and persuasiveness but without enough votes. Indeed, we are now engaged in an effort to develop a single warhead, mobile missile, the so-called Midgetman, and the whole Midgetman effort is designed to undo the instabilities that were created by MIRV'd technologies—instabilities that could have been avoided if we had reached a comprehensive test ban agreement in the early 1960's.

In addition to stifling the development of destabilizing weapons, a comprehensive test ban agreement would strengthen our efforts to curtail the proliferation of nuclear weapons. As I have said, this September the nations of the world will meet in the Third Review Conference of the nuclear Non-Proliferation Treaty. At that time, the 126 signatories to the Non-Proliferation Treaty will examine the effectiveness of that treaty. At the 1980 review conference, the nonalined Third World nations called for an immediate moratorium on nuclear weapons testing.

Not only did the Soviet Union and the United States ignore that plea, but 2 years later the United States withdrew from the comprehensive test ban negotiations. That decision could well make the United States the focus of international anger at the upcoming conference.

The Non-Proliferation Treaty will expire in 10 short years unless the parties agree to extend it. A world in which nuclear weapons are allowed to spread even farther than they now have will be a much more fearful place. We have to set an example to the world by redoubling our efforts to prevent nuclear testing which will be a key step in preventing the spread of nuclear weapons.

Unfortunately, despite the obvious benefits of the comprehensive test ban treaty, the administration has not decided to resume comprehensive test ban negotiations. It has been argued that a comprehensive test ban is not verifiable and, therefore, should not be the topic of negotiations.

I would argue exactly the opposite to my friend, the Senator from Indiana. If you have a question about verification, you should not resist negotiating but you should negotiate all the faster and all the harder. Only through negotiations can we attempt to work out mutually acceptable verification procedures. That such procedures can aid the verification process is illustrated by what has happened this very week when the President of the United States offered to the Soviet Union the opportunity for verification by being physically present at nuclear tests.

The administration has also argued that continued nuclear testing and continued modernization of the weapons arsenal are required to keep the Soviet Union at the negotiating table in Geneva. In other words, that argument must run something like this: That we have to build in order to reduce. But instead of pursuing this policy which seems so contradictory to so many, we would propose that the President should simply resume negotiations for a comprehensive test ban. The people of the world look to America for leadership in the field of arms control. And we must not fail them. We must not fail ourselves. I have great hope that the comprehensive test ban negotiations could produce an agreement that would bring an end to

nuclear testing, and that would lead to a safer world. But we will never know that a world free of nuclear testing can be realized if we refuse even to negotiate with the Soviet Union on this critical issue.

I hope, therefore, Mr. President, that the amendments of the Senator from Indiana would be rejected. The very simple, familiar resolution which the Senator from Massachusetts and other cosponsors have joined in offering to the Senate, the same words that were adopted by a vote of 77 to 22 in the Senate last year, should be adopted and should provide us with new hope for progress in the reduction of the specter of nuclear danger in the world.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I hope that the Senate will not bog down in rhetoric and partisan debate on something where they really have no place. I can think of a lot of things that I would like to say in a partisan vein, but it certainly would not help the present situation any. My concern is genuine. The resolution is a simple, straightforward resolution that I must say I simply cannot fathom—the concern and the efforts to trivialize it, or to put it in a much larger context and do something with the resolution which serves nobody's useful purpose.

It seems to me it sort of goes to the argument I can remember Averell Harriman made one time, that the mentality of some in this country is that if the avoidance of nuclear war is good for the Soviet Union, it must be bad for the United States.

Mr. President, I just want to remind some of my colleagues here of President Eisenhower's attitude about a very similar situation, when he was confronted with a new Soviet leadership following the death of Josef Stalin in 1953. Stalin had died. At that time they had a troika leadership before Khrushchev had come to power and solidified his position.

In a great speech that President Eisenhower made, called "The Chance for Peace," delivered before the American Society of Newspaper Editors on April 16, 1953, he cataloged the Soviet sins, the sins of Stalin, and said something I said in my previous statements, namely, that a good, healthy skepticism of Soviet intentions based on past Soviet conduct is certainly in order.

But then he went ahead to say:

> So the new Soviet leadership now has a precious opportunity to awaken, with the rest of the world, to the point of peril reached and to help turn the tide of history. Will it do this? We do not know. Recent statements and gestures of Soviet leaders give some evidence that they may recognize this critical moment. We welcome every honest act of peace. We care nothing for mere rhetoric. We are only for sincerity of peaceful purpose attested by deeds. . . . This we do know: A world that begins to witness the rebirth of trust among nations *can* find its way to a peace that is neither partial nor punitive.

He goes ahead to say:

> As progress in all these areas strengthens world trust, we could proceed concurrently with the next great work, the reduction of the burden of armaments now weighing upon the world. To this end, we would welcome and enter into the most solemn agreements.

Then he lists what the State Department would call confidence building measures, step by step building a trust between the United States and the Soviet Union.

You do not have to give anything away. You do not have to be a dove. You do not have to be naive or myopic.

The Senator's resolution is not all bad, his substitute and his perfecting amendment. But I would like to say that is we adopt the substitute and the perfecting amendment, you are saying:

> No, we are not going to negotiate with the Soviet Union and the reason we are not is because we have to have overall reductions and agreements, and it must all be verifiable and so on, before we can even sit down and talk with the Soviet Union about such a very small step in moving toward those larger agreements that we all look forward to and which the Senator from Indiana has alluded to in his perfecting amendment.

I disagree with the Senator, just to use his words, when he said the President made a significant offer to the Soviet Union. I disagree. I do not consider that a significant offer. I think it is a nice offer to say, "Come over and watch us set off an underground explosion." But I cannot believe that anybody would really be very impressed with that. That is not what you call onsite inspection.

If you want to put sensors all over the United States and the Soviet Union, if you want to get into how you verify this agreement, that is a whole other subject.

The Senator alluded to multiple violations of the Limited Test Ban Treaty and probable violations of the Threshold Test Ban Treaty.

There is all kinds of evidence, and I will not burden the RECORD with it. The Lawrence Livermore Laboratory said, "Yes, according to the way we keep records there is a possibility that the Soviets have violated. But according to the same records, so have we."

I do not want to be cast in the role of defending Soviet violations. Maybe they have and maybe they have not. The President said they had, but he did not offer any evidence.

Here is an article from Science Magazine dated May 1985 where it says, "Several new reports prepared by"—who? The Department of Defense, the Central Intelligence Agency, those advisory panels that have recommended that the Government promptly revise its method of estimating the yields of Soviet nuclear tests which are limited by treaty to 150 kilotons. If the revisions were made, it would appear that the Soviet Union was substantially in compliance with the treaty.

Here is an article as early as 1983 in the Washington Post, where the most respected seismologist in the United States said:

> The allegations made by President Reagan and others are based on a seismatic over estimation of the relation between seismic magnitude and explosive yield, an effect attributed to the different aspects of the Soviet and U.S. test sites.

Another respected scientist who is part of the Defense Department said:

> Based on both seismic body and surface wave magnitude estimates the U.S.S.R. seems to be complying with the 150-kiloton limit.

We even show violations for some of our own shocks, added a man named Robert Alewine in another presentation. One of our own shocks looked as high as 265 kilotons, and the Russians called us on that one.

Those are arguments. As I say, I do not want the Senate to get bogged down with the present things saying they violated the treaties. Scientific knowledge does not bear it out.

They have made an offer; we have a new leader. Who knows where this might lead? What do you lose by talking?

Finally, what has changed since the Senate last year adopted virtually the very same resolution as Senator KENNEDY and Senator MATHIAS are offering now? What has changed since last year when the Senate voted 77 to 22 for almost the identical measure?

Mr. President, unless someone else chooses to speak at the moment, I will suggest the absence of a quorum.

Mr. WALLOP addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. Mr. President, I ask for the yeas and nays on the perfecting amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WALLOP. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SIMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMON. Mr. President, since I note there is some negotiation going on to see if agreement can be reached on perfecting amendments—and I hope it can be reached—let me make a comment or two on some assumptions that are made by the perfecting

amendment, assumptions that are made, I hear, in discussions on the floor of the Senate.

First, the reality is that these tests are now verifiable. One of the reasons that I introduced an amendment on the Defense Department authorization bill, that I am pleased was adopted, asking for annual reports to Congress of arms verification research is that, frankly, probably as most Members of this body, I have not been brought up to date on what is happening in this area. But as of 7 years ago, as I mentioned earlier, I was one of the delegates to the U.N. special session on disarmament. We had the ability to detect at that point all but the tiniest explosions. That verification process, obviously, has improved. So, there is no reason not to go ahead, particularly if the Soviets are willing to put sensors in their country, as we have indicated we would be willing to do. At one point, the Soviets were willing to do that.

The second assumption that concerns me is that we have to reduce our arms before we can go ahead and negotiate this kind of thing. Obviously, I would like to see reduction. We all would like to see reduction. But what is needed now is to take some initial small steps toward some reconciliation. What is asked by the Senator from Massachusetts and the Senator from Maryland is that we take these small steps, that we sit down and talk. I think it makes eminent good sense and I hope we move in that direction.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I think there is only one point which I would raise with respect to the amendment which has been offered by the Senator from Indiana [Mr. LUGAR] and the amendment thereto. The yeas and nays have been ordered, and it is therefore impossible to offer a further amendment at this point with respect to the underlying language. Until a vote is taken on the second perfecting amendment to the resolution, no further amendment may be offered. I know that it is possible, in a more indirect parliamentary way, to reach the same effect by another parliamentary means. But let me suggest the reason I would even discuss whether or not there should be an attempt made to amend further.

I want to point to one effect of the Lugar language in both the first- and second-degree amendments and to express at least some mild disagreement—not necessarily opposition.

In the first amendment offered by the Senator from Indiana, the distinguished chairman of the Committee on Foreign Relations [Mr. LUGAR], it is required that progress shall be made on the other talks that are going on in Geneva. It does that in the fourth paragraph of the "Whereas" clause. It says that any such test ban agreement must be made in the context of deep and verifiable arms reduction. In other words, we should not attempt to make progress on this front until we have demonstrated progress on all fronts.

In the second perfecting amendment of the Senator from Indiana, it is required that there be a certification by the President that also ties it to the achievement of deep reductions in nuclear arms and substantial progress on verification.

Mr. President, I understand the desire to require that the Soviet Union be forthcoming before we enter into another, different round of talks, that the precondition should be made that the Soviet Union do something, that we should not just unilaterally move forward and start something. I guess I would say that I see no harm in trying to achieve something on a more limited scale, even though we are not able to achieve it on a large scale.

I am perfectly in agreement with the Senator from Indiana that, indeed, we do not want to be in the position of even appearing to be telling the President of the United States that he is not doing something which he ought to do. I do not take this resolution in the sense of criticism of the President's position; I take it in the sense of an expression on the part of the Senate that, since the Soviet Union has taken a step of offering a moratorium—which I happen to believe may be more show and rhetoric than it is substance; we should not overemphasize that—but nevertheless, they have taken that step, and the President of the United States has already responded by, in effect, saying we are going to take a deep and careful look at that question.

That I see this resolution not as criticism of the President's action but of support for the President's actions to date in that respect when he invited the Soviet Union on a unilateral basis to come and observe, to permit on-site inspection at the point where we are conducting underground testing. That is something we have sought for a long time from the Soviet Union, and I would say that that is not a perfect guarantee; that, indeed, we know what they are up to, because they might invite us to send observers to the wrong place in the meantime, telling us they are not doing it anywhere else but we with some knowledge that they might be doing it somewhere else. So, I think there is an opportunity for the Soviets to play games with it and I would not want to overemphasize or overstate what it is that this might accomplish. It might accomplish nothing more than misleading the American public. I would not want to do that. I am sure the Senator from Massachusetts and the Senator from Maryland do not want to mislead the American public as to what the prospects are. So, I think we have to be careful not to overstate what this would mean if adopted, if, indeed, it were followed through, and if, indeed, negotiations were undertaken, and perhaps, even if, indeed, we were able to get the kind of agreement that this body could encompass and embrace.

There are many, many pitfalls in this process, and I do not want to overstate the value of the adoption of either the amendment offered by the distinguished Senator from Massachusetts and the distinguished Senator from Maryland or of the amendments which have now been offered by the Senator from Indiana, because both or either could be deceptively misleading if misunderstood. They do not promise the world and if adopted by this Senate, are not a criticism of the President of the United States, and if adopted by the Senate and implemented by the President of the United States, might achieve virtually nothing. But neither do I believe that the precondition of movement on the part of the Soviet Union is absolutely necessary.

The President has already taken that high ground by inviting their observers to the point of our tests without precondition on the part of the Soviet Union. And as I said yesterday, if this called for us to join in a moratorium, as the Soviet Union has proposed, I would oppose it, because I would not believe that that moratorium as it might be propounded and as offered by the Soviet Union has any very real substance or meaning.

Before we enter into that kind of agreement for a moratorium and joining the Soviet action, I think we should demand meaningful guarantees that, indeed, that particular action would have substance in the ongoing dialog. I do not believe the simple moratorium by itself would have that kind of substance and meaning.

So I could support the amendment offered by the Senator from Indiana, and I could support action which would remove from that proposal the linkage which is now there by way of precondition. It would seem to me that without that linkage, it is still a worthwhile effort so long as we do not be misled by what it would do or might do with respect to the prospects for achieving any kind of arms agreements between ourselves and the Soviet Union.

Mr. MATHIAS. Will the Senator from Idaho yield?

Mr. McCLURE. I will be happy to yield to the Senator from Maryland.

Mr. MATHIAS. No. 1, I want to thank the Senator from Idaho for very thoughtful comments with which I agree. I think removing linkage will enhance the entirety of public perception of this issue because it is a rather simple issue. It is a historic issue. It is one which has standing in our generation. I think to the extent that is can be viewed in that clarity and simplicity the public will understand it better.

I think the Senator has done two other important things; one, in pointing out none of these efforts are in any sense hostile to the President of the United States because the active participation of the President of the United States, both as to making determinations and decisions and as to implementing them, is an essential feature of any policy upon which the United States may embark. So it would be folly to attempt anything and certainly nothing is being attempted which would force the President's hand; that this is in the constitutional sense advice to the President, advice which we not only may offer but which as a matter of conscience we are called upon to offer.

Finally, I would say the Senator is right to point out that there should not be unlimited expectations from any proposal of this sort, yet, and my question to the Senator is this, is he aware how close we actually came to a comprehensive test ban? It had been largely agreed by the Joint Chiefs, the leaders of the U.S. Armed Forces, those in whom we place our trust in matters of defense, that it was a desirable step. Great Britain, which had a role to play in the comprehensive test ban negotiations, was very well advanced in a national position leading toward acceptance. We were very close. And for reasons that had no relationship to the comprehensive test ban, again getting to the Senator's very wise points about the problems of linkage, for other reasons these negotiations were disrupted. And had they not been disrupted by external events, we might have been farther down this road, we might have actually achieved a comprehensive test ban, and that while everyone agrees it would not end the world's woes, it might put an end to a few of them.

Mr. McCLURE. I thank the Senator for his comments.

Let me underscore just a couple of other points before I yield the floor.

First, and I call your attention to some charts which I have asked be brought in and are placed in the rear of the Chamber, chart No. 1 substantiates what the President has found in his reports to the Congress on Soviet arms control violations both of January 23, 1984, and February 1, 1985, that the Soviet Union is likely to have violated the 150-kiloton yield limit on underground nuclear weapons testing of the Threshold Test Ban Treaty. In my judgment, and I share this judgment with the President and the experts who advise him, there have been over 16 Soviet underground nuclear weapons tests since 1978 which have estimated yields above 150 kilotons, according to press reports.

The purpose of these Soviet excess yield nuclear weapons tests is probably to validate and develop a much more lethal warhead for the new Soviet SS-24 and SS-25 mobile ICBM's and the SS-N-23 heavy SLBM.

I am not talking about the violations now in the development of those weapons systems. I am talking about the purpose of the underground tests and why it is likely that those tests were conducted and likely that they exceeded the Threshold Test Ban Treaty limits.

The SSX-26 and the SSX-27 ICBM's will probably also require new and larger yield warheads as well. Those underground tests which we are concerned about are related directly to the new weapons development, which should be a matter of concern to all people everywhere in the world.

The second chart shows that there is strong justification for President Reagan's February 1, 1985, report to Congress that the Soviets have violated the 1963 Limited Test Ban Treaty by venting radioactive debris beyond their national boundaries. There have been over 30 cases of unambiguous, conclusive cases of Soviet extraterritorial venting. There are now over 100 probable extraterritorial ventings.

Mr. President, the third chart summarizes the President's report to Congress on "Soviet Arms Control Violations of January 23, 1984"; and it shows the President's judgment that the Soviets are "likely" to have violated the 150-kiloton yield limit on underground nuclear weapons tests. There have been over 16 reported cases of Soviet excess-yield tests since 1978. That is not a matter to be taken lightly, because it indicates that they are in a weapons development mode that will change the balance of nuclear terror in the world. This judgment of likely Soviet violation of the Threshold Test Ban Treaty was reconfirmed by the President's February 1, 1985, report to Congress on Soviet arms control violations.

The fourth chart at the rear of the Chamber shows the official U.S. Defense Department judgment that between 1917 and 1962, the Soviet Union violated over 50 international security treaties. The State Department agreed in a 1959 report. The U.S. Senate Judiciary Committee also agreed in 1957 and 1962 reports.

There were no more official U.S. Government reports on Soviet arms control or treaty violations between 1962 and 1984, until President Reagan's January 3, 1984, report to Congress on "Soviet Arms Control Violations." Using official unclassified U.S. Government documentation, it is possible to conclude that the Soviets have violated virtually every international security agreement they have signed since the 1917 revolution.

One exception stands out. The Soviets complied scrupulously with the notorious August 1939 Hitler-Stalin Pact, but this treaty led to the dismemberment of Poland and the outbreak of World War II.

I cannot help but refer to an earlier comment by President John F. Kennedy in 1961 in reaction to the Soviet breakout from the Atmospheric Nuclear Testing Moratorium. He said: "If the Soviets fool us once, it's our fault. If they fool us twice, it's also our fault. Never again will we agree to an uninspected moratorium."

Mr. President, it may well be asked, in the face of that record of violations, why we would even seek any further agreement with the Soviet Union. We should seek compliance with the existing agreements.

However, I think the very subject we are talking about also indicates why we should seek further agreement, because if there is ambiguity in the Threshold Test Ban Treaty that yields the kind of disagreement among experts as to what our seismic information tells us about the yield of underground tests, then it should be clear that one way of knowing more about what we are doing and what they are doing is to get onsite inspection.

It may be that the negotiations over a comprehensive test ban would yield a result that ends such tests.

I would guarantee to anyone listening that I am going to be very skeptical and very dubious about whether or not such an agreement is verifiable and whether it guarantees that we would know and, if so, what we would do about it. But I also think it is quite possible that in the process of inviting onsite inspection, and in the process of undertaking further negotiations, we might well get the Soviet Union, if not to comply, at least to invite us to do onsite inspections and verifications which might lay to rest, once and for all, the question of whether or not they are or have been violating the Threshold Test Ban Treaty. We need better information, and they are not permitting us to get better information.

So the debate rages on, and some people demand evidence of the caliber that will stand up in court, before they will conclude that the Soviets have been cheating, if not outright violating the Test Ban Treaty.

The significance of those underground tests cannot be overstated.

You cannot build new weapons until you test them. As a matter of fact, the Soviet Union record on that is that they are very conservative in that respect. They do not build and deploy weapons until they have had a testing regime.

We are very much concerned about what those tests mean, in terms of their ability to break out, even if they have not yet violated in terms of weapons agreements—to break out in a new generation of weapons that we are suddenly confronted with and have massively increased yields.

The Threshold Test Ban Treaty was designed to limit that opportunity for testing. In my judgment, it is being violated. In my judgment, we should be insisting that the Soviet Union comply with it.

In that connection, we should be seeking onsite inspection, so that we could verify whether or not they are complying and, even if they have not been complying in the past, to make certain that they comply in the future.

That is essential to the security of this country; because, while they are probably violating that yield limit, I do not believe there is any question in the minds of anybody in this Chamber that we are complying with the limits of the Test Ban Treaty. Therefore, if they are permitted to violate and we do nothing about it and we comply, they gain military advantage over time as a result. But I do not believe that it hurts us to undertake an effort which might lead to increase verification of past treaties and the possibility of new limitations that would be in the interests of the United States.

Again, Mr. President, I do not want the public to be mislead by the promise of such a negotiation. I do not believe that the public should be permitted to indulge in the hope or the speculation that the mere passage of a resolution in the Senate of the United States is going to change Soviet behavior. I do not want the passage of the resolution to indicate to our negotiators that we are in favor of an agreement for the sake of an agreement. We are not. Certainly, this Senator is not.

The agreements we have had in the past were designed to limit the proliferation of nuclear weapons; but they have permitted, not limited, the raid expansion of the number and the caliber and the threat of nuclear weapons much more on the Soviet side than on the side of the United States.

I think we must seek new means by which we persuade the Soviet Union to join us in the deep and verifiable cuts in nuclear weapons which the President is already seeking by means of the talks now underway in Geneva. Mr. President, I think that this resolution, rather than frustrating that effort, might well enhance the effort which the President has already undertaken. I highly commend the President for the efforts he is taking. But this Senator is going to demand real and concrete results, not just paper agreements that might jeopardize our security rather than enhance it.

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. Thank you, Mr. President.

Mr. President, I rise in support of the substitute offered by the distinguished chairman of the Foreign Relations Committee to the Kennedy proposal that the United States enter into a comprehensive test ban negotiation.

I do so, Mr. President, for the very simple reason that there can really be no contest of the wisdom of the Senator from Indiana in his insistence upon verification of nuclear weapons testing, including onsite monitoring because sadly as Santayana has told us, "Those who ignore the lessons of history are doomed to relive them and repeat them."

History speaks to us quite eloquently on this point. The most eloquent test obviously should come from someone who himself proposed in the name of ridding the world of monstrous weapons that there should be a comprehensive test ban treaty and then lived to see his own good faith repudiated by the violations of the Soviet Union.

President John Fitzgerald Kennedy put it eloquently and simply when he said in announcing the resumption by the United States of necessary nuclear testing,

> We know enough about broken negotiations, secret preparations and the advantages gained from a long test series never to offer again an uninspected moratorium.

Yet, Mr. President, that is precisely what we are offered now, another uninspected moratorium, and another moratorium on nuclear testing even if only for a 6-month period would not appear to be productive of the ends which President Kennedy sought so long ago. A moratorium would not move us closer to resolving those verification problems which have been so intractable. Even a limited moratorium might create the false and potentially dangerous impression that a comprehensive test ban could be verified, and the belief that a moratorium for a limited period of time would create good will and momentum to achieve a negotiated agreement is contradicted by history as that bitter experience with the first Comprehensive Test Ban Treaty makes so clear.

We know now that even an inspected moratorium would not give us confidence that the ban was being observed.

Comprehensive and reliable verification procedures have remained elusive through the decades of test ban proposals that have followed the 1958 moratorium.

If we cannot be sure then, Mr. President, we cannot afford to indulge in vainglorious good intentions. There is simply too much at stake.

When he announced the resumption of United States testing, President Kennedy did so sadly but with a clear conviction that our failure to do so would likely be misinterpreted. What he said on this occasion on March 2, 1962, was that a failure to resume testing would have indicated to the Soviets not good will but a failure of political will, of political nerve.

And the President drew lessons from that failed moratorium that we cannot, that we dare not forget. He said:

> (The Soviet Union) could well be encouraged by such signs of weakness to seek another period of no testing without controls—another opportunity for stifling our progress while secretly preparing . . . for the new test series that might alter the balance of power. With such a one-sided advantage, why would they change their strategy, or refrain from testing, merely because we refrained? Why would they want to halt their drive to surpass us in nuclear technology? And why would they ever consider accepting a true test ban or mutual disarmament?

Mr. President, President Kennedy learned, the United States learned on that occasion the hard way. We put forward good faith. The response from the Soviet Union was bad faith and violation of that Comprehensive Test Ban Treaty. We have no reason to suppose that anything has changed.

So sadly, the Senator from Indiana is right in his insistence upon substantial progress in verification of nuclear weapons testing as a condition to our resumption of any negotiations with the Soviet Union for a Comprehensive Test Ban Treaty.

Until that is in sight, Mr. President, for us to engage in that would be to repeat a tragic mistake of history with perhaps yet more tragic consequences.

Mr. President, we cannot afford vainglorious good intentions.

I urge my colleagues to support the substitute offered by the distinguished Senator from Indiana.

Mr. President, I shall also ask unanimous consent that a letter from the director of the Los Alamos National Laboratory, Donald M. Kerr, be entered in the RECORD. It states Director Kerr's opposition to the resumption of a nuclear test ban or a Comprehensive Test Ban Treaty in terms that are well worth reading. I will not take the time of the body to read this letter in full. I urge my colleagues to read it in the RECORD and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LOS ALAMOS NATIONAL LABORATORY,
Los Alamos, NM, April 13, 1984.

Hon. JOHN W. WARNER,
Chairman, Subcommittee on Strategic and Theater Nuclear Forces, Senate Office Building, Washington, DC.

DEAR SENATOR WARNER: The development of a stable, peaceful relationship with the Soviet Union and a mutual reduction in the number of nuclear weapons and the threat of nuclear war are goals which all Americans share. Progress toward these goals would be assisted, I believe, by the negotiation of carefully crafted, unambiguous arms control agreements.

The differences in the principles and objectives of our societies are large. Agreements between the United States and the Soviet Union that rely heavily on trust and good will, or on confidence that both parties have similar interests, have more often than not generated distrust, fear, and even increases in armaments, rather than any long term amelioration of relations. But by negotiating meaningful treaties that can be verified with confidence, we might begin to create the conditions that can lead to improved relations and to secure arms reductions. A moratorium on nuclear testing would not be such an agreement in itself, and would not be likely to lead to successful nuclear arms control.

We should not forget that one of the most forceful demonstrations of the unfortunate consequences that can follow from imprecise arms control arrangements was itself a moratorium on nuclear testing—that which the US and the Soviet Union entered voluntarily, and without verification measures or negotiated agreement, in 1958. That moratorium was broken by the Soviet Union in 1961, when it began a large, secretly prepared nuclear test series. On March 2, 1962, President Kennedy announced his decision that the US must resume nuclear testing. A failure to do so, he said, would have indicated to the Soviets not good will, but a failure of will. Kennedy drew lessons from that failed moratorium that we must remember:

"(The Soviet Union) could well be encouraged by such signs of weakness to seek another period of no testing without controls—another opportunity for stifling our progress while secretly preparing . . . for the new test series that might alter the balance of power. With such a one-sided advantage, why would they change their strategy, or refrain from testing, merely because we refrained? Why would they want to halt their drive to surpass us in nuclear technology? And why would they ever consider accepting a true test ban or mutual disarmament?"

Demonstrations of American good will in seeking arms control proved not to be enough. We concluded that only demonstrations of America's determination to protect itself and its allies—while seeking genuine, verifiable, and constructive arms control—offered hope for progress toward improved relations with such a state as the Soviet Union.

Another moratorium on nuclear testing, even if only for a six month period, would not appear to be productive of these ends. A moratorium would not move us closer to resolving those verification problems which have been so intractable. Even a limited moratorium might create the false and potentially dangerous impression that a comprehensive test ban could be verified. And the belief that a moratorium for a limited period of time would create good will and momentum to achieve a negotiated agreement is contradicted by history. As President Kennedy concluded, "We know enough about broken negotiations, secret preparations and the advantages gained from a long test series never to offer again an uninspected moratorium." But we know now that even an inspected moratorium would not give us confidence that the ban was being observed; comprehensive and reliable verification procedures have remained elusive through the decades of test ban proposals that have followed the 1958 moratorium.

We also must confirm another of President Kennedy's judgments on nuclear testing and test bans: a comprehensive test ban, by itself, is an unsatisfactory form of arms control. Like him we are dedicated to reducing the risk of nuclear war. But a test ban is only one step in that direction, and is not only useless but actually may be dangerous if not accompanied by complementary arms control measures. "Until mankind has banished both war and its instruments of destruction," Kennedy said, "the United States must maintain an effective quantity and quality of nuclear weapons . . . Only though such strength can we be certain of deterring a nuclear strike, or on overwhelming ground attack, upon our forces and allies."

A moratorium or test ban would gradually, unpredictably, and unequally reduce our ability to rely, with confidence, on our nuclear forces. Without substantial concurrent progress toward banishing war and our reliance on nuclear deterrence, this reduction in confidence in the nuclear forces would weaken our ability to sustain peace and freedom. Concerns with the effects on our deterrent of a test moratorium or ban were illustrated when the US resumed testing in 1962. Not only had the Soviet Union greatly improved its own nuclear technology and gained unprecedented insight into nuclear effects, but some US weapons had developed serious faults.

The two nuclear weapon design laboratories established procedures to approve any alterations to nuclear weapons entering the stockpile during the moratorium. Under these procedures a change to improve safety was made to one weapon system. When this modified weapon was tested after the moratorium, its performance was a small fraction of the anticipated yield. As this case showed, even the best human judgment applied to nuclear weapon design and performance, without actual tests, sometimes fails. Some argue that the uncertainty this introduces is valuable, since it may decrease the willingness of either superpower to rely on nuclear weapons. However, for many years our security and that of our allies must continue to depend on the deterrent effect of our nuclear weapons. Such uncertainty can only undermine our security. As President Reagan noted in his April 6, 1984, speech at the Center for Strategic and International Studies. "Too many forget John Kennedy's warning that only when our arms are certain beyond doubt can we be certain beyond doubt they will never be used."

Issues that affect our nuclear deterrent must be approached with care, foresight, and an appreciation of hard won lessons of history. We cannot afford mistakes. A six month moratorium on nuclear testing would not improve our security. It would be far more constructive, in this period of strained relations with the Soviet Union, to seek agreements on crisis management aimed at reducing the risk of nuclear war. These might be crafted in a manner which would not raise issues of verification. Success in this area might then lead to possibilities of further agreements to restrain deployment, production and ultimately testing of nuclear weapons systems.

Sincerely,

DONALD M. KERR,
Director.

Mr. DURENBERGER. Mr. President, once again I am happy to cosponsor a resolution calling for the resumption of negotiations for a Comprehensive Test Ban Treaty. This resolution comes at a time when the Soviet Union has proposed a moratorium on nuclear testing and the United States has invited Soviet officials to observe a nuclear weapons test within the United States. These initiatives may provide the opening that is needed to resume negotiations of a treaty that could potentially curb the qualitative arms race and provide the momentum for other measures of restraint. I hope that President Reagan will heed the call of Congress to take advantage of these initiatives. An overture made in good faith would determine whether the Soviet Union is serious in their proposals to stop the testing of nuclear weapons.

I believe that a verifiable Comprehensive Test Ban Treaty would promote the security of the United States in a variety of ways. The most obvious being that it would halt one aspect of the qualitative arms race. If the United States and the Soviet Union could not test their nuclear devices, neither country could make potentially destabilizing qualitative improvements in their nuclear weapons. For example, the testing of smaller and more accurate warheads would be banned. As a consequence, the threat of the Soviet Union placing many more warheads on their large land-based missiles would be reduced. A Comprehensive Test Ban Treaty would stop menacing Soviet developments while preserving the technological edge the United States enjoys in their nuclear warheads.

A Comprehensive Test Ban Treaty would also demonstrate that the superpowers were serious about arms control. Without such a signal it may be very difficult to persuade nonnuclear nations to ratify the Nuclear Non-Proliferation Treaty. Many nations have resisted ratification of this treaty because of the lack of control on the part of the U.S.S.R. and the United States. A test ban treaty would signal resolve and could lead to greater adherence to the Non-Proliferation Treaty.

In the long run, the inability to test nuclear weapons will lessen our confidence in the reliability of the nuclear stockpile. While we would lose some confidence, it should be noted that much of the testing to determine the reliability of our warheads is done through the disassembly and careful scrutiny of these weapons. This does

not involve any nuclear testing. The lack of testing may lead to insufficient confidence to launch a first-strike preemptive attack, but it would not degrade our confidence in our proven nuclear stockpile to the point where we could not rely on those weapons for a second-strike retaliatory response to a Soviet attack. Thus, a Comprehensive Test Ban Treaty could enhance crisis stability.

Of course, any agreement which we reach with the Soviet Union must be adequately verifiable. Arms control treaties are not based on trust. Banning all testing of nuclear weapons poses complicated verification tasks. Previous negotiations on nuclear testing did make some progress in establishing necessary principles of verification. For example, the Soviets agreed in principle to seismic monitoring stations on Soviet territory and occasional on-site inspections. Whether they would agree to such provisions again is open to question. If we are successful in reaching an agreement on a Comprehensive Test Ban Treaty, however, we must be very careful to ensure that mechanisms exist to verify the treaty and provide satisfactory recourse in the event of violations. The Soviet Union has not had the best track record of compliance with various arms control treaties and the United States must ensure that any treaty we negotiate with them is amendable to verification.

In any event, the resolution before us today simply calls for the resumption of negotiations. We can go nowhere with arms control of any kind if we refuse to talk to other nations. I hope that we will resume these negotiations in a good faith attempt to curb the qualitative arms race.

Mr. DOLE. Mr. President, I have been in discussion with the principals involved in this debate, and it is a very important matter, but in an effort to reach some resolution, I have been advised that the principals would be willing that the resolution be referred to the Foreign Relations Committee and that the resolution, or the resolution as amended, would be reported by the committee on or about October 1 of this year and that the majority leader, in cooperation with the principals, would make a good-faith effort to schedule it shortly thereafter. I have no problem with that. It there is no objection, I propound that unanimous consent request.

Mr. KENNEDY. I have no objection.

The PRESIDENT OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, there will be no more rollcall votes tonight.

TWENTIETH ANNIVERSARY OF THE MEDICARE PROGRAM

Mr. BAUCUS. Mr. President, 20 years ago today, President Lyndon Johnson went to Independence, MO, to sign into law a far-reaching program to guarantee access to high quality, affordable health care for millions of America's senior citizens. The new program was called Medicare. Its passage changed forever the way the Nation provides and pays for health services.

With former President Harry S. Truman at his side, Lyndon Johnson proclaimed that "No longer will older Americans be denied the healing miracle of modern medicine. No longer will illness crush and destroy the savings that they have so carefully put away over a lifetime so that they might enjoy dignity in their later years."

The origins of Medicare go back 50 years to the signing of the Social Security Act which President Franklin Delano Roosevelt called "a cornerstone in the structure which is being built, but which is by no means complete."

In 1943, Senator Robert F. Wagner Senator James E. Murray, and Representative John D. Dingell Sr., introduced the first Wagner-Murray-Dingell bill, proposing a broadening of the entire Social Security Act, including a compulsory national health insurance system financed by a payroll tax.

President Truman fought for health insurance programs, but it was not until Lyndon Johnson made passage of Medicare his highest legislative priority in 1964 that Medicare became a reality. The result was a program that went beyond what even LBJ had envisioned. Congress designed a three-part program. Part A, a program financed through payroll taxes, covered hospital bills. Part B, a voluntary program to cover physicians' services, was financed partly out of the Treasury and partly by the premiums paid by beneficiaries. Finally, Medicaid was created as a State and Federal partnership to help finance the health care needs of low-income citizens of all ages.

In the 20 years since the enactment of Medicare, many seem to have forgotten why such a bold program was needed at all. The basic problem was a lack of adequate health insurance coverage for Americans over age 65. In fact, only 20 years ago, less than half of the 19 million elderly had health insurance. For those with coverage, most commercial policies paid only about $10 a day for hospital room and board charges.

I ask unanimous consent that the remarks made at the signing ceremony by former President Truman and President Johnson be entered in the RECORD at this point.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 31, 1965]

TRANSCRIPT OF REMARKS BY TRUMAN AND JOHNSON

(Following is the transcript of former President Harry S. Truman's introductory remarks and President Johnson's address yesterday at the signing of the medicare-Social Security bill at the Harry S. Truman Memorial Library, Independence, Mo., as recorded by the New York Times.)

TRUMAN'S REMARKS

I'm glad you like the President. I like him, too.

Mr. President, Mrs. Johnson, distinguished guests.

You have done me a great honor in coming here today and have made me a very, very happy man.

This is an important hour for the nation. For those of our citizens who have completed their tour of duty and have moved to the sidelines, these are the days that we are trying to celebrate for them. These people are our prideful responsibility and they are entitled, among other benefits, to the best medical protection available.

Not one of our citizens should ever be abandoned or sent for the dignity of charity. Charity is dignity when you have to have it. But we don't want these people to have anything to do with charity and we don't want them to have an idea of hopeless despair.

Mr. President, I'm glad to have lived this long and to witness today the signing of the medicare bill, which puts this nation right where it needs to be to be right.

Your inspired leadership and responsiveness and the responsive, forward-looking Congress have made it historically possible for this day to come about.

I thank all of you most highly for coming here. It's an honor I haven't had done to me for—well, quite a while, I'll say that to you.

So here he is, ladies and gentlemen, the President of the United States.

JOHNSON'S ADDRESS

President and Mrs. Truman, Secretary Celebrezze, Senator Mansfield, Senator Symington, Senator Long, Governor Hearnes, Senator Anderson, Congressman King of the Anderson-King team, Congressman Mills, Senator Long of the Mills-Long team, our beloved Vice President, who worked in the vineyard many years to see this day come to pass, and all of my dear friends in the Congress, both Democrats and Republicans.

The people of the United States love and voted for Harry Truman, not because he gave them hell but because he gave them hope. And I believe today that all America shares my joy that he is present now when the hope that he offered becomes a reality for millions of our fellow citizens.

I'm so proud that this has come to pass in the Johnson Adminstration. But it was really Harry Truman of Missouri who planted the seeds of compassion and duty which have today flowered into care for the sick and serenity for the fearful.

Many men can make many proposals. Many men can draft many laws, but few have the piercing and human eye which can see beyond the words to the people that they touch.

Few can see past the speeches and the political battles to the doctor over there that's tending the infirm and to the hospital that is receiving those in anguish or feel in their hearts painful wrath at the injustice which

denies the miracle of healing to the old and to the poor.

And fewer still have the courage to stake reputation and position and the effort of a lifetime upon such a cause when there are so few that share it.

But it's just such men who illuminate the life and the history of a nation, and so, President Harry Truman, it is in tribute not to you but to the America that you represent that we have come here to pay our love and our respects to you today.

CITES TRUMAN STATEMENT

For a country can be known by the quality of the men at honors. By praising you and by carrying forward your dreams, we really reaffirm the greatness of America. It was a generation ago that Harry Truman said, and I quote him:

"Millions of our citizens do not now have full measure of opportunity to achieve and to enjoy good health. Millions do not now have protection or security against the economic effects of sickness. And the time has now arrived for action to help them attain that opportunity and to help them get that protection." Unquote.

Well, today, Mr. President and my follow Americans, we are taking such action 20 years later. And we're doing that under the great leadership of men like John McCormack, "our Speaker; Carl Albert, our majority leader; our very able and beloved majority leader of the Senate, Mike Mansfield, and distinguished members of the Ways and Means and Finance Committees of the House and Senate of both parties. Democratic and Republican, because the need for this action is plain and it's so clear, indeed, that we marvel not simply at the passage of this bill but what we marvel at is that it took so many years to pass it.

And I'm so glad that Alme Forand is here to see it finally passed and signed.

There are more than 18 million Americans over the age of 65. Most of them have low incomes. Most of them are threatened by illness and medical expenses that they cannot afford.

And through this new law, Mr. President, every citizen will be able in his productive years, when he's earning, to insure himself, against the ravages of illness in his old age. This insurance will help pay for care in hospitals, in skilled nursing homes or in the home. And under a separate plan it will help meet the fees of the doctors. Now here's how the plan will affect you:

During your working years, people of America, you will contribute through the Social Security program a small amount each payday for hospital insurance protection. For example, the average worker in 1966 will contribute about $1.50 per month. The employer will contribute about a similar amount and this will provide the funds to pay up to 90 days of hospital care for each illness plus diagnostic care and up to 100 home health visits after you're 65. And beginning in 1967 you will also be covered for up to 100 days of care in a skilled nursing home after a period of hospital care.

And under a separate plan, when you're 65—that the Congress originated itself in its own good judgment—you may be covered for medical and surgical fees whether you're in or out of a hospital. You will pay $3 per month after you are 65 and your Government will contribute an equal amount. And the benefits under the law are as varied and broad as the marvels of modern medicine itself.

HOPES TO REMEDY DEFECTS

And if it has few defects, such as the method of payment of certain specialist, then I am confident those can be quickly remedied, and I hope they will be.

No longer will older Americans be denied the healing miracle of modern medicine. No longer will illness crush and destroy the savings that they have so carefully put away over a lifetime so that they might enjoy dignity in their later years.

No longer will young families see their own incomes and their own hopes eaten away simply because they are carrying out their deep moral obligations to their parents and to their uncles and their aunts. And so longer will this nation refuse the hand of justice to those who have given a lifetime of service and wisdom and labor to the progress of this progressive country.

And this bill, Mr. President, is even broader than that. It will increase Social Security benefits for all of our older Americans. It will improve a wide range of health and medical services for Americans of all ages.

In 1935, when the man that both of us loved so much, Franklin Delano Roosevelt, signed the Social Security Act, he said, and I quote him: "A cornerstone in the structure which is being built but it is by no means complete."

But perhaps no single act in the entire Administration of the beloved Franklin D. Roosevelt really did more to win him the illustrous place in history that he has as did the laying of that cornerstone.

I'm so happy that his oldest son, Jimmy, could be here to share with us the job that is ours today.

And those who share this day will also be remembered for making the most important addition to that structure—and you're making it in this bill—the most important addition that's been made in three decades.

Because history shapes men, but it is a necessary faith of leadership that men can help shape history. There are many who led us to this historic day not out of courtesy or deference but from gratitude and remembrance which is our country's debt, and if I may be pardoned for taking a moment I want to call part of the honor roll.

The able leadership in both Houses of the Congress. Congressman Celler, the chairman of the Judiciary Committee, introduced the hospital insurance in 1952, Alme Forand from Rhode Island, then Congressman, introduced it in the House.

Senator Clinton Anderson of New Mexico helped medicare through the years in the Senate. Congressman Cecil King of California carried on the battle in the House. The legislative genius of the chairman of the Ways and Means Committee. Congressman Wilbur Mills, and the effective and able work of Senator Russell Long together transformed this desire into victory.

And those devoted public servants—former Secretary—Senator Rubicoff; present secretary Tony Celebrezze; Under Secretary Wilbur Cohen; the Democratic whip of the House, Hale Boggs, on the Ways and Means Committee, and really the White House's best legislator Larry O'Brien, gave not just endless days and months and yes, years of patience, but they gave their hearts to passing this bill.

KENNEDY IS RECALLED

So let us all remember those who sadly cannot share this time for triumph, for it is their triumph, too. It is the victory of great members of Congress that are not with us, like John Dingell Sr. and Robert Wagner, late a member of the Senate, and James Murray of Montana.

And there is also John Fitzgerald Kennedy, who fought in the Senate and took his case to the people and never yielded in pursuit but was not spared to see the final concourse of the forces that he had helped to loose.

But it all started really with the man from Independence, and so as it is fitting that we should—we've come back here to his home to complete what he began.

President Harry Truman, as any President must, made many decisions of great moment, although he always made them frankly and with a courage and a clarity that few men have ever shared.

The immense and the intricate questions of freedom and survival were caught up many times in the web of Harry Truman's judgment. And this is in the tradition of leadership.

But there's another tradition that we share today. It calls upon us never to be indifferent toward despair. It commands us never to turn away from helplessness. It directs us never to ignore or to spurn those who suffer untended in a land that's bursting with abundance.

I said to Senator Smathers coming out today—the whip of the Democrats in the Senate and who worked with us on the Finance Committee—this legislation—I said the highest traditions of the medical profession are really directed to the ends that we are trying to serve.

And it was only yesterday, at the request of some of my friends, I met with the leaders of the American Medical Association to seek their assistance in advancing the cause of one of the greatest professions of all, the medical profession, in helping us to maintain and to improve the health of all Americans.

NOTES YEARS OF STRUGGLE

And this is not just our tradition or the tradition of the Democratic party, or even the tradition of the nation. It is as old as the day it was first commanded. "Thou shalt open thine hand wide unto thy brother, to thy poor, to thy needy in the land."

And just think, Mr. President, because of this document and the long years of struggle which so many have put into creating it, in this town and a thousand other towns like it, there are men and women in pain who will now find ease. There are those alone in suffering who will now hear the sound of some approaching footsteps coming to help. There are those fearing the terrible darkness of despairing poverty, despite their long years of labor and expectations, who will now look up to see the light of hope and realization.

There just can be no satisfaction nor any act of leadership that gives greater satisfaction than this. And perhaps you alone, President Truman, perhaps, you alone, can fully know just how grateful I am for this day.●

Mr. BAUCUS. Today, Medicare coverage provides basic health protection to 98 percent of the Nation's nearly 30 million senior citizens. That achievement alone explains why Medicare has become one of the most durable legacies of the Great Society. Within the past 20 years, the health status of elderly Americans has improved dramatically as Medicare has grown from a limited acute care progam to one

that provides cost-effective home health care and rehabilitative services as well as access to the latest advances in medical technology.

In 1985, our Nation faces new health challenges. First, we face the challenge of financing Medicare at a time of severe budget constraints. Medicare has become an expensive national commitment, as Medicare outlays this year are projected at about $70 billion. And second, we must ensure that Medicare beneficiaries, the retired Americans that Medicare was designed to protect, will not incur excessive out-of-pocket expenses that erode their access to vital health services or threaten the dignity of their retirement years.

With the enactment of the new prospective payment system for hospital care in 1983, Congress took a dramatic step toward controlling soaring health care expenses while introducing more rational incentives for efficiency in health care delivery. We will have to refine this system and find similar new approaches for other parts of the Medicare Program if we are to ensure the continued solvency of the Medicare trust funds.

America's seniors have been well served during the last 20 years by hardworking members of the Finance Committee, especially our distinguished chairmen who have served since Medicare's enactment, Senator Harry F. Byrd Sr., Senator LONG, and Senator DOLE. As the senior Democrat on the Senate Finance Subcommittee on Health, I look forward to doing my part and working with my colleagues on both sides of the aisle to ensure that Medicare continues to meet the health needs of future generations of working Americans. And I am proud to join my colleagues in wishing Medicare and its 30 million beneficiaries a happy 20th anniversary and good health.

Mr. RIEGLE. Mr. President, today marks the 20th anniversary of Medicare and Medicaid. Two decades ago, over half of our Nation's elderly had no health insurance and many more had insufficient and inadequate coverage. Since the enactment of Medicare and Medicaid, we have made tremendous progress in broadening the access to health care services and in providing adequate health care coverage for millions of Americans. Today, as we celebrate this important anniversary, it is essential that we mark the critical progress we have made and recognize the work yet to be done in assuring the highest quality medical care for all Americans.

The participation of the Federal Government in providing financial access to health care for our seniors has not always been supported. However, two decades later even the most vocal opponents in the past now proclaim Medicare a tremendous success. Few would have anticipated the growth of the Medicare Program over the years. A look back at the Federal expenditures reflects this growth. In 1967, the program cost $4 billion. In 1983, Medicare expenditures equaled $58.8 billion and accounted for 17 percent of our Nation's total health care costs. It is estimated that in 1986 the costs will approach $67 billion. The number of recipients has also increased substantially. In 1967, 20 million senior citizens had access to health care through the Medicare Program. In 1973, Medicare coverage was extended to Social Security Disability Insurance beneficiaries [SSDI], and there are presently 27 million elderly and 3 million disabled individuals enrolled in Medicare.

Medicare is composed of two parts. Medicare part A—hospital insurance—provides for inpatient hospital services. Those individuals eligible for benefits in the Social Security Program become entitled for Medicare part A upon reaching 65 years of age or 24 months after receiving SSDI benefits. This part of Medicare is financed through the Medicare Trust Fund and is financed through a payroll tax levied on employees, employers, and self-employed individuals. Services provided include the costs of inpatient hospital care—excluding deductibles and coinsurances—skilled nursing facilities [SNF], home health care and hospice services. Medicare part B—supplemental medical insurance—is a voluntary supplemental insurance plan which provides physician fees and related benefits to those entitled to part A. These services include surgery, consultation, office visits, physical therapy, diagnostic, and x-ray services, and durable medical equipment. Part B is financed through a combination of premiums and funds from general revenue.

Medicare has made a tremendous impact on providing access to health care coverage for our Nation's senior citizens. Most elderly persons have health care coverage through the Medicare Program or through health insurance availability through employment. Unfortunately, this is not the case for millions of other Americans. The Census Bureau recently estimated that 35 million individuals in this country are presently uninsured and lack a financial source of access to health care. This represents over 15 percent of our general population. However, less than 200,000 of our elderly population or only 0.7 percent of our seniors are uninsured. This is Medicare's greatest accomplishment when one reflects on the health care status of our seniors prior to the creation of the program.

Even with all the advances we have made in the area of providing health care services to our senior citizens, the 20th anniversary is in some ways a bittersweet commemoration. Despite the marked improvement in access to health care services for our elderly citizens, recent changes during this administration has represented a major shift in scope and direction and threatens to reverse two decades of progress of improving access for our senior citizens. In every year since this administration has been in office, there has been legislation adopted which has significantly cut into the Medicare Program. Medicare was cut $15 billion in the first term of the current administration. The cutbacks would have exceeded $30 billion if Congress had not resisted such devastating reductions. The House of Representative's Committee on Ways and Means recently estimated that without any new proposed cuts, Medicare spending will be reduced by almost $45 billion through 1988. In fiscal year 1986, Medicare is once again being scrutinized for further spending reductions to help finance the ballooning budget deficits, rather than being reformed to improve the quality of health care or to securing the financial integrity of the program.

Despite tremendous improvements, Medicare now pays for less than one-half of the health care bills that our seniors are faced with. In addition, seniors today pay in out-of-pocket health care costs an amount equivalent to what was paid prior to the creation of the Medicare Program. In addition, Medicare fails to provide certain essential services, such as nursing home care, coverage for such vital services such as vision, hearing, and dental care, and catastrophic health care protection. Many of these services are only available through the Medicaid Program and then only after total impoverishment. A recent study revealed that two-thirds of all single and one-third of all married elderly who enter nursing homes for long-term care face destitution within 13 weeks of care.

In addition to Medicare, today is also the 20th anniversary of the enactment of Medicaid. The Medicaid Program was enacted as a jointly funded, Federal-State program to provide the financing of health services for our Nation's poor of any age including our senior citizens, disabled persons, and those children and parents receiving benefits through the Aid to Families with Dependent Children [AFDC] Program. The Medicaid Program, like Medicare, has significantly enhanced access to our health care system for those individuals eligible for benefits. Today over 22 million low-income persons are receiving Medicaid benefits. Yet like Medicare, recent changes have reversed the trend of increasing access to health care services for those in need. The Government Accounting Office [GAO] recently demonstrated

that close to a half a million families were removed from Medicaid after enactment of the Omnibus Budget Reconciliation Act [OBRA] of 1981. It is also estimated that less than half of the poor and near poor in this country are now receiving health care coverage through the Medicaid Program.

Today as we commemorate this important milestone in the history of the Medicare and Medicaid programs, we must remain vigilant in our efforts to continue to fight to sustain and improve these programs. Therefore, I urge all my colleagues to continue their support for these programs on their 20th anniversary.

Mr. GLENN. Mr. President, as senior Democratic member of the Senate Special Committee on Aging, I am pleased to join my colleagues in observing the 20th anniversary of the Medicare Program. On this day in 1965, this important program was enacted into law.

Sometimes, despite what the cynics may say, our good intentions are met with great success. No one can deny Medicare's accomplishments. Since its enactment, the program has made a tremendous contribution to the health and well-being of millions of aged and disabled Americans by helping to ensure access to appropriate and necessary medical services. Medicare has made an important difference in the lives of Americans—not only for elderly and disabled citizens, but for their family members and children who would otherwise face shouldering the burden of their loved ones' care alone.

Today, almost 28 million Americans over age 65 and 3 million disabled persons are insured under Medicare, making it the single largest personal health care financing program in the country. In looking at the provider side of the picture, more than 20,000 hospitals, nursing homes, home health agencies, labs, and clinics participate in Medicare. Within these settings, hundreds of thousands of physicians treat beneficiaries.

In recent years, Congress has responded to the need for less costly and more appropriate health care services under Medicare by expanding benefits to include hospice and health maintenance organization [HMO] care. I have been pleased to cosponsor the legislation expanding this coverage.

In this era of high medical costs, we have fundamentally changed the way Medicare reimburses hospitals for beneficiary care, and we will be considering other far-reaching proposals in the future affecting Medicare payment methods to providers. We must be ever vigilant in monitoring the impact of these modifications on the quality of medical treatment. While we want inflation reined in, the delivery of quality health services to our Nation's senior citizens cannot be sacrificed.

Our country has made great strides in assuring a better life for our retired citizens. Medicare's 20th anniversary is a time to reaffirm our national commitment to the program's continued success. While we recognize the limits of the program in this time of record-high Federal deficits and high inflation in the health care industry, we must also recognize that serious gaps remain in insurance protection. Catastrophic illness can still rob aged Americans of financial dignity and a home to live in. Similarly, the staggering costs of long-term care can wipe out a lifetime of savings. Routine out-of-pocket costs also represent a heavy financial burden for some senior citizens; one example is the high costs of prescription drugs.

Without question, however, we can and we should take great pride in the accomplishments of the Medicare Program. Despite stormy seas, we have managed to keep this vital program on a relatively stable course. During the next 20 years, we will be confronted with future challenges. I am confident, however, that by working together we will meet these challenges head-on and will continue our commitment to a strong and healthy Medicare Program.

Mr. MITCHELL. Mr. President, I rise today to add my congratulations to those of my colleagues on the 20th anniversary of the Medicare Program.

The concept of a national health care plan was a radical idea in 1943 when Senators Robert Wagner (D-N.Y.) and James E. Murray (D-Mont.) joined with Representative John D. Dingell (D-Mich.) to introduce the first Wagner-Murray-Dingell bill, which proposed a broadening of the Social Security Act to include a compulsory national health insurance system to be financed by a payroll tax.

In 1945, President Truman issued a message on health legislation and proposed a comprehensive, prepaid medical insurance plan for persons of all ages to be financed by raising the Social Security tax. There was strong and immediate opposition to the President's proposal by the American Medical Association. In 1950, lobbying against the plan reached its peak in intensity.

With the inauguration of Dwight D. Eisenhower in 1953, administration support for the concept of a national health care plan ended. The Eisenhower administration opposed the concept of national health care. It was not until the administration of John F. Kennedy in 1961 that the idea for a national health plan once again received the support of the President.

After years of congressional debate in both House and Senate, several failed attempts to include a comprehensive health care plan in pending Social Security legislation, Medicare legislation finally passed the Congress and was signed by President Johnson on July 30, 1965.

As a Democrat, I am proud of the historical commitment of my Democratic colleagues, past and present, in supporting the concept of the Medicare Program. The Democratic Party has had, and continues to have, a commitment to those who are in the greatest need of the basic necessities of life, including quality health care for the elderly.

Mr. President, as a Member of the 99th Congress I am proud to have the opportunity to continue to support the Medicare Program. Today, Medicare provides basic health care to over 27 million elderly and 3 million disabled Americans. Without the Medicare Program, many elderly people in this country would not have access to quality health care in a time of rapidly escalating health care costs.

Medicare is in a critical phase in its history. During the past several years the Congress has carefully examined the Medicare Program in an attempt to continue to provide basic health care to those who are eligible by their payments into the Social Security system while working to contain the enormous costs of the program. We must continue to evaluate the program, especially as we reach the turn of the century and witness the aging of the postwar "baby boom" generation.

As a member of the Senate Subcommittee on Health, which has jurisdiction over the Medicare Program, I look forward to the continued analysis of the complex issues and concerns facing the Medicare Program. I encourage my colleagues on both sides of the aisle to make the Medicare Program a priority in their legislative agendas. The assurance of quality health care for the elderly is in all of our best interests and in the best interest of the Nation.

Again, I offer my sincere thanks to those who fought for the enactment of the Medicare Program in those early years, and for those who continue to work to improve the program for all those who rely upon it for their good health.

Mr. JOHNSTON. Mr. President, today marks the 20th anniversary of the Medicare Program and I am pleased to join with my colleagues in honoring the important role this program plays in providing health care protection to our Nation's elderly and disabled.

The Medicare Program is our country's largest health care financing program, and except for Social Security, is the largest entitlement program. It provides national health insurance to nearly 27 million aged and 3 million disabled individuals. Throughout its 20-year history, the program has grown enormously and today accounts

for more than 25 percent of the national health spending for hospital care and for more than 17 percent of all such spending for physicians' services.

The security that is provided by Medicare is evident by looking at health care statistics. The elderly—those aged 65 and older—account for 12 percent of our population, yet they account for 33 percent of all personal health care expenses. Furthermore, health care costs have traditionally increased much faster than the general rate of inflation. Adoption of the Medicare Program has allowed beneficiaries to contain the percent of their pension checks that must be spent on health care needs.

The Medicare Program is an extension of the Social Security Program, a program which Franklin Roosevelt referred to as the "cornerstone in a structure which is being built but it is by no means complete." While Social Security provides a minimum retirement benefit to vested workers, Medicare assures that our senior citizens are able to obtain necessary medical care, and that such care will be available at a reasonable cost. Together, these programs create a strong structure against the vicissitudes of life and attest to our commitment to assure that the Nation's elderly live a life of dignity and comfort.

As with Social Security, Medicare is a contract between the old and the young, between the employee and retiree, and between the beneficiary and the Government. By assuring that the elderly of today have adequate health care treatment, we show our compassion for our fellow man and reaffirm our belief that future generations will assure that similar care is available for us in our golden years.

By acknowledging the 20th anniversary of Medicare, we acknowledge what is best about America and consequently, it is with great pleasure that I wish a happy birthday to the Medicare Program.

Mr. KENNEDY. Mr. President, Medicare has always had a special meaning for me and my family. When I was first elected to the Senate in 1962, Congress was in the final stages of the long and successful battle to provide insurance for the elderly against the intolerable burden of serious illness. President Kennedy was proud of his role as the first President to propose Medicare. To him, it was the unfinished business of Social Security, and he worked for it and fought for it as Senator and as President.

The enactment of Medicare marked the dawn of a new day for health care in America. From the beginning, in 1965, Medicare has stood as a solemn promise by Congress and the Federal Government that the miracles of modern medicine will not be denied to our senior citizens, and that their golden years will be free from the fear of financial ruin because of catastrophic illness.

And, just as Medicare brought financial security and access to health care for senior citizens, so Medicaid has become a health care bill of rights for poor Americans. Before Medicaid, adequate health care was one of the many necessities that poor Americans were forced to do without. Society paid a high price for that denial of health care—in terms of unnecessary suffering, premature death, crippling illness, lost opportunity for productive lives, and worst of all, in lost hope and in the betrayal of the ideals of equality and compassion that have been among America's foremost promises to our people.

It is sad and ironic that after two decades of brilliant success, there are still some who would break the promise made by Medicare and Medicaid to our elderly and our poor.

The Reagan administration has consistently tried to turn these programs into scapegoats for the enormous budget deficits brought on by its massive tax cuts for the wealthy and excessive increases in military spending.

The benefit cuts already signed into law by the President will slash Medicare by a total of $11.5 billion over the next 5 years. Additional cuts proposed by the administration in its 1986 budget would take an additional $15.3 billion out of the pockets of our senior citizens.

The cuts enacted or proposed in Medicare total a staggering $26.8 billion between 1986 and 1990—an unconscionable $893 less in health protection for each senior citizen in America.

I believe that every elderly American deserves the same full protection promised 20 years ago when Medicare was signed into law.

Those who would cut Medicare benefits either do not know or do not care that our senior citizens are still deeply vulnerable to the high cost of health care.

Medicare currently pays for less than half of their medical costs. It does not cover long-term care, eye care, foot care, dental care, preventive care, or prescription drugs.

These gaps in coverage, combined with soaring inflation in health costs, mean that senior citizens will have to pay an average of $1,700 out of their own pockets for health care in 1985; $1 in every $7 of their limited incomes will go for health care—the same proportion they paid before Medicare was enacted in 1965. So, in a sense, we are right back where we started when Medicare was adopted—but this time we are moving in the wrong direction.

The story is the same for Medicaid. Changes in eligibility, enacted in 1981, have dropped half a million poor parents and children from the rolls. Thousands of disabled Americans have been denied disability benefits and Medicaid eligibility as a result of the Reagan administration's callous budget cuts.

And, that is only the beginning of their hardship—the administration's 1986 budget proposed to cut an incredible additional $17 billion out of Medicaid over the next 5 years.

Since 1977, the number of Americans without any health insurance coverage has increased 40 percent, to 35 million citizens. One million Americans are denied health care every year because they cannot pay for it; an additional 5 million Americans do not even seek the care they need, because they know it is too expensive. Six million Americans go without health care every year because they know they can't afford it—and that is 6 million Americans too many.

That is why this anniversary has been aptly called a "bittersweet" celebration. Our continuing pride in the achievements of Medicare and Medicaid is tempered by a growing concern for all those for whom the hope of these two essential programs has been diminished.

So let us take this occasion to renew our commitment to these twin programs that have done so much to redeem the promise of decent health care for every citizen. Let us revive the vision of those who saw the need so clearly a generation ago—and let us redouble our efforts to preserve and expand these programs for the future.

And, if we are faithful to our trust, I am convinced that this sad era of retrenchment and retreat will pass, and that, for Medicare and Medicaid, the next 20 years will be even greater than the first.

MEDICARE AFTER 20 YEARS

Mr. DIXON. Mr. President, today marks the 20th anniversary of the Medicare Progam. I think that it is most appropriate for this body to recognize the significant contribution Medicare has made to our Nation's health and well-being. In addition, I think it is most appropriate that we reaffirm our commitment to basic health care for those persons who are entitled to Social Security cash benefits and their families.

Enacted in the Social Security Act of 1935, Medicare is an insurance program which currently provides health benefits to some 30 million aged and disabled persons and persons suffering from end-stage renal disease. It is the largest health financing program in the United States and one of the largest entitlement programs in the Federal budget.

Recent increases in the cost of health care provider reimbursements have serious financial implications for the trust fund which finances Medicare. Between 1960 and today, health care costs per capita have risen four

times as much as the Consumer Price Index. Today, approximately 70 percent of Medicare spending for the elderly is for inpatient hospital care, while about 25 percent is for physician services.

According to recent estimates, before the end of the next decade the trust fund will begin to pay out more in benefits than it collects in taxes. This will cause serious problems for Medicare and threatens the protection of security against economic effects of illness. Clearly, without Medicare millions of older and disabled Americans could not afford the healing miracle or modern medicine.

In an attempt to protect the trust fund, recently, Congress made major changes in how Medicare reimburses hospitals for health care and is currently considering other proposals for the future. Additionally, Medicare beneficiaries have been required to steadily increase the amounts they pay for Medicare coverage.

As a strong supporter of Medicare, I reaffirm my commitment to making the program work for its beneficiaries in a fair and equitable economic system.

Mr. LAUTENBERG. Mr. President, I am pleased to join with my colleagues in taking note of the 20th anniversary of the signing of the Medicare law. For our senior citizens, this is an important landmark. Despite some recent erosion of benefits, Medicare offers the senior citizen of today considerable protection from the high cost of medical care. Medicare is a program to celebrate.

Twenty years ago today, President Lyndon Johnson traveled to Independence, MO, to share the signing of Medicare with former President Truman. In the tradition of Franklin Roosevelt, Truman had called for protection for our citizens against the economic effects of illness. Many forces in our society opposed Government assistance for health care. Proposals for health insurance were put forward several times, but they never commanded a majority in Congress. Finally, in 1965, Congress and the President came to agreement and the Medicare Program was born.

The promise of Medicare was made with these words: "No longer will illness crush and destroy the savings that (older Americans) have so carefully put away over a lifetime so that they might enjoy dignity in their later years." This promise is as important today as it was when it was first made. Nothing is more frightening to a senior citizens than the prospect of ill health and an inability to pay for the proper care. A humane and caring society takes care of its elderly.

Mr. President, we give recognition today to the accomplishments of Medicare, but we must also note the need to be vigilant against attempts to weaken the program. Under the pressure of our budget problems, some would ask senior citizens to pay an increasing share of their medical costs. Such proposals undercut the accomplishments of the last 20 years. If we take the time to look back at the plight of our country's senior citizens before Medicare was in effect, we can see how important it is that we never go back to those days. We must maintain the integrity of Medicare and resist efforts to take health care benefits away from senior citizens.

Mr. President, today is a time for looking back with pride. As President Truman said to the signing ceremony, "* * * the signing of the Medicare bill * * * puts this nation right where it needs to be to be right." Those plain words from a plainspoken man really sum up the meaning of Medicare. And 20 years later Medicare is still the right program to support.

Mr. KERRY. Mr. President, today we take note of the 20th anniversary of Medicare, certainly a momentous time, but also a time to reflect on the direction the program should take to the future.

The 1965 act clarified our Nation's commitment to assist in meeting the health care needs of the aged and severely disabled and this is a commitment we must continue to preserve and honor. The services covered under Medicare have extended the lives of many of the disabled and improved the quality of life of many of the elderly. The number of aged enrollees in the Medicare Program increased from 19.1 million in 1966 to 26.8 million in 1983 and the number of disabled enrollees rose from 1.7 million in 1973 to 3.1 million in 1983.

Despite these successes, problems remain. Many services needed by the elderly, especially those aged 75 and over, are not covered by Medicare. Reimbursements for covered services increased from $4.6 billion in 1967 to $58 billion in 1983. And, the gap between program outlays and the revenue needed to support the program has grown so rapidly that the hospital insurance trust fund is expected to be depleted by 2000.

As these problems indicate, rapid changes have taken place in health care during these 20 years, with especially dramatic changes in the health care delivery system. Among other changes, numbers of physicians per capita have increased greatly and developments in medical technology have accelerated.

I believe we must view the anticipated financial problems in conjunction with the changing health care environment to revise and restructure the Medicare Program. While we maintain a constant commitment to the health needs of our Nation's elderly and disabled, we can also work to keep program expenditures within bounds that are acceptable to citizens and taxpayers. The Federal Government must be a prudent purchaser of health care, but has it within its power to influence quality of care and access to care. As we mark the 20th anniversary this year, it is appropriate that we reaffirm our commitment to these goals and we act now to what we anticipate the future will hold, rather than react to the crisis when it is upon us.

I commend my colleague from Montana for scheduling this time to celebrate the anniversary of Medicare and to express our continued support for this landmark program.

Mr. BYRD. Mr. President, I am pleased to join my distinguished colleagues today in commemorating the twentieth anniversary of the enactment of the Medicare Program. It was President Harry Truman who, in 1945, first proposed the enactment of a federally operated health insurance program, and it was 20 years later in 1965 that Medicare was signed into law by President Johnson as title XVIII of the Social Security Act.

When the Social Security Act was signed by Franklin Delano Roosevelt in August 1935, of which we soon will celebrate the 50th anniversary, he said that the act was, and I quote, "A cornerstone in the structure which is being built but it is by no means complete." It is my belief the Medicare Program was the single most important addition to the Social Security system over its first 50 years.

At the signing ceremony for Medicare at the Harry S. Truman Memorial Library in Independence, MO, former President Truman noted that it was a "responsive, forward-looking Congress" which enacted the Medicare Program despite opposition by special interest groups.

Indeed, Congress acted with great foresight—when the program took effect there were approximately 18 million Americans over the age of 65. Today, the elderly are one of the most rapidly growing segments of our society: Medicare beneficiaries now number 27 million persons who are over age 65 and 3 million who are permanently disabled. Over one-quarter million are Medicare beneficiaries in West Virginia. The relief of misery and fear among our senior citizens through the Medicare Program has made a major contribution not only to their health and well being, but to the health and well being of the Nation at a whole. President Johnson spoke of this at the signing ceremony. "No longer will older Americans be denied the miracle of modern medicine. No longer will illness crush and destroy the savings that they have so carefully put away over a lifetime so that they might enjoy dignity in their later years."

Over the intervening years, we have tried to improve the cost-effectiveness

of the program. Given the growth in the population being served, it is particularly important that each dollar purchase a maximum amount of quality health care. However, our dedication to responsible spending must not remove our responsibilities to the well-being of our elderly citizens. Never again should older Americans live in fear of financial ruin or inadequate care when disease or illness strikes them. After spending a lifetime contributing to the growth and greatness of our Nation, they should be able to live with dignity and independence, outside the shadow of fear.

The Medicare Program has brought us substantially closer to this goal. Today, let us not only reflect on the events of 20 years ago, but let us also renew our commitment to the fulfillment of that vision.

MEDICARE CELEBRATES A BIRTHDAY

Mr. SIMON. Mr. President, I am pleased to join my colleague, Senator BAUCUS, today in honoring the 20th anniversary of the Medicare Program. In the last 20 years, the existence of a nationwide insurance program has benefited over 27 million aged and almost 3 million disabled individuals.

Medicare is the Nation's largest health financing program. The program itself is both a sign of hope to those whom adequate health care and medical attention would be out of reach, and a sign of strength and endurance of the greatness of this country.

Since its controversial inception in 1965, the Medicare Program has made basic health care a reality for millions of Americans. I applaud a system that works to help those who are less advantaged, by extending cash assistance to those who are in need. Accordingly, 70 percent of Medicare spending goes to the elderly for inpatient hospital care. Further, I commend a program that works effectively and equitably as Medicare.

Again, I would like to reaffirm my commitment to the Medicare Program, one of this Nation's most meaningful and effective tools in the struggle to maintain a decent standard of life for all Americans. I pledge my assistance in maintaining and promoting Medicare's continued success in the future.

Mr. PELL. Mr. President, today marks the 20th anniversary of the signing of the Medicare amendments to the Social Security Act. As we all know health care cost and the Medicare and the Medicaid systems have been at the forefront of our discussions concerning the Federal deficit.

I believe that it is important, especially during this anniversary year, to keep those discussions focused on health care for our older Americans. But I do not believe that the focus of the discussion should be how can we reduce the Federal deficit by increasing the cost of the Medicare system to the elderly. The focus of the discussion concerning the Federal deficit must be how we can contain the ever-rising cost of health care for older Americans because older Americans cannot afford another increase in premiums or copayments.

It is unfortunate, Mr. President, but it appears that there is a growing opinion that our Nation's elderly population is not suffering; that they are well off and able to pay for their health care costs. I believe that this perception is most incorrect.

Approximatley 14.1 percent of all Americans 65 and older are living in poverty. This means that approximately 3.7 million elderly citizens are living in poverty. Another 8.3 percent or 2.2 million of all citizens 65 and older are living near or at the poverty level. Additionally, 73.4 percent of elderly households have an income below $20,000 with 42.6 percent of these households having an income under $10,000. Mr. President, I believe we can all agree these are not wealthy citizens.

The median income for an elderly household is approximately $12,000. From this $12,000, the average older American must pay approximately $1,100 per year, 15 percent of their income, for health care by paying Medicare premiums that are steadily increasing and by paying supplemental insurance premiums since our Medicare system does not cover all the health care costs associated with growing old.

Mr. President, these figures show that our older citizens cannot be forced to pay a larger share of the burden of preserving the Medicare system and I must hasten to add that I believe it would be most unfair for this Nation to expect them to carry any additional financial burden. I do not believe we will save the Medicare system by increasing premiums paid by the elderly for physician services or by requiring payments for home health care. The only result of increasing these payments would be to further burden our older Americans.

Although, Mr. President, the Medicare system has not achieved the goal of providing universal care and comprehensive health for the elderly, a goal set by President Lyndon Johnson, I believe that we cannot sidestep or ignore that goal nor ignore our commitment to the elderly. We must provide a universal and comprehensive health care system for our older Americans eliminating, once and for all, the fear of older Americans that illness and proper health care lead to poverty.

TWENTIETH ANNIVERSARY OF MEDICARE AND MEDICAID

Mr. DOLE. Mr. President, today we celebrate the 20 anniversary of the Medicare and Medicaid Programs. On July 30, 1965, President Lyndon B. Johnson signed into law Public Law 89-97, the "Social Security Amendments of 1965." This momentous occasion marked the culmination of over 30 years of congressional debate on the subject of national health insurance and heralded a new era of Federal involvement in the organization, delivery, and financing of health care services for this Nation's elderly and poor. However, the impact of these two programs has gone far beyond that of simply improving access to health services for beneficiaries and a method to reimburse those who supply health services. Medicare and Medicaid have exerted a powerful influence on health and health care services for all our citizens.

MEDICARE

The Medicare Program, also known as title XVIII of the Social Security Act, is the largest single source of health care financing in the United States. At the time of its enactment in 1965, half the Nation's elderly had no health insurance at all, while many of those with health insurance had inadequate coverage. The primary purpose of the program was to provide needed health insurance protection for older people. What emerged from the often heated debate was a two-part system: One, the hospital insurance [HI] portion, referred to as part A, which helps pay the cost of inpatient hospital services, skilled nursing facility services and home health services and two, the supplementary medical insurance [SMI] portion, referred to as part B, which helps to pay for the services of physicians, outpatient hospital services, laboratory services, and other medical and related services.

Over the past two decades, we have observed the dramatic growth of Medicare from a program that covered 19.5 million people at a cost of $4 billion in 1967 to one that the Congressional Budget Office estimates will cover more than 30 million beneficiaries—98 percent of this Nation's elderly and 3 million disabled—at a projected cost of $71.3 billion in fiscal year 1985. This entitlement program is second in size only to Social Security.

MEDICAID

Less attention was given initially to the passage of title XIX of the Social Security Act—the public assistance program known as Medicaid. Earlier legislation had paved the way for this joint Federal/State partnership to finance health care services for the poor. At the time of its enactment, some form of medical assistance was already available in every State at a cost of $1.3 billion in 1965. Medicaid was viewed as a logical consolidation of the Old Age Assistance Program, Medical Assistance for the Aged, Aid to Families With Dependent Children, and Aid to the Blind and the Permanently and Totally Disabled.

Like the Medicare Program, the Medicaid Program quickly far exceeded projected expenditures. Last year, the joint Federal/State outlays totaled $37.3 billion and the number of individuals participating was estimated to be 24 million.

COST CONTROL

It is interesting to note that since the enactment of titles XVIII and XIX of the Social Security Act, Congress has repeatedly struggled to balance its pursuit of ensuring quality medical care services to beneficiaries while controlling costs. In its 1970 report on the then new Medicare law, the Senate Finance Committee prophetically stated that it was—

Particularly concerned that the utilization and review function is carried out in a manner that protects the patients while at the same time making certain that they remain in the hospital only so long as is necessary, and that every effort be made to move patients from the hospital to other facilities which can provide less expensive but equal care to meet their current medical needs.

Their early concerns are equally pertinent today.

Early in Medicare and Medicaid's history, the Congress and the administration began a series of legislative attempts to rein in costs while continuing efforts to foster quality care.

In response to ever-escalating costs, the Nixon administration instituted wage and price controls supported the development of health maintenance organizations. The PSRO Program was also put into place to help assure that only necessary and appropriate services were provided. The Carter administration proposed a limit on the increase in total inpatient revenues of hospitals and Congress also expanded coverage of home health services, and urged the use of ambulatory care settings to serve as a substitute for inpatient hospitalization. During the Reagan administration, the PSRO was revamped, limits were placed on Medicare hospital expenditures, and physician fees, and we began to examine ways to encourage beneficiaries to retain their private health insurance coverage for as long as possible. Increased beneficiary cost sharing and a renewed emphasis on the value of health maintenance organizations and other capitated health care systems and the use of ambulatory services also emerged. Coverage of hospice services was also made available.

With respect to Medicare in particular, because it is funded by a trust fund, it has been in all of our best interests to assure that costs were kept under control and the fund kept solvent.

With respect to Medicaid, a short term limit on total Federal expenditures was put into Place in 1981 and increasing flexibility was given to the States to implement rate-setting systems, capitated systems, and other methods of payment that encouraged both the provider and the patient to be cost conscious.

However, the most dramatic development in the area of cost containment has been the advent of the Medicare prospective payment system. After years of attempts to control cost, in 1983 the Congress turned to a system of prospectively determined rates which put the provider at risk and thus created new incentives to encourage change in the way services are provided.

Let me underscore, however, our continuing interest throughout the years, in maintaining access to quality services for the poor, elderly and disabled.

TWENTY YEARS OF PROGRESS

Much of our significant gains in life expectancy, improvement in the quality of life, and decreases in infant mortality can be directly attributed to the passage of the Social Security Amendments of 1965. The Medicare and Medicaid Programs have played a central role in improving both access to and quality of health care services for the country's elderly, poor, and disabled. Equally significant, it may be argued that Medicare and Medicaid have provided a foundation for the phenomenal growth and dissemination of new medical technologies that now contribute to the well-being of all the people of all nations.

CONCLUSION

We are now charged with the responsibility of assuring that these programs continue to serve those who depend upon them—both now and in the future. We have seen very real threats to the solvency of the health insurance trust fund, and we are continually being challenged by our efforts to control the Federal deficit. Clearly changes will need to be made as none of the solutions to the cost control problem put into place to date are perfect, including the DRG's, but we must continue to try.

We must also keep in mind the changing nature and size of the populations being served by these programs. Medicare, for example, has to contend with a rapidly growing population of the so-called old-old who may, over time, have very different service needs than those for whom we currently finance care.

Medicaid is also faced with a crisis of priorities. Fewer and fewer dollars are being directed toward the infants, children, and pregnant women eligible for the program because of the growing demand for long-term care services.

The changing nature of health care technology is also forcing us to reexamine the type and range of services we are willing to finance. What role should homecare play given the extraordinary number of people who can now be cared for in this setting? Should we move away from a traditional illness orientation toward more preventive kinds of services? What should the Federal role be with respect to the financing of long-term care services? Should Medicare review its "acute-care-only" policy?

I believe we can and will maintain these programs so that our investment in these programs and the beneficiaries they serve may continue long into the future.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, let me indicate again that there will be no more votes this evening. We have a number of matters we can dispose of by unanimous consent.

I wish to thank all Members for their cooperation and members of the staff on both the majority and minority sides.

If the distinguished minority leader is ready, I will start on the first bill.

Mr. BYRD. Mr. President, I am ready.

VETERANS' ADMINISTRATION HEALTH CARE PROGRAMS IMPROVEMENT ACT

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar Order No. 220, S. 876, the veterans health care bill.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A bill (S. 876) to amend title 38, United States Code, to establish, extend, and improve certain Veterans' Administration health care programs.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Veterans' Affairs, with an amendment to strike out all after the enacting clause, and insert the following:

That (a) this Act may be cited as the "Veterans' Administration Health-Care Programs Improvement Act of 1985".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—PILOT PROGRAMS

PILOT PROGRAM OF VIETNAM VETERAN RESOURCE CENTERS

SEC. 101. Section 612A is amended by adding at the end the following new subsection:

"(h)(1) In order to evaluate the effectiveness, feasibility, and desirability of providing veterans eligible for readjustment counseling under this section with additional services described in paragraph (2) of this subsection, through facilities furnishing

such counseling, the Administrator, during the period beginning January 1, 1986, and ending December 31, 1988, shall conduct a pilot program to provide and coordinate the provision of such additional services.

"(2) The additional services referred to in paragraph (1) of this subsection that shall be provided and coordinated under such pilot program are—

"(A) counseling with respect to and assistance in applying for all benefits and services under laws administered by the Veterans' Administration for which veterans participating in the pilot program may be eligible;

"(B) employment counseling, training, placement, and related services described in sections 2003 and 2003A of this title or provided under any other laws administered by the Secretary of Labor;

"(C) initial intake and referral services with respect to alcohol or drug dependence or abuse disabilities and followup services for veterans who have received treatment for such dependence or abuse disabilities; and

"(D) coordination assistance for veterans participating in the pilot program with respect to such veterans' receipt of (i) services provided under the pilot program, and (ii) other benefits and services provided under laws administered by the Veterans' Administration, the Secretary of Labor, or any other Federal agency or official.

"(3)(A) In order to carry out the pilot program under this subsection, the Administrator shall—

"(i) designate as demonstration projects ten facilities which, on the date of the enactment of this section are providing readjustment counseling (which projects shall be referred to as Vietnam Veteran Resource Centers (hereinafter in this subsection referred to as 'Centers')),

"(ii) provide such additional staff and other resources as are necessary to enable such Centers to provide the services referred to in paragraph (2) (A), (C), and (D) of this subsection, and

"(iii) notify the Secretary of Labor of the need for the assignment, pursuant to subparagraph (B)(ii) of this paragraph, of personnel to provide the services described in paragraph (2)(B) of this subsection at such Centers.

"(B)(i) The Administrator shall be responsible for coordinating the assignment and use of employees, on full- or part-time bases, as appropriate, in each Center and, shall in carrying out that responsibility, make maximum feasible use of the Veterans' Administration employees who are providing services at each facility on the date it is designated as a Center under this subsection.

"(ii) The Secretary of Labor shall provide for the assignment to each Center, on full- or part-time bases, as appropriate, of disabled veterans' outreach specialists appointed pursuant to section 2003A of this title or employees on the staffs of local employment service offices who are assigned to perform services pursuant to section 2004 of this title.

"(4)(A) In order to ensure appropriate guidance, coordination, implementation, and assessment of the pilot program under this subsection, the Administrator shall establish, and provide appropriate staffing and other resources for, a Vietnam Veteran Resource Center Coordinating Committee (hereinafter in this subsection referred to as the 'Committee').

"(B) The Committee shall be composed of—

"(i) a member or members appointed by and representing the Administrator;

"(ii) a member or members appointed by and representing the Chief Medical Director;

"(iii) a member or members appointed by and representing the Chief Benefits Director; and

"(iv) a member appointed by and representing the Assistant Secretary of Labor for Veterans' Employment.

"(C) Not less frequently than every 6 months, the Committee shall report to the Administrator, the Chief Medical Director, the Chief Benefits Director, and the Assistant Secretary of Labor for Veterans' Employment on the implementation and status of the pilot program. The first such report shall be submitted not later than June 30, 1986.

"(5) After the Committee is established pursuant to paragraph (4) of this subsection, the Administrator may delegate to the Chief Medical Director the responsibility for carrying out the pilot program.

"(6)(A) Not later than April 1, 1987, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the experience under the pilot program during its first 15 months of operation. The report shall include—

"(i) the Administrator's assessment of—

"(I) the effectiveness of the pilot program in providing and coordinating the provision of the services described in paragraph (2) of this subsection and counseling and services furnished under subsections (a) and (b) of this section; and

"(II) the cost-effectiveness of the program;

"(ii) a description of any administrative actions that the Administrator plans to take generally to increase the coordination of the provision of such services to eligible veterans and to other veterans;

"(iii) any recommendations for legislation, relating to the provision of such services to eligible veterans and to other veterans, that the Administrator considers appropriate; and

"(iv) a comparison of such assessment, plans, and recommendations with the evaluation of and the recommendations relating to the readjustment counseling program included in the report required by subsection (g)(2) of this section.

"(B) Not later than April 1, 1989, the Administrator shall submit to such Committees a final report on the program. The report shall include updates of all information provided in the report submitted pursuant to subparagraph (A) of this paragraph, the Administrator's final assessment of the pilot program based on 36 months of operation, and any recommendation for administrative or legislative action that the Administrator considers appropriate to include in the report.".

PILOT PROGRAM OF COMMUNITY-BASED PSYCHIATRIC RESIDENTIAL TREATMENT FOR CHRONICALLY MENTALLY ILL VETERANS

SEC. 102. (a) Subchapter II of chapter 17 is amended by adding at the end the following new section:

"§ 620B. Community-based psychiatric residential treatment for chronically mentally ill veterans; pilot program

"(a)(1) The Administrator, in furnishing hospital, nursing home, and domiciliary care and medical and rehabilitative services under this chapter, may, during the period beginning January 1, 1986, and ending December 31, 1989, conduct a pilot program under which the Administrator may contract for care and treatment and rehabilitative services in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities (hereinafter in the section referred to as 'contract facilities') for eligible veterans suffering from chronic mental illness disabilities. Such pilot program shall be planned, designed, and conducted by the Chief Medical Director, with the approval of the Administrator, so as to demonstrate (A) any medical advantages and cost-effectiveness that may result from furnishing such care and services to veterans with such disabilities in such contract facilities rather than in inpatient facilities over which the Administrator has direct jurisdiction, and (B) the potential, as a result of the furnishing of such care and services, for enabling such veterans to live in settings other than inpatient facilities.

"(2) Before furnishing such care and services to any veteran through a contract facility, the Administrator shall approve (in accordance with criteria which the Administrator shall prescribe by regulation) the quality and effectiveness of the program operated by such facility for the purpose for which such veteran is to be furnished such care and services.

"(b) In the case of each eligible veteran provided care and services under this section, the Administrator shall designate a Veterans' Administration employee to provide case management services.

"(c) The Administrator may provide in-kind assistance (through the services of Veterans' Administration employees and the sharing of other Veterans' Administration resources) to a contract facility under this section. Any such in-kind assistance shall be provided under a contract between the Veterans' Administration and the contract facility. The Administrator may provide such assistance only for use solely in the furnishing of appropriate services under this section and only if, under such contract, the Veterans' Administration receives reimbursement for the full cost of such assistance, including the cost of services and supplies and normal depreciation and amortization of equipment. Such reimbursement may be made by reduction in the charges to the United States or by payment to the United States. Any funds received through such reimbursement shall be credited to funds allotted to the Veterans' Administration facility that provided the assistance.

"(d) For the purposes of this section—

"(1) The term 'eligible veteran' means a veteran who at the time of referral to a contract facility—

"(i) is being furnished hospital, domiciliary, or nursing home care from the Veterans' Administration for a service-connected chronic mental illness disability, or

"(ii) is being furnished such care from the Veterans' Administration for a chronic mental illness disability and is a veteran described in section 612(f)(2) of this title.

"(2) The term 'case management' includes the coordination and facilitation of all services furnished to a veteran by the Veterans' Administration, either directly or through a contract, including, but not limited to, screening, assessment of needs, planning, referral (including referral for services to be furnished by the Veterans' Administration, either directly or through a contract, or by an entity other than the Veterans' Administration), monitoring, reassessment, and followup.

"(e)(1) Not later than February 1, 1989, the Administrator shall submit to the Com-

mittees on Veterans' Affairs of the Senate and the House of Representatives an interim report on the experience under the pilot program during the first 36 months of the program. The report shall include the Administrator's interim evaluation and findings regarding—

"(A) the quality of care furnished to participating veterans through contract facilities;

"(B) the effectiveness of the pilot program in enabling the participating veterans to live outside of Veterans' Administration inpatient facilities and to achieve independence in living and functioning in their communities; and

"(C) the effect of the pilot program on the average daily census in the Veterans' Administration hospitals, nursing homes, and domiciliary facilities participating in the program (taking into account whether the beds previously occupied by the participating veterans were subsequently occupied by other eligible veterans or remained unoccupied).

"(2) Not later than April 1, 1990, the Administrator shall submit to such Committees a final report on the pilot program. The report shall include updates of all information provided in the interim report submitted pursuant to paragraph (1) of this subsection, the Administrator's final evaluation, findings, and conclusions regarding the program based on 48 months of operation, and any recommendations for administrative or legislative action that the Administrator considers appropriate to include in such report.".

(b) The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 620A the following new item:

"620B. Community-based psychiatric residential treatment for chronically mentally ill veterans; pilot program.".

PILOT PROGRAM OF NONINSTITUTIONAL ALTERNATIVES TO INSTITUTIONAL CARE

SEC. 103. (a) Subchapter II of chapter 17 is further amended by adding at the end the following new section:

"§ 620C. Noninstitutional alternatives to institutional care; pilot programs

"(a)(1) In order to evaluate the effectiveness, feasibility, and desirability of various actions that would obviate the need for furnishing hospital, nursing home, or domiciliary care to veterans eligible under this chapter for and otherwise in need of such care, the Administrator, during the period beginning January 1, 1986, and ending December 31, 1989, and subject to subsection (c) of this section, shall conduct a pilot program under which such veterans will be furnished at ten demonstration project sites medical, rehabilitative, and health-related services in noninstitutional settings. Not less than five of such projects shall involve the use of a geriatric evaluation unit at a Veterans' Administration health-care facility.

"(2) In selecting veterans for participation in the program, the Administrator shall accord priority to veterans who have service-connected disabilities, to veterans who are 65 years of age or older, and to veterans who are totally and permanently disabled.

"(b)(1)(A) In order to avoid duplication of services available from the Veterans' Administration and other sources to veterans participating in the pilot program and to avoid fragmentation of effort under the program, the Administrator shall in the conduct of the program (i) furnish appropriate health-related services solely through contracts with appropriate public and private agencies that provide such services, and (ii) in the case of each veteran furnished services under the program, appoint a Veterans' Administration employee to furnish case management services.

"(B) For the purposes of subparagraph (A) of this paragraph, 'case management' includes the coordination and facilitation of all services furnished to a veteran by the Veterans' Administration, either directly or through a contract, including, but not limited to, screening, assessment of needs, planning, referral (including referral for services to be furnished by the Veterans' Administration, either directly or through a contract, or by an entity other than the Veterans' Administration), monitoring, reassessment, and followup.

"(2) In order further to avoid such duplication and fragmentation and in order to evaluate the cost-effectiveness of utilizing certain health services of agencies other than the Veterans' Administration in cases in which no Veterans' Administration facility in the vicinity of a demonstration project provides such services, the Administrator, in not more than two of the projects, may utilize appropriate health services of appropriate public and private agencies that furnish such services.

"(3) The Administrator may provide in-kind assistance (through the services of Veterans' Administration employees and the sharing of other Veterans' Administration resources) to a facility furnishing services to veterans under paragraph (1)(A) of this subsection. Any such in-kind assistance shall be provided under a contract between the Veterans' Administration and the facility concerned. The Administrator may provide such assistance only for use solely in the furnishing of appropriate services under this section and only if, under such contract, the Veterans' Administration receives reimbursement for the full cost of such assistance, including the cost of services and supplies and normal depreciation and amortization of equipment. Such reimbursement may be made by reduction in the charges to the United States or by payment to the United States. Any funds received through such reimbursement shall be credited to funds allotted to the Veterans' Administration facility that provided the assistance.

"(c)(1) The total cost of conducting the pilot program under this section shall not exceed 60 percent of the cost that would have been incurred by the Veterans' Administration during the period of the pilot program if the veterans being furnished services under the pilot program had been furnished, instead, nursing home care under section 610 of this title. In any one fiscal year, the cost of carrying out the pilot program shall not exceed 65 percent of the cost that would have been so incurred for such year under such section 610.

"(2) Expenditures for services furnished to veterans under the pilot program shall be made from appropriated funds that would otherwise have been expended to provide intermediate hospital care to eligible veterans.

"(d)(1) The Administrator shall conduct a study of the pilot program to determine with respect to the participating veterans—

"(A) the feasibility, medical advantages, and cost-effectiveness of the services furnished under the program as an alternative to hospital, nursing home, or domiciliary care; and

"(B) the extent to which such a program can—

"(i) furnish such veterans with more appropriate kinds and levels of care than they would otherwise receive;

"(ii) reduce hospital, nursing home, or domiciliary facility admission rates for such veterans;

"(iii) reduce the number of days that such veterans are institutionalized;

"(iv) reduce mortality rates among such veterans; and

"(v) reduce the cost of long-term care for such veterans under this chapter.

"(2) Not later than February 1, 1989, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives an interim report on the study required by paragraph (1) of this subsection setting forth the Administrator's findings based on the results of the study of the program's first 36 months experience. The report shall include a description of the administration of the program (including a description of the veterans furnished services and of the services furnished under the pilot program), the Administrator's interim evaluation of and findings on the program (including the matters referred to in paragraph (1) of this subsection), and any recommendations for administrative or legislative action that the Administrator considers appropriate to include in the report.

"(3) Not later than April 1, 1990, the Administrator shall submit to such Committees a final report on the study required by paragraph (1) of this subsection. The report shall include updates of all information provided in the interim report submitted pursuant to paragraph (2) of this subsection, the Administrator's final evaluation, findings, and conclusions regarding the program based on 48 months of operation (in the context of an assessment, which the report shall contain, of the needs of older eligible veterans for noninstitutional health and health-related services and of the availability of such services from non-Veterans' Administration sources), and any recommendations for administrative or legislative action that the Administrator considers appropriate to include in the report.".

(b) The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 620B (as added by section 9(b) of the Act) the following new item:

"620C. Noninstitutional alternatives to institutional care; pilot program.".

CHIROPRACTIC SERVICES PILOT PROGRAM

SEC. 104. (a)(1) Subchapter III of chapter 17 is amended by adding at the end the following new section:

"§ 630A. Chiropractic services; pilot program

"(a) The Administrator, subject to the provisions of this section, shall conduct a pilot program consisting of not less than one demonstration project in each of five geographic regions of the United States during the period beginning January 1, 1986, and ending December 31, 1988—

"(1) to furnish certain chiropractic services to veterans eligible for medical services under this chapter; and

"(2) to evaluate the therapeutic benefits and the cost-effectiveness of furnishing such chiropractic services to such veterans.

In developing the pilot program, the Administrator shall consult with the Secretary of Defense regarding the demonstration projects carried out by the Secretary under section 632(b) of the Department of De-

fense Authorization Act, 1985 (10 U.S.C. 1092 note).

"(b)(1) The Administrator shall, subject to subsection (c) of this section and under regulations which the Administrator shall prescribe, reimburse a veteran eligible for medical services under this chapter for the reasonable charge for chiropractic services furnished to the veteran under the demonstration projects carried out under subsection (a) of this section, for which such veteran has made payment, if—

"(A) such chiropractic services were for the treatment of a service-connected neuromusculoskeletal condition of the spine,

"(B) the veteran is a veteran who has been furnished hospital care by the Veterans' Administration for a neuromusculoskeletal condition of the spine within a 12-month period prior to the furnishing of such chiropractic services, or

"(C) the veteran is a veteran described in section 612(f)(2) of this title who has been furnished hospital care or medical services by the Veterans' Administration for a neuromusculoskeletal condition of the spine,

to the extent that such veteran is not entitled to such chiropractic services or reimbursement for the expenses of such services under an insurance policy or contract, medical or hospital service agreement, membership or subscription contract, or similar arrangement for the purpose of providing, paying for, or reimbursing expenses for such services.

"(2) The Administrator may, in lieu of reimbursing a veteran for a reasonable charge for chiropractic services under paragraph (1) of this subsection, make payment of the reasonable charge for such chiropractic services directly to the chiropractor who furnished such services.

"(c)(1) The Administrator shall, in consultation with appropriate public and nonprofit private organizations and other Federal departments and agencies that provide reimbursement for chiropractic services, establish a schedule of reasonable charges for chiropractic services furnished under the demonstration projects carried out under subsection (a) of this section. Such schedule shall be consistent with the reasonable charges allowed under section 1842 of the Social Security Act (42 U.S.C. 1395u).

"(2) The amount payable by the Administrator for chiropractic services furnished under such demonstration projects shall not exceed $600 in any 12-month period in the case of any veteran.

"(d)(1) Notwithstanding any other provision of this title, total expenditures for chiropractic services reimbursed under this section shall not exceed $2,000,000 in any fiscal year.

"(2) Expenditures for such services shall be made from appropriations that would otherwise have been expended for travel and incidental expenses under section 111 of this title.

"(e) Not later than April 1 of each of the years 1987, 1988, and 1989, the Administrator shall prepare and submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives an annual report on the pilot program carried out under this section during the preceding fiscal year. Each such report shall include for such fiscal year—

"(1) the number of requests made by eligible veterans for reimbursement or payment for chiropractic services under this section and the number of such veterans who made such requests;

"(2) the number of such reimbursements or payments made and the number of veterans to or for whom such reimbursements or payments were made; and

"(3) the total amount of the expenditures for such reimbursements and payments.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 630 the following new item:

"630A. Chiropractic services; pilot program.".

(b) Section 601 is amended by adding at the end the following new paragraph:

"(9) The term 'chiropractic services' means the manual manipulation of the spine performed by a chiropractor (who is licensed as such by the State in which he or she performs such services and who meets the uniform minimum standards promulgated for chiropractors under section 1861(r)(5) of the Social Security Act (42 U.S.C. 1395x(r)(5))) to correct a subluxation of the spine. For the purposes of this paragraph, such term does not include physical examinations, laboratory tests, radiologic services, or other tests or services determined by the Administrator to be excluded.".

TITLE II—EXTENSIONS OF AUTHORITIES AND ELIGIBILITIES

DEFINITION OF VIETNAM ERA

SEC. 201. (a) Section 101(29) is amended to read as follows:

"(29) The term 'Vietnam era' means (A) the period beginning on August 5, 1964, and ending on May 7, 1975, and (B) the period beginning on February 21, 1961, and ending on May 7, 1975, in the case of a veteran who served in the Republic of Vietnam during such period.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1985.

EXTENSION OF INTERIM HEALTH-CARE ELIGIBILITY BASED ON EXPOSURE TO DIOXIN OR OTHER TOXIC SUBSTANCES IN VIETNAM OR TO NUCLEAR RADIATION

SEC. 202. Paragraph (3) of subsection (e) of section 610 is amended to read as follows:

"(3) Hospital and nursing home care and medical services may not be provided under or by virtue of subsection (a)(5) of this section after September 30, 1989.".

COUNSELING FOR FORMER PRISONERS OF WAR

SEC. 203. (a)(1) Subchapter II of chapter 17 is further amended by adding after section 612A the following new section:

"§ 612B. Eligibility for counseling for former prisoners of war

"The Administrator may establish a program under which, upon the request of a veteran who is a former prisoner of war, the Administrator may, within the limits of Veterans' Administration facilities, furnish counseling to such veteran to assist such veteran in overcoming the psychological effects of such veteran's detention or internment as a prisoner of war.".

(2) The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 612A, the following:

"612B. Eligibility for counseling for former prisoners of war.".

(b) The amendments made by subsection (a) shall take effect on October 1, 1985.

ALCOHOL AND DRUG TREATMENT AND REHABILITATION

SEC. 204. (a) Section 620A is amended—

(1) in subsection (a)(1), by striking out "pilot" both places it appears;

(2) in subsection (e)—

(A) by striking out "fifth" and inserting in lieu thereof "eighth"; and

(B) by striking out "pilot";

(3) by amending subsection (f) to read as follows:

"(f)(1) The Administrator shall monitor the performance of each contract facility furnishing care and services under the program carried out under subsection (a) of this section to determine—

"(A) with respect to the program, the medical advantages and cost-effectiveness that result from furnishing such care and services;

"(B) with respect to the contract facilities generally—

"(i) the level of success under the program, considering—

"(I) the rate of successful rehabilitation for veterans furnished care and services under the program;

"(II) the rate of readmission to contract facilities under the program or to Veterans' Administration health-care facilities by such veterans with respect to disabilities referred to in subsection (a) of this section;

"(III) whether the care and services furnished under the program obviated the need of such veterans for hospitalization for such disabilities;

"(IV) the average duration of the care and services furnished such veterans under the program;

"(V) the ability of the program to aid in the transition of such veterans back into their communities; and

"(VI) any other factors that the Administrator considers appropriate;

"(ii) the total cost for the care and services furnished by each contract facility under the program;

"(iii) the average cost per veteran for the care and services furnished under the program; and

"(iv) the appropriateness of such costs, by comparison to—

"(I) the average charges for the same types of care and services furnished generally by other comparable halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities; and

"(II) the historical costs for such care and services for the period of time that the program carried out under subsection (a) of this section was a pilot program, taking into account economic inflation.

"(2) Not later than February 1, 1988, the Administrator shall transmit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the experience under the program during the preceding 4 fiscal years, including, but not limited to (A) a description of the care and services furnished, (B) the matters referred to in paragraph (1) of this subsection, and (C) the Administrator's findings, assessment, and recommendations regarding the program conducted under this section."; and

(4) by amending the catchline to read as follows:

"§ 620A. Treatment and rehabilitation for alcohol or drug dependence or abuse disabilities".

(b) The item relating to such section in the table of sections at the beginning of chapter 17 is amended to read as follows:

"620A. Treatment and rehabilitation for alcohol or drug dependence or abuse disabilities.".

TITLE III—HEALTH-CARE MANAGEMENT

VETERANS' ADMINISTRATION GRADE REDUCTION

SEC. 301. (a) Section 210(b) is amended by adding at the end the following new paragraph:

"(3)(A)(i) The Administrator may not in fiscal year 1986 or any subsequent fiscal year implement a grade reduction described in division (ii) of this subparagraph unless the Administrator first submits to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report containing a detailed plan for such reduction and a detailed justification for the plan, including a determination by the Administrator, together with data supporting such determination, that, in the personnel area concerned, the Veterans' Administration has a disproportionate number of employees at the salary grade or grades selected for reduction in comparison to the number of such employees at the salary levels involved who perform comparable functions in other departments and agencies of the Federal Government and in non-Federal entities. Any such report shall be submitted not later than the beginning of a period of 90 calendar days (not including any day on which either House of Congress is not in session) prior to the implementation of any proposed grade reduction.

"(ii) A grade reduction referred to in division (i) of this subparagraph is a systematic reduction, for the purpose of reducing the average salary cost for Veterans' Administration employees described in division (iii) of this subparagraph, in the number of such Veterans' Administration employees at any specific grade level.

"(iii) The employees referred to in division (ii) of this subparagraph include—

"(I) health-care personnel who are determined by the Administrator to be providing either direct patient-care services or services incident to direct patient-care services; and

"(II) individuals who meet the definition of professional employee as set forth in section 7103(a)(15) of title 5 and are employed in the capacity of engineers or attorneys.

"(B) Not later than the forty-fifth day after the Administrator submits a report pursuant to subparagraph (A) of this paragraph, the Comptroller General of the United States shall submit to such Committees on Veterans' Affairs a report on the Administrator's compliance with such subparagraph and shall include in the report the Comptroller General's opinion as to the accuracy of the Administrator's determination (and of the data supporting such determination) made pursuant to such subparagraph.

"(C) In the case of Veterans' Administration employees not described in division (iii) of subparagraph (A) of this paragraph, the Administrator may not in any fiscal year implement a systematic reduction for the purpose of reducing the average salary cost for such Veterans' Administration employees that will result in a reduction in the number of such Veterans' Administration employees at any specific grade level at a rate greater than the rate of the reductions systematically being made in the numbers of employees at such grade level in all other agencies and departments of the Federal Government combined.".

MEDICAL QUALITY-ASSURANCE RECORDS

SEC. 302. Section 3305 is amended—

(1) in subsection (a), by adding a comma and "other than reports submitted pursuant to section 4152 of this title," after "program"; and

(2) in subsection (b), by adding at the end the following new paragraph:

"(6) Nothing in this section shall be construed as authorizing or requiring withholding from any person or entity the disclosure of statistical information regarding Veterans' Administration health-care programs (including information on aggregate morbidity and mortality rates associated with specific activities at individual Veterans' Administration health-care facilities) that does not implicitly or explicitly identify individual Veterans' Administration patients or employees, or individuals who participated in the conduct of a medical quality-assurance review.".

DISCIPLINARY BOARD ACTION INVOLVING CLINICAL PRIVILEGES

SEC. 303. Section 4110 is amended by adding at the end the following new subsections:

"(f) This section applies in any case in which a reduction or revocation of the clinical privileges of any person employed in a position described in paragraph (1) of section 4104 of this title is proposed by reason of a charge of inaptitude, inefficiency, or misconduct. A disciplinary board may recommend and the Administrator may impose a reduction or revocation of clinical privileges only (1) in a case in which, prior to the hearing under this section, such person has been provided with notice of the proposal to reduce or revoke such privileges, and (2) on the basis of deficiency in such person's clinical practice.

"(g) Nothing in this section shall limit the Administrator's authority to protect the health and safety of veterans by temporarily reassigning an employee for the purpose of suspending the employee's exercise of clinical privileges, or for the purpose of otherwise restricting the employee's clinical activities, pending the outcome of a proceeding under this section.".

QUALITY ASSURANCE AND CREDENTIALING

SEC. 304. (a) Chapter 73 is amended by adding at the end the following new subchapter:

"Subchapter V—Quality Assurance

"§ 4151. Responsibilities for quality assurance

"(a) The Administrator shall—

"(1) establish and conduct a comprehensive quality-assurance program to monitor and evaluate the quality of health care furnished by the Department of Medicine and Surgery;

"(2) delineate the responsibilities of the Department of Medicine and Surgery with respect to the conduct of the Veterans' Administration quality-assurance program; and

"(3) allocate sufficient resources, and sufficient personnel with the necessary skills and qualifications, to enable the Department of Medicine and Surgery to carry out such delineated quality-assurance responsibilities.

"(b) The Inspector General of the Veterans' Administration shall allocate sufficient resources, and sufficient personnel with the necessary skills and qualifications, to enable the Inspector General to monitor the quality-assurance program conducted by the Department of Medicine and Surgery.

"(c) The Administrator shall, as part of the comprehensive quality-assurance program established and conducted pursuant to subsection (a)(1) of this section, require the Chief Medical Director—

"(1) in consultation with the Assistant Secretary of Defense for Health Affairs and the Surgeons General of the Armed Forces and other appropriate professional bodies, to establish and maintain a compilation of prevailing national mortality and morbidity standards for each type of surgical procedure conducted by the Department of Medicine and Surgery;

"(2)(A) to collect data on mortality and morbidity rates for each surgical procedure, conducted by the Department of Medicine and Surgery; and

"(B) to compile such data for inclusion in the report to be submitted pursuant to section 4152 of this title (i) for each cardiac surgery, heart transplant, and renal transplant program, and (ii) in the aggregate, for each other such surgical procedure;

"(3) to—

"(A) compare the data so compiled to the standards compiled pursuant to clause (1) of this subsection,

"(B) make an analysis of the relationship between such data and the (i) characteristics of the patient population, (ii) the level of risk for the procedure involved, based on patient age, the type and severity of the disease, the effect of any complicating diseases, and the degree of difficulty of the procedure, and (iii) any other factors that the Chief Medical Director considers appropriate,

"(C) evaluate such data in light of the factors described in divisions (i) through (iii) of subclause (B) of this clause in order to determine whether there are any significant deviations from the standards that would indicate deficiencies in the quality of care, and

"(D) explain any such deviations; and

"(4) to make any recommendations based on data compiled and the comparisons, analyses, evaluations, and explanations made pursuant to clause (3) of this subsection.

"§ 4152. Reports

"(a) Not later than January 1 of 1987, 1989, and 1991, the Chief Medical Director shall submit a report to the Administrator on the experience through the end of the prior fiscal year under the quality-assurance program carried out pursuant to section 4151(a) of this title. Each such report shall include the data compiled and the comparisons, analyses, evaluations, and explanations made pursuant to subsection (c)(3) of section 4151 of this title with respect to the period covered by such report and any recommendations made pursuant to subsection (c)(4) of such section. Not later than 60 days after receiving each such report, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a copy of the report, together with any comments concerning the report that the Administrator considers appropriate.

"(b) A report submitted pursuant to subsection (a) of this section shall not be considered a record or document as described in section 3305(a) of this title.".

(b) The table of sections at the beginning of chapter 73 is amended by adding at the end the following:

"SUBCHAPTER V—QUALITY ASSURANCE

"4151. Responsibilities for quality assurance.

"4152. Reports.".

(c)(1) Not later than 90 days after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report describing in detail the Veterans' Administration's current efforts and future plans for monitoring the creden-

tials of Veterans' Administration health-care professionals.

(2) The report required to be submitted by paragraph (1) shall include a description of the Veterans' Administration's policies, procedures, and formal arrangements regarding the exchange of relevant information with—

(A) appropriate State medical or other health-professional licensing bodies;

(B) the Federation of State Medical Boards;

(C) the American Medical Association; and

(D) such other public or private entities as the Administrator considers appropriate that are involved with the issuance or monitoring of health-care professional licenses

in order (i) to determine the current and past licensure and clinical privilege status for those health-care professionals who are seeking employment with or who are currently employed by the Veterans' Administration, and (ii) to provide appropriate information to such entities about each health-care professional whose employment with the Veterans' Administration is terminated—

(I) following the completion of a disciplinary action relating to such health-care professional's clinical competence,

(II) voluntarily after having had such health-care professional's clinical privileges restricted or revoked, or

(III) voluntarily after serious concerns about such health-care professional's clinical competence have been raised but not resolved.

(3) With reference to any policies, procedures, or formal arrangements described in paragraph (2) which have not been implemented at the time the report required to be submitted by paragraph (1) is submitted to the Committees, the Administrator shall include in the report a timetable for the implementation of such policies, procedures, and arrangements and shall thereafter report to the Committees on implementation progress every 3 months until full implementation is achieved, at which point a final such report shall be submitted to the Committees.

TITLE IV—MEDICAL FACILITY CONSTRUCTION AND PLANNING

PART A—PERMANENT ANNUAL AUTHORIZATION PROCESS

ANNUAL VETERANS' ADMINISTRATION MEDICAL FACILITY CONSTRUCTION AUTHORIZATIONS

SEC. 401. (a) Section 5004 is amended—

(1) in subsection (a)—

(A) in clause (1), by striking out "unless each committee has first adopted a resolution approving such construction, alteration, or acquisition and setting forth the estimated cost thereof; and" and inserting in lieu thereof "except as authorized by a law based on legislation reported from the committees setting forth the amount that may be appropriated and expended for such construction, alteration, or acquisition;"; and

(B) by redesignating clause (2) as clause (4) and inserting the following new clauses (2) and (3):

"(2) no funds may be expended to construct, remodel, extend, or acquire, or develop preliminary plans (except to the extent necessary to develop project requirements) for, a medical facility for the furnishing of hospital care if the construction, remodeling, extension, or acquisition involves a total expenditure of more than $20,000,000, except as authorized by a law based on legislation reported from the committees;

"(3) no new or replacement medical facility shall be constructed or acquired within excess of 700 hospital beds and no project that involves a total expenditure of more than $20,000,000 for remodeling or extending a medical facility for the furnishing of hospital care shall be undertaken if upon completion of such project the number of hospital beds at the facility would exceed 700; and";

(2) by amending subsection (c) to read as follows:

"(c) The contract price for any construction, alteration, lease, or other acquisition that is approved by a law or resolutions described in subsection (a) of this section may exceed the amount set forth pursuant to such subsection in the pertinent provisions of such law or resolutions by an amount determined by multiplying such amount by the lesser of (1) the percent, if any, as determined by the Administrator, by which construction, alteration, lease, or other acquisition costs, as the case may be, increased from the date of such approval to the date of contract, or (2) 10 percent."; and

(3) in subsection (d) by striking out "for construction, alteration, lease, or other acquisition by each committee under subsection (a) of this section" and inserting in lieu thereof "by each committee under subsection (a) of this section for a lease".

(b)(1) Except as provided in paragraph (2) of this subsection, the amendments made by subsection (a) shall take effect on October 1, 1986.

(2) The amendments made by subsection (a)(1) shall take effect with respect to appropriations for fiscal year 1987 but shall not apply with respect to appropriations or expenditures for the construction, alteration, or acquisition of a medical facility if such construction, alteration, or acquisition was approved in resolutions adopted by the Committees on Veterans' Affairs of the Senate and the House of Representatives prior to September 30, 1985.

VETERANS' ADMINISTRATION HOSPITAL FACILITY PLANNING

SEC. 402. (a) Subchapter I of chapter 81 is amended by inserting after section 5004 the following new section:

"§ 5004A. Hospital facility planning

"(a) In order to ensure that decisions regarding the need for and size of each proposed new or replacement Veterans' Administration medical facility for the furnishing of hospital care are made taking into account appropriate statutory eligibility and priorities for health care from the Veterans' Administration, the Administrator of Veterans' Affairs and the Comptroller General of the United States, after consultation with the Assistant Secretary of Defense for Health Affairs, veterans' service organizations, and representatives of the private hospital industry, shall jointly develop and submit to the appropriate committees of the Congress a methodology for determining the appropriate types of hospital beds and the appropriate numbers of each type of hospital bed to be provided for in each proposed project for the construction of new or replacement facilities for the furnishing of hospital care by the Veterans' Administration.

"(b) The methodology developed pursuant to subsection (a) of this section shall take into account (1) the projected need for health care of veterans residing in the geographic area to be served by the proposed health-care facility who have service-connected disabilities and veterans residing in such areas who meet the income criteria for the receipt of pension under chapter 15 of this title, and (2) any recent or planned changes in treatment modalities for the furnishing of inpatient and outpatient care which might affect the demand for inpatient bed capacity.

"(c)(1) Not later than October 1, 1986, the Administrator and the Comptroller General shall submit to the appropriate committees of the Congress a joint report on the methodology developed pursuant to subsection (a) of this section.

"(2) Not later than October 1, 1987, the Administrator and the Comptroller General shall submit to such committees a joint report on the implementation of such methodology.

"(3) The Comptroller General shall submit to such committees such further reports as the Comptroller General considers appropriate regarding the implementation of such methodology or regarding the need to revise such methodology.

"(d) No funds may be expended after April 1, 1987, for the development of preliminary plans for a facility described in subsection (a) of this section unless the types of beds and number of each type to be provided in such facility are based on the methodology developed pursuant to subsection (a) of this section.".

(b) The table of sections at the beginning of chapter 81 is amended by inserting after the item relating to section 5004 the following:

"5004A. Hospital facility planning.".

PART B—FISCAL YEAR 1986 CONSTRUCTION AUTHORIZATIONS

VETERANS' ADMINISTRATION MEDICAL FACILITY CONSTRUCTION AUTHORIZATIONS FOR FISCAL YEAR 1986

SEC. 411. (a) For the purposes of the medical facility construction projects referred to in subsection (b) and other construction projects and for other purposes, there are authorized to be appropriated to the Veterans' Administration for fiscal year 1986 (1) $417,200,000 to any appropriations account from which payments for medical facility construction projects estimated to cost $2,000,000 or more are made, and (2) $194,400,000 to any appropriations account from which payments for medical facility construction projects estimated to cost less than $2,000,000 are made.

(b)(1) Except as provided in paragraph (2) and subject to the limitation in subsection (a)(1), the maximum amounts authorized to be appropriated and expended for the following medical facility construction projects are as follows:

(A) Houston, Texas (Replacement and Modernization), $226,800,000.

(B) Mountain Home, Tennessee (Bed Towers and Modernization), $59,000,000.

(C) Philadelphia, Pennsylvania (Clinical Addition, Renovation, Parking, and 240-bed Nursing Home Care Unit), $110,400,000.

(2) Subject to paragraph (3) and to the limitation in subsection (a)(1), the maximum amounts authorized to be appropriated and expended for the following projects are further limited as follows:

(A) Houston, Texas (Replacement and Modernization), $170,400,000.

(B) Mountain Home, Tennessee (Bed Towers and Modernization), $35,800,000.

(C) Philadelphia, Pennsylvania (Clinical Addition, Renovation, Parking, and 240-bed Nursing Home Care Unit), $85,600,000.

(3) The maximum amount set forth in paragraph (2) with respect to each project shall apply to that project unless the Ad-

ministrator of Veterans' Affairs, not later than 60 days after the date of the enactment of this Act, submits to the appropriate committees of the Congress a certification by the Administrator with respect to the project that a contract for work on the physical structure or structures in which hospital care is to be furnished at a bedsize level consistent with such maximum amounts cannot feasibly be awarded within 180 days after (i) the date on which a contract for such construction work was scheduled as of June 1, 1985, to be awarded for the projects described in paragraphs (2)(A) and (B), and (ii) September 1, 1986, for the project described in paragraph (2)(C). Such certification shall be accompanied by submissions of three architectural/engineering firms (one of which is the firm retained by the Veterans' Administration to complete the plans for the project, one of which is a firm selected by the American Institute of Architects at the Administrator's request, and one of which is a firm selected by the Comptroller General of the United States), at least two of which support the Administrator's certification.

(c) Funds are authorized to be expended in fiscal year 1986 from the working reserve in the Veterans' Administration construction, major projects, account, to the extent consistent with and permitted pursuant to applicable provisions of law in effect on the date of the enactment of this Act, for the redesign of projects identified in paragraph (2) of subsection (b) and for the following projects if the total estimated expenditures involved in the completion of each project as redesigned is no more than the applicable amount specified for such project in such paragraph or as follows:

(1) Augusta, Georgia (Replacement Medical Center), $94,000,000.

(2) Baltimore, Maryland (Replacement Medical Center), $88,800,000.

(3) New York, New York (Outpatient/Clinical Additions and Alterations), $70,600,000.

PART C—ALTERNATIVES TO AND FOR CONSTRUCTION

CONSIDERATION OF PURCHASING OR LEASING MEDICAL FACILITIES

SEC. 421. (a) Section 5002 is amended by adding at the end the following new subsection:

"(d)(1) In connection with the assessment of the health-care needs of veterans in a particular area for the purpose of planning how best to meet such needs, the Administrator shall develop criteria for determining whether to proceed with planning for the construction or acquisition of a new or replacement medical facility and, if it is determined to proceed, for choosing among the alternatives of constructing the facility, leasing an existing medical facility that satisfies the requirements of paragraph (3) of this subsection, or purchasing an existing medical facility that satisfies such requirements.

"(2) After January 1, 1986, the Administrator shall not proceed to develop preliminary plans for a new or replacement medical facility except in accordance with the criteria established under paragraph (1) of this subsection and after considering the option of leasing or purchasing an existing facility that satisfies the requirements of paragraph (3) of this subsection.

"(3) A facility satisfies the requirements of this paragraph if—

"(A) the facility is available, or will be available in timely fashion in the foreseeable future, for purchase or lease;

"(B) the facility meets the current and projected needs and specifications of the Veterans' Administration for furnishing health care to eligible veterans residing within a 100-mile radius of where the new or replacement facility is planned to be located, or is adaptable to meet such needs and specifications;

"(C) the facility can be acquired at an estimated cost (including the costs of any necessary adaptation) that does not exceed the estimated cost of construction of a medical facility to meet such needs and specifications; and

"(D) the estimated cost of operating the facility (after adaptation, if necessary) does not exceed the estimated cost of operating a medical facility that would otherwise be constructed.".

(b) Clause (1) of section 5004(b) is amended by inserting "and, in the case of a prospectus proposing the construction of a new or replacement medical facility, a description of the consideration that was given, pursuant to criteria established under section 5002(d) of this title, to acquiring an existing facility by lease or purchase" after "such facility".

CONTRACT FOR CONSTRUCTION AND OPERATION OF A NURSING HOME

SEC. 422. (a) The Administrator of Veterans' Affairs shall enter into a contract with an appropriate entity for the construction and operation of a facility for furnishing solely to veterans eligible for nursing home care under chapter 17 of title 38, United States Code, nursing home care that meets the current and projected needs and specifications (including those relating to location and site selection) of the Veterans' Administration. The contract shall—

(1) for a 5-year period following the completion of construction, require the contractor to staff, equip, and operate the nursing home in such a manner as to provide the types, levels, and quality of care that would be provided if the facility were being operated directly by the Veterans' Administration;

(2) provide the Administrator with the option to renew the contract for an additional term not to exceed 5 years;

(3) require the Administrator to refer a sufficient number of eligible veterans who require nursing home care to the nursing home to ensure a specific occupancy rate for the nursing home for the term of the contract, which rate shall be approximately equal to the average occupancy rate nationwide for Veterans' Administration nursing homes except that a higher rate may be required if the Administrator determines that such higher rate is in the best interests of the Federal Government;

(4) provide that the per diem rate payable to the contractor by the Veteran's Administration shall not exceed the average daily costs to the Veterans' Administration of operating Veterans' Administration facilities for the furnishing of nursing home care;

(5) provide that all rights, title, and interest in the facility constructed under the contract shall vest in the United States; and

(6) contain such other provisions as the Administrator determines are in the best interests of the United States.

(b) The provisions of subsection (a) shall take effect on October 1, 1985.

FEASIBILITY PLAN FOR THE PURCHASE OF A FACILITY FOR FURNISHING HOSPITAL AND NURSING HOME CARE

SEC. 423. In the documents submitted by the Administrator of Veterans' Affairs to the appropriate committees of the Congress at the time of and in connection with the submission, pursuant to section 1105 of title 31, of the Budget for fiscal year 1987, the Administrator shall provide a feasibility plan for the purchase for Veterans' Administration use of a medical facility that is located in an urban area and is suitable for furnishing both hospital and nursing home care services, and meets the current and projected needs and specifications of the Veterans' Administration for furnishing health care to eligible veterans. In such Budget, the President, as warranted by such feasibility plan, shall include a request for an appropriate amount to purchase such a facility which meets those needs and specifications.

DEVELOPMENT OF MEDICAL-FACILITY MODULAR COMPONENTS

SEC. 424. In order to evaluate the applicability to the Veterans' Administration of the use of modular components in the design and construction of medical facilities for the furnishing of hospital care and to determine the efficiency and cost-effectiveness of that approach, the Administrator of Veterans' Affairs shall, not later than 180 days after the date of the enactment of this Act, enter into a contract for the development of such a modular approach to the planning and design of an appropriate Veterans' Administration medical facility for the furnishing of hospital care.

TITLE V—MISCELLANEOUS PROVISIONS

TECHNICAL, CONFORMING AMENDMENT RELATING TO THE CONTINUING AVAILABILITY OF READJUSTMENT COUNSELING

SEC. 501. Section 612A(g)(1)(B) is amended by striking out "who requested such counseling before such date" and inserting in lieu thereof "who request such counseling".

PAYMENT FOR THERAPEUTIC AND REHABILITATION ACTIVITIES

SEC. 502. (a) Section 618 is amended by adding at the end the following new subsection:

"(g) Notwithstanding any other provision of law, no amount of remuneration provided to an individual as a participant in a therapeutic or rehabilitative activity carried out pursuant to this section shall be included in determining annual income for purposes of pension payments.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1985.

REPORT ON FEDERAL GOVERNMENT RESPONSIBILITY TO INDIVIDUALS WHO SERVED WITH VOLUNTARY CIVILIAN ORGANIZATIONS IN VIETNAM

SEC. 503. (a)(1) The purpose of this section is to provide a basis for the executive branch and the Congress to evaluate the question of United States Government responsibility, and alternative approaches, for providing individuals who, for a period of at least 30 days during the Vietnam era, were employed in the Republic of Vietnam by (including having served there under the auspices of) voluntary organizations, determined by the Administrator of Veterans' Affairs, in consultation with the Secretary of Defense, to be organizations which provided significant assistance to the United States Armed Forces in the Republic of Vietnam during the Vietnam era, with Federal and other benefits and services (including, but not limited to, health care and monetary compensation for disabilities which may be related to their experiences during such employment in the Republic of Vietnam),

either through the Veterans' Administration or otherwise, and for assisting such individuals in connection with disabilities they may have incurred as a result of such employment.

(2) In order to carry out the purpose stated in paragraph (1), the Administrator, the Secretary of Defense, and the Secretary of Health and Human Services, not later than 180 days after the date of the enactment of this Act, shall submit to the appropriate committees of the Congress a joint report on the question of United States Government responsibility and shall include in such report various alternative approaches (together with comments on the appropriateness and the advantages and disadvantages of each) and any recommendations by such officials for legislative and administrative action with respect thereto, for establishing a program for providing such benefits, services, and assistance to such individuals.

(b) For the purpose of this section—

(1) the term "Armed Forces" has the meaning given such term in section 101(10) of title 38, United States Code; and

(2) the term "Vietnam era" means the periods described in section 101(29) (as amended by section 201(a) of this Act) of such title.

LAND TRANSFER, PHOENIX, ARIZONA

SEC. 504. (a) The real property described in subsection (b) and the structures thereon on the date of the enactment of this Act shall be transferred without compensation or reimbursement from the control and jurisdiction of the General Services Administration to the control and jurisdiction of the Veterans' Administration.

(b) The real property referred to in subsection (a) is a tract of land consisting of 3.25 acres, more or less, in Phoenix, Arizona, that—

(1) was formerly part of the Veterans' Administration Medical Center, Phoenix, Arizona; and

(2) was declared to be excess to the needs of the Veterans' Administration in a report to the General Services Administration dated September 25, 1959.

TITLE VI—EFFECTIVE DATE

SEC. 601. Except as otherwise provided in sections 201(b), 203(b), 401(b), 422(b), and 502(b) of this Act, the provisions of and amendments made by this Act shall take effect on the date of the enactment of this Act.

AMENDMENT NO. 560

(Purpose: To delete the amendment to the definition of "Vietnam era"; to delete the amendment relating to exclusion of certain remuneration from annual income for the purpose of certain veterans' pensions; to facilitate the provision of psychological assistance to United States citizens who have been political hostages; to modify the restrictions on the use of certain real property in Utah and Wisconsin; to increase the amount of insurance under Servicemen's Group Life Insurance and Veterans' Group Life Insurance; to extend the period for entering into training under the Emergency Veterans' Job Training Act of 1983; and to extend the authority to operate an Office of the Veterans' Administration in the Republic of the Philippines)

Mr. DOLE. Mr. President, on behalf of Senator MURKOWSKI and Senator CRANSTON, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Kansas [Mr. DOLE], on behalf of Mr. MURKOWSKI and Mr. CRANSTON, proposes an amendment numbered 560.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 37, strike out lines 13 through 22.

On page 38, line 5, strike out "202" and insert in lieu thereof "201".

On page 38, line 11, strike out "203" and insert in lieu thereof "202".

On page 39, line 4, strike out "204" and insert in lieu thereof "203".

On page 64, strike out lines 6 through 18, and insert in lieu thereof the following:

ASSISTANCE FOR CERTAIN FORMER POLITICAL HOSTAGES

SEC. 502. (a) The Congress makes the following findings:

(1) In recent years some United States citizens have been held in captivity as political hostages or have been victims of other terrorist acts.

(2) The United States citizens who were passengers on TransWorld Airlines flight number 847 on June 14, 1985, were victims of a hijacking of such flight and some of those passengers were subsequently held in captivity as political hostages.

(3) The experience of being held in captivity as a political hostage is a traumatic event that is outside the range of usual human experience.

(4) Stressful experiences connected with such a traumatic event can be expected to evoke in some victims certain psychological reactions, including symptoms of stress, which may be manifested shortly after the event or may be manifested weeks, months, or even years later.

(5) There is no established program under which United States citizens may obtain systematic assistance in coping with the short-term or long-term personal effects of captivity as political hostages after they return home.

(6) The Veterans' Administration has developed expertise in providing readjustment assistance to veterans who have experienced traumatic and stressful events outside the range of usual human experience as a result of military combat.

(7) The Veterans' Administration medical centers, including 13 specially designated inpatient units for veterans with post-traumatic stress disorder, 187 readjustment counseling centers and satellite facilities for Vietnam-era veterans, and the National Center on Post-Traumatic Stress Disorder have staff with expertise (A) in diagnosing and treating veterans who have experienced traumatic and stressful events, and (B) in training Veterans' Administration and other health-care personnel in, and conducting research and exchanging information relating to, diagnosis and treatment of such veterans.

(b) The Administrator of Veterans' Affairs shall take appropriate action otherwise authorized by law to ensure that the expertise of the Veterans' Administration in diagnosing and treating individuals who have experienced unusual trauma and stress and in training health care personnel on such matters is made available to other Federal Government agencies and other appropriate organizations which are providing assistance to United States citizens who were passengers on TransWorld Airlines flight number 847 on June 14, 1985, or other United States citizens returning from captivity as political hostages, to attempt to minimize the potential short-term or long-term adverse psychological effects of such captivity on them.

On page 66, after line 24, insert the following new sections:

MODIFICATION OF RESTRICTIONS ON REAL PROPERTY AND CONVEYANCE OF A FENCE ON SUCH PROPERTY, SALT LAKE CITY, UTAH

SEC. 505. (a) Section 2 of the Act entitled "An Act authorizing the Administrator of Veterans' Affairs to convey certain property to the Armory Board, State of Utah", approved July 29, 1954 (68 Stat. 580), is amended to read as follows:

"SEC. 2. Any conveyance under the first section of this Act—

"(1) shall provide that the tract conveyed may be used only for hospital, educational, civic, residential, or related purposes;

"(2) shall provide that, if any part of such tract is used in any manner that is determined by the Administrator of Veterans' Affairs to interfere with the care and treatment of any patient at a Veterans' Administration health-care facility located in the reservation described in such section, such use shall cease immediately upon notice by the Administrator of such interference to the Armory Board, State of Utah, and to each person using such part in such manner;

"(3) shall provide that, if any part of such tract is used for a purpose other than a purpose prescribed in paragraph (1), title to such part shall revert to the United States;

"(4) shall provide that, if any interference referred to in paragraph (2) does not cease as required under such paragraph, title to the part of such land that is being used in a manner to cause such interference shall revert to the United States; and

"(5) shall contain such additional terms and conditions (including reservations of rights for the United States) as the Administrator of Veterans' Affairs determines to be necessary to protect the interests of the United States.".

(b) The Administrator of Veterans' Affairs shall convey, without consideration, to the Armory Board, State of Utah, all right, title, and interest of the United States in the fence erected as required by the quitclaim deed issued to the Armory Board by the Administrator on October 14, 1954, under the authority of the Act referred to in subsection (a). The conveyance shall contain such terms and conditions as the Administrator determines to be necessary to protect the interests of the United States.

(c) The Administrator of Veterans' Affairs shall execute any documents that are necessary to bring the conveyance made under the authority of the Act referred to in subsection (a) into conformity with the amendment made by such subsection.

MODIFICATION OF RESTRICTIONS ON REAL PROPERTY, MILWAUKEE COUNTY, WISCONSIN

SEC. 506. (a) The Administrator of Veterans' Affairs shall execute such instruments as may be necessary to modify the conditions under which the land described in subsection (b) will revert to the United States in order to permit Milwaukee County, Wisconsin, to lease all or part of such land to a nonprofit corporation which shall (1) construct and equip on such land structures, fa-

cilities, and other permanent improvements useful for public recreational purposes or general civic purposes, and (2) use such land for such recreational or civic purposes. The Administrator may carry out the preceding sentence subject to such terms and conditions (including reservations of rights for the United States) as the Administrator determines to be necessary to protect the interests of the United States.

(b) The land referred to in subsection (a) is (1) the land conveyed to Milwaukee County, Wisconsin, pursuant to the Act entitled "An Act to authorize the Administrator of Veterans' Affairs to convey certain lands and to lease certain other land to Milwaukee County, Wisconsin", approved September 1, 1949 (63 Stat. 633), and (2) the land conveyed to Milwaukee County, Wisconsin, pursuant to the Act entitled "An Act authorizing the Administrator of Veterans' Affairs to convey certain property to Milwaukee County, Wisconsin", approved August 27, 1954 (68 Stat. 866).

SERVICEMEN'S GROUP LIFE INSURANCE AND VETERANS' GROUP LIFE INSURANCE

SEC. 507. (a)(1) Subsection (a) of Section 767 is amended—

(A) by striking out "35,000" and inserting in lieu thereof "$50,000"; and

(B) by striking out "the amount of $30,000, $25,000, $20,000, $15,000, $10,000 or $5,000" and inserting in lieu thereof "an amount less than $50,000 that is evenly divisible by $10,000".

(2) Subsection (c) of such section is amended by striking out "the amount of" the first place it appears and all that follows through "as the case may be," and inserting in lieu thereof "any amount less than $50,000, such member may thereafter be insured under this subchapter in the amount of $50,000 or any lesser amount evenly divisible by $10,000".

(3) Subsection (d) of such section is amended—

(A) by striking out "the effective date of this subsection" each place it appears and inserting in lieu thereof "January 1, 1986"; and

(B) by striking out "up to a maximum of $35,000 (in any amount divisible by $5,000)" and inserting in lieu thereof "in the amount of $50,000 or any lesser amount evenly divisible by $10,000".

(b)(1) Subsection (a) of section 777 is amended—

(A) by striking out the first sentence and inserting in lieu thereof the following: "Veterans' Group Life Insurance shall be issued in amounts specified in section 767(a) of this title. In the case of any individual, the amount of Veterans' Group Life Insurance may not exceed the amount of Servicemen's Group Life Insurance coverage continued in force after the expiraton of the period of duty or travel under section 767(b) or 769(a) of this title."; and

(B) by striking out "$35,000" in the sentence immediately following the matter inserted by clause (A) and both places it appears in the last sentence and inserting in lieu thereof "$50,000".

(2) Such section is further amended by adding at the end the following new subsection:

"(h)(1) Notwithstanding any other provision of law, members of the Individual Ready Reserve and the Inactive National Guard are eligible to be insured under Veterans' Group Life Insurance. Any such member shall be so insured upon submission of an application in the manner prescribed by the Administrator and the payment of premiums as required under this section.

"(2) Notwithstanding subsection (b)(2) of this section, Veterans' Group Life Insurance coverage under this subsection shall be issued on a renewable five-year term basis, but the person insured must remain a member of the Individual Ready Reserve or Inactive National Guard throughout the period of the insurance in order for the insurance of such person to be renewed.

"(3) For the purposes of this subsection, the terms 'Individual Ready Reserve' and 'Inactive National Guard' shall have the meaning prescribed by the Administrator in consultation with the Secretary of Defense.".

(c) The amendments made by subsections (a) and (b) shall take effect on January 1, 1986.

EXTENSION OF THE PERIOD FOR ENTERING INTO TRAINING UNDER THE EMERGENCY VETERANS' JOB TRAINING ACT OF 1983

SEC. 508. Section 17(2) of the Emergency Veterans' Job Training Act of 1983 (Public Law 98-77; 29 U.S.C. 1721 note) is amended by striking out "September 1, 1985" and inserting in lieu thereof "March 1, 1986".

EXTENSION OF AUTHORITY TO OPERATE AN OFFICE IN THE REPUBLIC OF THE PHILIPPINES

SEC. 509. Section 230(b) is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1988".

On page 67, line 3, strike out "201(b), 203(b)" and insert in lieu thereof "202(b)".

On page 67, line 3, strike out "502(b)" and insert in lieu thereof "507(c)".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 560) was agreed to.

Mr. MURKOWSKI. Mr. President, I rise in support of S. 876, the proposed Veterans' Administration Health-Care Programs Improvement Act of 1985, which was ordered reported unanimously by the Committee on Veterans' Affairs on June 12, 1985. The provisions of the bill are designed to maintain the quality and facilitate the efficiency of the Veterans' Administration health care system. S. 876 requires increased VA accountability in both Microareas and Macroareas, specifically, in the quality of patient care, the kinds and levels of care, and the size of VA medical facilities. I believe that the committee has devised a comprehensive bill which responds appropriately to the concerns raised by certain veterans' organizations and members of the committee. Thus, I would urge my colleagues in the Senate to join me in assuring the passage of S. 876.

HIGHLIGHTS OF S. 876 AS REPORTED

The Congress and the Veterans' Administration now face difficult challenges. That is, many diverse and complex issues must be addressed in order to respond adequately to the varied and changing needs of veterans. These challenges are a result of certain changes which are occurring in both the veteran population and the way with which health care is evolving in this country. More specifically, the veteran population is aging at an extremely rapid rate, medical technology is advancing and thus altering traditional diagnostic and treatment modalities, and various forms of noninstitutional care are now being developed and emphasized. In order to have an efficient and effective health care delivery system, it is vital that the Congress and the VA recognize this changing environment, and take appropriate action to respond to it as well.

I believe that it is the responsibility of the Congress and the VA to assess and weigh the various options and adapt the health care system appropriately to these changes. We must look at the dynamics of the veteran population, medical technology, and hospital construction and look at these dynamics in the context of today's budgetary constraints in order to shape the future directions of VA health care. Fairness and realism must underlie such an assessment. With that in mind, a common thread woven throughout the provisions of S. 876 is modernization. In that regard, S. 876 targets three major areas—quality assurance, noninstitutional care and medical facility construction.

QUALITY ASSURANCE

During the past few years, the committee has placed a high priority on monitoring the VA's quality assurance efforts. The VA's new Chief Medical Director, Dr. John Ditzler, has placed a new emphasis on quality assurance. Dr. Ditzler has undertaken a major new program—the Medical district Initiated Peer Review Organization [Medipro] process—which will systematically review and evaluate certain indicators of patient care provided by VA physicians and other health care professionals. I wish to acknowledge the Chief Medical Director's initiatives in and laudable commitment to this most vital area.

Section 304 of S. 876 would be consistent with these efforts and would require the VA to establish and conduct a comprehensive quality assurance program to monitor and evaluate the quality of care provided by the VA. A major focus of section 304 is to require the Chief Medical Director to compile national mortality and morbidity standards for all types of surgical procedures and collect local and national mortality and morbidity data for VA surgical programs which would include VA cardiac surgery, heart transplant, and renal transplant programs. In this regard, the VA can better assess the quality of care which it provides. It is also the intent of the committee that the VA view morbidity and mortality statistics along with other quality of care indicators in order to gain a balanced perspective on the quality of VA patient care. The quality assurance provisions contained in the committee bill were established to enhance and expand the VA existing quality assurance efforts. It is the

hope of the committee that this information, will be a useful tool in the evaluation of the VA's quality assurance efforts.

Most Government health care dollars, including VA resources, are allocated to institutional care. Nursing home care represents a substantial portion of these resources. The growing demand for nursing home care and the high cost of institutional long-term care—in 1980, $21 billion was spent nationwide on nursing home care alone—has increased incentives for both public and private sectors to seek alternatives to institutional care. The committee believes that the VA should examine ways to provide the most appropriate kind and level of care to veterans. S. 876 focuses on addressing the needs of veterans who, if provided with home health and other supportive services, could remain in their own homes. With the goal of providing appropriate support to certain veterans who wish to remain self-sufficient and reside near family and friends, S. 876 would require the VA to conduct a 4-year pilot program at 10 demonstration project sites under which veterans eligible for and otherwise in need of VA hospital, nursing home, or domiciliary care, would instead receive non-VA community-based health-related services. Special priority for this program would be given to veterans with service-connected disabilities, to veterans who are 65 or older, and to veterans who are totally and permanently disabled.

MEDICAL FACILITY CONSTRUCTION

The VA's medical facility construction planning process has been a matter of much discussion during the past few years. The committee is extremely concerned about this complex, lengthy, and expensive process. The planning and building process for a major VA medical center can, and often does, exceed 8 years. The committee is troubled that this process is so burdensome and costly and that certain construction options, such as purchasing or leasing already existing facilities or increasing the use of non-institutional services, are not adequately considered prior to or during the construction planning process. In light of the committee's concerns about, among other things, the construction process in general and the belief that certain factors be considered during the construction planning process, the committee bill includes several provisions relating to this matter. The bill would provide, for the first time, an annual statutory authorization for appropriations—as opposed to the current process of House and Senate resolutions of approval—for major VA medical facilities construction. The bill would limit, to not more than 700 beds, the size of a new or replacement VA hospital facility. The VA and the General Accounting Office would be required to develop and submit to the Congress a methodology for determining the appropriate number and type of hospital beds to be provided for in new or replacement VA hospital facilities.

Further, it would require that methodology to take into account service connected and needy veterans. In summary, the construction provisions contained in this bill would address many of the concerns which were initially expressed by former Chairman ALAN SIMPSON during his tenure as the very able chairman of this committee and which I expressed during 2 days of committee oversight hearings held in March. It is my belief that the integrity and effectiveness of the construction process will be enhanced by the provisions of this bill.

Mr. President, there are two additional provisions of S. 876 as reported which Senator CRANSTON and I propose to delete and defer consideration to a more appropriate time. Since the first concurrent budget resolution is still pending, these two provisions, sections 201 and 502, would require a waiver of section 303(a) of the Congressional Budget and Impoundment Control Act of 1974 be obtained before the consideration of these provisions would be in order. Senator CRANSTON and I have prepared a committee amendment to be considered concurrently with S. 876. This amendment would strike those two sections from the bill.

In addition, this amendment includes one of my own initiatives, a proposal to facilitate the provision of psychological services to U.S. citizens who have been political hostages; a proposal by Senator GARN pertaining to the modification of restriction of the use of a certain land tract in Utah; a proposal by Senator KASTEN concerning the uses of certain land in Milwaukee County, WI; a proposal by Senator PROXMIRE concerning Servicemen's Group Life Insurance and Veterans' Group Life Insurance; a proposal by myself pertaining to the extension of the Emergency Veterans' Job Training Act of 1983; and a proposal by Senator CRANSTON and myself pertaining to the VA Regional Office in the Republic of the Philippines.

I recently introduced Senate Joint Resolution 167 which would direct the VA to share its expertise in traumatic stress counseling and readjustment services with Federal and non-Federal agencies or organizations in helping U.S. citizens who were the victims of terrorism—such as former TWA flight 847 hostages. This legislation would direct the VA to share its knowlege and the benefit of its experience with other Federal and private sector organizations. I believe that it is vital to use the available and valuable resources and knowledge of the VA to assist in any way possible other organizations in providing help to those who may require it as a result of international terrorism or other such acts. I commend the VA for their extensive work in these areas of assisting those veterans who have suffered from traumatic events. I am confident that any expertise they could share would greatly benefit victims of hostage experiences who may need assistance as a result of these experiences. It is not intended that the VA incur any significant cost in implementing this provision.

Under current law, the Emergency Veterans' Job Training Act will sunset on September 1, 1985. The Department of Labor now expects about $15 million of the original appropriation to be uncommitted on September 1. This amendment will allow the program to continue long enough for money already appropriated to be committed to assist eligible unemployed veterans to obtain employment.

CONCLUSION

Mr. President, in concluding I wish to thank my friend, the distinguished ranking minority member from California, Senator ALAN CRANSTON. As always, I appreciate the fine working relationship which exists between the majority and minority on this committee, and which has resulted in the development of such a fine product. I wish to recognize the fine work of my most dedicated staff including my chief counsel and staff director, Anthony Principi, Julie Susman, Cindy Alpert, Lisa Moore, and Becky Hucks, Kay Eckhardt, Judy Boertlein, Jody Sanders, and Lisa Gilman, and our printer, Jim McRae who all worked so diligently to make this effort a reality. I further wish to acknowledge the hard work of the entire minority staff, headed by Jon Steinberg, minority chief counsel, and including Ed Scott, Bill Brew, Babette Polzer, Nancy Billica, Ingrid Post, and Charlotte Hughes.

Mr. President, I believe the committee has reported a bill which is well balanced, and one that meets the needs of our Nation's veterans as well as being crafted to take into consideration the need to be restrained in spending, while ensuring high quality health care. On behalf of the entire committee, I urge the Senate's favorable consideration of this bill.

Mr. CRANSTON. Mr. President, I am delighted, as the ranking minority member of the Committee on Veterans' Affairs, to join with the committee chairman [Mr. MURKOWSKI] in urging our colleagues to give their unanimous approval to the pending measure, S. 876, the proposed "Veterans' Administration Health-Care Programs Improvement Act of 1985," as reported by the committee on July 8 as modified by the amendment offered on behalf of the chairman and myself.

I will describe the amendment in more detail at the end of my statement.

Mr. President, the committee bill incorporates the provisions of a variety of measures including S. 6, which I introduced on January 3, 1985. Amendment No. 22 to S. 6, which I introduced on April 1; S. 875 and S. 876, which were introduced by the chairman on April 3; S. 1007, introduced on April 25 by committee members BOSCHWITZ and DENTON; and S. 1052, introduced by committee member THURMOND on May 2. I am particularly pleased that virtually all of the provisions of S. 6 and Amendment No. 22 are included in this bill. If enacted, this measure will help to maintain and improve the quality and efficiency of health care services provided by the Veterans' Administration to eligible veterans.

Because the various provisions of S. 876 as reported, which I will refer to as the committee bill, are described in detail in the committee's report, Senate Report 99-101, accompanying this measure, I will at this time just highlight some of the provisions

VA GRADE REDUCTIONS

Mr. President, I am particularly pleased that the committee bill, in section 301, contains a provision, derived from section 3 of S. 6, that would protect the VA from being forced to make arbitrary reductions in the numbers of employees at particular grade or salary levels. As I discussed in some detail in my introductory remarks on S. 6, which begin on page S. 611 of the RECORD for January 24, 1985, such protection is particularly important at this time when the Office of Management and Budget is embarked on a major, Governmentwide effort to reduce the numbers of employees in grades GS-11 through GS-15. Without debating the merits of the Governmentwide grade-reduction effort, I am convinced that requiring the VA, as OMB is doing, to make arbitrary grade-level reductions across the agency's work force could seriously impair the VA's ability to carry out its vital mission, pursuant to congressional mandate to serve and assist veterans, particularly through the VA's health-care system, and I am gratified that the committee agreed with me that action is needed to protect the VA's ability to recruit, hire, and retain staff.

As introduced, S. 6 would have precluded any systematic grade-level reduction by the VA, for the purpose of reducing agency salary costs, unless and until the Administrator had first submitted to the two Veterans' Affairs Committees a report containing information showing that, in the personnel area concerned, the VA had a disproportionate number of employees in the grade level selected for reduction in comparison to the number of employees at that salary level who perform comparable functions in other Federal departments or agencies and in non-Federal entities. Such a report would have to have been submitted at least 90 days in advance of the proposed grade-level reduction and, as a further check on this process, the Comptroller General would have been required to submit a report on the Administrator's compliance with the reporting requirements and on the accuracy of the Administrator's determination and supporting data.

The committee bill retains the process set forth in S. 6 but, instead of being applicable to all VA employees, it was modified in the committee bill so as to apply only to certain health-care personnel—those providing patient-care service or services incident to patient-care services—and professional employees serving as engineers and attorneys. As is noted in the committee report, this change reflects the committee's belief that the covered categories are the major employee categories where the VA is required to pay high entry-level salaries in order to recruit and retain needed professional personnel. I intend, however, to monitor the overall situation very closely and should it appear that other employee categories should be covered by this provision, I will actively pursue legislation to provide such a result.

As I noted in my remarks on S. 6, I, along with many of my colleagues in both Houses and from both parties, have worked hard over the years to ensure that the VA has sufficient, qualified staff to carry out the agency's missions. This has been particularly true in the Department of Medicine and Surgery, the Department where the great majority of VA employees work, over 199,000 of the VA's over 223,000 full-time equivalent employees. The VA is frequently at a disadvantage competing in the relevant health-care personnel marketplace, and the numbers of health-care workers in grades 11 through 15 and their equivalent rates under title 38 generally reflect the entry-level salaries necessary to meet this competition—not grade creep of supervisory employees, which may provide some justification for grade reduction to the extent it has occurred in other agencies or elsewhere in the VA. It is vital to the continued ability of the VA to provide quality health care that DM&S not be forced to make unwarranted personnel changes that could seriously disrupt its ability to attract and retain needed personnel, and this provision in the committee bill should help to achieve that result.

In view of the points made in the committee report about the VA's record in keeping the percent of its employees at higher grade levels relatively low as a percentage of total employees when compared to the overall Government rating, I do not see how the Administrator could submit a report justifying a downgrading of the covered employee categories in terms of comparability with private sector and other Federal agency grades for the same type of employees.

EXTENSION OF HEALTH CARE ELIGIBILITY BASED ON EXPOSURE TO DIOXIN OR OTHER TOXIC SUBSTANCE IN VIETNAM OR TO NUCLEAR RADIATION

Mr. President, I am also very pleased that the committee bill, in section 202, contains a provision, identical to section 4 of S. 6, to extend, until September 30, 1989, the provision in current law which provides certain veterans—those exposed to dioxin or other toxic substances used in herbicides or defoliants in Vietnam or to ionizing radiation from nuclear detonations—with eligibility for priority health care from the VA for the treatment of disabilities which cannot be attributed to a cause other than the exposure in question. Under current law, this authority is scheduled to terminate 1 year after the Administrator submits the first report on the epidemiological study of Vietnam veterans that was mandated by Public Law 96-151. Under that law, the VA is required to submit a first report on the study not later than 24 months after the study protocol is approved, an event which occurred on February 14, 1984. Thus, under current law, the first report on the study is due by February 14, 1986, and the health care eligibility is scheduled to expire on February 14, 1987.

Because it is clear to me that the major studies—the Public Law 96-151 study I just mentioned and study mandated by Public Law 98-160 relating to radiation exposure—designed to yield the information necessary to make final decisions about eligibility for VA benefits, including health care, for the veterans exposed to dioxin or radiation will not be sufficiently advanced by 1987, I believe this extension is appropriate and warranted, and I am pleased my colleagues on the committee agreed with me.

Mr. President, with specific reference to the Public Law 98-160 study relating to radiation, so that my colleagues and others might be brought up to date on this issue, I ask unanimous consent that a July 8, 1985, letter to me from Dr. John Gibbons, Director of the Office of Technology Assessment, regarding OTA's views on this study and my July 24, 1985, letter to the Administrator of Veterans' Affairs, urging him to consider the study of certain matters pursuant to section 601 of that law, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
OFFICE OF TECHNOLOGY ASSESSMENT,
Washington, DC, July 8, 1985.

Hon. ALAN CRANSTON,
Committee on Veterans' Affairs,
U.S. Senate, Washington, DC.

DEAR ALAN: Enclosed is a copy of OTA's evaluation of the feasibility of studying long-term health effects in veterans of nuclear weapons tests, and veterans who served in Hiroshima and Nagasaki after the close of World War II. We completed this evaluation at the request of Mr. Walters, Administrator of Veterans Affairs, in accordance with the mandate of Public Law 98-160.

We reviewed a plan drawn by the VA, a review of that plan by an ad hoc committee headed by Dr. Glyn Caldwell, and comments on that review prepared by the Committee on Interagency Radiation Research and Policy Coordination (CIRRPC). In addition, a recent National Research Council study of patterns of death among a large proportion of the atomic veteran cohort also provided us with information critical to our analysis.

We are in agreement with the Caldwell committee's finding that the VA plan does not describe a feasible study. The adverse health effects that would be expected in the atomic veterans, even if radiation doses were underestimated by several-fold, would be undetectable in the proposed epidemiologic study.

OTA also considered alternative strategies for studying the health of atomic veterans, and we have come to the conclusion that it does not appear possible to design a study of all atomic veterans, or of a subgroup known to have had higher radiation doses, that would have adequate power for detecting radiation-related excesses of disease.

The most difficult judgment that we had to make in this evaluation was whether assumptions about the accuracy of the radiation doses are reasonable. We seriously considered the possibility that the doses might have been much higher than measured or estimated, which is a major concern of the atomic veterans. There is currently no method, based on measurements that could be made today, for accurately quantifying radiation doses 25 years ago to atomic veterans, so the final judgment had to be made on indirect evidence. The National Research Council study found no excesses of deaths from diseases known to be inducible by radiation in the *total* cohort of atomic veterans (a significant excess of leukemias in one subgroup is addressed below). From those results, we infer that, *for the cohort as a whole,* radiation exposures are not likely to be wildly misrepresented by measured and estimated doses, although it is certainly possible that individuals or certain groups of veterans did have higher exposures.

Although global studies of atomic veteran health are not feasible in our judgment, OTA suggests two more specific studies that could produce information about the health of atomic veterans. The Caldwell committee recommended that the veteran cohort that witnessed shot Smoky, in which an excess of leukemias has been directed, be reevaluated periodically. OTA concurs with that recommendation, particularly since the NRC mortality study also found an excess of leukemias in that group. If those leukemias are, in fact, radiation-induced, one would expect to see excesses of other radiogenic tumors arising in that cohort during a later time period. If the excess leukemias were simply a chance occurrence, which is possible, no excess of other radiogenic cancers would be expected. The periodic follow-ups might reasonably be scheduled every five years. They could focus on mortality rather than morbidity, since, for most radiation inducible cancers, morbidity data provide little more information than do mortality data, and morbidity data are generally more difficult and considerably more expensive to collect.

The second suggested study would focus on the veterans who witnessed Operation Crossroads, the earliest test series after the war, and one which was not included in the NRC study. At the time of that test series, in 1946, film badges were issued only to a few men whose exposures were to represent those of many others who were engaged in similar activities. The lack of individual dose information, and anecdotal information indicating that internal radiation exposures might have been higher than estimated, may make this group a worthwhile study population. The General Accounting Office is currently evaluating the radiation estimates for those veterans, and is examining a large volume of material dealing with radiation safety at Operation Crossroads. When that review is completed, in fall 1985, a decision about doing a mortality study could be made.

Should you require additional information, or if you would like to discuss any aspects of OTA's evaluation, please do not hesitate to call on me or Michael Gough or Hellen Gelband (6-2070) on my staff.

Sincerely,

JOHN H. GIBBONS.

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, July 24, 1985.

Hon. HARRY N. WALTERS,
Administrator of Veterans' Affairs,
Washington, DC 20420

DEAR HARRY: I have recently received and reviewed a copy of the July 1985 Office of Technology Assessment Staff Memorandum entitled "An Evaluation of the Feasibility of Studying Long-Term Health Effects in Atomic Veterans", which was prepared in response to your December 19, 1984, request that OTA review a proposed protocol for a study of veterans exposed to radiation and advise you as to the feasibility of such a study. I am writing to express my views on this issue in light of the mandate in section 601 of Public Law 98-160 that such study be carried out.

The OTA staff memorandum appears to me to be very well done and quite comprehensive, and I have no basis for disagreeing with the OTA staff conclusions that, first, a study "carried out in accordance with the outlines of the VA plan would not produce meaningful scientific results" and, second, that "a study of the group of 1200 atomic veterans with more than 5 rem exposure [an option OTA considered on its own initiative] would be even less powerful than would the study of the entire cohort."

Notwithstanding these conclusions regarding the likely merits of comprehensive studies, however, I continue to believe that valid study, within the context of section 601, of the adverse health effects of exposure to radiation among veterans exposed during the nuclear test program or in connection with the occupation of Japan following World War II can be carried out. Therefore, I urge you to consider, prior to making any final decision that such study is infeasible, the feasibility of study approaches other than those reviewed by OTA. In this regard, I believe that it is important to note that the study mandate clearly contemplates, in section 601(a)(1)(B) of P.L. 98-160, that, even if it is determined that it is not feasible to carry out some elements of the mandated study, other elements as to which a determination of infeasibility cannot be made would continue to be required.

Among the possible study approaches that I urge you to consider before making any final decision are two that are discussed in the OTA staff memo—namely, periodic follow-up studies of the veterans who witnessed the SMOKY shot and a study of the veterans who were present at the tests carried out during Operation Crossroads (with comparisons being made between the health status of these veterans with an appropriately designed control group of veterans who were not exposed to radiation during the test program). This latter study would appear to be particularly important in light of the concerns about the levels of exposure and safety precautions at Crossroads which were raised by the Operations Radiological Safety Officer at the shots, the late Colonel Stanford Warren, in various memoranda and letters which were presented to the Congress in 1983 and which have been the subject of a nearly completed GAO study. (I understand that your staff has already reviewed this study in draft.) In addition to these two studies, there may be others focusing on particular shots or series of shots or some other subset of the total population of veterans exposed to radiation that could be the subject of valid study, and I urge you to look for such options before reaching any final decision regarding the infeasibility of carrying out any study under section 601 of P.L. 98-160.

In addition, I urge you to have members of your staff contact appropriate staff at the National Research Council (NRC) to discuss with them the possibility of the VA providing funding support for a further analysis, using a properly constituted control group of veterans, of the information gathered by the NRC in connection with the recently reported study entitled "Mortality of Nuclear Weapons Test Participants". Such an analysis, which members of the Committee staff have already discussed with NRC, would be a valuable addition to the body of information available at present on the health status of veterans exposed to radiation.

Thank you for your continued cooperation.

With warm regards,
Cordially,

ALAN CRANSTON.

ALCOHOL AND DRUG TREATMENT AND REHABILITATION

Mr. CRANSTON. Mr. President, section 204 of the committee bill, as did section 5 of S. 6, would extend for 3 years, through the end of fiscal year 1988, the VA's existing authority to contract with various community facilities to provide care and treatment to veterans suffering from alcohol or drug dependence or abuse disabilities and would eliminate the designation of this authority as a pilot program. Last year, the committee reported similar legislation which the Senate passed but which did not gain House support.

I am very pleased that the committee has again expressed its support for this program, which was first established in 1979 pursuant to legislation

that I authored and was enacted in Public Law 96-22. On the basis of all the evidence I have reviewed—including a report submitted in May 1984 on the operations of the program through September 30, 1983, and reactions from veterans who have been placed in halfway houses and other community-based facilities under the program, VA employees who work with veterans with drug or alcohol abuse dependencies, and individuals in California and elsewhere associated with various community-based drug and alcohol treatment programs—I am convinced that the pilot program achieved considerable success in enabling significant numbers of veterans to receive appropriate and helpful assistance.

PILOT PROGRAM OF NONINSTITUTIONAL ALTERNATIVES TO INSTITUTIONAL CARE

Mr. President, section 103 of the committee bill would require the VA to conduct a 4-year pilot program, from January 1, 1986, through December 31, 1989, at 10 demonstration project sites to evaluate noninstitutional alternatives to institutional care. Through this pilot program, the VA would provide certain veterans with medical, rehabilitative, and other health services and, by contract with non-VA entities, with health-related services. These health and health-related services would be provided in noninstitutional settings—such as a veteran's home or a board-and-care home—with the goal of being able to avoid institutional care, such as in a hospital, nursing home, or domiciliary facility, for the participants in the program. Under this pilot program, priority would be accorded to veterans with service-connected disabilities, to veterans who are 65 years of age or older, and to veterans who are totally and permanently disabled.

Mr. President, the provisions in section 103 are derived from provisions in the legislation I introduced on January 3, section 9 of S. 6, and the chairman [Mr. MURKOWSKI] introduced on April 3, section 2 of S. 876. The fact that we both proposed legislation to promote greater VA activity that would help reduce the need for institutional care among veterans and that both bills placed an emphasis on increased VA interaction with community entities which provide health and health-related services is no coincidence. It has been very clear to our committee for a number of years that, in light of the rapid increase in the number of veterans age 65 and older who may be seeking care from the VA in the years ahead, the agency must take steps to develop new approaches to addressing the health care needs of veteran patients. Likewise, in this time of increased pressure to hold down Federal spending in order to reduce the deficit, it has also been clear that any new efforts have to emphasize getting the maximum benefit for each dollar spent. I believe that the pilot program set forth in this section of the committee bill is an appropriate response to these concerns, as well as to developments in health care generally making noninstitutional care more feasible and more effective.

With specific reference to the issue of the cost of this program, the committee bill limits the total cost over the life of the program to 60 percent of the cost that would otherwise have been incurred by the VA if the veterans participating in the program had been furnished nursing home care instead of noninstitutional services provided under the program. It is our intention that this program be carried out through the use of funds that would otherwise have been used for the provision of more costly intermediate care and that the balance of the funds be applied to care for more veterans than would have been served in the absence of this new, innovative program.

Mr. President, I want to note one particular element in the pilot program which is derived from the provision in S. 6, namely the requirement that at five of the demonstration project sites, the projects will be required to use geriatric evaluation units—GEU's—at the VA health care facility involved. The evidence to date on the effectiveness of GEU's—principally through the work at the Sepulveda, CA, VA Medical Center—in helping to place older patients in the most appropriate level of care and in improving the quality of their care has been very encouraging, and I look forward to a substantial expansion of GEU's at VA hospitals and to a further evaluation of the usefulness of GEU's as part of this pilot program.

Finally, with reference to this pilot program, I note my very strong interest in having the VA work actively with appropriate community entities in helping to meet the needs of the veteran participants for health-related services. I am convinced that the VA must make greater use of community resources which help to maintain individuals in their homes—such as homemaker, personal care, communal or at-home nutrition, and transportation assistance services—if the agency is to respond in any adequate way to the growing demand for care that it is facing and will continue to face as the veteran population ages so rapidly over the next decade and this element of the pilot program is designed to achieve that result.

PILOT PROGRAM OF COMMUNITY-BASED PSYCHIATRIC RESIDENTIAL TREATMENT FOR CHRONICALLY MENTALLY ILL VETERANS

Mr. President, section 102 of the committee bill contains authority for another VA pilot program which, like the pilot program under section 103 which I just discussed, has as a general goal meeting the health care needs of certain veterans—in this case, certain chronically mentally ill veterans—in other than traditional institutional settings.

This provision is derived from the chairman's legislation, S. 876. It was modified by the committee so as to provide the Administrator with a discretionary 4-year authority to contract for care and treatment and rehabilitative services in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities for veterans suffering from service-connected chronic mental illness or veterans who have 50 percent or more service-connected disabilities and are suffering from chronic mental illness. This authority, as a result of the committee's action, is now modeled on the provision I authored in 1979, which authorizes the VA to contract with community-based facilities to provide care and treatment to veterans suffering from alcohol or drug abuse or dependence disabilities—which, as I discussed earlier, would be extended by a provision in this measure. The new provision is designed to give the VA the ability, across the VA health care system, to provide certain service-connected chronically mentally ill veterans with an additional, necessary option for care which is not now but clearly should be provided by the VA to carry out its responsibilities to these service-connected veterans.

I feel that this is now an excellent provision, and I enjoyed very much working with the chairman to develop this very productive approach focused on the needs of certain service-connected veterans suffering chronic mental illnesses.

Mr. President, there is one final point that I want to make regarding this pilot program and that concerns my views on the funding for this effort as well as the other pilot programs in title I of the committee bill. As I stated in my introductory remarks on S. 6, I am strongly committed to seeking ways in which to bring the enormous Federal deficit under control and, because of this, am extremely reluctant to advocate any new spending by the Federal Government. As I noted earlier in connection with the pilot program of noninstitutional alternatives to institutional care, authorized by section 103 of the committee bill, funding for that program is to come from funds that would otherwise have been used for the provision of more costly intermediate care to the veterans involved. In a similar vein, funding for the pilot program of chiropractic services, authorized by section 104 of the committee bill, is to come from appropriations that would otherwise have been expended—specifically,

funds expended for beneficiary travel for beneficiary travel payments.

Although there is no similar legislative direction for the funding of the section 102 pilot program relating to care for chronically mentally ill veterans, it is certainly my expectation and the committee's that the VA will utilize otherwise available medical care appropriations to fund this new effort and, if the pilot program meets the committee's expectations, it should result in a reduced level of spending for the treatment of the same number of veterans by providing treatment for them through less costly means.

With reference to the other pilot program in the committee bill—the partial modification of the VA's Vet Center Program authorized by section 101 of the committee bill—I also expect that any additional staff for the new Vietnam Veteran Resource Centers—VVRC's—will come from existing resources. I anticipate little difficulty for the VA in providing such staffing, both because of the relatively small number of staff that is required to be assigned, in some fashion, to carry out certain functions at the 10 VVRC's and also because the activities that are supposed to be carried out in the VVRC's under the pilot program are already ongoing, either at existing Vet Centers or elsewhere, and should not, therefore, require hiring any new staff.

HEALTH CARE MANAGEMENT

Mr. President, there are three provisions in the committee bill, sections 302, 303, and 304, that address in various ways the committee's concerns about the need to ensure that the VA is providing quality health care. The overall issues of the quality of VA health care and of quality assurance matters have been of particular concern to the committee in recent years and these provisons in the committee bill—which are derived both from the chairman's bill, S. 876, and my legislation, S. 6, and modifications we developed jointly represent the culmination of a great deal of work by the committee to address these concerns.

QUALITY ASSURANCE AND CREDENTIALING

Section 304 of the committee bill deals with the overall issue of VA quality assurance activities, including matters relating to how the agency monitors the credentials of VA health care professionals. This provision, which builds on efforts already underway within the VA, would require the Administrator to establish and conduct a comprehensive quality assurance program and to provide sufficient personnel and resources to the Department of Medicine and Surgery to carry out such a program and sufficient personnel and resources to the VA's inspector general to monitor and evaluate the effectiveness of this program.

One key element of the mandated Quality Assurance Program would require the agency to identify national morbidity and mortality standards for all the types of surgical procedures carried out by the VA and then to collect data on the VA experience for all such procedures and compare the VA experience to the national standards. The VA data would be collected and compared in two ways—for cardiac surgery, heart transplant, and renal transplant activities, data would be collected on each separate VA program, that is, facility, conducting these activities and compared to national and community standards; for all other surgical procedures, the data would be collected and compared on an aggregate basis.

Once the VA data and national standards are compared, the VA's Chief Medical Director would be responsible for identifying and explaining any deviations between the VA experience and the national standards and for making recommendations in light of those comparisons. The Chief Medical Director would be required to submit to the Administrator three reports—one by January 1, 1987, one by January 1, 1991, and the third—on the experience under this mandated Quality Assurance Program. The Administrator, in turn, would be required to submit each such report to the two Committees on Veterans' Affairs within 60 days of receiving each report, together with any comments on the reports.

MEDICAL QUALITY ASSURANCE RECORDS

Section 302 of the committee bill, which derives directly from section 7 of S. 6, concerns the degree of confidentiality that should be provided to records created through the VA's Quality Assurance Programs.

There are two principal elements to the VA's current medical Quality Assurance Program. One is an external review process which involves teams of VA health care professionals from outside of a particular VA facility who come to that facility and conduct a comprehensive review of all facets of the facility's operation. The other is an ongoing program of internal reviews at each VA facility which are carried out by designated committees of health care professionals from the facility's own staff. Each element of the Quality Assurance Program produces various documents which contain information identifying individual VA patients or employees and citing and describing any inappropriate medical practices and deficiencies discovered in the provision of health care and making recommendations for corrective actions.

Because these quality assurance efforts depend to a very significant degree on the willingness of the VA personnel conducting the reviews to be completely candid in their comments and because of concerns that this vital degree of candor could be lost if he participants could not be assured that their remarks and evaluations incorporated in quality assurance reports would be kept confidential, the Congress acted in 1980 to place stringent limitations on the disclosure of these documents.

However, a number of recent instances have come to my attention of situations in which VA facilities have relied on this provision of law—section 3305 of title 38, United States Code—to refuse disclosure of information and records which were not generated by quality assurance reports and which did not appear to come within the coverage of that section. In some of these cases, the material requested consisted of aggregate data relating to morbidity and mortality rates various procedures at VA health care facilities, information that resulted from a simple compilation of information and which did not implicate any quality assurance activity.

In order to ensure that the intent of Congress in enacting section 3305 is clear—namely, that medical quality-assurance records should be kept confidential but only to the extent necessary to promote the candor of individuals involved in the quality-assurance process—and to specify generally that withholding aggregate data relating to morbidity and mortality associated with various VA programs is not necessary to achieve this purpose, section 302 would make clear that such aggregate information is generally not made or considered confidential as medical quality-assurance records. Unless some other basis for nondisclosure exists, the information would be available for disclosure. The only exception would be aggregate information that would identify an individual VA patient or employee or an individual quality-assurance activity and that information would be made available to the public on a regular, periodic basis in the biannual reports of the Chief Medical Director on the VA's Quality Assurance Program submitted to the Veterans' Affairs Committees by the Administrator pursuant to new section 4152 of title 38, United States Code, discussed above.

DISCIPLINARY BOARD ACTION INVOLVING CLINICAL PRIVILEGES

Section 303, which is derived directly from section 8 of S. 6, addresses another matter relating to VA quality-of-care issues and the overall management of the VA health-care system, namely, the process by which the VA can reduce or revoke a health-care professional's clinical privileges.

Clinical privileges in the VA—the type of direct patient-care services that an individual is authorized to perform as a VA employee at a particular VA facility—are a very fundamental component of physicians' and other health-care professionals' employment

with the VA and, indeed, of their proprietary interest in their professions. Because a reduction or revocation of clinical privileges could have a very serious impact on an individual's professional reputation and career opportunities, this provision in the committee bill would require the VA to provide the same due process protections before making such a reduction or revocation as would be provided in cases involving what is presently characterized as "disciplinary action" against a VA health-care professionals. These protections include the right to notice of the basis for the proposed action, the right to confront all witnesses giving evidence, the right to be present throughout the proceeding, and the right to a decision on the record. These procedures are described in broad outline in section 4110 of title 38, United States Code, and are set forth in more detail in VA personal manual MP-5, part II.

During the May 7, 1985, hearing on this provision, the VA expressed the concern that this provision might somehow limit—or be seen to limit—the agency's ability temporarily to reassign a health-care professional so as to remove his or her access to veteran patients during any proceeding involving clinical privileges. To alleviate that concern, the provision in the committee bill contains an amendment to section 4110 expressly specifying—as the VA also asserted in its testimony is the present state of the law—that nothing in section 4110 restricts the Administrator's authority, pending the outcome of any proceeding under section 4110, to reassign a health professional for the purpose of suspending the exercise of clinical privileges or otherwise restricting such employee's professional activities to the extent necessary to protect the health or safety or veteran-patients.

VA CONSTRUCTION ISSUES

Mr. President, I want to outline briefly the provisions of the pending measure relating to VA medical-facility construction issues. I believe that these provisions propose significant improvements in the VA's construction process and the role of the Congress in that process.

First, under the pending measure, beginning in fiscal year 1987, the Congress would follow an annual authorization cycle through the legislative process for the approval of VA construction projects. This would be in lieu of the current committee-resolution approach and would serve to reinforce and unify the activities of our committee and the House committee in the construction area. It would also help to ensure that the intended role of the Congress in the authorization process is fulfilled.

With respect to VA construction proposals for next fiscal year, fiscal year 1986, the pending measure includes a legislative authorization of appropriations for fiscal year 1986. Thus, for fiscal year 1986, as well as future years, under the approach taken in S. 876, we would not adopt a committee resolution. This approach is both fiscally prudent and sound and incorporates the sizing concepts—based on the needs of service-connected disabled veterans and financially needy veterans—which were adopted by the committee in its May 24, 1984, construction project approval resolution.

Second, other changes that would be made in title 38 by S. 876 would, if enacted, give Congress earlier, more effective input into the planning of major replacement and modernization projects and more meaningful control over the size of such projects. It would do this by prohibiting any expenditure, beyond what is necessary to develop project requirements, for a project costing $20 million or more for the construction, remodeling, expansion, or acquisition of a VA hospital facility unless authorized by a law based on legislation reported from the Committees on Veterans' Affairs. It would also limit to not more than 700 hospital beds the size of new or replacement VA hospital facilities that could be constructed and prohibit projects involving expenditures of over $20 million for the remodeling or expansion of a VA facility where, upon completion of the project, the facility would have more than 700 hospital beds.

Mr. President, in my view, this control and input is amply justified and sorely needed as the committee has so clearly learned this year. Under the current process, even the very largest hospital construction projects go through the preliminary plans stage long before there is any congressional input. When congressional input finally comes, in response to the request for funding of working drawings, the agency may already have sunk years of effort into a construction concept and bed size that the Congress has not approved and may wish to change.

For the committee and the Congress to attempt to influence significantly the ultimate shape of the project at that late stage can result—according to the VA—in up to 3 to 4 years of delay in the construction project. This is an untenable situation. Indeed, I might say it is an almost unbelievable situation—especially in light of our committee's strong differences with the VA regarding the size of the hospital facilities it is planning and whether the needs of service-connected disabled veterans and financially needy veterans should be a principal basis for hospital construction/acquisition planning.

As the committee has learned this year in connection with its consideration of the VA's request for fiscal year 1986 funding of three major replacement/modernization projects—in Houston, Philadelphia, and Mountain Home—any congressional control over a large project—other than a decision to proceed or not to proceed—virtually ceases when a project has completed the preliminary planning stage. The committee's concerns in this area are set forth in the discussion of section 401 of the pending measure in the committee's report—Senate Report No. 99-101—at pages 67 through 78, which includes an excerpt from an exchange I had with VA officials at the committee's March 27 hearing on the VA's construction process and an exchange of letters with the Administrator of Veterans' Affairs.

Mr. President, I believe the provisions of S. 876, if enacted, will be a vast improvement over the construction planning process and procedures which now exist. They would allow both the two Veterans' Affairs Committees and the Congress to have a more effective role in the planning for and construction or acquisition of VA health-care facilities involving the expenditure of billions of dollars over the next few years alone.

MURKOWSKI-CRANSTON AMENDMENT

Mr. President, as I mentioned at the outset of my remarks, I want to discuss the amendment offered to the committee bill on behalf of Chairman MURKOWSKI and myself. As I will describe in more detail, this amendment would delete two provisions from the bill and would add a number of other provisions.

DELETIONS FROM COMMITTEE BILL

The amendment proposes—solely for the purpose of avoiding a Budget Act problem at this point—the deletion from the committee bill of the two provisions that involve so-called entitlement spending. As the author of those provisions, I want to stress that they are being deleted here solely for a technical purpose and will be pursued in other legislation this year. One provision would modify the starting date of the Vietnam era for title 38 purposes in the case of veterans who actually served in Vietnam prior to August 5, 1964, the starting date for the Vietnam era in current law, and would, among other benefits, result in providing VA pension eligibility under chapter 15 of title 38 to a small number of these veterans who have low family incomes. The other provision would specify that income received for their participation in a VA incentive or compensated work therapy program by low-income veterans also receiving VA pension would not be counted as income for the purposes of that VA pension. This program would affect approximately 3,200 veterans according to a shortly to be published GAO report on this subject that I requested.

In light of the fact that the Congress has not yet adopted a first concurrent resolution on the fiscal year 1986 budget, it would not be in order, under section 303(a) of the Congressional Budget Act, to consider these entitlement provisions without a Budget Act waiver. Our committee reported such a waiver and it was referred to the Budget Committee on July 8. The Budget Committee did not report favorably on that waiver. Rather than seek a vote on such a waiver at this time, the chairman and I are proposing to delete these two provisions from the committee bill and instead will have them added to legislation which we anticipate the committee will report later this year relating to VA compensation and other VA entitlement programs.

ASSISTANCE FOR CERTAIN FORMER POLITICAL HOSTAGES

Mr. President, the Murkowski-Cranston amendment includes a provision—derived from Senate Joint Resolution 167 which was introduced by Chairman MURKOWSKI on July 22—which directs the VA to ensure that the agency's expertise in diagnosing and treating individuals who have experienced unusual trauma and stress is made available to Federal agencies and other appropriate organizations who are providing assistance to the passengers from TWA flight 847 who were held hostage earlier this year or to other U.S. citizens returning from captivity as political hostages.

Mr. President, I congratulate the chairman on his leadership on this important issue and agree completely with him that the VA has a special expertise in this area—gained most recently through work with and on behalf of Vietnam combat veterans suffering from post-traumatic stress disorder.

I want to expand on one point about this provision. The Administrator of Veterans' Affairs is directed to take appropriate action otherwise authorized by law to ensure that the VA's expertise is shared appropriately. In this regard, I note that, pursuant to subsection (c) of section 110 of Public Law 98-528, the VA has established in Cleveland, OH, a National Center on Post-Traumatic Stress Disorder—also known as the Stress Recovery Center—which is mandated, among other things, to

serve as a resource center for, and promote and seek to coordinate the exchange of information regarding, all research and training activities carried out by the Veterans' Administration, and by other Federal and non-Federal entities, with respect to PTSD.

In light of this existing statutory mandate, this center should be the principal VA entity through which VA expertise can be shared with those agencies and organizations that are assisting the TWA hostages. In my view, this is precisely the type of function that the Congress envisioned in establishing the center.

EXTENSION OF PERIOD FOR ENTERING TRAINING UNDER THE EMERGENCY VETERANS' JOB TRAINING ACT OF 1983

Mr. President, I also want to make special mention of a provision in the pending amendment that would extend by 6 months—from September 1, 1985, to March 1, 1986—the period of time by which a veteran must enter a program of training under the Emergency Veterans' Job Training Act of 1983—EVJTA—in order for the employer to be eligible for payments under that act.

I was pleased to join as an author of EVJTA in the Senate with the distinguished former chairman of the Veterans' Affairs Committee and now assistant majority leader [Mr. SIMPSON]. As enacted on August 15, 1983, this law was designed to provide employers with incentive payments to defray training costs so that they would hire and train long-term unemployed Korean-conflict and Vietnam-era veterans. When first enacted, the law provided that a veteran desiring to participate would be required to apply by September 30, 1984, for a certificate of eligibility and to enter training by December 31, 1984. However, in recognition of the possibility that appropriations might not become available by September 30, 1984, the law included the provision I had proposed in the Senate bill establishing a tolling period. Under this mechanism, a veteran had until 1 year after the date on which appropriations were made available for the program to apply and until 15 months after that to enter training. Since funds were not made available to the VA for the program until November 29, 1983, eligible veterans had—at the outset of the program—until November 29, 1984, to apply and until March 1, 1985, to enter training.

Last year, Mr. President, in recognition of the delays inherent, in the startup of the new program, the Congress approved an extension of these dates. Thus, Public Law 98-543—derived in part from my bill, S. 2760—extended the date for applying for the program to February 28, 1985, and the date for entering training to September 1, 1985.

According to a recent evaluation of EVJTA—carried out under contract with and just released by the Veterans' Administration—more than 27,000 veterans have enrolled in training under the program with more than two-thirds receiving training in structural work occupations, machine trades, and professional/technical/managerial positions. Those who completed the program had an average hourly wage of $6.77. The completion rate for veterans in the program was estimated to be 44 percent and the direct cost of training per participant is estimated to be $3,000.

Although, given our enormous budget deficit problems, I have reservations about proposals to authorize the appropriation of additional moneys for this program—at least until the committee has had a full opportunity to hold hearings on the program and legislation to extend and revise it, I feel strongly that action should be taken as soon as possible to ensure that the funds that have already been appropriated for it—the full $150 million—are fully expended.

According to a May 6 letter I received from VA Administrator Harry Walters, the VA estimates that as of September 1 there may be about $10 million remaining in unspent and unobligated EVJTA funding. At this time, we have no real ability to judge the accuracy of that estimate; it could be high or low depending on the rate at which veterans who have been certified as eligible for the program are placed in a training program.

Thus, in order to permit the funds remaining in the program to be used to assist unemployed veterans find productive jobs, the pending amendment would extend by 6 months—until March 1, 1986—the date by which veterans must enter training. This will permit additional time for the VA and the Department of Labor, which share the responsibilities for this program and for developing and placing veterans in training positions, to assist some of the most deserving veterans through the EVJTA Program. Based on the average per participant cost of $3,000, the remaining $10 million would mean training opportunities for 3,300 veterans.

Mr. President, it should be noted that those veterans who have been certified for the program, who are still unemployed, and who not yet been placed in training under EVJTA are quite likely to have special problems in obtaining and retaining employment. Indeed, as the VA's evaluation of the program found, employers tended to select the most employable among the veterans certified for program participation. Thus, I want to make clear that the VA and the Department of Labor will need to strengthen their efforts to assist veterans under EVJTA during this extension and will need to explore ways to provide special types of assistance, particularly in the area of employment counseling and particularly to reduce the disturbingly high noncompletion rate. I intend very strongly to urge both agencies to do a better job in this area. In addition, since there is no limit on the time by which an employer must apply for participation in the program, I will also be urging both agencies to conduct an active employer outreach pro-

gram so that job opportunities for veterans will be maximized.

PHILIPPINES REGIONAL OFFICE EXTENSION

Mr. President, also included within the amendment Senator MURKOWSKI and I are offering today is a provision I am proposing to extend for 3 years the authority for the VA to maintain an office in the Republic of the Philippines.

Under current law, the VA operates a regional office in the Philippines but the authority for that office expires on September 30, 1985.

The administration, in connection with its March 19, 1985, submission of draft legislation to increase the statutory rates of disability compensation for veterans and rates of dependency and indemnity compensation for surviving spouses and children of veterans, has requested that the authority for this office be extended for 3 fiscal years—until September 30, 1988. The letter from Administrator Walters transmitting the proposal noted that it has been the VA's "experience that the operation of a regional office in the Republic of the Philippines is the most efficacious means of administering the VA programs which provide disability compensation, pensions, and educational benefits to tens of thousands of Filipino beneficiaries." In fiscal year 1983, the VA advises, more than $125 million was paid to over 31,000 Filipino beneficiaries through the Philippines regional office where 128 VA employees work.

Mr. President, this extension would ensure that the VA has the ability to continue to meet the needs of the residents of the Philippines in a cost-effective manner. The Congressional Budget Office estimates that the cost of operating this regional office would be $1 million in fiscal year 1986 and $2 million in each of fiscal years 1987 and 1988.

Mr. President, the House of Representatives, as part of H.R. 2343, the proposed "Veterans' Compensation Benefits Amendments of 1985," which was passed by the House on May 20 and which is currently pending in the Veterans' Affairs Committee, has already approved such a 3-year extension of this authority. By proposing to incorporate this amendment into the pending measure, we intend to ensure that the operations of the VA regional office in the Philippines are not disrupted and may continue after September 30, 1985.

CONCLUSION

Mr. President, it has been a pleasure to work with the chairman [Mr. MURKOWSKI] and all the members of the committee in the development of this legislation to meet important needs of the Nation's veterans. This is the first major piece of veterans' legislation produced in the committee under his chairmanship to reach the Senate floor, and I congratulate him on his effective work and leadership.

This bill, as it is before the Senate today, is the result of true bipartisan effort—the type of effort that we on the Veterans' Affairs Committee always strive to put forth. I want to note the contributions of, and to thank, the committee staff members who worked on this legislation—Cindy Alpert, Tony Principi, and Julie Susman, on the majority staff; James MacRae who so ably provides editorial support to the committee; and, on the minority staff, Bill Brew, Nancy Billica, Ed Scott, Jon Steinberg, Charlotte Hughes, and Ingrid Post.

I believe that S. 876 as reported and as it will be amended by our floor amendment today is a well-balanced, fully appropriate measure that, if enacted, will be of substantial help to the VA in seeking to fulfill its health-care mission. It has the unanimous support of the members of the Veterans' Affairs Committee and has wide support among the veterans' service organizations. I urge my colleagues to give this measure their full support.

Mr. THURMOND. Mr. President, I rise in support of S. 876, the "Veterans' Administration Health Care Programs Improvement Act of 1985."

S. 876 is meritorious legislation containing many significant provisions designed to improve and enhance the health care programs and services provided to the deserving men and women who have honorably served their country. I wish to commend the chairman of the Senate Committee on Veterans' Affairs, Senator MURKOWSKI, the ranking minority member, Senator CRANSTON, and the other members of the committee for their fine work and bipartisan cooperation on this important veterans' health care legislation.

Mr. President, in view of the necessity of reducing the soaring Federal budget deficit, Congress faces the difficult challenge of weighing competing demands for limited resources. For this reason, proper health care planning and the cost-effective delivery of medical services have never been more important to ensure that the Nation's commitment to our veterans is met through the provision of quality medical care. In this regard, I am pleased that S. 876 contains provisions designed to improve VA medical facilities construction policies and VA health care quality assurance. Other provisions of this legislation have the important objective of identifying less costly alternatives to institutional health care through the authorization of a pilot program to provide community alternatives for nursing home care and a pilot program to provide community-based psychiatric treatment for the rehabilitation of chronically, mentally ill veterans. This legislation will also extend the successful program under which the VA contracts with halfway houses and other community-based facilities for the treatment and rehabilitation of veterans with alcohol and drug dependency disabilities. Additionally, S. 876 provides for the establishment of a pilot program of Vietnam veteran resource centers to provide employment counseling, training, and placement services as well as readjustment counseling and related mental health services.

Mr. President, I am especially pleased that this legislation contains a provision derived from a bill I introduced, S. 1052, which would authorize the VA to conduct a 3-year pilot program to provide chiropractic services to eligible veterans. It is my strong belief that our Nation's veterans deserve the same access to medical treatment, including chiropractic treatment, as that available to recipients of other Federal and State health care programs. Specifically, this provision directs the VA to conduct demonstration projects in five geographic regions of the country to provide chiropractic services to eligible veterans and to evaluate the therapeutic benefits and cost effectiveness of the chiropractic services. The provision authorizes reimbursement to the veteran or direct payment to doctors of chiropractic for the reasonable charges, within certain prescribed limitations, furnished eligible veterans under the pilot program.

Mr. President, it is the highest obligation of United States citizenship to defend our Nation in time of need, and this obligation creates an equal responsibility on the part of our Nation to care for the men and women who have worn the uniform. This country has the great responsibility of ensuring that the debt which is owed to the Nation's veterans is repaid through the provisions of adequate benefits and quality medical care. S. 876 is meritorious legislation which I support, and I urge its favorable consideration by my colleagues.

Mr. SARBANES. Mr. President, I commend the Committee on Veterans' Affairs for the forthright approach it has taken in S. 876 to meet the hospital construction needs of our Nation's veterans.

Since coming to the Congress, I have been a strong supporter of constructing a new acute care VA hospital in downtown Baltimore. The Baltimore facility is supported by all the principal veterans' groups throughout the State of Maryland. There are approximately 630,000 veterans in Maryland. These veterans, 77,000 of whom sustained disabilities while in the service or are totally disabled by reason of non-service-connected problems, deserve and expect quality medical care. The new VA hospital is designed to meet these urgent needs and to operate in conjunction with the University of Maryland Hospital under a unique

51-059 O-86-4 (Pt. 16)

program of cooperative medical care which will provide significant savings through the sharing of equipment, staff, and services.

While I commend the committee for including a specific authorization of $88.8 million for the new Baltimore Hospital in S. 876 without specifying the number of beds, I would hope that there would be considerable flexibility on the part of the Veterans' Affairs Committee with regard to the ultimate design and size of the facility. It is my understanding that the Administrator of the VA Harry Walters has recommended to the Office of Management and Budget and the Senate and House Appropriations Committees that a 373 bed acute care hospital be built in Baltimore. In addition that report evidently calls for the closing of Loch Raven Hospital and the modernization of Fort Howard Hospital.

Recently, in reporting out the HUD-Independent Agencies appropriations bills, the House Appropriations Committee included $2 million in the bill for redesign of the Baltimore facility. I am pleased that the Senate Appropriations Committee's Subcommittee on HUD-Independent Agencies today included a similar amount in its bill.

Mr. President, the new acute care hospital in Baltimore is essential to meeting the health needs of Maryland's large veteran population. In light of the great need for the facility, the continuing congressional commitment to it, and the money already spent by the Federal Government for it, I applaud this specific authorization and urge that this project go forward without further delay.

JOBS TRAINING STILL NEEDED

Mr. PRESSLER. Mr. President, I rise today in support of the extension of the Emergency Veterans Jobs Training Act. Since its inception, this job training and placement program has provided employment for approximately 30,000 Korean and Vietnam veterans. Another 206,000 veterans were deemed eligible for placement on February 28, 1985—the application deadline for this program.

As a Vietnam veteran, I have always advocated veterans employment programs. They are vital in assisting veterans in finding stable jobs in the American economy. Also, the resulting higher employment rates build the tax base and promote a healthier economy. Thus, I would argue that veterans employment legislation is not only helpful to the individual veteran, but also pays for itself economically.

As many of my colleagues will remember, the Emergency Veterans Jobs Training Act passed Congress in late 1983. Designed for joint implementation by the Department of Labor and the Veterans' Administration, its intended purpose was to assist in lowering the excessively high Korean and Vietnam veteran unemployment rates. It has had a checkered existence.

First, the appropriation of funds was not made until early 1984, so the program was late in getting started. Second, word did not reach veterans and potential employers as quickly as many would have liked. These factors directly contributed to a very sluggish beginning for the program.

When the Emergency Veterans Jobs Training Act was approved, the plan was for a 2-year program, with $150 million to be available in fiscal years 1984 and 1985. The initial $150 million has been the only appropriation ever made. Apparently, $10 to $20 million of this amount remains available for use today.

Earlier this year, I joined Senator KERRY in introducing legislation to extend this jobs program for 3 more years. This legislation recognizes the fact that certain categories of veterans, particularly Vietnam veterans, continue to experience severe employment problems. The recently released American Legion/Columbia University study further points to the problems—job related and otherwise—that Vietnam combat veterans continue to experience.

As part of the veterans health bill, the distinguished chairman of Veterans' Affairs, Senator MURKOWSKI, has offered an amendment to extend the job placement portion of this program until March 1, 1986. Also, it is my understanding that hearings on the Kerry/Pressler bill and the House version, H.R. 1408, will be held in September.

Mr. President, It is my hope that at that time, we can seriously debate where we want to go with the program and how we should do it.

Mr. HEFLIN. Mr. President, I am pleased to rise today in support of S. 876, a comprehensive veterans health care bill.

I am particularly pleased to see the Senate require the Veterans Administration to follow a new direction with respect to adding hospitals to the VA health care system. For the first time legislation would require the VA to determine the feasibility of purchasing or leasing existing medical facilities instead of constructing costly new facilities. The legislation requires the VA to submit to Congress an analysis of the cost of constructing a new facility versus purchasing or leasing an existing hospital or nursing home when adding to the veterans health care system. While the VA has had the statutory authority to purchase or lease an existing facility, they have never seen fit to consider this cost saving option. S. 876 would require that they consider this commonsense option.

I know firsthand of one instance where the VA could purchase an existing hospital for 20 to 25 percent of the cost of constructing a new facility in a region of the country where a definite need for an additional VA medical center has been established by the Veterans Administration. The VA should investigate purchasing the Providence Hospital in Mobile, AL. The Florida Panhandle Study, developed by Medical District 10, shows a minimum need for approximately 215 medical-surgical beds to serve the needs of the 8 counties located in the panhandle of Florida. VA Medical District 10 studies also show a need for 87 hospital beds to serve the needs of the veterans in Baldwin, Clarke, Mobile, Monroe, and Washington counties in southern Alabama. Using the VA figures, one could conclude that there is a need for a minumum of 302 additional medical-surgical beds to serve the veteran population living in the 5 Alabama coast counties and 8 Florida panhandle counties. Other studies conclude that approximately 70 percent of the veterans along the central gulf coast live within 1½ hours driving time of Providence Hospital, which will be vacated by its current owners in late 1986. Although the Veterans Administration has established a need to construct a costly new facility in Fort Walton Beach, FL, I believe the Providence Hospital facility could provide substantial savings.

Acting upon requests from myself and of my distinguished colleague from Alabama, Senator DENTON, the Veterans' Administration conducted a study of the Providence Hospital to determine its suitability as a VA medical center. A report published after the study was completed concluded: ". . . if a programmatic determination was made to establish a Veterans' Administration Medical Center in Mobile, AL, the Providence Hospital could be adapted to serve this role." Additionally, the University of South Alabama College of Medicine is located in close proximity to the site of Providence Hospital. The location of a Veterans' Administration Medical Center at the Providence Hospital site would greatly benefit both the Veterans' Administration and the University of South Alabama College of Medicine.

The Veterans' Health Care bill contains a provision adopted by the Senate Veterans' Affairs Committee which requires the VA to study the purchase of an existing medical facility—namely Provident Hospital in Mobile, AL.

Rarely have I seen an issue which has galvanized public opinion in such a favorable fashion. The Mobile community has rallied behind this idea for two simple reasons. First, the proposal represents a commonsense approach to Government spending that is a welcome change from talk of $400 hammers and $700 coffee pots. They realize our opportunity to save, rather

than waste in this period of unprecedented Federal budget deficits. Second, I am honored to say, Alabama has a proud history of sending her sons to fight for our country. As a result, we have a comparatively large number of veterans located in Alabama who would benefit from a Veterans' Administration facility. These veterans, their families and I, support efforts to provide them with the health care they deserve.

Thank you, Mr. President.

Mr. BOSCHWITZ. Mr. President, the roots of my involvement in veteran health care legislation are long—stretching back to before 1980 when I became involved in trying to provide funds for a replacement hospital for the aged and outdated Minneapolis Veterans Hospital.

Those battles with the VA over its constantly changing priority list, and the parallel battles with certain local groups over the lack of need for a replacement facility because local hospital beds were unused, laid the goundwork for my continuing interest in vets health care and the VA's construction process.

Mr. President, since those days in 1980 the VA has spent $2.7 billion on the construction of new or replacement medical facilities. This year the Administration's budget calls for an additional $2.5 billion over the next 3 years. And this is really just the tip of the iceberg. CBO projects that $400 million will be needed over the next 5 years just to meet the new construction needs for nursing homes.

However, if the VA attempts to retain its current level of providing nursing home beds, the costs would go up an additional $200 million. And this is just for nursing homes.

Currently the VA provides 40 percent of the veterans nursing home beds, the State Home Program provides 20 percent, and the remaining 40 percent are contracted on an individual basis to non-VA nursing homes.

However, in addition to nursing home spending, CBO estimates that the funds needed for the replacement or modernization of existing VA hospitals could cost as much as $2.9 billion.

Unfortunately, the VA's construction process is often at least twice as expensive as the private sector. This means that while we are doing what we can to see that the veterans of this country are getting the health care they deserve, we are clearly not getting as much bang for our buck as we could. And in this budget cutting climate we have to stretch each dollar as wisely and as far as we can. That is why I introduced, along with Senators DENTON, HEFLIN, and PRESSLER, S. 1007, and that is why I am so pleased that several provisions from our legislation are included in the committee reported bill we are discussing today. I feel that if we can cut costs in the construction area, we can provide more beds, serve more veterans, and provide better overall health care for this Nation's veterans.

Mr. President, everyone involved with veterans and the VA knows the crunch is coming. The demographics of the aging veterans have been published in every major media forum. The VA also, to its credit, has tried to address and plan for the influx of aging veterans.

If the VA is right and the demand for VA health care triples by the year 2000—with patient load leaping from 4.5 million today to over 12 million—then there will be a tremedous strain on both the VA and its budget. Clearly, we want to be in a position to provide VA health care for as many eligible veterans as we can.

Therefore, we must realize that in order to pay for the care we have promised the veterans, we must develop more cost-effective methods of providing it. But we must provide it in such a way that we don't jeopardize the commitments we have made to our veterans. And we must also recognize that the VA's costs will normally be somewhat higher than the private sector because of the type of patients it serves and the dedicated mission it has been given. However, it is clear Congress and the VA must look at the options and alternatives available.

And that is exactly what the bill we have reported out of committee is designed to do. First, we want the VA to look at other ways to provide care before simply building a new expensive facility. Under my provision adopted by the committee, the VA will now need to show why they have not used the option to lease or purchase an existing facility before deciding to go ahead and build a new one.

Second, the bill sets up two pilot projects that will allow the VA, Congress and the veterans of this country a chance to see how these other options work.

I realize that some will argue that since the VA now has the authority to acquire existing facilities that directing them to do so isn't needed. Unfortunately, it is clear that the VA has no intention of taking this course, since they, by their own admission, have never acquired even one nursing home or hospital. So if we wait for them to make the first move, it will probably be the year 2020.

That's why I believe the Mobile, Alabama Register's comments in regards to my and Senator DENTON's bill were so accurate. In an editorial in support of our bill they commented:

> The legislation is akin to hitting a mule between the eyes with a two-by-four to catch his attention.

Mr. President, basically the provisions of our legislaton will do two things.

First, it requires that the VA's first option when developing plans for new or replacement medical facilities shall be to consider leasing or purchasing existing community facilities. As I mentioned, the VA has the authority now to lease or acquire existing facilities, but it has never used it for either hospitals or nursing homes.

Second, it sets up a pilot program to look at different scenarios. The first would be privately built, privately run nursing homes that the VA would contract eligible veterans to in a 5-year agreement. Veterans in my State of Minnesota support such a pilot project located in Grand Rapids, MN. In this case, a veteran would like to build a nursing home facility for vets and then run it with his staff.

The second would require the VA to purchase an existing medical facility. It seems that a perfect opportunity to exercise this option is available in Mobile, AL, where the VA can acquire a hospital for $25 million, and in fact the purchase option has been looked at by the VA and the local community. In contrast, the replacement Minneapolis hospital I fought so hard and successfully to get funded cost over $200 million.

Mr. President, my interest in these ideas was reinforced when I received the results from a survey I mailed to over 60,000 Minnesota vets last summer asking for their views on how Congress should "find" the number of nursing home beds that will be needed by the year 2000. The results were startling, with 73.4 percent of the respondents saying that the VA should not build more nursing homes. Overall, the results reemphasized my belief that veterans are concerned both about available health care and cost-effective care. And I believe the bill we are about to pass here today accomplishes these goals.

Mr. President, I know my colleagues will agree that the time is right to look at different ways to spend our VA construction money. The crunch is certainly coming. This bill will give us a chance to get started now, and I urge its adoption.

Mr. MATSUNAGA. Mr. President, I rise in support of S. 876, the Veterans' Administration Health Care Programs Improvements Act of 1985. The bill, which is the result of extensive hearings in the Senate Committee on Veterans' Affairs, requires the Veterans' Administration to conduct four pilot programs designed to test and evaluate better methods of health care.

One of these pilot programs, scheduled to be in effect for 4 years, would permit veterans eligible for VA hospital, nursing home or domiciliary care to receive and be reimbursed for care in non-VA, noninstitutional settings. Priority in this demonstration project would be given to veterans who are

over 65, to those who are permanently and totally disabled, and to those whose disabilities are service-connected.

A second, 3-year pilot program would permit certain eligible veterans to be reimbursed for the cost of chiropractic services not otherwise covered by health insurance.

Service-connected, chronically mentally ill veterans would be able to obtain care in community-based residential treatment facilities under a third pilot program, and, finally, Vietnam-era veterans would be eligible for an increased range of services at readjustment counseling centers under a fourth pilot program. In many instances, home health care, and community based residential health care have proven to be highly effective and cost-efficient, and these pilot programs provide an opportunity to determine if this type of care can be integrated successfully into the VA health care system. The expansion of counseling services provided at Vietnam Vets Centers—to be tried at 10 centers initially—would make them truly one-stop centers where veterans could obtain information about health, housing, and educational benefits provided by the VA as well as readjustment counseling.

Second, Mr. President, S. 876, would extend through the end of 1989, the period during which veterans who were exposed to agent orange (dioxin) during the Vietnam war may receive priority health care from the VA, and it would authorize the VA to continue for 3 years its program of placing veterans who are alcohol or drug dependent in community based halfway houses. A report on the progress of this program would be required by February 1988.

Finally, S. 876 would improve congressional oversight of the VA. The VA Administrator would be required to submit a report to Congress prior to reducing the pay grades of health care personnel, and would be authorized to provide Congress with statistical data about VA health care programs and facilities, so long as such information does not specifically identify any VA patient. The VA would be required to establish a comprehensive quality assurance program to monitor VA health care programs and to submit reports on the results to Congress so that we know whether quality care, comparable to that provided throughout the Nation, is being provided to the Nation's veterans. Tighter congressional control of VA construction also is provided under S. 876, which requires the VA Administrator to develop a plan for anticipating the health care needs of service-connected patients and the number of beds necessary in the construction of any new VA facility.

Mr. President, these proposed improvements in veterans health care are very much needed. They would help to make VA health care more comparable to care received in the best private facilities and more cost effective. I know that many of my colleagues are deeply concerned about cutbacks in care for veterans and in the medical staffs of many VA facilities. This bill will not reduce medical personnel in VA facilities or reduce the quality of care provided to veterans. In fact, by enabling the Committee on Veterans Affairs and the Congress as a whole to obtain better information about the existing and projected health care needs of veterans, it would improve the care provided. S. 876 merits our full support, and I urge a favorable vote on the bill.

Mr. DENTON. Mr. President, I am pleased to support S. 876, a complete and comprehensive health-care bill.

S. 876 covers a wide range of issues, including studies on alternatives to institutional care, alcohol and drug rehabilitation programs, Vietnam Veterans Resources Centers, medical facilities construction plans, and several other topics. S. 876 is an important step in addressing both the short and long term health needs of our veterans, and in helping the Veterans Administration to deal with them effectively.

I am gratified that the bill includes my amendment to provide eligibility for counseling for all former prisoners of war. The amendment authorizes the VA to furnish counseling, to the extent that it is possible to do so, to any veteran who is a former POW in order to assist him in overcoming any lingering effects of his experience.

Many POW's from World War II and Korea have had no place to go to receive counseling or to talk about their experiences with a professional trained to deal with these matters. We who returned from prison in Vietnam have received every possible attention, which is understandable in view of the small number and the considerable difficulties that we encountered. My experience, however, has made me sensitive to the problems that may be encountered by my comrades from other conflicts.

The current law requires that a former POW must have a disability rating in order to be eligible for treatment. I know from personal experience, however, that a former POW does not necessarily have to have a certified disability in order to experience trauma from the ordeal of imprisonment and mistreatment. I know that there are many former POW's who have not even talked about their World War II POW experience since their return home, in large part because there was no trained individual available to listen. I believe that S. 876 will solve that problem.

The total number of former POW's is 90,801; 550 are from World War I. The largest number, 85,904, are from World War II; 3,722 are from Korea, and 625 from Vietnam.

Most States now have organizations of former POW's. There is an active organization in Alabama, and I have benefitted greatly from the things that its members have told me about their experiences and their concerns. Members of the Committee staff have also met with them. It is those veterans in Alabama who were instrumental in planting the seed for the amendment that is now included in S. 876. I commend them for their active interest in the problems facing all former POW's, and I thank them for the contribution that they have made on behalf of all former POW's.

One of the most important sections of the bill, and one that will make the most difference for many veterans in the long run, is the section on medical facilities construction. The Committee is requiring the VA to give substantial consideration to service-connected disabled veterans and to indigent veterans, and to the relationship between the levels of care provided to them, when developing its bed-sizing model for the construction of new VA medical facilities. I think that this is a useful beginning to the process of developing more rational approaches to the problem of providing VA medical facilities.

The bill also contains three sections based on the legislation, S. 1007, that Senator BOSCHWITZ and I submitted in an effort to find less expensive and more effective ways than new construction for providing medical facilities. One provision requires the VA to do what current law already allows, to consider other options than new construction when providing a new facility.

The other two sections are, in essence, a pilot program. One requires the VA to enter into a contract for the construction and operation of a nursing home that meets VA specifications. The second requires the VA to provide a feasibility plan for the purchase of an urban medical facility that can furnish both hospital and nursing home services.

That last provision is designed to deal with the opportunity presented by the availability of Providence Hospital in Mobile, AL, a situation that I have described in detail to the Committee during hearings. Purchase or lease of existing facilities, which has been recommended by every federal agency ever to look at the problem, should enable the VA to provide better service to veterans, to provide it more inexpensively than new construction, and to provide it sooner.

I support the bill because I think that it is good legislation. I commend

the chairman of the Veterans Affairs Committee for his leadership in putting the bill together, and I commend the members of the Committee for their serious and responsible consideration of the issues.

Finally, I wish to note the efforts of the Committee staff, particularly Tony Principi, the Staff Director; John Steinberg, the Minority Staff Director; Julie Sussman, the Legislative Director; and Cindy Alpert, the staff health-care specialist. Their hard work and professionalism contributed materially to the development of the bill.

Mr. KASTEN. Mr. President, the amendment I have offered will enable Milwaukee County to develop an important project on Milwaukee County stadium grounds.

Earlier this year, two civic minded individuals, Jane and Lloyd Petit, generously donated $40 million to Milwaukee County for the purpose of constructing a sports and entertainment complex. The present indoor stadium facilities in Milwaukee are inadequate and efforts to finance construction of a new facility have been tangled in bureaucratic redtape for years.

The land under consideration for development was leased to Milwaukee County for recreation and civic purposes by the Veterans' Administration through conveyance legislation passed in 1949 and 1955. Both of these laws contain language stipulating that if Milwaukee County alienates the land from its prescribed purposes, the land could revert back to the United States. Milwaukee County plans to sublease this land to a private corporation for construction purposes and concern has been raised that this may be construed as "alienation," causing the land to revert back to the Veterans' Administration.

The amendment I offered will permit Milwaukee County to sublease a portion of this land to the private corporation without jeopardizing the potential for alienation.

This project has been approved by the Office of Management and Budget, General Services Administration, and the Veterans' Administration.

Mr. President, the proposed project is very important to the citizens of Milwaukee and the State of Wisconsin. Just 4 months ago, the Milwaukee Bucks, one of the NBA's most successful franchises, was for sale. Interest from outside of the city gave new meaning to the need for a new, larger more adequate facility. The current complex only seats 12,000 people and is the NBA's smallest facility. The new complex will enable the Milwaukee Bucks to prosper and maintain their residency in Milwaukee. In addition, the complex will be used for other purposes such as concerts, rodeos, and trade shows which have otherwise been held outside of Milwaukee.

As you can see, the community has long been in need of such a facility. The economic value to Milwaukee County is immeasurable. Milwaukee is proud of its achievements and the development of this new entertainment facility will enhance the quality of life in this progressive community.

Finally, I would like to thank and congratulate the Petits once again for their generous contribution to the people of Milwaukee and the State of Wisconsin.

The PRESIDING OFFICER. The question is on agreeing to the committee substitute.

The committee substitute was agreed to.

Mr. DOMENICI. Mr. President, S. 876, the Veterans' Administration Health-Care Programs Improvement Act of 1985, is a comprehensive piece of legislation and I commend the distinguished chairman of the Committee on Veterans' Affairs, Mr. MURKOWSKI, and the ranking minority member, Mr. CRANSTON, for their continued concern for our Nation's veterans and their efforts to show these veterans that we have not forgotten them. I share this concern. As chairman of the Committee on the Budget, I also have a great interest in legislation that proposes to achieve cost savings through sound policy and program reforms. Over the past few months, I have met many times with the distinguished chairman, Mr. MURKOWSKI. In the interest of deficit reduction, we have discussed many policy and program reforms for veterans' benefits and services and we have reached acceptable compromise on these important issues. I am concerned that S. 876, as introduced, does not reflect these discussions nor does it reflect the cost savings assumed in the Senate-passed budget for veterans' benefits and services. I would very much appreciate having the views of the distinguished chairman of the Committee on Veterans' Affairs, Mr. MURKOWSKI, on S. 876 and its consistency with the Senate-passed budget resolution.

Mr. MURKOWSKI. Mr. President, I appreciate the opportunity to describe more specifically the committee intent with respect to S. 876, the general policy and program implications of the bill, and its budgetary implications.

I want to congratulate my fine colleague, the chairman of the Budget Committee, for his untiring efforts to work out a fair budget compromise which will achieve substantial progress toward deficit reduction. I also wish to assure him that S. 876 is completely consistent with the Senate-passed budget resolution for veterans' benefits and services.

This measure is designed to achieve, among other things, certain innovations in the provision of VA medical care and the construction of VA medical facilities in order to achieve long-term cost effectiveness in the delivery of health care. The VA, like other Federal health-care systems, is a predominantly institution-based medical care system with an extensive hospital, nursing home, and domiciliary facility capacity. The delivery of health care in this country is changing as a result of advances of medical technology, the emphasis on cost containment, the aging of our population, and the development of alternative modalities of care. The VA health-care system is also experiencing these changes and, in certain ways, is adapting its programs accordingly. I believe it is critical to the viability and quality of the VA health-care system that the VA keep pace with these changes and, in fact, be a leader in the health-care field.

It is desirable, both from a patient care standpoint and a cost-containment standpoint to integrate noninstitutional care programs, particularly those which are community-based, into the VA's continuum of care.

Certain provisions in S. 876, are designed to test various noninstitutional, less costly, and more appropriate forms of care. The result of these pilot programs will provide insights into whether this direction should be considered as alternatives to expanding costly inpatient capacity. Noninstitutional programs provide options for care which are in some cases more appropriate to the needs of veterans who do not require expensive hospital or nursing home care. Concerns have been raised about whether or not such services are truly cost-effective or whether they are new expansions to an already costly system. It is my firm belief that these programs do not constitute new expansions, but alternatives. These alternatives must be tested and if effective, be fully implemented. If such efforts are not examined, the system as we know it will continue, as it has in the past, to provide care in ways that made sense in the 1950's, but in many ways fail to make sense today. The goal, therefore, of S. 876 is to balance the needs of veterans and the concern for cost containment by maintaining the current level of services provided by the VA health-care system and at the same time allowing the VA to use noninstitutional care programs whenever appropriate instead of institution-based services.

Mr. DOMENICI. Mr. President, I appreciate the clarification provided by the chairman on Veterans' Affairs, Mr. MURKOWSKI, regarding the consistency of S. 876 with the Senate-passed budget resolution. Although S. 876 is not entirely consistent with the dollar amount provided in the Senate-passed budget resolution—S. 876 does maintain the authorization level for VA construction at the Senate-passed

level. I appreciate the distinguished chairman's continued support of the Senate-passed budget resolution for veterans' benefits and services.

Mr. KERRY. Mr. President, on April 30, 10 years after the fall of Saigon, Senator PRESSLER and I introduced legislation to modify and extend the Emergency Veterans Job Training Act of 1983, entitled the "Veterans' Career Development Training and Job Bank Act of 1985."

To date, there has been no hearing on that legislation, nor on the effectiveness of the Emergency Veterans' Job Training Act, under which the authority for new training runs out September 1.

Because of my deep concern that EVJTA would cease to exist as of September 1, and my belief that the program has accomplished a great deal for the veterans it has served, I prepared an amendment, which was to be offered on behalf of Senator PRESSLER and myself, to the veterans' health-care bill, that would have authorized an additional $75 million in appropriations for this program and extended it another year.

Yesterday, I met with the distinguished chairman of the Veterans' Committee, Senator MURKOWSKI, and the distinguished ranking Democratic member Senator CRANSTON, of the committee to determine whether we could work out a mechanism to continue the program and also resolve any questions about whether the program could be improved by changes in eligibility or its fundamental mechanisms of providing a Federal subsidy to private-sector employers through a job matching program.

During that meeting, I expressed my concern that without an immediate extension of authorization, the act would terminate on September 1, leaving perhaps as many as 100,000 veterans in the program with no opportunity to be placed in jobs or to receive training.

I also expressed my belief that the program had provided a real service to the tens of thousands of veterans who have been placed in jobs and trained under EVJTA. I told the distinguished chairman of the committee and the distinguished ranking Democratic member that my office had received calls from as far away as Albuquerque, NM to testify to the program's effectiveness.

Senator MURKOWSKI and Senator CRANSTON expressed their concern about authorizing new funds for a program which had not yet had a hearing, especially in a time when the budget deficit was so serious.

An agreement was reached under which the program was extended for veterans already enrolled through March 1, 1986, and a full committee hearing scheduled to review the program, the bill passed by the House extending the program, H.R. 1408, and S. 1033, the bill I have proposed with Senator PRESSLER.

Senator MURKOWSKI graciously offered to schedule the hearing for as soon as possible following the August recess, in September, and to schedule veterans' organizations and specialists with knowledge of the program to testify before the committee at that time.

For the RECORD, I ask unanimous consent that the amendment I was prepared to offer to the veterans' health-care bill be reprinted at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KERRY. That amendment would have done three things: extend the program another year, authorize an additional $75 million for the program, and reduce the period of unemployment necessary for eligibility in the program from 15 weeks to 5 weeks.

It is vital that this Nation continue to meet its commitment to Vietnam veterans who still, more than 10 years after the conclusion of the war, have not been fully integrated into our society.

Following hearings on EVJTA, the House bill and the Kerry bill, should the program not be extended, I remain prepared to offer this amendment, or something very similar, on the floor at an appropriate time.

I believe there is already considerable support for such an extension, as is demonstrated by the cosponsorships already made on S. 1033. As of today, Senators HARKIN, GORE, and PRESSLER, among Vietnam-era veterans in the Senate, are cosponsors of this legislation, in addition to Senators KENNEDY, MATSUNAGA, RIEGLE, DURENBERGER, and LEVIN. In addition, several other Senate offices have indicated to me their strong support for an extension of EVJTA in some form.

At this time, I would like to thank the American Legion and the Vietnam Veterans of America for their help and support in our efforts to continue EVJTA.

I also want to extend my sincere thanks to Chairman MURKOWSKI, and Senator CRANSTON, and their staffs for their hard work in working out this agreement to extend the program and schedule an early hearing on it. Their continuing commitment to veterans' issues is deeply appreciated by me, as I am sure it is appreciated by the veterans their committee represents.

EXHIBIT 1

On page 66, after line 24, insert the following new section:

EXTENSION OF THE EMERGENCY VETERANS' JOB TRAINING ACT OF 1983

SEC. 505. (a) Section 17 of the Emergency Veterans' Job Training Act of 1983 (Public Law 98-77; 20 U.S.C. 1721 note) is amended by striking out "February 28, 1985" and "September 1, 1985" and inserting in lieu thereof "June 30, 1986" and "September 30, 1986", respectively.

(b) Section 5(a)(1)(B) of such Act is amended by striking out "fifteen of the twenty" and inserting in lieu thereof "5 of the 20".

(c) Section 16 of such Act is amended by inserting "and $75,000,000 for fiscal year 1986" in the first sentence after "1985".

Mr. MURKOWSKI. Mr. President, I commend our capable colleague from Massachusetts for his interest and input regarding veterans' issues. Senator CRANSTON and I share his determination to ensure that veterans with severe unemployment problems will have their needs addressed appropriately.

The committee amendment to S. 876 acknowledges the importance the Veterans' Affairs Committee places on employment concerns of veterans. This amendment will extend the deadline for veterans to begin training under the Emergency Veterans' Job Training Act until March 1, 1986. Thus, the Job Service will have an additional 6 months to place in training programs veterans who have qualified for the program but have not yet found jobs. In light of this amendment, and my commitment to hold an employment hearing in the fall, I appreciate the Senator's agreement to withdraw his amendment.

Two years ago, when the Congress established the Emergency Veterans' Job Training Act, Vietnam-era veterans had 9.1-percent unemployment rate, seven-tenths of a percent higher than the rate for nonveterans the same age. We can look with pride at the progress made by our veterans with the help of the Department of Labor and the Veterans' Administration. The unemployment rate for Vietnam veterans has been reduced to 5.6 percent. The gap between the unemployment rate of Vietnam veterans and nonveterans the same age has narrowed by almost three-fourths to one-fifth of a percentage point.

While we can be pleased with this progress we can't be satisfied. There are still veterans with severe unemployment problems. In my State of Alaska unemployed Vietnam veterans make up 2 percent of the States population and almost 15 percent of the unemployed.

I share the concerns about veterans' employment expressed by our colleague from Massachusetts. In the hearing I will schedule as soon as possible following the August recess to address this important issue, the committee will explore various initiatives to address these concerns.

Mr. CRANSTON. Mr. President, I want to take this opportunity to congratulate the distinguished Senator from Massachusetts [Mr. KERRY] on his leadership on this issue and for his persistence in pursuing this matter. As coauthor in the Senate, with the dis-

tinguished former chairman of the Veterans' Affairs Committee and now the assistant majority leader [Mr. SIMPSON], of the Emergency Veterans' Job Training Act of 1983, I deeply sympathize with Senator KERRY's desire to make additional job training opportunities available for veterans, and, in this case, particularly for Vietnam-era veterans and service-connected disabled veterans.

As Chairman MURKOWSKI has just said, we appreciate the Senator's cooperation in withholding his amendment at this time in order to give the committee an opportunity to conduct a hearing, both on his bill, S. 1033, and the House-passed legislation, H.R. 1408, and on oversight of veterans' employment issues generally. We have agreed to hold that hearing in September, as early as possible following the August recess period, and will work with the Senator from Massachusetts in developing an appropriate witness list to assure a full and fair presentation of the issues involved.

As the Senator has pointed out, H.R. 1408 as passed by the House would extend—until December 31, 1985—the already expired February 1, 1985, deadline for veterans to apply for participation in the EVJTA Program and—until July 1, 1986—the September 1, 1985, deadline for veterans to enter into training. It would also—as Senator KERRY favors—authorize the appropriation of an additional $75 million for the EVJTA Program and modify the eligibility criteria. The provisions of the amendment Senator MURKOWSKI and I offered and the Senate has just approved to S. 876 would, among other things, extend until March 1, 1986, the deadline for entry into training. Thus, EVJTA issues will be before us as we negotiate with the House the issues contained in the pending veterans' health-care measure, S. 876/H.R. 505, and H.R. 1408.

It therefore appears virtually certain that an extension of the period of time for entering training will be enacted shortly. This will enable those veterans with certifications to enter into training utilizing the existing appropriations balance of $10 million or more which will remain available for obligation under EVJTA throughout fiscal year 1986.

Moreover, as we stressed to the Senator from Massachusetts in our discussions yesterday, there will be another veterans' measure—dealing with compensation and education matters—in the fall. He will have full opportunity to offer his amendment at that point if the committee has not, pursuant to its hearings and consideration, decided to take action satisfactory to him.

By waiting until that time before changing any eligibility criteria or reopening the program to new participants, we would force the targeting of the program on truly long-term unemployed veterans, rather than opening it up—as the House-passed measure would—to new applicants. That is, indeed, one of the matters that I feel strongly we need to examine prior to taking more extensive action with respect to continuation or modification of EVJTA.

As I pointed out earlier in my opening remarks on the bill, the recent evaluation—carried out under contract with and just released by the VA—of the performance of the program has raised two particular areas of concern to me: First, the high drop-out rate for veterans who have been placed in training and, second, the finding that the program has tended to select the most employable among the certified veterans for program participation and that most participation employers would have hired the veterans without the possibility of reimbursement of training costs.

Also, the unemployment situation is very different from what it was in March of 1983 when I first proposed emergency job training legislation and our committee began working on it. The Vietnam-era unemployment rate was then 10.7 percent and the national rate was 10.3 percent. The comparable rates for June 1985 were 5.3 percent and 7.2 percent, respectively. The unemployment emergency as such has thus receded although the tragedy unquestionable continues for far too many, especially certain categories of Americans and certain categories of veterans.

We will certainly be examining these and other issues, such as those I outlined in my earlier remarks, through our hearings in September.

I intend to work closely with the Senator from Massachusetts and the distinguished chairman, Mr. MURKOWSKI, as well as other committee members, on this matter and again thank Senator KERRY for his cooperation and his understanding of the position of the authorizing committee on this issue.

The PRESIDING OFFICER. If there is no further debate, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to H.R. 505, the House companion bill.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A bill (H.R. 505) to amend title 38, United States Code, in improve the delivery of health care services by the Veterans' Administration, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas?

There being no objection, the Senate proceeded to consider the bill.

Mr. DOLE. Mr. President, I move to strike all after the enacting clause and insert the text of S. 876, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 505) was passed.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I send a title amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

Amend the title so as to read: "An act to amend title 38, United States Code, the establish, extend, and improve certain Veterans' Administration health-care programs, and for other purposes."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the title.

The amendment was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent to indefinitely postpone S. 876.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent to indefinitely postpone Calendar No. 242, Senate Resolution 198.

The PRESIDING OFFICER. Without objection, it is so ordered.

HANDICAPPED CHILDREN'S PROTECTION ACT

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to Calendar No. 250, S. 415, the Handicapped Children's Protection Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 415) to amend the Education of the Handicapped Act to authorize the award of reasonable attorney's fees to certain prevailing parties, and for other purposes.

The Senate proceeded to consider the bill (S. 415) to amend the Educa-

tion of the Handicapped Act to authorize the award of reasonable attorney's fees to certain prevailing parties, and to clarify the effect of the Education of the Handicapped Act on rights, procedures, and remedies under other laws relating to prohibition of discrimination, which had been reported from the Committee on Labor and Human Resources, with an amendment to strike out all after the enacting clause, and insert the following:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Handicapped Children's Protection Act of 1985".

SEC. 2. (a)(1) Section 615(b)(2) of the Education of the Handicapped Act (hereafter in this Act referred to as the Act) is amended—

(A) by inserting "(A)" after "(2)"; and

(B) by adding at the end thereof the following new subparagraph:

"(B) Within 5 days after the receipt of a complaint under paragraph (1), the State or local educational agency or intermediate educational unit shall notify the parent or legal representative of the handicapped child or youth whether or not the State or local educational agency or intermediate educational unit, as the case may be, will use the services of an attorney in conjuction with the impartial due process hearing under this subsection, or the impartial review under subsection (c), in the manner described in section 615A(b)(1).".

(2) Section 615 of the Act is amended by adding at the end thereof the following new subsection:

"(f) The provisions of section 615A shall govern the award of a reasonable attorney's fee, reasonable witness fees, and other reasonable expenses in connection with any impartial due process hearing under subsection (b) of this section, any impartial review under subsection (c), and the bringing of a civil action under subsection (e).".

(b) The Act is amended by inserting after section 615 the following new section:

"FEES AND EXPENSES

"SEC. 615A. (a)(1)(A) Except as provided in subparagraphs (B) and (C), in any civil action brought under section 615(e), the court may, in its discretion, award a reasonable attorney's fee, reasonable witness fees, and other reasonable expenses of the civil action, in addition to the costs to a parent or legal representative of a handicapped child or youth who is the prevailing party.

"(B) Whenever—

"(i) the decision of the impartial due process hearing under section 615(b) or the impartial review of such hearing under section 615(c) is in favor of the parent or legal representative of a handicapped child or youth, and

"(ii) the State or local educational agency or intermediate educational unit appeals the decision pursuant to section 615(e),

the parent or legal representative of the handicapped child or youth shall be awarded a reasonable attorney's fee, reasonable witness fees, and other reasonable expenses of the civil action.

"(C) Whenever—

"(i) the decision of the impartial due process hearing under section 615(b) or the impartial review of such hearing under section 615(c), and the decision of the court, is in favor of the parent or legal representative of a handicapped child or youth, and

"(ii) the State or local educational agency or intermediate eductional unit appeals the decision of the court pursuant to section 615(e),

the parent or legal representative of the handicapped child or youth shall be awarded a reasonable attorney's fee, reasonable witness fees, and other reasonable expenses of such appeal.

"(2) Whenever the parent or legal representative—

"(A) is awarded fees under subparagraph (A), (B), or (C), and

"(B) is represented by a publicly funded organization which provides legal services,

the reasonable attorney's fee which is awarded pursuant to this subsection shall be computed based upon the actual cost related to the bringing of, or appeal of, the civil action under section 615(e) to the publicly funded organization, including the proportion of the compensation of the attorney so related, other reasonable expenses which can be documented, and the proportion of the annual overhead costs of the publicly funded organization attributable to the number of hours reasonably spent on such civil action.

"(b)(1) If the State or local educational agency, or intermediate educational unit, determines, after the receipt of a complaint under section 615(b)(1), to use the services of an attorney in conjunction with the impartial due process hearing under section 615(b)(2), or the impartial review under section 615(c), for consultation, preparation, presentation of written or oral argument, or evidence, then the State or local educational agency or intermediate educational unit, as the case may be, shall—

"(A) notify the parent or legal representative of the handicapped child or youth of its intention to use an attorney in the manner described in this subsection as required by section 615(b)(2)(B);

"(B) furnish to the parent or legal representative of such a child or youth a list of attorneys who practice in the area in which the handicapped child or youth resides, and who are knowledgeable about special education law, regulations, and procedures; and

"(C) pay the costs of the State or local education agency or intermediate educational unit, as the case mayb be, and the costs of the parent or legal representative of the handicapped child or youth, for reasonable attorneys' fees, reasonable witness fees, and other reasonable expenses related to the hearing or review, as the case may be.

"(2) If the parent or legal representative of the handicapped child or youth determines—

"(A) after filing a complaint under section 615(b)(2) and after receiving notification from the State or local educational agency or intermediate educational unit under section 615(b)(2)(B) that the State or local educational agency or intermediate educational unit will not use an attorney; or

"(B) after the filing of a complaint under section 615(b)(2) and prior to the notification from the State or local educational agency or intermediate educational unit under section 615(b)(2)(B),

to use the services of an attorney in conjunction with the impartial due process hearing under section 615(b)(c), for consultation, preparation, presentation of written or oral argument or evidence, then—

"(i) the parent or legal representative shall notify the State, local educational agency, or intermediate educational unit, as the case may be, within 5 days after receipt of the notification from such agency or unit under section 615(b)(2)(B), of their intention to use an attorney in the manner described in this subsection;

"(ii) the parent or legal representative of the handicapped child or youth shall pay the cost of attorneys' fees, witness fees, and other expenses relating to the hearing or review, as the case may be, incurred by such parent or legal representative; and

"(iii) the State or local educational agency or intermediate educational unit shall pay the cost of attorneys' fees, witness fees, and other expenses incurred by the State or local educational agency or intermediate educational unit, as the case may be.

"(3) If the State or local educational agency or intermediate educational unit determines not to use the services of an attorney in conjunction with the due process hearing under section 615(b)(2), or the impartial hearing review under section 615(c), in the manner described in paragraph (1), the State or local educational agency or intermediate educational unit, as the case may be, shall—

"(A) notify the parent or legal representative of the handicapped child or youth as required by section 615(b)(2)(B); and

"(B) furnish to the parent or legal representative of such child or youth a list of parent training centers, Protection and Advocacy Agencies, and other organizations which are located in the area in which the handicapped child or youth resides, and which are knowledgeable about special education law, regulations, and procedures.".

SEC. 3. Section 615(e)(2) of the Act is amended—

(1) by inserting "(A)" after the paragraph designation;

(2) by striking out "In" in the second sentence and inserting in line thereof the following: "Except as provided in subparagraph (B), in"; and

(3) by adding at the end thereof the following new subparagraph:

"(B) In any action brought under this paragraph in which no attorney participated in the hearing under subsection (b) or in review under subsection (c), the court shall hear the case de novo, but the trial de novo may not include the introduction of unrelated issues which the court determines would circumvent the exhaustion of administrative remedies.".

SEC. 4. Section 615 of the Act is further amended by adding at the end thereof the following new section:

"(g) Nothing in this title shall be construed to restrict or limit the rights, procedures, and remedies available under the Constitution, title V of the Rehabilitation Act of 1973, or other Federal statues protecting the rights of handicapped children and youth, except that before the filing of a civil action under such laws seeking relief that is also available under this part, the procedures under subsections (b)(2) and (c) shall be exhausted to the same extent as would be required had the action been brought under this part.'.

SEC. 5. (a) The first sentence of section 631(c)(1) of the Act is amended by striking out "volunteers" and inserting in lieu thereof "other individuals".

(b) section 631(c)(4) of the Act is amended—

(1) striking out "to the greatest extent possible throughout all the States" in clause (A) and inserting in lieu thereof "with at least one grant made in each State"; and

(2) by striking out ", or on a State, or regional basis" in clause (B).

(c) Section 631(c)(5) of the Act is amended—

(1) by striking out "and" at the end of clause (E);

(2) by redesignating clause (F) as clause (G); and

(3) by adding after clause (E) the following new clause:

"(F) understand the administrative procedures available under section 615 and effectively participate, if parents wish to, in the due process hearing and impartial review authorized by such section; and".

SEC. 6. (a)(1) Subject to the provisions of subsection (b), the amendments made by sections 2 and 3 of this Act shall apply to any civil action brought under section 615(e) of the Education of the Handicapped Act after the date of the enactment of this Act.

(2) The amendments made by sections 2 and 3 of this Act shall apply to any complaint filed under section 615(b) and any administrative appeal made under section 615(c) after the date of the enactment of this Act.

(b)(1) The amendments made by section 2(b) of this Act, which add subparagraph (A) of paragraph (1) of section 615A(a) and paragraph (2) of such section to the Education of the Handicapped Act, shall apply to civil actions described in paragraph (2).

(2) This subsection applies to any civil action under section 615(e) of the Education of the Handicapped Act that—

(A)(i) is brought before July 5, 1984, and

(ii) with respect to which a final and unappealable judgment is rendered after July 4, 1984, and before the date of the enactment of this Act;

(B)(i) is brought before July 5, 1984, and

(ii) with respect to which—

(I) a final and unappealable judgment is rendered before such date, and

(II) the court in which the action is brought retains jurisdiction over the action during any portion of the period beginning with such date and ending with the date of the enactment of this Act;

(C)(i) is brought after July 4, 1984, and

(ii) with respect to which a final and unappealable judgment is rendered after the date of the enactment of this Act; or

(D)(i) is brought after July 4, 1984, and

(ii) with respect to which a final and unappealable judgment is rendered before the date of the enactment of this Act.

AMENDMENT NO. 561

(Purpose: To strengthen the provisions of the Education of the Handicapped Act with respect to fees and expenses in civil actions and procedures under section 615(e), and for other purposes)

Mr. DOLE. Mr. President, I send an amendment to the desk on behalf of Senator WEICKER, and Senators HATCH, KENNEDY, DOLE, STAFFORD, GRASSLEY, PELL, SIMON, METZENBAUM, and DODD, to the committee substitute, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE], for Mr. WEICKER, and Senators HATCH, KENNEDY, DOLE, STAFFORD, GRASSLEY, PELL, SIMON, METZENBAUM, and DODD, proposes an amendment numbered 561.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDENT OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted by the committee amendment insert the following: That this Act may be cited as the "Handicapped Children's Protection Act of 1985".

SEC. 2. Section 615(e)(4) of the Education of the Handicapped Act is amended by inserting "(A)" after the paragraph designation and by adding at the end thereof the following new subparagraphs:

"(3) In any action or proceeding brought under this subsection, the court, in its discretion, may award a reasonable attorney's fee in addition to the costs to a parent or legal representative of a handicapped child or youth who is the prevailing party.

"(C) Whenever the parent or legal representative of a handicapped child or youth—

"(i) is awarded fees under subparagraph (B), and

"(ii) is represented by a publicly funded organization which provides legal services,

the reasonable attorney's fee which is awarded pursuant to this subsection shall be computed based upon the actual cost related to the bringing of the civil action under this subsection to the publicly funded organization, including the proportion of the compensation of the attorney so related, other reasonable expenses which can be documented, and the proportion of the annual overhead costs of the publicly funded organization attributable to the number of hours reasonably spent on such civil action.

"(D) For the purpose of this paragraph, the term 'publicly funded organization' means any organization which receives funds, other than attorney fee awards, from Federal, State, or local governmental sources which are available for use during any fiscal year in which the action or proceeding is pending to enable the organization to provide legal counsel or representation.".

SEC. 3. Section 615 of the Education of the Handicapped Act is amended by adding at the end thereof the following new subsection:

"(f) Nothing in this title shall be construed to restrict or limit the rights, procedures, and remedies available under the constitution, title V of the Rehabilitation Act of 1973, or other Federal statutes protecting the rights of handicapped children and youth, except that before the filing of a civil action under such laws seeking relief that is also available under this part, the procedures under subsections (b)(2) and (c) shall be exhausted to the same extent as would be required had the action been brought under this part.".

SEC. 4. The amendment made by section 2 shall apply with respect to actions or proceedings brought under section 615(e) of the Education of the Handicapped Act after July 3, 1984, and actions or proceedings brought prior to July 4, 1984, under such section which were pending on July 4, 1984.

The PRESIDING OFFICER. Is there debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 561) was agreed to.

The PRESIDING OFFICER. Is there debate on the substitute amendment, as amended? If not, the question is on agreeing to the substitute, as amended.

The substitute amendment, as amended, was agreed to.

Mr. WEICKER. Mr. President, I rise today to offer an amendment in the form of a substitute bill to S. 415 as it was reported out of the Labor and Human Resources Committee on July 10, 1985. This amendment is cosponsored by Senators HATCH, STAFFORD, GRASSLEY, DOLE, KENNEDY, KERRY, PELL, METZENBAUM, DODD, MATSUNAGA, and SIMON, and has been developed in conjunction with and agreed to by the Department of Education and the Department of Justice. The passage of this substitute bill will bring to fruition months of intensive work and negotiation among Senators and Representatives of the administration. The bill reverses the Supreme Court's Smith versus Robinson decision of July 5, 1984. In that decision, the Court ruled, contrary to the original intent of Congress, that Public Law 94-142 does not allow the award of attorney's fees to parents who, after exhausting administrative procedures, prevail in a civil court action to protect their child's right to a free appropriate public education. The Court's decision also raised questions about the extent to which rights, remedies, and procedures available under section 504 of the Rehabilitation Act and other Federal civil rights statutes will be applicable to claims made under the Education of the Handicapped Act [EHA].

The purpose of S. 415 is simple—to overturn the Smith Versus Robinson decision and thereby to clarify congressional intent regarding these matters. The fact that Congress did not intend to leave unprotected the rights of handicapped children and their parents to secure the free appropriate public education promised to them by EHA was made clear in the 1978 passage of section 505(b) of the Rehabilitation Act which attorney's fees available under section 504. Section 505(b) clearly does not make an exception for handicapped children seeking an appropriate education. Indeed, the 1978 Senate and House reports accompanying section 505(b) explain that disabled individuals were one of the very few minority groups in this country who had not been specifically authorized by Congress to seek attorney's fees. The purpose of section 505(b) was "to correct this ommission and thereby assist handicapped individuals in securing the legal protection guaranteed them."

Unfortunately, because the court, in Smith versus Robinson, misinterpreted Congress' intent, handicapped children are now provided substantially less protection against discrimination than other vulnerable groups of people. S. 415 would remove these inequities by restoring equivalent protection to handicapped children, a

group undeniably deserving congressional protection.

Allowing courts to award attorney's fees to prevailing plaintiffs is not an unusual congressional remedy. In fact, according to the Congressional Research Service (Rept. No. 85-126A), Congress has already enacted more 130 fee shifting statutes which provide for the award of attorneys fees to parties who prevail in court to obtain what is guaranteed to them by law. Many of these statutes are civil rights statutes—that is, Age Discrimination Employment Act through 29 U.S.C. sec. 626(b); the Equal Pay Act through 29 U.S.C. sec. 216(b); the Fair Housing Act through 42 U.S.C. sec. 3612 (c); title II and title VII of the Civil Rights Act of 1964 through 42 U.S.C. sec. 2000a-3(b) and 2000e-5(k); and the Civil Rights Attorney's Fees Awards Act of 1976 through 42 U.S.C. sec. 1988.; but similar attorney's fees statutes exist for a wide variety of laws ranging from the Safe Drinking Water Act through 42 U.S.C. sec. 300j-8(d), to the Deepwater Ports Act through 33 U.S.C. sec. 1515(d), to the National Historic Preservation Act through 16 U.S.C. sec. 470w-4.

The need for these fees statutes has been made apparent by Congress time and again through legislative findings fully applicable in this case. For example, as stated by Congress in enacting the Civil Rights Attorney's Fees Awards Act:

> Civil rights laws depend heavily upon private enforcement, and fee awards have proved an essential remedy if private citizens are to have a meaningful opportunity to vindicate the important congressional policies which these laws contain. Senate Report No. 1011, 94th Cong. 2d Sess. 2, 1976 U.S.C. Cong. Ad. News 5909.

The reason for the essential importance of fee awards is self evident: "In many cases arising under our civil rights laws, the citizen who must sue to enforce the law has little or no money with which to hire a lawyer," which in turn means that without the potential of fee awards citizens would not "be able to assert their civil rights * * *. If our civil rights laws are not to become mere hollow pronouncements which the average citizen cannot enforce, we must maintain the traditionally effective remedy of fee shifting." Id. at 6. in other words, unless the EHA is to become a mere hollow pronouncement which the financially strapped parents and legal representatives of handicapped children cannot enforce, Congress must guarantee access to legal counsel to assist parents in obtaining what is guaranteed to them by EHA.

With this amendment, S. 415 will enable courts to compensate parents for whatever reasonable costs they had to incur to fully secure what was guaranteed to them by the EHA. As in other fee shifting statutes, it is our intent that such awards will include, at the discretion of the court, reasonable attorney's fees, necessary expert witness fees, and other reasonable expenses which were necessary for parents to vindicate their claim to a free appropriate public education for their handicapped child.

The compromise bill which was unanimously agreed to by the full committee contained a provision which limits the amount of the award made to prevailing parents who are represented by a publicly funded organization. The amendment being offered today contains the same provision, but clarifies that the words "publicly funded organization" only refer to those organizations, such as a Legal Services, Inc., which receive Federal, State, or local government funds which are specifically available to provide legal counsel or representation to parents of handicapped children in EHA-related cases. It does not include organizations which only receive Government funds for other specified purposes, when that money is not available for representing parents of handicapped children in EHA cases.

Mr. President, I urge my colleagues to support this important piece of legislation which will restore to parents of handicapped children the right to be awarded attorney fees and other reasonable expenses when they must go to court to secure the educational rights promised to them by Congress. By restoring this right we will once again demonstrate that handicapped people should be accorded the same protections as all other citizens of our Nation.

Mr. STAFFORD. Mr. President, I rise in support of S. 415, the Handicapped Children's Protection Act of 1985. This bill amends Public Law 94-142, the Education for Handicapped Children Act, to make reasonable attorney's fees available to parents who prevail in court actions filed under 94-142. This clarification of congressional intent is necessary because of a Supreme Court ruling issued on July 4, 1984, that denied parents fee awards because their availability was not specified in statute. It is a bill that has been intensely reviewed and debated during the past 12 months. The language contained in S. 415 was carefully written to accommodate a wide range of views and therefore represents an important bipartisan and administrative compromise.

When 94-142 was originally drafted, prescriptive language concerning the administrative due process procedures was included in the law. The purpose for these administrative procedures was to provide each State with a vehicle to resolve disputes between parents and local school districts outside the judicial system. In the vast majority of cases, this system has worked well. Very few cases—1 in 10,000 to be exact—have had to be resolved by the courts.

Critics of S. 415 are fearful that the availability of attorney's fees awards to prevailing parents will increase litigation. It is my belief that the opposite situation will occur. State and local education agencies will be more inclined to work out effective compromises with parents before court action becomes necessary.

Parents must have every opportunity to participate with local school personnel to develop programs for their handicapped children if 94-142 is to provide the free and appropriate education that it promised. That includes making reasonable legal fees available if the services of an attorney are necessary.

A law that mandates a free and appropriate public education to handicapped children, that at the same time denies the awarding of legal fees incurred to uphold that mandate, is a hollow promise at best. It hurts the families most that can least afford it.

I urge my colleagues to vote in favor of S. 415. Senator WEICKER is to be commended for his leadership on this important legislation.

Mr. HATCH. Mr. President, S. 415, the Handicapped Children's Protection Act, was drafted in response to the Supreme Court's 1984 opinion in Smith versus Robinson. In that case, the Court decided that Public Law 94-142 does not allow the awarding of attorney's fees to parents under section 504 of the Rehabilitation Act when they prevail in an EHA civil action. S. 415 amends Public Law 94-142 to state the current intent of Congress in allowing attorney fees under certain circumstances and when deemed appropriate by the Court in order to protect the rights of handicapped children in obtaining an appropriate public education.

The Hatch-Weicker substitute we are considering today is a modification of the committee bill reported by my Labor and Human Resources Committee on July 10. It is similar to S. 415 as originally introduced with two substantive changes. The first requires exhaustion of administration remedies before pursuing litigation. The second places conditions upon fee awards for publicly funded attorneys representing parents who prevailed in EHA cases.

The committee on Labor and Human Resources does not intend that S. 415, a bill to amend the Education of the Handicapped Act, authorize any additional budget authority for fiscal year 1985 or 1986, other than that already available to the Federal agencies affected by this legislation. Consequently, no budget waiver will need to be obtained for S. 415.

At this time, I would like to thank Senator WEICKER for his work in draft-

ing this bill. I would also like to commend the other Senators on my committee for their assistance in further refinement of the bill. Because of their dedication, we can continue to protect the rights of our 4.5 million handicapped children.

Mr. KENNEDY. Mr. President, I rise in strong support of this important bill that is before us today. The Handicapped Children's Protection Act clarifies the intent of Congress that handicapped children and their parents or legal guardians have available to them the full range of remedies to protect and defend their rights to a free, appropriate education. Last year, a Supreme Court decision, Smith versus Robinson, threatened the rights of the handicapped children to a free, appropriate education when it ruled that parents of handicapped children who prevail in a court case under Public Law 94-142 to protect these rights could not be reimbursed for attorney's fees. The Supreme Court also ruled that parents of handicapped children could not seek relief from education discrimination under section 504 of the Rehabilitation Act or other statutes guaranteeing civil rights.

I do not believe that Congress when it passed Public Law 94-142, the Education for All Handicapped Children Act intended to in any way limit handicapped children's educational rights or the remedies for protecting those rights. And so, this legislation will clarify congressional intent by authorizing the award of attorneys fees at the discretion of the judge to prevailing parents in Public Law 94-142 cases and by clearly stating that the educational rights of handicapped children are protected from discrimination under section 504 of the Rehabilitation Act and other civil rights statutes.

The basic purpose of this legislation and its primary intent states that handicapped children and their parents or legal guardians should be able to participate in the due process system and have access to the full range of remedies to protect their educational rights on an equal par with the school districts and I strongly support this purpose. However, one provision included in this bill contradicts the orignal purpose of S. 415. This contradictory provision provides lower attorneys fees to publicly funded attorneys who typically represent poor parents and their handicapped children in Public Law 94-142 cases. Mr. President, should this provision be included in the final version of this legislation, the access of poor parents to the full range of remedies to ensure their handicapped childrens educational rights would be seriously limited. Should this provision which provides for lower fees to these attorneys remain, we will essentially be telling poor parents that the fight for their handicapped children's educational rights does not have the same worth as the fight waged by the parents who can afford private attorneys. Mr. President, the basic intent of this legislation is to ensure that all children, rich or poor, have access to all remedies to protect their educational rights. We must not set this double standard and we cannot single out low-income handicapped children and their families. I intend to pursue this matter vigorously in conference on S. 415 and I call on my colleagues to carefully consider the ramifications of this provision.

Mr. KERRY. Mr. President, I would like to rise in strong support of S. 415 the Handicapped Children's Protection Act and urge that my colleagues join me in passing this vital legislation. The bill is designed to ensure that all parents or legal guardians of handicapped children are able to fully access the available remedies to protect their handicapped children's educational rights.

In July of 1984, the U.S. Supreme Court decided a case, Smith versus Robinson which had a devastating effect on the ability of parents to secure free appropriate public education for disabled children. The Supreme Court ruled that all free and appropriate education cases were to be handled exclusively under the Education of the Handicapped Act, Public Law 94-142. Consequently, parents are precluded from bringing special education cases under section 504 of the Rehabilitation Act of 1973 and recovering attorneys' fees available under section 505 of that act.

The bill before us today reverses the Supreme Court decision and restores parent's capacity to be reimbursed for legal representation in order to assure their handicapped children's rights under the Education of the Handicapped Act.

As a cosponsor of S. 415, I strongly endorse the principles of rights to education for all handicapped children. However, there is one provision in the legislation which greatly undermines the strength of this bill and should be deleted. Language exists in the bill which limits attorneys' fees available to nonprofit, publicly funded organizations who provide legal services, yet will not place these same limitations on privately funded attorneys. To some this is considered double dipping, quite frankly Mr. President I view this as a double standard. This blatant double standard will have a particularly negative impact on lower income handicapped children most dependent on legal representation by publicly funded attorneys. Furthermore, requiring that attorneys' fees awarded to publicly funded attorneys be computed according to a cost-based standard rather than the prevailing market-based standard used by private attorneys, will set a dangerous precedent for all future cases litigated in this area.

I would like to note last year's U.S Supreme Court decision, Blum versus Stenson, where the Court ruled unanimously that under the Civil Rights Attorneys Act of 1976, all attorney's fees—including publicly funded attorneys' fees—must be calculated according to prevailing market rates. Before congressional intent is created through passage of this provision regarding lower attorneys' fees awards in cases brought to court on behalf of the educational rights of handicapped children, Congress should have the opportunity to closely examine this important issue. I believe that after extensive study of this precedent-setting issue, Congress will preserve the standards upheld in the Blum versus Stenson decision.

In addition, I would like to point out that families most in need of reimbursement of attorneys fees are families most likely to turn to public advocacy for assistance. Furthermore, money awarded to publicly funded attorneys is recycled back into the organization for which the attorney works to expand services to low-income individuals. As a lawyer who has worked in a public attorney's office, I have witnessed first hand that under our present system, offices which provide legal assistance to indigent handicapped children encounter an overwhelming demand for their services and unfortunately have very limited resources to meet this demand. I emphatically believe that any additional funds made available to expand legal services to our Nation's disabled poor citizens is money well spent.

Last, I would like to note, a cap on publicly funded attorneys' fees may deter schools from settling cases expeditiously. Schools not faced with having to pay more substantial attorneys' fees at the fair market rate will have an incentive to draw judicial proceeding out in an attempt to force plaintiffs to abandon their cases. In hearings last May, the Subcommittee on the Handicapped heard testimony on this issue. The testimony by Mary L. Tatro before the subcommittee portrays a clear example of a school district extending judicial proceedings for more than 5 years in an attempt to force the Tatro family into dropping their case due to exorbitant costs of attorneys' fees. If it were not for the assistance of a public advocacy group willing to take their case on, they would have been forced to abandon their daughter, Amber's cause and thus give up the right for Amber to attend school and receive a decent education.

Mr. President, I offered an amendment in the Labor and Human Resources Committee that would have

deleted the provision to cap publicly funded attorneys' fees. The amendment was narrowly defeated by a 7 to 9 vote. The closeness of this vote leads me to believe that this issue is not a decisive one, and that great need still exists to further examine the issue. S. 415 is designed to reinforce the rights to education for all handicapped children provided in Public Law 94-142 the Education of the Handicapped Act, including their rights to access the courts when education is being denied to them. In essence, by limiting the attorneys' fees to those who represent handicapped children who are poor, we are ultimately limiting the rights to an appropriate education for less fortunate handicapped children in this country. This double standard weakens the legislation and while I urge my colleagues to vote for the Handicapped Children's Protection Act, I strongly urge that when this bill goes to conference committee, that we do all we can to uphold the educational rights of all handicapped children, rich and poor, and delete this provision.

Mr. SIMON. Mr. President, 10 years ago, as a member of the House Education and Labor Committee, I was proud to be a cosponsor of the bill that became Public Law 94-142, the Education of All Handicapped Children Act. That act was intended to provide the program, procedures and rights that would end discrimination against handicapped children in public education. Today, I am pleased to be a cosponsor of S. 415, the Handicapped Children's Protection Act of 1985, which will give parents the ability to accomplish the goals of Public Law 94-142 for their children.

In enacting Public Law 94-142, Congress was responding to a history of exclusion of handicapped children from a public education. This act was a specific response, which added to the protections assumed under the Constitution and such laws as the Rehabilitation Act. The key to assuring appropriate education services for handicapped children was seen to be parental participation in all aspects of educational planning and decisionmaking for their chidren. The act provided, in those States which accept Public Law 94-142 funds, an enforceable right to a free appropriate education for all handicapped children, and established due process procedures, including the right to judicial review, to protect those rights. Throughout our consideration of the Education of All Handicapped Children Act there was an awareness that all handicapped children must be provided equal protection under the law, and this was the clear intent of Public Law 94-142.

The Supreme Court's decision on July 5, 1984, in Smith versus Robinson, jeopardizes the educational rights provided under Public Law 94-142 and negates the intent of Congress to assure equal protection for all handicapped children. In eliminating a parent's ability to be reimbursed for attorney fees under Public Law 94-142, the Court has made the due process guarantees of that act, including the right to go to court when necessary, meaningless for all but the wealthy and well informed. By limiting the remedies available to parents under other statutes, the Court misinterpreted congressional intent to enhance, not replace, the rights of handicapped children under other laws.

The provisions of S. 415 reaffirm and clarify the original intent of Congress in providing a variety of effective avenues for parents to use in resolving questions concerning the appropriate educational services their handicapped children should receive. I would like to discuss two major aspects of this bill: the inclusion of the right to reimbursement for fees incurred during the administrative process; and the requirement that administrative proceedings be exhausted prior to court action.

The language of S. 415, which permits the award of a reasonable attorney fee in any action or proceeding brought under this subpart, is identical to the language of title VII of the Civil Rights Act of 1964, interpreted by the Supreme Court in *New York Gaslight Club* v. *Carey* (447 U.S. 54) (1980). The Court stated:

> Congress' use of the broadly inclusive disjunctive phrase "action or proceeding" indicates an intent to subject the losing party to an award of attorney's fees and costs that includes expenses incurred for administrative proceedings.

The Court's decision in Gaslight further established the right under title VII to sue solely to obtain an award of attorney's fees for legal work done in State and local proceedings. As the Court stated:

> It would be anomalous to award fees to the complainant who is unsuccessful or only partially successful in obtaining state or local remedies, but to deny an award to the complainant who is successful in fulfilling Congress' plan that federal policies be vindicated at the state or local level.

Under the Court's reasoning, since the Education of the Handicapped Act, like title VII, requires parents to exhaust administrative remedies before seeking judicial relief, prevailing parties under the Education of the Handicapped Act must also be entitled to recover legal fees for the costs of mandatory proceedings.

It is important to note that in only a small number of instances, about .03 percent—a small fraction of 1 percent—of the 4.2 million students in special education, is there an appeal through the formal administrative procedures. An even smaller number, only 67 cases in 1983, go beyond the administrative proceedings to court. Clearly, schools and parents are working together effectively to meet the needs of handicapped children. The law is generally working well.

Nevertheless, we know that problems remain. For example, we know that discrimination on the basis of race and disability merge in the context of the over-classification of minorities as mentally retarded. In 1980, blacks were three times as likely as whites to be enrolled in trainable mentally retarded programs. Although blacks comprise only 16 percent of the school population, they represent 39 percent of the enrollment in classes for the educable mentally retarded. For minority group parents, for low-income as well as moderate income parents, the right to obtain reimbursement for assistance they may need at the administrative level is critically important to assure fair and equal access to the formal procedures mandated by Congress in Public Law 94-142.

The mandated proceedings are quasijudicial, and intimidating to many parents. School districts often employ attorneys to consult and prepare and/or present the district's position in due process hearings. The parent's tax dollars are helping to pay for that attorney and for any witness the school district may call in opposition to the parent. For even the most well educated and most self-confident parent, representing oneself on a matter as vital as the education of one's child, and having to be examined and cross examine witnesses, is an overwhelming prospect. When a parent is poor, of a minority group, or not well-versed in the intricacies of the law and regulations, the inequities of the situation are greatly increased. Increasing the possibility that such a parent may have access to representation when necessary is one step toward making the procedural rights of Public Law 94-142 work for everyone.

S. 415 reestablishes the relationships between the Education of the Handicapped Act [EHA] and other statutes protecting the rights of handicapped children that existed prior to the Smith versus Robinson decision. Section 3 of the bill makes clear, however, that nothing in S. 415 is intended to allow the circumvention of the due process procedures set out in sections 615(b) and (c) the Education of the Handicapped Act. When parents choose to file suit under another law that protects the rights of handicapped children, if that suit could have been filed under the Education of the Handicapped Act, parents are required to exhaust the administrative remedies to the same extent as would have been necessary if the suit had been filed under the Education of the Handicapped Act.

It is important to note that there are certain situations in which it is not ap-

propriate to require the exhaustion of EHA administrative remedies before filing a civil law suit. These include complaints that: First, an agency has failed to provide services specified in the child's individualized educational program [IEP]; second, an agency has abridged or denied a handicapped child's procedural rights—for example, failure to implement required procedures concerning least restrictive environment or convening of meetings; three, an agency had adopted a policy or pursued a practice of general applicability that is contrary to the law, or where it would otherwise be futile to use the due process procedures—for example, where the hearing officer lacks the authority to grant the relief sought; and four, an emergency situation exists—for example, failure to provide services during the pendency of proceedings, or a complaint concerning summer school placement which would not likely be resolved in time for the student to take advantage of the program.

S. 415 is also clearly not intended to modify traditional standards used by the courts for determining when a class action suit can be filed, and the circumstances under which it is appropriate to grant a preliminary injunction. Nor is S. 415 intended to modify existing policy regarding the use of alternative avenues in pursuing complaints, including: the filing of a complaint with the State educational agency under the Education Department General Administrative Regulations [EDGAR]; or filing a complaint with the Office of Civil Rights of the Department of Education.

Mr. President, I wish that I could endorse S. 415 without qualification. There is one provision, however, that does not deserve our support and which I am hopeful will be removed in conference with the House. Under this provision, any organization which receives public funds for the purpose of providing legal assistance would be eligible for attorney fee awards only in the amount that could be documented to be the actual cost of the case. Attorneys awarded fees under the many other fee-shifting statutes—including such wide-ranging statutes as the Deepwater Ports Act, the National Historic Preservation Act, the Equal Pay Act and the Fair Housing Act—may be compensated on the basis of the prevailing market-based standard used by private attorneys. A serious question must be raised as to why this limit is being imposed on handicapped cases and on the seriously inadequate legal services available to the poor. This provision will hurt most those whom this bill as a whole is most intended to help.

To put the inequity of this dual standard into perspective, I have calculated the cumulative loss of Federal funding for the Legal Services Corporation over the past 4 years as a result of its cut in fiscal year 1981. Based on CBO estimates of current service increases in those years, the total lost by the Legal Service Corporation has been $382 million. In contrast, if every penny of attorney fees awarded under this statute went to Legal Services—which would not happen—with an average award of $5,000, and 1,400 cases—far more than likely, but the total of both administrative and court hearings in 1983, the reimbursement would be less than 2 percent of the funds Legal Services has lost in the past 4 years.

Fees awarded to publicly funded organizations do not enrich the attorneys who work for those organizations. Instead, these funds increase the organizations' ability to help persons who too often have turned to them in desperation. Let us remember that the adoption of this provision will specifically reduce services for low-income parents seeking legal assistance to assure the rights of their handicapped children to an appropriate education.

Mr. President, the chairman of the Subcommittee on the Handicapped, Senator WEICKER, and his staff deserve high praise for their diligence in bringing this bill to the floor. The effects of the Supreme Court ruling are already being felt in the inability and reluctance of parents to pursue their rights. As stated in the Senate report when Congress enacted the Civil Rights Attorney's Fees Act:

> In many cases arising under our civil rights laws, the citizen who must sue to enforce the law has little or no money with which to hire a lawyer. If private citizens are to be able to assert their civil rights, and if those who violate the Nation's fundamental laws are not to proceed with impunity, then citizens must have the opportunity to recover what it costs them to vindicate these rights in court.

I support prompt passage of this much needed legislation.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment, as amended, was agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (S 415) was passed.

The title was amended so as to read: "A bill to amend the Education of the Handicapped Act to authorize the award of reasonable attorneys' fees to certain prevailing parties, and to clarify the effect of the Education of the Handicapped Act on rights, procedures, and remedies under other laws protecting the rights of handicapped children, and for other purposes."

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I would like to inquire of the distinguished minority leader if he is in a position to pass or indefinitely postpone the following items: Calendar No. 252, S. 1398 indefinitely postpone; Calendar No. 256, H.R. 2908, pass; Calendar No. 258, S. 1514, pass.

Mr. BYRD. Yes. Mr. President, we are ready to proceed on this side.

Mr. DOLE. Mr. President, I ask unanimous consent that the items just identified be considered en bloc, passed or indefinitely postponed en bloc, and that all amendments be considered and agreed to en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Calendar No. 252, S. 1398, to amend title XI of the Education Amendments of 1978 relating to Indian education programs, was indefinitely postponed.)

INDIAN EDUCATION PROGRAMS

The Senate proceeded to consider the bill (H.R. 2908) to amend title XI of the Education Amendments of 1978, relating to Indian education programs.

Mr. ABDNOR. Mr. President, I rise in support of H.R. 2908 which amends title XI of the Education Amendments of 1979. This legislation is similar to S. 1398 which I have cosponsored and, on which the Senate Select Committee on Indian Affairs held hearings July 17, 1986.

These amendments will make changes in existing Indian education programs in an effort to remove some of the barriers which have hampered full implementation of the 1978 law. These technical amendments are the result of a good faith effort by the House Education and Labor Committee, the Senate Select Committee on Indian Affairs and the Bureau of Indian Affairs. I am pleased that these negotiations have resulted in this bill, and I urge my colleagues to join in support of this legislation which will improve the education of native American students attending contract and BIA schools.

The bill was considered, ordered to a third reading, read the third time, and passed.

APPROVAL OF INTERSTATE COST ESTIMATE AND INTERSTATE SUBSTITUTE COST ESTIMATE

The Senate proceeded to consider the bill (S. 1514) to approve the inter-

state cost estimate and interstate substitute cost estimate.

Mr. BURDICK. Mr. President, I am pleased that the U.S. Senate has before it today the release of $4.7 billion in interstate construction funds due States on October 1. Once again, the Senate Environment and Public Works Committee has agreed to separate the Interstate Construction Program from other complicated issues before the Transportation Subcommittee.

I would like to thank Senator BENTSEN for his statesmanship in agreeing to postpone again the discussion of the 85 percent minimum allocation formula. The equity question of whether or not donor States should receive more funds is important. Their contributions to the Highway Trust Fund made a national highway network for defense and commerce possible. However, since the Interstate System is 97 percent complete, it is only fair that this issue be addressed by Congress.

The Subcommittee on Transportation is in the process of holding hearings on the entire Federal-aid Highway Program and is working on legislation to reauthorize the program by October 1, 1986. I would hope that my colleagues can set aside their special concerns until the next highway bill.

If S. 1514 is delayed, it will cost State highway agencies approximately $18 million per month in lost construction dollars. We cannot afford to lose those dollars. FHWA estimates that the cost of maintaining our roads through the next 15 years varies from $296 to $324 billion depending on the level of travel.

It would be unfair to disrupt State programs again, as was the case, when similar funds were held up for nearly 2 years.

It is time for Congress to honor its commitment to highway users and States by releasing these construction dollars. Such action would demonstrate that we are serious about completing the Interstate System by 1990 and at a reasonable cost.

In closing, I would like to thank my colleagues for all the hard work they have put in this month on the highway hearings and preparing this legislation.

Mr. BENTSEN. Mr. President, I am pleased to cosponsor this bill approving the ICE and ISCE for 1985.

This is a 1-year approval releasing in excess of $4 billion interstate construction and minimum allocation funds.

The State of Texas will receive more than $187.8 million in interstate constuction funds and approximately $198.9 million in minimum allocation funds. These funds for Texas and many other States are needed, and they represent a return of funds that have been contributed by the States.

My minimum allocation amendment is still of great concern to me, and I want it fully understood that I intend to press for inclusion of that language in the 1986 reauthorization bill.

I have said before and I will continue to point out that there is a matter of equity in including apportionment and allocations in calculating the 85 percent minimum allocation formula. States should be guaranteed a reasonable return on their contribution, and that is what Congress intended when we adopted the 85-percent minimum.

That formula was flawed because it omitted some categories, and my amendment simply corrects that error. The Senate agreed to correct this mistake in the name of fairness earlier this year, but because of the overwhelming need to enact legislation to approve construction funds, I agreed to House-passed legislation which did not include my amendment.

My colleagues on the Environment and Public Works Committee and I have discussed the equity of this measure, and it will be offered in the next reauthorization bill. Because the need for highway construction funds is still strong, I do not intend to hold up distribution by offering my amendment now.

This bill is free of amendments so that we can act promptly to conclude this important matter. It is only with the understanding that it will remain without amendments that I will not press the issue of minimum allocations. If the status changes, and amendments are added, I reserve the right to alter my position.

Mr. KERRY. Mr. Chairman, I would like to clarify the status of the Central Artery (I-93) project in the bill we are enacting today. Does the present bill contain costs for the Central Artery (I-93) in Boston, MA?

Mr. STAFFORD. Yes. The cost estimate we are adopting today contains costs for the Central Artery project. This figure represents the costs for the Central Artery, which were included in the 1981 cost estimate—$369 million—updated for inflation from 1981 to the present time. The table 5 number in the cost estimate we are adopting today reflects the cost of the Central Artery and other Massachusetts interstate projects minus outstanding obligations and unobligated balances.

Mr. KERRY. What is the intent of the chairman of the Committee on Environment and Public Works regarding the effect this cost estimate will have on the legal status of the project?

Mr. STAFFORD. It is my intent that this cost estimate will not alter the legal status of the Central Artery project. Like the 1983 cost estimate we enacted in March 1985, this cost estimate contains the same costs for the Central Artery that were included in the 1981 cost estimate—$369 million—with adjustments for inflation since 1981. By including the 1981 cost figures for the Central Artery in this estimate and the 1983 cost estimate, it is my intent to maintain the legal status of the project as of the 1981 cost estimate. The cost estimates enacted since the 1981 cost estimate have not been intended to change the legal status of the Central Artery project.

The bill was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 1514

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

APPROVAL OF INTERSTATE COST ESTIMATE FOR FISCAL YEAR 1987

SEC. 1. The Secretary of Transportation shall apportion for the fiscal year ending September 30, 1987, the sums authorized to be appropriated for such period by section 108(b) of the Federal-Aid Highway Act of 1956, as amended, for expenditure on the National System of Interstate and Defense Highways using the apportionment factors contained in revised table 5 of the committee print numbered 99-68 of the Committee on Environment and Public Works of the Senate.

APPROVAL OF INTERSTATE SUBSTITUTE COST ESTIMATE FOR FISCAL YEAR 1986

SEC. 2. The Secretary of Transportation shall apportion for the fiscal year ending September 30, 1986, the sums to be apportioned for such year under section 103(c)(4) of title 23, United States Code, for expenditure on substitute highway and transit projects, using the apportionment factors contained in the committee print numbered 99-69 of the Committee on Environment and Public Works and the Committee on Banking, Housing, and Urban Affairs of the Senate.

Mr. DOLE. Mr. President, I move to reconsider the votes by which the above identified bills were passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BILL HELD AT DESK—HOUSE JOINT RESOLUTION 299

Mr. DOLE. Mr. President, I ask unanimous consent that once the Senate receives from the House, House Joint Resolution 299, recognizing the accomplishments over the past 50 years resulting from the Historic Sites Act of 1935, one of this Nation's landmark preservation laws, it be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT REFERRAL

Mr. DOLE. Mr. President, I ask unanimous consent that the bill introduced today by the distinguished Senator from Idaho [Mr. MCCLURE], and others, dealing with a program to control grasshoppers and morman crickets on public lands be jointly referred to the Energy and Natural Resources

Committee and the Agriculture, Nutrition, and Forest Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

BILL PLACED ON CALENDAR—S. 1529

Mr. DOLE. Mr. President, I send the enclosed bill to the desk and ask that it be placed on the calendar, Highway Safety Grants section from Calendar No. 122, S. 863.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESOLUTION URGING MAJOR LEAGUE BASEBALL OWNERS AND PLAYERS TO AVOID PLAYERS' STRIKE

Mr. DOLE. Mr. President, I ask unanimous consent that the Labor Committee be discharged from further consideration of Senate Resolution 202, a resolution to urge negotiators for major league baseball owners and players to quickly settle their differences and avoid a scheduled players' strike, and I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The bill clerk read as follows:

A resolution (S. Res. 202) to urge negotiators for major league baseball owners and players to quickly settle their differences and avoid a scheduled players' strike.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the resolution.

Mr. FORD. Mr. President, last week I introduced a resolution, Senate Resolution 202, which urges the baseball team owners and the baseball players to seek a resolution of their differences and not strike on August 6. I have received an enormous response from baseball fans regarding this resolution. The average fan cannot understand all the issues involved in this matter, but they do understand that they want to continue to enjoy baseball games throughout the summer. This resolution does not favor either side—it merely requests that both sides reach an agreement before August 6.

I am pleased that the chairman and ranking minority of the Senate Committee on Labor and Human Resources have agreed to allow the Senate to consider the resolution today.

Many fans from my part of the country are daily following the progress of Pete Rose in his attempt to break the all-time record for hits. I know that many of my colleagues in the Senate are also following Pete's progress. Recently, I read a sports column in the Washington Post that states that even though Tom Seaver defeated the local team, the Baltimore Orioles during the White Sox July 4 game series in Baltimore, that every baseball fan wishes Seaver luck in his pursuit of this 300th win. Both Rose and Seaver have had remarkable baseball careers, but neither of them will reach their goal this season if there is a baseball strike on August 6.

Individual achievements are important in baseball, but the most important element in this sport, the baseball fan, is not involved in the negotiations. I know the issues are complicated, but I am sure that all fans will agree that an agreement should and must be reached before the strike deadline.

What is a summer without baseball? Unfortunately, the fans have already experienced a hot summer without baseball and they do not like it.

My resolution, Senate Resolution 202, urges both sides to negotiate a settlement in order to avoid a strike. I believe that we, as Members of the U.S. Senate, owe the baseball fans, the folks that turn out at the ball park and continue to root for their baseball teams, every effort to keep the teams playing and have a World Series as scheduled in October.

Mr. President, it is my hope that the Senate will concur with my resolution which requests both sides to settle their differences before August 6.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 202) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 202

To urge negotiators for major league baseball owners and players to quickly settle their differences and avoid a scheduled players' strike.

Whereas baseball is America's national pastime;

Whereas major league baseball is an important source of family-oriented entertainment for millions of Americans;

Whereas major league baseball teams are a source of local pride for fans in communities across the Nation, as well as providers of substantial revenues and employment opportunities in related businesses;

Whereas the Major League Baseball Players Association has voted to strike on Tuesday, August 6, 1985, unless they have reached a new collective-bargaining agreement with team owners by then;

Whereas a prolonged players' strike would result in the cancellation of hundreds of baseball games, the loss of millions of dollars to related businesses, and endanger the long-term interests of the sport; and

Whereas those who would suffer greatest during a baseball players' strike would be the fans: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Major League Baseball Players Association and team owners have a responsibility to the baseball fans of America to ensure that the current season is not interrupted, and that both parties should do everything in their power to avoid a strike by players.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the following nominations on the Executive Calendar: Calendar Nos. 335, 336, and 337.

Mr. BYRD. Mr. President, we have no objection to proceeding on those three nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENVIRONMENTAL PROTECTION AGENCY

The bill clerk read the nomination of J. Winston Porter, of Virginia, to be Assistant Administrator, Office of Solid Waste.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

POSTAL RATE COMMISSION

The bill clerk read the nomination of Patti Birge Tyson, of Texas, to be a Commissioner of the Postal Rate Commission.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

THE JUDICIARY

The bill clerk read the nomination of Curtis E. von Kann, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia.

Mr. STAFFORD. Mr. President, this Senator rises in support of the nomination of Mr. Curtis Emory von Kann as associate judge of the District of Columbia Superior Court. Mr. von Kann is the product of a proud Vermont heritage that reflects the best that the Green Mountain State has to offer.

His great-grandfather, Curtis Emory, after whom he is named, was a Vermont statesman in the truest sense of the word. A lawyer and town clerk in Chelsea, he was elected to the State legislature. Later he was appointed by Teddy Roosevelt to be collector of customs in Newport, VT, where he later entered business and was elected as the city's first mayor.

His grandfather was the legendary World War II hero, Col. Harry A. "Paddy" Flint. Paddy Flint, a Vermonter who graduated from West

Point in 1912 alongside Dwight Eisenhower and George Patton, led his 39th Infantry through Italy as well as Normandy. It is said that Paddy Flint's men would have followed him through hell without a canteen, and it is probably true. In Normandy, shortly after D-Day, Paddy Flint was mortally wounded in action. The indomitable Flint fell, smiling, as a companion said: "You can't kill an Irishman, you can only make him mad." The next day Paddy Flint died, however, leaving behind an inspiring legacy and his regiment's famed motto, which he coined: "Anything, Anywhere, Anytime, Bar Nothing."

Curtis Emory von Kann is a summer resident of Vermont, the land where his heart and family roots are found. He lives on Cove's Island, which is located in northern Vermont's scenic Lake Memphremagog. This beautiful lake straddles the border of Vermont and Quebec and finds on its shores the city of Newport, where Mr. von Kann's great-grandfather served as mayor so many years ago.

Once again, I strongly support Curtis von Kann's nomination to the D.C. Superior Court. For it is his Yankee heritage and Vermont roots that represent to this Senator some of the finest things the Green Mountain State has to offer—her people.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. DOLE. Mr. President, I move to reconsider the votes by which the nominations were confirmed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent that the President be immediatley notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate resume legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

DOE WITHDRAWS SUPPORT FOR GREAT PLAINS

Mr. McCLURE. Mr. President, I rise today to speak on the administration's withdrawal of support for the Great Plains coal gasification project. This marks a dark day for our efforts to gain energy self-sufficiency.

By letter of today to the Chairman of the Board of the U.S. Synthetic Fuels Corporation, Edward E. Noble, Secretary of Energy John S. Herrington indicated that, as currently constituted, the administration cannot support a proposed agreement for price guarantee assistance and debt restructuring for the Great Plains Gasification Associates project, as approved by the SFC Board of Directors last month.

Secretary Herrington indicated the withdrawal of administration support despite the fact that all parties bargained in good faith, and the proposal, and I quote, "represents the best that could be achieved under the circumstances."

The position was taken as the culmination of a process begun 2 years ago when the Department of Energy asked the Synthetic Fuels Corporation to consider providing assistance to Great Plains.

Mr. President, the position taken by the administration today on Great Plains is indeed unfortunate, and I hope not a fatal decision for the future of commercial synthetic fuels production from coal in the United States.

On numerous occasions, I have spoken in this body on the need for national synthetic fuels capability in the United States. I have spoken on the continuing need for the accelerated development of a selective number of commercial scale synthetic fuel plants. And Great Plains is one of the technologies that should be in that portfolio.

Focused only on the near-term, short-sighted opponents have pointed to falling international oil prices and an abundance of supplies. But what we are talking about here is the stability of long-term energy supplies at reasonable prices. Events in the Middle East continue to argue for increased efforts toward ensuring energy security for the United States.

The need still exists to ensure a long-term national capability for the domestic production of synthetic fuels. Such a capability for replication is needed as an insurance policy against an ever widening gap between domestic consumption and production. And such a capability is needed if our abundant reserves of coal are to contribute to filling this developing domestic supply gap in an environmentally compatible way.

But there is a complacency in the United States regarding the seriousness of our long-term energy vulnerability. The current ready availability of petroleum supplies at reduced prices is misleading. The suggested abundance of supplies has diverted our attention from the fact that over the longer term these supplies are politically and economically insecure. And the lack of secure energy supplies is indeed a grave national security problem.

Our complacency, while unwarranted, is understandable. As a nation, we are far better prepared to cope with disruptions in the world supply of petroleum than in the recent past. The strategic petroleum reserve now has over 100 days of imports. However, we also are importing approximately 28 percent of our oil needs. As consequence there is an ongoing trade deficit of $60 billion annually from crude oil alone.

This situation will change dramatically over the next decade, as it has over the last decade. By the turn of the century, we very likely may be importing more than 50 percent of our petroleum unless we develop alternative sources of domestic supply. Synthetic fuels is one of those alternatives. If we are to reduce our strategic vulnerability we must develop such alternatives, and Great Plains is one of those technologies.

Let us review some of the benefits to be derived from the long-term operation of Great Plains. First, the very existence of Great Plains as a synthetic fuels alternative has contributed to a dampening of international oil prices. Second, the Great Plains coal gasification project is state-of-the-art technology; it is the first commercial demonstration in the United States—using U.S. coals—of the coal gasification technology most widely used in the world. There are no alternative technologies waiting in the wings for commercial development.

Third, and critically, the technology when fully operational will be commercially operated under stringent environmental requirements that exist nowhere else in the world. Fourth, the technology is being demonstrated on the lower rank coals, such as lignite and subbituminous coals, which the United States has in great abundance.

Finally, and an added benefit, the Great Plains project is the only coal synthetic facility in the United States that can be used as a test bed both to demonstrate coals other than the current feedstocks and to demonstrate different synthetic fuels technologies.

Now, Mr. President, let us look at some of the losses should this project not proceed. In 1982, the Department of energy entered into a contract with Great Plains for a $2.02 billion loan guarantee. If Great Plains now elects to abandon the project there will be an immediate drain on the Federal Treasury of $1.5 billion, at a time of national budgetary concern. In addition, there will be a loss of nearly 1,000 jobs in communities near the project site.

Mr. President, this is not just an issue of disagreement between the SFC and the Department of Energy over a single synthetic fuels project; this is an issue of national energy policy.

In addition to the social and economic benefits to be realized from completion and long-term operation of the

Great Plains coal gasification project, there are critical national security benefits to be derived from its completion and long-term operation. Before the project is allowed to collapse, there needs to be a very careful and thorough review of the remaining options for continuing operation of the project.

PROPOSED OIL IMPORT FEE

Mr. DURENBERGER. Mr. President, it was with great interest that I learned that the Senate Budget Committee proposed the imposition of an oil import fee as a way to break the budget deadlock and to reduce the Federal deficit. And President Reagan was right to reject it.

You can call it a fee, you can call it a tax, you can call it anything you like. But it has less to do with eliminating the Federal deficit than it does propping up the domestic oil and gas industry. And I guarantee you, once the particulars of this proposal are known, the American people will be outraged.

Proponents of the fee argue that it is needed for a number of reasons, the first of which is to reduce the Federal deficit. The second is to provide a safety net under the domestic oil industry. The third reason is that it is fair tax policy and will promote energy independence and conservation.

I oppose it, first, because more dollars will go into the pockets of the domestic oil industry than into the Federal Treasury. It will be a tax collected by American oil producers from American oil consumers. The price of oil is tied to the world price, and although it is unraveling, OPEC still sets the price of oil; 30 percent of the oil used in the United States is imported. If we raise the price of that oil by $5, we raise the price of all oil used by $5. For every $5 the Treasury gets, the oil companies get $10.

Based on annual 1984 statistics, for every dollar in revenue generated for the Treasury, an additional $2.52 would be added to domestic producers' revenues. Thus, a $5 per barrel fee on crude oil, which would raise approximately $6.270 billion a year for the Federal Treasury, would increase crude oil producers' revenues by approximately $15.771 billion per year.

Likewise, for every dollar in revenue generated by a $10 per barrel fee on imports of all finished petroleum products, an additional $8.72 would be added to the revenues of domestic oil companies. This, a $10-per-barrel fee on finished petroleum products, which would raise approximately $1.092 billion for the Federal Treasury, would enhance domestic oil companies' revenues by approximately $23.402 billion per year.

It is not fair. It is not fair to the American consumer, those at the end of the energy pipeline and it is not fair to prop up one industry at the expense of another. There is no doubt in my mind that this proposal will hurt, rather than help the economy of the State of Minnesota.

World oil prices are falling and a decline in crude oil prices from a current world average of approximately $26 a barrel to $20 a barrel—coupled with a comparable drop in natural gas costs—could within a matter of months lower prices for all goods and services by a percentage point or more. The drop in price levels would have the effect of transferring $125 billion from the owners of oil and gas—and the governments that tax its value—to energy consumers.

Finally, an oil import fee, by itself, does not encourage conservation or the development of alternative energy sources. It encourages and benefits the domestic oil industry, period. If we were really serious about reducing the deficit with an import fee, we would include an excise tax of some sort.

A 10-cent-per-gallon increase in the gas tax would raise the same amount of revenues without negatively impacting consumers, farmers, and States at the end of the pipeline. I am not necessarily advocating an increase in the excise tax, but I am saying that if what is good for the goose, is good for the gander.

If the domestic oil industry wants an import fee to protect the industry, then the industry should be willing to accept a similar fee. And we would have the added benefit of raising twice the revenue.

There is no doubt that the deficit is a serious problem. It is one this Senator is concerned about. But I am not willing to support the proposal the Budget Committee has put forth. It is not a solution. It may be part of a solution, but it is not the solution.

VETERANS' ADMINISTRATION ADJUDICATION PROCEDURE AND JUDICIAL REVIEW ACT

Mr. DOLE. Mr. President, I see the distinguished Senator from Colorado is present. I now ask unanimous consent that the Senate turn to Calendar 219, S. 367, Veterans' Judicial Review.

The PRESIDING OFFICER. Without objection, it is so ordered. The bill will be stated by title.

The bill clerk read as follows:

A bill (S. 367) to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to provide for judicial review of certain final decisions of the Administrator of Veterans' Affairs; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. MURKOWSKI. Mr. President, as chairman of the Committee on Veterans' Affairs, I am pleased to present to the Senate today for its approval, S. 367, the proposed Veterans' Administration Adjudication Procedure and Judicial Review Act. This bill was ordered reported unanimously by the Committee on Veterans' Affairs on June 12, 1985, and was reported to the full Senate on July 8 of this year, without amendment. I urge my colleagues to join me in passing this legislation which would improve the rights of veterans and survivors who seek claims for benefits from the Veterans' Administration by allowing such individuals to exercise rights similar to those which exist for claimants of other Federal benefits.

Mr. President, the provisions of the proposed legislation are certainly not new to the Senate. On three prior occasions, this body has passed by voice vote bills which are virtually identical to S. 367.

In the 96th Congress, S. 330 was favorably reported by the Veterans' Affairs Committee on May 3, 1979, and was passed by the Senate on September 17, 1979. In the 97th Congress, similar legislation—S. 349—was unanimously reported by the committee on April 28, 1982, and was passed by the Senate on September 14, 1982. Also, in the 98th Congress, S. 636 was unanimously ordered reported by the committee on April 20, 1983, and was passed by the Senate on June 15, 1983.

S. 367 as reported is the same as S. 636 with two exceptions—the deletion of the provision in S. 636 which related to the size and membership of the Board of Veterans Appeals and a change in the effective date of the bill.

The major components of S. 367 would provide for: The codification of Veterans' Administration claims adjudication procedures; the imposition of formal rulemaking requirements for most VA matters; judicial review in the Federal court system of final decisions rendered by the Board of Veterans Appeals which are adverse to a claimant; and the payment of reasonable attorney's fees by a veteran, in lieu of the longstanding and outdated statutory $10 attorney fee limitation.

Mr. President, this year the passage of certain provisions of this legislation take on even greater importance than in the past, because of two recent court decisions which held contrary to the congressional intent of this legislation.

The U.S. Court of Appeals for the District of Columbia Circuit held in *Gott* v. *Walters* (No. 82-1159, March 22, 1985) that current section 211(a) of title 38 United States Code bars judicial review of decisions of the Administrator of Veterans' Affairs relating to

regulations implementing veterans' benefits stututes, which is inconsistent with the legislative history of this bill. Enactment of S. 367 would create uniform access to judicial review and would eliminate the current confused state of existing case law.

Additionally, in *Walters* v. *National Association of Radiation Survivors* (No. 84-571, June 28, 1985), the U.S. Supreme Court upheld the existing $10 statutory limitation on attorney fees when an attorney represents an individual claimant for VA benefits. S. 367 would remedy this well-intentioned, but outdated statutory attorney fee limitation and would allow the payment of reasonable attorney fees in most situations pertaining to an individual's claim for VA benefits.

Mr. President, I express my appreciation and gratitude to my friend and colleague from California, the ranking minority member of the Veterans' Affairs Committee, Senator CRANSTON, who, along with Senator HART, the distinguished original sponsor of S. 367, have been so instrumental in the development of this committee bill. I commend their persistence in moving forward with this legislation during this Congress, as in past Congresses. I also thank my committee staff members for their diligent work on this legislation, particularly my chief counsel and staff director, Anthony Principi, Julie Susman, Kathleen McTighe, Kay Eckhardt, Lisa Gilman, and Jody Sanders. Additionally, I thank the minority chief counsel and staff director, Jonathan Steinberg, Ed Scott, and Bill Brew for their consistently outstanding work on this legislation. I also extend special thanks to Jim MacRae for his conscientious and diligent work on the committee bill and report.

Mr. President, I strongly urge my colleagues to join me in supporting this important legislation which is long overdue.

Mr. CRANSTON. Mr. President, as the ranking minority member on the Veterans' Affairs Committee, I am delighted to join with the committee chairman [Mr. MURKOWSKI], in urging our colleagues to give their unanimous approval to S. 367, the proposed Veterans' Administration Adjudication Procedure and Judicial Review Act, as reported by the committee on July 8.

If the Senate acts as we urge, this will be the fourth time that the Senate has gone on record in support of legislation to eliminate provisions in current law that accord veterans second-class citizenship in the very fundamental area of their relationship with the Federal Government with respect to statutory benefits and services. The first time was during the 96th Congress, on September 17, 1979, when the Senate passed a predecessor measure, S. 330; the second was during the 97th Congress when S. 349 was passed on September 14, 1982; and the most recent was on June 15, 1983, during the last Congress when S. 636, the immediate predecessor to the current legislation, was passed. On each of these prior occasions, the measure died in the House upon adjournment of that Congress.

I am convinced that the Senate's position on this issue is correct, and I hope that our colleagues in the other body will reevaluate their position and, once this measure arrives there, give it the full and favorable consideration it deserves. In this regard, I am very pleased to note that a companion measure to this bill, H.R. 585, introduced by my good friend from California, DON EDWARDS, has 164 cosponsors at this time.

Mr. President, the basic purpose of S. 367 as reported is to ensure that veterans and other claimants before the VA receive all benefits to which they are entitled under law by:

Providing veterans and other claimants with the opportunity for judicial review of final VA decisions denying claims for benefits.

Improving and codifying certain internal procedures of the VA relating to the adjudication of benefit claims.

Requiring that VA rulemaking processes comply with provisions of the Administrative Procedure Act relating to notice and comment.

Allowing claimants to pay attorneys reasonable fees for representation before the VA after a decision by the Board of Veterans' Appeals as well as for representation in judicial proceedings.

BACKGROUND

Mr. President, in January of this year, Senator HART and I, joined by Chairman MURKOWSKI and 23 other original cosponsors, introduced S. 367—which was substantively identical to S. 636 as passed by the Senate during the 98th Congress. At that time, I made a detailed statement in which I discussed the history of consideration of judicial review legislation in the Senate and the reasons supporting the bill we were then introducing. I refer my colleagues and others with an interest in this background to my remarks at the time of introduction, which begin on page 1562 of the RECORD for January 31, 1985. In addition, my statements on the predecessor measure in the last Congress, S. 636—which can be found on page S. 1895 [daily ed.] of the RECORD for March 1, 1983, at the time of introduction and on page S. 8494 [daily ed.] of the RECORD for June 15, 1983, at the time of Senate passage—provide further background information on this legislation.

The measure as it comes before the Senate today has been through an extended period of development which began in the 94th Congress. During this period, the Committee on Veterans' Affairs has held nine hearings on judicial review legislation, and the Senate Judiciary Committee has held one such hearing. Judicial review legislation has been before both the Veterans' Affairs Committee and the Judiciary Committee, with the Veterans' Affairs Committee four times voting to report the legislation favorably, and the Judiciary Committee, after referral of the reported bill to it for a limited period of time, twice allowing the reported measure to go to the full Senate unamended.

Finally, as I just noted, the Senate during the last three Congresses passed legislation quite similar to the pending measure.

In short, it is clear that the Senate has given a great deal of consideration to the issue of providing for judicial review of VA decisions and has indicated its support for providing an opportunity for a veteran aggrieved by a VA decision on a claim for benefits to obtain a carefully limited review in court of such a decision. I have every expectation that the Senate will go on record again today in support of such a result, and I strongly urge that action.

Mr. President, because, as I noted earlier, I have previously described in some detail the background of this legislation and the general reasons for my support for it, I will limit my remarks today to a discussion of two recent court actions bearing on the substance of this legislation—a decision by the Court of Appeals for the District of Columbia Circuit relating to the availability of court review to challenge VA action on regulations, Gott versus Walters, and a decision by the Supreme Court on the limit on attorneys' fees for representation of claimants before the VA, Walters versus National Association of Radiation survivors.

AVAILABILITY OF JUDICIAL REVIEW OF VA ACTION ON REGULATIONS

In the committee report accompanying S. 349 in the 97th Congress—S. Rept. 97-466—filed on June 8, 1982, the committee addressed the issue of whether section 211(a) of title 38, United States Code, the provision of law which bars court review of certain Veterans' Administration decisions, acts as a bar to review of VA actions that do not involve individual claims for benefits but only regulations. The committee, expressing the view that section 211(a) did not bar such court review, noted that:

> Most Federal courts of appeals that have addressed the question have held that section 211(a) does not preclude judicial review on the issue of whether a particular VA regulation was promulgated in excess of the Administrator's statutory authority.

However, the committee also noted that this result was not uniform among the courts of appeals and was not settled since the VA and the De-

partment of Justice have continued the practice of "raising the section 211(a) bar in cases where no individual adjudications are involved." Thus, the committee noted that its reasons for supporting S. 349 included its view that:

VA claimants in all parts of the country should have uniform access to the judicial system rather than having to litigate before various district courts and appellate court panels the questions of whether and to what extent section 211(a) operates as a bar in a particular case.

More recently, on October 4, 1984, during Senate debate on the legislation that was ultimately enacted as Public Law 98-542, the Veterans' Dioxin and Radiation Exposure Compensation Standards Act, I joined then Committee Chairman SIMPSON and three other members of the committee in again expressing the view that the then-existing case law provided for access to court review to challenge VA actions in issuing regulations. My remarks on this issue, which included the insertion into the RECORD of a memorandum by the American Law Division of the Congressional Research Service of the Library of Congress concerning the case law, appear at pages S. 13598 to S. 13600 [daily ed.] of the RECORD for October 4, 1984. The statement of Senator ALAN SIMPSON on this point is at page S. 13591 [daily ed.]; that of Senator ARLEN SPECTER, at page S. 13608 [daily ed.]; that of Senator SPARK MATSUNAGA, at page S. 13609 [daily ed.]; and that of Senator GEORGE MITCHELL, page S. 13610 [daily ed.]. During this debate, I also noted that, in addition to being the position of the Carter administration:

It is the VA's position under the current administration that court review of VA regulations is available.

This position was first articulated by Administrator Walters in an answer to a question I posed in connection with his confirmation hearing. In December 1983, Mr. Walters stated:

Should the VA promulgate regulations in excess of lawful authority? Federal court action is certainly available to the adversely affected veterans.

Administrator Walters repeated this position in an April 10, 1984, letter which provided the agency's views on S. 1651. He at that time took note of:

The body of case law permitting judicial review of constitutional challenges to agency regulations and procedures and allegations that the agency exceeded statutory authority in the promulgation of regulations.

In view of this consensus for the proposition that section 211(a) does not bar court review of VA actions relating to regulations, I must note with dismay the recent 2-to-1 decision of a three-judge panel of the U.S. Court of Appeals for the District of Columbia Circuit in the case of Gott versus Walters, which was decided on March 22, 1985. That case involved a challenge to the propriety of the VA's issuance of certain documents relating to the resolution of claims based on exposure to ionizing radiation. Even though the Department of Justice did not raise the section 211(a) bar as an issue on appeal, the court of appeals did so on its own initiative and reversed the trial court, which had held that such review was available. The appeals court expressly disagreed with a line of cases from the other courts of appeals and held that section 211(a) bars review of decisions of the Administrator of Veterans' Affairs relating to regulations—indeed bars challenges to the propriety of the process by which such regulations were issued—implementing veterans' benefits statutes.

I strongly disagree with much of the analysis and with the result in the Gott opinion. The reason I am noting it at this time, however, is to highlight the further disruption this decision creates in the state of the case law confronting a veteran who believes that the VA has acted in an unlawful manner. Gott versus Walters is a timely demonstration, if any further demonstration is needed, of the importance of clarifying the current confused state of the law regarding judicial review of VA actions, as S. 367 would do. Also, because the Federal courts in the District of Columbia have traditionally had a particularly significant role in resolving cases involving administrative law issues, veterans and others seeking to challenge VA actions on regulations will be denied a significant avenue of redress as long as the Gott decision remains the Federal law in the District of Columbia Circuit. In this regard, I note that the full court of appeals has vacated the panel's opinion and will be reviewing the case later this year. This, of course, serves only to compound the confusion and uncertainty about what the law is. It is Congress' job to clear this up.

ATTORNEYS' FEES FOR REPRESENTATION OF VA CLAIMANTS

On June 28, 1985, the Supreme Court decided Walters versus National Association of Radiation Survivors—which I will refer to as "NARS"—in which three veterans seeking service-connected disability compensation, a veteran's surviving spouse seeking dependency and indemnity compensation—DIC—based on a claim that the veteran died from a service-connected disability, and two organizations, the National Association of Radiation Survivors and Swords to Plowshares Veterans Rights Organization, challenged the constitutionality of the provisions of section 3404(c) of title 38 limiting to $10 the fee that an attorney may receive for representing an individual with respect to a claim for VA benefits.

The U.S. District Court for the Northern District of California had determined prior to the conduct of a trial that it was likely that the plaintiffs would prevail with respect to their claim that the fee limitation violated the due process requirements of the fifth amendment and VA claimants' right to freedom of speech under the first amendment. On that basis, the district court granted a nationwide preliminary injunction against the enforcement of section 3404(c).

The Supreme Court voted 6 to 3 to reverse the district court's grant of a preliminary injunction, and the case was returned to the lower court for a full evidentiary hearing and decision directly on the merits of the claim that the fee limitation is unconstitutional.

The decision and opinions handed down by the Supreme Court in that case raise certain issues relating to the provisions in S. 367 modifying section 3404 on which I wish to comment.

First, I note that two of the six Justices who voted to overturn the district court's injunction made clear their view that the Supreme Court's decision was not a ruling on the merits of the constitutional challenge. Rather, Justice O'Connor and Justice Blackmun, who joined Justice O'Connor in her concurring opinion, stated their view that the Supreme Court had decided only that pretrial issuance of a nationwide, preliminary injunction was an abuse of discretion on the part of the district court.

Thus, despite certain language in the majority opinion that might be read as expressing a firm conclusion that section 3404(c) is constitutional, a majority of the justices—the two concurring justices and the three dissenters, Justices Brennan, Marshall, and Stevens—expressly declined to take such a position. Justice Brennan made this point in his dissenting opinion at footnote 37 on page 18 of the slip opinion of his dissent.

The decision in this case, therefore, does not remove the cloud that has been cast regarding the constitutional validity of section 3404(c), and I believe that the existence of this continuing controversy underscores the need for congressional action to modify the fee limitation. The courts can only strike the provision down or sustain it. They do not have the authority to make the type of adjustments that the committee is recommending in S. 367, which would, I believe, both reflect sound policy judgments and eliminate questions regarding constitutional validity. In this regard, I note that Justice Stevens, on page 3 of his dissenting opinion, indicated that, at the time the $10 fee limit was first enacted in 1864, the fee was "roughly the equivalent of a $580 fee today." It is interesting to note

that, if enacted, S. 367 would provide generally for a maximum fee of $500 for claims resolved before the VA, a level very similar to that enacted in 1864.

Second, I note that both the district court and the Supreme Court have thus far dealt only with the question of the per se, or facial, constitutionality of the fee limitation. The district court temporarily enjoined its enforcement nationwide in all cases and the Supreme Court reversed the district court's action. However, the plaintiffs also asserted—and neither court has yet ruled on the assertion—that, even if the statute is held to be constitutionally valid on its face, it is unconstitutional as applied in the individual plaintiffs' cases. That this question remains open is noted specifically in Justice O'Connor's opinion, at page 3 of the slip opinion of her concurring opinion.

In my view, the possibility that judicial decisions might uphold the fee limitation as not facially unconstitutional but leave it subject to challenges asserting that it is unconstitutional as applied in individual cases also underscores the need for legislation to eliminate constitutional issues and make the statute more appropriate and more fair to veterans in the contemporary context. For example, if "as applied" challenges were permissible despite a final, authoritative ruling that the statute is facially constitutional, there would be very real, undesirable barriers to veterans' ability to retain counsel in those cases in which a court ultimately might decide that the fee limitation is unconstitutional as applied. For an attorney to take such a case would mean risking the possibility of receiving no fee, even if the benefit in question is awarded. Moreover, the attorney would apparently have to make any fee of more than $10 contingent upon a judicial determination that the limitation was unconstitutional as applied and would have to resort to the potentially time-consuming and costly process of bringing suit in the Federal courts to obtain a ruling that the fee limit would be unconstitutional if applied in that case.

Such an extremely unwieldy, costly, and, very likely, often unsuccessful approach to protecting the veterans' constitutional right to legal representation would, in my view, be totally unsatisfactory in most cases.

Third, I note that the NARS case involved only two types of VA benefits—disability compensation paid to veterans with service-connected disabilities and DIC payable to the surviving spouses of those who die from service-connected causes—neither of which is need-based, as are certain welfare payments. The Supreme Court seemed to have attached considerable significance to this point. The Court noted that in the case of *Mathews* v. *Eldridge*, 424 U.S. 319 (1976), it had held that no evidentiary hearing is constitutionally required prior to a temporary deprivation of non-means-tested Social Security benefits but that, in the case of *Goldberg* v. *Kelly*, 397 U.S. 254 (1970), it had ruled that a welfare recipient faced with possible termination of benefits was entitled to be represented by an attorney. Choosing which was more applicable to the fee limitation in the context of compensation and DIC, the Court stated:

> We think that the benefits at stake in VA proceedings, which are not granted on the basis of need, are more akin to the Social Security benefits involved in Mathews than they are to the welfare payments upon which the recipients in Goldberg depended for their daily subsistence. Just as this factor was dispositive in Mathews in the Court's determination that no evidentiary hearing was required prior to a temporary deprivation of benefits, 424 U.S., at 342-343, so we think it is here determinative of the right to employ counsel.

The Court took no note of the fact that VA pension under chapter 15 of title 38—payable to certain needy, non-service-connected totally disabled (or elderly) wartime veterans, and to needy survivors of wartime veterans—is, to use the Court's words, "granted on the basis of need" and that recipients of pension depend on it "for their daily subsistence."

From this part of the opinion, it appears that the Court might well consider a different result if the constitutionality of the fee limitation is challenged in a VA pension case.

I note, as was mentioned on page 26 of the committee report accompanying this bill, that compensation and DIC are a top priority of the committee and that the members of the committee would consider anomalous any set of circumstances in which applicants for and recipients of those service-connected benefits are afforded less in the way of procedural protections or advantages—such as the right to be represented by counsel—than are applicants for and recipients of non-service-connected benefits, such as VA pension.

Fourth, although I am not here undertaking any point-by-point rebuttal of possible areas of disagreement with the Court's opinion, I wish to correct a misimpression set forth in footnote 10 of the Court's opinion, at page 16 of the slip opinion. In that note, the Court correctly pointed out that S. 349, as reported by our committee and passed by the Senate in the 97th Congress, would have provided—as S. 367 would provide—for limited judicial review of certain VA decisions and for retention of the fee limitation for VA claims adjudications up to and including the first denial of a claim by the Board of Veterans' Appeals. However, the Court then erroneously asserted that out:

> Committee [had] explained that the limitation was retained to protect claimant's benefits, and because until judicial review was contemplated there was no need for attorneys.

Again, as is pointed out on page 26 of the committee report, the committee has never recommended retention of the fee limitation for the reason that there is no need for attorneys until judicial review is contemplated. The words "no need," quoted by the Court, were used in only one place on the page cited by the Court, in the following sentence:

> In light of the availability of national service officers and other nonlegal forms of free assistance, there would seem to be no need for the assistance of an attorney in order to initiate the claims process by completing and filing an application.

As the committee noted in the ensuing discussion, it did—and still does—see a need for lifting the fee limit "once the BVA renders a decision adverse to the claimant on the merits," and that need is not limited to representation in judicial proceedings. Rather, as noted, the need may exist "with respect to such issues as seeking a reopening and reconsideration" of the VA administrative process either at the BVA level or in the Department of Veterans' Benefits. In the following pages of that report, the committee discussed at length provisions allowing reasonable attorneys' fees for representation within the VA following an initial BVA denial of a claim, regardless of whether the case ever reaches Court. I fully support and agree with that discussion which the Court seems to have overlooked.

CONCLUSION

Mr. President, approval of S. 367 by the Senate today will, I believe, hold out substantial hope to our Nation's veterans. This legislation promises to those who served their country the same right of independent review of the fairness with which their Government treats them through the VA that is available to virtually all other citizens in their dealings with agencies administering Federal benefits.

In closing, I want to express my gratitude to the chairman for moving forward on this legislation of such fundamental importance. He and his staff—especially Cathy McTighe, Julie Susman, and Tony Principi—have been fair, thorough, and most constructive in approaching S. 367. The chairman is owed a great vote of thanks by all veterans for taking a leadership role—as had his predecessor, Senator SIMPSON—on the legislation before the Senate today.

Mr. President, I also congratulate my good friend from Colorado, Senator GARY HART, for his longstanding commitment to and leadership on the cause of judicial review. I also want to express my gratitude to my many colleagues who are cosponsors of the

measure. The broad, bipartisan support for this measure is demonstrated by the list of 38 sponsors. Adoption of the bill by the Senate today will ratify this support and send a strong signal that this body is strongly committed to removing the archaic bar to judicial review and modifying the nonsensical $10 limit on the amount an attorney may be paid to represent a VA claimant and, in so doing, opening the inner workings of the VA to the light of day.

I also note the very hard work on this legislation by members of the minority staff on the committee, including Bill Brew, Ed Scott, Jon Steinberg, Ingrid Post, and Charlotte Hughes.

Mr. President, S. 367 as it comes before the Senate today is a measure worthy of my colleagues' full support, and I urge that they give it their unanimous backing.

Mr. SASSER. Mr. President, I rise today to speak in support of S. 367, the Veterans' Administration adjudication procedure and Judicial Review Act. This bill would allow for the judicial review of the final decisions of the Administrator of the Veterans' Administration and to raise the $10 cap on legal fees for attorneys who represent veterans to a reaonable amount. I was pleased to join Senator HART in being an original cosponsor of this bill.

Mr. President, this is the fourth time that the Senate has voted on legislation similar to this. Last Congress, the Senate passed similar legislation in S. 636, which I was also pleased to cosponsor, but no action was taken on this measure in the House. Again, I hope that the Senate will pass this much needed legislation, and that the House of Representatives will also take action and pass this legislation.

At the present time, the Veterans' Administration is one of the few Federal agencies whose decisions are not subject to judicial review. While the Veterans' Administration has a well established claims procedures for deciding the merits of veterans claims, a procedure that does provide the veterans with the benefit of the doubt in deciding claims. However, once a final decision has been made by the Board of Veterans Appeal, that decision is final unless new evidence can be presented by the claimant. Though in many cases this system works well for the veteran, it has become clear that in other instances this system has not worked well in deciding many claims, such as the claims filed by atomic and agent orange veterans.

Mr. President, let me briefly detail to my colleagues an example of the system's failure to act. A constituent of mine, John Smitherman, who died in September 1983, was exposed to atomic radiation during an atmospheric test in the South Pacific in 1946 while a sailor in the Navy. He developed lymphatic cancer that caused him to lose two legs, and one hand to swell abonormally. He repeatedly sought relief and compensation from the Veterans' Administration only to be denied service-connection compensation. Seven times he appealed to the Veterans' Administration and seven times he was turned down on a technicality. While several physicians certified that his cancer was caused by his exposure to radiation, the Veterans' Administration continued to deny his claim. John Smitherman's case was a bureacratic nightmare, a classic case of Government insensitivity to its citizens. This insensitivity was compounded by his inability to seek judicial review of this claim. His case is an excellent example of why S. 367 is needed. This legislation will at least grant the John Smithermans' of this Nation the opportunity to appeal their case to the courts, a right that is granted to all citizens, in an effort to seek a just hearing in an independent body.

In addition to providing for judicial review, this legislation raises the outmoded $10 limitation on attorney fees to a reasonable amount. This legislation would provide for a fee of $500 in most cases, but it does not bar the veterans from entering into a contingency fee agreement with an attorney. As this body is aware, and the issue was addressed in the report that accompanied S. 367, the Supreme Court recently upheld the $10 fee that is part of current law. While there may be questions on the constitutionality of the fee limitation, it is clear that the $10 fee has served as an impediment to veterans being able to obtain counsel. And it seems clear that if we are going to allow veterans the right of judicial review, we should also raise the $10 fee. Without raising the fee, all we would do is grant the right while effectively prohibiting veterans from retaining counsel in order to seek judicial review of their claims.

We must enact S. 367 promptly. It has 38 cosponsors and has passed the Senate three times previously. I urge my colleagues to continue their support for this measure that grants our Nation's veterans the basic right of having their day in court. This is a right that all American citizens deserve, most especially our veterans.

Mr. HART. Mr. President, I thank the distinguished majority leader, the Senator from Kansas [Mr. DOLE], and the minority leader [Mr. BYRD] for scheduling this bill so that the Senator from Colorado could be present. I appreciate very much their indulgence. I wish to make a brief statement, if I may.

Mr. President, today the Senate again considers the Veterans' Administration Administrative Procedures and Judicial Review Act.

As the author of this legislation, I am grateful to the chairman of the Veterans' Affairs Committee, Senator MURKOWSKI, the ranking minority member, Senator CRANSTON, and the other members of the committee for bringing this bill back to the Senate floor this year.

This bill will provide veterans and other claimants before the Veterans' Administration [VA] the right to judicial review of the final decisions by the Administrator denying their benefit claims. It is also designed, as were the predecessor bills I introduced in the last several Congresses, to codify certain VA benefit claim procedures, to require that the VA comply with important procedural protections in the Administrative Procedures Act, and to grant reasonable attorneys fees.

None of these rights exist today.

The Veterans' Administration—the second largest client agency of the Federal Government—is one of the few agencies whose benefit decisions are not subject to the scrutiny of the Federal courts. Too often in the past, this exclusion, together with an outdated $10 limitation on attorneys fees, has meant that fundamental constitutional rights of veterans have been abridged in hearings before the VA.

Mr. President, this bill we consider today represents the fifth attempt by the Senator from Colorado to seek correction of these inequities and to bring the Veterans' Adminstration in line with the established administrative procedures of other agencies of the Federal Government.

This bill has 38 cosponsors, including a majority of the members of the Veterans' Committee, both Democrats and Republicans. This significant display of biapartisanship, in my judgment, underscores the importance which Senators from both parties attach to making the changes in law and procedure which we are asking today.

Mr. President, a veteran seeking VA benefits must file a claim with the VA regional office's rating board to determine eligibity for disability, pension, or other benefits. If the local rating board renders an unfavorable decision, the veteran can appeal to the Board of Veterans Appeals [BVA] in Washington, DC, which is also part of the VA. Under existing law, the decision of the BVA on "any question of law or fact under any laws administered by the Veterans' Administration providing benefits for veterans and their dependents or survivors, shall be final and conclusive, and no other official or any court of the United States shall have power or jurisdiction to review any such decision" (38 U.S.C. 211(a)). Unlike claimants before other Federal agencies, who enjoy independent judicial recourse, a veteran who believes that the BVA has misinterpreted the law, or decided a case without taking all relevant facts into account, has no

reasonable means for appeal outside the Veterans' Administration.

By contrast, the Social Security Administration—which means also adjudicates disability claims—has been subject to judicial review of its final benefit decisions (42 U.S.C. 405(g)) for more than 2 decades.

Mr. President, the insulation of any agency from the scrutiny of the courts runs counter to our most cherished constitutional principles. In human terms, this denial of the due process rights of veterans has too often resulted in hardship and disillusionment for those who have defended our country and are most deserving of the guarantees of our constitutional form of government.

Mr. President, I first introduced legislation to open the Veterans' Administration to outside court review in May 1976. Since that time, my colleagues in the Senate have joined me in successfully passing on three occasions legislation similar to this legislation in the 96th, 97th, and 98th Congresses. Both Senators CRANSTON and SIMPSON have supported this legislation through their distinguished leadership as chairmen of the Senate Veterans' Affairs Committee. And, this year, our colleagues, Senator MURKOWSKI, who acceded to the position of chairman after Mr. SIMPSON won his leadership post, has continued that tradition of bipartisan cooperation and support.

Mr. President, let me conclude with these observations.

The Senator from Colorado who has been working on this legislation for a decade. As an opponent of the Vietnam war, a conflict which often and unfairly divided principled citizens and dedicated servicemen and women, I have felt a special obligation to the veterans of this land—not only Vietnam-era veterans, but the veterans of prior conflicts as well. I have tried to reach out to veterans, particularly those whose bodies and souls continue to bear the scars of their sacrifice and courage.

Because this legislation has been a personal priority for me, I have used forums and constituent meetings in Colorado to discuss the bill and publicize the fact that the denial of these fundamental constitutional rights must come to an end. More often than not, as I explain these legally enshrined barriers to veterans' rights, my constituents are shocked. They ask, "How can veterans, many of whom fought to preserve and protect democratic values abroad, be denied these basic protections here at home?" I must answer with regret: "That's the law." And they say, "the law must be changed."

That is the central issue in this debate, Mr. President. The central issue is whether we are going to afford the American veteran the same constitutional rights we grant other citizens in this country. The central issue is whether we are going to end now, today, this frightening anomoly, this powerful irony, that veterans receive less protection under the law then their fellow citizens.

We can provide veterans their rights to simple justice. We can improve oversight of VA procedures. We can respond to the challenge in the Supreme Court's ruling, which upheld the archaic $10 limitation on attorneys fees, and give veterans their civil and legal rights to competent legal representation. Surely, our veterans deserve no less.

It is my hope that a strong statement of support by the Senate for this legislation will prompt the House of Representatives to pass the bill and send it to the White House. I am anxious to work with my colleagues in the Senate, and those responsible for veterans legislation in the House, to ensure that the action we take today will settle this issue once and for all.

Mr. President, again I thank the Senator from Kansas, the majority leader, and the minority leader.

Mr. DOLE. Mr. President, I commend the distinguished Senator from Colorado for his tireless efforts on behalf of the veterans and particularly this legislation. I share the concerns he expressed and extend my commendations to the Senator from Colorado, along with the Senator from Alaska [Mr. MURKOWSKI] and the Senator from California [Mr. CRANSTON].

Mr. BYRD. Mr. President, I wish to associate myself with the remarks of the distinguished majority leader. I also compliment the distinguished Senator from Colorado [Mr. HART] for the noble efforts that he put forth and the support that he has consistently given to legislation on behalf of the veterans and their families.

I also compliment Mr. CRANSTON, the distinguished Democratic whip, on the support that he has given such matters, and also Mr. SASSER. I wish to make the same comments with respect to him, and also to commend Mr. MURKOWSKI for his good work and for the leadership that he along with these other Senators continue to demonstrate on behalf of veterans.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 367

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Veterans' Administration Adjudication Procedure and Judicial Review Act".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—ADJUDICATION PROCEDURES

SEC. 101. (a) Chapter 51 is amended by adding at the end of subchapter I the following new section:

"§ 3007. Burden of proof; benefit of the doubt

"(a) Except when otherwise provided by the Administrator in accordance with the provisions of this title, a claimant for benefits under laws administered by the Veterans' Administration shall have the burden of submitting evidence sufficient to justify a belief by a fair and impartial individual that the claim is well grounded. The Administrator shall assist a claimant in developing the facts pertinent to his or her claim.

"(b) When, after consideration of all evidence and material of record in any proceeding before the Veterans' Administration involving a claim for benefits under laws administered by the Veterans' Administration, there is an approximate balance of positive and negative evidence regarding the merits of an issue material to the determination of such claim, the benefit of the doubt in resolving each such issue will be given to the claimant, but nothing in this section shall be construed as shifting from a claimant to the Administrator the burden described in subsection (a) of this section.".

(b)(1) The table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part IV of such title are each amended in the item relating to chapter 51 by striking out "Applications" and inserting in lieu thereof "Claims".

(2) The heading of such chapter is amended to read as follows:

"CHAPTER 51—CLAIMS, EFFECTIVE DATES, AND PAYMENTS".

(c)(1) The table of sections at the beginning of such chapter is amended in the item relating to subchapter I by striking out "APPLICATIONS" and inserting in lieu thereof "CLAIMS".

(2) The heading of subchapter I of such chapter is amended to read as follows:

"Subchapter I—Claims".

(d) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 3006 the following new item:

"3007. Burden of proof; benefit of the doubt.".

SEC. 102. Section 3311 is amended by adding at the end the following new sentences: "Subpenas authorized under this section shall be served by any individual authorized by the Administrator by (1) delivering a copy thereof to the individual named therein, or (2) mailing a copy thereof by registered or certified mail addressed to such individual at such individual's last known dwelling place or principal place of business. A verified return by the individual so serving the subpena setting forth the manner of service, or, in the case of service by registered or certified mail, the return post office receipt therefor signed by the individual so served shall be proof of service.".

SEC. 103. Section 4001 is amended—

(1) in the second sentence of subsection (a), by inserting before the period at the

end of such sentence "in a timely manner"; and

(2) by adding at the end thereof the following new subsection:

"(d) The Chairman of the Board shall submit a report to the appropriate committees of the Congress, not later than December 31, 1986, and annually thereafter, on the experience of the Board during the prior fiscal year together with projections for the fiscal year in which the report is submitted and the subsequent fiscal year. Such report shall contain, as a minimum, information specifying the number of cases appealed to the Board during the prior fiscal year, the number of cases pending before the Board at the beginning and end of such fiscal year, the number of such cases which were filed during each of the 24 months preceding the prior fiscal year and the then current fiscal year, respectively, the average length of time a case was before the Board between the time of the filing of an appeal and the disposition during the prior fiscal year, and the number of members of, and the professional, administrative, clerical, stenographic, and other personnel employed by, the Board at the end of the prior fiscal year. The projections for the current fiscal year and subsequent fiscal year shall include, for each such year, estimates of the number of cases to be appealed to the Board and an evaluation of the Board's ability, based on existing and projected personnel levels, to ensure timely disposition of such appeals as provided for by subsection (a) of this section.".

SEC. 104. Section 4003 is amended—

(1) in subsection (a), by inserting a comma and "after notice of such additional information is furnished to the claimant and the claimant is provided an opportunity to be heard in connection with such information," after "concerned"; and

(2) in subsection (b)—

(A) by striking out "When" and inserting in lieu thereof "(1) Except as provided in paragraph (2), when";

(B) by inserting a comma and "after notice of such additional information is furnished to the claimant and the claimant is provided an opportunity to be heard in connection with such information," after "concerned"; and

(C) by adding at the end thereof the following new paragraph:

"(2) When, without the vote of a temporary member designated under section 4001(c)(1) of this title or the vote of an acting member designated under section 4002(a)(2)(A)(ii) of this title, a section would be evenly divided, such member shall not vote.".

SEC. 105. Section 4004 is amended—

(1) in subsection (a)—

(A) by striking out "involving" in the first sentence and inserting in lieu thereof "for"; and

(B) by inserting before the period at the end of the second sentence "after affording the claimant an opportunity for a hearing and shall be based exclusively on evidence and material of record in the proceeding and on applicable provisions of law";

(2) by striking out subsection (b) and inserting in lieu thereof the following:

"(b)(1) Except as provided in paragraph (2) of this subsection, when a claim is disallowed by the Board, it may not thereafter be reopened and allowed and no claim based upon the same factual basis shall be considered.

"(2) Following such a disallowance, the Board (directly or through the agency of original jurisdiction, as described in section 4005(b)(1) of this title)—

"(A) when new and material evidence is secured, shall, and

"(B) for good cause shown, may authorize the reopening of a claim and a review of the Board's former decision.

"(3) A judicial decision under subchapter II of chapter 71 of this title, upholding, in whole or in part, the disallowance of a claim shall not diminish the Board's authority set forth in paragraph (2) of this subsection to authorize the reopening of a claim and a review of the former decision."; and

(3) by striking out subsection (d) and inserting in lieu thereof the following:

"(d) After reaching a decision in a case, the Board shall promptly mail notice of its decision to the claimant and the claimant's authorized representative, if any, at the last known address of the claimant and at the last known address of the claimant's authorized representative, if any. Each decision of the Board shall include—

"(1) a written statement of the Board's findings and conclusions, and reasons or bases therefor, on all material issues of fact and law and on matters of discretion presented on the record; and

"(2) an order granting appropriate relief or denying relief.".

SEC. 106. Section 4005(d)(5) is amended by striking out "will base its decision on the entire record and".

SEC. 107. Section 4009 is amended by adding after subsection (b) the following new subsection:

"(c) Whenever there exists in the evidence of record in an appeal case a substantial disagreement between the substantiated findings or opinions of two physicians with respect to an issue material to the outcome of the case, the Board shall, upon the request of the claimant and after taking appropriate action to attempt to resolve the disagreement, arrange for an advisory medical opinion in accordance with the procedure prescribed in subsection (b) of this section. If the Board denies the request of such claimant for such an opinion, the Board shall prepare and provide to the claimant and the claimant's authorized representative, if any, a statement setting forth the basis for its determination. Actions of the Board under this subsection, including any such denial, shall be final and conclusive, and no other official or any court of the United States shall have the power or jurisdiction to review any aspect of any such decision by an action in the nature of mandamus or otherwise, the provisions of subchapter II of chapter 71 of this title to the contrary notwithstanding.".

SEC. 108. (a) Chapter 71 is further amended by adding at the end thereof the following new sections:

"§ 4010. Adjudication procedures

"(a) For purposes of conducting any hearing, investigation, or other proceeding in connection with the consideration of a claim for benefits under laws administered by the Veterans' Administration, the Administrator may administer oaths and affirmations, examine witnesses, and receive evidence.

"(b) Any oral, documentary, or other evidence, even though inadmissible under the rules of evidence applicable to judicial proceedings, may be admitted in a hearing, investigation, or other proceeding in connection with the consideration of a claim for benefits under laws administered by the Veterans' Administration, but the Administrator, under regulations which the Administrator shall prescribe, may provide for the exclusion of irrelevant, immaterial, or unduly repetitious evidence.

"(c)(1) In the course of any proceeding before the Board, any party to such proceeding or such party's authorized representative shall be afforded opportunity—

"(A) to examine and, on payment of a fee prescribed pursuant to section 3302(b) of this title (not to exceed the direct cost of duplication), obtain copies of the contents of the case files and all documents and records to be used by the Veterans' Administration at such proceeding;

"(B) to present witnesses and evidence, subject only to such restrictions as may be set forth in regulations which the Administrator shall prescribe, pursuant to subsection (b) of this section, as to materiality, relevance, and undue repetition;

"(C) to make oral argument and submit written contentions, in the form of a brief or similar document, on substantive and procedural issues;

"(D) to submit rebuttal evidence;

"(E) to present medical opinions and request an independent advisory medical opinion pursuant to section 4009(c) of this title; and

"(F) to serve written interrogatories on any person, including any employee of the Veterans' Administration, which interrogatories shall be answered separately and fully in writing and under oath unless written objection thereto, in whole or in part, is filed with the Administrator by the person to whom the interrogatories are directed or such person's representative.

"(2) The fee provided for in paragraph (1)(A) of this subsection may be waived by the Administrator, pursuant to regulations which the Administrator shall prescribe, on the basis of the party's inability to pay or for other good cause shown.

"(3) In the event of any objection filed under paragraph (1)(F) of this subsection, the Administrator shall, pursuant to regulations which the Administrator shall prescribe establishing standards consistent with standards for protective orders applicable in the United States District Courts, evaluate such objection and issue an order (A) directing that, within such period as the Administrator shall specify, the interrogatory or interrogatories objected to be answered as served or answered after modification, or (B) indicating that the interrogatory or interrogatories are no longer required to be answered.

"(4) If any person upon whom interrogatories are served under paragraph (1)(F) of this subsection fails to answer or fails to provide responsive answers to any such interrogatories within 30 days after service or such additional time as the Administrator may allow, the Administrator shall, upon a statement or showing by the party who served such interrogatories of general relevance and reasonable scope of the evidence sought, issue a subpena under section 3311 of this title (with enforcement of such subpena to be available under section 3313 of this title) for such person's appearance and testimony on such interrogatories at a deposition on written questions, at a location within 100 miles of where such person resides, is employed, or transacts business.

"(d) In the course of any hearing, investigation, or other proceeding in connection with the consideration of a claim for benefits under laws administered by the Veterans' Administration, an employee of the Veterans' Administration may at any time disqualify himself or herself, on the basis of personal bias or other cause, from adjudi-

cating the claim. On the filing by a party in good faith of a timely and sufficient affidavit averring personal bias or other cause for disqualification on the part of such an employee, the Administrator shall determine the matter as a part of the record and decision in the case.

"(e) The transcript or recording of testimony and the exhibits, together with all papers and requests filed in the proceeding, and the decision of the Board (1) shall constitute the exclusive record for decision in accordance with section 4004(a) of this title, (2) shall be available for inspection by any party to such proceeding, or such party's authorized representative, at reasonable times and places, and (3) on the payment of a fee prescribed under section 3302(b) of this title (not to exceed the direct cost of duplication), shall be copied for the claimant or such claimant's authorized representative within a reasonable time. Such fee may be waived by the Administrator, pursuant to regulations which the Administrator shall prescribe, on the basis of the party's inability to pay or for other good cause shown.

"(f) Notwithstanding section 4004(a) of this title, section 554(a) of title 5, or any other provision of law, adjudication and hearing procedures prescribed in this title and in regulations prescribed by the Administrator under this title for the purpose of administering veterans' benefits shall be exclusive with respect to hearings, investigations, and other proceedings in connection with the consideration of a claim for benefits under laws administered by the Veterans' Administration.

"§ 4011. Notice of procedural rights

"In the case of any disallowance, in whole or in part, of a claim for benefits under laws administered by the Veterans' Administration, the Administrator shall, at each procedural stage relating to the disposition of such a claim, beginning with disallowance after an initial review or determination, and including the furnishing of a statement of the case and the making of a final determination by the Board, provide to the claimant and such claimant's authorized representative, if any, written notice of the procedural rights of the claimant. Such notice shall be on such forms as the Administrator shall prescribe by regulation and shall include, in easily understandable language, with respect to proceedings before the Veterans' Administration, (1) descriptions of all subsequent procedural stages provided for by statute, regulation, or Veterans' Administration policy, (2) descriptions of all rights of the claimant expressly provided for in or pursuant to this chapter, of the claimant's rights to a hearing, to reconsideration, to appeal, and to representation, and of any specific procedures necessary to obtain the various forms of review available for consideration of the claim, and (3) such other information as the Administrator, as a matter of discretion, determines would be useful and practical to assist the claimant in obtaining full consideration of the claim.".

(b) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 4009 the following new items:

"4010. Adjudication procedures.
"4011. Notice of procedural rights.".

SEC. 109. (a) In order to evaluate the feasibility and desirability of alternative methods of (1) assuring the resolution of claims before the Administrator of Veterans' Affairs for benefits under laws administered by the Veterans' Administration as promptly and efficiently as feasible following the filing of a notice of disagreement pursuant to section 4005 (as amended by section 106 of this Act) or 4005A of title 38, United States Code, and (2) affording claimants the opportunity for a hearing before or review by a disinterested authority at a location as convenient and on as timely basis as possible for each claimant, the Administrator is authorized to conduct a study, commencing not more than 1 year after the date of the enactment of this Act, for a period of 24 months, involving either or both of the alternative methods described in subsection (b) of this section for resolution of claims.

(b)(1) In not more than three geographic areas, the Administrator is authorized to provide an intermediate-level adjudication process whereby each claimant may, within the time afforded such claimant under paragraph (3) of section 4005(d) or 4005A(b) of title 38, United States Code, to file an appeal, request a de novo hearing at the agency of original jurisdiction (as described in section 4005(b)(1) of such title) before a panel of three Veterans' Administration employees, each of whose primary responsibilities include adjudicative functions but none of whom shall have previously considered the merits of the claim at issue. Following such hearing, such panel shall render a decision and prepare a new statement of the case in accordance with the requirements of paragraphs (1) and (2) of section 4005(d) of such title. Such new statement of the case shall, for all purposes relating to appeals under chapter 71 of such title, be considered to be a statement of the case as required by paragraph (1) of such section 4005(d).

(2) In not more than three other geographic areas, the Administrator is authorized to provide for an enhanced schedule of visits, on at least a quarterly basis each year, by a panel or panels of the Board of Veterans' Appeals to conduct formal recorded hearings pursuant to section 4002 of such title in such areas.

(c) Not later than 6 months after the completion of such study, the Administrator shall report to the Congress on the results thereof, including an evaluation of the cost factors associated with each alternative studied and with any appropriate further implementation thereof, the impact on the workload of each regional office involved in such study, and the impact on the annual caseload of the Board of Veterans' Appeals resulting from each alternative studied, together with any recommendations for administrative or legislative action, or both, as may be indicated by such results.

SEC. 110. Section 3010(i) is amended—

(1) by inserting "(1)" after "(i)"; and

(2) by adding at the end the following new paragraph:

"(2) Whenever any disallowed claim is reopened and thereafter allowed on the basis of new and material evidence in the form of official reports from the proper service department, the effective date of commencement of the benefits so awarded shall be the date on which an award of benefits under the disallowed claim would have been effective had the claim been allowed on the date it was disallowed.".

TITLE II—VETERANS' ADMINISTRATION RULE MAKING

SEC. 201. (a) Subchapter II of chapter 3 is amended by adding at the end the following new section:

"§ 223. Rulemaking

"Notwithstanding the provisions of subsection (a)(2) of section 553 of title 5, the promulgation of rules and regulations by the Administrator, other than rules or regulations pertaining to agency management or personnel or to public property or contracts, shall be subject to the requirements of section 553 of title 5.".

(b) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 222 the following new item:

"223. Rulemaking.".

TITLE III—JUDICIAL REVIEW

SEC. 301. Section 211(a) is amended by striking out "sections 775, 784" and inserting in lieu thereof "sections 775 and 784 and subchapter II of chapter 71 of this title".

SEC. 302. (a) Chapter 71 is further amended—

(1) by inserting after the table of sections the following new heading:

"Subchapter I—General";

and

(2) by adding at the end thereof the following new subchapter:

"Subchapter II—Judicial Review

"§ 4025. Right of review; commencement of action

"(a) For the purposes of this chapter—

"(1) 'final decision of the Administrator' means—

"(A) a final determination of the Board of Veterans' Appeals pursuant to section 4004 (a) or (b) of this title; or

"(B) a dismissal of an appeal by the Board of Veterans' Appeals pursuant to section 4005 or 4008 of this title; and

"(2) 'claim for benefits' means—

"(A) an initial claim filed under section 3001 of this title;

"(B) a challenge to a decision of the Administrator reducing, suspending, or terminating benefits; or

"(C) any request by or on behalf of the claimant for reopening, reconsideration, or further consideration in a matter described in clause (A) or (B) of this paragraph.

"(b) Except as provided in subsection (f) of this section, after any final decision of the Administrator adverse to a claimant in a matter involving a claim for benefits under any law administered by the Veterans' Administration, such claimant may obtain a review of such decision in a civil action commenced within 180 days after notice of such decision is mailed to such claimant pursuant to section 4004(d) of this title. Such action shall be brought against the Administrator in the district court of the United States for the judicial district in which the plaintiff resides or the plaintiff's principal place of business is located, or in the district court of the United States for the judicial district where the principal offices of the Board of Veterans' Appeals (established under section 4001 of this title) are located.

"(c) The complaint initiating an action under subsection (a) of this section shall contain sufficient information to permit the Administrator to identify and locate the plaintiff's records in the custody or control of the Veterans' Administration.

"(d) Not later than 30 days after filing the answer to a complaint filed pursuant to subsection (a) of this section, the Administrator shall file a certified copy of the records upon which the decision complained of is based or, if the Administrator determines that the cost of filing copies of all such records is unduly expensive, the Administrator shall file a complete index of all documents, transcripts, or other materials comprising such records. After such index is filed and after considering requests from all parties, the court shall require the Adminis-

trator to file certified copies of such indexed items as the court considers relevant to its consideration of the case.

"(e) In an action brought pursuant to subsection (b) of this section, the court shall have the power, upon the pleadings and the records specified in subsection (d) of this section, to enter judgment in accordance with section 4026 of this title or remand the cause in accordance with such section or section 4027 of this title.

"(f)(1) No action may be brought under this section unless (A) the initial claim for benefits is filed pursuant to section 3001 of this title on or before the last day of the fifth fiscal year beginning after the effective date of this section, and (B) the complaint initiating such action is filed not more than 180 days after notice of the first final decision of the Administrator rendered after the last day of such fiscal year is mailed to the claimant pursuant to section 4004(d) of this title. If the case is reopened pursuant to section 4004(b)(2)(A) of this title within 180 days after such notice is mailed, the next final decision shall, for purposes of this subsection, be considered the first final decision of the Administrator.

"(2) No action may be brought under this section with respect to matters arising under chapters 19 and 37 of this title.

"§ 4026. Scope of review

"(a)(1) In any action brought under section 4025 of this title, the court, to the extent necessary to its decision and when presented, shall—

"(A) decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of an action of the Administrator;

"(B) compel action of the Administrator unlawfully withheld;

"(C) hold unlawful and set aside decisions, findings (other than those described in clause (D) of this paragraph), and conclusions of the Administrator found to be—

"(i) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;

"(ii) contrary to constitutional right, power, privilege, or immunity;

"(iii) in excess of statutory jurisdiction, authority, or limitations, or in violation of a statutory right; or

"(iv) without observance of procedure required by law; and

"(D) in the case of a finding of material fact made in reaching a decision on a claim for benefits under laws administered by the Veterans' Administration, hold unlawful and set aside such finding when it is so utterly lacking in a rational basis in the evidence that a manifest and grievous injustice would result if such finding were not set aside.

"(2) Before setting aside any finding of fact under paragraph (1)(D) of this subsection, the court shall specify the deficiencies in the record upon which the court would set aside such finding and shall remand the case one time to the Administrator for further action not inconsistent with the order of the court in remanding the case. In remanding a case under the first sentence of this paragraph, the court shall specify a reasonable period of time within which the Administrator shall complete the ordered action. If the Administrator does not complete action on the case within the specified period of time, the case shall be returned to the court for its further action.

"(b) In making the determinations under subsection (a) of this section, the whole record before the court pursuant to section 4025(d) of this title shall be subject to review, and the court shall review those parts of such record cited by a party, and due account shall be taken of the rule of prejudicial error.

"(c) In no event shall findings of fact made by the Administrator be subject to trial de novo by the court.

"(d) When a final decision of the Administrator is adverse to a party and the sole stated basis for such decision is the failure of such party to comply with any applicable regulation of the Veterans' Administration, the court shall review only questions raised as to compliance with and the validity of the regulation.

"§ 4027. Remands

"(a)(1) In any action brought under section 4025 of this title, the court shall, on motion of the Administrator made before the expiration of the time specified for the filing of an answer to a complaint filed pursuant to subsection (b) of such section, allow a single remand of a case to the Administrator for further review by the Administrator. If such review is not completed within 90 days after the date of such remand, the matter shall be returned to the court for its action.

"(2)(A) At any time after the Administrator files an answer, the court may, in the exercise of its discretion, remand the case to the Administrator for further action by the Administrator.

"(B) If either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there is good cause for granting such leave, the court shall remand the case to the Administrator and order such additional evidence to be taken by the Administrator.

"(C) In the case of a remand under subparagraph (A) or (B) of this paragraph, the court may specify a reasonable period of time within which the Administrator shall complete the required action.

"(b) After a case is remanded to the Administrator under subsection (a) of this section, and after further action by the Administrator, including consideration of any additional evidence, the Administrator shall modify, supplement, affirm, or reverse the findings of fact or decision, or both, and shall file with the court any such modification, supplementation, affirmation, or reversal of the findings of fact or decision or both, as the case may be, and certified copies of any additional records and evidence upon which such modification, supplementation, affirmation, or reversal was based. Any such modification, supplementation, affirmation, or reversal of the findings of fact or decision shall be reviewable by the court only to the extent provided in section 4026 of this title.

"§ 4028. Survival of actions

"Any action brought under section 4025 of this title shall survive notwithstanding any change in the person occupying the office of Administrator or any vacancy in such office.

"§ 4029. Appellate review

"The decisions of a district court pursuant to this chapter shall be subject to appellate review by the courts of appeals and the Supreme Court of the United States in the same manner as judgments in other civil actions.".

(b) The table of sections at the beginning of such chapter is amended—

(1) by inserting before the item relating to section 4001 the following new item:

"SUBCHAPTER I—GENERAL";

and

(2) by adding after the item (added by section 108(b) of this Act) relating to section 4011 the following new items:

"SUBCHAPTER II—JUDICIAL REVIEW

"4025. Right of review; commencement of action.
"4026. Scope of review.
"4027. Remands.
"4028. Survival of actions.
"4029. Appellate review.".

SEC. 303. Section 1346(d) of title 28, United States Code, is amended by inserting before the period at the end thereof a comma and "except as provided in subchapter II of chapter 71 of title 38".

TITLE IV—ATTORNEYS' FEES

SEC. 401. Section 3404 is amended by striking out subsection (c) and inserting in lieu thereof the following:

"(c) The Administrator shall approve reasonable attorneys' fees to be paid by the claimant to attorneys for representation before the Veterans' Administration in connection with a claim for benefits under laws administered by the Veterans' Administration, but in no event shall such attorneys' fees exceed—

"(1) for any claim resolved prior to or at the time that a final decision of the Administrator is first rendered, $10; or

"(2) for any claim resolved after such time—

"(A) if the claimant and an attorney have entered into an agreement under which no fee is payable to such attorney unless the claim is resolved in a manner favorable to the claimant, 25 percent of the total amount of any past-due benefits awarded on the basis of the claim; or

"(B) if the claimant and an attorney have not entered into such an agreement, the lesser of—

"(i) the fee agreed upon by the claimant and the attorney; or

"(ii) $500, or such greater amount as may be specified from time to time in regulations which the Administrator shall prescribe based on changed national economic conditions subsequent to the date of enactment of this subsection, except that the Administrator may, in the Administrator's discretion, determine and approve a fee in excess of $500, or such greater amount if so specified, in an individual case involving extraordinary circumstances warranting a higher fee.

"(d)(1) If, in an action brought under section 4025 of this title, the matter is resolved in a manner favorable to a claimant who was represented by an attorney, the court shall determine and allow a reasonable fee for such representation to be paid to the attorney by the claimant. When the claimant and an attorney have entered into an agreement under which the amount of the fee payable to such attorney is to be paid from any past-due benefits awarded on the basis of the claim and the amount of the fee is contingent on whether or not the matter is resolved in a manner favorable to the claimant, the fee so determined and allowed shall not exceed 25 percent of the total amount of any past-due benefits awarded on the basis of the claim.

"(2) If, in an action brought under section 4025 of this title, the matter is not resolved in a manner favorable to the claimant, the court, taking into consideration the likelihood at the time such action was filed that the claimant would prevail, may determine

and allow a reasonable fee not in excess of $750 to be paid to the attorney by the claimant for the representation of such claimant.

"(e) To the extent that past-due benefits are awarded in proceedings before the Administrator or a court, the Administrator shall direct that payment of any attorneys' fee that has been determined and allowed under this section be made out of such past-due benefits, but in no event shall the Administrator withhold for the purpose of such payment any portion of benefits payable for a period subsequent to the date of the final decision of the Administrator or court making such award.

"(f) The provisions of this section shall apply only to cases involving claims for benefits under the laws administered by the Veterans' Administration, and such provisions shall not apply in cases in which the Veterans' Administration is the plaintiff or in which other attorneys' fee statutes are applicable.

"(g) For the purposes of this section—

"(1) the terms 'final decision of the Administrator' and 'claim for benefits' shall have the same meaning provided for such terms, respectively, in section 4025 (a) of this title; and

"(2) claims shall be considered as resolved in a manner favorable to the claimant when all or any part of the relief sought is granted.

"(h) In an action brought under section 4025 of this title, the court may award to a prevailing party, other than the Administrator, reasonable attorneys' fees and costs in accordance with the provisions of subsection (d) of section 2412 of title 28, as in effect on the day before the effective date of the repeal of such subsection (as provided in section 204(c) of the Equal Access to Justice Act (Public Law 96-481; 94 Stat. 2329; 28 U.S.C. 2412 note)).".

SEC. 402. Section 3405 is amended—

(1) by striking out "or" after "title,"; and

(2) by striking out "him" and inserting in lieu thereof "such claimant or beneficiary, or (3) with intent to defraud, in any manner willfully and knowingly deceives, misleads, or threatens a claimant or beneficiary or prospective claimant or beneficiary under this title with reference to any matter covered by this title".

TITLE V—EFFECTIVE DATES

SEC. 501. This Act and the amendments made by this Act shall take effect on the first day of the first month beginning not less than 180 days after the date of enactment of this Act.

SEC. 502. A civil action authorized in subchapter II of chapter 71 of title 38, United States Code (as added by section 302(a) of this Act) may be instituted to review decisions of the Board of Veterans' Appeals rendered on or after April 1, 1985.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

DEFERRAL OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT—PM 70

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1985, was referred jointly to the Committee on the Budget, the Committee on Appropriations, and the Committee on Foreign Relations:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report one new deferral of budget authority for 1985 totaling $16,004,810. The deferral affects an account in the United States Information Agency.

The details of this deferral are contained in the attached report.

RONALD REAGAN.

THE WHITE HOUSE, *July 30, 1985.*

PRESIDENTIAL APPROVALS

A message from the President of the United States announced that he had approved and signed the following joint resolutions:

On July 24, 1985:

S.J. Res. 40. Joint resolution to designate the month of October 1985 as "National Down's Syndrome Month."

On July 29, 1985:

S.J. Res. 86. Joint resolution to designate the week of July 25, 1985, through July 31, 1985, as "National Disability in Entertainment Week"; and

S.J. Res. 144. Joint resolution to authorize the printing and binding of a revised edition of Senate Procedure and providing the same shall be subject to copyright by the author.

MESSAGES FROM THE HOUSE

At 2:15 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 108. Joint resolution authorizing the Secretary of Defense to provide to the Soviet Union on a reimburseable basis, equipment and services necessary for an improved United States/Soviet Direct Communication Link for crisis control.

ENROLLED JOINT RESOLUTIONS SIGNED

At 7:09 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolutions:

S.J. Res. 108. Joint resolution authorizing the Secretary of Defense to provide to the Soviet Union, on a reimburseable basis, equipment and services necessary for an improved United States/Soviet Direct Communication Link for crisis control;

S.J. Res. 161. Joint resolution to appeal for the release of Soviet Jewry; and

H.J. Res. 164. Joint resolution to designate August 4, 1985, as "Freedom of the Press Day."

The enrolled joint resolutions were subsequently signed by the President pro tempore [Mr. THURMOND].

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1550. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Navy's proposed letter of offer to Japan for defense articles estimated to cost in excess of $50 million; to the Committee on Armed Services.

EC-1551. A communication from the Secretary of the Treasury, transmitting, pursuant to law, the annual report on the operation of the exchange stabiliziation fund for fiscal year 1986; to the Committee on Banking, Housing, and Urban Affairs.

EC-1552. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on two new Privacy Act systems of records; to the Committee on Governmental Affairs.

EC-1553. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-64, adopted by the Council on July 9, 1985; to the Committee on Governmental Affairs.

EC-1554. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-63, adopted by the Council on July 9, 1985; to the Committee on Governmental Affairs.

EC-1555. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-62, adopted by the Council on July 9, 1985; to the Committee on Governmental Affairs.

EC-1556. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-61, adopted by the Council on July 9, 1985; to the Committee on Governmental Affairs.

EC-1557. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-60, adopted by the Council on July 9, 1985; to the Committee on Governmental Affairs.

EC-1558. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-59, adopted by the

Council on July 9, 1985; to the Committee on Governmental Affairs.

EC-1559. A communication from the Acting Assistant Secretary for Health, Department of Health and Human Services, transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1560. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the annual report of the Office of Management and Budget under the Freedom of Information Act for calendar year 1984; to the Committee on the Judiciary.

EC-1561. A communication from the Secretary of Education, transmitting, pursuant to law, a report on eligibility under the institutional aid programs; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ANDREWS, from the Select Committee on Indian Affairs, with amendments:

S. 1106: a bill to provide for the use and distribution of funds appropriated in satisfaction of judgments awarded to the Saginaw Chippewa Tribe of Michigan in dockets numbered 57, 59, 13E of the Indian Claims Commission and docket numbered 13F of the U.S. Claims Court, and for other purposes (Rept. No. 99-119).

By Mr. ROTH, from the Committee on Governmental Affairs, without amendment:

S. 249: A bill to amend the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

By Mr. HATCH, from the Committee on Labor and Human Resources, with an amendment:

S. 1105: A bill entitled the "Federal Contractor Flextime Act."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. McCLURE, from the Committee on Energy and Natural Resources:

Russell F. Miller, of Maryland, to be Deputy Inspector General of the U.S. Synthetic Fuels Corporation for a term of 7 years;

William P. Horn, of Virginia, to be Assistant Secretary for Fish and Wildlife, Department of the Interior; and

Charles A. Trabandt, of Virginia, to be a member of the Federal Energy Regulatory Commission for a term expiring October 20, 1988.

(The above nominations were reported from the Committee on Energy and Natural Resources with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. LUGAR, from the committee on Foreign Relations:

Bernard Kalb, of Maryland, to be an Assistant Secretary of State.

George Cranwell Montgomery, of Tennessee, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Sultanate of Oman.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: George Cranwell Montgomery.

Post: Oman.

CONTRIBUTIONS, AMOUNT, DATE, DONEE

1. Self: None.

2. Spouse: None.

3. Children and spouses names: Erynn Elizabeth (8 yrs.): None.

4. Parents names: George and Mary Beth Montgomery: $250.00, 4/27/82, Robin Beard; $25.00, 2/25/82, Robin Beard; $100.00, 10/11/82, Cynthia Baker; $65.00, 1/83, Citizens for Reagan; $100.00, 10/84, Victor Ashe.

5. Grandparents names: Frank/Ada Montgomery, A.B./Anna Cranwell (decessed).

6. Brothers and spouses names: None.

7. Sisters and spouses names: None.

Bruce Chapman, of Washington, to be the Representative of the United States of America to the Vienna Office of the United Nations and Deputy Representative of the United States of America to the International Atomic Energy Agency, with the rank of Ambassador.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Bruce Chapman.

Post: Ambassador to U.S. Mission to United Nations Organizations in Vienna.

CONTRIBUTIONS, AMOUNT, DATE, DONEE

1. Self: John Miller for Congress, $150, 1984; Reagan/Bush Reunion, $25, 1983; John McLaughry for Senate, $50, 1982; Senator David Durenberger Comte. $25, 1982; Ruppe for Senate, $50, 1982; Chandler for House, $25, 1982.

2. Spouse: Sarah: None.

3. Children and spouses names: Adam, Andrew: None.

4. Parents names: Darroll Shinn: None; Landon Chapman (deceased).

5. Grandparents names: Mr. and Mrs. George Chapman (deceased); Mr. and Mrs. Oscar Swanson (deceased).

6. Brothers and spouses names: Roy Chapman: None; Mr. and Mrs. Howard Chapman.

1981

GOP Victory Fund	$25.00
Allen County Republican Central Committee	100.00
Friends of Dick Lugar	50.00
Dan Coats for Congress Committee	25.00

1982

Allen County Republican Committee	25.00
Friends of Dick Lugar	30.00

1983

National Republican Senate Campaign	33.00
Republican Presidential Task Force	120.00

1984

Republican National Committee	50.00
Allen County Republican Committee	50.00

1985 (through April)

Republican Senatorial Committee	120.00

7. Sisters and spouses names: Alice Chapman: None.

Thomas Michael Tolliver Niles, of the District of Columbia, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Canada.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Thomas Michael Tolliver Niles.

Post: Canada.

CONTRIBUTIONS, AMOUNT, DATE, DONEE

1. Self: None.

2. Spouse: Carroll E. Niles: $60.00, Jul.-Nov. 1984 (4×$15), Democratic Party.

3. Children and spouses names: John Thomas: None; Mary Chapman: None.

4. Parents names: Mrs. J.J. Niles (mother): None; father deceased.

5. Grandparents names: Deceased.

6. Brothers and spouses names: John E. Niles: None.

7. Sisters and spouses names: None.

Gary L. Matthews, of Virginia, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Malta.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Gary L. Matthews.

Post: Ambassador to Malta.

CONTRIBUTIONS, AMOUNT, DATE, DONEE

1. Self: None.

2. Spouse: None.

3. Children and spouses names: Minor children: Catherine, Andrew, Sarah: None.

4. Parents names: Delbert L. and Maurine Matthews: None.

5. Grandparents names: Floyd and Edna Cochran (deceased).

6. Brothers and spouses names: Glen and Karen Matthews: None; Michael and Ann Matthews: None.

Harvey Frans Nelson, Jr., of California, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Swaziland.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Harvey F. Nelson, Jr.

Post: Ambassador to Swaziland.

CONTRIBUTIONS, AMOUNT, DATE, DONEE

1. Self: None.

2. Spouse: None.

3. Children and spouses names: Erik Frans and Mary Nelson: None; Peter Norris and Victoria Nelson: None; Kai David Nelson: None; Annika Nelson: None.

4. Parents names: Marian Norris Nelson: $100 in 1983 and 1984 to Mondale campaign; $50 in 1982 to Sen. Weicker campaign. Other parents deceased.

5. Grandparents names: Deceased.

6. Brothers and spouses names: No brothers.

7. Sisters and spouses names: Jeanne Dewitt Stanndard (divorced): None; Virginia Ann and Glen Hofer: $625-1983 and 1984 to various Mondale campaign committees; $300 in 1982 to Rep. Tom Foley campaign committee; $150—1984 Rep. Harkin campaign committee.

Irvin Hicks, of Maryland, a career member of the Senior Foreign Service, class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Seychelles.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Irvin Hicks.

Post: U.S. Ambassador to the Republic of Seychelles.

Nominated: April 1, 1985.

CONTRIBUTIONS, AMOUNT, DATE, DONEE

1. Self: $100.00, 9/30/82, Citizens for Sarbanes; $25.00, 5/21/84, Democratic Nat. Comm.

2. Spouse: $100.00, 2/14/84, Mondale for President; $50.00, 12/16/84, Mondale for President; $10.00, 5/15/84, Mondale for President.

3. Children and spouses names: Joseph Karim Hicks, Catheryne Genevieve Hicks, Irvin Hicks Jr.: None.

4. Parents names: Catherine Vaughan and William Hicks (deceased).

5. Grandparents names: James and Martha Vaughan (deceased); Benjamin and Ida Hicks (deceased).

Robert Vossler Keeley, of Florida, a career member of the Senior Foreign Service, class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Greece.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Robert V. Keeley.

Post: Ambassador to Greece.

CONTRIBUTIONS, AMOUNT, DATE, DONEE

1. Self: Robert V. Kelley; $100, 4/3/84, Americans with Hart.

2. Spouse: Louise S. Keeley: $70, 10/8/84, Democrats Vote.

3. Children and spouses: Michal M. Keeley: None; Jon Frank (husband of Michal); None. Christopher J. Keeley: None.

4. Parents: James H. Keeley, Jr. (deceased); Mathilde V. Keeley (deceased).

5. Grandparents: James H. Keeley, Sr. (deceased); Sarah M. Keeley (deceased); Chris W. Vossler (deceased); Katherine N. Vossler (deceased).

6. Brothers and spouses:

Hugh M. Keeley (deceased).

Darlene W. Keeley (widow of Hugh):

$25, 1981, James K. Coyne, Republican Candidate for U.S. Congress.

$25, 1982, National Republican Congressional Committee.

$25, 8/9/83, National Republican Congressional Committee.

$25, 4/8/85, National Republican Congressional Committee.

Edmund L. Keeley:

May 10, 1982, Bill Bradley for U.S. Senate, Inc., $15.00.

May 10, 1982, Paul Sarbanes, $50.00.

September 16, 1982, Udall for Congress, $10.00.

1983, Walter Mondale, $25.00.

April 19, 1984, Fund for Democratic Majority, $15.00.

October 4, 1984, Bill Bradley for U.S. Senate, Inc., $50.00.

October 5, 1984, Mondale for President, $25.00.

October 5, 1984, Fund for Democratic Majority, $20.00.

October 13, 1984, Democratic Victory Fund, $25.00.

Mary K. Keeley (wife of Edmund): None.

7. Sisters and spouses: No sisters.

Francis J. Meehan, of Virginia, a career member of the Senior Foreign Service, class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the German Democratic Republic.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Francis J. Meehan.

Post: Ambassador to East Germany.

CONTRIBUTIONS, AMOUNT, DATE, DONEE

1. Self: None.

2. Spouse: None.

3. Children and spouses names: Anne (husband Robert Werthmann): None; Catherine (husband Sven Doehner): None; Frances: None; James (wife Carla Nuzzo): None.

4. Parents names: James Meehan (deceased); Agnes Boyle (deceased).

5. Grandparents names: John Boyle (deceased); Francis Meehan (deceased); Agnes Murray (deceased); Mary McGuigan (deceased).

6. Brothers and spouses names: None.

7. Sisters and spouses names: None.

John Pierce Ferriter, of Florida, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Djibouti.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: John Pierce Ferriter.

Post: Ambassador to Djibouti.

CONTRIBUTIONS, AMOUNT, DATE, DONEE

1. Self: None.

2. Spouse: None.

3. Children and spouses names: None.

4. Parents names: Anna B. Ferriter: None; John C. Ferriter (deceased).

5. Grandparents names: Ferriter, O'Brien: Deceased.

6. Brothers and spouses names: None.

7. Sisters and spouses names: Anne and Saul Silverman: None; Ellen and Robert Tiedeman: None; Kathleen and Raymond Welsh: None.

John Blane, of Illinois, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Chad.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: John Blane.

Post: Ndjamena, Chad.

Nominated: July 22, 1985.

CONTRIBUTIONS, AMOUNT, DATE, DONEE

1. Self: None.

2. Spouse: Dianne Blane: None.

3. Children and spouses names: Sharon (single): None; Patrick (single): None.

4. Parents names: John and Floy Blane: None.

5. Grandparents names: Deceased.

6. Brothers and spouses names: None.

7. Sisters and spouses names: None.

Richard Wayne Bogosian, of Maryland, a career member of the Senior Foreign Service, class of counselor; to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Niger.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Richard W. Bogosian.

Post: American Ambassador to Niger.

Nominated: July 22, 1985.

CONTRIBUTIONS, AMOUNT, DATE, DONEE

1. Self: None.

2. Spouse: Claire M.: None.

3. Children and spouses names: David W., Jill M., Catherine M.: None.

4. Parents names: Karekin J. (deceased 1968); Aurora: None.

5. Grandparents names: Hagop Bogosian (deceased 1902); George Stambolian (deceased 1960); Anna Bogosian (deceased 1931); Anna Stambolian (deceased 1944).

6. Brothers and spouses names: Anthony and Nellie Bogosian: None; Henry and Edwina Bogosian: None.

7. Sisters and spouses names: June Bogosian Piranian: None; Malcom Piranian: None.

(The above nominations were reported from the Committee on Foreign Relations with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. GOLDWATER, from the Committee on Armed Services:

Adm. William J. Crowe, Jr., U.S. Navy, under the provisions of title 10, United States Code, section 142, to be Chairman, Joint Chiefs of Staff, a position of importance and responsibility designated by the President under subsection (a) of section 601.

(The above nomination was reported from the Committee on Armed Services with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. GOLDWATER. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again.

The PRESIDING OFFICER. Without objection, it is so ordered.

JULY 30, 1985

1. Lt. Gen. Bruce K. Brown, U.S. Air Force, to be placed on the retired list. (Ref. No. 468.)

2. Maj. Gen. Harley A. Hughes, U.S. Air Force, to be lieutenant general. (Ref. No. 469.)

3. Lt. Gen. David L. Nichols, U.S. Air Force, to be reassigned. (Ref. No. 470.)

Total, 3.

JULY 30, 1985

1. In the Army there are 63 appointments to the grade of brigadier general (list begins with Arvid E. West, Jr.) (Ref. No. 477.)

2. In the Navy there are 2 promotions to the grade of rear admiral (list begins with Joseph Samuel Cassells). (Ref. No. 478.)

3. In the Air Force there are 22 apointments to the grade of colonel and below (list begins with Christian Y. Herrera). (Ref. No. 479.)

4. In the Air Force there are 320 appointments to the grade of second lieutenant (list begins with William J. Agness). (Ref. No. 480.)

5. In the Army there are 171 appointments to the grade of major and below (list begins with Raymond J. Cully, Jr.) (Ref. No. 481.)

6. In the Navy Reserve there are 40 appointments to the grade of permanent ensign (list begins with Valeree Baity). (Ref. No. 482.)

Total, 618.

By Mr. HATCH, from the Committee on Labor and Human Resources:

Henry M. Ventura, of California, to be Deputy Director of the ACTION Agency;

Alice Wright Algood, of Tennessee, to be a Member of the National Museum Services Board for a term expiring December 6, 1989;

James Johnson Duderstadt, of Michigan, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 1990;

Perry L. Adkisson, of Texas, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 1990;

Thomas B. Day, of California, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1990;

Elaine Y. Schadler, of Pennsylvania, to be a Member of the National Council on Educational Research for a term expiring September 30, 1987;

Gwyneth Gayman, of California, to be a Member of the National Council on Educational Research for a term expiring September 30, 1987; and

Onalee McGraw, of Virginia, to be a Member of the National Council on Educational Research for a term expiring September 30, 1987.

(The above nominations were reported from the Committee on Labor and Human Resources with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation:

Mr. DANFORTH. Mr. President, for the Committee on Commerce, Science, and Transportation, I report favorably a Coast Guard list (printed in full in RECORD of July 22, 1985) and a National Oceanic and Atmospheric Administration list (printed in full in RECORD of July 25, 1985). To save the expense of printing them on the Executive Calendar, I ask that these nomination lists lie at the Secretary's desk for the information of Senators.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SPECTER:

S. 1524. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 as amended by the Justice Assistance Act of 1984 in order to establish a police corps pilot training pilot project; to the Committee on the Judiciary.

By Mr. SPECTER (for himself, Mr. PELL, Mr. CHAFEE, Mr. STAFFORD, Mr. KENNEDY and Mr. BRADLEY):

S. 1525. A bill to amend the Elementary and Secondary Education Act of 1965 to provide grants to local educational agencies for dropout prevention demonstration projects; to the Committee on Labor and Human Resources.

By Mr. MATHIAS:

S. 1526. A bill to amend title 17, United States Code, to clarify the definition of the local service area of a primary transmitter in the case of a low power television station; to the Committee on the Judiciary.

By Mr. STEVENS (for himself and Mr. ROTH):

S. 1527. A bill to amend title 5, United States Code, to establish a new retirement and disability plan for Federal employees, postal employees, and Members of Congress, and for other purposes; to the Committee on Governmental Affairs.

By Mr. McCLURE (for himself, Mr. GARN, Mr. WALLOP, Mr. SYMMS, Mr. ANDREWS, Mr. BAUCUS, Mr. SIMPSON and Mr. ABDNOR):

S. 1528. A bill to provide for the expenditure or transfer of funds by the Secretary of the Interior and the Secretary of Agriculture for the emergency prevention, suppression, control, or eradication of grasshoppers or mormon crickets on public lands; to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Energy and Natural Resources, jointly, by unanimous consent.

By Mr. DOLE (for Mr. DANFORTH (for himself, Mr. PACKWOOD, Mr. GORTON and Mr. LAUTENBERG)):

S. 1529. A bill to authorize appropriations for State and community highway safety grants, and for other purposes; ordered to be placed on the calendar.

By Mr. THURMOND:

S. 1530. A bill to amend chapter 73 of the title 10, United States Code, to make certain changes in the survivor benefit plan provided for under such chapter, and for other purposes; to the Committee on Armed Services.

By Mr. LAUTENBERG:

S. 1531. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to provide for improved emergency planning and notification of releases of hazardous substances, and for other purposes; to the Committee on Environment and Public Works.

By Mr. METZENBAUM:

S. 1532. A bill to provide for a moratorium on certain retirement plan reversions, and for other purposes; to the Committee on Labor and Human Resources.

By Mrs. HAWKINS (for herself, Mr. HOLLINGS, Mr. DODD, Mr. PELL, Mr. BURDICK, Mr. BUMPERS, Mr. MATSUNAGA, and Mr. STEVENS):

S.J. Res. 181. Joint resolution to designate the week beginning September 1, 1985, as "National School-Age Child Care Awareness Week"; to the Committee on the Judiciary.

By Mr. MOYNIHAN (for himself, Mr. D'AMATO, Mr. BAUCUS, Mr. McCLURE, Mr. BRADLEY, Mr. ZORINSKY, and Mr. INOUYE):

S.J. Res. 182. A bill designating August 18, 1985, as "National Flowers by Wire Day"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DURENBERGER (for himself, Mr. GLENN, Mr. KASTEN, Mr. QUAYLE, Mr. RIEGLE, Mr. LEVIN, Mr. MOYNIHAN, Mr. BOSCHWITZ, Mr. SIMON, Mr. SPECTER, and Mr. METZENBAUM):

S. Res. 206. Resolution to urge Federal agencies with flood control responsibilities to plan for and execute efficient and effective cooperation and technical assistance to State and local governments to mitigate the consequences of the high water levels on the Great Lakes; to the Committee on Environment and Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SPECTER:

S. 1524. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 as amended by the Justice Assistance act of 1984 in order to establish a police corps training pilot project; to the Committee on the Judiciary.

POLICE CORPS TRAINING ACT

Mr. SPECTER. Mr. President, today I am introducing legislation to establish a Police Corps Training Program pilot project.

The Police Corps is an innovative plan for upgrading and augmenting law enforcement resources, developed under a Justice Department grant by a distinguished New York lawyer, Adam Walinsky, former Philadelphia policeman, Johnathan Rubenstein, and others at the Center for Research on Institutions and Social Policy. It offers a cost-effective way to build up our police forces with well-educated, professional, and enthusiastic young people who will add an important new dimension to police service.

Similar to the military's Reserve Officers Training Corps [ROTC], the Police Corps will provide college students with 4-year scholarships in exchange for 3 years in local police departments in communities near their homes at a reduced salary. The scholarships will be funded under the Justice Assistance Act in the form of loans, which will be forgiven over the 3 years of service at a rate of 20 percent the first year, 30 percent the second, and 50 percent the third.

The view that a college education provides valuable training for police officers is not new. More than 50 years ago, such advocates of professional policing as Fosdick and Vollmer were calling for higher education for the police.

In 1967, the report by the President's Commission on Law Enforcement and Administration of Justice emphasized the need for substantially raising the quality of police personnel to inject into police work knowledge,

expertise, initiative, and integrity that would contribute importantly to crime control. The report noted that a high standard of education is an important aspect in achieving that higher quality:

> Police work always will demand quick reflexes, law enforcement know-how and devotion to duty, but modern police work demands much more than that . . . . A policeman today is poorly equipped for his job if he does not understand the legal issues involved in his everyday work, the nature of the social problems he constantly encounters, the psychology of those people whose attitudes toward the law differ from his. Such understanding is not easy to acquire without the kind of broad general knowledge that higher education imparts, and without such understanding a policeman's response to many of the situations he meets is likely to be impulsive or doctrinaire. Police candidates must be sought in the colleges, and especially among liberal arts and social science students.

This conclusion was subsequently supported by the Advisory Commission on Intergovernmental Relations in 1971; by the American Bar Association, in 1972; and by the National Advisory Commission on Criminal Justice Standards and Goals, on which I served, in 1973.

Yet, to date, higher education in the police forces has generally been restricted to college courses in criminal justice for career officers.

The Police Corps Training Program offers a way to recruit committed and qualified students who might not otherwise go into the police force and provide them with a broad college education as a way of bringing in fresh blood and new ideas. Like the Peace Corps, VISTA, and other public service efforts, this program will encourage a new attitude about police service and instill a new concept of professional idealism.

As Santa Ana Police Chief Ray Davis has said:

> Getting people from a multitude of disciplines would bring a more enlightened, more humanistic level of [police] service . . . and those who leave will be taking with them an understanding of law enforcement they've never before had.

In addition to attracting a new kind of officer, the Police Corps training will turn out young men and women better qualified to meet the challenges of contemporary law enforcement. They will not only gain the general benefits of education and experience at a college, these recruits will also spend the summers of their sophomore and junior years training as police cadets. After graduation, they will undergo final training at a police academy.

The result should be a well-trained, well-disciplined, and well-rounded individual who brings to the job not only enhanced professionalism, but a greater flexibility and sensitivity to the environment in which the officer must function. These officers will be better equipped to deal with the age old problems of policing such as race relations and dispute resolution, as well as new threats like urban terrorism.

Another significant aspect of this program is that it is likely to result in a police force more reflective of the community it serves, since students will fulfill their service commitment in departments near their homes. And student surveys conducted as part of the feasibility study for this project revealed that the program will attract many well-qualified minority students, something that has long been urged as an essential step toward improving police-community relations.

And finally, because these specially trained officers will be hired at reduced salaries, the program authors suggest 60 percent of the normal starting salary, in return for their free education, this program could provide a cost-effective way to increase not only the quality but also the quantity of police officers. Mr. Walinsky and his colleagues are quick to point out that many of these recruits would serve their 3 years and get out of police work to be replaced by others, which means their cost is even less because there is no retirement to pay. The feasibility study for this project calculated that by year 10 of a national program, the cost of each new Police Corps member, including the costs of continuous recruitment, training, and education would be $24,700—a figure considerably less than the average first-year cost for an officer serving in a large metropolitan area.

The need for more police is well documented. As the crime rate has dramatically increased overtime, police manpower has failed to keep pace. In fact, the ratio of police officers to violent crimes committed has fallen continuously over the past four decades. In 1948, for every violent crime reported in an American city, there were 3.32 police officers. Thirty years later, the ratio had nearly reversed itself, with one officer for every two violent crimes. In New York City in 1951, a police force of 19,000 had to cope with 15,812 violent crimes, less than one per officer. In 1981, a force of 22,000 confronted 157,026 violent crimes, which correlates to more than seven violent crimes for each officer.

Contributing to this shrinking ratio is not only an increased crime rate, but a reduction in the number of police. The vast majority of police chiefs responding to the police corps feasibility study believe their departments are operating with less than an adequate number of personnel. Among small departments, 75 percent of the chiefs affirmed that they were operating with fewer officers than they felt they needed to meet their department's responsibilities. For large departments, the number was even higher: 82.5%.

With Federal scholarships providing the incentive, municipalities will be able to hire more of these college-educated recruits to augment their overburdened staffs, and the summer training is designed to allow these new officers to immediately begin providing essential service.

The legislation I am introducing today provides for a 7-year pilot project in three cities. But it is my hope that it can soon be expanded to a national program, available to any interested and qualified municipality.

This innovative and practical proposal has, already, a number of supporters. Numerous articles and editorials have been written applauding the Police Corps concept and urging its consideration. One who saw the potential benefits of the program early on is Mr. Edwin Guthman, editor of the Philadelphia Inquirer. On August 15, 1982, he alerted his readers to this promising new scheme and urged its serious consideration; and he has persisted, with subsequent articles appearing on March 13, 1983, on March 4, 1984, and on January 20, 1985. I ask unanimous consent that Mr. Guthman's articles be printed below in the RECORD as a succint summary of the Police Corps Training Program and its benefits.

Additional support for the Police Corps can be found in articles by William F. Buckley, April 4, 1985, and the editors of the New York Times, August 6, 1982 and January 27, 1985, also reprinted.

It is my strong sense that this program offers great hope in our ongoing struggle to bring greater security to our streets and homes. I urge my colleagues to join me in support of the Police Corps Training Program pilot project.

I ask unanimous consent that the articles and the bill be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1524

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

This Act may be cited as the "Police Corps Training Act of 1985".

ESTABLISHMENT OF PROGRAM

SEC. 2. (a) Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3701-3799) is amended by adding at the end thereof the following new part:

"PART N—POLICE CORPS TRAINING: PILOT PROGRAM

"ESTABLISHMENT OF PROGRAM

"SEC. 1401. (a) The Secretary of Education is authorized to enter into contracts to make, and to make payments to institutions of higher education for, loans, not exceeding $7,000 per academic year, to persons enrolled on a full-time basis in undergraduate or graduate programs, if such persons are in

the police corps of an eligible unit of local government.

"(b) Such loans shall be on such terms and conditions as the Secretary of Education and the police corps involved may determine, except that the total amount of any such loan, plus interest, shall be canceled for service as a full-time officer or employee of a police department at the rate of—

"(1) 20 percent of the total amount of such loan plus interest for the first complete year, or its equivalent, of such service;

"(2) 30 percent of the total amount of such loan for the second complete year, or its equivalent, of such service; and

"(3) 50 percent of the total amount of such loan for the third complete year, or its equivalent, of such service,

as determined under rules prescribed by the Secretary of Education.

"(c) For purposes of the Internal Revenue Code of 1954, the amount of a loan canceled for service for provided in subsection (b) shall not be included as gross income of the recipient of such loan.

"APPROVAL OF POLICE CORPS

"SEC. 1402. The Attorney General shall approve police corps as eligible for purposes of this Act for a period of seven years if the Attorney General is satisfied that—

"(1) participants in the police corps are to undergo at least as much training as regular police officers before taking up police duties;

"(2) the eligible unit of local government for which the program is approved will use the program to supplement but not supplant existing police workers, and the force level of such unit will be maintained at no less than the average of the three years before workers are made available by the police corps;

"(3) the eligible unit of government is likely to use workers made available by the program for "on-line" duties, and pay scales for such workers are set at a fixed percentage of regular officers' pay and benefits and can be known by such workers before they decide to participate in the police corps;

"(4) participants undertake to engage in police work for three years after graduation, and after the end of that three-year period, any participants retained by the employing force will be subject to collective bargaining agreements to the same extent as police workers who were not participants in the police corps.

"DEFINITIONS

"SEC. 1403. As used in this part—

"(1) the term "eligible unit of local government" means the locales determined by the Attorney General in consultation with the Secretary of Education.

"(2) the term "institution of higher learning" means any such institution as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)), subject to such modifications for this purpose as the Secretary of Education may determine to be appropriate.".

(b) The table of contents of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by adding at the end thereof the following:

"PART N—POLICE CORPS TRAINING: PILOT PROGRAM

"1401. Establishment of program.
"1402. Approval of Police Corps.
"1403. Definitions.".

FUNDING

SEC. 3. Subsection (a) of section 1001 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 as amended by the Justice Assistance Act of 1984 which is part of the Comprehensive Crime Control Act of 1984, is amended by—

(1) redesignating paragraph (6) as paragraph (7); and

(2) adding after paragraph (5) the following:

"(6) There is authorized to be appropriated $7,500,000 for fiscal year 1987, $10,000,000 for fiscal year 1988, $14,000,000 for fiscal year 1989, and $17,500,000 for each of the fiscal years 1990 through 1993 to carry out part N."

[From the Philadelphia Inquirer, Aug. 15, 1982]

A NEW APPROACH TO COMBAT CRIME: A POLICE CORPS

(By Edwin Guthman)

A new idea that holds promise of effectively reducing serious crime in the cities and suburban and rural communities has been put forward in New York by a panel of private citizens with expertise in law enforcement.

The essence of the panel's proposal—double the effective police presence on the streets and the transit systems—is not new. What is new is how that objective can be achieved without busting state, county or city budgets.

It can be done, the panel urges, by recruiting young men and women for police work by offering them free college or professional education in return for three years of service in local police forces after graduation.

The panel proposed in a report published Aug. 4 that the State of New York establish a Police Corps, similar in outline to the military Reserve Officer Training Corps. Volunteers would receive from the state four-year scholarships covering tuition, room, board and books, up to $8,000 a year at any accredited New York college or university.

During summers of their sophomore and junior years they would be given training as police cadets. After graduation they would undergo final training at a police academy. Upon completion of their course and satisfaction of all tests and legal requirements they would be sworn into the State Police and assigned for local service.

Volunteers who are unable, or choose not, to complete their service obligation would have their scholarships treated as loans to be repaid. "The program can be implemented well within New York's fiscal restraints," the panel said. New York now provides $302 million for aid to students on a basis of financial need and $19 million in scholarship regardless of need as part of a $1 billion annual appropriation for higher education.

The panel proposed using part of those funds together with available federal funds but said additional money would have to be appropriated if the number of student police it recommends is authorized. The additional cost however, would be modest in relation to the need and in relation to the cost of existing police salaries, fringe benefits and pensions, the panel said.

New York City calculates that the average police officer costs up to $42,000 in pay, benefits and pensions. Police Corps graduates would receive $15,000 in wages and fringe benefits costing another $5,000, but as short-term officers would not be eligible for pensions.

Thus the corps would be far less costly than any other alternative, the panel said.

If it is created without delay, New York, by 1990, could increase the number of police throughout the state by 30,000 with 20,000 assigned to New York City, 7,000 in other city and suburban areas and the remaining 3,000 to rural districts. The first groups of graduates should be assigned to two areas, the panel said, some to the New York subway system and the others to police rural areas to free experienced state troopers for other assignments such as narcotics and illegal dumping of toxic wastes.

"These new officers would serve under the command of local police forces," the panel said. "They are not intended as a budget subsidy to local governments, but as the fulfillment by state government of its obligation to restore public order and peace throughout the state.

"We can and should attract many of our finest young people to police service. Most volunteers no doubt would resign at the end of their terms, to be replaced by the class of the graduating year. But even if they were to perform no additional service . . . the presence of well-trained, experienced former police officers in ever-increasing numbers would greatly aid efforts to mobilize the entire community to fight the criminality that is undermining our way of life."

The panel's study was co-authored by Adam Walinsky, a New York city lawyer and former chairman of the State Investigations Commission, and Jonathan Rubenstein, who worked with the Philadelphia police for a year in 1969–70 and with complete cooperation of Mayor Frank Rizzo, then police commissioner, studied the department and wrote a definitive report which was published under the title "City Police". He now is research director for the Center of Research on Institutions and Social Policy in New York.

Another member of the panel was Neil Welch, the former crime-busting special agent-in-charge of the Philadelphia and New York offices of the FBI and now secretary of justice in Kentucky.

"It is a decent plan," Welch told me. "It has the right numbers. It can be done."

Walinsky said the panel developed the plan in a series of discussions about crime, government and citizen participation in a democratic society.

"Nobody is a real citizen any more," he said, "not in the sense of being a full participant in the society and there is widespread feeling that the bureaucracies don't respond to needs. Crime becomes worse and the debate about it—talk about the death penalty and stiffer sentences—is puerile, stupid and damaging. The politicians can't think of a way out."

Walinsky sees the plan not only as the best feasible way to double effective police presence, but also as breaking the way for other programs to get young people involved for a limited time in other government functions as well as police work.

At first blush law enforcement officials and police unions may resist having a flock of young short-term officers in the ranks and other people may fear that having so many new police would create a police state.

To the latter concern, the panel said, "What will bring us a police state is the unchecked growth of violence and disorder. The police—and especially these new police—are citizens, citizen police. They are us; our children. They are not, and will not be, an alien occupying force.

"It is the crime and fear that are now depriving us of freedom, life and liberty."

Statistics indicate that crime is more pervasive in New York than Pennsylvania. In New York City, violent crimes—murder, rape, robbery and aggravated assault—oc-

curred in 1981 at a rate of seven for every serving officer. The 1981 rate in Philadelphia was 2.33 violent crimes per officer.

Other numbers in the panel's report also may not fit Pennsylvania's situation tightly, but crime is taking a heavy toll here as elsewhere with increasing viciousness and seeming irrationality.

So, here's a new approach that, as the New York Times commented editorially, is "a genuine breath of fresh air." It deserves a real hard look by Gov. Dick Thornburgh—and his Democratic challenger, Alan Ertel.

The plan is imaginative and practical. I think it would work in any state that has a governor who would implement it and has the commitment and leadership to ensure its success.

[From the Philadelphia Inquirer, Mar. 13, 1983]

THE POLICE CORPS CONCERT IS GAINING SUPPORTERS

(By Edwin Guthman)

It's been just a little more than seven months since a panel of law-enforcement experts went public with a well-defined proposal "to double the effective police presence in every area with a serious crime problem" in New York State.

They advocated that New York create a Police Corps by recruiting college students on a competitive basis and giving them full four-year scholarships in return for which the students would agree to serve three-year hitches with local or state police forces after graduation.

It would be similar to the Army or Navy's Reserve Officer Training Corps with the students spending the summers of their sophomore and junior years training as police cadets, and the panel members weren't thinking small.

They said that six to eight years after being implemented the number of police in New York could be increased by 30,000 and they proposed that 20,000 of them be assigned to New York City, 7,000 in other city and suburban areas and the remaining 3,000 to rural areas.

"We believe," the panel said, "that such a program, on a strictly voluntary basis, would attract the best of New York's young people, of both sexes and every ethnic background.

"America's young people have repeatedly demonstrated their eagerness to serve the highest public purposes of the nation. Nor has their service always been military. Tens of thousands have served in the Peace Corps, in VISTA, and in hundreds of less-publicized efforts to improve American life.

"We can offer young New Yorkers a voluntary public service alternative to the military. Police Corps service would be an opportunity at once to meet the most vital need of their home communities, and to acquire the education of their choice free of financial burdens on themselves and their families."

The proposal made a lot of sense to me, both in broad outline and in detail, including the panel's recommendation that the corps be financed by using part of $302 million New York now provides for student financial aid and $19 million in state scholarships plus federal funding that might be available.

And recognizing that there probably would be opposition from local mayors and police brass and that some persons would fear that adding so many new police officers might create a police state danger, I thought the plan was imaginative and practical, and last August I wrote:

"I think it would work in any state that has a governor who would implement it and has the commitment and leadership to ensure its success."

So, what's happened to it?

Well, it's moving along slowly, but it is moving.

New York City Mayor Ed Koch has embraced the idea and made it an endorsed position of his administration. Gov. Mario Cuomo has not taken a position on it yet, but a bill to implement it is being drafted for introduction in the New York legislature.

Florida Gov. Robert Graham has had the plan carefully studied and has received a favorable report.

California's new attorney general, John Van de Kamp, has evinced interest and will meet next month with the panel's chairman, New York lawyer Adam Walinsky, former head of the New York State Investigations Commission, when Walinsky goes to the coast at the invitation of Assembleman Tom Hayden to tell California legislators about the Police Corps.

A Police Corps bill has been introduced in the Maryland legislature by Rep. Leo Green, the former mayor of Bowie.

Pennsylvania Attorney General Leroy Zimmerman obtained the panel's report last fall. Members of his staff are studying it so he is not ready to decide whether to recommend it for the state or not.

Officials at the U.S. Department of Justice and in Massachusetts and several other states also are looking into it.

Meanwhile, Walinsky, an ex-Marine, has been meeting with New York police officers to overcome their concerns about having a flock of young, short-term officers in the ranks. After Walinsky outlines the plan, invariably the first question is asked something like this:

"Well, now wait a minute. These kids are going to be cops for only three years and how do we know that they will be committed and do the work? Will they be willing to take chances or will they just want to hide?"

That's the way it was put two weeks ago when Walinsky spoke at a meeting of Brotherhood in Action, a council of the presidents and vice presidents of all the benevolent and ethnic societies of the New York City Police Department.

Walinsky responded by asking another question. "How many of you were in the armed forces of the United States?" Virtually every cop raised a hand.

"Were you in there for a career or just a few years?" Walinsky asked. "Not a career," was the unanimous reply.

"Well," said Walinsky, "I bet that you were every bit as good soldiers, sailors, Marines or airman as the lifers that you were serving with." "That's right."

"And I bet a few of you took some chances while you were in there and got shot at and you probably had some friends who took so many chances that they got killed, but none of you thought that you were doing it because it was your career."

There was another chorus of "That's right" and then one of the oldest officers in the audience asked: "Okay, but are they going to learn fast enough and how do we know they're not going to goof off?"

Walinsky looked at the man for a moment. Then he said slowly, "If I give you eight or 10 of these kids and tell you that they are your responsiblity, I think you can teach them how to work and make sure that they are working."

The veteran cop nodded his head.

In New York City the police refuse to work alone in the streets. They know and all of their commanders know that the force is desperately short of personnel and that is why at these meetings Walinsky is turning skeptics into supporters.

The Police Corps plan can be a real alternative to the present situation in New York, Philadelphia and wherever violent crime flourishes because police departments are undermanned. It offers the prospect of increasing the number of police and attracting well-motivated young people to law enforcement at a cost that would be modest in relation to the need and in relation to the cost of existing police salaries, fringe benefits and pensions.

THE POLICE CORPS CONCEPT IS GAINING MOMENTUM

The Police Corps—a proposal to increase the number of police by giving college students four-year scholarships in return for three years of service as police officers after graduation—is not a panacea for fighting crime.

But it is a promising, relatively low-cost plan to increase effective police presence in cities large and small and in the suburbs and rural areas. And with the criminal justice system overloaded and the response of law enforcement officials and politicians rooted in calls for tougher laws, mandatory sentencing and building more prisons, the Police Corps is the only genuinely new idea for reducing crime to surface recently.

As such and because it seemed to have a lot going for it, I wrote about it when it was proposed in August 1982 by a panel of private citizens with law enforcement expertise and I updated readers of this column a year ago.

Now I can report that the idea is gaining support around the country and moving toward the first stage of implementation in seven states, including Pennsylvania and New Jersey.

Pennsylvania Attorney General LeRoy S. Zimmerman began looking at the concept last year and several people close to New Jersey Gov. Kean have expressed interest in it. As a result, the two states—along with the New York, Massachusetts, Florida, Texas, and California—were selected for a feasibility study financed by a $328,000 grant from the Reagan administration.

The study got under way last month with the mailing of questionnaires to all police departments in the seven states asking them to report their present manpower strength, how that relates to their needs and whether they would want Police Corps recruits.

It is being coordinated by a former Philadephia police officer, Jonathan Rubenstein, research director for the Center of Research on Institutions and Social Policy in New York City.

The study has a two-fold purpose—gauging police manpower needs and informing police chiefs about the concept and getting their reaction.

In New York, where Rubenstein and Adam Walinsky, former head of the New York State Investigations Commission, have been plugging the Police Corps in meetings with police, they encountered resistance based on concerns that young, short-term officers would not have the commitment to withstand the pressures of pounding beats and could be used to weaken police unions.

But the Police Corps has received generally favorable notices in the press and from key political or law enforcement officials like Zimmerman in the other states being surveyed.

This is particualrly true in California. San Jose Mayor Tom McEnery and Police Chief Joseph McNamara are moving to give the proposal its first pilot test. Attorney General John Van de Kamp is a moderate supporter and a Police Corps bill has been submitted to the California legislature.

In Philadelphia, Police Commissioner Gregore J. Sambor has some skepticism.

It appears to Sambor that the disadvantages outweigh the advantages, but Common Pleas Court Judge Harvey M. Schmidt is taking a close look in connection with his role as co-chairman of the newly formed Urban Education Foundation. The foundation is overseeing the transformation of the former Provident Mutual Life Insurance Co. headquarters in West Philadelphia into an urban campus for Cheyney and Lincoln Universities.

The Police Corps would work this way. College students would be recruited on a competitive basis and, similar to the Army and Navy Reserve Officer Training Corps, successful applicants would receive four-year scholarships.

In return, the students would spend the summers between their sophomore and junior years training as police cadets and then serve three-year hitches with local or state police forces. For those who were unable to or chose not to meet their service obligation, their scholarships would become loans that would have to be repaid.

The program is seen not only as a way of increasing the number of police, but also as a way of steering more college-educated young men and women toward making their careers in law enforcement.

"The Police Corps would be a priceless gift and a priceless opportunity for all of us," Rubenstein told a criminal justice seminar of the National Association of Attorneys General here recently.

"The United States has the most disgraceful rates of violence in the civilized world—and some parts of the uncivilized world—and the Police Corps offers a way to increase the number of police at a price we could afford."

The cost-savings would come by paying the Police Corps graduates about half of what regular police recruits receive in salary and benefits that over a three-year period would add up to a meaningful sum in the aggregate.

But financing the scholarships looms as a hurdle. The Reagan administration is reluctant, at least now, to pledge federal support for scholarships so it will be up to the states and local areas to find the money.

But look at the alternative. Crime statistics have improved somewhat in recent years, but crime is rampant and municipal finances in Philadelphia and most other urban and suburban centers are strained to the point where it is more likely that the number of police will be reduced rather than increased.

So, the Police Corps, it seems, is an idea whose time is coming, if it is not already here.

[From the Philadelphia Inquirer, Jan. 20, 1985]

SUBWAYS AND STREETS CAN BE SAFER WITHOUT VIGILANTES

(By Edwin Gutham)

The real issue that people ought to be discussing in the now-celebrated New York subway shooting is how cities, particularly the nation's largest city and its massive subway system, can be made safer.

It is not whether 37-year-old Bernhard Hugo Goetz was a hero, shooting justly in self-defense, or a trigger-happy vigilante.

It is not whether the four young blacks whom he wounded, after one of them asked him for $5, got what was coming to them.

It surely is not whether New Yorkers should draft Goetz to run for mayor, as New York Daily News columnist Jimmy Breslin proposed in baiting his readers to put themselves on record by signing "Write-in for Goetz" coupons if "you like what Bernhard Goetz stands for."

Whatever happens to Goetz and the four young blacks should—and no doubt will—be decided in the toils of the law, and there is nothing that all the people who are lionizing Goetz can do about that.

But what they can do is apply maximum pressure on public officials—particularly mayors, governors and legislators—to do more than they are now doing to reduce the menacing level of homicides, robberies, rapes, muggings and vandalism.

I'm not among those cheering Goetz because it's not clear that he needed to shoot to defend himself on that subway train on Dec. 27 and because he shot two of the young men in the back. But whatever was in his mind, there have been two positive results from what he did.

One was to expose—as no other event has in recent years—how many law-abiding people have lost faith in the criminal justice system and how intensely they resent and fear being victimized by street thieves.

The other is that the reaction to Goetz is showing politicians how vulnerable they are to that loss of faith and anger; that people are demanding more from them than statements that citizens have no right to take the law into their own hands.

And the fact is that most of them can't think beyond imposing stiffer sentences and building more prisons. Without question both are needed, but we've been moving steadily in that direction over the last two decades and people are no safer in the streets or in their homes.

One obvious answer is to have a police force that is large and effective enough to turn the tide, but in a time of strained city budgets and resistance to higher taxes that is not easy to accomplish. An example is Mayor Goode's difficulty in delivering on his promise to have 30 additional police officers assigned by Jan. 1 to fight neighborhood drug trafficking.

But there is a well-defined proposal that has been around for 2½ years that could put more cops on the streets and in the subways without busting city, state or county budgets. And it should be given a fresh look in response to Goetz.

It is the Police Corps, an idea put forward by a New York panel of private citizens with extensive experience in law enforcement I've written about it before because it seemed to me to be eminently sensible and practical. Here's how it would work:

Young men and women would be recruited for police work by offering them a free college education in return for three years of service in local police forces after graduation. It's similar to the military's Reserve Officer Training Corps.

Volunteers would receive scholarhips. During the summers of their sophomore and junior years they would be trained as police cadets. After graduation they would undergo final training at a police academy and upon meeting all qualifications would take their place in the ranks. Those who were unable to or chose not to meet their service obligation would have to repay their scholarships.

Police Corps graduates, as short-termers, would be paid a lower wage than career police officers and would not be eligible for pensions. That's what makes the plan attractive from a cost standpoint. But it also is causing opposition beyond the natural tendency of professional law enforcement chieftains to resist having a flock of young "outsiders" on the force.

In New York, for example, where the police have been working for eight months without a contract, the Police Corps is seen as a threat to the police union and its ability to call a strike. And Mayor Ed Koch is said to prefer spending money on "real cops."

The Police Corps has attracted interest and some curiosity on the part of public officials from New York to California. Among them is Pennsylvania's Attorney General LeRoy S. Zimmerman, but no one has moved to put it into effect. However, a feasibility study, conducted by the Center of Research on Institutions and Social Policy in New York and financed by a $428,000 grant from the Reagan administration, is nearing completion.

There is an ironical connection between the Police Corps and the subway shooting. When the panel outlined its plan in August 1982, it targeted the New York City subway as "the first field of action."

"Full implementation of this plan would take several years," the panel said. "But there is no need to wait, indeed, the need is too great in delay at all.

"The new governor [Mario Cuomo] should begin implementation in January 1984. By the end of that calender year the state could begin to put elements of a reorganized police force in the most dangerous place in New York State—the New York City subway.

If Cuomo had done so the world might never have heard of Bernhard Goetz.

[From the New York Times, Aug. 6, 1982]

A BREATH OF FRESH AIR FOR POLICE

Running a big city these days is an exercise in managing scarcity—and so requires special ingenuity. Therein lies the appeal of a new idea for expanding police forces.

The proposal, broached by an independent group led by Adam Walinsky, former head of the New York State Commission on Investigation, is to create a state "Police Corps" of 30,000 recruits who would agree, in exchange for college scholarships, to serve as police officers for three years after graduation. Twenty thousand would serve in New York City, doubling current police manpower, while the rest would be spread throughout the state.

There is broad agreement that the city needs more police officers. The department, with about 22,000 members, survived the loss of 10,000 others in the 70's by focusing on major crimes. That was sound policy; felony arrests stayed up despite the cutbacks. But now the department is chronically overworked. New corruption indictments

are ominous signs. The lack of attention to lesser crimes, meanwhile, demoralizes the whole city. Yet the cost of simply expanding the department is high: up to $42,000 a year per officer including benefits.

The Police Corps wouldn't necessarily be cheap. The cost of scholarships and 30,000 new officers on the payroll might approach $800 million a year by 1986. But promoters of the plan believe existing state education programs could cover some of the scholarship money and they point out that the payroll cost would be a state, not a city expense.

In any case, taxpayers would get much more for their money than by simply hiring more regular police officers. Salaries and benefits for each Police Corps member would total only about $20,000 per year and wouldn't lock the department into long-term salary and pension commitments.

Officers of the Police Corps would likely bring enthusiasm and imagination to police work. Those who decided to stay on would form a pool of highly qualified candidates for promotion. The rest would carry back to civilian life an invaluable understanding of law enforcement and urban crime.

The plan draws predictable criticism from police unions. But handled properly, the inevitable shake-up it would cause could be constructive. In New York City, the proposal envisions using the new officers initially to reclaim the subway system for civilization. Success in that effort would benefit all the city's police.

For the last few years, voters have been reluctant to approve major spending on criminal justice. Their resistance, despite growing anxiety about crime, reflects good sense, for the politicians and experts continue to offer only stale suggestions for more of the policies that haven't worked very well. The Police Corps, a genuine breath of fresh air, merits real interest.

[From the New York Times, Jan. 27, 1985]

GATES, GUARDS, GUNS AND GOETZ

There's little to be pleased with in the fact that Bernhard Goetz has now been indicted only for possessing an illegal weapon. The public explosion he set off a month ago was not for owning the gun but for using it, and perhaps not so bravely at that. Two of the four men were shot in the back.

But the grand jury knew all that. By charging him only with lesser offenses, it expressed what 110 percent of the American public has already expressed: support for the subway vigilante. What accounts for it?

It's not hard to understand the frustration and anger of New Yorkers who ride the subways. But why do people in San Francisco and Spokane, who don't know the difference between the IRT and the P.B.A., also raise their voices, fists and dollars? Don't they know the danger that's unleashed when someone starts shooting in a crowded place, when someone takes the law into his own hands?

Of course they do, but they also know something else, bitterly. Government has failed them in its most basic responsibility: public safety. To take the law into your own hands implies taking it out of official hands. But the law, on that subway car on Dec. 22, was in no one's hands.

And not just then. People everywhere have learned that all too often they have to protect themselves. They have to take matters into their own hands. Considering all the billions they have felt they had to spend for lights, locks, alarms, dogs, gates, guards and guns, the way Bernhard Goetz protected himself does not look so startling.

Why doesn't The System better protect itself? Part of the answer surely is that crime is so difficult a collection of problems—and that the fears it arouses make it as daunting as the facts. Keeping drugs out of the country is one kind of problem; keeping pushers out of the park is another. To think of crime as one problem is to doom ourselves to a futile search for a simplistic, nonexistent solution.

There are plenty of solutions like that, offered by politicians who insist that, for instance, the true villain is civil liberties, as if abolishing the exclusionary rule would somehow make the subway safe at 2 A.M. And yet society is not powerless. No one can credibly promise to conquer crime, but the fact is that promising steps can be taken to curtail it. One of the most important, as Roger Starr suggests in today's New York Times Magazine, is for each community to concentrate resources on a prime target—in New York, the transit system.

There are also some splendid specific ideas to try, and some obvious crises ahead. An example of the ideas is the Police Corps proposed by two serious students of law enforcement, Adam Walinsky and Jonathan Rubinstein. It woud give college scholarships to 30,000 recruits who agree to serve three years as police officers.

In New York, more and more school dropouts constitute an obvious crisis. About 40 percent of New York City's teen-agers leave school before graduation. There is no population more vulnerable to the temptations of street crime. Yet where is the dropout-prevention program?

There is reason to think the public would support a Police Corps or dropout prevention. Consider the sophistication that New Yorkers demonstrated in a Times Poll two weeks ago. When asked "What would help reduce crime a lot?", 50 percent said more police on foot—and about 75 percent said more youth job training and better schools.

So there's a mystery here, a big one. Given such attitudes, why hasn't government undertaken any serious new anti-crime program? Crime is a powerful, passionate issue everywhere. Yet where is there an officeholder willing to sponsor anything more than trivial symbolism? The last Federal initiative was the Law Enforcement Assistance Administration, and that was four Presidents ago. The only local initiative that comes to mind is the Victim Services Agency—worthwhile, but hardly a crime prevention measure.

What has the public gotten from the Reagan Administration? Another commission study. What has it gotten from the Cuomo administration? A brave stance on mandatory life sentences. The Koch administration talks about locking up people with illegal guns. Senator D'Amato's crime program amounts to bring your own bodyguard, and Senator Moynihan muses about combining transit and city police.

What crime program?

No wonder a grand jury brushes away serious charges. No wonder the public supports the Goetz Anti-crime and Self-Defense Act of 1984. No wonder people applaud someone taking the law into his own hands. When it comes to initiatives, the hands of the law are empty.

[From the Daily News, April 4, 1985]

MORE COPS? THIS IDEA IS AMONG THE FINEST

The Bernhard Goetz affair has left everyone in New York unhappy. On the one hand, the laws are there, and we need to enforce them. Indeed, we may be looking squarely at the old law that tells you that the best way to modify an unsatisfactory law is to enforce it.

The unsatisfactory law we speak of has to do with pistol licenses. We know that criminals in New York feel no inhibition about carrying handguns. They do so all the time, and use them with panache. Bernhard Goetz applied for a license after being mugged and after witnessing other muggings, was denied his application, purchased a gun anyway—as anyone apparently can do with about the same difficulty one has in purchasing an illegal toke of marijuana—and then used it against four aggressors armed with sharpened screwdrivers and police records.

And yet—and yet, the law is there, and prosecutors are bound by oaths of office. So where do we go from here? Surely it is time to reexamine the proposal of Adam Walinsky, a proposal now several years old: a college ROTC for cops. Here are the pieces in the jigsaw:

1. In 1982, 7 million calls were made on the police emergency line, 911. Policemen were available to act on only 3 million of those 7 million calls. That means statistically that if a burglar or rapist is breaking into your apartment and you call the police, you have less than a 50-50 chance that a cop will be available to help you.

The figures are all the more intimidating when you note that most crimes take place in circumstances in which there is no opportunity to use the telephone. They don't have phones in the parks, or in the middle of a street, or in subway cars. And these are the favorite beats of the criminal.

2. In 1951, New York had 19,000 policemen and 15,812 instances of violent crime. Thirty years later New York had 22,000 policemen and 157,026 violent crimes. One thousand per cent more crime, 15% more cops. The odds overwhelmingly favor the criminal.

Is the solution as simple as hiring more policemen? Sure. By the same reasoning, the solution is as simple as everyone hiring a private bodyguard. There is the slight matter of cost. A rookie cop costs the city $50,000 a year.

3. Enrollment in primary and secondary schools has dropped in New York State by 500,000 pupils, the baby boom having been processed. There are unused facilities in the state colleges. And this has brought on the inevitable: higher costs of higher education, as fewer students are required to put up the money to finance existing educational facilities.

Enter Mr. Walinsky, a former think-tanker for Bobby Kennedy, now associated with such conservatives as Lewis Lehrman. His plan: Let the state provide four years of college for needy students in exchange for their pledges to repay the state by contributing three years' service to the police corps.

The principle is like that of the ROTC, or even West Point and Annapolis. You get free education and you pay back your benefactor by giving service at less than market price for a stipulated period of time.

Mr. Walinsky estimates that the City of New York, which would inherit 70% of the 30,000 cops trained every year under the proposed system, would need to pay only $20,000 a year per cop inasmuch as there would be no retirement commissions or other costly perquisites. The idea is to put these cops, well-motivated and well-trained, on the street, there, by their presence, to discourage criminals.

The plan was opposed two years ago by uninventive types who complained about the difficulty in keeping the graduates in uniform in the event they thought better of it and decided not to serve. Walinsky's answer: They would then be required to repay the state the cost of their education, so what is the net loss from the defaulters?

Some police officials don't like the proposal because they smell elitism in the air, to which Walinsky responds that the whole police corps would benefit from the infusion of young, educated students, many of them black or Hispanic. Moreover, the relatively brief careers spent as policemen would not mean long-range competition for the better jobs. Indeed, the Patrolmen's Benevolent Association has not disapproved of Walinsky's idea.

Perhaps the Goetz dilemma will act as the solvent. Indeed, perhaps the Walinsky corps members will be referred to as Goetzmen.

By Mr. SPECTER (for himself, Mr. PELL, Mr. CHAFEE, Mr. STAFFORD, Mr. KENNEDY, and Mr. BRADLEY):

S. 1525. A bill to amend the Elementary and Secondary Education Act of 1965 to provide grants to local educational agencies for dropout prevention demonstration projects; to the Committee on Labor and Human Resources.

DROPOUT PREVENTION AND REENTRY ACT

Mr. SPECTER. Mr. President, today I am introducing legislation which will enable the elementary and secondary schools in our Nation to combat the problem of school dropouts.

The problem of school dropouts has reached an alarming level in this country. Some estimates indicate that around a million children drop out of school each year, and more than a quarter of our Nation's children never graduate.

In Pennsylvania the most recent statistics available from the Department of Education, 1981-82, show a total enrollment of 955,648 students in grades 7 to 12. The dropout rate was 2.8 percent or 26,960 youngsters.

Figures for the Philadelphia Public Schools indicate that during the 1983-84 school year 90,639 students between the ages of 14 and 20 were enrolled in school, in grades 7 to 12. Of this total, 7,996 children or 8.8 percent of the total number dropped out.

A breakdown of these figures show that the black/white dropout rate was more than 2 to 1, closely corresponding to their overall enrollment in school. Nevertheless, the percentage of blacks who dropped out—8.7 percent—was only 0.4 percentage points higher than whites, who had an 8.3 percent dropout rate. Hispanics dropped out at a rate of 11.9 percent, although the actual number was only 856, as compared to 2,008 for whites, and 4,592 for blacks.

As chairman of the District of Columbia Appropriations Subcommittee, I addressed the problems of dropouts and truancy in the fiscal year 1985 District of Columbia appropriations bill by providing $1.5 million for programs to combat the D.C. problem. District officials estimate the dropout rate to be 17 percent.

My legislation, the Dropout Prevention and Reentry Act of 1985, seeks to reduce the number of children who do not complete their elementary and secondary education by providing funds to local educational agencies to establish and demonstrate:

First, effective programs to identify potential dropouts and prevent them from dropping out.

Second, effective programs to identify and encourage children who have already dropped out to reenter school and complete their elementary and secondary education.

Third, model systems for collecting and reporting informaiton to local school officials on the number, ages, and grade levels of the children not completing their elementary and secondary education and the reasons why such children have dropped out of school.

Fifty million dollars is authorized to be appropriated for dropout prevention programs in fiscal year 1987.

Applications submitted to the Department of Edcuation for grants under this title must include a plan for the development and implementation of a project which will address the special needs of pregnant minors and school-age parents. In addition, the plan must establish an advisory council which is broadly representative of the entire community and the dropout population to be served.

Another eligible use of funds is the establishment or expansion of work-study, apprentice, or intern programs. This will encourage young people to stay in school who might otherwise drop out for financial reasons.

Students who do not attend school cannot be prepared academically to assume their community and family responsibilities as adults or to obtain employment. Young people who drop out of school and who are unsupervised are high risk for delinquency and activities such as drug and alcohol abuse and teenage pregnancies.

In an increasingly technological, information-oriented society, the future for dropouts is less than bleak.

Dropouts who are fortunate find their way to dead-end jobs. The unfortunate ones often find their way to jail.

The dropout prevention and Reentry Act of 1985 can help determine whether many children graduate from high school and have acces to further education or employment opportunities, or whether they will join the growing number of persons who are shut out of the mainstream of job opportunities.

Working together, we can wage a successful battle against this national problem.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1525

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Elementary and Secondary Education Act of 1965 is amended by redesignating title X as title XI, by redesignating the sections of such title as sections 1101 to 1106, and by inserting the following new title after title IX:

"TITLE X—THE DROPOUT PREVENTION AND REENTRY ACT OF 1985

"SEC. 1001. SHORT TITLE.

"This title may be cited as the 'Dropout Prevention and Reentry Act of 1985'.

"SEC. 1002. PURPOSE.

"The purpose of this title is to reduce the number of children who do not complete their elementary and secondary education by providing grants to local educational agencies to establish and demonstrate—

"(1) effective programs to identify potential dropouts and prevent them from dropping out;

"(2) effective programs to identify and encourage children who have already dropped out to reenter school and complete their elementary and secondary education; and

"(3) model systems for collecting and reporting information to local school officials on the number, ages, and grade levels of the children not completing their elementary and secondary education and the reasons why such children have dropped out of school.

"SEC. 1003. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title $50,000,000 for fiscal year 1987 and such sums as may be necessary for fiscal years 1988, 1989, and 1990.

"SEC. 1004. GRANTS TO LOCAL EDUCATIONAL AGENCIES.

"(a) ALLOTMENT TO CATEGORIES OF LOCAL EDUCATIONAL AGENCIES.—From the amount appropriated under section 1003 for any fiscal year, the Secretary shall allot 20 percent to each of the following categories of local educational agencies:

"(1) Local educational agencies containing schools with an enrollment of 250,000 or more elementary and secondary school students.

"(2) Local educational agencies containing schools with an enrollment of at least 100,000 but fewer than 250,000 such students.

"(3) Local educational agencies containing schools with an enrollment of at least 50,000 but fewer than 100,000 such students.

"(4) Local educational agencies containing schools with an enrollment of at least 20,000 but fewer than 50,000 such students.

"(5) Local educational agencies containing schools with an enrollment of fewer than 20,000 such students.

"(b) AWARD OF GRANT.—From the amount allotted for any fiscal year to a category of local educational agencies under subsection (a), the Secretary shall award as many grants as practicable within each such category to local educational agencies whose applications have been approved by the Secretary for such fiscal year under section 1005 and whose applications propose a program of sufficient size and scope to be of value as a demonstration. The grants shall be made

under such terms and conditions as the Secretary shall prescribe.

"(c) MAXIMUM NUMBER OF GRANTS.—A local educational agency may receive no more than one grant in each of three fiscal years under this title.

"(d) AMOUNT.—The amount of a grant awarded under this section to a local educational agency for any fiscal year, to the extent practicable, shall be proportionate to the extent and severity of the local dropout problem, except that the amount of the grant shall not exceed 90 percent of the total cost of a project during the project's first fiscal year, 80 percent of such cost during the project's second fiscal year, and 70 percent of such cost during the project's third fiscal year.

"SEC. 1005. APPLICATION.

"(a) IN GENERAL.—A grant under this title may be made only to a local educational agency which submits an application to the Secretary containing such information as may be required by the Secretary by regulation. Such application shall—

"(1) provide documentation of (A) the number of children formerly enrolled in the applicant's schools who have not completed their elementary or secondary education, and (B) the percentage that such number of children is of the total school-age population in the applicant's schools;

"(2) include a plan for the development and implementation of a dropout information collection and reporting system for documenting the extent and nature of the dropout problem, in accordance with standards established by the national school dropout study under section 1008;

"(3) include a plan for the development and implementation of a project which will—

"(A) implement comprehensive identification, prevention, outreach, and reentry programs for dropouts and potential dropouts,

"(B) address the special needs of pregnant minors and school-age parents,

"(C) disseminate information to students, parents, and the community related to the dropout problem,

"(D) include coordinated activities involving at least one high school and its feeder junior or middle schools and elementary schools for those local educational agencies having such feeder systems,

"(E) establish annual procedures for (i) evaluating the effectiveness of the project, and (ii) where possible, determining the cost-effectiveness of the particular dropout prevention and reentry methods used and the potential for reproducing such methods in other areas of the country,

"(F) establish an advisory council which is broadly representative of the entire community and the dropout populations to be served, and

"(G) use the resources of the community and parents to help develop and implement solutions to the local dropout problem; and

"(4) contain such other information as the Secretary considers necessary to determine the nature of the local needs, the quality of the proposed project, and the capability of the applicant to carry out the project.

"(b) SPECIAL CONSIDERATIONS.—For the purpose of approving applications under this section, the Secretary shall give first priority within each category under section 1004(a) to applicants that have either very high numbers or very high percentages of school dropouts.

"(C) REVIEW OF PROJECTS.—In any application from a local educational agency for a grant to continue a project for the second or third fiscal year following the first fiscal year in which a grant was awarded to such local educational agency, the Secretary shall review the progress being made toward meeting the ojectives of the project. The Secretary may refuse to award a grant if he finds that sufficient progress has not been made toward meeting such objectives, but only after affording the applicant notice and an opportunity for a hearing.

"SEC. 1006. AUTHORIZED ACTIVITIES.

"Grants under this title shall be used to carry out plans in applications approved under section 1005. In addition, grants may be used for the following activities:

"(1) to establish systemwide or school-level policies, procedures, and plans for dropout prevention and school reentry;

"(2) to provide guidance and counseling services, including peer interaction activities;

"(3) to provide ombudsman or mentor services;

"(4) to develop and implement activities, including extended day or summer programs, to address poor achievement, language deficiencies, or course failures, in order to assist students at risk of dropping out of school and students reentering school;

"(5) to establish or expand work-study, apprentice, or internship programs;

"(6) to use the resources of the community, including contracting with public or private entities or community-based organizations, to provide services to the grant recipient or the target population;

"(7) to evaluate and revise program placement of students at risk;

"(8) to review curriculum relevancy;

"(9) to implement activities which will improve student motivation and the school learning environment;

"(10) to provide training for school staff on strategies and techniques to identify children at risk of dropping out, to intervene in the instructional program with support and remedial services, to develop realistic expectations for student performance, and to improve student-staff interactions; and

"(11) to provide other services and implement other activities which directly relate to the purpose of this title.

"SEC. 1007. PROGRAM LIMITATIONS.

"Not less than 30 percent of each grant shall be used for activities related to dropout prevention, and not less than 30 percent of each grant shall be used for activities related to persuading dropouts to return to school and assisting former dropouts with specialized services once they return to school.

"SEC. 1008. NATIONAL SCHOOL DROPOUT STUDY.

"(a) IN GENERAL.—From amounts appropriated to the Secretary for fiscal year 1986, the Secretary shall use not more than $500,000 to conduct a one-year study of the nature and extent of the dropout problem in the United States. In conducting the study, the Secretary shall—

"(1) establish a standard definition of a school dropout;

"(2) develop a standard list of reason why children are dropping out of school, including major factors that contribute to children dropping out;

"(3) develop a model dropout information collection and reporting system;

"(4) develop minimum reporting system requirements;

"(5) identify the numbers of children and the general reasons for their dropping out of school among population groups with particularly high dropout rates;

"(6) identify the characteristics of children who appear to be at risk of dropping out of school;

"(7) identify the factors or policies which may attract children who have dropped out to reenter school and complete their elementary and secondary education;

"(8) identify methods and techniques being used successfully to reduce the number of school dropouts; and

"(9) provide recommendations for activities and policies which can be implemented at each level of government and in communities to ameliorate the dropout problem.

"(b) OTHER REQUIREMENTS.—Recipients of grants under this title shall cooperate with the Secretary in carrying out the study under subsection (a) by providing data and information on the nature and extent of the dropout problem and the effectiveness of techniques used to address the problem.

"SEC. 1009. GENERAL PROVISIONS.

"(a) WITHHOLDING PAYMENTS.—Whenever the Secretary, after reasonable notice and opportunity for a hearing to any local educational agency, finds that the local educational agency has failed to comply substantially with the provisions set forth in its application approved under section 1005, the Secretary shall withhold payments under this title until the Secretary is satisfied that there is no longer any failure to comply.

"(b) ANNUAL REPORT.—The Secretary shall prepare and submit to Congress an annual report on January 1 on the activities assisted under this title during the preceding fiscal year.

"(c) AUDIT.—The Comptroller General shall have access for the purpose of audit and examination to any books, documents, papers, and records of any local educational agency receiving assistance under this title that are pertinent to the sums received and disbursed under this title.

"(d) GRANTS MUST SUPPLEMENT OTHER FUNDS.—A local educational agency receiving funds under this title shall use the Federal funds only to supplement the funds that would, in the absence of such Federal funds, be made available from non-Federal sources for activities to prevent students from dropping out of elementary and secondary school and to persuade dropouts to reenter school and complete their education.

"SEC. 1010. DEFINITIONS.

"As used in this title—

"(1) the term 'community-based organization' means a private nonprofit organization which is representative of a community or significant segments of a community and which provides educational or related services to individuals in the community;

"(2) the term 'Secretary' means the Secretary of Education; and

"(3) the terms 'State educational agency', 'local educational agency', 'elementary school', and 'secondary school' have the same meanings given those terms in section 198 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 3381).".

Mr. PELL. Mr. President, I am pleased to be joining my colleagues, Senators SPECTER, CHAFEE, STAFFORD, KENNEDY, DODD, and BRADLEY in the introduction of the Dropout Prevention and Reentry Act of 1985. To my mind, this legislation is long overdue. The high school dropout problem is of serious proportions and devastating

consequences. It is estimated that, on the average, 25 percent of students entering school in the ninth grade drop out of school before graduating. In my own State of Rhode Island, the dropout rate is 24.8 percent. Frighteningly, these rates have remained relatively steady over the past 20 years. Quite simply, these statistics indicate that we are failing to reach and educate close to one-quarter of our high school population. This situation is unconscionable in a nation which claims to be the most highly educated in the world. It is shameful that this country, which rests squarely on the principle of educational opportunity, has allowed this situation to continue at such a high rate for two decades.

The high school dropout problem is of serious national concern, with very severe economic and social ramifications. While the average dropout rate is 25 percent, in some States it is as high as 40 percent. In many urban areas, it is close to 50 percent. The problem is far more threatening for minority populations. Black students are almost twice as likely to drop out as are white students, and in many urban schools, hispanic students drop out at a rate of 70 percent.

Teenagers from families at the lower end of the economic ladder comprise the majority of high school dropouts. Sadly, the propensity of this population to leave school only serves to entrench the cycle of poverty these families have endured for generations. Without basic skills, these high school dropouts have scant chance of achieving even a very minimum standard of living.

One of the proudest achievements of this Nation is its strong conviction that each American be given the opportunity to reach to the limits of his or her potential, regardless of economic, language, or physical handicap. Enactment of the Elementary and Secondary Education Act of 1965, in which I was proud to have played a role, provided a legislative basis for the thought that only through education could the dream of breaking the economic barriers to success be accomplished. It is shocking to realize that we have failed to make this dream a reality for close to one-quarter of our children. As a social worker in New York so aptly stated: "The poor in America have only one legal option to escape poverty and the problems associated with being poor. That option is education."

The effect of having large numbers of students leaving school has a devastating impact on the economic sector. Dropouts fill the welfare and unemployment rolls. Many of them turn to crime. Those who do gain employment frequently have to be trained in basic skills. In the military, there are massive programs of remedial education and basic skills instruction that are integral parts of basic training.

The greatest single contributor to youth unemployment is the lack of a high school degree. According to the National Center for Education Statistics, 36 percent of high school dropouts were unemployed, compared to 21 percent of high school graduates not enrolled in college. Men and women 25 years old and older who did not complete high school earned about one-third less than those who had graduated.

Youth unemployment also imposes severe penalties on the economy. The city of New York estimated the yearly costs per 1,000 unemployed youth at almost $12 million in a loss in productivity, $63,000 in ungenerated income tax, $250,000 in ungenerated sales tax, and $300,000 in total tax loss. The State of Michigan estimates that the cost of youth unemployment is $100 million annually.

With respect to remedial training, business and industry currently spend $40 billion annually to train employees. Most of this training involves remedial work in reading, mathematics, and other basic skills. The Defense Department allocated close to $100 million over the past 6 years solely for basic skills training and remedial education for new recruits. In fact, in education and training, the Department of Defense annually spends as much as the entire Department of Education, some $18 billion.

The dropout rate, furthermore, forces us to pay a heavy price in the area of incarceration and crime. Without skills, and unemployed, many dropouts drift into delinquency and serious crimes. The U.S. Department of Justice, for example, found that the majority of inmates in local jails lacked a high school diploma—about 59 percent of white inmates, and 63 percent of black inmates. Estimates are that we spend over $15,000 per year to house each inmate in a correctional facility. This amount exceeds the cost of education for 1 year at either Harvard or Yale. In fact, on the average, this country spends 2½ times as much money on keeping a person incarcerated than on sending a young man or woman to college.

It is sadly true that what we fail to invest in dropout prevention, we will eventually be forced to pay many times over in social costs. This includes the heavy prices of incarceration, unemployment and welfare assistance, and a sharp loss in productivity and generated taxes. We cannot afford as a nation to continue to ignore this problem. In the words of the President's Commission on Industrial Competitiveness:

> If the dropout rate continues to accelerate, part of an entire generation could be lost to the productive process and to society. The quality of life for the Nation as a whole is at risk when large numbers of our youth fall by the wayside.

The Dropout Prevention and Reentry Act we are introducing today will provide Federal direction and assistance to address this need. It authorizes $50 million in fiscal year 1987 and such sums through fiscal year 1990 to fund demonstration projects and exemplary programs.

Under this legislation, the Secretary of Education is directed to make grants to local educational agencies to fund programs which will attack the problem on two fronts. Programs must address the need both to prevent students from dropping out, and to encourage them to reenter and finish high school if they have left. The Secretary is directed to award grants to LEA's according to population: 20 percent to LEA's with an enrollment of 250,000 or more; 20 percent to LEA's with an enrollment between 100,000 and 250,000; 20 percent to LEA's with an enrollment between 50,000 and 100,000; 20 percent to LEA's with an enrollment between 20,000 and 50,000; and 20 percent to LEA's with an enrollment less than 20,000. This will ensure that we attack this problem on all fronts through action in school districts of all sizes.

One of the most critical elements of this legislation is a provision that $500,000 be allocated in the first year to conduct a study to identify the dropout population, the factors contributing to dropping out, and effective methods for successfully reducing this rate. Unfortunately, considering its magnitude, far too little is known about this problem. Identification alone of the numbers of dropouts on a State-by-State basis is hard to come by. For example, the National Center for Education Statistics can only give us a rough estimate of dropout numbers. It calculates the dropout rate as the difference between the total number of high school graduates and the number of public school students enrolled in the ninth grade 4 years previously. Beyond that, we need far more accurate information on the reasons for dropping out so that we may better meet the needs of differing dropout populations.

The reasons behind dropping out are many: family circumstances, pregnancy, drugs, low self-esteem, economic necessity, language barriers, physical and mental handicaps. Because these factors must be approached differently, we have fashioned this legislation to provide for maximum flexibility in program design. We are hopeful that it will encourage creative approaches toward solving this problem. We further envision that projects funded under this act will be viewed as pilot efforts, the most successful of which might serve as models for more comprehensive programs.

In the past, the limited Federal efforts in this area have been extremely effective. Between 1969 and 1976, under title VIII of the Elementary and Secondary Education Act, Congress authorized grants to LEA's for demonstration projects for dropout prevention. Although appropriation levels never reached more than $4 million, the program was highly successful. The U.S. Office of Education reported that of the 10 projects which were originally funded, there had been a 45-percent reduction in the number of dropouts over a 3-year period.

Five years ago, we considered at length the Youth Act of 1980. One of the major objectives of that legislation was to provide unemployed dropouts with training and assistance that would improve their prospects for employment. Unfortunately, that bill was not passed by the full Senate.

I am very encouraged that we are once again focusing our attention on this issue. The time is opportune for initiating new Federal leadership in the area of dropout prevention and assistance. We begin today by introducing modest legislation that will immediately address the problem at hand.

To my mind, we have a clear choice at this time as to whether we as a Nation will uphold our commitment to educational opportunity, or whether we will continue to ignore the needs of a quarter of our high school population. Quite simply, we have a choice as to whether we will invest prudently in programs that will see these students through high school, or whether we will be forced to pay a social cost many times more expensive in later years.

Mr. President, I am very encouraged that Senator STAFFORD, the esteemed chairman of our Senate Education Subcommittee, has already agreed to a hearing on October 17 to address this very serious problem. I look forward to that hearing and to the additional information it will provide us in our deliberations.

To my mind, it is crucial that we move quickly to address this problem and to end a situation that has been with us for far too long. Very simply, we cannot afford in both economic and human terms to allow this very grave problem to continue undeterred. I commend the legislation we are introducing today to my colleagues on both sides of the aisle and urge them to join us in cosponsoring this very important bill.

● Mr. CHAFEE. Mr. President, I am pleased today to join my colleagues, Senators SPECTER, PELL, STAFFORD, KENNEDY, DODD, and BRADLEY, in introducing the Dropout Prevention and Reentry Act of 1985. This measure will provide grants to local educational agencies for dropout prevention demonstration projects, and fund a national school dropout study to obtain more data on this deeply troubling problem.

In the last few years observers of the American educational system have made a great many disturbing conclusions on the state of our Nation's public schools. A number of extensive studies have called for more rigorous academic standards, modernization of curriculums, and improvement in the quality of teaching. This overdue reassessment of the quality of education has engendered a reform movement that promises to return high standards to our Nation's classrooms.

Largely overlooked in this drive for renewed excellence and rigor in public education are the millions of students who drop out of school each year. These are students for whom more demanding requirements and reform measures such as minimum competency tests are irrelevant. Alienated by the school environment, and often burdened with family problems and poverty, America's dropouts are falling through the cracks of our educational system in appalling numbers.

Roughly 1 in 4 of the students who enter U.S. high schools do not finish. In Providence, RI, the figure has been estimated at 40 percent. In some urban areas, particularly among minorities and the poor, the dropout rate exceeds 50 percent.

Dropouts disappear from high school corridors, but they do not disappear from society. Rather, their names show up on the welfare rolls, they become drug abuse statistics, or they wind up in our overcrowded prison system. In the majority of cases the results are tragic, both for the dropouts themselves and for the society to which most of them are unable to make a real contribution. The visible products of the dropout exodus are lives spent on the margin of society, with our social welfare system or our penal institutions incurring the monetary costs.

As anyone who has closely examined the issue knows, there is no simple way to keep our young people in school. Every dropout has a different set of reasons for leaving school, and many will never succeed in the traditional curricular structure. This measure does not purport to be a complete solution, but it does set forth a number of actions that American schools can take today to begin fighting the dropout problem. Under this measure, schools can begin to: locate dropouts and develop ways of drawing them back into the system; identify potential dropouts by recognizing early warning signs; explore the reasons why students drop out and use counseling and remedial help to encourage them to stay in school; offer alternative educational opportunities including vocational training; and establish a dissemination network for information on dropout prevention.

The legislation my colleagues and I are introducing today will provide funding, on a competitive-grant basis, for local educational agencies to establish demonstration projects involving these kinds of actions. The project must only reach dropouts and assist them in completing their education, but also identify students who are likely to become dropouts and work to prevent their leaving school.

Since future dropouts are often identifiable well before they enter the ninth grade, these programs must also develop ways to coordinate dropout prevention efforts between the high school and the junior high levels. Projects funded under this act will address the special needs of high school-age parents, who are high-risk candidates for dropping out. In addition, grantees must disseminate any valuable information they obtain from the projects to other educational agencies dealing with the dropout problem.

Despite the gravity of this problem, there is a dearth of information on exactly who is dropping out, what kinds of schools they are leaving, and what has caused them to leave the system. For this reason, our bill also calls for a national school dropout study to be conducted while the demonstration projects are underway. The projects will indicate which methods are most successful in helping dropouts and potential dropouts, while the national study determines where we should concentrate future efforts in this area.

In the face of the shocking dropout rates currently plaguing school systems in every part of the Nation, a reversal of the dropout tide will grow only out of bold, original approaches devised by the educators who are closest to the problem. This act represents a vital step in helping our schools to meet this challenge, and will produce information valuable to education agencies all over the United States. The demonstration projects and the national study will help us determine how to proceed in cutting the dropout rate. They will save many students from the bleak prospect of leaving their education behind for a future of limited possibilities and dead ends. I hope that our colleagues will support this urgently needed initiative.●

● Mr. KENNEDY. Mr. President, I am proud to join my colleagues Senator SPECTER, Senator CHAFEE, Senator PELL and others in introducing the Dropout Prevention and Reentry Act of 1985. I commend my colleagues for their hard work in developing this important legislation.

This is not the first time that Congress and the Federal Government has attempted to address the critical problem of students dropping out of school. In 1968, we provided financial assistance through the then U.S. Office of Education to a small number

of school districts for the express purpose of preventing students from dropping out. Projects supported by this aid represented a wide variety of approaches to dealing with this problem and it was found that most projects were effective in reducing the dropout rate. Of the 10 orignally funded projects, it was reported that there had been a 45-percent reduction in the number of dropouts in these school districts over a 3-year period. Better attendance rates were also reported. This authority is now included as an optional State activity under the Education Consolidation and Improvement Act and there is limited information on whether States have elected to develop dropout programs with this money.

We have not made much progress in reducing the number of students who drop out of school. Presently our national dropout rate is close to 26 percent. This means that one in every four young Americans entering high school does not graduate on time, or does not graduate at all. The dropout problem is more severe in big cities with a rate of 16 percent above the national average and, the dropout problem is dramatically higher for minorities. Almost 20 percent of black youth and 33 percent of Hispanics are dropping out today as opposed to 14 percent of white students.

We know that this problem exists and we know that it will not disappear on its own. The consequences of leaving school early are most times devasting for the students and for their future. These young people lose access to good jobs, reduce the amount of their lifetime earnings and risk experiencing more and longer periods of unemployment in their lifetime. These students, by dropping out, are limiting their chances and opportunities to reach their fullest potential.

The bill we are introducing today will begin to address the dropout problem by providing local education agencies with grants to develop demonstration programs to identify and prevent student from dropping out, encourage students who have dropped out to reenter and complete high school, and to establish model reporting and data collection systems on students who have dropped out. As well, this bill calls on the Secretary of Education to conduct a 1-year study on the nature and extent of the dropout problem in the country and to develop a standard definition and list of reasons why children are dropping out of school. I believe that the development of standards in this area is important and it is my hope that the individuals who will be involved in this study and the development of these standards will be representative of a wide range of individuals who have expertise in the area of school dropouts. I would like to address this issue when the bill comes before the committee.

The United States has become a great nation because of the contributions of each individual citizen. Our country cannot move forward without support and assistance from every American. It is our Nation's responsibility to guarantee that each individual has an opportunity to reach his or her fullest potential and education is the most important path to reaching that potential. The students who are dropping out today are dropping out for many reasons. We must identify the causes and begin to provide the solutions. The answers are complex and many times as different as each individual student. But, I believe that we have the resources and the ability to help these young people to complete their education. This is a small investment now which will undoubtedly reap untold benefits for these students as they grow into adults and for the future of our country.●

● Mr. BRADLEY. Mr. President, I am pleased to join my colleagues, Senator SPECTER, Senator PELL, Senator CHAFEE, Senator STAFFORD, Senator KENNEDY, and Senator DODD in introducing the Dropout Prevention and Reentry Act. A year ago January, as a member of the Senate Children's Caucus, I participated in a forum on the causes and consequences of dropping out of school. We held the hearing to highlight the seriousness of the problem, both with respect to the increasing numbers of students dropping out and the long-term social and economic consequences of these decisions.

If our Nation's secondary schools were businesses that depended on repeat customers, many would soon go bankrupt. The proportion of students who begin, but fail to complete, high school is distressing, particularly in inner-city schools. In 1983 nearly 28 percent of all 18- and 19-year-olds failed to graduate from high school. The attrition rate has risen by 19 percent over the last decade. In my home State of New Jersey, over 16,000 youths dropped out of school last year. In many urban schools the dropout rate is above 50 percent, and that does not include students who are officially enrolled in school but attend irregularly.

The consequences of dropping out for the individual student, and the costs to this Nation, are well known. Nearly 4 out of every 10 16- to 24-year-olds who have dropped out of school are unemployed. Nearly 50 percent of all young females who drop out are unemployed. A recent study conducted by the Educational Testing Service in New Jersey found that students completing high school scored substantially higher on a series of tests measuring abilities linked to good job performance than did those dropping out after junior high or early in high school. It is quite clear that those who fail to complete high school will lack the basic skills necessary to function in an increasingly complex and demanding world.

Students who drop out do so for a variety of reasons. Most report reasons related to school performance. Many students simply lack the basic skills necessary to keep up and see no hope of catching up. Right or wrong, they see dropping out as preferable to the humiliation experienced in classes where their lack of basic skills makes keeping up impossible. Ironically, this problems may be exacerbated by the recent trend toward instituting tougher standards in our schools. It may turn out that low achievers—including a disroportionate number of inner city youths—are not swept up and carried to new heights by the educational reform movement, but are pushed over the edge by it. A recent report by the Johns Hopkins Center for Social Organization of the Schools suggests that this may already be occurring. This does not argue for lower standards; it does call for special attention to make sure more students keep up with required skill levels.

Other students leave school early to take jobs in order to help their families make ends meet. These students often find themselves working in low-paying positions with little or no opportunity for advancement. Students who leave school for this reason frequently regret that decision shortly thereafter. Many young girls leave school early because they become pregnant. Some feel so stigmatized and embarrassed that they leave school rather than subject themselves to ridicule and scorn from their classmates and instructors. Others find themselves forced into second-class "special" programs which meet neither their educational nor emotional needs and, thus, see dropping out as an attractive option. Other students leave school before graduating because they simply are not challenged in traditional classroom situations. I was disturbed to learn, during a children's caucus forum on gifted and talented children, that a high percentage of gifted children fail to complete high school.

High school dropouts are not simply children who were destined to fail. These children can be reached, and I believe we must reach out to those who are on the verge of giving up or have given up and offer them a second chance to master the skills they need if they are to become self-sufficient members of our society. Earlier this year I introduced legislation designed to assist in this task—the Secondary School Basic Skills Act. That bill would authorize funds necessary to teach basic skills to educationally disadvantaged secondary school stu-

dents—precisely those students who, without a mastery of basic skills, may be driven out of the educational system by tougher academic standards.

Today I am pleased to join my colleagues in offering another bill designed to reach out to those who would give up or have given up. The Dropout Prevention and Reentry Act would authorize funds to allow schools to establish demonstration projects to identify potential dropouts, to find ways to prevent dropping out, and to help dropouts reenter schools. Special attention is to be devoted to the needs of pregnant students and students with children. Schools with a good idea can apply for grants and test those ideas. Successful prevention and reentry programs would be disseminated. The bill would also authorize a 1-year study of the nature and extent of the dropout problem. The study would attempt to identify successful methods in ongoing programs designed to prevent dropouts or encourage their return to school.

Mr. President, we can succeed in this task. I recently became aware of an excellent program in Seattle, WA, designed to assist dropouts in completing their educations. The organization, Educational Clinics, Inc., is a company certified by the Washington State Board of Education to offer an educational program in basic skills areas to students who have severed their ties with the school system and are unlikely to reestablish them. The program is a model of what can be accomplished when we reach out to youths and treat them as individuals with unique strengths as well as problems. The Dropout Prevention and Reentry Act would assist us in learning more about successful existing programs such as ECI and would provide the means to fund other innovative programs for addressing the needs of actual and potential dropouts.

In our pursuit of excellence in education, we must be careful not to leave behind those students who, for whatever reasons, struggle and fall behind their classmates and choose to leave school. We must commit ourselves to the belief that every student can excel, regardless of past failures, regardless of deeply entrenched and deeply deficient study habits, regardless of the educational background of his or her parents. This bill is designed to help young people be the best they can be. I urge my colleagues to support this important and timely legislation.●

By Mr. MATHIAS:

S. 1526. A bill to amend title 17, United States Code, to clarify the definition of the local service area of a primary transmitter in the case of a low power television station; to the Committee on the Judiciary.

LOW POWER TELEVISION

Mr. MATHIAS. Mr. President, today I am introducing a technical amendment to the Copyright Act to clarify the status of a new communications technology that has great appeal in rural areas—low power television. My amendment will allow nearby cable television systems to carry low power television signals as local broadcasts, just as they do for other local television signals, rather than as remote, or distant signals, for which the copyright laws now require cable operators to pay royalties. This clarification is, as far as I know, a noncontroversial change in the law. It is supported by the Copyright Office, which helped in its drafting, and it is unopposed by any affected parties in the private sector. Representative KASTENMEIER, chairman of the Subcommittee on Courts, Civil Liberties and the Administration of Justice of the House Judiciary Committee, is introducing and identical measure in the House today. I commend his initiative and leadership in this issue.

To give a fuller idea of the background of this effort, I submit the correspondence Representative KASTENMEIER and I had with the Copyright Office last year on the subject. I ask unanimous consent that these letters, along with the text of the amendments, be printed in the RECORD following these remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1526

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the fourth paragraph of section 111(f) of title 17, United States Code, relating to the definition of local service area of a primary transmitter, is amended by adding after the first sentence the following new sentence: "In the case of a low power television station, as defined by the rules and regulations of the Federal Communications Commission, the local service area of a primary transmitter comprises the area within 35 miles of the transmitter site, except that in the case of such a station located in a standard metropolitan statistical area which has one of the 50 largest populations of all standard metropolitan statistical areas (based on the 1980 decennial census of population taken by the Secretary of Commerce), the number of miles shall be 20 miles.".

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
Washington, DC, October 1, 1984.

Hon. DAVID LADD,
Register of Copyrights, Copyright Office, Washington, DC.

DEAR MR. LADD: We are writing to you in reference to provisions of section 111 of the Copyright Act and its potential effect on the carriage by cable systems of local signals of low power television. As you know, provisions of section 111 which define and distinguish "local" carriage and "distant" carriage were considered by Congress and the rules formulated prior to the introduction of low power service by the Federal Communications Commission. The distinction between "distant" and "local" is important because in most instances the royalty is computed on the basis of distant carriage.

It is our understanding that the Copyright Office may feel constrained by certain language in section 111 to classify the cable carriage of purely local low power television station signals as "distant" signals due to the fact that the Office might conclude that a signal must be subject to the FCC's must-carry rules before it could be considered local. This conclusion, of course, would result in carriage of these signals generating the same copyright liability as if they were "distant," thereby subjecting cable systems to the payment of significant royalties. Under such circumstances, we are informed that cable systems would be very reluctant to include low power stations within their complement of local services on a "may-carry" basis, which in turn would seriously damage the development and viability of low power television.

During the time that Congress was considering how section 111 should operate, all local television signals were subject to must-carry treatment and inclusion into the statute of a reference to FCC must-carry rules merely provided a convenient way to establish a clear dividing line between the "local" signals and the "distant" signals. The recent introduction of may-carry local low power signals was not contemplated at the time of passage of the Copyright Act of 1976, but Congress' intention was clear in wanting to distinguish between signals that were truly local and others that would be classified as distant. This was made manifest when, during consideration by the House of the Senate-passed bill, an amendment was added to mandate royalities for the carriage of signals when they were carried beyond the local coverage area of the station. Congress concluded that there would be no harm to copyright holders from such local carriage.

At a time in the near future, we intend to ensure that any ambiguity in the law is clarified by a technical amendment. Unfortunately, with a crowded legislative calendar and only a few days left in the 98th Congress, such an amendment is unlikely to occur this year. We believe, however, that an interim indication from the Copyright Office resolving any ambiguities in a manner to effectuate original intent can serve as a temporary solution to the problem.

Such an effort by the Copyright Office to resolve this problem will have our wholehearted support. It will also be supported by the Honorable Majority Leader Jim Wright and Senator Lloyd Bentsen, who have expressed personal interest in this issue.

Accordingly, we request you to consider the questions raised by this letter, and ask that you keep us apprised of your progress and any problems that might arise. If there is any way that we or our staffs can assist in this endeavor, please let us know.

In advance, thank you for your time and consideration.

Sincerely,

ROBERT W. KASTENMEIER,
Chairman, Subcommittee on Courts, Civil Liberties and the Administration of Justice.

CHARLES MCC. MATHIAS, JR.
Chairman, Subcommittee on Patents, Copyrights and Trademarks.

NOVEMBER 29, 1984.

Hon. CHARLES McC. MATHIAS,
Chairman, Subcommittee on Patents, Copyrights and Trademarks, Washington, DC.

DEAR SENATOR MATHIAS: On October 1, 1984 you wrote to David Ladd, Register of Copyrights expressing certain views about the status of low power television (LPTV) signals under the cable compulsory license of 17 U.S.C. section 111. The Copyright Office held a public hearing on October 12, 1984 and received public comment through October 22, 1984. Your letter was made a part of the record of this proceeding.

The record discloses that owners of copyright, except for the National Association of Broadcasters, argued that under the Copyright Act definition of "local service area of a primary transmitter," the signal of an LPTV station must be classified as "distant" since the distinction between "local" and "distant" signals is frozen as of April 15, 1976 and LPTV stations have never been accorded "must-carry" status. Representatives of LPTV stations and cable system operators argued for a contrary interpretation of the Act. They argued that the Copyright Act's reference to the Federal Communications Commission's April 15, 1976 "must-carry" rules as the demarcation between "local" and "distant" signals was fundamentally based on geographic considerations, and the FCC's rules merely provided a convenient method of describing the geographic limits of local signals. Some members of the public advanced an alternative argument for classifying LPTV signals as "local." They asserted that LPTV stations should be viewed as "deregulated translator stations." Translator stations did exist an April 15, 1976 and were covered by the "must-carry" rules.

After reviewing the Copyright Act and its legislative history in connection with the divergent views expressed on the public record, including your letter of October 1, 1984, the Copyright Office has concluded that the status of low power television signals under the cable compulsory license is ambiguous. Accordingly, in examing cable Statements of Account, the Copyright Office will not question the determination by a cable system that a low power station's signal is "local" within an area approximating the normal coverage zone of such station.

A Notice of this policy decision was published in the Federal Register on November 28, 1984 at volume 49, pages 46829-31. A photocopy of the Notice is enclosed.

In your letter of October 1, 1984, you expressed the intention to clarify any ambiguity in the law by a technical amendment of the Copyright Act. The Copyright Office recommends such an amendment. We would be pleased to submit draft language, at your request.

Sincerely yours,

DOROTHY SCHRADER,
General Counsel.●

By Mr. STEVENS (for himself and Mr. ROTH):

S. 1527. A bill to amend title 5, United States Code, to establish a new retirement and disability plan for Federal employees, postal employees, and Members of Congress, and for other purposes; to the Committee on Governmental Affairs.

CIVIL SERVICE PENSION REFORM ACT

Mr. STEVENS. Mr. President, today, I am introducing the Civil Service Pension Reform Act of 1985. Joining with me is the distinguished chairman of the Senate Governmental Affairs Committee, Senator ROTH. This bill establishes a new retirement program for the Federal Government. It is applicable to all Federal and postal employees and Members of Congress who began service after December 1983 and to any other employee who opts to join this plan.

Enactment of the Social Security Act Amendments of 1983 precipitated the need for a new Federal retirement program. Prior to the bill's enactment, Federal employees were not covered by Social Security but instead participated in the civil service retirement system or other related Federal retirement plans. The Social Security amendments brought Federal employees hired after December 1983, under the Social Security system, thus necessitating a change in the Federal retirement laws to coordinate the systems.

Later in 1983 another bill passed to alleviate the burden of dual contributions new Federal employees would have to pay once the Social Security amendments went into effect. This temporary reduction of retirement contributions will expire upon the enactment of a new Federal retirement program or January 1986, whichever is earlier. This legislation was enacted to provide time to design a well-thought-out and permanent new retirement program.

The plan, introduced today, consists of three tiers. The first tier is Social Security. The second is a defined benefit plan, similar to but less generous than the current retirement system. The third tier is an optional thrift plan accompanied by certain tax advantages.

It was our intention to design a plan that would parallel private sector plans where possible. This three-tier approach is very common in private industry.

Because of our desire to parallel private industry, the overall value and cost of this plan is approximately 17-percent less than the current system. This would put the plan on par with better than average private plans. The Government has a certain responsibility toward its own workers and to the rest of the Nation to design a model retirement plan which provides good benefits while restraining the cost. According to experts, the ideal retirement plan provides benefits that will maintain the standard of living of a career employee into retirement. This, in effect, means replacing a low-income worker's earnings at about 70 percent to 80 percent and a high-income worker around 60 percent. This plan accomplishes that task.

The plan is also designed with several classes of employees in mind, including short career workers, age 55 and 30-year workers and long career workers. The current retirement system primarily benefits the middle category of employees retiring at earliest eligibility. This plan offers greatest benefits to the long career worker but also provides retirement alternatives for employees seeking more flexibility. For example, under this plan employees could retire at 55 with 10 years of service, an option which may be particularly beneficial for female workers.

The current retirement program severely penalizes the employee who leaves prior to retirement eligibility. This individual may receive back his or her own retirement contributions at little or no interest or may leave the contributions in the system to receive a significantly diminished benefit as a result of intervening years of inflation. The new plan resolves two-thirds of this problem.

First, the Social Security benefit is almost fully portable. Second, upon separation from Government, an employee may withdraw his or her thrift plan account and roll it over into an IRA, thus never losing the value of that part of the plan. We feel it is important to remove obstacles from mobility in and out of the Federal sector. Both the Government and the private sector can benefit by increased mobility. By introducing portable retirement benefits into the Federal system, far more flexibility in transferring from the Federal and non-Federal sectors will ensue.

As mentioned previously the current retirement system provides very generous benefits for the age 55-60 retiree with 30 years of service. According to the Office of Personnel Management, more Federal employees retire at age 55 than at any other individual age. While prevailing practice in private industry permits retirement at age 55, private plans generally gear their benefit structures toward age 62 retirements. Therefore, an annuity receivable before age 62 is usually reduced by 2 percent to 6 percent for each year under 62. Not only does the cost of a retirement plan for earlier retirement rise dramatically, but for the purposes of the Federal Government the question must be asked, "Is it wise to retire workers with many years of experience who by and large will be reemployed in the private sector?" Our answer to that question is no. The best plan is to reward workers who make the Government a full career and to remove obstacles from employee mobility. The Government should not be burdened by excessive costs to reward those who continue in the national work force for another 10 years.

Thus, this plan provides retirement benefits to an age 55 employee with 30

years of service that are less generous than the current program. On the other hand, an employee who works until age 62 or beyond in this system will fare better than an employee who retires at the same age in the current program.

The most unique aspect of this plan is the third tier, a tax deferred thrift plan with options for private investment. For the first time, Federal employees will enjoy a program widely available in private industry. Voluntary employee contributions will be matched by their employing agencies and transferred to individual employee accounts with an investment board. This board will grant at least three general investment options for employees. Employees, once a year, will direct their moneys into one of these general investment categories. The contributions and their earnings are available to an employee upon retirement in the form of a lump sum or an annuity or may be rolled over into an employee's IRA upon separation from Government prior to retirement.

This new feature provides a host of benefits for employees. First, it involves employees in their own retirement planning. Employees will decide whether setting aside additional moneys and how much for retirement is desirable. Employees will also direct their investments to conform with their expected needs during retirement.

Second, it grants employees flexibility for career planning, knowing that the money can be rolled over into an IRA upon separation from Government. Third, private investments ensure employees have the widest possible choices for good investment returns. Fourth, employee contributions are tax deferred, thus alleviating the burden on disposable income by participating in the plan.

Mr. President, this plan is fairly complex and is the result of 4 years of work. I will ask a sectional analysis of the bill be inserted at the end of my remarks, but I first want to outline some additional rationale for various provisions of the bill.

As I mentioned previously, Social Security is the first tier. Everyone who participates in this plan will be covered by Social Security. The second tier is a defined benefit plan in which 1 percent of an employee's high 5 years of salary is multiplied by the employee's years of service. To receive an unreduced annuity an employee must be 62 with 5 years of service. Receipt of a reduced annuity, 2 percent for each year under age 62, is available to an employee at age 55 with 30 years of service, or 5 percent for each year under age 62 for an employee at age 55 with 10 years of service but less than 30.

Determination of the accrual rate was a result of finding the amount necessary to provide a good retirement benefit at age 62 when combined with Social Security and a reasonable level of participation in the thrift plan while holding the cost down to comparable levels of good private plans.

Age 62 retirement is the normal retirement age for plans in private industry. It is also the earliest age of eligibility for Social Security benefits.

The plan deviates from private practice in that it is not explicitly integrated with Social Security. Generally, plans offset a portion of the Social Security benefit in order to provide overall retirement income equally distributed to all salary levels. Social Security redistributes income to lower wage earners. Thus, most private plans redistribute the pension benefit in the other direction to compensate for the Social Security tilt.

This plan does not attempt to redistribute retirement income in such a manner and preserves the Social Security tilt in favor of lower income workers. Given the size and nature of the Federal Retirement Program, the add-on approach is a less complex and more manageable system. Besides, a levelling of replacement of preretirement salaries should occur with the expected more extensive usage of the thrift plan by higher income employees. While participation in the thrift plan is expected by all income levels, a greater percentage of high income employees and a greater percentage of salaries of high income employees should utilize the plan's provisions. In so doing the tilt in overall retirement income will level off. With the add-on approach, lower-income workers will not find it necessary to contribute substantially to the thrift plan to provide good retirement benefits.

Similar to the current system, the new plan establishes a few special retirement classes. Unlike the current system, however, the new plan does not include Members of Congress or congressional staff in the special classes. Instead, they are treated in the same manner as the rest of the work force.

The special retirement classes include law enforcement personnel, firefighters, and air traffic controllers. They will be eligible to retire after 25 years of service at any age, but retirement benefits drawn before age 55 will be reduced by 5 percent a year under age 55.

The thrift plan, a very common feature in private plans, will now be available to Federal employees. The thrift plan complements the defined benefit plan, encourages maximum participation and flexibility throughout the work force, prevents governmental absorption of potential liabilities from cost-of-living features inherent in defined benefit plans, and increases employees' involvement as much as possible in their own retirement planning.

Availability of thrift plan moneys upon separation is slightly more restrictive than in most private plans. Because the thrift plan is an integral part of the new plan's retirement income policy, lump sum withdrawals prior to retirement are prohibited except for hardship loans. Thus, it is intended the thrift account be used for retirement purposes solely. However, to promote portability of benefits, rollover of accounts into an IRA or a subsequent employer plan without tax consequences are permitted.

The defined benefit part of the new plan provides for automatic cost-of-living adjustments equal to the Consumer Price Index minus 2 percentage points. Automatic cost-of-living adjustments are critical to maintaining the real income level of retirement income. However, such adjustments are the single most costly feature of a retirement plan. This plan still protects beneficiaries from the ravages of inflation while limiting the cost. Besides, Social Security currently is fully indexed to inflation and will make up a large part of the total benefit. Private plans rarely provide automatic cost-of-living adjustments. Instead, increases are made on an ad hoc basis.

This plan requires full funding. The thrift plan is fully funded by its very nature. For the defined benefit plan, agencies are required to contribute to the retirement fund the full cost of their employees. Any portion of the plan found to be underfunded will trigger amortized payments from the Treasury over a 30-year period. This funding scenario will make it comparable to Federal requirements of private plans.

Thrift plan moneys will be contributed to a new fund. Contributions to the defined benefit plan will be directed into the civil service retirement fund. This will maintain funding continuity with the current civil service retirement system.

For investment of thrift plan contributions, employees may choose from among the three following investment funds at a minimum—a Government securities investment fund, a guaranteed income investment fund, and a common stock index investment fund. Thrift plan moneys will gradually be available for private investment. To ensure maximum rates of return on contributions and to thus maintain projected retirement income, private investment is necessary.

Historically, rates of return on Federal securities lag far behind returns on corporate bonds and common stocks. All State and local government plans and private plans invest their moneys outside of their own entities. While private plans are required to invest outside of their own companies, State and local governments are not. All of these entities have determined

that the increased risk of outside investments has been worth it when cost factors and benefit amounts have been considered. Additionally, the few Federal entities that maintain thrift plans, for example, the Federal Reserve Board and the Tennessee Valley Authority, invest in the private markets.

In order to minimize the impact on the Federal budget and the private markets, moneys are phased into private investments, at a rate of 20 percent a year after the first year for employee contributions and 20 percent a year after the sixth year for employer contributions. After the 10th year all new moneys contributed to the thrift plan will be available for outside investment.

The new plan provides an option for current employees to join with the employee retaining credit in the old system and in effect starting anew in the new system. His years of service in both systems count toward an eligibility to retire in both, and his highest years of salary in his career count toward the salary base in both systems. Prior Federal service does not entitle an employee to retroactive Social Security credit.

A thrift Investment Board will be established as an off budget agency to manage the thrift plan. It will be composed of five members: the Chairman of the Federal Reserve Board, the Secretary of the Treasury, the Director of OPM, and two representatives of Federal employee organizations appointed by the President. The Board will appoint an Executive Director who will be responsible for running the agency and directing the investments. The Board will not make any direct investment, but instead contract with investment firms to accomplish the task. The Board may establish other categories for investments in addition to the Government securities, fixed income, and common stock index investment funds specifically provided for in this plan. Except for the 2 years when the agency will receive Federal appropriations, the agency will be funded through a portion of investment returns.

Disability benefits differ according to eligibility for Social Security benefits. Vesting in either case is 18 months. If one is eligible for Social Security disability benefits or is ineligible only as a result of insufficient quarters of coverage, the employee is guaranteed 60 percent of his average salary totally offset by the receipt of Social Security benefits until reaching age 62. If the employee, as a result of nonwork related illness or injury, is no longer qualified for his position or another similar position, but is ineligible for Social Security benefits, he is entitled to a civil service disabilty benefit. This benefit provides 60 percent of his average pay in the first year after entitlement to disability benefits and 40 percent of his average salary in subsequent years until the employee recovers or reaches age 55.

Disability benefits are provided through a long term disability insurance plan purchased by the Government and administered by a third party. Using this approach to provide generous benefits for total disability and limited benefits for occupational disability is common in private industry. These benefits do not include the added amount available through an employee's thrift plan.

Preretirement survivor benefits are payable to a spouse of a deceased employee who had 5 years of service. If the deceased employee was eligible to retire, the survivor gets 50 percent of the accrued annuity with applicable early retirement reductions plus Social Security. If the deceased employee was ineligible to retire, the survivor will receive 50 percent of the deceased employee's accrued annuity at the point the employee would have been eligible to retire. In addition, the survivor receives a noncontributory amount of life insurance equal to the basic contributory amount available under current law through Federal Employees Group Life Insurance.

Post retirement survivor benefits follow the same policy as long as such benefits are not waived. Those eligible will receive 50 percent of the annuity, in addition to any Social Security benefits payable.

Mr. President, hearings on this legislation have been scheduled before the Senate Governmental Affairs Committee on September 9, 10, and 11.

Mr. President, I ask unanimous consent that the bill, a sectional analysis, and a Congressional Research Service cost and benefit analysis be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1527

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That this Act may be cited as the "Civil Service Pension Reform Act of 1985".

PURPOSES

SEC. 2. The purposes of this Act are—

(1) to provide Federal employees with a retirement benefits plan which is comparable to good private sector retirement benefits plans;

(2) to promote financial stability and flexibility for the future of each Federal employee;

(3) to ensure a fully funded and financially sound Federal Government retirement benefits plan;

(4) to enhance portability of retirement assets between Federal jobs and jobs outside the Federal Government;

(5) to increase the options of each Federal employee with respect to retirement benefits plans;

(6) to encourage Federal employees to increase personal savings for retirement;

(7) to include Federal employees in the investment decisionmaking process with respect to the assets of the retirement system; and

(8) to extend financial protection from disability to additional Federal employees and to increase such protection for eligible Federal employees.

TITLE I—CIVIL SERVICE PENSION SYSTEM

ESTABLISHMENT

SEC. 101. (a) Title 5, United States Code, is amended by inserting after chapter 83 the following new chapter:

"CHAPTER 84—CIVIL SERVICE PENSION SYSTEM

"SUBCHAPTER I—DEFINITIONS; CIVIL SERVICE PENSION SYSTEM

"Sec.
"8401. Definitions.
"8402. Civil Service Pension System; participation.
"8403. Relationship to the Social Security Act.

"SUBCHAPTER II—BASIC PLAN

"8411. Entitlement to immediate retirement.
"8412. Entitlement to deferred retirement.
"8413. Computation of annuity.
"8414. Reduction for early retirement.
"8415. Reduction for survivor annuities.
"8416. Methods of payments.
"8417. Level benefits option.
"8418. Funding.
"8419. Funding of annuity attributable to military service.

"SUBCHAPTER III—THRIFT SAVINGS PLAN

"8421. Contributions.
"8422. Vesting.
"8423. Entitlement and elections relating to entitlement.
"8424. Annuities: methods of payment; election; and computation.
"8425. Administrative provisions relating to payments and elections.
"8426. Thrift Savings Fund.
"8427. Investment of Thrift Savings Fund.
"8428. Accounting.

"SUBCHAPTER IV—SURVIVOR BENEFITS

"8431. Basic plan spousal benefits relating to the death of a participant or former participant other than an annuitant.
"8432. Basic plan spousal and insurable interest benefits relating to the death of an annuitant.
"8433. Survivor benefits under the thrift savings plan.
"8434. Basic and thrift savings plan survivor benefits relating to marriage after commencement of an annuity.
"8435. Survivor benefits for former spouses: entitlements; amount.
"8436. Survivor benefits for former spouses: elections, deposits and collections, and administrative provisions.
"8437. Termination of entitlement.
"8438. Deposits to the Fund.

"SUBCHAPTER V—DISABILITY BENEFITS

"8441. Definitions.
"8442. Entitlement.
"8443. Computation of benefits.
"8444. Application.
"8445. Medical examinations.
"8446. Offers of alternative employment.
"8447. Recovery or restoration of earning capacity.
"8448. Relationship to workers' compensation.
"8449. Military reserve technicians.
"8450. Administrative provisions.

"8451. Annual accounting; special contingency reserve.
"8452. Federal Employees' Disability Insurance Fund.
"SUBCHAPTER VI—GENERAL AND ADMINISTRATIVE PROVISIONS
"8461. Authority of the Office of Personnel Management.
"8462. Cost-of-living adjustment in basic plan annuities and survivor annuities.
"8463. Rate of benefits.
"8464. Commencement and termination of annuities.
"8465. Waiver, allotment, and assignment of benefits.
"8466. Application for benefits.
"8467. Court orders.
"8468. Annuities and pay on reemployment.
"SUBCHAPTER VII—TRANSITION PROVISIONS
"8471. Treatment of certain individuals subject to the Civil Service Retirement and Disability System.
"8472. Special rules for participants retaining entitlement in the Civil Service Retirement and Disability System.
"8473. Participants subject to the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983.
"8474. Reemployed annuitants under the Civil Service Retirement and Disability System.
"8475. Exemption from certain offset provisions of the Social Security Act.
"8476. Regulations.
"SUBCHAPTER VIII—CIVIL SERVICE THRIFT INVESTMENT MANAGEMENT SYSTEM
"8491. Civil Service Thrift Investment Board.
"8492. Civil Service Thrift Advisory Committee.
"8493. Executive Director.
"8494. Investment policy.
"8495. Administrative provisions.
"8496. Fiduciary responsibilities; liability and penalty.

"SUBCHAPTER I—DEFINITIONS; CIVIL SERVICE PENSION SYSTEM

"§ 8401. Definitions

"Except as otherwise provided in this chapter, for the purposes of this chapter—

"(1) the term 'account', when used with respect to a participant or annuitant, means an account established and maintained under section 8428(a) of this title;

"(2) the term 'annuitant' means a former participant who is entitled to an annuity under this chapter and who has applied under this chapter for the payment of the annuity to commence;

"(3) the term 'average pay', when used with respect to a participant, means the largest annual rate resulting from averaging the participant's rates of basic pay in effect over any 5 consecutive years of creditable service or, in the case of an annuity under this chapter based on service of less than 5 years, over the total service, with each rate weighted by the period it was in effect;

"(4) the term 'basic pay', when used with respect to a participant—

"(A) means the lesser of—

"(i) the basic pay of the participant established pursuant to law, without regard to any provision of law (except sections 5308 and 5382(b) of this title) limiting the rate of pay actually payable in any pay period (including any provision of law restricting the use of appropriated funds); or

"(ii) the rate of basic pay payable for level I of the Executive Schedule; and

"(B) includes the items described in subparagraphs (A) through (D) of paragraph (3) of section 8331 of this title and does not include the items excluded by such paragraph;

"(5) the term 'Board' means the Civil Service Thrift Investment Board established by section 8491(a) of this title;

"(6) the term 'Civil Service Retirement and Disability Fund' means the Civil Service Retirement and Disability Fund referred to in section 8348 of this title;

"(7) the term 'court', when used with respect to a judgment, decree, order, or other judicial action, means any court of the United States, a State, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States, or any Indian court, having jurisdiction to issue such judgment, decree, or order or to take such other judicial action;

"(8) the term 'Director' means the Director of the Office of Personnel Management;

"(9) the term 'dynamic assumptions' means economic assumptions that are used in determining actuarial costs and liabilities of a retirement system and in anticipating the effects of long-term future—

"(A) investment yields,

"(B) increases in rates of basic pay, and

"(C) rates of price inflation;

"(10) the term 'earnings', when used with respect to the Thrift Savings Fund, means the amount of the gain realized or yield received from the investment of sums in such fund;

"(11) the term 'eligible former spouse', when used with respect to a participant or former participant, means a former spouse of the participant or former participant who was married to the participant or former participant for at least 9 months;

"(12) the term 'employee' means—

"(A) each individual referred to in subparagraphs (A), (E), (F), (H), (I), and (J) of section 8331(1) of this title, including an employee of the United States Park Police and an employee of the United States Secret Service; and

"(B) a Congressional employee as defined in section 2107 of this title, including a temporary Congressional employee;

any of whose service after December 31, 1983, is employment for the purposes of title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954, except that such term does not include any individual referred to in clause (i), (ii), (v), (vi), or (ix) of paragraph (1) of section 8331 of this title or in the undesignated material after clause (ix) of such paragraph, any individual excluded under section 8402(b)(2) of this title, or any individual who was subject to subchapter III of chapter 83 of this title on December 31, 1983, and has not commenced participation in the System pursuant to section 8471 of this title;

"(13) the term 'Executive Director' means the Executive Director appointed under section 8493(a)(1) of this title;

"(14) the term 'firefighter' means an employee the duties of whose position—

"(A) are primarily to perform work directly connected with the control and extinguishment of fires; and

"(B) are sufficiently rigorous that employment opportunities are required to be limited to young and physically vigorous individuals, as determined by the Director considering the recommendation of the employing agency;

"(15) the term 'Fund' means the Civil Service Retirement and Disability Fund;

"(16) the term 'Government' means the Federal Government and Gallaudet College;

"(17) the term 'law enforcement officer' means an employee, the duties of whose position—

"(A) are primarily (i) the investigation, apprehension, or detention of individuals suspected or convicted of offenses against the criminal laws of the United States, or (ii) the protection of officials of the United States against threats to personal safety; and

"(B) are sufficiently rigorous that employment opportunities are required to be limited to young and physically vigorous individuals, as determined by the Director considering the recommendation of the employing agency;

"(18) the term 'loss', when used with respect to the Thrift Savings Fund, means the amount of the loss realized from the investment of sums in such fund;

"(19) the term 'lump-sum credit' has the same meaning as provided by section 8331(8) of this title;

"(20) the term 'Member' has the same meaning as provided in section 2106 of this title, except that such term does not include a person who (A) was a Member of Congress on December 31, 1983, and (B) has not commenced participation in the System pursuant to section 8471 of this title;

"(21) the term 'military reserve technician' means a member of one of the reserve components of the Armed Forces specified in section 261(a) of title 10 who—

"(A) is assigned to a civilian position as a technician in the administration and training of such reserve components or in the maintenance and repair of supplies issued to such reserve components; and

"(B) as a condition of employment in such position, is required to be a member of one of such reserve components serving in a specified military grade;

"(22) the term 'net earnings' means the excess of earnings over losses;

"(23) the term 'net losses' means the excess of losses over earnings;

"(24) the term 'normal cost' means the entry-age normal cost of the provisions of the System which relate to the Fund, computed by the Office in accordance with generally accepted actuarial practice and standards (using dynamic assumptions) and expressed as a level percentage of aggregate basic pay;

"(25) the term 'Office' means the Office of Personnel Management;

"(26) the term 'participant' means an employee or Member or a person who is receiving disability benefits under subchapter V of this chapter;

"(27) the term 'price index' has the same meaning as provided in section 8331(15) of this title;

"(28) the term 'service', when used with respect to a participant or former participant, means—

"(A) employment as a participant;

"(B) subject to section 8419(a) of this title, military service as provided in section 8332(c) of this title; and

"(C) service that is creditable under subchapter III of chapter 83 of this title, but only to the extent provided in section 8472(a) of this title;

"(29) the term 'supplemental liability' means the estimated excess of—

"(A) the actuarial present value of all future benefits payable from the Fund under this chapter, over

"(B) the sum of—

"(i) the actuarial present value of the future contributions to be made on behalf

of participants pursuant to section 8418(a) of this title; and

"(ii) the balance in the Fund attributable to the System on the date the supplemental liability is determined; and

"(30) the term 'System' means the Civil Service Pension System described in section 8402(a) of this title.

"§ 8402. Civil Service Pension System; participation

"(a) The provisions of this chapter comprise the Civil Service Pension System.

"(b)(1) Except as provided in paragraph (2) of this subsection, each employee and Member shall be a participant in the System.

"(2)(A) The Office may exclude from the operation of this chapter an employee or group of employees in or under an Executive agency whose employment is temporary or intermittent, except an employee whose employment is part-time career employment (as defined in section 3401(2) of this title).

"(B) The Architect of the Capitol may exclude from the operation of this chapter an employee under the Office of the Architect of the Capitol whose employment is temporary or of uncertain duration.

"(C) The Librarian of Congress may exclude from the operation of this chapter an employee under the Library of Congress whose employment is temporary or of uncertain duration.

"§ 8403. Relationship to the Social Security Act

"Except as otherwise provided in this chapter, the benefits payable under the System are in addition to the benefits payable under the Social Security Act.

"SUBCHAPTER II—BASIC PLAN

"§ 8411. Entitlement to immediate retirement

"(a) An employee or a Member who is separated from Government employment after becoming 55 years of age and completing 10 years of service is entitled to an immediate annuity.

"(b) An employee or a Member who is separated from Government employment after becoming 62 years of age and completing 5 years of service is entitled to an immediate annuity.

"(c) An employee who is separated from Government employment after completing 25 years of service as a law enforcement officer or firefighter, or any combination of such service totaling at least 25 years, is entitled to an immediate annuity.

"(d) An employee who is separated from Government employment after completing 25 years as an air traffic controller is entitled to an immediate annuity.

"(e)(1) Except as provided in paragraphs (2) and (3) of this subsection, any employee who has completed 25 years of service, or is not less than 50 years of age and has completed 20 years of service, and who—

"(A) is separated from Government employment involuntarily, except by removal for cause on charges of misconduct or delinquency, or

"(B) while serving in a geographic area designated by the Director, is voluntarily separated from Government employment during a period that (as determined by the Director)—

"(i) the agency in which the employee is serving is undergoing a major reorganization, a major reduction in force, or a major transfer of function, and

"(ii) a significant percentage of the total number of employees serving in such agency will be separated or subject to an immediate reduction in the rate of basic pay (without regard to subchapter VI of chapter 53 of this title or comparable provisions),

is entitled to an immediate annuity.

"(2) An employee described in paragraph (1)(A) of this subsection is not entitled to an annuity under this subsection if the employee has declined a reasonable offer of another position in the employee's agency for which the employee is qualified and the offered position is not lower than 2 grades or pay levels below the employee's grade or pay level and is within the employee's commuting area.

"(3) Paragraph (1) of this subsection shall not apply to a firefighter, law enforcement officer, or air traffic controller who has completed 25 years of service.

"(f) An annuity authorized by this section is computed under sections 8413 through 8415 of this title.

"§ 8412. Entitlement to deferred retirement

"(a) A participant who is under 55 years of age and separates from Government employment after completing 10 years of service is entitled to an annuity to commence on or after the date the participant becomes 55 years of age but not later than the date the participant becomes 62 years of age, as elected by the participant under rules prescribed by the Office.

"(b) A participant who is under 62 years of age and separates from Government employment after completing 5 years of service and before completing 10 years of service is entitled to an annuity to commence on the date the participant becomes 62 years of age.

"(c) An annuity authorized by this section is computed under sections 8413 through 8415 of this title.

"§ 8413. Computation of annuity

"(a)(1) Except as provided in section 8414 or 8415 of this title, the amount of the annuity an annuitant is entitled to receive under this subchapter shall be equal to the product of 1 percent of the former participant's average pay (while serving as an employee or Member) multiplied by the participant's total service.

"(2) For the purposes of computing the amount of an annuity under paragraph (1) of this subsection, the total service of a participant who separates from Government employment entitled to an immediate annuity or who dies leaving a survivor or survivors entitled to a survivor annuity under this chapter includes days of unused sick leave credited to the participant under a formal leave system to the same extent that unused sick leave is credited in computing an annuity of a person who is subject to subchapter III of chapter 83 of this title, as provided in section 8339(m) of this title.

"(b)(1) A former participant who is entitled to receive an annuity under subsection (c) or (d) of section 8411 of this title and is at least 55 years of age and not more than 62 years of age shall be entitled to receive an annuity supplement, in addition to the amount of the annuity computed under subsection (a) of this section, while the former participant is under 62 years of age.

"(2) The amount of the annuity supplement payable to a former participant under paragraph (1) of this subsection shall be equal to the estimated amount of the benefits that—

"(A) the former participant would be entitled to receive under title II of the Social Security Act if the participant were 62 years of age on the date the annuity referred to in such paragraph commences; and

"(B) is attributable to service referred to in section 8411(c) or 8411(d) of this title, as the case may be,

computed on the date such annuity commences and increased as provided in paragraph (3) of this subsection.

"(3) Effective on January 1 of each year, the amount of the annuity supplement payable to a former participant under this subsection shall be increased by the percentage increase, if any, in the SSA average wage index (as defined in section 215(i)(1)(G) of the Social Security Act) published for November of the preceding year over such index published for November of the next preceding year.

"(c) In computing under this section the annuity of an individual who has performed service on less than a full-time basis, such service shall be credited on a proportional basis equal to the fraction that such service is of full-time service, and the annual rate of basic pay that would be payable for full-time service in the position shall be deemed to be the rate of basic pay.

"§ 8414. Reduction for early retirement

"The annuity computed under section 8413(a) of this title (without regard to this section or section 8415 of this title)—

"(1) for an annuitant, other than an annuitant referred to in paragraph (2) or (3) of this section, who is under 62 years of age on the date on which the annuitant's annuity commences shall be reduced by one-sixth of 1 percent for each month that the annuitant is under such age on such date;

"(2) for an annuitant, other than an annuitant entitled to an immediate annuity under section 8411(e) of this title and an annuitant referred to in paragraph (3) of this subsection, who is at least 55 years of age and is under 62 years of age on the date on which the annuitant's annuity commences and has not completed 30 years of service shall be reduced by five-twelfths of 1 percent for each month that the annuitant is under 62 years of age on such date; and

"(3) for an annuitant who is entitled to an immediate annuity under subsection (c) or (d) of section 8411 of this title or who separated from Government employment as a military reserve technician shall be reduced by five-twelfths of 1 percent for each month that the annuitant is under 55 years of age on the date on which the annuitant's annuity commences.

"§ 8415. Reduction for survivor annuities

"(a) The annuity of an annuitant computed under section 8413 of this title and, if appropriate, under section 8414 of this title shall be reduced by an estimated amount such that the actuarial present value of the retirement benefits expected to be payable to the annuitant under this subchapter and all survivor benefits expected to be payable out of the Fund with respect to the annuitant is equal to the actuarial present value of the retirement benefits that would be expected to be payable under this subchapter to the annuitant pursuant to the method referred to in section 8416(a)(2)(A) of this title, as determined under regulations prescribed by the Office.

"(b) A reduction in the annuity of an annuitant pursuant to subsection (a) of this section shall be adjusted, as appropriate to carry out such subsection, to reflect any change in circumstances relating to entitlement to a survivor annuity, including any election made pursuant to section 8434(a), 8436(b), or 8436(c) of this title.

"§ 8416. Methods of Payment

"(a)(1) The Office shall prescribe methods of payment of annuities under this subchapter.

"(2) The methods of payment prescribed under paragraph (1) of this subsection shall include, but not be limited to—

"(A) a method which provides for the payment of a monthly annuity only to an annuitant during the life of the annuitant;

"(B) a method which provides for the payment of a monthly annuity to an annuitant and a monthly survivor annuity equal to 50 percent of the annuitant's annuity on the date of the annuitant's death (computed without regard to an election under section 8417(a) of this title) to the annuitant's surviving spouse, if any; and

"(C) a method which provides for the payment of a monthly annuity to an annuitant and a monthly survivor annuity equal to 50 percent of the annuitant's annuity on the date of the annuitant's death (computed without regard to an election under section 8417(a) of this title) to an individual who is designated by the annuitant and who has an insurable interest in the annuitant.

"(b)(1) Subject to paragraphs (2) and (3) of this subsection—

"(A) under such regulations as the Office shall prescribe, a participant or former participant who is applying for an annuity under this subchapter to commence shall elect one of the methods of payment prescribed by the Office under subsection (a) of this section; and

"(B) the annuity of an annuitant under this subchapter shall be paid in accordance with the method of payment elected by the annuitant pursuant to subparagraph (A) of this paragraph.

"(2)(A) A participant or former participant who is married on the date on which the participant or former participant applies for an annuity under this subchapter to commence may elect a method of payment other than the method described in subsection (a)(2)(B) of this section only if the participant or former participant and the spouse of the participant or former participant jointly waive a survivor annuity under the method described in such subsection (a)(2)(B).

"(B) A waiver shall not be effective for the purpose of subparagraph (A) of this paragraph unless the waiver is made in writing, is notarized, and is filed with the Office on or before the date the annuity to which the waiver relates commences.

"(C) A waiver made in accordance with this paragraph shall be irrevocable.

"(3) In the case of an annuitant who is subject to paragraph (2)(A) of this subsection and fails to make an election under paragraph (1) of this subsection, an annuity and survivor annuity shall be paid under the method of payment described in subsection (a)(2)(B) of this section.

"(4) A participant or former participant may elect the method prescribed under subsection (a)(2)(C) of this section only if the participant or former participant is in good health on the date the election is made, as determined by the Office.

"§ 8417. Level benefits option

"(a) Under regulations prescribed by the Office, an annuity payable under this subchapter to a participant who is separating from Government employment entitled to an immediate annuity under subsection (a) of section 8411 of this title and is less than 62 years of age may be adjusted as provided in subsection (b) of this section, if elected by the participant on or before the date of separation.

"(b)(1) Subject to paragraph (2) of this subsection, an annuity payable under this subchapter to an annuitant who has made an election authorized by subsection (a) of this section may be increased during the period the annuitant is not less than 55 years of age and is less than 62 years of age and may be reduced on and after the date the annuitant is not less than 62 years of age as appropriate to provide the annuitant an annuity under this subchapter, during each month of such period, in an amount which approximately equals the total amount of the monthly benefits payable to the annuitant under this subchapter and section 202(a) of the Social Security Act after such date.

"(2) The actuarial present value of the benefits expected to be paid under this subchapter to the annuitant as provided in paragraph (1) of this subsection on and after the date the annuitant becomes 55 years of age may not exceed the actuarial present value of the benefits that would be expected to be paid under this subchapter to such participant on and after such date if the adjustments authorized by such paragraph were not made, as determined under regulations prescribed by the Office.

"§ 8418. Funding

"(a)(1) Each agency of the Government employing a participant shall contribute to the Fund an amount equal to the sum of—

"(A) the normal cost, as determined by the Office, of (i) each participant who is employed by the agency, and (ii) each disabled participant who is entitled to benefits under section 8442(a) of this title and was employed by the agency on the date the participant became disabled (computed using average pay as increased in accordance with section 8442(b)(2)(C) of this title); and

"(B) the normal cost, as determined by the Office, of the annuity supplement under section 8413(b) of this title for each law enforcement officer, firefighter, and air traffic controller who is employed by the agency.

"(2) The contribution required by paragraph (1) of this subsection to be made by an agency shall be made from the appropriation or fund used to pay the agency's participants, or, in the case of an elected participant, from an appropriation or fund available for payment of other salaries of the office or establishment of the participant. In the case of a participant in the legislative branch who is paid by the Clerk of the House of Representatives, contributions for the benefit of such participant shall be paid from the contingent fund of the House of Representatives.

"(b)(1) The Office shall compute—

"(A) the amount of the supplemental liability of the Fund relating to participants and annuitants other than participants and annuitants referred to in subparagraph (B) of this paragraph, and

"(B) the amount of the supplemental liability of the Fund relating to participants and annuitants who are active or retired officers or employees of the United States Postal Service,

as of the close of each fiscal year beginning after September 30, 1987.

"(2) The amounts of any supplemental liability—

"(A) computed pursuant to paragraph (1)(A) of this subsection with respect to participants and annuitants referred to in such paragraph (1)(A) of this subsection, and

"(B) computed pursuant to paragraph (1)(B) of this subsection with respect to participants and annuitants referred to in such paragraph (1)(B),

shall each be amortized in thirty annual installments.

"(3) At the end of each fiscal year, the Office shall notify—

"(A) the Secretary of the Treasury of the amount of the annual installment computed under paragraph (2)(A) of this subsection for such fiscal year, and

"(B) the Postmaster General of the United States of the amount of the annual installment computed pursuant to paragraph (2)(B) of this subsection for such fiscal year.

"(4)(A) Before closing the accounts for a fiscal year, the Secretary of the Treasury shall credit the amount of the annual installment computed for such fiscal year pursuant to paragraph (2)(A) to the Fund, as a Government contribution, out of any money in the Treasury of the United States not otherwise appropriated.

"(B) Upon receiving a notice required by paragraph (3)(B) of this subsection, the United States Postal Service shall pay to the Fund the amount of the annual installment specified in the notice.

"(5) For the purpose of carrying out paragraph (1) of this subsection with respect to any fiscal year, the Office may—

"(A) require the Board of Actuaries of the Civil Service Retirement System to make actuarial determinations and valuations, make recommendations, and maintain records in the same manner as provided in section 8347(f) of this title; and

"(B) may use the latest actuarial determinations and valuations made by such Board of Actuaries.

"§ 8419. Funding of annuity attributable to military service

"(a) Except in the case of an individual making an election under section 8471(a)(1)(A) of this title, a participant's or former participant's service shall include credit for military service as provided in section 8332(c) of this title without regard to whether the participant or former participant has made a deposit covering such military service as provided in section 8334(j) of this title.

"(b) Before closing the accounts for a fiscal year, the Secretary of the Treasury shall reimburse the Fund from sums in the Department of Defense Military Retirement Fund (established by section 1461(a) of title 10), which are hereby made available to pay the reimbursement, for the normal cost relating to the creditable military service of employees and Members who became participants during such fiscal year, actuarially adjusted to the date of payment, as determined by the Office.

"(c) At the end of each fiscal year the Office shall compute the amount of the reimbursement required by subsection (b) of this section for the fiscal year and shall notify the Secretary of the Treasury of that amount.

"SUBCHAPTER III—THRIFT SAVINGS PLAN

"§ 8421. Contributions

"(a)(1) Each participant may contribute to the Thrift Savings Fund in any year an amount not exceeding 10 percent of the participant's annual rate of basic pay.

"(2) Each participant receiving disability benefits under subchapter V of this chapter may, until becoming 62 years of age (in the case of a person who is disabled within the meaning of section 8441(4)(A) of this title) or until becoming 55 years of age (in the case of a person who is disabled within the meaning of section 8441(4)(B) of this title), contribute to the Thrift Savings Fund in

any year an amount not exceeding 10 percent of the amount of the former participant's disability benefits payable under such subchapter during such year.

"(3) Any contribution under this subsection shall be made only pursuant to a program of regular contributions under regulations prescribed by the Board.

"(4) At least once each year, a participant may modify the amount contributed pursuant to paragraph (1) or (2) of this subsection, as the case may be, under regulations prescribed by the Board.

"(b) The employing agency of a participant who contributes to the Thrift Savings Fund under subsection (a) of this section for any pay period, or, in the case of a disabled participant who contributes to such fund under such subsection for any disability benefits payment period, the employing agency of the participant on the date the participant became disabled (as defined in section 8441(4) of this title), shall contribute to the Thrift Savings Fund for the benefit of such participant or disabled participant at the end of such period an amount equal to such portion of the amount of the participant's contribution as does not exceed 5 percent of the amount of the gross pay or gross disability benefits, as the case may be, payable for such period.

"(c) The sums required to be contributed to the Thrift Savings Fund by an employing agency under subsection (b) of this section for the benefit of a participant shall be paid from the appropriations or funds available to such agency to pay the basic pay of participants or, in the case of an elected participant, from an appropriation or fund available for payment of other salaries of the participant's office or establishment. In the case of a participant in the legislative branch who is paid by the Clerk of the House of Representatives, contributions for the benefit of such participant shall be paid from the contingent fund of the House of Representatives.

"(d) For purposes of the Internal Revenue Code of 1954—

"(1) any amount of the participant's pay which is contributed to the Thrift Savings Fund, and the amount of the employing agency's matching contributions, shall not be included in the gross income of the participant; and

"(2) the Thrift Savings Fund shall be treated, for purposes of determining when amounts in such Fund are included in the income of any participant, as described in section 401(a) of such Code.

"(e) Subsection (d)(1) of this section shall not be construed to provide that any amount of the participant's pay which is contributed to the Thrift Savings Fund shall not be included in the term 'wages' for purposes of section 209 of the Social Security Act or section 3121(a) of the Internal Revenue Code of 1954.

"§ 8422. Vesting

"(a)(1) A participant who separates from Government employment shall be entitled to an amount equal to—

"(A) the total amount of the contributions made under section 8421(a) of this title plus the total amount of the net earnings in the Thrift Savings Fund, or minus the total amount of the net losses, attributable to such contributions; and

"(B) the applicable percentage of the amount equal to the total amount contributed to the Thrift Savings Fund for the benefit of the participant under section 8421(b) of this title plus the total amount of the net earnings in the Thrift Savings Fund, or minus the total amount of the net losses, attributable to such contributions, as provided in subsection (b) of this section.

"(2) The amount to which a participant is entitled under paragraph (1) of this subsection shall be payable in accordance with the election made by the participant pursuant to section 8423 of this title.

"(b)(1) For the purpose of subsection (a)(1)(B) of this section, except as provided in paragraph (2) of this subsection, the applicable percentage for a participant separating from Government employment after having been a participant in the System for a period set forth under column I of the table below is the percentage set forth under column II of the table below opposite the description of such period:

"Column I	*Column II*
Period for which the participant has been a participant in the System:	Applicable percentage
Less than 1 year	
Not less than 1 year, but less than 2 years	20
Not less than 2 years, but less than 3 years	40
Not less than 3 years, but less than 4 years	60
Not less than 4 years, but less than 5 years	80
Not less than 5 years	100.

"(2) For the purposes of subsection (a)(1)(B) of this section—

"(A) the percentage applicable in the case of any participant who dies while employed by the Government shall be 100 percent; and

"(B) in the case of a participant making contributions under section 8421(a)(2) of this title, the period for which the person has been a participant in the System shall include periods for which such contributions were made.

"(c) When an election is made by a participant under section 8423(c) of this title, the amount equal to the excess of—

"(1) the sum of—

"(A) the amounts contributed to the Thrift Savings Fund with respect to the participant under section 8421 of this title; and

"(B) the net earnings in the Thrift Savings Fund attributable to such contributions, over

"(2) the amount in the Thrift Savings Fund paid or reserved for payment to or with respect to the participant pursuant to section 8423(c) of this title,

shall be transferred to the Treasury of the United States for credit to Miscellaneous Receipts.

"§ 8423. Entitlement and elections relating to entitlement

"(a) Any participant who separates from Government employment entitled to an immediate annuity under section 8411 of this title is entitled and may elect—

"(1) to receive an immediate annuity from the Thrift Savings Fund;

"(2) to defer the commencement of the payment of an annuity from the Thrift Savings Fund until such date as the participant specifies;

"(3) to withdraw, in one or more payments, the amount of the balance credited to the participant's account in the Thrift Savings Fund; or

"(4) to transfer the amount of the balance in the account to an individual retirement account or other qualified plan (within the meaning of the Internal Revenue Code of 1954) of the participant.

"(b) Any participant who separates from Government employment entitled to a deferred annuity under section 8412 of this title is entitled and may elect—

"(1) to receive an annuity from the Thrift Savings Fund to commence on the first date the participant is entitled to receive the deferred annuity;

"(2) to defer the commencement of the payment of an annuity from the Thrift Savings Fund until a date after the first date the participant is entitled to receive the deferred annuity, as specified by the participant;

"(3) to withdraw in one or more payments, on or after the first date the participant is entitled to receive the deferred annuity, the amount of the balance credited to the participant's account in the Thrift Savings Fund; or

"(4) to transfer the amount of the balance in the account to an individual retirement account or other qualified plan (within the meaning of the Internal Revenue Code of 1954) of the participant.

"(c) Any participant who separates from Government employment before becoming entitled to an annuity under section 8411 or 8412 of this title is entitled and may elect—

"(1) to receive an annuity from the Thrift Savings Fund to commence when the participant becomes 62 years of age;

"(2) to withdraw, in one or more payments, the amount computed under section 8422(a)(1) of this title, payable when the participant becomes 62 years of age; or

"(3) to transfer such amount to an individual retirement account or other qualified plan (within the meaning of the Internal Revenue Code of 1954) of the participant.

"(d)(1) Subject to paragraph (2) of this subsection, any participant making an election pursuant to subsection (a)(2) or (b)(2) of this section may modify the date specified in the election or in a previous modification under this subsection.

"(2) Any modification of an election under paragraph (1) of this subsection may not be made on or after the date specified in the election or the latest modification made under such paragraph and may not specify a date for the commencement of annuity payments earlier than one month after the date the modification is filed with the Executive Director.

"§ 8424. Annuities: methods of payment; election; and computation

"(a)(1) The Board shall prescribe methods of payment of annuities under this subchapter.

"(2) The methods of payment prescribed under paragraph (1) of this subsection shall include, but not be limited to—

"(A) a method which provides for the payment of a monthly annuity only to an annuitant during the life of the annuitant;

"(B) a method which provides for the payment of a monthly annuity to an annuitant for the joint lives of the annuitant and the spouse of the annuitant and an appropriate monthly annuity to the one of them who survives the other of them for the life of the survivor;

"(C) a method described in subparagraph (A) of this paragraph which provides annual increases in the amount of the annuity payable;

"(D) a method described in subparagraph (B) of this paragraph which provides annual increases in the amount of the annuity payable; and

"(E) a method providing for the payment of a monthly annuity—

"(i) to the annuitant for the joint lives of the annuitant and an individual, designated by the annuitant under regulations prescribed by the Board, who has an insurable interest in the annuitant; and

"(ii) to the one of them who survives the other of them for the life of the survivor.

"(b) Subject to paragraph (2) of this subsection, under such regulations as the Board shall prescribe, an annuitant electing under section 8423 of this title to receive an annuity from the Thrift Savings Fund shall elect, on or before the date on which the annuitant's annuity under this subchapter commences, one of the methods of payment prescribed by the Board under subsection (a) of this section.

"(c) The amount of an annuity payable under this subchapter pursuant to the method elected under subsection (b) of this section shall be determined on an actuarial basis under regulations prescribed by the Board.

"§ 8425. Administrative provisions relating to payments and elections

"(a) The Executive Director shall make or provide for payments and transfers in accordance with an election of a participant under section 8423 or 8424(b) of this title.

"(b) Any election under section 8423 or 8424(b) of this title shall be in writing and shall be filed with the Executive Director in accordance with regulations prescribed by the Board.

"(c) Notwithstanding any other provision of this section, an election or modification of an election under any provision of this subchapter shall not be effective if the election or modification would result in a violation of the terms of an applicable court decree of divorce, annulment, or legal separation, or the terms of any court order or court-approved property settlement agreement incident to a court decree of divorce, annulment, or legal separation, as determined by the Executive Director.

"§ 8426. Thrift Savings Fund

"(a) There is established in the Treasury of the United States a Thrift Savings Fund.

"(b) The Thrift Savings Fund consists of the sum of all amounts contributed under section 8421 of this title increased by the total net earnings from investments of sums in the Thrift Savings Fund or reduced by the total net losses from investments of the Thrift Savings Fund.

"(c) The sums in the Thrift Savings Fund are appropriated and shall remain available without fiscal year limitation—

"(1) to invest under section 8427 of this title;

"(2) to pay benefits under this subchapter;

"(3) to pay the administrative expenses of the Civil Service Thrift Investment Management System prescribed in subchapter VIII of this chapter; and

"(4) to make loans to participants as authorized under subsection (e) of this section.

"(d)(1) Except as provided in paragraph (2) of this subsection, sums in the Thrift Savings Fund are not subject to execution, levy, attachment, garnishment, or other legal process.

"(2) Moneys due or payable from the Thrift Savings Fund to any individual and, in the case of an individual who is a participant, moneys which the individual would be entitled to receive under section 8422 of this title upon separation from Government employment shall be subject to legal process for the enforcement of the individual's legal obligations to provide child support or make alimony payments as provided in section 459 of the Social Security Act (42 U.S.C. 659) or to pay any indebtedness of the individual to the United States.

"(e) The Board shall establish a program to make loans from the Thrift Savings Fund to a participant in case of financial hardship and shall prescribe regulations to carry out such program. Any such loan shall be made only out of sums contributed to the Thrift Savings Fund by the participant and net earnings attributable to such sums.

"(f) The sums in the Thrift Savings Fund shall not be appropriated and may not be used for any purpose other than the purposes specified in this section.

"§ 8427. Investment of Thrift Savings Fund

"(a) For the purposes of this section—

"(1) the term 'Common Stock Index Investment Fund' means the Common Stock Investment Fund established under subsection (b)(1)(C) of this section;

"(2) the term 'equity capital' means common and preferred stock, surplus, undivided profits, contingency reserves, and other capital reserves;

"(3) the term 'Fixed Income Investment Fund' means the Fixed Income Investment Fund established under subsection (b)(1)(B) of this section;

"(4) the term 'Government Securities Investment Fund' means the Government Securities Investment Fund established under subsection (b)(1)(A) of this section;

"(5) the term 'net worth' means capital, paid-in and contributed surplus, unassigned surplus, contingency reserves, group contingency reserves, and special reserves;

"(6) the term 'plan' means an employee benefit plan, as defined in section 3(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(3));

"(7) the term 'qualified professional asset manager' means—

"(A) a bank, as defined in section 202(a)(2) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(2)) which—

"(i) has the power to manage, acquire, or dispose of assets of a plan; and

"(ii) has, as of the last day of its latest fiscal year ending before the date of a determination for the purpose of this clause, equity capital in excess of $1,000,000;

"(B) a savings and loan association, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation, which—

"(i) has applied for and been granted trust powers to manage, acquire, or dispose of assets of a plan by a State or Government authority having supervision over savings and loan associations; and

"(ii) has, as of the last day of its latest fiscal year ending before the date of a determination for the purpose of this clause, equity capital or net worth in excess of $1,000,000;

"(C) an insurance company which—

"(i) is qualified under the laws of more than one State to manage, acquire, or dispose of any assets of a plan;

"(ii) has, as of the last day of its latest fiscal year ending before the date of a determination for the purpose of this clause, net worth in excess of $1,000,000; and

"(iii) is subject to supervision and examination by a State authority having supervision over insurance companies; or

"(D) an investment adviser registered under section 203 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3) if the investment adviser has, on the last day of its latest fiscal year ending before the date of a determination for the purpose of this subparagraph, total client assets under its management and control in excess of $50,000,000, and—

"(i) the investment adviser has, on such day, shareholder's or partner's equity in excess of $750,000; or

"(ii) payment of all of the investment adviser's liabilities, including any liabilities which may arise by reason of a breach or violation of a duty described in section 8497 of this title, is unconditionally guaranteed by—

"(I) a person who directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the investment adviser and who has, on the last day of the person's latest fiscal year ending before the date of a determination for the purpose of this clause, shareholder's or partner's equity in an amount which, when added to the amount of the shareholder's or partner's equity of the investment adviser on such day, exceeds $750,000;

"(II) a qualified professional asset manager described in subparagraph (A), (B), or (C) of this paragraph; or

"(III) a broker or dealer registered under section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78o) that has, on the last day of the broker's or dealer's latest fiscal year ending before the date of a determination for the purpose of this clause, net worth in excess of $750,000; and

"(8) the term 'shareholder's or partner's equity', when used in paragraph (7)(D) of this subsection with respect to an investment adviser or a person who is affiliated with the investment adviser in a manner described in clause (ii)(I) of such paragraph (7)(D), means the equity shown in the most recent balance sheet prepared for such investment adviser or affiliated person, in accordance with generally accepted accounting principles, within 2 years before the date on which the investment adviser's status as a qualified professional asset manager is determined for the purposes of this section.

"(b)(1) The Board shall establish—

"(A) a Government Securities Investment Fund under which sums in the Thrift Savings Fund are invested in securities of the United States Government issued as provided in subsection (g) of this section;

"(B) a Fixed Income Investment Fund under which sums in the Thrift Savings Fund are invested in insurance contracts, certificates of deposits, or other instruments or obligations which (i) are issued or selected by qualified professional asset managers, and (ii) return the amount invested and pay interest, at a specified rate or rates, on that amount during a specified period of time;

"(C) a Common Stock Index Investment Fund as provided in paragraph (2) of this subsection; and

"(D) such other investment funds as the Board determines to be appropriate for the purposes of this subchapter.

"(2)(A) The Board shall define an index which—

"(i) consists of all of the common stocks that are publicly listed and traded on one or more national securities exchanges, or

"(ii) is a commonly recognized index comprised of common stock the aggregate market value of which is at least 50 percent of the aggregate market value of all common stocks that are publicly listed and traded on one or more national securities exchanges.

"(B) The Common Stock Investment Fund shall be invested in each stock that is included in the index defined under sub-

paragraph (A) of this paragraph such that, to the extent practicable, the percentage of the Common Stock Investment Fund that is invested in that stock is the same as the percentage determined by dividing the aggregate market value of all shares of that stock by the aggregate market value of all shares of all stock included in such index.

"(c)(1) The Executive Director shall invest in the Government Securities Investment Fund the sums which are in the Thrift Savings Fund, are available for investment, and are not to be invested in an investment fund referred to in subsection (b)(1)(B), (b)(1)(C), or (b)(1)(D) of this section pursuant to an election made under subsection (d) of this section.

"(2) Except as provided in subsection (e) of this section, the Executive Director shall invest sums available in the Thrift Savings Fund for investment as provided in elections made under subsection (d) of this section.

"(d)(1) Except as provided in subsection (e) of this section, at least once each year, a participant or former participant may elect the investment funds referred to in subsection (b) of this section into which the sums in the Thrift Savings Fund credited to the account of such participant or former participant are to be invested or reinvested.

"(2) The election may be made by a participant or former participant under paragraph (1) of this subsection only in accordance with regulations prescribed by the Board and within such period after the date the participant's or former participant's annual statement is transmitted to the participant or former participant pursuant to section 8428(b) of this title as the Board shall prescribe in such regulations.

"(e)(1)(A) The Executive Director shall invest a percentage of the total amount that—

"(i) is contributed to the Thrift Savings Fund by a participant under section 8421(a) of this title during a year described under column I of the first table of minimum Government securities investments set out in subparagraph (B) of this paragraph, and

"(ii) is available for investment,

in the Government Securities Investment Fund as provided under column II of the table opposite the description of such year.

"(B) For the purposes of subparagraph (A) of this paragraph, the first table of minimum Government securities investments is as follows:

"*Column I* Year:	*Column II* Minimum percentage of the amounts contributed by a participant for each month of such year to be invested in the Government Securities Investment Fund:
1987	100
1988	80
1989	60
1990	40
1991	20.

"(2)(A) The Executive Director shall invest a percentage of the total amount that—

"(i) is contributed to the Thrift Savings Fund by the Government for the benefit of a participant pursuant to section 8421(b) of this title during a year described under column I of the second table of minimum Government securities investments set out in subparagraph (B) of this paragraph, and

"(ii) is available for investment,

in the Government Securities Investment Fund as provided under column II of the table opposite the description of such year.

"(B) For the purposes of subparagraph (A) of this paragraph, the second table of minimum Government securities investments is as follows:

"Column I Year:	*Column II* Minimum percentage of the amounts contributed for the benefit of a participant for each month of such year to be invested in the Government Securities Investment Fund:
1987-1992	100
1993	80
1994	60
1995	40
1996	20

"(3) All sums credited to the Thrift Savings Fund pursuant to section 8473(b) of this title shall be invested in the Government Securities Investment Fund.

"(4) The sums which are invested in the Government Securities Investment Fund as required by this subsection and are returned to the Thrift Savings Fund after maturity of the securities purchased with such sums, and the amounts earned on the investment of such sums, shall be reinvested in the Government Securities Investment Fund.

"(f) The Secretary of the Treasury shall issue notes under section 3103 of title 31 as appropriate to meet the investment needs of the Thrift Savings Fund under this section. The notes shall have a 2-year maturity, shall be redeemable at par, and shall bear interest at a rate equal to the average market yield, computed as of the end of the calendar month next preceding the date of the issue, of all 2-year notes then forming a part of the public debt of the United States. If the average market yield is not a multiple of 1/8 of 1 percent, the rate of interest on the obligations shall be the multiple of 1/8 of 1 percent nearest the average market yield.

"§ 8428. Accounting

"(a)(1) The Executive Director shall establish and maintain an account for each participant making contributions under section 8421(a) of this title.

"(2) The balance in the account of a participant or former participant at any time is the excess of—

"(A) the sum of—

"(i) all contributions made to the Thrift Savings Fund by the participant or former participant under section 8421(a) of this title;

"(ii) all contributions made to such fund for the benefit of the participant or former participant under section 8421(b) of this title;

"(iii) the amounts transferred to such fund with respect to the participant or former participant under section 8473(b) of this title; and

"(iv) the total amount of the allocations made to and reductions made in the account pursuant to paragraph (3) of this section, over

"(B) the amounts paid out of the Thrift Savings Fund with respect to such participant or former participant under this subchapter and subchapter IV of this title.

"(3) Pursuant to regulations prescribed by the Board, the Executive Director shall allocate to the account of each participant or former participant an amount equal to a pro rata share of the net earnings and net losses from each investment of sums in the Thrift Savings Fund attributable to sums credited to the account of such participant, reduced by an appropriate share of the administrative expenses of the Civil Service Thrift Investment Management System prescribed in subchapter VIII of this chapter, as determined by the Executive Director.

"(b) The Executive Director shall provide each participant and former participant an annual statement of the balance in the participant's or former participant's account.

"(c)(1) For the purposes of this subsection, the term 'qualified public accountant' shall have the same meaning as provided in section 103(a)(3)(D) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1024(a)(3)(D)).

"(2) The Executive Director shall annually engage, on behalf of all participants, an independent qualified public accountant, who shall conduct an examination of any accounts established under subsection (a) of this section and of other books and records maintained in the administration of this subchapter as the accountant considers necessary to enable the accountant to make the determination required by paragraph (3) of this subsection. The examination shall be conducted in accordance with generally accepted auditing standards and shall involve such tests of the accounts, books, and records as the independent qualified public accountant considers necessary.

"(3) The independent qualified public accountant conducting an examination under paragraph (2) of this subsection shall determine whether the accounts, books, and records referred to in such paragraph have been maintained in conformity with generally accepted accounting principles applied on a basis consistent with the application of such principles during the examination conducted under such paragraph during the preceding year. The accountant shall transmit to the Board a report on his examination, including his determination under this paragraph.

"(4) In making a determination under paragraph (3) of this subsection, the accountant may rely on the correctness of any actuarial matter certified by an enrolled actuary, if the accountant states his reliance in the report transmitted to the Board under such paragraph.

"SUBCHAPTER IV—SURVIVOR BENEFITS

"§ 8431. Basic plan spousal benefits relating to the death of a participant or former participant other than an annuitant

"(a)(1) If a participant dies after performing 5 or more years of service and before separating from Government employment and the participant has satisfied the age and service requirements for retirement entitled to an immediate annuity under section 8411 of this title before the date of death, the surviving spouse of a deceased participant shall be entitled to a survivor annuity payable out of the Fund.

"(2) If a participant dies after performing 5 or more years of service and before separating from Government employment and the participant has not satisfied the age and service requirements for retirement entitled to an immediate annuity under section 8411 of this title before the date of death, the surviving spouse of a deceased participant shall be entitled to a survivor annuity payable out of the Fund. The survivor annuity shall commence on the first date the participant could have retired entitled to an immediate annuity under section 8411 of this title if the participant had continued to live and had continued to be a participant until such date.

"(3) The amount of the survivor annuity payable under paragraph (1) or (2) of this subsection to the surviving spouse of a deceased participant shall be equal to 50 percent of the annuity computed with respect to the deceased participant pursuant to sections 8413, 8414, and 8415 of this title as if the participant had retired from Government employment on the day before the date of death and had elected the method of payment described in section 8416(a)(2)(B) of this title.

"(b)(1) If a former participant dies entitled to a deferred annuity under section 8412 of this title before payment of an annuity under subchapter II of this chapter to the former participant commences, the surviving spouse of the deceased former participant is entitled to a survivor annuity payable out of the Fund.

"(2) The amount of the survivor annuity payable under paragraph (1) of this subsection to the surviving spouse of a deceased former participant shall be equal to 50 percent of the annuity which the deceased former participant would have been entitled to receive under such section if the deceased former participant—

"(A) had been 55 years of age on the day before the date of death, or

"(B) in the case of a former participant who was 55 years of age or older on such day and was not receiving such annuity, had commenced to receive such deferred annuity on such day,

computed under sections 8413, 8414, and 8415 of this title.

"§ 8432. Basic plan spousal and insurable interest benefits relating to the death of an annuitant

"A survivor annuity shall be paid out of the Fund with respect to a deceased annuitant—

"(1) in accordance with the method of payment elected by the annuitant under section 8416 of this title;

"(2) as provided in subsection (b)(3) of such section; or

"(3) in accordance with an election made by the annuitant under section 8434(a) or 8436(c) of this title.

"§ 8433. Survivor benefits under the thrift savings plan

"(a) A survivor annuity shall be paid out of the Thrift Savings Fund with respect to a deceased annuitant as provided under a method of payment of annuities elected by the annuitant under section 8424(b) of this title or in accordance with an election made by the annuitant under section 8434(a) or 8436(c) of this title. The amount of the survivor annuity shall be determined on an actuarial basis under regulations prescribed by the Board.

"(b)(1) Except as provided in subsection (d) of this section, the amount in the account established and maintained for a deceased participant or deceased former participant (other than a deceased annuitant) pursuant to section 8428(a) of this title, determined on the date of an election under subsection (c) of this section, shall, subject to the limits of the entitlement set out in section 8422(a)(1) of this title (without regard to section 8422(a)(2) of this title), be paid as provided in paragraph (2) of this subsection.

"(2)(A) Except as provided in subparagraph (B) of this paragraph, payment under paragraph (1) of this subsection shall be made to the surviving spouse of the deceased participant or former participant pursuant to the method elected under subsection (c) of this section.

"(B) If a deceased participant or former participant referred to in paragraph (1) of this subsection is not survived by a spouse, payment under such paragraph shall be made to—

"(i) any individual who has an insurable interest in the participant or former participant and has been designated by the participant for the purpose of such paragraph under regulations prescribed by the Board; or

"(ii) if the deceased participant or former participant did not make a designation as provided in clause (i) of this subparagraph, to the estate of the deceased participant or former participant.

"(c) A surviving spouse entitled to payment of benefits under subsection (b) of this section may elect—

"(1) to receive an annuity from the Fund payable monthly for life;

"(2) to transfer the amount referred to in such subsection to an individual retirement account (within the meaning of the Internal Revenue Code of 1954) of the surviving spouse; or

"(3) to withdraw such amount in one or more payments.

"(d) Any amount required for the payment of a survivor annuity with respect to a deceased participant or deceased former participant out of the Thrift Savings Fund pursuant to section 8435 of this title shall be deducted and withheld from a distribution made with respect to the deceased participant or deceased former participant pursuant to subsection (b) of this section. The amount deducted and withheld shall be maintained in the Thrift Savings Fund until expended in payment of the survivor annuity or until the survivor annuity terminates. Any sums remaining from the amount deducted and withheld after the termination of the survivor annuity, plus net earnings realized from investment of such amount, shall be distributed as provided in subsection (b) of this section.

"§ 8434. Basic and thrift savings plan survivor benefits relating to marriage after commencement of an annuity

"(a) If an annuitant—

"(1) is married on the date that the annuitant applies for payment of an annuity under subchapter II of this chapter to commence, the marriage terminates, and the annuitant remarries, or

"(2) is not married on such date and marries after such date,

the annuitant may irrevocably elect during the later marriage to provide an annuity for such annuitant's spouse under the method of payment described in section 8416(a)(2)(B) or subparagraph (B) or (D) of section 8424(a)(2) of this title. An election under this subparagraph shall be made in a signed writing received by the Office within 2 years after the date of the remarriage or marriage, as the case may be.

"(b) An election under subsection (a) of this section shall be effective the first day of the second month beginning after the election is received by the Office (in the case of a survivor annuity payable out of the Fund) or the Executive Director (in the case of a survivor annuity payable out of the Thrift Savings Fund), but not earlier than 9 months after the date of the remarriage referred to in paragraph (1) of such subsection or the date of the marriage referred to in paragraph (2) of such subsection.

"(c) An annuitant making an election under subsection (a) of this section to provide a survivor annuity payable out of the Fund shall, within 2 years after the date of the remarriage referred to in paragraph (1) of such subsection or the date of the marriage referred to in paragraph (2) of such subsection, deposit in the Fund an amount determined by the Office, as nearly as may be administratively feasible, to reflect the amount by which the annuity of such annuitant would have been reduced if the election had been in effect since—

"(1) the date that payment of an annuity to the annuitant under subchapter II of this chapter commenced, or

"(2) if the annuity had previously been reduced to provide for a survivor annuity under section 8432 of this title, the date the previous reduction in such annuitant's annuity was terminated under section 8415(b) of this title,

plus interest computed as provided in section 8438(a) of this title.

"(d) Notwithstanding any other provision of this section, an election under this section may not be made for the purpose of providing a survivor annuity payable from the Fund to a spouse of an annuitant by remarriage if—

"(A) such spouse was married to the annuitant on the date that payment of an annuity to the annuitant under subchapter II of this chapter commenced; and

"(B) rights to survivor benefits for such spouse based on marriage to such annuitant were then waived under section 8416(b)(2) of this title.

"§ 8435. Survivor benefits for eligible former spouses: entitlement; amount

"(a) Subject to subsections (b) through (g) of this section, an eligible former spouse of a deceased participant or deceased former participant who dies entitled to an immediate or deferred annuity under section 8411 or 8412 of this title is entitled to a survivor annuity under this section if and to the extent that—

"(1) an election under section 8436 of this title,

"(2) any court decree dissolving or annulling the marriage of the participant or former participant and the eligible former spouse, or

"(3) any court order or court-approved property settlement agreement incident to such decree,

expressly provides for such survivor annuity.

"(b)(1) The amount of the survivor annuity payable from the Fund to an eligible former spouse of a deceased participant or deceased former participant under this section may not exceed the excess, if any, of—

"(A) the amount applicable in the case of such eligible former spouse, as determined under paragraph (2) of this subsection, over

"(B) the amount of all other survivor annuities payable from the Fund under this section to other eligible former spouses of the participant or former participant based on the order of precedence provided in subsection (d) of this section.

"(2) For the purposes of paragraph (1)(A) of this subsection, the amount applicable in the case of an eligible former spouse of a deceased participant or deceased former participant is the amount—

"(A) which is equal to 50 percent of the amount of the deceased former participant's annuity payable to the former participant on the day before the date of the former participant's death, if the deceased former participant was an annuitant on such day;

"(B) which would be applicable under paragraph (3) of section 8431(a) of this title

in the case of a surviving spouse of the deceased, if the deceased was a participant described in paragraph (1) or (2) of such section 8431(a); or

"(C) which would be applicable under paragraph (2) of section 8431(b) of this title in the case of a surviving spouse of the deceased, if the deceased was a former participant described in paragraph (1) of such section 8431(b).

"(c) The total amount of all survivor annuities payable from the Thrift Savings Fund to eligible former spouses of a deceased participant or deceased former participant pursuant to this section may not exceed the amount of the survivor annuities that would be payable to the former spouses out of 100 percent of the balance in the account of the deceased participant or deceased former participant, plus anticipated net earnings from investments allocable to such account, determined on an actuarial basis in accordance with regulations prescribed by the Board.

"(d) If more than one eligible former spouse is entitled to a survivor annuity pursuant to this section, the amount of each such survivor annuity shall be limited appropriately to carry out subsection (b) or (c) of this section on a first-come, first-served basis determined by reference to the date an election is properly made pursuant to section 8436 of this title or the date the Director or Executive Director, as the case may be, properly receives a copy of the court decree, order, or court-approved agreement applicable to the entitlement.

"(e) The commencement and termination dates of a survivor annuity payable under this section to an eligible former spouse of a deceased participant or deceased former participant shall be the commencement and termination dates determined under the provisions of the applicable court order, decree, or agreement or an election, as the case may be (if provided in such order, decree, agreement, or election), except that any such survivor annuity—

"(1) shall not commence before—

"(A) the day after the participant or former participant dies, or

"(B) the first day of the second month beginning after the date on which the Office receives written notice of the court order, decree, or agreement or the election, as the case may be, together with such additional information or documentation as the Office may prescribe,

whichever is later, and

"(2) shall terminate not later than the date provided in section 8464(b)(2) of this title.

"(f) For the purposes of this section, a court decree, order, or agreement or an election referred to in subsection (a) of this section shall not be effective, in the case of a survivor annuity payable out of the Fund to a former spouse, to the extent that the election is inconsistent with any joint waiver previously executed with respect to such former spouse under section 8416(b)(2) of this title.

"(g) Any payment under this section to a person bars recovery by any other person.

"§ 8436. Survivor benefits for former spouses: elections, deposits and collections, and administrative provisions

"(a)(1) If an annuitant has an eligible former spouse on the date that the annuitant applies for payment of an annuity to the annuitant under subchapter II of this chapter to commence, the annuitant may elect, under procedures prescribed by the Office, to provide a survivor annuity for such former spouse under section 8435 of this title. An election under this paragraph shall be made on such date or, if later, within 2 years after the date on which the marriage of the former spouse to the annuitant was dissolved or annulled. The election shall specify the amount of the survivor annuity to be provided under this paragraph.

"(2) If an annuitant makes an election under paragraph (1) of this subsection to provide a survivor annuity payable out of the Fund and the annuitant makes the election during the 2-year period referred to in such paragraph, the annuitant shall deposit in the Fund, within such period, an amount determined by the Office, as nearly as may be administratively feasible, to reflect the amount by which the annuity of such an annuitant would have been reduced if the election had been continuously in effect since the date the annuity commenced, plus interest computed as provided in section 8438(a) of this title.

"(3) An election under paragraph (1) of this subsection—

"(A) shall not be effective to the extent that it conflicts with—

"(i) any court decree or order referred to in subsection (a) of section 8435 of this title, or

"(ii) any agreement referred to in such subsection,

which is received by the Office before the date on which such election is made;

"(B) shall not be effective to the extent that the amount of the annuity specified in the election exceeds—

"(i) in the case of a survivor annuity payable from the Fund, the amount determined pursuant to subsections (b)(2) and (d) of section 8435 of this title; or

"(ii) in the case of a survivor annuity payable from the Thrift Savings Fund, the amount determined pursuant to subsections (c) and (d) of section 8435 of this title; and

"(C) shall not be effective, in the case of an annuitant who is married on the date of the election, unless the election is made with the written consent of the annuitant's spouse.

"(b) An annuitant who has elected to provide a survivor annuity for an eligible former spouse pursuant to subsection (a) of this section may make an election to provide or increase a survivor annuity for any other eligible former spouse of the annuitant within the same period that, and subject to the same conditions under which, an election could be made under subsection (c) of this section for a spouse of the annuitant (subject to the provisions of subsection (a)(3)(C) of this section relating to the consent of a spouse, if the annuitant is then married). The opportunity to make an election under the preceding sentence is in addition to any opportunity otherwise provided under this subsection.

"(c) If the entitlement of an eligible former spouse of an annuitant to a survivor annuity under this subchapter is terminated or reduced by reason of the remarriage or death of the former spouse, the annuitant may elect, in a signed writing received by the Office (in the case of a survivor annuity to be paid out of the Fund) or the Executive Director (in the case of a survivor annuity to be paid out of the Thrift Savings Fund) within 2 years after the former spouse's date of death or remarriage, as the case may be, to provide a survivor annuity under the method described in section 8416(a)(2)(B) of this title (in the case of a terminated or reduced entitlement payable out of the Fund) or in subparagraph (B) or (D) of section 8424(a)(2) of this title (in the case of a terminated or reduced entitlement payable from the Thrift Savings Fund).

"(d) The requirement that the spouse of an annuitant waive a right to a survivor annuity under this subchapter as a condition for an election authorized by subsection (a)(3)(C) of this section shall not apply if the participant or annuitant establishes to the satisfaction of the Office that—

"(1) the spouse's whereabouts cannot reasonably be determined; or

"(2) due to exceptional circumstances, it would be inappropriate to require the participant or annuitant to obtain the spouse's consent.

"§ 8437. Termination of entitlement

"(a) An election of an annuitant to provide a survivor annuity to the annuitant's spouse under this subchapter terminates on the first day of the first month beginning after—

"(1) the date of the death of the spouse; or

"(2) the date of the dissolution of the spouse's marriage to the annuitant.

"(b) The entitlement of an eligible former spouse of a former participant to a survivor annuity under section 8435(a) of this title terminates on the first day of the first month beginning after—

"(1) the date of the death of the former spouse; or

"(2) the date the former spouse remarries before becoming 55 years of age.

"§ 8438. Deposits to the Fund

"(a) For the purposes of section 8434(c) or 8436(a)(2) of this title, the annual rate of interest for each year during which an annuity would have been reduced if the election referred to in such section had been in effect on and after the applicable date referred to in such section shall be the percent determined for such year under section 8334(e) of this title.

"(b) If an annuitant does not make a deposit required by section 8434(c) or 8436(a)(2) of this title, the Office shall collect such amount by offset against the annuitant's annuity payable from the Fund, up to a maximum of 25 percent of the net annuity otherwise payable to the annuitant. The annuitant is deemed to consent to such offset.

"(c) The Office may extend the time limit for making a deposit required by section 8434(c) or 8436(a)(2) of this title in any case for good cause shown.

"SUBCHAPTER V—DISABILITY BENEFITS

"§ 8441. Definitions

"For the purposes of this subchapter—

"(1) the term 'administrator of benefits' means an insurance company or other entity which—

"(A) offers claims payment services and related administrative services under benefit plans provided by employers in the private sector; and

"(B) has entered into a contract with the Office pursuant to section 8450 of this title;

"(2) the term 'disability benefits under the Social Security Act' means disability insurance benefits payable under section 223 of the Social Security Act or benefits payable under section 202 of such Act by reason of being under a disability;

"(3) the term 'disability date', when used with respect to an eligible participant, means the date the eligible participant became disabled;

"(4) the term 'disabled', when used with respect to an eligible participant, means that the eligible participant—

"(A) is under a disability within the meaning of section 223 of the Social Security Act; or

"(B) is unable, because of disease or injury, to render useful and efficient service in the participant's position and is not qualified for reassignment, under procedures prescribed by the Office, to a vacant position—

"(i) which is in the participant's employing agency and is in the participant's commuting area;

"(ii) which is at the same grade or pay level as the participant's position; and

"(iii) in which the participant would be able to render useful and efficient service;

"(5) the term 'eligible participant' means an employee or Member whose service exceeds 18 months and—

"(A) who—

"(i) has applied for disability benefits under the Social Security Act and has been determined to be under a disability for the purposes of title II of the Social Security Act; or

"(ii) in the case of an employee or Member who is not entitled to disability benefits under the Social Security Act by reason of insufficient quarters of coverage, has been determined by an administrator of benefits to be disabled within the meaning of paragraph (4)(A) of this section on the basis of a report of examination required by section 8445 of this title; or

"(B) who has been determined by an administrator of benefits to be disabled within the meaning of paragraph (4)(B) of this section on the basis of a report of examination required by section 8445 of this title;

"(6) the term 'onset average pay', when used with respect to a disabled eligible participant, means the participant's average pay on the participant's disability date increased on January 1 of each year after such date by the same percent by which annuities referred to in paragraph (1) of section 8462(b) of this title are increased under such section 8462(b) in December of the preceding year, and compounded; and

"(7) the term 'projected service', when used with respect to a disabled eligible participant, means the sum of the number of years of service performed by the participant before the participant's disability date and the number of years, if any, after such date and before the date the participant becomes—

"(A) in the case of an eligible participant referred to in subparagraph (5)(A) of this section, 62 years of age; or

"(B) in the case of an eligible participant referred to in subparagraph (5)(B) of this section, 55 years of age.

"§ 8442. Entitlement

"(a)(1) A person who is an eligible participant, is disabled, and has used all sick leave accrued and accumulated under subchapter I of chapter 63 of this title or any other similar applicable provision of law relating to Government employment is entitled to receive disability benefits under this subchapter while—

"(A) in the case of a person who is disabled within the meaning of section 8441(4)(A) of this title, such person is under 62 years of age; and

"(B) in the case of a person who is disabled within the meaning of section 8441(4)(B) of this title, such person is under 55 years of age.

"(2) When a person referred to in paragraph (1) of this subsection exceeds the maximum age at which the person is qualified for benefits under such paragraph, the person shall be treated as an eligible participant for the purposes of entitlement to benefits under subsection (b) of this section.

"(b)(1) An eligible participant who—

"(A) is disabled within the meaning of section 8441(4)(A) of this title and is not less than 62 years of age, or

"(B) is disabled within the meaning of section 8441(4)(B) of this title and is not less than 55 years of age,

and who has 5 or more years of service and projected service shall be entitled to an annuity as provided in subchapter II of this title.

"(2) For the purposes of applying the provisions of subchapter II of this title in the case of an eligible participant pursuant to paragraph (1) of this subsection—

"(A) the eligible participant shall be deemed to have separated from Government employment on the day before the date the participant becomes entitled to an annuity pursuant to paragraph (1) of this subsection;

"(B) the service of the participant shall include the participant's projected service; and

"(C) the participant's average pay shall be equal to the participant's onset average pay.

"§ 8443. Computation of benefits

"(a) The annual rate of the disability benefits payable under section 8442(a) of this title to an eligible participant referred to in section 8441(5)(A) of this title shall be equal to the excess of 60 percent of the participant's onset average pay over the amount, if any, payable to the participant as disability benefits under the Social Security Act.

"(b) The annual rate of the disability benefits payable under section 8442(a) of this title to an eligible participant referred to in section 8441(5)(B) of this title—

"(1) during the period ending 1 year after the eligible participant's disability date, shall be equal to the excess of 60 percent of the participant's onset average pay over the amount, if any, payable to the participant as disability benefits under the Social Security Act; and

"(2) after such period, while the participant is under 55 years of age, shall be equal to the excess of 40 percent of the participant's onset average pay over the amount, if any, payable to the participant as disability benefits under the Social Security Act.

"§ 8444. Application

"(a) Except as provided in subsection (b) of this section, a claim of a participant for disability benefits under this subchapter may be allowed only if the participant files with the appropriate administrator of benefits an application for the disability benefits before the date the participant separates from Government employment or within 1 year after such date.

"(b) An appropriate administrator of benefits may waive the time limitation set out in subsection (a) of this section in the case of a participant if—

"(1) the administrator of benefits determines that the participant was mentally incompetent on the date the participant separated from Government employment or within 1 year after such date; and

"(2) the application for disability benefits is filed within 1 year after the date the participant is restored to mental competency or the date a fiduciary is appointed to manage the financial affairs of the participant, whichever date is earlier.

"§ 8445. Medical examinations

"(a) A participant applying for or receiving disability benefits under section 8442(a) of this title shall be examined by a physician under the direction of the appropriate administrator of benefits at such times as such administrator may require.

"(b) A physician examining a participant under subsection (a) of this section shall report to the appropriate administrator of benefits the diagnosis and prognosis with respect to such participant.

"(c) Notwithstanding any other provision of this subchapter, any participant who fails to submit to the examination required under subsection (a) of this section shall not be entitled to disability benefits.

"§ 8446. Offers of alternative employment

"(a)(1) Any participant who is applying for disability benefits under this subchapter, is examined pursuant to section 8445 of this title, and is determined on the basis of the examination to be able to perform the work required in any position described in paragraph (2) of this subsection shall be considered for appointment to such position.

"(2) A position referred to in paragraph (1) of this subsection is a position which is in the agency of the Government employing the participant referred to in such paragraph, is a position for which the participant is qualified, is not lower than the grade or pay level of the participant's position, and is within the participant's commuting area.

"(b) Any participant who is appointed to or offered a position under subsection (a) of this section is entitled to appeal to the Merit Systems Protection Board under section 7701 of this title any determination that the participant is able to perform the work required of such position.

"§ 8447. Recovery or restoration of earning capacity

"(a)(1) If an administrator of benefits determines that an individual who is receiving disability benefits under this subchapter has recovered from the disability before becoming 62 years of age (in the case of an individual who is disabled within the meaning of section 8441(4)(A) of this title) or 55 years of age (in the case of an individual who is disabled within the meaning of section 8441(4)(B) of this title), payment of the benefits shall terminate on the date the individual is reemployed by the Government or 1 year after the date of the medical examination on which such administrator's determination is based, whichever date is earlier.

"(2)(A) Payment of disability benefits to any individual under this chapter that has been terminated pursuant to paragraph (1) of this subsection shall be resumed if there is a recurrence of the individual's disability, as determined by an administrator of benefits after a medical examination of the individual, and the individual is under 62 years of age (in the case of an individual who is disabled within the meaning of section 8441(4)(A) of this title) or under 55 years of age (in the case of an individual who is disabled within the meaning of section 8441(4)(B) of this title).

"(B) A resumption of payment of disability benefits under subparagraph (A) of this paragraph shall be effective on the date the medical examination referred to in such paragraph was completed.

"(C) The annual rate of the disability benefits payable to an individual upon resump-

tion of payment under subparagraph (A) of this paragraph shall be the annual rate that would have been payable to the individual if payment of disability benefits had not been terminated pursuant to paragraph (1) of this subsection.

"(b)(1) If the administrator of benefits determines that an individual who is receiving disability benefits under this subchapter has received, during the latest calendar year, income from wages or self-employment or both totalling the amount equal to 60 percent of the rate of pay payable for the individual's position of Government employment on the individual's disability date determined for the purposes of this subchapter (increased as if such rate of pay had been increased, by the same percent as the overall percent increase in the rates of pay under the General Schedule, each time such rates had been increased pursuant to section 5305 of this title since such date), payment of the benefits shall terminate on the date 60 days after the end of such calendar year.

"(2)(A) If payment of disability benefits under this subchapter has been terminated pursuant to paragraph (1) of this subsection in the case of an individual who is not reemployed in a position subject to this chapter, who continues to be disabled, who is under 62 years of age (in the case of an individual who is disabled within the meaning of section 8441(4)(A) of this title) or under 55 years of age (in the case of an individual who is disabled within the meaning of section 8441(4)(B) of this title), and who receives in the calendar year in which the disability benefits were terminated, or any calendar year after such year, income from wages or self-employment or both totalling less than the amount computed in such case as provided in such paragraph, payment of disability benefits to the individual under this subchapter shall be resumed.

"(B) A resumption of payment of disability benefits to an individual under subparagraph (A) of this paragraph shall be effective the first day of the first year beginning after the year in which the individual received the income referred to in such subparagraph.

"(C) The annual rate of the disability benefits payable to an individual upon resumption of payment of disability benefits under subparagraph (A) of this paragraph shall be the annual rate that would have been payable to the individual if payment had not been terminated pursuant to paragraph (1) of this subsection.

"(c) Any determination under this section may be appealed to the Office. A determination of the Office in such an appeal may be appealed to the Merit Systems Protection Board under section 7701 of this title. The Merit Systems Protection Board may hear and adjudicate any such appeal.

"§ 8448. Relationship to workers' compensation

"(a)(1) An individual is not entitled to receive disability benefits under this subchapter and compensation for injury to or disability of the individual under subchapter I of chapter 81 of this title covering the same period of time.

"(2) Paragraph (1) of this subsection does not bar the right of a claimant to the greater benefit conferred by either subchapter referred to in such paragraph for any part of the period referred to in such paragraph.

"(3) Paragraph (1) of this subsection and the provisions of subchapter I of chapter 81 of this title do not deny an individual an annuity which the individual is entitled to receive under this chapter on account of service performed by the individual and do not deny any concurrent benefit to the individual under subchapter I of chapter 81 of this title on account of the death of another individual.

"(b)(1) Subject to paragraph (2) of this subsection, an individual's receipt of a lump-sum payment for compensation under section 8135 of this title shall not affect the individual's entitlement to disability benefits under this subchapter.

"(2) If disability benefits are payable under this subchapter by reason of the same disability for which a lump-sum payment of compensation referred to in paragraph (1) of this subsection has been made, so much of the compensation as has been paid for a period extended beyond the date payment of the disability benefits commences, as determined by the Department of Labor, shall be refunded to that Department for credit to the Employees' Compensation Fund. Before the individual may receive the disability benefits, the individual shall—

"(A) refund to the Department of Labor the amount representing the commuted compensation payments for the extended period; or

"(B) authorize the deduction of the amount from the disability benefits.

Deductions from the disability benefits may be made from accrued or accruing payments. The amounts deducted and withheld from disability benefits shall be transmitted to the Department of Labor for reimbursement to the Employees' Compensation Fund. When the Department of Labor finds that the financial circumstances of an individual entitled to disability benefits under this subchapter warrant deferred refunding under this paragraph, deductions from the disability benefits may be prorated against and paid from accruing payments in such manner as the Department determines appropriate.

"§ 8449. Military reserve technicians

"(a)(1) Except as provided in paragraph (2) of this subsection, a participant shall be entitled to disability benefits under this subchapter in the same manner as an eligible participant described in section 8441(5)(B) of this title if the participant—

"(A) is separated from employment as a military reserve technician by reason of a disability that disqualifies the individual from membership in a reserve component of the Armed Forces specified in section 261(a) of title 10 or from holding the military grade required for such employment:

"(B) is not considered disabled;

"(C) is not appointed to another position in the Government (under subsection (b) of this section or otherwise); and

"(D) has not declined an offer of appointment to a position in the Government under subsection (b) of this section.

"(2) Payment of disability benefits to an individual under this section terminates—

"(A) on the date the individual is appointed to a position in the Government (under subsection (b) of this section or otherwise);

"(B) on the date the individual declines an offer of appointment to a position in the Government pursuant to subsection (b) of this section; or

"(C) as provided in section 8447(a) or 8447(b) of this title.

"(b) Any individual applying for or receiving disability benefits pursuant to this section shall, in accordance with regulations prescribed by the Office, be considered by any agency of the Government before any vacant position in the agency is filled if—

"(1) the position is located within the commuting area of the individual's former position;

"(2) the individual is qualified to serve in the vacant position; and

"(3) the position is at the same grade or equivalent level as the position from which the individual was separated.

"§ 8450. Administrative provisions

"(a) For the purpose of this section, the term 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and a territory or possession of the United States.

"(b) The Office shall enter into a contract with one or more insurance companies or other entities described in section 8441(1)(A) of this title to provide long-term group disability insurance benefits under this subchapter and to administer the provisions of this subchapter which the Office is not specifically required by this chapter to administer. Each such company or other entity shall meet the following requirements:

"(1) It must be licensed to transact insurance under the laws of a State.

"(2) It must have in effect, on the most recent December 31 for which information is available to the Office, an amount of employee group disability insurance equal to at least 1 percent of the total amount of employee group disability insurance in the United States in all insurance companies.

"(c) A contractor under a contract awarded under subsection (b) of this section shall establish an administrative office under a name approved by the Office.

"(d) Each contract awarded by the Office under subsection (b) of this section may remain in effect for a period not exceeding 5 years and may include a provision authorizing extension of the contract, with the consent of the contractor, for successive periods of 1 year each.

"(e) The Director may include in contracts awarded under subsection (b) of this section such terms and conditions as he considers appropriate to protect the interests of participants and the United States.

"(f) All records established or maintained by an administrator of benefits in the administration of this subchapter shall be the property of the United States. The administrator of benefits shall deliver such records to the Office whenever requested by the Office.

"(g) The provisions of any contract under this subchapter which relate to the nature or extent of coverage or benefits (including payments with respect to benefits) shall supersede and preempt any law of any State or political subdivision thereof, or any regulation issued thereunder, which relates to group disability insurance to the extent that the law or regulation is inconsistent with the contractual provisions.

"(h) The Secretary of Health and Human Services shall furnish to the Office and an administrator of benefits such information, including information on individuals claiming entitlement to benefits under this subchapter, as the Office determines to be necessary to carry out this subchapter.

"§ 8451. Annual accounting; special contingency reserve

"A contract awarded under section 8450 of this title shall include a provision requiring the administrator of benefits under the contract to transmit an accounting to the Office not later than 90 days after the end of each policy year. The accounting shall set forth, in a form approved by the Office—

"(1) the total of all claim charges incurred for the contract year; and

"(2) the amounts of the expenses of the administrator of benefits charged for the contract year.

"§ 8452. Federal Employees' Disability Insurance Fund

"(a) There is established in the Treasury of the United States a fund to be known as the 'Federal Employees' Disability Insurance Fund'.

"(b)(1) Each agency of the Government employing participants shall make periodic payments to the Federal Employees' Disability Insurance Fund in the amount of the portion of the premium payable for the applicable period (as determined by the Office) which is attributable to such participants, as determined by the Office and the appropriate administrator of benefits.

"(2) An employing agency shall pay the amounts required by paragraph (1) of this subsection from the appropriation or fund available for payment of the basic pay or salaries of employees of the agency. In the case of a participant in the legislative branch who is paid by the Clerk of the House of Representatives, the amount shall be paid from the contingent fund of the House of Representatives.

"(c) Sums in the Federal Employees' Disability Insurance Fund shall be available without fiscal year limitation for the payment of premiums for long-term group disability insurance under this subchapter.

"(d) The Secretary of the Treasury may invest and reinvest any of the money in the Federal Employees' Disability Insurance Fund in interest-bearing obligations of the United States and may sell such obligations for the purposes of such fund. The interest on and the proceeds from the sale of these obligations, and the income derived from premium rate adjustments, become a part of such fund.

"(e)(1) No tax, fee, or other monetary payment may be imposed or collected by any State or by any political subdivision or other governmental authority thereof on or with respect to any premium paid for long-term group disability insurance under this subchapter.

"(2) Paragraph (1) of this subsection shall not be construed to exempt any administrator of benefits from the imposition, payment, or collection of a tax, fee, or other monetary payment on the net income or profit accruing to or realized by the administrator from business conducted under this subchapter, if that tax, fee, or payment is applicable to a broad range of business activity.

"SUBCHAPTER VI—GENERAL AND ADMINISTRATIVE PROVISIONS

"§ 8461. Authority of the Office of Personnel Management

"(a) The Office shall pay all benefits that are payable under subchapter II of this chapter from the Fund.

"(b) The Office shall administer all provisions of this chapter not specifically required to be administered by the Board, the Executive Director, or any other agency.

"(c) The Office may make regulations to carry out the provisions of this chapter administered by the Office.

"(d) The Office may contract for the performance of any administrative services necessary to carry out its responsibilities under this chapter.

"§ 8462. Cost-of-living adjustment in basic plan annuities and survivor annuities

"(a) For the purpose of this section—

"(1) the term 'base quarter', when used with respect to a year, means the calendar quarter ending on September 30, of such year; and

"(2) the price index for a base quarter is the arithmetic mean of such index for the 3 months comprising such quarter.

"(b)(1) Except as provided in subsection (c) of this section, effective December 1 of each year in which the price index for the base quarter of such year exceeds the price index for the base quarter of the preceding year, each annuity which is payable from the Fund under subchapter II or IV of this chapter and commences not later than such December 1 shall be increased by the percentage computed under paragraph (2) of this subsection.

"(2) The percentage by which an annuity is increased under paragraph (1) of this subsection in any year shall be the excess, if any, of—

"(A) the percentage of the increase in the price index for the base quarter of such year over the price index of the preceding year, over

"(B) 2 percent.

"(c)(1) The first increase (if any) made under subsection (b) of this section to an annuity payable to a participant who retires, to the surviving spouse or surviving former spouse of a deceased participant, or to the surviving spouse or surviving former spouse of a deceased annuitant whose annuity has never been increased under this subsection or subsection (b) of this section shall be equal to the product (adjusted to the nearest one-tenth of 1 percent) of—

"(A) one-twelfth of the applicable percentage of the adjustment computed under subsection (b) of this section, multiplied by

"(B)(i) the number of months (counting any portion of a month as a month) for which the annuity was payable before the effective date of the increase, or

"(ii) in the case of a survivor annuity payable to a surviving spouse or surviving former spouse of a deceased annuitant whose annuity has never been so increased, the number of months (counting any portion of a month as a month) since the annuity was first payable to the deceased annuitant.

"(2) Effective on its commencing date, an annuity referred to in subsection (b) of this section and payable to an annuitant's surviving spouse or surviving former spouse shall be increased by the total percentage by which the deceased annuitant's annuity had been increased under this section during the period beginning on the date the deceased annuitant's annuity commenced and ending on the date of the deceased annuitant's death.

"(d) The monthly installment of an annuity payable after adjustment under this section shall be rounded to the next lowest dollar, but the increase in the monthly installment under this section shall be at least $1.

"§ 8463. Rate of benefits

"Each annuity and disability benefit is stated as an annual amount, one-twelfth of which, fixed at the next lowest dollar, constitutes the monthly rate payable on the first business day of the first month beginning after the last day of the month for which the annuity or disability benefit has accrued.

"§ 8464. Commencement and termination of annuities

"(a)(1) Except as otherwise provided in this chapter, the annuity of a participant under subchapter II of this chapter shall commence on the first day of the first month beginning after—

"(A) the date the participant separates from Government employment entitled to an immediate annuity under section 8411 of this title, or

"(B) in the case of a participant who is entitled to a deferred annuity under section 8412 of this title and is not entitled to an immediate annuity under section 8411 of this title, the date elected by the participant under section 8412(a) of this title or the date the participant becomes 62 years of age, whichever is earlier,

as the case may be.

"(2) The annuity of an annuitant under this chapter terminates on the date of death or other terminating event provided by law.

"(b)(1) Except as otherwise provided in this chapter, a survivor annuity payable to an individual under this chapter shall commence on the first day of the first month beginning after the date of the death of the deceased participant or former participant on whose death such annuity is based.

"(2) A survivor annuity payable to a surviving spouse or an eligible former spouse of a deceased participant or deceased former participant under this chapter terminates on the last day of the last month ending before the surviving spouse or former spouse dies or, if the surviving spouse or former spouse is less than 55 years of age, remarries.

"§ 8465. Waiver, allotment, and assignment of benefits

"(a) An individual entitled to receive payment of benefits under subchapter II of this chapter may decline to accept all or any part of the amount of the benefits by a waiver signed and filed with the Office. The waiver may be revoked in writing at any time. Payment of the benefits waived may not be made for the period during which the waiver is in effect.

"(b) An individual entitled to receive payment of benefits under subchapter II of this chapter may make allotments or assignments of amounts from the benefits for such purposes as the Office considers appropriate.

"§ 8466. Application for benefits

"(a) No payment of benefits based on the service of a former participant shall be made under this chapter unless an application for payment of the benefits is received by the Office before the one hundred and fifteenth anniversary of the former participant's birth.

"(b) Notwithstanding subsection (a) of this section, after the death of a participant or former participant, a benefit based on the participant's or former participant's service shall not be paid under subchapter IV of this chapter unless an application therefor is received by the Office within 30 years after the death or other event which establishes the entitlement to the benefit.

"§ 8467. Court orders

"(a) Payments under this chapter which would otherwise be made to a participant or former participant based upon the service of the participant or former participant shall be paid (in whole or in part) by the Office or the Executive Director, as the case may be, to another person if and to the extent that the terms of any court decree of divorce, annulment, or legal separation, or the terms of any court order or court-approved property settlement agreement incident to any court decree of divorce, annulment, or

legal separation expressly provide. Any payment under this paragraph to a person bars recovery by any other person.

"(b) Subsection (a) of this section shall apply only to payments made by the Office or the Executive Director under this chapter after the date on which the Office or the Executive Director, as the case may be, receives written notice of such decree, order, or agreement, and such additional information and documentation as the Office or the Executive Director may require.

"§ 8468. Annuities and pay on reemployment

"(a) If an annuitant becomes employed in an appointive or elective position in the Government, payment of any annuity under subchapter II of this chapter to the annuitant terminates effective on the date of the employment, and the annuitant's service on and after the date the annuitant becomes so employed is covered by this chapter. Upon termination of the employment, the rights of the annuitant under subchapter II of this chapter shall be redetermined. If the annuitant dies while still so employed, a survivor annuity payable with respect to the deceased annuitant shall be redetermined as if the employment had otherwise terminated on the date of death.

"(b) The amount of an annuity resulting from a redetermination of rights under this chapter pursuant to subsection (a) of this section shall not be less than the amount of the terminated annuity plus any increases under section 8462 of this title occurring after the termination of the annuity and before the commencement of the redetermined annuity.

"SUBCHAPTER VII—TRANSITION PROVISIONS

"§ 8471. Treatment of certain individuals subject to the Civil Service Retirement and Disability System

"(a)(1)(A) Any individual who is subject to subchapter III of chapter 83 of this title as an employee (as defined in section 8331(1) of this title, other than an individual employed by the government of the District of Columbia) or a Member (as defined in section 8331(2) of this title), whose service is not employment for the purposes of title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954, and who is not required by section 8402 of this title to be a participant may elect to commence participation in the System.

"(B) An election made under subparagraph (A) of this paragraph shall be made in writing, in accordance with such regulations as the Office may prescribe, and not later than December 31, 1987, or, in the case of an individual who becomes an employee or Member after a break in service for a period that includes January 1, 1987, not later than 1 year after the date on which the individual resumes service.

"(2) Except as provided in section 8472(d) of this title, any individual who makes the election authorized by paragraph (1) of this subsection shall retain accrued credit for entitlement to benefits under subchapter III of chapter 83 of title 5, United States Code, for service performed while subject to such subchapter.

"(3) An individual referred to in paragraph (1) of this subsection who becomes an employee or Member after a break in service for a period that includes January 1, 1987, may make deposits under section 8334 of this title for service performed before such date while subject to subchapter III of chapter 83 of this title.

"(b) Except as provided in section 8472(d) of this title, any individual who—

"(1) has an unrefunded lump-sum credit in the Fund under subchapter III of chapter 83 of this title,

"(2) is required by section 8402 of this title to be a participant, and

"(3) is not a participant referred to in section 8473(a) of this title,

shall retain accrued credit for entitlement to benefits under such subchapter for service performed while subject to such subchapter.

"(c) Except as provided in section 8472(d) of this title, any individual who—

"(1) has received a refund of a lump-sum credit in the Fund under subchapter III of chapter 83 of this title,

"(2) is required by section 8402 of this title to be a participant, and

"(3) is not a participant referred to in section 8473(a) of this title,

may make deposits under section 8334 of this title for service performed before January 1, 1987, while subject to subchapter III of chapter 83 of this title and shall, upon making such deposits, be entitled to credit under such subchapter for service covered by the deposits.

"(d) Survivor benefits shall be payable as provided in subchapter III of chapter 83 of this title and this chapter to the extent of the service creditable under such subchapter (pursuant to this section) and this chapter in the case of a participant referred to in subsection (a), (b), or (c) of this section.

"§ 8472. Special rules for participants retaining entitlement in the Civil Service Retirement and Disability System

"(a) Service that is creditable under subchapter III of chapter 83 of this title in the case of an individual who retains entitlement in the Civil Service Retirement and Disability System under section 8471 of this title shall be credited as service under this chapter only—

"(1) for the purposes of determining eligibility to retire entitled to an annuity under section 8411 or 8412 of this title and entitlement for disability benefits under subchapter V of this chapter; and

"(2) for the purpose of considering such service as years of participation in the System for the purposes of section 8422 of this title (relating to vesting under the thrift savings plan).

"(b) Service performed as a participant in the System by an individual referred to in subsection (a) of this section shall be credited under subchapter III of chapter 83 of this title only for the purpose of determining eligibility to retire entitled to an annuity under section 8335, 8336, or 8338 of this title.

"(c)(1) The rates of basic pay in effect for an individual referred to in subsection (a) of this section on and after the date the individual begins to participate in the System shall be taken into account in computing the individual's average pay (as defined in section 8331(4) of this title) for the purposes of subchapter III of chapter 83 of this title.

"(2) The rates of basic pay in effect for an individual referred to in subsection (a) of this section before the date the individual begins to participate in the System shall be taken into account in computing the individual's average pay for the purposes of this chapter.

"(d) Section 8337 of this title (relating to disability retirement) shall not apply in the case of a participant referred to in subsection (a).

"§ 8473. Participants subject to the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983

"(a)(1) The service of a participant with respect to which a reduced contribution is made under section 204(a) of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 (97 Stat. 1107; 5 U.S.C. 8331 note) shall be credited as service for the purposes of this chapter and shall be considered years of participation in the System for the purposes of section 8422(b)(1) of this title.

"(2) Paragraph (1) of this subsection shall not apply to an individual who serves continuously as a Member of Congress during the period beginning December 31, 1983, and ending January 1, 1987.

"(b)(1) On January 1, 1987, the amount computed under paragraph (2) of this subsection shall be transferred from the Fund to the Thrift Savings Fund in the case of a participant to whom subsection (a)(1) of this section applies. The amount transferred shall be credited to an account established for the individual pursuant to section 8428(a) of this title.

"(2)(A) The amount transferred from the Fund in the case of a participant pursuant to paragraph (1) of this subsection shall be equal to the sum of—

"(i) two times the total amount deducted and withheld from the basic pay of the participant pursuant to section 204(a) of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 (97 Stat. 1107; 5 U.S.C. 8331 note); and

"(ii) interest on the amount referred to in clause (i) of this subparagraph computed at the annual rate determined under the second sentence of this subparagraph and compounded annually, as if a fraction of such amount (determined as provided in subparagraph (B) of this paragraph) had been deposited to the credit of the Fund at the end of each month for which amounts were deducted and withheld from the basic pay of the participant as described in clause (i) of this subparagraph.

The annual rate referred to in clause (ii) for an amount transferred from the Fund in any calendar year shall be equal to the interest rate determined for such calendar year under section 8334(e) of this title.

"(B) In the case of any participant to whom paragraph (1) of this subsection applies—

"(i) the numerator of the fraction referred to in subparagraph (A)(ii) of this paragraph is one; and

"(ii) the denominator of the fraction is the number of months for which amounts were deducted and withheld from the basic pay of the participant as described in subparagraph (A)(i) of this paragraph.

"(3) For the purposes of section 8422 of this title—

"(A) one-half of the amount computed in the case of a participant referred to in subsection (a) of this section pursuant to paragraph (2) of this subsection shall be treated as a contribution made under section 8421(a) of this title; and

"(B) one-half of such amount shall be treated as a contribution made by the employing agency of the participant pursuant to section 8421(b) of this title.

"(4) All amounts transferred from the Fund pursuant to paragraph (1) of this subsection shall be transferred in the form of interest-bearing securities of the United States.

"(c) The total amount of any deposit made to the Fund under section 8334(j) of this title (relating to deposits covering periods of military service) in the case of a participant referred to in paragraph (1) of this subsection shall be refunded to the participant. The refund shall be paid out of sums in the Fund.

"§ 8474. Reemployed annuitants under a Government retirement system.

"(a) For the purposes of this section—

"(1) the term 'annuitant'—

"(A) in the case of the Civil Service Retirement and Disability System, shall have the same meaning provided in section 8331(9) of this title;

"(B) in the case of the Foreign Service Retirement and Disability System, shall have the same meaning provided in section 804(1) of the Foreign Service Act of 1980 (22 U.S.C. 4044(1)), except that such term does not include a survivor; and

"(C) in the case of the Central Intelligence Agency Retirement and Disability System, means—

"(i) any participant who is referred to in section 203 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, and

"(ii) any individual who formerly was such a participant,

entitled to an annuity from the Central Intelligence Agency Retirement and Disability Fund;

"(2) the term 'Government retirement system' means—

"(A) the Civil Service Retirement and Disability System under subchapter III of chapter 83 of this title;

"(B) the Foreign Service Retirement and Disability System under chapter 8 of the Foreign Service Act of 1980 (22 U.S.C. 4041 et seq.); and

"(C) the Central Intelligence Agency Retirement and Disability System under the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (50 U.S.C. 403 note); and

"(3) the term 'reemployed annuitant' means an annuitant who becomes employed by the Government after the effective date of the Civil Service Pension Reform Act of 1985 and is required by section 8402 of this title to be a participant.

"(b) A reemployed annuitant shall retain entitlement in the Government retirement system under which the annuitant is receiving an annuity.

"(c)(1) Service that is creditable under the Government retirement system of a reemployed annuitant shall be credited under this chapter only for the purpose of determining eligibility to retire entitled to an annuity under section 8411 of this title.

"(2) Service performed as a reemployed annuitant shall not be creditable service for the purposes of the Government retirement system of the reemployed annuitant.

"(d)(1) The rates of basic pay in effect for a reemployed annuitant on and after the date the annuitant begins to participate in the System shall be taken into account in computing the annuitant's average pay for the purposes of the Government retirement system under which the annuitant was receiving an annuity when the reemployment commenced.

"(2) The rates of basic pay in effect for a reemployed annuitant before the date the annuitant begins to participate in the System shall be taken into account in computing the annuitant's average pay for the purposes of this chapter.

"(e) Deductions may not be withheld from the pay of a reemployed annuitant for the purposes of the reemployed annuitant's Government retirement system while the reemployed annuitant is a participant in the System.

"§ 8475. Exemption from certain offset provisions of the Social Security Act

"Sections 202(b)(4), 202(c)(2), 202(e)(7), 202(f)(2), 202(g)(4), and 215(a)(7) of the Social Security Act shall not apply in the case of a person who is a participant referred to in section 8471 of this title.

"§ 8476. Regulations

"The Office may prescribe regulations to carry out this subchapter.

"SUBCHAPTER VIII—CIVIL SERVICE THRIFT INVESTMENT MANAGEMENT SYSTEM

"§ 8491. Civil Service Thrift Investment Board

"(a) There is established in the executive branch of the Government a Civil Service Thrift Investment Board.

"(b)(1) The Board shall be composed of—

"(A) the Chairman of the Federal Reserve Board;

"(B) the Secretary of the Treasury;

"(C) the Director; and

"(D) two representatives of Federal employee organizations appointed by the President, one of whom shall be a representative from a labor organization (as defined in section 7103(a)(4) of this title) and one of whom shall be a representative from an organization for employees who are managers.

"(2) If an office referred to in paragraph (1)(A), (1)(B), or (1)(C) of this subsection is vacant, the person acting as the officer in such office shall be a member of the Board while acting as such officer.

"(3) The Chairman of the Federal Reserve Board shall be the Chairman of the Board.

"(4) The members of the Board appointed under paragraph (1)(D) of this subsection shall serve until replaced by the President.

"(c) The Board shall—

"(1) establish policies and prescribe regulations for—

"(A) the investment and management of the Thrift Savings Fund; and

"(B) the administration of subchapter III of this chapter and the provisions of subchapter IV of this chapter which relate to survivor annuities payable out of the Thrift Savings Fund;

"(2) review the performance of investments made for the Thrift Savings Fund;

"(3) without regard to civil service and classification laws, fix the rate of pay of the Executive Director;

"(4) supervise the Executive Director; and

"(5) review and approve the budget of the Board.

"(d)(1) The Board may—

"(A) adopt, alter, and use a seal;

"(B) adopt, amend, and repeal regulations to carry out its functions;

"(C) disapprove any action of the Executive Director;

"(D) except as provided in paragraph (2) of this subsection, direct the Executive Director to take such action as the Board considers appropriate to carry out the provisions of this subchapter and subchapter III of this chapter, the provisions of subchapter IV of this chapter which relate to survivor annuities payable out of the Thrift Savings Fund, and the policies of the Board;

"(E) upon the concurring votes of four members, remove the Executive Director from office for good cause shown; and

"(F) take such other action as may be necessary to carry out the functions of the Board.

"(2) Except in the case of investments required by section 8427 of this title to be invested in securities of the Government, the Board may not direct the Executive Director or any contractor under a contract awarded under section 8493(c)(2) this title to invest or to cause to be invested any sums in the Thrift Savings Fund in a specific asset or to dispose of or cause to be disposed any specific asset of such Fund.

"§ 8492. Civil Service Thrift Advisory Committee

"(a)(1) The Board shall establish a Civil Service Thrift Advisory Committee (hereafter in this subchapter referred to as the 'Advisory Committee').

"(2)(A) The Advisory Committee shall be composed of 6 members appointed as provided in subparagraph (B) of this paragraph.

"(B) The members of the Advisory Committee shall be appointed by action agreed to by a majority of the members of the Board. Three of the members of the Advisory Committee shall be appointed from among investment asset managers not employed by the Government and three of the members of the Advisory Committee shall be appointed from among administrators of thrift savings plans established for employees of private sector enterprises.

"(3) The Board shall prescribe the terms and conditions of service of the members of the Advisory Committee.

"(b) The Advisory Committee shall—

"(1) advise the Board and the Executive Director on matters relating to—

"(A)(i) investment policy for the Thrift Savings Fund;

"(ii) selection of the types of investment funds which are appropriate for investment of sums in the Thrift Savings Fund; and

"(iii) selection of investment managers for the purpose of contracting for the administration of investment funds under section 8493(c)(2) of this title; and

"(B)(i) the performance of the duties of the Board and the Executive Director under the provisions of this subchapter and subchapter III of this chapter and the provisions of subchapter IV of this chapter which relate to survivor annuities payable out of the Thrift Savings Fund; and

"(ii) the administration of such provisions; and

"(2) review the performance of investments made for the Thrift Savings Fund.

"§ 8493. Executive Director

"(a)(1) The Board shall appoint an Executive Director by action agreed to by a majority of the members of the Board. The Executive Director shall have substantial experience, training, or expertise in the management of financial investments.

"(2) The Board shall prescribe the terms and conditions of service of the Executive Director.

"(b) The Executive Director shall—

"(1) carry out the policies established by the Board;

"(2) invest and manage the Thrift Savings Fund in accordance with the investment and other policies established by the Board;

"(3) provide for payment of annuities and other authorized distributions from the Thrift Savings Fund under this chapter; and

"(4) administer the provisions of this subchapter, subchapter III of this chapter, the provisions of subchapter IV of this chapter which relate to survivor annuities payable out of the Thrift Savings Fund, and the regulations prescribed by the Board.

"(c) The Executive Director, may—

"(1) without regard to civil service and classification laws, appoint, employ, and fix

the compensation of such personnel as may be necessary to carry out the provisions of this subchapter and subchapter III of this chapter and the provisions of subchapter IV of this chapter which relate to survivor annuities payable out of the Thrift Savings Fund;

"(2) enter into such contracts or other arrangements (including contracts for the performance of administrative services), and make such modifications thereof, as may be appropriate to carry out the provisions of this subchapter and section 8427 of this title and the policies of the Board;

"(3) except as provided in section 552a of this title, obtain from any Federal agency, including any independent establishment or instrumentality of the United States, advice, information, estimates, statistics, and such other assistance as the Executive Director considers necessary to carry out the provisions of this subchapter and subchapter III of this chapter, the provisions of subchapter IV of this chapter which relate to survivor annuities payable out of the Thrift Savings Fund, and the policies of the Board;

"(4) make such payments out of sums in the Thrift Savings Fund as the Executive Director determines are necessary to carry out the provisions of this subchapter, subchapter III of this chapter, the provisions of subchapter IV of this chapter which relate to survivor annuities payable out of the Thrift Savings Fund, and the policies of the Board;

"(5) pay the compensation, per diem, and travel expenses of personnel from the Thrift Savings Fund;

"(6) accept and utilize the services of individuals employed intermittently in the Government service and reimburse such individuals for travel expenses, as authorized by section 5703 of this title, including per diem as authorized by section 5702 of this title;

"(7) except as otherwise expressly prohibited by law or the policies of the Board, delegate any of the Executive Director's functions to such officers and employees under the Board as the Executive Director may designate and authorize such successive redelegations of such functions to such officers and employees under the Board as the Executive Director may consider to be necessary or appropriate; and

"(8) take such other actions as are appropriate to carry out the functions of the Executive Director.

"§ 8494. Investment policy

"The Board shall develop investment policies under section 8491(c)(1) of this title which provide for—

"(1) prudent investments suitable for accumulating funds for payment of retirement income;

"(2) investment strategies which do not require a significant level of active investment decisionmaking in the case of the investment funds established under subparagraphs (B) and (C) of section 8427(b)(1) of this title;

"(3) low administrative costs; and

"(4) investments likely to receive broad acceptance by participants and the public.

"§ 8495. Administrative provisions

"(a) The Board shall meet—

"(1) not less than once during each fiscal year; and

"(2) at additional times at the call of the Chairman.

"(b)(1) Except as provided in section 8491(d)(1)(E) of this title, the Board shall perform the functions and exercise the powers of the Board on a majority vote of a quorum of the Board.

"(2) A vacancy on the Board shall not impair the authority of a quorum of the Board to perform the functions and exercise the powers of the Board.

"(c) Three members of the Board shall constitute a quorum for the transaction of business.

"(d)(1) Each member of the Board who is not a Federal employee and each member of the Advisory Committee shall be compensated at the daily rate of basic pay payable for grade GS-18 under the General Schedule for each day or part thereof during which such member is engaged in performing a function of the Board or Advisory Committee, as the case may be.

"(2) Each member of the Board who is not a Federal employee and each member of the Advisory Committee shall be paid travel, per diem, and other necessary expenses under subchapter I of chapter 57 of this title while traveling away from his home or regular place of business in the performance of the duties of the Commission or Advisory Board, as the case may be.

"(e) The accrued annual leave of any employee who is a member of the Board shall not be charged for any time used in performing service for the Board during any work period.

"(f) Section 14(a)(2) of the Federal Advisory Committee Act (86 Stat. 776; 5 U.S.C. App.) shall not apply to the Advisory Committee.

"§ 8496. Fiduciary responsibilities; liability and penalty

"(a) For the purposes of this section—

"(1) the term 'fiduciary' means—

"(A) with respect to the Thrift Savings Fund, each member of the Board and the Executive Director; and

"(B) any person who, with respect to the Thrift Savings Fund, is described in section 3(21)(A) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(21)(A));

"(2) the term 'party in interest' includes—

"(A) any fiduciary;

"(B) any counsel to a fiduciary;

"(C) any person providing services to the Board or the Executive Director;

"(D) a labor organization the members of which are participants;

"(E) a spouse, ancestor, lineal descendant, or spouse of a lineal descendant of a person described in subclause (A), (B), or (C) of this clause; and

"(F) a corporation, partnership, or trust or estate of which, or in which, 50 percent or more of—

"(i) the combined voting power of all classes of stock entitled to vote or the total value of shares of all classes of stock of such corporation;

"(ii) the capital interest or profits interest of such partnership; or

"(iii) the beneficial interest of such trust or estate,

is owned directly or indirectly, or held by a person described in subclause (A), (B), (C), or (E) of this clause; and

"(3) the term 'person' means an individual, partnership, joint venture, corporation, mutual company, joint-stock company, trust, estate, unincorporated organization, association, or labor organization.

"(b)(1) A fiduciary shall discharge his responsibilities with respect to the Thrift Savings Fund or applicable portion thereof solely in the interest of the participants and beneficiaries and—

"(A) for the exclusive purpose of—

"(i) providing benefits to participants and their beneficiaries; and

"(ii) defraying reasonable expenses of administering the Thrift Savings Fund or applicable portions thereof;

"(B) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent individual acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like objectives; and

"(C) to the extent permitted by section 8427 of this title, by diversifying the investments of the Thrift Savings Fund or applicable portions thereof so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

"(2) No fiduciary may maintain the indicia of ownership of any assets of the Thrift Savings Fund outside the jurisdiction of the district courts of the United States.

"(c) A fiduciary shall not—

"(1) deal with any assets of the Thrift Savings Fund for his own account;

"(2) act, in his individual or any other capacity, in any transaction involving the Thrift Savings Fund on behalf of a party whose interests are adverse to the interests of the Thrift Savings Fund or the interests of its participants or beneficiaries;

"(3) receive any consideration for his own personal account from any party dealing with sums credited to the Thrift Savings Fund in connection with a transaction involving assets of the Thrift Savings Fund, except fees which the fiduciary is entitled to receive as provided in a contract awarded under section 8493(c)(2) of this title;

"(4) permit the transfer of any assets of the Thrift Savings Fund to or the use of such assets by any person known to be a party in interest, except in return for adequate consideration; or

"(5) permit the acquisition of any property from or services by any person known to be a party in interest, except in exchange for adequate consideration.

"(d) This section does not prohibit any fiduciary from—

"(1) receiving any benefit which the fiduciary is entitled to receive under this chapter as a participant, a former participant, or a beneficiary of a participant or former participant;

"(2) receiving any reasonable compensation authorized by this title for services rendered, or for reimbursement of expenses properly and actually incurred, in the performance of the fiduciary's duties under this chapter; or

"(3) serving as a fiduciary in addition to being an officer, employee, agent, or other representative of a party in interest.

"(e)(1)(A) Any fiduciary that breaches the responsibilities, duties, and obligations set out in subsection (b) of this section or violates subsection (c) of this section shall be liable to the Thrift Savings Fund for any losses to such fund resulting from each such breach or violation and to restore to such fund any profits made by the fiduciary through use of assets of such fund by the fiduciary, and shall be subject to such other equitable or remedial relief as a court considers appropriate. A fiduciary may be removed for a breach referred to in the preceding sentence.

"(B) The Attorney General of the United States may assess a civil penalty against a party in interest engaging in a transaction prohibited by subsection (c) of this section. The amount of such penalty may not exceed 5 percent of the amount involved (as defined in section 4975(f)(4) of the Internal Revenue Code of 1954); except that, if the

transaction is not corrected (in such manner as the Attorney General shall prescribe by regulation consistent with section 4975(f)(5) of the Internal Revenue Code of 1954) within 90 days after the date the Attorney General transmits notice to the party in interest (or such longer period as the Attorney General may permit), such penalty may be in an amount not more than 100 percent of the amount involved.

"(C) A fiduciary shall not be liable under subparagraph (A) of this paragraph with respect to a breach of fiduciary duty under subsection (b) of this section committed before becoming a fiduciary or after ceasing to be a fiduciary.

"(2) A civil action may be brought in the district courts of the United States—

"(A) by the Attorney General of the United States—

"(i) to determine and enforce a liability under paragraph (1)(A) of this subsection; or

"(ii) to collect any civil penalty under paragraph (1)(B) of this subsection; or

"(B) by the Attorney General of the United States, any participant, annuitant, former participant who is entitled to a deferred annuity under section 8412 of this title, other beneficiary, or fiduciary—

"(i) to enjoin any act or practice which violates any provision of subsection (b) or (c) of this section; or

"(ii) to obtain any other appropriate equitable relief to redress a violation of any such provision.

"(3) An action may not be commenced under paragraph (2) of this subsection with respect to a fiduciary's breach of any responsibility, duty, or obligation under subsection (b) of this section or a violation of subsection (c) of this section after the earlier of—

"(A) 6 years after (i) the date of the last action which constituted a part of the breach or violation, or (ii) in the case of an omission, the latest date on which the fiduciary could have cured the breach or violation; or

"(B) 3 years after the earliest date on which the plaintiff had actual knowledge of the breach or violation; except that, in the case of fraud or concealment, such action may be commenced not later than 6 years after the date of discovery of such breach or violation.".

(b) The table of chapters at the beginning of part III of such title is amended by inserting after the item relating to chapter 83 the following new item:

"84. Civil Service Pension System ..... 8401.".

TITLE II—AMENDMENTS RELATING TO SOCIAL SECURITY

AMENDMENTS TO THE SOCIAL SECURITY ACT

SEC. 201. Section 210(a)(5) of the Social Security Act is amended—

(1) by striking out "or" at the end of subparagraph (F);

(2) by striking out the semicolon at the end of subparagraph (G) and inserting in lieu thereof ", or"; and

(3) by adding at the end thereof the following new subparagraph:

"(H) service performed by an individual after such individual has commenced participation in the Civil Service Pension System pursuant to section 8471 of title 5, United States Code;".

AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954

SEC. 202. Section 3121(b)(5) of the Internal Revenue Code of 1954 is amended—

(1) by striking out "or" at the end of subparagraph (F);

(2) by striking out the semicolon at the end of subparagraph (G) and inserting in lieu thereof ", or"; and

(3) by adding at the end thereof the following new subparagraph:

"(H) service performed by an individual after such individual has commenced participation in the Civil Service Pension System pursuant to section 8471 of title 5, United States Code;".

TITLE III—MISCELLANEOUS AND CONFORMING AMENDMENTS

EXTENSION OF FEDERAL EMPLOYEES' RETIREMENT CONTRIBUTION TEMPORARY ADJUSTMENT ACT OF 1983

SEC. 301. (a) Sections 202(1), 202(6), 203(a)(4)(A), 203(a)(4)(B), 204(a), 206(b)(2)(A)(i), and 206(c)(3) of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 (97 Stat. 1106; 5 U.S.C. 8331 note) are amended by striking out "January 1, 1986" each place it appears and inserting in lieu thereof "January 1, 1987".

(b) Section 205 of such Act is amended by striking out "and 1986" in subsections (b) and (c) and inserting in lieu thereof "1986, and 1987".

MISCELLANEOUS AMENDMENTS TO CHAPTER 83 OF TITLE 5, UNITED STATES CODE

SEC. 302. (a) Section 8331(1)(G) of title 5, United States Code, is amended to read as follows:

"(G) an individual first employed by the government of the District of Columbia before January 1, 1987;".

(b) Section 8332 of such title is amended by adding at the end thereof the following new subsection:

"(n) Except as provided in section 8472(b) of this title, service performed while a participant in the Civil Service Pension System under chapter 84 of this title is not creditable under this section.".

(c)(1) The first sentence of section 8333(b) of such title is amended by inserting "or chapter 84 of this title" after "subject to this subchapter".

(2) Section 8333(c) of such title is amended by adding at the end thereof the following new sentence: "The requirements of the first sentence shall apply only with respect to the civilian service performed by a Member while not a participant in the Civil Service Pension System under chapter 84 of this title.".

(d) Subsection (a) of section 8334 of such title is amended—

(1) in the first sentence of paragraph (1), by striking out "The employing" and inserting in lieu thereof "Except as provided in paragraph (3) of this subsection, the employing"; and

(2) by adding at the end thereof the following new paragraph:

"(3)(A) In the case of an employee or Member who was subject to this subchapter before January 1, 1984, and whose service—

"(i) is employment for the purposes of title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954; and

"(ii) is not creditable service for any purpose under chapter 84 of this title,

an employing agency shall deduct and withhold from the basic pay of the employee or Member under paragraph (1) of this subsection during any pay period only the amount computed pursuant to subparagraph (B) of this paragraph.

"(B) The amount deducted and withheld from basic pay during any pay period pursuant to subparagraph (A) of this paragraph in the case of an employee or Member referred to in such subparagraph shall be the excess of—

"(i) the amount determined by multiplying the percent applicable to the employee or Member under paragraph (1) of this subsection by the basic pay payable for such pay period, over

"(ii) the amount of the taxes deducted and withheld from such basic pay under section 3101(a) of the Internal Revenue Code of 1954 for such pay period.".

(e) Section 8339 of such title is amended by adding at the end thereof the following new subsection:

"(o)(1) Effective on the first day of the month in which an annuitant or a survivor becomes 62 years of age, the annuity or survivor annuity computed under the other subsections of this section shall be reduced by an amount equal to the amount (if any) by which the annuitant's or survivor annuitant's benefit under title II of the Social Security Act exceeds the amount of such benefit to which he would be entitled if the service described in paragraph (2) of this subsection were not taken into account.

"(2) The service described in this paragraph is the civilian service that is covered by amounts deducted and withheld as provided in section 8334(a)(3) of this title and is taken into account for the purpose of computing—

"(A) the annuity or survivor annuity; and

"(B) benefits under such title of the Social Security Act.".

(f) Section 8347(a) of such title is amended by adding at the end thereof the following: "The Office may contract for the performance of administrative services necessary to carry out its responsibilities under this subchapter.".

(g) Section 8348(a) of such title is amended—

(1) in paragraph (1)(A), by inserting "or the provisions of chapter 84 of this title which relate to benefits payable out of the Fund" after "subchapter"; and

(2) in paragraph (2), by inserting ", chapter 84 of this title," after "chapter".

CONFORMING PROVISIONS FOR THE POSTAL SERVICE RETIREMENT SYSTEM

SEC. 303. Section 1005(d) of title 39, United States Code, is amended to read as follows:

"(d) Officers and employees of the Postal Service (other than the Governors) shall be covered by chapters 83 and 84 of title 5 according to the provisions of such chapters. The Postal Service shall withhold from pay and shall pay into the Civil Service Retirement and Disability Fund the amounts specified in or determined under such chapter 83. The Postal Service shall pay into the Civil Service Retirement and Disability Fund the amounts specified or determined under subchapters II and V of such chapter 84. The Postal Service shall pay into the Civil Service Thrift Savings Fund the amounts specified in or determined under subchapter III of such chapter 84.".

GROUP LIFE INSURANCE FOR CERTAIN PARTICIPANTS IN THE CIVIL SERVICE PENSION SYSTEM

SEC. 304. (a) Subsection (b) of section 8702 of title 5, United States Code, is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) Paragraph (1) of this subsection shall not apply to an employee who is required by section 8402 of this title to be a participant in the Civil Service Pension System.".

(b) Subsection (a) of section 8707 of such title is amended—

(1) by striking out "(a) During" and inserting in lieu thereof "(a)(1) Except as provided in paragraph (2) of this subsection, during"; and

(2) by adding at the end thereof the following new paragraph:

"(2) Paragraph (1) of this subsection shall not apply to an employee who is required by section 8402 of this title to be a participant in the Civil Service Pension System.".

(c) Subsection (a) of section 8708 of such title is amended—

(1) by striking out "(a) For" and inserting in lieu thereof "(a)(1) Except as provided in paragraph (2) of this subsection, for"; and

(2) by adding at the end thereof the following new paragraph:

"(2) For each period for which an employee referred to in section 8707(a)(2) of this title is insured under a policy of insurance referred to in paragraph (1) of this subsection, a sum equal to one and one-half times the amount which, but for such section 8707(a)(2), would be withheld from the pay of the employee under section 8707(a)(1) of this title shall be contributed from the appropriation or fund which is used to pay the employee.".

HEALTH BENEFIT PLAN ELIGIBILITY FOR FORMER SPOUSES

SEC. 305. (a) Section 8901(10) of title 5, United States Code, is amended—

(1) in subparagraph (C)(i)—

(A) by inserting "or 8467" after "8345(j)"; and

(B) by inserting "or 8434" after "8341(h)"; and

(2) in subparagraph (C)(ii)—

(A) by inserting "or 8434" after "8341(h)"; and

(B) by inserting "or 8467" after "8345(j)".

(b)(1) Subsection (b) of section 8905 of such title is amended—

(A) by redesignating subparagraphs (A), (B), and (C) of paragraph (1) as clauses (i), (ii), and (iii), respectively;

(B) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(C) by inserting "(1)" after "(b)"; and

(D) by adding at the end thereof the following new paragraph (2):

"(2) A member of family of a deceased employee or annuitant who was enrolled in a health benefit plan under this chapter on the date of death of the employee or annuitant may continue the enrollment under the conditions of eligibility prescribed in regulations issued by the Office.".

(2) Subsection (c)(1) of such section is amended—

(A) in subparagraph (B), by inserting "or 8435(a)(1)"; and

(B) in the second sentence—

(i) by inserting "or 8434" after "8341(h)"; and

(ii) by inserting "or 8467" after "8345(j)".

EMPLOYEES OF CERTAIN NONAPPROPRIATED FUND INSTRUMENTALITIES

SEC. 306. Section 2105(c) of title 5, United States Code, is amended by inserting ", chapter 84," after "chapter 81" in clause (2) of the first sentence.

TITLE IV—AUTHORIZATION AND EFFECTIVE DATES

FIRST YEAR EXPENSES OF THE CIVIL SERVICE THRIFT INVESTMENT MANAGEMENT SYSTEM

SEC. 401. (a) Notwithstanding section 8426(c)(3) of title 5, United States Code, as added by section 101 of this Act, the expenses incurred in the administration of the Civil Service Thrift Investment Management System prescribed in subchapter VIII of chapter 84 of such title, as added by section 101 of this Act, during fiscal years 1986 and 1987 shall be paid from sums appropriated pursuant to subsection (b).

(b) There are authorized to be appropriated to the Civil Service Thrift Investment Board, for fiscal years 1986 and 1987, such sums as may be necessary to pay the expenses incurred in the administration of the Civil Service Thrift Investment Management System prescribed in subchapter VIII of chapter 84 of title 5, United States Code, as added by section 101 of this Act, during such fiscal years.

EFFECTIVE DATES

SEC. 402. (a) Except as provided in subsection (b), this Act and the amendments made by this Act shall take effect January 1, 1987.

(b) Subchapter VIII of chapter 84 of title 5, United States Code (relating to the Civil Service Thrift Investment Management System), as added by section 101, shall take effect on the date of enactment.

(c) The program required by section 8426(e) of title 5, United States Code, as added by section 101(a) of this Act, shall be established not later than January 1, 1988.

SECTION-BY-SECTION ANALYSIS

The opening section (section 2) provides for the purpose of the legislation. The purposes delineated include providing a stable and flexible retirement plan which is comparable to good private sector retirement benefits plans, enhancing portability of retirement assets between Federal jobs and jobs outside the Federal government, and ensuring a fully funded and financially sound federal retirement program.

TITLE I—CIVIL SERVICE PENSION SYSTEM

Section 101(a) amends title 5, United States Code, by inserting a new chapter 84, entitled "Civil Service Pension System" (CSPS).

Subchapter I of this chapter provides definitions for administration of the CSPS, many of which are the same as or similar to those used in chapter 83 of title 5. New or modified definitions include average pay (highest 5 years) and basic pay (rate established pursuant to law, without regard to any limits on authority to pay). Definitions of firefighter and law enforcement officer are more specific than those used in chapter 83. The subchapter also identifies the participants in the new CSPS and specifies its relationship to the Social Security Act. Employees of the District of Columbia are specifically excluded. Employees of the current Civil Service Retirement System (CSRS) are included if they so choose pursuant to Section 8471.

Subchapter II describes the basic retirement plan, which is a defined benefits plan applicable to all permanent employees covered by the Social Security System on or after January 1, 1984 and any employees subject to the CSRS who elect to join the CSPS.

Section 8411 lists the combinations of age and service which establish entitlement to an immediate annuity.

Subsections (a) and (b) provide for an immediate annuity at age 55 with 10 years of service and age 62 with 5 years of service.

Subsections (c) and (d) provide for an immediate annuity to the special retirement classes (law enforcement officer, firefighter, or air traffic controller) after 25 years of service in the occupation.

Subsection (e) provides for an immediate annuity to an employee who is separated from the service involuntarily and who has completed 25 years of service or is not less than age 50 with 20 years of service.

Subsection (f) provides that the annuity authorized by this section is computed under sections 8413 through 8415 of this title.

Section 8412 provides for deferred retirement at age 62 to a participant who is under age 62 and separates from Federal employment after completing 5 years of service or at age 55 to a participant who is under age 55 and separates from Federal employment after completing 10 years of service.

Section 8413 provides the formula for computing the annuity a participant is entitled to receive. The formula is one percent of the average pay over the five highest consecutive years multiplied by the number of years of service. For the special retirement classes, an annuity supplement equal to the estimated amount of Social Security benefits payable at age 62 will be paid to annitants from age 55 until age 62. This supplement will be increased annually by the percent increase in the Social Security Act average wage index. A pro rata formula for part time service is also specified.

Section 8414 provides for reduction of an immediate annuity that begins before age 62. The reduction is two percent for each year the participant is under age 62 on the date of a voluntary retirement at age 55 with 30 years of service or an involuntary retirement under section 8411(e). The annuity is reduced by five percent for each year the participant is under age 62 for a participant who elects to receive an annuity after age 55 but before completing 30 years of service. A five percent reduction for each year the participant is under age 55 applies to law enforcement officers, firefighters, air traffic controllers, and military reserve technicians.

Section 8415 provides for actuarially reducing an annuity to provide for one or more survivor annuities.

Subsection (a) provides for an automatic annuity reduction to provide a survivor annuity to the spouse of a married participant unless the participant and his or her spouse jointly waive the spouse's right to a survivor annuity as provided in section 8416.

Subsection (b) provides for an automatic annuity reduction when the participant has elected to provide a survivor annuity to a former spouse.

Section 8416 provides that OPM shall prescribe methods of payment of annuities and participant election of the method preferred. Included in those methods are a single life annuity and a joint-and-survivor annuity. An individual designated as having an insurable interest in the annuitant may receive a survivor annuity under this provision.

An individual who is married on the date he or she applies for payment of the annuity to begin may elect a method of payment other than a joint-and-survivor method only if the individual and his or her spouse jointly waive an annuity under this method.

Section 8417 provides that a participant who retires voluntarily prior to age 62 may elect to have his or her annuity payments adjusted in such a way that the total amount received before and after receipt of Social Security benefits begin is approximately the same. This does not apply to deferred retirement or to the special retirement classes.

Section 8418 provides that each Federal agency shall contribute an amount equal to the normal cost of the benefits for the agen-

cy's employees, as determined by OPM. It also provides for a yearly determination of the Fund's supplemental liability which is to be amortized over 30 years by payments from the Secretary of the Treasury or the Postmaster General of the United States, as appropriate. OPM may use the current CSRS Board of Actuaries for making actuarial determinations and valuations for the CSPS.

Section 8419 provides that military service is creditable service and that the Department of Defense Military Retirement Fund shall reimburse the fund annually for the normal cost relating to the military service of employees and members who become participants during the fiscal year. This excludes employees covered by the CSRS who elect under section 8471(a) to join the CSPS.

Subchapter III describes the thrift savings plan, which is an optional plan permitting participants to contribute a percentage of their basic pay or disability benefits to a selected investment vehicle and have those contributions matched by the government.

Section 8421 allows participants to contribute up to 10 percent of their basic pay to the thrift plan. Those participants who are receiving disability benefits may contribute up to 10 percent of the disability benefits payable. An opportunity to change the contribution amount will be provided at least annually. Employing agencies are required to match the participant's contribution, up to five percent of the participant's annual rate of basic pay or the disabled participant's disability benefits. Amounts contributed to the thrift fund are not included in the employee's current gross income for income tax purposes.

Section 8422 provides a vesting schedule for the thrift plan. A participant immediately vests in his contributions and their earnings. Beginning after one year of service, the participant vests in 20 percent of the employer's contribution. This increases by 20 percent for each additional year of participation up to five years and beyond, when the entire share contributed by the employer, plus interest, is vested. A participant who dies while employed by the government immediately vests in 100 percent of the employer's contribution and the earnings on it. For a participant who separates from employment before becoming entitled to an immediate annuity, any employer contributions which he has not vested in are transferred to the Treasury for credit to Miscellaneous Receipts.

Section 8423 describes the optional ways an employee may choose from to receive thrift account payments from the thrift plan at separation from employment, depending on his or her status under the basic pension plan.

Subsection (a) permits a participant who is entitled to an immediate annuity to elect one of the four methods below:

(1) An immediate annuity

(2) A deferred annuity

(3) A lump sum or installment withdrawal

(4) Transfer to an individual retirement account or other qualified retirement plan

Subsection (b) permits a participant who is entitled to a deferred annuity to elect one of the methods described above. For the first three methods, the money is not payable until the date of the participant's eligibility for retirement.

Subsection (c) permits a participant who is not eligible for any pension to elect one of the three methods below:

(1) An annuity at age 62

(2) A lump sum or installment withdrawal at age 62

(3) Transfer to an individual retirement account or other qualified retirement plan

Subsection (d) permits a participant who elected to defer an annuity payment to modify the date specified in that election.

Section 8424 describes how annuities available from the thrift plan will be computed and paid. The Thrift Investment Board will prescribe methods of payment which must include a single life annuity and a joint-and-survivor annuity. An individual designated as having an insurable interest in the annuitant is also covered under this provision. The amounts will be determined actuarially. Methods for providing annual increases in the annuity payable must also be prescribed.

Section 8425 provides rules for elections by participants entitled to payments or transfers from the thrift plan.

Section 8426 establishes the Thrift Savings Fund and prescribes how moneys in the Fund may be used. Included in these uses is a requirement for the Board to establish a program to make loans to participants in cases of hardship.

Section 8427 describes how employee and employer money will be invested.

Subsection (a) defines terms used in application of this section.

Subsection (b) requires the Board to establish three funds under which sums in the Thrift Savings Fund may be invested and provides an option to establish other funds. The funds are:

(1) A Government Securities Investment Fund which is invested in special issues of the Treasury.

(2) A Fixed Income Investment Fund which is invested in insurance contracts, certificates of deposits, or other instruments.

(3) A Common Stock Index Investment Fund which is invested in common stock issues included in a commonly recognized stock index, with the percentage invested in a given stock to be the same as the percentage of that stock's market value included in the index.

Subsection (c) specifies that sums in the Thrift Fund which are not designated or available to be invested in one of the other investment funds will be invested in the Government Securities Investment Fund.

Subsection (d) states that participants may elect, at least once each year, the investment funds into which they wish to have their Thrift Savings Fund invested or reinvested.

Subsection (e) specifies that, during the implementation phase of the Thrift Savings Fund, a certain percentage of the contributions made by and for the participant must be invested in Government Securities Investment Fund. For participant contributions, the initial amount is 100%, reduced by 20% each year over a five year period, beginning in 1988. For agency contributions, the same phasing schedule applies, beginning in 1993. All amounts earned on these contributions must be reinvested in the Government Securities Investment Fund. Participants hired during the temporary adjustment period will have contributions for that period, as described in section 8473(b), invested in the Government Securities Fund.

Subsection (f) provides for the Secretary of the Treasury to issue, as needed by the Fund, two year notes bearing an interest rate equal to the average market yield of all such notes as of the end of the month preceding the date of issue.

Section 8428 prescribes how the Executive Director is to account for the funds of each participant in the System and requires that the participant be provided an annual statement of his or her account. An annual audit report by an independent qualified public accountant is also required.

Subchapter IV describes the benefits available to survivors of deceased participants and former participants from the basic plan and the thrift plan.

Section 8431 provides for payment of death benefits from the basic plan to the surviving spouse of a participant or a former participant other than an annuitant if the deceased had five or more years of service. If the participant or former participant was eligible to retire, the survivor gets 50 percent of the accrued annuity (computed as if he or she had retired the day before death, with any applicable reductions for early retirement and for election of a survivor benefit). If he or she was not eligible to retire, the benefit is computed as described above but payment is delayed until the date he or she would have been eligible to retire.

Section 8432 provides for payment of death benefits from the basic plan to the survivor of an annuitant in accordance with an election under section 8416, 8434(a), or 8436(c).

Section 8433 provides for survivor benefits from the thrift savings plan. If the deceased participant or former participant is not survived by a spouse, payment is made to an individual designated as having an insurable interest or, if no such designation was made, to the deceased individual's estate. A surviving spouse entitled to payment of benefits may elect to receive the money under one of three methods. These are:

(1) An annuity

(2) Transfer of the money to an individual retirement account

(3) Lump sum or installment withdrawal

Section 8434 provides for basic and thrift savings plan survivor benefits to a spouse acquired after payment of the annuity begins. The election is effective the first day of the second month beginning after the election is received but not earlier than nine months after the date of the marriage. A deposit to retroactively fund this election is required as needed. An election of an annuity reduction to provide this benefit is not permitted if the spouse acquired after retirement was married to the annuitant when payment of the annuity began and the annuitant and spouse had jointly waived the right to a survivor benefit.

Section 8435 states the entitlement of eligible former spouses to receive survivor benefits from the basic plan and the thrift plan. The benefits from the basic plan are the same as for a surviving spouse under sections 8416, 8431, or 8432. Benefits from the thrift fund are determined actuarially.

Section 8436 provides for an annuitant to elect a survivor benefit from the basic plan and the thrift plan for an eligible former spouse.

Subsection (a) permits an annuitant who has a former spouse to elect an annuity reduction in order to provide a survivor annuity to such former spouse. The election must be made on or before the date the annuitant applies for payment of an annuity from the basic plan or, if later, within two years after the date on which the marriage of the former spouse to the annuitant is dissolved. A deposit, computed to reflect the amount by which the annuity would have been reduced if it had been continuously in effect since the date the annuity com-

menced, is required. An election for an annuity reduction to provide a survivor benefit to a former spouse shall not be effective if it:

(1) conflicts with a court order or decree,

(2) exceeds the funds available to pay it, or

(3) is made without the written consent of the annuitant's spouse.

Subsection (b) provides that an annuitant whose annuity is being reduced to provide a survivor benefit to a former spouse may elect to provide or increase a survivor annuity for any former spouse. This election must occur within two years after the former spouse's date of death or remarriage before age 55.

Subsection (c) provides for an annuitant to elect to provide a survivor annuity to his or her spouse if the entitlement of an eligible former spouse is terminated or reduced due to remarriage or death.

Subsection (d) provides for a waiver of the requirement that the spouse of a retiree waive a right to a survivor benefit in certain situation.

Section 8437 provides for termination of a survivor annuity on death of the spouse or former spouse, dissolution of the marriage, or remarriage of the former spouse before reaching age 55.

Section 8438 covers deposits to the Fund.

Subsection (a) requires a market rate of interest payment on any deposit needed to fund an annuity election under section 8434(c) or 8436.

Subsection (b) provides for offsetting the retiree's annuity if the required deposit is not made.

Subsection (c) permits OPM to extend the time limit for making the required deposit.

Subchapter V describes the disability benefits available to a participant who has at least 18 months of service.

Section 8441 provides definitions for the administration of this benefit.

Section 8442 provides that an eligible particpants is entitled to receive benefits under this subchapter if disabled based on the Social Security definition and under 62 or if unable to work in his current position, not qualifed for reassignment, and under 55. At age 62/55, the annuity is payable under the basic plan provisions of subchapter II based on at least 5 years actual service plus projected service through age 62/55. Average pay for the purpose of converting the disabled person from the disability rolls to the retirement rolls at age 62/55 is the average pay on the date of disability, increased each time after that date by the Consumer Price Index minus two percentage points.

Section 8443 provides the following methods for computing disability benefits:

(1) If eligible for Social Security or ineligible for Social Security only as a result of insufficient quarters of coverage, 60 percent of average pay minus 100 percent of the Social Security benefit while the participant is under age 62.

(2) If occupationally disabled, 60 percent of average pay for the first year. After the first year, 40 percent of average pay minus Social Security benefits, if any, while the participant is under 55 years of age.

Section 8444 requires a claim for disability benefits to be filed before the date the participant separates from employment by the Federal Government or within 1 year after. This time limit may be waived by the administrator of benefits.

Section 8445 requires the administrator to direct medical examinations for disability retirement applicants or benefit recipients.

Section 8446 requires that an applicant who is determined able to perform the work required in any position offered by his employing agency for which he is qualified, is at the same grade or level as his current position, and is within his commuting area, must be considered for appointment to such position. The applicant is entitled to appeal a determination that he is able to perform the work required of such position.

Section 8447 provides for termination of disability benefits to an individual who recovers from the disability before reaching age 62 or, in the case of an employee who is occupationally disabled, age 55. Recovery is presumed to occur when income for one year equals 60 percent of the current pay for the individual's former grade. These benefits may be resumed if there is a recurrence of disability. In the case of an individual whose benefits were terminated due to restored earning capacity, benefits are resumed if he is not reemployed within one year, his disability continues, and his income for one year is less than the amount establishing his restored earning capacity.

Section 8448 establishes that an individual is not entitled to receive both disability benefits under this chapter and injury compensation benefits under subchapter I of chapter 81 of this title for the same period of time.

Section 8449 provides for disability benefits for a military reserve technician who is separated from employment as a technician due to a disability which disqualifies him from membership in the National Guard or other reserve component, as the case may be, or from holding the military grade required for such employment and who is not placed in another position.

Section 8450 provides that OPM will contract with one or more insurance companies or other firms to serve as a third party administrator for the disability program provisions which OPM is not specifically required to administer. Each contract awarded may not exceed 5 years and may include a provision authorizing extensions for 1 year at a time.

Section 8451 provides requirements for an annual accounting by the third party administrator to OPM.

Section 8452 provides for the establishment of an Employees' Disability Insurance Fund in the U.S. Treasury and requires agencies to make payments to the fund from their salary appropriations.

Subchapter VI describes general provisions applicable to the administration of the basic plan.

Section 8461 provides that OPM shall pay all benefits payable under the basic plan from the Fund and shall administer all provisions not specifically required to be administered by the Board or any other agency. OPM is also authorized to contract for the performance of any of these functions.

Section 8462 provides for an annual adjustment to the basic pension as a result of an increase in the Consumer Price Index (CPI). The increase will be the percentage increase in CPI minus 2 percentage points. The adjustment is made in December (payable in January), and is based on the change from September to September. A pro rata share of the increase is payable to retirees or survivor annuitants for whom this is the first increase.

Section 8463 provides that each annuity and disability benefit is stated as an annual amount, one-twelfth of which is the monthly rate payable.

Section 8464 provides that a participant's annuity under the basic pension commences on the first day of the first month after the participant separates from government employment or such later date as he or she elects. It terminates on the date of death or other terminating event provided by law. It further provides that a survivor annuity commences on the first day of the first month after the date of death of the participant or retiree on whom the annuity is based and terminates on the last day of the last month ending before the surviving spouse dies or remarries before age 55, unless another date is specified in accordance with this chapter.

Section 8465 provides that an individual entitled to receive a basic pension may waive receipt of all or part of the benefits. An individual may also make allotments from the benefit payment.

Section 8466 provides that an application for benefits must be received before the former participant's 115th birthday; for survivor benefits, the application must be received within 30 years after the death or other event which establishes entitlement to the benefit.

Section 8467 requires compliance with the terms of a court order requiring payment of an annuity, in whole or in part, to another person.

Section 8468 provides for termination of an annuity when an annuitant is reemployed by the Government. Upon termination of the employment, his annuity right are redetermined. The amount of the annuity resulting from a redetermination may not be less than the amount of the terminated annuity plus any COLA increases.

Subchapter VII outlines the transition provisions for individuals covered by the CSRS who choose to participate in the CSPS.

Section 8471 permits participants in the current system (CSRS), other than District of Columbia government employees, to elect to participate in the new system (CSPS) during the first year it is in effect and to retain accrued credit for entitlement to benefits under the CSRS for service subject to that system. It also provides that rehires who are required to participate in the CSPS retain credit earned under CSRS and are permitted to deposit to the CSRS fund any amount previously refunded. Survivor benefits may be payable based on conditions of eligibility and service under both CSRS and CSPS.

Section 8472 provides that CSRS participants who elect to participate in the CSPS are allowed credit for service under both systems for purposes of determining eligibility to retire in both systems and of vesting in the thrift plan. Pay for such individuals subsequent to beginning participation in the CSPS is taken into account in computing average pay under both systems. Disability benefits are provided only under the CSPS.

Section 8473 provides that service by a participant during the temporary adjustment period will be recognized as years of participation for the purpose of vesting in the employer's contributions to the Thrift Savings Fund under section 8422. For such participants, moneys will be transferred from the Fund to the Thrift Savings Fund in an amount which equals twice his or her contributions plus interest for any calendar year at the rate determined under section 8334(e) of title 5. The amount transferred will be in the form of interest-bearing securities of the United States. For vesting purposes, half of the amount will be treated as a contribution from the participant and half as a contribution by the employing agency.

Participants hired during the interim period who made a deposit to cover military service will receive a refund of the deposit.

Section 8474 defines "reemployed annuitant" for various Government retirement systems. This section provides that a reemployed annuitant retains entitlement to the Government retirement system under which he/she retired. It further provides that service performed as a reemployed annuitant under CSPS shall be credited only for eligibility to retire under CSPS and cannot be considered creditable service for the annuitant's previous retirement system. Also, pay earned as an employee before and after reemployment is considered in computing average pay under both the CSPS and the annuitant's Government retirement system.

Section 8475 excludes former CSRS participants who join the CSPS from the windfall reduction and the public pension offset provisions of the Social Security Act.

Section 8476 authorizes OPM to prescribe regulations to carry out this subchapter.

Subchapter VIII describes the Civil Service Thrift Investment Management System.

Section 8491 establishes a Civil Service Thrift Investment Board, composed of the Chairman of the Federal Reserve Board, the Secretary of the Treasury, the Director of OPM, and two representatives of Federal employee organizations appointed by the President, one of whom must be from a labor organization and one of whom must be from a Federal employee management organization. The Chairman of the Federal Reserve Board will chair the Board. Specific responsibilities of the Board are detailed here.

Section 8492 provides for the establishment of a Civil Service Thrift Advisory Committee, composed of six members appointed by the Board. Three are to be investment asset managers and three are to be administrators of thrift savings plans.

Section 8493 provides for the Board to appoint an Executive Director to carry out the policies of the Board in administering the Thrift Savings Fund. The Executive Director is authorized to enter into contracts as necessary to carry out these policies.

Section 8494 states the investment policy governing the Thrift Savings Fund. This includes a provision that investments chosen are likely to receive broad acceptence by participants and the public, and a provision that the two funds which specifically provide for private sector investment should not require a significant level of active investment decision-making.

Section 8495 provides rules of administration for the Board.

Section 8496 identifies fiduciaries and their responsibilities, defines "party in interest," states basic standards of fiduciary conduct, lists prohibited practices by fiduciaries, and describes penalties for committing a prohibited practice.

TITLE II—AMENDMENTS RELATING TO SOCIAL SECURITY.

Section 201 amends section 210(a) (5) of the Social Security Act to cover service performed by an individual who commences participation in the CSPS.

Section 202 amends section 3121(b)(5) of the Internal Revenue Code of 1954 to tax the wages of an individual who commences participation in the CSPS.

TITLE III—MISCELLANEOUS AND CONFORMING AMENDMENTS

Section 301 extends the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 from January 1, 1986 until January 1, 1987.

Section 302(a) amends section 8331 of title 5, United States Code, to limit coverage under the CSRS for District of Columbia government employees to those first employed before January 1, 1987.

Section 302(b) amends section 8332 of title 5, United States Code, by adding a new subsection excluding participant in the CSPS from receiving service credit under the CSRS, except in certain limited situations affecting participants retaining entitlement in the CSRS under section 8472.

Section 302(c) amends section 8333(b) of title 5, United States Codes to modify the requirement that an employee or Member must complete at least one year of creditable service as a participant in the CSRS out of the last two years before separation to include service under the CSRS. It also amends section 8333(c) by making the contribution requirements applicable only to service performed while not a participant in the CSPS.

Section 302(d) amends section 8334(a) of title 5, United States Code, relating to deductions from an employee's pay for both CSRS and Social Security coverage. An employee who was covered by the CSRS on December 31, 1985 and who was subsequently covered by Social Security will continue in the CSRS at a reduced contribution. The Contribution to CSRS will be equal to the excess of the employee's normal CSRS contribution over the OASDI portion of the Social Security tax.

Section 302(e) amends section 8339 of title 5, United States Code, to specify that the CSRS benefit received by those covered under subsection (d) will be offset by 100% of the Social Security benefit attributable to federal service.

Section 302(f) amends section 8347(a) of title 5, United States Code, to permit OPM to contract for the performance of administrative services necessary to carry out its responsibilities under subchapter 83.

Section 302(g) amends section 8348(a) of title 5, United States Code, to clarify that the Civil Service Retirement and Disability Fund is available to pay benefits and administrative expenses for both chapters 83 and 84 of such title.

Section 303 amends section 1005(d) of title 39, United States Code, to include officers and employees of the Postal Service for coverage under the provisions of chapters 83 and 84 of title 5.

Section 304 requires agencies to pay all group life insurance basic plan costs for CSPS participants from salary appropriations.

Section 305 amends sections 8901(10) and 8905(c) of title 5, United States Code, to incorporate health benefit plan eligibility requirements for former spouses as a result of P.L. 98-615. It also amends section 8905(b) to permit a family member of a deceased employee or annuitant who was enrolled in a health benefits plan to continue that enrollment.

Section 306 amends section 2105(c) of title 5 to provide that chapter 84 does not apply to employees of certain non-appropriated fund instrumentalities.

TITLE IV—AUTHORIZATION AND EFFECTIVE DATES

Section 401 provides for payment of the fiscal year 1986 and 1987 expenses of the Civil Service Thrift Investment Board from appropriations.

Section 402 provides that this act takes effect January 1, 1987, except for subchapter VIII of chapter 84 (relating to the Civil Service Thrift Investment Board), which takes effect on the date of enactment, and the loan program required by section 8426(e) which must be established not later than January 1, 1988.

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
Washington, DC, July 25, 1985.

To: Senate Committee on Governmental Affairs, Senate Subcommittee on Civil Service, Post Office and General Services.

From: Dennis Snook, Leader, Civil Service Retirement Team.

Subject: CRS Analysis of the Stevens-Roth Plan for a Retirement System for Federal Workers Covered by Social Security.

COMPARISON OF ENTRY AGE NORMAL COST ESTIMATES OF CURRENT CSRS TO STEVENS-ROTH PLAN [1]

[In percent]

	Current CSRS (baseline)			Stevens-Roth plan		
	Employer share	Employee share	Total	Employer share	Employee share (average)	Total
Defined benefit plan	25.0	7.0	32.0	11.7		11.7
Social security [2]				5.9	5.9	11.8
FEGLI change [3]		.2		.2		.2
Capital accumulation plan (voluntary) [4]				3.0	3.0	6.0
Full cost [5]	25.0	7.2	32.2	20.8	8.9	29.7

[1] All cost figures are rounded to the nearest tenth of a percent. Administrative costs and benefits to special groups are excluded. Under the current CSRS these costs are estimated to be 0.1 and 0.3 percent of pay, respectively.

[2] Social security cost is the percentage of total Federal payroll taxable for social security (OASDI).

[3] Increased employer cost (0.2 percent) of Federal Employees Group Life Insurance (FEGLI) resulting from the employer assuming the full cost of Federal worker life insurance.

[4] For employees, cost of the capital accumulation plan is shown as the average cost. Average cost is determined by dividing the projected sum of all contributions (up to the specified matching limit of five percent for each employee) by the number of employees, assuming 60 percent rate of full participation. The cost to the Government is the employee cost times the matching rate minus the sum of unvested contributions forfeited (0.03 percent) by separating employees.

[5] Average full cost: For the existing CSRS, includes the average employee contribution for life insurance coverage while working. For Stevens-Roth, includes average employee contribution and employer match to the capital accumulation plan.

ENTRY AGE NORMAL COST OF STEVENS-ROTH PLAN BY BENEFIT [1]

[Normal cost (percent of total Federal pay)]

Defined benefit component:	
Annuities to employees:	
Optional retirement	8.5
Involuntary retirement	.4
Disability retirement [2]	1.0
Deferred retirement	.6
Subtotal	10.5
Annuities to survivors of:	
Age retirees	.8
Disability retirees	.1
Active employees	.3
To children	
Subtotal	1.2
Refunds	
Total benefits defined benefits	11.7
Increased cost of FEGLI	[3] .2
Total benefits, capital accumulation	[4] 6.0
Total benefits, social security	[5] 11.8
Total benefits	29.7
Less employee contributions:	
Defined benefit	
Capital Accumulation	[4] −3.0
Social security	[6] −5.9
Total employer cost	20.8

[1] Detail may not sum to totals due to rounding. Administrative costs and benefits to special groups are excluded.

[2] Includes deferred retirement benefits to disabled annuitants. (0.5%)
[3] Net increase in Federal Employees Group Life Insurance (FEGLI) from changes made to that program as part of the Stevens-Roth Plan.
[4] Based upon net employer contributions (minus forfeitures of 0.03%) average contribution for all workers including nonparticipants.
[5] Approximately 0.4 percent of payroll of the social security cost is not distributed to Federal workers but flows to relatively lower-income social security participants outside the Federal government.
[6] Social security average contribution as a percent of total payroll.

REPLACEMENT RATES—CURRENT CIVIL SERVICE RETIREMENT SYSTEM

[In percent]

(Final salaries have been adjusted to 1985 dollars)	$15,000	$30,000	$45,000	$60,000	$75,000
Gross replacement rates:					
10 years service	15	15	15	15	15
20 years service	34	34	34	34	34
30 years service	53	53	53	53	53
35 years service	63	63	63	63	63
40 years service	72	72	72	72	72

Note: These rates are for persons retiring in the year 2030.

REPLACEMENT RATES—ADD-ON PLAN: 1 PERCENT ACCRUAL RATE; CAP WITH 1 TO 1 MATCH UP TO 5 PERCENT OF PAY; 2 PERCENT EARLY RETIREMENT REDUCTION; POSTRETIREMENT ADJUSTMENT: CPI–2

[In percent]

(Final salaries have been adjusted to 1985 dollars)	$15,000	$30,000	$45,000	$60,000	$75,000
Retirement at:					
Age 55/30 years (gross rates):					
Total rate	38	38	38	38	38
(Without C.A. plan)	(23)	(23)	(23)	(23)	(23)
Pension	23	23	23	23	23
OASDI	0	0	0	0	0
C.A. plan	15	15	15	15	15
Total rate at age 62	57	52	48	45	43
(Without C.A. plan)	(42)	(37)	(33)	(30)	(28)
Pension	20	20	20	20	20
OASDI	22	17	13	10	8
C.A. plan	15	15	15	15	15
Total at age 80	51	46	42	39	37
(Without C.A. plan)	(36)	(31)	(27)	(24)	(22)
Pension	14	14	14	14	14
OASDI	22	17	13	10	8
C.A. plan	15	15	15	15	15
Retirement at:					
Age 62/30 years (gross rates):					
Total rate	69	64	60	56	54
(Without C.A. plan)	(50)	(44)	(40)	(37)	(35)
Pension	27	27	27	27	27
OASDI	23	18	13	10	8
C.A. plan	19	19	19	19	19
Retirement at:					
Age 62/35 years (gross rates):					
Total rate	81	75	70	66	63
(Without C.A. plan)	(59)	(52)	(47)	(44)	(41)
Pension	31	31	31	31	31
OASDI	27	21	16	12	10
C.A. plan	22	22	22	22	22
Total rate at age 65	79	73	68	64	62
(Without C.A. plan)	(57)	(51)	(46)	(42)	(39)
Total rate at age 80	72	65	60	57	54
(Without C.A. plan)	(49)	(43)	(38)	(34)	(32)
Retirement at:					
Age 62/40 years (gross rates):					
Total rate	89	82	77	73	71
(Without C.A. plan)	(63)	(57)	(52)	(48)	(46)
Pension	36	36	36	36	36
OASDI	28	21	16	12	10
C.A. plan	25	25	25	25	25
Retirement at:					
Age 65/30 years (gross rates):					
Total rate	76	69	64	61	58
(Without C.A. plan)	(54)	(48)	(43)	(39)	(37)
Pension	27	27	27	27	27
OASDI	27	21	16	12	10
C.A. plan	22	22	22	22	22
Retirement at:					
Age 67/30 years (gross rates):					
Total rate	81	74	68	64	62
(Without C.A. plan)	(58)	(51)	(45)	(41)	(38)
Pension	27	27	27	27	27
OASDI	31	24	18	14	11
C.A. plan	23	23	23	23	23
Retirement at:					
Age 67/40 years (gross rates):					
Total rate	105	95	88	83	80
(Without C.A. plan)	(74)	(64)	(58)	(52)	(49)
Pension	36	36	36	36	36
OASDI	38	29	22	17	13
C.A. plan	31	31	31	31	31

Note: These rates are for persons retiring in the year 2030. Totals may not add due to rounding.
CAP amounts, indexed so that level values over time are shown, assume lower annuity in early years to account for inflation.

METHODOLOGICAL SUPPORT

A. Cost and replacement rate models

The estimates of retirement costs and benefits presented in this analysis were generated using the Congressional Research Service's cost and replacement rate models. These computer-based actuarial models were developed by CRS with actuarial support and a Pension Valuation Language (PVL) provided under contract by Hay-Huggins, Inc., an actuarial consulting firm. It should be noted that these models project future outcomes from assumptions. While such projections are valuable tools for making relative cost and benefit comparisons, it is inappropriate to imply or to seek a degree of accuracy for them that is in principle unattainable.

1. Cost model

The cost model projects long-term costs of pension designs. The approach used is known as "entry age normal cost," and can be generally understood as the percentage of every paycheck that should be invested,

over the total career of each employee in a group of new entrants, to pay fully for all benefits received by that group, including all eligible survivors. Normal cost is formally defined as the present value of future benefits divided by the present value of future compensation. These values are expressed as a percentage of payroll, and provide a consistent measure of relative pension costs over time.

2. Replacement rate model

The replacement rate model projects the percentage of gross preretirement wages replaced by gross postretirement benefits. This percentage can be shown at retirement and at various ages after retirement, with the latter expressed in values relative to purchasing power at retirement. Capital accumulation replacement rates assume the purchase of an annuity indexed to the assumed rate of inflation.

3. Data and assumptions

The cost and replacement rate models required the use of certain data and assumptions, in order to project cost and benefit outcomes for employees entering work in 1985 and retiring in the year 2030. A profile of the Federal workforce into the future and drawn from data of the current system, and other factors pertaining to costs and benefits were identified and assumptions about the relative weight of those factors were made. Complete documentation of the methodology, data and basis for all assumptions is available from CRS.

1. Demographic assumptions

Given the order of magnitude of Federal employment, fairly reliable data on the Federal workforce could be obtained, and was used whenever appropriate. The vast majority of the data used to construct a demographic profile of the Federal workforce was provided by the Office of Personnel Management (OPM). These data included career patterns, mortality and disability rates, probability of leaving a surviving dependent, etc. Certain modifications were made to the OPM data that lessen the growth over time in the patterns of career improvement, and social security estimations of future improvements in mortality were also incorporated.

2. Economic assumptions

All economic assumptions were taken from the 1985 Social Security Trustees' Report under the designation, "Intermediate II-B." The II-B assumptions are most commonly accepted as being neither optimistic nor pessimistic. When the 1986 Trustees' report is issued, CRS will incorporate any changes to II-B into the cost and replacement rate models. For 1985, the assumptions were annual average increases of: Interest, 6.1 percent; wages, 5.5 percent; and prices, 4.0 percent.

3. Behavioral assumptions

Changes in plan designs relative to one another will cause changes in behavior which in turn affect plan costs. The changes in assumed rates of retirement, separation, etc., were made by the actuarial consultant, after research and discussions with CRS staff.

4. The cost of Social Security

Generally, the cost of social security to its participants is the same as the tax that must be paid to the program. For these estimates, the cost of social security is the ratio of social security (OASDI) taxes to total Federal payroll over the 75-year period of the projection, evenly divided between employees and the Federal Government as employer. Under social security II-B assumptions, the benefits and taxes of the program are roughly in balance over that period, if the tax on social security benefits is treated as a revenue to the program. It should be noted, however, that some of the social security taxes on Federal payroll are not received back by Federal workers in the form of benefits because the average of Federal wages covered by social security exceeds the average covered wage in employment outside the Federal Government. Because the social security formula enhances the benefits of lower-paid workers, approximately 0.4 percent of payroll of the tax credited to social security from Federal wages is redistributed to workers outside the Federal Government. If the Federal Government is viewed, not as an employer, but in its other role as participant in the national economy, this redistributed amount could be construed as a savings.

Other differences in the pattern of payments between the present CSRS and social security are also taken into consideration when costs or replacement rates for a new plan incorporating social security are compared to the current system. The value of this difference is approximately two percent of payroll. About two-thirds of the difference is attributable to the portable rights to social security earnings credits retained by employees who leave employment with less than a full career. The remainder of the difference, after certain offsets and overlaps are netted, is attributable to dependents' benefits payable under social security but not payable from the current CSRS. The sum of these differences in the pattern of payments has been distributed across the various benefit components of the proposal and is thus reflected in lower replacement rates at retirement (excluding benefits from capital accumulation) of about five percent of total benefits attributable to the employer share of total plan costs.

5. Estimated capital accumulation costs

Cost of the capital accumulation plans analyzed by CRS depend on the participation rate of individuals. Such rates, expressed as "percent of full participation," are influenced by two features of the plan: The rate at which employee payments to the capital accumulation plan are matched by employer payments, and the ceiling on employee contributions eligible for such matching dollars. Some employees will contribute the full amounts permitted by the plan specifications, others only some, still others not at all. The percent of full participation is the net average of full participation after all full, partial, and zero contributions have been combined.

The cost to the Federal Government of the capital accumulation plans is established by multiplying the matching rate specified for the plan by the estimated percent of full participation. For example, Hay-Huggins, Inc., estimated that a plan with a 50 percent employer match of employee contributions to 6 percent of pay would acquire a 55 percent average full participation. Multiplying that rate times the maximum government match (three percent) yields a Federal Government cost for the plan of 1.65 percent of pay.

This proposal includes a capital accumulation plan that permits the employees to contribute as much as 10 percent of their salaries, with the first 5 percent matched on a one for one basis. Hay-Huggins estimates that the phased vesting of 25 percent of the matching amount for years two through five would reduce the cost to the government approximately 0.03 percent, as employees who separated with less than five years of service lose portions of the matching amount. Thus, at a 60 percent rate of full participation, employees would contribute an average of approximately 3.0 percent of salary, and the Federal Government's matching cost would be approximately 3.0 percent of pay. Documentation of the method for arriving at the variable used for the capital accumulation cost assumptions is available from CRS.

Mr. ROTH. Mr. President, today Senator STEVENS and I are introducing one of the major pieces of legislation of the 99th Congress—the new supplemental retirement plan for Federal workers.

The bill that we submit to the Senate is one that combines the latest thinking in retirement planning with the more traditional pension structures of Social Security and a defined benefit annuity. It does not alter the current Civil Service Retirement System.

This bill is necessary because the Congress required that all Federal employees hired after December 1983 and all Members of Congress participate in the Social Security Program. This decision makes it necessary that a new retirement plan be developed that will fit with Social Security.

Our legislation is the result of many months of research, and discussions by several members of the Governmental Affairs Committee and the administration in attempts to develop a bipartisan proposal for the new system. While we have not been able to achieve the goal of a bipartisan proposal, the legislation we are introducing today will provide a solid retirement plan to supplement Social Security. It is important that we proceed with its consideration. Time is running out. At the end of this year the interim plan for workers hired since January 1984 will expire. If Congress fails to act these people and the Government will be required to pay for both Social Security and the costs of the current retirement system. Costs to the employee would be staggering. Excessive costs—some 14 percent of a paycheck would go to retirement—resulting in overlapping and duplicative coverage.

That is why Senator STEVENS and I feel it is our responsibility to bring forth legislation now. It is our good faith effort to keep our commitment to those workers, who are paying into Social Security under the 1983 act, and also contributing 1.3 percent of salary to the pension fund.

Mr. President, even if the Social Security Amendments of 1983 had not mandated a new retirement system for workers hired after December 1983, I believe it would be time for Congress to design a modern pension system for Federal employees. Why should the

civil servant be locked into an archaic retirement plan while his counterpart in the private sector or State government participates in plans that provide both retirement security and career flexibility? The Federal worker competes in the job market with the rest of the labor force. It is unfair to have his or her career opportunities limited by the conditions of the current pension system.

We are all aware of the shortcomings of the present retirement system. It favors the older career employee over the younger one, it makes mobility between the public and private sector difficult, it is poorly financed and it is too expensive. Our legislation eliminates the shortcomings of the current system, provides a sound basic benefit package similar to the private sector and allows employees to direct their income where it best suits their needs.

Let me say at the very beginning that this plan, because it deals with people who will retire many years from now, does not reduce the deficit. Certainly costs were a major factor in our work. We did not, however, contain costs by simply looking at the old plan, taking out the expensive parts and the deciding that whatever was left should be the new retirement system. This plan reflects the best of current practice. It has a long-range cost, expressed as a percentage of payroll, of 20.8 percent, which is about the same as a private pension plan for a large private organization. Our thrift plan contains a tax deferral feature that will put Federal employees' benefits on an equal basis with the best private pension plans. In fact, we think our new system will be so attractive to Federal workers that we have included a transfer provision allowing individuals in the current system to enter the new plan.

Our new program is composed of three basic parts. The first is Social Security which workers will continue to pay into according to the payroll deduction schedules set out in the law. Upon retirement, disability, or death, beneficiaries will receive the same entitlement as American workers currently in the Social Security System.

Supplementing the basic Social Security benefit is the second tier of our plan, a defined benefit pension very similar in structure to the present retirement system. Employees, however, make no contributions to this plan. The full cost of the plan is borne by the employer as is done in private industry. Employees vest for a benefit after 5 years of service and are eligible to retire with unreduced benefits at age 62, the same age as Social Security and the typical age for private industry. The annuity is based on the length of service times 1 percent per year, and uses the average of the highest 5 years of salary.

This benefit is adjusted for inflation using an annual cost-of-living adjustment [COLA] based on the Consumer Price Index increase minus 2 percentage points. While this differs from the current plan, we must remember that most private pensions do not grant regular COLA's. By combining this partial automatic adjustment with the full COLA of Social Security and the investment opportunities under the thrift plan, the legislation provides inflation protection necessary to protect an employee's post-retirement standard of living.

The early retirement provisions break important new ground by permitting employees much wider choice about when they can retire with reduced benefits in a way that adds nothing to the long-range cost of the program, just as is done in private industry. We expect this feature to be especially popular with two-worker couples who wish to coordinate their plans as to retirement and possible career changes.

Disability benefits are coordinated with Social Security in our plan to provide income for the temporarily as well as the long-term disabled. The disability insurance plan will be administered through a private company by the Government, easing the costly bureaucratic problems associated with such programs. Regardless to the type of impairment, entitlement for disability benefits begins after 18 months of service. Our objective here is to pay more adequate benefits to those who are truly disabled, and to encourage those able to return to work to do so.

The plan's survivors benefits are patterned after the private sector—a combination of Social Security, pension plan survivor benefits, thrift plan benefits and group life. However, here again we have borrowed on a better idea from private employers. Most employee benefit experts would argue that life insurance best protects young families. So, using the current Federal Employees Group Life Insurance, the Federal Government will now pay for all the basic coverage, while also giving employees the option to buy additional amounts.

The third and most innovative tier of our plan is the one I think will prove the most appealing to the Federal work force. This is our thrift plan, a concept that lets the worker take an active part in investing his money and tailoring his pension funds. The funds set-aside may be used for survivor and disability purposes as well as retirement. Of course, this will mean greater responsibility and increased attention to changing investment patterns on the part of the worker. But private and State employees have managed these investments successfully for years and we are aware of similar thrift options in the Federal Reserve Board pension system.

I think this is the step into the future civil service employees have been waiting for and want to take, discrediting the notion that everything surrounding the civil service is outdated, bureaucratic and unimaginative.

Our savings plan challenges these popular myths by placing the Federal retirement plan at the forefront of pension investment. We begin with a Thrift Investment Board composed of five members—three top Government officials and two representatives of various employee groups appointed by the President. These members plus an Executive Director charged with daily management responsibilities, must meet the same fiduciary standards as officials of private plans do under ERISA, the Employee Retirement Income Security Act. Through the Board, we intend to offer the employee a tax deferred savings plan in which the participant can yearly set-aside up to 10 percent of his pay, with the first 5 percent matched by the Government and invested among a Government bond fund, a fixed income fund or an equity fund.

This triad approach to investment strategy offers workers the opportunity to choose the amount of risk and prospective return appropriate for them. What is important is that this is the employee's choice. If, for financial or other reasons, the employee does not like the investments in one option, he or she may choose another.

Mr. President, I hope in the coming days the Senators of this body will support our efforts. This plan is fair. It does not discriminate between mobile workers and those who stay in Government, nor the young and old. In fact, except for some very few technical occupations, this plan covers everyone the same including the Congress and its employees.

Furthermore, this plan is solidly financed. The money needed for benefits is paid up front, on an actuarial basis, not an arbitrary number.

This is a plan that allows the Government worker the same opportunities as the private sector and gives each employee control of his or her future retirement.

Before I close my remarks, I would like to acknowledge the truly excellent work and leadership provided by Senator STEVENS, chairman of the Civil Service, Post Office, and General Services Subcommittee in bringing this proposal together. Retirement matters are very complicated and technical by nature. They are also very important in that the decisions we make in this legislation will directly affect the livelihood and well-being of people who chose to dedicate part, if not all, of their careers to public service. This legislation is a sophisticated proposal that represents the results of many months of diligent and hard work.

51-059 O-86-6 (Pt. 16)

In addition, the administration supports the structure and basic provisions of this bill. It is my hope that after examination it will have the support of all the Members of this body. The committee intends to hold hearings on this bill in September and press for a markup as soon after as possible. I would urge all Members and interested parties to give this legislation their attention.

Mr. GORE. Mr. President, we face a critical challenge in redesigning the Civil Service Retirement System for employees covered by Social Security. In extending coverage to Federal employees, the Social Security Amendments of 1983 left Congress a difficult responsibility that must now be discharged.

With the introduction of S. 1527 today, the chairman of the Governmental Affairs Subcommittee on Civil Service, Post Office, and General Services, TED STEVENS, and the chairman of the Committee on Governmental Affairs, BILL ROTH, have taken a significant step forward. I commend their leadership on this issue, and I share their concern that the complex features of the new retirement system be established by the end of the session.

We cannot allow hard choices in the design of a new Federal pension system to deter us from enacting legislation by the end of this year. Nor can we expect the many thousands of Federal workers who have begun work since the beginning of 1984, or who will be coming to work in the future, to pay 14 percent of their pay for pension expectations that can be uncertain at best. Yet that is precisely what will happen if Congress fails to design a new plan within the 2-year period we gave ourselves. In simplest terms, our objective is to ensure that Federal employees, at work and upon retirement, receive fair and reasonable compensation for their service. Fair and reasonable in the eyes of the workers themselves, whose efforts are vital to the varied functions of the Federal Government. Fair and reasonable, as well, in the eyes of the taxpayers, who rightly insist that their tax dollars should be spent sensibly and to good result.

Mr. President, as the ranking minority member of the subcommittee of which Senator STEVENS is the chairman, I can only express my admiration for the depth of his knowledge in the pension field. All of us should appreciate the service he has provided this body by mastering and interpreting the arcane tools of pension design. The bill these distinguished chairmen have produced is a good bill. It reflects the patient stewardship of Senator ROTH and the learned wisdom of Senator STEVENS. On my side of the aisle, the senior Senator from Missouri has done much to foster a spirit of cooperation and bipartisanship in our consideration of this issue.

Prior to the introduction of the bill, potential differences were fully aired, without the rancor that often characterizes issues in which the stakes are so very high. Consequently, our task is to strike a proper balance within a narrow range of disagreement.

As in many of these deliberations, we must take a close look at many highly technical issues. A web of formulas, categories, and requirements must be woven into a coherent and sensible policy—a policy that is clear enough for those who will depend upon it for their economic security, and flexible enough to address the various situations and needs that Federal workers may face during their careers.

Several areas in the Stevens-Roth bill warrant careful scrutiny. How we decide these issues will shape the basic structure of the plan and its pattern of payments for decades to come. Each area of concern requires important choices; taken together, those decisions will form the heart of a sound and adequate system.

First we must decide how much we should protect future pension benefits from dwindling in the face of rising prices. To be sure, this is a familiar and difficult issue for all of us. The fixed incomes of retirees must be accorded a measure of economic security.

Because Social Security continues to be fully and automatically adjusted for changes in the cost of living, it serves as the basic component of income protection for all workers. But a pension must also serve as a dependable source of retirement income, which is possible only if its value is maintained. The Stevens-Roth bill depends primarily upon the inflation protection granted by the Social Security cost-of-living adjustment. While the expense of COLA's in benefit programs is of great concern to all of us, we must be careful not to schedule an erosion in benefit value that grows worse with each passing year.

As they plan for their retirement years, Federal employees deserve to know with certainty at what age benefits begin. The current Civil Service Retirement System has been criticized for permitting employees to retire as early as age 55. This costly feature of the system will undoubtedly be a major focus of any new plan.

It is important to note that many private sector employers, particularly those with a heavy concentration of physical labor, permit unreduced retirement at age 55 to workers with careers spanning 30 or more years. Virtually all private sector pensions make some provision for retirement at that age. Furthermore, despite the range of jobs in the Federal Government and the private sector, the average retirement age is around 61—for workers inside or outside the Government.

With 62 as its earliest age of eligibility, Social Security reduces the benefits Federal employees would receive at earlier ages. The Stevens-Roth bill goes further, by reducing the Federal pension benefit drawn before age 62. We must consider carefully the impact this provision would have on Federal workers, particularly those who work long careers in difficult and demanding occupations.

We cannot possibly guarantee every worker in every circumstance the same total benefits he or she would now receive. But we can put toget er a package of benefits from Socia Security, from a supplemental Federal pension, and perhaps from an employee savings plan, that is generally comparable to the existing system.

The issue thus becomes one of determining the appropriate mix of benefits to achieve this goal. An employee savings plan with Government matching funds will give every worker the opportunity to supplement a defined and predictable pension amount. But many workers will not be in a financial position to participate in the savings plan fully and consistently throughout their careers. As we move toward a final mix of benefit components, we must be sure that the basic defined pension, along with Social Security, produces adequate retirement income on its own. Contributory savings plans should serve as a supplement available at the choice of the employee.

During the Governmental Affairs Committee's deliberations, every aspect of this lengthy bill will have to undergo rigorous examination. A pension plan must not only meet the obvious and expected needs of its retirees, but must assure its participants and their families adequate income protection in the event of death or disability. We can do no less than provide our employees a package of specific family protections should such family disasters strike. The Stevens-Roth bill addresses these concerns with care. With that beginning, I am confident that Federal workers and their families can expect a final bill that combines compassion with confidence and good fiscal sense.

By Mr. McCLURE (for himself, Mr. GARN, Mr. WALLOP, Mr. SYMMS, Mr. ANDREWS, Mr. BAUCUS, Mr. SIMPSON, and Mr. ABDNOR):

S. 1528. A bill to provide for the expenditure for transfer of funds by the Secretary of the Interior and the Secretary of Agriculture for the emergency prevention, suppression, control, or eradication of grasshoppers or mormon crickets on public lands; by unanimous consent referred jointly to the Committee on Energy and Natural

Resources and the Committee on Agriculture, Nutrition, and Forestry.

GRASSHOPPER CONTROL

● Mr. McCLURE. Mr. President, I rise today to introduce legislation that is of great importance to States in the West that are suffering severe damage to their farmlands and rangelands.

The cause of this damage is grasshoppers and mormon crickets—insects that breed on large tracts of federally owned land and swarm onto State and private lands. The damage these insects cause is substantial: some farmers lost up to 20 feet of cropland a day as grasshoppers stripped any plants in their path.

A review of the current system of pest control on Federal lands, and its effectiveness in recent years, clearly indicates why we must streamline its ability to take quick action against a potential infestation in the future.

In 1984, the Animal and Plant Health Inspection Service spent $585,000 to treat grasshopper outbreaks on approximately 70,000 acres of public lands in the West that are administered by the Bureau of Land Management [BLM]. So far this year, they have spent $29 million, and expect that figure to go even higher before the spray program is completed. APHIS has treated 5 million acres of infested lands in the fight to control this year's grasshopper outbreak.

Forecasts for next year are already being made. APHIS expects another outbreak next year if weather conditions remain favorable. The Federal Government, the landowner of 65 percent of the State of Idaho, must have in place a program with adequate funding to control outbreaks on Federal lands.

Grasshopper infestations cause severe economic damage to western crops and rangelands. APHIS is responsible for both managing and funding grasshopper spray programs designed to control the number of grasshoppers on Federal, State, and private rangelands. The APHIS budget contains a line item, called the contingency fund, which should contain moneys for grasshopper and other pest control in the United States.

In June 1984, when calls came from Idaho and other Western States to begin grasshopper control efforts, the APHIS contingency fund was empty. The entire $1 million placed in the fund for pest control had already been spent to control an outbreak of Mediterranean fruit fly in northern Guatemala and southern Mexico. Not a penny was left to help American farmers fight the plague of grasshoppers invading their croplands from federally controlled and managed rangelands.

APHIS argued that since the grasshopper outbreak occurred on BLM lands, BLM should foot the bill. However, as I came to discover, APHIS and the BLM had memorandums of understanding [MOU's] which placed the responsibility for pest control and the payment of pest control efforts in the hands of APHIS. The problem was that under these MOU's, BLM was not required to contribute any money to control pest outbreaks on its lands, even though APHIS was out of money.

Like other Federal agencies, APHIS has been under pressure to control its budget in recent years. Since 1981, APHIS has not requested any appropriations for actual grasshopper spray control work. this situation is due in part because APHIS has given the spray program low priority, concerned that grasshopper funding would detract from its other programs.

APHIS does not have a budget item strictly for grasshoppers. They do have a line item for grasshopper survey work. The spray control work, if needed, is funded out of its contingency fund. Because of budgetary pressures, the contingency fund has been reduced, from $2.5 million per year in 1976–81 to $1 million in 1982–84. The major consequence of eliminating funds earmarked for grasshopper spray control and relying on the shrinking contingency fund is that money has not been available for pest control when it was needed the most.

The only available alternative is the Secretary of Agriculture's emergency authority to borrow funds from other sources, such as the Commodity Credit Corporation. However, APHIS and USDA officials are reluctant to request that the Secretary use such authority because they consider funding the grasshopper spray program by borrowing funds an abuse of the Secretary's borrowing authority.

These pressures have led APHIS to attempt to settle the funding question unilaterally. Since 1982, APHIS has tried several times to cancel or revise its MOU's with BLM and the Forest Service in order to force these agencies to share in the cost of funding the spray program. APHIS notified both agencies in June 1982 that it intended to cancel the MOU's, but the Forest Service and BLM objected. In late 1982, the Senate directed USDA to review the MOU's and to continue its grasshopper survey work in the interim.

In March 1983, APHIS proposed modifying the MOU's to provide for cost sharing with BLM and Forest Service for pest control on lands these agencies own. Both agencies objected and APHIS decided to renew the existing MOU's for 1983 only, while continuing to study the matter. In November 1983, APHIS reported to the Senate Committee on Appropriations that it intended to vigorously pursue the cost-sharing concept for grasshopper control work.

All of these events did not affect grasshopper control work through 1983, since grasshopper infestations did not become a serious threat and Federal spray control programs were not required. In the spring and summer of 1984, APHIS decided that based on grasshopper surveys, no serious infestations would occur in the Western States. However by mid-June in some parts of Idaho and by mid-July in the rest of Idaho and other Western States, weather conditions changed and grasshoppers began swarming over more than 3½ milion acres of federally owned rangelands.

Grasshoppers soon moved off the rangelands onto private croplands. Farmers were measuring grasshopper populations of 50 grasshoppers per square yard and higher. APHIS considers 8 grasshoppers per square yard to be an economic infestation. Eight grasshoppers per square yard can eat as much forage as a cow and calf. You can see what 50 grasshoppers per square yard or more will do to a crop of wheat, hay, barley, oats, sugar beets or potatoes. Farmers in Idaho have written to me telling of losses last year of $94,000, $200,000 and more. The total estimates of damages will never be known. This year's damages will be even greater because of the enormity or the outbreak and the slowness of getting the program on the ground.

Mr. President, I ask unanimous consent that these letters from Idaho farmers be included in the RECORD at the end of my remarks. They speak very eloquently on the problem caused by uncontrolled grasshoppers migrating from Federal lands to private croplands.

The farmers in my State cannot stand another year like this year. They must have relief. Adequate funding must be provided, not just at the last minute, but every year, to maintain an effective program. Adequate funding is also necessary to keep the personnel trained and the extension agents in the counties aware of how the control program is to be run. As the landlord of millions of acres of land in the West, it is the Federal Government's responsibility to set up a program which will prevent widespread damage in a timely manner.

If APHIS had taken timely adequate measures last summer, Idaho and several other Western States would not have suffered the losses they suffered this year. Last year, the Federal Government was penny wise and pound foolish. If $10 million had been spent last year to combat grasshoppers, as I requested from the Secretary, the Federal Government would not have had to spend $30 million this year. If the grasshoppers had been killed in 1984, they would not have laid their eggs and multiplied this summer, creating the worst grasshopper infestation Idaho has seen in 30 years.

The legislation I introduce today will provide for a Grasshopper Control

Program on all Federal lands. The program will be controlled by APHIS, but with funding for the control program on BLM acreages coming directly from the BLM. BLM manages the majority of the lands which were sprayed, both in Idaho and in other Western States. In Idaho a total of 6.3 million acres were sprayed in 1985. BLM manages 4.75 of the 6.3 million acres. The States of Idaho manages 0.3 million, private ownership is 1 million and other entities such as Bureau of Indian Affairs and the Department of Defense manage the remaining 0.25 million. Clearly the majority of the land is managed by BLM, and it's time they began carrying their fair share of the financial burden.

To provide sufficient funding, this bill allows the Secretary of the Interior to transfer funding from any program within the Department of the Interior to be used for the Grasshopper Control Program until the Department can request funding on an appropriations bill. This will allow the Department to have a program ready at any time; lack of funding will no longer be an excuse for not controlling grasshoppers. Under this bill, the Secretary of Agriculture shall treat Federal, State, or private lands which are infested by grasshoppers at significant levels of economic infestation. There will no longer be an excuse to wait until funds are arranged, the Secretary must activate the program. The Government must be a good neighbor and manage its lands—as any private landowner must—without endangering its neighbors.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill and letters mentioned earlier were ordered to be printed in the RECORD, as follows:

S. 1528

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

AUTHORIZATION FOR THE EXPENDITURE AND REPLENISHMENT OF FUNDS

SECTION 1. The Secretary of Agriculture shall undertake a program to control grasshoppers and mormon crickets on all federal lands.

SEC. 2. (a) Subject to the provisions of subsection (b), the Secretary of Agriculture is authorized to expend or transfer, and the Secretary of the Interior is authorized to transfer to the Secretary of Agriculture, funds from any no year appropriations for the prevention, suppression, control, or eradication of grasshopper and mormon cricket outbreaks on or threatening lands under the jurisdiction of the Federal Government: *Provided*, That the Secretary of Agriculture may not transfer any funds from other programs within the Animal and Plant Health Inspection Service.

(b)(1) Appropriations made available to the Secretary of the Interior shall be available for the payment of obligations incurred on federal lands subject to the jurisdiction of the Secretary of the Interior during the preceding fiscal year.

(2) Funds transferred pursuant to this section shall be replenished by a supplemental appropriation which shall be requested as promptly as possible.

(3) From any no year appropriations made available to the Department of the Interior, moneys shall be made available for transfer by the Department of the Interior to the Department of Agriculture for the prevention, suppression, control, or eradication of grasshoppers and mormon cricket outbreaks only on federal lands under the jurisdiction of the Department of the Interior.

GRASSHOPPER AND MORMON CRICKET PROGRAM ADMINISTRATION

SEC. 3. Upon request of the administering agency or a landowner or his agent, the Secretary of Agriculture shall treat Federal, State, or private lands which are infested by grasshoppers or mormon crickets at levels of economic infestation of eight grasshoppers or more per square yard regardless of age. The Secretary of Agriculture shall pay out of appropriations made to the Secretary, or transferred to him by the Secretary of the Interior, 100 percent of grasshopper or mormon cricket control on Federal lands, 50 percent on State lands and 33.3 percent on intermingled lands, and shall participate in prevention, control, or eradication programs of grasshoppers or mormon crickets in conjunction with other Federal, State, and private prevention, control, or eradication efforts.

GRASSHOPPER AND MORMON CRICKET CONTROL PROGRAM MAINTENANCE

SEC. 4. From appropriations made available or transferred by the Secretary of Interior to the Department of Agriculture for such purposes, the Secretary of Agriculture shall provide adequate funding under the rangeland pest control program for a program to train personnel to effectively accomplish the objectives of this Act.

APRIL 12, 1985.

Senator JAMES MCCLURE,

DEAR SIR: We own and lease several farms bordering Federal Lands.

Last year, we lost at least $55,000.00 from Grasshopper damage.

These Hoppers originated on our neighbors (Federal Government) Lands.

The spraying that took place last year was much too little, too late. The farmers, being the backbone of this Great Nation, are dropping in numbers due to the Agriculture economy.

Infestation of our lands by Federal Hoppers must not be allowed to eat away what small profits we have worked so hard for.

The Hopper eggs are already there and the hatch will be great.

We need the Federal Government's help now if we are to survive.

They must take care of their own pests as they would expect us to do the same.

Sincerely,

VERNON CALLAN PHILLIPS,
MARILYN L. PHILLIPS.

APRIL, 12, 1985.

DEAR SENATOR JAMES MCCLURE: We have farm ground adjoining B.L.M. We had quite a bit of damage last year from the grasshoppers. We understand the grasshoppers are going to be a problem this year more so. The loss amounted to 50 to 150 ft. around outside of farm adjoining the Government ground. I feel the Government is responsible for the control of the hoppers because they came from the Federal lands. I think we could use some help on the Government ground.

JIM SCHAEFFER.

DEAR SENATOR MCCLURE: In the summer of 1984 many Idaho farmers like myself were faced with a devastating problem of grasshopper infestation. It is evident to everyone that the problem originated on federally owned & managed BLM ground. It was here also the hoppers breed & multiplied in great numbers & then migrated to precious crop land.

This year we are faced with possibly an even greater number of the crop eating pests, as the eggs are layed & await the spring hatch.

It must be the responsibility of the federal government to take the necessary steps to control this problem, & it is now action must be taken in order to acquire funds in time.

I feel that you are aware of this & I am sure as our spokesman in Washington, you will take the necessary & immediate steps to acquire the needed funding to sufficiently control the federal governments interest as well as the farmers.

Sincerely

RANDY HANSHEW.

FEB. 21, 1985.

Senator JAMES MCCLURE,
Washington, DC.

DEAR SENATOR MCCLURE: This is to let you know the personal loss the grasshopper infestation caused us last year. We farm 3 ranches adjacent to BLM land.

On our Barley crops alone in this area on 580 acres we harvested only 55 bushels per acre. All of our other Barley acreage, 633 acres, averaged 121 bushels per acre. This was a loss of $94,934.00. We sold our Barley for $2.48 per bushel.

I hope that something can be done so that this will not happen to farmers again this year or in the future.

Sincerely Yours,

ROSS HUNSAKER.

DESERT VIEW FARMS, INC.,
Rupert, ID, March 1, 1985.

Hon. JAMES MCCLURE: I thought it might be appropriate to drop you a letter and let you know my personal feelings concerning the grasshopper problem last year.

One of the biggest and most disgusting problems that I have ever had with a neighbor occurred last year. You wouldn't think it appropriate for me to let a problem from my fields cross into my neighbor's and destroy his crops due to my lack of attention and care. However this is what happened to us last year. We border approximately four miles of BLM ground. We suffered substantial damage from grasshoppers that traveled to our crops after foliage was eaten off BLM ground. We spent thousands of dollars at our own expense spraying (some fields four times); only to see reduced yields at harvest time. To be more specific: our grain yields were off over 17 bushels per acre on 950 acres. Potato yields were down as much as 70 sacks-plus reduced quality and size—over 230 acres of crop. Our beet tonnage was down 2.5 tons on 400 acres of crop. This left us with a loss approaching $200,000.

My brother and I have operated a family size farm since 1975. These losses can not be taken because we do not have the equity built into our land because of our age and tenure.

Due to incurred losses we are doing everything possible to insure that our neighbor accept responsiblity to be a good neighbor this year. If they don't we will be forced to take whatever means and measures available to ensure that they do. It is our sincere hope that the federal government will accept their responsibility of managing their grounds as a neighbor.

STEVEN D. YOUNG.

APRIL 12, 1985.

Hon. JAMES MCCLURE: Being a farmer whose farm borders the Bureau of Land Management, I am concerned about the grasshopper population that is sure to occur this Spring and Summer; 1984 was bad enough, but 1985 guarantees to be worse. The grasshoppers move onto my farm from the adjacent B.L.M. ground and I would sincerely hope that the Federal Government will be a responsible landowner and considerate neighbor in an effective and prompt solution to this disastrous problem.

Sincerely,

JERRY MAXFIELD.●

● Mr. SYMMS. Mr. President, I'd like to commend my colleague, Senator MCCLURE, for his role in our joint efforts to control insect pests on federally owned rangelands. The legislation we have introduced today should do much to resolve this problem. Representing a State where the Federal Government owns 2 out of every 3 acres, I realize how important it is that our land management agencies be good neighbors to the private landholders they surround. The control of pests arising on Federal land is only one facet of that responsibility.

Unfortunately, the Federal Government has been a very poor landlord in the past. Last year, millions of dollars of damage were done to private farmland by an infestation of grasshoppers which developed on Bureau of Land Management and Forest Service lands. Although the Animal and Plant Health Inspection Service of the Department of Agriculture responded to the emergency and thus averted a complete economic disaster in the State, the bureaucratic machinery was much slower than necessary, and, in fact, only worked after immense congressional pressure. It soon became evident that a more organized and systematic mechanism for grasshopper control is needed.

This bill provides a mechanism whereby funds and technological expertise can be provided effectively, when and where they are needed. It should be more cost effective than the haphazard emergency borrowing and reprogramming that was needed this year. Furthermore, it will enable the Federal Government to control infestations at critical times when the insecticide applications will do the most good for the least cost.

I am as opposed to increased Federal spending as anyone in the Senate. And true, this bill will establish one more means to spend Federal dollars. But can we justify not meeting this obligation? Would failure to pass this bill save the taxpayers money? In most cases, had the grasshopper infestation not been controlled, those farmers who suffered economic losses would have been legally justified to file suit for damages. The cost of this litigation would be many times the preventive pest control established by Senator MCCLURE's bill.

I urge my Senate colleagues to give this legislation their full support. The U.S. Government must meet the responsibilities that come with land ownership. If we do not pass this bill, then we must look at ways to take the Government out of the land-owning business.●

By Mr. DOLE (for Mr. DANFORTH (for himself, Mr. PACKWOOD, Mr. GORTON, and Mr. LAUTENBERG):

S. 1529. A bill to authorize appropriations for State and community highway safety grants, and for other purposes; ordered to be placed on the calendar.

HIGHWAY SAFETY PROGRAMS FUNDING

● Mr. DANFORTH. Mr. President, the National Highway Traffic Safety Administration [NHTSA] is responsible for efforts to save lives and reduce the number of injuries on your Nation's highways. Despite improvements in highway safety in recent years, however, roughly 43,800 people died in highway accidents in 1984. Clearly, NHTSA needs to work aggressively to improve highway safety.

The legislation I am introducing today on behalf of myself and Senators PACKWOOD, GORTON, and LAUTENBERG, authorizes funding for two important highway safety programs.

The first section of this legislation authorizes funding for fiscal year 1987 for the State and community highway safety grant program, the so-called section 402 program. This legislation authorizes funding of $132 million for this important safety program; this is equivalent to the fiscal 1986 authorization provided in Public Law 98-363.

Section 2 of this legislation authorizes funding for fiscal year 1987 for the Drunk Driving Incentive Grant Program established in 1982. Funds are not authorized for fiscal 1986 because I understand from NHTSA that sufficient funds, which have already been appropriated, exist to meet this program's needs during fiscal 1986. This program, which encourages States to enact tougher drunk driving laws, has been working well. According to NHTSA, 16 States have qualified thus far for a basic grant; 13 of these States have also qualified for a supplemental grant, which requires a State to meet additional criteria. I understand that several other States are working to meet the grant criteria of the 1982 law.

Mr. President, this legislation will enhance highway safety efforts at the Federal and State levels. We must ensure that continued funding is available for these important safety programs.

Mr. President, I ask unanimous consent that the text of this legislation be inserted in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1529

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 203(a)(1) of the Surface Transportation Assistance Act of 1982 (Public Law 97-424; 96 Stat. 2138) is amended—

(1) by striking "and" after "1985,"; and

(2) by inserting immediately before the period at the end thereof the following: ", and $132,000,000 for the fiscal year ending September 30, 1987".

(b) Section 203(b) of the Surface Transportation Assistance Act of 1982 (Public Law 97-424; 96 Stat. 2138) is amended—

(1) by striking "and" after "1985," wherever it appears;

(2) by inserting immediately after "1986," the following: ", and $132,000,000 for the fiscal year ending September 30, 1987,"; and

(3) by inserting immediately before the period at the end thereof the following: ", and September 30, 1987".

SEC. 2. The first sentence of section 408(g) of title 23, United States Code, is amended by striking all after "Fund," and inserting in lieu thereof "$29,232,000 for the fiscal year ending September 30, 1987.".●

By Mr. THURMOND:

S. 1530. A bill to amend chapter 73 of title 10, United States Code, to make certain changes in the Survivor Benefit Plan provided for under such chapter, and for other purposes; to the Committee on Armed Services.

FORGOTTEN WIDOWS AND SURVIVOR BENEFITS IMPROVEMENTS ACT

● Mr. THURMOND. Mr. President, today, for the fifth time, I am introducing survivor benefit plan legislation to rectify a longstanding and most unfortunate and inequitable situation involving the aged widows of certain deceased military retirees. My proposal is a new approach which will cost less than half as much as my previous proposals.

The inequity this legislation is aimed at correcting involves the so-called "forgotten widows." These are the widows of military retirees who died prior to establishment of the survivor benefit plan. Also included in this heading is another group of widows of retired military personnel who died without having had an opportunity to convert over from the previous retired servicemen's family protection plan to the more generous survivor benefit plan.

ORIGIN OF THE INEQUITY

Mr. President, a full understanding and appreciation of how the inequity I refer to came about requires a review of the two principal Government-sponsored benefit plans that have been

available to military personnel for the protection of their families in their postretirement years.

Prior to 1972, we had the retired serviceman's family protection plan [RSFPP]. While created with good intentions, there were many problems associated with this program. First of all, the plan was simply not a bargain. The premiums charged for coverage under the RSFPP were excessively high. In some instances, the premiums were 2½ to 5 times as great as those charged contemporary civilians for the same protection coverage.

The high cost of participating in the RSFPP relative to the level of benefits provided, coupled with the low rates of pay received by the military at that time, resulted in a poor rate of participation among military personnel. In fact, only 15 percent of those eligible to participate in the program could afford to do so.

It was mainly due to these problems, Mr. President, that we abolished the RSFPP, and established in its place the current survivor benefit plan [SBP]. While the SBP is a great improvement over its predecessor, there remains today an inequity that dates back to the very creation of the SBP.

ESTABLISHMENT OF SBP

Mr. President, with the enactment of Public Law 92-425, which established the SBP on September 21, 1972, both active and retired military personnel were given the opportunity to participate in the new SBP Program. The opportunity to participate in the SBP was afforded retirees whether or not they had formerly participated in the RSFPP. However, this opportunity was extended to retirees only, and was not extended to the widows of retirees who died prior to September 21, 1972. Thus, the widows of retirees who had formerly participated in the RSFPP, as well as the widows of retirees who could not afford the high cost of the RSFPP and, therefore, did not participate in it, were excluded from participation in the SBP.

While it is true that there was an 18-month SBP open enrollment season in 1982-83, whereby both RSFPP and non-RSFPP [living] retirees were given an opportunity to obtain or convert to SBP coverage, the opportunity was again limited solely to living retirees and did not include the widows of deceased retirees.

Quite frankly, Mr. President, I believe it was wrong for these widows to have been excluded from participating in the SBP in the first place, and grossly unfair for this inequity to have been allowed to continue these many years. Except for the fact that their husbands passed away prior to September 21, 1972, these widows would in all likelihood be covered by the SBP today.

REMOVE THE INEQUITY

While there is no way to make amends for the years these widows have endured being excluded from coverage of SBP, the legislation I am introducing would bring to a close this unfortunate chapter in the history of our treatment of military widows. Under the provisions of my bill, the forgotten widows group would be afforded the long awaited and overdue benefit of the SBP.

The measure I am introducing would provide an SBP annuity at the minimum level of only $165 per month for forgotten widows. Likewise, the bill would increase the RSFPP minimum payment to $165 per month. In addition, the bill would limit offsets in these minimum payments and would provide for these benefits to be increased in the future through cost-of-living adjustments.

OVERCOME PREVIOUS OBJECTIONS

Mr. President, in the past, objections have been raised regarding the cost of my proposals. The cost of this new approach is much less than my previous proposals. However, these previous objections were not based on accurate information as to the number of forgotten widows. For example, Department of Defense [DOD] estimates of several years ago put the number of forgotten widows at close to 39,000. Other estimates in recent years range from 3,845 to 24,288, not including RSFPP annuitants. If there are only about 4,000 of these widows, my measure would cost about $8 million annually. The Defense Department cannot provide a reliable estimate. This is because the only source of calculation is widows who have defense I.D. cards, and many do not use, or renew their I.D. card, especially those living great distances from military hospitals.

Fortunately, with the partial implementation of the Defense Enrollment Eligibility Report System [DEERS], which is now the data base for military health care, a more accurate assessment of the number of forgotten widows is available. One recent estimate by DEERS projected the number of forgotten widows to be only 3,845. This significantly lowers the estimate of the projected cost of providing an SBP annuity to these widows. Previously, estimated annual costs ranged from less than $9 million to a maximum of $40 million. More accurate estimates of the number of forgotten widows should be available when the DEERS Program is fully implemented.

By including the relatively few RSFPP widows who currently receive small annuities, this proposal would avoid creating an annuity gap between RSFPP widows and the forgotten widows which this legislation is designed to help. In so doing, a major objection of my previous forgotten widows legislative proposals would be overcome. The cost of including these RSFPP widows would be nominal, since this legislation would only allow a nominal increase in these widows' current annuity and there are a small number of them. Also, the election is optional.

The main reason cost has been significantly reduced is because the level of benefits offered in the bill are dramatically reduced compared to previous proposals. Some say the benefit level is now much too low. However, as a matter of equity, it would provide the minimum optional benefit currently paid to beneficiaries of an SBP annuity. The annuity is only $1,980 per year, but the proposal contains provisions to preclude offsets and provides for cost-of-living adjustments.

Mr. President, I am mindful of the fact that the cost of any new program is a grave concern for all Senators. This is particularly true in a time when we are faced with massive budget deficits and an even larger outstanding national debt. However, the national debt is not the only debt this Nation owes. We owe a debt to these forgotten widows, and the similarly situated RSFPP annuitants. It is a debt that has gone unpaid for over a decade.

RAPID DECLINING COSTS

In addition, what I am proposing is not a permanent expansion of the SBP. The widows I have been talking about are not young, and they are not getting any younger. Their number grows smaller with each passing year. In fact, if we continue to let this problem go unaddressed 15 more years, it will simply go away. By the year 2000, it is doubtful that any of these widows will be alive. It will be too late for the Congress to correct a cross inequity. Failure to act, however, would be an unconscionable mark on the Congress well into the next century.

CIVIL SERVICE PRECEDENT

Mr. President, I think there are two things that one should keep in mind during consideration of this legislation. The first is that what I propose is not without precedent. In 1948, when the Civil Service survivor benefit plan was established, it too created an inequity very similar to the one I have been talking about here. However, in 1958, 10 years later, the act establishing the plan was amended and made retroactive to include all pre-1948 widows. It has now been almost 13 years since establishment of the SBP to replace the RSFPP Program, and the inequity created then remains with us still.

WIDOW SACRIFICES

The second factor for my colleagues to bear in mind in their consideration of this measure is the sacrifices and hardships these widows have endured.

Most of these women functioned in traditional family roles as wife, homemaker and mother in the context of

military service. During long periods, they supported the military work of their husbands, while also contributing to the economic and emotional well-being of the family unit. In most cases, of course, the servicemen's inadequate pay and transitory lifestyle made a normal home and savings program practically impossible.

WIDOWS TRUST IN GOVERNMENT MISPLACED

Additionally, few military widows were aware of the ramifications of their husbands' deaths. Survivor benefits were assumed by these women who trusted that the military would not simply close the file and forget them after the deaths of their husbands. However, their blind trust was misplaced. In many cases, upon the death of the serviceman, all monetary benefits ceased. It was not until the passage of the SBP Program that it became mandatory under law that the spouse be notified in writing, if the serviceman chose not to participate in the SBP Program.

Mr. President, most of these forgotten widows are very elderly women of diminishing means. Some of them, whose husbands were covered by Social Security after 1957, rely solely on that source of income for their subsistence. Those whose husbands retired prior to 1956 are not covered by Social Security as a result of their husbands' military earnings.

VICTIMS OF MILITARY SERVICE

Mr. President, these military widows are victims of long periods with low pay, and many find themselves today existing in poverty. As economic captives, their current problems include dependence on welfare, evictions from apartments as buildings are converted to condominiums, skyrocketing health care costs, and unaffordable nursing home charges. Many are minimum-income widows who are in dire straits due to the fact that their meager income simply has not kept pace with inflation.

DIGNITY IN POVERTY

Over the past 10 years, I have received hundreds of pleading letters from these elderly widows from all across our country. Many of them are barely surviving. However, most, I am proud to say, have managed to keep their pride and dignity, even in poverty.

Mr. President, it is time to give the forgotten widows equitable consideration. Not only have we ignored their plight for these many years, but we have failed to acknowledge their cause. Understandably, they feel rejected, and some feel bitter. It is as if the country has turned its back on their courageous husbands who gave 20, 30, and in some cases, 40 years of the most productive years of their lives for our country. We must now give these forgotten widows the recognition and compensation they deserve.

RESTORE FAITH

Mr. President, the passage of my bill would be a milestone for these elderly widows who, in support of their husbands, gave the best years of their lives for our country. It is inconceivable that our country has deserted them for so long, and it is high time we face up to the responsibilities we owe these widows and restore the faith we have not maintained for our military community.

I urge my distinguished colleagues to act favorably and with compassion on this vital legislation, and to join me in working for its early enactment.●

By Mr. METZENBAUM:

S. 1532. A bill to provide for a moratorium on certain retirement plan reversions, and for other purposes; to the Committee on Labor and Human Resources.

PENSION PLAN REVERSION MORATORIUM ACT

● Mr. METZENBAUM. Mr. President, more than 10 years ago Congress enacted the Employee Retirement Income Security Act [ERISA] for the purpose of protecting workers' pension rights.

ERISA was meant to ensure adequate funding for pension plans, to provide for vested pension benefits, and to hold pension plan administrators to the highest fiduciary standards.

There is no doubt that ERISA has had a positive effect. Important improvements have, in fact, been made in our pension system.

During the past several years, however, some employers have found ingenious new ways to avoid their pension plan responsibilities to their employees. By taking advantage of shortcomings in the pension laws, these unscrupulous companies have frustrated the intent of Congress to establish secure retirement programs for the working men and women of this country.

Specifically, employers are terminating pension plans, which are considered overfunded. The companies then recapture the surplus assets in these plans, thereby eliminating reserves that may later be needed to pay benefits. In addition, these terminations are just that—terminations of entire pension plans which leave employees without retirement security.

Typically we are talking about some of this Nation's most healthy pension plans—plans that are sponsored by solid, profitable companies.

Examples?

United Airlines is in the process of undertaking the largest reversion in history—$962 million will be removed from its plan to purchase additional planes and international air routes.

American Express, the first U.S. company to offer a pension plan, is now terminating it in order to recoup $90 million;

Texaco, which paid $10.2 billion last year to acquire Getty Oil, will reduce its debt by removing $250 million from the Getty pension plan.

The controlling interest of A&P was acquired by a German company for an estimated $70 million. It then terminated the plan and recouped $273 million.

Raymond International recouped $30 million to finance a leveraged buyout. According to its former senior vice president and board of directors member, the company left more than half the retirees living below the poverty line.

Mobil Oil, which found $5.7 billion last year to buy Superior Oil, will terminate two Superior plans and pocket $29 million.

And the list goes on.

Occidental Oil, Dr. Pepper, A&P, Champion Paper, Humana, Mattel, Reynolds Metals, U.S. Sugar—all of these have terminated pension plans.

Mr. President, most likely, additional terminations are in the offing. A recent survey of 200 defined benefit plans by Charles Spencer and Associates found that 83 percent were overfunded, making them prime candidates for termination.

For the major corporations of this country, pension plan terminations are a financial bonanza.

But for the working men and women of this country, the impact is truly devastating.

According to the Department of Labor's own study, the cost of termination to workers runs as high as 45 cents on every promised pension dollar.

Terminations deprive retirees of any hope of receiving future cost-of-living increases.

And employers are routinely breaking promises to distribute pension surpluses to their employees.

Pension plan terminations hurt segments of our population—the elderly, and older workers—that are least able to protect themselves. These are hard working people—people who have played by the rules. These are Americans who have looked forward to retirement with what they rightfully thought was a federally protected level of retirement income, only to discover that they are the victims of hollow promises.

I believe that the time has come for action to protect the integrity of our Nation's pension system.

The bill I am introducing today would impose a temporary moratorium on terminations of overfunded pension plans. Congressman ROYBAL, the chairman of the Select Committee on Aging is introducing identical legislation in the House.

The moratorium would apply for a 9-month period beginning June 12, 1985 to terminations with reversions

that exceed $1 million. June 12, 1985 is the date on which the House Labor-Management Relations and Select Aging Committees conducted hearings on this issue. The bill provides an exception for companies that can show that the termination is undertaken because of a substantial business hardship.

Mr. President, both in public and private meetings, I have urged the Secretary of Labor to impose a temporary moratorium on pension plan terminations and to seek a permanent solution to this problem.

I still hope that the Labor Department will act to protect the retirement security of millions of Americans who are now in jeopardy. But in the meantime, I believe that it is incumbent on us to impose a moratorium in order to give Congress and the Administration the opportunity to review the issue and to enact appropriate legislation.

I hope that we can move expeditiously to enact this moratorium.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. SHORT TITLE.

This Act may be cited as the "Pension Plan Reversion Moratorium Act of 1985".

SEC. 2. MORATORIUM OF 270 DAYS ON DETERMINATIONS INVOLVING PLAN TERMINATIONS.

(a) MORATORIUM ON DETERMINATIONS OF CONTINUING QUALIFICATION BY THE SECRETARY OF THE TREASURY.—The Secretary of the Treasury (or his delegate) shall not, before the end of the 270-day period beginning June 12, 1985, issue a determination with respect to the continuing qualification of a retirement plan under subchapter D of chapter 1 of the Internal Revenue Code of 1954 upon an actual or proposed termination of the plan if the Secretary (or his delegate) determines that the aggregate amount of reversions to employers, upon termination of the plan, has exceeded or would exceed $1,000,000.

(b) MORATORIUM ON NOTICES OF SUFFICIENCY ISSUED BY THE PENSION BENEFIT GUARANTY CORPORATION.—During the 270-day period described in subsection (a), the Pension Benefit Guaranty Corporation shall not issue a notice of sufficiency of assets under section 4041 of the Employee Retirement Income Security Act of 1974 with respect to a plan if the Corporation determines that the aggregate amount of reversions to employers from the plan would, upon termination of the plan, exceed $1,000,000.

SEC. 3. EFFECT OF MORATORIUM ON DECLARATORY JUDGMENTS RELATING TO QUALIFICATION.

(a) COMPLIANCE WITH MORATORIUM NOT TREATED AS REMEDIABLE FAILURE.—In any case in which the Secretary of the Treasury (or his delegate) fails, in compliance with section 2(a), to make a determination referred to in such section during the 270-day period specified in such section, such failure shall not be treated as a failure for purposes of section 7476(a)(2) of the Internal Revenue Code of 1954 (relating to creation of remedy under declaratory judgments relating to qualification of certain retirement plans).

(b) EXTENSION OF TIME FOR BRINGING ACTION AFTER MORATORIUM.—In the case of any request referred to in section 7476(b)(3) of such Code (relating to time for bringing action) made before or during the period specified in section 2(a), the 270-day period specified in such section 7476(b)(3) shall be extended to 270 days after the expiration of the period specified in section 2(a), except that such extension shall be reduced (in the case of a request made before the period specified in section 2(a)) by the number of days by which the date of such request precedes such period.

SEC. 4. EFFECT OF MORATORIUM ON PERIOD FOR ISSUANCE OF NOTICE OF SUFFICIENCY.

In the case of a notice that a plan is to be terminated which is filed with the Pension Benefit Guaranty Corporation pursuant to section 4041(a) of the Employee Retirement Income Security Act of 1974 before or during the period specified in section 2(b), the 90-day period referred to in such section 4041(a) shall be extended to 90 days after the expiration of the period specified in section 2(b), except that such extension shall be reduced (in the case of such a notice filed before the period specified in section 2(a)) by the number of days by which the date of such filing precedes such period. Nothing in this section shall be construed to preclude the further extension of such 90-day period (as extended under this section) as provided in section 4041(d) of such Act.

SEC. 5. WAIVER OF MORATORIUM.

(a) GENERAL RULE.—If the Secretary of the Treasury determines, upon application by an employer maintaining the plan, what the application of the moratorium under section 2 would result in substantial business hardship to the employer and would be adverse to the interests of plan participants in the aggregate, the Secretary shall waive the application of section 2 with respect to such plan. The Secretary shall notify the Pension Benefit Guaranty Corporation of any such waiver. Upon receipt of any application for a waiver under this section, the Secretary shall promptly transmit a copy of such application to the Committee on Education and Labor and the Select Committee on Aging of the House of Representatives and the Committee on Labor and Human Resources and the Special Committee on Aging of the Senate.

(b) HEARING REQUIREMENTS.—No determination shall be made pursuant to subsection (a) until after a hearing on the record before the Secretary. The employer who made application for such determination shall be required to appear at such hearing, and the Secretary shall allow the participants and beneficiaries of the plan to appear at such hearing or to submit their written comments regarding the application for such determination.

(c) SUBSTANTIAL BUSINESS HARDSHIP.—For purposes of this section, the factors taken into account in determining substantial business hardship shall include (but shall not be limited to) whether—

(1) the employer is operating at an economical loss,

(2) there is substantial unemployment or underemployment in the trade or business and in the industry concerned, and

(3) the sales and profits of the industry concerned are depressed or declining.

SEC. 6. MORATORIUM NOT APPLICABLE TO MULTIEMPLOYER PLANS.

The preceding provisions of this Act shall not apply in the case of multiemployer plans (within the meaning of section 414(f) of the Internal Revenue Code of 1954).

SEC. 7. EFFECTIVE DATE.

The preceding provisions of this Act shall apply with respect to each determination and issuance described in section 2 made on or after June 12, 1985, and any such determination or issuance other than in accordance with this Act shall be void.●

By Mrs. HAWKINS (for herself, Mr. HOLLINGS, Mr. DODD, Mr. PELL, Mr. BURDICK, Mr. BUMPERS, Mr. MATSUNAGA, and Mr. STEVENS):

S.J. Res. 181. A joint resolution to designate the week beginning September 1, 1985, as "National School-Age Child Care Awareness Week"; to the Committee on the Judiciary.

NATIONAL SCHOOL-AGED CHILD CARE AWARENESS WEEK

● Mrs. HAWKINS. Mr. President, today, I am introducing a resolution declaring the first week in September as National School-aged Child Care Awareness Week. This resolution is identical to the resolution which was adopted last year.

On October 23, and 24 of this year, the National Collaboration for Youth, which is compared of 13 national voluntary organizations who serve millions of our Nation's children and youth, will hold a symposium on school-aged child care. These organizations are concerned about the hundreds of thousands of children who are unattended or in makeshift care arrangements before and after school. The symposium is designed to explore issues involved in providing quality child care programs for school-aged children, emphasize the special value of voluntary agencies in the provision of child care services, encourage collaborative sharing of nonprofit, public, and corporate resources to help meet the needs of these children, and increase the public's awareness of the importance of such programs.

During the last session of Congress, I participated in two congressional hearings on this very important subject. The first was sponsored by the Senate Children's Caucus on June 9, 1983 and we heard testimony from Dr. Long, professor of education at Catholic University, Ed Zigler, director of the Bush Center in Child Development and Social Policy at Yale University, Evelyn Moore, director of the National Black Child Development Institute, Michelle Seligson of the school-age child project at Wellesley College and most importantly, the children who participate in these school-aged child care programs. The second hearing was held in St. Petersburg, FL, by the Senate Labor and Human Resources Subcommittee on Education and highlighted the success of Latch-

key Services for Pinellas County, Inc., one of the largest latchkey programs in the United States.

Both hearings identified a need for Federal and State financial support to assist in the development and expansion of latchkey programs. Such a Federal program was authorized by Public Law 98-558 the Human Services Reauthorization Act. The Federal program authorizes that up to 60 percent of the Federal funds allocated for State block grant for child care be used to help establish before and after school child care programs in community centers and unused school facilities. The program was authorized too late in the fiscal year for funds to be appropriated for the latchkey program, but fortunately the Senate has recommended that $5 million be appropriated for this program in the supplemental appropriations bill currently pending in a House-Senate conference committee.

Mr. President, the Federal program of financial support for latchkey child care programs is limited to start-up funding only. If children of working parents are to be cared for by before and after school latchkey programs, the community must supply the ongoing support. The resolution that I am sponsoring today is designed to build that community support by increasing the public's awareness of the need for child care programs for the school-aged child. I urge my Senate colleagues to join me in cosponsoring this resolution.●

By Mr. MOYNIHAN (for himself, Mr. D'AMATO, Mr. BAUCUS, Mr. MCCLURE, Mr. BRADLEY, Mr. ZORINSKY, and Mr. INOUYE):

S.J. Res. 182. Joint resolution designating August 18, 1985, as "National Flowers By Wire Day"; to the Committee on the Judiciary.

NATIONAL FLOWERS-BY-WIRE DAY

● Mr. MOYNIHAN. Mr. President, during the week of August 15, 1910, 15 retail florists attended the Society of American Florists Convention at the Hotel Seneca in Rochester, NY. Mr. President as you know, conventions are not an unusual occurrence in my State. However, the florists' convention of 1910 was noteworthy, for from it emerged an idea that would revolutionize the floral industry—flowers by wire. On August 18, 1910, 15 florists formed the Florists' Transworld Delivery [FTD] Association.

The Hotel Seneca has long since been razed; the membership of the FTD Association has grown, blossoming to more than 20,000 members nationwide. Today, flowers, to send birthday greetings, get-well wishes, or good luck, can be sent just about anywhere, from La Paz, Bolivia to Delhi, India, to Rochester, NY.

Today I am introducing a joint resolution to designate August 18, 1985, as "National Flowers By Wire Day." I join my colleague Congressman FRANK HORTON, in commerating the 75th anniversary of the formation of the Florists' Transworld Delivery Association, and I urge my Senate colleagues to join us in this joint resolution.

I ask unanimous consent that the full text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 182

Whereas August 18, 1985, is the 75th anniversary of the founding of the Florists' Transworld Delivery Association;

Whereas the Florists' Transworld Delivery Association was founded on August 18, 1910, in Rochester, New York, by 15 retail florists who were attending a Society of American Florists Convention;

Whereas the Florists' Transworld Delivery Association has grown over the past 75 years to include over 20,000 members in the United States, Canada, South and Central America, and parts of Asia;

Whereas the service of sending flowers by wire across a city, State, or country or around the world has become a commercial necessity;

Whereas flowers speak the universal language of joy, sympathy, love, and understanding; and

Whereas flowers with their color and beauty bring inspiration, serenity, and joy, so important in this unsettled world: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That August 18, 1985, is designated "National Flowers-by-Wire Day" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe this day with appropriate activities.●

● Mr. D'AMATO. Mr. President, I rise today as an original cosponsor of legislation introduced by my distinguished senior colleague from New York to honor August 18, 1985, as National Flowers-by-Wire Day. Flowers are the symbols of love and beauty in our world.

For 50,000 years people have placed flowers on the graves of their loved ones—a tradition still widely practiced today. In Egypt and the Middle East, people started cultivating flowers in gardens around 3000 B.C. One could not imagine the Renaissance paintings of the Innunciation without the ever-present image of purity, the lily.

There are over 250,000 species of flowering plants or angiosperms on Earth. Yet with all these species, varying colors and sizes, different uses and meanings, many people would be bereft of their beauty and aroma if it were not for flowers-by-wire. FTD [Florists' Transworld Delivery Association] was founded 75 years ago, August 18, 1910, in my home State in Rochester, NY.

Fifteen retail florists were attending a Society of American Florists Convention at the old Hotel Senaca. From this grew FTD with 20,000 members in the United States, Canada, South and Central America, and parts of Asia.

I urge my colleagues to support a more beautiful world by cosponsoring and supporting this joint resolution.●

ADDITIONAL COSPONSORS

S. 58

At the request of Mr. DANFORTH, the name of the Senator from Georgia [Mr. MATTINGLY] was added as a cosponsor of S. 58, a bill to amend the Internal Revenue Code of 1954 to increase research activities, to foster university research and scientific training, and to encourage the contribution of scientific equipment to institutions of higher education.

S. 231

At the request of Mr. DOLE, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 231, a bill to establish a National Commission on Neurofibromatosis.

S. 415

At the request of Mr. WEICKER, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 415, a bill to amend the Education of the Handicapped Act to authorize the award of reasonable attorneys' fees to certain prevailing parties, and to clairfy the effect of the Education of the Handicapped Act on rights, procedures, and remedies under other laws relating to the prohibition of discrimination.

S. 974

At the request of Mr. WEICKER, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 974, a bill to provide for protection and advocacy for mentally ill persons.

At the request of Mr. BINGAMAN, his name was added as a cosponsor of S. 974, supra.

S. 1153

At the request of Mr. D'AMATO, the names of the Senator from Missouri [Mr. DANFORTH] the Senator from Arizona [Mr. GOLDWATER], and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of S. 1153, a bill to provide for the distribution within the United States of the U.S. Information Agency film entitled "Hal David: Expressing a Feeling."

S. 1220

At the request of Mr. HATFIELD, the names of the Senator from Nevada [Mr. HECHT], the Senator from Florida [Mrs. HAWKINS], the Senator from Michigan [Mr. RIEGLE], the Senator from Alabama [Mr. HEFLIN], the Senator from Connecticut [Mr. WEICKER], the Senator from Rhode Island [Mr.

PELL], the Senator from North Dakota [Mr. ANDREWS], the Senator from Vermont [Mr. STAFFORD], and the Senator from Connecticut [Mr. DODD] were added as cosponsors of S. 1220, a bill entitled the "Renewable Energy and Conservation Transition Act of 1985."

S. 1233

At the request of Mr. DOLE, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 1233, a bill to amend the Animal Welfare Act to ensure the proper treatment of laboratory animals.

S. 1250

At the request of Mr. HEINZ, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of S. 1250, a bill to amend the Internal Revenue Code of 1954 to extend the targeted jobs tax credit for 5 years, and for other purposes.

S. 1434

At the request of Mr. WILSON, the names of the Senator from Washington [Mr. EVANS], the Senator from North Carolina [Mr. HELMS], and the Senator from Minnesota [Mr. BOSCHWITZ] were added as a cosponsor of S. 1434, a bill to amend the Fair Labor Standards Act of 1938 to exclude the employees of States and political subdivisions of States from the provisions of States from the provisions of that act relating to maximum hours.

S.1437

At the request of Mr. THURMOND, the names of the Senator from Iowa [Mr. GRASSLEY], and the Senator from North Carolina [Mr. EAST] were added as cosponsors of S. 1437, a bill to amend the Controlled Substances Act to create new penalties for the manufacturing with intent to distribute, the possession with intent to distribute, or the distribution of "designer drugs," and for other purposes.

SENATE JOINT RESOLUTION 43

At the request of Mr. THURMOND, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of Senate Joint Resolution 43, a joint resolution to authorize the Armored Force Monument Committee, the U.S. Armor Association, the World Wars Tank Corps Association, the Veterans of the Battle of the Bulge, the 11th Armored Cavalry Regiment Association, the Tank Destroyer Association, the 1st, 2d, 3d, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th, 12th, 13th, 14th, and 16th Armored Division Associations, and the Council of Armored Division Associations, jointly to erect a memorial to the "American Armored Force" on United States Government property in Arlington, Virginia, and for other purposes.

SENATE JOINT RESOLUTION 114

At the request of Mr. HEINZ, the names of the Senator from Ohio [Mr. GLENN], and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of Senate Joint Resolution 114, a joint resolution designating August 29 as "Railroad Retirement Day."

SENATE JOINT RESOLUTION 141

At the request of Mr. SASSER, the names of the Senator from South Dakota [Mr. PRESSLER], and the Senator from Indiana [Mr. QUAYLE] were added as cosponsors of Senate Joint Resolution 141, a joint resolution to designate the week beginning May 18, 1986, as "National Tourism Week."

SENATE JOINT RESOLUTION 147

At the request of Mr. HATCH, the names of the Senator from North Dakota [Mr. ANDREWS], the Senator from Alabama [Mr. DENTON], the Senator from Minnesota [Mr. DURENBERGER], and the Senator from Virginia [Mr. WARNER], were added as cosponsors of Senate Joint Resolution 147, a joint resolution to designate a calendar week in 1985 as "National Infection Control Week."

SENATE JOINT RESOLUTION 150

At the request of Mr. BRADLEY, the names of the Senator from Indiana [Mr. LUGAR], and the Senator from Connecticut [Mr. DODD], were added as cosponsors of Senate Joint Resolution 150, a joint resolution to designate the month of March 1986 as "National Hemophilia Month."

SENATE JOINT RESOLUTION 158

At the request of Mr. MURKOWSKI, the names of the Senator from Rhode Island [Mr. PELL], and the Senator from Nevada [Mr. LAXALT], were added as cosponsors of Senate Joint Resolution 158, a joint resolution designating October 1985 as "National Community College Month."

SENATE JOINT RESOLUTION 159

At the request of Mr. JOHNSTON, the names of the Senator from North Carolina [Mr. EAST], the Senator from North Dakota [Mr. BURDICK], the Senator from Kentucky [Mr. FORD], the Senator from Rhode Island [Mr. PELL], the Senator from Vermont [Mr. STAFFORD], the Senator from Hawaii [Mr. INOUYE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Tennessee [Mr. GORE], the Senator from Iowa [Mr. HARKIN], the Senator from Maine [Mr. MITCHELL], the Senator from Vermont [Mr. LEAHY], the Senator from Arkansas [Mr. BUMPERS], the Senator from Connecticut [Mr. DODD], the Senator from Nebraska [Mr. EXON], the Senator from Indiana [Mr. LUGAR], the Senator from Oklahoma [Mr. NICKLES], the Senator from Wyoming [Mr. WALLOP], the Senator from Ohio [Mr. METZENBAUM], the Senator from Colorado [Mr. HART], the Senator from South Carolina [Mr. HOLLINGS], the Senator from New Mexico [Mr. BINGAMAN], and the Senator from Kentucky [Mr. MCCONNELL], were added as cosponsors of Senate Joint Resolution 159, a joint resolution to designate the rose as the national floral emblem.

SENATE JOINT RESOLUTION 166

At the request of Mr. DURENBERGER, the names of the Senator from Georgia [Mr. MATTINGLY] and the Senator from Colorado [Mr. HART] were added as cosponsors of Senate Joint Resolution 166, a joint resolution to appeal for the release of Dr. Yury Orlov and other Helsinki Final Act monitors.

SENATE JOINT RESOLUTION 176

At the request of Mr. D'AMATO, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of Senate Joint Resolution 176, a joint resolution to provide that a special gold medal honoring George Gershwin be presented to his sister, Frances Gershwin Godowsky, and a special gold medal honoring Ira Gershwin be presented to his widow, Leonore Gershwin, and to provide for the production of bronze duplicates of such medals for sale to the public.

SENATE JOINT RESOLUTION 179

At the request of Mr. KENNEDY, the names of the Senator from Arkansas [Mr. BUMPERS], the Senator from New York [Mr. MOYNIHAN], the Senator from Iowa [Mr. HARKIN], and the Senator from Michigan [Mr. LEVIN] were added as cosponsors of Senate Joint Resolution 179, a joint resolution requesting the President of the United States to resume negotiations with the Soviet Union for a verifiable comprehensive test ban treaty.

SENATE RESOLUTION 174

At the request of Mr. GORE, the name of the Senator from Montana [Mr. MELCHER] was added as a cosponsor of Senate Resolution 174, a resolution expressing the sense of the Senate with respect to the proposed closing and downgrading of certain offices of the Social Security Administration.

SENATE RESOLUTION 199

At the request of Mr. HEINZ, the name of the Senator from South Dakota [Mr. ABDNOR] was added as a cosponsor of Senate Resolution 199, a resolution to urge the Senate of the United States to reject any tax reform proposal which would impose a tax on the annual increase in the value of permanent life insurance.

SENATE RESOLUTION 202

At the request of Mr. FORD, the name of the Senator from Hawaii [Mr. INOUYE] and the Senator from Kentucky [Mr. MCCONNELL] were added as cosponsors of Senate Resolution 202, a resolution to urge negotiators for major league baseball owners and players to quickly settle their differences and avoid a scheduled players' strike.

SENATE RESOLUTION 206—REGARDING FEDERAL ACTION TO MITIGATE CONSEQUENCES OF HIGH WATER LEVELS ON THE GREAT LAKES

Mr. DURENBERGER (for himself, Mr. GLENN, Mr. KASTEN, Mr. QUAYLE, Mr. RIEGLE, Mr. LEVIN, Mr. MOYNIHAN, Mr. BOSCHWITZ, Mr. SIMON, Mr. SPECTER, and Mr. METZENBAUM) submitted the following resolution; which was referred to the Committee on Environment and Public Works.

S. RES. 206

Resolved, That the Senate finds that—

(1) the Great Lakes Basin constitutes one of North America's most important natural regions and greatest natural resources;

(2) the Great Lakes Basin contains 20 percent of the total United States population and supports economic activity which accounts for 25 percent of the annual national income for the United States;

(3) the Great Lakes Basin provides recreational opportunities to over 60 million visitors each year at national, State and local parks;

(4) the vast surface area of the lakes, combined with the natural restrictions of the connecting channels, usually make the Great Lakes a naturally well-regulated system that is able to cope with huge water supply variations while maintaining water level fluctuations within one to two feet at any given time;

(5) precipitation for the Great Lakes Basin has been above average in 15 of the last 18 years, since 1977, 7 percent above average, and since August 1984, 32 percent above average;

(6) accordingly, water levels for Lakes Michigan, Huron, and St. Clair are exceeding the 1973 record highs and continue to be above average for Lakes Superior, Ontario and Erie.

(7) man's ability to regulate the levels of the Great Lakes is extremely limited;

(8) all control works in the Great Lakes system under the jurisdiction of the International Joint Commission are being operated to minimize, to the extent possible, damage; and

(9) the Government of Canada has reduced to the maximum extent possible diversions from the Albany River Basin into Lake Superior.

SEC. 2. It is the sense of the Senate that—

(1) there must be a concerted effort on the part of Federal agencies with flood control mandates, including the United States Army Corps of Engineers, Federal Emergency Management Agency, United States Department of Agriculture, and the Small Business Administration, jointly and severally, to plan for and execute efficient and effective cooperation and technical assistance to State and local governments to mitigate the consequences of the high water levels on the Great Lakes; and

(2) this concerted effort to mitigate the consequences of the high water levels on the Great Lakes should be done within existing law.

Mr. DURENBERGER. Mr. President, as cochairman of the Great Lakes Task Force of the Northeast-Midwest Senate Coalition, I am pleased to submit on behalf of myself and my cochairman Senator GLENN, as well as my colleagues on the task force, Senators KASTEN, LUGAR, QUAYLE, RIEGLE, LEVIN, MOYNIHAN, BOSCHWITZ, SIMON, METZENBAUM and SPECTER, a sense of the Senate resolution to urge Federal agencies with flood control mandates to plan for and execute efficient and effective cooperation and technical assistance to State and local governments to mitigate the consequences of the high water levels on the Great Lakes.

The Great Lakes and their surrounding drainage area are one closely interrelated system, making the lakes one of the world's greatest natural resources. The vast surface area, combined with the natural restrictions of the connecting channels, usually make the Great Lakes a well regulated system that is able to cope with huge water supply variations while maintaining water level fluctuations within 1 to 2 feet in any 1 year. Today, however, we face an unusual situation.

The water levels on the lower lakes, Huron, Michigan, and St. Clair, exceeded the 1973 record levels this spring. The levels on Superior, Erie, and Ontario are near record levels. And they are expected to remain high throughout the fall. The International Joint Commission who has the responsibility to monitor the lake levels, has taken every available action within their jurisdiction to control the lake levels. The IJC hosted a House/Senate briefing on July 19 on this subject. I would like to commend the IJC for a thorough briefing.

The resolution we are submitting today is the result of that briefing as it became clear that man has less to do with the water levels of the Great Lakes than nature. And nature is the culprit responsible for the current high water levels on the lakes. I would like to insert in the RECORD an article entitled, "Nature, Not Engineers, Fills Up Great Lakes." This article clearly states the current situation on the lakes and what can and cannot be done.

Mr. President, this resolution reaffirms the commitment of the Federal Government to work together with private citizens, State and local governments to mitigate the consequences of the high water levels on the Great Lakes.

I ask unanimous consent that the article mentioned earlier be placed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Toledo Blade, May 5, 1985]

NATURE, NOT ENGINEERS, FILLS UP GREAT LAKES

(By Steve Pollick)

Great Lakes history is repeating itself with a vengeance this spring in the form of record high water levels, extensive shoreline flooding, and millions of dollars in property damages.

Shoreline damages in southeastern Michigan along Lake Erie and Lake St. Clair exceeded $30 million in a storm at the end of March.

As much as $10 million in damage have accumulated so far this spring in Ontario's Windsor-Chatham areas on the northern shore of Lake Erie and on the eastern shore of Lake St. Clair.

In the northernmost lake, Lake Superior, flooding damages exceeded $3.1 million in Marquette County, Mich., alone.

On the Lake Michigan side of Upper Michigan, the Escanaba River system at one point reached the so-called 500-year flood stage, according to the U.S. Geological Survey.

For thousands of lakeside resident, the high water and flood threat is a bitter, desperate case of *deja vu*. Indeed, many property owners have been there before, in the early 1970s. From 1972 to 1976 an estimated $119 million in high water-related damages occurred on Lake Erie alone.

The hard part to swallow for many persons, however, is that very little can be done to control high water periods, or low ones for that matter, on Erie or the other lakes.

Notions abound that somehow the U.S. Army Corps of Engineers is to blame, that the corps has been paid off by big shipping to keep water artificially high for big cargo vessels. That simply is not the case.

"People are desperate and the corps is visible, so they strike out" at the corps, said Ronald Wilshaw, chief of the lake hydrology section of the corps' Detroit district.

The problem of high water levels has been studied in great detail since the mid 1970s by the International Joint Commission of the United States and Canada, among others.

The IJC was created by treaty and was empowered, among other things, to make binding decisions in regard to boundary waters.

In a study on the feasibility of regulating water levels of Lake Erie, released at the end of 1981, the IJC said that significant, manmade regulation of lake levels is far too expensive, possibly running into hundreds of millions of dollars, and that regulation would constantly pit one set of legitimate interests against another.

Shippers, for example, might campaign for relatively high water and shoreline cottage owners might want relatively lower levels to expose beaches and minimize storm damage. Boaters and fishermen might want something in between. Shippers and hydroelectric power interests are something else still.

"Without there being a net economic benefit to all users of the system, you cannot justify regulating the lake to the benefit of one group," said Frank Bevacqua, an IJC spokesman. There is no other real basis for making such decisions, he added.

Regulating the level of Lake Erie also would create expensive problems downstream. "If you get more water out of Lake Erie you pass the problem downstream," he explained.

Measures would have to be taken to control higher water levels in Lake Ontario. In turn, additional measures would be necessary on the St. Lawrence River below Lake Ontario.

Politically such a complicated, ambitious project might be well nigh impossible to achieve, let alone afford, given the many private and often opposing interests—plus several state, two provincial and two federal governments that would have to be involved and satisfied.

Similar problems would accrue if attempts were made to increase diversion of Great Lakes waters from Lake Michigan via the Chicago Sanitary and Ship Channel.

The channel connects to the Illinois Waterway, which connects to the Mississippi River system. To substantially increase the flow through the Chicago channel in turn could cause downstream flooding along the waterway and on the Mississippi, according to Mr. Wilshaw of the Detroit corps office.

In a sense, the IJC threw up its hands over the Erie regulation problem, as evidenced by this statement in the 1981 study: ". . . there is a clear lack of public understanding of the various natural and manmade factors affecting Great Lakes water levels and the reasons for extreme high and low water levels."

The study also said: "Many shore property owners do not understand that natural factors are the main cause of lake-level fluctuations and that man's ability to control these fluctuations is limited. Still others believe that the outflows of Lake Erie are being regulated for the benefit of hydroelectric and navigation interests."

There is a diversion structure on the east end of Lake Erie, in the Niagara River, about a mile above the famous falls, 18 miles below Lake Erie, extending about halfway across stream from the Canadian side. It is connected to a hydroelectric generating station and its flow and the flow over the falls are apportioned by a 1950 treaty.

Contrary to what some persons believe, however, the structure has no effect on the level of Lake Erie. "If is has an effect, it's so small we can't identify it," said Bill Erdle, chief of water control for the corps of engineers' Buffalo district.

The river falls 10 feet from the end of Lake Erie to the hydro structure and any water "backed up" behind it would peter out well before lake level is reached upstream.

Another structure at the east end of Lake Erie, the Welland Canal, diverts shipping around the Niagara River into Lake Ontario. However, its effect on Lake Erie is to lower water levels about five inches, Mr. Erdle said.

Among the major recommendations for Lake Erie, the IJC urged greater use of "coastal zone-management practices" to reduce shoreline flooding and erosion—instead of trying to control the water level of the lake. Such practices include strict land-use zoning and building setback requirements.

The commission recently did order its Lake Superior board of control to reduce outflow without causing Superior to exceed its maximum agreed level of 602 feet above sea level. The order is similar to one issued during high water in 1973.

Control is possible because Superior's only outlet, the St. Mary's River, is regulated by a gated structure operated by two hydroelectric plants and shipping locks.

The IJC order will cause less water to be available for the hydro plants and cause some backup of Superior.

In other words, a tradeoff has been arranged in which hydro power and shoreline interests on Lake Superior will have to suffer a little so that shoreline interests below—on lakes Michigan, Huron, St. Clair, and possibly Erie—eventually may suffer a little less.

Even so, the slowing of flow from Lake Superior will take months to have just a small effect. In six months, the commission estimates, Michigan and Huron will be 3.5 inches lower, St. Clair 2.4 inches lower, and Erie just 1.7 inches lower.

"It's doing what we can do," explained Doug Cuthbert, chief of water planning and management for Environment Canada at Burlington, Ont. "It's the limit of what we can do."

High water problems on the northern side of the Great Lakes also are significant, he said. "Our concerns are basically very similar to that of the United States."

He tells, for example, of 20 cottages on Lake Erie's Long Point being swept from their foundations and deposited in pieces in a marshland behind and severe flooding and erosion on the point and also on Point Pelee.

The underlying problem for the high water is readily apparent if one takes a look at the big picture—rain and snow patterns for the entire Great Lakes Basin for the two decades or so.

Mr. Erdle at Buffalo noted that precipitation for the Great Lakes basin has been above average in 15 of the last 18 years, and in 2 of the 3 other years, 1971 and 1976, it was only slightly below average. The lone "dry" year was 1974.

Mr. Wilshaw at Detroit notes since 1967 the basins of Lakes Michigan and Huron have seen annual precipitation 5 per cent above average.

Since 1977 the basins' precipitation has been 7 per cent above average, and since August, 1984, 32 per cent above average.

Precipitation on Superior has not been as excessive, but also has been above average. The picture on the upper lakes is critical for Lake Erie, because it receives 80 per cent of all its water from the three big lakes, via the St. Clair and Detroit connecting rivers.

Tributaries in the Erie basin supply only 20 per cent of the lake's total water, but even there the above-average precipitation trend is evident.

"It's not necessarily the local rains, but other rain and snow . . ." Mr. Wilshaw explained. "You've got figures here that are just overwhelming."

He acknowledged that it is difficult for the individual to conceive of the sprawling Great Lakes system and how it is interconnected.

Indeed, many individuals take the "backyard view," basing their opinions on what they see or experience locally without regard to perhaps much more significant circumstances beyond the horizon.

Lack of rain in Toledo for a week or two, for example, may mean nothing at all to the level of Lake Erie, especially if at the same time areas of Michigan and Wisconsin and Ontario to the north and west, on Lakes Huron and Michigan, are receiving a lot of rain.

The high water just didn't go away after the floods of the early and mid-1970s. The storms did, for a while; in the meantime, lake levels slowly then more quickly built to current all-time highs.

Lakes Erie, St. Clair, Michigan, and Huron all are at all-time highs for spring, and that fact is not likely to change much by fall.

Evaporation cannot be counted on, despite the fact that it is sizable—36 inches a year on Lake Erie on average.

That loss is typically offset by average rainfall on the lake—coincidentally 36 inches.

In the end, all that can be done to control the high water is being done, namely the slowdown of Lake Superior outflow. But Canada's Mr. Cuthbert stresses: "It's not going to resolve the flood problem on Huron, St. Clair, and Erie to a large degree."

"People think of a lake as a normally placid body of water that just sits there," the corps' Mr. Erdle said.

He agrees with the analogy that the bathtub is full and the water is still running.

AMENDMENTS SUBMITTED

RESPONSE TO UNFAIR JAPANESE TRADE PRACTICES

HOLLINGS AMENDENT NO. 556

(Ordered to lie on the table.)

Mr. HOLLINGS submitted an amendment intended to be proposed by him to the bill (S. 1404) to require the President to respond to unfair trade practices of Japan; as follows:

On page 6, add the following immediately after line 6:

SEC. 3. POLICY.—The policy of this Act is—

(1) to prevent further disruption of the United States textiles and textile products markets, damage to United States textile and apparel manufacturers, and loss of jobs by United States workers by providing for orderly and non-disruptive growth of imports of textiles and textile products; and

(2) to implement the objectives of the Multi-Fiber Arrangement by requiring the effective enforcement of import levels of textile and textile products contemplated by the Multi-Fiber Arrangement.

SEC. 4 FINDINGS.—The Congress finds that—

(1) the United States and most major textile producing countries are parties to the Multi-Fiber Arrangement, the purpose of which is to ensure the orderly growth of imports of textiles and textile products and to avoid disruption of the markets for textiles and textile products in importing nations:

(2) the Multi-Fiber Arrangement, which first entered into force on January 1, 1974, and which was most recently extended in December, 1981, through July 1986, contemplates a 6 percent annual rate of growth for imports for most exporting countries and provides for a lower rate of growth for imports from major exporting countires.

(3) since 1980, the objective of orderly growth of imports of textiles and textile products provided for in the Multi-Fiber Arrangement has not been achieved; from 1981 through 1984 imports of textiles and textile products into the United States have grown at an annual rate of 19 percent, far in excess of the 1 percent growth rate of the United States market for textiles and textile products during the same period and far in excess of the annual rate of import growth of less than 2 percent that prevailed during the period 1974 through 1980;

(4) the disruptive surge in imports of textiles and textile products which occurred from 1981 through 1984 resulted from the failure of the United States to enforce adequately its rights under the Multi-Fiber Arrangement and to extend coverage of the Multi-Fiber Arrangement to imports made of competing fibers;

(5) import growth of apparel products has substantially outstripped the growth of the domestic market so that import penetration of the domestic market has more than doubled in the last 6 years, reaching a level of 50 percent in 1984;

(6) based on a nationwide audit of major retail outlets, the import penetration of such major items of apparel as trousers, blouses, shirts, suits, skirts and sweaters exceeds 50 percent of domestic consumption;

(7) since the most recent extension of the Multi-Fiber Arrangement, certain exporting countries have sharply increased their exports of textiles and textile products made in whole or in part from fibers not subject to the Multi-Fiber Arrangement with the effect of circumventing restraints agreed to under the Arrangement; the increased imports of these textiles and textile products have caused disruption of the United States market for textiles and textile products and have seriously undercut the effectiveness of the Multi-Fiber Arrangement;

(8) imports of textiles and textile products into the United States are predominantly the product of major exporting countries, with 5 large exporting countries now accounting for more than 50 percent of all imports of textiles and textile products;

(9) the domination of import trade by producers in the major exporting countries has limited participation in the United States market by other exporting countries, many of which share important trade and other national interests, and encourage mutually beneficial trade and investment, with the United States;

(10) a change in United States textile trade policy to afford the smaller exporting countries and countries in the Caribbean region a relatively greater share of imports of textiles and textile products would promote the national economic interests of the United States;

(11) the textile and apparel trade deficit of the United States was more than $16,200,000,000 in 1984, an increase of 53 percent over 1983, and accounted for 13 percent of the nation's overall merchandise trade deficit;

(12) the current level of imports of textiles and textile products, 9,800,000,000 square yard equivalents in 1984, represents over 1,000,000 job opportunities lost to United States workers;

(13) imported textiles and textile products now account for 38 percent (the equivalent of 3.2 million bales of cotton) of the annual cotton consumption in the United States; only one of five of the bale equivalents included in imported textiles and textile products is grown in the United States; the result of the massive increases in cotton textile and apparel imports has been a declining market share for, and a $1 billion loss to, domestic cotton producers in 1983 alone, which was only partially offset by Federal cotton program benefits; another result is that U.S. cotton producers, who are spending about $20 million annually in research and promotion efforts, have built markets not for themselves but for foreign growers;

(14) imports of wool products have doubled since 1980, creating major disruptions among domestic wool products producers and seriously depressing the price of United States produced raw wool; the United States has long recognized that imports of wool products pose particular problems for the wool products industries in the United States and has therefore adopted a policy of 1 percent import growth on wool products; this policy has been acknowledged in our bilateral agreements under the Multi-Fiber Arrangement and has been reviewed by the Textile Surveillance Body;

(15) as a result of this increased penetration and the very limited growth of the domestic market, the United States companies producing textiles and textile products identical, or similar, to those imported have been seriously damaged, many of them have been forced out of business, many have closed plants or curtailed operations, workers in such companies have lost employment and have been otherwise materially and adversely affected, and serious hardship has been inflicted on hundreds of impacted communities causing a substantial reduction in economic activity and lost revenues to local governments;

(16) the increase in imports and increased import penetration of the United States domestic market have occurred notwithstanding the fact that, through extensive modernization programs and investment in more modern equipment, productivity, as measured by output per man hour, in the textile mill products sector has increased in the last 10 years at the average annual rate of 4.2 percent and in the apparel sector at the average annual rate of 3.4 percent, as compared with the lower productivity growth of all manufacturing in the same period of 1.9 percent;

(17) the factors described above are causing serious damage, or the actual threat thereof, to domestic producers of textiles and textile products; as a result, market disruption exists in the United States requiring the new measures established under this Act;

(18) based on experience during the past ten years and on other factors, the growth of the United States market for textiles and textile products is unlikely to exceed an average annual rate of 1 percent during the next several years;

(19) if the rate of growth of imports of textiles and textile products into the United States that occurred since 1980 continues, plant closings will continue to accelerate, leaving the United States market with reduced domestic competition for imported products;

(20) in order to avoid further market disruption and deterioration of the situation confronting the United States industry producing textiles and textile products, which is already seriously damaged, it is essential—

(A) to require the establishment of import levels for textiles and textile products supplied by major exporting countries that reflect—

(i) the import level that would have occurred had imports from these countries grown since 1980 by the 6 percent or lower annual growth rate contemplated by the Multi-Fiber Arrangement, or 1 percent in the case of wool products, or

(ii) the actual import level resulting from restraints under a bilateral agreement with the United States providing for an annual import growth rate of less than 6 percent,

whichever is the lesser,

(B) to require the establishment of import levels for textiles and textile products supplied by smaller exporting countries that provide a significant increase in their market shares to meet their development needs and to permit future growth in such shares consistent with the Multi-Fiber Arrangement, and

(C) to limit the future growth rate of imports of textiles and textile products into the United States to levels which reflect orderly growth as provided for in the Multi-Fiber Arrangement and the most recent Protocol extending the Multi-Fiber Arrangement;

(21) the establishment of import levels, and limitation of future import growth to levels, that reflect effective enforcement of the Multi-Fiber Arrangement and that also reflect the expected growth rate of the United States market for textiles and texile products will fulfill announced policy objectives of the United States regarding trade in textiles and apparel;

(22) as the Department of Defense has long recognized, a strong, viable and efficient domestic textiles and textile products industry is essential in order to avoid impairment of the national security of the United States;

(23) the developments that have led to the sharp increase in imports of textiles and textile products since 1980 may not have been foreseeable; nevertheless, the rights of the United States under international agreements should have been invoked in order to prevent increased quantities of textiles and textile products from being imported under such conditions as to cause or threaten serious damage to domestic producers of textiles and textile products in the United States; and

(24) the sharp increase in imports of textiles and textile products since 1980, and the effect of this increase on the United State textile and apparel industry and its workers, constitutes exceptional circumstances within the meaning of the Multi-Fiber Arrangement and its Protocol.

SEC. 5. AMENDMENTS TO AGRICULTURAL ACT OF 1956.—Title II of the Agricultural Act of 1956 is amended by inserting immediately after section 204 of such title the following new sections:

"DEFINITIONS

"SEC. 204A. For purposes of sections 204B through 204D of this Act—

"(1) The term 'textiles and textile products' includes, but is not limited to, all man-made fibers, tops, yarns, piece goods, made-up articles, garments, and other textile manufactured products (which derive their chief characteristics from their textile components) made in whole or in part from any natural or man-made fiber, or blend thereof, that are classified under Schedule 3, part 6 of Schedule 6, parts 1, 4, 5, 7, or 13 of Schedule 7, part 1 of Schedule 8, or part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202);

"(2) The term 'category' means, with respect to textiles and textile products imported from each country, each of the following—

"(A) Each category of textiles and textile products identified by a 3-digit textile category number in the Department of Commerce publication 'Correlation: Textile and Apparel Categories with Tariff Schedules of the United States Annotated', dated January 1985;

"(B) A category consisting of the man-made fiber articles classified under subpart E of part 1 of Schedule 3 to the Tariff Schedules of the United States; and

"(C) Each category consisting of each of the following products when, because of any fiber content, that product is not subject to the Multi-Fiber Arrangement:

"(i) yarn,

"(ii) fabric,

"(iii) apparel, and

"(iv) other textile products;

"(3) The term 'import sensitive category' means—

"(A) A category (other than a category applicable to textiles and textile products that are a product of a country in the Caribbean region) for which the ratio of imports to domestic production, as reported in the Department of Commerce publication "U.S.

Production, Imports and Import/Production Ratios for Cotton, Wool and Man-Made Fiber Textiles and Apparel", equals or exceeds 40.0 for the preceding calendar year; or

"(B) A category covering wool products;

"(4) The term 'country' means a foreign country (other than Canada and the Member States of the European Economic Community as constituted on January 1, 1985), a foreign territory, or an insular possession of the United States;

"(5) The term 'major exporting country' means a country (other than a country in the Caribbean region) from which the United States imported an annual aggregate quantity of textiles and textile products under all categories that equalled or exceeded 1.25 percent of all textiles and textile products under all categories imported into the United States from all countries and from Canada and the Member States of the European Economic Community during calendar year 1984;

"(6) The term 'country in the Caribbean region' means the United Mexican States and a country eligible for designation as a beneficiary country under section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702);

"(7) The term 'wool product' means an article containing over 17 percent by weight of wool;

"(8) The term 'exporting country' means a country other than a major exporting country;

"(9) The term 'entered' means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States;

"(10) The term 'imported' means entered; and

"(11) The term 'Multi-Fiber Arrangement' means the Arrangement Regarding International Trade in Textiles, as extended by the Protocol done at Geneva, December 22, 1981.

"LIMITS ON TEXTILE AND APPAREL IMPORTS

"SEC. 204B.(a) Notwithstanding section 204 of this Act or any other provision of law, the aggregate quantity of textiles and textile products classified under each category that is entered during calendar year 1985 shall not exceed—

"(1) in the case of textiles and textile products that are a product of a major exporting country, the lesser of an amount equal to 101 percent (A) of the aggregate quantity of such products from such country classified under such category that would have entered during calendar year 1984 if the aggregate quantity of such products from such country classified under such category entered during calendar year 1980 had increased by six percent annually, or 1 percent annually in the case of a category covering a wool product, during calendar years 1981, 1982, 1983 and 1984, or (B) if the United States has an agreement with such country providing for an annual growth rate for such category of less than six percent, of the aggregate quantity of such products from such country classified under such category that entered during calendar year 1984;

"(2) in the case of textiles and textile products that are a product of an exporting country, an amount equal to the aggregate quantity of such products from such country classified under such category that entered during calendar year 1984, plus an amount equal to (A) fifteen percent of such quantity, in the case of a category that is not an import sensitive category, or (B) one percent, in the case of a category that is an import sensitive category.

For purposes of this section, if during any calendar year after 1984 the United States imports from a country, other than a country in the Caribbean region, that is not a major exporting country an aggregate quantity of textiles and textile products under all categories that equals or exceeds 1.25 percent of all textiles and textile products under all categories imported into the United States from all countries and from Canada and the Member States of the European Economic Community during such calendar year, then such country shall be considered to be a major exporting country for all succeeding calendar years.

"(b) For calendar years after 1985, the aggregate quantity of textiles and textile products classified under each category that may be entered during each such calendar year shall—

"(1) in the case of such products that are a product of a major exporting country, be increased by an amount equal to one percent of the aggregate quantity that could be entered under such category during the preceding calendar year; and

"(2) in the case of such products that are a product of an exporting country, be increased by an amount equal to—

"(A) in the case of a category (other than an import sensitive category), six percent of the aggregate quantity that could be entered under that category during the preceding calendar year, and

"(B) in the case of an import sensitive category, one percent of the aggregate quantity that could be entered under that category during the preceding calendar year.

"(c) If, under subsection (a) or (b), the aggregate quantity of textiles and textile products from a country that may be entered during a calendar year under a category is—

"(1) less than 1,000,000 square yard equivalents, in the case of a category covering yarn, fabric, made-ups, and miscellaneous products, other than wool products;

"(2) less than 700,000 square yard equivalents, in the case of a category covering apparel, other than wool products apparel; or

"(3) less than 100,000 square yard equivalents, in the case of a category covering wool products,

then, notwithstanding subsection (a) or (b), the aggregate quantity of textiles and textile products that may be entered from such country under such category during the calendar year shall be 1,000,000, 700,000, or 100,000 square yard equivalents, respectively. The amount prescribed in the preceding sentence shall be accorded growth subject to the provisions of subsection (b) beginning the first calendar year after the aggregate quantity of imports from such country under such category equals the minimum quantity prescribed under this subsection.

"(d) The Secretary of Commerce shall prescribe such regulations governing the entry, or withdrawal from warehouse, for consumption of textiles and textile products as may be necessary to carry out sections 204A through 204D of this Act.

"IMPORT LICENSING

"Sec. 204C. In order to ensure the equitable and efficient administration of section 204B of this Act, the Secretary of Commerce shall, within six months after the date of enactment of the Agricultural Act of 1956 Textile and Apparel Trade Enforcement Amendments Act of 1985, establish and administer an import licensing system under which an importer of any textiles and textile products from any country and from Canada and the Member States of the European Economic Community, will be required to present an import permit as a condition of entry. The Secretary shall charge a fee for import licenses in such amount as may be necessary to cover the cost of administration of the system.

"ANNUAL REPORT

"SEC. 204D. Not later than March 15, 1986, and March 15 of each calendar year thereafter, the President shall submit to the Congress a report on the administration of sections 204A through 204C of this Act during the preceding calendar year. Such report shall include detailed information about the implementation and operation of the limitations established under section 204B. All departments and agencies shall cooperate in preparation of this report as requested by the President."

SEC. 5. EFFECTIVE DATE.—

(a) IN GENERAL.—The amendments made by section 5 of this Act shall apply to textiles and textile products entered, or withdrawn from warehouse, for consumption after ——— —, 1985.

(b) CALENDAR YEARS 1985 AND 1986.—The Secretary of Commerce shall prescribe by regulation the aggregate quantity, if any, of textiles and textile products that may be entered under section 204B(a) or (c) of the Agricultural Act of 1956 as amended by this Act from each country under each category during the period beginning on the date of enactment of this Act and ending December 31, 1985. Notwithstanding subsection (a), to the extent that the aggregate quantity of imports of textiles and textile products from a country under a category entered after December 31, 1984, and before the date of enactment of this Act exceeds the quantity permitted entry for such country and such category during calendar year 1985 under section 204(B)(a) or (c) of such Act, the limit that would otherwise apply under section 204B(b) for such category for such country for calendar year 1986 shall be reduced by the amount of such excess quantity.

COMPREHENSIVE NUCLEAR TEST BAN TREATY RESOLUTION

LUGAR AMENDMENT NO. 557

Mr. LUGAR proposed an amendment to the joint resolution (S.J. Res. 179) requesting the President of the United States to resume negotiations with the Soviet Union for a verifiable comprehensive test ban treaty; as follows:

Add at the end of the Kennedy-Mathias resolution the following new section:

The Congress finds that:

August 6 marks the 40th anniversary of the detonation of the nuclear bomb at Hiroshima;

The Soviet Union has announced its intention to begin a five-month moratorium on nuclear testing on August 6;

A complete cessation of nuclear test explosions must be related to the ability of the United States to maintain credible deterrent forces;

Any test ban agreement must be verifiable and must be made in the context of deep and verifiable arms reductions;

The United States has concluded, based upon a thorough evaluation of the evidence, that the Soviet Union has repeatedly violated the Limited Test Ban Treaty and likely violated the Threshold Test Ban Treaty;

The President has now invited a Soviet team to observe and to measure a nuclear test at the Nevada Test Site, without a requirement of reciprocity, or any other conditions;

LUGAR AMENDMENT NO. 558

Mr. LUGAR proposed an amendment to amendment No. 557 proposed by him to the joint resolution Senate Joint Resolution 179, supra; as follows:

It is the sense of the Congress that at the earliest appropriate date, following certification by the President that, in the context of the requirement to maintain a viable nuclear deterrent, of assuring Soviet compliance and of achieving deep reductions in nuclear arms, substantial progress has been made on the verification of nuclear weapons testing, to include onsite monitoring, the President should propose to the Soviet Union the timely resumption of negotiations with the objective of concluding a verifiable comprehensive test ban treaty.

RELIEF OF KENNETH DAVID FRANKLIN

STEVENS AMENDMENT NO. 559

(Ordered referred to the Committee on Governmental Affairs.)

Mr. STEVENS submitted an amendment intended to be proposed by him to the bill (S. 1027) for the relief of Kenneth David Franklin; as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. WAIVER OF EMPLOYEE STATUS REQUIREMENT AND TIME LIMITATION FOR CLAIMING DISABILITY RETIREMENT BENEFITS.

(a) WAIVER OF EMPLOYEE STATUS REQUIREMENT.—Notwithstanding the requirement of section 8334(d) of title 5, United States Code, relating to status as an employee, Kenneth David Franklin of Raleigh, North Carolina, or his spouse, may make a deposit under such section.

(b) WAIVER OF TIME LIMITATION.—Notwithstanding the time limitation of section 8337(b) of title 5, United States Code, on filing a claim for disability retirement benefits, Kenneth David Franklin shall be entitled, after making the deposit allowed in subsection (a), to receive disability retirement benefits under subchapter III of chapter 83 of such title based on the claim referred to in the decision of the Merit Systems Protection Board numbered AT831L8410231, dated April 20, 1984, and the decision of the Merit Systems Protection Board numbered AT08318410232, dated April 20, 1984.

SEC. 2. COMPUTATION OF BENEFITS.

Upon receipt of the deposit allowed in section 1(a), the Director of the Office of Personnel Management shall certify to the Secretary of the Treasury the aggregate amount of the disability retirement payments that Kenneth David Franklin would have received if he had been receiving such payments for the period beginning on February 3, 1980, and ending on the date of the commencement of the period covered by the first disability retirement payment pursuant to this Act. The Secretary of the Treasury shall pay such amount, and interest on such amount at an annual rate of 6 percent, compounded annually, to Kenneth David Franklin from funds contained in the Civil Service Retirement and Disability Fund.

EDUCATION OF THE HANDICAPPED ACT AMENDMENTS

WEICKER (AND OTHERS) AMENDMENT NO. 561

Mr. DOLE (for Mr. WEICKER, for himself, Mr. HATCH, Mr. KENNEDY, Mr. DOLE, Mr. STAFFORD, Mr. GRASSLEY, Mr. PELL, Mr. SIMON, Mr. METZENBAUM, and Mr. DODD) proposed an amendment to the bill (S. 415) to amend the Education of the Handicapped Act to authorize the award reasonable attorneys' fees to certain prevailing parties, and to clarify the effect of the Education of the Handicapped Act on rights, procedures, and remedies under other laws relating to prohibition of discrimination; as follows:

In lieu of the matter proposed to be inserted by the committee amendment insert the following:

That this Act may be cited as the "Handicapped Children's Protection Act of 1985".

SEC. 2. Section 615(e)(4) of the Education of the Handicapped Act is amended by inserting "(A)" after the paragraph designation and by adding at the end thereof the following new subparagraphs:

"(B) In any action or proceeding brought under this subsection, the court, in its discretion, may award a reasonable attorney's fee in addition to the costs to a parent or legal representative of a handicapped child or youth who is the prevailing party.

"(C) Whenever the parent or legal representative of a handicapped child or youth—

"(i) is awarded fees under subparagraph (B), and

"(ii) is represented by a publicly funded organization which provides legal services,

the reasonable attorney's fee which is awarded pursuant to this subsection shall be computed based upon the actual cost related to the bringing of the civil action under this subsection to the publicly funded organization, including the proportion of the compensation of the attorney so related, other reasonable expenses which can be documented, and the proportion of the annual overhead costs of the publicly funded organization attributable to the number of hours reasonably spent on such civil action.

"(D) For the purpose of this paragraph, the term 'publicly funded organization' means any organization which receives funds, other than attorney fee awards, from Federal, State, or local governmental sources which are available for use during any fiscal year in which the action or proceeding is pending to enable the organization to provide legal counsel or representation.".

SEC. 3. Section 615 of the Education of the Handicapped Act is amended by adding at the end thereof the following new subsection:

"(f) Nothing in this title shall be construed to restrict or limit the rights, procedures, and remedies available under the Constitution, title V of the Rehabilitation Act of 1973, or other Federal statutes protecting the rights of handicapped children and youth, except that before the filing of a civil action under such laws seeking relief that is also available under this part, the procedures under subsections (b)(2) and (c) shall be exhausted to the same extent as would be required had the action been brought under this part.".

SEC. 4. The amendment made by section 2 shall apply with respect to actions or proceedings brought under section 615(e) of the Education of the Handicapped Act after July 3, 1984, and actions or proceedings brought prior to July 4, 1984, under such section which were pending on July 4, 1984.

VETERANS' ADMINISTRATION HEALTH CARE PROGRAMS

MURKOWSKI (AND CRANSTON) AMENDMENT NO. 560

Mr. DOLE (for Mr. MURKOWSKI, for himself and Mr. CRANSTON) proposed an amendment to the bill (S. 876) to amend title 38, United States Code, to establish, extend, and improve certain Veterans' Administration health-care programs; as follows:

On page 37, strike out lines 13 through 22.

On page 38, line 5, strike out "202" and insert in lieu thereof "201".

On page 38, line 11, strike out "203" and insert in lieu thereof "202".

On page 39, line 4, strike out "204" and insert in lieu thereof "203".

On page 64, strike out lines 8 through 18, and insert in lieu thereof the following:

ASSISTANCE FOR CERTAIN FORMER POLITICAL HOSTAGES

SEC. 502. (a) The Congress makes the following findings:

(1) In recent years some United States citizens have been held in captivity as political hostages or have been victims of other terrorist acts.

(2) The United States citizens who were passengers on TransWorld Airlines flight number 847 on June 14, 1985, were victims of a hijacking of such flight and some of those passengers were subsequently held in captivity as political hostages.

(3) The experience of being held in captivity as a political hostage is a traumatic event that is outside the range of usual human experience.

(4) Stressful experiences connected with such a traumatic event can be expected to evoke in some victims certain psychological reactions, including symptoms of stress, which may be manifested shortly after the event or may be manifested weeks, months, or even years later.

(5) There is no established program under which United States citizens may obtain systematic assistance in coping with the short-term or long-term personal effects of captivity as political hostages after they return home.

(6) The Veterans' Administration has developed expertise in providing readjustment assistance to veterans who have experienced traumatic and stressful events outside the range of usual human experience as a result of military combat.

(7) The Veterans' Administration medical centers, including 13 specially designated in-

patient units for veterans with post-traumatic stress disorder, 187 readjustment counseling centers and satellite facilities for Vietnam-era veterans, and the National Center on Post-Traumatic Stress Disorder have staff with expertise (A) in diagnosing and treating veterans who have experienced traumatic and stressful events, and (B) in training Veterans' Administration and other health-care personnel in, and conducting research and exchanging information relating to, diagnosis and treatment of such veterans.

(b) The Administrator of Veterans' Affairs shall take appropriate action otherwise authorized by law to ensure that the expertise of the Veterans' Adminstration in diagnosing and treating individuals who have experienced unusual trauma and stress and in training health care personnel on such matters is made available to other Federal Government agencies and other appropriate organizations which are providing assistance to United States citizens who were passengers on TransWorld Airlines flight number 847 on June 14, 1985, or other United States citizens returning from captivity as political hostages, to attempt to minimize the potential short-term or long-term adverse psychological effects of such captivity on them.

On page 66, after line 24, insert the following new sections:

MODIFICATION OF RESTRICTIONS ON REAL PROPERTY AND CONVEYANCE OF A FENCE ON SUCH PROPERTY, SALT LAKE CITY, UTAH

SEC. 505. (a) Section 2 of the Act entitled "An Act authorizing the Administrator of Veterans' Affairs to convey certain property to the Armory Board, State of Utah", approved July 29, 1954 (68 Stat. 580), is amended to read as follows:

"SEC. 2. Any conveyance under the first section of this Act—

"(a) shall provide that the tract conveyed may be used only for hospital, educational, civic, residential, or related purposes;

"(2) shall provide that, if any part of such tract is used in any manner that is determined by the Administrator of Veterans' Affairs to interfere with the care and treatment of any patient at a Veterans' Administration health-care facility located in the reservation described in such section, such use shall cease immediately upon notice by the Administrator of such interference to the Armory Board, State of Utah, and to each person using such part in such manner;

"(3) shall provide that, if any part of such tract is used for a purpose other than a purpose prescribed in paragraph (1), title to such part shall revert to the United States;

"(4) shall provide that, if any interference referred to in paragraph (2) does not cease as required under such paragraph, title to the part of such land that is being used in a manner to cause such interference shall revert to the United States; and

"(5) shall contain such additional terms and conditions (including reservations of rights for the United States) as the Administrator of Veterans' Affairs determines to be necessary to protect the interests of the United States.".

(b) The Administrator of Veterans' Affairs shall convey, without consideration, to the Armory Board, State of Utah, all right, title, and interest of the United States in the fence erected as required by the quitclaim deed issued to the Armory Board by the Administrator on October 14, 1954, under the authority of the Act referred to in subsection (a). The conveyance shall contain such terms and conditions as the Administrator determines to be necessary to protect the interests of the United States.

(c) The Administrator of Veterans' Affairs shall execute any documents that are necessary to bring the conveyance made under the authority of the Act referred to in subsection (a) into conformity with the amendment made by such subsection.

MODIFICATION OF RESTRICTIONS ON REAL PROPERTY, MILWAUKEE COUNTY, WISCONSIN

SEC. 506. (a) The Administrator of Veterans' Affairs shall execute such instruments as may be necessary to modify the conditions under which the land described in subsection (b) will revert to the United States in order to permit Milwaukee County, Wisconsin, to lease all or part of such land to a nonprofit corporation which shall (1) construct and equip on such land structures, facilities, and other permanent improvements useful for public recreational purposes or general civic purposes, and (2) use such land for such recreational or civic purposes. The Administrator may carry out the preceding sentence subject to such terms and conditions (including reservations of rights for the United States) as the Administrator determines to be necessary to protect the interests of the United States.

(b) The land referred to in subsection (a) is (1) the land conveyed to Milwaukee County, Wisconsin, pursuant to the act entitled "An Act to authorize the administrator of Veterans' Affairs to convey certain lands and to lease certain other land to Milwaukee County, Wisconsin", approved September 1, 1949 (63 Stat. 683), and (2) the land conveyed to Milwaukee County, Wisconsin, pursuant to the Act entitled "An Act authorizing the Administrator of Veterans' Affairs to convey certain property to Milwaukee County, Wisconsin", approved August 27, 1954 (68 Stat. 865).

SERVICEMEN'S GROUP LIFE INSURANCE AND VETERANS' GROUP LIFE INSURANCE

SEC. 507. (a)(1) Subsection (a) of section 767 is amended—

(A) by striking out "$35,000" and inserting in lieu thereof "$50,000"; and

(B) by striking out the amount of $30,000, $25,000, $20,000, $15,000, $10,000 or $5,000" and inserting in lieu thereof an amount less that $50,000 that is evenly divisible by $10,000".

(2) Subsection (c) of such section is amended by striking out "the amount of" the first place it appears and all that follows through "as the case may be," and inserting in lieu thereof "any amount less than $50,000, such member may thereafter be insured under this subchapter in the amount of $50,000 or any lesser amount evenly divisible by $10,000".

(3) Subsection (d) of such section is amended—

(A) by striking out "the effective date of this subsection" each place it appears and inserting in lieu thereof "January 1, 1986"; and

(B) by striking out "up to a maximum of $35,000 (in any amount divisible by $5,000)" and inserting in lieu thereof "in the amount of $50,000 or any lesser amount evenly divisible by $10,000".

(b)(1) Subsection (a) of section 777 is amended—

(A) by striking out the first sentence and inserting in lieu thereof the following: "Veterans' Group Life Insurance shall be issued in the amounts specified in section 767(a) of this title. In the case of any individual, the amount of Veterans' Group Life Insurance may not exceed the amount of Servicemen's Group Life Insurance coverage continued in force after the expiration of the period of duty or travel under section 767(b) or 768(a) of this title."; and

(B) by striking out "$35,000" in the sentence immediately following the matter inserted by clause (A) and both places it appears in the last sentence and inserting in lieu thereof "$50,000".

(2) Such section is further amended by adding at the end the following new subsection:

"(h)(1) Notwithstanding any other provision of law, members of the Individual Ready Reserve and the Inactive National Guard are eligible to be insured under Veterans' Group Life Insurance. Any such member shall be so insured upon submission of an application in the manner prescribed by the Administrator and the payment of premiums as required under this section.

"(2) Notwithstanding subsection (b)(2) of this section, Veterans' Group Life Insurance coverage under this subsection shall be issued on a renewable five-year term basis, but the person insured must remain a member of the Individual Ready Reserve or Inactive National Guard throughout the period of the insurance in order for the insurance of such person to be renewed.

"(3) For the purposes of this subsection, the terms 'Individual Ready Reserve' and 'Inactive National Guard' shall have the meaning prescribed by the Administrator in consultation with the Secretary of Defense.".

(c) The amendments made by subsections (a) and (b) shall take effect on January 1, 1985.

EXTENSION OF THE PERIOD FOR ENTERING INTO TRAINING UNDER THE EMERGENCY VETERANS' JOB TRAINING ACT OF 1983

SEC. 508. Section 17(2) of the Emergency Veterans' Job Training Act of 1983 (Public Law 98-77; 29 U.S.C. 1721 note) is amended by striking out "September 1, 1985" and inserting in lieu thereof "March 1, 1986".

EXTENSION OF AUTHORITY TO OPERATE AN OFFICE IN THE REPUBLIC OF THE PHILIPPINES

SEC. 509. Section 230(b) is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1988".

On page 67, line 3, strike out "201(b), 203(b)" and insert in lieu thereof "202(b)".

On page 67, line 3, strike out "502(b)" and insert in lieu thereof "507(c)".

COMPACT OF FREE ASSOCIATION

HOLLINGS AMENDMENT NO. 562

(Ordered to lie on the table.)

Mr. HOLLINGS submitted an amendment intended to be proposed by him to the joint resolution (S.J. Res. 77) to approve the "Compact of Free Association", and for other purposes; as follows:

On page 91, add the following immediately after line 12:

ARTICLE VIII

SEC. 2. POLICY.

The policy of this Act is—

(1) to prevent further disruption of the United States textiles and textile products markets, damage to United States textile and apparel manufacturers, and loss of jobs by United States workers by providing for

orderly and non-disruptive growth of imports of textiles and textile products; and

(2) to implement the objectives of the Multi-Fiber Arrangement by requiring the effective import levels of textiles and textile products contemplated by the Multi-Fiber Arrangement.

SEC. 3. FINDINGS.

The Congress finds that—

(1) the United States and most major textile producing countries are parties to the Multi-Fiber Arrangement, the purpose of which is to ensure the orderly growth of imports of textiles and textile products and to avoid disruption of the markets for textiles and textile products in importing nations;

(2) The Multi-Fiber Arrangement, which first entered into force on January 1, 1974, and which was most recently extended in December, 1981, through July 1986, contemplates a 6 percent annual rate of growth for imports for most exporting countries and provides for a lower rate of growth for imports from major exporting countries;

(3) Since 1980, the objective of orderly growth of imports of textiles and textile products provided for in the Multi-Fiber Arrangement has not been achieved; from 1981 through 1984 imports of textiles and textile products into the United States have grown at an annual rate of 19 percent, far in excess of the 1 percent growth rate of the United States market for textiles and textile products during the same period and far in excess of the annual rate of import growth of less than 2 percent that prevailed during the period 1974 through 1980;

(4) the disruptive surge in imports of textiles and textile products which occurred from 1981 through 1984 resulted from the failure of the United States to enforce adequately its rights under the Multi-Fiber Arrangement and to extend coverage of the Multi-Fiber Arrangement to imports made of competing fibers;

(5) import growth of apparel products has substantially outstripped the growth of the domestic market so that import penetration of the domestic market has more than doubled in the last 6 years, reaching a level of 50 percent in 1984;

(6) based on a nationwide audit of major retail outlets, the import penetration of such major items of apparel as trousers, blouses, shirts, suits, skirts and sweaters exceeds 50 percent of domestic consumption;

(7) since the most recent extension of the Multi-Fiber Arrangement, certain exporting countries have sharply increased their exports of textiles and textile products made in whole or in part from fibers not subject to the Multi-Fiber Arrangement with the effect of circumventing restraints agreed to under the Arrangement; the increased imports of these textiles and textile products have caused disruption of the United States market for textiles and textile products and have seriously undercut the effectiveness of the Multi-Fiber Arrangement;

(8) imports of textiles and textile products into the United States are predominantly the product of major exporting countries, with 5 large exporting countries now accounting for more than 50 percent of all imports of textiles and textile products;

(9) the domination of import trade by producers in the major exporting countries has limited participation in the United States market by other exporting countries, many of which share important trade and other national interests, and encourage mutually beneficial trade and investment, with the United States;

(10) a change in United States textile trade policy to afford the smaller exporting countries and countries in the Caribbean region a relatively greater share of imports of textiles and textile products would promote the national economic interests of the United States;

(11) the textile and apparel trade deficit of the United States was more than $16,200,000,000 in 1984, an increase of 53 percent over 1983, and accounted for 13 percent of the nation's overall merchandise trade deficit;

(12) the current level of imports of textiles and textile products, 9,800,000,000 square yard equivalents in 1984, represents over 1,000,000 job opportunities lost to United States workers;

(13) imported textiles and textile products now account for 38 percent (the equivalent of 3.2 million bales of cotton) of the annual cotton consumption in the United States; only one of five of the bale equivalents included in imported textiles and textile products is grown in the United States; the result of the massive increases in cotton textile and apparel imports has been a declining market share for, and a $1 billion loss to, domestic cotton producers in 1983 alone, which was only partially offset by Federal cotton program benefits; another result is that U.S. cotton producers, who are spending about $20 million annually in research and promotion efforts, have built markets not for themselves but for foreign growers;

(14) imports of wool products have doubled since 1980, creating major disruptions among domestic wool products producers and seriously depressing the price of United States produced raw wool; the United States has long recognized that imports of wool products pose particular problems for the wool products industries in the United States and has therefore adopted a policy of 1 percent import growth on wool products; this policy has been acknowledged in our bilateral agreements under the Multi-Fiber Arrangement and has been reviewed by the Textile Surveillance Body;

(15) as a result of this increased penetration and the very limited growth of the domestic market, the United States companies producing textiles and textile products identical, or similar, to those imported have been seriously damaged, many of them have been forced out of business, many have closed plants or curtailed operations, workers in such companies have lost employment and have been otherwise materially and adversely affected, and serious hardship has been inflicted on hundreds of impacted communities causing a substantial reduction in economic activity and lost revenues to local governments;

(16) the increase in imports and increased import penetration of the United States domestic market have occurred notwithstanding the fact that, through extensive modernization programs and investment in more modern equipment, productivity, as measured by output per man hour, in the textile mill products sector has increased in the last 10 years at the average annual rate of 4.2 percent and in the apparel sector at the average annual rate of 3.4 percent, as compared with the lower productivity growth of all manufacturing in the same period of 1.9 percent;

(17) the factors described above are causing serious damage, or the actual threat thereof, to domestic producers of textiles and textile products; as a result, market disruption exists in the United States requiring the new measures established under this Act;

(18) based on experience during the past ten years and on other factors, the growth of the United States market for textiles and textile products is unlikely to exceed an average annual rate of 1 percent during the next several years;

(19) if the rate of growth of imports of textiles and textile products into the United States that occurred since 1980 continues, plant closings will continue to accelerate, leaving the United States market with reduced domestic competition for imported products;

(20) in order to avoid further market disruption and deterioration of the situation confronting the United States industry producing textiles and textile products, which is already seriously damaged, it is essential—

(A) to require the establishment of import levels for textiles and textile products supplied by major exporting countries that reflect—

(i) the import level that would have occurred had imports from these countries grown since 1980 by the 6 percent or lower annual growth rate contemplated by the Multi-Fiber Arrangement, or 1 percent in the case of wool products, or

(ii) the actual import level resulting from restraints under a bilateral agreement with the United States providing for an annual import gowth rate of less than 6 percent,

whichever is the lesser,

(B) to require the establishment of import levels for textiles and textile products supplied by smaller exporting countries that provide a significant increase in their market shares to meet their development needs and to permit future growth in such shares consistent with the Multi-Fiber Arrangement, and

(C) to limit the future growth rate of imports of textiles and textile products into the United States to levels which reflect orderly growth as provided for in the Multi-Fiber Arrangement and the most recent Protocol extending the Multi-Fiber arrangement;

(21) the establishment of import levels, and limitation of future import growth to levels, that reflect effective enforcement of the Multi-Fiber Arrangement and that also reflect the expected growth rate of the United States market for textiles and textile products will fulfill announced policy objectives of the United States regarding trade in textiles and apparel;

(22) as the Department of Defense has long recognized, a strong, viable and efficient domestic textiles and textile products industry is essential in order to avoid impairment of the national security of the United States;

(23) the developments that have led to the sharp increase in imports of textiles and textile products since 1980 may not have been foreseeable; nevertheless, the rights of the United States under international agreements should have been invoked in order to prevent increased quantities of textiles and textile products from being imported under such conditions as to cause or threaten serious damage to domestic producers of textiles and textile products in the United States; and

(24) the sharp increase in imports of textiles and textile products since 1980, and the effect of this increase on the United States textile and apparel industry and its workers, constitutes exceptional circumstances within the meaning of the Multi-Fiber Arrangement and its Protocol.

SEC. 4. AMENDMENTS TO AGRICULTURAL ACT OF 1956.

Title II of the Agricultural Act of 1956 is amended by inserting immediately after section 204 of such title the following new sections:

"DEFINITIONS

"SEC. 204A. For purposes of sections 204B through 204D of this Act—

"(1) The term 'textiles and textile products' includes, but is not limited to, all man-made fibers, tops, yarns, piece goods, made-up articles, garments, and other textile manufactured products (which derive their chief characteristics from their textile components) made in whole or in part from any natural or man-made fiber, or blend thereof, that are classified under Schedule 3, part 6 of Schedule 6, parts 1, 4, 5, 7 or 13 of Schedule 7, part 1 of Schedule 8, or part 1 of the Appendix to the Tariff Schedules of the Untied States (19 U.S.C. 1202);

"(2) The term 'category' means, with respect to textiles and textile products imported from each country, each of the following—

"(A) Each category of textiles and textile products identified by a 3-digit textile category number in the Department of Commerce publication 'Correlation: Textile and Apparel Categories with Tariff Schedules of the United States Annotated', dated January 1985;

"(B) A category consisting of the man-made fiber articles classified under subpart E of part 1 of Schedule 3 to the Tariff Schedules of the United States; and

"(C) Each category consisting of each of the following products when, because of any fiber content, that product is not subject to the Multi-Fiber Arrangement:

"(i) yarn,

"(ii) fabric,

"(iii) apparel, and

"(iv) other textile products;

"(3) The term 'import sensitive category' means—

"(A) A category (other than a category applicable to textiles and textile products that are a product of a country in the Caribbean region) for which the ratio of imports to domestic production, as reported in the Department of Commerce publication "U.S. Production, Imports and Import/Production Ratios for Cotton, Wool and Man-Made Fiber Textiles and Apparel", equals or exceeds 40.0 for the preceding calendar year; or

"(B) A category covering wool products;

"(4) The term 'country' means a foreign country (other than Canada and the Member States of the European Economic Community as constituted on January 1, 1985), a foreign territory, or an insular possession of the United States;

"(5) The term 'major exporting country' means a country (other than a country in the Caribbean region) from which the United States imported an annual aggregate quantity of textiles and textile products under all categories that equalled or exceeded 1.25 percent of all textiles and textile products under all categories imported into the United States from all countries and from Canada and the Member States of the European Economic Community during calendar year 1984;

"(6) The term 'country in the Caribbean region' means the United Mexican States and a country eligible for designation as a beneficiary country under section 211 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702);

"(7) The term 'wool product' means an article containing over 17 percent by weight of wool;

"(8) The term 'exporting country' means a country other than a major exporting country;

"(9) The term 'entered' means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States;

"(10) The term 'imported' means entered; and

"(11) The term 'Multi-Fiber Arrangement' means the Arrangement Regarding International Trade in Textiles, as extended by the Protocal done at Geneva, December 22, 1981.

"LIMITS ON TEXTILE AND APPAREL IMPORTS

"SEC. 204B. (a) Notwithstanding section 204 of this Act or any other provision of law, the aggregate quantity of textiles and textile products classified under each category that is entered during calendar year 1985 shall not exceed—

"(1) in the case of textiles and textile products that are a product of a major exporting country, the lesser of an amount equal to 101 percent (A) of the aggregate quantity of such products from such country classified under such category that would have entered during calendar year 1984 if the aggregate quantity of such products from such country classified under such category entered during calendar year 1980 had increased by six percent annually, or 1 percent annually in the case of a category covering a wool product, during calendar years 1981, 1982, 1983 and 1984, or (B) if the United States has an agreement with such country providing for an annual growth rate for such category of less than six percent, of the aggregate quantity of such products from such country classified under such category that entered during calendar year 1984;

"(2) in the case of textiles and textile products that are a product of an exporting country, an amount equal to the aggregate quantity of such products from such country classified under such category that entered during calendar year 1984, plus an amount equal to (A) fifteen percent of such quantity, in the case of a category that is not an import sensitive category, or (B) one percent, in the case of a category that is an import sensitive category.

For purposes of this section, if during any calendar year after 1984 the United States imports from a country, other than a country in the Caribbean region, that is not a major exporting country an aggregate quantity of textiles and textile products under all categories that equals or exceeds 1.25 percent of all textiles and textile products under all categories imported into the United States from all countries and from Canada and the Member States of the European Economic Community during such calendar year, then such country shall be considered to be a major exporting country for all succeeding calendar years.

"(b) For calendar years after 1985, the aggregate quantity of textiles and textile products classified under each category that may be entered during each such calendar year shall—

"(1) in the case of such products that are a product of a major exporting country, be increased by an amount equal to one percent of the aggregate quantity that could be entered under such category during the preceding calendar year; and

"(2) in the case of such products that are a product of an exporting country, be increased by an amount equal to—

"(A) in the case of a category (other than an import sensitive category), six percent of the aggregate quantity that could be entered under that category during the preceding calendar year, and

"(B) in the case of an import sensitive category, one percent of the aggregate quantity that could be entered under that category during the preceding calendar year.

"(C) If, under subsection (a) or (b), the aggregate quantity of textiles and textile products from a country that may be entered during a calendar year under a category is—

"(1) less than 1,000,000 square yard equivalents, in the case of a category covering yarn, fabric, made-ups, and miscellaneous products, other than wool products;

"(2) less than 700,000 square yard equivalents, in the case of a category covering apparel, other than wool products apparel; or

"(3) less than 100,000 square yard equivalents, in the case of a category covering wool products,

then, notwithstanding subsection (a) or (b), the aggregate quantity of textiles and textile products that may be entered from such country under such category during the calendar year shall be 1,000,000, 700,000 or 100,000 square yard equivalents, respectively. The amount prescribed in the preceding sentence shall be accorded growth subject to the provisions of subsection (b) beginning the first calendar year after the aggregate quantity of imports from such country under such category equals the minimum quantity prescribed under this subsection.

"(d) The Secretary of Commerce shall prescribe such regulations governing the entry, or withdrawal from warehouse, for consumption of textiles and textile products as may be necessary to carry out sections 204A through 204D of this Act.

"IMPORT LICENSING

"SEC. 204C. In order to ensure the equitable and efficient administration of section 204B of this Act, the Secretary of Commerce shall, within six months after the date of enactment of the Agricultural Act of 1956 Textile and Apparel Trade Enforcement Amendments Act of 1985, establish and administer an import licensing system under which an importer of any textiles and textile products from any country and from Canada and the Member States of the European Economic Community, will be required to present an import permit as a condition of entry. The Secretary shall charge a fee for import licenses in such amount as may be necessary to cover the cost of administration of the system.

"ANNUAL REPORT

"SEC. 204D. Not later than March 15, 1986, and March 15 of each calendar year thereafter, the President shall submit to the Congress a report on the administration of sections 204A through 204C of this Act during the preceding calendar year. Such report shall include detailed information about the implementation and operation of the limitations established under section 204B. All departments and agencies shall cooperate in preparation of this report as requested by the President."

SEC. 5. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by section 4 of this Act shall apply to textiles and textile products entered, or withdrawn from warehouse, for consumption after ——— —, 1985.

(b) CALENDAR YEARS 1985 AND 1986.—The Secretary of Commerce shall prescribe by regulation the aggregate quantity, if any, of textiles and textile products that may be entered under section 204B (a) or (c) of the Agricultural Act of 1956 as amended by this Act from each country under each category during the period beginning on the date of enactment of this Act and ending December 31, 1985. Notwithstanding subsection (a), to the extent that the aggregate quantity of imports of textiles and textile products from a country under a category entered after December 31, 1984, and before the date of enactment of this Act exceeds the quantity permitted entry for such country and such category during calendar year 1985 under section 204B (a) or (c) of such Act, the limit that would otherwise apply under section 204B(b) for such category for such country for calendar year 1986 shall be reduced by the amount of such excess quantity.

NOTICES OF HEARINGS

SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER, AND RESOURCES CONSERVATION

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Public Lands, Reserved Water and Resource Conservation Subcommittee of the Committee on Energy and Natural Resources on Wednesday, August 7, 1985, in Twin Falls, ID. The subcommittee will receive testimony from the public on S. 1528 to provide for the expenditure of transfer of funds by the Secretary of the Interior and the Secretary of Agriculture for the emergency prevention, suppression, control, or eradication of grasshoppers or mormon crickets on public lands.

The hearing will be held at the College of Southern Idaho, Shields Building, rooms 17-118, 315 Falls Avenue, Twin Falls, ID, from 10 a.m. to 3 p.m.

Those wishing to testify should contact the offices of Senator JAMES A. MCCLURE in the following cities in Idaho:

Boise, ID, 304 North Eighth Street, room 149, 208-334-1560.

Twin Falls, ID, 401 Second Street North, suite 106, 208-734-6780.

Pocatello, ID, 216 Federal Building, 250 South 4th Avenue 208-236-6817.

Idaho Falls, ID, 482 C Street, suite 304, 208-523-5541.

Oral testimony may be limited to 3 minutes per witness. Written statements may be longer. Witnesses may be placed in panels and are requested to bring five copies of their testimony with them to the hearing. Those wishing to testify should sign up no later than Tuesday, August 6, 1985, at 12 noon.

For further information, please contact Senator MCCLURE's offices at the above listed numbers or Mr. Tony Bevinetto of the subcommittee staff at (202) 224-5161.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. LUGAR. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Tuesday, July 30, to hold a hearing to consider the nomination of Constance J. Horner, to be Director of the Office of Personnel Management.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Committee on Agriculture be authorized to meet during the session of the Senate on Tuesday, July 30, 1985, from 3 p.m. until 5 p.m. in order to mark up S. 616, the farm bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. LUGAR. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Tuesday, July 30, to consider pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

JAPANESE TRADE TACTICS

● Mr. RIEGLE. Mr. President, Japanese trade tactics are wrecking our economy and destroying American jobs. We must address this hostile challenge now before even further job loss and long-term economic damage is done.

The Department of Commerce announced this morning that the U.S. trade deficit with Japan soared to a record $4.573 billion just for the month of June. Our trade deficit with Japan almost doubled in 1984, and will balloon by a further one-third this year, to perhaps $50 billion.

The U.S. exports primarily raw materials to Japan such as corn, oil seeds, coal, lignite, and peat. Japan, on the other hand, exports primarily manufactured goods to the United States such as autos and consumer electronics. They have now openly targeted commercial electronics, the production technologies of the future, as their next goal for domination.

I ask that there be printed in the RECORD two related articles from the New York Times: One on Japanese targeting of the semiconductor industry and one, by Theodore White, which outlines the history and the nature of the Japanese strategy.

The articles follow.

[From the New York Times, July 27, 1985]

HOW JAPAN PLAYS WHEN THE CHIPS ARE ON THE TABLE

To the Editor:

"Why Japan Won the Chip Race" (editorial, July 5) puts the tail on the wrong end of the dog. Your argument that Japan has "won" the race because of the high dollar, Japan's lower cost of capital and because "Japanese companies worked for years at refining their production techniques and increasing their market share" (as if American companies did not) provides an inaccurate portrayal of the international competitive situation in the semiconductor industry.

In fact, except in Japan, where the American industry has been unfairly excluded, the United States commands an overwhelming market share against the Japanese: 5 to 1 in the United States and Europe, and 2 to 1 in other countries where companies from the two countries compete head to head.

This is not to say that there are not many fundamental macroeconomic reforms that the United States should take immediately to strengthen its industrial base. The semiconductor industry has long supported measures, such as reductions in the Federal budget deficit and changes in the tax code to encourage saving, to remedy our economy's structural problems. We agree with you that such steps are essential. However, at least with respect to semiconductors, there are major trade problems that are not macroeconomic. They can be traced directly to specific unfair trade practices by the Japanese Government and by Japanese companies.

For example, you dismiss the documented factual record of coordinated action by Japanese Government and industry to exclude American semiconductor products from the world's second largest market as "clannish buying practices," as though the actions were merely impolite, rather than the sort for which American executives would be sent to jail. Nor, apparently, do you comprehend just how damaging this policy is.

In an industry where technological change is constant, cash flow for research and development is absolutely essential if a company is to remain competitive. A home market protected in good times and bad can provide such a steady source of funds, as well as economies of scale unavailable to those excluded.

You also dismiss documentation of predatory pricing by the Hitachi Corporation by referring to exchange-rate differentials, as though they could explain the fall of prices for the 256K Eprom chip from more than $20 each when Hitachi entered the market in November 1984 to little more than $4 today, following a six-month period during which the yen rose against the dollar. Why not simply take Hitachi at its word? It is prepared to dump chips at any price to drive competitors from the marketplace.

In short, there is more than ample evidence that Japanese targeting practices, not structural differences in the two economies, are the principal cause of the current situation in the semiconductor industry. Our industry is competitive with the Japanese wherever it is given a fair chance to compete. We have not sought import restrictions.

It surpasses understanding that you would not be in support of efforts to open markets to competition. Perhaps if you examined the evidence, you would recognize the injustice that you have done to America's most important high-technology industry.—

Thomas D. Hinkelman, President, Semiconductor Industry Association, San Jose, Calif., July 18, 1985.

[From the New York Times Magazine, July 28, 1985]

THE DANGER FROM JAPAN

(By Theodore H. White)

No sense of irony stained the spectacle of victory aboard the U.S.S. Missouri, no sense of shadows to rise years later.

We were all too bedazzled by the splendor of the day—for here was American power at its zenith. We had won the war, totally, and the men who had won it, soon to become legend, were all there on the veranda deck in pressed suntans or navy whites. A band had been swinging through "Anchors Aweigh" as we gathered that morning, but as the climax approached a hush fell; silence stretched like a blanket over our murmurings.

None of us of course knew what America would make of the victory, or the Japanese of their defeat. But the power was all ours and stretched, visibly, as far as the eye could see. The Third Fleet had come in from offshore and now crowded Tokyo Bay—flattops and battleships, cruisers and destroyers, guns trained on the land we had laid waste. There was no question but that we had won this war.

It was Sunday, Sept. 2, 1945, there on the other side of the dateline, and the skies, after a Saturday drizzle, stretched gray. But this was no guarded and hidden schoolhouse, with only a handful present to watch, as at the surrender of German forces only four months earlier at Rheims. Douglas MacArthur's sense of drama insisted that all the world be there to witness, and we were several hundreds thick on the foredeck.

The Missouri had been swept clean. The Stars and Stripes above the mainmast was the same that had fluttered over the Capitol on the day Japan attacked Pearl Harbor; it had just been flown out from Washington. The flag of Commodore Perry, who had pried Japan open to the West 90 years before, was draped on the rear turret, with the 31 stars of the then half-grown union faded but clear. And on each of the three 16-inch guns clung our sailors in white, holding on by a handgrip, or with their legs curled tight about the barrels.

Just in front of the turret was the surrender table, draped in a navy-blue coverlet, bare but for the documents. There the Japanese would sign. A few minutes before the appointed hour we heard the piping that announced the launch carrying the Japanese was alongside. We watched them come aboard: Mamoru Shigemitsu, the Japanese Foreign Minister, in morning coat and striped trousers; Gen. Yoshijiro Umezu, Chief of Staff of the army, in his starched brown uniform. Shigemitsu limped, for he had been crippled years before by Japanese terrorists who had tried to kill him, considering him a man of peace. But that brought him no sympathy from us now as he grasped the rail to pull himself up, then limped to the table of surrender.

I bristled at the sight of them. I had seen the Japanese blast and flame Chungqing, the city I had lived in years before, then bring their planes down to machinegun people in the streets. Japanese had shot at me, I had fired at them, and so the luxury of this moment was one I enjoyed. Others, too, hated the Japanese—perhaps all except Douglas MacArthur, who saw them as he saw all Orientals, as errant little brown brothers who must be rebuked, but then brought into Western civilization. Yet that day he was task-master and conqueror.

A few minutes after 9, General MacArthur himself appeared, and the Japanese came forward. No one helped Shigemitsu, but some Americans more generous than I brought him a chair to sit on as he signed the surrender. Next came Umezu, the brown pock marks on his cheeks swelling and falling as he clenched his jaws. He wanted no chair: he stood stiffly, unfolded like a jackknife, then bent and signed the paper: Neither said anything. Then MacArthur spoke for peace and conciliation—rather well, I think now as I read his text 40 years later. Then all the others signed. I notice, as I follow the notes I made on my copy of the text, that when the Dutch representative signed, the sun broke through the clouded morning, and the scene began to glisten.

At this point happened the episode that stands out sharpest among the memories of that day—the flyover. As MacArthur intoned "These proceedings are closed," we heard a drone and looked up. It is difficult to recall now, after years of floundering and blunder, how very good we were in those days, with what precision we ordered things. Four hundred B-29s had taken off from Guam and Saipan hours before to arrive over the Missouri at this precise minute of climax. They stretched across the rim of the horizon, and their heavy droning almost instantly harmonized with a softer buzzing as 1,500 fleet aircraft from our flattops joined them. The B-29s had burned out Japan's cities, dropped the two big bombs; the fleet aircraft had sunk the Japanese Navy. Now the killing arms of our power, the air forces, slid down their height in the sky to circle low over the armada of American ships. Then, still very low, they disappeared across the sky, over two cities they had left in ruins, first Yokohama, then Tokyo, as if brandishing our power over the people who had dared, without warrant and with planned deceit, to attack and bloody us at Pearl Harbor.

We had won out over them. We lost more than 100,000 men to prove we could not be lacerated without warning, without seeking revenge.

Except that America's revenge on Japan was of such an extrordinary character as to befuddle all scholars who claim that history has a logic of its own. What we are faced with now is the idea that events contradict history's logic. Perhaps we did not win the war, perhaps the Japanese, unknown even to themselves, were the winners.

It had taken us years to get to Tokyo Bay. But that story had begun with an idea, as all wars do.

As a very young reporter, I had gone to Asia, and there became acquainted with the crowning Japanese idea: "The Greater East Asia Co-Prosperity Sphere." The slogan was scrawled across the walls of all the regions I visited, from Manchukuo to North China, down finally to Hanoi in 1940, when the Japanese took over Vietnam. And they meant to go further: to Thailand (with its tin), Malaya (rubber), Indonesia (oil and timber). The Japanese idea was simple: that Japan was the leader of East Asia, and so it should harness Asia, with its resources, its genius of mind, its hundreds of millions of people, and all would grow prosperous—Japan most of all.

But the Chinese, both Nationalist and Communist, had resisted. And, as the Japanese did their best to beat the Chinese into submission, America said: No. Franklin Roosevelt imposed his embargo on Japanese trade—no scrap metal, no oil, nothing that would help Japan pursue its purpose of conquest. The noose had thus tightened about Japan in 1941, whereupon they attacked us and hoped, having hurt us, that we would negotiate on their terms. Tactically, the attack on Pearl Harbor was one of the most brilliantly executed strokes of the war. But politically, it was most unwise, for America fought back.

Today, 40 years after the end of World War II, the Japanese are on the move again in one of history's most brilliant commercial offensives, as they go about dismantling American industry. Whether they are still only smart, or have finally learned to be wiser than we, will be tested in the next 10 years. Only then will we know who finally won the war 50 years before.

So we must go back to Japan at that weekend of surrender and see what we made of it.

The eye recalls almost nothing sharp of those first three days. Both Tokyo and Yokohama were wasteland. Here and there was a speckle of corrugated iron shacks where the bombed-out victims of our raids lived. Spikes of smokestacks rose above rubble. In the streets trudged the Japanese—forlorn and shabby. Along the country roads trickled the first of their demobilized soldiers, their belongings slung over their shoulders. All of Japan was open to us, except for the Emperor's palace in Tokyo, behind its moat and earthen walls. The 11th Airborne Division had arrived to protect him from all intruders—Americans and Japanese alike.

A few days before we entered Japan, an intelligence officer had briefed a few of us correspondents on how delicate that mission would be: Japan was still armed, with 57 divisions in the home islands. Some units were violent. There had already been one assault on the Emperor's palace in the days since he had radioed his submission to us; it had been beaten off. The Emperor was our key. "In essence," concluded the officer, "we've achieved a coup d'etat. Our coup has been to take the Emperor. We've given him the widest latitude in telling his people how to take defeat. But, when they learn he takes orders from us, that we're using him to restore order, there's no telling how the mechanism will react.

So, when we flew in on Friday, Aug. 31, before the surrender, the soldiers in my plane were taking apart, fingering, reassembling their guns as soldiers always do before assault, ready to shot if this surrender was a trap.

But it was no trap; the Japanese had surrendered; the Emperor had defused the Japanese war machine, still capable of one last explosive bloodletting. The airfield perimeter had been guarded immediately by the 11th Airborne. The Japanese had not only obeyed our orders to remove all propellers from their planes at Atsugi Airfield, our point of descent, but the planes themselves had been bulldozed into a junkheap at the far corner.

That first weekend of reconnaissance and tingling fear we roamed the streets of Yokohama with strut and swagger. We took over the new Grand Hotel on the Bund—just up the street from the offices of the House of Mitsui. So I strolled down to visit it.

The House of Mitsui was one of the grand zaibatsu, those great Japanese merchant trading houses that we meant to abolish but did not. I walked in with Jim Stewart of the Office of War Information, who spoke

fluent Japanese, and we were ushered into an executive's suite.

His face I have forgotten; in my notes his name reads simply "Fujiro," and he spoke fine English. When he understood that we had come not to arrest him but to talk, he relaxed. I wanted to pick up the threads of the story of defeat and surrender.

Fujiro told it well: It had been four months since the last ocean-going vessel of Japan's far-flung merchant marine had made it safely back to Yokohama, Japan's largest port. It had been more than a year since Kawasaki, the nation's oil port, had received a tanker from the East Indies. Yokohama was prostrate, he said. He guessed that 200,000 people had been killed in our bombings and 700,000 had fled.

But the Americans were not hated, he assured us. The people hated their army. "Why no planes, no guns to defend us?" He spat out names like Tojo, Oshima, Shiratori. The people expected them to be executed. People hated the United States bombers, but the first Americans to land were well-behaved. Jim Stewart remarked that, unlike the Japanese, American soldiers did not rape. Fujiro acknowledged this.

Then to his plea. Hunger. Food. Let Japan work to support herself. Japan could still make ships—"let us make ships to earn our way." Some textile mills remained; the Japanese could still make cloth to earn a living. But Japan needed food most of all—one-third of all its food in the closing days of the war had come out of China. Japan could sell us tea and silk, but it needed food.

What were the plans now of the House of Mitsui? we asked. He replied: "Frankly, gentleman, until your military tells us what to do, we have no plans." Before we left, he poured us a toast: "To your safe arrival!" We drank; the House of Mitsui bowed as if we were not only liberators but allies.

These days, the House of Mitsui is thriving again, its trading net spread from steel mills in China to refineries in Iran to operations in America—the whole world has become its "Greater Co-Prosperity Sphere."

Food, then, that weekend and that month was of the essence.

There is a strange and wonderful thing about Americans, of which I am proud. In war we bomb, we kill, occasionally our soldiers are savage, too—although when an American officer goes berserk, we try him in our military courts, as we did Lieut. William Calley for the massacre at Mylai. But Americans abhor starvation, and they are very good at organizing to help all starving people—defeated Germans, defeated Japanese, Ethiopians subject to Marxism.

So, in the first few days of occupation, our rage evaporated in the task immediately at hand: to feed the Japanese people we had conquered.

What MacArthur was up against were the essentials that geography forces on anyone who governs Japan. Japan is a nation of four rocky islands—with a combined area that is smaller than California. Seventy-two percent of the land is mountain and rock, useless for anything but tourism and scenery. Only 16 percent is tillable. When, a century ago, the Japanese were a nation of 30 million people, they could barely feed themselves and infanticide was a common practice. Their internal history has thus been scorched with savage civil wars. Then, when Japan was opened, the coiled aggressions so long turned against each other turned against their neighbors—China first, then the Russians, then Korea.

But the Japanese add to their poverty of physical resources two extravagantly useful conditions. They have, first, a sharply indented coastline, with natural ports inviting deep water to their shore. England has the same advantage, which once gave that nation, and now gives Japan, access to all the world's resources of ore, oil, foods, timber; by cheap shipping, Japanese can draw raw materials from anywhere and can send competitive manufacturers anywhere, too.

To this gift of geography is added a gift of genetics, a striking quality of mind. We often think of the Japanese as less than innovative but, technically, they are superb adapters and producers. We learned that in the war against them: their torpedoes were better and faster than ours . . . until we learned to make ours better. Their initial combat plane—the Zero—was a superlative machine; it could turn, dart, wheel away and mock American flying machines. No matter that Americans had invented the airplane and the flattop; when the war started, Japan had in several arms superior, if derivative, technology. What licked them was American bravery, the mobilization of then-superior American science and industry, and their own blundering politics that led them to challenge us.

Whether Americans made an equal blunder in entering Asia in 1945 is something historians will debate for decades to come. But if we *did* blunder in that fall season of 1945, the blunder stemmed from mercy and generosity. Both mercy and generosity proposed a peace the like of which had never been granted before to any conquered nation—except, perhaps, the Germany defeat only months before.

Our first challenge in those early weeks was, of course, the simple mechanics of occupation. But then we faced the problem of how to govern the now-abject nation—above all, how to feed it. Japan's hospitals were full of the diseases of malnutrition. MacArthur ordered at once that our occupying forces distribute their rations to Japanese civilians from Army kitchens. He then ordered that all the 3½ million tons of food stockpiled for our own armies for the projected landings of October and November be rushed in. Yet still there was not enough. He himself described it best in a cable to the War Department in the spring of 1946—a spring of imminent starvation. We must either feed the Japanese or starve them, he wrote, and then we must face the consequences. "Starvation breeds mass unrest, disorder, violence. Give me bread or give me bullets," he finished in a grandiloquent MacArthurian flourish.

The next paragraph of MacArthur's reminiscences is a single sentence: "I got bread."

MacArthur had, almost immediately after moving his headquarters from Yokohama to Tokyo, set about creating a new Japan. Of the Emperor, he demanded that a new prime minister be immediately named. By October, the Emperor had replaced his uncle, the nominal prime minister at the time of surrender, with Baron Shidehara, to whom, on his first visit, MacArthur explained America's wishes for the new Japan.

MacArthur's directives were cut from the cloth of American good will. Japan (so ran his first directive) must completely emancipate Japanese women; must let workers organize in unions; ban abuse of child labor; abolish secret police. Further, Japan must reorganize its education system and "democratize" its industrial system. He left it to Shidehara to work out the details.

It was this broad grant of latitude that was most important. The Japanese could pick and choose their way through MacArthur's directives. The way they chose to implement them allowed their industry, their universities, their ingenuity to flourish. And the rebirth of Japan since its defeat is a parable of history. If one speeds up the interaction of ideas and drive, it becomes a drama.

It is impossible to blame the Japanese for accepting American mercy and the American invitation to thrive. Neither Congress nor the United States War Department wanted to feed Japan indefinitely or pay for its recovery. It was up to the Japanese to work their own way back, to remove themselves from the backs of the American taxpayer.

A young lieutenant with the 27th Infantry Division was among the first to land in that week after the surrender; his company had fought in the battle of Okinawa; it had entered with 180 men and come out with only 20. That young combat lieutenant, Malcolm Baldrige, is now Secretary of Commerce, and he recalls the desolation in Japan. "We sent them," he recalls now, "blood-fractionating technology on humanitarian grounds. Today the company we gave the technology to compete with Americans around the world. We sent them technicians from the Underwriters Laboratory to certify that Japanese products were up to American standards, fit for export. Today U.S. companies fight to get their exports certified for entry into Japan." Baldrige is both wise and somber. The Japanese, as Government policy, are undermining one American industry after another. But Baldrige, as a senior Administration official, must restrain his forebodings in public.

To understand his bitterness one must again go back to the story of governing ideas. Early in 1947, as Japan was thawing from defeat, we sponsored something called GATT—the General Agreement on Tariffs and Trade, with headquarters in Geneva. GATT embodied an idea almost two centuries old, the idea of Adam Smith. Smith believed that history moves in stages, and, because he lived at the dawn of the Industrial Revolution, he denounced the outworn ideas of mercantilism—the world stage was now set for "free trade." An "invisible hand," Smith held, should and would shape the flow of goods from one nation to another, wherever "comparative advantage" in production would draw wares from one country to another.

By the mid-1940s, American thinking had made a holy cause of "free trade." Our conventional analysis of the Second World War held that both Hitler and the Japanese had violated the theology of "free trade," staking out spheres of economic dominance with bayonets, thus bringing war. Now, however, in 1947, GATT would enforce free trade in all the non-Marxist world, eliminating tariffs and barriers, and allowing goods to flow freely from country to country. We were at our peak in the history of commerce. Thus—onward and upward to the sunlit plateau of world prosperity and peace.

For the Japanese it must have seemed too good to be true, and it took them several years to learn that the Americans had rewarded them with a world market far larger than the Great East Asia Co-Prosperity Sphere. The Americans had given them an invitation to the world trading game in total ignorance of what Japanese genius and tactics might accomplish. As late as 1954, a haze of victory still clouded American thinking. Said John Foster Dulles, Secretary of State, at a National Security Council meet-

ing in August of that year, I "told Premier Yoshida frankly that Japan should not expect to find a big American market because the Japanese don't make the things we want. Japan must find markets elsewhere for the goods they export." It would be at least 30 years before history proved Dulles wrong, before our trade deficit with Japan grew to the thunderhead of an estimated $45 billion for 1985.

There were, of course, several things wrong with the ideas that begot GATT. First was the belief that all the world would behave by the rules codified by GATT. We could not entertain the idea that some nations would race, like broken-field runners, through the new rules of tariffs and trade; that GATT would be riddled and pockholed by subsidies, regulations, quotas and barriers that made mockery of the idea of free trade.

But the more important thing that went wrong with GATT was almost too simple to consider. If all people of the world were entitled to equally free trade, then the cheapest producers would be those who paid their people least, yet mastered world-class technology. In other words, nations whose workers were grateful for starvation wages could conquer the markets of countries like America, whose workers demanded the world's highest wages. The only way thus to complete was by efficiencies of production, in which the Japanese steadily strove to match the Americans, or by wage standards with which American workers could not compete, or both. Asian standards of living would have to go up or our standards would go down until an equilibrium would be reached.

In the 40 years since defeat, Japan has grown to be a giant. Japan has passed the Soviet Union in industrial production and stands as world class No. 2 to our No. 1. If the present Japanese expansion of production continues, it will be, in 20 years, a greater industrial power than the United States.

When the Japanese looked out from their world of ruins in the months after defeat, disaster drew self-examination as tight as skin about every individual as well as the community. "Japan was smashed," says one American industrialist. "Its industry was shattered or obsolete. Every institution had failed them. . . . There was no leadership, no model for creating a new Japan except that which American forced on it." So MacArthur and his staff became the leadership, America the model.

What the Japanese have done since in remodeling the American model is no less than spectacular. They have devised a system of government-industry partnership that is a paradigm for directing a modern industrial state for national purposes—and one designed for action in the new world of global commerce that the United States blueprinted.

The Japanese have a tangled bureaucracy that baffles foreign intruders, but one must recognize at least the two main players in the game to understand the dynamics of the Japanese trade thrust.

The Ministry of Finance comes first. In the words of one American Ambassador to Japan, "it has the ultimate call." Its policies set the exchange rate of the yen, keeping the currency undervalued in order to keep export prices low. It stimulates savings and investment, finances industry by directing the allocation of funds through the banks it controls. The Ministry of Finance provides the launching pad from which MITI directs the guided missiles of the trade offensive.

MITI—the Ministry of International Trade and Industry, the second major player in the game—is totally new Japanese invention. MITI targets those Japanese industries that are to grow, targets the countries and markets to be penetrated. It can adjust depreciation rates for favored industries; coordinate research into arcane technologies—for example, into the fifth generation of computers. (Its only American rival in such research is the Pentagon, which can afford to match Japan Incorporated's budget).

Sometimes MITI makes mistakes—as in the overbuilding of the Japanese steel and shipbuilding industries, now in surplus capacity because of competition from South Korea. More often it is wise enough to put to sleep industries that can no longer compete. The island of Kyushu once employed 200,000 coal miners; only 7,000 remain there because oil and coal come cheaper from abroad—and so Kyushu has become a thriving center for electronics. MITI defines strategies; Japanese private enterprise follows through with zest. No better marriage of government planning and private enterprise has ever been seen.

The Japanese have caught the essence of Adam Smith—that history moves through its stages as opportunity and technology beckon. Nor is it alone in seeing the perspectives of the world America fostered. Although Jean Monnet designed Europe's Common Market, America was its godfather. Europe also presses to orient its industries to national purpose. West Germany, Europe's foremost industrial power, presses hardest. But the Germans expend much of their energies within the Common Market we sought to build. In American commerce, trade with West Germany is large, yet marginal. In 1971, when America first fell into the trade deficit that forced us off the gold standard, Germans exported $3.7 billion worth of goods to America, Japan $5.9 billion. Last year, the Germans shipped $16.9 billion—but the Japanese shipped $60.4 billion. The Germans, somehow, evoke little American bitterness because we understand their culture, establish American plants there without hindrance. The Japanese provoke American wrath because they are a locked and closed civilization that reciprocates our hushed fear with veiled contempt.

Few American businessmen abroad would qualify as Knights of the Round Table. American oil companies once, in the prime of their power, could make and unmake governments. But many American businesses have been welcomed overseas, if only because they usually pay higher wages than competitors. Most of all, they have been restrained by American antitrust laws from the kind of nationally coordinated trade offensive captained by MITI against all other countries.

American industry grew up in partnership with European industry. But Japan rouses different fears. Behind Japan ("the Big Dragon," some call it) march the "four little dragons" (Korea, Hong Kong, Taiwan, Singapore) following in its path. And behind loom China and India, desperate as they are to raise their standards of living—at the expense of American standards, if necessary.

The Japanese are far ahead in the race for world trade markets, and they are moving now to yet another stage. Their export surplus gives them huge sums to invest—in the Middle East and America—so that Japanese capital is moving from penetration to control. Japanese are beginning to supply venture captal for the seedbeds of American technology, from Silicon Valley in California to Route 128 in Boston. They hover over the Draper Laboratories in Massachusetts—the national laboratories that devise the guidance system of our missiles—and acquire what patents security lets free to the public. In the Los Angeles area alone, the Japanese have installed or acquired 1,500 firms. Their acquisitions in our banking system have grown significantly; contrarywise, Americans are all but excluded from Japanese capital markets. And, by the doctrine of GATT, all this is entirely legal.

Yet what is legal may also be unfair. While Japan's tariff rates are, in broad economic terms, roughly equal to those of other industrial nations, they are spiked with special tariffs in industries that are considered vulnerable to foreign competition. In addition, Japanese markets are protected by a maze of so-called nontariff barriers to trade—many of which fall outside the reach of GATT regulations. We cannot sell our exports freely in Japan, whether beef, tobacco, citrus fruits, or leather goods. Consumer markets, too, are closed by regulations that the Japanese attribute to "cultural differences."

What Japan does import from us are, chiefly, those raw materials always taken by master nations from colonial nations—grain, cotton, ores, fuel. We still ship to Japan a few remaining high-technology items, like aircraft, and some telecommunications and high-powered computers in which we hold a narrowing lead. But the Japanese continue to squeeze that lead, because their infant-industry-protection laws are planned to give them time to catch up. They will not buy American satellites until they learn to make their own. Corning Glass Works has had a fiber-optics patent pending in Japan for 12 years; in this time, the Japanese have learned to make fiber optics of their own that they now sell to America. Crude oil may be sold to Japan; but the Japanese will not buy our refined oil. American products certified here must go through slow, tedious retesting in Japan before entering the Japanese market, while Japanese technology catches up.

American markets for Japanese goods are not only open but come with an invitation. The United States Census makes its marketing information open to all; for a fee anyone can buy its tapes that define area by area, county by county, income group by income group, where Toyota, Sony, Hitachi, Honda can best space their distributorships; and American advertising agencies will, for a fee, translate consumer appetite into market conquest. No nation that thinks of itself as an assembly of consumers can resist Japanese penetration. But a nation that thinks of itself as a community has reason for alarm.

Today not a single consumer radio is made in America, although Americans invented the modern radio; not a single black-and-white television set is made here, although America invented television. The few companies that assemble color television sets in the United States could not exist without imported parts made in Asia, although color television was originally developed in America. Almost all our video-cassette recorders are made in Japan; so are most hand-held calculators, watches, a huge share of our office machinery, and most high-fidelity audio equipment. Only one American motorcycle manufacturer remains (Harley-Davidson); the Japanese hold 95 percent of our market. Only one American piano manufacturer remains (Steinway). The Brooklyn

Navy Yard, where the conquering U.S.S. Missouri was launched in 1943, no longer exists.

The American automobile and steel industries were the first to be hit by Japan's trade offensive—they were vulnerable. Emerging from the war fat, stuffy and complacent, content largely with obsolescent equipment and practices, shortsighted American management let its technologies fall well behind those developing elsewhere. In 1966, the Japanese shipped only 63,000 automobiles to America; by 1970, MITI had stimulated the shipment of 415,000. Americans found Japanese cars to be good cars; they consumed little gasoline, they were cheaper; their fit-and-finish were splendid, and with the rise in gasoline prices, the American appetite for Japanese automobiles soared. But when the Reagan Administration this spring released Japan from negotiated voluntary quotas on car exports to the United States, Japan announced that it would raise its shipments to 2.3 million autos to America, as if we were a controlled colonial market. It was too much. By a vote of 92 to 0, the Senate declared Japanese trade practice unfair. But it was a belated revolt; this summer, American consumers are gobbling up Japanese automobiles faster than the Japanese can gear up to ship them.

This year, apparently, MITI's chief target is the American electronic industry. Last year, the trade deficit with Japan in electronics surpassed our trade deficit in automobiles—reaching $15.4 billion of our total adverse balance with Japan of $37 billion. The American semiconductor industry is reeling from assault. The Japanese, without mercy, propose to wipe out our supremacy in this industry, based on our own research and invention. Hitachi, now an electronics exporter, was blasted to bits by our bombers in the last two weeks of the war as one of the leading Japanese armsmakers. But Hitachi is now on the counterattack, its tone martial again. Here, for example, is Hitachi's directive this year to its offices in Denver, where it is trying to take away the semiconductor market from America's Intel Corporation and Advanced Micro Devices. It reads: "Win with the 10 percent rule! Find AMD and Intel sockets. Quote 10 percent below their prices! If they requote, go 10 percent again. Don't quit till you win!"

A benign prosperity temporarily soothes the American economy. In the six years since 1979, America has added 6,000,000 jobs to its total work force. But these are mostly service jobs. In the skill-and-brawn base of American production, not only have real wages fallen, but the job base is shriveling. In machinery production, in these six years, the United States has lost 288,000 jobs; in primary metal-making (such as steel) we have lost 439,000 jobs; in fabricated metals, 241,000 jobs; in motor-vehicle production, 118,000 jobs; in textiles, 186,000 jobs. All in all, on the line, in the old shops, where Americans make things, we have lost 1,834,000 jobs.

No industry in America has been harder hit by Asian competition than the American garment industry, which has lost 155,000 jobs in the last six years alone. One should listen to Sol Chaikin, an air corps veteran of the China war theater against Japan.

Chaikin is now the president of the International Ladies Garment Workers Union. Once, in the early 1950's, his union counted 230,000 workers in New York City alone. Today he counts only 100,000 and they work at the lowest-paid union jobs in the city.

"Ours," says Chaikin, "is the most competitive industry in America. It's a cheap industry to get into and we have 15,000 ladies-garment manufacturers in the U.S.A. They all have the most modern machinery, but the Asians have the same machinery and they work for less and for longer hours. The Japanese once were our chief competitors, but Japanese wage rates have now risen to levels comparable to ours. The Japanese now buy American designs, open factories with new machinery in Singapore and Hong Kong, ship the fabrics from Japan, and export from offshore. In Korea and Taiwan, they pay 57 cents an hour; in Hong Kong, $1.08 an hour; and in Sri Lanka they pay $5.00 a week. In New York, our workers get only $175.00 a week take-home pay—and they pay almost $1 for a subway fare each way."

Chaikin knows that his workers in New York cannot compete with Asian standards of living. "It's as if we were being poured into a Mixmaster with China, India, Japan, Taiwan; they've homogenized the international labor market and are squeezing us out like toothpaste." Chaikin insists that some garment jobs, at least, must be preserved for American working people, that the American market should be shared with Americans. But there is no high-technology ladder to leap over cheap Asian wages when it comes to handwork. Of blue-collar jobs in America, one in seven is held by a textile-garment-apparel worker. The National Academy of Engineering estimated in 1983 that, of 2,000,000 jobs in the garment-textile industry, only 750,000 would be left in 10 years. Chaikin's back is up against the wall.

Less than a mile from Chaikin's union headquarters is the elegant executive suite of the Radio Corporation of America. Chairman of the Board Thornton F. Bradshaw is another combat veteran, whose destroyer was put out of action by the Japanese Navy in the last months of the war. Bradshaw, if anyone, is an authentic statesman of American industry. He is unworried about RCA, which is happy and prosperous. His view is entirely different from Chaikin's, for his company has adjusted to the world market. But RCA long ago gave up on penetrating Japan. Its creator, Gen. David Sarnoff, thought the American market was enough, and licensed to Japan and the rest of the world the technologies RCA has patented—technologies that underlie much of modern electronics production. RCA prospers from its lead in advanced electronics—from its satellites, from its arms contracts (like the Aegis guided missile cruiser) from its broadcast net, NBC, from its marketing of imported parts and products, from manufacturing television sets. But, despite RCA's prosperity, Bradshaw is deeply worried—about America as an industrial community where both work ethic and practice have decayed.

Bradshaw is concerned for America's economy as a whole, Chaikin for his working people—both equally honorable concerns. But neither believes that any reasonable persuasion can slow the Asian trade surge unless the American Government acts—sooner rather than later. What is needed is a structural change in American life and thinking, as sweeping as Japan's in 1945-1950—from factory floor to research labs and universities, from reduction of the Federal budget deficit, to a total review of our trading policies.

So the story moves to Washington.

Washington is always in crisis—small crises, acute crises, lurking crises. But the trade crisis is quite extraordinary for the anarchy of ideas that prevails. Ideas clash in perception of a world that has totally changed since the days of victory. Trade, as we designed it, has become completely global, and America has become the last open gaming table for world adventurers. Within the confusion of Washington's thinking, however, at least three truths are taken as paramount.

The first truth, the starting point of all thoughtful conversations, is the overwhelming burden of the overvalued dollar.

"When I was dealing with Japan the problem was different," says Robert S. Strauss, Jimmy Carter's trade representative from 1977 to 1979. "I talked in a universe of tariffs . . . of trade . . . nontrade . . . cultural barriers . . . political difficulties." Strauss, a very suave, but very though man, is remembered as one of the few American trade representatives who have been able to out-negotiate the Japanese. For a brief period, his tenacity caused the impermeable membrane of Japanese resistance to yield. "Now," he says, "you're talking about a world where trade has reached $2 trillion a year, but capital flows have reached a magnitude of $20 trillion a year, swirling around the world like a jet stream. It drops off here because of safety and high interest rates, and pushes the dollar up. It makes the trade problem look like a pygmy problem. It distorts everything, and leaves the poor American exporter, no matter how good or efficient, like a runner doing a sprint with an anvil under his arm.

"The Japanese don't adjust the yen every day. But you don't have to be a genius to know that when the Bank of Japan coughs, everyone gets the sniffles. But we have no policy. Even if we started now, we couldn't work things out in a year, or five. We need a strategy."

There comes next the second truth: Japan's "unfair" trading practices, its regulations, rules, restrictions, quotas. Says Secretary of Commerce Baldrige: "Japanese export policy has as its objective not participation in, but dominance of, world markets. Japanese trade policies assume as a right protection of their industries that are emerging, like satellites, depressed industries like paper and chemicals, politically important industries like agriculture, socially sensitive industries like leather. . . .

"In 1983, we took 30 percent of Japan's overseas exports, in 1984, 35 percent. In practical terms, this means that all the net increase in Japanese domestic employment in recent years is attributable to sale to the United States. . . . America's pursuit of free trade is like Sir Galahad's quest for the Holy Grail."

From the National Association of Manufacturers to the AFL-CIO, one catches the alarm in vivid language. "'There are six to eight main interacting trade-and-production groups, or 'keiretsu,'" says one association official, who asked not to be identified. "They buy and sell chiefly to their own subsidiaries, and they divide Japan's market up. When we squeeze, they'll allot, say, 11 percent of a particular market to all importers. They are opaque, insensitive people, who don't know that they have brought us to the edge."

Says Lane Kirkland, president of the AFL-CIO, the man most concerned for the fate of American workingmen, who last visisted Japan this winter, "To hear the Japanese plead for free trade is like hearing the word 'love' on the lips of a harlot."

The last body of truths comes from the engineering community—it is the most seri-

ous, most somber, most challenging. It is that the Japanese are very, very good, better at some things than Americans. They are brilliant, efficient, aggressive people who prize education as much or more than Americans—and have learned to use it. John Gibbons is the head of Congress's Office of Technology Assessment—he is a physicist, who comes to Congress from the Oak Ridge Labs of the Atomic Energy Commission. He starts the story of Japan's renaissance with the occupation:

"The most important thing we did after the war was to reorganize it; we democratized it; we lifted the burden of arms from it, and they poured resources into education. We helped them. We gave free doctorates in nuclear science to their students and brought them to Oak Ridge. But you have to realize that the Japanese already had traditional skills and techniques; they were superb in alloying metals, in ceramics, in fermentation—out of the broths they knew how to brew came the fermentation know-how vital to biotechnologies.

"They are ahead of us in productivity in automobiles, in steel, in robotics. We are ahead in fundamental research, but they get all our science papers and research, and they add to that their mastery of 'process technology,' translating fundamental research into the making of things. They recruit their managers from the factory floor; we get ours out of law schools."

In Gibbons' view, the challenge lies, above all, to American technology and education. Unless we can translate our lead in fundamental research into practice, then others will be the chief beneficiaries of our science and laboratories.

In a few days in Washington, one can trace a trail of irritations blistering under the bland rhetoric that still binds the Pacific alliance together.

Start at the State Department with middle-level officers who deal daily with the Japanese—and one hears language almost unheard elsewhere in that labyrinth of quiet diplomats. "Japan," said one, who asked not to be identified, "is a protectionist nation: They have no sense of moderation; they are aggressive. They are an island nation looking out on the rest of the world as plunder from a protected bastion. Negotiations are tedious, painful—oh, so painful—and, when they yield with no grace. It's not only quotas on beef, citrus fruits, leather, but even on our catsup and peanut butter.

"In 1981, they banned American metal baseball bats. We had the technology for making a safe cap for metal bats. The Japanese made a metal bat with a plastic plug top; a plug flew off at a baseball game and struck a spectator. So all metal bats, safe and dangerous, were banned. We negotiated for three years, we had to get them to change 18 laws and regulations; we had to get the consent of the Japanese Softball Association. Then, when the Japanese learned to make safe metal caps, they reopened the market. Last year, we finally managed to export 350 metal bats to Japan!"

This is the voice of a working diplomat in the State Department. The bureaucracy bows to political leadership. But is remains the national political scouting force abroad, and cannot help but observe politics at home. Its officers do not blink at the reality that Americans want to buy cheap quality goods; no one forces them to buy Japanese goods. Nor can they blink at the fact that no fewer than 30 states now have their own officers in Japan soliciting Japanese investment. But they cannot blink either at the fact that so much of American industry is being wiped out, and that the men and women discarded scream to Congress.

At the supreme level, President Reagan deals with Premier Yasuhiro Nakasone of Japan, who yields and, with exquisite courtesy, goes on television to urge his people to sample American and foreign imports. But at the working level, each negotiation is a tormented, ad hoc, item-by-item bargaining.

A shawl of self-restraint drapes over most official American Spokesmen; to be accused of "Japan-bashing" is considered "protectionist" or, worse, "racist." Foremost among those who thus speak for the old free-trade tradition, one finds Secretary of State George P. Shultz. "There is great sentiment for protection around the country," he told a gathering of the American Stock Exchange recently, "but in my opinion it's wrong . . . it's bad . . . this is a matter of deep conviction on my part." But no such restraint binds Congress, or the unions who influence so many constituencies. Congress is entertaining half-a-dozen bills right now sponsored by afflicted Congressmen; it is even considering a 25 percent tariff on all imported goods.

Congress is where one can best see the deadlock of ideas, as shoe workers, garment workers, steel workers, auto workers demand protection. But Senator Christopher Dodd of Connecticut is typical of a Congressman in the middle; he is a young, liberal, thoughful Democrat, and knows that foreign trade is essential to America. He comes from that state in the Union that is most dependent on foreign trade—25 percent of Connecticut's gross state product goes into exports. But Dodd also sits on the Senate Foreign Relations Committee, which he describes as torn between "bumper-sticker patriots," and those who believe that world peace rests on world trade.

Dodd is worried not about his state, but about the lack of an American strategy for dealing with the nature of the new trading world. He says: "We can't make a strategy by assembling a majority in the House to protect shoes, or automobiles, or tool-and-die makers. We need an overall trade policy and we need it now before the whole thing explodes."

And so Dodd comes down, as do Baldrige, Strauss, and the National Association of Manufacturers, to the conclusion that there must soon be a great international gathering that will create an orderly new system of trade to replace the present anarchy where the wolves pick off the laggards.

What such an international gathering will do, or can do, is still obscure. The Marshall Plan is remembered as an example of what may be won . . . but the Marshall Plan took five years to evolve, in interminable conferences from 1944 to 1949. Now the market that must be shared is not simply the Atlantic basin; it is the whole globe. Korea makes steel and ships, Taiwan makes electronics, Brazil makes steel, arms, shoes, India and China creep up on every technological front. All seek to follow Japan's course, at whatever cost to American jobs. Conscience prevents Americans from spurning the poor and suffering of the world who seek to better themselves; but common sense forbids a course that permits their betterment by our impoverishment. Somehow a new way must be found to fairly share both world resources and markets. It will take a long tome to work that way out, for America must restructrue to live in this world as the Japanese have done. And time is short.

So one tries finally to penetrate the thinking of Executive policy—where an ailing President, plagued with budget deficits, tax reform, the Middle East and terrorism, is too busy to reflect on trade policy, decide on his will, or impose it.

It is left for others to speak for him, and when they speak, they speak of peace:

"Who won the war?" An official State Department spokesman repeated my question and answered: "We won the war. What did we get from the victory? We expanded the area of freedom. We made a democratic Japan. Our bases in the Pacific and Japan are essential to our defense. There's peace in the Pacific now, Japan is our reward."

Peace, of course, is primordial. But the Japanese share the same peace, and under our protection, paying little for it, reserve the right to press American livelihoods to the wall. How far or how deeply they can press their trade strategy before Congress explodes in anger is unknown. But it would be well for the Japanese to remember that if peace is paramount, they need us to keep the peace more than we need them. And if a ripple of depression forces Congress to act, a lockup of the open American market would wound Japan more than it would wound us. The superlative execution of their trade tactics may provoke an incalculable reaction—as the Japanese might well remember of the course that ran from Pearl Harbor to the deck of the U.S.S. Missouri in Tokyo Bay just 40 years ago.●

REALIZING PRODUCTIVE POTENTIAL IX

INTERNATIONAL TRADE: COMPETITION IS THE KEY

● Mr. HEINZ. Mr. President, only a decade ago, American export products were considered among the best in the world. They carried the mark of successful trading products: high quality and low price. The result then was a strong and vital economy with unequaled productive abilities. Today, that appraisal has markedly changed. The rise of strong competitors, the transformation of the global economy, and the decline in American industry is forcing us to reconsider our claim of world economic leadership. The most telling statistic is one that looms large in all of our minds: a trade deficit that was $123 billion in 1984.

Even the American public has come to understand that our exports are facing serious competitive problems. A recent poll from the April/May issue of Public Opinion illustrates the shift in public opinion.

One of the first questions the poll asked the public was to determine the relative quality of American, Japanese, and German export products. Moreover, the poll was taken twice, with a decade between the two surveys. In 1973, only 12 percent of the survey thought that Japanese-made cars were better in quality than those made in the United States; 40 percent rated Japanese automobiles as inferior. By 1983, however, the dominant opinion was reversed; 40 percent felt that Japanese-made cars were better in quality, while a minority—21 percent—thought

that Japanese autos were not as competitive.

American autos also lost ground vis-a-vis German cars. 33 percent favored German cars in 1973, versus the 20 percent that believed American automobiles were better. By 1983, 43 percent of the respondents saw German autos as higher in quality, while an even smaller 15 percent favored American ones.

Japanese-made stereos, radios, and TV sets have also become the public's preferred products. In 1973, 30 percent of the poll respondents stated that Japanese versions were not as good, and only 24 percent thought that the foreign product was better. A decade later, 40 percent saw Japanese entertainment equipment as better, and a relatively small 17 percent supported American products as better in quality.

The same poll asked Americans whether the same Japanese products were a better value for the dollar than those made here. A little more than a decade ago, only 18 percent agreed that Japanese autos were a better value, and a strong 34 percent disagreed. However, the 1983 poll showed that the balance favored the Japanese: 40 percent saw Japanese autos as a better value, whereas only 24 percent took the opposing position.

Japanese stereos, radios, and TV sets saw the same trends: 27 percent said the comparable Japanese product was better, and a somewhat larger 30 percent thought that the foreign good was worse. By 1983 37 percent had evaluated the Japanese-made products as better, and only 19 percent favored the American-made good.

The article also described some specific strengths and weaknesses of American versus foreign autos. Respondents of the survey were asked to rate cars as better or not as good over a 10-year period, from 1975-84. In terms of gas mileage, 60 to 76 percent of the poll consistently ranked foreign cars as better than American ones. As for quality of workmanship, respondents rated American cars as better until 1978, when foreign autos came out ahead. From 1978 to 1984, the percentage that supported foreign cars increased from 35 to 55 percent.

Despite this consensus, American automobiles were stronger in some areas: 52 to 60 percent of the respondents repeatedly thought that foreign cars were not as good in terms of riding comfort. An even higher 61 to 70 percent rated American cars as easier to repair; 33 to 40 percent consistently noted that American cars had greater freedom from repairs. Finally, American autos edged out the foreign ones in overall cost of ownership.

Nevertheless, it is clear that American products are perceived as having lost their competitive edge in many areas. By stressing price and quality, other countries have made their products more competitive, and as a result, they have made significant gains in world market share. Our trade problem is one that requires immediate attention. The question is, what has been the cause of our decline, and what are we going to do about it? These are issues that have been a major concern to many of us in the Congress, and I will continue to address them in my future statements.●

JOHN NEWHOUSE—"THE DIPLOMATIC ROUND: TEST"

● Mr. KENNEDY. Mr. President, we are all familiar with the debate in this country about the President's star wars proposal. Its proponents argue that it offers the hope of a more secure world while its opponents insist that not only would it be destabilizing, but its cost would be astronomical. For our European allies, star wars poses additional concerns, both technological and diplomatic. The administration's request for European participation in the project puts NATO in the position of having to say no to its major ally or of accepting a proposal that, in the view of many observers, conflicts with NATO's traditional defense strategies. According to an insightful article by John Newhouse in the July 22 New Yorker, domestic and scientific opinion in Europe largely holds that star wars would prove imprudent and dangerous; Newhouse reports that most defense experts in Britain, France, and West Germany are unalterably opposed to the SDI rationale.

One confusing message that our Star Wars program sends to our European allies concerns the Euromissile deployment. After agreeing to deploy nuclear-tipped missiles in Europe to enhance our deterrent, our NATO allies are now being encouraged to take part in a project whose underlying logic suggests that those deployments are ultimately unnecessary. As one French diplomat comments in the Newhouse article:

> We cannot all go to the ends of the earth persuading Europeans that they should accept deployment of missiles, and then call them immoral and about to become obsolete. This is a great contradiction. The Germans and the British share our precise concerns, and their analysis corresponds to our own.

I recommend John Newhouse's informative article on the European response to star wars. The Europeans are deeply concerned about the program's threat to the ABM Treaty and to the arms control process, and as citizens of an historical battleground, they are troubled by what star wars may mean for them. As longstanding friends and allies, the United States should take these concerns into consideration in our future debates about SDI.

Mr. President, I ask that the entire text of the article by John Newhouse may be printed at this point in the RECORD.

[From the New Yorker, July 22, 1985]

THE DIPLOMATIC ROUND: TEST

(By John Newhouse)

"Obsessive" is a fair description of the state of mind into which the Star Wars project—President Reagan's plan for taming the nuclear genie—has maneuvered European governments. Reagan's commitment to his strategic defense initiative, or S.D.I., as diplomats and soliders call it, is reliably said to be total and unshakable; the project is meant to be his enduring legacy to the cause of keeping the planet Earth in one piece. But other governments, along with most people in official Washington, strongly doubt whether the plan is feasible; nor will it be, they say, for as far into the future as most imaginations can stretch. Also, every European capital is deeply apprehensive about the near-term consequences of the initiative, which is known to be very much Reagan's own. In mid-May, just after the economic summit meeting in Bonn, I visited Bonn, Paris, and London to find out what people were thinking and saying about Star Wars and how they were responding to heavy American pressure to endorse the project and take on a part of the immense research much of it recondite, that underlies the largest spending program this or any other country has ever proposed. In all three capitals, people seemed to be talking of little else; Star Wars has become a consuming topic. Even though the press coverage of the summit meeting dwelt largely on Reagan's visit to the Bitburg cemetery, Star Wars, I learned, was really the dominant, if generally offstage, topic of the conference. In Bonn, some of my appointments were postponed because emergency meetings on Star Wars popped up. One official cancelled an appointment because he was abruptly hauled off to Washington for an unexpected meeting on the subject. The issue has pushed the Germans into what is for them the most uncomfortable of positions—having to choose between America, their protector, and France, an old enemy but now the other half of a partnership that anchors Europe's political and economic stability. The contesting pressures from Paris, which is openly hostile to Star Wars, and Washington are heavy, and may become intolerable; a choice between the two places isn't one the Germans can make. They need both. A European ambassador based in Bonn says, in describing the effects of Star Wars, "The Foreign Ministry is *Ratosigkeit*"—a condition somewhere between stumped and bewildered.

In Paris, the government of President Francois Mitterrand has been maneuvered or tempted—or in part both—into playing cavalier seul, a role that General Charles de Gaulle exalted in the nineteen-sixties. In matters affecting French security, de Gaulle incarnated France's strong preference for free hands and self-sufficiency. "However large may be the glass offered to us, we prefer to drink from our own, while touching glasses round about," he said. Actually, most French, British, and German officials and diplomats are roughly in agreement about Star Wars. But each of their leaders is dealing with the problem largely in terms of political self-interest—hence differently from each of the others. Mitterrand wants to cut the losses he is expected to suffer in

parliamentary elections next year, and he reckons that he can gain politically by saying what he and his people think about Star Wars; he is probably right. His colleagues in Bonn and London, Chancellor Hemut Kohl and Prime Minister Margaret Thatcher, confront a more complicated situation. Kohl's is especially difficult; like Mrs. Thatcher, he wants to avoid getting into a row with Washington over Star Wars, or even getting very far afield from its eminent patron. Kohl's political stock is falling. A member of his government, Interior Minister Friedrich Zimmermann, has openly criticized him for lack of leadership. And on Sunday, May 12th, Kohl personally and his Christian Democratic Party experienced an unexpected and shattering political defeat in North Rhine-Westphalia, where about a third of the electorate lives. Although Star Wars wasn't an issue, German diplomats worry that it will become one—perhaps the pivotal issue in federal elections to be held in April of 1987. The Social Democratic Party is unalterably opposed to it, and some of Kohl's political advisers are already envisioning a campaign in which Germans will be asked whether they are for or against America and the Atlantic alliance, with Star Wars becoming the test of continued German support for both.

German officials and diplomats, most of whom are as appalled by Star Wars as the French, also worry that their Chancellor, because of his heavy-handed insistence that Reagan go through with the ceremony at Bitburg, is deeply indebted to him and will be asked to make good with open support of Star Wars. After Bitburg, Kohl was apparently overheard to say, "Ron, I will personally never forget what you did." The Administration isn't letting him forget. Stories about Kohl's having damaged his standing with the White House began to appear just after the summit. "Reagan's trust and confidence in Kohl have been impaired, perhaps permanently, by the controversial wreath-laying ceremony," a story in the Washington *Post* said. And the French government has used the press almost unceasingly to register its unhappiness with Kohl's summit performance—especially his quite unexpected expression of support for Star Wars, which seemed to undercut Mitterrand's efforts to rally support behind a European alternative. The French campaign appears to be working. "We are hearing tones out of France that we have not heard in a long time," a German official told the *Times*.

Although Margaret Thatcher shares the concerns of her ministers and civil servants about Star Wars, there is her somewhat special relationship with Reagan to be protected; and it is said that, being a scientist (a chemist) herself, she is generally sympathetic to efforts to cross distant frontiers. Still, since she plans to spend well over ten billion pounds sterling to improve Britain's nuclear deterrent she can hardly join the Reagan claque in extolling missile defense and denouncing nuclear deterrence as immoral. Then, there is the anti-ballistic-missile, or A.B.M., treaty, which some of the Reagan people would like to scrap, partly because it forbids putting devices into space that are supposed to destroy offensive missiles—and Star Wars is built around the notion of using lasers and other "directed-energy" weapons for just that purpose. All Europeans hope that the A.B.M. treaty will be kept intact. They and most orthodox American thinkers on the subject are sure that any sizable defensive system would have the perverse effect of creating an enormous spiral in offensive nuclear arms—a situation in which there would be far less stability, and so less security for all.

The British and the French have another reason for cherishing the A.B.M. treaty: without it their own modest nuclear-missile forces might have trouble reaching Russian cities, because the Soviets could in theory erect strong defenses around them. European governments are also strenuously in favor of continued compliance by Washington and Moscow with the second strategic-arms-limitation accord—SALT II—which was signed in June of 1979 and, although it has never been submitted to the Senate for ratification, has been adhered to; the treaty expires at the end of this year, and the Reagan people have been bitterly divided over whether to continue accepting its restrictions.

While what is said about Star Wars in Bonn, Paris, and London varies somewhat, it amounts to a variation on the same basic themes. Germans stress their concern about predictable Soviet countermeasures and the over-all military effects. "If the strategic defense initiative goes forward, we will be in difficult times," says a German general who is closely involved. "Our leaders would have to ask the people for more money for defense. And the Americans, we think, would have to improve nuclear weapons across the entire spectrum: short-range and long-range ballistic missiles, cruise missiles—all weapons."

Suppose Star Wars comes to nothing, I said.

"You can't spend twenty-six billion dollars"—the Administration's five-year spending goal—"and not have something," the general replied. "That something may be improved offensive weapons, possibly a new family of them, or a mixture of new offensive and defensive weapons. We can't say now what it will be. But all that money will buy something." He and most other Europeans strongly doubt, however, whether the something will resemble the Reagan vision.

The French are the most abusively critical and seem to be the most deeply offended by what they regard as the arbitrary and impulsive manner in which Star Wars was thrust upon them. Washington, they say, is trying to impose an entire new strategy on the Western alliance without any consultation. "Our first objection is to the Reagan presentation," a French diplomat says. "We regard nuclear deterrence as indispensable. We cannot all go to the ends of the earth persuading Europeans that they should accept deployment of missiles, and then call them immoral and about to become obsolete. This is a great contradiction. The Germans and the British share our precise concerns, and their analyses correspond to our own." The British, Mrs. Thatcher included, emphasize the importance of protecting the accepted arrangements concerning deterrence. "All this is terra incognita, and everyone puts his own particular gloss on it," one of her advisers says of Star Wars. "But what is most important to her is the involibility of existing treaties and the SALT II constraints."

What, I asked, did he hear from the Administration about its intentions on that score?

"Washington is a Tower of Babel on this," he said.

In all three European capitals, various officials speak of Star Wars as one of those political tests which West Europeans confront every decade or so and can pass only by acting jointly. Acting jointly comes harder to them than just about anything, so the test is usually, though not invariably flunked. Some Europeans are saying that the test, although clearly there, is more economic or technological than political. Star Wars won't budge very far from Square One militarily, they think—and some Americans agree—but the commercial spinoff from all that money spent on the most awesome technologies could be immense; phrases like "third industrial revolution" are bandied about. "In the end, the spinoff may be all there is of S.D.I.," an American diplomat says. "I mean the artificial intelligence, space telecommunications, miniaturized computers, and the rest. Directed-energy devices have uses other than destroying objects. You can communicate information with them. Commercial projects in space will be far more feasible, because the program should drastically reduce the price per kilo of space vehicles."

One is told that Star Wars will have an even greater impact on high-technology commerce in the years ahead than the Apollo program had in the ninteen-sixties and seventies. "Apollo had to be made fail-safe, because people were being sent to the moon and had to be returned safely," says a French expert on high technology. "The unproved, cutting-edge technologies couldn't be risked. S.D.I. is creating a demand for the cutting-edge technologies that wouldn't otherwise exist. It will mean no less than a revolution in software, and will have very direct impact on industry in general." A technology gap with the United States and Japan is felt by some Europeans to be their most serious problem. Others among them demur, saying that what is laggard isn't European technology but, rather, Europe's ability to exploit its attainments commercially—a problem that returns conversation to Europe's lack of cohesion and its failure to convert national markets into one huge single market. "America and Japan make money with high technology, and Europe loses money with it," a French diplomat says. Mitterrand talks sombrely about "the Balkanization of European technology." And all Europeans seem to agree on the need either to plug their countries into Star Wars in some way or to create comparable demand in Europe for the cutting-edge technologies. A concern about missing the boat is general. "Europeans can't be sold, but they may be bought" is an allusion to their dilemma over Star Wars that one hears in Washington. It means that the attractions of taking part in the program will overcome doubt and aversion. Perhaps. But the comment overlooks some reasons for Europeans to be polite yet essentially noncommittal about Star Wars. First of all, there is the so-called brain drain; America already attracts a share of the bright young lights in European science and technology. The Apollo program made deep inroads, especially into British talent, and the impact of Star Wars could be greater still—unless, that is, Europe can create an alternative.

An even larger reservation arises from the widely held doubts of Europeans that their companies will be offered more than crumbs by the people running Star Wars. The more alluring projects are in most cases likely to be highly sensitive, and thus classified and off limits to non-American firms. Europeans also know that Congress can exclude them—and often has excluded them—from projects in which their involvement had been approved by other areas of the federal government. The most skeptical of the Europeans are the British and the French—the ones

with the most experience in cooperating with Americans on advanced weapons. Washington's real interest, they think, lies not in recruiting their companies but in drawing teams of especially accomplished Europeans away from companies. "The trade will be brains for crumbs," a Whitehall civil servant says.

Few Europeans, however hostile they may be to Star Wars, oppose American research in space weaponry, if only because they know that the Soviet Union has a similar program. Both programs have been under way for some time—probably since the late nineteen-sixties. Each is a hedge against the other, but it is thought that, given the forbidding nature of the technologies, neither has progressed much. The assumption has been that directed-energy weapons might be an option in the distant future, and that at some point—probably well into the next millennium—these devices could be phased into the deterrence scheme and nuclear weapons could perhaps be phased out. In brief, none of Reagan's predecessors have questioned the wisdom of sustaining research in this family of weapons, which includes lasers, beams of charged particles traveling at nearly the speed of light, and ultra-high-speed missiles, along with an array of daunting support technologies for them. What to do about "exotics," as they used to be called, was an issue during the negotiations on the A.B.M. treaty. Late in 1971, the parties agreed to ban testing and deployment of such systems and their components; no restrictions were placed on research, if only because it isn't possible to monitor, and so verify, the extent of research. But the ripple effect of the Reagan proposal would include moving research out of the laboratories and into space—starting probably in the early nineteen-nineties—and carrying out tests that would violate the A.B.M. treaty. Since the planning for all this is under way, the treaty—the backbone of the arms-control regime—is in jeopardy, and a common anxiety is uniting America's allies.

Reality in the nuclear age tends to become what people whose voices carry say it is. Competent technicians are available to shore up any side of any argument. A given point of view may be vulnerable to ridicule but not to being disproved by facts; these are obscured by unknowns and abstractions arising from the nature, the role, the destructive potential, and the reliability of nuclear weapons. Probably no one other than a politically secure American President could have imposed upon his own country and others—allies and adversary alike—a notion as farfetched as most experienced scientists and technicians consider the Star Wars proposal to be. In one short passage of a speech delivered in March of 1983, the President proposed creating a defense that would "give us the means of rendering . . . nuclear weapons impotent and obsolete." Virtually no one beyond a remarkably tiny circle in the White House had been aware that he would make such a proposal, or even that he was contemplating it. Within the government, the idea hadn't been examined, let alone "staffed out," as Presidential initiatives invariably are. Secretary of Defense Casper Weinberger may have been forewarned, although it is far from clear that he was, but Secretary of State George Shultz was blindsided. On the evening before the speech was delivered, Shultz was meeting in his office with three aides when a copy of the speech arrived from the White House—not for comment but for Shultz's information. One of the aides described their reaction as "stunned, flabbergasted." Nuclear deterrence, it appeared, was out, and defense—not just partial defense but a seamless, perfect astrodome—was in. Many people in the Administration were appalled, and most were skeptical, to put it mildly. The true believers and the advocates were a small group—as they still are—including the President's science adviser, George Keyworth, and Edward Teller, who pioneered the development of the hydrogen bomb.

The advocates have tended to equate technically competent opponents of Star Wars with the scientists who questioned the feasibility of the Manhattan Project and the Apollo program. Predictable breakthroughs in computers and data processing, they argue, will allow lasers and particle beams to destroy ballistic missiles during the four minutes or so of their boost phase, which is when they are most vulnerable: in this phase they are rising slowly; their hot exhaust plumes make them easy to detect with infrared sensors; and each missile constitutes one target instead of many, because its numerous warheads and decoys are still lodged in the nose cone awaiting release. And what about attacking vehicles that may survive the boost phase? It is said that these, too, can be knocked out—in a "layered" space defense—but Star Wars advocates concede that destroying them becomes progressively more difficult during the twenty minutes of flight remaining.

Reagan, in his remarkable speech, said that society should be defended against a nuclear attack instead of merely avenged. No one disputes his preference. And he isn't the first Chief Executive to believe, quite genuinely, that if an idea he likes plays well as a speech it will play as policy. Nor do the many Star Wars critics—space scientists, weapons experts, and numerous others—dispute the proposition that objects on earth (or in space) can be readily destroyed by devices in space. The issue, they say, is whether a defense—either the leakproof astrodome envisioned by Reagan or something just partly effective—can be built on the Star Wars concept. It can't, they say, because a good offense will always beat any defense. And they strongly dispute the analogy that is made with splitting the atom and with putting people on the moon. These accomplishments, they observe, were strictly scientific projects, with only the barriers to knoweldge and insight to be overcome. The moon, which is unarmed, has little in common with Russia, which is heavily armed with an array of nuclear forces, some portion of which would be unaffected by a Star Wars defense even if it could be made reliable against ballistic missiles.

The point, the critics say, is that the Soviets won't sit by idly while the other superpower cobbles together a defense against a major component of their strategic forces. First, they can be counted on to neutralize a defense, or try to, by swamping it with more offensive weapons or decoys. Second, they could deploy beam weapons of their own against orbiting Star Wars battle stations. Some of these weapons might be ground-based, with mirrors directing the beams; others would be space-based themselves. It turns out to be much easier to destroy space-based devices than it is for space-based devices to survive long enough to destroy missiles launched from the ground. In any case, a Star Wars defense, if one is ever built, will vindicate the name, because its orbiting battle stations will be pitted against similar Soviet battle stations intended to counter them. The mise en scène could be enriched by the positioning of explosive mines in space. As yet another hedge against Star Wars, the Soviets might adopt techniques that would enable them to reduce the vulnerable boost stage of their missiles from four minutes to one. Two European Foreign Ministers—one British, one French—have used the term "Maginot Line" in talking about space-based defense.

Star Wars is hard on American diplomats, who have to explain and justify whatever their leaders serve up. The advocacy role in this case is especially difficult, partly because other governments are aware that much of the American support for Star Wars comes from people who don't believe in it at all but do see it as a vehicle for quietly pushing land-based nuclear defense. These are people who want to replay the debate on A.B.M.s that occurred in the late nineteen-sixties and early seventies, and went against A.B.M.s. They intend to win the debate this time. Star Wars, they reckon, will sooner or later enter an irreversible decline, and at that point A.B.M.s—ground-based—will come into their own.

Among these people are some whose first priority is sidetracking the arms-control process altogether and getting on with the job of building not just a major A.B.M. system but many more offensive-weapons systems as well. Their goal is stratetic superiority. A less ambitious lot, including some who really don't want a replay of the debate but see a need for some compromise, would like to try persuading the Soviets to amend the treaty to leave room for a few more A.B.M. sites than the single site it currently allows. Weinberger, a staunch advocate of Star Wars, which he has called "an inspired vision," told Mitterrand last March that his job was to strengthen deterrence but that Reagan wanted something better, so the research on Star Wars was going forward. And a senior figure in the Élysée Palace says that Assistant Secretary of Defense Richard Perle, who is the chief influence on Weinberger in these matters and the Administration's most resourceful advocate of scuttling arms control, told him that the idea of space-based defense was absurd and wouldn't work but that he and others wanted the money to protect missile silos. Yet in a speech to the National Space Club on March 29th Reagan said that Star Wars "is not, and should never be misconstrued as, just another method of protecting missile silos."

Briefly, the public advocacy of Star Wars now contains two potentially contesting viewpoints. In one group are people who echo the President's line and say that the project actually will eliminate nuclear missiles. The other, more modest contention is that Star Wars won't do that but will strengthen nuclear deterrence, because it will complicate Soviet planning for a first strike. An American diplomat compares the selling of Star Wars to a light-beer commercial on television. "Some people say it's less filling, others that it tasts great," he says.

Not until late last year did Europeans start to take Star Wars seriously. For nearly eighteen months, their governments largely ignored it, seeing no reason to do otherwise, since most people in Washington, including many of Reagan's, didn't seem to take it altogether seriously. "The strangest thing about the strategic defense initiative is how long it took us to react," a senior French diplomat says. "For a long time, we treated it as unserious—as *la cowboyerie.*" All that changed in November and December. The

scale of Reagan's reelection meant that for some time to come—at least until he entered his lame-duck phase—his people, other people, and other governments would be obliged to take any of his proposals, however notional, very seriously. In mid-December, Mikhail Gorbachev, who at the time was judged the probable successor to Konstantin Chernenko as General Secretary of the Communist Party of the Soviet Union, visited London. It was Gorbachev's first significant visit to a Western capital, and it was a great success. He made a strong impression on Margaret Thatcher—who after several hours of conversation described him as someone she could work with—and on other political figures as well. He was a *bella figura* in the British press, as did his attractive and stylish wife. The main topic of the Thatcher-Gorbachev talk was Star Wars, to which the Soviet government had not reacted slowly. Mrs. Thatcher and her entourage were struck by the single-minded force of Gorbachev's case against what his government had for several months been calling the militarization of space. "He made it clear at every stage of the conversation that they were afraid of S.D.I. and saw it as inevitably escalating the arms race," one of her advisers says. And a senior American diplomat says, "Gorbachev woke up Europeans with his heavy emphasis on Star Wars."

Actually, the British Foreign Office was quicker off the mark than the others, and had developed deep reservations about Star Wars—many of which Mrs. Thatcher largely shared—well before Gorbachev's visit. His argument was rather disconcerting, because some of it matched British worries about extending the arms race into space and possibly killing off arms control in the bargain. Also, the British want no replay of the harsh East-West political struggle that was provoked by the decision taken in 1979 to deploy medium-range American missiles in Europe. The uncompromising Soviet line about space weaponry seemed to portend just such a struggle. Gorbachev's success in London—especially with Mrs. Thatcher—was much more than a media event, because the Reagan Administration was flustered by it and hasn't yet recovered. The mere prospect of the old Kremlin guard's being displaced by Gorbachev had already been a bit unsettling: a younger, more vigorous, and possibly more capable figure than any predecessor in the post-Stalin era would be dealing with the oldest of American Presidents, and in his second term—always a time of ebbing power. Washington was ready to be thrown off stride by the Gorbachev triumph in London.

America's major allies handle almost any serious disagreements with Washington, when they have them, in different ways. The French tend to go public, since open disagreement with Washington isn't a bad thing politically in France. The Germans criticize Washington in private talks with other governments, but they generally shrink from direct argument with the Americans. (Helmut Schmidt, the former Chancellor was an exception.) The British preference is for arguing out the divergent views directly but always privately. And that is what Mrs. Thatcher did at Camp David last December 22nd—six days after her meeting with Gorbachev. She is probably the only person who has told Reagan to his face what is wrong with Star Wars—from a European viewpoint, at least—and she may be the only one who could do so without creating friction, because their relationship is such a strong one. For about an hour and a half, she explained why a Star Wars defense might not be attainable. Thus it seemed to her unwise to go on saying that it was attainable, and nuclear weapons could be made obsolete, or that nuclear deterrence is immoral. It would be especially helpful, she said, if that part of the rhetoric could be dropped. Most of the ensuing discussion was on the first point—the feasibility of a Star Wars defense. First, Reagan addressed it, then Shultz, and then Robert C. McFarlane, Reagan's national-security adviser. Still, the Americans were reacting to what one of her advisers calls "a great Thatcher performance."

Before breaking for lunch, everyone agreed on the need for a public line, and a few minutes later a member of the Thatcher entourage produced a statement containing four points; it was accepted, and it has become, next to Reagan's speech, the best-known document in the Star Wars literature, and one that many European diplomats can quote verbatim. The first point disavows any aim on the Western side to achieve strategic superiority; the second says that the potential deployment of Star Wars-related systems would be a matter for negotiation; the third says that the goal is to "enhance, not undercut, deterrence;" and the fourth is a bow to the arms-control talks in Geneva. Mrs. Thatcher had arrived seeking to protect the principle of deterrence based on parity, or equivalence, in nuclear arms, and she also wanted a commitment that Star Wars would be negotiable with Moscow. The four points covered this ground. The meeting at Camp David was useful not just because the intensity of British feeling about Star Wars was borne in on Reagan directly but also because the depth of his commitment to the idea was borne in on the British. "He seemed to think that once she glimpsed the beauty of the concept she, too, would scramble aboard Star Wars," one of her advisers recalls. Weinberger wasn't there, and he lost no time in making clear to Reagan and others his aversion to the four points. His own point was, in effect, that you can't ask Congress for twenty-six billion dollars to develop a system you say you may never deploy. A few days later, the State Department drafted a telegram for American missions quoting the four points as policy guidance. The Defense Department refused to clear the telegram, even though it contained language approved by the President, and it wasn't sent.

In February, eyebrows shot up all over when Paul Nitze, who is now a special assistant to Shultz in these matters and a wielder of substantial power, said in a speech that "new defensive technologies" should be both "cost-effective" and "survivable." Not many people in Europe or in Washington think that Star Wars can meet those criteria. Then the ideas of March became the occasion for the hardest blow yet struck against Star Wars, and it came from an unlikely assailant: Sir Geoffrey Howe, Britain's discreet and widely respected Foreign Secretary. In a speech that raised many serious questions about the system, Howe asked whether it could be deployed "without generating dangerous uncertainty." He said, "There would be no advantage in creating a new Maginot Line of the twenty-first century, liable to be outflanked by relatively simpler and demonstrably cheaper countermeasures." Howe cited Nitze's criteria, and also worried aloud about whether political leaders would be able to control any such new system or would be yielding control to "computers and automatic decision-making." Richard Perle, who chanced to be in London a few days later, delivered a broadside against Howe's address in a speech of his own; it may have been the first time that a sub-Cabinet-level official of one government attacked a minister of another, and on the minister's turf. The State Department was annoyed, because Howe hadn't warned Shultz of what was coming, even though they had conferred two days before, at Chernenko's funeral, in Moscow. But if Howe had done that, Shultz would certainly have alerted Reagan, who would very probably have called Mrs. Thatcher and asked her to tell Howe to talk about something else. Howe's speech reverberated far wide, even giving a frisson of pleasure to the Quai d'Orsay and the Élysée Palace; he must be the only British minister in modern memory to have accomplished that. No. 10 Downing Street also felt a frisson, but not one of pleasure. Mrs. Thatcher had seen early drafts of the Howe speech, and must have approved its thrust. But, for reasons that no one fully understands, given the meticulous clearance procedures of the British system, she didn't see the final version, and seems to have been taken aback by the tone of certain passages, and by the "Maginot Line" reference in particular. Her relationship with Howe was not affected by the episode, but she wrote Reagan a letter expressing regret about the tone of the speech.

A few days later, Weinberger and Perle were in Luxembourg for a semiannual meeting of the Nuclear Planning Group—a body consisting of most of the Defense Ministers of the Western alliance. There Weinberger presented each of his colleagues with a letter inviting participation in the Star Wars research program and giving their governments sixty days to respond. (Japan, Australia, and Israel were also invited to participate.) Most capitals were suprised; they hadn't had any warning from their embassies in Washington about such an initiative, which would normally have been preceded by some diplomatic probing. The sixty-day deadline was more than a little surprising, as was Weinberger's signature on the letter. "That was a bungle," a European ambassador in Washington says. "Such a letter should have been signed by the President or the Secretary of State. Having it signed by the Secretary of Defense allowed governments to assume that this was more of a technical than a political matter." What he was unaware of is that no one in Washington outside the Weinberger circle had known about the letter; it hadn't been cleared by the normal interagency process. Weinberger was already en route to Luxembourg when the State Department was shown a copy and asked to clear it—a meaningless gesture in the circumstances. "That's how business is being done in this town," a State Department official said.

A few weeks later, a second letter went out to allied capitals; it withdrew the deadline and said, in effect, that Washington wanted only to see if there was any interest in participation in the research. At that point, teams of official people from the various capitals began visiting Washington and meeting with Lieutenant-General James Abrahamson, who is in charge of the Star Wars program, and with State and Defense Department officials, to find out what lay behind the letters. Some of them asked political and military questions, trying to see if the four points were intact and how they were being interpreted. All the teams wanted to learn what participation would mean—whether Washington envisioned gov-

ernment-to-government agreements or agreements with companies. These meetings haven't gone well. "We are telling them they don't have to sign on to the program's philosophy—the political part—but just to the technology itself," says an American who is closely involved in promoting the fortunes of Star Wars.

I asked an American diplomat who is also involved how much he could tell Europeans about what was in this for them.

"Very little," he said. "We aren't asking them to do anything. We say instead, 'What would you like to do? We'll discuss it.' We have no idea what we actually want them to do."

A senior British offical says, "No one is asking the really dirty question: How can you envision changing the rules without having the least idea of whether any of this can work? The Americans we see invite the participation question. But how can you talk about that if no one can say what is supposed to come of all this?"

I asked a British diplomat what the Americans said when he asked heard questions.

"The answer is always 'We don't have the answers now,'" he said. "They say the purpose of the research is to find the answers. 'Well, wouldn't the money be better spent on projects of a less uncertain nature?' we ask. There is usually no response to that. Sometimes they say that what may come out of all this is defense of hard targets"—missile silos. "But when we say, 'If it's hard targets you want to defend, why do it in space, where it won't work and where the systems will be vulnerable? Why not do it on the ground, where it might work?,' they say, 'We won't get the money unless we do it in space.' It's all circular. No one other than the President has made a clear statement, but no one among the Americans whom Europeans talk to thinks his concept is anything other than nonsense and fantasy."

I also put the question about American intentions to a French diplomat, who said that he got different answers to his questions on different sides of the Potomac.

"This is a gimmick," he said. "There is no dossier. We don't yet know whether it is to be a company-to-company or government-to-government agreement. We don't know whether the exotic technologies will be involved, or the pedestrian ones."

A senior Belgian official answered my question with a question: "What is S.D.I.? I don't know. I haven't the least idea.

According to some European officials, companies interested in Star Wars have been pushing for their governments' official endorsement of the project, reasoning that the Americans will offer very little without solid political support. But current signs are that the real situation isn't that simple. In some countries—Italy, for example—the commercial interest appears to be unambiguously strong. In others, the picture is mixed, with some companies beginning to question whether research in Star Wars will create business afterward and—more important—whether the expected spinoff will really be there. At a conference in Maastricht, in the Netherlands, on June 6th, Lewis Branscomb, vice-president and chief scientist of I.B.M., said he thought that Star Wars would be largely irrelevant for the civil side and that the supposed spinoff would more likely be "dripoff." Dieter von Sanden, until recently head of the communications division of Siemens, Germany's largest electronics company, said at the conference, "We agree with Branscomb."

The British have been sounding out the Japanese on the subject, and I was told—in both Britain's Foreign Office and its Ministry of Defense—that the attitude in Tokyo was mainly skeptical, not just at the official level but on the industrial side as well. "Their officials want benign neutrality on S.D.I.," a Whitehall diplomat says of the Japanese. "They are afraid their people will see it as Japan's being drawn into a major project leading to a war in space. Public opinion there wants no part of it." And Japanese industry, I was told in various Whitehall offices, has become very cautious about Star Wars and frankly skeptical about the commercial spinoff. Japan's commercial success in the high-technology sector has, of course, been tied to strictly nonmilitary research.

I asked a senior official in Whitehall what was going to happen.

"We have to live with S.D.I.," he said. "It isn't enough to say it's rubbish." And an American diplomat, replying to a question about the Europeans, said, "Their support can't be bought. Their acquiescence can be managed."

Acquiescence may not be enough for the Reagan people. They want an endorsement. They feel that they need it, if only because of the Soviet pressure on Europeans to resist Star Wars. Still, acquiescence may be as much as Washington can reasonably expect. Mrs. Thatcher won't go beyond the four points, which are confining. "Perle and Cap Weinberger think they can bully us into giving them a blank check," one of her people says, and he made it clear that they won't get it. Most of the other capitals have also anchored themselves to the four points, while in Bonn the struggle for the heart and mind of Helmut Kohl continues. When I was in Bonn, I tried to find out how much pressure the Soviets were putting on the Germans. I wondered whether they might have drawn a lesson from their unsuccessful campaign against the decision to deploy medium-range American missiles in Europe. By overplaying a hand that wasn't strong to begin with—putting extraordinary pressure on the Germans, and crudely, at that—the Soviets annoyed Western Europe and harmed their own cause. They loathe the prospect of an arms race in space at least as much as they do the new American missiles, partly because the effort to catch up or stay even would be depleting and perhaps all but impossible for them. Yet with the apparent conflict between Star Wars and arms control, plus other European concerns about it, the Soviets have a better hand now; Star Wars may actually be the best political weapons vis-a-vis the West they have ever had. It isn't clear that they have learned from the past, however. In talks with Kohl and his Foreign Minister, Hans-Dietrich Genscher, Soviet officials have intimated that support for Star Wars would mean a decline in economic relations. "They never said that during the missile dispute," a senior German diplomat said. He added, though, that F. Wilhelm Christians, a prominent German banker, had a two-hour conversation with Gorbachev during a recent visit to Moscow. At that time, Christians was the only German who had seen Gorbachev since Kohl met with him at the Chernenko funeral. According to Christians, Gorbachev was fairly relaxed about the possibility of German companies' taking part in Star Wars research. What he stressed was unyielding Soviet opposition to German political support—a German endorsement—of the program.

So far, the endorsement hasn't been within Washington's reach. Mitterrand took the lead in heading off American pressure to have something close to it emerge from the Bonn summit meeting; he succeeded. During the meeting, Mitterrand rejected the American invitation to participate, and his spokesman, Michel Vauzelle, described the offer as "a vague advertising circular." Besides lobbying against Star Wars, the French are pushing a research proposal of their own, called Eureka, which was unveiled a few weeks before was unveiled a few weeks before the summit and is aimed at attracting European countries that seek self-improvement in the high technology sector. So far, Eureka is more of a gleam in the eye than a fully formed proposal; what does seem clear is that while it would involve most of the same technologies as Star Wars, it would be mainly a civil program with some military spinoff—the opposite of Star Wars. If Eureka is to prosper, however, it must become a plausible and attractive program in its own right—not simply a contrived alternative to Star Wars. After a shaky start before a gallery of highly skeptical European capitals, Eureka is now being treated somewhat more seriously by most of them. The Germans have endorsed the idea, and a British official was recently quoted as saying, "We expect that Eureka will become a reality. But it will become a reality as its concrete nature evolves. Right now, it is a cluster of ideas focussing on the concept that industry in Britain, France, Germany, and other countries can do better if their cooperation is enhanced."

Diplomatic maneuvering during the month following the summit was even more intense than it had been before the meeting. Washington and, especially, Paris put Kohl under heavy pressure—heavier, probably, than any he had previously known. "Poor Kohl," said a German diplomat. "The French have the enviable position, because S.D.I. is so obviously undesirable and they have managed to maintain some distance from it."

Helmut Schmidt took the unusual step of sending Kohl a letter in which he warned about the impact of West Germany support of Star Wars. "Our close relationship with France has an extraordinarily high priority," he told his successor. "An isolated participation in the United States research-and-development program would endanger the inner cohesion of the European-alliance partners." A senior political figure in the German opposition says, "Bitburg—its price—is being equated with every move being made. The question being asked here in Bonn is: Who has more leverage with Kohl—Reagan or his own constituency? He is more committed to S.D.I. now than his government is, and after yesterday"—a reference to Kohl's political setback in North Rhine—Westphalia last May—"he may not be able to deliver his government." The three most directly concerned of his ministers are Genscher; Heinz Riesenhuber, Minister of Research and Technology; and Manfred Worner, Minister of Defense. All three are anti-Star Wars, Worner, who once said that Star Wars would lead "not to stability but just the opposite," has since moderated his public line—at times sounding like a quasi-advocate; but his private view continues to be negative.

A meeting of the Foreign Ministers of the North Atlantic Treaty Organization was scheduled for early June in Estoril, near Lisbon, and Washington hoped to obtain there the pro-Star Wars language that it had been denied at Bonn. The resistance was already manifest, but Washington

thought that in order to avoid an open dispute within the alliance on Star Wars the Europeans might agree among themselves to give something. They didn't. Again, it was the French who took the lead refusing to yield even an inch on Star Wars, and Shultz had to give up. Also, by then the situation had abruptly changed, and it was Shultz who was under pressure from the Europeans rather than the reverse. Europe's preoccupation with Star Wars had for a moment been displaced by a new issue: America's continued compliance with the provisions of the unratified SALT II treaty. It was clear when the Lisbon meeting began, on June 5th, that Reagan would be announcing a decision on the issue the following Monday, June 10th. Weinberger, Perle, and their ultra-right allies in the Senate were publicly urging Reagan to banish SALT II once and for all, on the ground that the Soviets were violating some of its provisions as well as some of those of the A.B.M. treaty.

In January of this year, shortly before coming to the White House as Reagan's director of communications, Patrick Buchanan wrote a newspaper column in which he said that to continue complying with SALT II would be "an act of strategic folly and appeasement that invites not Moscow's appreciation but Moscow's contempt." Leaks to the press had disclosed Reagan's options, which, boiled down, were: continued full compliance; selective, or partial, compliance; and scrubbing SALT II altogether. Neither in Washington nor in Europe was the President expected to decide in favor of continued full compliance, if only because he had called the SALT II treaty "fatally flawed." The choice was universally judged to lie between partial compliance—flouting various provisions in a kind of tit for tat with the Soviets—and gratifying the hardliners' strong preference for abolition.

On this issue, the British, not the French, had become the point of Europe's spear. London's position was no different from any other capital's, but it was more pronounced, partly because the British were better informed on the merits of the key issue—alleged Soviet violations of the agreements. British Intelligence works closely with America's; the two sides exchange information, and they often compare their assessments of a situation. In the case of supposed Soviet violations, there is a long list, which insiders do not take seriously, and there is a short list, which they do take seriously. It includes, most notably, a large radar station at Krasnoyarsk, in central Siberia, which Washington says is a violation because it is of a type that, according to the A.B.M. treaty, may be located only on the periphery, not inland, where it could be used to track incoming ballistic missiles. According to the Soviets, the radar is there only for tracking space vehicles—a function allowed by the treaty. Several American analysts also contend that the Soviets are developing two new land-based missile systems, although the SALT II treaty permits only one. Moscow says that one of the two—the SSX-25—isn't new but, rather, an improved version of an old system, and that the modification falls within limits set by the agreement.

The British do not regard either of these cases as a proved violation. The data, they say, do not decisively support the argument of either party to the dispute. The British are working with data supplied by the Americans. It isn't the first time the two governments have reached different interpretations of the same data, but no previous argument has attained the intensity of this one. At a meeting of NATO Defense Ministers in Luxembourg in late March, Michael Heseltine, a stalwart of the Thatcher Cabinet, simply told off Weinberger. Britain, he said, wouldn't be badgered into supporting America on the compliance issues; the evidence, he said, wasn't there. According to a British diplomat, he went on at some length, and "with great heat and passion." A senior colleague of Heseltine's now says, "Our concern is not so much compliance as whether there is an approach in Washington that is designed to justify retreat from the A.B.M. treaty. We need to find a solution to Krasnoyarsk. Everyone in Washington is more interested in using the issue than in resolving it."

At Estoril, it was clear that none of the European ministers would accept the American position on Soviet violations. They hoped Reagan would decide on a so-called middle option—continuing to comply with the essentials of SALT II while reserving the right to match the Soviets in going around some provisions. Everyone urged something of the kind on Shultz, who turned out to be a sympathetic ear and actually incorporated the allies' views in a message to Reagan. On his way back to Washington, Shultz had a private session on Friday evening, June 7th, with Mrs. Thatcher, and she thereupon sent a strong message to her good friend in the White House urging full compliance with the treaty. By then, Reagan was getting a number of messages, both private and public. On Wednesday, June 5th, the Senate voted ninety to five for a resolution urging Reagan to continue abiding by the treaty, although the language did allow him reciprocity in the event of alleged Soviet violations.

On June 10th, Reagan astonished everyone, including, with the exception of McFarlane, his most senior people. Neither Shultz, Weinberger, nor anyone else had expected him to favor full compliance. McFarlane knew because the decision memorandum, which is normally drafted by the President's own staff, was actually written at Camp David on Saturday, June 8th, two days before the Monday meeting. Reagan also knows what lay behind his decision. Pressure from allies—especially the Thatcher message—is assumed by diplomats to have had some effect. Yet he couldn't have seen that message before Saturday, when he made the decision, if, indeed, he hadn't made it even earlier. The moderate preferences of a bloc of Senate Republicans, twenty-two of whom must run for reelection next year, may have been a factor. My guess is that the Joint Chiefs of Staff were a key influence, and possibly the decisive one. On June 4th, six days before the National Security Council's meeting, they leaked word of a split between them and Weinberger on the compliance issue. At least three of the five, according to a page-one story in the *Times*, judged that without the limit of SALT II the Soviets would build many more strategic weapons that the United States, which would be held back by budgetary and perhaps political restraints. The Chiefs' well-known aversion to allowing funds for conventional weaponry—usable military power—to be funnelled instead into more nuclear weapons was also noted. In the meeting on June 10th, the Chairman of the Joint Chiefs, General John W. Vessey, Jr., didn't take a position for or against any of the options; he didn't have to. By declining to endorse the Weinberger line and—more important—displaying charts projecting a perverse effect on the strategic balance if the SALT II limits were shelved, Vessey was reflecting a viewpoint of which Reagan was already aware and that must have influenced his thinking. During the week before the meeting, some of the chiefs had met individually with McFarland, who would have reported the gist of what was said to Reagan.

Reagan's decision didn't exactly propel SALT II into open water. His announcement was somewhat hedged, by including a threat to do in the future what for the moment he was declining to do—take a "proportionate response" to Soviet violations. He asked the Defense Department to submit a report in mid-November recommending steps that the United States might take to modernize its strategic arsenal in response to Soviet delay violations. Disappointed hard-liners are saying that the decision has little meaning—that Reagan is only mollifying allies and other doves for a time, during which he will give the Soviets enough rope. Neither American nor most European diplomats are buying that line. Although wary, they think that Reagan probably made a historic decision and will stay with it, unless, of course, the Soviets do something foolishly provocative—a possibility that cannot be ruled out. For the first time in the Reagan era, the issue of arms control was posed on a yes-or-no basis. Until now, the President had been able to have it both ways; he could continue calling the treaty fatally flawed while infomally observing it provisions. But because it was due to expire this year and Congress had required a statement of his intentions Reagan had to choose. And he ruled clearly and unambiguously in favor of the moderates and against the nay-sayers of his Administration—another first. Those who think that he will reverse all this after the mid-November report from Weinberger are probably whistling in the dark. The congressional elections in 1986 will be that much nearer then. And Reagan will be on the eve of his meeting with Gorbachev, now scheduled for November 19th and 20th. The correspondence between the White House and the Kremlin has been livelier than it has been in at least a decade, according to one State Department official who sees it. Reagan isn't likely to do anything that would jeopardize a meeting to which he has devoted so much effort.

A British diplomat recently described the Star Wars project as "a Kabuki doll behind a glass that no one is allowed to touch." He was referring to Reagan's stout commitment to it. In May, however, Reagan signed a so-called decision memorandum, in which he instructed all government agencies to observe as formal policy the four points he had agreed to in his meeting with Mrs. Thatcher at Camp David last December. Until then, the Defense Department had continued to withhold its clearance on telegrams and other statements that sought to make that point. And Star Wars, quite evidently, has put the United States in what one experienced negotiator calls "the best negotiating position we've ever had." He and others say that in return for reaffirming the A.B.M. treaty and agreeing to a moratorium on testing space weapons the United States could, within reason, obtain just about everything it wanted from the Soviets in the Geneva arms talks. But unless there is a significant American concession on Star Wars the talks won't go anywhere. That, at least, is the opinion of most diplomats. Reagan, they reckon, has a choice: he can decide in favor of an agreement during

his second term or he can hope that some distant President will bag the elusive birds in the bush—a perfect missile defense.

In the end, some people think, Reagan will listen to the Europeans—certainly to Mrs. Thatcher and the beleaguered Kohl, if only because he wants to see their hands strengthened, and dislikes the prospect of dealing with alternative British and German regimes, either of which would be to the left of its predecessor and much more adamant on Star Wars. Others doubt whether Reagan cares much about successor governments in Europe. (He wouldn't have long to deal with them, in any case.) If he is turned around on Star Wars, they say, it will be not because of external influences but, rather, because of domestic pressures. Congress is already paring his budgetary request for Star Wars in the coming fiscal year. "The S.D.I. budget is critical," a European diplomat says. "It is an objective fact, not an abstraction." The State Department would like to see S.D.I. put on the back burner, and is urging that view on the rest of the government. Whatever does or doesn't happen in the year or so ahead, Europeans are saying and, in some cases, hoping that Star Wars won't outlast the Reagan Presidency. In most capitals, the strategy will be to play for time.●

S. 1325—MEDICARE AND MEDICAID SECOND OPINION ACT OF 1985

● Mr. HEINZ. Mr. President, I am pleased to announce today that the Congressional Budget Office has officially confirmed what 10 major studies, hundreds of employers, the inspector general of HHS, and several State Medicaid Programs had already indicated—that is, that mandatory second opinion programs work.

On June 18, 1985, Senator GLENN and I introduced S. 1325, the "Medicare and Medicaid Second Opinion Act of 1985." That bill requires beneficiaries to obtain a second qualified medical opinion before undergoing certain elective surgical procedures as a condition of coverage. Federal, State, and private initiatives using mandatory second opinion programs have demonstrated that these programs enable beneficiaries to make informed decisions regarding the desirability of surgery and to protect themselves against unnecessary surgery. And CBO has confirmed that this increased protection for patients also translates into savings for the Medicare and Medicaid Programs—savings totalling $260 million for fiscal year 1986 through 1988, and $580 million through 1990. These savings are over and above the costs of operating the program, and are also over and above the amounts Peer Review Organizations [PRO's] are able to save.

These financial savings offer a way to avoid some of the proposed program changes which would adversely affect beneficiaries, such as increasing the Medicare part B premium or imposing a 1-month delay in eligibility. Further, these savings are matched by an even more important human savings in that they represent thousands of aged and poor individuals being spared the pain, disability, and death that results from unnecessary surgery.

The second opinion program presents a unique opportunity to achieve savings without affecting beneficiaries' access to quality health care. The Inspector General, the American Association of Retired Persons, and the Washington Business Group on Health are all urging the passage of this bill. Senators COHEN, DODD, and THURMOND have joined Senator GLENN and myself as cosponsors of the second opinion bill, and I am particularly pleased to see that my distinguised colleague, Senator DOMENICI, chairman of the Budget Committee, has become a cosponsor as well.

Representative BARBARA KENNELLY is moving steadily ahead with her champion bill, H.R. 2807. I hope that the Senate will look closely at this bill and recognize the unique opportunity we have here to save money and lives.●

STRATEGIC DEFENSE INITIATIVE

● Mr. SIMON. Mr. President, recently, I traveled abroad on official Senate business and picked up the Daily Telegraph of London which expresses British reservations about where we are going on the strategic defense initiative.

I am inserting their editorial of July 3 into the RECORD, and I particularly call the attention of my colleagues to the final sentence in the editorial suggesting that we should "extend from 6 months to 3 years the period of notice which one superpower must give the other before abrogating the 1972 Anti-Ballistic Missile Treaty."

It concerns our friends abroad, as well as serious Americans, that we are talking about the possibility of doing away with treaties that are important to the security of the United States and of the world.

I ask that the Daily Telegraph article be printed in the RECORD.

The article follows:

BUSH'S MISSION

With the release of the American hostages in Beirut and their safe transfer from Frankfurt to the United States, Vice-President George Bush is free to concentrate on the main purpose of his European visit during his short day in Britain—winning support for President Reagan's Strategic Defense Initiative. The British position on "Star Wars" is of particular importance to the Reagan Administration for a variety of reasons. In the first place, nobody, including American neo-conservatives, could describe the Thatcher Government as neutralist. Mrs. Thatcher may have earned the approbrium of the Wall Street Journal because of her alleged lack of ardour for supply-side economics, but the enthusiasm with which she embraced American cruise missiles, her determination to acquire the Trident system and her unflinching response to Argentine aggression in the South Atlantic have won her the right to be taken seriously in Washington.

Secondly, the British Government has been at the forefront of attempts to achieve a diplomatic formula designed to bridge the difference between perfectly natural European scepticism (and trepidation) about the wisdom of over-investing in a scheme which by any standards must be judged enormously ambitious, possibly destabilising and potentially revolutionary and the equally natural enthusiasm among American proponents for an idea whose time they believe has come. In this context, the four points on which Mrs. Thatcher secured President Reagan's agreement in February have real significance: that the purpose of SDI was to preserve balance with the Soviets rather than to gain superiority; that the deployment of SDI systems would have to take place under a negotiated transitional régime; that deterrence should be enhanced instead of undermined; that the ultimate objective should remain the reduction of offensive systems on both sides.

If Mr. Bush is to go further in the cause of building Alliance consensus than merely underwrite the four points which emerged from the Thatcher-Reagan meeting at Camp David he should in addition emphasise that any prospective defensive systems will be subjected to the most stringent survivability criteria and must be demonstrably cost-effective at the margin. He might also suggest an American willingness to extend from six months to three years the period of notice which one superpower must give the other before abrogating the 1972 Anti-Ballistic Missile Treaty.●

DOUBLE STANDARD TOWARD SOUTH AFRICA

● Mr. GOLDWATER. Mr. President, pending congressional legislation to impose economic sanctions against South Africa offers new evidence of what is wrong with congressional attempts to direct foreign policy. Not only are the sanctions self-defeating and internally contradictory, with more harm than good likely to follow for American blacks, but the penalties are arbitrarily applied to a single government which is far from the worst offender of human rights violations in the world.

Congressional intervention into foreign relations is emotionally based and erratic.

It is not principled. It is political.

It is not evenhanded. It is minutely selective.

It is not foresighted. It is tied to the present moment without care or knowledge or what chain of events might be unleashed in future years.

Mr. President, when the South African sanctions bill was before us a few weeks ago I proposed that the same penalties put on economic dealings with South Africa be imposed on business activities and trade with the Soviet Union and Red China. The Senator from Wyoming [Mr. WALLOP] offered an amendment that would have required equality of treatment among all countries which are guilty of seri-

ous human rights denials, but a majority of Senators rejected it.

The ridiculous situation in which we have placed ourselves is evident to any thoughtful person. The savagism of Marxist-Leninist states, Russia, Red China, and others, is obvious. The abuses of human liberty in these police states far exceed anything occurring in South Africa. These Socialist societies are built and based on violence, on a practice of class struggle which is atheistic and a total denial of the individuality of each human person and the liberty and rights of each person. People are subordinated to the collective dictatorship. Personal human dignity is denounced and suppressed.

Mr. President, the irony of the legislation now before Congress is well described in an exceptional article written by political scientist Arnold Beichman. It appeared in the Washington Times of July 29. I hope all my colleagues will take the time to read it, if they have not already seen it, and I ask that the commentary appear in the RECORD.

The commentary follows:

[From the Washington Times, July 29, 1985]

CREATING AN INTERNATIONAL POLECAT

(By Arnold Beichman)

If you would understand what is happening in South Africa and why, then study this insightful passage by the great French political thinker, Alexis de Tocqueville. Discussing the French Revolution, de Tocqueville wrote a century and a half ago:

"It was precisely in those parts of France where there had been most improvement that popular discontent ran highest. This may seem illogical—but history is full of such paradoxes. For it is not always when things are going from bad to worse that revolution breaks out. On the contrary, it oftener happens that when a people which has put up with an oppressive rule over a long period without protest suddenly finds the government relaxing its pressure, it takes up arms against it."

To grasp the relevance of this analysis, ask yourself the following:

Suppose you picked up your newspaper one morning and read that the Soviet Union, under Mikhail Gorbachev, had announced that he was going to permit an opposition press to exist in the Soviet Union. Wow! That Mr. Gorbachev is really a reformer.

And then suppose you read a few days later that Mr. Gorbachev had announced:

That he would allow opposition parties in the U.S.S.R.;

That anybody who wanted to speak against the government and party could do so without interference;

That anybody, regardless of race or religion, who wanted to emigrate from the U.S.S.R. could do so forthwith;

That any group of people could not only form a trade union outside of the Soviet-controlled federation of unions, but also that such independent unions would be free to strike without reprisal and would be allowed to hold union meetings to denounce the government;

That foreign correspondents would be allowed to travel freely anywhere they wanted to in the Soviet Union, that U.S. television cameras would be allowed to cover rioting and even police brutality;

That any religion could be freely practiced;

That while there would still be restrictions on voting, nevertheless, some opposition parties would henceforth be allowed to seek election to Parliament;

That residence restrictions were to be lifted . . .

Need I go on? Everything I have listed in the foregoing paragraphs now exists in South Africa as an entrenched part—de facto or de jure—of its political system.

Yet South Africa is the international polecat while the U.S.S.R., a systematic, wholesale violator of human rights for some seven decades, is a respectable member of world society, so respectable that in some circles it is regarded as impermissible cold war propaganda to make issue of, say, Andrei Sakharov's imprisonment because to do so would offend Mr. Gorbachev and company and inhibit an invisible Soviet will to cut nuclear arms.

Were Mr. Gorbachev to announce even one of such reforms as in now the state of affairs in South Africa, the U.S. press and television and concerned "agents of influence" would be as ecstatic as if it represented the Second Coming.

Let's look at it another way: every time a new leader of the Soviet Communist Party is selected, learned debates occur in academic journals and in the prestige press and media about the new Soviet leader's reputed liberalism. No facts are offered, no evidence, nothing more than gossip, rumor, fantasy.

Today, it is Mr. Gorbachev, who inhabits the Soviet Camelot, praised by the likes of Dennis Healey, the British Laborite who has never recovered from the Stalinist toxin which infected him during his university career.

Yesterday it was Yuri Andropov who was the closet liberal, according to our best-informed journalists and media—Mr. Andropov, chairman of the KGB, from the standpoint of the welfare of the Soviet people, probably the worst of the lot because he was the cleverest. (There was even a time when Lavrenti Beria, Stalin's hatchet man and one of Mr. Andropov's predecessors, was regarded in the West as an intellectual because he wore pince-nez glasses.)

Now suppose that tomorrow a new prime minister or a new president were elected in South Africa. How much speculation would there be about his potential "liberal" credentials? Zero. He would be regarded as just as bad if not worse than his predecessor. Why? Because Western left-liberalism sees, with utterly no evidence, Soviet communism as reformable, as malleable, as willing to compromise, as rational, as always improving, even though in the almost seven decades of its existence it has gone consistently from bad to worse.

Whatever reform South Africa has or might introduce is only documentation for its unreformability, even though the foreign press would have the right to check the validity of the reform. But any "reform" introduced by the Soviet Politburo is automatically accepted at face value, as a sign of better times ahead for human rights in the U.S.S.R. Yet it would be impossible for the foreign media to have the privilege of checking to see if the new Soviet "reform" actually exists.

Now why the double standard in enlightened public opinion about these two countries, from both of which I might add I am barred entry? (The Soviet Union, which I have never visited, has twice refused me a visa. South Africa, which I did visit in 1965, thereafter refused to grant me a visa because of my writings.)

People who refuse to know anything about the Soviet KGB espionage apparatus know all about BOSS, South Africa's security apparatus. Is there some moral distinction between the two? How can one be for an economic boycott of South Africa and not seek a similar boycott of the Soviet Union? Why is the phrase, "constructive engagement," political scatology applied to South Africa while the phrase "quiet diplomacy" is an ideal approach to the ever-expanding Soviet empire?

If the State Department is perturbed by South Africa's state of emergency promulgated July 20 1985, how about the permanent state of emergency promulgated by V.I. Lenin in November 1917?

The answer to these questions lies in de Tocqueville's lapidry sentences. Perhaps they explain the passion about this apartheid system, disintegrating before our very eyes, among AFL-CIO leaders who court arrest before the South African embassy while they fail to maintain a similarly intensive vigil before the Soviet embassy.

I am not suggesting that the AFL-CIO is soft on communism; on the contrary, they are still among the toughest anti-communist constituencies in the country. What I would ask these labor leaders is this:

Where is there more hope for free and democratic trade unionism—in South Africa, where a genuine beginning has already been made among black workers, (white workers have had strong unions for decades) or in the Soviet Union, where the ideology of Marxism-Leninism forbids freedom of association?

Of course, Pretoria has abrogated these trade union privileges for blacks. But at least there is something to abrogate, to take away. There is nothing to take away from the Soviet working class because they haven't had a moment of freedom since Lenin enslaved them at the Tenth Communist Party Congress in 1921.

Anatoly Shcharansky and Andrei Sakharov are cloistered away, heaven knows where (or if they are even still alive). But Bishop Desmond Tutu says what he pleases in South Africa without fear of reprisal, gives interviews to anyone he pleases.

Helen Suzman, an opposition member of the South African Parliament, can denounce the government on behalf of the opposition Progressive Party and nothing happens to her and other members of the Progressive caucus. Is there a single opposition voice in the Soviet Union not in a punitive psychiatric ward or in a forced labor camp or plain simply dying of hunger? For them, there are no Dan Rather TV interviews, no Tom Brokaw interviews, no Peter Jennings interviews—no interviews with any Soviet dissident for the Seven O'Clock News.

If South Africa marches into Angola or Mozambique or Botswana, the House of Shame called the United Nations springs into action. But are such episodic South African incursions really worse than genocide by chemical and biological weapons in Afghanistan, or the Red Army seizure of the baltic countries which are now Soviet Bantustans?

American corporations are pressed to get out of South Africa, where it is easily proven that their presence benefits black workers, while other American corporations are encouraged to do business with the

U.S.S.R., althought it is the Soviet war machine that benefits.

Yet which is more the "evil empire"—the U.S.S.R. or South Africa? In fact, which is the arrogant empire honored by *bien pensant* Western intellectuals and which is the beleaguered island surrounded by the world's contempt? The Soviet Union can say, as Tacitus once said," Let them hate us so long as they fear us." Who anymore fears the Botha regime?

I am not saying that because of the many reforms forced upon South Africa that it is the coming paradise. But is Afrikanerdom any worse than Mugabeism and what goes on in Zimbabwe because a few Shona tribesmen and a handful of whites won some seats in what is surely going to be a nonrepresentative parliament, like most other "representative" bodies in black Africa?

The bloody, inhumane idiocy of apartheid that I saw in practice in South Africa in 1965 is today far less onerous for blacks and therfore, by de Tocqueville's law, all the more intolerable. In that change for the better lies the reason why so much of the world is against South Africa while that same world willfully ignores the daily atrocities against human rights in the Soviet Union.

South Africa is burning; the day of African freedom nears, but the U.S.S.R. is an island of stability, its historic imperialism legitimized by the Helsinki maquillage and accepted by three U.S. administrations.

Yet will Namibia be a better place when Sam Nujoma takes over? I doubt it. Will the world be a better place when "majority rule"—Zulu versus Sotho versus Xhosa—comes to South Africa, as it inevitably will?

But the world would surely be a better place if the Soviet Union respected human rights, ceased to occupy territory not its own in Eastern Europe and on the Baltic and removed its SS-20s which threaten the people and civilization of Western Europe.

But all that's too logical. The reason why South Africa is the international polecat is that things in South Africa are not going from bad worse. Thus many people smell a cheap victory—cheap in the sense that, whatever you do to South Africa, it won't start World War III.

But who knows what you could start if you publicly raised questions about Mr. Gorbachev's sense of compassion toward the helpless people in the U.S.S.R., about the sincerity of his protestations for peace? After all, the U.S.S.R. does shoot down unarmed airliners loaded with helpless civilians.

Someday, we will look back at South Africa, as we now look back on Nicaragua—was Mr. Somoza worse than Mr. Ortega? And Iran—was the Shah worse than the Ayatollah Khomeini? And Cuba—was Mr. Batista worse than Fidel Castro? And Vietnam—was Mr. Diem worse than Ho Chi Minh? And Ethiopia—was Haile Selassie worse than Mr. Mengistu's Dergue?

And deep in our hearts, we will wonder about the 20th century tragedy of moral choice—the choice between bad and worse, between good and perfect, between half-life and half-death, between the ethical paradox of fractional truth—in a world dominated by immoral governing elites before whom so many moralists bow and scrape in the name of freedom.

Another Frenchman, Andre Malraux, once wrote that, "The path that leads from moral reasoning to political action is strewn with our dead selves." So, at least—just this once:

How about freedom for Andrei Sakharov—and Nelson Mandela?●

BARBARA R. MORGAN

● Mr. McCLURE. Mr. President, last August President Reagan directed the National Aeronautics and Space Administration to select a teacher as the first private citizen to be launched into space aboard the space shuttle. After reviewing more than 10,000 applications from teachers throughout the United States vying for the honor of being the first teacher in space, the field was narrowed to 10 finalists from whom NASA selected a winner and back-up candidate to fill the role of space flight participant in a mission scheduled for next January.

A week ago last Friday, Vice President Bush announced the winner along with a back-up candidate, Barbara R. Morgan. Barbara is from the town of McCall, ID, where she teaches at McCall-Donnelly Elementary School.

In September, Barbara will begin approximately 120 hours of training over a 4-month period at NASA's Johnson Space Center in Houston and the Kennedy Space Center in Florida. In the event that the primary candidate—Sharon Christa McAuliffe of Concord, NH—will be unable to fulfill the requirements of the mission, Barbara will become the space flight participant.

Barbara will be taught how to operate the orbiter's systems, such as those involved with hatches, food, and hygiene, and will become proficient in normal and emergency procedures required for safe and efficient shuttle crew operations. In addition, she will be involved with demonstrations, simulations of life on the shuttle, Earth observations and selected photographic and filming activities. The talents of the other eight finalists, including those of David Marquart, a computer science teacher from Boise High School, will also be used to help design the lesson plans and actual demonstrations to be performed in flight in the mid-deck of the shuttle orbiter. These demonstrations will be broadcast live via satellite to thousands of classrooms across America.

NASA's intent with the "Teacher in Space Project" is to communicate to millions of young people throughout America the wonders and mysteries of space flight. It is hoped that the satellite broadcast will strengthen ties with the educational community, to ensure that this exciting adventure in space will continue to inspire young people to excellence. In addition to her training, Barbara will serve as a goodwill ambassador for NASA for approximately 1 year, during which she will consult and assist with its educational activities.

Barbara is a Phi Beta Kappa graduate of Stanford University, and did her postgraduate work at the College of Notre Dame. In addition to her teaching duties, she conducts a Red Cross summer swim program and has organized participation in the Idaho Special Olympics.

Aside from our famous potatoes, Idaho is well-known for its gems. I think NASA certainly found one in Barbara. This evening, in McCall, hundreds of her friends, neighbors, fellow teachers and students are holding a celebration to honor her accomplishment. I hope my colleagues will join with me today in extending to her congratulations and best wishes. I am proud of her, the Nation is proud of her, and, most importantly, the students and teachers and all of the citizens of Idaho are proud to have her represent them in this exciting space adventure.●

RELIGION IN PUBLIC SCHOOLS

● Mr. SIMON. Mr. President, the magazine Liberty, in its May/June issue, contains an article by Pat Arnow, a freelance writer living in Johnson City, TN, on the issue of religion in public schools.

Pat Arnow happens to be Jewish by background, but many other backgrounds could be cited, as well, for the problems inherent in our schools being used as a source to promote religion.

As the son of a Lutheran minister, I applaud religious endeavors. But as someone with a sense of history, I believe that Pat Arnow's message is one my colleagues in this body should be listening to as we face a proposal for a constitutional amendment to inject religion into our public schools.

Our homes and our churches and our synagogues are the places to promote religion. Government has no business in such activity unless such involvement is free to all across the board without prejudice. We do that with tax deductibility. That encourages Lutherans and Catholics and Jews, but it also can encourage atheists or Buddhists or Muslims. I ask that the Pat Arnow piece be printed in the RECORD.

THE YEAR WE HID OUR RELIGION

(By Pat Arnow)

To my sister and me, transferring to a Virginia high school spelled adventure. We were early teens who had never strayed far from Chicago. In our North Side melting-pot neighborhood we had walked to school or taken city buses on cold days. On our way to Prince George County High School we rode the school bus through a countryside of rolling hills. Classmates and teachers seemed friendlier and more helpful than their Chicago counterparts—though their Southern accents sometimes needed an interpreter. With the innocence of youth we didn't see ourselves as the "foreigners."

There was a darker side to our new world, however—one that has shaped my appreciation for separation of church and state—*especially* in the classroom. Every morning

the principal, after reading announcements over the loudspeaker, said a prayer while students dutifully bowed their heads over their desks. The prayer wasn't long. I don't remember the themes. I do remember how the daily ordeal ended. The principal always said, "In the name of Jesus Christ our Lord, Amen."

I didn't know what to do. As a Jew, I prayed straight to God, not in anyone else's name. To accept the prayer as mine was more of a sin, according to what I had been taught, than not praying at all.

My sister and I talked it over. She was as upset about the prayers as I was. But we didn't see a solution. We would have jumped in front of our school bus sooner than ask to be excused. We wouldn't have considered asking that the final phrase be changed to encompass a God that was ours as well as theirs. We could do nothing.

We had gone from a public school in Chicago, where more than half the students were Jewish and no religion was the least bit odd, to a school where we were the only non-Christians. We agreed to keep our religion to ourselves. During that year neither of us told a single person that we were Jewish.

I don't think we were cowardly. We were simply children. "Jesus Christ our Lord" coming over the loudspeaker every morning didn't leave room for any other belief being normal. It built a wall, with my sister and me standing on the outside.

The problem, ultimately, with prayer in public schools is that it excludes some of us. When an authority figure recites prayers the minority become freaks. Parents may argue that their freedom to practice their religion is thus enhanced. But prayer can't be put in the school without restraining the religious freedom of others. Freedom of religion is most important when we find ourselves in the minority, not when we are a confident majority.

I didn't know, in 1962, that those daily prayers were part of a national controversy. I thought of school prayer as my personal problem, an unchangeable institution I could do nothing about. By the time the Supreme Court ruled against the practice, my sister and I were back in prayerless Chicago. But I remember hearing about the decision and feeling relieved. No other children would be subjected to the embarrassment and humiliation that my sister and I had endured.●

STUDY INDICATES COCAINE MORE HARMFUL THAN HEROIN

● Mrs. HAWKINS. Mr. President, a recently released study by Concordia University in Montreal has revealed that prolonged use of cocaine may be more deadly than heroin. Medical researchers added that mortality figures in the United States are reflecting that fact.

The American Medical Association Journal, reporting on the study done on laboratory rats, said that there was a 90 percent mortality rate in animals given cocaine for 1 month compared with a 36 percent death rate among those given heroin.

The Concordia University study also said that cocaine has toxic effects, may depress brain function, and has been underestimated as a killer.

Dr. William Pollin, Director of the National Institute on Drug Abuse, indicated that:

Whether or not there has been a recent increase in the number of cocaine users in this country, it is clear that more intensive and destructive patterns of use—including freebasing, intravenous administration, and the use of cocaine in combination with other drugs—have occurred among the existing population of users.

This has resulted in a 91 percent increase in cocaine-related deaths in the United States from 1980 to 1983. One of the main reasons for the increase in popular use of this so-called "recreational" drug is that heavier production in South America offers the possibility of a greater supply and lower prices. Dr. Pollin completed his commentary on this remarkable study by making this statement:

Cocaine is now becoming widely recognized as one of the most dangerous illicit drugs in common use.

The results of this study came from exhaustive scientific research involving administering both heroin and cocaine to rats. In the study, 23 rats were divided into two groups with each group having access to either cocaine or heroin in a self-administered solution. During the study the general health of the animals became markedly different. Those self-administering heroin maintained good grooming behavior, pretesting body weight, and a good state of general health. Those rats self-administering cocaine tended to cease grooming behavior, to lose up to 47 percent of their pretesting weight and to show a pronounced deterioration in general health.

The study concluded that as greater quantities of cocaine are administered and the concentration of this compound increases, the number of fatalities associated with cocaine abuse will tend to rise.

Mr. President, Americans are more and more aware that cocaine is one of the most dangerous illicit drugs in use today. I commend the very detailed study compiled by Concordia University in Montreal and hope that the conclusions of this report will be used to continue to educate and inform the public as to the increasingly recognized destructive effects of cocaine.●

TARGETED JOBS TAX CREDIT PROGRAM

● Mr. HATFIELD. Mr. President, today I join with my distinguished colleague from Pennsylvania [Mr. HEINZ] in cosponsoring S. 1250. Introduced by Senator HEINZ on June 6, 1985, this bill extends the targeted jobs tax credit [TJTC] for 5 more years. Presently, this important program is scheduled to expire at the end of December 1985.

The TJTC was implemented in 1978 to encourage employers to hire disadvantaged individuals from targeted groups who may otherwise not obtain productive employment. These persons typically have limited work experience and chronically low incomes. Often they are dependent on Federal and/or State government income assistance. The following is a list of targeted groups eligible for a TJTC:

First. Vocational rehabilitation referrals.

Second. Economically disadvantaged students (ages 18–24).

Third. Economically disadvantaged Vietnam-era veterans.

Fourth. Supplemental Security Income [SSI] recipients.

Fifth. General assistance (welfare) recipients.

Sixth. Economically disadvantaged former convicts.

Seventh. Economically disadvantaged cooperative education students (ages 16–29).

Eighth. Aid to Families with Dependent Children [AFDC] recipients and Work Incentive [WIN] registrants.

Ninth. Economically disadvantaged summer youth employees.

Under the TJTC program, an employer who hires a person certified as a member of a targeted group receives a tax credit equal to one-half of the first $6,000 of the first year's wages and one quarter of the first $6,000 of the second year. No employer is compelled to hire a person from an eligible group. No Government staff is needed to run the program. There is simply a tax credit available to employers who hire persons from the specified groups.

Mr. President, while it is true that our Nation's economy has improved over the last year, there are many communities and industries across our country who have experienced no recovery at all. In my State, serious unemployment and economic stagnation continue to be present. Oregon is still suffering the effects of the past recession which were brought about by national economic problems that were not of its own making. Currently, 23 of the 27 Oregon counties have unemployment rates of over 10 percent.

Extension of the TJTC is critical to providing jobs for these disadvantaged persons, particularly for those in communities which are still struggling to recover from the recession as well as adapt to changes in employment opportunities. Extension also will help reduce the numbers of individuals on Government welfare rolls and enable these individuals to become productive, taxpaying members of our society.

While the TJTC program has been in existence since 1978, it has never been fully utilized. This appears to be due, at least in part, to the fact that over the last 2 years the program has

received single year extensions. S. 1250 extends the TJTC for 5 years in an effort to give the program continuity and permanence. This will allow more businesses to become aware of the TJTC and will enable employers to incorporate the TJTC into their long-range plans.

Mr. President, I have supported the targeted jobs tax credit in the past, and I will continue to support it. The Senate must not allow this program to die. During a time when it is imperative that Congress reduce the level of Federal spending, the TJTC program is a means of providing some hope to those individuals who because of a lack of skills, experience, or money, have been unable to find employment. I commend the Senator from Pennsylvania for introducing this measure and urge its positive consideration by the Senate.●

NORTH KOREA

● Mr. SIMON. Mr. President, in Newsweek magazine recently, Prof. Parris H. Chang, professor of political science at Pennsylvania State University, had a column about North Korea that made a good deal of sense.

He says, among other things, that the U.S. Government "should give serious consideration to allowing people-to-people contacts between the United States and North Korea. The time would also be ripe for Americans to open up cultural, scientific and economic exchanges with North Korea."

We seem to shoot ourselves in the foot so easily.

In the case of North Korea, in the case of Vietnam, and in the case of Cuba, our policy drives these countries into the arms of and into dependence on countries where such dependence is not healthy, either for the countries involved or for our own future.

It seems clear to me that the more we can encourage independence on the part of all countries of the world—independence of the Soviet Union, independence of China, and yes, even independence of the United States—that is in the best interest of everyone.

I ask that Professor Chang's article be inserted in the RECORD at this point, and I urge my colleagues to read it and to reexamine whether our policies toward these three countries are serving the national interest or they're serving our own emotional needs.

The national interest clearly is to encourage greater independence on the part of these countries.

The article follows:

NORTH KOREA'S WIND OF CHANGE

(Opinion/Parris H. Chang)

North Korea is approaching the end of an era, and a new stage in its political and economic development lies immediately ahead. The end of President Kim Il Sung's four decades of highly personalized, autocratic rule is in sight. At the age of 73, Kim is transferring political power to Kim Jong Il, his 43-year-old son, and to a younger generation of cadres. In the process, North Korea, a rigidly xenophobic nation, is now adopting several measures to encourage foreign investment and to expand trade with the West. North Korea's conciliatory moves include a proposal for a tripartite (North Korea-U.S.-South Korea) talk to seek a permanent Korean peace treaty and to discuss reunification, the delivery of Red Cross relief goods to flood victims and further meetings to spur the inter-Korea dialogue on unification. Each of them represents a departure from Pyongyang's militant hardline policy of the recent past.

These are some of the distinct impressions I got during a recent visit to North Korea. Ever since the emergence of Kim Jong Il as his father's political heir in 1980, he has solidified control of the country's ruling party, the Korean Workers' Party. As a member of the Polituro Presidium, the highest decision-making body in North Korea, and of the KWP Secretariat, Kim Jong Il is handling the day-to-day administration of party and government affairs. Cambodian Prince Norodom Sihanouk, a close friend of President Kim and Kim Jong Il, told me that "the process of power transfer is virtually over." Sihanouk credited the younger Kim with initiating the ideas of an economic open-door policy and of inter-Korean parliamentary discussion.

LIMITED EXPOSURED

However, it may be too early to judge whether Kim Jong Il possesses the necessary political acumen as well as sufficient leadership skills and experience to command support and to govern North Korea. He has only limited exposure outside North Korea—his travel abroad in the past two decades has been only in China—and his ability to handle world affairs is untested. Most important, Kim Jong Il, unlike his father, never served in the military. Thus he could encounter resistance, if not outright opposition, among veteran officers when he seeks to assert his leadership over military matters.

Meanwhile a younger technocratic elite is emerging. Kang Song San, an economist in his mid-50s, was named prime minister in 1984. In 1983 the government appointed a young, urbane foreign minister, Kim Yong Nam, and it has since sent abroad more than a score of new envoys who, as a rule, are young and fluent in several languages.

Pyongyang is now pursuing a policy that calls for improved economic and technical ties with all nations, including capitalist countries that have no diplomatic ties with North Korea. To justify such an important change, Kim Jong Il is quoted to have said: "Building an independent national economy on the principle of self-reliance does not mean building an economy in isolation. An independent economy is opposed to foreign economic domination and subjugation; but it does not rule out international economic cooperation." In September 1984 North Korea's Supreme People's Assembly enacted a joint-venture law to boost foreign investments in "industry, construction, transportation, science and technology, and tourism." The new law stipulates that the property and profits of joint-venture firms would be protected and that a joint company "may export its products" and "may be exempted from income tax for a certain period from the start of production."

Peking's influence seems evident in Pyongyang's current effort to make way for foreign investment and technology. When Kim Jong Il visited China in June 1983, he inspected several factories, including the Baoshan Steel complex—a Sino-Japanese joint venture outside Shanghai. When Prime Minister Kang Song San paid an official visit to China in August 1984, he signed a joint-venture agreement with Peking.

But North Korea will need much more than the passage of a joint-venture law to attract foreign investment. Because of the West's continuing mistrust of North Korea, and Pyongyang's failure to service its foreign debt in the 1970s, foreign businessmen may remain cautious for some time to come about dealing with Pyongyang. However, the important point is that North Korea has adopted the beginnings of outward-looking policy. Cadres in North Korea seem still largely ignorant of the outside world, but if the are humble and willing to learn, they, like their counterparts in China or South Korea, can become familiar with the ways of the capitalist world.

STABILITY

There is no question that the creation of a North Korean "economic miracle" would greatly boost the prospects of peace and stability in East Asia. South Korea, Japan and the United States should do what they can to help Pyongyang on the road to greater economic involvement with other nations. This, however, is more easily said than done. The view that North Korea is aggressive, irrational and ready to invade the south at any time is still widespread in the West. On the other hand, a visitor who has seen North Korea on a close-up basis may question the total accuracy of these images. In the past three decades Kim Il Sung has reconstructed North Korea from the debris of war and built a standard of living comparable to Eastern Europe's. North Koreans are not so irrational that they would casually risk its destruction. And they do have a major stake in the preservation of peace in the Korean peninsula.

North Korea is not an easy country to deal with. And the lack of firsthand knowledge in the West of that self-enclosed country and its society has compounded the problem. As the initial step of coping with such a problem, the U.S. government should give serious consideration to allowing people-to-people contacts between the United States and North Korea. The time would also be ripe for Americans to open up cultural, scientific and economic exchanges with North Korea.●

EXPANDED CAPITAL OWNERSHIP AND THE IDEOLOGICAL HIGH GROUND

● Mr. SYMMS. Mr. President, today I want to add my voice to those of Congressmen CRANE and BARNES regarding expanded capital ownership as a new bipartisan thrust in America's ideological counteroffensive against Marxism-Leninism in the Western Hemisphere.

Great courage and visionary statesmanship were demonstrated by Mr. BARNES and Mr. CRANE when they joined in introducing House Concurrent Resolution 31, which calls upon the President to form a private sector task force to develop a strategy for encouraging employee stock ownership plans [ESOP's] as a major element in our Caribbean Basin Initiative. Appro-

priately, they call this effort, project economic justice. From this seed, both the Senate and House versions of the foreign aid authorization bills, as approved in each Chamber, contained provisions to implement this new concept in Central America and the Caribbean. President Reagan, a long-time advocate of the ESOP approach, and top officials of the administration have already demonstrated in word and deed that they will lend their support to this innovative project for combining free enterprise development with a growing piece of the action for workers in the region.

To reinforce this effort and to educate the American people about the underlying philosophy and technology of expanded capital ownership, Mr. BARNES and Mr. CRANE have introduced a series of articles by leading thinkers on this most important subject.

It is not good enough, however, to know the evils of marxism as a threat to justice, as discussed in earlier articles, nor the good of free enterprise in general, as discussed in other articles. Equally important are the means and technologies best suited for achieving this good. As my contribution to this noble cause, I am introducing three additional articles on the practical techniques and case-tested methodologies for providing workers with access to ownership. Today's insertion is from selected comments by Senator RUSSELL B. LONG, chairman of the Senate Finance Committee for over a decade and Capitol Hill's leading champion of the ESOP technique. For the benefit of my colleagues, the following article has been extracted from the floor statement of November 17, 1983, when with 46 Senate cosponsors, Senator LONG introduced the Employee Stock Ownership Act of 1983.

The article follows:

EMPLOYEE STOCK OWNERSHIP PLANS: A POWERFUL TECHNOLOGY FOR EXPANDED CAPITAL OWNERSHIP

(By Hon. Russell B. Long)

The primary purpose of an Employee Stock Ownership Plan (ESOP), as I have been privileged to develop this financing tool during the past decade, is to serve as an incentive for corporations to structure their financing in such a way that employees can gain an ownership stake in the company for which they work.

What the Congress sanctioned with the ESOP is a socially improved technique of corporate finance that also serves as a new type of employee benefit. Thus, as a tax-qualified plan for providing employee benefits, in the form of employer stock, an ESOP is subject to many of the same standards imposed on other types of employee benefit plans but interpreted in light of the special purposes for which ESOP's are intended.

The term "technique of corporate finance" refers primarily to the "leveraged" ESOP, an ESOP that uses borrowed funds to acquire employer stock, with the employer, or a related party, guaranteeing repayment of the loan. It is this guarantee, plus the underlying security provided for the loan, that puts the logic of corporate finance to work for a company's employees.

In a 1953 revenue ruling, the Internal Revenue Service sanctioned this type of leveraging by a defined contribution plan, thus laying the legal groundwork for the leveraged ESOP. The first known use of ESOP-type financing, pioneered by attorney Louis Kelso, involved a 1956 employee buy out of a chain of California newspapers that was threatened with a takeover by a major chain. But only in the last few years has the business world at large become aware of this innovation.

Suppose, for example, that corporation X wants to build a new plant costing $10 million. With traditional debt financing, the company would borrow the $10 million, provide adequate collateral and guarantee of repayment to satisfy the lender, use the borrowed funds to build the plant, and then utilize the income generated by the new plant to repay the loan.

The ESOP adds a third element to this transaction—an employee stock ownership trust. The trust borrows the funds based on the sponsoring corporation's guarantee that it will made periodic payments to the trust sufficient to repay the loan. As with traditional financing, the corporation may be required to secure this guarantee with collateral.

The ESOP trust then uses the borrowed funds to acquire newly issued employer securities, and the corporation applies the funds to build its new plant. As the new plant generates income, corporation X makes payments to the trust with are used to pay its obligation to the lender.

The primary difference is that with conventional debt financing, only interest payments are deductible for income tax purposes; amounts used to repay loan principal are not. The employer's contributions to the ESOP, however, are fully deductible, as employer contributions to an employee benefit plan, including those applied by the trust to repay loan principal.

Consequently, where corporation X uses the ESOP as its financing vehicle, it may repay its indebtedness, both principal and interest, with tax-deductible dollars. The Internal Revenue Code limits to 25 percent of payroll the amount that can be deducted each year for principal payments; interest payments are deductible without limit.

Thus, assuming, for example, a 50-percent tax rate and conventional debt financing, corporation X would need to generate $20 million in revenues to repay the $10 million in loan principal. With ESOP financing, however, the corporation would need to generate only $10 million to repay the loan principal through tax-deductible contributions to its ESOP.

By enabling a company to expense its capital investment, the ESOP lowers the sponsor company's taxable income and increases its available capital for other purposes; and the same dollar that finances the company's capital requirements also finances an employee benefit in the form of employer stock.

After purchase, the stock is held in an escrow account for allocation to employees' individual ESOP accounts as the loan is repaid. In no sense is this a "gift" to employees; rather, the capital is paid for out of the future flow of earnings that the new capital itself generates. As the already-rich know so well, the new capital's productiveness generally pays for itself.

The ESOP participants, however, also "earn" their ownership interest in the company through the ESOP's requirement that employees work for the company for a prescribed period of time before the stock in their ESOP accounts becomes nonforfeitable, that is, vested. An appropriate analogy can be drawn to the Homestead Act of 1862 under which the potential owner earned his or her acreage by homesteading the land for at least 5 years.

The employee stock ownership plan (ESOP) first received congressional approval in 1974 with passage of the Employee Retirement Income Security Act of 1974 (ERISA). ERISA made it clear that the ESOP is a technique of corporate finance that utilizes the advantages of a tax-exempt employee benefit trust to encourage the financing of corporate transactions in such a way that employees will have an opportunity to earn an ownership stake in their employer.

Federal encouragement of ESOP's has also included loans and loan guarantees from a variety of Federal agencies, including the Economic Development Administration of the Commerce Department, the Farmer's Home Administration, and the Department of Housing and Urban Development. In addition, as part of the trade adjustment assistance provided under the Trade Act of 1974, and as amended in 1983, ESOP companies are granted preferred status for Federal loan guarantees.

More recently, the Small Business Development Act of 1980 included a provision encouraging the Small Business Administration to provide financing both for ESOP companies and for employee organizations seeking to acquire an ownership interest in their employer. ESOP's were also made a condition of Federal financial assistance to the Chrysler Corp., Conrail, and others.

State legislatures have also demonstrated a growing interest in ESOP's. California, Delaware, Illinois, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New York, and West Virginia now have laws favorable to ESOP financing. Maryland's "Broadened Owernship Act," for example, establishes support for ESOP's as official State economic policy, and requires several State agencies to report annually on their progress in implementing this policy. Since 1974, Minnesota has had several ESOP-related tax incentives on its books.

Several of these States have additional legislation under consideration and legislation is pending in other States as well. Financial and other assistance has also been provided for ESOP buyouts by California, Georgia, Indiana, Iowa, Maine, New Jersey, New York, and Pennsylvania.

This increased use of ESOP's for development financing reflects a return to incentive economics. The coupling of development programs with employee ownership programs results in a more production-oriented work force. That, in turn, helps to insure that scarce economic development dollars are invested so as to get the most "bank for the buck."

ESOP's are a healthy step in that direction. In addition to insuring that the benefits of development financing are more widely dispersed than through traditional means, the ESOP also helps to create the circumstances in which assisted companies are more likely to survive, and in which taxpayer-provided development loans are more likely to be repaid.

In terms of motivation, the merit of an ESOP-targeted economic development policy can be easily summarized: ownership counts. It summons up a common determi-

nation to succeed and insures that the company's success is shared with those on whom that success will largely depend.

Researchers at the New York State School of Industrial and Labor Relations at Cornell University and at the National Center for Employee Ownership cite these reasons and others for the fact that, to the knowledge of researchers in the field, more than 90 percent of employee buyouts are still in operation.

ESOP-type financing is not intended for losers.

It is intended, however, for those losers and for those marginally profitable firms who, with employee ownership, can become winners. It is intended for those employee groups willing to tie some portion of their future wages and benefits to their company's performance. On that point, it is encouraging to note that a 1981 Louis Harris survey of employee attitudes indicates that 63 percent of those surveyed would be willing to link their salaries to higher personal productivity.

It is also intended for those companies and those employee groups who feel that a climate of cooperation and compromise may now be better suited to their purposes than continued confrontation. That 1981 Harris survey also found that one in four Americans thinks better relations between management and labor is one of the changes that would do the most to improve productivity in the workplace. Only financial rewards for productivity gains, 30 percent, are thought to be more effective. A well-designed employee stock ownership arrangement can, of course, address both of those concerns.

Business executives surveyed—44 percent—likewise think that better labor-management relations are one of the changes that would best contribute to increased productivity. Only the use of better equipment or tools—65 percent—is viewed by them as more important.

Employee stock ownership provides a healthy new dimension to the economic development process. It enables those affected to examine the issue in a different frame of reference, one in which the effect on them becomes much more real, and one in which they can realize how important their productive efforts are to that process.

Employee stock ownership is for those who believe in the worth of the individual employee, and for those who see the rank and file as the root source of quality, creativity, and productivity.●

NOTICE OF DETERMINATIONS BY THE SELECT COMMITTEE ON ETHICS

● Mr. RUDMAN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35 which would permit Ms. Jade West, a member of the staff of Senator JAMES A. MCCLURE, to participate in a program in South Africa, sponsored by the South Africa Foundation, a nongovernmental institution, from August 17–29, 1985.

The committee has determined that participation by Ms. West in the program in South Africa, Zimbabwe, and Mozambique, at the expense of the South Africa Foundation, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, which would permit Mr. Wayne Abernathy, economist with the Subcommittee on International Finance and Monetary Policy, and Steven B. Harris, minority counsel to the subcommittee, to participate in a program in South Africa, Zimbabwe, and Mozambique from August 17–30, 1985, sponsored by the South Africa Foundation.

The committee has determined that their participation in the program in South Africa, Zimbabwe, and Mozambique at the expense of the South Africa Foundation, to confer with business and government leaders, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 which would permit Mr. Robert Waters of the staff of Senator TOM HARKIN to participate in a program in Taipei, Taiwan, sponsored by Soochow University, from August 2–10, 1985.

The committee has determined that participation by Mr. Waters in the program in Taipei, Taiwan, at the expense of Soochow University, to discuss United States-Taiwan relations, is in the interests of the Senate and the United States.

The select committee has received a request for a determination under rule 35 which would permit Mr. Peter Knight, of the staff of Senator ALBERT GORE, JR., to participate in a program in Taipei, Taiwan, sponsored by Soochow University, from August 2–10, 1985.

The committee has determined that participation by Mr. Knight in the program in Taiwan, at the expense of Soochow University, to discuss United States-Taiwan issues, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 which would permit Ms. Ryan Conroy of the staff of Senator ALAN CRANSTON to participate in a program in the People's Republic of China, sponsored by the Chinese People's Institute of Foreign Affairs in conjunction with the United States-Asia Institute, from August 18–31, 1985.

The committee has determined that participation by Ms. Conroy in the program in the People's Republic of China, at the expense of the Chinese People's Institute of Foreign Affairs in conjunction with the United States-Asia Institute, to discuss United States-Chinese relations, is in the interest of the Senate and the United States.●

DEBUNKING TEEN PREGNANCY MYTHS

● Mr. SIMON. Mr. President, one of the people who has been most articulate on the problems of the disadvantaged in our society has been Marian Wright Edelman.

She is not only articulate, she is forceful.

She has written about the problems of teen pregnancy in an article which appeared in the Chicago Defender.

Her comments about the myths of pregnancy are right on target.

And beyond these myths, we should face the reality that one of the ways we are going to discourage teenage pregnancies is to encourage more quality education in our schools. We also need to attack the massive problem of adult illiteracy.

While all teenage girls are not illiterate, a disproportionately high percentage are school drop-outs who have gone to schools that did not give them the kind of opportunities they should have had.

I ask that Marian Wright Edelman's article be printed in the RECORD at this point, and I encourage my colleagues to read it.

The article follows:

DEBUNKING TEEN PREGNANCY MYTHS

(By Marian Wright Edelman)

Teenagers pass around a lot of misinformation about pregnancy. They tell each other such myths as: "You can't get pregnant the first time" or "you can't get pregnant if you have sex standing up." The effect is to compound the adolescent pregnancy problem.

But teens are not the only ones spreading misinformation. Many adults also cling to outmoded theories about who gets pregnant and why—theories that can be just as damaging as the teen myths. Before we can tackle the teen pregnancy problem effectively, we must examine and debunk some of these adult myths:

Myth 1: "Most pregnant teens are 'bad girls' who had no future anyway." The fact is that half of all teens today are sexually active—teens of all different races and incomes. Pregnant teens are just the ones who "got caught"—the sexually active teens who did not practice contraception early enough or consistently enough to avoid pregnancy. Teen parents are more likely to have dim futures ahead than those who manage to avoid pregnancy, but this is a consequence of their being poor, not of their being "bad."

Myth 2: "Sex education and birth control encourage teens to be sexually active." Lifematuration, television, R-rated movies, peers all encourage teens to be sexually active. Discussions that put sex in the context of the family life and personal decisionmaking can help teens make sense out of their feelings and the message they pick up from peers and adults and the media. In the meantime, family planning and sex educa-

tion can play an effective role in making teens more sexually responsible.

Myth 3: "Contraception is the answer to the teen pregnancy problem." Contraception is an important part of teen pregnancy prevention. But alone, it only gives teens the capacity to delay parenthood. Teens also need some reason to believe that parenthood is inappropriate at this time in their lives. They need hope and a sense of positive options.

Myth 4: "There is no longer any reason for girls to avoid getting pregnant, since now they can stay and finish school." The lamentable fact is that they do not. Only 55 percent of the 18 and 19-year olds who gave birth in 1982 had completed high school. Eighty-three percent of the 17-year old mothers were without high school diplomas.

Myth 5: "Most teenage mothers get married right before or after the birth." This is no longer true. In 1982, fully half of all teen births were to single mothers. Few got married shortly after having their babies. The reasons that many young mothers are deciding to forego marriage are complicated. In the Black community especially, teen mothers are not marrying because there are not enough available men and because their children's fathers are unable to support a family—only two Black teenage males in 10 hold a job.

If you recognize any of your own beliefs or those of neighbors and friends among the myths I have just listed, take the time to do some myth-debunking of your own.

And if you want to help us to prevent teen pregnancy, join the Children's Defense Fund's Adolescent Pregnancy Clearinghouse and receive the information we have available. Write Karen Pittman, CDF Clearinghouse, 122 C Street, N.W., Washington, DC 20001.●

THE PHILIPPINES

● Mr. LUGAR. Mr. President, I would like to comment on remarks made July 15 on the floor by the distinguished Senator from Montana [Mr. MELCHER], regarding the current situation in the Philippines. My distinguished colleague made a number of valuable observations on that subject. However, with regard to the specific issue of wheat sales by U.S. suppliers to the Philippines, I would like to make certain there is no misimpression in the minds of the Members of this body that the Department of State is somehow working at cross-purposes to administration policy with regard to the Philippines. I would like to set the record straight today with the following observations.

Mr. President, let me respond first to the claim that the Department of State has sought to promote economic reforms in the Philippines at the expense of U.S. rice and wheat markets in that country. This is a complete misreading of the recent negotiations leading to the conclusion of a Public Law 480 title I agreement with the Philippine Government and incorrectly portrays the current status of U.S. wheat exports to the Philippines. The facts of the case are as follows:

First, the administration, with strong bipartisan support from Congress, has undertaken a substantial program of assistance for the Philippines aimed at promoting fundamental political, economic, and military reforms needed to preserve stability and restore economic health to a key allied nation.

Second, as part of the ongoing dialog with the Philippine Government for reform, the Department of State concluded on July 8 a Public Law 480 title I agreement for $40 million in U.S. rice sales. Under the terms of the self-help measures associated with this agreement, the Philippine private sector is provided the opportunity to engage in the rice and wheat trade along with the Philippine Government's National Food Authority [NFA] which heretofore had enjoyed a total monopoly over such trade.

Third, the reforms launched by the Public Law 480 accord are aimed at expanding the Philippine wheat market by revitalizing the economy and restoring private enterprise participation in the importation and distribution of wheat and flour on a free-market basis. Under the previous situation, the National Food Authority is estimated to have added as much as one-third on to the price the Philippine consumer must pay for bread. Moreover, there is no public accounting or auditing of the profits the monopoly has derived from its control of wheat imports and flour distribution. Additionally, deregulating agricultural production and trade and restricting Government intervention in agriculture also means that the Philippine farmers will get a better price for his production as well.

Trade statistics refute the charge that wheat sales to the Philippines have been harmed or delayed by negotiations for the accord. In the agricultural marketing year which ended May 30, the United States exported 795,000 tons of wheat to the Philippines in 1984-85, compared with 699,000 the previous year. Wheat sales to the Philippines in the first 6 weeks of the present—1985-86—marketing year are recurring at a rate comparable to the previous 2 years.

Fourth, vested Government monopoly interests in the Philippines opposed to reform mounted a major campaign in the United States to force the administration to back down on reform measures. Rice interests in the United States were told that the reform would make a Public Law 480 agreement unacceptable and the United States would lose the rice sales; wheat growers were threatened with the loss of the Philippine market by veiled warnings that the National Food Authority would shift its purchases to other sources in retaliation for the proposed reform—both obviously false in the light of the succeeding events.

Fifth, fortunately, the administration stayed the course and successfully negotiated the Public Law 480 agreement in just over 3 months which is the average length of time necessary to conclude an agreement of this type. The timely conclusion of the agreement was an impressive achievement in the face of the lobbying tactics of vested Government monopoly interests in the Philippines who sought to undermine the U.S. policy for the reform by attempting to delay signing the agreement.

Finally, contrary to the assertion of the vested interests, President Marcos had already given his approval of privatization of wheat imports as well as flour and fertilizer distribution in a reform announcement in April.

In sum, Mr. President, the Public Law 480 agreement signed with the Philippine Government is an encouraging development that effectively serves United States and Philippine interests. It will stimulate the Philippine Government to apply the principles—and successes—of a free market approach to help ensure farmers of a fairer price for their products by deregulating agricultural production and trade and restricting monoply Government intervention in the market to a reduced rule more consistent with the essential public interest. It will also provide new opportunities for U.S. rice and wheat producers to bolster their markets in the Philippines. The Public Law 480 agreement is not only a success for U.S. policy to foster constructive change in the Philippines, it is also a success for U.S. business. Colleagues in this body, particularly those who have been most vocal in urging the administration to press reforms on the Marcos government, should find this development most pleasing and may wish to focus on helping to set the record straight on our goals and objectives regarding the Philippines.●

AMOS DEINARD—A GREAT MAN IN A GREAT PROFESSION

Mr. DURENBERGER. Mr. President, recently, I had the privilege of attending the 25th year reunion of my law school class at the University of Minnesota. While I renewed many old acquaintances and saw many longtime friends, I was also reminded of the numerous contributions made by the legal profession in Minnesota which often go unnoticed by the general public.

The contributions of the legal profession in Minnesota, or course, represent the sum total of the thousands of attorneys who practice in the State. One of the best known, and most widely respected Minnesota attorneys—Amos S. Deinard—died on June 12 after practicing law for more than 60 years.

Amos Deinard's many contributions to the legal profession—and to a large

number of community and religious activities—were made despite a lifelong visual handicap which might have severely inhibited many of us under similar circumstances.

Among his many interests, Amos Deinard and his firm were strong supporters of efforts to provide legal services to the poor in Minnesota.

Those efforts recently include the presentation of a $1 million check to a coalition of organizations providing legal assistance to the poor in Minnesota raised through a program that diverts interest paid on lawyer trust accounts. These funds are then made available to legal aid, better administration of justice, and law-related educational programs in the State.

Because of the outstanding contributions made over a lifetime of service by Amos S. Deinard, and because of the continuing commitment to the provision of legal services by Minnesota attorneys to make legal services available to all the citizens of the State, I ask that the following two articles be printed at this point in the RECORD.

The articles follow:

[From the St. Paul Pioneer Press and Dispatch, June 13, 1985]

A. DEINARD, BLIND LAWYER, DEAD AT 87

(By Wayne Wangstad)

Amos S. Deinard, who overcame a severe vision handicap to become a successful Minneapolis attorney and a community and religious activist, died Wednesday in his home at 510 Groveland Ave., Minneapolis. He was 87.

Deinard practiced law for more than 60 years and was senior partner of the Minneapolis firm Leonard, Street & Deinard.

He also was a founder of the Minnesota Society for the Prevention of Blindness and Preservation of Hearing and had served on its board since 1939.

"He would not want to be remembered as a sightless person. . . . That it didn't hamper him was more to his credit," said Deinard's son, Minneapolis pediatrician Dr. Amos Deinard.

Born in Terre Haute, Ind., Deinard was a toddler when his family moved to Minneapolis, where his father served as rabbi of Temple Israel Synagogue.

Deinard's vision problem was attributed to a childhood eye infection, leaving him able to discern little but light and dark, according to his son. At 13, he learned Braille at the Faribault State School for the Blind.

From that time on, Deinard attended classes with his brother Benedict, who was 18 months younger. "Benedict read to my father. He was really my father's eyes, scholastically and professionally. They went all through high school, college, law school and a doctorate in law at Harvard in 1922 together," Deinard's son said.

After the brothers entered law practice together, Benedict Deinard's reading was supplemented by secretaries and law partners. "And God knows I read contracts at home to him in the evening," Deinard's son said. "He never used Braille for his law practice or law school."

Benedict Deinard died in the 1960s.

Amos Deinard's knowledge and experience "allowed him to be more than just a lawyer to his clients," said George Reilly, managing partner of Leonard Street & Deinard. "He had a marvelous memory and was without peer when it came to drafting documents. We never felt he had any handicap."

Deinard's involvement in community organizations was motivated by "deep concern for the people on whose behalf he was working," his son said.

He was a member of Brandeis University's Board of Fellows, a governor of the Mount Sinai Hospital Association, a board member of the North Central Region of the National Conference of Christians and Jews and a director of the American Jewish Joint Distribution Committee.

He also was a founder and board member of the Minneapolis Federation for Jewish Service and a director of the Jewish Family & Children's Service of Minneapolis and the Jewish Community Relations Council of Minnesota. He served on the Minneapolis Fair Employment Practices Commission and was its chairman for several years. From 1969 through 1975, he was a director of the National Society for Prevention of Blindness.

Deinard was awarded the Distinguished Service Award of the Minneapolis Mayor's Commission of Human Relations, and several founders awards, including one from the Minnesota Society for Prevention of Blindness.

"He never talked about his sight and its influence on his life," his son said. "He was always very self-sufficient and liked to conduct himself as though he had sight."

Besides his son, Deinard is survived by his wife, Hortense; a daughter, Miriam Kelen, and six grandchildren.

Services will be at 12:30 p.m. Friday at Temple Israel Synagogue in Minneapolis, with burial in the synagogue cemetery. A one-day shiva will begin at 7 p.m. Saturday at the Deinard residence.

Memorials can be made to the Deinard Memorial Research and Lecture Fund, the University of Minnesota Department of Pediatrics or the Minnesota Society for the Prevention of Blindness and Preservation of Hearing.

CONTINUING A LEGAL-AID TRADITION

(By Leonard Inskip)

The scene could have come from the old TV series "The Millionaire," in which an eccentric philanthropist gave million-dollar checks to deserving strangers. It didn't. This scene involved $1 million, but it took place last week at a special session of the Minnesota Supreme Court.

Allen Saeks handed fellow lawyer Jeremy Lane a notice that a legal-services coalition will get $1 million for legal aid to poor people. Lane represented six legal-aid agencies that blanket Minnesota. Saeks represented a program that diverts interest paid on lawyer trust accounts to legal aid, better justice administration and law-related education.

Seven robed justices attended. Chief Justice Douglas Amdahl cited Minnesota's long tradition of legal assistance to the indigent. The first formal effort, he said, occurred in 1869 when the state created a public-defender program ($10 a day while in court). More than 70 years ago, a legal-aid program began in Minneapolis. In the 1960s and 1970s federal funds made such legal aid possible throughout the state.

Before losing $1.3 million to 1981 federal budget cuts, legal-services agencies in Minnesota handled 33,000 cases a year, Amdahl said. After the cutback, cases fell to 24,000.

Minnesota had two responses. One was a filing-fee surcharge, adopted in 1981, which produces about $1 million yearly for legal aid, and which the Legislature appears ready to continue. The second was collecting the interest paid on lawyers' trust accounts, which receive deposits of clients' money that are too small or too short-term to justify separate accounts in clients' names.

As a committee chairman for the Minnesota State Bar Association, Saeks helped design the interest program. On the bar association's recommendation, the Supreme Court made the program mandatory for Minnesota's 8,400 lawyers in private practice and provided a small staff. Last week, the Lawyer Trust Account Board, composed of lawyers and nonlawyers, with Saeks as chairman, announced $1.4 million in grants for the year beginning July 1.

In addition to the six federally supported agencies which will share $1 million, 21 other groups also received grants. The smallest grant was $1,700 to KUOM for law-related education. A consortium of mediation programs got $35,000 to improve justice administration. The Legal Rights Center, which mainly serves minorities, got $63,000.

The interest program became possible when banks began paying interest on checking accounts. The Federal Reserve System, which does not permit interest for business checking accounts, made an exception for lawyer trust accounts when the interest goes to programs like the one Saeks heads.

Florida, drawing on experience in Canada, was first to adopt an interest program, but only a voluntary one. California followed with a mandatory program, as did Minnesota. Since July 1983, the Minnesota program has collected $2.5 million. Initial awards totalling $335,000 were made in March 1984. A second round last December granted $770,000.

Saeks say 38 states have approved programs, although a smaller number have actually begun them. In terms of lawyer support and participation, as well as funds granted, he says, Minnesota is in the forefront. Financial-institution cooperation has been important, he adds. Amdahl also notes that more than 2,000 Minnesota lawyers volunteer time for legal aid. Overall, Amdahl says, "There's no state that can approach what Minnesota is doing."

It's too soon to evaluate fully the results of individual grants. But Saeks notes that a grant to the Neighborhood Justice Center in St. Paul helped train 40 translators for court cases involving Asian refugees. Another grant led to increased cooperation among three agencies—the attorney general's office, the Minnesota Public Interest Research Group and the St. Paul Tenants Union—and to the production of a booklet on tenant-landlord rights. To win their grant last week, four Minneapolis-area mediation organizations had to collaborate. A grant to the Minnesota Justice Foundation will help law students provide legal research for lawyers working without pay—thereby, Saeks says, "making legal aid to the poor more effective."

Saeks clearly prefers awards to stimulate innovation. But, he says, cutbacks in basic legal services leave the trust board no choice but to offset the cutbacks. He says the legal-aid programs can't handle poor people's needs adequately now; without the trust-account money, the agencies would serve fewer people.

Roger Cobb, administrator of Mid-Minnesota Legal Assistance, an umbrella legal-services agency that includes the Minneapolis Legal Aid Society, says the filing fees, in-

terest income and foundation help have enabled the six legal-services groups to restore their annual caseload to 30,000 or 32,000—nearly what it was before 1981. But, he says, that represents only 20 percent of the estimated legal problems of the poor. The groups' budgets yearly total about $8 million. Each year, President Reagan proposes to eliminate the program, but Congress continues it.

Chief Justice Amdahl says Minnesota's efforts to support legal help for the poor should be continued "not only for the indigent but for ourselves as well." He was referring to lawyers as representatives of society, but also to the kind of humane society Minnesota should be.●

PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD at this point the notification which has been received. The classified annex referred to in the covering letter is available to Senators in the office of the Foreign Relations Committee, room SD-423.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, July 26, 1985.
In reply refer to: I-04152/85ct.

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding under separate cover Transmittal No. 85-46, concerning the Department of the Navy's proposed Letter of Offer to Japan for defense articles and services estimated to cost $14 million or more. Since most of the essential elements of this proposed sale are to remain classified, we will not notify the news media.

Sincerely,

PHILIP C. GAST,
Director.

TRANSMITTAL NO. 85-46

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) (U) Prospective purchaser: Japan.
(ii) Total estimated value:

Major defense equipment	
Other	
Total	

(iii) Description of articles or services offered:
(iv) (U) Military department: Navy (SAU Amendment 1).
(v) (U) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.
(vi) (U) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See Annex under separate cover.
(vii) (U) Section 28 report: Case not included in section 28 report.
(viii) (U) Date report delivered to Congress: July 26, 1985.

POLICY JUSTIFICATION

(U) Japan is one of the major political and economic powers in East Asia and the Western Pacific and a key partner of the United States in ensuring the peace and stability of that region. It is vital to the U.S. national interests to assist Japan in developing and maintaining a strong and ready self-defense capability which will contribute to an acceptable military balance in the area. This sale is consistent with these U.S. objectives and with the 1960 U.S.-Japan Treaty of Mutual Cooperation and Security.

(U) The prime contractor will be the Lockheed California Company of Burbank, California.

(U) Implementation of this sale will not require the assignment of any additional U.S. Government personnel or contractor representatives in Japan.

(U) There will be no adverse impact on U.S. defense readiness as a result of this sale.●

EMERGENCY VETERANS' JOB TRAINING PROGRAM

● Mr. KERRY. Mr. President, yesterday, Senator MURKOWSKI, Senator CRANSTON, and I worked out an agreement to extend the Emergency Veterans' Job Training Act through March 1, 1986, and to hold hearings on the EVJTA with the view to considering further authorizations for the act.

Before this agreement was worked out, I was prepared to offer an amendment to the Veterans' Health Care Act today. That amendment was a simple amendment, consisting of three parts.

The first part extends the Emergency Veterans' Training Act of 1983 for 1 more year. The second part allows unemployed veterans to enroll in the program after 5 weeks, instead of the 15 weeks now required. The third part authorizes $75 million to extend the program through fiscal year 1986.

Each of these provisions was passed in substantially similar form by the House on May 20 without opposition.

Two years ago, when Congress enacted this legislation, it made a commitment of $300 million to make this program a reality. There were delays in implementing the program—only $150 million was ever appropriated for the program—more than 30,000 veterans were placed in the program—but hundreds of thousands more enrolled and never found jobs even with the program.

Mr. President, the House recognized that Congress made a commitment to our unemployed veterans to provide this help. Because the program was delayed in implementation and the full funds were never appropriated, that commitment cannot be fulfilled without the extension of the program for another year.

My office has received a number of calls from all over the country over the past 2 weeks about this program—calls from Albuquerque, NM, as well as from Boston, MA, from field workers who know what the program can mean to unemployed veterans, asking if there was anything they could do to let the people in Washington know that the program was working, that it was making a difference.

The Nation's veterans, and particular the veterans of the Vietnam era, sacrificed much for this country. This program is a small program in cost, but it has made a difference. Today, with new evidence of the fact that Vietnam veterans are still suffering from the effects of their service, we must not fall back from our commitment to them.

Just last week, the American Legion revealed the initial results of a just-completed study of Vietnam veterans which revealed that those who experienced intense combat continue to pay a price for their service—literally.

The results, announced July 23, showed that veterans with intense combat experience annually earn $3,000 to $4,000 less than their comrades who served at the same time, but not in Southeast Asia.

The general happiness and marriages of these heavy combat veterans were also significantly lower than for other veterans. As the scientists who conducted the study determined, there is a "clear and consistent adverse social effect of exposure to combat. Specifically, we find that as the mean level of traumatic combat experiences rises, so does the divorce rate. Conversely, annual family income declines as do the reported levels of general happiness."

As the scientists said:

> These men appear to be literally paying a financial cost, as well as emotional cost, for their combat experiences. . . . This information is a confirmation both of the stressful effects of the combat experience and of the particular effect it had on the men who were born in the period of 1944-1949. These men clearly bore the brunt of the war and its aftermath.

This problem is clearly recognized by veterans' organizations and veterans' service professionals, who feel that the Emergency Veterans' Job Training Act is an appropriate mechanism for responding to it. The act subsidizes job training programs for unemployed veterans. That subsidy helps put those veterans in the position to find jobs and develop skills enabling them to retain them.

Mr. President, I want to draw your attention to a second study, released last August by the California Employment Development Department, which studied veterans' employment

and training, and found that many Vietnam veterans have experienced prolonged periods of unemployment and have not been able to pursue their career goals.

Other findings are that Vietnam veterans have a taxable family income that is 40-percent lower than other veterans who served in the Vietnam era, and that three quarters of those surveyed desired to participate in programs that would upgrade their skills.

The study therefore concluded that Congress should extend the Emergency Veterans' Job Training Act for an additional 3 years, through 1988, warning that unless extended the program would "terminate before a majority of veterans ideally suited for EVJTA job openings will be ready to participate."

The Vietnam Veterans of America has taken a strong stand in support of extending this program for this very reason. And I would like to quote from a letter they sent to me explaining why it is so important that this program continue:

In the present budget climate, the VVA letter states, "smaller initiatives such as EVJTA often become lost in the shuffle. As you are well aware, unemployment among Vietnam veterans has not really abated in fifteen years. On any given day during the last decade and a half, nearly half a million such veterans have been jobless. In addition, there have been at least four occasions during the same period in which unemployment for the group has reached alarming proportions. If there were no underlying structural problem, then these cyclical rises should not be recurring. It is certain true that they recur amongst the general population. Since there is a close correlation between age and unemployment, one would expect that the problem would have vanished by now, with most Vietnam veterans approaching middle age. The fact is, the problem has not gone away as it did with World War II and Korean veterans. If we are ever to come to terms with unemployment among Vietnam veterans, we must tailor our remedies to address structural job problems. VVA believes that EVJTA does just that."

The VVA letter then discusses the budgetary implications of the program, pointing out that each time a veteran is hired under EVJTA, he or she becomes a taxpayer. A veteran entering a $16,000 per year job will pay at least $1,600 in Federal taxes during the first year. Since the cost of the program for that veteran would be approximately $4,000, this means that 40 percent of the cost of the training is returned to the Federal Treasury during the first year of employment alone.

This offset does not include the other budgetary and economic considerations involved—from unemployment insurance to food stamps and AFDC and other costs which are eliminated when you put a veteran back to work.

And we should also recognize the long-term economic benefit to this country occasioned by offering training to veterans that provides them with skills that keep them employed.

As the American Legion has concluded the EVJTA "continues to be working successfully to assist unemployed veterans in job training programs offering the acquisition of meaningful skills leading to moderate income employment."

In the view of the American Legion, "this important program deserves to be allowed to continue assisting veterans in need of the kind of training that leads to lasting employment."

The Legion points out that the Emergency Veterans Job Training Program is not a public sector, makework kind of program, but a program that has relied upon a partnership between the public and private sectors.

Unlike so many other job training programs . . . this program relies on the private sector to create both the training programs and the jobs for which veterans may apply. On balance, the cost of many of those failed [public sector] programs has never been recouped by the government in the form of revenues received by permanently employed individuals. On the other hand, this program was designed to do just that and in the absence of any evidence to suggest it is failing to make taxpayers out of unemployed veterans, this program is justified as a fiscally prudent investment.

As a distinguished leader of this body has said:

We find ourselves perhaps differing on the Vietnam War itself . . . We find ourselves in total agreement on adequate treatment of veterans who returned from Vietnam whether they be handicapped or not.

If they honorably served their country, then I think our commitment should be clear . . . If it costs extra money, it costs extra money. If we have to appropriate more money, we have to appropriate more money, but I believe in the long run that is a net gain for the government of the United States.

I ask that the letter from the American Legion and the letter from the Vietnam Veterans of America be printed in the RECORD at the conclusion of my remarks.

Mr. President, I am not offering this amendment today because I believe that the extension of the program until March, even without new authority, is a reasonable compromise position so long as hearings take place very soon on the EVJTA.

Senator MURKOWSKI and Senator CRANSTON have agreed to schedule such hearings as soon as possible after the August recess in September. At that time, I anticipate that representatives of veterans organizations and specialists on the problem of Vietnam veteran unemployment will testify to the need for EVJTA, and for possible modifications of the program, such as the job bank proposed in my bill.

Following that testimony, it is my hope that the Veterans Committee will decide to recommend the authorization of further money for this program, in an amount of at least $75 million for fiscal year 1986.

The letters referred to follows:

THE AMERICAN LEGION,
Washington, DC, July 24, 1985.

Hon. JOHN F. KERRY,
U.S. Senate,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR KERRY: The American Legion applauds your efforts to offer an amendment to S. 876 for the purpose of extending the Emergency Veterans Job Training Program. Even though this modest program was originally tailored to address the emergency needs of veterans displaced by this nation's most recent deep recession, it continues to be working successfully to assist unemployed veterans in job training programs offering the acquisition of meaningful skills leading to moderate income employment. In our view, this important program deserves to be allowed to continue assisting veterans in need of the kind of training that leads to lasting employment.

In that regard, The American Legion in conjunction with Columbia University have just released the first findings of a major study being undertaken to asess the special problems of Vietnam veterans. The finding released to the public on July 23, 1985 strongly suggest that Vietnam combat veterans are still in need of readjustment assistance. For example, these combat veterans are economically poorer, less adjusted from service, more suspicious of the VA and have greater divorce rates than similarly aged and similarly trained or educated noncombat veterans. While continuing the Emergency Veterans Jobs Training Program cannot be considered a panacea guaranteeing a total solution to the problems of Vietnam era veterans, it must be understood as still needed in the interest of providing many of these veterans with the personal and economic stability that solid employment provides.

In conclusion, one final aspect of this program should be clearly recognized as a contributor to its overall success. Unlike so many other job training programs having used the public sector in the past as the supplier of training and jobs, this program relies on the private sector to create both the training programs and the jobs for which veterans may apply. On balance, the cost of many of those failed programs has never been recouped by the government in the form of revenues received by permanently employed individuals. On the other hand, this program was designed to do just that and in the absence of any evidence to suggest it is failing to make taxpayers out of unemployed veterans, this program is justified as a fiscally prudent investment.

As always your attention to the views of The American Legion is appreciated.

Sincerely,

E. PHILIP RIGGIN,
Director.

VIETNAM VETERANS OF AMERICA, INC.,
Washington, DC, July 29, 1985.

Hon. JOHN F. KERRY,
U.S. Senate,
Washington, DC.

DEAR SENATOR KERRY: On behalf of Vietnam Veterans of America, I want to express our deep appreciation and strong support for your efforts to extend the Emergency Veterans Job Training Act (EVJTA). In the present budget climate, where decisions are

being made about billion dollar programs, smaller initiatives such as EVJTA often become lost in the shuffle. As a Vietnam veteran, you are well aware of how central the issue of employment is to a readjustment process that has already taken far too long for many of the men and women who served in our nation's longest war. Your leadership in familiarizing your colleagues with this problem, as well as with the program designed to remedy it, comes at a critical hour.

As you are well aware, unemployment among Vietnam veterans has not really abated in fifteen years. On any given day during the last decade and a half, nearly half a million such veterans have been jobless. In addition, there have been at least four occasions during the same period in which unemployment for the group has reached alarming proportions. If there were no underlying structural problem, then these cyclical rises should not be recurring. It is certainly true that they recur amonst the general population. The Vietnam veteran group, however, is an aging population. Since there is a close correlation between age and unemployment, one would expect that the problem would have vanished by now, with most Vietnam veterans approaching middle age. The fact is, the problem has not gone away as it did with World War II and Korean veterans. If we are ever to come to terms with unemployment among Vietnam veterans, we must tailor our remedies to address structural job problems. VVA believes that EVJTA does just that.

VVA recognizes that hard choices need to be made to reduce the budget deficit. We believe, however, that EVJTA is just as vital to the interests of Vietnam veterans as many as the programs that the Senate has chosen to sustain are to our fellow citizens. Fortunately, the cost of the progrm is relatively small. We believe the program not only assists the veteran but also ultimately benefits the taxpayers of the United States in two ways. First, over the short term, EVJTA immediately makes the veteran a taxpayer, since he or she is employed during the training period. A veteran entering a $16,000 per year job will pay at least $1,600 in federal taxes during the first year. Since the cost of the program for that veteran will be approximately $4,000, this means that 40% percent of the cost of training is returned to the Federal Treasury during the first year of employment alone. This offset does not include other considerations such as unemployment insurance, AFDC, food stamps and other costs in taxpayer dollars which are obviated by the veteran's employment. Second, there is a long term benefit to taxpayers in this program. Many Vietnam veterans have suffered recurrent periods of unemployment which are directly attributable to lack of skills, and consequent vulnerability to being last hired and first fired. Skill training under EVJTA should go a long way toward assuring that the cycle of employment and unemployment is finally ended for veterans trained under this program.

For Vietnam Veterans of America, the extension and health of the Emergency Veterans Job Training Act is a top legislative priority. We are gratified by our work on the program. We are confident that a majority of the members of the Senate will recognize, through your work, how important this modest program is to our Nation's ultimate economic health.

Sincerely,

DENNIS K. RHOADES,
Executive Director.●

CALL TO CONSCIENCE ON SOVIET JEWRY

● Mr. KENNEDY. Mr. President, as part of the 1985 Congressional Call to Conscience, I should like to draw my colleagues' attention to the plight of Abe Stolar and his family in the Soviet Union.

Mr. Stolar's story is an uncommon one. An American citizen, he has lived in the Soviet Union since 1931, when he was brought there by his parents at the age of 19. After building a life there, in 1975 he applied and received permission for himself, his Russian-born wife, and his son to emigrate to Israel. Their exit visas were rescinded after they had boarded a plane for departure, and they were removed from the plane. For the last 10 years, they have done everything in their power to obtain exit visas.

I had the good fortune to spend some time with Mr. Stolar during one of my recent trips to the Soviet Union. In fact, we spent an evening together with Andrei Sakharov and other refuseniks—with Abe Stolar acting as my interpreter. His family's situation has since become desperate.

Two and a half years ago, Mr. Stolar's son Michael married a Russian woman, Julia. Although the marriage was performed by a rabbi, the marriage bureau has refused to recognize its validity, ostensibly because the family had given up its Soviet citizenship in exchange for their illusory exit visas 7 years earlier. Those exit visas registered them "stateless," and for all practical purposes, that is what they are. Their American citizenship is ignored, but they are without the documents needed to participate as ordinary citizens in Soviet society; they live in that twilight zone so familiar to other refuseniks.

Earlier this year, the Soviet emigration agency, OVIR, granted exit visas to Mr. Stolar, his wife, and his son. But the agency has refused to grant an exit visa to Michael's wife, Julia. A stalemate has ensued. The Stolars refuse to leave unless Julia is allowed to accompany them, and the Soviets have repeatedly refused to permit Michael Stolar's wife to leave with him.

Mr. President, I know that all Members of the Senate share my concern over the tragic choice the Stolars refuse to make, and would join me in urging the authorities in the Soviet Union to allow all the members of the Stolar family to emigrate to Israel.●

BORG-WARNER AUTOMOTIVE TRANSMISSION SYSTEM OF MUNCIE, IN

● Mr. LUGAR. Mr. President, today, I would like to honor the Borg-Warner Automotive Transmission System of Muncie, IN, as my selection to receive the U.S. Senate Productivity Award. In 1984, I established a special committee of 11 Indiana executives to seek out nominees for the Productivity Award for Indiana. This year, there were 18 entries received by the committee which nominated three companies to undergo the final selection process which I personally steered. The committee visited each of these three companies and made recommendations based on the nomination and company visit.

Borg-Warner-ATS displayed an impressive set of credentials; it was practically devastated by the recession, and staged a somewhat remarkable recovery restoring the firm's profitability. It implemented innovations which led to over a 100-percent in sales from 1982 to 1984. Even more impressive, over 80 percent of this company's sales consist of products developed and launched in the last 4 years. They have overcome a stifling series of labor disputes and poor labor relations to establish a very constructive and profitable environment. These favorable income statements indeed reflect this profitable environment as the company has devised a new profitsharing program that will bear fruit for its employees in the very near future.

Not only is the Borg-Warner Automotive Transmission System now enjoying the fruits of its labor, it is also taking steps to secure its future profitability. It has recently initiated a new employee training program that has shown a net increase in productivity, proving its efficiency. Its safety incident rate is only half those of comparable firms in the industry.

With all of these facts in mind, I would again like to give the highest praise to the Borg-Warner Automotive Transmission System and commend its efforts to increase its productivity as well as take a critical role in enhancing the Indiana and United States economies.

Mr. President, I ask that the editorial in the Muncie Star on Sunday, March 4, 1984, regarding Borg-Warner Automotive Transmission System be printed in the CONGRESSIONAL RECORD.

[From the Muncie (IN) Star, Mar. 4, 1984]

WARNER GEAR'S SUCCESS

It would be hard to find a more important day in Warner Gear's history than Sunday, March 4, 1984.

For today marks the culmination of a program unique in the annals of labor-management relations in Muncie—a day set aside to salute a profit sharing program that has enriched not only Warner Gear employees but the entie Muncie community.

This afternoon in Ball State's University Gym more than $5 million will be distributed as a result of the company's profit sharing program. Employees are receiving $1.01 of profit sharing for each hour they worked in 1983. There are 2,761 employees receiving the dividends. As an example of what they might expect a person who worked 40 hours a week for 52 weeks would receive $2,100.

Last year, Warner Gear became the first Borg-Warner company to institute profit

sharing, although others have since adopted similar programs.

The success of the program extends far beyond the monetary sense. Charles Michael, president of United Auto Workers Local 287 at the local plant, decribes it this way:

"I think it's very good for all employees. The workers feel like it's fair, and we get a fair share of the profits."

Michael points out that the plant has recovered from two horrendous years in 1981 and '82. "To get into this much profit is quite amazing," he says. "A lot of people never thought it would happen, but it did."

"Our people wouldn't have gotten the money if we hadn't improved our product and quality," he says.

Kenneth Thorpe, Warner Gear vice president and general manager, also appreciates quality and knows that the profit sharing results would have been impossible without an improvement in all aspects of the plant's operation.

"Quality involves everybody," Thorpe says, "When people are involved, you get increases in production."

Dean Boyle. Warner Gear's vice president for human resources has called the profit sharing plan "the most important people-oriented event in the history of the company which dates to the earlier 1900s.

Boyle says the quality of work life programs begun in 1980 "on a handshake" between management and union officials are responsible in great measure for the company's recent success. The programs involve employees at every level in decisions about their work and work places and allows each person to develop to the fullest extent.

Finally, the Warner Gear success story is having a most postitive impact on the local community. Employment at the plant is aproximately 2,700, up significantly from the early 1983 figure of 1,850. And the dollars generated by the profit sharing plan benefit the local community many times over in terms of their purchasing power and investment potential.

It is for these reasons that The Star is pleased to salute Warner Gear for being a consistently good neighbor in the community and establishing itself as a business of excellence.●

CORPORATE AVERAGE FUEL ECONOMY STANDARDS

● Mr. MOYNIHAN. Mr. President, may I say a few words about the Senate's vote yesterday on Senator EVANS' amendment (No. 552) to the Conservation Service Reform Act of 1985. This amendment expressed the sense of this body that the Administrator of the National Highway Traffic Safety Administration [NHTSA] should maintain the corporate average fuel economy standard [CAFE] for passenger automobiles.

The Senate voted to table that amendment, and, in my view, erred in so doing.

Ten years ago, Congress approved the Energy Policy and Conservation Act to encourage energy conservation, by requiring U.S. automakers to develop more fuel-efficient cars. That statute established requirements for minimum average fuel economy standards for the fleets of cars produced by U.S. firms, to be phased in gradually. In 1985, the CAFE standard is to reach 27.5 miles per gallon.

Now the Environmental Protection Agency and the Department of Transportation have decided to grant the General Motors Corp. and the Ford Motor Co. extra credits for fuel economy performance over the past 5 years. These credits are designed to enable companies to meet the 1985 CAFE standard.

NHTSA also has proposed a rule that if finalized, would lower the congressionally set fuel economy standards from 27.5 to 26 miles per gallon. The public comment period for this rule ends on August 21, and I could think of no better comment in opposition than Senator EVANS' amendment.

I oppose these actions. Conservation of natural resources, particularly oil and gas, is vital to our very economic survival. Although oil imports have recently been decreasing, we ought not relax our efforts to conserve.●

TOBACCO PRICE SUPPORTS

● Mr. GORE. Mr. President, there has been a great deal of discussion in Congress and the news media concerning the future of the tobacco price support program. I have introduced legislation, S. 1205, to provide a mechanism for reforming the tobacco program and disposing of existing surplus tobacco in a fair and fiscally responsible manner. S. 1205 would earmark revenue from the Federal excise tax on cigarettes to compensate for the enormous loss facing the Government. Recently, the Ways and Means Committee in the House of Representatives agreed to this proposal.

S. 1205 is not a sellout to the tobacco companies. Rather, it is a compromise measure that helps individuals who need to be helped, the small tobacco growers in Tennessee and other States. This bill will preserve the tobacco program in a form beneficial to growers, without leaving them at the mercy of large manufacturers, and in a way that will not burden the general taxpayer.

I commend to the attention of my colleagues an excellent editorial on this issue which appeared in the Knoxville Journal on July 29. I ask that it be printed in the RECORD.

The article follows:

TAX SMOKERS, NOT GROWERS

The federal government's tobacco support program, the taxes tobacco generates and health issues attendant to tobacco use are sure to provoke arguments whether they are brought up across the nation's farm fences, on courthouse benches and coffee counter stools or in the halls of Congress.

They are resounding in congressional committee rooms right now, and there will be no settlement of any of the questions that pleases everyone.

But the House Ways & Means Committee has advanced one suggestion that is hard to assail. In recommending retention of the cigarette tax of 16 cents per pack—raised from eight cents in 1982, but scheduled to go back to that level in September—the committee earmarked a penny a pack for defraying the federal governments costs in storing surplus tobacco.

That 16-cent a pack cigarette tax should be retained or even raised rather than be allowed to fall. And at least a penny, perhaps two, should go to the federal price support program. Tobacco farmers are currently assessed for storage costs, but the assessments have fallen short as huge surpluses have amassed. The farmers are threatened with another large increase in assessments this fall. And those billings are the result of the failure of federal efforts, which hold prices up and allot tobacco acreages, to keep in some semblance of line with the market.

Farmers shouldn't have to pay the price for the program's absurdities. They are correct in calling attention to the fact that $9 billion in federal revenues from taxes on tobacco products gives the general taxpaying public a return that far exceeds any subsidy costs. If a smokers' tax can be used to take the whole load directly from the rest of the public, it should be instituted.●

PEANUT PRICE SUPPORTS

● Mr. LUGAR. Mr. President, an excellent article in the Wall Street Journal reveals that the present peanut price support system is indeed a feudal program. It benefits a very restricted class of landowners who have inherited or purchased the right to sell peanuts to his fellow U.S. citizens. Unless you are 1 of 55,632 individuals and corporations that have been blessed with a Government-controlled poundage quota, you are prohibited from selling peanuts in the United States, Canada, and Mexico.

Most owners of this privilege are not active in peanut farming and are unfamiliar with the daily perils of growing peanuts; 50 percent of the peanut farmers in this country must rent the right to sell peanuts in the United States from their more fortunate neighbors. Rental values account for over 25 percent of the total cost of producing peanuts.

While this scheme of marketing rights is particularly unfair to new and less fortunate growers, another protective layer of the program provides some restitution for them as well. The support level for peanuts continues to be dictated by a cost of production formula that includes quota rental values. Each time the quota rents increase, the price support levels are adjusted accordingly. As the quota price support level rises, the value of the quota increases—thus creating an inflationary spiral that thwarts all hope of market expansion.

The bottom line is simply that consumers are ultimately responsible for paying the enormous costs associated with the Peanut Price Support Program. Defenders of the status quo assert that it is a model farm program because it has operated without much

cost to the U.S. Treasury. The tremendous cost of the peanut program, however, has been charged directly to the consumer. The U.S. Department of Agriculture estimates that it adds an additional 13.5 percent to the cost of a jar of peanut butter. I continue to reject the rationale of transferring these enormous costs to all U.S. consumers, regardless of their level of income, while we are selling peanuts far more cheaply to consumers in other nations.

I will offer an amendment to the 1985 farm bill to reform this feudal program by phasing out the quota system over a 4-year period. Peanut farmers and U.S. consumers have suffered with this program long enough and reform simply cannot be delayed another 4 years.

I ask that the text of this article be printed in the RECORD.

The article follows:

[From the Wall Street Journal, July 29, 1985]

WE SHELL OUT A PECK FOR THIS NUTTY PROGRAM

(By James Bovard)

Amazingly, consumers may soon get a break on the 1985 farm bill. When the Senate considers the agricultural bill this week, Sen. Richard Lugar (R., Ind.) intends to offer an amendment to terminate the current peanut program. If Sen. Lugar's amendment passes, the farm lobby's phalanx will be broken, and other farm programs might be defeated.

Sen. Lugar is targeting perhaps the most obnoxious farm program around. It slashes productivity, boosts costs, inflates prices, and sacrifices some farmers to other farmers. If consumers are ever to make a stand in the farm bill fight, the peanut program is a good place to begin.

Farmers cannot grow peanuts for their fellow citizens without a federal license. Thirty-six years ago, to reduce budget outlays under a generous price-support program, Congress closed off the peanut industry, distributing licenses to grow peanuts to existing farmers and prohibiting anyone else from entering the business. Feudalism still reigns, and the farmer who violates the peanut proscription is subject to heavy fines and ensnarement in the Agriculture Department bureaucracy.

The peanut program is particularly perverse because Congress has piled on one restriction after another over the years. In 1977, Congress, in an attempt to reduce budget outlays caused by peanut surpluses, began restricting the amount of peanuts to be sold in the U.S. The domestic peanut supply has been nearly halved since 1975. This has created an artificial shortage and shifted the cost of the peanut program from the government to consumers.

The peanut program is replete with the usual ag policy flim-flams. By law, peanut support prices must be based on cost of production (COP). The Agriculture Department gets this "fair price" by averaging costs of the most productive and least competent farmers. The implicit premise is that no matter how badly a farmer bungles his business, he is entitled to be reimbursed (in part) for his efforts.

In 1980, peanuts were hit by drought, which sharply reduced yields and thereby temporarily boosted per-pound production costs. Congress based its 1981 COP calculation on the 1980 drought year—which conveniently justified a 21% hike in price supports, from $440 to $555 a ton.

The COP figure is also a joke because the peanut program itself adds as much as 50% to a farmer's cost of production. Approximately half of all growers rent licenses to grow (called quota allotments) from outsiders, paying a tribute of up to $120 a ton for the right to grow goobers. The cost of renting allotments is added to the COP formula, which results in higher price support, which drives up the rents for the privilege to grow peanuts, which results in higher COP . . . ad infinitum.

The quota system is also responsible for exhausting the soil and driving down peanut yields in many places. Quota allotments cannot be rented outside of the county they were originally allocated to in 1949. Peanut yields in parts of Texas have long been declining. While many acres with yields below 1,000 pounds have quotas, over a million acres with potential yields of 2,500 pounds or more are banned from producing for the domestic market.

The one good thing about the peanut program is also the element that proves that the whole shebang is unnecessary. As of 1981, any farmer could grow peanuts for export (called Additional Peanuts)—but with no real price guarantees from Uncle Sam. Peanut export sales are now far above mid-1970s levels. Georgia farmers are growing peanuts for export at $325 a ton—at the same time that Congress insists on paying farmers $555 a ton to produce for domestic consumption. Foreigners can buy U.S. peanuts much more cheaply than Americans can.

Though it is good that more farmers have finally been allowed to grow peanuts, the two-tier system sacrifices the new-comers to the old guard. By strictly limiting the domestic quota, the Agriculture Department reduces U.S. peanut consumption and there-by dumps a few hundred million tons of extra peanuts on the world market. This depresses prices received by American farmers growing peanuts for export.

The two-tier system is absurd. Peanut butter made from quota peanuts can be exported to Canada and Mexico, but peanut butter made from additional peanuts cannot. (The Agriculture Department fears the cheaper peanut butter made from additional peanuts could be reimported.) The additional peanuts themselves can be exported to Canada, and American peanut butter manufacturers are paranoid that Canadian companies may be using cheap peanuts to make peanut butter and then sending it back across the border.

Congress gives peanut growers a far better deal than other farmers receive. An American Peanut Product Manufacturers Institute study estimated that peanut price supports "have been set 80% above USDA-defined production costs . . . when land costs are excluded, and 60% above when the inflated costs of land are included." The Institute differs with the Agriculture Department's method of calculating peanut production costs. APPMI estimates that net returns to peanut farmers are four to 10 times higher than returns from competing crops.

Consumers are, as usual, the victims of this farm program. The Agriculture Department estimates that the peanut program boosts peanut butter prices 13.5%. Public Voice for Food and Health Policy, a Washington consumer group, estimates that the peanut program mulcts consumers for $250 million to $300 million a year.

There is hope for reform. The peanut program was almost knocked off in 1981. That year, Rep. Stan Lundine (D., N.Y.) proposed terminating the program, and the House approved 250–159. Sen. Lugar proposed phasing it out, and the Senate initially approved, 56–42. (The Senate later reversed itself, 51–47, and Rep. Lundine's bill vanished in conference.) Now both Rep. Lundine and Sen. Lugar will try again. APPMI, other peanut-product manufacturers, and Public Voice are vigorously lobbying to persuade Congress to end the goober madness. The peanut program's opposition is stronger and better organized this year and appears to have a good chance of success. And if the peanut program can be knocked down, a domino effect could occur with the rapid demise of the honey, wool and sugar programs.

The peanut program artfully combines the worst traits of feudalism and central economic planning. Congress has a chance to end this program that makes a mockery of efficiency, fairness and property rights.●

SECTION 226 OF S. 410

● Mr. GORE. Mr. President, I should like to express my understanding of one provision in the new section 226, which S. 410 would add to the National Energy Conservation Policy Act. Basically, section 226 sets up a system by which the Secretary of Energy can authorize a utility to undertake an Alternative Residential Energy Conservation Program if the program will result in equal or greater energy savings than that provided by a standard utility program. I think this is a good provision and will add a valuable flexibility to NECPA.

Among the prerequisites to the Secretary's authorizing an alternative utility program under the new section 226 is that certain State officials, including the Governor, must make certain findings, take certain actions, and conduct certain State proceedings. I understand that this provision is not intended to change the role of the Tennessee Valley Authority with respect to its cooperative and municipal distributors under NECPA.

TVA was one of the earliest supporters of NECPA, having begun its own residential conservation program before NECPA was even introduced in Congress. Under the NECPA System enacted in 1978, TVA is treated as a "State" with respect to its distributors and it is defined as a "State regulatory authority." It is also treated as a "Governor" and "State agency" for the purposes of section 212, and it submits its own "State plan" to DOE with respect to its distributors. I understand that TVA would continue this same role under section 226 by acting as the "Governor" and the "appropriate State officials" for the purpose of carrying out that section.

The TVA power system is a unified system with distributors in seven dif-

ferent States. It is appropriate that it continue its same role it has served under NECPA for the last 7 years and function as the "Governor" and "appropriate State official" under section 226 with respect to its distributors.●

ORDERS FOR WEDNESDAY

RECESS UNTIL 10 A.M.

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10 a.m. on Wednesday, July 31, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF CERTAIN SENATORS

Mr. DOLE. Mr. President, I ask unanimous consent that following the recognition of the two leaders under the standing order, there be special orders in favor of the following Senators for not to exceed 15 minutes each: Senators PROXMIRE, KERRY, and HEINZ.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that following the special orders, there be a period for the transaction of routine morning business not to extend beyond the hour of 11 a.m., with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. Mr. President, following the conclusion of routine morning business, it is the intention of the majority leader to turn to the conference report to accompany supplemental appropriations as well as any other legislative or executive calendar items which have been cleared for action.

I would guess there would be rollcall votes throughout Wednesday's session, and it may be the first thing that will be called up tomorrow is S. 63, In-Flight Medical Emergencies Act. I understand it is rather important legislation. We hope that if someone has a real problem with it, they can be in touch with staff on either side. It was near resolution at one point, but apparently some problem has developed. I am not certain where it is. If we can clear that for action tomorrow morning, we will call it up. So that might be the first legislative item tomorrow.

There are others that we will continue to work on tomorrow, the Mentally Ill Persons Act of 1985, S. 974; teaching hospitals, S. 1210; the International Air Transportation Protection Act, S. 1218. I understand there may be some difficulty with that, but the other two should be cleared. Then the energy and water appropriations bill and legislative appropriations bill. The budget resolution will not be around tomorrow. Compact of Free Association I am advised is now in some difficulty because of a difference of opinion within the administration; different agencies have different views on what should happen, and I am advised by Senator MCCLURE, chairman of the committee, that we probably will not be able to take that up at this time.

The Japan trade bill has been objected to. South African conference report, the conferees meet tomorrow and I hope they can reach an agreement. We might be able to dispose of that. The Genocide Treaty, only if we can do it rather quickly.

RECESS UNTIL 10 A.M. TOMORROW

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move the Senate now stand in recess until 10 a.m. Wednesday, July 31.

The motion was agreed to, and the Senate, at 7:32 p.m., recessed until Wednesday, July 31, 1985, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 30, 1985:

IN THE MARINE CORPS

The following-named officers of the Marine Corps Reserve for permanent appointment to the grade of lieutenant colonel under provisions of title 10, United States Code, section 5912:

Allen, Paul D., Jr., xxxx
Anderson, William T., xxxx
Atkins, James P., III, xxxx
Austin, Robin L., xxxx
Baker, Linwood V., xxxx
Bennett, Judson E., Jr., xxxx
Baro, Roberta M., xxxx
Bell, Doris A., xxxx
Bergman, John W., xxxx
Bingham, John W., xxxx
Blakely, William D., xxxx
Blalock, Willard D., xxxx
Blum, Raymond O., xxxx
Bonner, William J., Jr., xxxx
Bracken, John H., III, xxxx
Brady, Earl C., xxxx
Brudzinski, George E., xxxx
Brumley, Robert H., II, xxxx
Burke, Patrick T., xxxx
Callahan, William K., xxxx
Calvert, Jerry L., xxxx
Carney, Timothy J., xxxx
Carr, Paul D., xxxx
Clements, John D., xxxx
Collins, Francis L., III, xxxx
Cox, Steven L., xxxx
Crosby, Brian P., xxxx
Cross, David L., xxxx
Daggett, Dean E., xxxx
Dare, James W., xxxx
Davis, Andrew B., xxxx
Dolan, Peter A., Jr., xxxx
Dzara, David D., xxxx
Eaton, Charles F., xxxx
Elmendorf, Byron L., xxxx
Englenhardt, Stephen M., xxxx
English, Bill J., xxxx
Evans, John W., Jr., xxxx
Fargotstein, Phillip P., xxxx
Feltner, Geoffrey B., xxxx
Fogg, John S., xxxx
Foley, Daniel R., xxxx
Ford, Michael J., xxxx
Fugit, James D., xxxx
Fuhrmann, Michael J., xxxx
Garner, Jerry D., xxxx
Gbur, Jonathan E., xxxx
Gilson, Richard A., xxxx
Gonzales, Ronald J., xxxx
Goodrich, Lorraine D., xxxx
Gordon, Adrian J., xxxx
Gorian, James D., xxxx
Gray, Michael S., xxxx
Grose, Dennis R., xxxx
Gross, Maurice, Jr., xxxx
Gruber, Robert L., xxxx
Hackney, William R., III, xxxx
Hall, Nathan S., xxxx
Hanvey, Stephan A., xxxx
Haring, Timothy A., xxxx
Harrison, Neal B., Jr., xxxx
Hatcher, Charles C., xxxx
Henderson, Edward M., Jr., xxxx
Herzog, William E., xxxx
Hewett, Michael E., xxxx
Higgins, Ronald L., xxxx
Hobbs, Charles R., xxxx
Hoffman, Dolores K., xxxx
Hosmer, William D., Jr., xxxx
Howard, John E., xxxx
Hubbard, Clinton L., xxxx
Huovinen, James R., xxxx
Hyde, Carl D., xxxx
Inman, Vernon K., xxxx
Jodeit, Michael R., xxxx
Kanasky, Thomas L., Jr., xxxx
Keene, Everett H., xxxx
King, Giehl L., xxxx
Klein, Christopher M., xxxx
Kniss, Gary J., xxxx
Kostka, Ken S., xxxx
Kurner, David C., xxxx
Kyler, Duane E., xxxx
Lentz, Fleet S., Jr., xxxx
Liston, Clinton R., xxxx
Lloyd, Jeffrey J., xxxx
Loop, William C., xxxx
Mackin, Charles P., Jr., xxxx
Mahoney, Joseph H., xxxx
Manes, Robert D., xxxx
Maracchini, Gerald A., xxxx
Marsilio, Thomas M., xxxx
Maxwell, Richard C., III, xxxx
McCartney, Stephen M., xxxx
McLaughlin, Gregory M., xxxx
McLean, David S., xxxx
Messikomer, Emil H. III, xxxx
Miskill, Carol A., xxxx
Molnar, Csaba S., xxxx
Moore, James B., Jr., xxxx
Moore, James D., Jr., xxxx
Moore, Robert C., Jr., xxxx
Morgan, Joseph M., xxxx
Morris, John G., xxxx
Morse, Roger W., xxxx
Mountain, Kenneth E., Jr., xxxx
Moynihan, David C., xxxx
Mullins, Robert M., xxxx
Muse, Charles T., xxxx
Nies, Peter C., xxxx
Parilla, Paul H., xxxx
Parkhurst, Allen R., xxxx
Pastel, Christopher R., xxxx
Pesek, Thomas F., xxxx
Pitman, Thomas J., xxxx
Quinn, James Y., III, xxxx
Quinter, Robert H., xxxx
Ragsdale, James T., xxxx
Redfern, Kurt B., xxxx
Riddick, Harry S., Jr., xxxx
Ritti, Eugene A., xxxx
Rosen, James M., xxxx
Salewski, John T., xxxx
Sarvinski, Galen H., xxxx
Sawyer, Joseph E., Jr., xxxx

Schron, Courtney C., xxxx
Seiser, Gary C., xxxx
Shillito, Daniel G., xxxx
Shimp, James D., xxxx
Shreve, Dana S., xxxx
Smith, Earl R., xxxx
Smith Franklin B., xxxx
Smith, Walter H., Jr., xxxx
Spector, Ronald H., xxxx
Starnes, Walter L., Jr., xxxx
Staver, Dennis K., xxxx
Steckler, Leslie J., xxxx
Stickel, Glenn W., xxxx
Stockton, Harry W., xxxx
Sullivan, David S., xxxx
Swietek, Robert E., xxxx
Synnes, Dale C., xxxx
Taft, John H., xxxx
Taylor, Richard W., xxxx
Teele, John P., xxxx
Thomas, Jan P., xxxx
Toczylowski, Casimir M., xxxx
Tray, Patrick J., xxxx
Vandenbrook, Martin R., xxxx
Vianello, Gerald A., xxxx
Walker, Bradley C., xxxx
Wetzel, Warren A., Jr., xxxx
Wilkerson, Richard J., xxxx
Williams, Charles E., xxxx
Williams, Leslie K., xxxx
Wilson, Douglas A., xxxx
Wirsching, Robin F., xxxx

CONFIRMATIONS

Executive nominations confirmed by the Senate July 30, 1985:

Postal Rate Commission

Patti Birge Tyson, of Texas, to be a commissioner of the Postal Rate Commission for the term expiring November 22, 1990.

Environmental Protection Agency

J. Winston Porter, of Virginia, to be Assistant Administrator, Office of Solid Waste, of the Environmental Protection Agency.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

The Judiciary

Curtis E. von Kann, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia for a term of 15 years.

HOUSE OF REPRESENTATIVES—*Tuesday, July 30, 1985*

The House met at 12 o'clock noon.

The Reverend Kermit Johnson, former Chief of Chaplains, U.S. Army, Washington, DC, offered the following prayer:

Gracious God, whose strong presence is with us, strengthen us for the work of this day.

God of Justice, who puts down the mighty and exalts the lowly, help us to actively respond to Your voice in the voiceless who cry out for justice.

God of Hope, heal our cynicism. May we not support what we condemn and may we support even imperfect instruments for human hope.

God of Peace, in whose outstretched arms we all find welcome, may we not fear to reach across barriers of distrust.

God of Grace, who has specially blessed our land, may we both conserve and share Your gifts.

So, may we do justice, and love mercy, and walk humbly with You, our God, our Strength and our Redeemer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate disagrees to the amendments of the House to the bill (S. 1128) "An act to amend the Clean Water Act, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STAFFORD, Mr. CHAFEE, Mr. SIMPSON, Mr. DURENBERGER, Mr. BENTSEN, Mr. MITCHELL, and Mr. MOYNIHAN to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill and joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1078. An act to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes; and

S.J. Res. 180. Joint resolution commemorating the 10th anniversary of the signing of the Helsinki Final Act.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

CERTAIN FORMER FLIGHT ENGINEERS OF WESTERN AIRLINES

The Clerk called the bill (H.R. 484) for the relief of certain former flight engineers of Western Airlines.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

MEALS ON WHEELS OF THE MONTEREY PENINSULA, INC.

The Clerk called the bill (H.R. 1095) for the relief of Meals on Wheels of the Monterey Peninsula, Inc.

There being no objection, the Clerk read the bill, as follows:

H.R. 1095

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Meals on Wheels of the Monterey Peninsula, Incorporated, and any individual who performed service in its employ after 1975 and before 1983 are relieved of all liability to the United States for the payment of unpaid taxes imposed by chapter 21 of the Internal Revenue Code of 1954 (and any interest or penalty assessed or accrued on such taxes) with respect to service performed in the employ of Meals on Wheels of the Monterey Peninsula, Incorporated, during such period.

SEC. 2. For purposes of title II of the Social Security Act, service performed in the employ of Meals on Wheels of Monterey Peninsula, Incorporated, after 1975 and before 1983 shall be treated (for purposes of benefits for months beginning after the month in which this Act is enacted) as employment, if and to the extent that a detailed record of such service is transmitted to the Secretary of Health and Human Services within twelve months after the date of enactment of this Act.

AMENDMENT OFFERED BY MR. PANETTA

Mr. PANETTA. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PANETTA: Page 1, strike out lines 3 through 11 and insert in lieu thereof the following (and redesignate section 2 as section 3):

That, except as provided in section 2, Meals on Wheels of the Monterey Peninsula, Incorporated (hereinafter referred to as "Meals on Wheels"), and any individual who performed service in its employ after 1975 and before 1983 are relieved of all liability to the United States for the payment of any interest or penalty assessed or accrued on unpaid taxes imposed by chapter 21 of the Internal Revenue Code of 1954 with respect to service performed in the employ of Meals on Wheels during such period.

SEC. 2. The Secretary of the Treasury shall take no action before the end of the 90-day period beginning on the date of the enactment of this Act with respect to the collection of any unpaid taxes imposed by chapter 21 of the Internal Revenue Code of 1954 for which Meals on Wheels and any individual who performed service in its employ after 1975 and before 1983 are liable with respect to service performed in the employ of Meals on Wheels during such period. Section 1 shall not apply for purposes of relieving Meals on Wheels of any liability arising after the end of such 90-day period for the payment of any interest or penalty on any amount of such taxes which remain unpaid after the end of such 90-day period.

Mr. PANETTA (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. The question is on the amendment offered by the gentleman from California [Mr. PANETTA].

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Private Calendar.

PERMISSION FOR COMMITTEE ON FOREIGN AFFAIRS TO FILE CONFERENCE REPORT ON H.R. 2068, DEPARTMENT OF STATE, U.S. INFORMATION AGENCY, AND BOARD FOR INTERNATIONAL BROADCASTING AUTHORIZATIONS FOR FISCAL YEARS 1986 AND 1987

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight tonight to file the conference report on the bill (H.R. 2068) to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the U.S. Information Agency, the Board for International Broadcasting, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. BARTLETT. Reserving the right to object, Mr. Speaker, I would

inquire of the gentleman, under my reservation, has that been cleared with this side?

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Florida.

Mr. FASCELL. Yes, it has. The ranking member, the gentleman from Michigan [Mr. BROOMFIELD], is right here.

Mr. BARTLETT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

LAST MONTH'S TRADE DEFICIT A RECORD-BREAKER

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, it's official! The Commerce Department announced today that last month's trade deficit was a record-breaker again, tipping the scales at $13.4 billion more imports coming onto our shores than exports going out, again the loss of thousands more jobs in America. Not only must we reassess this trade gap and its relation to jobs but also in the context of our solemn oath to provide for the common defense.

When the Revolutionary War broke out two centuries ago, our Continental Army found itself desperately in need of military equipment and clothing. The scene of soldiers with rags for boots at Valley Forge still stirs the hearts of all Americans. We were a group of colonies, dependent on another country for our manufactured goods. Now, when I look out and see that 77 percent of all footwear in this country is imported, I wonder just what country American soldiers of the future will have to rely on? And how about for uniforms and parachutes, with what's happening in our textile industry?

What kind of strategic situation are we in when we import 77 percent of our footwear, 95 percent of our motorcycles, 40 percent of our machine tools, 30 percent of motor oil fuel, and when we've given up most of the shipbuilding capacity in America and have lost our steel and metals development capacity to other nations? The accelerating decline of our manufacturing base is really a matter of national security. But, how can we expect progress on these fronts when we have a Pentagon that spends tens of thousands of dollars each year giving away watches made in Hong Kong and hats made in Taiwan to recruit the GI's of tomorrow?

SOVIET'S CALL FOR A 5-MONTH FREEZE ON NUCLEAR TESTING ANOTHER EXERCISE IN SOVIET DISHONESTY

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, the new Soviet leadership's call for a 5-month freeze on nuclear testing smells like leftover borscht.

Coming just a week after the Soviet's set off three nuclear explosions, it makes you wonder if there really is anything new in Moscow other than the smiling face of Gorbachev.

Ironically, it comes as the world observes the 10th anniversary of another exercise in Soviet dishonesty—the signing of the Helsinki accords designed to promote human rights in the Soviet bloc nations.

Ten years later, Soviet prisons and labor camps are full; emigration has slowed to a trickle; and names such as Sakharov and Shcharansky have become worldwide symbols of Soviet oppression.

If the Soviets were serious about reducing the nuclear threat, they would agree to onsite inspection.

Mr. Speaker, how could anyone take seriously this proposal from the same nation that shot down an unarmed civilian airliner, crushed freedom in Poland, and which continues to slaughter Afghan freedom fighters?

Mr. Gorbachev, you've got to be kidding.

THE PHYSICIAN'S EDUCATION LOAN COLLECTION ACT OF 1985

(Mr. ANDREWS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDREWS. Mr. Speaker, I have introduced legislation which will correct a serious defect in the National Health Service Corps scholarship program. This bill requires that physicians who are in default on loans made under that program shall be forced to repay the Government through deductions from amounts due to them under the Medicare and Medicaid Programs. This legislation would strengthen debt collection procedures available to the Department of Health and Human Services.

Millions of dollars are owed the Government due to these defaulting doctors, and further millions are being paid currently to these same doctors in reimbursement for services provided through Medicare and Medicaid. A check of 80 doctors who defaulted on $2.3 million of medical school loans disclosed that the same doctors received $3.5 million in Medicare and Medicaid reimbursements over a 2-year period. This illogical practice should not be allowed to continue. This Student Loan Program is important to improved health care in this country and to the education of deserving students; it should not be abused. These delinquent doctors should pay their debts.

THE AMERICAN PEOPLE ARE DEMANDING DEFICIT REDUCTION

(Mr. PURSELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PURSELL. Mr. Speaker, for some time now in 1-minute speeches, I have been reading letters on the budget from my constituents in Michigan's second district.

An overwhelming majority of my constituents are demanding deficit reduction, as are the great majority of the American people.

Here we are, 4 days away from recess, and still—no budget resolution.

Unfortunately, the conferees don't seem to be listening to the American people. If they had been, we'd have a budget resolution.

It's interesting how the American people have seen the writing on the wall. Daniel L. Quint of Northville, MI writes:

> Please stop playing politics, Democrats versus Republicans, with the future of our economy and the future opportunities of our children.

And Lynn and David Booth of Dexter, MI write:

> Prolonged bickering * * * will directly lead to total disharmony, deficient budget reductions, and certain inaction. A flawed lean budget is far preferable at this time * * *.

Thank you, Mr. Quint and Mr. and Mrs. Booth.

Let's report out a budget resolution and move this country toward continued economic growth by reducing Federal spending.

□ 1210

THE ALUMINUM INDUSTRY

(Mr. McCLOSKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLOSKEY. Mr. Speaker, I rise to express my support for efforts being made by the U.S. aluminum industry to gain greater access to the markets of our trading partners in Japan, Canada, and the European Community.

Today, our colleagues on the House Energy and Commerce Subcommittee on Investigations and Oversight, are hearing from the Aluminum Co. of America [Alcoa] on efforts to get the Japanese to open more of their markets to American aluminum. American aluminum presents the Japanese with an excellent opportunity to increase purchases of products made in the

U.S.A. They can begin by reducing tariffs on aluminum sheet and plate. Currently, Japan plans to reduce duties on this product by 20 percent beginning April 1, 1986. But this action will still leave Japanese aluminum tariffs three times higher than the U.S. tariff on similar commodities.

As a Representative of a district where a major aluminum production facility is located—Alcoa's Warrick operations in Newburgh, IN—I am vitally concerned we insist on fair play in the international aluminum market. Fair trade can benefit both countries.

SHUSTER ENDORSES CONRAIL PUBLIC SALE

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, after several months of evaluation, last week I reached my decision to support the public sale of Conrail, rather than the administration's proposed sale to Norfolk Southern Railroad.

I urge my colleagues to carefully consider the proposed public sale for several reasons:

The public sale will provide more income to the Federal Government; it will preserve competition; give better service to shippers; create more opportunities for employees; and preserve an independent railroad to serve the Northeast and Midwest.

There is indeed a risk involved in supporting an independent Conrail. If you believe that the Northeast is doomed to stagnation and decline, then an independent Conrail is likewise doomed. But if you believe in the future of the region, then an independent Conrail can surely survive and prosper. As it now is doing.

The bottom line, Mr. Speaker, is that I choose to believe in the future of our region of America, so I choose to support an independent Conrail.

ARMS CONTROL

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, 22 years ago President Kennedy broke the arms control deadlock of his day by challenging the Soviet Union to a moratorium on atmospheric nuclear testing. His initiative led 8 weeks later to the agreement and signing of the atmospheric test ban treaty. Yesterday Soviet leader Mikhail Gorbachev followed President Kennedy's courageous example by announcing that the Soviet Union will unilaterally stop conducting nuclear tests from August 6 until January 1, and will not be the first to conduct another nuclear test. This could be the opportunity of a lifetime for a lifetime of peace.

The Soviets have given a mile and President Reagan has taken an inch. He flatly rejected the offer and invited the Soviets to witness an American test. He has conceded the moral and political high ground to Gorbachev.

Mr. Speaker, this is no way to break through the barriers to arms control. Progress requires a show of good faith as well as strength. Refraining from nuclear testing and resuming negotiations on a CTB shows good faith without jeopardizing our national security. It goes far toward reaching an agreement to reduce the nuclear threat and head off an economically crushing arms race. We in Congress must go the full mile for arms control and meet the Soviet challenge. I invite my colleagues to urge the President to reconsider the Soviet offer; join with me on H.R. 1834, the simultaneous nuclear test ban; and stand up for economic, military, and common sense.

COMPARABLE WORTH

(Mr. DAUB asked and was given permission to address the House for 1 minute and to extend his remarks.)

Mr. DAUB. When, my colleagues, is a study not a study? When it is a comparable worth study.

H.R. 3008 will be before the House this week. This legislation sets up a so-called study that would in fact make substantial change in the antidiscrimination laws, laws that are applicable to both the public and the private sector.

Never before has title VII of the Civil Rights Act of 1964 been interpreted to mean that equal pay must be paid to different jobs when someone deems them to be comparable.

Equal opportunity and nondiscrimination are the law. Equal pay for equal work is the law. Comparable worth is not the law.

The study that would be mandated by H.R. 3008 actually defines job evaluation as objective. This objectivity of comparable worth schemes can clearly be illustrated by comparing the job ratings of different comparable worth studies that have been performed in different States. When converted to a common scale, a nurse was rated 79 points in Minnesota, 124 points in Iowa, 108 points in Washington, and 150 points in Wisconsin. This kind of comparison showed that 3 States believed that nurses should be paid more than electricians, but in Minnesota it proved that they thought nurses should be paid less than electricians. Nevertheless, comparable worth proponents claim these studies to be bias free and totally objective. They can determine the intrinsic worth of jobs, we are told.

My bottom line is, there is no universal standard for job worth. H.R. 3008 asks Congress to endorse the fundamentally flawed concept of comparable worth through the guise of claiming it is only a study.

My colleagues, do not be deceived.

OUR POLICY IN NICARAGUA

(Mr. BONIOR of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONIOR of Michigan. Mr. Speaker, today's Washington Post carries and article about a new series of Contra attacks inside Nicaragua. Among those killed in a Contra ambush were eight mothers going to visit their sons in the military service.

Many of the Members of this body believe that our aid to the Contras is in the interest of democracy in Central America; that is a method of pressuring the Sandinistas toward internal reforms. In the most recent votes on this issue, supporters called new aid to the Contras "humanitarian."

I know these are the genuine goals of every Member of this body. But, as the death of these eight mothers reminds us, our goals are not always matched by reality. We are backing a war in Nicaragua, a war that is causing immeasurable suffering to the civilian population of that country.

I hope my colleagues will continue to evaluate the consequences of our policy in Nicaragua, and will not close their eyes to the human costs of this war. For today in Nicaragua, there are eight more families without mothers, and an entire generation of children, who cannot forget what a policy that claims to support democracy has done to their lives.

CERTAIN FORMER FLIGHT ENGINEERS OF WESTERN AIRLINES

Mr. GLICKMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 484) for the relief of certain former flight engineers of Western Airlines.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read the bill, as follows:

H.R. 484

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to each of the former flight engineers of Western Airlines named in subsection (b) (or if a named individual is deceased, to his estate) the sum of $25,000.

(b)(1) The individuals referred to in subsection (a) are the following: Carlos Acuna, Fidel Aguirre, Arne Anderson, John Araiza, A. J. Baker, Joseph Baniecki, Arthur Bankers (deceased), Leland Bartleson (deceased), Frederick Beneze, William Blagdon, Jerry Blakeley, Hugo Boisett, Richard Bolton,

Richard Bongard, Donald Boyd (deceased), Frank Brasmer (deceased), Wayne Brewer, Lowell Bright, James Brott, Owrie Brown, Harold Camp, Emmett Carroll (deceased), James Carroll, Joseph Carter, A. J. Christensen, Glenn Collins, Ronald Crachy, Dick Crampton (deceased), Pierre Du Bois, Frank Crites, Louis Dauthtry, Sam Diehl, Donald Farrell (deceased), Thomas Farrell, Lyndon Fellows, Dorrence Fincher, Dewey Foster, Edward Franzen, Robert Fredrickson, William Gaedtke, Donald Gage, Daniel Galligan, Edward Gerlits, Wendell Goldsmith, John Hamilton, Harold Hayen, Fred Hazlett (deceased), William Hegemann, George Heinz, Robert Hicks, Eugene Hodgins, Duncan Hughes, Joseph Irvine, Albert Johnson, Harold Johnson (deceased), Jack Johnston, Stanley Klescewski, Dale Kluckman (deceased), John Kosmicki, Stanley Koltvett, Al Krueger (deceased), Glenn Kvendru, William Lagler, Donald Lensing, Paul Litjen, Robert Longworth, Loren Lorenzen, Bert Martens, Charles Martin, James McMahon, Antonio Mendiola, Gerald Moe, James Middleton (deceased) Jake Morlock, I. Newman, George Norris, L. O'Conner, Virgil Paulsen, James Potts, Dwight Preston, Robert Pugh (now known as Robert Gould), Peter Raymen, George Richter, Stanley Rober, Merle Russell, William Rodger, Walter Sabol, William Sawvell, Robert Sawyer, John Schroeder, Kenneth Schultz, Kenneth Severson, Donald Shannon, Kenneth Sherman, Edward Sherwood, Earl Shiveley, William Short, Eugene Siebern, Chifford Smith, Eldred Steffens, Raymond Tanis, Eli Tarin, Eli Tavarez, Paul Theod, Richard Thomas, Glenn Tidwell, Henry Tomberg, John Trank, William Tyler, Earl Troutner, Andrew Vagenas, Manuel Vargas, Alfred Vereb, Torgeir Vik, Martin Wahne (deceased), Rodney Waite, John Walik, Gillis Walsh, Herman Weinstein, John Willey, Fred Wolf, and David Wright (deceased).

(2) The individuals referred to in paragraph (1) are individuals who are former flight engineers of Western Airlines and who were plaintiffs in the matter referred to the chief commissioner of the Court of Claims by H. Res. 83, Ninety-fifty Congress, pursuant to section 1492 of title 28, United States Code (congressional reference case numbered 1-78).

SEC. 2. No part of each amount provided for in the first section of this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the claim of any individual named in subsection (b) of the first section and the payment of receipt in excess of 10 per centum of each amount provided for in the first section shall be unlawful, any contract to the contrary notwithstanding. Violation of the provisions of this section is a misdemeanor punishable by a fine not to exceed $1,000.

With the following committee amendment: page 2, line 2, strike out "25,000" and insert in lieu thereof "$20,000".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GLICKMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

COMPARABLE WORTH

(Mr. ARMEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARMEY. Mr. Speaker, not only do the proponents of comparable worth claim that it is only a study, but they further make the fallacious claim that no study of this subject has been done in the last 67 years, the last 57 years, the last 30 years, as previously reported.

Mr. Speaker, I have before me a summary entitled, "Equal Worth, Comparable Worth, and, Market Worth of Federal Jobs. A study of the Federal Government Pay Classification and Qualification System for Employment," by the U.S. Office of Personnel Management.

□ 1220

This is the study that is summarized in that report. The fact of the matter is that it has been studied not only by the Office of Personnel Management, but also by the U.S. Civil Rights Commission. The study, in both cases, rejected the concept.

If I may quote from the Office of Personnel Management:

Comparable worth simply is a recipe for conflict. Any nonmarket assignment of worth to different jobs would be arbitrary and therefore unjust. Such a system would promote class conflict. Notice we have not even referred to the cost of such a system which would be very substantial in the hundreds of billions of dollars, but only of comparable worth's illogic, imprudence, and injustice.

The fact is the studies have been made, the conclusions have been drawn, and there is no need to further study such an alternative.

THE CONCEPT OF PAY EQUITY

(Mrs. BURTON of California asked and was given permission to address the House for 1 minute.)

Mrs. BURTON of California. Mr. Speaker, I rise today in support of H.R. 3008, and for the concept of pay equity in general.

We all know that discriminatory wage practices exist. We know that they exist within the Federal wage classification system.

The Federal Government, which is the single largest employer, cannot continue to perpetuate a wage structure that systematically discriminates against a majority of its female employees.

Many of the States are already studying and collecting data on their wage structures. In California, three agencies collect data annually on comparable worth activities in the workplace.

In 1981, our legislature passed an amendment to the State civil service law establishing "a State policy on setting salaries for female-dominated jobs on the basis of comparability of the value of work."

In my city of San Francisco, the board of supervisors overwhelmingly passed a resolution declaring the city's intention to eliminate pay inequity based on race or sex-based wage classification.

Mr. Speaker, I urge my colleagues to realize that we are calling for a study, an important one. What we will end up with is knowledge—upon which we can plan.

THE NEVADA WILDERNESS BILL

(Mr. REID asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REID. Mr. Speaker, when working on bills it's as important to define the legislation in terms of what the issues are not as it is for what the issues are. That has become especially true for a Nevada wilderness bill.

Earlier this week, I discussed what wilderness is, what it includes. Now, in order to dispel myths and confusion, I'd like to discuss what wilderness legislation is not.

For ranchers the Wilderness Act of 1964 does not preclude existing grazing uses in wilderness from continuing. In fact, ranchers are given more protection under wilderness than in nonwilderness forest lands.

For Nevada miners, even if all land recommended by conservationists becomes wilderness, over 70 percent of the national forest land would remain available for exploration and development. But until a Nevada wilderness bill is passed the entire 3.6 million acres of this roadless land remains in limbo as de facto wilderness.

These two examples demonstrate why it's important for us to take special care in drafting a Nevada wilderness bill that not only meets the needs of the State and the Nation, but also is understood in terms of purpose and possibility.

FATHER LAWRENCE JENKO HELD HOSTAGE IN LEBANON

(Mr. O'BRIEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'BRIEN. Mr. Speaker, at 7:30 a.m., January 8, 1985, Father Lawrence Martin Jenco was kidnaped at gunpoint on his way to work as the director of Catholic Relief Services in Lebanon.

Father Jenco has served for 25 years in places like Thailand, North Yemen, India, and Australia. He was assigned to Lebanon in October 1984.

Father Jenco never wore a cleric's collar. He didn't want people to misunderstand his role. His job was to rebuild hospitals and schools and help refugees, not to evangelize.

Today is the 203d day since Father Jenco was kidnaped in Lebanon.

Today is the 501st day William Buckley has been held hostage in Lebanon.

Reverend Benjamin Weir has been held hostage in Lebanon for 448 days.

Today is the 136th day of captivity for Terry Anderson, the Associated Press bureau chief in Beirut.

David Jacobsen, director of the American University Hospital in Beirut, has been held hostage for 63 days.

Today is the 50th day of captivity for Thomas Sutherland, the dean of agriculture at the American University, Beirut.

Today also marks the 238th day since the disappearance of Peter Kilburn, the American University librarian.

Mr. Speaker, the Lebanese hostage crisis is more than 500 days long. At night, as they sleep restlessly—wonder if they fear we have forsaken them.

CATCH-22 AFDC RULES

(Mr. LEHMAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEHMAN of California. Mr. Speaker, today I am introducing legislation which will address a serious flaw in the Aid to Families with Dependent Children Unemployed Parent Program [AFDC-U]. The flaw is commonly known as the 100-hour rule.

This rule terminates eligibility for the AFDC-U program for a primary wage earner as soon as he or she is employed over 100 hours a month. It was originally intended to get able bodied wage earners off welfare, yet instead it discourages these parents from accepting employment and encourages welfare dependency. This is because the unemployed parent can legitimately and with good cause turn down employment if the resulting income would be less than the public assistance benefits for which the family is eligible. With the 100-hour rule, the father of a family of four on AFDC would have to work at least 140 hours a month at minimum wages to match the national average AFDC payment. The Federal Government, however, takes away all his benefits if he works just 100 hours.

It is time to address this unfortunate flaw in the AFDC program and to eliminate the work disincentive that has evolved. The bill I am introducing today will do precisely that. My legislation will encourage participation in the job market by establishing demonstration projects nationwide where the 100-hour rule would be waived. Wage earners would be allowed to work in excess of 100 hours a month without the threat of the family losing all AFDC benefits. Families, instead of becoming ineligible for assistance would see their grants reduced. As a result, there would be a reduced expenditure of AFDC program funds for each family receiving earned income.

It is clear that the 100-hour rule is not working when dependence on public assistance is increasing—not decreasing. The time has come to try something new. We need to break the cycle of welfare dependency passed on from generation to generation of welfare families. Working parents set role models, restore dignity and provide hope in families caught in the welfare trap.

WE MUST NOT FAIL THOSE WHO HAVE PLACED THEIR TRUST IN US

(Mrs. JOHNSON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. JOHNSON. Mr. Speaker, today I am announcing that I plan to vote against any motion to adjourn until a budget resolution is agreed to by the House and Senate, and urge each of my colleagues to join me.

We all know the seriousness of the challenge we face. We have sought the responsibility of the position we hold, and now we must not fail those who have placed their trust in us. The American people, your constituents and mine, are beginning to wonder whether Congress can responsibly address the Federal deficit; whether elected Representatives are capable of making the difficult decisions necessary to govern this country and to save us from almost certain financial ruin.

As one who has fought out the tough decisions that must be made to shave $50 billion from our deficit, and whose 92 group budget proposal was confirmed by CBO as at least doable and accurate, I know it can be done.

□ 1230

Mr. Speaker, I implore my colleagues, Democrats and Republicans alike, to inform their leadership that they will vote no against any summer vacation recess resolution unless a budget resolution has passed this House and the Senate. We must exhibit the will, the guts, and the intestinal fortitude to address the Federal deficit with strong action. The jobs of people we represent are at stake. The quality of life in America is at stake. Rome is burning. Can we, will we stop the music and fight the fire?

Vote no against the adjournment resolution.

UNITED STATES, SOVIET NUCLEAR TEST BAN PROPOSALS SHOW PROMISE

(Mr. DOWNEY of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY of New York. Mr. Speaker, since the beginning of the nuclear age both the Soviet Union and the United States have dismissed each others' arms control initiatives as propaganda. Many in the Congress believe that whatever the U.S.S.R. proposes is bad for the United States. I'm sure they have their counterparts in the Soviet Union. Those of use who believe that arms control is good for national security have searched for ideas that fall between "Perle" and "prayer."

Yesterday, the U.S.S.R. offered the United States a 5-month moratorium on nuclear weapons tests. Maybe this is just more propaganda, maybe not. The 40th anniversary of Hiroshima is the time to break the vicious cycle of nuclear oneupmanship. We should carefully consider the Soviet offer and make a counterproposal that requires protocols for intrusive inspection of both sides. The United States should lead the way to make permanent the testing ban. The President's offer to the Soviets to inspect our nuclear tests is an excellent start. We are moving in the right direction whether we realize it or not. With more than 50,000 nuclear weapons on this planet now is the time to say enough is enough.

NEED FOR A BALANCED BUDGET AMENDMENT

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, if we are truly serious about bringing the Federal budget under control, we need to consider new ways to restrain spending. One proven method that is already used in 36 States, including my home State of California, is the constitutional requirement of a balanced budget. Congress clearly needs to bring spending under control. Deficits have resulted from congressional spending which has doubled from 1960 to 1970, and tripled from 1970 to 1980. Since the balanced budget amendment would bring fiscal responsibility through the limitation of Federal

spending and taxes, it would foster economic growth and establish congressional accountability. With more money available to private markets, interest rates would go down. Lower long-term interest rates would lead to greater investment and higher employment. Seventy-five percent of the American people favor a balanced budget amendment and 32 States have called for a national constitutional convention on this issue. The breakdown in the budget conference illustrates the need for a balanced budget amendment. It becomes even more necessary. I urge my colleagues to support the balanced budget/tax limitation amendment.

HELSINKI ACCORDS

(Mrs. KENNELLY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. KENNELLY. Mr. Speaker, this Thursday, August 1, marks the 10th anniversary of the signing of the Helsinki Final Act. In this document, the United States, the Soviet Union, and over 30 other countries pledged themselves to greater cooperation in military, economic, scientific, educational, and humanitarian matters. Perhaps most important, the Final Act committed the participating States to respect human rights and fundamental freedoms.

For 10 years, the Soviet Union and other eastern European nations have failed to adhere to the pledges made at Helsinki. In particular, there have been massive violations of section 7, which commits the signatory nations to respecting the fundamental rights and freedoms of human beings, including freedom of thought, conscience, and belief. The plight of Soviet Jews is well known. But Catholics, Pentecostals, and Baptists as well have all too often found that their religion can be exercised only at the cost of imprisonment, economic reprisals, and abuse.

Despite these widespread violations, the Helsinki accords remain a symbol of hope to the oppressed people of eastern Europe. On this 10th anniversary of their signing, we in the United States can let them know that we share their hope of a world in which human rights are honored. With Congressman GILMAN, I am today introducing a resolution reaffirming our commitment to these fundamental freedoms and calling on the President to urge Soviet leader Gorbachev to do the same when they meet this fall. I hope my colleagues will join us.

SPECIAL ORDER TODAY TO BEGIN NEW MOVE TOWARD VOLUNTARY SCHOOL PRAYER AMENDMENT

(Mr. BARTON of Texas asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Speaker, last evening I had the high privilege to host the second annual prayer vigil here in the House of Representatives. We had students from all over the United States gather in room H-227 to engage in an evening of prayer, special music, individual meditation, and a religious ceremony to try to determine what we can do to allow voluntary—and I emphasize "voluntary"—prayer back in our public school systems.

This evening I am going to have a special order with many other Members of this body in which we will discuss the issue in more detail and announce that we are going to begin the signature drive for discharge petition No. 1, which is for House Resolution 279 that the gentleman from Ohio [Mr. KINDNESS] has in the Committee on the Judiciary. H.R. 279 is a constitutional amendment to allow voluntary prayer in the public school system.

Mr. Speaker, I urge you and all the other Members of this body to participate with me in the special order this evening and to sign the discharge petition so we can get the amendment out of committee and out on the full floor where it can be debated.

FULL FUNDING OF U.S. CUSTOMS SERVICE URGED

(Mr. KOLTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOLTER. Mr. Speaker, today we are scheduled to conclude consideration of the Treasury and Postal appropriations bill for fiscal year 1986.

There is an amendment pending in the committee of the whole that would cut $192 million from the bill by reducing each appropriation in the bill for discretionary spending by 2.65 percent. While the amendment may have merit, I want to call attention to the fact that such a reduction in spending would hinder the U.S. Customs Service from properly enforcing this Nation's trade laws and agreements.

Mr. Speaker, in 1984 alone, over 160,000 different shipments of steel and steel products entered the United States. Despite this high volume of steel and thousands of other types of imported goods, the U.S. Customs Service has done a good job of enforcing the laws, but Customs needs additional resources to ensure that our trading partners are complying with recently negotiated steel trade agreements.

Cutting funds from the U.S. Customs Service would only make their difficult job tougher. I urge my colleagues to exempt the Customs Service from this funding cut.

PAY EQUITY

(Mr. MRAZEK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MRAZEK. Mr. Speaker, I rise today to reinforce the current need for a pay-equity study of the Federal pay and job classification systems.

I believe it is essential that we determine why women and minorities are clustered in the lower end of the Federal pay scale. The existence of a wage gap in the Federal civil service is undeniable. Whereas 80 percent of the women employed by the Federal Government are concentrated in civil servcie grades 7 and below, 85 percent of federally employed men are classified in grades 10 and above. On the average, women in the Federal Government earn 63 percent of what men earn. The question is: Why?

Representative OAKAR's bill, H.R. 3008, would mandate a study of the Federal pay and classification systems to determine whether there is any evidence of discrimination based on sex, race, or Hispanic origin. Most corporations study and reevaluate their wage-classification systems on a regular basis. We need a national approach to civil service pay equity that can serve as a guide for each of our States.

If there is evidence of discrimination, it is surely our responsibility to redress the inequities. I therefore urge my colleagues to support this bill.

□ 1240

RATIONAL CRITERIA NEEDED FOR CAPITAL PUNISHMENT LEGISLATION

(Mr. VALENTINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VALENTINE. Mr. Speaker, I rise to request that my colleagues sign discharge petition No. 2 for the release of H.R. 343 from the Judiciary Committee.

H.R. 343 demands our immediate attention. It is a bill designed to establish rational criteria for the imposition of the death penalty. It would apply to cases involving homicide, treason, and espionage. It would fulfill the requirements laid down by the Supreme Court in a series of cases involving capital punishment.

Our Nation's adversaries have enlisted the treasonous support of American citizens in their unending drive to acquire American technology for military use. Recent studies have shown that the Soviet Union has narrowed the Soviet-American technology gap to 3 years—from its previous level of 10 years—by stealing American defense technology. As many as 150 of their

weapons systems make use of technology stolen from sources in the West.

We must do all we can to deter treasonous activity. We need the death penalty to help us in this effort.

I commend my colleague, GEORGE GEKAS, for his leadership in drafting and introducing this important legislation.

Although I recognize that some of my colleagues have serious doubts about the death penalty, I hope every Member would agree that it is imperative for us to address the problem of espionage in full and free debate. The American people deserve no less.

For all of these reasons, I urge my colleagues to bring this bill to the floor by adding their names to discharge petition No. 2.

COKE—THE REAL THING IS BACK

(Mr. DARDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DARDEN. Mr. Speaker, as we discuss and debate the weighty issues of the budget, national defense, tax reform, and international terrorism, we must not overlook a truly significant event.

Coke—the real thing is back. At the behest of a loyal and passionate consumer demand, the Coca-Cola Co. has returned the original formula, now called Classic Coke, to the grocery shelves and the vending machines.

Yesterday, throughout the Atlanta area, Coke came back. The return of Coke is like being reunited with an old love. It is better now than ever before. We Georgians are justly proud of our largest corporate constituent, the Coca-Cola Co.

All Georgia Members will have the Classic Coke available in our offices in the next few weeks. We invite all Members to come by our offices and sample the old pause that still refreshes.

U.S. TRADE DEFICIT GOES UP—INDUSTRIAL PRODUCTION GOES DOWN

(Mr. BONKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONKER. Mr. Speaker, today the Secretary of Commerce will announce the trade deficit for the preceding month and it is expected to be another record-setter as we work our way toward the $150 billion trade deficit in 1985.

This is a chilling reminder that the U.S. trade position is being seriously threatened and our industrial base is being undermined by a flood of unwelcomed imports. The statistics bear out this regrettable fact. As the U.S. trade deficit goes up, our industrial goes down.

Time is running out for Government to deal effectively with this problem. So far, the President shows no sign that there is a trade problem. He continues to ignore the need to deal with the strong dollar which is a plague upon our exporters. He has not used the authority the Congress has given him to confront unfair trade practices, and there is a growing realization that the administration really has no trade policy. It may well be the best explanation why the United States is becoming a punching bag in world trade.

Apparently President Reagan lacks the commitment, or at least the political will, to deal effectively with either of our deficits. But if the Secretary of Commerce continues to announce high trade deficits month after month and the President refuses to act, Congress has no choice than to go down the path of protectionism. If that happens we will start a trade war that no one can win.

BOY SCOUTS SHOULD LEARN TO TOLERATE RELIGIOUS VIEWS OF OTHERS

(Mr. ACKERMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ACKERMAN. Mr. Speaker, among all the things that I have been able to achieve with the help of God, nothing has made me prouder that my association with the Boy Scouts of America.

As a Cub Scout, Boy Scout, Explorer, Scout leader, camp director, and as an Eagle Scout for 25 years, I worked for and believed in the same things I thought they believed in.

That is why it is so painful to me, as I now renounce my affiliation with the Boy Scouts of America. The Boy Scouts that I belonged to taught respect and tolerance for everyone else's religious views, and had no room for bigotry or intolerance.

In expelling 15-year-old Paul Trout because his beliefs differ from theirs, because his definition of religion and God does not fit their definition, the Boy Scouts of America raises questions about its tax-exempt status, and, more importantly, is in and of itself an act callousness and intolerance, and is not the Boy Scouts that I loved and belonged to.

I pray that God gives them the wisdom to reverse their decision and to tolerate the religious views of others.

(Mr. FOGLIETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOGLIETTA. Mr. Speaker, yesterday the Soviet Union formally proposed the creation of a comprehensive test ban treaty on nuclear explosions. Such a test ban has long been held to be a vital step in halting the arms race. A test ban prevents the United States and the Soviet Union from confirming increases in capability and accuracy of new warheads. It serves to freeze testing of silo-killing warheads, the kind of warheads which place our nuclear deterrent at risk of new MIRV's and of new exotic nuclear technology.

Creation of a test ban has been under study for 20 years. Questions certainly remain about how verifiable a test ban can be without on-site inspections. But with proper safeguards and guarantees for verification a comprehensive test ban can be both workable and wise.

Despite the promise of a comprehensive test ban, the administration immediately rejected the Soviet proposal. If the administration is truly serious about arms control, then it must investigate the Soviet initiative. Slamming the door on a comprehensive test ban may eliminate a major opportunity for stabilizing the arms race. The administration needs to reevaluate its decision and pursue further the Soviet offer.

NO GUTS, NO GLORY

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, it is quite disconcerting to see what is happening to the budget process. While the two Houses of Congress no doubt deserve some of the blame for the current breakdown of the process, the President has unbelievably pulled the rug from any responsible way to get the deficit down. And let us be honest, the deficit problem is far worse than anyone currently can vision. The economy is flat, revenues will not go magically up, and even the deficit reduction plan passed by the House will probably not reduce the deficit very much.

In addition, the appropriations process is not totally what it is cooked up to be. It appears that some of the bills coming to the floor may be understated in their effort to stay within the budget allocations, and then we will be faced with an enormous supplemental appropriations bill later this year. There is an expression, "No guts, no glory." Let us face it, the issue is political will and guts. If we do not have it, the country will face disaster. If we do, the country could have a glorious future.

□ 1250

BUDGET DEFICITS AND THE FARM ECONOMY

(Mr. McCURDY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCURDY. Mr. Speaker, for many months now, my farm State colleagues and I have approached the well to describe the worsening farm economy. Yet today we remain frustrated because the No. 1 enemy of the farmer, the budget deficit, remains at large.

U.S. fiscal policy in the 1980's has taken an industry that was relatively healthy in 1981 and brought it to the brink of collapse. No sector of the economy has been damaged by the Federal budget deficit more than agriculture. The strong dollar, high interest rates and declining land value are direct results of the budget deficit. Our farmers have come to expect that if it is news from Washington, then it must be bad news.

As we near the August recess when many of us will be traveling home to our districts, it is time we begin to consider what we will tell our constituents.

Shall we say, "I'm sorry Mr. Farmer, Mr. Smalltown Banker or Mr. Small Businessman, Congress and the administration just do not possess the courage to reduce the budget deficit. I know we got you into this mess but you will just have to get by as best you can."

That is the hard truth as it stands today. Our leaders are not willing to put farmers, small businesses, workers, our children, and other deficit victims, ahead of their own personal agenda.

Mr. Speaker, Americans are tired of rhetoric and finger-pointing in Washington. They want action from this body, the other body and the President. Let's act now and tell our constituents that political courage does exist in Washington.

TRADE POLICY

(Mr. LEVIN of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVIN of Michigan. Mr. Speaker, some observers believe the Democratic Party interest in trade is mainly the result of reading recent political polls and tea leaves. This is a misreading of the reality in today's America.

Trade is a good issue politically only because our Nation's basic economic strength is being sapped, and our economic structure eroded, not just in the Midwest, but everywhere in this country. As announced today, the U.S. trade deficit last month was the second highest in history.

In the face of such a deficit, we do not run for cover just because someone utters the word "Smoot-Hawley."

In our eyes, protecting the United States, our country, is not protectionism. The U.S. trade policy under this administration has been no policy at all. Laissez-faire in trade is not fair to America. We are indeed facing today a red threat, the red ink in trade. It is time for this administration to get smart, to get serious, and to get tough in the area of international trade.

ARMS CONTROL

(Mr. MARKEY asked and was given permission to address the House for 1 minute.)

Mr. MARKEY. Mr. Speaker, the Soviet Government yesterday offered to stop all nuclear explosions and the United States is ahead in nuclear warhead technology.

The White House, unfortunately, rejected it out of hand. They said that such Soviet proposals are invariably self-serving and designed to lock in areas of Soviet advantage. Just the opposite is the case here.

The message this sends is this: If the Soviets propose it, the United States will oppose it. That is no way to achieve arms control.

President Reagan offered them on-site inspection of American nuclear tests. I welcome that. On-site inspection is good and long overdue.

But the point is not to monitor nuclear explosions, but to end them. These proposals make it seem that President Reagan believes in verification, but not in arms control.

This is the classic historic opportunity. We can stop all nuclear tests now. All we have to do is say "yes."

President Eisenhower was not afraid to say yes in 1958 to 1961. We had no tests on either side during those years.

Why are we now still afraid? Let us verify a comprehensive test ban treaty, not verify the arms race.

Mr. President, do not turn your back on this opportunity. You and President Gorbachev have the opportunity of going down in history as the two greatest men who have ever lived in the history of this planet.

BUDGET AGREEMENT

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, as we sit here this afternoon, the budget process hangs in the balance. If we do not have a budget this week, one thing is clear, we will probably not have a budget at all.

The shame of it is that the Senate and the House are so close, and yet they seem to be so far. They are so close because over $50 billion of cuts, the very number that Paul Volcker, the Chairman of the Federal Reserve, told us was a necessity, and important in terms of reducing the deficit, are agreed upon. The Senate conferees, the House conferees could sit down in 10 minutes and agree on $50 billion in cuts.

It is any number higher than $50 billion that gives us trouble. Maybe we should include a COLA freeze. Maybe we should not. What should be the attitude toward new revenues?

But on the things that we cannot agree upon, we ought to once and for all agree to disagree. And on the things we do agree upon, we ought to sit down and have a budget. The financial markets, the country as a whole and even the international trade situation all depend on us coming through with a budget. And it would be a darn shame, Mr. Speaker, if for a disagreement over a few billion dollars, a $50-billion agreement were thrown down the drain.

PRESIDENTIAL TORPEDO OF BUDGET COMPROMISE

(Mr. AuCOIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AuCOIN. Mr. Speaker, the President's incredible decision to torpedo the budget compromise is a shattering mistake. While the compromise, as I understand it, was in no sense perfect, we had the prospect, at least fleetingly, for a budget that would slash $80 billion off the deficit next year, and more than $300 billion off the deficit over the next 3 years.

Mr. Speaker, $80 billion, is dramatically better than the deficit reduction numbers agreed to by the House and agreed to by the other body. The $80 billion would send an unmistakable message to the financial markets and to the world that the Government of the United States is, indeed, serious about solving the deficit crisis. And make no mistake about it, a crisis it is.

All it took was some leadership. It was being shown in fledgling terms for a few precious moments. But from the White House instead we got a torpedo.

Let the people of this country know what has transpired over the last few days, and let them understand the White House's own failure to come to grips with the No. 1 economic problem facing this country.

ARMS CONTROL AND A COMPREHENSIVE TEST BAN

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, I applaud the President for his proposal to

the Soviet Union with regard to unilateral inspection of nuclear explosions in the United States. This is certainly a positive step toward reducing tension between the superpowers.

I would, however, hope that the administration would reassess its position with respect to the Soviet proposal for a moratorium on all nuclear testing. We should not turn down the Soviet offer outright simply because it is deemed to be political posturing on either side, or because it is a difficult issue.

The truth of the matter is that this is an opportunity that ought to be seized upon seriously. We have been on record for a long time in support of a renegotiated comprehensive test ban treaty with proper verification. Here is an opportunity to see if we act positively to stop the escalation which seems to be before us and to move toward a comprehensive test ban treaty.

It would be extremely useful, it seems to me, if the Congress would go on record in support of the administration's offer and also in support of the Soviet offer for a mutual moratorium or nuclear treaty. These efforts would move us toward the suspension of all nucler testing.

House Joint Resolution 3, recently approved by the Foreign Affairs Committee, moves us along this road by urging the President to seek ratification of two testing treaties and by urging the President to propose to the Soviet Union the immediate resumption of negotiation on a comprehensive test ban treaty. The measure is now pending before the floor where its approval is more urgent than ever. We should seize the opportunities before us and bring an end to nuclear testing.

□ 1300

THE COMPARABLE WORTH DEFICIT

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, comparable worth is like a gift-wrapped bomb. It looks nice on the surface, but what is inside is lethal.

This week, the House will take up legislation to perform a study on sex-based salary discrimination in the Federal Government.

The problem with the legislation, Mr. Speaker, is that it assumes from the outset that the comparable worth theory is valid. Most economists; indeed, the great weight of economic opinion, would violently disagree with that.

We have serious problems in putting this Nation's financial house in order. We have a significant budget deficit; we have a record trade deficit. The last thing this country needs, Mr. Speaker, is a brand new, massive self-imposed deficit that is ideologically induced: The comparable worth deficit.

THE BUDGET BUCK STOPS HERE

(Mr. FRENZEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, there has been a procession of orators today castigating the President for, as one of them suggested, "torpedoing a budget compromise."

I think the record would be fair if it indicated that the compromise that he torpedoed was one that had already been torpedoed by House budget managers and by the Speaker of the House.

The House has made it quite clear what it prefers for a budget. He wants as little saving as possible, a paper saving of $57 billion which translates to an acutal savings of perhaps less than a third of that.

I do not think any amount of 1-minute speaking can change the responsibility that lies in this House and our counterpart on the other side of the Capitol.

The President gave us a budget that called for some reductions. We rejected that. It is our responsibility, then, to find one of our own. We have not done it.

To add insult to injury, the House has voted for appropriations that even exceed our feeble budget. This House ought to accept the blame. The buck stops right here.

TENTH ANNIVERSARY OF THE SIGNING OF THE HELSINKI FINAL ACT

Mr. HOYER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 180) commemorating the 10th anniversary of the signing of the Helsinki Final Act.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. BROOMFIELD. Mr. Speaker, reserving the right to object, I do so to allow the gentleman from Maryland [Mr. HOYER] an opportunity to explain the resolution.

Mr. HOYER. Mr. Speaker, as the co-chairman of the U.S. (Helsinki) Commission on Security and Cooperation in Europe, I rise today in support of a resolution commemorating the 10th anniversary of the signing of the Helsinki Final Act. On August 1, 1975, the leaders of 33 nations of Western and Eastern Europe, Canada, and the United States signed the Helsinki Final Act. Seen as the capstone of détente policy, the Final Act placed respect for fundamental human freedoms squarely within the East-West framework as a basic element of government-to-government relations. Through good faith observance of the Final Act's standards for responsible and humane international conduct, signatory states were to advance along the difficult road toward mutual trust and cooperation.

As President Ford said upon signing the accords in 1975:

> History will judge this Conference not by what we say here today, but by what we do tomorrow—not by the promises we make, but by the promises we keep.

From the beginning, the West has acknowledged that full implementation of the Helsinki accords' human rights provisions realistically cannot be accomplished overnight but would necessarily be a long-term process.

The lack of significant progress in the area of human rights such as we find in the Soviet Union is not and should not be viewed as testimony on the credibility and utility of the Commission on Security and Cooperation in Europe process. This process has legitimized human rights as a matter of diplomatic discourse among nations and has placed it on the agenda of our allies.

By signing the Helsinki accords, the Western democracies in essence pledged to keep faith with the persecuted in the East.

It is telling to recall that the West failed to anticipate the impact that the human rights provision of the Helsinki accords would have on East bloc citizens. Western human rights advocates and politicians were not the first to act upon the accords as a means to expose human rights violations in the East. East bloc citizens seized upon the Helsinki provision as a program for human rights advocacy.

Despite continued repression, Helsinki monitors in the Soviet Union and Eastern Europe persevere in their perilous and selfless work to this day. Less than a week ago, Charter '77 issued a statement in commemoration of the 10th anniversary. It is a statement of hope, of urging not to give up and of reaffirmation of the ideals of the Final Act. For these courageous men and women, the Helsinki process remains a source of inspiration and of hope. It is also a lifeline, however thin a thread. It is not for us to sever that thread.

Mr. Speaker, 10 short years ago, the Helsinki Final Act helped to usher in a new era in international relations based on the precept that a states' humane treatment of its citizens is as significant as respect for a neighbors' frontiers or willingness to settle disputes peacefully. Because of Helsinki, Western governments now take it for granted that it is their right and re-

sponsibility to speak out when human rights violations occur in another participating state.

Mr. Speaker, this commemoration is a solemn moment, a time for reckoning, for coming to terms with our hopes and with our expectations. The foundation of the Helsinki process was painstakingly built in Geneva. It has developed slowly and has suffered setbacks. Frustration is great and justified.

But we should not lose sight of our ultimate aim, perhaps put most eloquently by Physicist Yuri Orlov, founder of the Moscow Helsinki group and a prisoner of conscience since 1977:

> By our efforts, we increase the probability that in the end we shall be successful.

Mr. Speaker, I thank the gentleman from Michigan [Mr. BROOMFIELD], the ranking member of the Committee on Foreign Affairs, for yielding and for his leadership in this area, and I express my appreciation as well to the former chairman of the Helsinki Commission and the present chairman of the Committee on Foreign Affairs, the distinguished gentleman from Florida [Mr. FASCELL].

Mr. BROOMFIELD. I thank the gentleman.

Further reserving the right to object, Mr. Speaker, I yield to the ranking member of the Subcommittee on Human Rights and International Organizations of the Committee on Foreign Affairs, the gentleman from New York [Mr. SOLOMON].

● Mr. SOLOMON. Mr. Speaker, I rise in strong support of Senate Joint Resolution 180 and urge its unanimous adoption by the House of Representatives.

On August 1, 1975, representatives of 35 governments in Europe and North America concluded the Conference on Security and Cooperation in Europe by placing the signatures of their governments on a solemn covenant now known as the Helsinki Final Act. This covenant established the primacy of human rights as the foundation that underlies political and economic cooperation between the countries of Europe. This resolution commemorates the 10th anniversary of the signing of the Helsinki Final Act. In a commemoration of this kind, it is incumbent on us, as representatives of the people of the United States, to take stock of what has been accomplished in the last 10 years.

Unfortunately, there is little cause for rejoicing on this occasion. Even a casual reading of the Helsinki Final Act is enough to convince any objective person that the lofty ideals and declarations of purpose to which signatory countries have committed themselves have been ignored, even reviled, by the Soviet Union and its satellite countries.

When the Helsinki Final Act was signed 10 years ago, many of us were skeptical. However much we may believe in the principles of freedom and human dignity that are enunciated in the Helsinki Final Act, the act also served to legalize or ratify the Soviet Union's conquest of Eastern Europe—a conquest that has subjugated many peoples and cultures, a conquest that was begun by force of arms and completed by political deceit and treachery that have no parallel in this century.

It was the hope of some people that perhaps this recognition of Soviet hegemony in Eastern Europe would be enough to induce concessions by the Kremlin in the area of human rights. But such has not been the case. And I am led to no other conclusion than that the Soviet Union and its puppets in Eastern Europe placed their signatures on the Helsinski Final Act in a cynical and hypocritical attempt to gain an advantage in the propaganda warfare that has divided Europe since World War II.

If the Soviet Union and its satellites have any intention of living up to the human rights standards that are enshrined in the Helsinki Final Act, they have yet to give any indication of it. The tyranny, the repression, and the human degradation have continued unabated behind the Iron Curtain during these past 10 years.

Mr. Speaker, the implication is clear: The war against totalitarianism did not end with the defeat of fascism in 1945. The war continues today. It is not a shooting war in Europe—unless, of course, we consider the case of Major Nicholson and other American victims of Soviet violence—but it is a war just as real as World War II. And the stakes are just as high, too. What is ultimately at stake is the survival of freedom and human dignity on the European Continent—the very place where these great ideas first originated many centuries ago.

The record of the past 10 years is bad. The Helsinki Final Act has not proven to be a restraint on Soviet belligerence. But the Helsinki Final Act does have symbolic importance. Moreover, it provides us with a tool to use in dealing with the Soviet Union and its cronies. Let us take advantage of this 10-year commemoration to rededicate ourselves to the principles the act contains. Let us strive to turn the act—a piece of paper—into a living reality. I call upon our present administration and all subsequent administrations to make this solemn covenant the centerpiece of the East/West dialog and of our policy in Europe.

Let us keep faith with the many millions of people who suffer under the yoke of Soviet communism in Europe. Their cries should not go unheard. Nor should we be hesitant in demanding Soviet compliance with the principles the Kremlin pledged to uphold when the Helsinki Final Act was signed.

Over the next 10 years and beyond, let us strive to make the Helsinki Final Act a living expression of the faith that animates and sustains a free society and a free people. The Helsinki Final Act should be more than a monument to good intentions, it should be held forth as a beacon of hope to those people who are oppressed in Eastern Europe.●

Mr. BROOMFIELD. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. RITTER].

Mr. RITTER. Mr. Speaker, I rise in support of Senate Joint Resolution 180, commemorating the 10th anniversary of the signing of the Helsinki accords.

My colleagues, we in this House have to understand that the 10 years of those Helsinki accords have seen some achievement, particularly in putting human rights in the forefront of international affairs. But those 10 years have also shown many disappointments. Those disappointments are mirrored in the minds and in the memories of millions of people who saw in the Helsinki accords a chance to rise up out of repression and to seek new avenues to achieve basic human rights goals.

I think we would be dishonest with ourselves and with all those people if we did not recognize the facts as they are; and the facts as they are indicate that the Soviet Union has cynically used the Helsinki accords to solidify its post-World War II boundaries in Eastern and Central Europe, while giving extraordinarily little on the human rights front.

This House of Representatives has a body entitled the Joint Commission—along with the Senate—on Security and Cooperation in Europe; normally known as the Helsinki Commission. It is a bipartisan body and until recently under the leadership of Chairman FASCELL, the gentleman from Florida. This body met over the years to consider the performance and the adherence of the signatory nations to the Helsinki accords.

While the record of Soviet and East bloc conformity with the Helsinki accords is not good, the body nevertheless allowed people to come forward with their experiences, with their ideas, and with their proposals to open up the channels of consideration of human rights in the U.S.S.R. and East bloc countries.

□ 1310

The Helsinki watch group inside the U.S.S.R. was a direct outgrowth of the signing of the accords and the establishment of the Joint Commission on Security and Cooperation in Europe.

The same is true of Charter '77 in Czechoslovakia. It should be recognized, however, that these groups, while still in existence today, are barely operative. And it should be recognized that a major contingent of Helsinki "monitors," those who are still alive, who have not perished in Soviet labor camps, who are not living in Soviet labor camps, if one calls that life, who are not in forcible internal exile, that a sizable and prestigious number of Helsinki monitors have called for the abolition of the Helsinki accords.

I think we should very seriously consider what these people are telling us, and I think as we go forward with the work of the Joint Commission on Security and Cooperation in Europe, the House and the Senate body; we should investigate whether or not these accords have been abused and misused to the point where those to be served by opening channels for human rights achievements and new human rights goals have been cyncially shunted aside in exchange for Soviet lip service to human rights while in pursuit of the historical solidification of post World War II borders.

I personally feel that it is a worthwhile effort to keep the accords, at least in the near term. We should not rule out the consideration of the overall effectiveness of our accords, what they have provided to the people whom they were intended to serve, and what they have provided to the people who continue to repress them.

To the gentleman from Michigan [Mr. BROOMFIELD] I thank him for his leadership on issues of this kind in the Foreign Affairs Committee, and to the new House-side cochairman of the Commission, the gentleman from Maryland [Mr. HOYER], I wish him well in his new leadership role. I would also like to thank personally the extensive bipartisan and creative efforts of the gentleman from Florida over the period of years that I was honored to be a member of the Helsinki Commission.

Mr. BROOMFIELD. Mr. Speaker, further reserving the right to object, I am very happy to yield to the gentleman from Florida [Mr. FASCELL], the chairman of the Committee on Foreign Affairs.

Mr. FASCELL. I thank my colleague from Michigan for yielding, and I want to commend him for helping to bring this resolution to the floor, as well as the gentleman from New York [Mr. GILMAN], and, of course, the cochairman of the Committee on Security and Cooperation in Europe, the gentleman from Maryland [Mr. HOYER], who is the cochairman on the House side, and I would like to say to my colleagues that this is not just another resolution. It is a very important resolution for us to consider and to pass, for many reasons. I would just like to highlight some of them.

First of all, we reaffirm our commitment to the Helsinki accords. The Helsinki accords lay down principles of conduct between nations and between nations and their peoples, an historic document which was signed by the heads of states of 35 nations. Ten years later, they meet to commemorate that event in Helsinki. This resolution, therefore, supports the Secretary of State in his statement at Helsinki and the policy of the United States as we view the Helsinki accords 10 years later.

We do not ignore it all and we all pay attention in this resolution to the fact that the implementation of the Helsinki accords in the field of human rights has been less than desirable and that the Soviet Union has been egregious in its violations and intransigent in its implementation. An important fact in calling attention to that is that we must continue to do that because as all of the witnesses before the Commission have told us in the last 8 years, it is the one little hope that they have, that is, that the outside world will never forget and allow that these violations of principles formally agreed to by all of the nations continue to be violated in the most inhuman manner by the Soviet Union and other signatories and that this is the hope that must be kept alive and that we must continue, therefore, the process which gives us the opportunity to keep human rights at a very high level in international discussion, in all forums, so that people will have at least that glimer of hope that it will not be brushed aside, it will not be covered over as imperfect as the Helsinki accords themselves might be in their implementation, because it has no enforcement process, it is not a treaty, the only thing that all of the people can look forward to is the fact that in Vienna in 1986 we will have one more review conference to again point out the fact that man's inhumanity to man continues but that we in the United States, as one of the moral leaders of the world, have not forgetten the treatment, the mistreatment, of people who live under the yoke.

Mr. BROOMFIELD. Mr. Speaker, further reserving the right to object, I yield to the gentleman from New York [Mr. GILMAN], who is the ranking minority member on the Europe and Middle East Subcommittee of the Committee on Foreign Affairs.

Mr. GILMAN. Mr. Speaker, I rise in strong support of Senate Joint Resolution 180, which is a companion bill to House Joint Resolution 361, introduced by our colleague and the distinguished vice chairman of the Helsinki Commission, Mr. HOYER, and I want to thank our distinguished chairman of our Foreign Affairs Committee, the gentleman from Florida [Mr. FASCELL], for his continued efforts in monitoring the Helsinki accords, both as chairman of that Commission and as chairman of our Foreign Affairs Committee, and also the ranking minority member of our committee, the gentleman from Michigan [Mr. BROOMFIELD], for helping to bring this measure to the floor at this time. This legislation, which I am pleased to cosponsor, commemorates the 10th anniversary of the signing of the Helsinki Act on August 1, 1975. Although the climate for commemoration could most certainly be far better, it is important, nonetheless, to recognize that such an important document as the Helsinki final accords is still alive and kicking. These first 10 years give us much to review, and I anticipate discussing the progress of human rights under the accords in far more detail later on today in a special order.

This legislation summarizes the concerns of the Congress and the American people with respect to the several "baskets" which comprise the Helsinki Final Act. However, our primary interest today centers on the disregard of the Soviet Union, as a signatory nation, to adhere to the Lofty principles of Fundamental Freedoms set forth in this document. Although some progress was made in the first few years following implementation, the last 6 years have seen an unprecedented decline in the respect for human rights generally and for the provisions in principle seven specifically, which center on freedom of thought, conscience, religion or belief, and respect for human rights and fundamental freedoms.

As we review the history of the Helsinki accords, it is reassuring that the American people continue to demonstrate strong support for the Helsinki Final Act, the Madrid concluding document, the United Nations Charter and the Universal Declaration on Human Rights. While there is alleged support for these acts in the Soviet Union, the many Helsinki Watch Monitoring Groups which sprang up 10 years ago to monitor Soviet compliance have now been all but disbanded, and many Helsinki monitors has been confined to labor camps, incaracreated in harsh prisons, and sent to lonely places of internal exile.

This resolution (S.J. Res. 180) strongly reaffirms the support of the Congress for the humanitarian principles set forth in the above mentioned accords, and urges our President to convey this deep and abiding concern to the U.S.S.R. At all future meetings of the Helsinki signatory states, this resolution calls on our Nation to raise the issue of ongoing human rights violations with the Soviet Union and its allies, and to work with the governments of other Western democracies in promoting human rights progress in

the Eastern signatory states. It is incumbent upon all of us concerned about the dignity of man to exploit every avenue in stressing the inherent link between human rights for all and the achievement of lasting peace. Accordingly, Mr. Speaker, I urge our colleagues to join in adopting this important resolution.

□ 1320

Mr. BROOMFIELD. Mr. Speaker, I yield to the gentleman from Illinois [Mr. HYDE], a senior member of the Committee on Foreign Affairs.

Mr. HYDE. I thank the gentleman for yielding.

Mr. Speaker, we celebrate today a triumph of our capacity for self-deception and naivete over reality. Why anybody had any right in the name of common sense to expect the Soviet Union to live up to the undertakings that it became a signatory to in the Helsinki accords, I do not know. It would be a total repudiation of history.

Andrei Sakharov, Anatoly Schranski cannot leave the country, along with a long and depressing list of people who seek to emigrate from the Soviet Union. Yet, the Soviets undertook in this accord to free up immigration. We have just finished imposing in both bodies, sanctions on the Republic of South Africa. But Bishop Tutu can leave the country. Chief Buthelezi can leave the country. They do not hold people under house arrest over there remotely approaching what the Soviet Union does. And yet here we are celebrating 10 years of adject failure to provide the slightest respect for any practice of human rights in the Soviet Union.

Oh, yes, we have got a document that they have signed and we can show to the world, to the Court of Public Opinion, I do not know where that is, maybe the United Nations, or the World Court where virtually nobody ever votes with us, that the Soviet Union does not live up to its undertakings.

A treaty, an understanding, an accord is as good as the intention of its signatories to live up to it. Once more the Soviet Union has shown that words do not mean anything. Solemn undertakings do not mean anything to its leaders and to its government.

I hope the lesson of 10 years of failure in the field of human rights vis-a-vis the Soviet Union, as celebrated today upon the celebration of the Helsinki accords will teach us as we try to negotiate treaties at Geneva for arms control that we need a clear-eyed, unsentimental view of the Soviet Union, its philosophy, its history, and its goals. I hope for that, but nothing in what we memorialize today gives me cause for optimism.

Mr. BROOMFIELD. Mr. Speaker, further reserving the right to object, I yield to a member of the Committee on Foreign Affairs and of the Subcommittee on Human Rights and International Organizations, the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. I thank the gentleman for yielding.

Mr. Speaker, 10 years after the signing of the Helsinki accords I believe this is an excellent time for this House to commemorate the Conference on Security and Cooperation in Europe the Helsinki Commission. I am proud to serve as a commissioner on this important commission. As the joint resolution before us today clearly states, there is an inherent relationship between the quest for international human rights, and the quest for a lasting peace. As a matter of fact, the two are inseparable.

Three years ago, President Reagan declared to the British Parliament that "we must be staunch in our conviction that freedom is not the sole prerogative of a lucky few, but the inalienable and universal right of all human beings. "Mr. Speaker, we in this Congress and indeed the whole Western World, look on in disbelief and frustration at the flagrant Soviet violations of their solemn commitment to observe human rights. I would remind my colleagues that these commitments were explicitly stated in the Helsinki Final Act of 1975, and restated again in the Madrid concluding document.

Clearly the Soviets and their allies talk a good game, but their record in badly tarnished with pervasive repression, torture, the use of psychiatric prisons and mind altering drugs to terrorize dissendents, the use of forced labor and institutionalized anti-Semitism.

Mr. Speaker, I believe nevertheless that the Helsinki process is worthwhile and provides hope to the victims of Soviet and East bloc repression. The Helsinki process provides hope for believers in God, a group who are often singled out for very harsh treatment.

As one Jewish refusenik remarked to me when I was in the Soviet Union a few years ago, and I quote:

You in the West are our only real hope; the Helsinki accords are leverage.

Implementation of the Helsinki accords hasn't been perfect, but they have been a constructive influence. They do provide leverage.

Just last month, Mr. Speaker, I traveled through Romania to investigate allegations of severe religious repression in that country. In meetings and conversations throughout Romania I was told by individual believers who put themselves at great risk simply by talking to a Westerner, that Western efforts on their behalf gave them genuine hope and that an appeals process like Helsinki was necessary in order for at least some of them to obtain freedom—or at least a diminution of repression.

Furthermore, I would suggest that absent the Helsinki accords, things might otherwise be worse. I believe it can be argued that the Helsinki accords have a chilling effect to some degree on the abuses in the Soviet Union and the Eastern bloc.

Mr. Speaker finally, let me just say that we in the West must seriously acknowledge that barring a miracle of profound proportions, reform in the current status of individual freedoms in the Soviet Union and the Eastern bloc promise to be incremental at best. But the alternative, to do nothing, is wrong.

Mr. Speaker, by their repressive policies, I would point out to my colleagues that the Soviet Union and the Eastern bloc have turned millions of ordinary people into spiritual giants—martyrs—in the eyes of the West and in the eyes of God.

Although the tenacity, the courage, and the abiding faith of these individuals may not be fully applauded or recognized in this world, the stories of their bravery will certainly be the grist of legends in the world to come. Mr. Speaker, I urge all of my colleagues to support this resolution.

Mr. BROOMFIELD. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. I thank the gentleman for yielding.

Mr. Speaker, I commend the gentleman from Maryland, the cochairman of the Helsinki Commission and the cosponsors—of which I am proud to be one—for offering this resolution marking the 10th anniversary of the Helsinki Final Act.

As founder and cochairman of the Congressional Human Rights Caucus and a founding member of the International Parliamentary Group on Human Rights in the Soviet Union, I believe very strongly that this is a document of hope, not only for the people of the West, but for the imprisoned millions behind the Iron Curtain of Communist oppression in the East.

As a new member of the Helsinki Commission, I went with my colleagues to Ottawa to the Helsinki Human Rights Review Conference about 2 months ago, and while our delegation sat across the table from that of the Soviet Union and talked of Andrei Sakharov, of Anatoly Shcharanski, of Ida Nudel, Joseph Begun, Zachar Zunshine, and others, they talked of unemployment and of the American Indians. As we talked of the substance of human rights—the fate of individuals—they talked of propaganda.

Mr. Speaker, 10 years after the signing of the Helsinki Final Act we find in the Soviet Union the state-spon-

sored Anti-Zionist Committee, official anti-Semitism that is rampant, the Helsinki monitor groups disbanded, their members imprisoned on trumped-up charges, or held in psychiatric institutions or in internal exile, final refusals given to those seeking to emigrate, and repression of human rights greater than ever before.

In the Soviet satellite countries, Mr. Speaker, we find in Bulgaria, the Turkish minority trampeled; in Poland, the Solidarity Union movement, and the cause of free labor, in a shambles; and in the German Democratic Republic, Romania, Hungary, and Czechoslovakia, the story is, with some small variations, much the same.

So today we have to celebrate, Mr. Speaker, in sadness, and we have to resolve that the next 10 years will see true, real progress on human rights. We have to send the message to our Soviet adversaries that without such real progress the Soviets and their satellites will get from us no cooperation, no agreements, no meaningful dialog, nothing for which they sought the Helsinki Final Act.

Mr. BROOMFIELD. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Pennsylvania [Mr. COUGHLIN].

Mr. COUGHLIN. Mr. Speaker, I rise in strong support of the resolution.

□ 1330

Mr. BROOMFIELD. Mr. Speaker, I support the joint resolution before us which marks the anniversary of the Helsinki Final Act. The resolution condemns the ongoing Eastern bloc violations of the Helsinki accords. It direct our Government to convey our deep concern about the flagrant human rights violations in the Soviet Union.

Ten years ago, President Ford and other leaders signed that solemn accord concerning human rights and related matters. This anniversary should be a joyous occasion. Today, all of us should be able to praise the great strides made in human rights in the past 10 years in the Soviet Union and bloc nations.

But the opposite is true. The anniversary of that signing ceremory is an occasion of great sadness. It is a grim human tragedy that little progress has been made in improving human rights conditions in the Eastern bloc, and the Soviet Union. In reality, the human rights situation in those countries hasn't improved.

While the accord commits the signers to respect human rights, the Soviets and Eastern bloc nations have ignored their promises. To them, this agreement was a joke.

After the pact was signed, a group of Soviet citizens formed the Moscow Helsinki Watch Group to monitor the Kremlin's compliance with the accord. Most members of that group are now in labor camps, or in harsh exile. Many of them are in poor health and some are being denied proper treatment outside the U.S.S.R. because of their involvement with that group.

The free flow of information and ideas between the East and the West has never really started. In 1984, for example, only 900 Soviet Jews were allowed to leave the Soviet Union.

The real value of the legislation before us is that it calls attention to the continued human rights violations by the Soviet Union and their allies.

How can we hope to have real peace with the Soviets if they can't respect a solemn agreement? How can we trust a country that seems to delight in breaking accords? How can we work with a country that enjoys silencing dissenting voices?

I urge my colleagues to join me in supporting this resolution.

● Mr. LUNGREN. Mr. Speaker, I rise to offer my support for the positive language embodied in House Joint Resolution 10. The chairman of the Foreign Affairs Committee, Mr. FASCELL, and our ranking member, Mr. BROOMFIELD, should be commended for their undertaking today.

As we mark the 10th anniversary of the signing of the Helsinki accords, it is appropriate to document the actual effect this agreement has had on the actions of the signatory countries, particularly the Soviet Union.

The constant change in leadership in the Kremlin over the past decade, combined with the signing of the Helsinki accords, has, unfortunately, not resulted in any constructive improvement in the struggle for human rights in the Soviet Union. It would have been naive to expect the human rights situation to improve immediately after the 1975 Helsinki Final Act was signed. However, we have a right to expect that the situation would improve, albeit gradually.

Mr. Speaker, the succession of Mikhail Gorbachev leaves an opportunity to challenge the Soviet Government's record on human rights. One example of the repression leveled by the Soviet Union against people attempting to exercise the basic and fundamental rights enumerated in the Helsinki accords is the plight of Soviet Jews. Statistics from the last 5 years reveal a crisis situation exists in terms of immigration by Soviet Jews, which is at a historically low rate.

I have corresponded on a great number of occasions with Soviet officials, on behalf of Soviet Jews who desire to emigrate from the Soviet Union. In addition, I have been honored to adopt a refusenik by the name of Leonid Volvovsky. Leonid was recently arrested by Soviet authorities for the crime teaching Hebrew to others. I immediately sent a telegram to three top level Soviet officials, including Anatoly Dobrynin, Ambassador to the United States; Aleksandr Rukunkov, the Procurator General—equivalent to the U.S. Attorney General—in Moscow; and to Anatoly Myshkov, the Consul General at the Soviet Consulate in San Francisco. In this telegram I stated: "I understand the Soviet Government has arrested Leonid Volvovsky. Please drop all charges against Volvovsky and let him leave for Isreal. In my contact with Volvovsky over the last 2 years I have found him to be a man of fine character. He only wants happiness and security for his family." To date, I have not received a reply from any Soviet official. Certainly imprisonment for those who teach the Hebrew religion is not a policy a country should be proud of.

Mr. Speaker, 1985 is viewed by many of us in the Congress as a critical period for human rights in general, and Soviet Jews in particular. America must be the nation that bears the burden of carrying the human rights movement to repressive governments in other parts of the world because no other nation on earth enjoys the benefits of freedom more. I urge all my colleagues to support House Joint Resolution 10.●

● Ms. FIEDLER. Mr. Speaker, I rise in support of Senate Joint Resolution 180 commemorating the 10th anniversary of the Helsinki accords. However, I do so in the hope that the next 10 years of the so-called Helsinki process are more successful than the first. The Soviet Union's record of compliance with the agreement signed in 1975 has been atrocious. Soviet leaders take what they like from the pact—namely, our recognizing their hegemony in Eastern Europe—and ignore the human rights provisions they also signed. Apparently, individual liberties are fine—as long as they don't involve the freedom to think, speak, and write as you please, to worship as you please, to read Western books and newspapers, to telephone a relative in the United States or Israel without the KGB listening in.

Soviet leaders have been especially cynical in the treatment of their citizens who had the temerity to take them at their word and set up groups to monitor compliance with the Helsinki agreements. According to the U.S. Helsinki Watch Committee, of the 100 or more people who openly joined these groups in the Soviet Union, 51 are currently in prison, in psychiatric hospitals, in labor camps, or in internal exile. Four have died in prison, another was killed in a suspicious automobile accident. Another 20 have been incarcerated and released. Not surprisingly, these groups have had to abandon their tasks.

Jewish emigration from the Soviet Union is the other area where the high hopes of the Helsinki era have been bitterly disappointed. After

reaching a high of 51,000 in 1979, emigration has dwindled to a tiny fraction of that number. Last year, only 896 Jews were allowed to emigrate.

So while I support the resolution, I want Mr. Gorbachev to know that Americans in and out of government are losing patience with the Kremlin's cynical, empty pronouncements. As President Ford warned us, the Helsinki accord will be judged not by the promises that are made, but by the promises that are kept.●

Mr. BROOMFIELD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 180

Whereas on August 1, 1975 the United States joined thirty-four other nations, including the Soviet Union and other Warsaw Pact states, as signatories to the Final Act of the Conference on Security and Cooperation in Europe, known as the Helsinki Final Act, and

Whereas the Final Act is a balanced document incorporating provisions concerning human rights and fundamental freedoms, military security, cooperation in the fields of economic, scientific, cultural and educational affairs, free flow of information, and humanitarian affairs, and

Whereas the Helsinki process has evolved into the primary tool of East-West Human rights diplomacy and continues to serve as a beacon of hope to victims of oppression in the Soviet Union and Eastern Europe, and

Whereas the United States, our NATO Allies and a number of neutral and nonaligned countries have documented and protested many serious violations of the human rights and human contacts provisions of the Final Act by the Soviet Union and other Warsaw Pact states, and

Whereas the Soviet Union displays contempt for basic civil and political rights, such as freedom of thought, conscience, religion and belief; confines in prisons, labor camps and psychiatric institutions or internally exiles hundreds of citizens who have sought to know and act upon their rights, among them thirty-seven imprisoned members of Helsinki monitoring groups, and

Whereas the Soviet Union callously disregards its pledge to facilitate human contacts and has drastically reduced the numbers of Soviet citizens permitted to emigrate; has consistently denied exit permission to Soviet citizens married to U.S. citizens and to other individuals who have claims to U.S. citizenship; and deliberately impedes the East-West flow of information by jamming Western radio broadcasts, and

Whereas disregard for human rights also is evident in the other Warsaw Pact states of Eastern Europe, and

Whereas inter alia, Bulgaria maintains virtually total control over the life of its people and recently has engaged in a campaign of forcible assimilation aimed at the Turkish minority population; Czechoslovakia harshly represses independent social, political, religious, minority and cultural expression and persecutes members of Charter '77 and VONS (Committee for the Defense of the Unjustly Persecuted); The German Democratic Republic enforces a restrictive emigration policy; Hungary continually harasses citizens who publish or possess unofficial material; Poland outlaws the Solidarity Union, harasses and prosecutes Solidarity and human rights advocates and currently imprisons over 200 persons for exercising their human and workers' rights; Romania maintains a repressive internal regime and seriously violates the freedoms of conscience, expression and association, as well as religious liberty and minority rights; and

Whereas meetings of Helsinki signatory states present important opportunities for Western democracies to call the Soviet Union and its allies to account for these human rights violations, and

Whereas at the recent Ottawa Human Rights Experts Meeting of Helsinki signatory states, East Bloc human rights violations were raised and deplored by U.S. Ambassador Richard Schifter and by other Western and Neutral envoys on behalf of their respective states, and

Whereas U.S. Secretary of State George P. Shultz will lead the U.S. Delegation to the 10th anniversary commemoration of the signing of the Final Act: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) the Congress strongly reaffirms the human rights principles and humanitarian provisions of the Helsinki Final Act and the Madrid Concluding Document;

(2) the Congress recognizes and condemns continued East Bloc violations of international obligations under the U.N. Charter, the Universal Declaration on Human Rights, the Helsinki Final Act, the Madrid Concluding Document, and other relevant international instruments;

(3) the Congress requests that the President of the United States direct the U.S. Department of State to convey to the Soviet Union and its allies the United States' deep and abiding human rights concerns;

(4) the Congress urges the President to direct the U.S. Department of State to take full advantage of the opportunities provided by all upcoming meetings of Helsinki signatory states to call the Soviet Union and its allies to account for ongoing human rights violations and to work constructively with the governments of the other Western democracies to promote human rights progress in the Eastern signatory states; and

(5) the Congress calls upon the President to use every opportunity to stress the inherent link—explicitly stated in the Helsinki Final Act and the Madrid Concluding Document—between respect for human rights and the achievement of lasting peace.

The SPEAKER pro tempore. The question is on the third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the Senate joint resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BROOMFIELD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 414, nays 0, not voting 19, as follows:

[Roll No. 266]

YEAS—414

Ackerman	Dorgan (ND)	Kastenmeier
Addabbo	Dornan (CA)	Kemp
Akaka	Dowdy	Kennelly
Alexander	Downey	Kildee
Anderson	Dreier	Kindness
Andrews	Duncan	Kleczka
Annunzio	Durbin	Kolbe
Anthony	Dwyer	Kolter
Applegate	Dymally	Kostmayer
Archer	Dyson	Kramer
Armey	Early	LaFalce
Aspin	Eckart (OH)	Lagomarsino
Atkins	Eckert (NY)	Lantos
AuCoin	Edgar	Latta
Badham	Edwards (CA)	Leach (IA)
Barnard	Edwards (OK)	Leath (TX)
Barnes	Emerson	Lehman (CA)
Bartlett	English	Lehman (FL)
Barton	Erdreich	Leland
Bateman	Evans (IA)	Lent
Bates	Evans (IL)	Levin (MI)
Bedell	Fascell	Levine (CA)
Beilenson	Fawell	Lewis (CA)
Bennett	Fazio	Lewis (FL)
Bereuter	Feighan	Lightfoot
Berman	Fields	Lipinski
Bevill	Fish	Livingston
Biaggi	Flippo	Long
Bilirakis	Florio	Lott
Bliley	Foglietta	Lowery (CA)
Boehlert	Foley	Lowry (WA)
Boggs	Ford (MI)	Lujan
Boland	Fowler	Luken
Boner (TN)	Frank	Lundine
Bonior (MI)	Franklin	Lungren
Bonker	Frenzel	Mack
Borski	Frost	MacKay
Bosco	Fuqua	Madigan
Boucher	Gallo	Manton
Boxer	Garcia	Markey
Breaux	Gaydos	Marlenee
Brooks	Gejdenson	Martin (IL)
Broomfield	Gekas	Martin (NY)
Brown (CA)	Gephardt	Martinez
Brown (CO)	Gibbons	Matsui
Broyhill	Gilman	Mavroules
Bruce	Gingrich	Mazzoli
Bryant	Glickman	McCain
Burton (CA)	Gonzalez	McCandless
Burton (IN)	Goodling	McCloskey
Bustamante	Gradison	McCollum
Byron	Gray (IL)	McCurdy
Callahan	Green	McDade
Campbell	Gregg	McEwen
Carper	Grotberg	McGrath
Carr	Guarini	McHugh
Chandler	Gunderson	McKernan
Chappell	Hall (OH)	McKinney
Chappie	Hall, Ralph	McMillan
Cheney	Hamilton	Meyers
Clay	Hammerschmidt	Mica
Clinger	Hansen	Michel
Coats	Hartnett	Mikulski
Cobey	Hatcher	Miller (CA)
Coble	Hayes	Miller (OH)
Coelho	Heftel	Miller (WA)
Coleman (MO)	Hendon	Mineta
Coleman (TX)	Henry	Mitchell
Collins	Hertel	Moakley
Combest	Hiler	Molinari
Conte	Hillis	Mollohan
Conyers	Holt	Monson
Coughlin	Hopkins	Montgomery
Courter	Horton	Moody
Craig	Howard	Moore
Crane	Hoyer	Moorhead
Crockett	Hubbard	Morrison (CT)
Daniel	Huckaby	Morrison (WA)
Dannemeyer	Hughes	Murphy
Darden	Hunter	Murtha
Daschle	Hutto	Myers
Daub	Hyde	Natcher
Davis	Ireland	Neal
DeLay	Jacobs	Nelson
Dellums	Jeffords	Nichols
Derrick	Jenkins	Nielson
DeWine	Johnson	Nowak
Dickinson	Jones (NC)	O'Brien
Dicks	Jones (OK)	Oakar
Dingell	Jones (TN)	Oberstar
DioGuardi	Kanjorski	Obey
Dixon	Kaptur	Olin
Donnelly	Kasich	Ortiz

Owens	Schroeder	Swindall
Oxley	Schuette	Synar
Packard	Schulze	Tallon
Panetta	Schumer	Tauke
Parris	Seiberling	Taylor
Pashayan	Sensenbrenner	Thomas (CA)
Pease	Sharp	Thomas (GA)
Penny	Shaw	Torres
Pepper	Shelby	Towns
Perkins	Shumway	Traficant
Petri	Shuster	Traxler
Pickle	Sikorski	Udall
Porter	Siljander	Valentine
Price	Sisisky	Vander Jagt
Pursell	Skeen	Vento
Quillen	Skelton	Visclosky
Rahall	Slattery	Volkmer
Rangel	Slaughter	Vucanovich
Ray	Smith (FL)	Walgren
Regula	Smith (IA)	Walker
Reid	Smith (NE)	Watkins
Richardson	Smith (NH)	Waxman
Ridge	Smith (NJ)	Weaver
Rinaldo	Smith, Denny	Weber
Ritter	Smith, Robert	Weiss
Roberts	Snowe	Wheat
Robinson	Snyder	Whitehurst
Rodino	Solarz	Whitley
Roe	Solomon	Whittaker
Roemer	Spence	Whitten
Rogers	Spratt	Wilson
Rose	St Germain	Wirth
Roth	Staggers	Wise
Roukema	Stallings	Wolf
Rowland (CT)	Stangeland	Wolpe
Rowland (GA)	Stark	Wortley
Roybal	Stenholm	Wright
Rudd	Stokes	Wyden
Russo	Strang	Wylie
Sabo	Stratton	Yates
Savage	Studds	Yatron
Saxton	Stump	Young (AK)
Schaefer	Sundquist	Young (FL)
Scheuer	Sweeney	Young (MO)
Schneider	Swift	Zschau

NOT VOTING—19

Bentley	Ford (TN)	Mrazek
Boulter	Gordon	Rostenkowski
Carney	Gray (PA)	Tauzin
Cooper	Hawkins	Torricelli
Coyne	Hefner	Williams
de la Garza	Lloyd	
Fiedler	Loeffler	

□ 1350

So the Senate joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HOYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject matter of the Senate joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT APPROPRIATION ACT, 1986

Mr. ROYBAL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3036) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1986, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

□ 1353

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3036, with Mr. BEILENSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole House rose on Friday, July 26, 1985, titles V and VI were open to amendment at any point. Pending was an amendment offered by the gentleman from Minnesota [Mr. FRENZEL].

The Chair now recognizes the gentleman from Minnesota [Mr. FRENZEL] for 5 minutes in support of his amendment.

Mr. FRENZEL. Mr. Chairman, per my letter to each Member of the House of Representatives, my amendment which is now pending makes uniform cuts across the board in discretionary items in this appropriation.

Mr. Chairman, the total spending in the committee bill amounts to over $13 billion. Of that amount, the mandatory spending programs, three of them, are not included in my amendment. Only included are discretionary amounts, which in the bill total $7.25 billion.

Mr. Chairman, eliminating the mandatory provisions of the bill, there are about $7.2 billion in spending for discretionary items. Those discretionary items are about $192 billion over the level of fiscal year 1985, the current year. In order to preserve the House intention to freeze discretionary items, my amendment cuts that $192 billion by applying an equal reduction of 2.65 percent across the board to each of the discretionary items. It results in a savings from the bill's expenditures of about $192 billion.

Mr. Chairman, I have had Members ask me why I am cutting Customs, why I am cutting BATF or Federal law enforcement training, just as Members always ask why in a reduction amendment we have to cut anything.

Unfortunately, if we are going to reduce spending, we have to cut something.

I would note, Mr. Chairman, that there are two very heavy items in the bill. The committee bill increases the Customs Service spending by 14 percent, which is well over the amount contemplated in the House budget resolution which many Members have voted for twice.

If one accepts my amendment, the Customs Service will still have an increase of over 11 percent, will still be above the House budget resolution and will have plenty of money to run a good operation.

Mr. Chairman, the House is being tested again today on the basis of whether it really meant anything when it said it wanted to reduce deficits. There is a great deal of questioning by the people of the United States to why this body would vote for a freeze in its budget of discretionary items, and then, as it handled its appropriation bills, continue to spend more money than is required by a freeze.

This amendment gives the House a chance to stand up for what it said it was doing when it passed its budget resolution the first time. This gives the House a chance to reaffirm what it said it was doing in its budget resolution and what many of its Members said they wanted to do.

Again, Mr. Chairman, there will be two amendments and those will seek to exempt certain line items from spending. The first amendment, from the gentleman from Texas [Mr. COLEMAN], will reduce the force and effect of my amendment and result in overspending on discretionaries.

The second amendment will reorient my suggested allocation.

In defense of my own amendment, I can say that I tried to ratify what the committee had done, neither digging deeper than it had done nor favoring any discretionary amounts that it perhaps did not favor.

□ 1400

I felt that across the board was the best way that I could show respect for the committee's work. It is only a 2.65-percent reduction, and it only reduces discretionary spending by $192 million. But I think it is the very least that the House can do if the House has any interest whatsoever in living up to its budget resolution or reducing the deficit.

I yield back the balance of my time.

Mr. ROYBAL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment does, in fact, reduce budgetary spending for these departments by $192 million. But this is done without the benefit of a hearing, and without actually knowing what the needs are of the departments that are going to be affected by this cut.

I do not think that this is the proper way of making reductions in any budget of the Federal Government. I think that we must know what the needs are of the various departments in question before we do that.

Our committee spent several months studying these issues and came to the conclusion that the amounts recom-

mended by the committee were proper. These amounts are $214 million less than the House-passed budget resolution. It is $214 million less below the budgetary amounts allocated to this committee. Not more, but less.

I have to note that if this amendment is adopted, then hundreds of millions of dollars in revenue that could and should be collected by IRS will not be collected, and our deficit will grow even higher as our honest citizens bear more and more of the tax burden.

My colleagues probably saw in the newspaper this morning that there are thousands of individuals in the United States that have been waiting for their tax refund and they have not been able to receive it partly because the IRS does not have the sufficient personnel to process those returns and send that money back to the people that they owe the money to.

We must also point out the fact, Mr. Chairman, that the Federal Government is paying 13 percent interest on the money that they owe, and that each day that goes by, more and more is being owed to the people who are waiting, impatiently, I might say, for IRS to send them their tax refund, which is expected and in many cases very much needed.

If the amendment is adopted, drugs and other illegal imports that should be stopped at our borders by Customs will find their way into this country, and again because this reduction means fewer personnel. The damage that will be done to our society by drugs in actual terms of dollars is literally many billions of dollars' damage, and no one really knows how much it really will cost ultimately in medical care down the line. The damage done to the lives of our citizens, particularly our youth, is beyond calculation.

There is another department that is also going to be affected by this cut, and I am not going to go through each of these departments, except those departments that are revenue-producing. The Bureau of Alcohol, Tobacco and Firearms brings in billions of dollars of revenue, and at the same time it is one of the most important Federal agencies in stopping illegal trafficking of firearms and investigating illegal bombings. They would suffer the consequences of this cut. And as a result, they will be able to do less, again because of lack of personnel.

There are many agencies funded in this bill which perform less exciting and less glamorous functions, but those functions are important to the orderly process of Government. Reductions such as this would reduce their effectiveness, and in the long run would cost the Government far more than these reductions would save.

The General Services Administration, for example, leases, purchases, and maintains billions of dollars' worth of office and other type of space. Less effective management could result in substantial loss. GSA is also responsible for the purchase of billions of dollars in personal property and maintains a stockpile valued at many billions of dollars. We really do not know at this time, since we have not studied the effects of this cutback, what this would mean to their operations.

I can go on and on, Mr. Chairman, about one of these departments. But I hesitate to do so, again because of lack of time, but because primarily no one seems to be listening. If someone just listens to the facts, they will come to the same conclusion that the committee came to, that we cannot make these cuts, particularly in these revenue-producing departments that bring in as least $12 in revenue for every $1 that is spent in their operation.

AMENDMENT OFFERED BY MR. COLEMAN OF TEXAS TO THE AMENDMENT OFFERED BY MR. FRENZEL

Mr. COLEMAN of Texas. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. COLEMAN of Texas to the amendment offered by Mr. FRENZEL: At the end thereof insert the following new sentence:

The provisions of the preceding sentence shall not apply to funds appropriated or otherwise made available under title I of this Act for Federal Law Enforcement Training, the Bureau of Alcohol, Tobacco and Firearms, the United States Customs Service, the Internal Revenue Service, and the United States Secret Service, or title II of this Act for the Postal Service.

(By unanimous consent, Mr. COLEMAN of Texas was allowed to proceed for 6 additional minutes.)

Mr. COLEMAN of Texas. Mr. Chairman, my amendment would exclude the law enforcement agencies contained in title I and all of title II of the bill from the amendment offered by the gentleman from Minnesota. Those agencies are: the Federal Law Enforcement Training Center; the Bureau of Alcohol, Tobacco and Firearms; the U.S. Customs Service; the Internal Revenue Service; the Secret Service; and the Postal Service.

The committee worked long and hard to develop a bill which is both under its tentative 302(b) subdivision and provides the necessary resources for the administration of law enforcement, tax and duty collection; drug interdiction; and the preservation of the revenue foregone function of the Postal Service. We did not "raid" the Treasury. The bill is under the House passed budget allocation by $207 million. However, the gentleman from Minnesota believes the committee is spending too much for the functions under its jurisdiction, and therefore believes it should be cut. While that may seem fiscally proper, such a cut would cause severe repercussions both in law enforcement and revenue collection. In effect, the gentleman's amendment might be pennywise, but it would most certainly be pound foolish.

The amendment I offer to the gentleman's amendment still allows for a cut in the bill of $35 million. What it would do is remove from the harmful and ill-conceived cutting edge those agencies which would otherwise be irreparably harmed by the gentleman's amendment. Let me just explain what his amendment would do to those agencies.

Mr. FRENZEL's amendment would cut the U.S. Customs Service by a total of $20,814,000. Of that amount, $19,212,500 would come out of the salaries and expenses of the Customs Service. That would cause the reduction of approximately 540 positions contained in the bill, resulting in 438,750 fewer entries inspected and processed and a possible revenue loss of $260 million or more in revenue. The Committee on Appropriations, the Committee on Ways and Means, the Budget Committee, and others have recommended an increase in customs personnel above the fiscal year 1986 request by some 1,687 positions. Ways and Means and the Congressional Budget Office estimate that the increase in personnel would result in revenue gains of $780 million over the next 2 years. Using those calculations, Mr. FRENZEL's amendment would therefore result in revenue losses of up to $500 million. Furthermore, the Ways and Means Subcommittee on Trade reported that nearly $40 billion in illegal imports were slipping into the country annually. That costs the Treasury, according to the committee, $3 billion annually.

Perhaps a more important point to stress with the Customs Service is that it is the front line against the influx of illegal narcotics threatening the social fiber of our society. In testimony before our committee, the Commissioner of Customs stated that for every pound of cocaine customs seizes, two or three get through. Furthermore, according to the Customs Service, of all cargo containers which enter the country, 98 percent pass through uninspected. The odds presented by that situation are unacceptable in the war on drugs. According to the Select Committee on Narcotics, in 1984 the supply of heroin in this Nation increased by 200 percent. The supply of cocaine increased by 50 percent and the supply of marijuana increased by 300 percent. However, the gentleman's amendment would cut not only 540 enforcement personnel out of the bill, it would also cut $1.6 million from the air interdiction program of the Customs Service. In effect, those cuts would probably cut back on the available air time for P-3A's used to detect and track planes carrying dope into

this country, and the funds for the operation and maintenance of 2 additional Blackhawk helicopters Customs hopes to acquire as well, which are used to intercept such aircraft. To cut these funds for the Customs Service's Drug Interdiction Program, while the illegal drug trade continues to flourish, would be a dereliction of duty. If the Congress is really serious about fighting drugs, we are going to have to pay for it.

Mr. FRENZEL would also have us cut $97 million from the Internal Revenue Service. The committee approved an increase of $178 million for the IRS for fiscal year 1986. So did the Ways and Means Committee. The Ways and Means Committee and the Joint Committee on Taxation estimate that this could result in new revenues of up to $1.2 billion or more. Mr. FRENZEL's amendment would cut that figure in half, if not more. As a matter of fact, it would probably result in more losses in the long run. For instance, the committee approved funds for 500 additional personnel to process returns in fiscal year 1986. I do not believe there is a Member here who is not aware of the terrible backlog being experienced by the IRS this year. They are 6 million returns behind, which will cost millions in interest. The committee added the personnel in anticipation of 500 million additional returns to be processed next year. Yet, Mr FRENZEL's amendment would eliminate those positions and we would be left in a worse position. While no one may be too fond of the IRS, they are an important function of Government. When we spend money on them they bring more back in. In light of our deficits, and the amount of taxes owed yet unpaid, it is foolish not to properly fund the agency. Mr. FRENZEL would cut the examination and appeals section of the IRS by over $37 million, cutting staff by 1,000 positions resulting in 60,000 fewer examinations. This lowers the overall audit coverage to 1.2 percent, the tenth straight year of decline since 1976. And, again, we lose badly needed and owed revenue.

The gentleman would cut the Bureau of Alcohol, Tobacco, and Firearms by more than $4 million. That would result in a reduction of 150 staff positions under the fiscal year 1985 level. This agency enforces our alcohol taxes, estimated at $5 billion annually. Their enforcement capabilities would be greatly deterred, particularly when the increase in distilled spirits tax rate is due to increase on October 1, 1985. It would also curtail their ability to halt cigarette smuggling involving organized crime and to investigate domestic bombings in a time of rising terrorism. To cut this budget and staff would be most unwise.

Mr. FRENZEL would have us cut the budget of the Federal Law Enforcement Training Center. The committee reviewed the administration's request for this program and found it necessary in order that current training levels be maintained. That program works with 59 organizations to see that Federal and State law enforcement personnel are adequately trained. It makes no sense to cut it when Members of this House talk about controlling crime. Not more than 2 weeks ago, this House debated ways of fighting terrorism. To cut the budget of the training facility would be a step in the opposite direction.

Mr. FRENZEL's amendment would cut the Secret Service by $7 million. That budget is already under the fiscal year 1985 appropriations by $2.6 million. The committee worked with the administration in developing this budget and all parties agreed the amount contained in the bill was necessary to continue adequate protection of the President, Vice President, and other Government officials, as well as to curtail counterfeiting. I see no merit in cutting its budget, nor does the administration.

Finally, the gentleman's amendment would further cut the funding contained in the bill for the Postal Service. The result would no doubt mean a further increase in rates for small in-county publications and nonprofit organizations. The funding level contained in the bill is $79 million below the fiscal year 1985 amount. The full committee already cut funding for this function by moving the scheduled rate increase up from July 1986 to January 1986. That represents a 14-percent increase in mailing costs for these small town newspapers and charitable organizations. These groups provide assistance to the poor and downtrodden, particularly in the last few years because of the cutbacks in Government assistance programs. To cut this program further would be contradicting the administration's efforts to enhance more private rather than Government assistance.

The House already rejected a freeze on these agencies when we passed the budget resolution in May. We realized their importance to law enforcement and revenue collection then and should do so now.

Mr. Chairman, the gentleman's amendment is just bad government. It would result in reductions of revenue. It would lower our defenses against drugs, terrorism, and organized crime. And it would increase the burden on the less fortunate. The bill reported by the committee is fiscally sound. If you want to cut more, support my amendment, and add to the amount already under the House budget allocation. But, at least, do not support an amendment, as the one offered by the gentleman from Minnesota, which will weaken Federal law enforcement and fiscal administration.

□ 1410

Mr. DORGAN of North Dakota. Mr. Chairman, will the gentleman from Texas yield?

Mr. COLEMAN of Texas. I yield to the gentleman.

Mr. DORGAN of North Dakota. I thank the gentleman.

Let me support the gentleman's statement, particularly with respect to the IRS. I would like to make a couple of comments about that.

We are losing, some people estimate, $4 to $5 billion a year because we do not have adequate enforcement of our tax laws. We used to examine about 3 percent of the tax returns coming in; now we are down to somewhere around 1.4 to 1.3 percent of the tax returns. We have somewhere around $30 to $35 billion out there in accounts receivable that is not being collected. At that same time we have a diminution of our ability to collect through the collectors we have on the IRS staff.

W.R. Grace Commission said we ought to have 7,500 more people in the IRS to enforce the tax laws the way they are supposed to be enforced. Now I know a lot of folks do not like the IRS, but the people out there that work for a living, that are on the W-2 form, that do not have any flexibility, they are the people that end up having to pay for the lack of compliance, the lack of enforcement that currently exists in this tax system.

I am pleased that we saw some additional positions put in the committee bill above the administration's budget recommendation. I think that is a step forward. I hope we will take a much bigger step next year and get back to the position when we started enforcing the tax laws the way they ought to be enforced.

Some people think it is conservative to say, "Let's get rid of half the IRS." That is not conservative, it is nonsense. Let us make certain we enforce these tax laws. To do that we need an adequate level of audit staff, of those who are able to collect delinquent accounts. I thus support the gentleman's approach.

The CHAIRMAN. The time of the gentleman from Texas [Mr. COLEMAN] has expired.

(On request of Mr. SKEEN and by unanimous consent, Mr. COLEMAN of Texas was allowed to proceed for 3 additional minutes.)

Mr. SKEEN. Mr. Chairman, will the gentleman from Texas yield?

Mr. COLEMAN of Texas. I am happy to yield to the gentleman from New Mexico, the ranking minority member on the committee.

Mr. SKEEN. I thank the gentleman for yielding.

The question I would like to ask: The net effect of your substitute to the Frenzel amendment would be, then, how much in total reduction

over where we are now before any amendment takes place, in dollars?

Mr. COLEMAN of Texas. As the gentleman from New Mexico knows, the Frenzel amendment would have cut approximately $192 million from the Appropriations Committee bill. My amendment to the amendment, instead, cuts $35 million. While it would have been my preference to have gone completely with the matter of the committee bill because I think the necessary reductions were made in a very precise way, I felt it necessary, even preferable, to offer this amendment to the amendment so that other, more crippling amendments to the amendment of the gentleman from Minnesota could not preclude this particular cut. So we are cutting an additional $35 million which by the way causes us to come under the budget authority by some $242 million.

Mr. SKEEN. We were under the House budget, am I not correct?

Mr. COLEMAN of Texas. You are correct.

Mr. SKEEN. We are, however, over the President's budget by some $1.2 billion.

Mr. COLEMAN of Texas. If I might for a second I would like to speak to that issue. As you know, the President's budget did not have any dollars for revenue forgone, which both bodies have decided we are going to have to do something about. So as a result we wind up with a $900 million addition no matter what we do from one body to the other.

Mr. SKEEN. The reason I ask that question is there seems to be some confusion about whether we are over the budget that the House passed or under the budget. I just want some assurance that the base that we are still on, that my information is still correct that we are still under the House-passed budget.

Mr. COLEMAN of Texas. That is correct, the gentleman is right.

Mr. SKEEN. I thank the gentleman for yielding.

Mr. CONTE. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the Frenzel amendment.

I want to commend the gentleman from Minnesota [Mr. FRENZEL] for his effort and hard work in trying to reduce the deficit. There's no doubt that deficit reduction should be a high priority for the Congress.

Although the Frenzel amendment is well intentioned, it may have some unintended and expensive results. On the surface, this amendment appears to save $192 million by imposing a 2.7-percent cut across the board. However, the result may actually increase the deficit by a significant amount.

As I understand it, the Frenzel amendment would cut $98 million from the IRS and about $21 million for the Customs Serivce. These two agencies, along with a reduction in the Postal subsidy, would absorb about 75 percent of the total cut proposed in the amendment.

As the gentleman from Minnesota knows, these two agencies are the biggest revenue producers in the Government. The Customs Service, for example, collected $12.5 billion in duties and taxes during fiscal year 1984. In the end, Customs returned to the Treasury $21 for each dollar appropriated.

The ratio for the IRS is even better. In fact, any cut to this Agency will result in substantial losses in revenue. During the subcommittee hearings on the IRS, I asked the Commissioner for the record what the impact of a $30 million cut would be on tax revenues. To say the least I was shocked with the answer. The IRS estimated that a $30 million cut in IRS operations would cost the Treasury $375 million in fiscal year 1986. I can only imagine what the revenue loss would be with a $98 million cut as proposed by this amendment.

Mr. Chairman, based on this fact alone, this amendment should be rejected. It doesn't make sense to cut a small amount now and lose millions in revenue next year. I urge my colleagues to reject this amendment.

□ 1420

It is amazing to note that because of the delay in processing the tax refunds this year, the Internal Revenue Service has to pay more than $200 million in interest alone. So we are being penny wise and pound foolish with this amendment.

The Coleman amendment is better than the Frenzel amendment, but let us face it. You know why this budget is a billion dollars over the President's budget. The administration has zeroed out because he zeroed in revenue foregone: When that budget came up here, no funds were recommended for revenue foregone.

So this committee did the responsible thing; This bill does comply with the phasing schedule. The committee provided $922 million for revenue foregone in this bill. The committee also added $178 million for the Internal Revenue Service so that they can beef up their enforcement efforts and collect the billions of dollars in taxes now owed to the Government.

Mr. COLEMAN of Texas. Will the gentleman yield for a question?

Mr. CONTE. I will be glad to yield.

Mr. COLEMAN of Texas. I would just say to the gentleman, I have similar problems with both amendments, and I think because of your statement that it might be wise; I would only offer to withdraw my amendment to the amendment if the gentleman from Minnesota would withdraw his amendment, and then we could pass the bill.

I think that would be appropriate. I will be happy to do that if the gentleman from Minnesota would be willing to withdraw his amendment. On the other hand, if he is not, then I would hope you would support my amendment to the amendment because it is better, and then if you desire, of course, on the final vote on the Frenzel amendment if it is amended by mine, you could vote no.

Mr. CONTE. I will take that under consideration.

I just do not understand why both gentlemen are not directing their amendments to the source of the problem. One of the biggest items in this bill is revenue foregone. It is a Postal subsidy, and nobody wants to talk about it, nobody wants to offer an amendment; but it is a legitimate question.

I know you may get a few letters from the nonprofit organizations and the rural newspapers, but I know you can take that kind of heat.

Mr. ROYBAL. Mr. Chairman, I rise in opposition to the amendment.

I think, Mr. Chairman, that we can stipulate to the fact that the Coleman amendment does in fact improve the Frenzel amendment. It improves it by $157 million, but I rise in opposition with mixed emotions, for it reminds me very much of a situation where a man is asked whether he wants to die at sunrise before a firing squad or take poison in the evening before he goes to bed. The end result is that he is going to die anyway.

In this instance, the Departments in question are going to suffer the consequences of whatever cutback is voted upon no matter what if these amendments are approved.

The truth of the matter is that regardless of the Frenzel-Coleman amendment, they are being brought to this floor without the benefit of the kind of study that is necessary to make a determination with regard to the needs of these departments.

It is true that we are above the President's recommendation, but the truth of the matter, as has already been stated, is that revenue foregone is $926 million more than that zero figure recommended by the President of the United States.

That is the real problem of the situation. Again, as we look at the amendments before us, we find that one is better than the other only because it reduces the impact of amendment No. 1.

So I rise in opposition to both amendments, but in this instance, the Coleman amendment, with some reservations is better, but still not good legislation. Mr. Chairman, I sincerely hope that both amendments are defeated.

Mr. DURBIN. Mr. Chairman, I rise to strike the last word.

Mr. Chairman, I stand today in support of the position expressed by the gentleman from Massachusetts [Mr. CONTE]. I believe that Mr. COLEMAN has improved on Mr. FRENZEL's amendment, but I happen to believe that the chairman of the subcommittee is correct that we would be better off if neither amendment was adopted.

Several days ago, there was a debate on this floor about the authorization and appropriation for the National Aeronautics and Space Administration. Many Members deviated from what had been their norm in voting by saying that we should put additional money into NASA because it would come back to us twelve-fold or fourteen-fold.

Ladies and gentlemen of the House, we have before us today a very similar situation. If we decide to cut back in the money for the Internal Revenue Service, it is very clear, and the gentleman from Massachusetts [Mr. CONTE] stated it, that we will lose upward of $375 million at least, at least, if we fail to get the Internal Revenue Service the necessary personnel to process the returns which they received.

In addition, the statement made by the gentleman from Texas [Mr. COLEMAN] was also very instructive as to what we should be doing on this particular amendment. It we are going to sacrifice some 468,000 inspections by customs officials, we not only run the risk of jeopardizing the whole border operation of protecting the United States, we also run the risk of allowing drugs to come into this country—illegal drugs and contraband.

Can we afford this? Can we afford what this will do to our society? And finally, the question of revenue foregone. I have not heard any speaker who, and I apologize if I missed the remarks, but I have not heard any speaker in support of the Frenzel amendment suggest that they support the administration's position to do with revenue foregone, and that is a major component in this decision today.

I believe the gentleman from Massachusetts is correct that we should oppose the Frenzel amendment. If we are forced to consider the Frenzel amendment, at least with the Coleman amendment added to it, we will have a sounder legislative product.

Mr. COLEMAN of Texas. Will the gentleman yield?

Mr. DURBIN. I yield to the gentleman.

Mr. COLEMAN of Texas. The only comment or question I would have for the gentleman is this. Because of where we are parliamentarily, Mr. Chairman, I am wondering whether or not the gentleman does not agree that it would be better to exempt from the Frenzel cuts the Internal Revenue Service, the Customs, the Secret Service, and all of the law enforcement agencies as well as the revenue foregone issue at this point in time?

In other words, I am asking the gentleman whether or not it would not be better for Members of this body to vote "aye" on the Coleman amendment, and then we can determine at the end of that whether or not we want and amendment at all to what the committee work has done.

Mr. DURBIN. I agree with the gentleman. I think that is the proper course to follow.

Mr. Chairman, I would say that I would hope that the Frenzel amendment —would not prevail without the Coleman amendment attached to it.

Mr. SKEEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this is a very interesting process. Of course, those of us on the committee are going to stand up and talk about defending the committee's position. I do not think that we need to defend it, because I think we have done our work and done it well.

However, that is the process; and when you bring these bills out here to the floor, then this is the kind of thing that you open to the rest of the membership who have not had the great privilege and advantage and pleasure of working in these subcommittees, I admire the gentleman from Minnesota a great deal, because I understand his motivation, and I admire his forthright manner in which he approaches budget cuts.

However in this case I have to reluctantly oppose this kind of an amendment because I think that it is misplaced. I do not think that it really gets to the heart of what we are trying to do.

Mr. Chairman, I am a little bit confused. We have another amendment on top of this one, and I understand that there is another one in order, and I would make inquiry of the Chair as to whether or not we can amend this other amendment, the so-called Spratt amendment?

□ 1430

The CHAIRMAN. The Chair would advise the gentleman from New Mexico that the amendment of the gentleman from South Carolina [Mr. SPRATT] could be offered after the committee disposes of the amendment being proposed by the gentleman from Texas [Mr. COLEMAN].

Mr. SKEEN. So we have a triple-tiered situation going on here.

The only problem I have with the Coleman amendment is this: It restores and exempts from the cuts those areas that we worked to bolster because they were income-producing and were critical in so far as need for personnel and for function.

For instance, the Customs Service returns to the Treasury $21 for every $1 that we spend. So assuming from that, if you cut $1, then you are going to lose $21. I do not know if they work in that kind of proportion.

Mr. COLEMAN of Texas. Mr. Chairman, will the gentleman yield?

Mr. SKEEN. I yield to the gentleman form Texas.

Mr. COLEMAN of Texas. I hope the gentleman understands that should not be a problem with the Coleman amendment. In fact, the gentleman should be supporting the Coleman amendment. Let me read it again, so there is no mistake.

Mr. SKEEN. Reclaiming my time, I think I may have misled the gentleman due to the thrust of his question.

My only problem with the amendment of the gentleman from Texas is the $35 million that we ultimately cut from the appropriations in this particular bill. That is $35 million from agencies which can ill afford to lose that much in their funding base.

Now I yield to the gentleman from Texas.

Mr. COLEMAN of Texas. Let me just tell the gentleman what it is. Because it is an amendment to the Frenzel amendment, it cuts 2.65 percent out of the Office of the Secretary, out of the Office of International Affairs, out of the Financial Management Service, out of the Bureau of the Mint, out of the Bureau of Public Debt, out of the Energy Credit, out of compensation of the Office of Administration of the President, the White House Office, the executive residence, the residence of the Vice President, the special assistant, all of the rest that belong in this bill lose 2.56 percent because it is the Frenzel amendment.

My point is that there are no cuts, no losses in the very thing that the gentleman is concerned about and that I am concerned about, and that is law enforcement; there are no cuts if my amendment is adopted.

Mr. SKEEN. I understand the gentleman, and I do appreciate his bringing that up.

I will wind up by saying that I think that the Coleman amendment does offer improvement. I have some reservations, which I have already stated, and I have to oppose the Frenzel amendment.

Mr. MOORE. Mr. Chairman, I move to strike the requisite number of words.

Well, my colleagues, here we go again. While the American people watch Rome burn, we stand here, fiddling around, with more excuses of why you cannot cut this and you cannot cut that. Here we go again.

Instead of doing something meaningful to bring down the deficit, we are once again mired down in debate that we cannot hold spending at last year's level, we have got to increase it.

I, for one, am fed up with it. You vote that way, if you wish. We are

going to give you that chance. But I am at least going to express what I think is the frustration of the American people.

We do not have a budget. We have got to do something to hold down spending, which means that as each bill comes up, we are going to have to make some tough votes. Every bill that comes up has got some wonderful reasons why you cannot cut this and you cannot cut that, and there is merit to every one of them. But if we do that on every one of them, you do not cut spending at all.

What is wrong with the Frenzel amendment is not for what it has been attacked so far on the House floor. What is wrong is that it does not go far enough. The gentleman does not take it back to 1985 spending levels. He does not come anywhere close to it. He cuts some spending but does not take it back to what we spent last year.

When people talk about a freeze, that is what they are talking about. So if you cannot vote for the Frenzel amendment, what you are simply saying is, "Let's let this bill go by, let's give it 3 percent increase over last year's spending," which is what the bill does, "and we will look for some other bill that comes to the floor, and we will try to do it on that one."

We did not do it last week, we are not going to do it today. It looks like you are telling the American people we are not serious about those deficits, we will not do it this week, we will not do it next month. We will suffer with a $200-billion deficit a little while longer.

I urge the Members to vote against the Coleman amendment because it only saves $35 million, and that is not really serious. I think the Frenzel amendment, at $192 million savings is barely serious, but certainly the Coleman amendment is less serious.

I have heard it said—and I serve on the Ways and Means Committee—we have got to have all of these IRS agents just to collect taxes. Well, I did a little mathematics. If, as the gentleman from Texas [Mr. COLEMAN] says, 1,500 agents, which is what I am told the amount of money in this amendment he would preserve, would save you $1 billion, why do we not go ahead and appropriate 300,000 new agents and abolish the budget deficit altogether? If 1,500 will give you $1 billion, 300,000 will give you $200 billion and you would not have a deficit; and we can go you one better, we can give you 350,000 agents and we can reduce your taxes as that would bring in a surplus in revenue. We will abolish the deficit and we will reduce your taxes. That is the kind of nonsense you go through with this kind of reasoning.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Minnesota.

Mr. FRENZEL. I thank the gentleman for yielding.

Last year we increased the number of IRS agents. It did not do a damn thing to reduce our budget deficit. The year before that we added some IRS agents. Did they find any more money? No. But they found some taxpayers to harass.

This function, this budget fiction that more employees who do not know anything, who have to be trained, are suddenly going to go out and find money is ridiculous. Taxpayers produce money, not IRS revenue agents.

Mr. MOORE. Well said. I agree with the gentleman.

I would simply add that is the kind of nonsense we go through in rationalizing every step of the way why we cannot cut spending. You can cut it if you have got the guts to vote to cut spending. And if you do not, then do not go home and tell your people, gee, you want to reduce spending but you just could not do it. The Congress can do whatever the hell it wants to do if you got the courage to, and that is what I have seen missing in this congressional process.

Let me take it one step further. My good friend from New Mexico made the point a moment ago that this bill is below the House-passed budget resolution. That is no great document, but I voted for it. But what you do not realize is that this bill is $1 billion above the Senate-passed resolution, $1 billion more in spending.

Now, if you go to conference and you split the difference, that is $500 million, then you are nowhere close to the $500 million less level in this bill because that would be below 1985 spending, and this bill is 3 percent above it.

So you are deluding yourselves by saying we are saving money, because the bill is under the House-passed budget resolution. You are nowhere close to what a conference is going to come back with, if it does.

Let me conclude by simply saying this: With all due respect to all of you, all of these things are important. What is more important is bringing down the deficit. And I submit that every single bill that comes through—I have been listening now, just as you have been listening all spring and summer as we have fought these appropriation bills, as every one of them comes through, we could give a thousand excuses why you cannot even cut, you cannot even hold it to last year's spending. The Frenzel amendment does not even do that. It does not cut. It does not even hold it to last year's spending. If you cannot vote for that, then you are not serious.

So I end, as I started: Here we go again. Here we go again.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. MOORE] has expired.

(On request of Mr. PURSELL and by unanimous consent, Mr. MOORE was allowed to proceed for 3 additional minutes.)

Mr. PURSELL. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Michigan.

Mr. PURSELL. I want to thank the gentleman also for supporting the Frenzel amendment. I do likewise. I think it is a small amount. But I think we should also be aware that the pay increase is not even in this appropriation bill, as it is not in some of the other appropriation bills. In this bill it would be about $140 million. Now, it would seem to me that, ethically, if the pay raise is recommended by the administration and the conferees and the Congress itself across the board for Federal employees—and that is a separate question—since it has been recommended, what they are going to do is take all of that for all of the appropriation bills and dump it into a supplemental bill down the road, and that adds up to about $1 billion.

So the gentleman is correct in his statement that this is not at the freeze level either with or without the $140 million that was addressed for the pay increase.

Mr. MOORE. The gentleman from Michigan has been following the budget process and participating very closely, and I thank him again for his comments. The gentleman brings out again the games the Congress is playing with the American people. We talk about reducing spending, which we are not. We talk about freezing spending, which we are not. And then you point out that we are going to come right along with a supplemental appropriations bill and spend well above what we did last year.

□ 1440

These games have got to end, my colleagues, if we are ever going to do anything about the budget deficits.

Mr. SKEEN. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I yield to the gentleman.

Mr. SKEEN. I really appreciate what you are saying, and the fervor of it. I think that the gentleman has interpreted it correctly. There is only one problem: Where are the amendments to cut this back down to the budget? Where are all the great, gutsy kind of amenders out here today that will reduce this thing? It would be just as welcome as rain if you could get it passed.

Mr. MOORE. Reclaiming my time, we have offered one and you have spoken against it. Vote for that one and we will cut some more.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I yield to the gentleman.

Mr. FRENZEL. The gentleman from New Mexico is batting a thousand in opposing all the cuts so far. How many more do we have to bring before we find one you like?

Mr. SKEEN. Well, why do you not start with revenue forgone, if the gentleman will yield?

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I yield to the gentleman.

Mr. HOYER. I thank the gentleman for yielding.

Mr. Chairman, I understand the gentleman's frustration. It is somewhat like, I suppose, the chairman of the Senate Budget Committee who also himself has some frustration.

Let me ask the gentleman this: The gentleman mentions that we are $1 billion over the Senate. Would the gentleman be in favor of cutting the revenue forgone section of the bill by $900 million?

Mr. MOORE. You offer the amendment; I will vote for it.

Mr. HOYER. I take it then the gentleman would be in favor of that?

Mr. MOORE. I am in favor of cutting spending. I will vote to cut any spending anywhere down the line. That is why I am standing up here now.

Mr. HOYER. Including revenue forgone. I thank the gentleman for his statement.

Mr. SMITH of Florida. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I strongly support the amendment offered by the gentleman from Texas to protect the law enforcement component of H.R. 3036. This bill funds the U.S. Customs Service, which is a major component of our drug enforcement program. The Bureau of Alcohol, Tobacco and Firearms. IRS, Secret Service, and the Federal Law Enforcement Training Center. Unless the Coleman amendment is adopted, funding for these programs will be reduced by over $131 million.

I, for one, do not believe that any benefit associated with reduced funding would be worth the increased costs to society. Believe me, there are increased costs in every community in this country if the Frenzel amendment passes.

Just last week, the Select Committee on Narcotics Abuse and Control heard from Customs officials on their efforts in the drug war. With 3 months left in this fiscal year, Customs has already seized 15,000 kilos of cocaine, a threefold increase in just 3 years. If that is reduced, if the agents are not there to handle it, how much more cocaine is going to flow into every community in this country?

In its May 1985 special report on worldwide cocaine trafficking trends, DEA estimated wholesale cocaine prices in Miami to be between $30,000 and $35,000 per kilo in March. That means to that date, Customs has seized about $450 million in cocaine. Over $1 billion has been seized since then.

Recognizing the importance of the Customs Service in the war against drugs, the Appropriations Committee funded 16,087 more Customs Service positions than the administration requested. Remember, this administration has cut positions in the last 4 years in every one of their budget proposals.

Mr. COLEMAN of Texas. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Florida. I yield to the gentleman.

Mr. COLEMAN of Texas. I thank the gentleman for yielding.

Of course, I appreciate his work with me on this particular amendment. I know of his interest in the narcotics committee, and I would hope that this point would not be lost.

The gentleman from Louisiana just a moment ago spoke about 1985 levels. All that the numbers of customs do is attempt to get it back to 1981 levels. Not an increase from 1981, just back to those levels. I think that is the point that needs to be reiterated here on this floor.

Mr. SMITH of Florida. I thank the gentleman for pointing that out very graphically. We have been fighting a losing battle to keep the positions in the current range, and we have been losing steadily each year as to what we had 4 years ago with a greater need now than ever before.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Florida. I yield to the gentleman.

Mr. GILMAN. I want to commend the gentleman for his continuing efforts in waging, helping us wage war on narcotics. I want to associate myself with the gentleman's remarks. We talk about waging an extensive effort against the narcotics traffickers. If we are going to do it, we need the manpower, we need the funds, we need the equipment to do it, and this is not the way to do it, to cut it out of a very important agency that is helping us fight that war in the Customs.

Mr. SMITH of Florida. I thank the gentleman for his remarks, and I want everyone to be aware, if you cut it out at the Federal level, there is no comparable way that you can make the dent on drug trafficking in the local community. Without the Customs Service, State and local police cannot do the job in stemming the flow of cocaine and marijuana and other illicit drugs coming into this country. They do not have the resources. They will have to plug in more; the local taxpayers will pay more, but they will not be nearly as effective if the Federal Government is not involved in that fight.

How many more millions of dollars worth of cocaine will enter this country if we reduce Customs funding? Millions and millions and millions. The amendment of the gentleman from Minnesota also would reduce funds for the IRS—the only sure moneymaking operation in the Federal Government. The gentleman says that we have added more but we have not collected more money. That is not true. We have collected more money. We have made a dent on the delinquent taxpayers and others. The problem is that we want to put the agents where they belong in the revenue-producing areas; not in the areas of shuffling paper, and there is a difference when you add them in those areas.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Florida. I yield to the gentleman.

Mr. PICKLE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Minnesota to reduce the overall discretionary appropriations in this bill which includes the Internal Revenue Service.

I commend the gentleman for his desire to reduce the Federal deficit by cutting spending in general. However, by applying this amendment to the IRS, he is actually defeating his own avowed purpose.

This amendment would cut approximately $100 million from the level of funding for the IRS that is contained in the committee's bill. That $100 million cut will cost us about $600 to $700 million in lost revenue next year because it would reduce IRS enforcement efforts.

This kind of budget cutting is penny-wise and pound-foolish.

The amendment violates the spirit of the reconciliation package tentatively approved by the Ways and Means Committee which calls for $1.2 billion in revenue to be raised through improved IRS operations.

In addition, the Frenzel amendment would wipe out much of the increase in taxpayer services and tax return processing recommended by the Ways and Means Committee and the Appropriations Committee.

Every Member of this body has received complaints from constituents this year about the slowness and problems of processing tax returns. The Ways and Means Oversight Subcommittee has heard extensive testimony on these problems.

In an effort to prevent even further chaos and delays in next year's filing season, we made a bipartisan recommendation for a modest increase in enforcement, taxpayer services, and return processing.

I urge my colleagues to support the amendment by the gentleman from Texas to exempt enforcement agencies from this reduction.

The CHAIRMAN. The time of the gentleman from Florida [Mr. SMITH] has expired.

(By unanimous consent, Mr. SMITH of Florida was allowed to proceed for 5 additional minutes.)

Mr. SMITH of Florida. I appreciate the remarks of the gentleman from Texas. He is a ranking member on the Ways and Means Committee with many years of experience. I defer certainly to have the information that he has just imparted to the Congress.

At a time when we need every dollar of revenue due under the law, reducing IRS personnel as everyone has said would be penny-wise and pound-foolish.

Mr. ROYBAL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Florida. I yield to the gentleman.

Mr. ROYBAL. I would just like to compliment the gentleman on his statement, not necessarily his position, your statement with regard to Customs and the great need for agents is correct. These additional agents will definitely do a great deal to stop narcotics from coming into the United States. The main reason why the committee did in fact increase agents for Customs by 1,687 in personnel, is because of that reason. That increase in personnel is costing $86 million more than the President recommended.

We did the same thing for IRS because of the fact that there are thousands upon thousands of returns that have not been processed and moneys that are due the taxpayer have not been returned to the taxpayer. We inceased that by 2,243 positions, and it is costing $178 million.

We increase revenue foregone by $922 million and that placed us $1.2 billion more than the President recommended. While we are about $1.2 billion more than the President recommended, the vast majority of that amount is in revenue foregone; $922 million.

I would like to compliment the gentleman for again highlighting the fact that this country does face a tremendous problem with regard to narcotics. I think that we do know that every school in the Nation is faced with it. I sincerely hope that we can continue to look at the facts the way they are and vote accordingly.

Mr. SMITH of Florida. I thank the gentleman for his comments and kind words. I would hope that everybody would be aware that it is not just Customs. We have Bureau of Alcohol, Tobacco, and Firearms; BATF.

□ 1450

We have evidence that drug traffickers are engaged in a symbiotic relationship with terrorists in drug-producing countries. Without question, this is the case in South America. Drug traffickers bring drugs to the United States and often take back guns for these terrorists. BATF has the responsibility to enforce our gun laws.

Do we want to reduce its funding in light of this relationship? Do we want more guns on the streets flowing both in and out of the United States?

In addition, as a member of the Crime Subcommittee, I applaud the Appropriations Committee directive that BATF make enforcements against the prohibition of unregistered private ownership of machineguns a priority. How are we going to do that with less agents? These days, these weapons are becoming commonplace in south Florida, the area in which I reside and which I represent, and we need every available agent to deal with this problem.

Yet we may not get the needed help without the committee's funding level. I want to remind my colleagues of the action that we took on July 17. At that time, we rejected a similar amendment to the Frenzel amendment that would have affected law enforcement programs of the Department of Justice—DEA, FBI, U.S. attorneys, et cetera.

I urge my colleagues to take the same action today and protect the law enforcement functions of the Department of the Treasury. By exempting law enforcement functions from any freeze, we will be telling the American people that we will control spending, and we have. Every appropriation bill that has been out on this floor to date has been lower than the President's request and within the House budget, which is a $56 billion deficit saver.

We have voted for those things, but we are not going to indiscriminately cut spending where it will hurt the taxpayer, and this is one area. We will not cut at the expense of our war against drug traffickers and other criminals.

Recent FBI crime statistics show that in a number of areas, crime continues to increase. Unfortunately, south Florida is one of those areas. In 1984, Dade County experienced 231 murders, 70 of which were directly drug related. I suspect many unexplained and other homicides also were related to drugs. In overall violent crimes, Dade County, unfortunately, was second in the Nation. We are tired of having the reputation as the drug and crime capital of this country. Because we are to a large degree victims of our geography, we cannot totally control at the local level what enters the region, but we must deal with their consequences.

The CHAIRMAN. The time of the gentleman from Florida [Mr. SMITH] has again expired.

Mr. SMITH of Florida. I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. FRENZEL. Mr. Chairman, reserving the right to object, can the gentleman give us an idea of where he is going to proceed? He has had 10 minutes, and certainly drug interdiction and so forth is an important subject. Could the gentleman do with 3, perhaps?

Mr. SMITH of Florida. If the gentleman will yield, I would be happy to do with 3. I have been kind enough, I think, to extend most of my time to people who asked me to yield, and that is why I had to use 10 minutes.

Mr. FRENZEL. I see.

Mr. Chairman, if the gentleman has to do it, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The gentleman from Florida [Mr. SMITH] is recognized for 5 additional minutes.

Mr. SMITH of Florida. I thank the gentleman for his courtesy.

It is Government officials and concerned citizens at the local level who are continuing the local fight against crime. This admirable effort may be meaningless, however, if Federal funds for crime programs are decreased. As chairman of the Foreign Affairs Task Force on International Narcotics Control, I deal every day, as all of us do, with the consequences of drugs coming and going in this country, especially in the area of south Florida.

The drug growing in South and Central America is a major problem for all of us in this country, but I also deal with the great benefits, as you do, that we get from the involvement of the Federal Government. The DEA, the IRS, the Customs Service, the INS, BATF and all the other Federal agencies are on the front lines in the war against drugs.

Let us repeat the resolve that we showed 2 weeks ago and adopt the Coleman amendment to save law enforcement funds.

Finally, Mr. Chairman, I concur with the gentleman from Texas in his attempt to exempt the Postal Service revenue forgone from any further reductions.

The administration wants the American people to engage in more private giving to help the less fortunate, but a reduction in revenue forgone would hinder efforts by every private charitable organization in this country at the very time when we are trying to raise, through them, the funds needed to offset reductions in social programs.

I do not support the Frenzel amendment, but if there is going to be an attempt to vote on it, I support the Coleman amendment, which is infinitely better as it would be the substitute for Frenzel, and I would urge the adoption of the Coleman amendment on that basis.

Mr. CAMPBELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have been listening with great interest as we have debated the various enforcement agencies and whether they should or should not be funded. It has come into my mind that most of the people who are saying that we should cut are like I am in that they believe in a strong defense; a defense for the Nation externally, and I hope they believe in it internally. Because, the front line of defense that we have in many instances is an agency such as the Customs Service, an agency that does enforce laws, an agency that does intercept contraband coming into this country, an agency that does fight drugs, an agency that does attempt to maintain safe streets in this country by stopping things before they start.

But I would like to take a different approach to the discussion, if I might, Mr. Chairman, and that has to do with the trade issue. We have an imbalance in trade in this country which is the No. 1 problem facing America today. We are dealing with a deficit in trade that could go up to the $200 billion level if we let it keep going like it is.

Oh, yes, we have problems that we talk about that are related to the deficit and the strength of the dollar. We also have problems in trade with enforcing international agreements into which we have entered. Specifically in my area of the country, Mr. Chairman, if you came to South Carolina and you went through the small towns and you saw the textile plants closed, and you asked the people why they closed, they would say, "Because the imports came in." Then you look at the situation and question why when we have trade agreements this is happening, and you to to Customs and you say, "Why are we not enforcing the agreements we have," and they say, "We do not have the manpower to do it."

We are putting people in the street because we are not enforcing the law. Is there a person here who would say that it is more important not to enforce the law and throw someone out of work? Would you say that that is the way to save money?

No! That is not the way to save money. Who pays the unemployment? Who pays the Federal supplemental compensation after they have been out and their unemployment has expired? Who does it? The taxpayers do it. And when we have a return of $21 to $1 on expenditures going to a customs agent, how can we say that it is not fiscally responsible to fund those agents who enforce the laws of this country, to collect that which is coming in from foreign sources, to protect the jobs of this country, to protect the international agreements of this country.

No, ladies and gentlemen, it is not fiscal responsibility to abandon our duty. We are standing here once again saying let us abdicate; let us abdicate the responsibility of protecting the people of this country; let us abdicate the responsibility of protecting the jobs of this country; let us just leave it wide open and hope for the best.

That is what we are talking about if we are going to abandon the expenditure of these funds.

Mr. DORGAN of North Dakota. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will be brief. I rise in support of the Coleman amendment. Let me say that I have on occasion supported the gentleman from Minnesota in an across-the-board cut where I thought it was necessary and prudent to do so.

Having had some background in tax administration, I want for the record to illustrate what we are doing if we cut deeper into the Internal Revenue Service budget. The Frenzel amendment will save $100 million in IRS outlays, but lose $600 million in uncollected revenue's. That is no bargain. The reason I was prompted to speak again was that I heard someone on the floor say, "Look, the issue is do we get involved and address this Federal budget deficit or do we not? If you do not vote for this across-the-board cut, then you do not care about deficits."

I say if we are willing to cut the muscle out of our ability to enforce our tax laws, then we do not care about the deficit. If we really care about this country's fiscal policy, aside from correcting the structural imbalances in our fiscal policy, we also have to care, it seems to me, about preserving the ability to enforce our tax laws.

For purposes of this debate, I want to put in the record some of the numbers. There is about $90 billion that we ought to be collecting in Federal taxes that we are not now collecting, $90 billion in taxes that ought to be paid that are not being paid. This tax gap is expected to double in 5 years.

How do we get them paid? Through better and stronger tax enforcement.

We have about $30 billion in accounts receivable down at the IRS at the present time. Incidentally, accounts receivable is growing at a faster rate than tax collections in this country. We have cut by nearly one-half the percentage of examinations and audits because the manpower has diminished down at the IRS.

In 1976 we had 2.6 percent of the returns examined by the IRS. In 1986, it is estimated to be only 1.2 percent.

As I said earlier, the Grace Commission says we ought to have 7,500 more people to properly enforce the tax laws.

Criminal investigations, cuttng 74 positions. Staff for investigations and collections, 1,000 less positions in 1986 than in 1985. The IRS prepared its 1986 budget cutting resources for collections by 801 positions.

□ 1500

As I said, there is reported to be $8.5 billion in active delinquent accounts, but accounts receivable are nearly $30 billion down at the IRS. Now, again I am not very anxious or very interested to come down here and be a public relations person for the Internal Revenue system, and I cannot think of a position I would less rather be in than to come down here and push for the IRS. But it seems to me that those who talk about law and order and those who talk about the Federal deficit are not doing a great service to the fiscal policy of this country or helping to solve the terrible problems we have by suggesting that we have to cut more muscle out of our ability to enforce our tax laws.

Mr. PURSELL. Mr. Chairman, will the gentleman from North Dakota yield?

Mr. DORGAN of North Dakota. I am happy to yield to the gentleman from Michigan.

Mr. PURSELL. If I read my numbers correctly on the Frenzel amendment, he is making an increase with his amendment; if it is adopted, he increases Customs Service by 11.2 percent. And in respect to the gentleman's concern on IRS, he offers his amendment with a 2.3-percent increase. So I think our language gets a little loose here and we lose track of the discipline of appropriate language. We are not talking about cuts here at all. We are not talking about reductions. The debate here today should be on the degree of the Frenzel amendment in respect to how much more we reduce the budget in respect to what it is over 1985. It is not a cut, it is not a reduction, it is how much of an increase the Frenzel amendment will give us as compared to what the committee is recommending.

Mr. DORGAN of North Dakota. I understand what the gentleman was saying. I was standing here for about 4 minutes talking about specific numbers in the enforcement of our tax laws. We have cut the ability to enforce our tax laws dramatically in the examinations, the accounts receivable, criminal investigations, and dozens and dozens of areas. And I have said there is $90 billion out there that is not now being collected this year. We

have a budget deficit of $200 billion, and I hear someone come down to the well of this House and say if we do not vote to cut further the Internal Revenue Service budget, which will further diminish our ability to enforce our tax laws, that we do not care about the deficit.

That does not make any sense to me, that kind of a statement. By that logic, we save a penny and lose a nickel. If you care about the deficit, it seems to me you develop a revenue system and then develop the mechanism to enforce the collection of revenues in that system. We are not now doing that. The numbers are clear. The numbers on tax enforcement that I have used come from the GAO and other sources, including the IRS. There is not any dispute about those numbers at all. We have seen a substantial diminution of our ability to enforce our tax laws. If you care about that at all, it seems to me we ought to get involved not just this time but next year and follow the Grace Commission report that everybody around here says they agree with and do what we need to do to enforce these tax laws through a responsible Internal Revenue System.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Frenzel amendment.

Mr. Chairman, with all respect for my dear friend, the gentleman from Minnesota, I rise regretfully to oppose his amendment.

If you are opposed to the flood of narcotics coming into this country, cocaine, heroin, marijuana, and all of these other evil substances, then you must oppose the Frenzel amendment. If you want to increase Federal revenues, then you must oppose the Frenzel amendment.

Let us look at this matter. There are some 1,500 additional customs agents who will be put into the field by this amendment. They will bring into the Federal Treasury a total of $782 million in additional Federal revenues that otherwise would not be brought in.

With all respect for my dear friend, the gentleman from Minnesota, his amendment is penny-wise and pound-foolish. But let us look beyond that matter. Let us look at what is happening to America.

Last year we had a trade deficit of $123 billion. This year our trade deficit is going to go from $150 to $170 billion. Four billion dollars of that deficit is going to be due to counterfeit goods coming into this country including things like medicines, and like birth control pills, computer chips, computers, auto parts, textiles, aircraft parts, parts for the space shuttle, eyewear, agricultural chemicals, pesticides, pharmaceuticals, and medical devices, as well as sporting goods and a plethora of other manufactured goods. The entire gamut of industrial and commercial supplies into this country is being counterfeited, that is marked with the logo or trademark of respected U.S. manufacturers when in fact made by someone not entitled to do so.

The first line of defense against this is the Customs Service. Each and every one of those billions of dollars that we lose in foreign trade means 25,000 unemployed Americans who are on the streets. Counterfeits, customs frauds, mislabeling, misdirection, dumping, unfair subsidization, and quota violations are all protected against by the Customs Service, who regrettably are far too few and far too overworked to protect America's interests.

If you want to protect American jobs and American industry, then vote against the Frenzel amendment so we can get the Customs agents there to look after the protection of American jobs and American industry.

Remember that the Customs Service even looks at the smuggling of high-tech goods out of this country to the Communist bloc. If you want to make that easier, then by all means vote for the Frenzel amendment.

Mr. PURSELL. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I will not yield right now.

What is at stake here is adequate enforcement of the trade and customs laws which protect the United States and its citizens, which bring in revenue, which protect American jobs. These laws prohibit counterfeits and illegal activities of that kind which cost America jobs and investments for the future. And remember counterfeits threaten the health and safety of consumers. Customs agents prevent unsafe counterfeit goods from coming in. That protection would be reduced by this amendment.

Mr. Chairman, this is an investment, not an expenditure.

Mr. PURSELL. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Michigan.

Mr. PURSELL. Mr. Chairman, I would again have to suggest to the gentleman that the Frenzel amendment gives Customs an 11.2-percent increase.

Mr. DINGELL. Yes, I heard the gentleman make that point, and the difference between the figures in terms of revenue under the Frenzel amendment to the Customs Service is about $300 million that will not be collected and many jobs lost to American workers.

Now, I have not talked about the Intenal Revenue Service. I have not talked about the other revenue-producing agencies that are at stake here. The hard fact of the matter is that the Frenzel amendment, although it looks mighty good, is unfortunately simplistic and simply is going to cost the taxpayers money and is going to cost America jobs.

Mr. COLEMAN of Texas. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Texas.

Mr. COLEMAN of Texas. Mr. Chairman, I thank the chairman of the Committee on Energy and Commerce for yielding.

I think it is important for the Members on the other side who may be thinking about supporting the Frenzel amendment and voting against my amendment to his amendment to understand, when we talk about additions to Customs, what we are talking about. You are right, instead of 1,687 with the Frenzel amendment, we will cut 540 from that number. That is the reality of it.

What we are trying to do is get to 1981 levels, and I would submit to the gentleman that, yes, when the committee did its work and made these increases—and, by the way, they did not meet all the increases that were requested by Members of this body—we knew we did not have the funds to do that, and that we had to make cuts in the appropriate places.

Mr. DINGELL. Mr. Chairman, if the gentleman will permit me to reclaim my time, each and every one of those dollars spent on the Customs Service brings in $21. There is not a business in this country that would not spend a huge sum of money to get back a 21-to-1 return.

So if you want to vote prudently, for efficient expenditure of public money, for fiscal good sense, vote against the Frenzel amendment and vote to bring in this additional money, to keep out illegal goods, and to protect American jobs.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Coleman amendment.

Mr. Chairman, if I had known that my amendment would evoke such spirited oratory, I would have brought it up on Saturday night sometime when we could command a better audience.

Mr. Chairman, my amendment, I think, has been overdescribed, as have the abilities of some of the agencies which would be funded under this particular bill.

My amendment does not score anything against the President's budget. My amendment is scored against last year's discretionary spending.

□ 1510

One of the gentlemen said we are getting back to 1981 levels. I will accept a 1981 level of any function of Government spending at any time. I think the taxpayers would be very gratified.

But all I am trying to do now is to put the discretionary amount in total—not each one separately. Some will be a little up, some a little down—but the total of discretionary spending will remain at the 1985 level.

My amendment has been called today penny-wise and pound-foolish because I seek to save the taxpayers some money in spending. Under that definition, I suspect that any amendment that seeks to cut will strike at some vital Government service and therefore be pound foolish.

We have been told that Customs, which has mainly a commercial function, is the only thing between us and the ultimate destruction by cocaine. It is going to stop all the narcotics coming into the country. It is, in addition, going to stop terrorists and, even more wonderfully, it is going to put all the textile workers in the United States who have ever been out of work back to work.

The fact is there is no guarantee that Customs can do any of these things. As a matter of fact, it was last week when I introduced an amendment that would have made a slight reduction to another bill when those who are concerned about narcotics—and I share their deep concern—said that I was going to cut the DEA and the FBI and therefore are going to unleash a flood of terrorists and of illegal drugs upon the land. That was a red herring and so is this. I doubt that Customs will be undernourished with an 11-percent increase. I doubt it will happen as a result of this particular amendment.

With respect to the IRS, there have been complaints that if we take a certain amount of money away we will lose large amounts of revenue. May I say that after giving effect to my amendment, the IRS will still have an increase and that increase will be 2.3 percent.

After giving effect to my amendment, the Customs Service will have an 11-percent increase, which they probably cannot hire enough people to handle. An 11-percent increase is a big increase in any given year.

But an illusion persists that somehow these agencies bring in money by themselves. Members seem to believe they create money by the simple addition of personnel. The problem is the personnel have to be trained. It may be that somewhere down the line they are going to help bring in collections somewhere. But the blunt fact is that we do not know where the personnel are going, and we do not know who they are going to be, and we do not know how long it is going to take to train them, before they bring in the first dime that was not coming in anyway.

As far as I am concerned, and the taxpayers are concerned, one in the hand is worth a thousand in the bush. I think the taxpayers would rather see a reduction in spending than some fabled increase in tax revenues out in the never-never land of the future.

Mr. Chairman, this amendment does not deserve as much debate as it has gotten. It is a simple reduction of spending.

If the House does not want a freeze, if the House is afraid to vote against very large increases in spending, if the House does not think an 11-percent increase for a very important agency of Government is enough, then the House should forget about the Coleman amendment and simply vote against my amendment. That is a very easy way to do it.

The Coleman amendment reduces my amendment from about $190 million down to some $30 million. It would be I think easier to vote against my amendment. I do not disregard the strong concerns of all the people who participated in the debate and I do not mean to denigrate any of their arguments. I only say we have taken a lot of time talking about $192 million, and I think Members of the House know whether they want to vote yes or no.

There are some of those who have told their constituents at home that they want to reduce Federal spending, and I think they will want to vote for my amendment.

I think there are others who are less concerned and who are interested in departments of Government or specific concerns in their districts, and they will want to vote against it.

I hope there will be a majority on my side.

Mr. LOWERY of California. Mr. Chairman, I rise in opposition to the amendment offered by my good friend from Minnesota, Mr. FRENZEL. While I commend the gentleman for his responsible approach in attempting to reduce discretionary spending in this bill, I must object to the breadth of this amendment insofar as it negatively impacts our Customs Service.

As we all know, the U.S. Customs Service is a major source of revenue for the Federal Government, as well as a vital law enforcement agency. Indeed, during fiscal year 1984, Customs collected over $12.5 billion, representing a return of $21.06 for every dollar received in appropriations.

Besides collecting and protecting revenue, Customs is also involved in many other programs that protect U.S. technological materials and information from reaching unfriendly hands, trace the flow of crime-related money to help reduce organized crime, and protect U.S. industry from unfair foreign competition.

To be sure, Mr. Chairman, Customs' role some 196 years after its inception has been dramatically expanded. Unfortunately, its appropriation has not kept pace. Since 1980, the number of inspection staff has increased by only 2.4 percent and the number of import specialists has actually decreased by 8.5 percent. As a result, we have witnessed a significant increase in import fraud and evasion.

As a new member of the Treasury Appropriations Subcommittee, I listened intently to the testimony presented by Customs officials, by the Ports of Seattle, Los Angeles, and Baltimore, and by many of our colleagues representing major ports of entry. Indeed, today Customs supervises some 300 ports of entry across the country. The conclusion I reached is the unanimous conclusion of the subcommittee, and that is: The potential effect of improper staffing levels on our economy, Treasury revenues, and contraband export enforcement demands that we reassess current Customs Service employment levels.

One final point, Mr. Chairman. I am deeply concerned about the Federal budget deficit. However, budget constraints should not prevent an increase in Customs Service staff positions. It makes little sense to curtail staff of a revenue-raising agency like the Customs Service, when staff limits cause even greater losses to the Treasury.

In closing, I would like to commend the distinguished gentleman from California, Chairman ROYBAL, and the ranking member, my good friend from New Mexico, Mr. SKEEN, for their able leadership in bringing to this House a responsible bill.

I urge defeat of this amendment, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. COLEMAN] to the amendment offered by the gentleman from Minnesota [Mr. FRENZEL].

The question was taken; and the chairman announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 267]

Ackerman	Andrews	Armey
Addabbo	Annunzio	Aspin
Akaka	Anthony	Atkins
Alexander	Applegate	AuCoin
Anderson	Archer	Badham

Barnard
Barnes
Bartlett
Bateman
Bates
Bedell
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Biaggi
Bilirakis
Bliley
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Breaux
Brooks
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Bruce
Bryant
Burton (CA)
Burton (IN)
Bustamante
Byron
Callahan
Campbell
Carper
Carr
Chandler
Chappell
Chappie
Cheney
Clay
Clinger
Coats
Cobey
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Craig
Crane
Crockett
Daniel
Dannemeyer
Darden
Daschle
Daub
Davis
de la Garza
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Eckert (NY)
Edgar
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Evans (IA)
Evans (IL)
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Franklin
Frenzel
Frost
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gradison
Gray (IL)
Gray (PA)
Green
Gregg
Grotberg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hamilton
Hammerschmidt
Hansen
Hartnett
Hatcher
Hawkins
Hayes
Heftel
Hendon
Henry
Hertel
Hiler
Hillis
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennelly
Kildee
Kindness
Kleczka
Kolbe
Kolter
Kostmayer
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Matsui
Mavroules
Mazzoli
McCain
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKernan
McKinney
McMillan
Meyers
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mitchell
Moakley
Molinari
Mollohan
Monson
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Oxley
Packard
Panetta
Parris
Pashayan
Pease
Penny
Pepper
Perkins
Petri
Pickle
Porter
Price
Pursell
Quillen
Rahall
Rangel
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Rudd
Russo
Sabo
Savage
Saxton
Schaefer
Schneider
Schroeder
Schuette
Schulze
Schumer
Seiberling
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Siljander
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NH)
Smith (NJ)
Smith, Denny
Smith, Robert
Snowe
Snyder
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stenholm
Stokes
Strang
Stratton
Studds
Stump
Sundquist
Sweeney
Swindall
Synar
Tallon
Tauke
Taylor
Thomas (CA)
Thomas (GA)
Torres
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weaver
Weber
Weiss
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Wilson
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zschau

□ 1530

The CHAIRMAN. Four hundred eighteen members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Minnesota [Mr. FRENZEL] for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. The Chair would remind Members that this is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 288, noes 133, not voting 12, as follows:

[Roll No. 268]

AYES—288

Ackerman
Addabbo
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
Barnard
Barnes
Bartlett
Bateman
Bates
Bedell
Beilenson
Bennett
Bentley
Berman
Biaggi
Bilirakis
Boehlert
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Boucher
Boxer
Brooks
Broomfield
Broyhill
Bruce
Bryant
Burton (CA)
Bustamante
Byron
Callahan
Campbell
Carr
Chandler
Chappell
Clay
Clinger
Cobey
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Cooper
Coyne
Daniel
Darden
Daschle
Davis
de la Garza
Dellums
Derrick
Dickinson
Dicks
Dingell
DioGuardi
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Edgar
Edwards (CA)
Emerson
English
Erdreich
Evans (IL)
Fascell
Fazio
Feighan
Fish
Flippo
Florio
Foglietta
Foley
Ford (TN)
Fowler
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gilman
Glickman
Gonzalez
Goodling
Gray (IL)
Gray (PA)
Green
Grotberg
Guarini
Hall (OH)
Hall, Ralph
Hammerschmidt
Hatcher
Hawkins
Hayes
Heftel
Hendon
Hertel
Hillis
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Ireland
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lagomarsino
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Lewis (CA)
Lewis (FL)
Lipinski
Lloyd
Long
Lowery (CA)
Lowry (WA)
Luken
Lundine
MacKay
Manton
Markey
Marlenee
Martin (NY)
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
Mica
Mikulski
Miller (CA)
Miller (WA)
Mineta
Mitchell
Moakley
Molinari
Mollohan
Montgomery
Moody
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens
Panetta
Parris
Pashayan
Pease
Pepper
Perkins
Pickle
Price
Quillen
Rahall
Rangel
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Robinson
Rodino
Roe
Rogers
Rose
Rostenkowski
Roth
Rowland (CT)
Rowland (GA)
Rudd
Russo
Sabo
Savage
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Seiberling
Shaw
Shelby
Sikorski
Sisisky
Skeen
Skelton
Slattery
Smith (FL)
Smith (IA)
Smith (NJ)
Solarz
Spence
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Sundquist
Sweeney
Swift
Synar
Tallon
Thomas (GA)
Torres
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
Whitehurst
Whitley
Williams
Wilson
Wirth
Wise
Wolpe
Wortley
Wright
Wyden
Yates
Yatron
Young (FL)
Young (MO)

NOES—133

Akaka
Archer
Armey
Badham
Bereuter
Bevill
Bliley
Bosco
Breaux
Brown (CA)
Brown (CO)
Burton (IN)
Carper
Chappie
Cheney
Coats
Coble
Conte
Conyers
Coughlin
Courter
Craig
Crane
Crockett
Dannemeyer
Daub
DeLay
DeWine
Dixon
Dreier
Duncan
Dymally
Early
Eckert (NY)
Edwards (OK)
Evans (IA)
Fawell
Fields
Ford (MI)
Franklin
Frenzel
Gallo
Gingrich
Gradison
Gregg
Gunderson
Hamilton
Hansen
Hartnett
Henry
Hiler
Holt
Hopkins
Hyde
Jacobs
Kasich
Kastenmeier
Kemp
Kindness
Kolbe
Kramer
Latta
Leach (IA)
Lent
Levine (CA)
Lightfoot
Livingston
Lott
Lujan
Lungren
Madigan
Martin (IL)
McCain
McCandless
McKernan
McKinney
McMillan

Meyers	Roemer	Strang
Michel	Roukema	Stump
Miller (OH)	Roybal	Swindall
Monson	Saxton	Tauke
Moore	Schaefer	Taylor
Moorhead	Sensenbrenner	Thomas (CA)
Murtha	Sharp	Vander Jagt
Myers	Shumway	Vucanovich
Nielson	Shuster	Walker
O'Brien	Siljander	Weber
Olin	Slaughter	Wheat
Oxley	Smith (NE)	Whittaker
Packard	Smith (NH)	Whitten
Penny	Smith, Denny	Wolf
Petri	Smith, Robert	Wylie
Porter	Snowe	Young (AK)
Pursell	Snyder	Zschau
Ray	Solomon	
Roberts	Stangeland	

NOT VOTING—12

AuCoin	Fiedler	Loeffler
Barton	Gibbons	Martinez
Boulter	Gordon	Tauzin
Carney	Hefner	Torricelli

□ 1540

Mrs. SMITH of Nebraska and Mr. WHITTAKER changed their votes from "aye" to "no."

Mr. NATCHER, Mr. SPENCE, Mrs. BOGGS, and Mr. GOODLING changed their votes from "no" to "aye."

So the amendment to the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. FRENZEL] as amended.

The amendment, as amended, was agreed to.

Mr. DAUB. Mr. Chairman, I rise in strong support of the "revenue foregone" subsidy which compensates the Postal Service for losses that result from the free delivery of mail to the blind and handicapped and for reductions in postage rates for nonprofit organizations.

First of all, let me state that I have received a great deal of mail from my district detailing the devastating effects of increased postal rates upon the blind and handicapped and nonprofit organizations.

Nonprofit organizations provide many of the services which we, in our attempts to reduce Government spending, are asking of the private sector—services which provide needed social services vital to our society.

Now is not the time to further burden these worthy organizations; already many such organizations have suffered under postal rate increases, and the viability of nonprofit organizations would be jeopardized if we were to cut the revenue foregone subsidies provided to the Postal Service.

I strongly support the revenue foregone subsidy at or near last year's level; however, H.R. 3036 contains far too many programs that are funded above last year's level. In light of the current budget deficit, I cannot support this bill because of this excessive funding.

The CHAIRMAN. Are there any further amendments to the bill?

Are there amendments in order under clause 2(c) of rule XXI?

Mr. COBEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, in a few minutes, the motion to rise will probably be made. I urge my colleagues to vote against the motion because we cannot, in good conscience, continue to allow the FEC to go unmonitored, without any congressional oversight.

If the motion to rise is defeated, I plan to offer an amendment which would prohibit the funds appropriated by this act to be used for the purpose of issuing any regulations which do not comply with the decision of the U.S. Supreme Court in Ellis versus the Brotherhood of Railroad and Airline Clerks.

Over a year ago, the Supreme Court ruled in the Ellis case that if union members objected to the use of compulsory union dues for purposes of political contributions, that union members were entitled to a reduction in their union dues. The FEC has not taken steps to enforce this decision.

It is important that we stand up for the rights of the working men and women of this country. My amendment would simply ensure that in the future, the FEC considers the first amendment rights of union members.

In front of me, I have affidavits and lists of names of thousands of individuals who have filed complaints against their unions, because their union dues were being used for political purposes. This is the stack before me, right here.

There is no doubt that many unions continue to use compulsory union dues to support a political cause or candidate.

Again, I urge you to defeat the motion to rise and to vote for my amendment because you believe that compulsory union dues should not be used for political purposes. But more importantly, lend your support if you believe that your responsibility is to ensure that the independent agencies that we fund, such as the FEC, do not work outside the law.

Today, I ask you to protect our system of government and the sanctity of American law. If you vote your conscience, I think that you will also vote against the motion to rise.

The CHAIRMAN. Are there amendments in order under clause 2(c) of rule XXI?

If not, the Chair recognizes the gentleman from California [Mr. ROYBAL].

Mr. ROYBAL. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation the amendments be agreed to and that the bill, as amended, do pass.

● Mr. RANGEL. Mr. Chairman, I rise to express my support for certain provisions of H.R. 3036, the Treasury, Postal Service, and general Government appropriations bill for fiscal year 1986. As chairman of the Select Committee on Narcotics Abuse and Control, I am specifically interested in and supportive of the funding provisions that will provide resources to attack the illicit drug problem that plagues our country. The ravages of drugs do not discriminate by color, age, sex, locale, physical handicap, or socioeconomic status. Our strategy against drug abuse and drug trafficking must include efforts to reduce both the demand for and the supply of drugs. This bill provides much needed funding for the drug law enforcement efforts of the Customs Service.

For salaries and expenses of the U.S. Customs Service, the bill provides $725 million for fiscal year 1986. This is an increase of nearly $86 million over the administration's request and $81.5 million more than the 1985 level.

Customs is one of our Nation's key drug suppression agencies with primary responsibility for detection and interdiction of illicit narcotics at our borders. Customs is also heavily involved in financial investigations of major drug traffickers. Because of Customs' important role in drug enforcement, I have been greatly distressed by the administration's attempts to significantly reduce Customs inspectors and other enforcement personnel during each of the last 5 years. The administration has said how supportive it is of drug law enforcement efforts. Yet, in every year, the budget has proposed that Customs be cut drastically in areas that impact directly on drug enforcement.

The Appropriations Committee has seen fit to restore 887 positions that the administration proposed to eliminate in 1986 including 206 inspectors. Moreover, H.R. 3036 provides funding for 800 additional Customs positions—650 new positions and full year funding for 150 positions added in the 1985 supplemental appropriations bill. These extra positions will significantly improve Customs narcotics interdiction capability. I commend the committee for its committed and strategic increase in Customs personnel. At a time when separate reports by the State Department, the United Nations International Narcotics Control Board, the House Foreign Affairs Committee and the Select Committee on Narcotics have all indicated increased narcotics production and trafficking worldwide, we can ill afford to cut our force of Customs inspectors and other enforcement personnel. The additional positions included in this bill will also generate substantial revenues which will help to reduce the deficit.

H.R. 3036 also provides $8 million for the Customs forfeiture fund, the

full amount requested in the budget. Amounts deposited in the fund include seized and forfeited currency and any proceeds beyond the expenses of seizures and forfeiture. Customs is permitted to use these funds for expenses related to seizure, awards to informants, purchase of evidence, and certain other purposes, subject to appropriations.

The Customs appropriation also includes $60,425,000 for the Customs Air Interdiction Program. This is the full amount of the 1986 budget request and a $16 million increase over the 1985 funding level.

I am happy to see that this increase for the Air Interdiction Program is included because it reflects continued support and recognition of the need to bolster this component of our Interdiction Program that has not received enough attention in the past. The use of aircraft to smuggle drugs, especially cocaine, across our southern border has been increasing. There can be no positive results in disrupting the operations of despicable drug smugglers unless resources, both financial and technical are provided. Programs such as Customs Air Interdiction effort, that stretches from Florida across the southwest and into California, are needed to address the serious threat of air trafficking. At this time, I also want to commend the marine component of Customs Interdiction Program for the fine work it has been doing in southern Florida under most difficult circumstances.

H.R. 3036 also includes funds for the Internal Revenue Service and the Bureau of Alcohol, Tobacco, and Firearms. Both of these agencies have become increasingly involved in narcotics enforcement in recent years. IRS has greatly expanded its financial investigations of suspected drug kingpins and is looking more closely at possible violations of currency reporting requirements that may be narcotics related. BATF has taken a more active role in narcotics case that also involve weapons violations. I support the funding levels provided for these two agencies.

There is no doubt in my mind that we must continue to effect legislation that sends a clear message to the American people, agency heads, and would-be smugglers, that we will continue to dedicate our efforts in Congress to address this problem of epidemic proportion. I am confident that the provisions mentioned earlier under H.R. 3036 will facilitate the mission of drug law enforcement and interdiction to be carried out by the Treasury Department.●

Mr. DYMALLY. Mr. Chairman, today we are considering the Department of the Treasury, Postal Service, and independent agencies appropriations bill, and I urge all my colleagues to support H.R. 3036. I am particularly concerned that Members of Congress support full funding for "Revenue Foregone" ensuring that the hundreds of worthy charitable organizations and our newspapers and magazines are allowed to continue to reach the public through use of preferred mail rates. Historically, the Congress in its wisdom has allowed private charitable organizations to use preferred mail rates in order for these groups to provide services and communications to its membership, including such organizations for the blind, handicapped, and other groups who depend upon these preferred mail rates to provide vitally needed services and to be able to solicit contributions from the public to support their program services. Additionally, thousands of rural Americans depend on their county or local newspapers as a vital link to their communities without which local communication would not be possible.

H.R. 3036 provides for $922 million to support the preferred mail rates offered by the U.S. Postal Service under Revenue Foregone, which will still require a minimal increase in the preferred rates even at this funding level. Nevertheless, without full funding of Revenue Foregone, many of these charitable organizations and newspapers could not survive because it would provide triple or drastically increase the postal rates for these groups. Additionally, it would not be cost-effective for newspapers and magazines to be forced to increase their subscription rates to meet the added cost of the increased rates which the Postal Service would have to automatically apply should this appropriation be reduced.

For these reasons, I urge all my colleagues to support continuity in voting for H.R. 3036 and the full funding of Revenue Foregone. I am convinced that this is an excellent investment by the American public in securing the services of many charitable organizations and in maintaining communications throughout our expansive country.

The CHAIRMAN. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. COBEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 233, noes 186, not voting 14, as follows:

[Roll No. 269]

AYES—233

Ackerman	Annunzio	Barnes
Addabbo	Anthony	Bedell
Akaka	Applegate	Beilenson
Alexander	Aspin	Bennett
Anderson	Atkins	Berman
Andrews	AuCoin	Bevill
Biaggi	Gray (IL)	Owens
Boehlert	Gray (PA)	Panetta
Boggs	Green	Pease
Boland	Guarini	Penny
Boner (TN)	Hall (OH)	Pepper
Bonior (MI)	Hamilton	Perkins
Bonker	Hatcher	Pickle
Borski	Hawkins	Price
Bosco	Hayes	Rahall
Boucher	Heftel	Rangel
Boxer	Hertel	Reid
Breaux	Horton	Richardson
Brooks	Howard	Rinaldo
Brown (CA)	Hoyer	Ritter
Bruce	Hubbard	Rodino
Bryant	Hughes	Roe
Burton (CA)	Jacobs	Rostenkowski
Bustamante	Jeffords	Roukema
Byron	Johnson	Roybal
Carper	Jones (NC)	Russo
Carr	Jones (OK)	Sabo
Clay	Jones (TN)	Savage
Coelho	Kanjorski	Scheuer
Coleman (TX)	Kaptur	Schneider
Collins	Kastenmeier	Schroeder
Conte	Kennelly	Schumer
Conyers	Kildee	Seiberling
Cooper	Kleczka	Sharp
Courter	Kolter	Sikorski
Coyne	Kostmayer	Sisisky
Crockett	LaFalce	Skelton
Daschle	Lantos	Slattery
de la Garza	Lehman (CA)	Smith (FL)
Dellums	Lehman (FL)	Smith (IA)
Dicks	Leland	Smith (NJ)
Dingell	Levin (MI)	Solarz
Dixon	Levine (CA)	St Germain
Donnelly	Lipinski	Staggers
Dorgan (ND)	Lloyd	Stallings
Dowdy	Long	Stark
Downey	Lowry (WA)	Stokes
Durbin	Luken	Stratton
Dwyer	Lundine	Studds
Dymally	MacKay	Swift
Dyson	Manton	Synar
Early	Markey	Tallon
Eckart (OH)	Martinez	Torres
Edgar	Matsui	Towns
Edwards (CA)	Mavroules	Traficant
English	McCloskey	Traxler
Erdreich	McCurdy	Udall
Evans (IL)	McDade	Vento
Fascell	McHugh	Visclosky
Fazio	Mica	Volkmer
Feighan	Mikulski	Walgren
Fish	Miller (CA)	Watkins
Flippo	Mineta	Waxman
Florio	Mitchell	Weaver
Foglietta	Moakley	Weiss
Foley	Mollohan	Wheat
Ford (MI)	Morrison (CT)	Whitten
Fowler	Mrazek	Williams
Frank	Murphy	Wilson
Frost	Murtha	Wirth
Fuqua	Natcher	Wise
Garcia	Nowak	Wolpe
Gaydos	O'Brien	Wright
Gejdenson	Oakar	Wyden
Gibbons	Oberstar	Yates
Gilman	Obey	Yatron
Glickman	Olin	Young (MO)
Gonzalez	Ortiz	

NOES—186

Archer	Coats	Eckert (NY)
Armey	Cobey	Edwards (OK)
Badham	Coble	Emerson
Barnard	Coleman (MO)	Evans (IA)
Bartlett	Combest	Fawell
Bateman	Coughlin	Fields
Bentley	Craig	Franklin
Bereuter	Crane	Frenzel
Bilirakis	Daniel	Gallo
Bliley	Dannemeyer	Gekas
Broomfield	Darden	Gingrich
Brown (CO)	Daub	Goodling
Broyhill	Davis	Gradison
Burton (IN)	DeLay	Gregg
Callahan	Derrick	Grotberg
Campbell	DeWine	Gunderson
Chandler	Dickinson	Hall, Ralph
Chappell	DioGuardi	Hammerschmidt
Chappie	Dornan (CA)	Hansen
Cheney	Dreier	Hartnett
Clinger	Duncan	Hendon

Henry	McKinney	Shaw
Hiler	McMillan	Shelby
Hillis	Meyers	Shumway
Holt	Michel	Shuster
Hopkins	Miller (OH)	Siljander
Huckaby	Miller (WA)	Skeen
Hunter	Molinari	Slaughter
Hutto	Monson	Smith (NE)
Hyde	Montgomery	Smith (NH)
Ireland	Moore	Smith, Denny
Jenkins	Moorhead	Smith, Robert
Kasich	Morrison (WA)	Snowe
Kemp	Myers	Snyder
Kindness	Neal	Solomon
Kolbe	Nelson	Spence
Kramer	Nichols	Spratt
Lagomarsino	Nielson	Stangeland
Latta	Oxley	Stenholm
Leach (IA)	Packard	Strang
Leath (TX)	Parris	Stump
Lent	Pashayan	Sundquist
Lewis (CA)	Petri	Sweeney
Lewis (FL)	Porter	Swindall
Lightfoot	Pursell	Tauke
Livingston	Quillen	Taylor
Lott	Ray	Thomas (CA)
Lowery (CA)	Regula	Thomas (GA)
Lujan	Ridge	Valentine
Lungren	Roberts	Vander Jagt
Mack	Robinson	Vucanovich
Madigan	Roemer	Walker
Marlenee	Rogers	Weber
Martin (IL)	Rose	Whitehurst
Martin (NY)	Roth	Whitley
Mazzoli	Rowland (CT)	Whittaker
McCain	Rowland (GA)	Wolf
McCandless	Rudd	Wortley
McCollum	Saxton	Wylie
McEwen	Schuette	Young (AK)
McGrath	Schulze	Young (FL)
McKernan	Sensenbrenner	Zschau

NOT VOTING—14

Barton	Ford (TN)	Moody
Bates	Gephardt	Schaefer
Boulter	Gordon	Tauzin
Carney	Hefner	Torricelli
Fiedler	Loeffler	

□ 1600

Mr. SPRATT changed his vote from "aye" to "no."

So the motion was agreed to.

The result of the vote was announced as above recorded.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. BEILENSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3036) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1986, and for other purposes had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. FRENZEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 249, noes 172, not voting 12, as follows:

[Roll No. 270]

AYES—249

Ackerman	Flippo	Miller (CA)
Addabbo	Florio	Miller (WA)
Akaka	Foglietta	Mineta
Alexander	Foley	Mitchell
Anderson	Ford (MI)	Moakley
Andrews	Ford (TN)	Mollohan
Annunzio	Fowler	Moody
Anthony	Frank	Morrison (CT)
Aspin	Frost	Morrison (WA)
Atkins	Fuqua	Mrazek
Barnard	Gallo	Murphy
Barnes	Garcia	Murtha
Bateman	Gaydos	Natcher
Bates	Gejdenson	Nowak
Bedell	Gibbons	O'Brien
Beilenson	Gilman	Oakar
Bennett	Gonzalez	Oberstar
Bentley	Gray (IL)	Obey
Berman	Gray (PA)	Ortiz
Bevill	Green	Owens
Biaggi	Guarini	Parris
Boehlert	Hall, Ralph	Pease
Boggs	Hamilton	Pepper
Boland	Hatcher	Perkins
Boner (TN)	Hawkins	Pickle
Bonior (MI)	Hayes	Price
Bonker	Heftel	Rahall
Borski	Horton	Rangel
Bosco	Howard	Regula
Boucher	Hoyer	Reid
Brooks	Jeffords	Richardson
Brown (CA)	Jenkins	Ridge
Bruce	Johnson	Rinaldo
Bryant	Jones (NC)	Robinson
Burton (CA)	Jones (TN)	Rodino
Bustamante	Kanjorski	Roe
Carr	Kaptur	Rogers
Chandler	Kastenmeier	Rose
Chappell	Kennelly	Rostenkowski
Clay	Kildee	Rowland (CT)
Clinger	Kleczka	Rowland (GA)
Coelho	Kolter	Roybal
Coleman (TX)	Kostmayer	Rudd
Collins	Lantos	Russo
Conte	Lehman (CA)	Sabo
Conyers	Lehman (FL)	Savage
Cooper	Leland	Scheuer
Coughlin	Lent	Schumer
Courter	Levin (MI)	Seiberling
Coyne	Levine (CA)	Sikorski
Crockett	Lewis (CA)	Sisisky
Darden	Lewis (FL)	Skeen
Daschle	Lipinski	Slattery
Davis	Lloyd	Smith (FL)
de la Garza	Long	Smith (IA)
Dellums	Lowery (CA)	Smith (NE)
Derrick	Lowry (WA)	Smith (NJ)
Dicks	Lundine	Solarz
Dingell	MacKay	Spratt
Dixon	Madigan	St Germain
Donnelly	Manton	Staggers
Dorgan (ND)	Markey	Stallings
Dowdy	Marlenee	Stark
Downey	Martin (NY)	Stokes
Durbin	Martinez	Stratton
Dwyer	Matsui	Studds
Dymally	Mavroules	Swift
Dyson	Mazzoli	Synar
Early	McCloskey	Tallon
Edgar	McCurdy	Thomas (GA)
Edwards (CA)	McDade	Torres
English	McGrath	Towns
Evans (IL)	McHugh	Traficant
Fascell	McKinney	Traxler
Fazio	Meyers	Udall
Feighan	Mica	Valentine
Fish	Mikulski	Vento
Visclosky	Whitten	Wright
Walgren	Williams	Wyden
Watkins	Wilson	Yates
Weiss	Wise	Yatron
Wheat	Wolf	Young (AK)
Whitley	Wolpe	Young (MO)

NOES—172

Applegate	Hammerschmidt	Pashayan
Archer	Hansen	Penny
Armey	Hartnett	Petri
AuCoin	Hendon	Porter
Badham	Henry	Pursell
Bartlett	Hertel	Quillen
Barton	Hiler	Ray
Bereuter	Hillis	Ritter
Bilirakis	Holt	Roberts
Bliley	Hopkins	Roemer
Boxer	Hubbard	Roth
Breaux	Huckaby	Roukema
Broomfield	Hughes	Saxton
Brown (CO)	Hunter	Schaefer
Broyhill	Hutto	Schneider
Burton (IN)	Hyde	Schroeder
Byron	Ireland	Schuette
Callahan	Jacobs	Schulze
Campbell	Kasich	Sensenbrenner
Carper	Kemp	Sharp
Chappie	Kindness	Shaw
Cheney	Kolbe	Shelby
Coats	Kramer	Shumway
Cobey	LaFalce	Shuster
Coble	Lagomarsino	Siljander
Coleman (MO)	Latta	Skelton
Combest	Leach (IA)	Slaughter
Craig	Leath (TX)	Smith (NH)
Crane	Lightfoot	Smith, Denny
Daniel	Livingston	Smith, Robert
Dannemeyer	Lott	Snowe
Daub	Lujan	Snyder
DeLay	Luken	Solomon
DeWine	Lungren	Spence
Dickinson	Mack	Stangeland
DioGuardi	Martin (IL)	Stenholm
Dornan (CA)	McCain	Strang
Dreier	McCandless	Stump
Duncan	McCollum	Sundquist
Eckart (OH)	McEwen	Sweeney
Eckert (NY)	McKernan	Swindall
Edwards (OK)	McMillan	Tauke
Emerson	Michel	Taylor
Erdreich	Miller (OH)	Thomas (CA)
Evans (IA)	Molinari	Vander Jagt
Fawell	Monson	Volkmer
Fields	Montgomery	Vucanovich
Franklin	Moore	Walker
Frenzel	Moorhead	Weaver
Gekas	Myers	Weber
Gingrich	Neal	Whitehurst
Glickman	Nelson	Whittaker
Goodling	Nichols	Wirth
Gradison	Nielson	Wylie
Gregg	Olin	Young (FL)
Grotberg	Oxley	Zschau
Gunderson	Packard	
Hall (OH)	Panetta	

NOT VOTING—12

Boulter	Gordon	Tauzin
Carney	Hefner	Torricelli
Fiedler	Jones (OK)	Waxman
Gephardt	Loeffler	Wortley

□ 1620

The Clerk announced the following pair:

On this vote:

Mr. Torricelli for, with Mr. Boulter against.

Mr. HALL of Ohio changed his vote from "aye" to "no."

Mr. MOODY changed his vote from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROYBAL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, on the bill just passed.

The SPEAKER pro tempore (Mr. BONER of Tennessee). Is there objection to the request of the gentleman from California?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries, who also informed the House that on the following date, the President approved and signed a bill of the House of the following title:

On July 29, 1985:

H.R. 1617. An act to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards for fiscal year 1986, and for other purposes.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 960) "An act to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and other Acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, and the African Development Foundation, and for other purposes."

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 3011, DEPARTMENT OF INTERIOR AND RELATED AGENCIES APPROPRIATION ACT, 1986

Mr. HALL of Ohio, from the Committee on Rules, submitted a privileged report (Rept. No. 99-238) on the resolution (H. Res. 240) waiving certain points of order against consideration of the bill (H.R. 3011) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1986, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3008, FEDERAL EQUITABLE PAY PRACTICES ACT OF 1985

Mr HALL of Ohio, from the Committee on Rules, submitted a privileged report (Rept. No. 99-239) on the resolution (H. Res. 241) providing for the consideration of the bill (H.R. 3008) to promote equitable pay practices and to eliminate discrimination within the Federal Civil Service, which was referred to the House Calendar and ordered to be printed.

DISTRICT OF COLUMBIA APPROPRIATION ACT, 1986

Mr. DIXON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3067) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1986, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Pennsylvania [Mr. COUGHLIN] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. DIXON].

The motion was agreed to.

□ 1629

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3067, with Mr. HERTEL of Michigan in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous consent agreement, the gentleman from California [Mr. DIXON] will be recognized for 30 minutes and the gentleman from Pennsylvania [Mr. COUGHLIN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. DIXON].

□ 1630

Mr. DIXON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this afternoon we bring to you the annual District of Columbia appropriation bill for fiscal year 1986. This, Mr. Chairman, is truly a bipartisan bill; it comes to you from the Committee on Appropriations with a written endorsement from Mr. David Stockman, Director of the Office of Management and Budget, who commends the committee for its "responsible action" in keeping with the administration's request.

The bill will provide a total of $2.7 billion in budget authority for the operation of the District of Columbia government during fiscal year 1986. This is $325 million above last year's level and consists of Federal funds of $532 million and local funds of $2.2 billion.

In Federal funds, Mr. Chairman, we recommend a virtual freeze at last year's level—in fact the $532 million we recommend is $1.2 million below last year's appropriation due to three nonrecurring items—the criminal justice initiative of $8.4 million; the education initiative of $1.5 million; and the Presidential inaugural expenses of $2.3 million.

These Federal funds which total $532 million consist of four items:

A Federal payment of $425 million which is at last year's level. For the first time in several years, there is no increase recommended in the Federal payment.

Our reimbursement to the District for water and sewer services furnished to Federal facilities is $30.1 million or $6 million above last year's level due to an increase in rates.

The Federal contribution to the police, fire, teachers, and judges retirement funds is $52 million and reflects no increase over the fiscal 1985 appropriation.

A Federal payment of $25 million for St. Elizabeths Hospital which is $5 million above last year's appropriation.

One of the crucial issues we have faced over the past few years is the financing of St. Elizabeths Hospital which is a Federal facility for the care and treatment of the mentally ill. The District reimbursed the Federal Government for the cost of care and treatment received by District residents. The administration 4 years ago embarked on a 10-year program to phase down Federal support. The Congress last year passed Public Law 98-621 which establishes the administrative and financial responsibilities of the Federal and District governments and provides for transitional payments to the District until 1991 when the city will assume full administrative and financial control of the institution.

Mr. Chairman, as I mentioned a moment ago, this bill reflects a reduction of $1.2 million in Federal funds below last year's level, and we are below the committee's tentative 302(b) budget resolution allocations by $8 million.

DISTRICT FUNDS

In District funds, the bill includes $2.7 billion of which $2.4 billion is for operating expenses and $249 million is for the capital outlay program.

At this point, Mr. Chairman, let me try to clarify what we mean when we refer to District funds. This $2.4 billion operating budget is financed with Federal funds of $532 million with the balance of $1.9 billion or almost 80 percent of the operating budget coming from the District's own locally raised revenues such as income and property taxes and various fines and fees. So I would ask the Members to keep that in mind as we consider this bill.

The capital outlay program of $249 million will be financed by issuing long-term bonds which the District has been able to do since last year at a lower rate than the rate it was paying to borrow from the Federal Treasury.

GOVERNMENTAL DIRECTION AND SUPPORT

For the 23 activities funded under the governmental direction and support appropriation, the committee recommends a total of $99,342,000 or an increase of $11,144,000 above last year's level. The bill includes the full budget request of $661,000 and 18 positions for the District of Columbia auditor. Included in our recommendation is an increase of $109,000 for three new positions to expand the office's audit capability. The committee's approval of three new positions rather than the transfer of filled positions from another agency will allow the auditor to select staff he feels is competent to carry out the required tasks. For the Department of Finance and Revenue, the committee recommends $19,034,000 and 553 positions, including an increase of $143,000 to fund three new revenue-generating initiatives: a homestead exemption audit; an increase in the audit level for sales and use taxes and unclaimed property; and a street vendor compliance program. These three new programs are expected to generate a total of $2.6 million in additional revenues.

We recommend $55,000 for the newly established D.C. Commission on Baseball which is responsible for assisting and advising the Mayor and council regarding the establishment of a professional baseball team in the District. The commission plans to raise $45,000 from private sources which will give it a total budget of $100,000. According to testimony we received, market analyses and demographic studies show that of the eight cities competing for what is believed to be two expansion teams, the Washington area has the highest per capita income as well as the sixth largest population market and the seventh largest media market. The commission has embarked on a campaign to sell 10,000 season tickets this summer to demonstrate area support for a major league baseball team which could be ready to play at RFK Stadium as soon as 1987. The announcement of the two winning cities is expected to be made by December 1985 when league owners meet to vote on recommendations of the baseball commissioner. Mr. Chairman, our committee congratulates the Mayor and the council for their leadership and foresight in creating the D.C. Baseball Commission and for the aggressive manner in which the District government is pursuing the acquisition of a major league team for the Nation's Capital. We believe that Washington, DC, is the ideal location for the next expansion major league baseball team.

ECONOMIC DEVELOPMENT AND REGULATION

The committee recommends a total of $99,525,000 for the 13 agencies and commissions responsible for economic development and regulation in the District. Our recommendation reflects an increase of $27,613,000 of which $25 million or 91 percent is for four agencies—the Departments of Housing and Community Development, Employment Services, and Consumer and Regulatory Affairs, and the Office of Business and Economic Development. We recommend increases of $7,845,000 for the Department of Housing and Community Development including $5 million for a new rent supplement program which will make payments on behalf of qualified low-income tenants to owners of private dwellings whose rent falls within certain standards. We also recommend an increase of $735,000 for this Department for a Citywide Home Purchase Assistance Program and $700,000 for low-rent housing support services. We recommend increases of $4,520,000 for the Department of Employment Services which provides opportunities for District residents to prepare for, find, and maintain gainful employment. Of this increase, $2,982,000 will be used for various jobs programs throughout the city and $1,130,000 will fund 48 current staff positions which were previously funded with Federal grants.

For the Department of Consumer and Regulatory Affairs, we recommend $28,063,000 or an increase of $5,178,000 which includes $2,041,000 for personnel and implementation costs for an automated data processing system in support of the One-Stop Business and Permit Center and other departmental operations. The committee has also approved increases of $80,000 and three positions for the Pesticide, Air Monitoring and Hazardous Waste Program, and $238,000 to carry out the Department's responsibilities under the Anacostia Tributary Restoration Agreement.

The largest increase percentagewise over last year's level is for the Office of Business and Economic Development whose budget totals $9,303,000 and reflects increases of $7,630,000 basically for three new programs designed to stimulate economic activity in the District. More than half of the increase or $4,048,000 is for the Economic Development Corporation whose objective is to help meet the needs of small and minority businesses and encourage private-sector participation. In addition, $3,332,000 is for the Business Purchase Assistance Program to provide down payments to help purchase existing businesses or storefronts and further the revitalization of commercial corridors in neighborhood shopping areas. The committee has also approved $250,000 for a new International Business Development Program to encourage businesses to establish an office in the District.

PUBLIC SAFETY AND JUSTICE

The committee recommends $535,416,000 or an increase of $33,133,000 for the city's various public safety activities. A total of $148,124,000 is included for the Metropolitan Police Department. The committee has retained language in last year's bill which requires the District to maintain an average strength of 3,880 uniformed officers for fiscal 1986. For the fire department, we recommend $59,863,000, an increase of $4,203,000 above the fiscal 1985 appropriation. Bill language is included requiring the District to pay employees who retired from the department prior to February 15, 1980, a one-time lump sum bonus of 3 percent of their annuity by September 30, 1985. This payment results from an agreement entered into on March 27, 1985, between District officials and the collective-bargaining unit for District firefighters. The committee has been advised that new 1-hour breathing masks are finally being purchased. The first order for 173 masks was placed on June 12, 1985, and the remaining 135 masks are to be ordered in July 1985. The initial appropriation for these masks was made 3 years ago in fiscal 1983.

Mr. Chairman, let me point out that one of the areas the committee is concerned about involves fire protection in ward 2. The committee has directed that Engine Company No. 3 located at 439 New Jersey Ave., NW., not be closed. If the District continues to feel there is a need to close the facility, evidence supporting that action is to be submitted to the committee for its approval at least 90 days prior to the city taking any action to close the station.

For the National Guard, Mr. Chairman, we recommend $710,000 including $10,000 which will be matched with Federal funds to provide partial scholarship assistance for officers to meet minimum educational requirements of an undergraduate degree.

The bill includes $59,714,000 for the operation of the District's courts in

fiscal 1986. We reviewed the court's request for judicial insurance coverage which was prompted by the liability exposure created by the Supreme Court decision in the case Pullian versus Allen. We also raised this issue with the corporation counsel who testified that the District is self-insured and the judges and court employees are included under this self-insurance umbrella even though the inclusion of the courts' employees is not codified in the D.C. Code. Rather than recommend an appropriation for judicial insurance coverage, the committee urges the Mayor and the council to pursue the expedited passage of legislation amending the D.C. Code to ensure appropriate coverage for the court's employees comparable to that provided for medical employees.

For the Department of Corrections, we recommend the full request of $124,602,000 which reflects a net increase of $2,238,000. Mr. Chairman, a recent court order limits the population at the D.C. jail to approximately 900 fewer inmates than are there now. This places the Mayor in an untenable position—he can't release them; yet if he does not reduce the population at that facility, he may be held in contempt of court. We have included report language asking District officials to consider all possible alternatives before moving inmates from the D.C. jail to the Lorton Reformatory. Construction of a new jail is being discussed, but for the present, the Mayor clearly needs some flexibility if he is to successfully resolve the problem. And it is not the committee's intention to restrict the Mayor's flexibility. We are simply asking him to consider all possible alternatives.

PUBLIC EDUCATION SYSTEM

We recommend a total of $515,005,000 for the six activities included under the public education system appropriation. This allowance is $25,050,000 above last year's appropriations.

Mr. Chairman, we believe the District's elected board and its appointed superintendent are doing an excellent job educating our young people. I know that most of you who have been here for any period of time realize that this board and superintendent place the interests of students foremost on their agenda. And there seems to be a feeling of cooperation between the Mayor, the council, and the school board as it relates to funding levels for the school system, and that same cooperation seems to be evident between the school board and the superintendent. All of this bodes well for the students. And for the first time in at least 16 years, the public school system is showing an increase in enrollments. While the increase is modest, it nonetheless reverses the trend which saw student enrollment drop from 145,584 in 1969 to 87,397 last year.

We have asked the board and the superintendent to study the student dropout rate, which is presently 16.9 percent, and submit a report to the committee prior to next year's hearing with a plan and recommendations on ways to reduce the rate. It is our feeling, Mr. Chairman, that many of our problems start with truancy and student dropouts, and the committee is ready to assist the board and the superintendent in whatever way we can to encourage students to stay in school and be graduated.

We recommend $15,002,000 for the public library in fiscal 1986. This allowance is $1,057,000 above last year's appropriation and includes increases for the book fund, for building repairs and service restoration in the original children's rooms in five libraries, and to improve technical support for the library's computer system. Mr. Chairman, the District has many outstanding employees, and the public library director, Dr. Hardy Franklin, is certainly one of those. He was named "Public Librarian of the Year" for 1984, and we want to congratulate him. He is certainly doing a fine job. For the Commission on the Arts and Humanities, the bill includes the full budget request of $1,673,000. This allowance reflects an increase of $546,000 and includes $500,000 for a new grants program to major institutions.

HUMAN SUPPORT SERVICES

The committee recommends $614,347,000 for human support services during fiscal 1986, an increase of $64,560,000 above last year's appropriation. There are 10 departments or activities funded under this appropriation heading with the largest by far being the Department of Human Services with a budget of $511,576,000 for fiscal 1986, an increase of $54,809,000 above the fiscal year 1985 level. This department provides social, economic, and health support systems to those who are unable to do so for themselves. Included in our recommendation is an increase of $2,161,000 to provide emergency shelter and support services through contractual arrangements. The bill includes an additional $1,164,000 to expand the District's Day Care Program and $384,000 for a new program to provide day care for 3- to 5-year-olds enrolled in nursery school programs in the public schools for part of the day. The committee recommends an increase of $2.4 million to cover inflationary costs and expand the Foster Care Program, and an additional $2,847,000 to increase the number of placements of developmentally disabled individuals. The largest increase in this department is $21,547,000 for the Medicaid/Medical Charities Program which will have a total of $153,450,000 in District funds for fiscal 1986. Over half of this increase consists of a transfer in of $13,848,000 from the St. Elizabeths Hospital account. We also recommend increases of $7,415,000 in skilled and intermediate nursing facilities.

Mr. Chairman, one of the major problems facing this country is drug abuse. In this bill we recommend an increase of $5 million to provide prevention, education, and detoxification programs to reduce the incidence of drug abuse and $1 million for the department to develop an action plan in conjunction with the public school system for drug abuse prevention.

For the Office on Aging, we recommend an increase of $1,537,000 which includes $200,000 for 10 new nutrition sites and $200,000 for social and supportive services at a new multipurpose senior center. We recommend an increase of $51,000 and two positions for the Commission for Women.

PUBLIC WORKS

We recommend $193,741,000 for the four activities in this appropriation title. This is $9,522,000 above last year's appropriation. We recommend the full budget request of $96.5 million for the District's share of operating expenses and debt service for metrorail and metrobus operations in fiscal year 1986. For the Department of Public Works, we recommend $93,151,000, an increase of $9,519,000 above the fiscal 1985 level. This department, Mr. Chairman, is responsible for maintaining the District's physical infrastructure, collecting and disposing of solid waste, administering motor vehicle regulations, and maintaining most of the District's vehicles. We recommend increases of $275,000 for 1,000 new parking meters and $35,000 for an additional 100 vehicle boots. As hard as it may be to believe, Mr. Chairman, there are occasions, although rare, when parking meters and vehicle boots are actually stolen. We also recommend an increase of $1,657,000 to repair sidewalks, streets, and bridges, and $160,000 to purchase a multipurpose emergency vehicle which the department testified will provide the most economical and efficient means for handling emergencies and public hazards.

WASHINGTON CONVENTION CENTER FUND

The bill includes $8,371,000 for the fiscal year 1986 general fund contribution to the Washington Convention Center. Our recommendation reflects a net increase of $1,632,000 and includes $2,130,000 to purchase the food service equipment. Convention center officials testified that the purchase of this equipment will increase concession revenue earned by the center by 100 percent.

REPAYMENT OF LOANS AND INTEREST

We recommend $198,409,000 to repay loans and interest on the District's $2 billion in outstanding loans borrowed over the years to finance its construction projects. This allowance

includes $1.2 million for interest on advances to the Unemployment Compensation Trust Fund.

REPAYMENT OF GENERAL FUND DEFICIT

Mr. Chairman, once again we recommend that $20 million be applied toward reducing the District's accumulated general fund deficit which stood at $269,860,000 as of September 30, 1984, down one-third from its peak of $387.5 million in 1980. The budget included $5 million for this purpose. The additional $15 million recommended by the committee is to be identified by the Mayor and made available through reductions in amounts included in the bill or from additional revenues. Mr. Chairman, we do not believe the deficit problem should be resolved by selling bonds and saddling District taxpayers with additional interest costs for the next several years. Selling bonds would simply exchange the deficit for a long-term liability, and the additional interest costs could very well exceed the amount the committee has asked the city to set aside each year for deficit reduction purposes. Instead, we plan to recommend a standard reduction of $20 million each year to be used exclusively to reduce the deficit.

SHORT-TERM BORROWINGS

The bill includes $3,750,000 for interest on short-term borrowings which the District uses to meet its seasonal cash-flow financing needs. This allowance is $1,250,000 below last year's appropriation and reflects the District's actual experience in the bond market.

CAPITAL OUTLAY

The committee recommends $248,783,000 for 89 projects for the District's Construction Program in fiscal year 1986. These projects will be financed with long-term borrowings on the bond market.

A total of $157,606,000 is recommended for public building construction and includes $10 million for asbestos abatement in the public schools, $12.7 million to complete the renovation of the Washington Center for Aging Services, and $15.1 million to renovate two public housing projects—Carrollsburg Dwellings and James Apartments. It also includes $23,667,000 for the Office of Business and Economic Development to construct an employment center revitalization project and a commercial center revitalization project. A total of $50,124,000 is recommended for 13 highway and bridge projects including $16,926,000 for the reconstruction of the Whitehurst Freeway and $9,265,000 for the Barney Circle-Anacostia Freeway connection. The bill includes $19,635,000 for water and sewer projects and includes $8 million as the District's share of costs to complete the Blue Plains Regional Wastewater Treatment Plant.

Mr. Chairman, the committee is concerned about the delay in repairing and resurfacing the Southeast-Southwest Freeway. Part of the District's share of construction funds was appropriated as far back as 1980. The committee was advised that sections of the freeway have been designed three times because of Federal Highway Administration requirements. The complaints we receive concern not only the deteriorated condition of the roadway, but they also involve the underside of the bridges from which chunks of concrete continue to fall onto vehicles parked in lots under the bridges.

Mr. Chairman, the time to make these repairs and do the reconstruction work required is long overdue, and we urge District and Federal Highway officials to resolve whatever problems there are and get on with the task at hand.

PAY-AS-YOU-GO CAPITAL PROJECTS

Mr. Chairman, in last year's bill the appropriation for "capital outlay" included $8,916,000 requested by the District for so-called pay-as-you-go capital projects to be financed with current operating revenues. The rationale used by the District to justify this request was that these projects were either maintenance-type projects or capital projects that had total costs of $1 million or less, and by funding them with current operating revenues, the debt service on long-term borrowings would be minimized. The Congress concurred in the city's request and included statutory language expressly requiring that "$5,087,000 for fiscal year 1985, $3,531,000 for 1986, and $298,000 for fiscal year 1987 shall be financed from general fund operating revenues". That provision, Mr. Chairman, is a mandate binding on the District, and it provides no legal authority for the use of long-term borrowings for these projects as proposed in the District's fiscal year 1986 budget and financial plans. The District's proposal is contrary to existing law and therefore cannot be accepted by the committee. We have also been advised that such a proposal creates a legal cloud as to all of the capital projects approved in last year's act.

Accordingly, the committee has adjusted the District's fiscal year 1986 financial plan and included the $3,531,000 from general fund operating revenues to fund the fiscal 1986 requirements for pay-as-you-go capital projects as mandated in last year's appropriations act. The committee expects the District government to fully abide by the law.

ENTERPRISE FUNDS

The bill includes $167,388,000 for the four activities funded with enterprise funds. A total of $148,083,000 is included for the Utility Administration of the Department of Public Works. This allowance is $23,973,000 above last year's appropriation and includes increases of $3,373,000 for debt service costs, $5,034,000 for sludge disposal, and $3,793,000 to hire additional personnel and purchase spare parts in order to comply with a consent decree entered into with the Environmental Protection Agency on the operation of the Blue Plains Wastewater Treatment Plant.

The bill includes the budget request of $14,904,000 for the Washington Aqueduct which collects, purifies and pumps potable water. This allowance is $904,000 above the fiscal year 1985 appropriation and includes an increase of $587,000 to cover two rate increases for energy costs.

The committee recommends $4,151,000 in District funds for the Lottery and Charitable Games Control Board which is responsible for regulating charitable games and conducting legalized lotteries in the District. The board testified that the increase of $620,000 and 15 positions above the fiscal year 1985 allowance will be used to increase sales which will ultimately result in additional operating revenues for the District. The board expects to transfer $34.8 million to the District's general fund during fiscal year 1986.

For the Office of Cable Television, we recommend $250,000 for fiscal year 1986. This office will oversee the day-to-day construction and operations of the District's cable television system. Construction is anticipated to start some time in early 1986 with cable service expected in late 1986.

GENERAL PROVISIONS

Mr. Chairman, the bill carries a number of general provisions on pages 15 through 26. However, only four of them are new and I will cover them briefly.

Language under section 130 authorizes and ratifies action taken by the Public Service Commission in July 1984 to deregulate streetlighting. Funds in the amount of $14,850,000 are included in the Supplemental Appropriations Act for 1985 (H.R. 2577) to purchase the streetlight plant from manhole to light from the Potomac Electric Power Co. The price was determined in the course of a depreciation study conducted by a national accounting firm.

The second language item under section 131 is the one you probably have read about in the newspapers.

It exempts Members of Congress who live in a State solely for the purpose of attending sessions of Congress from personal property taxes on one motor vehicle used for purposes of attending sessions of Congress. Several members have talked with me about the fact that they pay some form of tax on their vehicles in their home States—it may be called a registration fee or a vehicle tax, but the fee or tax is based on the value of the vehicle, and to be subject to a personal property tax by a jurisdiction where they are residing solely for the purpose of at-

tending sessions of Congress results in double taxation.

This exemption is similar to the income tax exemption for Members which was provided under Public Law 95-67, approved July 19, 1977, which was held constitutional in United States versus Maryland. That decision relied in substantial measure on the Supreme Court's decision in Dameron versus Broadhead where the Court upheld the power of Congress to prohibit the State of Colorado from applying a personal property tax to a Louisiana domiciliary who was a member of the U.S. Air Force stationed at Lowry Air Force Base in Colorado.

Mr. Chairman, our only interest here is to prevent a State or jurisdiction from imposing an ad valorem tax on a vehicle registered by the Member or his spouse in his home State and used by the Member to attend sessions of Congress.

The third language item is under section 132 and designates part of 15th Street, SW, between Independence Avenue and Maine Avenue as "Raoul Wallenberg Place" in honor of the Swedish diplomat who saved the lives of some 100,000 Hungarian Jews during World War II. The one-block section is the site of the future National Holocaust Memorial Museum. We expect appropriate street signs to be erected on each end of the street as soon as possible after this bill is signed into law.

The fourth language item is under section 133 and requires that contracts issued by the District government be awarded on a competitive basis. It is not our intent, Mr. Chairman, to eliminate the city's minority set-aside program which requires each agency to spend at least 35 percent of its contracting dollars with certified minority business enterprises. Rather, our efforts are to retain the set-aside program and encourage competition among minority contractors. Frankly, we are not sure how far this language goes and we are looking into it further.

Mr. Chairman, the members who serve on our subcommittee are to be commended for their dedication and for their sensitivity to the delicate balance between home rule issues and the Federal interest. I want to express my appreciation to each of them for their assistance: the gentleman from Kentucky [Mr. NATCHER] who has been a member of this subcommittee for over 30 years and served as chairman for 17 years; the gentleman from Ohio [Mr. STOKES]; the gentleman from Texas [Mr. WILSON]; the gentleman from Minnesota [Mr. SABO]; the gentleman from Maryland [Mr. HOYER] who is one of our two new members this year; the gentleman from New York [Mr. GREEN]; and the gentleman from Virginia [Mr. WOLF] who is the second of our two new members.

Mr. Chairman, the gentleman from Pennsylvania [Mr. COUGHLIN], serves as the ranking Republican on our subcommittee, and I must say that if there is any one member who makes the difference on our subcommittee, it is the gentleman from Pennsylvania. He serves as the ranking member on a second subcommittee and he also serves on a third subcommittee; yet he comes to all of our hearings and asks probing and information-providing questions. He certainly does a yeoman's job and I would be remiss if I did not say that his hard work and cooperation are the main reasons we are able to bring to the floor this afternoon a bipartisan bill.

CONCLUSION

Mr. Chairman, this is a good bill—the committee has left the District's budget virtually untouched. We have expressed our concern in those few areas where we felt it was necessary. The District is making very good progress in establishing itself in the financial markets, and in providing services to local residents in a timely manner. The city is on the move with an aggressive economic development program.

We are optimistic about the District, and the bill we bring to you this afternoon is a good bill and I recommend that it be approved.

Mr. COUGHLIN. Mr. Chairman, I yield myself such time as I may consume. I rise in strong support of H.R. 3067, the fiscal year 1986 District of Columbia appropriations bill. Article I, section 8, of the U.S. Constitution gives Congress power "To exercise exclusive Legislation in all Cases whatsoever, over such District * * * as may * * * become the Seat of the Government of the United States * * *." Although Congress delegated broad home rule powers to the District of Columbia in 1973, Congress retained the power of the purse. It is that power which we exercise, today.

This appropriations bill does two things. First, it provides a Federal payment from the United States to the District of Columbia. Second, it sets the entire D.C. budget, made up of Federal payment, property tax, income tax, sales tax, estate and gift tax, fees, and any other income.

Under the distinguished leadership of subcommittee Chairman JULIAN DIXON, the subcommittee has adopted a policy of letting the District make its own choices unless what is proposed: (1) is unconstitutional, (2) violates the Home Rule Act, or (3) raises a "Federal question." I note that, although he is an able Representative of the 28th District of California, Chairman DIXON is a native Washingtonian and descended from one of this area's oldest and most distinguished families. He carries on the tradition of civic leadership in Washington set by his forebearers.

Assisting in the preparation of this bill were staff members Migo Miconi, Mary Porter, and Kenny Kraft from appropriations, and Wilhelmina Marshall, liaison from the D.C. Budget Office..

The bill provides $2,689,077,000. Out of this $532,170,000 are Federal funds. This includes a Federal payment of $425 million, which is the same amount as appropriated last year, and as requested this year by the Office of Management and Budget. The balance of the Federal money goes to reimbursement for water and sewer service; retirement for teachers, police, firefighters, and judges; and St. Elizabeths Hospital.

The increase in this bill over last year's version is due to increased tax revenues which the District has raised, itself. OMB supports this bill. I received a "Dear Larry" letter from my good friend Dave (Stockman) who said "I want to commend the subcommittee for its responsible action * * *." It is the subcommittee's recommendations which the full committee brings to the House floor, today.

Mr. DIXON has already done a good job of explaining what is in H.R. 3067 so I will not repeat it. We recommend virtually the entire D.C. request. However, we do insist that an additional $15 million be used to retire the debt. This would be combined with the $5 million requested by the city council for a total amount of $20 million in fiscal year 1986. Since fiscal year 1980, the city's accumulated deficit of $387.5 million has been reduced by $130 million or one-third.

My compliments to the chairman and the subcommittee on a job well done.

Mr. DIXON. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from the District of Columbia [Mr. FAUNTROY].

Mr. FAUNTROY. Mr. Chairman, I rise with deep concerns about H.R. 3067, the District of Columbia appropriations bill for fiscal year 1986.

In December 1973, this Congress reestablished the concept of home rule for the District of Columbia through enactment of the District of Columbia Self-Government and Governmental Reorganization Act (Public Law 93-198). Since enactment of home rule for the District, each Congress has approved legislation which sought to improve and enhance D.C. home rule. Those improvements were accomplished through the legislative process.

Mr. Chairman, H.R. 3067, unfortunately, is attempting to use the appropriations process to enact substantive legislation which is antihome rule. I would like to speak to two of these.

First, the bill includes language under section 132 designating part of 15th Street Southwest, between Independence Avenue and Maine Avenue, as "Raoul Wallenberg Place." H.R. 2119, which was introduced in April, seeks the same objective and is before my Subcommittee on Fiscal Affairs and Health as well as the Subcommittee on Government Operations and Metropolitan Affairs of the Committee on the District of Columbia.

Raoul Wallenberg was one of the truly great heroes of World War II. He saved many Jews from the Nazi concentration camps and he deserved recognition. However, the naming of streets is purely a home rule matter.

Mr. Chairman, as many of my colleagues know, I have been in the forefront of the struggle to end apartheid in South Africa through legislation in the Congress and demonstrations at the South African Embassy. The Mayor of the District of Columbia has expressed his desire to rename that portion of Massachusetts Avenue, Northwest, in front of the embassy as "Nelson and Winnie Mandela Avenue." I would be more than willing to speak with him regarding "Raoul Wallenberg Place."

Second, H.R. 3067 includes language under section 133 which states, "The expenditure of any appropriation under this act for any contract shall be limited to those contracts awarded on a competitive basis." This language could be interpreted to mean termination of the District's Minority Contract Set-Aside Program.

I would like to ask the distinguished gentleman from California whether the contracting language is intended to change or jeopardize the District's Minority Set-Aside Program. If not, will the language be clarified to make this clear during conference?

□ 1640

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. FAUNTROY. I yield to the gentleman from California.

Mr. DIXON. Mr. Chairman, this language was offered by the gentleman from Ohio [Mr. REGULA]. I do not know what his intent was, but I made it clear when the amendment was offered in committee that I thought it would have a serious impact on the minority set-aside program. I received assurances from the gentleman from Ohio [Mr. REGULA] that he would work with me to ensure that his language does not in any way jeopardize the District's Minority Set-Aside Program.

Mr. FAUNTROY. Mr. Chairman, I am certainly relieved to know that, and I am confident that both of the gentlemen who have been supportive of the principle of home rule through the years will protect our Minority Contracts Set-Aside Program.

Mr. Chairman, I insert in the RECORD at this point a Washington Post editorial, dated July 27, 1985. I would like to emphasize from the editorial:

> The House Appropriations Committee has voted to attach a significant requirement to the District's fiscal 1986 appropriations bill. It would force the District government to award all of its contract through competitive bidding.
>
> This is a serious slap at home rule for the District. Congress has gone beyond legitimate expressions of concern and decided to make its own policy. The decision may impair the District's effort to give minority firms a better chance to win contracts.
>
> The same congressional committee decided to make another addition to the appropriations bill by voting to rename a city street after the World War II Swedish hero, Raoul Wallenberg. The desire to honor Mr. Wallenberg, who is credited with saving thousands of Jews and others from Nazi concentration camps, is admirable and well-intentioned, but it does not belong in the District's appropriations bill. Should Congress arbitrarily rename the District's thoroughfares whenever it desires?

Mr. Chairman, this is the heart of the matter. How many of my colleagues would be willing to vote for legislation which would infringe upon cities and counties in their districts? Why do it to the District of Columbia?

I strongly appeal to the members of the Appropriations Committee to think about home rule and its meaning, during the conference with the other body. The true meaning and intent of home rule must be not only confirmed, but enhanced.

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to my colleague, the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. I thank the gentleman for yielding this time and appreciate the comments of the gentleman from the District of Columbia. I would just point out in response to that, as you know, we have had discussions with the Mayor on the concern about this, and hopefully can arrive at something that will result in competitive bidding without impinging on any of the present standards, and certainly on the minority set-aside.

There is no reason at all that that cannot, in fact, it would continue. All the language says is the the 35-percent minority set-aside would be subjected to competitive bidding. I think the gentleman would agree with that, because it would allow all of the minority bidders to have an opportunity for a piece of the business.

But in the act creating home rule for the District of Columbia, and I quote directly from section 501, it says—

> Such Federal payment should operate to encourage efforts on the part of the government of the District to maintain and increase its level of revenues and to seek such efficiencies and economies in the management of its programs as are possible.

All we are suggesting here is that competitive bidding with the minority set-aside will result in achieving economies and efficiencies in management. So that is the objective of this language.

Mr. FAUNTROY. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from the District of Columbia.

Mr. FAUNTROY. I certainly agree with that objective and I am pleased to know that the gentleman will be protecting the Minority Set-Aside Program in the conference on this matter.

Mr. REGULA. I just wanted to add one thing. The gentleman quoted a part of the editorial from the Washington Post, but I want to read the last paragraph.

> Congress should give the city the fullest opportunity to eliminate any favoritism and wasteful spending. But the argument for home rule is strongest when city officials take action to deal with their own problems. It is weakest, as now, when nothing is done.

So I think you are suggesting, and I am likewise, that we try to get language that protects minority set-asides, and yet will achieve the economies and efficiencies that were spelled out in the original act establishing home rule.

Mr. FAUNTROY. If the gentleman would yield, I would like to thank him for that colloquy.

Mr. DIXON. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. COUGHLIN. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona [Mr. RUDD].

Mr. RUDD. Mr. Chairman, I would like to commend the chairman of the committee and the ranking member of the committee for the effort that they have put forth in the production of this bill. They have worked long and hard. I served on this committee for a term, and I know that it is a difficult committee from time to time because of the political conceptions and misconceptions on it.

But, Mr. Chairman, I oppose this legislation, particularly the allocation of funds for the D.C. Statehood Commission and the Statehood Compact Commission.

In drafting the Constitution, our Founding Fathers, in article I, section 7, gave Congress the power "to exercise exclusive legislation in all cases whatsoever, over such District * * * as may * * * become the seat of the Government of the United States." They did not intend that the District become a State. The intent of our Founding Fathers in the Constitution is very clear.

While the District enjoys substantial home rule prerogatives, the Congress still retains the ultimate responsibility for this appropriation and we ought to exercise those responsibilities. If statehood is appropriate for the District of Columbia, a city of 630,000 people, then it should be appropriate for

every other city in the country including the ninth largest city in the Nation, which is practically my hometown, Phoenix, AZ. Can you imagine every city of this size having two Senators and a number of Members of Congress?

The legislation, while prohibiting the use of Federal funds for abortions except in cases of rape, incest, or when the life of the mother is in danger, is silent with respect to use of other funds appropriated in the bill for abortions. The American public does not want taxpayer funding of abortions, and again we ought to use our authority to address that concern.

If the District of Columbia is serious about statehood, we ought to drastically reduce the Federal payment in this bill, which represents an astonishing 23.5 percent of the anticipated general revenue local collections. If no drastic reduction is made, we ought to retain the control that our Founding Fathers intended.

□ 1650

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Connecticut [Mr. MCKINNEY], a member of the authorizing committee.

Mr. MCKINNEY. Mr. Chairman, I rise in strong support of H.R. 3067, and wish to compliment the members of the Appropriation Committee and especially the gentleman from California [Mr. DIXON], chairman of the District of Columbia Subcommittee, and the gentleman from Pennsylvania [Mr. COUGHLIN], ranking member of that subcommittee, for their wisdom and leadership in crafting this bill.

There are a few specific items I wish to highlight, but before I do so, I want to note that my compliments to the members of the Committee on Appropriations are more than courteous rhetoric. As some of my colleagues may recall, at the beginning of this session of Congress I suggested that the budget for the Committee on the District of Columbia, of which I am the ranking member, be substantially reduced and that the House pave the way for elimination of the committee by the 100th Congress. It was, and remains my opinion that the issues remaining before the Committee on the District of Columbia in our efforts to achieve the maximum possible level of home rule for the residents of the District of Columbia would be more properly and efficiently handled by either a new or existing subcommittee on one of the current standing committees of the House.

I want to make it very clear that I would not be able to make such a statement and believe it to be true were it not for the leadership which has been evident for some years in the Appropriations Committee, and more specifically, in the Appropriations Subcommittee on the District of Columbia. There has been an evolutionary process taking place in which the annual appropriations bill for the District addresses certain legislative matters which would, in a perfect world, be considered by the authorizing committee. I mention this not to protect turf, or in any way to criticize the efforts of our colleagues on the Appropriations Committee. Rather, I note this as a change for the better. It has been particularly heartening to this Member to note that when the D.C. appropriations bill does have some legislative provisions in the bill, they are valid and fully justifiable actions which painstakingly preserve the delicate balance of home rule. It is my sincere hope that the Appropriations Committee will continue to exhibit the restraint that has been evident in the past, and at the same time take the necessary action when warranted.

With regard to the specifics of the bill, I would echo the comments already heard with regard to the overall funding levels in this bill. The Federal funds provided include the full $425 million authorized as the Federal payment to the city, $30.1 million in reimbursement for water and sewer services provided to Federal buildings in the city, $52 million as the Federal contribution to the police, firefighters', teachers', and judges' retirement systems, and $25 million as the second of six annual payments authorized by Public Law 98-621 to assist the District in the establishment of a comprehensive mental health system which includes St. Elizabeths Hospital being taken over by the local government. This brings the total amount of direct Federal funding in this bill to $532.2 million, exactly the amount recommended by the President in his budget request to Congress for fiscal year 1986.

Also included in this bill, but having no impact on the Federal budget, is approval for the appropriation of $2.7 billion as the city's operating and capital budget for fiscal year 1986. It is worth nothing that the committee has made changes in the allocation of this $2.7 billion budget of $10,000. I would like to repeat that, because I believe it says a great deal about the committee's respect for the city's financial abilities and it's respect for the principle of home rule. In approving a total budget of $2.7 billion, the committee has recommended changes of only $10,000.

On a subject which is near and dear to the heart of this Member, I would note the committee report language concerning the city's efforts to eliminate the accumulated operating fund deficit. On page 51 of the committee report, there are two statements which I hope the Mayor and the city's financial advisers will note. First, the committee indicates that it "does not believe that the deficit problem should be resolved by selling bonds." I could not agree more, and I have opposed the recurring efforts on the part of the city to achieve authorization to issue such bonds. The report goes on to explain that the issuance of bonds would strap the residents of the city with a long-term liability which would continue for a period of time in excess of the time required to eliminate the deficit by biting the bullet and budgeting incremental amounts for this purpose. Finally, I am pleased to note the statement in the report which makes it clear that the committee intends to recommend a standard reduction of $20 million each year to be used exclusively to eliminate the operating fund deficit. I sincerely hope these statements will put to rest the city's efforts to seek authorization for the issuance of bonds to finance the deficit, an idea which I join my colleagues on the Appropriations Committee in opposing.

In closing, Mr. Chairman, I wish to reiterate my support for this bill and express in the most sincere manner possible, my heartfelt thanks to the chairman and ranking member of the Subcommittee on the District of Columbia for their efforts in bringing this measure to the floor. It is a bill which is identical to what the President recommended with respect to Federal funds, it is virtually identical to what the city requested in terms of allocating $2.7 billion, and it is wholly consistent with the spirit of home rule for the residents of the Capital City.

Mr. COUGHLIN. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Virginia [Mr. WOLF].

Mr. WOLF. I thank the gentleman for yielding.

Mr. Chairman, as a new member of the House Appropriations Committee, on the District of Columbia Subcommittee, I recognize the diligent work that the chairman, the gentleman from California [Mr. DIXON] subcommittee members and staff put into the fiscal year 1986 D.C. appropriations bill. On the whole it is a very good bill, which is why I support it.

However, as a Member of Congress representing the 10th District of Virginia, I was very disappointed that an amendment was added to the bill at the very last minute with no hearings or discussions which would exempt Members of Congress who live in northern Virginia from paying a personal property tax on their automobile. I am particularly disappointed in the process that permitted this to happen without notifying northern Virginia officials in advance and giving them an opportunity to testify on the effects of this legislation.

While I am unhappy that the personal property tax amendment is part of the overall D.C. appropriation bill, there are many other provisions in the

bill which I believe are worthy of support which will ultimately benefit northern Virginia residents. These provisions deal with issues such as the District's legal drinking age and we are hopeful, Mr. Chairman, that the message will be sent to the District of Columbia that the Congress is on record as supporting raising the drinking age in the District of Columbia from 18 to 21. We now have the 18-year-old drinking age in the District of Columbia, 21 years in the State of Maryland and 21 years in the State of Virginia. As a result of that, you are developing a blood border around the District of Columbia. So we hope that the message will be delivered to the District that it is important that they raise their drinking age to 21 so that there will be uniform drinking age across the board.

Also, in the legislation there are restrictions on the expansion of Lorton Reformatory.

Last, it has a requirement that my colleague from Maryland, Congressman STENY HOYER, added for immediate aid to disabled vehicles on District of Columbia area bridges during rush hour, and efforts to bring major league baseball to the District of Columbia.

So I am supporting the D.C. fiscal year 1986 appropriations bill, but must voice my deep disappointment that the personal property tax exemption for Members of Congress was added to the bill without considering the localities involved.

Mr. DIXON. Mr. Chairman, I inadvertently yielded back the balance of my time.

Mr. Chairman, I would ask unanimous consent that I may reclaim my time.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DIXON. Mr. Chairman, I reserve the balance of my time.

Mr. COUGHLIN. Mr. Chairman, I yield 1 minute to the gentleman from Virginia [Mr. PARRIS].

Mr. PARRIS. Mr. Chairman, I rise in support of the provision of this bill that was inserted by the gentleman from Ohio [Mr. REGULA], and I do so with the clear understanding of the suggestions, or allegations, most of which I think are unfounded, as to the adverse effect of that provision on the existing minority contracting practices of the District of Columbia.

Mr. Chairman, I rise to put into the RECORD for the benefit of my colleagues a portion of the existing Federal law under the Home Rule Act. Section 501, title V, of that act reads in part as follows: "Such Federal payment", meaning the annual contribution by the Federal Government to the District of Columbia, "such Federal payments should operate to encourage efforts on the part of the government of the District to maintain and increase its level of revenues and to seek such efficiencies and economies in the management of its programs as are possible."

What that means, Mr. Chairman, is that it is a legitimate interest and an obligation of this Congress in the use and appropriation of the taxpayers' funds to help, to assist, to establish the opportunity for the District of Columbia to provide with the Federal payment the best and most efficient government that this city can possibly have. That is all of our function, it is consistent with all of our earnest desire. I think, Mr. Chairman, that the provision inserted by the gentleman from Ohio [Mr. REGULA] in requiring competitive contracting for public contracts and services, is a step in that and the right direction and therefore totally consistent with the provisions of the Home Rule Act. It would be my hope that this bill would be adopted with that provision intact and that the conference will see fit to sustain it in the final conference version of this legislation.

I thank the gentleman for yielding.

Mr. LOWERY of California. Mr. Chairman, this year is the 40th anniversary of the disappearance of Raoul Wallenberg, one of the greatest heroes of our age, as well as the liberation of the Nazi death camps. As a way of remembering this tragic period in human history and as a way of honoring one of the greatest heroes of the Holocaust, the Appropriations Committee has included in the general provisions part of the bill, section 132, designating a block of 15th Street between Maine Street and Independence Avenue as "Raoul Wallenberg Place."

The portion of 15th Street, Southwest, which would be renamed by this bill is the site of the future U.S. Holocaust Memorial Museum. It is bordered entirely by Federal property, and there are no residences on the street. The Bureau of Engraving is located on the street, but its mailing address is on 14th Street. Therefore, no addresses on the street would be affected except that of the the National Holocaust Memorial Museum.

Mr. Chairman, Raoul Wallenberg was born in 1912 to a distinguished Swedish family. In July 1944, in response to a request of the World Jewish Congress following deportation of nearly half a million Hungarian Jews to the death camps of Auschwitz and Birkenau, he was secretly sent by the American Government's War Refugee Board to Budapest as a Swedish diplomat. At that time there were still 250,000 Jews living in the Budapest ghetto, and Wallenberg undertook the impossible task of slowing down their deportation.

Working from the Swedish Embassy, he organized a rescue staff of several hundred Jewish volunteers and declared 32 apartment buildings housing 20,000 Jews to be shelters under the protection of the Swedish flag. He issued protective Swedish passports to approximately 30,000 Jews, providing them a degree of immunity from persecution. He organized the most daring and audacious methods for saving the lives of Jews—turning up at railway stations that served as assembly points for transporting the victims to death camps and, using his diplomatic privileges, snatching dozens of victims from the trains on the grounds that they were under Swedish protection.

Through his fearless actions, imagination and self-sacrifice, Wallenberg and his helpers were able to save the lives of 25,000 Jews during the period from July 1944 until the middle of January 1945. And by inspiring and cajoling others to play their part in this humanitarian work, he was able to save about 100,000 Jews from the death camps.

On January 17, 1945, the Soviet Army reached the outskirts of Budapest, and Raoul Wallenberg was taken into Soviet protective custody. He was never released. In fact, in 1957 the Soviets announced that Wallenberg had died while in a Soviet prison in Moscow. The U.S. State Department has raised the issue of Wallenberg's fate with the Soviets many times, but no satisfactory answer has been given.

Raoul Wallenberg, the "Lost Hero of the Holocaust," has become a legend to people all over the world. He has been nominated for a Nobel Peace Prize. Many of you joined our distinguished colleague, TOM LANTOS, in supporting legislation in the 97th Congress which made him an honorary U.S. citizen, thereby allowing the United States to petition the Soviet Union for a full accounting of his fate. Wallenberg is only the second person to be awarded this great honor.

Wallenberg was also named an honorary citizen of the District of Columbia on October 6, 1981. Mayor Marion Barry presided over the ceremony, which was attended by Wallenberg's sister and others.

Congressman LANTOS, the only survivor of the Holocaust to be elected to Congress, was born in Budapest, Hungary. He was twice sent to Nazi work camps during 1944, but escaped and survived in Wallenberg's safe houses. He worked with Wallenberg and was active in the anti-Nazi underground.

"In History," Congressman LANTOS has said, "One can find many men who have killed 100,000 people. But how many have saved 100,000? Renaming a portion of 15th Street in honor of Wallenberg is a small—but appropriate—gesture to one of the genuine heroes of our age."

Mr. Chairman, this measure, is not a violation of the concept of home rule. First, I must repeat that the street in question, which runs along the Washington Tidal Basin Park, is part of the Mall and its environs. Not one resident of the District of Columbia would be directly affected by this change. The committee has not somehow arbitrarily selected some random street in the District—15th Street SW., in front of the National Holocaust Museum, was carefully selected because it is only one block long and consists entirely of Federal property.

Second, there is a clear and obvious precedent for this change. Last year the District of Columbia appropriations bill included language which named the area in front of the Soviet Embassy as "Andrei Sakharov Plaza."

In sum, Mr. Chairman, because Raoul Wallenberg gave a whole new universe of meaning to the word "hero" by saving lives of 100,000 Hungarian Jews, I hope my colleagues will support Raoul Wallenberg Place and that none of you will seek to delete this section of the appropriations bill. I firmly believe that it would be an appropriate gesture to name the street in front of the Holocaust Memorial Museum in honor of this great American hero.

● Mr. LANTOS. Mr. Chairman, I rise in strong support of the provision in the District of Columbia appropriations bill naming the section of 15th Street in front of the Holocaust Memorial Museum "Raoul Wallenberg Place."

The Holocaust Memorial Museum will remind us and future generations of the horrors of the Holocaust. But the museum is not intended only to make us despair at the depths to which mankind can sink; it should also force us to examine the question of how we can prevent future holocausts, how we can protect human rights, and how we should fight against racism and persecution. it is appropriate that Raoul Wallenberg be part of this memory, because he represents the ultimate symbol of hope and courage.

Born to a wealthy Swedish family, Wallenberg left the safety of his home to go to Budapest, Hungary, in the summer of 1944 on a high-risk mission from the American War Refugee Board to save tens of thousands of innocent children, women, and older men. Displaying remarkable courage, Wallenberg printed Swedish passports and passed them out to thousands of Jews. Single-handedly he approached deportation trains and literally pulled people out of the cattle cars destined for extermination camps. He purchased or rented dozens of buildings, which he then designated Swedish territory, and filled them with the persecuted to protect them from Fascist round-up squads. Through his efforts, Wallenberg saved an estimated 100,000 Hungarian Jews from the "final solution."

Neither I, nor my wife, nor our children, nor our grandchildren would be here today if it were not for Raoul Wallenberg. During that whole dark nightmare, no one else directly confronted Nazi cruelty. No one else had the audacity to follow the death marches, to jump in front of guns leveled at jews, to pull people off deportation trains. Raoul Wallenberg not only saved 100,000 lives, he saved our faith in humanity.

In retrospect, perhaps Wallenberg's greatest contribution is his reminder to us of the human dimension of human rights. We usually define human rights by international treaty: the right to emigrate guaranteed by the Helsinki Final Act, for example. In the best of worlds, international agreements alone would ensure all peoples' basic human rights. But time and again, we are reminded that our world is not an ideal one and that the promise of international law must be realized through individual action. Thus, what we most need are women and men motivated by a sense of justice, who are willing to risk and to fight in order to uphold dignity and respect for human life.

Unfortunately, the violation of human rights did not end with the crushing of Hitler in 1945. We need a Wallenberg today to speak out forcefully on behalf of Soviet refuseniks, individuals persecuted by the Soviet Government solely because of their religious faith and their desire to emigrate. We need a Wallenberg to confront apartheid in South Africa, to stand with the black demonstrators, to call for Nelson Mandela's release. We need a Wallenberg to seek the release of peaceful Baha'i prisoners in Iranian jails. We need a Wallenberg to secure the release of political prisoners—Andrei Sakharov in internal exile in the Soviet Union, opponents of the military regime in Chile, those who in far too many places around the globe suffer isolation, loss of liberty, and torture for their convictions.

Wallenberg is the archtype of the defender of human rights. His story shows that mankind can do more than simply survive, that it can nurture and protect the weak. He is a model of selfless behavior which few attain. The knowledge that one man so firmly embraced human rights as a guiding principle, however, should encourage us to continue in our fight for this goal.

In history, one can find examples of many who have killed 100,000 people. But how many have saved 100,000? Wallenberg has shown us that one individual—motivated by a genuine and personal concern for human rights—can face evil and triumph; that one person alone can make a difference.

Renaming a section of a street is a small honor to such a man. Nevertheless, it is an important symbolic gesture, and we must not forget the power of symbols.●

● Mr. CONTE. Mr. Chairman, I rise in support of H.R. 3067, the District of Columbia appropriations bill for fiscal year 1986.

At the outset, I want to commend the chairman of the subcommittee, JULIAN DIXON and the ranking minority member, LARRY COUGHLIN, for their hard work and dedication. Without the usual benefits, Congressmen DIXON and COUGHLIN have taken the responsibility to the District our Federal seat of Governnent, very seriously. With the home rule principle as a guide, the subcommittee has effectively addressed the special needs of the District of Columbia. District residents are fortunate to have these gentlemen in leadership positions on this subcommittee.

Mr. Chairman, the bill includes Federal funds totaling $532,170,000 for fiscal year 1986 which is $1,173,000 below the fiscal year 1985 level. Included in this amount is a Federal payment of $425 million for fiscal year 1986 which represents 23.5 percent of the anticipated general revenue generated by local collections next year. This payment is the same amount as appropriated last year.

In addition to the lump sum Federal payment, Federal funds appropriated in this bill include $30.1 million for water and sewer services furnished to the Federal Government, $52 million for the Federal contribution to the city's three retirement funds, and $25 million for St. Elizabeths Hospital.

The payment to the retirement fund is the seventh of 25 annual Federal payments which will total $1.3 billion and will cover a portion of the unfunded liability attributed to former District employees who retired before home rule took effect. As authorized by Public Law 98-621, the payment for St. Elizabeths Hospital is part of a 6-year place to transfer administrative and financial responsibility from the Federal Government to the District of Columbia by 1991.

Mr. Chairman, I am pleased to report that the administration fully endorses the recommendations in this bill. In a letter the committee, the Young Slasher, signing in black ink, clearly stated that "this bill * * * is consistent with the Administration's request" and urged approval of the legislation in its present form. For the RECORD, I will include a copy of the OMB letter and the "Statement of administration Policy" on H.R. 3067.

I urge my colleagues to support H.R. 3067.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., July 24, 1985.

Hon. SILVIO CONTE,
Committee on Appropriations, U.S. House of Representatives, Washington, D.C.

DEAR SIL: As the House Appropriations Committee prepares to mark up the 1986 District of Columbia Appropriation bill, I want to commend the subcommittee for its responsible action in keeping with the Administration's request.

I hope that when the District of Columbia appropriation bill is considered by the full committee you will use your influence and leadership to help ensure the passage of the bill as recommended by the subcommittee.

Sincerely,

DAVID A. STOCKMAN,
Director.

STATEMENT OF ADMINISTRATION POLICY

JULY 23, 1985.

District of Columbia Appropriation Bill, 1986.

(Sponsor: Dixon (D), California.)

This bill as approved by the House Subcommittee is consistent with the Administration's request. The Administration urges the full Appropriations Committee to take the Subcommittee recommendations and report the bill in its present form.

STATEMENT OF ADMINISTRATION POLICY

JULY 29, 1985.

District of Columbia Appropriation Bill, 1986.

(Sponsor: Whitten (D), Mississippi.)

This bill as reported by the House Appropriations Committee is consistent with the administration's request. The administration supports floor action to accept the committee recommendations and pass the bill in its present form.●

● Mrs. VUCANOVICH. Mr. Chairman, today, I rise in support of the amendment which will be offered by the gentleman from New Jersey [Mr. SMITH], to ensure that section 118 of H.R. 3067 provide that no public funds may be used to kill unborn children in our Nation's Capital, and that funds shall be used to provide equal care for both the mother and her unborn child.

Some say this is an issue of "home rule" where the Congress should only be responsible for the use of "Federal" funds for abortions in the District and the District of Columbia government has the prerogative of using "its own funds" as it chooses for killing unborn children. On the contrary, Pub. L. 93-198 specifically designates the Congress, and each one of its Members with the responsibility for the full appropriation of all funds for our Nation's Capital.

Section 118 demands revision so that taxpayers' money is not used to fund the killing of unborn children, and it is the special responsibility of this body to recognize that fact. If this appropriations bill passes without amending section 118 we provide the District with a "blank check" with which to fund abortions. One abortion is as tragic as 100, and the some 4,393 abortions paid by the District from funds appropriated by Congress in the District of Columbia Appropriations Act (as cited from the District of Columbia government statistics note 67 of July 1984) denies us all any semblance of humanity.●

● Mr. WEISS. Mr. Chairman, I am in strong opposition to H.R. 3067, the District of Columbia appropriations for fiscal year 1986.

I do not oppose this bill because of any provision recommended by the Appropriations Subcommittee on the District of Columbia, which carefully crafted a bipartisan bill that meets the needs of the District of Columbia without exceeding the President's funding request. In fact, the subcommittee was specifically commended by outgoing Budget Director David Stockman for its "responsible action" in drafting this bill.

Rather, I am opposed to the bill because of the adoption of a grossly irresponsible amendment which would prohibit the use of any public funds for abortions in the District.

This amendment is both wrong in substance and wrong in procedure. It is a further attack on the fundamental right of women to control their own bodies. But, unlike many other such attacks which have been undertaken in the House of Representatives, it is an underhanded attack that exploits the continued power of the House over the District of Columbia's purse to achieve highly objectionable goals.

The sponsor of this amendment was apologetic about offering yet another amendment on a subject with which many Members are weary. He was referring to the floor fights that have surrounded the attachment of antiabortion riders to a variety of Federal health care programs and benefits packages. As a result of these amendments, congressional opponents of abortion rights have limited access to legal abortion services for those who receive health care services or health insurance benefits through the Federal Government.

Abortion is legal, and the vast majority of Americans want it kept that way. But those who approved these limiting amendments ignore the national mandate for safe and accessible abortion services. As a result of their repeated attacks, D.C. residents, along with Medicaid recipients, native Americans, Peace Corps volunteers, military employees, and Federal employees are already subject to significant restrictions on their right to have an abortion.

The current amendment goes even further, however. Not content to restrict the use of Federal funds for abortions, the amendment would restrict the use of all public funds for this purpose. This means that the District, which has courageously committed a portion of the funds that it raises independently of the Federal Government to poor women who are seeking abortions, will no longer be able to do so. Moreover, this will apply to all abortions performed in the District, with no exception for cases of rape, incest, or life endangerment.

Not only does this amendment fly in the face of public opinion, not only does it deny a fundamental right to a class of American citizens who are in most cases incapable of fighting back for financial or other reasons, but it would prohibit a jurisdiction of this Nation from employing its own funds for the purposes which it sees fit. It represents an unwarranted and indefensible Federal intrusion both into the local affairs of our Capital City and into the private lives of American citizens.

The District of Columbia deserves to be reimbursed for the responsibilities it assumes for the revenue losses and costs associated with the District's role as the Nation's Capital. The bill prepared by the subcommittee would have accomplished this in a rational and appropriate manner. But the restrictions on the fundamental right to safe and legal abortions that were added to this bill go far beyond any such restrictions adopted in the past. They are wrong and they must be rejected. I urge my colleagues to join me in defeating this bill.●

Mr. COUGHLIN. Mr. Chairman, I have no further requests for time and I yield back the balance of my time.

Mr. DIXON. Mr. Chairman, I have no further requests for time and I yield back the balance of my time.

The CHAIRMAN. All time has expired.

Mr. DIXON. Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The text of the bill H.R. 3067, is as follows:

H.R. 3067

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the District of Columbia for the fiscal year ending September 30, 1986, and for other purposes, namely:

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

For payment to the District of Columbia for the fiscal year ending September 30, 1986, $425,000,000, as authorized by the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, as amended (D.C. Code, sec. 47-3406): *Provided,* That none of these funds shall be made available to the District of Columbia until the number of full-time uniformed officers in permanent positions in the Metropolitan Police Department is at

least 3,880, excluding any such officer appointed after August 19, 1982, under qualification standards other than those in effect on such date.

For payment to the District of Columbia for the fiscal year ending September 30, 1986, in lieu of reimbursement for charges for water and water services and sanitary sewer services furnished to facilities of the United States Government, $30,100,000, as authorized by the Act of May 18, 1954, as amended (D.C. Code, secs. 43-1552 and 43-1612).

For the Federal contribution to the Police Officers and Fire Fighters', Teachers' and Judges' Retirement Funds as authorized by the District of Columbia Retirement Reform Act, approved November 17, 1979 (93 Stat. 866; Public Law 96-122), $52,070,000.

TRANSITIONAL PAYMENT FOR SAINT ELIZABETHS HOSPITAL

For a Federal contribution to the District of Columbia, as authorized by the Saint Elizabeths Hospital and District of Columbia Mental Health Services Act, approved November 8, 1984 (98 Stat. 3369; Public Law 98-621), $25,000,000.

DIVISION OF EXPENSES

The following amounts are appropriated for the District of Columbia for the current fiscal year out of the general fund of the District of Columbia, except as otherwise specifically provided.

GOVERNMENTAL DIRECTION AND SUPPORT

Governmental direction and support, $99,342,000: *Provided*, That not to exceed $2,500 for the Mayor, $2,500 for the Chairman of the Council of the District of Columbia, and $2,500 for the City Administrator shall be available from this appropriation for expenditures for official purposes: *Provided further*, That any program fees collected from the issuance of debt shall be available for the payment of expenses of the debt management program of the District of Columbia: *Provided further*, That not less than $320,000 shall be used by the Office of Personnel exclusively for the administration of programs for the training of District of Columbia government employees: *Provided further*, That notwithstanding any other provision of law, there is hereby appropriated $3,480,000 to pay legal, management, investment, and other fees and administrative expenses of the District of Columbia Retirement Board, of which $700,000 shall be derived from the general fund and not to exceed $2,780,000 shall be derived from the earnings of the applicable retirement funds: *Provided further*, That the District of Columbia Retirement Board shall provide to the Congress and the Council of the District of Columbia a quarterly report of the allocations of charges by fund and of expenditures of all funds: *Provided further*, That the District of Columbia Retirement Board shall provide the Mayor for transmittal to the Council of the District of Columbia an item accounting of the planned use of appropriated funds in time for each annual budget submission and the actual use of such funds in time for each annual audited financial report: *Provided further*, That of the $100,000 appropriated for fiscal year 1986 for Admission to Statehood, $50,000 shall be for the Statehood Commission and $50,000 shall be for the Statehood Compact Commission.

ECONOMIC DEVELOPMENT AND REGULATION

Economic development and regulation, $99,525,000: *Provided*, That the District of Columbia Housing Finance Agency, established by section 201 of the District of Columbia Housing Finance Agency Act, effective March 3, 1979 (D.C. Law 2-135; D.C. Code, sec. 45-2111), based upon its capability of repayments as determined each year by the Council of the District of Columbia from the Agency's annual audited financial statements to the Council of the District of Columbia, shall repay to the general fund an amount equal to the appropriated administrative costs plus interest at a rate of four percent per annum for a term of 15 years, with a deferral of payments for the first three years: *Provided further*, That notwithstanding the foregoing provision, the obligation to repay all or part of the amounts due shall be subject to the rights of the holders of any bonds or notes issued by the Agency and shall be repaid to the District of Columbia only from available operating revenues of the Agency that are in excess of the amounts required for debt service, reserve funds, and operating expenses: *Provided further*, That upon commencement of the debt service payments, such payments shall be deposited into the general fund of the District of Columbia: *Provided further*, That the Director of the Department of Housing and Community Development shall report every six months to the Council of the District of Columbia on collections of rent from public housing stock.

PUBLIC SAFETY AND JUSTICE

Public safety and justice, including purchase of not to exceed 135 passenger-carrying vehicles for replacement only (including 130 for police-type use and five for fire-type use) and four additional passenger-carrying vehicles for fire-type use without regard to the general purchase price limitation for the current fiscal year, $535,416,000, of which $3,339,000 shall be payable from the revenue sharing trust fund: *Provided*, That the Metropolitan Police Department is authorized to replace not to exceed 25 passenger-carrying vehicles, and the Fire Department is authorized to replace not to exceed five passenger-carrying vehicles, annually whenever the cost of repair to any damaged vehicle exceeds three-fourths of the cost of the replacement: *Provided further*, That not to exceed $320,000 shall be available from this appropriation for the Chief of Police for the prevention and detection of crime: *Provided further*, That notwithstanding any other provisions of law, in the case of each employee who retired from the Fire Department of the District of Columbia before February 15, 1980, and who is receiving on the date of the enactment of this Act an annuity based on service in the Fire Department, the District of Columbia Retirement Board shall cause to be paid not later than September 30, 1985, to each such employee a lump-sum payment equal to three percent of his or her annuity: *Provided further*, That funds appropriated for expenses under the District of Columbia Criminal Justice Act, approved September 3, 1974 (88 Stat. 1090; Public Law 93-412; D.C. Code, sec. 11-2601 et seq.), for the fiscal year ending September 30, 1986, shall be available for obligations incurred under that Act in each fiscal year since inception in fiscal year 1975: *Provided further*, That funds appropriated for expenses under the District of Columbia Neglect Representation Equity Act of 1984, effective March 13, 1985 (D.C. Law 5-129; D.C. Code, sec. 16-2304), for the fiscal year ending September 30, 1986, shall be available for obligations incurred under that Act in each fiscal year since inception in fiscal year 1985: *Provided further*, That $50,000 of any appropriation available to the District of Columbia may be used to match financial contributions from the Department of Defense to the District of Columbia Office of Emergency Preparedness for the purchase of civil defense equipment and supplies approved by the Department of Defense, when authorized by the Mayor: *Provided further*, That not to exceed $1,500 for the Chief Judge of the District of Columbia Court of Appeals, $1,500 for the Chief Judge of the Superior Court of the District of Columbia, and $1,500 for the Executive Officer of the District of Columbia Courts shall be available from this appropriation for official purposes: *Provided further*, That D.C. Code, sec. 11-1732(d), is amended by striking out "1985" and inserting in lieu thereof "1986".

PUBLIC EDUCATION SYSTEM

Public education system, including the development of national defense education programs, $515,005,000, of which $6,000,000 shall be payable from the revenue sharing trust fund, to be allocated as follows: $359,500,000 for the public schools of the District of Columbia; $70,905,000 for the District of Columbia Teachers' Retirement Fund; $67,715,000 for the University of the District of Columbia; $15,002,000 for the Public Library; $1,673,000 for the Commission on the Arts and Humanities; and $210,000 for the Educational Institution Licensure Commission: *Provided*, That the public schools of the District of Columbia are authorized to accept not to exceed 31 motor vehicles for exclusive use in the driver education program: *Provided further*, That not to exceed $2,500 for the Superintendent of Schools, $2,500 for the President of the University of the District of Columbia, and $2,000 for the Public Librarian shall be available from this appropriation for expenditures for official purposes: *Provided further*, That this appropriation shall not be available to subsidize the education of nonresidents of the District of Columbia at the University of the District of Columbia, unless the Board of Trustees of the University of the District of Columbia adopts, for the fiscal year ending September 30, 1986, a tuition rate schedule which will establish the tuition rate for nonresident students at a level no lower than the nonresident tuition rate charged at comparable public institutions of higher education in the metropolitan area.

HUMAN SUPPORT SERVICES

Human support services, $614,347,000, of which $5,857,000 shall be payable from the revenue sharing trust fund: *Provided*, That the inpatient rate (excluding the proportionate share for repairs and construction) for services rendered by Saint Elizabeths Hospital for patient care shall be at the per diem rate established pursuant to section 2 of an Act to authorize certain expenditures from the appropriation of Saint Elizabeths Hospital, and for other purposes, approved August 4, 1947 (61 Stat. 751; Public Law 80-353; 24 U.S.C. 168(a)): *Provided further*, That total funds paid by the District of Columbia as reimbursements for operating costs of Saint Elizabeths Hospital, including any District of Columbia payments (but excluding the Federal matching share of payments) associated with title XIX of the Social Security Act, approved July 30, 1965 (79 Stat. 343; Public Law 89-97; 42 U.S.C. 1396 et seq.), shall not exceed $62,970,000: *Provided further*, That $11,000,000 of this appropriation, to remain available until expended, shall be available solely for District

of Columbia employees' disability compensation.

PUBLIC WORKS

Public works, including rental of one passenger-carrying vehicle for use by the Mayor and three passenger-carrying vehicles for use by the Council of the District of Columbia and purchase of passenger-carrying vehicles for replacement only, $193,741,000, of which $2,500,000 shall be payable from the revenue sharing trust fund and not to exceed $4,000,000 shall be available for the School Transit Subsidy: *Provided*, That this appropriation shall not be available for collecting ashes or miscellaneous refuse from hotels and places of business or from apartment houses with four or more apartments, or from any building or connected group of buildings operating as a rooming or boarding house as defined in the housing regulations of the District of Columbia.

WASHINGTON CONVENTION CENTER FUND

For the Washington Convention Center Fund, $8,371,000: *Provided*, That the Convention Center Board of Directors, established by section 3 of the Washington Convention Center Management Act of 1979, effective November 3, 1979 (D.C. Law 3-36; D.C. Code, sec. 9-602), shall reimburse the Auditor of the District of Columbia for all reasonable costs for performance of the annual convention center audit.

REPAYMENT OF LOANS AND INTEREST

For reimbursement to the United States of funds loaned in compliance with an Act to provide for the establishment of a modern, adequate, and efficient hospital center in the District of Columbia, approved August 7, 1946 (60 Stat. 896; Public Law 79-648); the Departments of Labor, and Health, Education and Welfare Appropriation Act of 1955, approved July 2, 1954 (68 Stat. 443; Public Law 83-472); section 1 of an Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City, approved June 6, 1958 (72 Stat. 183; Public Law 85-451; D.C. Code, sec. 9-219); section 4 of an Act to authorize the Commissioners of the District of Columbia to plan, construct, operate, and maintain a sanitary sewer to connect the Dulles International Airport with the District of Columbia system, approved June 12, 1960 (74 Stat. 211; Public Law 86-515); and section 723 of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 821; Public Law 93-198; D.C. Code, sec. 47-321, note); and section 743(f) of the District of Columbia Self-Government and Governmental Reorganization Act, approved October 13, 1977 (91 Stat. 1156; Public Law 95-131; D.C. Code, sec. 9-219, note), including interest as required thereby, $198,409,000.

REPAYMENT OF GENERAL FUND DEFICIT

For the purpose of eliminating the cash portion of the $269,860,000 general fund accumulated deficit as of September 30, 1984, $20,000,000, of which not less than $15,000,000 shall be funded and apportioned by the Mayor from amounts otherwise available to the District of Columbia government (including amounts appropriated by this Act or revenues otherwise available, or both).

SHORT-TERM BORROWINGS

For the purpose of funding interest related to borrowing funds for short-term cash needs, $3,750,000.

CAPITAL OUTLAY

For construction projects, $229,148,000, as authorized by an Act authorizing the laying of water mains and service sewers in the District of Columbia, the levying of assessments therefor, and for other purposes, approved April 22, 1904 (33 Stat. 244; Public Law 58-140; D.C. Code, secs. 43-1512 to 43-1519); the District of Columbia Public Works Act of 1954, approved May 18, 1954 (68 Stat. 101; Public Law 83-364); an Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City, approved June 6, 1958 (72 Stat. 183; Public Law 85-451; D.C. Code, secs. 9-219 and 47-3402); section 3(g) of the District of Columbia Motor Vehicle Parking Facility Act of 1942, approved August 20, 1958 (72 Stat. 686; Public Law 85-692; D.C. Code, sec. 40-805(7)); and the National Capital Transportation Act of 1969, approved December 9, 1969 (83 Stat. 320; Public Law 91-143; D.C. Code, secs. 1-2451, 1-2452, 1-2454, 1-2456, and 1-2457); including acquisition of sites, preparation of plans and specifications, conducting preliminary surveys, erection of structures, including building improvement and alteration and treatment of grounds, to remain available until expended: *Provided*, That $14,591,000 shall be available for project management and $11,239,000 for design by the Director of the Department of Public Works or by contract for architectural engineering services, as may be determined by the Mayor, and that the funds for use of each capital project implementing agency shall be managed and controlled in accordance with all procedures and limitations established under the Financial Management System: *Provided further*, That all such funds shall be available only for the specific projects and purposes intended: *Provided further*, That notwithstanding the foregoing, all authorizations for capital outlay projects, except those projects covered by the first sentence of section 23(a) of the Federal-Aid Highway Act of 1968, approved August 23, 1968 (82 Stat. 827; Public Law 90-495; D.C. Code, sec. 7-134, note), for which funds are provided by this appropriation title, shall expire on September 30, 1987, except authorizations for projects as to which funds have been obligated in whole or in part prior to September 30, 1987: *Provided further*, That upon expiration of any such project authorization the funds provided herein for the project shall lapse.

WATER AND SEWER ENTERPRISE FUND

For the Water and Sewer Enterprise Fund, $162,987,000, of which $31,065,000 shall be apportioned and payable to the debt service fund for repayment of loans and interest incurred for capital improvement projects.

For construction projects, $19,635,000, as authorized by an Act authorizing the laying of water mains and service sewers in the District of Columbia, the levying of assessments therefor, and for other purposes, approved April 22, 1904 (33 Stat. 244; D.C. Code, sec. 43-1512 et seq.): *Provided*, That the requirements and restrictions which are applicable to general fund capital improvement projects and which are set forth in this Act under the Capital Outlay appropriation title shall apply to projects approved under this appropriation title.

LOTTERY AND CHARITABLE GAMES ENTERPRISE FUND

For the Lottery and Charitable Games Enterprise Fund established by the District of Columbia Appropriation Act for fiscal year 1982, approved December 4, 1981 (95 Stat. 1174, 1175, Public Law 97-91, as amended), for the purpose of implementing the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, effective March 10, 1981 (D.C. Law 3-172; D.C. Code, secs. 2-2501 et seq. and 22-1516 et seq.), $4,151,000, to be derived from non-Federal District of Columbia revenues: *Provided*, That the District of Columbia shall identify the sources of funding for this appropriation title from its own locally-generated revenues: *Provided further*, That no revenues from Federal sources shall be used to support the operations or activities of the Lottery and Charitable Games Control Board.

CABLE TELEVISION ENTERPRISE FUND

For the Cable Television Enterprise Fund established by the Cable Television Communications Act of 1981, effective October 22, 1983 (D.C. Law 5-36; D.C. Code, sec. 43-1801 et seq.), $250,000.

GENERAL PROVISIONS

SEC. 101. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 102. Except as otherwise provided in this Act, all vouchers covering expenditures of appropriations contained in this Act shall be audited before payment by the designated certifying official and the vouchers as approved shall be paid by checks issued by the designated disbursing official.

SEC. 103. Whenever in this Act an amount is specified within an appropriation for particular purposes or objects of expenditure, such amount, unless otherwise specified, shall be considered as the maximum amount which may be expended for said purpose or object rather than an amount set apart exclusively therefor, except for those funds and programs for the Metropolitan Police Department under the heading "Public Safety and Justice" which shall be considered as the amounts set apart exclusively for and shall be expended solely by that Department; and the appropriation under the heading "Repayment of General Fund Deficit" which shall be considered as the amount set apart exclusively for and shall be expended solely for that purpose.

SEC. 104. Appropriations in this Act shall be available, when authorized by the Mayor, for allowances for privately owned automobiles and motorcycles used for the performance of official duties at rates established by the Mayor: *Provided*, That such rates shall not exceed the maximum prevailing rates for such vehicles as prescribed in the Federal Property Management Regulations 101-7 (Federal Travel Regulations).

SEC. 105. Appropriations in this Act shall be available for expenses of travel and for the payment of dues of organizations concerned with the work of the District of Columbia government, when authorized by the

Mayor: *Provided*, That the Council of the District of Columbia and the District of Columbia Courts may expend such funds without authorization by the Mayor.

SEC. 106. Appropriations in this Act shall not be used for or in connection with the preparation, issuance, publication, or enforcement of any regulation or order of the Public Service Commission requiring the installation of meters in taxicabs, or for or in connection with the licensing of any vehicle to be operated as a taxicab except for operation in accordance with such system of uniform zones and rates and regulations applicable thereto as shall have been prescribed by the Public Service Commission.

SEC. 107. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making refunds and for the payment of judgments that have been entered against the District of Columbia government: *Provided*, That nothing contained in this section shall be construed as modifying or affecting the provisions of section 11(c)(3) of title XII of the District of Columbia Income and Franchise Tax Act of 1947, approved March 31, 1956 (70 Stat. 78; Public Law 84-460; D.C. Code, sec. 47-1812.11(c)(3)).

SEC. 108. Appropriations in this Act shall be available for the payment of public assistance without reference to the requirement of section 544 of the District of Columbia Public Assistance Act of 1982, effective April 6, 1982 (D.C. Law 4-101; D.C Code, sec. 3-205(b)), and for the non-Federal share of funds necessary to qualify for Federal assistance under the Juvenile Delinquency Prevention and Control Act of 1968, approved July 31, 1968 (82 Stat. 462; Public Law 90-445; 42 U.S.C. 3801 et seq.).

SEC. 109. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 110. Not to exceed 4½ per centum of the total of all funds appropriated by this Act for personal compensation may be used to pay the cost of overtime or temporary positions.

SEC. 111. Appropriations in this Act shall not be available, during the fiscal year ending September 30, 1986, for the compensation of any person appointed to a permanent position in the District of Columbia government during any month in which the number of employees exceeds 32,082, the number of positions authorized by this Act.

SEC. 112. No funds appropriated in this Act for the District of Columbia government for the operation of educational institutions, the compensation of personnel, or for other educational purposes may be used to permit, encourage, facilitate, or further partisan political activities. Nothing herein is intended to prohibit the availability of school buildings for the use of any community or partisan political group during non-school hours.

SEC. 113. The annual budget for the District of Columbia government for the fiscal year ending September 30, 1987, shall be transmitted to the Congress by no later than April 15, 1986.

SEC. 114. None of the funds appropriated in this Act shall be made available to pay the salary of any employee of the District of Columbia government whose name, title, grade, salary, past work experience, and salary history are not available for inspection by the House and Senate Committees on Appropriations, the House Committee on the District of Columbia, the Subcommittee on Governmental Efficiency and the District of Columbia of the Senate Committee on Governmental Affairs and the Council of the District of Columbia or their duly authorized representative.

SEC. 115. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making payments authorized by the District of Columbia Revenue Recovery Act of 1977, effective September 23, 1977 (D.C. Law 2-20; D.C. Code, sec. 47-421 et seq.).

SEC. 116. None of the funds contained in this Act shall be made available to pay the salary of any employee of the District of Columbia government whose name and salary are not available for public inspection.

SEC. 117. No part of this appropriation shall be used for publicity or propaganda purposes or implementation of any policy including boycott designed to support or defeat legislation pending before Congress or any State legislature.

SEC. 118. None of the Federal funds provided in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service. Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum, or for medical procedures necessary for the termination of an ectopic pregnancy.

SEC. 119. At the start of the fiscal year, the Mayor shall develop an annual plan, by quarter and by project, for capital outlay borrowings: *Provided*, That within a reasonable time after the close of each quarter, the Mayor shall report to the Council of the District of Columbia and the Congress the actual borrowing and spending progress compared with projections.

SEC. 120. The Mayor shall not borrow any funds for capital projects unless he has obtained prior approval from the Council of the District of Columbia, by resolution, identifying the projects and amounts to be financed with such borrowings.

SEC. 121. The Mayor shall not expend any moneys borrowed for capital projects for the operating expenses of the District of Columbia government.

SEC. 122. None of the funds appropriated in this Act may be used for the implementation of a personnel lottery with respect to the hiring of fire fighters or police officers.

SEC. 123. None of the funds appropriated by this Act may be obligated or expended by reprogramming except pursuant to advance approval of the reprogramming granted according to the procedure set forth in the Joint Explanatory Statement of the Committee of Conference (House Report No. 96-443) which accompanied the District of Columbia Appropriation Act, 1980, approved October 30, 1979 (93 Stat. 713; Public Law 96-93), as modified in House Report No. 98-265, and in accordance with the Reprogramming Policy Act of 1980, effective September 16, 1980 (D.C. Law 3-100; D.C. Code, sec. 47-361 et seq.).

SEC. 124. None of the Federal funds provided in this Act shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of the District of Columbia.

SEC. 125. None of the Federal funds provided in this Act shall be obligated or expended to procure passenger automobiles as defined in the Automobile Fuel Efficiency Act of 1980, approved October 10, 1980 (94 Stat. 1824; Public Law 96-425; 15 U.S.C. 2001(2)), with an Environmental Protection Agency estimated miles per gallon average of less than 22 miles per gallon: *Provided*, That this section shall not apply to security, emergency rescue, or armored vehicles.

SEC. 126. (a) Notwithstanding section 422(7) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(7)), the City Administrator shall be paid, during any fiscal year, a salary at a rate established by the Mayor, not to exceed the rate established for level IV of the Executive Schedule under 5 U.S.C. 5315.

(b) For purposes of applying any provision of law limiting the availability of funds for payment of salary or pay in any fiscal year, the highest rate of pay established by the Mayor under subsection (a) for any position for any period during the last quarter of calendar year 1985 shall be deemed to be the rate of pay payable for that position for September 30, 1985.

(c) Notwithstanding section 4(a) of the District of Columbia Redevelopment Act of 1945, approved August 2, 1946 (60 Stat. 793; Public Law 79-592; D.C. Code, sec. 5-803(a)), the Board of Directors of the District of Columbia Redevelopment Land Agency shall be paid, during any fiscal year, a per diem compensation at a rate established by the Mayor.

SEC. 127. Notwithstanding any other provisions of law, the provisions of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Code, sec. 1-601.1 et seq.), enacted pursuant to section 422(3) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(3)), shall apply with respect to the compensation of District of Columbia employees: *Provided*, That for pay purposes, employees of the District of Columbia government shall not be subject to the provisions of title 5 of the United States Code.

SEC. 128. None of the funds appropriated by this Act may be used to transport any output of the municipal waste system of the District of Columbia for disposal at any public or private landfill located in any State, excepting currently utilized landfills in Maryland and Virginia, until the appropriate State agency has issued the required permits.

SEC. 129. The Director of the Department of Administrative Services may pay rentals and repair, alter, and improve rented premises, without regard to the provisions of section 322 of the Economy Act of 1932 (Public Law 72-212; 40 U.S.C. 278a), upon a determination by the Director, that by reason of circumstances set forth in such determination, the payment of these rents and the execution of this work, without reference to the limitations of section 322, is advantageous to the District in terms of economy, efficiency and the District's best interest.

SEC. 130. The Public Service Commission is hereby authorized to order and to approve the deregulation of streetlighting service to the District of Columbia as provided in its opinion and order in Formal Case No. 813, dated July 12, 1984 (Order No. 8056), notwithstanding the provisions of section 493(a) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 811; Public Law 93-198; D.C. Code, sec. 43-402), section 8, paragraph 2 of an Act

making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and fourteen, and for other purposes, approved March 4, 1913 (37 Stat. 977; Public Law 67-435; D.C. Code, sec. 43-501), and section 1 of an Act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred, and for other purposes, approved March 3, 1899 (30 Stat. 1053; D.C. Code, sec. 43-1207): *Provided*, That the provisions of this opinion and order regarding deregulation of streetlighting service are hereby ratified and declared to be in effect as of July 12, 1984, and shall continue to be in effect until revoked or rescinded.

SEC. 131. (a) No State, or political subdivision thereof, in which a Member of Congress maintains a place of abode for purposes of attending sessions of Congress may impose a personal property tax with respect to the motor vehicle owned by such Member (or by the spouse of such Member) that is used for purposes of attending sessions of Congress unless such Member represents such State or a district in such State.

(b) For purposes of this section—

(1) the term "Member of Congress" includes the delegates from the District of Columbia, Guam, and the Virgin Islands, and the Resident Commissioner from Puerto Rico;

(2) the term "State" includes the District of Columbia; and

(3) the term "personal property tax" means any tax imposed on an annual basis and levied on, with respect to, or measured by, the market value or assessed value of an item of personal property.

(c) This section shall apply to all taxable periods beginning on or after January 1, 1985.

SEC. 132. The portion of 15th Street, Southwest, Washington, District of Columbia, located between Maine and Independence Avenues shall hereafter be known and designated as "Raoul Wallenberg Place". Any law, regulation, map, document, or other record of the United States and the District of Columbia which refers to that portion of such street shall be deemed to refer to "Raoul Wallenberg Place".

SEC. 133. The expenditure of any appropriation under this Act for any contract shall be limited to those contracts awarded on a competitive basis.

This Act may be cited as the "District of Columbia Appropriation Act, 1986".

The CHAIRMAN. Are there any points of order against the bill?

Are there any amendments to the bill?

AMENDMENT OFFERED BY MR. SMITH OF NEW JERSEY

Mr. SMITH of New Jersey. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of New Jersey: Page 20, line 9, strike out "Federal".

Page 20, line 12, strike out the semicolon and all that follows through line 18 before the period.

Mr. SMITH of New Jersey (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SMITH of New Jersey. Mr. Chairman and Members of this body——

Mr. DIXON. Mr. Chairman, I want to reserve a point of order on the amendment.

The CHAIRMAN. The gentleman's point of order is reserved.

Mr. SMITH of New Jersey. Mr. Chairman, I had already begun speaking on the amendment so I would suggest——

Mr. DIXON. Mr. Chairman, I was on my feet. My mike was not on. I indicated that I wanted to reserve a point of order. I interrupted because I did not know whether the Chair had heard me or not.

The CHAIRMAN. The gentleman from California [Mr. DIXON] was on his feet. The Chair agrees with the gentleman. The point of order is reserved.

The gentleman from New Jersey [Mr. SMITH] is recognized for 5 minutes in support of the amendment.

Mr. SMITH of New Jersey. Mr. Chairman, I know that many Members of this body are growing weary of abortion floor fights. But I would suggest that what we do here today may indeed result in some now nameless, voiceless child—perhaps many children—being given a chance to live.

That, in and of itself, makes any inconvenience wholly worthwhile.

I would point out to members of the committee that in 1983 there were 11,775 abortions for D.C. residents. Of that number, approximately 40 percent were paid for with Government funds—with funds appropriated by this Congress in the D.C. Appropriations Act. In other words, in 1983, 4,393 lives were snuffed out with public funding right here in the District. My amendment would bar abortion payments except to save the life of the mother.

I know the prochoice lobby here on the Hill gets mighty uncomfortable when faced with the horror of abortion, or with the humanity of the child in the womb, or with the increasingly apparent fact that abortion exploits women. But reality isn't changed or altered one iota because someone wishes it away or refuses to face it.

Mr. Chairman, abortion methods are gruesome and ugly to consider. Yet it is a sad fact, that there are some in this Chamber who have yet to carefully examine and scrutinize the methods of abortion. If we are being asked to pay for it, is it too much to ask what we are paying for?

Mr. Chairman, the carnage unleashed on American society by the 1973 Supreme Court abortion decisions is unparalleled in U.S. history.

Every 20 seconds of every day, little children at 8 weeks, 12 weeks, 16 weeks, 24 weeks gestation and beyond, right up until birth, are savagely decimated by the abortionist. The modern day abortionist has several highly efficient abortion methods at his disposal. The horror of the deed, however, has been mitigated by the clean, antiseptic environs in which abortions are procured.

For some, abortion is merely another medical procedure. But is it?

I suggest my colleagues look closer at just a few of these procedures. In many early abortions, a loop-shaped knife attached to a high powered suction device rips and shreds the unsuspecting child to pieces. The body parts are then vacuumed into a bottle and disposed of. This is euphemistically referred to as vacuum aspiration.

In the dilation and curatage and dilation and evacuation abortion, the child is cut, sliced and carved by a surgeon's scalpel without even the benefit of anesthesia. One of the most frightening jobs required of assisting nurses is to make a full and thorough accounting of all body parts in a D&C and D&E abortion. I have seen documented pictures of children who have been killed this way—decapitated, ribcages split open, arms and legs a pathetic jumble—and I came away sick to my stomach. And believe me, I marveled then and now that some Members of this body could deny the homicidal nature of abortion and go on to even assert that the extermination of the unborn can somehow be portrayed and construed to be enlightened, progressive policy?

In saline abortions, Mr. Chairman, usually done in the second trimester, the unborn baby has his or her life purposely snuffed out by an overdose of injected saltwater.

A baby terminated this way dies a very slow, excruciating painful death. After the salt is injected by a hypodermic needle into the infant's amniotic sac, the child breaths in the fluid and gets sick. The salt burns the outer layer of skin on the child. Internally, the baby's bloodstream carries the poison to his or her brain, nervous system and vital organs. After a 1½- to 2-hour futile struggle, the baby usually dies. A day or two later, the mother goes into labor and gives birth to a baby whose appearance resembles a first degree burn victim.

Are saline abortions enlightened social policy that a prudent Congress wishes to fund? Hardly. Hardly, I say to my colleagues.

Still another method of abortion, Mr. Chairman, is the so-called hysterotomy abortion—a method not unlike a C-section. As a matter of fact the only difference between the hysterotomy and C-section is the fate of the child. In a C-section, the child is cared

for, nurtured, fed, kept warm and, hopefully, loved. In a hysterotomy abortion, after the umbilical cord is cut, the baby is tossed in a bucket or pan—like garbage—let to die. There have been literally thousands of these abortions in the United States. A significant number of children who survive abortion were the results of this method.

Mr. Chairman, it seems increasingly absurd to this Member that Members of this body can unashamedly embrace and champion the right to multilate and kill unborn children like this—and then demand that we pay for it.

It seems increasingly absurd to this Member that the opposition utterly fails to appreciate the marvelous breakthroughs in the diagnosis and treatment of the unborn. In every pregnancy, there are two patients to be cared for, mother and child. I prefer to think, Mr. Chairman, that it is out of ignorance of the facts rather than by design.

Mr. Chairman, there are some Members who may argue here today that this Congress should look the other way—let the Congress continue to authorize payment for the killing of unborn children in the District of Columbia. It's an issue of "home rule" they say. That's baloney.

When I offered my amendment to proscribe abortion coverage 2 years ago to Federal employees under the FEHB, the argument advanced against my amendment was that this is an employee benefit issue—not an abortion funding issue. The Congress wisely saw through that smokescreen and adopted my amendment which is current law and was again adopted earlier today as part of the Treasury Postal appropriations bill.

When Mr. HYDE of Illinois offered the Hyde amendment, critics charged that this was an issue of benefits for the poor—not an abortion funding issue. The Congress wisely saw through that smokescreen and adopted the Hyde amendment.

Today, we are again being told that this is not an abortion funding issue, but now the excuse is, that the issue is home rule.

Mr. Chairman and members of the committee, even on its face, home rule is not absolute. In years past, certain States and locales have argued home rule or States rights to defend slavery, and when slavery was outlawed, home rule was advanced to defend segregation and other forms of racism. Other countries use home rule to defend apartheid, discrimination against Soviet Jews, or forced abortion in the People's Republic of China. Home rule is clearly not persuasive as an argument to defend these human rights abuses nor is it persuasive in defending abortion funding.

Moreover, I would submit to my colleagues that in numerous other aspects of public policy, Congress conditions or limits funding to include some activity or to exclude others. We do it in environmental policy, we do it in our efforts to end race discrimination, we do it to end sex discrimination, we even do it to pressure States to raise their drinking age to 21.

Even H.R. 3067, the bill before us today, limits the D.C. Government in making its own decisions under "home rule" in matters relating to overtime, temporary position, ceilings on salaries, lobbying, the borrowing of funds, and the hiring and firing of fire and police officers. Earlier in the debate, Mr. FAUNTROY objected to other violations of home rule including the designation of a part of 15th Street as Raoul Wallenberg Place and the awarding of contracts by competitive bidding.

So the argument that the issue before us today is not abortion but "home rule" is weak. It is misleading and is clearly not persuasive.

I strongly urge passage of my amendment.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from California insist on his point of order?

Mr. DIXON. Yes, Mr. Chairman.

Mr. Chairman, I make a point of order against the amendment. The amendment is a nonlegislative limitation to a general appropriation bill. Under the revised clause 2, rule XXI, such amendments are not in order during the reading of a general appropriation bill.

The chairman is advised that the rule states: "Except as provided in paragraph (d), no amendment shall be in order during consideration of a general appropriation bill proposing a limitation not specifically contained or authorized in existing law for that period of the limitation."

Mr. Chairman, the gentleman's amendment is a limitation and is not specifically contained or authorized in existing law, and therefore is in violation of clause 2 of rule XXI.

What the gentleman is trying to do is, by striking the word "federal," he in fact broadens the limitation.

Mr. SMITH of New Jersey. Mr. Chairman, if I may be heard on the point of order, if the gentleman does insist on his point of order, I plan on offering another amendment, which would be a straight limitation that would say no funds provided by this act or appropriated by this act shall be used to pay for abortions, period. And I certainly hope, since the amendment I offer contains the life of the mother exception, that the chairman will not go forward with his point of order.

Mr. DIXON. Mr. Chairman, I insist on my point of order.

The CHAIRMAN (Mr. HERTEL of Michigan). The Chair is prepared to rule.

The Chair must rule that the amendment in effect constitutes or creates a new limitation and therefore can only be offered if the House defeats the motion to rise.

Are there any amendments in order under——

Mr. SMITH of New Jersey. Mr. Chairman, may I be recognized?

Mr. DIXON. Mr. Chairman, may I be recognized?

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. DIXON].

Mr. DIXON. Mr. Chairman, I move——

Mr. SMITH of New Jersey. Mr. Chairman, I was on my feet. I have an amendment.

The CHAIRMAN. The gentleman from California [Mr. DIXON] has been recognized.

Mr. DIXON. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

Mr. SMITH of New Jersey. Mr. Chairman, I am on my feet.

The CHAIRMAN. Does the gentleman offer an amendment at this time?

AMENDMENT OFFERED BY MR. SMITH OF NEW JERSEY

Mr. SMITH of New Jersey. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of New Jersey: On page 20 strike out line 9 through line 18 and insert in lieu thereof the following:

"SEC. 118. None of the funds provided in this Act shall be used to perform abortions."

Mr. DIXON. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from California [Mr. DIXON] reserves a point of order on the amendment.

Mr. SMITH of New Jersey. Mr. Chairman, I yield back the balance of my time and urge adoption of the amendment.

The CHAIRMAN. Does the gentleman from California [Mr. DIXON] insist on his point of order?

Mr. DIXON. Yes, Mr. Chairman, I insist on my point of order.

The CHAIRMAN. The gentleman from California is recognized on his point of order.

POINT OF ORDER

Mr. DIXON. Mr. Chairman, I make the point of order against the amendment that the amendment is a nonlegislative limitation to a general appropriation bill, and under the revised clause 2, rule XXI, such amendments are not in order during the reading of a general bill.

Mr. Chairman, the revised rule states in part, and I have indicated before: "Except as provided in paragraph (d), no amendment shall be in order during consideration of a gener-

al appropriation bill proposing a limitation not specifically contained or authorized in existing law for the period of the limitation."

Once, again, Mr. Chairman, the gentleman's amendment is a limitation and is not specifically contained or authorized in existing law, and therefore is in violation of clause 2(c) of rule XXI.

I ask for the ruling of the Chair.

The CHAIRMAN. The gentleman from New Jersey [Mr. SMITH] is recognized.

Mr. SMITH of New Jersey. Mr. Chairman, I believe this is just a straight, no-limitation amendment and I do hope it is in keeping with previous amendments offered on this floor, including the Hyde amendment, including the amendments of the Federal Employees Health Benefits Program.

When an objection was raised to language in the bill, it had no life-of-the-mother exception unfortunately, which I will seek to put back in; but I urge that the rule will sustain my position.

The CHAIRMAN. (Mr. HERTEL of Michigan). The Chair rules that the motion to rise takes precedence over the amendment.

Mr. DIXON. Mr. Chairman, I move that the committee do now rise and report the bill back to the House, with the recommendation that the bill do pass.

The CHAIRMAN. The question is on the motion offered by the gentleman from California [Mr. DIXON].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. SMITH of New Jersey. Mr. Chairman, I demand a recorded vote, and pending that I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provision of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 271]

Ackerman	Barnard	Bilirakis
Addabbo	Barnes	Bliley
Akaka	Bartlett	Boehlert
Alexander	Barton	Boggs
Anderson	Bateman	Boland
Andrews	Bates	Boner (TN)
Annunzio	Bedell	Bonior (MI)
Anthony	Beilenson	Bonker
Applegate	Bennett	Borski
Archer	Bentley	Bosco
Armey	Bereuter	Boucher
Atkins	Berman	Boxer
AuCoin	Bevill	Breaux
Badham	Biaggi	Brooks
Broomfield	Gekas	McCandless
Brown (CA)	Gephardt	McCloskey
Brown (CO)	Gibbons	McCollum
Broyhill	Gilman	McCurdy
Bruce	Gingrich	McDade
Bryant	Glickman	McEwen
Burton (CA)	Gonzalez	McKernan
Burton (IN)	Goodling	McKinney
Bustamante	Gradison	McMillan
Byron	Gray (IL)	Meyers
Callahan	Green	Mica
Campbell	Gregg	Michel
Carper	Grotberg	Mikulski
Carr	Guarini	Miller (CA)
Chandler	Gunderson	Miller (OH)
Chappell	Hall (OH)	Miller (WA)
Chappie	Hall, Ralph	Mineta
Cheney	Hamilton	Mitchell
Clay	Hammerschmidt	Moakley
Clinger	Hansen	Molinari
Coats	Hartnett	Mollohan
Cobey	Hatcher	Monson
Coble	Hawkins	Montgomery
Coelho	Hayes	Moody
Coleman (MO)	Heftel	Moore
Coleman (TX)	Hendon	Moorhead
Collins	Henry	Morrison (CT)
Combest	Hertel	Morrison (WA)
Conte	Hiler	Mrazek
Conyers	Hillis	Murphy
Cooper	Holt	Murtha
Coughlin	Hopkins	Myers
Courter	Horton	Natcher
Coyne	Howard	Neal
Craig	Hoyer	Nelson
Crane	Hubbard	Nichols
Crockett	Huckaby	Nielson
Daniel	Hughes	Nowak
Dannemeyer	Hunter	O'Brien
Darden	Hutto	Oakar
Daschle	Hyde	Oberstar
Daub	Ireland	Obey
Davis	Jacobs	Olin
de la Garza	Jeffords	Ortiz
DeLay	Johnson	Owens
Dellums	Jones (NC)	Oxley
Derrick	Jones (OK)	Packard
DeWine	Jones (TN)	Panetta
Dickinson	Kanjorski	Parris
Dicks	Kaptur	Pashayan
Dingell	Kasich	Pease
DioGuardi	Kastenmeier	Penny
Dixon	Kennelly	Pepper
Donnelly	Kildee	Perkins
Dorgan (ND)	Kindness	Petri
Dowdy	Kleczka	Pickle
Downey	Kolbe	Porter
Dreier	Kolter	Price
Duncan	Kostmayer	Pursell
Durbin	Kramer	Quillen
Dwyer	LaFalce	Rahall
Dymally	Lagomarsino	Rangel
Dyson	Lantos	Ray
Early	Latta	Regula
Eckart (OH)	Leath (TX)	Reid
Eckert (NY)	Lehman (CA)	Richardson
Edgar	Lehman (FL)	Ridge
Edwards (CA)	Leland	Rinaldo
Edwards (OK)	Lent	Ritter
Emerson	Levin (MI)	Roberts
English	Levine (CA)	Robinson
Erdreich	Lewis (CA)	Rodino
Evans (IA)	Lewis (FL)	Roe
Evans (IL)	Lightfoot	Roemer
Fascell	Lipinski	Rogers
Fawell	Livingston	Rose
Fazio	Lloyd	Rostenkowski
Feighan	Long	Roth
Fields	Lott	Roukema
Fish	Lowery (CA)	Rowland (CT)
Flippo	Lowry (WA)	Rowland (GA)
Florio	Lujan	Roybal
Foglietta	Luken	Rudd
Foley	Lungren	Russo
Ford (MI)	Mack	Sabo
Ford (TN)	MacKay	Savage
Fowler	Madigan	Saxton
Frank	Manton	Schaefer
Franklin	Markey	Scheuer
Frenzel	Marlenee	Schneider
Frost	Martin (IL)	Schroeder
Fuqua	Martinez	Schuette
Gallo	Matsui	Schulze
Garcia	Mavroules	Schumer
Gaydos	Mazzoli	Seiberling
Gejdenson	McCain	Sensenbrenner
Sharp	Stangeland	Walgren
Shaw	Stark	Walker
Shelby	Stenholm	Watkins
Shumway	Stokes	Waxman
Shuster	Strang	Weaver
Sikorski	Stratton	Weber
Siljander	Studds	Weiss
Sisisky	Stump	Wheat
Skeen	Sundquist	Whitehurst
Skelton	Swift	Whitley
Slattery	Swindall	Whittaker
Slaughter	Synar	Whitten
Smith (FL)	Tallon	Wilson
Smith (IA)	Tauke	Wirth
Smith (NE)	Taylor	Wise
Smith (NH)	Thomas (CA)	Wolf
Smith (NJ)	Thomas (GA)	Wolpe
Smith, Denny	Torres	Wortley
Smith, Robert	Towns	Wright
Snowe	Traficant	Wyden
Snyder	Traxler	Wylie
Solarz	Udall	Yates
Solomon	Valentine	Yatron
Spence	Vander Jagt	Young (AK)
Spratt	Vento	Young (FL)
St Germain	Visclosky	Young (MO)
Staggers	Volkmer	Zschau
Stallings	Vucanovich	

□ 1720

The CHAIRMAN. Four hundred thirteen Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from New Jersey [Mr. SMITH] for a recorded vote on the motion to rise.

A recorded vote was ordered.

The vote was taken by electronic device, and there—ayes 172, noes 244, not voting 17 as follows:

[Roll No. 272]

AYES—172

Ackerman	Dymally	Kennelly
Addabbo	Early	Kostmayer
Akaka	Eckart (OH)	Lantos
Alexander	Edgar	Lehman (CA)
Anderson	Edwards (CA)	Lehman (FL)
Andrews	Erdreich	Leland
Anthony	Evans (IL)	Levin (MI)
Atkins	Fascell	Levine (CA)
AuCoin	Fawell	Lowry (WA)
Barnes	Fazio	MacKay
Bates	Feighan	Markey
Bedell	Florio	Martin (IL)
Beilenson	Foglietta	Martinez
Bennett	Foley	Matsui
Berman	Ford (MI)	McCurdy
Boehlert	Ford (TN)	McHugh
Bonker	Fowler	McKernan
Bosco	Frank	McKinney
Boucher	Frenzel	Meyers
Boxer	Frost	Mikulski
Brooks	Gallo	Miller (CA)
Brown (CA)	Garcia	Miller (WA)
Bryant	Gejdenson	Mineta
Burton (CA)	Gekas	Mitchell
Bustamante	Gibbons	Moody
Carper	Gilman	Morrison (CT)
Carr	Glickman	Morrison (WA)
Chandler	Gonzalez	Mrazek
Clay	Green	Neal
Coleman (TX)	Guarini	Oakar
Collins	Hatcher	Obey
Conyers	Hawkins	Olin
Cooper	Hayes	Owens
Coyne	Heftel	Panetta
Crockett	Horton	Pease
Daschle	Howard	Pickle
Dellums	Hoyer	Pursell
Derrick	Hughes	Rangel
Dickinson	Jacobs	Richardson
Dicks	Jeffords	Rodino
Dingell	Johnson	Roe
Dixon	Jones (NC)	Rose
Downey	Jones (OK)	Roukema
Dwyer	Kastenmeier	Rowland (GA)

Roybal	Spratt	Watkins
Sabo	Staggers	Waxman
Savage	Stark	Weaver
Scheuer	Stokes	Weiss
Schneider	Studds	Wheat
Schroeder	Swift	Whitley
Schumer	Synar	Wilson
Seiberling	Thomas (GA)	Wirth
Sharp	Torres	Wise
Sisisky	Towns	Wolpe
Smith (FL)	Traficant	Wyden
Smith (IA)	Udall	Yates
Snowe	Visclosky	
Solarz	Walgren	

NOES—244

Annunzio	Hamilton	Parris
Applegate	Hansen	Pashayan
Archer	Hartnett	Penny
Armey	Hendon	Pepper
Aspin	Henry	Perkins
Badham	Hertel	Petri
Barnard	Hiler	Porter
Bartlett	Hillis	Price
Barton	Holt	Quillen
Bateman	Hopkins	Rahall
Bentley	Hubbard	Ray
Bereuter	Huckaby	Regula
Bevill	Hunter	Reid
Biaggi	Hutto	Ridge
Bilirakis	Hyde	Rinaldo
Bliley	Ireland	Ritter
Boggs	Jones (TN)	Roberts
Boland	Kanjorski	Robinson
Boner (TN)	Kaptur	Roemer
Bonior (MI)	Kasich	Rogers
Borski	Kemp	Rostenkowski
Breaux	Kildee	Roth
Broomfield	Kindness	Rowland (CT)
Brown (CO)	Kleczka	Rudd
Broyhill	Kolbe	Russo
Bruce	Kolter	Saxton
Burton (IN)	Kramer	Schaefer
Byron	LaFalce	Schuette
Callahan	Lagomarsino	Schulze
Campbell	Latta	Sensenbrenner
Chappell	Leach (IA)	Shaw
Chappie	Leath (TX)	Shelby
Cheney	Lent	Shumway
Clinger	Lewis (CA)	Shuster
Coats	Lewis (FL)	Sikorski
Cobey	Lightfoot	Siljander
Coble	Lipinski	Skeen
Coleman (MO)	Livingston	Skelton
Combest	Lloyd	Slattery
Conte	Long	Slaughter
Coughlin	Lott	Smith (NE)
Courter	Lowery (CA)	Smith (NH)
Craig	Lujan	Smith (NJ)
Crane	Luken	Smith, Denny
Daniel	Lungren	Smith, Robert
Dannemeyer	Mack	Snyder
Darden	Madigan	Solomon
Daub	Manton	Spence
Davis	Marlenee	St Germain
de la Garza	Mavroules	Stallings
DeLay	Mazzoli	Stangeland
DeWine	McCain	Stenholm
DioGuardi	McCandless	Strang
Donnelly	McCloskey	Stratton
Dorgan (ND)	McCollum	Stump
Dornan (CA)	McDade	Sundquist
Dowdy	McEwen	Swindall
Dreier	McGrath	Tallon
Duncan	McMillan	Tauke
Durbin	Mica	Taylor
Dyson	Michel	Thomas (CA)
Eckert (NY)	Miller (OH)	Traxler
Edwards (OK)	Moakley	Valentine
Emerson	Molinari	Vander Jagt
English	Mollohan	Vento
Evans (IA)	Monson	Volkmer
Fields	Montgomery	Vucanovich
Fish	Moore	Walker
Flippo	Moorhead	Weber
Franklin	Murphy	Whitehurst
Fuqua	Murtha	Whittaker
Gaydos	Myers	Whitten
Gephardt	Natcher	Wolf
Gingrich	Nelson	Wortley
Goodling	Nichols	Wylie
Gradison	Nielson	Yatron
Gray (IL)	Nowak	Young (AK)
Gregg	O'Brien	Young (FL)
Grotberg	Oberstar	Young (MO)
Gunderson	Ortiz	Zschau
Hall (OH)	Oxley	
Hall, Ralph	Packard	

NOT VOTING—17

Boulter	Hammerschmidt	Sweeney
Carney	Hefner	Tauzin
Coelho	Jenkins	Torricelli
Fiedler	Loeffler	Williams
Gordon	Lundine	Wright
Gray (PA)	Martin (NY)	

□ 1730

Mr. TALLON changed his vote from "aye" to "no."

Mr. MILLER of Washington changed his vote from "no" to "aye."

So the motion was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Pending is an amendment offered by the gentleman from New Jersey [Mr. SMITH].

The Clerk will reread the amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of New Jersey: On page 20 strike out line 9 through line 18 and insert in lieu thereof the following:

"SEC. 118. None of the funds provided in this act shall be used to perform abortions."

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. DIXON].

PARLIAMENTARY INQUIRY

Mr. DIXON. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DIXON. Mr. Chairman, should not the maker of the amendment be recognized first on his amendment?

The CHAIRMAN. The maker of the amendment yielded back the balance of his time.

Mr. DIXON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, let me first point out where we are parliamentarywise.

The gentleman from New Jersey offered two amendments to the bill which would restrict the right of the District government to use its own locally generated revenues to pay for abortions. Under the House rules, I offered a motion that the committee rise. The House has obviously defeated that motion and now we are considering the amendment itself.

Let me read to you, first of all, the amendment offered by the gentleman from New Jersey. I want everyone to hear this amendment. We, as a House, faced an identical amendment in September 1980, and defeated the amendment. The gentleman's amendment reads:

None of the funds provided in this act shall be used to perform abortions.

□ 1740

Whose funds are in this act? There are $2.2 billion of District funds. What are District funds? They are funds raised from sales taxes, property taxes, and other taxes and fines and fees raised and collected in the District of Columbia.

Then there are Federal funds. Basically, there are four categories of Federal funds. The largest is the Federal payment which totals $425 million.

Most of you would ask, what is the state of the law at the present time as it relates to abortions in the District of Columbia? The law in the District of Columbia, which has been in effect since 1980, states that "none of the Federal funds"—let me say that again—"none of the Federal funds provided in this act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term"; that is one exception.

The second exception applies to victims of rape or incest when such rape or incest has been reported promptly to a law enforcement agency or the Public Health Service. And there is also an exception for ectopic pregnancies, which are generally known as tubal pregnancies, and one would argue that such pregnancies endanger the life of the mother.

What the gentleman from New Jersey [Mr. SMITH] has offered here is an amendment that under the circumstances could not be offered in any of your cities or any of your States because it would prohibit people from using their own State or local revenues, or whatever revenues would be available to them, for abortions. It is a unique situation that the District of Columbia must come to this House in order to spend its own local revenues, and be told how to spend those revenues.

This amendment would say that "you the people of the District of Columbia, cannot even use your own money, if you so desire, for abortion purposes." This has nothing to do with the religious or moral feelings of people about abortion. This does have something to do with telling District residents that they cannot use the funds they raise from taxes and fees, for abortions of any kind, not if a woman has been raped, not if there is a case of incest, not for an ectopic pregnancy, not even to save the life of a mother. We in this House are saying "under no circumstances can you use any money."

Now, think about that. The gentleman from New Jersey [Mr. SMITH] could not do this in the New Jersey State Legislature. My good colleague, the gentleman from California [Mr. DORNAN], could not do this in the State of California.

As I mentioned a moment ago, this House faced this same issue in 1980, and we had the courage, notwithstanding the political momentum on this issue, to say that this is not an abortion issue; this is an issue dealing with the right of the citizens of the District of Columbia to take their own money—and let me emphasize this is

their own locally raised revenues—and make some judgments on it. We are not the city council. And we are not the mayor. If we could do this across the board, for all cities, all States, and all municipalities, then there might—there just might—be some justification for it.

So we should not feel good going home tonight knowing that we are doing to the District of Columbia something we could not do to any other city, State, or municipality in the country, and that is to disallow the people of the District to use their own tax dollars for an abortion to save the life of a mother, or where some young lady has been raped, or where there is a case of incest, or where the pregnancy does not lie in the womb but lies in the tube.

So no matter how you feel about abortion, have the courage at least to allow the people of the District of Columbia to make the decision for themselves. The Supreme Court has already ruled on abortion. Now let us have the courage and dignity to allow the people here in this District of Columbia to make their own decision as to what they do with their money.

Mr. DORNAN of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I appreciate the case that my good friend from California [Mr. DIXON] has made for home rule, but there is a paramount issue here that transcends any legal niceties over how the District of Columbia spends those Federal dollars that we appropriate for them in this House.

In 1976, when I had won a primary in California, I came back to one of the seminars that both of our parties give to primary victors, and as I was driving to National Airport—and I remember the exact spot where I passed the Washington Monument—I had the news on the radio and I heard the following announcement: That for the first time in the history of this city or any major American city there were more abortions than there were live births. And this has persisted. This death toll has continued for the last 8 years, and I am sure it will be the same this year.

With our Federal dollars appropriated out of this House and with the last vote confirming that most of our Members identify with the prolife position, not the right-to-abortion position, we funded—just with our Federal dollars—4,393 abortions of the over 11,000 that took place; there were barely over 9,000 live births.

Now, when the number of abortions in the Nation's Capital exceeds the number of live births, this does become the business of this House. I was hissed in this Chamber by a very few Members when I merely restated what the leader of one of the world's great religions had said on our Mall on October 7, 1979. The next day we were in session this issue came up. And I merely said that Pope John Paul II had asked people throughout the world to stand up for life.

On June 21 of this year, right here on Capitol Hill in the Hyatt Regency, at the prolife meeting of groups from all around the country, a Nobel Prize winner, Mother Teresa, spoke, and she pleaded very poignantly—and please understand how these words hit some Members—that what we do to the unborn we do to Jesus Christ himself.

Many Members in this House feel this issue so deeply that we feel we are taking unborn, preborn, human life with an immortal soul deigned into existence by God.

Now, I respect those Members who feel, for scientific reasons or their own philosophical reasons—I assume that many of them also believe in God—that there is not life until either quickening or until some moment when a doctor pats the behind of a little child and the lungs first aspirate. I respect that belief. There are some Members that I have trouble respecting their positions, where they slide back and forth—and there are many of them—or they will take a position consistent with what is being said in their districts or they will take a poll to make up their minds. But I respect the position of those of you who feel very strongly about the right of women to control their own bodies, even if there is a separate life with a separate IQ, either higher or lower, even a different racial orientation, which can be possible, different hair, different sex, and different blood.

In Lyons, France, last year, all of the blood was removed from a fetus even before quickening and replaced with different blood. What medical science is doing is precisely what the President told us on the Ellipse on January 22 of this year, that medical science is racing ahead.

I noticed, when our Vice President, whose position is evolving—that is his word—pointed out that over 15 million children, what some of us believe are preborn human beings, have been killed in their mothers' wombs, that this is calling to the attention of this Nation the need to rethink this issue, and we have to do just that.

We debate in the well of this House that moneys are not going to China, the People's Republic of China, Communist China, because of rumors we are hearing—not rumors, but things we see on PBS—about their enforced abortion policy, and that this House should not appropriate money for that, and it passes overwhelmingly, so how, even on a principle such as home rule, can we do less in our own Federal City than we will do with the nation of Communist China?

I think that the Members who disagree with those of us who call ourselves prolife, in all due respect, should maybe in the future—because things are so tense in this House anyway that we have got enough tension to last us for three more Congresses—and today on this issue, try to limit debate.

□ 1750

On this issue we should try to limit debate, because God knows it has been debated to death and in some cases debated to life, that we will try to limit the debate, vote our consciences and try to have respect for one another's positions.

I am just happy that my position seems to be the one that is prevailing. It was not when I arrived in this body.

Mr. MRAZEK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I certainly do not plan to take 5 minutes to discuss this and I certainly do not want to discuss the whole question of when life actually begins. I know there are a lot of deeply held feelings in this Chamber on this subject on both sides of the issue, but I think it is important to recognize in addition to the question of home rule, that there is one fundamental change that we are making in regard to policy, national policy, as it relates to the District of Columbia, and that policy has existed since 1980. In 1980, a determination was made that no Federal funds provided in this act shall be used to perform abortions except where the life of the mother would be in danger if the fetus were carried to term, or except for such medical procedures necessary for the victims of rape or incest when such rape or incest has been reported promptly to a law enforcement agency or public health service.

I think it is important to recognize that this language stipulates that there will be no exceptions, absolutely no exceptions, that the language reads that none of the funds provided in this act shall be used to perform abortions. It is an important difference in language. It is an important change in policy.

For people who might believe, or for people who might not be sure when life begins, who are aware of the fact that medical technology as it advances is making a fetus more viable earlier and earlier during the gestation period, for people who do not necessarily believe that life begins at the moment of conception, I think it is important for those of us who might not believe that life begins at the moment of conception to consider the life of the mother, to consider the life of a mother if it is a young woman in particular who has been raped and who under this language will be forced in the District of Columbia to carry that

baby to term, because there are absolutely no exceptions under the law.

Mr. LUNGREN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not wish to prolong this debate, but the rules are such that they need to be explained. I understand what the gentleman said, but that was not the intent of the author nor is the intent of those who support this to change the substance of the exceptions. It happens to be that under the rules that prevail in this House if we were to put those exceptions in the amendment, we would be met with a point of order.

What we have to do is pass this. True, this is different. The question is whether it extends merely to those funds you can identify as Federal funds or to all funds, those funds that the District of Columbia can get when they do not have to use them for other purposes because we have the Federal funds.

In order to even get this to conference, we have to use this language. That is how we got the language that we presently call the Hyde amendment.

We are caught betwixt and between. If we bring up an amendment, we are criticized because we have changed the exceptions. We have eliminated the exceptions. If we bring the amendment up and it has the exceptions in it, we are subject to a point of order, so we are proceeding in the same manner as we have in the past when we identified the Hyde amendment as language in previous bills where we are required under the rules that we did not present, but the rules that have been adopted.

So the question really is not do you want to eliminate the exceptions. That is not our intention. The question is do you want this particular amendment that would extend the reach in terms of the dollars considered.

I have every expectation what will happen now is what has happened in the past. At conference time the exceptions are put in because the Senate insists on them as they have in the past; but please, some of us who feel very deeply about this issue, and everyone feels deeply about this issue in this Chamber, no matter on what side they might find themselves, some of us feel it is unfair to require us under the rules to present an amendment in a certain form and then be criticized because we are attempting to change the substance of the law, when if we attempt to use the language that the gentleman identified earlier, we would be subject to a point of order and not allowed to discuss it.

Mr. MRAZEK. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. I am happy to yield.

Mr. MRAZEK. Would the gentleman accept a unanimous-consent request to utilize the language that presently exists in section 118?

Mr. LUNGREN. I am not the author, but I will be happy to yield to the gentleman from New Jersey.

Mr. SMITH of New Jersey. Mr. Chairman, the gentleman from New York is probably not aware, but when I first offered the amendment several moments ago, it had a life of the mother exception, but it was objected to by the gentleman from California [Mr. DIXON], and that objection was sustained by the Chair.

I would hope if this amendment does prevail, I will offer a unanimous-consent request that the life of the mother exception be reinserted into the bill, so I will do it myself. I did that 2 years ago when the Treasury-Postal bill was up and likewise offered it. It was not objected to and that exception went back into the bill.

Mr. MRAZEK. Mr. Chairman, if the gentleman will yield further, would it be in order to make a unanimous-consent request now to change the language? I am asking if it would be appropriate now for me to make that request.

Mr. SMITH of New Jersey. The life of the mother exception?

Mr. MRAZEK. No; to utilize exactly the same language in section 118 that has existed since 1980.

Mr. SMITH of New Jersey. No; I would not consent to that.

Mr. MRAZEK. Would it be appropriate for me to make that unanimous-consent request?

The CHAIRMAN. The gentleman is talking about the exact language that is in the current act?

Mr. MRAZEK. The language that exists in section 118 which the gentleman from New Jersey [Mr. SMITH] has sought to change by way of this language. I read it a few minutes ago and it simply stipulates that none of the Federal funds provided in this act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term, or except for such medical procedures necessary for the victims of rape or incest when such rape or incest has been reported promptly to a law enforcement agency or public health service.

Mr. SMITH of New Jersey. Mr. Chairman, will the gentleman from California yield further?

Mr. LUNGREN. I am happy to yield.

Mr. MRAZEK. I have not received a response.

The CHAIRMAN. Does the request also include the last part of that paragraph the gentleman was reading? Is the gentleman talking about the gentleman's earlier amendment that was offered? The Chair is in doubt because there is one more sentence the gentleman did not read.

Mr. MRAZEK. The additional clause is "nor are payments prohibited for drugs or devices to prevent implantation of the fertilize ovum or for medical procedures necessary for termination of an ectopic pregnancy."

The CHAIRMAN. The gentleman is requesting that also as part of the modification, whether that is in order?

Mr. MRAZEK. That is the exact language that exists now in the Federal law, that says no Federal funds shall be used for abortion except with those exceptions.

The CHAIRMAN. Is there objection to that modification?

Mr. VOLKMER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The time of the gentleman from California [Mr. LUNGREN] has expired.

(By unanimous consent, Mr. LUNGREN was allowed to proceed for one additional minute.)

Mr. LUNGREN. Mr. Chairman, I yield to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Chairman, I ask unanimous consent to add to the language of the amendment, "except where the life of the mother would be endangered if the fetus were carried to term."

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey [Mr. SMITH]?

Mr. DIXON. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. COUGHLIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, just let there be no mistake about it, based on what the distinguished chairman has said earlier, what we are doing here is dead wrong. No matter how you feel and where you draw the line on the question of abortion, what we are doing here is dead wrong because it affects not only the Federal funds, but the District of Columbia's own funds, their own payment.

Let us be very clear that what the amendment does is it removes the existing restriction that is already in the bill that prohibits the expenditure of Federal funds for abortions except in the case of the life of the mother, rape, incest, or ectopic pregnancy. That is already in the bill.

What this does is remove that and then say that none of the Federal funds or the District's own funds will be used for any kind of abortion, and, my colleagues, that is wrong. That is the wrong way to legislate. It is the wrong way to treat this issue.

We should leave the language in there that we have now that was carried in this bill for time after time, leave that alone. We have a restriction on the use of Federal funds for abortion, and we should not take this further step that further applies to Dis-

trict funds and applies to all kinds of abortions. It is wrong.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. SMITH].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SMITH of New Jersey. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electonic device, and there were—ayes 221, noes 199, not voting 13, as follows:

[Roll No. 273]

AYES—221

Annunzio	Hansen	Oxley
Applegate	Hartnett	Packard
Archer	Hendon	Parris
Armey	Henry	Pashayan
Badham	Hertel	Penny
Barnard	Hiler	Perkins
Bartlett	Hillis	Petri
Barton	Holt	Porter
Bentley	Hopkins	Price
Bereuter	Hubbard	Quillen
Bevill	Hunter	Ray
Billirakis	Hutto	Regula
Bliley	Hyde	Reid
Boggs	Ireland	Rinaldo
Boland	Jones (TN)	Ritter
Boner (TN)	Kanjorski	Roberts
Bonior (MI)	Kasich	Robinson
Borski	Kemp	Roe
Breaux	Kildee	Rogers
Broomfield	Kindness	Rostenkowski
Bruce	Kolbe	Roth
Burton (IN)	Kolter	Rowland (CT)
Byron	LaFalce	Rudd
Callahan	Lagomarsino	Russo
Campbell	Latta	Saxton
Chappie	Leach (IA)	Schaefer
Cheney	Leath (TX)	Schuette
Clinger	Lent	Schulze
Coats	Lewis (CA)	Sensenbrenner
Cobey	Lewis (FL)	Shaw
Coble	Lightfoot	Shelby
Coleman (MO)	Lipinski	Shumway
Combest	Livingston	Shuster
Conte	Lloyd	Sikorski
Courter	Long	Siljander
Craig	Lott	Skeen
Crane	Lowery (CA)	Skelton
Daniel	Lujan	Slaughter
Dannemeyer	Luken	Smith (NE)
Darden	Lungren	Smith (NH)
Daub	Mack	Smith (NJ)
Davis	Madigan	Smith, Denny
de la Garza	Manton	Smith, Robert
DeLay	Marlenee	Snyder
DeWine	Martin (NY)	Solomon
DioGuardi	Mavroules	Spence
Donnelly	Mazzoli	St Germain
Dorgan (ND)	McCain	Staggers
Dornan (CA)	McCollum	Stallings
Dowdy	McDade	Stangeland
Dreier	McEwen	Stenholm
Duncan	McGrath	Stump
Durbin	McMillan	Sundquist
Dyson	Michel	Sweeney
Early	Miller (OH)	Swindall
Eckert (NY)	Moakley	Tallon
Edwards (OK)	Molinari	Tauke
Emerson	Mollohan	Taylor
English	Monson	Thomas (CA)
Fields	Montgomery	Traxler
Franklin	Moore	Vander Jagt
Fuqua	Moorhead	Volkmer
Gaydos	Murphy	Vucanovich
Gephardt	Murtha	Walker
Gibbons	Myers	Weber
Gingrich	Natcher	Whitten
Goodling	Nelson	Wolf
Gradison	Nichols	Wortley
Gray (IL)	Nielson	Wylie
Gregg	Nowak	Yatron
Gunderson	O'Brien	Young (AK)
Hall (OH)	Oakar	Young (FL)
Hall, Ralph	Oberstar	Young (MO)
Hammerschmidt	Ortiz	

NOES—199

Ackerman	Ford (MI)	Neal
Addabbo	Ford (TN)	Obey
Akaka	Fowler	Olin
Alexander	Frank	Owens
Anderson	Frenzel	Panetta
Andrews	Frost	Pease
Anthony	Gallo	Pepper
Aspin	Garcia	Pickle
Atkins	Gejdenson	Pursell
AuCoin	Gekas	Rahall
Barnes	Gilman	Rangel
Bateman	Glickman	Richardson
Bates	Gonzalez	Ridge
Bedell	Gray (PA)	Rodino
Beilenson	Green	Roemer
Bennett	Grotberg	Rose
Berman	Guarini	Roukema
Biaggi	Hamilton	Rowland (GA)
Boehlert	Hatcher	Roybal
Bonker	Hawkins	Sabo
Bosco	Hayes	Savage
Boucher	Heftel	Scheuer
Boxer	Horton	Schneider
Brooks	Howard	Schroeder
Brown (CA)	Hoyer	Schumer
Brown (CO)	Huckaby	Seiberling
Broyhill	Hughes	Sharp
Bryant	Jacobs	Sisisky
Burton (CA)	Jeffords	Slattery
Bustamante	Johnson	Smith (FL)
Carper	Jones (NC)	Smith (IA)
Carr	Jones (OK)	Snowe
Chandler	Kaptur	Solarz
Chappell	Kastenmeier	Spratt
Clay	Kennelly	Stark
Coelho	Kleczka	Stokes
Coleman (TX)	Kostmayer	Strang
Collins	Kramer	Studds
Conyers	Lantos	Swift
Cooper	Lehman (CA)	Synar
Coughlin	Lehman (FL)	Thomas (GA)
Coyne	Leland	Torres
Crockett	Levin (MI)	Towns
Daschle	Levine (CA)	Traficant
Dellums	Lowry (WA)	Udall
Derrick	MacKay	Valentine
Dicks	Markey	Vento
Dingell	Martin (IL)	Visclosky
Dixon	Martinez	Walgren
Downey	Matsui	Watkins
Dwyer	McCandless	Waxman
Dymally	McCloskey	Weaver
Eckart (OH)	McCurdy	Weiss
Edgar	McHugh	Wheat
Edwards (CA)	McKernan	Whitehurst
Erdreich	McKinney	Whitley
Evans (IA)	Meyers	Whittaker
Evans (IL)	Mica	Williams
Fascell	Mikulski	Wilson
Fawell	Miller (CA)	Wirth
Fazio	Miller (WA)	Wise
Feighan	Mineta	Wolpe
Fish	Mitchell	Wyden
Flippo	Moody	Yates
Florio	Morrison (CT)	Zschau
Foglietta	Morrison (WA)	
Foley	Mrazek	

NOT VOTING—13

Boulter	Hefner	Tauzin
Carney	Jenkins	Torricelli
Dickinson	Loeffler	Wright
Fiedler	Lundine	
Gordon	Stratton	

□ 1810

The Clerk announced the following pair:

On this vote:

Mr. Carney for, with Mr. Torricelli against.

Messrs. HENDON, MOORE, and KOLBE changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there any further amendments?

Mr. DIXON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose and the Speaker pro tempore [Mr. MURTHA], having assumed the chair, Mr. HERTEL of Michigan, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3067), making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for fiscal year ending September 30, 1986, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 242, nays 173, not voting 18, as follows:

[Roll No. 274]

YEAS—242

Addabbo	Brown (CA)	Donnelly
Akaka	Bruce	Dorgan (ND)
Alexander	Bryant	Dowdy
Andrews	Burton (CA)	Downey
Annunzio	Bustamante	Durbin
Applegate	Byron	Dwyer
Aspin	Carper	Dymally
Atkins	Carr	Dyson
Barnes	Chandler	Early
Bateman	Chappell	Eckert (NY)
Bedell	Clay	Edgar
Bennett	Coelho	Erdreich
Bentley	Collins	Evans (IL)
Bereuter	Conte	Fascell
Berman	Cooper	Fawell
Bevill	Coughlin	Fazio
Biaggi	Coyne	Fish
Bliley	Crockett	Florio
Boehlert	Daniel	Foglietta
Boggs	Darden	Foley
Boland	Daschle	Ford (MI)
Boner (TN)	Davis	Ford (TN)
Bonior (MI)	de la Garza	Fowler
Bonker	Derrick	Frank
Borski	DeWine	Frost
Boucher	Dingell	Fuqua
Breaux	DioGuardi	Garcia
Brooks	Dixon	Gephardt

Gibbons	McCloskey	Russo
Gonzalez	McDade	Sabo
Goodling	McGrath	Savage
Gradison	McHugh	Schneider
Gray (IL)	McKinney	Schumer
Gray (PA)	Meyers	Seiberling
Green	Michel	Sharp
Guarini	Mikulski	Sikorski
Hall (OH)	Miller (WA)	Sisisky
Hamilton	Mitchell	Skelton
Hatcher	Moakley	Slaughter
Hawkins	Molinari	Smith (IA)
Hayes	Mollohan	Smith (NJ)
Henry	Moore	Smith, Robert
Hillis	Murtha	Solarz
Holt	Myers	Spratt
Horton	Natcher	Staggers
Howard	Neal	Stallings
Hoyer	Nelson	Stokes
Hutto	Nielson	Studds
Hyde	Nowak	Sundquist
Jacobs	O'Brien	Swift
Johnson	Oakar	Synar
Jones (NC)	Oberstar	Tallon
Jones (TN)	Obey	Tauzin
Kaptur	Olin	Thomas (CA)
Kastenmeier	Ortiz	Thomas (GA)
Kildee	Owens	Torres
Kleczka	Packard	Towns
Kolbe	Parris	Traxler
Kostmayer	Pashayan	Udall
LaFalce	Pease	Valentine
Lantos	Pepper	Vento
Lehman (CA)	Perkins	Visclosky
Lehman (FL)	Pickle	Volkmer
Leland	Porter	Vucanovich
Lent	Price	Walgren
Levin (MI)	Pursell	Waxman
Levine (CA)	Rahall	Wheat
Lewis (CA)	Rangel	Whitehurst
Lipinski	Regula	Whitley
Livingston	Reid	Whitten
Long	Richardson	Wilson
Lowery (CA)	Ridge	Wise
Lowry (WA)	Rinaldo	Wolf
MacKay	Robinson	Wolpe
Manton	Rodino	Wortley
Markey	Roe	Wright
Martin (NY)	Rogers	Yates
Martinez	Rose	Yatron
Matsui	Rostenkowski	Young (AK)
Mavroules	Roukema	Young (MO)
Mazzoli	Rowland (GA)	

NAYS—173

Ackerman	Dreier	Kindness
Anderson	Duncan	Kolter
Anthony	Eckart (OH)	Kramer
Archer	Edwards (CA)	Lagomarsino
Armey	Edwards (OK)	Latta
AuCoin	Emerson	Leach (IA)
Badham	English	Leath (TX)
Barnard	Evans (IA)	Lewis (FL)
Bartlett	Fields	Lightfoot
Barton	Franklin	Lloyd
Bates	Frenzel	Lott
Beilenson	Gallo	Lujan
Bilirakis	Gaydos	Lungren
Bosco	Gejdenson	Mack
Boxer	Gekas	Madigan
Broomfield	Gilman	Marlenee
Brown (CO)	Gingrich	Martin (IL)
Broyhill	Glickman	McCain
Burton (IN)	Gregg	McCandless
Callahan	Grotberg	McCollum
Campbell	Gunderson	McCurdy
Chappie	Hall, Ralph	McEwen
Cheney	Hammerschmidt	McKernan
Clinger	Hansen	McMillan
Coats	Hartnett	Mica
Cobey	Heftel	Miller (CA)
Coble	Hendon	Miller (OH)
Coleman (MO)	Hertel	Mineta
Coleman (TX)	Hiler	Monson
Combest	Hopkins	Montgomery
Conyers	Hubbard	Moody
Courter	Huckaby	Moorhead
Craig	Hughes	Morrison (CT)
Crane	Hunter	Morrison (WA)
Dannemeyer	Ireland	Mrazek
Daub	Jeffords	Murphy
DeLay	Jones (OK)	Nichols
Dellums	Kanjorski	Oxley
Dicks	Kasich	Panetta
Dornan (CA)	Kennelly	Penny
Petri	Shelby	Swindall
Quillen	Shumway	Tauke
Ray	Shuster	Taylor
Ritter	Siljander	Traficant
Roberts	Skeen	Vander Jagt
Roemer	Slattery	Walker
Roth	Smith (NE)	Watkins
Rowland (CT)	Smith (NH)	Weaver
Roybal	Smith, Denny	Weber
Rudd	Snowe	Weiss
Saxton	Snyder	Whittaker
Schaefer	Solomon	Williams
Scheuer	Spence	Wirth
Schroeder	Stark	Wyden
Schuette	Stenholm	Wylie
Schulze	Strang	Young (FL)
Sensenbrenner	Stump	Zschau
Shaw	Sweeney	

NOT VOTING—18

Boulter	Gordon	Lundine
Carney	Hefner	Smith (FL)
Dickinson	Jenkins	St Germain
Feighan	Kemp	Stangeland
Fiedler	Loeffler	Stratton
Flippo	Luken	Torricelli

□ 1810

Mr. COYNE and Mr. BRYANT changed their votes from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DIXON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT ON THURSDAY, AUGUST 1, 1985, DURING 5-MINUTE RULE

Mr. YOUNG of Missouri. Mr. Speaker, I ask unanimous consent that the Subcommittee on Public Buildings and Grounds of the Committee on Public Works and Transportation be permitted to sit while the House is under the 5-minute rule on Thursday, August 1, 1985.

This has been cleared with the minority, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PERSONAL EXPLANATION

Mr. ST GERMAIN. Mr. Speaker, concerning the vote just taken, there were a group of us on the elevator—there is something wrong with the elevator or the clocks, or something—and we were here very, very briefly after the gavel banged. I hope that in the future maybe the gavel will go down a little slower so we will not miss votes when we are indeed working in our offices with our staffs.

The SPEAKER pro tempore. The Chair apologizes to the gentleman and will try to accommodate the Members.

Mr. ST GERMAIN. I thank the Chair.

COASTAL ZONE MANAGEMENT REAUTHORIZATION ACT OF 1985

The SPEAKER pro tempore. Pursuant to House Resolution 214 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2121.

□ 1828

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2121) to provide for the reauthorization of the Coastal Zone Management Act of 1972, and for other purposes, with Mr. BONER of Tennessee in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from North Carolina [Mr. JONES] will be recognized for 30 minutes and the gentleman from California [Mr. SHUMWAY] will be recognized for 30 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. JONES].

Mr. JONES of North Carolina. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today to urge my colleagues to support H.R. 2121, a bill to reauthorize the Coastal Zone Management Act of 1972—the "CZMA." The Committee on Merchant Marine and Fisheries has considered this legislation during 2 days of intensive hearings conducted by the Subcommittee on Oceanography, chaired by our distinguished colleague, Ms. MIKULSKI. We are convinced by the testimony, as well as our 13-year oversight of the CZMA, that important national interests are being well served by this program.

Twenty-three States and five territories have developed impressive CZM programs with the encouragement of Congress and the help of some Federal funding. These States have voluntarily assumed the primary responsibility for managing their shorelines. The program's voluntary nature demonstrates respect for the tradition in the United States of local and State responsibility for land use planning. Rather than

overriding local and State authority for this important task, Congress has encouraged coastal States to utilize their full authority. Furthermore, through the CZMA, Congress has provided a constant reminder to coastal States of their vital role in promoting common interests shared by all States, whether coastal or landlocked.

Because the CZMA has been so successful and because pressures on the coast are constantly increasing, the committee recognizes the need to enhance the total level of support for this program. However, we are not recommending increased Federal support; rather, increases would come from greater coastal State matching contributions. Beginning in fiscal year 1989 and beyond, there would be a 50/50, rather than 80/20, Federal/State partnership.

By reducing the share of Federal involvement in CZM, we do not want to give the misimpression that this program is not serving national interests. On the contrary, our Nation will always need to play an active role in overseeing the wise management of our coastal areas because important national concerns are being served. The increasing State share reflects the fact that State programs are beginning to mature. Further implementation should be accomplished on the basis of an equal partnership.

H.R. 2121 does more than equalize the Federal/State partnership in Coastal Zone Management. Other important provisions are contained in the bill. It requires States to promptly submit for Federal review and approval any program changes they may have. Furthermore, it allows the Secretary of Commerce to reduce funding for programs which are not making satisfactory progress in identifying and protecting coastal resources of national significance. Also, some dormant provisions of the act are repealed. And, the National Estuarine Sanctuary Program is strengthened to reflect an emphasis on research, so that our knowledge and awareness of estuaries will be improved, and we can better provide for their continued health.

Finally, Mr. Chairman, H.R. 2121 is a carefully balanced bill which enjoys bipartisan support. In this regard, I would like to acknowledge the thoughtful contributions of Congressmen NORM LENT, our full committee ranking member, and NORM SHUMWAY, ranking member on the Oceanography Subcommittee, as well as my colleague, subcommittee Chairwoman BARBARA MIKULSKI. With their assistance, you have before you a bill which continues the important work of managing our Nation's coastal zone and reduces the need for additional spending over the next several years.

Mr. Chairman, I reserve the balance of my time.

□ 1840

Mr. SHUMWAY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 2121, legislation to reauthorize the Coastal Zone Management Act, which Chairman JONES has ably described.

The Merchant Marine and Fisheries Subcommittee on Oceanography held 2 days of hearings on this program with a diversified list of witnesses testifying on its many aspects; virtually all of the testimony supported reauthorization of the program and documented the CZMA's many successes. However, Mr. Chairman, the hearings also indicated that the Coastal Zone Management Program is presently in a transition period where, since 28 of 35 U.S. coastal States or territories have approved CZM programs, the Federal role no longer needs to financially entice coastal States into the program to accomplish the national objectives of the act. As a result, I am pleased to say that the bill before us today was amended in committee to phase down the Federal share of State management grants, over a period of 4 years, from the current 80 percent Federal/20 percent State ratio to a more realistic and appropriate 50/50 ratio. Correspondingly, coastal States will have to phase up their grant match required to receive their Federal funding.

This change in the CZMA funding formula simultaneously accomplishes two imortant objectives. First, it properly decreases the Federal role in the overall program; and, secondly, it allows the overall program to grow by requiring States, according to a gradual and rasonable timetable, to increase their own financial commitment to wisely manage their respective coastal areas.

I am also pleased to be able to support an amendment which our distinguished chairman, Mr. JONES from North Carolina, will be offering to essentially freeze the authorization levels in H.R. 2121 at the fiscal year 1985 appropriation levels. Our committee, during its consideration prior to reporting H.R. 2121, recognized the need for fiscal restraint and adopted an amendment to save $99 million over the next 6 years, as compared with current authorization levels. The Jones amendment, however, will achieve $193 million savings over the next 5 years. Mr. Chairman, given our Federal deficit, this is a most responsible amendment and is consistent with the recognition that the Federal role in coastal management can be reduced at this point in the program's development so that the States can more appropriately increase their contributions.

Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. LENT].

Mr. LENT. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise to support, wholeheartedly, H.R. 2121, the Coastal Zone Management Reauthorization Act of 1985. I believe that the State Coastal Zone Management plans developed under the Coastal Zone Management Act of 1972, and the National Estuarine Sanctuary Program established under the Coastal Zone Management Act, are notable achievements. They are excellent examples of State/Federal partnership and cooperation. The federally approved Coastal Zone Management plans balance local, regional, and national needs for the wise use, protection, and development of our Nation's coastal areas.

One of the witnesses who appeared before the Oceanography Subcommittee in support of this reauthorization was New York's secretary of state, Gail Shaffer. Her excellent testimony documented the successful implementation of New York State's Coastal Zone Management Program from the time Federal approval was received in September 1982. I believe that New York's Coastal Zone Management plan is a success, and I believe that similar successes are found in the great majority of the States which have implemented Coastal Zone Management programs.

Some of my colleagues may be concerned because this reauthorization does not reduce Federal support for the Coastal Zone Management Program as far as the administration might wish. However, H.R. 2121 as reported makes substantial reductions in the authorized level of funding for the Coastal Zone Management Act, especially for sections 306 and 306A of the act. A committee amendment which will be offered on the floor today reduces those authorizations even further. Also, H.R. 2121 contains a provision which will reduce the Federal percentage of grants under sections 306 and 306A from the current 80 percent Federal/20 percent State ratio to a 50-50 Federal/State ratio, which would be achieved for fiscal year 1989 and thereafter.

Therefore, I believe that the Merchant Marine and Fisheries Committee has taken a fiscally responsible approach toward this reauthorization. This bill provides a reasonable reassessment of the appropriate levels of Federal and State financial participation in the Coastal Zone Management Act Grant Program. I want to compliment the chairman of the Merchant Marine and Fisheries Committee, the distinguished gentleman from North Carolina [Mr. JONES], the chairwoman of the Oceanography Subcommittee, the gentlelady from Maryland [Ms. MIKULSKI] and the ranking Republican member of the subcommittee, the gentleman from California [Mr. SHUM-

51-059 O-86-9 (Pt. 16)

WAY] for their leadership in producing a bill which preserves the essential features of this program yet also recognizes the need to cut Federal spending.

I urge all my colleagues, on both sides of the aisle, to support reauthorization of the Coastal Zone Management Act and vote in favor of H.R. 2121.

Mr. JONES of North Carolina. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Maryland [Ms. MIKULSKI].

Ms. MIKULSKI. I thank the gentleman for yielding to me.

Mr. Chairman, I rise to urge my colleagues to support H.R. 2121, a bill to reauthorize the Coastal Zone Management Act of 1972.

My colleagues and I on the Oceanography Subcommittee held 2 days of hearings on the Coastal Zone Management Program. We heard witnesses from the administration, the Coastal States, environmental organizations, and industry. We also heard from residents of coastal communities. These witnesses told us that State Coastal Zone Mangement programs are effective and are meeting the national goals of the Coastal Zone Management Act.

This Nation's vast coastal waters, lands, and resources are better managed and protected today because of the work done by the 28 State and territory coastal zone management programs approved by the Federal Government under the Coastal Zone Management Act.

These programs cover more than 90 percent of our shoreline, or 95,000 miles of our beaches, bays, estuaries, and harbors. More than 50 percent of our people live and work in these coastal areas, and this figure will grow to nearly 80 percent by the year 2000. Their health and livelihood depend on how well we manage and develop our coastal resources. I believe that the Coastal Zone Management Act has been an effective tool in achieving these goals.

The Coastal Zone Management Act is often described as an environmental law, and this is correct. But I would like to stress that the Coastal Zone Management Act has other national goals. Among other goals, the Coastal Zone Management Act seeks to streamline the State, local, and Federal permitting process and to foster balanced economic growth in coastal areas.

The Subcommittee on Oceanography has documented the achievements of State coastal programs. Coastal States have consolidated and simplified State and local permitting procedures and significantly reduced the permit review time. This has saved money for businesses and developers by creating a more efficient regulatory process.

Coastal States also have used Federal funds to help revitalize urban waterfronts, to retain fishing facilities, and to restore recreational areas.

They have used coastal zone management planning funds to produce environmentally sensitive development plans resulting in substantial private investment in coastal areas. This is balanced economic growth, and it is possible because of the Coastal Zone Management Act and the work of local and State coastal management programs.

Mr. Chairman, H.R. 2121 also amends the National Estuarine Reserve Program to clarify and strengthens its estuarine research functions, and to provide for a system of estuarine reserves that will be fully representative of the range and diversity of the estuarine areas of this Nation.

Finally, I want to emphasize that H.R. 2121 and the National Coastal Zone Management Program enjoys strong bipartisan support. I want particularly to thank Congressman NORM SHUMWAY, the ranking member on the Oceanography Subcommittee, for his many contributions to this bill. On my side of the aisle I would like to thank Congressmen STUDDS and TAUZIN for their important role in resolving the conflict.

Mr. Chairman, the Committee on Merchant Marine and Fisheries unanimously reported H.R. 2121 to this House, and I strongly recommend my colleagues to give their support to this vital and successful program of coastal zone management.

□ 1850

Mr. JONES of North Carolina. Mr. Chairman, I yield 3 minutes to the gentleman from Delaware [Mr. CARPER].

Mr. CARPER. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise today as a strong supporter of the Coastal Zone Management Act, and I support this legislation to continue the Federal Coastal Zone Program.

I represent a State that has long recognized the value of its coastal resources. Indeed, the State of Delaware passed its coastal zone law in 1971, a year before the passage of the Federal Coastal Zone Management Act whose reauthorization we are considering today. Delawareans are proud of their act which is, arguably, the most protective coastal zone law of any State in the country.

Part of the strength of the Delaware Coastal Zone Program is its close working relationship with the Federal Coastal Zone Management Program. This legislation will allow that cooperative effort to continue by providing financial and technical assistance for the continuing management of coastal development.

I commend the chairman of the committee, Mr. JONES, and the chairwoman of the Oceanography Subcommittee, Ms. MIKULSKI, and the ranking members for bringing to the floor a responsible bill which will bring the Federal/State funding ratio down from the current 80–20 to 50–50. I also understand the Merchant Marine and Fisheries Committee chairman will be offering an amendment to reduce the authorization levels for fiscal year 1986 to this year's appropriation levels. I feel these actions are a reasonable compromise between the unquestioned need for this program and budget pressures which cannot be ignored.

In 1972, the Congress of the United States stated, through the Coastal Zone Management Act, its intent to protect our invaluable coastal zone. It is time for us to reaffirm that commitment. I urge my colleagues to support this bill.

Mr. JONES of North Carolina. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. STUDDS].

Mr. STUDDS. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in strong support of H.R. 2121, legislation to reauthorize Federal support for State coastal zone management programs through the end of 1991. I believe coastal zone management has worked well; it has served the interests of our Nation in the balanced and prudent use of our limited coastal resources; and it has established a useful and durable partnership between the Federal Government and State governments on issues affecting the coasts.

Five years ago, I authored the Coastal Zone Management Act Amendments of 1980. As chairman of the House Subcommittee on Oceanography at the time, I conducted a comprehensive series of hearings throughout the country on coastal zone management. Those hearings established a record that demonstrated clearly the value that this program has had for the country, as well as the difficulty of planning for the balanced use of coastal resources in the face of ever-increasing economc, environmental, and recreational pressures. The events of the past 5 years have not altered the fundamental importance of this program to the well-being of our coastal areas, nor have they diminished the value of the Federal-State cooperative mechanisms that are part of the law.

Although continuing a program of proven value to our country, the legislation before us today does reflect the changing times. The bill calls for a smaller, more focused coastal zone management law with State government responsible for an increasingly large share of the financial cost of the program. The bill will guarantee the

continuation of coastal zone management, emphasizing those parts of the program, such as estuarine sanctuaries and basic management grants, that have proven to be of greatest value in recent years.

During the hearings before the Oceanography Subcommittee this spring, we heard virtually unanimous support for the continuation of this program from representatives of the States and from coastal and environmental groups. But I was especially pleased by the testimony of Mr. Edwin Sidman, president of the Beacon companies, a Boston real estate development firm that is currently involved in Rowes Wharf, a massive multiuse development project on the last piece of undeveloped downtown waterfront in Boston. This developer praised the CZM Program for "Establishing a policymaking forum that facilitates consistency in the application of Federal and State policies as to the development, use, and conservation of our precious coastal zone areas." The only dissenting voice at our hearings came, unfortunately, from the administration. The only reason given for opposition was that the program was working so well that it should be financed entirely by the States. Only in this administration could a program's success be used as the justification for its termination.

Although I have no hesitation in supporting H.R. 2121, I do note with disappointment our failure in this bill to address satisfactorily the Supreme Court discision of January 1984 regarding the question of OCS lease sales and consistency with the CZM Program.

The Court decision to the contrary, the fact is that OCS lease sales do "directly affect" the coastal zone. For this reason, they should be subject to the consistency requirements of section 307(c) of this act. I continue to believe that Congress has a responsibility to deal with this issue, but I am willing to concede that this is not the ideal time, nor the ideal legislation, in which to confront this question.

Coastal zone management embodies a partnership between the Federal Government and State governments that has worked well. It is a model of that most conservative of doctrines—federalism, for it reflects interests responsive not simply to the narrow concerns of the Federal Government or particular State governments. On the contrary, coastal zone management has furthered the truly broad and national interest in policies that strike a balance between economic development and environmental protection in the coastal zone. Support for this legislation is not a partisan issue; it is not a regional issue; it is a question of common sense and support for a program that has worked in the past, that is working today, and that has much more to contribute to the economy and ecology of our country in the years ahead.

I want to congratulate the distinguished chairwoman of the Oceanography Subcommittee, Ms. MIKULSKI, for her leadership in this issue, and I urge approval of the bill.

Mr. JONES of North Carolina. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. I thank the gentleman for yielding this time to me.

Mr. Chairman, as many know, I had intended to offer an amendment on the issue of Federal consistency. I feel very strongly about this issue in terms of the State and communities ability to be heard on issues that impact on the coast.

In January 1984, the Supreme Court found that because OCS oil and gas lease sales occur outside the coastal zone, it cannot directly affect the coastal zone and, therefore, are not subject to the consistency provision of the CZMA. I think that is contrary to the basic intent of Congress in the provisions that were contained in CZMA initially.

The amendment I would have offered would have asserted congressional intent that Federal activities on OCS, including lease sales, should be subject to the consistency provision. My goal is to return to the States the authority they had before the Supreme Court and to give them a say in the major activities which affect their coastlines.

This amendment, it seems to me, would have represented a return to cooperative federalism, which is the basis for CZMA. I understand the concerns about reauthorization and it is my view that having a bill, a reauthorization of CZMA, is much more important, obviously, than having no bill at all, and I do not want to jeopardize the opportunity for this legislation to be adopted.

For that reason, I do not intend to offer such an amendment, but I want it conditioned on a commitment from the committee to address the consistency issue. I would expect the committee, the subcommittee, to hold hearings when and if decisions of the courts or actions of the administration occur which would erode the intent of Congress on this issue of consistency.

Ms. MIKULSKI. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentlewoman from Maryland for a response on that.

Ms. MIKULSKI. I thank the gentleman for yielding.

Mr. Chairman, I rise to give the gentleman those assurances. I want to thank him for his remarks and his cooperation in reauthorizing the CZMA. My colleague and I are interested in the issues raised by my friend, the gentleman from California, and the Subcommittee on Oceanography will continue to study them and to take whatever action is necessary and appropriate to improve the consistency review procedures.

If there is any serious threat that these procedures will be weakened, I can assure my colleague that the Subcommittee on Oceanography will hold such oversight hearings. I thank the gentleman for his cooperation, gallantry, and common sense.

Mr. PANETTA. I thank the gentlewoman for her comments, and also for her leadership on this issue as she brings it to the floor. I look forward to working with her and working with the minority side on ensuring that the State's voices and the communities' voices are heard on an issue that can surely impact on the people in those areas.

Mr. JONES of North Carolina. Mr. Chairman, I yield 2 minutes to the gentleman from New york [Mr. MANTON].

Mr. MANTON. I thank the gentleman for yielding this time to me.

Mr. Chairman, rise to give my full support to H.R. 2121, the reauthorization of the Coastal Zone Management Act of 1985. I wholeheartedly commend the chairwoman and the members of the Subcommittee on Oceanography, and the chairman and the members of the Committee on Merchant Marine and Fisheries for presenting the House with a compromise which strikes a fair balance between oil and gas development on the Outer Continental Shelf and the rational use of our coastal resources for tourists, recreation and commercial fishing.

Since 1972, when the Coastal Zone Management Act was first enacted, Congress has recognized the important national interests which are achieved by effective coastal zone management. With this legislature foresight our country has benefited from the resurgence of an economic and environmental vitality in our Nation's coastal areas. The extraordinary success in applying Federal coastal zone management funds to economic development projects, in managing the Nation's coastal resources, and streamlining administrative decisionmaking, may all be attributed to the reauthorization of this law and continued Federal involvement with program oversight and funding.

I am particularly pleased to support a new measure in the Coastal Zone Management Act which provides for the national estuarine sanctuary research system. We now have designated 15 national estuarine sanctuaries, therefore, it is most appropriate to specifically identify nationally significant estuaries which are threatened by pollution, development, overuse or depletion of their natural resources.

Through their designation as national estuarine research sanctuaries, they will be utilized for the orderly intergovernmental planning processes provided for within the act.

Although my colleagues on the committee would prefer greater funding levels than are provided for in the current reauthorization all of us on the committee are aware of the need to respect budget constraints and the limitations set by this body on all authorizations. Despite the reduced authorization in this bill this legislation is still an important step in providing States with a strong incentive to serve local and national interests by developing and implementing coastal programs.

Again, I commend the gentlewoman from Maryland and the gentleman from North Carolina for their excellent work and urge passage of H.R. 2121.

Mr. LOWRY of Washington. Mr. Chairman, I rise in strong support of H.R. 2121, a bill to provide for the authorization of the Coastal Zone Management Act of 1972.

I would first like to thank my colleagues on the Oceanography Subcommittee, Chairwoman MIKULSKI and ranking minority member, Mr. SHUMWAY, for their leadership in bringing this bill to the floor today. Both have done an outstanding job in developing a bill to reauthorize this vital coastal program.

H.R. 2121 provides for the continued distribution of Federal financial assistance to the coastal States for the development and implementation of State coastal zone management programs. The proportion of Federal funding will gradually be phased down from the current 80 percent to 50 percent in 1989. This Federal financial assistance has been extremely beneficial to the State of Washington in the past, and is essential to the continued vitality of the coastal programs in many coastal States.

In 1976, Washington became the first State to gain Federal approval for its Coastal Zone Management Program. Since then, numerous projects have been initiated with CZM funds to improve the Washington coastline. For example, Tacoma, WA, applied a $25,000 CZM grant to upgrade its Ruston Way waterfront. This seed money attracted $10 million in private investment and another $9 million in State and local funds for park acquisition and development.

H.R. 2121 also amends section 315 of the CZMA by renaming the existing estuarine sanctuaries as national estuarine reserves and providing further guidance to NOAA and the coastal States regarding the research purposes of the estuarine reserves.

Mr. Chairman, the Coastal Zone Management Act has been extremely important to the people of the coastal States and the Nation in providing for the preservation, protection, development, restoration, and enhancement of the resources of the coastal zone. I strongly support H.R. 2121, and urge its passage today.

□ 1900

Mr. SHUMWAY. I have no further requests for time, Mr. Chairman, and I yield back the balance of my time.

Mr. JONES of North Carolina. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the committee amendment in the nature of a substitute now reported in the committee bill shall be considered as an original bill for the purpose of amendment, and each section shall be considered as having been read.

The Clerk will designate section 1.

The text of section 1 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Coastal Zone Management Reauthorization Act of 1985".

Mr. JONES of North Carolina. Mr. Chairman, I ask unanimous consent that the remainder of the committee amendment in the nature of a substitute be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The text of the remainder of the committee amendment in the nature of a substitute is as follows:

REFERENCE

SEC. 2. Whenever in this Act an amendment or repeal is expressed in terms of an amendment, or repeal, of a section, subsection, paragraph, or other provision, the reference is to be considered to be made to a section, subsection, paragraph, or other provision of the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.) unless otherwise specified.

REDUCTION OF ADMINISTRATIVE GRANTS

SEC. 3. (a) Section 312(c) (16 U.S.C. 1458(c)) is amended by striking "if the Secretary determines" and all that follows thereafter and inserting in lieu thereof the following: "if the Secretary determines that the coastal state—

"(1) is failing to make significant improvement in achieving the coastal management objectives specified in section 303(2) (A) through (I); or

"(2) is failing to make satisfactory progress in providing in its management program for the matters referred to in section 306(i) (A) and (B).".

(b)(1) Subsection (a) of section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455) is amended by striking, "The Secretary may" and all that follows through "if the Secretary—" and substituting in lieu thereof the following: "The Secretary may make grants to any coastal state for the purpose of administering that state's management program, if the state provides for the applicable fiscal year: 20 per centum of the grant for fiscal year 1986; 30 per centum of the grant for fiscal year 1987; 40 per centum of the grant for fiscal year 1988; and 50 per centum of the grant for each fiscal year thereafter. The Secretary may make the grant only if the Secretary—".

(2) Section 306A is amended by striking section (d)(1) and substituting in lieu thereof the following:

"(d)(1) The Secretary may make grants to any coastal state for the purpose of carrying out the project or purpose for which such grants are awarded, if the state provides for the applicable fiscal year: 20 per centum of the grant for fiscal year 1986; 30 per centum of the grant for fiscal year 1987; 40 per centum of the grant for fiscal year 1988; and 50 per centum of the grant for each fiscal year thereafter.".

(c) Section 306(g) (16 U.S.C. 1455) is amended by deleting the second sentence, and inserting in lieu thereof the following: "The state shall promptly notify the Secretary of any amendment or modification and submit it for Secretarial approval. The Secretary may suspend all or part of any grant made under this section pending state submission of the amendment or modification.".

NATIONAL ESTUARINE RESERVE RESEARCH SYSTEM

SEC. 4. Section 315 (16 U.S.C. 1461) is amended to read as follows:

"NATIONAL ESTUARINE RESERVE RESEARCH SYSTEM

"(a) ESTABLISHMENT OF THE SYSTEM.—There is established the National Estuarine Reserve Research System (hereinafter referred to in this section as the 'System') that consists of—

"(1) each estuarine sanctuary designated under this section as in effect before October 1, 1985; and

"(2) each estuarine area designated as a national estuarine reserve under subsection (b).

Each estuarine sanctuary referred to in paragraph (1) is hereby designated as a national estuarine reserve.

"(b) DESIGNATION OF NATIONAL ESTUARINE RESERVES.—After September 30, 1985, the Secretary may designate an estuarine area as a national estuarine reserve if—

"(1) the Governor of the coastal state in which the area is located nominates the area for that designation; and

"(2) the Secretary finds that—

"(A) the area is a representative estuarine ecosystem that is suitable for long-term research and contributes to the biogeographical and typological balance of the System;

"(B) the law of the coastal state provides long-term protection for reserve resources to ensure a stable environment for research;

"(C) designation of the area as a reserve will serve to enhance public awareness and understanding of estuarine areas, and provide suitable opportunities for public education and interpretation; and

"(D) the coastal state in which the area is located has complied with the requirements of any regulations issued by the Secretary to implement this section.

"(c) ESTUARINE RESEARCH GUIDELINES.—The Secretary shall develop guidelines for the conduct of research within the System that shall include—

"(1) a mechanism for identifying, and establishing priorities among, the coastal management issues that should be addressed through coordinated research within the System;

"(2) the establishment of common research principles and objectives to guide the development of research programs within the System;

"(3) the identification of uniform research methodologies which will ensure comparability of data, the broadest application of research results, and the maximum use of the System for research purposes;

"(4) the establishment of performance standards upon which the effectiveness of the research efforts and the value of reserves within the System in addressing the coastal management issues identified in subsection (1) may be measured; and

"(5) the consideration of additional sources of funds for estuarine research than the funds authorized under this Act, and strategies for encouraging the use of such funds within the System, with particular emphasis on mechanisms established under subsection (d).

In developing the guidelines under this section, the Secretary shall consult with prominent members of the estuarine research community.

"(d) PROMOTION AND COORDINATION OF ESTUARINE RESEARCH.—The Secretary shall take such action as is necessary to promote and coordinate the use of the System for research purposes including—

"(1) requiring that the National Oceanic and Atmospheric Administration, in conducting or supporting estuarine research, give priority consideration to research that uses the System; and

"(2) consulting with other Federal and state agencies to promote use of one or more reserves within the system by such agencies when conducting estuarine research.

"(e) FINANCIAL ASSISTANCE.—(1) The Secretary may, in accordance with such rules and regulations as the Secretary shall promulgate, make grants—

"(A) to a coastal state—

"(i) for purposes of acquiring such lands and waters, and any property interests therein, as are necessary to ensure the appropriate long-term management of an area as a national estuarine reserve,

"(ii) for purposes of operating or managing a national estuarine reserve and constructing appropriate reserve facilities, or

"(iii) for purposes of conducting educational or interpretive activities; and

"(B) to any coastal state or public or private person for purposes of supporting research and monitoring within a national estuarine reserve that are consistent with the research guidelines developed under subsection (c).

"(2) Financial assistance provided under paragraph (1) shall be subject to such terms and conditions as the Secretary considers necessary or appropriate to protect the interests of the United States, including requiring coastal states to execute suitable title documents setting forth the property interest or interests of the United States in any lands and waters acquired in whole or part with such financial assistance.

"(3)(A) The amount of the financial assistance provided under paragraph (1)(A)(i) of subsection (e) with respect to the acquisition of lands and waters, or interests therein, for any one national estuarine reserve may not exceed an amount equal to 50 percent of the costs of the lands, waters, and interests therein or $4,000,000, whichever amount is less.

"(B) The amount of the financial assistance provided under paragraph (1)(A)(ii) and (iii) and paragraph (1)(B) of subsection (e) may not exceed 50 percent of the costs incurred to achieve the purposes described in those paragraphs with respect to a reserve.

"(f) EVALUATION OF SYSTEM PERFORMANCE.—(1) The Secretary shall periodically evaluate the operation and management of each national estuarine reserve, including education and interpretive activities, and the research being conducted within the reserve.

"(2) If evaluation under paragraph (1) reveals that the operation and management of the reserve is deficient, or that the research being conducted within the reserve is not consistent with the research guidelines developed under subsection (c), the Secretary may suspend the eligibility of that reserve for financial assistance under subsection (e) until the deficiency or inconsistency is remedied.

"(3) The Secretary may withdraw the designation of an estuarine area as a national estuarine reserve if evaluation under paragraph (1) reveals that—

"(A) the basis for any one or more of the findings made under subsection (b)(2) regarding that area no longer exists; or

"(B) a substantial portion of the research conducted within the area, over a period of years, has not been consistent with the research guidelines developed under subsection (c).

"(g) ANNUAL REPORT.—Beginning with fiscal year 1986, the Secretary shall provide to the Congress an annual report that sets forth, with respect to the period covered by the report—

"(1) new designations of national extuarine reserves;

"(2) any expansion of existing national estuarine reserves;

"(3) the status of the research program being conducted within the System; and

"(4) a summary of the evaluations made under subsection (f). The Secretary shall submit the report within three months after the end of the fiscal year covered by the report.".

REPEALS

SEC. 5. The following are repealed:

(1) Section 310 (16 U.S.C. 1456c; relating to research and technical assistance programs and grants).

(2) Section 314 (16 U.S.C. 1460; establishing the Coastal Zone Management Advisory Committee).

(3) Subsection (c) of section 15 of the Coastal Zone Management Act Amendments of 1976, Public Law 94-370 (16 U.S.C. 1451 note; relating to certain additional personnel positions).

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 6. Section 318 (16 U.S.C. 1464) is amended as follows:

(1) Subsection (a) is amended—

(A) by amending paragraph (1) to read as follows:

"(1) Such sums, not to exceed $40,000,000 for the fiscal year ending September 30, 1986, $38,000,000 for the fiscal year ending September 30, 1987, $36,000,000 for the fiscal year ending September 30, 1988, $35,000,000 for each of the the fiscal years ending September 30, 1989, September 30, 1990, and September 30, 1991, as may be necessary for grants under section 306, to remain available until expended;".

(B) By amending paragraph (2)—

(i) by striking "$20,000,000 and inserting in lieu thereof "$16,000,000", and

(ii) by striking "September 30, 1985,'" and inserting in lieu thereof "September 30, 1991,";

(C) by amending paragraph (4) by striking "September 30, 1985," and inserting in lieu thereof "September 30, 1991,";

(D) by amending paragraph (5) by striking "September 30, 1985," and inserting in lieu thereof "September 30, 1991,"; and

(E) by amending paragraph (6)—

(i) by striking "$6,000,000" and inserting in lieu thereof "$5,000,000", and

(ii) by striking "September 30, 1985," and inserting in lieu thereof "September 30, 1991,".

EFFECTIVE DATE

SEC. 7. This Act takes effect October 1, 1985.

AMENDMENTS OFFERED BY MR. JONES OF NORTH CAROLINA

Mr. JONES of North Carolina. Mr. Chairman, I offer two amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. JONES of North Carolina: Strike all of SEC. 6 and insert in lieu thereof the following new SEC. 6:

"SEC. 6. Section 318 (16 U.S.C. 1464) is amended as follows:

(1) subsection (a) is amended—

(A) by amending paragraph (1) to read as follows:

'(1) such sums, not to exceed $36,000,000 for the fiscal year ending September 30, 1986; $36,600,000 for the fiscal year ending September 30, 1987; $37,900,000 for the fiscal year ending September 30, 1988; $38,800,000 for the fiscal year ending September 30, 1989; and $40,600,000 for the fiscal year ending September 30, 1990, as may be necessary for grants under sections 306 and 306A, to remain available until expended;'.

(B) By striking paragraph (2) and renumbering subsequent paragraphs—

(C) By amending the new paragraph (3) to read as follows:

'(3) such sums not to exceed $1,000,000 for the fiscal year ending September 30, 1986; and $1,500,000 for each of the fiscal years occurring during the period beginning October 1, 1986 and ending September 30, 1990, as may be necessary for grants under section 309, to remain available until expended;'

(D) By amending the new paragraph (4) to read as follows:

'(4) such sums not to exceed $2,930,000 for the fiscal year ending September 30, 1986; $3,800,000 for the fiscal year ending September 30, 1987; $4,500,000 for the fiscal year ending September 30, 1988; $5,000,000 for the fiscal year ending September 30, 1989; and $5,500,000 for the fiscal year ending September 30, 1990, as may be necessary, for grants under section 315, to remain available until expended; and

(E) by amending the new paragraph (5) to read as follows:

'(5) such sums not to exceed $3,300,000 for the fiscal year ending September 30, 1986; $3,300,000 for the fiscal year ending September 30, 1987; $3,300,000 for the fiscal year ending September 30, 1988; $4,000,000 for the fiscal year ending September 30, 1989; and $4,000,000 for the fiscal year ending September 30, 1990, as may be neces-

sary for administrative expenses incident to the administration of this title.' "

At the end of the bill, add a new Sec. 8, as follows:

"TECHNICAL AMENDMENT

SEC. 8. Section 308(h) (16 U.S.C. 1457(h)) is amended by deleting 'subsections (c)(1)' each place it appears and inserting instead 'subsections (c)'."

Mr. JONES of North Carolina (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. JONES of North Carolina. Mr. Chairman, the amendments which we now bring before the Members propose to freeze the authorization levels in H.R. 2121. Authorized levels for fiscal year 1986 are frozen at the level of fiscal year 1985 appropriations. In subsequent years, authorized levels rise only to the extent necessary to accommodate the expected rate of inflation—4½ percent per year. The term of authorization is reduced to 5 years.

I want to make clear the intent of this amendment. This is a deficit reduction amendment. It reflects the strong desire of the members of the Committee on Merchant Marine and Fisheries to control the deficit. Over the 5-year term of this authorization, it will save $193 million as compared to currently authorized levels. It does not reflect any intent to phase out this or phase down this critical program.

Extensive hearings before my committee clearly demonstrated the important national interests being served through this program. Many of these have been explained in detail in our committee report. In view of these national interests, the committee recommended what I consider to be justified authorization levels. These levels should be considered to reflect the committee's view of the value and accomplishments of this program.

However, we also realize the importance of deficit reduction. Thus, we are proposing freeze in Federal expenditures under the CZMA. In combination with other aspects of this bill, such as provisions to increase State matching contributions, the total level of support for coastal management will increase over time. Therefore, this amendment will aid deficit reduction efforts, while safeguarding the national interests in wise coastal management.

The second part of this amendment makes a purely technical adjustment in section 308(h) of the CZMA. The amendment would clarify that section 308(c)(2) grants to assist State participation in Outer Continental Shelf leasing, may be financed through the coastal energy impact fund. This amendment is offered entirely for purposes of clarification. It does not alter congressional intent or deviate from current agency practice in administering this provision.

I urge my colleagues to support these amendments.

Mr. SHUMWAY. Mr. Chairman, I rise in support of the amendments being offered by our committee's distinguished chairman, Mr. JONES.

Mr. Chairman, by freezing the CZMA authorizations at last year's appropriations levels, and only allowing for an increase to offset inflation, this amendment will reduce the authorization levels for the CZMA by $193 million over the next 5 years. Moreover, this amendment leaves intact a provision which will gradually phase down the funding formula from the present 80 to 20 Federal/State ratio to a more appropriate 50 to 50 ratio. In doing so, this legislation will not jeopardize our Nation's coastal areas by jeopardizing the program, but in fact it will allow for an increase in the overall program, not at Federal expense, but by requiring an increased State match for these CZM grants.

Mr. Chairman, this amendment is fiscally responsible; it will ensure that the overall appropriation for the various programs under the CZMA will, for the next 5 years, never exceed, in terms of real dollars, the appropriations for the CZMA made in fiscal year 1985. Of course, the appropriations process always allows for less than authorized appropriations, and considering the shift in the Federal/State ratio, it is my belief that future appropriations may not even need to reach as high as this bill's authorization ceilings in the upcoming years.

Again, I support Mr. JONES' amendment, and I commend him for his concern for our Nation's fiscal shortfall, as well as his longstanding concern for our Nation's valuable coastal areas.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. SHUMWAY. I yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, I rise in support of the amendment offered by the gentleman from North Carolina, the chairman of the Merchant Marine and Fisheries Committee. This amendment is offered on behalf of the bipartisan leadership of the committee.

The amendment refines what I believe is already a fiscally responsible approach by the committee to the reauthorization of the Coastal Zone Management Act. It would further reduce authorization levels for the various sections of the Coastal Zone Management Act through fiscal year 1990. I note, for my colleagues on this side of aisle, that the approach taken in this amendment—which is basically a freeze for fiscal year 1986 at fiscal year 1985 appropriation levels, and then adding a 4.5-percent inflation factor for the outyears—is virtually identical to the approach which has been adopted by the Senate Commerce Committee in its bill reauthorizing the Coastal Zone Management Act (S. 959).

This amendment provides a very substantial savings, when compared with authorization levels in existing law, and when compared with authorization levels in H.R. 2121, as reported. As compared to authorizations under current law, savings for fiscal year 1986 would be $42.77 million—a 50-percent savings—and for fiscal years 1986-90, the cumulative savings would be $193.50 million—a 45-percent savings.

As compared to H.R. 2121, as reported, the amendment saves $29.77 million for fiscal year 1986—a 41-percent savings—and fiscal years 1986-90, there is a cumulative savings of $112.05 million—a 32-percent savings.

In short, this amendment provides very substantial savings as compared to both current law and the bill under consideration, and is as close to a freeze amendment in terms of the most recent appropriation as one reasonably can get. I am informed by the policy level officials at NOAA that this amendment is most welcome to them. I urge my colleagues on this side of the aisle to support the amendment offered by the gentleman from North Carolina.

Mr. MORRISON of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. SHUMWAY. I am happy to yield to the gentleman from Connecticut.

Mr. MORRISON of Connecticut. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise also to support the amendment, as well as the bill as a whole, and to commend the chairman of the committee and the chairman of the subcommittee, the gentlewoman from Maryland [Ms. MIKULSKI], for their leadership on the bill and also for making the hard decisions necessary to come in within a freeze level for 1986 and at the same time make an important program function within tight budget constraints.

Mr. SHUMWAY. Mr. Chairman, I thank the gentleman from Connecticut [Mr. MORRISON], and I yield back the balance of my time.

Ms. MIKULSKI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to support the committee's amendment to reduce the authorized spending levels in H.R. 2121 to the fiscal year 1985 appropriations under the CZMA. This freeze will amount to a savings over current authorized levels of more than $193 million over a 5-year period which amounts to a savings of about 45 percent.

This amendment will make a significant reduction in the authorized spending levels for the National Coastal Zone Management Program. At the same time, my colleagues and I on the Merchant Marine and Fisheries Committee want to preserve the integrity of this program. We believe this amendment will do that in a fiscally sound manner.

I believe that we have provided sufficient funds to maintain the current State coastal programs. We have also allowed for a modest increase during the years 1987-90 to provide for increased program costs.

Mr. Chairman, I urge my colleagues to support the committee's amendment.

The CHAIRMAN. The question is on the amendments offered by the gentleman from North Carolina [Mr. JONES].

The amendments were agreed to.

The CHAIRMAN. Are there further amendments?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. GUARINI) having assumed the chair, Mr. BONER of Tennessee, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2121) to provide for the reauthorization of the Coastal Zone Management Act of 1972, and for other purposes, pursuant to House Resolution 214, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1910

GENERAL LEAVE

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2121, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request to the gentleman from North Carolina?

There was no objection.

NEW DEFERRAL OF BUDGET AUTHORITY FOR 1985 FOR UNITED STATES INFORMATION AGENCY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-90)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed.

(For message, see proceedings of the Senate of today, July 30, 1985.)

PERMISSION FOR SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT DURING 5-MINUTE RULE ON THURSDAY, AUGUST 1, 1985

Mr. HOYER. Mr. Speaker, I ask unanimous consent that the Subcommittee on Public Buildings and Grounds of the Committee on Public Works and Transportation be permitted to sit during the 5-minute rule on Thursday, August 1, 1985.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland [Mr. HOYER]?

Mr. BARTLETT. Reserving the right to object, Mr. Speaker, we do not have a clearance from the minority leadership over here.

Mr. HOYER. Mr. Speaker, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Maryland.

Mr. HOYER. The gentleman from Florida, Mr. CLAY SHAW, has cleared this as the ranking member.

Mr. BARTLETT. Mr. Speaker, further reserving the right to object, would the gentleman repeat the exact request?

Mr. HOYER. We are asking unanimous consent that the Subcommittee on Public Buildings and Grounds of the Committee on Public Works and Transportation be permitted to sit during the 5-minute rule on Thursday, August 1, 1985.

It is my understanding that the gentleman from Florida, Mr. CLAY SHAW, has in fact cleared this request.

Mr. BARTLETT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland [Mr. HOYER]?

There was no objection.

AMERICA—LAND OF OPPORTUNITY

(Mr. STRANG asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous material.)

Mr. STRANG. Mr. Speaker, the ability to communicate is obviously an important skill and talent. I would like to bring to the attention of my colleagues a young woman in the Third District of Colorado who recently displayed her forensic skills by winning a statewide high school speech contest.

Rebecca Harwood, a junior at Roaring Fork High School in my hometown of Carbondale, was the winner of the second annual Abraham Lincoln Foundation's "land of opportunity" speech contest.

Rebecca's speech explains with clear logic why we should never take our freedoms in this country for granted, and she does it with beautiful flow of words and ideas. I commend it to your reading.

I urge my colleagues to take advantage of this nonpartisan program and to help expand it next year across the Nation so all 10th, 11th and 12th grade students have the opportunity to express the growing resurgence of patriotism in America.

AMERICA—LAND OF OPPORTUNITY

America. We all know it has been labeled "the land of opportunity", but many Americans fail to realize why. We grow up in what most foreigners and refugees consider the most wonderful land and live a seemingly perfect life full of endless opportunity, that we as Americans, tend to overlook. We take for granted the freedom, which is ultimately responsible for making America the land of opportunity, and the most important freedom we have is the freedom of choice.

How would you like your government telling you that you are only allowed one child, or that blue Jeans are illegal, or that Monopoly and Chess are forbidden? Such items are common in America, yet many governments don't grant their inhabitants such luxuries—yes, luxuries. Just try and buy a Walkman in Russia and you'll see what I mean. Our choices in the grocery store are practically unlimited and nowhere else can one find such a selection of fresh fruits and vegetables year-round. Even clothes make America great. Have you seen the latest fashions in Poland? Not too exciting. Why, I have the freedom to walk through town wearing a Hefty garbage bag, if I ever felt the urge. That is what I call freedom of choice!

Our choices, however, extend beyond that of monetary purchases. Every person controls the fate of his or her own life. The amount and kind of education I receive is governed by me. I, like every one of you, have the freedom to be a doctor, homemaker, mechanic—or even president. America has the wonderful privilege called free enterprise. That means I can sell hubcaps legally, open up a law firm, or start a newspaper without the government dictating what I am allowed to print. We have constructed laws against child and forced labor, and work is awarded accordingly, so I can be as

rich, or as poor, as I choose. Therefore, my fate lies in my own hands, not in those of the government.

Our liberties cover that of religion also. Our country is a melting pot of every known religion, and even some of those not known. Religion is very much a part of our country, as it is most, but here we have the choice whether or not to believe, to participate, or support. We can, within reasonable limits, practice our religion any way we choose under the 1st amendment of the constitution. Also protected by the first amendment is that of speech. In America we can talk freely without Government spies recording our words, or without fear that our neighbors are undercover fascist police who will turn us onto the mercy of the Third Reich. Nobody can dictate my choice of words, whether for this speech, or any other I might give.

So, we all agree that America has privileges not bestowed upon other countries, so you might ask, "Why can't they all be like us?" Many were, at one point. They lost their freedom, though, as a child loses his privilege to eat cookies when he becomes ill from them. You see, they abused their rights, and when a government is on the verge of collapse, it turns to communism, where the government spends every one's money, because its people were not doing it well enough for themselves. It works up to a point, but that kind of extreme control leads to a society void of individual, creative thinking that is so vital to a growing world. America has a unique government which is difficult to maintain due to lack of control. Therefore, it is up to the people to make it work. To do this, we need to use our freedoms wisely. Our freedom to vote decides the fate of our country, yet only just over half of the population use it, and even less on the state, county, and town levels. Another freedom frequently not taken advantage of is the freedom of speech, to take an active role in the government to make it what we want. Our country has drifted into a state of lethargic antipathy in which we criticize it for its faults, yet not do anything about them, which lowers the spirit causing depressions. We have lost the patriotism which we once had during the war, and even the American flag has lost the respect it deserves. No longer is the Pledge of Allegiance said daily, or the flag displayed in most classrooms. I think that the degenerating Statue of Liberty symbolizes the degenerating faith and pride we once had, and must retrieve to insure the country's well being.

The difference then, must come from the people, so rather then ask what more your country can do for you, ask what you can do for your country. We have an exceptional system, that, like most things, is not faultless, but is ever changing. We have power over the changes that occur, and we must use our freedom of choice to its benefit, not its downfall. Part of the change is simply realizing, why is America the land of opportunity? It is very difficult for an American to come up with an appropriate answer, and that is sad. We know we are free, but exactly what are we free to do? Once we understand the benefits of living here, we can appreciate them, and utilize what this country has to offer. It is our responsibility, as a whole, to make our country work, through changing our attitudes and displaying interest and pride, to show that freedom of the people produces a working, effective government.

The freedoms our government has given us are costly to it. By granting us free enterprise, it has produced an enormous debt. By not controlling all money, the rich and poor classes are separating. Why is this your problem? Because you are America! You are the government, and you have the power to make the decisions that change it, for better or for worse. Our freedom of choice that we value so much can be used both ways. We can choose to ignore the elderly, the poor, the homeless, and the needy, and pretend it is our government's responsibility to protect them, or we can do something about the problems which threaten the stability of America. The people are what makes our country great, and if we honor and respect the land we live in, keeping our country united and strong, America will continue to be the leader of the world. We have a good thing going here, and realizing it is the first step to rekindling the flame of patriotism. Remember, dandelions only flourish where lawns are not tended. Because this is America we together, have the ability, through our power of choice, to keep America, the land of opportunity.

RESOLVING THE BUDGET CRISIS

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PANETTA. Mr. Speaker, this week Congress faces what probably will be its last opportunity this year to resolve the budget crisis. We are now 2½ months past the May 15 deadline for passage of a budget. While the House and Senate have adopted separate resolutions, the conference has failed to find the essential ingredients for compromise. Part of the problem lies with the White House, which has provided little if any leadership over the past few months. Part of the problem lies with partisan posturing on Capitol Hill. But the bottom line is clear to all Americans—Washington is failing to deal with the most severe deficit crisis that has ever faced this Nation. At a time when the budget process should be at its strongest, it is being undermined by confusion, contradiction, and double talk.

Five appropriation bills have been passed in the House without a conference agreement to enforce targets. The Ways and Means Committee, to its credit, has completed action on a reconciliation bill making some of the savings assumed in the House-passed budget resolution. But there is no guarantee that the rest of reconciliation will be implemented. The House has had to resort to adopting a resolution making its own budget resolution the conference report for purposes of enforcement. In short, the budget process is surviving, but it is full of holes, it is taking on water, and it is threatening to sink completely unless we end this ad hoc approach to budgeting and fulfill our duties under the Budget Act.

Actually the procedural difficulties are only half of the problem. GNP growth has fallen dramatically from projected levels, threatening to add to this year's budget deficit, which, in turn, will increase next year's interest payments on the debt. Furthermore, a weak economy this year puts in question the optimistic growth estimates of next year, which could mean even higher deficits still in fiscal year 1986. Even worse, many are still predicting a recession in 1986 or 1987, which means deficits could top $300 billion a year by the end of the decade.

Yes, our appropriation bills have been frozen at prior year levels, but a simple freeze of discretionary spending is not, unfortunately, a solution for $200 billion deficits. It is better than nothing, but it is not nearly enough.

With the August recess a few days away, we appear to be in a game of budget musical chairs, where the goal is to make the last offer with the biggest numbers before the Congress leaves town at the end of the week. Whichever political party is left without a chair to sit in when the music stops will, according to the strategists, lose the deficit public relations battle.

But this is not a game that will be won by public relations—by 30-second TV spots showing scenes of morning in America, or afternoon in America or early evening in America. It will not be won by catchy slogans or fancy buzzwords. There will be no winners because this crisis is not a partisan crisis, it is a national crisis. The failure to deal with $200 billion deficits will be a plague on the houses of both Democrats and Republicans. A nation in recession could care less about the details of partisan bickering. They surely will remember the failure of both executive and legislative branches to act when action was essential.

But the game goes on. The House offer is denounced by the Senate. The Senate offer is undermined by the President. Now the talk is that the House should not even consider the Senate offer seriously since it has been rejected by the President. The strategy is simple: With the President not supporting the Senate plan, especially the call for a delay on the Social Security COLA and the oil-import fee, the House can ignore the Senate offer and blame the President for the failure of Congress to reach agreement on a budget. It is all like a sad version of Abbott and Costello's "who's on first" routine.

Frankly, to some this sort of strategy might make sense in the marbled hallways of the U.S. Capitol. It might even make brilliant short-term political sense. But outside Washington, DC it looks like another dodge to avoid resolving a critical problem. This approach places the goals of making the Senate look bad or the President look inconsistent above the very solemn responsibility we have to deal with the

greatest crisis facing this Nation: the deficit crisis.

Most would agree that President Reagan has failed to provide strong leadership in the budget area. Instead of using his election mandate to build the essential coalition needed to make hard decisions on the budget, he plays business as usual. But Congress cannot let a President's failure weaken our resolve to attack these yearly deficits of $200 billion and more. As the Speaker has said "two wrongs don't made a right." Two weak branches of government failing to grapple with the greatest economic issue of our day can cause devastating economic damage in the future.

The Senate is not perfect, but at least, after months of budget hide and seek, we have on the bargaining table all the key ingredients for real deficit reduction: defense, entitlements, and taxes. Anyone who has looked at the Federal budget for 5 minutes can tell you that these areas have to be addressed in any realistic deficit reduction package. The Senate has finally acknowledged what the most basic arithmetic tells you, and now it is up to the House to respond with an offer which includes these essential components of deficit reduction. With a little more work, some bold action and some political courage, we can have a deficit reduction package with some real teeth in it by the end of the week regardless of where the President stands.

The ball is really in Congress' court now—clear thinking tells us we are not going to get much political mileage out of trying to unload the deficit crisis onto the shoulders of a lameduck President who is recovering from surgery, who is enormously popular with the American people and who genuinely does not give two hoots about budget deficits. Failure to join with the Senate this week to develop an ambitious deficit reduction package will not be forgiven by the American people no matter how much House Democrats and Senate Republicans point their fingers at the President or House Republicans point their fingers at the Senate leadership.

The better strategy is to agree on deficit reductions through cuts in defense, entitlements, and revenue increases in a budget resolution, enforce those reductions through the reconciliation process and budget scorekeeping system, and then let the President deal with the political fallout if he chooses to veto any part of a true deficit reduction package.

The American people are smart enough in that situation to judge who will be responsible for failing to deal with the deficit. But to stop now and do only a patchwork budget resolution is to capitulate to the pollyannas in and out of the White House who refuse to acknowledge the economic threat deficits pose for the Nation.

We are in one of those situations where, as Benjamin Franklin said, "We must all hang together, or assuredly we shall all hang separately." We can play games this week, worry over our press clippings that tell us whether we are winning the public relations battle and hope that there is a chair left when the deficit music stops, or we can find common ground with the Senate, agree on a budget resolution that contains $60 or $70 billion in deficit reductions for the next fiscal year, come back in September and implement the budget through appropriation bills and reconciliation. We will not regret rising above the demands of politics for this one effort at dealing with a crisis—there are still plenty of other games to be played and issues to distinguish our two great political parties by. But this is not one of them. Our reward for tough action will be a manageable deficit, a strengthened foundation for economic growth and the knowledge that we can turn to more positive debates over the future priorities of this Nation. Let us resolve this crisis now.

AMERICA'S STEEL INDUSTRY NEEDS OUR HELP TO HELP ITSELF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GAYDOS] is recognized for 5 minutes.

Mr. GAYDOS. Mr. Speaker, in the years that many of us have been urging action to reduce the impact of imports on America's steel industry, our opponents claim that the steel industry itself is responsible for its inability to compete, having failed to control its costs and having failed to introduce the new technology into its mills.

Last year, as we all know, when Congress passed the Steel Stabilization Act as part of the omnibus trade package, it included provisions that the steel industry reinvest the earnings anticipated from the results of the steel limitation agreements to be signed into their steel operations.

I do not argue with that provision. It is an important one because it will ensure a commitment to steelmaking by those steel producers.

What I do say, though, is that the steel industry, despite a contrary belief, has been and is making a determined effort to seek new technological advances that will enable it to stay competitive with foreign steelmakers.

There is a lot of effort going on by the steel industry, in some cases with the help of government and in some with no such assistance, to develop these new techniques and systems that will put the American steel industry in the forefront once again.

I recently received a copy of testimony offered by Dr. David Cantor, a specialist in economics and, more specifically, the steel industry, with the Congressional Research Service, at a field hearing in Youngstown, OH, by the Subcommittee on Investigations and Oversight of the Committee on Science and Technology on the topic of "Modernization in the American Steel Industry."

This is a most critical area because, as Dr. Cantor's examination of the data shows, the steel industry is and has been making a serious effort in this regard.

I commend my colleagues, Mr. VOLKMER of Missouri, chairman of the subcommittee, and Mr. TRAFICANT of Ohio, who suggested the hearing. I hope that they will share with other Members of this body the knowledge and insights they have gained.

But, because I feel Dr. Cantor's comments are most important as a means of showing all of you what the American steel industry is doing and trying to do, I have received permission to include his testimony as a part of my commentary today.

The testimony by Dr. Cantor includes some historical background which helps understand how the steel industry developed after the end of World War II and why it is where it is today.

He also discusses the role and impact of the "minimills," the problems those companies are having as they go through growing pains of age, expansion, and increasing competition from outside as well as from within the industry.

I urge every Member of the House, regardless of how familiar you are with the steel industry and its various facets, to read Dr. Cantor's testimony. I believe it will encourage many of you to rethink your attitudes toward actions considered vitally necessary to keep the American steel industry as an integral part of America's economic structure.

But, at the same time as we applaud the industry for making its effort for renewal, we cannot ignore the impact of imports on the American steel market and the companies that are trying to survive.

The problem is not going away, while the voluntary restraint agreements being signed by the Special Trade Representative's Office are seemingly providing some relief, the overall problem may just be too overwhelming for those kinds of actions.

For example, last year, more than 60 nations around the world shipped more than 26 million tons of steel to the United States, capturing nearly 27 percent of the American steel market.

For the first 5 months of this year, January through May, foreign steelmakers exported nearly 11 million

tons to the United States, holding just over a 25-percent share of the domestic steel market.

The point of all this is that, so far, the voluntary restraint agreements are having little impact on steel imports. While it is true that the imported steel share of the domestic market has shrunk each month since January, the decreases are so small as to be almost negligible at this time.

And, in fact, if we compare the first 5 months of 1985 with the same period of 1984, we will find that foreign manufacturers have reduced their steel shipments to the United States by a mere 18,000 tons, a decrease of one-half of 1 percent. That, Mr. Speaker, is hardly enough to be raving about, especially after the way the package on the voluntary agreements was sold to members of the Congressional Steel Caucus.

And now, let me share with you the latest figures on steel imports that became available just this afternoon, some of which raise serious questions about the voluntary agreements that this administration has been bragging about.

For the month of June 1985, steel exporting nations shipped 2.3 million tons to the United States, the highest monthly level since January's 2.6 million tons.

More importantly, for the first 6 months of this year, steel imports total 12.9 million tons, 500 tons more than was imported for the first 6 months of 1984.

Thus, the import penetration levels for the month of June and the first 6 months of this year—27.9 percent and 26.2 percent, respectively—are well above the levels for the same time periods in 1984.

More serious to the economy and the well-being of the American steel industry, domestic steel mill shipments in June dropped more than 300,000 tons, from 6.5 million tons shipped in May to 6.2 million tons in June.

This means that less steelmaking capacity is being used resulting in the need for fewer workers and less raw material. In toto, it is just another sign that the directions being taken by this administration with regard to the steel industry in particular and to the national economy in general are not working.

Quite frankly, I am amazed when I look at the list of nations that export steel to the United States. If those countries felt it was important for their national pride or their economic base to have some steelmaking capability to meet their internal needs, then I have no quarrel.

But, if they developed or increased their steelmaking facilities in order to earn international dollars by selling their steel on the open market—and by that you all will understand that I mean the United States—then I am more than just a little concerned.

After all, was it really necessary for Ecuador to ship 15 tons of steel to the United States? Or for the United States to take 577 tons from Hong Kong or 8 tons from Fiji or 20 tons from Libya?

We won't even talk about the 3 million tons from Canada, the 1.4 million tons from Brazil, the 2.5 million tons from West Germany, the 1.1 million tons from France, the 1.3 million tons from Spain, the 6.6 million tons from Japan, and the 2.2 million tons from South Korea.

With the exception of Libya, at least all of those countries are reasonably aligned with the United States in international affairs.

But, do we have to give up American jobs to support steel industries in nations that are announced enemies of ours? Is there any sound reason for the United States to allow East Germany to export 273,000 tons of steel to us? Poland, in 1984, exported 132,000 tons of steel to the United States; Romania, 272,000 tons; Czechoslovakia, nearly 63,000 tons; and Hungary, 40,000 tons.

I just don't understand it. I know we're supposed to be showing those Communist countries that capitalism works, but is it right for us to accept 780,000 tons from those countries at a cost of our own production and jobs for our own citizens?

Aren't we just shoring up governments diametrically opposed to what we as a nation stand for?

Between 1975 and 1984, employment in the steel industry dropped from 457,000 to 236,000. In 1984, alone, some 7,000 jobs were lost.

And the prospects for 1985 and 1986 aren't any better. In fact, we already know that a number of jobs are going to be eliminated over the next 18 to 24 months. LTV Steel is planning to close one facility that will eliminate 1,300 jobs. And other closings or rollbacks have been announced by other steel companies.

Is it any wonder that those of us from the steel-producing areas of this country are upset and concerned about the directions in which we are going?

The most obvious question, of course, is: What do we do? The Congressional Steel Caucus, you can be assured, is watching the developments of the voluntary restraint agreements very closely. We, with a great deal of reluctance, are prepared to give them time to work.

I can tell you, though, should it appear that the situation is not improving, we will consider more stringent action.

I, personally, am not afraid of being called a protectionist, as I told this body last week. Quite frankly, I put the well-being and survival of American workers and American industry first on my list of important items.

We are waiting to see what happens, just as the steel industry is waiting. But both the Steel Caucus and the steel industry are not standing idly by. The industry is making the effort to change and, thereby, to regain some measures of competitiveness with steel-exporting nations. And, therefore, it is incumbent on us, the Congress, and this administration to provide a climate in which the industry can have some assurance of success.

HEARINGS ON "NEW TECHNOLOGY AND THE FUTURE OF STEEL"

Mr. Chairman and Members of the Committee:

My name in David Cantor. I am a Specialist in Industry Economics in the Economics Division of the Congressional Research Service. I appreciate very much your invitation to participate in these hearings, and the opportunity to share with you the results of my analysis of the steel industry.

Many claims are made, Mr. Chairman, that the current difficulties facing the steel industry are grounded in managment decisions of the past. We hear that the industry overbuilt capacity. We are told that the industry took advantage of its market power and was slow to innovate and modernize. The industry itself tells us that it erred in allowing costs to rise in an almost unbridled way. No longer is the industry dominated by a small group of integrated producers that enables it to dictate price and quantity in the steel market. It now includes a new breed of steel-makers, the "minimills", that have become a significant force for competition in the declining or at best stagnant steel market. They and foreign steel producers that sought oveseas markets for themselves, have created a highly competitive market environment. Thus, the integrated segment of our industry, which was virtually the only supplier in the U.S. steel market in the past, is unable to utilize its capacity efficiently and profitably. More important, perhaps, the industry finds itself hard pressed financially to undertake those efforts that could conceivably shore up its ability to meet its competition head-on and with reasonable prospects for success.

My research and analysis of developments in the steel industry suggest to me that the fundamental problem of the industry is the adjustment to changes that have occurred in the U.S. steel market. While, in the past, we economists would characterize the structure of the steel market as an oligopoly—a market where only a few sellers supply the product, today, the steel market is highly competitive. Thus, while management decisions relating to price and investment could be made largely independent of the combined market forces of supply and demand in the past, today they are driven by those market forces.

I would suggest, also, that, even in the past, when the industry faced relatively little competition from abroad, from competing materials, and from new entrants into the industry, America's steel industry was to a degree an innovator in developing and implementing new and more efficient processes to make steel. It could innovate, funding its investment from revenues generated in the oligopolistic market that it dominated. In the present market environment of competition, it continues to be an innova-

tor in adopting new technologies for steelmaking. Thus, while the evidence may support the thesis that the steel industry has not simply sat back and allowed itself to fall behind with respect to technical innovation, the questions today are the adequacy of its efforts in the past, and its ability to make the additional investments necessary to survive—the minimal goal of any seller even in the theoretically ideal, purely competitive market.

THE POST-WORLD WAR II PERIOD TO 1980

Mr. Chairman, strong claims are made that management decision of the past may be responsible for the steel industry's dilemmas of today. In particular, let me address the question of overcapacity. If the steel industry overbuilt its capacity in the years and decades following World War II, those decisions resulted in part from federal government policy. Analysts—both those regarded as critics of the industry (Donald Barnett and Louis Schorsch, for example) and those viewed as sympathetic to it (Father William Hogan, for example)—agree on this point. President Truman proposed in his State of the Union Message of 1949: "(legislation) to authorize an immediate study of the adequacy of production facilities of materials in critically short supply, such as steel; and if found necessary, to authorize government loans for the expansion of production facilities to relieve such shortages, and furthermore to authorize the construction of such facilities directly if action by private industry fails to meet our needs."

The industry disagreed, contending that the outlook for steel demand did not justify expansion. History is on the side of the industry. In 1951, America's steel industry had about 105 million tons of capacity. Yielding to government pressure, it expanded capacity to about 136 million tons by 1960, at an annual rate of growth of about 2.9 percent. Virtually all of this added capacity was in the form of open-hearth furnaces, which replaced the obsolete Bessemer furnaces. In this same period, U.S. steel demand, while fluctuating in response to changes in the business cycle, actually declined at an annual rate of about −0.8 percent. Although excess capacity was created in the industry, the major steel producers did not hold down prices, which rose at an annual rate of nearly 6 percent.

Let me cite one more example of the effect of government policy on the expansion of steel-making capacity in the United States. In 1954, Bethlehem Steel Corporation attempted to acquire the facilities of Youngstown Sheet and Tube Company. Bethlehem wanted productive capacity in the midwest to serve the growing automotive and appliance markets. The Department of Justice opposed the acquisition on antitrust grounds, a decision that was upheld in the courts in 1958. As a result, and in order to penetrate the midwest steel markets, Bethlehem built in the early 1960s the first large "greenfield" plant constructed in the United States since 1952, its plant at Burns Harbor, Indiana. Let me note that, while government policy may have influenced the expansion of capacity in this case, the decision to build Burns Harbor brought with it one of the first large-scale installations of what has become the predominant steel-making process in the world today, the Basic Oxygen Process. Thus, government policy may have coincidentally contributed to technological innovation and modernization of America's steel industry.

Major expansion of steel-making capacity came to an end by 1960, because of lack of growth in demand and the absence of government pressure to expand steel-making capacity. In the 1960s, steel capacity grew by about 8 million tons, at an annual rate of about 0.6 percent. In this same period, demand grew at a rate of about 3.1 percent per annum. Prices continued to rise in this decade.

Then, we come to the 1970s. In the first half of this decade, there was a substantial net increase in total industry capacity to about 180 million tons. But there are several reasons for this. First, domestic steel demand was rising from about 100 millions tons in 1969-70 to over 120 millon tons in 1973. Second, we begin to detect the strong presence of the "minimills" into the market; these are the relatively small companies that produce steel from scrap metal in electric furnaces. More than two-thirds of the 12.5-million ton expansion of electric furnace capacity took place in the "minimill" segment of the industry from 1972 to 1975. Furthermore, from 1975 on, virtually all of the growth of electric furnace capability took place in the "minimills".

A third reason for the expansion of steel capacity in the first half of the 1970s is that the large integrated steel companies were engaged in the process of modernization. In particular, the integrated companies were ridding themselves of outmoded and obsolete capacity. Between 1972 and 1975, the industry closed down nearly 20 million tons of relatively inefficient open-hearth capacity.

While expansion of capacity reached its peak in the mid-1970s, it declined thereafter. For all intents and purposes, the capacity reduction of about 15 million tons in the last half of the 1970s was the result of the continuing process of modernization, namely the elimination of excess open-hearth capability, and the emergence of a declining trend in steel demand. Electric furnace capacity grew by about 5 million tons, mainly in the "minimill" segment of the industry. Basic Oxygen capability was constant at about 96 to 97 million tons. The most important development in the last half of the 1970s was the closing down of more than 20 million tons of inefficient open-hearth furnace capability.

The post-World War II era provides examples of modernization other than replacing the obsolete steel-making processes of the past—Bessemer and open-hearth. The integrated steel companies were active in this modernization process. In 1967, U.S. Steel Corporation commissioned the first continuous caster in the United States for its Gary, Indiana works. National Steel and McClouth Steel installed continuous casters in 1968 and 1969.

In the 1960s, America's steel industry was active in developing the process for the direct reduction of iron ore (DRI). Among these efforts were those of Armco, which built and operated a pilot plant in Kansas City, Missouri in 1966 and later, in 1972, a full-scale commercial plant in Houston, Texas. Two other DRI plants were built in the early 1970s: the Midland-Ross plant in Portland, Oregon and the Georgetown Steel plant in Georgetown, South Carolina. None of these DRI ventures proved to be economically viable, however, owing to the sharp increases in natural gas prices in the late 1970s; the DRI process used natural gas as a basic energy input. Be that as it may, these examples indicate that the U.S. steel industry was clearly experimenting with, developing, and implementing new productive processes in the decades gone by—although the extent to which it made technical progress may have been influenced by its market structure.

Before leaving the past, Mr. Chairman, it is important to point out that the oligopolistic structure of the steel market permitted the dominant firms in the industry to adopt pricing strategies other than those of the competitive market place. In particular, the claim is made that steel companies engaged in what economists label, "administered pricing". That is, price is determined by costs to which a percentage mark-up is added. This is the conclusion of Dr. Zoltan Acs in his recently published study of the steel industry. It is almost taken for granted by one of the industry's most prominent critics, Dr. Robert Crandall. Indeed, though this strategy is becoming increasingly difficult to implement in today's market, it has become the norm on which analysts base their analyses of the industry: for example, the Congressional Budget Office (CBO) estimated the price effects of a steel import quota using an equation in which input costs were explanatory variables. In a market where sellers can exert a significant influence on supply, an administered pricing strategy might be considered a prudent business decision. But when the structure of the market changes, this pricing strategy gives rise to the problem of not being able to compete on the basis of price.

This is why we hear one steel industry executive after another confess that they allowed costs to run rampant as recently as the early 1970s. Perhaps, they permitted costs to rise so sharply, because they did not recognize that the market structure was changing, and the industry did not recognize the need to adjust to these changes. In testimony before the Senate Judiciary Committee on July 1, 1983, David Roderick, the CEO of United States Steel Corporation, stated: "Clearly, during the 1970's, it (labor costs) ran amok. Incidentally, I am not, you know, banging the steelworkers for this. Keep in mind that we steel companies signed those contracts, so this is joint bargaining. We did this together. We did not do it very well, in my opinion. We got each other into trouble."

Dr. Acs indicates that demand was a minor factor in influencing price, and that costs of production—mainly, those of labor (which were negotiated with the United Steelworkers on an industry-wide basis)—were dominant in explaining steel price behavior. the point is that, in the past at least, the steel industry could accept higher costs of production, passing them through to buyers, because the structure of the market it served was an oligopoly, where competition from other sellers at home and abroad and from other materials was not a significant concern, and where price could rise above the point at which the market would clear.

THE STEEL MARKET TODAY

Mr. Chairman, if I were to use one phrase to describe the steel market today, it would be "adjustment to competition": competition for market share in a stagnant or declining market; competition with the "minimills"; competition with competing materials; and, competition with imports. This competition has been very tough on the integrated segment of the industry at least, although even the "minimills" are experiencing difficulty in the marketplace. Indeed, the Barnett-Schorsch study of the steel in-

dustry is aptly titled—Steel: Upheaval in a Basic Industry.

First, the market for steel is stagnant. For about the past decade, demand for steel has fluctuated around the 100 million ton level. U.S. steel demand reached a high point of nearly 117 million tons in 1978; its low point was about 76 million tons in 1982. In 1984, U.S. steel demand was about 98 million tons, and forecasts of future demand by Data Resources, Incorporated suggest that steel demand will be at levels of about 100 million tons through the rest of this decade.

Steel demand has not responded to economic growth. One reason for this is the emergence of substitute materials—especially, plastics and aluminum. Indeed, during the 1970s and into the 1980s, a significant drop occurred in the so-called steel intensity of the economy; that is, the ratio of steel input to real Gross National Product. My analysis of trends in steel intensity indicates that it fell by 22 percent in the 1970s, and by another 14-15 percent in the first half of this decade. The downsizing of cars and the increased use of lighter weight materials in cars and construction help to explain this structural shift away from steel. The only bright spot in this analysis is that the data imply that further declines in steel intensity are likely to be very modest. The point is that steel demand is not likely to rise significantly.

At the same time, we have significantly more sellers in this stagnant market. The large integrated companies clearly dominate in terms of capacity: according to data compiled by Acs, the seven largest companies have over 110 million tons of capacity, but there are also at least 60 "minimill" companies with expanding capacity. These "minimills" have been extremely successful in penetrating the market for structural products. In 1975, electric furnace output, a reasonable surrogate for "minimill" activity accounted for 20 percent of total U.S. steel production; by 1984, they accounted for about 35 percent of the nation's steel output. Their emergence as a force in the industry makes the steel market more competitive, effectively requiring the integrated companies to adjust to the changes in market structure.

Why are they so successful? One, they are small. They do not have to make the investments in blast furnaces and large steelmaking furnaces that the integrated companies must make. Two, they specialize at least for the present in a small range of products. They do not have to have different rolling mill complexes. Three, they are located close to their markets. Thus, their customers incur lower transportation costs than they would if they bought from larger but more distant mills. Four, many employ non-union labor. Thus, they avoid some of the high labor costs and work rules that the unionized integrated companies must operate under. Five, there is some evidence that they benefit from local government assistance: at least one of the most prominent "minimill" companies, Nucor, obtained a substantial amount of its financing through industrial revenue bonds.

But even the future of the "minimills" is debatable. A recent article in Iron Age, a respected trade journal, reported that the traditional market for "minimill" products may be saturated. The article quotes Kenneth Iverson, the CEO of Nucor, as saying: "In the past, the primary competition for minimills was foreign suppliers and integrated producers. Over the last three or four years, this has changed so that the primary competitors today are other minimills—and I expect that to continue into the future."

While praising their accomplishments, the American Iron and Steel Institute observed in its 1985 annual report: "But now, minimills face the problems of growing maturity. Their financial success is based on high volume sales at low per ton profit margins. But economic growth in some traditional minimill markets seems to be slowing, and as they try to move into higher value products, they find themselves competing for a larger share of still depressed markets."

Furthermore, the "minimills", being scrap-based, are likely to encounter significant problems of quality control, should they expand their product line into flat-rolled products. The uniformity of the quality of the raw material inputs is more important in the latter than in the structural and bar products that "minimills" now produce.

The integrated companies compete not only with other industries and the "minimills" for a share of the stagnant steel market, but also with foreign imports. In 1984, the United States imported steel from over 50 countries. Our steel imports represented over one-fourth of the domestic market. There is some indication that foreign steel companies—in Taiwan, for example—built new capacity to capture overseas markets. Even today, new steel mills are being built in third-world countries: Nigeria and Pakistan recently opened or are close to completion of their new steel mills; Venezuela is constructing a 4.8 million ton mill, which, according to a Forbes magazine article, will produce steel to earn foreign exchange. Despite our industry's efforts to modernize, the steel industries of most other countries are newer than our industry, embodying state-of-art technology. Labor costs overseas are a fraction of ours. Even with the import restraint expected as a result of the President's steel program, foreign producers could expect to hold 20 percent of our market.

The integrated steel industry has attempted to respond to the sluggish marketplace for steel and to the competition it faces at home and abroad. Father Hogan discusses the efforts of the major companies to adjust to the market in his book, Steel in the United States: Restructuring to Compete. I addressed the industry's efforts in my report, America's Steel Industry: Modernizing To Compete; with your permission, I submit this report for the record. Essentially, I found three elements to the steel industry's modernization efforts: (1) rationalization of existing capacity; (2) adoption of currently available state-of-art technology; and (3) research and development of new technologies for steel-making.

Clearly, in a smaller market, a critical element of modernization is the elimination of old and obsolete plant. We saw that the industry was engaged in this effort in the 1970s. Perhaps of greatest long-term promise, we observed that the integrated industry replaced some of its older outmoded capacity with more modern plant. Indeed, let me cite some of the data developed by Barnett and Schorsch on the age of steel plants in the United States and Japan; I think this data will put to rest the idea that our plant is "ancient" and, thus, unable to compete. On average, our steel-making furnaces are about 2 years older than those in Japan; our continuous casters are about the same age. Where we lag behind is in the product rolling mills: our mills are from 4 to 10 years older than those in Japan.

Our industry has moved forward vigorously to install state-of-art technologies, although not as aggressively as in other countries. From 1981 to 1983, we had a positive rate of growth of continuously cast output, while most other countries had negative growth rates. In this period, a period marked by severe recession, our steel industry constructed or commissioned more than 16 continuous casters. In 1984, nearly 40 percent of our steel output was continuously cast, nearly double the share in 1980; as a result, the industry is making headway in catching-up with foreign producers in the use of this technology.

Companies are planning to install new direct reduction processes using coal, thereby bypassing the coking and blast furnace operations. Wily Korf recently announced plans to install this process in his Wallingford, Connecticut plant. Weirton Steel, formerly part of National Steel, has similar plans, and is seeking funding from the Department of Energy to proceed with them.

Smaller, incremental changes in technology are being installed in steel-making operations. New ladle refining systems are in place in Armco's Ashland, Kentucky plant; U.S. Steel Corporation is installing such a system at its Fairfield, Alabama plant.

LTV Corporation is engaged in a joint venture with Sumitomo Corporation to install a state-of-art electrogalvanizing mill at its Cleveland works. Again, in spite of the stagnant market, we find continued evidence that the industry is installing or willing to install current state-of-art technology to enhance its ability to produce steel of high quality and in competition with imports.

The modernization effort does not stop here, however. The steel industry in collaboration with federal agencies is engaged in research and development efforts to find even more efficient ways to produce quality steel products. You know of the sensor research being undertaken at the National Bureau of Standards. This effort, if successful, would permit the industry to monitor more precisely the quality of the steel as it moves through the various stages of production: from molten metal to ingots to semi-finished shapes to final products. Similarly, U.S. Steel Corporation and Bethlehem Steel Corporation have joined together with the Department of Energy to develop processes for near net shape casting. This process, if successful, would permit the industry to produce slabs one-fourth the thickness of conventional slabs; these thinner slabs would require less processing than the conventional product, with the result of lower costs.

Thus, we see the industry responding to the forces of competition by utilizing its total plant more efficiently, implementing new processes, and looking forward to still newer developments in steelmaking technology. America's Steel Industry is indeed modernizing to compete.

PROSPECTS AND PROBLEMS IN THE FUTURE

Mr. Chairman, as I look back upon the recent and not-so-recent history of the steel industry, I am impressed by the fact that it has continually engaged in a modernization process. Up to the 1970s, it could undertake this effort in a more comfortable business environment: the "minimills", substitute materials, and competition from relatively more modern foreign industries were not major forces affecting it. But, as we know from the experience of just the past few years, all of these factors have created a

major change in the steel industry's business environment; they have thrust it into a highly competitive market.

To survive in this market, integrated steel companies must cut costs. They can do this by developing and installing new processes for making steel. They can do this by eliminating inefficient capacity, replacing it in whole or in part by more modern furnaces and rolling mills. They can attempt to reduce labor costs, and are likely to do so by negotiating work rule changes, lower hourly compensation costs, or both.

The issue is not that the industry will not adopt this strategy for survival in a competitive marketplace; I think it is fair to say that the industry has adopted this strategy. The issue is the adequacy of the effort—particularly in its modernization program. This issue is of interest to Congress, because, when Congress passed the Steel Import Stabilization Act as Title VIII of the Trade and Tariff Act of 1984 (P.L. 98-573), it conditioned any import relief on the industry's reinvestment of its cash flow from steel operations into those operations. Congress and the President were willing to restrict competition in the U.S. steel market for five years, but only if the industry was willing to undertake a modernization program that would enable it to become competitive on its own, one that its former market structure did not require of it.

Mr. Chairman, my analysis of the industry's investment pattern in relation to its cash flow a year ago indicated that the industry was already meeting the requirements of the current law. From 1979 to 1983, the industry invested about 3.5 billion dollars more in steel operations than it generated in cash flow from those operations; over these five years, it invested about 11.5 billion dollars in steel operations, while it generated from operating income and depreciation allowances, about 7.9 billion dollars. While I cannot predict the future investment behavior of the industry, I think it is fair to say that the industry is likely to meet the requirements of the law by investing its cash flow from steel in steel.

But even the industry would agree that the amount of investment necessary to become internationally competitive is far greater than its average annual investment of about 2.4 billion dollars in steel operations in the recent past. President Reagan's Steel Advisory Committee, which functioned from November 1983 to November 1984 with participants from industry, labor, and government, reported that the necessary amount of investment in steel would be in the range of 5 to 5.5 billion dollars per year. (I would note that the Committee's report represented a consensus of the views of its members.) The American Iron and Steel Institute claims that "the domestic steel industry, to maintain 95 million tons of shipments capability in the 1980's, needs to spend about $5.2 billion annually to insure adequate modernization of its facilities." Donald Trautlein, CEO of Bethlehem Steel Corporation, in his testimony before the Senate Finance Committee on June 13, 1985 on the President's tax reform proposal, stated that the industry would fall short of its desired investment goals by about 1.5 billion dollars. Thus, while there is every reason to believe that the steel industry will be in compliance with the law, there is also reason to believe that industry investment would be inadequate for it to become competitive in all markets.

Now, frankly, the industry's estimate of its investment requirements may be inflated. They assume a shipment level of 95 million tons, which implies either a massive surge in demand or virtually no imports. As I have already noted, the demand for steel in the forseeable future is projected by Data Resources, Incorporated to be aout 100 million tons per year. The only other possibility is for imports to drop to levels of 5 to 7 million tons, if domestic steel shipments are to rise to 95 million tons; this, too, is improbable. Even if the industry's estimate of capital requirements is too high, it is probably fair to say that they will need substantially more per year than they have invested in steel operations in the recent past.

The industry is likely to encounter great difficulty in raising this capital. Conventional borrowing means interest rates in the range of 13.5 to 16.5 percent today, a premium of from 2 to 5 percentage points above the rate paid by high quality long term borrowers. According to the recent Iron Age report on "minimills", even firms in this segment of the steel industry are experiencing difficulty in borrowing.

Indeed, if the steel industry could borrow substantially reduced rates of interest, not only would it be able to reduce capital charges, but also it would be better able to implement the results of the research and development efforts going on, and benefit from the lower costs derived from new technology. Consider the following optimistic scenario. I recently estimated that a 3.5 percentage point reduction in the interest rate paid by steel companies could lower costs by about 14 dollars per ton just owing to the change in the rate. In addition, if the companies borrowed to install a continuous caster, total costs of production could be reduced by still another 35 dollars per ton.

Among options for generating the capital the industry says it needs to modernize other than conventional borrowing in the capital markets, there is the possibility of more joint ventures with foreign investors. Note, if you will, the purchase of a 50-percent interest in National Steel by Japan's Nippon Kokan Steel Company. There are other examples as well. Nisshin Steel (Japan) has a 10-percent equity interest in Wheeling-Pittsburgh Steel Company. LTV Steel has a joint venture with Sumitomo Steel (Japan) at its electrogalvanizing plant in Cleveland. Kawasaki Steel (Japan) is providing some of the capital to refurbish the Fontana plant of California Steel Company. Canadian steel companies have invested heavily in some of our "minimill" companies: Chapparall and Raritan River Steel. Joint ventures with foreign steel companies emerge as a real possibility for generating capital.

Another option is to finance modernization by executing what amounts to lease-purchase agreements. Bethlehem Steel Corporation is doing just this in order to acquire its two continuous casters at Burns Harbor and Sparrows Point. The Austrian manufacturer of the casters, Voest-Alpine, will receive a payment per ton of steel produced by the casters at the two plants.

Obviously, government could provide some funding directly or indirectly to finance steel industry modernization. To some extent, it is already doing so. There are already various provisions built into our tax code that benefit the industry. The Department of Energy is involved in a collaborative effort with United States Steel Corporation and Bethlehem Steel Corporation to develop a near net shape casting process. The American Iron and Steel Institute and the National Bureau of Standards are jointly engaged in a research and development project to develop sensors to enhance quality control of steel-making. Your Committee authorized expenditures of, I believe, six million dollars by the Department of Energy for steel research, and additional funds for the National Bureau of Standards.

I emphasize these questions of financing modernization, Mr. Chairman, because, whatever the results of the efforts of the scientists and engineers in developing new technologies for steel-making, they translate into a more modern, efficient, and competitive steel industry only if they can be implemented. There is a major difference between technological innovation and economic innovation. In the former, new processes may be developed. In the latter, they must pass the tests of economic viability. Thus, in view of the stagnant outlook for steel demand, the existence of excess capacity in the industry today, and the considerable apprehension on the part of the industry regarding the effectiveness of the President's import restraint program, it would not be surprising if the industry implemented new processes with considerable caution.

Finally, Mr. Chairman, I address the question of the outlook for employment in the steel industry. Most analysts agree that modernization of the steel industry will not result in a resurgence of employment in the industry. For example, installation of a continuous caster to replace ingot-casting and the milling of ingots into semi-finished shapes would, according to the recent report of the National Academy of Engineering, reduce labor input per ton of steel by about 50 percent. Except that demand for domestic steel would rise, it is unlikely that persons on layoff or displaced owing to plant closings would be able to reclaim their jobs.

Let me share with you a report by my colleague at CRS, Linda LeGrande, that was commissioned by the Subcommittee on Science, Research, and Technology of the House Science and Technology Committee, and that they have authorized me to release to you. LeGrande finds that the level of steel industry employment over the next decade may not fall substantially from present levels. But, she also finds that the composition of the labor force in the steel industry will change significantly in the next ten years. The lower skilled personnel will give way to more skilled and educated workers. Thus, another implication of modernization is that the characteristics of the labor force are likely to be very different from today's steel workforce. Even if the employment were to stay at present levels, many of those currently employed would not be able to retain their jobs. Mr. Chairman, I submit for the record and consideration of this committee, the report by Linda LeGrande, Employment in the Steel Industry: The Shape of Change.

Mr. Chairman, in closing, I find the steel industry to be one that has demonstrated a willingness to modernize and to commit resources to that effort, and I would expect that to continue. That is, I think, most encouraging, because such an attitude is critical to its meeting the challenges of adjusting to a competitive marketplace. America's steel industry, in spite of foreign competition and overall sluggish or declining demand appears to be anything but a dying industry. But, Mr. Chairman, I am not deluded into thinking that the steel industry will emerge as it is today from its current struggle to become fully competitive at its present size. There is still much obsolete capacity in place. Grave doubts exist regard-

ing the ability of the industry to finance its modernization. I suppose that the outlook for the industry can best be expressed by an industry spokesman, Donald Trautlein, who closed his address to the American Iron and Steel Institute at its 1985 annual meeting with these words: ". . . we are taking significant steps forward—and we're determined to take more. A lot of good things are happening—and we are making progress. While our industry may be slimmer by 1990, it will also be a lost smarter, a lot stronger, and a lot more competitive."

□ 1920

THE 25TH MEETING OF THE U.S.-E.P. PARLIAMENTARY EXCHANGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. FASCELL] is recognized for 5 minutes.

● Mr. FASCELL. Mr. Speaker, the 25th meeting between Members of the House of Representatives and a delegation of the European Parliament was held at the U.S. Military Academy, West Point, NY, on June 21-24. The U.S. delegation was chaired by the gentleman from California [Mr. LANTOS] and cochaired by the gentleman from New York [Mr. GILMAN] and the gentleman from Florida [Mr. GIBBONS]. The European delegation was chaired by Pieter Dankert of the Netherlands, a past president of the European Parliament. I think it is noteworthy that another former president of the European Parliament, Mrs. Simone Veil, was also a member of the European delegation.

Mr. Speaker, U.S. relations with Western Europe are good, but our friendship is confronted with political-security questions and economic and commercial disputes which will greatly affect our future. The members of the European Community share our hope for a positive outcome in the Geneva negotiations. They are especially interested in how Western Europe's relationship with the United States will be affected by the strategic defense initiative. In the economic and commercial arena, the United States and the European Community must determine what they will do next to contain and solve the problems posed by international monetary issues and disturbing rise of protectionism.

The discussions which the U.S. delegation had with its European counterpart did much to widen our understanding of Europe's problems. The U.S. delegation encountered European concern about certain aspects of our security and economic policies, but it also found that the Europeans believe strongly in the importance of working together with the United States.

Mr. Speaker, this meeting occurred at a historic time for the European Community. The Community has accepted Spain and Portugal into its membership. When the next meeting with the European delegation occurs in January, the U.S. delegation will be able to welcome their colleagues from two more European democracies.

Mr. Speaker, a report of the 25th meeting is printed below. I strongly commend this report to the attention of my colleagues, who, I know, are very interested in the present state of relations between the United States and Western Europe.

CONGRESS OF THE UNITED STATES,
COMMITTEE ON FOREIGN AFFAIRS,
HOUSE OF REPRESENTATIVES,
Washington, DC, July 26, 1985.

Hon. DANTE B. FASCELL,
Chairman, Committee on Foreign Affairs, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: We respectfully submit our report on the 25th meeting between a delegation from the United States Congress and a delegation of the European Parliament held at the U.S. Military Academy, West Point from June 21-24, 1985. Representative Tom Lantos (D-Calif) chaired the U.S. Delegation; Representatives Benjamin A. Gilman (R-NY) and Sam Gibbons (D-Fla) were the co-chairmen. Other members of the U.S. delegation included Representatives Donald J. Pease (D-Ohio), Bill Frenzel (R-Minn), J.J. Pickle (D-Tex), Harry Reid (D-Nev), E. Thomas Coleman (R-Mo), Doug Bereuter (R-Neb), Mark D. Siljander (R-Mich), Alfred A. McCandless (R-Calif), Bill Lowery (R-Calif), Esteban Torres (D-Calif), Bill Richardson (D-NM), and Hamilton Fish, Jr. (R-NY). The European delegation was chaired by Mr. Pieter Dankert of the Netherlands, a past President of the European Parliament. Messrs. Vincenzo Giummarra of Italy and Rene Piquet of France served as co-chairmen.

This parliamentary meeting provided an opportunity for the delegations to discuss a number of issues affecting U.S.-EC relations. Some have been on the agenda at previous meetings, such as trade disputes and the General Agreement on Tariffs and Trade (GATT), agricultural trade and food aid, steel, trade relations with Japan, narcotics, visa reciprocity, and human rights. Other issues, such as the Strategic Defense Initiative (SDI) and NATO burdensharing, are relatively new, their presence reflecting in part a greater desire in the European Parliament to discuss security questions and to serve as a forum for the discussion of European ideas on East-West political-security issues. The agenda also included international terrorism, a subject which has been given dramatic immediacy with the hijacking of an American airliner at Athens airport on June 14 and the subsequent taking of hostages. Because of this incident, and others, such as the terrorist bombing in the Frankfurt air terminal, the two delegations approved a statement condemning international terrorism and recommending steps to stop it.

SECURITY ISSUES

Since the first of the year the dominant issue in U.S.-Western European security issues has been the Strategic Defense Initiative. With eight party groups from the European Parliament present, the U.S. delegation had a good opportunity to hear the spectrum of European opinion on SDI. For their European audience, the U.S. delegation sought to explain the future of the SDI within the Congress.

Representatives Tom Lantos and Doug Bereuter led much of the U.S. discussion on SDI. Representative Lantos pointed out that SDI related funding already existed in the Defense Department budget before President Reagan seized on the concept in March 1983 to promote a new strategic doctrine. Present debate, he explained, was confused by the Administration's use of two definitions of SDI; the President's relying on an impenetrable umbrella that would make nuclear weapons impotent, the other favoring a "point defense" of U.S. retaliatory capabilities. Representative Lantos warned against a quick dismissal of SDI's feasibility but added that the concept did raise questions about U.S.-European relations and the prospect of a conventional war in Europe. Representative Bereuter acknowledged several European concerns about SDI but explained that SDI was designed to enhance both U.S. and European security. Other members of the U.S. delegation observed that SDI had obtained authorized funding in both the House and the Senate and that, despite some reservations, the program appeared to be well-established in the Congress.

The European response varied from strong support of SDI to very critical opposition. The only general conclusion about European opinion was that most of the European delegation acknowledged the fact that SDI research would continue and that that, in itself, was acceptable. However, they expressed a number of reservations. Foremost were concerns about a decoupling of the United States from Europe, a destabilization of East-West relations and the strategic balance, and technological dominance of Western Europe by the United States. Several European delegates noted Congressional support for the SDI and urged the Congress to monitor its development very closely in order to weigh all of the implications of SDI. Another major European concern is the need to coordinate European research and development activities in SDI related technologies. Without such coordination, some of the Europeans expressed the fear that bilateral negotiations between the United States and each European participant in SDI would break down the spirit of community and cooperation among the members of the EC.

From SDI, the discussion of security issues shifted to that of NATO burdensharing. Although NATO itself is the framework for resolving differences in burdensharing, the presence of this issue on the agenda demonstrates the relationship between economic policies in Europe and NATO policies and the interest of several of the EC members in promoting a common European arms policy. Representative Harry Reid reviewed recent developments in burdensharing and concluded that the NATO allies in 1984 and 1985 had taken important steps towards improving NATO's posture. Representative Reid observed that in 1984 eight of the European allies met the 1978 guideline for an annual increase of 3 per cent in defense spending (after inflation). Also, the Allies agreed to improve certain storage facilities and munitions stocks, as well as to upgrade weapons systems vital for sutainment of NATO's conventional defense. The primary concern of the European delegation was whether the United States was willing to purchase more European manufactured equipment and weapons. Whether through the Western European Union, the European Community, or some other organ, most of the European delegation stressed the need for a common European policy to correct the 6:1 imbalance in defense procurement

between the United States and Western Europe. Also, of concern to several Europeans was the effect of protectionism on future weapons purchases from Europe.

ECONOMIC AND TRADE ISSUES

The discussion of these issues centered, in part, on the aftermath of the Bonn Economic Summint in May 1985, where President Francois Mitterrand had argued for simultaneous conferences on international monetary and trade issues. Many in both the U.S. and Europeans delegations agreed on the need for an international conference on monetary issues; although, suggested objectives for it varied. Representative Tom Coleman assigned much of America's present trade difficulties, including a $123 billion deficit in 1984 to the high dollar. But Representative Coleman also warned that the strong dollar was making it difficult for U.S. companies to compete at home, since high interest rates have made the U.S. an attractive field for foreign competitors and operations. He recommended reduction of the U.S. budget deficit, improvement of the investment climate within Europe, and greater cooperation among the Western economic powers as necessary steps to improve the international economic climate.

The European delegation agreed with much of what Representative Coleman said. However, several speakers advocated stronger state intervention in capital markets than preferred by most of the Americans. Also, the Europeans proposed establishment of specific margins to govern the adjustment of exchange rates—a recommendation the Reagan Administration has opposed. Some of the European members claimed that a more responsible policy on behalf of the United States would reduce the conditions which have contributed to greater Third World debt.

The trade discussion concentrated on a new multilateral trade round and the present and future status of the GATT. Representative Bill Frenzel frankly acknowledged that protectionist sentiment was mounting in the Congress and that there was mounting disillusionment with the GATT process. A new GATT round, Representative Frenzel observed, would not address some of the significant issues affecting international trade, such as export credit systems, relative tax burdens, or the relative value of monetary units. Without agreement on a definition of subsidies in a new round, the United States might establish a unilateral definition and implement policy as it sees necessary. In closing, Representative Frenzel agreed with other speakers on the urgent importance of addressing problems related to the international monetary system. Many of the European did not view the future of the GATT as pessimistically as Representative Frenzel and urged the United States to hold to the GATT system and avoid bilateral trade agreements. The Europeans were also disturbed by what they preceived as mounting protectionism in the United States—symbolized most recently to them on June 20 by the President's announcement of an increased tariff on pasta imports from the EC.

Both the United States and the European Community also experienced trade problems with Japan. Thus, both delegations briefly discussed their trade relationship with Japan. Representative Don Pease reviewed U.S. trade relations with Japan and assigned a sizeable share of the U.S. problem to the high dollar. However, while Japan may adhere to the formal rules of the world trade system with its low tariff levels, its informal or unwritten rules still cost U.S. exporters significant market losses. For example, Japan dominates the world market in semi-conductors because of the policies of its conglomerates which sell chips at a loss and then offset these losses with profits from other operations. Japanese practices in many areas of business are not subject to the GATT, Representative Pease noted, therefore, it has been hard to get them to reform. Representative Pease stated it was time for Japan to begin taking corrective measures, and he suggested that Prime Minister Nakasone's encouragement of more Japanese purchase of imports might signal an important beginning. The Europeans agreed with Representative Pease's observations about the problems posed by Japan's internal economic and business structures, pointing, in particular, to the difficulties caused by Japan's distribution system.

Representative Pease also made a presentation on the steel industry and U.S.-EC trade problems in steel. In his explanation of the Steel Import Stabilization Act of 1984, Representative Pease pointed out that the Act's limitation of foreign imports to 17 to 20.2 per cent of the U.S. market was accompanied by requirements that the U.S. steel industry move toward modernization and make a commitment to worker retraining. This latter concern about worker reeducation to avoid unemployment was also raised by Ms. Magdalene Hoff of the Federal Republic of Germany.

Another steel issue concerning the status of the 1982 U.S.-EC Arrangement which seeks to limit steel imports from the EC. Representative Pease hoped that the Community would accept the latest U.S. offer to resolve a dispute over pipe and tube steel imports, and he urged the Europeans to support negotiations on "consultation" products. This category of steel product was not formally included in the 1982 Arrangement; however, there was agreement that the two sides would consult if there had been a significant upsurge in these imports in the U.S. market. Although the Europeans did not respond specifically to these statements about the 1982 Steel Arrangement, they emphasized their commitment to settlement of outstanding issues with the United States through negotiations.

AGRICULTURE

Discussion of trade problems related to agriculture were influenced by two developments: The decision of the U.S. Department of Agriculture to provide $2 billion of Commodity Credit Corporation inventories as bonuses to U.S. exporters to compete in world markets in 1988, and the announcement by the President on June 20 to increase tariffs on pasta imported from the EC. The European delegates suggested the United States did not appreciate the degree of efforts already taken to reform the Common Agriculture Policy (CAP). Among the measures they mentioned were limited guarantee payments to producers, milk quotas, and an ongoing effort to get agreement on reduced cereal prices. The Europeans protested against the added tariff on pasta and the Department of Agriculture's bonuses for farm exporters. Concerning the latter, Mr. Mark Clinton of Ireland said it would bankrupt both U.S. and European farmers. The U.S. delegation responded that the Agriculture Department program was a statement of U.S. frustration with existing conditions. They also claimed the United States was more willing to negotiate on agricultural issues than the EC.

Also included in the discussion on agriculture was food and development assistance toward Africa. After reviewing the recent history and present state of U.S. and EC food policy toward Africa, Representative Doug Bereuter outlined steps which the European Community and the United States could take to improve their policies' effectiveness. For the EC, Representative Bereuter suggested that instead of paying to store and export its surpluses it should provide these surpluses as food aid and then pay its producers the difference between low world prices and higher EC prices. Both the U.S. and EC could work together to insure that food aid would not disrupt existing local food production and marketing. Also, both donors and recipients need to consult more regularly in order to coordinate food aid policy with reform and structural changes in the national economies. Lastly, there is a need for better project coordination among the donors. Taken all together, Representative Bereuter suggested that it was especially important to establish U.S.-EC coordination at the country level.

NARCOTICS, HUMAN RIGHTS, TERRORISM, AND VISA RECIPROCITY

Originally, these four topics were to be included in one working session, but the length of discussion on them and earlier subjects demanded that another session be added. Representative Benjamin A. Gilman opened the discussion with a review of necessary measures to combat drug trafficking and drug production. Representative Gilman referred to the size of the narcotics business in the U.S., $110 billion, to illustrate how great the problem has become on a global scale. Although one can find positive signs in the struggle against drug trafficking, such as recent measures by the Governments of Thailand and Colombia, Representative Gilman stated there "must be increased financial support from the international community for narcotics control programs." He urged the European legislators to join in efforts to create coordinated global and regional drug strategies against drug trafficking and to eradicate local drug production. Some of these endeavors would complement the United Nations consideration of a new convention against narcotics trafficking. Representative Gilman also encouraged the EC member nations to give more support to the United Nations Fund for Drug Abuse Control; at present, only three of the 10 EC members contribute to it. Mrs. Simone Veil of France agreed on the need to do more, and pointed out that the European Parliament had taken important steps by setting up a committee of inquiry on narcotics.

The issue of international terrorism had been on the agenda weeks before the hijacking of TWA Flight 847 in Athens and subsequent terrorist acts. Those events lent an urgency to the planned discussion. Because of the threat of international terrorism to democratic values, the two delegations agreed to the text of a joint statement condemning international terrorism and calling for government measures to combat it. The two delegations stated their belief that there should be a joint conference of competent public officials to examine this issue. The text of the joint statement follows:

The Members of the European Parliament Delegation and the Delegation of the U.S. House of Representatives regard international terrorism as one of the most serious threats to the fabric of civilization and its democratic values. The hijacking of TWA

Flight 847, the taking of hostages, the murder of Robert Stethem, and the airport bombing in Frankfurt are but the most recent examples of the terrorist threat that has profoundly affected our free societies.

Combating international terrorism requires multilateral action among the United States, the member nations of the European Community and other democratic and civilized societies. The European Parliament and the U.S. House of Representatives in their respective resolutions of 18 April and 20 June, 1985 condemned terrorism as a rejection of the fundamental values and rights of our societies and a threat to democracy and called for government measures to combat terrorist acts effectively. All nations, large and small, are equally threatened. To this end, the two delegations believe that a joint conference of competent public officials should be convened. Furthermore, joint and effective steps to assure safe and secure civil aviation are urgently required.

Our democracies certainly have the resources to destroy international terrorism. We must mobilize the political will to give this battle the highest priority it demands.

In the discussion of terrorism, Mr. Elmar Brok of the Federal Republic of Germany emphasized the need for a single definition of terrorism in order to oppose it more effectively. From the U.S. delegation, Representative Mark Siljander argued that much of the international terrorist movement could not operate without Soviet orchestration and that terrorism had become the present form of Soviet war against the West. Representative Siljander recommended a number of steps to fight the spread of terrorism: A better public understanding of its danger, improvement in Western intelligence-gathering capabilities; the use of military force when required; adoption of diplomatic and economic sanctions against its supporters, and non-negotiation with terrorist groups. The European delegation strongly shared Representative Siljander's concern about the growth of terrorism, but several questioned his argument that the Soviets bear primary responsibility for its orchestration.

Turning briefly to the issue of human rights, Representative Tom Lantos commented that the human rights situaton in the Soviet Union had deteriorated, even though the Soviets had signed the Helsinki Accords ten years ago. He urged his fellow parliamentarians to condemn equally violations of human rights by regimes on the political left or right and to be willing to go beyond symbolic protests. Human rights, Representative Lantos observed, cannot be the sole criterion in foreign policy, but it certainly should rank equally with commercial considerations in foreign policy. Representative Gilman concurred with these observations and underscored the importance of the Ottawa meeting of the Helsinki Commission in May-June 1985, which was the first time the Commission had devoted an entire meeting to human rights.

The last issue, visa reciprocity, involves the removal of the present U.S. requirement for visas for citizens of the EC countries entering the U.S. for business or pleasure. The European delegation explained that this policy creates a poor image of the United States in Europe, especially since there are no similar requirements for U.S. citizens visiting Western Europe. The U.S. delegation responded very sympathetically to the European position. Representative Alfred McCandless told the Europeans that Senator Alan Simpson had introduced a provision in his immigration bill in the current Congress which seeks to correct this problem; Simpson's language was similar to that which had been contained in the Simpson-Mazzoli bill of the 98th Congress which had not reached final passage. However, Representative McCandless pointed out the complications caused by the high rate of illegal immigration into the United States. He also noted that when the Department of State had considered a program to drop visa requirements for citizens from select countries others had protested and charged favoritism, thereby moving the State Department to drop its consideration.

CENTRAL AMERICA

The discussion of the present situation in Central America showed the variety of perspectives in the EC on this issue as well as the changes of outlook within the Congress over U.S. policy toward Nicaragua. Mr. Brok emphasized the successes he saw in the present situaton in El Salvador. President Duarte had implemented a land reform program, steps had been taken towards democratic reform, and the United States had supported Durate's efforts to open discussions with his opposition. In comparison, Nicaragua had become less democratic, the number of political prisoners had increased beyond that under President Somoza, and the visit of Daniel Ortega to Moscow had shown disturbing ties with the Soviet Union. Another European speaker, Mr. Ernest Glinne of Belgium, was less critical of Nicaragua and more critical of the policies of the United States. He opposed the economic sanctions on Nicaragua imposed by the United States and argued that the United States should give stronger support to the Contadora process. In order to decrease Nicaragua's dependence on the Soviet Union, Mr. Glinne advocated pursuit of a regional and energy program which would tie Nicaragua more to its neighbors. Mexico, for example, could replace the Soviet Union as a source for oil.

Responding for the U.S. delegation, Representatives Tom Coleman and Bill Richardson stressed that the U.S. outlook on Nicaragua had shifted because of Ortegas policies and recent visit to Moscow. Representative Coleman pointed out that the Carter Administration initially hd sought to aid the Sandinistas but had stopped because of humanitarian concerns—a lesson about the Sandinistas that seemed as important today as it was then. Representative Richardson concurred with these judgments about the costs of Ortega';s behavior and added that Nicaragua had misrepresented its intentions to the United States. He noted an increased consciousness among Democrats and Republicans of the importance of bipartisan foreign policy. This had been shown in both the House and Senate by earlier votes in June to support humanitarian funding for the "Contras", the guerrillas opposing the Sandinista regime.

The examination of U.S. and EC policies toward Central America ended three days of very productive discussion. For the U.S. delegation, this meeting provided an excellent opportunity to obtain an understanding of European thinking on most of the political, economic, and commercial issues affecting our relationship. Even though disagreement sometimes appeared over issues like SDI or select commercial matters, what impressed both delegations was the mounting importance of working together to solve problems affecting the United States and the European Community. Nothing demonstrated this mutual concern more than the agreement on a joint statement on international terrorism. The next meeting with the European Parliament will be in January, and we are looking forward to continuing our discussions then.

Sincerely,

TOM LANTOS,
Chairman.
SAM GIBBONS,
Cochairman.
BENJAMIN A. GILMAN,
Cochairman.●

ENHANCING LOW POWER TV OPPORTUNITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia [Mr. BOUCHER] is recognized for 5 minutes.

● Mr. BOUCHER. Mr. Speaker, I am pleased to join with my colleague the gentleman from Wisconsin BOB KASTENMEIER, chairman of the Judiciary Committee's Subcommittee on Courts, Civil Liberties and the Administration of Justice, in introducing legislation which frees an emerging new communications service—low power television—from an unanticipated burden imposed upon it by the Copyright Act.

Our bill is a technical amendment, acceptable to all interested parties, which safeguards the interests both of copyright owners and users. It opens the door to enhanced competition in the communications marketplace and provides increased local television service for Americans living in rural communities.

The legislation establishes a clear definition of something previously undefined: the local service area of a low power television or [LPTV] station.

LPTV stations are small-scale TV stations now being licensed by the Federal Communications Commission to provide local broadcast TV service to communities which are frequently overlooked or underserved by existing, regular TV stations.

The definition of a television stations "local service area" contained in the Copyright Act of 1976 does not apply to LPTV stations. This oversight has had an unanticipated, but devastating affect on LPTV which has developed subsequent to passage of the act.

As a result, local cable television systems must consider a local LPTV signal a "distant" signal for copyright purposes even if the LPTV station is located across the street and despite the fact that the LPTV station has already paid the licensing rights for programming in the local market area. This anomaly has had a chilling affect on the expansion of LPTV stations.

Our bill resolves the problem. A cable system which wishes to carry the local LPTV station would not be required to pay "distant signal" copyright rates for the local signal.

If passed, this bill will make it possible for literally thousands of new

LPTV stations to begin local TV broadcasting. Small communities which cannot support a conventional TV station would be able to enjoy what residents of large urban markets have had for years—TV coverage of local news, high school and community college sports, parades and local religious services; in short, TV programming which reflects diversity and local values.

Communities throughout southwest Virginia would benefit greatly from LPTV service. Industry experts inform me that Blacksburg, Christiansburg, and Radford are among the markets likely to have local broadcast television service from LPTV within the next 2 years. Additional stations are possible in Tazewell County and elsewhere. Indeed, any community which in the past has been large enough to support a radio station could support a local LPTV station as well.

In short, I believe that our bill accomplishes a great deal of good without interfering with the interests of other parties in the copyright and communications area.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. PEPPER] is recognized for 5 minutes.

● Mr. PEPPER. Mr. Speaker, I was unavoidably absent during rollcall No. 265 on July 26, 1985. Had I been present, I would have voted in the following way:

Rollcall No 265, on passage of the Jacobs amendment, as amended by the Nelson Amendment, reducing the appropriations for office expenses of former Presidents under H.R. 3036, I would have voted "no".●

THE 17TH ANNIVERSARY OF INVASION OF CZECHOSLOVAKIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on August 21, the people of Czechoslovakia and Americans of Czechoslovakian descent will commemorate the 17th anniversary of the 1968 invasion of Czechoslovakia by the Soviet Union.

In 1968, on this Soviet Day of Shame, the Communists overran Czechoslovakia's borders with over 500,000 soldiers in a brutal attempt to crush the hopes and dreams of this peace-loving nation. This act once again demonstrated the Soviet Union's unwavering commitment to a policy of stopping any attempt by individuals to assert their inherent rights of freedom, liberty, and self-determination.

Today the Communists continue relentlessly in their oppression of those who wish to reestablish an independent Czechoslovakia; and we as Americans, the leaders of the free world, must persist in our support of those Czechoslovakians who are devoted to reestablishing a free homeland.

Charter 77, a courageous Czechoslovakian dissident group, has consistently forced the Communist leaders to account for their inhumane treatment of the Czechoslovakian people. Recently, the group marked its eighth year of existence as a voice of opposition to the Soviet-controlled government.

At this point in the RECORD, I would like to share with my colleagues an article that appeared in the March 22, 1985, edition of the Washington Post, which describes the latest activities of this brave group of Czechoslovakian dissidents. The article follows:

CZECHOSLOVAK RIGHTS GROUP PROVES TO BE SURVIVOR

(By Bradley Graham)

PRAGUE.—In the Soviet Bloc, where human rights groups tend to fall early victim to the repression they condemn, Czechoslovakia's Charter 77 is an example of survival against the odds.

Marking the eighth anniversary of its existence recently, Eastern Europe's oldest dissident group issued a lengthy restatement of principles and aims—in part to remind the world it still exists and in part to clarify for signatories what the movement stands for.

Charter 77's field of comment has broadened since its founding in 1977 in defense of human rights. In recent years, it has produced reports on such diverse topics as pollution, rock music and drugs. Its aim, say supporters, is to offer Czechoslovaks an alternative voice to that of their Communist government.

A lengthy appeal issued by the charter movement this month called for the dissolution of NATO and the Warsaw Pact and the creation of an association of "free and autonomous" European nations. "Perhaps such an ideal seems a dream," said the 17-page document. "Yet we are convinced that it represents the will of most Europeans."

Going up against one of the most stiff-backed regimes in the communist world has been a painful experience for many signers of the charter. A large number have been or are still being prosecuted, and often imprisoned, for participating in the movement.

Most of the signatories have endured a variety of forms of harassment, from loss of jobs to permanent police surveillance to exclusion of their children from universities.

On March 11, the day Mikhail Gorbachev came to power in the Soviet Union, police in Prague raided an apartment where 48 persons, many of them chartists, were viewing newsreels of the 1968 Soviet-led invasion of Czechoslovakia. All were detained, some for as long as two days, then released.

"We offered dialogue to the state at the beginning, without illusions of course," said Eva Kanturkova, a writer, signer of the charter manifesto and one of those present at the clandestine film showing. "But the only dialogue we've had has been with the state security service."

* * * * *

Charter 77 insists that it does not aim to be a mass movement. Supporters, known as signatories, number 1,200, and the group has been gaining only several dozen new ones per year.

"It is not an organization nor a basis for opposition activities," said an anniversary statement issued in January. "Charter 77 has no members, only signatories. It is not something one can join or leave, only sign.

"It does not intend to enunciate its own programs of political or societal changes or reforms. Its goal is the rehabilitation of people as the true subjects of history.

"What a person can gain [from signing] is the feeling of being liberated, the feeling of being true to himself, the feeling of being publicly responsible again, the feeling of having left the forum of general indifference and of not participating, with his silence, in matters that are evidently immoral."

Charter 77 is represented by three spokesmen who change from year to year. Their names are attached to the documents released irregularly in the group's name. The three used to be chosen to reflect the major factions—ex-Communists, Roman Catholics and noncommunist intellectuals. This year's all have leftist backgrounds.

Mr. Speaker, I join with Americans of Czechoslovakian descent throughout the 11th Congressional District of Illinois, which I am honored to represent, and our Nation, as they commemorate the 17th anniversary of the invasion of Czechoslovakia. May their hopes and prayers for a homeland free of Soviet domination soon be realized.●

HELSINKI'S 10TH ANNIVERSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. HOYER] is recognized for 60 minutes.

Mr. HOYER. Mr. Speaker, as the cochairman of the U.S. (Helsinki) Commission on Security and Cooperation in Europe, I rise today in commemoration of the Helsinki accord's 10th anniversary. On August 1, 1975, the leaders of 33 nations of Western and Eastern Europe, Canada, and the United States signed the Helsinki Final Act. Seen as the capstone of détente policy, the Final Act placed respect for fundamental human freedoms squarely within the East-West framework as a basic element of government-to-government relations. Through good faith observance of the Final Act's standards for responsible and humane international conduct, signatory states were to advance along the difficult road toward mutual trust and cooperation.

As President Ford said upon signing the accords in 1975:

History will judge this Conference not by what we say here today, but by what we do tomorrow—not by the promises we make, but by the promises we keep.

From the beginning, the West has acknowledged that full implementation of the Helsinki accords' human rights provisions realistically cannot be accomplished overnight but would necessarily be a long-term process.

On the eve of the 10th anniversary, it is getting that we pause a moment to reflect upon the Helsinki process.

The original critics of Helsinki and others who have been disillusioned in recent years by the lack of significant progress in human rights in certain signatory states raise serious questions about the credibility and utility of the Helsinki process. The U.S. (Helsinki) Commission welcomes public debate on these questions, for we believe that the Helsinki process addresses issues and ideas about which a concerned world public should not remain silent.

Generally speaking, in the 10 years since the Helsinki accords were signed, East bloc human rights behavior has registered on the bad to worse end of the scale.

Rare improvements in human rights conduct have been largely grudging, dilatory, cosmetic, and calculated to serve other than humanitarian interests, generally signifying only temporary movement from the bad to the less bad. At once a characteristic and a major cause of the deterioration of East-West relations, East bloc human rights conditions have taken a quantitative as well as a qualitative turn for the worse.

The Soviet human rights record showed marginal improvement from 1975 through 1979. Despite many arrests, Soviet dissidents were active and effective. Ten unofficial Helsinki groups sprang up in the U.S.S.R. Soviet citizens could listen to Western short-wave radio broadcasts. Soviet Jewish emigration reached the record high level of over 50,000 in 1979. The Kremlin, bouyed by detente, adopted a somewhat more tolerant stance toward limited dissent.

In 1980, the Kremlin embarked on a harsh new law-and-order campaign—KGB style. Several foreign policy factors led to the demise of detente: Western anger over the Soviet invasion of Afghanistan; the European decision to deploy American Pershing missiles; and the rise of Polish Solidarity. Soviet domestic realities, such a Kremlin leadership instability and declining Soviet standards of living, were equally compelling. Perhaps most important, however, dissidents represented more areas of the U.S.S.R. and more diverse social backgrounds—and the West was hearing about them.

After 1980, arrests of Soviet dissidents tripled to nearly 240 per year; criminal charges against them grew vaguer and sentences grew longer; repressive new laws were passed. Conditions of imprisonment for about 10,000 Soviet political prisoners worsened. In January 1980, Nobel Laureate Andrei Sakharov was summarily banished to Gorky. Today, the Sakahrovs have disappeared.

The Kremlin also tried to cut the Soviet people off from the West. Jewish, German, and Armenian annual emigration rates fell to under 1,000 per group. Laws were passed to discourage contacts with foreigners. Soviet jamming of Western radio broadcasts was resumed in the wake of Polish Solidarity. Direct-dial telephone calls, introduced as a come-on for the Olympic games, were canceled. A KGB campaign tried to cut the flow to the West of unofficial news about Soviet society.

Today, this repressive human rights policy is still very much in place. Establishing Soviet economy efficiency is clearly the first priority of the new Soviet leader Mikhail Gorbachev.

The lack of significant progress in the area of human rights such as we find in the Soviet Union is not and should not be viewed as testimony on the credibility and utility of the CSCE process. This process has legitimized human rights as a matter of diplomatic discourse among nations and has placed it on the agenda of our allies. The CSCE process has become an important instrument of diplomacy for the United States and for the other Western democracies. This instrument, applied in a determined, concerted, and compassionate manner over time has yielded and will continue to yield positive results.

In East-West diplomacy, the Helsinki process has become the vehicle by which concerns in humanitarian, military, political, social, cultural, and other fields routinely are conveyed through bilateral and multilateral channels. Bilaterally, the Helsinki umbrella has afforded to the smaller Eastern bloc countries continued greater latitude in establishing relationships with Western nations independently of the Soviet Union.

The multilateral Helsinki approach to problems has served to increase Western leverage by compounding the political cost to the Eastern governments of human rights violations, while increasing their incentive to correct them. Helsinki's European focus, unlike diffuse U.N. discussions, ensures that debate remains centered on an area where Western ideas fall on familiar and fertile soil.

The Soviets have proven adept at marketing its social and political system as a model for other States. Helsinki has provided a unique forum in which the United States and its allies can reveal publicly the grim, brutal reality behind the Soviet facade. These debates are significant in helping to form opinion within Europe. The CSCE process has become a continuing framework for the consideration of a broad range of East-West issues and keeps the door open to the possibility of concrete progress.

Then there is the individual. By signing the Helsinki accords, the Western democracies in essence pledged to keep faith with the persecuted in the East. It is telling to recall that the West failed to anticipate the impact that the human rights provision of the Helsinki accords would have on Eastern bloc citizens. Western human rights advocates and politicians were not the first to act upon the accords as a means to expose human rights violations in the East. East bloc citizens seized upon the Helsinki provisions as a program for human rights advocacy.

Five Soviet Helsinki monitoring groups were established in Moscow, Ukraine, Lithuania, Georgia, and Armenia as were similarly inspired organizations such as Charter '77 in Czechoslovakia and the Workers' Defense Committee [KOR] in Poland. It was the repressive regime's response to these monitors, who had openly appealed to all Helsinki signatory governments and world public opinion for support, that finally stirred the West into action. Despite continued repression, Helsinki monitors in the Soviet Union and Eastern Europe persevere in their perilous and selfless work to this day.

In eloquent gestures of solidarity, arrested Soviet human rights activities have symbolically joined Helsinki monitoring groups from their places of confinement in labor camps or jails. Less than 1 week ago, Charter '77 issued a statement in commemoration of the 10th anniversary. It is a statement of hope, of urging not to give up and of reaffirmation of the ideals of the Final Act. For these courageous men and women, the Helsinki process remains a source of inspiration and of hope. It is also a lifeline, however thin a thread. It is not for us to sever that thread.

Mr. Speaker, 10 short years ago, the Helsinki Final Act helped to usher in a new era in international relations based on the precept that a states' humane treatment of its citizens is as significant as respect for a neighbors' frontiers or willingness to settle disputes peacefully. Because of Helsinki, Western governments now take it for granted that it is their right and responsiblity to speak out when human rights violations occur in another participating state.

At this moment Secretary of State Shultz accompanied by representatives of the Commission on Security and Cooperation in Europe meets with representatives of the other signatory nations to commemorate the 10th anniversary. It is a solemn moment, a time for reckoning for coming to terms with our hopes and with our expectations. The foundation of the Helsinki process was painstakingly built in Geneva. It has developed slowly and has suffered setbacks. Frustration is great and justified. But we should not lose sight of our ultimate aim, perhaps put most eloquently by physicist Yuri Orlov, founder of the Moscow Helsinki Group and a prisoner of conscience since 1977: "By our efforts, we in-

crease the probability that in the end we shall be successful."

□ 1930

Mr. Speaker, I am very pleased to yield to my distinguished colleague from the State of Texas [Mr. BUSTAMANTE].

Mr. BUSTAMANTE. Mr. Speaker, I thank my friend, the gentleman from Maryland, for yielding.

Mr. Speaker, I want to thank the members of the Helsinki Commission for organizing this special order on occasion of the 10th anniversary of the signing of the Helsinki Final Act.

After 10 years the Soviet and Eastern bloc records of compliance to many of the provisions of the Helsinki accords is dismal. The Soviet Union not only violated the Helsinki accords but also the U.N. Charter when it invaded Afghanistan, and it still violates these international conventions every day of its occupation of that country. The Soviet Union's record on human rights is no more encouraging. One needs just to look at the present situation of the intellectuals who formed the unofficial Helsinki group in Moscow to monitor Soviet human rights compliance. These intellectuals who took their government's signature unto the accords as a change in human rights policy, were sorely disappointed. The group was brutally disbanded, with many of its principals like Antoly Shcharansky, Yuri Orlov imprisoned in very harsh conditions, or sent in exile like Andrei Sakharov. The Soviets have meted out such harsh treatment to these dissidents, that they have changed the West's focus from human rights issues to concern about the lives and health of these human rights advocates.

Mr. Speaker, I want to turn my attention for a moment to the plight of Soviet Jewry. I concentrate on Soviet Jews for they form one of the largest Jewish communities in the world, and because they suffer badly from the neglect, nonobservance, and outright violation of their rights and freedoms, both as individuals and as a community.

While one of the basic rights guaranteed under the Helsinki accords is the right to leave and to facilitate family reunification, the Soviets have hampered emigration. This is demonstrated by the existence of thousands of refuseniks and the continuing drop in emigration. Not only do the Soviets block emigration but they engage in a concerted campaign of harassment of applicants for family reunion. Applicants lose their jobs and cannot find any work leading to impoverishment and the threat of a charge of parasitism. They are thrown out of universities and are deprived of academic standing. The government further isolates them by vilifying them in the media, by taking away their telephones, by constantly surveilling them, and through physical attacks on them.

The persecution does not end here. Jewish "activists", or more correctly, Jews who actively demand recognition of their rights to emigration, to pursue their culture and, to study the Hebrew language are subject to arrests, trials, and prison and labor camp sentences. Many are victims of brutal beatings.

Mr. Speaker, the state of affairs of these Jews has moved me to request from Mr. Gorbachev that such inhumane actions cease. I particularly conveyed my concern over the beatings of Yuli Edelshtein and Yosif Berenshtein and the recent conviction of Evegeny Aisenberg and the trial of Dan Shapira. With such a record before us, we may be led to ask what was the use of the Helsinki accords? It certainly did not change the functioning of the Soviet dictatorship. On the other hand, it has helped establish human rights as a legitimate issue of international concern.

Mr. Speaker, our Government should continue its efforts on behalf of Soviet Jews. To that effect, we should require the Soviets to comply with universally recognized human rights before we give them concessions on bilateral relations. When coupled with economic, or other incentives, the Helsinki Final Act will then achieve its role as an instrument for promoting human rights.

Mr. Speaker, I again thank my friend from Maryland for yielding. I wanted to express our concern and to join with the gentleman in this special order.

Mr. HOYER. I thank the gentleman from Texas for his eloquent statement, for his support not only on this special order, but on a daily basis for the cause of human rights both in this country and around the world.

● Mr. FASCELL. Mr. Speaker, August 1, 1985 will mark the 10th anniversary of the signing of the Final Act of the Conference on Security and Cooperation in Europe (CSCE), in Helsinki, Finland. At that time the heads of state of 33 European nations, the United States and Canada affixed their signatures to a unique document which obligated its signatories to implement a series of complementary provisions in many fields, including cooperation in the humanitarian, military-security, economic, scientific and cultural areas. This week the Foreign Ministers of the 35 signatory states are again gathered in Helsinki to commemorate the 10th anniversary of the process initiated in Helsinki and to give their assessment of the accomplishments and failures of this endeavor.

The 10 years of experience we have had with this important process, the CSCE or Helsinki process as it is called, has yielded mixed results. Unique among diplomatic documents in Europe, the Final Act established an on-going review mechanism to periodically review the implementation of its provisions. The first of these review conferences was held in Belgrade, Yugoslavia, from 1977–78, the second in Madrid, Spain, from 1980–83 and the third will take place in Vienna, Austria, beginning in October, 1986. During these conferences, the full record of implementation failures and successes were reviewed and new measures adopted.

Despite initial, unsuccessful attempts by the Soviet Union and its allies to block discussion of human rights violations in their countries, the result of the Belgrade and Madrid review conferences and the recent human rights experts meeting in Ottawa, Canada, was to establish human rights as a legitimate issue of international concern and discussion. Through the CSCE process, it has now been firmly established that criticism of the manner in which a state treats its own citizens can no longer be dismissed as interference in internal affairs but is of interest to all states. In short, the CSCE process has helped to inject a needed degree of accountability into the diplomatic treatment of human rights issues.

The Helsinki process has provided a necessary support for the aspirations of the people of the Warsaw Pact countries. Shortly after its adoption, the Final Act was published in full throughout the Soviet bloc and unexpectedly gave rise to the spontaneous formation of citizen groups in several countries interested in monitoring and encouraging their government's compliance with the Final Act. Despite repeated repression and harassment, these groups have continued to function, particularly in Czechoslovakia and Poland, and to provide useful information on the human rights situation in their countries.

Another important positive accomplishment of the CSCE process has been the political dialogue which has been established among the 35 signatory states on a wide variety of issues ranging from confidence-building measures to scientific and cultural development in the Mediterranean area. As part of the CSCE process, discussion is now underway in Stockholm, Sweden, on the development of concrete, militarily significant confidence and security-building measures designed to increase military security and reduce the outbreak of conventional war in Europe by miscalculation. In other areas of the Final Act, we can look forward to a high-level cultural forum in Budapest this October bringing together important cultural figures as well as diplomats from all signatory states as well as to an Experts Meeting on Human Contracts

next year in Bern, Switzerland, to seek ways to improve family reunification.

Unfortunately, the status of the Helsinki process on its 10th anniversary is not as rosy as the brief analysis I have just made would indicate. Undermining and endangering all the positive accomplishments of the Helsinki Final Act has been the repeated failure of the Soviet Union and several of its allies to abide by its obligations undertaken when it signed the Helsinki Accords. Most glaring has been their lack of implementation, in fact outright violation, of the human rights and humanitarian provisions of that document. Thousands have been arrested and imprisoned since the signing of the Final Act, most for simply desiring to exercise their rights and freedoms guaranteed in the Final Act itself. While the Helsinki process has added an important element of accountability into diplomatic discourse on human rights, it unfortunately has been powerless to induce the offending countries to improve their repressive practices.

We can criticize all we like, but if these criticisms and suggestions go unheeded over time, many will begin to question the utility and efficacy of the entire process. To be sure, there have been intermittent improvements in certain East European countries, usually on the eve of an important CSCE forum, but overall the record of implementation, particularly in the human rights area, has not been good. Emigration from the Soviet Union has slowed to a trickle, dissent has been brutally suppressed and the hopes of millions in Eastern Europe, awakened in 1975 by the promise of the Helsinki Final Act, have been disappointed.

The dismal record of the Soviet Union has not been confined to the human rights area. The invasion and occupation of Afghanistan marked a violation of the very heart of the Final Act's basic principles that signatory states should refrain from the threat or use of force and respect one another's national sovereignty and territorial integrity. The imposition of martial law in Poland in 1980 and all the subsequent repression there is another vivid reminder of the failures of the CSCE process. It is instructive, in this regard, to note the hyprocrisy of the Soviet Union, which has, with much fanfare at the Stockholm CDE Conference, been pushing for a Treaty on the Non-Use of Force, a pledge already contained in the Helsinki Final Act and which the Soviet Union is violating daily in Afghanistan.

The 10th anniversary of the signing of the Helsinki Final Act provides us with a valuable opportunity to reaffirm our commitment to the Helsinki process, and particularly to its human rights and humanitarian provisions. The East-West dialog initiated in Helsinki 10 years ago and the process of review and accountability which has been gradually established have proven to be valuable assets. The Helsinki process has provided a beacon of hope to the peoples of Eastern Europe and has even helped to marginally improve their lives by enhancing somewhat the free East-West flow of people, information and ideas.

We cannot ask too much of the Helsinki process, since it is unrealistic to expect that in a mere 10 years the repressive nature of Soviet society would fundamentally change. What we sought when we signed the Final Act in 1975 were incremental changes and improvements as well as an established instrument for calling attention to the need for continued compliance. This we have largely achieved. It cannot be ignored, however, that continued Soviet repression of any form of dissent and its policy in Afghanistan have endangered the real achievments of the Helsinki process and undermined its credibility. Unless these outright violations of the spirit and the letter of Helsinki cease, the Helsinki Final Act will ultimately fall short of its primary goal of building real trust, security and cooperation among the peoples of the 35 signatory states.●

● Mr. MAVROULES. Mr. Speaker, Thursday, August 1, 1985, marks a milestone in East-West relations. It is the 10th anniversary of the Final Act of the Conference on Security and Cooperation in Europe, held in Helsinki, Finland to promote world peace, the free exercise of human rights, and better understanding and cooperation between East and West.

In the years which followed the signing of the Helsinki Accords, some gains were realized. For example, the Soviet Union allowed increased emigration of national minorities and improved conditions for foreign journalists; there has been greater openness about military activities, including the voluntary exchange of observers at military exercises; and scientific and economic activity between East and West increased. However, this progress fell far short of the high standards set at Helsinki.

As of late, Soviet action in human rights has been deplorable. A glaring example of this is the emigration of Soviet Jews to the West. In the years following Helsinki, 1975-79, 124,402 persons were granted exit visas. However, in the last 5 years, only 35,816 have been allowed to emigrate. This shows a blatant disregard for the long term goals of the accords. We must continue to pressure the Soviets into conformation with the goals of the Pact through continued spotlighting of human rights violations in the eyes of world opinion. The Helsinki accords are the best forum to keep this pressure on the Soviet Government to improve conditions for national minorities. Perhaps if such a forum was available in the 1930's, atrocities such as the Holocaust or the bloody purges of Stalin may not have taken place.

At the present time, we are engaged in the first significant arms control talks of this decade with the Soviets in Geneva. This type of continuing dialog is the best avenue available to achieve world peace and stability. On this historic occasion, let us revive the spirit of Helsinki and call on the negotiators in Geneva to end the arms race—a race which has no winners. And, let us make the second decade after Helsinki a decade of achievement.●

● Mr. OBERSTAR. Mr. Speaker, I rise to commemorate the 10th anniversary of the signing of the Final Act of the Helsinki accords.

This anniversary provides an opportunity to reflect back on what could have been a turning point in relations between East and West. The signing of these accords sparked a strong hope that a better understanding and sense of cooperation would be established and that a mutual commitment to the advancement of human rights would be recognized.

Today's anniversary should be the celebration of a decade of accomplishment toward greater respect for human freedom and fundamental rights.

But, Mr. Speaker, today is not a day to celebrate accomplishments, for there have been precious few. Sadly, today is a day of regret and disappointment. Regret that the Soviet Union has not been held accountable for the fundamental disregard for human rights it has displayed, and disappointment that an agreement which once held so much promise has not been fulfilled.

The Soviet Union's human rights record has, in fact, deteriorated since the Helsinki accords were signed. Events including the 1979 invasion of Afghanistan, increased pressure on Poland, and the 1983 shooting down of an unarmed Korean jetliner evidence the gross betrayal of the intent of the accords by the Soviets.

Emigration of Soviet Jews has also dwindled from 51,000 in 1979 to just 900 last year. This significant decline is not because less people wish to leave the U.S.S.R. Indeed, sources indicate that more people than ever before have expressed a desire to emigrate. Increased harassment, loss of jobs, censorship of mail and phone calls, and even imprisonment generally succeed in suppressing attempts to emigrate.

The Kremlin obviously has its own opinion of minimal standards of human rights, but the Congress of the United States and the citizens of the free world must not accept their definition. As Members of the greatest democratic body in the world, we must

reaffirm our commitment to the goals set forth in the Final Act, and we must reaffirm our commitment to pressuring the Soviet Government to do the same.

The 10th anniversary of the Final Act of the Helsinki accords must serve as a reminder that we must constantly be vigilant about human rights in order to ensure their promotion and protection. The next 10 years must be a decade of challenge, change, and progress as we work to share with oppressed peoples throughout the world the freedom we in this country so abundantly enjoy.●

● Mr. GILMAN. Mr. Speaker, I would like to commend the gentleman from Maryland [Mr. HOYER] who, as the distinguished vice-chairman of the Commission on Security and Cooperation in Europe [CSCE], referred to as the Helsinki Commission, has made available this time to us today in order to enable us to expound upon the 10th anniversary of the signing of the Helsinki Final Act. It is an important commemoration which we discuss today, and one which I welcome.

Prior to the meeting of the 35 nations in Helsinki in August, 1975, there were several years of intense negotiations regarding the many provisions of the Helsinki document. In its final form, it contains three baskets, or sections. The first basket focuses on security matters, although principle No. 7 deals with human rights in general. The second basket deals with economics, while the third basket discusses human rights provisions, among them, family reunification. I was pleased to cosponsor House Joint Resolution 361, a companion bill to Senate Joint Resolution 180 which commemorates the 10th anniversary of the signing of the Helsinki accords, and which was the topic of House consideration earlier today. In conjunction with that measure, I was pleased to join the gentlelady from Connecticut [Mrs. KENNELLY], in introducing a concurrent resolution today which focuses more distinctly on principle No. 7 of basket one to which I just referred. Principle No. 7 is 1 of 10 guiding principles in the Final Act, and asserts respect for human rights and fundamental freedoms, including the freedom of thoughts, conscience, religion or belief. It is highly appropriate that we focus attention on this aspect of the accords, and in reviewing the 18th Semiannual Report by the President to the CSCE, we find that, "The Soviet Union has continued to violate both the letter and spirit of principles guiding relations between states as set forth in the Helsinki Final Act."

Having turned back the pages of time to review remarks made by the late Soviet leader Leonid Brezhnev at the time of the signing of the Helsinki accords, I find it especially interesting that he stated, "We assume that all countries represented at the conference will implement the understandings reached. As regards the Soviet Union, it will act precisely in this manner." President Gerald Ford, in his address at the signing, accurately conveyed the observation that participating nations at the Helsinki meeting will be judged "not by the promises we make, but by the promises we keep."

Following the historic signing ceremony, Helsinki Watch Monitoring Groups were formed across the Soviet Union. Their aim was to closely follow the actions of Soviet authorities in their implementation of the principles in the three baskets. Congress also acted, by forming the Helsinki Commission—the Commission on Security and Cooperation in Europe—in 1976. Since its inception until this past year, the Commission was ably and respectively chaired by our colleague, the gentleman from Florida and the distinguished chairman of the Foreign Affairs Committee, DANTE FASCELL. His tenure has been a guiding light for the Congress and for the administration in following actions taken by nations signatory to this agreement. The Commission's work this year is being ably directed by the junior Senator from New York [Mr. D'AMATO] and the gentleman from Maryland, [Mr. HOYER.]

In the decade that has followed, we have witnessed the unprecedented abridgement of human rights in the Soviet Union and elsewhere, as evidenced by the almost complete dissolution of the aforementioned human rights monitoring groups. Of the many courageous men and women who participated over the years, most have been sent to labor camps, imprisoned, incarcerated in pyschiatric hospitals, or exiled. Only a few remain untouched by the heavy hand of Soviet repression.

Soviet Jewish emigration, which peaked at 51,000 in 1979, has dropped to less than 900 emigrees in 1984. Arrests of Soviet Jewish Hebrew teachers and activists has increased dramatically, and the expected number of Prisoners of Conscience hovers over 30. Then number of men, women, and children who have been denied permission to emigrate, or the ability to rejoin their families in Israel has soared each year, in direct contravention to the Accord and its principles which are our topic of discussion today. Discrimination is not limited to Soviet Jews—there are hundreds of Pentacostals who have been arrested and harassed for the simple desire of wanting to practice their religion freely and openly. And the case of little Kaisa Randpere, a 1-year-old Estonian girl who should be allowed to be raised by her loving parents in Sweden, all cry out for true and proper implementation of the Helsinki Final Act.

Mr. Speaker, the first Helsinki 10 years have shown us that continued vigilance on our part is a necessity. As a member of the Post Office and Civil Service Committee, I have been closely involved with an ongoing investigation into the interruption and tampering of mail going into and out of the Soviet Union. Individuals whose cases we are now investigating include the eminent scientist and Nobel Peace Prize winner, Dr. Andrei Sakharov. But there are thousands more men and women who suffer this insidious practice at the hands of unnamed Soviet officials.

We in the West cannot stand idly by as they are arrested for no real reason, harassed and beaten, their homes searched, personal items confiscated, and then sentenced to prison, labor camps or internal exile. These practices are not within the letter or spirit of the Helsinki Final Act. The people of the United States will not abide such blatant cruelty.

As we commemorate the signing of the document which gives us the inherent right to strive for the freedom of all peoples, let us look forward to the next expert's meeting in Bern, Switzerland in February 1986, with the goal that our renewed efforts will hopefully have improved the situation for all men and women, whose only remaining hope depends on what is embodied in the Helsinki Final Act.●

● Mr. WORTLEY. Mr. Speaker, today we honor an agreement and a process that has had mixed success but has still succeeded in being an important means of working for human rights in the Soviet Union and other East bloc countries.

The Soviet Union has a convenient policy of abiding by international agreements as long as it is in its self-interest to do so. This is a natural policy of all governments, but in free societies, pressure is brought to bear on governments by their populations or other governments to abide by agreements even if they would rather not.

Unfortunately, the Soviet Union has been singularly free of significant pressure to abide by its commitments.

When the Soviet Union signed the Final Act in 1975, it agreed to refrain from the threat or use of force against other nations. It invaded Afghanistan in 1979.

It agreed to take effective measures against terrorism and prevent territories from being used for terrorist activities. The Soviet Union has several terrorist training camps on its territory.

The Soviet Union has agreed to assure constant, tangible progress in the exercise of human rights. It has reduced Jewish emigration from a high of 51,000 in 1979 to 896 in 1984, and Helsinki monitors, members of an

unofficial peace group and unregistered religious groups, and Jewish cultural activities have all been victims of increased human rights violations.

The Soviet Union agreed to ensure individual freedom to practice and profess religion and consult with religious organizations. It is quite obvious that this freedom is violated regularly, especially for Jews.

Mr. Speaker, the Soviet Union has an atrocious record over the past several years, but it is not the Final Act that is at fault. It is the Soviet Union's failure.

And perhaps the free world has not done enough to try to enforce the agreement. We write letters, we protest verbally, but what cohesive, concrete action have we taken? None.

If a country can violate an agreement without fear of reprisal, what incentive is there for it to do othewise?

Perhaps on the occasion of the 10th anniversary of the Final Act of the Helsinki accord, we should begin to seriously consider what recourse signatories to that act have when it is violated on a consistent and systematic basis.●

● Mr. PORTER. Mr. Speaker, I am pleased to participate in today's special order commemorating the 10th anniversary of the signing of the Helsinki Final Act. As founder and cochairman of the Congressional Human Right Caucus, I know that many of my colleagues share my commitment to the standards for respect for human rights expressed in the Final Act.

As a Helsinki Commissioner I had the opportunity to go to Ottawa last May and participate in the Human Rights Expert Meeting regarding compliance with those provisions of the Final Act.

Our delegation, under the leadership of Chairman Senator ALFONSE D'AMATO and Cochairman Congressman STENY HOYER, met with the Soviet delegation. As my colleagues can imagine, the Soviets were not eager to discuss our concerns regarding their failure to comply with the human rights provisions of the accords.

As we attempted to raise our concern over the treatment of Andrei Sakharov, Anatoly Shcharansky and Dr. Yuri Orlov, the Soviets insisted upon talking about our country's treatment of American Indians and our problem with unemployment.

Yet despite the Soviet delegation's unwillingness to admit to their failure to meet the standards of the Helsinki Final Act, I believe that it is of primary importance that we continue to uphold these standards. It is necessary to view the Helsinki Final Act as a symbol for the struggle for human rights for individuals in the Soviet Union and its satellites. We must remind ourselves that for the oppressed peoples of the world the U.S. commitment to human rights, particularly those specified in the Helsinki Final Act, adds greatly to their individual struggle. For the most part, the Helsinki Final Act has helped to establish human rights as a legitimate issue of international concern and discussion.

The case for upholding the standards of human rights outlined in the Helsinki accords cannot be overstated. We must view these documents in the important role they played in activating human rights efforts throughout the Soviet Union and Eastern Europe.

Today in my office I met with Alexander Lyakov who is currently on a hunger strike in solidarity with friends stuck in the Soviet Union. His friends, Lyudmila Nemtseva and Dmitry Marchenko, have begun an open-ended hunger strike out of their frustration regarding the Soviet Government's policy to refuse them permission to emigrate. Although I do not support their plan to fast till death, I understand and sympathize with their serious situation. Unfortunately, their story is one repeated by thousands of other Soviet citizens who have been denied permission to emigrate.

And the story of persecution and harassment is repeated throughout Eastern Europe. In Poland the authorities have clamped down on the labor movement by outlawing Solidarity. In Czechoslovakia members of Charter 77, the Helsinki Monitoring Group, including Rudolf Battek, have been imprisoned. In Romania the Christian community has been subjected to great persecution, including the mistreatment of religious leaders and the desecration of churches. And in Bulgaria there have been numerous reports of persecution of the Turkish minority.

In signing the Helsinki Accords, the U.S. and the other signators, committed themselves to periodic meetings to review compliance with these standards. We must use these accords, and all other available opportunities, to discuss with the Soviet Government our abhorrence of their treatment of human rights activists, religious believers and ethnic minorities.

I believe that the only way we will ever see progress in respect for human rights in the Soviet Union is by continuing to trumpet our concerns in this area, at every available opportunity, including the Arms negotiations in Geneva. In the past the United States has been far too willing, in my judgment, to sign agreements with the U.S.S.R. without obtaining firm commitments from them on issues of great importance to U.S. citizens. Our country has much to offer to the Soviets, including technology and grain, and I am afraid that we will give away the store without obtaining a commitment from them regarding issues of primary importance to our Nation. In the past, I have contacted President Reagan to express my sentiment that human rights must be on the agenda whenever we talk with the Soviets.

At times our most valuable tool in working on the cause of human rights is public relations—and the Soviets should never be allowed to escape from the painful exposure of public opinion. The media must recognize the value their scrutiny on this issue can bring to bear on the Soviet leadership.

The motto for U.S. representatives negotiating with the U.S.S.R. must at all times prioritize respect for human rights. The 10th anniversary provides us with an excellent opportunity to reaffirm our commitment to the human rights standards embodied in the Helsinki Final Act, and to maintain our solidarity with the oppressed peoples caught behind the Iron Curtain. I urge my colleagues to join me in supporting the Helsinki accords, and to use their voices to encourage greater compliance by the U.S.S.R. and its satellites.●

● Mr. AUCOIN. Mr. Speaker, I'd like to commend the sponsors of this important special order.

Today we commemorate the 10th anniversary of the Final Act of the Conference on Security and Cooperation in Europe, more commonly known as the Helsinki accords.

Signed on August 1, 1975, the accords were hailed as a breakthrough in East-West relations. Nearly every European Nation, the United States and Canada joined in support of the Helsinki Final Act which sets forth principles including respect for sovereignty, inviolability of frontiers, nonuse of force, and respect for human rights. The accords also call for cooperation in science, technology, economic issues, and the environment.

Also spelled out in the accords are standards for freedom of movement of people and information, family reunification, and educational and cultural exchanges.

Considering that there is no authority to enforce compliance, the Helsinki accords have been successful in helping to persuade nations to alter certain restrictive policies.

However, there is one area where the accords have clearly failed. Soviet compliance with the accords, particularly improvement of human rights and emigration, has been far less than we had hoped. One issue in particular is useful as a yardstick for measuring Soviet progress—emigration of Soviet Jews. From a high of 50,000 in 1979, the number of Soviet Jews allowed to leave the U.S.S.R. last year plummeted to a mere 900. There are alarming signs that official harassment and persecution of Jews in the Soviet Union is on the upswing.

In addition, informal groups, such as the "Moscow Group" led by Uri Oolov, Andrei Sakharov, and Anatoly Shchar-

ansky, that have developed to monitor compliance with the Helsinki Act have been systematically disbanded by the Soviet Government.

While celebrating the 10th anniversary of the Helsinki accords, we must remember how much progress is yet to be made.●

● Mr. MARKEY. Mr. Speaker, on May 1, 1975, the leaders of 35 nations signed the Helsinki Final Act. Today, we mark the 10th anniversary of this unprecedented commitment on the part of 33 European countries, the United States, and Canada to respect for the human rights of their citizens, particularly for freedom of thought, conscience, religion, and belief.

Ten years later we cannot yet celebrate this anniversary in triumph. Throughout the Eastern Bloc repression has remained a constant. But even in the face of continuing oppression, the commitments made at Helsinki have inspired hope among many who are working for change. In January 1977, as a direct result of the Helsinki Final Act, 241 Czechoslovakian citizens, in signing a manifesto called Charter '77, openly demonstrated their belief that responsibility and maintenance of civil rights was the concern of individuals as much as governments.

Over the past 8½ years, spokespersons for Charter '77 and reports from the parallel, though complimentary, Committee for the Defense of the Unjustly Persecuted [VONS] founded in Czechoslovakia in 1978 have issued a constant flow of reports and updates on human rights abuses and conditions in their country. The signatories and spokespersons for these monitoring groups have borne the brunt of their Government's repressive might.

Commitment to human rights within Czechoslovakia is not a comfortable or easy position. Spokespersons and signatories to Charter '77, now numbering over 1,200 individuals risk their personal well-being, as well as the future of their children. In speaking out, Charter '77 signatories knowingly expose themselves to possible arrest, detention, interrogation, and intrusive surveillance; their children have often been denied access to the nation's educational system. Ten of the twenty-four individuals who have served in the role of spokesperson have served time in jail.

In celebrating the eighth anniversary of Charter '77, the Charter's spokespersons issued some wise observations from which we can well be instructed as we consider our continued commitment to the Helsinki process on this 10th anniversary. No one gains anything or changes anything for the better, they point out, simply by signing a document. Yet, by signing a commitment to respect for human freedoms, we can bear witness to our ideals. By focusing attention on injustice, we try to make it possible to speak the truth, and we accept public responsibility for trying to make our vision a reality. Like Charter '77, the Helsinki Final Act is not meant to be a one-time purely symbolic gesture, but rather the beginning of work which must continue.

Within Czechoslovakia, the signatories of Charter '77 have summoned great courage acting as a model of active commitment to the ideals of Helsinki. May we succeed as well as they in directing the world's attention to human rights, in struggling to create an environment where it is possible to speak the truth, and in awakening hope among those who are oppressed.●

● Mr. GARCIA. Mr. Speaker, this week marks the 10th anniversary of the Final Act of the Conference on Security and Cooperation in Europe [CSCE], more commonly known as the Helsinki accords.

Public perception of the Helsinki accords has been based primarily on the human rights provision of the act. But they are much more than that. In the words of Charlotte Saikowski of the Christian Science Monitor, they are:

> A carefully balanced package of principles designed to provide a framework for cooperation (East-West) in many areas, including military, security, trade, science, technology, environment, culture, and education.

I would like to share with my colleagues, however, excerpts from a report, published in November 1984, of the North Atlantic Assembly's Committee on Civilian Affairs that deals with the humanitarian provisions of the Helsinki accords. The report, entitled "The Implementation of the Humanitarian Commitments Entered into at the CSCE," was prepared by Mr. Frans Vangronsveld, a member of the Belgian Senate, who is also the Rapporteur of the Civilian Affairs Committee's Subcommittee on the Free Flow of Information and People.

I believe Mr. Vangronsveld's report offers a comprehensive assessment of the overall lack of commitment to the act by Eastern bloc nations. As chairman of the Assembly's Civilian Affairs Committee, I am proud to associate myself with Mr. Vangronsveld's report, as well as with all the work done by the Committee and the entire Assembly. The Assembly, under the auspices of the Subcommittee on the Free Flow of Information and People, also puts out a quarterly publication, the Bulletin, which reports on violations of the humanitarian provisions of the Helsinki accords.

I can make available for my colleagues copies of the Bulletin and Mr. Vangronsveld's report:

SUMMARY

I. IMPLEMENTATION OF THE HUMAN RIGHTS COMMITMENTS ENTERED INTO AT THE CSCE

The Rapporteur sets out from the following observation: the signatories of the Helsinki Final Act and its follow-up do not all show the same commitment to implementing their human rights undertakings. The so-called "socialist" countries are in many cases determined not to implement them. The draft report draws up a picture, for each type of undertaking, of the violations of the Final Act. It notes that the picture is varied. Certain countries, like Hungary, have progressed, while others decline to move forward at all. Some areas—like religious freedom—seem more susceptible to change, while in others—such as freedom of association—there seems to be little likelihood of the situation improving.

To induce the signatory states to keep their promises, the draft report proposes that Western diplomacy be "conditionalised", so as to avoid the drawbacks of "linkage". In order to do this, each of the Alliance countries should be encouraged to adopt a different approach, as the various Alliance countries maintain relations of differing degrees with each of the communist countries. Care should be taken to avoid these countries reacting as a bloc, and this calls for coordinated but diversified diplomacy.

Public means represent a vital supplement to diplomacy, especially in a field which affects relations between peoples. The draft report calls for a separation between such activity and the diplomatic approach, with states resorting to public means only in the event of failure of diplomatic channels, and the rest being left to private initiative and international communication by means of orders and documents.

I. IMPLEMENTATION OF THE HUMANITARIAN COMMITMENTS ENTERED INTO AT THE CSCE

1. By the time the Madrid Conference closed some progress had been made in the field of human rights, particularly in the areas of the press and trades union rights. Since the signing of the Helsinki Final Act, however, there have been constant violations of the human rights commitments contrived therein. One is entitled to wonder what point there is in progress on paper while the actual situation has not improved.

2. The CSCE process has reached a crucial juncture. If no real progress is made in the field of human rights, the forthcoming meetings of the Conference will lose all credibility, since the Western signatories will know in advance that the commitments given by the Eastern bloc will have no practical value. This would not only tend to make our diplomacy look ineffective, but would increase cynicism both on the part of the Eastern bloc countries and even more so on the part of public opinion in the West, for which the natural tendency would be to look on these developments as an abstract game of concern to governments for reasons that have very little to do with human solidarity. It is therefore our Sub-Committee's task to see what means would be likely to bring about fuller and more balanced application of the commitments entered into the course of the CSCE process. In order to do this, we must first take stock of the extent to which these commitments have been violated, then examine the paths, both public and diplomatic, which would make it possible to bring pressure to bear on the signatories who appear to attach scant importance to honouring their promises—or indeed

appear to be determined not to honour them.

a. Extent of the violations of the Helsinki commitments

3. This is not the place to detail the multiple violations of the human rights provisions of the Helsinki Final Act (Principle VII and Basket III in particular). We must settle for a brief survey of recent developments, attempting to pick out the most significant features. The Bulletin published by the International Secretariat for our Sub-Committee constitutes a sad catalogue of these multiple violations. Ninety to ninety-five per cent of them were perpetrated by governments of the Eastern bloc.

4. However if we look more closely at the events of recent years we can detect a real disparity first of all between the conditions prevailing in the various countries of the Eastern bloc, and secondly between each of these countries' and the Soviet Union. These differences serve to define the subtly shaded framework within which our countries' policies should be shaped, if they are to be realistic and effective. Actual conditions and pressures differ noticeably from one country to another, resulting in some unevenness in the degree of application of the various types of Helsinki commitment.

(g) Encourage changes

66. The Helsinki process, continued in Belgrade and later in Madrid, represented an attempt to "Europeanise" human rights questions, giving each of the signatories a right to voice their views on the matters mentioned in the Final Act, and its follow-up, even in connection with affairs internal to another state. In other words, the principle of non-interference is retained, but it cannot be invoked by a signatory to the Act to stop its partners intervening in connection with specific instances on questions dealt with in the Act. Thus there is no longer any principle of non-intervention in Europe (Albania excepted). This is why it is indispensible for the governments of the Alliance to seize every opportunity to show their concern over the violations of the human rights provisions of the Final Act. Depending on the case, this should be done discreetly by diplomatic methods, or else publicly. But it should never be forgotten that this is the major achievement of the CSCE process.

67. This opportunity opened up by the Final Act and its follow-up is rendered even more effective by the fact that societies of the Eastern countries differ widely from one another. The survey given above shows that there are now large discrepancies in governmental behaviour between countries of the Warsaw Pact, and, even more importantly, between the societies living under the "communist" regime. This variety is even more striking if one considers not only the human rights aspects of the internal situation of these countries, but on a more global level the societies taken as a whole. Their economic systems, their types of political organisation and the power of the Communist parties, for example, also vary substantially from one country to another.

68. The CSCE process cannot claim any responsibility for this diversity, but, if it is used consistently, it indubitably represents a factor making for fluidity in relations between European States. Anything that can help to transform the societies dominated by the Communist States by moving them towards greater diversity must help to make the "bloc" a less monolithic unit grouping and therefore less a bloc than an alliance. It is obviously up to the citizens of these countries themselves to consolidate these changes, but Western nations must not and cannot stand idly by. Any movement in this direction represents an advance for European peace.

69. More formal consideration should however be given to the means which might make it possible to force the signatories of the Act to register some progress towards honouring their commitments. In this respect, the first principle must be precision. The Soviets and their satellites always prefer vague and "universally" applicable formulas to precise and concrete commitments. There is nothing surprising in this. The totalitarian regimes' "Newspeak" let them interpret general principles their own way: notions which for us have a precise meaning are so distorted as to become completely malleable, serving to say anything one likes and its precise opposite. This is why the constitutions of the Communist countries detail rights which are often non-existent in practice.

70. The prime objective for the free nations must therefore be to secure commitments from the leaders of the Eastern bloc countries and the USSR that are as precise and as verifiable as possible. The objective must be a situation in which compliance with the commitments can be monitored in a manner that leaves no room for doubt. In this respect, some progress was made in Madrid. The fact, for example, that replies to requests for visas for potential emigrants must now be given within six months (and no longer "within a reasonable time") represents a veritable commitment. In the same way the provisions relating to press correspondents will make it possible to arrive at an incontrovertible verdict on the extent to which the Madrid provisions are being faithfully applied. This must be the path taken by the forthcoming follow-up conferences on human rights. It is quite obvious today that global promises have no practical value. However we should not delude ourselves: the further the countries of the Alliance proceeds along this path, the more difficult it will be to reach agreements. The Soviets and their allies will take shelter behind a restrictive interpretation of the principle of non-interference, although they themselves completely ignore this principle in waging their constant ideological war against the West.

71. If paralysis is to be avoided, the approach to these negotiations must be one that avoids confrontation between our Alliance and the Eastern bloc. We should make due allowance for the fact that the influence which the Alliance and each one of the countries of the Alliance can exert on each of the countries of the bloc varies considerably. Our influence on Soviet society is minimal, but this is not the case for all the societies of the satellite countries, with which we have economic and human relations that offer us broader scope for action. On the other hand the nations of the Alliance have more or less developed relations with the East, and any human rights policy must take account of the partners' capacity for influence. Policies that are too universal can be dangerous inasmuch as they run the risk of strengthening the solidarity between the leaders of the "brother countries", whereas the aim should be to weaken this solidarity. To make progress along this path, your Rapporteur suggests consideration, in turn, of diplomatic methods and public means.

CONCLUSION

90. Your Rapporteur would like to add that in his opinion parliamentarians from the member countries of the Alliance should be involved in the negotiations for the follow-up to the Final Act, following the United States practice, in order to make the public more familiar with these matters, which concern not only the States, but the citizens too. National delegations to the forthcoming meetings should at the very least include parliamentary observers, or better still contain parliamentarians as members of the delegation. The North Atlantic Assembly should likewise be involved in the prior consultation procedures of the member countries of the Alliance. This would make for greater consistency in the stances adopted within each of our countries, and also between the countries themselves.

91. The purpose of this report is to think of ways of introducing human rights consideration into the framework of inter-state negotiations, in order to assure them of their rightful place. All too often, questions relating to the citizens themselves are looked on as external to the normal field for foreign policy: they are then used for informational purpose or even propaganda purposes, or else in illustration of political considerations.

92. It is your Rapporteur's view that morality must have an integral place in the international concerns of democratic states and societies. This is not a matter of lapsing into other worldliness, but of making our moral objectives an integral part of our diplomatic practice. Human rights are one of the objectives of the Atlantic Alliance's international action. To come close to this objective, our nations must shape their international policy within this framework. Moral pressure must be backed up by political pressure. This is the price of consistency between our countries' foreign policies and the principles they invoke.●

● Mr. WOLF. Mr. Speaker, I join my colleagues in celebrating the 10th anniversary of the Helsinki Final Act. The signing of the Final Act at the Conference on Security and Cooperation in Europe in 1975 set forth the principles which have helped establish human rights as a legitimate issue of international concern and discussion. The process which began in Helsinki has provided additional instruments for calling attention to human rights violations and for promoting human rights.

August 1 marks the 10th anniversary of the day the heads of 33 European countries, the United States, and Canada, signed the Final Act of the Conference on Security and Cooperation in Europe. This agreement obligated the signatories to work toward greater cooperation in the military, economic, scientific, cultural, educatonal and humanitarian spheres. On this day these countries also made a commitment to respect human rights and fundamental freedoms. These fundamental freedoms include a commitment to the principles of family reunification, family visits by national marriage and travel for personal and professional reasons.

I have referred to the provisions of the Helsinki Final Act on numerous occasions, in correspondence with Soviet officials regarding human rights cases of particular concern to my constituents. This agreement has provided a platform from which to express concerns about human rights abuses in the countries whose government institutions do not lend themselves to the consideration of these rights. I know that I will continue to refer to the Final Act as I express my continuing concern about individual cases, and international human rights, in general.

I share the commitment expressed by many of my colleagues today to the humanitarian principles embodied in the Helsinki Final Act and appreciate this opportunity to reconfirm this commitment.●

● Mrs. BOXER. I am pleased to be a part of this special order commemorating the 10th anniversary of the signing of the Helsinki Final Act.

I also want to commend my colleagues responsible for the special order. We must take advantage of every chance we have to speak out about human rights violations around the world. The gathering of foreign ministers from the 35 signatory states in Helsinki this week is an ideal opportunity to make our views known.

This occasion is particularly significant—not because of what has been done but—because of what has not been done. The flame of hope in the hearts of so many on August 1, 1975, kindled by some initial improvement in human rights situations in many Eastern European countries, began to dim after the Soviet invasion of Afghanistan and has all but gone out since.

The situation in the Soviet Union is particularly disturbing. We all know the statistics. The number of human rights violations has grown; the charges are more "trumped up"; the alleged crimes are more insignificant; the incidents of physical violence have increased; and the number of people being allowed to leave the Soviet Union has decreased.

Mr. Speaker, my colleagues and I have risen, time after time, to speak about the plight of particular individuals. We have expressed our concern over the treatment of men like Sakharov and Shcharansky. We have also publicly raised the hardships and mistreatment of lesser known individuals like Isai Goldshtein and Roald Zelichonok. Today, however, I believe we should focus our attention, not on individuals, but on the problem at hand—the current disregard for human rights of those countries who signed the Helsinki accords.

Many people are concerned about those violations. I would like to share with you something that is happening in my district tomorrow. The Bay Area Council for Soviet Jews and several of my constituents are staging a mock funeral to "bury" the Helsinki accords. The funeral will feature a traditional coffin, and there will be several speakers. Yuri Yarim Agaev, a former Helsinki monitor and an emigree from the Soviet Union, will deliver the eulogy. I believe that funeral more accurately reflects the current state of affairs than what is happening in Helsinki.

When I spoke to this body a couple of weeks ago about the plight of specific Soviet Jews, I mentioned the meeting between Secretary of State Shultz and Soviet Foreign Minister Shevardnadze to commemorate the signing of the Helsinki accords. At that time, I urged Mr. Shultz to insist that the Soviets comply with the provisions of the treaty that they are meeting publicly to commemorate. I am today repeating that request. What better time than the 10th anniversary of the signing of a document pledging a freer flow of information, ideas, and people between the East and West to ask the signatories to live up to the terms of the agreement. I, again, here on the floor of the U.S. House of Representatives, ask our Secretary of State to make known to the foreign ministers gathered in Helsinki that this country and its people expect them to live up to the provisions of the treaty that they are publicly meeting to commemorate.

Again, Mr. Speaker, I thank my colleagues for giving me this opportunity to speak out on this important and timely issue. And, again, Mr. Speaker, I publicly urge Mr. Shultz to be forceful in letting the world know that we stand firm in our belief in human rights and will not back down in our insistence that people everywhere be granted the basic freedoms that are the right of all.●

● Mr. WIRTH. Mr. Speaker, today we reflect on the accomplishments and the shortcomings of the Helsinki Final Act. Ten years after the signing of this important agreement, we need to make an honest appraisal of the act's contributions to the security and human rights situation in Europe.

Any appraisal must focus on basket I, the heart of the Final Act. Basket I contains what many regarded in 1975 as the Final Act's wellspring of hope—the Declaration of Principles Guiding Relations Among States. Principle 7 of the declaration enjoined signatories of the act to respect their citizens' human rights and fundamental freedoms, including the freedom of thought, conscience, religion, or belief. The fact that the Soviet Union and its Eastern European allies accepted this language provided a glimmer of hope for the long-suffering people in those countries.

Sadly, however, that glimmer was quickly snuffed out. The Soviet Union, Poland, Romania, Bulgaria, Czechoslovakia, and East Germany have buried human rights by orchestrating campaigns to terrorize those who demand the simple dignity of civil and political rights.

Symbolic of the Soviets' disdain for the Helsinki accords is its treatment of members of their Helsinki Monitoring Group. Yuri Lytvyn died in 1984 while serving a sentence of 10 years in a special-regimen labor camp. Vladimir Shelkov died in labor camp in 1980 at the age of 84. He was serving a 5-year sentence in a special-regimen labor camp. Yuri Orlov, the leader of the Moscow Helsinki Monitoring Group, may be the next to die. He is presently serving a 5-year term of exile in Yakutia, where he is harassed by local inhabitants and given food rations that are insufficient to sustain him through the region's harsh winters. The vast majority of other Soviet Helsinki Monitors are either imprisoned or in exile.

Human rights advocates in other Warsaw Pact countries have been met with similar persecution. And such horrendous treatment is by no means limited to human rights activists. Ordinary citizens of all races, backgounds, and occupations have been imprisoned and destroyed for their religious and political beliefs. Minority ethnic groups have been punished for their nonviolent practices and rituals which encourage cultural and ethnic differentiation.

The unwillingness of the Soviet Union and its European allies to adhere to the principles of Basket I is clear. In fact, the human rights situation in these countries has generally worsened since the Final Act was promulgated. Some argue that this deterioration justifies our renunciation of the Helsinki accords. They would also argue that the lack of progress in achieving solid confidence-building measures through the Stockholm Conference and related fora is another reason to abandon the Helsinki process.

Mr. Speaker, I disagree and join with my fellow commissioners of the CSCE in arguing just the opposite. It is unlikely that the human rights situations in the Soviet Union or Eastern Europe would have improved in the absence of the Helsinki agreements and efforts by the CSCE; perhaps these situations might have been worse without Helsinki. Moreover, meetings of the Helsinki signatories have provided—and will continue to provide—our country and the democracies of Europe with the opportunity to bring to the world's attention the grievous human rights abuses taking place in these countries. The Helsinki process has also had the salutary effect of speeding the process of family reunification for Eastern Euro-

pean victims of government repression.

Ultimately, the Helsinki process serves as the foundation for improved bilateral and multilateral relations in one of the world's most sensitive regions. Although the Helsinki process has not yet produced a comprehensive framework for securing the peace and protecting human rights in Europe, it has provided a meeting place for the superpowers and their European allies, a forum where tensions can be defused and modest improvements in relations can be made. In the nuclear age, such a forum is indeed valuable.

As Flora Lewis noted in her New York Times column yesterday, Helsinki conferences "were among the few places where Soviet-American exchange continued, if only as a shouting match, in the years of broken contact." My colleagues and I recognize the importance of that exchange. And we also recognize the importance of maintaining our firm commitment, through the Helsinki process, to human rights and a secure Europe. For those reasons, we must sustain our commitment to the Helsinki accords as a means of improving them and, as a result, the prospects of lasting peace.

I commend my fellow commissioners for holding this special order and look forward to working with them to sustain the effectiveness of the CSCE, which performed so admirably under the leadership of former Chairmen FASCELL and DOLE and should continue to do so under Chairmen HOYER and D'AMATO.●

● Mr. LENT. Mr. Speaker, 1985 marks the 10th anniversary of the signing of the Helsinki Final Act. I am pleased to join my colleagues in reflecting on the significance of this act and on our country's commitment to the principles set forth in that document.

Thirty-five countries, including the Soviet Union and a number of other Eastern European countries, joined as signatories of the final act. Though not a legally binding agreement, these signatures represent a commitment to improving relations between nations and promoting human rights around the world.

This act has been a beacon of hope for many who are struggling against the shackles of oppression. Unfortunately, in the 10 years since the final act was signed many of the signatory countries have been delinquent in their adherence to its human rights provisions.

Human rights violations in the Soviet Union have actually worsened since the act was signed and the situation in that country is deplorable. I have worked tirelessly in Congress on behalf of Soviet Jews who are among the many innocent victims of Soviet repression. The only crime committed by these people is their desire to practice their religion freely. For this they are unjustly harassed and mercilessly persecuted.

I am deeply disturbed by the worsening trend in human rights violations in the Soviet Union. It is important for us to reaffirm our commitment to the Helsinki Final Act and to protecting human rights throughout the world. We must continue to apply pressure on the Soviet Government to uphold the final act and end their repressive regime.

This 10th anniversary of the signing of the final act is met with the somber recognition that we have a long way to go to achieve the goals outlined in that document. It is my fervent hope that some day human rights will not have to be fought for as they are now. But, until that day we must continue to challenge those who would deny others human rights and dignity. I will continue to dedicate my efforts in Congress toward furthering that goal.●

● Mr. LEVINE of California. Mr. Speaker, I am pleased to join my colleagues in this special order to commemorate the 10th anniversary of the signing of the Helsinki Final Act.

Mr. Speaker, on August 1, 1975, the heads of 33 European countries, the United States and Canada, signed the Final Act of the Conference on Security and Cooperation in Europe [CSCE]. This 40,000-word document, commonly known as the Helsinki accords, was produced in the heyday of East-West détente. It is a carefully balanced package of principles designed to provide a framework for improving cooperation in many areas including military, security, human rights, trade, science, technology, environment, culture, and education.

This document was signed with the hope that relations between the East and West would improve, as would the lives of those living under oppression. Unfortunately, the Helsinki accords have not lived up to that hope. The Soviet view of Helsinki has increasingly glossed over what in western minds has become the accords' main promise, and perhaps the source of its main failing—the pledge by the 35 signatories to guarantee certain human rights, to open the flow of information, and to improve contacts across borders.

One indicator of the Soviet record on human rights, for example, is the rate at which Moscow allows Soviet Jews to emigrate. In 1979, 51,320 Jews were allowed to emigrate. That number dwindled to 896 in 1984. To date in 1985, less than 500 have been allowed to leave.

Yet, a major result of the Helsinki accords has been the proliferation of informal groups in Eastern Europe to monitor compliance with the human rights provisions. Scores of groups have sprung up to gather evidence and write reports. We are all familiar with the "Moscow group" of intellectuals led by Yuri Orlov, Andrei Sakharov, and Anatoly Shcharansky, a group now brutally disbanded.

We ourselves have become increasingly sensitive to human rights violations against citizens of all nations. A special CSCE commission composed of representatives of Congress and the administration—the Helsinki Commission—functions right here. Many ethnic and private human rights groups also keep up pressure on signatory governments to hold the Soviet-bloc countries accountable for human rights violations.

The 10th anniversary of the signing of the Helsinki Final Act provides us with the opportunity to reaffirm our commitment to the humanitarian principles embodied in the Final Act and to maintain our solidarity with those rights are systematically violated. Although the promise of accords has not been realized, we must still pursue the ideals embodied in it, for they are worthy of our best efforts.

I commend my colleagues for scheduling this special order on this important occasion, and I thank you for the opportunity to participate.●

● Mr. ANNUNZIO. Mr. Speaker, I rise to join with the distinguished chairman of the House Foreign Affairs Committee, the Honorable DANTE B. FASCELL; the co-chairman of the Commission on Security and Cooperation in Europe, the Honorable STENY HOYER; and the other members of the Commission, in commemorating the 10th anniversary of the signing of the Helsinki Final Act.

On August 1, 1975, 32 European countries, as well as the Soviet Union, the United States, and Canada signed the Final Act of the Conference on Security and Cooperation in Europe, more commonly referred to as the Helsinki accords. By signing this document, the signators demonstrated a historic and monumental international commitment to insuring respect for human rights and fundamental freedoms, and at the same time encouraged nations to work together in a spirit of economic and cultural cooperation.

The Helsinki accords have enabled the Western European countries and the United States to hold the Communist bloc accountable for their blatant and systematic violations of this agreement. The accords assert that:

> The participating States will respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all, without distinction as to race, sex, language or religion,

And that:

> "By virtue of the principle of equal rights and self-determination of peoples, all peoples always have the right, in full freedom, to determine, when and as they wish, their internal and external political status, with-

out external interference, and to pursue as they wish their political economic, social and cultural development.

Yet, over the last 10 years, the world has witnesed numerous violations of the Final Act by the Soviet Union, and Soviet citizens, who have attempted to monitor their own country's compliance with the Helsinki agreement's principles, have been ruthlessly persecuted by the authorities. Sadly, all of the Helsinki monitors in the Soviet Union are either dead or are in prison, and although the Soviet Union is a principal signator of the Helsinki accords, it continues to disregard this document, engaging in illegal military manuevers, manipulating sovereign governments, and suppressing the national heritage, religion, and culture of the peoples in those countries it has forcibly occupied.

Thousands of men, women, and children living under Communist control are confronted daily with Soviet brutality, and many Soviet dissidents, standing bravely in defiance of this constant oppression, continue to be the source of strength and inspiration for all those living in captive nations throughout the world who yearn from basic freedoms and the right of self-determination.

Mr. Speaker, on this the 10th anniversary of the Final Act of the Conference on Security and Cooperation in Europe, let us reaffirm our commitment to work with our European allies to insure that all nations uphold the most basic principles of this act and renew our efforts to hold accountable the Soviet Union for any violations of these accords which it agreed to uphold 10 years ago.●

● Mr. FISH. Mr. Speaker, the 10th anniversary of the signing of the Helsinki accords by the leaders of 33 European countries, the United States, and Canada provides us with an important opportunity to reaffirm our strong commitment to the humanitarian principles embodied in the Helsinki Final Act.

The Commission on Security and Cooperation in Europe set forth principles of behavior relating to military, trade, science, technology, environment, culture, and education in the hopes of achieving a greater cooperation among nations. Despite the Soviets' inability to live up to the standards established at Helsinki, the Final Act is of great value as a political statement with which to pressure the Soviet-bloc countries to liberalize authoritarian systems and relax their repressive policies.

As a result of the Helsinki agreements, dozens of informal groups have emerged to monitor compliance with the human rights provisions. Helsinki has inspired activity such as the "Moscow Group" of intellectuals and Charter 77, a human rights manifesto and civil rights movement in Czechoslavakia. Brave individuals continue to risk imprisonment to publicize their Government's abuse of civil liberties.

These courageous efforts focusing world attention on humanitarian concerns, have created a successful forum in which to address violations of human rights. The Final Act remains a symbol of hope for those who are denied basic freedoms in oppressive societies.

Ten years later, our commitment is still strong. As we reaffirm our solidarity with those whose rights are infringed, we urge the Soviet-bloc countries to abide by the humanitarian principles to which they subscribed as set forth in the Helsinki Final Act.●

● Mr. COUGHLIN. Mr. Speaker, I rise in strong support of House Joint Resolution 361, commemorating the 10th anniversary of the signing of the Final Act of the Conference on Security and Cooperation in Europe.

The Helsinki process began 10 years ago amid general optimism about East-West relations. Helsinki was an attempt to achieve lasting peace through a strong, comprehensive agreement on accepted minimum levels of conduct by signatory nations in fields such as economic cooperation, military security and human rights.

The United States can rejoice in this 10th anniversary of the Helsinki accords, for they represent the universal appeal of those values upon which our own Republic was founded: freedom of thought, speech and worship maintained through the exercise of civil and political rights. The great achievement of the Final Act, and the ongoing process of its review and implementation, has been the establishment of human rights as a valid and serious area for international cooperation and concern. The Helsinki process has catalyzed interest in human rights issues and provided an important forum for focusing on human rights violations. Helsinki raised our consciousness and provided hope for the greater development of human rights the world over.

The United States and its European allies have happily subscribed to the Helsinki process, welcoming it as a long-needed tool; we have honestly and fairly adhered to all of its principles. Unfortunately, others have cynically disregarded the process. The Soviet Union and many of its Eastern European allies continue to suppress the activities and members of Helsinki watch groups, harass dissidents, curtail freedom of religion and culture, and curb emigration by ethnic minorities. Perhaps nowhere is this contempt of the very spirit of Helsinki more painfully evident than in the Soviet Union's treatment of its Jewish citizens.

Still, these trangressions should neither dishearten nor discourage us. Rather, they should serve to strengthen our resolve to support and even extend the Helsinki process. We can continue to use the process to show the world the blatant disregard of the Soviet Union for global opinion and for solemn international covenants.

Helsinki serves as the last beacon of hope in the darkened world of oppressed peoples in the Soviet Union and in Eastern Europe. We must take every opportunity to renew our commitment to the Helsinki Final Act, and those principles which it represents, until these people—along with all others in the family of man—walk in the bright sunshine of freedom.●

● Mr. DWYER of New Jersey. Mr. Speaker, I am especially grateful today to participate in this timely and important special order. The process begun in Helsinki has helped to establish human rights as a legitimate issue of international concern and discussion.

It is essential that an attempt be made to establish and maintain communication with those who are trapped inside authoritarian and totalitarian regimes. As representatives of the free world, we hope that our special order today will enable Jews to leave the Soviet Union in accordance with international law, and to help those who choose to remain in the Soviet Union live as Jews with the same rights accorded every other Soviet citizen.

Today, a significant portion of the world's population is forced to endure hunger, pain, and oppression by governments whose policies deny even the most basic of human rights. Soviet dissidents like Andrei Sakharov have endured a lifetime of oppression and often look to democratic states for support.

Mr. Speaker, it is my sincere hope that America, as the cornerstone of democracy, will continue to further the advancement of human rights, personal liberty, and perhaps most important, foster the respect among men that leads to true freedom and the development of mankind's potential.

In summary, I would like to offer my conviction that all Americans reflect on the great nature of our own freedoms, and that we earnestly endeavor among the world's oppressed to replace terror with security, degradation with respect, and tyranny with freedom.●

● Mr. GALLO. Mr. Speaker, today, on the 10th anniversary of the signing of the Helsinki accords, world attention is once again focused on the failure of some nations to uphold the spirit or the letter of this international agreement.

As freshman cochair of the Congressional Caucus on Soviet Jewry, I am particularly disturbed by the attitude of the Soviet Union toward the thou-

sands of Soviet citizens who are members of the Jewish faith.

I am concerned for those within the Soviet Union who are denied the freedom of religion and have an even greater concern for those members of this community who have made the difficult decision to leave Russia, but who are denied emigration rights. The freedom of religion and of movement are both guaranteed by the Helsinki accords.

It is very traumatic for most people to leave the nation of their birth, their friends, and their way of life. The Soviet Government uses that anxiety to further punish its Jewish citizens by making them strangers in their own land.

Those who have asked to leave are denied jobs and education and are held up to public ridicule as tools of Western imperialism or international Zionism.

Furthermore, those Soviet citizens who have attempted to monitor compliance of the Soviet Union with the Helsinki accords have faced imprisonment, exile or forced emigration.

In the years following the signing of the Helsinki accords, the number of people allowed to emigrate from the Soviet Union rose to record levels. Since 1979, however, those numbers have declined dramatically.

Recent signs of loosening emigration policies for certain groups within the Soviet Union are encouraging, but the overall number of emigrants has not increased, leading me to conclude that the current policy may be merely a public relations move, not serious reform in the policy.

So, it is necessary at this time, as suggested in a recent report by the Commission on Security and Cooperation in Europe, that we review the balance sheet on progress made in relation to the Helsinki accords. This year, not only do we celebrate the 10th anniversary of the signing of the Helsinki accords, we also celebrate the 40th anniversary of the end of the World War II.

In those first years after the war, for a brief period, it seemed as though the world would react to the horrors of war by creating mechanisms to promote peace and human rights for all peoples. Creation of the state of Israel and approval by the United Nations of the Universal Declaration of Human Rights gave hope that we could preserve historical boundaries and prevent repeated conflicts that threatened world peace.

The nuclear arms race and a series of territorial disputes overshadowed early accomplishments. Repeated Soviet vetoes in the United Nations and failure to enact a verifiable arms control agreement further eroded the sense of optimism.

Then, in 1975, on the 30th anniversary of the end of the war in Europe, 35 nations signed a document that rekindled the hopes of many with regard to human rights.

The Final Act of the Conference on Security and Cooperation in Europe [CSCE] was signed in Helsinki on August 1, 1975, by the United States, Canada, the Soviet Union and 32 European nations.

The Final Act is a political statement of intent. These accords carry considerable moral and political weight since they were signed at the highest level by both a U.S. President and a Soviet leader.

Hopes have faded during the last decade, however, with repeated violations of the accords, which declare that "the participating States will respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all, without distinction * * *."

The Helsinki accords on human rights was endorsed in the tradition of the Universal Declaration of Human Rights and held out promise that signatory nations would allow freer movement of people, ideas, and information.

However, a litany of human rights violations regarding the treatment of Jews in the Soviet Union and many others has accumulated in the 10 years since the signing of the accords. The cases which harassment of families who have applied to emigrate, including loss of jobs with little hope of future employment in meaningful positions, impoverishment, expulsion of young people from universities and conscription into military service; surveillance by authorities; physical attacks; arrest; and imprisonment on charges such as parasitism.

These cases document clear violations of Helsinki accord agreements to protect freedom of religion, minority rights, and cultural rights. It is important to remember that the unspeakable human rights violations of World War II gave birth to the process that produced the Helsinki accords.

This process has been a source of hope to citizens of the Soviet Union and Eastern Europe; therefore, the meetings such as that which recently took place in Ottawa and the commemoration here today are important because they keep this process alive.

As Ambassador Richard Schifter, head of the U.S. delegation to the Experts Meeting on Human Rights in Ottawa, stated in his testimony, "We must keep in mind that a meeting such as that which was held in Ottawa was unthinkable as recently as 15 years ago. The concept of limited government, the ideas of the rights of the individual which originated with the thinkers and writers of the 18th century and which were enshrined in our own Declaration of Independence were ideas advanced first by individuals, then by groups and movements, and were then adopted by countries, but only for domestic application.

"The notion that governments might monitor the behavior of other governments toward their own citizens, that there would be international conferences at which domestic practices of participating countries would be subjected to scrutiny is one of recent origin."

So, while the results of the Helsinki accords may be meager in their beginning stage, continuation of the Helsinki process may result in more plentiful gains in emigration, religious freedom, and other basic human rights in the future.●

● Mrs. BURTON of California. Mr. Speaker, today marks the 10th anniversary of the Helsinki accords, 10 years of disappointments and dashed hopes.

The hopes of 1975, at a time when détente was proving to be more than a dream, have now suffered from a decade of uncertain leadership in the Soviet Union and an escalation of rhetoric and nuclear arms rattling by both sides.

But the Soviets are not alone in undermining the peaceful intent of those agreements of 10 years ago. The current administration has been disappointing, at best, in pursuing meaningful arms control opportunities. There have been instances where hard language has replaced cold logic in dealing with the Soviet initiatives.

Mr. Speaker, we can do better. And, the Soviets certainly can do better.

As for those of us in the United States and elsewhere, those of us who care about human rights, let us continue our own "Helsinki Watch" to put constant attention and public pressure on all governments so that we can move toward the eventual peace that was brightly on the horizon in 1975, but now is dimmed with disappointment.

Mr. Speaker, I commend my colleagues who have provided this special order so that those of us who truly care about these vital issues can speak out on this important milestone.●

● Mr. HALL of Ohio. Mr. Speaker, this month commemorates the 10th anniversary of the signing of the Helsinki Final Act.

The Final Act, signed on August 1, 1985, committed 33 European countries, Canada, and the United States toward closer government relations over a wide range of activities. The Helsinki Act is unique among international accords in that it conditions international relations on each country's respect for fundamental human rights and freedoms. The 35 signatories agreed to "promote and encourage the effective exercise of civil, political, economic, social, cultural and other rights and freedoms all of which derive from the inherent dignity of

the human person and are essential to his free and full development."

Unfortunately, contrary to their pledge, several signatory nations continue to flagrantly violate human rights. In the Soviet Union and many Eastern European countries, respect for the inherent dignity of man remains only an empty promise. Citizens are repressed. Helsinki Watch members are routinely imprisoned and exiled.

Indeed, today 51 members of the Helsinki Watch Group are incarcerated in prisons, labor camps, or psychiatric hospitals, or are serving terms of exile. Three Helsinki Watch members have died after years of mistreatment in Soviet labor camps. Dr. Yury Orlov, the founder of the Moscow Helsinki Watch Group, has been imprisoned for 8 years in a strict-regime, Siberian labor camp. House Joint Resolution 357, which I introduced on July 26, 1985, appeals for the release of Dr. Orlov and other imprisoned Helsinki Final Act monitors.

Yet despite these gross violations by some signatory nations, the Helsinki Final Act is not without value, for it arms the repressed peoples of the world with the most powerful weapon they could possibly have—hope. Hope for worldwide cooperation in their quest for freedom. Hope for a future free from systematic oppression.

Last month, I visited Romania, where I met with church leaders and human rights activists. My experiences with the people there confirm that international agreements to respect human rights offer them a vision for a better future. These agreements, by showcasing international cooperation, encourage citizens to actively promote change. These agreements let the repressed know that they are not alone in the fight for fundamental human rights and freedoms. The Helsinki Act of 10 years ago shines prominently among those international agreements.●

● Mr. FOWLER. Mr. Speaker, 10 years ago 35 nations signed an agreement in Helsinki committing themselves to 10 principles to govern their conduct toward each other. These principles covered military security, economic and scientific cooperation, and human rights. All of the signatories solemnly pledged to observe all of these provisions.

Some would have us set aside the portion of the Helsinki agreement concerning human rights especially principle 7 which requires signatory States to abide by the U.N. Charter, the Universal Declaration of Human Rights, and other international accords providing for the respect of such fundamental human rights as freedom of though, of conscience, and of religion or belief. We are supposed to simply overlook this obligation or else treat it as so much diplomatic rhetoric, nothing more than empty words.

But if the East-West dialog is to have real meaning, if we are to gain any confidence in solemn international pledges in fields ranging from economics to arms control, we cannot ignore principle 7. If we are to remain true to our common humanity, we must not be blind to questions of basic human freedoms.

It is the policy of the United States to observe fully the Helsinki agreement and it must continue to be our policy to do all within our power to see to it that all the signatories of the Helsinki Final Act, including the Soviet Union and its allies, live up to the commitments that they themselves freely entered into in 1975. We expect, and welcome, a full review of our own human rights performance by the other Helsinki signatories. At the same time we claim the legal, and moral, right to review the performance of others.

It is clear that East-European countries, most notably the Soviet Union, continue to be guilty of a wide range of human rights violations that cannot possibly be reconciled with their promises at aHelsinki.

In the Soviet Union, the most severe violations have come in the areas of suppression of political dissidents, censorship, restrictions on travel ane emigration, and denial of freedom of religion. The Soviets continue to hold as many as 10,000 political prisoners, continue to involuntary incarcerate political dissidents in psychiatric institutions, continue to systematically move against any domestic criticism of the Soviet State, continue to subject their own citizens wishing to leave the country to countless obstacles, and continue to harasss those seeking to exercise religious beliefs.

After reaching a record high total of over 51,000 in 1979, Jewish emigration from the U.S.S.R. has been sharply and steadily curtailed, dropping to only 900 in 1984. Unfortunately this discouraging pattern has continued this year. This has been accomplished in part by severe restrictions on eligibility to apply for an exit visa.

When we examine the subject of human rights, we are not talking about mere abstractions. Let us not forget that we are dealing with fellow human beings who are suffering without cause. In the truest sense, we are speaking for them as they have no voice in this matter.

A few years back from Kishinev in the Soviet Union came word of a hunger strike and an urgent appeal to the Madrid Conference:

> We are Soviet citizens of Jewish nationality, who have struggled for many years to leave the Soviet Union and be reunited with our close families in Israel. We have not been able to fulfill our dream . . . We have tried everything, without result. We have beggerd, we have asked, we have inquired and still we are no further in our desire to be united with our families. We have thus decided to exercise the only thing left for us to do and go on a hynger strike which will begin on the opening day of the Madrid conference and which will continue for as long as the Conference lasts. Our purpose is to draw the world's attention to our plight. It is our only possible protect against this shameful denial of elementary human rights which are inscribed in the Helsinki Accords. No matter what happens to us we are counting on your support and we are appealing to your conscience to help us from our bondage.

Shortly after this communication was sent, one of its authors, Vladimir Tsukerman, was arrested for "hooliganism."

When we speak out for the victims of repression, however, we are not doing so only for them. For they are on the cutting edge of freedom. They are fighting battles every day for us to make the world a more humane, a more stable and a more peaceful place.

In closing I would like to echo the words of former Secretary of State Edmund Muskie, when he spoke of American human rights policy:

> We do all this not out of a native idealism and not only because it is right. We do all this because we have domestic and international legal obligations to promote respect for human rights. As signatories of the U.N. Charter and by our own laws, we are required to work for increased observance of human rights by all countries. We also are convinced, in the most hard-headed, practical sense, that emphasis on human rights serves our national interests.

So let none of us forget our obligations to each other as nations or as hyman beings. Let us make the 10th anniversary of the signing of the Helsinki Final Act a time for renewed commitment not only to security for nations, but security for people. Let us redeem the pledges of 10 years ago to respect human freedom and hyman dignity.●

Mr. HOYER. Mr. Speaker, I yield back the balance of my time.

GENERAL LEAVE

Mr. HOYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order this evening.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

HELSINKI'S 10TH ANNIVERSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. RITTER] is recognized for 60 minutes.

● Mr. RITTER. Mr. Speaker, as we commemorate the 10th anniversary of

the signing of the Helsinki accords, it is worthwhile to call attention to those courageous individuals who, by serving as Helsinki monitors in the Soviet Union, are currently imprisoned or died in prison or died under other circumstances. These individuals' crime against the state amounts to nothing more than their desire to see the fulfillment of human rights obligations by the Soviet Union to the Helsinki agreements.

They belong, or belonged, prior to imprisonment or death, to the Moscow Helsinki Group, the Ukrainian Helsinki Group, and the Lithuanian Helsinki Group.

As the ranking Republican on the House Helsinki Commission, I strongly urge our commission to review the cases of the Helsinki monitors at its Ukrainian Helsinki Group, earliest convenience.

For many of these individuals, the future is extraordinarily dangerous and it is our obligation to seriously and expeditiously consider their plight.

IMPRISONED MEMBERS OF THE HELSINKI MONITORING GROUPS IN THE U.S.S.R. AND LITHUANIA

MOSCOW HELSINKI GROUP—SENTENCED

1. Elena Bonner—Sentenced on August 17, 1984 to five years of internal exile for "anti-Soviet slander."

2. Ivan Kovalev—Sentenced on April 2, 1982 to five years of strict regimen camp plus five years internal exile for "anti-Soviet agitation and propaganda."

3. Anatoly Marchenko—Sentenced on September 4, 1981 to ten years of special regimen camp plus five years of internal exile for "anti-Soviet agitation and propaganda."

4. Viktor Nekipelov—Sentenced on June 13, 1980 to seven years in labor camp and five years of internal exile for "anti-Soviet agitation and propaganda." (Sentenced in October 1982 to prison for three years.)

5. Yuri Orlov—Sentenced on May 18, 1978 to seven years in strict regimen camp and five years of internal exile for "anti-Soviet agitation and propaganda."

6. Tatiana Osipova—Sentenced on April 2, 1981 to five years general regimen camp and five years of internal exile for "anti-Soviet agitation and propaganda."

7. Feliks Serebrov—Sentenced on July 21, 1981 to four years strict regimen camp plus five years exile for "anti-Soviet agitation and propaganda." Also a member of the Psychiatric Working Group. (Sentenced in 1977 to one year in camp).

8. Anatoly Shcharansky—Sentenced on July 14, 1978 to three years in prison and 10 years in strict regimen camp for "anti-Soviet agitation and propaganda" and "treason." (Sentenced in October 1981 to return to prison for three years).

UKRAINIAN HELSINKI GROUP—SENTENCED

9. Mykola Horbal—Sentenced on April 10, 1985 to eight years in labor camp plus five years internal exile for "anti-Soviet agitation and propaganda". (Sentenced in 1980 to five years of camp).

10. Iosif Zisels—Sentenced on April 10, 1985 to three years in camp for "anti-Soviet slander." (Sentenced in 1979 to three years camp for "anti-Soviet slander.")

11. Vyacheslav Chornovil—Sentenced on June 6, 1980 to five years in strict regimen camp for attempted rape. (Arrested before completion of previous term of six years camp and three years exile).

12. Olha Heyko—Arrested in March 1983; in camp for "anti-Soviet agitation and propaganda." Sentenced in November 1983 to three years strict regimen camp. (In 1980, he got a three year camp term for "anti-Soviet slander.")

13. Vitaly Kalynychenko—Sentenced on May 18, 1980 to 10 years in special regimen camp and five years of internal exile for "anti-Soviet agitation and propaganda."

14. Ivan Kandyba—Sentenced on July 24, 1981 to 10 years special regimen camp plus five years exile for "anti-Soviet agitation and propaganda."

15. Zinovy Krasivsky—Arrested on March 12, 1980 and transferred into labor camp to serve the eight months in camp and five years of internal exile remaining under a 1967 sentence for "anti-Soviet agitation and propaganda" and "treason."

16. Yaroslav Lesiv—Sentenced on November 15, 1981 to five years of strict regimen camp for "possession of narcotics." (In 1980, he got two-year term for "possession of narcotics.")

17. Levko Lukyanenko—Sentenced on July 20, 1978 to 10 years in special regimen camp and five years of internal exile for "anti-Soviet agitation and propaganda."

18. Myroslav Marynovych—Sentenced on March 29, 1978 to seven years in strict regimen camp and five years of internal exile for "anti-Soviet agitation and propaganda."

19. Mykola Matusevych—Sentenced on March 29, 1978 to seven years in strict regimen camp and five years of internal exile for "anti-Soviet agitation and propaganda." (Sentenced in October 1980 to prison).

20. Oksana Meshko—Sentenced on January 6, 1981 to six months in strict regimen camp and five years of internal exile for "anti-Soviet agitation and propaganda."

21. Mykola Rudenko—Sentenced on July 1, 1977 to seven years in strict regimen camp and five years of internal exile for "anti-Soviet agitation and propaganda."

22. Petro Sichko—Sentenced in June 1982 to three years in strict regimen camp for "anti-Soviet slander." (In 1979, he got three year term for anti-Soviet slander.)

23. Vasyl Sichko—Sentenced on January 4, 1982 to three years strict regimen camp for "possession of narcotics." (In 1979, he got three year term for "anti-Soviet slander.")

24. Vasyl Striltsiv—Sentenced in October 1981 to six years in camp on unknown charges. (In 1979, he got two year term for "violation of internal passport laws.")

25. Vasly Stus—Sentenced on October 14, 1980 to 10 years in special regimen camp and five years of internal exile for "anti-Soviet agitation and propaganda."

DIED IN CAMP

Oleksy Tykhy—Sentenced on July 1, 1977 to 10 years in special regimen camp and five years of internal exile for "anti-Soviet agitation and propaganda" and illegal possession of firearms. (Died in camp from malnutrition on May 6, 1984).

Yuri Lytvyn—Sentenced in April 1982 to 10 years of special regimen camp plus five years of exile for "anti-Soviet agitation and propaganda." (In 1979, he got three year term for "resisting a representative of authority.") (Died in camp, probably suicide, in late August 1984).

LITHUANIAN HELSINKI GROUP—DIED

Rev. Bronius Laurinavicius—Killed (by truck) on November 24, 1981 in Vilnius. (On November 21, 1981, was subject of accusatory article in *Tiesa*, official Lithuanian newspaper).

SENTENCED

26. Viktoras Petkus—Sentenced on July 13, 1978 to three years in prison, seven years in special regimen camp and five years of internal exile for "anti-Soviet agitation and propaganda." (Petkus also joined the Ukrainian Helsinki Group in 1983).

27. Vytautas Skuodys—Sentenced on December 22, 1980 to seven years strict regimen camp and five years of internal exile for anti-Soviet agitation and propaganda." (U.S. citizen. Also member of the Catholic Committee).

28. Algirdas Statkevicius—Sentenced on August 11, 1980 to forcible psychiatric treatment after being arrested on February 14, 1980, reportedly for "anti-Soviet activities." (U.S. citizen).

GEORGIAN HELSINKI GROUP—SENTENCED

29. Merab Kostava—Sentenced on December 15, 1981 to five years in camp for "resisting a representative of authority." (Before completion of previous term of three years camp and two years exile).

30. Valentina Pailodze—Sentenced on May 25, 1983 to eight years strict regimen camp plus three years exile for "giving bribes" and for "giving false testimony." (In 1978, he got a three year term for "anti-Soviet slander.")

ARMENIAN HELSINKI GROUP—DIED

Eduard Arutunyan—Died of natural causes in late November or early December 1984. Had been arrested on November 5, 1982 and sentenced to three years strict regime camp for "anti-Soviet slander." (Had served previous three-year term on similar charges from 1979-82).●

EQUITABLE TREATMENT WITH RESPECT TO PAY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio [Ms. OAKAR] is recognized for 60 minutes.

Ms. OAKAR. Mr. Speaker, tonight I would like to speak a little bit about the subject of fairness in pay, pay equity. Some people call it comparable worth. I do not use that term at all because I think it is absolutely so distorted that it makes no sense to use a term like that.

I prefer to talk about equitable treatment with respect to pay and then get into a little bit about the legislation that I have introduced that will be coming up on the floor this Thursday.

Before I do, I would yield to my friend from Maryland, Mr. HOYER.

Mr. HOYER. Mr. Speaker, I thank the gentlewoman from Ohio for yielding.

Mr. Speaker, I have had the great privilege to serve on the Subcommittee on Compensation and Benefits under the chairmanship of the gentlewoman from Ohio. I might say that on issues of fairness to Federal employees and fairness to individuals in general, there is no stronger leader than the gentlewoman from Ohio [Ms. OAKAR].

I stand with her in support of the legislation which she has forged and worked so diligently on over the years and which this House endorsed so overwhelmingly in years past and I want to congratulate her on the efforts she is making. I believe she has forged a very reasonable, a very responsible piece of legislation looking toward coming out with a study that the Congress will be able to review and make a sound judgment on fair policy toward the women and the men who work in the Federal service.

So, Mr. Speaker, I want to congratulate the gentlewoman for the outstanding job she has done.

In the past 30 years, 60 percent of the people newly entering the labor force in this country have been women; and it is anticipated that in each year of the next decade 1 million additional women will join them. More than half are women with children under 18.

These official statistics reflect the notion that this so-called flood of women into the marketplace is a relatively recent phenomenon. The truth of the matter is that women have always worked; they just have not always been fairly compensated for their labor.

As far back as 1870, close to 30 percent of the households in Baltimore, MD, relied in some way on female-generated income. By 1900 that number had risen to 40 percent. While the number of women in the compensable labor force has almost doubled in the past 44 years, the reason for this entry has remained the same—economic necessity.

Despite the rapid growth of women in the labor force, they still remain concentrated in certain industries and occupations, earning substantially less than their male counterparts. The majority of working women fill only 20 percent of the 441 occupations listed in the census occupational classification system; 80 percent in four jobs fields—clerical work, service industries, retail sales and factories and plants.

Of the 10 lowest paid occupations, 6 are 90-percent filled by women—84 percent of our health aides are women; 85 percent are nurses aides; 63 percent are cooks; and 13 percent are farm laborers.

In calendar year 1984, the median wage for year-round full-time women workers was $14,997. For full-time men it was $23,718. Using these statistics, it takes women 8 days to earn what men earn in 5—and the Federal Government is no exception, where the average salary in October 1983 for men was $30,229 and for women it was $18,864.

I know that I need not go any further with these statistics, but they are staggering. Women are not marginal workers and can no longer be regarded as a limitless pool of cheap labor.

Occupational segregation is extreme and it is persistent. Within the Federal Government, there is a statistically significant inverse correlation between sex and salary in the general schedule and equivalent grade: 80 percent of the women employed by the Federal Government are concentrated at grades 7 and below, whereas, 85 percent of men are found in grades 10 through 15.

We at the Federal level have an opportunity to do something about this discrimination, and we must begin with the Federal system. We must look at the Federal classification system and make position-to-position comparisons across classification group lines. The Federal Government should be a model for others to follow in our pursuit of pay equity.

As a model, we can best begin by understanding the extent of the problem. There has never been a thorough discrimination study of the Federal civil service. It is time we had one. H.R. 3008 meets this need by mandating a study of the Federal and classification systems to determine whether they are affected by discrimination based on sex, race, or national origin.

Only Federal jobs will be studied and recommendations are limited solely to Federal civil service. This bill does not put into place a national employment-pay equity policy for the country or even the Federal Government. Nor, does this bill presume that any existing wage gap is due to discriminatory practices. It only requires a complete study of our pay and classification system.

Congresswoman OAKAR deserves to be commended for her efforts to secure a fair and reasoned approach to this study. Her bill establishes an 11 member bipartisan commission to oversee this study which will guarantee representation by both Houses of Congress, the President, and the Office of Personnel Management. This commission will hire a consultant to perform an 18-month study, comment on the study, and disband.

In this way, we will be provided with a complete and accurate review of the wage gap which exists between sexes in Federal employment and whether that gap is attributable to such factors as responsibility, effort, qualifications, seniority, education, or other factors exclusive of sex, race, and ethnicity. We can then move forward based on data and not hearsay.

Mr. Speaker, I congratulate Congresswoman OAKAR for her continued leadership in this field of pay equity. We should know if our Federal civil service is stained with discrimination and should quickly move to be certain that we are in full compliance with our civil rights laws. Equality and fair treatment must continue to be our goals to ensure a fair employment system supported by the high morale and productivity of all employees.

I urge all Members to support H.R. 3008.

□ 1940

Ms. OAKAR. Mr. Speaker, I want to thank the gentleman, and of course when he was a member of the subcommittee, he was one of the absolute finest members. The gentleman is a champion for fairness as well, and human rights. I just heard the gentleman speak about the very important chairmanship that he has, as our leader to the Helsinki accords conference that is being held, and I certainly agree with you on every single word that you have said, Congressman HOYER, because I think so many people suffer from suppression all over the world; and it is especially true in countries that are dominated by the Soviet Union.

So I want to commend the gentleman for his previous remarks and thank him for the courtesy which he has just extended to me.

Mr. Speaker, let me just go into what pay equity is, and go into a little bit about my legislation. First of all, the subject of pay equity is simply the elimination of sex-based wage discrimination or minority-based wage discrimination which we have found in certain areas of our country is the case.

Why are we concerned about what women, for example, are paid? We are concerned for a lot of reasons, not the least of which is something that we ought not to be so proud of in this country, and that is that we have the poorest people in our country being older people and in particular the poorest persons in our country are older women; women over 65 years of age.

Why are they poor? They are poor for a number of reasons. Many of them were not so poor when they were younger. One of the problems is that their insurance program, their Social Security check or their pension is based pretty much on their wages, and if you are paid very poorly and not according to the value of the work that you performed when you are younger, you are really going to be poor when you are older, because we have some problems in terms of pension discrimination and we all know and agree that the Social Security system that was founded in 1936, while it is a wonderful system, has some corrections to be made as it relates to women.

So we are dealing with the subject of what people are paid; fairness issues. This is a national phenomenon. We have 45 States in this country that are in the process, or have conducted a study on how they treat their State employees.

We know, for example, that when a job is dominated, very often—it just

happens to be the case, but it can happen to men as well—dominated by women, for example, we know that the work, the job in terms of what it pays is usually very, very poor.

We can take historical examples if we take a look at the worth of educators, which is a female-dominated profession that I, as a former teacher, I wish we could get more men involved in the field, but we cannot because the average starting salary for educators across the country is about $8,500 to $9,000 a year, and we know that a person with a family, it is really difficult to think of maintaining that kind of profession, even though there is nothing more important than the education of our young people.

We know the nurses, for example, spend more time with patients than any other health care provider, and yet that individual, usually a woman but certainly could be a man, is not compensated very often properly.

We know that secretaries, I think, are the absolute classic example, and as Members of Congress, we ought to ask ourselves where we would be if we did not have our secretaries.

Now I heard some of the Members, one in particular, get up on the floor the other day, and I was really kind of aghast. He said, "Well, you know, these secretaries, all they do is spend time in their air-conditioned offices."

I think the secretaries of this country who are very often the core, the catalyst for what kind of work goes on in corporations; the management very often related to the office, the eyes and ears of her boss; ought to be outraged, absolutely outraged with statements like that.

This is the stereotyping that very often goes along with professions that happen to be female dominated. Now we know that many, many States across the country are attempting to correct the manner in which they treated their own State employees.

That is why, as I mentioned earlier, there are 45 States who have or are in the process, including my own State of Ohio, of conducting a study. I am proud of my State of Ohio, for example, because they have in their budget in a bipartisan fashion, set aside some money to correct some of the inequities that exist in terms of how they treat their own State employees.

I am proud of the fact that the National Conference of Governors has endorsed the concept of treating people fairly in terms of their pay. I am proud of the fact that we live in the greatest country in the world, and one of the reasons we do is that we as Americans are not satisfied with the status quo.

When we see something that needs to be corrected, it may take us some time, but we get along with the job of correcting the problem. That is why, in 1920, half the population were finally given the right to vote, with the 19th, or Anthony amendment. It took us a little time to allow women to fully participate in the democratic process, but the fact is, as Americans we were proud that constitutionally we finally did involve women in the democratic process, in 1920.

We are also proud of the fact that in the sixties, we knew there were the problems, and this is why we passed two bills that relate to the subject at hand tonight, although they also relate to other issues.

We passed, in the sixties, the Civil Rights Act, which finally gave people, irrespective of their origin, their gender, their age, and all the other factors that sometimes were held against them, equal access, equal opportunity to the various networks of our wonderful country.

We passed the Equal Pay Act that was so important, because what it said was, and boy you should have heard the arguments in those days when that bill was being debated; but what that act said was that we think people ought to be given the same pay for doing the same work as their male or female counterparts; and we passed that bill, and we are proud of that.

Under title VII of the Civil Rights Act, we believe very strongly that you cannot discriminate against an individual based on in this case, one's gender or race, and that is all we are trying to say.

We are trying to say is that what we ought to be doing with respect to how we classify our Government employees using the Civil Rights Act and the Equal Pay Act and the Fair Standards Labor Act; using those acts that are already the law, taking a look at how we classify our Federal employees.

We do not believe that we want to change the law; we really want to use the law as our own instrument, and we feel that it is high time that we did that.

What is the issue at hand? What has caused the National Chamber of Commerce, which frankly I do not think represents businesses that well, because I know so many corporations have expressed to me their deep concern that they are using as their No. 1 issue, their full lobbying and all the money and power that they apparently have as a national lobbying organization; what are they attacking? They are attacking a bill, my bill, that relates to doing a study on how we classify Federal employees.

They are not making as their major issue the enormous trade deficit that has caused hundreds if not thousands and thousands of our people to lose their jobs; many corporations to fold; small businesses to fold; they are not looking at the enormous deficit that we have in our country which ought to be their priority.

No, they are zeroing in on a study that relates to classified Federal employees.

□ 1950

Well, what about this study? What can I tell the American people about it? The fact of it is, civil service took place in our country with respect to our Federal employees in 1923. We have not looked at how we classify our civil servants, who are classified on a scale from 1 through 18, since the inception of civil service in 1923. We simply have not done it. We think it is high time we take a look at whether or not sex, race, or Hispanic origin are factors in how people are paid. That is all the legislation says, no more, no less.

Does it talk about comparable worth? Absolutely not.

Who would hire the consultant and be responsible for overseeing? The study would be a bipartisan group led by the President of the United States and the majority and minority on both sides of the aisle in both the House and the Senate, along with various organizations like the Office of Personnel Management, that has direct oversight over Federal employees, and others.

So that, pretty much, is what the bill does.

We passed the bill overwhelmingly in the House in the last session by a vote, if I recall, of about 414 to 6. It was truly a bipartisan vote. We had people on both sides of the aisle who were very much supportive, and I am proud to say that in the bill that I reintroduced some time ago, we have more than 105 cosponsors. We are proud of that. Many Members have said to me, "We are delighted that you are not only including the area of gender, but you are including a study on those who are Hispanic in origin and those who are minorities," because we know that those individuals, as well, need to be included in this kind of a study, so we expanded that area.

Mr. Speaker, the issue is, basically, fairness. I mentioned that the National Chamber of Commerce is opposed to it. Let me just review some of the groups who are supportive of the legislation, proud that the congressional caucus for women's issues, which is comprised of Republicans and Democrats, men and women, are supportive of this bill: The Congressional Black Caucus is supportive of this bill, the Congressional Hispanic Caucus is supportive of this bill; the Older Women's League is supportive of this bill; the National Federation of Business and Professional Women; the National Education Association; the American Nurses Association; the League of United Latin American Citizens; the National Political Congress of Black

Women; the American Federation of Government Employees; the American Association of University Women; Service Employees International; Federally Employed Women; the League of Women Voters.

I have heard groups or certain Members say that this is radical, and so on. I do not think the League of Women Voters and the Older Women's League and groups like that are in any way radical. What they are talking about, basically, is the issue that it is high time we did a study.

At this time I would be delighted to yield to one of our distinguished Members, my colleague, the gentleman from California [Mr. MARTINEZ], if he would like to make a statement at this time.

Mr. MARTINEZ. Mr. Speaker, I rise to join my colleagues in expressing my support for H.R. 3008, the Federal Equitable Pay Practices Act of 1985. This bill requires that a study of the pay and classification systems for Federal employees be conducted to determine whether, or not, or to what extent, sex, race, or ethnicity is used in setting wages.

For the past 20 years the Federal Government has been one of the driving forces behind the advancement of civil rights in this Nation. The Supreme Court took a leading role in 1955 with its decision in Brown versus the Board of Education, which ruled that segregation was unconstitutional. With this landmark decision came a commitment on the part of the Federal Government to protect the rights of all its citizens, regardless of sex, race, or ethnicity. The Pay Equity Act of 1963 and the Civil Rights Act of 1964 are tangible examples of this commitment, and are illustrative of the pivotal role the Federal Government can play in eliminating discrimination from our society.

The Federal Government should not be afraid to examine its hiring practices to determine whether or not discrimination exists. Shunning this social responsibility indicates that the Federal Government is not truly serious in its commitment toward civil rights, I would like to remind my colleagues that the Federal Government is not above the law and should be subject to those very laws it passes to govern the rest of society. The Federal Equitable Pay Practices Act of 1985 will merely examine hiring practices, without making any changes or remedies in the system.

As of late, there has been much confusion surrounding the issue of pay equity. Many of my colleagues from the other side of the aisle have mislabled it as "comparable worth," when in reality there is an important distinction between the two. Pay equity means equal pay for equal work. It forbids employers to discriminate on the basis of sex, race, or ethnicity when setting hiring and promoting standards. Although blatant cases of discrimination have become rare, the problem is far from eliminated.

Discrimination has become very sophisticated and is often masked in job titles and job descriptions. Women and men are paid different salaries for alleged job differences that include filing versus folder maintenance. With practices such as these occurring it is clear that the Federal Government cannot and must not relinquish its role in rectifying discrimination.

Comparable worth, on the other hand, goes far beyond the Pay Equity Act of 1963 by stating that all workers, regardless of sex, should receive equal pay for work of comparable worth to an employer. Embedded in this notion is the belief that women have been traditionally discriminated against in the marketplace. Thus, jobs that are predominately held by women are lesser paid for that very reason. Whether you support or oppose the concept of comparable worth, it is important that you make the distinction between it and pay equity. The bill before us today, H.R. 3008, is a pay equity issue. As legislators we must not cloud the issue at hand and, consequently, jeopardize the right of millions of our fellow citizens to receive equitable compensation for their work. I strongly urge my colleagues to refrain from distorting this issue and join with those who support pay equity.

Ms. OAKAR. I thank my colleague, and at this time I would just like to simply say that one of the great joys of having this legislation on the floor in the past has been the number of men who support the legislation. Men care about how their daughters and their mothers and their grandmothers and their sisters are treated. And that is the concept. It is a family issue, how people are treated, and whether or not they are treated fairly. In the 1970's, two Congresswomen, Peggy Heckler, our current HHS Secretary, and LINDY BOGGS, in a bipartisan fashion, had an awful lot to do with passing the Fair Credit Act. And all of the arguments against the Fair Credit Act are the same arguments you hear today: If you are fair to people in terms of taking a look at how you treat them, somehow you are going to upset the marketplace.

As a matter of fact, we put a marketplace study in our legislation to refute that argument, that somehow the sky is going to fall, and so on.

The truth of it is, after all of the scare tactics that are used currently to divert people's attention from the substantive issues, the same concerns and the same kinds of radical notions that were perpetrated on the floor of this House in the 1970's—they said you cannot give women the opportunity to buy their own car in their own name or to buy their own home in their own name or to indeed hold a credit card. The fact of it is, after women were given equal access to credit, guess what the banks found out. They found out that indeed, in general, women are the best credit risks, and it has stimulated the economy and increased the opportunities for women to participate in the economy.

We know from States that have done their studies and implemented their studies, like the State of Minnesota, we know from the testimony that we received, that it did not in any way hurt their economy, it not only stimulated their economy by making some few adjustments on how they treat their employees, it not only did that, but it added to the morale and to the productivity of their workers. Everyone feels a lot better about that situation.

I am pleased to have a number of Members, all male Members, who have asked that I submit their statements for the RECORD tonight, from all sections of the country. I am proud of these men, just as I am proud of all of the Members who have in the past supported this legislation. I think the women of this country, the minorities of this country, will be very grateful if we can pass this simple study this Thursday. It seems to me that what we are talking about, very basically, is fairness. It is that simple. And that is the American dream, to be fair to every single person in our country, and that is why we are the greatest country in the world. We want to continue to be the greatest country in the world, and that is why I think it is high time we took a look at how we classify our Federal workers.

□ 2000

So I want to thank the Speaker and I am deeply grateful to all my colleagues who have been so considerate in this legislation. I would like to include my friends from the other side of the aisle as well.

I yield to the gentleman from Ohio [Mr. KINDNESS].

Mr. KINDNESS. I thank the gentlewoman for yielding.

For those of us who do not serve on your committee, there may remain some questions, and one that I would like to understand better is that there does not appear to have been a full-grown study since the origination of the civil service system of the categories of jobs.

Is it the case that there is an ongoing review and annual adjustment or periodic adjustment that does occur or has occurred during that period of time or is it a case of having no real adjustment during that 60 years?

Ms. OAKAR. The problem is that in 1923 you had less than 5 percent of the Federal work force who were clas-

sified who happened to be women or minorities. So the stereotyped notion of classifications has not been removed. I could give the gentleman a series of examples. One good example is the fact that in certain categories it is capped and they usually are female-dominated jobs so you could work 40 years for the Federal Government and never have your salary raised by an adjustment that we, in fact, in Congress, occasionally vote ourselves a raise. So they do not have, in many cases, that access.

This is the kind of thing we are talking about. Any reasonable person would want a study done if you have not had a comprehensive one done in 62 years. It is that simple.

I yield to the gentleman.

Mr. KINDNESS. It causes me a little concern that we have had over the years a Civil Service Commission and now an Office of Personnel Management, and there has not been any study and adjustment from time to time, incrementally over the years, that would put us in a reasonable posture today.

Did your committee or subcommittee consider whether there is a need for any basic change in the way that we are handling our civil service categories and job classifications for the future, following on such a study?

Ms. OAKAR. I think that is what we are trying to do. I have been chairing this committee for about 4½ years, and that is one of the real frustrations. That is that when you try to deal with something comprehensive so that the Commission, which is a bipartisan commission, would make recommendations to the Congress, someone or other, very few I might add, uses inciteful tactics that really do not relate to the issue.

I think you should be concerned. I am concerned too. As you know, the system is pretty much overseen by whoever is in charge of the Office of Personnel Management. To me it is not a partisan issue. I am not casting any aspersions on the current Office of Personnel Management Director, whoever that may be.

Mr. KINDNESS. I guess this has been going on for 60 years.

Ms. OAKAR. Yes; that is the point. I think it is high time we took a look at it and let the bipartisan commission make recommendations if they have any. I would not want to presume anything because I think that is the purpose of this study. Just as they did, if I can say to the gentleman, in the city of Los Angeles, Mayor Bradley implemented some adjustments. We know that in the city of Colorado Springs, a very fine Republican mayor implemented some adjustments after looking at how his employees have been classified over the years. We know that corporations have done this. Corporations like AT&T and United States Steel, J. Byron & Son, a department store chain. This an evaluation that most good corporations do every day of the week. We really are a little bit behind the times in terms of taking a look at how we treat our employees relative to this issue.

That is what it is all about and no more or no less. I happen to feel very strongly that we should not pit men against women in this issue because that is not it at all. In fact, the study would recommend that we, and I put in the legislation purposely that we do not recommend changing a person's salary in terms of lowering it because that would be against the law if there were not proper need to do so.

We want this to be fair and objective and hopefully, the gentleman and many others on his side as they did last Congress in support of the legislation. Let us take a look at how we relate to this classified system.

Mr. KINDNESS. I thank the gentlewoman for the response to that question, but I am left with a bit of concern about whether the Office of Personnel Management ought to be changed somehow structurally for the future so that we do not find ourselves in the same situation a few years down the road, and would certainly hope that the committee might pursue that.

Ms. OAKAR. There have been several studies but never one really dealing with the comprehensive issues at hand. That is what we are after, and we want it to be cooperative, and we do not want it to be hysterical or confrontional or erratic in terms of various arguments.

You know, I find that the same people who oppose Social Security oppose this legislation. The same people who oppose fair credit to women oppose this legislation. It is an interesting phenomenon over the years that have gone by, and I do not think the issue is really fair credit or Social Security. I think it really is should we do a study on how we classify Federal employees that are part of the civil service classification system. We have not really taken a look at this since 1923.

I want to thank the Speaker for his indulgence, and I certainly hope that we will not distort the issue; that we will simply tell the truth about what the issue is. That is what it is all about.

● Mr. EDWARDS of California. Mr. Speaker, I am proud to be a cosponsor of H.R. 3008, Congresswoman OAKAR's bill which would mandate a study to examine Federal wage classifications.

Unfortunately, this study has been wildly distorted and portrayed as a potential threat to free enterprise, and as the vehicle for implementing comparable worth in the private sector. This simple piece of legislation is under attack by those who seem to have a hysterical fear of a study of Federal pay systems. Why this hysteria?

Let's take a look at exactly what this legislation proposes to do. The Federal Government, the largest employer in the United States, has not examined its wage classification system since its inception in 1923—over 62 years ago. Surely no business would or should conduct their operations in this manner.

The bill introduced by Congresswoman OAKAR simply and succinctly mandates an examination of the Federal Government's wage practices. Perhaps the study will determine that gender and race issues have invoked discriminatory policies. Perhaps not. But should we fear finding out the truth—nothing more, nothing less—by supporting the mandate of this study? The Post Office and Civil Service Committee's Subcommittee on Compensation and Employee Benefits, the expert subcommittee of jurisdiction, did not allow such a fear to prevent its endorsement of the study. The full committee has also shown bipartisan approval of H.R. 3008. We should all be happy and proud to do the same. Let's support H.R. 3008 when it comes before the full House for a vote.●

● Mr. EDGAR. Mr. Speaker, tomorrow the House will consider H.R. 3008, the Federal Equitable Pay Practices Act of 1985. All but six of my colleagues supported similar legislation introduced by my colleague and friend from Ohio, Congresswoman OAKAR last year. I would like to urge my 412 colleagues who voted for a study of Federal pay practices last year to join me in saluting the gentlelady from Ohio for her leadership on one of the most important issues this Congress will address.

Having done that, I am sure my colleagues will once again reaffirm that factors of sex, race, and ethnic background have no place in the determination of how Federal employees are paid. As the Nation's largest employer, the Federal Government must abide by the requirements of title VII of the Civil Rights Act of 1964 and section 6(d) of the Fair Labor Standards Act of 1938. To do less, in my opinion, would be to endorse the hear no evil, see no evil approach to enforcement of our equal employment opportunity laws that threaten to undermine our commitment to economic justice.

Principles of economic justice extend to those who serve the public and enforce our Nation's laws.

A SOUND APPROACH TO A SOUND STUDY

H.R. 3008 establishes a bipartisan Commission that includes Presidential and congressional appointees and the Comptroller General and the Director of the Office of Personnel Management. This group in turn selects a qualified consultant to conduct a two-part study. The first part of the study

examines the job-factors of male and female dominated jobs in order to isolate the factors that appear to make the most difference. The second part of the study, an economic analysis, examines the three major economic factors that determine pay.

This approach adopts the recommendations of the General Accounting Office [GAO], in its report "Options for Conducting a Pay Equity Study of Federal Pay and Classification Systems," March 1, 1985. I believe that Members who have reservations about the study proposed in H.R. 3008 ought to read this report carefully. It addresses just about all the questions and criticisms that have been raised about and leveled at this legislation.

My colleagues who attribute the fact that federally employed women earn $0.63 for every dollar earned by federally employed men to such "facts" as: One, women voluntarily select lower paying job categories because they derive nonmonetary satisfaction from such choices; two, married women have work histories that are shorter and less consistent than men; three, the supply of women for certain occupations exceeds demand and drives wages down; and four, women have a greater tendency to take dead-end jobs or similar temporary employment—ought to read this report and understand that all of these factors are going to be examined and taken into account.

The study is going to look at some factors that I disagree with and that my colleagues disagree with, but it's going to be comprehensive, thorough, objective, and statistically accurate. We are going to have the facts to explain why the average woman who works for the Federal Government earns $12,000 less than the average man.

JOB CONTENT ANALYSIS

Three-fourths of all major employers in both the public and private sector set wages by using some type of job content analysis. The most typical kind of job content analysis is the point-factor rating method which breaks a job down into its various components and subcomponents and assigns points to these factors based upon the value of each element to the employer. Factors include education, training, skill, experience, and relative convenience of working conditions.

For example, a Federal classifier may assign 100 points to a general skill, and add between 0 and 50 points for a particular technical skill, assign 0 to 30 points for managerial skills, and additional points for human relations skills the job requires. The analysis yields a total point value for a job that can be compared against another job.

The National Academy of Sciences reports that job evaluations "do provide a systematic method of comparing jobs to determine whether they are fairly compensated" and confirms that pay studies have served to reduce discriminatory differences in pay. So much for the theory that dissimilar jobs cannot be compared. Employers have compared dissimilar jobs for years.

The purpose of the job content study, then, will be to help isolate factors used in rating job content that are clearly gender related.

ECONOMIC ANALYSIS

Opponents of H.R. 3008 have charged that the legislation intends to isolate gender related factors and attribute the entire wage gap in Federal service to such factors. The economic analysis required by H.R. 3008 utterly refutes this contention.

The study would examine the three major factors that contribute to setting pay: First, the "human capital" an individual brings the job—his or her skills, experience, institutional memory, willingness to work certain hours and in a certain location, that is the sum of what the employee offers that an employer can use. Previous studies have demonstrated that human capital accounts for over 40 percent of the gap in wages between men and women; second, the relationship between occupational characteristics and wages. Whereas the job-factor study will isolate gender based characteristics, this part of the economic analysis will examine why men and women tend to dominate certain occupations. This analysis attempts to distinguish discriminatory from nondiscriminatory factors that go into this process of gender-based selection, factors including personal choice, oversupply, lack of access, and prejudice; third, the "institutional" elements of wage determination including the effects of supply and demand on pay. We know that supply and demand operate imperfectly in labor markets. For example, entry level jobs are far more influenced by supply and demand than positions an organization fills from within its own ranks.

Promotional systems, including how employee performance is evaluated, will also be examined to determine whether agencies have established male or nonminority dominated career ladders.

FISCALLY RESPONSIBLE REMEDIES

With all the factors that go into setting Federal pay before us, the Commission will recommend remedies to discrimination where it is found to exist. The Congress can then take action similar to that taken in States and localities that have completed studies of equitable pay practices. Working with employee representatives and other interested parties, fiscally constrained jurisdictions have developed long-term phased-in remedies that balanced taxpayers interests against the need to bring discrimination to an end.

Mr. Speaker, I urge my colleagues to confirm what we did last year when we took an important step toward economic justice. I might add that this step, when taken by both public and private employers, has generated a spirit of liberation, good will, and cooperation that has enhanced productivity and served the employer well.●

● Mrs. BOXER. Mr. Speaker, I would like to thank my friend from Ohio [Ms. OAKAR] for calling this special order on the critical issue of pay equity and commend her for the outstanding work she has done in this area.

A number of my colleagues have devoted an extraordinary amount of time and effort to state their opposition to H.R. 3008, the Federal Equitable Pay Practices Act of 1985. There has been implications of exorbitant costs, an over-turned marketplace, and a disastrous system of wage setting reaching far beyond the Federal Government into the private sector. This sort of over-reaction and exaggeration serves to make clear that these colleagues of mine have not spent a great deal of time familiarizing themselves with the exact provisions of H.R. 3008.

Mr. Speaker, H.R. 3008 does not give Congress the power to set the wages of employees in the private sector nor does it establish any sort of mandate for a national system of wage setting. What this reasonable and necessary legislation does do is simply call for a study of the Federal wage and classification system for evidence of discrimination based on sex, race, and ethnicity.

The Federal Government is the largest single employer in our Nation. Yet, in the more than 60 years that it has been established, the Federal job classification system has never been thoroughly studied for evidence of discrimination. As legislators, we have an obligation to battle discrimination wherever it may exist. What better place to begin than in our own front yard.

The Federal Equitable Pay Practices Act of 1985 will provide us with one valuable element—information. Based on the information the study provides, we can begin to make certain our own Government workers are free from job bias. The elimination of discriminatory practices at the worksite is a goal every employee and employer should strive to attain. Pay equity legislation such as H.R. 3008 brings us one step closer to achieving this goal and creating a more just society for ourselves, our children, and our grandchildren.●

● Mr. FAZIO. Mr. Speaker, I would like to join my colleagues in this special order to offer my support for H.R. 3008, the Federal Equitable Pay Practices Act of 1985.

I wholeheartedly support the concept of pay equity and believe that individuals performing jobs involving

similar types of training and responsibility should receive the same pay. The Federal Government, as the single largest employer in the United States should set an example in promoting equitable pay practices.

The American taxpayers have invested millions of dollars over the years in the Federal Government's job classification systems to ensure uniformity and accuracy. Yet, for as long as we have been developing these pay-setting systems, we have never done a review of them to determine their impact on women, minorities and ethnic groups. We have never tried to explain, for example, why the average pay for women who work for the Federal Government is $18,864, nearly $12,000 less than the average for men, $30,229.

I believe we also need to explain why women are clustered in the lower Federal ranking grades. The General Accounting Office reports that in 658 of 885 Federal job classifications, men hold 70 percent of the jobs. Women dominate just 77 job classifications—all at the lower end of the pay scale. H.R. 3008 says that Congress, as the Board of Directors of the Federal service, cannot simply shrug off these facts, but must join 34 State governments that have accepted their responsibility to answer similar questions.

H.R. 3008 would require the establishment of a bipartisan Commission of Presidential and congressional appointees that includes the Director of the Office of Personnel Management and the Comptroller General of the United States. It requires the Commission to select a qualified consultant to complete a two-part Federal pay equity study.

Please join me in supporting this measure and the concept of pay equity. As the distinguished chair of our Compensation and Benefits Subcommittee has been telling us all along, this study breaks no radical new ground. It simply puts us on ground already broken by most of the States. It does not rely on blue smoke and mirrors to engineer unwarranted and exorbitant pay increases for women, it simply requires the use of established statistical methods to examine the factors that contribute to the wage gap and to review the Federal Government's method of determining how job factors influence pay. It serves our right to know if the Federal Government's pay policies conform with title VII of the Civil Rights Act and with section 6(d) of the Federal Labor Standards Act.

I urge my colleagues to join ranks once again to take an important step on behalf of all Americans.●

● Mr. GEJDENSON. Mr. Speaker, I rise at this time to voice my strong support for Congresswoman OAKAR'S Federal Equitable Pay Practices Act. As an original cosponsor of this legislation, I am proud to be part of this bipartisan congressional effort to continue this country's long tradition of eradicating discrimination of any kind in the workplace.

In considering this bill, I would like to remind my colleagues that it is not the radical measure which some of its opponents would have us believe. Rather, H.R. 3008 represents a recognition of the fact that women working in the Federal Government still earn far less than their colleagues and seem to be represented disproportionately in the lowest-paying jobs.

While many people assert that male/female wage discrepancies are due to historic tendencies to undervalue female labor, H.R. 3008 makes no such assumption. It tries, instead, to understand the reasons behind these discrepancies and to determine whether the Federal Government's official method of pay and job classification is in keeping with the Government's own statutes prohibiting discrimination on the basis of sex, race, and ethnicity.

In its evaluation, a professional consultant will take into account both job content and economic factors which interact to affect a particular job's level of pay. Job content and economic analysis were recommended in the General Accounting Office's report on methodologies for conducting pay equity studies. The economic analysis, in particular, should allay the concerns of those who feel that market forces be taken into account in evaluating pay and classification scales.

Finally Mr. Speaker, H.R. 3008 will not mandate salary levels either in the Federal Government or the private sector. It will merely provide the Federal Government with the knowledge it needs to eliminate wage differentials stemming from discrimination. Additionally, it will bring the Federal Government into the forefront of efforts to root out the last vestiges of workplace discrimination.

I urge my colleagues to support this most important piece of legislation.●

● Mr. DE LUGO. Mr. Speaker, I rise today to offer my support for H.R. 3008, the Federal Equitable Pay Practices Act of 1985. As an original cosponsor of what I believe is an improved bill over that passed by the House of Representatives last year, that now includes not only a study of Federal pay practices for women, but for blacks and Hispanics as well, I am urging my colleagues to offer their full support when this measure is considered.

There are those who question the need for examining the classification and payment practices of the Federal Government. There are those who attribute discrepancies between what men are paid and what women are paid to attitide differences between the sexes on work and achievement. And, there are those who contend that the predominance of blacks and Hispanics in lower paying positions is related only to qualifications.

But for myself and many others, however, these opinions are not sufficient. We need to know why these differences still exist.

Given the fact that 80 percent of all women employed by the Federal Government are concentrated in the lowerst paying positions, and that 85 percent of all men are concentrated in the highest paying positions, is an opinion really enough? Do we simply accept the fact that all three of these groups are overwhelmingly clustered in lower grade positions?

As those responsible for shaping this Nation's policies, how can we ignore these facts without questioning if, perhaps, the Federal Government classification and payment practices are discriminatory. I do not think that we can in good conscience.

That is why I believe that an objective study of the Federal wage and classification system is needed. Our society has changed dramatically since the classification system was established in 1923, and yet this system has not been reviewed since that time. H.R. 3008 would mandate a study using job content and economic analysis of Federal positions which are held by men, women, and minorities predominantly. It would also establish a bipartisan Commission to hire an independent consultant to carry out this study. It does not give the Congress the power to set wages, nor does it put into place a national employment or pay policy.

The Equitable Pay Practices Act of 1985 can help provide us with vital information that we need to effectively address issues of equal opportunity now and in the future. It can provide us with an objective measure of our progress. And, it displays a commitment from this Congress that we will continue to work toward a democratic society that encourages all of its citizens to achieve their full potential.●

● Mrs. SCHROEDER. Mr. Speaker, this week we will be voting on H.R. 3008, the Federal Equitable Pay Practices Act. I urge my colleagues to vote for this bill to ensure that our civil service wage and classification systems are free of bias.

H.R. 3008 would commission a study of the Federal pay and classification systems to determine if they are affected by discrimination based on sex, race, and ethnicity—Hispanic. It would empanel a bipartisan commission to choose an independent consultant to perform the study. The study would consider all compensable factors—including job content and market factors—to determine whether any wage differentials identified may be due to

discrimination. The bill does not presume that any existing wage gap is due to discriminatory practices.

I would like to share with my colleagues this Washington Post article describing the experience of the city of Colorado Springs, which has committed itself to end sex-based wage discrimination for its city employees. As Mayor Robert Isaac said: "We did something fair and just, and in return we got ourselves great employee morale, lower turnover and higher productivity. Isn't that what the private sector's always looking for?"

[From the Washington Post, Mar. 25, 1985]

CITY NEAR PEAK NO PIKER ON PAY

(By T.R. Reid)

COLORADO SPRINGS.—Can a staunchly conservative, heavily Republican nonunion city government find happiness with a bold new policy championed mainly by organized labor and feminists?

"You're darn right we're happy with comparable worth," says Robert Isaac, the loyal Reaganite who is mayor of this thriving city of 250,000 at the foot of Pike's Peak.

"Some of my Republican friends back in Washington have been pretty tough on this idea," says Isaac, immediate past president of the Republican Mayors' Conference. "But I tell them, if they'd try it, they'd like it."

Some government officials and business leaders back in Washington have indeed had harsh words for the concept of "comparable worth"—the idea that women working in traditionally female jobs should get the same pay as men in different jobs requiring comparable skill and responsibility.

Former White House economic adviser William A. Niskanen Jr. has called comparable worth "a truly crazy proposal." Clarence M. Pendleton Jr., head of the U.S. Civil Rights Commission, said the concept is "the looniest idea since Looney Tunes."

"Yeah, I heard that," says Isaac with a shake of the head. "We wouldn't call it loony here in Colorado Springs.

"But what we had before—where a secretary is doing a job that's just as hard and just as important as a truck mechanic, and she's getting $300 [a month] less—now, that was loony. It's just basically unfair."

The liberal notion of comparable worth hit this conservative city four years ago. A group of 36 City Hall secretaries, all women, went before the City Council to complain that city auto mechanics, all men, were scheduled to get a much higher raise than they were.

"I was sitting at that meeting and—boom! There was the issue," recalls Richard Zickefoose, the city's personnel director. "We didn't expect it to come up, but all of a sudden we were faced with comparable worth."

Zickefoose knew that the federal Equal Pay Act requires equal pay for the same work, regardless of the worker's gender. But the law does not apply to workers doing different jobs, no matter how "comparable" the jobs may be.

As the second-largest employer in town (the federal government is No. 1 in this military city), the city government was under minimal competitive pressure to take on the problem, and there was no public employes' union here to force the issue.

But as Zickefoose and Isaac looked into the secretaries' complaint, they came to agree that the city had no choice but to set up a comparable-worth pay scale.

"It was fundamentally a moral issue," Zickefoose says. "Sure, supply and demand would have provided us a clerical force at the lower salaries. But that market fact was a result of years of discrimination against women workers. We felt we had no right to take advantage of it."

That settled, Colorado Springs faced the problem that many critics of comparable worth consider insoluble: figuring out which jobs done mainly by women are comparable to different jobs done mainly by men.

"The question is, 'Is a secretary's job the same as a tire repairman's? Is a payroll clerk comparable to a tree trimmer?' And, sure, that's a tough question," Zickefoose says.

Colorado Springs drew its answers from the "Hay Guide-Chart Profile" devised by the Philadelphia consultants Hay & Associates. It assigns points to each job in four areas: know-how (the knowledge and skills required); problem-solving (the ingenuity required); accountability (the degree of supervision required) and working conditions (the degree of danger present).

This "Hay Scale" showed, for example, that the jobs performed by a secretarial supervisor and a probation counselor each totaled 208 points. In 1980, though, the traditionally male probation job paid $1,709 a month, while the female supervisor received $1,389. The women earned 23 percent less for "comparable" work.

In 1981, the city committed itself to eliminating almost all of that gap in four years. The comparable-worth scheme took full effect in January. Today, the secretarial supervior's pay is within 4 percent of the probation officer's.

The change brought considerable raises for about 500 female employes and increased the $90 million city payroll by about 2 percent—a relatively small burden for this fastgrowing, prosperous metropolis.

For this price the city earned deep appreciation from its female workers. "Morale is sky high," says Betty J. Ketterson, secretary to the public works director and one of the original 36 petitioners. "And when I need to hire somebody, our applicants are the pick of the crop."

But the government has earned the enmity of the local Chamber of Commerce and many businesses. They say the city bought a liberal bill of goods, flouted the free market and raised the pay scale for clerical workers here to astronomical levels.

Mayor Isaac, a real estate lawyer in private life, says the Chamber of Commerce should stop carping.

"We did something fair and just, and in return we got ourselves great employe morale, lower turnover the higher productivity," Isaac says. "Isn't that what the private sector's always looking for?"●

● Mr. MARKEY. Mr. Speaker, our esteemed colleague MARY ROSE OAKAR recently introduced legislation which would establish a bipartisan commission to study the executive branch wage and classification systems for sex, race, and ethnically based wage bias. Today, I would like to applaud Representative OAKAR's strides in bringing the struggle for civil rights into the 1980's and urge my colleagues to lend their support to this innovative piece of legislation.

In 1963, Congress passed the Equal Pay Act. In 1964, the Civil Rights Act. Yet, 20 years later, we are still trying to ensure equal pay for equal work among employed persons in this country without regard to sex, race, national origin, or religion. Is this such a difficult concept to accept?

Some people would have us believe that pay discrimination and any other inequities should best be left to market forces. Those same people would also have us believe that women in America are paid 64 cents on the dollar because they desire to work in jobs that are traditionally compensated for less than their male counterparts. Nothing could be further from the truth.

Representative OAKAR's bill would examine to what extent wage gaps exist between male and female workers. An economic analysis of pay differentials could provide the Congress with factors such as educational level, experience, and occupational differentials by sex in the Federal Government. Such information could be used to identify any unexplained cases of wage differentials.

Mr. Speaker, I find it hard to believe that my colleagues are opposed to a bill which would require a scientific, objective study to gauge the effectiveness of our attempts to eliminate wage discrimination. The criticisms that have come to light concerning this issue only serve to further cloud the simple intent of this legislation: to conduct a study that would determine where wage differentials exist. Are they afraid of finding out the truth? H.R. 3008 would not make "comparable worth" a nationwide regulation. It would merely determine what kinds of pay differentials exist within the Nation's largest employer, the Federal Government.

I strongly urge my colleagues to take rational, well-reasoned action on H.R. 3008. We should not have to wait another 20 years before taking the next step in the fight for civil rights.●

● Mr. STOKES. Mr. Speaker, I would like to thank my distinguished colleague from the State of Ohio, Congresswoman MARY ROSE OAKAR, for reserving this special order to discuss H.R. 3008, the Federal Equitable Pay Practices Act of 1985. Tomorrow, the House will vote on this legislation. I urge my colleagues, on both sides of the aisle, to vote in favor of H.R. 3008.

H.R. 3008, introduced by Congresswoman OAKAR, calls for a long overdue review of the Federal pay and classification systems to determine whether discrimination based upon sex, race, or ethnicity exists. The Federal classification system has never been reviewed since its establishment in 1923—62 years ago.

The House of Representatives cannot afford to delay this review process any longer. As the single largest employer in the Nation, the Federal Government should be a model for

equal employment opportunities compliance with Federal laws. H.R. 3008 attempts to move the Federal Government to that point.

Last year, the House and Senate agreed to a GAO study on this same issue. Preliminary figures compiled by the Government Accounting Office as an outcome of this report indicate that there is still much to be done to ensure equitable pay for all Federal employees. The GAO study concluded that a more indepth review by the Congress is warranted.

At this time, I would like to share some of the findings of that GAO report with my colleagues. GAO auditors reported that the average earnings gap between men and women working for the Federal Government is $9,000 per year. The report also notes that federally employed women earn an average of 62.8 cents for every dollar earned by their male counterparts. GAO found that black women fared worse with their average earnings being 62.2 cents for every dollar earned by men.

Furthermore, even though women comprise almost one-half of the Federal work force, approximately 78 percent of the female employees are clustered in the lower paying slots—grades 1 through 6. Eighty-five percent of the men employed by the Federal Government are concentrated in grades 10 through 15.

Mr. Speaker, these startling GAO figures should be enough incentive for the Congress to pass H.R. 3008. The 18-month study mandated by H.R. 3008, will give us a conclusive indication if certain Federal employees are victims of discrimination. By conducting this study, the Congress will reaffirm its commitment to the law of the land, which states that sex, race, and ethnicity are not factors that may be used to determine the rate of pay for any individual or for any position.

In closing Mr. Speaker, I commend my colleague, Congresswoman OAKAR for her diligence in pursuing the issue of pay equity. I urge my colleagues to vote in favor of this legislation.●

GENERAL LEAVE

Ms. OAKAR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order tonight.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

A TRIBUTE TO DR. CAROLYNE DAVIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. PURSELL] is recognized for 60 minutes.

Mr. PURSELL. Mr. Speaker, I wish to compliment a distinguished Federal employee in the employment of the President who is retiring. I want to take a few minutes to compliment a very distinguished public servant who is here tonight, Dr. Carolyne Davis. She is retiring after 4½ years.

Dr. Davis has spent 4½ years as the leader and the Administrator for the Health Care Financing System in America, principally on Medicare and Medicaid which now exceeds a budget of over $100 billion. I understand, if my figures are correct, that it is in the top five nations of the world as far as large budgets and responsibility of administration of critical health programs that have been directed by Congress and have undergone substantial reform in recent years.

□ 2010

She has been given credit for being at the helm of that ship under the direction, obviously, of the Secretary of Health and Human Services, Peggy Heckler.

Tonight I just wanted to indicate my personal remarks about knowing her, as a Congressman from the Second Congressional District in Michigan, in which is held one of the largest world-class institutions, the University of Michigan, of which Dr. Davis was formerly a vice president and dean of nursing.

Since her appointment to the directorship and administration of our health programs here in America, coming from the University of Michigan, she has brought with her credentials of outstanding capability in the area of finance and budget reform, public policy changes in health, and also her extensive background in nursing as a former dean of nursing at the University of Michigan and her ties with the national nursing associations and Johns Hopkins University.

I believe it is very unusual that we have outstanding women who are in the field of developing public policy in the Federal Government at this high level. I personally think of her opportunities not only as an administrator but a potential in the years to come possibly at the Secretary level in the health field or some similar field related to developing good public policy for this Nation. It is very unique to find people of talent and budget skills and in development of legislation who have the tenacity and the long determination to offer testimony before many hundreds of congressional committees both in the House and in the Senate.

So it is with great pleasure on behalf of myself and my colleagues in the House of Representatives and the Senate of the United States to congratulate her for a job extremely well done, with future potential in years when she will return to public service for this great Nation.

Several Members have offered statements, Congressman JAMES BROYHILL, a letter from Margaret Heckler personally, a statement from Congressman BILL BROOMFIELD, a statement from Congressman GEORGE O'BRIEN of Illinois, a statement from BILL GRADISON of Ohio, a statement from HELEN BENTLEY of Maryland, and statements from RAY MCGRATH of New York, MATTHEW J. RINALDO of New Jersey, GEORGE C. WORTLEY of New York, CLAUDE PEPPER of Florida, and DAVID E. BONIOR of Michigan.

Dr. Davis is an outstanding American. We were proud to have her with us. We are sorry that she is leaving the office of the Secretary of Health and Human Services as the Health Administrator. Her opportunities in the private sector are great and I am sure that she will make a great contribution to whatever endeavor she looks at in the future in her professional career. I have been proud to have her serve this Nation.

Mr. ARMEY. If the gentleman will yield, let me take just a moment to express to the gentleman for his thoughtfulness to come down to the floor this evening at this late hour and to bring this to our attention. I appreciate the gentleman's concern and his commitment.

Mr. PURSELL. I thank the gentleman.

I know on behalf of Congressmen BOB MICHEL, and TRENT LOTT, BILL NATCHER, chairman of our HEW Subcommittee on Appropriations, and others, particularly in the House of Representatives, she has had a great forum here and they really appreciated her testimony, her credibility and her leadership and we are forever grateful for that effort on her part as one of the great leaders of this Nation.

Mr. Speaker, I include in the RECORD at this point a letter concerning Dr. Davis from Margaret Heckler, the Secretary of Health and Human Services.

The letter is as follows:

DEPARTMENT OF HEALTH
AND HUMAN SERVICES,
Washington, DC.

To my former colleagues in the Congress:

Today it is my great privilege to extend my heartfelt thanks and best wishes to Dr. Carolyne K. Davis, who soon will be leaving the Department of Health and Human Services after a distinguished four-and-one-half year "tour of duty" as Administrator of the Health Care Financing Administration.

Dr. Davis' sustained leadership has enabled our Department to inaugurate the most significant reforms in the 20-year history of government health care financing. She has been President Reagan's staunch ally in maintaining high quality health care for America's elderly, poor, disabled and others in need, while improving the cost-efficiency of health care delivery.

Today, the estimated 50 million Americans served by the programs Dr. Davis had administered since 1981 can rejoice in the realization that these programs are better

managed and more quality-conscious than ever before.

During her tenure at the Department of Health and Human Services, Dr. Davis has earned the admiration and respect of all of us who have worked with her. Her testimony "on the Hill" has been forthright, lucid and informative. She has kept the communication lines open between our Department and health care providers and consumers. She has been a constant source of knowledge and support to me; her counsel has been sound and thoughtful.

With a profound sense of gratitude and with all sincerity, I ask you to join with me today in thanking Dr. Davis for a job well done and in wishing her the very best and brighest future possible.

Thank you, Carolyne!

Sincerely,

MARGARET M. HECKLER,
Secretary.

Mr. PURSELL. Mr. Speaker, I also include in the RECORD the biography of Dr. Carolyne Davis.

The biography is as follows:

CAROLYNE KAHLE DAVIS, ADMINISTRATOR, HEALTH CARE FINANCING ADMINISTRATION, DEPARTMENT OF HEALTH AND HUMAN SERVICES

EDUCATION

Ph.D., Higher Education Administration, Syracuse University, Syracuse, New York, 1972.

Master of Science, Nursing Education, Syracuse University, Syracuse, New York, 1965.

Bachelor of Science, Nursing, Johns Hopkins University, Baltimore, Maryland, 1954.

Liberal Arts Studies, Dickinson College, Carlisle, Pennsylvania, 1949 to 1951

PROFESSIONAL EXPERIENCE

Administrator, Health Care Financing Administration (HCFA), March 1981 to present

Major Responsibilities

Management of the Medicare and Medicaid health care insurance programs which provide for the health care needs of 50 million Americans who are elderly, disabled or poor. Development and implementation of detailed operative guidelines on reimbursement, eligibility and coverage, and management of the agency's budget which for FY 1985 was $99 billion, amounting to 10% of the total Federal budget and 29% of all health care expenditures in this country.

Administration of a $35 million research and demonstration budget focusing on long range policy development.

Supervision of 4,100 agency staff and 60,000 regional and State fiscal intermediary staff who coordinate HCFA programs at the State level.

Response to Congressional and other governmental agency requests for information, research studies, and testimony concerning HCFA programs.

Communication with provider and health industry groups, the media, and consumer groups regarding HCFA policies and directions for health care cost containment.

Specific Accomplishments

Reduced Medicare and Medicaid spending increases and improved agency efficiency through the successful efforts listed below:

Prospective Payment System (PPS): Implemented PPS using Diagnostic Related Groups (DRGs) as a new method for paying for hospital care under Medicare. Implemented in five months after passage of 1983 Social Security Act.

Medicaid State Flexibility Waiver Program: Implemented waiver program for States in 1981 (i.e., Home and Community-based; Freedom of Choice).

End Stage Renal Disease Program (ESRD): Implemented prospective payment rates.

Peer Review Organizations (PRO): Implemented new program assuring necessity, appropriateness and quality of care for Medicare beneficiaries.

Health Maintenance Organizations (HMO): Expanded access by implementing new provisions under Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA).

Hospices: Developed regulations and certified 110 hospices for participation in the Medicare program.

Early and Periodic Screening Diagnostic Treatment (EPSDT): Developed proposed regulations to eliminate burdensome requirements which impede health screenings and following-up care to children under Medicaid.

Intermediate Care Facilities for Mentally Retarded (ICF/MR): Reformed Federal surveys of large public ICF/MRs and required corrections of such standard conditions.

Common Billing (UB-82): Established a common billing term form for Medicare hospitals and another for physicians for all third party payors.

Medicare Physician Fee Freeze: Implemented legislation within three months after passage.

Participating Physicians and Physician Assignment Rate Lists (PARL): Expanded beneficiary information of suppliers and physicians who accept assignment.

Common Procedure Coding (CPT-4): Implemented common procedure coding for Part B billing under Medicare.

Third Party Liability (TPL): Reduced Medicaid costs through joint project with the Social Security Administration for improved collection of information on Supplemental Security Income (SSI) recipients.

Admission Pattern Monitoring (APM): Established a system to assure that only patients who need hospitalization are admitted.

Ambulatory Surgical Centers: Developed rules for coverage and reimbursement of ambulatory facilities as a cost-effective alternative to inpatient hospital services.

Medicare Contractor Performance: Improved peformance through enhanced audit and medical review criteria; more stringent performance standards; workload consolidation; and intensified overpayment collection and prevention procedures.

Improved Audits: Achieved reduction of $2.1 billion in reported costs by completing audits of PPS base period used for setting hospital rates.

Parenteral and Enteral: Simplified administration by designating two contractors and setting national instructions and pricing guidelines for these supplies.

Paper Reduction: Reduced paperwork burden on public by more than 25 percent.

Publications Cost Reduction: Reduced publication costs by 67 percent without affecting any beneficiary publications.

Reduced Agency Travel: Reduced agency travel by $500,000 (net) by expanding audio/video teleconferencing.

Centralized Freedom of Information Act (FOIA): Centralized FOIA activities, increasing workload from 2,000 to 30,000 yearly requests without increasing staffing.

New International Activities Program: Began International Health Briefings program in 1983 in coordination with State Department briefing over 30 nations and their representatives.

Technical Assistance to States: Began program helping States implement DRG type prospective payment systems for Medicaid programs.

Improved Ageny Productivity: Reorganized the agency, iproved HCFA productivity by raising work levels 30%, and improved timeliness in agency review and response to State Medicaid waivers.

Associate vice president for academic affairs (Inter Collegiate and Intra College Programs), the University of Michigan, Ann Arbor, Michigan, May 1975 to March 1981

Major Responsibilities and Accomplishments

Administration of the following special institutes and centers with a budget of $6 million from general funds and $7 million from grants, contracts, and earned income and over 500 employees: Institute for Public Policy Studies, Institute for Labor and Industrial Relations, Institute for Mental Retardation and Related Disorders, Institute of Gerontology, Center for Research on Learning and Teaching, Center for Human Growth and Development, Michigan Media Center, Michigan Historical Library, Clements Library, Museum of Art.

Supervised and coordinated activities between the University of Michigan Hospitals and the five health science schools: Medicine, Nursing, Pharmacy, Public Health and Dentistry.

Supervised and coordinated various international exchange programs, and initiated new exchange agreements with international universities in China, Germany, France, Italy, and the Netherlands.

Served as University of Michigan Congressional liaison for Education and Health Sciences from March 1979 to March 1981. Responsibilities included: (a) monitoring Federal legislation and appropriations related to University interests such as higher education, biomedical research, hospital cost containment, health manpower; (b) developing legislation with Congressional staff and members of Congress; and (c) developing and implementing legislative strategies alone and in collaboration with such groups as the American Association of Universities.

Reviewed all recommendations for faculty promotions and determined final candidates from the seventeen schools and colleges on the Ann Arbor Campus as well as the two branch campuses of Flint and Dearborn.

Participated in budget allocation decisions for the seventeen schools and colleges on the Ann Arbor Campus.

Coordinated interdisciplinary graduate programs for Bioengineering and Water Resources.

Developed and implemented program closure procedures and guidelines for the university's academic programs.

Dean, School of Nursing, the University of Michigan, Ann Arbor, Michigan, July 1973 to May 1975

Major Responsibilities and Accomplishments

Administration of nursing school involving the management of 135 faculty and 1,100 students with a general fund of over $2 million and $1 million annually in grants and contracts.

Development of Ph.D. program in clinical nursing research.

Institution of research and funding activities which moved the school from 30th to

10th in the national ranking of Federal funds received.

Participation in the development of a new statewide nursing research program which brought over $1.5 million in research funds to the University.

Development of an intercollegiate masters degree program with the School of Public Health for preparation of nursing service administrators.

Development of an off-campus multimedia instructional program lead in to a baccalaureate program for registered nurses with a $1 million Federal grant.

Implementation of upgraded criteria for review of faculty appointment, promotion and tenure.

Development of an elective course "The Consumer and His Health Care Needs" for non-nursing majors.

Professor of education and professor of nursing, the University of Michigan, Ann Arbor, Michigan, 1973 to 1981

Management teaching at the Center for Higher Education, School of Education.

Chair/committee member for doctoral student dissertations at the Schools of Education and Nursing.

Chairperson, Baccalaureate Nursing Program and Associate Professor of Nursing, Syracuse University, Syracuse, New York, 1969 to 1973

Administration of a baccalaureate nursing program involving the management of 35 faculty and 350 students.

Lecture and clinical instruction of various practice areas.

Development of an inter-institutional cooperative nursing education consortium for Upstate New York; Syracuse University and SUNY Upstate Medical Center Project, 1972 to 1973.

PROFESSIONAL COMMITTEE MEMBERSHIPS

Board Member and President, International Health Economics Management Institute, 1984.

Board Member, Nursing Economics, 1983.

Association of Academic Health Centers, Task Force on Health Manpower Planning 1980-1981.

American Association of Higher Education, Board of Directors 1980-1981.

Friends of Health (a Health Lobbying Group) 1979-1981.

AAU/NASULGC/ACE Joint Committee on Health Policy 1979-1981.

Michigan Health Data Corporation, Chairperson, 1978-1980.

American Council on Education: Commission for Leadership Development 1978-1981, Commission on Collegiate Athletics 1976-1979.

National League of Nursing: Board of Directors 1979-1981, Task Force on Cost Analysis for Nursing Education 1975-1978.

COMMUNITY SERVICE

Johns Hopkins University, Board of Trustees 1979-1981.

Michigan Heart Association: Board of Directors, 1973-1981, Executive Committee, 1979-1981, Finance Committee, 1979-1981.

United Way Campaign, Chairperson, University of Michigan, 1976-1977.

United Fund, Associate Chairperson—Syracuse University, 1972-1973.

Upstate New York Heart Association: Board of Directors, 1968-1973, Vice President, 1972-1973.

School Board (Elected—3-year Term), Fayetteville—Manlius System, New York, 1971-1973.

HONORS AND AWARDS

Honorary Degrees

Doctor of Law, Adelphi University, 1985.

Doctor of Science, University of Medicine and Dentistry of New Jersey, 1984.

Doctor of Literature (Humane Letters), Georgetown University, 1982.

Doctor of Science, University of Evansville, 1982.

Awards

Distinguished Alumni Award, University of Michigan Medical Center, 1984.

Leadership Award, Sigma Theta Tau, 1984.

Alumni Award, Syracuse University School of Education, 1984.

Certificate of Recognition, American Nurses Association, National League for Nursing, and American Association of Colleges of Nursing, 1984.

Distinguished Associate, Atlantic Economic Society, 1983.

Bronze Medallion (for outstanding performance), Department of Health and Human Services, 1983.

Distinguished Alumnus Award, Johns Hopkins University, 1981.

Change Magazine's 100 Top Young Leaders in the American Academy, 1978.

U.S. Public Health Service Traineeship, 1963 to 1965.

Cullen Prize for Nursing Administration, Johns Hopkins University, 1954.

Presidential Scholarship, Dickinson College, 1949 to 1951.

Honors

Fellow, American Academy of Nursing, 1978.

Phi Delta Kappa (Education Honorary), 1975.

Sigma Theta Tau (Nursing Honorary), 1965.

PUBLICATIONS

"A Political Appointee", Political Action: A Handbook for Nurses, edited by D. Mason and S. Talbott, (In Press).

"U.S. National Health Policy: A Federal Perspective", International Health Economics Management Institute, Edwardsville, Ill., (In Press).

"Organ Transplants", Public Welfare, Spring 1985.

"Holding the Line on Health Care Costs: An Administration Overview", IMC Journal, February/March 1985.

"The Impact of Prospective Payment on Clinical Research", Journal of American Medical Association, February 1, 1985.

"The ESRD Program: Finding a Better Future for Patients", Contemporary Dialysis and Nephrology, January 1985.

"Medicare", The Retired Officers, January 1985.

"HCFA is Not Imposing Quotas on PRO's, Administrator Says", Federation of American Hospitals Review, November/December 1984.

"Efficient Care Benefits All", Clinical Chemistry News, October 1984.

"The Reimbursement Revolution Implications for Physicians", Contemporary Dialysis, September 1984.

"The Chief Administrative Officer of the Academic Health Center—A Post of Growing Impact of Both Higher Education and Health Services Delivery", with S. C. Stolp-Smith and J.W. Dalson, Ph.D., The Journal of Health Administration Education, June 1984.

"The Time is Right", Guest Editorial, Nursing and Health Care, May 1984.

"The Status of Reimbursement Policy and Future Projections", Nursing Research and Policy Formation: The Case of Prospective Payment, American Academy of Nursing, Kansas City, Kansas, April 1984

"The Reimbursement Revolution: A New Agenda", Diagnosis Related Groups: The Effect in New Jersey the Potential for the Nation:, March 1984, (HCFA #03170).

"The Reimbursement Revolution: A New Agenda", Caring, February 1984.

"What Nurses Need to Know About the Prospective Payment Revolution", American Journal of Nursing, January 1984.

"A Federal Perspective: Nursing Under Prospective Payment", Health Care Cost Containment: Dilemmas and Solutions, Midwest Alliance in Nursing, Indianapolis, Indiana, 1984.

"Reforming the U.S. Health Care Financing System", and "Research and Demonstrations in Prospective Payment", with A. Esposito, Health Care: An International Perspective, edited by J.M. Virgo and G. Rutman, International Health Economics and Management Institute, Edwardsville, Illinois, 1984.

"Prospective Payment Background and Future Directions", Health Care Institutions in Flux: Changing Reimbursement Patterns in the 1980's Information Resource Press," Arlington, Virginia, 1984.

"National Legislation and Regulatory Action", Perspectives in Nursing 1983-1985, National League for Nursing, New York, N.Y., 1983.

Nursing and the Health Care Debates", (Editorial), Image: The Journal of Nursing Scholarship, Sigma Theta Tau, Summer 1983.

"A Government Administrator's Point of View", Pennsylvania Blue Shield Annual Report 1983, 1983.

"The Federal Role in Changing Health Care Financing, Part II: Prospective Payment and its Impact on Nursing," Nursing Economics, September/October 1983.

"Reforming the U.S. Health Care Financing System", with G.J. Schieber, Ph.D., Atlantic Economics Journal, September 1983.

"A Bold Step Forward", The Internist, August 1983.

"Prospective Payment: What it Means to Physicians", The Internist, August 1983.

"Carolyne Davis on Prospective Payment", Osteopathic Hospitals, August 1983.

"The Federal Role in Changing Health Care Financing, Part I: National Programs and Health Financing Problems", Nursing Economics, July/August 1983.

"Fixed Fees Reduce Costs, Add Incentives", (Editorial), U.S.A. Today, February 16, 1983.

"The Need to Contain Health Care Spending", Graduate Women, January/February 1983.

"Commitment and Cost Control in the Health Care System", American Psychologist, December 1982.

"The 1980s—Nurses' Decade of Political Power", Briefly Noted, American Academy of College for Nursing, Washington, D.C., August 1982.

"Home Health Care-Opportunity and Responsibility", Rx Home Care/Medicare Section, July 1982.

"Effects of Medicare and Medicaid on Community Hospitals", Healthcare Financial Management, July 1982.

"Federally Funded Health Care Progress and Their Impact on Corporate Health Care Costs", Health Care Cost Containment, Machinery and Allied Products Institute, Washington, D.C. 1982.

"Leadership for Expanding Nursing Influence on Health Policy", with D. Oakley and

J. A. Sochalski, The Journal of Nursing Administration, January 1982.

"Restricted Resources Ahead: A Test for Nursing Creativity", The Michigan Nurse, December 1981.

"Who Determines Health Manpower Policy", with P. Maraldo, Nursing in Health Care, August 1980.

"Wield the Ax with Courage and Sensitivity", Higher Education's Challenge, American Council on Education, Washington, D.C. 1980.

"How Can We Train Doctors to be More Humanistic?", Ethics, Humanism, and Medicine, Alan R. Liss, Inc., New York, 1979.

"Guidelines for Program Discontinuance", with Dougherty, Educational Record, Winter 1979.

"The Changing Role of Women in Academe", Dickinson Alumnus, February 1979.

"Our 14,000 Colleagues in Business, Industry and Government", American Association of Higher Education Bulletin, October 1978.

"Factors Affecting the Growth of Interdisciplinary Education", Craniofacial Growth Series, Monograph No. 6, Center for Human Growth and Development, University of Michigan, 1977.

"Nursing Education for Quality Nursing Practice", The Alumni Magazine, Johns Hopkins Press, January 1976.

"Some Methodological Problems in the IOM Study of Costs of Nursing Education", The Cost of Nursing Education, Monograph No. 14-1591, National League for Nursing, New York, 1975.

Relationship of University Preparation and Nursing Practice, NLN League Exchange Monograph No. 108, National League for Nursing, New York, 1975.

"NLN Task Force on the Cost of Nursing Education", Converting Threats into Challenges in Nursing-Adaptations in Baccalaureate and Graduate Education in Nursing, Department of Baccalaureate and Higher Degree Programs, National League for Nursing, New York, 1975.

"Changing Roles for Expert Nurses: Nurse Practitioners", Major Issues and Trends in the Provision of Health Care Services, Governors Conference on Health Care Services and Manpower, 1973.

Final Report of Feasibility Task Force on a University Nursing Education Center, A Consortium Planning Document, with R. Galbreath and M. Sovie, Syracuse University and Upstate Medical Center, New York, 1973.

"Anticipatory Socialization: Its Effect on Role Conception, Role Deprivation and Adaptive Role Strategies of Graduating Students from Selected Associated Degree and Baccalaureate Nursing Program", Dissertation, University Microfilms, Ann Arbor, Michigan, 1972.

RESEARCH ACTIVITIES

Academic Health Center Exploratory Study of Role of Chief Administrative Officer, with Drs. J. Dalston and S. Smith, The University of Michigan, 1980 to 1981.

Statewide System for Procedures of Program Discontinuance (with H. Miller), 1979-80 (Exxon support).

Leadership Competencies of Academic Administrators, with Dr. M. A. Swain, The University of Michigan, 1980.

Leadership Competencies of Deans of Nursing, with Dr. M. A. Swain, The University of Michigan, 1977 to 1979.

Developed the first American Heart Association cardiovascular nursing research fellowship program media, both television and radio, concerning Federal initiatives in health care reform.

Services for Mentally Retarded Persons, Senate Appropriations Committee, Handicapped Subcommittee, 6/27/84.

Medicaid Program "Freedom of Choice" Waivers, Senate Finance Committee, Health Subcommittee, 3/30/84.

FY 1985 Budget for the Health Care Financing Administration, Senate Appropriations Committee, Departments of Labor, Health and Human Services, Education & Related Agencies Subcommittee, 3/28/84.

FY 1985 Budget for the Health Care Financing Administration, House Appropriations Committee, Departments of Labor, Health and Human Services, Educaton & Related Agencies Subcommittee, 3/20/84.

Medicare Program Relative to Proposed Organizational Changes in the Social Security Administration, Congressional Panel on Social Security Organization, 3/16/84.

Medically Needy and the Medicaid Program Services for Children and Pregnant Women, House Energy and Commerce Committee, Oversight and Investigations Subcommittee and Health and the Environment Subcommittee, 3/16/84.

Transplantation in the Medicare End-Stage Renal Disease (ESRD) Program, The National Organ Transplant Act, House Ways and Means Committee, Health Subcommittee, 2/9/84.

Vision of Care Services and Eye Examinations under the Medicare Program, (statement for the record), House Energy and Commerce Committee, Health and the Environment Subcommittee, Baltimore, Maryland, 1/27/84.

Perspective on the Health Care Financing Administration (HCFA) Regarding the Medicare Financing Crisis, (statement for the record), House Select Committee on Aging, Boca Raton, Florida, 12/28/83.

Allocation of Human Organs for Transportation, Particularly as it Relates to Nonresidents Aliens, (statement for the record), House Science and Technology Committee, Investigations and Oversight Subcommittee, 11/7/83.

Systems Currently in Place for Making Organs Available for Transportation under Medicare End-Stage Renal Disease (ESRD) Program as Administered by HCFA, Senate Labor & Human Resources Committee, 10/20/83.

National Organ Transplant Act, (H.R. 4080), House Energy & Commerce Committee, Health and the Environment Subcommittee, 10/17/83.

Reimbursement for Transplant Procedures, (a Written Testimony for the Record by Carolyne K. Davis, Ph.D.), 9/23/83, California State Senate Select Anatomical Transplant Committee, Sacramento, California.

Implementation of the Provisions in P.L. 97-248, the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) which Provide Coverage for Hospice Care for Terminally Ill Medicare Beneficiaries, Senate Finance Committee, Health Subcommittee, 9/15/83.

The Administration's Reforms for Medicare, House Energy & Commerce Committee, Health & the Environment Subcommittee, 7/18/83.

Home Health Care Under the Medicaid Program and the Congressional Proposal, Senate Labor & Human Resources Committee, 7/13/83.

Departments of Labor, Health & Human Services, Education, Appropriations for 1984, (Part 5, HCFA), House Appropriations Committee Labor, HHS, Education Subcommittee, 4/27/83.

Systems in Place for Making Organs Available for Transplantation, House Science & Technology Committee, Investigations & Oversight Subcommittee, 4/27/83.

The Future of Medicare, Senate Special Aging Committee, 4/13/83.

Departments of Labor, Health & Human Services, Education, Appropriations FY 1984, (Part 2, HCFA), (H.R. 3913), Senate Appropriations Committee, Labor, HHS, Educaton Subcommittee, 4/8/83.

The Future of Medicare: N.J., House Aging Committee, Human Services Subcommitte (Princeton, N.J.), 3/28/83.

Overview of the Administration's Entitlement Policies, House Budget Committee Task Force on Entitlements, Uncontrollables, and Indexing, 3/10/83.

Medicare Hospital Prospective Payment System, House Ways & Means Committee, Health Subcommittee, 2/15/83.

Quality Assurance Under Prospective Reimbursement Programs, Senate Aging Committee, 2/4/83.

Prospective Reimbursement for Hospitals, House Energy & Commerce, Health & the Environment Subcommittee, 11/22/82.

Nursing Home Survey & Certification: Assuring Quality Care, Senate Aging Committee, 7/15/82.

Recommendations for Legislation to Achieve Required Cuts in the FY 1983 Budget for Medicare, House Ways & Means Committee, Health Subcommittee, 6/15/82.

The End Stage Renal Disease Program, (Part 2, Treatment Standards & Methods), House Government Operations Committee, Intergovernmental Relations & Human Resources Subcommittee, 4/28/82.

Proposed Regulations Governing Reimbursement under the Medicare End-Stage Renal Disease Program, House Ways & Means Committee, Oversight Subcommittee, 4/22/82.

Impact on the Elderly of Proposed Medicare & Medicaid Cuts, House Aging Committee, Health and Long-Term Care Subcommittee, 3/19/82.

Proposed Prospective Reimbursement Rates for the ESRD Program, Senate Finance Committee, Health Subcommittee, 3/15/82.

HCFA Appropriations for 1983, (Part 3), Senate Appropriations Committee, Labor/HHS/Education Subcommittee, 3/18/82.

HCFA Appropriations for 1983, (Part 5), House Appropriations Committee, Labor/HHS/Education Subcommittee, 3/5/82.

Impact of the Administration's Proposed Budget Cuts on Children, House Ways & Means Committee, Oversight Subcommittee and House Energy & Commerce Committee, Health & the Environment Subcommittee, (statement for the record), 3/5/82.

Kickbacks in Clinical Laboratories, House Energy & Commerce Committee, Oversight & Investigations Subcommittee, 3/5/82.

Administration's proposed Budget Cuts Affecting the Medicare Program, House Ways & Means Committee, Health Subcommittee, 3/2/82.

Budget Issues for Fiscal Year 1983 (Volume 1), House Budget Committee, 2/25/82.

The End Stage Renal Disease Program, (Part 1—Management of the Program), House Government Operations Committee, Intergovernmental Relations & Human Resources Subcommittee, 2/24/82.

End-Stage Renal Disease, Senate Finance Committee, Health Subcommittee, 9/28/81.

HCFA Appropriations for 1982, Part 5, HCFA House Appropriations Committee,

Labor/HHS/Education Subcommittee, 4/27/81.

Proposed Budget Cuts in the Medicare Program, House Ways and Means Committee, Health Subcommittee, 2/20/81.

The Professional Standards Review Organization (PRSO) Program, House Ways and Means Committee, Health and Oversight Subcommittees, 3/24/81.

Phaseout of PSRO's & Utilization Review Requirements, Senate Finance Committee, Health Subcommittee, 3/23/82.

Nurse Shortage & Its Impact on Care for the Elderly, House Aging Committee, Health & Long-Term Care Subcommittee, August 1980.

Nursing, House Interstate & Foreign Commerce Committee, Health and the Environment Subcommittee, March 1980, (Committee re-named House Energy & Commerce Committee).

Funding Needs in Nursing Education, Departments of Labor, Health & Human Services, Education & Related Agencies Appropriations, Fiscal Year 1981, Part 2, Senate Appropriations Committee, 2/26/80.

Health Profession & Education Act of 1980, Senate Labor and Human Resources Committee, Health and Scientific Research Subcommittee, March 1980.

REFERENCES

Michael D. Bromberg, J.D., Executive Director, Federation of American Hospitals, Washington, D.C.

The Honorable Robert H. Michel, Minority Leader, U.S. House of Representatives, Washington, D.C.

The Honorable Carl D. Pursell, U.S. House of Representatives, Washington, D.C.

Frank H.T. Rhodes, Ph.D., President, Cornell University, Ithaca, New York.

Harold T. Shapiro, Ph.D., President, The University of Michigan, Ann Arbor, Michigan.

● Mr. BROYHILL. Mr. Speaker, at a hearing before the Select Committee on Aging this morning, Dr. Carolyne K. Davis delivered her final testimony in a long and distinguished career as Health Care Financing Administrator.

In her own words, Dr. Davis has been the "caretaker of Medicare and Medicaid over the past 4½ years.

What Dr. Davis modestly declines to add, is that she has had the longest tenure of any Health Care Financing Administrator since the agency was founded.

I first became acquainted with Dr. Davis and her impressive command of health policy when she testified many years ago at a Health and the Environment Subcommittee hearing on the Nurse Training Act. Subcommittee members were quickly impressed with the abilities of the nurse from Michigan, and over the years we looked to her time and time again for well thought out and reasoned testimony on health issues.

The President also recognized those outstanding qualities, and in February 1981 Dr. Davis was appointed Health Care Financing Administrator.

The position of Health Care Financing Administrator is not to be taken lightly. Surely it must outrank even the heads of the largest corporations in duties and responsibilities.

As the head of HCFA, Dr. Davis commands over 4,000 agency staff and scores of regional and fiscal intermediary staff. Fifty million citizens count on her to get their benefits—and I might add these citizens are among the country's most elderly, disabled, and poor.

In the coming fiscal year, the Health Care Financing Administration expects to spend almost $100 billion in benefit payments. Its research budget will be $22 million. Imagine the machinery to run an organization that large.

Imagine the grasp of policy to run programs as diverse as end stage renal disease and Medicaid State flexibility waivers.

And imagine trying to run an agency that large, with so many programmatic responsibilities, during such an important period in the reform of health policy.

It is without question that Dr. Davis' stewardship of HCFA was the linchpin upon which the Medicare reimbursement reforms, the prospective payment system, were formulated and implemented. Under the steady management and capable command, this radical change in Medicare reimbursement has been implemented successfully, injecting a long-needed measure of competition into the health care marketplace. And under Dr. Davis' supervision, the law mandating this new PPS system was implemented in only 5 months.

By her own estimation, Dr. Davis has testified before the Congress almost 70 times. The majority of those were as Health Care Financing Administrator.

It is seldom that the Congress has an opportunity to benefit from the viewpoint of one who is so capable, confident, or persistent. Dr. Davis has run HCFA tirelessly for 4½ years, and has done a superb job. I join with my colleagues today, on the 20th anniversary of Medicare and Medicaid, in thanking Dr. Davis for her selfless efforts and for wishing her well in her future endeavors.

With her past record, I am certain Dr. Davis will continue on the path of success—and I know the Energy and Commerce Committee will continue to count on her for cogent, compelling, and now seasoned testimony.●

● Mr. BROOMFIELD. Mr. Speaker, on the 20th anniversary of Medicaid and Medicare, it is especially appropriate that we should recognize the achievements of the retiring head of the Health Care Finance Administration, Dr. Carolyne K. Davis.

Dr. Davis manages a $99 billion budget, which accounts for 10 percent of the total Federal budget and 29 percent of the Nation's health care expenditures.

More importantly, Dr. Davis's performance has been in every way commensurate with her responsibilities. When Dr. Davis took office in 1981, the Medicare trust fund faced the prospect of bankruptcy by 1986; Dr. Davis, however, has significantly prolonged the life of the fund.

Dr. Davis has overseen a thoroughgoing reform of her agency. She has implemented the prospective payment system, an innovative approach to cutting health care costs. She has also reshaped peer review organizations, expanded access to health maintenance organizations, and accomplished myriad other reforms which have produced a more efficient and cost-effective agency.

Dr. Davis has arguably managed to improve the Nation's health care while simultaneously cutting costs.

Mr. Speaker, as the senior member of the Michigan Republican congressional delegation, I am particularly proud of the role I played in helping my colleague Congressman PURSELL to bring Dr. Davis from the University of Michigan to the Federal Government. I commend her for the outstanding job she has done and wish her every future success.●

● Mr. O'BRIEN. Mr. Speaker, I am pleased to join with my colleagues in speaking of the Honorable Carolyine Kahle Davis, Administrator of the Health Care Financing Administration.

In the next few days, the Reagan administration will lose one of its unsung luminaries when Dr. Davis leaves Federal service after 4 years at the helm of one of the most important agencies of the Government.

Dr. Davis has shouldered the responsibility of managing the system that plays a crucial role in serving the needs of the 51 million elderly, disabled, and poor who depend upon Medicare and Medicaid. The agency budget which for fiscal 1985 was $99 billion, amounts to nearly 10 percent of the total Federal budget and 29 percent of all health care expenditures in our country. The agency staff which she supervised totals 4,100 individuals and another 60,000 regional and State fiscal intermediary staff who coordinate HCFA programs at the State level.

During her tenure, she has overseen the institution of a major Federal Government reform program and process—the prospective payment system—which has had, and will continue to have, a profound impact on the Federal Establishment and, naturally, the beneficaries of Medicare. Dr. Davis began the implementation of the system in October 1983, and by October 1984, roughly 5,400 hospitals were being paid under the new system.

Dr. Davis, a distinguished public servant, began her career as a registered nurse. She moved into administration at Syracuse University and

later as associate vice president for academic affairs at the University of Michigan at Ann Arbor. She earned her Ph.D. at Syracuse University and has been honored with doctorates from Adelphi University, University of Medicine & Dentistry of New Jersey, Georgetown University, and the University of Evansville. Her awards, honors and publications are too numerous to list. Suffice it to say that she has made a impressive contribution to the literature of health care in the United States.

Dr. Davis has been in the forefront of developing a new awareness and appreciation of the public policy implications of rising health care costs, and has been the spokesman and general of the revolution to bring health care costs under control during this administration.

The Reagan administration is losing a loyal and experienced administrator, but I am sure that Dr. Davis will continue to make her mark on public policy in her new endeavors.

Her friends throughout the executive branch, the Congress, and the industry wish her well, and look forward to her future assistance to the task of bringing health care costs under control.●

● Mr. GRADISON. Mr. Speaker, it is entirely appropriate that we have chosen today, the 20th anniversary of the Medicare and Medicaid programs to honor Dr. Carolyne Davis.

Not only has Carolyne Davis served as administrator of HCFA, the agency that oversees these two important programs, longer than any other individual, but she has done an outstanding job in what is certainly one of the most challenging and difficult positions in this town.

In 1981, which was when Carolyne Davis arrived at HCFA, the Social Security trustees predicted that Medicare's hospital trust fund would be bankrupt within 5 or 6 years. Earlier this year, the trustees projected that the trust fund would be solvent through 1998.

While this encouraging trend cannot be attributed solely to the efforts of Carolyne Davis, it has been under her leadership that these two massive health programs have undergone their most sweeping changes.

Under the intense pressure and scrutiny of numerous interested parties including other Federal agencies, health industry groups, consumer representatives and Congress, Carolyne Davis has developed and implemented far-reaching, detailed operative Medicare and Medicaid guidelines. She has managed an agency that provides for the health care needs of 50 million Americans who are elderly, disabled or poor. HCFA's current budget of $99 billion amounts to 10 percent of the Federal budget and represents nearly one-third of all health care expenditures in this country.

As ranking Republican on the Ways and Means Health Subcommittee, I have worked closely with Carolyne Davis. My admiration and respect for her have continued to grow. In short, she is going to be a very tough act to follow.●

● Mrs. BENTLEY. Mr. Speaker, it is my pleasure to honor Dr. Carolyne Davis this evening. She is not only one of the more prominent graduates of Johns Hopkins University in our State, but she has also served on the university's board of trustees with distinction.

We are proud of her work as administrator of the Health Care Financing Administration—from a point of near bankruptcy in 1981—she has brought the program to fiscal stability. It has been a grand job which reflects well on her education, her experience and her character.

I am always impressed by the performance of most appointed officers in government, having been one myself. It is the most difficult of chores to come into an on-going operation, fully staffed, picking up programs and problems—already in place—and be effective.

Carolyne Kahle Davis has obviously been effective and that is what good governance is all about.

We owe Dr. Davis for her service to the country. We thank her and wish her Godspeed.●

● Mr. McGRATH. Mr. Speaker, I would like to join my colleagues in saluting the efforts of a dedicated public servant, Dr. Carolyne Davis, who will soon leave Government service.

During my freshman term in Congress, Dr. Davis made her first appearance at a congressional hearing before the Government Operations Subcommittee on which I served. She spoke then on a complex and volatile Medicare issue. Since that time, she has distinguished herself in numerous forums as an articulate and informed leader in the field of health care.

Under the stewardship of Dr. Davis, the Health Care Financing Administration has assumed tremendous responsibility in reshaping Federal programs to meet stringent fiscal requirements while maintaining quality services for millions of Americans. Dr. Davis has responded to these challenges with great vigor and attention to detail.

While we have lost a tireless and trustworthy ally in the executive branch, her legacy of service and accomplishment will remain. I wish her the best of success in future endeavors, and extend my heartfelt gratitude for her efforts.●

● Mr. RINALDO. Mr. Speaker, I am pleased to take part in this special order to commend Dr. Carolyne Davis for her work over the last 4½ years as head of the Health Care Financing Administration.

She has done a tremendous job working under terrific pressures. She has not only had to work to keep the Medicare system solvent, but she also brought to her job a commitment to providing the senior citizens of this Nation the health care benefits they need and deserve.

Only 2 years ago, it was predicted that the Hospital Insurance Trust Fund would be broke by the end of this decade. Today, however, the system is predicted to be solvent nearly to the end of this century.

This improvement is due in large part to the reduction in health care inflation.

More importantly, however, the new DRG system offers us the prospect of long-term relief in holding down health care costs, and Dr. Davis was instrumental in getting Congress to approve this system.

While she has headed the Health Care Financing Administration, Dr. Davis has overseen innovative new programs go into effect, such as the 2176 waiver program under Medicaid, the preventive health demonstration grants under Medicare, the hospice program for terminally ill Medicare recipients, as well as the fundamental change brought about by the prospective payment system.

Mr. Speaker, Dr. Davis has clearly left her mark at HCFA.

She has served longer than anyone else in that position, and she has done so with distinction and a dedication which deserve the commendation of Congress and the administration.

I wish her the best of luck as she returns to the private sector, and wish to extend my heartfelt thanks for a job well done.●

● Mr. WORTLEY. Mr. Speaker, I am proud to participate in this special order honoring one of the ablest administrators that the Health Care Financing Administration has ever had.

I have known Carolyne Davis since she was a professor of nursing at Syracuse University in the early 1970's. She has been a friend, neighbor, and volunteer extraordinaire.

Carolyne has always been at the forefront of good causes, bringing her enthusiasm, knowledge, and leadership capabilities to bear on community efforts. I had the honor and the privilege of serving with Carolyne as officers of the Upstate New York Heart Association. She also served with distinction as the associate chairperson of the United Fund at Syracuse University. As an elected member of the Fayetteville-Manlius School Board, Carolyne played a major role in shaping the school district into one of the finest in New York State.

Administrator Davis has shown the same dedication and perseverence at

the Health Care Financing Administration. During her 4½ years, she has promoted and overseen dramatic changes in the Medicare and Medicaid systems. In very difficult circumstances, HCFA under her leadership has succeeded in curtailing the rate of growth in the cost of the Medicare and Medicaid Programs while at the same time serving more people than ever before.

Specifically, Carolyne has overseen the design and implementation of the prospective payment system, the Medicaid State Flexibility Waiver Program, and peer review organizations. Access to health maintenance organizations have been expanded, regulations, for hospice participation in Medicare have been developed, and the paperwork burden on the public has been reduced by more than 25 percent. These are just a few of the accomplishments of HCFA under Carolyne Davis.

As a member of the House Select Committee on Aging, I have especially appreciated all of the times Carolyne has testified before the Aging Committee and its various subcommittees. It has been a long and hard battle from her first appearance before the committee to her farewell appearance at today's hearing honoring the 20th anniversary of the Medicare and Medicaid Programs.

August 8 is officially Carolyne's last day as Administrator of the Health Care Financing Administration. Her strong work ethic, managerial expertise, and extensive knowledge and deep concern about health issues will be missed. I hope she will return to government service in the future to give us the further benefit of her talents. America needs such talented people in her service.

In closing, let me just say, "Well done, Madame Administrator."●

● Mr. PEPPER. Mr. Speaker, I would just like to take this moment to recognize the fine work of a dedicated public servant, Dr. Carolyne Davis, Administrator of the Health Care Financing Administration who has recently announced her plans to leave the Department.

Dr. Davis. has led a distinguished career at the helm of an agency of great importance to all senior citizens. For in the hands of the Health Care Financing Administration is the Medicare Program which today protects some 31 million elderly and disabled Americans from the high costs of health care. She has lead this agency admirably through a tenure of turbulent times. Dr. Davis served her country for 5 years in this position, longer than any of her predecessors.

On many occasions I have had to call upon Dr. Davis personally for assistance with problems faced by my constituents. Her door has always been open. In every instance she did everything in her power to best assist me. This goes beyond partisanship. Dr. Davis has proved not only a dedicated and talented administrator by a compassionate and understanding person.

I wish Dr. Davis the best of everything in whatever future endeavors she may undertake. I know that she will carry with her those personal and professional characteristics which marked her distinguished service at the Health Care Financing Administration.●

● Mr. BONIOR of Michigan. Mr. Speaker, Dr. Carolyne K. Davis, after 6 years of distinguished service at the University of Michigan, joined the Health Care Financing Administration [HCFA] in 1981 as its Administrator. Dr. Davis took charge at a time when the agency was in the throes of a nearly complete overhaul, the revamping of a major American industry—health care financing. Under her leadership, Medicare and Medicaid underwent the most sweeping changes since their founding. In spite of the stormy seas she has had to sail, Dr. Davis has held her ship on course.

Dr. Davis is not only a leader but a health care professional who knows how to lead. Originally a nurse, she earned a Ph.D. degree in higher education administration, and went on to run nursing departments at Syracuse University and the University of Michigan where she ultimately served as associate vice president for academic affairs before joining HCFA in 1981.

Today, July 30, 1985, marks the 20th anniversary of Medicare and Medicaid. It seems fitting to me that on this day, Dr. Carolyne K. Davis should be honored. I would like to add my voice to those honoring Dr. Davis and wishing her continued success in her future endeavors.●

● Mr. CONTE. Mr. Speaker, 20 years ago today, President Johnson signed into law one of the most important pieces of legislation ever enacted—legislation to establish the Medicare Program which created a system of affordable health care for senior citizens in America. I was privileged to have been in Congress in 1965 when this legislation was passed, and was pleased to be able to vote in favor of it.

Currently, Mr. Speaker, nearly 95 percent of senior citizens in this Nation are entitled to Medicare benefits under part A of the program. Over the years, the program has expanded from hospital benefits (part A) and physician services (part B) first enacted in 1965 to include home health care, skilled nursing facility benefits, hospice care, and health maintenance organizations. And, over the past 20 years, Congress has made changes in the administration of the program to make it more responsive to the needs of its beneficiaries. Perhaps the most notable change was the 1983 amendments, which established the prospective payment system.

Clearly, the Medicare Program has lived up to its noble goals. Health care costs for the elderly—while still a significant percentage of income—are much lower than they would have been had Congress never enacted the Medicare Program. The compromise struck in the 1965 legislation—hospital care under part A for all beneficiaries financed by a small portion of the Social Security tax and part B for those beneficiaries electing to pay a small monthly premium—has insured that our senior citizens need not fear that their health problems can not be taken care of because of huge medical costs. Medicare was a natural and logical extension of the Social Security Program.

Mr. Speaker, over the past 4½ years, the Health Care Financing Administration, which administers the Medicare Program, has been under the able stewardship of Dr. Carolyne K. Davis. Dr. Davis has served with distinction as the director of HCFA, longer than anyone has ever held that position. It is appropriate today, on the 20th anniversary of Medicare, to commend her for her efforts.

Earlier in this decade, the predictions were that Medicare, the cornerstone of health insurance for older Americans in this Nation would be bankrupt by 1986. Those dire predictions have been proven wrong, and the wolf at the door has been put off for many years, and the reason is the leadership provided by Dr. Davis.

She has taken it upon herself, with remarkable success, to restore fiscal rationality to Federal health care programs. She has presided over the most fundamental restructuring of the Medicare system since it was created, the prospective payment system. She has sought, through regulatory reform, to curb excessive growth and abuse, saving billions of dollars, without compromising the health care of the American people.

She has gone after these goals with intelligence and determination, all the while under tremendous pressure from all those rightly or wrongly threatened by change, under constant pressure from the Congress to do more or to do less, and under constant pressure from other agencies of the Government like the Office of Management and Budget. She has performed admirably, and this Nation owes her a debt of gratitude.

As the ranking minority member of the House Appropriations Committee and of its Subcommittee on Labor, Health and Human Services and Education, I have had the privilege of working with Dr. Davis on the budget for the Health Care Financing Agency, and of having her appear before the subcommittee each year to

testify on the Health Care Financing Administration's proposed budget. Because of her knowledge and expertise, Dr. Davis had the complete confidence of the subcommittee. Every year, it was Dr. Davis speaking on behalf of the provision of health care to millions of older Americans and disadvantaged Americans, and I can tell you that those millions of Americans slept better at night knowing Dr. Davis was speaking on their behalf.

Four and a half years is a long time for anybody to serve in as pressurized an environment as Administrator of HCFA. That represents a tremendous sacrifice of salary and personal life that Dr. Davis made in the service of this country of ours in one of the most important positions in the Government. We have been tremendously fortunate to have someone as skilled as Dr. Davis in this position, doing such good work, and we will all miss her very much.

I have often said that people who make the sacrifice of public service deserve a medal, but, Mr. Speaker, Dr. Davis deserves a bushel of medals for the service she has performed.

I want to wish Dr. Davis Godspeed in her future undertakings, but most of all, I want to say thank you, Dr. Davis, for a job well done. It has been a real pleasure to have worked with Dr. Davis. I will miss her, and I know the American people join me in wishing her the best.●

GENERAL LEAVE

Mr. PURSELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order tonight.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

COMPARABLE WORTH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. ARMEY] is recognized for 60 minutes.

Mr. ARMEY. Mr. Speaker, let me address the question of comparable worth. We just heard, I think, a very interesting discussion of the subject a few minutes ago and certainly in the last couple of weeks we have heard a good deal about this notion. One of the gentlemen who discussed the notion not long ago confused me even further, because as I sat and listened to the discussion, I heard the gentleman make the point that this is not comparable worth, this is pay equity, and yet, as I listened to the discussion, the comparable worth language continued to come up.

I think this was reflective of the kind of curious circumstances of confusion we have here. I am very well aware of the comparable worth concept. It has been around for many years. If I can take a minute to present it in a nutshell, it is true that not too many years ago in this House we did pass legislation that gave to all Americans, irrespective of sex, or race, or religious conviction the guaranteed right to achieve equal employment opportunity and equal pay for equal work within the job category. That is to say, we have guaranteed to American citizens individual that they cannot be asked to work alongside another person in the same or even a similar job and suffer a pay differential that is based on some criteria such as sex or race.

The fact of the matter is, the legislation that we passed historically that guarantees equal employment opportunity opened access to jobs of all categories by all people, irrespective of race or sex, and that guarantees equal pay for equal work within a job category, irrespective of race or sex.

This legislation has had a tremendous impact on employment practices in the Nation, bringing about a changing occupational pattern for all Americans, patterns that have had enormous impacts on the home, such things as time-sharing arrangements, leaving not only mothers who feel compelled by economic circumstances to work, but also fathers to have greater opportunities to spend with their families.

Women in America in the last 10 years have broken new ground in larger numbers in a greater variety of new occupations not traditional to women in America, as have men broken new ground in nontraditional occupations. The freedom of the American individual, male or female, to cross traditional sex-determined occupational roles has been exemplified by the fact that they have been doing it, enormous progress that must be respected.

In all of those cases, we have given the fundamental guarantee that this Nation was founded on—equality of opportunity and freedom from discrimination that is based on arbitrary preferences regarding sex or race, and the progress has been felt.

Now we have a new concept, and it is fundamentally different in two ways. One, this new concept which emerged as comparable worth, existed as comparable worth, was debated as comparable worth, not only here in this body but in bodies across the Nation, and only recently has earned the new name—pay equity. It is the proponents of H.R. 3008 who changed the name of it, not us, who are asking for time to consider.

□ 2020

But what has happended here? We have made two fundamental changes. No. 1, we are talking about changes in the administration of wage by the Government, not the market. Wages would not be determined by the market forces reflecting the free will of individuals moving freely between jobs, changing supply, affecting the demand, and resulting in a price—a market that has served us so well and built the country so strongly.

When I see any piece of legislation that tampers with the fundamental market economy by which this Nation achieved such unparalleled prosperity, I have a sense of caution, a reserved sense of question: What is this legislation? Whom may it help, and whom might it hurt? What are the benefits to the national economic well-being, and what are the potential dangers?

We know very fundamentally indeed that it is impossible to take an economics course in this country, even at the most elementary level, without realizing very clearly that when you set a price that is different from the market price, depending on whether or not you set that price higher or lower, you are bound to create either a shortage or a surplus. And indeed this Government should have drawn that lesson from its meddlesomeness in its administration of price in a hundred other categories and markets so they would not risk it so cavalierly with respect to that very important labor market where clearing of the market goes hand in hand with the realization of equality of opportunity, along with equal pay for equal work.

So I have a sense of caution, then, Mr. Speaker, regarding anyone who would want to shuttle the market aside and put in its place a government price control agency.

Now, my second point: As we look at the possibility of implementing this new concept of wage determination by Government fiat, we are not talking about equality for individuals within jobs, but we are talking about setting equal pay rates for different jobs. We are now suggesting that we can endow this Government agency with the wisdom, and the understanding, and the ability to measure the worth of competing jobs, and to issue a fiat statement of the worth of those jobs. So that they may, as they have done, suggest that laundry workers and truckdrivers performed work of equal value; that librarians were almost twice as valuable as carpenters; that nurses held in the State of Washington the most valuable jobs of all—all of these decisions made arbitrarily on the basis of a model that had within that model only four variables, Mr. Speaker, of wage determination. So yes, I have a sense of caution.

Now let us address how this has emerged in this session of Congress. During the Fourth of July break, while I was working in my district, I

found out that the emergence of comparable worth on this floor was imminent, that a bill had been introduced by the gentlewoman from Ohio and been assigned to the subcommittee that she chaired, and that it was going to be passed through that subcommittee posthaste.

Mr. Speaker, I grew up in the West, and in the West we saw railroads moving fast, many, many times, and we learned to recognize them. This had all the symptoms of the Great Northern moving westward. It was going to happen, I was sure, so I decided that I had to come back, because of my concern and my commitment and see if we could slow that train down and see if we could get some investigation, some examination. And, yes, I did speak to some of my colleagues, and, yes, I did get 20 or so of these colleagues to give 1-minute speeches raising questions and raising reservations. I did have another 20 or so of my colleagues talking to other Members and asking: "Do you know what this is? Do you have any idea what the potential of that might be?" Perhaps we have slowed that train somewhat, but it is moving forward now.

There are a lot of questions I would like to address. No. 1, let me point out that it is simply not true—and this is important—it is simply not true that the Office of Personnel Management has not performed a study. They have performed a study in the last year. According to the Washington Times in an article just in the last week, the sponsors of H.R. 3008 are well aware of and have in their possession the study that was done by the Office of Personnel Management.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. ARMEY. First, let me finish this point.

I have seen that study. I have it in my possession. I have read it. It has a lot of conclusions. One question I must ask is: Did the committee that reviewed this subject review the study done by the Office of Personnel Management, or did they shunt it aside, as they did the 400-page study done by the Civil Rights Commission?

We do not know the answers to these questions. Here is a study that is bought and paid for. It is done, it is completed. The study, by the way, has a regression model of 27 variables, not 4 variables. It is a rather thorough and scientific study. A regression model of 27 variables is a pretty impressive regression model.

Mr. Speaker, I would like to come back to that in a moment, but let me for a moment yield to my friend, the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding.

I just wanted to stay on top of this and ask a couple of questions. Do I understand that what the gentleman is saying to us is that despite the fact we are going to have a bill before us that indicates we ought to spend thousands of dollars, perhaps millions of dollars, on a study, that study has already been completed by the Office of Personnel Management? Is that what the gentleman is telling us?

Mr. ARMEY. Not only am I telling the gentleman that a study has been completed, but I also have no way of knowing whether or not the committee has examined that study or taken it into consideration because I have not yet even been able to see the report of the committee. It has not been issued yet.

Mr. WALKER. That is a problem, and we ought to deal with that in a moment. But let me ask the gentleman this:

Did the study done by the Office of Personnel Management come to the conclusion that the Members sponsoring the legislation would like it to come to?

Mr. ARMEY. Quite the contrary. As a matter of fact, it came to the conclusion that I spoke about earlier today. And it was a rather interesting conclusion, because it came to the conclusion that if you try to implement such a program, you will have a class conflict that can be generally described as a conflict between white-collar workers and blue-collar workers.

Mr. WALKER. All right. So I think the gentleman is telling me that the study has been done, but it did not come to the conclusion and did not come out the way the Members sponsoring this legislation on the floor would like it to come out. That is also true of the study done by the Civil Rights Commission. Is that not the case, that the study was done, but it did not come to the conclusion the Members who are sponsoring this legislation would like it to come to? Is that not right?

Mr. ARMEY. Absolutely. Here we have two cases where studies have been done. It has been studied by university professors and by think tanks. How many of these studies have been considered?

Mr. WALKER. The point I am driving at here is that both of those studies were done at taxpayer expense; is that right?

Mr. ARMEY. That is right.

Mr. WALKER. So it seems to me that what we have here is a bill that is being brought to the floor that is telling this House that we ought to spend as much money as necessary to come to the conclusion that the Members who are sponsoring this legislation want us to come to. It is not a question of whether or not it has been studied.

It has been studied, and we have gotten conclusions reached at taxpayer expense, but what these Members are saying is: "We don't like the conclusions, so, therefore, it becomes important for us to have another study." So it seems to me that even in a time of multibillion-dollar deficits, what we have is a House of Representatives that is saying, "Well, we don't like the outcomes of those other studies, despite the fact they have been done by the Office of Personnel Management and despite the fact they have been done by the Civil Rights Commission. We simply don't like the conclusions, so we are going to continue to spend the taxpayers' money until we get conclusions that we want."

□ 2030

Mr. ARMEY. As a matter of fact, the conclusion the gentleman has just come to is not too farfetched if we look within the bill and take a look at the mandated commission within the bill, the mandated requirements for Members to be on the commission, 11 commissioners. It is absolutely imperative by the language within the bill that 6 of the 11 commissioners will have to be people who have already been on record as being proponents of comparable worth. It is quite likely that what they are looking for then is a study that might generate their conclusion that it is a desirable alternative.

Mr. WALKER. Well, if I understand the gentleman, then what we have got happening here is we have an impartial study done by the Office of Personnel Management. You have got an impartial study done by the very distinguished Civil Rights Commission, a commission that we have often referred to on this House floor over a period of years as being the ultimate arbiter of what is needed to be done in civil rights. You have got those two studies already in hand, paid for by the taxpayers.

Now we have this study that is also going to be paid for by the taxpayers if we pass this legislation where they are driving the conclusion with the bill they are writing.

In other words, it is not really a study. It is really an outcome that is predetermined by the legislation that we pass here so that they can trump the two studies that were done by impartial panels. Is that what I hear the gentleman saying?

Mr. ARMEY. Well, that is a conclusion that I think is not at all illogical, given the facts as I have seen them.

Again, there is a missing link. I have no information by which I could argue against the gentleman's conclusion because I have not seen the committee's report. I have no idea what the committee did examine by way of information before coming to the decision to vote this bill out and on to the floor.

Mr. WALKER. Well, now, wait a minute. We have to have that report before we are going to consider the

bill. Does the gentleman mean we do not have a report from the committee?

Mr. ARMEY. No.

Mr. WALKER. Even though the bill has been scheduled on the calendar?

Mr. ARMEY. No, because the chairwoman of the committee asked for and received a rule from the Rules Committee today that waives that requirement.

Mr. WALKER. That waives the rules of the House?

Mr. ARMEY. Yes.

Mr. WALKER. Well, the rules of the House are very, very clear. We are suppose to have a report 3 days before we consider the legislation.

Is the gentleman saying that the committee did not prepare that report so that we would have it to look at?

Mr. ARMEY. Well, the committee making the request for the rule obviously felt there was no need for the Members of the House to see the report that they made and apparently the Rules Committee agreed with them that we could go ahead with this legislation, whether the rest of us here in the House saw their report or not.

Again, I have so many questions that I would like to have answered regarding even the proceedings of the subcommittee.

Mr. WALKER. Well, does the gentleman suspect, as I do, that there might be things done in that report that they just as soon the Members of Congress not see?

Mr. ARMEY. Well, the gentleman from Texas recognizes that when the Great Northern goes by at 70 miles an hour it is pretty hard to see every dimension of that train that is sweeping on by. If you cannot slow down the train so the passengers can get on and take a look at what you are running, it is pretty easy to come to the conclusion that perhaps whoever is running the train does not want to look at it very carefully.

Mr. WALKER. Well, let us understand now that we have a bill being brought before us that is an attempt to spend taxpayers' money to trump two studies already done at taxpayers' expense. It is being brought to us under a rule that waives the rules of the House with regard to the 3-day rule so that the Members will not have adequate time in order to study the committee report and that it is a bill being brought to us under circumstances then that are less than desirable, just before the House is due to go on recess, so that the pressure will be not to even examine it very carefully with the amendment process.

This gentleman begins to suspect that there is more to this than meets the eye. The gentleman from Texas has been most articulate in presenting to the House I think reasons for raising questions about comparable worth.

I will tell the gentleman that the comparable worth bill flew through here in the last Congress just like the speeding train to which he referred. I think the bill was more than 400 to 6.

I would tell the gentleman that I was one of those who made a mistake and voted yes when that train was coming through the last time.

In large part, I think the gentleman has helped define some of the issues for us and he is to be congratulated for that.

I must say, I am shocked beyond belief at the kind of process that is being used in order to deny this House an opportunity to fully study this issue before we get sucked into the process once again.

I want to thank the gentleman for taking this special order. He has done a tremendous job in terms of outlining the issue.

I think this body should understand that the proponents of this bill simply cannot allow their concept to stand the scrutiny of any particular body. When the Civil Rights Commission looks at it, when the Office of Personnel looks at the concept, they find out it is pretty bad, so they write reports saying that we have to come back with another report that we have to waive the rules of the House to consider it on the House floor. I find it disgusting, and I thank the gentleman for yielding.

Mr. ARMEY. Well, I thank the gentleman for his comments. I certainly would not disagree with them.

Understandably, each and every Member of the House moves forward with their programs, with their initiatives, with the greatest amount of conviction and oftentimes courage, but it is the tradition of this House that we always give everything very careful and close scrutiny. That indeed is what I am working for here is to suggest to the Members of the House that we ought to hold up on this, study it, get the report of the committee and perhaps even see what these other commissions have studied.

Mr. KINDNESS. Mr. Speaker, will the gentleman yield?

Mr. ARMEY. Yes.

Mr. KINDNESS. Would the gentleman be able to tell me what the rationale is for the appointment of a commission to contract to have a study done, a commission that does not exist today, other than what has been discussed here, that is, creating a commission that is aimed toward a particular result, I suppose. At least that has been inferred. If the Congress or a committee of it does not trust a study that has been done by an existing commission or contracted to be done for an existing commission for two or three or however many of the years may have been done, the Congress could contract for its own study, could it not?

Mr. ARMEY. Yes, it could. I think committees could do so. We could do so I am sure in other ways.

The gentleman raises an interesting question, why commission a study? I do not know why that is necessary. I can think of a couple reasons that we may want a bipartisan commission and on the surface this looks like it could be that.

We may want a commission that is composed of a definitive balance of the membership that are comparative worth advocates.

On careful examination, it is almost impossible to come to any conclusion that this commission would be anything other than that, so it is possible that we might suggest that the franchising of a commission is an effort to shroud a little smoke around the whole venture.

We have to remember that in Washington State a commission was authorized by the State legislature. It carrier out the study. It reported back the study. The State legislature accepted the study. Then an interest group, a collected body of workers, filed a class action suit against the State of Washington and got into a case under the jurisdiction of District Judge Tanner where the plaintiffs made their case and the State's 11 witnesses were disallowed from testifying and indeed the implementation of comparable worth was compelled onto the State of Washington by the district judge, on the argument that the authorization of the study and the acceptance of it was an admission of guilt.

It is conceivable to think in terms of somebody understanding this process well enough to realize that if we could get this House to commission a study and move fast before, by the way, the appellate court looks at that Washington case during the month of August, that we might be able to drop the Federal Government into that same tar pit that the State of Washington now finds itself. That is a possible explanation for why we need the commission study and need the bill passed before the month of August.

Mr. KINDNESS. Is the gentleman aware of any costs being associated with the appointment of a commission, other than the contract cost for the study to be done?

Mr. ARMEY. Well, again this is something I pored over in the bill and I did not find very clearly stipulated. It is language that runs in the basic genre of "such sums as are needed" kind of language, so the cost of the study is not clearly specified nor limited in the bill, or the resolution, as I read it.

□ 2040

Mr. KINDNESS. But it is specified, is it not, that there would be one con-

tract for one entity to do the study. Is that correct?

Mr. ARMEY. The commission is authorized to hire up to 5 expert witnesses.

Mr. KINDNESS. But they would function together to perform this study, is that correct?

Mr. ARMEY. That is not clear to me, and again, having no information on the manner in which these issues may or may not have been discussed within the committee, I have very little information by which to respond to the gentleman's question.

Mr. KINDNESS. Well, you are going to be considering this on Thursday, are you not, and so am I. We should know, should we not?

Mr. ARMEY. Absolutely. There is no question about it.

We have an hour for debate and time to discuss such amendments as one ruled germane.

Mr. KINDNESS. I want to express my thanks and appreciation for the work the gentleman has done, if he will yield for just one moment further, in bringing these questions to light. Frankly, I do not feel very satisfied with the preparation that may be made by any of the Members of the House of Representatives between the time the measure came out of the committee and the time it is to be debated on the House floor with such a fuzzy picture presented on some pretty basic questions. So I appreciate the gentleman's work in bringing these questions forward, and for taking this special order to emphasize them to the Members.

I appreciate the gentleman yielding and thank him.

Mr. ARMEY. I thank the gentleman and I appreciate his comments.

I hope it is fair to characterize the gentleman's comments as that you feel perhaps a little befuddled or perhaps overwhelmed. Let me remind you that I have a Ph.D. in economics, and I have studied the concept and the various notions and applications and arguments for comparable worth for several years. And it falls exactly into my research area that I had at the university for 20 years. The dirth of information about this particular resolution, these particular hearings, these particular amendments that move so fast has me, even with all of the substantial background that I have, and professional training that I have, feeling somewhat befuddled. So the gentleman should not feel that the fault, or the confusion, or the reason for the confusion lies within himself. It lies in the very fundamental thing that this House is being asked to make a decision that is basic to the nature and structure of the American economy and we do not have the information to make the decision. That is critical.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, has the gentleman ever been told when we are going to get this report?

Mr. ARMEY. No; I am sorry, I have not been.

Mr. WALKER. Do you think from what you hear that we might have it available by the time we consider the bill?

Mr. ARMEY. It is altogether possible, and I do not anticipate having the report of the committee before we look at the bill on the floor. But again, we are not talking here about a very simple, easy, cut-and-dried issue. We are talking about an issue that people wrote Ph.D. dissertations on.

Mr. WALKER. The gentleman himself, who is a Ph.D., might have some ability to understand the language of the report if we had a report in front of us. But if I understand the gentleman, we may not ever get a report because we are waiving the requirements to have the report here.

Mr. ARMEY. Certainly. And I would have the ability to understand the report if I could have the report, as I did finally when I got the report, by the way. By the way, it is not an easy thing to get your hands on the report that was done by the U.S. Office of Personnel Management with the new Director or Acting Director that we have there. This report is not emerging in full view of everybody.

But even then we were only made aware of the existence of this report by the Washington Times last week.

Mr. WALKER. When did the committee, if I can ask the gentleman, when did the committee complete its deliberations on this bill?

Mr. ARMEY. I believe the full committee completed its deliberations, which were very accelerated, on perhaps Thursday or Friday of last week.

Mr. WALKER. Thursday or Friday of last week. So normally around here if you have a weekend like that, the committee goes ahead and prepares its report. By early in the week, we have a report available to us.

I mean, that is done all of the time. As a matter of fact, we have had instances where conference committees have finished the night before and we have had a conference report on the floor by the next day.

So this is not taking place here. We have got them hiding the report; is that what is going on?

Mr. ARMEY. With all due respect, I think we want to be fair here because the sponsor of the bill, the subcommittee chairwoman I am sure, did not, if my understanding is correct, did not anticipate that the House would have a need for this report, because it was their anticipation that they would have this bill on the Suspension Calendar for today. So I am sure they felt there would be no need to get this information out to us, since I am confident that their original plan was to have this moved very quickly on the suspension calendar where we would not stop and ask questions.

Mr. WALKER. I think the gentleman raises a point, however. The schedule was announced last Friday and the bill was announced last Friday on the schedule as being a bill that was not going to be on the suspension calendar, but was going to be on the regular calendar, subject to a rule being granted. That is the way in which I got the calendar last week.

So having known that, it seems to me that under the normal process around here what you would have done is have the committee staff work this weekend getting the report ready, getting the report printed, and having it available to the Members at least by today when we went to the Rules Committee to ask for a rule. I mean, that is the way the normal process works. If they are not working under that process, then I have to believe that there is some attempt to try to hide from the House the information that is in that report, so that people like the gentlemen that might have some ability to understand what it is they are saying, cannot, in fact, have a chance to read through it thoroughly.

Mr. ARMEY. I believe there would be some reality base for such a conclusion, and I certainly have no information by which to take exception to the suggestion the gentleman has made.

Mr. WALKER. The Rules Committee was not worried about that today?

Mr. ARMEY. The motion was made and voted on, and the majority of the Members of the Rules Committee obviously had no concern because they voted to go ahead and waive the 3-day rule.

Mr. WALKER. That is a problem we have around here too many times when the people who run this place and are concerned with scheduling, and concerned about rules, could care less about the rules of the House.

I thank the gentleman.

Mr. SWINDALL. Mr. Speaker, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Georgia.

Mr. SWINDALL. Mr. Speaker, first of all, I want to commend the gentleman for his appearance and testimony before the Rules Committee. I had the good fortune of hearing the gentleman's testimony.

While I was there, though, I was puzzled by part of the bill I saw, and that is specifically in section 7, paragraph 3 of the bill, there is a restriction on what this commission, once formed, can and cannot do. Specifically, if I remember the language correctly, the commission is prohibited from reducing salaries. Am I correct in that?

Mr. ARMEY. It can never reduce the salary, correct, or recommend the reduction of a salary.

Mr. SWINDALL. Is that not kind of loading the deck on the front end? In other words, we asked for a commission to bring back a disinterested, objective report, and yet at the front end, there is a restriction that requires something irrespective of the conclusions that this commission may draw.

Mr. ARMEY. And if you are an economist, and you are aware of the possibilities of the cost-push inflation, and especially the relationship of that through Government expenditures, a red flag immediately goes up that there could be a detrimental impact on the American economy from such a provision that allows Government employees to have only pay increases.

Mr. SWINDALL. If the gentleman will yield further, that is the kind of thing that concerns me. That type of language, I would dare say, most folks are not even aware is in the bill. I for one did not know it, but for the fact that I accompanied the gentleman to the Rules Committee, and for the first time saw a copy of the bill as proposed, and that jumped out at me simply because it does seem to appear that they are really not asking this commission to go out and come out with a disinterested, objective conclusion when you ask on the front end that certain things be restricted.

Mr. ARMEY. I could not agree with you more. I have personally felt the handicap of the lack of information. I have pored over this resolution, word for word, and I have looked at it from every possible way trying to see anything such as you have mentioned. I feel rather inadequate. I have only been able to come up with 14 amendments. I wonder if I had full information such as the committee report perhaps if I might be able to make even more improvements in the legislation.

Mr. SWINDALL. One other quick point that I wanted to raise, and that is under the rule there will be some issue as to the germaneness of a number of the issues, I would assume, that the gentleman intends to introduce. And unless you get a specific waiver in advance from the Rules Committee, which must be voted on by the Rules Committee, you may well be hampered when you come to the floor, even under an open rule, in terms of offering a number of the 14 amendments that you have already drafted.

□ 2050

The rule does have a germaneness requirement. Of course, any amendment we offer we also have to consider may be potentially ruled out of order. Again even trying to determine the germaneness of a suggestion I might have could be facilitated if indeed we had the report of the committee to check the considerations that were given in committee proceedings on this.

Mr. SWINDALL. I thank the gentleman.

Mr. ARMEY. It is a pleasure to yield to my good friend from Texas.

Mr. BARTON of Texas. I want to thank my distinguished colleague neighbor in Texas for hosting this special order. I was back in the cloakroom and heard what Congressman SWINDALL was talking about and I assure you I plan to offer the amendment tomorrow or Wednesday or whenever the bill comes up for consideration, to delete section 7, paragraph 3, which prohibits the commission from doing anything that would require a decrease in pay or decrease in grade in this study. If you are going to have a study and try to come up with some sort of a pay equity or comparable worth or whatever terminology you wish to use, if you really are trying to do if properly, obviously there are going to have to be adjustments made, and some of those adjustments would be downward as well as upward. So when you go in and load the deck that the only changes that could be made are up, you are not really being aboveboard, scientifically accurate or anything like that. I want to assure the gentleman I do plan to offer that amendment. I cannot imagine it would not be ruled germane, since it is an amendment to strike something from the bill. I believe that is about as germane as you can get.

I am going to work hard to make sure the amendment does pass.

Mr. ARMEY. I thank the gentleman from Texas and appreciate your perceptiveness in spotting that and getting right to it. Let me again thank all you gentlemen for helping to clarify these issues. Let me address some of the things I am concerned about.

I want, in fact I demand and I require for people that are so close to me and for whom I have so much love as my own wife and daughter, that we have equal employment opportunity and equal pay for equal work.

If there is anybody in this country today that is not receiving that, that is having the right abused, then I think it is incumbent upon the Federal Government and its agencies to enforce that law and if indeed there is a failure of the agencies of this Government to enforce that law, then that is where we should direct our energies.

My concern is that the Federal Government has limited resources. That is not a point always recognized around here, but nevertheless it is one that is true. If indeed we dissipate our resources in extending the scope of the law in an ambiguous and in an ill-defined and a controversial manner, will we not risk taking all of that Federal energy and all of that ability and all that authority that we could use to guarantee the right for equal pay for equal work and equal employment opportunity, could we not lose that trying to do what is impossible to do when we failed to do what it is imperative that we do? It is the working men and women of America and their rights, fundamental, guaranteed rights that were worked for so hard by so many that are in jeopardy by a continued pursuit of this initiative.

I will give you an example: In the State of Illinois, where they have tried this concept, it was determined that the nursing profession that was over 70 percent staffed by women was suffering from discrimination in comparison with the profession of prison guard, which was over 70 percent staffed by men.

And even though the prison guards' union had negotiated them a raise in pay for the following year, through the intervention of the equal pay, or the comparable worth act in that State, those guards lost their wage increase and their wages were frozen while the wages of the nurses were being raised. Now the people that suffered the most were the women guards, those women who had broken with tradition and found in the pursuit of higher wages a nontraditional female occupation, in response to the promise of all that legislation earlier passed.

I yield to the gentleman from Pennsylvania.

Mr. WALKER. Is the gentleman saying that in this case the collective bargaining process was broken by the comparable worth concept?

Mr. ARMEY. Again, this is another one of the questions we are addressing here. Apparently the whole process of collective bargaining can be in jeopardy here at least insofar as Federal contracts direct are concerned—Federal employees direct are concerned. But then who knows where it may go from there?

Mr. WALKER. Let me understand. In other words, a union can go out and negotiate with their employer, come to some agreement within the collective bargaining process that has served this Nation pretty well over a period of time, with some problems but nevertheless served the Nation pretty well, then go out and negotiate, and then some paper-pushing bureaucrat from the Government can come along and simply negate the collective bargaining process using comparable worth as the hook on which to interfer?

Mr. ARMEY. Absolutely. I mean, again we know that this problem has prevailed in areas where they have tried it in the past. We do not know for sure what will happen with this because we do not have any information to make a decision or to make an examination.

Mr. WALKER. Well, is there a protection in the bill?

Mr. ARMEY. None whatsoever.

Mr. WALKER. There is no protection in the bill that we are going to have to protect the collective bargaining process against this kind of situation?

Mr. ARMEY. No.

Mr. WALKER. Let me make my point. I will tell the gentleman I am going to offer that amendment. I will get that amemdment drafted and I will get that amendment passed because we are going to make doggoned certain that the collective bargaining process is protected under this thing. That is an atrocity that you are going to have a bunch of bureaucrats sitting around in Washington, DC, taking a look at contracts negotiated in good faith between employers and employees and then some bureaucrat is going to come along and say, "Oh, no, baby, you are not going to be able to do that, because we are beaking that contract before you even get a chance to have it go into effect." There are a lot of people with a lot of hopes riding on that contract they negotiate in good faith and there is no way that some idiot here in Government sitting back with his comparable worth paper ought to be able to break that. And I think that is an amendment that is needed.

Mr. ARMEY. I applaud the gentleman for his commitment and his conviction. I can only say please do offer the amendment. If, indeed, it is not ruled nongermane you may, in that case, have a chance to protect these people who have chosen this bargaining process and their right to continue with that process.

Mr. WALKER. The gentleman thinks if I would offer an amendment that would attempt to protect the collective bargaining process against interference by the comparable worth advocates, that they would rule that nongermane?

Mr. ARMEY. Of course I could not begin to speculate on what would be the decision of either the Parliamentarian or the Rules Committee. But it is possible, in my estimation it is possible, even probable, that your amendment could be ruled nongermane if you were to offer it. Now again that is my judgment.

Mr. WALKER. We are going to try very hard to come up with a germane amendment in that case, because if the gentleman is correct that we already have examples where the collective bargaining process was broken by the comparable worth concept, and if in fact we are creating a study here that could lead to further interference with the collective bargaining process, we had better stem that flood right away and we had better make doggoned certain from the outset that you do not get that kind of interference. You know, it is my understanding that a bunch of the union bosses around this town are supporting this bill. I cannot understand, with their support, that they have not at least gotten the workers out across the country who are tied to those collective bargaining processes, some protection. In other words, what did they get for their support if they cannot even protect their workers against the interference of a bunch of Government bureaucrats?

□ 2100

Mr. ARMEY. Do you not suppose it is altogether possible: First, that either the train left the station so fast they did not know what the cargo being carried was; or second, since indeed some of these people, perhaps some of the people here in town that would be quickest to spot these problems are some of the people who would be on the commission?

Mr. WALKER. They probably have not seen the report, either.

Mr. ARMEY. Well, again, I do not think that it is hard for me to understand who has got what information. All I know is that I have got very little information.

Mr. WALKER. I thank the gentleman.

Mr. ARMEY. And I am making a decision on Thursday that is going to affect the fundamental structure of employment practices of this country whether it be in the free market without unionization, or in the market where we have collective bargaining, any market system by which we traditionally negotiate wages either individually or collectively, is in jeopardy by this Act.

Mr. WALKER. I bet there are a lot of union workers around the country that have not been told by their union that a bill is being endorsed that has the potential of breaking the union contracts that have been signed in plant after plant after plant across the country, where people may have walked a picket line in order to get a contract signed, and then you can have the Government bureaucrat step in and say, "Forget it guy, that contract is not valid because it does not meet our comparable worth criteria."

I will bet you that blue-collar workers and white-collar workers around the counry have no idea that the bill that we are about to consider on this floor jeopardizes that process and I think that they would be appalled to find out that it does.

Mr. ARMEY. The gentleman, by the way, has given a graphic illustration of exactly the kind of class conflict that the Office of Personnel Management suggests may happen with respect to blue collar and white collar, because the evaluation procedures that we have seen so far in efforts to test this idea have demonstrated a clear bias in favor of white-collar workers and the credentialism.

That is to say, if indeed you have a college degree, you get more points than you would get if you had served an apprenticeship as a tool and die maker. You may be a very skillful machinist who can cut an important piece of equipment down to the one one-thousandths of an inch and never make an error, that all the years of skill and training that went into that get very little consideration in this process that puts so much emphasis on the kind of credentialism that goes along with such things as college degrees and so forth.

Mr. WALKER. I know the gentleman from Ohio [Mr. KINDNESS] is waiting, but let me just say to the gentleman: That is the problem. The paper-pushing bureaucrats who make these evaluations are white-collar workers themselves, and they tend to see things from their own standpoint rather than from the standpoint of the guy who works and sweats for a living in a factory somewhere or in a machine shop or in a foundry and so on; many of the people who are going to make the decisions have never been in a foundry, and have never been in a casting mill, or have never done any of that and have no idea what that job is all about and have no idea of the amount of training that might go into those kinds of positions and so they are making decisions based upon a lack of experience.

So sure, they end up ruling for the kind of thing that they know, and not the kind of thing that they do not know.

I thank the gentleman.

Mr. ARMEY. The gentleman is absolutely right.

Let me yield to the gentleman from Ohio.

Mr. KINDNESS. I thank the gentleman for yielding. I realize his time is limited at this point, but I may have missed something, and I want to be sure that I understand how this legislation could have an effect in the private sector.

I had not realized that it had the potential for being a union-busting bill until this discussion was being carried forward.

How would the bill affect these relationships of employer and employee in the private sector?

Mr. ARMEY. First of all, by the extension of the market. You know, the market is going to be there whether we try to overrrule it or not, in the first instance, even if it is confined to Federal employees.

We have to understand that the Federal Government competes in the same labor market for the same people, the same skills, as General Motors or anyone else. So by extension, the Federal Government being as

it is such an enormous employer, hires a large share of the market for any labor category out there, and any wage determination they make is going to affect that market.

Second, as we know, and it is tradition in this country that every, as it were bad practice that the business community obtains is one they learned from the Government; whether it be cost-plus pricing or any number of bad practices.

The Government first takes a bad idea, or one that is counterproductive; innovates it, and then in effect projects that idea, either by way of gentle persuasion or sometimes by gentle fiat.

We have to understand there are at least two references to civil rights legislation in H.R. 3008. Civil rights legislation is not directed at public employees alone, but affects public and private employees. The passage of this may very well be construed, then, as an extension of existing civil rights legislation, a new concept of implementation for existing civil rights legislation; I dare say it has even been suggested to be that in some of the discussions I have heard on the floor.

And if that be the case, then we are all going to be stuck on the same stick, whether public or private.

Mr. KINDNESS. Would the gentleman yield further. Would he care to explain the possibility or potential for involvement of the employees of Government contractors as an essential fallout of this legislation and whether perhaps the Davis-Bacon Act, which requires prevailing minimum wage being applied in Government contracts came into play directly, too?

Mr. ARMEY. The gentleman has gotten into a real circular area here; in this case of the Government setting the wage and then the Davis-Bacon Act requires prevailing wage, which is generally understood to be a union-negotiated wage, but if the union-negotiated wage is overridden by the comparable worth wage, it is difficult to see how anybody is going to come up with any wage except, I can almost predict, the blue collar worker is going to get a lower wage or a frozen wage, while some white collar worker gets some benefits.

SCHOOL PRAYER AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BARTON] is recognized for 60 minutes.

Mr. BARTON of Texas. Mr. Speaker, earlier this evening we heard from our colleagues about the anniversary of a very important agreement that is supposed to uphold the basic human rights. I refer to the Helsinki agreements that were signed 10 years ago today.

Of course, it has been made clear earlier this evening, the Communist countries of Eastern Europe, led and forced by the Soviet Union, have cynically and blatantly violated the basic rights of free speech, free press, and the free exercise of religion. For this we rightly condemn them.

The rights of the majority have been taken away by a tiny, ideological minority that is backed by the terrifying power of the state; the historic traditions and practices of nations and peoples have been declared null and void by the fiat of a dictatorial body.

This came home to me, Mr. Speaker, in a very personal way 3 years ago when I had the privilege to serve as a White House fellow for President Reagan. As part of that experience, myself and the other 13 White House fellows took a tour of the NATO countries in Western Europe.

Part of that tour was a stopover in West Berlin where we were able to view the Berlin wall "up close and personal" as they say on television, and we had a breakfast at a newspaper office that is built right on the wall; the newspaper building itself is a 13-story building. At the top of that building is a room with plate glass windows where you can look out; and the building is within 100 feet of the Berlin wall.

We went up, before the breakfast, and we were able to look out; you could look over to the right and there was East Germany, East Berlin, and people were standing in lines; everybody was dressed in gray; there did not appear to be much friendliness, we did not see too many people smiling.

We looked to the left and could see the people of West Berlin, and they were driving many makes and models of automobiles, modern clothes, and a lot of laughing and it just really brought home to me the difference between living in a free society and the difference in living in a controlled society.

At the end of the breakfast, our West German host said, "You Americans are always complaining about us here in Europe, that we don't take our freedom seriously; that we don't back you up." He said, "You don't have to worry about us, because every day we live with the fear and the threat the Soviet Union is going to come across that wall, or East Germany is going to come across that wall."

□ 2110

Well, we are involved in a situation here in our own country that I think potentially could lead to the sort of situation that we have behind the Iron Curtain. We are here tonight to discuss a blatant violation of one of our basic rights, and that is the right of free speech and free exercise of religion. And keep in mind that in a totalitarian society, as controlled by communism, there is no such thing as religion, there is no such thing as free speech and the exercise of religion.

We, on the other hand, in this country have always had a history of allowing free speech, free exercise of religion. Our country was founded on that tradition. But we have gotten to the situation where, because of some very restrictive court rulings, the first one beginning in 1962, where our Supreme Court ruled unconstitutional the right of our school children to pray in the public schools, that one of these basic tenets of our free society has been taken away from us because a very tiny minority of our population is opposed to the free exercise of prayer in the public schools. When I say a tiny minority, I would like to point out that many national polls, the latest one conducted last September, show that the American people favor by an over 80-percent margin the ability of our schoolchildren, if they wish voluntarily, to pray in public schools.

In my own district, a recent poll that I conducted back in the spring, shows that 68 percent of my district, the Sixth District of Texas, favors vocal voluntary prayer in the public school system.

Because the American people have traditionally allowed and encouraged the free exercise of religion and the free exercise of speech, which included the ability to voluntarily pray in the public schools, and because some of our court cases have restricted that right, many of my colleagues in this Congress and in previous Congresses have begun to try to reconstruct, to resurrect that basic American right. So far we have not been successful. My colleague from Ohio, the Honorable TOM KINDNESS, has got a constitutional amendment that is supported by the Reagan administration that would allow this basic right to once again be exercised in public schools. I would like to read Congressman KINDNESS' amendment. Very briefly, it states:

> Nothing in this Constitution shall be construed to prohibit individual or group prayer in public schools or other public institutions. No person shall be required by the United States or by any State to participate in prayer. Neither the United States nor any State shall compose the words of any prayer to be said in public schools.

So this amendment does not establish a state religion; this amendment does not require anyone to pray in school who does not wish to; this amendment does not allow the Federal Government or the State government or any government to determine what shall be said or how it shall be said or even whether anything shall be said. It strictly and simply states that nothing in the Constitution shall be construed to prohibit individual or group prayer in the public schools or other public institutions.

Now, many may ask: Why do we have to resort to a constitutional amendment to accomplish such a simple and obvious task that so many of our citizens in this country approve of? And, quite simply, we have to resort to such a situation because this tiny minority in our country that I spoke of earlier, through parliamentary procedures and other artifacts, have been able to prevent the Congress and the legislative bodies from doing what needs to be done. So I think it is very important this evening as we debate the issue that we highlight some of the things that need to be highlighted.

This is not something that has just come along. The Northwest Compact of 1789, which was legislated and approved by our Founding Fathers, who also wrote our Constitution, very specifically allows for religion in public schools that are created in the Northwest Territories.

Many of our Presidents down through the years, both Republican and Democratic, have encouraged prayer. I would like to quote from President John F. Kennedy, in his inaugural address of 1961. He said:

> I have sworn before you and Almighty God the same solemn oath our Forefathers prescribed nearly a century and three-quarters ago, and yet the same revolutionary beliefs for which our Forebearers fought are still at issue around the globe, the belief that the rights of many come not from the generosity of the State, but from God.

Last evening I had the honor and the privilege to host the second annual prayer vigil in our Nation's Capital. Last year Congressman DUNCAN HUNTER from the great State of California instigated this vigil, and we had decided that we are going to conduct a prayer vigil at least once a session in this body, in this building, until we are able to overturn the restrictions that are on the ability to party in the public schools. And at this second annual prayer vigil last evening we had students from all over the United States. We had some students from the State of Alabama that had come, that had been prevented from praying in their schools on a voluntary basis, in spite of the fact that they got 545 signatures out of a potential 549 signatures in their school. This is in Leeds High School, in Leeds, AL. And because an attorney from the American Civil Liberties Union threatened a lawsuit if they continued the voluntary expressions of their faith, they were unable to do so.

We had students from as close as McLean VA, right here near our Nation's Capital, who tried to put a poster up on the school wall, telling other students that they were having a prayer group at an individual's home in the evening, and they were prevented from doing that, they were not actually engaging in any kind of voluntary prayer or religious ceremony or religious meeting in the confines of Langley High School, they were merely putting a little poster up telling students where to come later in the evening if they wanted to participate in a prayer group. They were prevented from doing this.

These kinds of examples could go on and on. But the main point is that we have got to realize that if we are going to maintain our freedom, we need to maintain the basic freedoms, and one of the basics is freedom of religion, freedom of expression, and to do that I think that we are going to have to get this constitutional amendment before this body in public debate. And if we can do that, we will be able to pass it overwhelmingly.

Now, some may ask: What is the problem? Why can we not debate the issue in the Halls of Congress?

The reason is because in order to get the amendment out into the public debate we have to get it out of committee, and for reasons that are unknown to myself we have not been able to do that.

Mr. ROBINSON. Mr. Speaker, will the gentleman yield?

Mr. ARMEY. I yield to my distinguished colleague, the gentleman from Arkansas.

Mr. ROBINSON. I thank my colleague from Texas for yielding.

Mr. Speaker, I want to commend the gentleman, also our fine colleague, Mr. KINDNESS, and Mr. SWINDALL and our other fine colleagues, for calling this special order tonight.

You have put together a very fine factsheet, not only stating the legalistic arguments, but the commonsense approach and reference to why our children should be allowed to pray in school.

I asked the gentleman to yield because I would like to take part in the debate tonight and have my remarks directed toward what we can do.

□ 2120

Let me state at the outset that there are many on my side that want to vote for this amendment. However, we find ourselves in a position that we are being forced now to walk down to the well and sign a petition of discharge. I want you to know that I have signed that petition of discharge. It takes a little bit of courage to walk down and do that, because it tends to put one in disfavor with many of the committee chairmen. But at this point in time, if you look at the history of this institution, if you look at the history of our Federal judiciary, one has to draw the conclusion that the Judiciary Committee and the Federal courts complement each other.

One could say well, why are we not down here introducing legislation under article 3, section 1, which gives us the power to determine what the Federal courts can review. That all sounds good, but the truth of the matter is when one introduces a bill that deals with the Federal judiciary, one immediately finds his bill going into the "Graveyard Committee;" the Judiciary Committee. I certainly am not casting any aspersions toward the Judiciary Committee. We have some liberal Democrats as well as liberal Republicans on that committee. I am not just necessarily picking on them tonight, but the truth of the matter is the liberals cause most of the bills to be bottled up and buried in that committee.

In my opinion, we have a responsibility at this point in time to bring this on the floor for a vote, because if we do not, I think the people of this great country, and we are only a couple States short at this time of the needed number, to call a constitutional convention. Once that happens woe be unto the Judiciary Committee and to the Federal courts. I make mention of that because I do not think that is necessary. When it gets to that point, it is a clear indication that we are not doing our jobs. That is truly representing the people of this country.

Gentlemen, let me share with you, and I truly believe this in the bottom of my heart, the people are right more often than we politicians and Federal judges, and they are crying out. Our young people, as you mentioned, are crying out: "Let us pray in the schools." They are teaching us everything, basically, in school that we do not want to know anyway, about all the other secular problems. We want an opportunity to acknowledge that there is a God. We all grew up in schools in which we prayed. We even pledged allegiance to the flag. Our flag; our country.

I want to close then allow any of my colleagues to ask me questions, by saying that I am proud tonight to be here. I know it is very seldom that we see someone on my side participate in a special order on that side, but I want to assure you, gentlemen, our party is made up of a lot of fine men and women, fine Christian men and women who want to do right. But they are a little bit concerned about what will happen to one if you step up and step out and you sign that petition.

I want to assure my colleagues of one thing: Nothing is going to happen to us. The people of the Second District of Arkansas elected me to represent them. They did not elect the chairman of the Judiciary Committee, and he is a fine man; I do not have anything against him. I just do not agree with him politically; I do not agree with the way he runs his committee.

I want to say this, and I am directing my comments to my colleagues. The people of this country deserve the right to vote on this amendment. They

can vote on the amendment through their Representatives. I want to encourage all of my colleagues please sign the petition of discharge. I hate that we have to go to this length to bring this bill out, but the truth of the matter is we do. We are going to see more petitions of discharge until some on that committee wake up and realize there are some of us sick and tired of a Judiciary Committee only looking out for the minority viewpoint. That is what we are confronted with here today.

The Supreme Court could care less about the majority of the people in this country and their viewpoints. They are more concerned about the minority. You brought up the ACLU. I had a strange letter from them and I am going to interject this. I made some reference back in my district, about homosexuals. I got this scathing letter from ACLU, the same ACLU that went to Skokie, IL, and defended the Nazis, chastising me for making reference to homosexuals.

After I thought about it, I started to call up the director of the ACLU and remind her that I had first amendment rights, but gentlemen, we are wasting our time when we argue with people like that. It is sort of like some of our judges. I have watched some of them up here. They walk around with these very expensive, $150 U.S. Government briefcases, and they have got four U.S. Government pens in their pockets, and they have got a big, fat paycheck for the rest of their life, no matter what they do. When they open up their briefcases, there is nothing in there but a ham sandwich.

Those are the type of people that are telling us that we cannot pray to God. Gentlemen we need to demonstrate to the Supreme Court and the people of this land that we are a responsible body, both on my side and on your side. I think it is time that we vote on school prayer. I will guarantee you, if we ever get that bill out of committee or any other bill and it comes to the floor, it will be like the vote today to stop funding abortions in the District of Columbia; it is going to pass.

I want to commend you. I think you are doing something that should have been done a long time ago. It is not in a partisan way. I want to commend the gentleman. All of my colleagues should read your factsheet. I never knew that an "Aggie" could put something together as well prepared as this. You did a commendable job, and I want to thank you for allowing me once again to interrupt your special order. I, for one, have signed the petition, as I have stated. I, for one, if the bill is brought to the floor of this House, will very vociferously help you in debating for approval of this amendment.

Mr. BARTON of Texas. I want to commend the gentleman from Arkansas for participating in this special order and I want to assure the gentleman that I have personally visited with many Members of your party, and this is a bipartisan effort. It has support on both sides of the aisle. I am very confident that before this legislative session is over, we will have the 218 signatures necessary to get the amendment discharged from the Judiciary Committee, and we will be able to debate it. I look forward to working with my distinguished colleague from Arkansas on the bill. I am sure that we will have much success.

I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

I thought it was significant that he started off his remarks referring to the Berlin Wall, because the opponents of school prayer have also erected a wall. It is called the wall of separation between church and state.

They have said that we have a "constitutional" wall of separation in this country. Well, I have gone back to the Constitution on numerous occasions, and I have read the phrases in the Constitution that refer to religion in the first amendment. It says, and I have it right here in front of me, it says:

"Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof."

Now, what the opponents of school prayer have done over the years is they have taken the first phrase there, "Congress shall make no law respecting an establishment of religion," and they have said that that erects a wall of separation. Now, the wall of separation was in a letter that Jefferson wrote at one point in his career. He referred to a wall of separation. They have taken that letter and transposed it into the Constitution, ignoring the second part of the first amendment with regard to a religion, where it says: "* * * or prohibiting the free exercise thereof." The part of the amendment to which the gentleman from Texas referred.

I think it is important to recognize that the opponents of school prayer want to ignore the fact that Congress is supposed to make no law prohibiting the free exercise of religion, and have concentrated purely on the clause with regard to establishment of religion. And have said that the clause with regard to establishment is far more important than the free exercise.

□ 2130

I would contend that if you go back and look at the whole history of the Constitutional Convention, if you take a look at the entire pattern of the formulation of the Constitution and of the laws of the land early, you find out that the free exercise clause was, in fact, what our forefathers were attempting to put in place as a permanent part of the body, and that the establishment clause was tied directly to the free exercise clause; that their experience with the Church of England was such that they wanted to make certain that there was no doubt that there should not be a state religion that prohibited the free exercise of religion.

We have turned the whole thing on its ear in recent years in this country. We have had the establishment clause driving the free exercise clause and, in fact, driving it out of existence, because with regard to public institutions and with regard to public bodies, we now have a situation where we are saying that the free exercise of religion is to be prevented.

Mr. BARTON of Texas. I would agree with the gentleman from Pennsylvania and would think that if our Founding Fathers were here today, they would be appalled at the way the Constitution has been interpreted by the Supreme Court. As it is, I would assume that they are turning over in their graves because a nation that was founded on religious freedom, that our Founding Fathers, many of them, came to this country because they could not have religious freedom in Europe, and to realize that in our public schools today we cannot even recite nursery rhymes, and I have some examples that later in the evening I am going to recite that have been ruled as unconstitutional and as some sort of a prayer, they would be totally appalled, and I am so glad to have the support of the gentleman from Pennsylvania for this amendment and throughout this great country, because as the gentleman from Arkansas stated, if we can get the amendment onto the floor of the House, it will pass because the people of this country so overwhelmingly support it.

Mr. WALKER. The gentleman is absolutely correct, and I thank him for taking this special order to help define the issue.

Mr. BARTON of Texas. I would like to yield to my distinguished colleague, the gentleman from Georgia [Mr. SWINDALL].

Mr. SWINDALL. I thank the gentleman for yielding, and I want to thank you for taking this special order because I am one of those individuals who is on the Judiciary Committee. One of the reasons that I selected the Judiciary Committee as a choice among the various committees in this House was my concern about this specific issue, as well as my concern about the abortion issue. Both of those, as the gentleman from Texas knows, presently are before our Judiciary Committee.

I came tonight to speak for the simple reason that I have yet to have the opportunity to address the bill of my colleague from Ohio in that Judiciary Committee, so I come here tonight and I would like to just expound a little bit more on the point that the gentleman from Pennsylvania made with respect to understanding the first amendment, because unquestionably, if you look at the first amendment, and I found this in running for office as I would talk to individuals, there is a great deal of misunderstanding about what the first amendment says to begin with. As he pointed out, it says Congress shall make no law respecting an establishment of religion.

When I first read that in my constitutional law class a number of years ago, the first thing that I decided to do was to check to see what the word "establishment" meant. One of my habits is not to go to some great legal treaties but, rather, just to go to a common dictionary. I went then to the Webster Seventh New Collegiate Dictionary, last edited in 1970, and I found there under the word "establishment" that the first definition was "something that has been established," and the second definition is, "established church."

I did not know exactly what established church meant so I went and found right above it established church, and it says, "a church recognized by law as the official church of a nation and supported by civil authority."

In that context, it became very obvious what the drafters of the Bill of Rights intended. They did not want to see repeated in these new states the same problem that they had had in England where there was, in fact, an established church supported and financed by the state. But also they were concerned about the freedoms of religion and exercising it, and there is a world of difference between freedom of religion and toleration of religion. We did not want to be merely tolerant of other religions; we wanted individuals to be able to exercise their particular religious beliefs and creeds without any restraint, and it was for that purpose that the first amendment was drafted.

It was ratified in 1789, in September 1789, in this Congress, and on the same day that it was ratified, interestingly enough, Congress also established a national day of prayer and fasting. I say that because another lesson I learned in law school was, if you want to find the intent of a bill, lest there be any ambiguity about the bill itself, look at the surrounding discussion at the time the bill was passed.

When the first amendment to the Constitution was passed, on the same day if they established a national day of prayer and fasting, very clearly it could not have been their intent for the first amendment to mean what the Supreme Court has now read into it.

I would like to show you the absurdity of the most recent Supreme Court decision by reading just the first page of Chief Justice Burger's dissent, because I think he says it far more eloquently than I could. There, and I am quoting, he says:

> Some who trouble to read the opinions in this case will find it ironic, perhaps even bizarre, that on the very day we heard arguments in this case the court session opened with an invocation for Divine protection.
>
> Across the park, just a few hundred yards away, the House of Representatives and the Senate regularly open each session with a prayer. These legislative powers are not just one minute in duration, but are extended thoughtful invocations and prayers for Divine guidance. They are given, as they have been given since 1789, by clergy appointed as official chaplains and paid from the Treasury of the United States.
>
> Congress has also provided chapels in the Capitol at public expense where Members and others may pause for prayer and meditation, or a moment of silence.
>
> Inevitably, some way is bound to say that the court's holding today reflects a belief that the historic practice of the Congress and this court is justified because Members of the Judiciary and Congress are more in need of Divine guidance than our schoolchildren. Still others will say that all this controversy is much ado about nothing, since no power on earth, including this court and Congress, can stop any teacher from opening the day of school with moment of silence for pupils to meditate, to plan their day, or to pray if they voluntarily elect to do so.

The point I would like to make is, that is an argument that we hear quite frequently, but I would also like to remind individuals who make that argument that that argument is equally applicable today in the Soviet Union, behind the Iron Curtain, where in fact you may pray wherever and whenever you want to, provided you do not let anybody know about it.

That is precisely the problem that we are trying to deal with here tonight, and that is, America was founded on the precept that you do not have to do these types of things in secret.

One of the points that I would also like to make is that there is a great deal of lack of understanding about what we mean when we use the term "prayer in school." Are you for prayer in school? I found that because I have found that for as many individuals who asked me my opinion on school prayer, there are probably at least that many separate definitions of what prayer in school means.

Let me just take the correspondence that I received only last week from one of my constituents, and in it she was basically chastising me for a statement that had appeared in one of the local papers, and in it she says, "The interview reads 'He thinks everyone agrees there should be prayer in schools.' The question is what form it should take," and then at that point she goes on to blast me about making that statement and being presumptuous. But then in the same paragraph, she says, "A child can pray individually in school any time he or she likes, and I agree with that," she says.

□ 2140

My point is, after telling me that my statement when I said that we all agree that children should be able to pray in school, it is just a question of in what form, she then goes on to say that she disagrees but then says she does agree that children should be able to pray in school.

What I am trying to get at is that we have this misperception, because in reality I think that what people are dealing with are two extremes of the argument. There is one extreme, and it is an extreme that we must admit that we took in this country for a number of years where we decided the verbiage, the time, the method and the manner of prayer. Obviously, that is something that I disagree with because I do not want my children praying based on what some legislative body may dictate to be the verbiage of a prayer. Some might ask why I would do that, and I would say that it has to do with Scripture. If you go back to Matthew 6—and I will be very brief—there is an admonition there. In verse 5 it says, "When thou prayest, thou shall not be hypocritical, for they pray standing in synagogues and on the street corners that they may be seen by men." It goes on to say that basically we should not pray with vain meaningless repetition. I agree with that.

But there is a further extreme and that is the extreme that the pendulum has now swung to where basically we say, "You may not pray because of this cloak of neutrality that the Jaffry versus Wallace court decision deals with." And as Justice Burger goes on to state, he says we have taken that cloak of neutrality and in fact turned it into a sword of hostility, where now, again, without getting into great detail, it is very obvious that the examples you mentioned here tonight are happening throughout the United States.

I was a young life leader in the Atlanta area for 8 years. In that position I dealt with a least five separate high schools, and in each of those high schools I was told that the administrators and the teachers were operating in a climate where they were very uncomfortable because they were not sure under this new state of the law as interpreted by the Federal courts—and there was a Federal court decision in Atlanta, in Clayton County that went far further than the Jaffry case—and under those circumstances they were uncomfortable and, as a result, in spite of the fact that they did not want to

do so, they had to begin to restrict religious freedoms and activities.

And it is for that reason that I came tonight to say that I do not want to support either extreme. But what I do want is to see that basic freedom return to this country, and the President's language that has now been offered by way of an amendment by Mr. KINDNESS states it exactly the way I believe 99 percent of all Americans, if they are fair and honest with it, would like to see it stated.

Mr. BARTON of Texas. I would like to thank the gentleman for his comments.

I would like to point out that one of the problems that we have when we mention the word "prayer" is what is the definition of prayer. Some view a silent meditation, a silent thought to be a prayer. Others feel that prayer involves a vocal expression of religious sentiment.

And what Congressman KINDNESS' amendment does is it says we do not have to worry about the definition basically, that we cannot prohibit it, nothing in the Constitution shall prohibit. That way whether you believe as some do that silent meditation is prayer or whether you feel that you need to vocally express one's self in order for it to be a prayer, it really does not matter.

I am thankful that the gentleman from Georgia would come and quote from the most recent Supreme Court case, and would hope that if we have time he could actually quote the law from the State of Alabama that was struck down.

Mr. SWINDALL. If the gentleman would yield, I think that it would be very relevant right now because that law was simply for a moment of silence or in the disjunctive, voluntary silent prayer.

So we are not dealing with the same issue that came before the Supreme Court in the Engel versus O'Hair case in 1962. We are now talking about the precise issue. Can you voluntarily and silently meditate or pray in a school? And the Supreme Court says that in this country you may not.

Mr. BARTON of Texas. That is a very good point.

I would be happy to yield to my distinguished colleague from California.

Mr. HUNTER. I thank the gentleman for yielding and for taking this time, and also all my other colleagues for the efforts they put out.

As I walked into the Chamber I was listening to the gentleman from Georgia [Mr. SWINDALL] and it appeared to me that he was talking about the confusion that presently reigns throughout America's school systems about what you can and cannot do. I think it is the most misunderstood concept in America today in our education system. It is, what is the separation between church and state? That is what makes the teacher feel constrained to stop the little girl from saying her rosary on the school bus on the way to school, because somewhere she heard about the separation between church and state and there is a symbol of church, and this is the state and, therefore, I must stop her.

I think that is the precise reason that we need Mr. KINDNESS' resolution to pass, so people know what you can do.

Many times Members get up on the other side of the aisle and say, "But you can already do this." Well, that may be true that you can do a lot of things in school. Perhaps I think that JOHN MCCAIN mentioned in his prisoner of war camp in North Vietnam they had the right to silent prayer essentially. But most teachers do not know what you can do and what you cannot.

Mr. BARTON of Texas. If I may interrupt, one sometimes wonders what some of our colleagues would do if they could control the mind. It is impossible even given our highly advanced state of technology to control what one thinks. They have to allow us to pray silently now. But one does wonder if we had the technology and the ability as in George Orwell's 1984 to read people's thoughts, there might be an effort by some in our society to also control that.

Mr. SWINDALL. Mr. Speaker, will the gentleman yield?

Mr. BARTON of Texas. I yield to the gentleman.

Mr. SWINDALL. I would like to respond to something the gentleman said about the separation of church and state, and it was raised previously by the gentleman from Pennsylvania, about the origination of that phrase.

It was originated in 1802, in January when Thomas Jefferson wrote to a Baptist church in Danbury, CT, that was very concerned about the Federal Government, this new creature that was little understood, coming in and getting involved in their affairs.

Interestingly it was that phrase that was years later drafted by the Supreme Court, but at the time that the Constitution and the Bill of Rights were drafted, Thomas Jefferson was not even in this country. He was in France. So he certainly could not have intended for that to in any way be implied into the first amendment as now the Supreme Court has so generously done for us.

One other point I would like to make is it says, "Congress shall make no law respecting establishment of religion." Congress had never made any laws in this area. It is the Supreme Court that is making these laws. I think that is a very relevant point. Why in the world is the Supreme Court making these laws, and why is it that some of our liberal friends who believe that this is the greatest debating society and should be open for all types of debate using this closed rule that will not even let us bring forth things here in the regular business, when in fact they are the ones that so frequently say that we ought to debate these issues openly.

Mr. BARTON of Texas. I think that is an excellent point the gentleman makes, and it brings out the point that the reason that we feel, some of us feel, we must resort to a constitutional amendment because we have decided that is the only piece of law in this country that the Supreme Court holds higher than itself and, if we could change the Constitution, then they would have to agree that our school children could voluntarily pray in school.

Mr. SWINDALL. Is it not true that if we were to pass a bill other than a constitutional amendment that under the various lines of cases from Engel versus O'Hair forward that it itself would be held unconstitutional by the Supreme Court?

Mr. BARTON of Texas. That is my understanding, although I am not an attorney, but in reference and in conversations with those who are, that is the understanding that I have.

I see the distinguished gentleman from New Hampshire. I understand the gentleman has some very specific comments that the gentleman would like to make about this issue. Before the time gets away, I would like to give the gentleman that opportunity.

Mr. SMITH of New Hampshire. I thank the gentleman.

I am very pleased to participate and I want to commend the gentleman for bringing this matter to the national attention, and I commend my colleague, Mr. KINDNESS, for introducing this amendment.

I think that one of the frustrating things that I dealt with not only as a Member of Congress, but for years watching the operation of Congress before I had the privilege of being elected to serve here was watching this particular issue be thwarted by a small group of individuals in this Congress. I point out that I believe the American people are very much aware of this.

It is ironic that just today I received my own survey back in my district on this particular issue and I share this with the gentleman and some of my colleagues. Our polling came back, and the question was very simply, do you support the right of voluntary prayer for children in public schools? The answer was 84 percent in favor. I think that pretty much falls in line with the statistical information that you gave at the beginning of your special order.

I think that the interesting thing when we look at it—Mr. WALKER made the point about we should not be denying the free exercise thereof—when you really stop to think about this it goes much beyond denying the free

exercise of little children to bow their heads in voluntary prayer at the beginning of a school day. We are really saying if we cannot support this amendment and we cannot even allow it to be debated on the floor of this Congress, what we are really saying is that these children are threatening, these little children who cannot pray in school and cannot bow their heads in silent prayer or bow their heads and say a vocal prayer voluntarily, we are sayng that they are a threat somehow to the U.S. Constitution.

□ 2150

Think of that. With all of the problems we have today in Central America, and the Soviet Union, and all of the deficits, and all of the problems we have we are now saying that little children saying a voluntary prayer in school is so critical, and is such a threat to the constitutional process that we will not allow it to be debated on the floor of Congress.

I hope that the American people are going to be looking at this situation and looking at individuals who are serving in this body and judge them on the basis of this kind hypocrisy. I would be specific and say when I say hypocrisy, I mean hypocrisy.

The President of the United States takes an oath of office. He is a part of this Government, elected by the American people, and at the end of that little oath, he says, "So help me God."

Right behind the gentleman and behind the Speaker's chair are four words "In God we trust." That same phrase "In God we trust" is on our coins.

When we go into court, we swear to tell the whole truth, nothing but the truth, so help us God.

You know, it really is hypocrisy, and many Members in this body attend a prayer breakfast pretty much on a weekly basis. I find it ironic that some of those Members who attend that breakfast cannot see fit to support our discharge petition.

I think the hypocrisy runs rampant, and I really believe that the American people want this bill. And I certainly commend my colleague for putting it out here for all of us to see, and I would encourage all of us to devote our energies to getting this discharge petition signed, and get this thing out on the floor, as my colleague from Arkansas, Mr. ROBINSON, said earlier, get this thing out on the floor where we can get a vote on it up or down. I think that one of the real problems in this body is the fact that there is a reluctance on the part of some people in it to not allow us to have our say on an issue.

As I said earlier, if little children bowing their heads in voluntary prayer is a threat somehow to American society, or to our whole constitutional process, then we are really in bad shape.

Again, I want to compliment my colleague for calling this special order, and I am pleased to be a participant.

Mr. BARTON of Texas. I would like to thank the gentleman from New Hampshire for participating. I would like to point out to some of my colleagues who may not know what a discharge petition is, that basically all one has to do, if you are a Member of Congress, and you are in favor of a particular piece of legislation, you merely go to the desk, right over here to my right, in this particular case it is discharge petition No. 1, and you sign your name on the line, and that says that you agree with whatever the piece of legislation is that you are attempting to get discharged from the committee. And you feel that it should be debated on the House floor.

There are evidently some of the Members of this body who do not understand that, and I am sure that once they do, they will be happy to sign the discharge petition.

Mr. HUNTER. Mr. Speaker, will the gentleman yield?

Mr. BARTON of Texas. I am happy to yield to my distinguished colleague from California [Mr. HUNTER].

Mr. HUNTER. I thank the gentleman for yielding. Something that my colleague from New Hampshire [Mr. SMITH] said, raised a note in my consciousness. I know I have a number of military bases in my district, and we have a number of churches in our military bases which I think, strictly speaking under this interpretation that has been in place on our school system with regard to school prayer probably are considered unconstitutional under that interpretation, because there is nothing more representative of the State than a military installation. Yet, we could not survive but for our churches on our military installations and bases, and involving our churches, and our synagogues. We could not survive because those people have to go out on a daily basis, even during peacetime, and undertake very strenuous, very dangerous activities.

If you have ever watched a carrier operation, night operation when the crew is out there on the decks of a carrier, and those F-14's are shooting off of there, very few ships or carriers go their tour of the Indian Ocean without having at least one plane go down and one or two people killed. It is a part of the job. One of our Blue Angels was killed the other day in a collision during one of their shows that they put on just in peacetime.

And yet, if you look at the challenges that our school children are facing now that we never saw, the drug challenges, and the challenges of promiscuity, and all of the things that they are facing, that are driving young people to a high rate of suicide, and high rates of pregnancy, high rates of drug addiction, they face immense challenges at least equal to those faced by our military people who we realize must have, even though they are on military, State-owned bases, must have access to a place to worship. Yet we deny our children that sort of faith and strength.

They made a sweep in my schools, some of my schools in San Diego recently. We did not think we had a big drug problem. We found an enormous drug problem. We found an average of one dealer per classroom. So in some San Diego high schools, there is one dealer per classroom, but you cannot have one prayer per classroom.

Mr. BARTON of Texas. Or Bible either, as I understand it.

I thank the gentleman from California. I especially want to thank him for beginning last year the prayer vigil. I say to my colleague from California, Congressman HUNTER, that was a tremendous idea on your part, and it is something that earlier I said I would host this year, and I am willing to host it as many years as necessary until we can get this issue resolved. I want to thank you for your leadership.

Mr. HUNTER. If the gentleman will yield further, it looks to me like you have the swing of things now.

I understand the gentleman from Texas, Mr. DELAY, is going to recite some of the Federalist Papers here shortly, and so we can all understand a little bit more about our Nation and our roots.

Mr. BARTON of Texas. We all wait with anticipation to hear the remarks of my distinguished colleague from Texas [Mr. DELAY].

Mr. SMITH of New Hampshire. Mr. Speaker, will the gentleman yield?

Mr. BARTON of Texas. At this time, I yield to the distinguished gentleman from New Hampshire [Mr. SMITH].

Mr. SMITH of New Hampshire. I think it is interesting to point out some of these local decisions, and some of these decisions that have been effected at the local level in these last 15 to 20 years in this so-called movement away from prayer in school. It is interesting, in an effort to avoid disputes around the country, local jurisdictions have passed statutes which have, among other things, forbidden a minister to pray at a public school sporting event. That is one. Secondly, forbidden religious leaders to attend a public school function. And thirdly, barred religious-affiliated counselors from meeting with public school students.

I think a constitutional amendment is necessary to reverse these atrocities, and I cannot believe that we have to have it to do that. That in itself is a disgrace. But we need it.

I would just point out one final comment. I know my colleague is anxious to speak.

I pointed out earlier the phrase "In God we trust" is up on the wall behind the gentleman in the well. If the gentleman would look straight ahead, back up over the gallery, the greatest lawmaker of all time's picture is on the wall, Moses. Again, repeating my point of hypocrisy, I think it is hypocrisy, and any individual who stands in the well of this body and opposes what we are trying to do, which is merely have voluntary prayer in public schools, in my opinion, is guilty of hypocrisy when they can stand between those two, one a phrase and one an individual who was the greatest lawmaker of all time, stand between those two and make those comments. I think it is a sad commentary on America. I think it is a sad chapter in a book on America, and I think we ought to close it, and get Madelyn O'Hair out of the book. Let us end the chapter, and let us start the new chapter in a new book, and get on with the problems that we have to deal with in this country that are critical problems, and not have to worry about something that we should never have lost in the first place.

Mr. BARTON of Texas. I totally agree with the gentleman's sentiments, and I would like to point out that the first order of business every day that this body meets is to begin with a prayer. Sometimes it is a Protestant prayer, sometimes it is a Catholic prayer, sometimes it is a Jewish prayer. Whatever, but that is the first order of business every time this body is opened for business.

I thank my colleague from New Hampshire for his comments.

Mr. COBEY. Mr. Speaker, will the gentleman yield?

Mr. BARTON of Texas. I recognize my distinguished colleague from North Carolina [Mr. COBEY].

Mr. COBEY. I thank my colleague for the recognition, and for taking this special order, for caring so much about your country that you would provide leadership on this issue.

□ 2200

It is difficult to even comprehend the fact that we are even having this special order and having to debate this issue given the rich religious history of this country and how God has so blessed this country. But I think it is symbolic of the very moral erosion of our country which is reflected in all sorts of perversion that we are having to deal with. Our Pledge of Allegiance to the flag acknowledges "One Nation under God." We have heard our colleagues say earlier that our motto, "In God We Trust" is right above the Speaker's chair there tonight. It is also on our coins. Today both the Congress and the Supreme Court invoke God's name and ask his blessings at the opening of their session. And until 1962 there was a widespread practice of allowing prayer in our public schools.

This practice was not performed, I believe, to coerce anyone to any particular beliefs. It is a significant part of our Judeo-Christian beliefs upheld in this country. Prayer was banned from the public schools in 1963 by a Supreme Court decision. Madelyn Murray O'Hair filed the suit which brought about the banning of school prayer in our public schools. She was furious that students had to recite a prayer at the beginning of each day. Now the reference I have is on this little card that I have carried around as to the school prayer that they had to recite. It was: "Almighty God, we acknowledge our dependence upon thee and beg Thy blessings upon us, our parents, our teachers, and our country," followed by a silent period.

Her son, Bill Murray, was a 14-year-old freshman at Woodburn Junior High School in Baltimore. Bill Murray recently revealed in a news conference that his mother's real basis for the suit was her own active commitment to the Communist causes and encouragement from the Soviet Embassy officials. And this same Bill Murray whose name was used in the suit is actively, I might say, fighting to restore voluntary prayer in the schools. And he has exciting testimony and witness to what has gone on.

In 1960, Mrs. O'Hair renounced her American citizenship and tried to emigrate with her two sons. The Soviet Embassy personnel intercepted them in Paris and persuaded this atheist leader to return to the United States where "her efforts on behalf of the world revolution were more needed."

Mrs. O'Hair was involved with the Socialist Workers Party, the Communist Party, the Communist Workers Party, the Fair Play for Cuba Committee, and other organizations of that type.

In fact, to finance her school prayer case up to the Supreme Court, the Communist Party actually provided a job for Mrs. O'Hair, now known as Mrs. Murray. She was the manager of the New E-r-a, New Era Bookshop in Baltimore which her son, Bill Murray, identified as an official bookshop of the Communist Party in the United States. The first amendment of the Constitution provides, "Congress shall make no law respecting the establishment of religion or prohibiting the free exercise thereof." This provision was never intended to restrict Americans from making religious observances in the course of their daily lives or was it intended to protect people from religion.

Yet the Supreme Court has drawn a broad and inaccurate conclusion in the Engel, which in 1962, and Shemp in 1963, decisions forbidding a State from fostering prayer or Bible reading by students in public schools.

What this amendment is proposing to do, and I really commend my colleague, Mr. KINDNESS, the text reads, "Nothing in this Constitution shall be construed to prohibit individual or group prayer in public schools or other public institutions. No person shall be required by the United States or by any State to participate in prayer. Neither United States or any State shall compose the words of any prayer to be said in the public schools."

So the issue is not even this little card that I had this prayer that was recited, because we are saying that this type of thing cannot happen anymore, where a prescribed prayer is said in vain repetition every day. Even as innocuous as this is, I do not see that this would harm anybody and certainly we are not talking about that.

Mr. BARTON of Texas. I totally agree with my colleague from North Carolina. I would like to thank him for his views. We have about 1 minute left to go and I would like to finish, if I could. I appreciate your participation and look forward to working with you on this issue.

I would like to spend this last time by reading a prayer that was declared unconstitutional in the case of Despain versus DeKalb County School District in 1966. Kindergarten children in a public school in DeKalb County, IL, were required by their teacher to recite the following poem before their morning snack:

We thank You for the flowers so sweet,
We thank You for the food we eat,
We thank You for the birds that sing,
We thank You for everything.

Now that was declared unconstitutional. And when we reach the state of affairs that something like that is declared unconstitutional, it is time to amend the Constitution. And I would like to finish this special order by sharing with my colleagues the prayer that I say every evening before I retire for the evening. It is very simple. It is:

"Dear God, give me the wisdom to know the right thing to do, give me the courage to attempt the right thing, and the strength to accomplish it. Amen."

We need the wisdom to determine what is the right thing to do in this issue. We need courage to attempt it, and the strength to accomplish it.

I thank my colleagues.

SCHOOL PRAYER AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. KINDNESS] is recognized for 60 minutes.

Mr. KINDNESS. Thank you, Mr. Speaker.

Mr. Speaker, the hour grows late, the expressions that have been made concerning House Joint Resolution No. 279 and Discharge Petition No. 1 are important expressions for all Members of this body to think about, I think, but I would like to just take a moment, as we continue our discussion of those matters, to focus on all of the first amendment to the Constitution, article 1 of the Bill of Rights. Bear in mind that a number of the States, the original States would not ratify the Constitution without an assurance that the First Congress would put forward a Bill of Rights which included, most importantly, the first amendment, which in its final form reads, "Congress shall make no law respecting an establishment of religion"—we have heard about that this evening—"or prohibiting the free exercise thereof"—there has been discussion of that—"or abridging the freedom of speech"—and there is much more to be said about that, although it has been mentioned, that is "or abridging the freedom of speech or of the press, or the right of the people peaceably to assemble and to petition the Government for a redress of grievances."

There in a nutshell are some of the most important concepts that were felt so deeply by leaders in the formulation of our country's Constitution that they were a necessary part of the Bill of Rights before the Constitution would be ratified.

□ 2210

We have heard about the establishment clause, the free exercise clause, and not enough really about the free speech clause. I would like to focus for a moment on the free press clause, the freedom of the press clause.

I think it is incredible that there is such a lack of attention paid by the fourth estate to those elements of the first amendment that have been seriously undermined by Supreme Court decisions and other Federal court decisions concerning school prayer, and most particularly by that decision of the slim majority of the Supreme Court in the Alabama case which has been discussed here earlier; its most recent school prayer case.

It is ironic that an institution that is so ready to take up the call when the basic right of freedom of speech, or press is imperiled would be so reticent to adequately analyze and publicize the potential effect that the Court's recent Alabama decision might have on those rights.

In other words, surrounding the freedom of the press are these issues that we have been discussing right there in the first amendment. In other words, we might also say in common experience, when someone else's ox is being gored, ladies and gentlemen, look out, you are liable to be next.

If the courts are willing to limit the right of freedom of speech in the first amendment, and the right to peaceably assemble, and the right to free exercise of religion, if the words of prayer are involved, if that is the manner of speech, and if the setting where peaceable assembly takes place is a public school setting, then what is next?

What is next in terms of freedom of the press? It is a little hard to imagine that the Court would rule that a newspaper did not have the right to print a prayer, perhaps daily, in its newspaper; on its masthead perhaps.

However, if we allow the deterioration of our constitutional rights, court decision by court decision, then perhaps we will face that prospect in the future.

There is more that can be said about the position of the fourth estate, but I would certainly like to recommend to the members of the fourth estate that they look closely to their freedom of the press in relation to what has happened in court decisions affecting the freedom of speech, the freedom to exercise their religious practices, and the right to peaceably assemble in that part of our Nation's life that involves public schools and words of prayer.

I now yield to the gentleman from North Carolina [Mr. COBEY].

Mr. COBEY. Mr. Speaker, I thank the gentleman from Ohio [Mr. KINDNESS] for bringing this issue forward, having this special order; bringing this constitutional amendment to the attention of this House, and getting the discharge petition moving.

As I said earlier, it is hard to believe that we are even here, but I guess the price of freedom is eternal vigilance, and all of our freedoms are likely to be under attack if we do not reverse what we have here.

Because we have to recognize that this is an open, hostile act; that this has been promoted from day one by people who reject God; athiests, acknowledged atheists. Madelyn Murray O'Hair. They want God out of the public schools.

If you wanted to send this country down a road without God, without acknowledging God, make it an atheist state, that is exactly where you would want to drive out God from would be the public schools.

I would like to warn them when they do that sort of thing that they may in fact destroy our country. Because we have been uniquely blessed by God; this has been acknowledged as one Nation under God ever since its inception, and I think that we ought to recognize that this has been hostile aggression on this country in the form of these suits that the Supreme Court has upheld, and it is essential to the prosperity of our country; spiritually, morally, economically, militarily, whatever; the very survival of our country depends on our acknowledgement of God and it is important that we restore this right to the schools and give these children the opportunity to initiate prayer and Bible study.

This is a right that is protected under the first amendment. They are being discriminated against. As I have heard said recently, this is a students rights issue, and I hope the students of America recognize that, and will speak out. We have case after case after case of where they have been openly discriminated against; not allowed to freely assemble in their schools for prayer and Bible study.

Again, I want to commend my colleague for taking this leadership on this issue, and I am glad to be able to support the gentleman in his effort and sign this discharge petition and get it out of that black hole we call the Judiciary Committee.

Mr. KINDNESS. I thank the gentleman for his participation, his support and his leadership also in this matter, but I trust that the gentleman would agree that there is a law of physics which I think applies also in social conduct, or the interaction between people that says something to the effect that, for every action there is a equal and opposite reaction.

Over the years that I have served in the Congress and that the school prayer issue has been building, I have observed that the equal and opposite reaction has been dispersed, as Supreme Court decisions and other Federal court decisions have come along, further restricting the free exercise of religion.

I think we have seen that if there is an equal and opposite reaction, it has been spread out and not brought together. I think the Supreme Court's decision in the recent case coming out of Alabama has brought forth the coalescence of those who are greatly concerned and deeply and conscientiously interested in this issue so that we are going to get that equal and opposite reaction concentrated; that is what we have been missing.

The time is at hand, I think, for us to really pull it together, all of those various elements that have been perhaps dispersed in recent years. We have now got a focus that is much clearer.

I might mention that there was a time in this House of Representatives when my colleague from Ohio, CHALMERS WYLIE had gotten the school prayer issue to a vote in the House. It was different, a constitutional amendment. In fact, many thought it was flawed in its wording.

□ 2220

I have to believe that it was not perfect and it failed of passage because many could not support it in its form at that time.

This proposed constitutional amendment has been so thoroughly worked over by legal scholars, by theologians and religious leaders and people of all walks of life who are interested in the subject that I think we finally have another part of the puzzle put together, a coalescence of support behind that approach.

Let me just take one more moment to make a comparison. With all due respect to those who support a constitutional amendment that would provide for the freedom of meditation, silent meditation, that would be limiting our freedom of speech guaranteed in the first amendment. We would be constitutionally reducing our first amendment rights. I do not support that approach. Those who do I am sure do so in good conscience. But they do so without regard to our first amendment right of free speech. That, I think, is too important to pass up.

I would yield to the gentleman from Texas.

Mr. DELAY. I thank the gentleman from Ohio mainly for his courage and work in developing and writing his constitutional amendment and staying up at this late hour. It is now 10:20 in the evening. And I asked myself as I was standing here: Why are so many Members of Congress staying up so late at night on such an issue?

And I think it brings out many, many issues. If I may, trying to summarize a little bit about what I have heard this evening and get a little philosophical and a little more basic and fundamental about what we are talking about, the gentleman from Ohio has pointed out in the Constitution that our freedom of religion and our freedom of voluntary prayer in schools are based on freedom of speech, freedom of the press, freedom of religion. And I think it gets even more basic that that.

Why are we up at this late hour, so dedicated to such a basic premise of freedom? And that is what we are talking about here—freedom. I do not know whether we are really talking about prayer in schools. I think we have coalesced around prayer in schools, but it is more basic than that, and it comes down to freedom and not only freedom but the Constitution, and it comes down to, I think, ever since 1936 in the Butler case, a total disregard of our Constitution. This Congress, the Supreme Court and indeed the President of the United States have all disregarded the Constitution and the rules by which we play.

When you go out there and play on the football field, what kind of a game would it be if we did not play by the rules? And ever since 1936, when the Supreme Court, stacked by FDR, decided that whatever, under the Constitution and the statement "the common good," whatever the Congress decided, that is good in the common good of the people of America. And we come back to that one premise. We have spent money, we have developed programs in violation of our constitutional rights, and now we have pulled away one of the basic freedoms that founded this great, great country of ours, and that is our freedom to express ourselves in whatever religion we are talking about.

Is it not sad that Americans right now are fighting for their religious freedom against their own Government, whether it be the Supreme Court or this Congress because we cannot get a constitutional amendment to this floor to be voted on? It really is a testimony of where we have come from since 1936 and that we do not have the ability to play by the rules and we have to fight and stay up at these late hours fighting to bring your amendment to this floor. It is a sad day for Americans when we have to fight our own Government. We are just talking about freedom. We are not talking about creating a government religion. We are not talking about making it the Baptist religion of the United States of America or the Methodist religion of the United States of America. We just want to be able to practice our religion wherever we deem and see fit.

If I want to put up a nativity scene in the courthouse in Houston, TX, I should have the freedom to do that, and I should not have the right to stop someone else from putting up a Star of David or someone celebrating the Koran in that same courthouse.

It was just recently that we—"we" being members of Harris County, in Houston, TX—wanted to dedicate a park to our Vietnam veterans, and part of the monuments of this park were crosses and Stars of David. People who see fit in restricting our freedom, the ACLU, in particular, came along and sued us and stopped us from dedicating a park to our veterans of the Vietnam era. What was so sinister about dedicating a park to our veterans of the Vietnam war, even though we put up crosses and Stars of David to commemorate those who died for our freedom in Vietnam?

What is so bad about a little child praying in school? The Boy Scouts of America recently, in their own creeds and oaths, being violated by a court. Just recently I saw on television, I think it was yesterday, that a Boy Scout decided that he would refuse to use the Lord's name in the oath of the Boy Scouts, and our own Government is coming to the Boy Scouts and saying you have to remove those kinds of names or you have to let this boy into Boy Scouts, a private organization. That is now far it is going. I think it is a sad day in America when we do not have the freedom to exercise our religion wherever we want to exercise it.

We are not talking about shoving religion down children's throats. We are talking about basic freedom that this country was built on.

If I may take just 1 more minute, and I may be criticized for this, I think the Constitution was divinely inspired, because there are stories that are told about the writing of our Constitution back when, and they came to an impasse, and Benjamin Franklin—well, I have to back up a little bit. You had to pay preachers at that time to pray, and the Constitutional Convention had no money, so they could not pay preachers to open the Constitutional Convention every day, so they went on, among themselves, and they came to an impasse, and it seemed that it was all over and they could not write the rules under which to govern themselves. And Benjamin Franklin stood up and said, "Let's all go home and pray to the Almighty God that we may be able to write this Constitution for the good of mankind in the future." They did. They went home and they prayed, and the Constitution was finished in 3 weeks and ratified within a year.

It just goes to show you that our country was built on religion, whether it be Christianity or Judaism, or whatever it is. It is built on the freedom to express ourselves to some moral being or some truth, all truth, whatever you call that. And when individuals come and try to destroy that for Americans, I think it is a travesty to this country and it also points out that we are trying to destroy the basic freedoms provided to us by the Constitution because we have total disregard about our Constitution.

In going to many town meetings that I have held every month in my district, people are asking me, "Well, we sent you there, but what else can we do? What can we do?" And those Americans who are watching this special order and watching the courage of the gentleman from Ohio, I tell them that if they really want to do something, if they really want to make an effect, if they really want their freedom back, then they should write their Congressman—and I think the gentleman from Ohio will agree with me—and demand that their Congressman sign this discharge petition so that we can bring basic freedoms back to the American people.

Mr. KINDNESS. I thank the gentleman very much. I acknowledge that fact that under the rules and operations of the House of Representatives it is not always easy for Members to make the decision that they should, to sign a discharge petition. But I think it is abundantly clear that House Joint Resolution No. 279 will not come to the floor for consideration without a discharge petition procedure. It requires 218 signatures of Members. But

there is nothing heretical about signing a discharge petition. It is my belief that there are among the Members of the House of Representatives many who are fairminded people who will sign the discharge petition even though they may not be persuaded that they would vote for the adoption of House Joint Resolution No. 279.

□ 2230

In the belief that it must be debated, it must be considered, and it must be voted upon. Fairmindedness, and we hear so much about fairness in the political arena these days, fairness certainly includes allowing such an important subject to be decided upon by the elected Representatives of the people from throughout this country.

Discharge Petition No. 1 sits at the Clerk's desk awaiting the signatures of about 203 more Members. I think what people can do throughout this country is to persuade their elected Representative that they should be among those signing Discharge Petition No. 1.

Whether they believe that House Joint Resolution 279 should be adopted by the House of Representatives or not, in fairness, it should be debated and voted upon. Our courts have their part of a three-part government to conduct. I respect our court system as I do our Constitution, and I respect those who earnestly endeavor in the Federal judiciary to reach the right decisions. But they are not infallible.

In the present circumstances that we are discussing, the only way for their judgment, that is a judgment of the majority of the Members of the Supreme Court to be changed or overridden is by a constitutional amendment. That is why it is necessary. It is not through disrespect for Federal judges or for the Federal judiciary system. But it is only one of three parts of our Government. A system that is ingenious in the way that it was established in our Constitution.

The Congress and the President together enact legislation. Or the Congress can do it alone by overriding the veto of a President. The courts are there to interpret and apply the law and the Constitution. I cannot agree that they have done so correctly in some of the decisions affecting school prayer. The infallibility of the courts is not in question, because they are fallible. They are human institutions.

I yield to the gentleman.

Mr. DELAY. If the gentleman would permit me, they are humans that sit on that court, and sometimes we let our own prejudices come out no matter who we are, and I agree with that. But would it not be a wonderful day and I think the gentleman would agree that over the years, and I have only been here a short time, the gentleman has been here a long time. Over the years, you have seen when the people want something bad enough, if they write enough letters, things will change.

Just recently, around February, there was an overwhelming letter writing campaign on what seems to be a small issue and that was contemporaneous recordkeeping. This Congress was inundated with letters against contemporaneous recordkeeping. It was passed by both Houses and signed by the President in less than 60 days.

A year ago, for instance, the Harris poll indicated that 60 percent of the surveyed population favored a constitutional amendment to allow us the freedom to exercise our religion. It was recently sustained by a poll a few months ago, that the entire poll sample, 61 percent, supported religious freedom. If only that 61 percent of the Nation would write their Congressman, I think the gentleman would agree that this amendment and religious freedom would come to the floor of this House immediately.

Mr. KINDNESS. It is a matter in which the people throughout this country play the most important role as usual; if they will but act, I think we will see the kind of action that needs to be taken in this House of Representatives on this issue.

I thank the gentleman so much for his participation at this late hour this evening.

Mr. Speaker, I have two kinds of discomfort inside me this evening: one is the lack of dinner, and the other is a hunger for the opportunity to have this matter debated before this House of Representatives and I feel confident that we will reach that goal through diligence and hard work and the help of the American people getting their elected Representatives on board as a part of this effort.

Mr. Speaker, I would like to take this time to discuss the incredible lack of attention paid by the fourth estate to those elements of the first amendment that have been seriously undermined by the Supreme Court's recent school prayer decision.

It's ironic that an institution that is so ready to take up the call when the basic right of freedom of speech is imperiled would be so reticent to adequately analyze the potential effect that the Court's recent decision might have on that right.

One need only focus on the language of the first amendment to see that it guarantees the free exercise of religion, the freedom of speech, the freedom of the press and the right to peaceably assemble. The scribes, who freely debate the issues of the day on the pages of our Nation's newspapers, sit idly by while fundamental rights that are similarly situated, in the Constitution and conceptually, are routinely infringed on by the Federal courts.

Is the right to free exercise of religion protected by a Supreme Court that declares words of prayer to be illegal? Is the right to free speech protected by a Supreme Court that says that words of prayer are not sanctioned under the Constitution when said in the confines of a public school? Is the right to peaceably assemble protected by a Supreme Court that denies that right to our schoolchildren? Is the fourth estate oblivious to these infringements. Perhaps they'll react when the Supreme Court rules that the right to a free press is limited when the words to be printed are those of a prayer.

It would seem to me though that our first amendment rights are in danger and that the journalism profession is one that has as much to lose as anyone if such limits are allowed to remain the law of the land. The conceptual proximity of those rights, curtailed by the Court's decisions, to freedom of the press and the failure of the fourth estate to champion those rights raises serious questions as to how sincere the national community of journalists is about protecting those rights as a matter of principle.

I would ask my friends in the fourth estate to look closely at the language of the first amendment and to consider how their freedom of the press will look 20 years from now if the present trend goes unchecked. I submit that it would be well worth their time.

GENERAL LEAVE

Mr. KINDNESS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order this evening.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PRESIDENT OF TIME INC. CALLS EXCESSIVE MILITARY SPENDING THE ROAD TO ECONOMIC RUIN

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, I recently obtained a copy of a speech delivered by J. Richard Munro, the president and chief executive officer of Time, Inc., to the Robins School of Business of the University of Richmond, on April 10, 1985. Charging that U.S. military spending has gotten out of control, Mr. Munro called upon American business executives to bring "the same critical judgment to bear on defense policies as we do to our own corporate policies." The alternative is

economic stagnation and ultimately less military strength, he said.

Mr. Munro noted that defense spending in constant dollars is now as high as it was at the height of the Korean war and the Vietnam war and by 1990 will be a third more than it was in either war. He added that if the economy falters and growth falls short, the defense share could easily reach 10 percent of GNP.

The effect of the increasing militarization of our economy will be to "find guns winning not only over butter—but over factories and machinery, capital formation, and skilled labor supplies." The effect of the severe cuts in education and human service programs is that "we are disinvesting in people, disinvesting in our future work force," he said. He went on to note that the share of GNP spent on education in America has fallen steadily from a peak of 8 percent in 1975 to an estimated 6 percent next year, yet "education is hands-down the single most important engine of productivity growth."

Worse yet, Mr. Munro notes, military projects are absorbing an increasing share of resources like industrial capacity, research and development funds, and scientists, engineers, and technicians. While the Japanese are marshalling their research laboratories to take on our computer and other high-technology industries, our research laboratories are making new weapons.

In addition to reforms in defense procurement and staffing and the military retirement system, Mr. Munro concludes that the most important need is the achievement of mutual arms reduction agreements to stop the arms race with the Soviet Union. This conclusion has seemed obvious to many of us for a long time. Perhaps these words of a hardheaded businessman will begin to penetrate the thinking of those conservatives who have up until now been favoring more and more military spending.

Mr. Speaker, the full text of Mr. Munro's address follows these remarks:

REMARKS BY J. RICHARD MUNRO

Thank you for the kind introduction. I'm delighted to be here, for what is now my third visit to this campus as CEO of Time Inc. There's something about a polite invitation that I find irresistible.

Being here also reminds me of something that happened recently in a third world country.

Rebels had captured three businessmen—one French, one Japanese, and one American. They decided to execute them all. But first they gave each a last wish.

The French businessman asked to sing "La Marseillaise" for one last time. The Japanese businessman asked to give a lecture on Japanese management.

But when it came his turn, the American broke into tears and begged, "Shoot me first, I can't stand another lecture on Japanese management."

In keeping with that spirit, I promise not to talk about Japanese management or related subjects.

Instead, I want to talk about a different challenge. It might seem remote from daily business concerns. But it's crucial to our continued success in business and to our prosperity as a nation.

That's the problem of U.S. defense policy—especially military spending.

It's simply gotten out of control. And if we don't control it, we will reap a bitter harvest of waste and mismanagement, economic stagnation, and ultimately less military strength than we have now.

The stakes for American business are high. And business executives need to bring the same critical judgment to bear on defense policies as we do to our own corporate policies.

Let me begin with some recent history.

Defense spending since World War II has accounted for a large share of our national wealth, rising during wartime and falling during peacetime.

Defense spending in constant dollars now is as high as it was at the height of the Korean War and the Vietnam War. By 1990 it will be a third more than it was in either war.

By the late 1970s, spending rose again, and has taken off sharply since the Reagan Administration began what has become the equivalent of a wartime military buildup.

Put another way, we've already spent a trillion dollars on defense since 1980. And in the next five years, we'll spend another $1.8 trillion.

Military spending in 1990 will take about 8 percent of our GNP, nearly as high a percentage as the peak Vietnam years.

Moreover, that share of GNP assumes that the Reagan Administration's economic forecast of endless economic growth will come true. If the economy falters, and growth falls short, the defense share could easily reach 9 or 10 percent of GNP.

In short, under current leadership, we have the equivalent of a wartime spending policy. Our economy is being increasingly militarized.

And the more we pursue these policies, we will find guns winning not only over butter—but over factories and machinery, capital formation, and skilled labor supplies.

Now, you may ask, isn't all this necessary to confront the Soviet military buildup? Especially after years of declining spending?

Yes, the Vietnam War drained our military resources in losing battles, at the expenses of our readiness everywhere else. We had major deficiencies which were painfully obvious by the late 1970s.

But the rebuilding of our military strength was already underway, with spending growth at sustainable rates, before President Reagan took office.

At the same time, ironically, Soviet military spending growth has been declining. Despite dire warnings from the Pentagon each year at budget time, the CIA estimates that recent real growth of Soviet military spending has been around 2 percent annually.

The answer, then, is, yes, that we needed to rebuild our defenses. But that we didn't need to hit the panic button, which is what happened. And we don't need to obligate ourselves to such enormous future costs.

Current budget estimates don't include such things as cost overruns we can reasonably expect on new weapons. They probably underestimate future operating and upkeep costs for such things as the 600-ship navy we are building.

Moreover, we have shifted priorities so that we are underpreparing to fight a conventional war and overprepared for a nuclear war. We are also wasting a lot of money because of simple mismanagement.

Plainly, we will squander much of the three trillion dollars we're spending in this decade—unless we have a thorough overhaul of defense policies. That overhaul isn't yet in the cards, however.

We have already seen a small part of the defense procurement mess. We have enormous cost overruns already in projects like the B-1 bomber—weapons that are worthless because they are too complicated—or that simply don't work—and even outright fraud by some defense contractors.

Also, we can already see the enormous and unnecessary burden that military personnel policies are becoming.

For example, the military retirement system is a tremendous problem—not just because of direct costs—but also because it results in our most productive officers and noncoms retiring just when they hit their stride.

Imagine a company that retired at half-pay most of its career managers and skilled workers at age 41, after spending millions of dollars each to train many of them.

Imagine a company that has to set aside half of its base salaries for future pension costs. The average for U.S. companies is about 10 percent.

Imagine a company in which five out of six of its pensioners are younger than 65, and two-thirds are working fulltime, often at the same job they had in uniform, collecting a pension and a paycheck, or working for outside defense contractors.

That's how the military retirement system works today.

Consider the benefits for a typical lieutenant colonel who retires today at age 42. He can expect to live another 35 years. By my calculations, he'll get nearly $1.5 million, assuming the pension keeps pace with a modest rate of inflation.

That doesn't include free medical care, cut-rate groceries and shopping, and subsidized officers' clubs.

In short, the system stinks.

At this point, you may be asking yourself why I'm not talking about the communications industry or something more directly related to your future business careers.

Well, I have been talking about your future—and everybody else's.

The defense buildup is taking place as if it were in a vacuum—and had nothing to do with the rest of our economic and social needs. Yet it can—and will—cause severe economic dislocations affecting every industry in America.

Let me put it this way: The shift toward more military spending in the 1980s will change our economy as deeply as the oil price explosion changed us in the 1970s—beginning with the share of GNP which it is taking from the rest of our economy.

Consider the massive shift already in federal budget priorities. Think of that as a mirror into the future which shows what the rest of our economy will be like.

For example, we have severely cut education and human services programs, and state governments are following suit. In effect, we are disinvesting in people, disinvesting in our future work force.

As this happens, we should ask, where will all the skilled workers come from to help us fulfill the optimistic Administration forecasts for future prosperity?

They don't just walk out of the woods and into the front doors of our offices and factories.

They came up through our system of schools and colleges, public and private. They received nutrition and health care that keeps their bodies whole. Their families received aid to keep them housed and clothed. They get help—these are not just poor kids, either—at every step by public spending programs which have in the last half-century helped create the world's most productive work force.

It's an expensive system. But as Derek Bok, president of Harvard, once said, "If you think education is expensive, try ignorance."

As we've often heard, there's no free lunch. We won't be the most productive much longer, if we keep doing what we're doing now.

The share of GNP spent on education in America has fallen steadily from a peak of 8 percent in 1975 to an estimated 6 percent next year. And education is hands-down the single most important engine of productivity growth.

In other words, the "butter" we're neglecting today for the sake of guns is more than an expendable condiment. Our neglect of education and human services will put a heavy burden on business in the future in the form of shortages of skilled labor, lagging productivity growth, and inflationary pressures.

Moreover, military projects are absorbing an increasing share of resources like industrial capacity, research and development funds, and scientists, engineers, and technicians.

While the Japanese are marshalling their research laboratories to take on our computer and other high-technology industries, our research laboratories are making new weapons.

Not only that, we can already see the results of this tradeoff between national productivity and military spending.

In the last 20 years, U.S. defense spending averaged 7½ percent of GNP, while manufacturing productivity rose an average of 2½ percent in each of those years.

Great Britain spent an average of 5½ percent on defense, while its productivity rose 3½ percent a year. West Germany spent 4 percent on defense, while its productivity rose 5½ percent.

And Japan, which spent less than 1 percent, enjoyed a 9 percent annual increase in manufacturing productivity—year after year, in its relentless expansion into world markets.

It's no coincidence that, in those years, Japan has amassed trade surpluses that are the envy of the OPEC oil producers, that five out of the top 10 international banks are now Japanese, and that its GNP sometime this year will surpass the GNP of the Soviet Union.

Also, the defense buildup reaches even more deeply as a direct cause of our massive federal deficits. It's not the only cause, of course. The over-generous tax cuts must share the blame. But everything else comes in a distant second.

The budget deficits and high interest rates in turn have caused a huge trade deficit, which has cost two million American manufacturing jobs already, and maybe another two million more in a few years.

For the first time since World War I, we are no longer a net creditor nation. We're becoming a net debtor this year. Next year, at the current rate, our foreign debt will be larger than Brazil's. And a year after that, our debt will be bigger than Brazil's, Argentina's and Mexico's combined.

Beginning now, instead of living beyond our means, supported by net overseas earnings, we will be living below our means to pay our creditors back.

More and more of our business decisions will be made in Tokyo and London, and not New York or Washington.

In the words of Blanche DuBois, we'll depend on the kindness of strangers for our standard of living.

Now, I happen to believe that problems like these are meant to be solved. And I think that we can, given the concern and the will to do it.

We can begin by following the advice of the Business Roundtable, which has advocated a return to 3 percent real growth in defense spending in the next few years.

The President and Senate Republicans took a small, tentative step toward that last week in announcing defense budget cuts, among many others.

But I think we must go further by setting goals of, say, 5 or 6 percent of GNP for defense, matched by thorough reforms. They should include a brandnew procurement system, a hard look at the effectiveness of new weapons, cutting back the number of officers on active duty, and retirement system reforms.

There's no earthly reason why we can't have a strong national defense on a budget that amounts to less in real dollars than we spent in each of our last two wars.

Most important, we need mutual arms reduction agreements to stop the arms race now underway with the Soviet Union.

Both of us have had enough military might to destroy each other, and the world with us, for many years. It's time to come to our senses and to bargain seriously for new arms control agreements.

In closing, if all these matters seem remote and arcane to you, they shouldn't be.

A poster I saw recently showed a dressed-for-success Yuppie looking out her window, exclaiming, "Oh no, nuclear war! There goes my career!"

That's an overstatement, of course. But your future, the future of American business, and of our society is tied very closely to what we decide in the next few years about the role of defense spending and the military in our country.

I say that we strike a new balance, that we begin to appreciate how a more rational approach can yield a more prosperous America and a stronger national defense.

A quarter-century ago, President Eisenhower had this to say, "There is no safety in arms alone. Our security is the total product of our economic, intellectual, military, and moral strength."

That applies just as well today, and I urge you to inform yourself and to get involved in solving this key problem for our future.

Thank you.●

CONFERENCE REPORT ON H.R. 2068

Mr. MICA submitted the following conference report and statement on the bill (H.R. 2068) to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the U.S. Information Agency, the Board for International Broadcasting, and for other purposes:

CONFERENCE REPORT (H. REPT. 99-240)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2068) to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the United States Information Agency, the Board for International Broadcasting, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Foreign Relations Authorization Act, Fiscal Years 1986 and 1987".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.

TITLE I—DEPARTMENT OF STATE

Sec. 101. Authorizations of appropriations.
Sec. 102. Permanent authorizations of appropriations.
Sec. 103. United Nations peacekeeping forces.
Sec. 104. Security earmark.
Sec. 105. Liaison by the National Commission on Educational, Scientific, and Cultural Cooperation.
Sec. 106. Australian Bicentennial.
Sec. 107. World Commission on Environment and Development.
Sec. 108. Earmarking of refugee assistance funds.
Sec. 109. International Committee of the Red Cross.
Sec. 110. Limitations on use of migration and refugee assistance funds.
Sec. 111. Restrictions on foreign assistance not applicable to migration and refugee assistance.
Sec. 112. Personal services abroad relating to migration and refugee assistance.
Sec. 113. Audits of U.S. funds received by the United Nations High Commissioner for Refugees.
Sec. 114. Authorized uses of appropriated funds.
Sec. 115. Assistant Secretaries of State.
Sec. 116. Under Secretary of State for Economic and Agricultural Affairs.
Sec. 117. Detail of officers and employees.
Sec. 118. Certain individuals employed abroad deemed to be employees of United States for certain purposes.
Sec. 119. Appointments to the Senior Foreign Service by the Secretary of Commerce.
Sec. 120. Pilot project for Foreign Service associates.
Sec. 121. Feasibility study of a lateral entry program into the Foreign Service for businessmen and farmers.
Sec. 122. Health care benefits.
Sec. 123. Foreign Service Institute facilities.
Sec. 124. International Center.
Sec. 125. Special agents.
Sec. 126. Extraordinary protective services for foreign missions.
Sec. 127. Protecting United States interests under the Foreign Missions Act.

Sec. 128. Peaceful resolution of international disputes.
Sec. 129. Furnishing of excess Government-owned property by the Secretary of State.
Sec. 130. Official residence of Secretary of State.
Sec. 131. Strengthening the personnel system of the Bureau of International Narcotics Matters.
Sec. 132. Sharing of information concerning drug traffickers.
Sec. 133. Extradition treaties.
Sec. 134. Establishment of a travel advisory on the state of Jalisco, Mexico.
Sec. 135. Commendation of Ambassador to Mexico.
Sec. 136. Soviet employees at United States diplomatic and consular missions in the Soviet Union.
Sec. 137. Responsibility of United States missions abroad to provide support for United States businesses.
Sec. 138. Responsibility of United States missions to promote freedom of the press abroad.
Sec. 139. Emergency telephone service at U.S. consular offices.
Sec. 140. Responsibilities of United States representatives to international organizations.
Sec. 141. United States responsibilities for employees of the United Nations.
Sec. 142. United States contributions to the United Nations if Israel expelled.
Sec. 143. United Nations organizations reform in budget procedures.
Sec. 144. Limitation on assessed payments to the United Nations.
Sec. 145. International Jute Organization.
Sec. 146. INTELSAT.
Sec. 147. Soviet and Communist disinformation and press manipulation.
Sec. 148. Murder of Major Arthur D. Nicholson, Junior.
Sec. 149. Inter-American cooperation in space, science, and technology.
Sec. 150. Department of State Inspector General.
Sec. 151. Employees of the United Nations.
Sec. 152. Representation of minorities and women in the Foreign Service.
Sec. 153. Board of the Foreign Service.
Sec. 154. Damages resulting from delays in the construction of the United States embassy in Moscow.

TITLE II—UNITED STATES INFORMATION AGENCY

Sec. 201. Authorization of appropriations.
Sec. 202. Modernization of Voice of America.
Sec. 203. Radio broadcasting to Cuba.
Sec. 204. Funds for educational and cultural exchanges.
Sec. 205. Funds for worldwide book program initiative.
Sec. 206. Funds for exchange activities associated with the 1987 Pan American Games.
Sec. 207. Funds for international games for the handicapped.
Sec. 208. Ban on domestic activities by the USIA.
Sec. 209. Private sector funding for USIA's private sector program.
Sec. 210. National Endowment for Democracy.
Sec. 211. Promoting democracy and an end to the apartheid policies in South Africa.
Sec. 212. Distribution within the United States of the USIA film entitled "Hal David: Expressing a Feeling".
Sec. 213. Distribution within the United States of three USIA films relating to Afghanistan.
Sec. 214. Notification of program grants.

TITLE III—BOARD FOR INTERNATIONAL BROADCASTING

Sec. 301. Authorization of appropriations.
Sec. 302. Improvement of facilities.
Sec. 303. Radio Free Afghanistan.
Sec. 304. Management of RFE/RL, Incorporated.
Sec. 305. Role of the Secretary of State.
Sec. 306. Task force with respect to broadcasts to Soviet Jewry.

TITLE IV—THE ASIA FOUNDATION

Sec. 401. Authorization of appropriations.

TITLE V—IRAN CLAIMS SETTLEMENT

Sec. 501. Receipt and determination of certain claims.
Sec. 502. Deductions from arbitral awards.
Sec. 503. En bloc settlement.
Sec. 504. Reimbursement to the Federal Reserve Board of New York.
Sec. 505. Confidentiality of records.

TITLE VI—UNITED STATES SCHOLARSHIP PROGRAM FOR DEVELOPING COUNTRIES

Sec. 601. Statement of purpose.
Sec. 602. Findings and declarations of policy.
Sec. 603. Scholarship program authority.
Sec. 604. Guidelines.
Sec. 605. Authority to enter into agreements.
Sec. 606. Policy regarding other international educational programs.
Sec. [illegible]. Establishment and maintenance of counseling services.
Sec. 608. Board of Foreign Scholarships.
Sec. 609. General authorities.
Sec. 610. English teaching, textbooks, and other teaching materials.
Sec. 611. Reporting requirement.
Sec. 612. Funding of scholarships for fiscal year 1986 and fiscal year 1987.
Sec. 613. Latin American exchanges.
Sec. 614. Feasibility study of training programs in sizable Hispanic populations.
Sec. 615. Compliance with Congressional Budget Act.

TITLE VII—ARMS CONTROL AND DISARMAMENT

Sec. 701. Supplemental authorization of appropriations for fiscal year 1985.
Sec. 702. Authorization of appropriations for fiscal years 1986 and 1987.
Sec. 703. Reports on adherence to and compliance with agreements.
Sec. 704. Pay for Deputy Director and Assistant Directors.
Sec. 705. New building in Geneva for the use of the United States arms control negotiating teams.
Sec. 706. Study of measures to enhance crisis stability and control.
Sec. 707. Policy toward banning chemical weapons.
Sec. 708. Policy regarding a joint study by the United States and the Soviet Union of the consequences of nuclear winter.

TITLE VIII—MISCELLANEOUS PROVISIONS

Sec. 801. Termination of national emergencies by joint resolution.
Sec. 802. United States Institute of Peace.
Sec. 803. Ex gratia payment to the Government of Switzerland.
Sec. 804. Policy toward application of the Yalta Agreement.
Sec. 805. Policy toward treatment of Soviet Pentecostals.
Sec. 806. Democracy on Taiwan.
Sec. 807. Increase United States-China trade.
Sec. 808. Use of United States owned rupees.
Sec. 809. Refugees in Thailand.
Sec. 810. Policy regarding foreign exchange intervention.
Sec. 811. Commending Mayor Teddy Kollek of Jerusalem.
Sec. 812. Japan-United States security relationship and efforts by Japan to fulfill self-defense responsibilities.
Sec. 813. Diplomatic equivalence and reciprocity.
Sec. 814. United States International Narcotics Control Commission.

TITLE I—DEPARTMENT OF STATE

SEC. 101. AUTHORIZATIONS OF APPROPRIATIONS.

The following amounts are authorized to be appropriated for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law:

(1) ADMINISTRATION OF FOREIGN AFFAIRS.—For "Administration of Foreign Affairs", $1,828,088,000 for the fiscal year 1986 and $1,873,790,000 for the fiscal year 1987.

(2) INTERNATIONAL ORGANIZATIONS AND CONFERENCES.—For "International Organizations and Conferences", $534,074,000 for the fiscal year 1986 and $534,074,000 for the fiscal year 1987.

(3) INTERNATIONAL COMMISSIONS.—For "International Commissions", $28,704,000 for the fiscal year 1986 and $25,824,000 for the fiscal year 1987.

(4) MIGRATION AND REFUGEE ASSISTANCE.—For "Migration and Refugee Assistance", $344,730,000 for the fiscal year 1986 and $344,730,000 for the fiscal year 1987.

(5) BILATERAL SCIENCE AND TECHNOLOGY AGREEMENTS.—For "United States Bilateral Science and Technology Agreements", $2,000,000 for the fiscal year 1986 and $2,000,000 for the fiscal year 1987.

(6) SOVIET-EAST EUROPEAN RESEARCH AND TRAINING.—For "Soviet-East European Research and Training", $4,800,000 for the fiscal year 1986 and $5,000,000 for the fiscal year 1987.

SEC. 102. PERMANENT AUTHORIZATIONS OF APPROPRIATIONS.

(a) OTHER AUTHORIZATION OF APPROPRIATIONS.—

(1) Except for authorizations cited in paragraph (2), the only amounts authorized to be appropriated for any fiscal year for the accounts described in section 101 are those amounts specifically authorized to be appropriated for those accounts.

(2) The other authorizations of appropriations referred to in paragraph (1) are those contained in section 24 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2696), relating to increases in employee benefits authorized by law and to adverse fluctuations in foreign currency exchange rates and overseas wage and price changes, and in section 821 of the Foreign Service Act of 1980 (22 U.S.C. 4061), relating to the Foreign Service Retirement and Disability Fund.

(b) NOTIFICATION TO AUTHORIZING COMMITTEES OF CERTAIN REQUESTS FOR APPROPRIATIONS.—In any fiscal year, whenever the Secretary of State submits to the Congress a request for appropriations pursuant to the au-

thorizations described in subsection (a)(2), the Secretary shall notify the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate of such request.

SEC. 103. UNITED NATIONS PEACEKEEPING FORCES.

The Act entitled "An Act to authorize United States payments to the United Nations for expenses of the United Nations peacekeeping forces in the Middle East, and for other purposes", approved June 19, 1975 (89 Stat. 216), is amended by striking out "there is hereby authorized to be appropriated to the Department of State" and inserting in lieu thereof the following: "the Secretary of State may, to the extent funds are authorized and appropriated for this purpose, make payments of".

SEC. 104. SECURITY EARMARK.

Of the amounts authorized to be appropriated for "Administration of Foreign Affairs" by section 101(1), not less than $311,000,000 for the fiscal year 1986 shall be available only for security-related capital projects and improvements and the salaries and expenses associated with security-related personnel.

SEC. 105. LIAISON BY THE NATIONAL COMMISSION ON EDUCATIONAL, SCIENTIFIC, AND CULTURAL COOPERATION.

Of the amounts authorized to be appropriated for "Administration of Foreign Affairs" by section 101(1), $250,000 for fiscal year 1986 and $250,000 for the fiscal year 1987 shall be made available to the National Commission on Educational, Scientific, and Cultural Cooperation in order to enable the Commission to maintain a liaison between the United States Government, the United States educational, scientific, cultural, and communications communities, and the United Nations Educational, Scientific, and Cultural Organization (UNESCO).

SEC. 106. AUSTRALIAN BICENTENNIAL.

(a) FINDING.—The Congress finds that the American-Australian Bicentennial Foundation, a private, nonprofit corporation established in 1983 for the purpose of coordinating all United States official and private participation in the 1988 Australian Bicentennial celebration, deserves and needs financial support to effectively carry out that purpose.

(b) GRANT TO AMERICAN-AUSTRALIAN BICENTENNIAL FOUNDATION.—From the amounts authorized to be appropriated for "Administration of Foreign Affairs" by section 101(1), the Secretary of State may make a grant in each of the fiscal years 1986 and 1987 to the American-Australian Bicentennial Foundation in support of its programs and operations to prepare for United States participation in the Australian Bicentennial celebration.

(c) AUTHORITY OF USIA NOT AFFECTED.—Subsection (b) shall not be construed to affect the authority delegated to the Director of the United States Information Agency under section 102(a)(3) of the Mutual Education and Cultural Exchange Act of 1961 (22 U.S.C. 2452(a)(3)).

SEC. 107. WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT.

Of the amounts authorized to be appropriated for "International Organizations and Conferences" by section 101(2), $750,000 for each of the fiscal years 1986 and 1987 shall be available only for a voluntary contribution to the World Commission on Environment and Development.

SEC. 108. EARMARKING OF REFUGEE ASSISTANCE FUNDS.

Of the amounts authorized to be appropriated for "Migration and Refugee Assistance" by section 101(4)—

(1) $12,500,000 for the fiscal year 1986 and $25,000,000 for the fiscal year 1987 shall be available only for assistance for refugees resettling in Israel;

(2) $56,000,000 for the fiscal year 1986 and $56,000,000 for the fiscal year 1987 shall be available only for assistance for African refugees; and

(3) $2,500,000 for the fiscal year 1986 and $1,750,000 for the fiscal year 1987 shall be available to combat piracy in the Gulf of Thailand, for assistance to pirate victims, to promote the rescue of refugees in distress at sea in Southeast Asia, and to strengthen protection measures for Indochinese boat refugees.

SEC. 109. INTERNATIONAL COMMITTEE OF THE RED CROSS.

(a) FINDINGS.—The Congress finds that—

(1) the International Committee of the Red Cross carries out humanitarian missions vital to the United States, including—

(A) the promulgation and implementation of international humanitarian law;

(B) the protection of prisoners of war and of noncombatants in time of conflict;

(C) the protection of political prisoners;

(D) assistance in tracing persons who have disappeared in conflicts or for political reasons;

(E) the provision of medicine, food, and essential assistance to refugees and other victims of man-made disasters; and

(F) assistance in family reunification;

(2) the scope and number of activities carried out by the International Committee of the Red Cross have, as a result of recent global developments, necessarily increased; and

(3) there is an urgent need for increased support from the international community for the regular budget and special appeals of the International Committee of the Red Cross.

(b) UNITED STATES POLICY.—It is the policy of the United States—

(1) to contribute to the International Committee of the Red Cross, in any financial year, an amount not less than 20 percent of the regular budget of the International Committee of the Red Cross; and

(2) to support generously the special appeals made by the International Committee of the Red Cross.

(c) EARMARKING.—Of the amounts authorized to be appropriated for "Migration and Refugee Assistance" by section 101(4), not less than $4,500,000 for each of the fiscal years 1986 and 1987 shall be available only for contribution to the regular budget of the International Committee of the Red Cross.

(d) CONFORMING AMENDMENT.—Section 105 of the Foreign Relations Authorization Act, Fiscal Year 1978, is repealed.

SEC. 110. LIMITATIONS ON USE OF MIGRATION AND REFUGEE ASSISTANCE FUNDS.

Of the amounts authorized to be appropriated for "Migration and Refugee Assistance" by section 101(4), not more than $2,000,000 for the fiscal year 1986 and not more than $2,000,000 for the fiscal year 1987 may be used for enhanced reception and placement services.

SEC. 111. RESTRICTIONS ON FOREIGN ASSISTANCE NOT APPLICABLE TO MIGRATION AND REFUGEE ASSISTANCE.

Section 2 of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601) is amended by adding at the end thereof the following new subsection:

"(f) The President may furnish assistance and make contributions under this Act notwithstanding any provision of law which restricts assistance to foreign countries.".

SEC. 112. PERSONAL SERVICES ABROAD RELATING TO MIGRATION AND REFUGEE ASSISTANCE.

(a) AUTHORITY.—Section 5(a) of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2605) is amended—

(1) by striking out "and" at the end of paragraph (5);

(2) by redesignating existing paragraph (6) as paragraph (7); and

(3) by inserting after paragraph (5) the following new paragraph (6):

"(6) contracting for personal services abroad, and individuals employed by contract to perform such services shall not be considered to be employees of the United States for purposes of any law administered by the Office of Personnel Management, except that the Secretary of State may determine the applicability to such individuals of section 2(f) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2669(f)) and of any other law administered by the Secretary concerning the employment of such individuals abroad; and".

(b) EFFECTIVE DATE.—Authority provided by the amendment made by subsection (a) shall only apply with respect to funds appropriated after the date of the enactment of this Act.

SEC. 113. AUDITS OF U.S. FUNDS RECEIVED BY THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES.

The Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 8. AUDITS OF U.S. FUNDS RECEIVED BY THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES.

"(a) PROGRAM AUDITS.—Funds may not be made available to the United Nations High Commissioner for Refugees under this or any other Act unless by June 1, 1986, the High Commissioner provides for—

"(1) annual program audits by an independent consultant, as selected by the Executive Committee of the United Nations High Commissioner for Refugees, to determine the use of such funds, including audits of the use of such funds by private and voluntary organizations; and

"(2) such audits to be made available through the Executive Committee to the Department of State and for inspection by the Comptroller General of the United States.

"(b) INSPECTION AND REPORT BY COMPTROLLER GENERAL.—The Comptroller General of the United States shall inspect each such audit and submit a report of that inspection to the Congress.

"(c) FIRST PROGRAM AUDIT.—The first program audit pursuant to subsection (a)(1) shall begin not later than June 1, 1986.".

SEC. 114. AUTHORIZED USES OF APPROPRIATED FUNDS.

Section 2 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2669) is amended in the text preceding paragraph (a) by striking out ", when funds are appropriated therefor, may" and inserting in lieu thereof "may use funds appropriated or otherwise available to the Secretary to".

SEC. 115. ASSISTANT SECRETARIES OF STATE.

(a) NUMBER OF ASSISTANT SECRETARIES.—The first section of the Act entitled "An Act to strengthen and improve the organization and administration of the Department of State, and for other purposes", approved May 26, 1949 (22 U.S.C. 2652), is amended by striking out "thirteen" and inserting in lieu thereof "fourteen".

(b) POSITIONS AT LEVEL IV OF THE EXECUTIVE PAY SCHEDULE.—Section 5315 of title 5, United States Code, is amended—

(1) by striking out "Director, Bureau of Intelligence and Research, Department of State."; and

(2) by striking out "(13)" following "Assistant Secretaries of State" and inserting in lieu thereof "(14)".

SEC. 116. UNDER SECRETARY OF STATE FOR ECONOMIC AND AGRICULTURAL AFFAIRS.

(a) REDESIGNATION.—The first section of the Act entitled "An Act to strengthen and improve the organization and administration of the Department of State, and for other purposes", approved May 26, 1949 (22 U.S.C. 2652), is amended by striking out "Under Secretary of State for Economic Affairs" and inserting in lieu thereof "Under Secretary of State for Economic and Agricultural Affairs".

(b) CONFORMING AMENDMENT.—Section 5314 of title 5, United States Code, is amended by striking out "Under Secretary of State for Economic Affairs" and inserting in lieu thereof "Under Secretary of State for Economic and Agricultural Affairs".

SEC. 117. DETAIL OF OFFICERS AND EMPLOYEES.

Section 11(a) of the Department of State Appropriations Authorization Act of 1973 (22 U.S.C. 2685(a)) is amended by inserting in the second sentence after "does not exceed one year," the following: "or if the number of officers and employees so detailed, assigned, or otherwise made available at any one time does not exceed fifteen and the period of any such detail, assignment, or availability of an officer or employee does not exceed two years,".

SEC. 118. CERTAIN INDIVIDUALS EMPLOYED ABROAD DEEMED TO BE EMPLOYEES OF UNITED STATES FOR CERTAIN PURPOSES.

(a) AUTHORITY.—Section 2(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2669(c)) is amended by inserting before the semicolon "for purposes of any law administered by the Office of Personnel Management (except that the Secretary may determine the applicability to such individuals of subsection (f) and of any other law administered by the Secretary concerning the employment of such individuals abroad)".

(b) EFFECTIVE DATE.—Authority provided by the amendment made by subsection (a) shall only apply with respect to funds appropriated after the date of the enactment of this Act.

SEC. 119. APPOINTMENTS TO THE SENIOR FOREIGN SERVICE BY THE SECRETARY OF COMMERCE.

(a) LIMITED APPOINTMENT TO SENIOR FOREIGN SERVICE IN DEPARTMENT OF COMMERCE.—Section 305 of the Foreign Service Act of 1980 (22 U.S.C. 3945) is amended by adding at the end thereof the following new subsection:

"(c)(1) Appointments to the Senior Foreign Service by the Secretary of Commerce shall be excluded in the calculation and application of the limitation in subsection (b).

"(2) Except as provided in paragraph (3), no more than one individual (other than an individual with reemployment rights under section 310 as a career appointee in the Senior Executive Service) may serve under a limited appointment in the Senior Foreign Service in the Department of Commerce at any time.

"(3) The Secretary of Commerce may appoint an individual to a limited appointment in the Senior Foreign Service for a specific position abroad if—

"(A) no career member of the Service who has the necessary qualifications is available to serve in the position; and

"(B) the individual appointed has unique qualifications for the specific position.".

(b) CONFORMING AMENDMENT.—Section 2403(c) of such Act (22 U.S.C. 3901 note) is repealed.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on October 1, 1985.

SEC. 120. PILOT PROJECT FOR FOREIGN SERVICE ASSOCIATES.

(a) SENSE OF CONGRESS.—It is the sense of the Congress that the national interest of the United States would be well served by making more productive use in United States missions abroad of the resources that spouses of American personnel assigned to missions abroad are qualified to provide.

(b) PILOT PROJECT.—(1) The Secretary of State is authorized to design, conduct, and evaluate a pilot project to test appropriate means of increasing employment of qualified spouses of American personnel assigned to United States missions. The intent of the pilot project shall be to construct a feasible program within which spouses' education, training, and relevant work experience can be used effectively within the mission and in the furthering of United States interests in the host country.

(2) The Secretary shall conduct the pilot project described in paragraph (1) in accordance with section 311(b) of the Foreign Service Act of 1980 (22 U.S.C. 3951(b)).

(c) COMMENCEMENT OF DESIGN PHASE.—The Secretary shall undertake the design phase of the pilot project upon the enactment of this Act.

(d) REPORT.—The Secretary shall report to the Congress by February 1, 1986, on the design of the project and plans for its implementation and evaluation. The report shall include an evaluation of the effects of the pilot program on the full-time career positions in the Foreign Service and on the positions for foreign service nationals.

SEC. 121. FEASIBILITY STUDY OF A LATERAL ENTRY PROGRAM INTO THE FOREIGN SERVICE FOR BUSINESSMEN AND FARMERS.

(a) STUDY.—The Secretary of State shall conduct a comprehensive study on the feasibility and desirability of creating a program of lateral entry into the Foreign Service for American businessmen, farmers, and other occupations. This study shall analyze the need for such a program by determining whether or not the personnel of the Foreign Service is composed of many people with a diversity of backgrounds such as business, farming, or other endeavors. The study shall also analyze the costs of putting such a program into effect.

(b) REPORT.—The Secretary of State shall report the results of such a study to the Congress no later than 180 days after the date of the enactment of this Act.

SEC. 122. HEALTH CARE BENEFITS.

Section 904 of the Foreign Service Act of 1980 (22 U.S.C. 4084) is amended—

(1) in subsection (a), by striking out "may" and inserting in lieu thereof "shall";

(2) in subsection (b), by inserting ", and other preventive and remedial care and services as necessary," after "inoculations or vaccinations"; and

(3) by amending subsection (d) to read as follows:

"(d) If an individual eligible for health care under this section incurs an illness, injury, or medical condition which requires treatment while assigned to a post abroad or located overseas pursuant to Government authorization, the Secretary may pay the cost of such treatment.".

SEC. 123. FOREIGN SERVICE INSTITUTE FACILITIES.

(a) PURPOSE.—The purpose of this section is to promote comprehensive training to meet the foreign relations and national security objectives of the United States and to provide facilities designed for that purpose to assure cost efficient training.

(b) CONSTRUCTION OF TRAINING FACILITIES.—The Administrator of General Services may construct a consolidated training facility for the Foreign Service Institute on a site made available by the Secretary of State or acquired by the Administrator of General Services. Such site shall be located outside the District of Columbia but within reasonable proximity to the Department of State. The Administrator of General Services may carry out this subsection only to the extent that funds are provided in advance in appropriation Acts to the Department of State and are transferred to the Administrator of General Services for carrying out this section.

(c) USE OF FUNDS.—(1) Of amounts authorized to be appropriated to the Department of State for fiscal years 1986 and 1987 for "Administration of Foreign Affairs" by section 101(1), a total of not to exceed $11,000,000 may be transferred by the Secretary of State to the Administrator of General Services for carrying out feasibility studies, site acquisition, and design, architectural, and engineering planning under subsection (b) of this section.

(2) Of amounts authorized to be appropriated to the Department of State for fiscal years beginning after September 30, 1987, for "Administration of Foreign Affairs", a total not to exceed $50,000,000 may be transferred by the Secretary of State to the Administrator of General Services for carrying out construction under subsection (b) of this section.

(3) Funds may not be obligated for construction of a facility under this section before the end of the period of 30 days of continuous session of Congress beginning on the date on which plans and estimates developed to carry out this section are submitted to the Committees on Foreign Affairs and Public Works and Transportation of the House of Representatives and the Committees on Foreign Relations and Environment and Public Works of the Senate. In determining days of continuous session of Congress for purposes of this paragraph—

(A) continuity of session is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the determination.

If both Houses of Congress are not in session on the day any plans and estimates are submitted to such committees, such submittal shall be deemed to have been submitted on the first succeeding day on which both Houses are in session. If all such committees do not receive a submittal on the same day, such period shall not begin until the date on which all such committees have received it.

(d) JURISDICTION AND CUSTODY.—The facility constructed under this section and the site of such facility shall be under jurisdiction and in the custody of the Administrator of General Services.

(e) OPERATION, MAINTENANCE, SECURITY, ALTERATION, AND REPAIR.—(1) The Administrator of General Services shall delegate, in accordance with section 205 of the Federal Property and Administrative Services Act of

1949 (40 U.S.C. 486) and section 15 of the Public Buildings Act of 1959 (40 U.S.C. 614), to the Secretary of State responsibility for the operation, maintenance, and security of and alterations and repairs to the facility constructed pursuant to this section, provided the facility is used by the Secretary for the purposes authorized by this section.

(2) Not later than three months after occupancy of such facility, the Secretary of State and the Administrator of General Services shall each submit a report to the Committee on Foreign Affairs and the Committee on Public Works and Transportation of the House of Representatives, and to the Committee on Foreign Relations and the Committee on Environment and Public Works of the Senate, on the delegation of responsibility, pursuant to paragraph (1), for the operation, maintenance, and security of and alterations and repairs to the facility constructed pursuant to this section.

(f) EXEMPTION FROM PAYMENT OF CHARGES.—(1) Except as provided in paragraph (2), the Department of State shall be exempt from the charges required by section 210(j) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(j)) for the use of the facility constructed under this section for the Foreign Service Institute.

(2) The Administrator of General Services shall charge the Department of State under such section 210(j) for the costs of any operation, maintenance, repairs, or alterations of such facility carried out by the Administrator of General Services.

SEC. 124. INTERNATIONAL CENTER.

The International Center Act is amended—

(1) in section 2—

(A) by striking out "Administrator of General Services" and inserting in lieu thereof "Secretary of State, in consultation with the Administrator of General Services,"; and

(B) by striking out "conveyed pursuant to" and inserting in lieu thereof "described in"; and

(2) in section 4—

(A) by redesignating clauses (a) through (e) as clauses (1) through (5), respectively, and by redesignating clause (f) as clause (7);

(B) by inserting "(a)" after "SEC. 4.";

(C) by striking out "and" at the end of clause (5), as redesignated by subparagraph (A), and inserting after such clause (5) the following: "(6) facilities for security and maintenance, and"; and

(D) by adding at the end of such section the following new subsection:

"(b) The Secretary of State shall periodically advise the Committees on Foreign Affairs and Public Works and Transportation of the House of Representatives and the Committee on Foreign Relations of the Senate on construction of facilities for security or maintenance under this section.".

SEC. 125. SPECIAL AGENTS.

(a) AUTHORITY RELATING TO INVESTIGATIONS, PROTECTION, ARRESTS, AND CARRYING FIREARMS.—Title I of the State Department Basic Authorities Act of 1956 is amended by redesignating section 37 as section 38 and by inserting the following new section 37 after section 36:

"SEC. 37. SPECIAL AGENTS.

"(a) GENERAL AUTHORITY.—Under such regulations as the Secretary of State may prescribe, special agents of the Department of State and the Foreign Service may—

"(1) conduct investigations concerning illegal passport or visa issuance or use;

"(2) for the purpose of conducting such investigations—

"(A) obtain and execute search and arrest warrants, and

"(B) obtain and serve subpoenas and summonses issued under the authority of the United States;

"(3) protect and perform protective functions directly related to maintaining the security and safety of—

"(A) heads of a foreign state, official representatives of a foreign government, and other distinguished visitors to the United States, while in the United States;

"(B) the Secretary of State, Deputy Secretary of State, and official representatives of the United States Government, in the United States or abroad;

"(C) members of the immediate family of persons described in subparagraph (A) or (B); and

"(D) foreign missions (as defined in section 202(a)(4) of this Act) and international organizations (as defined in section 209(b) of this Act), within the United States;

"(4) if designated by the Secretary and qualified, under regulations approved by the Attorney General, for the use of firearms, carry firearms for the purpose of performing the duties authorized by this section; and

"(5) arrest without warrant any person for a violation of section 111, 112, 351, 911, 970, 1001, 1028, 1541, 1542, 1543, 1544, 1545, or 1546 of title 18, United States Code—

"(A) in the case of a felony violation, if the special agent has reasonable grounds to believe that such person—

"(i) has committed or is committing such violation; and

"(ii) is in or is fleeing from the immediate area of such violation; and

"(B) in the case of a felony or misdemeanor violation, if the violation is committed in the presence of the special agent.

"(b) AGREEMENT WITH ATTORNEY GENERAL AND FIREARMS REGULATIONS.—

"(1) AGREEMENT WITH ATTORNEY GENERAL.—The authority conferred by paragraphs (1), (2), (4), and (5) of subsection (a) shall be exercised subject to an agreement with the Attorney General and shall not be construed to affect the investigative authority of any other Federal law enforcement agency.

"(2) FIREARMS REGULATIONS.—The Secretary of State shall prescribe regulations, which shall be approved by the Attorney General, with respect to the carrying and use of firearms by special agents under this section.

"(c) SECRET SERVICE NOT AFFECTED.—Nothing in subsection (a)(3) shall be construed to preclude or limit in any way the authority of the United States Secret Service to provide protective services pursuant to section 202 of title 3, United States Code, or section 3056 of title 18, United States Code, at a level commensurate with protective requirements as determined by the United States Secret Service. The Secretary of State, the Attorney General, and the Secretary of the Treasury shall enter into an interagency agreement with respect to their law enforcement functions.

"(d) TRANSMISSION OF REGULATIONS TO CONGRESS.—The Secretary of State shall transmit the regulations prescribed under this section to the Committee on Foreign Affairs and the Committee on the Judiciary of the House of Representatives and the Committee on Foreign Relations of the Senate not less than 20 days before the date on which such regulations take effect.".

(b) CONFORMING AMENDMENT.—Section 32 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2704) is amended by striking out "security officers" and inserting in lieu thereof "special agents".

(c) REPEAL OF EXISTING AUTHORITY.—Section 4 of the Act entitled "An Act to provide authority to protect heads of foreign states and other officials" approved August 27, 1964 (22 U.S.C. 2667), and the Act entitled "An Act to authorize certain officers and employees of the Department of State and the Foreign Service to carry firearms" approved June 28, 1955 (22 U.S.C. 2666), are repealed.

SEC. 126. EXTRAORDINARY PROTECTIVE SERVICES FOR FOREIGN MISSIONS.

(a) PERMANENT AUTHORIZATION.—Title II of the State Department Basic Authorities Act of 1956 (22 U.S.C. 4301 et seq.) is amended by adding at the end thereof the following:

"SEC. 214. EXTRAORDINARY PROTECTIVE SERVICES.

"(a) GENERAL AUTHORITY.—The Secretary may provide extraordinary protective services for foreign missions directly, by contract, or through State or local authority to the extent deemed necessary by the Secretary in carrying out this title, except that the Secretary may not provide under this section any protective services for which authority exists to provide such services under sections 202(7) and 208 of title 3, United States Code.

"(b) REQUIREMENT OF EXTRAORDINARY CIRCUMSTANCES.—The Secretary may provide funds to a State or local authority for protective services under this section only if the Secretary has determined that a threat of violence, or other circumstances, exists which requires extraordinary security measures which exceed those which local law enforcement agencies can reasonably be expected to take.

"(c) CONSULTATION WITH CONGRESS BEFORE OBLIGATION OF FUNDS.—Funds may be obligated under this section only after regulations to implement this section have been issued by the Secretary after consultation with appropriate committees of the Congress.

"(d) RESTRICTIONS ON USE OF FUNDS.—Of the funds made available for obligation under this section in any fiscal year—

"(1) not more than 20 percent may be obligated for protective services within any single State during that year; and

"(2) not less than 15 percent shall be retained as a reserve for protective services provided directly by the Secretary or for expenditures in local jurisdictions not otherwise covered by an agreement for protective services under this section.

The limitations on funds available for obligation in this subsection shall not apply to unobligated funds during the final quarter of any fiscal year.

"(e) PERIOD OF AGREEMENT WITH STATE OR LOCAL AUTHORITY.—Any agreement with a State or local authority for the provision of protective services under this section shall be for a period of not to exceed 90 days in any calendar year, but such agreements may be renewed after review by the Secretary.

"(f) REQUIREMENT FOR APPROPRIATIONS.—Contracts may be entered into in carrying out this section only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(g) WORKING CAPITAL FUND.—Amounts used to carry out this section shall not be subject to section 208(h).".

(b) SECRET SERVICE NOT AFFECTED.—Section 204(e) of such Act (22 U.S.C. 4304(e)) is amended by striking out "section" and inserting in lieu thereof "title".

(c) AUTHORITY TO PROVIDE CERTAIN PROTECTIVE SERVICES BY CONTRACT.—Section 208(a) of title 3, United States Code, is

amended by inserting after the first sentence the following new sentence: "The Secretary of Treasury may carry out the functions pursuant to section 202(7) by contract.".

(d) REPEAL OF EXISTING AUTHORITY.—Section 605 of the Foreign Missions Amendments Act of 1983 (97 Stat. 1042) is repealed.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1985.

SEC. 127. PROTECTING UNITED STATES INTERESTS UNDER THE FOREIGN MISSIONS ACT.

(a) DETERMINATIONS RELATING TO TREATMENT TO FOREIGN MISSIONS.—Section 201(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 4301(c)) is amended by inserting immediately before the period at the end thereof ", as well as matters relating to the protection of the interests of the United States".

(b) EXPANDING THE DEFINITION OF FOREIGN MISSION.—Section 202(a)(4) of such Act (22 U.S.C. 4302(a)(4)) is amended—

(1) by striking out "official mission to" and inserting in lieu thereof "mission to or agency in"; and

(2) by inserting before the comma at the end of subparagraph (B) "or which engages in some aspect of the conduct of the international affairs of such territory or political entity".

(c) CLARIFYING THAT THE SECRETARY CAN REQUIRE A FOREIGN MISSION TO FOREGO A BENEFIT.—Section 204(b) of such Act (22 U.S.C. 4304(b)) is amended by inserting "to forego the acceptance, use, or relation of any benefit or" after "(B)".

(d) CONSIDERATIONS RELATING TO REAL PROPERTY.—Section 205(b) of such Act (22 U.S.C. 4305(b)) is amended—

(1) by striking out "or" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new paragraph:

"(3) where otherwise necessary to protect the interests of the United States.".

(e) MANDATORY NOTIFICATION WITH RESPECT TO REAL PROPERTY DEALINGS OF FOREIGN MISSION.—Section 205(a)(1) of such Act (22 U.S.C. 4305(a)(1)) is amended—

(1) in the first sentence, by striking out "may" and inserting in lieu thereof "shall";

(2) in the first sentence, by inserting ", including any mission to an international organization (as defined in section 209(b)(2))," after "foreign mission"; and

(3) in the second sentence, by striking out "If such a notification is required, the" and inserting in lieu thereof "The".

SEC. 128. PEACEFUL RESOLUTION OF INTERNATIONAL DISPUTES.

Title I of the State Department Basic Authorities Act of 1956 (as amended by section 125 of this Act) is further amended by redesignating section 38 as section 39 and inserting after section 37 the following new section 38:

"SEC. 38. EXPENSES RELATING TO PARTICIPATION IN ARBITRATIONS OF CERTAIN DISPUTES.

"(a) INTERNATIONAL AGREEMENTS.—The Secretary of State may use funds available to the Secretary for the expenses of United States participation in arbitrations and other proceedings for the peaceful resolution of disputes under treaties or other international agreements.

"(b) CONTRACTS ABROAD.—The Secretary of State may use funds available to the Secretary for the expenses of United States participation in arbitrations arising under contracts authorized by law for the performance of services or acquisition of property, real or personal, abroad.".

SEC. 129. FURNISHING OF EXCESS GOVERNMENT-OWNED PROPERTY BY THE SECRETARY OF STATE.

Section 607 of the Foreign Assistance Act of 1961 (22 U.S.C. 2357) is amended—

(1) in subsection (c)—

(A) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(B) by striking out "(c) No" and inserting in lieu thereof "(c)(1) Except as provided in subsection (d), no"; and

(C) by adding at the end thereof the following new paragraph:

"(2) For purposes of transferring property described in this subsection in furtherance of the provisions of chapter 8 of part I of this Act, the phrase 'the agency administering such part I' shall be considered to refer to the Department of State."; and

(2) by adding at the end thereof the following:

"(d) The Secretary of State, acting through the Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs, is authorized to transfer to any friendly country, international organization, the American Red Cross, or other voluntary nonprofit relief agency described in subsection (a), Government-owned excess property made available under this section or section 608 in order to support activities carried out under part I of this Act which are designed to enhance environmental protection in foreign countries if the Secretary of State makes a written determination—

"(1) that there is a need for such property in the quantity requested and that such property is suitable for the purpose requested;

"(2) as to the status and responsibility of the designated end-user and his ability effectively to use and maintain such property; and

"(3) that the residual value, serviceability, and appearance of such property would not reflect unfavorably on the image of the United States and would justify the costs of packing, crating, handling, transportation, and other accessorial costs, and that the residual value at least equals the total of these costs.".

SEC. 130. OFFICIAL RESIDENCE OF SECRETARY OF STATE.

(a) CONGRESSIONAL REVIEW.—It is the sense of the Congress that the United States should not accept a gift of any house or other place of residence for the purpose of providing an official residence for the Secretary of State unless the Congress has had an opportunity to review the proposed gift.

(b) STUDY AND REPORT.—The Secretary of State shall conduct a study of any offer of a gift for the purpose of providing a place of official residence for the Secretary of State. Such study shall include an examination of the costs to the United States associated with accepting such gift, including the costs of acquisition, maintenance, security, and daily operation of a residence. The Secretary shall report the results of any study conducted under this section to the Committee on Foreign Affairs and the Committee on Public Works and Transportation of the House of Representatives and to the Committee on Foreign Relations and the Committee on Environment and Public Works of the Senate.

SEC. 131. STRENGTHENING THE PERSONNEL SYSTEM OF THE BUREAU OF INTERNATIONAL NARCOTICS MATTERS.

No later than 90 days after the date of the enactment of this Act, the Secretary of State shall report to the Congress on the status of proposals implemented or under consideration to improve the staffing and personnel management in the Bureau of International Narcotics Matters. This report shall explicitly discuss whether a narcotics specialist personnel category in the Foreign Service is an appropriate mechanism to serve these purposes and, if not, what alternatives are contemplated.

SEC. 132. SHARING OF INFORMATION CONCERNING DRUG TRAFFICKERS.

(a) REPORTING SYSTEMS.—In order to ensure that foreign narcotics traffickers are denied visas to enter the United States, as required by section 212(a)(23) of the Immigration and Naturalization Act (22 U.S.C. 1182(a)(23))—

(1) the Department of State shall cooperate with United States law enforcement agencies, including the Drug Enforcement Administration and the United States Customs Service, in establishing a comprehensive information system on all drug arrests of foreign nationals in the United States, so that that information may be communicated to the appropriate United States embassies; and

(2) the National Drug Enforcement Policy Board shall agree on uniform guidelines which would permit the sharing of information on foreign drug traffickers.

(b) REPORT.—Not later than six months after the date of the enactment of this Act, the Chairman of the National Drug Enforcement Policy Board shall submit a report to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate on the steps taken to implement this section.

SEC. 133. EXTRADITION TREATIES.

The Secretary of State, with the assistance of the National Drug Enforcement Policy Board, shall increase United States efforts to negotiate updated extradition treaties relating to narcotics offenses with each major drug-producing country, particularly those in Latin America.

SEC. 134. RECOMMENDATION OF A TRAVEL ADVISORY ON THE STATE OF JALISCO, MEXICO.

(a) VIOLENCE AGAINST AMERICANS.—The Congress—

(1) deplores the brutal murder of Drug Enforcement Administration agent Enrique Camarena Salazar, and the abduction and disappearance of numerous other Americans, including John Clay Walker, Alberto Radelat, Dennis Carlson, Rose Carlson, Benjamin Mascarenas, and Patricia Mascarenas; and

(2) finds that the violence perpetrated by drug traffickers in Mexico constitute a danger to the safety of United States citizens living and traveling in the State of Jalisco, Mexico.

(b) TRAVEL ADVISORY.—The Congress, therefore, recommends that the Secretary of State issue a travel advisory warning United States citizens of the current dangers of traveling in the State of Jalisco, Mexico. Such travel advisory should remain in effect until those responsible for the abduction or murder of any of the United States citizens referred to in subsection (a)(1) have been brought to trial and a verdict has been obtained.

(c) REPORT.—Not later than 90 days after the date of the enactment of this Act and

each 90 days thereafter, the Secretary of State shall transmit a written report to the Congress on the progress made in the Camarena case, the investigations of the disappearance of United States citizens, and the general safety of United States tourists in Mexico.

SEC. 135. COMMENDATION OF AMBASSADOR TO MEXICO.

The Congress commends our fine Ambassador to Mexico, John Gavin, for insuring a full and complete investigation and prosecution of the murderers of Enrique Camerena and for his continuing advocacy of a strong drug enforcement program.

SEC. 136. SOVIET EMPLOYEES AT UNITED STATES DIPLOMATIC AND CONSULAR MISSIONS IN THE SOVIET UNION.

(a) LIMITATION.—To the maximum extent practicable, citizens of the Soviet Union shall not be employed as foreign national employees at United States diplomatic or consular missions in the Soviet Union after September 30, 1986.

(b) REPORT.—Should the President determine that the implementation of subsection (a) poses undue practical or administrative difficulties, he is requested to submit a report to the Congress describing the number and type of Soviet foreign national employees he wishes to retain at or in proximity to United States diplomatic and consular posts in the Soviet Union, the anticipated duration of their continued employment, the reasons for their continued employment, and the risks associated with the retention of these employees.

SEC. 137. RESPONSIBILITY OF UNITED STATES MISSIONS ABROAD TO PROVIDE SUPPORT FOR UNITED STATES BUSINESSES.

(a) FINDINGS.—The Congress finds that—

(1) the United States is faced with increasingly larger trade deficits every year;

(2) section 104 of the Foreign Service Act of 1980 provides that the members of the Foreign Service shall represent the interests of the United States in relation to foreign countries;

(3) section 207(c) of the Foreign Service Act of 1980 provides that each chief of mission to a foreign country shall have as a principal duty the promotion of United States goods for export to that country; and

(4) the promotion of United States business interests abroad is a fundamental aspect of United States relations with foreign countries.

(b) POLICY.—It is the sense of the Congress that it is imperative, and in the national interest of the United States, that each United States mission to a foreign country provide such support as may be necessary to United States citizens seeking to do business in that country.

SEC. 138. RESPONSIBILITY OF UNITED STATES MISSIONS TO PROMOTE FREEDOM OF THE PRESS ABROAD.

(a) RESPONSIBILITY.—The United States chief of mission to a foreign country in which there is not respect for freedom of the press shall actively promote respect for freedom of the press in that country.

(b) DEFINITION.—As used in this section, the term "respect for freedom of the press" means that a government—

(1) allows foreign news correspondents into the country and does not subject them to harassment or restrictions;

(2) allows nongovernment-owned press to operate in the country; and

(3) does not subject the press in the country to systematic censorship.

SEC. 139. EMERGENCY TELEPHONE SERVICE AT U.S. CONSULAR OFFICES.

It is the sense of the Congress that the Secretary of State should ensure that all United States consular offices are equipped with 24-hour emergency telephone service through which United States citizens can contact a member of the staff of any such office. The Secretary should publicize the telephone number of each such service for the information of United States citizens. Not more than 90 days after the date of the enactment of this Act, the Secretary shall submit a report to the Congress on steps taken in accordance with this section.

SEC. 140. RESPONSIBILITIES OF UNITED STATES REPRESENTATIVES TO INTERNATIONAL ORGANIZATIONS.

(a) FINDINGS.—The Congress finds that—

(1) international organizations of which the United States is a member are increasingly involved in the consideration of proposals that may have a significant impact on the interstate or foreign commerce of the United States; and

(2) these proposals are not always adequately publicized or considered pursuant to open and fair procedures available to interested persons.

(b) POLICY.—It is the sense of the Congress that—

(1) the United States representatives to United Nations-related agencies and to other international organizations should oppose the adoption of international marketing and distribution regulations or restrictions which unnecessarily impede the export of United States goods and services; and

(2) the Secretary of State, to the extent practicable, should publish procedures to provide interested persons with timely notice and an opportunity to comment on such regulations and restrictions under consideration in international organizations as the Secretary determines may significantly affect—

(A) the interstate or foreign commerce of the United States;

(B) the policies or programs of the United States Government; or

(C) any State significantly affected by interstate or foreign commerce.

SEC. 141. UNITED STATES RESPONSIBILITIES FOR EMPLOYEES OF THE UNITED NATIONS.

Title II of the State Department Basic Authorities Act of 1956 is amended by adding after section 209 (22 U.S.C. 4309) the following new section:

"SEC. 209A. UNITED STATES RESPONSIBILITIES FOR EMPLOYEES OF THE UNITED NATIONS.

"(a) FINDINGS.—The Congress finds that—

"(1) pursuant to the Agreement Between the United States and the United Nations Regarding the Headquarters of the United Nations (authorized by Public Law 80-357 (22 U.S.C. 287 note)), the United States has accepted—

"(A) the obligation to permit and to facilitate the right of individuals, who are employed by or are authorized by the United Nations to conduct official business in connection with that organization or its agencies, to enter into and exit from the United States for purposes of conducting official activities within the United Nations Headquarters District, subject to regulation as to points of entry and departure; and

"(B) the implied obligation to permit and to facilitate the acquisition of facilities in order to conduct such activities within or in proximity to the United Nations Headquarters District, subject to reasonable regulation including regulation of the location and size of such facilities; and

"(2) taking into account paragraph (1) and consistent with the obligation of the United States to facilitate the functioning of the United Nations, the United States has no additional obligation to permit the conduct of any other activities, including nonofficial activities, by such individuals outside of the United Nations Headquarters District.

"(b) ACTIVITIES OF UNITED NATIONS EMPLOYEES.—(1) The conduct of any activities, or the acquisition of any benefits (as defined in section 201(a)(1) of this title), outside the United Nations Headquarters District by any individual employed by, or authorized by the United Nations to conduct official business in connection with, that organization or its agencies, or by any person or agency acting on behalf thereof, may be permitted or denied or subject to reasonable regulation, as determined to be in the best interests of the United States and pursuant to this title.

"(2) The Secretary shall apply to those employees of the United Nations Secretariat who are nationals of a foreign country or members of a foreign mission all terms, limitations, restrictions, and conditions which are applicable pursuant to this title to the members of that country's mission or of any other mission to the United Nations unless the Secretary determines and reports to the Congress that national security and foreign policy circumstances require that this paragraph be waived in specific circumstances.

"(c) REPORTS.—The Secretary shall report to the Congress—

"(1) not later than 30 days after the date of the enactment of this section, on the plans of the Secretary for implementing this section; and

"(2) not later than 6 months thereafter, on the actions taken pursuant to those plans.

"(d) UNITED STATES NATIONALS.—This section shall not apply with respect to any United States national.

"(e) DEFINITIONS.—For purposes of this section, the term 'United Nations Headquarters District' means the area within the United States which is agreed to by the United Nations and the United States to constitute such a district, together with such other areas as the Secretary of State may approve from time to time in order to permit effective functioning of the United Nations or missions to the United Nations.".

SEC. 142. UNITED STATES CONTRIBUTIONS TO THE UNITED NATIONS IF ISRAEL EXPELLED.

Section 115(b) of the Department of State Authorization Act, Fiscal Years 1984 and 1985 (22 U.S.C. 287 note) is amended by striking out the last sentence and inserting in lieu thereof the following: "The United States shall reduce its annual assessed contribution to the United Nations or such specialized agency by 8.34 percent for each month in which United States participation is suspended pursuant to this section.".

SEC. 143. UNITED NATIONS ORGANIZATIONS REFORM IN BUDGET PROCEDURES.

(a) FINDINGS.—The Congress finds that the United Nations and its specialized agencies which are financed through assessed contributions of member states have not paid sufficient attention in the development of their budgets to the views of the member governments who are major financial contributors to those budgets.

(b) VOTING RIGHTS.—In order to foster greater financial responsibility in preparation of the budgets of the United Nations and its specialized agencies which are financed through assessed contributions, the

Secretary of State shall seek the adoption by the United Nations and its specialized agencies of procedures which grant voting rights to each member state on matters of budgetary consequence. Such voting rights shall be proportionate to the contribution of each such member state to the budget of the United Nations and its specialized agencies.

(c) LIMITATION ON ASSESSED CONTRIBUTIONS.—No payment may be made for an assessed contribution to the United Nations or its specialized agencies in excess of 20 percent of the total annual budget of the United Nations or its specialized agencies (respectively) for the United States fiscal year 1987 and following years unless the United Nations and its specialized agencies have adopted the voting rights referred to in subsection (b).

SEC. 144. LIMITATION ON ASSESSED PAYMENTS TO THE UNITED NATIONS.

Section 114 of the Department of State Authorization Act, Fiscal Years 1984 and 1985 (22 U.S.C. 287e note), is amended in subsection (a)—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon; and

(3) by adding at the end of the subsection the following:

"(4) 25 percent of the amount budgeted for that year for the Second Decade to Combat Racism and Racial Discrimination;

"(5) 25 percent of the amount budgeted for any other United Nations agency or conference whose sole or partial purpose is to implement the provisions of General Assembly Resolution 33/79; and

"(6) 25 percent of the amount budgeted for the General Assembly-approved $73,500,000 conference center to be constructed for the Economic Commission for Africa (ECA) in the Ethiopian capital of Addis Ababa.".

SEC. 145. INTERNATIONAL JUTE ORGANIZATION.

The President is authorized to maintain membership of the United States in the International Jute Organization.

SEC. 146. INTELSAT.

(a) POLICY.—The Congress declares that it is the policy of the United States—

(1) as a party to the International Telecommunications Satellite Organization (hereafter in this section referred to as "Intelsat"), to foster and support the global commercial communications satellite system owned and operated by Intelsat;

(2) to make available to consumers a variety of communications satellite services utilizing the space segment facilities of Intelsat and any additional such facilities which are found to be in the national interest and which—

(A) are technically compatible with the use of the radio frequency spectrum and orbital space by the existing or planned Intelsat space segment, and

(B) avoid significant economic harm to the global system of Intelsat; and

(3) to authorize use and operation of any additional space segment facilities only if the obligations of the United States under article XIV(d) of the Intelsat Agreement have been met.

(b) PRECONDITIONS FOR INTELSAT CONSULTATION.—Before consulting with Intelsat for purposes of coordination of any separate international telecommunications satellite system under article XIV(d) of the Intelsat Agreement, the Secretary of State shall—

(1) in coordination with the Secretary of Commerce, ensure that any proposed separate international satellite telecommunications system comply with the Executive Branch conditions established pursuant to the Presidential Determination No. 85-2; and

(2) ensure that one or more foreign authorities have authorized the use of such system consistent with such conditions.

(c) AMENDMENT OF INTELSAT AGREEMENT.—(1) The Secretary of State shall consult with the United States signatory to Intelsat and the Secretary of Commerce regarding the appropriate scope and character of a modification to article V(d) of the Intelsat Agreement which would permit Intelsat to establish cost-based rates for individual traffic routes, as exceptional circumstances warrant, paying particular attention to the need for avoiding significant economic harm to the global system of Intelsat as well as United States national and foreign policy interests.

(2)(A) To ensure that rates established by Intelsat for such routes are cost-based, the Secretary of State, in consultation with the Secretary of Commerce and the Chairman of the Federal Communications Commission, shall instruct the United States signatory to Intelsat to ensure that sufficient documentation, including documentation regarding revenues and costs, is provided by Intelsat so as to verify that such rates are in fact cost-based.

(B) To the maximum extent possible, such documentation will be made available to interested parties on a timely basis.

(3) Pursuant to the consultation under paragraph (1) and taking the steps prescribed in paragraph (2) to provide documentation, the United States shall support an appropriate modification to article V(d) of the Intelsat Agreement to accomplish the purpose described in paragraph (1).

(d) CONGRESSIONAL CONSULTATION.—In the event that, after United States consultation with Intelsat for the purposes of coordination under article XIV(d) of the Intelsat Agreement for the establishment of a separate international telecommunications satellite system, the Assembly of Parties of Intelsat fails to recommend such a separate system, and the President determines to pursue the establishment of a separate system notwithstanding the Assembly's failure to approve such system, the Secretary of State, after consultation with the Secretary of Commerce, shall submit to the Congress a detailed report which shall set forth—

(1) the foreign policy reasons for the President's determination, and

(2) a plan for minimizing any negative effects of the President's action on Intelsat and on United States foreign policy interests.

(e) NOTIFICATION TO FEDERAL COMMUNICATIONS COMMISSION.—In the event the Secretary of State submits a report under subsection (d), the Secretary, 60 calendar days after the receipt by the Congress of such report, shall notify the Federal Communications Commission as to whether the United States obligations under article XIV(d) of the Intelsat Agreement have been met.

(f) IMPLEMENTATION.—In implementing the provisions of this section, the Secretary of State shall act in accordance with Executive order 12046.

(g) DEFINITION.—For the purposes of this section, the term "separate international telecommunications satellite system" or "separate system" means a system of one or more telecommunications satellites separate from the Intelsat space segment which is established to provide international telecommunications services between points within the United States and points outside the United States, except that such term shall not include any satellite or system of satellites established—

(1) primarily for domestic telecommunications purposes and which incidentally provides services on an ancillary basis to points outside the jurisdiction of the United States but within the western hemisphere, or

(2) solely for unique governmental purposes.

SEC. 147. SOVIET AND COMMUNIST DISINFORMATION AND PRESS MANIPULATION.

Not later than one year after the date of the enactment of this Act, the Secretary of State shall prepare, in consultation with the heads of relevant Federal departments and agencies, and shall transmit to the Speaker of the House of Representatives, and to the Chairman of the Committee on Foreign Relations of the Senate, an unclassified report on Soviet and Communist disinformation and press manipulation with respect to the United States. Such report shall include a recommendation by the President on the advisability of establishing, within the Department of State, a permanent office of Soviet disinformation and press manipulation. In conducting the study required by this section the Secretary may make use of suitably qualified scholars and journalists.

SEC. 148. MURDER OF MAJOR ARTHUR D. NICHOLSON, JUNIOR.

It is the sense of the Congress that the United States should declare persona non grata one or more senior defense attaches of the Soviet Union's mission to the United States unless the President certifies to the Congress, within 90 days after the date of the enactment of this Act—

(1) that the Soviet Union has made a formal apology for the murder of Major Arthur D. Nicholson, Junior; and

(2) that the Soviet Union has provided satisfactory assurances that it will adhere to agreements concerning the status and safety of military and civilian missions of western nations in the German Democratic Republic.

SEC. 149. INTER-AMERICAN COOPERATION IN SPACE, SCIENCE, AND TECHNOLOGY.

The Secretary of State shall conduct an in-depth study of the feasibility and the economic and political benefits of the establishment of a major initiative in Inter-American Cooperation in Space, Science, and Technology. Not more than one year after the date of the enactment of this Act, the Secretary shall submit a report to the Congress on the findings of such study and shall include recommendations for implementing such an initiative.

SEC. 150. DEPARTMENT OF STATE INSPECTOR GENERAL.

(a) ESTABLISHMENT UNDER INSPECTOR GENERAL ACT.—(1) Section 2(l) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) by striking out "and" immediately before "the Veterans' Administration"; and

(B) by inserting immediately before the semicolon ", and the Department of State".

(2) Section 11 of such Act is amended—

(1) in paragraph (1), by inserting "State," after "Labor,"; and

(2) in paragraph (2), by inserting "State," after "Labor,".

(b) LIMITATION ON AUTHORITY OF INSPECTOR GENERAL OF THE DEPARTMENT OF STATE AND THE FOREIGN SERVICE.—Notwithstanding section 209 of the Foreign Service Act of 1980 (22 U.S.C. 3929), any individual appointed to or serving in the capacity of the Inspector General of the Department of State and the

Foreign Service shall be designated as the "Program Inspector General" and may only perform such functions (utilizing appropriate authority under such section) as may be necessary for the purposes of carrying out subsection (g) of such section.

(c) REPORT.—Not later than six months after the date of the enactment of this Act, the Secretary of State shall submit a report to the Congress on the steps the Secretary has undertaken to implement the provisions of the amendment made by subsection (a).

SEC. 151. EMPLOYEES OF THE UNITED NATIONS.

(a) INITIAL REPORT.—Not later than 90 days after the date of enactment of this Act, the Secretary of State shall report to the Congress on whether, and the extent to which, international civil servants employed by the United Nations, including those seconded to the United Nations, are required to return all or part of their salaries to their respective governments. The Secretary shall also include in this report a description of the steps taken by the Department of State and by the United States Representative to the United Nations to correct this practice.

(b) REPORT ON STEPS TO CORRECT PRACTICE.—The Secretary of State shall determine and report to the Congress on whether substantial progress has been made by June 1, 1986, in correcting the practice of international civil servants employed by the United Nations being required to return all or part of their salaries to their respective governments.

(c) REDUCTION IN CONTRIBUTION IF SUBSTANTIAL PROGESS NOT MADE.—If the Secretary of State determines pursuant to subsection (b) that substantial progress has not been made in correcting this practice, the Secretary shall submit recommendations to the Congress together with the report required in subsection (b) as to corrective measures to be taken, including a reduction of the amount of the United States annual assessed contribution to the United Nations by the amount of that contribution which is the United States proportionate share of the salaries of those international civil servants employed by the United Nations who are returning any portion of their salaries to their respective governments.

(d) NATIONAL TAXATION.—This section does not apply with respect to payments made for purposes of national taxation in accordance with formal treaty reservations concerning such taxation by a member state of the United Nations.

SEC. 152. REPRESENTATION OF MINORITIES AND WOMEN IN THE FOREIGN SERVICE.

(a) DEVELOPMENT OF PROGRAM.—The head of each agency utilizing the Foreign Service personnel system shall develop, consistent with section 7201 of title 5 of the United States Code, a plan designed to increase significantly the number of members of minority groups and women in the Foreign Service in that agency.

(b) EMPHASIS ON MID-LEVELS.—Each plan developed pursuant to this section shall, consistent with section 7201 of title 5 of the United States Code, place particular emphasis on achieving significant increases in the numbers of minority group members and women who are in the mid-levels of the Foreign Service.

(c) REPORTS TO CONGRESS.—The head of each agency utilizing the Foreign Service personnel system shall report annually to the Congress on the plan developed pursuant to this section as part of the report required to be submitted pursuant to section 105(d)(2) of the Foreign Service Act of 1980. Subsequent reports pursuant to that section shall include reports on the implementation of these plans, giving particular attention to the progress being made in increasing, through advancement and promotion, the numbers of members of minority groups and women in the mid-levels of the Foreign Service.

SEC. 153. BOARD OF THE FOREIGN SERVICE.

Section 210 of the Foreign Service Act of 1980 (22 U.S.C. 3930) is amended by striking out "a career member of the Senior Foreign Service designated by the Secretary of State" in the second sentence and inserting in lieu thereof "an individual appointed by the President".

SEC. 154. DAMAGES RESULTING FROM DELAYS IN THE CONSTRUCTION OF THE UNITED STATES EMBASSY IN MOSCOW.

(a) RESTRICTION; REIMBURSEMENT FOR DAMAGES INCURRED.—The Secretary of State shall not permit the Soviet Union to occupy the new chancery building at its new embassy complex in Washington, D.C., or any other new facility in the Washington, D.C. metropolitan area, if the Soviet Union fails to provide prompt and full reimbursement to the United States for damages incurred as a result of the construction of the new United States Embassy in Moscow. The amount of such reimbursement shall be determined by agreement between the United States and the Soviet Union or, in the event of disagreement, by international arbitration pursuant to subsection (b).

(b) INTERNATIONAL ARBITRATION.—Not later than 30 days after the date of the enactment of this Act, the Secretary of State shall initiate actions to begin the international arbitration process, which is provided for in the embassy construction agreement between the United States and the Soviet Union, in order to resolve all United States claims against the Soviet Union for damages arising from delays in the construction of the new United States Embassy complex in Moscow.

(c) REPORT.—In the event the amount of reimbursement provided to the United States under subsection (a) by the Soviet Union is less than the amount of funds expended for the damages described in subsection (a) that are determined by the Secretary of State to be the responsibility of the Soviet Union, the Secretary of State shall submit a report to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate. Such report shall contain a detailed explanation of the reasons the Secretary accepted the settlement arrangements of the United States claims and the financial costs to the United States of doing so.

(d) SUSPENSION OF RESTRICTIONS.—The Secretary of State may suspend the restrictions in subsection (a) in the interests of United States national security if the Secretary certifies to the Congress that a substantial number of the claims described in subsection (a) are settled and that resolution of any remaining claims is proceeding in a satisfactory manner. If the Secretary exercises the authority under this subsection, the Secretary shall report to the appropriate committees of the Congress every six months concerning progress on resolution of any outstanding claims.

TITLE II—UNITED STATES INFORMATION AGENCY

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

In addition to amounts otherwise available for such purposes, there are authorized to be appropriated for the United States Information Agency $887,900,000 for the fiscal year 1986 and $887,900,000 for the fiscal year 1987 to carry out international information, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, Reorganization Plan Number 2 of 1977, the Radio Broadcasting to Cuba Act, and other purposes authorized by law. Amounts appropriated under this section are authorized to remain available until expended.

SEC. 202. MODERNIZATION OF VOICE OF AMERICA.

Of the authorizations of appropriations contained in section 201, authorizations of $136,594,000 for the fiscal year 1986 and $136,594,000 for the fiscal year 1987, which shall be available for essential modernization of the facilities and operations of the Voice of America, shall remain available until the appropriations are made and when those amounts are appropriated they are authorized to remain available until expended.

SEC. 203. RADIO BROADCASTING TO CUBA.

Of the amounts authorized to be appropriated by section 201, not less than $11,500,000 for the fiscal year 1986 and not less than $11,700,000 for the fiscal year 1987 shall be available for the implementation of the Radio Broadcasting to Cuba Act.

SEC. 204. FUNDS FOR EDUCATIONAL AND CULTURAL EXCHANGES.

Of the amounts authorized to be appropriated by section 201—

(1) not less than $128,899,500 for the fiscal year 1986 and not less than $141,996,000 for the fiscal year 1987 shall be available only for grants for the Fulbright Academic Exchange Programs and the International Visitor Program;

(2) not less than $4,891,500 for the fiscal year 1986 and not less than $5,479,000 for the fiscal year 1987 shall be available only for grants for the Humphrey Fellowship Program; and

(3) $45,400,000 for the fiscal year 1986 and $45,100,000 for the fiscal year 1987 shall be allocated to fund grants and exchanges to Latin America and the Caribbean, and the amounts utilized for programs in Central America shall be obligated in a manner consistent with the recommendations of the National Bipartisan Commission on Central America.

SEC. 205. FUNDS FOR WORLDWIDE BOOK PROGRAM INITIATIVE.

Of the amounts authorized to be appropriated by section 201, not less than $7,500,000 for each of the fiscal years 1986 and 1987 shall be available only for the worldwide book program initiative.

SEC. 206. FUNDS FOR EXCHANGE ACTIVITIES ASSOCIATED WITH THE 1987 PAN AMERICAN GAMES.

Of the amounts authorized to be appropriated for the fiscal years 1986 and 1987 by section 201, not less than $1,500,000 for each such fiscal year shall be available only to the Indiana Sports Corporation for exchanges of persons and other exchange-related activities associated with the 1987 Pan American Games to be held in Indianapolis, Indiana.

SEC. 207. FUNDS FOR INTERNATIONAL GAMES FOR THE HANDICAPPED.

Of the amounts authorized to be appropriated for fiscal year 1986 by section 201, $3,000,000 shall be available only to reimburse expenses for exchange of athletes, coaches, and officials participating in international games for the handicapped which are conducted in the United States.

SEC. 208. BAN ON DOMESTIC ACTIVITIES BY THE USIA.

Except as provided in section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461) and this section, no funds authorized to be appropriated to the United States Information Agency shall be used to influence public opinion in the United States, and no program material prepared by the United States Information Agency shall be distributed within the United States. This section shall not apply to programs carried out pursuant to the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2451 et seq.).

SEC. 209. PRIVATE SECTOR FUNDING FOR USIA'S PRIVATE SECTOR PROGRAM.

(a) LIMITATION ON GRANTS.—No grant shall be made to any organization through the Private Sector Program of the United States Information Agency unless—

(1) costs equal to at least 15 percent of grants from the United States Information Agency in fiscal year 1986, and

(2) costs equal to at least 25 percent of grants from the United States Information Agency in fiscal year 1987,

for that organization's exchange and exchange-related programs are provided for from non-United States Government sources.

(b) EXEMPTION FOR CERTAIN ORGANIZATIONS.—Subsection (a) shall not apply to grantee organizations which have been in existence for less than one year.

(c) PROHIBITION ON FUNDING 1985 INTERNATIONAL YOUTH YEAR ACTIVITIES.—No funds from fiscal year 1986 appropriations for the United States Information Agency or for any other United States Government agency shall be available for grants related to 1985 International Youth Year activities.

SEC. 210. NATIONAL ENDOWMENT FOR DEMOCRACY.

(a) REQUIREMENTS RELATING TO THE ENDOWMENT AND ITS GRANTEES.—The National Endowment for Democracy Act (22 U.S.C. 4411 et seq.) is amended by adding at the end thereof the following new sections:

"SEC. 505. REQUIREMENTS RELATING TO THE ENDOWMENT AND ITS GRANTEES.

"(a) PARTISAN POLITICS.—(1) Funds may not be expended, either by the Endowment or by any of its grantees, to finance the campaigns of candidates for public office.

"(2) No funds granted by the Endowment may be used to finance activities of the Republican National Committee or the Democratic National Committee.

"(3) No grants may be made to any institute, foundation, or organization engaged in partisan activities on behalf of the Republican or Democratic National Committee, on behalf of any candidate for public office, or on behalf of any political party in the United States.

"(b) CONSULTATION WITH DEPARTMENT OF STATE.—The Endowment shall consult with the Department of State on any overseas program funded by the Endowment prior to the commencement of the activities of that program.

"SEC. 506. FREEDOM OF INFORMATION.

"(a) COMPLIANCE WITH FREEDOM OF INFORMATION ACT.—Notwithstanding the fact that the Endowment is not an agency or establishment of the United States Government, the Endowment shall fully comply with all of the provisions of section 552 of title 5, United States Code.

"(b) PUBLICATION IN FEDERAL REGISTER.—For purposes of complying pursuant to subsection (a) with section 552(a)(1) of such title, the Endowment shall make available to the Director of the United States Information Agency such records and other information as the Director determines may be necessary for such purposes. The Director shall cause such records and other information to be published in the Federal Register.

"(c) REVIEW BY USIA.—(1) In the event that the Endowment determines not to comply with a request for records under section 552, the Endowment shall submit a report to the Director of the United States Information Agency explaining the reasons for not complying with such request.

"(2) If the Director approves the determination not to comply with such request, the United States Information Agency shall assume full responsibility, including financial responsibility, for defending the Endowment in any litigation relating to such request.

"(3) If the Director disapproves the determination not to comply with such request, the Endowment shall comply with such request.".

(b) AUDITS BY USIA.—Section 504 of such Act is amended—

(1) by redesignating subsections (g) and (h) as subsections (h) and (i), respectively, and

(2) by inserting after subsection (f) the following new subsection (g):

"(g) The financial transactions of the Endowment for each fiscal year may also be audited by the United States Information Agency under the conditions set forth in subsection (f)(1).".

(c) GRANTS TO THE ENDOWMENT.—Of the amounts authorized to be appropriated by section 201 for the United States Information Agency, not less than $18,400,000 for the fiscal year 1986 and not less than $18,400,000 for the fiscal year 1987 shall be made available to the National Endowment for Democracy.

(d) REPORTING DATE.—Section 504(i) of the National Endowment for Democracy Act (22 U.S.C. 4413(h)), as redesignated by subsection (b)(1), is amended by striking out "December 31" and inserting in lieu thereof "February 1".

SEC. 211. PROMOTING DEMOCRACY AND AN END TO THE APARTHEID POLICIES IN SOUTH AFRICA.

(a) PURPOSE.—It is the purpose of this section to encourage funding for programs that would promote democracy and seek to end the apartheid policies in South Africa, and that would be in addition to the programs for South Africa funded under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.).

(b) USIA GRANTS TO THE NATIONAL ENDOWMENT FOR DEMOCRACY.—It is the sense of the Congress that the Director of the United States Information Agency should make a grant of up to $500,000 for each of the fiscal years 1986 and 1987 to the National Endowment for Democracy (in addition to grants otherwise made by the Director to the Endowment) for use by the Endowment in providing financing for programs that are designed to promote democracy and that seek to end the apartheid policies in South Africa.

(c) PROGRAMS DESIGNED TO END THE APARTHEID POLICIES.—The programs funded pursuant to this section shall be programs of support for actions of non-white led community organizations in South Africa to terminate apartheid policies such as—

(1) removal of black populations from certain geographic areas on account of race or ethnic origin;

(2) denationalization of blacks, including any distinctions between the South African citizenships of blacks and whites;

(3) residence restrictions based on race or ethnic origin;

(4) restrictions on the rights of blacks to seek employment in South Africa and live wherever they find employment in South Africa; and

(5) restrictions which make it impossible for black employees and their families to be housed in family accomodations near their place of employment.

(d) ELIGIBLE ORGANIZATIONS IN SOUTH AFRICA.—Any program funded in accordance with this section, which is to be carried out within South Africa, should be a program which in both its character and organizational sponsorship in South Africa clearly reflects the aspirations of the indigenous majority of South Africans for the establishment of democratic institutions and for an end to the apartheid system of separate development, and should not be a program which is financed or controlled by the Government of South Africa.

SEC. 212. DISTRIBUTION WITHIN THE UNITED STATES OF THE USIA FILM ENTITLED "HAL DAVID: EXPRESSING A FEELING".

Notwithstanding section 208 of this Act and the second sentence of section 501 of the United States Information and Education Exchange Act of 1948 (22 U.S.C. 1461)—

(1) the Director of the United States Information Agency shall make available to the Archivist of the United States a master copy of the film entitled "Hal David: Expressing a Feeling"; and

(2) upon evidence that necessary United States rights and licenses have been secured and paid for by the person seeking domestic release of the film, the Archivist shall reimburse the Director for any expenses of the Agency in making that master copy available, shall deposit that film in the National Archives of the United States, and shall make copies of that film available for purchase and public viewing within the United States.

Any reimbursement to the Director pursuant to this section shall be credited to the applicable appropriation of the United States Information Agency.

SEC. 213. DISTRIBUTION WITHIN THE UNITED STATES THREE USIA FILMS RELATING TO AFGHANISTAN.

Notwithstanding section 208 of this Act and the second sentence of section 501 of the United States Information and Education Exchange Act of 1948 (22 U.S.C. 1461)—

(1) the Director of the United States Information Agency shall make available to the Archivist of the United States a master copy of the films entitled "Afghanistan 1982: the Struggle for Freedom Continues", "We are Afghanistan", and "Afghanistan: The Hidden War"; and

(2) upon evidence that necessary United States rights and licenses have been secured and paid for by the person seeking domestic release of such a film, the Archivist shall reimburse the Director for any expenses of the Agency in making the master copy of such film available, shall deposit such film in the National Archives of the United States, and shall make copies of such film available for purchase and public viewing within the United States.

Any reimbursement to the Director pursuant to this section shall be credited to the applicable appropriation of the United States Information Agency.

SEC. 214. NOTIFICATION OF PROGRAM GRANTS.

(a) APPLICATION TO FISCAL YEARS 1986 AND 1987.—Section 705(b) of the United States Information and Educational Exchange Act

of 1948 (22 U.S.C. 1477c(b)) is amended by striking out "1984 and 1985" and inserting in lieu thereof "1986 and 1987".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1985.

TITLE III—BOARD FOR INTERNATIONAL BROADCASTING

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

(a) FISCAL YEARS 1986 AND 1987.—Subparagraph (A) of section 8(a)(1) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)(1)(A)) is amended to read as follows:

"(A) $125,000,000 for the fiscal year 1986 and $125,000,000 for the fiscal year 1987; and".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1985.

SEC. 302. IMPROVEMENT OF FACILITIES.

Section 8 of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877) is amended by adding at the end thereof the following new subsection:

"(c) Of the authorization of appropriations contained in subsection (a)(1)(A), authorizations of $20,000,000 for the fiscal year 1986 and $18,323,000 for the fiscal year 1987, which shall be available for radio modernization, shall remain available until the appropriations are made and when those amounts are appropriated they are authorized to remain available until expended.".

SEC. 303. RADIO FREE AFGHANISTAN.

(a) BIB PURPOSES.—Paragraph (5) of section 2 of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2871(5)) is amended—

(1) by striking out "and" following "Republics" and inserting in lieu thereof a comma, and

(2) by inserting ", and Afghanistan (as long as it is under Soviet occupation)" after "Eastern Europe".

(b) AUTHORITY.—The Board for International Broadcasting Act of 1973 (22 U.S.C. 2871 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 14. RADIO BROADCASTING TO AFGHANISTAN IN THE DARI AND PASHTO LANGUAGES.

Fund granted to RFE/RL, Incorporated, under this Act may be used for radio broadcasting to the Afghan people in the Dari and Pashto languages, such broadcasts to be designated 'Radio Free Afghanistan'.".

SEC. 304. MANAGEMENT OF RFE/RL, INCORPORATED.

(a) FINDINGS.—The Congress finds that—

(1) RFE/RL, Incorporated, is essential to the continued and effective furtherance of the open flow of information and ideas throughout Eastern Europe and the Soviet Union;

(2) effective communication of information and ideas can only be accomplished if the long-term credibility of RFE/RL, Incorporated, operating in accordance with the highest standards of professionalism, is maintained;

(3) the performance of RFE/RL, Incorporated, is dependent on proper management, an objective approach to news, quality programming, and effective oversight;

(4) the Board for International Broadcasting, in addition to making grants, is responsible for overseeing broadcast quality and effectiveness and for overseeing effective utilization of Federal funds;

(5) RFE/RL, Incorporated, is responsible for its own management and for daily broadcasts into Eastern Europe and the Soviet Union;

(6) the Board for International Broadcasting and RFE/RL, Incorporated, must remain very distinct and different institutions if they adhere to the Joint Explanatory Statement of the Committee on Conference relating to the Board of International Broadcasting Authorization Act, Fiscal Years 1982 and 1983;

(7) the President of RFE/RL, Incorporated, who is responsible for the proper management and supervision of the daily operations of the radios, should devote the necessary resources and personnel to strengthen both the oversight and the quality of programming;

(8) the Board for International Broadcasting, in an effort to preserve or enhance its ability to properly oversee the operations of RFE/RL, Incorporated, must avoid even the appearance of involvement in daily operational decisions and management of RFE/RL, Incorporated; and

(9) the absence of satisfactory pre-broadcast review and the lack of sufficient records of actions taken to explain or remedy program problems identified through post-broadcast review, may endanger the long-term credibility of RFE/RL, Incorporated.

(b) ACTIONS TO BE TAKEN BY RFE/RL.—It is the sense of the Congress that RFE/RL, Incorporated, should—

(1) strengthen existing broadcast control procedures and post-broadcast program analysis; and

(2) improve its personnel management system to include such things as better documentation of internal decisionmaking and communication, personnel review, and job description.

(c) ACTIONS TO BE TAKEN BY BIB.—It is the sense of the Congress that the Board for International Broadcasting should—

(1) periodically review and update the Program Policy Guidelines of RFE/RL, Incorporated, with the goal of maintaining their clarity and responsiveness; and

(2) ensure that the distinctions between the Board for International Broadcasting and RFE/RL, Incorporated, remain clear and that these two entities continue to operate within the framework established by law.

SEC. 305. ROLE OF THE SECRETARY OF STATE.

(a) ROLE.—Section 6 of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2875) is amended—

(1) by inserting "(a)" after "SEC. 6.";

(2) by adding the following at the end of subsection (a), as so designated by paragraph (1): "The Secretary shall report regularly to the Board on the impact of broadcasts by RFE/RL, Incorporated, in Eastern Europe and the Soviet Union."; and

(3) by adding at the end thereof the following new subsection:

"(b) No grant may be made under this Act unless RFE/RL, Incorporated, agrees to the presence of an observer representing the Secretary of State at the meetings of its Board of Directors.".

(b) LIAISON WITH RFE/RL, INCORPORATED; REPRESENTATION AT BOARD MEETINGS.—The Secretary of State shall—

(1) establish an office within the United States Consulate in Munich, Federal Republic of Germany, which shall be responsible for the daily liaison operations of the Department of State with RFE/RL, Incorporated; and

(2) be represented by an observer at each meeting of the Board for International Broadcasting and of the Board of Directors of RFE/RL, Incorporated.

SEC. 306. TASK FORCE WITH RESPECT TO BROADCASTS TO SOVIET JEWRY.

(a) ESTABLISH TASK FORCE.—There shall be established by the Board for International Broadcasting a task force to conduct a study of the advisability and feasibility of increasing broadcasts to the Jewish population within the Soviet Union.

(b) STUDY.—The Task Force shall—

(1) investigate the needs of Jewish audiences in the Soviet Union;

(2) study the practicality and desirability of establishing a special program, in accordance with the Program Policy Guidelines of RFE/RL, Inc., of Russian language broadcasting to the Jewish population of the Soviet Union;

(3) study the advisability of incorporating such a special program in a special unit of its Radio Liberty division entitled the "Radio Maccabee Program of Radio Liberty";

(4) make recommendations with respect to the desirable content of broadcast programming; and

(5) identify the needs and concerns of the activist as well as the refusnik population in the Soviet Union.

(c) REPORT.—Not later than 6 months after the date of the enactment of this Act, the Board for International Broadcasting shall submit a report to the Congress. Such report shall include the following:

(1) Whether expansion of original programming scheduled ("Jewish Cultural and Social Life") or planned ("Judaism") is fulfilling the needs of the audience, and whether expanded Soviet-Jewish programming should include broadcasts on Jewish history, culture, religion, or other matters of general cultural, intellectual, political, and religious interest to the Soviet Jewish population, as well as Hebrew education courses.

(2) The extent to which such programming is broadcast in Russian, Hebrew, and Yiddish.

(3) Recommendations for implementing expanded programming within the structure of RFE/RL, Inc., including specific personnel required and providing for a Soviet Jewry administrative unit within Radio Liberty.

(4) The findings of, and the recommendations from, the study required under subsection (b).

(d) MACCABEE PROGRAMMING.—RFE/RL, Incorporated, shall strengthen existing programming dealing with issues of concern to Jewish audiences in the Soviet Union, to be known as Maccabee programming.

(e) EXISTING PERSONNEL TO CONDUCT STUDY AND MAKE REPORT.—The study and the report required by this section shall be carried out by existing personnel of RFE, Inc., or the Board of International Broadcasting.

TITLE IV—THE ASIA FOUNDATION

SEC. 401. AUTHORIZATION OF APPROPRIATIONS.

Section 404 of The Asia Foundation Act (22 U.S.C. 4403) is amended to read as follows:

"FUNDING

"SEC. 404. There are authorized to be appropriated to the Secretary of State $10,500,000 for each of the fiscal years 1986 and 1987 for grants to The Asia Foundation pursuant to this title.".

TITLE V—IRAN CLAIMS SETTLEMENT

SEC. 501. RECEIPT AND DETERMINATION OF CERTAIN CLAIMS.

(a) AUTHORITY OF FOREIGN CLAIMS SETTLEMENT COMMISSION.—The Foreign Claims Settlement Commission of the United States is authorized to receive and determine the validity and amounts of claims by nationals of the United States against Iran which are settled en bloc by the United States. In de-

ciding such claims, the Commission shall apply, in the following order—

(1) the terms of any settlement agreement;

(2) the relevant provisions of the Declarations of the Government of the Democratic and Popular Republic of Algeria of January 19, 1981, giving consideration to interpretations thereof by the Iran-United States Claims Tribunal; and

(3) applicable principles of international law, justice, and equity.

Except as otherwise provided in this title, the provisions of title I of the International Claims Settlement Act of 1949 (22 U.S.C. 1621 et seq.) shall apply with respect to claims under this section. Any reference in such provisions to "this title" shall be deemed to refer to those provisions and to this section.

(b) CERTIFICATION AND PAYMENT.—The Commission shall certify to the Secretary of the Treasury any awards determined pursuant to subsection (a) in accordance with section 5 of title I of the International Claims Settlement Act of 1949 (22 U.S.C. 1624). Such awards shall be paid in accordance with sections 7 and 8 of such title (22 U.S.C. 1626 and 1627), except that—

(1) the Secretary of the Treasury is authorized to make payments pursuant to paragraphs (1) and (2) of section 8(c) of such title in the amount of $10,000 or the principal amount of the award, whichever is less; and

(2) the Secretary of the Treasury may deduct, pursuant to section 7(b) of such title, an amount calculated in accordance with section 502(a) of this Act, instead of 5 percent of payments made pursuant to section 8(c) of such title.

SEC. 502. DEDUCTIONS FROM ARBITRAL AWARDS.

(a) DEDUCTION FOR EXPENSES OF THE UNITED STATES.—Except as provided in section 503, the Federal Reserve Bank of New York shall deduct from the aggregate amount awarded under each enumerated claim before the Iran-United States Claims Tribunal in favor of a United States claimant, an amount equal to 1 1/2 percent of the first $5,000,000 and 1 percent of any amount over $5,000,000, as reimbursement to the United States Government for expenses incurred in connection with the arbitration of claims of United States claimants against Iran before that Tribunal and the maintenance of the Security Account established pursuant to the Declarations of the Democratic and Popular Republic of Algeria of January 19, 1981. The Federal Reserve Bank of New York shall make the deduction required by the preceding sentence whenever the Bank receives an amount from the Security Account in satisfaction of an award rendered by the Iran-United States Claim Tribunal on the enumerated claim involved.

(b) DEDUCTION TREATED AS MISCELLANEOUS RECEIPT.—Amounts deducted by the Federal Reserve Bank of New York pursuant to subsection (a) shall be deposited into the Treasury of the United States to the credit of miscellaneous receipts.

(c) PAYMENT TO UNITED STATES CLAIMANTS.—Nothing in this section shall be construed to affect the payment to United States claimants of amounts received by the Federal Reserve Bank of New York in respect of awards by the Iran-United States Claims Tribunal, after deduction of the amounts calculated in accordance with subsection (a).

(d) EFFECTIVE DATE.—This section shall be effective as of June 7, 1982.

SEC. 503. EN BLOC SETTLEMENT.

The deduction by the Federal Reserve Bank of New York provided for in section 502(a) of this Act shall not apply in the case of a sum received by the Bank pursuant to an en bloc settlement of any category of claims of United States nationals against Iran when such sum is to be used for payments in satisfaction of awards certified by the Foreign Claims Settlement Commission pursuant to section 501(b) of this Act.

SEC. 504. REIMBURSEMENT TO THE FEDERAL RESERVE BANK OF NEW YORK.

The Secretary of the Treasury may reimburse the Federal Reserve Bank of New York for expenses incurred by the Bank in the performance of fiscal agency agreements relating to the settlement or arbitration of claims pursuant to the Declarations of the Democratic and Popular Republic of Algeria of January 19, 1981.

SEC. 505. CONFIDENTIALITY OF RECORDS.

Notwithstanding section 552 of title 5, United States Code (commonly referred to as the Freedom of Information Act), records pertaining to the arbitration of claims before the Iran-United States Claims Tribunal may not be disclosed to the general public, except that—

(1) rules, awards, and other decisions of the Tribunal and claims and responsive pleadings filed at the Tribunal by the United States on its own behalf shall be made available to the public, unless the Secretary of State determines that public disclosure would be prejudicial to the interests of the United States or United States claimants in proceedings before the Tribunal, or that public disclosure would be contrary to the rules of the Tribunal; and

(2) the Secretary of State may determine on a case-by-case basis to make such information available when in the judgment of the Secretary the interests of justice so require.

TITLE VI—UNITED STATES SCHOLARSHIP PROGRAM FOR DEVELOPING COUNTRIES

SEC. 601. STATEMENT OF PURPOSE.

The purpose of this title is to establish an undergraduate scholarship program designed to bring students of limited financial means from developing countries to the United States for study at United States institutions of higher education.

SEC. 602. FINDINGS AND DECLARATIONS OF POLICY.

The Congress finds and declares that—

(1) it is in the national interest for the United States Government to provide a stable source of financial support to give students in developing countries the opportunity to study in the United States, in order to improve the range and quality of educational alternatives, increase mutual understanding, and build lasting links between those countries and the United States;

(2) providing scholarships to foreign students to study in the United States has proven over time to be an effective means of creating strong bonds between the United States and the future leadership of developing countries and, at the same time, assists countries substantially in their development efforts;

(3) study in United States institutions by foreign students enhances trade and economic relationships by providing strong English language skills and establishing professional and business contacts;0

(4) students from families of limited financial means have, in the past, largely not had the opportunity to study in the United States, and scholarship programs sponsored by the United States have made no provision for identifying, preparing, or supporting such students for study in the United States;

(5) it is essential that the United States citizenry develop its knowledge and understanding of the developing countries and their languages, cultures, and socioeconomic composition as these areas assume an ever larger role in the world community;

(6) the number of United States Government-sponsored scholarships for students in developing countries has been exceeded as much as twelve times in a given year by the number of scholarships offered by Soviet-bloc governments to students in developing countries, and this disparity entails the serious long-run cost of having so many of the potential future leaders of the developing world educated in Soviet-bloc countries;

(7) from 1972 through 1982 the Soviet Union and Eastern European governments collectively increased their education exchange programs to Latin America and the Caribbean by 205 percent while those of the United States declined by 52 percent;

(8) an undergraduate scholarship program for students of limited financial means from developing countries to study in the United States would complement current assistance efforts in the areas of advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities;

(9) the National Bipartisan Commission on Central America has recommended a program of 10,000 United States Government-sponsored scholarships to bring Central American students to the United States, which program would involve careful targeting to encourage participation by young people from all social and economic classes, would maintain existing admission standards by providing intensive English and other training, and would encourage graduates to return to their home countries after completing their education; and

(10) it is also in the interest of the United States, as well as peaceful cooperation in the Western Hemisphere, that particular attention be given to the students of the Caribbean region.

SEC. 603. SCHOLARSHIP PROGRAM AUTHORITY.

(a) IN GENERAL.—The President, acting through the United States Information Agency, shall provide scholarships (including partial assistance) for undergraduate study at United States institutions of higher education by citizens and nationals of developing countries who have completed their secondary education and who would not otherwise have an opportunity to study in the United States due to financial limitations.

(b) FORM OF SCHOLARSHIP; FORGIVENESS OF LOAN REPAYMENT.—To encourage students to use their training in their countries of origin, each scholarship pursuant to this section shall be in the form of a loan with all repayment to be forgiven upon the student's prompt return to his or her country of origin for a period which is at least one year longer than the period spent studying in the United States. If the student is granted asylum in the United States pursuant to section 208 of the Immigration and Nationality Act or is admitted to the United States as a refugee pursuant to section 207 of that Act, half of the repayment shall be forgiven.

(c) CONSULTATION.—Before allocating any of the funds made available to carry out this title, the President shall consult with United States institutions of higher education, educational exchange organizations, United States missions in developing countries, and the governments of participating countries

on how to implement the guidelines specified in section 604.

(d) DEFINITION.—For purposes of this title, the term "institution of higher education" has the same meaning as given to such term by section 1201(a) of the Higher Education Act of 1965.

SEC. 604. GUIDELINES.

The scholarship program under this title shall be carried out in accordance with the following guidelines:

(1) Consistent with section 112(b) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2460(b)), all programs created pursuant to this title shall be nonpolitical and balanced, and shall be administered in keeping with the highest standards of academic integrity.

(2) United States missions shall design ways to identify promising students who are in secondary educational institutions, or who have completed their secondary education, for study in the United States. In carrying out this paragraph, the United States mission in a country shall consult with Peace Corps volunteers and staff assigned to that country and with private and voluntary organizations with a proven record of providing development assistance to developing countries.

(3) United States missions shall develop and strictly implement specific economic need criteria. Scholarships under this title may only be provided to students who meet the economic need criteria.

(4) The program shall utilize educational institutions in the United States and in developing countries to help participants in the programs acquire necessary skills in English and other appropriate education training.

(5) Each participant from a developing country shall be selected on the basis of academic and leadership potential and the economic, political, and social development needs of such country. Such needs shall be determined by each United States mission in consultation with the government of the respective country. Scholarship opportunities shall emphasize fields that are critical to the development of the participant's country, including agriculture, civil engineering, communications, social science, education, public and business administration, health, nutrition, environmental studies, population and family planning, and energy.

(6) The program shall be flexible in order to take advantage of different training and educational opportunities offered by universities, postsecondary vocational training schools, and community colleges in the United States.

(7) The program shall be flexible with respect to the number of years of undergraduate education financed but in no case shall students be brought to the United States for a period less than one year.

(8) Adequate allowance shall be made in the scholarship for the purchase of books and related educational material relevant to the program of study.

(9) Further allowance shall be made to provide adequate opportunities for professional, academic, and cultural enrichment for scholarship recipients.

(10) The program shall, to the maximum extent practicable, offer equal opportunities for both male and female students to study in the United States.

(11) The United States Information Agency shall recommend to each student, who receives a scholarship under this title for study at a college or university, that the student enroll in a course on the classics of American political thought or which otherwise emphasizes the ideas, principles, and documents upon which the United States was founded.

SEC. 605. AUTHORITY TO ENTER INTO AGREEMENTS.

The President may enter into agreements with foreign governments in furtherance of the purposes of this title. Such agreements may provide for the creation or continuation of binational or multinational educational and cultural foundations and commissions for the purposes of administering programs under this title.

SEC. 606. POLICY REGARDING OTHER INTERNATIONAL EDUCATIONAL PROGRAMS.

(a) AID-FUNDED PROGRAMS.—The Congress urges the administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961, in implementing programs authorized under that part, to increase assistance for undergraduate scholarships for students of limited financial means from developing countries to study in the United States at United States institutions of higher education. To the maximum extent practicable, such scholarship assistance shall be furnished in accordance with the guidelines contained in section 604 of this title.

(b) USIA-FUNDED POSTGRADUATE STUDY IN THE UNITED STATES.—The Congress urges the Director of the United States Information Agency to expand opportunities for students of limited financial means from developing countries to receive financial assistance for postgraduate study at United States institutions of higher education.

(c) STUDY BY AMERICANS IN DEVELOPING COUNTRIES.—The Congress urges the President to take such steps as are necessary to expand the opportunities for Americans from all economic classes to study in developing countries.

SEC. 607. ESTABLISHMENT AND MAINTENANCE OF COUNSELING SERVICES.

(a) COUNSELING SERVICES ABROAD.—For the purpose of assisting foreign students in choosing fields of study, selecting appropriate institutions of higher education, and preparing for their stay in the United States, the President may make suitable arrangements for counseling and orientation services abroad.

(b) COUNSELING SERVICES IN THE UNITED STATES.—For the purposes of assisting foreign students in making the best use of their opportunities while attending United States institutions of higher education, and assisting such students in directing their talents and initiative into channels which will make them more effective leaders upon return to their native lands, the President may make suitable arrangements (by contract or otherwise) for the establishment and maintenance of adequate counseling services at United States institutions of higher education which are attended by foreign students.

SEC. 608. BOARD OF FOREIGN SCHOLARSHIPS.

The Board of Foreign Scholarships shall advise and assist the President in the discharge of the scholarship program carried out pursuant to this title, in accordance with the guidelines set forth in section 604. The President may provide for such additional secretarial and staff assistance for the Board as may be required to carry out this title.

SEC. 609. GENERAL AUTHORITIES.

(a) PUBLIC AND PRIVATE SECTOR CONTRIBUTIONS.—The public and private sectors in the United States and in the developing countries shall be encouraged to contribute to the costs of the scholarship program financed under this title.

(b) UTILIZATION OF RETURNING PROGRAM PARTICIPANTS.—The President shall seek to engage the public and private sectors of developing countries in programs to maximize the utilization of recipients of scholarships under this title upon their return to their own countries.

(c) PROMOTION ABROAD OF SCHOLARSHIP PROGRAM.—The President may provide for publicity and promotion abroad of the scholarship program provided for in this title.

(d) INCREASING UNITED STATES UNDERSTANDING OF DEVELOPING COUNTRIES.—The President shall encourage United States institutions of higher education, which are attended by students from developing countries who receive scholarships under this title, to provide opportunities for United States citizens attending those institutions to develop their knowledge and understanding of the developing countries, and the languages and cultures of those countries, represented by those foreign students.

(e) OTHER ACTIVITIES TO PROMOTE IMPROVED UNDERSTANDING.—Funds allocated by the United States Information Agency, or the agency primarily responsible for carrying out part I of the Foreign Assistance Act of 1961, for scholarships in accordance with this title shall be available to enhance the educational training and capabilities of the people of Latin America and the Caribbean and to promote better understanding between the United States and Latin America and the Caribbean through programs of cooperation, study, training, and research. Such funds may be used for program and administrative costs for institutions carrying out such programs.

SEC. 610. ENGLISH TEACHING, TEXTBOOKS, AND OTHER TEACHING MATERIALS.

Wherever adequate facilities or materials are not available to carry out the purposes of paragraph (4) of section 604 in the participant's country and the President determines that the purposes of this title are best served by providing the preliminary training in the participant's country, the President may (by purchase, contract, or other appropriate means) provide the necessary materials and instructors to achieve such purpose.

SEC. 611. REPORTING REQUIREMENT.

Not later than February 1 each year, the President shall submit to the Congress a report on the activities carried on and expenditures made pursuant to this title during the preceding fiscal year.

SEC. 612. FUNDING OF SCHOLARSHIPS FOR FISCAL YEAR 1986 AND FISCAL YEAR 1987.

(a) CENTRAL AMERICAN UNDERGRADUATE SCHOLARSHIP PROGRAM.—The undergraduate scholarship program financed by the United States Information Agency for students from Central America for fiscal year 1986 and fiscal year 1987 shall be conducted in accordance with this title.

(b) SCHOLARSHIPS FOR STUDENTS FROM OTHER DEVELOPING COUNTRIES.—Any funds appropriated to the United States Information Agency for fiscal year 1986 or fiscal year 1987 for any purpose (other than funds appropriated for educational exchange programs under section 102(a)(1) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2452(a)(1)) may be used to carry out this title with respect to students from developing countries outside Central America.

SEC. 613. LATIN AMERICAN EXCHANGES.

Of any funds authorized to be appropriated for activities authorized by this title, not less than 25 percent shall be allocated to fund grants and exchanges to Latin America and the Caribbean.

SEC. 614. FEASIBILITY STUDY OF TRAINING PROGRAMS IN SIZABLE HISPANIC POPULATIONS.

No later than December 15, 1985, the Director of the United States Information Agency and the Administrator of the Agency for International Development shall report jointly, to the chairman of the Committee on Foreign Relations of the Senate and the chairman of the Committee on Foreign Affairs of the House of Representatives, on the feasibility of greater utilization in those two agencies' scholarship and participant training programs of the United States universities in States bordering Latin American and Caribbean which are located in areas characterized by the presence of sizable Hispanic populations.

SEC. 615. COMPLIANCE WITH CONGRESSIONAL BUDGET ACT.

Any authority provided by this title to enter into contracts shall be effective only—

(1) to the extent that the budget authority for the obligation to make outlays, which is created by the contract, has been provided in advance by an appropriation Act; or

(2) to the extent or in such amounts as are provided in advance in appropriation Acts.

TITLE VII—ARMS CONTROL AND DISARMAMENT

SEC. 701. SUPPLEMENTAL AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1985.

Section 49(a)(1) of the Arms Control and Disarmament Act (22 U.S.C. 2589(a)(1)) is amended to read as follows:

"(1) for the fiscal year 1985, $23,789,000, of which amount $4,321,000 shall be available only to pay necessary expenses incurred in connection with arms control negotiations with the Government of the Soviet Union on strategic arms reductions, intermediate-range nuclear forces, and space and defensive weapons;".

SEC. 702. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEARS 1986 AND 1987.

Section 49(a)(2) of the Arms Control and Disarmament Act (22 U.S.C. 2589(a)(2)) is amended to read as follows:

"(2) for the fiscal year 1986, $25,614,000, and for the fiscal year 1987, $25,614,000, of which amounts $6,146,000 shall be available in each fiscal year only to pay necessary expenses incurred in connection with arms control negotiations conducted with the Government of the Soviet Union on strategic arms reductions, intermediate-range nuclear forces, and space and defensive weapons; and".

SEC. 703. REPORTS ON ADHERENCE TO AND COMPLIANCE WITH AGREEMENTS.

The Arms Control and Disarmament Act (22 U.S.C. 2551 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 52. REPORTS ON ADHERENCE TO AND COMPLIANCE WITH AGREEMENTS.

"The Congress determines that the achievement and maintenance of successful controls upon armaments requires official and public confidence that the parties are expected to adhere to their commitments and that the parties will be held accountable for failure to meet obligations. Without such confidence, existing arms control accords are eroded, and the prospects are jeopardized for new agreements which can place further controls on the competition in nuclear and conventional weapons and which can increase international stability. In accordance with this determination—

"(1) the President shall submit, not later than January 31 of each year, to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report prepared by the Director, in coordination with the Secretary of State, the Secretary of Defense, the Secretary of Energy, the Chairman of the Joint Chiefs of Staff, and the Director of Central Intelligence, on the adherence of the United States to obligations undertaken in arms control agreements and on any problems related to compliance by other nations with the provisions of bilateral and multilateral arms control agreements to which the United States is a party;

"(2) the section of the report dealing with United States adherence shall include information on the policies and organization of each relevent agency or department of the United States to ensure adherence, a description of national security programs with a direct bearing on adherence questions and of steps being taken to ensure adherence, and a compilation of any substantive questions raised during the previous year regarding United States adherence, together with an assessment of such issues and the need for any corrective action; and

"(3) the section of the report dealing with problems of compliance by other nations shall include, in the case of each treaty or agreement about which compliance questions exist—

"(A) a description of each significant issue raised and efforts made and contemplated with the other party to seek a resolution of the difficulty;

"(B) an assessment of damage, if any, to United States security and other interests; and

"(C) recommendations as to any steps which should be considered to redress any damage to United States national security and to reduce compliance problems.

"The report required by this section shall be provided in unclassified form, with classified annexes, as appropriate.".

SEC. 704. PAY FOR DEPUTY DIRECTOR AND ASSISTANT DIRECTORS.

(a) AMENDMENTS TO TITLE 5.—Title 5 of the United States Code, is amended—

(1) in section 5314, by adding at the end thereof the following:

"Deputy Director of the United States Arms Control and Disarmament Agency.";

(2) in section 5315—

(A) by striking out

"Deputy Director of the United States Arms Control and Disarmament Agency."; and

(B) by adding at the end thereof the following:

"Assistant Directors, United States Arms Control and Disarmament Agency (4).";

and

(3) in section 5316, by striking out

"Assistant Directors, United States Arms Control and Disarmament Agency (4).".

(b) COMPLIANCE WITH BUDGET ACT.—Any new spending authority (within the meaning of section 401 of the Congressional Budget Act of 1974) which is provided under the amendments made by this section shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

SEC. 705. NEW BUILDING IN GENEVA FOR THE USE OF THE UNITED STATES ARMS CONTROL NEGOTIATING TEAMS.

(a) FINDINGS.—The Congress finds that—

(1) the United States is party to vital talks on arms control in Geneva, Switzerland;

(2) these talks include negotiations on strategic nuclear weapons, intermediate range nuclear weapons, space and defense systems, a bilateral United States-Soviet forum, called the Standing Consultative Commission, and a multilateral forum, called the Conference on Disarmament;

(3) the United States delegations to these talks occupy buildings and spaces insufficiently secure, modernized, or large enough to permit those delegations to conduct their work efficiently;

(4) the United States delegations to the strategic, intermediate and space and defense talks in particular occupy space in the Botanic Building that is also occupied by offices of numerous other, non-United States organizations, and shares common walls and parking facilities with these delegations;

(5) arms control negotiations require sophisticated security facilities, telecommunications equipment, simultaneous translation capabilities and other specialized services; and

(6) the Soviet Union, for its part, has made available for its negotiating team a modern, secure, well-equipped building dedicated for the use of its arms control negotiating teams.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) in order to facilitate the effective work of the United States arms control negotiating teams, and to provide for them a dedicated structure capable of supporting their vital tasks on a permanent basis, the Secretary of State should submit to the Congress a report on the feasibility, cost, location, and requirements of a structure to house the United States arms control negotiating teams in Geneva;

(2) this report should be submitted as soon as possible; and

(3) this matter should be included in the consideration of the 1985 supplemental appropriation process.

SEC. 706. STUDY OF MEASURES TO ENHANCE CRISIS STABILITY AND CONTROL.

(a) STUDY.—The Secretary of State and the Director of the Arms Control and Disarmament Agency shall conduct a detailed and complete study and evaluation of additional measures which both enhance the security of the United States and reduce the likelihood of nuclear weapons use by contributing to crisis stability or crisis control capabilities, including specific consideration of the following measures:

(1) Increased redundancy of direct communications link circuits, including the creation of new survivable circuits and terminals, located outside the national capitals which have access to the command and control system of the country in which they are located.

(2) Establishment of redundant, survivable direct communications links between and among all nuclear-armed states.

(3) Conclusion of an agreement creating "non-target" sanctuaries only for certain direct communications link circuits to enhance survivability of communications.

(4) Creation in advance of standard operating procedures for communicating, and possibly cooperating, with the Soviet Union and other states in the event of nuclear attacks by third parties on either the United States or Soviet Union.

(5) Addition to the Incidents At Sea agreement of a prohibition on the "locking on" of fire control radars on ships and planes of the other side, an agreement on the separa-

tion of naval forces during specified periods of crisis, and other such measures relevant to the Incidents At Sea agreement.

(6) Placement by the United States and the Soviet Union of unmanned launch sensors in the land-based missile fields of both countries.

(7) Establishment of anti-submarine operations free zones designed to enhance the security of ballistic missile submarines.

(8) Installation of permissive action links aboard the ballistic missile submarines of the United States, which might possibly be activated or deactivated at various levels of alert, and encouragement of the Soviet Union to do the same.

(9) Establishment of training programs for National Command Authority officials to familiarize them with alert procedures, communications capabilities, nuclear weapons release authority procedures, and the crisis control and stability implications thereof.

(10) Include in standard operating procedure the relocation in a crisis of a National Command Authority official outside Washington, D.C. to a secure location with access to the strategic command and control system, and announce the institution of this procedure to relevant foreign governments.

(b) REPORT.—The Secretary of State and the Director of the Arms Control and Disarmament Agency shall submit a report of the study and evaluation under subsection (a) to the Committees on Armed Services and Foreign Relations of the Senate and the Committees on Armed Services and Foreign Affairs of the House of Representatives by January 1, 1986. Such report should be available in both a classified, if necessary, and unclassified format.

SEC. 707. POLICY TOWARD BANNING CHEMICAL WEAPONS.

(a) FINDINGS.—The Congress finds that—

(1) chemical weapons are among the most terrible weapons in today's military arsenals;

(2) it is the objective of the United States to eliminate the threat of chemical warfare through a comprehensive and verifiable ban on chemical weapons;

(3) the United States is vigorously pursuing a multilateral agreement to ban chemical weapons;

(4) the negotiation of a verifiable, bilateral agreement between the United States and the Soviet Union would be a significant step toward achieving a worldwide ban on chemical weapons;

(5) bilateral discussions relating to a ban on chemical weapons took place in July and August of 1984 between the United States and Soviet delegations to the Conference on Disarmament; and

(6) such endeavors could serve the security interests of humankind.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the President—

(1) should be commended for his efforts to negotiate a multilateral agreement banning chemical weapons;

(2) should continue to pursue vigorously such an agreement; and

(3) should seek the continuation and development of bilateral discussions between the United States and the Soviet Union to achieve a comprehensive and verifiable ban on chemical weapons.

SEC. 708. POLICY REGARDING A JOINT STUDY BY THE UNITED STATES AND THE SOVIET UNION OF THE CONSEQUENCES OF NUCLEAR WINTER.

It is the sense of the Congress that the President should propose to the Government of the Soviet Union during any arms control talks held with such Government that—

(1) the United States and the Soviet Union should jointly study the atmospheric, climatic, environmental, and biological consequences of nuclear explosions, sometimes known as "nuclear winter", and the impact that nuclear winter would have on the national security of both nations;

(2) such a joint study should include the sharing and exchange of information and findings on the nuclear winter phenomena and make recommendations on possible joint research projects that would benefit both nations; and

(3) at an appropriate time the other nuclear weapon states (the United Kingdom, France, and the People's Republic of China) should be involved in the study.

TITLE VIII—MISCELLANEOUS PROVISIONS

SEC. 801. TERMINATION OF NATIONAL EMERGENCIES BY JOINT RESOLUTION.

Section 202 of the National Emergencies Act is amended—

(1) in subsection (a)—

(A) by amending paragraph (1) to read as follows:

"(1) there is enacted into law a joint resolution terminating the emergency; or"; and

(B) in the second sentence, by striking out "concurrent" and inserting in lieu thereof "joint";

(2) in subsection (b), by striking out "concurrent" and inserting in lieu thereof "joint"; and

(3) in subsection (c), by striking out "concurrent" each of the six places it appears and inserting in lieu thereof "joint".

SEC. 802. UNITED STATES INSTITUTE OF PEACE.

It is the sense of the Congress that, pursuant to title XVII of the Department of Defense Authorization Act, 1985 (22 U.S.C. 4601 et seq.), nominations to the Board of Directors for the United States Institute of Peace should be submitted to the Senate on a timely basis to permit implementation of the congressional mandate.

SEC. 803. EX GRATIA PAYMENT TO THE GOVERNMENT OF SWITZERLAND.

Section 39 of the Trading With the Enemy Act (62 Stat. 1246; 50 U.S.C. App. 39) is amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding any of the provisions of subsections (a) through (d) of this section, the Attorney General is authorized to pay from property vested in or transferred to the Attorney General under this Act, the sum of $20,000 as an ex gratia payment to the Government of Switzerland in accordance with the terms of the agreement entered into by that Government and the Government of the United States on March 12, 1980.".

SEC. 804. POLICY TOWARD APPLICATION OF THE YALTA AGREEMENT.

(a) FINDINGS—The Congress finds that—

(1) during World War II, representatives of the United States, Britain, and the Soviet Union took part in agreements and understandings concerning other peoples and nations in Europe;

(2) the Soviet Union has not adhered to its obligation undertaken in the 1945 Yalta agreement to guarantee free elections in the countries involved, specifically the pledge for the "earliest possible establishment of free elections of government responsive to the wills of the people and to facilitate where necessary the holding of such elections";

(3) the strong desire of the people of Central and Eastern Europe to exercise their national sovereignty and self-determination and to resist Soviet domination has been demonstrated on many occasions since 1945, including armed resistance to the forcible Soviet takeover of the Baltic Republics and resistance in the Ukraine as well as in the German Democratic Republic in 1953, in Hungary in 1956, in Czechoslovakia in 1968, and in Poland in 1956, 1970, and since 1980;

(4) it is appropriate that the United States express the hopes of the people of the United States that the people of Central and Eastern Europe be permitted to exercise their national sovereignty and self-determination free from Soviet interference; and

(9) it is appropriate for the United States to reject any interpretation or application that, as a result of the signing of the 1945 Yalta executive agreements, the United States accepts and recognizes in any way Soviet hegemony over the countries of Eastern Europe.

(b) POLICY.—(1) The United States does not recognize as legitimate any spheres of influence in Europe and it reaffirms its refusal to recognize such spheres in the present or in the future, by repudiating any attempts to legitimize the domination of East European nations by the Soviet Union through the Yalta executive agreement.

(2) The United States proclaims the hope that the people of Eastern Europe shall again enjoy the right to self-determination within a framework that will sustain peace, that they shall again have the right to choose a form of government under which they shall live, and that the sovereign rights of self-determination shall be restored to them in accordance with the pledge of the Atlantic Charter and with provisions of the United Nations Charter and the Helsinki Final Act of the Conference on Security and Cooperation in Europe.

SEC. 805. POLICY TOWARD TREATMENT OF SOVIET PENTECOSTALS.

(a) FINDINGS.—The Congress finds that—

(1) it is the policy of the Government of the Soviet Union to hinder and deny the free practice of religion and to deny freedom to emigrate to the victims of religious persecution;

(2) such policies are a violation of the letter and spirit of the Charter of the United Nations, the United Nations Declaration on Human Rights, and the Helsinki Final Act of the Conference on Security and Cooperation in Europe;

(3) members of the 170-member Pentecostal Christian community living in Chuguyevka in the Soviet Far East have allegedly undergone persecution at the hands of the Soviet authorities as a result of their attempts to practice their religious beliefs;

(4) the Soviet authorities allegedly have refused to allow members of that Pentecostal community to emigrate from the Soviet Union;

(5) when, on Monday May 13, 1985, four members of the Pentecostal community of Chuguyevka attempted to enter the United States Embassy in Moscow in an attempt to seek refuge and make their plight known, they were intercepted by Soviet guards stationed outside the Embassy;

(6) in the scuffle that ensued three of the Pentecostals were beaten severely and arrested by the Soviet guards, while the fourth Pentecostal gained entrance to the Embassy and was interviewed by United States officials; and

(7) upon agreeing to leave the United States Embassy the man was driven to the subway in a diplomatic car where he was detained by Soviet police before he could enter the subway.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the Soviet Union has acted in violation of the human rights of the Pentecostal community in Chuguyevka by hindering the practice of their religious beliefs and refusing to allow them to emigrate from the Soviet Union;

(2) personnel of the Government of the Soviet Union acted in violation of the human rights of the four members of the Pentecostal community who attempted to enter the United States Embassy in Moscow, particularly in using excessive force in an attempt to prevent their entry;

(3) the United States Department of State should continue through all available channels to assure the safety of the four persons who attempted to enter the United States Embassy, and to seek to persuade the Government of the Soviet Union to allow the members of the Pentecostal community in Chuguyevka to emigrate to the West; and

(4) the Secretary of State should undertake a study of United States policy relating to the granting of asylum in United States embassies abroad and develop recommendations for the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives as to where current policy might be adjusted with relation to incidents over the past five years where asylum has been requested at United States embassies abroad.

SEC. 806. DEMOCRACY ON TAIWAN.

(a) FINDINGS.—The Congress finds that—

(1) peace has prevailed in the Taiwan Strait since the normalization of relations between the United States and the People's Republic of China;

(2) the United States expects the future of Taiwan to be settled peacefully and considers a secure Taiwan free from external threat an indispensable element for the island's further democratization and a goal set forth in the Taiwan Relations Act;

(3) the authorities on Taiwan are striving to achieve greater democracy at the local level;

(4) an increasing number of native Taiwanese have been appointed to responsible positions at the provincial and national level on Taiwan;

(5) martial law measures tend to impede progress toward democracy and to abridge guarantees of human rights;

(6) movement toward greater democracy on Taiwan serves to bolster continued American public support for the moral and legal responsibilities set forth in the Taiwan Relations Act;

(7) the United States, in the Taiwan Relations Act, has reaffirmed as a national objective the preservation and enhancement of the human rights of all the people on Taiwan; and

(8) the United States considers democracy a fundamental human right.

(b) SENSE OF CONGRESS.—It is therefore the sense of the Congress that—

(1) one important element of a peaceful future for Taiwan is greater participation in the political process by all the people on Taiwan; and

(2) accordingly, the United States should encourage the authorities on Taiwan, in the spirit of the Taiwan Relations Act, to work vigorously toward this end.

SEC. 807. INCREASE UNITED STATES-CHINA TRADE.

(a) FINDINGS.—The Congress finds that—

(1) the People's Republic of China has made substantial progress in promoting market-oriented practices throughout the Chinese economy;

(2) the Chinese economy has responded to this increased liberalization with record growth that last year alone resulted in increases in the real gross national product of an estimated 13 percent;

(3) this growth has created significant new demand for a vast array of products and services that can be met by American producers;

(4) United States trade with the People's Republic of China totaled only $6,000,000,000 in 1984 and was again in deficit by more than $50,000,000;

(5) increased exports are essential to the creation of American jobs and to the vitality of the American economy; and

(6) the People's Republic of China represents the world's largest potential market.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that, consistent with overall American foreign policy and national security objectives, the Secretary of State and the Secretary of Commerce should take appropriate steps to increase United States-China trade with a view to improving the trade balance, increasing American jobs through export growth, and assuring significant United States participation in the growing Chinese market.

SEC. 808. USE OF UNITED STATES OWNED RUPEES.

Section 903 of the United States-India Fund for Cultural, Educational, and Scientific Cooperation Act (22 U.S.C. 290j-1) is amended—

(1) by inserting "(a)" after "SEC. 903."; and

(2) by inserting at the end thereof the following new subsection:

"(b) Pending completion of the negotiation of an agreement with the Government of India, the annual earnings generated by the moneys appropriated by the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Act, 1985, may be used for the purposes set out in section 902(a).".

SEC. 809. REFUGEES IN THAILAND.

(a) APPRECIATION FOR THE RESPONSE OF THE GOVERNMENT OF THAILAND.—The Congress recognizes and expresses appreciation for the extraordinary willingness of the Government of Thailand to respond in a humanitarian way to the influx of refugees fleeing Vietnamese communist oppression.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) Cambodians, Laotians, and Vietnamese seeking asylum and refuge in Thailand should not be involuntarily repatriated or otherwise put at risk; and

(2) every effort should be made to provide increased security for refugees in camps in Thailand which should include an increased presence by international humanitarian organizations.

(c) REVIEW OF CERTAIN CAMBODIAN REFUGEES.—

(1) The Secretary of State should—

(A) work with the Government of Thailand and the United Nations High Commissioner for Refugees to conduct a review of the status of Cambodians who have not been permitted to register at refugee camps in Thailand; and

(B) implement a humanitarian solution to their plight.

(2) The Secretary of State, with the assistance of appropriate agencies, should conduct a review of those Cambodians who have been rejected for admission to the United States to ensure such decisions are consistent with the letter and spirit of United States refugee and immigration law.

(3) The Secretary of State, with the assistance of appropriate agencies, should institute as expeditiously as possible a family reunification program for those refugees in Thailand, including those at the border who have family members in the United States.

(4) The Secretary of State should provide for a program of educational assistance for Cambodians in the border camps and for improved literacy training in all camps.

SEC. 810. POLICY REGARDING FOREIGN EXCHANGE INTERVENTION.

(a) FINDINGS.—The Congress finds and declares that—

(1) the trade deficit looms larger than any other threat to the ability of the United States to generate jobs and create economic well-being;

(2) the trade deficit continues to deteriorate even from the 1984 level of $123,000,000,000;

(3) the trade deficit will continue to deteriorate until the value of the dollar declines on foreign exchange markets;

(4) the dollar's rise may slow down but is unlikely to fall sufficiently as a result of Congress' contemplated budget deficit reduction measures;

(5) the value of the dollar would probably fall under a number of tax reform proposals but industries losing market share due to the exchange rate may not be able to wait for a complete tax package;

(6) the only remaining timely option for lowering the value of the dollar is intervention in foreign exchange markets by the Secretary of the Treasury or the Federal Reserve Board;

(7) any such intervention must be strong enough to achieve the intent of the Congress of lowering the dollar's value but sufficiently moderate to prevent a sudden drop in its value;

(8) any such intervention in order to assure a gradual decline and protect against too large a drop in the value of the dollar, will require coordinated action by the central banks of Europe and Japan as well as the United States; and

(9) such coordination is especially important to strengthen economic and political ties with the allies of the United States and to promote consistent macroeconomic policies to the mutual benefit of all.

(b) SENSE OF CONGRESS.—Therefore, it is the sense of the Congress that—

(1) the Secretary of the Treasury and the Chairman of the Federal Reserve Board, in concert with United States allies and coordinated with the central banks of the Group of Five or other major central banks, should take such steps as are necessary to lower gradually the value of the dollar;

(2) such steps should not exclude intervention in the foreign exchange markets;

(3) the Secretary of the Treasury and the Chairman of the Federal Reserve Board should work to ensure that the domestic macroeconomic policies of the United States and its allies are forged to reinforce rather than oppose one another.

SEC. 811. COMMENDING MAYOR TEDDY KOLLEK OF JERUSALEM.

(a) FINDINGS.—The Congress finds that—

(1) Mayor Teddy Kollek has worked to promote harmony among all the people of Jerusalem; and

(2) he has promoted freedom of access to religious shrines for Muslims, Christians, and Jews; and

(3) through his efforts the aesthetic character of the city has been enhanced.

(b) COMMENDATION.—Therefore, the Congress commends Mayor Kollek for his efforts over the years.

SEC. 812. JAPAN-UNITED STATES SECURITY RELATIONSHIP AND EFFORTS BY JAPAN TO FULFILL SELF-DEFENSE RESPONSIBILITIES.

(a) FINDINGS.—The Congress hereby finds—

(1) the Japan-United States security relationship is the foundation of the peace and security of Japan and the Far East, as well as a major contributor to the protection of the United States and of the democratic freedoms and economic prosperity enjoyed by both the United States and Japan;

(2) the threats to our two democracies have increased significantly since 1976, principally through the Soviet invasion of Afghanistan, the expansion of Soviet armed forces in the Far East, the invasion of Cambodia by Vietnam, and the instability in the Persian Gulf region as signified by the continuing Iran-Iraq conflict;

(3) in recognition of these and other threats, the United States has greatly increased its annual defense spending through sustained real growth averaging 8.8 percent yearly between fiscal 1981 and 1985, and cumulative real growth of 50 percent in that period;

(4) the United States Government appreciates the May 1981 commitment by the Prime Minister of Japan that, pursuant to the Treaty of Mutual Cooperation and Security of 1960 between Japan and the United States, Japan, on its own initiative, would seek to make even greater efforts for improving its defense capabilities, and pursuant to Japan's own Constitution, it was national policy for his country to acquire and maintain the self-defense forces adequate for the defense of its land area and surrounding airspace and sealanes, out to a distance of 1,000 miles;

(5) the United States Government applauds the policy of Japan to obtain the capabilities to defend its sea and air lanes out to 1,000 miles, expects that these capabilities should be acquired by the end of the decade, and recognizes that achieving those capabilities would significantly improve the national security of both Japan and the United States;

(6) the United States Government appreciates the contribution already made by Japan through the Host Nation Support Program and its recent efforts to increase its defense spending; and

(7) Japan, however, in recent years consistently has not provided sufficient funding and resources to meet its self-defense needs and to meet common United States-Japan defense objectives and alliance responsibilities.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that Japan, to fulfill its self-defense responsibilities pursuant to the 1960 Mutual Cooperation and Security Treaty with the United States, and in accordance with the national policy declaration made by its Prime Minister in May 1981, to develop a 1,000 mile airspace and sealanes defense capability, should implement a 1986-1990 Mid-Term Defense Plan containing sufficient funding, program acquisition, and force development resources to obtain the agreed-upon 1,000 mile self-defense capabilities by the end of the decade, including the allocation of sufficient budgetary resources annually to reduce substantially the ammunition, logistics, and sustainability shortfalls of its self-defense forces.

(c) SUBMISSION TO CONGRESS.—Not later than March 31, 1986, and on an annual basis thereafter, the President should submit to the appropriate committees of Congress, in both a classified and unclassified form, detailed and extensive information to permit the Congress to understand Japan's progress toward actually fulfilling its common defense commitment, including the development and implementation of a 1986-1990 Mid-Term Defense Plan fully funded for Japan to achieve 1000 mile self-defense capabilities by 1990. Such information shall include a description of actions taken by the United States Government in the preceding year to encourage Japan to meet its 1000 mile self-defense commitment by 1990.

SEC. 813. DIPLOMATIC EQUIVALENCE AND RECIPROCITY.

(a) STATEMENT OF CONGRESSIONAL POLICY.—(1) It is the policy of the Congress that the number of nationals of the Soviet Union admitted to the United States who serve as diplomatic or consular personnel of the Soviet Union to the United States shall be substantially equivalent to the number of United States nationals admitted to the Soviet Union who serve as diplomatic or consular personnel of the United States in the Soviet Union unless the President determines that the admission of additional Soviet diplomatic and consular personnel would be in the best interests of the United States.

(2) The policy expressed in paragraph (1) does not apply to dependents or spouses who do not serve as diplomatic or consular personnel.

(b) REPORTING REQUIREMENT.—It is the sense of the Congress that the Secretary of State and the Attorney General should prepare and, not later than 6 months after the date of the enactment of this Act, should transmit to the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate, and to the Committee on Foreign Affairs and the Permanent Select Committee on Intelligence of the House of Representatives, a report setting forth a plan for ensuring that the number of Soviet nationals described in subsection (a) does not exceed the limitation described in that section.

(c) DEFINITIONS.—For purposes of this section—

(1) the term "diplomatic or consular personnel" means the members of the diplomatic mission or the members of the consular post, as the case may be;

(2) the term "members of the diplomatic mission" is used within the meaning of Article 1(b) of the Vienna Convention on Diplomatic Relations (done April 18, 1961); and

(3) the term "members of the consular post" is used within the meaning of Article 1(g) of the Vienna Convention on Consular Relations (done April 24, 1963).

SEC. 814. UNITED STATES INTERNATIONAL NARCOTICS CONTROL COMMISSION.

(a) ESTABLISHMENT.—There is established the United States International Narcotics Control Commission (hereafter in this section referred to as the "Commission").

(b) DUTIES.—The Commission is authorized and directed—

(1) to monitor and promote international compliance with narcotics control treaties, including eradication and other relevant issues; and

(2) to monitor and encourage United States Government and private programs seeking to expand international cooperation against drug abuse and narcotics trafficking.

(c) MEMBERSHIP.—(1) The Commission shall be composed of 12 members as follows:

(A) 7 Members of the Senate appointed by the President of the Senate, 4 of whom (including the member designated as Chairman) shall be selected from the majority party of the Senate, after consultation with the majority leader, and 3 of whom (including the member designated as Cochairman) shall be selected from the minority party of the Senate, after consultation with the minority leader.

(B) 5 members of the public to be appointed by the President after consultation with the members of the appropriate congressional committees.

(2) There shall be a Chairman and a Cochairman of the Commission.

(d) POWERS.—In carrying out this section, the Commission may require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. Subpoenas may be issued over the signature of the Chairman of the Commission or any member designated by him, and may be served by any person designated by the Chairman or such member. The Chairman of the Commission, or any member designated by him, may administer oaths to any witness.

(e) REPORT BY PRESIDENT TO COMMISSION.—In order to assist the Commission in carrying out its duties, the President shall submit to the Commission a copy of the report required by section 481(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2991(e)).

(f) REPORT TO SENATE.—The Commission is authorized and directed to report to the Senate with respect to the matters covered by this section on a periodic basis and to provide information to Members of the Senate as requested. For each fiscal year for which an appropriation is made the Commission shall submit to the Congress a report on its expenditures under such appropriation.

(g) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated to the Commission $325,000 for each fiscal year, to remain available until expended, to assist in meeting the expenses of the Commission for the purpose of carrying out the provisions of this section.

(2) For purposes of section 502(b) of the Mutual Security Act of 1954 (22 U.S.C. 1754(b)), the Commission shall be deemed to be a standing committee of the Senate and shall be entitled to the use of funds in accordance with such section.

(h) STAFF.—The Commission may appoint and fix the pay of such staff personnel as it deems desirable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(i) TERMINATION.—The Commission shall cease to exist on September 30, 1987.

And the Senate agree to the same.

DANTE B. FASCELL,
DAN MICA,
PETER H. KOSTMAYER,
LAWRENCE J. SMITH,
TED WEISS,
BUDDY MACKAY,
TOM LANTOS,
BILL BROOMFIELD,
OLYMPIA SNOWE,
BENJAMIN A. GILMAN,
CONNIE MACK,
JOHN MCCAIN,

Managers on the Part of the House.

RICHARD G. LUGAR,
JESSE HELMS,
CHARLES MCC. MATHIAS, JR.,

CLAIBORNE PELL,
J.R. BIDEN, Jr.,
For the portion dealing with Iran claims legislation:
DANIEL J. EVANS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the Senate amendment to H.R. 2068, the bill to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the United States Information Agency, the Board for International Broadcasting, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The Senate amendment struck all of the House bill after the enacting clause and inserted a substitute text.

The House receded from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill and the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached in the committee of conference, and minor drafting and clarifying changes.

AUTHORIZATION OF APPROPRIATIONS

With respect to the fiscal year 1986 authorization requests for the Department of State, the U.S. Information Agency, and the Board for International Broadcasting, the committee of conference agreed to authorization levels that are below the President's request for approximately $30 million for the State Department, $96 million for the USIA, and $17 million for the Board for International Broadcasting. The entire fiscal year 1986 budget request for this legislation is $130.5 million below the executive branch request.

For fiscal year 1987, the committee of conference agreed to authorization levels only $45 million above the fiscal year 1986 levels. The committee's recommendation amounts substantially to a freeze in the authorization levels for the U.S. Information Agency and the Board for International Broadcasting, and only a 2.5 percent inflation allowance for the Administration of Foreign Affairs in Department of State.

Should the executive branch request a supplemental authorization and appropriation for fiscal year 1986 above the approved levels for any agencies authorized by this legislation, such additional sums shall not be offset by reductions in any of the abovementioned accounts or any other international affairs account. The programs authorized in this legislation are considered by the committee of conference to be vital elements for the conduct of U.S. foreign policy and the promotion of U.S. national security.

The committee of conference notes that the amounts authorized for the Department of State do not include $118,174,000 for each of fiscal years 1986 asnd 1987 which is permanently authorized for the Foreign Service Retirement and Disability Fund. The following table summarizes the action of the committee of conference:

AUTHORIZATION OF APPROPRIATIONS

[By fiscal year; in thousands of dollars]

	1985 current	Executive branch request 1986	House recommendation		Senate recommendation		Conference substitute	
			1986	1987	1986	1987	1986	1987
Department of State:								
Administration of foreign affairs [1]	2,005,588	1,844,202	1,852,025	1,910,313	1,756,613	1,756,613	1,828,088	1,873,790
International organizations and conferences	544,888	553,574	543,574	520,168	534,074	534,074	534,074	534,074
International commissions [2]	26,785	26,278	26,278	25,824	26,278	26,278	26,278	25,824
Science and technology		4,000	4,000	4,000	2,000	2,000	2,000	2,000
Asia Foundation	9,600	9,785	10,000	10,000	10,500	10,500	10,500	10,500
Soviet-East European research	4,800	5,000	5,000	5,000	4,800	4,800	4,800	5,000
Refugee assistance	338,000	337,680	351,780	351,780	337,680	337,680	344,730	344,730
Subtotal	2,929,661	2,780,519	2,827,085	2,671,945	2,671,945	2,506,440	2,752,896	2,795,918
USIA	796,356	973,639	922,286	962,866	837,623	844,623	887,900	887,900
BIB	111,251	142,125	122,325	127,707	137,717	137,517	125,000	125,000
Total	3,837,268	3,896,283	3,917,658	3,647,285	3,654,079	3,488,580	3,765,796	3,808,818

[1] The House and Senate figures listed for Administration of Foreign Affairs do not include $118,174,000 which is permanently authorized for the Foreign Service Retirement and Disability Fund.
[2] Pending supplementals (H.R. 2568) include $2 million for Salmon Fisheries Commission and $1 million for the Fisherman's Protective Fund. In addition, the higher appropriations amount for this account contains $2.275 million for the Nogales Sewage Project, a one-time appropriation for construction, through the United States-Mexico Water Boundary Commission.

A summary of actions taken by the committee of conference on issues that were in disagreement follows:

PERMANENT AUTHORIZATION OF APPROPRIATIONS

The House bill provides permanent authority to the Department of State for appropriations for mandatory payments to the Foreign Service Retirement and Disability Fund and requires notification to the authorizing committees pursuant to such requests.

The Senate amendment earmarks $118,174,000 for each of fiscal years 1986 and 1987 for the Foreign Service Retirement and Disability Fund.

The conference substitute is identical to the House provision.

U.N. PEACEKEEPING FORCES

The House bill repeals the permament authorization for contributions to U.N. peacekeeping forces.

The Senate amendment earmarks $47,400,000 for each of the fiscal years 1986 and 1987 for U.S. payments to the U.N. peacekeeping forces in the Middle East.

The conference substitute is identical to the House provision. Funds for this purpose have been provided under the administration of foreign affairs account.

U.S. NATIONAL COMMISSION TO UNESCO

The House bill earmarks $250,000 from the administration of foreign affairs account for each of the fiscal years 1986 and 1987 to enable the U.S. National Commission on Educational, Scientific, and Cultural Cooperation to maintain a liaison between the U.S. Government, the U.S. private sector and UNESCO. This funding would enable the United States, even though it is not a member of UNESCO, to maintain an informal linkage with the organization, and enable the U.S. educational, scientific, and cultural communities to support a base for any future U.S.-UNESCO relationship.

The Senate amendment contains no comparable provision.

The conference substitute is identical to the House bill.

WORLD COMMISSION ON ENVIRONMENTAL AND DEVELOPMENT

The Senate amendment earmarks $750,000 for each of the fiscal years 1986 and 1987 for the World Commission on Environment and Development.

The House bill contains no comparable provision.

The conference substitute is identical to the Senate amendment.

The managers believe that the World Commission on Environment and Development holds the potential to make a meaningful contribution to resolving environment and development problems. Strong U.S. leadership may be necessary to ensure that the Commission fulfills its mandate and addresses the most important and relevant issues. Administration witnesses have testified that U.S. leadership and financial support have been vital to the success of the United Nations Environment Program. It is not unreasonable to assume that a similar strategy could succeed at the Commission.

USE OF REFUGEE ASSISTANCE FUNDS

The House and Senate bills earmark funds for certain groups of refugees as follows:

[By fiscal year; in thousands of dollars]

	1986	1987
Refugees in Israel	12,500	25,000
African refugees	56,000	56,000
Antipiracy	2,500	1,750
ICRC	4,500	4,500

The House amendment earmarked $25 million for fiscal years 1986 and 1987 for the resettlement of Soviet, Eastern European, African, and other refugees in Israel in recognition of the particular needs of the Ethiopian Jews for health care, skills, and language training before they can become self-sufficient.

The Senate amendment contained a similar earmark.

The conference substitute retained an earmark for refugees resettling in Israel, but reduced it to $12.5 million in fiscal year 1986 and $25 million in fiscal year 1987. The reduced earmark for fiscal year 1986 takes into account the action of the Congress in the 1985 Supplemental Appropriation Act providing an increase of $12.5 million for this purpose.

AFRICAN REFUGEES

The House amendment earmarked $61 million in fiscal years 1986 and 1987 for African refugee assistance.

The Senate amendment contained no similar provision.

The conference substitute provides an earmark of $56 million in fiscal year 1986 and fiscal year 1987. This increase of $5 million over the funds requested by the executive branch is provided in recognition of the grave needs of the almost 4 million refugees in Africa for improved water supply, shelter, health and educational services, and other humanitarian assistance.

PIRACY IN THE GULF OF THAILAND

The House bill earmarked $2.5 million for fiscal year 1986 and $1.75 million for 1987 to combat piracy in the Gulf of Thailand.

The Senate amendment contained no comparable provision.

The conference substitute is similar to the House bill. The managers intend that the funds should be used: To suppress and deter effectively the attacks on refugees fleeing from Indochina by boat; to provide assistance to pirate victims; to promote the rescue of refugees in distress at sea in Southeast Asia; and to strengthen protection measures for Indochinese boat refugees. Programs for enhanced medical/counseling services, increased enforcement on land, and expansion of rescue at sea are especially deserving of support at a multilateral, bilateral, nongovernmental level.

INTERNATIONAL COMMITTEE OF THE RED CROSS

The Senate amendment earmarks $4.5 million in fiscal year 1986 and fiscal year 1987 for the regular budget of the ICRC and states U.S. policy to contribute to the ICRC, in any financial year, an amount not less than 20 percent of the regular budget of the ICRC and to support generously the special appeals made by the ICRC.

The House had no similar provision.

The conference substitute is identical to the Senate provision.

ENHANCED RECEPTION AND PLACEMENT SERVICES

The House limited to $2 million the amount of funds which may be used by the Department of State for new types of demonstration and pilot programs with enhanced reception and placement services for refugees for periods longer than 30 days.

The Senate had no similar amendment.

The conference substitute is identical to the House provision.

The managers intend that any enhanced domestic resettlement services, except for these pilot programs, should be covered by a separate authorization for appropriations, rather than from the funds authorized in this act.

SECURITY RELATED ACTIVITIES

The Senate amendment earmarks not less than $311 million for fiscal year 1986 out of the Department of State's administration of foreign affairs account for capital projects and improvements and the salaries and expenses associated with security-related personnel.

The House bill contains no comparable provision.

The Conference substitute is identical to the Senate amendment.

THE U.N. HIGH COMMISSIONER FOR REFUGEES AUDIT

The House bill prohibits U.S. funding of the U.N. High Commissioner for Refugees unless the United Nations provides for quarterly audits of the UNHCR by the U.N. Joint Inspection Unit, and until such audits are made available for inspection by the Comptroller General of the United States. It also provides that the Comptroller General shall inspect and report to the Congress on each audit.

The Senate amendment contains no comparable provision.

The conference substitute amends the Migration and Refugee Assistance Act to direct that no funds may be paid to the U.N. High Commissioner for Refugees unless, by September 1, 1987, the High Commissioner provides for annual program audits of the UNHCR by an independent consultant, and such audits are made available to the Department of State and the General Accounting Office, it also provides that the Comptroller General of the United States shall inspect each audit and submit a report to the Congress. The first audit shall begin not later than September 1, 1987. The managers intend that "independent consultant" means an internationally recognized public accountancy firm which is independent of the United Nations.

UNHCR PROCUREMENT STUDY

The House bill directs the Comptroller General of the United States to study the origin of goods acquired with funds contributed by the United States to the U.N. High Commissioner for Refugees. This section also requires that the Comptroller General report the findings to the Congress.

The Senate amendment contained no comparable provision.

The conference substitute contains no provision on this issue.

AUTHORIZED USES OF APPROPRIATED FUNDS

The Senate amendment conforms sections of the Basic Authorities Act removing the requirement that specific reference be made in an appropriation act to authorize certain activities.

The House bill substitute is similar to the Senate amendment and provides that the Secretary may use appropriated funds for these purposes.

ASSISTANT SECRETARY POSITIONS AT THE DEPARTMENT OF STATE

The House bill creates a new position for an Assistant Secretary of State. It also places the Director General of the Foreign Service and the Inspector General of the Department of State under the executive level IV salary level, subject to appropriations action.

The Senate amendment increases the number of Assistant Secretaries at the Department of State from 13 to 14, but does not address the salary issue for the Inspector General or the Director General.

The conference substitute is similar to the Senate amendment. The effect of the amendment is to enable the Department of State to designate two new Assistant Secretaries of State for Intelligence and Research and for Politico-Military Affairs, respectively. It also replaces the position of Director of the Bureau of Intelligence and Research with the position of an Assistant Secretary of State.

UNDER SECRETARY OF STATE FOR AGRICULTURAL AFFAIRS

The Senate amendment creates a new Under Secretary for Agricultural Affairs in the Department of State.

The House bill contains no comparable provision.

The conference substitute redesignates the current Under Secretary for Economic Affairs as Under Secretary for Economic and Agricultural Affairs.

DETAIL TO OTHER AGENCIES

The House bill repeals existing legislation dealing with reimbursement for detailed State Department personnel, to allow the Secretary of State to detail individuals to other agencies for periods longer than 1 year without requiring reimbursement by other agencies.

The Senate amendment amends existing legislation to allow an exemption to the 1-year-reimbursable limitation. The number of employees exceeding that limit cannot be greater than 15 or their term of assignment exceed 2 years.

The conference substitute is identical to the Senate amendment.

SERVICES RELATING TO MIGRATION AND REFUGEE ASSISTANCE

The House bill authorizes the Bureau for Refugee Programs to contract for personal services abroad and provides that certain individuals employed under such contracts would not be considered employees of the United States.

The Senate amendment provides that certain individuals employed by contract for overseas services shall not be considered employees of the U.S. Government, except relating to compensation for work injuries, and for claims under section 2(f) of the State Department Basic Authorities Act.

The conference substitute authorizes the Bureau to contract for personal services abroad, provides that such individuals would not become U.S. employees for purposes of any law administered by the Office of Personnel Management, and provides authority for the Secretary of State to apply overseas claims settlement and other authorities administered by the State Department to such persons. It is intended that other authorities would include the provision of benefits such as might be available under pending hostage relief legislation.

It is the managers intent that this section should not be interpreted as an entitlement.

INDIVIDUALS EMPLOYED ABROAD DEEMED TO BE EMPLOYEES OF THE UNITED STATES FOR CERTAIN PURPOSES

The Senate amendment provides that certain individuals who perform personal services contracts abroad under existing authority would not be deemed employees of the U.S. Government except for the purposes of the Federal Employees Compensation Act and the Secretary's authority to administratively settle tort claims abroad.

The House bill contains no comparable provision.

The conference substitute is identical in substance to the position stated in the substitute above regarding personal services contracting for migration and refugee assistance.

PERFORMANCE PAY

The House bill amends the Foreign Service Act to: (a) Eliminate the current 50 percent limit on the number of Senior Foreign Service members eligible to receive performance pay and establish a maximum payment

pool; (b) establish a minimum individual award of 5 percent of basic pay; and (c) provides that performance pay which is not payable within a fiscal year due to the pay cap may be paid in the next fiscal year. These provisions would conform Foreign Service provisions to those in Civil Service law.

The Senate amendment contained no comparable provision.

The conference substitute contains no provision on this issue.

SENIOR FOREIGN SERVICE MEMBERS

The Senate amendment would allow the appointment of a Director General from outside the ranks of the Senior Foreign Service. This section also provides that the Chair of the Board of the Foreign Service shall be appointed by the President. Neither the Board members nor the chair need to be Senior Foreign Service members. This provision also excludes members of the Senior Foreign Service from the employee's bargaining unit.

The House bill contains no comparable provision.

The conference substitute provides that the Chair of the Board of the Foreign Service shall be appointed by the President.

FOREIGN SERVICE ASSOCIATES

The Senate amendment expresses the sense of the Congress that the Secretary of State should conduct a pilot project designed to increase the employment of spouses of U.S. personnel at a U.S. mission and report to the Congress on the design of such project by February 1, 1986.

The House bill contains no comparable provision.

The conference substitute is identical to the Senate language with an amendment stating that the pilot project would be conducted in accordance with section 311(b) of the Foreign Service Act of 1980. It would also require that the Secretary's report to the Congress would include an evaluation of the effects of the pilot program on the full-time career positions in the Foreign Service and on overseas positions for Foreign Service nationals.

The managers are concerned that such a pilot program, or any similar permanent employment program, should not be used to fill full-time Foreign Service career positions, nor should it detract from positions filled by Foreign Service national employees who provide continuity and special expertise for U.S. missions overseas.

LATERAL ENTRY INTO THE FOREIGN SERVICE FOR BUSINESSMEN AND FARMERS

The Senate amendment directs the Department of State to conduct a study on the feasibility and desirability of creating a temporary lateral entry program for farmers and businessmen and other occupations and requires a report to Congress on the results of the study 180 days after enactment.

The House bill contains no comparable provision.

The conference substitute directs the Secretary of State to conduct a study on the feasibility of creating a program of lateral entry into the service of U.S. businessmen, farmers, and other occupations. It also requires the Secretary to report the results of such a study to the Congress within 180 days after the date of enactment of this act.

HEALTH CARE BENEFITS

The Senate amendment makes the Department of State the primary insurer of Foreign Service personnel abroad and the Foreign Service Benefit Plan the secondary insurer. It will allow the Foreign Service Benefit Plan to offer a low-priced, low-option health insurance plan to supplement the benefits provided by the Foreign Service Act.

The House bill contained no comparable provision.

The conference substitute is identical to the Senate amendment.

FOREIGN SERVICE INSTITUTE

The House bill provides for a new Foreign Service Institute Facility and contains House Public Works Committee amendments which authorize the Government Services Administration (GSA), (with funds transferred by State, not exceeding $11 million in fiscal year 1986 and 1987) to conduct feasibility studies and acquire a site within proximity of the State Department but outside the District of Columbia. Funds transferred to GSA for construction are limited to $50 million, after fiscal year 1987, which may not be expended until after a congressional notice period, which excludes recess periods. The House bill also places custody and control of the facility in GSA, unless delegated, but requires State to pay GSA only for services performed by GSA.

The Senate amendment amends the Foreign Service Act of 1980 to authorize the Department of State to acquire a site and construct a training facility, in consultation with GSA. Preparation of plans and site acquisition is limited to $11 million in fiscal years 1986 and 1987, subject to a 30-day congressional notice period, but no authorization is included for construction funding.

At the request of the State Department, section 126 has been amended to provide that the Administrator of the General Services Administration shall delegate responsibility for the operation, maintenance, security, alteration, and repair of the facility to the Secretary of the State Department. Jurisdiction and custody of the site and facility, however, will remain with the General Services Administration. The Secretary of State, under the delegation, shall be responsible for complying with all applicable statutory requirements of the Federal Property and Administrative Services Act of 1949 and the Public Buildings Act of 1959. Matters relating to alterations, repairs, renovations, or construction on or to the site or to any existing or future buildings on the site shall be referred by the State Department in the House of Representatives for appropriate action to the House Committee on Public Works and Transportation and the Committee on Foreign Affairs.

INTERNATIONAL CENTER

The House bill provides authority, as amended by the House Public Works Committee, for the Department of State, in consultation with GSA, to provide for a security and maintenance facility within the Federal Diplomatic Center site, and provides for notice to Congress on construction progress.

The Senate amendment provides authority for the Department of State to request GSA to develop a security and maintenance facility within the Federal Diplomatic Center site.

The conference substitute is identical to the House provision.

SPECIAL AGENTS

The House bill provides authority for Department of State security agents to carry firearms and make arrests in the course of discharging their duties.

The Senate amendment contains no comparable provision.

The conference substitute is identical to the House bill.

PROTECTION OF FOREIGN MISSIONS

The House bill provides permanent authority for protection of foreign missions, and removes in the fourth quarter of each year the limitations on the level of assistance for individual States, allowing application of funds to areas of actual need. The bill also contains amendments to title 3, United States Code, which contains separate authority primarily for protection of U.N. missions.

The Senate amendment provides permanent authority for protection of foreign missions.

The conference substitute is identical to the House provision.

The managers understand that funds authorized under title 3 of the United States Code for purposes of such protection (3 U.S.C. 208) are authorized to be applied to any locality qualifying under that section for purposes of special international organization activities approved by the Secretary of State, and which are notified to the Congress prior to such approval.

It is also the understanding of the managers that, while the provision of protective services, and the level of such services to missions to international organizations qualifying under title 3, section 202 of the United States Code is set by the level of funds made available under that section, provisions of the Foreign Missions Act of 1982 may otherwise be applied for such protective services, such as section 208(b) relating to liability and section 211(a) relating to the capacity of the Attorney General to seek judicial relief.

Furthermore, the authority contained in subsection (b) relating to contracts for protective services is intended to be available for both private and public agencies providing such services.

PROTECTION OF U.S. INTERESTS UNDER THE FOREIGN MISSIONS ACT

The House bill redefines foreign missions in order to include officials acting for a foreign government, but who are not now covered under existing law.

The Senate amendment contains no comparable provision.

The conference substitute is identical to the House bill.

PEACEFUL RESOLUTION OF INTERNATIONAL DISPUTES

The House bill replaces existing authority, now included in annual appropriation acts, with permanent authorization to pay expenses of arbitrations under treaties and international agreements and contracts.

The Senate amendment provides similar authority to that contained in the House version.

The conference substitute is identical to the House bill.

CONSULAR AND PASSPORT FACILITIES AND SERVICES

The House bill directs the Secretary of State to conduct a study and submit a report to the Congress on: The extent to which U.S. consular facilities promote trade and tourism, protect U.S. citizens abroad, or protect the national interest; whether consular services are able to respond to demand; and whether consular user fees should be returned to the Department to improve passport and consular facilities.

The Senate amendment contains no comparable provision.

The conference substitute contains no provision on this issue.

EXCESS GOVERNMENT-OWNED PROPERTY

The Senate amendment clarifies the authority of the Department of State to transfer excess property to countries for environmental purposes.

The House bill contains no comparable provision.

The conference substitute is identical to the Senate amendment.

TRADE PROMOTION BY U.S. MISSIONS ABROAD

The House bill expresses the sense of the Congress that it is in the U.S. national interest that each U.S. mission abroad provide such support as may be necessary to U.S. citizens seeking to do business in that country.

The Senate amendment contains no comparable provision.

The conference substitute is identical to the House provision.

INFORMATION SHARING CONCERNING DRUG TRAFFICKERS

The House bill directs the Department of State to cooperate with U.S. law enforcement agencies in establishing a comprehensive information system on all drug arrests of foreign nationals in the United States. It further requires the Secretary of State and the Administrator of the Drug Enforcement Administration to agree on uniform guidelines which would permit the sharing of information on foreign drug traffickers, and requires the Secretary of State to report to the Congress within 6 months of the date of enactment on steps taken to implement this section.

The Senate amendment is similar to the House provision except that it designates the National Drug Enforcement Policy Board as the organization which shall create uniform guidelines permitting the sharing of information, and specifies that the Board instead of the Secretary of State shall submit the report required.

The conference substitute is identical to the Senate amendment.

EXTRADITION TREATIES

The House bill requires the Secretary of State to increase his efforts to negotiate updated extradition treaties relating to narcotics offenses with each major drug-producing country, particularly those in Latin America.

The Senate amendment contains no comparable provision. However, a similar provision was included in the Senate version of the foreign assistance authorization bill.

The conference substitute is the same as the House bill, with an amendment requiring the assistance of the Drug Enforcement Policy Board in negotiating new extradition treaties.

TRAVEL ADVISORY ON MEXICO

The House bill deplores the brutal murder of Drug Enforcement Administration agent Enrique Camarena and the abduction and murder of numerous other Americans, and finds that the violence perpetrated by drug traffickers in Mexico constitutes a danger to the safety of U.S. citizens. It further establishes a travel advisory on the State of Jalisco, Mexico, until those responsible for the abduction and murder of specified U.S. citizens are brought to trial and a verdict has been obtained.

The Senate amendment condemns the murder of agent Camarena, deplores the disappearance of Americans in Mexico, and commends the Government of Mexico for recent antinarcotics efforts. It also requires the Secretary of State to report to the Congress every 90 days on progress made on investigations of murdered and missing U.S. citizens and general tourist safety.

The conference substitute is the same as the House bill, with an amendment which recommends rather than directs the Secretary to issue a travel advisory, and which retains the Senate's 90-day reporting requirement. It is the intent of the managers that the reports continue through fiscal year 1987 or until such time as there has been an arrest and convictions of persons responsible for the murder of U.S. citizens in the State of Jalisco.

AMBASSADOR GAVIN

The House bill commends U.S. Ambassador to Mexico John Gavin for ensuring investigation and prosecution of the murderers of Enrique Camerena and his advocacy of strong drug enforcement programs.

The Senate amendment contains no comparable provision.

The conference substitute is identical to the House bill.

COORDINATING COMMITTEE ON EXPORT CONTROLS

The House bill states that only State Department funds and personnel may be used with respect to CoCom facilities and places restrictions on the number of officials permanently assigned to the U.S. delegation.

The Senate amendment contains no comparable provision.

The conference substitute contains no provision on this issue.

EMPLOYEES OF INTERNATIONAL ORGANIZATIONS IN THE UNITED STATES

The Senate amendment authorizes the regulations of the travel and other activities of all UN Secretariat employees outside the U.N. headquarters district.

The House bill contains no comparable provision.

The conference substitute is similar to the Senate language and also provides for a Presidential waiver in cases where national security and foreign policy circumstances require nonapplication of the section.

The managers note that the U.S. obligation to assure the "international character" of the UN Secretariat does not create rights of travel or otherwise within the United States outside of the headquarters district, except for purposes of entry into and exit from the country; thus there is no inconsistency with U.S. treaty obligations.

Nothing in subsection (b) affects the ability of the United States to accord to the United Nations itself the right to transfer funds, control its assets or perform such other functions as are assured by international agreement. The managers note that the term "activities" in subsection (b) is intended to cover any activity, including but not limited to matters covered by section 202 of the Federal Missions Act. The managers also clearly expect that the exceptions authority made available under this subsection to the President will not be used except in compelling circumstances and on a limited basis. Finally, the term "national" in subsection (e) is intended to cover both citizens and permanent residents of the United States, as well as any person entitled to rights as a national.

INTER-AMERICAN COOPERATION IN SPACE

The House bill directs the Secretary to conduct a study regarding the feasibility of establishing a major initiative in inter-American cooperation in space, science, and technology. It also requires a report to the Congress on the findings of such a study.

The Senate amendment contains no comparable provision.

The conference substitute is identical to the House bill.

RESIDENCE OF SECRETARY OF STATE

The House bill prohibits the United States from accepting as a gift an official residence for the Secretary of State or any other official of the Department of State until the Congress authorizes such an acceptance. It also directs the Secretary to study any offer of a gift and report to the appropriate committees of the Congress.

The Senate amendment contains no comparable provision.

The conference substitute limits the provision to property considered for a Secretary of State's residence and requires prior notification to the Congress, together with a cost-benefit study prior to acceptance of any gift.

U.S. INSTITUTE OF PEACE

The House bill expresses the sense of the Congress that nominations to the Board of Directors for the U.S. Institute of Peace should be submitted to the Senate on a timely basis.

The Senate amendment contains no comparable provision.

The conference substitute is identical to the House bill.

RELATING TO U.S. CONTRIBUTIONS TO THE UNITED NATIONS

The Senate amendment provides that the United States will reduce its annual assessed contribution to the United Nations or its specialized agencies by 8.34 percent for each month in which the United States suspends its participation due to the fact that Israel has been illegally expelled, suspended, or denied its credentials in the General Assembly or any specialized agency of the United Nations.

The House bill contains no comparable provision.

The conference substitute is identical to the Senate amendment. The managers note that this provision does not apply to the programs of the International Atomic Energy Agency that provide for safeguards at nuclear facilities.

UN ORGANIZATIONS REFORM IN BUDGET PROCEDURES

The Senate amendment states that the United States may contribute no more than 20 percent of the annual budget of the United Nations unless the Secretary of State certifies that: (1) The organization has adopted a procedure for weighted voting on budgetary matters; and (2) the organization has adopted a plan to reduce salaries and pensions of its employees. This section also provides that if UNICEF does not comply with the amendment, any money for UNICEF in excess of 20 percent shall remain available to the President for grants to private voluntary organizations.

The House bill contains no comparable provision.

The conference substitute states Congress' finding that the United Nations and its specialized agencies financed through assessed contributions have not paid sufficient attention to member governments in formulating their budgets. The substitute directs the Secretary of State to seek adoption by the United Nations and its specialized agencies of voting rights procedures on budgetary matters which would give each member state voting rights proportionate to each State's contribution to the United Nations and its specialized agencies. The conference substitute requires that no payment in excess of 20 percent of the annual budget of

the United Nations and its specialized agencies be made for fiscal year 1987 or following years unless the United Nations and its specialized agencies adopt weighed voting on budgetary matters.

It is the intention of the managers that this substitute promote meaningful reform in budget procedures at the United Nations and its specialized agencies and not be used simply as a way to reduce the U.S. assessed contribution to the United Nations or its specialized agencies. For this reason the managers' intention is to provide sufficient authorization in this legislation for the United States to meet its full obligations to the United Nations in calendar years 1986 and 1987. In restricting payments for fiscal year 1987 the managers intend that the minimum amount to be paid by the United States would be 20 percent of the assessed contribution and that the authorization for funds in excess of 20 percent will remain available to permit payment of a higher assessed contribution should the intended reforms be achieved in the U.N. fiscal year for which the funds are provided. To the extent that rapid and meaningful progress toward reform in budgetary voting rights is accomplished, the managers intend that the United States fulfill its obligations to the United Nations.

It is the intent of the managers that this section not reduce U.S. contributions to international organizations serving the nations of the Western Hemisphere, especially the Pan American Health Organization (PAHO). To the extent that PAHO might be indirectly and adversely affected by this provisions, the conferees would expect the United States to increase its direct contribution to the organization.

The managers are concerned about the apparently high level of salaries paid to employees of the United Nations. The managers request that the Secretary of State conduct a study of U.N. salaries and pensions and the extent to which they exceed salaries paid to employees within the civil service of the United States. The study, along with the Secretary's recommendations for how best to achieve any needed reforms should be submitted as a report to the Committee on Foreign Relations and the Committee on Foreign Affairs by October 1, 1986.

PROHIBITION OF PAYMENTS TO THE UNITED NATIONS OR SPECIALIZED AGENCIES OR ORGANIZATIONS

The Senate amendment states that U.S. contributions to the United Nations may not be used to support: (1) The Committee on Elimination of Racial Discriminaiton; (2) any agency whose purpose is to implement the provisions of General Assembly Resolution 33/79; or (3) the General Assembly-approved $73,500,000 conference center to be constructed in Addis Ababa.

The House bill contains no comparable provision.

The conference substitute is indentical to the Senate amendment; however, it substitutes the "Second Decade to Combat Racism and Racial Discrimination" for the "Committee on Elimination of Racial Discrimination."

RESTRICTIONS ON U.N. FUNDING FOR THE PALESTINE LIBERATION ORGANIZATION AND THE SOUTH WEST AFRICA PEOPLE'S ORGANIZATION

The Senate amendment prohibits U.S. contributions to the United Nation to be used to support the Committee on the exercise for the Inalienable Rights of the Palestinian People or the South West Africa People's Organization.

The House bill contains no comparable provision.

The conference substitute is identical to the House provision, and leaves in place current restrictions in the law.

INTERNATIONAL JUTE ORGANIZATION

The Senate amendment authorizes the President to maintain membership in the International Jute Organization.

The House bill contains no comparable provision.

The conference substitute is identical to the Senate amendment.

U.S. EMBASSY IN SOUTH AFRICA AND COMPLIANCE WITH SULLIVAN PRINCIPLES

The House bill requires compliance with the Sullivan principles by the U.S. Embassy in South Africa.

The Senate amendment contains no comparable provision.

The conference substitute contains no provision on this issue.

SOVIET AND COMMUNIST DISINFORMATION AND PRESS MANIPULATION

The House bill establishes a commission in the Department of State to investigate the extent of Soviet and Communist disinformation and press manipulation with respect to the United States. The Commission will report to the President and recommend the advisability of establishing within the State Department a permanent Office of Soviet and Communist Disinformation and Press Manipulation.

The Senate amendment contains no comparable provision.

The conference substitute directs the Secretary of State, in consultation with relevant Federal agencies, to submit to the Congress an unclassified report on Soviet and Communist disinformation and press manipulation with respect to the United States. This study, to be submitted 1 year after the enactment of this act, would include a recommendation on the advisability of establishing a permanent office in the Department to deal with this issue. In conducting the study, the Secretary may make use of suitably qualified scholars and journalists.

SOVIET AND INTERNATIONAL COMMUNIST BEHAVIOR

The House bill establishes a commission within the Department of State to investigate the nature of Leninism and the degree to which Leninism supports international terrorism and guerrila warfare. The Commission will report to the President and recommend the advisability of establishing a permanent office to study international Communist behavior.

The Senate amendment contains no comparable provision.

The conference substitute mandates a State Department study to be submitted to the Congress and report on the advisability of establishing an office in the Department to study Soviet and international Communist behavior that violates the concepts of national sovereignty and peace between nations. In conducting this study, the Secretary may make use of suitably qualified journalists and scholars. The study is to be submitted to the Congress within 1 year of enactment of this legislation.

SOVIET NATIONALS EMPLOYED AT U.S. MISSIONS IN THE SOVIET UNION

The House bill prohibits the employment of Soviet nationals at U.S. diplomatic or consular missions in the Soviet Union after September 30, 1986, and expresses congressional willingness to provide funding to replace Soviet citizens at these posts.

The Senate amendment contains no comparable provision.

The conference substitute states that, to the maximum extent practicable, Soviet citizens shall not be employed at U.S. diplomatic or consular missions in the Soviet Union after September 30, 1986.

U.S.-U.S.S.R. DIPLOMATIC EQUIVALENCE

The Senate amendment establishes U.S. policy that the number of Soviet nationals serving in that country's diplomatic mission to the United States shall not exceed the number of U.N. nationals admitted to the U.S.S.R. who serve as diplomatic or consular personnel.

The House bill contains no comparable provision.

The conference substitute states that the number of Soviet nationals admitted to the United States should be substantially equivalent to diplomatic or consular personnel to U.S. diplomatic missions unless the President determines that such admission is in the best interest of the United States. The substitute also includes a reporting requirement which sets forth a plan to achieve this goal.

This provision makes it the policy of the United States that the number of nationals of the Soviet Union serving as diplomatic or consular personnel in the United States shall not substantially exceed the equivalent number of U.S. nationals serving at corresponding posts in the Soviet Union. Substantial equivalence shall be understood as a difference of no more than plus or minus 5 percent. The intent of this provision is that the Soviet Union shall not be permitted to continue to enjoy a numerical superiority in its diplomatic or consular personnel in the United States.

The Department of State has expressed concern that a requirement for strict numerical equivalence could be difficult to administer because the numbers of United States and Soviet diplomatic and consular personnel serving in the respective countries vary due to a variety of factors. The introduction of the term "substantially" recognizes this. This Secretary of State will report annually to the Foreign Relations and Intelligence Committees of the Senate and the Foreign Affairs and Intelligence Committees of the House on implementation of the policy of equivalence in diplomatic and consular representation called for in section 603 of this act. The conferees expect these committees to exercise continuing oversight of the State Department's attainment of the policy established in title VI.

The managers note that this section does not include Soviet personnel admitted for the Soviet mission to the United Nations, but does include all other missions covered by the Foreign Missions Act.

INTELSAT

The House bill states that: (a) Prior to consultation with Intelsat for purposes of coordination, the Secretary of State shall ensure that proposed separate international satellite telecommunications systems comply with the executive branch conditions established pursuant to Presidential determination No. 85-2; (b) separately, the Secretaries of State and commerce and Comsat shall consult with respect to the appropriate scope and character of a modification to the Intelsat agreement allowing Intelsat to establish cost-based rates for individual routes, as exceptional needs war-

rant, and pursuant to that consultation, the United States shall support an appropriate amendment to the Intelsat Agreement; (c) in the event that both Intelsat fails to coordinate with such systems, and the President determines to pursue the establishment of such systems, the Secretary shall submit to Congress, 60 days prior to notifying the FCC that U.S. obligations to Intelsat have been met, a report setting forth the foreign policy measures for the President's decision and a plan for minimizing any negative effects on Intelsat and on U.S. foreign policy interests.

The Senate amendment has no comparable provision.

The conference substitute is similar to the House bill with an amendment which directs the Secretary of State, in the event Intelsat is authorized to establish cost-based rates for individual traffic routes, to instruct the U.S. signatory to Intelsat (Comsat) to ensure that Intelsat provide all documentation necessary to verify that individual route rates established by Intelsat are in fact cost based. In addition, the conference substitute directs that such documentation shall be made available to interested parties to the maximum extent possible and on a timely basis.

The Congress anticipates that the President will review Presidential determination No. 85-2 from time to time, to ensure that its terms and conditions are adequate to protect the global network of Intelsat, and otherwise to ensure an efficient and responsive international telecommunications system, as well as to serve other relevant U.S. interests. The President will report to Congress on any changes he finds may be necessary.

In providing for the dissemination of information under section (c)(2)(b) the managers expect the executive branch to adopt suitable procedures such as, but not necessarily identical to, those contained in the memorandum of understanding entered into by the Departments of State and Commerce, the Federal Communications Commission and Comsat on September 24, 1984.

The managers note that this bill is not intended to impede in any way development or launch of any satellite system which will primarily provide domestic or transborder services. Furthermore, this bill shall not impede in any way the operation of the domestic or transborder aspects of such a satellite system. The international aspect of such a satellite system shall not be operational until the Secretary of State has certified that the obligations of the United States under article XIV(d) of the Intelsat Agreement have been completed with respect to the international aspects.

Emergency Telephone Service at U.S. Consular Offices

The House bill expresses the sense of the Congress that the Secretary of State should ensure 24-hour emergency telephone service at all U.S. consular offices.

The Senate amendment contains no comparable provision.

The conference substitute is identical to the House bill.

Murder of Maj. Arthur D. Nicholson, Jr.

The House bill expresses the sense of the Congress that the Soviet Union's chief of mission to the United States be declared persona non grata until the Soviet Union has apologized for the murder of Major Nicholson.

The Senate amendment contains no comparable provision.

The conference substitute declares the sense of the Congress that the United States should declare persona non grata one or more senior defense attachés of the Soviet Union's mission to the U.S. unless the President certifies to the Congress within 90 days of enactment of this act that the Soviet Union has made a formal apology for the murder of Maj. Arthur Nicholson, Jr., and that the Soviet Union has provided assurances that it will adhere to agreements concerning the status and safety of military and civilian missions of Western nations in the German Democratic Republic.

Press Freedom

The House bill directs U.S. chiefs of diplomatic missions to promote respect for freedom of the press where it is deemed not to exist.

The Senate amendment contains no comparable provision.

The conference substitute is identical to the House bill.

Inspector General

The Senate amendment mandates an independent Inspector General at the Department of State and the U.S. Information Agency by June 30, 1986.

The House bill contains no comparable provision.

The conference substitute establishes an independent Inspector General at the Department of State under the authority of the Inspector General Act of 1978.

USIA Authorization of Appropriations

The House and Senate bills authorize funds for the U.S. Information Agency as follows:

USIA EARMARKS

[By fiscal year; in thousands of dollars]

	1986	1987
Fulbright and international visitors	128,899	141,996
Humphrey	4,891	5,479
Latin America	45,400	45,100
VOA modernization	136,594	136,594
Radio broadcasting to Cuba	11,500	11,700
Book programs	7,500	7,500
Pan American Games	1,500	1,500
International Games	3,000	
Total earmarks	339,284	349,869

The House bill authorizes $922,286,000 for fiscal year 1986 and $962,866,000 for the fiscal year 1987 for the U.S. Information Agency to carry out international information, educational, cultural, and exchange programs under the U.S. Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan No. 2 of 1977, and for other purposes.

The Senate amendment authorizes $837,623,000 for fiscal year 1986 and $844,623,000 for fiscal year 1987 to carry out international information, educational, cultural, and exchange programs under the U.S. Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, Reorganization Plan No. 2 of 1977, the Radio Broadcasting to Cuba Act, and other purposes. Of these funds, not less than $11.5 million in fiscal year 1986 and $11.7 million in fiscal year 1987 are authorized to implement the Radio Broadcasting to Cuba Act. This section also authorizes such amounts to remain available until expended.

The conference substitute authorizes $887.9 million in each of fiscal years 1986 and 1987 for the U.S. Information Agency and retains the Senate earmarking for Radio Broadcasting to Cuba in both years.

Modernization of Voice of America

The House bill earmarks $136,594,000 for fiscal year 1986 and $142,604,000 for fiscal year 1987 for modernization of the facilities and operations of the Voice of America. These funds will remain available until expended.

The Senate amendment contains no comparable provision.

The conference substitute retains the modernization earmark at $136,594,000 for each of fiscal years 1986 and 1987.

Funds for Educational and Cultural Exchanges

The Senate amendment provides $179,190,000 in fiscal year 1986 and $192,575,000 in fiscal year 1987 for certain educational and cultural exchange activities of the U.S. Information Agency earmarked as follows: (a) $128,899,000 for fiscal year 1986 and $141,996,000 for fiscal year 1987 for grants for the Fulbright Academic Exchange Programs and the International Visitor Program; (b) $4,891,500 for fiscal year 1986 and $5,479,000 for fiscal year 1987 for grants for the Humphrey Fellowship Program; and (c) $45,400,000 for fiscal year 1986 and $45,100,000 for fiscal year 1987 for grants and exchanges to Latin America and the Caribbean, to be obligated in a manner consistent with the recommendations of the National Bipartisan Commission on Central America.

The House bill contains no comparable provision.

The conference substitute executive branch's is identical to the Senate provision. The earmarked funds for the Fulbright, Humphrey, and International Visitor Programs in fiscal years 1986 and 1987 should be considered only as minimum, or floor, levels for these programs. The conference committee commends the executive branch's proposal to fund these exchanges in fiscal year 1986 at the levels required by section 305(c) of Public Law 970-241 (the Pell amendment). The earmarking of lower amounts in fiscal year 1986 should not preclude the executive branch's from meeting the requirement of the Pell amendment and the conference committee urges the executive branch's to meet this statutory requirement.

The managers urge USIA to fund fully, as in the congressional presentational document, the other exchange programs, including the private sector program, the Eisenhower Fellows, and the Congress Bundestag Exchange.

USIA Book Program

The House bill provides that USIA funding for its worldwide book program should be increased by an amount not less than the amount requested by the USIA from the Congress for increases in TV Worldnet.

The Senate amendment earmarks not less than $2,700,000 in addition to fiscal year 1985 allocations for the worldwide book program initiative.

The conference substitute earmarks not less than $7.5 million for fiscal years 1986 and 1987 for the worldwide book program initiative.

Funds for Exchange Activities Associated with the 1987 Pan American Games

The Senate amendment authorizes not less than $1.5 million for each of fiscal years 1986 and 1987 for the Indiana Sports Corporation for exchange of persons and other exchange-related activities associated with

the 1987 Pan American Games to be held in Indianapolis, IN.

The House bill contains no comparable provision.

The conference substitute is identical to the Senate provision.

SUPPLEMENTAL AUTHORIZATION FOR INTERNATIONAL GAMES

The Senate amendment earmarks $3 million in fiscal year 1986 for expenses associated with the XV World Games for the Deaf, the Fifth National Amputee Championship, and the 1985 National Cerebral Palsy/Les Autres Games.

The House bill contains no comparable provision.

The conference substitute earmarks $3 million for fiscal year 1986 to reimburse expenses associated with the exchange of athletes, coaches, and officials for international games for the handicapped held in the United States. While the specific references to certain games were deleted in the section, the managers intend the funds to be available for international games such as the International Games for the Deaf, National Amputee Championships, National Cerebral Palsy/Les Autres Games, National Championship for the Blind Athletes, the Senior Olympics and the National Handicapped Sports and Recreation Associations participation in such games.

BAN ON USIA DOMESTIC ACTIVITIES

The Senate amendment prohibits use of funds by USIA to influence public opinion in the United States.

The house bill contains no comparable provision.

The conference substitute is identical to the Senate language with an amendment regarding exemptions in current law. It is not intended to affect previously released films.

USIA PRIVATE SECTOR PROGRAMS

The Senate amendment prohibits grants to organizations through USIA's private sector programs unless at least 25% of the organization's funds for the proposed grant activity are provided from non-U.S. Government sources.

The House bill contains no comparable provision.

The conference substitute provides that no grant may be made to any organization through the private sector program of the USIA unless costs equal to at least 15 percent in Fiscal Year 1986 and at least 25 percent in Fiscal Year 1987 of grants from USIA for that organization's exchange and exchange-related programs are provided for from non-U.S. Government sources. The substitute provides for an exemption for organizations which have been in existence for less than 1 year. The substitute also provides that no USIA or other Government funds for fiscal year 1986 appropriations shall be used for grants for 1985 International Youth Year activities. For the purpose of determining whether an organization receiving grants from the private sector program of USIA is meeting the standards set forth in this act requiring that costs equal to at least 15 percent in Fiscal Year 1986 and 25 percent in Fiscal Year 1987 of grants from USIA for the organization's overall exchange and exchange-related programs are provided from non-U.S. Government funds, only direct cash contributions, verifiable in-kind expenditures (such as the costs of food, lodging, transportation, cultural events, legal and accounting services, and office equipment) and the reasonable reciprocal costs borne by reciprocal foreign organizations and individuals for transportation, lodging, food, and cultural events directly related to an exchange program carried out in conjunction with the grantee organization's program shall be counted. (For this purpose also, the budgets of local affiliates of national organizations can be counted.)

The conference committee directs USIA to transfer the Operation Crossroads Africa Program from the Office of Private Sector Programs to the Office of International Visitors. The program will be funded from that portion of the $128,899,500 authorized to the Fulbright Academic Exchange Programs and International Visitor Program that is allocated to the International Visitor Program. The funds that are freed by the action for use by the Private Sector Program (an amount which in 1985 would be approximately $1.5 million) are to be apportioned as follows—no less than 80 percent for the core agencies, including the Council for International Programs, involved in traditional exchange programming. The committee believes that the Council on International Programs has been effective in arranging exchanges of persons involved in social services at a low per capita cost to the government. In allocating funds, the conference committee urges USIA to consider CIP's excellent record.

NATIONAL ENDOWMENT FOR DEMOCRACY

SHORT TITLE

The Senate amendment provides a short title, the "National Endowment for Democracy Authorization Act, Fiscal years 1986 and 1987."

The House bill contains no comparable provision.

The conference substitute is the same as the House position.

RESTRICTIONS ON NED ACTIVITIES

The House bill amends the National Endowment for Democracy Act by adding at the end thereof a new section which requires NED to adhere to certain policies as follows: (1) no expenditure of funds to finance campaigns of candidates for public office; (2) NED grantees shall consult with US Chiefs of Mission in foreign countries before funds may be available for projects in those countries; (3) NED funds granted to the American political party institutes shall be used, to the extent feasible, for projects jointly implemented by those institutes.

The Senate amendment contains no comparable provision.

The conference substitute is similar to the House bill, with an amendment adding new language stating that the Endowment shall consult with the Department of State on all Endowment funded programs overseas prior to commencement of program activities; dropping the recommendation relating to joint projects by party institutes; and strengthening the prohibition against NED funds being used for political purposes. It further changes the date of the annual report required to be submitted by NED to the Congress from December 31 to February 1.

PROHIBITION ON NED FUNDING FOR POLITICAL PARTIES

The House bill prohibits grants to political party institutes from being used to finance activities of the Republican National Committee or the Democratic National Committee.

The Senate amendment prohibits NED funds from being used to support the Republican National Committee, the National Republican Institute for International Affairs, the Democratic National Committee, or the National Democratic Institute for International Affairs.

The conference substitute is similar to the House bill, with an amendment strengthening the prohibition against the use of NED funds for partisan politics or any activities directly related to the Republican or Democratic National Committees or candidates for public office.

NED AND PUBLIC ACCESS TO INFORMATION

The House bill further amends the National Endowment for Democracy Act by directing that the Endowment shall make available to the public any information regarding its organization, procedures, requirements, and activities. The Endowment would be authorized to withhold information which is exempted from disclosure under the Freedom of Information Act. In the event that the Endowment made an adverse determination of a request for information, such determination would be reviewed by the General Counsel of the Endowment.

The Senate amendment would prohibit funding to the Endowment until the Endowment fully complies with the provisions of the Freedom of Information Act.

The conference substitute requires that NED fully comply with the provisions of the Freedom of Information Act; requires USIA to facilitate requirements for publication of NED rules and procedures in the Federal Register; and makes USIA responsible for litigation related to the Freedom of Information Act.

The committee of conference notes that for the purpose of obtaining information under FOIA, an individual may request such information from either National Endowment for Democracy or United States Inforamtion Agency.

NED FUNDING

The House bill amends section 503(a) of the National Endowment for Democracy Act to provide that, of the amounts made available to the Endowment, not less than 40% will be for the Free Trade Union Institute; and not less than 20% will be for the Center for International Private Enterprise; and further provides that of the amounts authorized to be appropriated to USIA, not more than $19.3 million for Fiscal Year 1986 and not more than $20.1 million for $19.3 million for Fiscal Year 1987 may be made available to NED. It further provides that the earmarkings shall take effect on October 1, 1985. The House also expressed the sense of the Congress (in H.R. 1555, the Foreign Assistance Authorization bill) that USIA should provide up to $500,000 to NED to finance programs designed to promote democracy and seek to end the apartheid policies in South Africa.

The Senate amendment provides that not less than $17.5 million for each of Fiscal Years 1986 and 1987 shall be available for a grant to the National Endowment for Democracy, of which amount $11 million for each fiscal year will be for the Free Trade Union Institute, and $2.3 million for the Center for International Private Enterprise.

The conference substitute provides not less than $18.4 million for NED for each of Fiscal Years 1986 and 1987 from USIA funds, and deletes all earmarks and ceilings for grantees. The conference substitute also provides that it is the sense of the Congress that USIA should provide up to $500,000 to NED for each of fiscal years 1986 and 1987 (in addition to funds otherwise made available by USIA to NED) for use by NED in providing financing for programs that are

designed to promote democracy and that seek to end the apartheid policies in South Africa.

USIA AUDITS OF NED

Both the House bill and the Senate amendment amend section 504 of the National Endowment for Democracy Act by inserting a new paragraph (g) which provides that the financial transactions of the Endowment for each fiscal year may be audited by USIA. The committee of conference notes that this audit authority is not intended to impose grant conditions on NED which affect the status of NED as a private nonprofit corporation, such as obtaining prior approval from USIA for activities necessary to further the purposes of the National Endowment for Democracy Act.

RELEASE OF CERTAIN USIA FILMS

The House bill also provides for the release of three USIA films on Afghanistan, "Afghanistan 1982: The Struggle for Freedom Continues" and "We are Afghanistan," and "Hal David: Expressing a Feeling."

The Senate amendment provides for the release of the above films. The Senate amendment also provides for the release of "Afghanistan 1982: The Struggle for Freedom Continues". The Conference Substitute provides for the release of all of the above mentioned films with the House language.

USIA GRANT NOTIFICATION

The House bill extends existing law on notification of USIA program grants.

The Senate amendment contains no comparable provision.

The Conference Substitute is identical to the House bill.

BOARD FOR INTERNATIONAL BROADCASTING

AUTHORIZATION OF APPROPRIATIONS

The House bill authorizes appropriations for the Board for International Broadcasting of $122,325,000 for fiscal year 1986 and $127,707,000 for fiscal year 1987.

The Senate amendment similarly authorizes $137,717,000 for the Board for International Broadcasting for each fiscal year 1986 and 1987. In addition, the Senate amendment earmarks $400,000 for Radio Maccabee in both fiscal years.

The Conference substitute authorizes appropriations for the Board for International Broadcasting of $125,000,000 for each fiscal year 1986 and 1987. The substitute drops the earmarking for Radio Maccabee.

IMPROVEMENT OF FACILITIES

The House bill earmarks $20,000,000 in fiscal year 1986 and $21,030,000 for fiscal year 1987 for modernization of radio facilities.

The Senate amendment does not have any comparable provision.

The Conference substitute earmarks $20,000,000 in fiscal year 1986 and $18,323,000 in fiscal year 1987, which shall remain available until expended.

BROADCASTING IN DARI AND PASHTO

The Senate amendment authorizes broadcasting to Afghanistan as long as it is under Soviet occupation and earmarks not less than $450,000 in FY 1986 and not less than $250,000 for fiscal year 1987 for radio broadcasting to the Afghan people in the Dari and Pashto languages, to be designated "Radio Free Afghanistan."

The House bill does not have any comparable provision.

The Conference Substitute authorize broadcasting to Afghanistan as long as it is under Soviet occupation, but drops the earmark.

SECRETARY OF STATE AND BIB MEMBERSHIP

The Senate bill would make the Secretary of State an ex officio member of the BIB, except that the Secretary may not be a member of the Board of Directors of RFE/RL, Inc.

The House bill does not have any comparable provision.

The Conference substitute directs the Secretary of State to establish a liaison office with the BIB at the US Consulate in Munich; provides that a representative of the Secretary of State will attend RFE/RL Inc. and BIB Board meetings; amends section 6 of PL 93-129 directing the Secretary of State to report to BIB on the impact of broadcasts to Eastern Europe and the Soviet Union.

RFE/RL MANAGEMENT

The House bill sets forth certain findings and management recommendations with respect to the Board for International Broadcasting and Radio Free Europe/Radio Liberty Inc.

The Senate amendment contains no comparable provision.

The Conference substitute contains a similar amendment to the House bill. The managers believe that the management of Radio Free Europe/Radio Liberty Inc. should consider, as a way to improve its broadcast quality and content, establishing a position and a procedure responsible for the daily oversight of the radios.

BROADCASTING TO SOVIET JEWRY

The House bill establishes a task force to study the advisability and feasibility of increasing broadcasts to the Jewish populations within the USSR. It also requires a report not later than 6 months after the date of enactment to be submitted to the Congress.

The Senate amendment prohibits grants to RFE/RL, Inc. unless RFE/RL, Inc. establishes in Radio Liberty a new program of Russian language broadcasting for the Jewish population of the USSR entitled "Radio Maccabee Program of Radio Liberty."

The conference substitute is similar to the House bill. It calls for a study and report within six months after enactment of this title and directs the radios to strengthen existing broadcasts of issues of concern to Jewish audiences in the Soviet Union. Such broadcasts may be known as Maccabee Program.

U.S. SCHOLARSHIP PROGRAM FOR DEVELOPING COUNTRIES

The Senate amendment authorizes a US scholarship for disadvantaged students from developing countries to study in the United States. The Senate amendment also provides that not less than 25% of funds appropriated for activities under this title will fund Latin America and Caribbean exchanges.

The House bill contains no comparable provision. However, a similar provision is contained in the House version of the Foreign Assistance bill which authorizes a US scholarship program for disadvantaged students from lesser developed countries to study in the United States. This provision also provides that if the student is granted asylum in the US of the Immigration and Nationality Act or is admitted to the US as a refugee, half of the repayment of the students loan shall be forgiven. The bill also provides that funds allocated for these scholarships shall be available to enhance the educational training and capabilities of the people of Latin America and the Caribbean and to promote better understanding between the US and Latin America. Funds may be used for program and administrative costs for institutions carrying out such programs. The provision also provides that the USIA shall recommend to each student under scholarship that he or she enroll in a course in the classics of American political thought. The House bill also provides that USIA funds (other than those appropriated for programs under the Mutual Education and Exchange Act) may be used to carry out this title with respect to students from developing countries outside Central America.

The conference substitute integrates all of the provisions of the House and Senate positions. The committee of conference note that a provision in the legislation recommends that each student receiving a such a scholarship enroll in a course which studies the "classics of American political thought". This recommendation may be broadly read to include course work in American history or politics, and should not be construed as a recommendation to study certain political thinkers. The recommendation to take such a course is not mandatory and should not be construed as a requirement for holding a scholarship. It is also the committee's intent in authorizing this program that resources currently available to other scholarship or exchange of persons programs funded by USIA, would not be diverted to fund these new programs.

UNIVERSITIES IN U.S. BORDER STATES

The Senate amendment requires the USIA Director and the Administrator of AID to report to Congress on the feasibility of greater utilization in those agency's scholarship programs of US universities in States bordering Latin America.

The House bill contains no comparable provision.

The Conference Substitute is identical to the Senate amendment.

FOREIGN SURVEILLANCE PREVENTION ACT

The Senate amendment establishes a procedure by which the President must identify and so report to the Congress the identity of any foreign national with diplomatic immunity who is engaging in electronic surveillance in the United States. The President must inform the targets of the surveillance; inform the chief of mission of the sponsoring government of the surveillance; and, unless that government ceases such surveillance, must declare the offending party persona non grata.

The House bill contains no comparable provision.

The conference substitute contains no provision on this issue. In considering this section, the Managers agreed with the findings that widespread use of electronic surveillance and the interception of telecommunications by foreign governments under the guise of normal diplomatic relations would pose a serious threat both to the national security of the United States and to the rights of privacy and association guaranteed to Americans by the Constitution.

Consequently, the Managers request the President to conduct a study of this problem and submit recommendations to the Congress, no later than January 1, 1987, for legislation and other actions designed to bring an end to such illicit electronic surveillance.

IRAN CLAIMS

The Senate amendment authorizes the Foreign Claims Settlement Commission to adjudicate and distribute awards to small claimants in the event of a lump sum settle-

ment by the US-Iran Claims Tribunal, and to charge a modest fee to defray the costs of the Commission. It also authorizes the Secretary of the Treasury to deduct a small fee from awards to large claimants of the tribunal.

The House bill contains no comparable provision.

The conference substitute is substantially the same as the Senate provision.

ARMS CONTROL AND DISARMAMENT AMENDMENT ACT OF 1985

The Senate bill contains provisions dealing with the Arms Control and Disarmament Agency. Similar provisions were contained in H.R. 2456, a separately-passed measure.

FISCAL YEAR 1985 AUTHORIZATION

The Senate amendment (section 902) authorizes for fiscal year 1985 $23,789,000 of which amount $4,321,000 is earmarked for the Geneva arms control negotiations.

The House bill (section 1, subparagraph 2) authorizes for fiscal year 1985, $23,789,000.

The conference substitute is the same as the Senate amendment.

FISCAL YEAR 1986 AND FISCAL YEAR 1987 AUTHORIZATIONS

The Senate amendment (section 903) authorizes $25,614,000 for each of the fiscal years 1986 and 1987 for the Arms Control and Disarmament Agency. Of these amounts, $6,146,000 in each fiscal year is earmarked for the Geneva arms control negotiations.

The House bill (section 1, subparagraphs 3, 4, and 5) authorizes for fiscal years 1986 and 1987 $25,614,000 for each fiscal year, plus such additional amounts for each fiscal year as necessary for increases in salary, pay retirement, and other employee benefits authorized by law, foreign currency exchange rates, and other non-discretionary costs.

The conference substitute combines both the Senate and House provisions.

ARMS CONTROL COMPLIANCE REPORT

The Senate amendment (section 904) establishes a new section 38, in the Arms Control and Disarmament Act of 1961 as amended, that requires the President to submit an annual report to Congress, prepared by the Director of the Agency, in coordination with the heads of other relevant agencies, on the adherence of the United States to obligations undertaken in arms control agreements with other nations and on any problems related to compliance by other nations with the provision of bilateral and multilateral arms control agreements with the United States.

The House bill does not contain a comparable provision.

The conference substitute is the same as the Senate provision.

EXECUTIVE LEVEL UPGRADES

The House bill (section 2) provides for comparability adjustment in five senior ACDA executive level positions to conform them with counterparts in other agencies.

The Senate amendment does not contain a comparable provision.

The conference substitute is the same as the House provision.

COMPLIANCE WITH BUDGET ACT

The House bill (section 3) provides that the authorities provided shall be in compliance with the Congressional Budget Act of 1974.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the House provision.

FUTURE ACDA AUTHORIZATION

The Managers intend that including the ACDA authorization as part of the Foreign Relations Authorization Act is a one-time exception and that future ACDA authorizations should be adopted as separate legislative measures.

ASIA FOUNDATION

The House bill authorizes $10 million for the Asia Foundation.

The Senate amendment authorizes $10.5 million for each of fiscal years 1986 and 1987 for the Asia Foundation in a separate Asia Foundation Act. The Conference Substitute is identical to the Senate amendment.

ASSISTANCE TO NICARAGUA

The Senate amendment contains a provision authorizing humanitarian assistance to Nicaragua and related policy matters.

The House bill contains no comparable provision. However, House provisions relating to aid to Nicaragua are contained in the FY 1985 supplemental appropriation.

The conference substitute contains no provision on this issue.

PROHIBITION ON FUNDS FOR NICARAGUA

The Senate amendment prohibits the use of funds to support activities against the Government of Nicaragua which have not been authorized by law and which would place the US in violation of our obligations under the OAS.

The House bill contains no comparable provision.

The conference substitute contains no provision on this issue.

FOOD AID TO THE NICARAGUAN PEOPLE

The Senate amendment states that the President should explore and promote means for providing food aid to the Nicaraguan people through private voluntary organizations and the Catholic Church.

The House bill contains no comparable provision.

The conference substitute contains no provision on this issue.

AGRICULTURAL PRODUCTS AND TARIFF BARRIERS

The Senate amendment directs USIA to develop a public information campaign to inform appropriate nations as to the advantages of lowering tariff and non-tariff barriers on agricultural products.

The House bill contains no comparable provision.

The Conference Substitute contains no provision on this issue.

TRADE BARRIERS TO AMERICAN AGRICULTURAL PRODUCTS

The managers recognize that foreign tariff and non tariff barriers to American products are harming American producers and causing higher food prices to consumers in countries with high trade barriers. A campaign to heighten public awareness abroad of the advantages of lower trade barriers would serve the interests of both American producers and foreign consumers. Such a campaign would compliment ongoing efforts by several departments of government to promote lower trade barriers to American goods and services. The Director of the United States Information Agency is requested to examine the feasibility of a significant public information campaign regarding lower trade barriers and, in consultation with other appropriate agencies, to prepare a report for submission to the President and the Congress on this recommendation on how such a program could most effectively promote the interests of American producers and workers. In examining the advisability of such a campaign the Director should pay particular attention to the needs of American agricultural producers.

EX GRATIA PAYMENT TO SWITZERLAND

The Senate amendment reflects an Administration request to amend the Trading with the Enemy Act to make an ex gratia payment to the Government of Switzerland under the terms of an existing US-Swiss agreement.

The House bill contains no comparable provision.

The Conference Substitute is identical to the Senate amendment.

TERMINATION OF NATIONAL EMERGENCIES

The Senate amendment amends the National Emergencies Act to stipulate that a national emergency may be terminated by joint resolution of the Congress. Current law only requires a concurrent resolution to terminate a national emergency.

The House bill contains no comparable provision.

The Conference Substitute is identical to the Senate amendment.

CONSEQUENCES OF NUCLEAR WINTER

The Senate amendment expresses the sense of the Congess that the President should propose during arms talks with the USSR that the US and the USSR jointly study the consequences of nuclear winter and its impact on national security of both countries.

The House bill contains no comparable provision.

The conference substitute contains no provision on this issue.

REVIEW OF ASSISTANCE TO COAL EXPORTING NATIONS

The Senate amendment directs the Export-Import Bank to report to the Congress on the terms of all assistance provided to the purpose of financing or assisting in the development of coal production, transportation or export.

The House bill contains no comparable provision.

The conference substitute contains no provision on the issue.

APPLICATION OF THE YALTA AGREEMENT

The Senate amendment states that the US does not recognize as legitimate any spheres of influence in Europe and reaffirms US refusal to recognize such spheres by repudiating Soviet use of the Yalta Agreement to legitimize Soviet domination of Eastern Europe. It also expresses US solidarity with the peoples of Central and Eastern Europe.

The House bill contains no provision on this issue.

The conference substitute contains a provision relating to the Yalta Agreement. The conferees recognize that their action does not constitute a formal repudiation of the Yalta Agreement.

MAYOR OF JERUSALEM

The Senate amendment commends Mayor Teddy Kollek of Jerusalem for his efforts to promote harmony among the people of Jerusalem.

The House bill contains no comparable provision.

The Conference Substitute is identical to the Senate amendment.

TREATMENT OF SOVIET PENTENCOSTALS

The Senate amendment expresses the sense of the Senate that Soviet government

personnel violated the human rights of the four members of the Pentecostal community who attempted to enter the US Embassy in Moscow; that the US Department of State should try to assure the safety of these persons; and the Secretary of State should undertake a study of US policy relating to the granting of asylum in US embassies abroad and make recommendations to the Senate Foreign Relations Committee regarding adjustments in current policy.

The House bill contains no comparable provision.

The conference substitute is virtually identical to the Senate amendment. In addition it requires that the report be submitted to the Committee on Foreign Affairs.

DEMOCRACY ON TAIWAN

The Senate amendment expresses the sense of the Congress that it is important that all Taiwanese participate in that country's political process in order to promote a peaceful future and that the United States should encourage the authorities on Taiwan to work toward this end.

The House bill contains no comparable provision.

The conference substitute is essentially the same as the Senate amendment.

US/CHINA TRADE

The Senate amendment expresses the sense of the Congress that the Departments of State and Commerce should take appropriate steps to increase United States/China trade with a view to improving the trade balance, increasing American jobs, and assuring US participation in the growing Chinese market.

The House bill contains no comparable provision.

The conference substitute is identical to the Senate amendment.

INTERNATIONAL NARCOTICS CONTROL COMMISSION

The Senate amendment establishes an International Narcotics Control Commission which would monitor and promote international compliance with narcotics control treaties and monitor and encourage US Government and private programs seeking to expand international cooperation against drug abuse. The Commission would be composed of seven Senators, seven House Members, three Executive branch personnel, and five members of the public sector, and chaired alternately by a Senator and a House Member, beginning with a Senator, with opposite rotating Co-Chairmen. The Commission is also granted subpoena powers. The President is required to submit semi-annual reports to the Commission on the status of compliance with narcotics control treaties, and requires the Commission to report to the congress periodically. It also authorizes $550,000 for each fiscal year for the Commission, to be disbursed on a voucher by the Chairman, which would remain available until expended. The Commission is deemed to be a standing committee of the Congress for purposes of travel funds, is to receive $6,000 for official representational expenses, and Commission staff is exempted from civil service regulations.

The House bill contains no comparable provision.

The conference substitute is the same as the Senate amendment, except that the Commission includes no House Members or Executive branch officials, provides that the Chairman shall be of the Senate Majority party and the Co-Chairman of the Senate Minority Party, drops the separate Presidential reporting requirement and instead requires the President to submit the annual State Department narcotics report (pursuant to section 481(e) of the Foreign Assistance Act) to be submitted to the Commission, provides $325,000 for each fiscal year to meet Commission expenses, and provides no representational funds. The conference substitute does not specify the manner in which Commission funds will be disbursed.

It is the intent of the Conferees that the Commission operate in the manner of the Helsinki Commission. The Chairman, in consultation with the Cochairman will reach decisions regarding appropriate and adequate levels of staffing, funds, and support facilities for both the majority and minority members of the Commission.

UNITED STATES-JAPAN SECURITY RELATIONSHIP AND JAPANESE SELF-DEFENSE EFFORTS

The Senate amendment (section 1123) expresses congressional findings regarding the U.S.-Japan security relationship, expresses the sense of Congress that Japan should formally reexamine her 1976 National Defense Program Outline and develop and implement a 1986–1990 Mid-Term Defense Plan fully funded to enable Japan to meet, by 1990, its commitment to obtain self-defense forces adequate to protect its air spaces and sealanes out to 1,000 miles, expresses the sense of Congress that Japan should increase contributions to support U.S. forces in Japan, and requires annual reports so Congress can assess Japan's progress toward actually fulfilling her common defense commitments.

The House bill does not contain a comparable provision although the House passed foreign assistance bill contains a provision (section 1209) that expresses congressional findings regarding the U.S.-Japan security relationship and the sense of Congress that Japan should be strongly encouraged in its plans to develop and implement a 1986–1990 Mid-Term Defense Plan.

The conference substitute is a compromise that states congressional findings regarding the U.S.-Japan security relationship, expresses the sense of Congress that Japan should implement a 1986–1990 Mid-Term Defense Plan fully funded to enable Japan to meet, by 1990, its commitment to obtain self-defense forces adequate to protect its air spaces and sealanes out to 1,000 miles and requires information, on an annual basis, so Congress can understand Japan's progress toward actually fulfilling its common defense commitments, including obtaining the 1000-mile self-defense capabilities by 1990 and about actions the Executive branch is taking to encourage Japan to achieve these capabilities by the end of the decade.

The conference committee notes that Japan is not the only ally of the United States which is not contributing sufficient resources to fulfill its independent commitments to the common defense. Several of America's NATO allies also are not bearing a fair share of the mutual security burden. However, in approving language finding that the U.S. Government appreciates Japan's recent efforts to increase its defense spending, the conference committee wishes to point out that these recent increases still are inadequate.

As evidence of these inadequacies, the conference committee expressed concern that every year since 1981 the Defense Department has reported to Congress that Japan "ranks last or close to last" on most measures surveyed and thus quite clearly "appears to be contributing far less than its fair share" of the common defense burden. Further evidence was presented this year when the Commander of all United States armed forces in the Pacific region, Admiral William J. Crowe, Jr. testified to Congress that Japan's decision to increase its defense budget in 1985 "is still inadequate to meet the defense capabilities the Japanese government has pledged itself to meet."

Finally the committee of conference is also aware that Congress already receives an annual report on the defense contributions of all our NATO allies and Japan. The conference committee does not wish to impose on the Executive branch a requirement for a new, separate report and would consider it appropriate for the additional information to be included in the already required report.

Such required additional information should include a detailed estimate by the U.S. Government of the level of funding resources, specific procurement programs and other defense improvement actions required annually between 1986 and 1990 for Japan to achieve the capabilities to defend her homeland and airspace and sea lanes out to 1,000 miles, by the end of this decade.

It should also include a detailed estimate by the U.S. Government of the length of delay beyond 1990 for Japan to achieve the 1000-mile self-defense capabilities and caused by any disparities between the U.S. estimate of resources required and those resources Japan decides on her own to provide for that particular annual period and for the years remaining in the 1986–1990 Mid-Term Defense Plan.

Finally the information should include a description of actions the U.S. Government has taken in the preceding year to encourage Japan to attain the 1,000 mile self-defense capabilities by 1990.

REPEAL OF CLARK AMENDMENT

The Senate amendment repeals section 118 of the International Security and Development Cooperation Act of 1980 which prohibits assistance which would have the effect of promoting the capacity of any nation or individual to conduct military or paramilitary operations in Angola unless the president certifies that such assistance is in the national security interests of the United States.

The House bill contains no comparable provision.

The Conference Substitute contains no provision on this issue.

REPORT ON SOVIET VIOLATION OF ARMS CONTROL AGREEMENT

The Senate amendment directs the Department of Defense to report to the Congress on the military consequences and effects of Soviet violations of all arms control treaties and agreements.

The House bill contains no comparable provision.

The conference substitute does not include the Senate provision. The managers note that Title VII of the conference substitute includes a provision requiring a presidential report on the compliance of the Soviet Union and other nations with arms control agreements, as well as on U.S. adherence to arms control obligations.

BAN ON CHEMICAL WEAPONS

The Senate amendment expresses the sense of the Conress that the President should continue to pursue negotiation of a multilateral agreement banning chemical weapons and seek bilateral discussions between the US and the Soviet Union to achieve a ban on chemical weapons.

The House bill contains no comparable provision.

The conference substitute is identical to the Senate provision.

U.S.-OWNED RUPEES

The Senate bill amends Section 903 of PL 98-164 by allowing the use, pending the negotiation of an agreement with the Government of India, of the annual earnings generated by US-owned foreign currencies in India to provide grants for cultural, educational, and scientific programs of interest to the United States and India.

The House bill contains no comparable provision.

The Conference Substitute is identical to the Senate amendment.

MOSCOW EMBASSY

The House bill directs the Secretary of State, within 30 days of enactment, to initiate actions to begin the arbitration process provided for in the embassy construction agreement between the U.S. and the U.S.S.R. in order to resolve U.S. claims against the Soviet Union construction delays in the U.S. embassy complex in Moscow. It also requires a report to Congress from the Secretary of State on the resolution of such claims. If the U.S.S.R. refuses to abide by the results of the arbitration, the Secretary of State will not allow Soviet occupation of their new embassy in Washington, D.C. until arbitration is completed and damages are paid in full. The section also includes a presidential waiver in the interests of U.S. national security if resolution of claims is proceeding satisfactorily.

The Senate amendment contains no comparable provision.

The conference substitute is similar to the House provision. It requires a report to the Congress in the event the amount of the reimbursement is less than the amount of funds expended for damages, explaining why the Secretary accepted the settlement arrangements. The substitute also contains a waiver if the Secretary certifies to Congress that a substantial number of claims are settled and resolution of remaining claims is proceeding satisfactorily.

MINORITY REPRESENTATION IN THE FOREIGN SERVICE

The House bill directs the head of an agency using the foreign service personnel system to develop, to the extent practicable, an affirmative action effort to significantly increase the number of women and minority groups in the service. Such efforts should emphasize increases in the mid- and senior levels of the service. The program's goal would be to raise the representation of women and minority groups to levels at least equivalent to those group's respective proportions in the U.S. labor force. The section also requires that the report to the Congress regarding minority representation in the service pursuant to the Foreign Service Act shall include reports on the implementation of this effort. The Senate amendment contains no comparable provision.

The conference substitute is similar to the House provision. However it places emphasis on establishing a plan to increase the number of minority groups and women in the Foreign Service, emphasizing the mid-levels of the service and conforming the provision to section 7201 of title 5 of the United States Code.

EMPLOYEES OF THE UNITED NATIONS

The House bill directs the Secretary of State to report to Congress within 90 days of enactment of this Act on the extent to which international civil servants employed by the UN must return part of their salaries to their respective governments. The report should also address steps taken by the Secretary and the U.S. Representative to the UN to correct this practice. A second report to the Congress would assess progress made, by January 1, 1987, in correcting the practice. If, pursuant to the latter report, the Secretary determines that substantial progress has not been made, the U.S. will reduce its annual assessed payment to the U.N. by an amount equal to the U.S. proportionate share of the salaries of such UN employees engaged in kickbacks.

The Senate amendment contains no comparable provision. The conference substitute is similar to the House provision with an amendment relating to reservations of UN member states regarding taxation. The conference substitute does not make mandatory a reduction in the U.S. contribution to the United Nations.

REFUGEES IN THAILAND

The House bill commends the Government of Thailand for its response to refugees fleeing Vietnam and expresses the sense of Congress that 1) those seeking refuge in Thailand should not be repatriated and 2) increased security should be provided for refugees in Thai camps, including through a greater presence by international organizations. The Section further directs the Secretary of State with the assistance of appropriate organizations and agencies, to review the status of Cambodian refugees; implement a solution to their plight; investigate cases where Cambodians have been rejected for admission to the U.S.; institute a family reunification program for refugees in Thailand; provide a program of educational assistance for Cambodians in border camps.

The Senate amendment contains no comparable provision.

The conference substitute is identical to the House bill.

FOREIGN EXCHANGE INTERVENTION

The Senate amendment expresses the sense of the Congress that the Secretary of the Treasury and the Chairman of the Federal Reserve Board, together with our allies, should take the necessary steps (including intervention in foreign exchange markets) to gradually lower the value of the dollar. It also provides that the Secretary of the Treasury and Federal Reserve Board Chairman work to ensure that the domestic macroeconomic policies of the U.S. and its allies reinforce each other.

The House bill contains no comparable provision.

The Conference Substitute is identical to the Senate amendment.

MEASURES TO ENHANCE CRISIS STABILITY AND CONTROL

The House bill directs the Secretary of State and the Director of the Arms Control and Disarmament Agency to conduct a study of measures which would both enhance U.S. security and reduce the likelihood of nuclear weapons use by contributing to crisis stability or crisis control capabilities.

The Senate amendment contains no comparable provision.

The conference substitute is identical to the House provision.

REPORTS ON ADHERENCE TO AND COMPLIANCE WITH AGREEMENTS

The Senate amendment requires the President to report to the Congress on the adherence of the United States to obligations undertaken in Arms Control Agreements and on problems of compliance by other nations.

The House bill contains no comparable provision.

The conference substitute is identical to the Senate provision.

NEW BUILDING IN GENEVA FOR ARMS CONTROL NEGOTIATING TEAMS

The Senate amendment expresses the sense of the Senate that the Secretary of State should submit a report to the Congress on the feasibility of a new structure to house the United States Arms Control negotiating Teams in Geneva.

The House bill contains no comparable provision.

The conference substitute is similar to the Senate provision with a technical amendment.

DANTE B. FASCELL,
DAN MICA,
PETER H. KOSTMAYER,
LAWRENCE J. SMITH,
TED WEISS,
BUDDY MACKAY,
TOM LANTOS,
BILL BROOMFIELD,
OLYMPIA SNOWE,
BENJAMIN A. GILMAN,
CONNIE MACK,
JOHN MCCAIN,
Managers on the Part of the House.

RICHARD G. LUGAR,
JESSE HELMS,
CHARLES MCC. MATHIAS, JR.,
CLAIBORNE PELL,
J.R. BIDEN, Jr.,

For the portion dealing with Iran claims legislation:

DANIEL J. EVANS,
Managers on the Part of the Senate.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BARTLETT) to revise and extend their remarks and include extraneous material:)

Mr. DANNEMEYER, for 60 minutes, today.

Mr. DANNEMEYER, for 60 minutes, July 31.

Mr. PURSELL, for 5 minutes, July 31.

Mr. LIGHTFOOT, for 5 minutes, July 31.

(The following Members (at the request of Mr. HOYER) to revise and extend their remarks and include extraneous material:)

Mr. FASCELL, for 5 minutes, today.

Mr. BOUCHER, for 5 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. DYMALLY, for 30 minutes, today.

Mr. CONYERS, for 5 minutes, July 31.

Mr. CONYERS, for 5 minutes, August 1.

Mr. LIPINSKI, for 5 minutes, July 31.

Mr. GAYDOS, for 60 minutes, July 31.

Mr. DYMALLY, for 60 minutes, July 31.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. DAUB, prior to the vote on H.R. 3036 in the Committee of the Whole, today.

Mr. LOWERY of California, prior to the vote on the Frenzel amendment to H.R. 3036, Treasury, Postal Service, and General Government appropriations, 1986, in the Committee of the Whole, today.

Mr. LOWERY of California, during general debate on H.R. 3067, District of Columbia appropriations, 1986, in the Committee of the Whole, today.

(The following Members (at the request of Mr. BARTLETT) and to include extraneous matter:)

Mr. GOODLING.
Mr. SHUSTER.
Ms. SNOWE.
Mr. KRAMER.
Mr. RUDD.
Mr. FRANKLIN.
Mr. LUJAN.
Mr. GILMAN in three instances.
Mr. COBEY.
Mr. GRADISON.
Mr. CARNEY.
Mr. LAGOMARSINO in four instances.
Mrs. ROUKEMA.
Mr. ZSCHAU.
Mr. DANNEMEYER.
Mr. CAMPBELL.
Mr. HORTON.
Mr. MCEWEN.
Mr. HENRY.
Mr. JEFFORDS.

(The following Members (at the request of Mr. HOYER) and to include extraneous matter:)

Mr. LEHMAN of Florida.
Mr. SISISKY.
Mr. WALGREN.
Mr. SOLARZ.
Mr. SCHUMER.
Mr. BOUCHER.
Mr. MARKEY.
Mr. DOWNEY of New York.
Mr. WOLPE.
Mr. RODINO.
Mr. EDGAR.
Mr. KOLTER.
Mr. KOSTMAYER.
Mr. DINGELL in two instances.
Mr. RANGEL.
Mr. FEIGHAN.
Mr. BERMAN.
Mr. HALL of Ohio.
Mr. MILLER of California.
Ms. OAKAR.
Mr. HUBBARD.
Mr. PEPPER.
Mr. LOWRY of Washington.
Mr. DE LUGO.
Mr. BONIOR of Michigan.
Mr. SHELBY.
Mr. ROYBAL.
Mr. FUSTER.
Mr. APPLEGATE.
Mr. FLORIO.
Mr. GARCIA in two instances.
Mr. FAUNTROY.
Mr. LANTOS.
Mr. ECKART of Ohio.

ENROLLED JOINT RESOLUTION SIGNED

Mr. ANNUNZIO, from the committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 164. Joint resolution to designate August 4, 1985, as "Freedom of the Press Day."

SENATE ENROLLED JOINT RESOLUTIONS

The SPEAKER announced his signature to enrolled joint resolutions of the Senate of the following title:

S.J. Res. 108. Joint resolution authorizing the Secretary of Defense to provide to the Soviet Union, on a reimbursable basis, equipment and services necessary for an improved United States/Soviet Direct Communication Link for crisis control, and

S.J. Res. 161. Joint resolution to appeal for the release of Soviet Jewry.

ADJOURNMENT

Mr. KINDNESS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 37 minutes p.m.), under its previous order, the House adjourned until Wednesday, July 31, 1985, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1787. A letter from the Secretary of Education, transmitting waivers of requirements of section 312(2)(A)(ii) or 322(a)(2)(A)(ii) of the HEA, pursuant to HEA, section 342(a)(2) (94 Stat. 1398); to the Committee on Education and Labor.

1788. A letter from the Director of Legislative Affairs, Agency for International Development, trasmitting justification of an increase in the funding level for the proposed fiscal year 1985 program in Mali, pursuant to 22 U.S.C. 2413(b); to the Committee on Foreign Affairs.

1789. A letter from the Director of Legislative Affairs, Agency for International Development, transmitting justification of the increase in the funding level for the proposed fiscal year 1985 program in Liberia, pursuant to 22 U.S.C. 2413(b); to the Committee on Foreign Affairs.

1790. A letter from the Chairman, Japan-United States Friendship Commission, transmitting the eighth annual report of activities and recommendations, pursuant to Public Law 94-118, section 5(b); to the Committee on Foreign Affairs.

1791. A letter from the Administrator, General Services Administration, transmitting a summary of excess property disposal reports, pursuant to the act of June 30, 1949, chapter 268, section 202(e) (90 Stat. 2455); to the Committee on Government Operations.

1792. A letter from the Deputy Assistant Secretary of Defense, transmitting three new reports on systems of records submitted by the Department of the Navy, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1793. A letter from the Administrator, Veterans' Administration, transmitting notice of a Veterans' Administration matching program, pursuant to 5 U.S.C. 552a(o); to the Committee on Veterans' Affairs.

1794. A letter from the Chairwomen, U.S. International Trade Commission, transmitting the 36th report of the U.S. International Trade Commission on the operation of the trade agreements program during 1984, pursuant to Public Law 93-618, section 163(b); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FROST: Committee on Rules. House Resolution 240. Resolution waiving certain parts of order against H.R. 3011, a bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1986, and for other purposes (Rept. 99-238). Referred to the House Calendar.

Mr. WHEAT: Committee on Rules. House Resolution 241. Resolution providing for the consideration of H.R. 3008, a bill to promote equitable pay practices and to eliminate discrimination within the Federal civil service (Rept. 99-239). Referred to the House Calendar.

Mr. MICA: Committee of conference. Conference report on H.R. 2068 (Rept. No. 99-240). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JEFFORDS (for himself, Mrs. ROUKEMA, Mr. CHANDLER, Mr. OWENS, Mr. PETRI, Mr. DYMALLY, and Mr. TAUKE):

H.R. 3098. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to improve the efficiency and adequacy of the current retirement income system (consisting of employer and individual retirement plans) in carrying out its supplemental role to Social Security in providing benefits upon death, disability, and retirement by establishing retirement universal security arrangements which will expand pension coverage, provide for a form of pension portability, and preserve pension asset accumulations for payment in retirement income form, and for other purposes; jointly, to the

Committees on Education and Labor, and Ways and Means.

By Mr. MAVROULES:

H.R. 3099. A bill to amend the Communications Act of 1934 to expand the availability of hearing-aid compatible telephones; to the Committee on Energy and Commerce.

By Mr. MARKEY (for himself, Mr. MAVROULES, Mr. MCKINNEY, Mrs. SCHNEIDER, Mr. ADDABBO, Mr. ST GERMAIN, Mr. EDGAR, Mrs. BURTON of California, Mr. YATES, Mr. HAYES, Mr. ROYBAL, Mr. LELAND, Mr. FRANK, Mr. OBERSTAR, Mr. KASTENMEIER, Mr. OWENS, Mr. BOLAND, Mr. MILLER of California, Mr. DIXON, Mr. LEHMAN of Florida, Mr. MARTINEZ, Mr. WHEAT, Mr. STUDDS, Mr. TOWNS, Mr. MOAKLEY, Mr. FORD of Michigan, Mr. MRAZEK, Mr. TORRES, Mr. RAHALL, Mrs. KENNELLY, Mr. KOSTMAYER, Mr. DOWNEY of New York, Mrs. BOXER, Mr. EVANS of Illinois, Mr. SAVAGE, Mr. FAUNTROY, Mr. MORRISON of Connecticut, Mr. ATKINS, Mr. WEAVER, Mr. KILDEE, Mr. SCHUMER, Mr. DELLUMS, Mr. WEISS, Mr. MITCHELL, Mr. EDWARDS of California, Mr. BATES, Mr. DURBIN, Mr. TORRICELLI, Mr. RODINO, Mr. SCHEUER, Mr. FEIGHAN, Mr. AUCOIN, Mr. VENTO, Mr. PANETTA, Mr. LEHMAN of California, Mr. GEJDENSON, Mr. MINETA, Mr. BROWN of California, Mr. SABO, Mr. MCHUGH, Mr. MATSUI, Mr. ACKERMAN, Mr. LEVINE of California, Mr. JACOBS, Mr. SIKORSKI, Mr. CARR, Mr. CLAY, Mr. UDALL, Mrs. COLLINS, Ms. KAPTUR, Mr. HOWARD, Mr. LAFALCE, Mr. BARNES, Mr. CONYERS, Mr. WILLIAMS, Mr. BRUCE, Mr. CROCKETT, Mr. WALGREN, Mr. GARCIA, Mr. BOSCO, Mr. BIAGGI, Mr. LOWRY of Washington, Mr. BONIOR of Michigan, Mr. ROSTENKOWSKI, Mr. RANGEL, Mr. MANTON, Mr. RUSSO, Mr. LANTOS, Mr. MOODY, Mr. WAXMAN, Mr. WIRTH, and Mr. FORD of Tennessee):

H.R. 3100. A bill to provide for a comprehensive bilateral and verifiable freeze between the United States and the Soviet Union on the testing, production, and deployment of nuclear weapons systems; jointly, to the Committees on Foreign Affairs, Rules, and Armed Services.

By Mr. WAXMAN:

H.R. 3101. A bill to amend titles XVIII and XIX of the Social Security Act to provide for budget reconciliation, and improvements, with respect to the medicare and medicaid programs; divided and referred as follows: section 1 and titles I and II to the Committee on Energy and Commerce; section 1 and title I to the Committee on Ways and Means.

By Mr. BOUCHER:

H.R. 3102. A bill to strengthen the technological literacy of the Nation through demonstration programs of technology education; to the Committee on Education and Labor.

By Mr. BROOKS:

H.R. 3103. A bill to amend title II of the Social Security Act to require that all covered workers be informed annually of their contributions and potential benefit rights (based on their then current wage records); to the Committee on Ways and Means.

By Mr. BURTON of Indiana (by request):

H.R. 3104. A bill to amend the joint resolution of June 22, 1942, to provide for the reading of a Tribute to the Flag before the Pledge of Allegiance; to the Committee on the Judiciary.

By Mr. EDGAR:

H.R. 3105. A bill to provide for the establishment of a bipartisan commission to study and make recommendations concerning changes in the Medicare Program to assure its short-term and long-term financial solvency and the appropriateness of its benefit structure; jointly, to the Committees on Ways and Means, and Energy and Commerce.

By Mr. FISH:

H.R. 3106. A bill to amend title 9 of the United States Code regarding arbitral awards; to the Committee on the Judiciary.

By Mr. JENKINS:

H.R. 3107. A bill to amend the Internal Revenue Code of 1954 to exempt from tax earnings on certain investment accounts for savers and investors; to the Committee on Ways and Means.

By Mr. KASTENMEIER (for himself, and Mr. BOUCHER):

H.R. 3108. A bill to amend title 17, United States Code, to clarify the definition of the local service area of a primary transmitter in the case of a low power television station; to the Committee on the Judiciary.

By Mr. KRAMER:

H.R. 3109. A bill to amend title 18, United States Code, to provide life imprisonment wihtout parole for certain offenses relating to the sexual exploitation of children; to the Committee on the Judiciary.

By Mr. LEHMAN of California (for himself, Mr. MATSUI, Mr. COELHO, Mr. PASHAYAN, and Mr. KLECZKA):

H.R. 3110. A bill to amend the Social Security Act to provide for a demonstration of the extent to which eliminating the 100-hour rule under the AFDC-U Program, and requiring parents under such program to accept any reasonable job offers while preserving the eligibility of their families, would effectively encourage such parents to enter the permanent work force and thereby significantly reduce program costs; to the Committee on Ways and Means.

By Mr. LOTT:

H.R. 3111. A bill to reestablish the Gulf Islands National Seashore Advisory Commission; to the Committee on Interior and Insular Affairs.

By Mr. LUJAN:

H.R. 3112. A bill to amend title 35 of the United States Code, and the National Aeronautics and Space Act of 1958, to provide that any person who makes an invention in the course of activities in outer space shall retain all patent rights to such invention; jointly, to the Committees on the Judiciary, and Science and Technology.

By Mr. MILLER of California (for himself, Mr. COELHO, and Mr. LEHMAN of California):

H.R. 3113. A bill providing for the Coordinated Operation of the Central Valley Project and the State Water Project in California; to the Committee on Interior and Insular Affairs.

By Mr. MILLER of California (for himself, Mr. RANGEL, and Mr. OWENS):

H.R. 3114. A bill to provide a comprehensive legislative program for children, adolescents, and families, and for other purposes; jointly, to the Committees on Ways and Means, Energy and Commerce, Education and Labor, and Agriculture.

By Mr. MONTGOMERY:

H.R. 3115. A bill to provide that the program of education for which assistance may be made available under chapter 106 of title 10, United States Code, is the same as that for which assistance may be made available under chapter 30 of title 38, United States Code; to the Committee on Armed Services.

By Mr. OBERSTAR (for himself, Mr. VANDER JAGT, Mr. SEIBERLING, and Mr. MURTHA):

H.R. 3116. A bill to amend the Act of April 9, 1924 authorizing the construction, reconstruction, and improvement of roads and trails in units of the National Park System, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. PASHAYAN (for himself, and Mr. THOMAS of California):

H.R. 3117. A bill to amend section 131 of the Highway Beautification Act of 1965, as amended; to the Committee on Public Works and Transportation.

By Mr. PEPPER:

H.R. 3118. A bill to amend the Federal Food, Drug, and Cosmetic Act to limit the compensation of investigators who use medical devices under an exemption for investigational use; to the Committee on Energy and Commerce.

H.R. 3119. A bill to amend title XVIII of the Social Security Act to require an annual report from the Director of the Congressional Office of Technology Assessment on changes in payment amounts for certain surgical transplantation procedures; jointly to the Committees on Ways and Means, and Energy and Commerce.

By Mr. RINALDO (for himself, Mr. ROYBAL, Mr. BIAGGI, Mr. MCCAIN, Ms. SNOWE, Mr. VENTO, Mr. SAXTON, and Mr. MANTON):

H.R. 3120. A bill to establish in the Department of Justice the National Resource Office Relating to Crimes Against Older Individuals; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.R. 3121. A bill to provide for a moratorium on certain retirement plan reversions, and for other purposes; jointly, to the Committees on Education and Labor, and Ways and Means.

By Mr. SEIBERLING:

H.R. 3122. A bill to amend the Internal Revenue Code of 1954 with respect to the amount of interest payable on underpayments where individuals not timely notified of result of audit; to the Committee on Ways and Means.

By Mr. SOLOMON:

H.R. 3123. A bill to restrict the administration and use of polygraph examinations with respect to employers involved in interstate commerce and to protect the privacy rights of employees and prospective employees of such employers; to the Committee on Education and Labor.

By Mr. ZSCHAU:

H.R. 3124. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of computer software royalties for purposes of the personal holding company provisions; to the Committee on Ways and Means.

By Mr. CAMPBELL:

H.J. Res. 362. Joint resolution to designate the week of September 23, 1985, through September 29, 1985, as "National Historically Black Colleges Week"; to the Committee on Post Office and Civil Service.

By Mrs. KENNELLY (for herself and Mr. GILMAN):

H.J. Res. 363. Joint resolution to express the sense of the Congress with respect to the failure of the Soviet Union to comply with section 7 of the Helsinki accords; to the Committee on Foreign Affairs.

By Mr. LOTT:

H.J. Res. 364. Joint resolution to authorize and request the President to proclaim March 21, 1986, as "National Taste and Smell Disease Awareness Day"; to the Committee on Post Office and Civil Service.

By Mr. DELLUMS:

H. Res. 242. Resolution urging the Postmaster General to issue a commemorative stamp in honor of Malcolm X; to the Committee on Post Office and Civil Service.

By Mr. HEFTEL of Hawaii:

H. Res. 243. Resolution expressing the sense of the House of Representatives to preserve the 25-percent investment credit for the rehabilitation of certified historic buildings; to the Committee on Ways and Means.

By Mr. RINALDO:

H. Res. 244. Resolution expressing the House of Representatives' opposition to an imposition of an import fee on crude oil and refined products; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII,

233. The SPEAKER presented a memorial of the Legislature of the State of California, relative to Ida Nudel; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. DOWNEY of New York introduced a bill (H.R. 3125) for the relief of Anthony Casamento; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2: Mr. CARPER, Mr. VALENTINE, and Mr. WEAVER.

H.R. 479: Mr. GALLO.

H.R. 481: Mr. BADHAM.

H.R. 598: Mr. RITTER, Mr. TRAFICANT, and Mr. BIAGGI.

H.R. 602: Mr. SHUMWAY.

H.R. 704: Mr. CLINGER and Mr. BROWN of Colorado.

H.R. 797: Mr. CHANDLER, Mr. BRUCE, Mr. NIELSON of Utah, Mr. SENSENBRENNER, Mr. EDWARDS of Oklahoma, Mr. TOWNS, and Ms. SNOWE.

H.R. 846: Mr. MORRISON of Washington.

H.R. 864: Mr. GAYDOS, Mr. KOLTER, and Mr. DASCHLE.

H.R. 894: Mr. BLAZ.

H.R. 933: Mr. HAYES.

H.R. 1059: Mr. CAMPBELL and Mr. JEFFORDS.

H.R. 1188: Mr. HILLIS, Mr. SCHAEFER, Mr. VOLKMER, Mr. STRANG, Mr. DORNAN of California, Mr. FRANKLIN, Mrs. MARTIN of Illinois, Mr. GROTBERG, Mr. MOLLOHAN, Mr. MADIGAN, Mr. HOPKINS, Ms. MIKULSKI, Mr. EVANS of Iowa, Mr. WISE, Mr. SOLARZ, and Mr. SWINDALL.

H.R. 1262: Mr. BADHAM.

H.R. 1268: Mr. BILIRAKIS and Mr. ROYBAL.

H.R. 1294: Mr. YATRON and Mr. MRAZEK.

H.R. 1295: Mr. AKAKA, Mr. ROSE, and Mr. GEJDENSON.

H.R. 1316: Mr. MORRISON of Washington.

H.R. 1318: Mr. BADHAM.

H.R. 1324: Mr. BADHAM.

H.R. 1550: Mr. NEAL and Mr. RUDD.

H.R. 1615: Mr. SLATTERY, Mr. WHITTAKER, and Mr. SHARP.

H.R. 1875: Mr. FIELDS, Mr. TORRICELLI, Mr. HOWARD, Mr. ADDABBO, Mr. TRAXLER, Mr. SHUSTER and Mr. JEFFORDS.

H.R. 1877: Mr. ROSE, Mr. BROWN of California, Mr. MINETA, Mrs. SCHNEIDER, Mr. FISH, Mr. ATKINS, and Ms. MIKULSKI.

H.R. 1893: Mr. COBLE.

H.R. 1911: Mr. ECKERT of New York, Mr. RAY, and Mr. BADHAM.

H.R. 1950: Mrs. MARTIN of Illinois, Mrs. BENTLEY, Mr. RICHARDSON, Mr. CROCKETT, Mr. OBERSTAR, Mr. ANTHONY, and Mr. BEVILL.

H.R. 2001: Mr. HENDON, Mr. LEWIS of Florida, Mr. FORD of Michigan, Mr. STRANG, Mr. COBEY, Mr. CLAY, Mr. ASPIN, Mr. WIRTH, Mr. LUKEN, Mr. DUNCAN, Mr. THOMAS of Georgia, Mr. FOGLIETTA, and Mr. WISE.

H.R. 2032: Mr. BILIRAKIS and Mr. MARKEY.

H.R. 2080: Mr. BORSKI, Mr. CARPER, Ms. MIKULSKI, Mr. MCKINNEY, Mr. REGULA, Mr. SUNIA, Mr. WORTLEY, Mr. DEWINE, and Mr. MILLER of California.

H.R. 2119: Mr. COUGHLIN.

H.R. 2172: Mr. YOUNG of Missouri, Mr. RALPH M. HALL, and Mr. HENRY.

H.R. 2210: Mr. MCCAIN.

H.R. 2337: Mr. SHUMWAY, Mr. BOUCHER, and Mr. DANIEL.

H.R. 2354: Mr. HUBBARD, Mr. WILSON, and Ms. MIKULSKI.

H.R. 2495: Mr. ROBINSON.

H.R. 2543: Mr. RITTER, Mr. DORGAN of North Dakota, Ms. SNOWE, Mr. FEIGHAN, and Mr. LELAND.

H.R. 2620: Mr. WORTLEY and Mr. JEFFORDS.

H.R. 2626: Mr. EDWARDS of Oklahoma, Mrs. MARTIN of Illinois, Mrs. BENTLEY, and Mr. BADHAM.

H.R. 2685: Mr. CONYERS.

H.R. 2809: Mr. MURPHY, Mr. KOLTER, Mr. PORTER, Mr. PERKINS, Mr. RAHALL, Mr. VISCLOSKY, Mrs. BENTLEY, Mr. TOWNS, Mr. BEVILL, Mr. CAMPBELL, and Mr. DUNCAN.

H.R. 2814: Mr. KOLTER, Mr. BURTON of Indiana, and Mr. NIELSON of Utah.

H.R. 2834: Mr. WORTLEY, Mr. SHUMWAY, Mr. HENRY, Mr. LAGOMARSINO, Mr. PANETTA, Mr. FAZIO, Mr. GILMAN, and Mr. SOLOMON.

H.R. 2866: Mr. BEDELL.

H.R. 2904: Mr. BUSTAMANTE, Mr. PERKINS, Mr. ROGERS, Mr. SPRATT, and Mr. VENTO.

H.R. 2907: Mr. FORD of Tennessee, Ms. KAPTUR, Mr. HAYES, Mr. DOWNEY of New York, Mr. MITCHELL, Mr. HOYER, Ms. MIKULSKI, Mr. MARTINEZ, Mr. CONYERS, and Mr. WHEAT.

H.R. 2922: Mr. RUDD.

H.R. 2936: Mr. BEDELL and Mr. RUDD.

H.R. 2950: Mrs. ROUKEMA, Mrs. SCHROEDER, Mr. OBERSTAR, Ms. KAPTUR, Mr. TORRICELLI, Mr. AKAKA, Mr. TRAFICANT, Mr. FROST, Mr. WEISS, Mr. STUDDS, Mr. HANSEN, Mrs. BOXER, Mr. EVANS of Illinois, Mr. SEIBERLING, Mr. STALLINGS, Mr. VENTO, Mr. SHUMWAY, Mr. ORTIZ, Mr. BERMAN, Mr. ATKINS, Mr. WOLPE, Mr. CONYERS, Mr. SHAW, and Mr. STARK.

H.R. 2953: Mr. BUSTAMANTE, Mr. CLAY, Mr. MITCHELL, and Mr. CONYERS.

H.R. 2955: Mr. BONIOR of Michigan, Mr. FAZIO, Mr. MORRISON of Connecticut, and Mr. MITCHELL.

H.R. 2969: Mr. MRAZEK.

H.J. Res. 1: Mr. KANJORSKI, Mr. MACK, Mr. YATES, Mr. HORTON, Mr. WORTLEY, Mr. FUSTER, Mr. ANNUNZIO, Mr. KILDEE, Mr. LANTOS, Mr. ROE, Mr. DYSON, Mr. WEISS, Mr. MOORE, Mr. HAWKINS, Mr. DICKS, Mr. DWYER of New Jersey, Mr. AKAKA, Mr. KINDNESS, Mr. KASTENMEIER, Mr. KLECZKA, Mr. ROTH, Mr. REGULA, Mrs. BURTON of California, Mr. BORSKI, Mr. GRADISON, Mr. GALLO, Mrs. MEYERS of Kansas, Mr. OBERSTAR, Mr. STANGELAND, Mr. ADDABBO, Mr. FASCELL, Mr. MANTON, Mr. DELLUMS, Mr. BOLAND, Mr. FOGLIETTA, Mr. CONTE, Ms. OAKAR, Ms. SNOWE, Mr. VOLKMER, Mr. YOUNG of Missouri, Mr. THOMAS of Georgia, Mr. MICHEL, Mr. HENDON, Mr. STARK, Mr. YATRON, Mr. SCHULZE, Mr. GEJDENSON, Mr. BONER of Tennessee, Mr. SMITH of Iowa, Mr. CHAPPELL, Mr. JONES of Oklahoma, Mr. LAGOMARSINO, Mr. FAZIO, Ms. KAPTUR, Mr. WILSON, and Mr. SAVAGE.

H.J. Res. 47: Mr. ADDABBO.

H.J. Res. 79: Ms. SNOWE, Mr. BROYHILL, Mr. HENDON, and Mr. MILLER of California.

H.J. Res. 90: Mr. AKAKA, Mr. ANDREWS, Mr. ANTHONY, Mr. BERMAN, Mrs. BOXER, Mr. BRYANT, Mr. CARPER, Mr. CHAPPELL, Mr. GEJDENSON, Mr. REID, Mr. WIRTH, Mr. HAYES, Mr. HUTTO, Ms. KAPTUR, Mr. LELAND, Mr. MARKEY, Mr. MATSUI, Mr. MOAKLEY, Mr. MRAZEK, Mr. OBERSTAR, Mr. TRAFICANT, Mr. WHITEHURST, Mr. FRANK, Mr. DYMALLY, Mr. GRAY of Pennsylvania Mr. HALL of Ohio, Ms. FIEDLER, Mr. FEIGHAN, Mr. FAZIO, Mr. FAUNTROY, Mr. DAVIS, Mr. EARLY, Mrs. HOLT, Mr. STARK, Mr. RICHARDSON, Mr. TORRICELLI, Mr. VOLKMER, Mr. WEISS, Mr. PANETTA, Mr. PETRI, Mr. SHARP, Mr. SABO, Mr. WHEAT, Mr. LANTOS, Mr. PEPPER, Mr. WHITTEN, and Mr. GARCIA.

H.J. Res. 222: Mr. BORSKI.

H.J. Res. 229: Mr. IRELAND, Mr. DOWDY of Mississippi, Mr. GILMAN, Mr. THOMAS of Georgia, Mr. WIRTH, Mr. WISE, Mr. KILDEE, Mr. SHAW, and Mr. OLIN.

H.J. Res. 271: Mr. SABO, Mr. SHELBY, Ms. KAPTUR, Mr. JONES of Tennessee, Mr. NIELSON, of Utah, Mrs. BENTLEY, Mr. LELAND, Mr. PASHAYAN, Mr. MCCAIN, Mr. LIVINGSTON, Mr. MOLLOHAN, Mr. CHAPPELL, Mr. GREGG, and Mr. VOLKMER.

H.J. Res. 288: Mr. O'BRIEN, Mr. CHAPPELL, Mr. YOUNG of Alaska, Mr. KINDNESS, Mr. FLIPPO, Mr. BROYHILL, Mr. ADDABBO, Mr. WOLPE, Mr. LEACH of Iowa, Mr. GEJDENSON, Mr. FUSTER, Mr. SUNIA, Mrs. BYRON, Mr. DANNEMEYER, Mr. CLAY, Mr. MCKERNAN, Mr. WYDEN, Mr. TOWNS, Mr. WHITTEN, Mr. STENHOLM, Mr. CARPER, Mr. FRENZEL, Mr. LAGOMARSINO, Mr. MOORE, Mr. HENRY, Mr. MOAKLEY, Mr. BARNARD, Mr. MOLINARI, Mr. COATS, Mr. DE LA GARZA, Mr. EMERSON, Mr. ACKERMAN, Mr. SKELTON, Mr. WIRTH, Mr. GILMAN, Mr. GREGG, Mr. RALPH M. HALL, Mr. GALLO, Mr. COYNE, Mr. COELHO, Mr. DWYER of New Jersey, Mr. VENTO, Mr. CONTE, Mr. KOLTER, Mr. KOSTMAYER, Mr. KASTENMEIER, Mr. BROWN of California, Mr. GINGRICH, Mr. FEIGHAN, Mrs. HOLT, Mr. STOKES, Mrs. BURTON of California, Mr. FOLEY, Mr. CONYERS, Mr. SAXTON, Mr. MOLLOHAN, Mr. NEAL, Mr. OLIN, Mr. ROBERTS, Mr. RAHALL, Mr. MCKINNEY, Mr. STRATTON, Mr. NATCHER, Mr. BROOKS, Mr. HALL of Ohio, Mr. KILDEE, Mr. LUNDINE, Mr. KEMP, Mr. YATES, Mr. MCHUGH, Mr. RINALDO, Mr. EDWARDS of Oklahoma, Mr. DANIEL, Mr. WALGREN, Mr. MOODY, Mr. DYMALLY, Mr. LANTOS, Mr. ROSE, Mrs. COLLINS, Mr. DELLUMS, Mr. LEVIN of Michigan, Mr. HAYES, Mr. FOGLIETTA, Mr. WHITLEY, Mr. YOUNG of Missouri, Mr. MCGRATH, Mr. GRAY of Pennsylvania, Mr. MONTGOMERY, Mr. TRAFICANT, Mr. VALENTINE, Mr. DERRICK, Mrs. MEYERS of Kansas, Mr. MCCLOSKEY, Mr. GREEN, Mr. SHUMWAY, Mr. CHANDLER, Mr. COOPER, Mr. SHARP, Mr. REID, Mr. LIGHTFOOT, Mr. STUDDS, Mr. FAUNTROY, Mr. DIOGUARDI, Mr. SUNDQUIST, and Mr. STANGELAND.

H.J. Res. 292: Mr. MURPHY, Mr. ROE, Mr. HUGHES, Mr. WEISS, Mrs. HOLT, Mr. WAXMAN, Mr. FISH, Mr. LANTOS, Mr. CALLAHAN, Mr. CAMPBELL, Mr. HEFNER, and Mr. SHAW.

H.J. Res. 296: Mr. MCCOLLUM, Mr. SMITH of Florida, Mr. WHEAT, Mr. BATES, Mr. OLIN, Mr. SPENCE, Mr. APPLEGATE, and Mr. HUGHES.

H.J. Res. 327: Mr. WORTLEY, Mr. HENRY, Mr. CARPER, Mr. GORDON, Mr. HORTON, and Mr. GUARINI.

H.J. Res. 329: Mr. ADDABBO, Mr. ANNUNZIO, Mrs. BENTLEY, Mr. BERMAN, Mr. BIAGGI, Mrs. BOXER, Mr. BRYANT, Mr. CARNEY, Mr. CHAPPIE, Mr. CLAY, Mrs. COLLINS, Mr. COUGHLIN, Mr. CROCKETT, Mr. DANIEL, Mr. DARDEN, Mr. DASCHLE, Mr. DAUB, Mr. DE LUGO, Mr. DWYER of New Jersey, Mr. EARLY, Mr. EMERSON, Mr. FAZIO, Mr. FEIGHAN, Mr. FISH, Mr. FLORIO, Mr. FOGLIETTA, Mr. HEFTEL of Hawaii, Mrs. HOLT, Mr. HORTON, Mr. HOYER, Mr. HUGHES, Mr. HYDE, Mr. JACOBS, Mr. JONES of North Carolina, Mr. LAGOMARSINO, Mr. LEWIS of California, Mr. LIVINGSTON, Mr. MCGRATH, Mr. MARTIN of New York, Mr. MINETA, Mr. MORRISON of Connecticut, Mr. MURPHY, Mr. O'BRIEN, Mr. OWENS, Mr. PORTER, Mr. RANGEL, Mr. ROE, Mr. ROSE, Mr. SCHEUER, Mr. SHUMWAY, Mr. SMITH of New Jersey, Mr. SMITH of Florida, Mr. SOLARZ, Mr. STOKES, Mr. SUNIA, Mr. VANDER JAGT, Mr. WAXMAN, Mr. WEISS, Mr. WOLF, Mr. WORTLEY, Mr. YATES, and Mr. YOUNG of Florida.

H.J. Res. 340: Mrs. KENNELLY.

H.J. Res. 346: Mr. GALLO, Mr. LAGOMARSINO, Mr. DAUB, Mr. BURTON, of Indiana, Mr. BIAGGI, Mr. BARTON of Texas, Mrs. BENTLEY, Mr. SWINDALL, Mr. SMITH of New Jersey, Ms. MIKULSKI, and Mr. MONSON.

H. Con. Res. 15: Mr. MANTON.

H. Con. Res. 69: Mr. DREIER of California.

H. Con. Res. 74: Mr. BROWN of Colorado and Mr. BADHAM.

H. Con. Res. 156: Mr. EDWARDS of Oklahoma, Mr. WAXMAN, Mr. WEBER, Mr. BURTON of Indiana, Mr. LAGOMARSINO, Mr. RITTER, and Mr. MONSON.

H. Res. 60: Mr. MCCANDLESS.

H. Res. 107: Mr. SEIBERLING.

H. Res. 134: Mr. SWEENEY.

H. Res. 188: Mr. BEDELL, Mr. HUGHES, Ms. MIKULSKI, Mr. BEVILL, and Mr. MADIGAN.

H. Res. 193: Mr. DUNCAN.

H. Res. 210: Mr. MCKINNEY, Mr. NEAL, Mr. WEISS, Mr. SCHEUER, Mr. HUGHES, Mr. GEJDENSON, Mr. OWENS, and Mr. STUDDS.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

182. By the SPEAKER: Petition of the county board of Rock Island County, IL, relative to infrastructure; to the Committee on Public Works and Transportation.

183. Also, petition of the Village of Glendale Heights, IL, relative to infrastructure; to the Committee on Public Works and Transportation.

184. Also, petition of the Silver-Haired Legislature Association, New Bedford, MA, relative to veterans services; to the Committee on Veterans' Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3008

By Mr. ARMEY:

—After section 8, insert the following new section and redesignate succeeding sections and any references thereto accordingly:

SEC. 9. SENSE OF CONGRESS.

It is the sense of the Congress that—

(1) neither the results of the consultant's study nor any of the Commission's recommendations relating to such study should be considered to reflect the views of the Congress; and

(2) in any judicial or administrative proceeding in which any of the results or recommendations referred to in paragraph (1) are considered, the methodology and other factors relating to the manner in which those results and recommendations were obtained shall be taken into account.

—In section 6(a), insert "(1)" before "In order".

Before section 6(b), insert the following:

(2) For purposes of this Act, positions within an occupational category shall be consideed to be held predominately by memberts of one sex if individuals of that sex hold more than 50 percent of the occupied positions within such category.

—In section 10(1), strike out "an objective," and insert in lieu theeof "a subjective,".

In section 10(2), strike out "an objective" and insert in lieu thereof "a subjective".

—In section 10(2)(B), strike out "and".

In section 10(2), redesignate subparagraph (C) as subparagraph (D) and insert before such paragraph (D) (as so redisignated) the following:

(C) factors relating to supply and demand; and

—Before section 7(d), insert following:

(5) With respect to any occupation for which the Commission recommends an increase in the rate of basic pay, the Commission shall include a statement as to—

(A) how the rate of pay recommended compares with the rate generally provided for that occupation in the private sector; and

(B) whether it would be more practical for the Government to contract with private sources for the services performed by Federal empoyees in that occupation.

—Section 5(a) and (b).

Page 10, line 1. Delete "5" and insert "10".

Page 10, line 9. Delete "a consultant" and insert "not less than three consultants".

—Section 6(a).

Page 10, starting on line 17, delete "which either sex is numberically predominant, any race is disproportionately represented, or either ethnic group is disproportionately represented" and insert in lieu thereof "Included within the scope of this study."

—Section 9.

Page 13, line 18, delete the period and insert the following: "if the Director certifies to Congress in writing that allocation of such funds will not adversely affect the ability of the Office to effectively carry out its statutory mandate."

—Section 8.

Page 13, line 9, insert after the word "limit" a comma and the words "expand, or otherwise change."

—Section 3(b), page 3:

In subsection (b)(1), delete "the Comptroller General of the United States" and insert instead "the Chairman of the Equal Employment Opportunity Commisson".

—Section 4(b), page 8:

Under subsection (b), modify paragraph 3(A), lines 17 and 18, by deleting the words "relates to any matter under investigation by the Commission." and replacing those words with the following: "to which the Commission is entitled under subsection (b)(2)."

—Section 7, page 12:

In Section 7(b), page 12, lines 9 through 12, delete everything after "analyses" on line 9 and insert instead the following: "shall be reported to the Office of Personnel Management for prompt investigation and, if necessary, appropriate remedial action."

—Section 4, page 9:

Add a new subsection (c) to Section 4, as follows: "(c) The Commission's authority is advisory only. Neither the Commission's study nor any other action by the Commission or its consultant shall be considered to be a modification of federal personnel policy or practice without subsequent ratification by the Congress."

—Section 3(b), pages 3-4:

In subsection (b)(4), change the number of members appointed by the Director of OPM to 9 from 4. Add as subparagraph (D) the following: "(D) 5 shall be individuals with federal personnel management experience, of whom: one shall be designated by the Secretary of Defense; one shall be designated by the Secretary of Health and Human Services; one shall be designated by the Secretary of the Treasury; one shall be designated by the Secretary of Agriculture; and, one shall be designated by the Secretary of Interior."

By Mr. BURTON of Indiana:

—Page 2, strike out line 25 and all that follows thereafter through page 6, line 8, and insert in lieu thereof the following:

(b) COMPOSITION.—The Commission shall be composed of 14 members, of whom—

(1) 7 shall be appointed by the President in consultation with the majority leader of the Senate and the minority leader of the House of Representatives; and

(2) 7 shall be appointed by the President upon the joint recommendation of the Speaker of the House of Representatives and the minority leader of the Senate.

To the extent practicable, appointments under this section shall be made with a view towards maintaining a fair balance in the interests represented and the functions to be performed by the Commission.

(c) CONDITION FOR MEMBERSHIP.—(1) Members of the Commission shall not be officers or emp!oyees of the United States.

(2) If any member of the Commission becomes an officer or employee of the United States, that individual may continue as such a member for not longer than the 15-day period beginning on the date that such individual becomes such an officer or employee.

(3) An individual on leave without pay from the Government shall not, for purposes of this subsection, be considered an officer or employee of the United States.

(d) COMPENSATION.—Members of the Commission shall receive no pay on account of their service on the Commission, but while away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service under section 5703 of title 5, United States Code.

Page 6, line 10, strike out "paragraphs (3) and (4) of".

Page 6, line 22, strike out "Six" and insert in lieu thereof "Eight".

(Amendment in the nature of a substitute.)

—Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Anti-Discrimination Act of 1985".

SEC. 2. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There shall be established a commission to be known as the Commission on Equitable Pay Practices.

(b) COMPOSITION.—The Commission shall be composed of—

(1) the Director of the Office of Personnel Management;

(2) the Chairman of the Equal Employment Opportunity Commission;

(3) 8 members appointed by the President, of whom—

(A) 1 shall be appointed upon the recommendation of the Speaker of the House of Representatives;

(B) 1 shall be appointed upon the recommendation of the minority leader of the House of Representatives;

(C) 1 shall be appointed upon the recommendation of the majority leader of the Senate;

(D) 1 shall be appointed upon the recommendation of the minority leader of the Senate; and

(E) 2 shall be appointed to represent the interests of taxpayers; and

(4) 5 members appointed by the Director of the Office of Personnel Management, of whom—

(A) 2 shall be appointed to represent the respective labor organizations representing (as exclusive representatives) the largest and the second largest numbers of individuals in Government service;

(B) 1 shall be appointed to represent employee organizations having as a purpose promoting the interests of women in Government service and composed primarily of women holding positions covered by the provisions of chapter 51, or subchapter IV of chapter 53, of title 5, United States Code;

(C) 1 shall be appointed to represent employee organizations having as a purpose promoting the civil rights of individuals in Government service and composed primarily of minority group members holding positions covered by any of the provisions referred to in subparagraph (B); and

(D) 1 shall be appointed from among individuals with expertise in Federal personnel management.

To the extent practicable, appointments under this section shall be made with a view towards maintaining a fair balance in the interests represented and the functions to be performed by the Commission.

(c) TIMING OF APPOINTMENTS; QUALIFICATIONS.—All appointments under paragraphs (3) and (4) of subsection (b) shall be made within 20 days after the effective date of this Act and shall be made from among individuals who are especially qualified to serve on the Commission by virtue of their expertise and experience.

(d) VACANCIES.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(e) CHAIR AND VICE CHAIR.—The Chair and Vice Chair of the Commission shall be elected by the members of the Commission.

(f) QUORUM.—Eight members of the Commission shall constitute a quorum.

(g) MEETINGS.—The Commission shall meet at the call of the Chair or a majority of its members.

(h) NONAPPLICABILITY OF LIMITATION.—Appointments under this section shall not be considered for purposes of section 5311(b) of title 5, United States Code.

SEC. 3. CONDUCT OF STUDY.

(a) STUDY.—The Commission shall provide for the conduct of a study under which the following shall be examined:

(1) Whether the Government's position-classification system under chapter 51 of title 5, United States Code, and compensation systems under subchapters III and IV of chapter 53 of such title, are in compliance with section 6(d) of the Fair Labor Standards Act of 1938, relating to equal pay for substantially equal work.

(2) Whether the Government is in compliance with title VII of the Civil Rights Act of 1964 in matters relating to hirings and promotions of Federal employees.

(3) The effectiveness of any policies or programs of the Government (including those involving education or the dissemination of information) designed to encourage—

(A) the integration of individuals into occupations in which persons of a particular sex, race, or ethnic group have been traditionally underrepresented; or

(B) the promotion or other advancement of such individuals in Federal employment.

(4) Any trends or patterns relating to promotions or other advancement in Federal employment with respect to individuals belonging to any underrepresented group referred to in paragraph (30).

(b) METHODOLOGY.—In carrying out the study under this Act—

(1) the methodology to be used shall be subject to Commission determination or approval, as the case may be; and

(2) particular consideration shall be given to matters relating to women in Government.

SEC. 4. RECOMMENDATIONS AND REPORT.

(a) RECOMMENDATIONS.—The Commission shall develop recommendations (including proposals for legislation or administrative action) for enhancing Government efforts to achieve equality of opportunity in Federal Employment with respect to sex, race, and ethnicity and to improve the efficiency of Government compensation practices under subchapters III and IV of chapter 53 of title 5, United States Code. Included with such recommendations shall be an estimate of the cost anticipated in carrying out those recommendations.

(b) REPORT.—The Commission shall submit its report and recommendations under this Act to Congress not later than 18 months after the date of the establishment of the Commission.

SEC. 5. ADMINISTRATIVE PROVISIONS.

(a) COMPENSATION.—Members of the Commission shall receive no pay on account of their service on the Commission, but while away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service under section 5703 of title 5, United States Code.

(b) DETAILS FROM OTHER AGENCIES.—Upon request of the Commission, the head of an agency may detail, on a nonreimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its responsibilities under this Act.

(c) OBTAINING INFORMATION.—The Commission may secure directly from any agency any information necessary to enable it to carry out this Act. Upon request of the Commission, the head of such an agency shall, to the extent permitted by law, furnish the information requested by the Commission.

(d) EXPERTS AND CONSULTANTS.—The Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(e) MAIL AND SUPPORT SERVICES.—The Commission may use the United States mails, and receive administrative support services from the Administrator of General Services, in the same manner and under the same conditions as other agencies.

SEC. 6. TERMINATION OF COMMISSION.

The Commission shall cease to exist 90 days after submitting its report under section 4(b).

SEC. 7. CONSTRUCTION.

Nothing in this Act shall be construed to limit or expand any of the rights or remedies provided under title VII of the Civil Rights Act of 1964, section 6(d) of the Fair Labor Standards Act of 1938, or any other provision of law relating to discrimination on the basis of race, color, religion, sex, national origin, handicap, or age.

SEC. 8. FUNDING.

Sums appropriated to the Office of Personnel Management for general operating expenses shall be available to carry out this Act.

SEC. 9. DEFINITIONS.

For the purpose of this Act—

(1) "agency" means an executive agency within the meaning of section 105 of title 5, United States Code (other than the General Accounting Office);

(2) "employee" and "Federal employee" each means an individual employed in or under an agency;

(3) "ethnicity" refers to the quality of being, or not being, of Hispanic origin;

(4) "ethnic group" refers to a grouping based on ethnicity;

(5) an individual shall be considered to be of Hispanic origin if such individual is of Mexican, Puerto Rican, Cuban, Central American, South American, or other Spanish origin;

(6) "Commission" means the Commission on Equitable Pay Practices established under section 2;

(7) "occupation" means any grouping of positions within an agency, as identified or defined under chapter 51 of title 5, United States Code, or subchapter IV of chapter 53 of such title;

(8) "position" means the work, consisting of the duties and responsibilities, assignable to an individual;

(9) "labor organization" has the meaning provided by section 7103(a)(4) of title 5, United States Code;

(10) "exclusive representative" has the meaning provided by section 7103(a)(16) of title 5, United States Code; and

(11) "Government" means the Government of the United States.

SEC. 10. EFFECTIVE DATE.

This Act shall take effect 30 days after the date of the enactment of this Act.

Amend the title so as to read: "A bill to promote equitable personnel practices and to eliminate discrimination within the Federal civil service.".

—Page 13, strike out lines 4 through 11.

—On page 2, line 1, strike all after the enacting clause.

—On page 2, line 3 after "Act of 1985", add: ", But You Can Call Me Comparable Worth.".

—On page 2, line 3, after "Act of 1985", add: ", or the 8 Billion Dollar Mistake.".

—On page 2, line 3 after "Act of 1985", add: ", or the 320 Billion Dollar Mistake.".
—On page 2, line 3 after "Act of 1985", add: ", or the Sexist Socialism Act.".
—On page 2, line 3 after "Act of 1985", add: ", or Feminist Folly.".
—On page 2, line 3 after "Act of 1985", add: ", or This Is What Happens When the Democrats Are In Control.".
—On page 2, line 3 after "Act of 1985", add: ", Done By A Loaded Commission.".
—On page 2, line 3 after "Act of 1985", add: "Being Railroaded Through On A Greased Track.".
—On page 2, line 3 after "Act of 1985", add: ", or Let's Make a Lot of Subjective Judgements Act.".
—On page 2, line 3 after "Act of 1985", add: ": This Is A Comparable Worth Bill.".
—On page 2, line 3 after "Act of 1985", add: ", or Let's Soak the Taxpayers Again.".
—On page 2, line 3 after "Act of 1985", add: ", or Why Do We Need the Free Market When We Have the Federal Government.".
—Page 2, strike out Section 3.
—On page 2, line 5 after "to" insert: ", consistent with the free market system,".
—Page 2, strike out lines 15 though 20.
—Page 3, strike out line 1.
—Page 3, strike out lines 1 through 3, and lines 14 through page 4, line 8.
—Page 3, line 4 strike out "5" and insert in lieu thereof "10".
—Page 3, strike out lines 5 through 13.
—Page 3, line 6 strike out "2" and insert in lieu thereof "8".
—Page 4, strike out lines 13 through 16.
—Page 7, strike out Section 4.
—Page 8, strike out lines 10 through 14.
—Page 8, strike out lines 15 through page 9, line 10.
—Page 9, strike out Section 5.
—Page 10, strike out Section 6.
—Page 10, strike out lines 20 through page 11 line 2.
—Page 10, strike out after "a study" on line 15 all that follows through line 19.
—Page 10, strike out lines 7 through 10.
—Page 10, strike out lines 22 through 24.
—Page 10, strike out lines 12 through 19.
—Page 11, strike out on lines 5 and 6 the following: "the President and".
—Page 11, strike out on line 5 "18" and insert in lieu thereof "36".
—Page 11, strike out lines 7 through 9.
—Page 11, strike out lines 19 through 24.
—Page 11, strike out line 24.
—Page 11, line 24, strike out "equivalent in totality" and insert in lieu thereof "equal".
—Page 11, strike out on line 19 the following words: "a list of".
—Page 12, strike out lines 1 through 3.
—Page 12, strike out lines 4 through 6.
—Page 12, strike out lines 1 through 6.
—Page 12, strike out lines 13 through 18.
—Page 12, strike out lines 19 through 24.
—Page 12, strike out lines 13 through 24.
—Page 12, line 22, strike out the following: "or administrative".
—Page 13, strike out lines 1 through 3.
—Page 13, strike out Section 8.
—Page 13, strike out Section 9.
—Page 13, line 17 strike out "general" and insert in lieu thereof "other than general".
—Page 13, insert on line 17 after "shall" the word, "not".
—Page 13, strike out Section 10.
—Page 13, strike out lines 21 through 24.
—Page 13, line 22, strike out "objective", and insert in lieu thereof "subjective".
—Page 13, line 22, strike out "quantitative" and insert in lieu thereof "non-quantitative".
—Page 13, strike out on line 23 the words, "entry-level".
—Page 14, strike out lines 1 through 4.
—Page 14, strike out lines 5 through 6.
—Page 14, strike out lines 7 through 18.
—Page 14, after line 18 insert the following: "(D) and, market factors."
—Page 14, strike out lines 19 through 22.
—Page 14, strike out lines 23 and 24.
—Page 15, strike out lines 1 and 2.
—Page 15, strike out lines 3 and 4.
—Page 15, strike out lines 5 through 8.
—Page 15, strike out lines 9 and 10.
—Page 15, strike out lines 11 and 12.
—Page 15, strike out lines 13 through 15.
—Page 15, strike out lines 16 through 18.
—Page 15, strike out lines 19 through 21.
—Page 15, strike out lines 22 and 23.
—Page 16, strike out Section 11.
—Page 16, line 2, strike out "30 days", and insert in lieu thereof "one year".

By Mr. LUNGREN:

—In Section 10(2)(B), strike out "and".

In Section 10(2), redesignate subparagraph (C) as subparagrpah (D) and insert before such subparagrpah (D) (as so redesignated) the following:

"(C) labor market supply and demand factors; and".

By Mrs. VUCANOVICH:

—Strike out the heading for section 8 and insert in lieu thereof the following:

SEC. 8. CONSTRUCTION: ADVISORY NATURE OF STUDY.

In section 8, insert "(a)" before "Nothing".

Add the following at the end of section 8:

(b) ADVISORY NATURE.—The consultant's study and any findings, conclusions, recommendations, or comments by the consultant or the Commission under this act with respect to such study shall be considered to be of an advisory nature only.

H.R. 3011

By Mr. GEKAS:

—Page 41, after line 21, insert the following:

Notwithstanding any other provision of this act, none of the funds appropriated in this act shall be available for the Youth Conservation Corps until such funds are appropriated in an Act or Joint Resolution containing no other appropriation.

EXTENSIONS OF REMARKS

MEDICARE IMPROVEMENT ACT OF 1985

HON. BOB EDGAR
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. EDGAR. Mr. Speaker, 20 years ago today President Johnson signed legislation creating Medicare, our Nation's health care system for the elderly. Therefore, it is both appropriate and important that I am today introducing legislation to address the long-term and short-term funding questions facing Medicare.

My bill, the Medicare Improvement Act of 1985, would provide for the creation of a bipartisan Commission to examine options for Medicare, similar to the National Commission on Social Security Reform that analyzed Social Security financing in 1982.

All of us are aware of the benefits that elderly Americans have received from this program. We know what the consequences would be if we were to suddenly terminate this health insurance for 30 million Americans.

However, we have proposed only Band-Aid solutions as Medicare expenditures continue to rise; total health care expenditures have increased 750 percent since Medicare was enacted. The Congressional Budget Office and other economic analysts all have varying predictions of when the Medicare trust fund might run dry—but they all agree that it faces serious problems in this century.

In the short term, we have dealt with this problem in a patchwork, inequitable way. For the first few years of this administration the President went after the elderly themselves, increasing out-of-pocket payments drastically: The part a hospital deductible has gone up by 95 percent from 1981 to 1985 and the part B doctors' premium went up by 62 percent over the same period. Medicare currently covers less than one-half of the total health care expenditures of the elderly. Senior citizens are paying more and more for less and less coverage.

Then, we went after the hospitals. In 1983, as part of the Social Security rescue plan, we tacked on a prospective payment system for hospitals admitting Medicare patients. The plan has been successful in slowing the growth in hospital costs, but we are just beginning to see the secondary effects on people, such as the rise in premature discharges of patients from hospitals.

Last year, we went after doctors, instituting a 1-year freeze on Medicare reimbursement rates for physicians. This year we seem likely to do so again.

Mr. Speaker, soon we'll run out of shins to kick.

We can't just go around taking a piece out of some group each year, especially when the health and well-being of our Nation's elderly is on the line.

The only fair and equitable way to deal with the financial crisis and the question of equity is through a thorough overhaul of the Medicare system.

The legislation I am introducing today would create a Commission composed of 18 members: Six Members of the House of Representatives appointed by the Speaker of the House—three Democrats and three Republicans; six Members of the Senate appointed by the President pro tem of the Senate—three Democrats and three Republicans: and six Members appointed by the President of the United States—three Democrats and three Republicans.

The Commission would be charged with making recommendations to resolve the short- and long-term financial problems facing Medicare and with suggesting ways to provide for adequate and cost-effective benefits for America's senior citizens.

Specifically, my bill directs the Commission to review the benefit structure of the Medicare Program, the methods of making payments to health care providers, and ways to encourage the efficient provision of health services to the elderly.

The Commission would begin its work on January 1, 1986, and report to the President and Congress by January 1, 1987.

Mr. Speaker, Medicare is at a turning point, and we have the power and responsibility to shape its future. We can deal with the problem calmly, fairly, and in a bipartisan manner, or we can turn Medicare into a political football, put off any action, and watch the system erode. The choice is ours, and the bipartisan Commission is the best option for good Government policy and for the health of our senior citizens.

The text of the bill follows:

H.R. —

A bill to provide for establishment of a bipartisan Commission to study and make recommendations concerning changes in the medicare program to assure its short-term and long-term financial solvency and the appropriateness of its benefit structure

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there is established a commission to be known as the Medicare Financing and Benefit Review Commission (hereinafter in this Act referred to as the "Commission").

(b)(1) The Commission shall study and make recommendations concerning the short-term and long-term financial problems and benefit structure of the programs established under title XVIII of the Social Security Act (popularly known as the medicare program) and such changes as may be required in the medicare program in order to assure its financial solvency and to provide for adequate and cost-effective benefits.

(2) In conducting its study, the Commission shall review, among other things—

(A) the benefit structure of the medicare program,

(B) the methods of making payments to health care providers, and

(C) methods that encourage and reward the efficient provision of health services to the elderly and disabled.

(3) The Commission shall not begin conducting its study until January 1, 1986.

(c)(1) The Commission shall be composed of eighteen members as follows:

(A) Six members appointed by the President, at least five of whom are not officers or employees of the United States and are specially qualified to serve on the Commission by virtue of their education, training, or experience.

(B) Six members appointed by the President pro tempore of the Senate from among Members of the Senate, giving special consideration to the appointment of those Senators who are members of those committees or subcommittees of the Senate with jurisdiction or other special concern over the medicare program.

(C) Six Members of the House of Representatives appointed by the Speaker of the House of Representatives, giving special consideration to the appointment of those Representatives who are members of those committees or subcommittees of the House of Representatives with jurisdiction or other special concern over the medicare program.

A vacancy in the Commission shall be filled in the manner in which the original appointment was made. Appointments to the Commission shall first be made within thirty days of the date of the enactment of this Act.

(2) Not more than three members of the Commission appointed under paragraph (1)(A) may be of the same political party. With respect to members of the Commission who are Members of the Congress, not more than three Representatives and not more than three Senators shall be of the same political party.

(3) Members shall be appointed to serve for the life of the Commission.

(4)(A) Members of the Commission appointed under paragraph (1)(A) who are not officers or employees of the Federal Government are entitled to receive, subject to such amounts as are provided in advance in appropriations Acts, the daily equivalent of the minimum annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including travel

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

time) during which they are engaged in the actual performance of duties vested in the Commission. All other members shall serve without additional pay.

(B) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence.

(c)(1) Nine members of the Commission shall constitute a quorum but a lesser number may hold hearings.

(2) The Chairman and Vice Chairman of the Commission shall be elected by the members of the Commission for the life of the Commission.

(3) The Commission shall meet at the call of the Chairman or a majority of its members.

(d)(1) The Chairman of the Commission, in consultation with the Vice Chairman, is authorized to appoint and fix the compensation of a staff director and such other additional personnel as may be necessary to enable the Commission to carry out its functions without regard to the civil service laws, rules, and regulations. Any Federal employee subject to those laws, rules, and regulations may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(2) The Commission may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the minimum annual rate of basic pay payable for GS-18 of the General Schedule.

(e)(1) The Commission may, for the purpose of carrying out this Act, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate.

(2) The Commission may secure directly from any Department or agency of the United States information necessary to enable it to carry out this Act. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(3) The Commission may accept, use, and dispose of gifts or donations of services or property.

(4) The Commission may use the United States mails in the same manner and under the same conditions as other Departments and agencies of the United States.

(5) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(f) The Commission shall transmit to the President and to each House of the Congress, not later than January 1, 1987, a report containing a detailed statement of the studies and recommendations of the Commission, including any recommendations for legislation it considers appropriate.

(g) The Commission shall cease to exist on January 1, 1987.

(h) There are authorized to be appropriated such sums as may be necessary to carry out this Act.●

THE RECESSION ON THE RIVER

HON. WEBB FRANKLIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. FRANKLIN. Mr. Speaker, the problems facing the inland waterway industry are a serious concern to those areas of the country that have always depended economically on river traffic.

The New York Times has recently summarized the depressed state of that industry, and I would like to bring the following article to the attention of my colleagues:

THE RECESSION ON THE RIVER

(By William E. Schmidt)

MEMPHIS.—By almost every measure, these are perhaps the hardest of times along the nation's rivers and waterways. Here, as elsewhere on the Mississippi, the volume of freight crossing the once bustling docks has plunged 30 percent since its 1978 peak. Hundreds of barges stand idle waiting for cargo.

Many of the towboat operators who earned their living moving grain, petrochemicals and coal down to New Orleans have gone bankrupt or are just barely hanging on. "This industry is on its knees," said Howard Brent, the owner of Brent Towing, a family-owned business that has been working the river out of Greenville, Miss., since 1941. "We're at a one-hundred-year low."

Rivermen whose fathers and grandfathers pushed barges up and down the Mississippi now find themselves out of work and out of hope. That's because the river is the economy in towns like Helena, Ark., and Greenville, where more than 1,000 rivermen have been laid off since 1981. "The small, independent river operator who flourished in a number of small towns is a vanishing breed," said Jack Baskin, who was the president of one of 16 barges companies that have gone out of business in Greenville since 1980.

The pilots and boatmen who work the Mississippi have always known it to be a treacherous river. But the economic currents have not been this turbulent since the late 19th century, when the expansion of the railroads sank most of the major steamboat lines. River business, in fact, did not begin to rebound until the 1930's, when the Federal Government stepped in, not only directing the United States Army Corps of Engineers to invest billions in navigational aids and port improvement projects, but also temporarily running its own barge line to help establish routes and markets that private operators took over and expanded in the 1950's.

But these days, most of the nation's 25,000 miles of inland waterway are facing economic problems, from the Great Lakes to the Mississippi, says Harry Cook, president of the National Waterways Association. "The problem is mainly the world economy, coupled with the strength of the dollar abroad; American industry is off and so are the exports of grain and coal and steel that are moved on the waterways," Mr. Cook said.

Now, however, businessmen, barge owners and port administrators say they have something else to worry about: renewed talk in Washington about requiring local governments and private companies to pay a larger share of the cost of much-needed navigation, channel and port improvements, public works projects which historically have been paid for by the Federal Government.

Cost-sharing agreements were at the center of a compromise reached last month between Senate Republicans and the Administration, aimed at resolving a 10-year-long debate that has effectively frozen hundreds of millions of dollars of Federal money destined for scores of river and port improvement projects, including more than $625 million due to be spent at Memphis and four other ports along the lower Mississippi.

The Carter Administration held back the funds. The Reagan Administration has similarly refused to spend the money, arguing that users who benefit financially from the projects must share anywhere from 20 to 60 percent of the cost of port improvements, local and dam construction and harbor dredging.

Among other things, the proposal under discussion in the Senate would over 10 years double to 20 cents a gallon the tax on diesel fuel paid by towboat operators, and earmark the revenues for channel and harbor projects. "I'm so far underwater now I'm using a snorkel, and the Federal Government is trying to put another tax on me," complains Mr. Brent, in Greenville. "They're going to drive us out of business."

CONGRESSIONAL RESISTANCE

There is no guarantee that Congress will eventually approve the kind of cost-sharing formulas being considered by the Senate. On the House side, there has been sharp resistance to cost-sharing.

The debate over ending an era of Federal involvement in river commerce comes just as the most expensive public works project in the history of the Army Corps of Engineers has opened. The 234-mile Tennessee Tombigbee Waterway, a chain of locks and canals in eastern Mississippi and western Alabama, was officially dedicated in June. It is intended to provide inland shippers a shorter and less expensive water route to the Gulf of Mexico, as well as stimulate one of the nation's most economically backward regions.

But after spending some $2 billion on the project, the Administration now would prefer that state and local governments, rather than the Federal Treasury, take the lead in finding the money to help develop ports and harbors. As it turns out, the Tenn-Tom, as it is known locally, couldn't have opened at a worse time. With waterway business down nationally, traffic along the Tenn-Tom is likely to be well short of the expectations that boosters had for it in the 1970's.●

PRAISE FOR DAVID STOCKMAN

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. MARKEY. Mr. Speaker, David Stockman's tenure at the Office of Management and Budget is a curious one, and one that deserves closer public scrutiny.

51-059 O-86-12 (Pt. 16)

The Washington Post recently printed an editorial praising Mr. Stockman's "intellectual and moral integrity." The Post's praise is questionable. David Stockman is praised by the Post, not for his public honesty, but his private honesty. Ralph Nader's response to the editorial lends a much needed light on Mr. Stockman's record. I commend Mr. Nader's letter to my colleagues, and insert the letter in the CONGRESSIONAL RECORD.

The letter follows:

PRAISE FOR DAVID STOCKMAN?

(By Ralph Nader)

The Post's praise of David Stockman ["Well Done, David Stockman," July 10] invites incredulity. The editorial says that he "has been one of the important truth-tellers in this administration," even though he admitted that he testified several times before Congress using numbers and projects he did not believe. Does a civil servant need only to confide the truth privately, while saying the opposite publicly, to earn The Post's commendation?

Second, Stockman seemed to display his budget-cutting muscle most vigorously against unorganized or defenseless people. His moves to eliminate legal services for the poor and to cut sharply the infant nutrition programs are cases in point. But the really big dollars in the corporate entitlements and military contracting areas rarely received such clenched-teeth opposition from the budget director.

Third, Stockman systematically interfered with the rule-making procedures of federal agencies invested by law with protecting the public's health and safety. Whether in the area of infant formula standards, auto safety rules, acid rain control proposals or simply providing citizens with health and safety information, Stockman and his band of OMB zealots blocked, overrode, bullied or delayed dozens of existing or proposed life-saving, disease-preventing and consumer-cost-reducing measures. They did this both with ideologically driven ignorance and the power OMB wielded over these agencies generally. They also did this with many admitted *ex parte*, undocketed contacts that OMB personnel had with company lobbyists.

I consider Stockman's record at OMB quite distant from the "intellectual and moral integrity" that The Post ascribed to him.●

THE BLINDED SOVIET CITIZENS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. LAGOMARSINO. Mr. Speaker, whereas Americans saw the United States at war in Southeast Asia every night on their television sets, the average Soviet citizen has seen virtually nothing about the Soviet's brutal invasion, occupation, and continued subjugation of Afghanistan, that once-peaceful land. Soviet citizens are unaware of the horrors being inflicted on the innocent people of Afghanistan, including beheadings, the use of chemical weapons, torture, random executions, and more. The Kremlin's savage war against the people of Afghanistan, and against humanity, continues, largely hidden from both Western and Soviet eyes.

The New York Times recently reported, however, that a 2½-minute report of the Afghan war was shown on official Soviet television. Just what were the Soviet people shown about that war? Was it the attacks on villagers by the dreaded Mi-24 Hind helicopter gunships? The dropping of butterfly bombs designed to maim children? The intentional destruction of Afghanistan's delicate irrigation system? No. As the Times reported, this news report was different. According to the Times article:

As automatic weapons rattled, Soviet soldiers dashed from behind armored vehicles, crouching low, racing past coils of barbed wire to take up positions on a dry, rocky field.

Soldiers atop an armored personnel carrier fired machine guns. Smoke rose in the distance. An officer searched the hills with binoculars.

What thrilling sights and sounds. Mr. Speaker, the Times says that Soviet "news accounts grow more frank." One can only wonder what the outcome of the U.S. war in Vietnam would have been if the U.S. media had covered that conflict with equal frankness.

I offer the following article for my colleagues' review, and urge them to join me in calling for the immediate removal of all 120,000 Soviet troops from Afghanistan. Five years have passed since that unnecessary and ruthless invasion. Millions have died; millions more have been forced to flee from their native land to neighboring Pakistan and Iran. It is time the U.S. Government exposed this genocide. We certainly cannot count on the Soviet Government-run media to inform the world, or even their own citizens, about Soviet atrocities in that once-peaceful land.

SOVIET TV GIVES ITS VIEWERS RARE GLIMPSE OF AFGHAN WAR

(By Seth Mydans)

Moscow.—For the first time in more than five years of undeclared war, the fighting in Afghanistan has come into Soviet living rooms on the television evening news.

A two-and-a-half-minute report earlier this month, including what appeared to be battlefield footage and heroic words, from a group of Soviet soldiers, was a far cry from the daily, detailed and often negative reports from Vietnam that filled American television screens.

But the fact that the officially controlled television program was showing burning trucks, explosions and Soviet troops assaulting an unseen enemy raised eyebrows among Western diplomats here.

A Soviet journalist said he believed that the footage had been filmed in Afghanistan but that the battle scenes themselves were likely to have been at least partly staged for the camera.

Several days after this report, the evening news again showed Afghanistan, with a report on a victory by Government forces over "mercenary bands" in which over "more than 100 cutthroats were annihilated" and a large number of Western-made weapons and much subversive literature seized.

The film footage in this case was limited to a long look at stacks of reportedly captured weapons.

"This is definitely an escalation of news coverage," a Western military attaché said. "One of the big things the Russians have going for them is that their own people haven't been seeing the war on television day after day."

Some Russians attribute the lack of vocal or widespread opposition to the war to the fact that it remains cloaked in secrecy in Soviet news outlets.

Soviet television programs rarely show negative subjects about the Soviet Union. But the evening news constantly shows Western film footage of floods, fires and other disasters outside Soviet borders, as well as demonstrations, riots battles in other parts of the world.

Scenes of the conflicts in Central America, taken from Western television reports, are shown frequently.

A Western diplomat said the Soviet Union's presentation of its own war has been evolving in the press in a way that acknowledges that Afghanistan has become a fact of life, though a muted one, in this country.

"There's no way to just pretend it's not there, with more than 100,000 young men rotating through Afghanistan at any time, and something like 10,000 casualties a year," he said.

NEWS ACCOUNTS GROW MORE FRANK

Since the fifth anniversary last December of the Soviet sweep into Afghanistan, the controlled news accounts have grown more frank about the fact that soldiers are fighting and dying there.

The Soviet forces are invariably referred to as a "limited contingent" and described as fulfilling their "internationalist duty."

A few reports of heroism have appeared in recent months in the press, in what some diplomats see as an indication that the Kremlin does not expect the war to end soon, and is therefore presenting it as a glorious endeavor.

The three most prominently portrayed Soviet heroes are said to have died on the battlefield in curiously similar circumstances, by setting off grenades that killed themselves and their "bandit" attackers.

Occasional television reports on Afghanistan have until now focused almost entirely on Soviet aid projects or on daily life in Kabul.

The new television report, shown early this month, was different.

As automatic weapons rattled, Soviet soldiers dashed from behind armored vehicles, crouching low, racing past coils of barbed wire to take up positions on a dry, rocky field.

Soldiers atop an armored personnel carrier fired machine guns. Smoke rose in the distance. An officer searched the hills with binoculars.

There was no sign of the enemy or of return fire, and it was impossible to tell if the scene showed a genuine battle or had been staged for television. But the footage appeared to have been shot in Afghanistan, and its presentation to Soviet television viewers was that of real battle coverage.●

THE NEW SPACE RACE

HON. MICHAEL A. ANDREWS
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. ANDREWS. Mr. Speaker, at Rice University in 1962, President John F. Kennedy said:

The exploration of space will go ahead, whether we join in it or not, and it is one of the great adventures of all time, and no nation which expects to be the leader of other nations can expect to stay behind in this race for space." "Those who came before us made certain that this country rode the first waves of the industrial revolutions, the first waves of modern invention, and the first wave of nuclear power, and this generation does not intend to flounder in the backwash of the coming age of space. We mean to be a part of it—we mean to lead it.

When President Kennedy spoke in Houston 20 years ago, the space race was a two-nation competition between America and the Soviet Union. Our goal was not only to excel in the use of technology in space, but also to show the strength of our society. Both of these aims were set forth in a dramatic way by President Kennedy, and America's space program was born.

Today, not only have many other players entered the race, but the goals of the race have changed as well. Now one of the most powerful forces driving space development is the commercial potential of outer space. This potential has drawn in Japanese, the West Germans, the French, and other nations into a new race not only to explore space, but to use it. Outer space will no longer be solely the scene of dramatic exploration. It will become an arena of tremendous international economic competition.

We recently reached a milestone of sorts in this increasing commercialization of space—the first products manufactured in space for commercial use went on sale. It is clear that we not live in an age when our security and future are bound up in the development of space. Our work in space is no longer a purely scientific venture that we choose to pursue. We have come to depend on space and its use. And as we have continued to expand our use of space, we have come to realize its potential as an engine of growth on Earth. Space development in materials processing, communication, remote sensing, and many other areas can translate the unique environment of space into economic growth on the ground.

I think this trend is definitely to be welcomed. Instead of Government dollars alone, private money will pour into space commerce quickening the pace of development. But we must remember that this competitive environment requires a continued U.S. Government role. We already have a tremendous investment; from the Mercury Program to the shuttle, we have poured billions of dollars into space development. In the coming decease the space station will provide a permanent platform for research and development in this unique environment—the potential is tremendous. We cannot afford to let foreign competitors get the jump on us in exploiting markets that we have developed. The Federal Government has a demanding and important role to assure continued American commercial development in space.

My work in this House and on the Science and Technology Committee has been guided by the principle that we in the Government must act to eliminate the obstacles to space commercialization. There are several such obstacles that we are currently dealing with and others that need our attention. Our success in removing these obstacles will set the course for U.S. space commerce.

First, how will the products and profits of space commerce be taxed? Under current law, products made in space are treated as imports. This negative treatment is not the result of a deliberate policy choice by Congress but rather the simple aging of our laws. No one before us had to consider the implications of products from space industry. To remedy this legal blindspot, I have joined in sponsoring the Space Investment Tax Equity Act, H.R. 2172, which will treat the output of the U.S. space industry as domestic products. Under this act, space products will be taxed at the lower domestic rate, and U.S. space producers will be able to use the investment tax credit just like producers on the ground.

I want to commend my esteemed chairman on the Space Subcommittee, BILL NELSON of Florida, and my colleague from New York, TOM DOWNEY, for bringing this much needed bill before the House. I encourage all my colleagues to support this insightful piece of legislation.

A second obstacle to space commercialization is the high degree of risk for such ventures. Space insurance has for 20 years been provided privately to cover the risks faced by companies and governments that place hardware in orbit. Recently the loss of the Westar and Palapa satellites has seriously hurt the space insurance industry and most certainly will cause a significant rise in the premiums on space insurance contracts. In the period from 1977 to 1983, the average satellite insurance premium represented about 8 percent of the value of the craft. With these losses, it has been predicted that premiums could more than double to perhaps 18 percent of the value of a satellite. My concern is that such a rise will increase the cost of space access and deter businesses from investing in space. These conditions warrant the consideration of a government role as an insurer of last resort for space ventures.

I am currently assessing several approaches to meeting the critical need for sufficient insurance coverage for space operations. A low-cost Federal Space Insurance Program may be what is needed to encourage investment in space commerce. At my request, the Space Subcommittee will be reviewing this important topic in the near future.

A third issue is that of shuttle pricing policy. A big component of any businessman's assessment of a space venture is the cost of getting into space. Therefore the way we choose to price the use of the shuttle has a significant impact on space commercialization. In weighing such a decision, we must consider how shuttle pricing affects the ease of access to space and our own expendable launch vehicle of ELV industry. A low price encourages the use of space but may undercut the ELV industry; while a high price might drive customers to competitors like the French Ariane rocket and discourage the use of space.

It has been argued that a high price is needed to recover the cost of the shuttle. I question this attitude. The shuttle was built to foster the utilization of space, but if we push the price up to recover more of the Government's cost, we'll drive private money away from space investments. That would undermine our original goal. I favor a low price for shuttle use to encourage easy, low-cost access to space. Such a policy would also help keep business from using the shuttle's main competitor, the Ariane.

So far I have discussed how we are moving to reduce the risk of space ventures, control the cost of going into space, and improve the tax treatment of products that result from space commerce. But what about going beyond this foundation for space commercialization? How can we create actual business activity? Should we even be involved? There is much uncertainty in the business world about putting up the money to investigate commercial ideas in space. There are tremendous unknowns that only further applied research will resolve. I believe we in Government have a role in fostering this needed applied research that will bring commercial ideas off the design table and into reality. One thing we have learned over the past 20 years is that space research is a good investment.

One such program already underway with my full support is the creation of the NASA Centers for Commercial Development of Space. The centers were conceived by NASA as joint endeavors drawing together the excellent research capacity of our universities and

the management and capital resources of American industry to shepherd commercial concepts from the laboratory and into space. Thus the centers will combine America's tremendous scientific capability with its entrepreneurial spirit.

Houston has submitted 1 of the 21 bids for the 3 to as many as 10 such centers that will begin this year. I have pursued every avenue in support of the bid and am very hopeful Houston will get the center. Houston has excellent resources to bring to such a center, from the Texas Medical Center to a large industrial base and a number of research universities. And the Houston consortium reflects these strengths; it brings together such institutions as the University of Texas Health Science Center, the University of Houston, Rice University, Lehigh University, and a host of other organizations and businesses. I am confident that Houston will become the hub of a massive space economy, driven by high technology and enriching our already diverse economy in Houston and the Nation. A further effort to assure the continuance of the research activity critical to our Nation's future economic growth is the high technology Research and Science Education Act, H.R. 1188. Its most important provision is the permanent extension of the research and development tax credit. I am proud to be a cosponsor of this needed legislation to foster our national research base.

Taken as a whole, these programs and initiatives can assure the United States continued preeminence in space development.

With affordable insurance, fair taxation, ease of access, Government seed money, and the tremendous infrastructure created by the shuttle and space station, I am confident that our space economy will grow rapidly. As in other new industries—railroads, jet aviation, nuclear development—there is an important partnership of the public and the private sector working together.

In my own city, we have a proud history of public and private sectors working together to meet new challenges for ambitious and responsible growth.

In the 1920's Jesse Jones worked with a Congressman named Tom Ball to create a ship channel that would travel 50 miles from the gulf to inner city Houston—providing a new national port for the United States.

In the 1960's Houston's citizens worked with Albert Thomas and Lyndon Johnson to bring Houston the Space Center—creating new triumphs and new technologies in which all Americans have shared.

Today this generation of Americans faces challenges and it is our time to be tested.

Space beckons Houston and indeed our entire Nation to new ideas, new efforts, and new heights of achievement.

Many years ago Daniel Webster challenged us to "Develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests and see whether we, in our day and generation, can perform something worthy to be remembered."

That's what we're doing in the Space Program—that's what we've done in the Houston area. Working together, business and Government, private and public sectors—we can build a future as successful and exciting as our past.

Thank you.●

ESF's TO ANTIGUA AND BARBUDA

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. YATRON. Mr. Speaker, I wish to bring to the attention of my colleagues the importance of providing badly needed economic support funds [ESF's] to Antigua and its sister island of Barbuda. These islands, collectively called Antigua, historically have maintained friendly relations with the United States and are an important linch pin to maintaining our security interests in the eastern Caribbean.

Antigua is strategically located in the leeward islands of the Caribbean, approximately 250 miles from Puerto Rico and in close proximity to maritime transport lanes of major importance to the United States. Since declaring its independence from Great Britain in November 1981, Antigua has maintained a moderate, democratic parliamentary form of government. Relations between the United States and Antigua have always been friendly, and Antigua has traditionally supported U.S. interests in the Caribbean region. Antigua is an active member in the regional security system and participates as a member of the Caribbean peacekeeping force. In addition to its overt support of U.S. policies in the region, Antigua has permitted two U.S. military bases to be stationed on its territory since 1941, and has aggressively supported and cooperated with U.S. efforts to combat the growth of illegal drug trade in the region.

Antigua's value to U.S. security interests in the eastern Caribbean is in large part dependent on Antigua's continued economic and political viability. Trade, investment, and concessional aid are essential components in Antigua's struggle to compliment its political independence with economic self-reliance. Although small in size and population, Antigua is confronted with many of the same economic challenges as larger countries of the Caribbean. Like many Caribbean islands, it is heavily dependent on tourism which accounts for approximately 20 percent of its gross domestic product and employs about 25 percent of its population. Because tourism is its main industry, the economy of Antigua is especially vulnerable to worldwide economic recessions and adverse climatic conditions. The recent international recession and the prolonged drought in 1984 has convinced the Government of the need to diversify its industrial and commercial activities. However, before Antigua can begin to expand its industrial and commercial sectors, it needs to develop a sufficient infrastructure of roads, housing, transportation and communication systems, and adequate water supply and sewage systems. In order to advance the development of these basic facilities to meet the needs of its citizens, Antigua should be provided with economic support funds.

The ESF is designed to provide flexible economic assistance to countries of particular economic, political, and security interests to the United States. The allocation of ESF assistance would go far to ameliorate some of Antigua's basic developmental challenges. A strong, economically viable Antigua, in turn, would fortify our own national interests in preserving the security of the eastern Caribbean region.●

TECHNOLOGY EDUCATION ACT OF 1986

HON. FREDERICK C. BOUCHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. BOUCHER. Mr. Speaker, today I am introducing the Technology Education Act of 1985 which will help our Nation's educational system prepare America's next generation of citizens for the technological world of tomorrow.

Over the past two decades, unparalleled scientific and technical advances have occurred. Our society has been dramatically transformed by computers, by communications and by electronics, and it will continue to change in the decades ahead. Only one generation ago, gasoline automobiles, telephones, electric stoves, and airplanes were unfamiliar contraptions. Today, videorecorders, mobile telephones, microwave ovens, and supersonic jets are commonplace conveniences.

Technological advances have also altered the nature of many occupations in the fields of health care, energy production, food processing and the construction and maintenance of scientific, educational, military and industrial equipment.

It is essential for the young people of today to understand how their society has been molded by modern technological innovations. They should learn that the use or absence of use of technology can have far-reaching social and economic consequences. In short, today's students must possess technological literacy, an understanding of the technological world around us.

Our educational system is lagging dangerously behind the recent technological revolution. Two years ago, the National Science Board issued a report sharply attacking the inadequacy of our public schools in meeting the technological challenge. In its report, "Educating Americans for the 21st Century," the Board warned that our country which "dramatically and boldly led the world into the age of technology is failing to provide its own children with the intellectual tools needed for the 21st century." Numerous other national reports, including "A Nation At Risk," Ernest Boyer's study for the Carnegie Foundation and a recent report by the Southern Regional Educational Board, have echoed the concern of the Science Board: "America Is Raising a Generation of Technologically Illiterate Citizens."

Last year, Congress responded to this challenge by launching a Federal offensive to improve mathematics and science education. With the enactment of the Emergency Mathematics and Science Education Act of 1984, a Federal commitment was made to strengthen math and science education and to develop teacher training programs in those fields.

The Technology Education Act of 1986 builds upon and complements last year's initiatives with a comprehensive, three-pronged approach.

First, demonstration projects of general technology education courses will be established in secondary schools. Although technology education is inherently linked to the scientific and mathematical concepts on which it is based, an understanding of technology requires more than simply the application of those basic concepts. Based on the recommendations of the National Science Board, the act contemplates the development of separate technology education courses.

Each model program will develop technology education courses which examine the historical role of technology in the development of our Nation and world. Students will explore the relationship between changing technologies and changing social values. At the same time, students will be challenged to consider the benefits and risks of technological decisions.

Second, because the field of technology education is relatively new and rapidly changing, there is a need to develop quality curricula and teacher education programs. In view of this need, the Technology Education Act provides grants for research and development of curriculum materials for use in the model program and for distribution statewide. In addition, teacher training programs and multidisciplinary training workshops and authorized to equip today's teachers with the background and updated skills necessary for comprehensive technology education instruction.

Finally, each demonstration program of technology education established under this act will serve as a model for emulation by other schools in the school district or State. In order to encourage the duplication of these model programs in other school systems, the act requires that the grantee distribute its curriculum and teacher training materials, as well as the benefits of its experience, to other State and local educational agencies and postsecondary institutions.

The Technology Education Act of 1986 will serve as a catalyst for nationwide action to provide technology education to all students. Duplication and dissemination of the technology education model programs will multiply many times over the value of the initial Federal investment. The act authorizes $3 million for fiscal year 1986 and a sum sufficient for the following year.

We have a responsibility to prepare future generations for the world that will confront them. Our future success as a nation—our national defense, our world competitive position, our social stability and national prosperity—will depend on our ability to provide the education and training for millions of citizens to understand and live in an advanced technically oriented society.

The Technology Education Act provides Federal leadership and support to meet that responsibility by equipping our educational system for the technological challenge of today and the next century.●

IMBALANCE, INEQUITY, AND INEFFICIENCY IN HEALTH CARE FINANCING

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. GRADISON. Mr. Speaker, I have long been concerned with the paradoxes and problems present in our Nation's system of health care finance.

Recently, I read an excellent article entitled "Imbalance, Inequity, and Inefficiency in Health Care Financing" which addresses these concerns and evaluates the use of the marketplace incentives and governmental regulatory approaches that attempt to resolve these issues.

The article, which was written by Jack Meyer, appeared in the summer 1985 issue of the Bell Atlantic Quarterly. Dr. Meyer is director of the Center for Health Policy Research at the American Enterprise Institute for Public Policy.

Dr. Meyer's article is reprinted below:

IMBALANCE, INEQUITY, AND INEFFICIENCY IN HEALTH CARE FINANCING

(By Jack Meyer)

The health care finance system in the United States is characterized by three basic problems—imbalanced coverage in government programs and private health insurance, poorly targeted government subsidies, and an inefficient system of paying doctors, hospitals, and other health care providers. This article analyzes these three dimensions of the health care cost problem and provides a comparative assessment of market incentives and government regulatory approaches that attempt to address these issues.

Our health care finance system is a paradoxical mixture of generosity and stinginess. Over the past several decades, we have built a system of public and private health insurance that provides extensive coverage for certain types of health services and little or no protection for other types of services.

Institutional care in high-cost settings has been heavily subsidized while home care or community-based services were, until very recently, rarely encouraged by public policy. The most complex, heroic (and sometimes hopeless) medical procedures in end-of-life situations are routinely applied and reimbursed, while preventive care, long-term care for chronic illness or disability, rehabilitation, and health education are too often neglected. Some patients languish in a hospital, fully reimbursed, while awaiting an available nursing home bed or care at home that might be feasible if certain relatively lower cost services such as adult day care were covered by insurance.

We invest billions of dollars in curative medicine when people are ill, but are dubious about outlays for workplace and environmental safety—and even smoking cessation and drug and alcohol abuse programs—despite the important relationships between such environmental or behavioral factors and health spending.

Finally, we are often more generous about insuring routine care than catastrophic illness protection. For example, Medicare provides full payment for the second through the fifty-ninth day of a hospital stay, but then requires the patient to pay one-fourth of the bill for the sixtieth through the ninetieth days, and a higher proportion thereafter.

In short, we have so much coverage and yet so little. Coverage is overly generous for some health services and inadequate for others. Some steps have been taken to improve this imbalance. Coverage for some health services provided at home is improving, permitting the transfer of some patients out of institutions. Hospice care is now reimbursed, with a similar objective. Our attitudes and policies are changing. But the biases against an ounce of prevention remain, and the pound of cure grows even more costly.

Government subsidies related to health care are poorly targeted. Some people with no particular financial needs are provided large subsidies, while others with inad-

equate resources fall into the cracks between the private health insurance market and public programs.

The irony is that public financing for health care seems so poorly targeted, even in our era of tight budget constraints. Subsidies to middle- and upper-income people remain largely intact even as eligibility is restricted in the Medicaid program serving low-income households. Only about one-half of the poor are now covered by Medicaid, compared to about two-thirds a decade ago. This inequity is a microcosm of the overall federal budget situation: Program cutbacks have fallen disproportionately on the poor and near-poor, while tax subsidies have been left untouched and expenditure programs available to all income groups have been cut by relatively smaller proportions.

GENEROUS PROGRAMS FOR THE ELDERLY

If we look at the whole federal budget, the elderly win the battle for taxpayers' dollars. People 65 years of age and older accounted for about 27 percent of total federal outlays in 1983, about the same percentage as in 1981 when President Reagan took office. Indeed, by the year 2025, programs offering benefits to the elderly are estimated to account for fully one-half of the federal budget, or about twice their current share. If such a scenario actually unfolds, and recent trends in national defense expenditures continue, then the federal government would provide almost no other services than defense and programs for the elderly in the early part of the next century.

Unquestionably, the combination of Social Security and Medicare has played a crucial role in the reduction in elderly poverty that has occurred over the past two decades, and Medicare has improved the health of the elderly. Nonetheless, it is still pertinent to ask whether such benefits could continue to be provided in a world in which the depth of public subsidies varies directly with need among the elderly, releasing some funds that could be used to assist some non-aged people in need.

Despite this federal generosity, the share of health costs paid by the elderly is still significant, amounting to about one-third of total health spending for this group. These expenditures, including out-of-pocket outlays and insurance premiums under Medicare, as well as insurance premiums for private, supplemental insurance coverage, can be a burden for some senior citizens at the same time as they are easily handled by others.

We have learned that it is very misleading to talk about "the elderly" as a monolithic group. From a variety of perspectives, including income, assets, health status and age, the elderly are a very heterogeneous group. With few exceptions, however, public policy toward the elderly fails to acknowledge this diversity. Flat benefit schedules tend to overcompensate some and undercompensate others relative to their actual needs.

When the ratio of older dependents to workers begins to rise significantly in the early part of the next century, a business-as-usual approach to financing health care will mean steep cuts in benefits for low-income households, combined with a rising burden on taxpayers who must pay the bill if offsetting benefit reductions are not forthcoming. Thus, tomorrow's poor and tomorrow's working-age population will be heavily burdened if we do not redesign and retarget benefits flowing to the future elderly population.

SO LITTLE FOR THE WORKING POOR

If the elderly are the winners in the struggle for the federal government's health care dollar, the non-aged poor—particularly those working at a low-wage job—are the losers. Current policy provides both welfare and Medicaid to one category of poor people—those in split families not headed by a working spouse—and denies this assistance to the working poor and adults without dependent children in the household. This bias in public policy was not invented by the current administration. Indeed, the disparate treatment of workers and nonworkers below the poverty line is a longstanding feature of our social welfare system. But the policies pursued by the Reagan Administration and enacted in Congress in the early 1980s have exacerbated this problem. For example, in 1980 a working mother with three children and earnings equal to one-half of the poverty threshold had a total income of $10,095 (in 1984 dollars), when Aid to Families with Dependent Children (AFDC), food stamps, and the Earned Income Tax Credit are taken into account. In 1984, this worker with the same earnings had a total income of only $8,250, an 18 percent decline.

It is both unfair and contradictory to the Administration's own philosophy virtually to eliminate assistance (medical and otherwise) for those who are working at wage levels that place them around or even below the poverty line. It is unfair to treat differently people that are similarly situated, and it is contradictory to raise tax rates for the working poor while lowering them for the rest of the population. In 1981 the top federal income tax bracket was cut from 70 to 50 percent, but Congress raised the effective tax rate to about 100 percent for the working poor after they have been working four months. At this point AFDC benefits are cut dollar-for-dollar with increased earnings. In addition, the income cutoff line for AFDC eligibility was lowered to 150 percent of a state's need standard, triggering a loss of marginal AFDC assistance—and Medicaid eligibility—for thousands of households.

At the same time as low-income working households have lost cash assistance and helath care benefits, they have also experienced a rise in taxes. Scheduled Social Security tax increases have hit low-wage workers hard, and these workers also got the short end of the Reagan tax-cut stick. Indeed, the combined income and payroll tax as a percent of income at the poverty level rose from 4 percent in 1978 to 10.5 percent in 1985.

Although losing AFDC benefits and being taxed a little more can add to the hardships facing low-income households, the loss of Medicaid triggered by a change in welfare status is often the cruelest blow. Many of the uncovered indigent receive care, but often in an inappropriate setting or after being turned away from other institutions. Worse yet, many who need care don't seek it or obtain it. In a survey of U.S. households conducted in 1982, about one million households reported that a least one family member was refused needed medical care because they could not pay.

Medicaid cuts are particularly unfair when viewed against the back-drop or relatively smaller cuts in Medicare, which provides benefits to all income groups, and no change at all in the health-related federal tax subsidy flowing mainly to middle-and upper-income people.[1] In this sense health care policy reflects the larger inequity alluded to eariler: Federal budget cuts in the 1980s have fallen disproportionately on low-income households, as programs such as Food Stamps, AFDC, and Medicaid have been cut more sharply than non-means-tested programs such as Social Security, Medicare, Veterans benefits, and civil Service retirement.

In the past year or so, there have been some tenative steps toward improved targeting of federal benefits. Congress provided a measure of health care protection for some of the people ineligible for Medicaid in 1984, such as first-time pregnant women and children under five years of age. Further food stamps cuts have been rejected by Congress, and there are some proposals under consideration to redesign benefits and improve targeting under Medicare and other non-means-tested entitlement programs. But we have a long way to go to correct fundamental inequities.

In addition to imbalanced coverage and poorly targeted subsidies, our health care finance system has been driven by a faulty, cost-generating payment system. The essence of the problem with our traditional methods of paying doctors and hospitals is cost-based reiumbursement that pays profligate providers on the same basis as economical or cost-conscious providers. Such payment systems ratify and entrench past inefficiency, thwart innovation, and weave a protective cocoon around high-cost providers of health care.

Public health care programs and private insurance do not cover all of the costs of health care, as noted earlier. But what they cover, they have paid to one and all alike. Thus, if one doctor charges more than another for the same service, both would receive 80 percent of their bills if that is the proportion that insurance covers. As long as the purchasers of care do not insist on distinctions among providers and fail to steer their patients toward cost-effective health services, the more costly doctors and hospitals are insulated from competition.

Until recently, the federal government and the states have relied on formula-based, inflexible government controls to check costs. These controls have papered over the cracks in the reimbursement system, failed to check cost escalation, and blocked entry into health care by innovative health plans.

The federal government and the states have begun to move away from the old cost-pass-through payment system, and many private employers are following suit. Instead of issuing "blank checks" for insured individuals to cash with any health service provider regardless of cost, large purchasers of health care insurance coverage are installing limits on reimbursement based on relatively more cost-effective practices, fees, and charges.

MEDICARE

The 1983 Social Security Amendments directed the U.S. Department of Health and Human Service (HHS) to establish a prospective payment system for Medicare reimbursement of hospitals. HHS began to implement a system of prospective payment based on diagnostically related groups (DRGs) in September 1983. The new DRG

[1] The principal tax subsidy involves the exclusion by employees, without limit, of empoyers' contribution to health insurance. This tax forgiveness will drain an estimated $32 billion form federal coffers in fiscal year 1986.

system is highly complex and stops short of a fully comprehensive payment system that would include incentives to hold down hospital admissions, but it does reverse the inherently cost-generating incentives associated with retrospective, cost-based reimbursement. By setting a fixed rate per diagnosis based on a community-wide average, Medicare puts pressure on hospitals above these rates and allows those charging less to share in the savings.

Another promising step involves the prospective payment by Medicare of competitive medical plans such as Health Maintenance Organizations (HMOs). Under regulations issued by HHS in January 1985, the federal government pays 95 percent of what is termed the adjusted average per capita cost in each area of the country to qualifying HMOs. Payments by the government for enrollees are made in advance, removing the prior disincentive to HMO enrollment associated with large up-front out-of-pocket outlays by the elderly. The new provisions share savings associated with lower HMO costs between the federal government (which garners a 5 percent reduction from the area average) and beneficiaries, as qualifying HMOs must pass through additional savings below the 95 percent level to patients in the form of extra benefits such as eyeglasses or dental care that may not be included in the Medicare package. I would prefer to allow HMOs the flexibility either to add such benefits or to "re-invest" some of these savings by modernizing facilities, hiring more specialized and highly trained medical personnel, or providing beneficiaries with cash rebates.

Both of these policy steps are an improvement, as far as they go. But we can, and should, take the next leap to a full-scale voucher program. Prospective payment is an improved way of financing health insurance under a given health plan such as Medicare, but it is no substitute for multiple choice among cost-effective plans. The new HMO payment approach under Medicare is the first important step *beyond* conversion to prospective payment, but this initial move should be extended to include other nontraditional health plans such as preferred provider organizations or independent practice associations that have some of the features of HMOs, but not others.

MEDICAID

Changes initiated by the Reagan Administration and incorporated in the Omnibus Budget Reconciliation Act of 1981 permitted states to apply for waivers from federal and state laws that had previously blocked reforms in the methods of paying for health services. Operating under these waivers, some states have begun to steer Medicaid patients toward economy-minded health care providers, avoid excessive referrals to specialists and the unnecessary use of emergency rooms for non-emergency care, exclude doctors whose costs are out of line from program participation, and act as more prudent purchasers of laboratory services and medical devices.

Other states are introducing more discipline in their health coverage for their own employees, including the use of equal contributions to a selection of health plans, with employees paying the difference if they choose a plan with a higher premium such as, for example, traditional fee-for-service coverage rather than an HMO. The challenge to states involves making greater use of managed health care that steers both Medicaid patients and state workers toward lower cost health care providers while continuing to monitor the patterns of care to assure quality.

THE PRIVATE SECTOR

Both state governments and private employers are redesigning benefits to encourage their insured to stay well and to obtain care in the lowest cost, quality-care setting. Through the use of pre-admission screening and second opinion programs for hospitalization, health promotion programs, and full coverage of services purchased in lower cost settings such as free-standing ambulatory centers, payers of care in both the public and private sectors are putting pressure on providers with incentives rather than formula-based controls.

Through business coalitions now established in many parts of the country, private employers are collecting data on provider charge and practice patterns in their communities and developing programs to guide workers toward more cost-effective delivery settings.

These reforms are significant because they establish the principle that a pool of employees and government beneficiaries will be used in a constructive way as a powerful resource to reward cost-conscious medicine and penalize excessive charges and utilization. Instead of the hollow nominal "freedom of choice" that allowed patients to roam randomly through the community in obtaining health care, these reforms involve a more meaningful freedom of choice—the right of the buyers to say "yes" to efficient sellers and "no" to those whose costs are out of line. This is the essence of an effective market, and it is precisely what has been missing in health care finance and delayed by the endless stream of feckless controls.

The three key problems with our health care finance system remain unsolved, but we have taken some important steps in the right direction. Progress has been most impressive in reforming the faulty payment system that has fed the upward spiral of health care costs. A momentum has developed behind the use of incentives by purchasers of care to reshape coverage and steer patients toward cost-effective, high quality providers. Yet this steady momentum could be upset by a frantic search for a "quick fix" involving a new round of stifling government regulation. The challenge is to achieve a proper balance between the cost of care and the quality of and full access to care through decentralized, pluralistic decision-making based on incentives and to sidestep the temptation of a public utility model that would subordinate quality and access to a temporary suppression of costs.

Progress against imbalanced coverage and the holes in our health care safety net has come more slowly, and we have a long way to go in these areas. Moreover, achieving further progress here is vital to the continuation of a movement toward a more competitive market for care. For as long as the finance system is marked by gaps in coverage—a mixture of overly-generous and skimpy benefits—and wholesale inequities, the further deregulation of health care will be threatened. With a fair and complete safety net intact, we could proceed safely to remove the government from its awkward role as price regulator and market-entry policeman.

With subsidies targeted more toward need and balanced insurance coverage, we can use market incentives to achieve the measure of cost deceleration that still allows people full access to the best health care that their money can buy.

REFERENCES

The Robert Wood Johnson Foundation. "Updated Report on Access to Health Care for the American People." No. 1, 1983.

Storey, James. "Older Americans in the Reagan Era." Washington, D.C.: The Urban Institute Press, 1983.

Torrey, Barbara Boyle. "Guns Vs. Canes: The Fiscal Implications of an Aging Population." American Economic Review, Vol. 72, No. 72.●

PITTSBURGH SOCCER CHAMP RECOGNIZED

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. WALGREN. Mr. Speaker, a constituent of mine, Peter J. Smith III, is the first western Pennsylvania soccer player to be invited to the National Sports Festival by the U.S. Olympic Committee. The National Sports Festival, a pre-Olympic event, opened in Los Angeles on Friday.

Peter Smith is an outstanding young man with a promising future in soccer. In the fall he will be a senior at the University of Tampa, where he has just received an achievement award for academics for the fourth consecutive year.

I would like to share with my colleagues an article about Peter which was published in the Pittsburgh Post Gazette South on July 25, 1985.

The article follows:

U.S.C.'s SMITH AIMS FOR PRO SOCCER JOB

(By Paul Dangelo)

The only thing that Pete Smith has ever wanted is a chance to prove himself on the soccer field. Next month at the National Sports Festival, he'll get that chance.

Smith, a graduate of Upper St. Clair High School, was recently selected to play for the South Region soccer squad at the Sports Festival, the American mini-Olympics pitting the top American athletes against each other in Olympic events.

For Smith, it's an opportunity to prove that he belongs on the field with this country's top soccer players.

"I felt it was really important for me to make this team if I want to continue to pursue a career in soccer," said Smith. "There will be a lot of important people at the Sports Festival, coaches and scouts from professional teams and the national federal, evaluating players. The sports Festival is like a stepping stone to the next level, to playing for the national team or with a professional team. Just being there and being seen by these people will help me."

Smith was drafted by the Spirit of the Mayor Indoor Soccer League when he was a senior in high school, but was not ready as a 17 year old to step into the play-for-pay grade. The Spirit advised Smith to enroll in a top-notch college program and work at improving his skills.

So Smith headed for the University of Tampa, one of the top soccer programs in the country. At Upper St. Clair, Smith had always been an attacking player, a playmaker and a goal scorer. But Tampa Coach Jay

Miller changed Smith's position, moving him to defensive midfielder. Smith will be entering his senior season this fall, the third season that he will be a fixture in Tampa's starting line-up.

"We're looking for all of the things from Pete that we always look for from a senior player," said Miller. "He's been in the big battles, the crucial games; we want him to be a leader, to demonstrate coolness and determination on the field. He made the transition to playing with more defensive responsibilities without any problems. Last year, we used him to mark the opponent's top playmaker and he handled the job very well."

Miller is the coach of Smith's South squad in the National Sports Festival and agrees that the games can help make—or break—a career in professional soccer.

"The idea of the games is to get the best athletes together and compete under Olympic conditions," said Miller. "In soccer, the United States Soccer Federation oversees the soccer competition and uses the games as part of the selection process for the national team.

"I know that Pete wants to play pro soccer and playing at the Sports Festival will give him the opportunity to prove that he can play at such a high level of competition. He tried out for the games two years ago but didn't make it, though he was one of the last cuts. Now is his chance. I think he certainly merits a look. He's been around the game a lot and he has good instincts for the game instead of just reacting to a situation in a game. He's always thinking on the field. And he's one of the hardest working player I've ever seen. He's a 90-minute player."

Smith didn't think he had any special advantage in making the Sports Festival because Miller is the South coach.

"He may have known me better than some of the other players, but there were as many disadvantages as there were advantages," Smith said. "It's kind of little playing for your father. He didn't cut me any breaks just because he knew me. I think I made the team because I deserved to. I've worked hard to accomplish this sort of thing in soccer."

Smith has not only set lofty goals for himself, but for his team as well.

"This is my last year at Tampa, and the last year for the school as a Division II school. Next year we'll move up to Division I, which is fine because Tampa has been playing a Division I kind of schedule all along. But I'd really like to win the Division II national championship this season. It would be nice to go out as the champs.".

And when that's over, Smith will have the MISL draft to look forward to. One team that will not be drafting Smith is the Spirit, because they failed to sign him after drafting him out of high school. MISL rules state that the Spirit may only sign Smith now if he passes through the draft unclaimed.

"I really want to play for the Spirit but that may be difficult to do now," said Smith. "But as long as I get a chance to play with someone, I'll be satisfied. I'll have to prove this year that I deserve to be drafted, that I'm one of the top players in the country. And I'm ready to do the work that it will take to prove exactly that.

"Maybe down the road something could be worked out that I could come back here and play for the Spirit. Right now there's a lot of talk that the Spirit will move to another city. I hope not. The Pittsburgh soccer community needs the Spirit. Having a professional team in town gives young players a goal to aim for. Plus, the Spirit has reached out and touched the community in a very unique way and I think that would be missed if they were to leave."

"We've watched Pete carefully over the last few years and his development is really coming along," said Spirit General Manager Chris Wright. "We're very pleased that he was selected to participate in the Sports Festival. He's on the right track to accomplish his goal. This is one event where all of the coaches and scouts get to. It's the showcase of young soccer talent in this country."

And it's an opportunity for Pete Smith to guarantee that soccer will be in his future.●

LEGISLATION TO REQUIRE THE TIMELY FILING OF IRS AUDIT REPORTS

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. SEIBERLING. Mr. Speaker, the growing complexity of our Tax Code makes it difficult enough for taxpayers to file their income taxes properly. For those who run afoul of the Code, there are IRS deficiency notifications, penalties for underpayment, and interest on the deficiencies.

Every year, an unlucky few taxpayers may find themselves called into an IRS office for an audit. Once an audit is completed, the IRS notifies the taxpayer of the deficiency and penalties owed. In addition, the IRS calculates interest charges from the time the deficiency occurred to a date certain after the issuance of the audit report. In effect, once the audit report is issued, the IRS gives taxpayers 10 days to pay the deficiency, penalty, and interest. If the taxpayer fails to do so, the interest continues to accrue until such time as the taxpayer actually pays up.

Since the IRS is required by law to charge interest on deficiencies from the time they occur, it is not unreasonable to expect the IRS to issue its audit report within a reasonable time period after the taxpayer's personal appearance before the examining office. Indeed, the local office of the IRS in my district indicates that it generally issues audit reports within 2 weeks of a taxpayer's personal appearance, assuming that the audit is completed at that time.

Sadly, the IRS does not always meet this goal. One of my constituents was audited in June, 1984 on his 1982 taxes, but the IRS did not issue its audit report telling my constituent how much he owed until May, 1985, fully 11 months after the audit. This is inexcusable. But to add insult to injury, the IRS is charging my constituent interest on his back taxes over this 11-month period, even though the IRS has explicitly acknowledged that the delay was its own fault.

Under current law, interest must be charged on a deficiency whether it takes 2 weeks or 11 months for the IRS to issue the audit report. The additional interest which can accrue because of IRS failures to produce a timely audit report can be substantial, but the IRS cannot waive this excess interest even if it wanted to.

If the Federal Government is going to charge taxpayers interest on their underpayments—as, in most cases, I believe it is reasonable to do—then we should at least require the IRS to issue audit reports in a timely fashion, instead of allowing interest on deficiencies to accrue indefinitely.

With that in mind, I am today introducing legislation to require the IRS to waive excess interest charges on deficiencies discovered in an audit when the audit report is not issued to the taxpayer within 30 days after the date the examination is completed. The taxpayer would still be responsible for interest on the deficiency from the time of the deficiency to the time the examination is completed. But the IRS could not charge additional interest from the time the examination is completed unless it issues an audit report within 30 days. It is surely reasonable to expect the IRS to issue an audit report within 30 days. My bill will permit the IRS to do its job thoroughly, but will protect taxpayers from unreasonable delays in the issuance of audit reports. I urge its favorable consideration.●

KOLYMA'S GOLD AND THE DEATH CAMPS OF DAL'STROI

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. RUDD. Mr. Speaker, "kolyma znachit smert"—"kolyma means death."

In a manuscript to be published in the near future, Prof. Wladyslaw J. Cieslewicz, mineral economist at the Colorado School of Mines, provides information about the holocaust at the Kolyma gold fields in the arctic region of northeastern Siberia. Between 1931 and 1957, some 5 to 7 million Latvian, Moldavian, Estonian, Georgian, and the other captive non-Russian peoples were brought to the Kolyma gold fields and literally worked to death in a campaign of extermination and terror.

I commend the following excerpt from Professor Cieslewicz's work to my colleagues, and call upon the House to take early action on the resolution, House Concurrent Resolution 74, which I introduced to condemn the Soviets' ongoing slave labor policies.

KOLYMA'S GOLD AND THE DEATH CAMPS OF DAL'STROI

Kolyma gold placer deposits were discovered in 1928. This discovery came at an opportune time for the Russians. For after the Revolution of 1917 they decided, as a preventive and terror-inspiring measure, to decimate the different non-Russian captive nationality groups of their colonies of Ukraine, Transcaucasus and Central Asia. Mining of gold in the Arctic North was to serve this purpose (Anders, 1949, p. 73). As a method of extermination the Dal'stroi operation proved to be much more profitable than the gas chambers used later by the German Socialists. In Kolyma, each prisoner, before he died, as a rule within 1-2 years of his arrival at the mine, still produced between 1.5 and 2 kg of gold for the Russian treasury (Dallin, 1947, p. 146). At one time, Karl Marx defined capital as "congealed labor of the exploited proletarian workers." In Kolyma the Socialists made the metaphor a reality. The vis vitae drained from each deported Ukrainian worker, Kazakh peasant or slave of other nationality groups quickly congealed at the mine into the purest form of capital, namely gold.

In preparation for this "great Kolyma gold rush" the Russians completely reorganized the government agency in charge of gold mining, the Soiuz-Zoloto, the State Gold Monopoly. In 1927 Professor Aleksandr Serebrovskii originally from the Moscow Academy of Mining was appointed as the new director of the Soiuz-Zoloto. According to reports, Serebrovskii, the former Bolshevik boss of the Russian petroleum industry, was a true Socialist Stakhanovite (Levchenko, 1978). He organized training of thousands of Russian technicians to direct the slave labor at the mines. With help of the executives of the Standard Oil Company and of the American Ambassador in Paris, Serebrovskii was able to come to the U. S. to look at the modern placer mining technology and to recruit for the Soiuz-Zoloto a number of American placer mining engineers from Alaska and California (Littlepage, 1939, p. 31). The prisoners for the Souiz-Zoloto placer mines were supplied by the GULAG. The latter, a Russian abbreviation for the Chief Labor Camp Administration, was in charge of all Socialist concentration camps.

By 1933 the Soiuz-Zoloto was able to rehabilitate hundreds of old mines and to place dozens of new ones in production. During the five year period between 1927 and 1933 Russia's gold output rose spectacularly. It surpassed that of the U.S. and Canada; only South Africa kept producing more gold. In 1935 Russian gold output reached 6.2 million troy ounces (Emmons, 1937). In 1940 gold production of Kolyma alone was probably close to 10 million troy ounces (Anders, 1949, p. 76). Likewise, after 1929 the Soiuz-Zoloso disbanded all private prospecting parties, the "artels," replacing them with slave labor.

Simultaneously with the launching of the new "great Siberian gold rush of 1929," Russian Socialist terror police, the NKVD (the predecessors of the KGB), exerted a massive effort to confiscate all private gold. About one half million people were arrested on suspicion of gold ownership. Jewelers, watchmakers and dentists suffered in particular during the gold purge of 1929. Those among them who actually did not have any gold fared the worse. Unable to give up what they did not have, they were tortured to death by the incredulous NKVD interrogators (Solzhenitsyn, 1974).

After 1931 the government greatly intensified its program of exterminating the non-Russian captive peoples in the death camps (Brom, 1981, p. 10). For that purpose a special organization, the Dal'stroi, was established in Kolyma. The name Dal'stroi was the Russian abbreviation for: Far East Construction. It was run jointly by the Soiuz-Zoloto, the NKVD and the Red Army. From 1938 on, this organization was also responsible for geological exploration work throughout the entire Magadan Province and Northern Yakutia, in other words in all of northeast Siberia (Ustiev, 1972). During its existence between 1931 and 1957, the Dal'stroi brought to Kolyma, Northern Yakutia and later also to Chukotka a total of 5-7 million slaves. Practically all of them died there in the gold-and-tin mines.

The policy of extermination pursued by the Russians was well illustrated in the fate of the Polish population caputured during the 1939-1945 Joint Russian-German Socialist War of Aggression Against Poland. Altogether some 2 million Poles were deported or imprisoned in Russia. In the fall of 1941, following Hitler's breach of Russian-German Military Alliance Against Poland, the Russians agreed to set free all of the Poles. To resume the war effort against Socialist Germany, the Polish Free Government, then in London, started to organize in Uzbekistan a Polish Army made up of these ex-prisoners. But of the 2 million deportees only about 160,000 reported at the Polish military camps. Of the 10,000-12,000 soldiers sent in 1940 to the death camps of Kolyma, only 171 came back, and of the 3,000 sent to Chukotka not a single Polish POW returned (Anders, 1949). "Kolyma znachit smert'" "Kolyma means death"—that was the reputation of the Dal'stroi camps among Russia's slave population (Dallin, 1949, p. 109).

From the prisons in European Russia, these captive peoples were transported in box cars via the Trans-Siberian railway, either to the port of Nakhodka on the Sea of Okhotsk or to Vladivostok, and from there, during the summer months, by prison boats to the port of Magadan. Normally 3000-4000 prisoners were packed on boats originally built for a few hundred passengers.

The first death camp of Kolyma was set up in the Nagaev Bay to provide slave labor for the construction of the port city of Magadan. After 1931, the number of prisoners brought each year to Kolyma varied from 300,000 to 400,000 (Dallin, 1947, p. 137). Prisoners lived in makeshift barracks at the individual "priiski," the State Placer Mines. In Kolyma the customary barbed wire camp enclosures and watch towers were usually not necessary. From this remote taiga at the Arctic Circle there was no escape. Russians used specially trained wolfhounds to track down the prisoners who attempted escape (Dallin, 1947, p. 124).

After the discovery of rich tin placers at the Valkumei in the Chaun Bay area near the Chukchi Sea and the Yul-tin placer in NE Chukotka near the Bering Straits, beginning in 1941, the first death camps were established at these tin placers and later also at gold placers. To reach the remote mines, prisoners were driven on foot in the winter over the ice pack roads from the arctic ports in Kolyma and Chukotka. Practically all mining was done by hand. A former official of Dal'stroi, V.A. Berzin, described this work as follows: "Pick, shovel and the wheel barrow were the only tools the laborers of Dal'stroi had to work with, and they worked year round, even in the winter at temperatures of 60°C below zero" (Levikov, 1971, p. 12). "The placer mines looked like gigantic anthills swarming with hundreds even thousands of people digging, loading and carting away the overburden" (Levchenko, 1978). During the summer washing-season each prisoner had to load and carry in the wheelbarrow, 9.3 cubic meters of gravel per day from the pit to the heap up to 100m away. Piles of gravel were then washed by other teams of prisoners. The production norm for the teams working on the washing installation was fixed at 200 grams of fine gold per man per day. During the long Arctic nights, the prisoners had to blast frozen gravel before they could load it on the wheelbarrow. In the washing season, from mid-May to mid-August, the daily norm was 120 full wheelbarrows (Krakowiecki, 1950).

The prisoners, hungry and cold, dressed in rags with shoes improvised from shreds of gunny sacks or pieces of old rubber tires, worked in the daylight and during long winter nights, 16 hours a day. They received 600-800 grams of brad, hot water in the morning and a watery soup at night. That was all! The so-called "dokhodiagi", the dying, who were too weak to meet the daily work norm, had their bread rations reduced (Krakowiecki, 1950). Lenin decreed: "Kto ne rabotaet, tot ne kushaet," "no work, no food." As a result, most prisoners died right at the mine and were buried in the gravel (Petrov, 1949). Now the bodies of these victims, usually perfectly preserved in the permafrost, are being caught daily on dragline buckets and bulldozer blades, interfering with the present mechanical re-working of these "technogenic" placers of Kolyma.

"During the Dal'stroi period, 1931-1957, northeast Siberia became the "monetnyi dvor," the mint, of Socialist Russia. According to one source, between 1937 and 1946 the Dal'stroi prisoners produced 250 tons of gold annually (Anders, 1949). 1940 was the peak production year with 300 tons (Anders, 1949, p. 76). By 1948 northeast Siberia accounted for 85% of Russia's total gold production.

Following the exhaustion of rich surface placers at many mines, the prisoners were driven to exploit by hand the underground channel placers by primitive and dangerous "shaft-a-drift" method.

The Dal'stroi continued in existence until 1957. After that year most of the gold mines in northeast Siberia were shut down and remained closed until 1966. During that decade very little gold mining was carried on anywhere in Russia. Since then Kolyma and the other major Russian gold mining areas have revived. The author estimates that today in Kolyma about 50 old State Placer Mines, the "priiski," grouped in 6 mining districts, the "combinaty", are active again.●

MESSAGE TO PRETORIA

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. WOLPE. Mr. Speaker, I want to draw the attention of my colleagues to an article by Flora Lewis in the July 26 issue of the New York Times. Ms. Lewis makes an eloquent plea for

democratic Western nations to recognize that the immediate imposition of economic sanctions against the apartheid regime of South Africa may be the last means available of avoiding a horrible bloodbath in South Africa.

Ms. Lewis' article calls on the United States to support the sanctions put forward by the French resolution in the Security Council last week which are nearly identical to those passed overwhelmingly by this body over a month ago—a ban on new investment, a ban on computer sales to the Government, a ban on nuclear trade and cooperation with South Africa, a ban on the importation of South African Krugerrands, and a ban on loans to the South African Government.

As we go to conference with the Senate on the Anti-Apartheid Act of 1985, I fervently hope that the administration and our colleagues in the other body will recognize the need for the strongest possible response to the recent emergency declaration of this South African Government.

MESSAGE TO PRETORIA

PARIS.—The slow burning free of racism in South Africa is getting shorter. It is hard to determine whether the Reagan Administration's policy of "constructive engagement" made the deteriorating situation worse. Certainly, it hasn't made anything better.

The state of emergency proclaimed in black townships may be a crossroad. Oliver Tambo, the exiled acting head of the African National Congress, has called for "a general offensive to make apartheid impracticable and South Africa ungovernable.

Yet, even he still speaks of a day when blacks and whites can both live in their huge, generously endowed country in common peace and dignity. Militant blacks accept South Africans of European descent as a "white tribe," people who belong to the land as much as they do. It may still be not too late to reverse direction and begin the long, hard process of reconciliation, though explosive pressures are clearly mounting.

The sorry state in the rest of Africa can neither justify nor mitigate South Africa's attempt to maintain a nation of two societies, not really separate as apartheid implies, but one atop the other, a crust of democracy and well-being supported by rank servitude and misery.

President Pieter Botha echoes the familiar African lament that what is writing is the fault of outsiders. In his case, he blames Communists, not of course imperialists and multinationals who are the usual butt in other parts of the continent.

But it was South Africa's aggressive policy to drive the A.N.C. out of bordering states that provoked greater challenge within the country.

The tone of desperation in the appeals of Bishop Desmond Tutu to end violence should be taken as a serious signal. He threatened to emigrate if blacks continue to murder blacks considered to be collaborators, almost an admission that modern leadership is losing its base and the voice of reason and tolerance losing its audience.

White South Africans risk being caught between their own extremists and rising black fury. The police measures have destroyed the last shreds of pretence that the system aimed for independent development for blacks. The whites have the guns. The blacks' only power is their numbers. But if confrontation is allowed to escalate, there won't be much room for accustomed security and comfort in between.

Just because it is a Western country, because it has a capacity to produce well and has the infrastructure of a modern society, South Africa has a responsibility to a continent that is foundering in tragedy. But it seems to be scurrying lemming-style into its own abyss.

"Constructive engagement" was advanced by Washington on the premise that the regime really did want to find a way out of its self-made dilemma. There was no historic inevitability about apartheid. It was imposed in steps of increasing severity after World War II. South Africa could have evolved in another way.

But it didn't. The recent steps to modify the system have been too wide of the realities of everyday life, too reluctant to address the central issue of legal equality, to be taken as a sign of regret and a desire to correct the terrible mistake.

So Washington, and the democratic West, now have the unhappy task of making clear to South Africa's leaders what they don't want to see for themselves. They are on a path of disaster.

Sanctions are a poor tool of international relations as a general rule. Their effect is seldom more than symbolic. But symbolism remains of critical importance in the South African case. There is nothing beyond it but force, so the symbols should be given a chance.

The United States should support the resolution sponsored by France against South Africa in the United Nations Security Council. It does not go very far, suspending new investment, export credits, purchase of gold coins and the like. But American endorsement would be a powerful message that Western patience is also running out. An American veto would be a shameful admission that South African cynics are right when they say the United States' protests against apartheid are only lipservice.

Black militants have noted wryly that the democracies only seem to get worked up about South Africa when there is violence. They don't really want violence; blacks would hurt most. But they haven't been given much evidence of consistent interest in the cause of justice without upheaval. They, too, need to hear the United States speak up firmly.

This is said in much sympathy and awareness of the dreadful dangers ahead of South Africa. Willy-nilly the United States is involved. It must act to head off the worst.●

TRADE EMERGENCY ACT

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. DASCHLE. Mr. Speaker, free trade. For decades it has been the knee-jerk answer of agricultural economists and Washington farm bureaucrats.

On paper, their answer looks wonderful. For years it worked.

But today there is a problem. A serious problem. Washington keeps talking free farm trade, but nobody seems to be able to find any.

We can't find it in Europe where the European Economic Community shuts out our farm exports, heavily supports its own farmers production and dumps their products on the world market at subsidized low prices.

We can't find it in Japan where the creative use of barriers to American farm products has been raised to an oriental art form.

From Brazil, we see heavily subsidized alcohol fuel exports strangling our own infant fuel industry in its crib.

From Argentina and Brazil, we hear the threat of subsidized soybeans undercutting our own.

And even from our nearest neighbor, we see chemical-laden, price-subsidized pork pouring across our borders.

The impact on American agriculture is devastating. The double whammy of foreign barriers to our farm exports and foreign subsidies that put their own farm exports on the world market at artificially low prices is crippling the American farmer.

In the face of all this, what do we hear from Washington? What we hear is the same old tired echo. Free trade, they say. We need more free trade.

Well, of course, we need more free trade. American agriculture can compete magnificently in the world when trade is free.

But the aging answer from the bureaucrats is worse than no answer at all because free trade for American agriculture is disappearing. The question is, How do we get it back? How can we restore free farm trade? And where other nations refuse to restore it, how can we save our farmers from their outlaw competition?

One thing is certain. We cannot survive by just saying the words free trade over and over again like some primitive tribe chanting for rain that never comes. Yet that has been our policy, Washington's policy, and it remains our policy today.

A trade war is the last thing America seeks. But in trade, as in defense, if your competitor is certain he can roll over you without harm, he is likely to do just that. And he has.

The American farmer has been rolled by the world because his Government has been unwilling to match, or even to mention, the unilateral agricultural trade war that is being waged against our farm families by nations we call our friends.

It is time to halt this madness.

It is time to enact legislation like the Trade Emergency Act, legislation which says clearly that America wants free trade, but makes equally clear America will match barriers with barriers, subsidies with offsetting subsidies until our trading partners agree to the honest free trade that will benefits us all.●

ECONOMIC SUPPORT FUND

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. LAGOMARSINO. Mr. Speaker, our Government has long recognized that it is in our Nation's interest to maintain stability in the Eastern Caribbean. One means by which we can strengthen our friendly ties to the region is through disbursement of monetary aid through the Economic Support Fund [ESF]. The distribution of ESF provides flexible economic assistance to countries of particular economic, political, and security interest to the United States and simultaneously advances U.S. foreign policy objectives.

Antigua is a Caribbean country that is especially deserving of ESF support. Strategically located in the Leeward Islands, Antigua has a long history of friendly relations with the United States. Antigua is a democracy. Currently, there are two United States military facilities and a Voice of America station in Antigua. In addition, Antigua traditionally has supported United States interests in the Caribbean and is an active participant in the regional security system.

Antigua is also a developing country confronted with many economic adversities and challenges. One of its greatest challenges is the lack of a sufficiently developed infrastructure necessary to meet the needs of its citizens and to form the foundation for further economic expansion and development. Development has been impeded by the combined forces of a rapidly expanding population, inadequate housing facilities, and insufficient transportation, communication, and water supply systems. Antigua is in urgent need of ESF moneys to rectify and address these development problems.

The ESF support would also allow Antigua to become less vulnerable to unpredictable climatic conditions and worldwide economic recessions. Because tourism is its main industry, the economy of Antigua is directly and adversely affected by such unpredictable events as droughts and international economic recessions. The allocation of ESF moneys to infrastructure development, light industry diversification, agricultural programs, and technical training programs for Antigua will go far in ensuring its economic stability and enhance our own interests in the political stability of the region.●

SOCIAL SECURITY OFFICE OF NEWBURGH, NY, JOINS IN 50TH ANNIVERSARY CELEBRATION OF THE SOCIAL SECURITY ACT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. GILMAN. Mr. Speaker, the Social Security Act of 1935 was the result of a recommendation by President Franklin D. Roosevelt that the Federal Government create a national program that would establish a system of unemployment and old-age benefits and enable the States to provide more adequate benefits that would prevent another economic crisis such as that experienced during the Great Depression. Acting on those recommendations, the initial legislation adopted by the Congress included old-age insurance, unemployment insurance, and public assistance; the first such program in the history of this country. On August 14, 1985, the United States will celebrate the 50th anniversary of the signing of the Social Security Act. Although the Social Security Act has been amended many times over the years, I am pleased to note that it has kept its original promise and continues to provide economic security for our Nation's workers.

There have been many changes in the Social Security Act since 1935. Subsequent legislation increased the original law's protection by adding survivor's and disability benefits. Legislation most recently enacted by Congress assures financial security of this program well into the next century, insuring that benefits will continue to be paid, not only to those currently receiving checks, but also to future generations. It is, therefore, appropriate that the theme selected by the Social Security Administration for the 50th anniversary is "Social Security: Partnership With Tomorrow."

To commemorate the 50th anniversary of Social Security, many special activities have been scheduled locally and throughout our Nation. On August 12, a major exhibit will be opening at the National Archives focusing on the history of Social Security. The U.S. Postal Service is holding ceremonies on the issuance of a commemorative stamp to mark the occasion at Social Security headquarters in Baltimore on August 14. Open houses and other anniversary events will be sponsored by local Social Security offices around the country during the week of August 11-17.

As my colleagues know, I am proud to represent the 22d Congressional District of New York. My constituents in Orange County are served by the Orange County Social Security office located at 473 Broadway in Newburgh, NY. Since opening its doors on October 28, 1937, the Newburgh Social Security office has dedicated itself to the principle of good responsive public service. The 45 employees and Retired Senior Volunteer Program [RSVP] volunteer Gay Diehl, strive to provide timely and correct checks to the 42,000 Orange County residents receiving Social Security checks and supplemental security income. In addition to issuing checks, the various services provided by our Social Security office include estimating benefits and issuing Social Security numbers to individuals. Indeed, the Social Security office serves virtually every resident of Orange County. Our citizens can rest assured that service in the Orange County office will continue in the fine tradition that has already been established.

Like many Social Security offices across the United States, our office in Newburgh will be joining in the celebration. On Monday, August 12, S. Peter Murphy, the district manager of the Orange County Social Security Administration office in Newburgh, NY, will receive a proclamation from Orange County Executive Louis Heimbach declaring the week of August 11, "Social Security Week" in Orange County. On Wednesday, August 14, the office will be serving anniversary cake to local dignitaries and to the public. The melodies of two senior citizen musical groups, the Golden Tones and the Melodeers will be a featured part of the anniversary celebration. Newburgh Mayor Joan Shapiro and Orange County Office for the Aging Director Joseph Dwyer are scheduled to be in attendance between 2 p.m. and 4 p.m. to share in these festivities. Tours of the office will be offered from 2 p.m. to 4 p.m. daily during Social Security Week.

Additionally, Mr. Murphy and devoted staff are scheduled to participate in the Senior Citizens Picnic Day sponsored by the Orange County Office for the Aging on Friday, August 16. Approximately 600 seniors are expected to join in this event at Orange County Park, where I am certain a good time will be had by all.

Accordingly, I look forward to joining with my fellow Americans in celebration of the 50th anniversary of the Social Security Act. This historic piece of legislation, through growing and adjusting to the changing needs of our population, has truly forged a "Partnership With Tomorrow," and will continue to thrive as an integral part of our society. Accordingly, I encourage my colleagues to join with us in the various celebrations and activities being held across our great Nation to commemorate this historic occasion.●

AMERICA'S OLDER DISPLACED WORKERS

HON. NORMAN SISISKY

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. SISISKY. Mr. Speaker, the House Select Committee on Aging last week held a hearing to bring to public attention the plight of America's older displaced workers aged 40 and above. As we change from a heavy industrial to a service-information economy, hundreds of thousands of workers are being forced out of the labor force. Jobs have disappeared, and many skills aren't readily transferable to other fields. We're hearing that these workers face particular difficulties, complicated by age, in trying to reenter the labor market.

According to a study conducted by the Bureau of Labor Statistics, 5.1 million workers lost their jobs due to the decline of an industry or a plant closing between 1979 and 1984. The study found that the chances of reemployment for those displaced workers declined with age. Only 41 percent of those between the ages of 55 to 64 became reemployed. And of those that found jobs, almost half, 45 percent, received lower pay than their previous position. One-third took salary cuts of more than 20 percent.

The worker aged 40 and older is usually an established, contributing member of the community, a homeowner, family member, a taxpayer, and an active consumer. But on the average, this same 40-plus worker has less formal schooling, is more likely to be employed in declining industries and occupations, and may be experiencing unanticipated midlife events such as major health or disability problems.

The termination of a long held position can be devastating for anyone, but since older workers stay unemployed longer and often must accept a significant pay reduction when reentering the job market, the loss is all the more difficult. It may lead to economic hardship and threaten the prospects of a secure and comfortable retirement. Long-term unemployment for the older worker also can mean the end of health and life insurance and pension benefits, not to mention the sacrifice of a college education for his or her children.

Moreover, we're all affected by the loss of productive workers in the labor force through increased Social Security, public assistance, compensation and other payments, reduced savings and taxes, and increased stress on community resources.

We've invested in training and retraining programs, and these efforts have helped to ease the rift between the skills of the existing worker and jobs now in demand. But considering the growing problems of the older displaced worker, we have to ask ourselves, "Are we reaching enough of the right people?" and "Are our policies responsive to their particular needs?"

We need to reassess our policies in terms of their impact on employment patterns. And while age discrimination exists in the labor market, we must acknowledge that many of the problems older workers face are due to causes other than age discrimination. Employment policies and programs must treat directly the labor market problems causing this older worker tragedy.●

SANG AUK LEE—INTERNATIONAL INTERN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. LAGOMARSINO. Mr. Speaker, I have had the opportunity to host several international interns during the past year, including one fine man named Sang Auk Lee. Sang, who was part of the Korea-United States Youth Exchange Program, provided valuable assistance in performing office responsibilities such as casework, document production, constituent letter writing and attending committee hearings.

Sang's love of freedom and his appreciation of the United States and what we stand for, was eloquently expressed in a letter he wrote upon the completion of his internship here in my office. I greatly enjoyed Sang's letter and offer it for my colleagues' review. Furthermore, I would highly recommend that my colleagues offer internships to interested international students. Their contribution to mutual understanding and cooperation should not be underestimated.

JULY 25, 1985.

Hon. ROBERT J. LAGOMARSINO,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN LAGOMARSINO: Today is the last day of my serving an internship at your office. Ever since I arrived in Washington, D.C., I have enjoyed all things I get involved in thanks to Americans' warm hospitality. Especially, I couldn't find any difficulties in getting along with your assistants and interns with their great willingness to help me.

For the past four decades since the end of World War II, and especially through the Korean War, our two countries have retained very close and cooperative relationships. As a college student, I take a great interest in the United States. Touring around Washington, D.C. and other historical sites outside the D.C., I learned and was impressed by the efforts made by your Founding Fathers and other great figures to bring human dignity and democracy to this great land. Additionally, I could learn how the United States is run and progressed by both the people and the government. Yours is truly a government of the people, by the people, and for the people.

As a citizen of the Republic of Korea, I am very happy to have a very sincere and reliable friend country like the United States of America. Korea, which is also called the Land of Morning Calm, is a very good country, too. Its people are quite hopeful and confident of their future, taking a great pride in hosting the 88 Seoul Olympics.

Confronting the world's most belligerent communists in the northern part of the Korean Peninsula is not a good atmosphere in which to develop our country. About 40,000 American soldiers are stationed in Korea sharing with Korean soldiers the sublime duty to preserve peace and the freedom of man in the beautiful country.

I express my deep appreciation of your efforts to help promote mutual understanding between our two countries. Thank you.

With best wishes for the United States of America.

Sincerely yours,

SANG AUK LEE.●

PUBLIC SALE OF CONRAIL DESERVES SUPPORT

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. SHUSTER. Mr. Speaker, after several months of careful evaluation and discussions with the various parties, I have decided to support the public sale of Conrail, rather than the administration's proposed sale to Norfolk Southern.

Because this is such an important transportation issue to Pennsylvania and the Nation, it is appropriate that my reasons be outlined. There are several complicated issues surrounding the different alternatives, and a legitimate case can be made for each of the proposals. None are without both pluses and minuses.

PUBLIC SALE PROVIDES BETTER FINANCIAL RETURN TO TAXPAYERS

For several months, the talk of a public sale was just that—talk. No specific comments were forthcoming to guarantee the Federal Government a return on its investment in Conrail. Recently that changed. Morgan Stanley & Co. put together a group of blue chip investors who guaranteed a minimum of $1.2 billion to the Government for its 85 percent ownership in Conrail. The employees own the other 15 percent. Additionally, Morgan Stanley offered 1 million warrants to the Government, which means that if the price of Conrail stock increases, the Government would receive additional revenue from the sale of the warrants.

Conversely, the Norfolk Southern proposal pays the Government only $1.2 billion, while giving Norfolk Southern a $400 million tax savings according to the Congressional Budget Office.

PUBLIC SALE PRESERVES RAILROAD COMPETITION

The public sale would keep the three major eastern railroads—the CSX, Norfolk Southern, and Conrail—while the Norfolk Southern would leave only two major independent railroads in the East. Further, the Norfolk Southern sale could cause a major diversion of traffic from the CSX's B&O line, causing a shutdown of that line and a further lessening of competition. Reduced competition probably would mean higher prices for shippers, thereby creating an economic disadvantage for industry in the Northeast.

PUBLIC SALE IS BETTER FOR THE EMPLOYEES

Employees can either keep their stock in Conrail or sell it at $48 per share. Employee job protection provisions are continued, and $200 million are provided for past wage deferrals. The employees also get two seats on the board of directors. As a result of the negotiating process, employees have already received a return to the industry wage scale, retroactive to July 1, 1984.

PUBLIC SALE RETAINS CONRAIL FACILITIES AND JOBS

Although the Norfolk Southern promised to keep the Conrail shops, the commitment lasts only for the length of the legal covenants, which is 5 years. An independent Conrail would need the shops long after the legal convenants had expired. Further, Conrail agreed to include $14.4 million in capital investment for the Altoona shops in their 5-year plan. Jobs would be more secure in an independent Conrail, rather than as a subsidiary of another railroad where work could be transferred to the parent company.

There clearly is a risk involved in supporting an independent Conrail. If the prophets of gloom and doom are right about the Northeast—that it is bound to decline and stagnate—then being a part of a larger railroad system which is headquartered in another part of the country could help keep Conrail afloat as it shrinks in size to serve a shriveling region. But if you believe in the future of Pennsylvania, and our region, then an independent Conrail can surely survive and prosper—as it now is doing.

I choose to believe in our future, so I choose to support an independent Conrail.●

ADMINISTRATION OPPOSITION TO REDUCED RATES FOR CERTAIN MAILERS CRITICIZED

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. DASCHLE. Mr. Speaker, I must say I was astonished when the administration proposed the elimination of the appropriation for revenue forgone, that reimbursement to the Postal Service for revenues not received due to reduced postage rates for certain mailers. Those people who benefit from this reduced mailing rate are our schools, our churches, veterans organizations, small rural newspapers, charities such as the American Cancer Society, United Way, Easter Seal Society, and the National Federation for the Blind.

In 1952, when these special rates were established, the Congress recognized the contribution of nonprofit organizations to the good of the country; it recognized that in order for newspapers to operate in rural, nonprofitable markets, and bring reading materials to people in those areas, a reduced postage rate was necessary; it recognized the importance of library services and the need for a reduced postage rate if people were to avail themselves of those services, knowing full well that the cost of mailing books and other library materials would be prohibitive at commercial rates; and it recognized the unique needs of the blind and handicapped who do not generally have easy access to braille materials and taped materials—that in order to make such material available from State libraries and the Library of Congress, those items should be mailed at no cost.

Now, with the exception of the free mailing privilege for the blind and handicapped, the Reagan administration and the Senate agree the appropriation for revenue forgone should be eliminated. What a slap in the face to those organizations which the President has asked to pick up the slack in the face of the budget crunch. As the Federal Government has cut back funding of many programs, we have asked the private sector to take on more responsibility for social programs, for the arts and culture, for health research, and for public education campaigns. Now the administration and the Senate want to take away the preferred postage rate for nonprofit organizations which rely heavily on direct mail for fundraising purposes. The idea is ludicrous and I commend the Appropriations Committee for recognizing the importance of the revenue forgone appropriation, which, in some way, affects nearly every person in this country.●

GOLDEN ANNIVERSARY

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. SCHUMER. Mr. Speaker, on October 12, 1985, Crown Heights Post No. 108 of the Jewish War Veterans of the United States will celebrate its golden anniversary, commemorating 50 years of faithful service to the Crown Heights community, to the country, and to veterans. Since its organization in 1935, the Crown Heights Post has grown to be one of the largest in the New York area.

Crown Heights was the first post to establish a memorial hall in remembrance of deceased Jewish veterans. But the post's attention to the community has not been focused on veterans alone. The post sponsors various activities for neighborhood youth, including athletic and academic competitions. The post has also presented educational seminars alerting teenagers to the dangers of drug abuse.

The post also provides support to Brooklyn's elderly community. In addition to an active entertainment program, the senior citizens committee runs a clothes distribution program and a home visitation program for the neighborhood elderly.

The post's hospital committee is also very active. The committee promotes religious services for hospitalized veterans and distributes books, cards, and games to VA hospital patients. Committee members have given thousands of hours of service as hospital volunteers.

In spite of this full array of community activities, the post has always kept up-to-date on national issues such as civil rights, education, veterans benefits, and defense. The post has been effective in encouraging its members to voice their views to their elected officials and to participate fully in our democratic process.

Crown Heights Post No. 108 has a full 50 years to remember, and an even longer and more productive future to anticipate. I am sure all my colleagues join me in conveying my best wishes to this pillar of the Brooklyn community.●

HONORING PURN HUTCHISON

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. DUNCAN. Mr. Speaker, it is difficult to summarize 100 years of life. For this reason it is difficult to express to my colleagues the meaning of Purn R. Hutchison's century. I could tell you that he spent 60 years working for the Knoxville Iron Co., before retiring as a superintendent in 1964. I might mention his civic pride and dedication as a member of the Knoxville City Council between 1940 and 1956. Or perhaps I should point out that he began working at age 9 for 25¢ a day at a lumberyard.

These are the facts about Purn Hutchison, but the facts do not describe his strength, or the respect others hold for him. It is harder to

paint an accurate picture with only words.

I got to know Purn Hutchison in the latter portion of his tenure on the city council when I served as city law director. He was a strong man, who would state his views with conviction. I always respected his counsel, and his support. Though we wore different political labels, he had an open mind, and I benefited from his experience, as have so many others.

On September 9, 1985, he will be 100 years old. He continues to be a valued and respected member of the Lonsdale community where he has lived since about 1910. Every Sunday he walks from his home of 71 years on Minnesota Avenue to the Lonsdale Baptist Church to attend Sunday School.

It is at the church he will be honored on August 11. His grandchildren, Don Hutchison of Knoxville, and Brenda Gravander of Potsdam, NY, will be there along with his daughter-in-law, Roberta V. Hutchison, and great-grandchildren, Kris Hutchison and Kristin and Meghan Gravander. It is this expression of love and honor which best captures the meaning of Purn Hutchison's 100 years.●

ANTHONY CASAMENTO: AN AMERICAN HERO

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. DOWNEY of New York. Mr. Speaker, today I am introducing legislation to correct a terrible injustice inflicted on a man who risked his life for our Nation without thought of the consequences.

I would like to bring to the attention of my colleagues a man who during World War II displayed great heroism. His name is Anthony Casamento and he lives in West Islip, NY—my hometown.

Mr. Casamento, a marine, displayed unusual courage while manning a machinegun singlehandedly on Guadalcanal. Upon his return to the States to recuperate from wounds inflicted in battle, the Marine Corps investigative team did not follow up on Mr. Casamento's report of the battle at Guadalcanal. The failure of the Marine Corps to follow up its investigation left Mr. Casamento's reports unconfirmed. Mr. Casamento's company was then stationed in Australia and Mr. Casamento was thought to be dead. No investigative team contacted his company.

In 1964 two survivors of the battle came forward, having read an article on Mr. Casamento in the newspaper. In 1965, after a briefing by Mr. Casamento's commanding officer, the Navy Board of Decorations and Medals unanimously recommended that Mr. Casamento receive the Medal of Honor. This decision was overturned by the Secretary of the Navy.

In 1978, the President of the United States signed a bill waiving the time limitation for granting the Medal of Honor. Mr. Casamento's medal was eventually awarded in 1980, after a hearing before the Board for the Correction of Naval Records. Mr. Casamento's award clearly indicates that he deserves all entitlements that the Medal of Honor recipients normally have bestowed upon them.

In 1980, after a 35-year wait, Anthony Casamento was awarded the Congressional Medal of Honor for meritorious valor at Guadalcanal.

The legislation which I introduced today authorizes retroactive payments of the special pension that Medal of Honor recipients receive and Anthony Casamento, a living example of a great American, deserves.●

IN SUPPORT OF PUBLIC SERVICE FELLOWSHIPS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. BIAGGI. Mr. Speaker, today I want to reaffirm my support for the Public Fellowship Program authorized under title IX of the Higher Education Act, which provides fellowships to graduate and professional students to prepare them for leadership careers in government and nonprofit organizations.

Title IX, in its 10-year history, has provided important support, especially to minorities and women, in assisting them in securing a graduate education. More than 65 percent of graduates in this program are females and/or minorities. Fellowships are provided to full-time students and have given important stimulus to encouraging public service career goals for those who have been traditionally under-represented in this sector.

Equally as impressive is the breadth and scope of public service positions that are filled by these fellowship recipients—in Federal, State, and local governments. In a recent survey of the program, conducted by the Society for Public Administration, a review of graduates reveals that they are serving in positions as administrative assistants to Governors and mayors, analysts for public service commissioners, grant and contract administrators, personnel administrators, including labor relations specialists and policy evaluators and performance auditors. In my own State of New York, eight universities and colleges have educated fellowship recipients in the fields of public administration and policy, as well as urban studies and affairs.

This program continues to serve an important function with the most amount of $750,000 that has been annually provided for it. It also responds, in a small way, to the current crisis being faced by graduate education in America, which was highlighted in a report by the National Commission on Student Financial Assistance, and authored by our former colleague John Brademas, who is now president of New York University.

At a time when we face hard educational choices in the face of ongoing threats to reduce the Federal role in promoting access to educational opportunity, this program deserves our continued support.●

THE 1985 FARM BILL—POSITIVE DEVELOPMENTS

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. WOLPE. Mr. Speaker, although it is much too early to predict the outcome of the 1985 farm bill, a couple of developments have occurred which, I believe, are extremely positive and are deserving of recognition.

One of the most encouraging of these developments has been the emerging consensus among the major farm organizations. Virtually all the principal farm groups are united in their opposition to the Reagan administration's farm program—a program which, if implemented, would threaten the long-term stability and profitability of American agriculture. Moreover, while some significant differences remain among the different approaches taken by the major farm organizations, there is general agreement that strong production controls, a significant conservation reserve, and measures to stimulate agricultural exports are all required to address the serious problem of price-deflating surpluses. To further the building of this consensus, many of us in the House are cosponsoring more than one farm group's proposal; we seek thereby to highlight the areas of agreement between the farm organizations and to consolidate opposition to the administration's program.

I am also encouraged that both the House and Senate Agriculture Committees have recently voted to adopt as part of the 1985 farm bill a major portion of a soil conservation initiative that Congressman WIRTH and I advanced. Our soil conservation measure would create a 30-million-acre reserve which would pay farmers to remove highly erodible cropland from production. It would also deny Federal farm subsidies to those who plow highly erodible land or convert fragile wetlands to crop production. This pro-

gram will help reduce both price-deflating agricultural surpluses and steadily rising costs of Federal farm programs. Toward this end, it will simultaneously benefit farmers, taxpayers, and our overall national conservation policy. I anticipate strong bipartisan support for this measure when the Congress considers the 1985 farm bill following the summer recess.

Mr. Speaker, many difficult policy choices still face the House in the weeks ahead. We seem to find ourselves at this point in the debate in a classical bind: attempting to find ways to cut Federal farm program costs, while at the same time seeking ways to protect farm income. Unfortunately, those factors that will help American agriculture the most—lower deficits, lower interest rates, lower trade deficits, and a stable world economy—are not things we can provide in a farm bill. However, I strongly believe that with the cooperative effort of all the major farm organizations we can pass a bill that, while perhaps not satisfactory to all, will insure greater stability and profitability for our Nation's farmers.●

CONGRESSIONAL CALL TO CONSCIENCE

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. BERMAN. Mr. Speaker, Yvengy Yakir and Leonid Byaly have been Soviet Jewish refuseniks since the 1970's. It is on their behalf as individuals and as symbols of thousands of other Jews similarly persecuted, that I join my colleagues in today's Congressional Call to Conscience.

Yvengy Yakir first applied for emigration privileges for himself and his family in October 1973. They were denied visas because Rimma, Yvengy's wife, was employed as an engineer and allegedly had access to state secrets. Since they submitted their first application for an exit visa, Rimma can no longer find work as an engineer. Their son Aleksandr is also an engineer by training, yet he has never been permitted to work in his field. He is now serving a 2-year sentence in a labor camp for alleged draft evasion. Military service almost always means access to state secrets and is thus another tactic of the Soviet Government to delay emigration.

Like the Yakirs, Leonid and Judith Byaly are engineers who were denied emigration privileges due to alleged access to state secrets. Judith was forced to leave her job when her employers refused to issue the certificate required by the Department of Emigration. Although her mother lives in Israel and had written numerous appeals for the Byaly's emigration, the Soviet authorities continue to threaten Leonid and Judith with exile from Moscow if they continue their efforts to emigrate.

There is a sad irony to the fact that this Congressional Call to Conscience takes place on the eve of the 10th anniversary of the Helsinki final act. We have spent the past 10 years searching for a way to encourage the Soviet Union to guarantee the fundamental human rights they pledged to uphold as signatories of that document. Only 499 Jews have been granted exit visas so far this year and only 36 for the month of June.

The U.S.S.R. insists that emigration is a domestic issue with which the U.S. Government should not concern itself. We believe that the issue of human rights is fundamental to our diplomatic relationship. The Soviets must make an effort to uphold previous agreements before we will have the confidence to negotiate further.

Years of harassment, persecution, and imprisonment have not forced the Jews to deny their culture and their traditions. In the words of Avital Shcharansky, wife of dissident Anatoly Shcharansky, "Their strength is our inspiration." We will pursue human rights for Soviet Jews until they are realized.●

SOVIET JEWRY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. LAGOMARSINO. Mr. Speaker, the U.S. Congress remains committed to pressing the Soviet Government, under the leadership of Mikhail Gorbachev, to allow those desirous Jewish citizens to emigrate freely and without harassment or delay. To this end, I am pleased to participate in this year's "Call to Conscience on behalf of Soviet Jewry."

Mr. Speaker, the number of Soviet Jews allowed to emigrate has dropped precipitously. In 1979, approximately 51,000 Jews emigrated from the U.S.S.R., mostly to the United States and Israel. In 1980, the number was 21,000. By 1984, however, the number had declined to less than 1,000. Obviously, Americans concerned with human rights condemn this blatant disregard for the political commitments made under the Helsinki accords.

Contrary to the claims of Soviet Government spokesmen, there are many Soviet Jews who still wish to emigrate. They have been repeatedly denied this fundamental human liberty, and many have suffered through persecution, detention, harassment,m and other reprehensible actions. Let us be clear in our position, Mr. Speaker. The Soviet Government is systematically violating the human rights of a large percentage of its citizens, and in the process is making a mockery of the agreements and accords which it has signed with the United Nations, the United States, and other nations and entities. By undertaking these activities, the Soviets are undermining world confidence in their reliability as a respectable and trustworthy partner in international relations and lending credence to assertions that the Soviet Communist system of government is bankrupt, both morally, politically, and economically, and cannot and should not be trusted.

Mr. Speaker, only 499 Soviet Jews have been allowed to emigrate from the "worker's paradise" this year. This number is far too low and is not representative of the number of Jews wishing to emigrate. I applaud the fact that Americans, including President Reagan, Secretary Shultz, and others, consistently raise this issue in their meetings with their Soviet counterparts. I urge the President to personally raise this important matter during his meetings in Geneva with CPSU General Secretary Gorbachev. Members of Congress will certainly continue to raise the issue and appeal to the Soviets to allow Soviet Jews to emigrate.●

JOHN-DAVID BARTOE, ASTRONAUT

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. KOSTMAYER. Mr. Speaker, I would like to congratulate Dr. John-David Bartoe on his successful lift-off into space yesterday. Dr. Bartoe, a former resident of Hulmeville, and a graduate of Neshaminy High School in Bucks County, is an astronaut on the space shuttle *Challenger.*

No one in the history of space flight has ever been assigned longer to a specific mission than Dr. Bartoe. Although selected for NASA's Space Shuttle Program in 1978, he was unable to go into space until yesterday due to several space shuttle postponements.

Dr. Bartoe is carrying three items into space from Bucks County. The borough historical society gave him a book on the American Bicentennial and a minimedallion from the Apollo 14 moon mission. Neshaminy High School gave him a Neshaminy pennant. These items will be returned to Bucks County to be put on display.

I commend Dr. Bartoe for his many contributions to the Space Shuttle Program. His success is not only a credit to himself, his family, and com-

munity, but reflects on the Nation as a whole.●

BALANCED BUDGET AMENDMENT

HON. KEN KRAMER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. KRAMER. Mr. Speaker, in the months since this Congress convened last January, we've heard a lot about the perils of deficits—about the pressing need to rein in out-of-control Federal spending. Virtually all of our colleagues have at one time or another called for a freeze on this program or that, citing next year's projected $200 billion shortfall as making deficit reduction essential.

Unfortunately, rhetoric and reality have never met on cutting deficits. Today we're passing appropriations bills for next year right and left, waiving a budget blueprint we haven't even passed. The congressional budget process is coming apart at the seams, and we're even starting to hear the first rumblings of the need for another tax increase as the only solution for our deficit crisis. A tax increase—after 49 of the 50 States resoundingly rejected that approach at the polls last November.

Mr. Speaker, the American people overwhelmingly support making a balanced budget amendment part of our Constitution. They don't want more taxes; they want responsive Government. They don't want illusory spending restraints, they want a Government that lives within its means. I urge you to listen to the voice of the American people this fall and allow House consideration of a balanced budget amendment.●

STATE POLICE CAMP CADET PROGRAM

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. KOLTER. Mr. Speaker, today I would like to call your attention to a valuable service being provided to the youth of Butler County, PA, by Butler area law enforcement officials.

In 1970 the Pennsylvania State Police of Troop "D," headquartered in Butler, originated a camping program for the young people of Butler County. Known as Camp Cadet, the primary purpose of the Cadet Program is to foster and enhance relations between local law enforcement officials and Butler County youth. For 1 week each year 100 young people and several police officers gain a better understanding of each other. Not only do participants have a good time, but Camp Cadet provides law officers with an opportunity to demonstrate their interest in working with young people. In return, young people learn that police officers need not be feared.

Mr. Speaker, what is so significant to me about the Camp Cadet Program is the fact that Butler area law enforcement officials volunteer their own time to take these young people camping. They spend the entire week away from their own children and families so that others may benefit. In addition to operating the program on volunteer staff time, the Camp Cadet Program functions only through the generosity of local citizens who donate funds to this very worthwhile endeavor.

What began 15 years ago as an idea among three Pennsylvania State troopers has blossomed into a very successful summer program that enables Butler County youth and Butler area law enforcement officials to earn each other's respect.

SENATE—*Wednesday, July 31, 1985*

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

GUEST CHAPLAIN

Mr. DOLE. Mr. President, it is my honor this morning to welcome to this Chamber and to introduce to its Members and visitors our guest chaplain.

He is Father Donald R. Cullen, of St. Patrick's Catholic Church in Osage City, KS.

PRAYER

Father Donald R. Cullen, St. Patrick's Roman Catholic Church in Osage City, KS, offered the following prayer:

Lord, Your blessing, please. Let us pray:

Lord, our God, the ultimate Ruler and Lawmaker, make our lives blameless. Help us to do what is right and to speak what is true, that we may some day dwell in Your tent and find rest on Your holy mountain after we die.

"Lord, who shall be admitted to Your tent and dwell on Your holy mountain? He who walks without fault; he who acts with justice and speaks the truth from his heart; he who does not slander with his tongue; he who does no wrong to his brother, who casts no slur on his neighbor, who holds the godless in disdain, but honors those who fear the Lord; he who keeps his pledge, come what may; who takes no interest on a loan and accepts no bribes against the innocent. Such a man will stand firm forever."—Psalm 15.

Father in Heaven, help the Senators to follow Your will in their work in our Nation's Capitol, so when they go back home to their people, they can tell them from the very bottom of their hearts an old blessing:

May there always be work for your hands to do
May your pockets always contain a coin or two
May the Sun always shine on your window pane
May you always have a rainbow to follow each rain
May the hand of a friend be always near you
And may God fill your hearts with gladness to cheer you.

May the blessing of Almighty God, the Father, and the Son, and the Holy Spirit, descend upon you and remain forever. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each, to be followed by special orders in favor of the following Senators, for not to exceed 15 minutes each: Senators PROXMIRE, KERRY, and HEINZ.

The special orders will be followed by routine morning business, not to extend beyond 11 a.m., with statements therein limited to 5 minutes each.

Following morning business, it will be the intention of the majority leader to proceed to the consideration of the conference report to accompany supplemental appropriations, as well as any other Legislative or Executive Calendar items which have been cleared for action. I would guess that the first item would be S. 63, In-Flight Medical Emergencies Act of 1985.

Also, I am advised that the Senate could proceed very quickly to the consideration of the conference report to accompany the State Department authorization bill.

I advise my colleagues that rollcall votes can be expected throughout the day and into the evening.

Mr. President, I again want to thank my colleagues on both sides of the aisle for their willingness to help us expedite a number of matters on the Legislative Calendar, and I hope we might have that continued cooperation for the remainder of the week.

There are a number of items that are of some controversy, but in many cases they can be resolved. It seems to me that if we have a few moments to focus on different areas, we can resolve a number of these items and pass the measures and send them on to the House.

So, again, I expect that the Senate will be in session not very late this evening, but probably into the early evening, as we prepare for the August recess.

I reserve the remainder of my time.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. DANFORTH). Under the previous order, the Democratic leader is recognized.

Mr. BYRD. Mr. President, I ask unanimous consent that I may reserve my time for the remainder of the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized for not to exceed 15 minutes.

WHY THE NUCLEAR FREEZE IS IN COLD STORAGE

Mr. PROXMIRE. Mr. President, those of us who have been strong supporters of the nuclear freeze have been taunted lately. Charles Krauthammer wrote a column for the Washington Post a few days ago entitled "Who Killed the Freeze?" The movement that seemed to be sweeping the country 2 or 3 years ago has almost faded away. Why? A big part of the answer is that Ronald Reagan was reelected President of the United States on November 6, 1984. That did it. Walter Mondale tried to make the nuclear freeze the central issue in the campaign. He did not.

The central issues in the 1984 Presidential campaign, the real reasons why Ronald Reagan won, were two: The Reagan personality versus the Mondale personality and the economy. The economy hit bottom in the fall of 1982. By election time 1984, it had roared back. We now know that in 1984 this country enjoyed the strongest gain in real economic growth—that is, in the growth of the gross national product, after subtracting inflation—that the country had enjoyed in 33 years. That 1984 economic recovery was possibly the biggest economic recovery in an election year in peacetime in American history. And in all American history no President has ever failed to win election by a handsome margin when the economy pushes on a massive roll right through election day. So how about the freeze issue? The freeze issue never had a chance. Except for the smashing U.S. victory over pathetic little Grenada, shortly before the election, the country was at peace. The terrorist killing of 241 marines in the Beirut barracks in Lebanon, obviously, constituted a serious American military and foreign policy failure. But it did not trigger the remotest suggestion of a hint or whisper of an armed conflict with the Soviet Union. So it did not trigger any arms control sentiment. President Reagan had ridden to victory in 1980 in the face of charges that his policies would push the country toward nuclear con-

flict with the Soviet Union. Four years later we seemed no closer to a military conflict with the Soviet Union. There had been no nuclear alert, no nuclear diplomacy. Sure the Geneva arms negotiations had begun in 1982 and had broken off in 1983. But both President Reagan and the Soviet leaders had expressed stronger opposition to the use of nuclear weapons than ever before. Yes, indeed, the President still opposed the freeze on nuclear weapons. No question about it, he refused to consider negotiations with the Soviets to stop nuclear weapon testing. But he favored arms control. He repeatedly said that he was willing to go back to the negotiating table with the Soviets and with everything on the table.

Under these circumstances it certainly should have been no surprise that an electorate that had repeatedly indicated its support of an end to the nuclear arms race through a negotiated mutual, verifiable freeze on the testing, production or deployment of nuclear weapons would also support a President of the United States who repeatedly claimed to favor arms control negotiations but opposed the particular formulation of arms control embodied in a nuclear weapons freeze. In sum, the country favored and still favors a nuclear weapons freeze. It reelected Ronald Reagan as President, in spite of the fact that the President opposed a freeze. Why did they reelect him and by such a smashing majority? For reasons that had nothing to do with the freeze.

So what happened to the nuclear freeze? Ronald Reagan happened. Here's why: When it comes to arms control—that is whether the country negotiates at all with the Soviet Union, whether we negotiate to limit or reduce a particular nuclear weapon or all weapons, and whether we accept or reject any Soviet arms control proposal who makes the determination? Answer: only one person. From the standpoint of this country the President of the United States is Mr. Arms Control. No one else counts at all. No other institution matters. Once the President is elected, for the next 4 years there is only one arms control game in town and that is whatever the President wants to make it. Any congressional resolution dealing with arms control has the same feeble force as a resolution adopted by the East Overshoe town board. It has absolutely no force at all, none. Even if the President should decide to accept and sign an arms control agreement and it is submitted to the Senate as a treaty, the power of the Senate depends on what the President wants to make it. Just suppose the Senate decides to get into the act. Let us say it refuses to ratify the treaty. Then what? Then the President can do precisely what President Carter and President Reagan have done with respect to SALT II. The President can simply announce that the United States will comply with the treaty. Of course, if the President does not want the country to comply with a treaty that has been negotiated by his negotiators we can simply tell the negotiators to reject the agreement. There will then be no treaty to submit. The President chooses his negotiators. He provides them with their instructions, if he wishes, down to the last comma and semicolon. He can fire and replace his negotiators at will and anytime. He can continue negotiations, end them, or postpone them as his heart desires. Is it any wonder that the nuclear weapons freeze is in mothballs. President Reagan will not change his mind on the freeze. So it is dead for at least the next 3½ years.

So who killed the freeze? Not the people of this country. They still support it enthusiastically and overwhelmingly. But they elected Ronald Reagan as President, in spite of his opposition to the freeze. That did not kill the freeze. It put the freeze in deep freeze until 1989, or later.

MYTH OF THE DAY: THAT THE ANTITRUST LAWS PREVENT PRICE-FIXING

Mr. PROXMIRE. Mr. President, today's myth of the day is that firms that engage in price fixing will be prosecuted by the Department of Justice. The fact is: They will not.

The August 5 issue of Business Week carries an editorial that reports as brazen and obvious a proposal to fix prices by Robert Crandall, the president of American Airlines, in a conversation with Howard Putnam, chairman of Braniff, that this Senator has ever seen. The proposal occurred in a telephone conversation. The Justice Department secured a tape of the phone conversation.

Here is the way the conversation went, and I might say it was a very colorful, scatalogical conversation with a lot of unfortunate profanity which, of course, I will not refer to in reporting the conversation. I simply will delete that.

Here is what Crandall, who is the president of American Airlines, said:

I think it's dumb to sit here and pound each other and neither of us making a dime.

PUTNAM [who was chairman of Braniff]. But * * * I can't just sit here and allow you to bury us without giving our best effort * * * Do you have a suggestion for me?

CRANDALL. Yes, I have a suggestion for you. Raise your fares 20%. I'll raise mine the next morning * * * You'll make more money, and I will too.

PUTNAM. We can't talk about pricing.

CRANDALL. We can talk about anything we want to talk about.

As Business Week observed:

Most businessmen would interpret Crandall's remark as an illegal invitation to fix prices. So did the Justice Department when it listened to a tape recording that Putnam, on advice of his lawyers, had made of the conversation.

And I just reported on the tape. So what happened? The Justice Department negotiated for 2 years with American Airlines and Crandall, and then on July 14, 1985, just a couple weeks ago, it allowed American and Crandall to sign a consent decree without admitting any guilt. As Business Week observed: "Deterrence, anyone?"

Mr. President, again and again this Senator has heard administration witnesses testify before the Banking Committee that we should relax the restrictions on interstate banking and mergers. When I protest that this would result in monopolistic concentration and price fixing among the surviving giants, they dispute that contention by saying the country can rely on the antitrust laws. The administration has followed a weak, permissive policy in mergers that concentrate economic power throughout our economy on the grounds that we can rely on the antitrust laws to prevent price fixing. This Senator has always regarded the notion that the American consumer can count on the vigorous enforcement of antitrust laws by the Justice Department as a myth under any Presidential administration of either party. The American Airlines incident makes the case that right now in this administration, Justice Department enforcement of antitrust laws prohibiting price fixing is indeed a myth.

Mr. President, I congratulate Business Week. The fact that this highly respected organ of American business speaks out this forthrightly about violations of law by big and powerful American corporations and their top executives constitutes a refreshing aspect of this sorry situation.

I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DOESN'T ANYONE GIVE A D - - -?

On or about Feb. 1, 1982, reads the Justice Dept. complaint, Robert L. Crandall, president of American Airlines Inc., talked on the telephone with Howard D. Putnam, chairman of the Braniff International Corp., about the competitive battle raging between American and Braniff on a number of routes served out of the Dallas/Fort Worth Airport. According to the complaint, the conversation included the following remarks, expletives modified:

Crandall: "I think it's dumb as hell for Christ's sake, all right, to sit here and pound the —— out of each other and neither of us making a —— dime."

Putnam: "But . . . I can't just sit here and allow you to bury us without giving our best effort. . . . Do you have a suggestion for me?"

Crandall: "Yes, I have a suggestion for you. Raise your —— fares 20%. I'll raise mine the next morning. . . . You'll make more money, and I will, too."

Putnam: "We can't talk about pricing."

Crandall: "Oh ——, Howard. We can talk about any —— thing we want to talk about."

Most businessmen would interpret Crandall's remark as an illegal invitation to fix prices. So did the Justice Dept. when it listened to a tape recording that Putnam, on advice of his lawyers, had made of the conversation. In February 1983, Justice filed a complaint in federal court charging American and Crandall with trying to fix prices and asking the court to bar Crandall for two years from any airline job with authority over prices. Then followed two years' negotiations with American and Crandall. On July 14, 1985, Justice allowed American and Crandall to sign a consent decree without admitting any guilt in the Braniff affair. Deterrence, anyone?

TIME IS RUNNING OUT FOR NAZI HUNTERS

Mr. PROXMIRE. Mr. President, on July 6, the Washington Post carried an article reporting that as many as 50,000 war criminal are still at large.

For Nazi hunters who have been pursuing these war criminals since the end of World War II, this statistic is heartbreaking.

It has been 40 years since the end of Hitler's genocide against the Jews. As these aging war criminals die off, the likelihood that the survivors of the Holocaust will ever see the vast majority of their tormentors brought to justice decreases.

According to Rabbi Marvin Hier, founder of the Simon Wiesenthal Center for Holocaust Studies in Los Angeles, about 10,000 former Nazis who are wanted are living in the United States. Only a handful of these former Nazis have been identified and deported to stand trial in the country where they committed their offenses.

For the past 40 years these so-called quiet neighbors have lived without any real fear that they would be brought to account for their part in the massacre of the Jews.

As these men advance in age, the whole question of deporting them to stand trial is likely to become moot.

That the United States finds itself in this position today is embarrassing. After World War II we had the opportunity to prosecute these men. Instead we gave them a haven.

That Klaus Barbie and other well-known murderers worked for U.S. intelligence agencies is a documented fact.

That we made inadequate checks into the backgrounds of those who immigrated to the United States and even facilitated the escape from Germany of war criminals is a documented fact.

Nazi hunters long ago despaired of bringing all the war criminals to justice. Numerically speaking not even a significant minority of the 50,000 at large will ever be prosecuted.

Former Nazis still being sought include men of enormous culpability.

There is Alois Brunner, a deputy of Eichmann, who is wanted for the murder of 125,000 people and who, it is believed, is now in hiding in Syria.

There is Walter Kutschmann, at large in South America, who is blamed for the deaths of 2,000 Polish Jews.

There is Leon Debrelle, a Belgian collaborator who now lives the good life in Spain giving lectures and seminars on Nazi history.

These are the types of men to which Nazi hunters give their highest priority today. But time is running out. It is unsatisfying to victims of the Holocaust that men such as Josef Mengele should die without ever seeing the inside of a courtroom.

Mr. President, the United States has made its mistakes in the past. Today we must make clear that we intend to bring to justice Nazi war criminals still at large and anyone else who would dare commit the heinous crime of genocide in the future.

We must ratify the Genocide Treaty.

We must join the 96 nations that have already made this commitment to human rights.

Ninety-six nations, Mr. President, every developed country in the world, except the United States, has ratified the Genocide Convention.

At the end of the last session, the Senate passed a resolution to take up the Genocide Treaty early in the 99th Congress.

Mr. President, we are now well into the 99th Congress. The efforts of Nazi hunters are imperiled by the passage of time. In the context of their struggle, I believe it is imperative that the Senate take up and ratify the Genocide Treaty at the earliest possible date.

WESTWAY LANDFILL

Mr. PROXMIRE. Mr. President, the Westway Highway and real estate project in New York has been portrayed by its advocates as having solid local support.

Nothing could be further from the truth. Both the New York Comptroller and city council president, two out of the three major citywide elected officials, have endorsed the bill I introduced with Representative FRANK GUARINI and Senators HUMPHREY, LAUTENBERG, and BRADLEY to end funding for the Westway landfill.

Many other New York area officials are also on the record in opposition to the project, including Congressman TED WEISS in whose district the project is located.

Mr. President, because of the importance of these local comments to the coming Westway Senate debate I ask unanimous consent that letters from City Council President Bellamy and Comptroller Golden be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE CITY OF NEW YORK,
OFFICE OF THE COMPTROLLER,
May, 16, 1985.

Hon. DANIEL P. MOYNIHAN,
U.S. Senator,
New York, NY.

DEAR PAT: Representative Guarini (H.R. 1888) and Senator Proxmire (S. 826) are sponsoring the "Westway Landfill Funding Prohibition and Hudson River Habitat Protection Act of 1985," precluding Federal funding (including Federal Highway Trust Funds) for the design and construction of the Westway landfill. Surely, New York must reconstruct a vehicular roadway on the West Side of Manhattan, by some estimates at a cost of $53 million (see Final Supplemental Environmental Impact Statement, November, 1984, Vol. I, p. VIII-6).

Even were the actual cost substantially higher, the remaining billion and a half dollar balance potentially available for mass transit represents money needed urgently to support rehabilitation of our subway, bus and commuter rail systems. But because this trade-in money may only be available until September, 1985 we must act quickly not only to ensure that New York City gets a highway on its West Side, but also to secure the mass transit funding that ought be part and parcel of the transaction. Accordingly, I hope you will support the Guarini-Proxmire legislation.

Sincerely,

HARRISON J. GOLDEN.

THE CITY OF NEW YORK, THE PRESIDENT OF THE COUNCIL, CITY HALL,
New York, NY, May 16, 1985.

Hon. GARY ACKERMAN,
House of Representatives,
Washington, DC.

DEAR GARY: I oppose the use of 1.7 billion dollars of federal transit funds to build Westway. I support a trade-in of Westway for mass transit improvements and construction of a sensibly designed roadway to replace the West Side Highway.

Westway will cost too much, promote the use of automobiles, cause environmental damage and deprive us of the opportunity to obtain much needed funds for our mass transit system.

The deadline for trading-in Westway for mass transit funding is September 30, 1985. I urge you to act now to stop this wasteful use of federal money.

Legislation now pending in the House and Senate would block funding for Westway and permit a trade-in to fund a replacement highway and provide more than a billion dollars in mass transit improvements. I urge you to support the legislation. The future of our City is at stake because our economic stability and prosperity depends on a safe, reliable and affordable mass transit system.

Sincerely,

CAROL BELLAMY.

MEDICARE AT 20: NEED FOR A PATIENT BILL OF RIGHTS

Mr. PROXMIRE. Mr. President, yesterday's New York Times, in a front page article, headlined the problems for Medicare beneficiaries that result

from implementation of the new prospective payment system for hospitals.

This new payment system revolutionized Medicare's approach to payment for inpatient care virtually overnight. Instead of simply paying bills after the fact, Medicare now establishes a price list, based upon 470 different categories of patient diagnoses, known as DRG's. Once the physician has established a diagnosis for a patient, the hospital knows, in advance, what payment it can expect from Medicare, based upon that price list.

And that change, together with new competitive pressures in the private sector, has turned hospitals upside down.

The incentives to pad the bills evaporated. The incentives to keep the patients in the hospital an extra day or two disappeared. Finally, there were incentives for administrative and clinical efficiency.

As the Times article points out, the average length of stay for Medicare patients has dropped 20 percent in little over a year, from an average hospital stay of 9.5 days to 7.5 days. And the decreased number of hospital admissions for patients of all ages means that an estimated 75,000 fewer patients are contracting new diseases in the hospital and 3,700 fewer patient are dying from those hospital-acquired diseases.

In general, those developments are positive and, on the whole, may well improve the quality of care that patients may receive. Unnecessary or prolonged hospital stays are simply not in the patient's interest unless they are medically necessary.

CONCERNS ABOUT QUALITY OF CARE

But there remains a strong suspicion that for some Medicare patients, the quality of care may actually decline. The reason lies in the very nature of prospective payment: Setting a price up front does encourage efficiency but it also provides rewards for those who skimp on services. So monitoring the quality of care provided becomes more important than ever for Medicare.

In theory, the agencies which monitor the quality of care for Medicare, the peer review organizations [PRO's], will deter unscrupulous providers. As will the threat of malpractice suits.

But as the General Accounting Office recently pointed out, the real threat may come, not from unscrupulous physicians or hospitals, but from the simple fact that there is widespread confusion regarding the way in which the DRG payment system works. And the evidence suggests that the confusion is just as strong among health care personnel as it is among Medicare beneficiaries.

HORROR STORIES THAT SHOULD NOT OCCUR

Two recent examples from the House and Senate Aging Committees make the point clearly.

Pat Hanson, a nurse with 20 years' experience, serves as DRG coordinator for a 400-bed hospital in Minneapolis. She testified before the House Aging Committee recently on her experience.

I also became very intimately involved with how prospective payment works with the elderly when last September my mother had a very severe heart attack. She lived in a rural area of Minnesota. The closest hospital is 20 miles away from her hometown . . . where she was taken after this heart attack. After she started recovering . . . 10 days afterwards, one of the three physicians at the hospital said to me, "Your mother is going to have to leave soon because her DRG is up." I don't think the doctor understood exactly what my position had been for the past year, and that I was very aware of the rules and regulations of prospective payment. So I took that opportunity to educate the physicians at the hospital plus some other staff members about prospective payment and what the DRG really meant.

But not every Medicare patient is lucky enough to have a DRG coordinator for a daughter.

Senator HEINZ tells the frightening example of "an 86-year-old constituent who was sent home with a large open wound after a gall bladder operation. The wound was 'grossly infected,' requiring daily dressing changes. The patient who is blind, diabetic, and has an ulcer, was told his 'DRG was exhausted' and he could not stay in the hospital another day."

MEDICARE PATIENTS' RIGHTS

Mr. President, many of the horror stories which the Aging Committees and our own offices have been told regarding the DRG system are the result of simple confusion regarding the way in which the system is meant to operate. But as you can see, they can have grave consequences.

It is important that we find a way to nip this problem in the bud before it becomes more widespread and it is essential that our efforts be directed toward health care personnel as well as Medicare beneficiaries.

We must make it clear that Medicare is not telling any patient that they are only entitled to a certain number of days of care. When a medicare beneficiary is appropriately admitted to a hospital, the patient is entitled to care until he or she no longer requires hospital-level care in the judgment of a physician.

For the physician, it is important to remember that they retain both a moral and legal obligation not to discharge a patient prematurely.

And for the patient, it is important to remember that there is a difference between no longer needing expensive hospital-level care and feeling fine. As lengths of stay drop, it is very likely that many patients will still require extra days of rest following their discharge from the hospital. And some patients will require continued care by nurses at a skilled nursing facility or home health care. But there is a difference between feeling poorly and premature discharge. And it is premature discharge that we must prevent.

THE PROXMIRE PROPOSAL

Mr. President, it is clear that this unintended confusion is needlessly adding to the anxiety that accompanies a hospital admission. It would be traumatic for a patient of any age, let alone the frail elderly. And we need to act quickly if we are to preclude any inadvertent repetition of these problems.

That is why I am introducing a resolution today which calls upon the Secretary of Health and Human Services to convene a working group to draft a Medicare patient bill of rights.

My proposal is based upon several basic principles:

Medicare beneficiaries are entitled to clear and accurate answers regarding their Medicare coverage when they need it most—when they are hospitalized.

Patients do not need a booklet or complex manifesto—they need a simple flyer in question-and-answer format that will answer their basic questions and will let them know where they can turn for additional help.

This flyer should be produced cooperatively by the Department of Health and Human Services, representatives of the major senior citizen groups, the hospital industry, and physicians participating in Medicare.

And this flyer should be produced as quickly as possible and distributed to all hospitals and physicians participating in the Medicare Program.

Mr. President, my resolution calls upon the Secretary of the Department of Health and Human Services to use her good offices to convene a working group to draft this essential statement. It is only appropriate that the aging groups take the lead in identifying those questions most troubling to Medicare patients and, in conjunction with Department staff, the hospital industry and physicians draft clear and accurate answers.

The resolution urges the working group to complete action within 90 days; this is not a complex task and prompt distribution is essential.

The resolution also calls upon the hospital industry to make a voluntary commitment to reproduce and distribute this information to all Medicare patients entering their facilities, and their families or relatives, upon request. This is not a regulatory requirement but I cannot imagine a hospital administrator who would refuse in today's competitive environment. And by following this approach, we will not undermine those States and hospitals or senior citizen advocacy groups that may have already produced such a flyer for their area. The emphasis must be on accurate information, not who produced it.

Mr. President, this is a modest proposal but it will go a long way toward resolving the confusion of both Medicare beneficiaries and health care personnel. Our elderly deserve no less on Medicare's 20th birthday.

I ask unanimous consent that the New York Times article and the text of the resolution be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COST CONTROLS RAISE CONCERNS ON HEALTH CARE

(By Milt Freudenheim)

Actions taken by the Reagan Administration to curtail health costs have touched off a debate among health-care professionals and members of Congress over whether the quality of care is being endangered as an unwanted side effect.

More than 60 percent of the 7,800 physicians responding to a preliminary survey by the American Medical Association said that quality of care had already deteriorated or that they feared such a decline under what it sees as Government interference in doctors' decisions.

The General Accounting Office, an investigative arm of Congress, also has relayed concerns about a decline in the quality of care in a preliminary report to the Senate Special Committee on Aging.

But some experts contend that quality of care is probably improving. They cite the increasing numbers of patients treated in offices and clinics and the sharp decline in the average hospital patient's stay. This is important, they say, if only because of reduced exposure to diseases caught in hospitals by hundreds of thousands of patients each year.

Both sides in the debate, however, agreed in telephone interviews last week that solid information was lacking to determine how the cost restraints are affecting quality of care. Members of Congress say they are making budgetary decisions without the information they need.

Last week the House Ways and Means Committee approved restrictions and cutbacks in Medicare designed to reduce projected spending by $10 billion over the next three years.

The Government will spend $71 billion this year for Medicare, covering most of the medical bills for 30 million elderly and disabled people, and $23 billion as the Federal share of state-run Medicaid programs for the needy.

The Administration says the new controls have helped to slow the rate of increase in the nation's health-care bill. "We have turned the corner in our fight against medical inflation," said Margaret M. Heckler, the Secretary of Health and Human Services, who is expected to announce the latest figures on health care spending this week.

The Administration has instituted several cost-control measures, the most far-reaching one a new system of paying for treatment of Medicare recipients. Under the system, which took effect last year, hospitals are paid a set amount for each specified ailment, regardless of the severity of the illness or other factors in treatment cost. Previously, the Government reimbursed hospitals and doctors for the costs of all services they considered necessary.

The General Accounting Office report on the new payment system "showed that patients are moved out of hospitals sicker and quicker," said Senator John Heinz, Republican of Pennsylvania, chairman of the Committee on Aging. "That means," he said, "that the burden of care necessarily shifts" to skilled nursing homes and home-care agencies.

But Government restrictions on Medicare and Medicaid patients for care at nursing homes and in the home have also been tightened. These restrictions, according to health professionals, often have discharged hospital patients in a "no-care zone."

"A CATCH-22 SITUATION"

The House Select Committee on Aging held hearings earlier this month that its chairman, Edward R. Roybal, Democrat of California, said "clearly demonstrated that as Medicare patients are discharged sooner and sicker, these same beneficiaries are having greater difficulty in getting the long-term services they need." Representative Roybal said it was "a Catch-22 situation."

A nursing home director told the committee that "overly restrictive eligibility criteria for Medicare" patients had forced her facility in Minneapolis to eliminate 180 beds.

The House committee heard testimony about people over 70 years of age who needed home-care treatment for severe ailments, including colon cancer, acute urinary infection and congestive heart failure. They were denied Medicare coverage "on the basis that the services could be performed by a nonmedical person," and in many cases they had to do without the treatment they needed after leaving the hospital. Possibly as a result, several died shortly after the Medicare denials, the committee was told.

In its preliminary report to the Senate committee, the General Accounting Office said its investigators had visited hospitals, nursing homes and home health agencies in six cities and also conferred with Administration officials and representatives of national health and medical associations. At each site, agency investigators were told that "patients are being discharged from hospitals after shorter lengths of stay and in a poorer state of health" than was the case before the new payment system took effect.

The Accounting Office is conducting more extensive research and is to report to Mr. Heinz's panel in the fall. "If we can't measure the appropriateness and quality of care after discharge from the hospital," Mr. Heinz said, "we have no handle on the central issue."

Carolyne K. Davis, a registered nurse and educator who is resigning in August as head of the Federal agency that runs medicare and Medicaid, said the Government was trying to monitor hospital care, by contracting with panels of health professionals known as peer review organizations. They "look at roughly one-third of all admissions to hospitals" to assess whether patients were treated properly.

U.S. PLANS NEW RESEARCH

She said the few complaints about inadequate care that her agency, the Federal Health Care Financing Administration, had received were hard to document. But she said, "I'm not saying it's not happening."

Peer review organizations are charged with seeing that costs are controlled and that quality of care is maintained. But they have been "mostly focusing on cost-effective utilization," said Bernard R. Tresnowski, president of the Blue Cross and Blue Shield Association. Blue Cross affiliates do Medicare's paperwork in many states.

Mr. Tresnowski said it would take three or four years to fully assess the new system's effects.

Mrs. Davis said her agency would soon be awarding research contracts to universities and other outside experts to study "quality of care indicators." One study will compare the treatment of patients before and after the payment system changed, following a suggestion by the Accounting Office.

Meanwhile, Senator Heinz said, "the major vehicle" for obtaining information about quality of care should be in Mrs. Davis's annual report, which was due last December and still has not been issued. He accused the Administration of supplying only "unsatisfactory answers" to repeated requests dating to April 1984 for information on quality.

But Mrs. Davis cautioned that the report would cover only the first year of the new system. An aide to Mrs. Davis said the report was awaiting approval in the Department of Health and Human Services, of which the health care financing agency is a part. The aide attributed the delay to difficulties in reporting for the first time on the complex new system.

"THEY ARE STONEWALLING US"

As a result, Congress may be making changes in the health care system before it is completely informed.

"We are about to make budgetary decisions," said Representative Henry A. Waxman, Democrat of California, chairman of the Energy and Commerce Committee's Subcommittee on Health and the Environment. "I'm very worried about what impact those decisions will have on the quality of care. We don't have the evaluations of what is taking place."

Representative Fortney H. (Pete) Stark, Democrat of California, chairman of the Ways and Means Health Subcommittee, said, "Basically they are stonewalling us and trying to balance the budget on the Medicare program."

The American Medical Association does not regard its survery of doctors as definitive, and is working with the Johns Hopkins University School of Hygiene and Public Health to get more dependable data on the long-term effects of cost-control measures.

Dr. Alan R. Nelson, a Salt Lake City internist who is on the A.M.A. board, said the reported rate of readmissions to hospitals of patients who had been discharged, an important measure of quality of care, had not increased.

But he said smaller hospitals were feeling pressures to cut services because of the Federal cost restraints.

An American Nursing Association survey found that hospitals have been using a higher proportion of registered nurses, frequently dismissing licensed practical nurses, aides and orderlies. Dr. Nelson said highly trained nurses were thus "stretched" right to the limit," taking over duties that had been performed by others. "They may have the same number of patients," he said, "but they have much sicker patients" and more tasks to perform for them.

Some health experts see positive trends.

Andrew Webber, executive vice president of the American Medical Peer Review Association, representing the peer review panels, said quality of care may be improving, "because of incentives that drive hospitals to be more efficient, to eliminate unnecessary admissions, unnecessary tests and days in the hospital."

The average number of days in the hospital for Medicare patients dropped 20 percent, from 9.5 days in 1983, before the new payment system, to 7.5 last year.

In 1983, the nation's hospitals discharged 38,783,000 patients. Of these, an estimated 1,900,000 had acquired new diseases in the hospital and an estimated 96,000 died of causes attributed wholly or in part to these new diseases, according to calculation methods cited by Dr. William R. Jarvis of the Centers for Disease Control in Atlanta.

In 1984, when there were 1,500,000 fewer patients, an estimated 75,000 fewer patients became sick in the hospital and about 3,700 fewer patients died, according to the same methods.

John Rother, research and public policy director for the American Association of Retired Persons, which is concerned about Federal cost restraints' effect on quality of care, said, "Less hospitalization in most cases is a step forward."

S. CON. RES. 58

Resolved by the Senate (the House of Representatives concurring), Whereas thirty million elderly and disabled Americans rely upon the Medicare program for essential health care;

Whereas the new prospective payment system for hospitals has resulted in unintended confusion among Medicare beneficiaries regarding their entitlement to hospitalization;

Whereas Medicare beneficiaries have not always had their questions regarding their rights and responsibilities clearly and accurately answered during their period of hospitalization;

Whereas the Congress believes that the Medicare program, senior citizen groups, the hospital industry, physicians and nurses should work together to resolve this problem cooperatively: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) the Congress reaffirms its strong support for the Medicare program on this, its twentieth anniversay, and for the right of all Medicare beneficiaries to accurate and timely information regarding their Medicare benefits during a period of hospitalization;

(2) the Secretary of Health and Human Services should use her good offices to immediately convene a Working Group of represenatives from senior citizen groups, the hospital industry, physicians and nurses to draft within 90 days a simple statement of Medicare Patients' Rights and Responsibilities;

(3) the Secretary of Health and Human Services should transmit copies of the completed Statement to all Members of Congress, all hospitals and physicians participation in the Medicare program as well as provide copies upon request; and

(4) all hospitals participating in the Medicare program should voluntarily reproduce and distribute the completed Statement to all Medicare beneficiaries upon admission and to their families or guardians, upon request.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the Secretary of the Department of Health and Human Services.

S. 1533—NATIONAL SECURITY TRADE ACT OF 1985

Mr. BYRD. Mr. President, today I am introducing my National Security Trade Act of 1985. This legislation improves the administration of a crucial part of our trade law, section 232 of the Trade Expansion Act of 1962, as amended. This statute was designed to provide redress when imports of foreign products threaten to impair the national security of the United States. Unfortunately, the statute has not been given the vitality it deserves. This is alarming when we consider what is at stake. Without an effective statute to protect our domestic production capabilities, we run a serious risk of eroding our defense industrial base.

Since section 232 was enacted in 1962, 14 petitions alleging a threat to national security have been filed. This is not a landslide of cases, nor should it be. The language of the statute and the legislative history are quite clear in establishing what kinds of cases rise to the urgency of a threat to national security. The statute describes in detail the factors to be weighed in deciding whether or not there exists a national security question. But it is very clear from the legislation and the history behind it that Congress intended that the statute function to effectively prevent the destruction of American industries which are vital to the national security. Indeed, section "C" requires that the President "recognize the close relation of the economic welfare of the Nation to our national security, and * * * take into consideration the impact of foreign competition on the economic welfare of individual domestic industries."

The legislative history provides an unmistakable indication of congressional intent. When the predecessor statute was first considered in 1955, Congress extended the reach of prior law which dealt only with issues of "national defense" so that the act would encompass any industry important to "national security." The 1955 change was prompted by congressional concern over import injury to production of critical materials including petroleum, lead, and zinc. When the law was further refined in 1958, the Senate Finance Committee explained in its report:

> Language was further added directing attention and providing possible action whenever danger to our national security results from a weakening of segments of the economy through injury to any industry, whether vital to the direct defense or a part of the economy providing employment and sustenance to individuals or localities. The authority of the President is thereby broadened considerably, but the dangers inherent in an economy suffering from unemployment, declining government revenue, or loss of skills, and investment because of excessive imports of one or more commodities, must be recognized and avenues provided whereby they may be lessened.

In that same report, Congress noted its discontent with the ungenerous reading the statute had received:

> Considerable unfavorable comment has reached the committee about the administration of what was thought to be a strongly worded national security amendment in the 1955 extension. That section has been further strengthened so that sound results may be expected from it.

Despite a consistent effort to strengthen the statute, congressional intent remains frustrated by inaction on the part of successive administrations. For a confusing and sometimes elusive litany of reasons, presidents have not granted relief to any industries filing petitions under section 232, with the sole exception of petroleum products. Why? Have all other petitions been groundless?

Let me discuss one case with which I am familiar. The American ferroalloys industry is among the most modern in the world. Because of the value of the dollar and predatory, antimarket practices by foreign producers such as South Africa and the Soviet Union, 60 percent of the American market is now held by foreigners. The Office of Technology Assessment, in a recent report entitled "Strategic Materials: Technology To Reduce U.S. Import Vulnerability," summarized the importance of ferroalloy products in the first paragraph of that report by saying:

> These metals are essential in the production of high-temperature alloys, steel and stainless steel, industrial and automotive catalysts, electronics, and other applications that are critical to the U.S. economy and the national defense.

The report continues by describing the dangers of our overdependence on foreign ferroalloy production and the need to diversify supply sources.

Despite these facts, the petition filed by the ferroalloys industry in December 1981 was not acted upon by the President until May of 1984. In a perfunctory report, the administration denied any relief. Similarly, the machine tools industry—now devastated by imports—requested action in March of 1983. It has still no word from the administration. While the statute requires that the Commerce Department conclude its investigation within 1 year, it does not set a date for final action by the President. Of course, the authors of the statute could not have imagined that an allegation of a threat to the national security would be treated with disinterest by any President, particularly this one. But experience has shown that successive administrations are willing to wait in hopes that the problem goes away, rather than expose themselves to charges of protectionism.

Well, the problems have not gone away. But, in the case of ferroalloys and machine tools, those industries very nearly have. How is it that any

President or any administration would be willing to let a vital element of our defense production base disappear without action? Our trading partners in Europe and Japan would not be so complacent. Indeed, in the case of ferroalloys, the European and Japanese governments have in place national plans to assure the survival of critical ferroalloy production capacity.

But in the United States, I regret to say that we often refuse to see the fire until we feel the heat. Unless we are at war or otherwise face a conspicuous national crisis on the order of the gas shortage of a decade ago, our Government is often slow to recognize our defense needs. We seem doomed to repeat in every generation the mistakes that erode our defense production assets to the point that we are left scurrying to rebuild an industrial base that is the product of years of neglect. The administration's latest proposal to reduce the strategic stockpile and its inaction on the strategic petroleum reserve are recent examples of this trend.

The bill I introduce today will be an important step in reversing this trend. By revitalizing section 232, we will create a credible private right of action to assure that import-sensitive industries vital to our national security have a realistic chance for relief. What does the statute do?

First, since the political risk of being charged with protectionism has caused some Presidents to balk at issuing relief to injured industries, my bill moves the responsibility for this finding across the street from the White House to a place where it is more appropriate: the President's trade representative. Second, the bill enlarges the role of the Secretary of Defense to require a separate statement of concurrence or dissent from the chief cabinet officer charged with responsibility for national security determinations. Third, this legislation requires the trade representative to take action, or refuse to take action, within 90 days after the Commerce Department submits its report. Delays of a year or more following that finding of fact are unnecessary and create uncertainty. The industry and its workers—and the country as a whole—deserve to know whether or not the government will take action if there is an injury that threatens national security. Moreover, the bill requires that the Commerce Department's findings and the reasons for action or inaction by the trade representative be published in the Federal Register, to the extent that such information is not classified. This makes the process more open and visible, consistent with the importance of the national security issue involved.

Finally, my bill enumerates the available courses of action, should the trade representative determine that a threat to the national security does exist. This is intended to broaden, not limit, the existing options. The language here closely mirrors the broad statutory authority under section 301 of the Trade Act. But it also includes a procedure whereby the President can request, on an expedited basis, the authority to enter into negotiations with other countries to limit the offending imports. This is a novel step, and a significant one. If the trade representative finds an injury, he should be able, through the President, to request that Congress move decisively to provide the administration with appropriate authority to negotiate an end to the problem. Article XXI of the General Agreement on Tariffs and Trade exempts national security issues from the terms of the GATT, but the President should be able to seek license from Congress to respond to an import crisis which threatens the national security through all appropriate means, including the right to negotiate away the problem.

Does this bill open a broad new avenue of trade relief? It does not. However, it does create a realistic avenue of relief when vital sectors of the economy are threatened by imports. It breathes life into a moribund statute and supports the original intent of Congress: that national security be understood to encompass economic security for critical sectors of our industrial base.

Which companies can expect relief under this legislation? Certainly industries such as the ferroalloy producers should have reason for hope. In addition, crucial high technology sectors, such as the semiconductor manufacturers should consider how this legislation applies to their provisions. Emerging technologies such as fiber optics and ceramics may be eligible. Often, foreign production in these new areas far exceeds domestic needs and the excess is targeted for the U.S. market so that nascent industries here are overwhelmed.

We need to get beyond the idea that national security is solely a function of how many troops and weapons we can field. The ability to sustain our defense production base and support our military in time of crisis is the measure of our national security. The economic well-being of vital industries must be as much of a national priority as the maintenance of a strong Armed Forces. I am convinced that this legislation will make an important contribution to safeguarding that production base.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD, and, of course, appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1533

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Security Trade Act".

SEC. 2. Section 232 of the Trade Expansion Act of 1962 (19 U.S.C. 1862) is amended—

(1) by striking out "President" in subsections (b), (c), and (e) each place it appears and inserting in lieu thereof "United States Trade Representative",

(2) by striking out "Upon request" in subsection (b) and inserting in lieu thereof "(1) Upon request",

(3) by striking out ", Secretary of Commerce," in subsection (b),

(4) by striking out "Secretary of the Treasury" and inserting in lieu thereof "Secretary of Commerce",

(5) by inserting "and the Secretary of Defense concurs in such finding" after "threaten to impair the national security" in subsection (b),

(6) by adding at the end of subsection (b) the following new paragraphs:

"(2)(A) The report submitted by the Secretary under paragraph (1) shall include a written statement by the Secretary of Defense expressing concurrence or disagreement with the findings and recommendations of the Secretary contained in such report and the reasons for such concurrence or disagreement.

"(B) The report submitted by the Secretary under paragraph (1), or any portion of such report, may be classified only if public disclosure of such report, or of such portion of such report, would clearly be detrimental to the security of the United States.

"(C) Any portion of the report submitted under paragraph (1) which is not classified in accordance with subparagraph (B) shall be published in the Federal Register.

"(3) The United States Trade Representative shall take action, or refuse to take action, under paragraph (1) with respect to any report submitted under paragraph (1) by no later than the date that is 90 days after the date on which such report is submitted to the United States Trade Representative.

"(4)(A) The actions which the United States Trade Representative may take under paragraph (1) shall include, but are not limited to—

"(i) the issuance of orders to—

"(I) suspend, withdraw, or prevent the application of, or refrain from proclaiming, benefits provided under any trade agreement to any foreign country from which the imports that threaten to impair the national security are imported, or

"(II) impose duties, quotas, or other import restrictions on the products of, and fees or restrictions on the services of, such a foreign country for such time as the United States Trade Representative determines appropriate, or

"(ii) the submission of requests to the President that the President submit a draft of a bill to the Congress that gives authority to the United States Trade Representative to enter into negotiations with such a foreign country for the purpose of entering into an agreement which limits the importation into the United States of such imports that threaten to impair national security.

"(B) Any draft of a bill submitted by the President to the Congress upon request of the United States Trade Representative under subparagraph (A)(ii) shall be—

"(i) introduced in each House of the Congress (by request) by the majority leader of each House on the first day such House is in session after the day on which the President submits such draft,

"(ii) referred to the appropriate committees, and

"(iii) treated as an implementing bill for purposes of subsections (d), (e), (f), and (g) of section 151 of the Trade Act of 1974 (19 U.S.C. 2191).

"(5) The United States Trade Representative shall make a written statement of the reasons why the United States Trade Representative has decided to take action, or refused to take action, under this section with respect to each report submitted to the President under paragraph (1). Such statement shall be included in the report published under subsection (d).", and

(7) by striking out "proclamation, Executive order, or other Executive act" in subsection (e)(2)(B) and inserting in lieu thereof "order".

Mr. BYRD. I thank the Chair.

Mr. President, if I have any time remaining, I yield it to the distinguished Senator from Massachusetts, Mr. KERRY.

RECOGNITION OF SENATOR KERRY

The PRESIDING OFFICER. Under the previous order, the Senator from Massachusetts is recognized for not to exceed 15 minutes.

Mr. KERRY. Thank you very much, Mr. President. I thank the distinguished minority leader for whatever additional time I may have to proceed.

PREJUDICING JUSTICE

Mr. KERRY. Mr. President, justice is an ideal that our Nation, among all nations, has come closest to making a reality in the actual workings of its system of justice. But today our system is threatened with a kind of corruption that is dangerous to not only our judiciary, but to our political system and the Constitution itself. The threat is the threat of prejudiced justice, justice which by definition cannot be justice because it is prejudged.

I am speaking of attempts to mold a judiciary to the narrow litmus tests of an ideology, Mr. President.

The American judicial system, from Marbury versus Madison and the days of John Marshall to the present, has been one of the natural wonders of our civilization.

Among all of our institutions, it is the one which has continued, generation after generation, to retain the universal respect of our people. Even when our judiciary has been embroiled in controversy, our judges accused of deciding cases based on their prejudices, rather than the law, we have never swerved from guaranteeing its independence—as the universal condemnation and rejection of President Roosevelt's court packing proposal demonstrated.

There have been many controversial decisions by the Supreme Court—from the Dred Scott case that helped bring about the Civil War, to the invalidation of New Deal legislation in the 1930's, to Brown versus Board of Education in the 1950's, the Miranda decision, Roe versus Wade, the Bakke case. The judiciary has survived with undiminished respect. Through two centuries, our Federal judiciary has been a model institution, one which has insisted on the highest standards of conduct by our public servants and officials, and which has served to improved piece by piece our legal institutions from what had been inherited from the British.

Today, I fear that this institution is threatened in a way that who have not seen before. The threat endangers the fundamental integrity of our judiciary and thus the quality of our entire system of justice. It risks undermining the respect that we have always maintained for our judiciary and even the balance of powers as set forth in the Constitution itself.

This threat is that of the appointment of a judiciary which is not independent, but narrowly ideological, through the systematic targeting of any judicial nominee who does not meet the rigid requirements of litmus tests.

We are seeing attempts to prejudice justice itself through the exclusion of any candidate for a judgeship in the Federal courts who does commit himself or herself to the narrow political beliefs of the right wing of one of our Nation's two political parties.

Mr. President, I am sorry to note that there are some colleagues in this Chamber who have been at the forefront of the effort to mold the judiciary. I do not think personally in my interpretation of the legislative role that those of us who are charged with the solemn duty of protecting the interests of all of our constituents—of whatever religion or political beliefs—should put themselves at the forefront of a movement to force judicial nominees to submit to ideological and religiously based litmus tests. While I do not deny the sincerity of a wish to have judges reflect one's own viewpoint, and the legitimacy in a President making choices with regard to a viewpoint, the current goal of a broader group is both dubious, and I think the methods carry with them a certain danger.

Mr. President, our judiciary is too important to permit anyone to compromise its independence or its integrity, yet that could be the result of these current efforts.

Mr. President, on September 7 of last year, a questionnaire was sent to Andrew Frey, Deputy Solicitor General of the United States and the Federal Government's chief advocate on criminal matters before the U.S. Supreme Court.

Mr. Frey had been nominated by President Reagan last July to serve on the District of Columbia Court of Appeals, not an unimportant position in the judiciary.

At the time of his nomination, he was universally regarded as a capable lawyer who had represented the Government of the United States vigorously and well.

In the questionnaire, Mr. Frey was asked a number of questions. They included whether a fetus is a person—whether he supported prayer in public schools, the equal rights amendment, the Supreme Court's decision on desegregation in Brown versus Board of Education—whether the granting of exclusive representation powers to unions by the National Labor Relations Act is unconstitutional. He asked Mr. Frey whether he supported the provisions of the Republican platform on firearms as adopted in Dallas in the summer of 1984. They asked him to cite what articles, books, and papers he had read regarding firearms "to show your knowledge of firearms issues that would contribute to your impartiality." These last questions were asked after it had been learned that Mr. Frey had been a member of the National Coalition to Ban Handguns.

This March, these two Senators were joined by 11 other Members of this body in writing the President to oppose Mr. Frey's appointment. They complained that Mr. Frey had been a "consistent supporter of organizations dedicated to the continuation to legalized abortion" and "a proponent of the judicial philosophy espoused in Roe versus Wade," as well as a "staunch advocate of gun control." They said that these positions disqualified him from being a judge—a judgment they made despite the fact that as a Government prosecutor he would be likely to bring a strong law and order orientation with him to the bench.

Similar actions were taken against four other individuals to be nominated for judgeships by the Reagan administration—Judith Whittaker, William Hellerstein, Stanley Sporkin, and Joseph Rodriguez, each of whom has outstanding credentials for a judgeship.

Take the case of Judith Whittaker. She is associate general counsel of Hallmark Cards, was first in her law school class, and rated "outstanding" by the chief judge of the U.S. Court of Appeals for the Eighth Circuit. In 1981, the Reagan administration was ready to nominate her to that court. But she had publicly supported the equal rights amendment—a position which was part of the Republican platform as recently as 1980. After the rightwing complained to Lyn Nofziger in the White House, the White House eliminated her from consideration.

William Hellerstein was disqualified despite the advocacy of Senators MOYNIHAN and D'AMATO for his appointment to a Federal judgeship in New York when Roy Cohn, former counsel to Senator Joseph McCarthy objected to him on the ground that he was an "ultraliberal." Senator MOYNIHAN wrote White House Counsel Fielding after Hellerstein was removed from contention for the job. "There is a word for the ideological tests for the judiciary which are seemingly now in place in the White House and the Justice Department," wrote Senator MOYNIHAN. "The word is 'corruption.'"

Stanley Sporkin, former chief of the Enforcement Branch of the Securities and Exchange Commission and current general counsel of the CIA was nominated to a district judgeship last year at the request of CIA Director William Casey. But the rightwing opposed him, partly because of his record at the SEC enforcing our Nation's security laws. And to date, Mr. Sporkin's nomination has been held up, with no assurance that he will be confirmed.

Finally, Mr. Rodriguez was asked to answer questions similar to those put to Mr. Frey in a questionnaire—questions about whether a fetus is a person and whether the National Labor Relations Act is constitutional. In this questionnaire, Mr. Rodriguez was also asked to list every political contribution he ever made over $15 over the last 10 years.

Happily, during Mr. Rodriguez' confirmation hearing, the Judiciary Committee decided to debate the questionnaire itself, and the distinguished chairman of the committee, Senator THURMOND, prohibited the further issuance of such questionnaires.

Mr. President, I think the chairman of the Judiciary Committee acted wisely in deciding to stop the issuance of these questionnaires to judicial nominees.

There is a doctrine in our legal system which is one of our core concepts of legal decisionmaking that says that no judge should issue an opinion on a subject unless the subject is presented within an actual case or controversy.

This doctrine reflects the idea that the judicial power can only be honestly exercised in the actual context of a case as it has developed through trial and advocacy, in the context of an actual dispute.

In the absence of a case or controversy before them, it is improper for judges to say just how they might decide an issue. The issue has not been framed yet. To predecide an issue is to demonstrate prejudice—which is exactly what the judiciary must not do.

The questionnaires sent to these judicial nominees were in effect asking them to declare their prejudices before their nomination. But if ever judicial nominee is forced to declare their prejudices, how can any judge maintain his or her independence?

What is important is the approach of a judge to the role of being a judge. How does the nominee view a judge's role in relationship to the body of cases behind him? How does a judge choose between different legal doctrines? In his or her view, what kinds of issues are justiciable? How does one choose, as an appellate judge, which cases should be heard?

The emphasis here must be on process as much as substance. It is the fairness of the process of our judicial system that has helped ensure its integrity through the centuries. It is the fairness of the process that the Supreme Court has slowly and systemically sought to improve year after year.

As Judge Abner Mikva, who served in this Congress for so many years, has wisely said, the litmus test of a good appointment and confirmation process is not ensuring the conformity of all judges to a narrow ideology—it is the concept of restraint.

As Judge Mikva has said:

There ought to be executive restraint—while the President is entitled to appoint people he likes and respects, he ought not exact or expect any pledge of fealty to the Chief.

There ought also to be Senatorial restraint. If I may quote Judge Mikva again:

The Senators may have understandable curiosity about the candidates views on the hot issues of the day. They can look, but they better not touch. . . . Satisfying a Senator's curiosity is not the way to enhance judicial independence.

And the nominees must exercise restraint.

Knowing which questions are properly posed to a nominee, and which are not, is perhaps the best litmus test of the qualities we want in a judge—the ability to judge and the exercise of good judgment.

Felix Frankfurter, Sandra Day O'Connor, Thurgood Marshall, and Joseph Rodriguez all refused to answer questions submitted to them by Senators. Each was confirmed, and properly so.

Mr. President, the attempts to remold the U.S. judiciary to a narrow, right-wing ideological cast has spawned the objections of many Americans, and an effort at the grass-roots level to stop it from happening.

One organization, People for the American Way, has taken out advertisements in newspapers across the United States seeking to stop this kind of destruction of judicial independence. I would like to quote from testimony to the Senate Judiciary Committee by Anthony T. Podesta, president of People for the American Way, because I think he had some wise things to say about the problem.

First, it is morally and constitutionally wrong to subject judicial nominees to an inquisition on specific issues which may come before them as judges before they are confirmed. Pre-judgement subverts the American tradition of an independent judiciary that hears each case without prejudice or political partisanship. Judges are not opinion journalists or politicians. They must judge, by weighing evidence and applying precedents, in specific cases. Anyone who seeks to pin down a prospective judge on how he or she would decide a hypothetical case, in the absence of those specific contending parties which make each case unique, demonstrates a contempt for the judicial function and a desire to cheapen, politicize and undermine it.

Secondly, the litmus test that is being imposed extends beyond ideological issues to those which are theological and expressly prohibited by Article VI of the Constitution: A religious test for public office. The questionnaire referred to views on legislation that are "based on the belief that the conduct proscribed is morally wrong" when such beliefs are based on "a belief in the existence of a Supreme Being." Other questions referred to the personhood of the fetus. Different religious traditions have different viewpoints on the beginning of life. If we were to have uniform standards, it would be tantamount to saying that adherents of some religions would not be qualified to sit as federal judges.

Finally, as Mr. Podesta argues:

These tactics constitute a new Moral McCarthyism. The tactics perfected by Joe McCarthy, such as guilt by association, secret investigations and character assassinations, are used to damage nominees. Today's question is, "Are you or have you ever been a member of Planned Parenthood?" If so, you are disqualified from becoming a federal judge."

Mr. President, this is not the way the Senate should be carrying out its constitutional duty of "advise and consent" to Presidential nominees for judgeships. As a former prosecutor in the Massachusetts State courts and who worked closely with Federal prosecutors, and as an attorney who practiced in the Federal courts, I never was in the position of knowing that a judge had predecided my case. No judge that I practiced before had ever been forced to articulate narrow and formal positions on issues in public outside of his legal practice, such as "I believe in the death penalty," or "I'm in favor of prayer in schools," or "I agree that we should change our labor laws." Those are not the kind of statements a judge should put on the record in the absence of a case or controversy before him. Those are not the kind of statements Members of this body should be soliciting from judicial nominees.

In the day to day of politics we may sometimes overstep the bounds of good judgment in matters of policy. One of the most profound safeguards on Congress when it does so is the integrity of our Federal judges. If we fail to preserve that integrity, we have weakened our own ability to legislate and to govern, and gnawed away at what is simultaneously the strongest,

and yet most frail, of the three great legs of our political system.

I ask unanimous consent that the questionnaire to Mr. Frey, the letter to the President regarding Mr. Frey from 13 Senators, the remarks by U.S. District Judge Abner J. Mikva, and an article in the St. Louis Post-Dispatch by Anthony Podesta of People for the American Way be inserted in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, DC, September 7, 1984.

ANDREW L. FREY,
Washington, DC.

DEAR MR. FREY: As members of the Senate Judiciary Committee, Senator East and I are interested in reviewing the qualifications of nominees to the Federal Bench and, therefore, find it prudent to inquire about the nominees' positions on various issues. In this vein, Senator East and I have enclosed two series of questions which we would like you to respond to within thirty days.

We look forward to your responses.

Sincerely,

JEREMIAH DENTON,
U.S. Senator.

QUESTIONS BY HON. JEREMIAH DENTON AND HON. JOHN P. EAST, TO ANDREW L. FREY, NOMINEE TO THE DISTRICT OF COLUMBIA COURT OF APPEALS

1. Do you believe that the Constitution guarantees a "right to privacy"? If so, please indicate the constitutional sources of that right, its precise nature and its limitations.

2. (a) In his dissent to the majority opinion of the Supreme Court in *Roe* v. *Wade*, 410 U.S. 113 (1973), Justice Byron R. White made the following statement: "As an exercise of raw judicial power the court perhaps has authority to do what it does today, but in my view its judgment is an improvident and extravagant exercise of the power of judicial review which the Constitution extends to this court." Do you agree or disagree with Justice White's statement? Why or why not?

(b) In his dissent to the same *Roe* opinion, Justice William H. Rehnquist made the following statement: "The decision here to break the term of pregnancy into three distinct terms and to outline the permissible restrictions the state may impose upon each one partakes more of judicial legislation than it does of the determination of the intent of the drafters of the Fourteenth Amendment." Do you agree or disagree with this statement? Why or why not?

3. (a) In *Roe* v. *Wade*, the Supreme Court determined that even the "viable" unborn human fetus is not a "person" as that term is used in the Fifth and Fourteenth Amendments to the Constitution. Do you believe that a "viable" fetus is a human being? If so, do you agree with the court's finding that the "viable" fetus is not a "person"? If so, on what basis can a valid constitutional distinction be drawn between a "human being" and a "person"?

(b) Is a child who is born alive after an abortion a "person" under the Fifth and Fourteenth Amendments? Does the "right to an abortion" that the court created with its *Roe* decision have any application after a child is born alive as the result of an abortion?

(c) Is a handicapped, or severely handicapped, child born alive a "person" under the Fifth and Fourteenth Amendments to the Constitution?

4. (a) Does the "right to privacy" from which the *Roe* v. *Wade* abortion privacy doctrine of the Supreme Court is derived have any application to any right of the parent of a handicapped newborn child to decide whether to provide him or her with life-saving medical care, and/or ordinary care in the form of nutritional sustenance and liquids (whether by natural or intravenous means)? If so, why? If not, why not?

(b) Do you believe that legislation ever can be held to be invalid because those who enacted it did so based on the belief that the conduct proscribed is morally wrong, or that an activity or institution encouraged or helped by the legislation is morally right? What difference, if any, does it make whether such moral beliefs are based on a belief in the existance of a Supreme Being?

5. In 1972 the Supreme Court in *Furman* v. *Georgia* 408 U.S. 238, struck down Federal and state death penalty statutes that allowed for unguided discretion by the trier of fact to determine whether or not the death penalty should be imposed. On February 22, 1984, through the able leadership of the distinguished Chairman of this Committee, the Senate passed by a vote of 63–32, S. 1765, a bill to establish constitutional procedures for the imposition of the sentence of death for certain federal offenses. What is your view on the death penalty?

6. The Department of Justice recently noted that the number of prisoners challenging the validity of their state convictions through Federal habeas corpus petitions rose nearly 700 percent from 1961 through 1982, but only a small number of inmates were successful in gaining any type of release. In an attempt to control the flow of frivolous collateral attacks on a criminal defendant's convictions, the Senate, again through the able leadership of Chairman Thurmond, passed on February 6, 1984, S. 1763, a bill to reform current habeas corpus procedures.

In your view, should any limits be placed on criminal defendant's ability to collaterally attack this conviction? If so, what are the limits?

7. On February 7, 1984, the Senate passed S. 1764, a bill which limits the use of the Exclusionary Rule by providing that evidence obtained in a search or seizure and which is otherwise admissible as evidence will not be excluded in a Federal trial if the search or seizure was undertaken in a reasonable, good faith belief that it conformed to the Fourth Amendment.

Do you believe that there should be any limits placed on the use of the Exclusionary Rule? If so, do you believe that S. 1764 or this type of limitation is appropriate?

8. The First Amendment forbids the establishment of a State religion. The First Amendment also prohibits interference with the free exercise of religion. This second prohibition apparently is often overlooked. Please share with the Committee your views on the free exercise clause as it relates to prayer in public schools.

9. Is it unconsitutional for state or local governments to give tuition vouchers to parents of all children who attend nonpublic schools? Does it make any difference whether most of these children attend religious schools, provided that the law makes no distinction between religious and nonreligious schools?

10. The Second Amendment to the Constitution states that "a well-regulated militia being necessary to the security of a free State, the right of the people to keep and bear arms shall not be infringed." In light of that constitutuional prohibition, to what extent, if any, do you feel that Congress could curtail the right of the people to keep and bear weapons that are of value to common defence?

11. Would you give your present personal position with regards to the Equal Rights Amendment?

12. (a) What did the Supreme Court holds in *Regents of the University of California* v. *Bakke*, 438 U.S. 256 (1978)? Do you believe that this holding was correct? Why or why not?

(b) In his dissent to the majority opinion on the Supreme Court in *Fullilove* v. *Klutznick*, 448 U.S. 448, S37–S48, (1980), Justice John Paul Stevens noted that the compelling government interest of curing the effects of past racial discrimination will justify a classbased infringement of the legitimate interests and expectations of innocent third parties only to the extent necessary to restore proven discriminatees to the position they would have occupied in the absence of the discrimination. What role should affirmative action type remedies take in dealing with individuals who have not been the victims of discriminatory practices?

13. (a) Do you believe that *Brown* v. *Board of Education*, 347 U.S. 483 (1954), was correctly decided? What disagreements, if any, do you have with the language or reasoning of the Court's decision in that case?

(b) Do you believe that *Swann* v. *Charlotte-Mecklenburg Board of Education*, 402 U.S. 1 (1971), was decided correctly? If so, do you believe that there is a conflict or tension between the constitutional right to color-blind treatment that was announced in *Brown* and the right (or, if it makes a difference, the remedy) of race-conscious school assignment that was announced in *Swann?* If so, how do you reconcile this tension or conflict?

14. (a) What limitations, if any, do you believe there are on the constitutional power of Congress to enact exceptions to the jurisdiction of the Federal courts and regulations of this jurisdiction?

(b) What are the sources of these limitations?

15. Section 9(a) of the National Labor Relations Act states:

Representatives designated or selected for the purposes of collective bargaining by the majority of the employees in a union appropriate for such purposes, shall be the exclusive representatives of all the employees in such a unit for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment or other conditions of employment . . .

Keeping in mind that unions are private associations rather than governments, do you think that the granting of exclusive representation powers to unions by the National Labor Relations Act is unconsitutional?

16. Do you concur with the supreme Court's decisions in *Abood* v. *Detroit Board of Education* and *Ellis/Fails* that mandatory service fees collected from non-union members under the jurisdiction of an exclusive bargaining agent can only be used to pay direct collective bargaining and grievance administration costs?

17. In *United States* v. *Enmons*, the Supreme Court affirmed a District Court ruling that the Hobbs Act did not prohibit the use of violence in obtaining legitimate

union objectives. What is your analysis of the *Enmons* decision?

QUESTIONS BY THE HONORABLE JEREMIAH DENTON AND HONORABLE JOHN P. EAST FOR THE NOMINATION HEARING OF ANDREW L. FREY

(1) Please explain your view of whether the Bill of Rights, or rights in general, protect citizens or governments?

What do you think the Founding Fathers thought they were doing when they wrote the Second Amendment to the U.S. Constitution?

What do you think the Second Amendment means? Why?

(2) Do you believe the use of force for protection should be legal?

If legal, should one be able to own the means for protection? Incorporate in your response the restrictions on the use of shotguns and rifles in the District of Columbia.

Note, a survey commissioned by an anti-handgun organization has found that 9% of handgun-owning households report having used a handgun for protection from a criminal within the past five years, which works out to at least 1.7 million adults. Comment on the results of this study.

(3) Mr. Frey, given your membership in an organization which advocates banning the possession of handguns (The National Coalition to Ban Handguns, Inc.) and your statements that you favor regulations to control handgun ownership, would you disqualify yourself, because of bias, in any case involving the District of Columbia firearms statutes should you be confirmed?

If not, please explain.

(4) As a Republican nominee do you support the provisions of the Republican Platform on firearms as recently adopted in Dallas?

If not, why not?

(5) Please elaborate on your views on (a) mandatory penalties for the use of a firearm in the commission of a crime, approved by the voters in the District of Columbia in 1982, (b) mandatory penalties for possession/transportation of firearms.

(6) In order to take away a person's firearms after dismissal/acquittal, it was necessary to overturn many years of precedent. Do you believe that persons who have had their firearms confiscated and then the charges dropped or they are acquitted, should have their firearms returned?

If not, why not?

What are your views on the confiscation of firearms absent specific legislation allowing such action?

(7) Many have questioned your membership and donations to gun control groups. Some assume you therefore would have a predisposition against firearms cases that would come before you.

A judge should hear courteously, answer wisely, consider soberly and judge impartially.

What specific readings of law review articles, books, papers and other documents can you cite to show your knowledge of firearms issues that would contribute to your impartiality?

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, DC, March 6, 1985.

Hon. RONALD W. REAGAN,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: For a number of reasons, we oppose the nomination of Andrew L. Frey to be a judge on the Court of Appeals for the District of Columbia. We are persuaded that Mr. Frey's own political and judicial philosophy is very much at odds with your own philosophy and the public positions you have taken.

Mr. Frey has, for example, been a consistent supporter of organizations dedicated to the continuation of legalized abortion and is a proponent of the judicial philosophy espoused in *Roe* v. *Wade*. Mr. Frey has also been a staunch advocate of gun control, as evidenced by his support for the National Coalition to Ban Handguns.

Mr. President, the platform that we adopted in Dallas last summer—your platform—clearly expressed positions opposite to Mr. Frey's conduct on these issues. There could well be other points where he will be at significant cross-purposes to the philosophy that we mutually share.

We respectfully request that you personally look into Mr. Frey's background and that you reconsider sending his nomination back to the Senate. There are few members of this body who can claim the degree of support for your initiatives and programs as can the undersigned; we will, however, have no choice but to oppose Andrew L. Frey should his nomination come before us.

As always, Mr. President, we are available to discuss this matter with you at your convenience.

Very respectfully,

Steve Symms, Jeremiah Denton, Chuck Grassley, Jesse Helms, Jim McClure, John P. East, Paula Hawkins, Don Nickles, Paul Trible, Malcolm Wallop, Jim Abdnor, Phil Gramm, Bob Kasten.

U.S. SENATE,
Washington, DC, March 14, 1985.

Hon. RONALD W. REAGAN,
The White House
Washington, DC

DEAR MR. PRESIDENT: I am concerned regarding the nomination of Mr. Andrew L. Frey for a judgeship on the Court of Appeals for the District of Columbia. Judging from the gentleman's resume and from newspaper reports on his career, as well as other sources, it is clear that Mr. Frey's judicial and political viewpoints are seriously at odds with your own.

I respectfully request that you reconsider sending Mr. Frey's nomination back to the Senate. Mr. Frey, for example, is a supporter of abortion and *Roe* v *Wade*. Mr. Frey has supported the National Abortion Rights Action League, the National Coalition to Ban Handguns, Planned Parenthood, SEICUS, and the Population Institute.

Let me thank you for your review of this situation. Mr. Frey's record implies that he would not be an advocate of the solid conservative values which you and I share.

With warmest regards, I am

Sincerely yours,

GORDON J. HUMPHREY,
U.S. Senator.

REMARKS BY U.S. CIRCUIT JUDGE ABNER J. MIKVA TO THE DISTRICT OF COLUMBIA BAR ASSOCIATION

JUDGE-PICKING

At the Constitutional Convention, legend has it that Ben Franklin suggested that Supreme Court nominations be made by lawyers. Franklin thought that lawyers would want to eliminate their strongest competitors, and so would nominate only the ablest lawyers. If a keen intellect were the only quality sought in judges, Franklin's suggestion may have had some merit. But the Convention opted for a judicial selection procedure that incorporates more than simply judgments of ability, giving the power to the President, to be exercised "by and with the Advice and Consent of the Senate."

I confess that even after my years in the Congress, I overlooked the significance and the complexities of that nomination process. I remember the day, over five years ago, that I was called by the Attorney General to tell me that President Carter was going to nominate me for one of the new judgeships on the U.S. Court of Appeals for the D.C. Circuit. I remember wondering what the President's timetable was, and how long it would be before I moved to my new offices down the street.

What naivete! At the time I thought the only cause for delay would be the period of time required for the ABA and the FBI to review my credentials and past. I saw no reason for worry—after all, I had spent 25 years in the fishbowl we call electoral politics. I had no ghosts in my closet that campaign opponents had not previously exposed. My financial affairs were uncomplicated, current and public—I was broke, but out of debt. Everything I had said and done was in the unrelenting limelight of a public forum—first as a member of the Illinois State Legislature, and then, for five terms, as a Member of the United States Congress.

The nomination process began to operate as I had envisioned. From time to time, I would hear from lawyers, former classmates, and neighbors that the FBI had spoken to them about me. I was teased by my friends in the Senate about how they would finally give me a plurality that was larger than my election pluralities of the last few years. I was asked to fill out some lengthy questionnaires for the FBI and for the American Bar Association. None of the questions were embarrassing. On the contrary, I enjoyed the opportunity to brag about past experiences that I though qualified me for my new job—the time I had spent practicing law before I came to Congress, my law clerk days to Supreme Court Justice Sherman Minton, my oral advocacy days before the Supreme Courts of the United States and of Illinois, as well as various Courts of Appeals and District Courts. To complete my feeling good symphony, I was a member of the fraternity-sorority we call the Congress of the United States—the Congress always did well by its own. All in all, I was feeling pretty good.

The excitement began to crumble when a friend advised me that the National Rifle Association was considering opposing my appointment. My first reaction was puzzlement—not that the NRA and I had not previously clashed. We had on many occasions. But I had not made gun control a high priority of mine for several years, even though I had continued to sponsor a bill banning the sale and distribution of handguns. In any event, I could not understand why the NRA would rather see me stay in Congress where I could raise their hackles than go to the court where I would have no influence or voice about the policy issues of gun control. When I thought hard about the role of judges, the NRA's opposition seemed to pose little threat.

Unfortunately, I was wrong. Regardless of what I had been taught and what I believed about the role of judges in deciding issues of social policy, the NRA began its views. In May of 1979, the executive director of the NRA's lobbying arm announced I was "unfit for judgeship," that my views were "those of a Fascist," and my attitudes those of a

"tin-pot dictator." It began to appear that he was not really for me. While I continued to receive support from the media and from friends on the Hill, the NRA was producing results. One Senator who earlier had volunteered his support, embarassedly explained that he had not been aware of the NRA's opposition, and told me there was no way he could support me. The senator candidly said, "You have to understand the folks back home. They would take after me with no mercy if I supported someone whom the NRA opposed." The same scenario unfolded in Senate office after office. I became a household word in little towns in Mississippi and Montana and Idaho.

The story came out all right for me. The Senate gave me an enthusiastic sendoff, by a vote of 58 to 31—I was confirmed. Not quite the overwhelming plurality I had anticipated—but better than any constituents had given me in Congress. The NRA reportedly spent a million dollars in their effort to prevent my confirmation. But the memories of that battle, and the oddity of single issue opposition to a candidate for a nonelectoral role has remained close. Unfortunately, the process is neither new nor diminished. Indeed, the current political challenges to important constitutional cases—abortion, busing, prayer in the schools—have caused the selection of judges to become a hot political issue. In the last campaign the Democratic candidate tried to make Supreme Court selections a campaign issue. While it didn't fly, it did focus some attention on the institution—and how it gets its judges. In 1980, the Republican party included in their platform a plank pledging to "work for the appointment of judges at all levels of the judiciary who respect traditional family values and the sanctity of innocent human life."

This new, or revived attention is beginning to make a difference. Take, for example, Joseph Rodriguez, New Jersey's Public Advocate. Following his nomination, he was subjected to a test of his "liberal" philosophies. Some members of the Senate Judiciary Committee sent an eight page questionnaire to Rodriguez, asking him to spell out his opinions on the Equal Rights Amendment, abortion, the death penalty and school prayer. The questions did not address Rodriguez's general philosophy, but rather sought answers that would indicate the way Rodriguez would decide cases that raised certain issues. For example, question 9 asked: "Is it unconstitutional for state or local governments to give tuition vouchers to parents of all children who attend nonpublic schools? Does it make any difference whether most of these children attend religious school, provided that the law makes no distinction between religious and nonreligious schools?"

Another question asked: "Keeping in mind that unions are private associations rather than governments, do you think that the granting of exclusive representation powers to unions by the National Labor Relations Act is unconstitutional?"

The Senators also sought a list of all political contributions Rodriguez had ever made as well as a list of all organizations to which Rodriguez had ever belonged. Rodriguez deftly filled out the questionnaire without answering a single question. Surprisingly, the Senators backed off, possibly sensing that the questionnaire raised more serious questions about judicial independence than about Mr. Rodriguez's qualifications. Rodriguez was eventually confirmed.

One local nominee was blocked, however, even though his professional credentials were impeccable, and even though he had performed brilliantly in a public office, building a deserved reputation as a hardliner in the criminal justice field—because he had contributed to gun control organizations and financially supported pro-choice candidates for public office. Another potential judicial nominee was shot down early, even though both of his states' Senators supported him, apparently because he had served too well as a public defender.

Is this substantive screening by the Senate and by other political forces a new phenomenon? Only since 1795. George Washington was unable to obtain the confirmation of one of his nominees to the Supreme Court for interesting reasons. Washington nominated former Justice John Rutledge for Chief Justice of the United States. Rutledge had left the Court before the seat of the Chief Justice became open. Washington nominated Rutledge to the Chief Justice position, and assumed that his nomination of the man who was an author of the Constitution as well as a former Supreme Court justice would meet no resistance. The Great Communicator of his time had enjoyed remarkably successful relations with the Congress, and had every reason to assume that Rutledge would be the new Chief Justice.

Unfortunately, a few weeks after his nomination, Rutledge attacked the Jay Treaty, which was designed by Washington to ease tensions with Great Britain. To the Federalists, who strongly supported the treaty, Rutledge's opposition called into question his views on foreign policy—whatever that had to do with his capacity to serve as Chief Justice of the United States. After a bitter debate, the Senate refused to confirm Rutledge.

The desire to install likeminded judges also transcends party and political labels. During the confirmation hearings of Justice John Paul Stevens, Senator Kennedy pressed Stevens for his views on numerous topics. At one point he asked: "As a private citizen, what are your views on the Equal Rights Amendment?" Contrast this to question 11 of the questionnaire sent to Rodriquez which asked: "Would you give your present personal opinion with regards to the Equal Rights Amendment?"

Like the Equal Rights Amendment, the question of race has been raised at confirmation hearings by people on both ends of the political spectrum. Harold Carswell's name did not make it through the Senate once his 1948 campaign pledges to support white supremacy surfaced. Taking a different view of race relations, some Southern Senators delayed the confirmation of Justice Potter Stewart for four months in 1959 after he admitted to the Judiciary Committee that he had no intention of voting to overturn *Brown* v. *Board of Education*.

Is this a politicization of the Court system? Is it bad? Is it new, or getting worse? Is it avoidable? The answers are as complicated as the interplay between the three branches of government, and I cannot give you any precise answers. Let me give you instead some highly *obiter dicta*.

First of all, the questions raise another question. What kind of a judiciary do we want? The major pronouncements of our federal courts—the ones that most directly affect the social and economic life of the nation—those decisions unavoidably have political impact. Over 100 years ago, Alexis de Tocqueville commented that "there is hardly a political question in the United States which does not sooner or later turn into a judicial one." We expect judges to be impartial, but our courts are not isolated from the political domain.

The Washington Post once ran an editorial deploring the view that a person with political beliefs is unfit to serve as a judge. The Post suggested that if we really want to avoid judges who have been exposed to politics, we should breed a class of judges. These judges would be selected in early childhood, trained to make decisions as Little League Umpires, and would be shielded from the pressing questions of our times. The editorial pointed out that this system might well improve the quality of baseball umpires but it would not do much for the judiciary.

We do not want judges who are completely devoid of political content, for that means they have spent no time in the mainstream of American life and have no connection with the hearts and minds of the American people. Being detached from day-to-day partisan affairs is one thing; wholly divorced from the world of real people is something else. Judges need to know something about legal theory, but they also need to know something about the real world. Justice Rehnquist recognized this when he said: "Proof that a Justice's mind at the time he joined the Court was a complete *tabula rasa* in the area of constitutional adjudication would be evidence of lack of qualification, not lack of bias."

If we acknowledge that politics and the judiciary have some enduring connection, why not use litmus tests—like abortion, prayer in the schools, the Equal Rights Amendment—to determine the political leanings of potential judges? Many people argue that litmus tests are simply a new way of doing what Presidents and Senators have always done. The problem with litmus tests is that they aim at much more than just an assessment of political views or preferences.

A President may certainly nominate judges who share his world view. What a President may not do is use the nomination process as a means to amend the Constitution or recast important constitutional precedents. A President may want judges who start out sharing his values. What he ought not seek is judges who forget or are willing to forego the anti-majoritorian purpose of the Bill of Rights. During the 1980 Presidential campaign, then-candidate Reagan said: "Time and again in recent years, we have seen the Supreme Court override public opinion concerning school prayer, forced busing, the treatment of criminals. . . . There must be new justices on the Court, women and men who respect and reflect the values and morals of the American majority. I pledge to make such appointments."

President Reagan's goals in appointing Justices are very similar to those of President Roosevelt when the Supreme Court began to strike down his New Deal Legislation:

[If the Supreme Court strikes down the Wagner Act, the Social Security Act, and other pieces of New Deal legislation], Congress can enlarge the Supreme Court, increasing the number of justices from nine to twelve or fifteen.

While the specific court packing plan FDR proposed died aborning, FDR did get to appoint Justices who shared his New Deal views, including Hugo Black. Justice Black met opposition from all quarters when he was nominated, due to his advocacy of New Deal legislation while a Senator

and his alleged membership of the Ku Klux Klan as a young lawyer in Alabama. Upon Black's confirmation, former President Hoover remarked, "The Court is one-ninth packed." The media was equally critical of Black: the Chicago Tribune dubbed his nomination "the worst [the President] could find," while the New York Herald Tribune called it "a nomination as menacing as it is unfit." We all know that Justice Black went on a long and distinguished career of confounding his critics. The line we are concerned about in judicial selection is between a judge who constantly remembers who appointed him and a judge who remembers that popular decisions can be made easily by the popular branches of government, but that his function is to protect minority rights from majority passions. By minorities I mean not only racial, religious and political groupings—I include every defendant in every criminal case—by definition a minority is one who the public-square judges of the French Revolution would guillotine first and try later. Think of any important criminal law precedent where a constitutional right was upheld. Every one of these cases would have been decided differently if the decision had been by referendum—*Miranda, Monte Durham, Mapp v. Ohio, Escobedo, Gideon.*

And that is why the Senate, as the reflecter of popular will, must also be circumscribed in its inquiries. What the Senate ought not do is determine, through questioning, a nominee's views on emerging constitutional doctrine, on issues likely to face courts in the near future. Why? Because these questions are really a signal to a nominee that he will become a judge only if he promises to be obsequious, to be a yes man to the powers that be. During Justice Thurgood Marshall's confirmation hearings, he was asked by Senator McClellan whether society must always sacrifice its security and safety in order to provide every conceivable right to suspects in criminal cases. Marshall answered that he did not believe that a society should give up its security. The question may have sounded innocent, but Senator McClellan's rejoinder makes clear that it was intended as a sharp warning to Marshall to cut back on the rights of the accused; Senator McClellan told Marshall: "I hope that [belief] will have some influence with you, as you weigh some of these cases. It is one man's decision that often determines what the Constitution is."

The Constitution clearly does not permit the judiciary to be a subdivision of the Senate, nor judges to serve as inferior officers to the President. Just as the President must not seek to impact the independent and frequently unpopular judgments of the judges, the Senate also cannot use its confirmation power to create judicial I.O.U.'s. Justice Rehnquist has said that: "For [a nominee] to express any but the most general observation about the law would suggest that, in order to obtain favorable consideration of his nomination, he deliberately was announcing in advance, without benefit of judicial oath, briefs, or argument, how he would decide a particular question that might come before him as a judge."

I am also disturbed by another message of these judicial I.O.U.'s. I think that when we ask prospective judges their views on an issue likely to arise in the future, we are locking those judges into a position. Today's litmus tests tell nominees that when the question is abortion, the answer is no, and when the question is prayer, the answer is yes. Do we want judges who have decided the outcome of a case even before looking at its facts? Do we want judges who disregard statutes and regulations to reach a particular result? The constitutional prohibition on advisory opinions tells us that justice is achieved by well-informed, concrete decisions, rather than by mere hypothetical speculation.

There is still another defect to the litmus test approach to picking and confirming judges. The test is always about a single ailment—a single cause. It tells you little about the rest of the corpus. What must be avoided is the selection of a nominee based solely on how he or she would decide a particular issue. Judges are appointed for life. No one can really predict what issues will be important in ten or twenty years. Andrew Jackson wanted to appoint a justice who would oppose the Bank of the United States. He found him in Roger Taney. Twenty years after President Jackson left office, Chief Justice Taney was still around to author the *Dred Scott* opinion. President Jackson's appointee almost succeeded in throwing out the Union with the Bank.

I would like to raise one last difficulty with the over-involvement of popular concerns and institutions in judicial selection. We can agree that Judges and the appointment process are not without political content, but to be effective, courts must operate outside of the political sphere. There is a tendency, I think to become so mesmerized by the awesome trappings of the judiciary and its historical power that we overlook just how fragile the courts' power is. The legislature controls the money, the executive the army; all the judiciary has is its own moral authority. The Supreme Court's mandates are obeyed not because of police in the streets but because of public perceptions of the Court's legitimacy. When the Court is perceived as an apolitical, wise and impartial tribunal, the American people have evinced a willingness to abide by its decisions. But if the Court is viewed as simply a Congress in black robes, the Court's ability to perform its constitutional function is threatened. Former ABA President William Reece Smith, Jr. said: "Attempts to politicize the judiciary lend legitimacy to the notion that federal judges make the law solely according to their own private viewpoints and prejudices . . . That implication . . . confounds the public's perception of the legal system and encourages disrespect of the vital role that judges play in our government."

What should a wise President and a forebearing Senate do in the best of worlds? I believe close examination should be made of a potential jurist. As Senator Ervin once remarked about nomination hearings: "[If the Senate] ought not to be permitted to find out what [a nominee's] attitude is toward the Constitution, or what his philosophy is, [then] I don't see why the Constitution was so foolish as to suggest that the nominee for the Supreme Court ought to be confirmed by the Senate."

It is perfectly fair for presidents and senators to seek judges who share their view of the role of government in American life, who in the long run will do what presidents and senators believe is best. But to assess this compatability, it is not merely unnecessary, it is patently offensive, to ask of a potential judge what he or she will decide in a future case. Nominees usually have made a public record, whether in past decisions, in writings, or in speeches. I do not believe there is an inherent impropriety in a nominee appearing before the Senate Judiciary Committee, although until fairly recently, nominees, including my former boss, Justice Minton, regularly declined the invitation. Some limits on a nominee's questioning by the Committee are required. Perhaps Felix Frankfurther, in refusing to answer certain questions in his confirmation hearings, said it best: "My attitude and outlook on relevant matters have been fully expressed over a period of years and are easily accessible. I should think it is not only bad taste, but inconsistent with the duties of the office for which I have been nominated for me to attempt to supplement my past record with present declarations."

Justice O'Connor, at her 1981 confirmation hearings, was asked a litany of abortion-related questions. Numerous Senators attempted to extract her views on abortion in general and the Supreme Court's decision in *Roe v. Wade* in particular. Justice O'Connor consistently refused to respond to these inquiries, believing them to be beyond the scope of permissible questioning at a confirmation hearing. Justice O'Connor's approach seems to have been fair and correct: the Court's integrity remained intact, and she was confirmed by a vote of 99 to 0.

The litmus test, then, of a good appointment and confirmation procedure is restraint. There ought to be executive restraint—while the President is entitled to appoint people he likes and respects, he ought not exact or expect any pledge of fealty to the Chief. Some of the best of Justices and judges have confounded their appointees, whether we talk of John Marshall or Earl Warren, or William Brennan. There ought to be Senatorial Restraint. The Senators may have understandable curiosity about the candidates views on the hot issues of the day. They can look but they better not touch. As Senator Eastland said, "If the nominee thinks that the question is improper, he can decline to answer. And that when he declines his position will be respected." Satisfying a Senator's curiosity is not the way to enhance judicial independence.

And the nominees themselves must exercise restraint. Knowing which questions are properly posed to a nominee, and which are not, is perhaps the best litmus test of the qualities we want in a judge—the ability to judge and the exercise of good judgment. What a nominee will decide in a particular case tells us nothing about the nominee's judgment. But the refusal to respond to improper questions, invoking, as Senator Ervin once said, the "judicial fifth amendment," tells us that this nominee possesses the independence and courage we ought to want in our judges. And history tells us that when Senators display restraint and respect, and when nominees display good judgment, confirmation will not be denied. Felix Frankfurter, Sandra Day O'Connor, Thurgood Marshall, and Joseph Rodriquez all refused to answer certain questions; all were confirmed.

Mostly, we come back to the questions of the beginning. Do we really want a "popular" judiciary? Do we want a judiciary that has no strong views on anything, except the importance of being confirmed? I think not. What we want are women and men with integrity, with wisdom, with good judgment, and with the strength to take unpopular positions. I think that nominees who would answer the current breed of litmus tests lack these necessary qualities. Perhaps we can all take a lesson from Judge Bork of the D.C. Circuit. In a recent interview published in the District Lawyer, he was asked whether he could identify any Supreme Court doc-

trines that he regards as particularly worthy of reconsideration in the 1980's. His response? "Yes I can, but I won't." I think Abraham Lincoln would have liked Judge Bork, and not just because they both spent their formative years in Illinois. When Lincoln sought to appoint a Justice, he wanted a person with certain views, but he knew better than to ask. Instead, Lincoln said: "We cannot ask a man what he will do, and if we should, and he should answer us, we should despise him for it."

THE THEO-POLITICS OF THE RIGHT

(By Anthony T. Podesta)

During the 1984 campaign, the Democrats thought they had at least one sure-fire issue: Do you want Ronald Reagan appointing up to five new Supreme Court justices? But that issue was ineffective because, as political commentator mark Shields pointed out, the voters remembered that Reagan had already selected one Supreme Court Justice—Sandra Day O'Connor. And she is a capable jurist, not an ideological automation.

Now, the 1984 campaign is history, and the Reagan administration and some of its staunchest Senate allies have adopted a new process for selecting federal judges: an ideological inquisition that will not produce another Sandra Day O'Connor. In recent weeks, judicial appointments have been entangled in bizarre inquests into the nominees' views of political, social and even religious issues. President Reagan has withdrawn the nomination of Andrew Frey for the District of Columbia Court of Appeals and refused to support the nomination of William Hellerstein for the Federal District Court in New York.

Under ordinary circumstances, both nominations would have received White House support. Frey has already served the Reagan administration as deputy solicitor general. However, he is a member of Planned Parenthood and the National Coalition to Ban Handguns, and that was enough to arouse the ire of 13 conservative Republican senators—and make the president reverse himself.

As for Hellerstein, he has the support of New York's conservative Republican senator, Alfonse D'Amato. However, Hellerstein is an official of the Legal Aid Society, and presumably that's why he was "not consistent with what the (Federal Judicial Selection) Committee was looking for," in the words of White House Counsel Fred Fielding.

Fielding denied that the administration is imposing an ideological "litmus test." But Attorney General Meese has said he is seeking appointment of judges who believe in "the sanctity of human life." Meanwhile, "ideological litmus test" scarcely describes the inquisition to which another judicial nominee has been subjected. Joseph Rodriguez was slapped with an eight-page questionnaire more appropriate to weeding out security risks from Pentagon jobs than screening a nominee for a judgeship in New Jersey.

In a line of questioning uncomfortably reminicent of the McCarthy Era, Sens. Jeremiah Denton, R.-Ala., John East, R-N.C., and Orrin Hatch, R-Utah, demanded that Rodriguez name every organization he belongs to and list every political contribution of $15 or more during the past 10 years. In order to receive his ideological security clearance, Rodriguez was also asked whether he agreed that a viable fetus is a "person," affirmative action should be cut back and the National Labor Relations Act is unconstitutional.

This inquisition was foreshadowed by the 1984 Republican Platform, which declared: "We reaffirm our support for the appointment of judges at all levels of the judiciary who respect traditional family values and the sanctity of innocent human life."

To most Americans, this platform language simply opposes abortion, but the people who wrote it know what they meant. To the religio-political extremists who exerted unprecedented influence at the 1984 Republican Convention, "traditional values" is a code word for restoring an idealized vision of a long-gone America before women's rights, before desegregation, before labor unions and before the full acceptance of religious pluralism.

That is why the Denton/East/Hatch questionnaire reads like a religious inquisition, not just a political one. Rodriguez is asked to endorse the novel doctrine that the First Amendment simply forbids the establishment of a state religion and presumably tolerates other infringements upon the separation of church and state. And, in a particularly convoluted line of questioning, Rodriguez is asked his views on legislation that is "based on the belief that the conduct proscribed is morally wrong" when "such moral beliefs are based on a belief in the existence of a Supreme Being."

As Sen. Daniel Patrick Moynihan has observed, the imposition of these ideological tests upon federal judges is a form of "corruption." When these inquisitions cover theological, as well as ideological, issues, they verge upon something specifically prohibited by Article VI of the Constitution: a religious test for public office. At the very least, these inquests subvert the American tradition of an independent judiciary that hears each case without prejudice or political partisanship.

That is why Sandra Day O'Connor objected to ideological interrogation during her confirmation hearings, explaining: "I do not believe that as a nominee I can tell you how I might vote on a particular issue which may come before the court . . . To do so would mean that I have prejudged the matter or have morally committed myself to a certain position."

At a time when five of the nine Supreme Court Justices are over 75 and one-seventh of all federal judgeships are vacant, the Reagan administration and its senatorial allies should listen to the wisdom of Justice O'Connor—and stop the theo-political inquisitions that would have barred her from the nation's highest court.

Mr. KERRY. Mr. President, I yield back any time remaining and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. KASSEBAUM). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business.

CYPRUS

Mr. TRIBLE. Madam President, in January of this year, I and my colleagues looked with hope to the United Nations sponsored summit talks between Cypriot President Kyprianou and Mr. Rauf Denktash as the first real indication that peace in Cyrpus might be at hand. While that first round of talks ended inconclusively, it was useful in establishing the framework for the peaceful resolution of this crisis.

During committee and floor deliberations on the fiscal year 1986 foreign assistance bill, we concluded that we should not restrict aid to Turkey because of the good faith exhibited during the summit process. However, while we rewarded this progress toward peace, we also made it clear that we would not hesitate to take immediate action if this good faith did not continue. It was the clear intent of the Foreign Relations Committee that the summit process be continued.

Unfortunately, recent developments seem to indicate that our clear message was not heard by Ankara and Mr. Denktash. Since the January breakdown in the summit talks, Mr. Denktash has held two so-called elections in a clear attempt to consolidate his illegal regime's hold on the occupied area. The mere Scheduling of these elections was a source of concern to the committee as far back as April, and I am deeply troubled that they have now been held.

Further, just last month, Mr. Denktash announced yet another conveyance of thousands of acres of land formerly owned by Greek-Cypriots to Turkish-Cypriots now occupying the area. And, the Turkish Foreign Minister's recent statement that Ankara had no intention of removing the Turkish troops from Cyprus even after a peace settlement casts serious doubt on Turkey's commitment to the summit talks.

Despite these acts of intransigence, I am pleased to say that the Republic of Cyprus remains committed to resuming the summit process. In fact, last month, the U.N. Secretary-General announced that the Republic of Cyprus had accepted the draft consolidated document continuing the principles that will be followed in any peace treaty. Mr. Denktash, on the other hand, has given no indication that he is willing to resume the summit process at this time.

On July 20, 1985 the people of Cyprus marked the sad occasion of their 11th year of occupation by a foreign military force. On October 1, they will mark another anniversary: Their 25th year of independence from Britain. But these have been a tortuous and turbulent 25 years. I encourage Ankara and Mr. Denktash to display the good faith they did back in Janu-

ary and resume the all-important summit process in order to bring peace and stability to Cyprus.

FRANCES BREATHITT

Mr. KENNEDY. Madam President, on July 11, Frances Breathitt died after a courageous struggle against cancer. Frances was a woman of great strength and vitality. She fought her illness with remarkable perseverance and determination, just as she faced so many other challenges in her long and distinguished career.

Frances was a member of the board of directors of the Kennedy Center for the Performing Arts, and all of us who served with her were deeply impressed by her interest and active support for the center's programs. Largely through her leadership, the education programs at the center became both a model and a vehicle for education in the arts. This unique outreach programs serves each State and enhances access to the arts by bringing important arts initiatives to thousands of families across the country.

Frances Breathitt was First Lady of Kentucky in the 1960's, and to her family, friends and countless admirers whose lives she touched, she remained "First Lady" throughout her life, a symbol of her warmth, her compassion, and her commitment to public service.

Madam President I ask unanimous consent that tributes to Frances Breathitt at a memorial service at Metropolitan Memorial United Methodist Church may be printed at this point in the RECORD, along with the article from the Lexington, KY, Herald Leader.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS BY ROGER L. STEVENS, CHAIRMAN, BOARD OF TRUSTEES, THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS, MEMORIAL SERVICE FOR FRANCES H. BREATHITT

Frances Breathitt was a beautiful person whose outward beauty reflected an ever more beautiful spirit. She was a remarkable Trustee whose personal efforts on behalf of the Kennedy Center irrevocably affected not only those of us who had the good fortune to know and work with her, but also the Education programs to which she dedicated so much of her energies. Frances was loved and will be missed by all of us at the Center. Her contributions in building a national Education program sprang from her love for the arts and for children, and the IMAGINATION CELEBRATIONS now hosted around the country are a testament to her commitment and that love.

To those of us who were fortunate enough to see Frances, not only at Trustees meetings but at other meetings at the Center, there was no task of too little importance that she would not devote herself to if the cause were one that she cared about. For both the Honors Gala and her beloved Education program, she would write lists, stuff envelopes, knock on doors, and always be there in attendance to see and enjoy the fruits of all these efforts.

We will miss her deeply and on behalf of all the Trustees who have had the privilege of serving with her, and from the staff who worked alongside her on so many occasions, we extend our deepest and most heartfelt sympathy to the Breathitt family.

A TRIBUTE BY HER FRIENDS

What we say here all too briefly is not the reflection of an emotional lament. It is our concept of Fran, Frannie, or Frankie, as we variously called here, when she was in our midst, enriching our lives. She will continue to do so for many years to come.

If there were defects we should record, we would do so. The truth is we do not know them, or they were so overshadowed by her virtues that they went unnoticed.

There was a tenderness wrapped in strength such as we have rarely seen. She showered these twin virtues upon her family without denying us our share. Her devotion to family was absolute and uncompromising. How often we heard a comment or two, even so brief but profound, of her parents, her brothers and sister. How often we observed her dedication to her beloved husband, her four treasured children, and her obsessive delight with her precious two grandchildren. All their joys and, inevitably, their sorrows became intimately hers. She protected them in their concerns with unselfish wisdom.

Hers was an almost silent, self-effacing way of leading and inspiring. There was an innate modesty balanced by a subtle self-confidence. Never was an unnecessary or unkind word uttered. She was forever learning by listening and watching, but her occasional disagreement would never be withheld or concealed if she numbered you among her friends.

She was endowed with a deep religious faith, quietly pursued but without the slightest intolerance toward others less believing.

Her long, final struggle for survival—and how she loved life—became her finest hour. Her inner strength, her uncommon valor, her rare unselfishness, her deep faith, confronted by the brutal test of agonizing pain and uncertainty, reached their ultimate climax. She has left a legacy of leadership and inspiration for others to inherit.

We have mentioned her happy reverence for the memory of her parents. She now becomes the object of that reverence for her children, her grandchildren, and those yet unborn.

A young amateur poet, with an Irish whimsy and humor that Frances so richly possessed, described many years ago how we view our friendship with her:

"We have touched the hem of a glory."

REMEMBRANCE OF FRANCES HOLLEMAN BREATHITT—REMARKS OF ANN BLESSING BRAY

As I thought about the deep loss we share today and as I thought about Frances, I remembered a passage from letters the Apostle Paul wrote to the Corinthians that seems fitting for remembering her.

Paul wrote:

"Though I speak with the tongues of men and of angels, and have not love I am become as a sounding brass or a tinkling cymbal and though I have the gift of prophecy and understand all mysteries, and have all knowledge, and though I have all faith so that I could remove mountains and have not love, I am nothing and though I bestow all my goods to feed the poor and though I give my body to be burned, and have not love it profiteth me nothing. Love suffereth long and is kind. Love envieth not. Love wanteth not itself, is not puffed up. Doth not behave itself unseemly, seeketh not her own, is not easily provoked, thinketh no evil. Rejoiceth not in iniquity, but rejoiceth in the truth, beareth all things, believeth all things, hopeth all things. Love never faileth." For love, you see, governed Frances' life.

It was 40 years ago this summer that I first met her. We had both arrived at the University of Kentucky, each from a small town at opposite ends of the state. She was from Mayfield and I from Harlan. Both of us were a little awed by the huge campus. But there was Frances, with her bright blue eyes and captivating smile, ready for the challenge. For me, at least, it was love at first sight. We become roommates through college and friends for life. But I was only one friend in a whole legion of them—and the number grew with the passing years. For Frances was irresistible. She received more flowers, more candy and more invitations than anyone in our sorority house.

But there was something deceptive in this. Some confused her charming ways with a kind of helplessness. Nothing could be farther from reality. Frances could take care of herself. She was strong and forthright and had a great capacity for compassion. Those qualities did not escape another student in those long-ago years, a young war veteran, Ned Breathitt. He and Frances Holleman fell in love and when Ned took the sometimes bumpy road of public life, Frances traveled it with him. She was his partner. She could cast a spell over a crowd with her charm. Not because doing so was a political asset but because she genuinely loved people.

But as important as that was it was all secondary. For being Ned's helpmate also meant being a loving and devoted mother to their four children—Mary Fran, Linda, Susan and Edward. Each of them was special and different. And Frances gave each of them her full and unending love. She had her priorities straight.

Frances loved to laugh and she had a wonderfully subtle sense of humor. Once, her daughter Mary Fran brought home a bunch of funny valentines and showed them to her mother. Frannie looked at them, handed them back and teased Mary Fran. "These are not valentines. Where does it say, 'I love you'? Well, Frannie, love is indelibly written wherever you passed. It was on the walls of your hospital room in the carefree drawings Blake and Jenifer sent to cheer their beloved grandmother, their Frankie.

Goodbye, Frances. Our days are filled with the love you left us.

Love never faileth.

[From Lexington Herald Leader, July 12, 1985]

FRANCES BREATHITT DIES; WAS FORMER KENTUCKY FIRST LADY

(By Jennifer Hewlett)

Former Kentucky first lady Frances Holleman Breathitt, 58, died of cancer yesterday at Georgetown University Hospital in Washington, D.C.

Mrs. Breathitt, the wife of Edward T. "Ned" Breathitt, who served as governor from 1963 to 1967, had been forced to curtail her activities for the last several months because of her illness, said Field McChesney, a family friend.

The Breathitts moved to Washington about 15 years ago, when the former governor became a lobbyist for Norfolk Southern Corp.

While in Washington, Mrs. Breathitt was active in the Kennedy Center for the Performing Arts and was appointed to the center's 45-member board of trustees in 1979 by then-President Jimmy Carter. She was chairwoman of the board's National Education Committee at the time of her death.

Mrs. Breathitt was characterized as her husband's silent partner during his political life.

Don Mills of Lexington, who was Breathitt's press secretary while he was governor, said Mrs. Breathitt was "a very lovely, low-keyed person who loved children very much and her family."

The former first lady was mother and father to the couple's four children during much of the time that her husband was campaigning for governor, and later when he became governor, Mills said.

"She spent a great deal of her time during that period taking care of all the problems. She did the usual entertainment that a first lady does provide," he said.

At one point during the 1960s, President Lyndon B. Johnson called Breathitt and asked him to run for the U.S. Senate, and Mrs. Breathitt "really insisted that he spend time at home," Mills said.

In a statement yesterday, Gov. Martha Layne Collins said: "Frances Breathitt brought a rare grace to her role as first lady of the commonwealth. While Governor Breathitt was in office, her strong will enabled her to balance their family's private life with the demands of public life. My prayers and sympathy are with Governor Breathitt and his family."

She met Breathitt in 1946 in a philosophy class at UK, and the couple were married in Mayfield on Dec. 20, 1948.

She was a member of Metropolitan Memorial United Methodist Church in Washington and a former member of First Methodist Church in Hopkinsville.

In addition to her husband, she is survived by three daughters, Mary Frances Breathitt and Linda Breathitt, both of Washington, and Susan Brickman of Dallas; a son, Edward T. Breathitt III of Dallas; two brothers, M.L. Holleman of Jackson, Miss., and Wallace Holleman of Nashville, Tenn.; a sister, Mary Anna West of Nashville; and two grandchildren.

Services will be at 2 p.m. CDT Monday at First United Methodist Church in Hopkinsville. Burial will be in Riverside Cemetery in Hopkinsville. Visitation will be from 4 to 9 p.m. CDT Sunday at Fuqua-Hinton Funeral Home in Hopkinsville.

There also will be a memorial service later in Washington.

CYPRUS INVASION ANNIVERSARY

Mr. PRESSLER. Madam President, the Republic of Cyprus marks with sadness this month the 11th anniversary of the Turkish invasion of their country. The people of Cyprus will remember the thousands killed during Turkey's military occupation and the many more who are still mourning. They will remember their homes and properties now exploited by the more than 50,000 illegal settlers brought in from Turkey to occupy their land.

The tragedy of Cyprus must not be allowed to continue indefinitely. The artificial division of the Republic of Cyprus poses dangers not only for Cypriots but for the whole eastern Mediterranean region. The division of Cyprus jeopardizes American security interests in the area and it is the greatest obstacle to the restoration of good relations between Greece and Turkey, the anchors of NATO's southeastern flank.

There is hope in the current initiative by the United Nations' Secretary-General. The Greek-Cypriots have already replied affirmatively to the "consolidated draft agreement," prepared by the Secretary-General, which outlines the principles that will be included in any peaceful resolution of the crisis. We ask that Turkey and the Turkish-Cypriots not derail this process through divisive actions in the occupied area of Cyprus. Mr. Denktash's recent holding of two so-called elections and Ankara's increasingly frequent statement that it will not remove troops from Cyprus even after a peace settlement, are distressing examples of divisive actions.

I believe that the United States, with vital interests in the area, must continue to press for the removal of Turkish troops from Cyprus and encourage the Turkish-Cypriots to reply affirmatively to the U.N. initiative.

Madam President, on this sad anniversary, we must reaffirm our dedication to finding a peaceful solution to the Cyprus conflict. The recent humanitarian assistance given by Cyprus to the TWA hostages is the most recent manifestation of the friendship the people of Cyprus feel for our country. The people of Cyprus look to the United States as their best hope for peace. We should not let our good friends down.

RAILROAD SAFETY RULES

Mr. DANFORTH. Madam President, today, Secretary Dole announced that the Department of Transportation has adopted new railroad safety rules prohibiting alcohol and drug use on the job. I commend her for focusing on this grave problem and I look forward to reviewing the new rules.

One year ago, I chaired a hearing to examine the seriousness of the alcohol and drug abuse problem on railroads and to review what the Government was doing to combat the problem.

During that hearing, the tragic dimensions of this problem were only too well documented. For example, Secretary Dole testified that her Department had found that 23 percent of railroad operating employees were problem drinkers, that 5 percent of all employees reported to work very drunk or got very drunk while on duty at least once a year, and that 13 percent of all employees reported to work a little drunk one or more times a year. Further, the National Transportation Safety Board testified that in the 2 years prior to the date of the hearing, it had investigated nine accidents in which either alcohol or drugs were involved. These accidents resulted in 14 fatalities and more than $26 million in property damage.

At the hearing, Secretary Dole announced that she was proposing new safety rules for the railroad industry dealing with the alcohol and drug problem. Today, the rules are final. It has been a long and painstaking process, but I hope that the rules will have a positive impact and prove that it was well worth the effort.

THE FOREIGN AID BILL

Mr. MATHIAS. Madam President, I want to salute the chairman of the Foreign Relations Committee, Mr. LUGAR, and the chairman of the Foreign Affairs Committee, Mr. FASCELL, for their masterful production of a 4-year wonder: a foreign aid bill.

Presidents, and professors, diplomats, and even some Democrats have been calling upon us to reach a bipartisan consensus on foreign policy issues, and while that may be much tougher to do than many people think, we can thank these two gentlemen for setting the stage for just such a consensus on a vital ingredient in our foreign policy.

However difficult, however exhausting and however unsatisfactory for some, the work of the Senate, the House and the Senate-House conference committee was conclusive this year. For the first time in 4 years, we will be able to deliver on our commitment to peace and security around the world with a carefully drafted and debated piece of legislation which represents the best efforts of the Congress. Instead of running on the outdated fuel of continuing resolutions, we can move ahead with timely, fresh measures which address important interests and goals of the United States.

With this report, we make a renewed commitment to peace and progress in the Middle East, with crucial aid to help Israel maintain its security and improve its economy and with assistance to Egypt and other moderate Arab States that need and deserve our encouragement and support.

With this measure, we make a critical contribution to development throughout the world, by providing the kind of assistance that really addresses the deeper problem of underdevelopment that leads to famine, to overpopulation, to conflict, and unrest, and broader, regional turmoil. I would note in particular two small but very successful programs of the Agency for International Development—the International Fund for Agricultural Devel-

opment, which helps small farmers in sub-Saharan Africa, and the Housing Guaranty Program, which offers important private-sector help to housing efforts.

With this measure, we extend our continuing support to a number of vital U.N. agencies, such as UNICEF, the World Health Organization and the United Nations Development Program. And with this measure, we send clear, timely messages to areas of conflict—especially to the Philippines, where economic and military assistance is needed to shore up a troubled economy and combat a Communist insurgency, but where we also need to support reformist elements—civilian and military—that can guide that nation back to democratic ways and, true, not temporary, stability. We also send a message to Guatemala, where we must do everything we can to bolster democratic forces as elections approach. And in Central America in general, we support 2 years of economic assistance, going at least part of the way to meet the recommendations of the Kissinger commission on multiyear funding.

Foreign aid is a controversial subject in the United States, particularly in troubled times. But we cannot forget our role as a great power and as the leading nation in the free and democratic world. We would bear a direct responsibility if, for lack of our assistance, a nation, beseiged by the problems of underdevelopment and conflict, turned to more extremist ideas and values. We would share a major portion of the blame if, for lack of our assistance, a nation turned away from the path of modernization and peace to one of backwardness and war.

Many people say we are giving money away when we approve foreign aid. But the truth is far more complex.

First of all, I would point out that our overall efforts are still not as generous or extensive as those of most of our allies. The United States ranks near the bottom in percentage of gross national product that is devoted to development aid.

But I would also point out that most of the foreign aid money ends up generating economic activity within the United States. The materials for foreign aid programs are purchased within the United States, thus creating business activity here. American experts customarily are employed or American companies are given contracts for foreign aid training programs so that there is employment here as a result of the foreign aid money.

Furthermore, when the United States channels foreign aid money through multinational institutions, the United Nations, or other development organizations, we not only stir up economic activity by our own investment of dollars, but we attract the contributions of other nations, and those funds are spent within the United States as well, thus contributing even more to economic activity here.

There is a related economic benefit which could, indirectly, extend our economic position in the world. For example, if we sell an American tractor to the foreign aid program to be donated to another country, the simple fact of life is that someday the tractor will break down, or need a spare part, or a new tire. In the normal course of business, the farmer using the tractor will send to the United States for that spare part or that new tire. So customers for American products are built into the world economy, and this is extremely important. We create markets for American goods as we donate the benefit of American production and American expertise to help develop the poverty-stricken areas of the world.

This kind of help is the heart and soul of the foreign aid bill that we adopted yesterday. The chairman of the Foreign Relations Committee, Mr. LUGAR, and the ranking minority member, Mr. PELL, deserve our thanks for a job well done.

BALTIMORE VA HOSPITAL: ANOTHER STEP CLOSER

Mr. MATHIAS. Madam President, S. 876, the Veterans' Administration Health-Care Programs Improvement Act of 1985, authorizes the expenditure of fiscal year 1986 funds from VA's major construction working reserve fund to build a new Veterans' Administration hospital in Baltimore. Yesterday's vote marked the culmination of 8 years of effort by Congress, the Veterans' Administration, service organizations, citizens, and the medical community to replace the aged Loch Raven Hospital and improve medical facilities for veterans in the Baltimore area.

Many of my colleagues have been following the development of the long awaited, long overdue VA medical facility on the Baltimore area requested by the Senate and House Appropriations Committee. It will be 4 months overdue on August 1. I anticipate, however, that the VA will recommend this facility and that it has the coveted OMB stamp of approval.

The House Appropriations Committee has provided funds for the redesign of the proposed hospital. S. 876, as reported by the Senate Veterans Affairs Committee, authorizes those redesign funds in the Senate. The Senator from Utah [Mr. GARN] has advocated and supported the authorization of these funds. I am pleased to report that his appropriations subcommittee this week approved $2 million in redesign funds, and has instructed the VA to request full construction funding for fiscal year 1987.

Let me assure my colleagues that I am mindful of the fiscal constraints we face regarding new construction. But every day we delay in making a full and final decision on the medical needs of the veterans community in Maryland perpetuates inadequate health care and results in a higher price tag for the project. How much longer must I tell the 630,000 Maryland veterans, one-quarter of them reside in Baltimore, that they must settle for existing facilities that have been inadequate since 1972 and are years behind in modern technology? Of the veterans currently in Loch Haven VA Hospital, 71 percent have no health insurance and no hope outside the veterans' system. With the passage of S. 876, we are striding toward making the proposed new hospital a reality. I shall thank my colleagues and Maryland's veterans will thank them.

BEN BRADLEE

Mr. MATHIAS. Madam President, I am advised that today is the 20th anniversary of the tenure of Benjamin Crowninshield Bradlee as the editor of the Washington Post.

Ben Bradlee, as he was more familiarly known to readers of the Post, has been a major figure in Washington during those entire 20 years. The extraordinary coverage that the Post under his direction, has given to stories of national and worldwide interest has made it one of the great and leading newspapers in the world, a paper that is must-reading in every major capital of the world.

Ben Bradlee has, of course, had the assistance of an able staff of reporters and editors. But in every large organization it is the genius of leadership that makes the difference, and as Ben Bradlee passes this milestone, I take the opportunity to convey to him my congratulations and my hope that he will continue the leadership of the Post in the same spirit for many years to come.

DONALD F. COLLINS

Mr. COHEN. Madam President, I rise to pay tribute to Caribou ME, native Donald F. Collins, one of Maine's leading entrepreneurs who has successfully headed his family's lumber business for nearly 40 years.

As president of the S.W. Collins Co., in Caribou, Don Collins carries on a family tradition of excellence and quality workmanship extending back to 1845, the year Don's great-grandfather built the first Collins sawmill.

Through the years, the family business has changed with the times, growing from a one-sawmill operation

into a major logging and manufacturing business serving the needs of small businesses and homeowners throughout northern Maine.

Along with his business success, Don has followed in the Collins tradition of public service. He served as a Caribou city councilor, and later served in the Maine State House of Representatives and Maine Senate. He has made community affairs a top priority, lending his spirit, enthusiasm, and expertise to benefit many local organizations. His leadership ability deserves to be commended.

I would like to take this opportunity to submit an article for the RECORD about Don Collins from the Aroostook Republican of July 24, 1985.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Aroostook (ME) Republican, July 24, 1985]

DON COLLINS MAINTAINS FAMILY TRADITIONS

(By Liz Chapman)

His office is upstairs over the store and his desk looks like he has a dozen projects in the works. A *thank you for not smoking* sign hangs like a coat on the back of one door, and a picture of his father hangs on the wall beside a window. Through the pane he can see the stream where 140 years ago his great-grandfather, Samuel, built Caribou's first saw mill, establishing a company and a legacy that would become stronger with time.

Donald F. Collins joined the family lumber business in the summer of 1949. He was the fourth man by the name of Collins to own and operate S.W. Collins Company on the bank of the Caribou Stream.

"Everyone in the family is actually interested in the lumberyard and in Caribou," Collins said. "They have both been very kind to us."

Collins was graduated from Caribou High School in the class of 1943. He enrolled in the University of Maine at Orono that year to earn a degree in business administration. After one semester of study, Collins enlisted in the Reserve Corps and was stationed in war-ravaged Europe at the height of World War II. In December of 1944, he was injured in the Battle of the Bulge while fighting in the 87th Infantry Division. He was reassigned to a support group in France until he returned to the States in January of 1946.

Years earlier, though, Collins had decided to enter the lumber business with his father. After the war he studied for his degree and was graduated from UMO in February, 1949.

Collins said the family business has survived 140 years because "we've been able to change as the times change." Gone are the logging and manufacturing operations common in the early days of Aroostook County. The Collins now caters to home owners and renovators and has branched out to sub-contract such items as doors, windows, paneling and roofing materials.

"The changes are what kept us in touch, kept us going," he said. "And I guess they're what kept us interested."

Although the lumber business has made for some "dreadfully busy" years, Collins, like his forefathers, found time for public service at both the local and state levels.

A former Republican state senator (1977-78) and representative (1971-72), Collins said the national budget, a new tax system and "a strong leadership role in promoting peace" are issues he is concerned about in 1985.

"We have to recognize that we've got to live with the Russians and with China. Dialogue goes in dips and swells. It's important to continue conversation, it's important not to give up.

"I'm not a doomsday person," Collins continued, "I think we'll overcome."

Collins said he is optimistic that a new tax law will be enacted by late 1986. On the budget he said: "The national budget has to be the most critical area to be resolved. If we don't, there will be another cycle of inflation that will make us all poorer. We cannot spend in excess of what we can afford."

Public service dates back as far as lumber in the Collins family. Samuel Collins was elected to the Maine House of Representatives in 1856 and to the Maine Senate in 1870. Samuel's son Herschel, an outspoken citizen of Caribou in the earyly 1900's, also served in the Legislature. H.D. Collins' son, also named Samuel, served two terms as representative and three terms as senator.

Collins was a city councilor in the 1960's before staging successful campaigns for state election. His wife, Patricia, also served on the council and was Caribou's mayor in 1981 and 1982.

"I liked public service, but I've had enough for a while," he said. "It's an important contribution though, and I think a lot of people ought to make an effort to run for public office. The younger generation, especially, needs to be encouraged to run."

Traveling the Maine coast, swimming, sailing and "very little" golf are Collins' favorite pasttimes. He's not ready to retire yet, he said, as he spends his days as "coach and critic" for his son Sam, who is the fifth generation Collins to take a desk at the lumberyard.

Greg, the youngest of Collins' six children, will be a senior at UMO this fall. He has also taken an interest in the family business, although he hasn't quite "made up his mind."

Collins continues an active role in Caribou as he serves on the boards of directors for the Aroostook Trust Co., Maine Public Service and the Maine Mutual Fire Insurance Co.

TWENTIETH ANNIVERSARY OF MEDICARE

Mr. LONG. Madam President, I am pleased to join with many of my colleagues in commemorating this 20th anniversary of the Medicare Program.

The Medicare Program had its roots in the Social Security Program which was adopted at a time of crisis in this country—at a time when some were questioning whether our fundamental institutions were capable of coping with the problems of the 20th century.

I am pleased to say that when my father was a Member of the U.S. Senate, he campaigned for a broad program to provide for the needs of the less fortunate in this country and my father voted for the Social Security bill of 1935.

The Social Security Act of 1935 translated the basic good sense of American society into a practical solution to the problems of economic security for those who face the problems of old age and unemployment and for children in need. Subsequent amendments have added similar protections for those who have become severely disabled. The signing of the Medicare bill by President Johnson on July 30, 1965, in Independence, MO, President Truman's hometown, filled the last major gap in the economic security of the elderly of this Nation.

Today, Medicare provides health insurance protection to over 27 million persons 65 and over. Medicare also provides protection to persons under 65 who have been entitled for a period of 24 months to Social Security or Railroad Retirement benefits because they are disabled, and to certain workers and their dependents who need kidney transplantation or dialysis.

It was my privilege to manage the Medicare bill on the Senate floor, and it was my pleasure to accompany President Lyndon Johnson to Independence, MO, where he signed the bill in the presence of former President Harry Truman.

Madam President, I am proud to have been a member of the Finance Committee which enacted this major bill to provide health protection for our senior citizens.

STAGGERS RAIL ACT AND "COAL RATE GUIDELINES"

Mr. LONG. Madam President, as cosponsor of the Long-Cannon provisions of the Staggers Rail Act of 1980, I have long been concerned that "captive shippers," those railroad shippers without transportation alternatives, be protected in this era of railroad deregulation. Because of my frustration with the Interstate Commerce Commission's total failure to protect captive shippers in its implementation of the Staggers Act, I am an original cosponsor of the Consumer Rail Equity Act (S. 477) which is pending before the Senate Commerce Committee.

On Thursday, June 20, the Interstate Commerce Commission announced its final "coal rate guidelines." These are the rules for determining the reasonableness of captive coal rates. The Commission indicates these rules will probably be applied to all captive commodities, including grain, sugar, phosphate, and other bulk commodities. As for the concerns of captive shippers, the Commission limited its response to promising to apply more diligently the protections in the Long-Cannon provisions and to consider phasing in those high rates that the Commission finds to be reasonable, but which could, nevertheless, cause economic dislocations.

These two minor clarifications fail to address the major issues in determining rate reasonableness. First, the

Commission maintained the link between rate reasonableness and the "revenue adequacy" of a railroad. The Commission indicates that it will tolerate even higher rates for captive shippers if a railroad is not "revenue adequate." But, under the Commission's present test for "revenue adequacy," no railroad since 1980 has been found to be revenue adequate—not even the Norfolk Southern which was selected by the Secretary of Transportation to buy Conrail because NS is, as she said, "very highly profitable."

Second, the ICC adopted stand alone costs—the cost to shippers of building their own railroad—as the measure of when a captive shipper rate becomes unreasonable. The ICC softened its earlier rule by allowing this mythical railroad to carry the commodities of several shippers. The fundamental problem remains—new railroads are not being built today because of their prohibitive start-up costs. Any regulatory system that incredibly ties the reasonableness of rates to the cost of building the shipper's own mythical railroad provides no fairness to shippers.

Finally, the ICC has done nothing to lessen the burden of proof required of captive shippers—a burden the Commission's own administrative law judges have found to be unreasonable.

In light of the ICC's action, enactment of the protections in the Consumer Rail Equity Act (S. 477) is imperative. Senators MARK ANDREWS, WENDELL FORD, TED STEVENS and I recently asked Chairman DANFORTH to schedule early hearings on this important legislation. I hope the chairman will honor our request so that we may assure that captive shippers will receive the protections promised in the Staggers Rail Act of 1980.

SPENDING ON NATIONAL DEFENSE AND SOCIAL PROGRAMS

Mr. DENTON. Madam President, our budget debates this year have been, and to some extent still are, characterized by concern about the proportions of Federal spending that go to national defense and to social programs. Many people who talk about the issue seem to have the impresson that our spending on national defense is inordinately large in historical terms, and that our spending on social programs has been drastically cut compared to the historical levels.

In 1983, the General Accounting Office published an excellent study on "Defense Spending and Its Relationship to the Federal Budget" (GAO/PLRD-83-80, June 9, 1983, revised). Perhaps the most valuable part of that study is the initial table 1, found on page 2. It showed the pattern of actual budget outlays by large cluster—national defense, human resources, net interest, and all other—for the period from 1962 through 1982, with estimates projected to 1988.

The table disclosed that, in fact, defense spending under the current administration has been running at a proportionate level considerably less than during most years since 1960, and the spending on social programs has been substantially larger.

Earlier this year, I asked the General Accounting Office to update and expand the table. The GAO has done so, and I am pleased to make the results available to my colleagues.

Madam President, I ask unanimous consent that the table "Budget Outlays by Large Cluster: 1940-90" be printed immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DENTON. Mr. President, there are a couple of things to note about the table. First, actual outlay figures are available only through fiscal year 1983.

Second, the projections for 1986 and subsequent years are based on budget figures already badly outdated by congressional action. Specifically, the apparent decision to constrain real growth in the defense budget to 3 percent or less will obviously revise the total outlays and the proportion that national defense constitutes of total outlays. As a corollary, spending on human resources may well increase as a proportion of total outlays, even if it does not increase in dollar terms.

Third, it is important to note that the historical figures have been calculated using current practices. For example, and perhaps most important, spending on Social Security, which was off budget until the early 1960's, has been shown as on budget for the entire period. There is no distortion in the table caused by changes in the Government's accounting practices.

A look at the historical record makes it clear that, from 1941 through 1970, defense was consistently the major portion of Federal expenditures. Even during the great demobilization after World War II, defense spending never fell below 30 percent of outlays. Only during the period since 1974 has defense spending dropped below 30 percent of Federal outlays, to a level between 23 and 27 percent. One must go back prior to World War II to find defense spending that low.

One cannot help but note that, even during the peaceful years of the Eisenhower administration after the end of the Korean war, defense spending never dropped below 52 percent of Federal outlays, and was higher in most years.

By contrast, spending on human resources was below 50 percent of outlays, and generally far below 50 percent, until 1974. Only starting in 1974 did we spend more than half of Federal outlays on human resources, and we have done so consistently ever since. Even the projections that show human resources spending dropping below 50 percent beginning in 1985 may now be subject to revision because of congressional action.

One other thing that I note is that interest payments, now running at about 10 or 12 percent of the budget, are at about the same proportionate level as they were from 1947 through 1951.

Madam President, obviously the big numbers hide a lot of the small details, but they do disclose a clear pattern. In historical terms, defense spending as a proportion of Federal expenditures has dropped radically during the last dozen years, and spending on social programs has radically increased.

We have seen a sea change in the pattern of Federal expenditures, and it is one of which we must be aware. Those people who argue that next year's budget will have too much for defense and too little for human resources need to look at the historical context.

We have radically changed Federal spending patterns to emphasize social programs at the expense of defense. People can debate about the wisdom of doing that, but we must recognize that we have done it.

In my view, the change was not a wise one, for the threat that we face, the challenge to our national security, is certainly no less severe than it was during the Eisenhower or Kennedy administrations when the country devoted a far greater part of its Federal resources to the national defense.

Madam President, I wish to thank the Comptroller General and his staff at the General Accounting Office for their assistance and effort in preparing the revised table. They have done a valuable service, and I hope that they will, each year, issue an updated version of the table so that we all can see the broad historical pattern of our spending decisions.

EXHIBIT 1

BUDGET OUTLAYS BY LARGE CLUSTER, 1940–90

[Current dollar amounts in millions]

Fiscal year	National defense [1]		Human resources [2]		Net interest [3]		All other		Total (amount)
	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	
1940	$1,660	17.5	$4,139	43.7	$899	9.5	$2,770	29.3	$9,468
1941	6,435	47.1	4,158	30.5	943	6.9	2,117	15.5	13,653
1942	25,658	73.0	3,599	10.2	1,052	3.0	4,828	13.7	35,137
1943	66,699	84.9	2,659	3.4	1,529	1.9	7,669	9.8	78,556
1944	79,143	86.7	1,928	2.1	2,219	2.4	8,015	8.8	91,305
1945	82,965	89.5	1,859	2.0	3,112	3.4	4,776	5.2	92,712
1946	42,681	77.3	5,493	9.9	4,111	7.4	2,948	5.3	55,233
1947	12,808	37.1	9,909	28.7	4,204	12.2	7,575	22.0	34,496
1948	9,105	30.6	9,868	33.2	4,341	14.6	6,451	21.7	29,765
1949	13,150	33.9	10,805	27.8	4,523	11.6	10,357	26.7	38,835
1950	13,724	32.2	14,221	33.4	4,812	11.3	9,805	23.0	42,562
1951	23,566	51.8	11,001	24.2	4,665	10.2	6,282	13.8	45,514
1952	46,089	68.1	11,745	17.4	4,701	6.9	5,151	7.6	67,686
1953	52,802	69.4	11,836	15.6	5,156	6.8	6,307	8.3	76,101
1954	49,266	69.5	13,076	18.5	4,811	6.8	3,702	5.2	70,855
1955	42,729	62.4	14,908	21.8	4,850	7.1	5,957	8.7	68,444
1956	42,523	60.2	16,052	22.7	5,079	7.2	6,985	9.9	70,639
1957	45,430	59.3	18,161	23.7	5,354	7.0	7,633	10.0	76,578
1958	46,815	56.8	22,288	27.0	5,604	6.8	7,699	9.3	82,406
1959	49,015	53.2	24,892	27.0	5,762	6.3	12,429	13.5	92,098
1960	48,130	52.2	26,184	28.4	6,947	7.5	10,931	11.9	92,192
1961	49,601	50.8	29,838	30.5	6,716	6.9	11,568	11.8	97,723
1962	52,345	49.0	31,630	29.6	6,889	6.4	15,958	14.9	106,822
1963	53,400	48.0	33,522	30.1	7,740	7.0	16,653	15.0	111,315
1964	54,757	46.2	35,294	29.8	8,199	6.9	20,278	17.1	118,528
1965	50,620	42.8	36,576	30.9	8,591	7.3	22,442	19.0	118,229
1966	58,111	43.2	43,257	32.2	9,386	7.0	23,779	17.7	134,533
1967	71,417	45.4	51,976	33.0	10,268	6.5	23,803	15.1	157,464
1968	81,926	46.0	59,322	33.3	11,084	6.2	25,802	14.5	178,134
1969	82,497	44.9	65,771	35.8	12,694	6.9	22,679	12.3	183,641
1970	81,692	41.8	75,353	38.5	14,376	7.3	24,228	12.4	195,649
1971	78,872	37.5	91,902	43.7	14,840	7.1	24,558	11.7	210,172
1972	79,174	34.3	107,211	46.5	15,478	6.7	28,819	12.5	230,682
1973	76,681	31.2	119,522	48.6	17,349	7.1	32,155	13.1	245,707
1974	79,347	29.5	135,783	50.4	21,449	8.0	32,780	12.2	269,359
1975	86,509	26.0	173,245	52.1	23,244	7.0	49,334	14.8	332,332
1976	89,619	24.1	203,597	54.8	26,711	7.2	51,852	13.9	371,779
Transition quarter	22,269	23.2	52,065	54.2	6,946	7.2	14,694	15.3	95,974
1977	97,241	23.8	221,902	54.2	29,878	7.3	60,182	14.7	409,203
1978	104,495	22.8	242,329	52.8	35,441	7.7	76,465	16.7	458,730
1979	116,342	23.1	267,574	53.1	42,615	8.5	76,933	15.3	503,464
1980	133,995	22.7	313,374	53.0	52,512	8.9	91,039	15.4	590,920
1981	157,513	23.2	362,022	53.4	68,734	10.1	89,940	13.3	678,209
1982	185,309	24.9	388,681	52.1	84,995	11.4	86,722	11.6	745,707
1983	209,903	26.0	426,003	52.7	89,774	11.1	82,647	10.2	808,327
1984 (estimate)	227,413	26.7	432,042	50.7	111,058	13.0	81,268	9.5	851,781
1985 (estimate)	253,830	26.5	475,766	49.6	130,426	13.6	99,065	10.3	959,087
1986 (estimate)	285,669	29.3	476,150	48.9	142,550	14.6	69,357	7.1	973,726
1987 (estimate)	321,160	31.3	497,373	48.4	152,853	14.9	55,240	5.4	1,026,626
1988 (estimate)	358,378	32.7	525,342	48.0	159,214	14.5	51,828	4.7	1,094,762
1989 (estimate)	392,263	34.5	553,695	48.7	147,648	13.0	43,784	3.8	1,137,390
1990 (estimate)	428,560	36.0	583,311	49.0	137,715	11.6	40,445	3.4	1,190,031

[1] "National defense" is the national defense function.

[2] "Human resources" is composed of the education, training, employment, and social services functions; the health function; the social security and medicare function; the income security function; and the veterans benefits and services function.

[3] "Net interest" is composed of the interest function net of interest received by trust (nonrevolving) funds.

Source: Historical tables, Budget of the United States Government, Fiscal Year 1986, Office of Management and Budget, February 1985.

VICE ADM. JAMES B. WILSON MEMORIAL DAY ADDRESS

Mr. DENTON. Madam President, on Memorial Day this year, my good friend Vice Adm. James B. Wilson, USN (ret.), delivered a most appropriate Memorial Day address in his home town of Wayne, PA. I want to bring it to the attention of my colleagues.

Vice Admiral Wilson, a classmate of mine at the U.S. Naval Academy, had a distinguished naval career. A submarine officer who commanded U.S.S. *Andrew Jackson* (SSBN-619) from 1962 to 1966, he served in senior positions in the Department of Defense, was the last commander of U.S. Naval Forces in Vietnam, and was Chief of Naval Education and Training from 1974 to 1978.

Moreover, Vice Admiral Wilson established a reputation as a serious and thoughtful officer whose qualities of intellect matched his professional achievements. I was gratified that he was willing, during the early years of my term in the Senate, to assist me as my administrative assistant as well as my friend.

In his speech, Vice Admiral Wilson points out that:

The responsibility for how a democratic nation reacts to challenge rests not on the shoulders of its politicians, but of its citizens.

That is a point that we in the Congress, as well as all Americans, should consider seriously.

He points out that history tells us that the maintenance of peace, the avoidance of war, depends on the citizens of a democracy demonstrating "that a democratic society is competent to support a wise, persistent military and foreign policy founded on history's lessons that weakness, of will or of strength, invites war," and that "national weakness, deliberately chosen as policy, is immoral, given its all too predictable consequences."

Madam President, I thank Vice Admiral Wilson for his excellent Memorial Day speech. It is but the most recent example of his thoughtful and devoted service to our country.

I ask unanimous consent that the text of Vice Admiral Wilson's speech, delivered on May 27, 1985, be printed in full in the RECORD immediately following my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

MEMORIAL DAY ADDRESS

(By Vice Adm. James B. Wilson, USN (Ret.))

On the eighth of May, last, the 40th anniversary of the end of hostilities in Europe was marked by nations formerly allied in the struggle against Hitler's Germany, and, curiously, by the states of East and West Germany as well. I say "marked" rather than "celebrated" because, in the aftermath of these ceremonies in Europe, there seemed precious little to celebrate. Press coverage documented, in the West, a Europe still traumatized by the experience of World War II.

Certainly one finds reason enough for trauma in that war, and one of the principal functions of an observance such as this is to

keep fresh the memory of war's hideous face. Remember: 51 million civilians killed—and the mind simply cannot comprehend that number in that context—among these, perhaps as many as 10 million innocents exterminated in death camps.

And political realities in today's Europe are not calculated to relieve this trauma rooted in the past: barbed wire separating West from East; former allies now a set of totalitarian states, each with its glittering military panoply arrayed against the Western democracies.

And there is the painful knowledge that only 21 years separated World War II in time from World War I—the war to end all wars, you remember, which did not lack for horrors of its own: 15 million civilians dead; the youth of Europe—almost an entire generation shorn away amongst millions of military casualties.

In one brief offensive in 1917, for example, the British suffered 448,614 casualties (I don't round off that number—each digit represents human beings), all this to gain six miles of wasteland, a wasteland gutted by trenches and made virtually impenetrable by barbed wire.

Moving forward in time from the World War II datum, we have the vicissitudes of Korea and, more recently, Vietnam that remain vivid and searing memories, all contributing to trauma, particularly in the United States.

What are we to make of all this? Are we not bound to search for some meaning in this tragic history as we seek perspective with which to view the deaths of those brave men and women, many of them our friends, who died in war and whom we honor today?

Is there not a lesson to be learned from a close study of events leading up to these various cataclysms of war?

In looking back on these wars, it seems clear that action taken when the threat to peace was first recognized could have been decisive in preserving peace. We know that action was not taken. For example:

Before World War I, in 1911, the Kaiser's armies were described by observers as awesome, yet the alliance linking Britain and France was a weak thing, and, even in 1914, England was spending less of its revenues for military purposes, proportionately, than it had ten years before, and the situation in France was, if anything, worse.

Before World War II, in March of 1936, Hitler militarized the Rhineland in violation of the Treaty of Versailles. Italy, France, and England, those nations most directly threatened, did not respond when to do so would have cost virtually nothing in blood and treasure.

As John Roche has written recently, the ominous auguries of today's crises began to accumulate in 1946–47, ironically soon after V-E Day, as Stalin's forces "moved to establish the totalitarian order in Eastern Europe." But even by this time, Americans were indifferent to foreign affairs and our armed forces, as is our custom after wars, had been reduced to impotence. Korea and Vietnam lay ahead.

There are many more examples, all painfully redundant in showing that the early prudent steps that might have prevented war and crisis in this century were not taken. World War II is particularly instructive in shedding light on this phenomenon, I believe. Many of us here today remember the concessions to Hitler at Munich in October 1938. As a consequence of those concessions, by March 1939 Czechoslovakia ceased to exist as a nation; on September 1, 1939, German troops crossed the Polish border at all points of attack, and the abyss gaped before the civilized world.

Munich has become a symbol of decisions to retreat, wrongly reached because of fear and weakness owing to failure to maintain adequate strength over years of peace. It is a particularly melancholy episode because great powers broke their promises and yielded up a small democratic nation to the obscene appetites of a criminal regime openly preaching racial hatred and bent on conquest.

But is this the only lesson of Munich? Certainly to assert that weakness invites disaster and that adequate military strength must undergird a foreign policy is a commonplace.

In my view, there is another, perhaps more important, lesson of Munich: A search of the archives finds a common theme uttered in the statements of British politicians like Baldwin and Chamberlain, and their counterparts in France, as they sought to excuse, after the fact, their monumental failure of nerve in confronting Hitler. They were unanimous in asserting that the lack of preparedness reflected the unwillingness of the *public* to support a strong defense program! Stanley Baldwin, in a notorious admission, stated that elections simply could not be won by asking for public sacrifice in the interests of defense. (And I ask if there are not echoes of this sentiment in our own time?)

It is instructive that these politicians accepted no responsibility for failure to mobilize public opinion in favor of national defense in their long years of political leadership. Adolph Hitler made the Munich crisis, and Neville Chamberlain resolved it by sacrificing Czechoslovakia. All this is true, but it needs to be remembered that in so doing he acted for the men and women of Britain as he understood their wishes. The consequence was a slaughter of unimaginable scale and ferocity.

And so there you have it. The responsibility for how a democratic nation reacts to challenge rests not on the shoulders of its politicians, but of its citizens. It is we as individuals who give substance to the policy of our nation.

As we seek, then, to reconcile ourselves to the deaths of those we honor today, it is incontestable that they died to serve the democracy of the living. If we are to keep faith with them, we as citizens must demonstrate that a democratic society is competent to support a wise, persistent military and foreign policy founded on history's lessons that weakness, of will or of strength, invites war; that successful arbitration and negotiation proceed from a posture of strength; that national weakness, deliberately chosen as policy, is immoral, given its all too predictable consequences.

On such a basis, perhaps, we can reconstruct the failed hopes of this century, and come one day, God willing, to look upon our last war as our last. If we fail, the imagery of Winston Churchill's words spoken in World War I (in 1915) will become a metaphor for our own times, and I close by quoting, in part, his words: ". . . death is familiar, and sorrow numbs. The world is in twilight; and from beyond the dim flickering horizons comes tirelessly the thudding of the guns."

MYASTHENIA GRAVIS AWARENESS WEEK

Mr. BYRD. Madam President, today I am introducing on behalf of myself and Senator METZENBAUM a joint resolution designating the week of October 6 through October 12, 1985, as "Myasthenia Gravis Awareness Week". Myasthenia gravis is a neuromuscular disease that causes voluntary muscles to become weak and to tire easily. It's estimated that from 100,000 to 300,000 Americans are afflicted with the disease. Women are twice as susceptible to the disorder as men, with the highest incidence occurring between the ages of 20 and 40. It is a difficult disease to cope with, one where the victim may not even be able to finish drinking a glass of water without resting because the muscles in the back of the throat cannot sustain the effort. There is no known cause of the disease and much research is needed in finding its cause and for improving the treatment of its victims.

Madam President, I ask unanimous consent that a copy of my resolution be printed in the RECORD following my remarks, and that the resolution remain at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I thank the Chair.

The joint resolution is as follows:

S.J. RES. 183

Whereas the incidence and prevalence of myasthenia gravis present a significant health problem in the United States;

Whereas myasthenia gravis is a severe neuromuscular disorder, characterized by weakness of the voluntary muscles of the body;

Whereas an estimated one hundred thousand to two hundred thousand diagnosed, and over one hundred thousand undiagnosed, Americans of both sexes, and all races and ages, are afflicted with the disease;

Whereas the Nation faces a continuing need to support innovative research into the causes, treatment, and cure of myasthenia gravis; and

Whereas it is appropriate to focus the Nation's attention upon the problem of myasthenia gravis: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 6 through October 12, 1985, is designated as "Myasthenia Gravis Awareness Week" and the President of the United States is authorized and requested to issue a proclamation calling upon all Government agencies and the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

DEPARTMENT OF STATE AUTHORIZATION ACT, FISCAL YEARS 1986 AND 1987—CONFERENCE REPORT

Mr. DOLE. Madam President, I submit a report of the committee of conference on H.R. 2068 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2068) to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the U.S. Information Agency, the Board for International Broadcasting, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report will be printed in the House proceedings of the RECORD.)

Mr. LUGAR. Madam President, I rise to support the conference report on H.R. 2068, the Foreign Relations Authorization Act for fiscal years 1986 and 1987.

The conference report authorizes programs vital for the conduct of American foreign policy and essential for our national security. The report authorizes $2,752,896 for fiscal 1986 and $2,795,918 for fiscal 1987, largely for the State Department's administration of foreign affairs and its support for international organizations and migration and refugee assistance. The report also authorizes $887.9 million for the U.S. Information Agency in each fiscal year, and $125 million for the Board for International Broadcasting in each fiscal year. In adopting these amounts, the conferees have ensured adequate funding, but they have also recognized the necessity for fiscal restraint by authorizing a total that is $130.5 million below the administration's request.

In addition to authorizing funds for these departments and agencies, the conference report contains a number of other provisions that will strengthen our national security and international relations. The conferees adopted, with small modifications: a Senate provision first offered by Senator KASSEBAUM that will help bring about budgetary restraint in the United Nations; a provision first offered by Senator HELMS that will create an independent Inspector General in the State Department; provisions first offered by Senator HAWKINS that earmark vital funding for Radio Marti, strengthen radio broadcasts to Soviet Jews, and create a U.S. International Narcotics Control Commission; a provision first offered by Senator HUMPHREY that creates a Radio Free Afghanistan, and provisions first offered by Senators ROTH, COHEN, and LEAHY that will enhance our ability to prevent foreign diplomats from acting in ways that are hostile to the interests of the United States.

The conferees also adopted an important provision first offered by Senator MATHIAS that creates a structure for a scholarship program for foreign undergraduates; a provision offered by Senator BIDEN that increases the administration's ability to coordinate information concerning drug trafficking; and a provision first offered by Senator D'AMATO that authorizes funding for international competitions among disabled athletes.

There are many other excellent provisions in the report, among them those offered by Senators EVANS, KASTEN, ZORINSKY, WARNER, TRIBLE, DOMENICI, BYRD, and GRASSLEY. Several of these amendments were first offered on the Senate or House floors, and agreed to by the conferees. In all, the conferees resolved over 100 disputed issues in a spirit of compromise and mutual concern for a strong and effective foreign policy. I am pleased, as conference chairman, to commend Chairman FASCELL, Mr. BROOMFIELD, Mr. MICA, Ms. SNOWE and the other House conferees, and, on our side, Senators PELL, HELMS, MATHIAS, and BIDEN. We believe that we have produced a conference report which sets a prudent budgetary and programmatic framework for our foreign policy over the next 2 years. I urge the Senate to adopt this report.

Mr. PELL. Mr. President, I wish to join Senator LUGAR in supporting the passage of the conference report on H.R. 2068, the Foreign Relations Authorization Act, fiscal years 1986 and 1987. The Senate conferees did a commendable job in defending the Senate position on this bill. There were over 103 separate issues resolved by the conferees, ranging from a statement of extreme concern for the plight of the refugees located in Thailand to a report requirement on compliance with arms control agreements by the world community, and adherence by the United States to such agreements.

The primary purpose of this bill is to authorize appropriations for the Department of State, the U.S. Information Agency, the Board for International Broadcasting, the Arms Control and Disarmament Agency, the Asia Foundation, and the National Endowment for Democracy. The total amounts authorized by this legislation in fiscal year 1986 and 1987 are $3.7 billion and $3.8 billion respectively. While these amounts are well below the administration's requested levels, I am pleased to note that the conferees agreed to a funding level for the Department of State which will allow it to accelerate the vitally important security enhancement project designed to provide increased protection for U.S. diplomats abroad.

The conference report also strengthens the ability of the Office of Foreign Missions and other Federal agencies to restrict the illicit activities of diplomats from nations hostile to U.S. interests.

In addition to the above, this conference substitute provides funding for the two key agencies of American public diplomacy, the U.S. Information Agency and the Board for International Broadcasting. The conference substitute provides $179,190,000 in fiscal year 1986 and $192,575,000 in fiscal year 1987 for certain educational and cultural exchange programs, comprised of separate earmarked funding for the Fulbright Academic Exchange Programs, the International Visitor Program, the Humphrey Fellowship Program, and a program of exchanges with Latin American and the Caribbean. In the case of the Fulbright, Humphrey, and International Visitor Programs, the earmarked levels are only floor levels; and I would hope the Agency could provide the full funding requested for these programs by the President.

The bill also includes major funding for modernization of the Voice of America and Radio Free Europe/Radio Liberty. The bill strengthens the oversight of Radio Free Europe/Radio Liberty by requiring the Secretary of State to be represented at all BIB and RFE/RL board meetings and by designating a liaison office in the Munich Consulate to coordinate with the RFE/RL management. This should help limit program violations by the Radios.

The very significant increases contained in this bill for exchange-of-persons program as well as the long overdue funding for radio modernization represents a very major advance for these two critical elements of American public diplomacy.

I am also pleased to report that the Arms Control and Disarmament Agency authorization approved by the conference committee will provide an appropriate level of funding for ACDA in this and the next 2 years. The House and Senate agreed on the overall funding levels, and the conference committee accepted the Senate provision earmarking an additional $4,321,000 this fiscal year and earmarked $6,146,000 in each of the next 2 fiscal years specifically for the support of the negotiations in Geneva. We realize how critically important these negotiations are to our national security and wanted to ensure that the Congress provided the necessary financial backing. In addition, the committee of conference accepted an amendment I offered, which had been approved by the Senate, requiring that the Presi-

dent submit an annual report, prepared by the Director of ACDA on the adherence of the United States to obligation undertaken in arms control agreements with other nations and on any problems related to compliance by other nations with arms control agreements with us. I believe that this report will underscore and reinforce the efforts of the Congress to emphasize the importance of compliance with and adherence to arms control obligations.

Madam President, in conclusion, this conference report will do much to strengthen the U.S. foreign policy apparatus. It merits the strong support of my colleagues.

Thank you, Madam President.

AMERICA'S RELATIONS WITH JAPAN AND CHINA

Mr. BYRD. Madam President, I wish to compliment the distinguished chairman and distinguished ranking minority member of the Committee on Foreign Relations for their leadership in crafting the conference report on the fiscal 1986 Department of State Authorization Act.

I also wish to highlight two sections of this conference report which represent important policy statements by Congress regarding our relationships with two of the key nations in the Far East—Japan and the People's Republic of China.

I am especially gratified that conferees adopted, with only minor modifications, the sense of the Congress amendment that I introduced on behalf of myself and Senators BENTSEN, THURMOND, LEVIN, BOREN, and KERRY, strongly urging Japan to significantly increase its defense spending to meet its mutual security commitments.

For far too long, Japan has failed to carry a fair share of the common defense burden and has continually delayed the necessary improvement of her self-defense forces, so that her responsibilities under the Mutual Security Treaty with the United States can be met and her commitment to defend her air space and sea lanes out to 1,000 miles from the home islands can be fulfilled.

The language adopted in this conference report sends a strong message from the entire Congress, not just the Senate, that the American people are running out of patience with this failure by Japan to fulfill her own self-defense commitments.

This message calls on Japan to increase significantly its defense spending during the next 5 years in order to develop this promised 1,000-mile self-defense capability by 1990.

The language also requires the U.S. Government to inform Congress annually whether Japan is providing sufficient resources to make the promised improvement in her self-defense forces by 1990 and it calls on Japan to reduce substantially the shortfalls in ammunition, logistics, and sustainability which now limit the self-defense effectiveness of her combat forces.

It also requires the executive branch to inform Congress as to what actions it is taking to encourage Japan to, on her own, develop these capabilities by the end of this decade.

The language puts both the U.S. Government and the Government of Japan on notice that the American people want fewer promises and more action by Japan to improve her own self-defense. The required information will permit Congress to better understand whether Japan's self-defense spending performance is matching her positive-sounding promises.

Madam President, we are not asking Japan to assume new, offensively oriented military responsibilities. We are calling on her to develop only self-defense-oriented capabilities. We have received testimony from the newly appointed chairman of our Joint Chief of Staff, Adm. William J. Crowe, Jr., that Japan can increase her defense spending significantly and meet her self-defense commitments to the United States without developing the offensive forces which would threaten her neighbors.

My language, now endorsed by the full Congress, sends an appropriate message to our ally. I hope that Japan will heed it as she develops, this summer, her defense program for 1986–90. If so, she will make a meaningful contribution to her own security and that of the United States.

Finally, I was pleased to note that the conferees accepted in its entirety my amendment encouraging greater emphasis on United States/China trade development. We learned yesterday that our trade deficit for the first half of 1985 exceeded $70 billion. In June alone, we experienced the second highest 1-month trade deficit in our history; $13.4 billion. American firms deserve all the support we can give them in establishing themselves in new markets. The Chinese economy is expanding by leaps and bounds, and our European and Japanese competitors are making aggressive efforts to establish a foothold in that expanding market. China plans to spend some $14 billion over the next 2 years in its modernization campaign. I want to assure that, consistent with American security objectives, we participate in that expansion through a determined export program. Jobs in this country depend upon our ability to reach new markets with our products, and I am pleased to have authored an amendment which, I am confident, will demonstrate congressional intent regarding the promise of the Chinese market.

Mr. MATHIAS. Mr. President, the conference report on the authorization for the State Department includes dozens of very important measures, above all the means to keep one of our most vital agencies functioning smoothly and more effectively.

Among other things, the legislation includes a promising new International Scholarship Program which many Members of the Senate and House believe can address a fundamental lapse in our efforts to promote democratic values throughout the world. This program embodies a simple but compelling idea: To try to bring more future leaders from the developing countries to the United States—at a younger age, at an increased rate, and, we hope, with even more constructive results than several other programs have produced.

Under the conference agreement, we would identify and invite undergraduate students from all economic classes in Latin America, Asia, Africa, and other areas to come to this country. Following the example of the Fulbright-Hays Act, the bill does not specify the level of funding and number of scholarships at this time. Policy decisions will have to be made on the proper balance between academic and technical education. But the Scholarship Program attempts to perform a task that the Fulbright Program cannot: Reaching out to undergraduate students from lower-income families who lack opportunities in their countries but who nevertheless often become very influential individuals in the evolution of their societies.

Several authoritative commissions and surveys have documented our lack of sustained effort in this regard. Last year, the Kissinger Commission noted that the Soviet Union offers such scholarships to a far greater number of students than does the United States.

In May 1983 the Foreign Affairs Committee in the other body concluded that the Nation has virtually ignored the need for viable Exchange Programs with lesser developed countries.

We live in a great country with an exciting past, a promising future and an unmatched set of sustaining values and beliefs. Yet far too few students from other countries, particularly in the Third World, are able to come here to experience our society—both the good and the bad—firsthand. It is in our long-term interest to expose them to our freewheeling political system, to our opportunities, to our freedom of expression, to our free enterprise system. It is in our interest as well to expose our own students to the views of people from other lands.

I cannot promise that everyone who comes will be an unwavering advocate of our way of life, of our democracy. But I'm willing to wager that in the final analysis, the vast majority will get a real taste of the strengths and weaknesses of our country, and go

away with a positive and lasting impression that can only help us in our relations with their countries.

This bill also includes several other provisions that strengthen our diplomatic efforts. For example, it authorizes a pilot program for spouses in the foreign service. We need to find a way to make more productive use of the education and work experience of the husbands and wives of State Department personnel abroad. And this study will help identify means to attract an increasing number of talented individuals who represent us abroad.

I am confident that this program will address a serious problem, at limited cost, with far-reaching benefits in both the morale and the effectiveness of our diplomatic efforts.

I also want to note another cost-effective provision: The increase in funds for the Asia foundation. The additional funds, up to $10.5 million, will enhance the foundation's ability to influence the evolution of democratic institutions in the region.

And I would like to underline the importance of a brief but essential technical amendment, one to bring our National Emergencies Act in line with our constitution.

The Supreme Court decided in the Chadha case that decisions of such enormous importance must be made in strict compliance with provisions of the Constitution. Chadha requires that for any act of Congress to have the full effect of law, it must be approved by both houses and signed by the President.

We must have a rational system under which the need for a national emergency may be debated in the Congress and brought to a vote in a manner consistent with our democratic process. After studying the Court's opinion and our National Emergencies Act of 1976, I concluded that we should amend the act and replace the use of the concurrent resolution for ending a national emergency with the procedure of a joint resolution.

Mr. DOMENICI. Mr. President, the conference agreement on the State Department-USIA authorization bill marks a new commitment by Congress to closer relations between the United States and other countries of the Western Hemisphere, especially those in Central America.

The conference agreement on H.R. 2068 includes a number of important provisions relating to scholarships and exchange activities, but I am particularly pleased that the U.S. Information Agency is now madated to give top priority to activities in our own hemisphere. Congress recognizes that our Spanish-speaking neighbors, as well as our neighbors in Brazil and the Caribbean islands, find it easier to travel to and study in the Soviet Union and Eastern Europe than to sample the good and bad sides of these marvelous United States. This imbalance is now partially corrected.

Last year the Bipartisan Commission on Central America, headed by former Secretary of State Henry Kissinger, made a number of recommendations concerning Education Exchange and Undergraduate Scholarship Programs. The bipartisan commission envisioned 10,000 scholars from Central America coming to the United States during the remainder of the decade, and that recommendation is made official U.S. policy by this legislation.

Specifically, the conferees agreed to the amendment offered by me and several other Senators to earmark $45 million in each of the next 2 fiscal years for scholarship and exchange programs in Latin America and the Caribbean. Of this amount, $12 million was requested for Central America Undergraduate Scholarship Programs. Although much of this $45 million would be administered through the traditional, ongoing Fulbright and Humphrey Exchange Programs, all of these funds, including the Undergraduate Program, are by law to be used in a manner consistent with the recommendations of the National Bipartisan Commission on Central America.

The conferees also agreed to an amendment—section 614—that requires the Director of the USIA to report on the feasibility of greater utilization of universities located in border states with sizable Hispanic populations. The Agency for International Development and the USIA are encouraged to take advantage of the unique cultural characteristics of such areas in California, Arizona, New Mexico, Texas, Louisiana, and Florida as they implement the provisions of the bipartisan commission.

Enactment of these amendments and my service on the bipartisan commission have marked my introduction to Latin American affairs, and I fully intend to continue to work with Chairman LUGAR and other members of the Foreign Relations Committee to encourage better understanding and cooperation between our country and our neighbors to the South. I am encouraged that so much of the work of the Kissinger Commission has been made national policy in this legislation and in the foreign aid authorization bill that was sent to the President today. I thank the managers of the bill for their help and encouragement.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. DOLE. Madam President, I move to reconsider the vote by which the conference report was agreed to.

Mr. BYRD. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE AGENDA

Mr. DOLE. Madam President, I would hope that in a few moments if we can, unless there is some big dispute, turn to the in-flight emergency care, S. 63. It is my understanding there was a problem that may have been resolved.

Could I ask the distinguished Senator from Ohio if that is a fact, or whether there is still a problem.

Mr. METZENBAUM. Madam President, there is still some problem.

I want to make it clear that I support Senator GOLDWATER. I just want to go further than he does.

We have been in negotiations with him. I am not here on the floor to keep the Senator from moving to the disposition of the matter. But I think if we did not do it right at the moment possibly we would get it worked out. But I am certainly not going to object to proceeding forward.

Mr. DOLE. Madam President, I think it could be worked out. It is better to wait to see if we cannot work it out.

Is it with reference to the Good Samaritan provision?

Mr. METZENBAUM. I think that is correct, yes. It does involve the Good Samaritan rule. But it is not what I consider one of those insurmountable hurdles that possibly some compromise could not be found.

We like what Senator GOLDWATER is attempting to do. We would just like to do a little bit more of it.

But I do not want to stand in the way of the majority leader. If he feels strongly about moving forward, I would not object to him doing so. But I think there might be advantages to not doing so for at least the moment.

Mr. DOLE. Madam President, I am advised that the distinguished Senator from Missouri, Senator DANFORTH, the chairman of the committee, might be able to help resolve that issue. So I will not proceed to S. 63.

What about S. 1218, the International Air Transportation Protection Act? Is that less possible for resolution?

Mr. METZENBAUM. Let me say that the Senator from Ohio has an interest in that measure and again would not stand in the way of the majority leader moving forward on it.

My concerns have to do with whether or not, since it is legislation that is so zeroed in on a specific kind of issue vis-a-vis the matter of takeovers, Congress should be acting on that. Therefore, it is entirely likely that I would address myself to that subject with some discussion, but I do not want to say that I am opposed to the majority leader proceeding forward. nor would I stand in the way of his doing so.

But once we get on the measure, I do have some concerns about the substance of it.

Mr. DOLE. I thank the Senator from Ohio.

We might probably move more quickly if we did not bring up either bill at the moment and try to resolve the question with S. 63 and then make a decision on the other one.

So, Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COCHRAN). Without objection, it is so ordered.

IN-FLIGHT MEDICAL EMERGENCIES

Mr. DANFORTH. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of S. 63, In-Flight Medical Emergency Act.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 63) to encourage the rendering of in-flight emergency care aboard aircraft by requiring the placement of emergency first aid medical supplies and equipment aboard aircraft and by relieving appropriate persons of liability for the provision and use of such equipment and supplies.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 563

Mr. GOLDWATER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. GOLDWATER] proposes an amendment numbered 563.

On page 4, line 9, insert "(other than a physician or an osteopath)" immediately after "personnel".

On page 4, strike all from line 24 through line 11 on page 5.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. GOLDWATER. Mr. President, I will be happy to yield.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I commend the Senator from Arizona for offering this amendment. As the bill was orginally submitted, there was concern that in supplying these medical kits, which I think is an extremely important step and in the right direction—which is required by the bill and which will force the FAA to act in order to see that these medical kits are on the plane—there were some provisions in it that provided for exemptions from liability which were pretty broad.

What Senator GOLDWATER'S amendment does—and I might say this has been worked out with the cooperation of the Senator from Arizona, the chairman of the Commerce Committee, Senator DANFORTH, and myself—is we are limiting the limitation on liability to flight attendants, nurses, and paramedics. We are not providing an exemption from liability for the most important, and that is to the air carrier.

As a consequence, I believe that the air carriers will have a sense of responsibility to train their personnel to see to it that they are able to use some of this equipment that will now be on board.

I think all of that is a major step in the right direction. I commend the Senator from Arizona and I am happy to join with him in supporting this amendment.

Mr. GOLDWATER. Mr. President, I believe the Senator makes a good point. I urge the FAA to use its complete discretion in deciding what items should be included in these kits, notwithstanding the report language to the contrary.

Mr. President, this all came about some 3 years ago when a good friend of mine had a piece of meat lodged in his throat. There was no equipment on board to dislodge it. He was far to big a man to use the customary Heimlich maneuver on. Fortunately, they were flying over Ohio and the pilot was able to land before much damage was done. But the man has never been the same since. His brain was damaged from a loss of blood.

I have always asked every airline on which I fly to show me their medical kit. They all say they carry it. What they carry is what we used to use when we were Boy Scouts, a little tin box. Sometimes they have aspirin in the box; sometimes they do not. Sometimes there is adhesive tape; sometimes there is not. There is always a little wooden splint. I never figured out what that was for unless you broke your finger.

Mr. President, the airlines were very reluctant to accept this legislation. In fact, they fought it.

The airlines in our country are the only airlines in the world that do not carry medical kits.

In most of the kits you will find drugs that can be used if they are needed, but they are not released except when the captain, under whose jurisdiction and control the kit comes, is satisfied by the disclosure of a card that the person asking for the use of the kit is qualified to use it.

We all recognize that not on every airline passenger list will be doctors, although surprisingly research will show that most every airline is carrying a doctor or two or three at all times. Even that is beside the point.

The point is that when you run into the type of situation that I have described, which is not uncommon—someone having a piece of meat lodged in their throat—it is not difficult to dislodge it if you have the proper tool. They do not have that today.

I am very glad that the Senator from Ohio has assured us that we should change our language. I think the bill now is a perfectly acceptable bill. I am waiting for adoption of the amendment.

Mr. METZENBAUM. Mr. President, I was very happy to hear the Senator from Arizona indicate that he urges the FAA to use its complete discretion in deciding what items should be included in the kit. We went on to point out, notwithstanding the report language to the contrary.

Mr. President, I think that is important because the report language did contain some language that might have been otherwise confusing to the FAA. S. 63 does not set forth the items which should be contained, but the report language says the kits should not contain dangerous surgical instruments, such as scalpels or other incisive devices, or controlled substances as defined in the Comprehensive Drug Abuse Prevention and Control Act of 1970.

The FAA, in its notice of proposed rulemaking, states its intent to include in these medical kits scalpels and certain medications which may or may not be considered controlled substances.

Mr. President, frankly, I was concerned about that report language, concerned because it could affect safety on the airlines and the fear that drugs and sharp objects might fall into the wrong hands being the argument that was originally made for excluding those items. However, I think it is a mistake to tell the FAA not to include these items if they, through a lengthy investigation, find that such items are necessary to save lives.

I join with the Senator from Arizona in strongly saying to the FAA, "Use your discretion. Do what you think is right. Do not worry about the report language. When the bill was handled on the floor of the Senate, the author of the legislation and the Senator handling the matter on the other side of the aisle both agreed that the report language was not binding or instructing the FAA and that the FAA may use such judgment and discretion as it deems advisable with respect to what should be included in the kit."

Mr. President, I feel confident in saying that the chairman, of the Commerce Committee would agree that

the report language in this instance should not be binding.

Mr. DANFORTH. Mr. President, first I would like to say that I do agree with the Senator from Ohio. Furthermore, I think he has once again demonstrated his great concern and care for some of the finer points of the legislative process. I think his suggestion relating to the discretion to be provided to the FAA is an important suggestion. I commend him and express my appreciation for his assistance in working out the details of this bill.

I also commend the Senator from Arizona. This has been a matter that has been very dear to his heart, growing out of a personal experience which he described earlier. I have no doubt that adequate medical equipment carried on aircraft, together with training of personnel who work on the aircraft, is going to save people's lives. Therefore, I compliment the Senator from Arizona for his outstanding contribution to safety in commercial aviation.

Mr. GOLDWATER. Mr. President, just to conclude, I stated earlier that the United States is the only country where airlines do not carry these kits. The Canadian kit is one that I used as an example in the testimony last year. I think it sells for $200. I think the British kit goes for a little bit more than that. There are not many things that can happen to you on an airplane. If you get into real excessive turbulence there and you have not fastened your belt, it is possible to break an arm, it is possible to break a leg, in which case, it is not a question of whether you can set the bone. That can be handled later. It is a question of relieving pain. That is the reason and the only reason that some kind of pain reliever might be carried in that kit.

People do get violently sick on aircraft just as they would get sick if they are in their own homes and they need some kind of medication that would relieve that, something that would stop whatever is happening. That would be included in the kit.

The kit is not the type of kit that a doctor is going to carry to the operating room. There might be a scalpel needed in it in the case of a person receiving a large splinter of some sort on the aircraft. But what we are after is the protection of the health and safety of people flying on airliners. I am glad to see that the amendments have been made.

I am very pleased that the airlines have removed their total objection to this and we no longer have to put up with Boy Scout kits.

Mr. METZENBAUM. Mr. President, as a concluding remark, I would like to say that I have appreciated working with Senator GOLDWATER and Senator DANFORTH. I very much appreciate the kind comments Senator DANFORTH saw fit to make. But I would like to thank publicly the staff members who are always at the right hand of so many of us Senators—Steve Johnson and Allen Moore for Senator DANFORTH, and Ellen Bloom, who was so helpful to me in the handling of this matter.

I think we are going to pass a good piece of legislation and I think it serves the public interest well.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 563) was agreed to.

Mr. DANFORTH. I move to reconsider the vote by which the amendment was agreed to.

Mr. METZENBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DANFORTH. Mr. President, on January 3, 1985, Senator GOLDWATER introduced S. 63, the "In-flight Medical Emergencies Act of 1985." He introduced this bill to encourage more effective emergency medical care aboard commercial aircraft.

This legislation directs the Federal Aviation Administration to formulate rules to require passenger aircraft to carry medical supplies for the temporary treatment of in-flight emergencies. Current medical kits are inadequate and outdated for this purpose. In addition, the bill would relieve from liability any designated airline employee or licensed medical person, other than a physician, when the kit is used in good faith, and without gross negligence or recklessness.

On May 16, the Commerce Committee unanimously reported this legislation. I commend Senator GOLDWATER for his initiative—which he has pursued through two Congresses—which promises to increase passenger aircraft safety substantially.

Mr. President, I urge my colleagues to give this bill their full support.

Mr. HOLLINGS. Mr. President, I rise in support of S. 63, the In-Flight Medical Emergencies Act. Introduced by Senator GOLDWATER in each of the last 3 Congresses, this legislation would encourage and improve the medical care for injured and ill airline passengers. It's a worthy step toward ensuring adequate safety for air travelers against the many ailments that may afflict them while in flight.

Airline medical kits have changed little since the first round-the-world flight in the 1920's. The only medical items that the FAA currently requires an airline to carry are bandages, ammonia, burn ointments, and some splints.

Times have changed and needs have changed with them. U.S. airlines currently fly some 300 million passengers per year. Many of these trips involve a significant amount of time in the air—perhaps 8 or 10 hours—time enough for an individual or crew member to suffer from a heart attack or a seizure. Clearly, an existing medical kit would be of little, if any, assistance in either situation.

Some foreign airlines carry more sophisticated kits, containing certain drugs and equipment capable of aiding ill or injured passengers. For example, an improved kit that is reportedly on the market includes medications for cardiovascular emergencies, asthma, seizures, diabetic shock, and instruments such as blood pressure cuffs, stethoscopes, and devices to stop bleeding and save choking victims.

Mr. President, S. 63 also would provide the basis for protecting certain qualified individuals from liability when they properly use these drugs and equipment. The committee heard of numerous situations aboard aircraft where qualified personnel have refused to offer their assistance for fear of being held liable should the victim not fully recover. Greater harm is done by not encouraging that individual to come to the aid of the victim. S. 63 provides that protection in hope of promoting greater medical attention for ill and injured air travelers.

I do believe that it is important to note, however, that this bill would not relieve an individual from being held liable for using a medical kit in a reckless or grossly negligent manner. Nor is that bill designed to discourage the flight crew of an aircraft with an ill passenger from making the responsible decision to land the aircraft, if such action were deemed necessary for adequate medical care.

Mr. President, we in Congress can take great pride in the fact that America is the safest Nation in the world. American consumers can nearly always rely on the premise that the products or services they use are least likely to cause them harm.

Unfortunately, when in-flight medical emergencies occur, U.S. air carriers do not rank as high as some of their foreign counterparts, simply because they do not carry some of the most basic emergency medical equipment. S. 63 will solve this problem. I urge its passage.

The PRESIDING OFFICER. Are there further amendments to be proposed on the bill? There being no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The bill (S. 63), as amended, was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 63

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "In-Flight Medical Emergencies Act".

SEC. 2. As used in this Act, the term—

(1) "aboard an aircraft" means physical presence in an aircraft from the time of embarkation of any flight crewmember or passenger, through flight and culminating in the disembarkation of all flight crewmembers and passengers;

(2) "air carrier employee" means any person who is employed by an air carrier, as that term is defined in section 101(3) of the Federal Aviation Act of 1958 (49 U.S.C. 1301(3));

(3) "aircraft" has the meaning given such term in section 101(5) of the Federal Aviation Act of 1958 (49 U.S.C. 1301(5)), and includes—

(A) civil aircraft of the United States;

(B) aircraft of the national defense forces of the United States;

(C) any other aircraft within the United States;

(D) any other aircraft outside the United States (I) that has its next intended destination or last point of departure in the United States, if that aircraft next actually lands in the United States, or (II) having an "offense" (as defined in the Convention for the Suppression of Unlawful Seizure of Aircraft) committed aboard, if that aircraft lands in the United States with the alleged offender aboard; and

(E) any other aircraft leased without crew to a lessee who has his principal place of business in the United States or, if such lessee has no such principal place of business, who has his permanent residence in the United States;

(4) "emergency care" means care, first aid, treatment, or assistance rendered to an injured or ill person, but does not include the operation of an aircraft;

(5) "good faith" means a reasonable opinion (even if mistaken) that a situation is such that the rendering of medical care is needed and should not be postponed;

(6) "licensed medical personnel" means any person, including a physician or nurse, who is licensed to render medical care in any State; and

(7) "State" means any of the several States, the District of Columbia, and the territories and possessions of the United States.

SEC. 3. Within one hundred and eighty days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall issue final rules requiring each aircraft carrying passengers for compensation or hire to carry sufficient first aid medical supplies and equipment for the rendering of emergency care aboard the aircraft in response to in-flight medical emergencies. Such rules shall also require that first aid medical supplies and equipment be made available to any licensed medical personnel and any air carrier employee who the Administrator has determined, in promulgating such final rules, can properly use such supplies and equipment.

Sec. 4. (a) Any licensed medical personnel (other than a physician or an osteopath) or any air carrier employee specified in section 3 of this Act who, in good faith, renders emergency care aboard an aircraft shall not be liable for any civil damages as a result of any act or omission by such licensed medical personnel or air carrier employee in rendering such care, including the rendering of emergency care from the time of disembarkation through transportation from the aircraft to a medical facility for further medical treatment or care.

(b) The relief from liability accorded in subsection (a) of this section shall not apply if any such act or omission is done recklessly or in a grossly negligent manner.

(c) Nothing in this section shall alter or abridge the authority of the pilot in command of such aircraft, including whether, where or when emergency care should be rendered.

Mr. DANFORTH. I move to reconsider the vote by which the bill was passed.

Mr. METZENBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

USE OF OFFICIAL MAIL IN THE LOCATION AND RECOVERY OF MISSING CHILDREN

Mr. METZENBAUM. Mr. President, the action I am about to take has been cleared with the leaders on both sides of the aisle.

Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1195.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives.

Resolved, That the bill from the Senate (S. 1195) entitled "An Act to require that a portion of the mail of Congress and the executive branch include a photograph and biography of a missing child", do pass with the following amendments:

Strike out all after the enacting clause and insert:

SECTION 1. AUTHORITY TO USE PENALTY AND FRANKED MAIL.

(a) AUTHORITY.—Chapter 32 of title 39, United States Code, is amended by adding at the end thereof the following:

"§ 3220. Use of official mail in the location and recovery of missing children

"(a)(1) The Office of Juvenile Justice and Delinquency Prevention, after consultation with appropriate public and private agencies, shall prescribe general guidelines under which penalty mail may be used to assist in the location and recovery of missing children. The guidelines shall provide information relating to—

"(A) the form and manner in which materials and information relating to missing children (such as biographical data and pictures, sketches, or other likenesses) may be included in penalty mail;

"(B) appropriate sources from which such materials and information may be obtained;

"(C) the procedures by which such materials and information may be obtained; and

"(D) any other matter which the Office considers appropriate.

"(2) Each executive department and independent establishment of the Government of the United States shall prescribe regulations under which penalty mail sent by such department or establishment may be used in conformance with the guidelines prescribed under paragraph (1).

"(b) The Senate Committee on rules and Administration and the House Commission on congressional Mailing Standards shall prescribe for their respective Houses rules and regulations, and shall take such other action as the Committee or Commission considers necessary and proper, in order that purposes similar to those of subsection (a) may, in the discretion of the congressional official or office concerned, be carried out by the use of franked mail sent by such official or office.

"(c) As used in this section, 'Office of Juvenile Justice and Delinquency Prevention' and 'Office' each means the Office of Juvenile Justice and Delinquency Prevention within the Department of Justice, as established by section 201 of the Juvenile Justice and Delinquency Prevention Act of 1974.".

(2) The analysis for chapter 32 of title 39, United States code, is amended by adding at the end thereof the following:

"3220. Use of official mail in the location and recovery of missing children.".

(b) DEFINITION.—Section 3201 of title 39, United States Code, is amended—

(1) in paragraph (4), by striking "and";

(2) in paragraph (5), by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(6) 'missing child' has the meaning provided by section 403(1) of the Juvenile Justice and Delinquency Prevention Act of 1974.".

(c) CONFORMING AMENDMENT.—Section 3204(a) of title 39, United States Code, is amended by striking out "section," and inserting in lieu thereof "section or section 3220(a) of this title,".

SEC. 2. ISSUANCE OF GUIDELINES, RULES, AND REGULATIONS.

(a) GUIDELINES.—The guidelines described in section 3220(a)(1) of title 39, United States Code, as added by this Act, shall be prescribed not later than ninety days after the date of the enactment of this Act.

(b) RULES AND REGULATIONS.—The regulations described in subsection (a)(2) of section 3220 of title 39, United States Code, as added by this Act, and the rules and regulations described in subsection (b) of such section, as so added, shall be prescribed not later than one hundred and eighty days after the date of the enactment of this Act.

SEC. 3. REPORTS.

(a) GENERAL REQUIREMENTS.—Not later than two years after the date of the enactment of this Act, a written report containing the matter described in subsection (b) shall be prepared by—

(1) the Office of Juvenile Justice and Delinquency Prevention and submitted to the President, the President pro tempore of the Senate, and the Speaker of the House of Representatives;

(2) the Senate Committee on Rules and Administration and submitted to the President pro tempore of the Senate; and

(3) the House Commission on Congressional Mailing Standards and submitted to the Speaker of the House of Representatives.

(b) CONTENT OF REPORTS.—Each report under this section shall include—

(1) an assessment of the effectiveness with which any authority provided by section 3220 of title 39, United States Code, as

added by this Act, has (during the period covered by the report) been used, insofar as such authority was subject to guidelines or rules and regulations prescribed by the reporting entity;

(2) recommendations as to whether the authority under such section should, insofar as such authority was subject to such guidelines or rules and regulations, be extended beyond the termination date otherwise applicable under section 5; and

(3) any other information which the reporting entity considers appropriate.

SEC. 4. CLARIFICATION RELATING TO COORDINATION OF GOVERNMENT PROGRAMS.

Notwithstanding any other provision of law, the authority provided by section 3220(b) of title 39, United States Code, as added by this Act, shall not be considered to be subject to the authority of any agency within the executive branch of the Government of the United States to coordinate programs relating to missing children.

SEC. 5. TERMINATION DATE.

The amendments made by section 1 and any guidelines, rules, or regulations prescribed to carry out such amendments shall cease to be effective two and one-half years after the date of the enactment of this Act.

Amend the title so as to read: "An Act to amend title 3, United States Code, to authorize the use of penalty and franked mail in efforts relating to the location and recovery of missing children.".

Mr. METZENBAUM. Mr. President, I commend Chairman WILLIAM FORD of Michigan and FRANK MCCLOSKEY of Indiana for their stewardship in the House.

The House amended S. 1195 in several respects:

First, participation will be voluntary instead of mandatory; second, the program will sunset in 2½ years; and third, executive agencies will be required to publish regulations within 180 days.

I believe that this measure will accomplish the purposes that I intended—a national effort to disseminate pictures of missing children. Similar efforts in the private sector have proven successful in returning missing children to their families, and I believe that this national effort will prove as rewarding.

AMENDMENT NO. 564

Mr. METZENBAUM. Mr. President, I move that the Senate concur in the House amendments with a further Senate amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM] proposes an amendment numbered 564.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Subsection (c) of section 1 of the bill is amended by—

(1) inserting "(1)" before "Section 3204 (a)"; and

(2) inserting at the end thereof the following:

(2) Section 733 of title 44, United States Code, is amended by inserting after the second sentence of the second undesignated paragraph the following: "Franks may also contain information relating to missing children as provided in section 3220 of title 39.".

Mr. METZENBAUM. Mr. President, this amendment is purely technical in nature. It amends section 733 of title 44 to conform that provision to the language and intent of S. 1195. Without this amendment Members of Congress will be prohibited from printing pictures of missing children on their franked envelopes. It is my understanding that this amendment has been cleared by both sides of the aisle.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Ohio [Mr. METZENBAUM].

The motion was agreed to.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SPECTER). The clerk will call the roll.

The Legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DURENBERGER). Without objection, it is so ordered.

THE CALENDAR

Mr. DOLE. Mr. President, I inquire of the minority leader if he is in a position to pass the following calendar items: calendar nos. 251, 259, and 262?

Mr. BYRD. Mr. President, those matters have been cleared for action on this side of the aisle.

Mr. DOLE. Mr. President, I ask unanimous consent that the calendar items just identified be considered en bloc and passed en bloc, and all amendments be considered and agreed to en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

USE AND DISTRIBUTION OF CERTAIN INDIAN JUDGMENT FUNDS

The Senate proceeded to consider the bill (S. 1349) to provide for the use and distribution of funds awarded in docket 363 to the Mdewakanton and Wahpekute Eastern or Mississippi Sioux before the U.S. Court of Claims and Claims Court, which had been reported from the Select Committee on Indian Affairs, with an amendment to strike out all after the enacting clause, and insert the following:

SECTION 1. (a) That notwithstanding any other law, except as provided in subsection (b) of this section, the funds for awards to the Mdewakanton and Wahpekute Sioux appropriated on January 30, 1981 ($800,000), on October 15, 1982 ($591,058), and one-half of the funds appropriated on March 2, 1981 ($7,500), all in docket numbered 363 before the United States Court of Claims, and the funds appropriated on August 1, 1983 ($3,468,246.48), in docket numbered 363 before the United States Claims Court, less attorney fees and litigation expenses, and including all interest and investment income accrued, shall be divided by the Secretary of the Interior (hereinafter the "Secretary") as follows:

	Percent
(1) Santee Sioux Tribe of Nebraska	58.69
(2) Flandeau Santee Sioux Tribe	15.84
(3) Prairie Island Sioux, Lower Sioux, and Shakopee Mdewakanton Sioux Communities of Minnesota to be divided on the basis of the respective members of each of the three communities, born on or prior to and living on the date of this Act	25.47

(b) To the share of the Santee Sioux Tribe of Nebraska in subsection (a) of this section shall be added $172,363,20, and to the share of the Flandreau Santee Sioux Tribe $135,244,32, both sums appropriated on August 1, 1983, in docket numbered 363, less attorney fees and litigation expenses, and including all interest and investment income accrued.

SEC. 2. The share of the Santee Sioux Tribe of Nebraska shall be used an distributed as follows:

(a) Eighty per centum of the funds apportioned shall be used and distributed as follows:

(1) the Secretary shall make a per capita distribution of $300 to each tribal member born on or prior to and living on the date of this Act, except that those members at least sixty years of age on that date shall be paid $900.

(2) the balance of the 80 per centum portion of the funds shall be invested by the Secretary for a tribal investment fund designed to yield periodic dividend payments to all tribal members born on or prior to and living on the dates such dividend payments are declared. Only the interest and investment income accrued shall be available for dividend payments. The amounts and payments dates shall be determined by the tribal governing body with the approval of the Secretary, and the first of such payments shall not be made earlier than five years from the date of the per capita payment in paragraph (1) of this subsection.

(b)(1) Twenty per centum of the funds shall be utilized for tribal social and economic development purposes, and for the establishment of a tribal burial fund; $200,000 of such program funds shall be invested by the Secretary for the purpose of establishing a burial fund utilizing the interest and investment income accrued. Such funds shall not be available for burial services until two years after date of initial investment. The tribal governing body, with the approval of the Secretary, shall develop criteria for the implementation of tribal burial services.

(2) The balance of the 20 per centum portion shall be invested by the Secretary and the interest and investment income accrued shall be utilized by the tribal governing body on a budgetary basis, with the approval of the Secretary, for programs designed to enhance the social and economic development of the tribe. None of the 20 per centum programming portion of the funds shall be available for per capita or dividend payments.

SEC. 3. The share of the Flandreau Santee Sioux Tribe shall be used and distributed as follows:

(a) Twenty-five per centum of the funds shall be distributed in the form of per capita payments to each tribal member born on or prior to and living on the date of the enactment of this Act, except that those members at least sixty years of age as of that date shall be paid twice the amount of other per capita recipients.

(b) Seventy-five per centum of the funds (which includes funds previously advanced to the tribal governing body) shall be used by the tribal governing body on a budgetary basis, with the approval of the Secretary, for programs designed to enhance the social and economic development of the tribe. None of the 75 per centum programming portion of the funds shall be available for per capita payments.

SEC. 4. The share of the Prairie Island Sioux Community shall be used and distributed as follows:

(a) Eighty per centum of the funds shall be invested by the Secretary for a Tribal Investment Fund designed to yield periodic dividend payments to all tribal members born on or prior to and living on the dates such dividend payments are declared. Only the interest and investment income accrued shall be available for dividend payments. The amounts and payment dates shall be determined by the tribal governing body with the approval of the Secretary.

(b) Twenty per centum of the funds shall be utilized by tribal governing body on a budgetary basis, with the approval of the Secretary, for programs designed to enhance the social and economic development of the tribe. None of the 20 per centum programming portion of the funds shall be available for per capita or dividend payments.

SEC. 5. The share of the Lower Sioux Indian Community shall be used and distributed as follows:

(a) Eighty per centum of the funds apportioned shall be used and distributed as follows:

(1) the Secretary shall make a per capita distribution of $300 to each tribal member born on or prior to and living on the date of the enactment of this Act;

(2) one year from the date that the per capita payments in paragraph (1) of this subsection are made, an additional per capita payment of $300 shall be made to each tribal member who is at least sixty years of age living on such date.

(3) the balance of the 80 per centum portion of the funds shall be invested by the Secretary for a Tribal Investment Fund designed to yield periodic dividend payments to all tribal members born on or prior to and living on the dates such dividend payments are declared. Only the interest and investment income accrued shall be available for dividend payments. The amounts and payment dates shall be determined by the tribal governing body with the approval of the Secretary, and the first of such payments shall not be made earlier than five years from the date of the per capita payment in paragraph (1) of this subsection.

(b) Twenty per centum of the funds shall be invested by the Secretary and the interest and investment income accrued shall be utilized by the tribal governing body on a budgetary basis, with the approval of the Secretary, for programs designed to enhance the social and economic development of the tribe. None of the 20 per centum programming portion of the funds shall be available for per capita or dividend payments.

SEC. 6. The share of the Shakopee Mdewakanton Sioux Community shall be used and distributed as follows:

(a) Eighty per centum of the funds shall be invested by the Secretary for a Tribal Investment Fund designed to yield periodic dividend payments to all tribal members born on or prior to and living on the dates such dividend payments are declared. Only the interest and investment income accrued thereon shall be available for dividend payments. The amounts and payment dates shall be determined by the tribal governing body with the approval of the Secretary.

(b) Twenty per centum of the funds shall be invested by the Secretary and the interest and investment income accrued shall be utilized by the tribal governing body on a budgetary basis, with the approval of the Secretary, for programs designed to enhance the social and economic development of the tribe. None of the 20 per centum programming portion of the funds shall be available for per capita or dividend payments.

GENERAL PROVISION

SEC. 7. (a) No person shall receive benefit payments as a member of more than one of the tribes under this Act. An individual who is a member of more than one of the tribes under this Act must designate the tribe from which he or she will receive per capita or dividend payments prior to receiving a per capita or dividend payment under this Act.

(b) The per capita shares or dividend payments of living, competent adults shall be paid directly to them. The shares or payments of deceased individuals, legal incompetents and minors, shall be determined and distributed under regulations prescribed by the Secretary pursuant to the Act of October 19, 1973 (87 Stat. 466), as amended (96 Stat. 2512; 25 U.S.C. 1401 et seq.)

SEC. 8. Per capita and dividend payment distributions made pursuant to this Act shall be subject to the provisions of section 7 of the Act of October 19, 1973 (87 Stat. 466), as amended, (96 Stat. 2515; 25 U.S.C. 1407).

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRANSFER OF CERTAIN AUTHORITY OF THE MAINE-NEW HAMPSHIRE INTERSTATE BRIDGE AUTHORITY

The Senate proceeded to consider the bill (S. 1515) to authorize a partial transfer of the authority of the Maine-New Hampshire Interstate Bridge Authority to the States of Maine and New Hampshire.

MAINE-NEW HAMPSHIRE INTERSTATE BRIDGE AUTHORITY

Mr. MITCHELL. Mr. President, in late June, both Maine and New Hampshire enacted identical bills regarding the Maine-New Hampshire Interstate Bridge Authority [IBA]. These measures require congressional ratification in order to be implemented. This legislation, which I have sponsored with my colleague from New Hampshire, Senator HUMPHREY, would accomplish this.

The IBA was created by an act of Congress in 1937 to oversee the construction, maintenance, and operation of a toll bridge and approach roads between Kittery, ME, and Portsmouth, NH. This facility presently constitutes what is commonly referred to as the U.S. Route 1 bypass connecting Kittery and Portsmouth, and provides the only rail service to the Portsmouth Naval Shipyard.

The discontinuance of tolls on October 31, 1972, combined with limited revenues derived from interest on the IBA endowment account and high inflation in the last decade have forced the Authority to delay or cancel several capital improvement projects for the facility. As a result, the entire facility is experiencing increasingly rapid deterioration.

A task force comprised of representatives from both State transportation agencies analyzed the mandate, operation, and viability of the IBA. It found, after assessing numerous alternatives over the past 2 years, that the IBA cannot financially carry out its mandate. The Authority needs the assistance of both States and their available Federal funds in order to continue to provide transportation services for the shipyard and for vehicles utilizing the bypass. The State and Federal bills would provide them assistance.

The Federal legislation would constitute an amendment to the original 1937 compact as ratified by Congress. No additional funds are necessary to support this legislation as the proposed realignment of responsibilities will be funded by a combination of Authority assets and currently allocated Federal highway funds.

The provisions of the proposed act would accomplish the following:

First, transfer ownership of the approach roadways and grade separation structures—underpasses, overpasses, and so forth—to the respective State transportation agencies.

Second, allow each State to channel available Federal aid primary highway funds to the transferred portion of the facility for capital improvements and rehabilitation.

Third, require the Authority to fund the non-Federal share of such capital improvements and rehabilitation when deemed necessary by the Authority and engineering representatives of both States.

Fourth, continue the Authority's obligation for the main bridge structure

as well as the roadway and railway facilities presently on the structure.

Fifth, transfer Authority employees to Main or New Hampshire's transportation agency, thus providing comparable wages and benefits.

Sixth, transfer Authority equipment presently used on the facility to the respective State transportation agencies.

The PRESIDING OFFICER. The question is on a third reading.

The bill was ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 1515

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act approved July 28, 1937 (50 Stat. 536), is amended by striking out in the first paragraph thereof, "and approaches thereto" and by inserting at the end thereof "The States of Maine and New Hampshire are authorized to assume all construction, maintenance, and operational authority over the approach roads and grade separation structures in their respective areas. As provided in Maine Private and Special Law, Chapter 38, 1985, and New Hampshire Statutes, Chapter 415, 1985, the respective States shall require the Authority to provide Authority funds for capital improvements."

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

USE AND DISTRIBUTION OF CERTAIN INDIAN JUDGMENT FUNDS

The Senate proceeded to consider the bill (S. 1106) to provide for the use and distribution of funds appropriated in satisfaction of judgments awarded to the Saginaw Chippewa Tribe of Michigan in dockets numbered 57, 59, and 13E of the Indian Claims Commission and docket numbered 13F of the United States Claims Court, and for other purposes, which had been reported from the Select Committee on Indian Affairs, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italic.)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE: DEFINITIONS

SECTION 1. (a) This Act may be cited as the "Saginaw Chippewa Indian Tribe of Michigan Distribution of Judgment Funds Act".

(b) For purpose of this Act—

(1) The term "tribe" means the Saginaw Chippewa Indian Tribe of Michigan.

(2) The term "Tribal Council" means the Saginaw Chippewa Tribal Council.

(3) The term "Secretary" means the Secretary of the Interior.

ABROGATION OF PRIOR PLAN

SEC. 2. Notwithstanding Public Law 93-134 (25 U.S.C. 1401 et seq.) or any plan prepared or regulation promulgated by the Secretary pursuant to such law—

(1) the funds appropriated in satisfaction of judgments awarded the tribe in dockets numbered 59 and 13E of the Indian Claims Commission, and

(2) the balance of any undistributed funds appropriated in satisfaction of the judgments awarded the tribe in docket numbered 57 of the Indian Claims Commission and docket numbered 13F of the United States Claims Court,

any any interest or investment income accrued on the amount of such funds on or before the date of any transfer made pursuant to section 5 or 8 (less any attorney's fees and court costs), shall be distributed and used in accordance with the provisions of this Act.

INVESTMENT FUND

SEC. 3. (a)(1) The tribe, through the Tribal Council, [hereby authorized to] *shall* establish a trust fund for the benefit of the tribe which shall be known as the "Investment Fund". The principal of the Investment Fund shall consist of—

(A) the funds transferred by the Secretary to the Tribal Council pursuant to section 5(a),

(B) the amounts required to be included in principal under subsection (c) or section 8(c),

(C) such portion of the funds paid to the Tribal Council under section 8(a) as the Tribal Council may elect to add to the principal, and

(D) such other amounts of the income of the Investment Fund which the Tribal Council may elect to retain and add to the principal.

(2) The Tribal Council shall be the trustee of the Investment Fund and shall administer the Investment Fund in accordance with the provisions of this Act.

[(b)(1) The principal of the Investment Fund shall be used exclusively for—

[(A) investments (including loans to enrolled members of the tribe), or

[(B) expenditures which the Tribal Council determines are reasonably related to—

[(i) economic development beneficial to the tribe or enrolled members of the tribe, or

[(ii) the development of tribal resources.]

(b)(1) The principal of the Investment Fund shall be used exclusively for investments or expenditures which the Tribal Council determines—

(A) are reasonably related to—

(i) economic development beneficial to the tribe, (or)

(ii) the development of tribal resources, or

(B) are otherwise financially beneficial to the tribe.

(2) Under no circumstances shall any part of the principal of the Investment Fund be distributed in the form of per capita payments to the members of the tribe or used or expended for purposes other than investment or economic development projects and programs.

(3) None of the income of the Investment Fund may be distributed or expended before the date that is 18 months after the date on which the amendments to the constitution of the tribe referred to in section 4(a) are adopted and ratified by the qualified voting members of the tribe (within the meaning of such constitution).

(c) At least 10 percent of the income earned on the Investment Fund during each of the first ten fiscal years of the Investment Fund beginning after such Investment Fund is established shall be retained in the Investment Fund and become part of the principal of the Investment Fund.

(d)(1) The Investment Fund shall be maintained as a separate book account.

(2) The books and records of the Investment Fund shall be audited at least once during each fiscal year of the Investment Fund (or before the end of the 3-month period beginning on the last day of such fiscal year) by an independent certified public accounting firm which shall prepare a report on the results of such audit. Such report shall be treated as a public document of the tribe and a copy of the report shall be available for inspection by any enrolled member of the tribe.

TRIBAL CONSTITUTION

[SEC. 4. (a) Notwithstanding any other provision of law, the tribe may, without the approval of the Secretary, adopt any amendments to the constitution of the tribe which were approved by the Tribal Council on April 15, 1985, in resolution L and O-03-85.]

SEC. 4. (a) Notwithstanding any other provision of law, the Tribal Council may call a tribal election and, pursuant to such election, the tribe may adopt (without the approval of the Secretary) any amendments to the constitution of the tribe which were approved by the Tribal Council on April 15, 1985, in resolution L and O-03-85.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BUDGET ACT WAIVER

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to Senate Resolution 205, the budget waiver to accompany S. 974.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 205) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 974.

The Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 205) was agreed to as follows:

S. RES. 205

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 974, a bill to provide for protection and advocacy for mentally ill persons. Such waiver is necessary to permit the authoriza-

tion of funds for allotments for the purpose of establishing systems for the protection and advocacy of the established rights of mentally ill persons.

PROTECTION AND ADVOCACY FOR MENTALLY ILL PERSONS ACT OF 1985

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to Calendar No. 244, S. 974, Protection and Advocacy for Mentally Ill Persons Act of 1985.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 974) to provide for protection and advocacy for mentally ill persons.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Labor and Human Resources, with an amendment to strike out all after the enacting clause, and insert the following:

That this Act may be cited as the "Protection and Advocacy for Mentally Ill Persons Act of 1985".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) mentally ill persons are vulnerable to abuse and serious injury;

(2) mentally ill persons are subject to neglect, including lack of treatment, adequate nutrition, clothing, health care, and adequate discharge planning; and

(3) State systems for monitoring compliance with respect to the established rights of mentally ill persons vary widely and are frequently inadequate.

(b) The purposes of this Act are—

(1) to ensure that the established rights of mentally ill persons are protected; and

(2) to assist States to establish and operate a protection and advocacy system for mentally ill persons which will—

(A) protect and advocate the established rights of such persons through activities to ensure the enforcement of the Constitution and Federal and State statutes; and

(B) investigate reported incidents of abuse and neglect of mentally ill persons.

DEFINITIONS

SEC. 3. (a) For purposes of this Act:

(1) The term "abuse" means any act or failure to act by an employee of a residential facility which was performed, or which was failed to be performed, knowingly, recklessly, or intentionally, and which caused, or may have caused, physical injury to a mentally ill person, and includes acts such as—

(A) the rape or sexual assault of a mentally ill person;

(B) the striking of a mentally ill person;

(C) the use of excessive force when placing a mentally ill person in bodily restraints; and

(D) the use of bodily or chemical restraints on a mentally ill person which is not in compliance with Federal and State laws and regulations.

(2) The term "eligible system" means the system established in a State to protect and advocate the rights of persons with developmental disabilities under part C of the Developmental Disabilities Assistance and Bill of Rights Act.

(3) The term "mentally ill person" means an individual—

(A) for whom a primary diagnosis of mental illness has been made by a mental health professional qualified under the laws of the State; and

(B) who is an inpatient or resident in, and who resides for 24 hours a day in, a residential facility.

(4) The term "neglect" means a negligent act or omission by any person responsible for providing services in a residential facility which caused or may have caused physical or mental injury to a mentally ill person or which placed a mentally ill person at risk of physical or mental injury, and includes an act or omission such as the failure to establish or carry out an appropriate individual program plan or treatment plan for a mentally ill person, the failure to provide adequate nutrition, clothing, or health care to a mentally ill person, or the failure to provide a safe environment for a mentally ill person.

(5) The term "Secretary" means the Secretary of Health and Human Services.

(6) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(b) The Secretary may not promulgate regulations which define the terms "mentally ill person" and "residential facility" for purposes of this Act.

BILL OF RIGHTS

SEC. 4. It is the sense of the Congress that, as previously stated in title V of the Mental Health Systems Act, each State should review and revise, if necessary, its laws to ensure that mental health patients receive the protection and services they require, and that in making such review and revision, States should take into account the recommendations of the President's Commission on Mental Health and the following:

(1) A person admitted to a program or facility for the purpose of receiving mental health services should be accorded the following:

(A) The right to appropriate treatment and related services in a setting and under conditions that—

(i) are the most supportive of such person's personal liberty; and

(ii) restrict such liberty only to the extent necessary consistent with such person's treatment needs, applicable requirements of law, and applicable judicial orders.

(B) The right to an individualized, written, treatment or service plan (such plan to be developed promptly after admission of such person), the right to treatment based on such plan, the right to periodic review and reassessment of treatment and related service needs, and the right to appropriate revision of such plan, including any revision necessary to provide a description of mental health services that may be needed after such person is discharged from such program or facility.

(C) The right to ongoing participation, in a manner appropriate to such person's capabilities, in the planning of mental health services to be provided such person (including the right to participate in the development and periodic revision of the plan described in subparagraph (B)), and, in connection with such participation, the right to be provided with a reasonable explanation, in terms and language appropriate to such person's condition and ability to understand, of—

(i) such person's general mental condition and, if such program or facility has provided a physical examination, such person's general physical condition;

(ii) the objectives of treatment;

(iii) the nature and significant possible adverse effects of recommended treatments;

(iv) the reasons why a particular treatment is considered appropriate;

(v) the reasons why access to certain visitors may not be appropriate; and

(vi) any appropriate and available alternative treatments, services, and types of providers of mental health services.

(D) The right not to receive a mode or course of treatment, established pursuant to the treatment plan, in the absence of such person's informed, voluntary, written consent to such mode or course of treatment, except treatment—

(i) during an emergency situation if such treatment is pursuant to or documented contemporaneously by the written order of a responsible mental health professional; or

(ii) as permitted under applicable law in the case of a person committed by a court to a treatment program or facility.

(E) The right not to participate in experimentation in the absence of such person's informed, voluntary, written consent, the right to appropriate protections in connection with such participation, including the right to a reasonable explanation of the procedure to be followed, the benefits to be expected, the relative advantages of alternative treatments, and the potential discomforts and risks, and the right and opportunity to revoke such consent.

(F) The right to freedom from restraint or seclusion, other than as a mode or course of treatment or restraint or seclusion during an emergency situation if such restraint or seclusion is pursuant to or documented contemporaneously by the written order of a responsible mental health professional.

(G) The right to a humane treatment environment that affords reasonable protection from harm and appropriate privacy to such person with regard to personal needs.

(H) The right to confidentiality of such person's records.

(I) The right to access, upon request, to such person's mental health care records, except such person may be refused access to—

(i) information in such records provided by a third party under assurance that such information remain confidential; and

(ii) specific material in such records if the health professional responsible for the mental health services concerned has made a determination in writing that such access would be detrimental to such person's health, except that such material may be made available to a similarly licensed health professional selected by such person and such health professional may, in the exercise of professional judgment, provide such person with access to any or all parts of such material or otherwise disclose the information contained in such material to such person.

(J) The right, in the case of a person admitted on a residential or inpatient care basis, to converse with others privately, to have convenient and reasonable access to the telephone and mails, and to see visitors during regularly scheduled hours, except that, if a mental health professional treating such person determines that denial of access to a particular visitor is necessary for treatment purposes, such mental health

professional may, for a specific, limited, and reasonable period of time, deny such access if such mental health professional has ordered such denial in writing and such order has been incorporated in the treatment plan for such person. An order denying such access should include the reasons for such denial.

(K) The right to be informed promptly at the time of admission and periodically thereafter, in language and terms appropriate to such person's condition and ability to understand, of the rights described in this section.

(L) The right to assert grievances with respect to infringement of the rights described in this section, including the right to have such grievances considered in a fair, timely, and impartial grievance procedure provided for or by the program or facility.

(M) Notwithstanding subparagraph (J), the right of access to (including the opportunities and facilities for private communication with) any available—

(i) rights protection service within the program or facility;

(ii) rights protection service within the State mental health system designed to be available to such person;

(iii) system to protect and advocate the rights of mentally ill person established under section 5; and

(iv) qualified advocate;

for the purpose of receiving assistance to understand, exercise, and protect the rights described in this section and in other provisions of law.

(N) The right to exercise the rights described in this section without reprisal, including reprisal in the form of denial of any appropriate, available treatment.

(O) The right to referral as appropriate to other providers of mental health services upon discharge.

(2)(A) The rights described in this section should be in addition to and not in derogation of any other statutory or constitutional rights.

(B) The rights to confidentiality of and access to records as provided in subparagraphs (H) and (I) of paragraph (1) should remain applicable to records pertaining to a person after such person's discharge from a program or facility.

(3)(A) No otherwise eligible person should be denied admission to a program or facility for mental health services as a reprisal for the exercise of the rights described in this section.

(b) Nothing in this section should—

(i) obligate an individual mental health or health professional to administer treatment contrary to such professional's clinical judgment;

(ii) prevent any program or facility from discharging any person for whom the provision of appropriate treatment, consistent with the clinical judgment of the mental health professional primarily responsible for such person's treatment, is or has become impossible as a result of such person's refusal to consent to such treatment;

(iii) require a program or facility to admit any person who, while admitted on prior occasions to such program or facility, has repeatedly frustrated the purposes of such admissions by withholding consent to proposed treatment; or

(iv) obligate a program or facility to provide treatment services to any person who is admitted to such program or facility solely for diagnostic or evaluative purposes.

(C) In order to assist a person admitted to a program or facility in the exercise or protection of such person's rights, such person's attorney or legal representatives should have reasonable access to—

(i) such person;

(ii) the areas of the program or facility where such person has received treatment, resided, or had access; and

(iii) pursuant to the written authorization of such person, the records and information pertaining to such person's diagnosis, treatment, and related services described in paragraph (1)(I).

(D) Each program and facility should post a notice listing and describing, in language and terms appropriate to the ability of the persons to whom such notice is addressed to understand, the rights described in this section of all persons admitted to such program or facility. Each such notice should conform to the format and content for such notices, and should be posted in all appropriate locations.

(4)(A) In the case of a person adjudicated by a court of competent jurisdiction as being incompetent to exercise the right to consent to treatment or experimentation described in subparagraph (D) of (E) or paragraph (1), or the right to confidentiality of or access to records described in subparagraph (H) or (I) of such paragraph, or to provide authorization as described in paragraph (3)(C)(iii), such right may be exercised or such authorization may be provided by the individual appointed by such court as such person's guardian or representative for the purpose of exercising such right or such authorization.

(B) In the case of a person who lacks capacity to exercise the right to consent to treatment or experimentation under subparagraph (D) or (E) of paragraph (1), or the right to confidentiality of or access to records described in subparagraph (H) or (I) of such paragraph, or to provide authorization as described in paragraph (3)(C)(iii), because such person has not attained an age considered sufficiently advanced under State law to permit the exercise of such right or such authorization to be legally binding, such right may be exercised or such authorization may be provided on behalf of such person by a parent or legal guardian of such person.

(C) Notwithstanding subparagraphs (A) and (B), in the case of a person admitted to a program or facility for the purpose of receiving mental health services, no individual employed by or receiving any remuneration from such program or facility should act as such person's guardian or representative.

PROTECTION AND ADVOCACY SYSTEM

SEC. 5. (a)(1) The eligible system of a State may apply for an allotment for each fiscal year under this section.

(2) Payments from such allotment shall be used by such eligible system to establish in the State a system which complies with subsection (b) to—

(A) protect and advocate the established rights of mentally ill persons; and

(B) investigate reported incidents of abuse and neglect of mentally ill persons.

(3) All agencies of a State (other than the eligible system) may not use more than a total of 5 percent of any allotment under this section for any fiscal year for the costs of monitoring the administration of the system established under this section.

(4) An eligible system may not use more than 5 percent of any allotment under this section for any fiscal year for the costs of providing technical assistance and training to carry out this section.

(5)(A) In carrying out this section, an eligible system may use its allotment under this section to enter into contracts with State agencies and nonprofit organizations which operate throughout the State. In order to be eligible for a contract under this paragraph—

(i) such an agency shall be independent of any agency which provides treatment or services (other than advocacy services) to mentally ill persons; and

(ii) such an agency or such an organization shall have the capacity to protect and advocate the established rights of mentally ill persons.

(B) In carrying out subparagraph (A), an eligible system should consider entering into contracts with organizations which, on the date of enactment of this Act, provide protection or advocacy services to mentally ill persons.

(b)(1) A system established in a State under subsection (a) to protect and advocate the established rights of mentally ill persons shall—

(A) have the authority to—

(i) investigate reported incidents of abuse and neglect of mentally ill persons; and

(ii) pursue administrative, legal, and other appropriate remedies to ensure the protection of mentally ill persons who are receiving treatment in the State;

(B) be independent of any agency which provides treatment or services (other than advocacy services) to mentally ill persons;

(C) have access to residential facilities for mentally ill persons in the State;

(D) in accordance with paragraph (2), have access to all records of—

(i) any person who is a client of the system if such person or the guardian of such person has authorized the system to have such access; and

(ii) any person—

(I) who by reason of the mental or physical condition of such person is unable to authorize the system to have such access;

(II) who does not have a legal guardian or for whom legal guardian is the State; and

(III) with respect to whom a complaint has been received by the system;

(E) be provided with a copy of each annual survey report and plan of corrections for cited deficiencies made pursuant to titles XVIII and XIX of the Social Security Act with respect to any residential facility for mentally ill persons within 30 days after the completion of each such report or plan;

(F) establish a board which complies with paragraph (3) to advise the system on policies and priorities to be carried out in protecting and advocating the established rights of mentally ill persons; and

(G) on January 1, 1987, and January 1 of each succeeding year, prepare and transmit to the Secretary and the head of the State mental health agency a report describing the activities, accomplishments, and expenditures of the system during the most recently completed fiscal year.

(2)(A)(i) A system established in the State under this section which has access to records pursuant to paragraph (1)(D) shall not disclose information to the person who is the subject of the record if the mental health professional responsible for supervising the provision of mental health service to such person has made a written determination that the disclosure of such information to such person would be detrimental to such person's health, except as provided in clause (ii).

(ii) A person to whom disclosure of information has been denied under clause (i), or the guardian of such a person, may select a mental health professional with qualifica-

tions similar to the mental health professional who made the determination with respect to such person under such clause. The mental health professional selected under this clause shall review such information and determine, based on the professional judgment of such mental health professional, whether to disclose all or part of such information to such person.

(B) A system established in a State under this section which, pursuant to paragraph (1)(D), has access to records which, under Federal or State law, are required to be maintained in a confidential manner by a provider of mental health services, shall maintain the confidentiality of such records to the same extent as is required of the provider of such services.

(3) Each board established under paragraph (1)(F) shall include attorneys, mental health professionals, individuals from the public who are knowledgeable about mental illness, a provider of mental health services, persons who have received or are receiving mental health service, and family members of such persons.

(4)(A) Prior to instituting any legal action in a Federal or State court on behalf of a mentally ill person, a system established in a State under this section or a State agency or nonprofit organization which entered into a contract under subsection (a)(5) shall exhaust in a timely manner all administrative remedies where appropriate. If the pursuit of administrative remedies has not resolved any matter with respect to such person within a reasonable time, such system, agency, or organization may pursue alternative remedies, including the initiation of a legal action.

(B) The provisions of subparagraph (A) shall not apply to any legal action instituted by a system established in a State under this section or a State agency or nonprofit organization which entered into a contract under subsection (a)(5) in order to prevent or eliminate imminent serious harm to a mentally ill person.

(5) If the prevailing party in any legal action is represented by a system established in a State under this section or a State agency or a nonprofit organization which has entered into a contract under subsection (a)(5), the attorney's fees which may be awarded to such system, agency, or organization shall be computed at an hourly rate which—

(A) does not exceed the prevailing market hourly rate for the services of attorneys in the area in which the legal action is adjudicated; and

(B) is based on the actual costs incurred by such system, agency, or organization in providing such representation, including the percentage of the annual salary of each attorney providing such representation attributable to the number of hours incurred by such attorney in providing such representation and the percentage of the annual overhead expenses of such system, agency, or organization attributable to the provision of such representation.

(c)(1)(A) Except as provided in paragraph (2), the Secretary shall allot the amounts available for allotment under this section for a fiscal year to eligible systems on the basis of a formula prescribed by the Secretary which is based equally—

(i) on the population of each State in which an eligible system has been established, and

(ii) on the population of each such State weighted by its relative per capita income.

(B) For purposes of subparagraph (A)(ii), the term "relative per capita income" means the quotient of the per capita income of the United States and the per capita income of the State, except that if the State is Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, or the Virgin Islands, the quotient shall be considered to be one.

(2) Notwithstanding paragraph (1)—

(A) the allotment of the eligible system of each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico shall not be less than $125,000; and

(B) the allotment of the eligible system of each of Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, or the Virgin Islands shall not be less than $67,000.

(3) The amount of an allotment to an eligible system for a fiscal year which the Secretary determines will not be required by the eligible system during the period for which it is available for the purpose for which allotted shall be available for reallotment by the Secretary from time to time, on such date or dates as the Secretary may fix (but not earlier than thirty days after the Secretary has published notice of the intention of the Secretary to make such reallotment in the Federal Register), to other eligible systems with respect to which such a determination has not been made, in proportion to the original allotments of such eligible systems for such fiscal year, but with such proportionate amount for any of such other eligible systems being reduced to the extent it exceeds the sum the Secretary estimates such eligible system needs and will be able to use during such period; and the total of such reductions shall be similarly reallotted among the eligible systems whose proportionate amounts were not so reduced. Any amount so reallotted to an eligible system for a fiscal year shall be deemed to be a part of its allotment under paragraphs (1) and (2) for such fiscal year.

(d) No allotment may be made to an eligible system unless an application therefor is submitted to the Secretary. Each such application shall contain—

(1) assurances that amounts paid to such system from an allotment under this section will be used to supplement and not to supplant the level of non-Federal funds available in the State in which such eligible system is established to protect and advocate the established rights of mentally ill persons; and

(2) such other information as the Secretary may by regulation prescribe.

(e) For each fiscal year, the Secretary shall make payments to each eligible system from its allotment under subsection (c). Any amount paid to an eligible system for a fiscal year and remaining unobligated at the end of such year shall remain available to such system for the purposes for which it was made for the next fiscal year.

(f)(1) The Secretary shall include in each report required under section 107(c) of the Developmental Disabilities Assistance and Bill of Rights Act a separate statement describing—

(A) the activities, accomplishments, and expenditures of systems to protect and advocate the established rights of mentally ill persons supported with payments from allotments under this section, including—

(i) a specification of the total number of mentally ill persons served by such systems;

(ii) a description of the types of activities undertaken by such systems;

(iii) a description of the types of residential facilities for mentally ill persons with respect to which such activities are undertaken;

(iv) a description of the manner in which such activities are initiated; and

(v) a description of the accomplishments resulting from such activities;

(B) a description of the relationships between—

(i) systems to protect and advocate the established rights of mentally ill persons supported with payments from allotments under this section; and

(ii)(I) activities conducted by States to protect and advocate such rights; and

(II) mechanisms established by residential facilities for mentally ill persons to protect and advocate such rights; and

(C) recommendations for activities and services to improve the protection and advocacy of the established rights of mentally ill persons and a description of needs for such activities and services which have not been met by systems established under this Act.

(2) In preparing the statement required by paragraph (1), the Secretary shall use and include information submitted to the Secretary in the reports required under subsection (b)(1)(G).

(g) The Secretary may provide technical assistance to eligible systems with respect to activities carried out under this section.

(h) The Secretary shall carry out this section through the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration.

(i) For allotments under this section, there are authorized to be appropriated $10,000,000 for fiscal year 1986, $10,500,000 for fiscal year 1987, and $11,025,000 for fiscal year 1988.

TECHNICAL AMENDMENT

SEC. 6. Title V of the Mental Health Systems Act is repealed.

EFFECTIVE DATE

SEC. 7. This Act and the repeal made by this Act shall take effect on October 1, 1985.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment was agreed to.

Mr. WEICKER. Mr. President, I rise today to urge my colleagues to support S. 974, the Protection and Advocacy for Mentally Ill Persons Act of 1985. On April 23, I introduced this bill as a specific response to the findings of a Subcommittee on the Handicapped investigation into conditions in institutions for mentally disabled persons. This investigation and 3 days of hearings documented the tragic fact that the institutionalized mentally disabled citizens of our Nation are often the victims of serious abuse and neglect. The legislation before us today will go a long way toward alleviating the intolerable situations in which too many of our mentally disabled citizens find themselves.

The bill provides for the establishment of a protection and advocacy system for the mentally ill in each

State, similar to the protection and advocacy system already established for our developmentally disabled citizens. It will thus afford mentally ill persons access to a system which will assist them in securing their rights which are guaranteed under Federal and State statutes and the U.S. Constitution. The bill also enumerates a bill of rights for the mentally ill—rights which currently exist as title V of the Mental Health Systems Act.

This bill before us today is a bill which was developed after hours of negotiating between Senators and their staffs of the Committee on Labor and Human Resources. I would particularly like to thank Senator ORRIN HATCH, chairman of the Committee on Labor and Human Resources, for his assistance and support in developing the compromise bill, which is so critical for our Nation's mentally ill citizens. I urge my colleagues to support this bill, and thus send a message to the Nation that Congress will not tolerate the abuse and neglect of the most vulnerable citizens of our country.

Mr. KENNEDY. Mr. President, the Protection and Advocacy for Mentally Ill Persons Act which we are considering today is critically important to the thousands of individuals who are mentally ill and living in 24-hour facilities across our country. By adopting S. 974 we will provide the resources and the mechanisms to protect these vulnerable individuals from abuse and neglect and to advocate for their rights.

I am sure that most of my colleagues are aware that Senator WEICKER recently held a series of hearings on the prevalence of abuse and neglect in institutions for the mentally ill. The extent of this neglect and the brutality of the abuse that exists in these settings is inexcusable and unconscionable. S. 974 provides $10 million for the first year for the establishment of a protection and advocacy system for mentally ill people who reside in 24-hour facilities. These systems will be administered by the existing Developmental Disabilities Protection and Advocacy Programs in each State. The D.D. Protection and Advocacy Program has been highly successful in providing a wide range of protection and advocacy services to individuals who are developmentally disabled and I believe that this advocacy expertise will be a valuable asset in serving people who are mentally ill. At the same time, I strongly urge each D.D. Program to employ individuals who have a strong background and expertise in working with individuals who are mentally ill. Along with providing protection against abuse and neglect for mentally ill individuals in 24-hour facilities this bill also protects their rights by providing them access to the full range of remedies to protect those rights.

The Protection and Advocacy for Mentally Ill Persons Act provides critical protection to people who reside in 24-hour facilities and represents an important step in providing the best services to these individuals. I believe that it is also of primary importance to ensure that mentally ill persons in the community are provided with the best and most appropriate services within their community. I intend to work toward improving these community services and resources so that mentally ill people can realize their fullest potential as contributing members of their communities and individuals who are now residing in institutions will be afforded the full range of necessary services in a community setting.

Although I strongly support this bill, I am deeply concerned about one provision which provides for lower attorney's fees for publicly funded attorneys who represent prevailing individuals or their legal guardians in cases which protect the rights of mentally ill people in 24-hour facilities. Should this provision remain, individuals who are mentally ill and who are poor will see their access to court remedies to protect their rights seriously limited. Should this provision remain, we will set up an unfair two-tiered system of protection for mentally ill people—the rich will be assured access to protective remedies but the poor will be limited and often times denied this access.

I believe that every American citizen should be provided with equitable access to the protection of their rights without regard to their economic status, their individual differences or their individual life challenges. I intend to pursue this matter vigorously in conference and I ask my colleagues to carefully consider the ramifications of this provision.

Mr. KERRY. Mr. President, I am pleased that the Senate has acted so quickly and brought to the floor S. 974 the Protection and Advocacy for Mentally Ill Persons Act. I am an original cosponsor of this legislation and feel that it is vital to ensure the protective rights of all mentally ill persons residing in institutions throughout this country. This legislation is the result of diligent efforts and I want to commend my fellow colleagues on the Labor and Human Resources Committee for their fine work. There is one issue however, which I must concede limits my wholehearted endorsement of this critical legislation. The bill includes one provision which I believe must be deleted. Language exists in the bill which limits attorneys' fees available to nonprofit, publicly funded organizations which provide legal assistance, yet will not limit fees to privately funded attorneys. I fear that this double standard sets a dangerous precedent in all future cases litigated in this area, and will consequently have a particularly negative impact on low income individuals most dependent on legal representation by publicly funded attorneys.

Last April, the Subcommittee on the Handicapped held 3 days of hearings on the care and treatment of mentally ill persons residing in State operated facilities. Furthermore, Senator WEICKER released a report which documented a 9-month staff investigation into the conditions of 31 State-run facilities. A major finding of the report was that a lack of sufficient funding sources seriously hurts the ability of public advocacy groups to adequately investigate all complaints and to adequately advocate for the rights of all mentally ill persons residing in these facilities. I would like to point out Mr. President, that money awarded to publicly funded attorneys is recycled back into the organization for which the attorney works and is then used to expand services to low-income individuals. As a lawyer who has worked in a public defenders office let me assure you that I have witnessed firsthand that under our present system, offices which provide legal assistance to the poor, encounter an overwhelming demand for their services and unfortunately have limited resources to meet this demand. Let me emphatically stress the seriousness of this problem. And let me point out that any additional funds for advocacy, such as attorneys' fees, made available to expand legal services to our Nation's poor-disabled, is money that is very well spent.

I would also like to mention last year's U.S. Supreme Court decision Blum versus Stenson, where the Court ruled unanimously that under the Civil Rights Attorneys Act of 1976 all attorney's fees—including publicly funded attorney's fees—must be calculated according to prevailing market rates. I strongly urge that the Congress take a closer look at this issue before it mandates that fees to public attorneys be computed at a rate below the prevailing market rate.

Last, I would like to note, that a cap placed on publicly funded attorney's fees is likely to deter institutions from settling their cases expeditiously. Institutions which are not faced with having to pay more substantial attorneys' fees at the fair market rate will have an increased incentive to draw judicial proceedings out in an attempt to force plaintiffs to abandon their case. Mr. President, I offered an amendment at the Labor and Human Resources Committee markup that would have deleted the cap on publicly funded attorneys. The amendment was narrowly defeated—7 to 9. The closeness of this vote makes evident the fact that on the one hand we have a plethora of unanswered questions regarding an attorneys' fees cap and on

the other hand we have the opportunity to pass a critical piece of legislation designed to protect the rights of mentally ill persons residing in insitutions—including their right to access the courts. I fear that by limiting the attorneys' fee for those who represent the poor, we are ultimately limiting the rights of poor people who are mentally ill and abused. This blatant double standard weakens S. 974.

Mr. President, I urge my colleagues to vote in favor of this vital bill, the Protection and Advocacy for Mentally Ill Persons Act, and I also strongly urge my House counterparts to uphold the rights of all handicapped individuals, rich and poor, and draft their legislation without a cap on publicly funded attorneys' fees.

Mr. HATCH. Mr. President, I urge my colleagues to support S. 974 as reported from the Senate Committee on Labor and Human Resources. S. 974, the Protection and Advocacy for Mentally Ill Persons Act of 1985, provides members of our society who are mentally ill a stronger voice in ensuring their protection against possible abuse.

S. 974, the Protection and Advocacy of Mentally Ill Persons Act, provides for the expansion of the existing Developmentally Disabled Protection and Advocacy Councils within each State to provide assistance to mentally ill persons. It has authorization of $10 million for fiscal year 1986, $10.5 million for fiscal year 1987 and $11.75 million for fiscal year 1988.

All in all, this legislation will go a long way in protecting those citizens of our country who, like each of us, is entitled to freedom from abuse and neglect.

This legislation, unanimously approved by the Senate Committee on Labor and Human Resources on July 10, 1985, was spearheaded by Senator LOWELL WEICKER. As chairman of the Subcommittee on the Handicapped, Senator WEICKER has highlighted through this legislation the need for further protections against abuse and neglect for the mentally ill who reside in residential facilities.

The version of S. 974 approved by the committee and before the Senate today represents a compromise which retains the strong protections for the mentally ill patients who are victims of abuse while it ensures that appropriate steps will be taken to resolve expeditiously possible problems of abuse. I appreciate Senator WEICKER'S willingness to work with me and other colleagues on the Senate Labor and Human Resources Committee in addressing concerns about the language of the original bill.

Without reservation, I urge my colleagues to approve S. 974 and the accompaning budget waiver as reported from the Senate Committee on Labor and Human Resources. This legislation is a credit to Senator WEICKER who has a track record of initiating legislative protections for the handicapped citizens of our country.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 974), as amended, was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 974

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Protection and Advocacy for Mentally Ill Persons Act of 1985".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) mentally ill persons are vulnerable to abuse and serious injury;

(2) mentally ill persons are subject to neglect, including lack of treatment, adequate nutrition, clothing, health care, and adequate discharge planning; and

(3) State systems for monitoring compliance with respect to the established rights of mentally ill persons vary widely and are frequently inadequate.

(b) The purposes of this Act are—

(1) to ensure that the established rights of mentally ill persons are protected; and

(2) to assist States to establish and operate a protection and advocacy system for mentally ill persons which will—

(A) protect and advocate the established rights of such persons through activities to ensure the enforcement of the Constitution and Federal and State statutes; and

(B) investigate reported incidents of abuse and neglect of mentally ill persons.

DEFINITIONS

SEC. 3. (a) For purposes of this Act:

(1) The term "abuse" means any act or failure to act by an employee of a residential facility which was performed, or which was failed to be performed, knowingly, recklessly, or intentionally, and which caused, or may have caused, physical injury to a mentally ill person, and includes acts such as—

(A) the rape or sexual assault of a mentally ill person;

(B) the striking of a mentally ill person;

(C) the use of excessive force when placing a mentally ill person in bodily restraints; and

(D) the use of bodily or chemical restraints on a mentally ill person which is not in compliance with Federal and State laws and regulations.

(2) The term "eligible system" means the system established in a State to protect and advocate the rights of persons with developmental disabilities under part C of the Developmental Disabilities Assistance and Bill of Rights Act.

(3) The term "mentally ill person" means an individual—

(A) for whom a primary diagnosis of mental illness has been made by a mental health professional qualified under the laws of the State; and

(B) who is an inpatient or resident in, and who resides for 24 hours a day in, a residential facility.

(4) The term "neglect" means a negligent act or omission by any person responsible for providing services in a residential facility which caused or may have caused physical or mental injury to a mentally ill person or which placed a mentally ill person at risk of physical or mental injury, and includes an act or omission such as the failure to establish or carry out an appropriate individual program plan or treatment plan for a mentally ill person, the failure to provide adequate nutrition, clothing, or health care to a mentally ill person, or the failure to provide a safe environment for a mentally ill person.

(5) The term "Secretary" means the Secretary of Health and Human Services.

(6) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(b) The Secretary may not promulgate regulations which define the terms "mentally ill person" and "residential facility" for purposes of this Act.

BILL OF RIGHTS

SEC. 4. It is the sense of the Congress that, as previously stated in title V of the Mental Health Systems Act, each State should review and revise, if necessary, its laws to ensure that mental health patients receive the protection and services they require, and that in making such review and revision, States should take into account the recommendations of the President's Commission on Mental Health and the following:

(1) A person admitted to a program or facility for the purpose of receiving mental health services should be accorded the following:

(A) The right to appropriate treatment and related services in a setting and under conditions that—

(i) are the most supportive of such person's personal liberty; and

(ii) restrict such liberty only to the extent necessary consistent with such person's treatment needs, applicable requirements of law, and applicable judicial orders.

(B) The right to an individualized, written, treatment or service plan (such plan to be developed promptly after admission of such person), the right to treatment based on such plan, the right to periodic review and reassessment of treatment and related service needs, and the right to appropriate revision of such plan, including any revision necessary to provide a description of mental health services that may be needed after such person is discharged from such program or facility.

(C) The right to ongoing participation, in a manner appropriate to such person's capabilities, in the planning of mental health services to be provided such person (including the right to participate in the development and periodic revision of the plan described in subparagraph (B)), and, in connection with such participation, the right to be provided with a reasonable explanation, in terms and language appropriate to such person's condition and ability to understand, of—

(i) such person's general mental condition and, if such program or facility has provided a physical examination, such person's general physical condition;

(ii) the objectives of treatment;

(iii) the nature and significant possible adverse effects of recommended treatments;

(iv) the reasons why a particular treatment is considered appropriate;

(v) the reasons why access to certain visitors may not be appropriate; and

(vi) any appropriate and available alternative treatments, services, and types of providers of mental health services.

(D) The right not to receive a mode or course of treatment, established pursuant to the treatment plan, in the absence of such person's informed, voluntary, written consent to such mode or course of treatment, except treatment—

(i) during an emergency situation if such treatment is pursuant to or documented contemporaneously by the written order of a responsible mental health professional; or

(ii) as permitted under applicable law in the case of a person committed by a court to a treatment program or facility.

(E) The right not to participate in experimentation in the absence of such person's informed, voluntary, written consent, the right to appropriate protections in connection with such participation, including the right to a reasonable explanation of the procedure to be followed, the benefits to be expected, the relative advantages of alternative treatments, and the potential discomforts and risks, and the right and opportunity to revoke such consent.

(F) The right to freedom from restraint or seclusion, other than as a mode or course of treatment or restraint or seclusion during an emergency situation if such restraint or seclusion is pursuant to or documented contemporaneously by the written order of a responsible mental health professional.

(G) The right to a humane treatment environment that affords reasonable protection from harm and appropriate privacy to such person with regard to personal needs.

(H) The right to confidentiality of such person's records.

(I) The right to access, upon request, to such person's mental health care records, except such person may be refused access to—

(i) information in such records provided by a third party under assurance that such information shall remain confidential; and

(ii) specific material in such records if the health professional responsible for the mental health services concerned has made a determination in writing that such access would be detrimental to such person's health, except that such material may be made available to a similarly licensed health professional selected by such person and such health professional may, in the exercise of professional judgment, provide such person with access to any or all parts of such material or otherwise disclose the information contained in such material to such person.

(J) The right, in the case of a person admitted on a residential or inpatient care basis, to converse with others privately, to have convenient and reasonable access to the telephone and mails, and to see visitors during regularly scheduled hours, except that, if a mental health professional treating such person determines that denial of access to a particular visitor is necessary for treatment purposes, such mental health professional may, for a specific, limited, and reasonable period of time, deny such access if such mental health professional has ordered such denial in writing and such order has been incorporated in the treatment plan for such person. An order denying such access should include the reasons for such denial.

(K) The right to be informed promptly at the time of admission and periodically thereafter, in language and terms appropriate to such person's condition and ability to understand, of the rights described in this section.

(L) The right to assert grievances with respect to infringement of the rights described in this section, including the right to have such grievances considered in a fair, timely, and impartial grievance procedure provided for or by the program or facility.

(M) Notwithstanding subparagraph (J), the right of access to (including the opportunities and facilities for private communication with) any available—

(i) rights protection service within the program or facility;

(ii) rights protection service within the State mental health system designed to be available to such person;

(iii) system to protect and advocate the rights of mentally ill persons established under section 5; and

(iv) qualified advocate;

for the purpose of receiving assistance to understand, exercise, and protect the rights described in this section and in other provisions of law.

(N) The right to exercise the rights described in this section without reprisal, including reprisal in the form of denial of any appropriate, available treatment.

(O) The right to referral as appropriate to other providers of mental health services upon discharge.

(2)(A) The rights described in this section should be in addition to and not in derogation of any other statutory or constitutional rights.

(B) The rights to confidentiality of and access to records as provided in subparagraphs (H) and (I) of paragraph (1) should remain applicable to records pertaining to a person after such person's discharge from a program or facility.

(3)(A) No otherwise eligible person should be denied admission to a program or facility for mental health services as a reprisal for the exercise of the rights described in this section.

(B) Nothing in this section should—

(i) obligate an individual mental health or health professional to administer treatment contrary to such professional's clinical judgment;

(ii) prevent any program or facility from discharging any person for whom the provision of appropriate treatment, consistent with the clinical judgment of the mental health professional primarily responsible for such person's treatment, is or has become impossible as a result of such person's refusal to consent to such treatment;

(iii) require a program or facility to admit any person who, while admitted on prior occasions to such program or facility, has repeatedly frustrated the purposes of such admissions by withholding consent to proposed treatment; or

(iv) obligate a program or facility to provide treatment services to any person who is admitted to such program or facility solely for diagnostic or evaluative purposes.

(C) In order to assist a person admitted to a program or facility in the exercise or protection of such person's rights, such person's attorney or legal representatives should have reasonable access to—

(i) such person;

(ii) the areas of the program or facility where such person has received treatment, resided, or had access; and

(iii) pursuant to the written authorization of such person, the records and information pertaining to such person's diagnosis, treatment, and related services described in paragraph (1)(I).

(D) Each program and facility should post a notice listing and describing, in language and terms appropriate to the ability of the persons to whom such notice is addressed to understand, the rights described in this section of all persons admitted to such program or facility. Each such notice should conform to the format and content for such notices, and should be posted in all appropriate locations.

(4)(A) In the case of a person adjudicated by a court of competent jurisdiction as being incompetent to exercise the right to consent to treatment or experimentation described in subparagraph (D) or (E) of paragraph (1), or the right to confidentiality of or access to records described in subparagraph (H) or (I) of such paragraph, or to provide authorization as described in paragraph (3)(C)(iii), such right may be exercised or such authorization may be provided by the individual appointed by such court as such person's guardian or representative for the purpose of exercising such right or such authorization.

(B) In the case of a person who lacks capacity to exercise the right to consent to treatment or experimentation under subparagraph (D) or (E) of paragraph (1), or the right to confidentiality of or access to records described in subparagraph (H) or (I) of such paragraph, or to provide authorization as described in paragraph (3)(C)(iii), because such person has not attained an age considered sufficiently advanced under State law to permit the exercise of such right or such authorization to be legally binding, such right may be exercised or such authorization may be provided on behalf of such person by a parent or legal guardian of such person.

(C) Notwithstanding subparagraphs (A) and (B), in the case of a person admitted to a program or facility for the purpose of receiving mental health services, no individual employed by or receiving any remuneration from such program or facility should act as such person's guardian or representative.

PROTECTION AND ADVOCACY SYSTEM

SEC. 5. (a)(1) The eligible system of a State may apply for an allotment for each fiscal year under this section.

(2) Payments from such allotment shall be used by such eligible system to establish in the State a system which complies with subsection (b) to—

(A) protect and advocate the established rights of mentally ill persons; and

(B) investigate reported incidents of abuse and neglect of mentally ill persons.

(3) All agencies of a State (other than the eligible system) may not use more than a total of 5 percent of any allotment under this section for any fiscal year for the costs of monitoring the administration of the system established under this section.

(4) An eligible system may not use more than 5 percent of any allotment under this section for any fiscal year for the costs of providing technical assistance and training to carry out this section.

(5)(A) In carrying out this section, an eligible system may use its allotment under this section to enter into contracts with State agencies and nonprofit organizations which operate throughout the State. In order to be eligible for a contract under this paragraph—

(i) such an agency shall be independent of any agency which provides treatment or services (other than advocacy services) to mentally ill persons; and

(ii) such an agency or such an organization shall have the capacity to protect and advocate the established rights of mentally ill persons.

(B) In carrying out subparagraph (A), an eligible system should consider entering into contracts with organizations which, on the date of enactment of this Act, provide protection or advocacy services to mentally ill persons.

(b)(1) A system established in a State under subsection (a) to protect and advocate the established rights of mentally ill persons shall—

(A) have the authority to—

(i) investigate reported incidents of abuse and neglect of mentally ill persons; and

(ii) pursue administrative, legal, and other appropriate remedies to ensure the protection of mentally ill persons who are receiving treatment in the State;

(B) be independent of any agency which provides treatment or services (other than advocacy services) to mentally ill persons;

(C) have access to residential facilities for mentally ill persons in the State;

(D) in accordance with paragraph (2), have access to all records of—

(i) any person who is a client of the system if such person or the guardian of such person has authorized the system to have such access; and

(ii) any person—

(I) who by reason of the mental or physical condition of such person is unable to authorize the system to have such access;

(II) who does not have a legal guardian or for whom legal guardian is the State; and

(III) with respect to whom a complaint has been received by the system;

(E) be provided with a copy of each annual survey report and plan of corrections for cited deficiencies made pursuant to titles XVIII and XIX of the Social Security Act with respect to any residential facility for mentally ill persons within 30 days after the completion of each such report or plan;

(F) establish a board which complies with paragraph (3) to advise the system on policies and priorities to be carried out in protecting and advocating the established rights of mentally ill persons; and

(G) on January 1, 1987, and January 1 of each succeeding year, prepare and transmit to the Secretary and the head of the State mental health agency a report describing the activities, accomplishments, and expenditures of the system during the most recently completed fiscal year.

(2)(A)(i) A system established in a State under this section which has access to records pursuant to paragraph (1)(D) shall not disclose information to the person who is the subject of the record if the mental health professional responsible for supervising the provision of mental health services to such person has made a written determination that the disclosure of such information to such person would be detrimental to such person's health, except as provided in clause (ii).

(ii) A person to whom disclosure of information has been denied under clause (i), or the guardian of such a person, may select a mental health professional with qualifications similar to the mental health professional who made the determination with respect to such person under such clause. The mental health professional selected under this clause shall review such information and determine, based on the professional judgment of such mental health professional, whether to disclose all or part of such information to such person.

(B) A system established in a State under this section which, pursuant to paragraph (1)(D), has access to records which, under Federal or State law, are required to be maintained in a confidential manner by a provider of mental health services, shall maintain the confidentiality of such records to the same extent as is required of the provider of such services.

(3) Each board established under paragraph (1)(F) shall include attorneys, mental health professionals, individuals from the public who are knowledgeable about mental illness, a provider of mental health services, persons who have received or are receiving mental health services, and family members of such persons.

(4)(A) Prior to instituting any legal action in a Federal or State court on behalf of a mentally ill person, a system established in a State under this section or a State agency or nonprofit organization which entered into a contract under subsection (a)(5) shall exhaust in a timely manner all administrative remedies where appropriate. If the pursuit of administrative remedies has not resolved any matter with respect to such person within a reasonable time, such system, agency, or organization may pursue alternative remedies, including the initiation of a legal action.

(B) The provisions of subparagraph (A) shall not apply to any legal action instituted by a system established in a State under this section or a State agency or nonprofit organization which entered into a contract under subsection (a)(5) in order to prevent or eliminate imminent serious harm to a mentally ill person.

(5) If the prevailing party in any legal action is represented by a system established in a State under this section or a State agency or a nonprofit organization which has entered into a contract under subsection (a)(5), the attorney's fees which may be awarded to such system, agency, or organization shall be computed at an hourly rate which—

(A) does not exceed the prevailing market hourly rate for the services of attorneys in the area in which the legal action is adjudicated; and

(B) is based on the actual costs incurred by such system, agency, or organization in providing such representation, including the percentage of the annual salary of each attorney providing such representation attributable to the number of hours incurred by such attorney in providing such representation and the percentage of the annual overhead expenses of such system, agency, or organization attributable to the provision of such representation.

(c)(1)(A) Except as provided in paragraph (2), the Secretary shall allot the amounts available for allotment under this section for a fiscal year to eligible systems on the basis of a formula prescribed by the Secretary which is based equally—

(i) on the population of each State in which an eligible system has been established, and

(ii) on the population of each such State weighted by its relative per capita income.

(B) For purposes of subparagraph (A)(ii), the term "relative per capita income" means the quotient of the per capita income of the United States and the per capita income of the State, except that if the State is Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, or the Virgin Islands, the quotient shall be considered to be one.

(2) Notwithstanding paragraph (1)—

(A) the allotment of the eligible system of each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico shall not be less than $125,000; and

(B) the allotment of the eligible system of each of Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, or the Virgin Islands shall not be less than $67,000.

(3) The amount of an allotment to an eligible system for a fiscal year which the Secretary determines will not be required by the eligible system during the period for which it is available for the purpose for which allotted shall be available for reallotment by the Secretary from time to time, on such date or dates as the Secretary may fix (but not earlier than thirty days after the Secretary has published notice of the intention of the Secretary to make such reallotment in the Federal Register), to other eligible systems with respect to which such a determination has not been made, in proportion to the original allotments of such eligible systems for such fiscal year, but with such proportionate amount for any of such other eligible systems being reduced to the extent it exceeds the sum the Secretary estimates such eligible system needs and will be able to use during such period; and the total of such reductions shall be similarly reallotted among the eligible systems whose proportionate amounts were not so reduced. Any amount so reallotted to an eligible system for a fiscal year shall be deemed to be a part of its allotment under paragraphs (1) and (2) for such fiscal year.

(d) No allotment may be made to an eligible system unless an application therefor is submitted to the Secretary. Each such application shall contain—

(1) assurances that amounts paid to such system from an allotment under this section will be used to supplement and not to supplant the level of non-Federal funds available in the State in which such eligible system is established to protect and advocate the established rights of mentally ill persons; and

(2) such other information as the Secretary may by regulation prescribe.

(e) For each fiscal year, the Secretary shall make payments to each eligible system from its allotment under subsection (c). Any amount paid to an eligible system for a fiscal year and remaining unobligated at the end of such year shall remain available to such system for the purposes for which it was made for the next fiscal year.

(f)(1) The Secretary shall include in each report required under section 107(c) of the Developmental Disabilities Assistance and Bill of Rights Act a separate statement describing—

(A) the activities, accomplishments, and expenditures of systems to protect and advocate the established rights of mentally ill persons supported with payments from allotments under this section, including—

(i) a specification of the total number of mentally ill persons served by such systems;

(ii) a description of the types of activities undertaken by such systems;

(iii) a description of the types of residential facilities for mentally ill persons with respect to which such activities are undertaken;

(iv) a description of the manner in which such activities are initiated; and

(v) a description of the accomplishments resulting from such activities;

(B) a description of the relationships between—

(i) systems to protect and advocate the established rights of mentally ill persons supported with payments from allotments under this section; and

(ii)(I) activities conducted by States to protect and advocate such rights; and

(II) mechanisms established by residential facilities for mentally ill persons to protect and advocate such rights; and

(C) recommendations for activities and services to improve the protection and advocacy of the established rights of mentally ill persons and a description of needs for such activities and services which have not been met by systems established under this Act.

(2) In preparing the statement required by paragraph (1), the Secretary shall use and include information submitted to the Secretary in the reports required under subsection (b)(1)(G).

(g) The Secretary may provide technical assistance to eligible systems with respect to activities carried out under this section.

(h) The Secretary shall carry out this section through the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration.

(i) For allotments under this section, there are authorized to be appropriated $10,000,000 for fiscal year 1986, $10,500,000 for fiscal year 1987, and $11,025,000 for fiscal year 1988.

TECHNICAL AMENDMENT

SEC. 6. Title V of the Mental Health Systems Act is repealed.

EFFECTIVE DATE

SEC. 7. This Act and the repeal made by this Act shall take effect on October 1, 1985.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the following nominations on the Executive Calendar: Calendar Nos. 320, 321, 334, 338, 341 through 365, and all nominations placed on the Secretary's desk.

Mr. BYRD. Mr. President, there is no objection.

Mr. DOLE. Mr. President, I also understand that we can now do Calendar No. 339.

Mr. BYRD. Mr. President, there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that the nominations just identified be considered en bloc and confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations confirmed en bloc are as follows:

DEPARTMENT OF JUSTICE

Lydia E. Glover, of South Carolina, to be United States Marshal for the District of South Carolina for the term of 4 years.

DEPARTMENT OF DEFENSE

Donald Alden Hicks, of California, to be Under Secretary of Defense for Research and Engineering.

DEPARTMENT OF JUSTICE

Vinton DeVane Lide, of South Carolina, to be United States Attorney for the District of South Carolina for the term of 4 years.

[NEW REPORTS]

UNITED STATES SYNTHETIC FUELS CORPORATION

Russell F. Miller, of Maryland, to be Deputy Inspector General of the United States Synthetic Fuels Corporation for a term of 7 years.

DEPARTMENT OF THE INTERIOR

William P. Horn, of Virginia, to be Assistant Secretary for Fish and Wildlife, Department of the Interior.

DEPARTMENT OF STATE

George Cranwell Montgomery, of Tennessee, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Sultanate of Oman.

Bruce Chapman of Washington, to be the Representative of the United States of America to the Vienna Office of the United Nations and Deputy Representative of the United States of America to the International Atomic Energy Agency, with the rank of Ambassador.

Bernard Kalb, of Maryland, to be an Assistant Secretary of State, vice Robert John Hughes, resigned.

Thomas Michael Tolliver Niles, of the District of Columbia, a career member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Canada.

Gary L. Matthews, of Virginia, a career member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Malta.

Harvey Frans Nelson, Jr., of California, a career member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Swaziland.

Irvin Hicks, of Maryland, a career member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Seychelles.

Robert Vossler Keeley, of Florida, a career member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Greece.

Francis J. Meehan, of Virginia, a career member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the German Democratic Republic.

John Pierce Ferriter, of Florida, a career member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Djibouti.

John Blane, of Illinois, a career member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Chad.

Richard Wayne Bogosian, of Maryland, a career member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Niger.

DEPARTMENT OF DEFENSE

Admiral William J. Crowe, Jr., U.S. Navy, under the provisions of title 10, United States Code, section 142, to be Chairman Joint Chiefs of Staff.

IN THE AIR FORCE

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

To be lieutenant general

Lt. Gen. Bruce K. Brown, [redacted] FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, Section 601:

To be lieutenant general

Maj. Gen. Harley A. Hughes, [redacted] FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, Section 601:

To be lieutenant general

Lt. Gen. David L. Nichols, [redacted] FR, U.S. Air Force.

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of Title 10, United States Code, Sections 611(a) and 624:

To be brigadier general

Col. Arvid E. West, Jr., [redacted], U.S. Army.

Col. Robert A. Harleston, [redacted], U.S. Army.

Col. Peter W. Lash, [redacted], U.S. Army.

Col. George C. Ogden, Jr., [redacted], U.S. Army.

Col. Rhoss C. Lomax, Jr., [redacted], U.S. Army.

Col. Virgil A. Richard, [redacted], U.S. Army.

Col. Robert L. Dilworth, [redacted], U.S. Army.

Col. John R. Piatak, [redacted], U.S. Army.

Col. James W. Ball, [redacted], U.S. Army.

Col. Carmen J. Cavezza, [redacted], U.S. Army.

Col. David J. Allen, [redacted], U.S. Army.

Col. Eugene C. Renzi, [redacted], U.S. Army.

Col. James H. Johnson, Jr., [redacted], U.S. Army.

Col. Peter D. Hidalgo, [redacted], U.S. Army.

Col. David A. Nydam, [redacted], U.S. Army.

Col. Carl W. Tipton, [redacted], U.S. Army.

Col. Evelyn P. Foote, [redacted], U.S. Army.

Col. Peter M. McVey, [redacted], U.S. Army.

Col. Roland LaJoie, [redacted], U.S. Army.

Col. David L. Funk, [redacted], U.S. Army.

Col. Paul L. Greenberg, xxx-xx-xxxx, U.S. Army.
Col. William A. Stofft, xxx-xx-xxxx, U.S. Army.
Col. Jere H. Akin, xxx-xx-xxxx, U.S. Army.
Col. Jerry A. White, xxx-xx-xxxx, U.S. Army.
Col. Ira C. Owens, xxx-xx-xxxx, U.S. Army.
Col. Joseph Pratt, xxx-xx-xxxx, U.S. Army.
Col. Theodore Vander Els, xxx-xx-xxxx, U.S. Army.
Col. Melvin L. Byrd, xxx-xx-xxxx, U.S. Army.
Col. Patrick J. Kelly, xxx-xx-xxxx, U.S. Army.
Col. James H. B. Peay III, xxx-xx-xxxx, U.S. Army.
Col. Jerome H. Granrud, xxx-xx-xxxx, U.S. Army.
Col. Caryl G. Marsh, xxx-xx-xxxx, U.S. Army.
Col. Jack C. Wheeler, xxx-xx-xxxx, U.S. Army.
Col. William G. Pagonis, xxx-xx-xxxx, U.S. Army.
Col. Cloyd H. Pfister, xxx-xx-xxxx, U.S. Army.
Col. James E. Bickford, xxx-xx-xxxx, U.S. Army.
Col. Joseph S. Laposata, xxx-xx-xxxx, U.S. Army.
Col. Charles H. Armstrong, xxx-xx-xxxx, U.S. Army.
Col. William S. C. Chen, xxx-xx-xxxx, U.S. Army.
Col. Samuel A. Leffler, xxx-xx-xxxx, U.S. Army.
Col. Willian H. Forster, xxx-xx-xxxx, U.S. Army.
Col. Edward R. Baldwin, Jr., xxx-xx-xxxx, U.S. Army.
Col. Donald M. Lionetti, xxx-xx-xxxx, U.S. Army.
Col. Bruce W. Hall, xxx-xx-xxxx, U.S. Army.
Col. William N. Farmen, xxx-xx-xxxx, U.S. Army.
Col. Richard J. Mallion, xxx-xx-xxxx, U.S. Army.
Col. Lynn C. Hooper, xxx-xx-xxxx, U.S. Army.
Col. Domenic P. Rocco, Jr., xxx-xx-xxxx, U.S. Army.
Col. John D. Robinson, xxx-xx-xxxx, U.S. Army.
Col. Malcolm O'Neill, xxx-xx-xxxx, U.S. Army.
Col. Timothy J. Grogan, xxx-xx-xxxx, U.S. Army.
Col. Charles E. St. Arnaud, xxx-xx-xxxx, U.S. Army.
Col. James A. Guest, xxx-xx-xxxx, U.S. Army.
Col. William C. Page, Jr., xxx-xx-xxxx, U.S. Army.
Col. Guy A. J. Laboa, xxx-xx-xxxx, U.S. Army.
Col. Stephen Silver, Jr., xxx-xx-xxxx, U.S. Army.
Col. William W. Crouch, xxx-xx-xxxx, U.S. Army.
Col. Sherman H. Williford, xxx-xx-xxxx, U.S. Army.
Col. Fred F. Marty, xxx-xx-xxxx, U.S. Army.
Col. Paul E. Funk, xxx-xx-xxxx, U.S. Army.
Col. John C. Heldstab, xxx-xx-xxxx, U.S. Army.
Col. David A. Armstrong, xxx-xx-xxxx, U.S. Army.
Col. Barry R. McCaffrey, xxx-xx-xxxx, U.S. Army.

IN THE NAVY

The following-named Commodores of the U.S. Navy for promotion to the permanent grade of rear admiral.

MEDICAL CORPS

To be rear admiral

Joseph Samuel Cassells.
Louis Henry Eske.

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

The following-named persons to be Members of the National Council on Educational Research for terms expiring September 30, 1987:

Elaine Y. Schadler, of Pennsylvania.
Gwyneth Gayman, of California.
Onalee McGraw, of Virginia, to be a Member of the National Council on Educational Research for a term expiring September 30, 1987.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Alice Wright Algood, of Tennessee, to be a Member of the National Museum Services Board for a term expiring December 6, 1989.

NATIONAL SCIENCE FOUNDATION

Thomas B. Day, of California to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 1990.

James Johnson Duderstadt, of Michigan, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 1990.

Perry L. Adkisson, of Texas, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 1990.

ACTION AGENCY

Henry M. Ventura, of California, to be Deputy Director of the ACTION Agency.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, COAST GUARD, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, NAVY

Air Force nominations beginning Christian Y. Herrera, and ending Geoffrey E. Bangs, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 25, 1985.

Air Force nominations beginning William J. Agness, and ending Sondra K. Zimmerman, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 25, 1985.

Army nominations beginning Raymond J. Cully, Jr, and ending Michael A White, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 25, 1985.

Coast Guard nominations beginning Robert H. Carmack, and ending Robert A. Cushing, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 22, 1985.

National Oceanic and Atmospheric Administration nominations beginning Thomas E. Gerish, and ending Todd C. Stiles, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 25, 1985.

Navy nominations beginning Charles Llewellyn Adams, and ending Gary William Ley, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 9, 1985.

Navy nominations beginning Valeree Baity, and ending William A. Walker, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 25, 1985.

WILLIAM P. HORN TO BE ASSISTANT SECRETARY OF THE INTERIOR FOR FISH AND WILDLIFE AND PARKS

Mr. McCLURE. Mr. President, I am pleased to bring before the Senate the unanimous recommendation of the Committee on Energy and Natural Resources that the Senate consent to the nomination of William P. Horn to be Assistant Secretary of the Interior for Fish and Wildlife and Parks.

On July 24, 1985, the Committee on Energy and Natural Resources held a hearing to consider the nominee, and on July 30, 1985, the committee ordered the nomination favorably reported by a vote of 16 yeas, 0 nays.

Mr. President, Mr. Horn brings practical experience to this position as he currently serves the Interior Department as Deputy Under Secretary. His present responsibility includes coordinating and directing the Department's Alaska-related programs. He is serving as Chief Coordinator of Negotiations for the Indian Water Claims Task Force and a Chairman of the Great Lakes Fisheries Commission.

Mr. President, Mr. Horn's current position follows a lengthy career in public service within the executive branch and as a House of Representatives staff member. His extensive experience in natural resource management and his commitment to preserving our national park, wilderness, and wildlife resources certainly qualifies him to fulfill the role of Assistant Secretary.

Mr. President, this nominee has fully complied with the committee's rules requiring submittal of a financial disclosure report and a detailed information statement. On behalf of the Committee on Energy and Natural Resources, I am pleased to recommend Senate approval of this Presidential nomination.

NOMINATION OF WILLIAM P. HORN, TO BE ASSISTANT SECRETARY OF INTERIOR FOR FISH AND WILDLIFE AND PARKS

Mr. MURKOWSKI. Mr. President, I have the honor today of supporting the President's nominee to the position of Assistant Secretary of the Interior for Fish and Wildlife and Parks, Mr. William P. Horn, of McLean, VA.

Bill has more than 15 years of experience working with natural resource issues in the Department of the Interior, the Department of Commerce and the House Interior Committee. For the past 4½ years at the Department of the Interior he has been charged with primary responsbility for implementing the Alaska National Interest Lands Conservation Act and for coordinating the Department's programs in Alaska.

As the chief spokesman in Interior on Alaskan issues, Bill achieved a reputation for fairness, integrity, and professionalism. He continually demonstrated his understanding of the com-

plexity of those issues and the need to achieve a balance between the demands made by competing interests.

As Assistant Secretary, Bill will be in charge of our National Parks Programs and Fish and Wildlife Programs. This is a particularly important position for Alaska because we have 57 million acres of national parks and 75 million acres of wildlife refuges. Two-thirds of our Nation's national park acreage and nearly three-quarters of our wildlife refuge land is in Alaska.

I think it is interesting to reflect on the fact that 15 percent of the land in Alaska is in the National Park System and more than 20 percent is in the National Wildlife Refuge System. As such, Bill Horn will have jurisdiction over 35 percent of the land in my State. His decisions will have an immense impact on Alaskans. Because of his past experience with Alaskan issues, I am confident that those decisions will rest upon a sound understanding of Alaska's unique nature.

In addition to his responsibilities for Alaska programs, Bill has served on the International Great Lakes Fishery Commission and has been the Department's chief negotiator on several disputes involving Indian fishing, and land and water claims. His dedication to the goal of achieving a fair resolution and his personal attention to the issues resulted in settlement of a number of protracted controversies. Among these was the United States/Canada Salmon Treaty which had been negotiated on and off for the past 20 years until Bill got involved and brought about a favorable resolution.

His record of success in resolving these very controversial disputes is indicative of the skills which he brings to his work.

Bill's professional experiences will be a significant asset to the Department of the Interior and to this Nation in the coming years. Our national parks are faced with ever-increasing use by the public at the same time that general revenue funding for the maintenance of those parks is shrinking. Balancing the demands of the public with the need to reduce the Federal deficit and protect the natural resources enshrined in the national parks and wildlife refuges will require considerable skill and ability. Bill Horn has demonstrated that he possesses these qualities in abundance.

Mr. President, I can think of few other nominees that are as qualified to hold the position to which they have been nominated as Bill Horn is to be Assistant Secretary of Interior for Fish and Wildlife and Parks. I encourage my colleagues to join with me in supporting his nomination.

Mr. McCLURE. Mr. President, I am pleased to bring before the Senate the unanimous recommendation of the Committee on Energy and Natural Resources that the Senate consent to the nomination of Russell F. Miller to be Deputy Inspector General of the U.S. Synthetic Fuels Corporation for a term of 7 years.

On July 24, 1985, the Committee on Energy and Natural Resources held a hearing to consider the nominee, and on July 30, 1985, the committee ordered the nomination favorably reported by a vote of 16 yeas, 0 nays.

Mr. Miller brings direct experience to this position in his present role as the SFC's Director of Investigations. He has served in that capacity since August 1982. Prior to joining the SFC, Mr. Miller served with the CIA for 29 years in various management positions, where he was involved with information analysis and investigative activities.

Mr. President, the SFC is moving into the contract monitoring phase of its activities which will involve increased responsibilities in the audit and oversight functions of the Office of the Inspector General. Effective implementation of the SFC's contracts for financial assistance is essential to the successful development of a national Synthetic Fuels Program. Mr. Miller's experience will be helpful to the Office of the Inspector General In carrying out its audit and inspection activities, and certainly qualifies him to be Deputy Inspector General.

Mr. President, this nominee has fully complied with the Committee's rules requiring submittal of a financial disclosure report and a detailed information statement. On behalf of the Committee on Energy and Natural Resources, I am pleased to recommend Senate approval of this Presidential nomination.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate resumed the consideration of legislative business.

U.S. WHEAT TO THE PHILIPPINES

Mr. MELCHER. Mr. President, I note in the RECORD of Tuesday under a bullet, meaning the statement was submitted for printing by the distinguished chairman of the Committee on Foreign Relations, my good friend from Indiana [Mr. LUGAR], he makes a statement regarding the question of what has been the administration's policy as exercised by the Department of State in relation to the Philippines regarding wheat and rice sales this year.

Let me make that clear, Mr. President. These are sales to the Philippines of the huge quantities of wheat that we have available and of some quantities of rice—not as huge—that we have available. Let me just state some of my observations as compared to the statement of my distinguished friend from Indiana.

I stated the facts on July 15 regarding the situation with the Government in the Philippines. It was this: the Philippines have bought wheat from us consistently each year for the past 7 years or longer, but never have they bought during that period of time from any other countries. In other words, our special relationship that has existed with the Philippines included their willingness, not under any duress from us, to buy whatever wheat was used in their country from the United States. I find that to be rather remarkable. It was not a signed agreement, is not a signed agreement, it is just a reflection of the Philippines' willingness to purchase wheat from the United States and only from the United States.

In application for a purchase this year, they were stalled. The Department of State said that they wanted some conditions assigned to that sale. Those conditions had to do with how the Philippines handle the wheat after it reaches the Philippines in terms of who could mill it and whether that milling itself would be under Government control and then whether the distribution of the product, the flour, would be under Government control.

The Government of the Philippines in April, under a statement made by their President Marcos, said that those conditions were agreeable with the Government of the Philippines.

A third request, a third point of the Department of State was that no Government agency of the Philippines would be involved in the purchase of the wheat. That, indeed, did run into a snag. There are internal reasons for that, Mr. President, and there are reasons that are internal to the Government of the Philippines.

It is not unusual, since all except one of the 60-odd countries that purchase wheat from the United States pur-

chase through a government agency, their own government agency. That is the way to do it—whether it is Russia or the countries of the Common Market, the European Community—or whether it is Pakistan or South Korea, Taiwan, China, or other countries. All except one country out of the 60-odd that purchase American wheat purchase it through a government agency.

The one exception that does not use a government agency that purchases wheat from the United States is Guatemala, which for their own reasons, purchases it only through the private enterprise system.

It was not, in the case of the Government of the Philippines, unusual; in fact, they were doing the usual thing of countries that purchase American wheat. So, Mr. President, despite what my learned and distinguished friend from Indiana, the chairman of the Foreign Relations Committee [Mr. LUGAR], states, the delay on the part of the Department of State in blocking the sale of wheat to the Philippines was a delay that was unnecessary and extremely impractical. In addition to that, Mr. President, it was highly detrimental to the wheat producers in this country. It was highly detrimental to the U.S. Government in two ways. First of all, it delayed the sale of part of the U.S. surplus commodities on which we have to pay storage. The fact that we do not have a consistent trade policy is extremely, extremely harmful to our Government, to our farmers, and I might say, Mr. President, it is extremely harmful to the entire economy of the United States.

The trade imbalance that we are experiencing in this country is made up of many significant factors and this is one of them. If you delay the legitimate sale of surplus commodities in this country, it is extremely harmful to the economy of the United States. With every dollar in red ink that is added to our current trade imbalance, this economy is set back another notch.

Now, there was a further harm done. Flour was not available in some areas of the Philippines. I would suppose that it was many areas, but I do not know that for a fact. I only know for certain that flour had become unavailable in some areas of the Philippines, and so added to that was the harm it did to consumers in the Philippines.

Now, secondly, Mr. President, as if it was not enough to delay the sale of wheat, the State Department also imposed conditions on the sale of rice to the Philippines. There was an agreement for $40 million in U.S. rice. Some rice producers in California were advised by the Department of Agriculture that this sale was in the offing, so they made arrangements that it would be available for sale. This one happened to be an agreement under Public Law 480, title I.

The conditions which the State Department imposed on and which held up this particular sale involved the use of fertilizer on the rice crop in the Philippines.

Now, I question, in practical terms, whether the State Department is in a position to advise the Philippine Government or the Philippine farmers how they handle or obtain the fertilizer that they apply to their own rice crop. So on the surface it would appear to be, to put it kindly, rather nebulous advice but, nevertheless, it was a condition of the sale, which the agriculture people and farmers in the Philippines said was totally unworkable—and it is certainly meddling in the internal workings of the farmers there and the government in the Philippines—as a result of the conditions that exist in the Philippines. So it was modified eventually.

The remarks made by the Senator from Indiana would indicate that the sale was quickly wrapped up because it only took 90 days. That is not quickly wrapping up a sale because it only took 90 days, and the delay was to the detriment of the rice producers of this country.

Now, again, Mr. President, obviously, if there is antagonism and impracticality imposed by the conditions that the State Department wants before a sale can be completed, it is unduly harmful to the producers in this country and to the Government of this country and to the general wellbeing of the American economy.

Mr. President, people might wonder why a huge rice producing country like the Philippines would be in need of rice. Let me point out that they have had some real problems with typhoons and with their economy in the Philippines where fertilizer unless heavily subsidized is not available in sufficient quantities for their own rice producers, so they have had some short crops over there. They raise three crops of rice on each of the ricelands of the Philippines, so hopefully it is only a temprorary shortage, and I say that hopefully from their standpoint. But nevetheless, when they needed the rice, they again turned to the United States and were thwarted in an expeditious purchase of that rice as a result of the conditions imposed by the State Department. While those conditions were different than those imposed by the State Department in terms of wheat, they nevertheless add up to the same thing, the State Department meddling unduly.

So from the standpoint of what is correct and what is logical and practical for this country, the State Department has done us an injustice.

It is stated by the distinguished chairman that nothing was damaged, that nobody was hurt. Well, yes, we are hurt. Not only do we have the problem with our own economy and our own producers, we also have the added problem of accomplishments we would like to see the Government of the Philippines achieve in the next few months going to the election in 1987 when the term of President Marcos expires. Because we have the two significant bases, Subic Bay for the Navy and Clark Air Force Base, in the Philippines under lease agreements with the Government of the Philippines, the whole strategic setup for defending our interests in Southeast Asia depends upon the bases themselves and the cooperation of the Philippine Government.

We would like to make certain that the democratic processes within the Philippines in the coming elections—and I use the plural now, Mr. President, because in 1986 there will be local important elections involving the governors in provinces and the mayors in towns and cities, and that occurs just next year; whereas, the election for president falls in 1987. We want to be sure that the democratic processes in those elections are handled in a way that permits the Filipino people to have the opportunity to cast their vote for candidates they prefer. Their last election caused resounding encouragement, because more than 80 percent of the people of the Philippines voted for their representation in their legislative body, which they call Batasan.

So that is of paramount interest to us, in our strong and historic alliance we have had with the Filipinos, and it is of great interest to all the Filipinos in America.

Almost a million Filipino people reside and work in the United States, and their interest, as well as that of the 52 million people who live in the Philippines, is that democracy continue, that the stress within the Philippines which they have had since the Aquino assassination, be lessened, and that the economic setbacks they have had over the past couple of years can be healed over, and that the Filipinos can march forward with a government in which they have lasting confidence.

Second, there is a question of the insurgency in the Philippines. While it is relatively small at this time, it is of grave concern, and it is in our best interests as well as the interests of the people of the Philippines that that insurgency not result in any bloodshed or choas, but that the democratic processes be allowed to go forward, to have the type of government and the type of people in office with which they will feel confident.

So, in holding down the insurgency and not letting it become a chaotic situation in the Philippines, it is in our best interests that the stability, in terms of who is handling the armed forces and who is handling the con-

stabulary throughout the country, be in the hands of a trusted person—currently in the hands of General Ramos, who not only has the confidence of the people in the Philippines but also has our confidence as being a man of integrity, a man of great ability, and a person who can be completely trusted.

These two significant points are of great concern to us; and to the extent that we may antagonize the people of the Philippines with our State Department interfering with food sales, it is a jeopardy that cannot be set aside lightly.

Getting back to those sales, let me point out that no wheat is produced in the Philippines; that as long as we are the suppliers and the sole suppliers of the 52 million people who reside in the Philippines, we have a steady customer who is really worthwhile holding on to and satisfying.

The amount of wheat that Philippines generally purchase from the United States would ordinarily go up each year. Products made from wheat are foods that the Filipino people need and appreciate. It adds to their nutritional levels and its use is on the increase, if we do not interfere and if they are capable of making purchases from the United States for the wheat.

The conclusion that my learned friend from Indiana, the distinguished chairman of the Senate Foreign Relations Committee, leads to in his statement is that these are only mild adjustments made by our State Department on behalf of our Government that will be beneficial to the Filipinos. Let me state that what we really fear is that what the State Department calls mild adjustments is infuriating meddling in the operation of another country.

I am not stating that because I like to state it. I am stating it because it is so.

What we have lost in the Philippines by this blockage of wheat sales is another sale coming on within 6 or 7 months after that. We have just lost about 6 months of consumption of American wheat in the Philippines. But there is a much greater fear. There is a fear that the meddling of the State Department on sales of American agricultural products will become even much larger.

There have been reasons why sales of American agricultural products have been on a decline in the last couple of years, and those reasons are varied. But one of those reasons has been the lack of attention paid to possible sales when a country applies. This is one example, but I fear that there may be many others.

I wish to read a statement from U.S. Wheat Associates. U.S. Wheat Associates represent the United States in many different countries to expedite sales of American wheat in those particular countries. I am not sure in how many countries U.S. Wheat has established offices, but I would expect it to exceed a score of countries. One of them is the Philippines. Let me read what the president, Winston Wilson, wrote to me on July 25 of this year:

> We are very much concerned that this may be a trend on the part of the State Department which could lead to problems in markets other than the Philippines. There seems to be a perception in the U.S. State Department that food agencies in other countries are inherently bad and serve as obstacles to economic development.

Mr. President, the U.S. Wheat Associates share with me and with others in the United States the fear that what we have witnessed in this delay in the wheat sale to the Philippines is becoming a policy of the U.S. Government in actions by the State Department in representing us.

Now, the facts that I have recited here, including the statement from the U.S. Wheat Associates, are the clear situation that is involved in this wheat sale. The facts that I have stated regarding the rice sale are not facts that I am singularly or the only one privy to. Nor is my concern the only concern.

I have spoken to representatives of the rice industry who until recently were top level officials in the Department of Agriculture and who in private life now represent rice interests in the United States.

They found it very peculiar and very objectionable to have the State Department interfere with this Philippine rice sale. They were not in a position to expedite it in any way, or were unsuccessful in attempting to expedite it.

But I think the discussion that we have had on the Senate floor concerning this should be fair warning to the State Department that American producers of these commodities that we have in surplus in the United States do not want the State Department to treat lightly these applications by foreign countries to purchase American commodities.

Whatever the goals of the State Department in these instances if there were any merit to it at all, it was clumsily handled and delayed the sales. That cannot be tolerated, and the circumstances that have led to this should not be repeated. It is my intention that we get all of the facts surrounding these two sales.

It has been almost 3 weeks since I wrote the Secretary of State asking for all of the memoranda and correspondence by the State Department with our Ambassador in Manila and with the Government of the Philippines, either from our State Department here in Washington, from officials here, or from our Ambassador in Manila to the Government of the Philippines. So far I have not received it.

I would expect that the delay in the response from the Secretary of State is probably because he is gathering up the information. But when that information is available, I would like to bring it to the attention of both the Agriculture Committee and the Foreign Relations Committee for their review, because if we can review a case history on these particular types of delays and blockages of sales of U.S. commodities to a foreign country, maybe we can make a series of recommendations that are straightforward and positive to the State Department on how they should be reviewing these matters and what their action should be in the future.

Mr. President, we must overcome this trade imbalance that we are suffering under now. Part of overcoming that trade imbalance will be an increase in sales of American agriculture commodities abroad. Part of it will come from the use of Public Law 480 and section 416 and food donations of surplus commodities to other countries. We need to expedite those in both instances whether they are sales or donations and the State Department handling of them is very much key to the successful expediting and the increase in disposal of U.S. surplus commodities.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. MELCHER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MELCHER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE FARM BILL

Mr. MELCHER. Mr. President, the majority leader is on the floor and in an aside to me suggested that we bring up the agriculture bill. There is one agriculture bill on the calendar, S. 1040. While nothing in the bill as it is on the calendar seems to be very earthshaking, I suspect that if the bill is called up, perhaps an amendment would be offered to it that dealt with the farm program for this coming year and the years thereafter.

Mr. President, if that is done, it would be my hope and my strong desire that the commodities section in the amendment would include holding firm, holding steady, holding on an even keel for 4 years or whatever the life of the bill is, which, I assume will be 4 years, on the target prices for farm producers of this country; not washing them out, not diluting them, just holding them steady at the current levels.

Mr. President, that is a very significant point in our new farm bill. The situation in the committee is this: Last Thursday, on a 9 to 8 vote, we established that freeze on target prices in the package. As soon as that was established, we seemed to have run into an immovable object about going further with the commodities title of the bill. But, nevertheless, it was the correct procedure.

This morning, in an effort to get back into the commodities section, I offered an amendment that held firm the target price arrangement with a modification, a concession to some of the concerns expressed both by the Department of Agriculture and by the majority side of the committee. That concern was the budget impact and what could be done to hold that down. So the modification that I offered had to do with allowing the last 2 years, that would be for crop years 1988 and 1989, that the Secretary of Agriculture, in his discretion, could pay 5 percent of the deficiency payments in commodities.

Now the Department of Agriculture, to be honest about their reaction, was not impressed. They still are very much holding for the position of only a 1-year target price at the same level and after that drop it down in steps each year. The strong objection to that procedure by farm producers would be an obvious objection. But there is another objection coming from those who finance agriculture, whether they are banks or production credit associations, or those who deal with selling the inputs to farmers to produce their crops. And their objection is this: With the situation as it is, in terms of farm credit now, that the cash flow of farmers throughout the foreseeable future—not meaning the next decade and the next decade after that, but meaning the near term future of the next 4 years—is extremely important. And their strong recommendation to all of us is this: That cash flow can only be maintained by either improving prices or at least holding the support mechanism, the so-called safety net, at the same level or maybe even have slight improvements.

For smaller producers we have made some light improvements but that is offset by reducing the Government payments to the larger producers so we come out even on that. But we do help smaller producers by what looks like an increase of their gross income by 6 or 7 percent, and that would be of some help to those farmers who have a credit crisis. All farmers it seems like are approaching a credit crisis if they are not in it already. So what we are doing we regard as extremely important.

This morning, after offering that amendment in committee which I have just described regarding holding the target prices at the same level but allowing the discretion of the Secretary of Agriculture during the last 2 years of a 4-year bill to pay 5 percent of the deficiency payment in commodities, there was a substitute offered by the distinguished majority leader.

That substitute was to hold target prices only for 2 years and forget about the other 2 years—let those target prices go down during the last 2 years of the 4-year bill. That carried by 9 to 8. What is pending again before the committee before we adjourned at noon or 12:35 or thereabouts was my same motion, to add to the last 2 years the same type of protection but to permit the Secretary of Agriculture at his discretion 5 percent in commodities and deficiency payment. We expected to go back into a meeting this afternoon at 3 o'clock. That has been canceled now I understand by the chairman. So where we stand now is the way I described it.

All of us in the committee on the Democratic side, plus one of my Republican colleagues on the committee, are ready to vote on that particular proposal. I am told that the vote will be in the majority, and we are very close to wrapping up this particular title of the bill—the commodity title.

We are willing to have it called up on the floor in that form. It could be in the form of an amendment. If so, the other concerns that we have if it is called up by the majority leader, is that the other titles to the bill which are conservation, food stamps, agricultural research title, the agricultural export title, and the farm credit title will be completed, and that the finalization of the commodity title will not take place until those other titles are available, are on the floor, and are joined up with the commodity title so that we have a complete farm bill.

That is a rather unusual circumstance. But there has been some concern from some Senators and from some House Members as well as farmers themselves who produce winter wheat—that they know the parameters at least of the program or what at least is the best judgment of the committees of the House and the Senate. So when it comes time to seeding next year's winter wheat crop, either the last few days of August or some time during the month of September, they have some idea what might be the final version of the farm bill regarding wheat. That concern is understandable.

I share that concern but I must say this, also: That my constituents who produce wheat as well as other constituents who are involved or have some interest in the farm bill tell me that we must by all means get a sound, strong farm bill out on the floor and pass it.

We cannot do that before the end of this week. So it likely will hang over until September. But that is the major concern as far as I can determine—get a strong, sound bill.

We are really talking about whether or not it is the type of bill that will enable them to continue to farm. I think the proposal we have regarding the target prices for 4 years or the life of the bill is an extremely vital part of any bill that is finally passed by the Senate and finally signed by the President. To do less would mean hampering many operations.

There is a group that should not be forgotten. That is the livestock producers of this country. The bill is not complete until we take up some of the slack in the law that we have regarding the impact upon their markets of imported meat or imported livestock into this country. It is to the best interests not of just the U.S. producers but of our friends to the north, Canada, that we stabilize the livestock markets.

Beef and pork in particular have been under severe stress. Beef that is being sold now for U.S. consumers is at such low levels that it reflects prices that were available to producers in the late sixties. It is a terrible disaster that is being experienced by those that have to sell cattle now. I understand the same is true of pork producers and correction of that must be part of the bill also.

We must have some restraints on the amount of beef and pork being brought into the United States at this time. That goes for live animals as well. Much of the live animals come from Canada, but it is in the best interests of both countries, the United States and Canada, that we stabilize this market now, and some steps must be taken to do that.

So we have our work cut out for us in this Congress to take action on a good, strong bill. At some point the majority leader may add his vast amount of wisdom on these matters for enlightenment so that we know what we can expect from the Senate, and what producers can expect.

ORDER OF PROCEDURE

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I thank the distinguished Senator from Montana. I will attempt to respond, if I can, to the Senator's very fine statement. I urge Members. We still have a number of bills we would like to dispose of before we leave here on Friday: Mentally Ill Persons Act of 1985; Mississippi Sioux Indian bill; energy and water appropriations; legislative appropriations; supplemental appropriations conference report; we hope to do that later today; budget resolution conference report, if avail-

able; South Africa conference report, if available; Genocide Treaty; and the farm bill. It may be that we will not be able to finish all of these by the close of business Friday—any Friday. [Laughter.] But in any event, we would like to dispose of as many of these as possible.

FARM LEGISLATION

Mr. DOLE. Mr. President, with reference to the farm legislation, I am at liberty to say that I have just had a meeting with the distinguished chairman of the committee, Senator HELMS. We are not going to meet, as I understand the chairman, this afternoon. We now have approved in the Senate Agriculture Committee by a 9 to 8 vote a 2-year freeze on target prices and a 4-, 5,- or 6-year bill. I guess we have not decided yet whether it is 4, 5, or 6 years.

As I listened to the distinguished Senator from Montana, if it were a 4-year freeze it would be a good bill. If it were a 2-year freeze it would not be a good bill. For a 1-year freeze it would be less bad to the farmer, and anything less than that would be even less acceptable.

It would seem to me that if we were agreed that we have a pretty good bill, regardless of whether it is a 2-year freeze or a 4-year freeze, there ought to be a willingness to take it up. The farmer needs to know about the first year. He does not much care about the fourth year. Right now he is worrying about the first year.

Right now if all we are worrying about is whether there will be a 5-percent freeze in the first year and less in the third and fourth year, that would be something to debate on the floor. It would mean a great deal to the American wheat producer if he were in a position to know that we had a pretty good agreement, whether or not it was a 1-year freeze or a 4-year freeze.

I believe we are kidding ourselves if we think we can avoid the budget and the cost of the farm program. I believe everyone in our committee understands that there is a huge farm problem, more specifically located in the Middle West, even more specifically in the Corn Belt, but in all States, including the State of Kansas, particularly the State of Nebraska, the State of Iowa, the Dakotas, parts of Texas, Minnesota, Illinois. So we have special responsibilities.

One of those responsibilities is not to break the budget in the process. We can all make good arguments on why we ought to make an exception in agriculture, and an exception in other cases. I would indicate again to my colleagues that during the 4 years of the Carter administration, I think price supports cost about $20 billion and during the first 4 years of the Reagan administration they jumped to $63 billion. It would seem to me that in the next 4 years it is probably going to be that much or more.

I do not believe there is any escaping the fact that whatever we do in agriculture is going to be expensive, so whatever we do must be reasonable so far as the budget is concerned.

Farm income needs to be improved. But it needs to be improved in the marketplace, not just from the Federal Treasury.

I would hope that when we do vote on the farm bill we will agree that whatever happens, whatever finally happens in the budget process, whether it happens today or next week or does not happen at all, that we are going to have some restraint on where we draw the line as far as spending in agriculture is concerned.

The question is whether we should go back to the committee and try to hammer out a farm bill or whether the chairman should indicate that maybe we ought to call up S. 1040, offer amendments, and proceed from there. If we can bring up just the commodities, I would think we could probably complete action on that section of the bill in the next 2 or 3 days.

That would be contingent upon an agreement that we could proceed to S. 1040. I do not know that the distinguished Senator from Montana or others on either side—I am not trying to point the finger of blame—will let us proceed on S. 1040. If not, we have a cloture petition prepared if necessary for today or whenever we might move, and then we could have a cloture vote on Friday. It may not be necessary. Maybe there is no unwillingness to proceed. Maybe the difference is not on proceeding to the farm bill but on how it finally looks.

I doubt that we are going to be able to please everyone. I have been on the Agriculture Committee for some time. I remember 1 year we reported out three farm bills because we could not satisfy a majority of the committee on the House side. That was under the chairmanship of our good friend and outstanding committee chairman, Herman Talmadge. We had to report out three bills.

I think there was a Dole bill, a McGovern bill and a committee bill. The committee bill passed.

In any event, I hope we do not have a replay of what we had earlier this year on the farm credit debate.

Mr. MELCHER. Will the Senator yield?

Mr. DOLE. I want to finish my thought and then I will be happy to yield.

I happen to believe that there are Democrats who represent producers of rice and cotton, and Republicans who represent wheat and corn producers. There is sort of a mix on both sides of the aisle. I guess that is why farm bills have generally been bipartisan.

I am willing to predict that if there is a straight party line there will not be any bill that passes that will be signed by the President.

I recommended to the Secretary of Agriculture as recently as yesterday that I believed there should be a thorough study of the costs of these programs, not just somebody guessing in committee rooms. I do not fault the USDA people, but we are going to have to take some time and lay it out.

It is my view that the Secretary of Agriculture has that responsibility to cost out all these programs, whether it is a 4-year freeze, 3-year freeze, 2-year freeze, or 1-year freeze, and all these different things we are putting into the farm bill, and then go to the President and indicate to the President if the budget is x dollars, the bill costs x dollars over x dollars under. I would hope before we come back in September the President could make a judgment on whether or not he could support such legislation. Otherwise, it does not do us much good to go through the exercise and pass the farm bill.

Last time it passed the House by two votes. But if we pass the farm bill in the Senate, we could then have it vetoed and would have to start all over again.

It would be my guess and hope that there would be a lot of work done in the next few weeks by the administration so that they can advise Democrats and Republicans where they are on farm legislation.

I understand there is a Cabinet meeting tomorrow on the farm bill.

In any event, I think we would not like to get partisan in the next couple of days, but at least try to talk about a farm bill, try to debate it on a high level. If we did not have a budget problem, I would not have any problem with what the distinguished Senator from Montana wishes to do. He wants to use commodities, as I understand it, in the last 2 years. That is not a cost because it is an asset we have already paid for. Somebody paid for it. But it would not have any budgetary impact.

But the question is, How do we take care of the other budgetary impact? Maybe we will have to use those commodities the first 2 years instead of the third and fourth years in an effort to make the farm bill budget neutral.

I yield to the Senator from Montana.

Mr. MELCHER. I thank the distinguished majority leader for yielding.

We have pending in the committee a vote on what we are doing in regard to the last 2 years. I wonder if my distinguished friend, despite his having already voted on the other side—there are indications that he voted on the other side—would use his influence on the distinguished chairman of the Senate Agriculture Committee to get

back into session and let that vote take place. After all, we Democrats are in the minority. We cannot pass out a bill on a straight party-line vote. We would have to have one or more of our friends on the other side, the Republican side, to assist us. But if we had that vote, I think we would be ready.

We attempted to get to that this morning through the noon hour and we did not quite make it. I understand we were to go back into session at 3 o'clock.

There is a lot of work to be done on this bill, of course, to make it a good bill. The farm credit section will be extremely important and the export title will be extremely important. If there is any promise of some brighter day for American agricultural producers, for most of them it is going to be when we correct this disastrous trade imbalance and start selling more agriculture products abroad.

I thank my friend for yielding. I just make that request, that he use his influence on the chairman of the committee that we do meet and have a vote on it and see if the rest of the members would agree not to offer too many more amendments. After all, I offered the amendment at 10:30 and it did sit there until 12:30. It could probably come to a culmination very quickly when we meet.

Mr. DIXON. Mr. President, would the distinguished majority leader yield to me for a question?

Mr. DOLE. I shall be happy to yield, but I want to respond quickly to the Senator from Montana.

I think the overriding question is whether we will agree to stay within the budget limitations, whatever they might be. I offered a motion this morning to that effect. After some discussion it appeared to me that that was a dead-end proposal, because everybody is willing to talk about the budget, but nobody will vote to stay within it. So I withdrew the motion. If we could agree on that, we could bring out any bill.

Sooner or later, we are going to have to do some fine tuning. Some areas are going to need major tuning. We have estimates that the committee bill is going to be some $20 billion over the budget, some say $12 billion, some are $5 billion. It depends on whether you use January 5 as the date or some other date, or whether you use the CBO estimate or the Budget Committee's or some other estimate. It seems to me that is why the Senator from Montana is frustrated; he cannot find the figures.

Mr. President, I say in all seriousness and sincerity, we have two ways we can go. We can have a replay of farm credit debate earlier this year, which was partisan, or we can try to work it out on a bipartisan basis and try to get a pretty good margin of victory for a farm bill, whosever name is on it. Maybe we do not need any name on it—we could just make it the farmers' farm bill. I hope that is the way we are headed.

Just vying to see who can stay one vote ahead in the committee is not going to accomplish that result. I am not certain just how we get there. This is pretty tough to do.

I am happy to yield to the Senator from Illinois.

Mr. DIXON. Mr. President, I wonder if my distinguished friend could enlighten those of us on this side as to why the committee meeting this afternoon was canceled. I thought we were moving along pretty expeditiously—not without disagreements, obviously, but that is part of the legislative process. Obviously, all of this has to be revisited on the floor, but I think most of us were prepared to go back there again this afternoon.

I have, I believe, attended almost every meeting of the committee since the beginning of our discussions on the 1985 farm bill. I say to the majority leader that I have been in his office many time—at his call—on separate meetings that were not committee meetings. I wonder why we abandoned the effort this afternoon when we were proceeding so expeditiously.

Mr. DOLE. I had not noticed that last part, expeditiously, in the Agriculture Committee.

It is my understanding that the chairman has a conflict. I met with the chairman. Also, some people felt maybe we just ought to come out here and see how far we could get on the Senate floor. I am not certain that is going to happen. But if we do get consent to proceed to S. 1040, that may be helpful.

Mr. DIXON. Mr. President, may I ask the majority leader, what is S. 1040?

Mr. DOLE. It is an agriculture bill.

Mr. DIXON. Who wrote it?

Mr. DOLE. Senator COCHRAN.

Mr. DIXON. Mr. President, the Senator from Mississippi is a fine member and has contributed greatly to the work of the committee, but there are 17 of us there; maybe the other 16 could contribute as well.

Mr. DOLE. It is also Senator PRYOR. It is bipartisan, Mr. President, COCHRAN and PRYOR.

Mr. DIXON. They are both fine people, but I wonder why, to the detriment of the 15 other members of the committee, we are going to look to a two-man bill on the floor. As the distinguished majority leader well knows, we have almost completed the farm bill. We have had some major rollcalls on commodities. He has won a few; we have won a few. We are almost completed as far as the commodities are concerned. We have the finest conservation section ever written in the history of this bill. We have a small problem on food stamps. We have had some votes on block grants in which we prevailed 11 to 6. There is almost nothing left to do. I do not understand why we are going to bring up a new bill, why we come up with a separate bill when we have almost finished our work on this one.

I recognize changes are going to be made on the floor. If my dear friend and colleague remembers, I was on the committee in 1981 when we wrote the floor bill. I was involved in debate on the floor, and was defeated in my position on a number of things.

We passed it by almost 50 votes. As the majority leader indicated, it passed by only 2 votes on the House floor, so it was not a tremendously popular bill in Congress.

If it escaped the attention of the majority of people in the country, it does not escape the attention of the farmer, that all some of us are talking about is a freeze—giving them no more—a freeze. We argue about a freeze when, obviously, the policy of the Budget Conference Committee itself has been to permit defense spending to rise by the rate of inflation and to permit the COLA's to rise by the rate of inflation. We are turning the attention of the country to the American farmer. In everything we have dealt with so far this session, at least the rate of inflation has been taken into consideration. We are simply asking to preserve the farmer at the same level for the next 4 years that he is this year and everybody wants to cut the farmer.

I only want to say to the majority leader that some of us were ready to be back there this afternoon to continue the work.

Mr. DOLE. Mr. President, we had some objections to meeting; I guessed we did not want to act.

One member came through and said we could not meet and everybody was a little confused.

I am not certain what the chairman has in mind. I am just responding because the distinguished Senator from Montana indicated that since I was on the floor, he wanted to say a few words about agriculture. That started about 3 o'clock. I did not intend to debate the farm bill.

Mr. DIXON. Why does my friend want to go to a new bill that has not been through the committee process?

Mr. DOLE. My own view would be that the final product would be a bill that has been through the committee process. Every bill has been through that committee process. Bills we have not even thought of yet have been through that process.

It is not that we have not had sufficient time. It seemed to some of us that we need to agree on a result to let farmers know what policy is going to be. I have a letter here signed by five of my colleagues who happen to be

from wheat-producing areas making this point—Senators NICKLES, KASSEBAUM, ABDNOR, GORTON, PRESSLER. I know there are an equal number on the other side of the aisle who agree with this point. We represent wheat States.

Mr. DIXON. Mr. President, may I say to the majority leader that I am willing to vote on the bill today. Let us take it out of committee. Let us vote on it this afternoon. Tomorrow is a nice day. Why not vote on it tomorrow? This bill is 95 percent ready for a vote tomorrow, and the majority leader knows that. We have a few things to do around the edges on the food stamps. Everybody knows that.

Mr. DOLE. What about the cost? Is the Senator worried about the cost of anything around here?

Mr. DIXON. I am worried about the cost, Mr. President. I say we should treat the farmer in a fair and equitable fashion as we treat every other sector of our society.

Mr. DOLE. Mr. President, I think farmers have been suffering primarily from this overspending in the Federal Government, which has driven up interest rates and everything else. I just cannot believe that the sole hope of the farmer is how high the subsidies can go. We have high real interest rates, we have a strong dollar, and our commodities are not competitive because loan rates are too high. Finally, almost every farm organization realizes that loan rates are too high, we cannot sell anything on the international market. The Government ends up with the crop. Farmers are in difficult straits. But just to pass a bill without even any reflection on the cost does not make sense. I do not want to debate the farm bill on that basis. I was just passing through the chamber. I shall try to pass on through here.

Mr. NICKLES. Mr. President, will the Senator yield for a comment?

Mr. DOLE. I will yield the floor.

Mr. NICKLES. Mr. President, I congratulate the majority leader for his willingness to try to bring up the 1985 farm bill. My very good friend from Illinois is talking about the farm bill being 95 percent of the way through the Agriculture Committee. I am glad to hear that because I, as many other people, have been very frustrated with the fact that the Agriculture Committee has not reported out a bill. We heard the deadline was going to be 2 weeks ago. It is still not out on the floor.

I have farmers, the Senator from Illinois has farmers, and the Senator from Montana has farmers who need to know before we adjourn what is in the farm bill. They are going to try to make decisions and will say, "Let's see, are we supposed to plant 100 percent, 70 percent, 80 percent? Is there going to be a mandatory set-aside?" They do not know. We would like to be able to give them some kind of direction. The House bill as last reported had a 30 percent set-aside for wheat. The farm bill as it is moving through the Senate has 20 percent. Some of us have different ideas because we are not really sold on the fact that 20 or 30 percent is the best way to go, and so we have a little different idea that we would like to have discussed. I understand that a proposal I have made was discussed in the Agriculture Committee today. I understand it lost by a narrow vote. I would like to talk to some of my colleagues and try to influence them that I have a good idea, that we pay full benefits when farmers produce on 50 percent of their base and then above that, they have the option to do whatever they want. But we need to know. They need to know.

Mr. President, I am pleased to hear what I am hearing from the Agriculture Committee. If they are this close, I implore the majority leader to move forward with the legislation. We have heard good things before, but we really need to act this week.

Mr. DIXON. Mr. President, will the Senator yield?

Mr. NICKLES. I am happy to yield.

Mr. DIXON. I have the pleasure and distinction of serving next to his colleague from Oklahoma on that committee, who I know—just as is this great Senator from Oklahoma—is very interested in the problem of wheat in his State and agriculture generally. He has been at every committee meeting, and I have attended every one with him.

I report this to the Senator from Oklahoma, with other colleagues from the committee who are on the floor: That bill is 95 percent completed. We have the strongest conservation section in that bill that has been in a farm bill in the history of American politics. We had votes on the commodity sections this morning, on every section—on wheat, feed grain, including corn, upland cotton, and rice. We revisited beans for a while. We have done everything.

We have done most of the food stamp questions, sticky questions such as the block grants which were opposed by the administration. Perhaps the Senator from Oklahoma would disagree with that. We have visited all these issues and have almost completed the bill.

The majority leader prevailed on the last motion before lunch at about 12:30. We were prepared to go back at 3 o'clock to return to a motion by the distinguished Senator from Montana that would have fixed the rate for wheat, feed grains, upland cotton, and rice for the next 4 years at the existing rate, granting the Secretary of Agriculture the right in the third year to raise it by 5 percent on commodities and in the last year, 7.5 percent.

That might not be exactly what the distinguished Senator from Oklahoma would want. But I represent to him that there are Senators on this floor who have attended every committee meeting since it began and have gone to dozens of other meetings in the majority leader's office and elsewhere, met with all the Secretaries of Agriculture who are still alive, and contributed hundreds of hours of their time to this issue.

We almost have a bill. In the short time I have been here, I have never seen us abandon the committee process when it was almost completed, to come to a shell of a bill on the floor and work our will while we had the completion of the situation by the committee.

With all due respect to the majority leader, who I think is as interested in a good bill as anybody else, I say that I do not understand what is going on here.

I say to the Senator from Oklahoma that it is not because we have not attended to detail in the committee. It is not because we have not almost completed the bill. I suggest that there is some other reason which the Senator from Illinois does not understand.

Mr. NICKLES. I will tell the Senator one reason, because I and other Senators are pressing the majority leader to move forward. We have waited, and I am pleased to hear that the committee is this close, and maybe they can finish it this afternoon.

Mr. DIXON. We would have had it finished by now if we had met.

Mr. NICKLES. The Senator is well aware that the committee, for many weeks, was meeting for only about 2 hours at a time and not completing their work. Regardless, time marches on.

Farmers are going to the field. Right now they are preparing their fields. They want to know how much they should be planting, and they do not know.

If the committee can finish it up today and we can bring it to the floor tomorrow, that would be great. However, I think today is too late to get started. I think we should have started some time ago.

Mr. MELCHER. Mr. President, will the Senator yield?

Mr. NICKLES. I yield.

Mr. MELCHER. I advise the Senator that we were due to meet at 3 o'clock, and that meeting had to be canceled by the chairman, for what reason I do not know.

Nevertheless, it should be noted with respect to objections to the meetings that had to be canceled—meeting more than 2 hours—while no one Senator is privy to who objects, the objections being made by one side or the other, it is fair to say that that is every Senator's privilege. But I think

it is also fair to note that probably more than half of those objections, causing no afternoon meetings, were made by Members on that side of the aisle, not on this side.

Mr. NICKLES. That is not my understanding.

Mr. MELCHER. Nevertheless, let me point out that on the budget constraints, the committee is allowing what the Department of Agriculture, the administration, has granted, and that is a reduction of the loan rates to allow the results in greater exposure to the Treasury.

There is no secret that if this bill is too high with respect to the budget and that offends the administration, they can make those adjustments. They can put the loan rates in. We have gone along with that because they have asked for it.

Mr. NICKLES. I understand what the Senator is saying, but let me finish my thoughts and I will yield the floor, and he can make whatever statement he wishes.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter signed by me, Senator KASSEBAUM, Senator GORTON, Senator ABDNOR, and Senator PRESSLER.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, July 26, 1985.

Hon. ROBERT DOLE,
Majority Leader, U.S. Senate, Washington, DC.

DEAR BOB: If Congress does not outline next year's wheat program prior to the August recess, farmers in our states will be forced to make production decisions without knowledge of the programs under which they will be operating.

With harvest of the 1985 crop largely complete, winter wheat farmers are preparing the fields for early fall planting. By the time Congress returns in September, some 1986 crop wheat will be in the ground. With this in mind, it is our desire to bring up the wheat title of the 1985 farm bill for floor consideration if the Senate Agriculture Committee has not completed work on this needed legislation prior to Tuesday, July 30.

As you know, these are trying times for the agricultural industry. Farmers are being pressured by low commodity prices, falling land values and interest rates which remain high for them while declining for the rest of the economy. In order to cut production costs, farmers reduce tillage and fertilizer on program conservation acreage. Unless we act immediately on legislation to reauthorize farm programs, it will be impossible for winter wheat farmers to achieve the cost savings they desire.

In order to make crucial management decisions, winter wheat farmers need details of the 1986 program as soon as possible. Your assistance in this matter is greatly appreciated.

Sincerely,

NANCY LANDON KASSEBAM,
U.S. Senator.
DON NICKLES,
U.S. Senator.
SLADE GORTON,
U.S. Senator.
JAMES ABDNOR,
U.S. Senator.
LARRY PRESSLER,
U.S. Senator.

Mr. NICKLES. Mr. President, to complete my remarks:

As to this idea of who has been holding up the committee, I have heard that the Senator from Montana has been one who has delayed the committee at times.

Regardless of that, our farmers do not care if it is Democrats or Republicans who held up the farm bill. They want to know what is going to be in the bill for this year. I think they would like to see a 4-year bill, but right now they are concerned about September of 1985, because they are worried about survival. A lot of them will not survive. So the fourth year does not mean much. What means something is right now.

They want a bill; they do not want politics. They do not care who objected to meeting with respect to 2 hours. They want the farm bill resolved. That is why I put the letter to the majority leader together.

Some of us said that if we cannot get the bill out of the Agriculture Committee, let us put it up some other way.

To the farmer it makes a lot of difference whether you are buying fertilizer for 70 percent of your land or 100 percent. It makes a lot of difference whether you are going to participate in the program or not. They cannot make those decisions unless they know what is in the bill.

I favor a different approach from that which I think is moving through the committee. I hope our colleagues will talk about it. This is a bipartisan idea.

The Senator from Illinois might remember that I spoke about it before the Agriculture Committee several months ago. I said that I hope we will move toward less Government restriction and not have the mandatory setasides. We will tell the farmer: "We will maximize your subsidies or payments by producing on, 50 percent of your acreage. Above that you are on your own. Your can do whatever you want to with the other 50 percent."

I heard that it was discussed in committee today and was defeated by one vote.

I think the Government can save a lot of money in that regard, and farmers can save some money. We will not be trying to micromanage each farmer.

Under the present wheat program, as the Senator from Illinois knows, a farmer, in order to get maximum benefits, has to produce all he can on 70 percent, and he does not produce on 30 percent. So he is maximizing production on part of it and none on the other. The taxpayer ends up paying a lot. You do not control total production. You just continue to see the demise of the American farmer.

We have a couple of other ideas that will not cost so much and will help the farmers. Under my proposal, if the farmer wants to put his land in alfalfa, hay, or whatever, he could do so without losing his base.

I hope we will consider some of these ideas, but we have not made enough progress. So far as the farmers in Oklahoma, Nebraska, and Illinois are concerned, they do not know what is going on behind closed doors in the Agriculture Committee.

He is just wanting to know, "When Congress recesses for August, are we going to have 30 percent set-aside or not? Are we going to be able to keep our base without producing?" They are going to be wanting to know some answers to these questions.

My proposal is they can keep their acreage base, produce on 50 percent, and maximize program benefits at the same time.

Right now unless this committee really moves quickly, unless the majority leader moves forward on the Senate floor, and we work some long hours the next 2 or 3 days, we are not going to be able to have good answers for those constituents.

Mr. PRYOR. Mr. President, will the Senator from Oklahoma yield?

Mr. NICKLES. I am happy to yield.

Mr. PRYOR. I appreciate the comments of the Senator from Oklahoma. As a member of the Agriculture Committee, this Senator from Arkansas understands that we have had over 24 markup sessions. As I told the distinguished chairman of the Armed Services Committee, almost in jest, the agriculture bill is at least as complicated as this year's defense bill. This is truly a complicated piece of legislation.

Mr. NICKLES. I do not doubt that.

Mr. PRYOR. I do believe the Senator from Oklahoma recognizes this.

The Senator from Oklahoma made the statement, and I will paraphrase, that the farmers of Oklahoma and across the land want to know what is in the bill. However, I would almost tend to disagree with my friend from Oklahoma on this statement. I do not really think that the farmers of America want to know what is in the legislation that the Committee on Agriculture has been considering.

But let me tell the Senator the group that does know what is in this bill. I can tell him exactly who is tracking this bill. I can tell him exactly who knows everything that is going to happen to grain prices in this country if we pass the bill that is now in the committee and let it become the farm bill of 1985. Pure and simple, it is the grain "daddies" of this country and of this world, the longer we talk in the Agriculture Committee about what we are getting ready to do and

what trick we are getting ready to play on the American farmer, we are going to see grain prices continue to plummet. We read this morning in the Wall Street Journal that those grain prices are going to continue going down very simply because those interests that really control the grain markets of this country and this world recognize that this country is going to continue on a policy of cheap food. They do not want food prices to rise. They do not want grain prices to increase.

They also know that we are going to attempt through possible indirection to hold in economic bondage thousands and thousands of farmers who are going to continue to work, continue to toil, continue to go in debt and continue to produce cheap food and cheap grain.

So the grain markets are reacting, and I have not seen how the markets closed but I hope they have closed. I hope they are closed because as long as we talk about something that we know is not going to really sincerely help the farmers of this country, those grain prices are going to tumble and we are going to see the American farmer once again, for a 4-year period, be subjected to 4 years of captivity to a policy and to a philosophy——

Mr. NICKLES. I think I have the floor.

Mr. PRYOR. Please.

Mr. NICKLES. Let me finish my comments.

Mr. PRYOR. That will be fine.

Mr. NICKLES. Then I will yield the floor to my good friend from Arkansas.

I share, what I believe is, his disgust for past agricultural policies which have not helped farmers enough and yet cost taxpayers billions of dollars.

I, for one, think we need to change the farm policy. I heard people say let's have continuations of present programs and so on. I think the past farm policies as I outlined before have been a disaster. They have cost too much for the taxpayers. They have not helped farmers obtain real income.

We have really seen some real distortions, pulling farmers in two different directions, "You produce as much as you can on 70 percent; do not produce anything on this 30 percent." It has not worked. They have to produce to keep their base. Even if a guy did not want to stay in wheat, and the Senator from Montana knows this, he has to stay in wheat to keep his base. If he does not continue wheat production each year to keep that base, he loses the base. He cannot afford to do that.

So I am very much in favor of making substantial improvements in the farm bill. If a better program is not what is in the proposal coming out of the Agriculture Committee, and if it is not, and in my opinion it probably is not, I will be one, and I will probably be joined by the Senators from Montana, Arkansas, and others, to change it.

But I do know that those farmers do want to know what is going to be in the bill, whether it be bad or good, so they can decide if they want to participate in the program or not. If they are not going to participate, the farmers, many of them, are going to plant fence row to fence row—100 percent. If they are going to participate and we have a 30-percent set-aside, then there is 30 percent of their land for which they do not need to buy fertilizer. They do not need to be turning the land—preparing the land to plant.

They are going to be planting in the middle of September and earlier in my State. Oklahoma is a winter wheat State, as the Senator knows, and I know he has some winter wheat as well, so the timing right now is critical.

Even if we pass a bad bill, my farmers want to know so they can plan accordingly. Whether the news is good or bad news, they at least want to know so they can make their decision.

I hope that the committee, if they meet this afternoon, can finish their business. Maybe we can bring out the committee bill and work together to improve it on the floor of the Senate.

Mr. President, I yield the floor.

Mr. PRYOR. Mr. President, I appreciate the comments of my friend from Oklahoma. But before the Senator from Oklahoma leaves, please allow the Senator from Arkansas to state one or two things.

First, all of us, I assume, on the Agriculture Committee, like myself, have wiped our schedules clean. We do not even have appointments scheduled any more. We are not making speeches and all the other responsibilities that we have to do around here.

All we do is sit in the Agriculture Committee, and I was prepared, along with my colleagues, especially on our side of the aisle, to sit in that committee this afternoon from 3 o'clock to whatever time.

This morning at 10:30 the Senator from Montana, Senator MELCHER, moved that the section of the bill relating to commodities be sent to the floor.

Now, there was never a vote; never was a courtesy extended to the Senator from Montana to have a vote on that particular motion.

I will be honest with you, I have reservations about sending that particular section to the floor. But everyone seemed to think that we had to get something on the floor for debate. Therefore, I was ready to vote, with the Senator from Montana, and move that bill, to the floor of the Senate, to begin debate and, if needed, stay here tonight, stay here tomorrow, tomorrow night, Saturday, or whenever.

Now, what we have here, and the reason I wanted to address this Senate is S. 1040, known as the Cochran-Pryor bill that the distinguished Senator from Mississippi and myself brought before the committee and passed to the floor of the Senate. I think it has been on the calendar since May 22. Since that time, S. 1040, has been on the calendar of the Senate, ready to debate at any moment, ready to amend at any time, for anyone who had an amendment.

This bill is 15 pages long; 8½ pages have been stricken from this bill. Even though my name is on this bill with Senator COCHRAN. I do not know if I can still support this bill with all of these deletions. So we are going to, at least, I hope, try to consider this bill. Hopefully, the chairman will reconvene the Agriculture Committee this afternoon so we can have the opportunity to vote on the motion now pending.

I am hopeful that the people and the farmers of our country, for whatever reason, will not blame any delay on a farming bill on this side of the aisle. There is already enough blame to go around. It is absolutely one of the most complex pieces of legislation that most of us have ever seen. As an example, you do something for one group and it hurts the other. It is truly a complex piece of legislation.

These are the comments I wanted to make, and I appreciate the Senator from Oklahoma for yielding. I again say that probably in the long run it would be best to just go home and listen to our people, listen to our farmers and when we come back, I think we will have had a good dose of old-time religion. I also think we will come back and bipartisanship will prevail. We will say, "Look, we have a farm crisis out there and we have got to draft a farm bill that is going to see these people through the next 4 years." My fear is that what we have pending is not going to have adequate cash flow where individual farmers, can go to the bank, go to the PCA, or wherever they secure credit and get credit for the next year's crop.

Mr. President, I shall ask unanimous consent that I might add at this point in the RECORD a Wall Street Journal article dated July 31, Wednesday, relative to "Soybean and Corn Futures Tumble To Contract Lows." I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOYBEAN AND CORN FUTURES TUMBLE TO CONTRACT LOWS

(By Wendy L. Wall)

Most soybean and corn futures prices tumbled to life-of-contract lows amid growing concern that Congress will lower some

price supports for major crops by as much as 25%.

Weather speeded the declines as rains drenched the Midwest and Southeast, dispelling any speculation about major drought damage to the maturing corn and soybean crops. Wheat, soybean oil and soybean meal futures also fell.

"The bear market rolls on," said Susan Hackmann, an analyst at Agric Analysis in Chicago.

Soybean futures for August delivery fell 7.75 cents, to $5.23 a bushel, leading other non-financial commodity futures moderately lower. Commodity futures generally continue to hover at a seven-year low, according to an index compiled by the Commodity Research Bureau. Corn futures for September delivery fell 5.75 cents, to $2.35 a bushel. Both the corn and soybean prices were at life-of-contract lows. Soybean futures have fallen 14% from a year ago, while corn futures are down 18%.

Although congressional debate on new farm legislation continues, many traders are assuming that the House and Senate agriculture committees will probably recommend lower wheat and corn "loan rates," said Robert Lekberg, an analyst for Shearson Lehman Brothers Inc. in Chicago. The loan rate is the amount per bushel that farmers can borrow for putting their crops in government price-support storage programs. The loan rate generally acts as a floor under commodity prices, and a reduction likely would further depress crop prices in the U.S. and overseas.

However, the Senate Agriculture Committee remains deadlocked in an effort to set "target prices," Ms. Hackmann of Agri Analysis said. Target prices determine the level of income supplements farmers receive; the supplements are based on the difference between a crop's market price and the target price. Some conservatives favor freezing target prices at current levels for one year before dropping them; other senators would like to freeze them for a longer period.

Heavy rains in the Plains states, the Southeast and sections of the Corn Belt also eased dryness in some regions, leading to further selling in futures. The storms are expected to move eastward across the Midwest today. Mild temperatures are predicted for most of the Corn Belt and the Mississippi Delta early next week.

In other commodity markets yesterday.

COPPER

Copper futures prices tumbled more than one cent a pound in what analysts said was a delayed reaction to a sharp rise last week in refined copper stockpiles on the London Metal Exchange. Supplies on the exchange rose 14,975 tons in the past week to 143,500 tons, up 65% from recent lows in early April. Also, consumption of copper in the U.S. is in a seasonal slump. Technical factors played a role; futures prices recently failed to penetrate a significant resistance point, said Robert Green, president of Canadian American Metal Co., New York. Prices for spot copper deliveries on the London Metal Exchange were trading higher than futures prices in New York, analysts said. The disparity partly reflects the fact that "the U.S. market is soft, it has no lift," said Frederick Demler, senior metals analyst at Drexel Burnham Lambert Inc., New York.

FOREIGN CURRENCIES

Most foreign-currency futures prices rose. Futures analysts cited a government report showing a wider-than-expected $13.42 billion U.S. merchandise trade deficit for June. Another factor was a report of a 0.1% decline in U.S. single-family home sales for June. Foreign-currency futures tend to rise on signs of a weakening U.S. economy. Contracts tied to the British pound fell, partly in response to a decline in short-term British interest rates, which usually makes pound-denominated investments less attractive.

LIVESTOCK AND MEATS

Most cattle, hog and pork-belly futures prices rose. In cattle, animals delivered against the maturing August contract were purchased by a firm that is expected to keep them, rather than redelivering them quickly. Also, wholesale beef prices fell to levels some traders think will stimulate consumer demand and clean up current burdensome supplies, said Jerry Abbenhaus, analyst for A.G. Edwards & Sons Inc., St. Louis. Hog futures also responded to expectations among professonal floor traders of stepped-up demand. Wholesale buyers raised their bids for some fresh pork cuts on cash markets, analysts noted. Although most pork-belly futures rose in response to the same factors, prices in the maturing August-delivery contract fell sharply as traders sold contracts to avoid taking delivery of bellies.

Mr. PRYOR. I yield the floor.

Mr. EXON. Mr. President, for the information of Senators who have been debating the farm bill, I have been listening with keen interest. I follow the markets quite closely and when the question came to what the market is doing today I took a trek outside the door and they are coming off the United Press wires which I ask unanimous consent be printed immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

[See exhibit 1.]

Mr. EXON. If I could have the attention of my friends who wanted this vital information. This is from the United Press, No. 043:

Grain futures made contract lows across the board Wednesday on the Chicago Board of Trade.

I think that sums it up pretty well. I was on the floor a few days ago when the distinguished majority leader was complaining about the fact that it was those on this side of the aisle that were holding up consideration of the farm bill. Now I am told today, I have been listening to the debate, it seems that there are people on that side of the aisle that are holding up debate on Wednesday when we are supposed to leave here 2 days from now. Whoever, is holding up consideration of a legitimate and proper farm bill should stand the test before the voters of this Nation.

I am fearful that there may be some political play going on here, to where maybe tomorrow night or maybe Friday morning, there will be something brought our here that is called a farm bill and then anybody that objects to it as not a good farm bill may be falsely accused of being the guilty party for holding up consideration of a farm bill, a portion of which is critically important to the wheat growers as they plan their crop planting right now.

Mr. President, while we go ahead with all this rhetoric, while we worry about whose name is going on the farm bill or whose name is not, while we worry about whether we are going to offend the chairman of an important committee or whether that chairman is not going to be offended, I simply tell you once again, as I have stood on this floor repeatedly time and time again to tell you, that there is a crisis situation in agriculture today that cannot afford to wait while we play the silly games we continually play in the U.S. Senate.

Earlier this afternoon, I attended a meeting held by a group of farm organizations with the Wharton revised estimate on what is happening in agriculture today. It proved exactly what a group of leading economists, agriculture leaders and bankers, testified to yesterday in front of a meeting that I arranged with the Secretary of Treasury, James Baker, a key policymaker. We were talking to him particularly about the relation of the agriculture bank. Once again, time and time again, we see that unless we make some changes in the farm program, regardless of its budget implications, unless we make some changes, it is going to cost this Nation billions and billions of dollars and it could break not only the farmers but it could break the Federal Deposit Insurance Corporation and the $12 billion to $18 billion that they have currently in reserves. Yet I hear time and time again that we have got to cut back $10 billion to $15 billion on the cost of agriculture while at a minimum we are talking about giving our defense budget an inflationary increase this year and then increases the year after for 3 to 5 percent while we are saying cut, cut, in agriculture.

(Mr. McCONNELL assumed the Chair.)

Mr. LEAHY. Will the Senator yield for one point in that regard?

Mr. EXON. Yes.

Mr. LEAHY. It was brought out in the Agriculture Committee this morning that the appropriations continues for the so-called Divad gun, which according to the paper, costs $6 billion. This is a weapon that is supposed to shoot down helicopters and low-flying airplanes. After absorbing $6 billion, all it has been able to do is hit a stationary outhouse, somehow focusing in on the exhaust fan or something of that nature.

It is nice to know that we are protected from an invasion of stationary outhouses. Yet, were it not for the dark humor in the matter, we must realize that $6 billion is almost half a farm program which enables the United States to be the only major military power in the world able to feed itself. From the time we began as

a country, no enemy has been able to starve out the United States. We have not only been able to feed ourselves and a number of our allies, but been able to show our humanitarian nature in other parts of the world.

The Soviet Union, our major adversary in the world, would give anything to begin to have the agriculture productivity we have in this country.

We talk about the security of the Nation. This is part of our security. Just think for a moment, Mr. President: The only major military power in the world able to feed itself, have a surplus, and not be subject to a disruption of that ability because of the disruption of just one area of the country. It is diversified and dispersed. We have the most agriculture productivity in history. I hate to see that jeopardized and I hate to see the farms and the families—the human aspect—being jeopardized.

I see a couple of the other members of the Senate Agriculture Committee here, the distinguished Senator from Arkansas, Mr. PRYOR, the distinguished Senator from Montana, Mr. MELCHER. Others have been here. I might say to my good friend from Nebraska, Senator EXON, that we were unanimous in talking among ourselves down at the side of the table that we are ready to vote on a farm bill. We are ready to vote and we are perfectly willing to see the recess canceled in part or in total if we can get a farm bill up here. If we have a bill on the floor of the Senate and start voting on it, we could, within a few days know the will of the Senate. Would that not be so much better than to have the whole farm situation held in some kind of a limbo?

We have worked hard, all of us have. We have brought our knowledge and the knowledge of our constituents to this legislation. I think it is time to go for it.

Mr. EXON. I thank my distinguished friend, Senator LEAHY, for his excellent remarks. And he makes a good point. If we cancel the Divad gun, we would have enough money and we would not have to worry about busting the budget for agriculture. That is just one item, small item—"small," in quotes, I should say—in the defense budget.

I believe the people of Nebraska, the farmers of Nebraska, and the small business people that are being devastated right along with our farmers and ranchers, when you look at the futures market out there today, you see cattle down in the $50 category, going lower than that. We see corn futures down to $2.28 and going lower. There is no way that you can produce food for those kinds of prices. We are going to be driving a higher and higher percentage of our family-size farmers and ranchers out of business at a faster rate in the next few months than we have in the last 24.

Mr. President, this is a serious situation. I certainly agree with the suggestion made by the Senator from Vermont. Let us stay here. Let us cancel whatever plans any of us had with regard to the recess. Let us stay here and work. Let us stay here and do our job. Let us stay here, if you will, Mr. President, and get over and work through the silliness that continues to go on by delaying legitimate consideration of a farm bill.

Let the record show, Mr. President, that at least at 4:15 on this Wednesday before the scheduled recess, it cannot be said, as it was claimed earlier by those on that side of the aisle, that it was any single one on this side of the aisle that was delaying consideration of a legitimate farm bill.

Mr. President, I yield the floor.

EXHIBIT 1

CHICAGO.—Grain futures made contract lows across the board late Wednesday on the Chicago Board of Trade. The first three soybean contracts also established new lows at about the same time.

Corn was pressured by aggressive professional and commission house selling, although commercials were small buyers. Traders said lower basis levels at the gulf and forecasts for more rain prompted much of the selling.

Wheat was higher early in the day on commercial buying, but prices retreated by midmorning and edged lower the rest of the day. Spillover weakness from the corn pit also affected the wheat market.

Soybeans closed higher, but were pressured by commercial and professional selling and a substantial decline in gulf basis levels. The bean market was supported by short-covering on ideas that recent losses may have been overdone.

Deliveries against the August soybean and soybean oil contracts were light which also was supportive.

The Census Bureau pegged June soybean oil stocks at 731 million pounds which was in line with trade estimates and had little effect on prices.

At the close, soybeans were up ¼ to 8 cents, wheat off ¼ to up 1, corn off 4 to up ¾ and oats off ½ to ¾ cent.

Mr. MELCHER. Mr. President, it is very true that we were very close to the completion of the commodity title of the bill. If the meeting had been held this afternoon or quite possibly at the next meeting whenever it is held, the vote that occurs on what happens to the 2 last years of the 4-year farm bill—if that is what it is, or the life of the bill if it happens to be longer than 4 or shorter than 4, are the target prices going to be held at the same level; that is, not lowered—when we have that vote, I think the commodity title of the bill should be ready to report out; at least that was our intention this morning, that that be allowed to happen.

Now, perhaps there is some interest in what has happened over the last 6 days since last Thursday when we adopted that amendment protecting a target price for the life of the bill at the current level. We got a proposal the very next day from the Republican side. I just happen to have this and another proposal in my suit pocket. This first proposal was never voted on on Friday.

Then on July 29, another proposal, which is entitled, "Proposal To Resolve Committee Consideration," advanced by, I believe, the chairman, I am not entirely sure of that, but it came from the Republican side, that listed a series of conditions and that also was never voted on this week.

So we tried to force the issue this morning on the commodity title of the bill and got to the point of where we pretty much took care of 2 years, if it is a 2-year bill, the first 2 years, and we simply got to the point of moving on the other 2 years.

Mr. HARKIN. Will the Senator yield?

Mr. MELCHER. Yes, I yield.

Mr. HARKIN. I thank the Senator for yielding. I got on the floor a little late to engage in this discussion because this Senator had shown up at the appointed time of 3 p.m. at the Senate Agriculture Committee room, and found that the Senate Agriculture Committee hearing scheduled this afternoon was canceled. Since that time I have been talking to some farm bureau members, some from the State of Iowa, about the situation in agriculture. We waited outside the Agriculture Committee room. I thought some of the other Senators would show up over there. Then I found out that it really was canceled.

As the Senator from Montana said, we met this morning. The Senator from Montana offered a motion. We debated it. We had a series of votes this morning. I thought we were drawing very close to having a definitive vote on the commodities sections which we would have had this afternoon. As far as this Senator is concerned we could have had a farm bill on the floor of the Senate certainly by late today—or by tomorrow—had we met.

I just wonder if the Senator from Montana has any information. Maybe he has already stated it. If he has, I apologize for not being here. But as I said, I was meeting with some farmers from my State. But does the Senator from Montana have any knowledge as to why we are not meeting this afternoon?

Mr. MELCHER. No. I say to my friend from Iowa, I really do not know except a message was left that the chairman had a conflict and the meeting was canceled. But I understand the chairman's dilemma in all fairness to the chairman, and to the majority leader, and their dilemma on the budget constraints that might be tied to a bill once it is on the floor. I recog-

nize that. I must point out to the Senate and to the public at large that those budget constraints can be met. What the committee has done is to accept the request of the administration in setting the loan rates at a level that they desire to set them. We have always had loan rates for this generation and longer. We have had loan rates. But never have they been reduced as much as the administration suggested that these be reduced. When they are reduced, the exposure on the deficiency payment, of course, is increased.

The best judgment of the Department of Agriculture currently is that on wheat they would like to reduce the bottom line rate, the clearance rate, down about to $2.52; I believe on corn about to $1.84 for the 1986 crop. In most cases, that creates an extensive exposure whether the target price is left at the same or is even reduced 5 percent. That is a very extensive exposure for the Treasury. It does add up to many billions of dollars. The majority leader earlier this afternoon stated that during the Carter administration the cost of the farm bill for commodities was roughly $20 billion for all 4 years, and at the end of the 4 years of President Reagan the cost of the commodity programs has been $63 billion. So there is grave concern about the budget. But let me point out that there are some of us, including myself, that vigorously disagree with the administration, specifically the Department of Agriculture, that it will be necessary to see wheat price drop to $2.52, or corn prices drop to $1.84 on those clearance loan levels for the 1986 crop, and for the subsequent crop years they have it slightly lower than that—for 1987 crop production—and even lower than $2.52 for wheat and $1.84 for corn for crop production of 1987. I do not believe they are accurate. I believe that they will see the market clearing out at a higher prices than $2.52 for wheat, or $1.84 for corn. But nevertheless, it is their computers, and it is their figures that the committee is acting upon.

Mr. HARKIN. Excuse me. Will the Senator yield?

Mr. MELCHER. Yes. I am delighted to yield.

Mr. HARKIN. I thank the Senator for yielding.

Is this the same computer from the Department of Agriculture that 3 years ago told us the PIK Program would cost nothing?

Mr. MELCHER. Judging from the results of the PIK Program, they did not know what a computer was at that time. So I cannot answer that question, I tell my distinguished friend from Iowa.

But the point he is making is that while the Department thought that the PIK Program might cost $2 to $3 billion, it ended up costing they say about $10 billion. I think it is fair to say maybe it was slightly higher than that. But nevertheless, I disagree. I think a lot of people disagree in believing the market clearing prices will be that low. They should not be that low at all because we should see a stronger effort made on exports. We should see in the coming years the return to the idea that you make concessionary sales or actual donations of food to developing countries in larger amounts than have been made in the past several years excluding Africa, that you do that for the very purpose of clearing out the surpluses and making the beginning inroads into developing markets in those countries. We are not plowing new ground in those instances. We are just returning to common sense.

One of the reasons that the Reagan administration has found itself tripling or more than tripling the cost of the commodity programs during its first 4 years than occurred during the Carter years, and I might say during any other President's years, is because they have not had a consistent trade policy on agricultural matters. Some people feel they do not have a consistent trade policy on any matter. But on agricultural commodities, I am here to say, Mr. President, they do not have a consistent policy and what consistency there is in it is bad.

I trust that they can improve on that. Certainly it is the desire of the committee, I think all 17 of us, that the strong feature of the export section of the new farm bill will force some changes within the Department of Agriculture and the Department of State that will greatly improve the use of the abundant supply of food we have in this country. In other words, develop an agricultural trade policy and a food policy that we use this abundance to the credit of the United States.

Mr. BOREN. Mr. President, will the Senator yield?

Mr. MELCHER. Yes, I am delighted to yield.

Mr. BOREN. Mr. President, I apologize. I have been in another meeting and have not heard some of the earlier remarks. But it is my understanding that the Agriculture Committee was to have met at 3 o'clock. I was preparing to leave for that meeting when I received a call that it was canceled. I wonder if we have had any further word as to why the committee did not meet? I certainly am ready, and the Senator from Montana had a motion pending when we adjourned earlier. We were ready to go back into session to meet at this time. Have we been called back into session or have we been notified so that we can pass the bill out this afternoon and bring it to the floor?

Mr. MELCHER. I have to advise my friend from Oklahoma that as far as I know we are not so advised and why it was canceled I am not sure. All I have heard is—and I heard this from the distinguished majority leader—that the chairman of the committee found that he had a conflict and therefore canceled the meeting.

Mr. BOREN. Is the Senator from Montana willing to proceed to report out a bill if we are called back into meeting?

Mr. MELCHER. Yes. I am. I would like to have a vote on my motion. When that is completed, it would be my desire that—at least it would be my vote and my hope—that the committee would report out the commodity title of the bill. I have had the feeling it is the wrong way to operate. But part of my motion would be that the other titles of the bill must catch up with the commodity title before final completion of action on the commodity title.

Mr. BOREN. I thank the Senator from Montana. I am pleased to hear his comments because while I too would like to see us bring all of the sections of the bill together before we complete action on that bill, I have high hopes that before the day is out—certainly before the week is out—that we can bring the commodity section out. My colleague from Oklahoma has expressed himself on this subject. Our farmers are getting ready to plant. They need to know what the program is.

Of course, as important, even more important than knowing what it is, it needs to be a good program. Several of us had an opportunity to hear some of the officials from the farm credit system yesterday in an informal meeting. I would say to my colleague from Montana that meeting had a great impact on me.

It reaffirmed, I am sorry to say, some of the fears that I have had. We see rapidly deescalating land values, 19 percent since the first of January in my home State. We see escalating interest rates within the farm credit system. There are more and more parts of that system getting into trouble. They are having to raise the interest rates on the farmer members who are left in order to keep the associations going.

Clearly, if this downward spiral is allowed to continue, I believe that it forecasts danger not only for the economy of rural areas, but it poses a great threat to the financial safety of the entire country.

I think the Senate should wake up to the fact of what we are facing here if we allow deep sections of our economy to get into trouble. It does not take an across-the-board recession to break down an entire economy. We do not have to look at the economic indicators to determine what will happen. We have to carefully watch the critical

sections because if they collapse so deeply that it impacts upon the banking system, we can create such a crisis in this country that can bring down the whole economy even if not at first spearheaded by a general recession.

I think we have to look at the conditions in agriculture and other critical sections with this in mind. That is another reason why I hope we will be able to pass a bill that does improve the cash-flow on the family farm.

Seventy percent of my farmers are experiencing negative cash-flow now. We have to put the floor under skidding land values that threaten to topple the entire system.

We must be able to pass out a bill expeditiously that will provide enough income on the family size farm so that we can solve the problems.

I am glad to hear the Senator's answer. I strongly agree that we should try to get a bill out as soon as possible and, if necessary, we should go ahead and bring the commodity section out and then later join in with the other sections of the bill, the food stamp section, the credit section, conservation and other sections.

I thank the Senator for yielding.

Mr. MELCHER. I thank the Senator from Oklahoma for his remarks.

I might point out that a few moments ago the distinguished majority leader stated there would be a Cabinet meeting tomorrow, and that the farm situation would be part of that discussion. I think that is entirely appropriate and very timely. Members of the Cabinet have been listening to the problems that rural America has been experiencing with the farm credit crisis that started last year and which is now getting worse because of lower commodity prices.

The Cabinet would be wise to heed those danger signals and be prepared to act in a manner to salvage this most basic of all of our industries here in the United States.

The Senator from Oklahoma mentioned land values have declined in his State. Let me say that the Department of Agriculture in their assessment of land values from April 1984 to 1985 found that agriculture land values had dropped an average throughout the country of 12 percent.

In the Corn Belt States, the five States of Minnesota, the Dakotas, Iowa, and Illinois, the land values dropped during that 1 year, after a tremendous drop prior to the year recorded. From April 1984 to 1985, the land values in those States dropped 25 percent.

This is a startling and significant change in the credit worth of individual farm operators.

This situation cannot be ignored. While I recognize the difficulties of those who have been working with the budget, and all of us who are on the fringes of that recognize that there are some budget constraints, we feel we cannot abandon the entire agricultural economy and thereby threaten the entire U.S. economy.

While we have been on the commodity section of the farm bill, we have been debating whether or not we should hold the line for the 4 years, or whatever the life of the bill is, at the current target price level as a safety net mechanism for agricultural producers. That is the entire critical area of what will happen to credit for farm producers in the next 2 years.

We are being advised by bankers and farm credit officials that farm income must improve. The Department says, "We will improve gradually with the increase in exports." But we must determine in our own judgment whether that increase in exports will come quickly enough. What about the safety net features in the interim, in the next 4 years?

The answer to that must be if the exports are going to improve over the next 4 years to bring the price of commodities up, well and good. We hope they will. We believe they will improve within that timeframe if the export of U.S. commodities can be increased. We believe the export title does mandate an improvement in our ability to export more of these commodities.

If that is the case, fine. The Treasury exposure then to the target prices will be greatly lessened.

But the question before us is, Are we to jerk out that safety net in the farm credit situation for these producers through the coming year and the one following? What you do for the 2 years is key to what you do for the outyears, 1988 and 1989. What you do then will determine whether their situation will be in worse shape.

The bankers and production credit administration people are looking at cash-flow. If it is declining in the last 2 years of this farm bill, then the judgment that these lenders have to make is, "When do we shut them off?"

Believe me, the situation is so desperate right now. Many loans have been categorized in the doubtful classification. That means if the future in the coming 4 years looks bleak, then their demise is rapidly assured for lack of credit.

Mr. President, I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, there has been a discussion here about the critical situation in agriculture today. During that discussion, I see the distinguished chairman of the Agriculture Committee, my friend from North Carolina, has come to the floor.

We have been commenting on the fact that we cannot get the Agriculture Committee together. In fact, during the discussion for the last hour and a half we have had a quorum of the Agriculture Committee right here on the floor. I do not mean to go through the names, but we have seen the Senators who have spoken and others who have walked in and walked off the floor. Everyone seems to be suggesting that we move ahead rapidly and get a bill which is about finished reported to the floor so we can work on it and stay here if necessary, giving up whatever time of the recess is necessary, the whole month, if required, to get a bill worked out.

I would like to ask the chairman of the Committee on Agriculture, my friend who could call a meeting, if it is possible for him to accommodate what I think are his wishes and what I sense are the wishes of the majority of the committee, having a meeting in the next 5 minutes, and move ahead with getting the bill reported to the floor.

Mr. HELMS. Mr. President, I wonder if the Senator would accommodate the Senator from North Carolina by temporarily yielding the floor and letting me have it in my own right for no more than, say, 5 or 6 minutes, with the understanding that he be recognized in his own right again.

Mr. EXON. Mr. President, I have no claim to the floor. I have asked a question; I shall be glad to yield the floor.

Mr. HELMS. Fine, Mr. President, I appreciate it.

Senator LUGAR, chairman of the Committee on Foreign Relations, of which I am ranking member, insisted that I be part of the conference between the House and the Senate on the matter of South Africa. That request came subsequent to our meeting this morning. That is the reason I had a problem with the Agriculture Committee meeting at 3 o'clock this afternoon. It is my intention to return to the Committee on Foreign Relations.

Let me say with respect to my very dear friend from Montana, and, for that matter, my good friend from Nebraska that they are signing from my hymn book. I have not counted, Mr. President, but staff has advised me that today's meeting of the Agriculture Committee this morning, beginning at 10 o'clock, was the 34th meeting of the committee to mark up the farm bill. I think that all Senators who have attended those meetings—I must say that the Senator from Montana and the Senator from Iowa [Mr. HARKIN] have been among the faithful—I think they will agree that I have done everything I can to expedite consideration of the farm bill through the markup process.

At the same time, I have been around the track a few times in the Senate. I respect its traditions and I certainly respect the civility that is expected of us, and I have never cut off any Senator. I have never failed to allow a Senator to have his full say.

I do not think it can be fairly charged that the Committee on Agriculture all of a sudden is holding up action, because I guess a thousand times I have said, for example, "Let's vote." I wake up in the middle of the night sometimes and I can hear the distinguished Senator from Montana saying "Now, just a minute, Mr. Chairman." Then he makes an enormously effective speech about whatever it is that he is interested in at that moment. So I would say it is not the leadership of the committee that has stretched this process into 34 meetings.

As for the farm crisis, if you will go back and read my opening statement on the first day of the markup, Mr. President, I pointed at that time to the necessity of the committee acting quickly so as to get a farm bill on this floor so it could be considered. That did not happen for the reason that I have mentioned earlier.

I insist, Mr. President, that I am criticizing nobody, nor am I trying to assign any blame. I am simply trying to set the record straight.

Also, Mr. President, it is important that all Senators and certainly the American people bear in mind precisely what it is the farmers in this country understand best of all: It has been the irresponsibility of the Congress of the United States over a period of decades that has caused the farm crisis by spending more every year than the Federal Government could hope to take in.

I remember the day that Ronald Reagan held up his hand on January 20, 1981, to take the oath the first time as President of the United States. I remember sitting out there thinking,

Boy, this guy has really inherited some problems. For example, a trillion-dollar national debt on which the interest alone costs more than it cost to operate the entire Federal Government about 2 decades ago.

And of course, this interest cost has created deficits and high interest rates. Now, I hear comments constantly on this floor, on television, in the newspapers that these are Reagan deficits. It is not so. If we are going to be honest about anything at all, let us at least be honest that the Congress of the United States, by its profligacy, is guilty.

And I say another thing, Mr. President. The best farm bill we could write in the Congress of the United States need not mention any commodity, any loan rate, need not even have the words "farm" or "farmer" or "agriculture," just move us toward a balanced budget. Then the interest rates will come down. Then the cost of production for the American farmer will come down, and we will have served the farmers and everybody else.

But as long as we kick around a farm bill that envisions a process by which the farmers produce for the Government, building up enormous surpluses, then we are deceiving ourselves and we are deceiving the farmers.

I do not know exactly what a referendum would show among the farmers, but I would be willing to wager that if a referendum could be conducted, the farmers would say get that fiscal situation in Washington, DC, straightened out.

Mr. EXON. Mr. President, will the Senator yield for a question?

Mr. HELMS. Yes, sir.

Mr. EXON. I wonder if the Senator might be good enough to respond to my question? I see now since I asked this question, not only is the chairman of the committee here but the ranking member of the committee is on the floor and other members of the committee have come in. The Senator from Minnesota [Mr. BOSCHWITZ] just arrived. We want to have a meeting of the committee and we are standing on the floor of the Senate talking about it.

May I ask once again, is it possible for the chairman to call a meeting of the committee now or sometime this evening?

Mr. HELMS. Mr. President, the committee will meet at the pleasure of the committee. We have a meeting scheduled at 10 o'clock tomorrow. I hope, I say to my dear friend, that the chairman would not have to sit there for 40 minutes before he gets a quorum. The Senator might talk to people on both sides; the guilt is bipartisan in that respect. I have spent half of my life, along with Senator ZORINSKY, waiting for Senators to get there.

I know this public display will be interesting news back home, but this committee has met regularly, it will, and we are scheduled to meet tomorrow morning at 10 o'clock, and I shall be there rapping the gavel tomorrow at 10 o'clock, Lord willing.

That is my answer to the Senator. I hope it is satisfactory.

Mr. EXON. Mr. President, if the Senator will yield for one more statement.

Mr. HELMS. Certainly, Mr. President.

Mr. EXON. With all due respect to the Senator, Mr. President, that answer is not satisfactory. He asked me if it is satisfactory. It is not satisfactory to this Senator because I think we have urgency here. Maybe he was not here when I suggested we not go into our recess period. We generally work at night around here, at least until 8 or 9 o'clock. I guess I am somewhat disappointed that the urgency is not felt to the extent that we could have a meeting of the Agriculture Committee tonight.

Maybe the chairman does not agree with the remarks made by other members of the committee on the floor.

Mr. HELMS. I can imagine what they were.

Mr. EXON. It seems to me if we are that close, a 3- or 4-hour meeting of the committee this evening might get the bill to the floor.

I thank my friend for answering the question. It was not the answer I wanted, but he did answer it.

Mr. HELMS. I predict we would have the same marching up the hill and down the hill tonight but that is all right.

I say to the Senator I would be glad to have the staff check and see what the social engagements of the Senators are. It would help if we get about the business in the morning at 10 o'clock.

The Senator raised the question of staying here in August.

May I have the attention of the Senator from Nebraska?

Mr. EXON. Yes, Mr. President.

Mr. HELMS. Let me point out, Mr. President, that on Monday of this week, I offered an amendment—true enough, it was a sense-of-the-Senate amendment, but that is all I could handle at that time on the bill—urging the Senate to stay in session until two things had been done. First, a budget resolution was agreed to, and, second, a farm bill considered by the Senate. And do you know who objected to that, Mr. President? One of the Senators on this floor who had been inferentially critical of the chairman of the Senate Agriculture Committee. Now, I will anticipate the question.

No; I will not yield for a moment. Then I will yield the floor. But I will say this to the Senator or any other Senator. The Senator from North Carolina is perfectly willing, even eager, to have this Senate stay in session in August. But I want to point out that I offered that amendment, and it was a distinguished Senator on the other side of the aisle, for whom I have the greatest affection, who objected to it, and he was prepared to make a point of order.

Mr. President, I say again, if the count that has been given to me is accurate, the Senate Agriculture Committee has met 34 times since we began the markup. Second, for far more than three-fourths of the afternoon sessions, we have been forbidden to meet because there were objections to the Senate Agriculture Committee meeting 2 hours beyond the time of the convening of the Senate. And as Senators know, the only way a committee can meet beyond 2 hours after the Senate convenes—and in no case past 2 o'clock—is by unanimous consent. Time and time again, there were objections and, yes, for a while—let me say it before somebody else says it—one of the Senators on this side of the aisle interposed an objection, but that lasted about 4 or 5 days and we worked it out. So I have to say, Mr. President—and I want to say this with as

much gentility as I possess—that the delay of the farm bill cannot be laid at the doorstep of the Senator from North Carolina, the chairman. I will be there at 10 o'clock tomorrow morning, and I do hope that as I walk in I will see the smiling faces of 16 other Senators who will be willing to move along the farm bill. I yield the floor.

Mr. MELCHER and Mr. DIXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIXON. Mr. President, may I say this—and I appreciate very much the comments by the distinguished chairman of the committee—as a member of that committee who has been in regular attendance, the chairman has been diligent in seeing to it that the committee has met on a regular and ongoing basis. And may I say to the distinguished occupant of the chair, who is a member of that committee, I would assert, once again, in this public place that we have, generally speaking, completed our work on that bill. There are some things that still need to be done, but the major questions have been addressed by the committee, may I say to the Chair.

Now, the last thing that happened before lunch was that the majority leader prevailed on a 9-to-8 vote to freeze commodity prices for the next 2 years and authorize the Secretary of Agriculture thereafter in the third and fourth years to have the discretionary authority to reduce prices on the commodities by 5 percent in each of the last 2 outyears, the third and the fourth. The final motion before us, as the President knows, just before we adjourned for lunch, was a motion by my distinguished colleague, the senior Senator from Montana, to provide instead that we have a 4-year freeze, but in the third and fourth years, the Secretary of Agriculture could pay up to 5 percent of the deficiency payment in commodities and, in the fourth year, up to 7½ percent in commodities.

Now, that is the difference between the majority and the minority on this question, and the amount of money, may I say to the President, is not very great.

Now, the U.S. Department of Agriculture, may I say, has never been able to give us any accurate figures, so there is no reason to believe that they can give us this one. And I say that with the experience of having served on that committee through two markups of farm bills. During that time, I have never had a correct figure given to me by any member of the U.S. Department of Agriculture. So I do not expect that it will take place tomorrow or at any time in the near future. But I do want to say this to the President: Others on the floor a short while ago, while I was off the floor, mentioned the Divad gun, which the President will recall I mentioned in committee today. I have the honor of also serving on the Armed Services Committee, and I happen to know a little bit about the Divad gun because very early this year, in late January and early February, it became an issue in the committee. And I said at that time, "Mr. Chairman, I do not think the Divad gun can shoot straight." And the chairman said, "Well, if the Senator believes that, why doesn't he go try the gun?" So I want to say to the chair that I went down to Fort Bliss in early February to fire the Divad gun. I spent the whole day there. I know a little bit about this $6 billion gun that does not shoot straight. It is mounted on a great big tank with two 40mm cannons and the radar set from an F-16 airplane. It is going to cost the people of this country, if more are built, $6 billion.

Now, the Washington Post said this morning that the Army is ready to report to the Secretary of Defense that the gun, in fact, now works and that the Secretary of Defense will make his determination on August 30.

I was in a tank with that gun. I fired that gun 88 times at close range against stationary and moving targets and never hit a thing. I can say that nobody else ever hit a thing. And the report this morning is that nobody has yet hit a thing. The Army says, "Well, if you get close it will fall down." I have never seen anything knocked down by the Divad gun. I just want to say in this public place, Mr. President, that all of the debate going on, all of the work we have done this year in the Agriculture Committee, all of the time we have spent, everything we are saying here on the floor cost appreciably less, appreciably less, Mr. President, for the farmers of rural America who are going broke by the numbers, than that gun, and that gun will not hit a thing.

I say that the people of America would be better served if we go back to committee and resolve the differences between the two sides, which are now miniscule, and bring forth a farm bill for the American farmer.

While we are on vacation this year, when we are back to our work schedules in our respective States, when we are not here on August 30, the Secretary of Defense I would say now—I predict, I warn—will certify that the Divad gun is a good buy—a $6 billion waste of the taxpayers' money for a gun that will not hit a blessed thing while we are here spending hours talking about the farmers of America who need a little bit more to be able to function for the next 4 years under the 1985 farm bill. The point I make in conclusion is this. The differences are very small. The differences can be resolved in one more meeting of the committee. I assert, once again, we have written more than 95 percent of the 1985 farm bill, and if we can go back into committee for 1 more day, we can report to this Senate a very good farm bill for the farmers of America.

Mr. MELCHER and Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, the distinguished Senator from North Carolina, the chairman of the Senate Agriculture Committee, made a statement about a proposal being made in the form of a sense-of-the-Senate resolution.

He pointed out that some Senator on this side of the aisle had objected to it. Mr. President, that is not the case, in my recollection, nor is it the case in the recollection of the CONGRESSIONAL RECORD, which shows that Mr. DANFORTH objected to it. I want to repeat what I said at that time.

If the Senator chooses—

Meaning the chairman of the committee—

to stay here during August, I think it would be a wise step and I will not oppose this proposal nor make a point of order at this time on his proposal. I think it would be wise to stay here. We could take up what the committee has acted upon and go to the following week or weeks, whatever is necessary.

So while I know that there are other Senators who have made plans and would have to change them, I think this is a very crucial matter. But in the proposal of the distinguished chairman of the Senate Agriculture Committee, he had my support, not only in my heart but also in vocalizing all my support for that proposal.

I think it is still possible that we could review the critical nature of the situation of the agricultural economy of this country and might want to consider that matter yet, by staying longer and having some definitive action on the bill. I believe it would be very wise that we do so.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER (Mr. PRESSLER). The Senator from Iowa.

Mr. HARKIN. Mr. President, I want to respond and perhaps elaborate a little on what the distinguished chairman of the Agriculture Committee said earlier. I am sorry he had to leave the Chamber.

I did want to bear witness to the truth of what he was saying—that in fact he has been most obliging in terms of recognizing members of the committee and in giving members of the Agriculture Committee their fair chance to be heard and to offer amendments.

There have been a couple of times when there was a fast gavel or two; but, what the heck, that is all in the prerogative of the chair. But I can say that, by and large, the chairman has been most accommodating and most

fair in allowing members of the Agriculture Committee to have their say and to be able to offer their amendments. I do not have any argument with him on that point.

However, the distinguished chairman of the Agriculture Committee mentioned that it was the irresponsibility of Congress that has caused the problem in agriculture by voting for huge budget deficits over the years.

I think it is true that it has been the irresponsibility of Congress that has caused our present problems in agriculture, when you consider the enormous amount of the Federal debt. But I think it was the irresponsibility of Congress on three occasions that really caused the problems in the financial structure of this country which, of course, has placed a great burden on agriculture.

The first irresponsible act by Congress was in passing the Gramm-Lott budget in 1981, which skewed everything out of order.

The second irresponsible act of Congress was when Congress enacted the tax cuts which President Reagan wanted enacted in 1981, which cut the taxes for the wealthy of this country by huge amounts.

The third irresponsible act of Congress that is now weighing heavily upon the farmers was when Congress went along with President Reagan in deciding to tremendously increase defense spending in this country.

Those three actions—the Gramm-Lott budget, the tax cuts for the wealthy, and the tremendous increase in defense spending—caused our problems.

The distinguished chairman said that when we came in, we had a heck of a mess. We had about a trillion dollar national debt. That was true. He failed to point out that since this administration has been in office, the national debt has doubled. When President Reagan took office, our national debt stood at $932.3 billion. Today it is $1.8 trillion—double what it was when this President took over.

I might remind my fellow Senators that the amount of debt added during this administration equals all the national debt piled up by every administration from George Washington through Jimmy Carter, all put together.

So I do not think we need to be talked to about national debts and who is responsible, when in about 4 years this administration has doubled the national debt, that took nearly 200 years to accomplish under all the previous Presidents. So it is true that these deficits belong to this administration, and this administration cannot shrug them off.

Unless and until Congress acts responsible to close the tax loopholes, to get our budget priorities back in order, and to significantly reduce the wasteful military spending, we will continue to have these budget deficits. They are going to keep interest rates high, keep the value of the dollar high, cause a decrease in our agricultural exports, and continue to cause the problems they are causing in our agricultural community.

Mr. MELCHER. Mr. President, will the Senator yield on that point?

Mr. HARKIN. I yield.

Mr. MELCHER. I wonder if the Senator from Iowa agrees with me that with the deteriorating farm credit situation, some ranchers and farmers have to be liquidated, and that forces the rate of interest higher for those other farm borrowers who are borrowing from a PCA or bank.

Mr. HARKIN. That is absolutely true.

Mr. MELCHER. It is a true dilemma. You cannot shrug off the farm situation with which we are faced, with the further dilemma of higher rates of interest for those who are not now in a bad farm situation, but their turn may come the following year.

Mr. HARKIN. Absolutely. I have discussed this with the distinguished Senator from Montana, that we are in a situation where the increased interest rates are now causing the better customers of the Federal Land Bank and PCA's to take their loans elsewhere, leaving the farm credit system holding those loans that cannot perform.

When that happens the farm credit system has to increase its interest rates to cover those losses, more people leave the system, and we get a steadily escalating situation of higher interest rates and fewer people participating in the farm credit system. If we do not do something about it, it will cause a total collapse of the system.

I am glad that my colleague from Montana raised this issue, because it is the second point I wanted to bring up.

I referred to the huge deficits of the Reagan administration, caused by increased defense spending, tax cuts for the wealthy, and a skewed budget. As an aside, I point out that the budget adopted by the Senate—and I might add that I did not vote for the budget; it passed the Senate by one vote—but that budget cut agriculture significantly.

At the time of the passage of the budget, I spoke on the floor and pointed out that agriculture makes up only 2 percent of the budget but it accounts for about 6 percent of the cuts in the budget.

Again I think that our farmers, our agricultural community, can take its fair share of cuts. I do not think it needs to take three times the amount that it proportionately contributes to the national budget.

So, when we are told that we cannot pass a meaningful farm bill because it goes over the budget, the problem is that the budget itself is wrong because it weighs too heavily upon agriculture and perhaps lets some of the other sectors off without taking their fair share of the cuts.

Be that as it may, we are faced on the Agriculture Committee with coming up with a farm bill that will stop this erosion of land prices and stop this erosion of the credit system.

My colleague from Montana, led me into this with his question and his pointing out the situation with the farm credit system and how the increased interest rates are going to continue to have a dilatory effect upon the farm credit system.

I think that is something that we have not looked at on the Agriculture Committee. We tend to focus very narrowly upn commodities. We tend to focus very narrowly upon farm programs, and I can understand that.

But one thing I think that we are forgetting is what is going to happen economywide if we do not pass a farm bill that in fact increases farm income, not decreases but increases. If we pass a farm bill that decreases farm income, which is what this administration wanted to do—the initial bill they sent down drastically cut farm income—at least we have been able to move the Agriculture Committee at least to the point of perhaps not cutting farm income, maybe not raising it but at least not cutting it. At least I am hopeful that is where we are at this point.

The macroeconomic defense of not stopping this erosion of farm income has been laid out in a study done by the Food and Agricultural Policy Research Institute, a joint venture of Iowa State University and the University of Missouri, that was just completed. In fact, earlier today there was a press conference held in the Capitol by those who took part in the study outlining the macroeconomic effects of what is going to happen if we do not stop the slide in farm income. I think this is what OMB and the administration really has to start focusing on. No longer is it just the farm couple who are losing their farm, forced to leave the farm and give up everything they have worked for, and as sad as that is and as hard as that is on the individual couple, and as much as it tears our hearts to see that, I would suggest that it is not just that farm family that is being hurt, we are now seeing this thing begin to expand up like a ripple effect throughout the economy. If we do not stop this it is going to have drastic effects on us here in the United States and in fact perhaps even worldwide.

I point out that Wharton Econometrics did a study on this, and their major conclusions were that if we do not increase farm income we are facing loan losses of $20 billion to $25 billion in the near term, which are ex-

pected to increase short-term interest rates by 75 to 125 basis points, reduce national employment by 175,000 to 275,000 jobs, reduce total GNP by $30 billion to $50 billion over 8 years and increase the Federal debt by $14 billion to $21 billion by 1993.

Mr. President, I ask unanimous consent that I be permitted to yield the floor to the distinguished Senator from Minnesota and at the end of his comments he yield back the floor to me and I be recognized at that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Minnesota.

Mr. BOSCHWITZ. I thank the distinguished colleague from Iowa for being kind enough to yield to me and so I may talk for just a moment. I have another commitment.

I do not want to really participate in a discussion of whose fault it was for not having a farm bill here before us at this time. As a practical matter, even if the committee had acted, we could not have concluded our work on the floor and a conference with the House of Representatives before the recess. I guess it was destined to be that way. There certainly were many delays—delays that came from many quarters—and it probably does not do the farmers much good to try to assess any blame or to try to figure out why it happened the way it has happened.

So I wish to address the question, what can a farmer expect? I say to my friend from the State of Montana where there are Winter-wheat farmers, who are going to plant before our committees will gather together once again in September, what can they reasonably expect? What should they anticipate as they go through the decisionmaking of planting?

I think that probably there is going to be a 20- to 30-percent set-aside in wheat once again. Unless I miss my guess, it will be on the high side because of carryover stocks, and income protection will continue pretty much on the level that it is now established.

The Secretary undoubtedly will announce a plan. He has announced plans in the past or indications of plans even when there has been a legal situation not unlike the one that we have before us.

So as farmers decide what to do, I think that they will get some guidance from the Department. I think that they should reasonably expect that there will be a set-aside in a 20- to 30-percent range with income protection numbers similar to the ones that they are now experiencing. Hopefully, we will see the implementation of the so-called Findley amendment which will allow the Secretary to reduce the loan rate another 10 percent. The farmers should understand that in the event the Findley amendment is utilized, their income will be protected by an increase in the deficiency payment. Also, the additional deficiency payment that will result through the lowering of the loan rate will not apply against the $50,000 payment limitation.

So even some of the larger farmers in the wheat area, and there are many, will not be penalized due to use of the Findley provision and will be able to make planting decisions on that basis.

I hope, also, looking a little bit into the future, that we will pass legislation that will allow us to be far more aggressive in the world marketplace; 60 percent of the wheat that we produce in this country is shipped abroad. We have far more wheat presently in stock than we use domestically in the course of 1 year, perhaps even upward to 2 years' worth of stocks, so it is important that we regain the international markets. Otherwise, we simply will not have much need for wheat production.

But I think set-asides again will be around the 20- to 30-percent range. I believe that income protection will remain at present levels, and I hope that the Findley amendment will lower the loan rate. "Why lower the loan rate?" many farmers will ask. Of course, the answer has to be that if we are going to be competitive on the international market, our wheat cannot be priced above the international marketplace price. It is now priced above the international marketplace price by about $25 a ton which is about 70 cents a bushel. So indeed, we have to get down there and be competitive. Otherwise, we will see a further erosion of our international marketing of wheat.

We marketed about 30 million tons of wheat 10 years ago on the international market. This year we will market less than that, 29 or 28 million tons of wheat.

On the other hand, the world market in wheat has grown during the same 10-year period. One has to ask: "Well, who has that additional market? Who has the nearly 25 to 30 million tons of new market that has appeared in the last 10 years?" And the answer is, unfortunately: "Everybody except the American farmer." The Europeans, the Argentines, the Australians, the Canadians, the Indians, and others have entered the wheat market. Wheat is not a very tricky thing to grow. It grows just about everywhere. And as a result, because of our high loan rates, we have encouraged production in other parts of the world and we have lost a meaningful share of the wheat market.

The same applies to corn, and the same applies to other products. That is why I have stood throughout the committee deliberations for an aggressive farm policy, while still protecting the income of the farmers. I think we have to do that as a practical matter.

Many colleagues say: "Gee, how can you spend so much money on the corn farmer or the wheat farmer?" The answer is that unless we do indeed protect the farm community and the farmer, the taxpayers of this country will have a far larger obligation in bailing out a series of lending organizations. This expense could come through the FDIC, the Federal Deposit Insurance Corporation, or through other Federal agencies that protect deposits.

So protecting farm income is not only the right thing to do, it is the cheapest thing to do for the taxpayer. But it is also the right thing to become aggressive in world markets, to return to world markets with a fervor that will regain a reasonable share of those markets for us. As those markets grow, without a question in my mind, farmers will prosper once again in our country as they have in the past.

They have not always prospered in the past. Farming is a pretty tough business, I might say. It is a very highly leveraged business. It is a business that is hard to get into even in the best of times. It is also hard to make a dollar at the business of farming even in the best of times, particularly if you are highly leveraged.

So we do have an obligation to the agricultural community because they are the very base of our economy. We do have a practical obligation to ourselves to serve the agricultural community, because if we do not, the lending systems of our country will experience serious losses that will be made up by the taxpayer at great cost.

So once again I thank my friend from Iowa, who has afforded me every courtesy during the course of these deliberations of the Agriculture Committee. Most often, I found myself on the opposite side of the issue from him, but never on the opposite side of comity, and courtesy, and understanding. We have had some interesting talks and conversation during the course of this farm bill debate. We have grown to be closer and indeed I treasure that.

I thank once again the Senator from Iowa.

Mr. HARKIN. Mr. President, I thank my distinguished friend from Minnesota for his observations on this bill. I would just like to say that of all of the individuals on the Agriculture Committee, all of whom I have enjoyed working with during this debate—we have a difference of opinion on how best to proceed, but, of course, that is what governing is all about is trying to work out those differences—I would just say the distinguished Senator from Minnesota has impressed me by having more knowledge of the intricacies of what the tradeoffs are and what the impacts are of various options and various choices

that we can make than anybody on the committee, including myself. He has impresed me with his really in-depth understanding of agriculture and, as I said, of these policy options and what these options would mean as tradeoffs.

As he pointed out, we have differed on perhaps what those implications are. But I have enjoyed his thoughtfulness and his delineation in the Agriculture Committee of what these policy options mean as it affects other parts of agriculture and other economic sectors.

I might also point out that on almost every amendment that the Senator from Minnesota offered this morning, I believe I voted with him. I believe that is right. The record will show that.

Mr. BOSCHWITZ. If the Senator will yield, on one of the amendments it was just he and I against 14 others.

Mr. HARKIN. I believe that is right, as a matter of fact. So again I would say that probably the Senator from Minnesota and I probably, I would say in the vast majority of the cases, would agree upon the parameters and agree upon the first two or three steps, and maybe that last little 10 percent is where we probably disagree on how we ought to go.

But I do want to return the compliment and say that I have certainly found the Senator from Minnesota most enlightening to this Senator in terms of expanding my knowledge and expanding my understanding of the entire debate on agriculture.

Mr. BOSCHWITZ. I thank my colleague.

Mr. HARKIN. Mr. President, just following up on what I was saying, I was talking about the macroeconomic effects. I do not want to belabor that point, but I did want to point out again that in the study by the food and agriculture groups' Policy Research Institute, they quoted the Wharton Econometrics Forecasting Associates Analysis which investigated the macroeconomic consequences of the farm financial situation. I just want to quote from the Wharton study.

It showed that there are "potentially serious consequences of the farm debt crisis on the U.S. economy. And these impacts are higher interest rates, higher unemployment, reduced gross national product, fewer housing starts, lower personal income and a larger Federal deficit."

The Wharton analysis indicates that:

> If pre-emptive actions are not taken, the loan losses could significantly affect U.S. financial markets. Such outcomes would seriously jeopardize the farm sector and impose important costs for those not directly employed or involved in agriculture.

Then the study went on to say:

> Early corrective and preventive measures will be less costly than absorbing the impact of doing nothing or approaching the problem in a reactionary mode. The stakes for agriculture and national economic performance are high.

Again, the Wharton study, I believe, has really shown us that one way or another we are going to have to do something; that we are going to have to either put some money into shoring up farm income in the short-term and also taking care of the farm credit crisis right now, or we are going to have to come in later and do something about the massive writeoff of debts and the increase in the national debt and the increase in unemployment that is going to be caused by a writeoff of this farm debt.

As was put this morning by one of the individuals, I believe it was, the president of the National Corn Growers Association who is from my State of Iowa, he told the assembled people at this press conference at which this study was released that we can either pay now or pay later, is the way he put it. The study showed that by paying now we are going to pay a lot less than if we pay later.

Again I will close out my remarks by again quoting from the Wharton study in which they say:

> Ultimately the financial policy choice facing United States agriculture is this: Is it less costly, both in economic and human terms, to intervene and help the sector adjust to economic conditions, or is it more cost effective to attempt to make this passage between economic states with the tools and institutions that we currently possess? The magnitude of the required change would seem to place existing institutions in jeopardy without intervention.

The studies that are now coming out about the macroeconomic effects of doing nothing or of reducing farm income propels us on the Agriculture Committee to understand that if we do nothing or if we pass legislation that reduces farm income—for example, if we were to pass a 1-year target price freeze which might keep income at the same level next year but really would not give us any increase in income at all because of increased input costs and interest rates and everything else, and then allow the target prices and loan rates to be reduced after that, it would send absolutely the wrong signal to the financial markets because most of this huge debt that is held in agriculture is long-term debt. It is not next year's debt. It is not 6-month debt. It is long-term debt. If they see that the year after next and maybe 2 or 3 years from now the income of the farm sector will be reduced every year, I can tell you that as soon as we take that step the forces will be set in motion which this Senator believes will lead to a total collapse in the financial structure of agriculture, both in the farm credit system and in the private lending institutions that are out there—the banks, and other lending institutions that have loaned heavily in agriculture.

When that happens, of course, the domino effect will take place and the results of this study in which it says unemployment will go up by over 200,000, the national debt will go up, and interest rates will go up.

So our charge is really to begin with the starting point of how do we increase farm income. That is where we start; not how do we increase exports, but how do we increase farm income? That ought to be our starting point. Then we can work it out from there. Yes, it is going to cost something, but it is going to cost something because of what I said in opening my comments. It is going to cost because this Congress was irresponsible in adopting the Gramm-Latta budget, having huge tax cuts for the wealthy, and increasing defense spending by the amount that we have. Those were all, I believe, irresponsible actions in this Congress. For those of us who have the duty—the constitutional duty because we have been elected by our constituents, and because we represent farm States and rural areas—it is our duty now to try to get this back on an even keel to protect this farm income, and to protect this whole collapse from happening.

So our responsibility is to ensure that we do not erode farm income, but that we in fact increase it. If it costs something to do that now—I am willing to admit that it will—the cost will be much less than what it will cost later on if we let farm income go down.

I sense that one of the reasons that we have been tied up so long in the Senate Agriculture Committee, and as the distinguished chairman said, we now have had our 70th meeting—one of the reasons is because Senator recognize I think this dilemma we are in. I think the Senator from Montana brought up earlier the dilemma that confronts the Senators on the Agriculture Committee.

Here is the budget. The budget cut agriculture. It says we cannot do much in it. Yet on the other hand, if we abide by that and we cut net farm income, it is going to have a more drastic impact on our budget deficits than if we go ahead and do something right now to increase that farm income.

So our responsibility again is to act responsibly, not just for the farmers but for our whole economy, and to make sure that the farm bill that we pass increases farm income.

I detect that most Senators sitting around that table over there day after day recognize this. It is one of the reasons that we cannot seem to reach an agreement, because on the one hand Senators want to do something to shore up farm income; on the other hand, they are being told by the ad-

ministration that we cannot do it. They trot out these numbers day after day to show us how terrible the budget impact is going to be if we pass a farm bill that will increase farm income.

Well, again, as I stated earlier, this is the same Department that told us that the PIK Program would not cost us anything. They were penny-wise and pound-foolish then and I detect that they are being penny-wise and pound-foolish right now by trying to pinch dollars now and it is going to cost us ten times as much in the future and cause perhaps irreparable damage to our small towns and communities, not only in Iowa, but throughout our country.

So, Mr. President, I am really disturbed that we did not meet today at 3 o'clock. I felt that we were approaching the point where we could have had the final vote on the commodity section and report it out to the floor. There has been some implication made by some that it was those of us on this side of the aisle who were holding up the farm bill. I think now we know it is not this side that is holding up the farm bill. We have been there. In fact, I think on this side of the aisle we have provided the majority of the Members who have been there for those debates on the farm bill. I think the record will show that. Had it not been for those of us from this side of the aisle, we would not even have had a working majority on the farm bill for all of those debates.

So this Senator is ready to vote on the farm bill in committee, get it out, and let the Senate work its will. I am confident that with these recent studies, with what we found to be the macroeconomic effects of the course that the administration would like to take us in agriculture, we will report out a bill that will not reduce farm income, but will in fact shore up farm income during the next 4 years.

That is really the way we ought to be proceeding. I hope the Senate Agriculture Committee will meet tomorrow, meet promptly at 10 o'clock, and that we will move forward on these votes. However, the time is drawing close. There is no way now I think we can get a bill up to vote on it before the recess. There has been a lot of smoke and fury from the distinguished majority leader regarding getting the farm bill on the floor. But that is just about all it has been. It has been a lot of smoke and fury, but no real action to get the Agriculture Committee to vote and to move expeditiously.

As I said, we have been there. We have been there to vote. We tried to vote it out last Friday. We had enough members there to report a bill out but were unable to do so.

So, Mr. President, when we come back from our recess confronting a farm bill in September, I am hopeful that the message will have gotten through loud and clear to this administration and to OMB that if we reduce farm income, the effect on the economy is going to cost us more down the road than the extra perhaps $8 billion to $10 billion that we are talking about putting in the farm bill right now to support that farm income over the next 4 years.

Mr. President, I yield the floor.

Mr. DANFORTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUDGET ACT WAIVER

Mr. D'AMATO. Mr. President, I ask unanimous consent that pursuant to section 904 of the Congressional Budget Act, section 303 of the act be waived with respect to consideration of H.R. 2942, the legislative branch appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE BRANCH APPROPRIATIONS, 1986

Mr. D'AMATO. Mr. President, I ask unanimous consent that the Senate now turn to Calendar Order No. 249, H.R. 2942, legislative appropriations bill.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2942) making appropriations for the legislative branch for the fiscal year ending September 30, 1986, and for other purposes.

The PRESIDING OFFICER. There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italics.)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the legislative branch for the fiscal year ending September 30, 1986, and for other purposes, namely:

TITLE I—CONGRESSIONAL OPERATIONS

SENATE

MILEAGE OF THE VICE PRESIDENT AND SENATORS AND EXPENSE ALLOWANCES OF THE VICE PRESIDENT, THE PRESIDENT PRO TEMPORE, MAJORITY AND MINORITY LEADERS, MAJORITY AND MINORITY WHIPS, AND CHAIRMEN OF THE MAJORITY AND MINORITY CONFERENCE COMMITTEES

MILEAGE OF THE VICE PRESIDENT AND SENATORS

For mileage of the Vice President and Senators of the United States, $60,000.

EXPENSE ALLOWANCES OF THE VICE PRESIDENT, THE PRESIDENT PRO TEMPORE, MAJORITY AND MINORITY LEADERS, MAJORITY AND MINORITY WHIPS, AND CHAIRMEN OF THE MAJORITY AND MINORITY CONFERENCE COMMITTEES

For expense allowances of the Vice President, $10,000; the President Pro Tempore of the Senate, $10,000; Majority Leader of the Senate, $10,000; Minority Leader of the Senate, $10,000; Majority Whip of the Senate, $5,000; Minority Whip of the Senate, $5,000; and Chairmen of the Majority and Minority Conference Committees, $6,000; in all, $56,000.

REPRESENTATION ALLOWANCES FOR THE MAJORITY AND MINORITY LEADERS

For representation allowances of the Majority and Minority Leaders of the Senate, $10,000 for each such Leader, in all $20,000.

SALARIES, OFFICERS AND EMPLOYEES

For compensation of officers, employees, clerks to Senators, and others as authorized by law, including agency contributions, which shall be paid from this appropriation without regard to the below limitations, as follows:

OFFICE OF THE VICE PRESIDENT

For the Office of the Vice President, $1,112,000.

OFFICE OF THE PRESIDENT PRO TEMPORE

For Office of the President Pro Tempore, $149,000.

OFFICES OF THE MAJORITY AND MINORITY LEADERS

For Offices of the Majority and Minority Leaders, $1,090,000.

OFFICES OF THE MAJORITY AND MINORITY WHIPS

For Offices of the Majority and Minority Whips, $418,000.

CONFERENCE COMMITTEES

For the Conference of the Majority and the Conference of the Minority, at rates of compensation to be fixed by the Chairman of each such committee, $540,500 for each such committee; in all, $1,081,000.

OFFICES OF THE SECRETARIES OF THE CONFERENCE OF THE MAJORITY AND THE CONFERENCE OF THE MINORITY

For Offices of the Secretaries of the Conference of the Majority and the Conference of the Minority, $182,000.

OFFICE OF THE CHAPLAIN

For Office of the Chaplain, $90,000.

OFFICE OF THE SECRETARY

For Office of the Secretary, $6,953,000.

ADMINISTRATIVE, CLERICAL, AND LEGISLATIVE ASSISTANCE TO SENATORS

For administrative, clerical, and legislative assistance to Senators, $102,549,000.

OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

For Office of the Sergeant at Arms and Doorkeeper, $36,358,000.

OFFICES OF THE SECRETARIES FOR THE MAJORITY AND MINORITY

For Offices of the Secretary for the Majority and the Secretary for the Minority, $879,000.

AGENCY CONTRIBUTIONS

For agency contributions for employee benefits, as authorized by law, $19,612,000.

OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE

For salaries and expenses of the Office of the Legislative Counsel of the Senate, $1,437,000.

OFFICE OF SENATE LEGAL COUNSEL

For salaries and expenses of the Office of Senate Legal Counsel, $565,000.

EXPENSE ALLOWANCES OF THE SECRETARY OF THE SENATE, SERGEANT AT ARMS AND DOORKEEPER OF THE SENATE, AND SECRETARIES FOR THE MAJORITY AND MINORITY OF THE SENATE

For expense allowances of the Secretary of the Senate, $3,000; Sergeant at Arms and Doorkeeper of the Senate, $3,000; Secretary for the Majority of the Senate, $3,000; Secretary for the Minority of the Senate, $3,000; in all, $12,000.

CONTINGENT EXPENSES OF THE SENATE

SENATE POLICY COMMITTEES

For salaries and expenses of the Majority Policy Committee and the Minority Policy Committee, $974,000 for each such committee; in all $1,948,000.

INQUIRIES AND INVESTIGATIONS

For expenses of inquiries and investigations ordered by the Senate, or conducted pursuant to section 134(a) of Public Law 601, Seventy-ninth Congress, as amended, section 112 of Public Law 96-304 and Senate Resolution 281, agreed to March 11, 1980, $51,050,000.

SECRETARY OF THE SENATE

For expenses of the Office of the Secretary of the Senate, $683,800.

SERGEANT AT ARMS AND DOORKEEPER OF THE SENATE

For expenses of the Office of the Sergeant at Arms and Doorkeeper of the Senate, $54,153,000.

MISCELLANEOUS ITEMS

For miscellaneous items, $9,659,000.

STATIONERY (REVOLVING FUND)

For stationery for the President of the Senate, $4,500, for officers of the Senate and the Conference of the Majority and Conference of the Minority of the Senate, $7,500; in all, $12,000.

ADMINISTRATIVE PROVISION

Section 1. The second sentence of section 120 of Public Law 97-51 (2 U.S.C. 61g-6) is amended by inserting immediately before the period at the end thereof the following: ", except that vouchers shall not be required for payment of long-distance telephone calls".

HOUSE OF REPRESENTATIVES

MILEAGE OF MEMBERS

For mileage of Members, as authorized by law, $150,000.

HOUSE LEADERSHIP OFFICES

For salaries and expenses, as authorized by law, $3,357,000, including: Office of the Speaker, $775,000, including $18,000 for official expenses of the Speaker; Office of the Majority Floor Leader, $688,000, including $10,000 for official expenses of the Majority Leader; Office of the Minority Floor Leader, $767,000, including $10,000 for official expenses of the Minority Leader; Office of the Majority Whip, $603,000, including $1,000 for official expenses of the Majority Whip and not to exceed $145,540 for the Chief Deputy Majority Whip; Office of the Minority Whip, $524,000, including $1,000 for official expenses of the Minority Whip and not to exceed $76,840 for the Chief Deputy Minority Whip.

SALARIES, OFFICERS AND EMPLOYEES

For compensation and expenses of officers and employees, as authorized by law, $47,914,000, including: Office of the Clerk, $13,656,000; Office of the Sergeant at Arms, including overtime, as authorized by law, $18,269,000; Office of the Doorkeeper, including overtime, as authorized by law, $6,678,000; Office of the Postmaster, $2,075,000, including $46,722 for employment of substitute messengers and extra services of regular employees when required at the salary rate of not to exceed $16,278 per annum each; Office of the Chaplain, $73,000; Office of the Parliamentarian, including the Parliamentarian and $2,000 for preparing the Digest of Rules, $623,000; for salaries and expenses of the Office for the Bicentennial of the House of Representatives, $219,000; for salaries and expenses of the Office of the Law Revision Counsel of the House, $859,000; for salaries and expenses of the Office of the Legislative Counsel of the House, $2,800,000; six minority employees, $434,000; the House Democratic Steering Committee and Caucus, $617,000; the House Republican Conference, $617,000; and Other Authorized Employees, $994,000.

Such amounts as are deemed necessary for the payment of salaries of officers and employees under this head may be transferred between the various offices and activities within this appropriation, "Salaries, officers and employees", upon the approval of the Committee on Appropriations of the House of Representatives.

COMMITTEE EMPLOYEES

For professional and clerical employees of standing committees, including the Committee on Appropriations and the Committee on the Budget, $44,325,000.

COMMITTEE ON APPROPRIATIONS (STUDIES AND INVESTIGATIONS)

For salaries and expenses, studies and examinations of executive agencies, by the Committee on Appropriations, and temporary personal services for such committee, to be expended in accordance with section 202(b) of the Legislative Reorganization Act, 1946, and to be available for reimbursement to agencies for services performed, $4,275,000.

COMMITTEE ON THE BUDGET (STUDIES)

For salaries, expenses, and studies by the Committee on the Budget, and temporary personal services for such committee to be expended in accordance with sections 101(c), 606, 703, and 901(e), of the Congressional Budget Act of 1974, and to be available for reimbursement to agencies for services performed, $296,000.

MEMBERS' CLERK HIRE

For staff employed by each Member in the discharge of his official and representative duties, $166,762,000.

CONTINGENT EXPENSES OF THE HOUSE

ALLOWANCES AND EXPENSES

For allowances and expenses as authorized by House resolution or law, $133,426,000, including: Official Expenses of Members, $81,000,000; supplies, materials, administrative costs and Federal tort claims, $16,946,000; furniture and furnishings, $1,000,000; stenographic reporting of committee hearings, $500,000; reemployed annuitants reimbursements, $1,200,000; Government contributions to employees' life insurance fund, retirement fund, Social Security fund, Medicare fund and health benefits fund, $32,158,000; and miscellaneous items including, but not limited to, purchase, exchange, maintenance, repair and operation of House motor vehicles, interparliamentary receptions and gratuities to heirs of deceased employees of the House, $622,000.

Such amounts as are deemed necessary for the payment of allowances and expenses under this head may be transferred between the various categories within this appropriation, "Allowances and expenses", upon the approval of the Committee on Appropriations of the House of Representatives.

STANDING COMMITTEES, SPECIAL AND SELECT

For salaries and expenses of standing committees, special and select, authorized by the House, $46,960,000.

ADMINISTRATIVE PROVISIONS

SEC. 101. Of the amounts appropriated in fiscal year 1986 for the House of Representatives under the headings "Committee employees", "Standing Committees, special and select", "Salaries, officers and employees", "Allowances and expenses", and "Members' clerk hire", such amounts as are deemed necessary for the payment of salaries and expenses may be transferred among the aforementioned accounts upon approval of the Committee on Appropriations of the House of Representatives.

SEC. 102. (a) The first sentence of section 5 of House Resolution 1238, Ninety-first Congress, as enacted into permanent law by Public Law 91-665 (84 Stat. 1989) and supplemented by subsection (a) of Public Law 93-532 (88 Stat. 1723), is amended by striking out "not to exceed $3,000" the first place it appears and inserting in lieu thereof "not to exceed the then current rate for step 5 of level 11 of the House Employees Schedule", by striking out "not to exceed $3,000" the second place it appears and inserting in lieu thereof "not to exceed the then current rate for step 9 of level 8 of such Schedule", and by striking out "not to exceed $9,000" and inserting in lieu thereof "not to exceed the then current rate for step 1 of level 6 of such Schedule".

(b) House Resolution 1238, Ninety-first Congress, as so enacted and supplemented, is further amended by striking out sections 3 and 6, by striking out, in section 2, "in the manner provided by applicable provisions of the Legislative Appropriation Act, 1955, as amended by the Act of June 13, 1957 (71 Stat. 82; Public Law 85-54)" and all that follows through "as amended or supplemented after such date," and inserting in lieu thereof "an allowance equal to the base allowance component of the Official Expenses Allowance then currently in effect for each Member of the House (to be paid in the same manner as such Allowance)", by striking out "reimbursement, from" and inserting in lieu thereof "have", and by inserting "be available for payment of" after "of the House" the first place it appears.

SEC. 103. (a) Two additional employees are authorized for each of the following:

(1) the House Democratic Steering and Policy Committee; and

(2) the House Republican Conference.

(b) The annual rate of pay for the positions established under subsection (a) shall not exceed 60 percent of the annual rate of pay payable from time to time for level V of the Executive Schedule under section 5316 of title 5, United States Code.

JOINT ITEMS

For joint committees, as follows:

CONTINGENT EXPENSES OF THE SENATE

JOINT ECONOMIC COMMITTEE

For salaries and expenses of the Joint Economic Committee, [$2,670,000] *$2,644,000.*

JOINT COMMITTEE ON PRINTING

For salaries and expenses of the Joint Committee on Printing, [$910,000] *$935,000.*

CONTINGENT EXPENSES OF THE HOUSE

JOINT COMMITTEE ON TAXATION

For salaries and expenses of the Joint Committee on Taxation, $3,705,000, to be disbursed by the Clerk of the House.

For other joint items, as follows:

OFFICE OF THE ATTENDING PHYSICIAN

For medical supplies, equipment, and contingent expenses of the emergency rooms, and for the Attending Physician and his assistants, including (1) an allowance of $1,000 per month to the Attending Physician; (2) an allowance of $600 per month to one Senior Medical Officer while on duty in the Attending Physician's office; (3) an allowance of $200 per month each to two medical officers while on duty in the Attending Physician's office; (4) an allowance of $200 per month each to not to exceed eleven assistants on the basis heretofore provided for such assistance; and (5) $744,800 for reimbursement to the Department of the Navy for expenses incurred for staff and equipment assigned to the Office of the Attending Physician, such amount shall be advanced and credited to the applicable appropriation or appropriations from which such salaries, allowances, and other expenses are payable and shall be available for all the purposes thereof, [$1,056,000] *$1,036,000,* to be disbursed by the Clerk of the House.

CAPITOL POLICE

GENERAL EXPENSES

For purchasing and supplying uniforms; the purchase, maintenance, and repair of police motor vehicles, including two-way police radio equipment; contingent expenses, including advance payment for travel for training or other purposes, and expenses associated with the relocation of instructor personnel to and from the Federal Law Enforcement Training Center as approved by the Chairman of the Capitol Police Board, and including $80 per month for extra services performed for the Capitol Police Board by such member of the staff of the Sergeant at Arms of the Senate or the House as may be designated by the Chairman of the Board, [$1,361,000] *$1,336,000,* to be disbursed by the Clerk of the House: *Provided,* That the funds used to maintain the petty cash fund referred to as "Petty Cash II" which is to provide for the prevention and detection of crime shall not exceed $4,000: *Provided further,* That the funds used to maintain the petty cash fund referred to as "Petty Cash III" which is to provide for the advance of travel expenses attendant to protective assignments shall not exceed $4,000.

CAPITOL POLICE BOARD

Funds available for obligations for fiscal year 1986 to enable the Capitol Police Board to provide additional protection for the Capitol Buildings and Grounds, including the Senate and House Office Buildings and the Capitol Power Plant, $109,000, to be disbursed by the Clerk of the House. Such sum shall be expended only for payment of salaries and other expenses of personnel detailed from the Metropolitan Police of the District of Columbia, and the Mayor of the District of Columbia is authorized and directed to make such details upon the request of the Board. Personnel so detailed shall, during the period of such detail, serve under the direction and instructions of the Board and are authorized to exercise the same authority as members of such Metropolitan Police and members of the Capitol Police and to perform such other duties as may be assigned by the Board. Reimbursement for salaries and other expenses of such detail personnel shall be made to the government of the District of Columbia, and any sums so reimbursed shall be credited to the appropriation or appropriations from which such salaries and expenses are payable and shall be available for all the purposes thereof: *Provided,* That any person detailed under the authority of this paragraph or under similar authority in the Legislative Branch Appropriation Act, 1942, and the Second Deficiency Appropriation Act, 1940, from the Metropolitan Police of the District of Columbia shall be deemed a member of such Metropolitan Police during the period or periods of any such detail for all purposes of rank, pay, allowances, privileges, and the benefits to the same extent as though such detail had not been made, and at the termination thereof any such person shall have a status with respect to rank, pay, allowances, privileges, and benefits which is not less than the status of such person in such police at the end of such detail.

No part of any appropriation contained in this Act shall be paid as compensation to any person appointed after June 30, 1935, as an officer or member of the Capitol Police who does not meet the standards to be prescribed for such appointees by the Capitol Police Board.

OFFICIAL MAIL COSTS

For expenses necessary for official mail costs, [$104,211,000] *$100,000,000,* to be disbursed by the Clerk of the House, to be available immediately upon enactment of this Act.

CAPITOL GUIDE SERVICE

For salaries and expenses of the Capitol Guide Service, $867,000, to be disbursed by the Secretary of the Senate: *Provided,* That none of these funds shall be used to employ more than twenty-eight individuals: *Provided further,* That the Capitol Guide Board is authorized, during emergencies, to employ not more than two additional individuals for not more than one hundred twenty days each, and not more than ten additional individuals for not more than six months each, for the Capitol Guide Service.

STATEMENTS OF APPROPRIATIONS

For the preparation, under the direction of the Committees on Appropriations of the Senate and House of Representatives, of the statements for the first session of the Ninety-ninth Congress, showing appropriations made, indefinite appropriations, and contracts authorized, together with a chronological history of the regular appropriation bills as required by law, [$11,000] *$13,000,* to be paid to the persons designated by the chairman of such committees to supervise the work.

OFFICE OF TECHNOLOGY ASSESSMENT

SALARIES AND EXPENSES

For salaries and expenses necessary to carry out the provisions of the Technology Assessment Act of 1972 (Public Law 92-484), including reception and representation expenses (not to exceed $3,000 from the Trust Fund), and rental of space in the District of Columbia, and those necessary to carry out the duties of the Director of the Office of Technology Assessment under Section 1886 of the Social Security Act as amended by Section 601 of the Social Security Amendments of 1983 (Public Law 98-21), $15,300,000: *Provided,* That none of the funds in the Act shall be available for salaries or expenses of any employee of the Office of Technology Assessment in excess of 143 staff employees: *Provided further,* That no part of this appropriation shall be available for assessments or activities not initiated and approved in accordance with section 3(d) of Public Law 92-484, except that funds shall be available for the assessment required by Public Law 96-151.

CONGRESSIONAL BUDGET OFFICE

SALARIES AND EXPENSES

For salaries and expenses necessary to carry out the provisions of the Congressional Budget Act of 1974 (Public Law 93-344), [$16,609,000] *$17,541,000: Provided,* That none of these funds shall be available for the purchase or hire of a passenger motor vehicle: *Provided further,* That none of the funds in this Act shall be available for salaries or expenses of any employee of the Congressional Budget Office in excess of 222 staff employees: *Provided further,* That any sale or lease of property, supplies, or services to the Congressional Budget Office shall be deemed to be a sale or lease of such property, supplies, or services to the Congress subject to Section 903 of Public Law 98-63.

ARCHITECT OF THE CAPITOL

OFFICE OF THE ARCHITECT OF THE CAPITOL

SALARIES

For the Architect of the Capitol; the Assistant Architect of the Capitol; the Executive Assistant; and other personal services; at rates of pay provided by law, $5,417,000.

TRAVEL

Appropriations under the control of the Architect of the Capitol shall be available for expenses of travel on official business not to exceed in the aggregate under all funds the sum of $20,000.

[CONTINGENT EXPENSES

[To enable the Architect of the Capitol to make surveys and studies, to incur expenses authorized by the Act of December 13, 1973 (87 Stat. 704), and to meet unforeseen expenses in connection with activities under his care, $235,000.]

CAPITOL BUILDINGS AND GROUNDS

CAPITOL BUILDINGS

For all necessary expenses for the maintenance, care and operation of the Capitol Building and electrical substations of the Senate and House Office Buildings, under the jurisdiction of the Architect of the Capitol, including furnishings and office equipment; not to exceed $1,000 for official reception and representation expenses, to be expended as the Architect of the Capitol may approve; purchase or exchange, maintenance and operation of a passenger motor vehicle; for expenses of attendance, when specifically authorized by the Architect of the Capitol, at meetings or conventions in connection with subjects related to work under the Architect of the Capitol, [$11,405,000] $10,590,000.

CAPITOL GROUNDS

For all necessary expenses for care and improvement of grounds surrounding the Capitol, the Senate and House Office Buildings, and the Capitol Power Plant, [$3,041,000] *$3,362,000: Provided,* That the passenger motor vehicles authorized by Public Law 94-440 (90 Stat. 1453), approved October 1, 1976, to provide a shuttle service for Members and employees of Congress may be used for the transportation of House Pages to and from special events associated with their education when approved by the House of Representatives Page Board: *Provided further,* That the use of the said passenger motor vehicles for transportation of House Pages shall not interfere with the shuttle service for Members and employees of the Congress.

SENATE OFFICE BUILDINGS

For all necessary expenses for maintenance, care and operation of the Senate Office Buildings; and furniture and furnishings, to be expended under the control and supervision of the Architect of the Capitol, $19,163,000, of which $649,000 shall remain available until expended.

HOUSE OFFICE BUILDINGS

For all necessary expenses for the maintenance, care and operation of the House Office Buildings, including the position of Superintendent of Garages as authorized by law, $22,088,000, of which $1,500,000 shall remain available until expended.

CAPITOL POWER PLANT

For all necessary expenses for the maintenance, care and operation of the Capitol Power Plant; for lighting, heating, and power (including the purchase of electrical energy) for the Capitol, Senate and House Office Buildings, Congressional Library Buildings, and the grounds about the same, Botanic Garden, Senate garage, and for air conditioning refrigeration not supplied from plants in any of such buildings; for heating the Government Printing Office and Washington City Post Office and heating and chilled water for air conditioning for the Supreme Court Building, Union Station complex and the Folger Shakespeare Library, expenses for which shall be advanced or reimbursed upon request of the Architect of the Capitol and amounts so received shall be deposited into the Treasury to the credit of this appropriation; $23,495,000: *Provided,* That not to exceed $1,950,000 of the funds credited or to be reimbursed to this appropriation as herein provided shall be available for obligation during fiscal year 1986.

LIBRARY OF CONGRESS

CONGRESSIONAL RESEARCH SERVICE

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of section 203 of the Legislative Reorganization Act of 1946, as amended by section 321 of the Legislative Reorganization Act of 1970 (2 U.S.C. 166) and to revise and extend the Annotated Constitution of the United States of America, [$38,963,000] *$40,333,000: Provided,* That no part of this appropriation may be used to pay any salary or expense in connection with any publication, or preparation of material therefor (except the Digest of Public General Bills), to be issued by the Library of Congress unless such publication has obtained prior approval of either the Committee on House Administration or the Senate Committee on Rules and Administration: *Provided further,* That, notwithstanding any other provisions of law, the compensation of the Director of the Congressional Research Service, Library of Congress, shall be at an annual rate which is equal to the annual rate of basic pay for positions at level IV of the Executive Schedule under section 5315 of title 5, United States Code.

GOVERNMENT PRINTING OFFICE

CONGRESSIONAL PRINTING AND BINDING

For authorized printing and binding for the Congress; for printing and binding for the Architect of the Capitol; expenses necessary for preparing the semimonthly and session index to the Congressional Record, as authorized by law (44 U.S.C. 902); and printing and binding of Government publications authorized by law to be distributed to Members of Congress, $69,405,000: *Provided,* That this appropriation shall not be available for printing and binding part 2 of the annual report of the Secretary of Agriculture (known as the Yearbook of Agriculture) or for printing and binding copies of the permanent edition of the Congressional Record for individual Representatives, Resident Commissioners or Delegates authorized under 44 U.S.C. 906: *Provided further,* That this appropriation shall be available for the payment of obligations incurred under the appropriations for similar purposes for preceding fiscal years.

THIS TITLE MAY BE CITED AS THE "CONGRESSIONAL OPERATIONS APPROPRIATION ACT, 1986".

TITLE II—OTHER AGENCIES

BOTANIC GARDEN

SALARIES AND EXPENSES

For all necessary expenses for the maintenance, care and operation of the Botanic Garden and the nurseries, buildings, grounds, and collections; purchase and exchange, maintenance, repair, and operation of a passenger motor vehicle; all under the direction of the Joint Committee on the Library, [$2,197,000: *Provided,* That appropriations under this head shall be available for Bartholdi Fountain repairs without regard to section 3709 of the Revised Statutes, as amended] *$2,113,000.*

LIBRARY OF CONGRESS

SALARIES AND EXPENSES

For necessary expenses of the Library of Congress, not otherwise provided for, including development and maintenance of the Union Catalogs; custody, care and maintenance of the Library Buildings; special clothing; cleaning, laundering and repair of uniforms; preservation of motion pictures in the custody of the Library; operation and maintenance of the American Folklife Center and the American Television and Radio Archives in the Library; preparation and distribution of catalog cards and other publications of the Library; and expenses of the Library of Congress Trust Fund Board not properly chargeable to the income of any trust fund held by the Board, [$136,569,000] *$139,325,000,* of which not more than $4,300,000 shall be derived from collections credited to this appropriation during fiscal year 1986 under the Act of June 28, 1902, as amended (2 U.S.C. 150): *Provided,* That the total amount available for obligation shall be reduced by the amount by which collections are less than the $4,300,000: *Provided further,* That, of the total amount appropriated, $4,717,000 is to remain available until expended for acquisition of books, periodicals, and newspapers, and all other materials including subscriptions for bibliographic services for the Library, including $40,000 to be available solely for the purchase, when specifically approved by the Librarian, of special and unique materials for additions to the collections.

COPYRIGHT OFFICE

SALARIES AND EXPENSES

For necessary expenses of the Copyright Office, including publication of the decisions of the United States courts involving copyrights, [$17,631,000] *$18,081,000,* of which not more than [$6,000,000] *$6,500,000* shall be derived from collections credited to this appropriation during fiscal year 1986 under 17 U.S.C. 708(c), and not more than $750,000 shall be derived from collections during fiscal year 1986 under 17 U.S.C. 111(d)(3) and 116 (c)(1): *Provided,* That the total amount available for obligation shall be reduced by the amount by which collections are less than the [$6,750,000] *$7,250,000.*

BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED

SALARIES AND EXPENSES

For salaries and expenses to carry out the provisions of the Act approved March 3, 1931, as amended (2 U.S.C. 135a), $33,761,000.

COLLECTION AND DISTRIBUTION OF LIBRARY MATERIALS

(SPECIAL FOREIGN CURRENCY PROGRAM)

For necessary expenses for carrying out the provisions of section 104(b)(5) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), to remain available until expended, $832,000, of which $711,000 shall be available only for payments in any foreign currencies owed to or owned by the United States which the Treasury Department shall determine to be excess to the normal requirements of the United States.

FURNITURE AND FURNISHINGS

For necessary expenses for the purchase and repair of furniture, furnishings, office and library equipment, $891,000.

ADMINISTRATIVE PROVISIONS

SEC. 201. Appropriations in this Act available to the Library of Congress shall be available, in an amount not to exceed $126,610, of which $47,800 is for the Congressional Research Service, when specifically authorized by the Librarian, for expenses of attendance at meetings concerned with the function or activity for which the appropriation is made.

SEC. 202. (a) No part of the funds appropriated in this Act shall be used by the Library of Congress to administer any flexible or compressed work schedule which—

(1) applies to any manager or supervisor in a position the grade or level of which is equal to or higher than GS-15; and

(2) grants the manager or supervisor the right to not be at work for all or a portion of a workday because of time worked by the manager or supervisor on another workday.

(b) For purposes of this section, the term "manager or supervisor" means any management official or supervisor, as such terms are defined in section 7103(a) (10) and (11) of title 5, United States Code.

ARCHITECT OF THE CAPITOL

LIBRARY BUILDINGS AND GROUNDS

STRUCTURAL AND MECHANICAL CARE

For all necessary expenses for the mechanical and structural maintenance, care and operation of the Library buildings and grounds, $5,785,000.

COPYRIGHT ROYALTY TRIBUNAL

SALARIES AND EXPENSES

For necessary expenses of the Copyright Royalty Tribunal, $519,000, of which $363,000 shall be derived by collections from the appropriation "Payments to Copyright Owners" for the reasonable costs incurred in proceedings involving distribution of royalty fees as provided by 17 U.S.C. 807.

GOVERNMENT PRINTING OFFICE

PRINTING AND BINDING

For printing, binding, and distribution of Government publications authorized by law to be distributed without charge to the recipient, [$11,655,000] *$11,555,000: Provided,* That this appropriation shall not be available for printing and binding part 2 of the annual report of the Secretary of Agriculture (known as the Yearbook of Agriculture): *Provided further,* That this appropriation shall be available for the payment of obligations incurred under the appropriations for similar purposes for preceding fiscal years.

OFFICE OF SUPERINTENDENT OF DOCUMENTS

SALARIES AND EXPENSES

For necessary expenses of the Office of Superintendent of Documents, including compensation of all employees in accordance with the provisions of 44 U.S.C. 305; travel expenses (not to exceed $107,000); price lists and bibliographies; repairs to buildings, elevators, and machinery; and supplying books to depository libraries; $25,981,000, *of which $3,000,000 shall be derived from the Government Printing Office revolving fund, representing excess receipts from the sale of publications: Provided,* That $300,000 of this appropriation shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended (31 U.S.C. 1512), with the approval of the Public Printer, only to the extent necessary to provide for expenses (excluding permanent personal services) for workload increases not anticipated in the budget estimates and which cannot be provided for by normal budgetary adjustments.

GOVERNMENT PRINTING OFFICE REVOLVING FUND

The Government Printing Office is hereby authorized to make such expenditures, within the limits of funds available and in accord with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs and purposes set forth in the budget for the current fiscal year for the "Government Printing Office revolving fund": *Provided,* That not to exceed $5,000 may be expended on the certification of the Public Printer in connection with official representation and reception expenses: *Provided further,* That during the current fiscal year the revolving fund shall be available for the hire of eight passenger motor vehicles: *Provided further,* That expenditures in connection with travel expenses of the advisory councils to the Public Printer shall be deemed necessary to carry out the provisions of title 44, United States Code: *Provided further,* That the revolving fund shall be available for services as authorized by 5 U.S.C. 3109 but at rates for individuals not to exceed the per diem rate equivalent to the rate for grade GS-18: *Provided further,* That the revolving fund shall be available to acquire needed land, located in Northwest D.C., which is adjacent to the present Government Printing Office, and is bounded by Massachusetts Avenue and the southern property line of the Government Printing Office, between North Capitol Street and First Street. The land to be purchased is identified as Parcels 45-D, 45-E, 45-F, and 47-A in Square 625, and includes the alleys adjacent to these parcels, and G Street, N.W. from North Capitol Street to First Street: [*Provided further,* That the revolving fund and the funds provided under the paragraph entitled "Office of Superintendent of Documents, Salaries and expenses" together may not be available for the employment of more than 5,480 employees at any time.]

GENERAL ACCOUNTING OFFICE

SALARIES AND EXPENSES

For necessary expenses of the General Accounting Office, including not to exceed $5,000 to be expended on the certification of the Comptroller General of the United States in connection with official representation and reception expenses; services as authorized by 5 U.S.C. 3109 but at rates for individuals not to exceed the per diem rate equivalent to the rate for grade GS-18; hire of one passenger motor vehicle; advance payments in foreign countries in accordance with 31 U.S.C. 3324; benefits comparable to those payable under sections 901(5), 901(6) and 901(8) of the Foreign Service Act of 1980 (22 U.S.C. 4081(5), 4081(6) and 4081(8), respectively); and under regulations prescribed by the Comptroller General of the United States, rental of living quarters in foreign countries and travel benefits comparable with those which are now or hereafter may be granted single employees of the Agency for International Development, including single Foreign Service personnel assigned to A.I.D. projects, by the Administrator of the Agency for International Development—or his designee—under the authority of section 636(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2396(b)); [$300,992,000] *$299,726,000: Provided,* That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the Joint Financial Management Improvement Program (JFMIP) shall be available to finance an appropriate share of JFMIP costs as determined by the JFMIP, including but not limited to the salary of the Executive Director and secretarial support: *Provided further,* That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the National Intergovernmental Audit Forum or a Regional Intergovernmental Audit Forum shall be available to finance an appropriate share of Forum costs as determined by the Forum, including necessary travel expenses of non-Federal participants. Payments hereunder to either the Forum or the JFMIP may be credited as reimbursements to any appropriation from which costs involved are initially financed: *Provided further,* That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the American Consortium on International Public Administration (ACIPA) shall be available to finance an appropriate share of ACIPA costs as determined by the ACIPA, including any expenses attributable to membership of ACIPA in the International Institute of Administrative Sciences: *Provided further,* That this appropriation shall be available to finance a portion, not to exceed $50,000 of the costs of the Governmental Accounting Standards Board: *Provided further,* That this appropriation shall be available for the expenses of planning the triennial Congress of the International Organization of Supreme Audit Institutions (INTOSAI) to be hosted by the U.S. General Accounting Office in Washington, D.C., in 1992.

[SEC. 203. Section 7(b) of Public Law 90-545 (16 U.S.C. 79g(b)) is amended to read as follows:

["(b) Judgments against the United States, including final partial judgments and compromise settlements of claims referred to the Attorney General for defense of suits against the United States, for amounts in excess of the deposit in court in actions under section 3 of this Act shall be paid in accordance with the provisions of section 1304 of title 31, and section 2414 of title 28, United States Code. Final partial judgments and compromise settlements are payable only after certification by the Attorney General to the Comptroller General that it is in the interest of the United States to do so."]

RAILROAD ACCOUNTING PRINCIPLES BOARD

SALARIES AND EXPENSES

For salaries and expenses of the Railroad Accounting Principles Board, $750,000, to be expended in accordance with the provisions of H.R. 4439, 98th Congress, as passed by the House of Representatives on February 7, 1984.

TITLE III—GENERAL PROVISIONS

SEC. 301. No part of the funds appropriated in this Act shall be used for the maintenance or care of private vehicles, except for emergency assistance and cleaning as may be provided under regulations relating to parking facilities for the House of Representatives issued by the Committee on House Administration.

SEC. 302. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 303. Whenever any office or position not specifically established by the Legislative Pay Act of 1929 is appropriated for herein or whenever the rate of compensation or designation of any position appropriated for herein is different from that specifically established for such position by such Act, the rate of compensation and the designation of the position, or either, appropriated for or provided herein, shall be the permanent law with respect thereto: *Provided,* That the provisions herein for the various items of official expenses of Members, officers, and committees of the Senate and House, and clerk hire for Senators and Members shall be the permanent law with respect thereto.

SEC. 304. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 305. (a) Section 311 of title 44, United States Code, is amended by inserting "(a)" before "Purchases" and by adding at the end the following:

"(b) In addition to the authority to negotiate otherwise provided by law, the Public Printer may negotiate purchases and contracts for supplies or services for which the Public Printer determines that it is imprac-

ticable to secure competition by advertising. The Public Printer may not award a contract under this subsection unless he justifies the use of negotiation in writing and certifies the accuracy and completeness of the justification. The justification shall set out facts and circumstances that clearly and convincingly establish that advertising would not be practicable for such contract. Such a justification is final and a copy thereof shall be maintained in the Government Printing Office for at least 6 years after the date of the determination. The Public Printer may designate one or more employees of the Government Printing Office to carry out this subsection.".

(b)(1) The heading for section 311 of such title 44 is amended by adding at the end the following: "; contract negotiation authority".

(2) The table of sections of chapter 3 of title 44, United States Code, is amended by striking out the item relating to section 311 and inserting in lieu thereof the following:

"311. Purchases exempt from the Federal Property and Administrative Services Act; contract negotiation authority.".

SEC. 306. (a) Section 309 of title 44, United States Code, is amended:

(1) striking out "except the Office of Superintendent of Documents," contained in the first subparagraph of subsection (a); and

(2) by striking out subsection (b)(3).

(b) Section 1708 of title 44, United States Code, is amended by striking out the last sentence of the first full paragraph.

(c) The amendments made by subsections (a) and (b) above shall take effect on October 1, 1985.

This Act may be cited as the "Legislative Branch Appropriations Act, 1986".

Mr. D'AMATO. Mr. President, the Legislative Branch Appropriations Act for fiscal year 1986 reported from the Committee on Appropriations on July 25 recommends a total of $1,599,338,800 for the upcoming fiscal year. That is a reduction of $728,338 from levels provided for fiscal year 1985, and a reduction of $183,916,200, or 10.3 percent from the budget request. With those reductions, I believe we have complied with both the President's desire for a 10-percent reduction in the legislative branch, and the assumption of a 10-percent reduction implied by the first concurrent resolution on the budget as passed by the Senate.

Our committee bill also compares favorably with that passed by the other body. Exclusive of items pertaining strictly to the House and Senate, including funding for office buildings provided through the Architect of the Capitol, the committee recommends a total of $820,494,000, while the House-passed bill would provide $824,920,000. So this bill is $4,426,000 below the House bill in that respect.

To look at it another way, Mr. President, the bill as reported by the committee recommends a total of $309,291,800 for the Senate, including amounts of Senate Office Building, which is a reduction of $23,140,200, or 7 percent from the request. The other body would provide a total of $469,553,000 for items pertaining solely to the House, including House Ofice Buildings, a reduction of $27,201,000, or 5.4 percent, from the request. Without in anyway impugning the work of the other body, Mr. President, I believe the Senate can properly say it has done a little bit better job in taking its share of the reductions necessary to achieve meaningful deficit reduction.

There is no reason to kid anyone, Mr. President. Reductions of this magnitude are going to change some plans for fiscal year 1986 and force some cutbacks. But the committee believes such actions are necessary, and will not cause undue disruption in the services provided to Congress and the rest of the Government by the support agencies, or in our service to the people we represent.

Before turning to a more detailed explanation of the provisions of the bill, I ask unanimous consent that a table summarizing the recommendations of the committee be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE BILL

Department or agency	1985 enacted and supplementals [1]	Budget estimates, 1986	House bill	Committee recommendations	Senate bill compared with—		
					1985, enacted	Budget estimates, 1986	House bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
TITLE I—CONGRESSIONAL OPERATIONS							
Senate	$285,930,000	$308,834,000		$290,128,800	+$198,800	−$18,705,200	+$290,128,800
House of Representatives	439,398,100	455,431,000	$447,465,000	447,465,000	+8,066,900	−7,966,000	
Joint Items	96,415,188	155,804,000	114,900,000	110,645,000	+14,229,812	−45,159,000	−4,225,000
Office of Technology Assessment	15,692,000	17,000,000	15,300,000	15,300,000	−392,000	−1,700,000	
Congressional Budget Office	17,541,000	18,455,000	16,609,000	17,541,000		−914,000	+932,000
Architect of the Capitol (except Library buildings and grounds)	85,180,850	112,191,000	65,681,000	84,115,000	−1,065,850	−28,076,000	+18,434,000
Congressional Research Service, Library of Congress	40,333,000	43,292,000	38,963,000	40,333,000		−2,959,000	+1,370,000
Congressional printing and binding, Government Printing Office	80,800,000	78,900,000	69,405,000	69,405,000	−11,395,000	−9,495,000	
Totak, title I—Congressional operations	1,061,290,138	1,189,907,000	768,323,000	1,074,932,800	+13,642,662	−114,974,200	+306,609,800
TITLE II—OTHER AGENCIES							
Botanic Garden	2,080,000	2,197,000	2,197,000	2,113,000	+33,000	−84,000	−84,000
Library of Congress (except Congressional Research Service)	187,909,000	199,537,000	178,634,000	181,340,000	−6,569,000	−18,197,000	+2,706,000
Architect of the Capitol (Library buildings and grounds)	5,799,000	7,380,000	5,785,000	5,785,000	−14,000	−1,595,000	
Copyright Royalty Tribunal	217,000	227,000	156,000	156,000	−61,000	−71,000	
Government Printing Office (except congressional printing and binding)	42,068,000	43,368,000	37,636,000	34,536,000	−7,532,000	−8,832,000	−3,100,000
General Accounting Office	299,704,000	339,639,000	300,992,000	299,726,000	+22,000	−39,913,000	−1,266,000
Railroad Accounting Principles Board	1,000,000	1,000,000	750,000	750,000	−250,000	−250,000	
Total, title II—Other agencies	538,777,000	593,348,000	526,150,000	524,406,000	−14,371,000	−68,942,000	−1,744,000
Grand total, new budget (obligational) authority	1,600,067,138	1,783,255,000	1,294,473,000	1,599,338,800	−728,338	−183,916,200	+364,865,800

[1] Includes amounts provided in H.R. 2577, the Supplemental Appropriations Act for fiscal year 1985, as passed by the Senate on June 20, 1985.

Mr. D'AMATO. Mr. President, the details of the committee's action on H.R. 2942 are provided in Senate Report 99-111, which has been available to Senators since Friday, July 26. Let me highlight the committee's recommendations as described more fully in that report.

With the exception of statutory allowances, such as mileage for the Vice President and Senators, all accounts have been reduced below the request of the President, and all but the account providing expenses for the operations of the Office of the Sergeant at Arms have been held at or below fiscal year 1985 levels. Salaries for the Office of the Vice President, the President pro tempore, the majority and minority Leaders, and the majority and minority whips; the conference committees, the secretaries of the two conference committees, the Chaplain, the Sergeant at Arms, the secretary for the majority and the secretary for the minority, the legislative counsel, the legal counsel, the policy committees, Senators' personal staffs, and the staffs of standing, special, and select committees have all been held to fiscal year 1985 levels. Salaries in the Office of the Secretary, at her request, have been reduced by $300,000 below fiscal

year 1985 levels. Agency contributions on behalf of employees paid through these accounts have been reduced accordingly.

Expenses for the Office of the Secretary, again at her request, have been reduced below fiscal year 1985 levels to $683,800, and I want to reiterate the committee's commendation of the Secretary for her concerted effort to reduce the costs of her office. The "Miscellaneous Items" account, which provides for such expenses as the reception of foreign dignitaries, the calendars of the Committee on Rules and Administration, expenses of the conference committees, and Senator's official office expense accounts, has been reduced by $682,000 from the fiscal year 1985 request, for a total fiscal year 1986 recommendation of $9,659,000. Even the relatively small amount for the stationery revolving fund has been reduced by $1,000 and held to the fiscal year 1985 level of $12,000.

In accordance with the usual practice, the committee has recommended no change in the amounts provided by the House-passed bill for items pertaining solely to the House. Those amounts total $469,553,000, a reduction of $27,201,000 from the request.

Under joint items, the committee recommends a reduction in the requests of the Joint Economic Committee, the Joint Committee on Printing, the Joint Committee on Taxation, and the Capitol Guide Service, and provides for no new positions for any of those activities. Expenses of the Attending Physician and the Capitol Police have been reduced. A significant reduction is proposed in official mail costs, for which the committee considered a fiscal year 1986 request of $144,458,000 to cover the cost of mailing an estimated 1 billion pieces of franked mail. The funds requested for official mail have more than tripled since 1977 and the volume has nearly quadrupled. In an effort to bring this exponential increase under control, the committee recommends an appropriation of $100 million, and restates its strong recommendation to the Committee on Rules and Administration that all possible means of reducing the costs of official mail be explored.

In other activities under joint items, the committee recommends a 14-percent reduction in the request for congressional printing and binding by the Government Printing Office and a 10-percent reduction in the request for the Office of Technology Assessment. The committee recommends holding funding for the Congressional Research Service and the Congressional Budget Office at fiscal year 1985 levels. And, for the Architect of the Capitol's activities under title I of the bill, the committee is recommending a total of $84,115,000, a reduction of $28,076,000 from the request and $1,065,850 below amounts provided for fiscal year 1985.

Specifically, in the Office of the Architect, the committee has provided for none of the 13 new positions requested, and has eliminated funding for contingent expenses. For "Capitol Buildings," the committee recommends deferral without prejudice of the $800,000 requested for restoration of the rotunda canopy and frieze, believing that this item cannot be accommodated with the need for fiscal restraint. For "Capitol Grounds," the committee recommends a total of $3,362,000, which includes $725,000 for the installation of hydraulic barriers to replace the garbage trucks, dump trucks, and school buses that are now used to block vehicular access to the Capitol grounds. The installation of these barriers will improve security and esthetics. The committee has not committed to any other aspects of the East Plaza project now under study by the Committee on Rules and Administration.

For "Senate Office Buildings," the committee recommends $19,163,000, a reduction of $4,435,000 from the request. The recommended amount includes $249,000 for replacement of air-conditioning units and $211,000 for other renovations at the Senate Computer Center. And, finally, the committee recommends a reduction of $1,880,000 below the request for the Capitol Power Plant, for a fiscal year 1986 amount of $23,395,000, and as a matter of comity, recommends the same amount for "House Office Buildings" as passed by the other body.

In title II of the bill, the committee recommends a total of $54,406,000, which is $68,942,000 below the President's request, $14,371,000 below the amounts provided for fiscal year 1985, and $1,744,000 below the House-passed level. Highlights of the committee's recommendations for title II include.

Restoration of reductions made by the other body in the salaries and expenses account of the Library of Congress, with particular attention to preservation activities, so that funding for this account will remain at fiscal year 1985 levels;

Concurrence in the action of the other body in providing $33,761,000 for the Books for the Blind and Physically Handicapped Program of the Library;

A provision allowing $3 million from the revolving fund of the Government Printing Office to be applied to salaries and expenses of the Office of the Superintendent of Documents, such sums to be derived from excess receipts from the sale of documents;

Holding vacant those positions at the General Accounting Office that will become vacant through normal attrition during the year, allowing a further reduction of $1,226,000 from the House allowance; and

Concurrence with the House in the provision of $750,000 for the Railroad Accounting Principles Board, a reduction which can be absorbed if the Board will take advantage of the resources of the GAO and other agencies, as the authorizing act provides.

Finally, Mr. President, the committee is recommending deletion of a provision in the House-passed bill that would allow for payment from the claims and and judgments fund, administered by the GAO, for final partical judgments and settlements to settle claims resulting from the acquisition of lands for the Redwood National Park. The committee has not received sufficient information on this provision, and recommends its deletion without prejudice at this time.

Mr. President, that concludes my opening remarks. I thank Senator BUMPERS, the ranking minority member of the Legislative Branch Subcommittee, and all other members of the committee for their cooperation and contributions to this bill.

Mr. President, let me say at this point that this job of coming to grips with budget reductions, particularly in the sensitive areas of the legislative branch where there are many considerations, and rightfully so, has been made a much easier task with the able assistance of the ranking minority member of the committee, my good colleague from Arkansas, Senator BUMPERS. His leadership and support in this area has been crucial, and he has made this job a pleasurable one.

Also, we can be proud of the Appropriations Committee staff. They have done an outstanding job in making it possible to bring this bill to this point.

Mr. BUMPERS. Mr. President, as the chairman has indicated, this bill is $184 million below the amount in the President's budget for the legislative branch, that is, $184 million below the President's request; and $728,000 below the anticipated level of appropriations for fiscal year 1985.

In effect, the fiscal year 1986 legislative branch appropriation bill freezes the appropriations for the legislative branch at an aggregate level of about $728,000 below the current fiscal year 1985 level.

Mr. President, I want to congratulate the distinguished chairman [Mr. D'AMATO] for his very fine efforts to constrain the total amount in the bill. The reduction from the amounts in the President's budget request for the legislative branch is 10.3 percent. For Senate operations, the bill includes a reduction of almost $23 million below the President's budget.

This is a significant accomplishment. I might add, if all the other appropriations subcommittees did as well, the world would not be quite as upset about not getting a budget.

Again, I congratulate the chairman of the subcommittee, Mr. D'AMATO, for his fine work. I also wish to thank the staff, Keith Kennedy on the majority side and Terry Sauvain on the minority staff.

I urge adoption of the bill.

Mr. D'AMATO. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc, to be treated as original text for the purpose of further amendments and that no point of order be waived thereby.

The PRESIDING OFFICER. Is there objection? Without objection it is so ordered.

The committee amendments were agreed to en bloc.

AMENDMENT NO. 566

Mr. D'AMATO. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. D'AMATO] proposes an amendment numbered 566.

Page 20, line 15:

Insert after line 15 a new paragraph as follows.

"Of the funds appropriated under this head in Public Law 98-367 for demolition and paving of Square 724, $561,000 shall remain available until September 30 1986."

Mr. D'AMATO. Mr. President, this amendment extends the availability of funds appropriated in fiscal year 1985 for the demolition of certain Senate annex buildings and the resurfacing of that site. It is now apparent that the Capitol Police will not be able to move into the Immigration Building until after September 30, and, as a consequence, cannot move out of their Plaza Hotel facility. Accordingly, this amendment extends the availability of $561,000 to complete that work.

The amendment has been cleared by the minority, and I move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 566) was agreed to.

Mr. D'AMATO. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 567

Mr. D'AMATO. Mr. President, I have another amendment that I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. D'AMATO] proposes an amendment numbered 567.

Page 19 line 20:

Insert after line 20 a new paragraph as follows.

"Of the funds appropriated under this head in Public Law 98-367, not to exceed $109,000 shall remain available until September 30, 1986."

Mr. D'AMATO. Mr. President, I have another amendment to extend the availability of funds for renovation of space in the Capitol for the press. This work will not be completed by September 30, 1985, so the necessary funds appropriated in fiscal year 1985 for this work need to be made available through fiscal year 1986.

The amendment has been cleared by the minority, and I move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 567) was agreed to.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. D'AMATO. Mr. President, inasmuch as we have agreed to both amendments, we are awaiting Senator QUAYLE, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. QUAYLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 568

(Purpose: To establish a select committee to study and make recommendations with respect to a 2-year budget process)

Mr. QUAYLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Indiana [Mr. QUAYLE] proposes an amendment numbered 568.

Mr. QUAYLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the text of the bill insert the following: There is established for the duration of the 99th Congress a select committee of the Senate to be known as the Select Committee on the Two-Year Budget (hereafter in this resolution refered to as the "select committee"). The select committee shall be composed of twelve members of the Senate, six from the majority party and six from the minority party, to be appointed by the President of the Senate upon the recommendation of the majority leader and the minority leader.

(b) Of the twelve members—

(1) two members shall be from the Committee on the Budget;

(2) two members shall be from the Committee on Rules and Administration;

(3) two members shall be from the Committee on Governmental Affairs;

(4) two members shall be from the Committee on Appropriations; and

(5) four members shall be from the Senate at large.

(c) The select committee shall select a chairman from among its majority members and a cochairman from among its minority members.

SEC. 2. (a) A majority of the members of the select committee shall constitute a quorum for the transaction of business, except that the select committee may fix a lesser number as a quorum for the purpose of taking sworn testimony.

(b) Vacancies in the membership of the select committee shall not affect the authority of the remaining members to execute the functions of the committee, and shall be filled in the same manner as original appointments are made.

(c) The select committee shall adopt rules of procedure not inconsistent with the rules of the Senate governing standing committees of the Senate.

(d) Service of a Senator as a member or as chairman of the select committee shall not be taken into account for the purposes of paragraph 4 of rule XXV of the Standing Rules of the Senate.

SEC. 3. (a) It shall be the duty of the select committee to—

(1) study and review legislative proposals to improve the operation of the congressional budget process, including proposals for the two-year budget; and

(2) recommend specific legislation to improve the operation and enforcement of the congressional budget process, including such components of two-year budgeting which the select committee finds to be desirable and feasible.

In carrying out clause (1) of this subsection, the select committee shall pay particular attention to the need to free the time of senators from unnecessary repetitive operations, to encourage oversight of enacted legislation by committees, to provide stable funding expectations to State and local governments, and to maintain accurate budgetary estimates and assessments of national needs and priorities.

(b) The select committee shall report and make recommendations to the Senate within 180 days after the adoption of this resolution.

SEC. 4. (a) For the purposes of this resolution, the select committee is authorized (1) to employ personnel, (2) to make expenditures from the contingent fund of the Senate, (3) to hold hearings, and (4) to sit and act at any time or place.

(b) With the consent of the chairman and ranking minority members of any other committee of the Senate, the select committee may utilize the facilities and the services of the staff of such other committee of the Senate, or any subcommittee therof, whenever the chairman and the cochairman of the select committee determines that such action is necessary and appropriate.

SEC. 5. Expenses of the select committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the select committee, except that vouchers shall not be required (1) for the disbursement of sala-

ries of employees of the select committee who are paid at an annual rate, or, (2) for the payment of long-distance telephone calls. Total expenditures for the select committee shall not exceed $300,000.

Mr. QUAYLE. Mr. President, I offer this amendment to the appropriations bill for the legislative branch because I believe this is the first vehicle that has come along that is appropriate for this amendment which came out of our Select Committee on Committee Reform, which commenced and also disbanded last year. This committee dealt with potential reforms we might make in the Senate.

Just for the record, I might point out that this amendment was offered as a resolution, Senate Resolution 159, and was reported out of the Rules Committee on May 9. It was, in fact, adopted by the entire Senate on May 17. There were some objections after the Senate adopted it. Therefore, it was agreed upon that it should be vitiated on May 20, with the full understanding that we would come back and visit the issue which is incorporated in this amendment.

The issue is whether we ought to develop a mechanism to explore the feasibility and the viability of moving to a 2-year budget process.

Mr. President, I have a great deal of respect and affection for the chairman of the Budget Committee who has done yeoman service in the area of budgets, and I emphasize that in no way does my consternation and chagrin about the process reflect upon his capability nor his leadership.

I do believe, however, that as we look at what we are faced with today—a legislative appropriation that requires budget waiver because we do not have a budget, we must decide that if we are going to expend money on this body to conduct its business, perhaps that money should be expended toward something that might create some improvements on the processes and within the institutional system that we have.

I found great interest in a piece of material that was put out by the Senator from Colorado, the chairman of our Republican Policy Conference, Senator ARMSTRONG, that detailed the chronology of the budget plans this year.

In January, we had the Senate GOP deficit reduction goals. On February 4, we had President Reagan's budget. On March 6, we had Chairman DOMENICI's promised land. On March 20, we had the first resolution reported by the Budget Committee. On April 15, we had the White House-Senate-GOP plan. On May 10, we had the first resolution pass the Senate. On May 20, we had the first resolution pass the House. On June 19, we had the Senate conference offer No. 1. On June 21, we had House offer No. 1. On July 9, we had the White House oak tree framework. On July 16, we had the House offer No. 2. On July 25, we had Senate offer No. 2.

Who knows where are we going to go?

The first budget resolution, Mr. President, according to the rules of procedure we have now, should be passed by May 15. I might point out, that I believe only twice since the creation of the Budget Impoundment Control Act have we been able to meet that date. Last year it was October 1, and 3 years before that it was the end of June.

I might point out, Mr. President, that as I was chairing the select committee to look toward committee reform and toward reform of the whole Senate system, time and time again Senators came to me to talk about the three-layer cake that we have in the Senate. That three-layer cake is the budget process, the authorization process, and the appropriations process. Many felt there was a crowding out due to the fact that there was little time for oversight. They felt that something ought to be done to reform the process.

Our committee was more interested in actual committee reform which went in the direction of reducing the number of committee assignments for Senators and reducing the number of subcommittees, rather than the reforming processes that we have laid out before us. But I do believe that the time has arrived when the budget process itself is being called into question. We have had the process for 10 years. It has been an experiment. Some will argue that it has not done anything to cut the deficit; as a matter of fact, the record will show the deficit has gone up. Others will argue that we are in much better shape today than we would be if we did not have the budget process.

But my position is we ought to take a look at it and see if there should be some changes in the system looking toward a 2-year process. It was originally thought the budget process would help us look at the situation on a macroeconomic basis. Yet, last year, we had some 39 different amendments that were offered. This gets much more into micromanagement of the budget—line-item management of the budget, which I do not think it was intended for. We have had all the gyrations on the budget this year and will have it again next year. To go through this year in and year out, I think, does a great disservice to the operations of many of the other committees.

I serve on the Budget Committee and I think the budget process serves a useful purpose in initiating dialog and debate. But I also think the way it has worked and the practicality of it has come down to where we ought to take a good hard look at what we have done in the last few years and ask the rhetorical question, can we in fact make some improvements in this process. Therefore, Mr. President, I offer this amendment.

It is an amendment that came out of our select committee, chaired by myself. My ranking member was Senator FORD, who has been a strong leader on the 2-year budget process. As a matter of fact, he and I have introduced a 2-year budget measure year after year. I know he has an intense interest in this issue as well.

Other Senators have come up to me from time to time and indicated that perhaps it is time that we move to a 2-year budget, that the annual budget is simply overcrowded. We do not have any oversight, there is no stability on how we are going to fund the various programs. People are asking, "Am I going to get current funding, a 10-percent cut, what is the story?" I think the time has arrived that we should move to look at something on a constructive basis.

That is what we have is budget gout. We have the budget on our mind for 8, to 10 months out of the year, and we have two other processes. We have the authorization process and we have the appropriation process. Quite frankly, what we are doing is going from the budget process each year into the appropriation process, and many of our authorizing committees become squeezed out.

So I am hopeful that we can move ahead with what the Senate did back on May 17, when this resolution was passed. It passed the Rules Committee and passed our temporary select committee to look at the system. I think it is a step in the right direction. We are not binding anybody to the 2-year budget process, but we are certainly encouraging the examination to look at the feasibility and the advisability of moving to a 2-year budget in place of the annual budget that we now have. I am fearful that if we do not study alternatives, and the budget process continue to break down, there will be perhaps an amendment offered, not in this nature, but rather to disband the budget process completely. I am not so sure we are ready to make that precipitate decision, but I can sure say momentum has gained and many questions have been raised. Already the House has gone ahead with their appropriations bills, even though a budget has not been passed.

So, Mr. President, I offer this in the spirit of reform. I offer this in the spirit of helping the process to move forward. I offer this so that we may sit down as reasonable men and women of this Chamber and this institution to look at what we have done for the last 10 years.

Certainly, when we created the Budget Control and Impoundment Act of 1974, we did not know what lay

ahead of us. We had an idea. I was not here at that time. I think now is perhaps the time to take corrective measures. In the spirit of developing something more constructive and more accommodating, yet still preserving the debate that is so very necessary in this Chamber. This amendment will establish a committee that will report back within 180 days with recommendations on how we may or may not proceed to the 2-year budget. It certainly would be open to discussion.

It is an open question. I have my own biases; others have their particular opinions. But I think it is time we discussed the issue and not sweep it under the rug and say it does not exist. It is a problem. It is a huge problem, a problem that will not go away. Because of that, I hope we can accommodate the spirit in which this amendment is offered.

Mr. President, my amendment to H.R. 2942, the appropriations bill for the legislative branch for fiscal year 1986, is designed to get us moving on the path toward reforming the budget process. It becomes increasingly apparent that our current budget process has failed once again, in fact, this measure could only reach the floor by again waiving the relevant section of the Budget Act. Should we waive the budget process on the bill that provides our pay and expenses without at least providing a mechanism to improve that process so that we need not follow the continual routine of waivers year after year? In light of the unfortunate course the budget process has taken not only this year, but nearly every year in recent history, I believe it is indeed time to consider reform of the budget process.

Prior to the Congressional Budget and Impoundment Control Act of 1974 the traditional process of making spending decisions involved two stages, each executed by different committees in both Houses. The initial stage involved authorizing committees to review specific programs and detail their line-item requirements. Following authorizations the appropriating committees are to evaluate the recommendations of the authorizations and then determine the actual spending levels.

The 1974 Budget Act established the House and Senate Budget Committees, not as replacements for their respective authorizing or appropriating committees, but rather as a third stage in the spending process. The Budget Committees were intended to set revenue floors and spending ceilings for the other committees, but not to engage in line-item determinations. The purpose of the act was to develop a better-informed environment in which to make spending decisions. Total revenues and aggregate spending as well as deficits and outyear budget projections were to become part of the congressional budgeting process.

Unfortunately, the budget process has not worked as it was intended. This has been due in part to the erosion of the traditional distinctions between authorizations and appropriations, but more so, I believe, because Congress has been unable to complete its work in a timely way.

Under the act, Congress must pass two budget resolutions each year—a first budget resolution on May 15 to set targets for spending by functional categories, and a second budget resolution by September 15 to set binding provisions for revenues and expenditures. Since the passage of the 1974 Budget Act, the first resolution deadline has been met only twice, the second only once. Past experience, particularly in the last 3 years, clearly illustrates that there is not sufficient time in a single year to implement three separate legislative processes—the budget process as well as the authorization and appropriations processes.

As chairman of the Temporary Select Committee to Study the Senate Committee System last year, I received testimony which was overwhelmingly in favor of a 2-year budget process. While this support is extensive, I realize that there are many difficult questions that must be resolved in order to move toward that goal. Legislation proposing such changes must also, obviously, require action by the House as well as the Senate. However, I am pleased that a house task force has received similar testimony and is well aware that close cooperation will be needed between the House and Senate to enact such legislation.

The report of my temporary select committee included in it a recommendation to establish a select committee to study the budget process with particular emphasis on the feasibility of 2-year budgeting. Although that is the emphasis of the recommendation, it does not necessarily prejudge the outcome. The ultimate goal of this study would be to determine the best, most efficient and feasible method for the budget process. As I have introduced legislation in the past, and cosponsored legislation with senator FORD relating to a 2-year budget, I personally believe the 2-year budget to be the best means toward that end, however the select committee on the budget may report any recommendations that if finds requisite to reforming the budget process.

Among other prevalent leaders in favor of a 2-year budget, I am pleased to note that the distinguished majority leader commented on the need to adopt a 2-year budget recently on network television with commentator David Brinkley. Previously, then Congressional Budget Office Director, Alice Rivlin, had said that Federal appropriations could be placed on a 2-year cycle.

Earlier this year, Senator EVANS introduced a resolution, which is before this Chamber as Senate Resolution 157, which would establish a temporary select committee to review the congressional budget process. I cosponsored this measure along with Senator MATTINGLY, as it was an earlier recommendation of my "committee on committees." Today I offer a similar measure as an amendment to the legislation before this body.

The committee established to study the budget process would consist of 12 members equally divided between majority and minority, including 2 members of the Committee on Governmental Affairs, 2 members of the Rules Committee, 2 members of the Appropriations Committee, 2 members of the Budget Committee, and 4 Members from the Senate at large. The committee would select a chairman from among its members and would be instructed to report to the Senate within 180 days. This committee would be granted sufficient authority to propose legislation, as currently the jurisdiction over amendments to the Budget Act is divided among the Governmental Affairs, Budget, and Rules Committees.

Mr. President, the potential perils of our current budget impasse obviate the need to look toward reform of our budgeting procedure, so that Congress may act to stem the flow of red ink within a system that allows this to be done in a feasible and efficient manner.

I fully recognize that a point of order may be made against this amendment as it would constitute legislation on an appropriations bill as is prohibited under rule XVI clause 4. However, I believe this amendment to be germane, as it says, in essence, that we will vote ourselves money only when we have done our duty to reform the ailing budget process. I would venture to guess that a skilled draftsman could even convert the amendment into a limitation that would survive the scrutiny of the Parliamentarian. However, this is an issue much too serious to rely upon gimmicks or gadgetry—either we want to reform the budget process, or we do not. Whether we vote up or down on the amendment, or on an appeal of the ruling of the Chair, the meaning of our vote will be clear.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER (Mr. DENTON). The Senator from Kentucky.

Mr. FORD. Mr. President, I ask unanimous consent that my name be added as original cosponsor to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I wish to preface my remarks to be very clear that I did not think anyone who is advocating a 2-year budget cycle is attempting to say that those who are on the Budget Committee or those who are now struggling in the conference as it relates to a budget for this country are not sincere, dedicated hard-workers and, in many respects, I would not have their job. They are in the state, I think of doing everything in their capacity to give this country a good budget.

I started some 8 years ago saying that a 2-year budget would be good for the country and it would be good for the Congress. I think those who are still here who advocated the Budget Committee will say that there need to be changes in the Budget Committee's direction, need to be some changes made in the precedure. And those who are so deeply involved in it now, I think, I see some very clear ways that improvement can be made. I am of the opinion that once a 2-year budget cycle is developed, we can find ourselves in the posture of doing a much better job.

Some who are now wanting to get involved in a 2-year budget proposal have never been interested in it before. I think that supports a statement by the distinguished Senator from Indiana [Mr. QUAYLE], who said that we are getting a lot of questions about the 2-year budget. We are getting letters wanting answers and wanting to discuss the procedure under our so-called 2-year budget that the distinguished Senator and I have been working on and heading the select committee that was proposed to study and then make recommendations to the floor. I think it is time, and I think the emotions are right, for us to look at a 2-year budget. How much oversight of the expenditures and needs of various committees do we have?

I will venture to say very, very little. How much scrutiny is given in various committees to the agencies within their jurisdiction in relation to their expenditure of funds and their needs? What the 2-year budget cycle will do, Mr. President, is to give us some time. You can change a 2-year budget the same way you change a 1-year budget. It takes us 10 months to try to get through a 1-year budget now, and we have not finished last year's budget yet. Since the Budget Act was passed, I think we have cleared once all 13 so-called budget resolutions. I very strongly support the Senator from Indiana. We are not trying to take anything away from anybody. We are trying to develop the required direction to develop a budget. I do not know about my other colleagues, but when I go home—and I go home every weekend, 45 weekends a year in the 10 years I have been here—what I hear is, "Why can't you get a budget together? The counties have them. The States have them, but the Federal Government does not have a budget."

It does not have a budget and has not had one for several years. We are operating on a continuing resolution. I think the admission of many folks is that we need to look for improvements in our budget system, and I think what we have, as it relates to the Select Committee, will carry out the recommendations of the Quayle Select Committee to Study the Senate Committee System, on which committee I was privileged to serve as cochairman.

So, Mr. President, I hope our colleagues will give us an opportunity to study the 2-year budget. We will hit it again. It will come before us again. All we want to do is appoint a group from this body, from the various committees, to study the 2-year budget process and improve our ability to make decisions. That is all we are asking. Give us an opportunity to see if we can improve the way we are making the decisions put our abilities to better gain.

Mr. President, I support the amendment as submitted by the distinguished Senator from Indiana and hope my colleagues will approve it.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, I commend my two distinguished colleagues and the chairman and ranking member on the temporary Select Committee to Study Senate Committees for bringing this proposal before the Senate. I think it is a wise step and one that is needed. The study will determine whether it is acceptable to the Senate or not and can be determined upon presentation of the results of that study.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

Mr. BYRD. I am not opposed to the amendment per se and probably would support the effort. I feel, however, that the Committee on Government Operations, the Committee on the Budget, the Committee on Rules, and the Committee on Appropriations should participate in this effort. I hope the Senator does not intend to press his amendment on this bill. Why? Because he is establishing a Senate committee by the amendment. That in my judgment should not go to the House or to the President. This is a Senate matter, and I would not want to subject any proposed change in the Senate rules, or any matter which involves only the Senate to the President on a bill which might entertain a veto. I do not want the President to have a veto over a matter of this kind. I do not want the House to have any veto over it. I hope the Senator will withdraw this amendment and possibly offer it as a separate measure or offer it to a Senate resolution so that the matter will not be subject to action by the House, and not be subject to veto by the President.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I rise to commend my distinguished friend and colleague, Chairman HATFIELD, and the members of the Senate Approrpiations Committee for bringing the first appropriation bill to the Senate floor. I know the chairman is anxious to proceed with the Appropriation Committee's business as the new fiscal year approaches. No one knows better than I the frustrations felt by the Congress during the difficult and lengthy budget negotiations. I thank my good friend and colleague, Chairman HATFIELD, for the patience he has shown in awaiting an outcome to our budget deliberations.

As my colleagues in the Senate well know, the Congress has not yet enacted a budget resolution, but I can assure them that this Senator is doing whatever he can to get a congressional budget. In view of the ongoing budget negotiations, I will not insert into the RECORD today the usual tables scoring the relationship of the pending appropriation bill to the budget resolution, the President's budget request, and the House-passed bill. I will do so later at an appropriate time. I will simply congratulate Chairman D'AMATO on reporting a legislative branch appropriation bill that is generally consistent with the assumptions of the Senate-passed budget resolution. The energy and water development appropriation bill that may be called up later today is under the assumptions of the Senate-passed budget resolution in budget authority and generally on-track in outlays.

Mr. President, from an overall budget perspective, I have no problem with either the legislative branch or energy and water development appropriation bills for fiscal year 1986.

Mr. President, I also rise with reference to the resolution that has been offered by the distinguished junior Senator from Indiana as an amendment to the legislative branch appropriations bill. I commend the distinguished Senator from Indiana and all of those who have indicated from time to time that they would like to see the Budget Impoundment and Control Act amended to include a 2-year budget process. I have been working under this budget process for 4 years and 8 months as chairman, and for about 6 years before that as a member of the minority, and I am fully aware that it is a very cumbersome and difficult process. All things considered, if just a few of us could sit down and review the entire Budget Act, we might be able to improve it. But it took about 7 years of hard work to get the Budget

Act passed, because of the various jurisdictions and established Senate processes and rules that had to be considered.

I remind the Senate that it is a substantive law of the land passed by both Houses. It had as its impetus the impoundment authority used by the President and in addition, a marvelous accommodation with existing processes and Senate rules to put us in a position where we could produce a budget in an orderly process over the year. The Budget Act didn't create only the budget resolution but a process that enables the Congress to comply with the overall guidelines set in the budget resolution.

I will again commend my friend from Indiana and those who have spoken today in favor of a 2-year budget cycle. I will say, however, that there are probably 10, maybe 20 things in addition to the 2-year cycle that ought to be considered with reference to the Budget Impoundment and Control Act.

In fact, it has many problems. I am not sure that when we get around to amending it, we will solve them all. It will always be a process that is difficult in our kind of institution.

There is no doubt in my mind that it needs amending. There is no doubt in my mind that it has needed amending for a long time. There is no doubt in my mind that among those things that should be considered is a process that would last for more than 1 year, and some way of measuring congressional actions against that 2-year resolution on a regular basis.

The 2-year budget process may be the most important aspect of such deliberations, and it may not. There may be other aspects of the Budget Impoundment and Control Act that are just as serious to its failures and its successes that we have to look at.

I can only say to the Senate that, in the last 4 years, I have sat down three times and seriously considered going to the Governmental Affairs Committee to talk to my good friend, Chairman ROTH, who is on the floor, and others on that committee, about starting hearings. As I said before, the budget process can be a very difficult and cumbersome process in need of some improvement. Each time I thought of the budget process in the past, I was not oblivious to its shortcomings, and I was not oblivious to the fact that it takes a lot of the Congress' time. I was not oblivious to the fact that it causes a lot of consternation to some of my colleagues, and I was not oblivious to the fact that a lot of Senators do not like it. I know all that.

In fact, the latter is probably one of the reasons why from year to year I decided that it was not timely to seek hearings with the Govermental Affairs Committee, and to amend the Budget Act.

I will say unequivocally that whatever its shortcomings are, when Congress has $200 billion deficits and even projected deficits of $230 to $240 billion, Congress is not going to invent a process within the framework of this institution and the U.S. Congress that is going to work smoothly and easily. It is just not going to happen. Whatever process you have is going to be difficult, because of the difficult times.

It is almost difficult for us to bring a resolution to this desk, and it is the only one of its kind. It states all the fiscal facts about the year. It is a lot easier for people to look at it a little bit at a time and not have anybody tell them the total picture. You could not even get 51 Senators to vote for the resolution without asking them to change it, because many would say, "If I had to vote just for a statement of what the deficit is, I am fearful somebody will say I voted in favor of it."

Nonetheless, I assure those who have offered the amendment—even without listing my 20 or 30 items that I think should be looked at—that it is my clear intention to have hearings as soon as we are through with this current budget, probably within 2 or 3 weeks, on amendments and modifications to the Budget Impoundment and Control Act—I have confirmed this with Senator CHILES, the ranking minority member of the Budget Committee, and I have conferred with Senator ROTH of the Governmental Affairs Committee about hearings. I believe the hearings can be held jointly with the committees of jurisdiction, and I believe the Senator from Delaware agrees.

We will take into consideration the recommendations of the special committee that the distinguished junior Senator from Indiana chaired at the end of last year, which recommended a 2-year budget cycle. I note that they recommended many other revisions to the rules.

I also want the distinguished Senator, the sponsor of the amendment, to know that we are going to look at a lot of other proposals. I think people sometimes wonder whether I have thought of any ideas. I will mention one.

I thought that perhaps we could have a joint House and Senate Budget committee in the Congress. I have even thought that perhaps that joint committee should meet every 2 years and report a 2-year budget for the Congress. Such a joint committee could produce a budget document for the Congress within 90 or 100 days at the start of each Congress.

The PRESIDING OFFICER. Will the Senator withhold?

It is becoming difficult to hear the speaker, who is speaking about an important subject. Will Senators please hold down their conversations so that the Senator from New Mexico can be heard?

Mr. DOMENICI. I thank the Chair.

Just as I have thought of that proposal I have also thought of all the problems it brings into play. There are many problems that should be looked at.

I assure the sponsor and the cosponsors of the amendment that it is my intention to have the Budget Committee and the Governmental Affairs Committee begin joint hearings at the earliest possible date this year on the entire Budget Impoundment and Control Act and the recommendation for a 2-year budget cycle.

It is also my intention to do whatever I can, as a result of those hearings, to recommend to the U.S. Senate whatever amendments that joint effort yields to improve the budget process for the U.S. Senate. Obviously, whatever we look at has to be enacted by both Houses because, I do not think Congress could have one budget for one House and one for the other, although of late it appears that we are trying to do that—to have one for the House and one for the Senate. At least, the House thinks it might work.

Obviously, if it were that easy, it would never have needed a substantive law, and several years of work that many Senators like the Senator from West Virginia, ROBERT C. BYRD and 10 or 15 others spent on it.

I give my colleagues these assurances, and I commend them for their genuine concern. I understand their frustration, and I submit, in closing, that the frustration is commensurate with the nature of the problem; and the nature of the problem is far more the size of the deficit than it is the budget process in general.

If there were a will, Congress could do almost anything it wanted to do. The problem is that to find a collective will to address these deficits is difficult these days.

It is amazing how many votes we have on issues that are allegedly in the budget which are not in the budget, which are not to be carried out by the budget, and that makes the process very difficult for Members. I do not know if we can resolve such issues, but we should consider it.

I have to return to the conference on the budget, for the seventh different format, and I wonder whether the Senator from Indiana has any further questions of the Senator from New Mexico.

Mr. QUAYLE. Mr. President, if the Senator will yield for a question, I really do not have any questions to put to him.

I appreciate the chairman's genuine interest in trying to accommodate the Senator from Indiana and taking a close look at the Budget Impoundment Control Act of 1975. I detect

from his statements that he agrees quite earnestly and sincerely that we have to take a hard look at this. He now indicates that he and the chairman of the Governmental Affairs Committee, the Senator from Delaware [Mr. ROTH], are willing to enter into joint hearings, to take a look at the whole budget process.

One of the things I am keenly interested in—and I know that the Senator from Delaware is, as well—is the possibility of moving to a 2-year budget. I congratulate the Senator from New Mexico in always being a step ahead of the game around here. His sense of timing in realizing that we have to get on with a true examination of the budget process is appropriate.

The time is now.

If the Senator from New Mexico and the Senator from Delaware, who are the chairmen of the two respective committees, want to get in it and have joint hearings, obviously they are going to indicate to me that a separate committee is not necessary. Those kinds of assurances are gratifying.

I have no special interest in trying to create jurisdictional problems or any turf battles. My only interest comes from my concern about the process that is going on around here. I believe we are beginning to make some genuine steps forward. Everything is geared around timing. I think and I sort of sense that the time to move is now.

The Senator from New Mexico says and concedes the point that the Budget Act, in fact, does need amendment. He stated that and talked about some of the possible amendments he might suggest. He probably has more ideas than anyone. He has been more intimately involved in the process than anyone else in the entire Congress.

So we certainly welcome that input and anyone else's input.

The only thing I am saying, and perhaps now is a good time to rest our case, is that we really have to get on with the business of trying to improve the process.

I certainly commend the Senator from New Mexico and I see the Senator from Delaware is on his feet and might wish to add to the hearings he is going to have.

With those assurances, I can assure the Senators from New Mexico and Delaware that I will be glad to work with them in any way that they see fit.

I thank the Senator from New Mexico for pointing out the possibilities that he may want to offer. I know of his genuine interest and concern, and I look forward to working with him and reporting legislative remedies and reporting legislative proposals back to this body, after we have deliberate consideration in the proper committee of jurisdiction.

That does not mean we are going to, but we are certainly going in that direction to have a good examination, a competition of ideas, with the idea that we can, in fact, report back some improvements to the Budget Control and Impoundment Act of 1975.

Mr. FORD. Mr. President, will the distinguished Senator from New Mexico yield for a question of the Senator from Delaware [Mr. ROTH]? They are both here.

Mr. DOMENICI. I yield.

Mr. FORD. I ask the two Senators a question. They were helpful in the original working of adding to the Rules Committee.

Senator QUAYLE is a member of the Budget Committee, and I do have a little pride of authorship of the first bill some 6 or 8 years ago.

I wonder if there is any way we might embrace the Rules Committee to give me an opportunity to participate in the joint hearing.

Mr. ROTH. Mr. President, I think under the rules that were set up under the Congressional Budget Control and Impoundment Act of 1974 that jurisdiction on any modification within this area is the responsibility of the Budget Committee and the Governmental Affairs Committee.

As a matter of fact, I think the first chairman of the Budget Committee, Chairman Muskie, was responsible for those decisions. So I would hesitate to modify and add other committees. But certainly it would be the intent of this individual and I am confident of the chairman, the Senator from New Mexico, that we would want to involve other distinguished Members of the Senate, certainly the distinguished Senator from Kentucky, who has, as he has rightly pointed out, been long interested in a 2-year budget.

I would hope that he and the distinguished Senator from Indiana would be among the earliest witnesses before the joint hearings which the distinguished Senator from New Mexico and myself agreed to hold.

But I think under the rules of the legislation those are quite clearly spelled out as to where the responsibility lies. It would not be appropriate at this time to modify them.

But again let me say that I, like the distinguished Senator from Kentucky, have for many years been a strong advocate of a 2-year proposal. I think that this is an idea whose time has come and deserves a most careful consideration by the two committees.

Certainly, speaking only for myself, I would welcome the participation of the Senator from Kentucky in the hearings and in the deliberations as well. But I think that the jurisdiction as set out in the act should be followed, and I would assume that the Senator from New Mexico would agree with that.

Mr. FORD. Mr. President, I thank the distinguished Senator from Delaware.

I remind both Senators that the Budget Act itself did come out of the Rules Committee, that the so-called Quayle-Ford recommendation for the select committee came out of the Rules Committee.

I think both Senators acquiesced in the suggestion earlier on to allow the Rules Committee to be a part of it. They did that as a favor to me.

I know the Senator can stand with the rules and those sort of things. But we also can agree to certain things.

I hope they find it in the goodness of their hearts to allow me to participate in the joint hearing and be a part of something I feel very strongly about. If we can do that in consultation, maybe we can in good will. Otherwise, I will do the best I can on the outside and testify, and that is about all I can do.

So I do appreciate the reading of the rules to me by the distinguished Senator from Delaware. I understood those very well in the beginning. I am just hopeful that we might be able to stretch it just a little bit to give me an opportunity to participate as a somewhat official member of the joint hearing.

Mr. QUAYLE. Mr. President, I just wish to thank our two chairmen, the Senator from New Mexico and the Senator from Delaware, for moving ahead and having these joint hearings. I look forward to working with them. I look forward to testifying. I know of their genuine sincerity in trying to come to grips with this budget problem that we have. I have described it as a budget gout that Congress has. I believe that that is true, and I say it again, and I will probably say it again and again until we try to get a better procedure on how we deal with the budget process here in Congress.

Mr. President, with those assurances from my two eminently distinguished chairmen of the Governmental Affairs Committee and the Budget Committee, I ask unanimous consent at this time to withdraw my amendment.

The PRESIDING OFFICER. The Senator has the right to withdraw his amendment.

The amendment is withdrawn.

AMENDMENT NO. 569

Purpose: (To appropriate $325,000 to the United States International Narcotics Control Commission)

Mr. D'AMATO. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be as stated.

The legislative clerk read as follows:

The Senator from New York [Mr. D'AMATO] for Mrs. HAWKINS, proposes an amendment numbered 569.

Mr. D'AMATO. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, after line 2, insert the following:

EXPENSES OF UNITED STATES INTERNATIONAL NARCOTICS CONTROL COMMISSION

For expenses of the United States International Narcotics Control Commission, as authorized by section 814 of the Foreign Relations Authorization Act, passed by the Senate on July 31, 1985, $325,000.

Mr. D'AMATO. Mr. President, this amendment has been cleared on both sides.

Mrs. HAWKINS. Mr. President, I wish to submit today an amendment calling for appropriation of funds for the creation of an American International Narcotics Control Commission.

No threat strikes America as savagely and as frequently as that of illegal narcotics. Its deadly impact is felt in failed education, lowered productivity, impaired national defense, increased violent crime, addiction, and death.

To combat this threat effectively, we must use a three-pronged approach: We must eradicate, we must educate, and we must cut off drugs at the source. In order to achieve the eradication of drug abuse in our Nation, we must fight the battle against illicit narcotics simultaneously on all three fronts, and in so doing we must use every weapon at our disposal.

A most useful weapon would be an American International Narcotics Control Commission, designed to monitor and promote international compliance with narcotics control treaties, including those involving eradication, money laundering, and terrorism. This Commission would also monitor and encourage U.S. Government and private programs seeking to expand international cooperation against drug abuse and narcotics trafficking.

The Commission would be comprised of Members of the U.S. Senate, and individuals from the private sector. The President of the United States will participate in the activities of the Commission by submitting a semiannual report with regard to the status of international compliance with narcotics control treaties, the initial report to be submitted 6 months after the date of enactment of this proposal. In turn, the Commission is authorized and directed to report to the Congress on a periodic basis, and at the end of each fiscal year the Commission will submit to the Congress a report on its expenditures.

Mr. President, a well-structured and well-supported entity such as the American International Narcotics Control Commission would be of invaluable assistance in the battle against drug abuse. Providing adequate funding for this Commission would ensure the creation of an international forum for consideration of narcotics control efforts worldwide; and would enable my colleagues in the U.S. Congress to express their concern in this most vital of issues.

Mr. President, as we all work together to achieve the eradication of drug abuse in our Nation, I wish to take this opportunity to urge that favorable and expeditious action be taken on the funding request for the creation of an American International Narcotics Control Commission.

Mr. D'AMATO. Mr. President, I move adoption of the amendment.

Mr. BUMPERS. Mr. President, I am not going to object to this amendment. I just wish to make this point.

It is my understanding that the authorization for this appropriation, and I just learned this a minute ago, is on the State Department authorization bill and the appropriation is being made on the legislative affairs appropriations bill.

Now, I have a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. Do the rules of the Senate speak to an authorization being on one bill and the appropriations to fulfill that authorization being on another?

The PRESIDING OFFICER. The Senate rules do not preclude that procedure.

Mr. BUMPERS. So this is an appropriation on this bill and the money could legitimately be spent pursuant to that authorization on the State Department budget authorization?

I hope I have made that clear. If there is any question about it, I hope the Parliamentarian will say so. I think it presents an interesting question. I am just curious.

The PRESIDING OFFICER. Rule XVI of the Standing Rules of the Senate specifically authorizes such an amendment.

Mr. BUMPERS. I thank the Chair.

Mr. FORD. Mr. President, will the distinguished Senator from New York tell us what this amendment is all about that is being approved on both sides? I wish to have an explanation of it.

Mr. D'AMATO. Mr. President, this provides for expenditure of some $325,000.

Mr. FORD. I did not quite understand.

Mr. D'AMATO. It is for the American International Narcotics Control Commission. The goal is to monitor and promote compliance with international narcotics control treaties.

The structure of the commission is seven Senators, four from the majority and three from the minority, five private sector experts, with a status report by the President.

I said it has a budget of $325,000. It was agreed to in the Department of State authorization bill which has been passed.

It is an amendment to the legislative appropriations bill to provide that $325,000.

I do not think there is any more important problem that we face than the drug problem, and I support this.

Mr. FORD. I understand the distinguished Senator. But is this $325,000 to appoint four Senators on the majority and three from the minority to oversee the drug problem, when we already have agencies of the Federal Government set up to do that? Could we not add more agents? Could we not add more security? Could we not add more to offshore work as it relates to keeping the drug problem out of this country than to give seven Senators an opportunity to sit down sometime and get a little television? Could we put that money into something that would make a greater impact in the reduction of drug abuse in this country?

Mr. D'AMATO. The goal would be to provide the internationalization of an effort and bring about compliance, particularly with the nations who are signatories to the Helsinki Commission, to promote that compliance through the international areas. And that is why we agree that the State Department should play a leading role in this. I think it certainly is important.

I think that merely putting on additional drug agents, as the Senator well knows, we have undertaken that. We have increased that effort, Senator DECONCINI and others, and I supported that effort. But I do believe that the promotion of international cooperative efforts in this area become most important. And I think that this is a miniscule amount of money. Any way in which we can improve further compliance, we should be supportive of this effort.

Mr. FORD. Mr. President, a parliamentary inquiry. Under rule XVI, paragraph 4, "On a point of order made by any Senator, no amendment offered by any other Senator which proposes general legislation shall be received to any general appropriation bill, nor shall any amendment not germane or relevant." If I make that point of order, would it stand?

The PRESIDING OFFICER. The desk does not yet have a copy of the amendment.

Mr. FORD. Mr. President, I would say this has been a fast one. We are going to spend almost a half-million dollars and all of a sudden we do not even have an amendment at the desk.

Mr. D'AMATO. I would point out for the record that the amendment was sent to the desk and I asked to look at it when the Senator raised, appropriately, a question with respect to it.

The PRESIDING OFFICER. In response to the question from the Sena-

tor from Kentucky, the amendment does not propose general legislation. As to the question of whether the amendment is germane or not——

Mr. FORD. Or relevant to the subject matter.

The PRESIDING OFFICER. Under rule XVI, questions of germaneness or relevancy shall be decided by the Senate.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. FORD. Mr. President, under rule XVI, I would like to ask for a ruling. It says that a point of order can be made to any general appropriations bill the effect of which will be to increase an appropriation already contained in the bill or to add a new item of appropriations unless it be made to carry out the provisions of an existing law or treaty stipulation. Am I correct that this particular amendment would fall under that interpretation?

The PRESIDING OFFICER. Rule 16, paragraph 1 cited by the Senator continues "or act or resolution previously passed by the Senate during that session."

This amendment on its face purports to be an amendment to carry out the provisions of an act or resolution previously passed by the Senate during this session.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I think I have made my point. I think, at least I hope, that other Members of the Senate will try to restrain themselves from moving so fast—authorized last night, appropriated tonight, one on one bill, one on another. We have almost $400,000 in one bill that has nothing to do with the authorization bill that we passed last night. If you think we have confusion as it relates to authorizing and appropriating money, this is exactly what happens. I have never been pressured so much to let this little amendment go. I think the principle of it is as important as the size of the money. I am not sure, and I have not been able to find out, where this puts us as it relates to the budget process; whether it increases the budget, whether it is the same figure, or whether we have to worry about the budget process or not. But I know I have some awfully good friends on both sides of the aisle that have been sweating for days trying to put a budget together. We are in here, we have one authorized on one bill, another appropriated on another bill, and we are beginning to go down that track. I think it is time we begin to look at how we are spending our money, where we are doing it and trying to be so fast without giving people an opportunity.

Mr. President, I will not object to the consideration of this amendment. I hope my point has been made. I regret I had to do it in this particular case, but I think I was proper in making my point. I think others ought to have the ability to consider the expenditure of funds without saying both sides agreed to it, never know what is in that piece of legislation, never know how much money we spend, and then we have to go back home, explain the deficit that we have, and how that money was appropriated in order to put something together.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I would like to commend the Senator from Kentucky for raising this point. I am not sure that I agree with the conclusions of the Parliamentarian, particularly with respect to the point of order in connection with paragraph 1.

At this moment, I do not know whether or not there is existing law that this appropriations item will be carrying out, and I believe the fact it says in the proposal that it was authorized by section 814 of the Foreign Relations Authorization Act passed by the Senate on July 31, 1985 does not make it a law. Under paragraph 1, the effect is to increase an appropriation already contained in the bill, or to add a new item of appropriation, unless it be made to carry out the provisions of some existing law—we have no evidence to that effect—or treaty stipulation or act or resolution previously passed by the Senate during that session.

I do not know if that is the case. The Parliamentarian apparently is not quite certain about that. I am not going to make that point. That is not the reason I am on my feet.

I am on my feet because now within 48 hours we have participated in the creation of two new commissions, if this passes. One is the commission to investigate the whole issue of municipal park accidents, and this is a commission to investigate whether or not to combine the narcotics laws. This may become known as the congressional session that did not do very much, but every time it got into a bind or decided it could not deal with an issue, it created a new commission—a new commission to spend money, to talk, talk, talk.

As I said the other day in speaking of the Danforth proposal on that subject, Lord save us from the creation of another commission.

I am not going to stand in the way of this, but I do believe the Senator from Kentucky was on target when he raised the issue. I think we are making a mistake in creating another commission. I think it is sort of a much ado about nothing in creating such a commission. It will not solve the narcotics problem. There are plenty of laws and agencies to do that.

I cannot look favorably upon this proposal. The Senator from Kentucky has raised the issue and indicated he would not object. I do not intend to object. But I have to say, as one Member of this body, I am sick and tired of creating new commissions. Let us pass legislation. Let us face up to the bar with respect to some of the tough issues that are challenging us. That is what we ought to be spending our time on, not just creating new commissions.

The PRESIDING OFFICER. Responding to the Senator respecting the definition of law, the Chair finds that the rules state "provisions of some existing law, or treaty stipulation, or act or resolution previously passed," and that "act," I am informed, includes a bill that has passed at least one House. In this case, there has been such a situation.

Mr. D'AMATO. Mr. President, if I might, let me first state that I certainly appreciate the sentiments expressed by the Senator from Kentucky. I also want to thank him for his graciousness in not pursuing the point. I say the same for the distinguished Senator from Ohio.

As has been pointed out, this measure had been passed twice before. I hope that the commission will in time prove to be one that will be meritorious.

Mr. FORD. Will the distinguished Senator yield for one further question?

Mr. D'AMATO. Certainly.

Mr. FORD. How much does this cost? How much does each Senator receive as in relation to expenses?

Mr. D'AMATO. No compensation.

Mr. FORD. But there is $325,000 for seven Senators.

Mr. D'AMATO. Well, the commission would be composed of seven Senators and the private sector. Obviously, the money would be spent based on the Helsinki Commission for staff, reports, and international coordination

in the area of narcotics. But certainly no compensation for Senators.

Mr. FORD. But 5 times 7 is 35. That makes $350,000. So you are going to spend roughly $50,000 per Senator for this commission that is going to coordinate drug abuse and narcotics and that sort of thing, when we already have it set up where it is done by the State Department rather than having seven Senators traveling around the world monitoring this.

Mr. D'AMATO. I hope that this would not be used as a vehicle by anyone, whether they be a Senator or from the private sector, to travel around, but, rather, one to coordinate the international effort, so desperately needed.

Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER (Mr. ABDNOR). Is there further debate on the amendment. If not, the question is on agreeing to the amendment.

The amendment (No. 569) was agreed to.

Mr. D'AMATO. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BUMPERS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. D'AMATO. Mr. President, third reading.

The PRESIDING OFFICER. The bill is before the Senate and open for further amendment. If there be no further amendments to be proposed the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed for a third reading and the bill to be read the third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 2942), as amended, was passed.

Mr. D'AMATO. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BUMPERS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. D'AMATO. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. D'AMATO. Mr. President, I have been authorized by the majority leader to announce there will be no further rollcall votes tonight.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GRAMM). Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

IMPROVING THE OPERATION OF GOVERNMENT—MESSAGE FROM THE PRESIDENT—PM 71

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States; which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

We share a common objective—to make government more responsive and sensitive to the needs of the people. Over the past several years, significant progress has been made toward:

—Controlling the growth of government by selectively limiting funding through the budget process and by controlling personnel levels;

—Identifying and preventing waste and fraud in government spending;

—Improving individual agency management, to further reduce costs and make better use of its resources;

—Developing government-wide management systems that can be adapted to the needs of each agency; and

—Improving agency delivery systems to ensure that services are efficiently delivered to the American people.

Throughout this effort, I have sought the advice and counsel of the private sector. The President's Private Sector Survey on Cost Control conducted systematic studies of agencies to determine more effective and efficient approaches to delivering services to the public. Thousands of recommendations were made and a large number have been and are being implemented.

The Congress has also supported our efforts by giving the Executive branch important tools to improve efficiency, including milestone legislation such as the Paperwork Reduction Act, the Congressional Reports Elimination Acts, the Prompt Payment Act, the Debt Collection Act, and the Deficit Reduction Act.

Today, I am requesting your further assistance to build on this foundation of progress through your continued support of our efforts to improve government performance. I am also asking you to pass a joint resolution establishing productivity improvement as a national goal and to enact management legislation that is critical to further improving the government's operations and reducing its costs. Together we can enhance our government's ability to use business-like procedures, providing the public with higher quality and more timely services at a lower cost—an objective shared by the Congress and the Executive branch.

The Productivity Improvement Program

The need for and importance of improving the efficiency with which the Federal government delivers goods and services to the American public cannot be overstated. The Federal government now accounts for 24.6% of the GNP. If we pattern our productivity efforts after those which have proven the most productive in the private sector, it is reasonable to expect that we could match or exceed the private sector's gains, which have recently climbed to about 3% per year.

Therefore, I will shortly establish a government-wide program to improve productivity 20% by 1992. Each agency will be called upon to establish specific priorities for improvement of their services, to examine each of their functions, and to achieve agency-wide productivity goals. They will be asked to focus on results, rather than on process. Agencies will be asked to draw upon the creativity and ingenuity of all employees, to properly reward any achievements in productivity improvement, and to minimize any negative impact productivity increases might have on their employees. This management approach is standard in the private sector and we plan to make it standard in the Federal government.

The President's Management Improvement Program: Reform '88 has provided a solid foundation upon which to base this productivity improvement program, as great strides have been made in establishing effective cash and credit management programs, improving agency management systems, lowering administrative costs, and reducing waste and fraud. Some of our Federal agencies have already

demonstrated that they can make real improvements in productivity when they commit their time and talent.

The success of this effort will be reinforced by an early expression of congressional resolve to make productivity improvement a national goal. Each department and agency will report to me through the Office of Management and Budget on their productivity goals, and on both the progress and the problems in accomplishing them. On the basis of that report, our annual management report to the Congress, which is part of the budget, will also describe our efforts to achieve productivity improvements.

The Administration's Management Legislation Initiatives

The Congress has been most helpful in passing legislation that has made management reform possible. To further assure successful implementation of our Management Improvement Program: Reform '88, I have directed the Office of Management and Budget and agencies to transmit legislative proposals which would make it possible to improve substantially the effectiveness of the Executive branch. These management legislative initiatives cover the important areas of fraud prevention, payment integrity and simplification, procurement, reorganization authority, and reduction in regulatory and paperwork burdens. Some of these proposals have already been sent to the Congress, and other will be transmitted in the days ahead. I want to stress that each of these proposals plays an important role in improving government's management, reducing fraud and waste, or improving productivity. I hope that the Congress can enact them promptly.

Conclusion

Now is the time for us to redouble our efforts to improve the operations of government. The budget deficit, the need to make programs more responsive to their beneficiaries, the complexity of the problems we face, and the very size of government itself all require us to apply the best methods and procedures available to improve productivity. Enactment of the various legislative proposals outlined here will enable us to continue and strengthen our joint effort to improve government management.

Federal managers want to do a good job. Given the necessary tools and support, they can do so. Passage of these proposals will demonstrate our commitment to increased productivity and improved management practices in the Federal government. The American people want and deserve a Federal government that is fair, efficient, effective, and, above all, productive.

RONALD REAGAN.

THE WHITE HOUSE, *July 31, 1985.*

MESSAGES FROM THE HOUSE

At 11:11 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, with amendments, in which it requests the concurrence of the Senate:

S. 1195. An act to require that a portion of the mail of Congress and the executive branch include a photograph and biography of a missing child.

The message also announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 180. Joint resolution commemorating the 10th anniversary of the signing of the Helsinki Final Act.

At 2:28 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills and joint resolution, in which it requests the concurrence of the Senate:

H.R. 1027. An act to authorize appropriations to carry out the Endangered Species Act of 1973 during fiscal years 1986, 1987, and 1988, and for other purposes;

H.R. 1131. An act to amend title 5, United States Code, to modify the method for determining the amount payable by a Federal employee or Member of Congress in order to receive credit under the civil service retirement system based on certain military service;

H.R. 1202. An act to enhance the carrying out of fish and wildlife conservation and natural resource management programs on military reservations, and for other purposes;

H.R. 1406. An act to authorize appropriations for nongame fish and wildlife conservation during fiscal years 1986, 1987, and 1988;

H.R. 1544. An act to authorize appropriations to carry out the National Aquaculture act of 1980 during fiscal years 1986, 1987, and 1988, and for other purposes;

H.R. 1789. An act relating to the authorization of appropriations for certain components of the National Wildlife Refuge System;

H.R. 2466. An act to make miscellaneous changes in the laws affecting the United States Coast Guard, and for other purposes; and

H.J. 299. Joint resolution recognizing the accomplishments over the past 50 years resulting from the passage of the Historic Sites Act of 1935, one of this Nation's landmark preservation laws.

At 4:40 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 960) to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and other acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, and the African Development Foundation, and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2577) making supplemental appropriations for the fiscal year ending September 30, 1985, and for other purposes; it recedes from its disagreement to the amendments of the Senate numbered 3, 4, 8, 9, 10, 11, 15, 16, 17, 21, 32, 36, 37, 40, 43, 50 56, 58, 60, 61, 62, 71, 73, 78, 80, 84, 86, 93, 96, 106, 110, 111, 113, 128, 129, 133, 134, 135, 136, 143, 145, 148, 149, 155, 156, 157, 159, 160, 170, 173, 179, 182, 184, 185, 193, 198, 201, 210, 216, 217, 219, 222, 223, 224, 227, 236, 241, 243, 244, 246, 247, 248, 253, 256, 263, 264, 268, 271, 273, 274, 286, 288, 290, 300, 304, 310, 319, 321, 331, 334, and 341 to the bill, and agrees thereto; it recedes from its disagreement to the amendments of the Senate numbered 2, 5, 6, 7, 14, 23, 29, 35, 41, 45, 51, 57, 63, 65, 70, 75, 77, 87, 91, 92, 102, 109, 112, 121, 130 131, 132, 147, 150, 153, 164, 166, 167, 168, 178, 180, 183, 194, 199, 200, 202, 203, 204, 211, 214, 230, 234, 235, 249, 257, 258, 260, 261, 272, 289, 299, 307, 330, and 340 to the bill, and agrees thereto, each with an amendment, in which it requests the concurrence of the Senate, and that the House insists upon its disagreement to amendment No. 262 to the bill.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 179. A concurrent resolution providing for a conditional adjournment of the House from August 1 or 2 to September 4, 1985, and a conditional adjournment of the Senate from August 1 or 2 to September 4 or 9, 1985.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 1027. An act to authorize appropriations to carry out the Endangered Species Act of 1973 during fiscal years 1986, 1987, and 1988, and for other purposes; to the Committee on Environment and Public Works.

H.R. 1131. An act to amend title 5, United States Code, to modify the method for determining the amount payable by a Federal employee or Member of Congress in order to receive credit under the civil service retirement system based on certain military service: to the Committee on Governmental Affairs.

H.R. 1202. An act to enhance the carrying out of fish and wildlife conservation and natural resource management programs on military reservations, and for other purposes; to the Committee on Armed Services.

H.R. 1544. An act to authorize appropriations to carry out the National Aquaculture Act of 1980 during fiscal years 1986, 1987,

and 1988, and for other purposes; to the Committee on Commerce, Science, and Transportation.

MEASURES PLACED ON THE CALENDAR

The following bills were read the first and second times by unanimous consent, and placed on the calendar:

H.R. 1406. An act to authorize appropriations for nongame fish and wildlife conservation during fiscal years 1986, 1987, and 1988.

H.R. 1789. An act relating to the authorization of appropriations for certain components of the National Wildlife Refuge System.

MEASURES HELD AT THE DESK

Pursuant to the order of the Senate of July 30, 1985, the following joint resolution was held at the desk by unanimous consent:

H.J. Res. 299. Joint resolution recognizing the accomplishments over the past 50 years resulting from the passage of the Historic Sites Act of 1935, one of this Nation's landmark preservation laws.

The following bill was ordered held at the desk until the close of business on August 1, 1985, by unanimous consent:

H.R. 2466. An act to make miscellaneous changes in laws affecting the United States Coast Guard, and for other purposes.

ENROLLED JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate announced that on today, July 31, 1985, she had presented to the President of the United States the following enrolled joint resolutions:

S.J. Res. 108. Joint resolution authorizing the Secretary of Defense to provide to the Soviet Union, on a reimbursable basis, equipment and services necessary for an improved United States/Soviet Direct Communication Link for crisis control; and

S.J. Res. 161. Joint resolution to appeal for the release of Soviet Jewry.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1562. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the President's tenth special message for fiscal year 1985; pursuant to the order of January 30, 1985, referred jointly to the Committee on the Budget, the Committee on Appropriations, the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Energy and Natural Resources.

EC-1563. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the President's eighth special message for fiscal year 1985; pursuant to the order of January 1, 1975, referred jointly to the Committee on the Budget, the Committee on Appropriations, the Committee on Energy and Natural Resources, the Committee on Labor and Human Resources, the Committee on Finance, and the Committee on Commerce, Science, and Transportation.

EC-1564. A communication from the Under Secretary of the Interior, transmitting a draft of proposed legislation to provide for an equitable distribution of net receipts associated with the Federal onshore mineral leasing program; to the Committee on Energy and Natural Resources.

EC-1565. A communication from the Acting Commissioner of the Bureau of Reclamation, Department of the Interior, transmitting, pursuant to law, a report on the need for modifications to Altus Dam and Dikes, W.C. Austin Project, Oklahoma; to the Committee on Energy and Natural Resources.

EC-1566. A communication from the Chairwoman of the United States International Trade Commission, transmitting, pursuant to law, the 35th annual report of the Commission on the operation of the United States trade agreements program, covering 1984; to the Committee on Finance.

EC-1567. A communication from the Visiting Research Professor of Law and Diplomacy, National Defense Institute, Department of Defense transmitting for the information of the Senate, material which he feels helpful in relation to the summit scheduled for fall; to the Committee on Foreign Relations.

EC-1568. A communication from the Assistant Legal Advisor for treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to July 26, 1985; to the Committee on Foreign Relations.

EC-1569. A communication from the Assistant Secretary-Treasurer of the Trustees of the Seventh Farm Credit District Employee Benefits Program, transmitting, pursuant to law, the annual report on the financial condition of the Retirement Plan for the Employees of the Seventh Farm Credit District for plan year 1984; to the Committee on Governmental Affairs.

EC-1570. A communication from Plan Administrator, Farm Credit Banks of Jackson, transmitting, pursuant to law, a report on the financial condition of the Farm Credit Retirement Plan and the Production Credit Associations' Retirement Plan for the plan year ended December 31, 1984; to the Committee on Governmental Affairs.

EC-1571. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to extend various health research authorities, and for other purposes; to the Committee on Labor and Human Resources.

EC-1572. A communication from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to grant discretion to the Administrator to administer garage and parking appropriations and fees as a revolving fund; to the Committee on Veterans' Affairs.

EC-1573. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on loan, guarantee, and insurance transactions supported by the Bank during June 1985 to communist countries; to the Committee on Banking, Housing, and Urban Affairs.

EC-1574. A communication from the Administrator of General Services, transmitting, pursuant to law, a report summarizing and analyzing reports submitted on the amount of personal property furnished to non-Federal recipients; to the Committee on Governmental Affairs.

EC-1575. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-67, adopted by the Council on July 9, 1985; to the Committee on Governmental Affairs.

EC-1576. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-66, adopted by the Council on July 9, 1985; to the Committee on Governmental Affairs.

EC-1577. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-65, adopted by the Council on July 9, 1985; to the Committee on Governmental Affairs.

EC-1578. A communication from the Administrator of Veterans' Affairs, transmitting, pursuant to law, a report on a Veterans' Administration matching program; to the Committee on Governmental Affairs.

EC-1579. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend various health professions training authorities, and for other purposes; to the Committee on Labor and Human Resources.

EC-1580. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report of the Adminstration on Aging of the Department of Health and Human Services for fiscal year 1984; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports were submitted:

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 1124. A bill to amend title 49, United States Code, to reduce regulation of surface freight forwarders, and for other purposes (with additional views) (Rept. No. 99-120).

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 205. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideraton of S. 974.

By Mr. McCLURE, from the Committee on Energy and Natural Resources, without amendment.

S. 811. A bill to clarify the treatment of mineral materials on public lands (Rept. No. 99-121).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with an amendment:

S. 816. A bill to establish the Pine Ridge Wilderness and Soldier Creek Wilderness in the Nebraska National Forest in the State of Nebraska, and for other purposes (Rept. No. 99-122).

By Mr. HATCH, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 140. A bill to amend the Child Abuse Amendments of 1984 to encourage States to enact child protection reforms which are de-

signed to improve legal and administrative proceedings regarding the investigation and prosecution of sexual child abuse cases (Rept. No. 99-123)

By Mr. ROTH, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute.

S. 1027. A bill for the relief of Kenneth David Franklin.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. ROTH, from the Committee on Governmental Affairs:

Constance Horner, of the District of Columbia, to be Director of the Office of Personnel Management for a term of four years.

(The above nomination was reported from the Committee on Governmental Affairs with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BYRD:

S. 1533. A bill to amend section 232 of the Trade Expansion Act of 1962 to improve its administration, and for other purposes; to the Committee on Finance.

By Mr. MATSUNAGA:

S. 1534. A bill for the relief of Masoyoshi Goda, his wife Nobuko Goda, and their children Maki Goda and Eri Goda; to the Committee on the Judiciary.

S. 1535. A bill for the relief of Yasumasu Muraoka; to the Committee on the Judiciary.

By Mr. MITCHELL (for himself and Mr. COHEN):

S. 1536. A bill to amend title 38, United States Code, to provide that per diem subsidies paid by the Veterans' Administration for the care of veterans in State homes shall not be used to offset payments that are made under the Medicaid Program for the purposes of assisting eligible veterans; to the Committee on Veterans' Affairs.

By Mr. NICKLES (for himself and Mr. PELL):

S. 1537. A bill to amend title IV of the Higher Education Act of 1965 to provide standards for students for maintaining satisfactory progress as a condition for assistance under that title; to the Committee on Labor and Human Resources.

By Mr. METZENBAUM (for himself, Mr. HUMPHREY, Mr. PROXMIRE, Mr. BRADLEY, and Mr. EVANS):

S. 1538. A bill to replace the Synthetic Fuels Corporation with a more fiscally responsible scaled down synthetic fuels assistance program; to the Committee on Energy and Natural Resources.

By Mr. ROTH:

S. 1539. A bill to amend the Internal Revenue Code of 1954 to repeal the earned income limitation on the deduction for retirement savings and the age 70½ limitation on the deduction and distribution of retirement savings; to the Committee on Finance.

By Mr. DODD:

S. 1540. A bill providing a statutory basis for a budget that requires that any increase in outlays be financed by an equivalent increase in revenues, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

By Mr. HEINZ:

S. 1541. A bill for the relief of Hayden C. Jones of Pennsylvania; to the Committee on the Judiciary.

By Mr. McCLURE (by request):

S. 1542. A bill to amend the National Trails System Act by designating the Nez Perce (Nee-Me-Poo) Trail as a component of the National Trails System; to the Committee on Energy and Natural Resources.

By Mr. MATHIAS (for himself, Mr. LAUTENBERG, Mr. LAXALT, Mr. DECONCINI, Mr. SPECTER, Mr. DENTON, and Mr. DIXON):

S. 1543. A bill to protect patent owners from importation into the United States of goods made overseas by use of a U.S. patented process; to the Committee on the Judiciary.

By Mr. ROTH. (for himself, Mr. MOYNIHAN, Mr. HEINZ, Mr. CHAFEE, Mr. SYMMS, Mr. DANFORTH, Mr. BRADLEY, Mr. MITCHELL, Mr. GRASSLEY, Mr. MATSUNAGA, Mr. COHEN, Mr. KERRY, and Mr. GORE):

S. 1544. A bill to extend the Trade Adjustment Assistance Program to place such program on a sound financial basis and to reform such program to emphasize the retraining of workers, to the Committee on Finance.

By Mr. MITCHELL:

S. 1545. A bill to strengthen the Nation's competitive position in international trade and to improve its ability to respond to unfair and injurious foreign trade practices; to the Committee on Finance.

By HEINZ (for himself and Mr. SPECTER):

S. 1546. A bill to amend the Internal Revenue Code of 1954 to allow an individual a credit against income tax for certain expenditures for the purpose of reducing radon levels in the principal residence of the individual; to the Committee on Finance.

By Mr. INOUYE:

S. 1547. A bill to amend title 10, United States Code, to authorize certain disabled former prisoners of war to use Department of Defense commissary stores and post exchanges; to the Committee on Armed Services.

By Mr. MOYNIHAN (for himself and Mr. BAUCUS):

S. 1548. A bill to require the Secretary of the Treasury and the Chairman of the Federal Reserve Board to develop a "Strategic Foreign Currency Reserve"; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BYRD (for himself and Mr. METZENBAUM):

S.J. Res. 183. Joint resolution to provide for the designation of the week of October 6 through October 12, 1985, as "Myasthenia Gravis Awareness Week"; placed on the calendar.

By Mr. DENTON:

S.J. Res. 184. Joint resolution to authorize the Korean War Memorial, Inc. to erect a memorial in the District of Columbia or its environs; to the Committee on Energy and Natural Resources.

By Mr. MOYNIHAN (for himself, Mr. D'AMATO, Mr. BAUCUS, Mr. McCLURE, Mr. BRADLEY, Mr. ZORINSKY, Mr. INOUYE, Mr. MATSUNAGA, Mr. EXON, and Mr. NUNN):

S.J. Res. 185. Joint resolution to designate August 18, 1985, as "National Flowers-by-Wire Day"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. PROXMIRE:

S. Con. Res. 58. Concurrent resolution expressing the sense of the Congress that Medicare patients are entitled to accurate and timely information regarding their Medicare benefits; to the Committee on Finance.

By Mr. TRIBLE:

S. Con. Res. 59. Concurrent resolution expressing the sense of the Congress that food producers who permit gleaning of their fields and nonprofit organizations which glean fields and distribute the resulting harvest to help alleviate hunger should be commended for their efforts, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DANFORTH (for himself, Mr. DODD, Mr. EAGLETON, Mr. CHAFEE, Mr. GORTON, Mr. MOYNIHAN, Mr. BRADLEY, Mr. KENNEDY, Mr. PELL, Mr. HEINZ, Mr. FORD, Mr. RIEGLE, Mr. HOLLINGS, Mr. LAUTENBERG, Mr. SASSER, and Mr. COHEN):

S. Con. Res. 60. Concurrent resolution to strengthen support for the national investment in research and advanced education capabilities; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BYRD:

S. 1533. A bill to amend section 232 of the Trade Expansion Act of 1962 to improve its administration, and for other purposes; to the Committee on Finance.

(The remarks of Mr. BYRD and the text of the legislation appear earlier in today's RECORD.)

By Mr. MITCHELL (for himself and Mr. COHEN):

S. 1536. A bill to amend title 38, United States Code, to provide that per diem subsidies paid by the Veterans' Administration for the care of veterans in State homes shall not be used to offset payments that are made under the Medicaid Program for the purpose of assisting eligible veterans; to the Committee on Veterans' Affairs.

PER DIEM PAYMENTS TO STATE VETERANS HOMES

● Mr. MITCHELL. Mr. President, today I am introducing legislation with my colleague, Mr. COHEN, to change the present treatment of Veterans' Administration per diem payments to State veterans homes under Medicaid. While only a small number of State homes would be affected by

this legislation, correcting the present treatment of the payments under Medicaid is extremely important to the affected homes.

The term, "State home" means a home established by a State for veterans disabled by age, disease, or otherwise, who by reason of such disability are incapable of earning a living. The term also includes a home which furnishes nursing home care for veterans. The establishment, control, and administration of a State home is the responsibility of the State which it serves.

The VA promotes the care and treatment of veterans in State veterans homes as one means of developing and maintaining the highest possible quality of care for this Nation's elderly veterans. Congress has established two programs under which the VA provides assistance to State homes.

The first is a grant program authorized by title 38 U.S.C. 5031-5037. Grants under this program, go to construct new homes or to expand, remodel, or alter existing facilities and may not exceed 65 percent of the cost of construction.

The second is a per diem payment program authorized by title 38 U.S.C. 641-643. Under this program, the VA contributes funds directly to recognized State homes to help meet the cost of care for eligible veterans in the homes. Per diem payments under this program are made for domiciliary care, nursing home, and hospital care at set rates, but may not exceed one-half the cost of the veterans' care in the home.

State homes are established through legislation enacted by the State legislature, which also determines how the State will fund its share of the home's operation. Generally, that support is a direct appropriation from the State. Under such an arrangement, the home's revenues consist of State appropriations and the VA per diem payments.

But a small number of States, including my State of Maine, have chosen to fund the home's operation through the Medicaid Program. Under such an arrangement, the home's revenues consist of Medicaid and VA per diem payments.

As my colleagues know, the Federal and participating State governments share the cost of Medicaid by means of a variable matching formula. States with Medicaid veterans homes then do not directly support their homes with State revenue, except for the funds allocated to cover the State's share of the Medicaid payments to the homes.

In determining the extent of medical assistance Medicaid may provide for an individual applicant or recipient, States must consider whether there exists any "third party" liability for the individual's care and services that arises out of injury, disease, or disability.

If a State discovers that a third party is in fact liable for some portion of a Medicaid applicant's or receipient's care, the State must reduce its Medicaid payments to the extent of such third-party liability. The Office of General Counsel in the Department of Health and Human Services has recently ruled that VA per diem payments to State homes must be treated as a third party liability for purposes of Medicaid.

The result of this ruling is that State agencies which are entrusted with the responsibility of administering Medicaid, in the case of my State, the Maine Department of Human Services, are forced to reduce the Medicaid payments to the home by an amount equal to the VA per diem payments made on behalf of the Medicaid-eligible veterans residing in the home.

But the veterans throughout Maine argue that the VA per diem should not be considered a resource of the individual because the VA makes the payment to the home, not the individual veteran. Under Medicaid statutes, 42 U.S.C. 1396a(25) third-party liability is to be considered "as a resource of the individual on whose behalf the care and services are made available."

Veterans in my State have repeatedly and strongly voiced their objection to the present arrangement. They argue that it makes no sense for the Congress to authorize the Veterans' Administration to make payments to State veterans homes on behalf of veterans only to have those funds used by State agencies to replace State and Federal Medicaid dollars, with no benefit to the veteran.

The legislation I am introducing today with Senator COHEN is simple and straight-forward. It says that payments made to State veteran homes under section 641 of title 38 shall not be considered to be a third-party liability under Medicaid.

Mr. President, this question first came to my attention in December 1983. It is a question which has taken a great deal of my time since then as the debate on this question has raged in my State.

During the months of 1984 and 1985, the board of directors of the Maine Veterans Home has worked many, many hours in trying to get the present situation reversed. They have made their case to the Maine Department of Human Services and the Maine Legislature without success. The board has solicited the support of the Veterans' Administration and the Department of Health and Human Services. But all to no avail.

The introduction of this legislation stands as a testimony to the dedication the Maine veterans community, especially the board of directors of the Maine Veterans Home, toward Maine's elderly veterans and their spouses.

The home's board has persevered. For 2 years they have argued their case convincingly to me and the other members of the Maine congressional delegation. The introduction of this legislation is an important first step. I look forward to its enactment.

Mr. President, I ask unanimous consent that the text of the bill and a letter from the Congressional Budget Office regarding the impact the enactment of the bill would have on the Federal Medicaid Program be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 641 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) Payments made to States pursuant to this section—

"(1) shall not be considered to be a third-party liability for any purpose under section 1902(a)(26) of title XIX of the Social Security Act; and

"(2) shall, for purposes of determining under title XIX of the Social Security Act the reasonable costs of services provided by a State home, not be deducted directly or indirectly from the operating or other costs of such State home."

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 14, 1985.

Hon. GEORGE J. MITCHELL,
U.S. Senate, Washington, DC.

DEAR SENATOR: As you requested in your letter of May 6, 1985, we have reviewed your proposed legislation to amend Title 38, United States Code, to provide that per diem subsidies paid by the Veterans Administration for the care of veterans in State homes shall not be used to offset reimbursements to the home under the Medicaid program. Based on our analysis, we estimate that enactment would increase federal Medicaid costs by $2 million a year. State Medicaid costs would increase by a similar amount.

Our estimate is based on current Medicaid enrollment at those homes that would be affected by this proposal. Currently only four Medicaid-certified state nursing homes care for veterans who are Medicaid recipients: Homelake, Colorado has 17 such veterans; Augusta, Maine has 86; Oxford, New York has 109; and King, Wisconsin has 280. If the Veterans Administration subsidies were not considered third-party liabilities, then the Medicaid program would be required to pick up these costs. Depending upon the match rate, the federal government would pay varying shares of the costs in each state. The estimate assumes that no additional state homes would apply for Medicaid certification as a result of this proposal. If additional state homes did apply, the costs could be significantly above those estimated.

We would be pleased to respond to any questions you might have on this estimate. Your staff may contact Anne Manley (226-2820) with detailed questions.

With best wishes,
Sincerely,

ERIC HANUSHEK,
(for Rudolph G. Penner.)●

● Mr. COHEN. Mr. President, for some 4 years, the Maine Veterans Home has provided essential care to older veterans in Maine. Founded through the cooperative efforts of the Maine veterans community, Maine State officials, the Veterans' Administration, and the Maine congressional delegation, the home has earned much respect for the quality services it provides. The administrators of the home, however, are now concerned that a series of legal rulings may impair the future ability of the home to offer its veteran residents the high quality of care to which the home is committed.

The Maine Veterans Home is an intermediate care facility licensed by the State of Maine and provides services to Medicaid-eligible individuals under the Maine Medical Assistance Program. The home is certified by the Veterans' Administration to provide intermediate care to veterans and, as such, receives a per diem subsidy from the VA for each day of care provided to each veteran patient. The subsidy is authorized by 38 U.S.C., section 641.

The State of Maine Department of Human Services is the sole agency in the State of Maine authorized to administer the Medicaid Program. The Department last year ruled that the portion of the VA subsidy received by the home based on care provided to its Medicaid patients constitutes a third-party liability as defined in 42 USC, section 1396(a)(25) and 42 CFR, sections 433.135 through 433.154. Because the Department views the VA subsidy as a third-part liability, it has offset Medicaid payments otherwise due the home by the amount of the VA subsidy.

The administrators of the Maine Veterans Home questioned this offset practice on two grounds. First, the Maine Department of Human Services' ruling was based on a 1979 Federal decision whose legality the home questioned. That decision was made by the U.S. Department of Health and Human Services' Audit Office with regards to the Wisconsin Veterans Home. Second, the home argued that the offset practice was not in consonance with the intent of Congress with regards to the VA subsidy program.

To ensure a full hearing on the first of these questions raised by the administrators of the Maine Veterans Home, the Maine congressional delegation asked Secretary Heckler to review whether the VA subsidy should be considered a third party liability which must be offset. Earlier this summer, Secretary Heckler affirmed the consistency of the offset practice with HHS's interpretation of the applicable law and regulations.

This leaves the question of whether this interpretation is consistent with the intent of Congress. After careful consideration, the Maine congressional delegation has decided that the most appropriate means to evaluate this and to obtain timely congressional oversight of the situation as it affects other Medicaid-certified State veterans nursing homes would be through hearings to consider legislation to alter this offset practice.

Accordingly, Senator Mitchell and I are introducing legislation today which would provide that VA per diem subsidies authorized under 38 USC, section 641 not be considered a third-party liability under section 1902(a)(26) of title XIX of the Social Security Act. This legislation further states that such VA subsidies shall not be deducted directly or indirectly from the operating or other costs of a State home when determining, under title XIX of the Social Security Act, the reasonable costs of services provided by a State home. Our colleagues in the House, Representatives MCKERNAN and SNOWE are introducing identical legislation today regarding this matter.

This legislation will serve as a catalyst for a timely congressional evaluation of the implications for Medicaid-certified State veterans homes of this offset practice, as well as for clarification of congressional intent regarding the treatment of the VA per diem subsidy.

In so doing, we will take an important step toward ensuring that these State veterans nursing homes are able to provide the level of care to veterans that the Congress intended when it wrote the relevant laws.●

By Mr. NICKLES (for himself and Mr. PELL):

S. 1537. A bill to amend title IV of the Higher Education Act of 1965 to provide standards for students for maintaining satisfactory progress as a condition for assistance under that title; to the Committee on Labor and Human Resources.

HIGHER EDUCATION SATISFACTORY PROGRESS ACT

Mr. NICKLES. Mr. President, today I am pleased to join with my distinguished colleague, Senator PELL, in reintroducing a bill which makes some commonsense changes in Federal student aid programs. This legislation establishes a requirement that students receiving Federal student assistance maintain a "C" average as a condition for continued eligibility.

CURRENT LAW

Presently, a student continues to receive student assistance from the Federal Government as long as the educational institution which he or she attends will confirm that the student is in good standing. It is left up to the discretion of each educational institution to define good standing.

Unfortunately, this policy has resulted in serious mismanagement and use of Federal student aid resources. The General Accounting Office released a study in December 1981 which found that 20 percent of the students receiving Pell grants at 19 randomly selected institutions had less than a "C" average, half of which—10 percent— had an "F" average. Clearly, this lax discretion and judgment by some educational institutions is significant enough to merit congressional action.

PROPOSED LEGISLATION

The legislation that Senator PELL and I offer today gives a student receiving Federal financial assistance a 1-year period to establish an academic record. At the conclusion of this first year, the student's grade point is reviewed. If the student has less than a "C" average, then he or she is given a warning measure by being placed on probation for one grading period. If, during that grading period, the student again fails to make a "C" average or better, then he or she is no longer eligible for Federal financial assistance.

The legislation contains an "undue hardship" clause which provides for special difficulties that a student may encounter during the academic year. This clause is intended to allow the institution to give the student another probationary period if it determines that the student has to contend with unusually severe circumstances during the academic grading period in question. Examples of the kinds of extenuating circumstances which might be cited and accepted are the death of a close relative or serious personal injury or illness.

A student who, for academic reasons, has lost eligibility for Federal student assistance may again become eligible if he can demonstrate, in two consecutive grading periods, his academic commitment by maintaining a "C" average or better. Upon establishing such a record, he may again apply for Federal assistance.

Implementation of this legislation will simplify current law by creating a consistent and fair standard for students receiving Federal aid. It adds no new bureaucratic steps, in that an institution must already verify that a student is in good standing. This legislation simply asks for a GPA as part of that verification process.

PUBLIC COMMENT

In the 97th Congress, when we first introduced the Higher Education Satisfactory Progress Act, my office received a number of letters from throughout the country on this legislation. The correspondence represents a broad cross-section of people: teachers, student aid administrators, college

presidents, students, parents, and taxpayers. By far, the vast majority of the mail was positive. I would like to share some of the comments and concerns which have been expressed:

A father in North Carolina—"You have an excellent idea and I support it. In fact, when college aid is from family funds rather than federal funds, your idea is often followed." This parent tells of his son's initial experience with college. The young man failed to achieve a 2.0 average and after several discussions with his family, decided to leave college and join the Navy. Three years later the son returned to college and completed his degree. The father closed by saying, "I don't believe that anyone could accuse the family of not being loving and supportive to our son. At the same time, we were not stupid, either. I think the federal government would be free of guilt also if it used the same rationale. . . ."

Bacone College in Oklahoma—The Acting President of Bacone College, a school which has been "serving the American Indian since 1880" writes, "I believe your proposal makes a great deal of sense and will be of benefit to a number of students who need a second chance."

College Educational Plans, Inc., of Dallas, Texas—"I fully support your efforts to require an adequate grade point average for a college student to qualify for any federal government sponsored educational loan or grant. In 1975, our firm designed a loan program to provide college educational loans to dependent children of employees of corporations. . . . The loans did require a grade of B– of better. . . . My point in mentioning this to you is to relate to you the substantial improvement in the grade point average of our students when compared to the simple grant program before 1975. In general, and through 1977, approximately 30% of our students would have qualified as a B– or better student. Following the implementation of the "Loan" program, the percentage now qualifying is closer to 65–70%."

Western Connecticut State College—The President writes, "I would be very comfortable supporting the bill that you described. . ."

University of California, Santa Cruz—The Director of Financial Aid expressed concern on two points: First, how is a non-graded school system to be treated? And second, what about the student who is experiencing severe personal problems? I am happy to say that the legislation addresses both of those questions. The university that does not use the traditional grading criteria is asked only to verify that the student has achieved the equivalent of a passing grade, as determined by the institution. Second, the university is given the latitude to determine whether or not a student's inability to maintain a "C" average is the result of "undue hardship." If such is the case, then the student is given an additional probationary period to establish a passing grade average.

In addition, an article appeared in the Washington Post which quoted the president of Harvard University as suggesting that U.S. education grants be given only to students with reasonably good high school grades and college board scores. Those pupils, he said, are most likely to finish college. The legislation which we are introducing today does allow everyone a fresh start by giving any student 1 year to establish an academic record. However, the concepts which I believe that President Bok was stressing of accountability and responsibility on the part of students and of prudent use of taxpayers dollars have been incorporated into this bill.

FISCAL IMPLICATIONS

Although there is no concrete figure as to the amount of financial assistance which can be redirected to more serious students, evidence indicates that it could be a very sizable amount. In the GAO's sampling alone, they found that 19.9 percent of the Department of Education aid recipients, 23.1 percent of the Social Security aid recipients, and 12.4 percent of the Veterans' Administration aid recipients had cumulative GPA's less than 2 or a "C" average. Even if this figure is not truly representative of all 7,726 schools that have students receiving Federal assistance, it indicates that a significant portion of the $8 billion spent on student aid could be used more effectively.

In closing, I think it is essential that Congress do all that is in its power to once again earn the respect and confidence of the American people for the manner in which we spend their tax dollars. Elimination of wasteful or inappropriate programs is only a part of the answer. The rest is in analyzing and reforming, where needed, existing programs so that they are more cost effective and responsible in their use of tax dollars. This is the intent of the "Higher Education Satisfactory Progress Act of 1985." I am pleased that Senator PELL, who is one of the most highly respected Members of this body for his knowledge and activity in the field of education, has understood the importance of maintaining integrity and responsibility in the Federal student aid programs for some time now. In 1980, Senator PELL introduced an amendment which was in the same spirit as the legislation we are introducing today. In addition, in 1982, the Senator from Rhode Island and I introduced this bill and received a number of cosponsors and positive feedback. I am pleased that we are again taking up the issue at this time when the Higher Education Act is being reauthorized.

Since the publication of the President's Commission on Excellence in Education recommendations, attention has been focused with new vigor on the strengths and weaknesses of our educational system. Although there has been diverse opinion on a number of the Commission's proposals, there was one which found near unanimous support. That was the recommendation to raise the standards and requirements for college admission. The legislation which we are introducing today is meant to compliment this proposal within the domain of Federal financial student aid programs.

I encourage my colleagues to examine our proposal, for I am convinced that what we have put forth today is a judicious and fair approach to directing student assistance to those students who not only need it, but who are serious in their determination to make the most of their educational opportunity.

I ask unanimous consent that the digest of the GAO's report be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STUDENTS RECEIVING FEDERAL AID ARE NOT MAKING SATISFACTORY ACADEMIC PROGRESS: TOUGHER STANDARDS ARE NEEDED

The Federal Government provides billions of dollars in student aid each year under programs administered by the Department of Education, the Veterans Administration, and the Social Security Administration. These agencies have widely varying policies regarding satisfactory academic progress of students receiving assistance.

In reviewing the academic progress standards applied to students at 20 institutions of higher education, GAO found that these standards were often inadequate and not always enforced. Although each of the schools had established standards, they were often poor measurements of academic progress. Some schools had not enforced the standards they had established, resulting in overpayments of more than $1.2 million in Department of Education programs.

More stringent Federal requirements would alleviate many of the problems resulting from poor academic progress by students receiving aid.

DIGEST

Each year the U.S. Government provides billions of dollars in financial aid to students seeking a postsecondary education. While a wide array of assistance is available, the major programs are administered by the Department of Education (ED), the Veterans Administration (VA), and the Social Security Administration (SSA). These programs provided about $7.8 billion in student aid during fiscal year 1980. (See p. 1.)

There are no uniform requirements among the three Federal agencies regarding satisfactory academic progress of students receiving financial aid. VA requires an institution to establish and enforce a reasonable policy on satisfactory progress and meet specific requirements set by law and regulation. ED also requires that an institution set and enforce a policy, but does not provide specific criteria. SSA does not impose standards for academic progress in its program since there is no requirement set by law. (See pp. 2 to 8.)

In visits to 20 institutions of higher education and a review of more than 5,800 randomly selected student transcripts, GAO found that many students receiving financial aid were not making satisfactory progress. Mainly this resulted from school standards that allowed students to remain eligible for aid without proving that they were moving toward a definite goal with adequate grades and at a reasonable rate. Some of the institutions were not even enforcing their own standards. (See p. 9.)

GAO conducted its review in response to concerns raised in previous reviews of student aid programs on the adequacy of standards for determining satisfactory academic progress. After this review began, the Chairman of the Senate Committee on Labor and Human Resources expressed an interest in the issue and requested GAO to prepare a report on its findings for the Committee. (See p. 8.)

STANDARDS ARE NOT ADEQUATE

An effective academic progress standard should consider all factors which affect a student's academic performance. However, many of the schools visited did not have reasonable requirements concerning such factors as minimum grade point averages (GPAs), nonpunitive grades, and the rate of movement toward completion of a program of study. (See p. 9.)

While the schools visited uniformly required a 2.0 GPA (on a 4.0 scale) for graduation, they normally set their standards for determining academic progress at considerably lower levels. This resulted in large numbers of students on financial aid with low grades. Overall, 19.9 percent of the ED aid recipients, 23.1 percent of the SSA aid recipients, and 12.4 percent of the VA recipients in GAO's samples had cumulative GPAs below 2.0. In many cases, the averages were below 1.5, or the equivalent of a "D-plus." (See pp. 9 to 12.)

The performance of many students in GAO's samples was distorted by their schools' overuse of nonpunitive grades—grades which have no effect on the GPA or do not count toward program completion. The schools often offered wide ranges of grades which had no effect on the measurement of progress. At two schools, non-punitive grades accounted for more than 40 percent of all grades assigned during a recent term. (See pp. 12 and 13.)

A common example of a nonpunitive grade is that assigned for a course withdrawal. The schools visited often allowed students to withdraw from a course without penalty far into the term. GAO found many examples of students who had withdrawn from courses, allowing them to maintain higher GPAs, but also adding to the time necessary to complete a course of study. During the spring term of 1980, more than 20 percent of the ED and SSA aid recipients in GAO's sample withdrew from courses so that the number of hours they took was less than the number of hours required under their aid programs. (See pp. 13 and 14.)

Other nonpunitive grades were given for courses not completed or later repeated. Incomplete grades were often carried on a student's record for an extended time and, in some cases, were never converted. This resulted in higher GPAs than would have otherwise been the case. In some instances, students were allowed to repeat the same course numerous times. (See pp. 15 and 16.)

Only 10 of the 20 schools visited had specific requirements concerning the rate of a student's academic progress, and these requirements were often ineffective. This led to instances where students stayed in school and on financial aid for inordinate lengths of time. Among the ED aid recipients sampled, 56.3 percent of those attending school on a quarter system and 61.5 percent of those on a semester system were behind in their studies. (See pp. 18 to 20.)

In general, fewer instances of poor progress were noted among VA aid recipients than either ED or SSA aid recipients. GAO believes that this is due to the more stringent requirements set by VA, including (1) prior VA approval of a school's academic progress standard and a student's course of study and (2) refusal to pay for courses outside of an approved course of study, from which the student withdrew, or which did not count toward program completion. Neither ED nor SSA has such requirements. ED officials said they do not believe ED has the statutory authority to issue regulations setting specific requirements. There are no statutory requirements for academic progress in the SSA program. (See pp. 3 to 8.)

STANDARDS ARE NOT ENFORCED

Nonenforcement of academic progress standards is a major problem. Nine of the schools visited were not enforcing their published standards. Three schools were not enforcing their standards for ED or VA aid recipients, five schools were not for ED aid recipients only, and one school was not for VA aid students only. SSA had no academic progress requirements. (See pp. 22 and 24.)

For the schools which had not enforced their standards for ED aid recipients, GAO estimated overpayments of about $1.28 million. GAO did not project overpayments for VA recipients because the schools did not have information on the amount of financial aid paid by VA. (See pp. 22 and 23.)

CONCLUSIONS

Weak and nonspecific Federal requirements on academic progress have led to abuse of the student aid programs, particularly those administered by ED and SSA. A uniform Federal policy is needed. Although VA standards set by existing legislation and regulations are generally adequate, standards are needed for the rate at which a student is progressing. GAO believes that ED and SSA requirements should be essentially the same as those set by VA. This would require changes to both authorizing legislation and program regulations. (See pp. 25 and 26.)

These changes would accomplish the following objectives:

Tighter academic progress standards would save Federal funds now being paid to students not making satisfactory progress.

Schools would encounter fewer differences in the requirements for administering the three agencies' programs.

Federal agencies would be able to better coordinate their efforts in setting academic progress requirements and monitoring their enforcement.

Also, students might be encouraged to enroll in programs which are more suited to their abilities and which they are more likely to complete. (See p. 26.)

● Mr. PELL. Mr. President, I am very pleased to join my distinguished colleague from Oklahoma [Mr. NICKLES] in introducing the Higher Education Satisfactory Progress Act of 1985. Both Senator NICKLES and I are very concerned that the absence of specific academic standards for the receipt of Federal student aid can result in the abuse of these important programs, and thus weaken the valuable help they provide students who desire to pursue a postsecondary education but cannot afford it. This is the primary reason we are reintroducing the legislation we originally submitted in 1982.

The public reaction to this legislation when we first introduced it was very encouraging. Editorials from all parts of the United States endorsed it. The Madison, WI, State Journal said of our proposal:

> The best thing about the proposal is that it reserves loan money for serious students, the ones who will make progress toward a degree. They deserve help. It is a good amendment to a good program.

The Corning, NY, Leader said that the bill's enactment "may do more to improve scholarship in American colleges than any legislation in years."

In Boston, radio station WRKO said:

> Senator Pell's measure would eliminate student laggards, encourage others to meet higher academic standards, and it would save money. We endorse it.

But perhaps the most succinct endorsement came from the McComb, MS, Enterprise Journal, which said of our proposal: "It ought to be done."

Almost 3 years have passed since the initial introduction of our proposal. More than 3 years, however, have elapsed since the GAO issued its report that approximately 20 percent of the Federal student aid recipients it surveyed had less than a 2.0 grade point required for graduation, and about 10 percent less than a 1.5 grade point. In light of this situation, Senator NICKLES and I feel very strongly that this is an issue that must be considered as part of the pending reauthorization of the Higher Education Act. It is a bill whose time has come.

There is an important history behind this proposal, and as we introduce this legislation, it is a history that bears repeating.

The first satisfactory progress proposal was advanced by the Carter administration during the higher education hearings in October 1979. Dr. Mary Berry, then Assistant Secretary for Education in the Department of Health, Education, and Welfare, proposed on behalf of the administration that a student must successfully complete at least 50 percent of the course load undertaken using title IV aid during a given period of enrollment in order to be eligible for Federal aid in a subsequent period of enrollment. She also stipulated that this requirement would be waived for demonstrated hardship circumstances.

During the question and answer period that followed Dr. Berry's formal statement, I expressed my complete support for the idea that a student should have to maintain decent grades in order to receive Federal student aid. In fact, I thought the administration's proposed standard of 50 percent was too low.

In May 1980, when the full Senate passed S. 1839, the Education Amendments of 1980, included was a requirement, of which I was the principal proponent, that a student must successfully complete 75 percent of his or her academic course load to be eligible for assistance provided by Federal Student Aid Programs. That provision,

however, did not contain a definition of what constituted successful completion of a course, but left that decision up to the individual institution of postsecondary education.

Unfortunately, the provision in the Senate bill was dropped in the House-Senate conference.

Since passage of the 1980 amendments, the Department of Education has worked closely with representatives of the education community on regulations requiring more specific standards of satisfactory progress. These efforts were designed to help insure the integrity of the Federal Student Aid Programs while also preserving institutional discretion in setting specific standards.

It is encouraging that the new rules stipulate that satisfactory progress must be the same as or stricter than the institution's standards for determining progress toward and successful completion of the educational objective. This helps avoid the situation cited in the GAO report where students can remain eligible for Federal student aid although never required to maintain a grade point average that matches the institution's requirement for graduation.

The regulations, however, do not establish a standard that can be enforced in an equitable and uniform manner. Senator NICKLES and I believe that there continues to be a need for a provision in Federal law that spells out specifically what a student must accomplish in terms of a grade average if he or she is to continue to receive Federal student aid.

The issue at hand is neither one of institutional integrity nor one of interferring with the operation of a college or university. Rather, the issue is one of an agreement which a student makes with the Federal Government when he or she accepts Federal student aid. I contend that the aid should be dependent upon a student's maintaining a satisfactory grade point average, and that is the matter directly addressed in this legislation.

In no way should the action we are seeking be construed as punitive. Nor should this legislation be misconstrued as an intrusive step into the affairs of a college or university.

We already have a series of eligibility rules for student assistance programs in areas such as family income, a student's status as dependent or independent, and whether or not the student is full time or part time. We have agreements concerning the repayment of loans. And we have limits on the amount of money a student can receive through grants and loans. The legislation that Senator NICKLES and I are proposing would simply add another requirement with respect to the level of academic work a student must maintain if he or she is to continue to be eligible for Federal student aid.

The Satisfactory Progress Act of 1985 would apply to all Federal Student Aid Programs included in title IV of the Higher Education Act of 1965, as amended. If a student after the first year of postsecondary work has less than a C average or its equivalent, then the student would be placed on probation for the next grading period. If the student receives an average of C or better for the following period, then he or she would no longer be considered on probation and could continue to receive Federal student assistance.

Should the student earn less than a C average, however, he or she would be dropped from eligibility for Federal student aid. Once dropped, a student would have to earn a grade average of C or better for two consecutive terms in order to become eligible once again to receive Federal student aid.

There is also an undue hardship clause in our legislation. It would allow the institution to judge students with unusually severe situation, such as sudden death or illness in the family or particularly difficult personal or emotional problems, and allow them to continue to receive Federal student aid.

Mr. President, in this period of fiscal restraint, it becomes all the more important that Federal aid is not only well-targeted but also wisely used. That is precisely what our legislation seeks to do in the area of student aid. Very simply, it would help insure that Federal student aid moneys would be directed to deserving students who are serious and responsible about pursuing their academic work. To my mind, that is a worthy goal and one that is surely within our reach.●

By Mr. METZENBAUM (for himself, Mr. HUMPHREY, Mr. PROXMIRE, Mr. BRADLEY, and Mr. EVANS):

S. 1538. A bill to replace the Synthetic Fuels Corporation with a more fiscally responsible scaled down Synthetic Fuels Assistance Program; to the Committee on Energy and Natural Resources.

SYNTHETIC FUELS FISCAL RESPONSIBILITY ACT

● Mr. METZENBAUM. Mr. President, today my colleagues and I are introducing legislation which we hope will put our Synthetic Fuels Program back on a productive track.

A little over 5 years ago, Congress established the Synthetic Fuels Corporation [SFC], gave it a lump sum appropriation of over $17 billion, exempted it from most laws governing accountability and congressional oversight, and instructed it to create a commercial synthetic fuels industry.

We all had high hopes that the program would allow us to utilize our vast resources of coal, oil shale, and tar sands to reduce our dependence on insecure foreign supplies of oil.

Mr. President, improving our energy security is a goal which has been especially important to me since I joined the Senate. I supported a National Synfuels Development Program back in 1979 and 1980, and I still support that concept today.

But over the course of the last 5 years, the SFC has not brought us any closer to establishing a viable synthetic fuels industry. I believe that we all have been patient and have given this agency the benefit of the doubt on numerous occasions. But there comes a time when we must ask whether or not we are getting what we hoped for from this program. Sadly, the answer is a resounding "no."

The SFC is an agency which is flawed in management and execution.

Administratively, this agency has been a disgrace. Mismanagement, scandal, and administrative abuse have run rampant. The performance of the SFC makes a mockery of the high goals we set for that agency.

Two presidents resigned amidst charges of mismanagement and impropriety.

Resignation of Board members left the SFC without an operating quorum for 8 months.

Massive turnover in the top staff positions have created instability and lack of direction.

The excessive salaries and benefits at the SFC would embarass any responsible public official. During this time of severe budgetary crisis, they are downright offensive.

Clearly, the SFC has abused the autonomy and freedom from normal congressional oversight that was granted to it.

The SFC has shown a similar inattention to fiscal responsibility in its attempts to create a synthetic fuels industry. Its efforts to create a viable industry through a crash commercialization program have been a failure.

Changing markets and unanswered questions concerning technical feasibility, cost effectiveness and environmental acceptability have added to the difficulties confronting the development of a successful synfuels industry. But the SFC has demonstrated an inability to fashion a program which addresses these uncertainties, encourages private sector commitment, and establishes the basis for a successful industry.

The SFC, set up as a financing bank and accenting commercial development, is not equipped to support the level of research which needs to be done.

Since inception of the Synfuels Program, over $2.5 billion has been committed, much of it to projects of questionable merit. Many other projects which are leading candidates for billions in additional SFC assistance also have serious failings, unresolved prob-

51-059 O-86-15 (Pt. 16)

lems and lack of sponsor commitment. Yet, the SFC has offered outrageous price guarantees, as high as $90 per barrel of oil, in order to attract sponsors. Subsidies of this magnitude will inevitably result in the expenditure of billions of dollars.

Such expenditures could be justified if we knew they would lead to the creation of an independent, viable commercial industry.

Unfortunately, such is not the case.

The much publicized problems of the Great Plains project underscores this fact and highlights the plight of the SFC.

The Great Plains gasification project was one of the first projects funded under the Synthetic Fuels Program. The sponsors received an array of Federal subsidies, including a $1.5 billion Federal loan, generous tax credits and a FERC-approved pricing formula which guarantees an above market rate for their high Btu gas product at the expense of consumers. Today, gas from the Great Plains project garners $5.50 for the project sponsors, while natural gas in other areas is shut in because producers can't even get $3 for it.

Yet, the sponsors of the project-Tenneco, American Natural Resources, Pacific Lighting, Transco and Midcon, some of the wealthiest corporations in the country—have told the Government that they will default on the $1.5 billion loan and walk away from the project unless they receive even more subsidies.

And the SFC is prepared to capitulate to their demands.

Two weeks ago, the SFC approved a plan which would allow the sponsors to default on their $1.5 billion loan. As a reward for one of the largest defaults in the history of this Nation, the sponsors would receive another $673 million loan, with no assurances of any interest or principal repayment. To add the crowning blow, the SFC planned to throw in another $720 million in price subsidies.

Yesterday the Department of Energy rejected the SFC bailout plan because it was such a bad, one sided deal.

No one but the project sponsors would have benefited. The Government exposure appeared to increase, rather than decrease, and the proposal contained no requirements that the project sponsors make any commitment to the long-term operation of the project.

This is fiscal irresponsibility of the highest order.

Yet, the Great Plains story is the story of the SFC.

Instead of contributing to the development of a reliable, self-sustaining industry, the SFC is only creating an industry which will be perpetually dependent upon continual and increasing infusions of Federal subsidies for its existence. This does nothing for energy security, and only places greater strains on the Federal deficit.

Time and again, this agency has promoted the candidacy of weak and unpromising projects. It has offered outrageous prices guarantees on the order of $60 to $90 per barrel of oil. Yet, it has been unable to produce a sound synthetic fuels industry.

Rather than a vehicle to achieve energy security, the SFC has become a haven for many get-rich-quick schemes proffered in the name of energy security.

This is not what we expected when we created the Synthetic Fuels Corporation. This is not what the American public deserves.

The real issue in this debate is how to most effectively and efficiently develop synthetic fuels technologies.

Fundamental changes in the current approach are necessary if we hope to effectively explore and develop the potential of synthetic fuels. Simply providing additional subsidies for commercialization, whether in the form of loan guarantees, price guarantees, or tax credits will not make the current program any better—only more expensive.

It is time for Congress to get serious about snythetic fuels. We need to establish a program which will provide the basis for a strong, reliable industry, able to withstand the fluctuations of the energy market.

That is what our bill does.

Our legislation will abolish the SFC, and authorize a $500 million Synthetic Fuels Program in the Department of Energy. It requires substantial private sector cost sharing, limits the size of price supports, and provides for congressional review of all major commitments.

With an accent on appropriately scaled development, data collection and analysis, this program will ensure that we will acquire the data base required to establish the foundation for a successful commercial industry.

Mr. President, as we commence the debate on the future direction of our national synfuels effort, we cannot ignore the fact that it takes place against the background of the largest budget deficits in history. Deficits which threaten to cripple our economy if not brought under control.

I am a member of the Budget Committee. We have agonized long and hard over ways to reduce the deficit without impairing the quality of life for Americans. Many difficult choices have been put before us.

I do not believe we can, in good conscience, ask our constituents to accept hard budgetary measures affecting programs crucial to their well-being, if we are unwilling to make significant cuts in unproductive programs which threaten to add billions to our Federal deficit.

We tell the farmer beset by falling prices and high interest rates to seek help elsewhere. We tell the elderly that we cannot help them. Students cannot get loans from us. How then can we justify the continuation of this extravagant program which promises nothing but the spectre of billions in future deficits while filing the coffers of corporations?

We have a responsibility. We have a responsibility to our taxpayers and to this Nation. We must provide a responsible synfuels program—one that will work, and will yield results in an effective and efficient manner. Our legislation will achieve this.

The goal of energy security is too important to waste the limited funds we have available to us. We must judiciously and effectively employ the resources we have.

I hope that my colleagues will support this bill, and that the Energy and Natural Resources Committee will quickly turn its attention to this legislation.●

● Mr. HUMPHREY. Mr. President, I am pleased to join Senators METZENBAUM, PROXMIRE, and BRADLEY in the introduction of the Synthetic Fuels Fiscal Responsibility Act of 1985.

The Debate over the Synthetic Fuels Corporation [SFC] has raged since this quasi-governmental corporation was established in 1980. Then, its mandate was to help spur the development of a commercial synthetics fuels industry. The goal was to displace foreign sources of liquid petroleum, and thus fortify our energy security at home. To achieve this mandate, an energy-scared Congress gave the new SFC a huge wad of Federal money—$15 billion with the promise of billions more—and few limitations on how the SFC was to spend the money. Some of us argued then that this scheme was a sure-fire formula for disaster. The legacy of the Synthetic Fuels Corporation has proven us correct.

After 5 years and millions of dollars, the Synthetic Fuels Corporation has not bought the Nation one drop of energy security. What it has bought is a shameless record of waste and abuse of taxpayers dollars. The record of the Synfuels Corporation would be outrageous at any time. But in an era of out-of-control budget deficits, this kind of fiscal foolishness simply cannot be tolerated.

The time to do away with the SFC has long since passed. I am pleased to be joining my colleagues in introducing this bill. First and foremost, this legislation will abolish the Synthetic Fuels Corporation. The legislation will also create a $500 million multiyear Synfuels Program at the Department of Energy, under strict new standards. Importantly, the legislation will also establish procedures for accountability

and congressional oversight of the new DOE Synfuels Program.

Mr. President, I am delighted to join in this effort. I intend to do all I can to press for prompt Senate consideration of this bill. It is time for the Synfuels folly to end.●

By Mr. ROTH:

S. 1539. A bill to amend the Internal Revenue Code of 1954 to repeal the earned income limitation on the deduction for retirement savings and the age 70½ limitation on the deduction and distribution of retirement savings; to the Committee on Finance.

INDIVIDUAL RETIREMENT ACCOUNT EQUITY ACT

● Mr. ROTH. Mr. President, today I am introducing S. 1539, the Individual Retirement Account Equity Act of 1985. I decided to introduce this bill after numerous contacts from senior citizens in my State and across the country. These people are upset because they have been prevented from participating in the IRA program due to provisions in the Tax Code that are nothing more than discriminations based on age.

There is a myth going around that our senior citizens do not like to save or have no reason to save. The myth holds that people save during their working years, and spend it all during their retirement. But there are many reasons why senior citizens would like to, and do, save. They may want to save to protect against catastrophic medical expenses. Or they may want to continue to save to travel. They may want to save to leave a bequest. In fact, a great deal of the saved wealth of this Nation is passed on to the next generation. Every dollar saved by senior citizens is good for the macroeconomy. Seniors can be prolific savers and our Nation, with its dismal savings rate, cannot afford to shut off this potential source of new capital.

The current Tax Code stops seniors from participating in IRA's in many ways. In the first instance, the maximum deduction is $2,000 or the level of so-called earned income, whichever is the higher. A retired person living off capital income cannot, therefore, participate in an IRA program because of lack of compensation. There is no reason why such a person should not be able to save in a tax deferred vehicle. Second, no person beyond the age of 70½ can take a deduction for an IRA and third, there is a forced distribution system after that age as well.

My bill would change all that. It would allow capital income, as well as compensation to be saved in an IRA. It would repeal both the prohibition on IRA deductions after age 70½ and the forced distribution system. As such the discrimination against seniors in our Tax Code would be removed in terms of this important saving vehicle.

This bill will aid seniors and at the same time aid the growth potential of our economy. I recommend it to my colleagues. I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1539

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REPEAL OF EARNED INCOME: LIMITATION ON DEDUCTION FOR RETIREMENT SAVINGS.

(a) IN GENERAL.—Paragraph (1) of section 219(b) of the Internal Revenue Code of 1954 (relating to maximum amount of deduction for retirement savings) is amended to read as follows:

"(1) IN GENERAL.—The amount allowable as a deduction under subsection (a) to any individual for any taxable year shall not exceed $2,000.".

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 219(b) of such Code is amended by striking out subparagraph (B) and redesignating subparagraph (C) as subparagraph (B).

(2) Paragraph (4) of section 219(b) of such Code is hereby repealed.

(3) Subsection (C) of section 219 of such Code is hereby repealed.

(4) Paragraph (1) of section 219(f) of such Code is amended by striking out the last sentence thereof.

(5) Paragraph (2) of section 219(f) of such Code is amended by striking out "subsections (b) and (c)" and inserting in lieu thereof "subsection (b)".

(6) Subparagraph (A) of section 408(d)(5) of such Code is amended by striking out "$2,250" and inserting in lieu thereof "$2,000".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1984.

SEC. 2. REPEAL OF AGE 70½ LIMITATIONS ON DEDUCTION AND DISTRIBUTION OF RETIREMENT SAVINGS.

(a) LIMITATION ON DEDUCTION REPEALED.—Section 219(d) of the Internal Revenue Code of 1954 (relating to other limitations and restrictions on retirement savings deduction) is amended by striking out paragraph (1) and redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively.

(b) LIMITATION ON DISTRIBUTION REPEALED.—

(1) IN GENERAL.—Subsection (a) of section 408 of such Code (relating to individual retirement accounts) is amended by striking out paragraph (6).

(2) CONFORMING AMENDMENTS.—

(A) Section 408(b) of such Code (defining individual retirement annuity) is amended—

(i) by striking out paragraph (3) and redesignating paragraph (4) as paragraph (3), and

(ii) by striking out "if it matures later than the taxable year in which the individual in whose name such contract is purchased attains age 70½;" in the last sentence thereof.

(B) Paragraph (1) of section 408(c) of such Code is amended by striking out "(7)" and inserting in lieu thereof "(5)".

(C) Paragraph (2) of section 408(d) of such Code is amended by striking out "paragraphs (1), (3), (4), and (5)" and inserting in lieu thereof "paragraphs (1) and (3)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1984.●

By Mr. DODD:

S. 1540. A bill providing a statutory basis for a budget that requires that any increase in outlays be financed by an equivalent increase in revenues, and for other purposes; pursuant to the order of August 4, 1977, referred jointly to the Committee on Governmental Affairs and the Committee on the Budget.

PAY-AS-YOU-GO BUDGET LEGISLATION

● Mr. DODD. Mr. President, I am introducing today legislation to place congressional budget procedures on a "pay-as-you-go" basis. Simply stated, pay-as-you-go refers to a system of budgeting whereby spending in one area is allowed to go up only if there is an offsetting reduction in other areas, or an increase in revenues equal to the new expenditures. My bill would apply these principles to the enactment each year of the congressional budget resolution beginning with fiscal year 1987.

Reduction of the Federal budget deficit is the No. 1 domestic priority facing our Nation. Unfortunately, this problem is worsening as a result of less-than-expected GNP growth. In all likelihood, $200 billion deficits 3 years in the future are the most we can hope for from a favorable conclusion to the currently stalemated budget conference. In response to this overwhelming problem the Congress and the President offer the American people only quick fixes and political bumper sticker solutions.

Recently we debated the line-item veto. That proposal will not put us on the course to a balanced budget. If it did, I might be more inclined to support enactment of this concept. Indeed, the line-item veto does not cover all Federal spending. Only about 25 percent of Federal spending would be covered by this proposed extraordinary grant of new authority to the Executive.

In September, we may debate once again the constitutional amendment for a balanced budget. Even if adopted by the Congress, this amendment will take years to be ratified and even then will not tell us how to get to that balanced budget which we all wish to see.

Mr. President, political will and greater discipline in Federal budget procedures will produce a balanced budget over time. Clearly, we cannot legislate the former. The latter is the subject of the legislation I am introducing today.

Under the terms of my bill, a point of order would lie against consideration of the budget resolution if total outlays proposed exceed the level in the enacted resolution for the preceding fiscal year unless new revenues are proposed in an equal or greater amount. Revenues could not be any

lower than in the preceding year's resolution unless outlays are reduced by a like amount. This would apply to both discretionary and entitlement spending.

These procedures could be waived by a two-thirds vote of the Members of both Houses of Congress. Finally, recognizing the great role the Executive plays already in the formulation of the budget, the President would be required to submit budgetary messages to the Congress which conform to pay-as-you-go criteria.

Under this legislation, total outlays and revenues are not required to balance, but changes in the levels of outlays and revenues should balance. In effect this allows the natural growth of the economy to reduce the deficit over time. When this concept was proposed originally by myself and Congressman GEORGE MILLER in 1982, the Congressional Budget Office estimated that if adopted, the Federal budget would be in surplus by the end of fiscal year 1985.

In conclusion, Mr. President, the legislation I am introducing today will put increased discipine into Federal budget procedures. The deficit situation is out of control and our constituents rightfully are demanding prompt and meaningful action. I am confident that the pay-as-you-go principles can set us on a path to a balanced budget without upsetting the balance of power between the legislative and executive branches of Government and without the necessity of going through the lengthy and ill-advised process of amending our Constitution.

Pay-as-you-go tells us not only where we want to be in terms of responsible Federal budgeting, it also tells us how to get there. In the longer term, these changes will require us to muster complete political conviction and broad support before we undertake spending. I would urge my colleagues to give this concept their serious and favorable consideration.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1540

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) notwithstanding any other provision of law, and except as provided in paragraph (2), it shall not be in order in the Senate or the House of Representatives to consider any concurrent resolution on the budget for any fiscal year beginning after September 30, 1986, or any amendment thereto or any conference report thereon if—

(A) the adoption of such concurrent resolution as reported;

(B) the adoption of such amendment; or

(C) the adoption of the concurrent resolution in the form recommended in such conference report,

would cause—

(i) the appropriate level of total budget outlays set forth in such concurrent resolution for such fiscal year to exceed the appropriate level of total budget outlays set forth for the preceding fiscal year in the most recently agreed to concurrent resolution on the budget for that preceding fiscal year; or

(ii) the recommended level of Federal revenues set forth in such concurrent resolution for such fiscal year to be less than the recommended level of Federal revenues for the fiscal year preceding that fiscal year set forth in the most recently agreed to concurrent resolution on the budget for that preceding fiscal year.

(2) Notwithstanding paragraph (1), a concurrent resolution on the budget for a fiscal year may—

(A) provide for an amount of budget outlays for such fiscal year in excess of the appropriate level of total budget outlays for the fiscal year preceding such fiscal year set forth in the most recently agreed to concurrent resolution on the budget for that preceding fiscal year if the concurrent resolution on the budget for such fiscal year also—

(i) provides for an amount of revenues for such fiscal year in addition to an amount of revenues equal to the recommended level of Federal revenues for the fiscal year preceding that fiscal year set forth in the most recently agreed to concurrent resolution on the budget for such preceding fiscal year, that is not less than such amount of excess budget outlays; and

(ii) identified the source of such additional amount of revenues and proposes changes in law to achieve such additional amount of revenues; or

(B) provide for a reduction in the recommended level of Federal revenues for such fiscal year below the recommended level of Federal revenues for the preceding fiscal year set forth in the most recently agreed to concurrent resolution on the budget for that preceding fiscal year if the concurrent resolution on the budget for such fiscal year also—

(i) provides for a reduction in budget outlays for such fiscal year below the appropriate level of total budget outlays for the fiscal year preceding such fiscal year set forth in the most recently agreed to concurrent resolution on the budget for such preceding fiscal year, in an amount not less than the amount of the reduction in revenues for such fiscal year; and

(ii) identifies the program or activity in which such reduction in budget outlays is to be made and proposes changes in law to accomplish such reduction in budget outlays.

(3) Any additional amount of revenues contained in a concurrent resolution on the budget pursuant to paragraph 2(A)(i) shall only include additional revenues that will result from proposed changes in law. Any reduction in budget outlays contained in a concurrent resolution on the budget pursuant to paragraph 2(B)(i) shall only include reductions in budget outlays that will result from proposed changes in law.

(b) Subsection (a) may be waived by a two-thirds vote of the Members of each House of Congress, duly chosen and sworn.

SEC. 2. (a) Notwithstanding any other provision of law and except as provided in subsection (b), the budget transmitted pursuant to section 1105 of title 31, United States Code, for the following fiscal year shall not contain—

(1) an estimate of total budget outlays for such following fiscal year that exceeds the appropriate level of total budget outlays for the current fiscal year set forth in the most recently agreed to concurrent resolution on the budget for the current fiscal year; or

(2) an estimate of total revenues for such following fiscal year that is less than the recommended level of revenues for the current fiscal year set forth in the most recently agreed to concurrent resolution on the budget for the current fiscal year.

(b) Notwithstanding subsection (a), the budget transmitted pursuant to section 1105 of title 31, United States Code, for the following fiscal year may—

(1) contain an estimate of budget outlays for such following fiscal year in excess of the appropriate level of total budget outlays for the current fiscal year set forth in the most recently agreed to concurrent resolution on the budget for the current fiscal year if such budget also—

(A) contains an estimate of revenues for such following fiscal year in addition to an amount of revenues equal to the recommended level of Federal revenues for the current fiscal year set forth in the most recently agreed to concurrent resolution on the budget for the current fiscal year, that is not less than the amount of such excess budget outlays; and

(B) identifies the source of such additional estimated revenues and proposes changes in law to achieve such additional estimated revenues; or

(2) contain an estimate of a reduction in revenues for such following fiscal year below the recommended level of Federal revenues for the current fiscal year set forth in the most recently agreed to concurrent resolution on the budget for the current fiscal year if such budget also—

(A) contains an estimate of a reduction in budget outlays for such following fiscal year below the appropriate level of total budget outlays for the current fiscal year set forth in the most recently agreed to concurrent resolution on the budget for the current fiscal year, in an amount not less than the amount of the reduction in revenues for such following fiscal year; and

(B) identifies the program or activity for which such estimated reduction in budget outlays is proposed and proposes changes in law to achieve such estimated reduction in budget outlays.

(c) Any additional estimated revenues that, pursuant to subsection (b)(1)(A), are contained in the budget transmitted pursuant to section 1105 of title 31, United States Code, shall only include additional estimated revenues that will result from proposed changes in law. Any estimated reduction in budget outlays, that, pursuant to subsection (b)(2)(A), are contained in any such budget shall only include estimated reductions in budget outlays that will result from proposed changes in law.

SEC. 3. For purposes of this Act—

(1) the term "budget outlays" has the same meaning as in section 3(1) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(1)); and

(2) the term "concurrent resolution on the budget" has the same meaning as in section 3(4) of such Act (2 U.S.C. 622(4)).

SEC. 4. (a) The provisions of the first section and section 3 of this Act are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such

rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.●

By Mr. McCLURE (by request):

S. 1542. A bill to amend the National Trails System Act by designating the Nez Perce (Nee-Me-Poo) Trail as a component of the National Trails System; to the Committee on Energy and Natural Resources.

DESIGNATION OF COMPONENT OF THE NATIONAL TRAILS SYSTEM

● Mr. McCLURE. Mr. President, at the request of the Department of Agriculture, I send to the desk for appropriate reference a bill to amend the National Trails System Act by designating the Nez Perce (Nee-Me-Poo) Trail as a component of the National Trails System.

Mr. President, this draft legislation was submitted and recommended by the Department of Agriculture, and I ask unanimous consent that the bill, and the executive communication which accompanied the proposal from the Secretary of Agriculture be printed in the RECORD.

I would like to make it clear that the proposal from the administration does not contemplate any land acquisition.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1542

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the National Trails System Act (82 Stat. 919), as amended, is further amended as follows: Section 5(a) is amended to insert the following new paragraph:

"(16) The Nez Perce National Historic Trail, a route of approximately eleven hundred and seventy miles extending from the vicinity of Wallowa Lake, Oregon, to Bear Paw Mountain, Montana, as generally depicted in 'Nez Perce (Nee-Me-Poo) Trail Study Report' prepared by the Department of Agriculture and dated March 1982. The report shall be on file and available for public inspection in the Office of the Chief of the Forest Service, Washington, District of Columbia. The trail shall be administered by the Secretary of Agriculture.'

DEPARTMENT OF AGRICULTURE,
Washington, DC, July 11, 1985.

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Transmitted herewith for the consideration of Congress is a draft bill "To Amend the National Trails System Act by designating the Nez Perce (Nee-Me-Poo) Trail as a component of the National Trails System."

The Department of Agriculture recommends introduction and enactment of the draft bill. A study of this trail was conducted pursuant to the National Trails System Act (Public Law 90-543 as amended) by the Forest Service and other Federal agencies. The Study Report, Environmental Assessment and Decision Notice are enclosed.

From the study, we have concluded it is feasible and desirable to designate this trail as a component of the National Trails System.

Under our recommendation, the entire 1,170-mile route tracing the 1877 flight of the nontreaty Nez Perce Indians would be designated as a historic trail. The trail would be marked and interpreted along highways and other connecting roads. Approximately 319 miles of high potential route segments on Federal lands or State-owned lands would eventually be developed. The preponderance of the high potential segments are located on National Forest System lands.

The National Park System Advisory Board has made the determination required by section 5(b)(3) of the National Trails System Act. They have determined that the proposed Nez Perce Trail is of national historic significance.

No land acquisition is proposed and initial development costs are estimated to be approximately $550,000 over the next 5 years. Annual operations and maintenance costs are estimated to be $65,000.

The Office of Management and Budget advises that there is no objection to the presentation of this proposed legislation from the standpoint of the Administration's program.

A similar letter has been sent to the Speaker of the House of Representatives.

Sincerely,

JOHN R. BLOCK.

DRAFT BILL

(To amend the National Trails System Act by designating the Nez Perce (Nee-Me-Poo) Trail as a component of the National Trails System.)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the National Trails System Act (82 Stat. 919), as amended, is further amended as follows: Section 5(a) is amended to insert the following new paragraph:

"(16) The Nez Perce National Historic Trail, a route of approximately eleven hundred and seventy miles extending from the vicinity of Wallowa Lake, Oregon, to Bear Paw Mountain, Montana, as generally depicted in 'Nez Perce (Nee-Me-Poo) Trail Study Report' prepared by the Department of Agriculture and dated March 1982. The report shall be on file and available for public inspection in the Office of the Chief of the Forest Service, Washington, District of Columbia. The trail shall be administered by the Secretary of Agriculture."●

By Mr. MATHIAS (for himself, Mr. LAUTENBERG, Mr. LAXALT, Mr. DECONCINI, Mr. SPECTER, Mr. DENTON, and Mr. DIXON):

S. 1543. A bill to protect patent owners from importation into the United States of goods made overseas by use of a U.S. patent process; to the Committee on the Judiciary.

PROCESS PATENT AMENDMENT

● Mr. MATHIAS. Mr. President, today I join Senator LAUTENBERG and several other cosponsors in introducing legislation to close a loophole in the U.S. patent law. This loophole allows a foreign company to pirate certain types of American patents, called process patents, and then sell the product in the United States.

To push to close this serious gap goes back at least to the 1966 report of the President's Commission on the Patent System. More recently, it was strongly endorsed in 1984 by the President's Commission on Industrial Competitiveness. Senator LAUTENBERG and I circulated a letter to all the Senators during the recess earlier this month, explaining the issue and inviting cosponsorship; so far Senator LAXALT, Senator DECONCINI, Senator SPECTER, Senator DENTON, and Senator DIXON have agreed to cosponsor.

Under the patent law, inventors can get two kinds of patents: product patents and process patents. The first protects the product itself; the second protects the process by which a product is made, usually a complex chemical or industrial process.

It is especially fitting that we introduce our bill today, July 31, 1985. Exactly 195 years ago today, on July 31, 1790, the first U.S. patent was issued. Patent No. 1 was issued to Samuel Hopkins of Philadelphia for an improved process for the making of potash. The patent was signed by the President, George Washington, the Attorney General, Edmund Randolph, and the Secretary of State and Commissioner of Patents, Thomas Jefferson.

Today, an inventor can prevent the importation of patented products, and he can stop the sale of products made in the United States using his patented process, but he can't prevent the importation of a product made in another country using his patented process. The International Trade Commission provides the only remedy under current law. There, the inventor must show that the imported products "destroy or substantially injure" the industry in which the inventor is involved. In practice, this has required an inordinately high standard of proof, and the remedy is seldom used. Even worse, the only remedy is injunctive relief; no award of damages is available from the ITC. The bill we introduce today would provide a remedy under the patent laws for this situation, bringing our policy into line with that of our major industrial trading partners.

Since the foreign manufacturers do not always have a presence in the United States, it is necessary in creating an effective remedy under our patent laws to apply the protection to the sale, use, or importation of products made in violation of the patented process. Thus, manufacturers in the United States will be responsible to assure themselves, by contract if necessary, that materials they receive from foreign suppliers are not made by a process that violates a U.S. patent. Of course, it would be preferable to stop the infringement at the source, but if the foreign manufactur-

er is beyond the reach of U.S. laws, the patent owner still should have the right to prevent products that were made with the patented process from being used in our country. It is not holding the customer responsible for the seller's misdeeds to say that he must determine whether the materials he imports and uses in his own manufacturing operation within the United States are made by a process that would violate the U.S. patent. Just last year, when we passed the Anti-Counterfeiting Act, we imposed a similar obligation on the importer.

In bringing a case under this bill, the patentholder would be required to inform the importing party that he suspects the materials are made by a process on which he holds a patent. The importing party would then decide whether to demonstrate that the materials are not made with the patented process, or to seek another source for those supplies. If he decides to hold his ground, the patentholder would then bring in expert witnesses and circumstantial evidence to try to persuade a court that there is substantial likelihood that his patented process was used by the foreign supplier.

The bill I initially introduced in the last Congress included a presumption clause. If the patent holder showed to the satisfaction of the court that there is a substantial likelihood that his patent is being violated, the burden of proof would shift to the defendant—whether it be the foreign manufacturer or his domestic customer. After the hearing held by the Subcommittee on Patents, Copyrights and Trademarks in April 1983, the language of the presumption clause was refined in the course of extensive discussion between the staff of the subcommittee members, the Department of Justice, the Patent and Trademark Office, and the patent community.

During the subcommittee markup last summer, it was agreed to put this presumption language in the committee report rather than the text of the bill, making clear that the committee intends such a presumption to arise in cases where it would be futile for the plaintiff to use the discovery procedures of the country where the foreign producer operated to demonstrate the process patent violation. Senator LAUTENBERG and I intend to take the same course in this Congress, including the same language in the report when the Judiciary Committee marks up the bill.

Concerns have been raised by the generic pharmaceutical drug industry, which receives of its materials from foreign suppliers. The generic companies fear that improved process patent protection might deprive them of that source of supply. We have attempted to address these concerns in three ways:

The bill applies only to materials made with U.S. patented processes that come into the United States after the date of enactment.

The bill grandfathers certain existing supply arrangements for the duration of the contract, allowing the generic companies to keep their existing business arrangements intact. Their only new responsibility would be to assure in their future arrangements for supplies from overseas that the materials are legitimate.

The bill directs the Department of Commerce to report annually to Congress for the first 5 years on the impact of the bill on supplies to domestic industries; this will allow Congress to act swiftly to correct any drastic unforeseen adverse affects of the bill.

I expect more suggestions for improvement will be forthcoming as we move through the legislative process. This is a complex problem where several different areas of the law intersect. The bill we introduce today is a fair and reasonable approach to settling the essential issue here: protection of legitimate U.S. intellectual property interests.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1543

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Process Patent Amendment of 1985".

SEC. 2. (a) Section 154 of title 35, United States Code, is amended by inserting after "United States," the following: "and, if the invention is a process, of the right to exclude others from using or selling products produced thereby throughout, or importing products produced thereby into, the United States,"

(b) Section 271 of title 35, United States Code, is amended by—

(1) inserting "(1)" after "(a)";

(2) adding at the end of subsection (a), the following:

"(2) If the patented invention is a process, whoever without authority uses or sells within, or imports into, the United States during the term of the patent therefor a product produced by such process infringes the patent.".

(c) Section 287 of title 35, United States Code, is amended by—

(1) inserting "(a)" before "Patentees,"; and

(2) adding at the end thereof the following new subsection:

"(b) No damages shall be recovered by the patentee for infringement under section 271(a)(2) of this title from an infringer who did not use the patented process except on proof that such infringer knew of or was notified of the infringement and continued to infringe thereafter, in which event damages may be recovered only for infringement occuring after such knowledge or notice. Filing of an action for infringement shall constitute such notice.".

SEC. 3. This act shall apply only to products produced or imported after the date of enactment. This act shall not abridge or affect the right of any persons or their successors in business to continue to make, sell or import any specific product already in substantial and continuous commerical production on July 31, 1985, or for which substantial preparation for production was made before that date, to the extent equitable for the protection of investments made or business commenced before that date. This Act shall not deprive a patent owner of any other remedies available under 35 U.S.C. 271, 19 U.S.C 1337, or any other statutory provision.

SEC. 4. For five years after the date of enactment, the Department of Commerce shall report annually to Congress on the effect of this Act on the importation of ingredients to be used for manufacturing products in the United States in those domestic industries that submit formal complaints to the Department alleging that their legitimate sources of supply have been adversely affected.●

● Mr. LAUTENBERG. Mr. President, I am pleased to join Senator MATHIAS in introducing the Process Patent Amendment of 1985. The bill will significantly enhance the protection of American technology, and encourage investment in innovation.

On numerous occasions, Mr. President, I have risen on the floor of the Senate to discuss the importance of establishing effective, international protection of intellectual property. It should be a critical component of our trade policy. It should be a critical component of our efforts to maintain industrial competitiveness.

America's comparative advantage is its technology. While America does not offer the cheapest labor, while it imposes environmental and regulatory costs not imposed elsewhere, America is a leader in the search for new ideas.

But, we are not alone in that search. Our traditional economic competitors, as well as newly industrialized nations, vie with us for breakthroughs in biotechnology, computer science, robotics, telecommunications, and space science.

Our success in the race for innovation, and our ability to enjoy the fruits of victory, depend in large part on intellectual property rights protection. Patents reserve to the inventor a period for the exclusive exploitation of an invention. In return, the inventor makes his invention known, broadening the base of knowledge from which new inventions will spring.

Without patent protection, others could avoid the risk of research, and the frustration of failures that preceeds success. Others can reap the harvest that someone else has sowed.

The legislation we introduce today will close a major gap in the fabric of U.S. patent law, one that deals with patents of processes. There are two kinds of patents: one, of a product itself, the other of a process or method by which a product is made.

In some cases, a process may be patented, but not the product produced by it. Biotechnology companies are engaged in the development of new ways of producing substances that are naturally found in the environment, but exist in small supply or in a form that makes extraction difficult.

Under current patent law, a patent holder can preclude the unauthorized manufacture, use, or sale of a patent in the United States. "In the United States" are key words, Mr. President. Where a product patent is at stake, and the product is copied abroad, patent infringement occurs when the product is actually used or sold in the United States. When a U.S. patented process is copied abroad, infringement under U.S. law never occurs, even if the resulting product is sold or used in the United States.

In other words, our patent law does not reach the foreign exploitation of our most innovative processes. Our bill would change that. It would make it a violation of U.S. patent law to import into, or to use or sell in the United States, a product made overseas using a U.S. patent process.

Japan, Britain, West Germany, and France already consider such offshore exploitation of a patented process to constitute a patent infringement. Our legislation is intended to bring American law in line with the practices of these major trading partners.

Mr. President, this is a jobs bill. The current state of the law allows foreign firms to use American processes abroad, to manufacture products that are then shipped into the U.S. market. The International Trade Commission estimated, back in 1982, that infringement of U.S intellectual property cost Americans 131,000 jobs in just 5 selected industrial sectors, and cost the Nation's businesses $5.5 billion in annual sales. Since then, it is widely believed, the problem has gotten worse.

Today, the only remedy that process patent holders have is resort to the International Trade Commission, under section 337 of the Tariff Act. Yet, this remedy does not compensate for lost sales, sales that are necessary to recover substantial research and development costs. No money damages can be secured. Moreover, the ITC remedy is problematic on other grounds. A manufacturer must show harm to a domestic industry, and must show that it is efficiently and economically operated. Moreover, any ITC action must be approved by the President, who can bring to bear unrelated political considerations.

Mr. President, it is no secret that the generic pharmaceutical industry has opposed process patent reform. The industry relies upon foreign supplies for some of its drug ingredients, and it fears that improved process patent protection might cause these sources of supply to dry up.

Mr. President, my State is sometimes called the medicine chest of the Nation. It leads the Nation in the manufacture of pharmaceuticals. My constituents include many of the leading generic drug firms, as well as some of the pathbreaking firms in pharmaceutical research. The generic industry plays an important role in providing competition and low-cost drugs for consumers. The research-based firms provide the innovation, that brings new and more effective products to market.

My colleague from Maryland [Mr. MATHIAS] and I met with representatives of the generic industry. We have made a genuine effort to address their vaild concerns, without compromising the basic principle that manufacturers should be responsible for determining whether their suppliers violate U.S. process patents.

The bill is drawn to have a minimal disruption of ongoing businesses. The bill would apply only to products imported after the date of enactment. Moreover, where equitable considerations dictate, the bill would grandfather certain existing supply arrangments for the duration of the contract. In other words, the import of some raw materials could continue, even though they are made in violation of process patents.

Lastly, the bill would require the Department of Commerce to examine the impact of the bill on affected domestic industries. These provisions should address the legitimate concerns of the generic drug industry, without undermining our effort to plug a loophole in our patent law.

Mr. President, process patent reform was one of the key proposals of the President's Commission on Industrial Competitiveness. Indeed strengthening intellectual property rights was cited as a major prescription for ensuring America's continued prosperity and economic competitiveness.

I am pleased to have worked with Senator MATHIAS in developing this legislation. I look forward to working with him to ensure its speedy passage. The legislation will contribute to the development of technologies and innovations that will be the foundation of America's economic future. I urge my colleagues' support.●

By Mr. ROTH (for himself, Mr MOYNIHAN, Mr. HEINZ, Mr. CHAFEE, Mr. SYMMS, Mr. DANFORTH, Mr. BRADLEY, Mr. MITCHELL, Mr. GRASSLEY, Mr. MATSUNAGA, Mr. COHEN, Mr. KERRY, and Mr. GORE):

S. 1544. A bill to extend the Trade Adjustment Assistance Program, to place such program on a sound financial basis, and to reform such program to emphasize the retraining of workers; to the Committee on Finance.

TRADE ADJUSTMENT ASSISTANCE REFORM AND EXTENSION ACT

● Mr. ROTH. Mr. President, I rise to introduce a bill to extend and reform the Trade Adjustment Assistance [TAA] Program. This bill merges S. 23 introduced on January 3 by Senators MOYNIHAN and HEINZ and the TAA provisions of S. 234 (the Trade Expansion Act of 1985) introduced on January 22 by myself and Senators CHAFEE, and SYMMS. S. 23 called for the extension of the TAA program. S. 234 proposed an improved TAA program to be funded by a GATT-approved small fee on imports.

I am pleased that all four of my colleagues on the finance committee who sponsored these two bills—Senators MOYNIHAN, HEINZ, CHAFEE and SYMMS—join me today in introducing the merged version. In addition, I am delighted that several other members of the finance committee—Senators BRADLEY, MITCHELL, GRASSLEY, MATSUNAGA and the Chairman of the International Trade Subcommittee Senator DANFORTH—as well as Senators COHEN, KERRY and GORE are also co-sponsoring today's legislation.

As many of you know, the TAA program is slated to disappear on September 30 of this year. I don't think we should let this happen. In fact, I think we need to use all our ingenuity to devise a way to keep this program alive. That is what this legislation is all about.

Why is the trade adjustment assistance program so important? The answer to this question requires a broader look at what is happening in trade and trade policy today.

THE TRADE SHOCK

In the 1970's this country, and many others, experienced an "energy shock." In the 1980's we—and we alone—are experiencing a second shock, a "trade shock." I say this not only because of the mind-boggling size of the global U.S. trade deficit and the fact that imports are now hurting the full range of American industries from textiles to semiconductors. I characterize the American trade situation as a "shock" because underlying these figures is a profound anxiety about the unevenness of the international playing field for trade, what many call the erosion of the International Trading System. And if this weren't bad enough, this is all taking place in a world economy characterized by rapid and constant change—the appearance of new products and services and rapidly shifting comparative advantage.

The Senate is moving to respond to this shock. Now our attention seems rivetted on proposals for retaliation against the trade practices of other countries.

Retaliation may be necessary to spread the trade shock to other countries, to create a sense of urgency

internationally that will bring our trading partners to the table for serious and meaningful negotiations. The trading system needs a jumpstart.

But retaliation alone is not a sufficient response to the trade shock. In fact, retaliation pursued alone will only too soon evolve into "de facto" protectionism. We will close our markets to right a wrong, while others may respond by closing their markets further. Trade will contract, our standard of living will decline and even our political and military alliances will be at risk. We will move closer and closer to international economic chaos.

We need a comprehensive trade policy to confront the trade shock. A comprehensive trade policy would be aimed at opening foreign markets to U.S. products, assuring fair competition in the U.S. market, improving U.S. competitiveness, and helping those hurt by trade. It is this later point that the bill we are introducing today addresses.

The Trade Adjustment Assistance Program was established in 1962, because it has long been recognized that even when there is a favorable balance of trade, there will be losers—individuals whose jobs will be lost to import competition. With an unfavorable balance of trade, the number of losers multiplies. Today the trade shock has driven this point home. At no time in our history has the need been greater for help for those who lose their jobs to trade.

Yet, ironically, in just a month the TAA program is scheduled to expire and the prognosis for keeping it alive has not been good.

Why is this?

I believe there are two key reasons. First, as everyone knows, money is tight. Second, the program as currently structured has not achieved its principal purpose—adjustment by individuals and firms to import competition.

The bill we are introducing today corrects each of these problems.

FUNDING—A NOVEL APPROACH

A creative approach is proposed for funding the reformed program. A small fee—an adjustment fee—would be placed on imports to finance TAA. In effect, it would be a users fee for trade—those who benefit from trade would pay for the costs of trade. The bill puts a cap on this fee of 1 percent of the value of imports, but I would estimate that it would cost only 1/10 to 1/25 of a percent to finance the program set up in the bill.

The bill directs the President to obtain GATT approval as soon as possible for countries to be able to impose such a small fee on trade to fund adjustment programs. After 1 year, however, the President is required to impose the fee unless the Congress approves fast track legislation suspending the imposition of the fee for 1 more year to allow the President additional time to finish the GATT negotiation. At the end of 2 years, the fee is imposed in any case.

Make no mistake, this is not a proposal for an import surcharge. The fee is small and the fee is capped by statute. I got this idea from a similar program that has been in place in Hong Kong for some time. Everyone thinks of Hong Kong as a totally free port, but in fact, Hong Kong assesses a small fee (one-twentieth of 1 percent) on all imports and exports. (In the case of Hong Kong the fee is used to finance trade promotion programs.)

The adjustment fee would be a small cost to trading nations to keep trade open and expanding, and I think America's traders are ready to pay it. The National Retail Merchants Association endorsed this idea soon after I introduced it last January as part of S. 234.

Internationally, the timing is also right. We are not the only country having trouble adjusting to new trade conditions and we are not the only country that is having budget problems. Other nations would have a clear national interest in signing onto this proposal in the GATT and that is the key ingredient for a successful reputation.

But there is no point in placing a fee on trade to promote adjustment if the program in place is not designed to assure that objective. That is why this bill also includes a proposal for reform of the current program.

THE NEW PROGRAM

The changes are few, but they are critical. The bill does not propose a complete revamping of the TAA program. In fact, all benefits now available to workers under TAA (additional unemployment compensation known as a "trade readjustment allowance," job search and job relocation allowances) would continue, but there is a key new eligibility requirement and an important new benefit.

The new eligibility requirement—any worker receiving benefits under the reformed program must be enrolled in or have completed a retraining program.

The new benefit—to pay this training, each worker would be given a $4,000 job retraining voucher redeemable for training. Individuals would have a wide choice of training options: Programs under the job training partnership act, such as State training programs and private programs approved by the private industry councils established by that act; programs approved by the Secretary of Labor as well as training by private firms. This last option—training by private firms—I believe, in particular, will open up many new opportunities.

As far as the firms program is concerned, the bill would leave in place the Technical Assistance Program. This program has proved its usefulness. For example, in the recent House hearings on TAA testimony on benefits of technical assistance to the Textile and footwear industries was submitted. The assistance is used not only to management and marketing advice, but also for research and development, for example, for automated apparel equipment. Importantly, these moneys are also used to help firms prepare petitions for help under this statute.

The reformed TAA program would not include financial assistance for firms. The loan and loan guarantee program has in effect been terminated in the last few years because it has not worked. Data up to March 1983 showed that of 324 loans, 112 were in trouble; 86 were current and 5 were paid off.

How much would this reformed program cost? I am advised that 1983 is a good year to use for a rough estimate. In that year, 30,000 people received benefits under TAA, at a cost of about $70 million. Add to that $120 million for the job vouchers under the new program plus about $15 million for technical assistance. This totals about $205 million. With imports of approximately $350 billion last year or even at the roughly $250 billion of 1983, it is clear that the adjustment fee to finance this program would be small indeed.

Some might say that this estimate is too low. But remember the eligibility criteria do not change, many workers have already received help under the program and all workers do not apply the same year. Besides, even if the number of eligible workers should increase fivefold and the cost rises concomitantly, financing of the program would still be financially feasible with an adjustment fee well below the cap.

These changes in the TAA program for workers and firms would not come into effect until 1 year after the import fee is imposed. During that year moneys would begin to build up in a trust fund set up to finance the program. Until that time, the current program would be extended and funded out of general revenues costing less than $100 million for each of at most 3 years depending on the timing of the GATT negotiation.

BENEFITS

The trade situation as we all are aware is getting graver. As a number of members have pointed out recently, this is a time for open minds, for unconventional proposals.

Today more than ever our workers need meaningful help in the face of the trade-related dislocation. Imports now compete with nearly the full range of U.S. production. The proposal in this bill for the first time offers these workers a total package of relief—unemployment compensation, job search and relocation help and significant financing and options for re-

training. A complete package is not available under any other federal program.

And today more than ever the international trading system (the GATT) needs to be brought back to life. Trade intellectuals in the OECD and elsewhere have for some time now decried the need for "positive adjustment policies" (policies that facilitate the movement of people and resources from declining to growing industries) as the underlying problem dragging the trading system down. This proposal for a GATT-sanctioned import fee to finance adjustment provides a new tool to promote positive adjustment by GATT members.

I believe it offers, as well, a new tool for getting meaningful multilateral trade negotiations underway. It is traditional for nations to signal their seriousness about a new round of trade negotiations by taking a trade liberalizing action for example, lowering some tariffs. Agreement to the imposition of a small fee on imports would be an unconventional, even ironic, way to signal a new round. But this fee could very well be the catalyst for movement on the issue that is central to establishing a fair and effective international trading system and to the success of any new negotiations, a new multilateral agreement on safeguards. In these times I think a GATT agreement on this adjustment fee would perhaps more than any other simple action signal a renewed worldwide commitment to make the trading system work.

As you can see, I introduce this bill with great hopes. But I want to make it clear as well that I agree with the AFL-CIO recent comments on the Trade Adjustment Assistance Program included in a letter to Congressman GIBBONS, the chairman of the Ways and Means Committee:

> The AFL-CIO does not view trade adjustment assistance as a substitute for a fair and effective trade policy. Nevertheless, the United States is faced with the tragic reality of devastated communities and wasted human resources due to imports. A trade adjustment assistance program that includes income support, training, and job search and relocation allowances is a first and necessary step to restoring and revitalizing the industrial strength of our country.

This bill has broad support on the Finance Committee and I am particularly pleased that Senator DANFORTH, the chairman of the International Trade Subcommittee, is among the cosponsors. Senator DANFORTH has promised to hold hearings on this legislation as soon as possible after the August recess.

At this time, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1544

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Trade Adjustment Assistance Reform and Extension Act of 1985".

SEC. 2. CASH ASSISTANCE FOR WORKERS.

(a)(1) Subsection (a) of section 231 of the Trade Act of 1974 (19 U.S.C. 2291) is amended by adding after paragraph (4) the following new paragraph:

"(5) Such worker—

"(A) is enrolled in, or

"(B) has completed,

a training program for which a voucher is available under section 236.".

(2) Subsection (b) of section 231 of the Trade Act of 1974 (19 U.S.C. 2291(b)) is amended to read as follows:

"(b) If the Secretary determines that—

"(1) the adversely affected worker—

"(A) has failed to begin participation in the training program the enrollment in which meets the requirement of subsection (a)(5), or

"(B) has ceased to participate in such training program before completing such training program, and

"(2) there is no justifiable cause for such failure or cessation,

no trade adjustment allowance may be paid to the adversely affected worker under this part on or after the date of such determination until the adversely affected worker begins or resumes participation in a training program for which a voucher is available under section 236.".

(b) Section 232 of the Trade Act of 1974 (19 U.S.C. 2292) is amended—

(1) by inserting "or training for which a voucher is available under section 236," after "on-the-job training," in subsection (b),

(2) by striking out "under any Federal law," in subsection (c) and inserting in lieu thereof "under any Federal law other than this Act",

(3) by striking out "under section 236(c)" in subsection (c) and inserting in lieu thereof "under section 231(b)", and

(4) by striking out "If the training allowance" in subsection (c) and inserting in lieu thereof "If such training allowance".

(c) Section 233 of the Trade Act of 1974 (19 U.S.C. 2293) is amended—

(1) by striking out "52" in subsection (a)(1) and inserting in lieu thereof "78",

(2) by striking out "52-week period" in subsection (a)(2) and inserting in lieu thereof "78-week period",

(3) by striking out paragraph (3) of subsection (a), and

(4) by striking out subsection (b) and redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

SEC. 3. JOB TRAINING VOUCHERS FOR WORKERS.

(a) Section 236 of the Trade Act of 1974 (19 U.S.C. 2296) is amended to read as follows:

"SEC. 236. JOB TRAINING VOUCHERS.

"(a) Each adversely affected worker covered by a certification under this chapter shall be eligible for a job training voucher issued by the Secretary. The voucher shall be in the amount of $4,000, and may be used only in accordance with the provisions of this section to defray (in whole or in part) the cost of any of the following training programs provided to such worker:

"(1) A training program provided by the State pursuant to section 303 of the Job Training Partnership Act.

"(2) A training program provided by a private entity if such program has been approved for purposes of this section by a private industry council established under section 102 of the Job Training Partnership Act. A private industry council shall approve a training program for purposes of this section only if the council determines that the program provides training in occupations for which a need exists in the private sector of the economy.

"(3) Training provided by an employer who agrees to employ the worker upon completion of the training, for a period (including the training period) of not less than 26 weeks.

"(4) A training program approved by the Secretary if the Secretary determines that there is a reasonable expectation that the adversely affected worker will obtain employment upon completion of such training program.

"(b) The State (in the case of a voucher used pursuant to subsection (a)(1)) or the person conducting the private training program (in the case of a voucher used pursuant to paragraph (2), or (4) of subsection (a)) may redeem such voucher for the Secretary upon completion of the training program by the adversely affected worker.

"(c)(1) No employer may redeem a voucher used by a worker pursuant to subsection (a)(3) if such employer is engaged in the same occupation from which the worker was separated and with respect to which such worker's group was certified pursuant to section 222.

"(2) No employer may redeem a voucher used by a worker pursuant to subsection (a)(3) unless such employer has provided such worker with training and employment for a combined period of not less than 26 weeks.

"(3) No employer may redeem any voucher used by a worker pursuant to subsection (a)(3) if such employer terminated the employment of an employee for the purpose of hiring and training such worker under the provisions of this section. Any employer found by the Secretary to have violated the provisions of this paragraph shall also be subject to a civil penalty not to exceed $12,000 for each such violation.

"(d) Any entity which redeems a voucher used by a worker pursuant to subsection (a)(2) shall repay to the United States the amount of such voucher plus interest at a rate of 10 percent if the Secretary subsequently determines that the entity's training program was not approved by a private industry council for purposes of this section.

"(e)(1) A worker may not be determined to be ineligible or disqualified for unemployment insurance or for program benefits under this chapter—

"(A) because the individual is in training for which a voucher is provided under this section,

"(B) because the individual terminated employment which was not suitable employment to enter such training, or

"(C) because of the application to any week in which the individual participates in such training of provisions of State law or Federal unemployment insurance law relating to availability for work, active search for work, or refusal to accept work.

"(2) For purposes of this subsection, the term 'suitable employment' means, with respect to a worker, work of a substantially equal or higher skill level than such work-

er's past adversely affected employment, and wages for such work at not less than 80 percent of the worker's average weekly wage.".

(b)(1) Section 237 of the Trade Act of 1974 (19 U.S.C. 2297) is amended—

(A) by striking out "section 236(b)(1) and (2)" in subsection (a)(2) and inserting in lieu thereof "subsection (c)", and

(B) by adding at the end thereof the following new subsection:

"(c)(1) The amount of subsistence expenses for which reimbursement is allowable under subsection (a) shall not exceed the lesser of—

"(A) the actual per diem expenses for subsistence, or

"(B) the amount determined by using 50 percent of the prevailing per diem allowance rate authorized under Federal travel regulations.

"(2) The amount of travel expenses for which reimbursement is allowable under subsection (a) shall not exceed the prevailing mileage rate authorized under Federal travel regulations.".

(2) Paragraph (1) of section 238(d) of the Trade Act of 1974 (19 U.S.C. 2298(d)) is amended by striking out "section 236(b)(1) and (2)" and inserting in lieu thereof "section 237(c)".

(c) The table of contents of the Trade Act of 1974 is amended by striking out the item relating to section 236 and inserting in lieu thereof the following:

"Sec. 236. Job training vouchers.".

SEC. 4. ADJUSTMENT ASSISTANCE FOR FIRMS.

(a) Paragraph (1) of section 252(b) of the Trade Act of 1974 (19 U.S.C. 2342(b)(1)) is amended to read as follows:

"(1) Adjustment assistance under this chapter consists of technical assistance. The Secretary shall approve a firm's application for adjustment assistance only if he determines that the firm's adjustment proposal—

"(A) is reasonably calculated materially to contribute to the economic adjustment of the firm,

"(B) gives adequate consideration to the interests of the workers of such firm, and

"(C) demonstrates that the firm will make all reasonable efforts to use its own resources for economic development.".

(b) Section 254 of the Trade Act of 1974 (19 U.S.C. 2344) is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of this chapter, no direct loans or guarantees of loans may be made under this chapter after the date on which the amendments made by section 4 of the Trade Adjustment Assistance Reform and Extension Act of 1985 take effect.".

SEC. 5. SUNSET OF TRADE ADJUSTMENT ASSISTANCE.

(a) Section 285 of the Trade Act of 1974 (19 U.S.C. 2271, note) as amended—

(1) by striking out the first sentence thereof and inserting in lieu thereof "(a)",

(2) by striking out the section heading and inserting in lieu thereof "SEC. 285. TERMINATION.", and

(3) by adding at the end thereof the following new subsection:

"(b) No assistance, vouchers, allowances, or other payments may be provided under chapter 2, no technical assistance may be provided under chapter 3, and no duty shall be imposed under section 257, after the date that is 6 years after the date of enactment of the Trade Adjustment Assistance Reform and Extension Act of 1985.".

(b) The table of contents of the Trade Act of 1974 is amended by striking out the item relating to section 285 and inserting in lieu thereof the following:

"Sec. 285. Termination.".

SEC. 6. FUNDING OF TRADE ADJUSTMENT ASSISTANCE.

(a)(1) Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended by striking out "1982 through 1985" and inserting in lieu thereof "1986, 1987, and 1988".

(2) Subsection (b) of section 256 of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended—

(A) by inserting "for fiscal years 1986, 1987, and 1988" after "to the Secretary", and

(B) by striking out "from time to time".

(b)(1) Chapter 5 of title II of the Trade Act of 1974 (19 U.S.C. 2391, et seq.) is amended by inserting after section 285 the following new section:

"SEC. 286. TRADE ADJUSTMENT ASSISTANCE TRUST FUND.

"(a) There is hereby established within the Treasury of the United States a trust fund to be known as the Trade Adjustment Assistance Trust Fund (hereinafter in this section referred to as the "Trust Fund"), consisting of such amounts as may be transferred or credited to the Trust Fund as provided in this section or otherwise appropriated to the Trust Fund.

"(b)(1) The Secretary of the Treasury shall transfer to the Trust Fund out of the general fund of the Treasury of the United States amounts determined by the Secretary of the Treasury to be equivalent to the amounts received into such general fund which are attributable to—

"(A) the duty imposed by section 287, or

"(B) repayments of loans, payments of interest, and other revenue arising out of transactions entered into by the Secretary of Commerce under chapter 3.

"(2) The amounts which are required to be transferred under paragraph (1) shall be transferred at least quarterly from the general fund of the Treasury of the United States to the Trust Fund on the basis of estimates made by the Secretary of the Treasury of the amounts referred to in paragraph (1) that are received into the Treasury. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of, or less than, the amounts required to be transferred.

"(c)(1) The Secretary of the Treasury shall be the trustee of the Trust Fund, and shall report annually to the Congress on the financial condition and the results of the operations of the Trust Fund during the preceding fiscal year and on its expected condition and operations during the current fiscal year and the next 5 fiscal years after the current fiscal year. Such report shall be printed as a House document of the session of the Congress to which the report is made.

"(2)(A) It shall be the duty of the Secretary of the Treasury to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired—

"(i) on original issue at the issue price, or

"(ii) by purchase of outstanding obligations at the market price.

"(B) Any obligation acquired by the Trust Fund may be sold by the Secretary of the Treasury at the market price.

"(C) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and for a part of the Trust Fund.

"(d) Amounts in one Trust Fund shall only be available for making expenditures to carry out the provisions of chapters 2 and 3 of this title.".

(2) Section 257 of the Trade Act of 1974 (19 U.S.C. 2347) is amended by striking out subsection (c) and redesignating subsections (d) and (e) as subsections (c) and (d).

(c) Chapter 5 of title II of the Trade Act of 1975 (19 U.S.C. 2391, et seq.), as amended by subsection (b) of this section and by section 7(b) of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 288. APPROPRIATION OF FUNDS.

"The Secretary of the Treasury is authorized and directed to pay out of the Trade Adjustment Assistance Trust Fund all expenses incurred by the Secretary of Labor or the Secretary of Commerce in carrying out the provisions of chapters 2 and 3 of this title.".

(d) The table of contents for the Trade Act of 1974 is amended by inserting, after the item relating to section 285, the following new items:

"Sec. 286. Trade Adjustment Trust Fund.
"Sec. 287. Imposition of additional duty.
"Sec. 288. Appropriation of funds.".

SEC. 7. IMPOSITION OF SMALL UNIFORM DUTY ON ALL IMPORTS.

(a)(1) The President shall undertake negotiations necessary to achieve changes in the General Agreement on Tariffs and Trade that would allow any country to impose a small uniform duty on all imports to such country for the purpose of using the revenue from such duty to fund any program which assists adjustment to import competition.

(2) On the date that is 6 months after the date of enactment of this Act, the President shall submit to the Congress a report on the progress of negotiations conducted under paragraph (1).

(3)(A) The President may submit to the Congress a draft of a bill which—

(i) amends section 9 of this Act—

(I) by striking out "1 year" in subsection (b)(1) and inserting in lieu thereof "2 years", and

(II) by striking out "2 years" in subsections (c)(1) and (d)(1) and inserting in lieu thereof "3 years", and

(ii) extends the authorization of apropriations for chapters 2 and 3 of title II of the Trade Act of 1974 for an additional year.

(B) Any draft of a bill submitted by the President in accordance with subparagraph (A) shall—

(i) be introduced (by request) in each House of the Congress by the majority leader of such House on the first day such House is in session after the day on which such draft bill is received by the Congress, and

(ii) be treated as an implementing bill for purposes of subsections (d), (e), (f), and (g) of section 151 of the Trade Act of 1974 (19 U.S.C. 2191).

(4) On the first day after the date of enactment of this Act on which the General Agreement on Tariffs and Trade allows any country to impose a duty described in paragraph (1), the President shall submit to the Congress a written statement certifying that the General Agreement on Tariffs and Trade allows such a duty.

(b) Chapter 5 of title II of the Trade Act of 1974 (19 U.S.C. 2391, et seq.), as amended by section 6(b)(1) of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 287. IMPOSITION OF ADDITIONAL DUTY.

"(a) In addition to any other duty imposed by law, there is hereby imposed a duty on the entry, or withdrawal from warehouse, of any article for consumption in the customs territory of the United States.

"(b)(1) The rate of the duty imposed by subsection (a) shall be a uniform ad valorem rate proclaimed by the President at least 30 days prior to the date such rate takes effect which is equal to the lesser of—

"(A) 1 percent, or

"(B) a percentage that is sufficient to provide the funding necessary to carry out the provisions of chapters 2 and 3 of title II of the Trade Act of 1974.

"(C) Duty-free treatment provided with respect to any article under any other provision of law shall not affect the imposition of the duty imposed with respect to such article by subsection (a).".

SEC. 8. TAXATION OF TRADE READJUSTMENT ASSISTANCE.

Section 85(c) of the Internal Revenue Code of 1954 is amended by inserting ", but not including a voucher issued under section 236 of the Trade Act of 1974 (19 U.S.C. 2296)" after "nature of unemployment compensation".

SEC. 9. EFFECTIVE DATES.

(a) The amendments made by section 5, subsections (a), (b), and (c) of section 6, and the provisions of section 7(a), shall take effect on the date of enactment of this Act.

(b) The amendment made by section 7(b) shall apply to any article entered, or withdrawn from warehouse, for consumption after the earlier of—

(1) the date that is 1 year after the date of enactment of this Act, or

(2) the date that is 30 days after the date on which the President submits to the Congress the written statement described in section 7(a)(4).

(c) The amendments made by sections 2, 3, 4, and 6(c) of this Act shall take effect on the earlier of—

(1) the date that is 2 years after the date of enactment of this Act, or

(2) the date that is 1 year after the date described in subsection (b)(2).

(d) The amendment made by section 8 shall apply to taxable years ending on or after the earlier of—

(1) the date that is 2 years after the date of enactment of this Act, or

(2) the date that is 1 year after the date described in subsection (c)(2).●

● Mr. MOYNIHAN. Mr. President, I rise today with my distinguished colleague Senator ROTH, to introduce legislation extending and reforming the Trade Adjustment Assistance [TAA] Program.

TAA is the only Federal program, the only national commitment, specifically intended to help workers who lose their jobs to foreign competition.

Trade adjustment assistance is a commitment made to the American worker two decades ago, at the time of the Kennedy round of multilateral trade negotiations. We recognized then that while a policy of open trade is essential to a healthy American—and world—economy, important parts of the work force are adversely affected by import competition. Trade adjustment assistance is for these workers.

Trade readjustment allowance—which is to say, extended unemployment compensation for those who have exhausted their unemployment insurance benefits—helps workers pay their bills while they are unemployed. Retraining benefits help displaced workers qualify for new jobs in different sectors of the economy. And job search and relocation benefits help ease the transition.

The need for the TAA Program has never been greater.

Since 1981, the United States has imported some $346 billion more in goods than it has exported. Our 1984 trade deficit of $123 billion was more than triple that of 1981, and the outlook for 1985 is no better. If the trade pattern established in the first half of 1985 continues, we will run a trade deficit of approximately $141 billion this year. The trade deficit for the first 6 months of 1985 is greater than that for all of 1983.

There is a rough rule used by the International Trade Commission and the Department of Commerce that for every billion dollar increase in the trade deficit, 25,000 new job opportunities are lost. That means 2.3 million job opportunities have been lost since 1981.

Yet, I regret to say that the administration has shown little interest in TAA. In fact, the program has been dramatically cut; it is now funded at less than $100 million a year—less than one-tenth of 1 percent of our 1984 trade deficit.

Moreover, the administration opposes reauthorization of the program—which will expire on September 30 of this year.

Mr. President, the bill we introduce today, first and foremost, would reauthorize a Trade Adjustment Assistance Program for 6 years. I might remind my colleagues that on the first day of this Congress, Senator HEINZ and I introduced legislation extending the TAA Program for 6 years. This bill would extend the existing TAA Program until a revised program goes into effect—no later than 3 years after the bill is enacted.

The new program would be funded by a modest fee—maximum of 1 percent—on all imports. A trust fund would be created for receipts from the duty, dedicated to trade adjustment expenditures. In March 1983, I introduced legislation that would have similarly funded the TAA Program, by revenues collected through Customs duties.

The current program would further be reformed to require that a worker agree to retraining in order to receive a trade readjustment allowance [TRA], provide $4,000 tax-free vouchers for retraining, and limit adjustment assistance for firms to the provisions of technical assistance.

Mr. President, the bipartisan legislation we are introducing today reaffirms the commitment our Government made to working men and women 20 years ago. In the past 10 years, nearly 1.5 million American workers, including 111,300 New Yorkers—have received benefits under this program.

The premise on which trade adjustment assistance was based—that some will suffer from an open trade policy and that they should be compensated—is as valid today as in 1962. We cannot renege on our commitment. We must not let TAA die.

I urge my colleagues to join us in supporting this vital program.●

● Mr. HEINZ. Mr. President, it is my pleasure today to join my Senate colleagues in sponsoring the Trade Adjustment Assistance Reform and Extension Act of 1985.

As you all know, we face a serious trade problem here in the United States. The flood of foreign imports has weakened our industrial capacity and our ability to compete in foreign markets. All around us we see the loss of international and domestic market share, the decline of industries, and the loss of jobs.

International trade has become a national priority in the last decade. It is a problem that requires leadership, cooperation, and creative problem solving. There are, however, both good and bad solutions to this problem. Some would hide our affected industries behind import restrictions and trade barriers; others would award import relief benefits to workers, waiting for the day that industry makes its miraculous comeback. In those cases where we are dealing with unfair trade practices by our foreign competitors—dumping, subsidies, constraints on our access to their markets—tough tactics on our part are appropriate.

But these kinds of solutions do not deal with all aspects of the problem. In any healthy economy, trade implies economic change, and while change brings technological miracles and a better standard of living, it also means declining industries and painful job dislocations. It means that some firms must change direction and adapt to new competitive environments. It means that some workers must find new jobs in new fields.

This is the reality that we must face, and this is the part of the puzzle we have avoided.

The Trade Adjustment Assistance Act of 1974 was one of the first steps in the right direction. It tried to come face to face with adjustment, taking a bold, constructive approach to the problem. It went beyond import relief, offering technical assistance and the opportunity to rebuild affected firms. It tried to take significant steps toward the retraining of workers and the betterment of their lives. As we all know, it was not entirely a successful effort.

Today, we introduce the Trade Adjustment and Assistance Reform and Extension Act of 1985 to improve and refine that first step. The bill still offers worker retraining, but gives the individual a greater range of learning options. For the firm program, it eliminates the loan program, and allows funds to be focused on the more successful technical assistance program. In addition, the bill provides for funding through the imposition of a small uniform fee on imports. Finally, since this fee will be the result of multilateral agreement, the bill extends the present TAA Program until the new one comes into effect.

As we look around us, the trade deficit continues to climb, and our industries must respond to the challenge of foreign competition. Their task is to respond to new competitive challenges, and the firm part of this program can help them do that. Our task in the Congress is to redouble our efforts to eliminate trade barriers and unfair practices and restore free market principles to the international trading system. And at the same time we need to facilitate the movement of workers into competitive industries. If we do not do that, then we are giving American workers no choice but to come to Congress demanding protection.●

● Mr. CHAFEE. Mr. President, the United States has been for the past 2 years in the midst of a healthy and robust recovery. Yet despite the glowing reports on the overall economy, certain sectors—notably the export- and import-competing sectors—have not fared so well. This Congress began not long after the announcement of the largest trade deficit in our Nation's history. Congress is besieged these days by protectionist pressures from import competing industries, and swamped with the complaints of exporters.

These complaints are certainly justified. The trade figures for the first quarter of 1985 are illustrative. Imports of manufactured goods rose 5 percent and exports dropped 1 percent during the first quarter, bringing the overall merchandise trade deficit to $28.3 billion. Farmers saw wheat shipments drop by 35 percent, corn sales by 12 percent and soybean sales dropped by 5 percent, all in the first quarter alone. We are now projecting an overall deficit for 1985 of $140 billion.

America has been flooded with bargain imports and its traditional exports—machinery, chemicals, electronics, grain—have lost their price competitiveness. Industry after industry has come to the Congress seeking protection from imports. These industries assume that we have more to lose to world trade than we have to benefit from it.

In fact open markets serve America in very tangible ways. Unfettered trade gives consumers access to a greater variety of products at lower prices. Trade forces domestic industries to adjust to changing technology before they become hopelessly inefficient. Perhaps most important, trade is the primary source of hope for the world's poor, increasing their stake in a stable world economic order.

But the advantages of open trade apply to the economy generally while specific sectors can suffer greatly. Some workers, laid off because of competing imports, have no reason to rejoice over cheap, high quality steel coming from Korea. Unemployed textile workers in Rhode Island, for example, hardly revel in the fact that American consumers are buying low-cost sweaters from Hong Kong in increasing numbers.

To try to offset this sacrifice we instituted the trade adjustment assistance program in the 1960's. It has certainly had its critics, largely because it has involved more assistance than adjustment—cash payments rather than long-term training to enable workers in affected industries to begin afresh with new skills.

The Trade Adjustment Assistance Reform and Extension Act of 1985, which we introduce today would replace the existing Trade Adjustment Assistance Program with a new program which emphasizes retraining assistance. This proposal is based on the view that if the United States is going to continue to support a liberal trade policy, it is important to facilitate the adjustment of those individuals adversely affected by import competition.

This program would shift the focus away from simply compensating workers to providing them with real future alternatives. And it would do so in a fashion that is consistent with our current efforts to trim Federal spending. This program, which is linked with the Job Training Partnership Act [JTPA], would provide eligible individuals with job retraining vouchers redeemable for training.

The implementation of this new program would be linked to negotiations which would add a provision to the GATT giving all member countries the right to assess a very small fee on imports in order to finance adjustment programs. Only upon completion of such negotiations would the U.S. institute such a fee to finance the job vouchers.

This bill would also extend the current program until the import fee has been approved and has raised sufficient revenue, that is, 1 year after the duty is applied. It therefore involves extension of the program for 2 years—1 year for the administration to negotiate this agreement within the GATT and another year to collect sufficient revenues under the import fee program.

This bill already has strong support within the Finance Committee, and I expect in the entire Congress. Trade adjustment assistance programs provide an alternative policy to import restrictions as a temporary relief measure. The cost of extending the program beyond September 30 is far less than the cost that consumers and the entire economy will suffer if we enact import protections for industries and workers which are suffering at the hands of foreign competition. We cannot afford to close our markets to protect jobs, but neither can we ignore the plight of workers whose firms or industries are dislocated due to import competition.●

● Mr. SYMMS. Mr. President, I am pleased to join my Finance Committee colleagues in introducing a bill to extend and reform the Trade Adjustment Assistance Program [TAA] that is scheduled to expire on September 30 of this year.

This legislation will enable workers displaced by imports to retrain and gain new skills.

In the past TAA provided temporary assistance to displaced workers. This revised bill will continue to provide assistance, however, there is additional focus on the importance of a completed retraining program. It will give people a handup instead of a handout.

Congress is well aware of the seriousness of the trade imbalance and the impact that it has had on the workers in many U.S. industries. Across the country, people's livelihoods are at stake.

In Idaho this week, Potlatch Corp. closed several timber processing plants which resulted in a layoff of one-third of its Idaho work force. Clearly, the flood of Canadian timber across the border has cut deeply into the U.S. timber industry's market.

The tragedy of the situation is that these facilities may not reopen these mills in Idaho. Those people may have to find new jobs and learn new skills.

This bill will continue to provide workers displaced by imports with all benefits now available under TAA. However, a new eligibility requirement stipulates that any worker receiving benefits under the new program must be enrolled in or have completed a retraining program. This requirement further emphasizes the need for adjustment and retraining.

This revised TAA Program, with an expanded worker retraining portion, is a vital step toward restoring the industrial strength of this country. I am pleased it has the support of so many of my Finance Committee colleagues.●

● Mr. GRASSLEY. Mr. President, I am pleased to be an original cosponsor of the Roth-MOYNIHAN Trade Adjust-

ment Assistance and Reform Act of 1985, which is being introduced today.

With the current Trade Adjustment Assistance Program scheduled to expire on September 30, 1985, I feel this legislation is not only timely, but vastly improved over the previous program. Vastly improved in that the very cause of the displacement—namely foreign imports—will finance the program. With the bill putting a cap of 1 percent on the value of imports and requiring the President to apply such a duty after getting GATT approval, we will be able to assist these displaced workers without any additional cost to the U.S. Treasury.

Although the bill implies that agricultural workers would qualify for this program, it will be my intent during the markup of the legislation in committee to offer an amendment specifically extending coverage to agricultural workers displaced by excessive, and particularly unfair, Ag-imports. For despite the phenomenal job of U.S. farmers in offsetting our trade deficit, even they are severely jeopardized by the import blitz. We only need to look to such areas as pork, mushrooms, cut flowers and the poultry industry to name but a few.

Our move to equip displaced U.S. workers with new skills is rooted in both humanitarian and economic concerns. Every displaced worker is one more addition to unemployment, one less taxpayer, and one less consumer—not to mention the ripple effect as unemployment throws entire families, communities, and industries into chaos.

However, we will not settle for treating the symptom of worker displacement alone. We are committed to stronger measures which will resolve the trade deficit, itself—the only sure route to a working, prosperous, growing America.●

● Mr. KERRY. Mr. President, today I rise in support of a proposal to reauthorize the Trade Adjustment Assistance [TAA] Program with certain modifications. I support this bill for three reasons: I believe that our society has an obligation to retrain workers who have been displaced by foreign competition and to help them find new employment; I believe adjustment assistance is a politically feasible alternative to protectionism; and I believe that this proposal, by emphasizing retraining of displaced workers, is an improvement over the original program.

For the last 200 years, economists in this country and around the world have been preaching the benefits of free trade. We have been told that free trade enhances marketplace competition and induces firms to operate more efficiently; we have been told that free trade benefits the consumer through lower prices and a wider variety of products, and that free trade stimulates innovation and economic growth; we have been told, in short, that free trade is a no-lose proposition. What the free trade advocates do not often acknowledge is that although the economy as a whole may benefit from free trade. For some of us, free trade is a losing proposition—for the textile and apparel workers, for the steel workers, for machine toolmakers and others in this country who, through no fault of their own, find themselves without jobs because of imports. It is simply unfair and inhumane to ask these people to bear the burden—or rather force them to bear the burden—so that the rest of us can reap the benefits of free trade. We have a duty to compensate them for their loss, which is exactly what this proposal is designed to do, by giving them the opportunity to retrain and find other employment.

I also support trade adjustment assistance because the alternative is permanent protection from imports for vulnerable industries, which, as a general rule, I cannot support. TAA cushions the blow to workers and businesses adversely impacted by foreign competition, and so lessens the political pressure for protectionism. An effective TAA program—not the partially dismantled TAS Program that the Reagan administration has operated, but a truly effective adjustment program—could generate the kind of support for expanding world trade that we so urgently need today.

I believe that this proposal provides for an effective TAA Program. The emphasis in this proposal is on retraining displaced workers, as opposed to merely compensating them for their loss. Moreover, this proposal provides vouchers for retraining, so that the displaced workers will have the flexibility to choose the type of retraining that best suits their needs and aspirations.

Let me add, Mr. President, that my support of the Trade Adjustment Assistance Program does not mean that I believe that we can afford, as a Nation, to allow our industrial base and our manufacturing employment to simply drift overseas. Quite the contrary, I believe that where American jobs are threatened by unfair competition, by the industrial targetting policies of other nations, by subsidies, and by restricted market access and nontariff bariers—that in those cases our Government take action of a different kind. Instead of adjustment assistance, those cases require the purposeful use of other remedies. I fully support efforts to strengthen the capacity of our Nation to respond to such violations with reciprocal measures, and urge the administration to use existing trade law more forcefully to that end.

But it is unavoidable, Mr. President, that the viscisitudes of global competition mean that there will be a constant ebb and flow of comparitive advantage in manufacturing. Trade adjustment assistance can be an important tool. When used properly, it will offer an incentive that will promote speedier adjustment to these inevitable changes, and will help our workers industries upgrade their skills and keep our economy on the leading edge of economic growth, innovation, and opportunity.●

By Mr. HEINZ (for himself and Mr. SPECTER):

S. 1546. A bill to amend the Internal Revenue Code of 1954 to allow an individual a credit against income tax for certain expenditures for the purpose of reducing radon levels in the principal residence of the individual; to the Committee on Finance.

RADON RELIEF ACT

● Mr. HEINZ. Mr. President, today I am introducing legislation to provide assistance to homeowners who must purchase equipment and materials for radon decontamination, the Radon Relief Act of 1985.

Radon is a radioactive gas naturally produced by the decay of underground deposits of uranium. Uranium is in a constant state of decay by its very nature, breaking down into a variety of radioactive substances, including radon. It seeps to the surface, and dangerous concentrations of radon build in the basements of well-insulated homes. Radon gas is colorless, odorless, and tasteless; it does not burn or glow, and is undetectable by human senses. The gas is not necessarily hazardous to humans, but may further decay into highly dangerous radioactive particles which lodge in the lungs when inhaled.

In the eastern part of my home State, through Berks County, there runs a narrow belt of uranium-rich granite known to geologists as the Reading Prong. This region extends beyond Reading to northern New Jersey and into New York State. Unacceptably high levels of radon gas have been discovered in approximately 40 percent of the over 1,400 homes already tested in the Reading Prong by the Pennsylvania Department of Environmental Resources. In addition, high levels of indoor radon have been detected in Maine, New Hampshire, Florida, Idaho, Montana, North and South Carolina, Georgia, Texas, California, and the State of Washington.

Mr. President, according to the National Council on Radiation and Protection [NCRP], radon gas contamination may be responsible for between 5,000 and 10,000 lung cancer deaths annually. NCRP estimates that over 1 million American homes may have unacceptable levels of radon gas. The deadly nature of this gas struck home for two of my constituents, Stanley and Diane Watras of Colebrookdale, PA, whose home was estimated to con-

tain radon levels 675 times the maximum permitted in uranium mines. This was the highest level of naturally occurring radiation ever recorded in a home in the United States.

Because there are no State or Federal funds available for financial assistance, the costs of reducing radon in a home must presently be borne by the homeowner. Earlier this month I sent EPA Administrator Lee Thomas a letter requesting further study of the radon problem. I believe that Federal agencies should work together to formulate a national strategy to address this emerging threat to public health.

In most cases, radon can be reduced by finding and sealing the main source of the gas leak. Often, some means of venting the gas from the footings of the house is also required. The cost to homeowners for remedial work to permanently lower dangerously high levels of radon gas can range from a few hundred dollars to $20,000. Many insurance companies have said that they are not liable for radon contamination, and since the substance occurs naturally, no company or agency can be sued for damages.

My legislation will allow homeowners a tax credit against expenditures for the purpose of reducing radon levels. The credit will be for 40 percent of the amount spent on radon-proofing, with a maximum credit of $5,000. I might add at this point, Mr. President, that a few years ago we promoted energy conservation in the Congress by giving a tax credit to homeowners who sealed their homes to prevent heat loss. An unintended consequence of keeping the cold air out was that this insulation restricts circulation and keeps contaminated particles inside, posing a very serious health threat.

While supporting a tax credit bill in the midst of tax reform debate may be difficult for some, I believe that the dangers of exposure to radon gas warrant action by the Federal Government. For those whose homes have been measured to contain unacceptable levels of radon gas, whose homes have been contaminated through no fault of their own, a tax credit will provide some financial assistance to defray the cost of installing mitigating devices.

In the past, we have devoted much of our time working on environmental laws regulating outdoor pollution. We will soon consider legislation to reauthorize Superfund, the Federal hazardous waste cleanup program. Yet, we have no policy regarding indoor air pollutants, and we spend an average of 90 percent of our time indoors, much of it in our own homes. Homeowners and their families should be able to live in an uncontaminated environment—one free of deadly radon gas. The Radon Relief Act will help homeowners work toward this goal.

I ask unanimous consent that the bill and my letter to EPA Administrator Lee Thomas be inserted in the RECORD.

There being no objection, the bill and letter was ordered to be printed in the RECORD, as follows:

S. 1546

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Radon Relief Act of 1985".

SECTION 1. CREDIT FOR EXPENDITURES FOR REDUCING RADON LEVELS IN CERTAIN PRINCIPAL RESIDENCES.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to nonrefundable personal credits) is amended by inserting after section 25 the following new section:

"SEC. 25A. EXPENDITURES FOR REDUCING RADON LEVELS IN CERTAIN PRINCIPAL RESIDENCES.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the qualified radon-reduction expenditures with respect to an eligible principal residence.

"(b) QUALIFIED RADON-REDUCTION EXPENDITURES.—For purposes of subsection (a)—

"(1) IN GENERAL.—In the case of any dwelling unit, the qualified radon-reduction expenditures are 40 percent of so much of the radon-reduction expenditures made by the taxpayer during the taxable year with respect to such unit as does not exceed $5,000.

"(2) PRIOR EXPENDITURES BY TAXPAYER ON SAME RESIDENCE TAKEN INTO ACCOUNT.—If for any prior year a credit was allowed to the taxpayer under this section with respect to any dwelling unit, paragraph (1) shall be applied for the taxable year with respect to such dwelling unit by reducing the dollar amount contained therein by the prior year expenditures taken into account under such paragraph.

"(c) DEFINITIONS.—For purposes of this section—

"(1) RADON-REDUCTION EXPENDITURES.—The term 'radon-reduction expenditure' means any expenditure made by the taxpayer for property (or for the original installation of such property) installed in or on a dwelling unit (which, at the time such expenditure is made, is an eligible principal residence) if such property—

"(A) is designed to reduce the radon in the air inside such residence,

"(B) can reasonably be expected to remain in operation, or continue to have effect, for at least 3 years, and

"(C) meets the appropriateness, performance, and quality standards (if any) which—

"(i) have been prescribed by the Administrator of the Environmental Protection Agency by regulations, and

"(ii) are in effect at the time of the acquisition of the property.

"(2) ELIGIBLE PRINCIPAL RESIDENCE.—The term 'eligible principal residence' means a dwelling unit—

"(A) which is located in the United States,

"(B) which is used by the taxpayer as his principal residence, and

"(C) which is determined under a technique approved by the National Council for Radiological Protection and Measurement to have a radon level exceeding 2 worker level months per year.

"(d) SPECIAL RULES.—

"(1) WHEN EXPENDITURE MADE; AMOUNT OF EXPENDITURES.—

"(A) IN GENERAL.—An expenditure with respect to an item shall be treated as made when original installation of the item is completed.

"(B) AMOUNT.—The amount of any expenditure shall be the cost thereof.

"(2) PRINCIPAL RESIDENCE.—The determination of whether or not a dwelling unit is a taxpayer's principal residence shall be made under principles similar to those applicable to section 1034, except that—

"(A) no ownership requirement shall be imposed, and

"(B) the period for which a dwelling is treated as the principal residence of the taxpayer shall include the 30-day period ending on the first day on which it would (but for this subparagraph) be treated as his principal residence.

"(3) CERTAIN RULES TO APPLY.—Paragraph (10) of section 23(c), and paragraphs (1), (2), and (3) of section 23(d) shall apply for purposes of this section.

"(e) BASIS ADJUSTMENT.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expendiure shall be reduced by the amount of the credit so allowed."

(b) TECHNICAL AMENDMENT.—Subsection (a) of section 1016 of such Code (relating to adjustments to basis) is amended by striking out "and" at the end of paragraph (26), by striking out the period at the end of paragraph (27) and inserting in lieu thereof ", and", and by adding after paragraph (27) the following new paragraph:

"(28) to the extent provided in section 25A(e), in the case of property with respect to which a credit has been allowed under section 25A."

(c) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 25 the following new item:

"Sec. 25A. Expenditures for reducing radon levels in certain principal residences."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 1984, in taxable years ending after such date.

Hon. LEE THOMAS,
Administrator,
Environmental Protection Agency,
Washington, DC.

DEAR MR. THOMAS: I am writing on behalf of the residents of Reading and other parts of the state of Pennsylvania whose homes have been contaminated by radon gas.

Radon can build up to deadly concentrations indoors and many residents of the so-called Reading Prong have unacceptable levels of the gas in their homes. Last month I joined with six of my colleagues in cosponsoring S. 1198, the Indoor Air Quality Research Act of 1985, legislation to establish an EPA research program to study the hazards of indoor air pollution and the effects of radon.

While it is my hope that our bill will pass and become law, I urge you to devote existing resources to this emerging public health problem. There is a clear need for Federal involvement in this area and I suggest that EPA work closely with state and local gov-

ernments and other agencies such as the Department of Health and Human Services Centers for Disease Control in formulaiting a national strategy for remedial action to combat this mysterious killer.

Sincerely,

JOHN HEINZ,
U.S. Senator.●

By Mr. INOUYE:

S. 1547. A bill to amend title 10, United States Code, to authorize certain disabled former prisoners of war to use Department of Defense commissary stores and post exchanges; to the Committee on Armed Services.

USE OF COMMISSARY STORES AND POST EXCHANGES BY CERTAIN FORMER PRISONERS OF WAR

● Mr. INOUYE. Mr. President, today I am introducing legislation, which in my view, is long overdue. My bill would enable those former prisoners of war who have been separated honorable from their respective service and who have been rated to have a 30 percent service-connected disability to have the use of both the military commissary and post exchange privileges. While I realize that it is impossible to adequately compensate one who has endured long periods of incarceration at the hands of our Nation's enemies, I do feel this gesture is both meaningful and important to those concerned. It also serves as a reminder that our Nation has not forgotten their sacrifice.●

By Mr. MOYNIHAN (for himself and Mr. BAUCUS):

S. 1548. A bill to require the Secretary of the Treasury and the Chairman of the Federal Reserve Board to develop a "Strategic Foreign Currency Reserve"; to the Committee on Banking, Housing, and Urban Affairs.

STRATEGIC FOREIGN CURRENCY RESERVE ACT

● Mr. MOYNIHAN. Mr. President, the foreign exchange value of the dollar is much like Washington's weather in August: Everyone complains about it, but nobody does anything about it. The time has come to do something about the price of the dollar.

I rise today, with my distinguished colleague Senator BAUCUS to introduce legislation to require the Department of the Treasury and the Federal Reserve Board to intervene in the foreign exchange markets by exchanging dollars for a "Strategic Foreign Currency Reserve" consisting of the currencies of the Group of Ten industrialized countries.

No Member of this body would support a 60-percent tax on American exports and a comparable subsidy of foreign imports. Yet, since 1980, the price of the dollar has increased approximately 60 percent against a basket of currencies of 10 of our major trading partners. The high price of the dollar makes American goods more expensive in foreign markets, while foreign produced goods become cheaper in American markets. In effect, the high price of the dollar acts as a tax on American exports and a subsidy of foreign imports.

The results have been devastating. American businesses are unable to sell their products abroad. At the same time, foreign companies have been able to build distribution networks in the United States. Perhaps most alarming, U.S. companies are being forced to import finished products and major components in order to remain competitive here at home.

The increase in the price of the dollar during the last 4 years has occurred despite record merchandise trade and current account deficits—a cumulative $283 and $149 billion respectively. Under the floating exchange system prevailing since 1973, such deficits should depreciate the dollar, since foreign exchange must be bought with dollars to pay for the imports, and the increased supply of dollars should reduce the price of the dollar as against foreign currencies.

This has not happened. Instead, the price of the dollar has risen sharply. Why? Because of extraordinary foreign demand for dollars to invest in this country. Foreign investors have bought dollars with their currencies to invest in the United States, attracted by higher real interest rates—resulting from the administration's unprecedented budget deficits, a cumulative $600 billion since 1981—as well as by expectations of greater economic growth here than abroad. This demand for dollars has exceeded available supplies, even taking into account dollars needed to pay for imports.

The price of the dollar is now largely determined by international investment, not trade, flows. Foreign exchange transactions for investment purposes are estimated to be at least 10 times the amount needed to finance international trade transactions. Rapid and large-scale capital flows are possible as a result of liberalized and computerized international financial markets.

But international foreign exchange markets, like any market, are subject to numerous market imperfections. Decisions may be based on dated, erroneous, incomplete, or noneconomic information. Decisions may also be made in anticipation of the continuation of market trends, a phenomenon often referred to as "bandwagon effects."

The combination of large international capital flows and market imperfections have led to excessive short-term fluctuations—"volatility"—and have contributed significantly to the market overshooting a dollar price that reflects underlying trade realities—"misalignment".

At the same time, there are many who believe—and fear—that the combination of continuing merchandise trade and current account deficits, reduced expectations of economic growth in the United States, and market imperfections could produce a sharp drop in demand for dollars to invest in the United States. Such a run on the dollar would lead to a sudden and sharp drop in the dollar's price, and a corresponding sudden rise in the cost of imported goods that could, in turn, reignite inflation, causing a painful adjustment process and seriously damaging the economy.

Lest anyone doubt how easily such a run could develop, and not necessarily in response to changes in underlying market fundamentals, let us recall that the dollar dropped 2.4 percent in 24 hours between 2:30 p.m. on March 18 and 2:30 p.m. on March 19 in response to an Ohio thrift institution going bankrupt and fears that there would be a run on other Ohio savings and loans institutions.

Mr. President, the costs to the U.S. economy associated with the dollar's excessive increase in price, and possible sudden sharp drop in price in the future, are significant and should be avoided. A gradual decline in the price of the dollar from its current high levels is desirable and should be encouraged.

What, then, can be done to achieve a gradual and lasting reduction in the dollar's price to a level that better reflects such underlying trade factors as relative productivity and inflation?

First, we must take action to reduce the Federal budget deficit, in order to reduce the high interest rates that attract foreign capital. Second, the governments of foreign countries with underpriced currencies must stimulate economic growth, to enhance the desirability of investing in those countries. And finally, the governments of all industrialized nations representing the major trading currencies must coordinate their macroeconomic policies. Yet these actions are unlikely to occur, at least to a sufficient extent, in the near future.

There is, however, something the United States can do to supplement and complement these actions. Our Government can intervene in the foreign exchange markets. This is not a new idea; indeed, from the time the dollar began to "float" in 1973 through 1981, the United States intervened often. Intervention was particularly noteworthy in 1978–79 when the United States sought to stem a serious decline in the dollar's price. However, this changed on May 4, 1981, when Beryl W. Sprinkel, Under Secretary of the Treasury for Monetary Affairs, proclaimed the Reagan administration's policy of a "clean float."

Intervention by the United States to purchase substantial amounts of foreign currencies with dollars, thereby developing a "Strategic Foreign Cur-

rency Reserve," could correct market imperfections, reduce the extent and slow the pace of exchange rate movements, resist further increases in the dollar's price, and assist its gradual decline.

It is important to note, Mr. President, that a Strategic Foreign Currency Reserve also would provide the Treasury and Federal Reserve Board with the means to moderate any sudden large drop in the dollar's price, by selling the foreign currencies in the reserve and purchasing dollars, thereby helping to support the dollar's price.

The legislation which I am introducing today would direct the Department of the Treasury and Federal Reserve Board to intervene in the foreign exchange markets by purchasing substantial amounts of foreign currencies with dollars. The Secretary of the Treasury and the Chairman of the Federal Reserve Board would be required to exchange, within 3 years, not less than $30 billion in dollars for the currencies of the countries constituting the Group of Ten.

In the unlikely event that international economic conditions change to such a degree that the Secretary and the Chairman agree that complying with the 3-year period would actually defeat the purposes of the act, then they will notify Congress, which may, by joint resolution, approve a 1-year extension.

The Secretary and the Chairman would have discretion to purchase foreign currencies at those times that such intervention would be most effective in resisting and moderating increases in the price of the dollar and assisting its gradual decline in price. They also would seek to coordinate such intervention with the central banks of the Group of Ten whenever possible, and would be authorized to take action to offset the effect of such intervention on the domestic money supply; that is, the intervention could be "sterilized".

On April 30, Senator BAUCUS introduced a resolution—which I cosponsored—calling upon the President to initiate discussions at the Bonn summit on the problems of currency misalignments and exchange rate volatility and possible cooperative approaches to these problems. He did not do so.

On May 15, the Senate adopted an amendment introduced by Senator BRADLEY—which I cosponsored—urging the Secretary of the Treasury and the Chairman of the Federal Reserve Board to take steps, including intervention, to gradually lower the price of the dollar. Yet the administration has not indicated any change in its policy of nonintervention except in the most selected instances of "disorderly markets."

Nor can the recent agreement among the finance ministers of the Group of Ten to increase surveillance of each country's economic policies suffice.

We cannot afford to wait any longer. The overpriced dollar poses a real and present danger of "de-industrialization." I urge my colleagues to support this legislation and ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1548

Be it enacted by the Senate and House of Representatives of the United States of America assembled,

SHORT TITLE

SEC. 1. This Act may be cited as the "Strategic Foreign Currency Reserve Act of 1985".

SEC. 2. FINDINGS.—The Congress finds and declares that—

(1) In 1984, the average price of the dollar when measured against the currencies of 10 major trading partners was approximately 60 percent higher than in 1980.

(2) In the first two months of 1985 the price of the dollar rose a further 8 percent, before returning to 1984 levels.

(3) The high price of the dollar makes American goods more expensive in foreign markets, while foreign produced goods become cheaper in the American markets. Thus, the high price of the dollar acts as a tax on American exports and a subsidy of foreign imports.

(4) The high price of the dollar has resulted in much of the growth in domestic demand being satisfied with foreign imports, not domestically produced goods. Since 1980, the high price of the dollar has resulted in the loss of an estimated 2 million jobs, 4 percent in real gross national product, and 9 percent in industrial production.

(5) The high price of the dollar is leading to the deindustrialization of the United States. United States companies are: establishing plants abroad and importing finished products; importing major components and assembling the finished product in the United States; and abandoning foreign markets. Foreign companies are able to build distribution networks in the United States; their increased export volume permits those companies to realize economies of scale and take advantage of state-of-the-art technology.

(6) The high price of the dollars hurts not only United States exports of manufactured goods and services and high technology products but agriculture as well; 1984 American agriculture exports were $2,500,000,000 less than 1980 exports.

(7) The price of the dollar has lost its relationship to international trade flows and is higher than is warranted by underlying factors such as relative productivity and inflation. The increase in the price of the dollar during the last four years occurred despite the existence for record merchandise trade and current account deficits: a cumulative $283 billion and $149 billion for the years 1980–1984.

(8) The increase in the price of the dollar during the last four years has occurred because foreign demand for dollars was so great that it exceeded the available supply, even taking into account the supply of dollars resulting from the need to pay for imports. This demand for dollars has been investment not trade, generated.

(9) Foreign investors who have bought dollars with their currencies to directly and indirectly invest in the United States, have been attracted by higher real interest rates in the United States than abroad (resulting from the administration's unprecedented budget deficits—a cumulative $600 billion—since 1981), as well as expectations of greater economic growth and political stability.

(10) Foreign exchange transactions for investment purposes are estimated to be at least ten times the amount needed to finance international trade transactions. Rapid and large scale capital flows are possible as a result of liberalized and computerized international financial markets.

(11) The international foreign exchange market is subject to numerous market imperfections. Decisions may be based on dated, erroneous or noneconomic information or in anticipation of the continuation of market trends (often referred to as "speculative bubbles" or "bandwagon effects"). Such market imperfections have led to excessive short term fluctuations (volatility) in the dollar's price and have contributed to the market overshooting the correct dollar price (misalignment).

(12) At some point in the future the combination of continuing merchandise trade and current account deficits, reduced expectations of economic growth in the United States, and market imperfections could lead to a sharp drop in the demand for dollars to invest in the United States and a corresponding sharp drop in the price of the dollar. Such a sudden drop in the price of the dollar would lead to a sudden and sharp rise in the cost of imported goods and could reignite pervasive inflation, causing a painful adjustment process and seriously damaging the economy.

(13) The costs to the United States economy associated with the dollar's excessive increase in price, and possible sudden drop in price in the future, are significant and should be avoided.

(14) A gradual decline in the price of the dollar from its current high levels is desirable and should be encouraged.

(15) In order to achieve a gradual, and lasting, reduction in the price of the dollar:

(A) the United States Government must reduce the Federal budget deficit in order to reduce the high interest rates that are attracting foreign capital;

(B) the governments of foreign countries with underpriced currencies must stimulate economic growth in order to improve the desirability of investing in those countries; and

(C) the governments of the industrialized nations representing ther major trading currencies (that is constituting the Group of Ten) must coordinate their macroeconomic policies.

(16) These actions, which are unlikely to occur to a sufficient extent in the near future, can be complemented and supplemented by government intervention in the foreign exchange markets. Between 1973 and 1981 the United States and all other G-10 nations used exchange market intervention (to varying degrees) as a tool of exchange rate policy.

(17) Intervention by the United States Government in the foreign exchange markets to purchase substantial amounts of major foreign currencies with dollars, thereby developing a strategic foreign currency reserve, could: correct market imperfections; reduce the extent and slow the pace of ex-

change rate movements; resist further increases in the dollar's price; and assist its gradual decline in price.

(18) A strategic foreign currency reserve would also provide the Treasury and Federal Reserve Board with the means to resist any sudden large drop in the dollar's price by selling foreign currencies in the reserve and purchasing dollars, thereby helping to support the dollar's price.

(19) To be most effective, intervention by the Department of Treasury or Federal Reserve Board should be coordinated, whenever possible, with intervention by the central banks of the countries constituting the Group of Ten.

(20) Despite introduction in the Senate of a resolution calling upon the President to initiate discussions with our trading partners about the problems of currency misalignments and exchange rate volatility and possible cooperative approaches to these problems, and passage by the Senate of another resolution urging the Secretary of the Treasury and the Chairman of the Federal Reserve Board to take steps, including intervention, to gradually lower the value of the dollar, the administration has not indicated any change in its policy of nonintervention (except in selected instances of "disorderly markets").

SEC. 3. PURPOSE.—It is the purpose of this Act to require the United States to intervene in foreign exchange markets to:

(1) purchase substantial amounts of major foreign currencies with dollars to resist and moderate increases in the dollar's price and assist its gradual decline in price; and

(2) purchase substantial amounts of dollars with major foreign currencies to prevent sudden large drops in the dollar's price.

SEC. 4. ACQUISITION OF A STRATEGIC FOREIGN CURRENCY RESERVE.—

(1) The Secretary of the Treasury and the chairman of the Federal Reserve Board shall immediately acquire a strategic foreign currency reserve consisting of the currencies of the Group of Ten. The Secretary and the Chairman shall, as soon as possible but not later than three years from the date of enactment of this Act, exchange not less than $30 billion for the currencies of the Group of Ten.

(2) The Secretary and the Chairman:

(a) shall purchase foreign currencies at those times that such action would be most effective in resisting and moderating increases in the dollar's price, or in assisting its gradual decline;

(b) shall coordinate such purchases whenever possible with the central banks of the Group of Ten; and

(c) may take action to offset any effect of such purchases on the domestic money supply.

(3) In the event that the Secretary and the Chairman agree that fulfilling the requirements of subsection (4)(1) within the time period set forth therein would be contrary to the purpose of this Act as set forth in section (3), then they shall so notify Congress. Following receipt of such notice, Congress may, by joint resolution, extend the time within which the Secretary and Chairman shall complete acquisition of the strategic foreign currency reserve by one year.

SEC. 5. USE OF STRATEGIC FOREIGN CURRENCY RESERVE.—

(1) The Secretary of the Treasury and the Chairman of the Federal Reserve Board:

(a) shall use foreign currencies in the strategic foreign currency reserve to purchase dollars in order to prevent sudden large drops in the price of the dollar;

(b) shall coordinate such purchases whenever possible with the central banks of the Group of Ten; and

(c) may take action to offset any effect of such purchases on the domestic money supply.

SEC. 6. REPLENISHMENT OF STRATEGIC FOREIGN CURRENCY RESERVE.—The Secretary of the Treasury and the Chairman of the Federal Reserve Board shall, at their discretion, subject to the provisions of subsection 4(2) and notwithstanding the provisions of subsection (4)1, purchase foreign currencies with any dollars acquired under section 5 of this Act.●

● Mr. BAUCUS. Mr. President, I am pleased to join with my distinguished colleague from New York, Senator MOYNIHAN, in introducing the Strategic Foreign Currency Reserve Act of 1985.

This act should not be necessary. It would not be if this administration recognized we have a problem and would take steps to deal with the dollar.

THE PROBLEM

In the last 4 years the dollar has appreciated some 60 percent against the currencies of our major trading partners. Even with recent declines, the dollar remains overvalued by more than 40 percent.

This is not a costless rise. It is not a source of pride. The overvalued dollar is a source of pain.

It makes our products more expensive to sell. It makes imports cheaper.

The overvalued dollar is a kind of tax—a tax on exports. It is also a subsidy on imports. How long can we ask our workers, industries, and farmers to compete with the dollar working against them?

American workers have foregone raises or taken paycuts to save their jobs—and then seen those jobs disappear offshore because of the overvalued dollar.

Caterpillar Tractor makes some of the best tractors in the world. It is an efficient company with an excellent labor force. It has a productivity and labor-management relations record that would be the envy of the world. But it could not withstand years of an overvalued dollar. It has moved production abroad.

Eastman Kodak testified before the Finance Committee that it achieved a 13 percent increase in productivity last year—and saw that swamped by a rise in the dollar.

The American wheat farmer is the classic example of the efficient producer. American agriculture truly is a miracle. The farmer must fight drought or grasshoppers; he should not have to fight his own currency. But the overvalued dollar raises the cost of American wheat so much that earlier this year Cargill found it would be cheaper to buy Argentine wheat for sale in the United States.

There are areas of disagreement about the causes of our current trade problems. But there is no disagreement—at least not outside the White House—that the overvalued dollar is a major factor.

Ask traders or farmers what has happened to American farm exports. All their answers start with the overvalued dollar.

Ask manufacturers and their employees why plants and jobs have moved offshore. All their answers start with the overvalued dollar.

Ask miners and lumbermen why their industries are in trouble. Their answer is foreign subsidies and the overvalued dollar.

Or, look at the gap between demand and production in the United States during this recovery. Ask why this much heralded investment boom hasn't meant more U.S. production and jobs. The answer: Imports are filling the orders—in part because the dollar makes it cheaper for companies to buy foreign-made equipment.

THE INTERNATIONAL MONETARY SYSTEM

Mr. President, when the world abandoned the Bretton Woods system of fixed exchanged rates for floating rates, no one foresaw what has happened. Floating exchange rates were supposed to be self-correcting. When a country's trade competitiveness declined so would the value of its currency. This in turn would help restore the competitiveness of its exports.

It hasn't worked out that way. Over the last 4 years the United States has had a soaring Federal deficit, a soaring trade defict, and a soaring dollar.

Today trade flows don't seem to dictate currency values. It's the other way around. The value of the dollar now determines whether we can sell our products abroad.

RESPONSES

In today's world a gove. nment must take some responsibility for the value of its currency. The exchange rate cannot be something that just happens. We must keep an eye on the international arena when we design economic policy.

Unfortunately, this administration has ignored that reality. And now it refuses to take responsibility for the results of its policies.

No one believes that intervention in the international currency markets can solve all problems of a currency's value. But it is an important tool—and we must be prepared to use it.

We must also recognize that intervention works especially well when the goal is to lower a currency's value. We can sell dollars.

The U.S. Government should be willing to work with other governments and central banks to limit currency volatility and to drive the dollar back toward its equilibrium value.

STRATEGIC CURRENCY RESERVE

This legislation requires our Government to focus on the value of the

dollar. It requires our Government to begin to build a strategic reserve of other currencies.

Accumulating such a reserve would serve several purposes. It would push the dollar lower—in part by the selling of dollars and in part by the signal that the U.S. Government wanted to push the dollar lower. It would also assure us a supply of foreign currencies for use at such time as we need to moderate any large drop in the dollar.

These are both important. A signal from the U.S. Government that we wished a decline in the value of the dollar—and that we were prepared to actively pursue that decline—would immediately dampen speculative pressure on the dollar. Accumulation of a strategic currency reserve would also signal that we are prepared to control that decline—and so would also discourage speculation against the dollar.

Mr. President, the strategic currency reserve is not the single all-purpose answer to our trade problems or even to the problem of the overvalued dollar. However, the strategic currency reserve is a start. It is also remarkable in another way—it is that rare piece of legislation that offers only benefits.

Mr. President, we must act now. Plants moved abroad don't come home rapidly. Market share once lost is not easily regained.●

By Mr. DENTON:

S.J. Res. 184. Joint resolution to authorize the Korean War Memorial, Inc., to erect a memorial in the District of Columbia or its environs; to the Committee on Energy and Natural Resources.

ERECTION OF A MEMORIAL BY THE KOREAN WAR MEMORIAL, INC.

Mr. DENTON. Mr. President, I am today introducing legislation to authorize the erection of a memorial to the veterans of the Korean War by the group known as Korean War Memorial, Inc., using private funds.

It is clear that the time has come for our country to acknowledge the contributions and sacrifices of our men and women who served during the Korean War. The Korean War is the only significant conflict in which U.S. troops were engaged that does not have a memorial in our Nation's capital.

The joint resolution would authorize the erection of the memorial on public grounds on a site to the selected by the Secretary of the Interior with the approval of the National Commission of Fine Arts and the National Capital Planning Commission. The design and plans for the memorial would be subject to the approval of the Secretary of the Interior, the National Commission of Fine Arts, the National Capital Planning Commission, and the American Battle Monuments Commission.

No expenditure of Federal funds would be authorized, and the Federal contribution to the construction of the memorial would be limited to the provision of the land. The Secretary of the Interior, however, would be responsible for the maintenance and care of the memorial.

Finally, the authority for Korean War Memorial, Inc., to erect the memorial would lapse if construction does not commence within 5 years after the enactment of the legislation, and unless prior to construction there are sufficient funds collected to ensure completion.

Mr. President, there have been several pieces of legislation introduced in the Congress to provide a Korean War Memorial. Most of them provide for Federal funding. Certainly that may be an appropriate use of Federal funds, but at a time of serious budget deficits it would seem more prudent and responsible to enter in to an undertaking of this type using private funds if at all possible.

It also occurs to me that the Government's track record in the completion of memorials is not one of the best examples of speed and efficiency, as those of us who have visited the beautiful Franklin D. Roosevelt Memorial can attest.

I understand that some of my colleagues have concerns about private funding of a memorial in light of the situation with another memorial. I think it only fair to point out, however, that the Vietnam Veterans Memorial did turn out fairly well, and its popularity certainly attests to its responsiveness to the concerns of many of our citizens. Moreover, I believe it fair to say that that memorial was erected far more quickly with private funds than it would have been with public funds.

In addition, the joint resolution that I am introducing today specifically provides for approval of the design by several responsible organizations. I believe that the inclusion of the American Battle Monuments Commission among them will ensure that the design is fully appropriate.

Finally, I should note that the Korean War Memorial, Inc., represents a responsible group of Korean War veterans, and has the support of many of our veterans organizations. It is worth noting that the activities of Korean War Memorial, Inc., played a major role in awakening public consciousness to the need for a memorial and in bringing the Congress to the point where action to provide a memorial seems assured.

Under its current leadership, Korean War Memorial, Inc., is a responsible organization that is fully aware of the challenge of raising private funding but that is in a position to do it successfully. I believe that it will be able to move quickly and effectively, in a way that satisfies the interests of all concerned.

Mr. President, the time has come for the Congress to act to authorize a Korean War Memorial. The brave men and women who served in our Armed Forces during that conflict deserve no less.

I urge my colleagues to support the joint resolution to authorize a privately funded memorial, and I hope that the Congress will act quickly to provide a fitting tribute to our Korean War veterans.

I ask unanimous consent that the text of the joint resolution be printed in full in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S. J. RES. 184

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Korean War Memorial, Inc. is authorized to erect a memorial on public grounds in the District of Columbia or its environs, subject to authorization by the Secretary of the Interior as provided in section 2 to honor members of the Armed Forces of the United States who served in the Korean War, particularly those who were killed in action, listed as missing in action or held as prisoners of war.

SEC. 2. (a) The Secretary of the Interior is authorized to select, with the approval of the National Commission of Fine Arts and the National Capital Planning Commission, a suitable site on public grounds in the District of Columbia or its environs, upon which may be erected the memorial authorized in the first section of this resolution.

(b) The design and plans for such memorial shall be subject to the approval of the Secretary of the Interior, the National Commission of Fine Arts, the National Capital Planning Commission, and the American Battle Monuments Commission.

(c) Except for the land authorized for the erection of the memorial in the first section, no funds may be expended, obligations incurred, or property given by the United States, the District of Columbia, or any State or local government for the erection of the memorial.

SEC. 3. The authority conferred pursuant to this resolution shall lapse unless—

(1) the erection of such memorial is commenced within five years from the date of enactment of this resolution; and

(2) prior to the erection of the memorial, funds are certified available in an amount sufficient in the judgement of the Secretary of the Interior to insure completion of the memorial.

SEC. 4. The maintenance and care of the memorial and grounds shall be the responsibility of the Secretary of the Interior.

ADDITIONAL COSPONSORS

S. 15

At the request of Mr. MOYNIHAN, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 15, a bill to authorize the Secretary of Health and Human Services to make grants to States for the purpose of increasing the ability of States to provide drug abuse prevention, education, treatment, and rehabilitation, and for other purposes, to

authorize the Attorney General to make grants to States for the purpose of increasing the level of State and local enforcement of State laws relating to production, illegal possession, and transfer of controlled substances.

S. 274

At the request of Mr. DENTON, the names of the Senator from Wisconsin [Mr. KASTEN], the Senator from Georgia [Mr. MATTINGLY], the Senator from Maryland [Mr. MATHIAS], the Senator from Pennsylvania [Mr. HEINZ], and the Senator from Mississippi [Mr. STENNIS] were added as cosponsors of S. 274, a bill to provide for the national security by allowing access to certain Federal criminal history records.

S. 744

At the request of Mr. COCHRAN, the name of the Senator from Texas [Mr. GRAMM] was added as a cosponsor of S. 744, a bill to amend the Agriculture and Food Act of 1981 to provide protection of agricultural purchasers of farm products.

S. 807

At the request of Mr. HART, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 807, a bill to authorize payments to States to be used for grants to provide support for family day care providers.

S. 874

At the request of Mr. CHAFEE, the name of the Senator from Missouri [Mr. EAGLETON] was added as a cosponsor of S. 874, a bill to amend the Internal Revenue Code of 1954 by increasing the Federal excise tax on cigarettes by 16 cents per pack to a permanent 32 cents per pack and by providing that revenues from the additional tax be deposited in the Federal Hospital Insurance Trust Fund under the Social Security Act.

S. 942

At the request of Mr. DANFORTH, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 942, a bill to promote expansion of international trade in telecommunications equipment and services, and for other purposes.

S. 987

At the request of Mr. EXON, the names of the Senator from Washington [Mr. EVANS], and the Senator from Kansas [Mr. DOLE] were added as cosponsors of S. 987, a bill to recognize the organization known as the Daughters of Union Veterans of the Civil War 1861-1865.

S. 1084

At the request of Mr. GOLDWATER, the names of the Senator from New Jersey [Mr. BRADLEY], and the Senator from Montana [Mr. MELCHER] were added as cosponsors of S. 1084, a bill to authorize appropriations of funds for activities of the Corporation for Public Broadcasting, and for other purposes.

S. 1090

At the request of Mr. HELMS, the name of the Senator from Florida [Mrs. HAWKINS] was added as a cosponsor of S. 1090, a bill to amend section 1464 of title 18, United States Code, relating to broadcasting obscene language, and for other purposes.

S. 1093

At the request of Mr. MATHIAS, the name of the Senator from California [Mr. WILSON] was added as a cosponsor of S. 1093, a bill to amend the patent law to restore the term of the patent grant in the case of certain products for the time of the regulatory review period preventing the marketing of the product claimed in a patent.

S. 1153

At the request of Mr. D'AMATO, the name of the Senator from Florida [Mrs. HAWKINS] was added as a cosponsor of S. 1153, a bill to provide for the distribution within the United States of the United States Information Agency film entitled "Hal David: Expressing a Feeling".

S. 1214

At the request of Mr. DECONCINI, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 1214, a bill to amend section 215 of title 18, United States Code, to modify the state of mind requirements for certain bank bribery and related offenses.

S. 1233

At the request of Mr. DOLE, the names of the Senator from Wisconsin [Mr. KASTEN], and the Senator from Wisconsin [Mr. PROXMIRE] were added as cosponsors of S. 1233, a bill to amend the Animal Welfare Act to ensure the proper treatment of laboratory animals.

S. 1277

At the request of Mr. BRADLEY, the names of the Senator from Mississippi [Mr. STENNIS], and the Senator from New York [Mr. MOYNIHAN] were added as cosponsors of S. 1277, a bill to amend title XIX of the Social Security Act to provide that States may provide home or community-based services under the Medicaid program without the necessity of obtaining a waiver.

S. 1296

At the request of Mr. MATHIAS, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 1296, a bill to amend the Immigration and Nationality Act to modify the requirement for naturalization of an understanding of the English language.

S. 1451

At the request of Mr. CHAFEE, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 1451, a bill to allocate funds appropriated to carry out section 103 of the Foreign Assistance Act of 1961 for nutrition programs which reduce vitamin A deficiency.

S. 1456

At the request of Mr. LAUTENBERG, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 1456, a bill to recognize the Army and Navy Union of the United States of America.

S. 1459

At the request of Mr. BRADLEY, the names of the Senator from Massachusetts [Mr. KERRY], the Senator from Colorado [Mr. HART], the Senator from Delaware [Mr. BIDEN], and the Senator from Tennessee [Mr. GORE] were added as cosponsors of S. 1459, a bill to provide secure job opportunities to workers displaced by imports.

S. 1498

At the request of Mr. WEICKER, the names of the Senator from Iowa [Mr. HARKIN], and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 1498, a bill to amend the Internal Revenue Code of 1954 to provide tax incentives for the issuance of small business participating debentures.

S. 1531

At the request of Mr. LAUTENBERG, the names of the Senator from New Hampshire [Mr. HUMPHREY], and the Senator from New York [Mr. MOYNIHAN] were added as cosponsors of S. 1531, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to provide for improved emergency planning and notification of releases of hazardous substances, and for other purposes.

SENATE JOINT RESOLUTION 68

At the request of Mr. DODD, the name of the Senator from Virginia [Mr. TRIBLE] was added as a cosponsor of Senate Joint Resolution 68, a joint resolution to designate November 21, 1985, as "William Beaumont Day."

SENATE JOINT RESOLUTION 156

At the request of Mr. MURKOWSKI, the name of the Senator from Indiana [Mr. QUAYLE] was added as a cosponsor of Senate Joint Resolution 156, a joint resolution authorizing a memorial to be erected in the District of Columbia or its environs.

SENATE JOINT RESOLUTION 159

At the request of Mr. JOHNSTON, the names of the Senator from Georgia [Mr. NUNN], the Senator from Virginia [Mr. TRIBLE], the Senator from Florida [Mr. CHILES], the Senator from Mississippi [Mr. COCHRAN], and the Senator from Montana [Mr. MELCHER] were added as cosponsors of Senate Joint Resolution 159, a joint resolution to designate the rose as the national floral emblem.

SENATE JOINT RESOLUTION 166

At the request of Mr. MOYNIHAN, the names of the Senator from Montana [Mr. MELCHER], and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of Senate Joint Resolution 166, a joint resolution to appeal for the release of Dr. Yury Orlov and other Helsinki Final Act monitors.

SENATE JOINT RESOLUTION 175

At the request of Mr. PROXMIRE, the names of the Senator from Washington [Mr. GORTON], and the Senator from New Hampshire [Mr. HUMPHREY] were added as cosponsors of Senate Joint Resolution 175, a joint resolution to designate the week of August 25, 1985, through August 31, 1985, as "National CPR Awareness Week."

SENATE JOINT RESOLUTION 176

At the request of Mr. D'AMATO, the names of the Senator from Nevada [Mr. HECHT], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of Senate Joint Resolution 176, a joint resolution to provide that a special gold medal honoring George Gershwin be presented to his sister, Frances Gershwin Godowsky, and a special gold medal honoring Ira Gershwin be presented to his widow, Leonore Gershwin, and to provide for the production of bronze duplicates of such medals for sale to the public.

SENATE CONCURRENT RESOLUTION 58—RELATING TO INFORMATION REGARDING MEDICARE BENEFITS

Mr. PROXMIRE submitted the following concurrent resolution; which was referred to the Committee on Finance:

S. CON. RES. 58

Whereas thirty million elderly and disabled Americans rely upon the Medicare program for essential health care;

Whereas the new prospective payment system for hospitals has resulted in unintended confusion among Medicare beneficiaries regarding their entitlement to hospitalization;

Whereas Medicare beneficiaries have not always had their questions regarding their rights and responsibilities clearly and accurately answered during their period of hospitalization;

Whereas the Congress believes that the Medicare program, senior citizen groups, the hospital industry, physicians and nurses should work together to resolve this problem cooperatively: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) the Congress reaffirms its strong support for the Medicare program on this, its twentieth anniversary, and for the right of all Medicare beneficiaries to accurate and timely information regarding their Medicare benefits during a period of hospitalization;

(2) The Secretary of Health and Human Services should use her good offices to immediately convene a Working Group of representatives from senior citizen groups, the hospital industry, physicians and nurses to draft within 90 days a simple statement of Medicare Patients' Rights and Responsibilities;

(3) the Secretary of Health and Human Services should transmit copies of the completed Statement to all Members of Congress, all hospitals and physicians participating in the Medicare program as well as provide copies upon request; and

(4) all hospitals participating in the Medicare program should voluntarily reproduce and distribute the completed Statement to all Medicare beneficiaries upon admission and to their families or guardians, upon request.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the Secretary of the Department of Health and Human Services.

SENATE CONCURRENT RESOLUTION 59—COMMENDING PRIVATE SECTOR EFFORTS TO ALLEVIATE HUNGER

Mr. TRIBLE submitted the following concurrent resolution; which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. CON. RES. 59

Whereas a large number of people in this country are not able to regularly supply themselves and their families with food;

Whereas food banks, soup kitchens, and other emergency food providers are witnessing a substantial increase in the number of persons seeking food assistance;

Whereas gleaning is a partnership between food producers and nonprofit organizations through which food producers permit members of such organizations to collect grain, vegetables, and fruit which have not been harvested and distribute such food items to programs which provide food to needy individuals;

Whereas support of gleaning to supply food to the poor is part of the Judeo-Christian heritage as set out in the Book of Leviticus, "When you reap the harvests of your land, do not reap to the very edges of your field or gather the gleanings of your harvest. Do not go over your vineyard a second time or pick up the grapes that have fallen. Leave them for the poor and the alien.";

Whereas a 1977 General Accounting Office analysis estimated that during the 1974 harvest 60,000,000 tons of grain, vegetables, and fruit, valued at $5,000,000,000 were unharvested;

Whereas the diets of millions of hungry people in the United States could have been supplemented with such lost grain, vegetables, and fruit;

Whereas a number of State and local governments have enacted Good Samaritan laws which limit the liability of food donors and provide an incentive for food contributions; and

Whereas numerous civic, religious, charitable, and other nonprofit organizations throughout the country have begun gleaning programs to harvest such food items and channel them to the hungry in the United States: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) food producers who permit gleaning of their fields and civic, religious, charitable, and other nonprofit organizations which glean fields and distribute the resulting harvest to help alleviate hunger should be commended for their efforts; and

(2) State and local governments should be encouraged to enact tax and other incentives designed to increase the number of food producers who permit gleaning of their fields and the number of shippers who donate, or charge reduced rates for, transportation of gleaned produce.

Mr. TRIBLE. Mr. President, I am submitting a concurrent resolution today commending those farmers and charitable organizations who, by gleaning America's farmlands, help to alleviate hunger both here and abroad. Representative TONY HALL is sponsoring an identical resolution in the House.

Throughout the United States, farmers are donating surplus crops to the hunger relief effort. Charitable groups are heavily involved in distributing those crops to hungry individuals in America and around the world. Many States, including the Commonwealth of Virginia, have enacted tax incentives intended to encourage surplus crop donations. The people involved in these worthwhile efforts deserve to know that the Congress supports their work. My concurent resolution would commend the individuals involved, and encourage State and local governments to adopt tax incentives and other measures that will promote this type of hunger relief effort.

This activity in the area of crop donation could not have come at a better time. The specter of starvation looms most heavily today over the continent of Africa, but tragically, Africa is not the only continent afflicted by the threat of starvation.

Acute hunger and malnutrition persist in many areas around the world. In addition, several recent studies suggest that hunger might well be on the increase here in the United States.

Gleaning of America's farmlands can help to resolve these urgent problems. Through this process, food producers and hunger relief organizations collect vegetables, grain, and other crops which might have been passed over during a first harvest or may not be suitable for sale. Those food items are then distributed to needy individuals in the United States and other nations, rather than simply discarded.

One of the best examples of such an effort is "The Potato Project," based in my own State of Virginia. This program is administered largely by three individuals from the society of St. Andrew in Big Island, VA. It began as a temporary effort to distribute surplus potatoes to hungry families in Virginia and the District of Columbia. Yet, after only 2 years, the society has distributed millions of pounds of surplus potatoes—which otherwise would have simply been thrown away—to needy individuals in more than 40 States.

Mr. President, I ask unanimous consent that a recent Washington Post article describing the potato project be printed in the RECORD at this time:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 5, 1984]

POTATO POWER: 2 VIRGINIA PASTORS GATHER TONS OF TUBERS TO FEED NEEDY IN D.C., 35 STATES

(By Marjorie Hyer)

BIG ISLAND, VA.—Nothing about the weather-beaten sheep shed off a narrow gravel road that twists up through the Blue Ridge some 30 miles west of Lynchburg suggests it is the headquarters of a growing national hunger-fighting organization.

But before the year is out, a unique operation called the Potato Project, based here, will have rescued 8 million pounds of potatoes from garbage heaps and dispatched them to hungry people in 35 states and the District of Columbia.

Begun 14 months ago by two United Methodist preachers, the Potato Project has forged a long-missing link in the food distribution chain between waste in the fields and hungry people in the cities.

The basic premise is simple: Collect potatoes that are not marketable—because they are misshapen or were nicked by the digging machines—but are perfectly good to eat, and ship them to food warehouses and soup kitchens in cities and on Indian reservations.

"We stumbled into it last spring [1983] and were just going to do it for eight weeks, from the Eastern Shore to eight Virginia cities and the District of Columbia," said the Rev. Ray Buchanan, one of the founders of the Potato Project. "Somehow, we just never stopped."

From the improvised office in their hill country sheep shed, Buchanan and his partner, the Rev. Kenneth Horne, have distributed potatoes through more than 80 outlets, at a cost currently running at 3.8 cents a pound. They plan to double the volume in 1985, as well as branching out into such items as green beans, corn and frozen fish. They learn about available potatoes "by word of mouth," Horne said. "You work with one farmer. He learns that things are on the up and up, and he says, 'I know a guy you ought to call,' and the word gets around."

Last week, for example, they had a call from a broker on Virginia's Eastern Shore whom they had got in touch with four or five months ago. Could the Potato Project use a load of potatoes rejected by the "chippers" because they had knots on them and wouldn't fit in the potato chip machinery?

They could.

Two days later, a huge silver tractor-trailer truck eased into the space behind First Rising Mount Zion Baptist Church on N Street NW and dumped 49,000 pounds of potatoes for the Council of Churches to distribute to the poor in Washington.

To keep costs at a minimum, the Potato Project seeks distribution sites as close as possible to where the potatoes are grown. "We try to make sure that nothing is resold, and we try to make sure it gets to the people who need it," Horne said.

Their United Methodist connections come in handy, but "if we find a place where there's not a Methodist Church, we can always call the Episcopalians or the Lutherans," Horne said.

Buchanan and Horne are convinced they have only scratched the surface of a mountain of food that could go to the needy. "We'll move 8 million pounds [of potatoes] this year, and we're only dealing with 27 or 28 growers" in a dozen states, Buchanan said. "In Maine alone there are 1,100 growers.

"Last year, one grower, who is also a broker, gave us 2.4 million pounds. I asked him, 'What did you do before we came along?' He said, 'Well, I gave the starch plant all they could use, and then I dumped 3 million pounds.' "

The Potato Project pays the growers' cost of bagging the potatoes—the bulk load that went to Washington last week was unusual—and the freight to the nearest distribution center, though the receiving food banks or soup kitchens are invited to help pay shipping costs if they can.

Besides the satisfaction of knowing the potatoes are nourishing to someone in need, the grower may get a tax benefit for a charitable contribution. Buchanan has been lobbying both in Richmond and in Washington recently to get laws covering such benefits strengthened.

The early days of the Potato Project were particularly chaotic on the financial front, Kenneth Horne's brother David recalled. "There was a time last winter when we were in a really tight financial situation.

"We finally got out from under, and Ken went off to raise some money so we would have a little cushion. But while he was gone, a guy called and wanted to give us 2.25 million pounds. And somebody else called with another batch. We hated to turn them down, so when Ken came back in a couple days, he was all excited because he'd raised $6,000. But we'd already spent it!" David Horne said.

Buchanan and Kenneth Horne, both Vietnam veterans who have been friends ever since they began graduate study for the ministry at Duke University, have long since given up the pastoral ministry to operate the Potato Project full time, though "somebody is speaking somewhere about three times a month," Buchanan said.

The speaking helps raise money to keep the project going. The three administrators pay themselves salaries of $17,500 each. Bills for telephone service, which is essential, run to $600 or more a month, David Horne said.

The bulk of next year's $646,300 budget will go for bagging the potatoes and for freight. "We're looking for donated bags and donated freight, but donated freight is very difficult to arrange because of the nature of the business," said fund-raiser Horne.

Farmers and processors have offered them other foodstuffs. "A green bean packer on the Eastern Shore of Virginia said he could give me several hundred bushels of green beans," Buchanan said. Their only flaw: they are too long or too short to fit into the processing machinery.

There have also been offers of frozen fish, dairy products, even watermelons.

"What we foresee at some time in the future is that we may get so many potatoes given to us that we can't use them all fresh, so we may want to experiment with dehydration. Then you get into a whole new ballgame," said Buchanan.

"One of the things that makes this program is that it's not just direct relief; it strikes at one of the systemic causes of hunger," he said. Given the amount of food that they have already collected, and the tons more they know is out there, he said, "the only limitation to the program is financial."

Mr. TRIBLE. Mr. President, the potato project is but one of many gleaning programs that are helping to feed hungry individuals. But it is a valuable and moving example of volunteerism at work, and it is exactly the type of private-sector effort that we in the Congress should be encouraging.

My concurrent resolution would do so by commending such efforts and acknowledging the contribution they make to hunger relief. It would also encourage those State and local governments which have not already done so to enact measures that will promote gleaning programs like the potato project.

It is tragic that hunger persists both in America and around the world. But the many private citizens who are working to end hunger deserve our recognition and our support. I urge my colleagues to join me in cosponsoring this concurrent resolution.

SENATE CONCURRENT RESOLUTION 60—NATIONAL INVESTMENT IN RESEARCH AND ADVANCED EDUCATION CAPABILITIES

Mr. DANFORTH (for himself, Mr. DODD, Mr. EAGLETON, Mr. CHAFEE, Mr. GORTON, Mr. MOYNIHAN, Mr. BRADLEY, Mr. KENNEDY, Mr. PELL, Mr. HEINZ, Mr. FORD, Mr. RIEGLE, Mr. HOLLINGS, Mr. LAUTENBERG, Mr. SASSER, and Mr. COHEN) submitted the following concurrent resolution; which was referred to the Committee on Labor and Human Resources:

S. CON. RES. 60

Whereas the long-term economic vitality, security, and well-being of the Nation depend on its ability to sustain investment in the search for new knowledge and to educate future generations in essential scientific, engineering, biomedical, and technological skills;

Whereas the effectiveness of the national defense a position of sustained leadership in basic science, engineering and technological development, and the Nation's capacity to educate and train the most able citizens must be sustained and protected to guarantee that leadership;

Whereas the health and well-being of our people depend on the sustained national investment in fundamental biomedical research and the improvements in health care that result from the search for knowledge;

Whereas institutions of higher education are national resources essential to retaining the Nation's leadership position in the internatonal marketplace, because the institutions educate scientists, engineers, biomedical researchers, and skilled managers, and create new knowledge that underlies technological and economic development;

Whereas the Nation cannot presume the availability of sufficient numbers of highly trained and talented research scientists, teachers, and scholars, unless national policy provides incentives to bring about that result;

Whereas quality research, scholarship, and education at institutions of higher education depend on the exercise of national and State leadership and the will to establish and sustain balanced Federal and State policies designed to assure long-term excellence in basic science research and advanced education programs;

Whereas the Nation's research and graduate programs in institutions of higher education and the research instrumentation and facilities essential to such programs are vital to the search for solutions to national problems such as security, health care, energy, industrial producitivity, education, agriculture, and the environment;

Whereas national investment in higher education research and graduate programs and in the modernization of research laboratories is a responsibility of the Federal Government through its major research agencies, including the Department of Energy, Department of Defense, National Aeronautics and Space Administration, National Institutes of Health, National Science Foundation, and Department of Agriculture, in partnership with the States, private industry, local governments, the institutions of higher education, and others;

Whereas Federal research agencies require adequate information assessing the physical condition and needs of the research laboratories and facilities of institutions of higher education to conduct federally sponsored research; and

Whereas the capacity of universities and colleges to conduct research and graduate education programs on the forefront of science and technology has eroded: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That—

(1) a renewed national investment to strengthen the research and advanced education capabilities of institutions of higher education is needed; and

(2) the major research agencies of the Federal Government (the Department of Energy, Department of Defense, National Aeronautics and Space Administration, National Institutes of Health, National Science Foundation, and Department of Agriculture) should strengthen their investment in research and graduate education programs by—

(A) planning for and providing sustained investments in research and graduate programs in fields of basic science and fundamental engineering essential to the missions of the Federal agencies specified in this resolution;

(B) establishing and strengthening programs to upgrade and replace obsolete research instrumentation and equipment in laboratories of institutions of higher education;

(C) rehabilitating, modernizing, or otherwise improving the quality of research facilities and laboratories of institutions of higher education in which Federally assisted basic research and graduate programs are carried out;

(D) strengthening and expanding graduate fellowships, making awards to individuals and to science and engineering departments of institutions of higher education engaged in research;

(E) providing incentives and expanded opportunities for young investigators to pursue academic research careers;

(F) modernizing and improving undergraduate, graduate, and professional science and engineering instructional programs through the sustained support of faculty research, faculty professional development, instructional laboratory equipment and curricula; and

(G) undertaking a continuing assessment of the physical condition and needs of research facilities of institutions of higher education.

Mr. DANFORTH. Mr. President, today Senator DODD and I, along with several other Senators, are submitting legislation affirming the need for a renewed national investment to strengthen the research and advanced education capabilities of our Nation's universities and colleges. This legislative effort was begun with the introduction of S. 1537 2 years ago. The idea behind the ongoing effort is to lay down a basic blueprint upon which each Congress can act.

I am gratified to report since 1983, progress has been made. Funding for basic science research for the six Federal research agencies has increased. And for the 1986 fiscal year, the President requested that funds for research and development be increased by nearly 20 percent for the National Aeronautics and Space Administration and by roughly 12 percent for the Department of Defense. However, so much more needs to be done.

During the 1950's and 1960's, our national investment in basic science and technological research reached unprecedented levels. Because of that investment, the United States was able to lead the world in major breakthroughs in areas of biomedical science, space science and engineering. Examples of our leadership in these fields include development of the polio vaccine and successful manned space mission.

Since that time, however, the research equipment and facilities of our Nation's research universities and colleges have become obsolete and worn out. Failure to revitalize the research infrastructure at this critical juncture through additional Federal, State, and private support will seriously weaken the ability of our universities and colleges to make new discoveries in such areas as national security, health care, energy, individual productivity, the environment, and agriculture. Unless we begin to work resolutely to stem this erosion of the basic science infrastructure, our national security, technical capacity, and economy will falter.

There is agreement that a serious problem exists; however, no reliable studies are yet available regarding the specific needs and costs of restoring our Nation's research capacity. Recently, the National Science Foundation surveyed the instrumentation needs of universities and colleges and found that:

Of the university department heads surveyed, 72 percent reported that lack of equipment was preventing critical experiments.

Universities' inventories of scientific equipment showed that 20 percent was obsolete and no longer used in research.

Of all instrument systems in use in research, 22 percent were more than 10 years old.

Only 52 percent of instruments in use were reported to be in excellent working condition.

Of university department heads surveyed, 49 percent rated the quality of instrument-support services—machine shop, electronics shop, and so forth—as insufficient or nonexistent.

The instrumentation problem is but the tip of the iceberg. The problem of replacing and modernizing the research buildings and laboratories is believed to be more acute. The American Association of Universities reported in 1981 that universities were able to meet only about half of their accumulating needs to replace, modernize, and renovate their research laboratories. In recent testimony before the House Committee on Science and Technology, Chancellor Donald Langenberg of the University of Illinois at Chicago conservatively estimated the immediate research facilities deficit at his university to be several hundred million dollars. He added that the estimate did not include the projected requirements of new research programs.

Estimates of the nationwide need for instrumentation and facilities are of course much greater. Dr. Bernadine Healy, Deputy Director of the Office of Science and Technology Policy, has stated that estimates of the cost of renovating and modernizing the university research infrastructure range from $15 billion to more than $20 billion over a 5-year period.

To address the problem adequately, comprehensive studies must be undertaken to assess the needs and costs of restoring university and college research facilities. The House recently responded to this need for reliable information on the magnitude of the problem by approving an authorization bill for the National Science Foundation [NSF] that directs the NSF to assess the research needs of universities. The NSF authorization reported by the Senate Committee on Commerce, Science, and Transportation also includes this provision.

The Nation's continued leadership in science and technology also depends on a sufficient supply of talented and highly trained research scientists, scholars, and teachers. Currently, national support for young scientists in the form of graduate fellowships and young faculty development awards is inadequate to attract the most talented young scientists to academic research and teaching. We are losing many of our best young scientists to private industry which attracts them with high salaries and state of the art equipment and facilities. If this continues, our universities and colleges

will be unable to provide the training that new generations of scientists and engineers will need.

The Federal Government has traditionally played the leading role in supporting basic science research, and it must continue to do so. Two years ago, I, along with Senator EAGLETON and others, introduced S. 1537, the University Research Capacity Restoration Act of 1983. S. 1537 was prompted by our concern about the ability of our universities and colleges to educate the future generations of scientists, engineers, biomedical researchers, and skilled managers essential to the long-term vitality, security, and well-being of the Nation. That bill was intended to serve as a 5-year blueprint for increased and sustained Federal investment in our Nation's university and college research capacity. Specifically, the bill gave the six Federal research agencies and departments—the National Aeronautics and Space Administration, the National Institutes of Health, the National Science Foundation, and the Departments of Agriculture, Energy, and Defense—authority, where necessary, and increased funding to achieve the objective of restoring and revitalizing our research capacity.

Since S. 1537 was introduced in the last Congress, Congress and the administration have shown a commitment to restoring our research capacity. The administration requested additional funds for basic research for fiscal year 1986, even though it called for an overall reduction in Federal spending. In the House, Representative DON FUQUA recently introduced a bill—H.R. 2823—which seeks to revitalize the Nation's research programs at our universities and colleges by requiring the six major Federal resarch agencies—NSF, NIH, DOD, DOE, NASA, and USDA—to reserve a portion of their research and development funds for the replacement or modernization of laboratories and other research facilities at universities and colleges.

The concurrent resolution that we are submitting today continues our effort in the Senate to strengthen the research and advanced educational capabilities of our universities and colleges. Specifically, this concurrent resolution recommends that the major research agencies of the Federal Government strengthen their investment in research and graduate education programs by: (1) Planning for and providing sustained investments in research and graduate programs in those fields of basic science and fundamental engineering essential to their missions; (2) establishing and strengthening programs to upgrade and replace obsolete research instrumentation and equipment in university and college laboratories; (3) rehabilitating, modernizing, or otherwise improving the quality of university and college research facilities and laboratories in which agency-funded basic research and graduate programs are carried out; (4) strengthening and expanding graduate fellowships and making awards to individuals and to university science and engineering departments engaged in research; (5) providing incentives and expanded opportunities for young scientists and engineers to pursue academic research careers; (6) modernizing and improving undergraduate, graduate, and professional science and engineering instructional programs through the sustained support of faculty research, faculty professional development, instructional laboratory equipment and curricula; and (7) undertaking a continuing assessment of the physical condition and needs of university and college research facilities.

Although the Federal Government must play the lead role, it can not afford to meet the facility needs of our universities and colleges alone, particularly in light of the escalating Federal deficit. The States, private industry, local governments, the universities, and colleges should join with the Federal Government in solving this problem. Earlier this year, I introduced legislation—S. 58—to encourage private support for university-based research. That bill would amend the Internal Revenue Code to create a new tax credit for corporate contributions to universities for basic research and to expand the present enhanced deduction to corporate contributors of scientific equipment to colleges and universities for use in research or research training. S. 58 is one approach to the facility needs problem. Other approaches should also be proposed.

Mr. President, the concurrent resolution that we are submitting today is but one of several efforts in this Congress to revitalize basic science research and advanced education programs of our Nation's universities and colleges. Although Congress and the administration have already taken important steps toward this goal, much more must be done. The Nation's future depends upon our success. Even during a time of restraint in Federal spending, restoration and revitalization of our Nation's research capacity must be a priority. I hope that my colleagues will realize the importance of this issue to the Nation and support this concurrent resolution.

Mr. EAGLETON. Mr. President, I am pleased to join with Senators DANFORTH, DODD, and CHAFEE as a principal sponsor of this concurrent resolution stating the need to renew and strengthen our commitment to high quality research and graduate programs in our institutions of higher education through various programs within the Departments of Energy, Defense, and Agriculture, the National Aeronautics and Space Administration, the National Institutes of Health, and the National Science Foundation.

The resolution states clearly the primacy of basic research and education to the national welfare. Our economic strength, national security, health, and the future well-being of our people all depend upon our continued capacity to educate our most able young minds to seek new knowledge necessary to respond to the rapidly changing world in which we live.

Report after report, in recent years, has documented the growing inadquacy of our advanced education and research enterprise. Many research laboratories, and the instruments they contain, are seriously out of date. Too many of our brightest young minds are turning away from research laboratories because of uncertainties in funding for research programs and inadequate stipends.

Dr. George Keyworth, Science Advisor to the President, recently stated,

I'm concerned about our ability to sustain the kind of leading-edge basic research program this country absolutely must have. We can't take it for granted. We have to convince others of its importance, and we have to make sure that the current priority for basic research is maintained.

Making sure that a priority for basic research and its resource base is maintained is precisely what this resolution is designed to achieve. I urge all of my colleagues to join with us in this initiative and the subsequent legislative steps which will be needed to carry out this commitment to preserving our scientific leadership.

AMENDMENTS SUBMITTED

INFLIGHT EMERGENCY MEDICAL CARE

GOLDWATER AMENDMENT NO. 563

Mr. GOLDWATER proposed an amendment to the bill (S. 63) to encourage the rendering of inflight emergency care aboard aircraft by requiring the placement of emergency first aid medical supplies and equipment abroad aircraft and by relieving appropriate persons of liability for the provision and use of such equipment and supplies; as follows:

On page 4, line 9, insert "(other than a physician or an osteopath)" immediately after "personnel".

On page 4, strike all from line 24 through line 11 on page 5.

USE OF OFFICIAL MAIL IN THE LOCATION AND RECOVERY OF MISSING CHILDREN

METZENBAUM AMENDMENT NO. 564

Mr. METZENBAUM proposed an amendment to the amendment of the House of Representatives to the bill (S. 1195) to require that a portion of the mail of Congress and the executive branch include a photograph and biography of a missing child; as follows:

Subsection (c) of section 1 of the bill is amended by—

(1) inserting "(1)" before "Section 3204 (a)"; and

(2) inserting at the end thereof the following:

(2) Section 733 of title 44 United States Code, is amended by inserting after the second sentence of the second undesignated paragraph the following: "Franks may also contain information relating to missing children as provided in section 3220 of title 39.".

ANTITRUST REMEDIES FOR AGRICULTURAL PRODUCT SELLERS

PRESSLER AMENDMENT NO. 565

(Ordered to lie on the table.)

Mr. PRESSLER submitted an amendment intended to be proposed by him; as follows:

SECTION 1. The Clayton Act (15 U.S.C. 12 et seq.) is amended by inserting after Section 4H the following new section:

SEC. 4I. (a) An action under sections 4, 4A, or 4C for damages resulting from any underpayment received on the sale of agricultural products shall not be barred because the person seeking such damages is not a direct seller to the defendant; *provided, however,* the person seeking such damages must have possessed the agricultural product for feeding or growing purposes for at least 21 days prior to sale.

(b) In any action under sections 4, 4A, or 4C for damages resulting from any underpayment received on the sale of agricultural products or the sale of products processed therefrom, the person seeking such damages shall not recover for any amount of an underpayment that has been passed on the other persons, who themselves are entitled to recover damages for such underpayment under sections 4, 4A, or 4C.

SEC. 2. The amendments made by this Act shall become effective upon the date of the enactment of this Act.

● Mr. PRESSLER. Mr. President, I want to join in support of the majority leader's efforts to bring the farm bill to the floor for debate. Farmers in my home State of South Dakota will soon be going to the fields to plant their winter wheat and do fall tillage in preparation for next year's crop. They need to know what the 1985 farm bill will include if they are to make sound planting and financial decisions. We need to pass a farm bill so they know where they stand.

Earlier this year, I introduced a bill containing several sections of a farm bill. The primary focus of that bill was to hold down the cost of the farm program, direct farm program benefits to family-size farmers, provide for a sound Soil Conservation Program, and expand our export markets. These should be the basis of any farm bill we pass. However, when passing a sound farm bill, we must also keep in mind the record budget deficits we are currently facing.

Farmers prefer to receive their price from the market, rather than from the Government. However, in recent years the market price has been far below the cost of production. This has caused severe financial problems for many farmers. I plan to offer an amendment which would allow farmers to receive a fair price for their product from the marketplace. I will also be offering several other amendments on various sections of the bill.

Mr. President, I hope that we can pass the farm bill before the August recess. Farmers need to know what the farm program is going to be and Congress needs to do its work and tell them what that farm program will include.

Today I am filing an amendment which I intend to offer to the 1985 farm bill or any other appropriate bill which may be considered.

My amendment would amend the Clayton Act to allow agricultural producers to file antitrust suits against food manufacturers and retailers for price fixing or market manipulation. Currently indirect sellers of purchasers are prohibited from filing antitrust suits and collecting damages. I believe it is critical that the issue be considered at the earliest possible time.●

LEGISLATIVE BRANCH APPROPRIATIONS, FISCAL YEAR 1986

D'AMATO AMENDMENT NOS. 566 AND 567

Mr. D'AMATO proposed two amendments to the bill (H.R. 2942) making appropriations for the legislative branch for the fiscal year ending September 30, 1986, and for other purposes; as follows:

AMENDMENT No. 566

Page 20 line 15: Insert after line 15 a new paragraph as follows:

"Of the funds appropriated under this head in Public Law 98-367 for demolition and paving of Square 724, $561,000 shall remain available until September 30, 1986."

AMENDMENT No. 567

Page 19 line 20: Insert after line 20 a new paragraph as follows:

"Of the funds appropriated under this head in Public Law 98-367, not to exceed $109,000 shall remain available until September 30, 1986."

QUAYLE (AND FORD) AMENDMENT NO. 568

Mr. QUAYLE (for himself and Mr. FORD) proposed an amendment to the bill H.R. 2942, supra; as follows:

At the appropriate place in the text of the bill insert the following: There is established for the duration of the 99th Congress a select committee of the Senate to be known as the Select Committee on the Two-Year Budget (hereafter in this resolution referred to as the "select committee"). The select committee shall be composed of twelve members of the Senate, six from the majority party and six from the minority party, to be appointed by the President of the Senate upon the recommendation of the majority leader and the minority leader.

(b) Of the twelve members—

(1) two members shall be from the Committee on the Budget;

(2) two members shall be from the Committee on Rules and Administration;

(3) two members shall be from the Committee on Governmental Affairs;

(4) two members shall be from the Committee on Appropriations; and

(5) four members shall be from the Senate at large.

(c) The select committee shall select a chairman from among its majority members and a cochairman from among its minority members.

SEC. 2. (a) A majority of the members of the select committee shall constitute a quorum for the transaction of business, except that the select committee may fix a lesser number as a quorum for the purpose of taking sworn testimony.

(b) Vacancies in the membership of the select committee shall not affect the authority of the remaining members to execute the functions of the committee, and shall be filled in the same manner as original appointments are made.

(c) The select committee shall adopt rules of procedure not inconsistent with the rules of the Senate governing standing committees of the Senate.

(d) Service of a Senator as a member or as chairman of the select committee shall not be taken into account for the purposes of paragraph 4 of rule XXV of the Standing Rules of the Senate.

SEC. 3. (a) It shall be the duty of the select committee to—

(1) study and review legislative proposals to improve the operation of the congressional budget process, including proposals for the two-year budget; and

(2) recommend specific legislation to improve the operation and enforcement of the congressional budget process, including such components of two-year budgeting which the select committee finds to be desirable and feasible.

In carrying out clause (1) of this subsection, the select committee shall pay particular attention to the need to free the time of senators from unnecessary repetitive operations, to encourage oversight of enacted legislation by committees, to provide stable funding expectations to State and local governments, and to maintain accurate budgetary estimates and assessments of national needs and priorities.

(b) The select committee shall report and make recommendations to the Senate within 180 days after the adoption of this resolution.

SEC. 4. (a) For the purposes of this resolution, the select committee is authorized (1)

to employ personnel, (2) to make expenditures from the contingent fund of the Senate, (3) to hold hearings, and (4) to sit and act at any time or place.

(b) With the consent of the chairman and ranking minority members of any other committee of the Senate, the select committee may utilize the facilities and the services of the staff of such other committee of the Senate, or any subcommittee thereof, whenever the chairman and the cochairman of the select committee determines that such action is necessary and appropriate.

SEC. 5. Expenses of the select committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the select committee, except that vouchers shall not be required (1) for the disbursement of salaries of employees of the select committee who are paid at an annual rate, or, (2) for the payment of long-distance telephone calls. Total expenditures for the select committee shall not exceed $300,000.

HAWKINS AMENDMENT NO. 569

Mr. D'AMATO (for Mrs. HAWKINS) proposed an amendment to the bill H.R. 2942, supra; as follows:

On page 6, after line 2, insert the following:

EXPENSES OF UNITED STATES INTERNATIONAL NARCOTICS CONTROL COMMISSION

For expenses of the United States International Narcotics Control Commission, as authorized by section 814 of the Foreign Relations Authorization Act, passed by the Senate on July 31, 1985, $325,000.

EARTHQUAKE HAZARDS REDUCTION ACT AUTHORIZATION

GORTON AMENDMENT NO. 570

Mr. DOLE. (for Mr. GORTON) proposed an amendment to the amendments of the House to the bill (S. 817) to authorize appropriations under the Earthquake Hazards Reduction Act of 1977 for fiscal years 1986 and 1987, and for other purposes; as follows:

In section 2, strike "35,044,000" and insert in lieu thereof "$35,578,000"; and strike "$36,621,000" and insert in lieu thereof $37,179,000".

In section 6, strike "and" at the end and insert in lieu thereof the following:

and".

SEC. 7. Section 2(b)(3) of the National Bureau of Standards Authorization Act for Fiscal Year 1986 (Public Law 99-73) is amended by striking "(7), and (8)" and inserting in lieu thereof "' nd (7)".

FEDERAL FIRE PREVENTION AND CONTROL ACT AUTHORIZATION

GORTON AMENDMENT NO. 571

Mr. DOLE (for Mr. GORTON) proposed an amendment to the amendment of the House to the bill (S. 818) to authorize appropriations for activities under the Federal Fire Prevention and Control Act of 1974; as follows:

Strike "$22,953,000" and insert in lieu thereof "$22,037,000".

HIGHWAY SAFETY GRANT AUTHORIZATION

LAUTENBERG (AND DANFORTH) AMENDMENT NO. 572

Mr. BYRD (for Mr. LAUTENBERG for himself and Mr. DANFORTH) proposed an amendment to the bill (S. 1529) to authorize appropriations for State and community highway safety grants, and for other purposes; as follows:

At the end of the bill, add the following:

SEC. 3. Section 158 of title 23, United States Code, is amended—

(1) in subsection (a)(2), by striking "the fiscal year" and inserting in lieu thereof "each fiscal year"; and

(2) in subsection (b), by striking "in fiscal year if in any succeeding fiscal year" and inserting in lieu thereof "in the fiscal year beginning after September 30, 1986, or the fiscal year beginning after September 30, 1987, if before the end of the period for which such funds would be available for expenditure under section 118(b) of this title".

DANFORTH AMENDMENT NO. 573

Mr. DOLE (for Mr. DANFORTH) proposed an amendment to the bill S. 1529, supra; as follows:

At the end of the bill, add the following:

SEC. . Section 403 of title 23, United States Code, is amended by adding at the end thereof the following:

"(g) There is authorized to be appropriated for purposes of carrying out this section not to exceed $31,000,000 for fiscal year 1987.".

NOTICES OF HEARINGS

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. DURENBERGER. Mr. President, I wish to announce that the Subcommittee on Intergovernmental Relations will hold a field hearing to examine a proposal to establish an International Boundary Waters Commission, on Friday, August 23, at 2 p.m., at Rainy River Community College, International Falls, MI.

Mr. President, I wish to announce that the Subcommittee on Intergovernmental Relations will hold a field hearing on S. 1209, to establish the National Commission to Prevent Infant Mortality, on Wednesday, September 11, in Miami, FL. For additional information contact Bob Harris at 224-4067.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration will meet at 9:30 a.m., on Tuesday, September 17, 1985, in SR-301, Russell Senate Office Building, to receive testimony on Senate Resolutions 28 and 81, concerning television and radio coverage of Senate proceedings.

Senators and other interested organizations and individuals who wish to testify or to submit a statement for the hearing record are requested to contact John Swearingen of the Rules Committee staff at 224-0285.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. DANFORTH. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition and Forestry be authorized to meet during the session of the Senate on Wednesday, July 31, until 1 p.m., to markup S. 616, the farm bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session on the Senate on Wednesday, July 31, in order to receive testimony on RICO civil suits.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, July 31, in order to receive testimony on the following nomination:

UNITED STATES DISTRICT JUDGE

Ferdinand F. Fernandez of California, to be U.S. district judge for the central district of California.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE 20TH ANNIVERSARY OF THE MEDICARE PROGRAM

● Mr. MOYNIHAN. Mr. President, 20 years ago this week, President Lyndon B. Johnson traveled to Independence, MO, to sign the legislation creating the Medicare Program.

With determination and courage, and the stroke of the President's pen, the Nation guaranteed its senior citizens affordable health care, and a chance to live in the dignity they had worked for all their lives. For tens of millions of Americans, it meant the fear of illness was no longer accompanied by the fear of financial ruin.

Today, Medicare provides basic medical insurance coverage to 27.5 million senior citizens and 2.9 million disabled Americans. It is the Nation's largest health financing program and, save for the retirement provisions of Social Security, the largest entitlement program in the Federal budget.

President Johnson put it this way 20 years ago this week: Medicare is "not

just our tradition or the tradition of the Democratic Party, or even the tradition of the Nation. It is as old as the day it was first commanded, Thou shalt open thine hand wide unto thy brother, thy poor, to thy needy in the land.' "

This week's 20th anniversary of Medicare marks how far we have come as a Nation in extending medical insurance coverage to our citizens. In a period of budget cuts, it underscores our commitment to preserving those gains and extending them to all citizens for whom serious illness can mean serious financial difficulty.

Safeguarding those achievements for future generations will require dedication and ingenuity. Let us remain steadfast in our commitment to the great principles which brought about the historic legislation whose anniversary we celebrate this week.●

MACHINE TOOL INDUSTRY IMPORT RELIEF

● Mr. HEINZ. Mr. President, several times over the past 2 years I have directed the Senate's attention to a situation which, unfortunately, typifies this country's policy of benign neglect with regard to its basic manufacturing capability. I am referring to the U.S. machine tool industry and its request for temporary import relief.

The industry's 1983 request, premised on a well-sustained argument that then-current levels of sophisticated and defense-sensitive machine tool imports posed a serious threat to U.S. national security, was favorably received by Secretary Baldrige who forwarded his recommendation to the White House. That was 18 months ago. As imports continue to flood the U.S. market—import share as a percentage of domestic consumption by value has already risen from 27 percent to 38 percent since the industry's initial request—the White House, or more accurately, the National Security Council, continues to do nothing.

I submit that inaction in the face of grave national security consequenses in inexcusable and, indeed, irresponsible. The beleaguered machine tool industry has undertaken substantial self-help initiatives to revitalize its domestic production processes in order to become more competitive. I would direct Senators' attention to the July 8, 1985, edition of Business Week noting that among those U.S. industries in which R&D spending grew the most in 1984, machine tools ranked fourth—ahead of computers, electronics, and automotive spending.

Laudable as these efforts are, however, the industry has gone as far as it can go without the requested relief it deserves. The industry needs an answer—an answer which is long overdue. It is my hope that a favorable answer will be forthcoming without any further delay. Our national security depends upon it.●

DETROIT AREA SCOUTS HONORED

● Mr. LEVIN. Mr. President, I would like to commend three Detroit area Boy Scout troops who spent a weekend in Niles, OH, helping victims of the May 31 tornado which leveled the town.

The Webelos: David Comerford, Aaron Fisher, Michael Helmrich, David Kuryvial, Steven Napolitano, George Pearson; Boy Scouts: Richard Bennett, Gerald Cameron, Peter Cullen, T.J. Grimaldi, Eric Higgins, Bogdan Lemecha, James Murdoch, Gerald Petre, Eric Schabo, David Seeley, Bryon Smith, Jay Stuve, Karl Tarkanyi; and Boy and Girl Explorers: Jennifer Gray, Robert Gray, Dawn Lombard, Valisa Lombard, Kevin Smith; collected food and clothing for the victims of the deadly storm.

The Scouts performed many and varied tasks. They cleared fallen trees, repaired broken toys, helped senior citizens, and several meals at the disaster center.

The Niles town clean up was a tremendous undertaking for Niles residents and the volunteers who came to their aid. People who had never met prior to the disaster pulled together with love and compassion in order to begin restoring Niles to its pretornado state of order and organization.

I further commend the adult leadership and non-affiliated members: Douglass Kerry, Joanne LaBeau, Kathie Lombard, Max Martin, Jesse Murdoch, Steve Napolitano, F.A. Pilch, David Pozak, Mike Ried, Brian Stalcup, and James Stuve, for a job well done. Also, Sgt. Ivon Coleman of the Michigan Army National Guard who drove the bus which safely brought these volunteers to the area, is to be thanked for pitching in to help the Scouts and the citizens of Niles, OH.

It is indeed a pleasure to honor these outstanding young people who gave so unselfishly of themselves when they saw a need to be met. I ask my colleagues to join me in congratulating the Scouts and their leadership for this act of kindness and community service. I thank them and wish them well in future endeavors.●

EXPANDED CAPITAL OWNERSHIP AND THE IDEOLOGICAL HIGH GROUND

● Mr. SYMMS. Mr. President, today I am including the second of a series of three articles on the technology of expanded capital ownership. As part of America's search for more effective ways to promote private-sector productivity, investments and jobs, over 7,000 U.S. companies have adopted employee stock ownership plans [ESOP's]. And they seem to work. With over 10 million American workers now participating as coowners of the companies they work for, it is useful to understand the reasons ESOP's are becoming increasing part of the American free enterprise system. The following comments were excerpted from Senator RUSSELL B. LONG's floor statement of November 17, 1983, in support of the Employee Stock Ownership Act of 1983:

WHOSE PIE? AND WHY ESOP's?

(By Hon. Russell B. Long)

Employee stock ownership has grown in popularity all across this country over the past decade.

I am convinced that this ownership issue goes to the very heart of just what sort of economic system we mean to have in the United States, and just what sort of Nation we intend to leave for succeeding generations of Americans. * * *

Employee stock ownership is not a partisan issue; rather, it is an issue that cuts across party lines in an attempt to bring out the best in our free enterprise system. It is only fair and right that those who work to make this economy succeed should have an opportunity to share in that success. It is a matter of simple commonsense and basic equity.

If we want this private property system of ours to succeed, we simply must insure that as many Americans as possible have an opportunity to earn an ownership stake in that system. A continuing fundamental weakness of our system is that so many Americans own so very little while a relatively few Americans own a great deal.

This does not mean that we should redistribute the wealth of current owners. The intent is not to take from those who own to give to those who do not. Rather, the goal is to provide incentives for financing to be structured in such a way that, in the future, more Americans will have a chance to accumulate a capital estate.

INCENTIVE-SIDE ECONOMICS

Mr. President, in the 97th Congress, we enacted a sweeping set of tax incentives designed to promote the growth of investment. Under the banner of supply-side economics, the Congress reformed the depreciation rules, cut the capital gains tax, and enacted several other amendments with the idea of encouraging capital spending. * * *

We should continue our encouragement of this emphasis on such "hard" economic factors as capital investment and research and development. However, this approach will be shortsighted if we continue to overlook the "soft" factors that impact productivity—the motivation, commitment, and dedication of our work force.

Incentives for employee stock ownership provide a way to link these two factors and to end the costly mismatch between our national goal of improved productivity and our system of incentives and rewards.

WHOSE CAPITALISM?

The economic strength and political stability of this Nation stem largely from our commitment to a private property, free enterprise philosophy. To date, however, we have not strongly encouraged the use of financial techniques designed to provide widespread access to capital ownership. Consequently, in this, the world's most avowed

capitalist nation, we have only a scanty sprinkling of capitalists.

In 1976, for example, the Joint Economic Committee studied this ownership issue and found that 50 percent of the market value of individually owned corporate stock in the United States is held by just 0.5 percent of the U.S. population, and 72 percent is owned by a mere 6 percent of the population.

Perhaps the most disturbing aspect of the present state of our private property system, however, is noted by the National Bureau of Economic Research, which reports that for the majority of American families, their most important wealth is now their entitlements under our pay-as-you-go social security system.

Thus, for the majority of Americans, their most significant asset is an assurance that their children will be taxed on their behalf. Mr. President, I question the wisdom of both U.S. economic policy and U.S. tax policy when the end result is to leave most Americans dependent for their subsistence on taxes paid by an already over-taxed population.

The financial press indicates that the Nation's pool of productive capital will increase by $2 to $5 trillion by the end of this century. Yet unless we develop financial incentives to spread this newly created wealth more broadly among our citizens, this Nation's crippling legacy of concentrated ownership will continue and the great bulk of that new wealth will become owned largely by the already-wealthy.

This likelihood led the Joint Economic Committee to conclude in its 1976 annual report:

To provide a realistic opportunity for more U.S. citizens to become owners of capital, and to provide an expanded source of equity financing for corporations, it should be made national policy to pursue the goal of broadened capital ownership.

WHOSE PRODUCTIVITY?

This concentration of wealth is not only unjust, the evidence indicates that it is harmful to the efficient and successful operation of a market economy.

In a 1980 Gallup survey, which asked workers who they thought would benefit from improvements in their productivity, only 9 percent felt that they, the workers, would. Most assumed that the beneficiaries would be others—consumers or stockholders or management.

Although increased productivity has a generally positive ring to it, for the average hourly worker increased productivity suggests that the company will benefit at his expense—for example, through speedups or through job insecurity due to automation.

The inference is clear. When employees themselves become stockholders, their attitudes toward productivity will change. This commonsense conclusion gains support from a series of studies of companies with the foresight to embrace employee ownership. One of the first studies focused on employee-owned cooperatives in the Pacific Northwest in which the average output exceeded industry productivity levels by more than 30 percent * * *

In a related finding, a 1977 report on employee-owned companies by the Survey Research Center at the University of Michigan—sponsored by the Economic Development Administration of the U.S. Department of Commerce—found that companies with a substantial degree of employee ownership are 1.5 times more profitable than comparable conventionally owned firms. They also discovered that the more equity the employees own, the more profitable the company. Managers surveyed indicated a noticeable improvement in work attitudes and a positive effect on productivity.

Similar results are reflected in a 1979 study of 72 companies with employee stock ownership plans (ESOP's) sponsored by the ESOP Association of America. The typical ESOP company studied had been in business for 24 years and had established its ESOP 3 years prior to the study. Over the 3 years, an average of 7 percent of the stock of the company was transferred to the ESOP each year; at the time of the survey, the typical ESOP in the survey held 20.6 percent of the company stock.

During those 3 years with an ESOP, annual sales per employee increased an average of 25 percent, total annual sales rose an average of 72 percent, and annual profits grew an average 157 percent. In addition, the results showed a close correlation between ESOP's and a growth in both employment and tax revenue, the study finding an average 37-percent jump in total jobs per company and an average 150-percent increase in company-paid taxes.

A 1981 survey of 229 ESOP companies by the Journal of Corporation Law at the University of Iowa School of Law found that while other companies' productivity was declining during the 1975–79 period, productivity in ESOP companies was increasing. In addition, one-third of the companies surveyed reported reduced employee turnover and improved quality of work.

In May of this year, the American Business Conference published the results of a 2-year study designed to explain how and why mid-sized growth companies have outpaced the Nation in sales, profits, jobs, and exports. In the high-growth companies studied, employees own over 30 percent of the company stock—a surprisingly high proportion for companies averaging over $200 million in annual sales.

On the basis of the research to date, it is clear that companies with employee ownership are likely to be more productive and more profitable than those without, and the more ownership held by employees, the better the performance of the company. Just as the company with employee ownership will have an advantage over a conventionally owned competitor, so, too, will the U.S. economy enjoy a competitive advantage with policies and programs supportive of widespread employee ownership.

It does not require an industrial psychologist to explain this phenomenon—a phenomenon, I should add, that is being repeated time and again across the Nation as more and more companies are establishing employee stock ownership plans. A sense of ownership is crucial to the efficient and successful functioning of our private enterprise system—a system based on individual initiative and on sharing in the gains that one's efforts bring about.

As an additional benefit, it appears that the tax incentives provided for corporate financing with ESOP's may well pay for themselves in the form of more jobs and generally higher tax payments—by both employees and employers.

Employee ownership can also help to create a more widespread unity of interest and incentive, thereby fostering better relations between management and labor. It can serve as a new stabilizing element, an element that may encourage these traditional foes to act more in the national interest by beginning to operate more in a much needed spirit of cooperation and compromise.

Stock ownership by employees—both management and rank-and-file employees—can create a work environment in which issues are resolved more constructively. Getting both sides to work together to solve problems they share in common can be a very powerful force for dismantling alienation and distrust.

Unions need new ways to deliver victories to their members, and management must find new ways to deal with union demands. Employee stock ownership provides a fruitful new area in which these adversaries can resolve their differences.

RELIEVING THE FISCAL STRAIN

A strong case for expanded ownership could be made on equitable grounds alone—or on motivational grounds alone. Certainly a nation, that puts its faith in a private enterprise system should conduct its economic policy so as to insure that the voting public has a personal stake in that system.

Rather than creating a constituency for private property capitalism, however, we have been steadily adding people to the make-work rolls, to the income security rolls, and to the countless other State and Federal programs designed to disguise the onus of welfare. This is clearly not the direction in which Federal tax policy should encourage the American economy to move.

Only recently have the consequences of this shortsighted approach begun to surface. The fiscal strains are the most obvious, with the growth of Federal transfer payments revealing one troublesome dimension of the problem. In 1960, these payments to individuals totaled 26.4 percent of total budget outlays; by 1980, they had skyrocketed to more than 50 percent; $27 billion was paid out in 1960; 23 years later these costs have risen to more than $400 billion. Just since 1970, transfer payments have grown more than $250 billion. These trends simply must be reversed.

TOWARD A PRIVATE SECTOR SOLUTION

It would be helpful if we could reduce the Government spending devoted to public sector employment. Without continued public spending, we cannot maintain these people in the new jobs to which they have been drawn by the inflationary spending of the past. We find ourselves running faster and faster to keep people employed in what are often artifically created jobs; meanwhile deficits continue to grow at an alarming pace.

This approach stems, in part, from the belief in the deliberate stimulation of aggregate demand as a means of creating full employment. But to blindly follow that approach requires that we elevate the tax system and government-stimulated demand to a position higher than the Nation's wealth-production system, upon which all tax revenues and everyone's ultimate standard of living depend. It is production that creates income and only income that can be taxed or spent.

The expanded ownership concept suggests that continued heavy reliance on taxation and Government spending is not a sound long-term approach to maintaining market demand and economic growth in a private property economy. Our long-term economic and tax strategy should offer incentives for the private sector itself, as the principal producer of goods and services in the economy, to become a more direct and efficient distributor of the purchasing power needed to consume those goods and services.

We can begin to move in that direction by encouraging companies to finance newly

formed capital so that it is broadly owned, and then encouraging a substantial payout of the earnings on that capital in order to put purchasing power into consumers' hands.

The concept of a market economy is based on the premise that each person's outtake from the economy is directly related to that person's productive input. In a technologically advanced, capital-dominated economy such as ours, that presents a problem. Where capital instruments account for a major portion of an economy's input and capital owners are few, we must call on Government to redirect the income flows that would otherwise flow to this already income-saturated few.

Market mechanisms reward productivity—the ability to produce a product or a service to meet market demand. Productivity is, in part, dependent upon individual effort. However, and this is particularly true of our crucial infrastructure, to a great extent productivity is dependent upon technological advances and efficiencies converted to productive capital.

Since the dawn of the industrial revolution, our enhanced ability to utilize labor-saving technology has enabled this Nation to gradually shift the burden of industrial production off of our labor force and onto the Nation's nonhuman resources—the machinery, equipment, processes, and other advances that have been the hallmark of 20th century economic progress.

If the market system were permitted to operate in a totally laissez-faire manner, the bulk of the national income would flow to the owners of this Nation's productive capital. Those few owners, however, could consume only a small portion of the Nation's output.

When capital owners are few, the private property conduits of a market economy create vast reservoirs of savings for those few—savings that can then be reinvested to acquire more income-producing assets. If there were many owners, those same conduits could begin to broadly irrigate the economy with purchasing power.

By producing the economic pie, we necessarily create the problem of how it is to be distributed. Redistributive taxation is one way to achieve a more equitable and a more workable distribution of income, but for this purpose it is strictly a hindsight, remedial approach. And, of course, Government can never return as much as it takes, so its costs insure a net loss in the transfer.

This bill suggests a positive, forward-looking approach, one that begins to link the concern for production with the concern for widespread income distribution. It suggests that as we increase the economy's overall power to produce, we should simultaneously provide incentives to systematically increase the economic power of households to consume.

The long-term goal of ESOP-type financing is to create income-generating mechanisms to supplement the income earned through employment. The goal is to link a growing number of American households to the economic growth—as well as the capital income—represented by newly created capital, the capital whose creation our tax system was recently amended to encourage.

The free enterprise market mechanisms of incentive and reward have brought more and better goods and services to more people here and throughout the world than any other system in history. Yet those mechanisms are not indestructible. If they are to be preserved, we need an institutional framework that operates in their support. That support lies in the direction of a more democratic form of private property ownership.●

DEFENSE DEPARTMENT PURCHASES

● Mr. GOLDWATER. Mr. President, last month I made a press release crediting the Boeing Aircraft Co. for announcing a rather creative corporate approach toward ending the spare parts scandals that have plagued the Defense Department for the past few years. On April 15, Boeing announced that it would refund the purchase price of any spare part bought from Boeing which the Defense Department later determined to have been overpriced. I am happy to report that other major defense contractors have decided to make a similar commitment.

Today I am pleased to announce that the McDonnell Douglas Corp.—which, in terms of Government contracts is probably our Nation's largest defense contractor—has made a similar commitment to refund any apparent overcharges for spare parts. Under this policy—subject to reasonable limitations—the Government can return any spare part or piece of support equipment if there is any dissatisfaction with its cost—no questions asked. To their credit, McDonnell Douglas takes this guarantee one step further. Should the military consider it necessary to retain the item in stock for operational readiness concerns, the complaint will be addressed without regard for a time limit.

In establishing what may now be the most comprehensive refund policy in the aerospace industry, McDonnell Douglas has taken a major step toward restoring the credibility of the entire defense industry.

I want to publicly commend Sandy McDonnell and all the dedicated, patriotic men and women of the McDonnell Douglas Corp. for their determination to ensure that for every dollar spent by the military, the American taxpayer gets a full dollar's worth of defense.

Mr. President, I look forward to making similar statements on the Senate floor as additional defense contractors make the same commitment Boeing and McDonnell Douglas have announced.

I ask that a letter from McDonnell Douglas in this connection be printed in the RECORD.

The letter follows:

McDONNELL DOUGLAS CORP.,
St. Louis, MO, July 24, 1985.

Hon. CASPAR W. WEINBERGER,
Secretary of Defense,
Washington, DC.

DEAR MR. SECRETARY: Since 1983 the McDonnell Douglas Corporation has been working with the Defense Department to encourage the purchase of items at the lowest possible price. We have been informing the military services in writing when requests for quotes produce high prices due to uneconomical quantities, high set up costs or unavailable tooling. Further, on parts we purchase we have been encouraging the Services to go directly to the supplier rather than through MDC, when this results in lower cost.

For some time now we have been working on another initiative that should assure you and the department that you can buy with confidence from McDonnell Douglas and its components.

The attached memo establishes a policy whereby the government can return any spare part or piece of support equipment if there is any dissatisfaction with its cost—no questions asked. Furthermore, if the military feels it must retain the item in stock for operational readiness, their complaint will be addressed without concern for a time limit. The refund policy which is the most comprehensive in the aerospace industry will also be offered to our commercial airline and foreign military sales customers.

We will make a formal announcement of this policy in a few weeks, but I wanted you to know that the McDonnell Douglas Corporation stands by its products and takes great pride in our reputation for integrity and ethical conduct.

Sincerely,

SANFORD N. MCDONNELL.

JULY 23, 1985.

To: A. Browde, D. Malvern, J.G. Real, J.E. Worsham, J.F. Yardley.

XC: R.J. Alagna, M.I. Burch, J.G. Brown, J.M. Gardner, M.D. Marks, G.J. Meyer.

Subject: Spare Parts Policies.

Enclosure: (1) Spare Parts and Support Equipment Policies, July 23, 1985.

1. As contemplated in our memo of 13 June 1985, the enclosed Spare Parts and Support Equipment Policies have been coordinated with the aerospace components and are hereby approved for implementation immediately.

R.C. LITTLE.
R.L. JOHNSON.

SPARE PARTS AND SUPPORT EQUIPMENT POLICIES

The following policies are effective immediately on MDC aerospace prime contracts (U.S. Government and FMS, but excluding contracts where MDC is a subcontractor):

1. ENFORCED BREAKOUT

Policy—MDC will reemphasize support of breakout policies of the USG and will make a concerted effort to eliminate low value spares and non-complex support equipment from MDC furnished lists by:

(1) Resisting stocking or quoting purchased parts as spare parts to MDC customers. Customers will be encouraged to purchase from the true manufacturer(s).

(2) Progressively identifying and reclassifying non-structural low value MDC manufactured parts from "Make" to "Buy" with the exception of items not applicable to spares provisioning, to the maximum extent possible. This will apply to parts currently used in production which can be more economically purchased outside for both production and spares. Turnover from "M" to "B" will be initiated immediately, but existing inventories will be used before transition. Target date for completion is 31 December 1985.

(3) Increasing use of qualified low cost sources for purchase of non-complex support equipment and encourage customers to obtain follow-on requirements direct from such sources when feasible.

2. INTERIM PROCEDURES

Pending the transition of "enforced breakout," step 1 above, we must pay particular attention to low value parts to avoid the appearance of overpricing. During this period, kits, discounts, price reductions or other legitimate forms of price adjustment may be used if necessary.

3. PRICE REFUND POLICY

MDC will establish a refund policy for military customers who are dissatisfied with the price paid for MDC spare parts or support equipment providing:

(1) Parts or equipment were purchased from MDC and were MDC designed and manufactured products;

(2) They are returned in new and unused condition and are of current production configuration;

(3) They are returned within 6 months of delivery from MDC; and

(4) Price is not greater than the threshold for submission of cost and pricing data per P.L. 87-653, i.e., $100,000. No questions asked!

(5) In instances when Military Operational Readiness requirements prohibit the return of spare parts or support equipment within the 6 month period, MDC will continue to address customer concerns about prices on such parts and equipment on a case by case basis without regard for the 6 month limit.

4. CONTINUING PROCEDURES

The following policies previously established on 19 September 1983 are still valid:

(1) Discourage ROMS, quick quotes, and "not to exceed" prices which satisfy customer demands for quick response but can result in artificially high or unrealistic quotes.

(2) Advise customers in writing when requests for quotes produce high prices due to uneconomical quantities, high set-up costs, unavailable tooling, etc.

(3) Support "breakout." Advise customer of actual manufacturer and encourage direct procurement. Assist customers by giving access to supplier lists, automated data bases, etc. to facilitate direct customer procurement.

(4) Monitor supplier cost proposals. Challenge unrealistic quotes.

(5) Continue to monitor MDC spare parts and support equipment quotations, provisioning data, catalog prices and like source data to voluntarily identify and correct overcharges or errors.

(6) Make voluntary refunds or price adjustments if appropriate.

5. SUPPORT RESPONSIBILITY

MDC policies must also stress our dedication to the support of our products. During the implementation of these policies on spare parts and support equipment, we must do so in a manner which will not compromise product support.

6. COST ALLOCATIONS

Finally, MDC components must abstain from the allocation of provisioning costs or other "line item add-ons" which inflate the unit cost of spares or support equipment. Our policy shall be to bid such support costs as stand alone. This does not apply to cost allocations handled in accordance with the MDC Disclosure Statement.●

CONGRESSIONAL CALL TO CONSCIENCE

● Mr. MURKOWSKI. Mr. President, it is an honor and a privilege for me to participate today in the Congressional Call to Conscience for Soviet Jews and Christians. This effort, ably chaired by my distinguished colleague on the Senate Foreign Relations Committee, Senator RUDY BOSCHWITZ, puts the Congress on record every day it is in session as expressing concern and support for Soviet Jews and dissidents of all religions in the Soviet Union who are denied their basic human rights, including the right to practice their religions or to emigrate.

It is a special honor to take part in this program today because tomorrow marks the 10th anniversary of the signing of the Helsinki accords. By signing those documents the Soviet Union committed itself to honor the human rights of all its citizens, including the right of religious freedom and of family reunion through emigration.

Since that time we have seen what the Soviet Union really thinks about its commitments under international law and international agreements. The situation in the Soviet Union for Jews and other minorities has worsened considerably year by year. Soviet Jewish emigration has fallen to a new low of 464 persons for the first 5 months of 1985 compared to 51,000 in 1979. At the same time there has been a significant increase in anti-Semitic activity, including the closing of synagogues, discrimination in education, and the confiscation of prayer books.

Mr. President, I would like to mention the case of only one of the many persons caught in the web of discrimination and denial of human rights which is the reality of Soviet Russia today. Mr. Yuri Rodin is a 46-year-old mathematician living in the Moscow area. Since applying for a visa in 1979 to leave the Soviet Union to join his relatives in Israel, his position has become increasingly perilous. In 1980 the authorities tried to fire him from his position in the Solid State Physics Institute of the Academy of Science. With an unusual show of courage, his colleagues refused to participate in the attempt to harass him, and as a result he was able to stay on the job.

Mr. Rodin's wife, Elena, was not as fortunate. She lost her job as a computer programmer early in 1982 because the authorities canceled her position. Now, once again, threats have been made to her husband that he will also be removed from his job. Since in their city even the night watchman's job seems to be controlled by the scientific director, it probably will be difficult for him to secure any other kind of work, should he be fired. With no income, the impoverishment of this family would then be complete.

Though suffering all the hardships of the refusenik life, Mr. Rodin is still optimistic and appreciative of all the efforts being made to help his family. He has written to friends:

> The only encouraging thing is the moral support of our colleagues in the U.S.A. and Europe. We understand that public opinion in the West keeps us out of jail and gives us hope to join our families in Israel.

It is when I consider cases such as this that I appreciate not only how important a statement in the CONGRESSIONAL RECORD can be for keeping attention focused on this issue, but also how privileged I am to have the right to make such a statement freely and without fear. Mr. President, too often we take for granted the freedoms we have in this great country. It is only when one steps back to observe how some of the world's governments treat their citizens that one can truly appreciate the way in which our Government respects both our rights as citizens and its international agreements to protect those rights.

A corollary of that though is that it is essential that we Americans remain committed to the propositions that others deserve the same rights and freedoms, and that it is our responsibility to call the world's attention to denials for human rights. The Congressional Call to Conscience does just that through these daily statements of concern. I hope and trust its efforts will bear fruit in the form of an improved human rights situation in the Soviet Union and a commitment, at last, by that country to observe the Helsinki accords whose 10th anniversary we observe tomorrow.●

TRIBUTE TO MICHAEL S. PALLAK, PH.D., EXECUTIVE OFFICER OF THE AMERICAN PSYCHOLOGICAL ASSOCIATION

● Mr. INOUYE. Mr. President, I rise today in tribute to a fine scientist and scholar, Dr. Michael S. Pallak, who will step down as executive officer of the American Psychological Association next month. It is most appropriate that this body honor Dr. Pallak, since, through his efforts at the helm of the largest association of psychologists in the world, we and the American people have been provided access to invaluable new knowledge.

The official purpose of the American Psychological Association is to "promote psychology as a science, as a profession, and as a means of promoting human welfare." Clearly, Dr. Pallak has upheld, personally and professionally, the goals of his own organization. In his 10 years at the association, of which the past 6 have been in the grueling role of chief operating officer, he has expanded the scope, the quality, and the importance of the APA. He has made available to the Congress, to the President, and to the courts, the accumulated knowledge of

76,000 psychologists. He has been most invaluable in my own efforts to ensure that psychology practitioners will ultimately be autonomously recognized under each of our Federal health care programs. He has helped ensure that the health and welfare of the American people are the primary considerations in governmental decisions. And, he has made us aware that scientific advancement through research is one of the highest and most beneficial goals of any civilization.

Mr. President, the operating budget of the American Psychological Association has grown during Dr. Pallak's tenure from $11 million to almost $37 million. Three years ago, APA purchased the popular magazine Psychology Today, and Dr. Pallak has turned around its financial status from tenuous to sound. More important, Dr. Pallak has made certain that the articles written for Psychology Today are at the forefront of popular science and public concerns. That association also publishes 20 scientific journals on a wide range of topics within psychology. Truly, Dr. Michael Pallak has well managed a burden that many of us would be loathe to shoulder, and he has carried it with good humor, grace, and a strong sense of pride in his mission.

To Dr. Michael Pallak, to his wife, Dr. Suzanne Pallak, and to his two daughters, Michelle and Stephanie, I pay tribute, express our appreciation, and extend all good wishes for a happy and continuing productive future.●

COMPACT OF FREE ASSOCIATION

● Mr. PACKWOOD. Mr. President, on Monday the Senate Finance Committee considered the tax and trade provisions of the Compact of Free Association, which governs the future relationship between the Republic of the Marshall Islands and the Federated States of Micronesia, and the United States. This compact was contained in Senate Joint Resolution 77. The committee has reported favorably on the resolution with an amendment. I would like to take a few moments to explain the committee's actions and the reasons for them.

BACKGROUND

The Republic of the Marshall Islands and the Federated States of Micronesia are two of the four governments in the Trust Territory of the Pacific Islands. The trust territory has been administered by the United States since its creation in 1947 by an international agreement sponsored by the United Nations. The United States does not claim sovereignty over these territories under the agreement.

As I noted, the Compact of Free Association will govern the future relationship between these two States—the Freely Associated States and the United States. Under the compact, the Freely Associated States will be self-determining sovereign states with full control over their internal and external affairs. However, the United States will retain authority over all matters concerning security and defense of the area, and numerous other connections between the governments will be maintained.

COMMITTEE CONCERNS

The committee believes that some of the provisions of the compact, as originally proposed, are contrary to the tax and trade policy of the United States. First, they would have made the Freely Associated States into unusually effective tax havens. Second, they would have granted the Freely Associated States more favorable tax treatment than is afforded to the possessions of the United States, by freezing possessions treatment in place as it existed 5 years ago. Moreover, the adoption of the provisions would set an unwanted precedent that other foreign countries might attempt to follow in negotiating tax and other treaties with the United States. Finally, the trade provisions of the compact could have resulted in circumvention of U.S. tariff laws, particularly by exporters in the Far East. In approving the proposed compact, the House of Representatives included provisions in its resolution (H.J. Res. 187) that were meant to address these concerns.

Nevertheless, the committee fully recognizes the strategic importance of the compact, and the importance of providing incentives for investment in the Freely Associated States in a manner that adheres to the spirit and intent of a mutually negotiated agreement. Moreover, the committee recognizes the special relationship between the United States and the Freely Associated States that arises out of the trusteeship. Therefore, the committee supports the extension to the Freely Associated States of one of the major investment incentives applicable to the possessions, that is, the possessions tax credit of section 936 of the Internal Revenue Code. The committee insists, however, that such incentive not be made available to the Freely Associated States at any time when it is unavailable to the possessions.

The Finance Committee therefore recommends an amendment to Senate Joint Resolution 77 that parallels in many respects title IV of House Joint Resolution 187, clarifying the application of the tax and trade provisions of the compact. First, those provisions of the compact that would have enabled taxpayers to use the Freely Associated States as a tax haven—section 253 and the second sentence of section 254—are rendered ineffective with respect to U.S. taxes. The committee does not believe that the United States should seek to create a refuge from U.S. taxes. However, U.S. taxpayers in the Freely Associated States will receive the benefit of the normal rules applicable to U.S. taxpayers abroad, including the foreign tax credit for income taxes paid to the Freely Associated States, and the foreign earned income exclusion under Code section 911.

Second, the provision of the compact providing business investment incentives—section 255—is clarified so that it applies to one specific incentive provision—Code section 936—as it is amended from time to time. Section 936 in effect grants an exemption from U.S. tax for qualifying income earned in a possession—or, in this case, the Freely Associated States. If the benefits of section 936 are reduced, the Secretary of the Treasury and the Freely Associated States are to negotiate new benefits substantially equivalent to the lost benefit. If negotiations fail to produce a resolution within 1 year, the matter is to be submitted to an arbitration board provided for elsewhere in the compact. The committee's amendment differs from the House version in two respects. First, the effective date of any change to section 936 will not be delayed for 1 year in the case of the Freely Associated States. The committee does not believe it appropriate to enact a rule that would grant the Freely Associated States a greater benefit than is available to the possessions and would lead to the inconsistent treatment of similarly situated taxpayers. Second, the committee's amendment specifies that the U.S. representative to any arbitration conducted with respect to these tax provisions is to be the Secretary of the Treasury or his delegate. The committee concludes that Treasury is the appropriate agency to represent the United States in these matters, which fall within its area of expertise.

Finally, the committee's amendment clarifies that the Freely Associated States will continue to be treated as part of the North American area for purposes of allowing U.S. taxpayers to deduct convention expenses incurred in those States. (The Trust Territory of the Pacific Islands is currently designated as part of the North American area by Code section 274(h)(3).)

With respect to the trade provision of the compact, the committee's amendment follows the House resolution. The Freely Associated States will for tariff purposes be treated as foreign countries designated to receive duty-free treatment on eligible articles under the generalized system of preferences [GSP]. However, in meeting the 35 percent minimum local content requirement under the GSP, U.S. materials up to 15 percent may be included. In addition to the statutory exclusions under the GSP, canned tuna

would be ineligible for duty-free treatment.●

FOREST PRODUCTS AND THE MOSS TALKS

● Mr. BAUCUS. Mr. President, to say that trade tensions between the United States and Japan are high is an understatement. This should be patently obvious to any observer. Sometimes, however, I get the feeling the Japanese still do not understand the level or the depth of our concern and dissatisfaction.

For example, at the beginning of the year—some 7 months ago—Prime Minister Nakasone and President Reagan announced negotiations on specific sectors. These MOSS negotiations were to be aimed at opening trade on a sector-specific basis. Four areas were selected to start: Telecommunications, electronics, medical equipment and pharmaceuticals, and forest products—including both paper and solid wood products. The goal was identification and removal of all barriers to trade in each sector. Success in these areas was to be followed by the addition of other sectors.

If the Japanese were truly committed to opening their markets and so alleviating tensions between our two countries, they would be moving rapidly to demonstrate that interest in the MOSS negotiations. We would expect to see dramatic progress in a very short period of time. This has not been the case.

There has been some significant progress in one sector, some small progress in two, and no progress at all in the forest products.

Yesterday Assistant U.S. Trade Representative James Murphy testified before the Banking Committee on the MOSS negotiations. His report on forest products was wholly pessimistic—there has been no movement at all.

I think my colleagues will find what he had to say enlightening:

> Two major problems continue to stymie progress.
>
> The first concerns the timing and depth of tariff cuts on wood and paper products. The Japanese participants in these MOSS talks have been unwilling or unable to go beyond Prime Minister Nakasone's April 9 statement that the Japanese Government would "positively consider reduction of [wood] tariffs approximately from the third year," now understood to be 1987. On paper tariffs, although we recently requested that Japan match the zero tariff rates that the United States has, the unilateral June 25 tariff announcement by the Japanese Government included only a 20-percent cut. This issue will continue to be discussed in the MOSS talks. The second issue concerns Japan's intention, announced on April 9, to launch a 5-year program to restructure the domestic forest products industry. We want to ensure that the GATT and OECD guidelines are followed, as well as the spirit of MOSS' market-oriented philosophy. The Japanese have agreed to do so.

Mr. President, those are not the words of a negotiator who is having great success. I say that not in criticism of either Assistant U.S. Trade Representative Murphy or of Agriculture Under Secretary Amstutz, both of whom I like and respect. I am sure they share my frustration.

I hope my Japanese friends are listening: three out of four won't do; success in the forest products negotiation is necessary; and success must come rapidly. We are not going to accept endless delays while the Japanese protect and strengthen their sawmill operators.

Refusal to make real concessions—to implement Nakasone's commitment—will not lessen tensions; refusal to budge will only increase anger in this Nation. The MOSS negotiations are only a start—if we cannot even get agreement after a pledge from the Prime Minister, how can we expect any cooperation in other areas?

We in the Congress expect action. We expect results—in all four MOSS areas—and we expect them soon.●

PART B MEDICARE APPEALS PROCESS

● Mr. HEINZ. Mr. President, for some time I have been aware of a problem that my constituents and many other elderly Americans across the Nation are facing. The problem is an unfair gap in the appeals process under the Medicare part B law.

Medicare part B pays for doctors visits and other outpatient services. Last year, claims under part B totaled over $19 billion. For older Americans living on a fixed income, whole or partial denial of a claim may impose a severe financial hardship and emotional distress. Unfortunately, as one of my constituents learned recently, appeals rights under current law for part B reimbursements are quite limited. The Medicare statute and recent court decisions have effectively precluded judicial review of claims paid or not paid.

The problem is poignantly illustrated by Samuel Glass, a 72-year-old married gentleman from Allentown, PA. Mr. Glass' only source of income is Social Security. His left leg has been amputated and his lower right leg weakened by poor circulation. He has severe arterial disease and a long standing history of diabetes, arteriosclerosis and coronary artery disease. Now Mr. Glass heard an advertisement that Medicare would cover the cost of a seat lift, an item which would greatly facilitate his ease of movement to and from bed and chair. He called Medicare, explained his condition, and was told that he qualified for the lift chair. Mr. Glass then borrowed close to $2,000 from his brother to purchase the chair. He submitted his claim for reimbursement for $1,595 to the Medicare carrier which denied payment based on the medical necessity rules. He had to borrow money from his life insurance policy to repay his brother. Distraught, he asked for a review of this decision but the carrier upheld the original decision.

At Mr. Glass' request, a hearing was held before an employee of the carrier. Mr. Glass testified that without the lift he would suffer and would have to have people help him up from his chair. In using the lift, he is able to stand up and get around with a cane or walker. Despite the treating physician's prescription and supporting letters that Mr. Glass needs and would benefit from a seat lift, he was again denied payment because there had not been an improvement or retardation in the severity of his medical conditions.

Unfortunately, this was Mr. Glass' last chance for redress. This decision is final unless Mr. Glass can come up with new or material evidence. While I am not in a position to state whether Mr. Glass would ultimately prevail, I believe he should have an opportunity to challenge the denial before an administrative law judge and to have the chance for judicial review should he wish to pursue his claim.

Mr. Glass has suffered greatly—the cost of the lift has depleted all of his resources and the denials have drained him emotionally. He is not alone, but his case illustrates the urgent need for better due process protections for Medicare beneficiaries.

Mr. President, my colleague, Senator DURENBERGER, chairman of the Subcommittee on Health, Committee on Finance, is also acutely aware of the limited appeal rights of vulnerable part B beneficiaries. He and I have been working together to solve this problem. It is my expectation that we will shortly move to correct this unfairness in the law.●

ON THE PASSING OF HERBERT SCOVILLE

● Mr. HART. Mr. President, Susan Sontag, in a recent book "Illness as a Metaphor," said of cancer, "It is a disease which doesn't knock before it enters." She might have added that, however furtively it comes into the lives of people we love, there is an awful thunder when it claims someone close.

It was with a great sense of sadness that I learned my friend Dr. Herbert "Pete" Scoville, Jr., had died of cancer yesterday. I am sure all our colleagues join me in sending our thoughts and prayers to Pete's wife Ann, and their four children.

John Donne once wrote, "Any man's death diminishes me, because I am involved in Mankind.* * *" Just as we are diminished by the death of Her-

bert Scoville, so to, all of us, were enlarged and indeed challenged by his contributions in life.

Dr. Scoville served with distinction and dedication as Deputy Director of the Central Intelligence Agency and Assistant Director of the U.S. Arms Control and Disarmament Agency. As a Government official, he argued forcefully for nuclear arms control and a test ban treaty.

After a long and remarkable career in public service, Herbert Scoville devoted his tireless energies to the cause of peace. His dedication to meaningful arms control, consistent with his commitment to this Nation's security, inspired innumerable policymakers, students, scientists, and concerned citizens to follow his lead.

Herbert Scoville was a prolific writer of books and articles which articulated his vision of a sane and sensible defense policy for the United States. Tackling technically difficult subjects, his writings were marked by great intellect. Yet his work also reflected both remarkable compassion and a desire to communicate with citizens regardless of their grasp of strategic doctrine.

Herbert Scoville was a friend, a colleague of mine on defense matters, but, most of all, an inspiration. I am grateful to have known and worked with him on the issues about which he cared so deeply.

This morning's Washington Post published a fitting tribute to the life of this decent and caring man. I ask that it be printed in the RECORD.

The tribute follows:

[From the Washington Post, July 31 1985]

DR. HERBERT SCOVILLE, JR., EX-CIA OFFICIAL, DIES AT 70

(By Joseph D. Whitaker)

Dr. Herbert Scoville Jr., 70, a former deputy director of the CIA and assistant director of the U.S. Arms Control and Disarmament Agency who had written extensively on issues relating to arms control, died of cancer July 30 at Georgetown University Hospital. He maintained homes in McLean and Taconic, Conn.

Dr. Scoville began his campaign for nuclear arms control in the 1950s following the famed nuclear tests at Bikini Atoll. He argued at the Pentagon in 1954 for a test ban treaty and over the next three decades was a consistent opponents of a nuclear arms buildup.

Through his books, "Missile Madness" and "MX: Presctiption for Disaster," and in speaking engagements in this country and abroad, Dr. Scoville sought to lay the issues of arms control before the public.

Dr. Scoville said in a 1983 article in The Washington Post that he believed the U.S. was "drifting toward annihilation." Somehow the public doesn't seem to be able to grasp the significance of the issue," he said. "They read these numbers—50 million will be killed in an atomic attack, whole cities wiped out. It's nothing they can conceive of. It has no meaning in their day-to-day lives.

"If an airplane crashes and 75 people are burned up, that's a diaster everyone can visualize," Dr. Scoville continued. "They can picture themselves in the airplane. But a nuclear war that destroys our society—that tends to be just numbers. It's too depressing and they don't see what they can do about it anyway."

From 1955 to 1963, Dr. Scoville worked for the Central Intelligence Agency, where he became the deputy director. For the next six years, he was the assistant director of the Arms Control and Disarmament Agency. He resigned from the federal service in 1969. Between 1958 and 1966, he also was a member of U.S. delegations to three disarmament conferences in Geneva.

Dr. Scoville was born in New York. He graduated from Yale University and earned his doctorate in physical chemistry at the University of Rochester. He moved to Washington in the early 1940s and went to work for the National Research Defense Committee.

He was president of the Arms Control Association and had served on the boards of the Union of Concerned Scientists and the Center for Defense Information. He also had served on the council of the American Association for the Advancement of Science.

In 1981, he received the Rockefeller Public Service Award from Princeton University. He also received the Hutchinson Medal from the University of Rochester.

Survivors include his wife, Ann Curtiss Scoville of McLean and Taconic; three sons, Anthony and Thomas, both of Washington, and Nicholas, of Los Angeles; a daughter, Molly Fitzmaurice of Washington, and six grandchildren.●

RELIGIOUS FREEDOM

● Mr. D'AMATO. Mr. President, I rise today to offer to my colleagues a report written by Dr. Isaac Lewin, the distinguished representative of the Agudas Israel World Organization to the Economic and Social Council at the United Nations. He has been, and continues to be, a leading advocate for religious freedom in the world.

In 1981, Dr. Lewin was instrumental in achieving approval of the United Nations declaration on the elimination of all forms of religious intolerance. At the end of last year, Dr. Lewin submitted a working paper to the U.N. Seminar on the Encouragement of Understanding, Tolerance and Respect in Matters Relating to Freedom of Religion or Belief in Geneva. The paper is entitled, "The Prohibition of the Jewish Religious Method of Slaughtering Animals for Food."

Mr. President, I ask that Dr. Lewis's report be printed in the RECORD in its entirety.

The material follows:

UNITED NATIONS SEMINAR ON THE ENCOURAGEMENT OF UNDERSTANDING, TOLERANCE AND RESPECT IN MATTERS RELATING TO FREEDOM OF RELIGION OR BELIEF

THE PROHIBITION OF THE JEWISH RELIGIOUS METHOD OF SLAUGHTERING ANIMALS FOR FOOD

In several countries, religious Jews are deprived of meat consumption, because the Jewish religious method of slaughtering animals for food called Shehitah is prohibited.

This discrimination has a long history. Before assuming power in Germany the Nazis accused in their propaganda the Jews of being cruel to animals. Due to their efforts, several German states (Bavaria, Baden, Thuringia, Brunswick, Wuerttemberg) outlawed the Jewish religious method of slaughtering animals for food even before the Nazi takeover of the German government. After Hitler became chancellor, he issued (on April 21, 1933) a decree which annulled the law of 1917 permitting the Jewish method. Immediately after occupying Poland, the German Governor-General Hans Frank issued a decree (dated October 26, 1939) which stated: "In any territory under German rule, cruelty to animals of any kind is not permissible. Effective immediately, I therefore forbid Shehitah, that is, the painful slaughter of animals, by means of gradual draining of blood for the purpose of the so-called kosher meat consumption." This discriminatory regulation was repeated by German rulers in other occupied countries (Slovakia, Holland, France, Belgium).

Needless to say, the Jewish religious method of slaughtering animals for food has been recognized by hundreds of the greatest experts as most humane.

In England it is permitted by a law adopted in 1933. In the United States of America, Public Law 85-765 of August 27, 1958, clearly states that "slaughtering in accordance with the ritual requirements of the Jewish faith or any other religious faith that prescribes a method of slaughter whereby the animal suffers loss of consciousness by anemia of the brain caused by the simultaneous and instantaneous severance of the carotid arteries with a sharp instrument"—is "hereby found to be humane".

Nevertheless, in some countries such as Sweden or Switzerland the Jewish religious method of slaughtering animals for food (called Shehitah) is practically prohibited, because legislation in these countries requires preliminary stunning of the animal, which makes Shehitah impossible. The experts who studied this method scientificaly (using modern methods such as electroenlcephalography) declared stunning unnecessary since the loss of consciousness takes place almost instantaneously (within 3-5 seconds) after the cut.

Material concerning this problem has been collected in the book Religious Freedom: The Right to Practice Shehitah by Isaac Lewin, Michael Munk and Jeremiah Berman (New York, 1946). Additional material can be found in the book Unto the Mountains by Isaac Lewin (New York, 1975).

It is suggested that, in accordance with Article IV of the Declaration on the Elimination of All Forms of Intolerance and Discrimination Based on Religion or Belief, the States which today do not permit the practice of Shehitah shall rescind legislation which whether directly or indirectly (by requiring preliminary stunning) includes discriminatory prohibitions which offend the Jewish religion and deeply hurt the Jewish population.●

DUCK MIGRATION DECLINES

● Mr. CHAFEE. Mr. President, I came across an article in today's New York Times which confirms the importance of conserving our vital wetland areas. The story tell us that United States and Candian wildlife experts are forecasting a 22-percent decline in this year's migratory duck population. These experts attributed the decline to the loss of wetland areas—prime

habitat for migratory duck and other wildlife species.

Mr. President, the Environmental Pollution Subcommittee which I chair has recently held three oversight hearings on the implementation of section 404 of the Clean Water Act. Section 404 is the primary regulatory program by which the Federal Government can control the dredging and filling of our important wetland areas. Our oversight hearings—and we are going to hold a fourth in September—have turned up strong evidence that the 404 Program is not being run properly. This most recent report only confirms that we are losing the fight to conserve the Nation's remaining valuable wetlands.

I ask that the article be printed in the RECORD.

The article follows:

DROP IN DUCK MIGRATION MAY CURB FALL HUNTING

(By Philip Sharecoff)

WASHINGTON, July 30.—United States and Canadian wildlife officials said today that the number of ducks migrating south this fall is likely to be sharply below last year and the lowest on record.

Because of the steep decline in the projected duck population, the Interior Department's Fish and Wildlife Service is considering a steep reduction in the number of ducks that may be taken by hunters this year.

The United States Fish and Wildlife Service and the Canadian Wildlife Service projected today that about 62 million ducks would migrate south this fall, 22 percent lower than last year. The total flight of ducks is the lowest projected since the agencies began making the annual forecast in 1969.

DECLINE IN NUMBER OF DUCKS

The lower fall migration is an index of the overall decline in the total duck population. Last week the United States Fish and Wildlife Service reported that the number of ducks breeding this spring was also down sharply.

Officials of the Fish and Wildlife Service and of hunting and conservation groups attributed the steep decline in the duck population to the rapid loss and degradation of wetlands, a prime duck habitat, combined with severe drought in areas frequented by ducks.

Each state has its own migratory bird protection program, and the Federal Government, as a signer of the Migratory Bird Protection Treaty, is responsible for taking action to preserve birds that cross international boundaries.

A statement by the Federal wildlife service said that the councils of state, Federal, and Canadian wildlife managers for North America's four major flyways were discussing "possible restrictions" on duck hunting.

In fact, according to A. Alan Wentz, director of fisheries and wildlife division of the National Wildlife Federation, the nation's biggest private conservation organization, the councils have been instructed to plan on a 25 percent cut in number of ducks shot this year. A spokesman for the Fish and Wildlife Service confirmed this.

James M. Shepard, director of national and international operations for Ducks Unlimited, a 600,000-member private organization devoted to preserving ducks, and their habital, said the prevailing theory is that up to a certain point hunting does not affect the overall duck population.

Mr. Wentz of the National Wildlife Federation, which has many hunters as members, said he had "strong concerns" about stiff restrictions on hunting. "Not everyone thinks it is necessary to reduce the harvest as much as they are planning to do," he said. "We are withholding judgment."

U.S. MAKES 5-YEAR STUDY

Megan Durham, speaking for the United States Fish and Wildlife Service, said a five-year study was underway to determine the impact of hunting on the duck population. She said the service did not have data showing that hunting was at fault. "But we think that this is a serious situation that requires serious action," she said.

Wildlife managers are looking at reducing daily bag limits for hunters, she said, as well as shortening the season or some combination of changes that would reduce the duck harvest.

Whitney Tilt, endangered species specialist for the National Audubon Society, said the Fish and Wildlife Service had had to do a great deal of soul searching before it lowered the number of ducks that could be taken, because part of its budget comes from a tax on sporting equipment.

"But the one short step response they can make is to regulate hunting," he said. "It is the one management step that can have immediate results."

PRESERVING THE WETLANDS

Mr. Shepard of Ducks Unlimited, which numbers many hunters among its members, noted that the United States lost over 12.5 million acres of wetlands over the last 20 years and is currently losing it at the rate of 500,000 acres a year.

He said that the Interior Department was doing its best to preserve wetlands but that the Army Corps of Engineers and the Agriculture Department subsidized drainage by farmers and others.

Mr. Wentz, however, said, "A lot of blame falls on the Fish and Wildlife Service for backing off wetlands acquisition in the Dakotas and for not requesting money available under the Wetlands Loan Act."●

COMMUNITY EMERGENCY PREPAREDNESS AND RESPONSE ACT OF 1985

● Mr. LAUTENBERG. Mr. President, yesterday I introduced S. 1531, the Community Emergency Preparedness and Response Act of 1985. I am pleased to have Senators HUMPHREY and MOYNIHAN as cosponsors of this legislation.

The Community Emergency Preparedness and Response Act seeks to improve notification and emergency response efforts in communities with facilities handling extremely hazardous substances. It provides a framework for improving and integrating facility and community planning and emergency response capabilities, establishing Training Programs for local emergency response officials, and educating the public about what to do in the event of a dangerous release into the environment the legislation recognizes that the responsibility for emergency preparedness and response planning and implementation rests with the States and affected localities, but provides Federal technical assistance when appropriate.

Mr. President, one year ago, Bhopal, India, was unknown. Now it is a name and a place known to people all over the world. It is a name that strikes terror in the hearts of millions who live or work near a chemical plant.

On December 3, 1984, a poisonous cloud enveloped the town. It was so thick, workers could not see. Outside the plant, people died by the hundreds. Ultimately, some 2,000 perished. One hundred and fifty thousand sustained frightening injuries. It was the worst industrial accident in history. The most important task before us is to take every step to prevent such occurrences. But whenever any chemical release occurs we must be ready to respond. Hundreds of the victims in Bhopal could have been spared their lives or injuries if they had known of the hazard around them and known how to respond. In addition, many more lives could have been saved if a communication system had been in place in the city to alert them to the release.

Since that day, the question that has echoed through America is: Could Bhopal happen here?

Unfortunately, we know it can.

Texas City, TX, 1978: A sudden series of explosions at a refinery in the middle of the night. The sky lit up like daylight. Seven died. Pandemonium reigned in the streets.

Livingston, LA, 1982: Forty-three chemical cars derailed. Explosions and chemical contamination chased 2,700 people from their homes.

The Goethals Bridge, between New Jersey and New York, November 1984: Workers suspended hundreds of feet above the Arthur Kill River overcome by a vapor cloud. Six workmen and thirty passengers on the bridge sent to the hospital. New York City officials were mystified about the cause of the workers' symptoms and area hospitals were hampered in providing effective medical treatment for the same reason.

Since that release, others originating in New Jersey have traveled across State borders into parts of New York City, drawing protests from local and State officials and demonstrating the interstate dilemma posed by airborne chemical releases.

The Community Emergency Preparedness and Response Act is designed to improve our ability to respond to these disasters. It stems from a hearing held by the Senate Environment and Public Works Committee in February 1985 in the wake of the tragedy in Bhopal, India. Testimony before the committee, from firemen, State and local emergency response

51-059 O-86-16 (Pt. 16)

personnel, Federal officials and industry representatives confirmed the need to improve local notification, planning and response capabilities in the case of dangerous chemical releases.

To improve local emergency preparedness planning, the bill requires that:

The President [EPA] prepare a list of extremely hazardous substances and that facilities which handle these substances and pose a danger to surrounding communities participate in community emergency response planning.

The Governors designate planning districts within their States for areas likely to be affected by releases from such facilities and appoint local emergency planning committees to prepare emergency response plans and training programs for local emergency response and medical personnel.

The national response team, established under Superfund, provide guidance and technical assistance to emergency planning committees, and review and comment on local emergency response plans upon request.

Existing Superfund requirements to notify the National Response Center of a release be extended to require immediate notification of emergency planning committees, Governors, and other appropriate State and local officials.

Facilities that handle substances covered by OSHA's hazard communication standard submit material safety data sheets required under that standard, and an estimate of their inventory of such substances, to local emergency planning committees which shall make this information available to the public.

Mr. President, this bill builds upon the existing emergency response provisions in Superfund. While the administration has provided some guidance through the national contingency plan, this has not been adequate to accomplish effective emergency preparedness.

The national response team and regional response teams established by the national contingency plan aid in responding to releases of hazardous substances covered under Superfund, but have done very little in the area of emergency preparedness. For example, in New Jersey, the New York-New Jersey regional EPA office provides personnel after a release occurs to ensure that measures have been taken to mitigate and clean up releases. Not enough has been done, however, to ensure that response personnel and resources are adequate to respond to a release. And few communities have initiated comprehensive efforts on their own.

Today, we recognize that we cannot afford to play Russian roulette with hazardous chemicals, and bank on being able to respond without coordinated emergency response efforts.

Congress has already been responsive to the inadequacies in emergency planning and response to hazardous release. During the Environment and Public Works Committee's consideration of S. 51, the Superfund Improvement Act, I offered several amendments to improve notification requirements under Superfund, stiffen penalties for noncompliance and require compilation and distribution of material safety data sheets. The Community Preparedness and Response Act, S. 1531, incorporates some of these provisions and is meant to complement them. When S. 51 is considered by the Senate, I intend to offer an amendment to it on community emergency preparedness.

During committee deliberation of S. 51, another issue was brought to our attention that I believe merits continued consideration. Under the Clean Water Act, facilities have carried out spill prevention containment and countermeasure plans. These plans have been very useful in preventing and mitigating petroleum spills, and may be equally constructive in the area of hazardous substances release prevention and containment. A similar approach could be used in preventing chemical releases.

In this case, the President (EPA) could be given express authority to ask facilities that have a history of releases or present a significant risk to the surrounding community or environment to conduct a review and undertake a workplan to improve safety problems at the facility. I believe this process would represent an important step in ensuring that trouble facilities take needed steps to improve safety. This will be another issue that I will be exploring prior to consideration of S. 51.

Mr. President, at this point I ask the text of S. 1531 be printed in the RECORD.

The text follows:

S. 1531

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION. 1. This Act may be cited as the "Community Emergency Preparedness and Response Act of 1985".

EMERGENCY OFFSITE PLANNING FOR EXTREMELY HAZARDOUS SUBSTANCES

SEC. 2. Section 105 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by inserting "(a) National Contingency Plan.—" after the section number and adding at the end thereof the following new subsection:

"(b) FACILITIES SUBJECT TO EMERGENCY PLANNING.—(1)(A) Not later than 90 days after the date of the enactment of the Community Emergency Preparedness and Response Act of 1985, the President shall publish a list of extremely hazardous substances, taking into account the toxicity, reactivity, usage, and volatility of such substances. The President shall review, and modify as necessary, such list not less often than every two years. Such list shall identify each extremely hazardous substance and shall include a formula which relates the toxicity, reactivity, volatility, and usage presented by such substance to the quantity of the substance present at facilities to determine whether a release of the substance from such facility would likely pose an imminent and substantial endangerment to the public health or to the environment. Facilities which pose such an endangerment shall notify the Governor in accordance with subparagraph (B). The President shall also establish quantities for such substances below which no facility manufacturing, processing, or disposing of such substance in such quantities shall be subject to the provisions of this subsection.

"(B) Not later than 120 days after such date of enactment, each owner or operator of a facility (other than motor vehicles, rolling stock, or aircraft) which poses an endangerment as specified in subparagraph (A) shall notify the Governor of the State in which such facility is located that such facility is subject to the requirements of this subsection. The Governor shall designate such facilities as being required to comply with the provisions of paragraph (2), and may designate additional facilities which shall be required to comply with the provisions of paragraph (2).

"(2)(A) Not later than 210 days after such date of enactment, the Governor of each State shall designate emergency planning districts in order to facilitate preparation and implementation of emergency plans. Where appropriate, the Governor may designate existing political subdivisions or multijurisdictional planning organizations as such districts. In emergency planning areas which involve more than one State, the Governors of each potentially affected State may designate emergency planning districts and emergency planning committees by agreement. In making such designation, the Governor shall indicate which facilities designated under paragraph (1) are within such emergency planning district.

"(B) Not later than 240 days after such date of enactment, the Governor shall appoint members of an emergency planning committee for each emergency planning district. Each committee shall include representatives of the public and appropriate State and local organizations. In making such appointments, the Governor shall consider persons who would be expected to play a major role in the event of a release of an extremely hazardous substance, including owners and operators of facilities designated under paragraph (1), elected officials, law enforcement and firefighting personnel, public health, medical, hospital, and environmental protection personnel, civil defense personnel, transportation officials, and representatives of broadcast and print media. Interested persons may petition the Governor to modify the membership of such committee. Such committee shall appoint a chairperson and shall establish rules by which the committee shall function. Such rules shall include provisions for public notification of committee activities, public meetings to discuss the emergency plan, public comments, and response to such comments by the committee, and distribution of the emergency plan.

"(C) Each emergency planning committee shall complete preparation of emergency plans in accordance with this subsection not

later than two years after such date of enactment. The committee shall review such plan annually or as changed circumstances in the community or at any facility may require.

"(D) Each emergency planning committee shall evaluate the need for resources necessary to develop, implement, and exercise the emergency plan, and shall make recommendations with respect to additional resources which may be required, and methods for providing such additional resources.

"(E) Each emergency plan shall include (but not be limited to)—

"(i) identification of facilities designated pursuant to paragraph (1) which are within the emergency planning district, and identification of routes likely to be used for the transportation of substances listed pursuant to paragraph (1);

"(ii) methods and procedures to be followed by facility owners and operators and local emergency and medical personnel to respond to any release of such substances;

"(iii) designation of a community emergency coordinator and a facility emergency coordinator, who shall make determinations necessary to implement the plan;

"(iv) procedures providing reliable, effective, and timely notification by the facility emergency coordinator and the community emergency coordinator to persons designated in the emergency plan, and to the public, that a release has occurred (consistent with the emergency bulletin notification requirements under section 103(g));

"(v) a method for determining the occurrence of a release, and the area or population likely to be affected by such release;

"(vi) an evacuation plan, including provisions for a precautionary evacuation and alternative traffic routes;

"(vii) a training program, including schedules for training of local emergency response and medical personnel; and

"(viii) methods for exercising such plan.

"(F) The owner or operator of each facility designated pursuant to paragraph (1) shall—

"(i) within 240 days after such date of enactment, notify the emergency planning committee for the emergency planning district in which such facility is located that a facility representative will participate in the emergency planning process;

"(ii) inform the emergency planning committee of any relevant changes occurring at such facility as such changes occur or are expected to occur; and

"(iii) upon request from the emergency planning committee, provide information to the committee necessary for developing and implementing the emergency plan.

"(G) The National Response Team shall publish guidance documents for preparation and implementation of emergency plans. Such documents shall be published not later than 210 days after such date of enactment.

"(H) The Regional Response Teams shall review and comment upon such emergency plans or other issues related to preparation, implementation, or exercise of such plan upon request of the emergency planning committee. Such review shall not delay implementation of such plans.

"(3) The President may order a facility owner or operator to comply with paragraphs (1)(B) and (2)(F) of this subsection. The United States district court for the district in which the facility is located shall have jurisdiction to enforce the order, and any person who violates or fails to obey such an order shall be liable to the United States for a civil penalty of not more than $10,000 for each day in which such violation occurs or such failure to comply continues.".

EMERGENCY BULLETINS

SEC. 3. (a) NOTIFICATION REQUIREMENTS.—Section 103 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by adding at the end thereof the following new subsection:

"(g) EMERGENCY BULLETINS.—(1) The owner or operator of any facility at which a release occurs in an amount requiring a report under subsection (a) shall immediately provide notice of such release to the community emergency coordinator for the emergency planning committees (established pursuant to section 105(b)) for any area likely to be affected by the release, to the Governor of any State likely to be affected by such release, and to other appropriate State and local officials.

"(2) Notice under paragraph (1) shall include (to the extent known at the time of the notice)—

"(A) the chemical name or identity of any hazardous substance involved in the release;

"(B) an estimate of the quantity of any such hazardous substance which was released into the environment;

"(C) the time and duration of the release;

"(D) the medium or media into which the release occurred;

"(E) the nature of the health or safety hazard posed by any substance released to the population as a whole and to sensitive populations, and the likely symptoms of exposure at different levels and types of exposure;

"(F) proper precautions to take as a result of the release, including evacuation; and

"(G) the name and telephone number of the person or persons to be contacted for further information.

"(3) As soon as practicable after a release to which this subsection applies, such owner or operator shall provide a followup notice (or notices, as more information becomes available) updating the information required under paragraph (2), and including additional information with respect to—

"(A) actions taken to respond to and contain the release;

"(B) any known or anticipated acute or chronic health risks associated with the release; and

"(C) where appropriate, advice regarding medical attention necessary for exposed individuals.".

(b) PENALTIES.—(1) Section 103(a) of such Act is amended by inserting ", and shall provide the notification required under subsection (g)" after "notify the National Response Center established under the Clean Water Act of such release".

(2) Section 103(b) of such Act is amended by inserting ", or fails to provide the notification required under subsection (g)." after "fails to notify immediately the appropriate agency of the United States Government".

MATERIAL SAFETY DATA SHEETS

SEC. 4. REQUIREMENTS.—Section 105 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (as amended by section 2 of this Act) is further amended by adding at the end thereof the following new subsection:

"(c) MATERIAL SAFETY DATA SHEETS.—(1) Each owner or operator of a facility at which a hazardous chemical (as defined in section 101(33)) is produced, used, or stored shall file a material safety data sheet for such hazardous chemical with the emergency planning committee (established under section 103(g)) for the area in which such facility is located. Each such data sheet shall be accompanied by an estimate of the maximum amounts of the hazardous chemical expected to be present at the facility during a year (in ranges), and the location of the hazardous chemical at such facility.

"(2) Whenever a material safety data sheet is revised (as required under regulations under the Occupational Safety and Health Act of 1970) each such facility owner or operator shall file, as promptly as practicable but not later than 3 months after such revision, the revised material safety data sheet with such committee. Whenever a significant change occurs in the amount of the hazardous chemical located at the facility, such owner or operator shall file a new estimate of the amount present.

"(3) The emergency planning committees shall make the material safety data sheets and inventory information available to the public upon request.

"(4) Nothing in this subsection shall be construed to limit the ability of any State or locality to require submission or distribution of information related to hazardous chemicals or to limit the authority of any State of preempt any local law relating to the submission of information related to hazardous chemicals.

"(5) The President may order a facility owner or operator to comply with this subsection. The United States district court for the district in which the facility is located shall have jurisdiction to enforce the order, and any person who violates or fails to obey such an order shall be liable to the United States for a civil penalty of not more than $10,000 for each day in which such violation occurs or such failure to comply continues.".

(b) DEFINITIONS.—Section 101 of such Act is amended—

(1) by striking out "and" at the end of paragraph (31);

(2) by striking out the period at the end of paragraph (32) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraphs:

"(33) 'hazardous chemical' means, for purposes of section 105(c), any substance which is treated as a 'hazardous chemical' pursuant to the Occupational Safety and Health Administration's hazard communication standard (codified in July 1985 in 29 CFR 1910.1200), except that the following substances shall not be treated as a 'hazardous chemical' for such purposes:

"(A) any food, food additive, color additive, drug, or cosmetic regulated by the Food and Drug Administration;

"(B) any manufactured item which contains a hazardous chemical present as a solid which does not result in exposure to the hazardous chemical under normal conditions of use;

"(C) any substance to the extent it is used for personal, family, or household purposes, or is present in the same form and concentration as a product packaged for distribution and use by the general public;

"(D) any substance to the extent it is used in a laboratory, hospital, or other medical facility under the direct supervision of a technically qualified individual; and

"(E) any substance to the extent it is used in routine agricultural operations; and

"(34) 'material safety data sheet' means a material safety data sheet developed for a hazardous chemical pursuant to the hazard communication regulations promulgated under the Occupational Safety and Health Act of 1970 (codified in July 1985 at 29 CFR 1910.1200).".●

ORDERS FOR THURSDAY

RECESS UNTIL 10 A.M.

Mr. DOLE. Mr. President, I ask unanimous consent that once the Senate completes its business today it stand in recess until the hour of 10 a.m. on Thursday, August 1, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF CERTAIN SENATORS

Mr. DOLE. Mr. President, I further ask unanimous consent that following the recognition of the two leaders under the standing order there be special orders in favor of the following Senators for not to exceed 15 minutes each: Senator SIMON, Senator PROXMIRE, Senator KERRY, and Senator BUMPERS.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. DOLE. Following the special orders just identified, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 11:30 a.m. with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR AGRICULTURE DISCUSSION FROM 1 P.M. TO 3 P.M.

Mr. DOLE. Mr. President, I ask unanimous consent that the period from 1 p.m. to 3 p.m. be set aside for discussion of various options pending in the Agriculture Committee including the 1-year freeze, the 2-year freeze, the 4-year freeze, the marketing loan plan, or any other options so that we might be able to determine the cost.

Mr. MELCHER. Mr. President, reserving the right to object, and I shall not object, I want to commend the majority leader for what I believe will be a very helpful session of the Senate between 1 and 3 p.m. tomorrow if this unanimous-consent agreement is agreed to.

It will provide the opportunity for Senators to review on the Senate floor what the various cost proposals are. There has been some problem in the committee as we have worked on the bill arriving at what could be accurate figures provided by the Department of Agriculture. I must say as to the Department's figures on costs that many of these requests are made on short notice and the Department finds itself often attempting to give the answer right on the spur of the moment to satisfy the committee members. That is rather difficult.

So I do want to make it clear that the Department, in giving figures, has its own problems in coming up with the answers as quickly as the committee would like it as we mark up a bill.

The majority leader, I know, has had a great concern over this, as has the chairman of the committee and the rest of the membership of the committee. So this discussion tomorrow afternoon will be very helpful and beneficial.

I again commend the majority leader for making the request.

Mr. President, I do not object.

Mr. PRYOR. Mr. President, will the majority leader yield?

Mr. DOLE. I am happy to yield.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. PRYOR. Mr. President, I am not going to object. I commend the majority leader for such a meeting, which appears to be on track, to be scheduled tomorrow in the Senate.

While I do see the distinguished chairman of the Agriculture Committee on the floor, if I might ask the chairman a question, that question would be this: Will the Agriculture Committee meet in the morning at 10 a.m. as announced earlier?

Mr. HELMS. Will the majority leader yield?

Mr. DOLE. I am happy to yield.

Mr. HELMS. The committee meeting is scheduled for 10 a.m., as I announced.

Mr. PRYOR. I appreciate that information.

Mr. HELMS. We will be coming in tomorrow morning and having our meeting.

Mr. PRYOR. I thank the chairman.

Mr. HARKIN. Will the majority leader yield for a question?

Mr. DOLE. I yield.

Mr. HARKIN. Mr. President, we have had some problems before with some of the numbers from the Department of Agriculture. Is it possible to get any numbers from CBO on the 1-year freeze, the 2-year freeze, the 4-year freeze? Is it possible to get some figures from CBO?

Mr. DOLE. As I understood, the CBO is perfectly willing to give us cost estimates, but they have not revised the baseline. They have indicated to us that they would do that during the month of August. We have the CBO figures for April and January on the baseline but not on July, the revised figures.

It would be my hope that we could at least address USDA figures. I have had figures today saying the 4-year freeze adds $20 billion. I have had figures as high as $80 billion for the cost of the farm bill in the next 4 years. I do not know where we are. It seems to me we may not resolve anything tomorrow but at least we can raise the questions.

I know the chairman has been meeting for well over 2 hours. He has all kinds of figures, I understand.

Mr. HELMS. Will the Senator yield?

Mr. DOLE. I am happy to yield.

Mr. HELMS. Mr. President, we have indeed been meeting to try to get a handle on what it is we are dealing with. To me, we are at least $20 billion over the budget mark over 4 years, in addition, let me stress, to $32.1 billion in the Senate version of the budget resolution.

I have tried to level with the members of the committee all along, and I think I have, that my concern is that we report a fiscally responsible farm bill. Senators have agreed with that. We have had a harmonious markup period ranging over 9 or 10 weeks. Senators have been free to express themselves. There have been differences about the figures, I may say to the majority leader. Nobody on Earth can say whose estimate is right and whose is wrong 3 years in advance. It depends on a lot of things, weather, markets, et cetera.

But one thing is for sure in terms of the economic aspect: What we need to do in Congress, in my judgment, is to get this Federal deficit under control. That is the unknown quantity. If we can get the deficit under control then the interest rate is going to come down.

I would point out, Mr. President, that every 1 percent drop in the interest rate would mean an additional $2 billion in the pockets of the American farmers.

That is the kind of thing that I have been trying to work out in my mind, I say to the distinguished majority leader. We need to keep in mind that the average net worth of U.S. farmers is in excess of $500,000. The thing that has troubled me about so many of the proposals, is that the small farmer is getting the short end of the stick.

We all make speeches about wanting to look after the small family farmer, but as I perceive where we are, I believe the emphasis in terms of helping farmers has been on those farmers who are in the upper brackets.

These are the concerns I have and which we have been discussing this evening. So I think we are going to have to be careful that we do not try the patience of the taxpayers. I have read the articles in Reader's Digest and other publications and a lot of them are on target. True enough, a lot of people who write about farm legislation do not know very much about it. But I want to be as careful as I may be, just as one Senator, that we do it right this time, because we have made a lot of mistakes in the past.

I thank the Senator for yielding.

Mr. HARKIN. Mr. President, will the distinguished chairman yield?

Mr. HELMS. I do not have the floor.

Mr. DOLE. Yes, I yield to the Senator.

Mr. HARKIN. I want to be sure I understand. I thought I heard the Senator say the average net worth of farmers is $500,000. I wonder if the chairman does not mean that the average value of assets held by farmers is $500,000, not the average net worth.

Mr. HELMS. Well, whatever.

Mr. HARKIN. I just do not have any farmers in my State who have that kind of net worth. I think maybe the assets the farmers have may be $500,000. With the debt load they have, that asset value is reduced in many instances down to almost nothing.

I just wanted to correct that, because I did not want to leave the impression that the average net worth of the farmers is $500,000. Maybe the asset value.

Mr. HELMS. Mr. President, these are the figures I specifically asked for from the staff and they have reassured me that the figures I was given involve farmers having from $40,000 to $100,000 of gross sales. The net worth—the net worth—of these farmers on the average is in excess of $500,000. Perhaps the Senator has information that disagrees with that, but this is the best information we have. This is based on hearing testimony received in hearings this year. It is substantiated data.

The point is, Mr. President, that the Senator from Iowa and the Senator from North Carolina—every Senator on this floor—are concerned about the small farmers. Is that correct, I ask the Senator?

Mr. HARKIN. Yes, Mr. President.

Mr. HELMS. I know I have heard the Senator himself, time and time again in the committee meetings, say we must do something for the small family farmer. I just want to be sure that is what we do.

Some of these payment limitations allow payments in excess of a half million dollars, that sort of thing. I think we ought to take a close look at that.

The PRESIDING OFFICER. Is there objection?

Mr. MELCHER addressed the Chair.

Mr. BYRD. Mr. President, does the distinguished Senator from Montana wish to reserve his right to object?

Mr. MELCHER. Yes, Mr. President.

I would just like to say, if the majority leader would yield to me, Mr. President——

Mr. DOLE. I shall be happy to yield.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. I thank the distinguished majority leader and the Chair.

I think we ought to recognize that they are the assumptions that the Department of Agriculture uses. Anybody can use a computer and CBO can track. It is really the same deal if they use the same assumptions. I think the basis of our questioning is what are these assumptions that the Department of Agriculture is using and are they believable assumptions? That, I assume, is the purpose of the discussion tomorrow, is it not, I ask the majority leader?

Mr. DOLE. That is right, Mr. President.

Mr. MELCHER. I thank the distinguished majority leader.

I might say that perhaps the figure the distinguished chairman of the Agriculture Committee was trying to reach was how much debt do these 100,000 big producers have.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The distinguished majority leader is recognized.

Mr. DOLE. Mr. President, we are going to discuss this tomorrow, but I would indicate that sooner or later we have to come to grips with the figures. We can all argue about what the basis may be, but it seems to me that we are not going to be able to complete final action. I have checked with the House as recently as an hour ago. They intend to meet again tomorrow. They do not believe they will complete action in committee. There is still some food stamp provisions and farm credit provisions left to be done, I am advised by the chairman, in the Senate Agriculture Committee.

What I seek to avoid is the exercise to see who can spend the most money on agriculture, and perhaps if we had a couple hours of discussion with as much factual information as we could get, then we would be in a better position. But I hope that during the period of time from 11:30 to 1 o'clock we can dispose of the supplemental appropriations conference report as well as any other legislative or executive calendar items which have been cleared for action. And, again, I thank all my colleagues for their cooperation. We have moved a lot of legislation today and we hope to have more. In fact, I see a couple of other items we can do yet this evening. So if Senators can help us work out some of the remaining bills tomorrow and Friday, we will be in fair shape for the August recess.

AGENDA FOR THURSDAY AND FRIDAY

Mr. BYRD. Mr. President, will the distinguished Senator yield?

Mr. DOLE. I am happy to yield.

Mr. BYRD. Is he in a position at this time to state what the program will be after 3 o'clock tomorrow?

Mr. DOLE. There could be the energy and water appropriations bill. The distinguished chairman of the Appropriations Committee would like to take that bill up tomorrow. I understand there will be a number of amendments which could take several hours, so it may be something we want to start tomorrow, maybe not.

I know that the budget conferees, at least some, are meeting at this very moment and I hope to have a discussion with the chairman of the Budget Committee. There is a possibility we might do that tomorrow if there is an agreement. But I would say that is fairly remote. The South Africa conference report, I understand that there are some who would like to take it up and some who would not. With 2 days left only one side can prevail. So I would guess the energy and water appropriation bill is probably the best candidate. Is there any objection on the Senator's side to taking that up?

Mr. BYRD. I will check that out. Is the distinguished majority leader in a position to indicate what the program will be for Friday?

Mr. DOLE. Friday, it could be the conference report on the budget resolution. Hopefully, we will have disposed of the supplemental. It could be the South Africa conference report. It could be hardly anything. We are getting down to the bottom.

Mr. BYRD. I understand that.

Mr. DOLE. I do not have much left on the list.

Mr. BYRD. Does the majority leader intend to proceed with the recess of the Senate as scheduled, at the close of business Friday?

Mr. DOLE. Yes, that is the intention of the majority leader. In fact, the adjournment resolution will indicate either the close of business tomorrow or the close of business on Friday.

Mr. BYRD. I thank the majority leader.

MYASTHENIA GRAVIS AWARENESS WEEK

Mr. DOLE. Mr. President, I ask unanimous consent that Senate Joint Resolution 183, Myasthenia Gravis Awareness Week, be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

H.R. 2466, U.S. COAST GUARD, HELD AT THE DESK

Mr. DOLE. Mr. President, I ask unanimous consent that H.R. 2466, to make miscellaneous changes in laws affecting the U.S. Coast Guard, be held at the desk until the close of business on Thursday, August 1, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

EARTHQUAKE HAZARDS REDUCTION ACT AUTHORIZATION

Mr. DOLE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 817.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 817) entitled "An Act to authorize appropriations under the Earthquake Hazards Reduction Act of 1977 for fiscal years 1986 and 1987, and for other purposes", do pass with the following amendments:

Page 1, line 9, strike out [$5,705,000], and insert: *$5,596,000,*

Page 1, line 10, strike out [$5,962,000.".], and insert: *$5,848,000.".*

Page 2, line 4, strike out [$35,578,000], and insert: *$35,044,000*

Page 2, line 5, strike out [$37,179,000], and insert: *$$36,621,000*

Page 2, line 9, strike out [$28,700,000], and insert: *$27,760,000*

Page 2, line 10, strike out [$29,992,000], and insert: *$29,009,000*

Strike out all after line 18 on page 2 over to and including line 2 on page 3, and insert:

"(E) compile and maintain a written plan for the program specified in subsections (a), (e), (f), and (g), to be submitted to the Congress and updated at such times as may be required by significant program events, but in no event less frequently than every three years;".

SEC. 6. Section 5(b)(2) of such Act (42 U.S.C. 7704(b)(2)) (as amended by section 5 of this Act) is further amended by redesignating subparagraph (F) as subparagraph (G), and by inserting after subparagraph (E) the following new subparagraph:

"(F) make, in cooperation with the United States Geological Survey, the National Science Foundation, and the National Bureau of Standards, an annual presentation to the appropriate committee of the Congress within sixty days after the end of each fiscal year for the purpose of communicating any events and any programmatic requirements deemed significant by the National Earthquake Hazards Reduction Program; and

AMENDMENT NO. 570

(Purpose: Amend provision regarding authorization of appropriations for activities under the Earthquake Hazards Reduction Act of 1977 for fiscal years 1986 and 1987, and other purposes)

Mr. DOLE. Mr. President, I move that the Senate concur in the House amendments with a further Senate amendment which I send to the desk on behalf of Senator GORTON.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE], for Mr. GORTON, proposes an amendment numbered 570.

Mr. DOLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 2, strike "35,044,000" and insert in lieu thereof "$35,578,000"; and strike "$36,621,000" and insert in lieu thereof $37,179,000".

In section 6, strike "and" at the end and insert in lieu thereof the following:

and".

Sec. 7. Section 2(b)(3) of the National Bureau of Standards Authorization Act for Fiscal Year 1986 (Public Law 99-73) is amended by striking "(7), and (8)" and inserting in lieu thereof "and (7)".

Mr. GORTON. Mr. President, S. 817 and S. 818, two authorization bills, have already passed the Senate and the House of Representatives. The amendments I am offering today are the result of negotiations with House Members, and reflect compromises which I believe will pass both Houses of Congress. I want to congratulate my colleagues in the Senate and those on the House Committee on Science and Technology and their staff for their cooperation and work on this legislation.

The amendment to S. 818, the Fire Prevention and Control Act, authorizes appropriations for fiscal year 1986 at $22,037,000. There are two components to this total figure. One is the U.S. Fire Academy, for which the authorization is $13,037,000. This figure restores funds for the travel stipend program at the Fire Academy. The Senate bill restored $1 million for this program; the proposed amendment restores the entire $1.4 million to the Administration's request of $11.637, for a total of $13,037,000.

The second component reflected in the total for S. 818 is the U.S. Fire Administration. This amendment authorizes $9 million for the Fire Administration.

The amendment to S. 817, the Earthquake Hazards Reduction Act, funds the following agencies at the levels described:

	Fiscal year—	
	1986	1987
Federal Emergency Management Agency	$5,596,000	$5,848,000
U.S. Geological Survey	35,578,000	37,179,000
National Science Foundation	27,760,000	29,009,000
National Bureau of Standards	499,000	521,000

This amendment reflects reductions from the Senate's authorization levels for the Federal Emergency Management Agency and the National Science Foundation. We have also accepted the House's position that the National Earthquake Hazards Reduction Program plan must be updated every 3, rather than 2 years.

There is an additional amendment to S. 817 to correct a technical error in the National Bureau of Standards Authorization Act for 1986, which the President signed into law on July 29.

Mr. President, I urge the Senate to pass these two bills, which reauthorize important programs to protect our citizens' safety.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

FEDERAL FIRE PREVENTION AND CONTROL ACT AUTHORIZATIONS

Mr. DOLE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 818.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 818) entitled "An Act to authorize appropriations for activities under the Federal Fire Prevention and Control Act of 1974", do pass with the following amendment:

Line 9, strike out [$22,036,000], and insert: *$22,953,000*

AMENDMENT NO. 571

(Purpose: Amend provision regarding authorization of appropriations for activities under the Federal Fire Prevention and Control Act of 1974)

Mr. DOLE. Mr. President, I move that the Senate concur in the House amendment with a further amendment which I send to the desk on behalf of Senator GORTON.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE], for Mr. GORTON, proposes an amendment numbered 571:

Strike "$22,953,000" and insert in lieu thereof "$22,037,000".

(See Mr. GORTON's statement on the previous measure, S. 817.)

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

STATE AND LOCAL HIGHWAY SAFETY GRANTS AUTHORIZATION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar No. 263, S. 1529, the National Highway Traffic Safety Administration authorization drunk-driving legislation.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1529) to authorize appropriations for State and community highway safety grants, and for other purposes.

There being on objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 572

(Purpose: Add provision regarding minimum drinking age)

Mr. BYRD. Mr. President, I send to the desk an amendment on behalf of Senators LAUTENBERG and DANFORTH.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for Mr. LAUTENBERG and Mr. DANFORTH, proposes an amendment numbered 572.

Mr. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

SEC. 3. Section 158 of title 23, United States Code, is amended—

(1) in subsection (a)(2), by striking "the fiscal year" and inserting in lieu thereof "each fiscal year"; and

(2) in subsection (b), by striking "in fiscal year if in any succeeding fiscal year" and inserting in lieu thereof "in the fiscal year beginning after September 30, 1986, or the fiscal year beginning after September 30,

1987, if before the end of the period for which such funds would be available for expenditure under section 118(b) of this title".

Mr. LAUTENBERG. Mr. President, the amendment I am offering to the bill introduced by my colleague, Senator DANFORTH, will reaffirm the intent of Congress to achieve a uniform minimum drinking age nationwide of 21. This amendment is necessary to make clear to the States that we are serious about this matter and that we will not stand by and see the States circumvent the intent of the Senate and the Congress. It is essentially the text of S. 1428, which I introduced, with Senator DANFORTH, on July 11.

In July of last year, President Reagan signed into law a bill that would withhold highway construction funds from those States that failed to raise their minimum drinking age to 21 by October 1, 1986. Five percent of fiscal year 1987 funding would be withheld from four highway programs on October 1, 1986, if a State has a minimum drinking age lower than 21. On October 1, 1987, if a State has not taken action, another 10 percent of highway funds would be withheld. At the close of fiscal year 1988, under current law, the withholding will end.

States which take action to raise their minimum drinking age after October 1, 1986, under current law, will have the funds that have been withheld reimbursed.

Mr. President, the law passed by the Congress last June constituted a restrained use of Federal authority to address an interstate problem. Across the Nation, we have blood borders: a State with a higher drinking age bordered by one with a lower minimum drinking age. In these situations, young people have a clear incentive to drive in order to drink. After purchasing and consuming alcohol in a neighboring State, they try to make it home. Too many don't make it.

A uniform minimum drinking age of 21 will solve this problem by removing the incentive to cross State borders in order to drink.

In the last year, 14 States have taken action to raise their minimum drinking ages to 21; 13 States and the District of Columbia have yet to take action. Of the States which acted this past year, most did so in a manner consistent with both the letter and spirit of the law. In a few cases, however, State legislatures exploited technical loopholes in existing law in an attempt to circumvent the will of Congress. In these cases, the States would sunset their 21 minimum drinking age when the Federal withholding of highway funds ends in 1988.

Mr. President, Congress did not pass Public Law 98-363, in order to withhold highway funds. We passed the Uniform Minimum Drinking Age Act in order to reduce the deaths and crippling injuries attributed to drunk driving by those 16 to 21 years of age. Drunk driving is the No. 1 killer of our Nation's young people. This critical age group is the only one in our society that has not increased its life expectancy in the last 20 years. The reason is drunk driving.

A uniform minimum drinking age of 21 will save over 1,000 lives per year. While this act alone will not rid our highways of drunk driving, it will go far to preserving our most precious resource: our children.

The amendment I propose will deal with those States that have exploited technical loopholes in existing law. My amendment will make the 10 percent withholding of highway funds, scheduled to end on September 30, 1988, permanent. This change will conform the statute to that used to enforce the 55-miles-per-hour speed limit. In addition, my amendment will end the reimbursement of highway funds at the close of fiscal year 1988. This change will essentially establish September 30, 1988 as the date by which the Congress wants to see uniformity in minimum drinking ages across the Nation. If uniformity is not achieved by that date, Congress, under this amendment, is prepared to take stronger action. Funds would continue to be reimbursed for fiscal years 1987 and 1988 so long as those funds have not lapsed.

Mr. President, last year we sent a strong signal to the States that there was national support for a minimum drinking age of 21 nationwide. A few States have questioned the seriousness of our intent. If we are serious about a uniform minimum drinking age, we must pass this legislation. As a fiscal matter, this amendment will have no adverse impact on those 37 States that now have 21 as their minimum drinking age. In those States which have tied their minimum drinking age to the existence or nonexistence of Federal sanctions, no highway funds will be withheld, because, through this amendment, we will be making the sanctions permanent. My amendment will not affect their highway funds, it will keep their minimum drinking age at 21.

When Congress passed the Uniform Minimum Drinking Age Act, Mr. President, it contemplated long-term change in minimum drinking ages across the country. It did not contemplate returning to the patchwork quilt of differing State laws after 2 years had passed. If we fail to adopt this amendment, we will find ourselves in 1988 with exactly the situation we sought to avoid when we passed the Uniform Minimum Drinking Age Act of 1984.

Mr. President, the Uniform Minimum Drinking Age Act of 1984 had the support of some 81 Senators on final passage. My distinguished colleague, Senator DANFORTH, was the floor manager of the bill to which it was attached. The bill had the support of groups such as the Mothers Against Drunk Driving, the National Council on Alcoholism, the National Safety Council, and National PTA. Today, I again join with Senator DANFORTH to reaffirm Congress' support for this vital initiative.

Mr. DANFORTH. Mr. President, Congress in recent years has taken important steps to address the drunk driving problem in this country. In 1982, I sponsored legislation which encourages States to take more effective action against drunk drivers by providing Federal grants to States with tough drunk driving laws. This incentive grant program is working well; throughout the country States are enacting tougher drunk driving laws. At times, however, more forceful action is necessary to achieve the desired result; this has been the case with the 21-year minimum legal drinking age.

Last year, legislation sponsored by my distinguished colleague Senator LAUTENBERG, Public Law 98-363, was enacted which encourages States to set their minimum legal drinking ages at 21. Specifically, this legislation directs the Department of Transportation [DOT] to withhold 5 percent of the fiscal 1987 and 10 percent of the fiscal 1988 Federal-aid highway funds from any State that permits the purchase or public possession of alcohol by persons under the age of 21. This was, and is, very important legislation. Studies have shown that a uniform drinking age of 21 is one of the most effective means of reducing drunk driving deaths and injuries. Unfortunately, in the years immediately prior to enactment of the 1984 legislation, most States which did not have already a 21-year drinking age chose not to raise their drinking ages to 21. In the months following the enactment of Public Law 98-363 last July, however, several States have taken this important step; we now have 37 States with a minimum legal drinking age of 21. The legislation clearly is working and having its desired effect.

I am concerned, however, about attempts made by some States to circumvent the intent of this important legislation. The 1984 bill requires DOT to withhold highway construction funds from States with drinking ages below 21 for fiscal years 1987 and 1988. This sanction was intended to render long-term benefits. Some States, however, may thwart this important goal by such means as establishing a 21-year drinking age only for the period during which highway funds are to be withheld; after that time, the State's drinking age would revert back to a lower level. Clearly, this violates the intent of last year's legislation.

Mr. President, the amendment being offered today by Senator LAUTENBERG

and myself would remedy this situation by requiring DOT to withhold 10 percent of a State's highway construction funds in each fiscal year following fiscal 1987 if that State's minimum legal drinking age is less than 21. This amendment is consistent with the intent of Public Law 98-363 and will go a long way toward ensuring that the "blood border" problem of recent years will not reemerge.

Mr. President, this amendment will help save lives by reducing drunk driving accidents. I urge my colleagues to join me in support of this important amendment.

Mr. HOLLINGS. Mr. President, I support the adoption of the Lautenbery amendment, which would make permanent the withholding of highway funds from States that have not adopted the national minimum drinking age of 21.

Last June, the Senate overwhelmingly approved Senator LAUTENBERG's legislation to encourage States to raise their drinking age to 21. The measure, which is now law, penalizes States which haven't done so by withholding 5 percent of their Federal highway funds in 1987 and 10 percent in 1988. The amendment before us today would extend that 10 percent withholding indefinitely.

Already we are beginning to see benefit from last year's legislation. As of last June, when the Lautenberg legislation was passed, 23 States had minimum drinking ages of 21. Since then, 14 more States have acted to raise their drinking ages, and others are considering such a move. It is still too early to determine exactly how many lives have been saved because of this, but existing studies do show a direct correlation between a higher drinking age and fewer teenage alcohol-related traffic deaths.

Normally, I am very suspicious of any measure which exerts Federal power in areas which have traditionally been left to State and local control. However, when the Federal Government can act to save a substantial number of lives, then I believe it should act. Indeed, this is a paramount function of Government.

This type of Federal action is necessary and proper for one primary reason—the existence of differing minimum legal drinking ages in adjoining States becomes an incentive for many young people to drive across State lines in order to obtain and consume liquor. Drunk driving among younger adults is something this Congress should want to discourage, not encourage. And a uniform, 21-year-old legal drinking age is the only way to prevent young Americans from commuting across these "blood borders."

Numerous studies, including those by the National Transportation Safety Board and the Insurance Institute for Highway Safety, have concluded that the uniform drinking age will save a great deal of lives.

The concern expressed by the Senator from New Jersey—and it is a concern which I share—is that the existing law may not go far enough to bring about a permanent, uniform national drinking age among our 50 States. Already there is some indication that certain State legislatures are considering "sunsetting" their higher drinking age laws, so that they'll revert back to age 18 or 19 after 1988, when the withholding of highway funds will no longer be in effect. This is reason enough to enact the amendment before us today. It will make permanent a 10-percent withholding of Federal funds for States which have not adopted the minimum drinking age. Thus, if 5 years from now a State decides to lower its drinking age to 18, it will lose funding.

There is no question in my mind that this is what our constituents want—a permanent national uniform drinking age of 21. And I commend the Senator from New Jersey for his tireless efforts to achieve this end. I know much of his vigor on this issue stems from his own personal experience in watching the lowering of his State's drinking age to 18 a number of years back, and the subsequent tripling of the death rate among young people due to drunk driving. He watched that rate drop by one-half a couple of years ago, when New Jersey raised the legal drinking age back up to 21.

But there's not much the people of New Jersey can do about laws in neighboring States, and that's why it is important that Congress do what it can to encourage all States to adopt the national minimum drinking age. Thanks to last year's legislation, New York and Connecticut have acted to raise their drinking ages to 21. Soon 18, 19, and 20 year olds in New Jersey will have no incentive to drive across the border into New York State, purchase and consume alcoholic beverages, and then drive home, at great risk to their own lives and those of other drivers. The amendment before us today will help ensure that we won't face this same problem several years from now.

Mr. President, this amendment is yet another step toward making our roads and highways as safe as they can be. I am sure it will save lives. And that's reason enough to pass it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 572) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 573

(Purpose: Provide authorization of appropriations for highway safety research and development programs)

Mr. DOLE. Mr. President, I send an amendment to the desk on behalf of Senator DANFORTH.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE), for Mr. DANFORTH, proposes an amendment numbered 573.

At the end of the bill, add the following:

SEC. . Section 403 of title 23, United States Code, is amended by adding at the end thereof the following:

"(g) There is authorized to be appropriated for purposes of carrying out this section not to exceed $31,000,000 for fiscal year 1987.".

Mr. DANFORTH. Mr. President, this legislation authorizes funding for important highway safety programs. The amendment I am offering today provides an authorization for funding of the Department of Transportation's [DOT] Highway Safety Research and Development Program, established by the Highway Safety Act of 1966. My amendment authorizes funding for this program of $31 million for fiscal 1987; this funding level is identical to the authorization already provided for fiscal 1986.

Mr. President, our continued support of the Department's highway safety research and development activities is vital to efforts to reduce highway deaths and injuries. This amendment will enhance the development of more effective highway safety programs. I encourage my colleagues to support this funding authorization.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 573) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DANFORTH. Mr. President, the Department of Transportation's National Highway Traffic Safety Administration [NHTSA] has been directed by Congress to promote highway safety and thereby save lives and reduce the number of injuries resulting from traffic accidents. Testimony presented by NHTSA to the Commerce Committee shows that there have been meaningful improvements in highway safety in recent years. Nevertheless, approximately 43,800 people died in highway accidents in 1984. NHTSA must be encouraged, therefore, to continue and strengthen its efforts to further improve highway safety.

The legislation before us today will help these safety efforts, by authorizing funding for two important highway safety programs.

The first section of this bill authorizes funding for fiscal 1987 for the State and Community Highway Safety Grant Program, the so-called Section 402 Program. Under this program, States receive funds from the Department of Transportation to conduct various highway safety programs. The legislation we are considering today authorizes funding of $132 million for this safety program; this funding level is equivalent to the fiscal 1986 authorization provided in Public Law 98-363.

Section 2 of this legislation authorizes funding for fiscal year 1987 of $29,232,000 for the Drunk Driving Incentive Grant Program established in 1982 by Public Law 97-364. Funds are not authorized for fiscal 1986 because I understand from NHTSA that sufficient funds, appropriated in previous years, exist to meet this program's needs during fiscal 1986. This program, which encourages States to enact tougher drunk driving laws, has been working well. Public Law 97-364 provides for a two-tier Incentive Grant Program. States become eligible for a basic grant if they meet four criteria: Prompt license supsension; mandatory imprisonment or community service for repeat drunk driving offenders; defining a 0.10-percent blood alcohol content as per se evidence of intoxication; and increased enforcement and public education efforts. Under the provisions of the 1982 law, States can qualify for further funding under the Supplemental Grant Program if they meet additional criteria specified by NHTSA, along with the four basic grant criteria. To date, according to NHTSA, 16 States have qualified for basic grants; 13 of these States also have qualified for supplemental grants. I understand that several other States are working to meet the grant criteria of the 1982 law.

Mr. President, the legislation before us today will enhance highway safety efforts, not only by the Federal Government but also by State highway safety agencies. We must ensure that continued funding is available for these important highway safety programs.

I urge my colleagues to join me in supporting this legislation.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1529

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 203(a)(1) of the Surface Transportation Assistance Act of 1982 (Public Law 97-424; 96 Stat. 2138) is amended—

(1) by striking "and" after "1985,"; and

(2) by inserting immediately before the period at the end thereof the following: ", and $132,000,000 for the fiscal year ending September 30, 1987".

(b) Section 203(b) of the Surface Transportation Assistance Act of 1982 (Public Law 97-424; 96 Stat. 2138) is amended—

(1) by striking "and" after "1985," wherever it appears;

(2) by inserting immediately after "1986," the following: ", and $132,000,000 for the fiscal year ending September 30, 1987,"; and

(3) by inserting immediately before the period at the end thereof the following: ", and September 30, 1987".

SEC. 2. The first sentence of section 408(g) of title 23, United States Code, is amended by striking all after "Fund," and inserting in lieu thereof "$29,232,000 for the fiscal year ending September 30, 1987."

SEC. 3. Section 158 of title 23, United States Code, is amended—

(1) in subsection (a)(2), by striking "the fiscal year" and inserting in lieu thereof "each fiscal year"; and

(2) in subsection (b), by striking "in fiscal year if in any succeeding fiscal year" and inserting in lieu thereof "in the fiscal year beginning after September 30, 1986, or the fiscal year beginning after September 30, 1987, if before the end of the period for which such funds would be available for expenditure under section 118(b) of this title".

SEC. 4. Section 403 of title 23, United States Code, is amended by adding at the end thereof the following:

"(g) There is authorized to be appropriated for purposes of carrying out this section not to exceed $31,000,000 for fiscal year 1987.".

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RECESS UNTIL 10 A.M. TOMORROW

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move the Senate stand in recess until the hour of 10 a.m., Thursday, August 1, 1985.

The motion was agreed to, and the Senate, at 9:30 p.m., recessed until Thursday, August 1, 1985, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 31, 1985:

NATIONAL ADVISORY COUNCIL ON WOMEN'S EDUCATIONAL PROGRAMS

Diana Powers Evans, of Oregon, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1988, vice Gilda Bojorquez Gjurich, term expired.

IN THE NAVY

The following-named commodore of the line of the Navy for promotion to the permanent grade of rear admiral, pursuant to title 10, United States Code, section 624, subject to qualifications therefor as provided by law:

RESTRICTED LINE—SPECIAL DUTY OFFICER (CRYPTOLOGY)

Charles Francis Clark.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 31, 1985:

DEPARTMENT OF DEFENSE

Donald Alden Hicks, of California, to be Under Secretary of Defense for Research and Engineering.

U.S. SYNTHETIC FUELS CORPORATION

Russell F. Miller, of Maryland, to be deputy inspector general of the U.S. Synthetic Fuels Corporation for a term of 7 years.

DEPARTMENT OF THE INTERIOR

William P. Horn, of Virginia, to be Assistant Secretary for Fish and Wildlife, Department of the Interior.

DEPARTMENT OF STATE

George Cranwell Montgomery, of Tennessee, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Sultanate of Oman.

Bruce Chapman, of Washington, to be the representative of the United States of America to the Vienna Office of the United Nations and deputy representative of the United States of America to the International Atomic Energy Agency, with the rank of Ambassador.

Bernard Kalb, of Maryland, to be an Assistant Secretary of State.

Thomas Michael Tolliver Niles, of the District of Columbia, a career member of the Senior Foreign Service, class of minister-counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Canada.

Gary L. Matthews, of Virginia, a career member of the Senior Foreign Service, class of minister-counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Malta.

Harvey Frans Nelson, Jr., of California, a career member of the Senior Foreign Service, class of minister-counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Swaziland.

Irvin Hicks, of Maryland, a career member of the Senior Foreign Service, class of counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Seychelles.

Robert Vossler Keeley, of Florida, a career member of the Senior Foreign Service, class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Greece.

Francis J. Meehan, of Virginia, a career member of the Senior Foreign Service, class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the German Democratic Republic.

John Pierce Ferriter, of Florida, a career member of the Senior Foreign Service, class of minister-counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Djibouti.

John Blane, of Illinois, a career member of the Senior Foreign Service, class of minister-counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Chad.

Richard Wayne Bogosian, of Maryland, a career member of the Senior Foreign Service, class of counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Niger.

DEPARTMENT OF DEFENSE

Admiral William J. Crowe, Jr., U.S. Navy, under the provisions of title 10, United States Code, section 142, to be chairman, Joint Chiefs of Staff, a position of importance and responsibility designated by the President under subsection (a) of section 601.

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

The following-named persons to be members of the National Council on Educational Research for terms expiring September 30, 1987:

Elaine Y. Schadler, of Pennsylvania, reappointment.

Gwyneth Gayman, of California, reappointment.

Onalee McGraw, of Virginia, to be a member of the National Council on Educational Research for a term expiring September 30, 1987.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Alice Wright Algood, of Tennessee, to be a member of the National Museum Services Board for a term expiring December 6, 1989.

NATIONAL SCIENCE FOUNDATION

Thomas B. Day, of California, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1990.

James Johnson Duderstadt, of Michigan, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1990.

Perry L. Adkisson, of Texas, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1990.

ACTION AGENCY

Henry M. Ventura, of California, to be deputy director of the ACTION Agency.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

DEPARTMENT OF JUSTICE

Lydia E. Glover, of South Carolina, to be U.S. Marshal for the district of South Carolina for the term of 4 years.

Vinton DeVane Lide, of South Carolina, to be U.S. attorney for the district of South Carolina for the term of 4 years.

IN THE AIR FORCE

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

Lt. Gen. Bruce K. Brown, [redacted]FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Harley A. Hughes, [redacted]FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. David L. Nichols, [redacted]R, U.S. Air Force.

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 611(a) and 624:

To be brigadier general

Col. Arvid E. West, Jr., [redacted] U.S. Army.
Col. Robert A. Harleston, [redacted] U.S. Army.
Col. Peter W. Lash, [redacted] U.S. Army.
Col. George C. Ogden, Jr., [redacted] U.S. Army.
Col. Rhoss C. Lomax, Jr., [redacted] U.S. Army.
Col. Virgil A. Richard, [redacted] U.S. Army.
Col. Robert L. Dilworth, [redacted] U.S. Army.
Col. John R. Piatak, [redacted] U.S. Army.
Col. James W. Ball, [redacted] U.S. Army.
Col. Carmen J. Cavezza, [redacted] U.S. Army.
Col. David J. Allen, [redacted] U.S. Army.
Col. Eugene C. Renzi, [redacted] U.S. Army.
Col. James H. Johnson, Jr., [redacted] U.S. Army.
Col. Peter D. Hidalgo, [redacted] U.S. Army.
Col. David A. Nydam, [redacted] U.S. Army.
Col. Carl W. Tipton, [redacted] U.S. Army.
Col. Evelyn P. Foote, [redacted] U.S. Army.
Col. Peter M. McVey, [redacted] U.S. Army.
Col. Roland LaJoie, [redacted] U.S. Army.
Col. David L. Funk, [redacted] U.S. Army.
Col. Paul L. Greenberg, [redacted] U.S. Army.
Col. William A. Stofft, [redacted] U.S. Army.
Col. Jere H. Akin, [redacted] U.S. Army.
Col. Jerry A. White, [redacted] U.S. Army.
Col. Ira C. Owens, [redacted] U.S. Army.
Col. Joseph Pratt, [redacted] U.S. Army.
Col. Theodore Vander Els, [redacted] U.S. Army.
Col. Melvin L. Byrd, [redacted] U.S. Army.
Col. Patrick J. Kelly, [redacted] U.S. Army.
Col. James H.B. Peay III, [redacted] U.S. Army.
Col. Jerome H. Granrud, [redacted] U.S. Army.
Col. Caryl G. Marsh, [redacted] U.S. Army.
Col. Jack C. Wheeler, [redacted] U.S. Army.
Col. William G. Pagonis, [redacted] U.S. Army.
Col. Cloyd H. Pfister, [redacted] U.S. Army.
Col. James E. Bickford, [redacted] U.S. Army.
Col. Joseph S. Laposata, [redacted] U.S. Army.
Col. Charles H. Armstrong, [redacted] U.S. Army.
Col. William S.C. Chen, [redacted] U.S. Army.
Col. Samuel A. Leffler, [redacted] U.S. Army.
Col. William H. Forster, [redacted] U.S. Army.
Col. Edward R. Baldwin, Jr., [redacted] U.S. Army.
Col. Donald M. Lionetti, [redacted] U.S. Army.
Col. Bruce W. Hall, [redacted] U.S. Army.
Col. William N. Farmen, [redacted] U.S. Army.
Col. Richard J. Mallion, [redacted] U.S. Army.
Col. Lynn C. Hooper, [redacted] U.S. Army.
Col. Domenic P. Rocco, Jr., [redacted] U.S. Army.
Col. John D. Robinson, [redacted] U.S. Army.
Col. Malcolm O'Neill, [redacted] U.S. Army.
Col. Timothy J. Grogan, [redacted] U.S. Army.
Col. Charles E. St. Arnaud, [redacted] U.S. Army.
Col. James A. Guest, [redacted] U.S. Army.
Col. William C. Page, Jr., [redacted] U.S. Army.
Col. Guy A. J. Laboa, [redacted] U.S. Army.
Col. Stephen Silvasy, Jr., [redacted] U.S. Army.
Col. William W. Crouch, [redacted] U.S. Army.
Col. Sherman H. Williford, [redacted] U.S. Army.
Col. Fred F. Marty, [redacted] U.S. Army.
Col. Paul E. Funk, [redacted] U.S. Army.
Col. John C. Heldstab, [redacted] U.S. Army.
Col. David A. Armstrong, [redacted] U.S. Army.
Col. Barry R. McCaffrey, [redacted] U.S. Army.

IN THE NAVY

The following named commodores of the U.S. Navy for promotion to the permanent grade of rear admiral, pursuant to title 10, United States Code, section 624, subject to qualifications therefor as provided by law:

MEDICAL CORPS

Joseph Samuel Cassells.
Louis Henry Eske.

IN THE COAST GUARD

Coast Guard nominations beginning Robert H. Carmack, and ending Robert A. Cushing, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 22, 1985.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

National Oceanic and Atmospheric Administration nominations beginning Thomas E. Gerish, and ending Todd C. Stiles, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 25, 1985.

IN THE AIR FORCE

Air Force nominations beginning Christian Y. Herrera, and ending Geoffrey E. Bangs, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 25, 1985.

Air Force nominations beginning William J. Agness, and ending Sondra K. Zimmerman, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 25, 1985.

IN THE ARMY

Army nominations beginning Raymond J. Cully, Jr., and ending Michael A. White, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 25, 1985.

IN THE NAVY

Navy nominations beginning Charles Llewellyn Adams, and ending Gary William Ley, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 9, 1985.

Navy nominations beginning Valeree Baity, and ending William A. Walker, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 25, 1985.

HOUSE OF REPRESENTATIVES—*Wednesday, July 31, 1985*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Help us, gracious God, to see the vision of a just and peaceful world, when people have their own traditions and yet respect others. May our pride in our history and the blessings we have received not blind us to see that all peoples are objects of Your creation and we are all sustained by Your love. May Your benediction be with each one this day and every day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2908. An act to amend title XI of the Education Amendments of 1978, relating to Indian education programs.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1160) "An act to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 505. An act to amend title 38, United States Code, to improve the delivery of health care services by the Veterans' Administration, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 367. An act to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to provide for judicial review of certain final decisions of the Administrator of Veterans' Affairs; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration; and for other purposes;

S. 415. An act to amend the Education of the Handicapped Act to authorize the award of reasonable attorneys' fees to certain prevailing parties, and to clarify the effect of the Education of the Handicapped Act on rights, procedures, and remedies under other laws relating to the prohibition of discrimination; and

S. 1514. An act to approve the Interstate Cost Estimate and Interstate Substitute Cost Estimate.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair announces that to expedite the business of the day he will postpone recognition for the 1-minute speeches until sometime later in the day.

CONFERENCE REPORT ON S. 960, INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1985

Mr. FASCELL. Mr. Speaker, pursuant to the order of the House of July 25, 1985, I call up the conference report on the Senate bill (S. 960) entitled "An act to amend the Foreign Assistance Act of 1961, the Arms Export Control Act, and other acts to authorize appropriations for the fiscal year 1986 for international security and development assistance, the Peace Corps, the Inter-American Foundation, and the African Development Foundation, and for other purposes," and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 30, 1985, at page H6702.)

Mr. FASCELL (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER. The gentleman from Florida [Mr. FASCELL] will be recognized for 30 minutes and the gentleman from Michigan [Mr. BROOMFIELD] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this conference report on S. 960—H.R. 1555 as it passed the House—is very similar to the bipartisan bill which the House passed by voice vote earlier this month.

All the principal features in the House version were maintained in the conference, and I am pleased to report that the conference went well from the standpoint of both sides. All of the conferees from both Houses joined in signing the report. The other body passed the conference report yesterday by voice vote. I am hoping for equally prompt passage here.

I would like to pay tribute to my distinguished colleague, the gentleman from Michigan [Mr. BROOMFIELD], and other minority members who so ably served in representing the House interest at the conference, along with my majority colleagues. From the other body, the chairman of the Foreign Relations Committee, Senator LUGAR, and the ranking minority member, Senator PELL, and their colleagues worked with equal diligence and were willing to proceed expeditiously to settle any differences between us. Our staff assisted us with dedication and competence throughout.

The result is that we were able to finish the conference in 1 day, working into the night. And we have a good bill which deserves overwhelmingly approval by the House.

The total annual authorization in the conference report is $12,774,281,000, a compromise between the $12,638,011,000 in the House bill and the $12,824,877,500 in the Senate bill.

The conference report we agreed to is below the President's budget and is still essentially a freeze—just slightly below the appropriation level which the Congress enacted for fiscal year 1985.

I am glad to say that the Senate, which had a 1-year authorization, receded to the House which had a 2-year bill. So we have a 2-year authorization in which the second year, fiscal 1987, is a straight line—a straight freeze—of all the numbers for fiscal 1986. It con-

tains no upward allowance for inflation or any other factor.

This bill, as Members know, authorizes programs which are absolutely vital to American interests around the world. Its security assistance enhances our own security by strengthening our friends and allies and those who provide facilities for American forces abroad. It provides economic assistance in areas of special concern to the United States such as the Middle East. It assists in the self-help economic development of poor countries, who in turn are getting to become among the best customers for American exports. And most of the money for this so-called foreign aid actually is spent right here in the United States, which means jobs and business for Americans.

An indispensable factor, as far as I am concerned, is the support that passage of this conference report will give to the legislative process as a whole. The Congress will be voting foreign assistance in an appropriations bill or a continuing resolution, anyway. What this bill does is provide authorization according to the proper legislative process, and it provides the key instrument through which the Congress can exercise its proper role in foreign affairs.

This is the first time since 1981 that the Congress will have done this according to the proper procedure. That in itself commends this conference report to the House. Further, there are a number of congressional initiatives in this bill of which we should be particularly proud. Highlights of the conference report include:

ANTITERRORISM

Authorizes $9,840,000 a year for antiterrorism assistance; gives the President authority to ban trade with Libya and any other country that supports terrorism and report this action to Congress; expresses sense of Congress that all civilized nations condemn use of terrorism and cites the murder of Army Maj. Arthur Nicholson by a Soviet soldier; calls on the President to seek creation of an international committee to secure cooperation of other nations to combat terrorism, and to negotiate treaties to respond more effectively to terrorist attacks through close intelligence sharing and uniform laws on asylum, extradition and swift punishment of terrorists.

AIRPORT SECURITY

Calls for strict security measures at international airports to curtail aircraft hijackings and sabotage; requires publication of airports that fail to meet minimum standards within 90 days of notification and the traveling public so advised; requires the President to suspend foreign aid to high-terrorist-threat nations that fail to meet security standards—this can be waived if the President determines national security interest or humanitarian emergency exists; authorizes study on need to expand the U.S. Air Marshal Program and allow marshals to carry firearms and make arrests; calls on Secretary of State to secure international agreements for vigorous enforcement of airport security standards.

NARCOTICS

Authorizes $57 million to fight international narcotics traffic; imposes economic sanctions against Bolivia and Peru unless they improve their antinarcotics efforts; repeals the Mansfield amendment which prohibited U.S. agents from being present at foreign drug arrests; provides defensive armaments for foreign aircraft being used to combat drugs; requires study to determine feasibility of establishing a Latin American regional narcotics control organization, and calls on the President to negotiate updated treaties on extradition and bank confidentiality where narcotics are involved.

ANGOLA

Repeals Clark amendment, thereby giving the President authority to provide military or other assistance to the freedom fighters opposing the Marxist government; White House supported repeal but has not requested funds for this purpose; Cuba maintains a force of 25,000 troops in Angola.

MIDDLE EAST

Israel continues to be chief beneficiary of U.S. aid with $3 billion a year authorized, plus $1.5 billion in emergency economic assistance; Egypt would receive $2.1 billion, plus $500 million in emergency economic aid.

PHILIPPINES

Provides a total of $180 million on U.S. base-related assistance a year but shifts emphasis from military to economic aid: $70 million for military assistance—down 30 percent from administration request—and $110 million in economic aid; statutory requirement makes clear Congress can defer future assistance unless Philippines implements fundamental reforms.

CAMBODIA

Provides $5 million a year in military or economic aid to the anti-Communist Cambodian resistance forces; prohibited, however, to Khmer Rouge.

NICARAGUA

Authorizes $27 million in humanitarian aid to the anti-Sandinista guerrillas but requires that aid be channeled through an agency other than the CIA or Department of Defense.

EL SALVADOR AND GUATEMALA

Supports efforts of President Duarte to bring democracy and social and economic development to El Salvador, and efforts to establish democratic institutions in Guatemala.

GREECE AND TURKEY

Maintains present 7-10 ratio in U.S. military assistance; Greece would get $500 million and Turkey, $714 million.

OTHER

Provides full funding through fiscal year 1989 to implement recommendations of Kissinger Commission; expands existing authorities facilitating joint weapons projects between U.S. and NATO allies; tightens up costing formula for sale of military training to achieve a savings estimated at up to $100 million.

Mr. Speaker, I have received additionally some specific questions from the gentleman from California [Mr. LAGOMARSINO] to which I will be happy to provide answers at this point:

Mr. LAGOMARSINO. Does this legislation earmark any ESF for Ecuador in fiscal years 1986 and 1987?

Mr. FASCELL. The Foreign Affairs Committee does not generally earmark funds. Thus, the bill does not contain an earmark in the ESF account for Ecuador. However, I know that President Febres-Cordero recently requested President Reagan to provide ESF in this and subsequent fiscal years for his country. In addition, I would say that the fact that funds are not earmarked in this need in no way prejudice their request for such assistance. On the contrary, Ecuador's economic reform program, social policies, and human rights record, make it highly deserving of such aid.

Mr. LAGOMARSINO. How does the conference report treat our committee's recommendation with respect to ESF for Ecuador during the next 2 fiscal years?

Mr. FASCELL. The administration recommended $15 million in ESF for Ecuador in fiscal years 1986 and 1987. There is no ceiling on ESF for Ecuador in the bill. Indeed, I would suggest to the administration, that this is a minimum amount that should be provided. I would hope that the actual level of ESF exceeds the administration's original request.

Mr. LAGOMARSINO. Do we make any recommendation with respect to a reprogramming of ESF for Ecuador for this fiscal year, and would the gentleman be supportive of such a reprogramming if the State Department were to take such action?

Mr. FASCELL. The bill does not make any such recommendation with respect to a reprogramming of unexpended fiscal year 1985 funds. Nonetheless, I would say that the State Department should not wait for the new fiscal year before acting on Ecuador's request for ESF. Ecuador has real needs and is facing serious threats from antidemocratic forces in the region.

In order for Febres-Cordero's program to succeed, he needs to receive U.S. aid now—not later. So I would say that I would be very supportive and, indeed, favor the State Department's reprogramming of unexpended funds

from the fiscal year 1985 ESF account to Ecuador.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join in support of the conference report before us. Thanks to a spirit of compromise and the hard dedicated work of both members and staff, the report before us was made possible. In particular, I want to commend the excellent work of the conferees and the outstanding contributions of Senator LUGAR and Chairman FASCELL. Also, the dedicated work of committee staff directors Jeff Bergner, Jack Brady, and Everett Bierman, and their associates contributed significantly to achieving this commendable agreement.

For the first time in 4 years, we have been able to agree to a foreign aid authorization bill, the levels of which are below the 1985 freeze levels. We have been able to put this bill together in spite of a lack of cooperation on the part of the Department of State. It is obvious that many in the bureaucracy misread the will of the American people regarding excessive spending. This conference report clearly expressed Congress' sensitivity to the high budget deficits and the concerns which many people have regarding unreasonable amounts of foreign aid. The conference report also represents a commitment on the part of the conferees regarding the importance of maintaining the authorizing function, a key element in the democratic process of this institution.

The conference committee resolved important issues affecting the security of America and our friends and allies around the world. In particular, we agreed to ease some of the congressional restraints on the President's power to conduct foreign policy by providing assistance to freedom fighters in Nicaragua, Cambodia, and Afghanistan, as well as lifting the Clark amendment ban on assistance to the freedom fighters in Angola. Progress was also made in the area of Presidential flexibility in dealing with Jordan and the Philippines. Ways to better combat international terrorism were also addressed by the conferees. In particular, new and firm approaches will be taken by our Government toward countries with inadequately secured international airports.

Although I still have reservations about some provisions which tend to micromanage the foreign policy process, I do support the conference report before us. With these concerns in mind, I urge my colleagues to join me in adopting the conference report.

Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas [Mr. HAMMERSCHMIDT].

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in opposition to the conference report on S. 960, the Foreign Assistance Act. I would, however, like to direct my colleagues' attention to part 2 of title 5 of this bill which deals with foreign airport security.

As we all know, aircraft hijacking and sabotage have, unfortunately, become more frequent in the past few weeks. There are many reasons for this. One of the major ones is the lax security at some foreign airports. This body recognized that problem last June and responded quickly by passing H.R. 2796, the Foreign Air Travel Security Act of 1985, a bill originally introduced by the leadership of our committee, the Public Works and Transportation Committee. Shortly after that bill was passed, our committee sat down with the Foreign Affairs Committee and developed a new and improved version to better protect foreign air travelers from terrorist actions. As you know, this revised bill also was passed as an amendment to H.R. 1555, the Foreign Assistance Act. It was as part of this act that our antiterrorism bill went to conference with the other body and comes before you today.

It is unfortunate that our antiterrorism measure has become bound up in the Foreign Assistance Act. The antiterrorism portion of this act—title 5—would be extremely beneficial. It emerged from conference with few changes from the House-passed version. It continues to direct the Secretary of Transportation to assess security at foreign airports.

The assessment will be based on the standards and appropriate recommended practices of the International Civil Aviation Organization [ICAO]. If an airport is found to be deficient, the foreign government involved will have 90 days to solve the problem. Failure to do so could result in a number of sanctions against the airport. These could include a complete cut off of air service between the United States and the offending airport. Loss of access to the U.S. market would put heavy pressure on the foreign government to bring its security measures up to standard.

In addition, title 5 of the conference report includes public notice provisions so that a traveler is aware of potential dangers and can make an informed decision whether or not to go. The required notice would take the form of a sign at all U.S. airports and a written notice provided to the passenger when buying a ticket from an airline or travel agent. The public could also receive notice under title 5 through the news media or by a travel advisory.

There are several other provisions in title 5 that are also beneficial. For instance, there is a provision calling for a study of an expanded Air Marshal Program on international flights of U.S. airlines. Air marshals could be an effective means of deterring hijacking in some cases.

Mr. Speaker, title 5 of S. 960 could be very helpful in our war against terrorism. If it were standing alone, I would certainly support it. In this connection, I note that both Houses have passed separate antiterrorism measures that do stand alone.

I am hopeful that, even if S. 960 should be defeated, the differences between these other antiterrorism bills can be resolved so that final passage of these important measures can be achieved.

I am confident that all my colleagues support our goal of preventing hijacking and sabotage of civil aircraft. We should not let a possible setback here deter us from enacting measures that further that goal.

● Mr. SNYDER. Mr. Speaker, I would like to elaborate on the gentleman's remarks on the airport security portion of S. 960—part 2 of title V. It is a comprehensive measure and one which, if it were not included in this particular bill, would be most worthy of my colleagues' support.

Part 2 of title V of this conference report represents the combined efforts of the committees with jurisdiction over foreign affairs and civil aviation to develop legislation to effectively address the problem of international terrorism committed against commercial air transportation. As such, it contains provisions which were embodied in H.R. 2796—which was adopted by this body on June 19—as well as provisions included in H.R. 1555 and S. 1436.

This portion of the conference report requires an assessment of foreign airports to determine whether a particular facility meets internationally approved security standards. This assessment will be made primarily by the Secretary of Transportation in consultation with the Secretary of State as to the nature of the terrorist threat which may exist in that country. Any airport which is determined to be deficient in its security procedures will be so notified and will have 90 days in which to correct the deficiencies. If remedial steps are not taken within that time, a travel advisory may be issued by the State Department and additional steps will be taken by DOT and the airlines to advise passengers that the airport does not meet internationally approved security standards.

The bill also requires the immediate issuance of a travel advisory, as well as the other forms of public notice, in those special cases where a condition exists which jeopardizes the safety of passengers, crew, or the aircraft.

Part 2 of title V also expands the authority of DOT to suspend or revoke the operating rights of United States and foreign carriers to serve the problem airport and also broadens the au-

thority of the administration to take similar action against the air carriers of other nations which continue to serve it. It authorizes, and in some cases requires, the immediate termination of various forms of foreign aid to any country which does not bring its airport up to standards. These sanctions could be imposed if the foreign government fails to correct security deficiencies within 90 days—although immediate action (without notice and hearing) can be taken to suspend the operating rights of any air carrier or foreign air carrier to serve the United States upon a determination by DOT that a condition exists which threatens the safety of passengers and crew.

Part 2 of title V also requires a study of an expanded Domestic Air Marshal Program. It gives DOT the authority, with the approval of the Attorney General, to authorize air marshals to carry weapons and make arrests. Further, it provides an authorization of $5 million to accelerate the FAA's research and development of more sophisticated devices for the detection of explosives. The conference report also requires the Departments of Transportation and State to continue seeking the cooperation of foreign governments on international terrorism through bilateral agreements and through various international forums.

Mr. Speaker, I believe this portion of the conference report contains some constructive measures to address the continuing problem of international terrorism. It recognizes the legitimate interests of both the State Department and the Transportation Department and the degree of expertise within these agencies relative to terrorism and airport security.

I know all of my colleagues are outraged over this continuing international problem and many ideas have been offered to assist the President in his efforts to put a stop to this murderous conduct. All of us know that our best solutions lie in the coordinated action of the world community to isolate nations involved in terrorism and to assure that those who perpetrate these lawless acts are brought to justice. While we must pursue these objectives, we must also take steps to ensure that other countries are not allowed to disregard these prudent measures without facing severe international sanctions.

I want to take this opportunity to commend by colleagues for taking swift action to address these important issues. I think all would agree that it is a very constructive step in the fight against terrorism. I would also like to inform my colleagues that if this conference report is not adopted, I fully expect that we will bring back to this body a separate antiterrorism bill similar to this portion of S. 960.●

● Mr. LAGOMARSINO. Mr. Speaker, I rise this afternoon in strong support of the conference report to H.R. 1555, the fiscal, 1986 foreign assistance authorization bill. I was one of the conferees on this legislation, and was pleased to have assisted in creating a compromise foreign aid bill which, I believe, can and should be supported by Members on both sides of the aisle.

Foreign economic, humanitarian, food, and security assistance serves vital U.S. interests and insures a positive and visible U.S. presence across the globe. Our economic and humanitarian assistance provides much-needed aid to nations suffering from drought, famine, economic hardship, and more. Our security assistance programs provide a shield behind which the struggle for economic expansion and human rights can continue. In no small fashion, this foreign aid bill contributes to the overall security and well-being of not only our allies—be it our NATO, OAS, or ASEAN allies—but also of the United States itself.

Let me now turn to some specific provisions of the bill which I particularly support.

Democracy as a political institution in Latin America is on the rise. This bill supports that "democratic revolution" now sweeping through the region. I can recall when our aid package for El Salvador was the subject of heated debate. Many interested observers questioned whether the U.S. Congress would muster the political resolve to assist that fledgling democracy in its struggle against forces determined to see the democratic option fail. This bill recognizes the importance of El Salvador, the strides that that nation has made under President Jose Napoleon Duarte, and provides a significant level of assistance in order to allow further progress to take place. The bill calls for reports by the President, not certification, of progress in El Salvador. It follows recommendations of the Kissinger/Jackson Commission in authorizing funding for Central America for 5 years. This will provide credibility to the United States and encourage our allies.

In addition, the bill sends a strong signal to the enemies of the United States that the Congress will no longer stand idly by while freedom fighters in areas as diverse as Latin America, South and Southeast Asia, and Africa cry out for American assistance. In Afghanistan, courageous men and women have banded together in armed opposition to the brutal and repressive Communist puppet regime installed by the Soviets. They deserve our wholehearted support. An amendment I sponsored was adopted which provides $15 million in humanitarian aid to the Afghan people.

In Southeast Asia, following the withdrawal of American forces from Vietnam, the Communist North consolidated its power over the South and proceeded to extend its iron grip over all of Indochina. Cambodia, already ravaged by the bloody reign of terror at the hands of the murderous Pol Pot, was the object of further aggression, this time at the hands of the Vietnamese. Today, pro-West forces are struggling to maintain a viable option to Pol Pot's forces, should the Vietnamese ever agree to leave or be driven out. This group is also deserving of our assistance.

The democratic resistance in Nicaragua also looks to the United States for assistance in their continued efforts to bring pressure to bear upon the Marxist-Leninist Sandinista regime in Managua. Of course, without this pressure, the hopes for change within Nicaragua remain slim. The democratic alternative, also known as the Contras, is an important component of our overall strategy of getting the Sandinistas to relinquish their stranglehold on freedom and democracy in Nicaragua, only 900 miles from the United States border.

The Congress also removed a remaining limit on the President's foreign policymaking powers—that is, the Clark amendment. In Angola, as a result of the antiwar hysteria which gripped the Congress during the Vietnam war, this body placed restrictions on the President's ability to pressure the Marxist MPLA regime in Angola by assisting legitimate and worthy freedom fighters in that western Africa nation. Such a hands-off policy failed when some 30,000 Cuban troops under Castro's orders took their positions to insure the continued survival of that ruthless Communist dictatorship. Congress wisely removed this restriction.

In addition, the bill provides needed and useful assistance to our friends and allies across the globe, in all regions and on all continents.

Foreign aid is not a so-called easy vote for any of us. It may not directly benefit the "folks back home." It does, however, benefit our friends and allies in their struggle for economic development, the eradication of hunger, malnutrition and disease, and provide much-needed security assistance to those nations confronting a direct Communist threat. It would be folly to abandon those friends and allies and, again, I urge my colleagues to vote for this compromise conference report.●

● Mr. HOWARD. Mr. Speaker, I rise in support of the conference report. I would like to take special note of part 2 of title V of the conference report which establishes a program to help our government improve security at foreign airports. This section of the conference report was developed in a cooperative effort between the Committee on Public Works and Transportation and the Committee on Foreign

Affairs. I wish to express our appreciation to Chairman FASCELL, the ranking minority member, Mr. BROOMFIELD, and the other members of the Foreign Affairs Committee for their cooperation in developing this important legislation.

The Foreign Airport Security Program established by the conference report will give our Government important new tools to improve security at foreign airports. It will help prevent a repetition of the tragedy at Athens, where our Government knew for many years that there were security deficiencies at the airport, but did not give U.S. citizens any warning of the problems until after the TWA hijacking.

Under the provisions of the conference report, the Secretary of Transportation will be required to assess security at all foreign airports receiving international air service from the United States. If there are security deficiencies and the situation is not corrected in 90 days, a number of steps will be taken to ensure that prospective airline passengers are aware of the problems. In these cases the conference report requires the Secretary of Transportation to notify the news media of the security problems. The Secretary must also require that signs be posted at U.S. airports to give the public notice of the problems. In addition, U.S. and foreign air carriers will be required to provide notice to prospective passengers of security problems which exist at the time the passenger is issued a ticket.

The conference report further provides for sanctions against foreign airports which do not remedy security deficiencies. The sanctions include suspension of air service and, in appropriate cases, issuance of a travel advisory and suspension of foreign aid.

Mr. Speaker, I believe that these sanctions will give our Government substantial leverage in its efforts to improve security at foreign airports. Even if these efforts are not successful, the legislation will ensure that our passengers will have notice of security problems and will be able to make an informed choice as to whether they wish to travel to the airport.

Mr. Speaker, I believe that these provisions in the conference report will make an important contribution to improving the safety and security of international air travel. I urge my colleagues to join with me in adopting the conference report.●

● Mr. MINETA. Mr. Speaker, I rise to offer my strong support for the foreign airport security provisions contained in part 2 of title V of the International Security and Development Cooperation Act of 1985. I wish also to thank the distinguished chairman of the Foreign Affairs Committee, Mr. FASCELL, who has so forcefully advocated the views of his committee and graciously cooperated with me and other members of the Aviation Subcommittee in developing these provisions. All of us here in the House owe him a debt of gratitude. His cooperative spirit and effective advocacy were equaled by the other distinguished members of the House Foreign Affairs Committee and their staff, all of whom have worked long and hard with the Public Works and Transportation Committee to arrive at the carefully balanced program, which is contained in this conference report, to combat aviation terrorism.

The recent tragic hijacking and bombings have more than demonstrated the need for improved aviation security. These provisons of S. 960 will ensure that our Government assesses the security situation at foreign airports and advises the traveling public where there are deficiencies. The legislation also provides for a variety of notices and actions—and in some cases, sanctions—to encourage foreign countries to cooperate with us in improving security.

Chairman FASCELL and the Foreign Affairs Committee's support in this regard makes it difficult not to support this conference report. However, I cannot support it because of my continued opposition to any measure which authorizes aid to the Contras in Nicaragua and my strong concern about some of the other provisions in the report.

I have opposed aid to the Contras for several years because I cannot support the administration's policy of putting militaristic solutions before negotiations in addressing our problems with Nicaragua's Sandinista government. I am also opposed to sending $5 million to Kampuchean non-Communist forces fighting the Vietnamese occupying force in their country. While I am sympathetic to the cause of the non-Communist alliance, I believe it is rash to send funds for arms purchases into a region and a conflict for which there is currently no clearly formulated U.S. policy.

Furthermore, I am opposed to certain Central American countries being exempted from the current ban on aid to foreign police forces. I do not think a clear need for police assistance has been demonstrated by El Salvador and Honduras. We forget too soon the unsavory role that the right wing police forces in such countries have played in the abuse of human rights. I am opposed to the elimination of the certification requirement for aid to El Salvador. We have seen progress made by President Duarte in human rights, yet I strongly believe this progress results in part from the pressures and conditions exerted by Congress.

I am opposed to the repeal of the Clark amendment. We cannot afford to exacerbate the problems of our failing policy in southern Africa by allowing for the possibility that the CIA will again create havoc in Angola. Finally, I am opposed to the level of military aid authorized in the conference report for the government of President Marcos of the Philippines without any conditions set for restoring democracy and bringing about other much needed political and military reforms.

This House in recent months has fallen in love with liberation movements worldwide. As long as a movement is non-Communist and anti-Communist, we seem to be all too happy to send U.S. funds, military aid, and other signals of support to that movement. In our hurry to appear tough on Communists, we are forgetting that before we become involved in lending our support to a party in a conflict, we must determine that there is a clear and justifiable reason for our involvement, and a well enunciated policy to guide our actions.

Mr. Speaker, because of these deep concerns that I have expressed, I regret that I cannot support S. 960. My vote against S. 960 is in no way related to my strong belief that the airport security provisions make an important contribution to the battle against aviation terrorism.

Thank you very much.●

● Mr. MARTINEZ. Mr. Speaker, it was with little pleasure that I cast my vote against the agreement, reached in conference between the House of Representatives and the Senate, on the foreign aid bill.

I have a heartfelt sense of frustration that this legislative body has shirked its responsibilities to the American people, both within the United States and throughout the Western Hemisphere. The funds provided for so-called humanitarian aid to Contra forces fighting the government of Nicaragua is, in reality, nothing but blood money stained and tainted by the deaths of thousands of innocent civilians it will help murder.

The citizens of the United States do not want to be a part of this ruthless and unprovoked CIA war, and so I have therefore voted against the foreign aid bill on these moral grounds. I stand by my record and will continue to work vigorously in support of the programs that provide relief and assistance to those nations that are attempting to overcome the hardships that are associated with modernization and/or poverty.

It is clear that I have actively promoted funding for health programs, indigenous energy resource efforts and educational and human resource development. These are the tools of peace and the cornerstones of democracy. And in pursuit of these ideals I have not shyed away from the fact that, in their defense it is at times necessary to resort to military aid. This is the case in our relationship with the

State of Israel. But the important point, not to be missed is that this assistance is coupled with intense and ongoing negotiations at the highest levels of government.

No doubt that if the administration was consistent in its foreign policy endeavors and the Sandinistas were treated on an equal par as the Syrians, the war in Nicaragua would not have escalated to this dangerous point.●

● Mr. DORGAN of North Dakota. Mr. Speaker, I rise in reluctant opposition to the conference report on the 1986–87 foreign aid authorization (S. 960). The foreign aid bill includes a number of programs which I heartily support such as development aid, food aid, financial assistance to Israel, and humanitarian help. Unfortunately, this report continues a disturbing trend toward increasing U.S. military aid and CIA covert operations.

The conference report contains some needed improvements in the Food-for-Peace Program, including increased shipping levels for title II donations and emphasis on multiyear programs with co-ops and private voluntary organizations like CARE and Catholic Relief Services. The report earmarks $52 million for UNICEF's innovative programs which have the potential of cutting in half the 40,000 children who die each day from readily-treatable problems like dehydration. The conferees would also provide $50 million a year for replenishing the International Fund for Agricultural Development and moving ahead on a special project to revive Africa's sagging farm production. Funds are also designated to help Israel, our key strategic ally in the Middle East, to cope with its current economic crisis.

Regrettably, this report pumps up the military aid accounts again. In total, the agreement allows $200 million more in military aid than the House passed bill, and over $300 million more than in 1985. In one case, the compromise permitted an $805 million level for the Military Assistance Program [MAP], which is over seven times its 1981 level. The report also knocks out vital restrictions on U.S. military aid around the world. The conferees piled on another $45 million in arms aid for the Philippines at a time of mounting unrest in that country. We are also asked to scrub a needed ban on military aid to the rebels in Angola, which undermines any serious attempt to negotiate peace in southern Africa. The agreement further takes out a House restriction on advanced arms sales to Jordan, which has shown scant interest in a real peace pact for the Middle East. I am most disturbed by the $27 million earmarked for the Nicaraguan Contras, a clear sign that we are bent on a military—not a diplomatic—course in Central America.

Consequently, I must oppose this report on the grounds that it strips away needed safeguards against misguided military aid, that it shortchanges humanitarian aid to pay for more arms aid, and that it fails the budget test by increasing foreign aid by adding $136 million in foreign aid above the 1985 level. In a word, this is the wrong kind of foreign aid for building the right kind of foreign policy.●

● Mr. DENNY SMITH. Mr. Speaker, the conference report on S. 960, the Foreign Assistance Act authorizations bill for 1986, deserves the support of those of us who want to counter terrorism, reduce drug trafficking, and enhance our Nation's ability to conduct foreign affairs.

In the past, I've not supported foreign aid bills because they've just thrown more money at the problem. But this measure moves us away from that. First, it calls for a freeze on the level of spending. That is a commendable effort toward holding down the deficit. And it is in keeping with my strong support for an across-the-board freeze on all Federal spending.

Second, the conference report takes a strong stand against repressive regimes around the world which engage in press censorship, commit outrageous atrocities against their own peoples, and repress basic human rights.

Finally, the bill contains provisions designed to counter international terrorism and reduce illicit narcotics traffic.

Shocking events throughout the world underscore the fact that we in America are not isolated from the world's troubled spots, nor, as we've witnessed in recent terrorist acts, can we pretend to be apart from these problems.

This measure gives our country more tools to shake loose the terrorists grip' on the world and to help those peoples who strive for the freedom and democracy that we cherish.

I commend the conferees for their work in reaching this agreement. The overwhelming, bipartisan support it has received is a tribute to their efforts.●

Mr. FASCELL. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 262, nays 161, not voting 10, as follows:

[Roll No. 275]

YEAS—262

Ackerman	Gejdenson	O'Brien
Addabbo	Gekas	Oakar
Akaka	Gephardt	Obey
Andrews	Gibbons	Ortiz
Annunzio	Gilman	Owens
Armey	Gingrich	Packard
Atkins	Glickman	Pepper
Barnes	Gordon	Pickle
Bartlett	Gradison	Porter
Barton	Gray (IL)	Price
Bateman	Gray (PA)	Pursell
Bates	Green	Rahall
Bentley	Hall, Ralph	Rangel
Bereuter	Hamilton	Regula
Berman	Hatcher	Reid
Biaggi	Hawkins	Richardson
Bilirakis	Heftel	Rinaldo
Bliley	Hendon	Ritter
Boehlert	Henry	Robinson
Boggs	Hiler	Roe
Boland	Hillis	Rose
Boner (TN)	Horton	Rostenkowski
Bonker	Howard	Roukema
Borski	Hoyer	Rowland (CT)
Bosco	Huckaby	Rowland (GA)
Boucher	Hunter	Roybal
Boulter	Hutto	Rudd
Breaux	Hyde	Saxton
Broomfield	Johnson	Schaefer
Bruce	Jones (NC)	Scheuer
Bryant	Jones (OK)	Schneider
Burton (CA)	Kasich	Schuette
Burton (IN)	Kemp	Schulze
Bustamante	Kennelly	Schumer
Callahan	Kildee	Sharp
Carney	Kleczka	Shaw
Carper	Kolbe	Shelby
Carr	Kostmayer	Sikorski
Chandler	Kramer	Siljander
Chappell	Lagomarsino	Sisisky
Clay	Lantos	Slaughter
Cobey	Leach (IA)	Smith (FL)
Coble	Leath (TX)	Smith (NJ)
Coelho	Lehman (FL)	Smith, Denny
Coleman (TX)	Lent	Snowe
Collins	Levin (MI)	Solarz
Combest	Levine (CA)	Stallings
Conte	Lewis (CA)	Stangeland
Cooper	Lewis (FL)	Stark
Coughlin	Lipinski	Stenholm
Courter	Livingston	Stokes
Coyne	Long	Strang
Daniel	Lowery (CA)	Stratton
Daschle	Luken	Sundquist
de la Garza	Lundine	Sweeney
DeWine	Lungren	Swift
Dicks	Mack	Swindall
DioGuardi	MacKay	Synar
Dixon	Madigan	Tauzin
Donnelly	Markey	Thomas (CA)
Dornan (CA)	Martin (NY)	Thomas (GA)
Dowdy	Matsui	Torricelli
Downey	Mavroules	Towns
Durbin	McCain	Traxler
Dwyer	McCandless	Udall
Dymally	McCloskey	Valentine
Eckart (OH)	McCollum	Vander Jagt
Eckert (NY)	McCurdy	Visclosky
Edgar	McDade	Vucanovich
Edwards (OK)	McGrath	Walker
Erdreich	McHugh	Waxman
Fascell	McKernan	Weber
Fawell	McKinney	Wheat
Fazio	McMillan	Whitehurst
Feighan	Meyers	Whitten
Fiedler	Mica	Wilson
Fish	Michel	Wise
Florio	Mikulski	Wolf
Foglietta	Miller (WA)	Wolpe
Foley	Moakley	Wortley
Ford (TN)	Molinari	Wright
Fowler	Monson	Wyden
Frank	Moody	Wylie
Frenzel	Moore	Yatron
Frost	Morrison (WA)	Young (MO)
Fuqua	Mrazek	Zschau
Gallo	Murtha	
Garcia	Nelson	

NAYS—161

Alexander	Goodling	Panetta
Anderson	Gregg	Parris
Anthony	Grotberg	Pashayan
Applegate	Guarini	Pease
Archer	Gunderson	Penny
AuCoin	Hammerschmidt	Perkins
Badham	Hansen	Petri
Barnard	Hartnett	Quillen
Bedell	Hayes	Ray
Beilenson	Hertel	Ridge
Bennett	Holt	Roberts
Bevill	Hopkins	Rodino
Bonior (MI)	Hubbard	Roemer
Boxer	Hughes	Rogers
Brooks	Ireland	Roth
Brown (CA)	Jacobs	Russo
Brown (CO)	Jeffords	Sabo
Broyhill	Jenkins	Savage
Byron	Jones (TN)	Schroeder
Campbell	Kanjorski	Seiberling
Chappie	Kaptur	Sensenbrenner
Cheney	Kastenmeier	Shumway
Clinger	Kindness	Shuster
Coats	Kolter	Skeen
Coleman (MO)	LaFalce	Slattery
Conyers	Latta	Smith (IA)
Craig	Lehman (CA)	Smith (NE)
Crane	Lightfoot	Smith (NH)
Crockett	Lloyd	Smith, Robert
Dannemeyer	Lott	Snyder
Darden	Lowry (WA)	Solomon
Daub	Lujan	Spence
Davis	Marlenee	Spratt
DeLay	Martin (IL)	St Germain
Dellums	Martinez	Staggers
Derrick	Mazzoli	Studds
Dickinson	Miller (CA)	Stump
Dingell	Miller (OH)	Tallon
Dorgan (ND)	Mineta	Tauke
Dreier	Mitchell	Taylor
Duncan	Mollohan	Torres
Dyson	Montgomery	Traficant
Early	Moorhead	Vento
Edwards (CA)	Morrison (CT)	Volkmer
Emerson	Murphy	Walgren
English	Myers	Watkins
Evans (IA)	Natcher	Weaver
Evans (IL)	Neal	Weiss
Fields	Nichols	Whitley
Flippo	Nielson	Whittaker
Ford (MI)	Nowak	Wirth
Franklin	Oberstar	Yates
Gaydos	Olin	Young (AK)
Gonzalez	Oxley	

NOT VOTING—10

Aspin	Loeffler	Williams
Hall (OH)	Manton	Young (FL)
Hefner	McEwen	
Leland	Skelton	

□ 1120

Messrs. HERTEL of Michigan, ALEXANDER, DERRICK, KOLTER, KASTENMEIER, BEDELL, VOLKMER, EDWARDS of California, SPRATT, LIGHTFOOT, PARRIS, MARTINEZ, OBERSTAR, YATES, LEHMAN of California, GUARINI, LaFALCE, WALGREN, CHAPPIE, PETRI, ST GERMAIN, KANJORSKI, NOWAK, HAYES, COLEMAN of Missouri, and NATCHER changed their votes from "yea" to "nay."

Messrs. GINGRICH, CHAPPELL, WHITEHURST, CHANDLER, and BARTON of Texas, and Mrs. JOHNSON changed their votes from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1130

GENERAL LEAVE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on S. 960 just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

ADJOURNMENT OF THE HOUSE FROM THURSDAY, AUGUST 1, 1985, OR FRIDAY, AUGUST 2, 1985, TO WEDNESDAY, SEPTEMBER 4, 1985, AND ADJOURNMENT OF THE SENATE FROM THURSDAY, AUGUST 1, 1985, OR FRIDAY, AUGUST 2, 1985, UNTIL WEDNESDAY, SEPTEMBER 4, 1985, OR MONDAY, SEPTEMBER 9, 1985

Mr. WRIGHT. Mr. Speaker, I have at the desk a privileged concurrent resolution (H. Con. Res. 179) and I ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 179

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, August 1, 1985, or on Friday, August 2, 1985, pursuant to a motion made by the Majority Leader, or his designee, in accordance with this resolution, it stand adjourned until 12 o'clock meridian on Wednesday, September 4, 1985, or until 12 o'clock meridian on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate adjourns on Thursday, August 1, 1985, or on Friday, August 2, 1985, pursuant to a motion made by the Majority Leader in accordance with this resolution, it stand adjourned until 12 o'clock meridian on Wednesday, September 4, 1985, or until 12 o'clock meridian on Monday, September 9, 1985, pursuant to a motion made by the Majority Leader, or until 12 o'clock meridian on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution whichever occurs first.

SEC. 2. The Speaker of the House and the Majority Leader of the Senate, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and the Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

The SPEAKER. Pursuant to Public Law 91-510, the vote on this concurrent resolution must be taken by the yeas and nays. Those in favor will vote "yea"; those opposed will vote "nay."

There is no debate on this issue. The vote will be taken by electronic device.

The vote was taken by electronic device, and there were—yeas 230, nays 192, not voting 11, as follows:

[Roll No. 276]

YEAS—230

Ackerman	Fuqua	Oberstar
Addabbo	Garcia	Obey
Akaka	Gaydos	Olin
Alexander	Gephardt	Ortiz
Andrews	Gibbons	Owens
Annunzio	Gingrich	Packard
Anthony	Gonzalez	Pashayan
Applegate	Gordon	Pease
Atkins	Gray (IL)	Pepper
Badham	Gray (PA)	Perkins
Barnard	Guarini	Pickle
Barnes	Hall (OH)	Price
Bates	Hamilton	Quillen
Beilenson	Hartnett	Rahall
Bennett	Hatcher	Rangel
Berman	Hawkins	Ray
Bevill	Hayes	Reid
Biaggi	Heftel	Richardson
Boggs	Hertel	Rodino
Boland	Hillis	Roe
Boner (TN)	Holt	Rostenkowski
Bonior (MI)	Horton	Rowland (GA)
Bonker	Howard	Roybal
Borski	Hoyer	Rudd
Bosco	Hutto	Russo
Boucher	Hyde	Sabo
Boxer	Jeffords	Savage
Brooks	Jones (NC)	Scheuer
Brown (CA)	Jones (TN)	Schumer
Burton (CA)	Kanjorski	Seiberling
Bustamante	Kaptur	Shelby
Byron	Kastenmeier	Sikorski
Carney	Kildee	Siljander
Chappell	Kleczka	Sisisky
Cheney	Kolter	Smith (FL)
Clay	LaFalce	Smith (IA)
Coleman (MO)	Lantos	Smith (NJ)
Coleman (TX)	Leath (TX)	Smith, Denny
Collins	Lehman (CA)	Smith, Robert
Combest	Lehman (FL)	Snyder
Conte	Leland	Solarz
Conyers	Levin (MI)	Spratt
Cooper	Lipinski	St Germain
Coyne	Long	Staggers
Crane	Lott	Stark
Crockett	Lowery (CA)	Stenholm
Daniel	Lundine	Stokes
Davis	Lungren	Stratton
de la Garza	Manton	Studds
Dellums	Markey	Swift
Derrick	Martin (NY)	Tallon
Dingell	Martinez	Taylor
Dixon	Matsui	Thomas (CA)
Donnelly	Mazzoli	Thomas (GA)
Dreier	McCain	Torres
Dwyer	McCloskey	Towns
Dymally	McCurdy	Udall
Dyson	McDade	Valentine
Early	Meyers	Vento
Eckart (OH)	Mica	Visclosky
Edgar	Michel	Volkmer
Edwards (CA)	Mineta	Walgren
Evans (IL)	Mitchell	Walker
Fascell	Moakley	Waxman
Fawell	Mollohan	Weaver
Fazio	Montgomery	Weiss
Feighan	Moody	Wheat
Fish	Morrison (CT)	Whitehurst
Flippo	Mrazek	Whitten
Florio	Murphy	Wilson
Foglietta	Murtha	Wolf
Foley	Myers	Wright
Ford (TN)	Natcher	Yates
Fowler	Nichols	Yatron
Frank	Nowak	Young (AK)
Frenzel	O'Brien	Young (MO)
Frost	Oakar	

NAYS—192

Anderson	Breaux	Clinger
Archer	Broomfield	Coats
Armey	Brown (CO)	Cobey
AuCoin	Broyhill	Coble
Bartlett	Bruce	Coughlin
Barton	Bryant	Courter
Bateman	Burton (IN)	Craig
Bedell	Callahan	Dannemeyer
Bentley	Campbell	Darden
Bereuter	Carper	Daschle
Bilirakis	Carr	Daub
Bliley	Chandler	DeLay
Boehlert	Chappie	DeWine

Dickinson	Kramer	Rogers
Dicks	Lagomarsino	Rose
DioGuardi	Latta	Roth
Dorgan (ND)	Leach (IA)	Roukema
Dornan (CA)	Lent	Rowland (CT)
Dowdy	Lewis (CA)	Saxton
Downey	Lewis (FL)	Schaefer
Duncan	Lightfoot	Schneider
Durbin	Livingston	Schroeder
Eckert (NY)	Lloyd	Schuette
Edwards (OK)	Lowry (WA)	Schulze
Emerson	Lujan	Sensenbrenner
English	Luken	Sharp
Erdreich	Mack	Shaw
Evans (IA)	MacKay	Shumway
Fiedler	Madigan	Shuster
Fields	Marlenee	Skeen
Franklin	Martin (IL)	Slattery
Gallo	McCandless	Slaughter
Gejdenson	McCollum	Smith (NE)
Gekas	McGrath	Smith (NH)
Gilman	McHugh	Snowe
Glickman	McKernan	Solomon
Goodling	McKinney	Spence
Gradison	McMillan	Stallings
Green	Mikulski	Stangeland
Gregg	Miller (CA)	Strang
Grotberg	Miller (OH)	Stump
Gunderson	Miller (WA)	Sundquist
Hall, Ralph	Molinari	Sweeney
Hammerschmidt	Monson	Swindall
Hansen	Moore	Synar
Hendon	Moorhead	Tauke
Henry	Morrison (WA)	Tauzin
Hiler	Neal	Torricelli
Hopkins	Nelson	Traficant
Hubbard	Nielson	Traxler
Huckaby	Oxley	Vander Jagt
Hughes	Panetta	Vucanovich
Hunter	Parris	Watkins
Ireland	Penny	Weber
Jacobs	Petri	Whitley
Jenkins	Porter	Whittaker
Johnson	Pursell	Williams
Jones (OK)	Regula	Wirth
Kasich	Ridge	Wise
Kemp	Rinaldo	Wortley
Kennelly	Ritter	Wyden
Kindness	Roberts	Wylie
Kolbe	Robinson	Young (FL)
Kostmayer	Roemer	Zschau

NOT VOTING—11

Aspin	Hefner	McEwen
Boulter	Levine (CA)	Skelton
Coelho	Loeffler	Wolpe
Ford (MI)	Mavroules	

□ 1150

Mrs. SMITH of Nebraska, Mrs. LLOYD, and Messrs. WORTLEY, CARR, and LUJAN changed their votes from "yea" to "nay."

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BOULTER. Mr. Speaker, I was inadvertently detained for the vote on House Concurrent Resolution 179, the adjournment resolution because I was meeting with a group of my constituents downtown about a Federal Energy Regulatory Commission ruling which is very important to the Panhandle of Texas. Had I been present, I would have voted "nay" in opposition to the adjournment resolution.

ACCURACY IN HOUSE PROCEEDINGS RESOLUTION

Mr. FOLEY. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 230 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 230

Resolved, That this resolution may be cited as the "Accuracy in House Proceedings Resolution".

SEC. 2. The Joint Committee on Printing is hereby requested to adopt the following rule as part of the House Supplement to Laws and Rules for Publication of the Congressional Record:

"7. Notwithstanding any other rule or joint rule relating to the publication of the Congressional Record, for the remainder of the first session of the Ninety-ninth Congress, the Congressional Record shall contain a substantially verbatim account of remarks actually spoken during the proceedings of the House, subject to such technical, grammatical, and typographical corrections as may be authorized by the Member delivering the remarks involved. The substantially verbatim account shall be clearly distinguishable by different typeface from any remarks not actually spoken but inserted under permission to extend remarks.".

SEC. 3. The Joint Committee on Printing is requested to monitor the operation of the special rule provided for by section 2 of this resolution and report its findings to the Committee on House Administration no later than December 31, 1985. The Committee on House Administration should report to the House as soon as practicable thereafter its findings and recommendation as to whether such rule should be continued.

The SPEAKER pro tempore (Mr. DARDEN). The gentleman from Washington [Mr. FOLEY] is recognized for 1 hour.

Mr. FOLEY. Mr. Speaker, I yield one-half hour to the gentleman from Minnesota [Mr. FRENZEL], pending which I yield myself such time as I may consume.

Mr. Speaker, pursuant to rule III of the laws and rules for the publication of the CONGRESSIONAL RECORD promulgated by the Joint Committee on Printing, a bullet symbol is presently used to distinguish between words spoken on the floor by Members and words submitted, but not actually spoken. According to the rule, the so-called bullet, a large black dot, is placed at the beginning and the end of speeches, remarks, and other materials which are submitted by Members for printing in the CONGRESSIONAL RECORD, but no part of which was spoken on the floor.

Although this rule was designed to aid in distinguishing between spoken and nonspoken words, under the rule a member may rise and speak as little as one sentence of a prepared statement. When the remainder of the text is submitted to the official reporter under leave to revise and extend remarks, the bullet symbol is not used because rule III requires the bullet only when no part of the statement is spoken on the floor.

In response to this practice, the gentleman from Mississippi [Mr. LOTT] introduced House Resolution 163 calling for a review of the bulleting procedure. Of specific concern was a debate printed in the CONGRESSIONAL RECORD on May 1, 1985, wherein the bullet symbol did not set off a Member's remarks which appeared not to have been spoken on the floor, while in the same colloquy in other remarks had a bullet symbol directly applied.

After extensive review by the Subcommittee on Procurement and Printing and the Committee on House Administration, the resolution now before us proposes to address these concerns raised by the gentleman from Mississippi [Mr. LOTT].

We are considering this resolution, Mr. Speaker, entitled "Accuracy in House Proceedings," wherein it is intended first that Members be made more aware of the existing rules, and second, that a closer adherence to the rules should be strongly encouraged, because the entire process is self-policing by Members.

To accomplish this, this resolution will effectively eliminate the bullet symbol in the House portion of the RECORD for a trial period, which trial period will end at the conclusion of this session of Congress. At the beginning of the next session of Congress at the end of this year, the Committee on House Administration will report its findings and recommendations to the House. The trial period will drop the use of the bullet and substitute a different typeface in the RECORD for those remarks that are inserted or are additional remarks of Members. These remarks will appear in a so-called Century bold type, which is slightly smaller than the eight-point typeface that is issued by the CONGRESSIONAL RECORD and somewhat darker.

The purpose of such a change is to distinguish more clearly remarks not actually spoken on the floor under extensions or under leave to extend.

Members shall continue to have the right to revise original copy without having the alternative typeface applied to their revisions, but they should continue to confine their revisions to technical, grammatical, and typographical changes, as is now the practice.

When we report at the end of the first session of Congress, the House will have an opportunity to further consider any changes that it wishes to undertake to this rule.

I wish to reemphasize that the primary responsibility for ensuring the observance of the rules' requirements shall rest, as it does now, on each individual Member, although any clear deviations from the rule or its guidelines

may be informally called to the attention of the Member.

I want to compliment the gentleman from Mississippi [Mr. LOTT] for bringing this matter to the attention of the House.

Mr. Speaker, I reserve the balance of my time.

Mr. FRENZEL. Mr. Speaker, I yield such time as he may consume to the distinguished minority whip, the originator of this legislation, the gentleman from Mississippi [Mr. LOTT].

Mr. LOTT. Mr. Speaker, I want to commend the chairmen and ranking Republicans on the House Administration Committee and its Procurement and Printing Subcommittee on their cooperation and efforts in developing this proposal and bringing it to the floor. I particularly want to pay tribute to the distinguished majority whip and chairman of the Subcommittee on Printing [Mr. FOLEY] for sponsoring this resolution with me and for his patience and persistence in working out guidelines which I think will be acceptable to all parties concerned. The gentleman has taken care to consult closely with the Official Reporters, Government Printing Office, the Parliamentarian's Office and others. He has worked closely with me and other Republican Members on a bipartisan basis in seeing this project through. I think this effort is an example of how this House can work in harmony for the improvement of this institution.

Mr. Speaker, House Resolution 230, which calls for a more accurate account of House proceedings in the CONGRESSIONAL RECORD, is actually the culmination of work begun over 15 years ago by our late colleague from Wisconsin, Bill Steiger.

It was 15 years ago the Monday, on July 29, 1970, that Congressman Steiger offered an amendment to the Legislative Reorganization Act that was substantially identical to the rule before us today. Although that initial effort lost on a voice vote, Congressman Steiger persisted with his crusade for CONGRESSIONAL RECORD reform over the next decade, right up to his untimely death in December 1978, at the age of 40. Just 9 months prior to his death, he won a partial victory when the Joint Committee on Printing instituted the present "bulleting" procedure whereby a dot appears by remarks where no part of them were actually delivered.

While Congressman Steiger heralded the advent of the bullet as an important first step, he vowed to continue with his efforts until all unspoken remarks were distinguishable from remarks actually delivered.

I think it's appropriate to recall Bill Steiger's pioneer efforts on behalf of CONGRESSIONAL RECORD reform as we consider this resolution today. If anything, the case for RECORD reform is even more compelling now than it was then. It wasn't until 2 months after Congressman's Steiger's death that we began publicly televising House proceedings. Some 20 million C-SPAN viewers know what is really said on this floor. Why should we maintain a fictional CONGRESSIONAL RECORD when we now have a factual electronic record that tells it like it is rather than how we wish we had said it? Why shouldn't we begin living up to the 1968 law that says the CONGRESSIONAL RECORD "shall be substantially a verbatim report of proceedings?"

Mr. Speaker, that's what this proposed rule is all about: Making our CONGRESSIONAL RECORD just that, a true, honest, and accurate record of our proceedings. This rule will replace the present bullet symbol and in its place require that remarks not actually delivered be in different typeface. Whereas Members may now speak only a few words or sentences of their speeches, and the entire speech will appear in the RECORD as if it were actually delivered, that is, without a bullet, under this rule, the part spoken will be in one typeface and the part not spoken in another. This will help insure compliance with the 1968 law requiring that our RECORD be substantially verbatim.

Mr. Speaker, I know there are some concerns that this might cause more Members to deliver their entire speeches. We have purposely proposed this as a temporary test, with close monitoring and evaluation, before making it a permanent rule. But I don't think this will result in more and longer speeches. More people watch us on TV than read the RECORD. If Members really wanted the folks back home to think they acutally delivered all of their speeches, they'd already be giving that whole speech for the benefit of the TV viewers. I think most Members are more concerned about being on the record on most issues than they are about being on the tube all the time. By the same token, they are more concerned about being on the record than they are in what kind of typeface their views appear in.

Let's face it, the CONGRESSIONAL RECORD is not really one of your more popularly read periodicals back in the district. I don't think this is going to change our floor behavior that radically. But, we do have the safeguard here of a temporary, pilot test of the new rule, and a definite sunset date. Let's give it a chance and base our final judgment on actual experience rather than imagined problems. I think we owe an honest RECORD to ourselves, our citizens, and to posterity. Let's set the RECORD straight. Vote for this resolution.

Mr. Speaker, I include at this point in the RECORD a Congressional Research Service report by Roger Davidson and Thomas Kephart entitled, "Representative William Steiger's Advocacy of Congressional Record Reform."

REPRESENTATIVE WILLIAM A. STEIGER'S ADVOCACY OF CONGRESSIONAL RECORD REFORM

(By Roger H. Davidson, Senior Specialist, and Thomas Kephart, Research Assistant, American National Government Division, Congressional Research Service)

First elected to Congress in 1966, William A. Steiger represented the Sixth District of Wisconsin until his untimely death in December 1978, just after he was reelected to a seventh term. Steiger respected the House as an institution and soon became a leading advocate of congressional reform measures. He was one of a bipartisan group of Members who succeeded in strengthening the Legislative Reorganization Act of 1970 through a series of floor amendments in the House. Later, he was an active member of a panel that recommended a comprehensive reorganization of the House Committee System—the Select Committee on Committees (the Bolling-Martin Committee) during the 93rd Congress.

Steiger's role as a proponent of reforming the Congressional Record began in 1970. On July 29 of that year, he offered an amendment on this subject to H.R. 17654—the Legislative Reorganization Act of 1970. As he explained the amendment's three provisions:

"One, it says that the body of the Record shall contain an accurate and verbatim account of the remarks actually delivered on the floor . . . Two, it says extensions and revisions of remarks delivered on the floor shall be limited to the correction of grammatical and typographical errors and in no event shall such corrections make any change in the meaning, content, or substance of such remarks. Number three is: Members shall be entitled to make insertions in the Congressional Record of remarks not actually delivered, but such insertions shall appear in a distinctly different type face from that used for the verbatim remarks."[1]

Steiger's initial effort was rejected by voice vote. Only one colleague, Representative Robert Eckhardt, D-Texas, rose to support it. During debate on Steiger's amendment, it was suggested that rather than attempting to amend the Rules of the House, he plead his case to the Joint Committee on Printing. Along with Representatives Eckhardt, Thomas Rees, D-California, John Rhodes, R-Arizona, and Louis Wyman, R-New Hampshire, Steiger wrote to the Joint Committee urging it to "undertake a more thorough analysis of this problem." The Joint Committee's Staff Director replied that such changes would delay publication of the Record and noted the lack of interest Committee members had shown in such a proposal. Steiger persisted over the following years, occasionally calling the House's attention to this issue during the 92nd and 93rd Congresses.

In 1975, during the 94th Congress, Steiger introduced five resolutions, (H. Res. 568, 569, 570, 581, 630) to amend the Rules of the House to make the Congressional Record a more accurate reflection of chamber proceedings. Though these measures differed in details, they all specified that the Record should constitute a "verbatim account" of floor proceedings. Steiger stepped up his efforts through occasional addresses to the

[1] Congressional Record, Volume 116, Part 19, Pages 26416-26421, July 29, 1970.

chamber and frequent insertions of articles advocating reform of the Record. Included among these was a 1958 article authored by the man cited by Steiger as the original forceful advocate of Record reform. Senator Richard Neuberger, D-Oregon. Steiger so admired Neuberger's statement that he inserted it in the Record annually. By July 1975, Steiger's efforts had attracted the attention and support of many colleagues, with one resolution gaining 51 co-sponsors.

The need for clarity of legislative history was a prime motivation for Members backing Steiger initiatives. Steiger highlighted this point in a one-minute speech he delivered July 31, 1975:

"I have been introducing into the Record pertinent comments on this issue by authorities on the congressional process. Many of these items have pointed out the danger of misinterpretation of legislative intent because of revisions and extensions. Avoiding this danger is the primary purpose of the above resolution . . . my chief concern is that we may see a return of the practice whereby the judicial branch of our government ignores the record of debate when considering the intent of Congress.

"The history of judicial interpretation of legislation during the late 19th century was one of judge-made law and judicial veto . . .

"When the meaning of a statute could be alleged to be vague or ambiguous, as it sometimes was because of poor draftsmanship, judge-made law was the result. It was quite a number of years before courts looked at the record of our deliberations in determining legislative intent." [2]

In a separate address on June 18, 1976, Steiger addressed the issue of public confidence in Congress:

"Mr. Speaker, confidence in Congress on the part of the American people is at a perilously low level. It is clear that we must look carefully at our rules and procedures to determine what can be done to restore the public's trust in us and in Congress as an institution.

"My firm belief is that a cornerstone of this effort must be reform of the Congressional Record. We cannot permit wholesale changes in speeches made by Members, insertions of statements never made, and other alterations that destroy the integrity of the Congressional Record and distort congressional intent as reflected in debate." [3]

Steiger introduced nine resolutions on this subject during the first Session of the 95th Congress, in 1977. (H. Res. 284, 323, 324, 325, 326, 410, 479, 549, 779). During the 95th Congress, Steiger's effort began to bear fruit. Effective March 1, 1978, the Laws and Rules for publication of the Congressional Record were "amended to identify statements or insertions in the Record where no part of them was spoken."

In a February 22, 1978, one-minute speech, Steiger commented on the "bulleting" procedure:

"We have come a long way since the House defeated, by voice vote, my proposed amendment to the Legislative Reorganization Act of 1970 calling for clearly distinguishing unspoken remarks in the Record.

"It remains my firm conviction, though, that all unspoken remarks should be set off from what is actually said on the floor. Bulleting of wholly inserted statements is excellent, but we have not gone far enough when a Member can, by speaking as little as one sentence, make two pages of inserted material appear to have been delivered." [4]

On the occasion of the first bulleted record, March 1, 1978, Steiger was recognized for thirty minutes on the subject:

"Mr. Speaker, it is an historic thing we are doing today. The reputation of one of the most dishonest and mistrusted publications in the world may yet be saved. The world will little note what we say, but after today, it will have a better idea of what we did not say on the floor of the House and Senate . . .

"My strong feeling is that what happens today must be only the first step toward returning the Record to its legal definition as substantially a verbatim report of proceedings of the House and Senate! I remain firmly convinced that all unspoken remarks should be designated as such . . .

"There is considerable support in the House for this more far-reaching change. More than a third of the House has cosponsored my resolution to bullet all unuttered remarks. This is double the number of cosponsors in the 94th Congress and a marked change from 1970, when my proposed amendment to the Legislative Reorganization Act of 1970 was defeated by voice vote . . .

"Because so many unmade speeches dot the Record, it is steadily declining in importance as a documentation of legislative history . . . When an unstated argument has been printed without rebuttal, legislative intent can be clouded forever . . .

"Today's action is one of the most meaningful reforms to be instituted in my time in Congress. Until now, all that appeared in the Record was suspect because of those portions that had been inserted or that were subject to significant changes. Today we acknowledge that this was not right and we act to make the Record more honest. . .

"There is no question that bulleting of remarks will substantially change the way we are perceived. That is why I will continue to push for bulleting of all unspoken remarks. The experience of these ensuing months, I am sure, will allay any remaining fears and pave the way for this full time." [5]

The remarks Steiger delivered March 1, 1978, proved to be his final recorded views on the subject of reform of the Congressional Record to what he believed to be its original purpose. His advocacy of this cause would undoubtedly have continued, but for a fatal heart attack in December 1978. Steiger is remembered for many accomplishments, substantive as well as procedural, during his 12 years in this body. However, as the House contemplates further steps in the direction of an accurate Congressional Record, it is fitting to recall his consistent championship of this issue.

□ 1200

Mr. FRENZEL. Mr. Speaker, I yield myself 6 minutes.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding this time. I appreciate the work that went into this and all of the people that brought this forward. I think it is a big step in the right direction of cleaning up a CONGRESSIONAL RECORD that has been badly distorted in recent years.

But let me understand, do I understand this is not anything that will change the revise and extend procedure that allows Members to change their own remarks that are put into the RECORD, despite the fact that we have had instances where there have been major substantive changes done during the revise and extend by individual Members?

Mr. FRENZEL. I would tell the gentleman that no Member will be denied a chance to revise and extend his or her remarks, if unanimous consent is received.

Mr. WALKER. If the gentleman would yield further, I appreciate the answer. In other words, this goes a long way toward correcting the problem of people inserting the material in the RECORD that then appears as though it is a speech?

Mr. FRENZEL. That is correct.

Mr. WALKER. But we are not with this particular action solving the problem of people who use the revise and extend procedure to dramatically change the remarks they made on the floor; is that correct?

Mr. FRENZEL. Those remarks, if they are a dramatic change, will be in a different sized type, I would tell the gentleman, so that they will stand out as being different from the material delivered on the floor.

Mr. WALKER. Even if it is a case where they are revising and extending their original, where they have gone through and have revised and extended their original text remarks, is that correct?

Mr. FRENZEL. That is correct. If they are merely technical, misspellings, periods, split infinitives, it will not be shown. If it is a change of substance, it will be shown.

Mr. WALKER. I thank the gentleman and I think that is an important change.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, in the interest of clarity, I think it also should be stated to the gentleman from Pennsylvania [Mr. WALKER] that this is a matter which Members are expected to police themselves. We are not going to call on the Government Printing Office or the reporters to edit every Member's remarks to determine whether there was a substantial difference between the remarks that the Member delivered on the floor and what is extended in the RECORD.

If it is conceded that there are substantial additional nondelivered remarks, then those would be in the

[2] Congressional Record, Volume 121, Part 20, p. 26633, July 31, 1975.

[3] Congressional Record, Volume 122, Part 16, p. 19349, June 18, 1976.

[4] Congressional Record, Volume 125, Part 4, p. 4051-4052, Feb. 22, 1978.

[5] Congressional Record, Volume 124, Part 4, p. 5110-5111, March 1, 1978.

dark typeface. But if someone changes a sentence in the middle of his spoken remarks and does not otherwise indicate it, they will probably—we do not have any system for editing. Members are going to be asked to observe the spirit of the resolution, but we are not setting up in our arrangement here an editorial board to go through every Member's spoken words.

Mr. FRENZEL. I thank the gentleman for his contribution, and I concur in his statement.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield further to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, then that confuses me, because the problem becomes that that original transcript is between the Member and the reporter. I mean, there is no way of changing that.

Mr. FRENZEL. That is correct.

Mr. WALKER. So if I gather from what the gentleman is telling us then, if a Member does make substantive changes, it is between him and his conscience, and the rules, but we might not find that those substantive changes ended up being reflected.

Mr. FRENZEL. I will tell the gentleman that we are going to rely on the Members to do the biggest part of the job. If you slip in an additional phrase or an additional sentence, you may get away with it. If you stick in a whole new paragraph, that will undoubtedly appear in a different-sized print.

We would ask all Members, and we say so in this debate, that if you make a change that is important, you should note it and so the printer can pick it up. If you do not, you will probably get away with it for a while, until we catch it.

Mr. WALKER. I thank the gentleman.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Speaker, no one has discussed the additional cost. It appears obvious that if we are going to have to set up a system of different type running together in a statement that it is going to give an additional cost to the printing of this CONGRESSIONAL RECORD on a daily basis, extra time, singling it out.

What will be the additional cost?

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the distinguished gentleman from Washington for his normally brilliant response to that question.

Mr. FOLEY. Mr. Speaker, I will tell the gentleman, I will say that we are informed that it is not a very heavy expense to do that. Modern printing mechanisms can key into the different type face very quickly, so there is no significant additional costs we are informed.

Mr. FRENZEL. I thank the gentleman.

Mr. Speaker, I want to express my thanks for the teamwork approach, and in the congratulations that have been given here. This resolution arose out of the perhaps most decisive matter that has come before this Congress in my time here.

The committee, headed by the gentleman from Illinois, Chairman ANNUNZIO, and the gentleman from Washington, Chairman FOLEY, have handled this in a businesslike way that has been satisfactory and, in fact, has been a great pleasure to both parties.

Finally, I want to congratulate our Mr. GINGRICH who is the ranking member on the subcommittee for his cooperation and the splendid way that he performed.

As a postscript, I must echo the words of the distinguished minority whip about our beloved ex-colleague, Bill Steiger, who started this whole process more than 15 years ago, and whose early spade work on this subject started us moving toward the improvement we are passing today. I have introduced into the committee record a Library of Congress paper on Bill Steiger's tireless and effective efforts to reform and improve the CONGRESSIONAL RECORD.

I hope this privileged resolution is promptly passed.

I have no further requests for time, and I yield back the balance of my time.

Mr. FOLEY. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Illinois [Mr. ANNUNZIO], the chairman of the Committee on House Administration.

Mr. ANNUNZIO. Mr. Speaker, I rise to extend my congratulations to the gentleman from Minnesota [Mr. FRENZEL], the gentleman from Mississippi [Mr. LOTT], the gentleman from Georgia [Mr. GINGRICH], the gentleman from Washington [Mr. FOLEY], and to all of the members of the House Administration Committee for the excellent cooperation in bringing this resolution to the floor of the House.

Mr. Speaker, I just want to take this opportunity to indicate how important the work of the Subcommittee on Procurement and Printing is. Chairman FOLEY has worked extensively with both the majority and minority members of the subcommittee and full committee in bringing this resolution to the floor. There were many potential obstacles, but due to the efforts of Chairman FOLEY, Mr. LOTT, and the other members of the Committee on House Administration, we have been able to move this proposal forward.

I believe this kind of cooperative undertaking is absolutely essential if the House of Representatives is to effectively examine its practices and procedures. Both Members of the majority and Members of the minority, in fact all Members, have an opportunity to contribute their ideas and expertise to the improvement of the House. I would urge each Member, irrespective of party, to work cooperatively toward such improvements and wish once again to congratulate Chairman FOLEY, Mr. LOTT, and all of the members of the Committee on House Administration for their efforts in improving the CONGRESSIONAL RECORD.

At the conclusion of the test period, I look forward to the continued cooperation of the membership in evaluating the test and making such changes as may be justified.

I yield back the balance of my time.

□ 1210

Mr. FOLEY. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution. The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (H.R. 2068) "An act to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the U.S. Information Agency, the Board for International Broadcasting, and for other purposes."

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 410. An act to repeal the Commercial and Apartment Conservation Service, and for other purposes.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on H.R. 2577, the Supplemental Appropriations Act, 1985, and amendments thereto in disagreement, and that they may include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CONFERENCE REPORT ON H.R. 2577, SUPPLEMENTAL APPROPRIATIONS ACT, 1985

Mr. WHITTEN. Mr. Speaker, pursuant to the order of the House of July 29, 1985, I call up the conference report on the bill (H.R. 2577) making

supplemental appropriations for the fiscal year ending September 30, 1985, and for other purposes, and I ask unanimous consent that such conference report and all amendments in disagreement be considered as having been read.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

(For conference report and statement, see proceedings of the House of July 2, 1985.)

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. WHITTEN] will be recognized for 30 minutes and the gentleman from Massachusetts [Mr. CONTE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, may I say to my colleagues that in my experience here this supplemental appropriations bill has been one of the most difficult measures with which I have had to deal. Yet I do not know of anything that is more vital than this supplemental bill and its contents. I say to my colleagues no one here is stronger for authorization, in each and every case.

What we have here is a supplemental appropriation bill made necessary in part because so much of it has not been authorized. We have been unable to authorize for a variety of reasons. But in connection with some of it, it is because for 15 years, all of us working together, have been unable to get an authorization for domestic public works.

I would like for you to understand that if you are worried about the deficit you had better first look after your country because only through development and protection of our country's resources can we meet the deficit; if you are worried about the debt, you had better go along with us on this measure providing for public works because it is our country we are going to have to look to if we meet our problems. Our rivers and harbors, soil conservation, erosion, all the things that go to make up the real wealth of our country are involved here today.

Mr. Speaker, I want to say that I appreciate your confidence in having me as chairman of the Committee on Appropriations. But I also promise you that we did not delay this bill. We waited to find out what the 341 amendments on the Senate side meant. We got them to recede on over 100 amendments.

We have tried to help our friends on the authorizing committees to get their bills up and through the House. They are our friends and I do not know of any group which has cooperated more since I have been in Congress than the members of the legislative Committee on Public Works.

We have delayed nothing intentionally. We have agreed every time they have asked us when we could, but there were times when they could not. So let me repeat again, whatever our financial situation, and it is bad, whatever our debt situation, and it is bad, whatever our deficit, we had better look after our own country because that is what it all depends upon. This bill is directed that way.

There are two ways to serve in Congress. One is to record your views. If that is all you are going to do you might as well stay at home and write letters to the editor. The other way is to try to do something about it. I am proud of the fact that when it was not popular, I voted to bail out New York City because it is one of our major cities. I was right about it.

I want you to know that I also voted for the Chrysler loan because if you get big businesses going broke it is likely to become a snowball, it will grow in size as it goes down. I want you to know in this bill here my viewpoint has been national in scope, because we do represent the country as well as our districts.

So contrary to what you read again the delay here in bringing it up was at the instance of the leadership, but when we brought it up we got to go just as fast as we could.

This bill is below the 1985 budget resolution by $900 million-some-odd. So we are within the limits set by our budget.

Harbors all over this country are involved; floor control all over this country is involved; so I hope you will vote with us for the bill before us.

May I say again we have included projects that in our opinion were justified, about half of which are not authorized. Why? They are supported by the legislative committees and the legislative committees, with all due deference to their great ability and my friendship with them, for 15 years they have been unable to get an authorization. I say it is time we all have to join and help them.

We have worked with our colleagues who head those two committees so we would be sure to include what they thought should be included. Why? Because for 15 years they have been unable to get a bill into law. I say we are not encroaching on anybody. We invited the leaders, we caucused with them, we asked them for their support. If you vote to eliminate this provision of the conference report, judging by the past, you are voting to eliminate your projects.

I was disappointed when we first brought this bill before you, we lost 203–202 on the unauthorized projects.

So let me say again this is the most important thing we will do. If for one reason or another our friends on the other side or the White House are going to keep us from authorizing for 15 years, then it is time we use every vehicle they have in mind.

So I repeat again in detail what we are up against. Have you ever heard in your experience here of the Senate adding 341 amendments to a bill? That is what we face, 341 where we felt we should read them and understand them. I guess all of you have a whole lot of mail about domestic measures but do you know that OMB sent down a request for $2,250,000,000 in this supplement for foreign aid for the remaining 2 months? And I have not had a letter opposing this. I have not read an editorial against it. That was taken for granted. But we struggle and we groan and we fight each other when we start looking after these essential projects for our own country.

It is time my friends that we work together. I deplore a situation when my good friends on the Public Works Committee with whom I am very close, who have helped me in every way they could, helped you, cannot get their bill through the Congress and enacted into law.

□ 1220

If you look at what we have provided in foreign aid, if you look at what we are spending in military aid, if you look at our debt, you are bound to realize it is high time we look to our own country to which we have to look if these things are going to be handled.

I yield to my colleague, the chairman of the Committee on Agriculture [Mr. DE LA GARZA].

Mr. DE LA GARZA. I appreciate my chairman yielding, and I want to add my commendation to the chairman and the ranking minority member, and all members of the conference for their work in this supplemental, but specifically, and especially in Agriculture and the replenishing the funds for the Commodity Credit Corporation. which is in trouble and needs emergency action.

I know of the previous actions of the chairman, and I want to express my appreciation to the chairman and to the members of the conference.

Mr. WHITTEN. I thank the gentleman. I appreciate the fine job he does, and his statement.

I am going to discuss some of the details of this bill, I hope it will not be in funny print.

Mr. Speaker, the conference report on the fiscal year 1985 supplemental which is now before the House provides funding which is seriously needed for nearly all departments and agencies of the Government.

This conference report is the product of a lot of hard work and diligent effort on the part of many Members of the House. The Appropriations

Committee, through its subcommittees, began work on this bill back in April.

We delayed bringing this bill to the House at the request of the leadership so that there would be some time to deal with the Contra issue. But finally, on June 12, the bill passed the House.

When the bill reached the Senate, a tremendous number of amendments was added—some 341—or over 3 for each Senator.

We began work in conference on Monday of last week, and in three meetings over 5 days, we completed the conference last Friday. The conference report was filed on Monday and now is before the House for consideration.

Mr. Speaker, let me express my thanks to all those who participated in resolving this matter—both on the Appropriations Committees and on the various authorizing committees with which we worked.

But let me particularly thank the ranking minority member, SILVIO CONTE, and the subcommittee chairmen and ranking minority members—including EDDIE BOLAND, BILL NATCHER, NEAL SMITH, JOE ADDABBO, SID YATES, DAVE OBEY, ED ROYBAL, GEORGE O'BRIEN, JOE MCDADE, RALPH REGULA, JACK KEMP, TOM BEVILL, BILL LEHMAN, JULIAN DIXON, VIC FAZIO, JOHN MYERS, and LARRY COUGHLIN.

Funds in the conference report total $13,024,352,536, and touch just about every branch of Government; mainly because it is this annual supplemental bill which contains the mandatory Federal cost-of-living adjustment. Approximately 46 percent of this bill is classified as mandatory under existing law.

The bill is $920,395,000 below the Senate bill and is below the budget resolution.

On the Contra-Nicaragua issue, there was, of course, a great deal of discussion. Finally, the House prevailed and insisted on its position which is contained in the conference report.

Some of the other highlights of the conference report are the following:

Conference Report on Fiscal Year 1985 Supplemental (H.R. 2577)

[In millions of dollars]

Program supplementals.	
Rental housing assistance—rescission of contract authority	−529
Other rescissions	−208
Payment to the Social Security Trust Fund	3,500
Aid to Israel, Egypt, and Jordan	2,258
Guaranteed student loans	720
Food stamps	319
Commodity Credit Corporation	2,936
Nicaraguan humanitarian assistance	27
State Department (buildings abroad)	167
International financial institutions	237
Veterans benefits	175
Vocational and adult education	102
Payment to the Postal Service	169
Family Social Services	79
Water development projects (new starts):	
Corps of Engineers	48
Bureau of Reclamation	14
Student financial assistance (Pell grants)	289
Bureau of Land Management	110
Rail service assistance	69
NOAA—operations, research, and facilities	126
National Forest System	61
Federal Crop Insurance Program	163
All other miscellaneous items (net)	777
Total, program supplementals (net)	11,609
Pay supplementals (pursuant to Executive Order No. 12496):	
Department of Defense—Military	950
Civilian agencies	465
Total, pay supplementals	1,415
Total conference agreement	13,024
Mandatory	(5,976)
Discretionary	(7,048)

CHAPTER I—AGRICULTURE

Mr. Speaker, for the Agriculture chapter the conference agreement includes $2,935,790,000 for restoration of net realized losses of the Commodity Credit Corporation; $1 billion was provided in the Urgent Supplemental (H.J. Res. 342) which we enacted into law July 24 to meet the emergency. The total of $3.9 billion is the same as the amount in the budget request recommended for fiscal year 1986. Our committee had the foresight to include these funds in the supplemental in order that they would be available during fiscal year 1985. On July 17 the Secretary of Agriculture notified the Congress that CCC was terminating disbursements. On July 18 the House passed an Urgent Supplemental, which I had introduced on July 15, and the Senate passed it the next day and it went to the White House that afternoon. The President signed it into law (Public Law 99-71) on the morning of July 24 and CCC immediately resumed operations.

The conference agreement also provides $163 million for the Federal Crop Insurance Corporation, the same amount as the budget request and an estimated amount of funds that will be required to get the Corporation through the balance of this fiscal year.

A very important item included in the conference agreement is $500,000 as proposed by the House for a study and determination of the impact on the farmer of embargoes and the failure to offer his products for sale competitively in world markets over the last decade. In carrying out this study, we will expect the Department to obtain the services of individuals with national standing in the field of economic research in order that we have the very best results from the study.

The conference agreement also includes $318,856,000 for the Food Stamp Program, the same as the budget request. These additional funds are required due to the enactment of Public Law 98-473 last October 12, which increased the food stamp benefits for all household sizes for 11 months of fiscal year 1985. This change in the law was enacted after the passage of the fiscal year 1985 appropriation bill and, therefore, necessitated supplemental funding in the recommended amount.

For the Temporary Emergency Food Assistance Program the conference agreement provides $7 million, which will be available for the remainder of this fiscal year and the first 6 months of fiscal year 1986. These additional funds should be adequate to meet the needs for those States which have run out of money or are having to scale back their program due to a shortage of funds.

An issue of great importance to many of our western colleagues, Mr. Speaker, is funding for the Grasshopper Control Program. In the House bill we provided $9 million, the same as the budget request. The Senate increased the amount to $19 million which we agreed to in conference. While we did not receive an official budget request for the additional $10 million, the Secretary of Agriculture did advise the conferees that the administration supported the full $19 million for this program.

The conference agreement also includes two provisions related to the Agricultural Stabilization and Conservation Service. The first prohibits that agency from closing or relocating any of their offices, but does allow the Department to conduct a study of their operations and to report to the Congress prior to taking any action. The second provision allows the Commodity Credit Corporation to continue to lease office and other space for ASCS and other USDA agencies when they share space with ASCS.

In the area of food programs, the conferees agreed on two provisions. The first allows the continuation of the national Commodity Processing Program through June 30, 1986. The second provision provides for the phaseout of the pilot cash in lieu of commodities study effective December 31, 1985. The study has now been completed, and there is no longer a need to continue this program through provisions of the Appropriation Act.

I would also mention, Mr. Speaker, that in the bill we have provided $3,500,000 for the warmwater aquaculture facility which includes $700,000 that was made available in the fiscal year 1985 Appropriation Act. This expansion of aquaculture research will make a major contribution to the field of warmwater aquaculture, and I am pleased to say that it will be matched by an equal amount of non-Federal funds.

Mr. Speaker, there were 40 Senate amendments to the Agriculture chapter, and I am pleased to say that we were able to resolve these amendments in conference. I would also like to thank our ranking minority member on the subcommittee, the gentlelady from Nebraska [Mrs. SMITH], who does a fine job for her constituents and everyone else engaged in agriculture.

The SPEAKER pro tempore. The gentleman from Mississippi has consumed 9 minutes.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill passed the House on June 12, and passed the Senate on June 20 with 341 amendments. The Senate appointed conferees on June 20, the House appointed conferees on July 16, and the conferees reported on Monday of this week, July 29.

The conferees have reported 151 amendments in technical disagreement, and recommend that on 91 of these amendments the House recede and concur in the amendment of the Senate. The chairman will ask unanimous consent to consider these 91 amendments en bloc, and I hope that the House will agree to that request.

The total amount of new budget authority in the bill is $13 billion, which is $405 million under the House bill, $920 million under the Senate bill, $139 million over the administration's budget request, and $913 million under the total for new budget authority for fiscal 1985 in the House-passed budget resolution.

The bill is acceptable to the administration, and I can recommend the bill as a whole to my colleagues, even though I disagree with some portions of the bill.

However, in any bill which totals $13 billion, and where the conferees had to agree or disagree on 341 amendments, there will be individual items where Members cannot agree.

While I cannot review the entire bill, I will describe for my colleagues the major items, and the major points of disagreement with the administration.

In this bill, $9.9 billion, or 75 percent of the total, is in 10 programs where we have provided the exact amount of the budget estimate, and which includes Federal crop insurance, food stamps, CCC, the international banks, funds for Israel, Egypt, and Jordan, veterans' benefits, retired Federal employees, and a payment to the Social Security trust fund for military service credits.

We cut $1.2 billion from the supplemental request for defense pay costs and initiated rescissions of $37.7 million, and we used those savings to finance $763 million in unbudgeted pay supplementals, and $1 billion in unbudgeted discretionary program supplementals.

The pay supplementals that we received from the administration required that DOD absorb only 26 percent of its additional pay costs, while all other agencies had to absorb 72 percent. I think those priorities were wrong, and the House and the Senate have agreed.

By cutting $1.2 billion from DOD pay, and adding $173 million for other agencies, we provide that both DOD and the civilian agencies absorb 56 percent of their additional pay costs. I think those priorities are right, and deserve your support.

The bill as reported to the House included $171 million for 66 new starts. After a point of order and an amendment, the bill as passed the House contained $71 million for 35 new starts. The bill now contains $63 million for 45 new starts and language on cost-sharing which is acceptable to the administration.

The bill includes the McDade amendment providing humanitarian aid to the Contras, which cannot be administered by the CIA or the DOD, and which is subject to the restrictions of the Boland amendment.

The bill includes an additional $168.6 million to cover the revenue forgone by the Postal Service due to volume increases and the rate increases implemented in February of this year.

The bill also includes an additional $55.5 million for guaranteed student loans, which is required under current law.

The bill includes an additional $289 milion for Pell grants, which is the amount required to continue assistance with a maximum award of $2,100 and a cost of attendance limit of 60 percent as provided by current law.

The bill includes an additional $35.6 million for foster care and adoption assistance, which is the amount required under current law.

The bill includes an additional $45 million for the Bureau of Land Management to cover funds already borrowed and spent for emergency firefighting costs.

To sum up, most of the program supplementals are required under existing law. Our proposed pay supplementals are, frankly, more fair I think, and equitable than those recommended by the administration.

Each Member must make his or her own judgment, but for my part, I intend to vote for this conference report.

CHAPTER I—AGRICULTURE, RURAL DEVELOPMENT AND RELATED AGENCIES

For chapter I of title I, the conferees recommend $3.409 billion in new budget authority. This total, including $2.935 billion to reimburse the Commodity Credit Corporation for net realized losses, represents a decrease of $984.35 million from House-passed levels, a decrease of $995.797 million from Senate-passed levels, and an increase of $32.7 million over the administration's request and its estimate of need for CCC reimbursements.

When taking into account the $1 billion urgent supplemental for CCC reimbursements, as passed the House on July 18, and enacted into law on July 24 (Public Law 99-71), however, our conference agreement more accurately represents an increase of $15.65 million over the House-passed levels, and $4.203 million over the Senate-passed levels.

Of the 37 program-related Senate amendments, the managers on the part of the Senate have agreed to recede on 13. These include proposed Deficit Reduction Act rescissions for the Office of the Secretary ($69,000), the Agricultural Marketing Service ($150,000), the Rural Electrification Administration ($100,000), the Soil Conservation Service ($2,000,000) and the Food Stamp Program ($5,000,000).

In addition the Senate conferees have agreed to recede on various proposed requirements for the conduct of an Economic Research Service study, and they have agreed to adopt the House language concerning the prohibition on closures or relocations of State and county offices of the Agricultural Conservation and Stabilization Service. With regard to these ASCS prohibitions, the conferees have included report language emphasizing that any studies on improvements in program management, program delivery and common support activities are to be reported to the Congress. As a manager on the part of the House, it is my intention to carefully review any such study as reported prior to the implementation of policy or program changes as recommended within.

The House conferees have agreed to recede on two provisions; the first adopts the Senate language on Farmers Home Administration loan programs, and requires FmHA to set loan interest rates at the lower of the rate in effect at either the time of loan approval or loan closing; the second deletes the House language regarding the availability of fiscal year 1985 funds for the Feeding Program for Women, Infants and Children. Since the President submitted an official budget request for the supplemental WIC funds on June 7, 1985, the full $1.5 billion appropriated in fiscal year 1985 has been made available, making further congressional action in this important area unnecessary.

As managers on the part of the House, we have agreed to several compromise amendments on House-passed provisions. We have included the House-passed level of $17 million for salaries and expenses at the Farmers Home Administration, but have deleted our language requiring the Secretary of Agriculture to suspend pay-

ment of principal and interest and forego foreclosure in certain circumstances. We have also compromised on the level of supplemental funding for the Temporary Emergency Food Assistance Program, and agreed to a level of $7 million to be available through March 31, 1986. As a House conferee, it is my intention to work closely with the U.S. Food and Nutrition Service to monitor State management of these TEFAP funds in light of the concerns which I expressed during House floor consideration of H.R. 2577 last month.

Our conference agreement also proposes that the House recede on various Senate amendments in technical disagreement. These include Deficit Reduction Act rescissions for the Agricultural Research Service ($1,000,000), the Animal and Plant Health Inspection Service ($400,000), the Economic Research Service ($50,000), the Statistical Reporting Service ($100,000), the Packers and Stockyards Administration ($85,000) and the Foreign Agricultural Service ($100,000). We further propose adoption of a $49,000 Deficit Reduction Act rescission for USDA departmental administration.

Among other agreements reached by the conferees are: adoption of the Senate language providing for the relocation of the Fort Stanton Experiment Station; $2 million for Cooperative State Research Service graduate fellowship grants; $3.5 million for a CSRS grant to Mississippi State University to include $700,000 previously appropriated for this project, and requiring that the funds be matched by non-Federal sources; $200,000 for a CSRS grant to the University of Kansas; $19 million to restore funds borrowed from various APHIS accounts by the Secretary of Agriculture to conduct a Grasshopper Control Program; $700,000 for the Agricultural Marketing Service's Egg Inspection Program; adoption of the Senate-passed language providing that the authority of the CCC to lease space shall not be restricted; a $1 billion reduction in the reimbursement to the CCC for net realized losses to reflect enactment of the urgent supplemental (Public Law 99-71); an extension of the arrangement for school districts receiving all cash or all letters of credit in lieu of commodities until December 31, 1985; adoption of the Senate amendment allowing publicly operated community health centers to redeem food stamps for residents who would otherwise be eligible for food stamps were they not living in those centers; and adoption of the Senate amendment extending the National Commodity Processing Program through June 30, 1986.

To refresh the memory of my colleagues, the supplemental for fiscal year 1985 which we consider today also contains a number of program supplementals which, because they were included in both the House- and Senate-passed versions, were beyond the scope of the conference. These include $50 million for the Federal Crop Insurance Corporation for subscription to capital stock; an increase of $113 million in borrowing authority for the FCIC; $318.9 million for the Food Stamp Program; $300,000 for shrimp aquaculture research the CSRS; and $1.56 million for the Statistical Reporting Service's Quarterly Farm Labor Survey.

With regard to increase for pay costs, the conferees have recommended a total of $46.5 million, including $673,000 by transfer and $903,000 in increases in limitations. These recommendations are contained in title II of the bill, and are the same as the House-passed levels.

COMMERCE, JUSTICE, STATE, JUDICIARY

The major item within the jurisdiction of the Commerce, Justice, State and Judiciary Subcommittee in the bill was not subject to conference action. That is $234 million included in both the House and Senate bills for phase II of the State Department Security Enhancement Program. This amount is in addition to $110 million provided for phase I in the fiscal 1985 continuing resolution. These funds will be used to relocate a number of embassies, especially in the Middle East and Persian Gulf areas, and to upgrade the security at other facilities.

The bill includes $20 million for U.S. contractor claims and other expenses related to the continuing delay in the construction of the U.S. Embassy in Moscow. The conferees agreed to language in the bill prohibiting the Soviets from occupying their new embassy in Washington until the United States has been reimbursed for these costs.

The bill also provides $125 million for the fiscal year 1985 and fiscal year 1986 costs of the commercialization of the Landsat system, $31 million for projects in New Hampshire, Oregon, and South Carolina by the Economic Development Administration, $28 million for Small Business Administration loans, $15 million for additional U.S. attorneys and marshals and related expenses necessary to begin the implementation of the Comprehensive Crime Control Act of 1984 and to enhance Federal drug law enforcement, $18 million for Drug Enforcement Administration activities, $4 million for legal services programs at Drake University School of Law in Des Moines, IA, and $9 million for additional USIA educational exchange programs in Central America.

The conferees deleted House language banning the implementation of any rule allowing the payback of Maritime Administration construction differential subsidies for the purpose of escaping the restrictions on domestic shipping. In the statement of the managers of the conferees encourage the Secretary of Transportation and the Maritime Administration to delay enforcement of such a rule until the completion of pending litigation or legislation, or for the balance of this fiscal year which ends September 30, 1985, whichever is sooner.

There is also compromise language in the statement of the managers dealing with competition in the area of International Telecommunications Satellite Services. The language is an attempt to balance the need to protect the future of the Intelsat system, while at the same time provide a measured and fair opportunity for free market competition in services not now available.

CHAPTER IV—ENERGY AND WATER DEVELOPMENT

Mr. Speaker, the energy and water development portion of the supplemental was, next to the question of aid to the Nicaraguan Contras, perhaps the most controversial part of this bill. The House conferees, especially the gentleman from Alabama [Mr. BEVILL] and the gentleman from Indiana [Mr. MYERS], devoted a great deal of time and effort to bringing out an agreement on water projects that would respond to the needs and requests of our House colleagues, while also including cost-sharing language acceptable to the administration. As with any agreement, there are specific portions of this section with which I do not agree. Nevertheless, I believe that your conferees have succeeded admirably in their difficult task.

As it left the House, following the striking of unauthorized Corps of Engineers projects on a point of order and the adoption of the Edgar amendment, the bill contained $71 million for 35 new water projects. Those 35 included 31 authorized new Corps of Engineers projects and four authorized Bureau of Reclamation projects.

The conference agreement contains $63 million for 45 new starts, including the 4 Bureau of Reclamation projects originally contained in the House-passed bill. Of the 41 new corps projects, 21 are currently unauthorized, and would be authorized in this bill.

I have generally opposed the inclusion of unauthorized water projects in appropriations measures, and am far from enthusiastic about their appearance in this conference agreement. My views are tempered, however, by the presence of significant cost-sharing language in the final version of this bill.

The conferees have agreed to the Senate "fencing" language, which provides that none of the funds appropriated for new water projects may be expended until a cost-sharing agreement has been entered into between the project sponsor and either the Corps of Engineers or the Bureau of Reclamation. The funds appropriated in

this bill will lapse unless such an agreement has been entered into by June 30, 1986.

Mr. Speaker, this language will permit many of the projects contained in this bill to get underway immediately—to the great relief of many of our colleagues who have been waiting years to see construction begin. In addition, there is still a strong incentive to enact a comprehensive public works authorization bill, since the enactment of such a measure would make it possible to modify cost-sharing requirements being imposed by the administration in these cost-sharing agreements.

Mr. Speaker, I would note at this point that there is an exemption from this cost-sharing requirements for elements of the Mississippi River and tributaries project. My understanding is that the only two items affected by this exemption in this bill are the Atchafalaya Basin Floodway in Louisiana and the Eight Mile Creek project in Arkansas. I predicted before that our distinguished chairman, the gentleman from Mississippi, would find a way to get around this cost-sharing requirement, and here it is. I believe that such an exception is unfair to the rest of the country, and is inappropriate. But I would also point out that this is not permanent law—it affects only the funds in this bill, and can be superseded by subsequent enactments. I hope that it will be dealt with in the omnibus public works authorization measure.

Mr. Speaker, among the other items in this section of the conference agreement, I would note that we have provided $5 million for a TVA water transmission line at Bristol, TN.

FOREIGN OPERATIONS

In regard to assistance to the Nicaraguan Contras, the Senate receded to House language, the McDade amendment, providing $27 million in humanitarian assistance through an agency designated by the President. The President is prohibited from designating the Central Intelligence Agency or the Department of Defense to administer these funds. The House adopted identical language on June 12 by a vote of 248 to 184. The same language is also included in the conference report on the foreign assistance authorization bill.

The House conferees agreed to the Senate amendment providing $250 million in economic assistance to Jordan over the next 3 years, as requested by the administration. While not subject to conference action, the bill also provides $1.5 billion for Israel and $500 million for Egypt over the next 14 months. The conferees also agreed to transfer $12.5 million to Israel to help pay the costs of resettling Ethiopian jews.

Regarding population planning, the House conferees receded to Senate language directing the President to make the determination as to when funds will be withheld from population organizations or programs because of coercive abortion activities and adding involuntary sterilization to the prohibited activities.

Both House and Senate bills included $236.7 million in budget authority and $1.2 billion in off-budget callable capital to bring the U.S. payments to several international financial institutions up to date.

CHAPTER VI—HUD-INDEPENDENT AGENCIES

For chapter VI or title I, the conferees recommend—$295.006 million, including $260.22 million in appropriations, rescissions of $26.29 million, and rescissions of contract authority totaling $528.94 million. This overall reduction in fiscal year 1985 levels represents increases of $94.14 million over House-passed levels, decreases of $96.29 million from Senate-passed levels, and increases over the administration's request of $58.93 million in this fiscal year 1985 supplemental.

Of the 20 program-related Senate amendments, the managers on the part of the Senate have agreed to recede on three. These include a $4.125 million Deficit Reduction Act rescission in the Environmental Protection Agency's Research and Development account, a $2.109 million Deficit Reduction Act rescission in the Veterans' Administration's medical administration and miscellaneous operating expenses account, and a $337,000 Deficit Reduction Act rescission in the VA's construction, minor projects account.

The House conferees have agreed to recede on seven Senate amendments. In doing so, we recommend that balances in fiscal year 1985 payments for operation of low-income housing projects remain available for obligation in fiscal year 1986; we make available an additional $120,000 for the Office of Science and Technology Policy; we rescind only $4 million of the total $6 million NASA research and program management rescission pursuant to the Deficit Reduction Act; we agree to the $100,000 Office of Revenue Sharing Deficit Reduction Act rescission as proposed by the Senate; we delete the House-passed rescission of $150,000 in Veterans' Administration medical and prosthetic research and the $2 million proposed for rescission in the VA's general operating expenses account. Finally, we agree to delete the $44.2 million which we included for VA readjustment benefits based upon a revised supplemental request submitted by the administration.

As managers on the part of the House, we have agreed to several compromise amendments on House-passed provisions. For the Environmental Protection Agency, we recommend $20 million for abatement, control and compliance, and direct that, of these funds, $12 million be for RCRA activities, $4 million for asbestos abatement assistance and $4 million for water quality enforcement State grants to include pretreatment. We have also agreed to appropriate $4 million for EPA salaries and expenses, and place a priority on intramural research support and equipment costs.

Our conference agreement also proposes that the House recede on various Senate amendments in technical disagreement. These include the transfer of $4 million for the Department of Housing and Urban Development's salaries and expenses from the various funds of the Federal Housing Administration; making available up to $1 million in excess salaries and expenses funds of the American Battle Monuments Commission for purchasing equipment and services; an appropriation of $100,000 for the Arctic Research Commission; a Deficit Reduction Act rescission of $3.52 million in the VA medical care account.

Among other agreements reached by the conferees are: An additional $500,000 for EPA buildings and facilities with a restriction on the obligation of these funds until the completion of a feasibility study on cost-effective ways of housing the Newport, OR, Research Program; the transfer of $1.105 million to the salaries and expenses account at the Federal Emergency Management Agency from the emergency management planning and assistance account: and an additional $40 million to partially offset a significant cost overrun in the Shuttle Centaur Program at NASA, delaying the obligation of these funds until March 1, 1986, to permit the Congress to review program development problems.

On an issue of great concern to many of my colleagues in this body, the Emergency Food and Shelter Program, the conferees have agreed to provide $20 million for the remainder of fiscal year 1985, and to consider an additional amount in connection with the regular fiscal year 1986 appropriation bill. As many of my colleagues recall, H.R. 3038, the fiscal year 1986 HUD-Independent Agencies appropriation bill which passed the House on July 25 contained $70 million in fiscal year 1986 funds for this FEMA-administered program.

In addition to providing supplemental funds to be distributed to individual localities through the national board, the conferees have also agreed to adopt two amendments involving the Director of the Federal Emergency Management Agency and the Secretary of Agriculture. The Director and the Secretary are to review the reported condition of homeless and disadvantaged Americans in cities and counties throughout the Nation and to report to the House and Senate Appropria-

tions Committees their recommendations for correcting and improving this situation. As a manager on the part of the House, it is my hope that the Director of FEMA and the Secretary of Agriculture as well as the national board in determining the formula for distribution of program funds, will carefully review the needs of the disadvantaged residing in the Massachusetts counties of Berkshire, Franklin, Hamden, Hampshire, and Worcester where certain economic disasters occurring since the 1980 census have significantly affected unemployment and poverty levels.

H.R. 2577 also contains a number of program supplementals which, because they were included in both the House- and Senate-passed versions, were beyond the scope of the conference. These include the Rental Housing Assistance Program rescission; making available $2.5 million in UDAG fiscal year 1985 technical assistance funds for grant awards directly; a $6.9 million HUD management and administration Deficit Reduction Act rescission; an additional $500,000 for the Consumer Product Safety Commission; clarifying language on the San Diego sewage treatment facility; $2.073 million in Deficit Reduction Act rescissions at FEMA; a $63,000 Deficit Reduction Act rescission for the Consumer Information Center; clarifying language on the amount of fiscal year 1985 space station funding for NASA; a $1 million Deficit Reduction Act rescission in the NSF research and related activities account; $175 million for VA compensation and pensions.

CHAPTER VII—INTERIOR SUBCOMMITTEE

Mr. Speaker, of the 44 amendments in disagreement in chapter VII only a few were truly controversial and required significant discussion.

The administration proposed deferral of funds for the strategic petroleum reserve oil account. In the latest budget submission, the administration proposed an immediate and indefinite moratorium on oil acquisition and construction for SPRO. In H.R. 2577, the House overturned the deferral and proposed to obligate the $827 million available for oil acquisition. Consistent with its budget resolution, the Senate deleted the House deferral rejection in favor of the administration's proposed moratorium. The conferees agreed to an immediate obligation of $290 million for oil acquisition and deferred the remaining amount. This amount is to be used to fill the strategic petroleum reserve to a total of 500 million barrels.

The conferees also agreed to disapprove $39.2 million of fossil energy R&D deferrals instead of $38.9 million as proposed by the House and $8.4 million as proposed by the Senate. Report language concerning cost sharing for the MHD project is also included.

The conferees agreed to accept the House language regarding the implementation of the proposed Bureau of Land Management-Forest Service land interchange. The House language strictly prohibits the use of any funds to implement the program before authorizing legislation is enacted.

Finally, the conferees agreed to compromise language on amendment 200. The agreement includes bill language that will allow the Forest Service to resell timber in certain districts in Oregon under the Federal Timber Contract Payment Modification Act. This will allow local mills to continue operations while the agency continues the development of a forest management plan. However, language is also included directing the Secretary to consider the environmental consequences of each sale and to categorize each sale's environmental impact as minimal, moderate, or serious.

CHAPTER XI: TREASURY-POSTAL SERVICE SUBCOMMITTEE

Chapter XI, the Treasury, Postal Service, General Government section, contained two items in serious disagreement that were eventually resolved by the conferees.

First, the Senate agreed to accept a House provision that makes available an additional $22.6 million for the completion of a Federal building in Long Beach, CA. The continuing resolution last year provided funds to begin the project construction.

Second, the conferees resolved—at least for now—a controversy surrounding pay for performance regulations proposed to be issued by the Office of Personnel Management. In the continuing resolution last year, I proposed compromise language to continue the 4-year-old ban on the implementation of the regulations until July 1, 1985. Last month when the ban expired, the administration implemented the regulations.

The conferees agreed to end the ban proposed by the House. The agreement does not include bill language on the OPM regulations, but does include instructive report language regarding future negotiations between interested parties.

LEGISLATIVE BRANCH

The House conferees receded to the Senate on two Senate housekeeping amendments in keeping with the tradition of comity.

The House also receded on an amendment providing $5 million to the General Accounting Office to settle two class action claims. The claims deal with alleged discriminatory promotion practices and promotions, training and awards.

CHAPTER X—TRANSPORTATION

Mr. Speaker, the section of the supplemental dealing with the Department of Transportation and related agencies contains several items that I would bring to the attention of my colleagues. For the Coast Guard, we have provided an additional $27.7 million for aircraft, vessels, and aerostats to assist with the drug interdiction effort. In addition, we retained the $15 million in additional operating expenses that had been agreed to on the House floor. This money will permit the maintenance of military personnel levels at the 38,900 level.

For the Interstate Commerce Commission, we have provided $3.1 million. This amount will provide adequate funds for personnel expenses for the remainder of the fiscal year, thereby stopping the furloughs that had crippled the Commission's work between April and June. In addition to the $3 million that had been included by the Senate, the remaining $100,000 is to be used to help reduce the backlog of work that developed during the furlough period.

SUPPLEMENTAL APPROPRIATIONS, 1985 CONFERENCE AGREEMENT NEW BUDGET AUTHORITY

	Request	Conference	Conference compared to request
Program			
Mandatory	4,465,969,000	4,560,391,100	94,422,100
Discretionary	5,962,216,436	7,048,491,436	1,086,275,000
Total	10,428,185,436	11,608,882,536	1,180,697,100
Pay			
DOD	2,164,836,000	950,417,000	(1,214,419,000)
Other	291,932,000	465,053,000	173,121,000
Total	2,456,768,000	1,415,470,000	(1,041,298,000)
Conference			
Mandatory	6,922,737,000	5,975,861,100	(946,875,900)
Discretionary	5,962,216,436	7,048,491,436	1,086,275,000
Total	12,884,953,436	13,024,352,536	139,399,100

Mr. WHITTEN. Mr. Speaker, I yield 8 minutes to my colleague, the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Speaker, chapter VIII of the 1985 supplemental appropriations bill—H.R. 2577—provides $4,714,838,000 in additional appropriations for the program considered by the Labor-HHS-Education Subcommittee. These supplemental appropriations reinforce the priorities which were incorporated in the regular 1985 appropriation act—Public Law 98-619—which became law on November 8, 1984. When we presented the Labor-HHS-Education appropriation bill for 1985 to the House for approval last year, we were proud of the funding increases we had recommended for biomedical research, Pell grants for college students, chapter I grants to keep disadvantaged children in elementary and secondary schools, and several other major programs that mean so much to the people in this country. Mr. Speaker, these increases were contained in the bill that was later signed by the President on November 8, 1984. These increases were necessary then and they are necessary now. There is

no backsliding on these programs in the supplemental appropriations bill that is now before us.

STUDENT ASSISTANCE

One of our top priorities for 1985 is continuation of Federal financial assistance for students at our colleges and universities. Anyone who has a member of their family attending an institution of higher education, whether public or private, knows that charges for tuition and other expenses continue to rise every year.

Chapter VIII includes a supplemental amount of $287 million for the Pell Grant Program. Adding this amount to the $3,325 million included in the 1985 Appropriations Act will provide a total of $3,612 million for Pell grant awards for the coming academic year 1985–86.

In the 1985 appropriation for the Department of Education we recommended, and Congress approved, a maximum Pell grant award of $2,100 up to a limit of 60 percent of the cost of attendance at a college or university. These provisions were included in the appropriations bill signed by the President on November 8, 1984.

In the 1985 supplemental budget submitted by the President on February 4, 1985, a request was included to reduce the maximum Pell grant from $2,100 to $2,000 to cover up to 50 percent of the cost of attendance. We examined this request from the President and found that almost 1 million low income students would receive little or no increase in their Pell grant award.

The subcommittee recommended going along part way with the budget request by providing a maximum grant of $2,100 up to 50 percent of the cost of attendance. But this action would also have resulted in many low income students attending public community colleges not receiving any increase in their Pell grant award.

In full committee, I offered an amendment which was adopted to retain the maximum grant of $2,100 to cover up to 60 percent of the cost of attendance. I felt we were right last year when the 1985 appropriation was enacted and I still feel that we should stay with it and make no changes. Millions of low income students have been counting on some increase in their Pell grant award, and I think we should help them as much as we can.

The Senate agreed with the House proposal with regard to Pell grants, and the additional $287 million will be provided in this bill. It is clearly congressional intent that the 1985 funds should be used to provide a maximum Pell grant of $2,100 to cover up to 60 percent of the cost of attendance. We believe that the administration should submit a budget request to cover prior year shortfalls in Pell grant funding, so that it will no longer be necessary to borrow against future year appropriations in order to maintain this program at the current level.

The supplemental appropriation bill also contains $720,346,000 for guaranteed student loans, an authorization of $250,000,000 for health education assistance loans [HEAL] for students in the health professions, and an additional appropriation of $2,482,000 for national direct student loans.

BIOMEDICAL RESEARCH

Mr. Speaker, another program which had high priority in the 1985 appropriation act was biomedical research supported through the National Institutes of Health. The bill which the President signed last November provided a total of $5,149,985,000 for NIH. The heart of the NIH program is the investigator-initiated research grant. The 1985 appropriation included $2,786,999,000 for 18,698 of these grants, of which $937,637,000 was to be used for new research grants and competitive renewals of ongoing research grants whose grant periods had expired. NIH estimated that 6,526 such new and competing grants could be funded. In addition, $479,775,000 was provided for 533 research centers. In January, when the 1986 budget was submitted, it was revealed that the administration proposed to fund only 5,000 new and competing research grants and 500 research centers in fiscal year 1985. This would be accomplished, not by seeking a deferral or rescission in compliance with the terms of the Impoundment Control Act, but simply by using $203,709,000 of the funds appropriated for research grants and $34,875,000 of the funds appropriated for research centers to forward fund 1986 and 1987 costs. This unusual plan was directly contrary to congressional intent; it has been held to be unlawful by the Comptroller General; and it is decisively rejected in the conference agreement on the supplemental appropriations bill. The conference agreement requires the funding of no fewer than 6,200 new and competing research grants and 533 research centers. These are essentially the levels which were approved by the House when it acted on the 1985 appropriation bill approximately 1 year ago. For new and competing research grants, we are providing $937,637,000, of which up to $20,000,000 may be carried forward into 1986, if not needed to fund the 1985 program. This is $200,000,000 more than the amount provided for new and competing research grants in 1984.

I would like to mention a few of the other programs which are dealt with in chapter VIII.

PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

The largest single item is an appropriation of $3,500,000,000 for payment to the Social Security Trust Fund to cover the cost of wage credits for military service prior to 1957. This payment is required by the Social Security Amendments of 1983. The appropriation was requested by the President, and included in both the House and Senate bills.

VOCATIONAL EDUCATION

When we marked up the 1985 appropriation bill, last year, we included in it the full amount authorized for vocational education. Subsequently, amendments to the Vocational Education Act, named after our good friend and colleague, the late Carl D. Perkins, were enacted. We have included in this supplemental appropriation bill $100 million to provide a 15-percent increase in vocational education basic grants under the new authorization. This will provide a total of $784 million for basic grants in 1985.

STATE EMPLOYMENT SECURITY AGENCIES

The House bill included an additional appropriation of $30 million to cover costs incurred by State agencies in the administration of the unemployment insurance program. We received letters from many members indicating that some State offices might have to close down if the additional funds were not provided. We were able to persuade the Senate conferees to agree to $20 million for this purpose.

OTHER PROGRAMS

Mr. Speaker, I have mentioned a few of the more important provisions of chapter VIII of the bill. There are others, affecting programs which require further congressional action including emergency medical services for children, alcohol, drug abuse and mental health research grants, job training programs, child abuse and family violence prevention, National Graduate Fellowships, foster care, adoption assistance, nursing research, vocational rehabilitation, and adult education. These are all meritorious programs which require additional funding or other adjustments due to change circumstances, the enactment of new legislation, revised estimates, or administrative actions taken by the executive branch since the enactment of the regular 1985 appropriation act.

I recommend the adoption of this conference report.

□ 1230

Mr. WAXMAN. Mr. Speaker, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from California.

Mr. WAXMAN. I thank the gentleman for yielding.

I would like to express my appreciation for the courtesy shown by the gentleman from Kentucky, the distinguished chairman of the subcommittee, in consulting with me in advance about a provision in this bill which concerns the Health Education Assistance Loan [HEAL] Program. I have some questions about that provision.

Mr. NATCHER. Mr. Speaker, I appreciate the gentleman's kind words, and I would be delighted to answer any questions.

Mr. WAXMAN. It is my understanding that this provision would allow the Department of Health and Human Services to issue certificates of insurance for up to $250 million in HEAL loans during the current fiscal year.

Mr. NATCHER. The gentleman is correct, Mr. Speaker.

Mr. WAXMAN. This action has become necessary because the President pocket-vetoed the Public Health Service Act Amendments of 1984, creating an immediate crisis for students who depend on the high-interest HEAL loans as a last resort.

Mr. NATCHER. The gentleman is correct.

Mr. WAXMAN. It is my understanding that the authority in this bill will be used to make continuing loans to previous borrowers. Because of the "sunset" provision in the HEAL statute, only the unused authority from fiscal year 1984 can be used to make loans to new borrowers. Thus, once the fiscal year 1984 balance runs out, certificates of insurance will no longer be issued for loans to new borrowers.

Mr. NATCHER. The gentleman is correct.

Mr. WAXMAN. This bill, then, is only a temporary measure to help health professions students who need to know whether they will be able to borrow funds to attend school this fall. The gentleman and I both recognize that this emergency action is appropriate for this one time only. Enactment of the reauthorization bill, H.R. 2410, which recently passed this House, is necessary to provide for continuation of the HEAL Program in the future.

Mr. NATCHER. The gentleman is correct.

Mr. WAXMAN. I thank the gentleman for yielding, and I commend him for his efforts and concern in this area.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, what the gentleman from California [Mr. WAXMAN] is indicating would not affect the ability of first-year students to obtain loans under this program; isn't that correct?

Mr. WAXMAN. If the gentleman will yield to me, there should be enough funds available to take care of that.

Mr. CONTE. They still can get their loans?

Mr. WAXMAN. Yes; there are carryover funds.

Mr. CONTE. Mr. Speaker, I would like to have the attention of my good friend, the gentleman from Kentucky, BILL NATCHER. I did not know we were going to get to this section at this time, but I just want to take this opportunity to say what a great pleasure it has been for me not only this time but down through the years to work with my dear and beloved friend, BILL NATCHER, one of the finest men who ever served in this House. He has done a remarkable job in this section.

BILL, I know there are time constraints, but I did not hear you mention that we have $100 million in here also for vocational education under the new Perkins Act. But the big thing was the new and competing grants under the National Institutes of Health. The Senate had stated that they were going to go to 6,000 new and competing grants. It was in this conference that BILL and I met with Senator WEICKER and Senator PROXMIRE. We got that figure up to 6,200 new and competing grants, thanks to the leadership of our good friend from Kentucky, and 533 centers. But the one that pleased me most—and I know that somebody close to me is going to be very pleased—is bringing up the figure to 550 grants for the Alcohol, Drug Abuse and Mental Health Administration, which the Senate had cut down to a level of 540. I certainly felt that the National Institute of Mental Health would have been unduly held back by that agreement, so we worked hard to get those additional grants. I told BILL and the chairman of the same committee, our counterpart, on the other side, that I could not go home for supper that night unless we increased that. I want to thank my good friend.

Mr. Speaker, chapter VIII of this supplemental, the Labor, Health and Human Services and Education section, provides a total of $4,715 billion, $122 million more than the House-passed version, $63 million less than the Senate-passed version, and $506 million more than the administration's request.

Just about all of the provisions passed by the House were retained in the Senate-passed bill and so were not part of the conference: up to $3.5 billion for Social Security, to cash out military service credits, as requested by the administration; $720 million for guaranteed student loans, of which $655 million was requested by the administration; $287 million for Pell grants, to provide funding for the full cost of a program based on a maximum grants of $2,100 and a 60-percent cost of attendance allowance; $79.5 million for foster care and adoption assistance; and $6 million for the Family Violence Prevention and Services Act, which was added to the bill by my amendment in the full committee.

The one exception was the $30 million in trust funds added by the House for the Department of Labor Employment Service to cover shortfalls being experienced by the Senate in the nonpersonal services budget, with was deleted by the Senate. The conference report provides $20 milion for that purpose.

Of the $185 million in additional funds added by the Senate, the largest item, $146.3 million, was for vocational education. The conference report retains $100 million for the State Block Grant Program, but deletes the $46,3 million for several new programs authorized by the Perkins Act, since there are only 2 months left in the fiscal year, not enough to set into operation these new programs.

The conference report also contains funding for a number of smaller items: $9.5 million for three hold-harmless provisions, to assure that no State receives less than its 1984 allocation, for the Job Training Partnership Act Migrant Program, the Adult Education Program, and the National Direct Student Loan Program; $5 million for a new Child Abuse Grant Program, to remain available through fiscal year 1986; $3 million for a cancer center in St. George, UT; $2 million for a new Children's Emergency Medical Services Program, to remain available through fiscal year 1986; $1.7 million to cover a default in the Health Maintenance Organization Loan Program; and $715,000 for Vocational Rehabilitation for Native American Programs.

In addition to the new Vocational Education Programs added by the Senate but deleted in conference, funding for a number of other new programs added by the Senate was deleted: $5 million for the dependent care block grant; $5 million for a Library Literacy Program; $3 million for Preventive Health Centers; $2 million for a health research center at the University of Utah; and $1 million for an alcohol and drug abuse clinical training program. These programs will be looked at again, I am sure, in conjunction with the fiscal year 1986 Labor, Health and Human Services, and Education appropriations bill. In addition, $800,000 of the $1.2 million proposed for the Organ Transplant Program was provided through reprogramming rather than new funding.

In addition, there were a number of language items included in the conference report. The most significant are the provisions setting the final level of new and competing grants for the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration. In the regular fiscal year 1985 appropriations bill, Congress provided for 6,526 new and competing grants and 533 centers for NIH and 583 new and competing grants for ADAMHA. As part of the fiscal year 1986 budget submission, the Office of Management and Budget proposed to limit the NIH grants and centers to 5,000 and 500 respectively, and the ADAMHA grants to 500, by an unprecedented, and I might say unacceptable and illegal, notion of providing mul-

tiyear funding out of funds appropriated in fiscal year 1985. The Senate and the administration, during the debate over the fiscal year 1986 budget, came to an agreement of 6,000 grants and 517 centers for NIH and 540 grants for ADAMHA. But, of course, the House was not part of those negotiations. I am pleased to say that Chairman NATCHER and I finally managed to have a little input into these figures, and we came up with the 6,200 grants and 533 centers for NIH and 550 grants for ADAMHA.

Let me just make a couple of comments on this agreement.

First, with 533 centers, the full number appropriated in the regular fiscal year 1985 bill, this should allow the second round of Digestive Disease Centers to be funded. This agreement should permit an additional 3 or 4 centers, for a total of 9 or 10 new Digestive Disease Centers of Excellence.

Second, I am pleased that the conferees were able to agree on a level of 550 grants for ADAMHA. The preliminary agreement was at a level of 540, and I felt that the National Institute of Mental Health would have been unduly held back by that agreement, so I worked hard to obtain those additional grants. I don't know why, Mr. Speaker, but sometimes it seems that mental health programs have to work about 10 times harder to get the recognition that NIH gets, and yet the work being carried out there is no less important, and no less promising than the research being done at NIH.

In addition, this bill contains a language provision requested by the administration and included in both the House- and Senate-passed versions to correct a technical problem with funding for handicapped education personnel preparation that crept into the 1985 regular bill as part of a Senate amendment.

That error effectively denied funding to personnel preparation projects during the month of June. Now that the error has been corrected, it is my expectation that the Department will go back and make those projects whole for the unreimbursed work that was done during the month of June.

The conference report also contains an authorization for $250 million of health education assistance loans, and should remedy the problem that has prevented first-year students from borrowing under this program up to this point in the fiscal year.

And, among other provisions, the conference report contains extended availability for funds previously appropriated for either the Nursing Institute or Center for Nursing Research, whichever gets authorized, and for the National Graduate Fellowship Program.

Mr. Speaker, I believe the conferees did a good job of resolving the 34 amendments added by the Senate to the Labor/HHS/Education section, and I believe the Members should support the outcome.

Mr. NATCHER. Mr. Speaker, I want the Members of the House to know that it is a distinct honor and privilege for me to serve with my distinguished friend, the gentleman from Massachusetts [Mr. CONTE].

□ 1240

Mr. CONTE. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. MCDADE].

Mr. MCDADE. I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of this conference report and urge its approval by my colleagues. I would like to compliment my colleagues on the conference committee especially Chairman WHITTEN and Congressman CONTE for providing their usual steady leadership; and my good friend from New York, Mr. ADDABBO, chairman of our defense subcommittee with whom I currently work most directly.

Regarding the defense portion of this supplemental, in my judgment it is noncontroversial. It provides for the pay raises for DOD personnel in this fiscal year, and I am pleased to report that the conferees were able to find ways to fund nearly half the request—over $900 million—from prior year appropriations, either contract savings or transfers. I commend our staff, as well as the conferrees from the other body, for helping us identify these funds and enable us to reduce the new money needed for the pay raise.

At this point, Mr. Speaker, I would like to share my thoughts with the House concerning another conference item—a major issue—the section dealing with the Nicaraguan situation.

We spent a great deal of time in conference on the issue of Nicaragua, and in the end, the other body receded to the House position. While there were a number of differences between the two Chambers' bills, the primary concern in conference was which departments would be candidates for administering the humanitarian aid. The House language expressly prohibited CIA or DOD from playing such a role, while the other body had no such proviso.

The House position on CIA or DOD involvement is quite clear, and to their credit, the other body's conferees recognized this and did not make CIA or DOD direction or administration of the program a major issue, one that could jeopardize the entire aid package. Let me restate the conference's agreement: CIA or DOD will not administer this aid, nor have any hands-on involvement in its procurement or delivery.

The majority of the conferees were concerned, however, that whoever administers this aid, the program must be executed efficiently, cost effectively, and most importantly, in as safe a fashion as possible. We agreed that the administrator of the aid effort should, if necessary, be able to consult with any entity of the U.S. Government in order to implement this program in the most effective manner, consistent with foreign policy objectives.

Mr. Speaker, I am pleased to note that the conferees on the foreign aid bill adopted a similar posture on Nicaragua as did our conference. This unanimity signals, I hope, the emergence of a true bipartisan consensus on foreign policy questions in general and on this most vexing issue, which we have spent so much time debating and discussing.

This consensus—reflected in the Nicaragua provisions of this bill—provides a solid foundation for U.S. policy toward Nicaragua and all of Central America. This approach is evenhanded; it allows for flexibility; and it looks to the future.

By providing assistance to the Contras, we show our disgust with the Sandinistas' policies of repression, and our support for those who are trying to bring democracy to that country. But by providing humanitarian aid—in the open—we affirm our dedication to and emphasis on a negotiated, diplomatic solution between the Nicaraguan people themselves.

Yes, we apply pressure on the Sandinistas to change—but the provisions of this bill also provide them with a great opportunity. If there is any progress toward peace—progress toward peace—this bill provides a vehicle for fast-track consideration of additional aid to further the peace process. This could be more material help for the Contadora group; to Nicaragua's neighbors; or economic aid to the Nicaraguan people themselves. If conditions warrant, we could create a Marshall plan for all of Central America.

But the United States cannot move effectively in this direction without a sign from the Sandinistas themselves, that they too are willing to truly search for peace. All that is needed is for the Sandinistas to take a tangible, good-faith step toward implementing the goals of their own revolution, 6 years ago. Open and fair elections. Freedom of religion and expression. National reconciliation, and a dialog with their opposition.

The Sandinistas came to power promising democracy, but have delivered repression. But with the passage of this bill, the United States offers to put the past behind us. We ask only that Nicaragua lives up to its promises. We ask that they respond, in kind, to the offer made by the Democratic resistance: To stop the fighting, to negotiate, to bring pluralism to Nicaragua.

Passage of this supplemental will emphasize to all that the United States stands with freedom and seeks to bring a true settlement to the problems of Nicaragua. My colleagues, I urge your support.

Mr. WHITTEN. Mr. Speaker, I yield 4 minutes to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. I thank the gentleman for yielding me this time.

Mr. Speaker, I very strongly support this conference report. I point out that in the section that I was primarily responsible for, there were 67 amendments. It took considerable time to work out some of those amendments and several of those deal with matters which have become of even greater concern since the fiscal year 1985 appropriation bill was enacted last year.

I mention that among them was law enforcement. The fiscal year 1985 continuing resolution contained the largest crime bill ever passed in the history of the Congress, and there are positions in this supplemental to start the enforcement of that law. There are also additional positions for Drug Enforcement. There are additional resources for antiterrorist activities, and a substantial amount of money for the security for overseas facilities and personnel to deal with terrorist activities and the security of U.S. Government employees overseas.

The pilot Central American Scholarship Program was an issue that we did have some difficulty with. We started that program under a reprogramming, and approved a program of 143 students. It is a pilot program and the intention was to have a 2-year program that would be completed and evaluated in that 2-year period of time before we decide whether or not to go on or what kind of a program to have after that.

We did have differences of opinion with the Senate on that, but in the end, we resolved to keep the pilot program and put in another $800,000 because the cost per student has been exceeding that estimated by the administration. This fact points up even more why we need to keep this as a pilot program since the estimates have not come in at the projected level.

The CDS payback matter was again a problem, but in this conference report we asked the Department of Transportation to hold off on implementing a rule until the first of October, and in that period of time, bills that are proceeding in the Congress may be passed. We expect that the authorizing committees should be able to handle this matter without further problems with regard to any of the appropriations bills.

I want to comment on a provision in the statement of the managers on Intelsat. The Intelsat language represents a compromise in the House and Senate reports dealing with that matter. In November of last year, the President determined that the authorization of telecommunications systems separate from Intelsat was in the national interest, so long as our legal obligations were met, and in particular, so long as the systems were sufficiently limited in their operation, that they could not cause significant economic harm to Intelsat's global telecommunications network.

Language was inserted in the Appropriations Committee report on the House side in order to emphasize the Committee's strong concern that the FCC faithfully and effectively enforce the safeguards for Intelsat specified by the President, and in the conference report, there is language to that effect.

Now, last week, just prior to the completion of the conference committe work on this issue, the FCC acted to conditionally grant three of the six applications to create private, separate satellite systems. Two commissioners withheld their votes out of concern that the majority had failed to impose safeguards sufficient to carry out the President's injunction against causing significant economic harm to Intelsat. The basic purpose of the language in the statement of the managers is once again to underscore the fact that the conferees from both the House and Senate strongly believe that, "That action by the FCC as well as the executive branch, relating to the international telecommunications satellite issues must adhere to the United States' obligation to 'avoid significant economic harm to Intelsat.'"

As explained in the executive branch white paper released earlier this year to support the President's decision to recommend authorization of separate systems, only with safeguards for preserving Intelsat, "The United States played a leading role in the creation of Intelsat in order to further political, economic, and security objectives [and it] became a centerpiece of overall U.S. space and foreign policy programs."

In order to preclude "unrestricted entry" by private satellite systems, which "could ultimately undermine the economic integrity of this important international enterprise" the white paper explained, the President specified that the new private systems must be resticted to providing private "customized" service, as distinguished from general, public, "switched" general telecommunications service. "Customized," the white paper went on to specify, meant "intracorporate networks and television transmission."

However, although the FCC has not yet made clear the precise terms of its decision, under the order that two commissioners were not prepared to accept last week, it appears it may be permissible to link combinations of corporate networks or to combine numerous corporations in a single network. Such a provision in the President's safeguards would threaten to divert from Intelsat major portions of the voice and data revenues between highly developed countries; these revenues are essential for the support of Intelsat's global mission.

In short, under such a provision, the Commission's decision—still preliminary and tentative—would permit the new systems to engage in skimming.

The statement of managers on this bill underscores Congress' concern with any decision that would permit such evasion of the President's purpose and expect that the U.S. support, in practice as well as in its formal statements, support "the continued provision of telephone service [as well as other services] by Intelsat to developing countries at affordable rates."

Similarly, the managers emphasized, that the United States must support measures necessary to enable Intelsat to compete "fully and fairly," especially on new telecommunications services, and in regard to any services—old or new—for which competitive challenges to its provison of services appear. On this point, the managers' language refers specifically to the importance of modifying article 5(d) of Intelsat's charter, to enable it to price on a route-by-route basis where necessary to meet competition, as it has never had to do in the past.

I do want to clarify one thing about this latter point. In referring to the need for Intelsat to have "adopted measures to ensure prices are cost-based and not predatory," the managers of course did not imply any view that Intelsat's prices are currently not cost-based and fair. As the executive branch white paper observed on this subject, "[W]e believe that concerns about possible predatory pricing (by Intelsat) are premature. The economic and legal literature provides very little evidence that predatory pricing has ever occurred."

Similarly, the language should not be misconstrued to support any conclusion that any new measures are needed, to ensure that Intelsat's prices are cost-based.

And in the same vein, in referring to the "release" of information showing the cost basis of Intelsat's rates, the report does not contemplate any departure from current methods for obtaining such information. The managers are aware that Comsat, the U.S. signatory to Intelsat, promptly makes available to the FCC all information relating to Intelsat operations, including services, charges, and costs, and that dissemination within the United States of such information is governed by a memorandum of understanding between the Departments of State and

Commerce, the FCC, and Comsat itself.

In addition, the managers' statement underscores the Congress' recognition of the absolute and fundamental necessity for the safeguards in the President's determination of last November in assuring the avoidance of significant economic harm to Intelsat. As stated by Under Secretary of State William Schneider in testimony given in April of this year before the Subcommittee on Telecommunications of the Committee on Energy and Commerce, in which he rejected suggestions that the President's determination might only be a short-term protection:

> This anxiety has been raised. But the intention is not to allow competitors at any time in the future to go into the public switched networks, but to instead focus on new applications.

The statement of managers provides that, should this executive branch "intention" ever be changed, "a tentative decision along with the rationale for such decision shall be sent to the Congress and a final decision shall not be made until the Congress has had 45 days to review the tentative decision and the accompanying rationale."

Finally, the statement provides in the event there is an unfavorable coordination pursuant to the Intelsat agreement and the Secretary of State decides to proceed that the Secretary shall provide the Congress with a report outlining the rationale for his decision in order to provide the Congress with a reasonable opportunity to decide whether to allow his recommendation to be implemented.

The statement of the managers outlines a policy of protecting Intelsat in its present mission while assuring that any new service not now performed by Intelsat will be subject to competition and that procedures will not be followed and decisions will not be made which exclude a full opportunity for any applicant, including Intelsat, to bid for such service.

Mr. Speaker, I also strongly support a provision establishing a legal clinic at Drake University and a Des Moines River Greenbelt in this bill as well as provisions providing an additional $2½ million for an access road to the Saylorville project and lower interest rates for FMHA borrowers.

Mr. CONTE. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama [Mr. SHELBY].

Mr. SHELBY. Mr. Speaker, I rise in support of the amendment and ask unanimous consent to revise and extend my remarks.

Mr. Speaker, most of us serving in the House today were not even elected to Congresss when the last major public works authorization bill was passed—that was in 1974. Since that time, the distinguished members of the Public Works Committee have tried admirably to pass major water projects bills; each time their efforts failed.

The consequence, of course, has been a tremendous deterioration in our Nation's infrastructure and a regrettable avoidance of funding for vital project needs. We are now skating on thin ice, Mr. Speaker. If we do not do something now we may never be able to regain lost ground. Having pared the number of projects down to the most essential, we have a responsible package which will work in the best interest of the entire Nation—it deserves my colleagues' support.

Let me cite just one example of the need for these projects. The Oliver lock and dam on the Black Warrior-Tombigbee Waterway at Tuscaloosa, AL is the only lock of its dimensions on the 429-mile river system. The prewar dimensions of this lock mean inordinate delays, averaging almost 3 hours—3 hours to negotiate one lock. One can imagine the backup and congestion this delay creates.

The obstruction arises from the Oliver lock's antiquated chamber size, causing barges unusual manuevering and slow downs. A new lock authorized in this amendment would accommodate the typical six-barge tow, with a single lockage, and would significantly reduce delays.

Mr. Speaker, the Oliver lock and dam reconstruction and other similar projects are critical to the Nation's continued economic revitalization. A smooth-running, operational water transportation network is just one cog in the wheel of a complete and vigorous infrastructure redevelopment.

I realize the uniqueness of the procedure under which we are considering these new projects today—and I respect the committee prerogatives. But, we cannot wait any longer, Mr. Speaker. Over a decade has been long enough, this body must take action today. I urge me colleagues to support the amendment.

□ 1250

Mr. WHITTEN. Mr. Speaker, I yield 4 minutes to the gentleman from Alabama [Mr. BEVILL].

Mr. BEVILL. I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in support of this conference report. Your House conferees worked long and hard in the conference with the other body to get the best resolution of the matters before the conference in the best interest of Members of the House. We won some items, we lost others. In the final agreements we did our best, and I feel the House should adopt the conference report and agree to the items in technical disagreement.

The most controversial amendment is No. 112, which is reported in technical disagreement and has to do with new construction starts in the Corps of Engineers. The other body had 22 projects in their version of the bill; 11 are already authorized and they authorized 11.

In the conference report, amendment 112 includes 41 new construction projects; 20 of these are already authorized and 21 are being authorized.

The compromise language allows the Secretary of the Army to enter into agreements to cost-share these projects. The language also provides that if legislation is later enacted into law, the provisions in that legislation will prevail. If agreements aren't reached by June 30, 1986, the funds provided in the bill will lapse.

Another provision included in the conference agreement would exclude existing comprehensive flood control projects affecting multi-State regions from new or additional cost-sharing. This provision applies to the "Flood Control, Mississippi River and Tributaries" project.

Mr. Speaker, there has not been a new construction start program funded for 5 years. There has not been a comprehensive new construction omnibus authorization bill for over 14 years. The gentlemen from New Jersey [Messrs. HOWARD and ROE] have passed legislation through the House on two occasions to authorize a new construction program for the Corps of Engineers. They have tried very hard to get a program authorized. Unfortunately, the other body has failed to act.

I support the efforts of the authorizing committee. If fact, you will recall that their bill was included in the House-passed continuing resolution last year and I supported that effort.

One final point: Although we were successful in getting 41 projects in the supplemental out of the 62 originally considered by my subcommittee, funding for the other 21 are included in the 1986 bill which recently passed the House.

It is my understanding that there is no controversy of the other items in the energy and water development chapter of the supplemental.

I urge my colleagues to support the work of your conference committee.

Mr. Speaker, I would like to call the Members' attention to several typograhical errors concerning the "Des Moines Recreational River and Greenbelt, Iowa project." The third paragraph should read:

> An advisory committee shall be established for consultation with the Department of the Army and shall include: (A) five persons appointed by the Governor of Iowa; (B) two persons appointed by their respective board of supervisors to represent each county within the Greenbelt area; (C) one person appointed by the mayor of the city of Des Moines and one additional person appointed by the mayor of each other incorporated municipality within whose boundaries a portion of such recreation area lies; and

(D) three employees or officials of the Corps of Engineers.

Mr. CONTE. Mr. Speaker, I have no further requests for time.

Mr. WHITTEN. Mr. Speaker, I yield 4 minutes to the gentlewoman from Louisiana [Mrs. BOGGS].

Mrs. BOGGS. I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in support of the supplemental appropriations conference report and in support of the amendment that has to do with the public works section.

I would like to point out a couple of things about the projects that are within the purview of this amendment. We have not talked too much about some of the attributes of the programs themselves. I would like to pick out in particularity the Atchafalaya Basin project in Louisiana. It is an integral part of the plan to improve the flood control of the main stem of the Mississippi River. It serves as an outlet to carry up to one-half of the Mississippi River flood flows. The floodway contains nationally significant expanses of bottomland hardwoods and swamplands. This swamp is a national environmental treasure. It serves fisheries production which is three times greater than the Everglades. It is a waterfowl habitat and the bottom of the largest North American flyway for one-half of the migratory species. It is a source of 10 percent of the Nation's fur harvest.

Atchafalaya Basin has been one of the most hotly contested water resources controversies for the past 20 years and the provisions in this bill represent a consensus agreement that has been reached among environmentalists, landowners, industrialists, sportsmen, local interests, and State and local agencies to protect the basin's flood control and the natural resource values.

This plan will assure that the natural resources in the basin will be preserved, managed, and propagated, while the basin will still be used for handling a major portion of the annual spring floods in the Mississippi Valley.

I would like to also point out, Mr. Speaker, another project of national significance that is contained within this amendment, and that is the Mississippi River Ship Channel. This project will provide more efficient deepdraft access to the ports of New Orleans and Baton Rouge by deepening the channel to 55 feet.

In 1983, the ports of the lower Mississippi handled 175 million tons of oceangoing cargo, 20 percent of the Nation's foreign trade, 50 percent of the Nation's grain exports, and more foreign commerce than five top east coast ports combined. The Mississippi River serves the vast interior of the United States, 22 States representing 40 percent of the Nation's population and productive capacity.

If we are going to do anything to reverse our trade deficit, we must get on with developing our deepdraft ports, and this will improve the trading posture of our farmers, who ship grain down the Mississippi and the Missouri, and the coal miners and industrial workers who ship their products down the Ohio and the Kentucky Rivers.

Mr. Speaker, these are two of the projects that are contained within this amendment and they are typical of the kind of careful consideration for the national good that all of the various aspects of this amendment address.

I urge that this House get on with the business of the United States of America and pass the conference report that is before us.

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, may I say that I hope that our colleagues will go along with us on this bill since we were in conference 3 days on this bill and it provides funding for the remaining 2 months of this year. The Senators by and large are in accord with this agreement. I would hate to see an amendment today that would lead to a controversy and another conference with the Senate at this time. I urge my colleagues to go along with us and let us get this behind us, because with the adjournment resolution which was adopted earlier and with the support of the Senate for the report, I would hope that we would stick to it so that we may finish this job in time to take care of the next 2 months.

● Mr. FRENZEL. Mr. Speaker, I am opposed to the conference report that accompanies H.R. 2577, supplemental appropriations for fiscal year 1985.

There is no clearer sign of the abrogation of our fiscal responsibility than the passage of this bill. Not everything in this bill is bad, or wasteful. But much of what has gone before has been profligate.

On July 24, the House passed a resolution indicating that we shall consider the House-passed budget for fiscal year 1986 the final version of the budget. While most of the attention appropriately focused on the fiscal year 1986 provisions of the resolution, the bill also increased our funding ceiling for fiscal year 1985.

Our original budget authority ceiling for fiscal year 1985 was $1,021.35 billion. We were rapidly approaching that ceiling, and had already broken the outlay ceiling.

When we passed our resolution for fiscal year 1986, we increased the ceiling for fiscal year 1985, as well. The new ceiling is $1,039.1 billion, a $17.75 billion increase over what we felt was adequate 10 months ago.

To date, we have spent $1,027.3 billion. This supplemental contains $13.024 billion. When this bill passes, we will be over our new, expanded budget ceiling by $1.24 billion. We will be $19 billion over our original ceiling.

It is pretty obvious that any budget resolution means nothing to the Congress.

We are in the midst of obligating spending for next year. Last year's experience is disillusioning to those who believe that the budget, and the budget process, means something.

It is clear to me that the responsibility for our spending urges does not lie with the President, or the Budget Committee conferees. We are spending so much money simply because too many believe every cause is too good, every program sacrosanct. This House is perfectly capable of controlling its spending, if it so chooses. I urge a no vote on this conference report.●

● Mr. LAFALCE. Mr. Speaker, I have addressed my colleagues countless times over the past few years in support of funding necessary water projects, particularly the Ellicott Creek flood control project in western New York.

As I return to this issue once again, I am reminded of Sisyphus, the legendary King of Corinth who was condemned by the gods to push a mighty rock up a hill in Hades. Just as Sisyphus reached the apex of his journey, the rock would come tumbling down again, and he would have to begin his arduous labors anew.

Water project appropriations bills are similar to that rock that so troubled Sisyphus. Just as we are on the brink of securing final approval for critical projects, events invariably arise which push us to the bottom of the hill.

Although I am going to discuss specifically the Ellicott Creek flood control project, I'm sure the story is the same for the water projects in many of your districts which seemingly have been held hostage over the years.

Over 15 years ago, President Nixon signed into law an omnibus water bill, which included the Ellicott Creek flood control project as a response to a devastating flood in western New York. However, local farmers opposed the project because it idled agricultural land. This opposition effectively killed the project until 1981, when a new water appropriations bill containing the project was signed into law. Because President Reagan believed that States and localities should pay a greater share of the cost of flood control projects that were strictly State or local in nature, he imposed a 3-year freeze on all such undertakings.

Because the New York State Department of Transportation recognized the importance of the Ellicott Creek project, it entered into an agreement with the Army Corps of Engineers whereby the State would make in-kind

contributions approximating 40 percent of the project's cost. In 1983, we made a further effort to break the deadlock caused by the cost-sharing issue and convinced the House Appropriations Committee to approve funds to start the project which had been authorized in 1970. Unfortunately, the administration killed this bill.

Last year, the water bill was again pushed to the top of the hill, only to be forced back as a result of a dispute between the President and the Speaker of the House of Representatives. The President dropped his request for aid to "Contras" in Nicaragua in exchange for agreement by the Speaker that the proposed water projects would not be funded. Once again, the Government failed to take the necessary steps to protect the residents of western New York from yet another flood catastrophe. In fact, in February of this year western New York suffered another serious flood which could have been prevented had the Ellicott Creek project been completed.

The debate on whether to approve these projects now centers on two critical issues: cost-sharing and jurisdictional disputes between the relevant congressional committees.

The House conferees to the supplemental appropriations conference have accepted Senate provisions that prohibit the expenditure of any funds for water projects unless the administration and local project sponsors reach a cost sharing agreement by June 30, 1986. The agreement also includes language not contained in either the House or Senate versions of the bill which requires the Army Corps of Engineers to use whatever cost sharing provision that may be enacted as part of an omnibus water projects authorization bill when negotiating cost sharing agreements with local sponsors.

At issue here is whether the House Appropriations Committee can, in effect, preempt the Public Works and Transportation Committee's legislative prerogatives in this area. In addition, the House Conferees are proposing to direct the Army Corps of Engineers to begin work on 41 new projects, 21 of which have not been authorized.

Procedurally, bills in the House of Representatives should proceed on normal course, first through authorizing committees, such as Public Works and Transportation, and subsequently through the appropriations process. However, after more than 15 years of delay, my primary concern is, once and for all, to secure funding for the Ellicott Creek flood control project. I am fed up with these intolerable delays—delays which have resulted in extensive property loss and millions of dollars in damages to the people of my own and neighboring congressional districts. We have an obligation to institute measures which can protect lives and property from the next flood, which will inevitably come.

I am deeply committed to securing the necessary appropriations for this project. Although the concerns expressed by the relevant authorizing committee are legitimate ones, I will support proposals which will facilitate the approval of this project, including those containing fair and equitable cost sharing provisions. The residents of my district would rather contribute in some measure through their localities and New York State to the cost of this project, than start again at the bottom of the mythical hill in Sisyphus' sorry tale.

For many of these projects, time is of the essence. I know that without immediate construction, the lives and homes of many area residents will once again be jeopardized. Because of this urgency, we must approve a bill which is acceptable to both Congress and the President. If this means cost-sharing for localities and States, then so be it, so long as all regions throughout the country are treated equally. At this stage, the goal is to cut losses, not to play hard ball. Therefore, I urge my colleagues to end this drawn-out, uphill struggle over water projects and to support the Whitten amendment to recede and concur with Senate amendment 112 dealing with cost-sharing for water projects.●

Mr. WHITTEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. CONTE. Mr. Speaker, I have no further requests for time.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the conference report.

The SPEAKER pro tempore. The previous question was ordered. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BROOMFIELD. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 320, nays 106, not voting 7, as follows:

[Roll No. 277]

YEAS—320

Ackerman	AuCoin	Berman	Boucher	Hillis	Petri
Addabbo	Barnes	Bevill	Boulter	Holt	Pickle
Akaka	Bartlett	Biaggi	Breaux	Horton	Price
Alexander	Barton	Billrakis	Brooks	Howard	Quillen
Anderson	Bateman	Billey	Broomfield	Hoyer	Rahall
Andrews	Bates	Boehlert	Brown (CA)	Hunter	Rangel
Annunzio	Bedell	Boggs	Bruce	Hutto	Regula
Anthony	Beilenson	Boland	Bryant	Hyde	Reid
Armey	Bennett	Boner (TN)	Burton (CA)	Ireland	Richardson
Aspin	Bentley	Bonker	Bustamante	Jeffords	Rinaldo
Atkins	Bereuter	Borski	Byron	Jenkins	Roberts
			Callahan	Johnson	Robinson
			Carney	Jones (NC)	Rodino
			Carr	Jones (OK)	Roe
			Chandler	Jones (TN)	Rogers
			Chappell	Kanjorski	Rose
			Cheney	Kaptur	Rostenkowski
			Clay	Kasich	Roukema
			Clinger	Kemp	Rowland (CT)
			Cobey	Kennelly	Rowland (GA)
			Coble	Kildee	Roybal
			Coelho	Kindness	Rudd
			Coleman (MO)	Kleczka	Sabo
			Coleman (TX)	Kolbe	Saxton
			Collins	Kolter	Schaefer
			Conte	Kostmayer	Scheuer
			Cooper	Kramer	Schneider
			Coughlin	LaFalce	Schuette
			Coyne	Lagomarsino	Schulze
			Crockett	Lantos	Schumer
			Darden	Lehman (FL)	Sharp
			Daschle	Leland	Shaw
			Daub	Lent	Shelby
			Davis	Levin (MI)	Sikorski
			de la Garza	Levine (CA)	Siljander
			DeLay	Lewis (CA)	Sisisky
			Derrick	Lewis (FL)	Skeen
			Dicks	Lipinski	Slaughter
			Dingell	Livingston	Smith (FL)
			DioGuardi	Lloyd	Smith (IA)
			Dixon	Long	Smith (NE)
			Donnelly	Lott	Smith (NJ)
			Dornan (CA)	Lowery (CA)	Smith, Robert
			Dowdy	Lujan	Snowe
			Downey	Luken	Solarz
			Duncan	Madigan	Spratt
			Durbin	Manton	St Germain
			Dwyer	Markey	Staggers
			Dymally	Marlenee	Stangeland
			Dyson	Martin (NY)	Stokes
			Early	Martinez	Strang
			Eckart (OH)	Matsui	Stratton
			Eckert (NY)	Mavroules	Sweeney
			Edgar	Mazzoli	Swift
			Edwards (CA)	McCain	Synar
			Edwards (OK)	McCandless	Tallon
			Emerson	McCollum	Tauzin
			English	McCurdy	Taylor
			Erdreich	McDade	Thomas (CA)
			Evans (IA)	McGrath	Thomas (GA)
			Fascell	McHugh	Torres
			Fawell	McKernan	Torricelli
			Fazio	McKinney	Towns
			Feighan	McMillan	Traficant
			Fiedler	Meyers	Traxler
			Fish	Mica	Udall
			Flippo	Michel	Valentine
			Florio	Mikulski	Vander Jagt
			Foglietta	Miller (OH)	Vento
			Foley	Miller (WA)	Visclosky
			Ford (TN)	Mineta	Volkmer
			Fowler	Mitchell	Walgren
			Frank	Moakley	Watkins
			Franklin	Molinari	Waxman
			Frost	Mollohan	Weber
			Fuqua	Montgomery	Weiss
			Gallo	Moody	Wheat
			Garcia	Moore	Whitehurst
			Gaydos	Morrison (CT)	Whitley
			Gejdenson	Morrison (WA)	Whittaker
			Gephardt	Mrazek	Whitten
			Gibbons	Murtha	Wilson
			Gilman	Myers	Wise
			Gingrich	Natcher	Wolf
			Glickman	Neal	Wolpe
			Gonzalez	Nelson	Wortley
			Gordon	Nichols	Wright
			Gray (IL)	Nowak	Wyden
			Gray (PA)	O'Brien	Wylie
			Green	Oberstar	Yates
			Guarini	Ortiz	Yatron
			Gunderson	Owens	Young (AK)
			Hatcher	Parris	Young (FL)
			Hawkins	Pashayan	Young (MO)
			Hayes	Pepper	Zschau
			Hendon	Perkins	

NAYS—106

Applegate	Hall, Ralph	Panetta
Archer	Hamilton	Pease
Badham	Hammerschmidt	Penny
Barnard	Hansen	Porter
Bonior (MI)	Hartnett	Pursell
Bosco	Heftel	Ray
Boxer	Henry	Ridge
Brown (CO)	Hertel	Ritter
Broyhill	Hiler	Roemer
Burton (IN)	Hopkins	Roth
Campbell	Hubbard	Russo
Carper	Huckaby	Savage
Chappie	Hughes	Schroeder
Coats	Jacobs	Seiberling
Combest	Kastenmeier	Sensenbrenner
Conyers	Latta	Shumway
Courter	Leach (IA)	Shuster
Craig	Leath (TX)	Slattery
Crane	Lightfoot	Smith (NH)
Daniel	Lowry (WA)	Smith, Denny
Dannemeyer	Lundine	Snyder
Dellums	Lungren	Solomon
DeWine	Mack	Spence
Dickinson	MacKay	Stallings
Dorgan (ND)	Martin (IL)	Stenholm
Dreier	McCloskey	Studds
Evans (IL)	Miller (CA)	Stump
Fields	Monson	Sundquist
Ford (MI)	Moorhead	Swindall
Frenzel	Murphy	Vucanovich
Gekas	Nielson	Walker
Goodling	Oakar	Weaver
Gradison	Obey	Williams
Gregg	Olin	Wirth
Grotberg	Oxley	
Hall (OH)	Packard	

NOT VOTING—7

Hefner	McEwen	Tauke
Lehman (CA)	Skelton	
Loeffler	Stark	

□ 1310

Messrs. HAMMERSCHMIDT, LOWRY of Washington, and DELLUMS changed their votes from "Yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore [Mr. SHARP]. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 2. Page 2, after line 3, insert:

DEPARTMENTAL ADMINISTRATION

(RESCISSION)

Of available funds under this head, for budget and program analysis, $21,000; for personnel, finance and management, operations, information resources management, equal opportunity, small and disadvantaged business utilization, and administrative law judges and judicial officer, $128,000; making a total of $149,000, are rescinded pursuant to section 2901 of the Deficit Reduction Act of 1984.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 2 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

DEPARTMENTAL ADMINISTRATION

(RESCISSION)

Of available funds under this head, for budget and program analysis, $7,000; for personnel, finance and management, operations, information resources management, equal opportunity, small and disadvantaged business utilization, and administrative law judges and judicial officer, $42,000; making a total of $49,000, are rescinded pursuant to section 2901 of the Deficit Reduction Act of 1984.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. I there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that Senate amendments numbered 3, 4, 8, 9, 10, 11, 15, 16, 17, 21, 32, 36, 37, 40, 43, 50, 56, 58, 60, 61, 62, 71, 73, 78, 80, 84, 86, 93, 96, 106, 110, 111, 113, 128, 129, 133, 134, 135, 136, 143, 145, 148, 149, 155, 156, 157, 159, 160, 170, 173, 179, 182, 184, 185, 193, 198, 201, 210, 216, 217, 219, 222, 223, 224, 227, 236, 241, 243, 244, 246, 247, 248, 253, 256, 263, 264, 268, 271, 273, 274, 286, 288, 290, 300, 304, 310, 319, 321, 331, 334, 341 be considered enbloc and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

□ 1320

Mr. DINGELL. Mr. Speaker, reserving the right to object, on my reservation, Mr. Speaker, I would ask does this include amendment No. 262?

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Speaker, it does not include No. 263, and so far as I know it contains no controversial amendments.

Mr. DINGELL. Mr. Speaker, with that assurance, I withdraw my reservation of objection.

Mr. SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendments of the Senate numbered, 3, 4, 8, 9, 10, 11, 15, 16, 17, 21, 32, 36, 37, 40, 43, 50, 56, 58, 60, 61, 62, 71, 73, 78, 80, 84, 86, 93, 96, 106, 110, 111, 113, 128, 129, 133, 134, 135, 136, 143, 145, 148, 149, 155, 156, 157, 159, 160, 170, 173, 179, 182, 184, 185, 193, 198, 201, 210, 216, 217, 219, 222, 223, 224, 227, 236, 241, 243, 244, 246, 247, 248, 253, 256, 263, 264, 268, 271, 273, 274, 286, 288, 290, 300, 304, 310, 319, 321, 331, 334, 341 and concur therein.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The text of Senate amendments numbered 3, 4, 8, 9, 10, 11, 15, 16, 17, 21, 32, 36, 37, 40, 43, 50, 56, 58, 60, 61, 62, 71, 73, 78, 80, 84, 86, 93, 96, 106, 110, 111, 113, 128, 129, 133, 134, 135, 136, 143, 145, 148, 149, 155, 156, 157, 159, 160, 170, 173, 179, 182, 184, 185, 193, 198, 201, 210, 216, 217, 219, 222, 223, 224, 227, 236, 241, 243, 244, 246, 247, 248, 253, 256, 263, 264, 268, 271, 273, 274, 286, 288, 290, 300, 304, 310, 319, 321, 331, 334, 341 is as follows:

Senate amendment No. 3: Page 2, after line 3, insert:

AGRICULTURAL RESEARCH SERVICE

(RESCISSION)

Of available funds under this head, $1,000,000 are rescinded pursuant to section 2901 of the Deficit Reduction Act of 1984.

Senate amendment No. 4: Page 2, stike out lines 7 to 18, inclusive, and insert:

For an additional amount for a grant to the New Mexico State University to help relocate the Fort Stanton Experimental Station to another site, thereby making available land needed for a new Ruidoso airport, $1,200,000 to remain available until expended: *Provided*, That payment to the New Mexico State University in the amount of $1,000,000 for its real or personal property interest is hereby determined to be an allowable project cost in accordance with section 513 of the Airport and Airway Improvement Act of 1982 (49 U.S.C. 2212): *Provided further*, That the Secretary of the Interior is authorized and directed to convey to the Sierra Blanca Airport Commission (hereinafter referred to as the "Commission"), Ruidoso, New Mexico, at a cost of $2.50 per acre (to be used for administrative costs) all right, title, and interest of the United States in and to the public lands aggregating approximately 1,666 acres in Lincoln County, New Mexico, a tract of land located within section 1, 2, 10, 11 and 12, T1OS, R14E, N.M.P.M., and within section 5, 6, and 7, T1OS, R1OE, N.M.P.M., along with adequate right-of-way across Federal lands for suitable access from State and local highways to such tract, to be used for the purpose of a regional public airport. The conveyance required by this Act shall be completed within 120 days of the request for such conveyance by the Commission following enactment of this Act and shall be subject to such reasonable terms, limitations, and conditions as may be specified by the Secretary of Transportation. As soon as practicable after the date of enactment of this Act, the Secretary of the Interior, in cooperation with the Secretary of Transportation, shall submit a map and legal description of the public lands designated above the Committee on Energy and Natural Resources of the Senate and the Committee on Agriculture and the Committee on Interior and Insular Affairs of the House of Representatives. Such map and legal description shall have the same force and effect as if in-

cluded in this Act, except that any clerical or typographical error in such map or legal description may be corrected. the Secretary of the Interior and the Secretary of Transportation shall each place such map and legal description of fine, and make them available for public inspection, in the Department of the Interior and the Department of Transportation. they are reserved to the United States all minerals that may be found in the lands described above, together with the right of the United States, its permittees, lessees, or grantees, at any time, to prospect for, mine and remove such minerals: *Provided further,* That the exercise of this right shall not interfere with the development, protection, or operation of any airport located on the land conveyed.

Senate amendment No. 8: Page 2, after line 19, insert:

(INCLUDING RESCISSION)

Senate amendment No. 9: Page 2, line 22, strike out all after "amount" down to and including "$10,000,000" in line 24, and insert "to conduct a grasshopper control program, not to exceed $19,000,000 including amounts as may be necessary to restore funds borrowed from other programs".

Senate amendment No. 10: Page 2, after line 24, insert:

Of available funds under this head, $400,000 are rescinded pursuant to section 2901 of the Deficit Reduction Act of 1984.

Senate amendment No. 11: Page 3, after line 1, insert:

(INCLUDING RESCISSION)

Senate amendment No. 15: Page 3, after line 10, insert:

Of available funds under this head, $50,000 are rescinded pursuant to section 2901 of the Deficit Reduction Act of 1984.

Senate amendment No. 16: Page 3, after line 11, insert:

(INCLUDING RESCISSION)

Senate amendment No. 17: Page 3, after line 13, insert:

Of available funds under this head, $100,000 are rescinded pursuant to section 2901 of the Deficit Reduction Act of 1984.

Senate amendment No. 21: Page 3, after line 13, insert:

PACKERS AND STOCKYARDS ADMINISTRATION

(RESCISSION)

Of available funds under this head, $85,000 are rescinded pursuant to section 2901 of the Deficit Reduction Act of 1984.

Senate amendment No. 32: Page 6, line 3, after "$318,856,000" insert ": *Provided,* That notwithstanding any other provision of law, the provisions of subsections (f) and (i) of section 3 and section 10 of the Food Stamp Act of 1977, as amended, concerning private, nonprofit drug addiction or alcohol treatment and rehabilitation programs, shall henceforth also be applicable to publicly operated community health centers".

Senate amendment No. 36: Page 6, after line 8, insert:

NATIONAL COMMODITY PROCESSING PROGRAM

Notwithstanding section 212 of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note), section 203 of such Act shall remain in effect through June 30, 1986.

Senate amendment No. 37: Page 6, after line 8, insert:

FOREIGN AGRICULTURAL SERVICE

(RESCISSION)

Of available funds under this head, $100,000 are rescinded pursuant to section 2901 of the Deficit Reduction Act of 1984.

Senate amendment No. 40: Page 7, after line 12, insert:

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

For an additional amount for "Economic development assistance programs", $30,730,000, to remain available until expended, of which $15,000,000 is for a grant to Thayer School of Engineering in Hanover, New Hampshire, for construction, renovation and related costs for facilities for its model interdisciplinary engineering program; $5,730,000 is for a grant to the city of Columbia, South Carolina, to assist in the completion of the relocation and consolidation of railroad tracks; and $10,000,000 is for a grant to the Oregon Health Sciences University Hospital in Portland, Oregon, for the south wing rehabilitation project.

Senate amendment No. 43: Page 8, after line 13, insert:

FISHERMEN'S GUARANTY FUND

For an additional amount for "Fishermen's Guaranty Fund", $2,500,000, to be derived from the general fund of the Treasury.

Senate amendment No. 50: Page 10, after line 12, insert:

FEDERAL COMMUNICATIONS COMMISSION

SALARIES AND EXPENSES

The Federal Communications Commission is authorized to expend such funds as may be required in fiscal years 1986 and 1987 out of appropriations for fiscal years 1986 and 1987 for the Federal Communications Commission, not to exceed $5,000,000, to relocate its Fort Lauderdale, Florida, Monitoring Station within the State of Florida, to include all necessary expenses such as options to purchase land, acquisition of land, leaseback of the present monitoring station pending acquisition and construction of a new monitoring station, architectural and engineering services, construction of a new monitoring station and related facilities, moving expenses, and all other costs associated with the relocation of the monitoring station and personnel.

The Federal Communications Commission shall promptly declare the present monitoring station (including land and structures which will not be relocated) excess to the General Services Administration for disposition. Notwithstanding sections 203 and 204 of the Federal Property and Administrative Services Act of 1949, as amended, the General Services Administration shall sell such property and structures on an expedited basis, including provisions for lease-back as required, and shall compensate the Commission from the proceeds of the sale all costs associated with the relocation of the Fort Lauderdale Monitoring Station to another location, not to exceed $5,000,000.

Any excess funds received by the General Services Administration from the sale of the present property, less any funds reimbursed to the Federal Communications Commission, and less normal and reasonable charges by the General Services Administration for costs associated with the sale of the present property, shall be deposited to the general fund of the Treasury.

The authority under this Act with respect to the relocation of the Fort Lauderdale Monitoring Station shall (1) extend through fiscal year 1987, and (2) be in addition to any limits on expenditures for land and structures specified in the Commission's appropriation for fiscal years 1986 and 1987.

Notwithstanding the provisions of the preceding paragraphs under this head regarding relocation of the Fort Lauderdale, Florida, Monitoring Station, the Federal Communications Commission and the General Services Administration shall not take any action pursuant to such paragraphs committing funds for any purpose or disposing of the Federal lands and facilities for such station until the Chairman of the Commission and the General Administrator of the Administration shall (1) jointly prepare and submit to the Committees on Appropriations, the Committee on Energy and Commerce and the Committee on Government Operations of the House of Representatives and the Committee on Commerce, Science, and Transportation and the Committee on Governmental Affairs of the Senate, a letter or other document setting forth in detail provisions and procedures for such acquisition, construction, and disposition which reasonably carry out the provisions of these paragraphs expeditiously, but will not disrupt or defer any programs or regulatory activities of the Commission or adversely affect any employee of the Commission (other than those at the Monitoring Station who may be required to transfer to another location) through the use of appropriations for the Commission in fiscal years 1986 and 1987, and (2) wait a minimum of 30 calendar days for review by such Committees. Any reimbursed funds received by the Commission from the Administration pursuant to these paragraphs shall remain available until expended.

Senate amendment No. 56: Page 12, line 8, after "(INCLUDING" insert "TRANSFER OF FUNDS AND".

Senate amendment No. 58: Page 13, line 8, after "FUNDS" insert "AND RESCISSION".

Senate amendment No. 60: Page 13, line 15, after "facilities" insert: *Provided further,* That restitution of not to exceed $25,000 shall be paid to the estate of victims killed as a result of crimes committed by persons who have been enrolled in the Federal witness protection program if such crimes were committed within two years after protection was terminated, notwithstanding any limitations contained in part (a) of section 3525 of title 18 of the United States Code".

Senate amendment No. 61: Page 13, after line 15, insert:

Of available funds under this head, $309,000 are rescinded pursuant to section 2901 of the Deficit Reduction Act of 1984.

Senate amendment No. 62: Page 14, after line 13, insert:

For an additional amount for "Salaries and expenses", $1,500,000.

Senate amendment No. 71: Page 17, after line 11, insert:

LEGAL SERVICES CORPORATION

PAYMENT TO THE LEGAL SERVICES CORPORATION

Effective January 1, 1985, the twelfth proviso under this head in Public Law 98-166 relating to compensation of members of the Board of Directors of the Legal Services Corporation is amended by inserting "and for other official purposes" immediately following "to attend Board meetings". In addition, the exception contained in the first proviso under this head in Public Law 98-411 is amended by inserting after "except that" the following: "beginning after December 31, 1984, the proviso relating to the compensation of the Board of Directors of the Legal Services Corporation in Public Law 98-166 is amended by inserting 'and for other official purposes' immediately following 'to attend Board Meetings';".

Senate amendment No. 73: Page 17, line 19, after "1986" insert ": *Provided,* That the Secretary of State shall report to the appropriate committees in Congress on the obliga-

tion of security funds every 30 days from the date of enactment of this Act".

Senate amendment No. 78: Page 18, after line 24, insert:

OTHER

FISHERMEN'S PROTECTIVE FUND

For expenses necessary to carry out provisions of the Fishermen's Protective Act of 1967 as amended, $1,000,000, to remain available until expended.

Senate amendment No. 80: Page 19, line 5, after "$3,946,000." insert "Of the amounts appropriated for the Arms Control and Disarmament Agency for fiscal year 1985, not to exceed an additional $10,000 shall be available for official reception and representation expenses.".

Senate amendment No. 84: Page 19, line 17, strike out "and (2)" and insert "(2) $2,275,000 shall be used for upgrading the security of RFE/RL installations, and (3)".

Senate amendment No. 86: Page 19, line 19, insert:

The appropriation under this head in Public Law 98-411 is amended by striking ": *Provided*" through "vacant".

Senate amendment No. 93: Page 20, after line 5, insert:

For the Private Sector Exchange Programs, an additional $500,000 is provided, to remain available until expended, for the model Chinese-American Development Student Exchange Program at Tufts University as authorized by the Mutual Educational and Cultural Exchange Act, as amended (22 USC 2451 et seq.).

Senate amendment No. 96: Page 22, after line 9, insert:

GENERAL PROVISION

Effective on the first day of the first applicable pay period commencing on or after January 1, 1985, each rate of pay subject to adjustment by section 461 of title 28, United States Code, shall be increased by an amount, rounded to the nearest multiple of $100 (or if midway between multiples of $100, to the next higher multiple of $100), equal to the overall percentage of the adjustment taking effect under section 5305 of title 5, United States Code, in the rates of pay under the General Schedule during fiscal year 1985.

Senate amendment No. 106: Page 23, after line 12, insert:

SHIPBUILDING AND CONVERSION, NAVY

(TRANSFER OF FUNDS)

Of the amounts available to the Department of Defense within "Shipbuilding and Conversion, Navy, 1981/1985", $6,240,000 shall be transferred to the United States Coast Guard, "Acquisition, construction, and improvements", for polar icebreaker repair.

Senate amendment No. 110: Page 23, after line 25, insert:

In lieu of section 8070 of Public Law 98-473 (98 Stat. 1938), insert the following:

"SEC. 8070. None of the funds available to the Department of Defense during the current fiscal year may be used to enter into any contract with a term of eighteen months or more or to extend or renew any contract for a term of eighteen months or more, for any vessel, aircraft or vehicles, through a lease, charter, or similar agreement without previously having been submitted to Committees on Appropriations of the House of Representatives and the Senate in the budgetary process. Further, any contractual agreement which imposes an estimated termination liability (excluding the estimated value of the leased item at the time of termination) on the Government exceeding 50 per centum of the original purchase value fo the vessel, aircraft, or vehicle must have specific authority in an appropriation Act for the obligation of 10 per centum of such termination liability.".

Senate amendment No. 111: Page 23, after line 25, insert:

None of the funds available to the Department of the Navy may be used to enter into any contract for the overhaul, repair or maintenance of any naval vessel which includes charges for interport differential as an evaluation factor for award.

Senate amendment No. 113: Page 25, line 18, after "study" insert "and the South Metropolitan Atlanta Region, Georgia Study".

Senate amendment No. 128: Page 31, after line 10, insert:

MOUNTRAIL COUNTY PARK, NORTH DAKOTA

(a) Section 44 of the Water Resources Development Act of 1974 (Public Law 93-251; 88 Stat. 12) is amended by—

(1) adding at the end of subsection (a) the following:

"TRACT NUMBER 4

"A tract of land situated in the south half of the southwest quarter of section 29, township 152, north, range 91 west of the fifth principal meridian, Mountrail County, North Dakota, being more particularly described as follows:

"Commencing at the southwest corner of said section 29, thence south 89 degrees 54 minutes 28 seconds east a distance of 1,170 feet, thence north 00 degrees 06 minutes 00 seconds east a distance of 280 feet to a point of beginning, said point being the northwest corner of lot 4, block 5, of Olsons First Addition, thence north 00 degrees 09 minutes 00 seconds east a distance of 480 feet to the northwest corner of lot 4, block 5, Olsons Second Addition, thence south 89 degrees 57 minutes 00 seconds east a distance of 1,468.9 feet, thence south 00 degrees 09 minutes 00 seconds west, along the east line of Olsons Second Addition a distance of 480 feet, to the north line of said Olsons First Addition, thence north 89 degrees 57 minutes 00 seconds west a distance of 1,468.9 feet to a point of beginning. The area herein described contains 16.19 acres, more or less, and is more commonly referred to as 'Olsons Second Addition'." and

(2) striking out paragraph (2) of subsection (b) and inserting in lieu thereof the following:

"(2)(A) Subject to the provisions of subparagraph (B), the lands conveyed pursuant to this section shall be used by the Mountrail County Park Commission, Mountrail County, North Dakota, for public park and recreation purposes. If any lands used for public purposes are ever used for any other purpose, title thereto shall revert to, and become the property of, the United States which shall have the right to immediate entry thereof.

"(B) The park commission may designate a portion of the lands conveyed for leasing of cabin sites. The Mountrail County Park Commission shall reimburse the Federal Government for lands so used as the fair market value for such property.".

(b) The Secretary of the Army is authorized to execute and file an amended deed to reflect the amendements made by this section.

Senate amendment No. 129: Page 31, after line 10, insert:

TRANSFER OF FEDERAL TOWNSITES

(a)(1) Except as otherwise provided in this Act and notwithstanding any other provision of law, the Secretary of the Army shall transfer, without consideration and without warranty of any kind, all rights, title, and interests of the United States in each of the following described lands (including all improvements on such lands) to the municipal corporation serving the inhabitants of such land as soon as possible after the incorporation of such municipal corporation:

(A) The land referred to as Riverdale, North Dakota, consisting of 892 acres, more or less, as depicted on drawing numbered MGR160-2E1, dated November 10, 1981, on file in the office of the district engineer, United States Army Engineer District, Omaha, Nebraska.

(B) The land referred to as Pickstown, South Dakota, consisting of 393 acres, more or less, as depicted on drawing numbered MR315-2E1, dated November 3, 1981, on file in the office of the district engineer, United States Army Engineer District, Omaha, Nebraska.

(C) The land referred to as Fort Peck, Montana, consisting of 571 acres, more or less, as depicted on drawing numbered MFP118-2E1, dated October 15, 1981, on file in the office of the district engineer, United States Army Engineer District, Omaha, Nebraska (other than lands used by the Western Reserve Area Power Administration of the Department of Energy).

(2)(A) The provisions of paragraph (1) shall not require the Secretary of the Army to transfer any rights, title, or interests of the United States in any lands, or any improvements on lands, that the Secretary of the Army determines must be retained by the United States in order to enable the United States Army Corps of Engineers to carry out the duties and responsibilities of the United States Army Corps of Engineers.

(B) Any determination made under subparagraph (A) with respect to any land which (but for subparagraph (A)) would be transferred to a municipal corporation pursuant to the provisions of paragraph (1) shall be made by the date that is 30 days after the later of—

(i) date on which such municipal corporation is incorporated, or

(ii) the date of enactment of this Act.

Such determinations shall be published in the Federal Register.

(b) None of the lands described in subsection (a) (including improvements on such lands) may be declared to be excess property (within the meaning of section 3(e) of the Federal Property and Administrative Services Act of 1949).

(c) Notwithstanding any other provision of law, no limitations or restrictions (other than those which arise from rights described in subsection (d)) shall apply to the use or disposition of any land (including any improvements on such land) transferred to a municipal corporation pursuant to the provisions of subsection (a).

(d) Nothing herein shall deprive any person (other than the United States) of any right-of-way, mining claim, grazing permit, water right, or other right or interest such person may have in any land transferred pursuant to the provisions of subsection (a).

(e) Upon the request of any municipal corporation described in subsection (a) the Secretary of the Army shall provide assistance to such municipal corporation—

(1) in appraising the land and improvements transferred to such municipal corporation pursuant to the provisions of subsection (a), and

(2) in completing any subsequent transfers of such lands or improvements by such municipal corporation.

(f) Upon the request of any municipal corporation described in subsection (a), the Secretary of the Army shall enter into an agreement with such municipal corporation under which—

(1) the Secretary of the Army will provide maintenance and operational services with respect to the land and improvements transferred to such municipal corporation pursuant to the provisions of subsection (a) after the date of such transfer for a period which is not to exceed 3 years, and

(2) such municipal corporation will reimburse the Secretary of the Army after the date of such transfer in providing such services.

Senate amendment No. 133: Page 36, after line 7, insert:

Within available funds, the Secretary of the Interior is directed to use $600,000 to rehabilitate the A Canal of the Klamath Project and associated facilities in accordance with the Federal reclamation laws for the purpose of providing flood control for adjacent lands on a nonreimbursable basis.

Senate amendment No. 134: Page 36, after line 7, insert:

The Secretary of the Interior is authorized and directed to treat all costs associated with the enlargement of the portion of the WEB pipeline which will carry water to the North Dakota State line at Emmons County as nonreimbursable and to enter into such contracts, amendments to contracts or other agreements as necessary.

Senate amendment No. 135: Page 36, after line 7, insert:

(Within available funds, the Secretary of the Interior is directed to make $10,400,000 available to meet the obligations of Public Law 98-530, dated October 19, 1984, to three irrigation districts. These funds will be used for replacement, rehabilitation, and repair of the water delivery system within the Yuma Mesa Irrigation and Drainage District including water pumping facilities; for on-farm and district water conservation and drainage measures of the Yuma Mesa Irrigation and Drainage District, the Yuma Irrigation District, and the North Gila Valley Irrigation District; and for payment to the fund established by the Central Arizona Water Conservation District for voluntary acquisition or conservation of water from sources within the State of Arizona for use in central Arizona in years when water supplies are reduced.

Senate amendment No. 136: Page 36, after line 7, insert:

In order to expedite the completion of the Hooker Dam or alternative of the Central Arizona Project (1) the selection of the preferred site for the Hooker Dam or alternative as authorized by section 301 of the Colorado River Basin Project Act shall be completed by August 15, 1985, (2) the initial draft environmental impact statement required for the Hooker Dam or alternative shall be completed and made available by September 1, 1986, (3) the final environmental impact statement for Hooker Dam or alternative shall be completed and made available by September 1, 1987, and (4) the Secretary of the Interior shall make a record of his decision as soon as practically possible after the completion of the final environmental impact statement.

Senate amendment No. 143: Page 38, after line 9, insert:

GEOTHERMAL RESOURCES DEVELOPMENT FUND

(BY TRANSFER)

For carrying out activities authorized by title II of Public Law 93-410 the Department of Energy is authorized to transfer no more than $15,000,000 to the Geothermal Resources Development Fund from unobligated balances within the Uranium Supply and Enrichment Activities account: *Provided,* That such transfer shall be reported promptly to the Committees on Appropriations of the House and Senate. The amount authorized to be transferred by this provision is in addition to the authority provided in sections 302 and 307 of Public Law 98-360.

Senate amendment No. 145: Page 38, after line 9, insert:

ATOMIC ENERGY DEFENSE ACTIVITIES

(RESCISSION)

Of available funds under this head, $8,280,000 are rescinded pursuant to section 2901 of the Deficit Reduction Act of 1984.

Senate amendment No. 148: Page 40, line 18, after "which" insert ", as determined by the President of the United States,".

Senate amendment No. 149: Page 40, line 20, after "abortion" insert "or involuntary sterilization".

Senate amendment No. 155: Page 53, after line 24, insert:

DEPARTMENT OF STATE

MIGRATION AND REFUGEE ASSISTANCE

(TRANSFER OF FUNDS)

For an additional amount for "Migration and refugee assistance", $12,500,000 to be derived by transfer from the "Economic Support Fund" for Lebanon as provided in Public Law 98-63: *Provided,* That this amount shall be available only for Soviet, Eastern European and other refugees resettling in Israel.

Senate amendment No. 156: Page 53, after line 24, insert:

GENERAL PROVISIONS

SEC. 501. The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the International Monetary Fund, the Asian Development Bank, the Inter-American Investment Corporation, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or made available pursuant to this Act or any other Act, for the production of any copper commodity for export or for the financing of the expansion, improvement, or modernization of copper mining, smelting, and refining capacity.

Senate amendment No. 157: Page 53, after line 24, insert:

SEC. 502. (a) United States active participation in international financial institution activity is based on our national objective of furthering the economic and social development of the nations of the world, in particular the developing nations. The attainment of this national objective is most effectively realized through a world economic and financial system which is both free and stable. Therefore, it is the intent of the United States Congress that United States financial assistance to the international financial institutions should be primarily directed to those projects that would not generate excess commodity supplies in world markets, displace private investment initiatives or foster depatures from a market-oriented economy.

(b) The Secretary of the Treasury shall instruct the representatives of the United States to the international financial institutions described in subsection (d) to take into account in their review of loans, credits, or other utilization of the resources of their respective institutions, the effect that country adjustment programs would have upon individual industry sectors and international commodity markets in order to—

(1) minimize any projected adverse impacts on such sector or markets of making such loans, credits, or utilization of resources; and

(2) avoid whenever possible government subsidization of production and exports of international commodities without regard to economic conditions in the markets for such commodities.

(c) More specifically, the following criteria should be considered as a basis for a vote by the respective United States Executive Director to each of the international financial institutions described in subsection (d) against a project proposal involving the creation of new capacity or the expansion, improvement, or modification of mining, smelting, refining, and fabricating of minerals and metal products:

(1) Analysis shows that the risks, returns, and incentives of a project are such that it could be financed at reasonable terms by commercial lending services.

(2) Analysis by the Bureau of Mines indicates that surplus capacity in the industry for the primary product of the defined project would exist over half the period of the economic life of the project because of projected world demand and capacity conditions.

(3) United States imports of the commodity constitute less than 50 percent of the domestic production of the primary product in those cases where the United States is the substantial producer of such commodities.

(d) The international financial institutions referred to in subsections (a) and (b) are the International Monetary Fund, the International Bank for Reconstruction and Development, the International Development Association, the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank.

Senate amendment No. 159: Page 55, strike out line 11 and insert:

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $4,000,000, to be derived by transfer from the various funds of the Federal Housing Administration.

Senate amendment No. 160: Page 55, after line 15, insert:

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

Notwithstanding section 409 of the Department of Housing and Urban Development—Independent Agencies Appropriations Act, 1985 (Public Law 98-371), the funds appropriated to the American Battle Monuments Commission for salaries and personnel benefits for the fiscal year ending September 30, 1985, shall be available for the other services and equipment object classifications in an amount not to exceed $1,000,000.

Senate amendment No. 170: Page 58, after line 2, insert:

For an additional amount for "Research and related activities", $100,000, to remain available until September 30, 1986.

Senate amendment No. 173: Page 58, after line 19, insert:

MEDICAL CARE

(RESCISSION)

Of available funds under this head, $3,520,000 are rescinded pursuant to section 2901 of the Deficit Reduction Act of 1984.

Senate amendment No. 179: Page 59, after line 26, insert:

CONSTRUCTION AND ACCESS

For an additional amount for "Construction and access", $825,000, to remain available until expended, of which not to exceed $20,000 shall be available to pave the street and to build the sidewalk and curb in front of the Bureau of Land Management district office in Worland, Wyoming.

Senate amendment No. 182: Page 61, after line 17, insert:

LAND ACQUISITION AND STATE ASSISTANCE

(INCLUDING RESCISSION)

Senate amendment No. 184: Page 61, after line 17, insert:

Of available funds under this head, $52,000 are rescinded pursuant to section 2901 of the Deficit Reduction Act of 1984.

Senate amendment No. 185: Page 62, line 2, after "obligation" insert "*Provided*, That notwithstanding subsection (b) of section 160 of the Act of August 13, 1973 (Public Law 93-87), funds hereafter appropriated for the Cumberland Gap National Park shall be available for operation and maintenance of the Cumberland Gap tunnel and access roads only as provided for in a memorandum of understanding to be negotiated between the Secretary and the Governors of the States of Kentucky and Tennessee".

Senate amendment No. 193: Page 64, line 8, after "1986" insert "*Provided*, That $8,700,000 shall be used by the Secretary to reduce the amount of unpaid principal on loans to the Navajo Agricultural Products Industry (NAPI) guaranteed under the Indian Financing Act of 1974, as amended (88 Stat. 77; 25 U.S.C. 1401 et seq.): *Provided further*, That NAPI is discharged from the obligation to pay any unpaid interest accruing before January 1, 1991 on loans by the Secretary to NAPI under that Act".

Senate amendment No. 198: Page 66, line 16, before "RESCISSION" insert "INCLUDING".

Senate amendment No. 201: Page 66, after line 19, insert:

Notwithstanding any other provision of law, the Forest Service shall continue to operate Equipment Development Facilities in San Dimas, California, and in Missoula, Montana, at least through the end of fiscal year 1986, and funds and personnel to operate these facilities in fiscal years 1985 and 1986 shall not be reduced by more than 10 percent from currently appropriated levels.

Senate amendment No. 210: Page 69, after line 13, insert:

Of the funds provided under this head in Public Law 98-473 for the repair, renovation, and restoration program of the original West Building, not to exceed $700,000 may be spent during the current fiscal year for repair and renovation of the East Building.

Senate amendment No. 216: Page 69, after line 22, insert:

The amount appropriated by the Department of Labor Appropriation Act, 1985 (title I, Public Law 98-619), in the account captioned "Training and Employment Services", that has been held in reverse by reason of section 101(j) of Public Law 98-473 (98 Stat. 1963) (pertaining to section 515 of H.R. 5798), shall become available for obligation upon the enactment of this Act, and no further amounts shall be withheld from any account contained in such Department of Labor Appropriation Act by reason of such section 101(j).

Senate amendment No. 217: Page 69, after line 22, insert:

For an additional amount for migrant and seasonal farmworker programs authorized by section 402 of the Job Training Partnership Act, notwithstanding the provisions of sections 3(a)(3)(A) and 402(f) of the Act, $5,117,000, to be available for obligation for the period July 1, 1985, through June 30, 1986: *Provided*, That funding provided herein shall be distributed to the States so that each State's total program year 1985 allocation is equal to its total program year 1984 allocation.

Senate amendment No. 219: Page 70, after line 2, insert:

Whenever funds are made available, now or hereafter, in this or any other Act for the administration of unemployment compensation laws to meet increased costs of administration resulting from changes in a State law or increases in the number of unemployment insurance claims filed and claims paid or increased salary costs resulting from changes in State salary compensation plans embracing employees of the State generally over those upon which the State's basic allocation was based, which cannot be provided for by normal budgetary adjustment, amortization payments for States which had independent retirement plans prior to 1980 in their State Employment Security Agencies and State agencies administering the State's unemployment compensation law may be paid from such funds.

Senate amendment No. 222: Page 70, after line 4, insert:

Of available funds under this head, $5,000,000 shall remain available for obligation until September 30, 1986, for a Center or Institute for Nursing Research to be established under subsequent statute.

Senate amendment No. 223: Page 70, after line 4, insert:

During the fiscal year 1985, new commitments to guarantee loans under subpart I of part C of title VII of the Public Health Service Act may be made only to the extent that the total loan principal, any part of which is to be guaranteed, shall not exceed the sum of $250,000,000: *Provided*, That the foregoing limitation shall be in addition to any uncommitted balances of loan guarantee authority provided for any prior fiscal year which remain available for fiscal year 1985.

Senate amendment No. 224: Page 70, after line 4, insert:

For an additional amount to carry out the provisions of section 1910 of the Public Health Service Act (pertaining to Emergency Medical Services for Children), $2,000,000, to remain available for obligation until September 30, 1986.

Senate amendment No. 227: Page 70, after line 4, insert:

HEALTH MAINTENANCE ORGANIZATION LOAN AND LOAN GUARANTY FUND

For an additional amount for deposit in the fund established under section 1308(e) of the Public Health Service Act, to remain available until expended, $1,720,000.

Senate amendment No. 236: Page 71, after line 1, insert:

SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS

The Secretary of Education shall distribute funds appropriated under title III of Public Law 98-619 under the heading "School Assistance in Federally Affected Areas" for entitlements under section 2 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) to local educational agencies having such entitlements in order to assure that such agencies receive 75 percent of the amount to which such agencies were entitled in fiscal year 1984. The distribution required by this paragraph shall take effect 30 days after the date of enactment of this Act.

Senate amendment No. 241: Page 71, after line 14, insert:

For an additional amount for carrying out section 305 of the Adult Education Act, $1,963,000 to remain available until September 30, 1986: *Provided*, That the amount appropriated herein shall be used to ensure that there is allocated to each State for school year 1985-1986 an amount equal to its allocation under section 305 of that Act for the immediately preceding school year.

Senate amendment No. 243: Page 71, after line 26, insert:

For an additional amount for carrying out part E of title IV of the Higher Education Act of 1965, $2,482,000 to be available only for payment to any State which received in fiscal year 1985 an amount less than the amount received in fiscal year 1984 under such part E to assure that each such State will receive under such part E for fiscal year 1985 an amount at least equal to the amount which that State received under such part E in fiscal year 1984.

Senate amendment No. 244: Page 72, after line 8, insert:

Funds appropriated in fiscal year 1985 for part C of title IX of the Higher Education Act of 1965, relating to the National Graduate Fellows Program, shall remain available until December 31, 1985.

Senate amendment No. 246: Page 72, after line 8, insert:

DISAPPROVAL OF DEFERRALS

Senate amendment No. 247: Page 72, after line 8, insert:

UNITED STATES INSTITUTE OF PEACE

The Congress disapproves the proposed deferral D85-39, pertaining to the United States Institute of Peace, as set forth in the message of January 4, 1985, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this Act and the amount of the proposed deferral disapproved herein shall be made available for obligation.

Senate amendment No. 248: Page 72, after line 8, insert:

NEGATIVE SUPPLEMENTALS

The Congress disapproves the proposed deferrals set forth in paragraphs (1), (2), (3), and (4), as follows:

(1) D85-34, pertaining to the Employment and Training Administration, as set forth in the message of November 29, 1984, which was transmitted to the Congress by the President and revised by D85-34A, as set forth in the message of March 1, 1985, which was transmitted to the Congress by the President.

(2) D85-57 and D85-58, each pertaining to the Railroad Retirement Board, as set forth in the message of February 6, 1985, which was transmitted to the Congress by the President.

(3) D85-61, D85-62, and D85-63, each pertaining to the Employment and Training Administration, and D85-64, pertaining to the Pension Benefit Guaranty Corporation, as set forth in the message of March 1, 1985, which was transmitted to the Congress by the President.

(4) D85-66, pertaining to the Health Care Financing Administration, and D85-67, pertaining to the Social Security Administration, as set forth in the message of March 22, 1985, which was transmitted to the Congress by the President.

The disapproval shall be effective upon enactment into law of this Act and the amount of the proposed deferrals disapproved herein shall be made available for obligation.

Senate amendment No. 253: Page 73, line 10, after "$65,470,000" insert ", of which $30,000 is reduced pursuant to section 2901 of the Deficit Reduction Act of 1984".

Senate amendment No. 256: Page 73, line 14, after "expended" insert ": *Provided*, That the bridge at mile 6.9 on the Willamette River is an unreasonable obstruction to navigation for the purposes of the Act of June 21, 1940 (33 U.S.C. 511 et seq.)

Senate amendment No. 263: Page 77, line 2, after "RESCISSION" insert "AND DISAPPROVAL OF DEFERRAL".

Senate amendment No. 264: Page 77, after line 5, insert:

The Congress disapproves the proposed deferral D85-50 in the amount of $30,000,000 for the Northeast Corridor Improvement Program, as set forth in the message of February 6, 1985, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this Act and the amount of the proposed deferral disapproved herein shall be made available for obligation.

Senate amendment No. 268: Page 78, line 5, after "$3,150,000" insert ": *Provided*, That none of the funds provided in this Act or in Public Law 98-473 shall be available for more than six full-time equivalent staff years, including Commissioners, in each Commissioner's office, except for the Chairman".

Senate amendment No. 271: Page 79, line 11, after "$10,000,000" insert ", of which $6,000,000 shall remain available until expended".

Senate amendment No. 273: Page 80, after line 12, insert:

OPERATIONS AND MAINTENANCE, AIR INTERDICTION PROGRAM

For an additional amount for "Operations and maintenance, air interdiction program", $11,000,000 to remain available until September 30, 1986.

Senate amendment No. 274: Page 82, line 21, strike out "$4,400,000" and insert "$5,400,000 of which $4,050,000 is to remain available until expended".

Senate amendment No. 286: Page 89, after line 16, insert:

No reductions in stockpile goals may be made below those in effect on October 1, 1984, by the President under authority provided by the Strategic and Critical Materials Stock Piling Revision Act of 1979 (98 Stat. 319), as amended, until October 1, 1986, unless authorized by Act of Congress.

Senate amendment No. 288: Page 89, after line 16, insert:

FEDERAL FUNDS

For a Federal contribution to the District of Columbia $14,180,000: *Provided*, That $8,777,000 shall be made available for capital projects and shall remain available until expended: *Provided further*, That funds for capital projects may be drawn only to the extent that outstanding obligations become due and payable.

Senate amendment No. 290: Page 89, after line 22, insert:

SENATE

"Salaries, officers and employees", $4,468,000;

"Office of the Legislative Counsel of the Senate", $37,000;

"Senate policy committees", $50,000;

Senate amendment No. 300: Page 95, line 19, strike out "$442,249,000" and insert "$417,249,000 and in addition $25,000,000 shall be derived by transfer from "Reserve Personnel, Army, 1985" ".

Senate amendment No. 304: Page 96, line 4, strike out "$116,840,000" and insert "$106,840,000 and in addition, $10,000,000 shall be derived by transfer from "Procurement, Marine Corps, 1983/1985" ".

Senate amendment No. 310: Page 96, line 12, strike out "$26,619,000" and insert "$4,619,000 and in addition, $22,000,000 shall be derived by transfer from "Aircraft Procurement, Navy, 1983/1985" ".

Senate amendment No. 319: Page 97, line 12, after "1985/1987" " insert ", and $25,000,000 shall be derived by transfer from "Other Procurement, Navy, 1983/1985" ".

Senate amendment No. 321: Page 97, line 20, strike out "$89,230,000" and insert "$81,230,000, and in addition, $8,000,000 shall be derived by transfer from "Procurement, Defense, Agencies, 1983/1985" ".

Senate amendment No. 331: Page 106, line 22, after "statutes" insert ": *Provided*, That not to exceed $1,000 of the funds appropriated to the Office of Personnel Management for salaries and expenses for the fiscal year ending September 30, 1985, shall be available for official representation expenses in connection with programs to further the employment of handicapped individuals in the Federal service, and for other programs of the office".

Senate amendment No. 334: Page 107, after line 1, insert: "Construction, minor projects", an increase of $371,000 in the limitation on the expenses of the Office of Construction;

Senate amendment No. 341: Page 110, after line 8, insert:

TITLE V

DEPARTMENT OF DEFENSE PLAN FOR DRUG-INTERDICTION PROGRAM

SEC. 501. (a) The Congress finds that—

(1) the drug trafficking problem continues to plague the United States and our national security interests;

(2) the effort to halt the flow of drugs into the United States is one of this Nation's most pressing problems;

(3) the Armed Forces of the United States can make a substantial and unique contribution to the drug interdiction efforts of the United States;

(4) in 1981, Congress enacted chapter 18 of title 10, United States Code, which permitted certain military support to civilian drug interdiction programs; and

(5) the Congress has consistently supported efforts of the military in supporting the drug interdiction programs of civilian agencies within the confines of the Posse Comitatus Act (18 U.S.C. 1385).

(b) Not later than December 31, 1985, the Secretary of Defense shall submit a report, which has been developed in conjunction with the Joint Chiefs of Staff, to the Appropriations and Armed Services Committees of the House of Representatives and the Senate with regard to the role of the Department of Defense in the drug interdiction and law enforcement activities of the United States. Such report shall address:

(1) the roles, mission, and organization of the Department of Defense efforts within the overall drug interdiction and law enforcement programs of the United States;

(2) the relationship of the Department of Defense to the civilian departments and agencies of the United States Government involved in drug interdiction and law enforcement efforts;

(3) the estimated cost of the Department of Defense participation in this program;

(4) any appropriate military assistance, training and equipment which should be provided for drug interdiction purposes to governments in Central and South America.

(c) Nothing in this title shall authorize the Department of Defense to engage in any activities in support of drug interdiction or law enforcement activities not authorized by law.

(d) Not later than December 31, 1985, the President shall report to the Congress as to how the United States Government is organized to interdict drugs and enforce the drug laws of the United States, including a detailed description of the jurisdiction and responsibilities of the Department of Defense and all other relevant departments and agencies and the mechanisms for coordinating the policy and operational control of the elements of each agency in the drug interdiction and law enforcement mission.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 5: Page 2, after line 18, insert:

For an additional amount for graduate fellowship grants under section 1417 of Public Law 95-113, as amended (7 U.S.C. 3152), $2,000,000.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate No. 5 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

For an additional amount for graduate fellowship grants under section 1417 of Public Law 95-113, as amended (7 U.S.C. 3152), $2,000,000, to remain available until expended.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by

the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 6: Page 2, after line 18, insert:

For an additional amount for a grant under the Act of August 4, 1965, as amended (7 U.S.C. 450i(c)) to Mississippi State University to conduct a program for and to promote research excellence in the area of warmwater aquaculture, including such lands, buildings, and equipment as may be necessary to carry out the program, $3,500,000 to remain available until expended.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 6 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

For an additional amount for a grant to Mississippi State University to conduct a program for and to promote research excellence in the area of warmwater aquaculture, including such lands, buildings, and equipment as may be necessary to carry out the program, $3,500,000, including $700,000 made available by Public Law 98-473 which shall be transferred to and merged with this appropriation, to remain available until expended, and to be matched by an equal non-Federal share.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 7: Page 2, after line 18, insert:

For an additional amount for a grant under the Act of August 4, 1965, as amended (7 U.S.C. 450i) to the University of Kansas for the evaluation and transfer of remote sensing applications to agricultural users, $200,000.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 7 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

For an additional amount for a grant to the University of Kansas for the evaluation and transfer of remote sensing applications to agricultural users, $200,000.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 14: Page 3, line 10, strike out "$500,000" and insert "at a cost not to exceed $500,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 14 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "$500,000, to remain available until expended".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate Amendment No. 23, Page 4, after line 11, insert:

"None of the funds provided for fiscal year 1985 in this or any other Act shall be available to restrict the authority of the Commodity Credit Corporation to lease space for its own use or to lease space on behalf of other agencies of the Department of Agriculture when such space will be jointly occupied."

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 23 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"None of the funds provided for fiscal year 1985 in this or any other Act shall be available to restrict the authority of the Commodity Credit Corporation to lease space for its own use or to lease space on behalf of other agencies of the Department of Agriculture when such space will be jointly occupied.

"Notwithstanding any other provision of this Act, the amount appropriated by this Act for the Commodity Credit Corporation, reimbursement for net realized losses, shall be $2,935,790,000."

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 29: Page 5, after line 15, insert:

"CHILD NUTRITION PROGRAMS

"Upon request to the Secretary of Agriculture, any school district receiving all cash or all letters of credit in lieu of commodities under the school lunch program on January 1, 1985, shall continue to receive all cash in lieu of commodities or all letters of credit in lieu of commodities through the school year ending June 30, 1986. Such school districts shall receive bonus commodities in the same manner as such commodities are made available to any other school district participating in the school lunch program."

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 29 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"CHILD NUTRITION PROGRAMS

"Upon request to the Secretary of Agriculture, any school district receiving all cash or all letters of credit in lieu of commodities under the school lunch program on January 1, 1985, shall continue to receive all cash in lieu of commodities or all letters of credit in lieu of commodities through December 31, 1985. Such school districts shall receive bonus commodities in the same manner as such commodities are made available to any other school district participating in the school lunch program."

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate Amendment No. 35: Page 6, line 8, after "$4,270,000" insert "to remain available until expended".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 35 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "to remain available through March 31, 1986: *Provided*, That the Secretary of Agriculture shall review the reported condition of the "street people" and other disadvantaged people in cities and counties throughout the Nation, including those reported in Tunica County, Mississippi, and report to the House and Senate Committees on Appropriations his recommendations for correcting or improving the situation which exists".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 41: Page 8, after line 7, insert:

OPERATIONS, RESEARCH, AND FACILITIES

For an additional amount for "Operations, research, and facilities", $126,600,000, to remain available until expended

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 41 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

OPERATIONS, RESEARCH, AND FACILITIES

For an additional amount for "Operations, research, and facilities", $126,100,000, to remain available until expended.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 45: Page 9, after line 6, insert:

NATIONAL BUREAU OF STANDARDS

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

(RESCISSION)

Of available funds under this head, $1,019,000 are rescinded pursuant to section 2901 of the Deficit Reduction Act of 1984.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 45 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

NATIONAL BUREAU OF STANDARDS

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

(RESCISSION)

Of available funds under this head, $500,000 are rescinded pursuant to section 2901 of the Deficit Reduction Act of 1984.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 51: Page 10, line 21, after "rescinded" insert ", of which $3,781,000 are rescinded pursuant to section 2901 of the Deficit Reduction Act of 1984".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 51 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and Expenses", $2,400,000 for disaster loan making and servicing activities to be derived by transfer from the "Disaster Loan Fund".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 57: Page 12, after line 8, insert:

For an additional amount for "Salaries and expenses, United States attorneys and marshals", $12,103,000, of which $4,165,000 shall remain available until September 30, 1986, and in addition $3,000,000 to be derived by transfer from the "Working Capital Fund".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 57 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

For an additional amount for "Salaries and Expenses, United States Attorneys and Marshals", $12,103,000, and in addition $3,000,000 to be derived by transfer from the "Working Capital Fund", both amounts to remain available until September 30, 1986."

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 63: Page 14, after line 13, insert ": *Provided*, That $10,000,000 provided in Public Law 98-166 for the relocation of the Washington field office within the District of Columbia shall remain available until expended".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 63 and concur therein with an amendment, as follows: In lieu of the word "expended" in said amendment, insert "September 30, 1986".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 65: Page 14, line 21, strike out "$3,300,000" and insert "$20,000,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 65 and concur therein with an amendment, as follows: In lieu of the sum stricken and inserted by said amendment insert "$20,000,000, to remain available until September 30, 1986".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 70: Page 16, after line 16, insert:

For an additional amount for grants for the establishment on a continuing basis of clinical programs to supplement the services of local Legal Services Grantees by accredited Law Schools, $4,000,000, to remain available until expended.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 70 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

For an additional amount for a grant for the establishment of a clinical program to supplement the services of local Legal Services grantees at Drake University School of Law in Des Moines, Iowa, $4,000,000, to remain available until expended.

The purpose of the above grants is to fund two University Centers which will provide legal clinics to supplement the civil legal services of Legal Services Corporation grantees, demonstrate how such legal clinics can be operated to benefit both law students and recipients, and conduct continuing legal education courses and seminars to encourage and prepare practicing attorneys for pro bono services. Under each such clinical program, no recipient shall receive legal services who would be disqualified by law or regulation from receiving such service from a Legal Services Corporation grantee.

$3,000,000 of each such grant shall be available to the governing body of the University to establish an endowment fund to provide income to support such a program on a continuing basis. Such endowment shall be held in a trust which dedicates the income exclusively to fulfilling the purposes above stated and shall be subject to audit by the General Accounting Office for the sole purpose of determining that all funds have been accounted for or used for such purposes. If either such grantee elects to discontinue the program established under this section, the corpus of the endowment trust shall revert to the Treasury of the United States and the document accepting the grant shall provide for such reversion.

The balance of the funds in each grant shall be made available to the grantee for facilities, equipment, and other costs actually incurred in establishing such a clinical program, and the application for the grant shall require only such information and supporting material as is reasonably necessary to assure that such funds will be used exclusively for the purposes described herein.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 75: (75) Page 18, line 5, after "expended" insert ": *Provided*, That notwithstanding any other provision of law, the Secretary of State shall not permit the Soviet Union to occupy the chancery building at its new embassy complex in Washington, D.C., or any other new facilities in the Washington, D.C. metropolitan area, until the Soviet Union provides reimbursement to the United States for damages incurred as a result of the construction of the new United States Embassy in Moscow, in an amount to be determined by agreement between the United States and the Union of Soviet Socialist Republics or in the event of disagreement by the decision of an international arbitral tribuna. us created pursuant to the contract for construction between the United States and the Union of Soviet Socialist Republics: *Provided further*, That in any event the amount may not be less than the amount of funds expended from this account for damages arising from delays at the site of the new United States Embassy complex in Moscow that are determined by the Secretary of State to be the responsibility of the Soviet Union".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 75 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

: *Provided*, That notwithstanding any other provision of law

(a) The Secretary of State shall not permit the Soviet Union to occupy the new chancery building at its new embassy complex in Washington, D.C., or any other new facilities in the Washington, D.C. metropolitan area, if the Soviet Union fails to provide prompt and full reimbursement to the United States for damages incurred as a result of the construction of the new U.S. Embassy in Moscow, in an amount to be determined by agreement between the U.S. and the U.S.S.R. or in the event of disagreement by the decision of an international arbitral tribunal as created pursuant to the contract for construction between the U.S. and the U.S.S.R.

(b) Within 30 days after the enactment of this Act the Secretary of State shall initiate actions to begin the international arbitration process, which is provided for in the embassy construction agreement between the U.S. and the U.S.S.R., in order to resolve all U.S. claims against the U.S.S.R. for damages arising from delays in the construction of the new U.S. Embassy complex in Moscow.

(c) In the event the amount of reimbursement provided to the U.S. under paragraph (a) by the U.S.S.R. is less than the amount of funds expended from this account for damages arising from delays at the site of the new U.S. Embassy complex in Moscow that are determined by the Secretary of State to be the responsibility of the U.S.S.R., the Secretary of State shall submit to the Appropriations Committees of the House of Representatives and the Senate a detailed report explaining the reasons that the Secretary has accepted such arrangements and the financial costs to the U.S. of doing so.

(d) The Secretary of State may suspend the restrictions in paragraph (a) in the national security interests of the U.S. if he certifies to Congress that a substantial number of the claims described therein are settled and that resolutions of any remaining claims is proceeding in a satisfactory manner. If the Secretary exercises the authority under this paragraph, he shall report to the Appropriations Committees of the House of Representatives and the Senate every six months concerning progress on resolution of any outstanding claims.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 77: Page 18, after line 24, insert:

INTERNATIONAL COMMISSIONS

INTERNATIONAL FISHERIES COMMISSIONS

(TRANSFER OF FUNDS)

For an additional amount for "International Fisheries Commissions", $2,000,000, to be derived by transfer from "Contributions to International Organizations".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 77 and concur therein with an amendment, as follows: In lieu of the sum proposed in said amendment, insert "$1,200,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 87: Page 19, after line 19, insert:

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $150,000.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 87 and concur therein with an amendment, as follows: In lieu of the matter proposed, insert the following:

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $75,000 to remain available until expended.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 91: Page 20, line 5, after "September 30, 1986" insert "; and for an additional amount under this head for the Central American Scholarship program only, $9,000,000, to remain available until June 30, 1986".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 91 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: "; and for an additional amount under this head, $9,000,000, to remain available until September 30, 1986".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 92: Page 20, line 5, after "1986." insert "And for an additional amount under this head to promote the development of an independent media service by the Afghan people and to provide for the training of Afghans in media and media-related fields, $500,000: *Provided*, That the Director, with the Secretary of State, shall report to the appropriate committees of Congress on the obligation of these funds 60 days from the date of enactment of this Act.".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 92 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

For an additional amount under this head to promote the development of an independent media service by the Afghan people and to provide for the training of Afghans in media and media-related fields, $500,000, to remain available until September 30, 1986: *Provided*, That the Director, with the Secretary of State, shall report to the appropriate committees of Congress on the obligation of these funds 60 days from the date of enactment of this Act.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman form Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 102: Page 23, lines 7 and 8, strike out "'"Shipbuilding and Conversion, Navy, 1982/1986"' and insert "'"Aircraft Procurement, Navy, 1985/1987"'".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 102 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following:

"Aircraft Procurement, Navy, 1983/1985" ($129,000,000);

"Aircraft Procurement, Navy, 1984/1986" ($21,200,000); and

"Aircraft Procurement, Navy, 1985/1987" ($89,800,000).

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 109: Page 23, after line 12, insert:

ENHANCED SECURITY COUNTERMEASURES CAPABILITIES

To the Director of Central Intelligence, for the enhancement of the security countermeasures capabilities of relevant agencies $50,000,000 to remain available until September 30, 1986, to be allocated by the Director of Central Intelligence among the National Security Agency, the Central Intelligence Agency, the Federal Bureau of Investigation, and any other agency that the Director of Central Intelligence may determine, such funds to be expended exclusively for the purpose of improving United States security countermeasures capabilities abroad in accordance with a plan to be developed by the Director of Central Intelligence in conjunction with the National Security Council and submitted to the Appropriations and Intelligence Committees of the Congress no later than September 1, 1985.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 109 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

ENHANCED SECURITY COUNTERMEASURES CAPABILITIES

To the Director of Central Intelligence, for the enhancement of security countermeasures capabilities, $35,000,000, to remain available until September 30, 1986, to be allocated by the Director of Central Intelligence among the National Security Agency, the Central Intelligence Agency, the Federal Bureau of Investigation, the Department of State, and any other agency that the Di-

rector of Central Intelligence may determine, such funds to be expended exclusively for the purpose of improving security countermeasures capabilities at United States Embassies and other facilities abroad in accordance with a plan to be developed by the Director of Central Intelligence in conjunction with the National Security Agency, the Central Intelligence Agency, the Federal Bureau of Investigation, the Department of State, the National Security Council and any other agency that the Director of Central Intelligence may determine and submitted to the Appropriations and Intelligence Committees of the Congress by September 1, 1985.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 112: Page 24, strike out all after line 4 over to and including line 4 on page 25 and insert:

For an additional amount for the prosecution of river and harbor, flood control, shore protection, and related projects authorized by laws; and detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by State, local governments, or private groups) authorized or made available for selection by law (but such studies shall not constitute a commitment of the Government to construction), to remain available until expended, $48,000,000 for "Construction, general" and $800,000 for "Flood control, Mississippi River and Tributaries, Arkansas, Illinois, Kentucky, Louisiana, Mississippi Missouri, and Tennessee"; of which $7,800,000 shall be derived from the Inland Waterways Trust Fund; except that the Secretary of the Army acting through the Chief of Engineers is authorized and directed to proceed with planning, design, engineering, and construction of the following projects substantially in accordance with the individual report describing such project as shown in the report accompanying H.R. 2577: Atchafalaya Basin Floodway System, Louisiana; Baltimore Harbor and Channel, Maryland and Virginia; Bassett Creek, Minnesota; Bonneville Navigation Lock, Oregon and Washington; Dade County, Florida (north of Haulover Beach Park); Eight Mile Creek, Arkansas; Ellicott Creek, New York; Freeport Harbor, Texas (North Jetty); Gallipolis Locks and Dams, Ohio and West Virginia; Gulfport Harbor, Mississippi; Jonesport Harbor, Maine; Kahoma Stream, Hawaii; Liberty State Park Levee and Seawall, New Jersey; Little Dell Lake, Utah; Locks and Dam 26, Illinois and Missouri (Second Lock), including environmental management along the Upper Mississippi River Basin; Merced County Streams, California; Mississippi River Ship Channel, Gulf to Baton Rouge, Louisiana; Mobile Harbor, Alabama; Moriches Inlet, New York; Norfolk Harbor, Virginia; Richmond Filtration Plant, Virginia; Sacramento River Deep Water Ship Channel, California: *Provided*, That none of the funds herein appropriated may be expended to undertake such project except under terms and conditions acceptable to the Secretary of the Army as shall be set forth in binding agreements with non-Federal entities desiring to participate in project construction. Each such agreement shall include a statement that non-Federal entities are capable of and willing to participate in project cost-sharing and financing in accordance with terms of the agreement. At such time as the Secretary has executed a formal binding agreement and has determined that the non-Federal entities financing plan demonstrates a reasonable likelihood of the non-Federal entities ability to satisfy the terms and conditions of the agreement, the Secretary shall transmit the agreement to the Congress: *Provided further*, That the Secretary shall initiate construction at a project in accordance with such agreement unless a Joint Resolution disapproving such agreement becomes law within ninety calendar days of the receipt of the agreement by Congress. The ninety-day period shall not include days on which either the House of Representatives or the Senate is not in session because of adjournment for more than three consecutive calendar days: *Provided further*, That the initiation of inland waterways projects identified for planning, design, engineering, and construction in this Act may be funded from sums available in the Inland waterways Trust Fund, established by the Inland Waterways Revenue Act of 1978 (title II of Public Law 95-502) notwithstanding the second sentence of section 204 of such Act: *Provided further*, That the funds appropriated herein shall lapse on June 30, 1986, if the agreement required herein for that project has not been transmitted to Congress.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 112 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following:

For an additional amount for the prosecution of river and harbor, flood control, shore protection, and related projects authorized by laws; and detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by State, local governments, or private groups) authorized or made available for selection by law (but such studies shall not constitute a commitment of the Government to construction), to remain available until expended, $48,000,000 for "Construction, general" and $800,000 for "Flood control, Mississippi River and Tributaries, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee"; of which $7,800,000 shall be derived from the Inland Waterways Trust Fund; except that the Secretary of the Army acting through the Chief of Engineers is authorized and directed to proceed with planning, design, engineering, and construction of the following projects substantially in accordance with the individual report describing such project as reflected in the Joint Explanatory Statement of the Committee of Conference accompanying the Conference Report for H.R. 2577: Ardsley, New York; Atchafalaya Basin Floodway System, Louisiana; Baltimore Harbor and Channels, Maryland and Virginia; Barnegat Inlet, New Jersey: Bassett Creek, Minnesota; Bonneville Navigation Lock, Oregon and Washington; Clear Creek, Texas; Cleveland Harbor, Ohio; Colorado River and tributaries, Boggy Creek at Austin, Texas; Cowanesque Lake Modification, Pennsylvania; Dade County, Florida (north of Haulover Beach Park); Des Moines Recreational River and Greenbelt, Iowa; Eight Mile Creek, Arkansas; Ellicott Creek, New York; Fairfield Vicinity Streams, California; Freeport Harbor, including relocation of North Jetty, Texas; Gallipolis Locks and Dams, Ohio and West Virginia; Geneva-on-the-Lake, Ohio; Gulfport Harbor, Mississippi; Jonesport Harbor, Maine; Kahoma Stream, Hawaii; Kill Van Kull Channel, Newark Bay Channel, New York and New Jersey; Liberty State Park Levee and Seawall, New Jersey; Little Dell Lake, Utah; Lock and Dam 26, Illinois and Missouri (Second Lock), including environmental management along the Upper Mississippi River Basin; Merced County Streams, California; Mississippi River Ship Channel, Gulf to Baton Rouge, Louisiana; Missouri National Recreational River, Nebraska and South Dakota; Mobile Harbor, Alabama; Moriches Inlet, New York; Norfolk Harbor, Virginia; Parker Lake, Oklahoma; Pearl River, Slidell, St. Tammany Parish, Louisiana; Port Ontario Harbor, New York; Richmond Harbor, California; Richmond local protection project, Virginia; Sacramento River Deep Water Ship Channel, California; Savannah Harbor Widening, Georgia; Tampa Harbor Branch Channels, including East Bay Channel maintenance, Florida; Virginia Beach Streams, Canal No. 2, Virginia; William Bacon Oliver Lock and Dam, Alabama; *Provided*, That none of the funds herein appropriated may be expended to undertake such projects except under terms and conditions acceptable to the Secretary of the Army, (or under terms and conditions provided for in subsequent legislation when enacted into law) as shall be set forth in binding agreements with non-Federal entities desiring to participate in project construction. Each such agreement shall include a statement that the non-Federal entities are capable of and willing to participate in project cost-sharing and financing in accordance with terms of the agreement. At such time as the secretary has executed a formal binding agreement and has determined that the non-Federal entities' financing plan demostrates a reasonable likelihood of the non-Federal entities' ability to satisfy the terms and conditions of the agreement, the Secretary shall initiate construction at a project in accordance with such agreement: *Provded further*, That the funds appropriated herein shall lapse on June 30, 1986, if the agreement required herein for that project has not been executed: *Provided further*, That where construction of a comprehensive project for flood control and improvement of a multistate region described in this paragraph has commenced prior to the date of enactment of this Act, new or additional non-Federal cost-sharing shall not be required for any part of such comprehensive project, and where construction of such a project has begun prior to the date of enactment of this Act, all elements or features of the comprehensive project shall be considered to be part of that project: *Provided further*, That the initiation of inland waterways projects identified for a planning, design, engineer-

ing, and construction in this Act may be funded from sums available in the Inland Waterways Trust Fund, established by the Inland Waterways Revenue Act of 1978 (title II of Public Law 95-502) notwithstanding the second sentence of section 204 of such Act.

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. WHITTEN] is recognized for 30 minutes.

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may require.

I understand there is some controversy about this.

Mr. CONTE. Mr. Speaker, will the gentleman yield for a parliamentary inquiry?

Mr. WHITTEN. I yield to the gentleman from Massachusetts.

PARLIAMENTARY INQUIRY

Mr. CONTE. Mr. Speaker, it is my understanding that 30 minutes will be allotted the Chairman, and then 30 minutes to the minority. Is that correct?

The SPEAKER pro tempore. The gentleman is correct.

Mr. CONTE. I thank the Chair.

Mr. WHITTEN. May I say to my colleagues, as we are all aware there has been an insistence on the part of the Office of Management and Budget and the executive branch that there be some local contribution. The subcommittee has tried to work this matter out where we can all live with it, and that is what they have tried, to work it out where they can live with it.

I in turn have tried to see that where provisions are already made for authorizing a particular activity that it could not be reauthorized.

I understand there is opposition to what we have recommended, and I repeat, as I said earlier, there are no finer or abler people in the Congress than the members of the authorizing Committee on Public Works and Transportation. We have waited 15 years trying to help them every way we could to get an authorization through Congress.

When we read how much damage has been done by floods, what the situation is with reference to rivers and harbors, what the situation is nationally, we felt that now was the time we had to go ahead and work with them to get an authorization.

□ 1330

So I want to say again we are not working against the legislative committee. I asked the subcommittee on our side, the Subcommittee on Appropriations to work with our colleagues on the other side. I said earlier in my remarks that the chairman of the committee, the chairman of the subcommittee on the authorizing committee, I know of no two people who have been nicer or more cooperative with me. But I do say when our country has waited 15 years to pay proper attention to the needs of our country, it is time we get together. It is on that basis that I have approached this. The fact that some of our friends are unhappy, I can appreciate their feelings, but I do believe if we can carry this through, working together, that we in turn will break this deadlock to where they can go ahead and authorize as they have tried to do throughout the years. So with that statement, I just want you to know we are doing the best we can in the direction in which we believe we have to go in the situation we face today. The same situation exists in many other areas.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. WHITTEN] has consumed 3 minutes.

Mr. CONTE. Mr. Speaker, I yield 5 minutes to the chairman of the Committee on Public Works and Transportation, the gentleman from New Jersey [Mr. HOWARD].

Mr. HOWARD. Mr. Speaker, I thank the gentleman from Massachusetts for yielding this time.

Mr. Speaker, today the Committee on Public Works and Transportation is asking the House to vote against the motion to recede to the Senate on section 112 of the conference report H.R. 2577, the supplemental appropriations bill. We are asking you instead to support an amendment that this committee will offer that will preserve the integrity of this body.

I recognize that this issue is very technical but it is also one of the most important we will vote on this year. It touches not just on the question of which water projects will be funded. What are really at stake are the procedures of this House, the rights and prerogatives of this body and the function of the Congress as a coequal branch of Government.

H.R. 2577 would give us a piecemeal, haphazard approach to water policy. Instead of allowing the authorizing committee to review the entire range of projects that have been waiting for funding since 1976, only those projects agreed to by the other body and the administration will be permitted to go forward. That kind of piecemeal approach in an appropriations bill would virtually destroy any chance of passage of a major water policy bill such as H.R. 6 that has already been voted out by the Committee on Public Works and Transportation. The Subcommittee on Water Resources spent 3 years reviewing all projects that previously been authorized before deciding to reauthorize almost 300.

The subcommittee also did a painstaking review of hundreds of new projects. If the motion to recede to the Senate is approved, there will be no water policy bill. Many other needed projects would not be funded because a few other projects already received their money. In H.R. 2577, six projects would receive 55 percent of the funds. The other 35 projects get the rest. It is even more unfair that seven States, either the whole State or part of the State, are exempted from the cost-sharing provisions imposed on the rest of the country.

If the Senate language were offered in the House, it would be subject to a point of order as legislation on an appropriations bill. The authorizing committees and the Members of this body cannot allow the appropriations to be used as a means of circumventing the rules of the House. If we allow this to happen, there will be no limit to the circumventing of the authorizing committees. There would be no need for the authorizing process.

The Senate language that we are being asked to approve sets a dangerous precedent from a procedural point of view. But, in terms of substance, it is simply bad policy. This agreement should be defeated solely on its merits, or rather, demerits.

First, this language removes the Congress from any say in the cost-sharing for these 21 projects. Approval of cost-sharing policy has traditionally been a function of Congress. Yet this agreement would allow the executive branch to reach individual agreements on cost sharing for each of these 21 projects. It gives the administration a club to threaten any local officials who won't come up with the right amount of cash. If no agreement is reached by May 1986, the money lapses. Local officials will be faced with negotiating with the administration and being threatened with a loss of funds if they don't reach an agreement by May 1986.

Second, the agreement provides Federal funds for projects in local areas that have the money to pay the non-Federal share. In other words, those rich communities that can meet OMB's asking price will get their projects. For those communities that can't afford the bargain, there won't be any projects.

This is a bad way to legislate. The program review should be done by the authorizing committee in this body. We should not allow ourselves to be dictated to by the Senate and the administration. We should demand the right to a full policy review by the authorizing committee.

I ask my colleagues to vote "no" on the motion to recede to the Senate. The Senate language is bad procedure and bad policy. It should be defeated.

If this House decides to defeat the motion to recede and concur with the Senate amendments, the Committee on Public Works and Transportation will then offer an amendment that will include the same projects as in the conference report. But our amendment will prohibit any appropriation unless each of these projects receive authorization with language setting

the proper non-Federal share of the cost. This will be done as part of an overall review of Federal water policy.

I ask my colleagues to support the Committee on Public Works and Transportation. Our substitute motion is the only way to protect the jurisdiction of the authorizing committees in this body, the responsibilities of the House in setting national policy and the role of the Congress in approving legislation.

I ask you to vote no on the motion by the gentleman from Mississippi and then to support the substitute motion.

Mr. WHITTEN. Mr. Speaker, I yield myself one-half minute.

May I say 15 years is a long time to wait to get an authorization bill through, through no fault of our friends on the legislative committee. That means there is very little reason to believe that without some change in approach we can expect anything in the future. I believe it will help their cause and ours for us to join together here and proceed to show for the public works needs of our country.

Mr. HOWARD. Mr. Speaker, will the gentleman yield on that?

Mr. WHITTEN. I yield to the gentleman from New Jersey [Mr. HOWARD].

Mr. HOWARD. I thank the gentleman for yielding.

Mr. Speaker, I wish to say to the chairman that I can agree it has been a long time. But one of the reasons we have had difficulty in having an authorizing bill become law is because so often the Committee on Appropriations short-circuits their projects and authorizes an appropriation bill for certain projects, which takes away a certain amount of clout we may have in having a bill for all the Members of the House.

Mr. WHITTEN. That always happened after we waited and waited, through no fault of the gentleman from New Jersey or our other colleagues.

Mr. Speaker, I yield 5 minutes to the gentleman from Alabama [Mr. BEVILL], chairman of the subcommittee that deals in detail with this overall problem.

Mr. BEVILL. I thank the chairman for yielding.

Mr. Speaker, the conferees put in a lot of time in working out these differences and I want to say at the outset, and Chairman WHITTEN made this very clear, I think, that we regret that we are differing with the Committee on Public Works and Transportation because we have worked closer with the Public Works Authorization Committee than probably any subcommittee in this Congress and we do appreciate them. They have passed H.R. 6, which is one of the best bills ever put together by the Public Works Committee, in my judgment, because they have set out these formulas for cost-sharing and other important issues.

Now my good friend Mr. HOWARD has mentioned that we are circumventing the rules. We are operating under the same rules that we were operating under last October when H.R. 6 was added to my chapter of the continuing resolution and passed this House. In that instance we added hundreds of projects, not 21. We are talking about 21 projects here that did not follow the normal procedure to get authorized. The reason is we have been waiting not only for the 14 or 15 years Chairman WHITTEN mentioned, but we have been waiting the last 5 years holding up these projects, saying no new starts. Every time I come to the floor each year I have said "no new starts, the authorization bill is going to be passed next month." This has been going on too long. I think we are going to have to move. We have complied with the rules. We have not violated any rules. I do not hear anybody making a point of order. The Senate added 11 water projects that have not been authorized. We are authorizing them through this conference report. The House bill contains an additional 10 unauthorized projects.

Now Chairman HOWARD, my good friend, and, my colleague Chairman ROE, have put their bill through this House two times already, it is a good bill, but the other body does not move on it. I do not know of one thing that has changed since we went through all the same thing before. It is the same old thing.

□ 1340

On June 6, these unauthorized projects were all knocked out on a point of order here on the floor because H.R. 6 was on its way; it was going to be on the floor the next week. Now this was 8 weeks ago, and this has been going on for 5 years.

So in my judgment, in order to get these projects built, we are going to have to go ahead and use this procedure and it is within the rules of both Houses, and I do not know of any way to do it. If anybody knows anything else we can do to help get these projects authorized, I wish he would speak up, because we have been trying for 5 years now; we have been holding up all new starts.

Mr. ROE and Mr. HOWARD have done their very best and Mr. SNYDER and everyone in that House Public Works authorization committee have worked like Trojans to get these projects authorized; and they are going to get it through the House; nobody is against it. I do not know why they do not bring it on down here; they can pass it this afternoon and send it on over to the other body, but that is as far as it is going to go, if history repeats itself, and I have reason to believe history is going to repeat itself.

Now, let me point this out. It was pointed out here that we are circumventing the rule. This bill specifically says that whatever local participation is required to be had on these projects, will be subject to whatever this Congress decides when H.R. 6 comes to the floor and goes to the White House and is signed.

All they have got to do is just simply pass the authorization bill, send it on over to the other body, get them to pass it, and get the President to sign it.

That is why the other body and this body, through this conference agreement insisted on making this June 30 deadline that they have to work out cost-sharing agreements with the Secretary of the Army. I urge you to support the motion, because we are not violating any rule. The White House is supporting this conference agreement, the Senate is supporting it, and I hope this House supports it.

Mr. CONTE. Mr. Speaker, I yield 5 minutes to the ranking minority member, the gentleman from Kentucky [Mr. SNYDER].

Mr. SNYDER. Mr. Speaker, I rise in strong, but reluctant, opposition to the motion of the Appropriations Committee chairman to recede and concur with an amendment on amendment No. 112. As I do this, I urge my colleagues to focus on an issue that is of extreme importance to all of us in the House who have been working so long to achieve lasting and meaningful water policy reforms.

Amendment No. 112, if adopted as being suggested by the Appropriations Committee chairman, will provide special appropriations and special cost-sharing for only 41 select Corps of Engineers water projects, more than half of which are unauthorized.

The leadership of the Public Works Committee and others ask you this afternoon to reject the motion to recede in order to allow the language to be amended to permit the bill's appropriations to remain in place but to make the funds being appropriated subject to enactment of necessary authorizing legislation. It is extremely important that you join us in this effort.

Mr. Speaker, there are a host of both substantive and procedural reasons why it is proper—in fact, essential—to oppose the Whitten motion and support the Public Works Committee leadership amendment. Let me just focus, in the little time I have available, on a few of those reasons.

First, I would like to call my colleagues' attention to the fact that the language which the Appropriations Committee would have us adopt completely delegates authority and responsibility for establishing national water policy, particularly cost-sharing policy, from the Congress to the executive branch. It gives complete and unfettered discretion to the Secretary of

the Army to adopt whatever cost-sharing—large or small, consistent or not—he can negotiate with project sponsors. Congress is no longer responsible for making national water policy. For the first time, we are walking away from our constitutionally mandated duty to establish the policies of the Nation and are turning them over, entirely without guidance, to the executive branch. I am totally opposed to this approach and I believe everyone of our colleagues should be as well.

Second, it must be understood that, if the Whitten motion is agreed to and the language of amendment No. 112 is not perfected, the efforts we have so long been engaged in, developing for the first time in 15 years an overhauled and reformed national water policy will probably be undercut. You all know how long and in what detail we have worked to perfect H.R. 6. That bill has been reported by the Public Works Committee and is ready for floor action next month. The Senate counterpart bill has also begun to move. We are closer today than we have been at anytime in the past 15 years to finally reaching agreement on necessary water project and water policy authorizing legislation. If the Whitten motion is not defeated and Public Works Committee amendment is not adopted. I believe that we will lose the best opportunity in more than a decade to enact the water policy reforms that are so long overdue.

And this leads me to my last point. If these 41 projects are permitted here today to go forward ahead of the other worthwhile projects in H.R. 6 and ahead of the necessary water policy reforms contained in that bill, then all of you who have interests in H.R. 6 which are not reflected in this supplemental bill—and I would suggest that a majority of our colleagues is in that category—are going to find themselves explaining to their constituents why, once again, Congress failed to authorize the work for flood control, navigation improvement, hurricane protection, water supply, and other purposes that they have been awaiting for so long. If the Whitten motion carries unamended, our chances of ever completing action this Congress on omnibus authorizing legislation will probably be lost. Focus on that fact, and focus on how many of your constituents will once again be left out in the cold because we failed at the final hour to hold the line when it was most essential. I urge my colleagues, in the strongest possible terms, to join us in defeating the Whitten motion and then accepting the Howard/Roe perfecting amendment to amendment No. 112.

Mr. WHITTEN. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr FAZIO].

Mr. FAZIO. Mr. Speaker, I rise in strong support of the Appropriations Committee's efforts to try to make a breakthrough in a frustrating situation that I am sure impacts every district in the country.

We have been waiting a long time, and I am afraid that we are not home yet, but we are making progress if we move ahead today by putting some pressure on to try to develop a total approach to cost sharing and the development of our water resources across the country.

We are doing, I think, what is really necessary to put the kind of fire behind the Public Works Committee, and I am sure that that fire will be of assistance to the gentlemen who have spoken to you today, because they certainly need the support of all of us, and certainly the members of the Energy and Water Subcommittee of Appropriations are first among those who want to help Mr. HOWARD and Mr. ROE and Mr. STANGELAND and Mr. SNYDER.

These projects go a good way toward meeting some of the needs that our country has. We have a very key group of 12 port development projects here, and they are not just for one region of the country. You may hear that we are regionally oriented in this bill; we are not.

□ 1350

We have Baltimore and Norfolk, New Orleans, Mobile, and Tampa, and Sacramento and Richmond, CA; ports all across the country on every coast. New York, New Jersey, and California, for example—and you hear this is a Southern-oriented bill—have 11 of the 41 projects in this bill. It is a truly national approach. Not all we would like, but a start, an effort, I think, to build support for a comprehensive cost-sharing formula that all of us can stand behind.

I hope that our colleagues throughout the House, throughout all regions of the country, regardless of their committee assignments or their biases between authorizing and appropriating committees, will give us the opportunity to move forward at this time. We certainly will be utilizing this wedge to force the Corps of Engineers and the OMB to work closely with all of us to go even further in the direction we all know we have long neglected—the development of our water resources.

Mr. CONTE. Mr. Speaker, I yield 6 minutes to the gentleman from New Jersey [Mr. ROE].

Mr. ROE. I want to thank the gentleman from Massachusetts for yielding to me.

I only have 6 minutes and probably an hour of things I want to say. But let me tell you something: I think that the Appropriations Committee—they are good people, so are the people in the authorizing committee, they are good people, but what have you been hearing? You have been hearing, "We're taking the lead, we're taking the lead." That is the Appropriations Committee. What do you need a Public Works Committee for? What about your roads and bridges and your clean water? "Oh, well, you don't need that, we're taking the lead."

Now, what about the facts involved? We have not been dragging our feet. The fact remains, ladies and gentlemen, that twice this House passed the water resources bill last year. Twice. We only had one argument—two arguments. The Falmouth Dam and we had the Cross Florida Barge Canal. We solved it. We have resolved that for the Members and satisfactorily for the Members. So that bill is ready to go. We filed a report. We have been negotiating with the four other committees who have joint or partial jurisdiction. We have cleared it up with two of them. We are working on the other two now. We are trying our damnedest to get to the floor with that bill. It is a total fallacious argument to say that the authorization committee has not been doing its job in 15 years. That is total balderdash. It is not the truth and it is not the fact.

This House voted overwhelmingly twice for that issue. This House voted the other day and it struck out, these projects that the Senate put back in. That is a Ponzi scheme. What we are saying is the House does not have any rights at all, that we have to bow over, and the Senate, the other side, decides what we are going to do.

But is it not interesting, my fellow workers, my fellow people? I have to say that when I am talking to my friend from Massachusetts. We talk about orphans of the storm. All of you who do not have a project in this bill are orphans of the storm. Three-quarters of the States in this country get no help at all. None. Some of those projects have been approved for 15 years. They are not considered. Why did we not fight harder for what is right for this House? Where do we have the right to spend $3.2 billion in a half dozen States? I am not opposed to any project in this bill. I have personally written half the projects, the language that is in this bill. That is the fact, and you know it. There has been nobody to come to us, Democrat or Republican alike, who have not shared together. We have worked together, we have written your amendment and we fought for you.

Now it is a question of greed. Greed is the answer here. "It is mine. We have the box of chocolates. This is my bonbon because I am on Appropriations. I take this." We spread it out a little bit around the country, we leave a little bit here, we bring in the votes that we can bring in—and I have got to say what is in my heart to say—and

then we defeat what we should be doing in protecting the interests of the House.

For each project that is approved in California, we lose seven, simply because they were not at the table when the "last supper" was being held. That is what the truth of the matter is. When they were passing out the goodies, is really what it amounts to.

So the issue before us is what you fought against us on the other day. You fought with me and you said to me, "BOB ROE, you are wrong," that there ought to be equity and fairness. And fairness was the issue when we talked of the budget situation yesterday. You said to me, "Don't break the budget." We fought back with Mr. PURSELL and others in this House, and we said, "We don't agree, but this part we think you are wrong on."

What about fairness and equity? What about fairness and equity? Do you other Members have the right to go home and say to your people, three-quarters of the States, three-quarters of the Members of this House, three-quarters of the Democrats and Republicans alike, and say, "It was expedient because we caved in to the Senate"? Where are the guts of this House? Why is there not leadership here fighting for what is right for the people of this country? That is what this issue is about.

Yes, I get excited, yes, I say what I think, because you have got to say what you think in this forum because this represents all of the people of the Nation. We are giving up three projects in New Jersey. Who is doing that in the rest of this House? Would you dare do it, because you may lose something? We are giving up those three projects, one in the chairman's district, one in New York and the other in my area. I do not want your project if you are going to do somebody else in. Every person in Illinois and Indiana and every State has a right, they have a right. You are giving this whole cost sharing—they call it a fence. That is what it is, a fence in the finest word they say fence. You are giving it all to the Secretary of the Army.

Do you know, ladies and gentlemen, why some of your projects have been delayed under the Carter administration and under the Reagan administration, both administrations? Do you know why? Because OMB held back on the reports coming in from the Corps of Engineers and they would not release them to the committee. Therefore, if you did not vote certain ways in certain areas you did not get zilch out of either one of those administrations. Is that the way to administer? Is that fair? Is that the way to legislate? That is what it is all about.

We are not mad at JAMIE WHITTEN. He is a prince. I am not mad at TOM BEVILL or anybody else on the Appropriations Committee. They are good people. But they also have to have some conscience, in my point of view. They even waive the section that has to do with the Inland Water Resources Program, and they exempt—and I do not want to bring this up, but I am going to bring it up. There are seven States that are in the Mississippi River Basin. There is no reason, none, that those seven States should be totally exempt in part from any cost sharing.

How are you going to explain that back home? It is not fundamentally fair.

I am not fighting for BOB ROE today, I am not fighting for JIMMY HOWARD nor against anybody else. I am saying the House of Representatives, if you are worth our salt, you ought to be able to go back to that Senate and say, "We disagree." Not that we are disagreeing with the issue of need.

The SPEAKER pro tempore. The time of the gentleman from New Jersey [Mr. ROE] has expired.

Mr. WHITTEN. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. WATKINS], a member of the subcommittee.

Mr. WATKINS. I thank my chairman for yielding, and I rise in support of the Whitten amendment and also in support of the committee, and I urge all my colleagues that we pass the Whitten amendment and support the committee on this legislation.

I, along with most of the other people, stand in support of the Legislative Committee on this bill. We are anxiously awaiting the legislation to come to the floor. We have passed that legislation in the past. It has gone to the Senate but it has been turned down. And we were threatened by the President that he would veto that particular bill.

I would like for all of my colleagues to know, because my friend from Kentucky mentioned it, I do not think you dilute any clout by passing this legislation. I can assure you that this member, along with every member on the Energy and Water Development Subcommittee of the Appropriations Committee, will stand here and be ready to support H.R. 6 when and if it ever gets here. I will not only vote for it but I will work the floor to pass H.R. 6.

There is one other little twist on the reasoning here in the House which I would like to address. Let us not allow the Senate to have what they want without allowing the House to help write the bill. Let us have some say for the House. Let us allow the House to participate in procedure. The other body is writing the language. They are providing the projects they need, but it is up to us to put needed House projects in this legislation. If we do not pass this particular amendment, the Whitten amendment, and support the committee, the House will be rejected. We will not have a voice in the supplemental appropriation bill, a supplemental appropriation bill that today the President supports, today the other body supports, and I ask my colleagues in the House to support today.

Mr. MYERS of Indiana. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. STANGELAND], a member of the committee.

Mr. STANGELAND. I thank the gentleman for yielding.

Mr. Speaker, I rise in opposition to the motion of the gentleman from Mississippi [Mr. WHITTEN] to recede and concur in the Senate amendment with an amendment.

As the ranking Republican member of the Subcommittee on Water Resources of the Committee on Public Works and Transportation, I am aware of the tremendous amount of work that Chairman ROE and the other members of our committee have devoted to enactment of comprehensive water resources development authorization legislation. As all of us are far too aware, a water project authorization bill has had a long gestation period. We have not had an omnibus water project bill since 1976, and have not had one that authorizes a number of major projects since 1970. Over the last 3 years, the Committee on Public Works and Transportation has devoted tremendous time and effort to developing a much needed bill. We have had extensive hearings and heard from scores of witnesses. Hundreds of projects were carefully reviewed. In our efforts, we have been sensitive to the needs of all of the Members of this body in a fair and impartial manner.

Mr. Speaker, the gentleman from Oklahoma just made a most eloquent speech as to why we should defeat the Whitten motion and substitute a motion by the gentleman from New Jersey [Mr. HOWARD].

We are not concerned about passing H.R. 6 in this House. We passed comprehensive legislation in the last session twice in this House. And the problem and the reasons we are not players in the game is that the other body will not pass the legislation. If you give the other body what they want in an appropriations bill, they will never pass authorizing legislation. The gentleman from Oklahoma can help all he wants to here on the floor of the House, but he cannot help us pass legislation in the other body until he goes home and runs for that body. Hopefully, he will do that some day. Then maybe we can get authorizing legislation over there. But the House has done its work, the authorizing committee has done its work. It is the other body. And if you give them what they are asking for in this bill, authorizing in an appropria-

tions bill, they will never pass an authorizing bill.

□ 1400

Can anyone here, anyone in this body, go home and tell their constituents that in your district, in our State, we will have to pay a cost-sharing formula based on what the Secretary of the Army establishes. We do not know what that is. But in New Orleans, they pay nothing. Is that fair and equitable? Is that justice?

Last year our committee brought comprehensive legislation to the floor of the House. On two separate occasions, this body overwhelmingly approved our efforts. Our inability to enact a bill into law was not due to inaction by the House Public Works Committee. Rather, it was due to the inability of the Senate to take their counterpart bill to the Senate floor.

With this as background, I can well understand the frustration of some of the Members of this House. I can understand the desire by some to throw up their hands and say "we can't get a comprehensive bill, so let's just get whatever we can. Never mind about cost sharing—let the administration decide on the appropriate level of cost sharing." I can understand this frustration, but I cannot agree with it. I cannot agree that the proper course for this body is to walk away from our responsibility to look at all of the country's needs and develop a comprehensive, systematic and, above all, fair water resources development bill. In particular, Mr. Speaker, I can't understand why we should give up when we are so close to resolution of this issue after years of effort.

Within the last 5 weeks, there has been a major development which has increased tremendously the chances of enacting an authorization bill. I speak, of course, of the agreement between the Senate and the administration on appropriate water project cost sharing. This key ingredient has been what was missing before. We now have, in effect, an administration bargaining position. In response, our committee has marked up H.R. 6, the Water Resources Conservation, Development, and Infrastructure Improvement and Rehabilitation Act of 1985. The bill we have developed is virtually identical in scope to the bill which the House passed twice last year. But, Mr. Speaker, what is different this year is that our bill reflects a level of cost sharing that is close to the level acceptable to the Senate and the administration. Our bill is ready to come to the floor as soon as we can resolve one or two issues with other affected committees. Perhaps more importantly, Mr. Speaker, I understand that the Senate will also be ready to take their bill to the floor in the near future.

This is no time to throw up our hands and say it can't be done. It can be done. All that is needed is a little more time and the will of this body. We have to send a signal just like the signal we sent earlier this year during deliberations on the bill we have under consideration today. The signal we sent then was that the House would not cave in. It would continue to stand and insist upon a comprehensive water project bill, a bill that takes care of the water resource needs of the entire Nation rather than the needs of a few members with friends on the Appropriations Committee.

We can send this message with a very simple amendment, an amendment that says only what the rules of the House require—that we will not spend money on projects that have not been authorized by the Congress. That is exactly what the amendment to be offered by the gentleman from New Jersey would do. Therefore, I urge the defeat of the Whitten motion.

Mr. WHITTEN. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. I thank the gentleman for yielding to me.

Mr. Speaker, the gentleman from California, [Mr. FAZIO] put his finger on the issue a minute ago when he said we have "a chance to cause a breakthrough of a very frustrating situation." I hope the amendment offered by the chairman, Mr. WHITTEN, is approved. I say so with the deepest respect for the chairmen of the Public Works Committee, Mr. HOWARD, and for Mr. ROE. They have always given me excellent cooperation, and I do not believe any of us think this amendment is an intrusion into their jurisdiction. That is not the intent for me, or anybody in this House.

For 10 years now we have tried to advance some public works projects in the water area. I have a very small project, Boggy Creek in Austin, TX, I have waited and waited and tried everything for nearly 10 years to get this bill approved, but it never works. Let us suppose that we refer this bill back to the Public Works Committee. Do you think they are going to approve another 300 projects? Very likely. Do you think it is going to pass the other other body or be approved by the President? Not on you life. We know that; we have had that experience over and over again.

Do you think that if this question is sent back to committee they would choose 15 or 20 projects? Not likely. Not likely at all. They do not want to make those choices because it is too small a number for so many projects—some 300—which have built up in number. So it is a difficult situation we face. At least the House Appropriation Committee has chosen some projects and advanced a bill. The other body has done the same thing. Together, we have 41 projects. The choice today is you either have 41 projects or you have none. That is it. And very likely you might not have an authorization next year or the next year; I do not know when. I do not know how you are going to get a breakthrough unless you use this appropriation process.

I would think that the Public Works Committee would jump at the chance to approve 41 projects; at least we could have this breakthrough. There is no intent to invade the Public Works Committee jurisdiction, because they have done the best they can. But this stalemate could go on and on and on. For that reason, Mr. Speaker, I think it is best that we approve these particular projects. It is an expression that we want to make some advancement.

But the choice is you either have 41 projects or you have none. Many of us have been waiting in the wings for years trying to get the projects. My city has advanced their share of funds and now they are so frustrated, they have almost given up hope. We ought not to let that happen. We ought to keep the faith and advance this bill. Somehow I am still confident we can do it this session of Congress.

Mr. CONTE. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. MYERS].

Mr. MYERS of Indiana. I thank the gentleman for yielding me this time.

Mr. Speaker, we are here today, unfortunately, discussing an issue that should never have to be discussed. Someone said we should not be here today with this argument, and so true it is. But unfortunately, it has been 5 years since we have had a bill passed out of the authorizing committee, and some of these projects are of such a high priority that in the judgment of your Appropriations Committee, they could not wait any longer.

The chairman of the Public Works Committee and the subcommittee chairman, Mr. ROE, both made statements here that I think it is unfair to say that we are usurping any authority from that committee. There has been no intention of that. To accuse them of dragging their feet, that committee, I think that would be a misstatement also. We have worked together through the years, we are going to continue to do so. To say that when we enact this we are destroying chances for H.R. 6, quite to the contrary.

Our bill, this bill provides that, and I read:

Or under terms and conditions provided for in subsequent legislation when enacted.

In other words, when H.R. 6 passes, those shall be the conditions of cost sharing that will prevail. As has been said by every member of this committee, we will go to this well, we will battle to help you pass H.R. 6 soon

after we come back from the August recess, and we will go to the other body and work there. I think the other body is just as unhappy with what we had to put in here, contrary to what has been said here today, as we are. Working in conference with them, they do not like this procedure either. It just has to be.

Another issue here, you say we are going to lose support. Well, it is not going to happen. You say in the letter here, you do not want to give the Corps of Engineers a blank check. No one wants to; we are not. That is why we put the language in here: "That the language of the authorizing committee shall prevail."

You say it is unfair to distinguish 21 unauthorized projects as singled out here. Well, my friends, if I am wrong, correct me. But when this supplemental bill went before the Rules Committee back in June, did not members of the authorizing committee appear before the Rules Committee and ask that H.R. 6 be included in the supplemental? Am I mistaken about that? For almost 300 to be included?

Now we are including this 41. Forty-one is not enough, but we are not going to have the money to fund all of them. We are going to have to make some decisions; that is what the Appropriations Committee is all about.

There has been an argument made today that you voted for the whole conference report, you voted for it but you are going to single this out. You will have the opportunity to vote shortly. Let me tell you: You may be destroying, I do not know what the other body is going to do, but you may be destroying the entire conference report. The other body may not take this up without this language. I do not know what they are going to do; I do not mean to leave a threat. But there is a possibility the other body will not take this up at all if this language is out of it.

Second, they may absolutely refuse and force it back on us again. In any event, it would well wait until after the first of September when we come back before you get these very badly needed programs. Those of you in rural America, CCC, the Commodity Credit Corporation; it cannot wait until September for additional funds. But you may, by voting no on the Whitten amendment, by forcing the CCC to close shop between now and after the August recess.

There are a number of other programs that are in this that you may be putting out of business between now and the first of September. We have already adopted the resolution to adjourn, a recess until September, so that is a foregone conclusion now.

In closing, some of you feel that you are going to cut or save money. I know that some of my conservative friends on the Republican side said, "Well, I am going to vote anytime I can to cut money." If you vote no on the Whitten amendment, you are not saving the first penny. There will not be a penny saved. The money is still there, it will be spent some place. But talk about unauthorized projects. Let me name two or three unauthorized projects that this committee provides for construction to start.

Bonneville Navigation lock in Oregon and Washington State. Very badly needed for navigation on that river. The Gallipolis Lock and Dam, we have heard that for so many years. You are going to stop preconstruction planning, land acquisition in West Virginia and Ohio on the Gallipolis where you have backlogs right now.

□ 1410

Lock and Dam 26, the second lock and dam on the Mississippi River, just above St. Louis. Those of you in farm areas in Nebraska, Iowa, northern Illinois even, and up into the Dakotas, this navigation link is very vital, but you are going to delay action on that second lock and dam where you have now long delays in the fall of the year after harvest.

Norfolk Harbor. For those of you in coal areas, Norfolk Harbor will be the biggest harbor, the only deep port harbor for the big colliers to come into, but it is unauthorized. We can help coal exports, by keeping it in this bill.

The last issue I want to talk about, cost sharing. I do not know what is going to be developed. That is going to be up to the authorizing committee. Something is going to happen. I do not think there is any question about it. If you do support cost sharing, then you better vote for the Whitten amendment.

Mr. WHITTEN. Mr. Speaker, I yield 2 minutes to the gentlewoman from Louisiana [Mrs. BOGGS], a member of this subcommittee.

Mr. BOGGS. I thank the gentleman for yielding.

Mr. Speaker, I would like to address the problem of cost sharing and the Mississippi River and tributaries portion of this amendment.

The project is a national one, not a regional one. The basin is a funnel that drains 41 percent of the continental United States from New York State on the east to Montana on the west. It includes parts of Canada and is the fourth largest drainage basin in the world. It was first authorized in 1928, the flood portion was, in response to the devastation and loss of life of the great flood of 1927 in the Mississippi valley.

In the last 56 years, $3½ billion has been spent by the United States on this project and it is estimated that it has saved $100 billion in the protection of property and of lives. The system stretches from Cape Girardeau, MO, to the Gulf of Mexico.

A flood control project is not built from the bottom up; it is built from the top down. While the main-stem features of the project are substantially complete in the upper reaches of the project, in the lower reaches of it there is only about a 65-percent complete.

It is not our water that comes down through these valleys, Mr. Speaker. It comes south because of clearing, farming and development in the upper reaches of the valley. The locals have always been required to provide substantial costs. They must provide land, easements, and rights-of-way for the levee, as well as the materials to build the levee, and they must maintain the levee once it is completed, something the locals in no other Corps of Engineers project have to do.

It has been estimated that in my own State of Louisiana alone, the local officials have spent $730 million on this flood control project. When we consider that $3½ billion have been spent in Federal funds on the entire project, I believe that we must accept the fact that Louisiana's local share has been significant.

Mr. CONTE. Mr. Speaker, may I inquire as to the time remaining on each side?

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. CONTE] has 6 minutes remaining, and the gentleman from Mississippi [Mr. WHITTEN] has 13 minutes remaining.

Mr. WHITTEN. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana [Mr. LIVINGSTON].

Mr. LIVINGSTON. I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in support of the Whitten amendment, and if I had a chance to, I would rise in support of H.R. 6 because I have supported it, I do support it now. Since I was a member of the distinguished Committee on Public Works back in 1977, I supported an omnibus water project bill which unfortunately, year after year after year, we have been unable to pass through this Congress.

We have been frustrated time and time again and we have been unable to get through both Houses and get on the President's desk a water project bill. So this is another attempt to get some vital projects through. I can tell my colleagues that since 1979, the people of Pearl River and Slidell, St. Tammany Parish, LA, have been flooded three times. Just in 1983 alone, 800 homes were flooded. We had businesses, utilities, bridges, and roads inundated with water, and those people, my constituents, are saying, "It is about time the United States Congress took a position; it is about time they authorized some work; give

us some help; try to stop the flooding."

But can we do it? Absolutely not. And is that the fault of the people on the Committee on Public Works? Of course it is not. The gentleman from New Jersey [Mr. ROE] and all the gentlemen who have spoken against this amendment have tried, and have been very helpful in trying, to address the problems confronting these people who are faced with flooding year after year.

The problem is that we cannot get the authorization bill through the Congress.

Now, it might be said that what we have here today is a problem of jurisdiction. It might be said that we shouldn't authorize on an appropriation bill. Let me tell my colleagues that there was not a problem of jurisdiction when we authorized the crime package just a year ago when we voted on the continuing appropriations resolution. There was not a problem of jurisdiction when we authorized the 1985 foreign aid bill in the continuing resolution. There was not a problem of jurisdiction when we authorized veterans and small business and housing programs in the continuing resolution. And we are authorizing the Contra aid right here in this supplemental.

Authorization happens sometimes in appropriations bills only when it is necessary, and these projects are necessary and critical, and we should authorize them.

Mr. WHITTEN. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. FAZIO].

Mr. MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. FAZIO. I yield to my friend, the gentleman from California.

Mr. MILLER of California. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the committee bill.

Today's approval in the House of the conference report on H.R. 2577, the supplemental appropriations for fiscal year 1985, was an important step forward in adopting a rational and consistent financing policy for water resource development projects. I want to compliment Mr. BEVILL and Mr. MYERS for their efforts to address this difficult problem.

Until just recently, cost sharing for water projects was one of the last things to be considered by the Corps of Engineers or the Bureau of Reclamation as plans were made for construction of water projects. Cost sharing was considered important only for other types of public works projects, not for water projects. I have long opposed this view and I have been a strong supporter of realistic cost-sharing proposals. I am glad to see that we are beginning to see an end to opposition to cost sharing.

Mr. Speaker, this conference report also includes language which deals with the execution of cost-sharing agreements by the Secretary of the Interior for Bureau of Reclamation water projects. The language provides that cost-sharing agreements acceptable to the Secretary must be executed prior to the obligation of any construction funds contained in the bill. I support this approach to ensuring realistic cost sharing for Bureau projects. I look forward to the Secretary executing these agreements so that construction on the four Bureau projects in the bill may proceed.

I would like to note that the cost-sharing language for the Bureau projects is identical to that used for Corps of Engineers projects. I strongly support consistent cost-sharing rules for corps and Bureau projects.

The administration's policy is that cost sharing for Bureau projects is determined on a case-by-case basis. Unfortunately, this policy places the Secretary at a disadvantage because he must negotiate each project cost-sharing agreement separately.

The language in H.R. 2577 will not correct these problems. However, I strongly urge the Secretary to consider the 35 percent local share figure as appropriate for irrigation projects of the Bureau of Reclamation.

I believe this is a minimum level of cost sharing which should be provided by local groups interested in securing financial assistance for irrigation projects. If many of the economically questionable projects we are stuck with in 1985 had been subject to sound cost-sharing policies when they were first authorized, we would have avoided many of the controversies we now revisit each year during the appropriations process.

I extend my sincere appreciation to the chairman and ranking minority member of the Subcommittee on Energy and Water Development for their leadership.

Mr. FAZIO. I thank the gentleman for yielding this time to me.

Mr. Speaker, the one point that needs to be reiterated here is that the committee has not in any way attempted to prevent the authorizing subcommittee from having its will in the future. This authorization for these projects runs out on the 30th of June of 1986. The cost-sharing arrangements have to be worked out between the local parties and the administration during that timeframe. Should H.R. 6 or some other enactment be sent to the President and signed into law and at any point, whatever cost-sharing formula determined in that bill will take precedence retroactively.

This committee is very, very desirous of not preempting the authorizing committee in its jurisdiction. This is a very sensitive and limited area in which we authorize, and I would certainly hope that Mr. WHITTEN and the committee can be sustained in that very temperate approach.

Mr. WHITTEN. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. MOODY].

Mr. MOODY. I thank the gentleman for yielding.

Mr. Speaker, the real question before us, it seems to me, is not just a jurisdictional dispute between the Appropriations Committee and the authorizing committee, but really is a question of how we want to legislate in public works.

All of us would agree that if we handle matters as the Appropriations Committee suggests, that is, to take a certain set of projects and ram them through on a must-pass appropriations bill, then we substantially reduce the probabilities that we will have a regular public works water bill, such as H.R. 6, can pass. H.R. 6 is the proper way to go, in my judgment. H.R. 6 follows the regular process. It authorizes projects before it funds them, it takes every State and all projects into account. Almost all meritorious projects that have a case made for them have been included in H.R. 6.

We passed the equivalent of H.R. 6 in this House last session. It was the other body that did not act.

And it is precisely the other body which will be less likely to act if we relieve the pressure today by passing some of these projects—skimming the cream as it were—through this process.

Finally, I would remind my colleagues that 21 of the 41 projects are unauthorized. They would suddenly move ahead of the queue, and ahead of the projects many of you have which have been duly authorized.

So if we want to handle water bills through the regular process and take every State and every meritorious project into account, then we should not skim the cream and pass a few of them through on the appropriations process. We should do it through the authorization process.

There is also the question of local cost sharing of water projects, a very important issue. If we agree to Chairman WHITTEN's amendment today, we will in effect be giving a blank check to the Corps of Engineers to determine local cost sharing. That is a very bad precedent for Congress. We should determine cost-sharing formulas and it should be done on a policy basis and not decided ad hoc by the Secretary of the Army through the Corps of Engineers. That would reward the rich communities which can afford to meet the price that the corps may lay down, and penalize the poor communities. And it gives away congressional prerogatives.

Finally, I would say the motion by Chairman WHITTEN would give us a very unbalanced outcome. Of the 41 projects which are included in the Whitten motion, the spending is concentrated in the South and the West. Thirty-five States get nothing.

So if you want to protect the regular authorization process, if you want to keep Congress, policy on local cost sharing, and if you want a regionally balanced spending pattern on water investments, then I urge you to defeat the Whitten amendment.

Mr. CONTE. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. PETRI].

Mr. PETRI. I thank my colleague from Massachusetts on the Appropriations Committee for yielding this time to me, and I rise in opposition to the Whitten motion to recede and concur in an amendment.

This is more than a dispute between an authorizing committee and the Appropriations Committee, so I would urge all my colleagues who are on authorizing committees to think long and hard before going along and voting yes today, because this will erode the authorizing committees' jurisdictions if we do that.

The important misconception I want to correct that was aired in this debate a bit earlier concerns the prospects of H.R. 6. The fact of the matter is that the leadership of the Committee on Public Works has worked long and hard, and the leadership of the Water Resources Subcommittee on both the majority and minority side has worked long and hard and with enormous good faith to iron out the difficulties that have admittedly stopped progress in the authorization area now for some 10 years.

We are at the point where we are going to get progress and get a bill on the President's desk and get it signed by the administration, a bill that authorizes not just a few, but hundreds of needed projects across this country, and a bill that puts in place finally, after decades of debate, good cost-sharing language that applies to all of the projects that are authorized. If we go ahead in this supplemental vehicle and appropriate for a few projects without having cost-sharing language in place, what we are going to do is to turn over to the Corps of Engineers the power to decide which projects go forward and which projects do not, without the Congress having the ability to do that.

That is going to open the gates for a whole new kind of logrolling and pork barreling around here because when the administration needs a few votes they are going to advance or recede or hold back on a particular project.

□ 1420

Mr. WHITTEN. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. EDGAR].

Mr. EDGAR. Mr. Speaker, I thank the gentleman for yielding time to me.

I rise in opposition to the Whitten amendment and in support of the effort of Mr. HOWARD and Mr. ROE to bring some equity and fairness to the debate on water policy. As we have listened to the debate this afternoon, a great number of the arguments have been based on the procedural unfairness and the process between authorizing and appropriating committees. And we have heard words like "taking the fire out" and "loosening up the pressure" and "not having the force to get an authorization bill." We have also heard it stated that it has been 15 years or 10 years since we have had an authorization bill. How do we know that we are going to get one now? Nothing has changed.

Something very basic has changed, and that is for the first part of those many years there was a great deal of opposition between the environmental community, between those of us who wanted a new process, and those who wanted to keep the process basically the way it was. Because of the bubbling and boiling of that pressure we now are on the verge of a substantive package of proposals embodied in the Roe bill that will be before the House in early September that states very firmly not only cost sharing, which is important, but many other substantive environmental and other concerns. And it includes projects that are much more important, frankly, than some of the projects in this bill. That is not to say that some of the projects are worthy, but I would argue that we should vote down the Whitten amendment on the procedural unfairness, but, more importantly, on the substantive unfairness of this bill.

Let me share this with the Members. This bill, if we go ahead with Mr. WHITTEN's proposal, puts up front, gives a head start, to projects at a tune of about $3.2 billion. That means everyone else's project has to wait.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania [Mr. EDGAR] has expired.

Mr. CONTE. Mr. Speaker, I yield 2 additional minutes to the gentleman from Pennsylvania [Mr. EDGAR].

Mr. EDGAR. So if we pass this measure, those $3.2 billion will be expended before any of the other projects are put on line.

Second, it throws out all of the important small projects across the country in flood control, in navigation, in other parts of the country. There are 23 States that receive nothing in these proposals.

Third, it will reduce funding for worthy projects that we think will come through the normal authorization process. Let me remind my colleagues that in the 18 States of the Northeast and the Midwest region, we are being asked to pick up the tab for the unauthorized projects in this bill. Seventy-eight percent of the unauthorized first-year money in this bill is spent in the South and West. Sixty-eight percent of the total unauthorized projects are in the South and West.

Let me show you some specifics. The reason you have had so many Members from Louisiana standing on the floor in support of this bill is because Louisiana, with a population of about 4 million people receives $735.6 million worth of projects, all unauthorized, Pennsylvania receives $17.2 million, and Alabama receives $396.6 million worth of projects. The State of New York receives about $40 million of projects.

But more importantly than that, it continues the unfairness regionally of the cost expended on a water policy for this Nation. I would argue with my colleagues that on substantive grounds it is important to get the Roe bill to the floor. If we want to bring pressure, if we want to build a fire under the Roe bill, if we want to not take the heart out of this bill, then I argue that we should vote down the Whitten amendment and then support the authorizing committee in its work.

Mr. CONTE. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. ROE].

Mr. ROE. Mr. Speaker, I think we have had a very splendid debate this afternoon, and it shows the strong feelings that are held by everyone.

If I may have the attention of the Members, Mr. Speaker, when all is said and done, I want to share with the Members just one quick few minutes of a story that is important to us, I think—and it is a factual one—and then I want to give the details of what I think we are going to do here in voting. We would have solved the problems of water resources legislation last year, we would have resolved that issue—and I know the chairman knows this—except for a Senator from one State, a very powerful Senator from one State.

My dad taught me that if I got elected to Congress and I was one of 435, I spoke for 500,000 people and we were coequals and we came to a consensus on ideas. It was not that one was chairman of this committee or that committee; it was how we could work together to produce something. But one very powerful Senator in the Senate—and I must say this because it is the truth, and I talked to him personally—indicated that if we would do a certain thing, then they would go along with that bill last year. We would not do that certain thing, and

that same motivating force is motivating this issue now.

It is remarkable, when we think we are important and we have been elected by our 500,000 people and we love our country and we love our district, and it is very interesting to note the power that comes from certain areas by designation in the hand of the House and in the hand of the Senate that decides that issue and that motivates us, that moves us all. We are not speaking because of the fact we have a chance to speak to something or participate; we either accept it or reject it or we are not at the table to play the game.

Let me close on this point: We are not trying to hurt Alabama or Louisiana or any place else. What is the thing we are going to try to do today if Members will support us and vote down the Whitten amendment? We are going to take the unauthorized projects and the authorized projects and put them back in again, every last one of them. The only thing we are going to do is put a codicil in that is going to say that those that are unauthorized are subject to the authorizing process.

Mr. Speaker, that is all we are going to do. We are not cutting out any money, not taking anything away from anyone.

The SPEAKER pro tempore. All time of the gentleman from Massachusetts [Mr. CONTE] has expired. The gentleman from Mississippi [Mr. WHITTEN] has 6 minutes remaining.

Mr. WHITTEN. Mr. Speaker, I yield myself the remainder of my time.

Mr. Speaker, unfortunately, just because the House approves a proposal, that does not make it law. The Senate is still there, and as far as I know, it has not changed its mind regarding authorization. And may I point out here that to the degree that we could limit this and still get started, we have protected the legislative committee because we say it is all under terms and conditions provided in the subsequent legislation when enacted into law.

Approval by the House does not correct this thing. We still have the same problems. But we do say that when we have legislation, that shall take over.

As was pointed out earlier by the gentleman from California [Mr. FAZIO], we also provided that this cost sharing shall go on through 1986. If they do not take advantage of it, then it goes back into committee.

May I point out that my friend, the gentleman from New Jersey—and I hold no one in higher regard—says they will authorize 300 projects. We will still in the Appropriations Committee, based on hearings and so forth, have to decide which ones of those to fund.

I met yesterday on the budget resolution. I pointed out that our committee has lived within it. We promote it, we keep the appropriations within it, so if the Public Works Committee authorizes 1,000 projects, we would still have to determine which ones to recommend to the Congress for funding.

Now, there was mention made about the Mississippi River basin. It drains 41 percent of the continental United States, everything exclusive of Alaska and Hawaii. That water showers down on them, and they not only have to put up with it but also pay more of the cost. But the conference report does not single out Mississippi. We say where projects are in existence and already started, they cannot impose new or additional costsharing.

We say they should not have to justify it twice. If it is already under construction and has got its parts set up, we cannot retroactively make them come in. We make it general in nature. I do not think there is any greater example of need.

The Mississippi River basin is the fourth largest river basin in the world. We do not charge the States that send their water down on us, but it does let us go ahead where we have some project already going without destroying it by putting a requirement on a key part that may not yet be completed.

As I pointed out earlier, it has been 15 years since the last major bill authorizing construction of new Corps of Engineers projects was enacted. The conference agreement provides that projects will be constructed under terms and conditions provided for in H.R. 6 or similar legislation when such legislation is enacted.

There are several river basins including the Mississippi. When the overall project has been authorized and work begun, to protect these projects from having to be reauthorized, we provided the following general language:

Where construction of a comprehensive project for flood control and improvement of a multi-state region described in this paragraph has commenced prior to the date of enactment of this Act, new or additional non-Federal cost-sharing shall not be required for any part of such comprehensive project, and where construction of such a project has begun prior to the date of enactment of this Act, all elements or features of the comprehensive project shall be considered to be part of that project.

As an example, the flood control, Mississippi River and tributaries project, authorized in 1928 after the devastating floods of 1927, directed the corps to conduct and develop a comprehensive system for controlling flooding in the Lower Mississippi Valley and includes parts of seven States: Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee.

The Mississippi River has the fourth largest drainage basin in the world, exceeded in size only by the watersheds of the Amazon, Congo, and Nile Rivers. It drains 41 percent of 48 continental States of the United States. The basin covers more than 1,245,000 square miles, includes all or parts of 31 States and two Canadian Provinces, and roughly resembles a funnel which has its spout at the Gulf of Mexico. Waters from as far east as the State of New York and as far west as Montana contribute to flows in the lower river.

This comprehensive project provides flood protection for the alluvial valley of the Mississippi River from Cape Girardeau, MO, to the Head of Passes, LA; and for improvement of the Mississippi River for navigation from Cairo, IL, to Baton Rouge, LA. It includes the main river, the basins of the St. Francis, White, Arkansas, Tenas, Red, Yazoo, and Atchafalaya Rivers, the alluvial lands around Lake Pontchartrain, and the tributary streams in western Tennessee and Kentucky.

Mr. Speaker, rainfall from over 40 percent of the land area of the United States, exclusive of Alaska and Hawaii, flows down upon the people of the lower Mississippi Valley. The cost of such protection is beyond their ability to pay, and in all fairness they should not be required to try to pay.

These works are not new projects, rather they are elements and features toward completing a single, comprehensive, overall project. These works were authorized in 1928 as a flood control project. The remaining work is not new, but additional steps toward completing an existing project. Each element is an integral part of the overall project and each is interdependent—one cannot work without the others.

The people of the lower Mississippi River area face an ever growing problem from floods coming down upon them from over 40 percent of the land area of the United States. Failure to finish this project as a complete unit would have a devastating impact on my section of the country.

Increased urbanization in the United States has caused significant changes in hydrologic conditions, as evidenced by higher runoff rates and volumes, and lower ground water tables. The U.S. Department of Agriculture has estimated that between 1967 and 1982 about 900,000 acres of farmland were annually converted to urban or other built-up use. Conversion of forest, woodlands, range, meadows, and wetlands to agriculture, including the shifting of uncultivated or little cultivated pasture and farmland to a more extensively tilled agriculture, also contribute significantly to the velocity, peaking characteristics, and total volume of runoff. Although it is difficult to estimate the total number of acres of forest, grassland, and farmland being paved over annually, or other rapid change in land use affecting runoff, it is quite apparent that

over the last decade our country has experienced a huge expansion of paved acreage, including highways, roads, streets, sidewalks, shopping centers, parking lots, and airport runways. This paving over of vast tracts of natural land is continuing unabated. In addition to pavements, huge surfaces of our natural lands have been covered over with buildings and structures of all kinds which serve to shed and quickly divert away any precipitation falling upon them.

The Corps of Engineers program of flood control, and flood, and hurricane damage prevention has cost about $20 billion to date and prevented about $146 billion in damages. Due primarily to the cumulative effects of this program, annual residual flood damages are no longer on a rising curve, although they still remain quite high, averaging $2.1 billion a year over the past decade. In some years, different hydrologic cycles will produce more floods and residual flood damages than in other years. But it is precisely in those years of high and frequent floods, when the higher than average residual flood damages are incurred, that the corps projects—structural, nonstructural, and combinations thereof—generally achieved their greatest benefits in flood damages prevented.

During fiscal years 1983 and 1984 flood damages in the entire United States totaled $7 billion whereas $40 billion in damages were prevented by corps projects. In those same 2 years, the Mississippi River and tributaries project alone prevented an estimated $31 billion in damages. In two seasons, the benefits were nearly nine times the investment in the project over the last half century.

During fiscal years 1983 and 1984, 322 lives were lost and over 51 million acres of land were inundated by floods. Corps studies show that within the lower Mississippi Valley alone about 6 million acres of farmland were flooded in fiscal year 1984.

It is totally unrealistic to expect the citizens of the lower Mississippi Valley to pay new or additional costs to protect themselves from devastating floods coming down on them from over 40 percent of the land area of the United States.

So I say to my dear colleagues—and God bless them, I will be right in there with them—until they get their authorization enacted, let us temporarily do this for about 18 months so we can get started on it. Again, if they authorize all the projects in the world, it is up to our committee to recommend those projects that we can afford under the existing budget. We hope we do a good job.

Now, we also have to get the Senate to approve them, and that is not easy. This time they gave us 341 amendments; 100 of them are legislation and are in violation of House rules. We have done the very best we can.

Let us not go on for another 15 years without starting new, essential projects. This is within the House rules or it would not be here. It says that when we bog down, as we have, we can follow this means of getting a vote and getting some relief.

Mr. Speaker, I hope the Members stay with us, and I assure them I will be in the forefront backing my friends, the gentleman from New Jersey, Mr. BOB ROE and Mr. JIM HOWARD. I have done that since I have been here. But if they authorize everything, again we still have to select and recommend.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. WHITTEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 170, nays 258, not voting 5, as follows:

[Roll No. 278]

YEAS—170

Addabbo	Dicks	LaFalce
Akaka	DioGuardi	Lagomarsino
Alexander	Dixon	Lantos
Aspin	Dornan (CA)	Lehman (CA)
AuCoin	Dowdy	Lehman (FL)
Barnard	Durbin	Levine (CA)
Barnes	Dwyer	Lewis (CA)
Bateman	Dymally	Livingston
Bennett	Dyson	Lloyd
Bentley	Eckart (OH)	Long
Bereuter	Eckert (NY)	Lott
Berman	Edwards (CA)	Lowery (CA)
Bevill	Edwards (OK)	Lowry (WA)
Bilirakis	Emerson	Luken
Billey	English	Matsui
Boggs	Erdreich	McCloskey
Boner (TN)	Fazio	McDade
Bonker	Feighan	McGrath
Boucher	Flippo	McHugh
Boxer	Foley	Mikulski
Breaux	Franklin	Miller (CA)
Brooks	Frost	Miller (OH)
Brown (CA)	Gaydos	Mitchell
Bruce	Gephardt	Moore
Burton (CA)	Gibbons	Morrison (WA)
Bustamante	Gordon	Murtha
Byron	Green	Myers
Callahan	Hawkins	Natcher
Carney	Hayes	Nelson
Carr	Hillis	Nichols
Chappell	Holt	O'Brien
Chappie	Horton	Oakar
Coble	Hoyer	Obey
Coelho	Huckaby	Olin
Coleman (MO)	Hunter	Ortiz
Coleman (TX)	Hyde	Panetta
Cooper	Jenkins	Parris
Daniel	Jones (NC)	Pease
Darden	Jones (OK)	Perkins
de la Garza	Jones (TN)	Pickle
DeLay	Kaptur	Price
Derrick	Kemp	Quillen
Dickinson	Kramer	Regula
Reid	Smith (IA)	Volkmer
Richardson	Smith (NE)	Watkins
Rogers	Smith, Denny	Waxman
Rose	Smith, Robert	Wheat
Roybal	St Germain	Whitehurst
Rudd	Stallings	Whitley
Sabo	Stokes	Whitten
Schaefer	Strang	Wirth
Scheuer	Swift	Wolf
Shelby	Tauzin	Wyden
Sisisky	Thomas (CA)	Yates
Skeen	Torres	Young (FL)
Skelton	Traxler	Young (MO)
Slaughter	Udall	

NAYS—258

Ackerman	Gonzalez	Montgomery
Anderson	Goodling	Moody
Andrews	Gradison	Moorhead
Annunzio	Gray (IL)	Morrison (CT)
Anthony	Gray (PA)	Mrazek
Applegate	Gregg	Murphy
Archer	Grotberg	Neal
Armey	Guarini	Nielson
Atkins	Gunderson	Nowak
Badham	Hall (OH)	Oberstar
Bartlett	Hall, Ralph	Owens
Barton	Hamilton	Oxley
Bates	Hammerschmidt	Packard
Bedell	Hansen	Pashayan
Beilenson	Hartnett	Penny
Biaggi	Hatcher	Pepper
Boehlert	Heftel	Petri
Boland	Hendon	Porter
Bonior (MI)	Henry	Pursell
Borski	Hertel	Rahall
Bosco	Hiler	Rangel
Boulter	Hopkins	Ray
Broomfield	Howard	Ridge
Brown (CO)	Hubbard	Rinaldo
Broyhill	Hughes	Ritter
Bryant	Hutto	Roberts
Burton (IN)	Ireland	Robinson
Campbell	Jacobs	Rodino
Carper	Jeffords	Roe
Chandler	Johnson	Roemer
Cheney	Kanjorski	Rostenkowski
Clay	Kasich	Roth
Clinger	Kastenmeier	Roukema
Coats	Kennelly	Rowland (CT)
Cobey	Kildee	Rowland (GA)
Collins	Kindness	Russo
Combest	Kleczka	Savage
Conte	Kolbe	Saxton
Conyers	Kolter	Schneider
Coughlin	Kostmayer	Schroeder
Courter	Latta	Schuette
Coyne	Leach (IA)	Schulze
Craig	Leath (TX)	Schumer
Crane	Leland	Seiberling
Crockett	Lent	Sensenbrenner
Dannemeyer	Levin (MI)	Sharp
Daschle	Lewis (FL)	Shaw
Daub	Lightfoot	Shumway
Davis	Lipinski	Shuster
Dellums	Lujan	Sikorski
DeWine	Lundine	Siljander
Dingell	Lungren	Slattery
Donnelly	Mack	Smith (FL)
Downey	MacKay	Smith (NH)
Dreier	Madigan	Smith (NJ)
Duncan	Manton	Snowe
Early	Markey	Snyder
Edgar	Marlenee	Solarz
Evans (IA)	Martin (IL)	Solomon
Evans (IL)	Martin (NY)	Spence
Fascell	Martinez	Spratt
Fawell	Mavroules	Staggers
Fiedler	Mazzoli	Stangeland
Fields	McCain	Stark
Fish	McCandless	Stenholm
Florio	McCollum	Stratton
Foglietta	McCurdy	Studds
Ford (MI)	McKernan	Stump
Fowler	McKinney	Sundquist
Frank	McMillan	Sweeney
Frenzel	Meyers	Swindall
Fuqua	Mica	Synar
Gallo	Michel	Tallon
Garcia	Miller (WA)	Tauke
Gejdenson	Mineta	Taylor
Gekas	Moakley	Thomas (GA)
Gilman	Molinari	Torricelli
Gingrich	Mollohan	Towns
Glickman	Monson	Traficant

Valentine	Weaver	Wolpe
Vander Jagt	Weber	Wortley
Vento	Weiss	Wright
Visclosky	Whittaker	Wylie
Vucanovich	Williams	Yatron
Walgren	Wilson	Young (AK)
Walker	Wise	Zschau

NOT VOTING—5

Dorgan (ND)	Hefner	McEwen
Ford (TN)	Loeffler	

□ 1447

Ms. FIEDLER and Mr. LENT changed their votes from "yea" to "nay."

Mr. HAYES and Mr. YATES changed their votes from "nay" to "yea."

So the motion was rejected.

The result of the vote was announced as above recorded.

MOTION OFFERED BY MR. HOWARD

Mr. HOWARD. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Motion offered by Mr. HOWARD:

Mr. HOWARD moves that the House recede from its disagreement to the amendment of the Senate numbered 112 and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

For an additional amount for the prosecution of river and harbor, flood control, shore protection, and related projects authorized by laws; and detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by State, local governments, or private groups) authorized or made available for selection by law (but such studies shall not constitute a commitment of the Government to construction), to remain available until expended, $48,000,000 for "Construction, general" and $800,000 for "Flood control, Mississippi River and Tributaries, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee"; of which $7,800,000 shall be derived from the Inland Waterways Trust Fund; except that the Secretary of the Army acting through the Chief of Engineers is authorized and directed to proceed with planning, design, engineering, and construction of the following projects substantially in accordance with the individual report describing such project as reflected in the Joint Explanatory Statement of the Committee of Conference accompanying the Conference Report for H.R. 2577: Ardsley, New York; Atchafalaya Basin Floodway System, Louisiana; Baltimore Harbor and Channels, Maryland and Virginia; Barnegat Inlet, New Jersey; Bassett Creek, Minnesota; Bonneville Navigation Lock, Oregon and Washington; Clear Creek, Texas; Cleveland Harbor, Ohio; Colorado River and tributaries, Boggy Creek at Austin, Texas; Cowanesque Lake, Pennsylvania; Dade County, Florida (north of Haulover Beach Park); Des Moines Recreational River and Greenbelt, Iowa; Eight Mile Creek, Arkansas; Ellicott Creek, New York; Fairfield Vicinity Streams, California; Freeport Harbor, including relocation of North Jetty, Texas; Gallipolis Locks and Dams, Ohio and West Virginia; Geneve-on-the-Lake, Ohio; Gulfport Harbor, Mississippi; Jonesport Harbor, Maine; Kahoma Stream, Hawaii; Kill Van Kull Channel, Newark Bay Channel, New York and New Jersey; Liberty State Park Levee and Seawall, New Jersey; Little Dell Lake, Utah; Locks and Dam 26, Illinois and Missouri (Second Lock), including environmental management along the Upper Mississippi River Basin; Merced County Streams, California; Mississippi River Ship Channel, Gulf to Baton Rouge, Louisiana; Missouri National Recreational River, Nebraska and South Dakota; Mobile Harbor, Alabama; Moriches Inlet, New York; Norfolk Harbor, Virginia; Parker Lake, Oklahoma; Pearl River, Slidell, St. Tammany Parish, Louisiana; Port Ontario Harbor, New York; Richmond Harbor, California; Richmond local protection project, Virginia; Sacramento River Deep Water Ship Channel, California; Savannah Harbor Widening, Georgia; Tampa Harbor Branch Channels, including East Bay Channel maintenance, Florida; Virginia Beach Streams, Canal No. 2, Virginia; William Bacon Oliver Lock and Dam, Alabama: *Provided*, That none of the funds herein appropriated may be expended to undertake such projects except under terms and conditions acceptable to the Secretary of the Army (or under terms and conditions provided for in subsequent legislation when enacted into law) as shall be set forth in binding agreements with non-Federal entities desiring to participate in project construction. Each such agreement shall include a statement that the non-Federal entities are capable of and willing to participate in project cost-sharing and financing in accordance with terms of the agreement. At such time as the Secretary has executed a formal binding agreement and has determined that the non-Federal entitles' financing plan demonstrates a reasonable likelihood of the non-Federal entities' ability to satisfy the terms and conditions of the agreement, the Secretary shall initiate construction at a project in accordance with such agreement: *Provided further*, That the funds appropriated herein shall lapse on June 30, 1986, if the agreement required herein for that project has not been executed: *Provided further*, That were construction of a comprehensive project for flood control and improvement of a multi-State region described in this paragraph has commenced prior to the date of enactment of this Act, new or additional non-Federal cost-sharing shall not be required for any part of such comprehensive project, and where construction of such a project has begun prior to the date of enactment of this Act, all elements or features of the comprehensive project shall be considered to be part of that project: *Provided further*, That the initiation of inland waterways projects identified for planning, design, engineering, and construction in this Act may be funded from sums available in the Inland Waterways Trust Fund, established by the Inland Waterways Revenue Act of 1978 (title II of Public Law 95-502) notwithstanding the second sentence of section 204 of such Act. Notwithstanding any other provision of law (including any other provision of this Act), initiation of construction with respect to any project referred to in this paragraph shall be subject to subsequent enactment of legislation specifying the requirements of local cooperation for water resources development projects udner the jurisdiction of the Department of the Army and where appropriate, to enactment of needed authorizing legislation.

Mr. HOWARD (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. GLICKMAN). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER pro tempore. The gentleman from New Jersey [Mr. HOWARD] will be recognized for 30 minutes and the gentleman from Kentucky [Mr. SNYDER] will be recognized for 30 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. HOWARD].

Mr. HOWARD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I believe we can handle this in a very short time.

Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. ROE] for an explanation of this motion.

Mr. ROE. I thank the gentleman for yielding.

Mr. Speaker, what the motion that the chairman of the Committee on Public Works and Transportation is offering does is very basically simple: We have made it very clear that it is not our desire to be in opposition to a person who has an authorized project or an unauthorized project. That is not our debate here today. All we are simply coming back and saying in our amendment, all the projects that were in the authorized bill of the Appropriations Committee and the unauthorized projects, will be placed back into this motion. the only difference will be that there is a codicil added, a provision added that no funding can be expected on unauthorized projects. That is all we are doing. We are affirming the position of the House which they voted on three or four times. Basically, that is exactly what we are attempting to do. Nobody won today and nobody lost in that vote, if I might use my remaining time. Nobody won and nobody lost because there were not to be any winners or losers. All we are simply trying to do is reaffirm the authority of the House, put our full support behind the Committee on Appropriations and say to the Committee on Appropriations one more time: The House is looking for fairplay, for equity, and for justice. We are not going to quarrel with the Senate, that is not our intent. So I hope that our colleagues can support the amendment of Mr. HOWARD, which would do that one simple thing, and then we can go on and get this job done.

Mr. HOWARD. Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Speaker, on behalf of the Appropriations Committee, we go along with the amendment as presented. I repeat again, we have been as strong for the authorizing committees as we can be. We expect, as always, to do all we can to help them win out on this because they are right on insisting the authorization go

through. I repeat again, our effort was to help and our continued efforts will be to continue to help in any way that we can. We appreciate the feelings of the gentleman from New Jersey and we agree that he should be back in the picture. Again, we welcome his efforts and we expect to stay with him in our efforts to help him.

Mr. HOWARD. The committee and I appreciate the gentleman's statement, and thank the gentleman.

Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Speaker, I wish to commend the gentleman from New Jersey. We in the minority accept the amendment.

Mr. HOWARD. Mr. Speaker, I am happy to yield to the gentleman from Indiana.

Mr. MYERS of Indiana. I thank the chairman for yielding.

Some of the minority may not accept the amendment. If we can get clarification, possibly we can.

I do not have a copy of what the gentleman's amendment proposes, but what happens to cost sharing in his amendment?

Mr. ROE. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from New Jersey [Mr. ROE].

Mr. ROE. I thank the chairman for yielding. Under the present circumstances, the cost sharing will revert back to what the existing cost sharing is in existing legislation.

Mr. MYERS of Indiana. Which is none.

Mr. ROE. No; that is not true, no, no, no, no, no. There is a whole series of cost sharing that is involved in the existing legislation right now; land easements, right of way, 20 percent local participation. All the existing parts of the law remain intact.

When we get into cost sharing, additional adjustment on cost sharing, that will come through the authorizing process.

□ 1500

Mr. MYERS of Indiana. Well, if the gentleman will continue to yield, as a practical matter, I think we all will have to recognize, without cost sharing nothing is going to advance, even though they are authorized, until you get H.R. 6 passed, or something, because I do not think we are going to move forward on any of them.

Mr. ROE. Will the gentleman yield?

Mr. HOWARD. I yield to the gentleman.

Mr. ROE. I would have to disagree with the distinguished gentleman because projects are moving ahead; construction is under way, under existing authority and existing contracts that exist now.

So nothing is going to stop; what is in there is moving is going to move, until we get an authorizing bill through that puts the proper level of cost sharing into it.

Mr. MYERS of Indiana. The only cost sharing, if the gentleman will continue to yield, are historic ones of, like the gentleman says, easements, and these things have been in the law for quite some time, and this is what this administration has been objecting to; they want cost sharing on construction costs. Who will buy land or grant easements without some assistance that the Federal Government is going to put up its share?

Mr. ROE. Will the gentleman yield?

Mr. HOWARD. I am happy to yield.

Mr. ROE. Mr. Speaker, answering the gentleman's question.

In response to the gentleman, what we have done in H.R. 6, which is going to the Rules Committee in September as you know, we have included cost sharing. We met with Mr. Stockman three or four times, and struck an agreement with them, and we have included the bulk of that agreement in H.R. 6.

The administration knows what we are doing; the Senate knows what we are doing, and we are not that far apart on cost sharing. I do not think there will be a debate when they get to that issue. We will be able to solve that problem.

Mr. MYERS of Indiana. It still has to wait for future legislation, though, is what we are saying?

Mr. ROE. Yes, sir.

Mr. SNYDER. Mr. Speaker, I yield to the gentleman such time as he may consume.

Mr. CONTE. I want to ask the chairman if we may have a colloquy.

Mr. Speaker, I ask this of the chairman of the Committee on Public Works, because the gentleman from Indiana [Mr. MEYERS] brought up an interesting point.

Now the amendment that we saw earlier, when we asked what amendment you were going to offer, the gentleman left the cost-sharing feature, as put in by the Senate in there. Is that right?

Otherwise, then, the amendment has been changed from the one we saw.

Mr. ROE. If the gentleman would yield, we have not removed any of the sections that the Appropriations Committee, with their work in the Senate, has put in there. They are all in there. We have reinstated the bill, but put the one codicil in that is, that those projects that are not authorized have to go through the authorizing process.

We did not change the cost sharing; we did not change any part of that. We are simply directing our attention to unauthorized projects.

Mr. CONTE. All right. Let me then ask the ranking minority member, is that the case, that you interpret it that way?

Mr. SNYDER. Well, we did not change any of the language that was in the bill, proposed as it was brought to us in the Senate amendment; however, the language that is added to it requires the authorization by the authorization committee of the unauthorized projects. In addition thereto, it puts the money in escrow until the cost-sharing legislation is passed by the Congress.

Mr. CONTE. I have to get this straight. On the one hand, I understand that you did not touch the Senate language in regards to cost sharing.

Mr. SNYDER. That is correct.

Mr. CONTE. On the other hand, the gentleman also says that all of the funds are put in escrow?

Mr. SNYDER. The funds that are appropriated are put in escrow pending the cost-sharing arrangement which will be enacted into law hopefully in H.R. 6.

Mr. CONTE. What happens to the authorized projects?

Mr. SNYDER. The money on the authorized projects goes into the escrow until such time as cost-sharing legislation is adopted.

Mr. SNYDER. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. EDGAR].

Mr. EDGAR. Mr. Speaker, I rise in support of this amendment, and if I could clarify for the gentleman from Massachusetts exactly what is happening in this particular provision.

There should be no controversy as to what we are doing, and this amendment has already been accepted by the chairman of the Appropriations Committee.

What the gentleman from New Jersey [Mr. HOWARD] has done is simply, in light of the last vote, we have put back into this bill all of the projects both authorized and unauthorized, that we just took out of the bill, but with one sentence.

Let me read the sentence. It says:

> Notwithstanding any other provision of law including any other provision of this Act, initiation of construction with respect to any project referred to in this paragraph shall be subject to subsequent enactment of legislation specifying the requirements of local cooperation for water resource development projects under the jurisdiction of the Department of the Army, and where appropriate, to enactment of needed authorizing legislation.

It simply means the following: This paragraph applies to both authorized and unauthorized projects. For the authorized projects, nothing moves forward until an authorizing bill, including cost sharing is passed and signed. For the unauthorized projects, they have to wait for the authorization bill as well.

It is very simple; it builds a fire under our bill, and that is the will of

the House as it relates to the last question.

I yield to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Well, Mr. Speaker, if that is what it does, then I would not have any problem; but in my colloquy with Mr. SNYDER, he says that the authorized projects are being held up now, until—held in escrow, I think were his exact words—until the Congress enacts H.R. 6.

Mr. EDGAR. I think the explanation is true. The gentleman from Pennsylvania did not write the language here, and I just want to suggest to you gentlemen, it implies to both authorized and unauthorized, and it simply states that those projects that we are restoring will move the day after we sign an authorization bill into law that first has a cost-sharing provision that applies and second, provides for the authorization of the unauthorized projects. I think it is very simple.

Mr. FAZIO. Will the gentleman yield?

Mr. EDGAR. I yield to the gentleman.

Mr. FAZIO. In an effort to clarify further, you argued against the adoption of the Whitten amendment because we had 21 unauthorized projects in there.

Mr. EDGAR. That is correct.

Mr. FAZIO. This amendment also reaches back to encompass the 20 authorized projects which would have begun construction, and holds them as well in abeyance.

So there is no project going into construction whether it is authorized or unauthorized, nothing will happen unless H.R. 6 or some other vehicle like it is enacted.

Mr. EDGAR. Let me yield to my chairman for the response.

Mr. ROE. If the gentleman would yield, there is $47 million involved, as I recall the figure in this piece of legislation. That is No. 1.

No. 2, what we have provided for is that the area that was passed by the Appropriations Committee that included the engineering, design, and land acquisition, is not affected by that at all.

What we have done is put a clamp on the situation and say that the legislation, the enabling legislation, has to pass for those unauthorized projects to go ahead.

Let me hit one more point if the gentleman would continue to yield.

Mr. EDGAR. I yield to the gentleman.

Mr. ROE. We have passed, in this House, the appropriation bill, the 1986 appropriation bill for water resources projects. These same projects are included in there; $100 million has been allocated to go ahead with those projects; and the Senate is working on the 1986 authorization bill.

There are 2 months in between here that we are talking about, which really is insignificant to the overall program. So there is no money being taken away from anybody.

Mr. SMITH of Iowa. Will the gentleman yield?

Mr. EDGAR. I yield to the gentleman.

Mr. SMITH of Iowa. As I understand it, anything other than construction can go ahead. For example, a greenbelt can be established——

Mr. ROE. Yes, easements, rights of way——

Mr. SMITH of Iowa. As long as they do not spend any money for construction.

Mr. ROE. Engineering, design work; we specifically excluded that from this amendment. You can go ahead and do that work.

Mr. SNYDER. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. MYERS].

Mr. MYERS of Indiana. Mr. Speaker, in the letter of July 30 that the Committee on Public Works circulated, you promise, if we are successful, we will just strike the unauthorized projects. Many people in this House voted because they were just striking unauthorized projects.

However, a whole new paragraph has been added here, and I quote. You can interpret it however you want to:

Initiation of construction with respect to any project referred to in this paragraph—

Those are the authorized projects—

shall be subject to subsequent enactment of legislation specifying requirements of local participation.

And it goes on.

□ 1510

Construction cannot start until we pass H.R. 6, or something similar. Your intentions may be all right. Maybe you want to start. But you cannot. According to language you have added here, which you did not put in your letter that you circulated to everyone, construction cannot start until additional legislation is enacted. But you are getting to those already authorized under previous law. You have changed previous law in an appropriation bill. That is just exactly what you said you were not going to do. But you have actually done that.

Mr. LIVINGSTON. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Louisiana.

Mr. LIVINGSTON. Is the gentleman saying that the amendment as written actually contradicts the letter that was sent out here today?

Mr. MYERS of Indiana. My interpretation, absolutely. And, again, read on page 4 of the amendment, starting on line 15, on down the rest of that page: "initiation of construction with respect to any project referred to in this" bill. Now it is just the authorized, authorized under previous law. "Shall be subject to subsequent enactment of legislation * * *." Subsequent, something in the future. You cannot start authorized until a new law is passed.

Mr. LIVINGSTON. If the gentleman will yield further, where does this leave the Members of the House who had authorized projects in this supplemental who voted against Chairman WHITTEN's motion and the water projects amendment?

Mr. MYERS of Indiana. They have been taken, because they did not see the language. I did not, either. I just finally got it about 2 minutes ago.

Mr. ROE. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from New Jersey.

Mr. ROE. I do not know why we are making this complicated. What we have done to those projects that are in there, we are simply saying that they cannot go ahead unless they are authorized. Now, we are not talking about an authorizing bill. We are talking about a supplemental appropriation bill. That is the issue. You have got $47 million in this bill for these projects. This committee, along with the Appropriations Committee, your committee, joined hand in hand 1 week ago, and you passed the 1986 appropriation bill for Public Works without even a vote. We passed it unanimously, and you have got $100 million in that bill, and you have got every one of these projects that are authorized in that bill. We are not trying to stop anything. We are simply trying to say that for this supplemental appropriation that we are going to put a clamp on that particular part of the bill.

Mr. MYERS of Indiana. That bill has not become law yet, has not passed the other body. This is going to become law, maybe. And you have stopped initial construction any way you read it, until new law is passed, even for those projects previously authorized.

Mr. ROE. You have got your engineering money and you have got your acquisition money, and everything is in there.

The SPEAKER pro tempore. Does the gentleman from Kentucky [Mr. SNYDER] wish to yield time?

Mr. KEMP. Mr. Speaker, will the gentleman yield on this question?

Mr. SNYDER. I yield to the gentleman.

The SPEAKER pro tempore. How much time is the gentleman yielding?

Mr. SNYDER. Well, I do not know what he wants. Does the gentleman want a given amount of time?

Mr. KEMP. I just wanted to ask a question.

Mr. SNYDER. I yield to the gentleman to ask a question. I will stay on my feet.

Mr. KEMP. Mr. Speaker, would the chairman of the Public Works Committee clear up a question about those projects that have been authorized? It is not the appropriated funds that is in question. It is whether or not there has to be another authorization. Could the gentleman clear that up for those of us who have projects that are authorized that have cost-sharing agreements? There is great concern, both in our communities as well as on this floor, as to whether or not they will be affected by your amendment.

Mr. ROE. In my judgment—and I think the value of a colloquy on the floor has the same intent—it is the intent of the committee not to deauthorize anything. It is the intent of the committee to simply take those projects that have not been authorized and put a ceiling on them until they are authorized by the authorizing committee. That is all we are trying to do.

Mr. KEMP. I thank the Chair.

Mr. CONTE. Mr. Speaker, will the gentleman from Kentucky yield?

Mr. SNYDER. I yield to the gentleman from Massachusetts.

Mr. CONTE. I would like to make a suggestion in order to straighten this legislation out. A lot of people voted on the Whitten motion under the impression, and that was the debate we had on the floor here, based on Mr. ROE's statement that, "If the Whitten amendment goes down and I offer my amendment, my amendment will only apply to the unauthorized projects." And now we find that there is going to be an escrow for authorized projects as well. I have no projects in here, as the gentleman from Pennsylvania knows. But if there is an escrow for the authorized projects as well as the unauthorized projects, I think that is unfair.

I am wondering, in good sportsmanship and fairness, if Mr. ROE would accept an amendment on page 4. I know I need unanimous consent. On line 18, page 4, strike out "to subsequent enactment of legislation specifying the requirements of local cooperation for water resources development projects under the jurisdiction of the Department of Army." We could strike that language out. Then we will let this apply only to the unauthorized projects.

Mr. BEVILL. Mr. Speaker, I would object to that. I appreciate what the gentleman is trying to do, but that creates some other problems. Counsel tells me that that does not solve the problem.

Mr. LAFALCE. Mr. Speaker, will the gentleman yield?

Mr. SNYDER. I yield to the gentleman from New York.

Mr. LAFALCE. I think what we are attempting to do is to preserve the viability of the authorized projects and also preserve the cost-sharing arrangement. We are also concerned that the subsequent legislation might never come about. Therefore, I ask the gentleman from New Jersey and the gentleman from Massachusetts if they might be interested in an amendment of this nature: On line 18, after "initiation of construction with respect to any project referred to in this paragraph shall be subject to" insert the words "either a cost-sharing arrangement agreed to by the Corps of Engineers or authorized projects or", and then pick up the subsequent enactment of legislation specified.

This way you would be able to proceed with initiation of construction——

Mr. SNYDER. Mr. Speaker, may I reclaim my time?

The SPEAKER pro tempore. The gentleman from Kentucky [Mr. SNYDER] controls the time at this point. The gentleman has requested the time back.

Mr. SNYDER. Mr. Speaker, I reclaim my time because we are getting into a debate here. People want unanimous consent to give the corps the authority to make a cost-sharing arrangement. I can tell you out front I am going to object to that, so there is no use going into it any further.

I reserve the balance of my time, and I thank the chairman of the Appropriations Committee and the ranking minority member for accepting the amendment.

Mr. HOWARD. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. ROE].

Mr. ROE. May I have a dialog with the gentleman from Massachusetts?

We would have no objection of accepting an amendment, just for clarification purposes, that would make it clear that authorized projects are not subject to that prohibition. We would have no problem with that.

Mr. BEVILL. I do object to that because this gets into some other problems and creates problems. So I would object to the amendment. Although I realize what my good friend and colleague is attempting to do, it does create some other problems, so I would object.

Mr. CONTE. You are the expert on this.

Mr. HOWARD. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. EDGAR].

Mr. EDGAR. Mr. Speaker, I asked for 1 additional minute just simply to bring my colleagues up to date on what we are doing.

We took all of the language that was in the amendment we just defeated and put it back in the bill, with one sentence. And it is true that it concerns both the authorized and unauthorized projects. But its purpose is simply to say that nothing happens unless we move an authorization bill for this emergency supplemental. It does not mean that nothing happens. Because we have already passed an appropriation bill for fiscal year 1986. Nobody is going to go hungry in 1985, in August and September, because of this language. And I would urge my collleagues to support the language as it is presented for us and send it back to the Senate. The message that we are sending to the Senate is that the House of Representatives voted overwhelmingly that they want an authorization bill passed. I urge that we support this language.

□ 1520

Mr. SNYDER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HOWARD. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the motion.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey [Mr. HOWARD].

The question was taken; and on a division (demanded by Mr. WALKER) there were—yeas 97, nays 5.

So the motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 121: Page 27, strike out lines 6 to 9, inclusive, and insert:

Within available funds, the Secretary of the Army is directed to use $400,000 to operate and maintain additional streambank stabilization structures in accordance with section 707 of Public Law 95-625.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 121 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following:

For an additional amount for "Operation and Maintenance, General", to remain available until expended, $2,600,000 with which the Corps of Engineers is directed to construct recreation facilities (including a recreation lake) at Sepulveda Dam, California.

Within available funds, the Secretary of the Army is directed to use $400,000 to operate and maintain additional streambank stabilization structures in accordance with Section 707 of Public Law 95-625.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 130: Page 31, strike out all after line 10 over to and including line 25 on page 33 and insert:

The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to construct, operate and maintain a sediment retention structure near the confluence of the Toutle and Green Rivers, Washington, with such design features and associated downstream actions as are necessary.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion

The Clerk read as follows:

Mr. WHITTEN; moves that the House recede from its disagreement to the amendment of the Senate numbered 130 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following:

The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to construct, operate, and maintain a sediment retention structure near the confluence of the Toutle and Green Rivers, Washington, with such design features and associated downstream actions as are necessary, in accordance with the Feasibility Report of the Chief of Engineers dated December 1984. The total non-Federal contribution toward payment of project costs shall be as set forth in such report.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement. The amendment reads as follows:

Senate amendment No. 131: Page 35, after line 4, insert:

Funds appropriated to the United States Army Corps of Engineers in the "Energy and Water Development Appropriations Act, 1985", Public Law 98-360, for the purpose of compensating certain landowners who have experienced damages as a result of drawdown operations of the Libby Dam in Montana shall be expended to evaluate and award compensation for damages of leveed and unleveed tracts of land in Kootenai Flats, Boundary County, Idaho, resulting from power or flood control drawdown operations at Libby Dam, Montana, *Provided*, That such evaluation and compensation of claims shall be made without regard to historic and expected patterns of erosion which otherwise might have occurred without the dam: *Provided further*, That all pertinent claims which have been previously denied shall be reinstated and reevaluated in accordance with this standard: *Provided further*, That compensation paid pursuant to this provision shall not exceed $1,500,000.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 131 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

Funds appropriated to the United States Army Corps of Engineers in the "Energy and Water Development Appropriation Act, 1985", Public Law 98-360, for the purpose of compensating certain landowners who have experienced damages as a result of drawdown operations of the Libby Dam in Montana shall be expended to evaluate and award compensation for erosion or other damages of leveed and unleveed tracts of land in Kootenai Flats, Boundary County, Idaho, resulting from power or flood control drawdown operations at Libby Dam, Montana: *Provided*, That such evalution and compensation of claims shall be based solely on the drawdown of water from Libby Dam for flood control, power operations, or other authorized purposes: *Provided further*, That compensation paid pursuant to this provision shall not exceed $1,500,000.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 132: Page 35, strike out all after the line 7 over to and including line 7 on page 36 and insert:

For an additional amount for the Department of the Interior, Bureau of Reclamation, "Construction program", for the design and construction of the Animas-La Plata Project, Colorado and New Mexico; Buffalo Bill Dam Project, Wyoming; and the Headgate Rock Project, Arizona, to remain available until expended, $14,300,000; of which $1,000,000 shall be available for transfers to the Upper Colorado River Basin Fund as authorized by section 5 of the Act of April 11, 1956 (43 U.S.C. 620d): *Provided*, That of the total appropriated, the amount for program activities which can be financed by the Reclamation Fund may be derived from that Fund: *Provided further*, That of the total appropriated, $8,300,000 is appropriated pursuant to the Snyder Act (25 U.S.C. 13), to be expended by the Bureau of Reclamation for the purpose of designing and initiating construction of the Headgate Rock Hydroelectric Project, Arizona: *Provided further*, That none of the funds herein appropriated may be expended to undertake such projects except under terms and conditions acceptable to the Secretary of the Interior as shall be set forth in binding agreements with those non-Federal entities desiring to participate in project construction. Each such agreement shall include a statement that the non-Federal entities are capable of and willing to participate in project cost-sharing and financing in accordance with terms of the agreement. At such time as the Secretary has executed a formal binding agreement and has determined that the non-Federal entities financing plan demonstrates a reasonable likelihood of the non-Federal interest's ability to satisfy the terms and conditions of the agreement, the Secretary shall transmit the agreement to the Congress: *Provided further*, That the Secretary shall initiate construction at a project in accordance with such agreement unless a Joint Resolution disapproving such agreement becomes law within ninety calendar days of the receipt of the agreement by Congress. The ninety-day period shall not include days on which either the House of Representatives or the Senate is not in session because of adjournment for more than three consecutive calendar days: *Provided further*, That the funds appropriated herein shall lapse on June 30, 1986, if the agreement required herein for that project has not been transmitted to Congress: *Provided further*, That the proviso requiring congressional review shall not apply to any binding agreements on cost-sharing entered into before the date of enactment of this Act, upon certification of the Secretary that the agreements comply with the cost-sharing financing and certification requirements of this section.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 132 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following:

For an additional amount for the Department of the Interior, Bureau of Reclamation, "Construction program", for the design and construction of the Animas-La Plata Project, Colorado and New Mexico; Buffalo Bill Dam Project, Wyoming; Boulder Canyon Project, Arizona and Nevada; and the Headgate Rock Project, Arizona, to remain available until expended, $14,300,000; of which $1,000,000 shall be available for transfers to the Upper Colorado River Basin Fund as authorized by section 5 of the Act of April 11, 1956 (43 U.S.C. 620d): *Provided*, That of the total appropriated, the amount for program activities which can be financed by the Reclamation Fund may be derived from that Fund: *Provided further*, That of the total appropriated, $8,300,000 is appropriated pursuant to the Snyder Act (25 U.S.C. 13), to be expended by the Bureau of Reclamation for the purpose of designing and initiating construction of the Headgate Rock Hydroelectric Project, Arizona: *Provided further*, That none of the funds herein appropriated may be expended to undertake such projects except under terms and conditions acceptable to the Secretary of the Interior as shall be set forth in binding agreements with those non-Federal entities desiring to participate in project construction. Each such agreement shall include a statement that the non-Federal entities are capable of and willing to participate in project cost-sharing and financing in accordance with terms of the agreement. At such time as the Secretary has executed a formal binding agreement and has determined that the non-Federal entities' financing plan demonstrates a

reasonable likelihood of the non-Federal interest's ability to satisfy the terms and conditions of the agreement, the Secretary shall initiate construction at a project in accordance with such agreement: *Provided further,* That the funds appropriated herein shall lapse on June 30, 1986, if the agreement required herein for that project has not been executed.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 147: Page 40, line 5, strike out all after "Programs"," down to and including "Agency" in line 8 and insert "$2,843,000 to be derived by transfer from the 'Economic Support Fund' for Lebanon as provided in Public Law 98-63: *Provided,* That these funds shall be available only for the International Atomic Energy Agency: *Provided further,* That no funds shall be obligated after the date of enactment of this Act for the International Atomic Energy Agency unless the Secretary of State determines and so reports to the Committees on Appropriations that Israel is not being denied its right to fully participate in the activities of that Agency, including the rights, privileges or benefits that that Agency accords to all of its members".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moved that the House recede from its disagreement to the amendment of the Senate numbered 147 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "$3,600,000 to be derived by transfer from the "Economic Support Fund" for Lebanon as provided by Public Law 98-63: *Provided,* That these funds shall be available only for the International Atomic Energy Agency: *Provided further,* That no funds shall be obligated after the date of enactment of this Act for the International Atomic Energy Agency unless the Secretary of State determines and so reports to the Committees on Appropriations that Israel is not being denied its right to fully participate in the activities of that Agency, including the rights, privileges or benefits that that Agency accords to all of its members".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 150: Page 41, line 3, strike out "$2,008,000,000: *Provided*" and insert "$2,258,000,000: *Provided,* That of the funds provided by this paragraph $250,000,000 shall be made available for Jordan only in accordance with the schedule of availability set forth in section 401(a)(1) and section 401(a)(2) of this Act: *Provided further,* That of the funds provided in this paragraph for Jordan, not more than 33⅓ percent may be disbursed before September 30, 1985, not more than 50 percent may be disbursed before March 31, 1986, not more than 66⅔ percent may be disbursed before September 30, 1986, and not more than 85 percent may be disbursed before March 31, 1987: *Provided further,* That notwithstanding any other provision of law, funds provided in this Act for Jordan, if not utilized for programs, projects, or other activities in Jordan, must be returned to the United States Treasury: *Provided further*".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 150 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "$2,258,000,000: *Provided,* That of the funds provided by this paragraph $250,000,000 shall be made available, and shall remain available for obligation for Jordan until September 30, 1987, only in accordance with the schedule of availability set forth in section 402(a)(1) and section 402(a)(2) of this Act: *Provided further,* That of the funds provided in this paragraph for Jordan, not more than 33⅓ percent may be disbursed before September 30, 1985; not more than 50 percent may be disbursed before March 31, 1986; not more than 66⅔ percent may be disbursed before September 30, 1986; and, not more than 85 percent may be disbursed before March 31, 1987: *Provided further,* That notwithstanding any other provision of law, funds provided in this Act for Jordan, if not utilized for programs, projects, or other activities in Jordan, must be returned to the United States Treasury: *Provided further,*".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 153: Page 41, line 10, strike out all after "That" down to and including "ized" in line 12 and insert "funds provided by this paragraph shall be made available notwithstanding section 10 of Public Law 91-672: *Provided further,* That the funds provided by this paragraph for Israel and Egypt shall be made available as grant cash transfers: *Provided further,* That not less than the Egyptian pound equivalent of $65,000,000 generated from funds made available by this paragraph, or from any other source, shall be deposited into the Trust Funds established by the Trust Account Agreement of 1980 to be used for United States' supported programs in Egypt pursuant to the United States-Egypt Economic, Technical and Related Assistance Agreement of 1978 which provides for local currency requirements for programs of the United States in Egypt to be made available to the United States in the manner requested by the Government".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 153 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "funds provided by this paragraph shall be made available notwithstanding section 10 of Public Law 91-672: *Provided further,* That the funds provided by this paragraph for Israel and Egypt shall be made available as cash grant transfers: *Provided further,* That not less than the Egyptian pound equivalent of $50,000,000 generated from funds made available by this paragraph, or from any other source, shall be deposited into the Trust Funds established by the Trust Account Agreement of 1980 to be used for United States' supported programs in Egypt pursuant to the United States-Egypt Economic, Technical and Related Assistance Agreements of 1978 which provide for local currency requirements for programs of the United States in Egypt to be made available to the United States in the manner requested by the Government: *Provided further,* That prior to depositing funds into the Trust Fund, the Secretary of State shall notify the Appropriations Committees of both Houses of the Congress fifteen days in advance as to how the endowment is to be managed, where the funds will be deposited, the interest rate to be secured, and the procedures to be used in establishing, operating, and disbursing endowment funds: *Provided further,*".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 164: Page 56, after line 9, insert:

BUILDINGS AND FACILITIES

For an additional amount for "Buildings and facilities", $500,000, to remain available until expended.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 164 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

BUILDINGS AND FACILITIES

For an additional amount for "Buildings and facilities", $500,000, to remain available until expended: *Provided*, That none of these funds may be obligated until the completion of a feasibility study by the Environmental Protection Agency to determine the most cost-effective way to house the research program at Newport, Oregon.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 166: Page 56, after line 16, insert:

EMERGENCY FOOD AND SHELTER PROGRAM

There is hereby appropriated $110,000,000 to the Federal Emergency Management Agency, to remain available until September 30, 1986, to carry out an emergency food and shelter program. Notwithstanding any other provision of this or any other Act, such amount shall be made available under the terms and conditions of the following paragraphs:

The Director of the Federal Emergency Management Agency shall, as soon as practicable after enactment of this Act, constitute a national board for the purpose of determining how the program funds are to be distributed to individual localities. The national board shall consist of seven members. The United Way of America, the Salvation Army, the National Council of Churches of Christ in the U.S.A., the National Conference of Catholic Charities, the Council of Jewish Federations, Inc., the American Red Cross, and the Federal Emergency Management Agency shall each designate a representative to sit on the national board. The representative of the Federal Emergency Management Agency shall chair the national board.

Each locality designated by the national board to receive funds shall constitute a local board for the purpose of determining how its funds will be distributed. The local board shall consist, to the extent practicable, of representatives of the same organizations as the national board except that the mayor or appropriate head of government will replace the Federal Emergency Management Agency member.

The Director of the Federal Emergency Management Agency shall award a grant for $110,000,000 to the national board within thirty days after enactment of this Act for the purpose of providing emergency food and shelter to needy individuals through private voluntary organizations and through units of local government.

Eligible private voluntary organizations should be nonprofit, have a voluntary board, have an accounting system, and practice nondiscrimination.

Participation in the program should be based upon a private voluntary organization's or unit of local government's ability to deliver emergency food and shelter to needy individuals and such other factors as are determined by the local boards.

Total administrative costs shall not exceed 2 per centum of the total appropriation.

As authorized by the Charter of the Commodity Credit Corporation, the Corporation shall process and distribute surplus food owned or to be purchased by the Corporation under the food distribution and emergency shelter program in cooperation with the Federal Emergency Management Agency.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 166 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

EMERGENCY FOOD AND SHELTER PROGRAM

There is hereby appropriated $20,000,000 to the Federal Emergency Management Agency, to remain available until September 30, 1986, to carry out an emergency food and shelter program. Notwithstanding any other provision of this or any other Act, such amount shall be made available under the terms and conditions of the following paragraphs:

The Director of the Federal Emergency Management Agency shall, as soon as practicable after enactment of this Act, constitute a national board for the purpose of determining how the program funds are to be distributed to individual localities. The national board shall consist of seven members. The United Way of America, the Salvation Army, the National Council of Churches of Christ in the U.S.A., the National Conference of Catholic Charities, the Council of Jewish Federations, Inc., the American Red Cross, and the Federal Emergency Management Agency shall each designate a representative to sit on the national board. The representative of the Federal Emergency Management Agency shall chair the national board.

Each locality designated by the national board to receive funds shall constitute a local board for the purpose of determining how its funds will be distributed. The local board shall consist, to the extent practicable, of representatives of the same organizations as the national board except that the mayor or appropriate head of government will replace the Federal Emergency Management Agency member.

The Director of the Federal Emergency Management Agency shall award a grant for $20,000,000 to the national board within thirty days after enactment of this Act for the purpose of providing emergency food and shelter to needy individuals through private voluntary organizations and through units of local government.

Eligible private voluntary organizations should be non-profit, have a voluntary board, have an accounting system, and practice nondiscrimination.

Participation in the program should be based upon a private voluntary organization's or unit of local government's ability to deliver emergency food and shelter to needy individuals and such other factors as are determined by the local boards.

Total administrative costs shall not exceed 2 per centum of the total appropriation.

As authorized by the Charter of the Commodity Credit Corporation, the Corporation shall process and distribute surplus food owned or to be purchased by the Corporation under the food distribution and emergency shelter program in cooperation with the Federal Emergency Management Agency.

The Director of the Federal Emergency Management Agency shall review the reported condition of the "street people" and other disadvantaged people in cities and counties throughout the Nation, including those reported in Tunica County, Mississippi, and report to the House and Senate Committees on Appropriations his recommendations for correcting or improving the situation which exists.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate Amendment No. 167: Page 56, after line 17, insert:

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $3,100,000 to be derived by transfer from "Emergency management planning and assistance".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House receded from its disagreement to the amendment of the Senate numbered 167 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$1,105,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 168: Page 57, after line 20, insert:

For an additional amount for "Research and development", $40,000,000, to remain available until September 30, 1986.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 168 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

For an additional amount for "Research and development", $40,000,000, to remain available until September 30, 1986: *Provided*, That this amount shall be deferred and shall not become available until March 1, 1986.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 178: Page 59, line 23, strike out "$45,000,000" and insert "$45,500,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 178 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$115,500,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr.WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 180: Page 60, after line 23, insert:

LAND ACQUISITION

For an additional amount for "Land acquisition", $1,000,000, to remain available until expended.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 180 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

LAND ACQUISITION

For an additional amount for "Land acquisition", $1,000,000, to be derived from the Land and Water Conservation Fund, to remain available until expended."

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr.WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 182: Page 61, after line 17, insert:

For an additional amount for "Land acquisition and state assistance", $22,000,000, to remain available until expended.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 183 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"For an additional amount for "Land acquisition and state assistance", $22,000,000, to be derived from the Land and Water Conservation Fund, to remain available until expended."

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate Amendment No. 194: Page 64, line 8, after "1986" insert ": *Provided further*, That no funds shall be paid to creditors of the Sangre de Cristo Development Company, Inc., whose claims are set aside by the United States Bankruptcy Court for the District of New Mexico".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 194 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following ": *Provided further*, That no funds shall be paid to creditors of the Sangre de Cristo Development Company, Inc., whose claims are set aside by the United States Bankruptcy Court for the District of New Mexico: *Provided further*, That general assistance payments made by the Bureau of Indian Affairs after April 29, 1985 shall be made on the basis of Aid to Families with Dependent Children (AFDC) standards of need except where a state ratably reduces AFDC payments in which event the Bureau shall reduce general assistance payments in such state by the same percentage as the state has reduced the AFDC payment".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 199: Page 66, after line 16, insert:

For an additional amount for "Land acquisition", $7,000,000, to remain available until expended.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 199 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"For an additional amount for 'Land acquisition', $7,000,000, to be derived from the Land and Water Conservation Fund, to remain available until expended."

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 200: Page 66, after line 19 insert:

ADMINISTRATIVE PROVISIONS

To assure that National Forest timber under contract from the Mapleton District of the Siuslaw National Forest prior to enactment of the Federal Timber Contract Payment Modification Act remains available, the Secretary of Agriculture is authorized to resell all timber which is defaulted, or which is returned under provisions of the Federal Timber Contract Payment Modification Act and permit roads and other associated developments, notwithstanding any other provision of law, and notwithstanding the injunctions issued in National Wildlife Federation et al. v. United States Forest Service et al., 592 F. Supp. 931 (D. ORE. 1984) and in No. 84-4274 (9th Cir., March 6, 1985). Any such timber shall be available for resale from the date of enactment of this Act until dissolution of the aforesaid injunctions. The Secretary shall give priority to resale of timber which is determined to have the least risk for environmental degradation to streams or other bodies of water. Sales that are reoffered may be modified, including minor additions. Any decision of the Secretary of Agriculture to resell such timber shall not be subject to judicial review.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 200 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

ADMINISTRATIVE PROVISIONS

To assure that National Forest timber under contract from the Mapleton District of the Siuslaw National Forest prior to enactment of the Federal Timber Contract Payment Modification Act remains available, the Secretary of Agriculture is authorized to resell all timber which is defaulted, or which is returned under provisions of the Federal Timber Contract Payment Modification Act and permit roads and other associated developments, notwithstanding any other provision of law, and notwithstanding the injunctions issued in National Wildlife Federation et al. v. United States Forest Service et al., 592 F. Supp. 931 (D. ORE. 1984) and in No. 84-4274 (9th Cir., March 6, 1985). Any such timber shall be available for resale from the date of enactment of this Act until dissolution of the aforesaid injunctions. The Secretary shall determine the potential environmental degradation to streams or other bodies of water of timber sales returned pursuant to the Federal Timber Contract Payment Modification Act and shall characterize each sale's potential environmental impact as minimal, moderate, or serious. The Secretary shall give resale priority to those sales with the least risk of potential environmental degradation. Sales that are reoffered may be modified, including minor additions. Any decision of the Secretary of Agriculture to resell such timber shall not be subject to judicial review.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 202: Page 66, line 23, strike out "$38,925,000" and insert "$8,350,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 202 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$39,154,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 203: Page 67, after line 4, insert:

(RESCISSION)

Of available funds under this head, $1,600,000 are rescinded pursuant to section 2901 of the Deficit Reduction Act of 1984.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 203 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

"(DEFERRAL)

"Of the funds available for obligation under this head, $1,600,000 shall not be available for obligation until October 1, 1985."

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 204: Page 68, strike out lines 16 to 24, inclusive.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 204 and concur therein with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

"SPR PETROLEUM ACCOUNT

"(DISAPPROVAL OF DEFERRAL)

"The Congress disapproves $290,070,000 of the proposed deferral D85-42 relating to the Department of Energy, 'SPR petroleum account', as set forth in the message of February 6, 1985, which was transmitted to the Congress by the President. The disapproval shall be effective upon enactment into law of this Act and the amount of the proposed deferral disapproved herein shall be made available for obligation.

"Notwithstanding any other provision of law, section 160(d)(1) of the Energy Policy and Conservation Act (Public Law 94-163, as amended) is amended by adding a new subsection as follows:

"Strike the period at the end of subsection (B) and insert the following:

"; or

"(C) the fill rate is sufficient to attain a level of 500,000,000 barrels by the end of the fiscal year during which the fill rate falls below the rate established in (B)."."

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 211: Page 69, strike out lines 14 to 19, inclusive.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 211 and concur therein with an amendment, as follows: Restore

the matter stricken by said amendment, amended to read as follows:

"GENERAL PROVISIONS

"None of the funds made available to the Department of the Interior or the Forest Service during fiscal year 1985 by this or any other Act may be used to implement the proposed jurisdictional interchange program."

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 214: Page 69, after line 19, insert:

Section 117 of Public Law 98-151 (97 Stat. 977) is amended as follows:

(1) Delete the date "December 31, 1985" and inserting in lieu thereof the following: "until future action by the Congress to the contrary", and

(2) After the words "Orange County" insert the following: ", Rockland County, Ulster County, or Sullivan County".

Public Law 98-63 (97 Stat. 329) is amended as follows:

(1) In subsection (2) delete the numeral "10" and insert in lieu thereof: "7";

(2) In subsection (4) delete the word "State's" and insert in lieu thereof: "States' ";

(3) In subsection (4) after the words "State of New Jersey" insert "and the State of New York"; and

(4) In subsection (4) after the words "In New Jersey" insert "and in New York".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 214 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

Section 117 of Public Law 98-151 (97 Stat. 977) is amended as follows:

(1) Delete the date "December 31, 1985" and insert in lieu thereof the following: "until future action by the Congress to the contrary",

(2) After the words "Orange County" insert the following: ", Rockland County, Ulster County, or Sullivan County"; and

(3) Delete the words "up to 150 northbound and up to 150 southbound commercial vehicles" and insert in lieu thereof the following: "up to 125 northbound and up to 125 southbound commercial vehicles".

Public Law 98-63 (97 Stat. 329) is amended as follows:

(1) In subsection (2) delete the numeral "10" and insert in lieu thereof: "7";

(2) In subsection (4) delete the word "State's" and insert in lieu thereof: "States' ";

(3) In subsection (4) after the words "State of New Jersey" insert "and the state of New York"; and

(4) In subsection (4) after the words "In New Jersey" insert "and in New York".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 230: Page 70, after line 4, insert:

NATIONAL INSTITUTES OF HEALTH

Of the funds appropriated by Public Law 98-619 for fiscal year 1985 for extramural research grants (including grants to research centers) to be awarded by the National Institutes of Health, and required to be obligated in that fiscal year, not to exceed $3,550,000,000 (including amounts obligated prior to the enactment of this Act) may be applied to the cost of activities conducted by grantees within the twelve months immediately following the month of the awards to those grantees, and not to exceed $100,000,000 may be applied to the cost of activities conducted by grantees within the thirty-six months immediately following the month of the awards to those grantees, as specified in the respective grant awards.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 230 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert:

"NATIONAL INSTITUTES OF HEALTH

"Of the funds appropriated by Public Law 98-619 for fiscal year 1985 for extramural research grants to be awarded by the National Institutes of Health, and required to be obligated in that fiscal year, not to exceed $20,000,000 shall remain available for obligation until September 30, 1986: *Provided*, That funds appropriated for fiscal year 1985 shall be used to support no fewer than 6,200 new and competing research projects and 533 research centers."

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate Amendment No. 234: Page 70, after line 4, insert:

Of the funds appropriated by Public Law 98-619 for fiscal year 1985 for extramural research grants (including grants to research centers) to be awarded by the Alcohol, Drug Abuse, and Mental Health Administration, and required to be obligated in that fiscal year, not to exeed $231,210,000 (including amounts obligated prior to the enactment of this Act) may be applied to the cost of activities conducted by grantees within the twelve months immediately following the month of the awards to those grantees and not to exceed $7,350,000 may be applied to the cost of activities conducted by grantees within the thirty-six months immediately following the month of the awards to those grantees, as specified in the respective grant awards.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 234 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"Funds appropriated by Public Law 98-619 for fiscal year 1985 for extramural research grants to be awarded by the Alcohol, Drug Abuse and Mental Health Administration and required to be obligated in that fiscal year shall be used to support no fewer than 550 new and competing research projects."

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 235: Page 70, line 20, strike out after "services"," down to and including "98-457)" in line 21, and insert "$16,000,000, of which $6,000,000 shall be to carry out the Family Violence Prevention and Services Act (title III of Public Law 98-457), $5,000,000 shall be to carry out chapter 8-D of title VI-A of the Omnibus Budget Reconciliation Act of 1981 (pertaining to grants to States for planning and development of dependent care programs), and $5,000,000 for a child abuse prevention Federal challenge grant program under sections 402 through 409 of Public Law 98-473".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 235 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: $11,000,000 to remain available until September 30, 1986, of which $6,000,000 shall be for carrying out the Family Violence Prevention and Services Act (title III of Public Law 98-457), and $5,000,000 shall be for carrying out a child abuse prevention Federal challenge grant program under sections 402 through 409 of Public Law 98-473".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 249: Page 72, after line 10, insert:

SENATE

EXPENSE ALLOWANCES OF THE VICE PRESIDENT, THE PRESIDENT PRO TEMPORE, MAJORITY AND MINORITY LEADERS, THE MAJORITY AND MINORITY WHIPS, AND THE CHAIRMEN OF THE MAJORITY AND MINORITY CONFERENCE COMMITTEES

For an additional amount for "Expense Allowances of the Vice President, the President pro tempore, Majority and Minority leaders, the Majority and Minority Whips, and the Chairmen of the Majority and Minority Conference Committees", $6,000: *Provided*, That, for each fiscal year (commencing with the fiscal year ending September 30, 1985), there is hereby authorized an expense allowance for the Chairmen of the Majority and Minority Conference Committees which shall not exceed $3,000 each fiscal year for each such Chairman; and amounts from such allowance shall be paid to either of such Chairmen only as reimbursement for actual expenses incurred by him and upon certification and documentation of such expenses, and amounts so paid shall not be reported as income and shall not be allowed as a deduction under title 26, United States Code.

REPRESENTATION ALLOWANCES FOR THE MAJORITY AND MINORITY LEADERS

For representation allowances of the Majority and Minority Leaders of the Senate, $10,000 for each such Leader; in all $20,000.

SALARIES, OFFICERS AND EMPLOYEES

ADMINISTRATIVE, CLERICAL, AND LEGISLATIVE ASSISTANCE TO SENATORS

For an additional amount for "Administrative, Clerical and Legislative Assistance to Senators", $1,136,000.

CONTINGENT EXPENSES OF THE SENATE

SERGEANT AT ARMS AND DOORKEEPER OF THE SENATE

For an additional amount for "Sergeant at Arms and Doorkeeper of the Senate", $7,258,000, of which $4,800,000 shall remain available until September 30, 1986.

ADMINISTRATIVE PROVISIONS

SEC. 191. Effective October 1, 1984, the allowance for administrative and clerical assistance of each Senator from the State of Missouri is increased to that allowed Senators from States having a population of five million but less than seven million, the population of said State having exceeded five million inhabitants.

SEC. 192. For each fiscal year (commencing with the fiscal year ending September 30, 1985) there is authorized to be appropriated to the account, within the contingent fund of the Senate, for the Sergeant at Arms and Doorkeeper of the Senate, such funds (which shall be in addition to funds authorized to be so appropriated for other purposes) as may be necessary for the purchase, lease, exchange, maintenance, and operation of vehicles as follows: one for the Vice President, one for the President pro tempore of the Senate, one for the Majority Leader of the Senate, one for the Minority Leader of the Senate, one for the Majority Whip of the Senate, one for the Minority Whip of the Senate, and such number as is needed for carrying mails, and for official use of the offices of the Secretary of the Senate, the Sergeant at Arms and Doorkeeper of the Senate, the Secretary for the Majority, and the Secretary for the Minority.

SEC. 193. The second sentence of section 107(a) of the Supplemental Appropriations Act, 1979 (Public Law 96-38; 2 U.S.C. 69a) is amended by striking out "Senators and members of their staffs," and inserting in lieu thereof "Senators, Senate officials, or members of the staffs of Senators or Senate officials".

SEC. 194. Section 3(c)(2) under the heading "Administrative Provisions" in the appropriation for the Senate in the Legislative Branch Appropriation Act, 1975 (2 U.S.C. 50(c)(2)) is amended by striking out "$22,550" and inserting in lieu thereof "$30,000" and by striking out "$550" and inserting in lieu thereof "$734".

SEC. 195. (a) Funds authorized to be expended under section 120 of Public Law 97-51 (2 U.S.C. 61g-6) may be used by the Majority or Minority Conference Committee of the Senate, with the approval of the Committee on Rules and Administration, to procure the temporary services (not in excess of one year) or intermittent services of individual consultants, or organizations thereof, to make studies or advise the committee with respect to any matter within its jurisdiction.

(b) Such services in the case of individuals or organizations may be procured by contract as independent contractors, or in the case of individuals, by employment at daily rates of compensation not in excess of the per diem equivalent of the highest gross rate of compensation which may be paid to a regular employee of such committee. Such contracts shall not be subject to the provisions of section 5 of title 41 or any other provision of law requiring advertising.

(c) Any such consultant or organization shall be selected for the Majority or Minority Conference Committee of the Senate by the chairman thereof.

SEC. 196. The chairman of the Majority or Minority Conference Committee of the Senate may, during the fiscal year ending September 30, 1985, at his election, transfer not more than $65,000 from the appropriation account for salaries for the Conference of the Majority and the Conference of the Minority of the Senate, to the account, within the contingent fund of the Senate, from which expenses are payable under section 120 of Public Law 97-51 (2 U.S.C. 61g-6). Any transfer of funds under authority of the preceding sentence shall be made at such time or times as such chairman shall specify in writing to the Senate Disbursing Office. Any funds so transferred by the chairman of the Majority or Minority Conference Committee shall be available for expenditure by such committee in like manner and for the same purposes as are other moneys which are available for expenditure by such committee from the account, within the contingent fund of the Senate, from which expenses are payable under section 120 of Public Law 97-51 (2 U.S.C. 61g-6).

SEC. 197. (a) There is hereby established an account, within the Senate, to be known as the "Representation Allowance Account for the Majority and Minority Leaders". Such Allowance Account shall be used by the Majority and Minority Leaders of the Senate to assist them properly to discharge their appropriate responsibilities in the United States to members of foreign legislative bodies and prominent officials of foreign governments and intergovernmental organizations.

(b) Payments authorized to be made under this section shall be paid by the Secretary of the Senate. Of the funds available for expenditure from such Allowance Account for any fiscal year, one-half shall be allotted to the Majority Leader and one-half shall be allotted to the Minority Leader. Amounts paid from such Allowance Account to the Majority or Minority Leader shall be paid to him from his allotment and shall be paid to him only as reimbursement for actual expenses incurred by him and upon certification and documentation of such expenses. Amounts paid to the Majority or Minority Leader pursuant to this section shall not be reported as income and shall not be allowed as a deduction under title 26, United States Code.

(c) There are authorized to be appropriated for each fiscal year (commencing with the fiscal year ending September 30, 1985) not more than $20,000 to the Allowance Account established by this section.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 249 and concur therein with an amendment, as follows: Immediately before the heading "ADMINISTRATIVE PROVISIONS" in the amendment, insert the following:

INQUIRIES AND INVESTIGATIONS

For an additional amount for "Inquiries and Investigations", $3,000,000.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 257 Page 73, after line 16, insert:

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Operations", $15,000,000, of which $7,200,000 shall be derived by transfer from "Redeemable preference shares", $5,000,000 from "Payments to air carriers", $1,300,000 from "Construction, Metropolitan Washington Airports", and $1,500,000 from "Headquarters administration": *Provided,* That section 5532(f)(2) of title V, United States Code, is amended by striking "December 31, 1985" and inserting "December 31, 1986" in lieu thereof: *Provided further,* That section 8344(h) of title V, United States Code, is amended (a) by adding the following phrase at the end of paragraph (1): ": *Provided, however,* That the amount such an annuitant may receive in pay, excluding premium pay, in any pay period when aggregated with the annuity payable during that same period shall not exceed the rate payable for level V of the Executive Schedule."; and (b) by striking "August 3, 1981" in paragraph (2) and inserting "April 1, 1985" in lieu thereof: *Provided further,* That in the event that the Federal Aviation Administrator employs annuitants subject to section 8344(h) of title V, United States Code, not to exceed $10,000,000, to be derived from the unobligated balance of any appropriation available for obligation by the Federal Aviation Administration as of the effective date of this Act, shall be available through December 31, 1986 for the purpose of funding such employment: *Providing further,* That any such funding shall be reported to the Committees on Appropriations of the Senate and the House of Representatives.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the house recede from its disagreement to the amendment of the Senate numbered 257 and concur therein with an amendment, as follows: I lieu of the matter inserted by said amendment, insert the following:

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Operations", $15,000,000, of which $5,000,000 shall be derived by transfer from "Redeemable preference shares", $5,000,000 from "Payments to air carriers", $2,500,000 from "Construction, Metropolitan Washington Airports", and $2,500,000 from "Headquarters administration": Provided, That section 5532(f) (2) of title V, United States Code, is amended by striking "December 31, 1985" and inserting "December 31, 1986" in lieu thereof: Provided further, That section 8344(h) of title V, United States Code, is amended (a) by adding the following phrases at the end of paragraph (1): ": Provided, however, That the amount such an annuitant may receive in pay, excluding premium pay, in any pay period when aggregated with the annuity payable during that same period shall not exceed the rate payable for level V of the Executive Schedule."; and (b) by striking "August 3, 1981" in paragraph (2) and inserting "April 1, 1985" in lieu thereof: Provided further, That in the event that the Federal Aviation Administrator employs annuitants subjects to section 8344(h) of title V, United States Code, not to exceed $10,000,000 to be derived from the unobligated balance of any appropriations available for obligation by the Federal Aviation Administration as of the effective date of this Act, shall be available through December 31, 1986 for the purpose of funding such employment: Provided further, That any such funding shall be reported to the Committees on Appropriations of the Senate and the House of Representatives.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

□ 1530

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 258: Page 74, after line 10, insert:

In addition to other amounts provided under this head, an additional $2,000,000, to remain available until expended, for the employment of law enforcement personnel performing security functions aboard international aircraft in flight pursuant to sections 315 and 316 of the Federal Aviation Act of 1958 (49 U.S.C. 1356 and 1357).

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 258, and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

For an additional amount, in addition to the other amounts provided under this head, $2,000,000, to remain available until expended, for an expanded air marshall program on international flights of United States air carriers pursuant to sections 315 and 316 of the Federal Aviation Act of 1958 (49 U.S.C. 1356 and 1357).

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 260: Page 74, line 25, strike out "$5,300,000" and insert "$9,340,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate ...mbered 260 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$14,640,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 261: Page 74, line 25, strike out "$3,533,333" and insert "$6,226,978".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN. Moves that the House recede from its disagreement to the amendment of the Senate numbered 261 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$9,760,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 262: Page 75, lines 14 and 15, strike out "$7,500,000 or so much thereof as may be available on May 2, 1985" and insert "$2,000,000".

Mr. DINGELL. Mr. Speaker, I reserve a point of order against the amendment.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 262 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "no funds

shall be obligated until the Secretary has made a complete, definitive and binding ruling on the compliance of each state mandatory safety belt use law that has been enacted as of the date of this act with the minimum criteria set forth in Federal Motor Vehicle Safety Standard 208: *Provided*, That all funds available under this head for the purposes of carrying out a national program to encourage the use of automobile safety belts and passive restraints shall remain available until September 30, 1986: *Provided further*, That, notwithstanding the immediately preceding proviso, of the funds available under this head for the purposes of carrying out a national program to encourage the use of automobile safety belts and passive restraints, $3,000,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

Mr. SOLOMON. Mr. Speaker, I reserve the right to object.

Mr. DINGELL. Mr. Speaker, I reserve a point of order against the motion.

The SPEAKER pro tempore. The gentleman from New York [Mr. SOLOMON] reserves the right to object, and the gentleman from Michigan [Mr. DINGELL] reserves a point of order against the motion.

Mr. DINGELL. And the right to object.

The SPEAKER pro tempore. And reserves the right to object. The gentleman has reserved the right to object on the reading of the motion.

Mr. DINGELL. I will leave my dear friend that right and ask only that I have it, too, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from New York [Mr. SOLOMON] is recognized on his reservation.

Mr. SOLOMON. Mr. Speaker, reserving the right to object, I would like to ask the ranking member or the chairman for an explanation of this amendment.

I have some reservations about this because, first of all, this House has had a habit in the past of just giving broad powers to all these Secretaries and members of Cabinets where they go out and they promulgate all kinds of rules and regulations far beyond the original intent of the legislation that we passed in this House.

I, for one, am unalterably opposed to mandatory seatbelts or mandatory airbags, and I do not know what this refers to. I do not mind voluntary airbags, I do not mind voluntary seatbelts, but I would like to know whether this is a pro-Ralph Nader amendment, whether this is a proairbag, proseatbelt law, or whether it an anti. Would somebody please explain to me how it got in this legislation?

Mr. DINGELL. Mr. Speaker, may I make a point of order? I am not sure whether the gentleman from Massachusetts is entitled to reserve the right to object to his own unanimous-consent request.

Mr. CONTE. The gentleman from New York [Mr. SOLOMON] reserved the right to object.

The SPEAKER pro tempore. The Chair will indicate that the gentleman from New York has reserved the right to object to the unanimous-consent request that the motion be considered as read. Is the gentleman from Michigan challenging that?

Mr. DINGELL. I simply reserve the same right, Mr. Speaker. I am glad to have my friend from New York be heard.

The SPEAKER pro tempore. The gentleman has also reserved a point of order on the motion itself.

Mr. SOLOMON. Mr. Speaker, further reserving the right to object, I would yield to the gentleman from Florida [Mr. LEHMAN].

Mr. LEHMAN of Florida. I thank the gentleman from New York for yielding.

This does neither of the concerns which the gentleman seems to hear about. It simply rescinds the seatbelt money.

Mr. SOLOMON. Further reserving the right to object, Mr. Speaker, I would like to yield to the gentleman from Michigan [Mr. DINGELL]. I would like to hear from him. I think this appropriately comes before his committee and maybe he could enlighten us. I do not know what it is doing in this bill.

Mr. DINGELL. I thank the gentleman for yielding to me. I confess myself little able to enlighten this body about this provision except to make an observation that the language referred to is very clearly legislation. It compels the Secretary to make a "complete, definitive, and binding" rule on the compliance of each State mandatory seatbelt use law that has been enacted as of the date of this act with the minimum criteria set forth in the Federal motor vehicle standard 208.

This is something that is not required either in any law of which I am aware, nor is it an appropriate action by the Appropriations Committee.

It goes on to state that all funds available under this provision and last year's continuing resolution, for the purposes of carrying out a national program to encourage the use of automobile safety belts and passive restraints, shall remain available through fiscal year 1986.

Then it says, notwithstanding the immediately preceding proviso, funds under this provision shall be available to carrying out national programs to encourage the use of automotive safety belts and passive restraints.

Our dear friends on the Appropriations Committee appear to have been legislating here and appear to have gone well beyond any existing authority. Beyond that, I cannot assist my good friend from New York, who I commend for raising this point at this time.

At the same time, I want to congratulate Chairman WHITTEN for his holding to the House position in this conference report concerning the Pacific-Intertie which appears at page 51 of the conference report. The House language, which results from the Fazio-Dingell amendment adopted on this floor, was fully explained by us on this floor. The language in the conference report is not in accord with the legislative language adopted by the House.

Mr. SOLOMON. Further reserving the right to object, Mr. Speaker, I would ask the gentleman from Michigan if he intends to pursue his point of order, which seems to be well taken in this body?

Mr. DINGELL. If the gentleman will yield further, the answer to that question, I tell my dear friend, is yes.

Mr. SOLOMON. At that point, Mr. Speaker, I certainly have to agree with the gentleman from Michigan, because I think that whether intentionally or unintentionally, the committee is legislating in an appropriation bill and I would hope that we do nothing to enhance the further encouragement of mandatory seatbelts or airbags on the American citizens.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the unanimous-consent request that the motion be considered as read?

There was no objection.

The SPEAKER pro tempore. Does the gentleman from Michigan [Mr. DINGELL] wish to make his point of order?

Mr. DINGELL. I have no objection to my dear friend making such comments as he deems appropriate and I would raise then my point of order if that meets the approval of my friend.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. DINGELL] reserves a point of order. Does the gentleman from Mississippi [Mr. WHITTEN] wish to be heard on his motion?

Mr. WHITTEN. May I say we faced some 100-odd amendments that were legislative in our conference. As a result, those with which we did not differ too much we went along with just to get the conference over with after 3 days of meetings.

If a point of order is made against this amendment, I would like to hear the point of order and then would pass judgment on what to do. I suggest that this is in line with what we would like to do, but if there is objection to it, I would suggest that the point of order be made and that would be prevailing.

POINT OF ORDER

Mr. DINGELL. I am prepared to make the point of order, then, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. DINGELL. Mr. Speaker, I make a point of order regarding amendment No. 262. The point of order is that that amendment is nongermane to the Senate amendment and so is violative of the rules of the House relative to this point.

Mr. WHITTEN. Mr. Speaker, I concede the point of order.

The SPEAKER pro tempore. The gentleman from Mississippi concedes the point of order. The point of order, therefore, is sustained.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House insist on its disagreement to the amendment of the Senate numbered 262.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 272: Page 80, line 8, strike out "$2,800,000," and insert "$14,400,000, of which $12,200,000 shall remain available until September 30, 1986".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 272 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "$15,000,000, of which $12,200,000 shall remain available until September 30, 1986,".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as folows:

The Senate amendment No. 289: Page 89, after line 16, insert:

DISTRICT OF COLUMBIA FUNDS

GOVERNMENTAL DIRECTION AND SUPPORT

For an additional amount for "Governmental Direction and Support", $4,295,000.

ECONOMIC DEVELOPMENT AND REGULATION

For an additional amount for "Economic Development and Regulation", $9,849,000.

PUBLIC SAFETY AND JUSTICE

For an additional amount for "Public Safety and Justice", $21,681,000.

PUBLIC EDUCATION SYSTEM

(INCLUDING RESCISSION)

Of the funds appropriated for "Public Education System" for fiscal year 1985 in Public Law 98-473, a net amount of $3,249,000 is rescinded with increases and rescissions as allocated follows: $5,000,000 additional for the Public Schools of the District of Columbia; $100,000 additional for the Public Library; $151,000 additional for the Commission on the Arts and Humanities; and a rescission of $8,500,000 from the amount allocated to the District of Columbia Teachers' Retirement Fund.

HUMAN SUPPORT SERVICES

For an additional amount for "Human Support Services", $7,866,000: Provided further, That $698,000 of revenue sharing trust funds appropriated for fiscal year 1985 in Public Law 98-473, are rescinded.

PUBLIC WORKS

(RESCISSION)

Of the funds appropriated for "Public Works" for fiscal year 1985 in Public Law 98-473, $875,000 are rescinded.

WASHINGTON CONVENTION CENTER FUND

For an additional amount for "Washington Convention Center Fund", $500,000.

REPAYMENT OF LOANS AND INTEREST

(RESCISSION)

Of the funds appropriated for "Repayment of Loans and Interest" for fiscal year 1985, $1,473,000 are rescinded.

SHORT-TERM BORROWINGS

(RESCISSIONS)

Of the funds appropriated for "Short-Term Borrowings", for fiscal year 1985, $1,250,000 are rescinded.

PERSONAL SERVICES

For one time bonus costs, to be apportioned by the Mayor of the District of Columbia within the various appropriation hearings in this Act, from which employees are properly payable, $8,327,000.

ADJUSTMENTS

Reductions within Object Class 30A (energy) under the heading "Adjustments", for fiscal year 1985 in Public Law 98-473 and reductions within authorized appropriations and expenditures for professionals and related services under the heading "General Provisions", section 132 for fiscal year 1985 in Public Law 98-473, shall be applied to the appropriation "Repayment of General Fund Deficit".

CAPITAL OUTLAY

For an additional amount for "Capital Outlay", $5,750,000.

WATER AND SEWER ENTERPRISE FUND

For an additional amount for "Water and Sewer Enterprise Fund", $10,801,000.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 289 and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert the following:

DISTRICT OF COLUMBIA FUNDS

GOVERNMENTAL DIRECTION AND SUPPORT

For an additional amount for "Governmental direction and support", $4,553,000: *Provided*, That $170,000 of this additional amount shall be allocated exclusively to the Commercial Assessment Division of the Department of Finance and Revenue to fund six new commercial assessor positions: *Provided further*, That of the $100,000 appropriated for fiscal year 1985 for the Statehood Constitutional Convention, $50,000 shall be for the Statehood Commission and $50,000 shall be for the Statehood Compact Commission: *Provided further*, That the cash and/or budget authority balance available to the Statehood Constitutional Convention on the date of expiration of the terms of its members, as distinguished from that allocated for the Statehood Commission and the Statehood Compact Commission, shall revert to the general fund of the District of Columbia.

ECONOMIC DEVELOPMENT AND REGULATION

For an additional amount for "Economic development and regulation", $9,873,000.

PUBLIC SAFETY AND JUSTICE

(INCLUDING RESCISSION)

For an additional amount for "Public safety and justice", $26,680,000: *Provided*, That $2,300,000 of this amount shall be allocated to the Metropolitan Police Department for the sole purpose of paying additional wages and fringe benefits of the Fraternal Order of Police arbitration award should that award not be disapproved according to law: *Provided further*, That if the arbitration award is disapproved, the $2,300,000 shall be used solely for repayment of the general fund deficit: *Provided further*, That notwithstanding any other provision of law, in the case of each employee who retired from the Fire Department of the District of Columbia before February 15, 1980, and who is receiving on the date of the enactment of this Act an annuity based on service in the Fire Department, the District of Columbia Retirement Board shall cause to be paid not later than September 30, 1985, to each such employee a lump-sum payment equal to three percent of his or her annuity: *Provided further*, That of available funds under this head for fiscal year 1985, $300,000 are rescinded.

PUBLIC EDUCATION SYSTEM

(INCLUDING RESCISSION)

For an additional amount for "Public education system", $6,835,000, to be allocated as follows: $5,000,000 additional for the public schools of the District of Columbia; $1,324,000 additional for the University of the District of Columbia; $4,000 additional for the Educational Institution Licensure Commission; $356,000 additional for the Public Library; and $151,000 additional for the Commission on the Arts and Humanities: *Provided*, That of the funds available under this head for fiscal year 1985, $11,794,000 of the amount allocated to the District of Columbia Teachers' Retirement Fund are rescinded.

HUMAN SUPPORT SERVICES

(INCLUDING RESCISSION)

For an additional amount for "Human support services", $9,598,000: *Provided*, That of the amount available from the revenue sharing trust fund for fiscal year 1985, $698,000 are rescinded.

PUBLIC WORKS

(RESCISSION)

Of available funds under this head for fiscal year 1985, $875,000 are rescinded.

WASHINGTON CONVENTION CENTER FUND

For an additional amount for "Washington Convention Center Fund", $324,000.

REPAYMENT OF LOANS AND INTEREST

(RESCISSION)

Of available funds under this head for fiscal year 1985, $1,473,000 are rescinded.

REPAYMENT OF GENERAL FUND DEFICIT

For an additional amount for "Repayment of general fund deficit", $3,500,000.

SHORT-TERM BORROWINGS

(RESCISSION)

Of available funds under this head for fiscal year 1985, $1,250,000 are rescinded.

CAPITAL OUTLAY

For an additional amount for "Capital outlay", $23,400,000.

WATER AND SEWER ENTERPRISE FUND

For an additional amount for "Water and sewer enterprise fund", $10,801,000.

GENERAL PROVISIONS

SEC. 134. The Public Service Commission is hereby authorized to order and to approve the deregulation of streetlighting service to the District of Columbia as provided in its option and order in Formal Case No. 813, dated July 12, 1984 (Order No. 8056), notwithstanding the provisions of section 493(a) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 811; Public Law 93-198; D.C. Code, sec. 43-402), section 8, paragraph 2 of An Act Making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and fourteen, and for other purposes, approved March 4, 1913 (37 Stat. 977; Public Law 67-435; D.C. Code, sec. 43-501), and section 1 of An Act Making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred, and for other purposes, approved March 3, 1899 (30 Stat. 1053; D.C. Code, sec. 43-1207): *Provided*, That the provisions of this opinion and order regarding deregulation of streetlighting service are hereby ratified and declared to be in effect as of July 12, 1984, and shall continue to be in effect until revoked or rescinded.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 299: Page 95, line 13, strike out "$2,783,000 to" and insert "$5,860,000, of which $3,077,000 shall be derived by transfer from General Administration, "Salaries and expenses", and $2,783,000 shall".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 299 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "$4,860,000, of which $2,783,000 shall".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 307: Page 96, line 7, strike out "$72,367,000" and insert "$66,454,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 307 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "$36,454,000".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 330: Page 106, line 11, after "Service" " insert ": *Provided*, That expenses of transportation audit contracts and contract administration shall be in addition to this amount and shall be hereafter financed from overcharges collected from carriers on transportation bills by the Government and other similar type refunds at not to exceed $5,200,000 annually".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 330 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: ": *Provided*, That expenses of transportation audit contracts and contract administration shall be in addition to this amount and shall be financed from overcharges collected from carriers on transportation bills paid by the Government and other similar type refunds at not to exceed $5,200,000 annually. This proviso will be effective from date of enactment of this Act through September 30, 1989".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the final amendment in disagreement.

The amendment reads as follows:

Senate amendment No. 340: Page 110, after line 8, insert:

TITLE IV

AUTHORIZATION OF ECONOMIC SUPPORT FUND ASSISTANCE FOR JORDAN

SHORT TITLE

SEC. 401. This title may be cited as the "Jordan Supplemental Economic Assistance Authorization Act of 1985".

ECONOMIC SUPPORT FUND

SEC. 402. (a)(1) In addition to funds otherwise available for such purposes for such fiscal year, there are authorized to be appropriated to the President to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, $250,000,000 for the fiscal year 1985, which amount shall be available only for Jordan.

(2) Of the funds authorized to be appropriated by paragraph (1)—

(A) for the fiscal year 1985, $50,000,000 shall be available only for commodity import programs and $30,000,000 shall be available only for project assistance;

(B) for the fiscal year 1986, $50,000,000 shall be available only for commodity import programs and $30,000,000 shall be available only for project assistance; and

(C) for the fiscal year 1987, $60,000,000 shall be available only for commodity import programs and $30,000,000 shall be available only for project assistance.

(b) Amounts appropriated to carry out this section are authorized to remain available until September 30, 1987.

POLICY

SEC. 403. It shall be the policy of the Congress to consider a Jordanian request for major defense articles upon the commencement of direct peace negotiations between Israel and Jordan if Israel is willing to enter into such negotiations.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of

the Senate numbered 340 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

TITLE IV

AUTHORIZATION OF ECONOMIC SUPPORT FUND ASSISTANCE FOR JORDAN

SHORT TITLE

SEC. 401. This title may be cited as the "Jordan Supplemental Economic Assistance Authorization Act of 1985".

ECONOMIC SUPPORT FUND

SEC. 402. (a)(1) In addition to funds otherwise available for such purposes for such fiscal year, there are authorized to be appropriated to the President to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, $250,000,000 for the fiscal year 1985, which amount shall be available only for Jordan.

(2) Of the funds authorized to be appropriated by paragraph (1)—

(A) for the fiscal year 1985, $50,000,000 shall be available only for commodity import programs and $30,000,000 shall be available only for project assistance;

(B) for fiscal year 1986, $50,000,000 shall be available only for commodity import programs and $30,000,000 shall be available only for project assistance; and

(C) for the fiscal year 1987, $60,000,000 shall be available only for commodity import programs and $30,000,000 shall be available only for project assistance.

(b) Amounts appropriated to carry out this section are authorized to remain available until September 30, 1987.

POLICY

SEC. 403. (a) SENSE OF CONGRESS.—It is the sense of Congress that no foreign military sales financing authorized by this Act may be used to finance the procurement by Jordan of United States advanced aircraft, new air defense weapons systems, or other new advanced military weapons systems, and no notification may be made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems, or other new advanced military weapons systems, unless Jordan is publicly committed to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

(b) CERTIFICATION.—Any notification made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems or other new advanced military weapons, must be accompanied by a Presidential certification of Jordan's public commitment to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and the several motions was laid on the table.

□ 1540

WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 3011, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1986

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 240 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 240

Resolved, That during the consideration of the bill (H.R. 3011) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1986, and for other purposes, all points of order against the following provisions in the bill for failure to comply with the provisions of clause 2 of rule XXI are hereby waived: beginning on page 2, lines 1 through 21; beginning on page 4, line 6 through page 6, line 19; beginning on page 8, line 10 through page 9, line 10; beginning on page 9, line 16 through page 10, line 2; beginning on page 11, line 11 through page 12, line 8; beginning on page 13, lines 3 through 26; beginning on page 14, lines 19 through 22; beginning on page 16, line 8 through page 17, line 9; beginning on page 26, line 8 through page 27, line 19; beginning on page 41, lines 12 through 21; beginning on page 45, line 20 through the colon on page 50, line 5; beginning after the colon on page 50, line 8 through page 50, line 16; beginning on page 52, line 12 through page 53, line 18; beginning on page 56, line 16 through page 57, line 15; beginning on page 61, line 3 through page 63, line 8; and beginning on page 65, lines 1 through 4; and all points of order against the following provisions in the bill for failure to comply with the provisions of clause 6 of rule XXI are hereby waived: beginning on page 45, line 20 through page 48, line 24; and beginning on page 52, line 12 through page 53, line 18. In any case where this resolution waives points of order against only a portion of a paragraph, a point of order against any other provision in such paragraph may be made only against such provision and not against the entire paragraph. It shall be in order to consider an amendment to the bill printed in the Congressional Record of July 23, 1985, by Representative Sharp of Indiana, if offered by Representative Sharp or Representative Conte of Massachusetts, and all points of order against said amendment for failure to comply with the provisions of clause 2 of rule XXI and clause 7 of rule XVI are hereby waived. Said amendment shall not be subject to amendment but shall be debatable for not to exceed one hour, to be equally divided and controlled by the proponent of the amendment and a member opposed thereto.

The SPEAKER pro tempore. The gentleman from Texas [Mr. FROST] is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 240 waives certain points of order and provides procedures for the consideration of H.R. 3011, the Department of Interior and related agencies appropriation for fiscal year 1986. The rule does not provide for the consideration of H.R. 3011, since general appropriation bills are privileged; rather, the rule protects specified provisions of the bill against points of order for failure to comply with the provisions of clauses 2 and 6 of rule XXI. Clause 2 of rule XXI prohibits unauthorized appropriations and legislative provisions in a general appropriation bill while clause 6 of rule XXI prohibits reappropriations or transfers in those bills.

Mr. Speaker, this resolution is virtually identical to the rule which was considered and defeated last week, with the exception of the addition of a provision allowing a Synthetic Fuels Corporation amendment. Members of the House, and especially members of the Rules Committee, are well aware of the issues surrounding the defeat of the rule last week. Accordingly, in order that the House may proceed to the consideration of the Department of Interior Appropriation for the coming fiscal year, the Committee on Rules has reported a second rule which makes in order an amendment to the bill which rescinds the funding of the Synthetic Fuels Corporation. The rule provides waivers of clause 2, rule XXI and clause 7, rule XVI, the germaneness rule, against the amendment printed in the CONGRESSIONAL RECORD of July 23, 1985 by the gentleman from Indiana [Mr. SHARP] if the amendment is offered by either Representative SHARP or the gentleman from Massachusetts [Mr. CONTE]. The rule also provides that the amendment is not subject to amendment and is debatable for 1 hour which shall be equally divided and controlled by the proponent of the amendment and a Member opposed thereto.

Mr. Speaker, the Conte-Sharp amendment, which was fully discussed and debated during the consideration of House Resolution 227 last week, rescinds all appropriations for the Synthetic Fuels Corporation except for $500 million which is to remain in the Energy Security Reserve for administrative expenses; such amounts as may be necessary to liquidate obligations incurred under contracts entered into before the date of enactment of the rescission; and such funds transferred to the Department of Energy from the Energy Security Fund for the clean coal technology reserve.

Mr. Speaker, the specific provisions of the bill for which the waivers of clause 2 and clause 6 of rule XXI are provided and detailed in the rule by

page and line. I should note that the waivers provided in the rule are those requested by the chairman of the Committee on Appropriations, Mr. WHITTEN. In large part, the provisions protected by clause 2, rule XXI waivers in the rule are unauthorized appropriations which are at some stage of the legislative process but have yet to be enacted into law. Generally, the granting of these waivers requested by Chairman WHITTEN was not found to be objectionable by the relevant legislative committees. However, in one instance, the authorizing committee, Energy and Commerce, did object to the language proposed to be protected by a waiver of clause 2 of rule XXI. This language, which prohibits the test sale of oil from strategic petroleum reserve, was not protected in the rule by the Committee on Rules in light of the objection raised by the chairman of the Committee on Energy and Commerce.

However, in order to protect the remainder of this paragraph in the bill, the rule provides that should a point of order be raised against the test sale language, that the point of order may be made only against that language in the paragraph and not against the paragraph as a whole. This provision in the rule leaves the remainder of the paragraph relating to the strategic petroleum reserve protected against points of order under clause 2 of rule XXI.

The paragraphs granted a waiver of clause 2, rule XXI in title I of the bill provide appropriations for a number of agencies involved in activities related to the programs of the Department of the Interior including the Bureau of Land Management; resource management, land acquisition and construction within the United States Fish and Wildlife Service; funds for operations, construction and the John F. Kennedy Center for the Performing Arts within the National Park Service; the Geological Survey; and Administration of Territories. Waivers of clause 2, rule XXI in title II are provided for the Youth Conservation Corps within the Forest Service; various programs within the Department of Energy; Indian Health Services within the Department of Health and Human Services; the Smithsonian Institution; the National Foundation on the Arts and Humanities; and the United States Holocaust Memorial Council.

The rule also protects three provisions in title II against points of order against the failure to comply with clause 6 of rule XXI. These provisions are also protected by clause 2, rule XXI waivers. Specifically, the rule protests the clean coal technology reserve and the fossil energy research and development accounts within the Department of Energy because they contain transferred funds and the appropriation for the Indian Health Service within the Department of Health and Human Services because it contains reappropriations.

Mr. Speaker, the rule before the Members contains the same waivers of clauses 2 and 6 of rule XXI against the bill as the rule considered last week. Since the Committee on Rules has now included a provision for the consideration of the Syn Fuels amendment, I would urge my colleagues to adopt the rule so that the House may proceed to the consideration of the Interior appropriation bill.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, I rise in support of the rule.

A rule similar to this except that it did not make in order a synthetic fuels amendment was fully debated on the floor of the House and was defeated by a vote of 179 to 251. I felt as if I had been run over by an elephant and a donkey. I got walloped the last time this was on the floor.

The amendment that is now made in order will, in my opinion, abolish the Synthetic Fuels Corporation. But be that as it may, the House has acted. We need to get down to the business of passing the Interior appropriation.

Mr. Speaker, I have no requests for time, and I urge adoption of the rule.

Mr. FROST. Mr. Speaker, I have no request for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. BIAGGI). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 408, nays 19, not voting 6, as follows:

[Roll No. 279]

YEAS—408

Ackerman	Bates	Boucher	Carr	Hall (OH)	Miller (CA)
Akaka	Bedell	Boulter	Chandler	Hall, Ralph	Miller (OH)
Alexander	Bellenson	Boxer	Chappell	Hamilton	Miller (WA)
Anderson	Bennett	Breaux	Chappie	Hammerschmidt	Mineta
Andrews	Bentley	Brooks	Cheney	Hansen	Mitchell
Annunzio	Bereuter	Broomfield	Clay	Hartnett	Moakley
Anthony	Berman	Brown (CA)	Clinger	Hatcher	Molinari
Applegate	Bevill	Brown (CO)	Coats	Hawkins	Mollohan
Archer	Biaggi	Broyhill	Coble	Hayes	Montgomery
Armey	Bilirakis	Bruce	Coelho	Heftel	Moody
Aspin	Bliley	Bryant	Coleman (MO)	Hendon	Moore
Atkins	Boehlert	Burton (CA)	Coleman (TX)	Henry	Moorhead
AuCoin	Boggs	Burton (IN)	Collins	Hertel	Morrison (CT)
Badham	Boland	Bustamante	Combest	Hiler	Morrison (WA)
Barnard	Boner (TN)	Byron	Conte	Hillis	Mrazek
Barnes	Bonior (MI)	Callahan	Conyers	Holt	Murphy
Bartlett	Bonker	Campbell	Cooper	Hopkins	Murtha
Barton	Borski	Carney	Coughlin	Horton	Myers
Bateman	Bosco	Carper	Coyne	Howard	Natcher
			Craig	Hoyer	Neal
			Crockett	Hubbard	Nelson
			Daniel	Huckaby	Nichols
			Dannemeyer	Hughes	Nowak
			Darden	Hunter	O'Brien
			Daschle	Hutto	Oakar
			Davis	Hyde	Oberstar
			de la Garza	Ireland	Obey
			DeLay	Jacobs	Olin
			Dellums	Jeffords	Ortiz
			Derrick	Jenkins	Owens
			DeWine	Johnson	Oxley
			Dickinson	Jones (NC)	Packard
			Dicks	Jones (OK)	Panetta
			Dingell	Jones (TN)	Parris
			DioGuardi	Kanjorski	Pashayan
			Dixon	Kaptur	Pease
			Donnelly	Kasich	Penny
			Dorgan (ND)	Kastenmeier	Pepper
			Dornan (CA)	Kemp	Perkins
			Dowdy	Kildee	Petri
			Downey	Kindness	Pickle
			Dreier	Kleczka	Porter
			Duncan	Kolbe	Price
			Dwyer	Kolter	Pursell
			Dymally	Kostmayer	Quillen
			Dyson	Lagomarsino	Rahall
			Early	Lantos	Rangel
			Eckart (OH)	Latta	Ray
			Eckert (NY)	Leach (IA)	Regula
			Edgar	Leath (TX)	Reid
			Edwards (CA)	Lehman (CA)	Richardson
			Edwards (OK)	Lehman (FL)	Ridge
			Emerson	Leland	Rinaldo
			English	Lent	Ritter
			Erdreich	Levin (MI)	Robinson
			Evans (IA)	Levine (CA)	Rodino
			Evans (IL)	Lewis (CA)	Roe
			Fascell	Lewis (FL)	Roemer
			Fawell	Lightfoot	Rogers
			Fazio	Lipinski	Rose
			Feighan	Livingston	Rostenkowski
			Fiedler	Lloyd	Roth
			Fields	Long	Roukema
			Fish	Lott	Rowland (CT)
			Flippo	Lowery (CA)	Rowland (GA)
			Florio	Lowry (WA)	Roybal
			Foglietta	Lujan	Rudd
			Foley	Luken	Russo
			Ford (MI)	Lundine	Sabo
			Ford (TN)	Lungren	Savage
			Fowler	MacKay	Saxton
			Frank	Madigan	Scheuer
			Franklin	Manton	Schneider
			Frost	Markey	Schroeder
			Fuqua	Marlenee	Schuette
			Gallo	Martin (IL)	Schulze
			Garcia	Martin (NY)	Schumer
			Gaydos	Martinez	Seiberling
			Gejdenson	Matsui	Sensenbrenner
			Gekas	Mavroules	Sharp
			Gephardt	Mazzoli	Shaw
			Gibbons	McCain	Shelby
			Gilman	McCandless	Shumway
			Gingrich	McCloskey	Shuster
			Glickman	McCollum	Sikorski
			Gonzalez	McCurdy	Siljander
			Goodling	McDade	Sisisky
			Gordon	McGrath	Skeen
			Gradison	McHugh	Skelton
			Gray (IL)	McKernan	Slattery
			Gray (PA)	McKinney	Slaughter
			Green	McMillan	Smith (FL)
			Gregg	Meyers	Smith (IA)
			Grotberg	Mica	Smith (NE)
			Guarini	Michel	Smith (NJ)
			Gunderson	Mikulski	Smith, Robert

Snowe	Tauke	Wheat
Snyder	Tauzin	Whitehurst
Solarz	Taylor	Whitley
Spence	Thomas (CA)	Whittaker
Spratt	Thomas (GA)	Whitten
St Germain	Torres	Williams
Staggers	Torricelli	Wilson
Stallings	Towns	Wirth
Stangeland	Traficant	Wise
Stark	Traxler	Wolf
Stenholm	Udall	Wolpe
Stokes	Valentine	Wortley
Stratton	Vander Jagt	Wright
Studds	Vento	Wyden
Stump	Visclosky	Wylie
Sundquist	Volkmer	Yates
Sweeney	Walgren	Yatron
Swift	Watkins	Young (AK)
Swindall	Waxman	Young (FL)
Synar	Weaver	Young (MO)
Tallon	Weiss	Zschau

NAYS—19

Cobey	Mack	Solomon
Crane	Monson	Strang
Daub	Nielson	Vucanovich
Durbin	Roberts	Walker
Frenzel	Schaefer	Weber
Kramer	Smith (NH)	
LaFalce	Smith, Denny	

NOT VOTING—6

Addabbo	Hefner	Loeffler
Courter	Kennelly	McEwen

□ 1600

Mr. STRANG changed his vote from "yea" to "nay." Messrs. SENSENBRENNER, GUNDERSON, MILLER of Washington, and HOYER changed their votes from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YATES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3011, Department of Interior and related agencies' appropriations, 1986, which we are about to consider, and that I may be permitted to include tables, charts, and other materials.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries.

JOLIET PRIEST HELD HOSTAGE IN LEBANON SINCE JANUARY 8

(Mr. O'BRIEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'BRIEN. Mr. Speaker, January 8, 1985, was the day President Reagan announced the Cabinet shuffle that saw Treasury Secretary Regan swap jobs with White House Chief of Staff Jim Baker.

On January 8, General Motors announced it had formed the Saturn Corp. to build a new U.S. small car and was looking for a site for a large new auto plant.

Illinois Governor Thompson signed legislation requiring Illinois drivers to fasten their seatbelts.

Temperatures in the Chicago area hovered in the midtwenties. Eight inches of snow fell in Chicago Heights.

Hillcrest defeated Joliet West, 64–63, in a high school basketball game.

At 4:30 a.m., January 8, 1985, Mae Mihelich of Joliet, IL, was awakened by a phone call telling her that her brother, Father Lawrence Jenco, had been kidnaped at gunpoint on the streets of Beirut.

Mr. Speaker, today marks the 204th day Father Jenco has been held hostage in Lebanon.

Today is the 502d day of captivity for William Buckley, a Beirut Embassy officer.

The Reverend Benjamin Weir has been held hostage 449 days.

Today is the 137th day of captivity for Terry Anderson, the Associated Press bureau chief in Beirut.

David Jacobsen, director of the American University Hospital, Beirut, has been held hostage 64 days.

Today is the 51st day of captivity for Thomas Sutherland, dean of the American University school of agriculture.

Today also marks the 239th day since the disappearance of Peter Kilburn, the American University librarian.

Mr. Speaker, the Lebanese hostage crisis has dragged on for more than 500 days.

INTRODUCTION OF BILL TO PROHIBIT WAIVERS OF THE BUDGET ACT

(Mr. STRANG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STRANG. Mr. Speaker, here we are, on the eve of a month-long vacation, while the national budget process lies in tatters. We wax eloquent here amidst the ruins; we cry out about how crucial it is to have a budget resolution adopted; blame everyone but ourselves, then, in the heat of the debate and the summer temperatures, merrily say, well, it is not so important that it cannot wait 4 more weeks while we toddle home to extol our own virtues to the electorate. Who are we fooling? Certainly not the people who sent us here to get a job done.

Mr. Speaker, the Congress should be ashamed of itself for not remaining in session until the budget resolution, now long overdue under our own House rules, is adopted. We owe it to the American people. The fact is, we owe $1.8 trillion.

Today I am introducing legislation to prohibit any waiver of the Budget Act which would allow general appropriation bills to be considered absent House and Senate adoption of the first concurrent budget resolution. We established this budget process in 1974 to bring some order to the spend, spend, borrow, borrow binge we were on, but since that time we have treated the process with cavalier contempt. We should either prohibit the end runs—the waivers—around the budget process and put some teeth into it, or scrap it altogether. To do anything else is nothing less than a sham and hocus-pocus for the people we represent.

□ 1610

WHEN A STUDY IS NOT A STUDY

(Mr. ARMEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARMEY. Mr. Speaker, tomorrow I understand we will be asked to address the question of comparable worth legislation introduced on the floor of the House. The proponents of the bill keep trying to assure us that this is just a study and that there will be no ramifications. Indeed, in one of their "Dear Colleague" letters, they quoted Mayor Robert Issac of Colorado Springs, CO, who encouraged the Congress of the United States to undertake such a study. And if they do, according to Mr. Issac, "They had better be prepared to either implement it or be able to explain it away to the court," as they were not prepared in Washington State.

THE BRITISH GOVERNMENT'S POLICY OF SELECTIVE MORALITY

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, on Tuesday last an extraordinary statement was issued by British Foreign Secretary, Sir Geoffrey Howe about South Africa. It was extraordinary not because of what it said, but because of the rank hypocrisy associated with it.

Howe called on South Africa to: End its state of emergency, end apartheid which he called abhorrent, release jailed political prisoners, end detention without trial, and start abolition of laws discriminating against blacks.

No one quarrels with any of these points. Yet, one must ask why the double standard? How can Great Britain be so forceful in condemning South Africa when many of the same

policies exist in Northern Ireland, which is under their direct rule?

Northern Ireland has been under a state of emergency for more than 10 years. As a result, there is detention without trial and trials without juries. There is also rampant discrimination practiced against the Catholic minority.

There are also political prisoners in Northern Ireland. Some have been jailed for as long as 15 years. They are not being released. In fact, the British Government wants to repeal entirely, the political exception category in their extradition treaty with the United States.

It is time the British Government ended its policy of selective morality and realized that Northern Ireland is their South Africa.

NEVADA'S WILDERNESS BILL

(Mrs. VUCANOVICH asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. VUCANOVICH. Mr. Speaker, Nevada is a State of abundant beauty and prosperity, and it is with these themes in mind that I, along with my Nevadan colleagues in the Senate, have introduced a conservative wilderness bill to ensure that balance between the land's beauty and prosperity.

The proposed wilderness areas encompass some 137,000 acres of Nevada's most spectacular topography which are to be set aside for our future generations to enjoy. Choosing these areas was a difficult process considering the many interests involved. Of course, preserving our wilderness lands is of major concern as are the numerous mining and ranching activities which require extensive use and access to the land. Combined with these concerns are the many voices in the State emphasizing that 82 percent of Nevada is already controlled by the Federal Government and to further limit the people's control of their land is a matter of personal importance.

As introduced, Nevada's wilderness bill seeks to emphasize the importance of the land both for its pristine qualities and its economic necessity to miners, ranchers, and entire communities who are tied to the land for their very livelihood.

Wilderness is a very important topic in Nevada for many reasons, and I am pleased to say that Nevada's wilderness bill is a postitive move forward for the State and its people.

CENTRAL FLORIDA ZOOLOGICAL SOCIETY

(Mr. McCOLLUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCOLLUM. Mr. Speaker, I would like to take this opportunity to commend a valiant and successful effort of private initiative in my home State. As one of only three in the Nation, the Central Florida Zoo has provided an entertaining and educational service to the local community without the assistance of one tax dollar.

On August 10, the Central Florida Zoological Society is celebrating 10 years of serving the community and has paid its own way. Nestled in Sanford, Seminole County, it is one of only three privately owned zoos in the Nation. The 21-acre complex features 530 animals representing 190 species and serves over 100,000 visitors a year. Bengal tigers, Asian elephants and even a hippopotamus stroll the grounds bringing joy to children of all ages.

The zoo has delighted the local population and has received enough encouraging private support from the area that it has embarked on an ambitious growth project. Within the next 5 years, the zoo intends to move to southwest Orlando to a larger area. Moving to Turkey Lake Park, the zoo will increase its acreage 5 times to 100 acres and triple its resident population to 1,500 animals, seeking to serve over 460,000 visitors, all through private initiative and private funding.

The local public supports the Central Florida Zoo many ways. Through admissions and concessions, 85 percent of its operating funds are earned. The remaining 15 percent of its costs are raised by the community through contributions from local businesses and by private citizens. An annual Wild West Auction held in a local hotel features items donated by local businesses and community leaders. The area businesses have been very supportive. Also, each year students, seniors, and others contribute moneys through a membership drive, with the average contribution in the neighborhood of $25. This drive now boasts over 2,000 active members.

When news of the upcoming project broke, many in the area have voiced support. One individual, an 86-year-old gentleman wrote the mayor of Orlando and enclosed a $1,000 check saying, "I'm 86 years old, so the zoo means little to me personally, but children would enjoy it so much." In another noble contribution by a private citizen, an anonymous donor gave $25,000 to the cause.

Private initiatives such as these by members of the community have been the driving force in America which has inspired industries admired and copied the world over. As President Reagan has recently heralded, private initiative can overcome reliance on Government funding for community needs.

In conclusion, I would like to applaud the Central Florida Zoo for providing the community with a valuable resource for the past decade without the use of tax dollars, and commend the community's efforts to keep the zoo successful.

COME THIS FALL, OUR NATIONAL DEBT WILL SURPASS $2 TRILLION

(Mr. CRAIG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRAIG. Mr. Speaker, $2 trillion. Come this fall, our national debt will surpass $2 trillion. We passed the $1 trillion mark only 3 years ago.

So what do we do?

Well, here in Congress we continue to blow smoke about deficit reduction programs that haven't worked before and probably won't in the future. Congress has proven over and over again it will not, or cannot control its spending.

So, again, I am reminding my colleagues that when you really get serious about solving these deficits, the balanced budget amendment is enjoying the 70-percent support of the American people: and is ready to go.

These deficits will not go away on their own and there aren't a lot of options or time left.

Mr. Speaker, this House will have the opportunity to act on this amendment again this fall and there will only be two positions, either you are for or against us.

So, this fall, when you are asked to vote to raise the national debt past the $2 trillion mark, and while you are voting to run the Government by continuing resolution again, and while you are moving to add another $200 billion in deficit to the national debt, you better be ready to have a better reason for opposing the amendment than saying it won't work—the people already know nothing else has.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1986

Mr. YATES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3011), making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1986, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Ohio [Mr. REGULA] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. YATES].

The motion was agreed to.

□ 1618

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3011, with Mr. FOWLER in the chair.

The Clerk read the title of the bill.

□ 1620

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous consent agreement, the gentleman from Illinois [Mr. YATES] will be recognized for 30 minutes and the gentleman from Ohio [Mr. REGULA] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I am pleased to bring to the Committee of the Whole, the Interior and related agencies appropriations bill for fiscal year 1986. The total for the bill as recommended, is $8,261,119,000. The 1986 bill is $315 million below the 1985 level, Mr. Chairman, including the fiscal year 1985 amount appropriated for the strategic petroleum reserve as part of the fiscal year 1984 supplemental.

The gentleman from Minnesota [Mr. FRENZEL] proposes to offer an amendment later in the debate in which he says that the bill is above the 1985 level. Our committee contends it is not. We advance-appropriated, upon the request of strategic petroleum reserve officials an amount necessary to construct storage facilities on the grounds that they would be able to save money. That money was properly a part of the 1985 appropriation, and should be considered that in comparing the two totals.

We are not only within the budget that was approved by the House, Mr. Chairman; we are $315 million below the budget figure that was allocated to our subcommittee under section 302(b) of the budget bill that was approved.

Third, the question was asked of us as to whether or not our bill included pay costs. Some of the subcommittees' bills which have come to the floor have proposed postponing until a supplemental bill the question of pay costs. Our pay costs are fully funded in this bill; there are no pay cuts that went to reduce the total amount.

The Budget Committee has taken $4 billion in savings on the contracting-out services. The Appropriations Committee staff was asked to look into that question to see whether that was an actual saving, and the question was asked as to what that impact would be upon the Interior bill.

We have the report of the Appropriations Committee that 73 percent of contracting-out expenses would be expended by the Department of Defense, and the portion that we have of the rest is fairly miniscule when it is divided up among the other 12 bills.

Yes, Mr. Chairman, we exceeded the President's budget for a number of agencies because we thought we had to. For example, the President's budget included no money for the land and water conservation fund. We provided $144 million for Federal acquisitions, and $50 million for States because of the threats of development, the need to protect our national parks, our forests, our public lands, the wetlands and the refuges.

The comparable 1985 figures for the land and water conservation funds were $188 million for Federal funding and $75 million for the States.

In past bills, moratoriums on offshore leasing have aroused contention in the House. All moratoriums have been stricken from this bill except one for the Georges Bank fishing area, which is one of the most important fishing areas off our coasts.

Finally, Mr. Chairman, our subcommittee believes we have acted responsibly; we had 42 full days of hearings in which we heard more than 1,100 witnesses, including 249 Members of Congress who appeared and made requests that our committee take certain actions.

We attended those hearings, and our bill is based on them. Our hearings fill 11 volumes, covering 12,500 pages. We have increased some appropriations; we have decreased appropriations for approximately 88 programs.

All in all, our total bill, the total figure that we arrived at, we say is below the figure for fiscal year 1985.

Mr. Chairman, we urge the House to support our bill. In concluding, Mr. Chairman, I want to express my gratitude to my good friend, RALPH REGULA, the ranking member on the subcommittee, for his tremendous cooperation during the year. He attended the hearings; he made very valuable contributions, he made very valuable suggestions and recommendations in drafting and in marking up the bill, and we are deeply indebted to him.

We also are grateful, too, for other members of our subcommittee; Mr. MURTHA, Mr. DICKS, Mr. AUCOIN, Mr. BOLAND; and we respect and approve of contributions that they made in drafting this bill.

We also are grateful, too, for Mr. LOEFFLER and for Mr. MCDADE, the former ranking member, who knows as much about our bill and about the programs that make it up as any Member of the House.

Mr. Chairman, I am pleased to bring to the Committee of the Whole the Interior and related agencies appropriation bill for fiscal year 1986. The total for the bill as recommended is $8,261,119,000. When compared with the comparable figure for fiscal year 1985, including the fiscal year 1985 amount appropriated for the strategic petroleum reserve as part of the fiscal year supplemental, the 1986 bill is $315,407,000 below the 1985 level. This means we are actually reducing overall program levels.

The bill reflects our continuing investment in America and the American people. It provides the amounts necessary to support the national heritage of all Americans—the public lands, the national parks, the national forests, and the cultural and historic preservation of the heritage that we want to pass along to our children, our grandchildren, and the generations to come; and to continue the hope and dream that each of us has that what we pass along for our children and the coming generations will be better than what we enjoy now.

The bill provides total appropriations of new budget authority of $8,261,119,000. Although final congressional action has not been completed on the first budget resolution, the amounts recommended in this bill are within the amounts assumed in the House-passed budget resolution pursuant to section 302 of the Budget Act. Not only within but $300 million bolow.

The bill includes $4,151,663,000 for programs of the Department of the Interior; $1,444,698,000 for the U.S. Forest Service; $1,069,939,000 for programs of the Department of Energy; and $1,594,819,000 for Indian health, Indian education, the Smithsonian Institution, the National Endowments for the Arts and Humanities, and the other related agencies of the bill, all of which are described in the detail in the report accompanying the bill.

The programs within the bill in many ways represent an investment in America itself, and those investments provide significant returns. For example, programs funded in this bill will generate estimated revenues of over $12 billion in fiscal year 1986.

There are a number of items in this bill which have caused the committee to say the President's budget must be exceeded, in order to continue vital programs to meet established national goals.

For example, there is an increase of $179 million for land acquisition in refuges, parks, national forests, and public lands. This includes $50 million for State assistance program. We could not agree with the administration's request for a 3-year moratorium on land acquisition. Prices would only go higher; critical habitat would be

lost; and private landowners inconvenienced. However, the total recommended for land acquisition is $63 million below the 1985 level. The committee has also recommended increases of $205 million in Indian programs, including construction of hospitals, clinics, and schools, irrigation and sanitation facilities, and protection and development of natural resources on reservation lands, in keeping with our trust responsibilities to the Indian people. Again, however, the recommended funding for these programs in fiscal year 1986 is $18 million below the enacted level for fiscal year 1985.

Recognizing the growing importance of the quality of the Nation's water, the committee has recommended a $5 million initiative for beginning a national water quality assessment to be coordinated by the U.S. Geological Survey. Problems with agricultural runoff such as at the Kesterson Wildlife Refuge in California and with toxic waste burial led the committee to make this recommendation.

For energy programs, there are increases of $441 million over the request. This includes additional money for low income weatherization, weatherization of schools and hospitals, and technologies for burning coal in a more efficient, safe manner.

The committee has conditioned the activation of the low-income weatherization performance fund on an appropriation which exceeds the fiscal year 1985 level by at least 5 percent. However, we expect the Department to proceed with all activities necessary to make allocations from the fund as authorized, including a rulemaking to establish a system for measuring superior performance, and implementation of that system.

The committee has also recommended the transfer of $750,000,000 from the funds available to the Synthetic Fuels Corporation to the Department of Energy for the clean coal technology reserve established by the 1985 Appropriation Act. These funds will be made available over the next 3 fiscal years for projects that will substantially decrease the environmental impacts of using coal, beginning with $100,000,000 in fiscal year 1986. All projects funded from the reserve will be at least 50 percent cost-shared by private industry.

The committee has included funds to continue construction of capacity for the strategic petroleum reserve and also has placed language in the bill specifying moderate rates of filling the reserve with oil, using previously appropriated funds. This continues the House's policy of refusing to put a moratorium on the reserve, which we established in the fiscal year 1985 supplemental bill.

The bill includes funds for several programs that were proposed for termination in the budget request. For example, the recommendation includes $24,410,000 to continue the historic preservation program, as well as funds for several other programs which the committee, as well as many Members of Congress who contacted us, feel are too important to be terminated.

The committee has continued many programs at the 1985 level, rather than at the reduced level as proposed by the administration. However, we have not disagreed with every administration proposal to reduced costs. The committee has agreed to reduce State energy conservation grants and energy extension service funding by 20 percent. The committee has also agreed to bill language proposed by the administration, under the Minerals Management Service, requiring permittees to provide geological and geophysical data to the Government as a condition of the permit, with the Government paying only the reasonable cost of reproducing such data. Adoption of this policy is estimated to save the Government at least $3,400,000 in fiscal year 1986.

With respect to the Outer Continental Shelf, the bill continues a moratorium only in the North Atlantic-Georges Bank area. Moratoria on offshore leasing in the central, northern, and southern California planning areas were deleted by the committee based on an agreement reached by representatives of the California congressional delegation and the Secretary of the Interior. However, as stated in the July 15, 1985, letter from the Secretary of the Interior, "If, by September, the delegation and I are unable to conclude a final agreement on the issue of the California coast moratoria, representatives of the delegation would be free to seek moratoria when the fiscal year 1986 continuing resolution is considered." It should be noted that the moratorium contained in the bill excludes less than 1 percent of the total acreage available to be leased, and less than 1 percent of the total estimated hydrocarbon resources of the OCS.

Mr. Chairman, this is a good bill. It continues important programs necessary for the protection and enhancement of our unsurpassed natural resources, while maintaining fiscal reponsibility and providing a substantial return to the Treasury. I urge the adoption of the bill presented to you today.

At this point I would like to insert a table comparing recommended appropriations to the budget estimates and the amounts appropriated in fiscal year 1985, as well as a correction to the printing error which occurred in the table on page 103 of the report (H.R. 99-205).

Comparative Statement of New Budget (Obligational) Authority

	FY 1985 Enacted	FY 1986 Estimates	House	House Bill compared with Enacted	House Bill compared with Estimates
TITLE I - DEPARTMENT OF THE INTERIOR					
Bureau of Land Management					
Management of lands and resources	385,972,000	364,524,000	378,556,000	-7,416,000	+14,032,000
Construction and access	1,203,000	1,203,000	1,203,000	---	---
Payments in lieu of taxes	102,900,000	105,000,000	102,900,000	---	-2,100,000
Land acquisition	2,695,000	---	2,800,000	+105,000	+2,800,000
Oregon and California grant lands	54,289,000	---	66,140,000	+11,851,000	+66,140,000
Special acquisition of lands and minerals (authority to borrow)	14,700,000	---	---	-14,700,000	---
Range improvements	10,000,000	10,000,000	9,407,000	-593,000	-593,000
Service charges, deposits, and forfeitures	4,070,000	5,920,000	5,920,000	+1,850,000	---
Miscellaneous trust funds	100,000	100,000	100,000	---	---
Total, Bureau of Land Management	575,929,000	486,747,000	567,026,000	-8,903,000	+80,279,000
United States Fish and Wildlife Service					
Resource management	305,138,000	298,735,000	317,202,000	+12,064,000	+18,467,000
Construction and anadromous fish	24,298,000	5,613,000	18,209,000	-6,089,000	+12,596,000
Migratory bird conservation account	21,266,000	---	10,000,000	-11,266,000	+10,000,000
Land acquisition	63,218,000	1,500,000	45,970,000	-17,248,000	+44,470,000
National Wildlife Refuge Fund	5,645,000	5,645,000	5,645,000	---	---
Sport fish restoration	---	44,000,000	---	---	-44,000,000
Total, United States Fish and Wildlife Service	419,565,000	355,493,000	397,026,000	-22,539,000	+41,533,000
National Park Service					
Operation of the national park system	612,858,000	585,685,000	628,996,000	+16,138,000	+43,311,000
National recreation and preservation	11,111,000	9,259,000	11,467,000	+356,000	+2,208,000
Historic preservation fund	25,480,000	---	24,410,000	-1,070,000	+24,410,000
Visitors facilities fund	5,880,000	8,500,000	7,070,000	+1,190,000	-1,430,000
Construction	111,442,000	49,456,000	104,069,000	-7,373,000	+54,613,000
(Liquidation of contract authority)	(28,000,000)	---	(10,300,000)	(-17,700,000)	(+10,300,000)
Land acquisition and state assistance	147,216,000	11,275,000	115,762,000	-31,454,000	+104,487,000
John F. Kennedy Center for the Performing Arts	4,529,000	4,529,000	4,529,000	---	---
National Capital Region Arts and Cultural Affairs Base program (1986 funding) 1/	(4,900,000)	---	---	(-4,900,000)	---
Illinois and Michigan Canal National Heritage Corridor Commission	245,000	---	250,000	+5,000	+250,000
Jefferson National Expansion Memorial Commission	73,000	---	75,000	+2,000	+75,000
Total, National Park Service	918,834,000	668,704,000	896,628,000	-22,206,000	+227,924,000
Geological Survey					
Surveys, investigations, and research 2/	413,173,000	406,670,000	428,098,000	+14,925,000	+21,428,000
Minerals Management Service					
Leasing and royalty management 2/	162,560,000	154,241,000	165,118,000	+2,558,000	+10,877,000
Payments to States from receipts under Mineral Leasing	---	800,000	---	---	-800,000
Total, Minerals Management Service	162,560,000	155,041,000	165,118,000	+2,558,000	+10,077,000

1/ Advance appropriation in P.L. 98-473, not requested in FY 1986 President's budget.
2/ Reflects transfer of 15 FTEs, $922,000, to USGS.

Comparative Statement of New Budget (Obligational) Authority

	FY 1985 Enacted	FY 1986 Estimates	House	House Bill compared with Enacted	House Bill compared with Estimates
Bureau of Mines					
Mines and minerals	135,959,000	104,313,000	122,298,000	-13,661,000	+17,985,000
Office of Surface Mining Reclamation and Enforcement					
Regulation and technology	75,092,000	79,921,000	85,538,000	+10,446,000	+5,617,000
Abandoned mine reclamation fund (definite, trust fund)	296,941,000	250,320,000	233,585,000	-63,356,000	-16,735,000
Total, Office of Surface Mining Reclamation and Enforcement	372,033,000	330,241,000	319,123,000	-52,910,000	-11,118,000
Bureau of Indian Affairs					
Operation of Indian Programs	877,916,000	855,687,000	857,303,000	-20,613,000	+1,616,000
Construction	107,492,000	70,245,000	45,195,000	-62,297,000	-25,050,000
(By transfer)	---	(4,900,000)	---	---	(-4,900,000)
Road construction	5,880,000	---	785,000	-5,095,000	+785,000
Utah Paiute Trust Fund	2,450,000	---	---	-2,450,000	---
Tribal trust funds:					
Definite amount	4,000,000	4,000,000	4,000,000	---	---
Indefinite amount	60,000,000	---	---	-60,000,000	---
Revolving fund for loans (limitation on direct loans)	(18,600,000)	(16,300,000)	(16,300,000)	(-2,300,000)	---
Indian loan guaranty and insurance fund	---	1,485,000	2,210,000	+2,210,000	+725,000
Indian loan guaranty and insurance fund (limitation on guaranteed loans)	---	(20,000,000)	---	---	(-20,000,000)
Total, Bureau of Indian Affairs	1,057,738,000	931,417,000	909,493,000	-148,245,000	-21,924,000
Territorial and International Affairs					
Administration of territories	75,557,000	61,333,000	74,752,000	-805,000	+13,419,000
Trust Territory of the Pacific Islands	98,795,000	13,500,000	107,972,000	+9,177,000	+94,472,000
Total, Territorial Affairs	174,352,000	74,833,000	182,724,000	+8,372,000	+107,891,000
Departmental Offices					
Office of the Secretary	44,633,000	39,939,000	40,856,000	-3,777,000	+917,000
Office of the Solicitor	20,137,000	18,417,000	20,266,000	+129,000	+1,849,000
Office of Inspector General	16,908,000	15,175,000	15,117,000	-1,791,000	-58,000
Construction Management	735,000	660,000	87,890,000	+87,155,000	+87,230,000
Office of the Secretary (special foreign currency program)	1,960,000	---	---	-1,960,000	---
Total, Secretarial Offices	84,373,000	74,191,000	164,129,000	+79,756,000	+89,938,000
Total, title I, new budget (obligational) authority, Department of the Interior	4,314,516,000	3,587,650,000	4,151,663,000	-162,853,000	+564,013,000
(Liquidation of contract authority)	(28,000,000)	---	(10,300,000)	(-17,700,000)	(+10,300,000)
(By transfer)	---	(4,900,000)	---	---	(-4,900,000)
TITLE II - RELATED AGENCIES					
DEPARTMENT OF AGRICULTURE					
Forest Service					
Forest research	120,964,000	104,171,000	124,989,000	+4,025,000	+20,818,000
State and private forestry	58,315,000	29,723,000	56,193,000	-2,122,000	+26,470,000
National forest system	1,045,680,000	1,103,342,000	1,035,433,000	-10,247,000	-67,909,000
Construction	263,262,000	209,637,000	183,785,000	-79,477,000	-25,852,000
Purchaser credit transfer	-226,290,000	---	---	+226,290,000	---
Timber receipts transfer to General Fund	(-52,604,000)	(-102,765,000)	(-102,765,000)	(-50,161,000)	---
Timber purchaser credits	(192,301,000)	(190,300,000)	---	(-192,301,000)	(-190,300,000)
Land acquisition	43,603,000	2,278,000	29,500,000	-14,103,000	+27,222,000
Youth Conservation Corps	---	---	10,000,000	+10,000,000	+10,000,000
Acquisition of lands for national forests, special acts	766,000	780,000	780,000	+14,000	---
Acquisition of lands to complete land exchanges	20,000	20,000	20,000	---	---
Range betterment fund	3,966,000	3,908,000	3,908,000	-58,000	---
Miscellaneous trust funds	88,000	90,000	90,000	+2,000	---
Total, Forest Service	1,310,374,000	1,453,949,000	1,444,698,000	+134,324,000	-9,251,000

Comparative Statement of New Budget (Obligational) Authority

	FY 1985 Enacted	FY 1986 Estimates	House	House Bill compared with Enacted	House Bill compared with Estimates
DEPARTMENT OF THE TREASURY					
Energy Security Reserve (rescission) 1/	(-5,375,000,000)	---	---	(+5,375,000,000)	---
DEPARTMENT OF ENERGY					
Clean Coal Technology Reserve:					
FY 1986 (by transfer) 2/	---	---	(100,000,000)	(+100,000,000)	(+100,000,000)
FY 1987 (by transfer) 2/	---	---	(300,000,000)	(+300,000,000)	(+300,000,000)
FY 1988 (by transfer) 2/	---	---	(350,000,000)	(+350,000,000)	(+350,000,000)
Fossil energy research and development	274,947,000	160,491,000	299,534,000	+24,587,000	+139,043,000
(By transfer)	(50,496,000)	(8,940,000)	(17,672,000)	(-32,824,000)	(+8,732,000)
Naval petroleum and oil shale reserves	156,874,000	13,649,000	13,668,000	-143,206,000	+19,000
Energy conservation	458,610,000	366,654,000	468,326,000	+9,716,000	+101,672,000
Economic regulation	24,742,000	23,092,000	24,623,000	-119,000	+1,531,000
Emergency preparedness	6,096,000	5,873,000	3,989,000	-2,107,000	-1,884,000
Strategic Petroleum Reserve	(459,190,000)	---	199,017,000	+199,017,000	+199,017,000
SPR petroleum account	(2,049,550,000)	---	---	(-2,049,550,000)	---
Energy Information Administration	60,424,000	58,900,000	60,782,000	+358,000	+1,882,000
Total, Department of Energy	981,693,000	628,659,000	1,069,939,000	+88,246,000	+441,280,000
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Health Resources and Services Administration					
Indian health services	793,728,000	758,543,000	836,483,000	+42,755,000	+77,940,000
Indian health facilities	61,634,000	---	61,483,000	-151,000	+61,483,000
Total, Department of Health and Human Services	855,362,000	758,543,000	897,966,000	+42,604,000	+139,423,000
DEPARTMENT OF EDUCATION					
Office of Elementary and Secondary Education					
Indian education	67,404,000	67,292,000	67,656,000	+252,000	+364,000
DEPARTMENT OF STATE					
Compact of Free Association	---	178,750,000	---	---	-178,750,000
OTHER RELATED AGENCIES					
Navajo and Hopi Indian Relocation Commission					
Salaries and expenses	20,321,000	20,170,000	20,442,000	+121,000	+272,000
Smithsonian Institution					
Salaries and expenses	162,415,000	179,790,000	182,599,000	+20,184,000	+2,809,000
Museum programs and related research (special foreign currency program)	8,820,000	2,500,000	2,500,000	-6,320,000	---
Construction and improvements, National Zoological Park	4,851,000	4,851,000	4,851,000	---	---
Restoration and renovation of buildings	13,475,000	14,875,000	13,575,000	+100,000	-1,300,000
Construction	---	4,000,000	4,000,000	+4,000,000	---
Subtotal	189,561,000	206,016,000	207,525,000	+17,964,000	+1,509,000
National Gallery of Art					
Salaries and expenses	36,085,000	36,704,000	34,379,000	-1,706,000	-2,325,000
Repair, Restoration and Renovation of Buildings	---	---	2,900,000	+2,900,000	+2,900,000
Subtotal, National Gallery of Art	36,085,000	36,704,000	37,279,000	+1,194,000	+575,000
Woodrow Wilson International Center for Scholars, salaries and expenses	2,658,000	2,852,000	3,342,000	+684,000	+490,000
Total, Smithsonian Institution	228,304,000	245,572,000	248,146,000	+19,842,000	+2,574,000

1/ Rescission not included for comparison purposes.
2/ Proposed transfer from Energy Security Reserve (Synthetic Fuels Corporation).

Comparative Statement of New Budget (Obligational) Authority

	FY 1985 Enacted	FY 1986 Estimates	House	House Bill compared with Enacted	House Bill compared with Estimates
National Foundation of the Arts and the Humanities					
National Endowment for the Arts					
Grants and administration	118,678,000	101,650,000	128,218,000	+9,540,000	+26,568,000
Administrative expenses	15,582,000	15,300,000	15,900,000	+318,000	+600,000
Subtotal	134,260,000	116,950,000	144,118,000	+9,858,000	+27,168,000
Matching grants	29,400,000	27,500,000	30,882,000	+1,482,000	+3,382,000
Total, National Endowment for the Arts	163,660,000	144,450,000	175,000,000	+11,340,000	+30,550,000
National Endowment for the Humanities					
Grants and administration	95,207,000	84,090,000	105,854,000	+10,647,000	+21,764,000
Administrative expenses	13,891,000	13,910,000	14,110,000	+219,000	+200,000
Subtotal	109,098,000	98,000,000	119,964,000	+10,866,000	+21,964,000
Matching grants	30,380,000	28,000,000	30,036,000	-344,000	+2,036,000
Total, National Endowment for the Humanities	139,478,000	126,000,000	150,000,000	+10,522,000	+24,000,000
Institute of Museum Services					
Grants and administration	21,560,000	292,000	23,220,000	+1,660,000	+22,928,000
Total, National Foundation of the Arts and the Humanities	324,698,000	270,742,000	348,220,000	+23,522,000	+77,478,000
Commission of Fine Arts					
Salaries and expenses	372,000	365,000	377,000	+5,000	+12,000
Advisory Council on Historic Preservation					
Salaries and expenses	1,546,000	1,200,000	1,585,000	+39,000	+385,000
National Capital Planning Commission					
Salaries and expenses	2,670,000	2,626,000	2,721,000	+51,000	+95,000
Franklin Delano Roosevelt Memorial Commission					
Salaries and expenses	21,000	21,000	21,000	---	---
Pennsylvania Avenue Development Corporation					
Salaries and expenses	2,254,000	2,221,000	2,316,000	+62,000	+95,000
Public development	4,410,000	3,250,000	3,250,000	-1,160,000	---
Total, Pennsylvania Avenue Development Corporation	6,664,000	5,471,000	5,566,000	-1,098,000	+95,000
Federal Inspector for the Alaska Gas Pipeline					
Permitting and enforcement	1,401,000	864,000	---	-1,401,000	-864,000
United States Holocaust Memorial Council					
Holocaust Memorial Council	1,990,000	1,950,000	2,119,000	+129,000	+169,000
Total, title II, new budget (obligational) authority, related agencies	3,802,820,000	3,636,174,000	4,109,456,000	+306,636,000	+473,282,000
RECAPITULATION					
Total, new budget (obligational) authority, all titles	8,117,336,000	7,223,824,000	8,261,119,000	+143,783,000	+1,037,295,000
Consisting of:					
Appropriations	8,117,336,000	7,223,824,000	8,261,119,000	+143,783,000	+1,037,295,000
Rescissions	(-5,375,000,000)	---	---	(+5,375,000,000)	---
(Limitation on direct loans)	(18,600,000)	(16,300,000)	(16,300,000)	(-2,300,000)	---
(Limitation on guaranteed loans)	---	(20,000,000)	---	---	(-20,000,000)
(By transfer)	(50,496,000)	(13,840,000)	(767,672,000)	(+717,176,000)	(+753,832,000)
(Timber receipt transfer to general fund)	(-52,604,000)	(-102,765,000)	(-102,765,000)	(-50,161,000)	---
(Timber purchaser credits)	(192,301,000)	(190,300,000)	---	(-192,301,000)	(-190,300,000)
(Liquidation of contract authority)	(28,000,000)	---	(10,300,000)	(-17,700,000)	(+10,300,000)
(SPR petroleum account)	(2,049,550,000)	---	---	(-2,049,550,000)	---
(1986 funding)	(4,900,000)	---	---	(-4,900,000)	---

Comparative Statement of New Budget (Obligational) Authority

	FY 1985 Enacted	FY 1986 Estimates	House	House Bill compared with Enacted	House Bill compared with Estimates
TITLE I -DEPARTMENT OF THE INTERIOR					
Bureau of Land Management	575,929,000	486,747,000	567,076,000	-8,903,000	+80,279,000
United States Fish and Wildlife Service	419,565,000	355,493,000	397,026,000	-22,539,000	+41,533,000
National Park Service	918,834,000	668,704,000	896,628,000	-22,206,000	+227,924,000
Geological Survey	413,173,000	406,670,000	428,098,000	+14,925,000	+21,428,000
Minerals Management Serivce	162,560,000	155,041,000	165,118,000	+2,558,000	+10,077,000
Bureau of Mines	135,959,000	104,313,000	122,298,000	-13,661,000	+17,985,000
Office of Surface Mining Reclamation and Enforcement	372,033,000	330,241,000	319,123,000	-52,910,000	-11,118,000
Bureau of Indian Affairs	1,057,738,000	931,417,000	909,493,000	-148,245,000	-21,924,000
Territorial and International Affairs	174,352,000	74,833,000	182,724,000	+8,372,000	+107,891,000
Secretarial Offices	84,373,000	74,191,000	164,129,000	+79,756,000	+89,938,000
Total, Title I - Department of the Interior	4,314,516,000	3,587,650,000	4,151,663,000	-162,853,000	+564,013,000
TITLE II - RELATED AGENCIES					
Forest Service	1,310,374,000	1,453,949,000	1,444,698,000	+134,324,000	-9,251,000
Department of the Treasury	(-5,375,000,000)	---	---	(+5,375,000,000)	---
Department of Energy	981,693,000	628,659,000	1,069,939,000	+88,246,000	+441,280,000
Indian Health	855,362,000	758,543,000	897,966,000	+42,604,000	+139,423,000
Indian Education	67,404,000	67,292,000	67,656,000	+252,000	+364,000
Department of State	---	178,750,000	---	---	-178,750,000
Navajo and Hopi Indian Relocation Commission	20,321,000	20,170,000	20,442,000	+121,000	+272,000
Smithsonian	189,561,000	206,016,000	207,525,000	+17,964,000	+1,509,000
National Gallery of Art	36,085,000	36,704,000	37,279,000	+1,194,000	+575,000
Woodrow Wilson International Center for Scholars	2,658,000	2,852,000	3,342,000	+684,000	+490,000
National Endowment for the Arts	163,660,000	144,450,000	175,000,000	+11,340,000	+30,550,000
National Endowment for the Humanities	139,478,000	126,000,000	150,000,000	+10,522,000	+24,000,000
Institute of Museum Services	21,560,000	292,000	23,220,000	+1,660,000	+22,928,000
Commission of Fine Arts	372,000	365,000	377,000	+5,000	+12,000
Advisory Council on Historic Preservation	1,546,000	1,200,000	1,585,000	+39,000	+385,000
National Capital Planning Commission	2,670,000	2,626,000	2,721,000	+51,000	+95,000
Franklin Delano Roosevelt Memorial Commission	21,000	21,000	21,000	---	---
Pennsylvania Avenue Development Corporation	6,664,000	5,471,000	5,566,000	-1,098,000	+95,000
Federal Inspector for the Alaska Gas Pipeline	1,401,000	864,000	---	-1,401,000	-864,000
Holocaust Memorial Council	1,990,000	1,950,000	2,119,000	+129,000	+169,000
Total, Title II - Related Agencies	3,802,820,000	3,636,174,000	4,109,456,000	+306,636,000	+473,282,000
Grand total	8,117,336,000	7,223,824,000	8,261,119,000	+143,783,000	+1,037,295,000
CONGRESSIONAL BUDGET RECAP					
Total	8,141,336,000	7,253,224,000	8,290,519,000	+149,183,000	+1,037,295,000
Amounts in this bill	(8,117,336,000)	(7,223,824,000)	(8,261,119,000)	(+143,783,000)	(+1,037,295,000)
Prior year outlays associated with this bill	---	---	---	---	---
Mandatory adv. appropriations from prior years 1/.	(24,000,000)	(29,400,000)	(29,400,000)	(+5,400,000)	---
Total Congressional mandatory and discretionary	8,141,336,000	7,253,224,000	8,290,519,000	+149,183,000	+1,037,295,000
Mandatory (total)	(98,100,000)	(44,300,000)	(42,907,000)	(-55,193,000)	(-1,393,000)
(Mandatory new)	(98,100,000)	(44,300,000)	(42,907,000)	(-55,193,000)	(-1,393,000)
(Prior year)	---	---	---	---	---
Discretionary (new)	(8,043,236,000)	(7,208,924,000)	(8,247,612,000)	(+204,376,000)	(+1,038,688,000)

1/ Includes $9.5 million - USGS
15.0 million - Fossil Fuels
4.9 million - NFS (proposed for transfer to BIA)

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

[In thousands of dollars]

	Fiscal year 1985 enacted	Budget estimates	Committee bill	Change from estimates
Fellowship program	1,199	1,271	1,271	
Scholar support	234	239	239	
Public services	600	628	628	
General administration	552	639	639	
Building requirements	73	75	75	
Conference planning			490	+490
Total, Woodrow Wilson Center	2,650	2,852	3,342	+490

Mr. REGULA. Mr. Chairman, I yield myself so much time as I may consume.

Mr. Chairman, and my colleagues, Chairman YATES, as always, has explained this bill very ably. Before I go into the specifics of the bill, I do want to commend the chairman and the staff of the subcommittee for the work they have done to bring this bill to the floor today.

This has been my first year to serve as the ranking Republican on the subcommittee, and the chairman and the staff have gone out of their way to assist me and all of my colleagues on our side of the aisle.

Our views have been heard and taken into account in the bill before us today. It truly was a bipartisan effort. While I have always respected my colleague from Illinois, the chairman of the subcommittee, this year I have had a special opportunity to observe more closely the hard work and dedication he personally brings to his work on the subcommittee, that it has been a great satisfaction to work with him this year, and I want to join him in strongly supporting this bill.

We will most likely hear some talk today about our bill being over the fiscal 1985 level. I disagree with that, and I think the chairman has already pointed out that we are at fiscal year 1985 levels if you compare apples and apples.

Obviously, you can play games with numbers, but in reality if we are using the same set of measuring sticks, we are actually under fiscal year 1985.

This bill represents one of the most important appropriation measures we will consider this year, for it deals with one of the most priceless things that are part of the United States, and that is our natural heritage. Most people do not realize that over one-third of the U.S. land surface is controlled and owned by the U.S. Government, in effect, the people of this Nation.

It is the management of that land resource, and all the minerals that go with it, that is the responsibility of this subcommittee.

In our view, the administration's budget did not provide adequate protection for that resource. For example, after a 4-year, $1 billion effort to rehabilitate the national parks, the administration proposed to reduce maintenance funding by $21,867,000, despite testimony from the Park Service before our subcommittee that the job is far from complete and recommendations of a Park Service task force for substantial increases in the maintenance budget should be kept.

The committee has recommended an increase in maintenance of $22,390,000. Reducing the appropriation for maintenance would merely result in more expensive needs in future fiscal years.

I might point out that in 1984, we had 325 million visitors to the national parks. It is estimated in 1986 that we will have 354 million, an increase of almost 10 percent. Obviously, that puts pressure on safety; it puts pressure on health needs; it puts pressure on camping facilities, it puts pressure on every dimension of the Park Service to meet these needs, and that is what we have addressed, even though the administration wanted to cut it.

I might also point out that the Forest Service, and this is a little-known fact, provides opportunities for recreation in Forest Service lands. Interestingly, Forest Service lands provides 41 percent of the recreation needs of this country; the National Parks 19 percent; and the Bureau of Land Management, 9 percent.

□ 1630

I think it illustrates that this is a comprehensive need in terms of meeting the needs of the people of this Nation for recreation, and what we have attempted to do in a very responsible way is to provide adequate funding, not excessive but adequate funding to deal with the health, and maintenance, and safety needs of those that visit the Forest Service, the national parks and the Bureau of Land Management areas.

The administration's budget also did not request any funds for sanitation facilities in Indian housing, despite a backlog of 20,000 American Indian homes in need of indoor sanitation facilities and 2,900 of these being planned, that is, to be built, without bathroom facilities. Obviously, this is penny wise and pound foolish. Whether you agree or not, we have a statutory responsibility to the Bureau of Indian Affairs, and we need to meet that. The committee recommends $25 million for sanitation facilities, the same as 1985. It is not over, but it is at the 1985 level. This would provide service to approximately 3,000 to 3,500 Indian homes. That still does not begin to meet unmet needs.

There are other examples, but my point is we are not talking about esoteric items. In much of this bill we are talking about basic needs in the parks, the forests, the wildlife refuges and our Indian reservations.

In addition to these management responsibilities, in crafting this bill the chairman and I personally reviewed requests, as he mentioned, from 249 of our congressional colleagues, and many of these requests have been addressed in this bill, because Members in a district know what the needs are in terms of parks and forest lands. So we respect their requests insofar as possible.

Getting back to the funding levels in the bill, when you compare the fiscal year 1985 program levels with the levels contained in the bill before us today, we are below last year's levels by some $513 million. Of course, if you take the off budget money for the Strategic Petroleum Reserve, the reduction below 1985 levels is much greater than that.

I think the chairman has covered that pretty well, but let me emphasize again that if you compare apples with apples, we are substantially below fiscal year 1985 levels, and it reflects the fact that we did listen to a lot of testimony, we respected the need to have fiscal responsibility, to hold down the spending as much as possible, given the fact that we are responsible in this bill and we do deal with 729 million acres of U.S. land scattered throughout the country, more in the West and Alaska, obviously, but nevertheless some in all of the States. We also have the Smithsonian, we have the Bureau of Indian Affairs, and the Outer Continental Shelf; a wide range of responsibilities.

We also addressed the pay raise issue.

I might just touch one—and I know there will be some other discussion of this—in a recent article in the Los Angeles Times, the headlines said, "Soviet Pacific Fleet Buildup Poses Threat," and they mention in this article a rapid, dramatic expansion of the Soviet fleet in the Pacific.

Now, why do I address that here? The reason is that this bill also has many millions of dollars to meet our responsibilities in the management of the trust territories. Maintaining a U.S. presence, maintaining the responsibilities that were given to this Nation in the post-World War II settlements in terms of trust territories are important. They are important from the standpoint of having those out in the Pacific recognize that the United States does meet its commitments. And that is going to be an influential factor in whatever success the Soviets might have in attempting to lease space at various island bases in the Pacific as they continue their buildup. I think that this was addressed the other day by Congressman MCCAIN from Arizona, who has direct responsibility in his subcommittee with dealing with trust territories.

I would make two last comments in relationship to this bill. No. 1, while we are providing for spending $8.2 billion, the $8.2 billion, generates $12.5 billion in revenues. That is a net of $4 billion to the Treasury. I would suggest this is the only appropriation measure that will have that kind of significant revenue generation, and that illustrates the importance of good management and what we have attempted to do in the bill.

The second and last point I make is that in the matter of the clean coal provisions of this bill, we set up a 50-50 match, as we have also done with the National Endowment for the Arts. We are saying, in effect, let us generate private enterprise, let us generate private activity by saying, in the case of the clean coal technology, the Government will support some of the esoteric programs that we hope will make us energy independent, but we also want the private sector to commit some of their resources, namely, 50 cents for every 50 cents we put in of Federal dollars. Not many programs have this kind of cost sharing. We just had a discussion of that in terms of the water projects.

In the case of the National Endowment for the Arts, for every $130 million that we provide for programmatic activities, an additional $130 million has to be matched by the private sector, so that means that the private sector has to commit to the quality of the project by putting up money in order to generate the Federal moneys.

Also in the National Endowment for the Arts is a provision, another matching provision, for projects that have a 3-to-1 match, so that $21 million we have in that generates $84 million in private dollars.

All in all, I think that this bill is a responsible bill, addressing the management challenges that we have in using the resources of this land of ours carefully and providing a high quality environment, a high quality of life for the people of the United States.

I strongly urge my colleagues to support this bill today.

Mr. YATES. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from Massachusetts [Mr. BOLAND].

Mr. BOLAND. Mr. Chairman, as a member of the subcommittee which drafted this measure, I want to urge my colleagues to support H.R. 3011.

At the outset, I want to compliment the subcommittee chairman, the gentleman from Illinois [Mr. YATES], and the ranking minority member, the gentleman from Ohio [Mr. REGULA], for their work on this bill. Through their leadership and dedication, we have been able to fashion a measure that I believe fairly addresses the disparate needs of the myriad of activities within the subcommittee's jurisdiction. I would also like to thank the members of the subcommittee staff for their hard work and invaluable assistance, without which the preparation of this bill would not have been possible.

Through the passage and enactment of the Interior appropriations bill, the Federal Government addresses some of its most important responsibilities as a steward, a trustee, and conservator. We all realize the budget constraints under which we must operate, and that realization certainly colored our deliberations on the subcommittee. We also realized, however, that there are things we must do each year, to protect the national treasures that are our public lands, and maintain the repositories of our cultural heritage. We do those things in this bill by providing funds for the National Park Service, the Forest Service, and the Bureau of Land Management, as well as the Smithsonian Institution, the National Gallery of Art, and the National Endowments for the Arts and Humanities. In addition, the subcommittee was cognizant of the particular duty, that our country owes, to certain groups of people, both in this country and far from our shores. That responsibility is occasioned by the special legal relationship we have with the native American peoples, and the residents of our Atlantic and Pacific territories. Through this bill, we discharge those responsibilities by providing funds to, among other things, construct two high schools for Indian children, build public health centers in American Samoa, complete the construction of a hospital in the northern Mariana Islands, and provide a loan for an airport runway expansion project in the Virgin Islands.

In drafting this year's Interior appropriations bill, the subcommittee had to pay particular attention to programs, that are not as prominent in our discussions in these days of relative energy abundance, programs like energy conservation and the need to develop alternative sources of energy. Today's energy abundance is not permanent, and we must take steps now to make sure that we are prepared for the next period of shortage. We can take those steps by continuing the weatherization program which has made thousands of homes of low-income Americans more energy efficient, by continuing the development of energy saving engines and batteries, and by proceeding with efforts, to make coal liquefaction and gasification techniques available on a commercial scale. All of these programs, as well as many others, are funded through this bill. They are important components of our national effort, to achieve energy self-sufficiency and they deserve to be continued. I hope that the House will endorse all of the subcommittee's efforts in the energy area. I hope that it will reject attempts to cut funding for the Synthetic Fuels Corporation or the clean coal technology reserve, attempts which in my view would not contribute to solving the energy problems which confront us.

Mr. Chairman, like all appropriations bills, H.R. 3011 embodies a number of difficult choices on competing spending priorities. The subcommittee did not do all it wanted to do for the programs within its jurisdiction. We did, however, do what we thought we had to do and what we could afford to do for the coming fiscal year. The bill is a good one. It merits the support of the House.

□ 1640

Mr. REGULA. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. MCDADE].

Mr. MCDADE. Mr. Chairman, I want to first pay my compliments to my good friend, the gentleman from Illinois who has done such an outstanding job with this bill as he has done guiding the committee for many, many years, and to my dear friend from Ohio, Congressman REGULA, who has always left an imprint every time we have met on this bill. His maiden voyage, if you will, as manager of the bill on this side shows him doing an excellent job.

Mr. Chairman, I rise in support of H.R. 3011, making appropriations for the Department of the Interior and related agencies, and urge its overwhelming approval by the Members of this House. Let me say that it has been my privilege to have served on this subcommittee for over 20 years—and I can say without reservation that this is a fine bill.

This is a bill that advances the cause of protection and preservation of our Nation's precious natural resources, our cultural resources and our energy resources—a most unique and awesome responsibility.

As always, I commend Chairman SID YATES and the new ranking member, my good friend, RALPH REGULA, for their skill and leadership in guiding this bill through the long arduous committee process. They have both conducted our deliberations in a fair and courteous manner so that all of us have had the opportunity to help shape the broad outlines of the bill that is before you today.

Specifically, the bill provides $8.3 billion in new budget authority and although there are differences of opinion over totals, it is important to note that this bill is estimated to generate over $12 billion in revenues in fiscal year 1986 alone.

This bill provides our Nation with a responsible energy research program and increases our national security by providing funds to continue construc-

tion of storage capacity for the Strategic Petroleum Reserve and maintain a consistent fill rate using previously appropriated funds. This is an insurance policy, we believe, against future world oil disruptions.

There are some who will shout that these energy programs are $400 million over the budget request. On closer examination you can see that the committee funded such critical programs as low income weatherization, weatherization of schools and hospitals and research to find technologies for burning coal in a more efficient, safer manner. These are programs which were drastically cut or eliminated in early budget recommendations.

Of particular importance to me is the transfer of $750,000,000 from the Synthetic Fuel Corporation to the Department of Energy for a Clean Coal Technology Reserve—established by the 1985 Appropriations Act. These funds will be made available over the next 3 fiscal years for projects that will substantially decrease the environmental impact of using coal—our Nation's most abundant natural fuel. Of notable importance are the committee's criteria, which include a mandatory 50-percent, cost-sharing arrangement with private industry.

This bill responsibly addresses our stewardship commitments to protect and preserve our Nation's precious public lands and waters by providing increases in excess of $179 million for land acquisition for refuges, parks and national forests, as well as funds for State assistance programs. To improve water quality, $5 million was included for initiating a national water quality assessment to be coordinated by the U.S. Geological Survey. The agricultural runoff stituation at the Kesterson Wildlife Refuge in California earlier this year prompted this action.

We funded programs administered by the Bureau of Land Management responsible for the multiple use of over 300 million acres onshore, 370 million in subsurface mineral rights—the Fish and Wildlife Service which manages over 90 million acres of refuges, fishery research centers and waterfowl production areas—the National Park Service System covering 80 million acres—visited by nearly 400 million individuals annually and the National Forest Service with 191 million acres of timber production, forestry research programs, grazing and recreational lands.

I could hardly speak of protecting and preserving our public lands without mentioning an element within Interior called the Office of Surface Mining. This agency is charged with the task of enforcement of the 1977 Surface Mining Control and Reclamation Act. I was heartened to see the restoration of $100 million to the Abandoned Mine Reclamation Fund for State Grants which are used to address the most hazardous health and safety problems associated with reckless, irresponsible mining practices. Pennsylvania alone has nearly $15 billion of abandoned mine work remaining to be reclaimed.

For well over 20 years, most particularly since the creation of the National Endowments For The Arts and Humanities, Congress in a bipartisan spirit, has consistently supported funding for the Endowments as well as the Smithsonian Institution, the National Gallery of Art and, in recent years, the Institute of Museum Services. This has been a clear declaration that financial assistance for the Arts and Humanities is a proper, if not critical, responsibility of the Federal Government. I refer my colleagues to the committee report in which a portion of the committee report on the original NEA legislation is quoted.

> This panel is motivated by the conviction that the arts are not for a privileged few but for the many; that their place is not on the periphery of society, but at its center; that they are not just a form of recreation, but are of central importance to our well-being and happiness.

Reflecting this notion that the arts should be shared, the committee has provided 50 percent of the funds necessary to bring to the American public, through public television, the July 4 celebration on the Capitol lawn.

These concerts by the National Symphony and major American artists have been shared live with Americans from Red Oak, Iowa to Fairbanks, AK. Report language this year goes one step further by encouraging the participation of other distinguished symphony orchestras.

My friends, this is an excellent bill, responsive to our stewardship commitments to the land and the people who live on it. Gifford Pinchot, the father of conservation and the former Governor of Pennsylvania, summarized the importance of preservation by saying:

> The very existence of our nation and all the rest depends solely on conserving our resources which are the very foundation of its life.

I ask my colleagues to adopt this bill.

Mr. YATES. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. AuCoin].

Mr. AuCOIN. I thank the gentleman for yielding me this time.

Mr. Chairman, I certainly do rise in support of H.R. 3011, the fiscal 1986 Interior Appropriations Act, and I hope that Members who have been listening to the comments from both sides of the aisle understand the importance of the legislation and the sound job of crafting it that the members of the committee have done.

We often hear, at the beginning of debates on bills such as this, congratulations from the floor to the chairman and to the ranking members of the subcommittees who bring those bills to the floor for our consideration. But in this case, I think that all Members should pay a particular tribute to the gentleman from Illinois [Mr. Yates] and the gentleman from Ohio [Mr. Regula] for the outstanding work they have done and the cooperation they have shown, working together on a bipartisan basis to bring this bill before this body today. The support they have received from their own ranks on both sides of the aisle in turn is shown in the quality of the work product that we do bring before the House today.

This bill is the product of the review of budgets of nearly three dozen Federal agencies. The members of the committee have listened to the requests of hundreds of individual Members of this body. We have weighed the testimony of a staggering number of public witnesses, and out of all of that we bring to you a carefully balanced piece of legislation.

As a result of the work that I have described, members of the committee have produced a bill that is under, repeat, under last year's spending, a bill that is under what is called for in the House-passed budget resolution, while addressing many of the vital natural resource needs facing the country today.

I want to say to my colleagues, especially those Members who are not from States and districts in which the Forest Service or the Bureau of Land Management own large portions of their districts or States, that this bill is not just a Western bill or a Sun Belt bill. This bill is an all-American bill.

I do not hesitate to point out to the Members that this legislation is also for those of us in States like Oregon, our economic bread and butter. Our lifeline. It is the lifeblood of the forest products industry, which in turn produces products and fiber for the rest of the country to use and to enjoy. The bill is important for us in our part of the country for the protection of wilderness, the enhancement of fish and wildlife, and the promotion of recreation and tourism which we depend on in a commercial way, and share with the rest of the country for their enjoyment.

This bill contains a substantial increase in Forest Service and BLM timber sales programs which benefits, in a direct way, the State of Oregon, but also benefits the entire country because of the affordable lumber products that our region can produce for the rest of the country. Those timber programs, incidentally, consistently return a profit, I repeat, a profit, to the Federal Treasury and to the taxpayers from the harvesting that takes place under those programs.

The forest products industry is a basic industry of America, and for the

Western region. If it is ever again to become competitive in our own markets, not to mention foreign markets, we must provide the kind of boost and assistance and funding levels that are found within the Timber Sales Program that this bill before you provides.

The bill before you is a bill that will go a long way toward improving anadromous fish stocks: The salmon and steelhead trout species that are vital to commercial and sports fishing alike. It is a bill that will help protect wilderness areas in my State and in many others for the enjoyment of the entire Nation. It is a bill that will enhance the recreation potential of one of the truly great scenic wonders of the country, the Columbia River Gorge in my State of Oregon, shared with the State of Washington for all to enjoy.

The CHAIRMAN. The time of the gentleman from Oregon [Mr. AUCOIN] has expired.

Mr. YATES. Mr. Chairman, I yield 1 additional minute to the gentleman.

Mr. AUCOIN. I thank the gentleman.

It is not just the people of Oregon and Washington who will enjoy the protection provided in this bill for the Columbia River Gorge. This is a scenic treasure for the entire country to enjoy, and in that sense, the protections that we provide in this bill is a benefit for every taxpayer and every citizen of the country.

The bill also provides funds for local park projects all over the country, including my own.

Mr. Chairman, this is a prudent bill; it is a bill that reflects the fiscal constraints we are under, and yet it is one that tends to the vital natural resource issues and challenges that face America today. For all of those reasons and more, I urge the House to give a resounding vote of approval to the work of the gentleman from Illinois and the gentleman from Ohio, and the members of their committee.

Mr. REGULA. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of H.R. 3011, the Interior appropriations bill for fiscal year 1985.

At the outset, I want to commend the chairman of the subcommittee, my good friend SID YATES and the new ranking member, RALPH REGULA for their hard work and skill in dealing with many difficult issues contained in this bill. With responsibility for a wide variety of environmental management, cultural and energy programs, SID YATES, RALPH REGULA, and other members of the subcommittee have put in countless hours during extensive hearings and markup to fashion a bill that is based on fact and on the pressing needs served by these programs.

I respect the work of this subcommittee, under the leadership of SID YATES, and I generally agree with the recommendations contained in the Interior bill.

However, there are always exceptions, and in this case, I am concerned about two issues related to this bill.

First, there is a recurring question about the need for a Synthetic Fuels Corporation. The vote on the rule last week was a clear indication that the House is ready and willing to deal with this issue.

Last year, after the Congress rescinded over $5 billion from the Corporation, we heard promises of change and a fresh approach with a newly reconstituted board of directors. Unfortunately, a year later, the names have changed, but the program is the same. The "new realities" are nothing new, and the comprehensive strategy report is less than impressive. Instead of proceeding along a fiscally prudent course, the Corporation has restated its goal to obligate the entire amount available, now approximately $7.9 billion.

Fortunately, this monster is somewhat under control. Thanks to the foresightedness of Secretary Herrington, the Department of Energy, just yesterday, pulled the plug on this project and refused to support the SFC's price guarantee award.

I am also concerned about a provision in this bill that had its origins in the synfuels debate of last year. The clean coal technology reserve is generally a good idea, but the outyear funding provided in H.R. 3011 is fiscally irresponsible in light of huge budget deficits. Also, the multiyear funding provided in this bill is contrary to the agreement reached last year on the synfuels rescission. The conference report on the CR clearly stated that any funding for the clean coal reserve would be "subject to annual appropriations" by the Congress.

To address this problem, I will offer an amendment at the appropriate time to delete the outyear funding provided in the bill for fiscal years 1987 and 1988. My amendment is designed to restore a measure of fiscal responsibility to the bill and at the same time provide a significant Clean Coal Demonstration Program.

Although the administration would prefer a total elimination of the program, the statement of policy on this bill indicates that the "administration supports a Conte-Broyhill amendment to eliminate funding for this activity in fiscal year 1987 and fiscal year 1988."

Mr. Chairman, the administration also objects to several other provisions of H.R. 3011, as reported. According to the Office of Management and Budget, this bill is more than $720 million above the 1985 enacted amount and $2 billion over the President's request. Although the committee numbers are measurably lower, we can safely say that the funding level in this bill is significantly higher than last year's level and the President's budget.

Without action to curb this spending, particularly the Clean Coal Program, the administration's intentions are clear. This bill is veto bait. The OMB statement of policy leaves no room for guessing: "The bill is unacceptable to the administration, [and] * * * it would not be possible to recommend to the President that he sign the bill in its present form." For the reference of my colleagues, I will include a copy of the "Statement of Administration Policy" on H.R. 3011 for the RECORD.

STATEMENT OF ADMINISTRATION POLICY

JULY 19, 1985.

Interior Appropriation Bill, 1986.

(Sponsor: Whitten (D), Mississippi.)

The bill is unacceptable to the Administration. While the Committee scores the bill as being $144 million over the 1985 enacted amount, and $1,037 million over the President's request for annually funded discretionary programs, we score it as being more than $720 million above the 1985 enacted amount (excluding the SPR acquisition funds) and $2 billion over the President's request. In addition, the administration strongly opposes:

The proposed $750 million multi-year appropriation to initiate a new Clean Coal Technology Demonstration program. The Administration supports a Conte/Broyhill amendment to eliminate funding for this activity in FY 1987 and FY 1988.

Continued funding for programs proposed for termination as well as substantial increases to ongoing programs;

Language (section 108) that excludes specific areas of the OCS from the offshore leasing program; and

Language requiring a minimum fill rate for the Strategic Petroleum Reserve.

It would not be possible to recommend to the President that he sign the bill in its present form.

Although I have a few reservations about this bill, I am fully supportive of a vast majority of the agencies and programs funded in H.R. 3011. Thanks to the leadership of Chairman YATES, the bill contains increased funding for the management of our natural resources. Agencies like the Fish and Wildlife Service, the Bureau of Land Management, the Forest Service, the Minerals Management Service, and the National Park Service are custodians of millions of acres of federally owned land containing a tremendous amount of energy and natural resources.

This bill also lifts the proposed moratorium on land acquisition. The land and water conservation fund is the Federal Government's main land purchase account. This fund finances park, refuge and forest land acquisition. To address the pressing need in this area, this bill provides a total of $194 million for LWCF acquisitions,

including $50 million for grants to State Land Purchase Programs. The bill also provides a much needed supplement to the duck stamp funds available to the Migratory Bird Commission. Through the wetlands loan fund, this bill provides $10 million for the purchase of vital wetland habitat.

Besides these resource management initiatives, H.R. 3011 provides increased funding for important Energy Conservation Programs. The Low-Income Weatherization Program was increased by $47 million for a total of $200 million in fiscal year 1986, and the Schools-Hospitals Program was increased by $9.5 million for a total of $47 million next year.

Finally, through the concern of the chairman, increases above the President's budget was provided to many of the cultural programs funded in this bill. The National Foundation on the Arts and Humanities, the Institute of Museum Services, the National Gallery of Art, and the Smithsonian Institution are allocated resources sufficient to continue important cultural, historic and scientific programs.

Mr. Chairman, I urge my colleagues to support this bill and hope they will join me in ironing out a few rough edges.

□ 1650

Mr. YATES. Mr. Chairman, I yield myself such time as I may consume.

Mr. WATKINS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Oklahoma for a question.

Mr. WATKINS. I thank the gentleman for yielding.

Mr. Chairman, I stand in support of this bill, and also want to thank the minority leader for his tremendous work, along with the chairman, in crafting this legislation.

I would like to enter into a colloquy with the chairman.

Mr. Chairman, it is my understanding that the committee has included funding for continued operation of the Tishomingo National Fish Hatchery at the level recommended by the administration.

Mr. YATES. That is correct.

Mr. WATKINS. I thank the chairman and the committee for providing funds for the continued operation of this important warm water hatchery in my district, which produces fish for Federal and State waters stretching from Idaho to Texas. Mr. Chairman, this hatchery is an important facility and an asset to the fishery resources of the Nation. However, the facility is not being used to its full potential. I understand the budget constraints faced by the committee, and I did not ask the committee to increase the funding for this hatchery in fiscal year 1986. However, it is my understanding that another Federal agency would use the ponds and other facilities at this hatchery, which are not currently being used by the Fish and Wildlife Service, for research into catfish breeding, feeding for maximum weight gain and solutions for parasite problems with the fish. This Agency would act as a "tenant" at the facility, and the research it performs would be helpful not only to the private sector aquaculturist, but also to the Fish and Wildlife Service itself in increasing the efficiency of its catfish production. Is it the intent of the committee that the activity I have described be allowed and encouraged?

Mr. YATES. To answer the gentleman's question, let me say there is nothing in this appropriation bill would prohibit the "joint tenant" relationship between the Fish and Wildlife Service and another Federal agency, such as you have described. In fact, the committee would encourage such a relationship, particularly where it would lead to full utilization of our hatchery resources and would benefit the Fish and Wildlife Service's hatchery efficiency.

Mr. WATKINS. I thank the chairman for yielding and for his support of this country's great fishery resources.

Mr. YATES. Mr. Chairman, let me say to my friend on the other side that I have no further requests for time.

Mr. REGULA. Mr. Chairman, I do have several requests. I yield 2 minutes to the gentleman from Louisiana [Mr. LIVINGSTON].

Mr. LIVINGSTON. I thank the gentleman for yielding this time to me.

Mr. Chairman, I simply want to congratulate the chairman and the ranking majority member of the committee for doing an outstanding job on the bill.

I only rise to express my concern about language that appeared on page 34 of the report, and also in the additional views appearing on page 150, later reflecting a potential agreement to set aside or create a moratorium on offshore leasing of off California lands for the purposes of drilling for some 15 years.

It is bad enough that we were approving every year in this bill for the last 4 years annual moratoria on offshore leasing. In fact, we excluded 53 million acres from offshore leasing in fiscal year 1984, and another 45 million acres in fiscal year 1985.

I have riser. to express my concern about that and have testified against such a policy, because I firmly believe it is not in the interest of this Nation to set aside lands that are potentially available for development when, in fact, we are currently importing some 34 percent of all of our oil needs. That costs the U.S. taxpayer and it cost the U.S. economy approximately a billion dollars a week. It adds significantly to our already terrible trade deficit.

I think it is just aggravating the situation when obviously we are going to need additional oil resources, but we are setting aside lands and saying to all Americans that we are not going to be able to touch those offshore lands, even if we reach another oil crisis such as we saw in 1973 and again in the late 1970's.

The fact is that Great Britain started their OCS program in 1964, 10 years after our first Federal program, but since then they have offered all of their lands for development of the OCS and they have actually leased 41 percent of their OCS lands for drilling.

Canada, by the same token, has offered all of its offshore for lease and has actually leased 32 percent of its offshore acreage.

In comparison, the United States has offered only 23 percent of its potential offshore acreage, and has actually leased only 3 percent of its Outer Continental Shelf for development.

We still produce only 9 percent of our domestic needs from the OCS while estimates tell us that our OCS contains over one-half of our future domestic oil reserves.

Yet we could well be contemplating a new OCS leasing policy that will aggravate this situation and lead us back to the days of energy dependence on foreign sources.

Before placing OCS leasing moratoria in annual appropriations bills and attempting to implement more onerous and much longer moratoria to the year 2000 we should carefully consider what we are about.

Section 18 of the 1978 OCS act mandates that there must be "an equitable sharing of development benefits and environmental risks among the various regions" in any OCS Program that we implement.

However, it will be impossible to strike any semblance of a balance in our OCS Program if millions of acres are deleted through any moratorium, particularly a 15-year one.

Louisiana, Texas and other Gulf Coast States already recognize this imbalance. In fact, Louisiana has cited this imbalance in recent and heretofore unpublicized objections to one section of the OCS Leasing Program.

Over 95 percent of the oil and 92 percent of the gas from the OCS have come from the Gulf States, primarily Louisiana and Texas.

This lack of responsibility of other regions of the country to our Nation's energy needs and security cannot and should not be continued.

□ 1700

Such a policy flies in the face of reason, and I only rise to urge the conference committee to exercise caution when they discuss this issue.

Mr. Speaker, I hope that the members of the conference committee will in fact carefully consider this as we go on into the future.

The CHAIRMAN pro tempore (Mr. BENNETT). The time of the gentleman from Louisiana [Mr. LIVINGSTON] has expired.

Mr. REGULA. Mr. Chairman, I yield 1 additional minute to the gentleman from Louisiana [Mr. LIVINGSTON].

Mr. COLEMAN of Texas. Mr. Chairman, will the gentleman yield?

Mr. LIVINGSTON. I yield to the gentleman from Texas.

Mr. COLEMAN of Texas. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I appreciate the opportunity to say a few words about the agreement recently reached between Interior Secretary Hodel and the California congressional delegation which effectively prohibits the offshore exploration of some 6,310 tracts along the California coastline.

While I have some grave reservations as to the propriety of this agreement especially in the context of the policies and procedures delineated by Congress through enactment of the Outer Continental Shelf Lands Act of 1978, the long-term impact of this agreement on this Nation's energy supply troubles me greatly.

There is little question in my mind that "locking up" such vast amounts of acreage is not in the best interest of this country. Our long-term energy policy needs to allow for the balanced development of our domestic natural resources so as to provide us with a degree of independence from foreign energy sources. At a time when we currently import about one-third of our oil supply, establishing a 15-year moratorium on such vast amounts of offshore acreage does not make good sense or policy.

I would urge my colleagues to carefully review the potential impact of this agreement on our future energy needs and outlook. Moreover, I truly hope that a more equitable arrangement can be achieved that addresses the needs of all Americans, not just a select few, and honors the obligations as well as the responsibility which this body has to exercise responsible control over Federal resources.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. O'BRIEN].

Mr. O'BRIEN. Mr. Chairman, I thank the gentleman for yielding, and I speak in followup of my friend, the gentleman from Louisiana [Mr. LIVINGSTON].

I must address first the chairman, the gentleman from Illinois [Mr. YATES], and the ranking member, the gentleman from Ohio [Mr. REGULA]. As you addressed the fiscal responsibility golf ball, you had 433 coaches, all who had different ways to tell you how to swing at it, each with his and her own personal concerns. I think you have done a phenomenal job caring for the likes of me and others in this House, like me, and still observed restraint.

Having said that, I would like to add a word in support of the comments by the gentleman from Louisiana [Mr. LIVINGSTON]. It seems to me that in the past, with the 1-year moratorium with respect to OCS leasing, we left the door open for adjustment. We are facing a 15-year moratorium now, and I am not satisfied that that is wise. In my hometown of Joliet we have many industries, many companies. All of them are major energy consumers. High natural gas prices brought on by expensive imported gas have been plaguing the region for several years. Instead of a 1-year moratorium, we are now faced with the possibility of a 15-year moratorium.

I think the 15-year moratorium would be shortsighted for the Nation's energy future. I urge my colleagues, and particularly Secretary Hodel, to reassess the adverse impact this restriction would have on all parts of the United States. It is not purely a California issue, and it is my hope that this might be addressed and modified in conference.

Mr. REGULA. Mr. Chairman, I yield 4 minutes to the gentleman from Arizona [Mr. MCCAIN].

Mr. MCCAIN. Mr. Chairman, I would like to thank the gentleman from Illinois [Mr. YATES] and the gentleman from Ohio [Mr. REGULA] first of all for their dedicated efforts on behalf of the Indian programs which are so vitally needed. I believe that our Indians are the most neglected and least cared for and least concerned about group of Americans, and without the dedicated efforts of both Mr. YATES and Mr. REGULA we would not see the vitally needed programs that are so important to maintaining our Indian population at a minimum—and I mean absolute minimum—level in our society. And I am speaking for many Arizonans who are very grateful for that.

I rise to comment just briefly on the Compact of Free Association with Micronesia. This a compact which is the result of 14 years of negotiations with the people of Micronesia. It is in the best interests of the people of Micronesia, and very importantly in the best interests of the people of the United States of America.

I would like to focus my remarks on the strategic aspect of Micronesia, and it might be of interest to my colleagues to know where Micronesia is. It sits in the middle of the ocean. It encompasses 2,100 islands, and it encompasses a size larger than the continental United States of America. Some of the islands' names may invoke the memory of individuals here who are old enough to remember World War II—names like Truk, Peleliu, Palau, and others which were so bitterly fought over by our American marines and soldiers during World War II. The reasons why those islands were fought over in those days is the same as today. It is one of the most strategically important parts of the world as far as the United States' national security interests are concerned.

Admiral Crowe, the former commander in chief of U.S. forces in the Pacific, wrote recently to Chairman UDALL:

> The missions of the Pacific Command are to deter aggression, to insure access to critical resources, and should deterrence fail, to defend the interests of our allies and friends. To do this I must have the capability to project military power as far forward as possible and at the same time prevent a potential enemy from seizing areas from which attacks on the United States, its territories, and allies and friendly nations could be launched.

Micronesia sits adjacent to the Philippines where we have two major bases today, Clark Air Force Base and Subic Bay. We all hope that those bases will be preserved, but we all know of the very untenable and difficult situation which we are now involved in because of the instability of the Marcos government in the Philippines. In the event of the loss of our bases in the Philippines, the United States' next place to base our forces is the Hawaiian Islands unless we can make use of the Micronesian Islands, and this compact ensures us the ability to do that.

Let me speak a little about the Soviet Union, if I may. On Monday, the Los Angeles Times printed an article concerning the Soviet buildup in the Far East, and I quote:

> In the view of many U.S. military commanders and civilian specialists in the region, the Soviet forces, while ostensibly defensive, are aggressively poised to intimidate China and Japan and are increasingly capable of challenging the U.S. Navy throughout the Pacific. Over the last decade, the Joint Chiefs of Staff concluded earlier this year, Soviet activity has created an unfavorable balance of forces in the region, and that continues to deteriorate.

The Soviets have been very active. They recently signed fishing rights agreements with the Kiribati Islands which are very lucrative for them and very generous by Soviet standards. Those of you who have never seen a Soviet fishing trawler should observe one someday. It does just about everything except for fishing. They are contemplating negotiating an offer for fishing rights from the nation of Vanuata, and the Soviet fleet is now their largest, consisting of roughly one-third of all Soviet submarines, one-fourth of all principal surface combatants, including two of their aircraft carriers, and one-third of their naval aircraft.

Mr. Chairman, these islands will protect our security in the Far East in

perpetuity, and I strongly urge that this be looked upon favorably by our colleagues. I thank the gentleman from Illinois [Mr. YATES] and the gentleman from Ohio [Mr. REGULA] for their hard work in obtaining this compact for this bill.

Mr. REGULA. Mr. Chairman, I thank the gentleman from Arizona [Mr. MCCAIN] for his comments.

Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. GROTBERG].

Mr. GROTBERG. Mr. Chairman, I appreciate the gentleman yielding time to me.

Mr. Chairman, I want to compliment the gentleman from Illinois [Mr. YATES], the chairman of the Interior Appropriations Subcommittee, and the ranking Republican member, the gentleman from Ohio [Mr. REGULA], for their diligence and hard work in crafting H.R. 3011, the Interior appropriations bill for fiscal year 1986.

I want to especially note that the committee has recommended adequate appropriations so that the Illinois and Michigan Canal National Heritage Corridor Commission, established as a result of Public Law 98-398 and constituted on May 8 of this year, just a couple of months ago, will have the resources it needs to begin its work of increasing recreational and economic opportunities along the entire corridor area.

I think a side comment is in order. In conferring with the gentleman from Illinois [Mr. YATES], Members learn that Illinois has no national parks. In that great State, the land of Lincoln, we have a small Shawnee National Forest down in southern Illinois, but even with the unselfish decade or more of the service of the subcommittee chairman, nobody can lay it on him that he has made Illinois the national park wonder of the world. This is the closest we got to it. This is not a national park; it is a national corridor.

The CHAIRMAN pro tempore. The time of the gentleman from Illinois [Mr. GROTBERG] has expired.

Mr. GROTBERG. Mr. Chairman, if I might have 1 more minute, I could finish my remarks.

Mr. REGULA. Mr. Chairman, I yield 30 additional seconds to the gentleman from Illinois [Mr. GROTBERG].

Mr. GROTBERG. Mr. Chairman, I represent La Salle County, IL, where the terminus of the canal is located.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GROTBERG. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I appreciate the gentleman's contribution about my efforts. The reason I have not tried to make it a national park is the fact that it is naturally a place of attraction.

Mr. GROTBERG. I support that theory entirely.

Mr. REGULA. Mr. Chairman, maybe the gentleman from Illinois would like to yield several minutes to the gentleman from Illinois [Mr. GROTBERG] to discuss this park for Illinois.

Mr. YATES. Mr. Chairman, I think I will leave that for another occasion.

Mr. GROTBERG. Mr. Chairman, I thank the gentleman.

Mr. Chairman, nobody is really too concerned about this except those of us in Illinois. I represent La Salle County where we have double-digit unemployment. There is great hope in the future for this corridor, and I for one extend to the gentleman all the appreciation of the community that I represent.

□ 1710

Mr. REGULA. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia [Mr. PARRIS].

Mr. PARRIS. Mr. Chairman, I would like to engage the ranking minority member in a short colloquy, if I could.

The Park Police Aviation Union in Anacostia was formed in 1973. To date it has logged over 12,600 accident-free flight hours, has transported over 1,945 patients on flights from accident scenes in the Washinton metropolitan area.

In addition, this unit has rescued countless people from certain death after thay have fallen in or have wandered into the dangerous waters of the Potomac River at Great Falls.

The unit provides security for the President, Vice President, visiting dignitaries, and the like.

The Park Police Aviation section is in serious need of more up-to-date aircraft. It is particularly important that this be done to ensure the safety of the pilots, medical technicians, and patients, while carrying out rescue and medivac operations.

To this end, I will seek to have $3,518,714 included in the fiscal year 1986 Interior supplemental appropriations bill in the spring for the procurement of two Bell 222 UT helicopters, the cost of which would be offset by disposing of the unit's present aircraft.

Would the gentleman respond to that?

I yield to the gentleman from Ohio.

Mr. REGULA. Would the gentleman from Virginia expand a little bit and summarize the cost that would be associated with this procurement.

Mr. PARRIS. I would be delighted to provide that information and, of course, will do so for the record.

Each aircraft with the necessary equipment and necessary medivac rescue modifications would cost $1,759,357 less, of course, the surplus value of their current aircraft.

Mr. REGULA. I thank the gentleman for his contribution. I think he makes a point that we overlook and that is that the Park Service has a very substantial responsibility in the metropolitan area of Virginia, the District of Columbia, and Maryland, because of the highway supervision. They are a police force that most people do not realize are carrying this burden of covering such a large area.

I agree with the gentleman that the need for the new aircraft is clear. It is a medivac type of thing. I would be happy and I am confident the chairman would be to consider such a proposal when we get the fiscal year 1986 supplemental appropriations bill.

Mr. PARRIS. Mr. Chairman, I thank the gentleman very much for his interest in this matter and express my hope that the proposal will receive the support of the committee at the time of the supplemental.

I would just add that the critical factor here is they have single-engine airplanes now with limited lift capability. If you get a net hanging under one of these helicopters and there are 8 or 10 people in the river and they all get on the net at the same time, you are going to lose the people, the pilots, and the helicopter, without the twin-engine capability. I think that is an important safety consideration which deserves the committee's attention.

I thank the gentleman.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. THOMAS].

Mr. THOMAS of California. Mr. Chairman, I rise in support of H.R. 3011.

Mr. Chairman, I include correspondence between myself and my colleagues, the gentleman from California, Mr. DOUG BOSCO, concerning the $2 million appropriation in the Interior appropriations bill for the Round Valley Indian Reservation to purchase the Big Bend Ranch in Mendocino County, CA, and the correspondence which pertains to certain in-holdings and agreements which have been reached between the gentleman from California [Mr. Bosco] and myself.

The letters are as follows:

HOUSE OF REPRESENTATIVES,
Washington, DC, July 18, 1985.

Hon. DOUG BOSCO,
Cannon House Office Building, Washington, DC.

DEAR DOUG: It has been brought to my attention that a section of the fiscal year 1986 Interior Appropriations bill (HR 3011) contains language appropriating $2 million to the Round Valley Indian Reservation for purchase of the Big Bend Ranch in Mendocino County, California.

I am concerned that transfer of this property from private ownership to the reservation could possibly result in loss of access from my constitutents, Fred and Gay Borton, to a 480-acre ranch which they own. The Bortons' inholding is surrounded by the Big Bend Ranch, and their only access to it is across the Big Bend Ranch.

In addition, I am concerned that if the Big Bend Ranch passes to Indian ownership,

pressure might arise in the future to acquire the Borton inholding as well.

I hereby request that HR 3011 be altered so as to preclude the possibility of either loss of right-of-way for the Bortons or forced sale of their inholding should the transfer of Big Bend Ranch to Indian ownership be completed.

Thank you very much for your assistance in this matter.

Best regards,

WILLIAM M. THOMAS,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, DC, July 22, 1985.

Hon. WILLIAM M. THOMAS,
CHOB, Washington, DC.

DEAR BILL: Thank you for your letter regarding provisions of the fiscal year 1986 Appropriations bill (HR 3011) which call for the acquisition of the Big Bend Ranch in Mendocino County, California.

I want to take this opportunity to assure you that transfer of the Big Bend Ranch from private ownership to the Round Valley Indian Reservation will in no way affect private inholders. I am aware that two of your constituents, Fred and Gay Borton, own a 480-acre ranch within the geographic boundaries of Big Bend, and that they must travel through the ranch to gain access to their property.

I have been advised that acquisition by the Covelo Indian Community will not affect the Borton's access to their property, nor will it encourage acquisition of their inholding by the Covelo Indians. In short Mr. and Mrs. Bortons' private rights will not be affected by the proposed acquisition of Big Bend Ranch.

I hope this response addresses Mr. and Mrs. Bortons' concerns, and I thank you for calling this matter to my attention.

Cordially,

DOUGLAS H. BOSCO,
Member of Congress.

Mr. REGULA. Mr. Chairman, I yield myself the remaining time.

Mr. Chairman, there was a comment earlier about this bill being veto bait because it is over the administration's request. I just point out that all the appropriation bills that we have passed thus far, with the exception of the District of Columbia, have been over the administration's request.

I would point out, as the gentleman from Arizona emphasized, the tremendous breadth of responsibility covered by this bill, trust territories, the Bureau of Indian Affairs, the Bureau of Land Management, the Forest Service, the national parklands.

Again I would emphasize that this bill is a net revenue producer. It costs $8.1 billion and returns to the Treasury $12.5 billion.

Mr. BADHAM. Mr. Chairman, as the House considers the Interior appropriations bill for fiscal year 1986, I rise to express my objection to a certain provision that deals with the Outer Continental Shelf oil leasing agreement for the State of California.

As noted in the report, the moratorium on offshore leasing along the California coast has been deleted. This decision was made contingent upon a plan that was arranged by a few members of the California delegation and the Secretary of the Interior. This preliminary agreement calls for 150 of 6,464 tracts contained within the present moratoria to be offered for Outer Continental oil leasing. As part of this plan, six tracts off the coast of the 40th District that I represent will be made available for oil leasing.

At this time, I cannot be party to any such compromise that would allow drilling off this valuable coastal area. I oppose all OCS oil leasing in this area that is highly sensitive in terms of its recreational, environmental, and aesthetic value. The cities of Newport Beach and Laguna Beach would be seriously affected because of their dependence upon tourism for their economic viability. Any sort of oil spill or environmental damage that could occur would be devastating for the local hotels, restaurants, retail shops, and other businesses. Moreover, the cities depend upon the pristine ocean view to attract visitors; oil drilling platforms placed in areas as close as 4 miles off the coast of Newport Beach would destroy the aesthetic beauty of the coastline that thousands of tourists travel to enjoy every year. The city of Huntington Beach, which already has oil production off its coast, is concerned as well about the environmental effects of new wells, of particular concern is potential damage to air quality.

In light of the extreme sensitivity of this area, I adamantly oppose any such Outer Continental Shelf oil leasing proposal off the coast of my district. More importantly, the people of my district, including most of the elected city officials, have expressed their opinions quite clearly to me. They cannot, and will not, accept any plan that would allow any new drilling off their coast of Orange County and will work to defeat such a proposal by every means possible.

In the near future, I am confident that technology will become available for subsurface oil recovery operations. At such a time and with the proper safeguards for the environment, I would be in support of the recovery of this resource in order to contribute to the energy independence of the United States.

While technology will alleviate the environmental and aesthetic concerns, I want my colleagues to know that I believe the tentative California OCS agreement, under consideration now, is contrary to the interests and well-being of the people I represent, and the State of California, and I strongly oppose it.

Mr. RAHALL. Mr. Chairman, I rise in support of H.R. 3011, the Interior appropriations bill for fiscal year 1986.

I really want to express my appreciation to the chairman of the Subcommittee on Interior, SIDNEY YATES for the responsible levels of funding being recommended for the Bureau of Mines, the Office of Surface Mining's State AML Grant Program and for the Clean Coal Technology Program to be administered by the Department of Energy. In this regard, I would especially like to thank subcommittee members JACK MURTHA, JOE MCDADE and RALPH REGULA.

I am especially pleased that the committee has seen fit to appropriate $36.1 million for the Health and Safety Technology Program within the Bureau of Mines and $13 million for mining technology. The specifics contained in the committee report as to how this funding should be used, in my view as the chairman of the authorizing subcommittee, are highly commendable.

The State Reclamation Grant Program under the abandoned mine reclamation fund administered by OSM is a matter of great concern to my State of West Virginia. It is my understanding that due to a concern of the subcommittee chairman, the gentleman from Illinois, language has been inserted into the legislation to guide the distribution of the $186.2 million State AML grant appropriation. This language would prohibit any State from receiving fiscal year 1986 AML construction grant funds if that State's unobligated construction grant balance from fiscal years 1982 through 1985 exceeds the amount of its fiscal year 1985 construction grant and is directed at those States which have not used their AML funds in a timely manner.

I am pleased to note that West Virginia has perhaps the best track record in obligating its AML construction grants and, as such, would not be affected by this provision. The amount of West Virginia's unobligated construction grants from fiscal years 1982 through 1984 is below the amount the State received in fiscal year 1985. As such, the State will be in the position, when OSM considers its fiscal year 1986 grant, to receive the full amount requested for eligible projects.

Another important element of the effort to reclaim abandoned coal mine lands is the Rural Abandoned Mine Program. While I continue to advocate a minimum of $15 million per year for RAMP, the committee's inclusion of $9.4 million is far better than the administration's request to essentially kill the program.

Like a phoenix rising from the ashes of failure, the measure before us today contains a $750 million transfer of funds from the Synthetic Fuels Corporation to the Department of Energy for the clean coal technology reserve. This program was authorized as part of the continuing appropriation for fiscal year 1985 and the decision by the committee to now provide the actual funds is commendable. Of the

total appropriation, $100 million would be made available for fiscal year 1986 with $300 million in fiscal year 1987 and $350 million in fiscal year 1988 to fund various clean coal technologies with the Federal share not to exceed 50 percent of a given project's cost.

Under this provision, DOE must issue a request for proposals within 90 days of enactment and then move into the contracting process.

A great deal of emphasis is being placed on the utility applications of the technologies which may receive clean coal funding. In my view, DOE should focus on funding those technologies which would replace smokestack scrubbers, the dominant pollution control method in use today. Scrubbers are a technological dinosaur. They are inefficient and create pollution themselves in the form of sludge. With proper funding, commercial applications of fluidized bed combustion technology will prove to be more economical and environmentally sound than scrubbers. Fluidized bed combustion, I believe, is the cutting edge in clean coal technology for utility applications and should be the next generation of utility boilers.

At the same time, there are industrial applications of clean coal technology in great need of assistance, primarily those which would lead to a cleaner and more efficient method of producing coke for the steelmaking process. The Nation is currently faced with a shortfall in domestic coke production due to the inability of our coke ovens to comply with environmental standards. New technology in this area would not only assist the resurrection of our domestic steel industry, but improve conditions in the metallurgical coal fields of this Nation, such as those in southern West Virginia.

Mr. Chairman, I urge my colleagues to support H.R. 3011 as reported by the committee.

● Mr. SYNAR. Mr. Chairman, there is a provision in this bill which appears to merely encourage States to carry out their responsibilities under the Surface Mining Control and Reclamation Act of 1977 [SMCRA]. In fact, it sanctions a game of reclamation Russian roulette currently being played by officials of the Office of Surface Mining [OSM]. Today only a few people are affected, but if OSM begins to aggressively carry out its responsibilities for overseeing surface mining regulatory programs throughout the States and assumes partial responsibility for their programs, people in many coal producing States could be adversely affected. The provision is unwise, primarily because of the current sad state of affairs at OSM, but also because of the practical impact of this policy change on much-needed reclamation projects.

Title I of the bill appropriates money for the Abandoned Mine Reclamation Fund [AML], administered by the Office of Surface Mining. The money is used to reclaim mine sites abandoned prior to passage of SMCRA. Under current law, the question of whether a State is entitled to receive cleanup money for pre-1977 sites is straightforward: Does the State have an approved program for the regulation of current mine sites under section 503 of the Surface Mining Act? If so, the State is eligible for the money. If not, the State is ineligible. (Section 405(c) of SMCRA.)

In practice, OSM has ignored these statutory provisions. Currently, it is withholding reclamation money from the State of Oklahoma which has an approved State program, but requires Federal supervision of its enforcement. Title I of this appropriations bill adds a new twist to existing law. It prohibits the use of AML reclamation funds by States failing to take enforcement action with respect to post-1977 sites, unless the State has entered into an explicit agreement with OSM to remedy its failures to enforce the law.

The legal effect of this new provision is that, for the future, Congress sanctions OSM's previously illegal practice of withholding money in cases like Oklahoma and protects OSM from future lawsuits. The practical effect is to give Federal bureaucrats authority to delay grants to selected States by withholding or delaying approval of enforcement plans. This can only mean further delays in restoring dangerous sites, with continuing risks to individuals.

I do not believe this is wise policy for the simple reason that over the past 6 years, in my congressional district alone, five people died in accidents at unreclaimed mine sites. Until it happens, obviously no one can know whether deaths or injuries will occur at the mine sites for which grant applications are pending or will be submitted to OSM. But as long as the money is available, I don't think it makes a lot of sense to take the risk to find out. The money has already been collected through a coal production tax, and needs only to be appropriated by Congress and distributed by OSM to the States. It should be spent for the purposes for which it was collected.

OSM is plagued by serious problems. There is ample opportunity for the unwise exercise of the new authority to withhold reclamation funds. Bureaucratic infighting and turf battles seriously undercut the agency's ability to accomplish its basic mission, and OSM's relationships with the States are not immune to these problems. I am concerned that dangerous sites in affected States will go unreclaimed while State and Federal officials argue over enforcement plans. If this provision is enacted, Federal and State officials alike will have a heavy burden in carrying it out.

Furthermore, even if OSM were trouble free, I believe it is a mistake to tie reclamation funds so closely to the regulatory programs. It may have made sense at the outset for Congress to use the funds as an incentive to States to establish regulatory programs. Now, almost all coal producing States have approved State programs. Citizens who live near and are adversely affected by deteriorating abandoned mine sites should not be penalized for the problems State officials have in administering the regulatory programs.●

● Mr. DE LUGO. Mr. Chairman, I rise in support of H.R. 3011, the Interior and related agencies appropriations for fiscal year 1986. This proposal includes funding for capital improvement projects in the U.S. insular areas which is important for their continued economic development and central to their collective goals of achieving economic self-sufficiency.

For the U.S. Virgin Islands, this bill provides a loan for extension of the airport runway on St. Croix, This island has suffered the closing of one of its two major plants, Martin Marietta Alumina, and the loss of over 300 employees at its other major plant, Hess Oil Virgin Islands. The island must bolster its ability to compete in the tourist market, and the industry has made it clear that this means servicing transportation that feeds directly into the European and west coast U.S.A. tourist.

I want to thank the gentleman from Illinois, the chairman of the subcommittee for his support in this matter. I also wish to thank the gentleman from Massachusetts, [Mr. BOLAND] as well as the gentleman from Ohio, [Mr. REGULA], and the gentleman from Pennsylvania, [Mr. MCDADE] for their support and help in bringing about this vital help for the island of St. Croix In the U.S. Virgin Islands.

Generally, this legislation represents a conscious effort to stay within the budgetary objectives of this body. That it does this while funding crucial projects such as those included for the insular areas is exemplary. I urge my colleagues to support its passage.

● Mr. BRUCE. Mr. Chairman, today I rise to thank Chairman YATES and the Interior and related agencies appropriations committee for bringing us H.R. 3011, and to offer strong support for the clean coal technology reserve and the fossil energy research programs contained in the bill.

Our Nation knows what it's like to be held hostage to oil importers' high prices. That's why we've been trying so hard to strengthen our hand at energy independence. If this Congress chooses, our Nation's abundant coal

resources may help solve this crucial problem.

Through the clean coal technology reserve, we have an opportunity to move toward energy independence, to reduce the environmental problems associated with burning high sulfur coal, to increase economic activity by raising levels of employment and to increase the use of Midwestern and Eastern coal as an energy source.

The Department of Energy [DOE] has identified emerging clean coal technology projects that could be accelerated to commercialization through cooperative efforts of a private-public partnership. As a prerequisite, these projects would require 50 percent cost-sharing between industry and the Federal Government, making it a true cooperative effort with a substantial private sector commitments. Important to industry participation, is the commitment of Federal funds for multiyear disbursement.

Mr. Chairman, an amendment offered today, potentially jeopardizes the future of the reserve by proposing to eliminate the important outyear funding included in the bill. I hope my colleagues understand that the reserve funding is consistent with the House budget resolution. The money we are talking about is not new appropriations, but rather a transfer of funds already appropriated from the Synthetic Fuels Corporation. To ensure that this important program goes forward, I urge my colleagues to defeat the amendment.

Coal is our Nation's most abundant energy resource. And, while it provides roughly one quarter of our Nation's energy consumption, coal, is still greatly under utilized.

Technologies which enable us to use more of our vast coal reserves are a step in the right direction toward energy independence and a significant environmental benefit both to new and existing generating plants.

Mr. Chairman, in conclusion, I want to urge my colleagues to support the clean coal technology reserve. The funding for this critical initiative is a move which will bring these coal concepts toward commercialization, and this country toward energy independence, while using our Nation's coal in a clean and environmentally safe manner.

Thank you, Mr. Chairman.●

● Mr. DORGAN of North Dakota. Mr. Chairman, I rise today to agree with my colleagues that it is important, in fact vital, that we be mindful of the need to consider the ever-growing Federal deficit and that we make every effort to control that deficit.

However, when we discuss the need to continue to support the Synthetic Fuels Corporation, I part company with many of my colleagues. I am afraid that my colleagues are forgetting the long gasoline lines and the escalating prices of fuel oil of just a few years ago. Are our memories that short? Can we afford to forget? The Synthetic Fuels Corportation was created as a result of those hard times to help us develop energy alternatives so that we would never be faced with another energy crisis again and so that we could progress down the road toward energy independence.

Beyond the disturbing memories of the long gas lines and the rising cost of oil, we must continue to be aware of the political instability in the Middle East. Yes, we have our friends there, but can they and/or will they be able to satisfy our energy needs in a time of crisis, a crisis that we cannot begin to anticipate?

I ask my colleagues how they will respond to their constituents if there was a widespread war in the Middle East in the near future? Where will we obtain our fuel oil from? How will we heat our homes? While our Nation has responded to the call for conservation, and we are, the reports tell us, experiencing an oil glut, I caution my colleagues that we are far from energy independence. The fact remains that we depend on oil from the Middle East.

The Synthetic Fuel Corporation has provided us with a number of options that are worth considering. It is important that we continue to develop those options that would otherwise not be explored in a meaningful commercial capacity.

Let us not be shortsighted on this matter of national security. With the creation of the Synthetic Fuel Corporation we were given the opportunity to learn from our mistakes, to have the foresight to anticipate our potential energy requirements should we again be faced with circumstances similar to, or perhaps worse, than those we faced in the seventies. We need to develop energy alternatives. We need to develop them today so that when we need them we will have them. I urge my colleagues to share my hopes for the future when America can effectively and efficiently utilize our natural resources as a major component of a national energy policy.●

● Mr. FRENZEL. Mr. Chairman, I am opposed to H.R. 3011, Interior appropriations.

Last year, we appropriated $8.118 billion for this bill. Of that, $8.104 is discretionary spending. This year, the committee reported a bill containing $8.261 billion, of that $8.248 is discretionary spending. That represents a 1.7 percent increase over last year's level, in violation of the spirit of our budget resolution which called for a discretionary spending freeze.

Appropriations bills coming to the House have been slightly above or at a freeze level. This bill is no exception.

The problem, in my judgment, is that these bills represent an abdication of our responsibility to reduce Federal spending.

The House has been willing to vote for several freezes on authorizing bills. Unfortunately, when the appropriations bills are considered, the bills that actually spend funds, our good intentions whither. If we really want to do something about deficits, then we need to vote to reduce appropriations. It is sad, but true, that we cannot reduce spending without cutting somebody's program. Deficit reductions are not painless.

The House did a good job in cutting the synfuels item. It even stretched itself on the clean coal matter. Overall, however, it is still unwilling to reduce spending.●

● Mr. JONES of North Carolina. Mr. Chairman, I want to commend you for reporting out a very balanced appropriations bill for the Department of the Interior, particularly with respect to the U.S. Fish and Wildlife Service.

The Merchant Marine and Fisheries Committee, which I chair, closely examines the administration's proposed budget for the Service every year and makes recommendations for increases and decreases in that proposal to the House Budget Committee and to the Subcommittee on Interior Appropriations.

This year, my committee's leadership made a recommendation to both committees concerning the Refuge Revenue Sharing Program. Under this program, the Fish and Wildlife Service makes payments to counties in which Service lands are located based on fair market value of those lands. Funding for these payments is derived from revenues acquired through the sale of products of Service lands. If net revenues are not adequate to make full payment according to the formula contained in the act, direct appropriations are authorized to make up the difference. For fiscal year 1986, net receipts are estimated at $4,302,000 and the appropriation has been set by your committee at $5,645,000 for a total of $9,947,000 or 58 percent of the Federal obligation. An additional $7,135,000 is needed for full funding of this program.

Mr. Chairman, I appreciate your concern over this matter as stated in House Report 99-205 on page 20 where it is pointed out that there is a discrepancy between refuge revenue sharing and a similar program run by the Bureau of Land Management called payment in lieu of taxes. BLM's program is funded at 95 to 100 percent of its cost, whereas the Service's program is funded at only 58 percent. I agree that the Department of the Interior should correct this imbalance in its request for fiscal year 1987 and I have so informed Under Secretary

Anne McLaughlin by letter of June 10, 1985.

Mr. Chairman, let me assure you of my committee's continuing interest in this and other programs of the Fish and Wildlife Service. I look forward to working with you to achieve equity for refuge revenue sharing in fiscal year 1987.●

The House has a great record of rhetorical commitment to deficit reductions. It has not yet backed up that rhetoric with action. I will vote against this appropriations bill in the hope for some real spending cuts.

Mr. REGULA. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. YATES. Mr. Chairman, I have no further requests for time, and I ask that the Clerk read the bill.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of the Interior and related agencies for the fiscal year ending September 30, 1986, and for other purposes, namely:

TITLE I—DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

For expenses necessary for protection, use, improvement, development, disposal, cadastral surveying, classification, and performance of other functions, including maintenance of facilities, as authorized by law, in the management of lands and their resources under the jurisdiction of the Bureau of Land Management, including the general administration of the Bureau of Land Management, $378,556,000: *Provided,* That notwithstanding any other Act, none of the funds made available to the Department of the Interior or the United States Forest Service during fiscal year 1986 by this or any other Act may be used to implement the proposed jurisdictional interchange program until enactment of legislation which authorizes the jurisdictional interchange.

CONSTRUCTION AND ACCESS

For acquisition of lands and interests therein, and construction of buildings, recreation facilities, roads, trails, and appurtenant facilities, $1,203,000, to remain available until expended.

PAYMENTS IN LIEU OF TAXES

For expenses necessary to implement the Act of October 20, 1976 (31 U.S.C. 6901–07), $102,900,000, of which not to exceed $400,000 shall be available for administrative expenses.

LAND ACQUISITION

For expenses necessary to carry out the provisions of sections 205, 206, and 318(d) of Public Law 94–579 including administrative expenses and acquisition of lands or waters, or interest therein, $2,800,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.

OREGON AND CALIFORNIA GRANT LANDS

For expenses necessary for management, protection, and development of resources and for construction, operation, and maintenance of access roads, reforestation, and other improvements on the revested Oregon and California Railroad grant lands, on other Federal lands in the Oregon and California land-grant counties of Oregon, and on adjacent rights-of-way; and acquisition of lands or interests therein including existing connecting roads on or adjacent to such grant lands; $66,140,000 to remain available until expended: *Provided,* That the amount provided herein for the purposes of this appropriation on lands administered by the Forest Service shall be transferred to the Forest Service, Department of Agriculture: *Provided further,* That the amount appropriated herein for road construction shall be transferred to the Federal Highway Administration, Department of Transportation: *Provided further,* That 25 per centum of the aggregate of all receipts during the current fiscal year from the revested Oregon and California Railroad grant lands is hereby made a charge against the Oregon and California land grant fund and shall be transferred to the General Fund in the Treasury in accordance with the provisions of the second paragraph of subsection (b) of title II of the Act of August 28, 1937 (50 Stat. 876).

RANGE IMPROVEMENTS

For rehabilitation, protection, and acquisition of lands and interests therein, and improvement of Federal rangelands pursuant to section 401 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701), notwithstanding any other Act, sums equal to fifty per centum of all moneys received during the prior fiscal year under sections 3 and 15 of the Taylor Grazing Act (43 U.S.C. 315, et seq.), and the amount designated for range improvements from grazing fees and mineral leasing receipts from Bankhead-Jones lands transferred to the Department of the Interior pursuant to law, to remain available until expended: *Provided,* That not to exceed $600,000 shall be available for administrative expenses: *Provided further,* That the dollar equivalent of value, in excess of the grazing fee established under law and paid to the United States Government, received by any permittee or lessee as compensation for an assignment of a grazing permit or lease, or any grazing privileges or rights thereunder, and in excess of the installation and maintenance cost of grazing improvements provided for by the permittee in the allotment management plan or amendments or otherwise approved by the Bureau of Land Management, shall be paid to the Bureau of Land Management and disposed of as provided for by section 401(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701): *Provided further,* That if the dollar value prescribed above is not paid to the Bureau of Land Management, the grazing permit or lease shall be canceled.

SERVICE CHARGES, DEPOSITS, AND FORFEITURES

For administrative expenses and other costs related to processing application documents and other authorizations for use and disposal of public lands and resources, for monitoring construction, operation, and termination of facilities in conjunction with use authorizations available until expended: *Provided,* That pursuant to this Act and hereafter, and except with respect to those applications for which costs are recovered on the basis of a schedule of fees or charges fixed by regulation, the amounts collected under section 304 of the Act of October 21, 1976, and sections 101 and 203 of Public Law 93–153 and appropriated under this heading shall be sufficient to meet the actual cost, including direct and indirect costs, to the United States, as determined by the Secretary, of the application processing and other activities, including the full cost of preparation of environmental impact statements, required in connection with the application for which such charges are made: *Provided further,* That pursuant to this Act and hereafter, and except with respect to those applications for which costs are recovered on the basis of a schedule of fees or charges fixed by regulation, no funds other than those appropriated under this heading, or otherwise available under the provisions of subsection 307(c) of the Act of October 21, 1976, may be used to meet the costs determined by the Secretary, in his discretion, to be reasonable under section 304(b) of said Act.

MISCELLANEOUS TRUST FUNDS

In addition to amounts authorized to be expended under existing law, there is hereby appropriated such amounts as may be contributed under section 307 of the Act of October 21, 1976 (43 U.S.C. 1701), and such amounts as may be advanced for administrative costs, surveys, appraisals, and costs of making conveyances of omitted lands under section 211(b) of that Act, to remain available until expended.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Land Management shall be available for purchase, erection, and dismantlement of temporary structures and alteration and maintenance of necessary buildings and appurtenant facilities to which the United States has title; up to $10,000 for payments, at the discretion of the Secretary, for information or evidence concerning violations of laws administered by the United States Bureau of Land Management; miscellaneous and emergency expenses of enforcement activities authorized or approved by the Secretary and to be accounted for solely on his certificate, not to exceed $10,000: *Provided,* That appropriations herein made for the Bureau of Land Management expenditures in connection with the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands (other than expenditures made under the appropriation "Oregon and California grant lands") shall be reimbursed to the General Fund of the Treasury from the 25 per centum referred to in subsection (c), title II, of the Act approved August 28, 1937 (50 Stat. 876), of the special fund designated the "Oregon and California land grant fund" and section 4 of the Act approved May 24, 1939 (53 Stat. 754), of the special fund designated the "Coos Bay Wagon Road grant fund": *Provided further,* That appropriations herein made may be expended for surveys of Federal lands of the United States and on a reimbursable basis for surveys of Federal lands of the United States and for protection of lands for the State of Alaska: *Provided further,* That an appeal of any reductions in grazing allotments on public rangelands must be taken within thirty days after receipt of a final grazing allotment decision. Reductions of up to 10 per centum in grazing allotments shall become effective when so designated by the Secretary of the Interior. Upon appeal any proposed reduction in excess of 10 per centum shall be suspended pending final action on the appeal, which shall be completed within two years after the appeal is filed: *Provided further,* That appropriations herein made shall be avail-

able for paying costs incidental to the utilization of services contributed by individuals who serve without compensation as volunteers in aid of work of the Bureau.

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

For expenses necessary for scientific and economic studies, conservation, management, investigations, protection, and utilization of sport fishery and wildlife resources, except whales, seals, and sea lions, and for the performance of other authorized functions related to such resources; for the general administration of the United States Fish and Wildlife Service; and for maintenance of the herd of long-horned cattle on the Wichita Mountains Wildlife Refuge, $317,202,000 of which $5,000,000 to carry out the purposes of 16 U.S.C. 1535, shall remain available until expended; and, of which $5,649,000 shall be for operation and maintenance of fishery mitigation facilities constructed by the Corps of Engineers under the Lower Snake River Compensation Plan, authorized by the Water Resources Development Act of 1976 (90 Stat. 2921), to compensate for loss of fishery resources from water development projects on the Lower Snake River, which will remain available until expended.

CONSTRUCTION AND ANADROMOUS FISH

For construction and acquisition of buildings and other facilities required in the conservation, management, investigations, protection, and utilization of sport fishery and wildlife resources, and the acquisition of lands and interests therein; $18,209,000, to remain available until expended of which $2,000,000 shall be available for expenses to carry out the Anadromous Fish Conservation Act (16 U.S.C. 757a-757g).

MIGRATORY BIRD CONSERVATION ACCOUNT

For an advance to the migratory bird conservation account, as authorized by the Act of October 4, 1971, as amended (16 U.S.C. 715k-3, 5), $10,000,000, to remain available until expended.

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the United States Fish and Wildlife Service, $45,970,000, to be derived from the Land and Water Conservation Fund, to remain available until expended: *Provided*, That $2,640,000 for the Cape Charles National Wildlife Refuge shall become available for obligation only upon enactment of authorizing legislation.

NATIONAL WILDLIFE REFUGE FUND

For expenses necessary to implement the Act of October 17, 1978 (16 U.S.C. 715s), $5,645,000.

ADMINISTRATIVE PROVISIONS

Appropriations and funds available to the United States Fish and Wildlife Service shall be available for purchase of not to exceed 191 passenger motor vehicles of which 178 are for replacement only (including 67 for police-type use); purchase of 4 new aircraft for replacement; acceptance of one donated aircraft as an addition; not to exceed $300,000 for payment, at the discretion of the Secretary, for information, rewards, or evidence concerning violations of laws administered by the United States Fish and Wildlife Service and miscellaneous and emergency expenses of enforcement activities, authorized or approved by the Secretary and to be accounted for solely on his certificate; repair of damage to public roads within and adjacent to reservation areas caused by operations of the United States Fish and Wildlife Service; options for the purchase of land at not to exceed $1 for each option; facilities incident to such public recreational uses on conservation areas as are consistent with their primary purpose; and the maintenance and improvement of aquaria, buildings, and other facilities under the jurisdiction of the United States Fish and Wildlife Service and to which the United States has title, and which are utilized pursuant to law in connection with management and investigation of fish and wildlife resources: *Provided*, That pursuant to Public Law 98-244, funds advanced to or spent by the United States Fish and Wildlife Service for costs of the National Fish and Wildlife Foundation shall be repaid to the United States Fish and Wildlife Service from donations received by the Foundation and credited to the appropriation current at the time the payment is received.

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

For expenses necessary for the management, operation, and maintenance of areas and facilities administered by the National Park Service (including special road maintenance service to trucking permittees on a reimbursable basis), and for the general administration of the National Park Service, including not to exceed $410,000 for the Roosevelt Campobello International Park Commission, $490,000 for the Volunteers-in-the-Park program, and $350,000 for the National Capital Children's Museum and $350,000 for the Arena Stage as if authorized by the Historic Sites Act of 1935 (16 U.S.C. 462(e)), $628,996,000 without regard to the Act of August 24, 1912, as amended (16 U.S.C. 451): *Provided*, That the Park Service shall not enter into future concessionaire contracts, including renewals, that do not include a termination for cause clause that provides for possible extinguishment of possessory interests excluding depreciated book value of concessionaire investments without compensation: *Provided further*, That appropriations for maintenance and improvement of roads within the boundary of Indiana Dunes National Lakeshore shall be available for such purposes without regard to whether title to such road rights-of-way is in the United States.

NATIONAL RECREATION AND PRESERVATION

For expenses necessary to carry out recreation programs, natural programs, cultural programs, environmental compliance and review, and grant administration, not otherwise provided for, $11,467,000.

HISTORIC PRESERVATION FUND

For expenses necessary in carrying out the provisions of the Historic Preservation Act of 1966 (80 Stat. 915), as amended (16 U.S.C. 470), $24,410,000 to be derived from the Historic Preservation Fund, established by section 108 of that Act, as amended, to remain available for obligation until September 30, 1987.

VISITOR FACILITIES FUND

For grants to the National Park Foundation for reconstruction, rehabilitation, replacement, improvement, relocation, or removal of visitor facilities within the National Park System, and related expenses, as authorized by Public Law 97-433, $7,070,000 to remain available for obligation until September 30, 1989, to be derived from the National Park System Visitor Facilities Fund.

CONSTRUCTION

For construction, improvements, repair or replacement of physical facilities, without regard to the Act of August 24, 1912, as amended (16 U.S.C. 451), $104,069,000, to remain available until expended, including $3,168,000 to carry out the provisions of sections 303 and 304 of Public Law 95-290 and $2,000,000 to assist local communities to protect Mammoth Cave National Park from groundwater pollution: *Provided*, That the National Park Service share of the Mammoth Cave protection project shall not exceed 25 per centum: *Provided further*, That for payment of obligations incurred for continued construction of the Cumberland Gap Tunnel, as authorized by section 160 of Public Law 93-87, $10,300,000, to be derived from the Highway Trust Fund and to remain available until expended to liquidate contract authority provided under section 104(a)(8) of Public Law 95-599, as amended, such contract authority to remain available until expended: *Provided further*, That funds made available pursuant to this Act for the Cumberland Gap Tunnel shall only be available when the States of Kentucky and Tennessee have entered into an agreement with the National Park Service to operate and maintain all portions of U.S. Route 25E, including the Tunnel, within the boundaries of the Cumberland Gap National Historic Park.

LAND ACQUISITION AND STATE ASSISTANCE

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the National Park Service, $115,762,000, to be derived from the Land and Water Conservation Fund, to remain available until expended, of which $50,000,000 is for the State Assistance program including $1,650,000 to administer the program: *Provided*, That State administrative expenses associated with the State grant portion of the State Assistance program shall not exceed 15 percent: *Provided further*, That none of the State Assistance funds may be used as a contingency fund: *Provided further*, That of the amounts previously appropriated to the Secretary's contingency fund for grants to States, $852,000 shall be available in 1986 for administrative expenses of the State grant program.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

For expenses necessary for operating and maintaining the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, $4,529,000.

ILLINOIS AND MICHIGAN CANAL NATIONAL HERITAGE CORRIDOR COMMISSION

For the operation of the Illinois and Michigan Canal National Heritage Corridor Commission, $250,000.

JEFFERSON NATIONAL EXPANSION MEMORIAL COMMISSION

For the operation of the Jefferson National Expansion Memorial Commission, $75,000.

ADMINISTRATIVE PROVISIONS

Appropriations for the National Park Service shall be available for the purchase of not to exceed 1 aircraft and 286 passen-

ger motor vehicles, of which 242 shall be for replacement only, including not to exceed 174 for police-type use and 6 buses; to provide, notwithstanding any other provision of law, at a cost not exceeding $100,000, transportation for children in nearby communities to and from any unit of the National Park System used in connection with organized recreation and interpretive programs of the National Park Service; options for the purchase of land at not to exceed $1 for each option; and for the procurement and delivery of medical services within the jurisdiction of units of the National Park System: *Provided*, That any funds available to the National Park Service may be used, with the approval of the Secretary, to maintain law and order in emergency and other unforeseen law enforcement situations and conduct emergency search and rescue operations in the National Park System: *Provided further*, That none of the funds appropriated to the National Park Service may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: *Provided further*, That none of the funds appropriated to the National Park Service may be used to add industrial facilities to the list of National Historic Landmarks without the consent of the owner: *Provided further*, That the National Park Service may use helicopters and motorized equipment at Death Valley National Monument for removal of feral burros and horses.

GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

For expenses necessary for the Geological Survey to perform surveys, investigations, and research covering topography, geology, and the mineral and water resources of the United States, its Territories and possessions, and other areas as authorized by law (43 U.S.C. 31, 1332 and 1340); classify lands as to their mineral and water resources; give engineering supervision to power permittees and Federal Energy Regulatory Commission licensees; administer the minerals exploration program (30 U.S.C. 641); and publish and disseminate data relative to the foregoing activities; $428,098,000: *Provided*, That $52,324,000 shall be available only for cooperation with States or municipalities for water resources investigations: *Provided further*, That no part of this appropriation shall be used to pay more than one-half the cost of any topographic mapping or water resources investigations carried on in cooperation with any State or municipality: *Provided further*, That in fiscal year 1986 and thereafter, all amortization fees resulting from the Geological Survey providing telecommunications services shall be credited to this appropriation and be available for replacement or expansion of telecommunications services, to remain available until expended: *Provided further*, That the Geological Survey is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private.

ADMINISTRATIVE PROVISIONS

The amount appropriated for the Geological Survey shall be available for purchase of not to exceed 16 passenger motor vehicles, for replacement only; reimbursement to the General Services Administration for security guard services; contracting for the furnishing of topographic maps and for the making of geophysical or other specialized surveys when it is administratively determined that such procedures are in the public interest; construction and maintenance of necessary buildings and appurtenant facilities; acquisition of lands for observation wells; expenses of the United States National Committee on Geology; and payment of compensation and expenses of persons on the rolls of the Geological Survey appointed, as authorized by law, to represent the United States in the negotiation and administration of interstate compacts: *Provided*, That appropriations herein made shall be available for paying costs incidental to the utilization of services contributed by individuals who serve without compensation as volunteers in aid of work of the Geological Survey, and that within appropriations herein provided, Geological Survey officials may authorize either direct procurement of or reimbursement for expenses incidental to the effective use of volunteers such as, but not limited to, training, transportation, lodging, subsistence, equipment, and supplies: *Provided further*, That provision for such expenses or services is in accord with volunteer or cooperative agreements made with such individuals, private organizations, educational institutions, or State or local governments.

MINERALS MANAGEMENT SERVICE

LEASING AND ROYALTY MANAGEMENT

For expenses necessary for minerals leasing and environmental studies, regulation of industry operations, and collection of royalties, as authorized by law; for enforcing laws and regulations applicable to oil, gas, and other minerals leases, permits, licenses and operating contracts; and for matching grants or cooperative agreements; including the purchase of not to exceed 8 passenger motor vehicles for replacement only; $165,118,000, of which not less than $44,476,000 shall be available for royalty management activities including general administration: *Provided*, That notwithstanding any other provision of law, $125,200,000 shall be deducted from Federal onshore mineral leasing receipts prior to the division and distribution of such receipts between the States and the Treasury and shall be credited to miscellaneous receipts of the Treasury: *Provided further*, That notwithstanding any other provision of law, when in fiscal year 1986 and thereafter any permittee provides data and information to the Secretary pursuant to section 1352(a)(1)(C)(iii) of title 43, United States Code, the Secretary shall pay only the reasonable cost of reproducing such data and information.

BUREAU OF MINES

MINES AND MINERALS

For expenses necessary for conducting inquiries, technological investigations and research concerning the extraction, processing, use and disposal of mineral substances without objectionable social and environmental costs; to foster and encourage private enterprise in the development of mineral resources and the prevention of waste in the mining, minerals, metal and mineral reclamation industries; to inquire into the economic conditions affecting those industries; to promote health and safety in mines and the mineral industry through research; and for other related purposes as authorized by law, $122,298,000, of which $75,343,000 shall remain available until expended.

ADMINISTRATIVE PROVISIONS

The Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private: *Provided*, That the Bureau of Mines is authorized, during the current fiscal year, to sell directly or through any Government agency, including corporations, any metal or mineral product that may be manufactured in pilot plants operated by the Bureau of Mines, and the proceeds of such sales shall be covered into the Treasury as miscellaneous receipts.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

REGULATION AND TECHNOLOGY

For necessary expenses to carry out the provisions of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, $85,538,000, including the purchase of not to exceed 14 passenger motor vehicles, of which 9 shall be for replacement only; and uniform allowances of not to exceed $400 for each uniformed employee of the Office of Surface Mining Reclamation and Enforcement; and notwithstanding 31 U.S.C. 3302, an amount equal to receipts to the General Fund of the Treasury from performance bond forfeitures, estimated at $500,000 in fiscal year 1986, to remain available until expended.

ABANDONED MINE RECLAMATION FUND

For necessary expenses to carry out the provisions of title IV of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, including the purchase of not more than 21 passenger motor vehicles, of which 15 shall be for replacement only, to remain available until expended, $233,585,000, to be derived from receipts of the Abandoned Mine Reclamation Fund: *Provided*, That pursuant to Public Law 97-365, the Department of the Interior is authorized to utilize up to 20 percent from the recovery of the delinquent debt owed to the United States Government to pay for contracts to collect these debts: *Provided further*, That of the funds made available to the States to contract for reclamation projects authorized in section 406(a) of Public Law 95-87, administrative expenses may not exceed 15 percent: *Provided further*, That none of these funds shall be used for a reclamation grant to any State if the State has not established a system acceptable to the Office of Surface Mining Reclamation and Enforcement and agreed to participate in a nationwide data system through which all permit applications and permanent program permits are reviewed and either denied or revoked if the persons (or those who control such persons) applying for or receiving such permits have outstanding state or Federal civil penalties, outstanding state or Federal environmental violations, including cessation orders, or past due Abandoned Mine Land fees: *Provided further*, That none of the funds available to the States pursuant to title IV of Public Law 95-87, shall be granted to any State which is failing to take enforcement action when violations of section 521(a) of the Act or the approved State programs are observed, unless that State has entered into an explicit agreement with the Office of Surface Mining Reclamation and Enforcement to remedy said failure to enforce: *Provided further*, That the Office of Surface Mining Reclamation and Enforcement is to apportion the funding for the Secretary's discretionary fund, as referenced in section 402(g)(3) of Public Law 95-87, on the basis of the Abandoned Mine Lands Inventory: *Provided further*, That expenditure of moneys as authorized in section 402(g)(3) shall be on a priority basis with the first pri-

ority being protection of public health, safety, general welfare, and property from extreme danger of adverse effects of coal mining practices, as stated in section 403 of Public Law 95-87: *Provided further,* That no State will be awarded a reclamation grant, for the purposes of construction, unless its prior years' unobligated balances of the amount is less than the amount of the grant obligated in the immediately preceding year.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

For operation of Indian programs by direct expenditure, contracts, cooperative agreements and grants including expenses necessary to provide education and welfare services for Indians, either directly or in cooperation with States and other organizations, including payment of care, tuition, assistance, and other expenses of Indians in boarding homes, institutions, or schools; grants and other assistance to needy Indians; maintenance of law and order; management, development, improvement, and protection of resources and appurtenant facilities under the jurisdiction of the Bureau of Indian Affairs, including payment of irrigation assessments and charges; acquisition of water rights; advances for Indian industrial and business enterprises; operation of Indian arts and crafts shops and museums; development of Indian arts and crafts, as authorized by law; for the general administration of the Bureau of Indian Affairs, including such expenses in field offices, $857,303,000, of which not to exceed $54,656,000 for higher education scholarships and assistance to public schools under the Act of April 16, 1934 (48 Stat. 596), as amended (25 U.S.C. 452 et seq.), shall remain available for obligation until September 30, 1987, and the funds made available to tribes and tribal organizations through contracts authorized by the Indian Self-Determination and Education Assistance Act of 1975 (88 Stat. 2203; 25 U.S.C. 450 et seq.) shall remain available until September 30, 1987: *Provided,* That this carryover authority does not extend to programs directly operated by the Bureau of Indian Affairs; and includes expenses necessary to carry out the provisions of section 19(a) of Public Law 93-531 (25 U.S.C. 640(d)-18(a)), $2,886,000, to remain available until expended: *Provided further,* That none of these funds shall be expended as matching funds for programs funded under section 103(a)(1)(B)(iii) of the Vocational Education Act of 1963, as amended (20 U.S.C. 2303(a)(1)(B)(iii)): *Provided further,* That no part of any appropriations to the Bureau of Indian Affairs shall be available to provide general assistance payments for Alaska Natives in the State of Alaska unless and until otherwise specifically provided for by Congress.

CONSTRUCTION

For construction, major repair and improvement of irrigation and power systems, including architectural and engineering services by contract; acquisition of lands and interests in lands; preparation of lands for farming; and construction, repair, and improvement of Indian housing, $45,195,000, to remain available until expended: *Provided,* That such amounts as may be available for the construction of the Navajo Indian Irrigation Project may be transferred to the Bureau of Reclamation.

ROAD CONSTRUCTION

For construction of roads and bridges pursuant to authority contained in 23 U.S.C. 203, the Act of November 2, 1921 (42 Stat. 208; 25 U.S.C. 13), and the Act of May 26, 1928 (45 Stat. 750; 25 U.S.C. 318a), $785,000 to remain available until expended: *Provided,* That not to exceed 5 percent of contract authority available to the Bureau of Indian Affairs from the Federal Highway Trust Fund may be used to cover roads program management costs and construction supervision costs of the Bureau of Indian Affairs.

TRIBAL TRUST FUNDS

In addition to the tribal funds authorized to be expended by existing law, there is hereby appropriated not to exceed $4,000,000 from tribal funds not otherwise available for expenditure.

REVOLVING FUND FOR LOANS

During fiscal year 1986, and within the resources and authority available, gross obligations for the principal amount of direct loans pursuant to the Indian Financing Act of 1974 (88 Stat. 77; 25 U.S.C. 1451 et seq.), shall not exceed $16,300,000.

INDIAN LOAN GUARANTY AND INSURANCE FUND

For payment of interest subsidies on new and outstanding guaranteed loans and for necessary expenses of management and technical assistance in carrying out the provisions of the Indian Financing Act of 1974, as amended (88 Stat. 77; 25 U.S.C. 1451 et seq.), $2,210,000, to remain available until expended: *Provided,* That during fiscal year 1986, total commitments to guarantee loans pursuant to the Indian Financing Act of 1974 (88 Stat. 77; 25 U.S.C. 1451 et seq.), may be made only to the extent that the total loan principal, any part of which is to be guaranteed, shall not exceed resources and authority available.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Indian Affairs (except the revolving fund for loans and the Indian loan guarantee and insurance fund) shall be available for expenses of exhibits; and purchase of not to exceed 150 passenger carrying motor vehicles, of which 100 shall be for replacement only.

TERRITORIAL AND INTERNATIONAL AFFAIRS

ADMINISTRATION OF TERRITORIES

For expenses necessary for the administration of territories under the jurisdiction of the Department of the Interior, $74,752,000, of which (1) $72,367,000 shall be available until expended for technical assistance; grants to the judiciary in American Samoa for compensation and expenses, as authorized by law (48 U.S.C. 1661(c)); grants to the Government of American Samoa, in addition to current local revenues, for support of governmental functions; $2,000,000 for a loan to the Government of the United States Virgin Islands, for construction of an extension to the Alexander Hamilton Airport runway, St. Croix, at an interest rate of 4 per centum, to be repaid within a period of twelve years: *Provided,* That issuance of such loan shall be contingent upon approval of a multiyear grant of Airport Improvement Program funds from the Federal Aviation Administration, and a written guarantee from the Government of the United States Virgin Islands as to the source of funds to be used for repayment of the loan; construction grants to the Government of Guam of $5,393,000, as authorized by law (Public Law 98-454, 98 Stat. 1732); direct grants to the Government of the Northern Mariana Islands as authorized by law (Public Law 94-241, 90 Stat. 272, and Public Law 98-454, 98 Stat. 1732); and (2) $2,385,000 for fiscal year 1986 for salaries and expenses of the Office of Territorial and International Affairs, of which not to exceed $1,000 shall be available during 1986 for official reception and representation expenses: *Provided further,* That the territorial and local governments herein provided for are authorized to make purchases through the General Services Administration: *Provided further,* That all financial transactions of the territorial and local governments herein provided for, including such transactions of all agencies or instrumentalities established or utilized by such governments, shall be audited by the General Accounting Office, in accordance with the provisions of the Budget and Accounting Act, 1921 (42 Stat. 23), as amended, and the Accounting and Auditing Act of 1950 (64 Stat. 834).

TRUST TERRITORY OF THE PACIFIC ISLANDS

For expenses necessary for the Department of the Interior in administration of the Trust Territory of the Pacific Islands pursuant to the Trusteeship Agreement approved by joint resolution of July 18, 1947 (61 Stat. 397), and the Act of June 30, 1954 (68 Stat. 330), as amended (90 Stat. 299; 91 Stat. 1159; 92 Stat. 495), grants for the expenses of the High Commissioner of the Trust Territory of the Pacific Islands; grants for the compensation and expenses of the Judiciary of the Trust Territory of the Pacific Islands; grants to the Trust Territory of the Pacific Islands, in addition to local revenues, for support of governmental functions; $107,972,000, of which $85,022,000 is for operations, of which $2,500,000, to remain available until expended, shall be available for the relocation and resettlement of the people of Enjebi (the dri-Enjebi) on Enjebi Island on Enewetak Atoll in the Marshall Islands: *Provided,* That such sum shall be paid to a trustee selected by the local council of Enewetak subject only to the disapproval of the Secretary of the Interior to be held in trust pursuant to the provisions of a trust agreement or amendment thereto approved by the local council of Enewetak subject only to the disapproval of the Secretary of the Interior: *Provided further,* That such fund and the earnings and distribution therefrom shall not be subject to any form of Federal, State, or local taxation: *Provided further,* That the Governments of the United States and the Trust Territory of the Pacific Islands shall not be liable in any cause of action in law or equity from the administration and distribution of the trust funds: *Provided further,* That the funds shall not be paid to the trustee until the people of Enjebi and the local council of Enewetak have entered into a binding agreement with the United States to hold the United States harmless from loss, damage, and liability associated with resettlement of Enjebi by the people of Enjebi; and $22,950,000 is for construction, to remain available until expended: *Provided further,* That all financial transactions of the Trust Territory, including such transactions of all agencies or instrumentalities established or utilized by such Trust Territory, shall be audited by the General Accounting Office in accordance with the provisions of the Budget and Accounting Act, 1921 (42 Stat. 23), as amended, and the Accounting and Auditing Act of 1950 (64 Stat. 834): *Provided further,* That the government of the Trust Territory of the Pacific Islands is authorized to make purchases through the General Services Administration.

DEPARTMENTAL OFFICES

OFFICE OF THE SECRETARY

For necessary expenses of the Office of the Secretary of the Interior, $40,856,000, of which not to exceed $10,000 may be for official reception and representation expenses.

OFFICE OF THE SOLICITOR

SALARIES AND EXPENSES

For necessary expenses of the Office of the Solicitor, $20,266,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General, $15,117,000.

CONSTRUCTION MANAGEMENT

For necessary expenses of the Office of Construction Management, $87,890,000, including $45,000,000 for operation and maintenance of facilities under the jurisdiction of the Bureau of Indian Affairs and also including $41,990,000, to remain available until expended, for construction, major repair and improvement of buildings, utilities, and other facilities, under the jurisdiction of the Bureau of Indian Affairs, including architectural and engineering services by contract.

ADMINISTRATIVE PROVISIONS

There is hereby authorized for acquisition from available resources within the Working Capital Fund, 5 additional aircraft, all of which shall be for replacement only: *Provided*, That no programs funded with appropriated funds in the "Office of the Secretary", "Office of the Solicitor", and "Office of Inspector General" may be augmented through the Working Capital Fund or the Consolidated Working Fund.

GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR

SEC. 101. Appropriations made in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement, or repair of aircraft, buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: *Provided*, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted.

SEC. 102. No funds provided in this title may be used to sell or exchange, or to propose to sell or exchange, lands owned by the United States within a unit of the United States National Wildlife Refuge System or the National Park System.

SEC. 103. Appropriations made in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by sections 1535 and 1536 of title 31, U.S.C.: *Provided*, That reimbursements for costs and supplies, materials, equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

SEC. 104. Appropriations made to the Department of the Interior in this title shall be available for services as authorized by 5 U.S.C. 3109, when authorized by the Secretary, in total amount not to exceed $300,000; hire, maintenance, and operation of aircraft; hire of passenger motor vehicles; purchase of reprints; payment for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members: *Provided*, That no funds available to the Department of the Interior are available for any expenses of the Great Hall of Commerce.

SEC. 105. Appropriations available to the Department of the Interior for salaries and expenses shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902 and D.C. Code 4-204).

SEC. 106. Appropriations made in this title shall be available for obligation in connection with contracts issued by the General Services Administration for services or rentals for periods not in excess of twelve months beginning at any time during the fiscal year.

SEC. 107. The Secretary may authorize the expenditure or transfer of any no year appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for: the suppression or emergency preventive of forest range fires on or threatening lands under jurisdiction of the Department of the Interior; for the emergency rehabilitation of burned-over lands under its jurisdiction; for emergency actions related to potential or actual earthquakes or volcanoes; for emergency reclamation projects under section 410 of Public Law 95-87; and shall transfer, from any no year funds available to the Office of Surface Mining Reclamation and Enforcement, such funds as may be necessary to permit assumption of regulatory authority in the event a primacy State is not carrying out the regulatory provisions of the Surface Mining Act: *Provided*, That appropriations made in this title for fire suppression purposes shall be available for the payment of obligations incurred during the preceding fiscal year, and for reimbursement to other Federal agencies for destruction of vehicles, aircraft, or other equipment in connection with their use for fire suppression purposes, such reimbursement to be credited to appropriations currently available at the time of receipt thereof: *Provided further*, That funds transferred pursuant to this section must be replenished by a supplemental appropriation which must be requested as promptly as possible.

SEC. 108. No funds provided in this title may be expended by the Department of the Interior for the preparation for, or conduct of, pre-leasing and leasing activities (including but not limited to: calls for information, tract selection, notices of sale, receipt of bids and award of leases) of lands within:

(a) An area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), located in the Atlantic Ocean, bounded by the following line: from the intersection of the seaward limit of the Commonwealth of Massachusetts territorial sea and the 71 degree west longitude line south along that longitude line to its intersection with the line which passes between blocks 598 and 642 on Outer Continental Shelf protraction diagram NK 19-10; then along that line in an easterly direction to its intersection with the line between blocks 600 and 601 of protraction diagram NK 19-11; then in a northerly direction along that line to the intersection with the 60 meter isobath between blocks 204 and 205 of protraction diagram NK 19-11; then along the 60 meter isobath, starting in a roughly southeasterly direction; then turning northeast and north until such isobath intersects the maritime boundary between Canada and the United States of America, then north northeasterly along this boundary until this line intersects the 60 meter isobath at the northern edge of block 851 of protraction diagram NK 19-6; then along a line that lies between blocks 851 and 807 of protraction diagram NK 19-6 in a westerly direction to the first point of intersection with the seaward limit of the Commonwealth of Massachusetts territorial sea; then southwesterly along the seaward limit of the territorial sea to the point of beginning at the intersection of the seaward limit of the territorial sea and the 71 degree west longitude line.

(b) The following blocks are excluded from the described area: In protraction diagram NK 19-10, blocks numbered 474 through 478, 516 through 524, 560 through 568, and 604 through 612; in protraction diagram NK 19-6, blocks numbered 969 through 971; in protraction diagram NK 19-5, blocks numbered 1005 through 1008; and in protraction diagram NK 19-8, blocks numbered 37 through 40, 80 through 84, 124 through 127, and 168 through 169.

(c) The following blocks are included in the described area: In protraction diagram NK 19-11, blocks numbered 633 through 644, 677 through 686, 721 through 724, 765 through 767, 809 through 810, and 853; in protraction diagram NK 19-9, blocks numbered 106, 150, 194, 238, 239, and 283; and in protraction diagram NK 19-6, blocks numbered 854, 899, 929, 943, 944, and 987.

(d) Blocks in and at the head of submarine canyons: An area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (45 U.S.C. 1331(a)), located in the Atlantic Ocean off the coastline of the Commonwealth of Massachusetts, lying at the head of, or within the submarine canyons known as Atlantis Canyon, Veatch Canyon, Hydrographer Canyon, Welker Canyon, Oceanographer Canyon, Gilbert Canyon, Lydonia Canyon, Alvin Canyon, Powell Canyon, and Munson Canyon, and consisting of the following blocks, respectively:

(1) On Outer Continental Shelf protraction diagram NJ 19-1; blocks 36, 37, 38, 42-44, 80-82, 86-88, 124, 125, 130-132, 168, 169, 174-176, 212, 213.

(2) On Outer Continental Shelf protraction diagram NJ 19-2; blocks 8, 9, 17-19, 51-52, 53, 54, 61-63, 95-98, 139, 140.

(3) On Outer Continental Shelf protraction diagram NK 19-10; blocks 916, 917, 921, 922, 960, 961, 965, 966, 1003-1005, 1009, 1011.

(4) On Outer Continental Shelf protraction diagram NK 19-11; blocks 521, 522, 565, 566, 609, 610, 653-655, 697-700, 734, 735, 741-744, 769, 778-781, 785-788, 813, 814, 822-826, 829-831, 857, 858, 866-869, 873-875, 901, 902, 910-913, 917, 945-947, 955, 956, 979, 980, 989-991, 999.

(5) On Outer Continental Shelf protraction diagram NK 19-12; blocks 155, 156, 198, 199, 280-282, 324-326, 369-371, 401, 413-416, 442-446, 450, 451, 489-490, 494, 495, 530, 531, 533-540, 574, 575, 577-583, 618, 619, 621-623, 626, 627, 662, 663, 665-667, 671, 672, 706, 707, 710, 711, 750, 751, 754, 755, 794, 795, 798, 799.

(e) Nothing in this section shall prohibit the lease of that portion of any blocks described in subsection (d) above which lies outside the geographical boundaries of the submarine canyons and submarine canyon heads described in subsection (d) above: *Provided*, That for purposes of this subsection, the geographical boundaries of the subma-

rine canyons and submarine canyon heads shall be those recognized by the National Oceanographic and Atmospheric Administration, Department of Commerce, on the date of enactment of this Act.

(f) Nothing in this section shall prohibit the Secretary of the Interior from granting contracts for scientific study, the results of which could be used in making future leasing decisions in the planning area and in preparing environmental impact statements as required by the National Environmental Policy Act.

(g) References made to blocks, protraction diagrams, and isobaths are to such blocks, protraction diagrams, and isobaths as they appear on the map entitled Outer Continental Shelf of the North Atlantic from 39° to 45° North Latitude (Map No. MMS-10), prepared by the United States Department of the Interior, Minerals Management Service, Atlantic OCS Region.

SEC. 109. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance changing the name of the mountain located 63 degrees, 04 minutes, 15 seconds west, presently named and referred to as Mount McKinley.

SEC. 110. Notwithstanding any other provision of law, appropriations in this title shall be available to provide insurance on official motor vehicles, aircraft, and boats operated by the Department of the Interior in Canada and Mexico.

SEC. 111. No funds provided in this title may be used to detail any employee to an organization unless such detail is in accordance with Office of Personnel Management regulations.

SEC. 112. Upon written request of the Governor of the State of Pennsylvania describing the land to be conveyed, the Secretary of the Interior is authorized to enter into an agreement for the conveyance to the State of Pennsylvania, or to any political subdivision or governmental agency of the State, of all right, title, and interest of the United States in and to a parcel of land, not to exceed 110 acres, within the Delaware Water Gap National Recreation Area in Pennsylvania. Upon conveyance such land shall not be part of such recreation area. Such conveyance shall be without monetary consideration and shall be subject to such terms and conditions as the Secretary considers appropriate, including provisions for reversion of such land if the Secretary determines that it is not being used in furtherance of the Pocono Mountains Center for the Arts. No funds of the United States may be used for the construction or operation of any such center, including routine maintenance, security services, utilities, site construction planning, or construction of parking areas.

Mr. YATES (during the reading). Mr. Chairman, I ask unanimous consent that titles I and III be read by titles and that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. Are there any points of order against title I?

POINT OF ORDER

Mr. VENTO. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman from Minnesota will state his point of order.

Mr. VENTO. Mr. Chairman, I make a point of order against section 112 on page 38 beginning on line 18 and proceeding through line 10 on page 39. Section 112 is a violation of rule XXI, clause 2. This language is legislation in an appropriation bill.

Mr. Chairman, the specific provision in question would authorize the deletion of 110 acres of national parkland from the Delware Water Gap National Recreation Area for development by the State of Pennsylvania of a Pocono Mountain Center for the Arts. As chairman of the Subcommittee on National Parks and Recreation, I am concerned about this inappropriate attempt to use the appropriations process to alter park boundaries. This action I think subverts the long standing policy of the Committee on Interior and Insular Affairs to give careful consideration to any deletion of park property.

Section 112 authorizes the Secretary of the Interior to take an affirmative action to convey lands to Pennsylvania—a power he presently does not possess.

The precedents of the House clearly establish that an appropriations bill may not impose additional duties on Federal officials which are not authorized by law.

In addition, the intent of this provision is to change the use of lands which have been included by law in the National Park System, actually a national recreational area.

By definition, the Congress has exempted national parklands from the normal provisions of law regarding the disposal of Federal property. This provision has the effect of amending that statutory injunction by providing for the transfer of parklands not otherwise authorized by law.

It was only recently that I was made aware of the existence of the Pocono Arts Center proposal. To date, little information has been made available as to just what this proposal would entail. In conferring with National Park Service officials, I find that no feasibility study has been done on the proposed site for the Arts Center.

PARLIAMENTARY INQUIRY

Mr. REGULA. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. REGULA. Mr. Chairman, I think the gentleman has gone beyond the point of order in getting into the substance here.

The CHAIRMAN. The gentleman must confine his remarks to the point of order and not to the merits of the section.

Mr. VENTO. Mr. Chairman, just in conclusion, as a matter of policy and procedural standpoint, section 112 does not belong in the Interior appropriations bill.

The CHAIRMAN. Does any other Member desire to be heard on the point of order?

Mr. McDADE. Mr. Chairman, I rise to concede the point of order, but I would like to be heard.

The CHAIRMAN. Is the gentleman from Pennsylvania requesting to be heard on the point of order?

Mr. McDADE. Well, Mr. Chairman, I concede the point of order. The gentleman was speaking beyond the scope of the point of order.

The CHAIRMAN. The gentleman's remarks have been finished on that matter.

Mr. McDADE. Mr. Chairman, I concede the point of order.

The CHAIRMAN. As long as the gentleman concedes the point of order, that is sufficient.

Does any other Member wish to be heard?

If not, the Chair rules that the point of order is conceded, sustained, and the section in controversy is stricken.

Mr. McDADE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I did not know that my colleague was going to do this, although I did write him a letter indicating that I would not press this item, which is an item in my congressional district, so I do not object to his point of order at all. In fact, it is appropriate; but I do have an understanding, I believe, with the gentleman from Minnesota that there will be very timely hearings in his committee on this project and the gentleman very kindly indicated that to me.

I yield to the gentleman if he wishes to respond.

Mr. VENTO. Mr. Chairman, I thank the gentleman.

I think it comes as no surprise to the gentleman and I certainly did not intend to surprise the gentleman with regard to raising this point of order; but we have been seeking information and we certainly will give this matter further consideration. I appreciate the gentleman's cooperation.

Mr. McDADE. Mr. Chairman, I thank the gentleman.

Let me say to my colleagues so that the record is clear. This is 110 acres of land. It does represent, I suppose, some departure from policy, one can always argue that. It is something that I have worked on for 4 years. It is a transfer of a few acres in a national recreation area to the Commonwealth of Pennsylvania, which has pledged to construct at no cost to the Federal Government an arts center. This is an area that is a national recreation area that was created back in the administration of President Kennedy. It is an

area that I have an intense interest in. It is a project that I have worked on for over 4 years.

I agree to the prerogatives of my colleague, the gentleman from Minnesota, and we will be down with people who will address the subject with him. I want to see it done in a timely way.

□ 1720

It is, I think, an important project that can bring, in a cost-effective way, enormous benefits to a lot of people in this country.

I thank the gentleman.

The CHAIRMAN. Are there any further points of order?

Are there any further amendments to title I?

AMENDMENT OFFERED BY MR. SHAW

Mr. SHAW. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHAW: Page 14, line 22, strike out "$4,529,000" and insert in lieu thereof "$4,438,000".

Mr. SHAW. Mr. Chairman, the amendment I am offering would reduce the amount appropriated in the bill to the National Park Service for the operations and maintenance at the John F. Kennedy Center for the Performance Arts by $90,580 or 2 percent.

This appropriation has not been authorized and exceeds the amount which has already been approved by the House Committee on Public Works and Transportation.

Earlier this year, the Public Works Committee recommended to the Budget Committee a 2-percent reduction in this programmatic area and consistent with that recommendation the Subcommitte on Public Buildings and Grounds, accepting its responsibility, reduced the administration-requested funding for the Kennedy Center to $4,438,420.

Since the rule on this bill prohibits a point or order against this provision, I am offering this amendment which would implement committee's position regarding the funding for the center in fiscal year 1986.

I would ask each of you, at a time when we are being asked to scrutinize all programs across the board, and to reduce and not merely give rhetoric to reducing the deficit, what program cannot afford a 2-percent reduction?

In many other programs, including those affecting those on Social Security and Veterans Pensions we are asking for far greater sacrifices than this.

If we reject this amendment, I think it is clear to us and to the public that all we are saying like we have said so many times before, is that we would like to reduce spending, but not our own.

Mr. Chairman, my amendment does not propose draconian cuts in the funding at the Center but it would require that the Center, like all other agencies and programs, bear their fair share of the responsibility in our efforts to reduce the deficit.

I would urge the Members to adopt the amendment.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I am glad to yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, let me say that the Apropriations Committee is in a quandary on this, because it respects the gentleman's reduction, and yet the chairman of the full committee says that he opposes the gentleman's reduction, that the gentleman's reduction was approved in subcommittee rather than full committee, and that the chairman proposed to contest it in full committee.

Had the full committee accepted the gentleman's amendment, let me say, I was prepared to accept it. But what we have done in this case is to accept the budget recommendation sent to the committee by the President.

Under the circumstances, in view of the fact that the committee has not acted finally, I do not think our committee can accept the amendment.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I will be glad to yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, the chairman of the subcommittee has made a good point; I would again emphasize that this reflects the administration's request, and they have the responsibility of operating the Kennedy Center. It is the same level as fiscal year 1985. It is, in effect, a freeze at the 1985 level.

I would emphasize again also that the level of visitation at the Kennedy Center, in addition to performances, is quite large. It is one of the most popular items for people to visit when they come to Washington, and therefore, the maintenance costs are a severe problem resulting from the traffic flow of people.

For that reason, I would have to oppose the amendment.

Mr. YATES. Mr. Chairman, will the gentleman yield on one further point?

Mr. SHAW. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I look at the committee print of the Appropriations Committee, and I learn that the amount made available to the Park Service for fiscal year 1984 was actually $20,000 higher than the amount made available in fiscal year 1985, and therefore, in fiscal year 1986. So, we are moving in the direction of lower costs.

The point I want to make is that this committee does not want to get into an intramural fight between the gentleman and the full committee, and would request, therefore, that the gentleman fight it out in his full committee and come to us rather than letting us do it.

Mr. SHAW. If I might reclaim my time, this is the problem that we have, because of the points of order and the rule that we are here on, and the fact that the gentleman has been successful in getting around the point of order on this particular point.

I have made this on my statement. The subcommittee has completed its work on this matter. It now sits before the full committee. This amount has not been authorized, and we are getting back into the same crunch that we were in before.

Mr. HOWARD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Florida.

That amendment proposes to reduce the fiscal year 1986 appropriation for the John F. Kennedy Center for the Performing Arts 2 percent below this year's level of funding.

It is my understanding that this amendment is being offered primarily on the basis of so-called recommendations made by the Committee on Public Works and Transportation to the Budget Committee during formulation of the fiscal year 1986 budget resolution.

Let me clarify this.

No formal recommendations were ever submitted to the Budget Committee by the Public Works Committee. Rather, suggestions covering a wide range of possible program reductions were presented with the full awareness that the congressional budget process may result in changes in these.

In fact, the House-passed fiscal year 1986 budget resolution assumes no cut in funding for the Kennedy Center below this year's level. Rather, it assumes the so-called freeze level—even rounding that figure to the next million. The freeze level is the exact amount which is included in this appropriation bill.

Further, in maintaining the same level of funding in fiscal year 1986, the National Park Service's Kennedy Center budget reflects absorption of the full-year costs of the 1985 pay increase equaling $71,000. The fiscal year 1986 budget also reflects the proposed 5-percent employee salary decrease which resulted in a $71,000 reduction in total personnel costs. In addition, two cyclic maintenance projects totaling approximately $35,000 were deferred to stay within the fiscal year 1985 budget level. We have been advised by the National Park Service that cuts below this year's level would further delay critical and necessary Kennedy Center maintenance programs—many of which are already long overdue.

In addition, Mr. Chairman, on May 23, 1985, the Senate passed S. 710

which authorizes the freeze level for fiscal year 1986 for the Kennedy Center. H.R. 2392, as introduced, would also authorize the "freeze" level for fiscal year 1986.

"Going below the freeze" at a time when the budget resolution, relevant authorization bills, this appropriation bill and program needs assume and dictate otherwise, does not speak to sound fiscal policy.

Mr. Chairman, I urge defeat of this amendment.

Mr. Chairman, I would like to read some testimony that was presented to our committee on May 8, 1985. It is a statement by Manus J. Fish, Jr., the Regional Director of the National Park Service, Department of the Interior on hearings that we held concerning the administration's position on the 1986 budget request for the John F. Kennedy Center for the Performing Arts.

I read as follows: "The President's 1986 budget request of $4,529,000 for the Kennedy Center maintains the same level of funds as the fiscal year 1985 appropriation."

So this is exactly the amount that was requested by the administration in the budget proposal that was sent to our committee in our hearings, and I urge the defeat of the amendment and yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. SHAW].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SHAW. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 200, noes 227, answered "present" 1, not voting 5, as follows:

[Roll No. 280]

AYES—200

Archer	Crane	Gekas
Armey	Daniel	Gibbons
Badham	Dannemeyer	Gingrich
Barnard	Darden	Glickman
Barton	Daub	Goodling
Bates	Davis	Gregg
Bennett	DeLay	Gunderson
Bentley	DeWine	Hall, Ralph
Bereuter	Dickinson	Hamilton
Bilirakis	DioGuardi	Hammerschmidt
Boulter	Dornan (CA)	Hansen
Breaux	Dowdy	Hartnett
Broomfield	Dreier	Hiler
Brown (CO)	Duncan	Hopkins
Broyhill	Eckert (NY)	Hubbard
Burton (IN)	Edwards (OK)	Huckaby
Callahan	Emerson	Hughes
Campbell	English	Hunter
Carney	Erdreich	Hutto
Carper	Evans (IA)	Hyde
Carr	Fawell	Jacobs
Chappie	Fiedler	Jenkins
Cheney	Fields	Jones (NC)
Coats	Fish	Jones (OK)
Cobey	Flippo	Jones (TN)
Coble	Franklin	Kanjorski
Combest	Frenzel	Kasich
Courter	Fuqua	Kindness
Craig	Gallo	Kolbe
Kramer	Nichols	Snowe
Lagomarsino	Nielson	Snyder
Latta	Oxley	Solomon
Leath (TX)	Packard	Spence
Lent	Panetta	Stallings
Lewis (CA)	Pashayan	Stangeland
Lewis (FL)	Penny	Stenholm
Lightfoot	Petri	Strang
Livingston	Porter	Stratton
Lloyd	Pursell	Stump
Lott	Quillen	Sundquist
Lujan	Ray	Sweeney
Lungren	Ritter	Swindall
Mack	Roberts	Tallon
MacKay	Robinson	Tauke
Madigan	Roemer	Tauzin
Martin (IL)	Roth	Taylor
Martin (NY)	Roukema	Thomas (GA)
McCain	Rowland (CT)	Traficant
McCandless	Rudd	Valentine
McCloskey	Saxton	Vander Jagt
McCollum	Schaefer	Vento
McCurdy	Schuette	Visclosky
McGrath	Sensenbrenner	Volkmer
McKernan	Shaw	Vucanovich
McMillan	Shumway	Walker
Meyers	Shuster	Weber
Michel	Siljander	Whitehurst
Miller (OH)	Sisisky	Whitley
Molinari	Skelton	Whittaker
Mollohan	Slattery	Wise
Monson	Slaughter	Wortley
Montgomery	Smith (IA)	Wyden
Moore	Smith (NE)	Wylie
Moorhead	Smith (NH)	Yatron
Murphy	Smith (NJ)	Young (AK)
Myers	Smith, Denny	Young (FL)
Neal	Smith, Robert	

NOES—227

Ackerman	Derrick	Kastenmeier
Addabbo	Dicks	Kemp
Akaka	Dingell	Kennelly
Alexander	Dixon	Kildee
Anderson	Donnelly	Kleczka
Andrews	Dorgan (ND)	Kolter
Annunzio	Downey	Kostmayer
Anthony	Durbin	LaFalce
Applegate	Dwyer	Lantos
Aspin	Dymally	Leach (IA)
Atkins	Dyson	Lehman (CA)
AuCoin	Early	Lehman (FL)
Barnes	Eckart (OH)	Leland
Bartlett	Edgar	Levin (MI)
Bateman	Edwards (CA)	Levine (CA)
Bedell	Evans (IL)	Lipinski
Beilenson	Fascell	Long
Berman	Fazio	Lowery (CA)
Bevill	Feighan	Lowry (WA)
Biaggi	Florio	Luken
Billey	Foglietta	Lundine
Boehlert	Foley	Manton
Boggs	Ford (MI)	Markey
Boland	Ford (TN)	Marlenee
Boner (TN)	Fowler	Martinez
Bonior (MI)	Frank	Matsui
Bonker	Frost	Mavroules
Borski	Garcia	Mazzoli
Bosco	Gaydos	McDade
Boucher	Gejdenson	McHugh
Boxer	Gephardt	McKinney
Brooks	Gilman	Mica
Brown (CA)	Gonzalez	Mikulski
Bruce	Gordon	Miller (CA)
Bryant	Gradison	Miller (WA)
Burton (CA)	Gray (IL)	Mineta
Bustamante	Gray (PA)	Mitchell
Byron	Green	Moakley
Chandler	Grotberg	Moody
Chappell	Guarini	Morrison (CT)
Clay	Hall (OH)	Morrison (WA)
Clinger	Hatcher	Mrazek
Coelho	Hawkins	Murtha
Coleman (MO)	Heftel	Natcher
Coleman (TX)	Hendon	Nelson
Collins	Henry	Nowak
Conte	Hertel	O'Brien
Conyers	Hillis	Oakar
Cooper	Holt	Oberstar
Coughlin	Horton	Obey
Coyne	Howard	Olin
Crockett	Hoyer	Ortiz
Daschle	Jeffords	Owens
de la Garza	Johnson	Parris
Dellums	Kaptur	Pease
Pepper	Scheuer	Torricelli
Perkins	Schneider	Towns
Pickle	Schroeder	Traxler
Price	Schulze	Udall
Rahall	Schumer	Walgren
Rangel	Seiberling	Watkins
Regula	Sharp	Waxman
Reid	Shelby	Weaver
Richardson	Skeen	Weiss
Ridge	Smith (FL)	Wheat
Rinaldo	Solarz	Whitten
Rodino	Spratt	Williams
Roe	St Germain	Wilson
Rogers	Staggers	Wirth
Rose	Stark	Wolf
Rostenkowski	Stokes	Wolpe
Rowland (GA)	Studds	Wright
Roybal	Swift	Yates
Russo	Synar	Young (MO)
Sabo	Thomas (CA)	Zschau
Savage	Torres	

ANSWERED "PRESENT"—1

Sikorski

NOT VOTING—5

Hayes	Ireland	McEwen
Hefner	Loeffler	

□ 1740

The Clerk announced the following pair:

On this vote:

Mr. Ireland for, with Mr. Hayes against.

Messrs. DONNELLY, MARLENEE, and REID, Mrs. HOLT, and Mrs. COLLINS changed their votes from "aye" to "no."

Mr. MONSON and Mr. SWEENEY changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1750

The CHAIRMAN. Are there any other amendments to title I?

Pursuant to House Resolution 240, it shall be in order to consider an amendment printed in the CONGRESSIONAL RECORD of July 23, 1985, by Representative SHARP, if offered by Representative SHARP or Representative CONTE, which shall not be subject to amendment but shall be debatable for one hour, to be equally divided and controlled by the proponent of the amendment and a Member opposed thereto.

The Clerk will read.

The Clerk read as follows:

TITLE II—RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST RESEARCH

For necessary expenses of forest research as authorized by law, $124,989,000, of which $4,000,000 shall remain available until expended for competitive research grants, as authorized by section 5 of Public Law 95-307.

STATE AND PRIVATE FORESTRY

For necessary expenses of cooperating with, and providing technical and financial assistance to States, Territories, possessions, and others; and for forest pest management activities, $56,193,000, to remain available for obligation until expended, to carry out activities authorized in Public Law 95-313: *Provided*, That a grant of $3,000,000 shall

be made to the State of Minnesota for the purposes authorized by section 6 of Public Law 95-495.

NATIONAL FOREST SYSTEM

For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, and for liquidation of obligations incurred in the preceding fiscal year for forest fire protection and emergency rehabilitation, including administrative expenses associated with the management of funds provided under the heads "Forest Research", "State and Private Forestry", "National Forest System", "Construction", and "Land Acquisition", $1,035,433,000, of which $158,408,000, for reforestation, timber stand improvement, and maintenance of forest development roads and trails shall remain available for obligation until September 30, 1987.

CONSTRUCTION

For necessary expenses of the Forest Service, not otherwise provided for, for construction, $183,785,000, to remain available until expended, of which $25,649,000 is for construction and acquisition of buildings and other facilities; and $158,136,000 is for construction of forest roads and trails by the Forest Service as authorized by 16 U.S.C. 532-538 and 23 U.S.C. 101 and 205: *Provided*, That funds becoming available in fiscal year 1986 under the Act of March 4, 1913 (16 U.S.C. 501), shall be transferred to the General Fund of the Treasury of the United States.

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the Forest Service, $29,500,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.

YOUTH CONSERVATION CORPS

There is appropriated $10,000,000, of which $3,400,000 is hereby transferred to "National Forest System", $3,300,000 is hereby transferred to "Operation of the National Park System", National Park Service, and $3,300,000 is hereby transferred to "Resource Management", United States Fish and Wildlife Service, for high priority projects which shall be carried out as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408.

ACQUISITION OF LANDS FOR NATIONAL FORESTS, SPECIAL ACTS

For acquisition of land within the exterior boundaries of the Cache, Uinta, and Wasatch National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, and Cleveland National Forests, California, as authorized by law, $780,000, to be derived from forest receipts.

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES

For acquisition of lands in accordance with the Act of December 4, 1967, as amended (16 U.S.C. 484a), all funds deposited by State, county or municipal governments, public school districts or other public school authorities pursuant to that Act, to remain available until expended.

RANGE BETTERMENT FUND

For necessary expenses of range rehabilitation, protection, and improvement in accordance with section 401(b)(1), of the Act of October 21, 1976, Public Law 94-579, as amended, 50 per centum of all moneys received during the prior fiscal year, as fees for grazing domestic livestock on lands in National Forests in the sixteen Western States, to remain available until expended.

MISCELLANEOUS TRUST FUNDS

For expenses authorized by 16 U.S.C. 1643(b), $90,000, to remain available until expended, to be derived from the fund established pursuant to 16 U.S.C. 1643(b).

ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Appropriations to the Forest Service for the current fiscal year shall be available for: (a) purchase of not to exceed 252 passenger motor vehicles of which 13 will be used primarily for law enforcement purposes and of which 233 shall be for replacement only; acquisition of 161 passenger motor vehicles from excess sources, and hire of such vehicles; operation and maintenance of aircraft, the purchase of not to exceed 2 for replacement only, and acquisition of 43 aircraft from excess sources; notwithstanding other provisions of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft; (b) services pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $100,000 for employment under 5 U.S.C. 3109; (c) uniform allowances for each uniformed employee of the Forest Service, not in excess of $400 annually; (d) purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (e) acquisition of land, waters, and interests therein, pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); (f) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C. 558a, 558d, 558a note); and (g) for debt collection contracts in accordance with 31 U.S.C. 3718(c).

None of the funds made available under this Act shall be obligated or expended to change the boundaries of any region, to abolish any region, to move or close any regional office for research, State and private forestry, or National Forest System administration of the Forest Service, Department of Agriculture, without the consent of the House and Senate Committees on Appropriations and the Committee on Agriculture, Nutrition, and Forestry in the United States Senate and the Committee on Agriculture in the United States House of Representatives.

Any appropriations or funds available to the Forest Service may be advanced to the National Forest System appropriation for the emergency rehabilitation of burned-over lands under its jurisdiction.

Appropriations and funds available to the Forest Service shall be available to comply with the requirements of section 313(a) of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1323(a)).

The appropriation structure for the Forest Service may not be altered without advance approval of the House and Senate Committees on Appropriations.

Funds appropriated to the Forest Service shall be available for assistance to or through the Agency for International Development and the Office of International Cooperation and Development in connection with forest and rangeland research and technical information and assistance in foreign countries.

Funds previously appropriated for timber salvage sales may be recovered from receipts deposited for use by the applicable national forest and credited to the Forest Service Permanent Appropriations to be expended for timber salvage sales from any national forest.

Provisions of section 702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257) shall apply to appropriations available to the Forest Service only to the extent that the proposed transfer is approved by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in House Report 97-942.

No funds appropriated to the Forest Service shall be transferred to the Working Capital Fund of the Department of Agriculture without the approval of the Chief of the Forest Service.

Not to exceed $900,000 shall be available from National Forest System appropriations or permanent appropriations for the specific purpose of removing slash and cull logs from the Bull Run, Oregon, watershed to preserve water quality and reduce fire hazards.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment made in order under the rule.

The Clerk read as follows:

Amendment offered by Mr. CONTE: Page 45, after line 18, insert the following new item:

DEPARTMENT OF THE TREASURY

ENERGY SECURITY RESERVE

(RESCISSION)

Except as otherwise provided in this item, all funds appropriated to the Energy Security Reserve are hereby rescinded. Funds so rescinded shall include all funds appropriated to the Energy Security Reserve by the Department of the Interior and Related Agencies Appropriations Act, 1980 (Public Law 96-126) and subsequently made available to carry out title I, part B, of the Energy Security Act by Public Laws 96-304 and 96-514, and shall be deposited in the general fund of the Treasury. This rescission shall not apply to:

(1) funds transferred from the Energy Security Reserve by this Act;

(2) $500,000,000, which may not be used for payments with respect to projects or modules under the Energy Security Act; and

(3) such amounts as may be necessary to make payments for projects or modules for which obligations were entered into under title I of the Energy Security Act before the date of enactment of this Act.

Mr. CONTE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The gentleman from Massachusetts [Mr. CONTE] will be recognized for 30 minutes, and a Member in opposition will be recognized for 30 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. CONTE].

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from Illinois.

Mr. YATES. Is this the so-called Synfuels amendment?

Mr. CONTE. This is the Conte-Sharp Synfuels amendment.

Mr. YATES. If the gentleman will yield further, in view of the action taken by the House last week in connection with the Synfuels Corporation, we are prepared to accept the gentleman's amendment.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from Ohio.

Mr. REGULA. I thank the gentleman for yielding.

Mr. Chairman, we, too, on the minority side have discussed this and recognize the vote last week. In view of that, we are prepared to accept the amendment.

Mr. SHARP. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Indiana [Mr. SHARP], the coauthor of this amendment.

Mr. SHARP. I appreciate the gentleman's yielding. Mr. Chairman, I urge the House to support the Sharp-Conte amendment to the Interior Appropriations bill which will save the taxpayers over $6 billion.

The rescission is the first step in closing down the unproductive Synthetic Fuels Corporation and transferring responsibility for a scaled down synfuels program to the Department of Energy.

In the last few years, the Federal deficit has skyrocketed while oil prices have fallen. The justification for immediate, massive investment in commercial scale synfuels production has disappeared.

The budget deficit requires that we eliminate any unnecessary spending, and the $6 billion that could be obligated by the Synfuels Corporation without congressional action is clearly unnecessary. The Nation's energy security needs will also be better served by the elimination of the Synfuels Corporation and the establishment of a more rationally scaled and paced effort in the appropriate Government agency.

The amendment, which is printed on the other side of the page, is simple. It rescinds all of the $7.9 billion available to the Synfuels Corporation except:

Whatever amount of money is transferred to the clean coal technology reserve by the bill; $500 million to be transferred to the Department of Energy in subsequent legislation; and,

Money for awards made by SFC before enactment of the bill.

Mr. CONTE. Mr. Chairman, I thank the gentleman for all of his cooperation in this matter.

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from New York [Mr. LAFALCE].

Mr. LAFALCE. Mr. Chairman. I rise in opposition to the amendment to the Interior Department appropriations bill offered by Mr. SHARP that would rescind all but $500 million from the amounts available to the Synthetic Fuels Corporation and prohibit the Corporation from using the $500 million for purposes other than administrative expenses.

Authorization legislation (H.R. 935) which would abolish the Synthetic Fuels Corporation and transfer $500 million to a scaled-down program for financial assistance for commercial applications of synthetic fuels technology in the Department of Energy is now before the Subcommittee on Economic Stabilization, which I chair, and will be taken under consideration by the subcommittee after the August recess.

The changes which would be brought about by this legislation and by the proposed amendment to the Interior Department appropriations bill represent yet another dramatic cutback in this country's alternative energy program. I am fearful that we may be moving too precipitously to dismantle a potentially very necessary program because of the pressure of currrent budgetary considerations, the changed nature of our immediate energy needs, and justifiable discomfiture with the Corporation's previous record. These problems can and must be solved, but we are far more likely to arrive at a correct solution if we proceed through the orderly legislative process, rather than attempting to address these issues throug the appropriations process as the proposed amendment calls for.

The issue has become the Synthetic Fuels Corporation. There is very good reason for that. The Corporation has an unimpressive record. It has funded only two projects in its 5-year history and has developed a reputation for being inappropriately generous with its funds. Five of seven Board members resigned as a result of scandal last year. But we have attempted to address these issues. Just last year, the Congress agreed to substantial cutbacks in the Synfuels Program and reconstituted the Corporation with new directors who, I believe, are attempting to scale the program down to realistic levels, to redefine its goals, to eliminate past abuses, and to institute sound managerial policies.

Although the new Board contains many former critics of the Corporation who can be expected to vigorously implement these reforms if given a chance, these measures may very well not suffice, and a more fundamental restructuring may be necessary. But in the course of these efforts, we must not abandon our commitment to a synthetic fuels program. This amendment will effectively abolish the Corporation, but it will abolish the program as well—a program difficult to establish, complex to administer, but critical to this country's energy future. Without authorizing legislation to establish the structure and policy parameters of a new program, we will be left with no mechanism for planning for our energy future.

On June 30, 1985, the Corporation submitted its first comprehensive strategy report. This report contains many recommendations and findings which should be carefully studied before settling upon any one legislative response. Similarly, we have not yet fully examined alternative institutional models which could house this important effort. Although transferring the Corporation's scaled down functions to DOE may save money and reduce application, we have no assurances that this would be the most efficient approach for achieving the program's goals. This can only be determined by exploring all possibilities in the regular course of legislative business.

Long-term planning is not this institution's forte, but we must not ignore what the future could hold. It is vital that this country have a viable synthetic fuels program. World supplies can be easily disrupted, and world oil prices may well undergo rapid increases within a few years despite the apparent current glut. Several of the oil exporting nations are potentially subject to future political unrest and instability. Yet, the United States still imports more than one-third of its oil needs, and by the year 2000 this figure is expected to rise to 50 percent. Within the next decade, the United States will completely exhaust its supply of proven reserves with little prospect of replacing them by increased exploration.

Despite these facts, potentially we remain energy rich: Our domestic supplies of coal and oil shale are sufficient to fill our energy needs for centuries. But unless we develop the technology to convert these solid fuels into liquid transportation fuels, they will continue to lie in the ground, as our payments for foreign oil increase. We cannot rely solely on the private sector to do so, nor can we achieve these goals without some linkage between basic and applied research and commercialization remains uncertain.

Opponents of the current program have argued that its projects are not economical. Mere economics is not the point. Naturally, the price of synfuels will initially be higher than comparable oil products. If synthetic fuels production were commercially feasible, there would be no need for Government involvement. The United States, however, needs the protection that a

domestic synfuels industry would provide in the event of future oil disruptions, and the present weakness in oil prices does not change that fact.

We should also not be overly swayed by claims that this measure will significantly reduce the current budget deficit. If the amendment passes, we will not immediately save $6 billion as some of the proponents suggest. Because the Corporation relies primarily on price and loan guarantees rather than direct cash outlays, the immediate dollar savings between now and 1990, as estimated by the Congressional Budget Office, will be approximately $332 million. The $6 billion savings will not be fully realized until 2005, and only then if the Corporation obligates all its current budget authority, a situation that in all probability will not occur. Not only are the potential budget savings overstated, but the proposed $500 million transfer to DOE, when coupled with the $750 million proposed for the Clean Coal Program, actually serves to increase cash outlays by $1.25 billion since these sums are currently lines of credit. What these figures demonstrate is that fiscal considerations, while important, should not be decisive in our deliberations regarding the fate of the Synfuels Program.

The program is a vital one. It may well have to be more radically restructured to ensure that it achieves its goals. I would urge, however, that we work cooperatively through the authorization process to ensure the continued operation of a synthetic fuels program deserving of our support.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from North Carolina.

Mr. BROYHILL. Mr. Chairman, One year ago, in connection with the fiscal year 1985 Interior appropriations bill, I asked my colleagues to stop the Synfuels Corporation from wasting money on bad projects. I said then that before you agree to keep funding the SFC, you ought to know what the SFC is likely to do with its money. I reviewed a chart that showed the eight projects that had received letters of intent.

One year later, I can use almost the same chart. The SFC has spent about $20 million in administrative expenses, but the chart is shorter because two of the eight projects have dropped out and none have been added. Although there has been much discussion of restructuring these remaining six projects, the Corporation has taken no action to revoke or amend the outstanding letters of intent.

Looking at projects 1 and 2, you can see that the Union Shale Oil Technology would receive more than half of the total funds remaining available to the SFC, nearly $5 billion. The price support level ought to be enough to stop you. Even worse, the fact is, Union still cannot get its technology to work.

Moving down the list, the Great Plains project is in limbo. It produces gas from Western coal at a price two to three times higher than the price of natural gas. Not surprisingly, the corporate sponsors are seeking price supports and refinancing of the $2.02 billion Federal loan guarantee they have already received. The Federal Government's options on Great Plains are pay a lot now or pay even more later. Fortunately, the Secretary of Energy has chosen not to throw good money after bad. At least we should learn something from Great Plains: Once you begin these enormous, uneconomical projects, their appetite for subsidies is insatiable.

The Northern Peat Energy project would turn peat moss into briquettes that could be used to replace wood or coal at three times the cost. Does that make sense to you? Wood and coal are our most abundant resources. The purpose of the SFC was supposed to be the production of alternatives to oil for use as liquid transportation fuels.

The last two projects are very small heavy oil and shale oil research projects, similar to efforts being done by other companies with no Federal assistance at all.

I urge my colleagues to look closely at this chart. These boondoggles are what you get by continuing the Synfuels Corporation, not energy security. Vote "aye" on the Conte-Sharp amendment.

LETTERS OF INTENT EXECUTED OR AUTHORIZED BY SFC

1. Union Oil Shale(II).	$2.7 billion price guarantees.	$92 per barrel...	Technology has not yet worked.
2. Cathedral Bluffs Oil Shale.	$2.19 billion loan and price guarantees.	$60 plus inflation per barrel.	83 percent of production from Union technology.
3. Great Plains Coal Gasification.	$720 million price guarantee in addition to $2.02 billion DOE loan guarantees.	$6.75 per million BTUs initially.	Sponsors can walk away in 1986 without paying more interest or principal.
4. Northern Peat.....	$365 million loan and price guarantees.	$10.50 per million BTUs.	No environmental permit: product replaces coal/wood.
5. Seep Ridge Oil Shale.	$45 million loan and price guarantees.	$42.50 per barrel plus inflation (raw shale oil).	1,000 bpd: really R&D scale.
6. Forest Hill Heavy Oil.	$60 million loan and price guarantees.	$37.50 per barrel.	1,750 bpd of heavy oil.

SUMMARY OF ARGUMENTS IN SUPPORT OF THE CONTE-SHARP AMENDMENT TO H.R. 3011—INTERIOR AND RELATED AGENCIES FISCAL YEAR 1986 APPROPRIATIONS

Rescission of all but $500 million of the Synthetic Fuels Corporation's funds would save the Government over $6 billion.

The Synthetic Fuels Corporation has compiled a record of inaction, excessive salaries and pensions, and has not contributed to the development of synfuels.

If the Congress does not act swiftly, billions of dollars may be obligated by the Synfuels Corporation without any congressional review.

Commercialization of current synfuels technologies will not prepare us for future petroelum disruptions. We do consumers no favor to replace $28 a barrel crude oil with $65–$90 a barrel shale oil, and this assumes that some liquid fuels plants are built that actually work. It hasn't happened yet except for one built with private money in Tennessee.

Private industry is working to improve Synfuels technology so that synthetic fuels can be an economical alternative to imported oil. Building commercial plants now is a very expensive way to prove what we already know: Current technology is inadequate to produce synfuels at anything close to current or projected oil prices.

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from Iowa.

Mr. TAUKE. I thank the gentleman for yielding, and I rise in support of the amendment.

The issue today is whether the Nation can afford an agency that has accomplished virtually nothing in the years it has been in operation except to spend money for salaries, quarters, and glossy reports. Others today will detail the Synfuels Corporation's conceptual and operating shortcomings. I want to discuss what are not issues today. The defenders of the Synfuels Corporation have dragged in so many red herrings that we could open up a fish market.

1. THIS IS NOT A TRADE ISSUE

The Synfuels Corporation can only make worse the terrible trade problem this Nation faces.

In 1982, the Office of Technology Assessment estimated that it would cost $250 to $400 billion 1980 dollars to construct enough plants to produce 5 million barrels per day of synfuels, and that assumes no cost overuns. Even if we could afford that kind of money, spending it on synfuels would increase our import bill.

First, more deficit spending means more pressure on interest rates and a higher dollar. That, in turn, opens the doors for more imports and prices American products out of world markets.

Second, we do not save jobs by providing industry with energy that costs three times more than everyone else in the world is paying for it.

2. THE SYNFUELS CORPORATION IS NOT A JOBS PROGRAM

Like any public works program, some jobs will be created in the few areas where plants are built, but they will be largely temporary. The permanent jobs that are created will depend upon continued Federal subsidies. Those are not the kind of jobs we ought to be creating.

3. THE SYNFUELS CORPORATION IS NOT ESSENTIAL TO THE DEVELOPMENT OF SYNFUELS

Private industry is moving ahead to develop good synfuels technology.

Shell and Pepco are planning coal gasification projects. Sohio, Atlantic Resources, Combustion Engineering, and other are moving to perfect coal-water technology. These are only a few examples. The point is, the Synfuels Corporation is not necessary to bring along domestic synfuels technology.

4. THE SYNFUELS CORPORATION IS NOT A STRATEGIC ASSET

The Synfuels Corporation has made no meaningful contribution to energy security. Given the state of synfuels technology and energy markets, it cannot. For years, the supporters of the Synfuels Corporation have told us the Corporation is essential to energy security. For years, they have told us to be patient with the Corporation. They were wrong 5 years ago when the Corporation was created. They are wrong now.

Vote yes on this amendment.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from Colorado.

Mr. WIRTH. Mr. Chairman, I rise in opposition to the amendment offered by the gentlemen from Indiana and Massachusetts—not because I wish to defend the Synthetic Fuels Corporation's record of mismanagement, delay, and inefficiency—but because I want my colleagues to understand that the proffered alternative synthetic fuels program which we will ultimately be presented with will be woefully inadequate and shortsighted for this Nation's long-term energy security. Under the amendment offered today, we are being asked to rescind all but $500 million of the funds which remain to the SFC after what amounted to virtually the same debate last year—a debate which ultimately ended in a very careful compromise which at that time rescinded a substantial amount of the then available funds. Today we're being asked to finish that job with the promise that we will then have an opportunity to replace the SFC with a $500 million synthetic fuels R&D program within the Department of Energy [DOE]. An affirmative vote on this amendment would break the promises we have made to countless communities throughout this Nation—a promise that the Federal Government is serious about developing the vast energy resources of western Colorado, Pennsylvania, Utah, and other States and a promise that we are committed to energy independence.

Those who want to abolish the SFC argue that passage of the amendment is necessary for both fiscal reasons and to stabilize our longer term energy options. None in this Chamber can argue with the absolute necessity of reducing Federal outlays—both today and in the longer term. But we must consider the ultimate financial and energy security fallout from adoption of the Conte-Sharp amendment.

Mr. Chairman, every Member should be alerted before they cast today's vote that, despite the current glut in the world marketplace and the complacency that glut may engender, the storm clouds of yet another energy crisis are slowly gathering. Last year, imports of foreign energy supplies actually rose for the first time since 1979. Last year, at the same time, energy demand also rose for the first time since 1979. In the face of that upward trend in demand, our producers have not responded with additional supplies—instead they have actually reduced exploration efforts. If, as recent projections indicate, demand continues to rise once again, the signal is dangerously clear. We will become more dependent on foreign supplies, not less—and that is not a policy this body should embrace.

Looking to our longer term energy options, the picture becomes even more sobering. Estimates of our offshore reserves are continually being downgraded—recently by as much as 55 percent. Estimates of proven onshore reserves remain sketchy, but nevertheless point to a finite supply. The promise of initiatives in conservation and renewables remains bright, but are stymied by a currently flat market and a shortsightedly diminished Federal commitment.

All of these domestic trends point to one frightening message for the 1990's—that the serious energy problems of the 1970's will reappear, and with them the severe economic shocks that so disrupted this Nation.

DOE estimates point to a rise in imports as a share of total supply from 30 percent to nearly 50 percent by 1995. At the same time, the Department's midrange estimates indicate a price of some $74 per barrel of oil by that time. Meanwhile, as our domestic production declines, as other free world supplies in the North Sea and other regions are depleted, as we wait for the sorely needed promise of conservation and renewables to be realized, greater and greater amounts of world energy reserves will be concentrated in the most volatile region of the world—the Persian Gulf. That portends a reemergence of the OPEC cartel as virtually the sole price leader in the world, a circumstance with which we are all painfully familiar.

Let's remember that the 1979 oil shock cost the OECD countries nearly $1 trillion in lost growth opportunities. Despite our increasingly successful efforts to attain greater energy use efficiencies in industrial processes, transportation, and residential uses, there is little evidence to suggest that we will not be as vulnerable—if not more vulnerable—to a similar shock in the 1990's. Consequently, we have but one defense and that is to prepare now for the 1990's—through accelerating the filling of our strategic petroleum reserve, by reinvigorating our commitments to conservation and renewables, by working with our domestic producers, and by answering the very legitimate environmental and techical questions which surround the production of synthetic fuels.

What of the broken promise of economic commitments? Communities throughout the Nation have invested millions of dollars based on the Federal promise of a major commitment to synthetic fuels development. In Colorado alone, the State and Western Slope communities have invested hundreds of millions in infrastructural and community improvements in anticipation of the development of Colorado's vast oil shale reserves. Those very same communities are now reeling from the retrenchments we have already made in synfuels development. Concurrently, agriculture—the other major economic base for the region—is reeling from its worst economic crisis since the Depression. Enactment of the Conte-Sharp amendment would serve up another economic slap in the face to those communities.

Western Colorado deserves an opportunity to break out of a cycle of boom and bust. Those communities deserve a return on the investments they have made based on a Federal promise. Those communities deserve assurance that the very same development crash course we instituted in the late seventies and early eighties is not reimposed during the next energy crisis. What those communities deserve is a Federal Synfuels Program which uses the current lull to answer questions about shale, to collect and evaluate all relevant environmental impact data, and to test all of the technology options at a commercially scaled modular size sufficient to create certainty and confidence for future investors.

Last year, we voted to abolish the SFC's production goals and reduced the Corporation's budget by 45 percent. That leaves little justification for pursuing continued development of commercial-scaled plants. But last year's action should not be now construed as a justification for abandoning synfuels altogether—which is exactly what support of a $500 million alternative program would be.

We should now be committing ourselves to producing information about synfuels. But that information has to be useful in a real world context. Our experiences with the Union phase I shale technology make that abundantly clear. In that instance, a technology worked perfectly well in a laboratory setting only to encounter problem after problem in a commercial mode. We're not arguing here for commercially scaled plants. We're arguing for commercially scaled modules. That

distinction is crucial. By committing ourselves to demonstrating commercially scaled modules, singularly and in conjunction with other technologies, we can respond to the challenges we face with synfuels—the challenges of certainty, stability, and reasoned development.

Mr. Chairman, I am hesitant today to stand before my colleagues and defend the Synthetic Fuels Corporation. Indeed, it may be that the only way to get a viable synfuels program moving again is to abolish the SFC and build a program which focuses on policy and progress rather than high salaries, mismanagement, and stalemate. But the only option we have today is to defeat the Conte-Sharp amendment—a vote which is for a viable synfuels program instead of the lip service provided by the proposed $500 million DOE alternative.

Unfortunately the debate today does not focus on the real issue of what type of synfuels program we should commit ourselves to developing. Instead, we are told to either vote for the current SFC or abolish it in favor of an inadequate replacement program. The debate should be focused on the appropriate level of that commitment—not on Members' position concerning the SFC. But given the constraints of today's limited option, I urge my colleagues to defeat the pending Conte-Sharp proposal.

Mr. KRAMER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from Colorado.

Mr. KRAMER. Mr. Chairman, I rise in opposition to the amendment.

Due to a favorable energy climate, and to a variety of problems in its management, I'm afraid the Synthetic Fuels Corporation has become an easy target for the born-again budget cutters in this body. It has become a scapegoat for our inability to rein in excessive Federal spending and reduce deficits.

Others have pointed out the exaggerated claims as to how much this amendment would actually save. Thus, let me devote my time to two facets of this issue I consider most important: First, to the false sense of energy security we have been lulled into, which if this amendment passes, could lead to increased energy vulnerability of the United States; and second, to the basic integrity of the United States, and the ability of our Government to keep its word.

During my first term in the House, I was privileged to be the only Republican congressman from the Rocky Mountain region chosen to serve on the joint House-Senate Energy Committee, which developed the legislation that set up the Synthetic Fuels Corporation. We had just come through an energy crisis where the OPEC cartel had nearly succeeded in bringing this country to its knees by dictating both the price and supply of oil on world markets. As a result, in the United States we saw long lines at the gas stations, factories shut down because there was not enough energy to run them, farmers without sufficient fuel to plant and harvest their crops, and truckers without the fuel necessary to deliver products to their destinations. Although I personally would have preferred tax incentives to the Synthetic Fuels Corporation, the fact was that we needed to do something to prevent this situation from happening again—and the SFC was the concensus choice of this body. I certainly do not condone mismanagement and the abuses that have taken place with the SFC, but to now abandon this protective shield against future energy crisis—just because energy is plentiful today—would seem extremely shortsighted. Passage of this amendment would shatter any chance we might have had of developing a viable, and totally American fuel supply. It would amount to hiding our heads in the sand like so many ostriches. The good times we're enjoying today—plentiful, moderately priced fuel, sufficient energy to keep the fires of industry burning—will not last forever without vision. Our national security is as dependent on adequate oil supplies as it is on our Armed Forces to preserve peace. We must at least develop the capability to gear up into large scale synfuels production in the event of energy disruption.

We also need to consider another side to this issue—the importance of the U.S. Government to keep its word.

Based on the Federal Government's commitment to develop synthetic fuels, private companies and local governmental units have invested millions of dollars in projects such as Union and Cathedral Bluffs, the two oil shale projects in northwestern Colorado.

Most of you have probably never heard of the towns of Parachute, Meeker, and Rifle on the western slope of the Rockies. These are rugged, small towns with only a few hundred people each—the kind of town you might find anywhere in the United States. Yet these towns are special in that they sit on top of vast fields of oil shale—oil which is accessible, but only if we develop the proper technologies to tap this wealth.

Based on letters of intent, commitments from the Federal Government, in hand guarantees of future prices to meet production costs, private companies have invested an estimated $1 billion in the two projects near these towns. Local units of government have also invested substantial sums on infrastructure to support the projects. It's estimated that over $330 million has been spent on new housing, roads, schools, sewers, and water projects to meet the needs of the expected population growth.

And now we are about to create Federal ghost towns by reneging on promises made to those who believed that pledge, and in turn invested their time, money, and hopes into synfuels development. Out of fairness, I feel we should at the very least live up to those letters of intent. Abandoning those such as the citizens of western Colorado who have so faithfully taken their Government at its word will not only cause them great personal and community harm, but in the process harm the credibility and reliability of our Government as well.

I urge you to retain our commitment to the people of Colorado and to the future of a fuel efficient America, by voting against the amendment.

Mr. OXLEY. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from Ohio.

Mr. OXLEY. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Conte amendment.

The Synfuels Program is a legacy of the fuel-scarce days of the late 1970's. Launched by the Carter administration, it was flawed from the start by the fact that it takes more energy to produce synthetic fuels from oil shale and other sources than is produced—at prices which are not even close to market clearing prices for our consumers. I have continually expressed my deep concern that we were literally throwing away billions of dollars of taxpayers' money, with dubious economic merit with respect to most of the SFC-funded projects. And we are no more energy independent today because of the Synthetic Fuels Corporation than we were in the late 1970's.

As I mentioned on the floor last week, the Synthetic Fuels Corporation has spent more than $70 million on salaries and luxurious offices while backing just two projects. And that's only the tip of the iceberg when one considers the notorious SFC management practices and the nature of a number of proposed synfuels projects. Quite frankly, the SFC has historically been more concerned about protecting data on its projects and sponsors than protecting the taxpayer who must foot the bill for the SFC's activities.

We are faced with a problem very similar to a fat lady on a diet. She is clearly overweight, but if another piece of food is placed in front of her, chances are she'll devour it and be no better off than before. It seems to me that Congress is in the position of putting the fat lady on a diet—if not a total cutoff of food—in the case of the Synthetic Fuels Corporation. If we fail to fully debate and vote on this issue, we can only blame ourselves for drop-

ping the ball for not saving the taxpayers over $6 billion.

Mr. COATS. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from Indiana.

Mr. COATS. Mr. Chairman, the House last week expressed its will that the Synthetic Fuels Corporation be abolished by voting by a large majority to defeat the earlier rule for the consideration of the Interior appropriations bill.

In that vote, we made clear our belief that the Corporation has not effectively or efficiently met its mandated task of supporting the development of alternative fuel resources. We now must followthrough on our earlier action by adopting the amendment and rescinding all funding from the Synthetic Fuels Corporation. I believe that this is the only sensible course of action to follow from not only a budgetary standpoint, but also as a managerial move.

The Corporation was created to provide assistance to the private sector in the development of synthetic fuels projects, with a congressionally mandated goal of achieving production capacity of 500,000 barrels per day of crude oil by 1987. Now, in 1985, little to no progress has been made toward that goal, and the Corporation came to the not-too-surprising conclusion in its recent comprehensive strategy report that they would be unable to reach that target. Instead of working toward energy independence, the Corporation has worked toward more wasteful Government spending. They will continue to do so to the tune of over $6 billion if we do not take action today.

I believe that this amendment continues to provide for progress in synfuels research by leaving funding for a scaled down and more efficient research program at the Department of Energy. I support this provision because we should continue our investigations in this area. The bloated program we have today, however, far exceeds any measure of what is reasonable to advance this cause.

Mr. Chairman, the Synthetic Fuels Corporation was created as a sort of alchemist to create energy from our natural resources. Instead, it has operated in reverse gear, turning our valuable Federal gold into nothing but higher budget deficits. I urge my colleagues to support this amendment.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my friend, the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, I rise in strong support of the Conte-Sharp amendment to rescind all but $500 million of the approximately $7.9 billion currently available to the Synthetic Fuels Corporation.

I have worked for several years with my distinguished colleagues HOWARD WOLPE and MIKE SYNAR in seeking to gain enactment of legislation to abolish this Corporation. Their efforts have greatly increased national awareness of the myriad problems involved with synthetic fuels development.

I want to take a few minutes this evening to outline my opposition to the Synthetic Fuels Corporation.

First, the Synthetic Fuels Corporation is an expense we can no longer afford. Designed to convert our vast reserves of coal and oil shale into liquid transportation fuels, we have learned that this mandate cannot be met. Synthetic fuels technologies are immature and much farther from commercial viability than had been anticipated. We have realized that synthetic fuels technologies are uneconomical and require massive Federal subsidies. In fact, the price of synfuels has risen from $60 to $90 per barrel of oil equivalent while the price of oil continues to decline below $30 per barrel.

Doesn't it seem ironic that we will allow billions of dollars, as much as $7.9 billion, ot be spent on the commercialization of uneconomic and immature technologies when, at the same time, we are desperately searching for ways to reduced the deficit.

If we are candid about dealing with the deficit, we should adopt the Conte-Sharp rescission amendment. Let's save our beleaguered taxpayers some money tonight and adopt the Conte-Sharp amendment.

Mr. SCHAEFER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my friend, the gentleman from Colorado.

Mr. SCHAEFER. Mr. Chairman, it's with a great deal of regret that I must speak in opposition to an amendment that has been advocated by so many of my Energy and Commerce Committee colleagues that I have the greatest respect for. However, I must.

I must because I consider this amendment to be extremely shortsighted in meeting our future energy needs.

How soon we forget, Mr. Chairman. How soon we forget that it was only 12 years ago that we spent our Saturday afternoons sitting in lines waiting to purchase $5 worth of gasoline. How soon we forget that we had to go on daylight savings time earlier than expected in order to save energy. How soon we forget that many businesses went on flextime so that less fuel would be used. How soon we forget.

Now we all know that these aren't the midseventies, but the mideighties. The world changes and we cannot remain static in our views. At the same time, we are all familiar with the lessons to be learned from history.

Gasoline was selling for approximately 30 cents per gallon 12 years ago; 5 years later that price had quadrupled. Today, although prices have dropped slightly in the past few years, we are still paying over $1 per gallon for most gasoline.

I believe that everyone in this room agrees that energy is one of those items that separates thriving nations from poor nations. We all have our personal preference as to how we would like to see our Nation's energy mixed, but we all see the importance of having an adequate energy supply. There are some who believe that the emphasis should be placed on nuclear, or renewable, or fossil, or electricity, or any number of other energy sources. I believe it would be a mistake to leave synthetic off that list.

As you are well aware, retaining the Synthetic Fuels Corporation means spending the money to operate it. But let's analyze the true cost of keeping the Corporation. Currently, the Corporation has approximately $7.896 billion available to it. That's a chunk of money, especially now that deficits have become such an important issue. However, let's bear in mind that unlike most dollar figures that we consider, this is not an absolute dollar figure that will be spent in fiscal year 1986.

The SFC funding is through future price and loan guarantees which will have a minimal effect on the 1986 budget deficit. If the projects are successful, the loan guarantees won't be needed or will be repaid. If unsuccessful the price guarantees won't be utilized. Either way all of the funds won't be expended. In fact, this money may never be spent. It represents the money available to the corporation to distribute to deserving projects for the remainder of its lifetime.

My main concern is that this amendment would also severely compromise our national security. How? The Office of Technology Assessment released a study just last year that demonstrates the continuing vulnerability of the United States and our allies on imported oil from politically unstable countries. This is especially important to the Department of Defense which is heavily dependent on liquid petroleum fuels.

Today, we find imports accounting for about 30 percent of our energy use. According to former Secretary of Energy Hodel, domestic production will decline by almost 2 percent annually through the remainder of the 20th century. Should this forecast prove to be correct, that causes the 30 percent figure to jump to almost 50 percent. This is not a very comforting trend.

In 1983, the Department of Defense certified pursuant to Executive Order 12.242 that synthetic fuel is needed to

meet national defense needs. The Air Force on October 3, 1983, announced its Program Rivet Shale which will utilize shale oil to validate its use as a jet fuel.

It quickly becomes obvious that our military is not only counting on synthetic fuels in the future, but will be dependent upon them as well.

Although I am extremely concerned with budget deficits, the ramifications of a 93 percent additional cut over last year's cut in the synfuels budget will effectively destroy an indsutry that has the potential to break U.S. dependence on foreign energy sources.

I am certainly not condoning a return to an $88 billion program. However, I am unable to comprehend how we will have an effective synfuels program developed for $500 million.

We must remember that synthetic fuels cannot be developed overnight. In fact, even if we continue to fund synfuels projects under today's conditions, the recent comprehensive strategy report indicates that a decade or more of commercial production is required to develop the synfuels option.

We have two choices before us. We can either accept the positive changes that the new Synthetic Fuels Corporation has proposed to get synfuels production off the ground, or we can allow synfuels production to die by eliminating the Corporation.

With an energy glut at the moment, we can delude ourselves into believing that never again will we be forced to deal with an energy crisis. Or we can face reality and continue to prepare for a possible future crisis. Why not act now instead of having to react to a crisis at some later date. Let's defeat this amendment and assure our constituents that they won't be forced to spend their Sunday afternoon drive parked in front of a gasoline station.

Congress needs to be looking into the future to address the needs of the American people. At the same time, we can learn many lessons from the past. I urge this amendment's defeat.

Mr. STRANG. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my friend, the gentleman from Colorado.

Mr. STRANG. Mr. Chairman, I rise in strong opposition to the amendment.

Mr. CONTE. Mr. Chairman, I yield 1 minute to my good friend, the gentleman from California [Mr. DANNEMEYER].

□ 1800

Mr. DANNEMEYER. I thank my colleague for yielding.

Mr. Chairman, it appears to be the judgment of the House to adopt this amendment whereby we are essentially doing in Synfuels; so be it. But at the same time, I would like to remind my colleagues that when we are deemphasizing the production of synthetic fuel in this country, there is another resource on the road to energy independence that must be utilized, and that is the Outer Continental Shelf.

I am sad to say that our Secretary of the Interior, sincere, but in poor judgment in my view, has recommended a proposal relative to offshore drilling in California that is not in the interests of this Nation or the people of the State of California because it locks up too much of our hydrocarbon resources that this Nation badly needs for procuring energy independence. I hope to convince my colleagues in this House that the energy needs of America should be emphasized in terms of developing resources rather than locking them up. I want to bring that to my colleagues' attention and I thank the gentleman.

Mr. CONTE. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I rise to strongly support the adoption of the Sharp-Conte amendment.

We need to close down the Synthetic Fuels Corporation. The record of the Subcommittee on Oversight and Investigation clearly shows the SFC has had excessive salaries, fringe benefits, luxury recommendations and travel. They have a pension which vests 50 percent in 6 months and 100 percent in 1 year.

The House of Representatives can save taxpayers over $6 billion. To protect the SFC while cutting social, education, farm, and defense programs would be unconscionable.

Finally, let me acknowledge the tireless work of my colleagues and their staff which made this vote possible and who will be the key to our future efforts in this matter. Mr. WOLPE and his staff member, Keith Laughlin, have battled the SFC from the beginning. Mr. SYNAR and his staff member, Rick Young, have strongly pressed the battle in the Energy and Commerce Committee. Mr. SHARP and the staff of the Subcommittee on Fossil and Synthetic Fuels along with my other colleagues have worked hard to produce responsible legislation. Without the help of these members and their staff we would not be having this vote today. I applaud their efforts.

I urge my colleagues to vote yes on the Sharp-Conte amendment.

Mr. CONTE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman this amendment will probably be the single largest deficit reduction vote of this session. Before its too late, the Synfuels tap on the Federal Treasury must be turned off for good. It's time to take decisive action before billions of dollars are squandered on projects with little or no merit. The corporate subsidies and giveaways for the fat cats of the oil industry have to be stopped now. We just can't afford it anymore.

The Conte-Sharp amendment, now before the House, would end the waste and abuse of the SFC by rescinding the remaining funds available to the corporation.

Specifically, the amendment would rescind all appropriations to the Corporation which have not yet been obligated. There are three exceptions provided in the amendment.

First, any funds necessary to liquidate obligations incurred under contracts entered into before enactment of the Interior bill are not subject to the rescisson;

Second, the funds transferred in H.R. 3011 for use in the Clean Coal Program are not subject to this rescission; and

Third, $500 million is set aside in the energy security reserve to be used later if authorizing legislation is enacted. The amendment specifically prohibits the use of these funds for Synfuels projects of any kind.

With these exceptions, this amendment rescinds about $6.7 billion of the $7.9 billion currently in the energy security reserve and effectively shuts down the Synfuels Program as we know it.

Let me emphasize that this amendment does not affect in any way the funds proposed for transfer to the Clean Coal Reserve. That issue will be resolved later.

Mr. Chairman, back in 1980, when the Synfuels Corporation was first funded, synthetic fuels were the wave of the future. But since then, oil scarcity has turned to glut, and the price of imported oil has dropped dramatically. Just this week, we have been treated to the welcome news of OPEC oil ministers squabbling among themselves in an effort to stop the over-production and price cutting that threatens to destroy the cartel's stranglehold on the world oil supply.

During our debate on this issue last year, several members pointed to the instability in the Persian Gulf, the ongoing war between Iran and Iraq, and attacks on oil tankers, as evidence of the need to proceed full speed with the development of our synthetic fuel resources. What has the past year taught us?

It has taught us that despite continued and even increasing instability and conflict in the Middle East, our oil supply remains virtually unencumbered. Since last year, our dependence upon Middle Eastern oil has continued to decline, as ever-increasing portions of our oil imports come from our South American neighbors.

In fact, Mexico is now the Nation's largest foreign oil supplier, providing 14 percent of the total imports. Canada and the United Kingdom also rank high, while Arab countries today

provide 15 percent of our total imports. Over all, we have reduced our reliance on foreign imports by 23 percent since the 1973–74 Arab oil embargo. And all this was done without the help of Synfuels.

Considering the current letters of intent, I find it hard to believe that the Synfuels Corporation can prevent gas lines or major oil disruptions as its supporters claim. Just look at the projects now under consideration. For example, the SFC has tentatively committed $365 million to the Northern Peat Project. If you can believe it, this project is designed to develop ways for burning "peat brickettes" in place of coal.

First of all, I hate to break the news, but this technology is nothing new or different. My Irish brethren and others have been burning peat for hundreds of years.

Second, with the largest coal reserves anywhere in the world, it doesn't make sense for this country to spend $365 million on a replacement for this fuel. My friends from the Midwest and others interested in expanding the coal market should take a close look at this project. And finally, I'm interested to know how "peat brickettes" can be used as fuel during a gasoline shortage.

The past year has also taught us that despite the best intentions of those who bailed out the Synthetic Fuels Corporation last year, the sweetheart deals, enormous subsidies, and outrageous lifestyles of Synfuels Corporation employees have continued.

With little activity in direct Synfuels financing, the SFC has managed to increase administrative expenses tremendously over the past few years. Expenses for the corporation this year are 33 percent more than the amount in fiscal year 1984, and the estimates for the next fiscal year are even greater. Despite the cries of reform, this excessive spending doesn't sound like efficient management to me.

As a result of continued filling of the strategic petroleum reserve, we are today in an even better position to withstand an enforced reduction in oil imports than we were a year ago. And thanks in large part to the hard work of Chairman YATES, SPRO will soon contain over 500 million barrels of oil, almost 100 days' protection against a total disruption of oil imports.

We've been hearing a lot over the past several months about the budget deficit—well, here's the best opportunity we'll see in a long time to make a real cut. At a time when budget conferees are talking about cuts in food stamps and increasing the taxes on our elderly Social Security recipients, how can we even think about continuing to pay Union Oil $1 million a day in price supports for 6 years—and that's in addition to the $3.4 billion in tax breaks!

When the budget conferees are talking about cutting transportation funds by 15 percent, how can we even think about providing billions of dollars in taxpayer subsidies to guarantee a return of over 20 percent for one of the most profitable companies in the Fortune 500.

How can we explain to those constituents back home who are breaking their backs 40 hours a week, sweating to pay taxes, that we didn't do anything to reduce the deficit, to bring down interest rates, to save billions of dollars when we had the chance?

Mr. Chairman, the Synthetic Fuels Corporation has had its chance. It should have been killed a year ago. The past year has given us just more of the same—more money wasted on staff perks and privileges, more money wasted on subsidies for oil companies to build plants that don't now and perhaps never will work, more money wasted on technology that won't be economical for at least 20 years, and more empty promises that the Corporation will be brought under control.

Just look at today's paper. The Energy Department had to rescue the taxpayer from the monster of Great Plains before another $720 million was wantonly devoured.

The Synthetic Fuels Corporation has proven beyond a shadow of a doubt that it is incapable of bringing itself under control. Now it is up to Congress to put this monster out of its misery.

I urge my colleagues to support the Conte-Sharp amendment and vote for fiscal responsibility.

Mr. Chairman, I reserve the balance of my time.

● Mr. BOLAND. I oppose the amendment offered by my colleague from Massachusetts. [Mr. CONTE.]

Mr. Chairman, we had this same argument on synthetic fuels last year. As a result of that debate, we approved a sizable rescission in the funds previously appropriated to the Synthetic Fuels Corporation. We put the managers of that enterprise on notice, that we expected them to institute some administrative reforms. Changes have been made as a result of what took place on this floor last August, but some would not give the Corporation a chance to see the fruits of those changes.

Mr. Chairman, where are our memories? The arguments we have heard on this floor against the Synthetic Fuels Corporation would have us disregard both history and common sense. I remember the atmosphere in this Chamber 5 years ago when the Synthetic Fuels Corporation was created. The Members who voted to launch our Nation's synthetic fuels effort, and I was one of them, understood two things. We knew, that synthetic fuels were going to be expensive, and we knew, that neither the strategic petroleum reserve nor energy conservation were going to provide effective long-term alternatives, to imported petroleum. In the intervening 5 years, crude oil prices have fallen and our recollections of gas lines, factory closings, and early school dismissals have faded. You would think our energy problems had disappeared!

Some things have not changed since 1980. We all receive mountains of statistics on energy supplies and energy use. None of those statistics have ever led me to conclude, that petroleum is other, than a finite resource. No estimates which I have seen have shown, that domestic oil and gas reserves, either onshore or offshore are increasing. In fact, at least since the 1952 report by the Paley Commission, we have been warned that the United States will run out of oil and gas. We are not sitting on oceans of oil in this country and we are never going to be! And what's more, Mr. Chairman, our consumption of imported petroleum, after several years of decline, is again moving toward the levels of the 1970's.

In my judgment, synthetic fuels represent our only path to energy independence. We knew, or at least I thought we knew, when we created the Synthetic Fuels Corporation, that the road to commercial development was uncertain and likely to be expensive. We also knew, however, that when they were needed, synthetic fuels would look like a bargain at any cost. When synthetic fuels are needed, they are going to be needed, in quantities approaching the 2 million barrels per day of production capacity, which the Synthetic Fuels Corporation was charged with establishing. We simply will not have the time, to build the plants necessary to produce synthetic fuels in those quantities if we wait until a time of crisis to get started. You can do all of the research you want, and do small demonstration projects until there is not enough warehouse space at the Department of Energy to store them all. But if the necessary synthetic fuels plants are not in operation when the next crunch comes, all of the fancy blueprints, and academic treatises, we will have purchased with the kind of program envisioned by the supporters of this amendment will be of little comfort.

It remains incumbent on this Congress to encourage the development of those alternative fuels on which our Nation's future will depend. Synthetic fuels are those alternatives, and we dare not allow a complacence, brought on by a temporary oil glut, to make us lose sight of the need, to have them available when they are needed.

I urge the defeat of the amendment.●

● Mr. SYNAR. Mr. Chairman, I rise in strong support of the Sharp-Conte amendment. We have before us today

a rare opportunity. With this one vote we have the opportunity to reinstate a sound and reasonable synthetic fuels development program and, at the same time, save the taxpayers more than $6 billion. By voting yes on this amendment, we can bring to an end the most wasteful and unproductive agency in the Government today—the Synthetic Fuels Corp. We can demonstrate to the American public that we are serious about addressing this Nation's deficit problems and we are serious about cutting unnecessary Federal spending.

As I have often stated in the past, the vote before us is not a vote on our commitment to energy security. Rather, it is a vote on how we as a government can utilize a limited—and I emphasize limited—amount of Federal resources to provide the most efficient and effective program to help develop synthetic fuels. After 5 years of turmoil and controversy, it is abundantly clear that the Synfuels Corp. is not such a program. In fact, the Synfuels Corp. threatens not only to squander billions of taxpayers' dollars on the senseless commercialization of uneconomic technologies, but it likewise diverts precious tax dollars away from the kinds of programs that offer the greatest promise for enhancing the prospects of synfuels development.

We need not speculate on the prospects for commercial synfuels production. We need only to open our eyes. Yesterday, the administration determined that the SFC's proposal to provide an additional $720 million to the Great Plains project would not be in the best interests of the Nation as a whole. The message is clear. We as a Nation can simply no longer afford to commit the taxpayer to subsidy lifelines for technologies which cannot and will not for the forseeable future be able to compete in the marketplace. To do otherwise will serve only to promote technological inefficiency at enormous cost to the American public.

The lesson to be learned from the Great Plains story is indeed a costly one. But the costs of this one sad story will pale in comparison to the disastrous consequences of our failure to act today. For if we cannot learn from the mistakes of our past, we surely cannot hope to improve our future.

As we debate today the future of this program, the future of this Nation remains hostage to the diminishing prospects of substantial long-term deficit reduction. We must get on with the critical task of reducing Federal spending and reducing Federal deficits. The real question before us today is a question of priorities and equity. It is a question of whether we as a Congress are prepared to say no to the family farmer, no to the elderly, no to the hungry and the homeless and yes to the handful of multimillion-and billion-dollar corporations that want Uncle Sam to pay their way to greater profits. It is a question of whether we as a Congress are committed to getting serious about this Nation's deficit problems and doing so in a fair and equitable manner.

Mr. Chairman, there is no Federal program that is more unnecessary, more unfair and more inequitable than the Synthetic Fuels Corp. It is time to acknowledge the errors of our past and offer promise for our future. It is time to put an end to the Synthetic Fuels Corp.●

Mr. WOLPE. Mr. Chairman, I rise in strong support of the Sharp-Conte amendment.

The debate over the future of the Synthetic Fuels Corporation does not concern the advisability of developing synfuels technologies or the wisdom of pursuing energy security. There is widespread support for those goals. The debate is, however, over allowing the wasteful Synthetic Fuels Corporation to squander $6 billion at a time of soaring Federal budget deficits.

The SFC was established in 1980 and was given a $15 billion appropriation to create a commercial synfuels industry. Five years later, no one in their right mind would defend the record of the SFC. That well-publicized record is replete with numerous examples of extraordinarily wasteful administrative costs, incompetent management, and an almost total disregard for ethical standards.

But in addition to the waste and scandal, the miserable record of the SFC can also be tied to the marketplace. Despite the best intentions of the corporation's creators, 1980's dream of a commercial synfuels industry has faded into the harsh economic realities of 1985. It is now very clear to every expert in the energy industry that synfuels technologies will be unable to compete in the commercial marketplace at any time in the foreseeable future.

This fact is dramatically illustrated by the Department of Energy's decision yesterday not to agree to the SFC's bail-out of the hopelessly uneconomic Great Plains coal gasification project—the flagship of the Federal synfuels commercialization program.

An internal DOE analysis indicated that under a best-case scenario, oil prices would have to soar to $160 per barrel by the year 2009 for the Great Plains bail-out to work—and even under those unlikely circumstances it would still cost the taxpayer $2.6 billion!

There are two obvious lessons to be drawn from the Great Plains fiasco. First, it is clearly unwise to build commercial-scale synfuels plants at this time. And second, it is the responsibility of Congress to take decision action if a Federal agency is either foolish or reckless enough to waste the taxpayers' money on such futile ventures. The fact that the SFC was willing to spend public funds on something as unwise as the Great Plains project emphasizes the importance of adopting the Sharp-Conte amendment.

This amendment would prevent the SFC from wasting over $6 billion by rescinding all but $500 million of the funds available to the SFC and preventing the corporation from entering into any additional contractural agreements. The adoption of this amendment would prevent the SFC from indiscriminately shovelling money out the door while authorizing committees consider legislation to abolish the SFC and reestablish a synfuels program at DOE.

As I stated at the outset, critics of the SFC do not oppose the development of synthetic fuels or the goal of energy security. We are convinced, however, that a revitalized effort at the Department of Energy would save the taxpayer billions of dollars, while providing the technical experience necessary to better utilize synfuels technologies when the marketplace is more favorable at some point in the future.

Mr. Chairman, there is a growing consensus, both inside and outside of the Congress, that it makes absolutely no sense in terms of energy policy or budget policy to allow the SFC to continue with its grandiose spending plans.

I strongly urge my colleagues to support the Sharp-Conte amendment and prevent $6 billion in wasteful Federal spending.

● Mr. SHUMWAY. Mr. Speaker, I rise in support of the amendment, offered by my colleague, Mr. CONTE to rescind all funds for the Synthetic Fuels Corporation except for $500 million, to be authorized at a later date.

In the few short years since its inception, the SFC has a track record that can charitably be described as disappointing. In fact, it should more aptly be described as the greatest example of Federal subsidization and Government boondoggle in the history of American Federal programs. While most in Congress in 1980, including myself, thought that Synfuels was an idea whose time had come, I will be the first to say that its performance to date has been, at best, abysmal.

In the 4½ years of its existence, the SFC has produced a trickle of expensive alternative energy and barrels of scandal. If one were to employ the traditional cost-benefit analysis in assessing the performance of this program, even the most ardent supporter of a national energy policy would have to admit that the American taxpayer is not seeing any return on his almost $7 billion tax dollar investment. Indeed, the time is right to reevaluate the SFC.

This is not to say we should overlook or ignore the need for a national energy policy. A national energy policy is a vital component of our national security policy. We should never be in a position of dependence upon foreign supplies of oil. However, the SFC is not the answer. Even if we have another fuel crisis—and the possibility exists—there are better agencies that can cope with the situation. And there are more economical ways to do so.

Right now, we are asking the American taxpayer to pick up the $7 billion tab for what is recognized as an economically unfeasible plan. That is an incredible amount of money, particularly at a time when we are suffering under the crushing weight of a monstrous Federal budget deficit.

Mr. Chairman, let us face this challenge head on. I urge my colleagues to support this amendment. Let the House work its will regarding this vital issue, and make a substantial effort to reduce our staggering budget deficit.●

● Mrs. LLOYD. Mr. Chairman, I rise in opposition to the amendment. This is a sad day for the House, which through voting for this amendment will turn its back on a real national security need. This requirement for a secure supply of liquid fuels is no less compelling now than it was 5 years ago when the SFC legislation was enacted. It is all too easy of a vote through which the Members of this body think they can demonstrate fiscal responsibility. Yet it is merely budgetary slight-of-hand, because there are no significant outlays of money connected with the rescission of outstanding budget authority for the next several years. Further, it is an insult to the memory of a great Senator who was the congressional architect of the Energy Security Act, Henry Jackson. He clearly saw, as did the majority leader of the House, the strong and persistent connection between synthetic fuels development and national security.

In the debate on previous synthetic fuels issues, I have mentioned that the corporate memory of the House of Representatives had become blurred with respect to the original motive for encouraging synthetic fuels development. A "yes" vote on this amendment will mean that we are erasing that corporate memory entirely and that the House has, in fact, forgotten its original strong motivation for enacting the Energy Security Act. To my conservative friends, I would point out that the original synthetic fuels legislation in the House, the amendments to the Defense Production Act, received overwhelming support. The major difference between that legislation and the later enacted Energy Security Act [ESA] was the amount of funding provided for government support of commercial-scale plants. This nearly order-of-magnitude increase in authorization in the ESA recognized the fact that the technologically diverse plants to be built would not be economical. Nevertheless, the Congress believed it was important for the country to learn about new technologies at scale through the operation of these prototype plants.

I have no disagreement with those who would say that the Synthetic Fuels Corporation, as an instrument, is seriously flawed. I have stated on numerous occasions that Mr. Stockman could not have planned a more Machiavellian approach to kill synthetic fuels development if he had chosen the various members of the board himself and directed its operations. Nevertheless, reducing the SFC budget authority to zero does not seem to me to be the appropriate way to protest poor board appointees or the SFC's inability to act decisively. It is as if we have concluded that by taking away a carpenter's broken tools, we will preclude any further need to build.

I would remind my colleagues that the Department of Energy's demonstration program for coal conversion was killed by Mr. Stockman and shortsighted economics in the 1981-82 time period.

The loss of those demonstrations put an added burden on the SFC to address a diversity of technologies in order to assure synfuels development across a broad front in terms of our plentiful domestic resources—coal, tar sands, shale, and so forth. Now we are suggesting that the country no longer needs to learn whether these technologies can work reliably at commercial scale, which is a necessary step toward getting any handle on improving the economics. The oil glut and soft prices are economically comforting but they shouldn't lull us into inaction. These circumstances have removed the economic incentives for the private sector to invest significant funds in such development, so there is an even greater need for Federal involvement than 5 years ago. If we want to prove these technologies, we must recognize that temporarily plentiful energy supplies only buy us time.

We have some Members who, although they support acid rain controls, neither desire clean coal technologies nor improved processes for converting coal to clean-burning liquids and gases. I cannot imagine how they can project such a naive energy future. I feel proud to have authored one of the prime mover pieces of clean coal legislation, but when I did introduce it, it was intended as a complement to a limited, but viable, SFC program. Now we are told that we need not encourage synfuels or even clean coal programs at significant funding levels, despite the fact that the U.S. import fraction for liquid fuels is back to the same level as it was in the late 1970's. I maintain that this is a national security vote for those of us who believe in the broad definition of national security; that is, that which includes our long-term, vital economic interests. We should be alarmed by this suggestion that the short-term market should be the final arbiter of both our defense and energy policy. Mr. Chairman, I urge my colleagues to defeat this amendment. Otherwise, I believe that the House will be called into account on this issue sometime within this decade and will certainly be found wanting. Thank you.●

● Mr. KOLTER. Mr. Chairman, I rise in support of the Clean Coal Technology Fund and urge my colleagues to oppose any amendments that would reduce funding for this very important 3-year program.

Despite being the Nation's most abundant natural fuel resource, coal has not received its fair share of Federal research assistance in recent years. Last year when Congress rescinded funds from the Synthetic Fuels Corporation, it went on record in support of developing new coal cleaning technology. Now, just 1 year later, it seems that some want to seriously reduce our commitment to using coal in a more environmentally acceptable manner.

Moving forward to develop emerging coal cleaning technologies would provide new methods for using coal in much more efficient and cleaner ways that can currently be achieved. One example of a new technology that requires a full scale demonstration is limestone injection.

Limestone injection entails burning limestone with higher sulfur coal in a boiler. This process, if successful at the commercial powerplant scale, could substantially reduce sulfur dioxide emissions from coal fired utility boilers at a fraction of the cost of state-of-the-art scrubbers. There is no way of knowing whether or not this process will be successful unless we try it. The clean coal reserve was designed just for that purpose—to test new technology at the demonstration scale in order to facilitate commercialization.

Some would argue that this entire proposal is nothing but corporate welfare. This is of course untrue. Each demonstration would have to receive at least half its funding from the private sector. To me this represents a fair balance between government and business. I would also point out that a number of projects listed in the Department of Energy report to Congress on emerging clean coal technologies lists projects that would involve substantial cost sharing on the part of the private sector. This entire project must be viewed as an investment in the Nation's economic future.

Successful demonstration of new technology offers an opportunity for the creation of new businesses. Not only would existing companies build these newly proven technologies at the commercial level, but undoubtedly many new firms would come into existence.

In addition to creating new business opportunities and new jobs, the ability to use coal in a cleaner fashion could spark additional demand in the coal industry. Mr. Speaker, I need not reiterate the deplorable conditions in the coal fields. The decline of the steel industry, coupled with fewer export opportunities and the serious threat of coal imports from South America has been devastating to the coal industry.

The ability to use higher sulfur coal would bring new opportunities to coal producers, but it would not be limited to just miners and operators. This new prosperity would also be shared by local merchants and local governments that often have to rely on the coal industry.

Mr. Chairman, if we vote to reduce our commitment to clean coal today, chances for developing new technology will be seriously hindered. Both the Department of Energy Research Advisory Board and the Office of Technology Assessment determined that our current policy of abandoning development after the proof of concept stage has sent confusing signals to the private sector about our commitment to support new technology development. In most cases the loss of Federal interest has led to a rude halt in the development process. When that occurs no one benefits. Thousands of dollars are spent, but the job is not completed.

Mr. Chairman, there is one other key issue at stake here. Just yesterday the Commerce Department announced the June trade deficit. We all know that a very substantial part of the trade deficit is caused by our continued reliance on imported oil. The ability to use an abundant natural resource in both traditional and new ways would certainly reduce our dependence on foreign sources of oil and help us reduce the trade deficit. There is also the possibility that some of these new technologies could be exported to other nations that possess high quantities of coal.

In closing, I firmly believe that we must not turn our back on the commitment we made to fostering coal cleaning technology last year. Any reduction in funding would do just that. The clean coal reserve is in line with the House budget resolution and should be viewed as an investment in the future.

I urge defeat of any amendment that would weaken the reserve fund.●

● Mr. CLINGER. Mr. Chairman, I rise in opposition to the Sharp-Conte amendment to abolish the U.S. Synthetic Fuels Corporation. Listening to the debate on the future of the Synthetic Fuels Corporation makes clear to me that many of us are not aware of what has been happening at the Corporation since its new Board arrived last December.

Remember, Congress last year recinded a total $7.375 billion—or nearly half—of SFC's funding. The Board members who took office in December immediately began to give the Corporation a new direction, which is clearly stated in its statement of objectives and principles, its new business plan and the comprehensive strategy report sent to Congress on June 30. The Corporation is now deemphasizing near term production and concentrating on a few pioneer plants of minimum commercial size that will provide the knowledge and experience needed for the future development of a commercial industry. The SFC is looking for the most cost-effective way to provide for the Nation's synfuel needs when market considerations or national security requirements dictate. The most wasteful thing we could do would be to develop a synfuels industry under "crash" conditions. If we kill the Synfuels Program now, this is exactly what is likely to happen in the not-too-distant future.

Mr. Chairman, the Corporation is scaling down multibillion-dollar projects to a size consistent with commercial operation that will provide the operational, management, health and environmental experience we need to move forward on a sound basis. The new SFC Board is moving forward in light of new energy and budget realities, and we should give it a chance to complete the job.

The Corporation is taking a cautious and prudent approach to assisting projects under difficult enomomic and technical conditions. I believe that approach deserves our support.

Mr. Chairman, the argument we hear most often against SFC is that it has been wasteful and that killing it is a "$6 billion vote" which will give us immediate budget deficit impact. Do not be deceived by these arguments. The immediate savings by abolishing SFC is only $14 million, I repeat, $14 million. The CBO reports that the budget impact for fiscal year 1986 would be $14 million in savings. On the other hand, if we abolish SFC now, DOE would immediately have to seek $1.5 billion from this body to pay off the loan to the Great Plains project which DOE guaranteed. I emphasize that this would contribute directly to current year deficits. From a strictly current dollar analysis, abolishing SFC now would be fiscally irresponsible.

The new Board has also moved aggressively to correct earlier managerial weaknesses and to address waste and charges of ethical improprieties. The SFC, for example now fully conforms to the standards of ethical conduct and financial reporting proscribed from Federal officers and employees. The Corporation staff has also been reduced—from 170 in December when the new Board took over to 144 this month. Other actions of a smiliar nature are also taking place.

Mr. Chairman this country needs a Synthetic Fuels Program—everyone agrees on that—but the Department of Energy can't do the job that is needed, with its emphasis on research and development alone. The Congress recognized this problem when it set up the SFC and gave it—and not the Department of Energy—the mission of creating a commercial scale program. The same reasons exist today why we should continue the program through the SFC.

It is time that we dealt with the facts in voting on the future of the SFC. We need a Synthetic Fuels Program, and we need it at a commercial scale. The new Board is making significant progress toward that programmatic goal at the same time as it moves to correct past management deficiencies.

We should continue the program, and I urge my colleagues to vote "no" on the amendment.●

PARLIAMENTARY INQUIRY

Mr. McDADE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McDADE. Mr. Chairman, as I understand the situation, the gentleman from Massachusetts has claimed 30 minutes in favor of the amendment. The Chair, to the best of my knowledge, has not assigned the 30 minutes to the opposite side of the question. If that is the case, Mr. Chairman, I would like to demand the opposite time.

The CHAIRMAN. Under the rule, a Member opposed is entitled to 30 minutes. If the gentleman seeks to use it, he can request the time and the Chair will allocate it.

Mr. McDADE. I now request it, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. McDADE] for 30 minutes.

Mr. McDADE. Mr. Chairman, we have heard many arguments—both pro and con—regarding the future of the U.S. Synfuels Corporation. And I will not add to the discussion about dollars, or individual projects, or questions of individual project viability. There is no need to rehash these points.

I will say to my colleagues that I am deeply concerned, concerned about how we are acting and why. I do not believe that we are giving enough thought to our Nation's future energy needs and that some are giving too

much thought to their November needs.

History repeats itself, and history tells us that the future in the Middle East is not bright. We face the distinct possibility of major conflict in that region—a conflict that can send oil prices soaring.

We saw that very thing happen as a result of the Yom Kippur war of 1973 and the concurrent formation of strong, hardline positions on the part of OPEC.

Have we forgotten gasoline rising from 35 cents to over $1 per gallon? Have we forgotten hours of waiting in line to purchase scarce fuel? Have we forgotten the feeling of having our entire economy held captive to the whims of another group of nations? Or do we believe that because of current situations that, this too, will never again occur?

The evidence is clear, many reports have been completed. My dear friends, the majority leader, has spoken several times of the 1952 Paley Commission Report that forecast almost 30 years ago what would happen in the United States if we didn't change our oil consumption policies. They said if we didn't change we would face severe problems in 20 years—they were only off by a few short months.

Are you willing to gamble the future of this country's energy independence, the future of our children on the future goodwill of the OPEC nations? Will this shortsightedness that is being displayed today ensure that our Nation will be protected from major energy shortages in the future? The answer, my friends, is no.

In 1983, in tests conducted by the International Energy Agency, it was concluded that if economic forces supported by the administration are put into place, the price of crude oil could increase to as high as nearly $100 per barrel if there is even a partial blockade of Persian Gulf oil—is that worth the risk others advocate taking today?

As Members of the Congress of the United States we have the responsibility to insure that this Nation does its best to provide for the safety and security of its citizens. We must have the vital information that will be gained from the Synfuels Corporation project to make rational, responsible choices for the future direction of our energy policy.

To limit our technological development capability to just oil shale and coal gassification—then we are no better than an ostrich with its head in the sand. If we limit our ability to make sound, informed decisions on our energy policy, then we will surely find ourselves staring the 1973 oil embargo in the face again.

Look to the Republic of South Africa and their experience in synfuels. Thirty years ago they made a firm commitment to this technology with the hopes of protecting their economy from energy over-dependence. Today, they have three commercial scale synthetic fuel plants and are virtually secure from any large scale price increase or oil flow interruption.

Can we really expect to find another reserve of domestic oil, another Prudhoe Bay, in the next 10 years? Can my colleagues here assure me that our economic recovery we enjoy today will not turn into a catastrophic recession if war erupts in the Middle East and prices double, triple—or worse—overnight?

Give me that ironclad assurance and I will support your efforts to gut the Synfuel Corporation. But as you can't provide such assurances and the gentlemen offering the $6 billion rescission know that they cannot provide such assurances, then I say to all my colleagues to do the responsible thing oppose this amendment.

Fix synfuels, change the management, address the concerns, but do not destroy 5 years of work, research and effort for election year politics.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, does the gentleman propose to use any of his time? I am merely trying to find out how we are progressing. The gentleman from Massachusetts [Mr. CONTE], as I understand it, is just about through with his statement on his amendment.

Mr. McDADE. Never would I foreclose my friend from Illinois. I just want to protect the opposite side of the question. There are many Members with strongly held feelings that this is the wrong course, and they want to be heard on it. I wanted to make sure that if they do want to be heard, there was time for them.

We have made an agreement, and I commend my colleague from Illinois for doing so. I do not intend to use the time of the House. I want to voice my opposition to the amendment.

Mr. YATES. If the gentleman will yield further, may I ask the gentleman then, does the gentleman object if I ask the Chair to proceed to a vote?

Mr. McDADE. Not at all.

Mr. YATES. I thank the gentleman.

Mr. Chairman, I call for a vote on this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CONTE].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. CONTE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 312, noes 111, answered "present" 1, not voting 9, as follows:

[Roll No. 281]

AYES—312

Ackerman	Feighan	McGrath
Addabbo	Fiedler	McHugh
Andrews	Fields	McKernan
Annunzio	Fish	McMillan
Anthony	Flippo	Meyers
Archer	Florio	Mikulski
Armey	Ford (MI)	Miller (CA)
Aspin	Fowler	Miller (OH)
AuCoin	Frank	Miller (WA)
Barnard	Franklin	Mitchell
Barnes	Frenzel	Moakley
Bartlett	Gallo	Molinari
Barton	Gejdenson	Montgomery
Bateman	Gephardt	Moody
Bates	Gingrich	Moore
Bedell	Glickman	Moorhead
Beilenson	Goodling	Morrison (CT)
Bentley	Gordon	Morrison (WA)
Bereuter	Gradison	Mrazek
Berman	Gray (PA)	Natcher
Bevill	Green	Neal
Bilirakis	Gregg	Nichols
Bliley	Guarini	Nowak
Boehlert	Gunderson	Oakar
Boner (TN)	Hall (OH)	Obey
Bonker	Hamilton	Olin
Bosco	Hartnett	Oxley
Boucher	Hatcher	Packard
Boulter	Heftel	Panetta
Boxer	Hendon	Parris
Breaux	Henry	Pashayan
Broomfield	Hertel	Penny
Brown (CA)	Hiler	Petri
Broyhill	Hillis	Pickle
Burton (CA)	Holt	Porter
Burton (IN)	Hopkins	Price
Callahan	Hoyer	Pursell
Campbell	Huckaby	Rangel
Carney	Hughes	Ray
Carper	Hunter	Reid
Carr	Hutto	Richardson
Chandler	Hyde	Ridge
Chappie	Jacobs	Rinaldo
Cheney	Jeffords	Ritter
Clay	Jenkins	Roberts
Coats	Johnson	Robinson
Cobey	Jones (NC)	Rodino
Coble	Jones (OK)	Roe
Coelho	Jones (TN)	Roemer
Coleman (MO)	Kaptur	Rose
Collins	Kasich	Rostenkowski
Combest	Kastenmeier	Roukema
Conte	Kennelly	Rowland (CT)
Cooper	Kleczka	Rowland (GA)
Coughlin	Kolbe	Roybal
Courter	Kostmayer	Sabo
Craig	Lagomarsino	Saxton
Crane	Lantos	Schneider
Crockett	Latta	Schroeder
Darden	Leach (IA)	Schuette
Daschle	Lehman (CA)	Schumer
Daub	Lehman (FL)	Seiberling
Davis	Lent	Sensenbrenner
DeLay	Levin (MI)	Sharp
Dellums	Levine (CA)	Shaw
Derrick	Lewis (CA)	Shelby
DeWine	Lewis (FL)	Shumway
Dickinson	Lightfoot	Sikorski
Dicks	Livingston	Siljander
Dingell	Lott	Sisisky
DioGuardi	Lowery (CA)	Skeen
Dixon	Lowry (WA)	Skelton
Donnelly	Luken	Slattery
Dornan (CA)	Lungren	Slaughter
Dowdy	Mack	Smith (FL)
Downey	MacKay	Smith (NE)
Dreier	Madigan	Smith (NH)
Duncan	Manton	Smith (NJ)
Dymally	Markey	Smith, Denny
Dyson	Marlenee	Smith, Robert
Eckart (OH)	Martin (IL)	Snyder
Eckert (NY)	Martin (NY)	Solarz
Edgar	Martinez	Solomon
Edwards (CA)	Matsui	Spratt
Emerson	McCain	St Germain
English	McCandless	Stallings
Erdreich	McCloskey	Stangeland
Evans (IA)	McCollum	Stark
Evans (IL)	McCurdy	Stenholm
Fawell	McEwen	Stokes

Studds	Torricelli	Weiss
Stump	Towns	Wheat
Sundquist	Udall	Whitehurst
Sweeney	Vander Jagt	Whitley
Swift	Vento	Whittaker
Swindall	Visclosky	Williams
Synar	Volkmer	Wolpe
Tallon	Vucanovich	Wortley
Tauke	Walgren	Wyden
Tauzin	Walker	Wylie
Taylor	Watkins	Yates
Thomas (CA)	Waxman	Young (FL)
Thomas (GA)	Weaver	Young (MO)
Torres	Weber	Zschau

NOES—111

Alexander	Gekas	Nelson
Anderson	Gibbons	Nielson
Applegate	Gilman	O'Brien
Atkins	Gray (IL)	Oberstar
Badham	Grotberg	Ortiz
Bennett	Hall, Ralph	Owens
Biaggi	Hammerschmidt	Pease
Boggs	Hansen	Pepper
Boland	Hawkins	Perkins
Bonior (MI)	Horton	Quillen
Borski	Howard	Rahall
Brooks	Hubbard	Regula
Bruce	Kanjorski	Rogers
Bryant	Kildee	Rudd
Bustamante	Kindness	Russo
Byron	Kolter	Savage
Chappell	Kramer	Schaefer
Clinger	LaFalce	Scheuer
Coleman (TX)	Leath (TX)	Schulze
Coyne	Leland	Shuster
Daniel	Lipinski	Smith (IA)
Dannemeyer	Lloyd	Snowe
de la Garza	Long	Spence
Dorgan (ND)	Lujan	Staggers
Durbin	Lundine	Strang
Dwyer	Mavroules	Stratton
Early	Mazzoli	Traficant
Edwards (OK)	McDade	Traxler
Fascell	McKinney	Valentine
Fazio	Mica	Whitten
Foglietta	Michel	Wilson
Foley	Mineta	Wirth
Ford (TN)	Mollohan	Wise
Frost	Monson	Wolf
Fuqua	Murphy	Wright
Garcia	Murtha	Yatron
Gaydos	Myers	Young (AK)

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—9

Akaka	Hayes	Kemp
Brown (CO)	Hefner	Loeffler
Conyers	Ireland	Roth

□ 1820

Messrs. ALEXANDER, MURPHY, LUNDINE, SAVAGE, DANIEL, and HORTON changed their votes from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

DEPARTMENT OF ENERGY

CLEAN COAL TECHNOLOGY RESERVE

(TRANSFER OF FUNDS)

For the purpose of conducting cost-shared clean coal technology projects for the construction and operation of facilities to demonstrate the feasibility for future commercial application of such technology $750,000,000 shall be available to the Secretary of Energy, to remain available until expended, of which (1) $100,000,000 shall be immediately available, (2) an additional $300,000,000 shall be available beginning October 1, 1986, and (3) an additional $350,000,000 shall be available beginning October 1, 1987, such sums to be derived by transfer from funds appropriated to the "Energy security reserve" in the Department of the Treasury by the Department of the Interior and Related Agencies Appropriation Act, 1980 (Public Law 96-126) and subsequently made available to carry out title I, part B of the Energy Security Act (Public Law 96-294) by Public Laws 96-304 and 96-514: *Provided*, That such amount shall be from the amount of $5,700,000,000 initially available only for obligation to projects with Letters of Intent authorized by the Board of Directors of the United States Synthetic Fuels Corporation on or before June 1, 1984: *Provided further*, That the Secretary shall not finance more than 50 per centum of the total costs of a project as estimated by the Secretary as of the date of award of financial assistance: *Provided further*, That cost-sharing by project sponsors is required in each of the design, construction, and operating phases proposed to be included in a project: *Provided further*, That financial assistance for costs in excess of those estimated as of the date of award of original financial assistance may not be provided in excess of the proportion of costs borne by the Government in the original agreement and only up to 25 per centum of the original financial assistance: *Provided further*, That revenues or royalties from prospective operation of projects beyond the time considered in the award of financial assistance, or proceeds from prospective sale of the assets of the project, or revenues or royalties from replication of technology in future projects or plants are not cost-sharing for the purposes of this appropriation: *Provided further*, That other appropriated Federal funds are not cost-sharing for the purposes of this appropriation: *Provided further*, That existing facilities, equipment, and supplies, or previously expended research or development funds are not cost-sharing for the purposes of this appropriation, except as amortized, depreciated, or expensed in normal business practice.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE: On page 45, in line 25, strike "$750,000,000" and insert in lieu thereof "$100,000,000" and on page 46, line 1, strike from "of which" through the end of line 4.

Mr. CONTE. Mr. Chairman, my amendment is designed to restore a measure of fiscal responsibility to the bill and at the same time provide a significant Clean Coal Demonstration Program.

As reported H.R. 3011 transfers $750 million available to the Synfuels Corporation through the energy security reserve to the Department of Energy for clean coal research projects; $100 million is transferred in fiscal year 1986; $300 million would be automatically available in fiscal year 1987, and another $350 million would be available in fiscal year 1988. These outyear transfers would not be subject to further congressional action. In effect, we're writing a blank check for three-quarters of a billion dollars without knowing how the money will be spent.

My amendment would delete the outyear funding provided for fiscal years 1987 and 1988. The amendment would not affect the funds provided by transfer in fiscal year 1986; $100 million—a generous amount for any new program—will remain available to start a clean coal demonstration effort next year.

Basically, I agree with the thrust of the proposal. It's important to provide new, environmentally clean options for coal use. However, considering our attempts at fiscal restraint in all programs, it's difficult to justify the advanced funding of a new Government subsidy for projects and research currently sponsored by the private sector. In fact, the electric utility industry has spent more than $500 million on coal related R&D efforts during the past 5 years, and plans to spend another $600 million over the next 5 years, mainly for clean coal demonstrations.

Industry and utilities—for a variety of reasons—have already begun to initiate highly efficient, environmentally clean coal-based technologies, and these are the same kinds of demonstrations that would be subsidized by the taxpayer under the proposed Clean Coal Program.

I'm also concerned that this program duplicates an extensive Federal effort to fund clean coal technology research.

Since 1981, the Federal Government has spent more than $2 billion on clean coal R&D.

For fiscal year 1986, this bill includes $348 million in fossil fuels R&D, $250 million of which is specifically for clean coal. If $100 million for clean coal demonstration projects is added, the total Federal spending for clean coal in fiscal year 1986 will amount to $350 million. The administration requested only $150 million.

The Environmental Protection Agency is also conducting R&D in this area. In fiscal years 1984 to 1986, EPA's budget calls for almost $50 million in clean coal work.

Finally, the multiyear funding provided in this bill is contrary to the agreement reached last year on the Synfuels recission. The conference report on the continuing resolution clearly stated that any funding for the clean coal technology reserve would be "subject to annual appropriation" by the Congress.

In addition, the statement of the managers explained that "annual funding for such activities is subject to appropriation by the Congress." In light of the Federal deficit, multiyear funding without meaningful review by the Congress—is a bad precedent for this bill and bad fiscal policy.

Mr. Chairman, if we're really serious about deficit reduction, how can we start a new, multimillion-dollar program and fully fund it for 3 years? How can we guarantee Government subsidies for large corporations when

funding for the arts, natural resource management, and energy conservation programs face or uncertain future? It doesn't make fiscal sense, and it's not right.

My amendment to delete the outyear funding is designed to provide a well run, fiscally responsibly Clean Coal Program.

For fiscal restraint and good Government policy, I urge my colleagues to support my amendment.

□ 1830

AMENDMENT OFFERED BY MR. REGULA AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. CONTE

Mr. REGULA. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. REGULA as a substitute for the amendment offered by Mr. CONTE: On page 45, line 25, strike "$750,000,000" and insert "$500,000,000". On page 46, line 2, strike "$300,000,000" and insert "$200,000,000". And on page 46, line 4, strike "$350,000,000" and insert "$200,000,000".

(By unanimous consent, Mr. REGULA was allowed to proceed for 5 additional minutes.)

The CHAIRMAN. The gentleman from Ohio [Mr. REGULA] is recognized for 10 minutes.

Mr. REGULA. Mr. Chairman, this is an issue that we need to address. I think by offering this substitute at this point we can debate the entire potential changes. We are really being faced with three choices. We can keep the $750 million. We can take the substitute that I have offered, which would be $500 million, a reduction of $250 million, or we can take the $100 million for fiscal year 1986 as offered by the gentleman from Massachusetts.

When I came to Congress I received a letter from a wise old gentleman in my district and he said, "Dear Ralph, you are leaving for Washington. Watch out for those pendulums."

That was good advice, because we tend in this body to swing from crisis to crisis. I can remember the speeches here in 1977 and 1978 as gasoline lines were sitting in all our districts, as people were saying, "Why didn't you do something? Why didn't you Members anticipate this?"

Schools were closing, churches, hospitals were fighting for fuel, many of our businesses did not have adequate fuel to meet their needs. People were laid off for lack of fuel, for industries. We had a crisis and everybody said, "Oh, we forgot to do something about providing energy independence."

We created the Synthetic Fuels Corporation in 1980, this body said, "Let's drill the Outer Continental Shelf. Let's find substitutes. Why don't we use this magnificent resource of coal?"

You have all heard the statements. The United States is the Saudi Arabia of coal, of energy, because of coal.

Today, there are no gasoline lines. The cost of fuel has dropped. We have an opportunity to legislate in a responsible way for the future.

If you read the literature, if you listen to the people who are taking a look down the road, they are saying that the trend is starting the other direction. Imports are up 8 percent over last year. The potential for another fuel crisis lurks across the horizon. When that happens, we will come back in here and the old pendulum will go back to the other side and we will have all kinds of speeches. I wish I had a CONGRESSIONAL RECORD in here to quote from some of the dramatic statements of my colleagues about the need to do something about the crisis. Here is a chance to legislate in a responsible, measured way, to avoid OPEC blackmail, to avoid a problem in the future in terms of energy independence.

We eliminated in the recent vote here a few minutes ago the Synthetic Fuels Corporation. We are not going to have onstream programs to develop alternative fuels, even though many other countries have done that.

This proposal would take away the ability to deal with clean coal. We do have enormous coal resources throughout the United States. It does give us the ability to have energy independence, but we have to develop new ways of using the fuel to avoid the problems of acid rain.

We get many Dear Colleague letters. We hear from people, "Let's do something about acid rain." Here is an opportunity to do that in a responsible manner.

Obviously, the bill does give multiyear funding. My proposal would give $100 million the first year, fiscal year 1986, as does the proposal of the gentleman from Massachusetts; but at that point he cuts it off.

I say let us appropriate $200 million for 1987, $200 million for 1988. This represents a reduction from the $750 million, but I think it is a responsible, measured response, to a future need.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. REGULA. Yes.

Mr. YATES. Mr. Chairman, I think the gentleman ought to point out his plan, as well as the committee's original plan, will require a 50-percent cost sharing by industry.

Mr. REGULA. That is correct. The bill makes a very tight requirement on cost sharing. We are saying to those who would develop clean coal technology, "You have got to put up half the money. You have got to go at risk along with the Government."

The problem with cutting it off at the end of 1 year is that those who would be able to do something in this field will say to themselves, "Why should we risk 50 cents out of every dollar, knowing that Congress may well chop off the second and third years, why even start?"

Therefore, we are not going to get the kind of projects we need.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Chairman, I simply want to associate myself with the gentleman's remarks. I think the gentleman lays out the picture very, very explicitly.

We are a nation that always looks to the future; but past, present, and future coal has always been an important asset of this country.

Now we are seeing imports—can you imagine, we are seeing imports from other countries. In terms of coal we have this resource and all we want to do is continue our technology with respect to it.

Mr. Chairman, I have the deepest respect for my friend, the gentleman from Massachusetts, as he knows, but I think his amendment really ought to be looked at a little more closely.

I commend the gentleman from Ohio and I hope, frankly, that we can defeat the amendment of the gentleman from Massachusetts and show that we are a country that believes in all of our assets, all of our resources, all of the regions of this country, and we believe in our great natural resource of coal.

Mr. REGULA. Mr. Chairman, I thank the gentlewoman.

To keep the record straight here, the first vote will occur on the substitute and that would be a vote for the $500 million. I would urge my colleagues to support that.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to my colleague, the gentleman from Pennsylvania.

Mr. McDADE. Mr. Chairman, I want to commend the gentleman from Ohio for his initiative and tell him that I wholeheartedly support him.

Now, the gentleman raised an interesting issue with the Chairman which is important for this body to know and that is the 50 percent cost-sharing. There is a requirement that 50 percent of the cost be borne by the private side; is that correct?

Mr. REGULA. That is correct.

Mr. McDADE. The gentleman has said, and I think it is important to note, that provision is in the law and the multiyear effort is to try to incentize the industry to develop the technology.

Mr. REGULA. That is absolutely right.

Mr. McDADE. So let me point this out and ask the gentleman if this is not also true. This is only clean combusting coal technology; is that not accurate?

Mr. REGULA. That is accurate.

Mr. McDADE. Now, is it not true, let me ask my colleague, that the problem today of acid rain, which affects the environment of this Nation, is primarily caused by the burning of unclean coal in point discharges; is that not accurate?

Mr. REGULA. That is correct.

Mr. McDADE. Now, is it not true that this technology is the only solution we have in sight to eliminate or mitigate the current problem of acid rain sweeping this Nation?

Mr. REGULA. That is absolutely right.

Mr. McDADE. Mr. Chairman, let me commend my colleague and let me remind the House that just a few days ago a lot of my colleagues made a number of speeches about the importance of clean air, and we all agree on it. Today is the day that we put our resources where our mouths were.

Let us back the amendment offered by my friend, the gentleman from Ohio, support him in his efforts to clean up the air and get rid of acid rain.

I commend the gentleman.

Mr. REGULA. Mr. Chairman, I thank the gentleman.

I might add in conjunction with that that I do have a letter from the Environmental Policy Institute strongly supporting the full funding. They are supporting $750 million for clean coal technology.

A vote yes on this substitute is an environmentally positive vote.

I want to point out with the charts here, the top line is the energy requirement in electricity in future years. This is what we have in place. Unless we get clean coal technology, we are going to be forced to go to the Middle East as a fuel source to generate the electricity we need.

We have a choice tonight of either developing our own resources with clean air or becoming a dependency of OPEC in the years ahead.

I will yield to many of you, but I do want to go over the rest of the charts.

This chart is the amount of emissions we will get without clean coal technology. The line goes up sharply. If we develop this with the moneys we are proposing to make available, we will be able to hold down the emissions, to address the acid rain problem.

Again, the next chart essentially says the same thing. It just boils down to this. We spend the money, half Federal, half private, to develop a clean coal technology. It will let us use the enormous resources we have in this Nation. It will keep us from being OPEC dependent. A good environmental vote, avoid the long lines that were characteristic of the seventies.

□ 1840

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Kentucky, a member of the committee.

Mr. ROGERS. Mr. Chairman, I thank the gentleman for yielding to me this time, and I want to associate myself fully with the gentleman's remarks, for making this issue very plain to all of us.

Another point that I think the gentleman might elucidate even more on, we are going to have to depend upon coal for the next several years. There is no other alternative. Nuclear has just not proved itself. It is either coal or without energy.

Those that are concerned about the environment, and with good reason for that concern, should vote for this bill. This gives the chance to clean up the coal and it is paid for.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. REGULA] has expired.

(On request of Mr. ROGERS and by unanimous consent, Mr. REGULA was allowed to proceed for 5 additional minutes.)

Mr. REGULA. Mr. Chairman, I continue to yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, this gives us the opportunity to clean up the burning of coal and to remove the possibilities that exist that acid rain is being caused by the burning and combustion of coal.

The utilities will be required to cost-share to the extent of 50 percent. We have got to realize that they do not have the wherewithal to raise the entire sums because they are regulated and their Public Service Commissions do not have the opportunity under the present rulings to allow them the risk of a long-term investment of the entire cost. So I commend the gentleman for that feature of the substitute that is a cost-sharing, 50/50 between the utility and the Government.

The 3 years is terribly important, as the gentleman has indicated, because the utilities just do not have the wherewithal, No. 1, financially to go into this thing on a 1-year basis; and No. 2, politically because they have been burned by us before. They switched, and we changed the law, and they were required to unswitch.

So I commend the gentleman and urge the support of this substitute and its final passage.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, I usually do not disagree with my distinguished friend and colleague from Massachusetts, Mr. CONTE. If you look at the record, you will find both of us are probably in sync about 99 percent of the time. But this is one area in which we disagree.

Incidentally, the clean air technology reserve was established by Public Law 98-473. As a result of the Department making inquiries of industry on whether or not there would be any interest, the statements of interests that have come up to this point amount to 170 companies interested in getting into this program.

One of the arguments used by my colleague from Massachusetts, Mr. CONTE, was that we spent millions of dollars in clean coal technology. But we have not spent a dollar with respect to this kind of a reserve or this kind of a program. That money has been spent by demonstration programs.

The particular program brings in industry at 50 percent of the cost. Your substitute is a good one, $100 million in 1986, and $200 million in 1987, $200 million in 1988, I think that is a reasonable compromise and ought to be accepted.

Mention has been made here of the problems that acid rain propose, and not alone for the Northeast but for Canada, and actually now spreading into most areas of the United States.

This is one way that perhaps the worse pollutant of all—dirty coal—can be cleaned up, and there is no way at all that you are going to solve the acid rain problem unless you solve the problem of using cleaner coal.

So I want to commend the gentleman from Ohio for his substitute. I think it is the right way in which to move. I think it is the wise way, and I think in the long run it is an effective way to clean up acid rain. That is what we all desire. This program of a clean coal technology reserve will go a long way to produce that result.

Mr. REGULA. I thank the gentleman.

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Illinois [Mr. O'BRIEN].

Mr. O'BRIEN. Mr. Chairman, I support the substitute by the gentleman from Ohio [Mr. REGULA]. I think the gentleman from Massachusetts, [Mr. BOLAND] and the gentleman from Kentucky [Mr. ROGERS] said it all. I think that the strength of this House, if I may address myself to my friend and my ranking member of the committee, Mr. CONTE is in its diversity and not in its conformity.

This is an important amendment. It is very important to Illinois which probably has more coal in its cellar than any other State in the Union. My State takes little from the Federal Government in money coming back, paying taxes to support that government. We are 48th on the list of States in this respect.

So, speaking parochially, and in every other way, I support the substitute.

Mr. REGULA. I thank the gentleman for his comments.

Mr. RAHALL. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from West Virginia.

Mr. RAHALL. I thank the gentleman from Ohio for yielding and want to commend him for his efforts with regard to clean coal technology. The gentleman has been a real champion for coal on the Appropriations Committee, as well as the gentleman from Illinois [Mr. YATES] the subcommittee chairman.

I regret that the gentleman has to offer this substitute of $500 million. I would rather see the House accept the $750 million and reject the Conte amendment on its own.

The gentleman has mentioned that this is the perfect time for us to debate clean coal technology, and debate where we should be headed in regard to our energy decisions in this country. We are not facing an OPEC oil cartel threat at the moment. We do not have the long gasoline lines. It is a time that we can reason in a calm, cool, collected manner.

The gentleman has mentioned that the threat of a Saudi cutoff of our oil is not hanging over our head today. But I think it is also worth pointing out that we have coming into this country today coal from foreign countries. And while it is not a major threat to our domestic producers at this time, the time could come when the floodgates are opened and we find that the United States is importing a majority of its coal. We can never be put in that position. That is like Saudi Arabia importing oil.

I say to the gentleman that now is the time for us to take the steps toward clean coal technology, toward developing our own domestic resources in a clean and environmentally sound manner, and the gentleman has well pointed out that this has the support of the environmental community.

So I urge rejection of the amendment offered by the gentleman from Massachusetts [Mr. CONTE].

Mr. Chairman, I rise in opposition to the Conte amendment.

I think most of us agree there is a need for clean coal technology, and that a degree of Federal assistance is appropriate.

These new technologies will enable coal to be burned in a more environmentally sound manner, and will be more cost efficient.

Projects to be funded under the program will fall into the so-called process development stage of technology development. At present, there is a gap in industry's and Government's coal R&D programs. The clean coal technology reserve will be used to couple proof-of-concept with the commercialization stage by providing funds for semiworks projects.

Why, then, is a multiyear appropriation necessary?

The payoff from the large investment necessary for many of these clean coal technology projects is a decade or more away and as such, are not competitive with near-term investment options and needs. In most instances, these projects are not driven by predictable and specific market requirements and must be undertaken in an uncertain regulatory environment. For example, the Clean Air Act can change and a given technology can become obsolete before a return is ever realized.

Because of this situation, it is imperative that not only is Federal assistance provided to clean coal projects, but that some degree of certainty is there regarding the availability of funding.

The private sector must come up with 50 percent of the project's cost under this legislation, and will not be willing to make such an investment based on a single year appropriation.

Funds to continue and complete the project just might not be available under a single year appropriation scenerio.

As such, the risk becomes too high.

The certainty once envisioned of synthetic fuels is being eroded. The long-term energy future of this Nation is being abandoned.

Let us not do the same to the short-term energy future of this country.

For once, let us make a stand for clean coal technologies which will improve our environment, and provide a return to the consumer in the form of lower rates of electricity.

I urge my colleagues to oppose the Conte amendment.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. REGULA] has again expired.

Mr. KASICH. Mr. Chairman, I ask unanimous consent that the gentleman have 5 more minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. CONTE. Mr. Chairman, reserving the right to object, let me just make this point: There are a lot of Members who want to speak in opposition, and the gentleman from Ohio asked for 10 minutes originally, and we went along and we gave him another 5 minutes, and that is 15. Now we can yield here all night long if you want to stay here, and I will be glad to.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio [Mr. REGULA] have 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Chairman, will the gentleman yield to me?

Mr. REGULA. I yield to the gentleman from Illinois, the chairman of the subcommittee.

Mr. YATES. Mr. Chairman, I support the gentleman. I think the gentleman has made a very eloquent and powerful statement, and I think the committee would accept the gentleman's substitute.

Of course, that does not allow us to accept it because it needs the consent of the gentleman from Massachusetts.

But, I would propound a parliamentary inquiry to the Chairman if it is parliamentarily correct. If it is parliamentarily acceptable, I would propose, if it is acceptable to the gentleman from Massachusetts, that there be allotted 20 minutes on each side, the time in opposition to the gentleman's substitute and in favor of his own being controlled by the gentleman from Massachusetts [Mr. CONTE], and the time on the other side being controlled by the gentleman from Ohio [Mr. REGULA]. I make that in the form of a unanimous-consent request.

The CHAIRMAN. Is the gentleman's request on the Conte amendment and all amendments thereto?

Mr. YATES. That is the gentleman's request.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. OBERSTAR. Mr. Chairman, reserving the right to object, how is this time going to be controlled?

Mr. YATES. By the gentleman from Massachusetts [Mr. CONTE] and the gentleman from Ohio [Mr. REGULA].

Mr. OBERSTAR. How is the time going to be regulated, on what basis?

Mr. YATES. Twenty minutes to each side.

Mr. OBERSTAR. The time to be allocated on the basis of those who were standing?

Mr. RITTER. I reserve the right to object, Mr. Chairman.

The CHAIRMAN. The request of the gentleman from Illinois is as follows: That all time be limited for the Conte amendment and all amendments pending to 20 minutes for the proponents, 20 minutes in opposition, the time to be controlled, 20 minutes by the gentleman from Massachusetts [Mr. CONTE] and 20 minutes by the gentleman from Ohio [Mr. REGULA].

Is there objection to that unanimous-consent request?

Mr. RITTER. Mr. Chairman, reserving the right to object, there are many of us who have prepared to speak on behalf of one side or another, and frankly, with all of these people standing, 20 minutes on either side is insignificant.

Mr. YATES. Mr. Chairman, would the gentleman object to 30 minutes on each side?

Mr. RITTER. Mr. Chairman, I think 30 minutes is sufficient.

Mr. YATES. Mr. Chairman, I amend my request to be 30 minutes on each side, with the same time controls by the same two gentleman.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The gentleman from Massachusetts [Mr. CONTE] will be recognized for 30 minutes, and the gentleman from Ohio [Mr. REGULA] will be recognized for 30 minutes to speak on the Conte amendment and all amendments thereto.

The Chair recognizes the gentleman from Massachusetts [Mr. CONTE].

□ 1850

Mr. CONTE. Mr. Chairman, I yield 4 minutes to my good friend and the ranking Republican on the Committee on Energy and Commerce, the gentleman from North Carolina [Mr. BROYHILL].

Mr. BROYHILL. Mr. Chairman, I rise in support of the amendment offered by my friend and colleague from Massachusetts [Mr. CONTE].

I think perhaps Members have already made up their minds on this, but I think it should be understood very clearly that a vote for the Conte amendment is not a vote against the development of clean coal technology. The arguments being made here in the well of the House and on the floor in the debate just prior to my being recognized implied that the Conte amendment in some way is a vote against clean coal technology. This is just not true.

The Federal Government has been heavily involved in clean coal R&D for a number of years. I have in my hand a letter from the Secretary of Energy who says, and I quote:

> The Government is already playing a significant role in the financing of longer-term more generic clean coal related research.

It goes on to say:

> During the first term of this administration (fiscal years 1981 through 1985) more than $2 billion have been appropriated for fundamental clean coal R&D.

Mr. Chairman, the measure that we are debating today, the appropriation bill, continues that commitment to clean coal. All that Mr. CONTE's amendment does is to delete the extra amount of money that the committee has put in here for this.

In fact, the Conte amendment would permit an additional $100 million to be spent in fiscal year 1986 on demonstration projects over and above that which has been expended in the prior years.

Mr. Chairman, would the gentleman from Massachusetts [Mr. CONTE] confirm that?

Mr. CONTE. If the gentleman would yield, the gentleman is absolutely right.

Mr. BROYHILL. What we are saying is that the Conte amendment constitutes a substantial and significant Federal stake in the search for economical methods of burning coal in an environmentally acceptable manner. So all we are saying is: Why do we want, here at a time when we are cutting back on spending programs that are helping our constituents and here are saying we are going to spend another $650 million in taxpayer funds for clean coal projects in fiscal years 1987 and 1988? This is a difficult time, it is an extremely difficult and sensitive time that we make these budgetary decisions, but it is all the more important that we exercise some fiscal restraint. It seems the least that we can do is to respect the House budget resolution targets. I am not convinced that the House budget resolution as a whole goes far enough, but it seems to me the least we can do is respect the House budget resolution targets.

I want to make another point. You know, Mr. Chairman, we just had a vote here with respect to the synthetic fuels program. We voted on an amendment that has the purpose of cutting back on the spending for the program. That was based on the fact that we had determined that the Government cannot allocate funds properly and I am saying that here the day that we cut our money for SFC we are creating a new multiyear subsidy for a new kind of program. I would hope that we would avoid doing that.

Mr. REGULA. Mr. Chairman, I yield 4 minutes and 20 seconds to the gentleman from Pennsylvania [Mr. RITTER].

Mr. RITTER. Mr. Chairman, I rise in support of the amendment of the gentleman from Ohio. I would like to clear up a few areas which I think are very important in this debate. One area is the amount of work that the Department of Energy is doing in clean coal technology. The figure of $250 million which was presented to you is basically the figure for the entire coal R&D Program.

Now some of those are long-range R&D programs that relate to clean coal. Others, like fuel cell research, heat engine research, underground coal gasification, magneto hydrodynamics, are very long-range programs. I would suspect a good $100 million out of $250 million is not clean coal research and the other $150 million is rather long-range work in coal.

Another critical point is: Why 3 years as opposed to 1 year? Well, industry has watched this Congress pull the rug, good or bad, out from under the Synthetic Fuels Program and to put forward a 1-year program at $100 million simply will not attract the kind of support that is necessary at a very strict 50 percent cost-sharing requirement on the part of industry.

So if we want industry in this program, let us build it out a little bit more long range. I would like to refer to a speech given on the floor of this House on July 23, 1985, by the gentleman from Massachusetts. The gentleman said that acid rain is a clear and present danger to our environment and to our health, talked about every day; more than 166,000 tons of sulphur and nitrogen oxide are spewed into the air.

He said the Congress has stalled on this issue for too long. It is time to face the facts and take a stand.

Well that is what we are trying to do here today. The gentleman said that acid rain is out of control. This is one way to get acid rain; it is the best way. A scrubber for 1,000 megawatts worth of power generation costs twice as much as this entire 3-year program.

So it is a real good investment. OTA is talking about $3 billion to $4 billion a year as the world's most expensive Band-Aids applied to scrubbing and cleaning stack gasses, postcombustion. That is largely the procedure of cleanup in the acid rain legislation.

The best way to get rid of sulfur oxides is to clean it out of the coal before it goes up the stack. Also let me mention that it is not just utilities that are important here. A lot of sulfur-emitting industries are our basic industries like copper smelters. And if we want to help our basic industries to be clean enough to meet Clean Air Act standards, we are going to have to do some programs like this. If we want utilities which are highly regulated and we find difficulty making the kinds of long-range investments to get involved in preemptive sulfur cleanup we are going to have to do programs like this.

□ 1900

So I believe, in this case, there is an appropriate and limited Federal role in comparison to the kind of programs we have seen in synfuels, this is a limited role for the Federal Government.

I might also add that in a climate which opts against the use of the nuclear option for electric power generation, we have coal; we have lots of it; we should start burning it far more cleanly than we have, and I strongly support the amendment of the gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. GRAY].

Mr. GRAY of Illinois. Mr. Chairman, I thank my distinguished friend, and I yield to the gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. Mr. Chairman, I rise today in support of clean coal technology reserve and against the proposed amendment. I do this for several reasons.

I believe strongly that clean coal technologies can be that new approach. First, coal represents America's most abundant energy resource and is a key to achieving greater self-sufficiency. Some would rename the coal belt that lies between Pennsylvania, Ohio, West Virginia, Kentucky, Illinois, Indiana, Energy Valley U.S.A. The Northeast/Midwest region's demonstrated reserve base contains enough coal for 750 years of consumption at 1982 levels. In fact, just these States have as much coal energy in Btu's as the entire Middle East on which this Nation has become so dependent. The only difference between the Btu's we have under ground in the United States compared to the Middle East, Saudi Arabia, Iran, Iraq, Libya, Algeria or Kuwait, and so forth is that our Btu's are in solid form and theirs are liquid.

Second, it is ludicrous that the United States is importing $57 billion of oil, fully one-third of all oil consumed in America. Our country has become as dependent on foreign oil as we were before the Arab oil embargo of 1973.

Congress has debated the difficult solutions to the environmental problems regarding acid rain, associated with the burning of fossil fuels for a number of years. For those of us who represent the Northeast-Midwest, the problem of acid rain has long been debated with no resolution in sight. No existing technology to lower emissions from industrial areas, or any attempt to arrive at a solution through regulation, has met with widespread support. Clearly, another approach must be taken.

I believe that clean coal technologies can be that new approach. for all of us who are concerned about the devastating effect of acid rain on our environment, clean coal technologies can provide a means of creating clean energy from our most abundant resource—coal. In order to burn coal in our industries and homes tomorrow, we must learn how to burn it cleanly today. Clean coal technologies will allow us to take the coal within our own borders—even the high-sulfur content coal found in our Nation's Northeast and Midwest region—and convert it into gaseous or liquid forms. This coal, once converted into these alternate forms, can then be burned with no environmentally hazardous byproducts. While we study alternatives that may one day provide relief from the acid-rain problem through scrubbers, regulation, and new taxes, let us not forget that we have an opportunity today to back a modest plan to deal with the acid-rain problem by opening up a new source of energy that relies on our natural resources and the technological advances of our people. The Department of Energy has received 175 submissions of interest on clean coal technologies. These submissions of interest from the private sector indicate that coal can be burned cleanly. We owe it to ourselves and the Nation to find out. Although there may be disagreement over the present acid-rain problem, there is little disagreement that effective action must be taken immediately. A vote today in favor of clean coal technology and against the amendment offered by the gentleman from Massachusetts will support our efforts to solve the acid-rain problem.

Finally, before I yield back the remainder of my time, I would like to comment on one other point. It should be understood that this program prohibits Federal funding from exceeding 50 percent of a projects total cost, and requires participating industries to pay their share of costs throughout a project's life. Since we are requiring full 50 percent cofunding from the private sector in all phases of multiyear projects, we cannot expect private utilities and industries to take on the program seriously knowing the Federal Government may very well renege on its share of the partnership in future years. We need a program that inspires confidence and provides stability in our relationship with the private sector. I commend the efforts of the subcommittee and especially its distinguished chairman, the gentleman from Illinois, for their success in bringing to the floor a bill that addresses this concern. I commend their efforts, and I ask that the House support the wise actions taken by them and vote down this amendment.

Mr. GRAY of Illinois. Mr. Chairman. I thank my friend, the gentleman from Ohio for yielding time to me.

I rise in support of the amendment of the gentleman from Ohio.

We are at the Crossroads in Energy. Do we want to solve the so-called, acid-rain issue and use the best resource of the land in finding ways of burning coal more cleanly and becoming self-sufficient in energy. The Regula amendment will go a long way in doing that.

We need the outyears funding in order to attract the capital needed to solve this problem of burning coal more cleanly.

Because of time constraints, I will not be able to say what I had intended, but I hope my colleagues will vote against the Conte amendment and for the Regula amendment.

Mr. PURSELL. Mr. Chairman, will the gentleman yield?

Mr. GRAY of Illinois. I yield to the gentleman from Michigan.

Mr. PURSELL. In just a few seconds, I wanted to ask where you are going to get the money to pay for the program.

Mr. GRAY of Illinois. Does the gentleman want me to answer that question?

Coming from the coal fields of Illinois, I can assure you in this particular instance that industy itself is paying 50 percent. We pay for it today in our electric bills. We have one utility in my district; 25 years ago we built it at a cost of $15 million, and the scrubbers on that one plant today cost $85 million.

So if we can come up with a clean control technology, we will save the money in electric rates.

Mr. CONTE. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. TAUKE].

Mr. TAUKE. Mr. Chairman, I rise in support of the Conte amendment and I want to make three critical points.

The first point is this: It is true that the gentleman from Ohio [Mr. REGULA], in his amendment reduces the outyear funding, but the fact of the matter is that every dollar of outyear funding provided for in the Regula amendment exceeds the budget targets.

We have not budgeted for any outyear funding for this program. So those of us who have voted to implement the House budget resolution, and reconcile against it, and have agreed to live within the goals set by the House budget resolution, now is the time to vote against efforts to exceed it, and every dollar that the Regula amendment puts in outyears exceeds the House target.

The second point, the Conte amendment respects the time-honored process of appropriating a year at a time. We have gotten ourselves into some deep trouble by trying to fund some of these programs on a long-term basis.

Witness the last vote on the Synfuels Corporation. Whether you were for the Synfuels Corporation or against the Synfuels Corporation, you sure have to recognize that the way we handled it proved to be pretty poor.

Now we are about to do the same kind of thing. I suggest to you we are better off taking it a year at a time.

The third point is that a vote for a Conte amendment is not a vote against clean coal. It is in fact a vote for clean coal. It would provide $350 million—that is no small amount of change—$350 million for fossil fuel research and development; about $300 million of which goes for clean coal technology.

Voting for the Conte amendment is not a vote against clean coal; it is a vote for clean coal, and at the same time it is a vote for budget restraint.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentlewoman from Tennessee [Mrs. LLOYD].

Mrs. LLOYD. Mr. Chairman, I rise in opposition to the amendment and in doing so, wish to reaffirm my support

for the Clean Coal Reserve Program. I have been an advocate of this type of cost-shared research and technology demonstration program and, in fact, the basic concepts for the reserve were included in a Clean Coal Production and Utilization Demonstration Act, H.R. 5592, which I introduced in the 98th Congress. I am enthusiastic that the reserve has been delineated in the appropriations process, and I urge my colleagues to continue to support the reserve through outyear funding.

In recent years, we have seen the budgets for civilian energy research and development drastically decline, bringing some R&D programs to termination and others to barely viable level of research activity. We have also seen a moratorium placed on Government-funded technology development at any meaningful scale, placing the entire burden for pilot-plant or semiworks demonstration projects on the private sector. At the same time, paradoxically, the private sector incentives for such investment in clean alternatives to oil have lessened because of soft world prices. It appears that the private sector is willing to meet the technical challenge as evidenced by their submission of many quality proposals to a recent Department of Energy solicitation regarding clean coal technology development.

However, it is abundantly clear that industry alone cannot make the large financial commitment necessary to definitively prove the feasibility of emerging technologies in today's market climate.

Accelerating technology integration and development of clean coal technologies is critical if we are to deal with our future energy needs and related issues, such as acid rain. I think it would be unwise and even foolish to pretend that a 1-year funding of the reserve will do anything but provide false hopes in our efforts to bring these new technologies to a useful stage. Such an approach leaves too much uncertainty and there is simply not enough funding for the required technological diversity of pilot plants. We need to make a firm and sustained commitment to these projects if we expect any usable results. Let us not be so shortsighted in dealing with our energy future.

Another problem which has received more publicity recently is one of our future energy supply options. The bullish estimates of a few years ago of oil and gas reserves have been revised and present a less rosy view of our potential resources. The recently released OTA report on oil and gas concludes that the 1981 Department of Interior estimates of offshore oil and gas reserves were overstated by a wide margin. Recent explorations have also been disappointing in terms of discovery of additional reserves. Also, the potential costly development of some of these reserves is a factor to be considered when we look at our energy future from an economic perspective.

In concert with our future supply problems, we are now hearing more discussion on possible capacity shortfalls of electricity in the mid-1990's. In fact, one of the Senate committees has been having a series of hearings on this topic in an attempt to assess the various current predictions of the utilities with regard to electricity demand. Given our problems in getting nuclear plants online and the hesitancy of the utilities to go forward with any plant construction, be it coal or nuclear, makes it imperative that we continue to develop new technologies which will be available to meet our needs within a reasonable time period.

I would briefly like to mention the Clean Coal Reserve Program in the context of the acid rain issue. I have attempted to present a more cautious course of action than some of my colleagues who are seeking near-term regulatory solutions to the problem. Regardless of political pressures for complex policy decisions and the institutional barriers to the implementation of any such decision, whatever action is taken should be based on more knowledge than we have available to us at this time. Once the reasonable scientific certainties are established by the ongoing, focused research program as to precisely what are major problem pollutants and the related mechanisms behind their effects, we can then take legislative action to inhibit the formation of these major pollutants which cause acid rain. Meanwhile, the clean coal reserve will serve as the impetus needed for the development of environmentally benign coal technologies which will undoubtedly enhance our long-term efforts to combat acid rain. Wet scrubbers are not a desirable technology from the standpoint of generating large quantities of sludge and costly unreliable operation.

We have an opportunity to lay out a Department of Energy clean coal program which can serve as an enhancement to our ongoing fossil fuel development programs. Learning to burn our plentiful coal cleanly will ensure some flexibility in achieving a reasonable future energy resource balance.

I urge my colleagues to vote against the amendment which should be called the wet-scrubber technology preservation amendment.

Mr. CONTE. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. COATS].

Mr. COATS. Mr. Chairman, it is difficult for me to rise and support the Conte amendment because I have been such a strong advocate of clean coal technology, and on the surface it appears that I am reneging on my support. That is not the case.

As the gentleman from Iowa [Mr. TAUKE] indicated prior to my remarks, there is an ample amount of funds available, which will remain after the Conte amendment is adopted, for clean coal technology; and this remaining amount will be in accordance with the budget that has been adopted by this House, which we should adhere to.

There will be $100 million left as the result of the Conte amendment in addition to the $250 million provided through the Department of Energy appropriations, most of which goes for clean coal research.

A continuing commitment to clean coal technology is important for this Nation for a number of reasons:

First, coal is an ample domestic resource critical to the energy security needs of this Nation.

Second, it is a vital source of existing electrical power; 55 percent of our electricity in the United States is generated by coal; 98 percent of my home State of Indiana's electricity is generated by coal.

Third, it is relatively low-cost power. The demise of nuclear power as an attractive economically feasible alternative points us toward the use and the need of coal.

Fourth, clean-burning coal can partially solve our acid rain problem and for environmental reasons it is important that we continue the clean coal technology.

As the gentleman from California [Mr. DORNAN] said yesterday in this well, sometimes issues of paramount importance come before us and those issues have to take precedence. As important as funding for clean coal technology is, our current budget deficit is an issue of paramount importance.

We have here before us a proposal which will allow us to continue clean coal technology, but also deal with the budget in a responsible way.

For these reasons, I think it is important that we reject the proposal of the Appropriations Committee that is now before us, and adopt the amendment of the gentleman from Massachusetts [Mr. CONTE].

Mr. Chairman, it is easy for us to stand here and vote against appropriations when it affects someone else's district, or somebody else's project. The real test of whether or not we are going to get a handle and control on our budget deficit is when we are willing to take the floor and stand up and vote against projects that are near and dear to our hearts and that directly affect our own districts.

When we do that, then we will get control of this budget, and this is what we should do here today. I urge my colleagues to support the Conte amendment as a reasonable, rational, sensible approach to advancing clean coal technology, yet meeting our budget obligations.

Mr. REGULA. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. McDADE].

Mr. McDADE. Mr. Chairman, I rise in support of the amendment offered by my colleague, the distinguished gentleman from Ohio [Mr. REGULA] and against the amendment offered by the gentleman from Massachusetts [Mr. CONTE], which I think to be totally ill-advised.

It strikes out against clean air. If you are interested in clean air, this will be the litmus test, because this is where you spend your taxpayers' money.

□ 1910

Today, in about 20 minutes, you decide whether or not you are going to put tax dollars out there to try to get at the problem of clean air. And we have got to do it, I say to my colleagues, because the ravages of clean air in this Nation, of acid rain, can no longer be tolerated.

As I said before, a lot of people made statements about it the other day. This is the time to act. This is your litmus test. When you go back to your districts you will respond yes or no to technology that can defeat this problem, at least mitigate it, if not defeat it.

If you want to get rid of it, support the Regula amendment.

Let me point out something else. You saw a little bit ago that, as a body, we decided not to do anything with the Synthetic Fuels Corporation. Well, guess what it tries to do. It tries to take your resources of this Nation and make them clean, burn them clean. It was the only game in town until we decided to throw it out a little bit ago. And I hope we can rethink what we did.

Let me try to put a little bit of perspective on it. The amendment that was brought to us by the distinguished chairman, the gentleman from Illinois, and my friend, the gentleman from Ohio, today had $750 million in it. We hear that that is a lot of money. You bet it is a lot of money. We hear a lot of people saying you cannot do that over multiyears. You are just getting ready to vote on an authoriziation for the Defense Department. Every weapons system you buy is 100 percent fully funded over multiyears. We had a debate in this House about multiyear procurement, because it saves your taxpayers money. Buy it over multiyears and the price comes down. To show you the cost of the competition in the Navy Department—I see some of my colleagues here who were in that fight—billions of dollars have been saved because we had the fortitude and the foresight to say we will engage in multiyear activities in a few selected instances. Why should we do it here? One, you have got to say to private industry, "We would like you to come on board." You are going to have a hard time, my friends. You are going to have a hard time. You said that to the people in the private side a few years ago through the Synthetic Fuels Corporation, and you pulled the rug from under them a little bit ago. See how many of them will respond. Let us hope they do, if you want to clean up the problem of acid rain.

Let me point out to you: $750 million is what I said the cost is this year. Do you know what? That is 4 days—not 4 months, not 4 years, not 4 weeks—4 days of our imported oil bill.

The CHAIRMAN pro tempore (Mr. ROEMER). The time of the gentleman from Pennsylvania [Mr. McDADE] has expired.

Mr. REGULA. Mr. Chairman, I yield an additional minute to the gentleman from Pennsylvania.

Mr. McDADE. That 4-day fee, 4 days of imported oil will pay for this, at $26 a barrel. That is down.

We hear about the oil glut today. That is the low price ticket. Hobart Rowan, writing in the Post the other day, said, "Oil is a commodity." It can be $60 a barrel tomorrow. Crank that in. Do you know what the yearly cost of our Nation for imported oil is? $47 billion. And we are trying to say, "Let's develop our own resources," since we are acknowledged to be the Saudi Arabia of the coal world. Let us do it, and let us do it cleanly. Let us do it in a way that does not injure people.

I remember people dying in London because of smog created by dirty coal. I remember it in my own State, in Donora, PA. People with health problems died because of combusting dirty coal. Here we are now, trying to say as a nation, a great nation, we will commit 3 years worth of tax resources, $750 million, develop our own resources, develop our own energy in a clean environmental way. And people with little foresight in my judgment, oppose that effort.

Mr. CONTE. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. FIELDS].

Mr. FIELDS. Mr. Chairman, I rise in opposition to the Regula substitute amendment and in support of the Conte clean coal amendment.

Mr. Chairman, I think there are several important points that need to be made and reiterated. First, the Regula substitute fails to cure the fundamental problem with the bill's clean coal provisions, and those are the provisions for multiyear funding. That is the central issue, that is the focus, that is the most important issue of this important debate.

The Regula amendment does not address funding for clean coal subsidies, but it does not alter the fact that each dollar spent in these out years would be beyond the House budget targets for fossil fuels outlays.

The Conte amendment supports the premise that is behind the Synfuels rescission movement, that Congress should not rush to commit itself to massive subsidies on a multiyear basis for new technologies demonstration projects.

The Conte amendment respects the House budget targets for fossil fuels and respects the tried and true process of appropriating moneys 1 year at a time.

The choice before us is not between Federal spending on clean coal technologies and no Federal spending on such technologies. The fact is that the Government has spent over $2 billion since fiscal year 1981 on clean coal research and development. This bill and the Conte amendment would continue this commitment by appropriating about $250 million for clean coal research and development in fiscal year 1986.

So we do have a significant Federal effort in this area. The Conte amendment would do nothing to detract from that effort. Indeed, the Conte amendment allows a significant expansion of the Federal commitment to commercialization of clean coal technologies by permitting the initiation of a new Federal subsidies program for demonstration projects, as provided in H.R. 3011, to the tune of $100 million in fiscal year 1986.

The Conte amendment, however, in recognition of current and projected budget deficits, and in pursuit of fiscal restraint and responsibility, would delete $650 million in additional funding for fiscal year 1987 and fiscal year 1988 for this new program provided in H.R. 3011. This would still leave $350 million for clean coal in fiscal year 1986—$250 million for research and development, $100 for subsidies for demonstration projects. I submit this represents a significant contribution to development of clean use of coal.

I urge my fellow Members to vote for both fiscal responsibility and clean coal development by adopting the Conte amendment but by first rejecting the Regula amendment.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. FIELDS. I yield to the gentleman from Kentucky.

Mr. ROGERS. I am wondering how the gentleman would respond to this: It takes more than a year to build one of these clean coal facilities. It takes at least 2 to 3 years. If you fund for 1 year, which utility is going to say, "OK, I am on board," and spend a bunch of their money, when there is no chance or hope that they can depend upon us 2 years down the pike?

Mr. CONTE. Mr. Chairman, will the gentleman yield to me?

Mr. FIELDS. I yield to the gentleman from Massachusetts.

Mr. CONTE. There is already over $300 million in this bill for research and development of fossil fuels. It is on a 1-year basis. It is nothing new. We have been doing it for years.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Chairman, the Boston Red Sox could be a power. They are almost always a power, but they never make it. Why don't they make it? Well, for two major reasons. They do not have anybody coming in on relief. Second, they do not do any long-range planning. And, third, they do not spend any money. So they are always almost there.

Now, what does that have to do with the issue today? Well, first of all, I wanted to get the ranking minority member's attention and, second, I am young enough to remember 1976 and 1977. We never do any long-range planning, either, in this country, particularly when it deals with energy, and particularly when it deals with self sufficiency. So we found ourselves "had" in 1977 and 1976, and we have been paying dearly ever since.

So I think it is about time we do some long-range planning for an energy source that we do not have to depend on anybody else and so that we have clean air and we do not have an acid rain problem.

Mr. CONTE. Mr. Chairman, I yield 2 minutes to the gentleman from New Mexico [Mr. SKEEN].

Mr. SKEEN. Mr. Chairman, I thank the gentleman for yielding and I rise in support of the Conte amendment and in opposition to the Regula amendment. I will tell you why: We are not talking about clean air. You are not talking about acid rain. That is not the problem here. If you were, you would be debating nuclear energy generation. You know that this body is not going to do anything about that argument, but that would solve both of those problems rather rapidly. What we are talking about is clean coal. First of all, you ought to understand when you deal with coal you are dealing with a chemical and combustion problem different for every mine that is mined in the United State. This complicates the problem about how do you help any one single industry fight its problem in combustion cleanup. That is what we are trying to do with the money that we are putting in here. The reason I am supporting the gentleman from Massachusetts. I think Mr. REGULA is doing his job and doing it very well—but I want to say to you right now that in the private sector today there is a great deal of private enterprise money being invested in the problem of coal combustion on their own because of the very thing I mentioned at the outset. Every coal burner is a different combustion problem.

□ 1920

Right now there are some four to five major technologies that are being examined by these industries because of the type of coal that they buy. Whether it is from Kentucky, Illinois, Ohio, or any of the rest, including from my part of the country. I am part of the Coal Caucus. We produce a lot of coal in the State of New Mexico. Low sulfur coal.

We have a generator in the west Texas area that supplies a lot of energy to New Mexico and on their own is investigating what is known as the limestone injection multistage burner technique. You talk about air scrubbers.

The CHAIRMAN pro tempore. The time of the gentleman from New Mexico [Mr. SKEEN] has expired.

Mr. CONTE. Mr. Chairman, I yield 1 additional minute to the gentleman.

Mr. SKEEN. I thank the gentleman.

Mr. Chairman, let me run down just a few of the innovative types of technologies that are attracting private investment by these companies themselves. Gasification combined cycle; atmospheric fluidized bed; pressurized fluidized bed; limestone injection; flue gas cleanup; which is the scrubbers. Coal preparation; advanced combusters; coal slurry, and so on.

I think that if you have got this money in there for 1 year and then let us see what the technology does, then you can decide about multiyear advancement. I think that is where the big argument is. Whether or not you want to make this appropriation on a multiyear basis.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. SKEEN. I yield to the gentleman.

Mr. ROGERS. If it takes 2 to 3 years to build one of these machines, how are you going to attract a utility to invest for just 1 year, not knowing what is going to happen 2 to 3 years down the pike with the Public Service Commission overlooking their shoulder?

Mr. SKEEN. I would say to the gentleman they are doing that today, as we stand here, as we speak.

Mr. ROGERS. Where?

Mr. SKEEN. Right now, in Amarillo, TX.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from Alabama [Mr. SHELBY].

Mr. SHELBY. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in opposition to the Conte amendment to H.R. 3011, and in support of the Regula amendment.

Several misconceptions surround this issue—we have heard that multiyear funding for the clean coal technology reserve is fiscally irresponsible. We have heard that the reserve is unnecessary. We have heard that this technology is not an appropriate use of Federal funds.

Mr. Chairman, these misconceptions should be dispelled. Let me begin by saying energy development through the use of clean coal technologies should be among our highest priorities. Coal is this Nation's most abundant energy source. Coal holds the most promising hope for America's energy independence. Coal's efficient use stands to benefit many thousands of unemployed mineworkers. A strong clean coal technology reserve offers us the chance to recognize and act upon these realities.

Hearings have been held in various House and Senate subcommittees which have borne out the value of demonstrating new technologies in clean coal. We must seek aggressive avenues for clean coal commercialization—the arrangement provided in this bill will supply those avenues through the reserve.

Avenues that will lead to real and tangible results require the funding commitment provided in this bill—on a multiyear basis. Three weeks ago the House Appropriations Committee panel appropriated $750 million for the reserve for fiscal years 1986-88 transferring the money from unobligated funds for the Synthetic Fuels Corporation.

As we begin to tackle the difficult decisions arising from the problems of acid rain, we need to establish the technological backup that the clean coal technology reserve provides.

Progress cannot be achieved in developing new energy uses and forestalling greater costs in the future if we don't begin today to share in the responsibility.

Mr. Chairman, the reserve is fiscally sound. It is crucial to energy development. It is a responsible approach to the commercialization of clean coal technology. Best of all, it is a promising combination of public and private funds working toward a worthy goal. I urge my colleagues to defeat the Conte amendment, support the Regula amendment—and preserve solid support for the clean coal technology reserve.

Mr. CONTE. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. PURSELL].

Mr. PURSELL. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of the Conte amendment. I come from the home of the world champions, the Detroit Tigers, and they never came down here and asked for a corporate subsidy. That is what we are doing here, and I suggest that the Conte amendment comes closest to meeting the test of trying to balance the budget.

I know it is very popular, but if you just look at the RECORD of the last few

days, clean water was so important. We had to overspend the budget. Housing, NASA programs are terrific. Very popular. We had to add $150 million over the budget over 1985.

Customs was very important to us as a nation. The National Science Foundation; we asked another $50 million over the budget, over 1985. IRS was important; collect more money. We had to add more money to that budget. Law enforcement was also here and well debated. Now we have a military bill here that is $10 billion over budget and that has been pulled, thank God, because it is $10 billion over budget. Then we have the military construction budget; I understand that is over budget, although I have not looked at it.

So what is the litmus test here? I suggest to my colleagues that the litmus test is to stay within the 1985 freeze level and try to keep those budget dollars down so that we reduce the deficit, reduce our interest rates, and let the private sector use capital formation, use their R&D tax credits and invest in this without a corporate subsidy. I think the Conte amendment comes closest to that, and I congratulate him for offering the amendment and oppose the Regula amendment.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. PURSELL. I yield to the gentleman.

Mr. REGULA. I assume the Detroit Tigers will not want their boxes to be tax deductible; is that correct?

Mr. PURSELL. Probably not.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. I thank the gentleman for yielding to me.

Mr. Chairman, it is really a shame to be here supporting a one-third cut in the funding of the Clean Coal Technology Act. One of the things we do poorly in this body is plan ahead.

Several years ago, President Nixon proposed a plan for energy independence. It is sitting on shelves in congressional offices; it is in mine, I am sure in others, gathering dust. We ought to be planning ahead. We ought to be thinking ahead about what we are going to do when the oil spigot is cut back or shut off by OPEC.

We live at their mercy. The argument has been made: Who is going to pay and how are we going to pay? I tell you, we are paying the bill now. We are paying $47 billion a year to OPEC for oil. We used to pay for all of our oil imports with the agricultural exports from the United States. Now, we can hardly pay half of the oil imports with what we export in agricultural commodities.

We ought to look ahead at the time when OPEC, at their whim, decides the time has come to jack the price of oil up and cut down the supplies. Now is the time to act, not when the spigot is cut off. Because when it is, I guarantee you, these Members are going to be back on this floor crying about new legislation to deal with the crisis.

Mr. CONTE. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. I thank the gentleman for yielding me this time.

Mr. Chairman, coal technology is terribly important to the United States. I went over to Bristol and to Grundy, VA, at the invitation of the United Coal Co. late last year and saw firsthand what is being accomplished in that area. I realize that coal technology is terribly important to my State of Illinois, which is really the Saudi Arabia of bituminous coal of this country.

But there is something even more important to Illinois and to the United States of America, and that is to shut off the flow of red ink that is immersing the future of our children, burdening them with $100,000 of extra taxes each just to pay the interest on the $2 trillion of debt that Congress has already run up and are leaving to them as their legacy.

Why can't this program wait with all the others and compete next year and the year after that as to its priority for funding? I believe it can stand on its own. It is a needed, important, and sensible program. But this is an appropriations bill. This is not an authorization. Multiyear appropriations could not even be considered if we had the responsibility to have a budget. But here we go again, making further commitments with no idea whatsoever whether we can fund them responsibly.

Many Members I have heard speaking against the Conte amendment pride themselves on their fiscal responsibility. I wonder how they can square that pride with a 3-year appropriation and no budget?

Mr. Chairman, I care greatly about coal research. I care greatly about the environment. I care greatly about Illinois and the viability of my State's economy. But I care even more about the future of my country. I know as you know, as everyone of you know that it is this priority, mine, and then that priority, yours, and then another priority and another, that when added all together create the deficits that are destroying the economic future of our children.

The burden we are passing on to them is unconscionable. It is unfair. It is wrong. At some point we have to say "no." This is a good point to do so.

Mr. REGULA. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. CLINGER].

□ 1930

Mr. CLINGER. Mr. Chairman, I rise in support of the Regula substitute and against the Conte amendment because the Regual substitute provides the kind of predictability and continuity that the gentleman from Kentucky pointed out is going to be vitally necessary if we are really ever going to see clean coal technology put into operation.

Mr. Chairman, the coal industry in the United States is in crisis. In the State of Pennsylvania, which I come from, we have bankruptcies every day. We have abandoned tipples, abandoned mines, people out of work, on the streets. At the same time, Mr. Chairman, we are continuing to import an increasing amount of oil from the Middle East. We have increased by 8 percent over the last year and there is no end in sight. We anticipate that that is going to go up periodically.

What is the problem? The problem obviously is that we have coal, which is dirty, which is high sulfur, which cannot be used in an environmentally sound way. You say, "Do not subsidize losers. We cannot continue to subsidize these various industries if they are losers. Let the free market system take care of it."

That would be fine, Mr. Chairman, if in fact we were never going to need this coal, if we were never going to have to rely on this coal to provide the very energy needs that are going to keep this country going. But, my colleagues, we are going to need this coal some day, and unless we can find a way to do it and use it and provide those energy needs in an environmentally sound way, we are going to be in very, very bad trouble when that day of reckoning comes.

So, Mr. Chairman, I would urge my colleagues to support the Regula amendment because it does give us an opportunity to develop clean coal technologies in an expeditious way, in the time that we have available to do it. As the gentleman from Minnesota pointed out, that time could come at any moment if OPEC decides to pull the plug on us. Let us do it and do it in as rapid a manner as possible so that we can develop a technology that will allow us to use this coal in an environmentally sound way so that we can utilize the supply of over 500 years of our energy needs in the ground.

Mr. Chairman, I urge support for the Regula substitute.

Mr. CONTE. Can the Chair give us a report on the time remaining on each side?

The CHAIRMAN pro tempore. The gentleman from Massachusetts [Mr. CONTE] has 11 minutes remaining and the gentleman from Ohio [Mr. REGULA] has 14⅔ minutes remaining.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. SHARP].

Mr. SHARP. I thank the gentleman for yielding this time to me.

Mr. Chairman, I strongly support the Regula amendment. Between now and the year 2000, this country is going to build between 200 and 300 new powerplants to meet our electrical needs, perhaps more.

The question is: What fuel will go into those powerplants? Will it be domestic coal?

The other question is: What technology will be used if it is coal? Will it be old scrubbers, or will it be new technology which is more efficient for the ratepayer and more efficient for clean air?

There are new, emerging technologies to burn coal more cleanly. The gentleman from New Mexico brought those out. But the fact is, utilities are not going to adopt those in the new powerplants unless those technologies have been commercially demonstrated and have been proven to be reliable over time. Unless we accelerate the schedule on those technologies and their development, we are going to miss out when the investments are made in the new powerplants.

It is very important that we be for this now, not next year, not 4 years from now. This is the right vote if we are serious about clean air. This is the right vote if we are serious about coal. This is the right vote for our consumers.

Mr. CONTE. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I want to clarify a few of the misstatements concering the intent and the effect of my amendment and the amendment offered by my good friend, the gentleman from Ohio.

His substitute fails to cure the fundamental problem that I have and the administration has with this bill in regard to the clean coal provision. The provision calls for multiyear funding. That is one of our objections. The reduction of the outyear funding for the clean coal subsidy does not alter the fact that each dollar spent in those outyears would be beyond the House budget targets for the fossil fuel outlays.

My amendment supports the premise that is behind the synfuel rescission movement: That Congress should not rush to commit itself to massive subsidies of a multiyear basis for new technology demonstration projects. My amendment respects the House budget targets for the fossil fuels and respects the tried and the true process of appropriating moneys for 1 year at a time. The administration strongly supports my amendment and opposes the Regula amendment.

There was a lot of talk here about acid rain. There is nobody in this Congress who has worked harder to try to come out with a good acid rain bill, and it is amazing that outside of one person who spoke today, my good friend, the gentleman from Massachusetts [Mr. BOLAND] the only one; all the others came from the dirty emission States, and all of them are against any legislation on acid rain. They are all from coal-producing States, and I tell my colleagues, if that coal lobby was really serious about the budget deficit, I think they are so powerful here tonight they could balance the budget in a week, before we go home for the August recess.

Mr. RAHALL. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield briefly to the gentleman from West Virginia.

Mr. RAHALL. I thank the gentleman for yielding.

Mr. Chairman, the gentleman is saying that all the other Members who have spoken are from the dirty pollution States; is that correct?

Mr. CONTE. Dirty emission States.

Mr. RAHALL. The dirty emission States. Does not the gentleman from Massachusetts have cars that run on his highways that perhaps pollute his air?

Mr. CONTE. We have our problem, and the bill that we have on acid rain, I hope the gentleman will cosponsor it, assesses emissions reductions in Massachusetts, as well as the other States, but we are being blocked by the State of Ohio and the other Midwestern States and certain members of the Energy and Commerce Committee.

Wait a minute, now. We have $348 million in fossil fuels in this budget. SID YATES, he was very generous in this on R&D budget, $250 million of which is specifically for clean coal, and I am willing to give him another $100 million for this year. Keep their feet to the fire. Find out if they are doing a good job. We do not have this kind of money to burn, nearly a billion dollars.

The CHAIRMAN pro tempore. The time of the gentleman from Massachusetts [Mr. CONTE] has expired.

Mr. CONTE. Mr. Chairman, I yield myself 2 additional minutes.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I would be glad to yield to my good friend, the gentleman from Illinois.

Mr. YATES. I thank the gentleman for yielding.

Mr. Chairman, I think the gentleman's point is well taken about the cutbacks that we have had in research. As a matter of fact, in 1980, in our bill there was almost a billion dollars in research for clean coal technology. We have been cutting it back and cutting it back. We think the time has come to take a stand in favor of clean coal technology and that is why we support the Regula amendment.

Mr. CONTE. Well, I support the first-year funding, and stop funding the outyears of $200 million for 1987 and then $200 million for 1988.

I am not against research for clean coal. We both agree on that. But I am against this boondoggle of nearly a billion dollars when we do not have it. Where are you going to get it? I ask you: Where are you going to get it?

You go out front on the lawn out there and look at those trees. See what they produce. A lot of leaves. They are not producing dollar bills, and yet some of those who stood up here today are the ones who are saying we ought to have a constitutional amendment for a balanced budget. But when you gore their ox, when you try to save a few bucks, they all get up pleading.

I have been here 27 years. I have seen this like the handwriting on the wall. I am going down in defeat; there is no doubt about it. That lobby is too strong for me. But let me tell you, we are going to live to regret it, for one thing, Mr. YATES.

The CHAIRMAN pro tempore. The time of the gentleman from Massachusetts [Mr. CONTE] has again expired.

Mr. CONTE. Mr. Chairman, I yield myself 2 more minutes.

Mr. Chairman, as ranking Republican on the Appropriations Committee, my good friend, the gentleman from Kentucky, BILL NATCHER knows I have worked hard down at that White House trying to get bills signed and I have tried to negotiate and compromise, but I cannot do it on this bill if you are going to leave this boondoggle in there. I cannot do it. I cannot be of any help to you.

Mr. YATES. If the gentleman will yield further, what is going to happen to all the money to put fish in the Connecticut River and put in the hatcheries and keep the ducks flying in New England? We have that money in this bill, too.

Mr. CONTE. We will keep those ducks flying. We will get another bill without this provision in there. We will take care of the ducks and fish.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. WALGREN].

Mr. WALGREN. I thank the gentleman for yielding this time to me.

Mr. Chairman, I would like to note that the gentleman from Massachusetts has been here 27 years and he has loved every minute of it. He will probably be here 27 more before all is said and done.

□ 1940

I want to speak in support of the Regula amendment and in opposition to the amendment offered by the gentleman from Massachusetts [Mr. CONTE] and to try to focus on a couple of misinterpretations that I consider rise almost to the level of hogwash. First, several have said that we have spent some $2 billion since 1981 on clean-coal development. Whatever we

have spent $2 billion on, it was not the demonstration of clean coal technologies.

There have been several large-scale demonstration projects, liquefaction and the like, but clean-coal technology was not the focus of those projects.

Second, it was said that we are about to spend $250 million on clean coal research in the Department of Energy's fossil research budget for the coming year. The fact of the matter is that the Department of Energy is willing to spend absolutely zip, zero, on demonstration projects beyond the proof-of-concept stage. The testimony has been that it is their job in demonstration where the key to clear coal technology lies. The Department's own advisory study states that we would be abandoning clean coal technology if we follow the present policies of the Department of Energy. If I may quote the report of the Department's Energy Research Advisory Board, "The current policy of abandoning a development after proof of concept has been established will result in just that—abandonment. Clean use of coal is of major new-term and long-term national importance and deserves a change in this policy." So I do not see the substantial money spent in this area that has been talked about.

Third, it has been alleged that this program would not be subject to congressional review—that it would become sort of a "son of synfuels" program which foundered in many ways because of its power to commit large amounts of funds independent of congressional review. To say that their program would be beyond the reach of Congress is simply untrue. Any such program would be required to conform to the requirements of Public Law 93-577, The Federal nonnuclear Energy Research and Development Act. This law requires that any project involving over $50 million in Federal funds must be specifically authorized and that no commitment can be made exceeding $25 million without a report being filed with the appropriate committees of the Congress 60 days prior to such commitment. Moreover, the great advantage of moving funds from the Synthetic Fuels Corporation to the DOE research budget is that the Congress would regain the ability of project by project oversight and the influence on a project by project basis that only the Congress can bring to bear.

Fourth, it has been said that this program exceeds the budget. The budget report specifically states that the category has room for a Clean Coal Technology Program of this size. Clearly the $6,000 million worth of energy programs provided for in the budget can make room for a $100 million a year program of their importance—especially when we are well on our way to rescinding previously appropriated expenditures in the Synfuels Program more than 10 times the size of this program.

Finally, Mr. Chairman, perhaps the most important reason to oppose the Conte-Broyhill amendment is because it will eliminate the outyear funding for the Clean Coal Program. Simply put, adoption of the Conte amendment will render the Clean Coal Program virtually meaningless.

The committee bill requires a significant contribution from the private sector, which goes beyond any requirements of any prior DOE projects. A full 50-percent private sector cost sharing is mandated in the committee bill, which would involve every phase of the proposed projects. We are requiring the private sector to take some real risk here. Contribution of equipment, data, and personnel is not considered as cost sharing. All projects would be multiyear projects. We cannot expect utilities and private industries to take the program seriously knowing the Federal Government may very well renege on its share of the partnership in future years.

I understand the reluctance of many Members to fund projects beyond 1 year. But I believe we have set up a unique partnership between the private sector and government in this program. This program is not a remake of the Synthetic Fuels Corporation. There are no free handouts to private industry involved in the Clean Coal Program.

One of the major criticisms of past DOE research programs is that the Government would be involved in picking and choosing technologies. The strict cost-sharing requirements of the committee erase those concerns. According to the committee report, "projects in this program should be industry projects assisted by the Government, and not Government-directed demonstrations."

I think it is important to note that support for a fully-funded Clean Coal Program comes from environmentalists, utilities, labor unions and coal producers. When we have that broad a range of support for any particular issue, especially from parties who have traditionally opposed each other on important energy and environmental matters, that tells us something about the merits of the issue.

We need a demonstration program in this area because the introduction of new technologies into the marketplace is both expensive and risky, and does not happen in one fiscal year. Because the greatest market for these technologies—utilities—are regulated, they have limited ability to fund such programs on their own. While we must rely on the private sector to take the initiative and to share significantly in cost, there is a need, in light national concerns over acid rain emissions, for an appropriate Federal role and leadership.

There are few Members here today who cannot see the day when we will be back here debating acid rain legislation. Before we ask industry and electricity consumers to make that sacrifice, however, I feel that we have an obligation to do everything we can to commercialize new technologies which reduce both SOx and NOx emissions and promise to burn coal more efficiently. We know that these technologies work in the laboratory or on a small scale. But without a clean coal program, these technologies will never leave the laboratory, and utilities will be faced with the same difficult choice of switching to low sulfur coal or building costly scrubbers.

The clean coal technology reserve has been the subject of extensive hearings before the Committee on Science and Technology, the Committee on Energy and Commerce, and the Appropriations Committee. Witness after witness testified on the need for a multiyear Clean Coal Program. Now is the time to move ahead and fund the reserve and conduct an open and competitive solicitation.

Mr. Chairman, there are those who argue that we must choose between clean air and dirty coal. I do not believe we need to make that choice. Technologies are emerging that will enable coal to be used more cleanly and more economically, and we all have a stake in bringing these technologies to the marketplace.

I urge defeat of the Conte amendment and support for the clean coal technology reserve as reported by the Appropriations Committee.

The CHAIRMAN pro tempore. The time of the gentleman from Pennsylvania [Mr. WALGREN] has expired.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from Alabama [Mr. ERDREICH].

Mr. ERDREICH. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise in support of the Regula amendment.

I do not know how we can get clean-coal technology unless indeed we have a multiyear approach to it. But with a 1-year approach and a funding of only 1 year, we will not get the sort of development we want to see. We have a resource in the ground that this Nation should start using, and the only approach that makes sense is a multiyear approach.

Mr. Chairman, I wish to associate my remarks with those of the gentleman from Ohio [Mr. REGULA] in strong support of his subsitute.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman from Virginia [Mr. BOUCHER].

Mr. BOUCHER. Mr. Chairman, I rise in support of the Regula substitute.

The provision of $500 million in moneys previously appropriated to the Synthetic Fuels Corporation for the clean coal technology reserve is a fiscally responsible effort to encourage the private sector to make investments in demonstration-scale clean-coal facilities.

The clean coal technology reserve is a significant nonregulatory approach to addressing the problems associated with acid rain. It should also be borne in mind that the commercialization of clean-coal technologies will both enhance America's energy independence and provide a much-needed stimulus to our distressed coal industry. The purpose of the clean coal technology reserve is to encourage private industry to make investments in commercial-scale demonstration facilities. Industry's commitment will be on a multiyear basis.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. BOUCHER] has expired.

Mr. BOUCHER. Mr. Chairman, I would ask the gentleman to yield me 30 additional seconds.

Mr. REGULA. Mr. Chairman, my time is limited, so I yield the gentleman 10 additional seconds.

Mr. BOUCHER. Mr. Chairman, a 1-year commitment of $100 million will simply not be sufficient to encourage the commitment that will be required from industry to sustain this program and make it successful. I strongly urge support of the Regula substitute.

The CHAIRMAN. The gentleman from Massachusetts [Mr. CONTE] has 5 minutes remaining and the gentleman from Ohio [Mr. REGULA] has 10½ minutes remaining.

Mr. REGULA. Mr. chairman, I yield 1 minute to the gentleman from Florida [Mr. FUQUA].

Mr. FUQUA. Mr. Chairman, I would like to point out that I do not come from a coal area. The only coal we have in Florida is what we have to burn. But I am very interested in clean coal, and in addition to being honored to chair the committee that deals with research and development, I chair that subcommittee.

We have been holding endless hours of hearings, and I can tell the Members that one of the real problems we have is the fact that we do not have modular demonstration plants that can demonstrate the technology that we are talking about.

A lot of my fiscally conservative friends have been asking, "Where do we get the money?" Well, we just rescinded $6 billion, and that is where we can get it, and it is not going to bust the budget. We have a $6 billion surplus, and this is just a little pittance, half a billion dollars over 3 years that we have just saved.

We need very desperately, I say to my colleagues, to move forward in this area. I have sat in endless hours of hearings listening to witness after witness. I think I know something about what I have to say, and I speak for the Regula amendment.

Mr. REGULA. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. BOLAND].

Mr. BOLAND. Mr. Chairman, I rise again in opposition to the amendment offered by my colleague from Massachusetts, Mr. CONTE.

I repeat, Mr. CONTE and I agree on a great number of issues, but the approach he wants to take, on funding the clear coal technology reserve is a matter on which we disagree. I believe that the elimination of the outyear funding for the reserve would so cripple the program as to guarantee its failure. And I further believe, that we are not in a position in this country, to be able to encourage additional delay, in developing the technologies by which coal can be burned more efficiently, and therefore, more cleanly.

Most studies predict that the demand for electric generating capacity will rise in the 1990's. Conservation is never going to be able to reduce that trend. We are quite simply going to have to build more powerplants. Let's consider how those facilities are going to be fueled. Forget about the nuclear option, it's not an option for the near-term. The nuclear power construction industry is moribund, and will not be able to play a significant role, in meeting the predicted increase in demand for electricity. That leaves utilities with two choices—they can fuel their new plants with coal, or they can fuel them with oil. What kind of a choice is oil? I would submit it's not a very good one. We import oil in this country, and we import much more than we should.

What's worse, our level of imports, which had been declining, is on the rise again. While oil price are somewhat lower than they have been, there's no guarantee that they will stay that way. And there has been talk in this city recently, that a tax on imported oil might be a helpful way of dealing with our budget deficit. To plan on using oil to fuel new electric powerplants in light of those circumstances, would seem to me, to be an exceedingly unwise, and even a dangerous process.

That leaves coal our most abundant energy resource. For those of us concerned about air pollution and particularly the manifestation of that pollution as acid rain and Mr. CONTE is certainly in that number the prospect of additional coal-burning powerplants is unsettling. Nevertheless, we recognize the realities which will dictate that new coal-fired powerplants come on line. I think it makes sense to use all possible efforts to make sure that coal is burned as cleanly and efficiently as possible.

The administration would like to study acid rain to death. Those of us whose areas suffer from acid rain believe that there has been sufficient study done to point to the need for some control programs. Burning coal more efficiently is one of the most obvious ways to reduce the emissions which many knowledgeable people believe, contribute to acid rain. The clean coal technology reserve will contribute to that end by encouraging the development of systems and technologies to burn coal more cleanly.

But the reserve will not produce those results if it is not given a fair chance. I agree with the proponents of this amendment; we do fund at other places in this bill clean coal demonstration projects. But that is not the purpose of the reserve. The projects to be funded by the reserve are intended to be, at the commercialization stage quickly, so that new coal-burning powerplants can come online on time, and with as negligible an impact on the environment as possible.

These projects will require substantial cost sharing by industry. As such, the reserve will represent a new approach to Federal funding of development in this area. The reserve will not represent a free ride for industry. It will represent a partnership opportunity in which only projects, with a clear commercial adaptation need apply. I cannot believe, Mr. Chairman, that we will attract the kind of high quality projects we so desperately need, if the Federal commitment appears uncertain. By striking the outyear funding, the amendment would produce precisely that result. We cede no review authority, by making a long-term commitment to the reserve through this bill. We do, however, demonstrate the kind of steadfastness of purpose necessary, to convince our potential partners in industry, that cost sharing on their part would be a sound use of resources. Without that conviction, this program, in my judgment, will fail.

Regions like New England need some relief from acid rain, and they need it now. We certainly do not need to have the existing situation made worse. New coal-burning powerplants, which do not have the best possible emissions reduction equipment, will make the situation worse. The reserve, offers a promise, that the development of the needed technologies and equipment, will coincide with the new plants coming online. As such, it represents a potentially significant component, to an acid rain control strategy. The work of the reserve needs to be encouraged, not discouraged, and the Conte amendment should therefore be defeated.

Mr. Chairman, I yield to the gentleman from Ohio [Mr. ECKART].

Mr. ECKART of Ohio. Mr. Chairman, I thank my friend, the gentle-

man from Massachusetts, for yielding to me.

One of the issues here is the ability of taking high technology, as my friend, the gentleman from Florida [Mr. FUQUA] said, off the drawing board and hanging it on the utility plants and the steel plants and the smelters and mining facilities of this Nation. There is an old commercial on television that says, "You can pay me now or you can pay me later."

The bottom line is in the development of precombustion cleaning of coal; what we can do is vitiate the tremendous cost of cleaning that coal after it is burned and dealing with it before it is burned. It has been demonstrated to our committee that it costs one-third less to build and one-fifth less to operate coal-cleaning equipment than it does to go through the current scrubbing process.

Now, where do the dollars come from? We just repealed $6 billion of misguided spending in the Synthetic Fuels Corporation, and I think what we are doing clearly is just reprioritizing the necessities of Government. We have learned the lessons of the Synfuels Corporation. Why can we not learn the lesson of a Nation that is capable of putting a man on the Moon and use our technologies to figure out how to burn our coal cleanly, safely, and efficiently?

Four days worth of imported oil would pay for this program, and less than 20 hours of Pentagon spending would pay for this, a different form of national security and independence, the ability to use that which is indigenous to the United States and not to be depending upon foreign nations, not only to dictate foreign policy but our energy policy as well.

Mr. Chairman, this amendment, as advanced by my friend, the gentleman from Ohio [Mr. REGULA], makes eminent economic sense. It is good sense for the environment, and it is most important to those of us who really do want to do something about the environment and the economy in which that environment is found.

So, Mr. Chairman, it makes sense to support the Regula amendment. We need to, as one Member who preceded me said, make sure that what we do makes sense. This makes good sense. It makes good sense in dollars and cents environmentally.

SUPPORT THE REGULA AMENDMENT

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. BOLAND] has expired.

Mr. REGULA. Mr. Chairman, I yield 30 seconds to the gentleman from Indiana [Mr. MCCLOSKEY].

Mr. MCCLOSKEY Mr. Chairman, there has been a lot of talk tonight about busting the budget, but we must remember that this is not just a matter of money. All the money for next year and beyond would have been transferred from the Synthetic Fuels Corporation.

I am very much in favor of the Regula amendment and against the Conte amendment. I think the clean-coal technology reserve is a program that gives hope to many of the depressed coal-producing areas of our Nation.

Mr. REGULA. Mr. Chairman, I yield 30 seconds to the gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Chairman, I rise in support of the Regula amendment.

I say to the gentleman from Massachusetts, "Say it isn't so, gentleman from Massachusetts, long-time leader in acid rain." It was only a few days ago that you were on the floor and you were going to embark us all on a multiyear program—10 years, 10 million tons of SO_2, billions of dollars of cost, ratepayers' costs go way up, and with no certainty as to what was going to be accomplished. That was a multiyear program.

We just need three-quarters of $1 million to embark us on this project. It is an acid-rain bill. The Regula amendment is an acid-rain bill, and I say to the gentleman from Massachusetts [Mr. CONTE], we want to keep those ducks flying through cleaner skies than we presently have.

□ 1950

Mr. CONTE. Mr. Chairman, I yield myself 30 seconds.

I just want to tell that young fellow, the gentleman from West Virginia, that when I was down in that well asking for acid-rain legislation, I did not have my hand out and did not have my hand in the public trough, like the gentleman has here tonight. My acid-rain bill would not have cost the taxpayers a single nickel.

I have been on the Appropriations Committee for 27 years. The State of West Virginia is going to sink for what their Senator has got and what my old friend, Mr. STAGGERS, has got.

Mr. REGULA. Mr. Chairman, I yield myself 30 seconds to point out that the Office of Technology Assessment estimates that the cost to the taxpayer of the acid-rain legislation would be $3 billion to $4 billion, not $500 million.

Mr. Chairman, I yield 30 seconds to the gentleman from West Virginia [Mr. MOLLOHAN].

Mr. MOLLOHAN. Mr. Chairman, I thank the gentleman.

Mr. Chairman, I rise in support of the Regula amendment. There has been criticism that this program costs too much. Indeed, this program does not cost too much. It does not cost too much when you compare it with the acid rain legislation which has been introduced by the gentleman from Massachusetts.

Conservative estimates are that the total cost for implementation of that acid rain legislation would be $200 billion. That comes out of the taxpayers' pockets, whether it comes through the Government or not.

With regard to the criticism of the multiyear nature of the program, we do not have a clean-coal program if it is not multiyear. Investors just do not make decisions in that timeframe.

Mr. REGULA. Mr. Chairman, I yield 4 minutes and 30 seconds to the majority leader, the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, I recently ran into a fellow who said, "JIM, I think I've got some problems with the energy situation."

He said, "I know we are running out of oil and I don't think you fellows ought to depend on oil anymore. Another thing, coal, they tell me that coal is dirty and you burn that coal and it causes acid rain. I really don't think we ought to be depending on coal."

He said, "I just can't believe that this nuclear power is clean and safe. I don't think we ought to go into that nuclear business."

I said, "Well, what do you think we ought to do?"

He said, "Well, why don't we just use electricity?"

Now, it seems to me that is kind of the attitude of those people who are not willing to do anything to develop any form of energy for the security and the future of the United States. We are going to need more electricity. In the 1990's we are going to need an additional generating capacity of some 100,000 to 200,000 megawatts beyond that which we have. How are we going to get that?

We are running out of oil, indeed. Surely nobody is foolish enough to think that the energy crisis is behind us. We are importing as much oil as we were at the height of that energy crisis just 6 short years ago when an Arab embargo brought our economy to its very knees and raised the price of everything we were producing and had long queues of American motorists lined up in the streets waiting for service. Our import level has not changed. The only way in which it has changed is that today we are importing not only crude oil; today we also are importing refined petroleum products.

Do you know what has happened to the industrial base of the United States as we have grown more and more dependent on foreign countries? In the last 3 years, 150 independent petroleum refineries in the United States have gone out of business. We are importing refined products.

We are not making headway very rapidly on nuclear power because every nuclear facility in this country has had long delays and cost overruns.

We have just about exhausted all the hydroelectric power sites. What do we have?

I will tell you what we have. We have coal. I do not come from a major coal producing area. I do not even come from a major coal-burning area. But I do come from the greatest coal country in the whole world. The United States has about one-third of the world's known coal reserves. We could be the Middle East of the world in coal. We would not have to depend upon the Middle East. We would not have to depend upon any foreign country if we were simply to develop the means of our own greatest resource, if we were willing and able to stick with a program long enough so that we could act from strength. And coal is our answer. Clean coal, not dirty coal.

Surely it makes sense to continue this modest program that will enable us to burn and use effectively, cleanly, and safely more and more of that product which is in the greatest abundance in our own country. That is an American deal. All of the requirements of national security, all of the claims of the domestic economy, all of the considerations of a clean environment call out for this modest action. We ought to be doing many times more.

If you look up at the wall behind the Speaker's dais, you will see a famous quotation from Daniel Webster. All those generations ago, he called upon us to develop the potential of America. "Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests and see whether we also in our day and generation may not perform something worthy to be remembered."

Here is our chance. Last week, we virtually voted to do away with the Synthetic Fuels Corporation. I think that was a mistake, but it is done.

In that sense, I guess I may know how Disraeli felt when he pleaded with the House of Commons to build the Suez Canal and they voted him down. He said, "Gentleman, I appeal to history."

I am not arguing that case now. I am simply saying that if we have let private industry invest $2 billion in the Great Plains plant in North Dakota and then wiped it out, if we have spent all this time trying to develop a synthetic fuels capability and let it go down the tube, for goodness sakes, let us save one thing. Let us save our clean-coal technology.

Let us move ahead on at least one energy front. Let us develop the resources of our land. Let us give the answer to the world that, no, you cannot just sit back and wait for the United States to destroy itself, because we are not a self-destructive people.

We may be a forgetful people. We may be a people who have a small capacity to sustain a sense of urgency, but at least we are not so totally negligent that we will abandon altogether our determination to be energy sufficient, to build upon our own strength, for jobs in our economy, for an American industry fueled by American fuel and for a clean environment in which future generations of Americans can live.

So I ask your vote for the amendment by the gentleman from Ohio [Mr. REGULA].

● Mr. EDGAR. Mr. Chairman, I rise in opposition to the Conte amendment and in support of the clean coal technology reserve. It is with great regret that I oppose Representative CONTE, for whom I have the greatest respect; but in this case his amendment does not represent good public policy.

Along with Mr. CONTE, I have expressed reservations about parts of the Synfuels program. However, problems with synfuels should not mean that we have to gut the clean coal technology reserve, which is an important part of our drive for energy independence. While not affecting the $100 million dedicated to the clean coal reserve this year, the Conte amendment would eliminate the $300 million in the bill for fiscal year 1987 and the $350 million for fiscal year 1988. Let me enumerate the reasons why this is a mistake and why the reserve is so vital:

First, the clean coal technology reserve promotes low-cost electricity development from an abundant, indigenous natural resource. Most of my colleagues are probably aware that coal currently provides over half of the Nation's electricity and a sixth of our industrial energy consumption. In my State of Pennsylvania coal was responsible for 78 percent of electric utility consumption and 39 percent of total energy consumption in 1981. Furthermore, our country's demonstrated reserve base contains nearly 500 billion tons of coal, enough for hundreds of years of consumption.

Second, it is fiscally prudent. The stringent cost-sharing provisions applicable to the clean coal technology reserve require that the private sector provide at least a 50-percent cost-share for reserve projects. In addition, no new funds utilized for the reserve. Rather, the $750 million for the outyears is transferred from previously appropriated but unobligated funds remaining in the Synthetic Fuels Corporation's budget for the reserve.

Next, it brings security to long-term industrial decisions regarding energy investment. Demonstrating new technologies is both expensive and risky. Since we are requiring that industry fund 50 percent of every reserve project, we cannot expect private utilities and industries to take the program seriously if they feel that the Federal Government may renege on its share of the partnership in later years.

The program is also environmentally sound. The reserve will fund demonstrations of advanced technologies which reduce both SOx and NOx emissions and promise to burn coal more efficiently. If we are to consider legislation requiring emission reductions by industries and utilities to address rain, we should begin now to advance technologies which will achieve such reductions.

Finally, this promotes energy independence. As our most abundant domestic energy resource, increased use of coal will revitalize the coal industry and put our unemployed miners back to work.

Mr. Chairman, the clean coal technology reserve is supported by the Environmental Policy Institute, the United Mine Workers of America, the Edison Electric Institute, and the National Coal Association. I urge my colleagues to join environmentalists, labor unions and industry in support of the reserve and to oppose the Conte amendment.

PARLIAMENTARY INQUIRY

Mr. REGULA. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. REGULA. Mr. Chairman, the parliamentary situation now is that we will be voting on the substitute amendment for the amendment of the gentleman from Massachusetts, is that correct?

The CHAIRMAN. The gentleman is correct. The first vote will come on the Regula substitute offered by the gentleman from Ohio [Mr. REGULA] for the amendment offered by the gentleman from Massachusetts [Mr. CONTE].

Mr. REGULA. Mr. Chairman, I urge a vote for this substitute. It is a responsible way to address the need to have clean coal to make America safe, to make America independent, to make America secure in the years ahead.

Mr. Chairman, I yield back the balance of my time.

Mr. CONTE. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Ohio [Mr. REGULA] as a substitute for the amendment offered by the gentleman from Massachusetts [Mr. CONTE].

The amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CONTE], as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. CONTE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

PARLIAMENTARY INQUIRY

Mr. YATES. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. YATES. Mr. Chairman, I should like to ask what happens if the substitute amendment, as amended, is voted down?

□ 2000

The CHAIRMAN. The paragraph remains unamended and we will return to the original bill.

Mr. YATES. With the provision for $750 million.

The CHAIRMAN. The original bill, that is correct.

Mr. YATES. I thank the Chair.

PARLIAMENTARY INQUIRY

Mr. REGULA. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman from Ohio will state his parliamentary inquiry.

Mr. REGULA. If I understand it correctly, a vote no would return us to $750 million; a vote aye will leave it at $500 million for clean coal technology. Is that correct?

The CHAIRMAN. The Chair will state the gentleman's request is not a proper parliamentary inquiry. It is whatever is in the original bill that we will, of course, return to if the amendment is not adopted.

Members will record their votes by electronic device.

The votes was taken by electronic device, and there were—ayes 238, noes 184, not voting 11, as follows:

[Roll No. 282]

AYES—238

Addabbo	Coats	Gallo
Akaka	Cobey	Gaydos
Andrews	Coble	Gephardt
Annunzio	Coleman (MO)	Gingrich
Anthony	Coleman (TX)	Glickman
Applegate	Combest	Goodling
Archer	Conte	Gradison
Armey	Coughlin	Green
Aspin	Craig	Grotberg
Atkins	Daniel	Guarini
Badham	Dannemeyer	Gunderson
Barnard	Darden	Hall (OH)
Bartlett	Daub	Hall, Ralph
Barton	de la Garza	Hammerschmidt
Bateman	DeLay	Hansen
Bates	DeWine	Hartnett
Bedell	Dickinson	Hatcher
Bennett	Dicks	Heftel
Bereuter	DioGuardi	Hendon
Bliley	Dixon	Henry
Boland	Dornan (CA)	Hiler
Boner (TN)	Dreier	Hillis
Breaux	Dyson	Horton
Brooks	Eckart (OH)	Huckaby
Broomfield	Edwards (CA)	Hughes
Brown (CA)	Edwards (OK)	Hunter
Broyhill	Emerson	Hutto
Burton (CA)	English	Hyde
Burton (IN)	Evans (IA)	Ireland
Bustamante	Fawell	Jacobs
Callahan	Feighan	Jenkins
Campbell	Fiedler	Johnson
Carper	Fields	Jones (NC)
Chandler	Foglietta	Jones (TN)
Chappell	Foley	Kasich
Chappie	Fowler	Kemp
Cheney	Franklin	Kennelly
Clinger	Frenzel	Kindness
Kleczka	Myers	Skelton
Kolbe	Natcher	Slaughter
Kramer	Neal	Smith (NE)
Lagomarsino	Nielson	Smith, Denny
Lantos	O'Brien	Smith, Robert
Latta	Olin	Snowe
Leach (IA)	Ortiz	Snyder
Leath (TX)	Oxley	Spence
Lehman (CA)	Packard	Spratt
Lewis (CA)	Panetta	St Germain
Lewis (FL)	Pashayan	Stallings
Lightfoot	Penny	Stangeland
Livingston	Petri	Stenholm
Lott	Pickle	Stratton
Lowery (CA)	Porter	Stump
Lujan	Price	Sweeney
Lungren	Pursell	Swift
MacKay	Ray	Swindall
Madigan	Regula	Tallon
Martinez	Roberts	Tauke
Mazzoli	Robinson	Tauzin
McCain	Rodino	Taylor
McCandless	Roemer	Thomas (CA)
McCollum	Rose	Thomas (GA)
McKernan	Roth	Udall
McKinney	Roukema	Valentine
McMillan	Rowland (CT)	Vander Jagt
Meyers	Rowland (GA)	Visclosky
Mica	Rudd	Volkmer
Michel	Saxton	Vucanovich
Mikulski	Schneider	Walker
Miller (WA)	Schroeder	Weaver
Mineta	Schuette	Weiss
Mitchell	Schumer	Whitehurst
Monson	Seiberling	Whitley
Montgomery	Sensenbrenner	Whitten
Moore	Sharp	Wolf
Moorhead	Shaw	Wright
Morrison (CT)	Shumway	Young (FL)
Morrison (WA)	Siljander	Zschau
Mrazek	Sisisky	
Murtha	Skeen	

NOES—184

Ackerman	Fish	Matsui
Alexander	Florio	Mavroules
Anderson	Ford (MI)	McCloskey
AuCoin	Ford (TN)	McCurdy
Barnes	Frank	McDade
Beilenson	Frost	McEwen
Bentley	Fuqua	McGrath
Berman	Garcia	McHugh
Bevill	Gejdenson	Miller (CA)
Biaggi	Gekas	Miller (OH)
Billirakis	Gibbons	Moakley
Boehlert	Gilman	Molinari
Boggs	Gonzalez	Mollohan
Bonior (MI)	Gordon	Moody
Borski	Gray (IL)	Murphy
Boucher	Gray (PA)	Nelson
Boxer	Gregg	Nowak
Brown (CO)	Hamilton	Oakar
Bruce	Hayes	Oberstar
Bryant	Hertel	Obey
Byron	Holt	Owens
Carney	Hopkins	Parris
Carr	Howard	Pease
Clay	Hoyer	Pepper
Coelho	Hubbard	Perkins
Collins	Jeffords	Quillen
Conyers	Jones (OK)	Rahall
Cooper	Kanjorski	Rangel
Courter	Kaptur	Reid
Coyne	Kastenmeier	Richardson
Crockett	Kildee	Ridge
Daschle	Kolter	Rinaldo
Davis	Kostmayer	Ritter
Dellums	LaFalce	Roe
Derrick	Lehman (FL)	Rogers
Dingell	Leland	Rostenkowski
Donnelly	Lent	Roybal
Dorgan (ND)	Levin (MI)	Russo
Dowdy	Levine (CA)	Sabo
Downey	Lipinski	Schaefer
Duncan	Lloyd	Scheuer
Durbin	Long	Schulze
Dwyer	Lowry (WA)	Shelby
Dymally	Luken	Shuster
Early	Lundine	Sikorski
Eckert (NY)	Mack	Slattery
Edgar	Manton	Smith (FL)
Erdreich	Markey	Smith (IA)
Evans (IL)	Marlenee	Smith (NH)
Fascell	Martin (IL)	Smith (NJ)
Fazio	Martin (NY)	Solarz
Solomon	Traficant	Wirth
Staggers	Traxler	Wise
Stark	Vento	Wolpe
Stokes	Walgren	Wyden
Strang	Watkins	Wylie
Studds	Waxman	Yates
Sundquist	Weber	Yatron
Synar	Wheat	Young (AK)
Torres	Whittaker	Young (MO)
Torricelli	Williams	
Towns	Wilson	

NOT VOTING—11

Bonker	Flippo	Nichols
Bosco	Hawkins	Savage
Boulter	Hefner	Wortley
Crane	Loeffler	

□ 2020

Mr. GEKAS, Mrs. LLOYD, and Messrs. EARLY, COOPER, SCHAEFER, DUNCAN, ROYBAL, WHITTAKER, BILIRAKIS, TRAXLER, ACKERMAN, TORRICELLI, GRAY of Illinois, BROWN of Colorado, STRANG, RINALDO, DINGELL, WOLPE, RICHARDSON, KOSTMAYER, BOEHLERT, GILMAN, GONZALEZ, ANDERSON, CONYERS, and LOWRY of Washington changed their votes from "aye" to "no."

Messrs. SPRATT, BROWN of Colorado, and PANETTA, Mrs. KENNELLY, and Messrs. BREAUX, GROTBERG, KASICH, EDWARDS of California, and O'BRIEN changed their votes from "no" to "aye."

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Within ninety days following enactment of this Act, the Secretary of Energy pursuant to the Federal Nonnuclear Energy Research and Development Act of 1974, as amended (42 U.S.C. 5901, et seq.), shall issue a general request for proposals for clean coal technology projects described in this account, and immediately begin the contract process for providing financial assistance to such projects.

Mrs. BOGGS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. STUDDS].

Mr. STUDDS. Mr. Chairman, I rise in strong support of this bill and particularly the provision that retains the congressional prohibition on leasing for oil and gas in four areas of critical economic and ecological importance off the Massachusetts coast. I shall not take the House's time to further detail the importance of the fertile Georges Bank Fishing Ground to New England and to the Nation.

That is well known

While I deeply appreciate the efforts of the Appropriations Committee to preserve the sanctity of this resource, I am hopeful that we in New England can reach a long-term agreement with the Interior Department—similar to the accord recently reached with the

California delegation—that would obviate the need for Congress to continue to impose a specific statutory prohibition on leasing in these areas.

Last April, I wrote to Secretary of the Interior Donald Hodel asking for an assurance that the tracts subject to the congressional ban off the New England coast would not be subject to future leasing. The Secretary replied that it would be "impossible" to provide me with such an assurance. In light of the Department's ability to reach an agreement with the California delegation, I wrote again to the Secretary last week, stating my belief that an agreement might also be reached on the Massachusetts tracts. I am hopeful that such an agreement can be reached before final congressional action on the Interior appropriations bill for 1986. Pending that outcome, however, the continued inclusion of the moratorium language in this bill remains crucial.

I want to express by gratitude and that of all New Englanders to Chairman YATES, and to my Massachusetts colleagues SILVIO CONTE, EDWARD BOLAND, and JOE EARLY for their leadership in protecting our coast.

Mrs. BOGGS. Mr. Chairman, I rise to express my appreciation to the gentleman from Illinois and the other members of the subcommittee for the fine job they have done this year as custodians of our parks and natural resources, our energy efforts and our cultural programs.

However, I must express my disappointment with the agreement that has been reached between the Secretary of Interior and some members of the California delegation on the issue of oil and gas leasing off the coast of California. In the name of compromise, I fear they have severely undermined the future energy security of this Nation in a manner that may expose our people and our economy to the same type of manipulation of energy prices we experienced in 1973 and 1979.

Our resolve to protect our environment is unequivocal but we must also be unequivocal in our commitment to our national security and to a sound economy. We must view offshore oil and gas development as a major component of an integrated national energy supply system, not as an isolated, regional issue.

We must bear in mind that our petroleum situation is more precarious than falling oil prices indicate. Our level of consumption will gradually increase over the next decade and a half and, at the same time, domestic production of oil and gas will remain steady, at best. Thus, even in the most optimistic situation, we will continue to rely heavily on the imported petroleum products for which we paid $52 billion to foreign suppliers in 1983. This represents a sizable portion of our staggering foreign trade deficit. If current trends continue, we will continue to consume as much or more imported oil, thus contributing even more to our trade deficit.

The Energy Department projects that the United States can continue to produce about 8 million barrels per day through the end of this century. This is slightly below current domestic production levels. To produce at this rate through the year 2000 we must discover and produce 2.9 billion barrels of petroleum each year. We cannot rely on proven, recoverable reserves if we are to maintain our current level of domestic production.

Unfortunately, low oil prices and a buyers market have led to general complacency about energy supplies. These soft market conditions will not last forever and when the market changes the economic consequences may be quite severe. Inflation during the past 4 years was not whipped as much by skilled economic strategies, as by greedy petroleum-producing countries seeking hard currency in a worldwide recession by increasing oil production, thereby depressing world energy prices.

Unfortunately, our national energy policy continues to respond only to crises. Because of a false sense of security resulting from soft oil prices, the administration has reduced emphasis on energy conservation and phased down oil purchases for the strategic petroleum reserve, and we have altered the future of synthetic fuels research. These actions underline the need to accelerate exploration in the OCS and onshore as a cushion in the event of an oil supply disruption.

Ironically, the offshore drilling program in the frontier regions have not proven to be successful. Interest has dropped in the Atlantic region, the Gulf of Alaska and lower Cook Inlet after a number of dry holes and the Beaufort Sea and Bering Sea exploration have not been very promising. Because these areas have not lived up to their promise, it now appears the OCS will not contribute as substantially to the Nation's future energy supplies as was once thought.

Last March the Minerals Management Service reassessed offshore oil and gas potential based on exploration since 1981. As a result, OCS oil potential was reduced 55 percent and natural gas 44 percent. Most of these reductions were in areas once considered to be the prime locations for large discoveries.

Those who believe we can rely on the proven reserves in the Gulf and Alaska are wrong. Those who believe there are mega-reserves out there just waiting to be discovered are misinformed. We must begin the long exploration and development process now—today—if we are to locate and produce the reserves we will need in 10 years. We cannot afford to put any one area of the country off-limits for another decade or more.

I hope our friends in the Interior Department and from California will face reality and accept a balanced, environmentally sound development program.

Mr. MARLENEE. Mr. Chairman, will the gentlewoman yield?

Mrs. BOGGS. I yield to the gentleman from Montana.

Mr. MARLENEE. I heartily endorse what the gentlewoman, my colleague, has to say, and want to associate myself with her remarks.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses in carrying out fossil energy research and development activities, under the authority of the Department of Energy Organization Act (Public Law 95-91), including the acquisition of interest, including defeasible and equitable interests in any real property or any facility or for plant or facility acquisition or expansion, $299,534,000, to remain available until expended, of which $535,000 is for the functions of the Office of the Federal Inspector for the Alaska Natural Gas Transportation System established pursuant to the authority of Public Law 94-586 (90 Stat. 2908-2909), and $12,760,000 to be derived by transfer from unobligated balances in the "Fossil energy construction" account, $2,137,000 to be derived by transfer from the account entitled "Alternative fuels production", and $2,775,000 to be derived by transfer from amounts derived from fees for guarantees of obligations collected pursuant to section 19 of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended (42 U.S.C. 5919), and deposited in the "Energy security reserve" established by Public Law 96-126: *Provided*, That no part of the sum herein made available shall be used for the field testing of nuclear explosives in the recovery of oil and gas: *Provided further*, That notwithstanding any other provision of law, funds appropriated under this head in Public Law 97-394 for a Western Hemisphere alternative fuels facility feasibility study, which remain unobligated, shall be available for carrying out any fossil energy research and development activities.

NAVAL PETROLEUM AND OIL SHALE RESERVES

For necessary expenses in carrying out naval petroleum and oil shale reserves activities, including the purchase of not to exceed 3 passenger motor vehicles, for replacement only, $13,668,000, to remain available until expended.

ENERGY CONSERVATION

For necessary expenses in carrying out energy conservation activities, $468,326,000, to remain available until expended: *Provided*, That pursuant to section 111(b)(1)(B) of the Energy Reorganization Act of 1974, as amended, 42 U.S.C. 5821(b)(1)(B), of the amount appropriated under this head, $10,319,000 shall be available for a grant for basic industry research facilities located at Northwestern University without section 111(b)(2) of such Act being applicable: *Provided further*, That section 404 of Public

Law 98-558 shall not be effective in any fiscal year in which the amount made available for low income weatherization assistance from appropriations under this head is less than 5 per centum above the amount made available in fiscal year 1985.

ECONOMIC REGULATION

For necessary expenses in carrying out the activities of the Economic Regulatory Administration and the Office of Hearings and Appeals, $24,623,000.

EMERGENCY PREPAREDNESS

For necessary expenses in carrying out emergency preparedness activities, $3,989,000.

STRATEGIC PETROLEUM RESERVE

For expenses necessary to carry out the provisions of sections 151 through 166 of the Energy Policy and Conservation Act of 1975 (Public Law 94-163), $199,017,000, to remain available until expended: *Provided*, That none of the funds appropriated under this head in this and other appropriation Acts may be used for test sales of oil from the Strategic Petroleum Reserve: *Provided further*, That in compliance with section 160(d)(1) of the Energy Policy and Conservation Act (Public Law 94-163), as amended, the minimum required rate of fill during fiscal year 1986 is 100,000 barrels a day until the Strategic Petroleum Reserve is 500,000,000 barrels and 50,000 barrels a day thereafter.

POINT OF ORDER

Mr. SHARP. Mr. Chairman, I make the point of order that the first proviso of the first paragraph on page 50, lines 5 through 8, is legislation in a general appropriations bill in violation of rule XXI, clause 2.

Mr. YATES. Mr. Chairman, we concede the point of order.

The CHAIRMAN. The gentleman from Illinois concedes the point of order, and the proviso objected to is stricken from the bill.

The Clerk will read.

The Clerk read as follows:

ENERGY INFORMATION ADMINISTRATION

For necessary expenses in carrying out the activities of the Energy Information Administration, $60,782,000.

ADMINISTRATIVE PROVISIONS, DEPARTMENT OF ENERGY

Appropriations under this Act for the current fiscal year shall be available for hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase, repair, and cleaning of uniforms; and reimbursement to the General Services Administration for security guard services.

From appropriations under this Act, transfers of sums may be made to other agencies of the Government for the performance of work for which the appropriation is made.

None of the funds made available to the Department of Energy under this Act shall be used to implement or finance authorized price support or loan guarantee programs unless specific provision is made for such programs in an appropriations Act.

The Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, private, or foreign: *Provided*, That revenues and other moneys received by or for the account of the Department of Energy or otherwise generated by sale of products in connection with projects of the Department appropriated under this Act may be retained by the Secretary of Energy, to be available until expended, and used only for plant construction, operation, costs, and payments to cost-sharing entities as provided in appropriate cost-sharing contracts or agreements: *Provided further*, That the remainder of revenues after the making of such payments shall be covered into the Treasury as miscellaneous receipts: *Provided further*, That any contract, agreement or provision thereof entered into by the Secretary pursuant to this authority shall not be executed prior to the expiration of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) from the receipt by the Speaker of the House of Representatives and the President of the Senate of a full and comprehensive report on such project, including the facts and circumstances relied upon in support of the proposed project.

The Secretary of Energy may transfer to the Emergency Preparedness appropriation such funds as are necessary to meet any unforeseen emergency needs from any funds available to the Department of Energy from this Act.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

INDIAN HEALTH SERVICES

For expenses necessary to carry out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination Act, the Indian Health Care Improvement Act, and titles III and V and section 338G of the Public Health Service Act with respect to the Indian Health Service, including hire of passenger motor vehicles and aircraft; purchase of reprints; purchase and erection of portable buildings; payments for telephone service in private residences in the field, when authorized under regulations approved by the Secretary, $836,483,000: *Provided*, That funds made available to tribes and tribal organizations through grants and contracts authorized by the Indian Self-Determination and Education Assistance Act of 1975 (88 Stat. 2203; 25 U.S.C. 450), shall remain available until September 30, 1987. Funds provided in this Act may be used for one-year contracts and grants which are to be performed in two fiscal years, so long as the total obligation is recorded in the year for which the funds are appropriated: *Provided further*, That the amounts collected by the Secretary of Health and Human Services under the authority of title IV of the Indian Health Care Improvement Act shall be available until September 30, 1987, for the purpose of achieving compliance with the applicable conditions and requirements of titles XVIII and XIX of the Social Security Act (exclusive of planning, design, construction of new facilities, or major renovation of existing Indian Health Service facilities): *Provided further*, That funding contained herein, and in any earlier appropriation Acts, for scholarship programs under section 103 of the Indian Health Care Improvement Act and section 338G of the Public Health Service Act with respect to the Indian Health Service shall remain available for expenditure until September 30, 1987.

INDIAN HEALTH FACILITIES

For construction, major repair, improvement, and equipment of health and related auxiliary facilities, including quarters for personnel; preparation of plans, specifications, and drawings; acquisition of sites, purchase and erection of portable buildings, purchases of trailers and for provision of domestic and community sanitation facilities for Indians, as authorized by section 7 of the Act of August 5, 1954 (42 U.S.C. 2004a), the Indian Self-Determination Act and the Indian Health Care Improvement Act, $61,483,000, to remain available until expended.

ADMINISTRATIVE PROVISIONS

INDIAN HEALTH SERVICE

Appropriations in this Act to the Indian Health Service, available for salaries and expenses, shall be available for services as authorized by 5 U.S.C. 3109 but at rates not to exceed the per diem equivalent to the rate for GS-18, and for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901-5902), and for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities: *Provided*, That none of the funds appropriated under this Act to the Indian Health Service shall be available for the initial lease of permanent structures without advance provision therefor in appropriation Acts: *Provided further*, That non-Indian patients may be extended health care at all Indian Health Service facilities, if such care can be extended without impairing the ability of the Indian Health Service to fulfill its responsibility to provide health care to Indians served by such facilities and subject to such reasonable charges as the Secretary of Health and Human Services shall prescribe, the proceeds of which shall be deposited in the fund established by sections 401 and 402 of the Indian Health Care Improvement Act: *Provided further*, That funds appropriated to the Indian Health Service in this Act, except those used for administrative and program direction purposes, shall not be subject to limitations directed at curtailing Federal travel and transportation: *Provided further*, That with the exception of service units which currently have a billing policy, the Indian Health Service shall not initiate any further action to bill Indians in order to collect from third-party payers nor to charge those Indians who may have the economic means to pay unless and until such time as Congress has agreed upon a specific policy to do so and has directed the Indian Health Service to implement such a policy: *Provided further*, That notwithstanding any other provision of law, to satisfy the outstanding judgment against the Seattle Indian Health Board resulting from termination of its occupancy of the Kobe Park building in Seattle, Washington, $270,000 plus interest shall be provided from the unobligated balance available to the Indian Health Service from prior years' appropriations.

DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

INDIAN EDUCATION

For necessary expenses to carry out, to the extent not otherwise provided, the Indian Education Act, $67,656,000, of which $50,323,000 shall be for part A and $15,000,000 shall be for parts B and C.

OTHER RELATED AGENCIES

NAVAJO AND HOPI INDIAN RELOCATION COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Navajo and Hopi Indian Relocation Commission as authorized by Public Law 93-531, $20,442,000, to remain available until expended, for operating expenses of the Commission.

SMITHSONIAN INSTITUTION

SALARIES AND EXPENSES

For necessary expenses of the Smithsonian Institution, including research in the fields of art, science, and history; development, preservation, and documentation of the National Collections; presentation of public exhibits and performances; collection, preparation, dissemination, and exchange of information and publications; conduct of education, training, and museum assistance programs; maintenance, alteration, operation, lease (for terms not to exceed ten years), and protection of buildings, facilities, and approaches; not to exceed $100,000 for services as authorized by 5 U.S.C. 3109; up to 5 replacement passenger vehicles; purchase, rental, repair, and cleaning of uniforms for employees; $182,599,000 including not less than $793,000 to carry out the provisions of the National Museum Act, $350,000 to be made available to the trustees of the John F. Kennedy Center for the Performing Arts for payment to the National Symphony Orchestra and $350,000 for payment to the Washington Opera Society for activities related to their responsibilities as resident entities of the Center: *Provided*, That funds appropriated herein are available for advance payments to independent contractors performing research services or participating in official Smithsonian presentations: *Provided further*, That none of these funds shall be available to a Smithsonian Research Foundation.

MUSEUM PROGRAMS AND RELATED RESEARCH

(SPECIAL FOREIGN CURRENCY PROGRAM)

For payments in foreign currencies which the Treasury Department shall determine to be excess to the normal requirements of the United States, for necessary expenses for carrying out museum programs, scientific and cultural research, and related educational activities, as authorized by law, $2,500,000, to remain available until expended and to be available only to United States institutions: *Provided*, That this appropriation shall be available, in addition to other appropriations to the Smithsonian Institution, for payments in the foregoing currencies: *Provided further*, That none of these funds shall be available to a Smithsonian Research Foundation: *Provided further*, That not to exceed $500,000 may be used to make grant awards to employees of the Smithsonian Institution.

CONSTRUCTION AND IMPROVEMENTS, NATIONAL ZOOLOGICAL PARK

For necessary expenses of planning, construction, remodeling, and equipping of buildings and facilities at the National Zoological Park, by contract or otherwise, $4,851,000, to remain available until expended.

RESTORATION AND RENOVATION OF BUILDINGS

For necessary expenses of restoration and renovation of buildings owned or occupied by the Smithsonian Institution, by contract or otherwise, as authorized by section 2 of the Act of August 22, 1949 (63 Stat. 623), including not to exceed $10,000 for services as authorized by 5 U.S.C. 3109, $13,575,000, to remain available until expended: *Provided*, That contracts awarded for environmental systems, protection systems, and exterior repair or renovation of buildings of the Smithsonian Institution may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.

□ 2030

POINT OF ORDER

Mr. SHAW. Mr. Chairman, I have a point of order with regard to that part of the bill, that paragraph as to restoration and renovation of buildings.

The provision is in violation of clause 2, rule XXI, in that it is attempting to legislate on a general appropriations bill.

The CHAIRMAN. Does the gentleman from Illinois [Mr. YATES] wish to be heard on the point of order?

Mr. YATES. I do, Mr. Chairman.

We resist the point of order. It is a question of interpretation of the word "alteration."

The authorizing language is as follows:

Appropriations are authorized for the maintenance of the astrophysical observatory and the making of solar observations at high altitudes for repairs and alterations of buildings and grounds occupied by the Smithsonian Institution in the District of Columbia and elsewhere and for the preparation of manuscripts, et cetera.

Mr. Chairman, the alteration in question is within the center of the building. It is under the courtyard of the Freer Gallery, and it requires that the structure of the building be altered by digging down beneath the garden of the center of the building. It is an alteration of an existing structure and, therefore, Mr. Chairman, I suggest that the point of order should be overruled.

The CHAIRMAN. Does the gentleman from Florida [Mr. SHAW] desire to be heard further on his point of order?

Mr. SHAW. Yes, I do, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. SHAW. Mr. Chairman, the gentleman from Illinois is quite right in citing that particular provision which he has relied upon for the authorization of the appropriation. However, the provision that I am concerned with commences at line 19, which reads: "* * * to remain available until expended: Provided that contracts awarded for environmental systems, protection systems, and exterior repair or renovation of buildings of the Smithsonian Institution may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price."

That particular provision is clearly legislation in nature, and it is not contemplated by the authorization that the gentleman from Illinois cited and, therefore, that provision would knock out the entire paragraph that I have cited to the House.

Mr. YATES. Mr. Chairman, the gentleman is quite correct. I misconstrued the gentleman's point of order. His point of order to the phrase "to remain available until expended" is legislation, and we concede that point of order.

The CHAIRMAN. The gentleman from Illinois [Mr. YATES] concedes the point of order. The Chair sustains the point of order. That language of the paragraph will be stricken from the bill.

Mr. SHAW. I am sorry, I could not hear the Chair. Did the Chair strike the whole paragraph?

The CHAIRMAN. The Chair struck the whole paragraph.

Mr. SHAW. I thank the Chair.

AMENDMENT OFFERED BY MR. YATES

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: On page 58, line 13, insert the following:

RESTORATION AND RENOVATION OF BUILDINGS

For necessary expenses of restoration and renovation of buildings owned or occupied by the Smithsonian Institution, by contract or otherwise, as authorized by section 2 of the Act of August 22, 1949 (63 Stat. 623), including not to exceed $10,000 for services as authorized by 5 U.S.C. 3109, $11,075,000 to remain available until expended: *Provided*, That contracts awarded for environmental systems, protection systems, and exterior repair or renovation of buildings of the Smithsonian Institution may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.

Mr. YATES. Mr. Chairman, I ask unanimous consent to correct an error that was made. The figure "$11,075,000" should be "$13,575,000."

Mr. SHAW. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. Does the gentleman from Florida reserve a point of order?

Mr. SHAW. Yes, I do, Mr. Chairman.

The CHAIRMAN. The gentleman from Florida reserves a point of order on the amendment.

Mr. SHAW. We do not have a copy of the amendment over here. However, as I heard it read by the Clerk, the provision "to remain available until expended" is still in there.

Mr. YATES. Mr. Chairman, if that is in there, I ask unanimous consent that that phrase be stricken.

The CHAIRMAN. It is the understanding of the Chair that the gentleman from Illinois [Mr. YATES] is asking unanimous consent to correct the figure in his amendment.

Does the gentleman from Florida [Mr. SHAW] object to that?

Mr. SHAW. Yes, I do object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

The gentleman from Illinois [Mr. YATES] is recognized in support of his amendment. A point of order on the amendment is reserved by the gentleman from Florida [Mr. SHAW].

PARLIAMENTARY INQUIRY

Mr. YATES. Mr. Chairman, I have a parliamentary inquiry.

What is the state of the amendment as read by the Clerk? Is the phrase "to remain available until expended" still in the amendment, or has that been striken?

The CHAIRMAN. The Chair's understanding is that the pending amendment is the amendment as read, there being an objection to a unanimous-consent request to correct the figure in the amendment.

Mr. YATES. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMENDMENT OFFERED BY MR. YATES

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: On page 58, line 13, insert the following:

RESTORATION AND RENOVATION OF BUILDINGS

For necessary expenses of restoration and renovation of buildings owned or occupied by the Smithsonian Institution, by contract or otherwise, as authorized by section 2 of the Act of August 22, 1949 (63 Stat. 623), including not to exceed $10,000 for services as authorized by 5 U.S.C. 3109, $13,575,000.

Mr. YATES. Mr. Chairman, this restores the paragraph for the Smithsonian Institution as it was as voted out by committee. It provides the funds that are necessary for the restoration and renovation of the buildings of the Smithsonian, and I ask that the amendment be approved.

● Mrs. COLLINS. Mr. Chairman, I rise in support of the proposed funding for the arts and humanities as suggested by my honorable colleague and fellow Chicagoan, SID YATES, who chairs the House Interior Appropriations Subcommittee, which has suggested increases over the much lower amounts announced by the administration.

As chairwoman of the House Government Activities and Transportation Subcommittee, I have spent the past 2 years doing extensive oversight work on the various agencies that would be affected by this bill: The National Endowments for the Arts and Humanities, the Institute of Museum Services and the Smithsonian, in particular.

One of these agencies, the IMS, has been singled out by the administration for exclusion repeatedly during the past 4 years—in spite of the excellent grants for operating support that it provides to museums and cultural institutions in each of the 50 States. Without these small incentive grants, many museums would either have to charge higher admission fees or close their doors.

This is the 20th anniversary year of the National Endowments, which have enriched this country beyond measure. Both these organizations serve as a catalyst to increase financial support from private citizens, public and private organizations, and State and local governments.

NEA describes its task to:

Foster artistic excellence by helping to develop the nation's finest creative talent, to preserve our cultural heritage in all its diversity, to make the arts available to wider, more informed audiences, and to promote the overall financial stability of American arts organizations.

In a similar vein, the NEH sees its mandate as encouraging high quality research and teaching, media programs for the general public and critical commentaries and scholarship in literature, history, philosophy, languages, the social sciences and archeology, to name but a few. Such a partnership between the NEH and the public "would lead to a better comprehension of man in relation to his environment," noted the Senate in its report with the enabling legislation.

Yes, we are in a period of the deficit spending but it is time to stop making up the difference by continually hacking away at the arts and humanities budgets.

Contrast the cost of one MX missile for $70 million with the request of $23 million for the IMS. Or think of the IMS budget, as one-tenth of the cost of one B-1 bomber.

Contrast the Music Program at NEA, with a budget of $15 million for fiscal year 1984 versus the $102 million requested by the administration for military bands. And now the President wants to further whittle the NEA Music Program to $9.7 million.

Let us definitely balance the budget, but with a more realistic view of the priorities and the common good for all our citizens. In view of the spiraling military expenditures, let us remember that the best defense of a democracy is a well educated, informed citizenry that is aware of the culture, history, and various resources of this country. These arts and humanities agencies do not deserve to be underfunded when vast abuses of waste and fraud go uncorrected throughout our military procurement system.

In 1969, the Congress was experiencing similar "severe budget stringency," but President Nixon recommended doubling the appropriation for the arts and humanities. He proclaimed that:

Too many American have been too long denied the inspiration and uplift of our cultural heritage. Now is the time to enrich the life of the mind and to evoke the splendid qualities of the American spirit.

That message remains equally true 15 years later and I urge you to support its directive. Thank you.●

AMENDMENT OFFERED BY MR. SHAW TO THE AMENDMENT OFFERED BY MR. YATES

Mr. SHAW. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. SHAW to the amendment offered by Mr. YATES: Strike "$13,575,000" and insert in lieu thereof "$11,075,000".

Mr. SHAW. Mr. Chairman, the amendment I am offering would decrease the amount authorized to the Smithsonian Institution for the restoration and renovation of buildings by $2.5 million.

Among the items for which the Smithsonian has requested funding in fiscal year 1986 is for $2.5 million for the construction of additional storage space beneath the Freer Gallery, located on the Mall; the building, I might add, was donated to the Smithsonian and not constructed at Government expense.

The Smithsonian's intention is to construct approximately 8,000 square feet of storage space at a total estimated cost of $5.5 million; the balance of the funding is to be revested in fiscal year 1987.

Mr. Chairman, the Subcommittee on Public Buildings and Grounds reviewed the Smithsonian's proposal in great detail earlier this year and based on that review, I can say without hesitation, that this proposal is unjustifiable and a blatant waste of taxpayers' money.

Basically, what the Smithsonian would like to do is construct an 8,000-square-foot basement under an existing building at a cost of more than $680 per square foot.

We are being asked to appropriate, here and now, funds for a costly, time-consuming, labor-intensive excavation of dirt beneath the existing building; incremental underpinning of the structure to insure it does not collapse as the work is going along; and the construction of a new structural shell or basement level.

Work of this nature is fraught with construction uncertainties which translated means a larger contingency fund, and possibly additional funds, to pay for unexpected problems.

By comparison, for the $5.5 million being requested to construct this 8,000 square feet for storage space, in excess of 100,000 square feet of storage space, and could be constructed elsewhere in the city above ground.

I would like to point out that this amendment will not affect the funds requested for the construction of the link structure which will connect the Freer and Sackler Galleries or the funds requested for the renovation of the basement areas which currently exist.

Mr. Chairman, as I said earlier, to appropriate funds for the construction of a $680 per square foot basement cannot be justified by this Congress and I would urge to adopt the amendment.

□ 2040

Mr. SUNDQUIST. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Tennessee.

Mr. SUNDQUIST. I thank the gentleman for yielding.

Mr. Chairman, as a member of the Subcommittee on Public Buildings and Grounds, I concur and rise in support of the gentleman's amendment. I think unless we do this, it is going to be a blatant waste of taxpayers' money.

The Smithsonian wants to construct an 8,000-square-foot basement under an existing building. And as the gentleman has described, at a cost of $680 per square foot. For the same amount of money, we could build, as he said, a storage facility of 100,000 square feet. We are talking about $5 million for the project. If those in this body want to go home and say that we supported the construction of a $5 million, 8,000-square-foot storage area, I think that our taxpayers and our constituents are going to be very unhappy.

As the gentleman from Florida has emphasized. His amendment will not affect the funds requested for the construction of the link structure which will connect the Freer and Sackler Galleries.

It is incredible to me that the Smithsonian would ask for this amount and that this body would consider spending that much money for that square footage. I urge your support for the amendment offered by my colleague from Florida.

Mr. SHAW. Mr. Chairman, I would like to say in closing that this is in no way an attack upon the Smithsonian, the present management, the past management, or what they are doing. They are doing a splendid job. They are doing a service for the entire country and I support them in just about everything they do. But there are limits to our generosity here in Washington, and this is absolutely an absurd request, and I urge the adoption of the amendment to the amendment.

Mr. MINETA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in reluctant opposition to the amendment offered by our very fine colleague from Florida.

I am speaking on this issue not only as a Member of this body, but also as one of the three Representatives of the House of Representatives on the Smithsonian Board of Regents. Moreover, not only am I a Regent of the Smithsonian, I also chair the Freer Art Gallery Visiting Committee.

I oppose this amendment because the work to be done with the funds at issue is needed. The funds and the construction project here is timely, and it is appropriate. As many of you know, we are constructing a quadrangle project. The total cost is $75 million, of which half of that amount is coming from the private sector, already raised, and the other half from the public sector. As part of the ongoing Quadrangle project, about one-third of the Freer's courtyard will be excavated and facilities will be constructed which will link the Freer Gallery with the new Sackler Gallery being constructed as part of the Quadrangle project.

At issue here, however, is the question of what to do with the portion of the courtyard not being used for the Quadrangle link. The Smithsonian believes that as long as a portion of the courtyard is being converted to usable space, it only makes sense to complete the job and complete the entire courtyard.

Let me emphasize that this is not the construction of a new building, but merely the alteration of an existing structure. If we do not do the work at this time, we will lose forever the chance to make maximum use of this space, and we do need the space.

The Freer Building now houses more than 26,000 valuable art objects. This building has served the people of Washington and the Nation for more than 60 years. With this modest expenditure, it will continue to be of service for generations to come. This work will increase the storage space by some 43 percent, and provide additional exhibit and office space as well.

Moreover, Mr. Chairman, I believe this work falls completely within the permanent authorization that is contained in chapter 20 of the United States Code, which allows "repairs and alterations of buildings and grounds occupied by the Smithsonian Institution."

Surely converting an interior courtyard into basement storage space is unambiguously an alteration. And therefore, Mr. Chairman, I urge the defeat of this amendment.

In closing, let me add my congratulations to the Appropriations Committee, and especially to Chairman YATES for his usual thoughtful and finely crafted legislative package.

Let me also add this whole issue about how expensive is this quadrangle project on the basis of this $180 or on the basis of my figure, which is $180 a square foot, rather than the $680 being quoted by the proponents of this amendment.

What we are talking about here is the construction of space to an existing structure, and that is not a building of 13,000 square feet, but it is really the efficient use of the 45,000 square feet in the Freer Art Gallery. So to me, the amount of construction cost here, the $2.5 million, ought not to be just allocated to the 13,000 square feet of space, but the 45,000 square feet of space that is going to be available under the total construction project as part of the Quadrangle project.

So it is my hope that the Members will allow the $2.5 millon to be kept in this appropriations bill so that we might be able to make that connection between the Quadrangle project and the Freer Art Gallery.

The CHAIRMAN. The time of the gentleman from California [Mr. MINETA] has expired.

(On request of Mr. SHAW and by unanimous consent, Mr. MINETA was allowed to proceed for 2 additional minutes.)

Mr. MINETA. Mr. Chairman, I yield to the gentleman from Florida [Mr. SHAW].

Mr. SHAW. I thank the gentleman for yielding.

Mr. Chairman, I would like to point out to the gentleman as well as to the committee seated here tonight that what we are talking about is $2.5 million for the first year, with a total estimated cost of $5 million, so we are talking about more than that. I am not talking about the connecting corridors, I am talking about just 8,000 square feet of storage space which does work out to $680 per square foot. We are talking about over $5 million.

Mr. MINETA. The gentleman is correct. The total amount for construction is $5 million, but that is my point. It is not just for construction, it is also for renovation of the existing space.

Mr. SHAW. I would respectfully disagree with the gentleman.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. MINETA. I yield to the gentleman.

Mr. BOLAND. I appreciate the remarks of the gentleman from California who is a Regent for the Smithsonian and is familiar with the Freer Art Gallery.

I do not know whether some of the Members have ever been to the Freer Art Gallery, but I must say it has to be one of the finest art galleries in the world. If you have never seen it, you ought to see it. I am sure my friend from Florida has seen it and anyone that serves on Mr. MINETA's committee has been there.

What the gentleman from California says, I think, is correct, and it is more than just basement space. Actually, it does provide for the renovation of the Freer basement for a new gallery, and an expanded conservation laboratory and additional collection storage space below the Freer courtyard.

□ 2050

I wonder if the gentleman from Florida would agree with this? He does mention 8,000 square feet, and if we provide $2.5 million, it comes to something like $600 a square foot. But it is really more than 8,000 square feet. The substructure has to be built first. While the Sackler Museum is being built, it would be wise to start the construction on the basement of the Freer Gallery because it would cost less money in the long run.

The CHAIRMAN. The time of the gentleman from California [Mr. MINETA] has expired.

(On request of Mr. BOLAND and by unanimous consent, Mr. MINETA was allowed to proceed for 3 additional minutes.)

Mr. MINETA. I am pleased to yield further to my colleague, the gentleman from Massachusetts.

Mr. BOLAND. It would be less costly to start the construction of the basement of the Freer Gallery under that part of the courtyard that is not being used as a link to the Sackler Gallery. So we would have to count the 8,000 square feet as the subbasement, with an additional 7,000 square feet above that, for a total of about 15,000 square feet.

I agree with the gentleman from Florida that it still comes to around $300 a square foot, doubling the square footage and reducing the $600 figure by $300 a square foot.

As the gentleman from California has indicated, this museum now is about 62 years old and has been serving the population of the United States for that period of time. It was built as a result of a bequest by Mr. Freer, and incidentally, in the will it provides that no exhibits and no storage can be maintained outside of the Freer Gallery.

There is an absolute need for an addition to the Freer Gallery. If we did not have the limitation in the bequest in the Freer will, we might have done this a little bit cheaper. The fact of the matter is, we could have used part of the space in the new Sackler Museum or part of the space in the Smithsonian itself, but the will does not permit the Smithsonian to do that. It all has to be stored and exhibited in the Freer Gallery.

I think it is wise, really, to go ahead with $2.5 million now, and as the gentleman from Florida, Mr. SHAW, said, an additional $2.5 million would be needed in the next year.

Mr. SHAW. Mr. Chairman, would the gentleman yield to me?

Mr. MINETA. I would be pleased to yield to my colleague, the gentleman from Florida.

Mr. SHAW. I thank the gentleman for yielding.

Mr. Chairman, we have had discussion as to the design and renovation of the Freer basement. We are not talking about that money. That is an additional $2 million that we are not even talking about. So that $2 million stays in the bill if the Shaw amendment to the amendment is passed.

What I am talking about is the $2.5 million, plus another $2.5 million, for a total of $5 million, which is for 8,000 square feet of storage space.

Mr. MINETA. Mr. Chairman, let me reclaim my time and also indicate that this is not just conventional office space. This is a facility that has to take care of these art objects that require special environmentally controlled conditions. These are irreplaceable treasures, art objects of a civilization that dates back to the dawn of history.

So we just cannot compare this structure to a typical office kind of a building. The fact that we have this opportunity, since we are doing the underpinning at the Freer Art Gallery, to be able to build this link to the Freer Art Gallery to the quadrangle project, I do not think we ought to give it up.

Mr. YATES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me say to the gentleman from Florida that when the Smithsonian witnesses appeared before our committee, I was struck by the size of the numbers as well. I asked the witnesses for the Smithsonian to meet with our staff and with the Senate staff to try to find out what the actual figures were.

They presumably have agreed upon these as being the correct figures. I accepted their estimate, and the statements by the gentleman from Florida have concerned me because I would not want this job to be overexpensive as well. I want to point out, however, that I am impressed by the fact that the cost for constructing the Quad itself, which starts from a hole in the ground and just builds up from that, is assessed at being over $200 a square foot. That in itself is an expensive number. But that is a simple project by comparison with what the Freer has to do in this instance.

The Freer has to preserve its shell. It has to preserve its art objects. It has no place to put them. It has to, at the same time, try to protect them while it excavates under the building and tries to brace the building against whatever contingencies may happen.

I certainly do not want to pay more than should be paid for this building. I wonder whether the gentleman can tell me what he is referring to. He and the gentleman from Tennessee have been referring to a book there.

Mr. SHAW. If the gentleman will yield, I would be glad. That is the Smithsonian's 1986 budget justification supplied to us by the Smithsonian.

Mr. YATES. What does that justification tell the gentleman?

Mr. SUNDQUIST. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Tennessee.

Mr. SUNDQUIST. I thank the gentleman for yielding.

Mr. Chairman, it says, "For fiscal year 1986, an amount of $2 million is sought for the design and renovation of the Freer basement." That is the first part. "The tunnel connection from the Sackler Gallery to the Freer Gallery funded within the Quadrangle budget requires excavating one-third of the area beneath the existing Freer courtyard."

A further amount of $2.5 million is requested for fiscal year 1986 for the excavation of this room we are talking about.

We are not talking about doing anything with the tunnel or the connection. We are not talking about interfering with the basement remodeling. What we are talking about is 8,000 square feet of new space at a cost of $680 per square foot, $2.5 million this year, $2.5 million next year.

Mr. YATES. May I ask the gentleman, is the cost of $600 per square foot in that report?

Mr. SUNDQUIST. No, the cost is not in there; it is a mathematical computation of dividing the dollars by the amount of square feet.

Mr. MINETA. If the gentleman would yield, I would like to direct a question to the gentleman from Florida.

Where does the 8,000 square feet come from?

Mr. SHAW. That is the budget justification which was supplied to the Public Buildings and Grounds Subcommittee, and I would be glad to give the gentleman a copy of it.

Mr. MINETA. As far as I know, it is 15,000 square feet rather than 8,000, if we are talking about the same space.

Mr. SHAW. If we start adding those figures up the connection—what the problem is is that you are looking at the connecting link and everything else.

Let me say, if I may, what we are talking about here is the total project and maybe we will get this into the proper perspective. We are talking about the renovation of the basement for $2 million, we are talking about the connecting link, and we are also talking about the new basement construction, the latter of which I am opposed to. All of this has a total price tag of more than $14.3 million. We are only going after $2.5 million. But this total project is over $14.3 million.

Mr. YATES. Mr. Chairman, may I reclaim my time to read from the statement that the Smithsonian gave us?

An amount of $2 million is sought for the design and renovation of 24,000 square feet of the lower level of the Freer that will, for the most part, be dedicated to public purposes.

A further amount of $2.5 million is required for the excavation, underpinning and construction of a structural shell for the two-thirds of the courtyard area that is not part of the Quadrangle link but which will create an additional 15,000 square feet of space primarily for collection storage.

□ 2100

That is the $15,000 the gentleman from California mentioned.

Mr. SHAW. Mr. Chairman, if the gentleman will yield, that includes the existing basement and that is an additional $2 million, so that is a separate project. We have not affected that project at all.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. YATES] has expired.

(By unanimous consent, Mr. YATES was allowed to proceed for 2 additional minutes.)

Mr. YATES. Mr. Chairman, I have this suggestion to make. I think what I would like to do, I would like to take the gentleman's amendment with the understanding that we will try to work out the correct figures with the Senate as we go into the conference and come to the correct conclusion.

I know that my friends who are regents of the Smithsonian may be somewhat disappointed in this, but I think the gentleman has raised a valid point. The figures are not specific. They are not certain.

Mr. Chairman, I propose to accept the amendment, with that understanding.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. YATES. Yes.

Mr. BOLAND. Well, Mr. Chairman, I welcome the suggestion of the distinguished chairman of this committee. I think it is a good suggestion and I would hope that the membership would follow that advice.

Mr. SHAW. Mr. Chairman, I would welcome that. I know the gentleman from Illinois and I want the same thing. Even though it is a very important building, it is a very important renovation, we still want to be sure that are getting our money's worth.

Mr. YATES. We will try to get the correct answer.

Mr. SUNDQUIST. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Tennessee.

● Mr. SUNDQUIST. Mr. Chairman, I submit the following material for insertion in the RECORD regarding the construction at the Smithsonian's Freer Gallery:

QUADRANGLE AND FREER RELATED CONSTRUCTION/RENOVATION INFORMATION ON SELECTED SUBPROJECTS

CONNECTING LINK

The Freer and the Sackler constitute the Center for Asian Art. The connecting link will provide safe and secure underground movement between the Sackler Gallery and the Freer Gallery with direct passage for the public to exhibition areas of both galleries meeting safety, health and disabled access code requirements presently not met in the Freer building. The link will also provide separate and secure passage between collection and staff areas in both galleries. The concept of joint administration and operation of the Galleries, including sharing of conservation facilities located in the Freer, is dependent on access and communications via this underground connection.

The funding account for the link is the Quadrangle federal construction appropriation and Institution trust funds in equal amounts. When the $3.5 million budget was established for the Freer link, planning was incomplete and the benefit of subsequent experience in underpinning structures at this site was not available. Subsequently we have completed our planning and have learned that our approach to underpinning must be more conservative. Accordingly the proposed budget has been adjusted to reflect more current knowledge. Discussions with the A/E concerning the present design and cost estimate resulted in an assessment that design refinements, as well as revised underpinning and structural plans, have added approximately $800,000 to the cost of the earlier design concept. In addition, based on advice from the General Services Administration, an amount of $250,000 per year, or in total, $1 million, has been added to the budget for escalation of labor and material costs and for increased construction management costs.

An amount of $310,000 was obligated in the fall of 1984 for preparation of design concepts and working drawings and specifications. An additional amount of $115,000 is anticipated for design and construction management. These amounts are being provided from Quadrangle funds, both federal and trust.

Furnishing of the Link will include approximately $10,000 of public seating to be funded from the Quadrangle furnishing sub-account using federal and trust funds on a matching basis.

FREER BASEMENT RENOVATION

This project will convert approximately 24,000 square feet of the current basement administrative area to new and more effective use, following relocation of staff presently occupying this space to the Quadrangle. The renovated space will provide much needed additional space for exhibitions, conservation, and collection storage to support the Freer collection, as well as the joint operating needs of the Freer and Sackler Galleries.

Unrestricted trust funds in the amount of $181,500 are committed to the GSA for design purposes and are expected to be obligated in Spring 1985. Federal R&R funds in the amount of $2 million are included in the Institution's FY 1986 budget request for construction.

Furnishing and equipping of the renovated basement area will be accomplished using existing items and seeking future federal Salaries and Expenses funds over a several year period. These additional funds, as well as those required for furnishing the expanded courtyard space (described below) are estimated to cost $2.3 million.

FREER COURTYARD

Excavating and construction of a two-story space beneath the existing courtyard garden will provide approximately 8,000 new square feet for required object storage and reference areas for the Freer Gallery exclusively. About one-third of the courtyard will be excavated on one level as part of the connecting link, meaning for practical and economic considerations, full courtyard expansion should be accomplished at the same time. Future construction in this area, including necessary excavation and underpinning, would be excessively expensive and so disruptive to the Museum, that it would not be feasible.

Unrestricted trust funds in the amount of $423,500 are committed to the GSA for design purposes and are expected to be obligated in Spring 1985. Federal R&R funds in the amount of $5 million are being requested for construction, half in FY 1986 and the balance in FY 1987.

Furnishing and equipping costs for courtyard expansion, as well as for renovation of the basement, will be requested as part of future year federal Salaries and Expenses budgets, as needed to supplement existing equipment. Current estimate is $2.3 million.●

Mr. CONTE. Mr. Chairman, I rise in opposition to the amendment.

To address the space problem at the Freer Gallery of Art, this bill includes funds for a renovation and improvement project designed to expand Freer collection storage space by 43 percent and provide 12 percent more exhibition space. Right now, the Freer Gallery has very limited exhibition space and only about 7,000 square feet of storage space. Corridors and offices are used to store furniture.

Painting storage is overflowing and other valuable objects could be damaged unless proper space is created.

The Smithsonian seized an ideal opportunity to improve the situation by combining this project with the construction of the quadrangle project now underway. Construction plans included tearing up half of the Freer courtyard to build a tunnel to the new underground museum. With this construction already in the works, the Smithsonian developed a plan to efficiently expand the project to include increased space for the Freer.

The bill provides $2.5 million for the excavation, underpinning, and construction of a structural shell for the two-thirds of the courtyard area that is not part of the quadrangle link. This expansion will create an additional 15,000 square feet of space primarily for collections storage. This project is a one-time opportunity to take advantage of work already planned for this area. In fact, this construction project was included in the President's budget and recommended by the committee.

Let me also address two concerns expressed by my good friend, the gentleman from Florida.

Besides the space requirements needed for museums generally, the Freer has a special problem. Under the Freer will that donated the museum, no part of the collection can be removed from the facility. As you can imagine, this presents special problems with storage and exhibition space.

There's also been discussion about the cost of the renovation. I understand the gentleman's concern, but any museum storage space must be customized to provide environmentally controlled conditions necessary to protect valuable artworks. In addition, special care must be exercised in dealing with an historic landmark building of architectural distinction.

The amendment by the gentleman from Florida [Mr. SHAW] would deny this unique opportunity and may force a more expensive solution to the space problems at the Freer later on.

Mr. Chairman, I urge my colleagues to oppose the amendment.

Mr. HOWARD. Mr. Chairman, I rise in opposition to the amendment which would delete $2.5 million from the Smithsonian's account for restoration of buildings. Currently, the Freer Gallery of Art is limited in its exhibition space and currently has only about 7,000 square feet of storage space, including areas in its attic. Corridors and offices are used to store furniture and paintings.

An ideal opportunity to correct these deficiencies arises in conjunction with the already planned excavation of one-third of the Freer's courtyard for construction of a tunnel which will link the Freer Gallery with the Sackler Gallery. A project that is included within the quadrangle construction budget. A parallel renovation of the lower level of the Freer and excavation of the remaining two-thirds of the courtyard would increase Freer collection storage space by 43 percent and provide 12 percent more exhibition space. In this regard, an amount of $2.5 million is necessary for the excavation and construction of a structural shell for the two-thirds of the courtyard area.

The courtyard expansion in connection with the ongoing quadrangle link represents a one-time opportunity to take advantage of work similar in character and piggy-back the excavation of the other part. The costs of the alteration and excavation projects are considerable, approximately $180 per square foot, due to the care that must be exercised in dealing with an historic landmark building of architectural distinction and further that the space being created is not conventional office space. If the excavation is not done at this time it is highly unlikely that it will ever be done.

Therefore, I urge my colleagues to oppose the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. SHAW] to the amendment offered by the gentleman from Illinois [Mr. YATES].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. YATES], as amended.

The amendment, as amended, was agreed to.

Mr. FRENZEL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to ask the distinguished subcommittee chairman where in this bill the National Museum Act grants are concealed and how much are they for fiscal year 1986?

Mr. YATES. Mr. Chairman, if the gentleman will yield.

Mr. FRENZEL. I yield to the distinguished chairman.

Mr. YATES. Mr. Chairman, I invite the gentleman's attention to line 4 of page 57, which shows that $793,000 is made available to carry out the provisions of the National Museum Act.

Mr. FRENZEL. Mr. Chairman, may I ask the distinguished chairman if that language is protected from a point of order?

Mr. YATES. It is, may I say to the gentleman.

Mr. FRENZEL. Mr. Chairman, I thank the distinguished chairman for the information.

Mr. Chairman, for the last 4 years this program has not been authorized. Nevertheless, the committee under the protection of a rule waiving points of order has continued, in my judgment, to fund, unwisely and in an unauthorized manner, a program which probably most of the Members of this Congress are not aware of and to which probably most of them would not subscribe

It is a very small amount of money, roughly $800,000. It is, however, spent on a very unusual program in which grants are awarded to various projects in museology. For instance, in the 1985 program, three grants were given for management and observation of herbarium projects. I do not know if any of you guys—any of you people have ever been in a herbarium, but I will bet you did not know we were giving grants to people to study them.

I suppose you probably did not know that five of these grants were awarded overseas, three of them in London, two of them in Rome.

Let me read you a couple other grants, but before I do that, Mr. Chairman, I want to say that the students are serious students. The work is in its own way serious work and these people are not living off the fat of the land on the taxpayers' money. They are rather small stipends to graduate students and postgraduate students in museology.

The problem is these could and should be taken care of privately. The Federal Government has no reason to be in them, particularly when the program is not authorized.

The one that I like best is a $10,000 project, research on "the use of micromanipulation for splitting the embryos of antelopes and exotic sea lions and on interspecies as well as intraspecies transfer of the resulting germinal material."

I will bet you did not know that museology grants were going for that sort of thing.

I will bet you also did not know that we are investigating the environment of historic adobe museums and repairing guidelines on the proper management and care of their collections, because adobe is so different from any other kind of construction.

Now, Mr. Chairman, this is a ridiculous situation. I do not want to make light of these grants, because I do not like to take advantage of silly titles when some fine research is being done and education is being achieved and absorbed.

Nevertheless, I really take objection to the fact that this program has been funded for 4 years, when the authorizing committee has refused authorization.

I serve notice to the distinguished chairman that if this program continues, his committee is going to have great trouble with this bill in the future. It will not be simply a matter of a few hours debate. We will be on this bill for weeks next year.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the distinguished chairman.

Mr. YATES. Mr. Chairman, I was unaware that the authorizing committee has refused to fund this program.

Mr. FRENZEL. I will tell the gentleman, the last year it was authorized was fiscal year 1982.

Mr. YATES. Well, may I say to the gentleman that is true of a number of programs in this bill. For example, the Bureau of Land Management and other agencies that are essential; the Department of Energy is another; the authorizing committees have not gotten around to funding those bills, and yet they tell us to go forward with the appropriation.

The gentleman raises a different point, though, when he says that the authorizing committee refuses to authorize this legislation.

I want to tell the gentleman that I will check with the authorizing committee in view of his objection and I will try to find out whether they can present legislation so that next year we well not have to ask for a rule for this.

Mr. FRENZEL. I thank the gentleman for his contribution and for his explanation.

I will tell the gentleman, with all due modesty, that one of the reasons the committee cannot pass it is because I have not been willing to let it do so.

I think the problem is that the committee is not afraid of me, but it is afraid to take these kinds of projects to the floor and subject them to debate, because they are not going to pass.

Mr. YATES. Which is the authorizing committee, may I ask?

Mr. FRENZEL. The Committee on House Administration.

Mr. YATES. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CONSTRUCTION

For necessary expenses to construct, equip, and furnish the Center for African, Near Eastern, and Asian Cultures in the area south of the original Smithsonian Institution Building, $4,000,000, to remain available until expended.

NATIONAL GALLERY OF ART

SALARIES AND EXPENSES

For the upkeep and operations of the National Gallery of Art, the protection and care of the works of art therein, and administrative expenses incident thereto, as authorized by the Act of March 24, 1937 (50 Stat. 51), as amended by the public resolution of April 13, 1939 (Public Resolution 9, Seventy-sixth Congress), including services as authorized by 5 U.S.C. 3109; payment in advance when authorized by the treasurer of the Gallery for membership in library, museum, and art associations or societies whose publications or services are available to members only, or to members at a price lower than to the general public; purchase, repair, and cleaning of uniforms for guards, and uniforms, or allowances therefor, for other employees as authorized by law (5 U.S.C. 5901-5902); purchase, or rental of devices and services for protecting buildings and contents thereof, and maintenance, alteration, improvement, and repair of buildings, approaches, and grounds; and purchase of services for restoration and repair of works of art for the National Gallery of Art by contracts made, without advertising, with individuals, firms, or organizations at such rates or prices and under such terms and conditions as the Gallery may deem proper, $34,379,000, of which not to exceed $2,200,000 for the special exhibition program shall remain available until expended.

REPAIR, RESTORATION AND RENOVATION OF BUILDINGS

For necessary expenses of repair, restoration and renovation of buildings owned or occupied by the National Gallery of Art, by contract or otherwise, as authorized, $2,900,000, to remain available until expended: *Provided,* That contracts awarded for environmental systems, protection systems, and exterior repair or renovation of buildings of the National Gallery of Art may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

SALARIES AND EXPENSES

For expenses necessary in carrying out the provisions of the Woodrow Wilson Memorial Act of 1968 (82 Stat. 1356), including hire of passenger vehicles and services as authorized by 5 U.S.C. 3109, $3,342,000.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, $144,118,000, of which $128,218,000 shall be available to the National Endowment for the Arts for the support of projects and productions in the arts through assistance to groups and individuals pursuant to section 5(c) of the Act, of which not less than 20 per centum of the funds provided for section 5(c) shall be available for assistance pursuant to section 5(g) of the Act, and $15,900,000 shall be available for administering the functions of the Act.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, $30,882,000, to remain available until September 30, 1987, to the National Endowment for the Arts, of which $21,617,000 shall be available for purposes of section 5(1): *Provided,* That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisions of section 10(a)(2), subsections 11(a)(2)(A) and 11(a)(3)(A) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.

AMENDMENTS OFFERED BY MR. ARMEY

Mr. ARMEY. Mr. Chairman, I offer amendments, and ask unanimous consent that they be considered en bloc.

The CHAIRMAN pro tempore (Mr. BENNETT). Is there objection to the request of the gentleman from Texas [Mr. ARMEY]?

There was no objection.

The CHAIRMAN pro tempore. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. ARMEY: Page 61, line 7, strike out "$144,118,000" and insert in lieu thereof "$134,260,000".

Page 61, line 7, strike out "$128,218,000" and insert in lieu thereof "$118,678,000".

Page 61, line 13, strike out "$15,900,000" and insert in lieu thereof "$15,582,000".

Page 61, line 18, strike out "$30,882,000" and insert in lieu thereof "$29,400,000".

Page 61, line 20, strike out "$21,617,000" and insert in lieu thereof "$20,580,000".

Mr. ARMEY. Mr. Chairman, my amendments deal with the National Endowment for the Arts. The fiscal year 1985 NEA appropriation was $163.6 million. For fiscal year 1986, the Appropriations Committee has recommended a 7-percent increase to $175 million, $11 million above the House-passed budget resolution.

In the 20 years since NEA was first created, annual appropriations have increased approximately 8,000 percent, Mr. Chairman, from a little over $2 million to $164 million.

My amendment is a simple one. It merely freezes the NEA appropriation at 1985 levels, thereby saving the taxpayers approximately $11.34 million from the committee's recommendation.

□ 2110

Now, Mr. Chairman, we are all aware of the budget deficit; we are all aware of the difficult problems in spending that we have. The fact of the matter is we must make tradeoffs if we are going to control Federal spending.

We have asked many programs and agencies, and we will ask many more, to take spending cuts. And in many cases where we are asking for people to take spending cuts or freezes, we are asking about programs that deal with the essential needs of the American people.

Mr. AUCOIN. Mr. Chairman, will the gentleman yield for a moment?

Mr. ARMEY. I yield for a moment.

Mr. AUCOIN. The gentleman has made the statement that the figures the committee provides for the arts are over the House-passed budget resolution. There is no function in the House-passed budget resolution for the arts as such, and I am wondering what the gentleman is referring to.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Texas.

Mr. BARTLETT. Mr. Chairman, I know that my colleague from Texas knows that, in fact, according to the CBO, the budget analysis, in fact, does list the House-passed budget amount for the National Endowment for the Arts, and also for the National Endowment for the Humanities, and also for the Institute of Museum Services. And it lists the National Endowment of the Arts at $164 million for the House-passed budget as well as the other body's passed budget.

So there seems to be no dispute on that in conference.

Mr. ARMEY. I thank the gentleman.

Mr. AUCOIN. Will the gentleman yield to me again?

Mr. ARMEY. For one more moment. I do have more points that I would like to make.

Mr. AUCOIN. I understand that, and I will ask unanimous consent to give the gentleman additional time if he needs it, and I appreciate the gentleman yielding.

It is not my understanding that the House-passed budget resolution is so line-item specific as to in effect provide a duplicative appropriation for these items. And I do not think the gentleman is accurate when he says

that this subcommittee has breached the House-passed budget resolution.

Mr. ARMEY. With the gentleman's consent, I will express my agreement with the gentleman from Texas. But even if I do that, let me concede your point, and let me return to the point that I made earlier, that since 1965, the National Endowment for the Arts has had an 8,000-percent increase, from a little over $2 million to $164 million.

Certainly nobody in this body wants to suggest, in light of the difficult budgetary times we have had since 1965, that NEA has been given any short shrift in budget appropriations.

The problem I was addressing before I yielded was that we are asking many programs and many agencies across the National to take their cuts and to live with the freeze. This is something we must do. Everybody is aware of the budget deficit. Everybody is aware of the problems we have in trying to get a handle on that.

I am saying that NEA, that speaks to important needs, and let me address that because I share the committee's awareness of how important the arts are. The arts do give us a certain dimension to our lives; they add beauty and, indeed, a perspective on human events and human action that is important to us. I know the committee appreciates that, and I also want to express my appreciation for the hard work the committee has done. The committee has been very thorough.

But in this case, I think we have perhaps indulged here a very important, but yet favored, interest over that of many competing interests.

Now it is in that respect, it is for a budgetary reason that I rise to ask for the freeze, to ask the NEA to take the same cuts as somebody else.

Let me speak now to another concern.

The CHAIRMAN pro tempore. The time of the gentleman from Texas [Mr. ARMEY] has expired.

(On request of Mr. AUCOIN and by unanimous consent, Mr. ARMEY was allowed to proceed for 2 additional minutes.)

Mr. AUCOIN. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. Let me take my 2 minutes.

Mr. AUCOIN. I just got the gentleman time. Would he yield to me?

Mr. ARMEY. All right, if I can have one of those minutes.

Mr. AUCOIN. Surely.

Mr. YATES. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended 5 additional minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARMEY. I thank the chairman.

Mr. AUCOIN. Mr. Chairman, I appreciate the gentleman yielding. The gentleman made the statement that the program has grown by 8,000 percent since 1965. I would have to tell the gentleman that what he is referring to is the growth of the program since its inception.

If he wants to apply the same standard to the Department of Defense, for example, I can only guess at what the percentage of growth would be from the time of it being an embryo to the point where it became a full-fledged agency. The fact of the matter is this program has grown by 2 percent per year over the last several years leading us to the figure we have today, a very modest, moderate rate of growth, and not nearly as radical, or radical at all as the gentleman would seem to suggest.

Mr. ARMEY. Again, if you will, I will concede your point. And I would suggest that perhaps the Defense Department—I have not checked the figures—but perhaps they have not grown by the 2 percent that you have talked about. And furthermore, I do not think I would follow your suggestion that I equate funding of the National Endowment for the Arts with the national defense. I think one is an absolutely imperative function of the Government that we must carry out; and the other is, indeed, I think, an indulgence of, again, as I said, an important human interest and desire, but not one that is an essential function of the Government.

Mr. YATES. Mr. Chairman, will the gentleman yield for a question?

Mr. ARMEY. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I am reading from the Chronicle of Higher Education in Washington for May 15, and it says this:

> At least five hearings have been scheduled by the panel's Subcommittee on Select Education during the coming months to look at the endowments activities in more detail. Before the committee approved the bill, Rep. Richard Armey, Republican of Texas, attacked some poetry grants financed by the arts endowment, charging that the poems produced were obscene.
>
> He also charged that there was cronyism involved in the award of some grants, and that members of peer review panels had approved awards that went to publishing companies they were associated with. He won a commitment from committee leaders that the hearings would look into his allegations.

I would ask the gentleman if that is a correct depiction of what happened?

Mr. ARMEY. Yes, it is; and I appreciate the gentleman raising that because that is the point to which I was moving.

In fact, I did raise that point about 2 months ago. The gentleman from Texas [Mr. DELAY] will probably be speaking soon and is also concerned about that, and he has taken the liberty to bring those poems to the floor. I would be happy to have any Member of the House read those poems.

The fact of the matter is I have very real concerns about the matter on which the NEA spends funds, but also the manner in which they make spending decisions, and I raise those questions. I raised them with the National Endowment for the Arts. I have not been happy.

Just recently, I fell into a publication called "Z-Political Fictions." It says in here that it is funded, supported in part by the National Endowment for the Arts. I have checked with the National Endowment. It took them 2 days to confirm that, yes, indeed, they have given a grant to some agency that in turn had given money here. They did not even know what they were funding.

I think it is a matter, it is a requirement of our office that when we appropriate funds to any agency we know where those funds are and give surveillance. The agency must account to us. The agency has not been cooperative with me, and I do not believe that the gentleman from Texas [Mr. DELAY] would suggest that they have been cooperative with him.

But I do have the poems here that did bother me at that time and do bother me at this time. I sat in my office with seven young, virile men, and not one of us could read several of these poems aloud, they were that bad.

Mr. YATES. Will the gentleman yield further?

Mr. ARMEY. Yes; I yield to the gentleman from Illinois.

Mr. YATES. I am concerned with the gentleman's statement that the agency has not been cooperating with you. I called Frank Hodsoll personally and I told him that I knew of your efforts and those of Mr. DELAY, and I told him that he ought to cooperate fully with you, and he told me that he would.

Now I am informed by the people at the National Endowment for the Arts that you have had your staff members there, and the gentleman from Texas [Mr. DELAY] has his staff members there, and they are pouring through the files and they are trying to find additional poems. Is that not correct?

Mr. ARMEY. I do not know that any of my staff have been there. I do believe Mr. DELAY's staff have.

But again, do we not have not only the right but the responsibility to pour through the files, as it were? If we paid for the material, should it not be accessible to us, or should it be something that, indeed, they should prefer we not seek out?

Mr. YATES. Will the gentleman yield further?

Mr. ARMEY. Yes; I yield to the gentleman from Illinois.

Mr. YATES. The gentleman said it was correct that you had won a commitment from the committee leaders

to look into your allegations. Does not the gentleman believe that that is the proper forum to go into these questions?

That committee is now undertaking hearings for the purpose of determining whether NEA should be reauthorized. I would think that that is the place that the gentleman should bring his complaints, as he did. And I think that the committee should go into those questions.

I will tell the gentleman in passing also that we raised the question of the buddy-buddy system, that the question raised some time ago, and we went into hearings on that periodically during the tenure of Nancy Hanks as the Administrator and during the tenure of Liv Biddle as the Administrator, and we have gone into it with Mr. Hodsoll as well, because we hear these rumors and we hear these statements.

The CHAIRMAN pro tempore. The time of the gentleman from Texas [Mr. ARMEY] has again expired.

(On request of Mr. YATES and by unanimous consent, Mr. ARMEY was allowed to proceed for 2 additional minutes.)

□ 2120

Mr. YATES. It is important that we do this; the gentleman is right. Because the peer panel review is the guts of this system. It provides for supervision, for review by the peers of those who are applying and it is essential, it is essential that a fair system, the essence of fairness be there because so much goes into the application, so much of a person's life and hopes and dreams goes into the applications that go into these endowments for approval. And it is necessary that they get a fair trial and they get a fair hearing by them. So it is important that the panels be constituted by people who know their business and by people who are the essence of fairness. I take very seriously the gentleman's allegation.

Mr. ARMEY. If I may reclaim my time.

I appreciate the gentleman's concern and know he did indeed respond to us. After he responded to our inquiries, I know NEA responded much more favorably. My suggestion is that we do it now for budgetary reasons first and foremost but also out of these concerns, vote now on the freeze and at the same time talk to NEA, pardon the vernacular as they demonstrate that they are doing better we may be able to do this sometime in the future.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Texas.

Mr. BARTLETT. Mr. Chairman, I thank the gentleman for yielding.

I serve as the ranking Republican on the Select Education Committee which is going through the reauthorization of the National Endowment for the Arts. I respect the chairman of the subcommittee a great deal, who is very familiar with these endowments and has worked in the vineyards through the years. I think the arguments of the gentleman from Texas, and I listened carefully to him as he presented these as budgetary and economic arguments, that the National Endowment for the Arts should not be singled out for an increase.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

Mr. YATES. Mr. Chairman, I move to strike out the last word.

I yield to the gentleman from Texas.

Mr. BARTLETT. I thank the gentleman.

I think the gentleman from Texas made his arguments on a budgetary and an economic basis that we should not single out the National Endowment for the Arts as the program that would break out of the House-passed budget resolution, as the program that would break out of a fiscal year 1985 freeze. The gentleman's motion is straightforward. This is not an authorizing program. This is simply an appropriation. I think the gentleman's amendment would appropriate a fiscal year budget freeze in line with the House-passed budget resolution.

I thank the gentleman for yielding.

Mr. ARMEY. Mr. Chairman, will the gentleman yield for a response?

Mr. YATES. I would be glad to yield to the gentleman from Texas.

Mr. ARMEY. I thank the gentleman.

My disappointment in the material and procedures as I found at NEA was only slightly greater than my disappointment in the level of enthusiasm with which the committee responded to my concerns. So I do not take great confidence in the extent to which I was given assurance. Nevertheless, we still, I think have to start with this budgetary concern and see that as the foundation of our concern. Then the others are of course points that you mentioned.

Mr. YATES. Let me tell the gentleman how this committee acted. Why did we, knowing the constraints that the House was voting on other programs, why did we increase this program? We did this year what we did last year. Last year the committee voted $175 million for the National Endowment for the Arts, the same sum as this year. That amount was subjected to a 3-percent cut across the board in the House of Representatives and it reduced it to $169 million approximately. It was then submitted to, in bargaining with the other body, we agreed upon $167 million and then there was another cut that was made necessary in order to persuade the White House to sign the bill and it went down to $163 million. That was the background for what we did this year as well. We started out with $175 million. What is a freeze? When we talk about freezing a particular level, must it be the same amount for each program? Or are we talking about the totals?

If we are talking about the totals, our bill, according to our calculations, is $346 million below the level of the same bill in 1985.

What we did was to reduce the 1985 program levels for 88 different programs. Having done that, we looked around and we said, "Well, some of these other programs should have increases." We put increases over the budget for Indian health programs, for example, we put increases over the budget for Indian education, increases over the budget for various kinds of public lands and public parks and things of that sort. We tried to balance the bill. Had we maintained the strict freeze approach that I think the gentleman is using, we would have not gone over the 1985 levels in programs that to us were manifestly in need of extra funding. But we nevertheless had our target on the overall level of the bill. And in that respect we brought this House a responsible bill, a bill that cut as we thought the House would cut. But we thought that the arts for which the committee approved $175 million last year should have the same chance this year to start out at that level.

That is the explanation as to why this bill got to $175 million.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New York.

Mr. GREEN. I thank the gentleman for yielding.

I want to concur in the remarks of the distinguished subcommittee chairman. I think it is a complete misunderstanding of the budget process to believe that it requires the appropriations subcommittees and the full Appropriations Committee to hold every program at the same level as last year. That just is not so. First of all, the budget resolution can in no way enforce that level of detail on the House. It simply sets certain levels for functions set forth in the budget resolution. The 1974 Budget Act then provides that the full amount of money to be appropriated is passed on by the Budget Committee to the Appropriations Committee and the Appropriations Committee then divides that money among its subcommittees. And the gentleman's subcommittee got its 302(b) allocation from the full Appropriations Committee and this is within it. And that is what is necessary to enforce the budget process.

Now in terms of the sentiment of this House to have a freeze, I submit to the gentleman that it is simply nec-

essary to look at the appropriation bill last year and then the appropriation bill this year.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(On request of Mr. GREEN, and by unanimous consent, Mr. YATES was allowed to proceed for 3 additional minutes.

Mr. YATES. I yield to the gentleman from New York.

Mr. GREEN. It has never been contemplated that every item in every appropriation bill cannot grow from last year. I would like to ask any of the gentlemen who are advocating this amendment whether they voted for the Dellums amendment on the space defense initiative when the Defense Authorization Act for 1986 came on this floor? It they really believe that every program in every bill has to be frozen at the current year's level, why did they not vote for the Dellums amendment to freeze the space defense initiative? I would suggest that this bill ought to be put to no different test from the defense bill in that respect.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Texas.

Mr. ARMEY. I do not believe we ought to freeze across the board. I voted to raise spending in some levels. My preference would have been to cut this by 5 percent, this particular appropriation. Others I may want to freeze. I settled on a freeze here because I was trying to work out a response that we could pass in this House in an orderly fashion. But, yes indeed, I agree with the gentleman, freeze is not necessarily a magic word; sometimes we freeze, sometimes we raise, sometimes we lower. But a 7-percent raise for the National Endowment for the Arts when I have the concerns I do at this time is not something I can vote for.

I think quite frankly a freeze was generous on my part.

Mr. AUCOIN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Oregon.

Mr. AUCOIN. I appreciate the gentleman yielding.

Mr. Chairman, I have voted for freeze amendments myself on the floor this year. But I want to tell my colleague that this bill is under current-year levels. Let us keep that in mind when we consider this bill. It is entirely appropriate for this subcommittee to make adjustments within that ceiling between various accounts. That is what appropriation committees are all about.

Furthermore, in eight of the agencies funded by the subcommittee, we make cuts in 1986 over the 1985 level.

I appreciate the gentleman yielding.

□ 2130

Mr. YATES. Just to supplement what the gentleman has said, we are $346 million below the 1985 level, and we are $284 million below our 302(b) allocation, under the House-approved budget bill.

So we did act responsibly, and I suggest we acted responsibly with respect to the arts program as well. I gave the gentleman the background; I respect the gentleman's opinion, I know that he is serious and I know that his amendment is serious.

I suggest, however, and I would hope that he would support the committee.

Mr. REGULA. Would the chairman yield?

Mr. YATES. I yield to the ranking member.

Mr. REGULA. I thank the chairman for yielding, and that is an accurate statement; that we made priority judgments. That is why we have committees, to determine what is the appropriate level for many, many different functions, and I think this is a reflection of the fact that we felt that this had a higher priority than some others and we made the adjustments, but the total is still $300 million under the 1985 level for the bill, and that is good management.

The CHAIRMAN. The time of the gentleman has expired.

Mr. REGULA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just want to reemphasize something I said in my opening remarks, and that is that this appropriation generates a lot of private money, because most of the NEA appropriation is tied to matching funds at the local level. In the case of programmatic appropriations, it is a 3-to-1 match; in the case of some of the other portions, it is a 1-for-1 match.

So in effect, for every dollar we appropriate to the NEA, we generate at least an additional dollar in the private sector, and in some instances much more.

Mr. ARMEY. Will the gentleman yield?

Mr. REGULA. I yield to the gentleman.

Mr. ARMEY. I really must take exception with the logic presented. What the gentleman is saying is, for every dollar we give the NEA, we require them to initiate and secure a transfer of some private money from some other purpose to their purpose. That is in effect, they have to earn part of their way.

It is not as if they generate dollars back to the U.S. Treasury or back to the taxpayer.

Mr. REGULA. No, that is not what I said.

Mr. ARMEY. Well, but there is a suggestion——

Mr. REGULA. I said it generates private dollars toward the activities nationally in the art field.

Mr. ARMEY. Again, from my point of view, because I hear a lot of budgetary talk here that is really quite fascinating to me.

Where I come from, you freeze what you had to spend last time; that is where you freeze. I would like to freeze at where, at what level I wanted to have last year, but I could not freeze at that level, you see.

Also, if you tell me I am going to generate another dollar back or in some way; that does not mean a thing to me. If I give you a dollar and say I am going to generate another dollar for myself.

Mr. REGULA. I understand the gentleman's point of view, and I am just making the point that it does generate additional dollars.

I think the important thing is the committee's responsibility is to make priority judgments within the constraints of fiscal year 1985 and hopefully less, as we have achieved.

Mr. ARMEY. If the gentleman will yield again.

Mr. REGULA. I yield further to the gentleman from Texas.

Mr. ARMEY. I do want to reemphasize that I have watched the committees' work today, all day, and you have done a good job; you have been very thorough, and you have made priority judgments. It just happens that this is one judgment that I disagree with, and I think we have the Whole House, then, to adjudicate such differences of opinion.

Mr. REGULA. That is a fair——

Mr. ARMEY. I do want to agree that I have a great deal of respect for the hard work, the judgment and the sense of preference revealed by the members of the committee. I just happen, in this case, to disagree and appeal to the House for its point of view.

Mr. REGULA. I thank the gentleman for his comments.

Mr. DOWNEY of New York. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, a number of points have been raised that I think deserve a little clarification. Let us deal first with the issue of budget.

In the budget, what we do is we deal with functional categories that go across committee jurisdictional lines. As has been pointed out here today, the Interior Appropriations Committee is under, I repeat, is under the budget that the House Budget Committee has adopted.

That does not mean that various elements, as in the case of the arts funding, are below that number, and as has been explained, it is up to the committee—not to the Budget Committee, not

to anybody else—to make decisions as to how to allocate the money.

Now they have decided to make the incremental increase in the arts funding this year over last year. There are good reasons for that.

The gentleman from Ohio [Mr. REGULA] pointed out one reason for increased funding that bears further explanation. The point that he made was that the money that is provided through the NEA and the NEH serves to leverage a great deal of private money.

As most of my colleagues know, the vast majority of money for the arts comes from the appropriate sources in this country; namely, not the Government but individuals and institutions. The greatest subsidizer of the arts in America are the individual artists themselves who, for the most part, work without recognition for long periods of their lives, dedicated to their art.

There is also a great deal of money that comes from corporations and from individuals. A very, very small portion of money for the arts comes from the National Government. The small portion of the money that comes from the National Government goes to provide money toward those fledgling artists or groups to encourage excellence, access for the public, financial stability, and educational opportunities.

The principles of the original act in 1965 have been met in a glorious fashion. The evidence is all across the country in the form of new community orchestras, theater groups, and art museums.

Let me try to explain why a little public money can lead to a great deal of private support. Let us assume that you have a fledgling senior citizen orchestra in your district that needs the money for sheet music, or might need a small, additional incremental amount of money to go on tour.

If the NEA decides that such a venture is worthwhile they will, after careful review, provide a small amount of money for this project, and this effort must then be matched by individuals and corporations in the community so that that orchestra can do additional concerts, or in the case of some orchestras, travel around the country.

The money, the small amount of money that is provided here, leverages millions of dollars from private individuals and from corporations.

If you cut this budget, if the budget is reduced in this amount; it will mean that the private money will be lost as well. The old Reagan contentions that if the NEA is cut that the reductions will be made up by private sources is a fallacy. Reducing the NEA will stop some orchestras from touring, limit the activity of the museum, and help to stifle creative and talented people in our country. We will lose much more than money by this reduction.

Let me deal for one moment with this question of the poetry that has been raised.

The gentleman from Texas I do not believe would make the argument that the reductions that they are seeking here in any way are connected to the issue of the offending poetry. Because it is clear that we cannot do that. That has to take place in the authorizing committee. That has to be dealt with when we deal with the whole literature grant program, which in my opinion is an excellent program.

□ 2140

So, let us not suggest, for a moment, that the poetry that is being passed out on the floor is somehow going to be removed by this amendment. It will not be. It is like dropping an atomic bomb on an artist colony to get rid of a few of the offending poets. You would kill a whole variety of music programs, of art programs with this approach, if you believe that this amendment is somehow going to do away with one or two poems that offend you, look again.

So I ask you, my colleagues, to understand that this bill is under the budget, No. 1; No. 2, it leverages enormous amounts of private money. And if we decide to reduce it, as the gentleman from Texas suggests, we are going to work a hardship on a great number of people that, frankly, in my opinion, do not deserve to be hurt.

Mr. BARTLETT. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in support of this amendment, along with the two amendments that would likely follow, to likewise freeze the National Endowment for Humanities and the Institute of Museum Services. I would like to bring back to the committee the understanding that this is an economic argument, it is an argument over priorities, it is an argument over the budget, and it is an argument over the deficit.

I serve as the ranking minority member on the Select Education Subcommittee of the Education and Labor Committee, and at a later time this fall, we will continue with a set of hearings and markups to consider the various authorizing kinds of issues that have been raised during this debate.

Mr. Chairman, it is important to understand that the National Endowment for the Arts, under H.R. 3011, would be proposed to be increased by 6.5 percent, the Humanities by 7 percent and the Museum Services by 4.6 percent. This House has frozen at fiscal year 1985 levels program after program. I do understand that there is a difference of freeze in the aggregate versus program by program, but the fact is that the Endowments and Museum Services are separate and identifiable programs, and this House ought to consider whether this is a program, whether these endowments somehow ought to be separated out for increases this large. I think while the committee can obviously recommend it, the House will not choose to make that decision.

Mr. AUCOIN. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Oregon.

Mr. AUCOIN. I appreciate the gentleman yielding.

The gentleman makes the point that these are separate agencies. But again, the gentleman has to concede the point that these agencies, along with numerous others, are all subject to the appropriation in the bill before us, and that in the bill before us, the level of appropriation is not frozen at the current-year level but actually is $300 million less than the current-year level. The committee clearly has the right and the duty to make priorities.

Mr. BARTLETT. Reclaiming my time, this Congress then has to decide what the priorities should be and whether, in the face of the reauthorization which has not yet occurred for a multiyear, these three programs, the Arts, Humanities and Museum Services, are somehow deserving of increases this large.

I would like to call to the attention of the committee the CBO Budget analysis of the Unified Budget, which clearly breaks out the Arts, Humanities and Museum Services and demonstrates that at least in their opinion the House-passed Budget resolution contained a freeze amount.

I would also like to call to the committee's attention the recommendation from the National Endowment for the Arts itself. The National Endowment for the Arts, itself, in a letter signed by Frank Hodsoll, the chairman, said, in part:

> I also understand that amendments to this bill are being considered which would bring the Endowment's budget at current level fiscal year 1985 to $163 million, consistent with the House and Senate Budget regulations. I would urge you to accept these amendments. Making this contribution to reducing the Federal budget deficit seems to me reasonable. It will also not interfere with the Endowment's ability to support the arts in this country.

Now, the House should not think that somehow the Endowment for the Arts has been cut year after year. In fact, beginning in 1976, the appropriation was $2.5 million. By 1971, it had increased to $15 million. By 1977, to $94 million. And the current $163 million level of funding in nominal terms is the largest amount every appropriated for the National Endowment for the Arts.

Mr. AuCOIN. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Oregon.

Mr. AuCOIN. I appreciate the gentleman yielding again. I think it is useful to have exchanges between Members, and I appreciate it in that spirit.

The gentleman, though, repeated his point that the CBO has functional items, categories, and that it is so specific as to enumerate for the purposes of the budget resolution, the endowments. I would have to tell the gentleman that the function under which the endowments fall is the education function. CBO makes approximations as to how the expenditures might fall out, but I think the gentleman would agree that those are not the ceilings, the limits that are imposed by the budget resolution. He is wrong if he believes that.

Mr. YATES. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. Without objection, the gentleman from Illinois [Mr. YATES] is recognized for 5 minutes.

There was no objection.

Mr. YATES. Mr. Chairman, I have discussed the matter with the gentleman from Ohio [Mr. REGULA], the ranking minority Member. I have discussed it with the gentleman from Texas [Mr. ARMEY], and I have discussed it with the gentleman from Texas [Mr. DELAY], who has a prospective amendment which he proposed to offer. All of us are in agreement with freezes to be made, with a freeze at last year's level for the National Endowment for the Arts, plus $3 million for the National Endowment for the Arts. There will be amendments offered, as well, to fix the levels for the National Endowment for the Humanities and for the Institute for Museum Services at last year's levels, as well.

Now, I have an amendment that I sent to the desk, which is an amendment to the amendment of the gentleman from Texas [Mr. ARMEY].

The CHAIRMAN. Does the gentleman from Illinois [Mr. YATES] yield back the balance of his time?

Mr. YATES. I yield back the balance of my time on my motion for the striking of the requisite number of words.

AMENDMENT OFFERED BY MR. YATES TO THE AMENDMENTS OFFERED BY MR. ARMEY

Mr. YATES. Mr. Chairman, I offer amendments to the amendments.

PARLIAMENTARY INQUIRIES

Mr. DELAY. Mr. Chairman, I have a parliamentary inquiry.

Have we disposed of the Armey amendment as yet? Is the gentleman amending the amendment?

The CHAIRMAN. The Chair has not yet put the question on the Armey amendment. The gentleman from Illinois is offering an amendment to the Armey amendment.

Mr. ARMEY. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ARMEY. It was my understanding that the gentleman from Illinois was going to offer an amendment to my amendment. Is that correct?

Mr. YATES. Correct.

The CHAIRMAN. And that is also the Chair's understanding, if we can just have the amendment read.

The Clerk will report the amendment.

The Clerk read as follows:

Amendments offered by Mr. YATES to the amendments offered by Mr. ARMEY:

Page 61, line 7, strike out "$144,118,000" and insert in lieu thereof "$137,260,000".

Page 61, line 7, strike out "$128,218,000" and insert in lieu thereof "$121,678,000".

Page 61, line 13, strike out "$15,900,000" and insert in lieu thereof "$15,582,000".

Mr. YATES [during the reading]. Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Chairman, this amendment adds $3 million to the freeze level which was the 1985 level for the National Endowment for the Arts, for the purpose of carrying out an initiative of the committee to provide for greater funding of television and radio broadcasting of the arts on the Public Broadcasting System and National Public Radio, above the programs they have had in the past.

This is in furtherance of the agreement that we have had with the various people I have talked about, and it is my understanding that the gentleman from Texas [Mr. DELAY], who has proposed to offer a substitute, will not offer his substitute.

□ 2150

Mr. BARTLETT. I thank the gentleman for yielding.

Mr. Chairman, it is my further understanding then that the gentleman from Illinois will be prepared to accept the amendments, the freeze amendments and humanities and museums?

Mr. YATES At 1985 levels.

Mr. BARTLETT. At 1985 levels. I thank the gentleman.

Mr. DELAY. Mr. Chairman, I move to strike the last word.

I only take this small amount of time to point out and make very firm in everybody's mind my concerns, and I felt that this agency could be cut even 10 percent. Even the President's budget is lower than my amendment for cutting 10 percent. So I felt a 10 percent cut was very much in order.

I am not going to offer that amendment because of the agreement reached, but I think that I would like to get into the RECORD a few of my concerns, concerns that we have been promised hearings will be held on these concerns. It is not only the pornography that is on this floor and many Members read that we cannot read over the mike or we cannot read in this chamber or cannot put in the RECORD for obvious reasons. But it is also a grant program by the Design Grants Department that I have a lot of concern with. That grant program gives grants, for instance, a $3,000 grant for a three-part series on the relationships between people and their cars. A $10,000 to research, design and test a new bathtub design. A grant that was given to a person who is not even a United States citizen to study an interreflection light theory and to translate his earlier work into English, amounting to about $10,000. I have $400,000 of those kinds of grants on a list right here. It goes even further than that, where this particular person, a person who received a $10,000 grant to take pictures of amusement parks on the Atlantic coast, received over a 13-year period eight grants from the NEA totaling almost $45,000.

So these are my concerns. These kinds of grants that I have concerns about, not only those but the grants that are awarded for what I consider pornography submitted to the panel at NEA.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. DELAY. I yield to the gentleman.

Mr. HYDE. I want to commend the gentleman for his initiative. I think it was through his persistence on this issue that we have reached a satisfactory understanding this evening, and I think that you are to be praised for your not letting this issue get swept under the rug. I think it is good to remind the other side that this issue comes up every year, and I hope you do get the hearings that they have promised you on how some of this stuff is selected.

Mr. DELAY. I just want to thank the chairman for working with us and for coming to a satisfactory conclusion.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, when the distinguished chairman of the Interior Subcommittee announced the compromise which includes a freeze on the three items listed, arts, humanities and institute of museums, and an extra amount of $3 million in another account, he did not also include the item that was also agreed to, and that was that I shall not offer my across-the-board cut amendment, which I have already notified all the Members by letter, that I would do. That is part of the agree-

ment and part of my response to the chairman's cooperative attitude on the handling of this matter, and the assurances given to the gentleman from Texas [Mr. DELAY] that we will look into the garbage that is apparently being generated in the name of art.

I am pleased to support the chairman, and I congratulate him for having reached this accommodation.

Mr. YATES. Mr. Chairman, I move to strike the requisite number of words.

I yield to the gentleman from Wisconsin [Mr. MOODY].

Mr. MOODY. Mr. Chairman, I will only take a few seconds to not let go unchallenged something that has been said on this floor, although not explicitly in debate. That these poems that were handed out were all funded by NEA. They consist of two batches. The first batch of seven poems was not funded by NEA; we have checked this out thoroughly. These were other works by authors who received grants from NEA not funding those poems.

The second batch of four pages was funded by NEA, the second batch was funded, not the first batch, and those were selected out of 2,000 pages of poetry. They found four. They sent three young aids over there to find dirty words and found four pages. The first batch is not NEA.

Mr. YATES. What the gentleman was saying comes from the letter that I received from the Administrator of NEA, Frank Hodsoll. This was a statement that appeared in his letter.

Mr. DELAY. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman.

Mr. DELAY. I thank the gentleman.

I would like to point out to the gentleman how could Hodsoll do that because he does not even have records. Those poems that are in that list, you cannot prove that they saw those poems before they granted it, but you can sure prove that those smut poets that wrote those poems received grants from NEA; we have proven that.

The gentleman did not prove that there was not more poems there because we did not have time to go completely through all the records of NEA. So the gentleman is absolutely wrong. The last poems were read by the panelists and grants were offered. So the gentleman is absolutely wrong and so is Hodsoll.

● Mr. LEVINE of California. Mr. Chairman, I am pleased that an agreement was reached by which the amendment proposed by Representative DELAY to reduce funding by 10 percent for the National Endowment for the Arts was not offered. That amendment would have constituted congressional censorship, even if the material at issue was in poor taste. While I recognize that some Members of Congress feel that they are on a legislative hot streak after having recently denied blind people access to Playboy magazine, I believe that Congress should exercise great caution in determining the cultural mores for the rest of country.

It would be disturbing, Mr. Chairman, if any Member of Congress could arbitarily determine that poems are unworthy of Federal support and that our Nation's arts agency should be penalized for a few selections if any of us might find unappealing or distasteful.

Mr. Chairman, unlike totalitarian regimes, it has never been part of our Nation's tradition to apply arbitrary standards to suppress or censor the writings of others. Therefore, I am pleased this amendment was dropped and I commend my colleagues for achieving this result.●

The CHAIRMAN. The question is on the amendments offered by the gentleman from Illinois [Mr. YATES] to the amendments offered by the gentleman from Texas [Mr. ARMEY].

The amendments, to the amendments, were agreed to.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Texas [Mr. ARMEY], as amended.

The amendments, as amended, were agreed to.

Mr. FRENZEL. Mr. Chairman, I have an amendment at the desk which causes a freeze in the humanities. I would ask the Chair if the amendment of the gentleman from Illinois actually covered the National Endowment for the Humanities, or whether it only included the Endowment for the Arts.

Mr. YATES. If the gentleman would yield, it included only the arts.

Mr. FRENZEL. Mr. Chairman, I would like to move my amendment.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

NATIONAL ENDOWMENT FOR THE HUMANITIES

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, $119,964,000, of which $105,854,000 shall be available to the National Endowment for the Humanities for support of activities in the humanities, pursuant to section 7(c) of the Act, of which not less than 20 per centum shall be available for assistance pursuant to section 7(f) of the Act, and $14,110,000 shall be available for administering the functions of the Act.

AMENDMENT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL: National Endowment for the Humanities; Grants and Administration: Page 62, line 8, strike out "$119,964,000, of which $105,854,000", and insert in lieu thereof "$111,599,000, of which $98,929,000", and on page 62, line 13, strike out "$14,110,000", and insert in lieu thereof "$13,120,000".

National Endowment for the Humanities; Matching Grants: Page 62, line 18, strike out "$30,036,000", and insert in lieu thereof "$27,929,000".

Mr. FRENZEL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. FRENZEL. Mr. Chairman, I support the Yates compromise to freeze appropriations for the National Endowments for the Arts and Humanities, and the Institute for Museum Services at last year's levels.

This is a reasonable way to settle a controversy about these spending items. Nonetheless, I believe that the committee has not been faithful to the House budget resolution. This appropriation is $140 million over last year's discretionary spending.

So far, for fiscal year 1985, the current year, we have spent more than $19 billion over our first budget resolution. We have even exceed the budget resolution passed July 24, 1 week ago.

Every appropriations bill passed this year was over the freeze levels agreed in the budget resolutions. Nearly every bill, save this one, underfunded the salary account by 5 percent. That alone will put us about $1 billion over our own budget.

In my judgment, there is no merit at all to the claim that the appropriations bring in bills under budget.

In fact, it fully funds, or overfunds, discretionary items and underfunds mandatories and entitlements. The results are that, each year, supplemental appropriations are required. Those supplementals invariably bust the budget.

So much for frugality, now for aesthetics. I like the NEA, and have less affection for NEH. When we thought money was available, I voted for substantial increases in the annual appropriations for each. I believe the Federal Government has a role albeit a limited one, in promoting and encouraging the arts.

But, when this House votes for a freeze in discretionary spending, NEA and NEH ought to be a part of that freeze. The Yates amendments makes them conform to the spirit of our budget, feeble as it is, and I congratulate him for offering it.

I also congratulate the two gentlemen from Texas [Mr. ARMEY and Mr. DELAY] whose diligent work to achieve budget discipline, at least in this limited area, was successful tonight.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. FRENZEL].

The amendment was agreed to.

□ 2200

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, $30,036,000, to remain available until September 30, 1987, of which $18,643,000 shall be available to the National Endowment for the Humanities for the purposes of section 7(h): *Provided*, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisions of subsections 11(a)(2)(B) and 11(a)(3)(B) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.

INSTITUTE OF MUSEUM SERVICES

GRANTS AND ADMINISTRATION

For carrying out title II of the Arts, Humanities, and Cultural Affairs Act of 1976, as amended, $23,220,000: *Provided*, That none of these funds shall be available for the compensation of Executive Level V or higher positions.

AMENDMENT OFFERED BY MR. ARMEY

Mr. ARMEY. Mr. Chairman, I offer an amendment. The amendment would present the agreed upon freeze in Museum Services.

The Clerk read as follows:

Amendment offered by Mr. ARMEY: Page 63, line 6, strike out "$23,220,000" and insert in lieu thereof "$21,560,000".

Mr. ARMEY. Mr. Chairman, I do not think I will need the time. I think we have reached agreement.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Illinois.

Mr. YATES. I thank the gentleman for yielding.

Mr. Chairman, we accept the amendment.

Mr. ARMEY. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. ARMEY].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ADMINISTRATIVE PROVISIONS

None of the funds appropriated to the National Foundation on the Arts and the Humanities may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: *Provided*, That none of the funds appropriated to the National Foundation on the Arts and the Humanities may be used for official reception and representation expenses.

COMMISSION OF FINE ARTS

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing a Commission of Fine Arts (40 U.S.C. 104), $377,000.

ADVISORY COUNCIL ON HISTORIC PRESERVATION

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing an Advisory Council on Historic Preservation, Public Law 89-665, as amended, $1,585,000: *Provided*, That none of these funds shall be available for the compensation of Executive Level V or higher positions.

NATIONAL CAPITAL PLANNING COMMISSION

SALARIES AND EXPENSES

For necessary expenses, as authorized by the National Capital Planning Act of 1952 (40 U.S.C. 71-71i), including services as authorized by 5 U.S.C. 3109, $2,721,000.

FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Franklin Delano Roosevelt Memorial Commission, established by the Act of August 11, 1955 (69 Stat. 694), as amended by Public Law 92-332 (86 Stat. 401), $21,000, to remain available for obligation until September 30, 1987.

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

SALARIES AND EXPENSES

For necessary expenses, as authorized by section 17(a) of Public Law 92-578, as amended, $2,316,000 for operating and administrative expenses of the Corporation.

PUBLIC DEVELOPMENT

For public development activities and projects in accordance with the development plan as authorized by section 17(b) of Public Law 92-578, as amended, $3,250,000, to remain available for obligation until expended.

UNITED STATES HOLOCAUST MEMORIAL COUNCIL

HOLOCAUST MEMORIAL COUNCIL

For expenses of the Holocaust Memorial Council, as authorized by Public Law 96-388, $2,119,000.

The CHAIRMAN. The Chair would like to state that the next title, which is title III of the bill on page 65, will be read by title.

The Clerk will read.

The Clerk read as follows:

TITLE III—GENERAL PROVISIONS

SEC. 301. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive Order issued pursuant to existing law.

SEC. 302. No part of any appropriation under this Act shall be available to the Secretaries of the Interior and Agriculture for use for any sale hereafter made of unprocessed timber from Federal lands west of the 100th meridian in the contiguous 48 States which will be exported from the United States, or which will be used as a substitute for timber from private lands which is exported by the purchaser: *Provided*, That this limitation shall not apply to specific quantities of grades and species of timber which said Secretaries determine are surplus to domestic lumber and plywood manufacturing needs.

SEC. 303. No part of any appropriation under this Act shall be available to the Secretary of the Interior or the Secretary of Agriculture for the leasing of oil and natural gas by noncompetitive bidding on publicly owned lands within the boundaries of the Shawnee National Forest, Illinois: *Provided*, That nothing herein is intended to inhibit or otherwise affect the sale, lease, or right to access to minerals owned by private individuals.

SEC. 304. No part of any appropriation contained in this Act shall be available for any activity or the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which congressional action is not complete.

SEC. 305. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 306. None of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency.

SEC. 307. Except for lands described by sections 105 and 106 of Public Law 96-560, section 103 of Public Law 96-550, and except for land in the State of Alaska, and lands in the national forest system or public lands which have been released for nonwilderness uses by any Act of Congress designating components of the National Wilderness Preservation System now in effect or hereinafter enacted, and except to carry out the obligations and responsibilities of the Secretary of the Interior under section 17(k)(1)(A) and (B) of the Mineral Leasing Act of 1920 (30 U.S.C. 226), none of the funds provided in this Act shall be obligated for any aspect of the processing or issuance of permits or leases pertaining to exploration for or development of coal, oil, gas, oil shale, phosphate, potassium, sulphur, gilsonite, or geothermal resources on Federal lands within any Forest Service RARE II areas recommended for wilderness designation or allocated to further planning in Executive Communication 1504, Ninety-sixth Congress (House Document numbered 96-119); or within any lands designated by Congress as wilderness study areas or within Bureau of Land Management wilderness study areas: *Provided*, That nothing in this section shall prohibit the expenditure of funds for any aspect of the processing or issuance of permits pertaining to exploration for or development of the mineral resources described in this section, within any component of the National Wilderness Preservation System now in effect or hereinafter enacted, any Forest Service RARE II areas recommended for wilderness designation or allocated to further planning, within any lands designated by Congress as wilderness study areas, or Bureau of Land Management wilderness study areas, under valid existing rights, or leases validly issued in accordance with all applicable Federal, State, and local laws or valid mineral rights in existence prior to October 1, 1982: *Provided further*, That funds provided in this Act may be used by the Secretary of Agriculture in any area of National Forest lands or the Secretary of the Interior to issue under their existing authority in any area of National Forest or public lands withdrawn pursuant to this Act such permits as may be necessary to conduct prospecting, seismic surveys, and core sampling conducted by helicopter or other means not requiring construction of roads or improvement of existing roads or ways, for the purpose of gathering information about and in-

ventorying energy, mineral, and other resource values of such area, if such activity is carried out in a manner compatible with the preservation of the wilderness environment: *Provided further,* That seismic activities involving the use of explosives shall not be permitted in designated wilderness areas: *Provided further,* That funds provided in this Act may be used by the Secretary of the Interior to augment recurring surveys of the mineral values of wilderness areas pursuant to section 4(d)(2) of the Wilderness Act and acquire information on other national forest and public land areas withdrawn pursuant to this Act, by conducting, in conjunction with the Secretary of Energy, the national laboratories, or other Federal agencies, as appropriate, such mineral inventories of areas withdrawn pursuant to this Act as he deems appropriate. These inventories shall be conducted in a manner compatible with the preservation of the wilderness environment through the use of methods including core sampling conducted by helicopter; geophysical techniques such as induced polarization, synthetic aperture radar, magnetic and gravity surveys; geochemical techniques including stream sediment reconnaissance and X-ray diffraction analysis; land satellites; or any other methods he deems appropriate. The Secretary of the Interior is hereby authorized to conduct inventories or segments of inventories, such as data analysis activities, by contract with private entities deemed by him to be qualified to engage in such activities whenever he has determined that such contracts would decrease Federal expenditures and would produce comparable or superior results: *Provided further,* That in carrying out any such inventory or surveys, where National Forest System lands are involved, the Secretary of the Interior shall consult with the Secretary of Agriculture concerning any activities affecting surface resources: *Provided further,* That funds provided in this Act may be used by the Secretary of the Interior to issue oil and gas leases for the subsurface of any lands designated by Congress as wilderness study areas that are immediately adjacent to producing oil and gas fields or areas that are prospectively valuable. Such leases shall allow no surface occupancy and may be entered only by directional drilling from outside the wilderness study area or other nonsurface disturbing methods.

SEC. 308. None of the funds provided in this Act shall be used to evaluate, consider, process, or award oil, gas, or geothermal leases on Federal lands in the Mount Baker-Snoqualmie National Forest, State of Washington, within the hydrographic boundaries of the Cedar River municipal watershed upstream of river mile 21.6, the Green River municipal watershed upstream of river mile 61.0, the North Fork of the Tolt River proposed municipal watershed upstream of river mile 11.7, and the South Fork Tolt River municipal watershed upstream of river mile 8.4.

SEC. 309. No assessments may be levied against any program, budget activity, subactivity, or project funded by this Act unless such assessments and this basis therefor are presented to the Committees on Appropriations and are approved by such committees.

SEC. 310. Employment funded by this Act shall not be subject to any personnel ceiling or other personnel restriction for permanent or other than permanent employment except as provided by law.

SEC. 311. Notwithstanding any other provisions of law, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Energy, and the Secretary of the Smithsonian Institution, are authorized to enter into contracts with State and local governmental entities, including local fire districts, for procurement of services in the presuppression, detection, and suppression of fires on any units within their jurisdiction.

SEC. 312. None of the funds provided by this Act to the United States Fish and Wildlife Service may be obligated or expended to plan for, conduct, or supervise deer hunting on the Loxahatchee National Wildlife Refuge.

SEC. 313. No funds appropriated by this Act shall be available for the implementation or enforcement of any rule or regulation of the United States Fish and Wildlife Service, Department of the Interior, requiring the use of steel shot in connection with the hunting of waterfowl in any State of the United States unless the appropriate State regulatory authority approves such implementation.

SEC. 314. None of the funds appropriated by this Act may be used—

(1) to remove wild free-roaming horses and burros from public lands until all wild free-roaming horses and burros so removed previously have been adopted by qualified individuals under section 3(b)(2)(B) of the Act popularly known as the Wild Free-Roaming Horses and Burros Act, enacted December 15, 1971 (16 U.S.C. 1333(b)(2)(B));

(2) to effectuate the sale of wild free-roaming horses and burros, whether at public auction or otherwise, or

(3) to destroy healthy wild free-roaming horses and burros.

SEC. 315. No funds provided by this Act shall be expended to allow an increase in animal unit months above licensed active preference as of October 21, 1976, in wilderness study areas administered by the Bureau of Land Management.

Mr. YATES (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. Are there any points of order against title III?

POINT OF ORDER

Mr. SEIBERLING. Mr. Chairman, I make a point of order against section 314, which appears on page 71, lines 14 through 25, and page 72, lines 1 and 2.

The CHAIRMAN. The gentleman will state his point of order.

Mr. SEIBERLING. Mr. Chairman, I believe the language of section 314 violates clause 2 of rule XXI in that it is legislation in an appropriation bill and changes existing law by placing new restrictions on the Secretary of the Interior prior to allowing him to round up excess wild horses and burros on the public lands.

The current law mandates alternate disposal of round up animals where they cannot be placed for adoption under the so-called Adopt a Horse Program within a reasonable period of time, and there are court orders enforcing that law.

Section 314(1) would change the current law by prohibiting further roundups until all, and I quote, "all" previously rounded up animals have been adopted by qualified individuals. Not only would this require a determination by the Secretary, but it is quite possible that all the animals now rounded up can never be placed for adoption due to poor condition, physical deformities, ill temper, and so forth.

The language, therefore, creates a new test that also may be impossible to meet.

Subsection 314(3) also prohibits any destruction of "healthy" horses and burros, whatever those may be. Existing law contains no reference or criteria to define what a "healthy" animal is.

Subsection 314(3), therefore, sets up a new test and standard for the disposal of excess horses and burros and would necessitate a new determination by the Secretary as to which horses and burros meet the test and which do not and could, therefore, be destroyed in accordance with existing law.

In short, both of these provisions impose new affirmative duties upon the Secretary of the Interior that are not presently imposed by law.

The CHAIRMAN. Does the gentleman from New York [Mr. GREEN] wish to be heard on the point of order?

Mr. GREEN. I wish to be heard in opposition to the point of order, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. GREEN].

Mr. GREEN. Mr. Chairman, the section which is objected to, section 314 of the bill, is a limitation on an appropriation made pursuant to the act popularly known as the Wild Free Roaming Horses and Burros Act, which occurs in 16 United States Code, section 1333, and it is basically because of a problem that has arisen in the enforcement and implementation of that act by the Secretary that this amendment was offered.

The problem is that the act requires that the Secretary first destroy old, sick, or lame animals in the most humane manner possible; second, that as to other animals, he tries to place them for adoption; and third, failing that, he causes additonal excess wild and free-roaming horses and burros for which an adoption demand by qualified individuals does not exist, to be destroyed.

The difficulty is that the Secretary has refused to cause animals to be destroyed, something in which I would encorage him, I might add. For that reason, I offered this amendment in the Appropriations Committee, which essentially seeks to limit the use of the appropriated funds by saying that the Secretary may not use the funds to ac-

quire additional animals by rounding them up until he has disposed of the animals already rounded up, the purpose of that being to avoid creating pressures on the Secretary to destroy animals that he is unable to place.

I would point out to the Chair several things. First, I would suggest to the Chair that my amendment does not impose any new duty on the Secretary to determine what are well animals, because the Secretary is already required by subdivision A of this section to determine what are old, sick, or lame animals, and since "well" is simply an antonym, then in fact no new duty is imposed on the Secretary since, obviously, those animals which are in those categories are the well animals and that determination is one that the Secretary is already making by reason of the charge to him under the authorizing legislation.

The other claim that has been asserted, I think gravamen of that claim is that somehow we are imposing a new duty on the Secretary to try to place animals more rapidly than he has been doing. I would suggest that, as the offeror of this amendment in the committee, that was certainly not my intention and I have no desire to cause the Secretary to move any more rapidly than he is now is. However, I would suggest that the authorizing legislation already requires the Secretary to do every thing he can to cause these animals to be adopted.

Section 1333 specifically states that the actions the Secretary is required to take shall be taken in the following order and priority, and then it goes to list the three actions that may be taken. It is very clear under that language that the duty to place has a higher priority and must be dealt with before the Secretary may move on and destroy any animals. Therefore, the Secretary, under the priorities set forth in the authorizing legislation, is already required to use the maximum effort to place the animals.

□ 2010

Indeed, I would represent to the Chair that I have met with representatives of the Bureau of Land Management very recently and they tell me that they are already under this language moving heaven and Earth to try to place as many animals as they can, so I would suggest to the Chair that in fact the limiting language in the appropriation bill, as amended, strictly follows duties that are already imposed upon the Secretary, the definitions with which the Secretary already must deal under the authorizing legislation, and therefore it is not legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Montana [Mr. MARLENEE] desire to be heard on the point of order?

Mr. MARLENEE. Mr. Chairman, I rise in support of the point of order.

I rise in strong support of the gentleman from Ohio, the chairman of the subcommittee which has jurisdiction, along with myself, the ranking minority member that has jurisdiction in the management area in public lands, the management of wild horses and burros.

I wish to point out in my argument how this not only restricts or limits appropriations, but it also places constrictions and restrictions on the Secretary and I will enumerate and outline a number of areas.

We weep for the people of Ethiopia, yet we allow a change in the law that condemns to death by malnutrition and starvation hundreds of wild horses.

We applaud the proper management of grazing levels and land management of public lands and private lands, yet we allow this amendment, which would change existing law and would effectively stop the gathering and controlling of numbers of the so-called wild horses, which in turn could lead to severe overgrazing, the degradation of the environment, to say nothing of condemnation to death by starvation and malnutrition.

The CHAIRMAN. The gentleman will restrict his argument to the point of order and not to the merits of the language.

Mr. MARLENEE. Mr. Chairman, the language in the appropriation bill also changes existing law by prohibiting any destruction of healthy horses. Existing law actually mandates that the Secretary dispose of excess horses in "the most humane and cost efficient manner possible."

No one wants to see this happen. In fact, BLM has a moratorium in place. I, personally, support the sale of these excess horses for which no adoption demand exists. You cannot adopt horses which are lame. You cannot adopt horses which are crippled. You cannot get people to adopt horses that are mentally deranged, so we have in confinement a number of horses that are unadoptable and what this law does is prevent unadoption. That is what this change does.

The CHAIRMAN (Mr. FOWLER). The Chair is prepared to rule.

Section 314 of the bill prohibits the use of funds in the bill for the removal of wild free-roaming horses and burros from public lands until all wild free-roaming horses and burros so removed previously have been adopted by qualified individuals pursuant to the adoption provisions in 16 U.S.C. 133(b)(2)(B). Under that subsection of law, and under subparagraph (C) of the same subsection, if the Secretary of the Interior cannot place wild free-roaming horses and burros for adoption by qualified individuals, he may cause additional excess horses and burros for which an adoption demand does not exist to be destroyed in the most humane and cost efficient manner possible.

While it may be true that the intent of the Appropriations Committee in inserting this language into the bill was to effectively cut off funds in the bill for the removal of wild free-roaming horses and burros from public lands, the condition imposed by the committee for the availability of 1986 funds for that purpose goes beyond the alternatives available to the Secretary under existing law. The condition which would permit continued round ups of free-roaming horses and burros with 1986 funds is the placing for adoption for all animals already rounded up, rather than the alternative option of destruction of excess animals where qualified adopters cannot be found. In the opinion of the Chair, the condition imposed upon the availability of funds restricts the discretionary authority available to the Secretary under existing law and constitutes a change in existing law in violation of the rules.

The point of order of the gentleman from Ohio is sustained.

Are there further points of order against this title?

● Mrs. VUCANOVICH. Mr. Chairman, I would today like to address this distinguished body on a matter of great importance to my State and many other Western States.

An estimated 56,000 wild horses and burros roam our public lands. These wild inhabitants of the Western rangelands continue to proliferate further stressing our already overburdened rangelands. Currently the Bureau of Land Management gathers these animals in the hopes of circumventing a potential depletion of the range by multiplying wild herds. To halt or drastically reduce this program at this time would indeed lead to negative consequences including the starvation of the herds.

Wild horse and burro removal efforts included in resource management plans are an integral part of other land actions including adjustments in the number of domestic livestock and wildlife to balance forage use with animal production. Failure to make these adjustments in grazing use would be contrary to the intent of the Federal Land Policy and Management Act of 1976, and would reduce the credibility of the land use planning process. Moreover, if the BLM were to cease its gathering operations, the onslaught of potential litigation could end up costing the taxpayer much more in the long run.

Finally, it must be emphasized that the wild horses and burros represent just one use of the public lands. In considering potential damage to the public land resources, wild horses and

burros must be viewed as part of the total multiple-use picture. Given the condition of the range, including drought and near drought conditions in some areas of the pubic lands, allowing the 56,000 animals at the end of fiscal year 1985 to increase unchecked by the 16-percent annual rate of increase may be a questionable stewardship of the rangeland resource.

Thank you Mr. Chairman. I am glad that this point of order raised by the gentleman from Ohio [Mr. SEIBERLING] was sustained.●

Mr. GREEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, in view of the ruling of the Chair, I would like to engage in a colloquy with the distinguished chairman of the Appropriations Subcommittee.

Mr. YATES. I would be delighted to engage in a colloquy with the gentleman from New York.

Mr. GREEN. Mr. Chairman, the committee report on the Department of the Interior and related agencies for fiscal year 1986 indicates a net increase of $1.38 million for the Wild Horse and Burro Program. At the same time, however, the committee also recommends a decrease of $1 million. Could the chairman enlighten us as to what was the intention in eliminating this $1 million?

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I am happy to yield to the distinguished chairman.

Mr. YATES. Well, our intention was to eliminate this amount from funds which had been requested to remove wild horses and burros from the range in fiscal year 1986. We also recommended $2.38 million to feed wild horses and burros taken off the range in fiscal year 1985.

Mr. GREEN. So, Mr. Chairman, am I correct in my understanding then that it is the intent of this committee, as stated in the report, that the funds appropriated to the Bureau of Land Management for this program will be used to feed the horses rounded up in fiscal year 1985 and that no funds will be used to round up horses in fiscal year 1986?

Mr. YATES. Mr. Chairman, I will say to the gentleman, that is the intention of the committee.

Mr. GREEN. I thank the distinguished chairman.

PARLIAMENTARY INQUIRY

Mr. YATES. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. YATES. Mr. Chairman, has the Committee completed consideration of this title?

The CHAIRMAN. No. Are there further amendments to the bill?

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE: On page 72, after line 7, add a new section as follows:

SEC. . Notwithstanding any other provision of this Act, the amount appropriated by this Act for the Clean Coal Technology Reserve is hereby reduced by $400,000,000; the amount available beginning October 1, 1986, is hereby reduced by $200,000,000; and the amount available beginning October 1, 1987, is hereby reduced by $200,000,000.

Mr. YATES. Mr. Chairman, I reserve a point of order on the grounds that this is a matter previously considered by the committee.

The CHAIRMAN. The gentleman from Illinois [Mr. YATES] reserves a point of order.

Does the gentleman from Massachusetts wish to be heard on the point of order?

Mr. CONTE. On the point of order, Mr. Chairman? The gentleman has reserved a point of order.

POINT OF ORDER

Mr. YATES. Mr. Chairman, let me make the point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. YATES. Mr. Chairman, this is a subject that has already been considered and disposed of by the committee.

The CHAIRMAN. Does the gentleman from Massachusetts wish to be heard on the point of order?

Mr. CONTE. Mr. Chairman, the amendment should be held in order on its face. The amendment applies only to this bill and does not directly or indirectly change existing law. The reduction is made immediately by the amendment. Since the amendment does not change existing law, it does not fall within the general prohibition against provisions changing existing law in clause (b) of rule XXI.

Mr. YATES. Mr. Chairman, if I may be heard, that is not the point of order I made.

The only point of order I made was that this matter has already been considered by the House an hour ago. It has already been disposed of. I think for that reason it is a repetition that is not appropriate under the rules.

Mr. CONTE. Mr. Chairman, the amendment does not amend any previous law, and since the amendment does not change existing law, it is not a retrenchment within the meaning of clause (b) and clause (d) of rule XXI.

Clearly the amendment is not a limitation. Therefore, the amendment is in order.

The CHAIRMAN (Mr. FOWLER). In the opinion of the Chair, the amendment of the gentleman from Massachusetts is germane to title 31—general provisions—which contains several restrictions on funds in the bill. It does not specifically amend any other part of the bill already amended and is merely separate language inserted in the bill.

The point of order is overruled.

The gentleman from Massachusetts [Mr. CONTE] is recognized for 5 minutes.

Mr. CONTE. Mr. Chairman, I will not take the 5 minutes. The hour is late. We have debated this issue.

There are many on this side, for the information of my good friend, the majority leader, who felt they wanted a rollcall on this particular issue and I think they should be given that opportunity. It is the same amendment.

Mr. YATES. Mr. Chairman, if the gentleman will yield, then may I suggest that we come to a vote on it.

Mr. CONTE. Of course.

Mr. YATES. Mr. Chairman, may this be put to a vote?

Mr. REGULA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take the 5 minutes. I just want to point out that a vote "no" on this amendment is a vote for clean air, for the clean coal program, for the environment, and for the reduction of acid rain.

□ 2220

We have been over those arguments, but just because there is some confusion, a vote "no" on this amendment will preserve the $500 million program that we approved about an hour ago to do the clean coal technology.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from North Carolina.

Mr. BROYHILL. Mr. Chairman, I do not see the amendment that way. I view the amendment as bringing the funding for this program down to what the funding had been before with $100 million.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, what the amendment does is provide for $100 million for research and development for clean coal for the first year, but does not go along with the 1987 $200 million that you have, and the $200 million for 1988.

Mr. REGULA. That is correct.

Mr. SHARP. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Indiana.

Mr. SHARP. If I understand correctly, a "no" vote is a support for the Regula amendment, which many, many people on the House floor spoke for earlier.

Mr. REGULA. That is correct.

Mr. SHARP. So if they wish to support the Regula position, they now vote "no."

Mr. REGULA. That is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CONTE].

The question was taken; and the chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. REGULA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic devise, and there were—ayes 98, noes 317, not voting 18, as follows:

[Roll No. 283]

AYES—98

Archer	Green	Penny
Armey	Gunderson	Petri
Bartlett	Hall, Ralph	Porter
Barton	Hansen	Pursell
Bedell	Hartnett	Roberts
Bereuter	Hiler	Roemer
Boulter	Huckaby	Roth
Breaux	Hunter	Rowland (CT)
Broyhill	Hyde	Rudd
Burton (IN)	Jacobs	Schneider
Chandler	Kolbe	Schuette
Cheney	Lagomarsino	Sensenbrenner
Coats	Leach (IA)	Shumway
Cobey	Leath (TX)	Siljander
Coble	Lewis (CA)	Skeen
Combest	Lightfoot	Smith (NE)
Conte	Livingston	Smith, Denny
Coughlin	Lott	Smith, Robert
Craig	Lowery (CA)	Snowe
Dannemeyer	Lujan	Stallings
Daub	Lungren	Stangeland
DeLay	McKernan	Stenholm
DioGuardi	McMillan	Stratton
Dornan (CA)	Michel	Stump
Dreier	Miller (WA)	Sweeney
Eckert (NY)	Monson	Tauke
Evans (IA)	Montgomery	Vander Jagt
Fawell	Moore	Vucanovich
Fiedler	Moorhead	Walker
Fields	Morrison (CT)	Whittaker
Franklin	Morrison (WA)	Wilson
Frenzel	Nielson	Zschau
Glickman	Pashayan	

NOES—317

Ackerman	Bustamante	Eckart (OH)
Addabbo	Byron	Edgar
Akaka	Callahan	Edwards (CA)
Alexander	Campbell	Edwards (OK)
Anderson	Carney	Emerson
Andrews	Carper	English
Annunzio	Carr	Erdreich
Anthony	Chappell	Evans (IL)
Applegate	Clay	Fascell
Atkins	Clinger	Fazio
AuCoin	Coelho	Feighan
Barnard	Coleman (MO)	Fish
Barnes	Coleman (TX)	Flippo
Bateman	Collins	Florio
Bates	Conyers	Foglietta
Beilenson	Cooper	Foley
Bennett	Courter	Fowler
Bentley	Coyne	Frank
Berman	Daniel	Frost
Bevill	Darden	Fuqua
Biaggi	Daschle	Gallo
Billirakis	Davis	Gaydos
Bliley	de la Garza	Gejdenson
Boehlert	Dellums	Gekas
Boggs	Derrick	Gephardt
Boland	DeWine	Gibbons
Boner (TN)	Dickinson	Gilman
Bonior (MI)	Dicks	Gingrich
Bonker	Dingell	Gonzalez
Borski	Dixon	Goodling
Bosco	Donnelly	Gordon
Boucher	Dorgan (ND)	Gradison
Boxer	Dowdy	Gray (IL)
Brooks	Downey	Gray (PA)
Broomfield	Duncan	Gregg
Brown (CA)	Durbin	Grotberg
Brown (CO)	Dwyer	Guarini
Bruce	Dymally	Hall (OH)
Bryant	Dyson	Hamilton
Burton (CA)	Early	Hammerschmidt
Hatcher	McGrath	Shelby
Hayes	McHugh	Shuster
Hendon	McKinney	Sikorski
Henry	Meyers	Sisisky
Hertel	Mica	Skelton
Hillis	Mikulski	Slattery
Holt	Miller (CA)	Slaughter
Hopkins	Miller (OH)	Smith (FL)
Horton	Mineta	Smith (IA)
Howard	Mitchell	Smith (NH)
Hoyer	Moakley	Smith (NJ)
Hubbard	Molinari	Snyder
Hughes	Mollohan	Solarz
Hutto	Moody	Solomon
Ireland	Mrazek	Spence
Jeffords	Murphy	Spratt
Jenkins	Murtha	St Germain
Johnson	Myers	Staggers
Jones (NC)	Natcher	Stark
Jones (OK)	Neal	Stokes
Jones (TN)	Nelson	Strang
Kanjorski	Nowak	Studds
Kaptur	O'Brien	Sundquist
Kasich	Oakar	Swift
Kastenmeier	Oberstar	Swindall
Kennelly	Obey	Synar
Kildee	Olin	Tallon
Kindness	Ortiz	Tauzin
Kleczka	Owens	Taylor
Kolter	Oxley	Thomas (CA)
Kostmayer	Packard	Thomas (GA)
Kramer	Panetta	Torres
LaFalce	Parris	Torricelli
Lantos	Pease	Towns
Latta	Pepper	Traficant
Lehman (CA)	Perkins	Traxler
Lehman (FL)	Pickle	Udall
Leland	Quillen	Valentine
Lent	Rahall	Vento
Levin (MI)	Rangel	Visclosky
Levine (CA)	Ray	Volkmer
Lewis (FL)	Regula	Walgren
Lipinski	Reid	Watkins
Lloyd	Richardson	Waxman
Long	Ridge	Weaver
Lowry (WA)	Rinaldo	Weber
Luken	Ritter	Weiss
Lundine	Robinson	Wheat
Mack	Rodino	Whitehurst
MacKay	Roe	Whitley
Madigan	Rogers	Whitten
Manton	Rose	Williams
Markey	Rostenkowski	Wirth
Marlenee	Roukema	Wise
Martin (IL)	Rowland (GA)	Wolf
Martinez	Roybal	Wolpe
Matsui	Russo	Wortley
Mavroules	Sabo	Wright
Mazzoli	Saxton	Wyden
McCain	Schaefer	Wylie
McCandless	Scheuer	Yates
McCloskey	Schroeder	Yatron
McCollum	Schumer	Young (AK)
McCurdy	Seiberling	Young (FL)
McDade	Sharp	Young (MO)
McEwen	Shaw	

NOT VOTING—18

Aspin	Ford (TN)	Loeffler
Badham	Garcia	Martin (NY)
Chappie	Hawkins	Nichols
Crane	Hefner	Price
Crockett	Heftel	Savage
Ford (MI)	Kemp	Schulze

□ 2230

Mr. EMERSON changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. YATES. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

□ 2240

Accordingly the Committee rose and the Speaker pro tempore (Mr. BROWN of California) having assumed the chair, Mr. FOWLER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3011) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1986, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. YATES. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 270, nays 143, not voting 20, as follows:

[Roll No. 284]

YEAS—270

Ackerman	Bruce	Edwards (CA)
Addabbo	Bryant	Edwards (OK)
Akaka	Burton (CA)	English
Alexander	Bustamante	Evans (IL)
Anderson	Byron	Fascell
Andrews	Carper	Fawell
Annunzio	Carr	Fazio
Anthony	Chappell	Feighan
Applegate	Clay	Fish
Aspin	Clinger	Florio
Atkins	Coelho	Foglietta
AuCoin	Coleman (TX)	Foley
Barnes	Collins	Fowler
Bateman	Conte	Frank
Bates	Conyers	Frost
Beilenson	Cooper	Fuqua
Bennett	Coughlin	Gallo
Bentley	Coyne	Gaydos
Bereuter	Darden	Gejdenson
Berman	Daschle	Gekas
Bevill	de la Garza	Gephardt
Biaggi	Dellums	Gibbons
Boehlert	Derrick	Gilman
Boggs	Dicks	Glickman
Boland	Dingell	Gonzalez
Boner (TN)	Dixon	Goodling
Bonior (MI)	Dorgan (ND)	Gordon
Bonker	Downey	Gray (IL)
Borski	Duncan	Gray (PA)
Bosco	Durbin	Green
Boucher	Dwyer	Grotberg
Boxer	Dymally	Guarini
Breaux	Early	Hall (OH)
Brooks	Eckart (OH)	Hamilton
Brown (CA)	Edgar	Hatcher

Hayes	Miller (CA)	Sharp
Hendon	Mineta	Sikorski
Henry	Mitchell	Sisisky
Horton	Moakley	Skeen
Howard	Mollohan	Skelton
Hoyer	Moody	Smith (FL)
Huckaby	Morrison (CT)	Smith (IA)
Hutto	Morrison (WA)	Smith (NE)
Jeffords	Mrazek	Smith (NJ)
Johnson	Murphy	Smith, Robert
Jones (NC)	Murtha	Snowe
Jones (OK)	Myers	Solarz
Jones (TN)	Natcher	Spratt
Kanjorski	Neal	St Germain
Kaptur	Nelson	Staggers
Kastenmeier	Nowak	Stallings
Kennelly	O'Brien	Stark
Kildee	Oakar	Stokes
Kindness	Oberstar	Stratton
Kleczka	Obey	Studds
Kolbe	Olin	Swift
Kolter	Ortiz	Synar
Kostmayer	Owens	Tallon
Lantos	Panetta	Tauzin
Lehman (CA)	Parris	Thomas (GA)
Lehman (FL)	Pease	Torres
Leland	Pepper	Torricelli
Levin (MI)	Perkins	Towns
Levine (CA)	Pickle	Traficant
Lewis (CA)	Quillen	Traxler
Lipinski	Rahall	Udall
Livingston	Rangel	Valentine
Lloyd	Regula	Vento
Long	Reid	Visclosky
Lowery (CA)	Richardson	Vucanovich
Lowry (WA)	Ridge	Walgren
Luken	Rinaldo	Watkins
Lundine	Robinson	Waxman
MacKay	Rodino	Weiss
Manton	Roe	Wheat
Markey	Rogers	Whitley
Martinez	Rose	Whitten
Matsui	Rostenkowski	Williams
Mavroules	Roukema	Wilson
Mazzoli	Rowland (GA)	Wirth
McCain	Roybal	Wise
McCloskey	Rudd	Wolf
McCurdy	Russo	Wolpe
McDade	Sabo	Wright
McHugh	Saxton	Wyden
McKernan	Scheuer	Wylie
McKinney	Schneider	Yates
Meyers	Schroeder	Yatron
Mica	Schumer	Young (AK)
Mikulski	Seiberling	Young (MO)

NAYS—143

Archer	Erdreich	Lujan
Armey	Evans (IA)	Lungren
Barnard	Fiedler	Mack
Bartlett	Fields	Madigan
Barton	Flippo	Marlenee
Bedell	Franklin	Martin (IL)
Bilirakis	Frenzel	McCandless
Bliley	Gingrich	McCollum
Boulter	Gradison	McEwen
Broomfield	Gregg	McGrath
Brown (CO)	Gunderson	McMillan
Broyhill	Hall, Ralph	Michel
Burton (IN)	Hammerschmidt	Miller (OH)
Callahan	Hansen	Miller (WA)
Campbell	Hartnett	Molinari
Carney	Hertel	Monson
Chandler	Hiler	Montgomery
Cheney	Hillis	Moore
Coats	Holt	Moorhead
Cobey	Hopkins	Nielson
Coble	Hubbard	Oxley
Coleman (MO)	Hughes	Packard
Combest	Hunter	Pashayan
Courter	Hyde	Penny
Craig	Ireland	Petri
Daniel	Jacobs	Porter
Dannemeyer	Jenkins	Pursell
Daub	Kasich	Ray
DeLay	Kramer	Ritter
DeWine	LaFalce	Roberts
Dickinson	Lagomarsino	Roemer
DioGuardi	Latta	Roth
Dornan (CA)	Leach (IA)	Rowland (CT)
Dowdy	Leath (TX)	Schaefer
Dreier	Lent	Schuette
Dyson	Lewis (FL)	Sensenbrenner
Eckert (NY)	Lightfoot	Shaw
Emerson	Lott	Shelby
Shumway	Stangeland	Volkmer
Shuster	Stenholm	Walker
Siljander	Strang	Weaver
Slattery	Stump	Weber
Slaughter	Sundquist	Whitehurst
Smith (NH)	Sweeney	Whittaker
Smith, Denny	Swindall	Wortley
Snyder	Tauke	Young (FL)
Solomon	Taylor	Zschau
Spence	Thomas (CA)	

NOT VOTING—20

Badham	Ford (TN)	Martin (NY)
Chappie	Garcia	Nichols
Crane	Hawkins	Price
Crockett	Hefner	Savage
Davis	Heftel	Schulze
Donnelly	Kemp	Vander Jagt
Ford (MI)	Loeffler	

□ 2250

The Clerk announced the following pair:

On this vote:

Mr. Hawkins of California for, with Mr. Donnelly against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE TECHNICAL CORRECTIONS IN ENGROSSMENT OF H.R. 3011

Mr. YATES. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill (H.R. 3011) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1986, and for other purposes, the Clerk shall be authorized to make any necessary technical corrections.

The SPEAKER pro tempore (Mr. DOWDY of Mississippi). Is there objection to the request of the gentleman from Illinois?

There was no objection.

PRODUCTIVITY IMPROVEMENT PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-91)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on Government Operations and ordered to be printed:

To the Congress of the United States:

We share a common objective—to make government more responsive and sensitive to the needs of the people. Over the past several years, significant progress has been made toward:

—Controlling the growth of government by selectively limiting funding through the budget process and by controlling personnel levels;

—Identifying and preventing waste and fraud in government spending;

—Improving individual agency management, to further reduce costs and make better use of its resources;

—Developing government-wide management systems that can be adapted to the needs of each agency; and

—Improving agency delivery systems to ensure that services are efficiently delivered to the American people.

Throughout this effort, I have sought the advice and counsel of the private sector. The President's Private Sector Survey on Cost Control conducted systematic studies of agencies to determine more effective and efficient approaches to delivering services to the public. Thousands of recommendations were made and a large number have been and are being implemented.

The Congress has also supported our efforts by giving the Executive branch important tools to improve efficiency, including milestone legislation such as the Paperwork Reduction Act, the Congressional Reports Elimination Act, the Prompt Payment Act, the Debt Collection Act, and the Deficit Reduction Act.

Today, I am requesting your further assistance to build on this foundation of progress through your continued support of our efforts to improve government performance. I am also asking you to pass a joint resolution establishing productivity improvement as a national goal and to enact management legislation that is critical to further improving the government's operations and reducing its costs. Together we can enhance our government's ability to use business-like procedures, providing the public with higher quality and more timely services at a lower cost—an objective shared by the Congress and the Executive branch.

THE PRODUCTIVITY IMPROVEMENT PROGRAM

The need for and importance of improving the efficiency with which the Federal government delivers goods and services to the American public cannot be overstated. The Federal government now accounts for 24.6% of the GNP. If we pattern our productivity efforts after those which have proven the most productive in the private sector, it is reasonable to expect that we could match or exceed the private sector's gains, which have recently climbed to about 3% per year.

Therefore, I will shortly establish a government-wide program to improve productivity 20% by 1992. Each agency will be called upon to establish specific priorities for improvement of their services, to examine each of their functions, and to achieve agency-wide productivity goals. They will be asked to focus on results, rather than on process. Agencies will be asked to draw

upon the creativity and ingenuity of all employees, to properly reward any achievements in productivity improvement, and to minimize any negative impact productivity increases might have on their employees. This management approach is standard in the private sector and we plan to make it standard in the Federal government.

The President's Management Improvement Program: Reform '88 has provided a solid foundation upon which to base this productivity improvement program, as great strides have been made in establishing effective cash and credit management programs, improving agency management systems, lowering administrative costs, and reducing waste and fraud. Some of our Federal agencies have already demonstrated that they can make real improvements in productivity when they commit their time and talent.

The success of this effort will be reinforced by an early expression of Congressional resolve to make productivity improvement a national goal. Each department and agency will report to me through the Office of Management and Budget on their productivity goals, and on both the progress and the problems in accomplishing them. On the basis of that report, our annual management report to the Congress, which is part of the budget, will also describe our efforts to achieve productivity improvements.

THE ADMINISTRATION'S MANAGEMENT LEGISLATION INITIATIVES

The Congress has been most helpful in passing legislation that has made management reform possible. To further assure successful implementation of our Management Improvement Program: Reform '88, I have directed the Office of Management and Budget and agencies to transmit legislative proposals which would make it possible to improve substantially the effectiveness of the Executive branch. These management legislative initiatives cover the important areas of fraud prevention, payment integrity and simplification, procurement, reorganization authority, and reduction in regulatory and paperwork burdens. Some of these proposals have already been sent to the Congress, and others will be transmitted in the days ahead. I want to stress that each of these proposals plays an important role in improving government's management, reducing fraud and waste, or improving productivity. I hope that the Congress can enact them promptly.

CONCLUSION

Now is the time for us to redouble our efforts to improve the operations of government. The budget deficit, the need to make programs more responsive to their beneficiaries, the complexity of the problems we face, and the very size of government itself all require us to apply the best methods and procedures available to improve productivity. Enactment of the various legislative proposals outlined here will enable us to continue and strengthen our joint effort to improve government management.

Federal managers want to do a good job. Given the necessary tools and support, they can do so. Passage of these proposals will demonstrate our commitment to increased productivity and improved management practices in the Federal government. The American people want and deserve a Federal government that is fair, efficient, effective, and, above all, productive.

RONALD REAGAN.

THE WHITE HOUSE, *July 31, 1985.*

NURSE EDUCATION ACT OF 1985

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2370) entitled "An act to amend the Public Health Service Act to extend the programs of assistance for nurse education," with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

That this Act may be cited as the "Nurse Education Amendments of 1985".

REFERENCE

SEC. 2. Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SPECIAL PROJECTS

SEC. 3. (a) Section 820(a) is amended—

(1) by striking out "or" after the semicolon in paragraph (4);

(2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof a semicolon; and

(3) by inserting after paragraph (5) the following:

"(6) demonstrate clinical nurse education programs which combine educational curricula and clinical practice in health care delivery organizations, including acute care facilities, long-term care facilities, and ambulatory care facilities;

"(7) demonstrate methods to improve access to nursing services in noninstitutional settings through support of nursing practice arrangements in communities; or

"(8) demonstrate methods to encourage nursing graduates to practice in health manpower shortage areas (designated under section 332) in order to improve the specialty and geographical distribution of nurses in the United States.".

(b) Section 820(d) is amended—

(1) by striking out the first sentence and inserting in lieu thereof: "(1) For payments under grants and contracts under paragraphs (1) through (5) of subsection (a), there are authorized to be appropriated $9,500,000 for the fiscal year ending September 30, 1986, $9,500,000 for the fiscal year ending September 30, 1987, and $9,500,000 for the fiscal year ending September 30, 1988.";

(2) by striking out "this subsection" in the second sentence and inserting in lieu thereof "this paragraph";

(3) by striking out "1981," in such sentence and inserting in lieu thereof "1985,"; and

(4) by adding at the end thereof the following new paragraph:

"(2) For payments under grants and contracts under paragraphs (6), (7), and (8) of subsection (a), there are authorized to be appropriated $2,700,000 for the fiscal year ending September 30, 1986, $2,700,000 for the fiscal year ending September 30, 1987, and $2,700,000 for the fiscal year ending September 30, 1988. In making grants and entering into contracts with amounts appropriated under this paragraph, the Secretary shall give priority to applications for grants and contracts under paragraph (7) of subsection (a).".

ADVANCED NURSE EDUCATION

SEC. 4. Section 821 is amended to read as follows:

"ADVANCED NURSE EDUCATION

"SEC. 821. (a) The Secretary may make grants to and enter into contracts with public and private nonprofit collegiate schools of nursing to meet the costs of projects to—

"(1) plan, develop, and operate,

"(2) expand, or

"(3) maintain,

programs which lead to masters' and doctoral degrees and which prepare nurses to serve as nurse educators, administrators, or researchers or to serve in clinical nurse specialties determined by the Secretary to require advanced education.

"(b) For payments under grants and contracts under this section, there are authorized to be appropriated $16,500,000 for the fiscal year ending September 30, 1986, $17,000,000 for the fiscal year ending September 30, 1987, and $17,500,000 for the fiscal year ending September 30, 1988.".

NURSE PRACTITIONER AND NURSE MIDWIFE PROGRAMS

SEC. 5. (a)(1) Paragraph (1) of section 822(a) is amended to read as follows:

"(1) The Secretary may make grants to and enter into contracts with public or nonprofit private schools of nursing and public health, public or nonprofit private schools of medicine which received grants or contracts under this subsection prior to October 1, 1985, public or nonprofit private hospitals, and other public or nonprofit private entities to meet the cost of projects to—

"(A) plan, develop, and operate,

"(B) expand, or

"(C) maintain,

programs for the education of nurse practitioners and nurse midwives. The Secretary shall give special consideration to applications for grants or contracts for programs for the education of nurse practitioners and nurse midwives who will practice in health manpower shortage areas (designated under section 332) and for the education of nurse practitioners which emphasize education respecting the special problems of geriatric patients and education to meet the particular needs of nursing home patients and patients who are confined to their homes.".

(2) Paragraph (2) of such section is amended—

(A) by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) For purposes of this section, the term 'programs for the education of nurse practitioners and nurse midwives' means educational programs for registered nurses (irre-

spective of the type of school of nursing in which the nurses received their training) which meet guidelines prescribed by the Secretary in accordance with subparagraph (B) and which have as their objective the education of nurses (including pediatric and geriatric nurses) who will, upon completion of their studies in such programs, be qualified to effectively provide primary health care, including primary health care in homes and in ambulatory care facilities, long-term care facilities (where appropriate), and other health care institutions.";

(B) by striking out "training" in the first sentence of subparagraph (B) and inserting in lieu thereof "education"; and

(C) by inserting "and nurse midwives" before the period in the first sentence of subparagraph (B).

(b) Section 822(b) is amended—

(1) by striking out "nursing, medicine, and public health," in paragraph (1) and inserting in lieu thereof "nursing and public health, schools of medicine which received grants or contracts under this subsection prior to October 1, 1985,";

(2) by inserting "and nurse midwives" before the period in the first sentence of paragraph (1);

(3) by inserting "or nurse midwife" after "practitioner" in paragraph (3); and

(4) by inserting "or in a public health care facility" before "for a period" in paragraph (3).

(c) Section 822(c) is amended—

(1) by striking out "training" and inserting in lieu thereof "education"; and

(2) by inserting "and nurse midwives" after "nurse practitioners".

(d) Section 822 is further amended by striking out subsection (d) and by redesignating subsection (e) as subsection (d).

(e) Section 822(d) (as redesignated by subsection (d) of this section) is amended to read as follows:

"(d) For payments under grants and contracts under this section, there are authorized to be appropriated $12,000,000 for the fiscal year ending September 30, 1986, $12,000,000 for the fiscal year ending September 30, 1987, and $12,000,000 for the fiscal year ending September 30, 1988.".

(f) The heading for section 822 is amended to read as follows:

"NURSE PRACTITIONER AND NURSE MIDWIFE PROGRAMS".

TRAINEESHIPS FOR ADVANCED EDUCATION OF PROFESSIONAL NURSES

SEC. 6. (a) Paragraph (1) of section 830(a) is amended to read as follows:

"(1)(A) The Secretary may make grants to public or nonprofit private schools of nursing and public health, public or nonprofit private hospitals, and other public or nonprofit private entities to cover the cost of traineeships for nurses in masters' degree and doctoral degree programs in order to educate such nurses to—

"(i) serve in and prepare for practice as nurse practitioners,

"(ii) serve in and prepare for practice as nurse administrators, nurse educators, and nurse researchers, or

"(iii) serve in and prepare for practice in other professional nursing specialties determined by the Secretary to require advanced education.

"(B) The Secretary may make grants to public and private nonprofit schools of nursing and appropriate public and private nonprofit entities to cover the cost of traineeships to educate nurses to serve in and prepare for practice as nurse midwives.".

(b) Section 830 is further amended—

(1) by redesignating subsection (b) as subsection (c);

(2) by striking out the first sentence of such subsection and inserting in lieu thereof the following:

"(1) There are authorized to be appropriated for the purposes of subsection (a) $11,500,000 for the fiscal year ending September 30, 1986, $12,250,000 for the fiscal year ending September 30, 1987, and $13,000,000 for the fiscal year ending September 30, 1988.";

(3) by striking out the second sentence of such subsection;

(4) by striking out "subsection (a)(1)(C)" in the third sentence and inserting in lieu thereof "subsection (a)(1)(A)(i)";

(5) by adding at the end of such subsection the following new paragraph:

"(2) There are authorized to be appropriated for the purposes of subsection (b) $1,100,000 for the fiscal year ending September 30, 1986, $1,100,000 for the fiscal year ending September 30, 1987, and $1,100,000 for the fiscal year ending September 30, 1988.";

(6) by inserting after subsection (a) the following new subsection:

"(b) The Secretary may make grants to public or private nonprofit schools of nursing to cover the costs of post-baccalaureate fellowships for faculty in such schools to enable such faculty to—

"(1) investigate cost-effective alternatives to traditional health care modalities, with special attention to the needs of at-risk populations, such as the elderly, premature infants, physically and mentally disabled individuals, and ethnic and minority groups;

"(2) examine nursing interventions that result in positive outcomes in health status, with attention to interventions which address family violence, drug and alcohol abuse, the health of women, adolescent care, and disease prevention; and

"(3) address other areas of nursing practice considered by the Secretary to require additional study."; and

(7) by striking out "TRAINING" in the section heading and inserting in lieu thereof "EDUCATION".

NURSE ANESTHETISTS

SEC. 7. (a) Section 831(a)(1) is amended by striking out "Commissioner" and inserting in lieu thereof "Secretary".

(b) Section 831 is further amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) The Secretary may make grants to public or private nonprofit institutions to cover the cost of projects to improve existing programs for the education of nurse anesthetists which are accredited by an entity or entities designated by the Secretary of Education. Such grants shall include grants to such institutions for the purpose of providing financial assistance and support to certified registered nurse anesthetists who are faculty members of accredited programs to enable such nurse anesthetists to obtain advanced education relevant to their teaching functions.".

(c) Section 831(c) (as redesignated by subsection (b) of this section) is amended to read as follows:

"(c) For the purpose of making grants under this section, there are authorized to be appropriated $800,000 for the fiscal year ending September 30, 1986, $800,000 for the fiscal year ending September 30, 1987, and $800,000 for the fiscal year ending September 30, 1988. Not more than 20 percent of the amount appropriated under this section for any fiscal year shall be obligated for grants under the second sentence of subsection (b).".

(d) The section heading for such section is amended by striking out "TRAINEESHIPS FOR TRAINING OF".

STUDENT LOANS

SEC. 8. (a) Section 835 is amended by adding at the end thereof the following new subsection:

"(c)(1) Any standard established by the Secretary by regulation for the collection by schools of nursing of loans made pursuant to loan agreements under this subpart shall provide that the failure of any such school to collect such loans shall be measured in accordance with this subsection.

"(2) The measurement of a school's failure to collect loans made under this subpart shall be the ratio (stated as a percentage) that the defaulted principal amount outstanding of such school bears to the matured loans of such school.

"(3) For purposes of this subsection—

"(A) the term 'default' means the failure of a borrower of a loan made under this subpart to—

"(i) make an installment payment when due; or

"(ii) comply with any other term of the promissory note for such loan,

except that a loan made under this subpart shall not be considered to be in default if the loan is discharged in bankruptcy or if the school reasonably concludes from written contacts with the borrower that the borrower intends to repay the loan;

"(B) the term 'defaulted principal amount outstanding' means the total amount borrowed from the loan fund of a school that has reached the repayment stage (minus any principal amount repaid or cancelled) on loans—

"(i) repayable monthly and in default for at least 120 days; and

"(ii) repayable less frequently than monthly and in default for at least 180 days;

"(C) the term 'grace period' means the period of one year beginning on—

"(i) the date on which the borrower ceases to pursue a full-time or half-time course of study at a school of nursing; or

"(ii) the date on which ends any period described in clause (A) or (B) of section 836(b)(2) which is applicable to such borrower,

whichever is later; and

"(D) the term 'matured loans' means the total principal amount of all loans made by a school of nursing under this subpart minus the total principal amount of loans made by such school to students who are—

"(i) enrolled in a full-time or half-time course of study at such school; or

"(ii) in their first grace period.".

(b) Section 836(b)(1) is amended—

(1) by striking out "and" before "(B)"; and

(2) by inserting before the period a comma and "and (C) if a student who will enroll in the school after June 30, 1986, is of exceptional financial need (as defined by regulations of the Secretary)".

(c) Section 836(f) is amended—

(1) by inserting "and in accordance with this section" after "Secretary" in the first sentence;

(2) by striking out "may" in such sentence and inserting in lieu thereof "shall"; and

(3) by striking out the second sentence and inserting in lieu thereof the following: "No such charge may be made if the payment of such installment or the filing of such evidence is made within 60 days after the date

on which such installment or filing is due. The amount of any such charge may not exceed an amount equal to 6 percent of the amount of such installment.".

(d) Section 836 is amended by adding at the end thereof the following new subsection:

"(k) The Secretary is authorized to attempt to collect any loan which was made under this subpart, which is in default, and which was referred to the Secretary by a school of nursing with which the Secretary has an agreement under this subpart, on behalf of that school under such terms and conditions as the Secretary may prescribe (including reimbursement from the school's student loan fund for expenses the Secretary may reasonably incur in attempting collection), but only if the school has complied with such requirements as the Secretary may specify by regulation with respect to the collection of loans under this subpart. A loan so referred shall be treated as a debt subject to section 5514 of title 5, United States Code. Amounts collected shall be deposited in the school's student loan fund. Whenever the Secretary desires the institution of a civil action regarding any such loan, the Secretary shall refer the matter to the Attorney General for appropriate action.".

(e) Section 838 is amended by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a)(1) The Secretary shall from time to time set dates by which schools of nursing must file applications for Federal capital contributions.

"(2)(A) If the total of the amounts requested for any fiscal year in such applications exceeds the total amount appropriated under section 837 for that fiscal year, the allotment from such total amount to the loan fund of each school of nursing shall be reduced to whichever of the following is the smaller:

"(i) The amount requested in its application.

"(ii) An amount which bears the same ratio to the total amount appropriated as the number of students estimated by the Secretary to be enrolled on a full-time basis in such school during such fiscal year bears to the estimated total number of students enrolled in all such schools on a full-time basis during such year.

"(B) Amounts remaining after allotment under subparagraph (A) shall be reallotted in accordance with clause (ii) of such subparagraph among schools whose applications requested more than the amounts so allotted to their loan funds, but with such adjustments as may be necessary to prevent the total allotted to any such school's loan fund under this paragraph and paragraph (3) from exceeding the total so requested by it.

"(3) Funds which, pursuant to section 839(c) or pursuant to a loan agreement under section 835, are returned to the Secretary in any fiscal year, shall be available for allotment in such fiscal year and in the fiscal year succeeding the fiscal year. Funds described in the preceding sentence shall be allotted among schools of nursing in such manner as the Secretary determines will best carry out this subpart, except that in making such allotments, the Secretary shall give priority to schools of nursing which established student loan funds under this subpart after September 30, 1975.

"(b) Allotments to a loan fund of a school shall be paid to it from time to time in such installments as the Secretary determines will not result in unnecessary accumulations in the loan fund at such school.".

(f) Section 839 is amended—

(1) by striking out "1987," each place it appears in subsections (a) and (b) and inserting in lieu thereof "1991,"; and

(2) by adding at the end thereof the following new subsection:

"(c)(1) Within 90 days after the termination of any agreement with a school under section 835 or the termination in any other manner of a school's participation in the loan program under this subpart, such school shall pay to the Secretary from the balance of the loan fund of such school established under section 835, an amount which bears the same ratio to the balance in such fund on the date of such termination as the total amount of the Federal capital contributions to such fund by the Secretary pursuant to section 835(b)(2)(A) bears to the total amount in such fund on such date derived from such Federal capital contributions and from funds deposited in the fund pursuant to section 835(b)(2)(B). The remainder of such balance shall be paid to the school.

"(2) A school to which paragraph (1) applies shall pay to the Secretary after the date on which payment is made under such paragraph and not less than quarterly, the same proportionate share of amounts received by the school after the date of termination referred to in paragraph (1) in payment of principal or interest on loans made from the loan fund as was determined for the Secretary under such paragraph.".

(g) Subpart II of part B of title VIII is amended by adding at the end thereof the following new section:

"PROCEDURES FOR APPEAL OF TERMINATIONS

"SEC. 842. In any case in which the Secretary intends to terminate an agreement with a school of nursing under this subpart, the Secretary shall provide the school with a written notice specifying such intention and stating that the school may request a formal hearing with respect to such termination. If the school requests such a hearing within 30 days after the receipt of such notice, the Secretary shall provide such school with a hearing conducted by an administrative law judge.".

(h) Section 6103(m) of the Internal Revenue Code of 1954 is amended—

(1) by inserting "ADMINISTERED BY THE DEPARTMENT OF EDUCATION" before the period in the paragraph heading of paragraph (4); and

(2) by adding at the end thereof the following new paragraph:

"(5) INDIVIDUALS WHO HAVE DEFAULTED ON STUDENT LOANS ADMINISTERED BY THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—

"(A) IN GENERAL.—Upon written request by the Secretary of Health and Human Services, the Secretary may disclose the mailing address of any taxpayer who has defaulted on a loan made under part C of title VII of the Public Health Service Act or under subpart II of part B of title VIII of such Act, for use only by officers, employees, or agents of the Department of Health and Human Services for purposes of locating such taxpayer for purposes of collecting such loan.

"(B) DISCLOSURE TO SCHOOLS AND ELIGIBLE LENDERS.—Any mailing address disclosed under subparagraph (A) may be disclosed by the Secretary of Health and Human Services to—

"(i) any school with which the Secretary of Health and Human Services has an agreement under subpart II of part C of title VII of the Public Health Service Act or subpart II of part B of title VIII of such Act, or

"(ii) any eligible lender (within the meaning of section 737(4) of such Act) participating under subpart I of part C of title VII of such Act,

for use only by officers, employees, or agents of such school or eligible lender whose duties relate to the collection of student loans for purposes of locating individuals who have defaulted on student loans made under such subparts for the purposes of collecting such loans.".

REPEALS

SEC. 9. (a)(1) Sections 801, 802, 803, 805, 810, 811, 815, and 841 are repealed.

(2) Subpart III of part B of title VIII is repealed.

(b)(1) Part A of title VIII is amended by striking out the headings for subparts I, II, III, and IV.

(2) The heading for part A of the title VIII is amended to read as follows:

"PART A—SPECIAL PROJECTS".

(3) The heading for title VIII is amended to read as follows:

"TITLE VIII—NURSE EDUCATION".

(c)(1) Section 804 is redesignated as section 858 and is amended to read as follows:

"RECOVERY FOR CONSTRUCTION ASSISTANCE

"SEC. 858. (a) If at any time within twenty years (or within such shorter period as the Secretary may prescribe by regulation for an interim facility) after the completion of construction of a facility with respect to which funds have been paid under subpart I of part A (as such subpart was in effect on September 30, 1985)—

"(1) the owner of the facility ceases to be a public or nonprofit school,

"(2) the facility ceases to be used for the training purposes for which it was constructed, or

"(3) the facility is used for sectarian instruction or as a place for religious worship,

the United States shall be entitled to recover from the owner of the facility the base amount prescribed by subsection (c)(1) plus the interest (if any) prescribed by subsection (c)(2).

"(b) The owner of a facility which ceases to be a public or nonprofit school as described in paragraph (1) of subsection (a), or the owner of a facility the use of which changes as described in paragraph (2) or (3) of such subsection shall provide the Secretary written notice of such cessation or change of use not later than 10 days after the date on which such cessation or change of use occurs.

"(c)(1) The base amount that the United States is entitled to recover under subsection (a) is the amount bearing the same ratio to the then value (as determined by the agreement of the parties or in an action brought in the district court of the United States for the district in which the facility is situated) of the facility as the amount of the Federal participation bore to the cost of the construction.

"(2)(A) The interest that the United States is entitled to recover under subsection (a) is the interest for the period (if any) described in subparagraph (B) at a rate (determined by the Secretary) based on the average of the bond equivalent rates of ninety-one-day Treasury bills auctioned during such period.

"(B) The period referred to in subparagraph (A) is the period beginning—

"(1) if notice is provided as prescribed by subsection (b), 191 days after the date on which the owner of the facility ceases to be a public or nonprofit school as described in paragraph (1) of subsection (a), or 191 days

after the date on which the use of the facility changes as described in paragraph (2) or (3) of such subsection, or

"(ii) if notice is not provided as prescribed by subsection (b), 11 days after the date on which such cessation or change of use occurs,

and ending on the date the amount the United States is entitled to recover is collected.

"(d) The Secretary may waive the recovery rights of the United States under subsection (a) with respect to a facility (under such conditions as the Secretary may establish by regulation) if the Secretary determines that there is good cause for waiving such rights.

"(e) The right of recovery of the United States under subsection (a) shall not, prior to judgment, constitute a lien on any facility.".

(2) In the case of any facility that was or is constructed on or before the date of enactment of this Act or within 180 days after the date of enactment of this Act, the period described in subsection (c)(2)(B)(i) of section 858 of the Public Health Service Act (as amended by paragraph (1) of this subsection) shall begin no earlier than 181 days after the date of enactment of this Act.

(3) The amendments made by paragraph (1) of this subsection shall not adversely affect other legal rights of the United States.

(d) Section 851(b) is amended by striking out ", and in the review of applications for construction projects under subpart I of part A, of applications under section 805, and of applications under subpart III of part A".

(e) Section 853(1) is amended by striking out "the Canal Zone," and inserting in lieu thereof "the Commonwealth of the Northern Mariana Islands,".

(f) Section 853(6) is amended to read as follows:

"(6) The term 'accredited' when applied to any program of nurse education means a program accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Secretary of Education and when applied to a hospital, school, college, or university (or a unit thereof) means a hospital, school, college, or university (or a unit thereof) which is accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Secretary of Education, except that a school of nursing seeking an agreement under subpart II of part B for the establishment of a student loan fund, which is not, at the time of the application under such subpart, eligible for accreditation by such a recognized body or bodies or State agency, shall be deemed accredited for purposes of such subpart if the Secretary of Education finds, after consultation with the appropriate accreditation body or bodies, that there is reasonable assurance that the school will meet the accreditation standards of such body or bodies prior to the beginning of the academic year following the normal graduation date of students who are in their first year of instruction at such school during the fiscal year in which the agreement with such school is made under such subpart; except that the provisions of this clause shall not apply for purposes of section 838. For the purpose of this paragraph, the Secretary of Education shall publish a list of recognized accrediting bodies, and of State agencies, which the Secretary of Education determines to be reliable authority as to the quality of education offered.".

EFFECTIVE DATE

SEC. 10. (a) Except as provided in subsection (b), this Act and the amendments and repeals made by this Act shall take effect on October 1, 1985.

(b)(1) The provisions of section 9(c) of this Act and the amendment made by paragraph (1) of such section shall take effect on the date of enactment of this Act.

(2) The amendment made by section 8(a) of this Act shall take effect June 30, 1984.

ROTATION OF LABEL STATEMENTS

SEC. 11. LABEL ROTATION.—Section 4(c) of the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1333(c)) is amended—

(1) by striking out "The label" in the first sentence and inserting in lieu thereof "(1) Except as provided in paragraph (2), the label"; and

(2) by inserting at the end the following:

"(2)(A) A manufacturer or importer of cigarettes may apply to the Federal Trade Commission to have the label rotation described in subparagraph (C) apply with respect to a brand of cigarettes manufactured or imported by such manufacturer or importer if—

"(i) the number of cigarettes of such brand style sold in the fiscal year of the manufacturer or importer preceding the submission of the application is less than one-fourth of one percent of all the cigarettes sold in the United States in such year, and

"(ii) more than one-half of the cigarettes manufactured or imported by such manufacturer or importer for sale in the United States are packaged into brand styles which meet the requirements of clause (i).

If an application is approved by the Commission, the label rotation described in subparagraph (C) shall apply with respect to the applicant during the one-year period beginning on the date of the application approval.

"(B) An applicant under subparagraph (A) shall include in its application a plan under which the label statements specified in paragraph (1) of subsection (a) will be rotated by the applicant manufacturer or importer in accordance with the label rotation described in subparagraph (C).

"(C) Under the label rotation which a manufacturer or importer with an approved application may put into effect each of the labels specified in paragraph (1) of subsection (a) shall appear on the packages of each brand style of cigarettes with respect to which the application was approved an equal number of times within the twelvemonth period beginning on the date of the approval by the Commission of the application.".

(b) DEFINITION.—Section 3 of such Act (15 U.S.C. 1332) is amended by redesignating paragraph (8) as paragraph (9) and by inserting after paragraph (7) the following:

"(8) The term 'brand style' means a variety of cigarettes distinguished by the tobacco used, tar and nicotine content, flavoring used, size of the cigarette, filtration on the cigarette, or packaging.".

(C) EFFECTIVE DATE.—

(1) The amendments made by subsection (a) shall take effect October 12, 1985, except that—

(A) on and after the date of the enactment of this Act a manufacturer or importer of cigarettes may apply to the Federal Trade Commission to have the label rotation specified in section 4(c)(2) of the Federal Cigarette Labeling and Advertising Act, as amended by subsection (a), apply to its brand styles of cigarettes and the Commission may take action on such an application, and

(B) a manufacturer or importer of cigarettes may elect to have the amendments apply at an earlier date or dates selected by the manufacturer or importer.

(2) The Federal Trade Commission may, upon application of a manufacturer or importer of cigarettes with an approved application under section 4(c)(2) of the Federal Cigarette Labeling and Advertising Act, as amended by subsection (a), extend the effective date specified in paragraph (1) to January 11, 1986. The Commission may approve an application for such an extension only if the Commission determines that the effective date specified in such paragraph (1) would cause unreasonable economic hardship to the applicant. Section 4 of the Federal Cigarette Labeling and Advertising Act, as in effect before October 12, 1985, shall apply with respect to a manufacturer or importer with an application approved under this paragraph.

TECHNICAL AMENDMENT

SEC. 12. Section 8 of such Act (15 U.S.C. 1336) is amended by striking out "4(b)" and inserting in lieu thereof "4".

REPORT DATE

SEC. 13. Section 3(c) of the Comprehensive Smoking Education Act (15 U.S.C. 1341(c)) is amended by striking out "1985" and inserting in lieu thereof "1986".

Mr. BROYHILL (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from California?

Mr. BROYHILL. Mr. Speaker, reserving the right to object, I do so for the purpose of making sure that the Members know what is taking place here.

□ 2300

I yield to the gentleman and would be delighted to help in the explanation.

Mr. WAXMAN. I thank the gentleman for yielding to me.

The legislation is first of all the bill that passed the House, and the Senate added an amendment to it which we have no objection to. The bill is on nurse education. One of the amendments on that bill would deal with the labeling on tobacco products which deals with a problem that some of the tobacco companies have had in meeting the requirement of the legislation adopted last year.

Mr. BROYHILL. The gentleman has correctly stated what is in this Senate-passed bill. It is 3-year authorization of the Nurse Education Program which has had overwhelming support in this body for many years. This bill that has come to us from the Senate is very similar to the same one that we have been considering in the committee, and for whatever reasons, one of the Members of the other body have attached to it a bill that is an amendment to the tobacco warning labels

that are required to go on the side panels of packages of cigarettes. Some of the smaller companies must have relief by the deadline of October 1, or they tell us that they cannot comply.

It is for this reason that we are urging that this bill pass now rather than have to wait until regular consideration of the bill from our committee, which could occur who knows when. That is why I am urging that we go ahead and take the Senate-passed bill, even though it has this odd amendment on it, and send it to the President for his signature.

I yield to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. I thank the gentleman for yielding under his reservation.

It is my understanding that the bill we have before us does come to us at a figure that is higher than the administration originally requested for this program, and that when this bill was on the floor, because of the nature of the funding levels in it, that the administration had opposed the bill. I am somewhat reluctant to see a bill pass under a unanimous-consent procedure that has that kind of budgetary problem in it.

Can the gentleman give me some assurance that those problems have been corrected?

Mr. BROYHILL. This bill is an authorization bill; it is not an appropriation bill. I think the total 3-year figures are somewhere in the neighborhood of about $7 million over the President's budget or the budgetary figures.

However, it is my understanding that the appropriation figures are in line with the figures that the gentleman would be more comfortable with. Now, the gentleman from California may want to confirm what I have said or correct it.

Mr. WAXMAN. I think the gentleman has stated the situation correctly to my information as well.

Mr. WALKER. If the gentleman would yield further, do we have an indication whether or not the administration is in favor of us taking this action by unanimous consent here this evening?

Mr. BROYHILL. I have not had any contact with the administration with respect to this bill. I have not had much contact with the administration with respect to many bills from committee, I hate to tell the gentleman. I am flying solo on a lot of the legislation that comes before my committee. We do not have timely information oftentimes from the administration with respect to what they want on this legislation so we have to use our own judgment. In this particular case, we are faced with some October 1 deadlines that are of considerable concern to a number of people and an important industry to my State. So for that reason, I am asking the gentleman from California to expedite consideration of this legislation at this hour.

Mr. WALKER. If the gentleman would yield further, I guess my problem is that I am a little bit concerned about bringing things up here late at night, where we do not have very much information, where we do not have the administration's position on it. I understand the gentleman's problem in getting that kind of information, but we really are in a position of acting blindly on something that as I recall when it went through here did have some budgetary problems, and I am just trying to figure out why, for instance we could not use——

Mr. BROYHILL. You are talking about the bill from last year. Is that the one you are talking about? The one from the last Congress?

Mr. WALKER. It was my understanding when we passed the bill out of the House this year that in fact there was administration opposition because it was over their budget. My understanding is that those levels have not been reduced.

Mr. BROYHILL. This bill is different than the one that passed last year.

I yield to the gentleman from California.

Mr. WAXMAN. This certainly is a different bill than last year, and we hope to have the administration approval. We are looking at amendments that have been offered by Senator HATCH and his committee and offered by the Senate. They are amendments that are agreeable with me. I suppose we will know the definitive administration position as soon as this bill reaches the White House. They will have the decision at that point whether to sign or veto it. I suspect they will sign it.

Mr. NIELSON of Utah. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman.

Mr. NIELSON of Utah. When this bill came before the Energy and Commerce Committee the administration did oppose it because they wanted to cut back on the nurses' training, and they also, when this bill came to the floor by suspension, they did suggest they were opposed to it and would seek changes in the Senate. They sought those changes in the Senate but they did not get them in the Senate, and in fact the Senate came back with the same numbers that we had, is that correct? The numbers in the Senate are the same as what we sent them, are they not?

Mr. WAXMAN. I do not believe that is the case, but I do not recall exactly the numbers that we have. I think they have a higher figure by around $7 million in an authorization bill for certain nurse education programs.

Mr. NIELSON of Utah. My understanding is that the Senate accepted the same numbers as the House sent to them, but the only amendment they did was add the cigarette labeling bill to it.

Mr. WAXMAN. That is not my understanding, but maybe Mr. BROYHILL can clear that up.

Mr. BROYHILL. They said that the labeling part was added as an amendment on the floor of the other body.

Mr. WALKER. If the gentleman would yield for one question: The labeling provision costs the Government no money?

Mr. BROYHILL. That is no cost. But I would like to put this in some context for the gentleman, because the gentleman realizes many of the problems that we do have with respect to many programs like this, and this is especially so in the health professions area.

The administration would like to phase out this program. It is a fact that last year in the last Congress that we did pass a bill that was vetoed that had some authorizations that were considerably above what we could call even freeze levels. These figures are below those. However, I think the difference between what this bill is and what the administration position is, the administration is trying to phase out the program, and I do not think the Senate, the other body, either acting jointly or in conference, would agree to a phaseout of the program. I think that is basically the difference.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. WAXMAN]?

Mr. NIELSON of Utah. Mr. Speaker, reserving the right to object, I would like to ask the chairman of the Health and Environment Subcommittee, do you know why the Senate added $7 million to a bill that the administration is already opposed to on the basis of budget? I yield for his response.

Mr. WAXMAN. I am sorry; I am not able to answer the gentleman's question. I do not have an answer for him.

Mr. NIELSON of Utah. What assurance do we have that the Appropriations Committee will correct that error the Senate made?

Mr. WAXMAN. I am sure the Appropriations Committee will do its job with a great deal of attention to whether any amount of money they spend is justified or not. As the gentleman knows, an authorization is a simple authorization. The appropriation will be decided by the Appropriations Committee and then by the Congress.

Mr. NIELSON of Utah. If I may engage the Congressman from North Carolina for a moment.

You made the statement on the floor that the Senate was above the present bill, but the Appropriations Committee would bring it down to the appropriate level of last year?

Mr. BROYHILL. I am just judging from the past history of that committee that particularly this year they have been funding these various programs at about the same levels as last year.

I yield to the gentleman from California.

Mr. WAXMAN. I often regret the fact that the Appropriations Committee appropriates less than the authorization committee recommends, but that is usually the case. I do believe that their appropriation for this program is less than the authorization.

Mr. NIELSON of Utah. I would like either gentleman to say to the body that the importance of the cigarette labeling bill, which was attached by the Senate, overrides any difficulty we may have on the authorization level which can later be fixed by the appropriation. If you agree with that, then I will withdraw my reservation of objection.

Is that your assertion, that the cigarette labeling aspect of the bill overrides the concern about the authorization level?

□ 2310

Mr. BROYHILL. I think they are both important.

Mr. WAXMAN. I think they are both important as well, and I think there is a special time urgency in getting the bill passed because of the situation with the cigarette companies that need to fix their labels.

Mr. NIELSON of Utah. So in your opinion that overrides your concern on the appropriations.

Mr. BROYHILL. If the gentleman would yield, let me see if I can put this into some understanding here.

The cigarette labeling bill is time sensitive inasmuch as if we do not get it on over to the White House now we are running up against this October 1 deadline. When we come back here in September, we do not know what might happen with respect to the legislative process and what would happen with respect to this legislation.

The nurse training bill is important also, and I am not convinced, as one who has been around here for a long time and been through many of these conferences, that we are going to come back from the conference any better than what is in this bill.

So it seems to me we could waste a lot of weeks and weeks of arguing around here and we are not really going to do too much better than what we have in the bill which is on the Speaker's desk.

Mr. NIELSON of Utah. Again, let me ask the gentleman what assurance does he have for the statements he made that the Appropriations Committee would bring the level back to last year's spending level.

Mr. BROYHILL. I would have to seek the advice of some of my colleagues who are on that committee. All I can say is that it appears to me, at least in the observation of this one Member, that the Appropriations Committee has been somewhat more conservative in the funding of these programs that do have higher authorization. This authorization is, from the standpoint of the percentage over the appropriation, those of you who have dealt with it before know that the authorization is far less than it was a number of years ago. We went through a number of years where the authorization was double the levels of the appropriation. This one is relatively a small amount above the appropriation.

Mr. NIELSON of Utah. Reclaiming my time, I believed your statement that the Appropriations Committee was more conservative than the authorizing committee until we came to the bill involving NASA and the National Science Foundation, where they went above what we are authorized, and which upset me a great deal.

Mr. WAXMAN. We do not have such luck with the health bills. I do not recall too many times when the Appropriations Committee has gone over any authorization.

Mr. NIELSON of Utah. Then I will put the House on notice that if the Appropriations Committee is one dime over last year's budget, I will fight it to the death.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from California [Mr. WAXMAN]?

There was no objection.

A motion to reconsider was laid on the table.

ORPHAN DRUG AMENDMENTS OF 1985

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1147) to amend the orphan drug provisions of the Federal Food, Drug, and Cosmetic Act and related laws, with Senate amendments to the House amendment, and concur in the Senate amendment.

The Clerk read the title of the Senate bill.

The Clerk read the Senate amendments to the House amendment, as follows:

Page 13, of the House engrossed amendment, strike out all after line 17 over to and including line 17 on page 14 and insert:

(b) PUBLIC LAW 98-527.—Section 122(b)(4)(C) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6022(b)(4)(C)) is amended to read as follows:

"(C) Notwithstanding subparagraph (E)(i), upon application of a State, which under section 133(b)(4)(C) of this act (as in effect on October 18, 1948) was permitted to make expenditures for services without regard to the requirements of section 133(b)(4)(B) of this Act (as so in effect) the Secretary, pursuant to regulations which the Secretary shall prescribe, may permit a portion of the funds which, pursuant to subparagraph (E)(i), must otherwise be expended under the State plan of such State for service activities in the priority services, to be expended in fiscal years 1985, 1986, and 1987 for the additional services for which expenditure was permitted under section 133(b)(4)(C) (as so in effect) if the Secretary determines that—

"(i) such additional services are not priority services;

"(ii) such additional services are not services for which funds are otherwise available under part C, D, or E; and

"(iii) the expenditures of such State on service activities in the priority services has reasonably met the need for those services in such State in comparison to the extent to which the need for such additional services has been met in such State.".

Page 14, of the House engrossed amendment, after line 17, insert;

SEC. 7. AREA HEALTH EDUCATION CENTERS.

Section 781(a)(2) of the Public Health Service Act (42 U.S.C. 295g-7(a)(2)) is amended by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii) and (iii), respectively, and by striking out all that precedes clause (i) (as so redesignated) and inserting in lieu thereof the following:

"(2)(A) The Secretary shall enter into contracts with schools of medicine and osteopathy—

"(i) which have previously received Federal financial assistance for an area health education center program under section 802 of the Health Professionals Educational Assistance Act of 1976 in fiscal year 1979 or under paragraph (1), or

"(ii) which are receiving assistance under paragraph (1),

to carry out projects described in subparagraph (B) through area health education centers for which Federal financial assistance was provided under paragraph (1) and which are no longer eligible to receive such assistance.

"(B) Projects for which assistance may be provided under subparagraph (A) are—".

Page 14, line 18, of the House engrossed amendment, strike out "7" and insert "8".

Page 15, line 2, of the House engrossed amendment, strike out "October 18, 1984" and insert "October 19, 1984".

Page 15, line 2, of the House engrossed amendment, after "1984." insert "The amendments made by section 7 shall take effect October 1, 1984, and shall cease to be in effect after September 30, 1985.".

Mr. WAXMAN (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments to the House amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. BROYHILL. Mr. Speaker, reserving the right to object, I do so for the purpose of asking the gentleman from California to give an explanation of this bill.

Mr. WAXMAN. If the gentleman will yield, this bill is the reauthorization of the Orphan Drug Act which was adopted several years ago and has

been a very successful law in encouraging the development of new drugs for people with rare diseases.

The Senate amendments to the bill deal with the developmental disabilities councils at the State level and there is no controversy over those items. The bill is without controversy in its entirety.

Mr. BROYHILL. I thank the gentleman for his explanation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Is there objection to the initial request of the gentleman from California?

There was no objection.

A motion to reconsider was laid on the table.

TRIBUTE TO DEDICATED AND HARD-WORKING CAPITOL HILL POLICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa [Mr. LIGHTFOOT] is recognized for 5 minutes.

Mr. LIGHTFOOT. Mr. Speaker, I'd like to take a few minutes to recognize a dedicated, hard-working group of men and women that we oftentimes take for granted.

Due to the nature of their job, we aren't supposed to notice them. It's their duty to serve and protect, be in the background but ever present. I'm referring to the Capitol Hill Police.

During the day we may joke with the officer on the corner, trade a story with the officer by the door or hustle up to the steps in a breathless charge as the officer at the top of the stairs hollers "one more" and we try to make a vote.

There is a very serious side to their job. A side that entails danger, quick decisions, and, many times, hours of boredom.

We are fortunate to live in a country that puts freedom as its No. 1 priority. Unfortunately, there are those who will use that very freedom as a means to perpetrate a very negative end.

Each day literally thousands of people descend on Capitol Hill. Many want to see the inside of this great building that symbolizes the strongest Government on Earth. And they should. It's their building. It's their Capitol.

The officers handle their duties with apparent ease. Kids get lost, directions are asked, traffic tie ups are moved and all the while an eye is kept alert for that one individual that isn't here to see the sights.

That one person, for whatever twisted reason, who is bent on destruction. In most cases when an identity is made, the person or persons are quietly removed to an area of safety.

Most people don't even notice. That's the way it's suppose to be.

During the recent visit of Mr. Gandhi of India, we saw security at a maximum. That was as it should be, yet it was pretty much business as usual for all the rest of us.

One of the officers I had seen earlier in full riot gear joked as I walked back into my office building, "See, here, I am the mild mannered Clark Kent."

It's an appropriate description. Highly trained, motivated, and ready to take on the most dire emergency at a moment's notice, yet calm, friendly, and a helping hand when needed.

My family appreciates them for the job they do keeping our work area safe. I appreciate them as an ex-police officer that understands some of what they are up against.

Let me close by saying maybe we don't always show it, but we really do appreciate our crew in blue and white.

□ 2320

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BOULTER] is recognized for 5 minutes.

● Mr. BOULTER. Mr. Speaker, I was unavoidably absent yesterday, July 30, 1985. Had I been present, I would have voted in the following manner:

Roll No. 266, final passage of Senate Joint Resolution 180, commemorating the 10th anniversary of the signing of the Helsinki Final Act; "yes."

Roll No. 268, the Coleman of Texas amendment to exempt appropriations for law enforcement agencies and the Postal Service from the Frenzel amendment to H.R. 3036, that reduces each appropriation not required by law by 2.65 percent; "no."

Roll No. 269, the Roybal motion that the Committee of the Whole rise and report H.R. 3036 back to the House; "no."

Roll No. 270, final passage of H.R. 3036, the Treasury-Postal Service appropriations; "no."

Roll No. 272, a Dixon motion that the Committee of the Whole rise and report the D.C. appropriations bill, H.R. 3067, back to the House; "no."

Roll No. 273, a Smith of New Jersey amendment to H.R. 3067 that prohibits use of funds to perform abortions; "yes."

Roll No. 274, final passage of H.R. 3067, the D.C. appropriations; "no."●

THE 50TH ANNIVERSARY OF THE PASSAGE OF THE SOCIAL SECURITY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. PEPPER] is recognized for 5 minutes.

● Mr. PEPPER. Mr. Speaker, on Wednesday, July 24, 1985, there was a ceremony to commemorate the 50th anniversary of the passage of the Social Security Act in Statuary Hall. The ceremony was planned and organized by a number of groups concerned about the history and future of the Social Security System.

The following is a record of the events of that day, which I wish to be included in today's RECORD, so that all who were not able to be in attendance at that time will be able to read that which occurred:

Mr. PEPPER. Ladies and gentleman, I will ask the audience to please rise for the presentation of the colors, our National Anthem, and the invocation.

PARADE OF THE COLORS—UNITED STATES MARINE CORPS COLOR GUARD

THE NATIONAL ANTHEM—UNITED STATES MARINE CORDOVOX COMBO

INVOCATION BY THE REVEREND JAMES DAVID FORD, CHAPLAIN OF THE U.S. HOUSE OF REPRESENTATIVES

Reverend FORD. Let us pray.

We thank You, Almighty God, for the gifts You have given Your people that promote justice and the common good. We are grateful for those whose visions for this nation have contributed to the welfare of all people, has promoted confidence and security, has given hope and assurance for a better day.

Continue, O Gracious God, to inspire men and women to work for the Mutual benefit of all the people of our nation, that, in the words of the biblical vision, the day will come when justice will roll down as waters, and righteousness like an ever-growing stream.

This we pray, Amen.

MUSICAL SELECTION

Mr. PEPPER. Ladies and gentleman, this occasion is a citizens' demonstration of a national gratitude for an event that occurred almost exactly 50 years ago, the signing of the Social Security bill by President Franklin Delano Roosevelt. That ceremony was on the 17th of August. The Congress will be in recess at that time, so we have chosen to use this day as our day of appreciation and our commemoration.

I know no better spokesman for the meaning of that great enactment than the author of that legislation, Franklin Delano Roosevelt.

[Applause.]

Three years after Social Security had been in effect, or after its enactment in 1935, President Roosevelt spoke to the nation in one of his famous fireside chats. You will hear portions now of that fireside chat on Social Security by our beloved President, Franklin Delano Roosevelt.

RECORDING OF EXCERPT OF ADDRESS BY PRESIDENT FRANKLIN DELANO ROOSEVELT ON THE OCCASION OF THE THIRD ANNIVERSARY OF THE PASSAGE OF THE SOCIAL SECURITY ACT

Mr. PEPPER. It seems as if there is something mysterious in the way in which providence chooses those who lead a great people in moments of crisis, in moments of great challenge. The man who conceived and initiated Social Security was a special man, Franklin Delano Roosevelt.

In the Congress, there were special men and women who inaugurated it; and in the intervening years, there have been men—

gallant, brave and strong—to protect and defend it.

At a time when Social Security was under its greatest attack, at a time when Social Security in principle and in provision was most uncertain as to its future, the Speaker of the House of Representatives has been strong and brave and determined in his defense, his protection of Social Security—a man I think well-qualified not only to bear one of the greatest honors of his country, but indeed the country's highest honor, a notable, great champion, friend, gallant defender of Social Security, the Speaker of the House, the Honorable Thomas P. O'Neill.

[Applause.]

REMARKS OF HONORABLE THOMAS P. O'NEILL, SPEAKER OF THE U.S. HOUSE OF REPRESENTATIVES

The SPEAKER. My colleagues in the Congress, so many distinguished people and old friends who have paid their duty to their government in holding high positions that have ranked through the years that are gathered here today. This idea, of course, is the birth child of Claude Pepper, who recalled that it was 50 years ago that the Social Security Act passed this House and Senate and was enacted into law.

Thank you, Claude, for the kind introduction.

I am pleased to be here to celebrate the 50th Anniversary of the passage of the Social Security Act, and it is an added pleasure to be joined by my former colleague and good friend, Senator Jennings Randolph.

Senator Randolph and Senator Pepper will recall vividly 1935. Those were the days when 25 percent of American workers were unemployed, when 50 percent of American workers were impoverished, when most American farmers were suffocating in either dust or debt. It was also a time when it meant more often than not that, if you were old, you were poor.

Fortunately, we had a President, Franklin Roosevelt, who refused to accept these conditions as a natural result of the business cycle. He realized that the Federal Government has a responsibility to all Americans to promote economic growth and, mostly, individual security.

President Roosevelt sought more than relief, he sought a full recovery for this nation and for his countrymen. He observed that a man needs more than something to live by—he needs something to live for. His support for the Social Security Act reflected his deep commitment to improving the quality of life for older Americans.

As a result of Social Security, most Americans today can look forward to their retirement years happy and confident that they can live in dignity and in relative comfort. Now that over 90 percent of the senior citizens receive Social Security, the poverty rate among the elderly in America today is 14 percent. Twenty-five years ago, many elderly did not qualify for Social Security; and, in 1964, 35 percent of the senior citizens were living in poverty. It is estimated that in 1935, approximately 65 percent of the senior citizens, the golden agers, were living in poverty.

In 1935, the United States was exhausted, in the Depresssion, limited by isolationism and drained by joblessness; yet, our country's leaders committed themselves to a change, committed themselves to a recovery, and committed this nation to a better America for all Americans.

Fifty years later, the United States is the most powerful, most prosperous nation on earth. We have come a long way in 50 years as a nation and as a people. Just think: Fifty years ago, 65 percent of the senior citizens impoverished, 50 percent of all of the average citizens, 25 percent of the nation unemployed. If you were fortunate enough to go to high school, 3 percent went on to college, 8 percent had pensions, and 3 percent had health insurance.

Just think how far this nation has come in improving the well-being not only of our senior citizens, but all Americans.

Social Security is a landmark piece of legislation we celebrate today, and it deserves most of the credit for the progress this nation has made. Today, just as 50 years ago, it represents a commitment to the future, to our nation, and to its people. It recognizes the contribution each generation makes to building a better America, and it demonstrates the ties that bind our people together in making the American dream a reality for all Americans, both young and old.

Senator Pepper has once again done the Congress a great service by organizing this celebration.

Claude, I want to congratulate you on this event. You and Senator Randolph deserve our thanks for the great role you played 50 years ago, as Members of this Congress, for this great Act and for continuing in giving it the continuing support over the past 50 years.

America owes a debt of gratitude to all of you here today who participated in the legislation of 50 years ago. It is the greatest Act that the senior citizens of this country have the privilege of enjoying.

Thank you.

[Applause.]

Mr. PEPPER. Ladies and gentlemen, there was another part of that great defensive team for Social Security in the House of Representatives—a man elevated by his colleagues to the leadership of that body, a man possessed of rare capacity for eloquence. Patrick Henry never pleaded for liberty more passionately or eloquently than this man; as a member of the committee and a leader of the House, has pleaded for the protection of Social Security and for its perfection in the years ahead. His heart is in that great chorus because he knows what it means to so many for it to be enjoyed by the people of our country.

So, I am very proud to present on this occasion a great, eloquent, able defender of Social Security, the Majority Leader of the House of Representatives, the Honorable Jim Wright.

[Applause.]

REMARKS OF HON. JIM WRIGHT, MAJORITY LEADER OF THE U.S. HOUSE OF REPRESENTATIVES

Mr. WRIGHT. Thank you very much, Claude. Thank you for the privilege of participating in this commemoration.

So pervasive a force in the life of our entire community has Social Security become that it is difficult, if not impossible, to summarize a few of the most benign parts of that heritage. But, to date, in the retrospect of 50 years, it seems to me that the Social Security program has done two magnificent things for the nation, because it has done two marvelous things for people.

The first is that it has banished the cloud of fear which hovered as an ever-present companion of aging over the lives of literally millions of American people. Before the days of Social Security, it was altogether common as middle age came and a man and woman began to realize that the sands of the days and the months and years were slipping inexorably through the hourglass of time, and that they were not accumulating a substantial amount of cash to tide them over the vicissitudes of the future, for fear to become their gnawing companion. Most Americans of middle age and older were haunted by fear of economic insecurity, fear of the disabling disease or illness that would render them jobless and incapacitated, fear of the humiliation of being helplessly dependent upon their loved ones, and losing their independence and their dignity; and, yes, fear of the thing called "the poorhouse"—the term that, but for the grace of God, has largely disappeared from the American vocabulary—fear.

And then on that cold and windy March day of 1933, a man stood with the aid of a cane and looked into the heart of the condition. What he saw there was a picture of stagnation and fear. But then he spoke; and as men and women gathered breathlessly beside radio sets all across this land, that clear, resonant voice came to them bespeaking confidence, and the nation seemed to regain its balance as it tottered there on the brink of the abyss of economic collapse. For the only thing we had to fear was fear itself.

And fear is no longer such a haunting spectre in the process of aging. Retirement has become a happy time of dignity and golden years of fulfillment.

The second thing it has done, I believe, is to reinforce something inherent in the American character to make it a reality, and that is dignity. The Social Security program has given dignity to millions upon millions of American people—the sense that they have earned and paid for a social compact which exists from one generation to the next, the right to have a retirement of dignity and fulfillment.

My recollection of the days before Social Security is intensely personal. I was very young at the time and of an impressionable age. And I suppose when I think of the term "dignity," I personify it in the character of one man—my grandfather.

In 1932, the story of my grandfather was the story of many millions of Americans. For in that year, he, having worked for 23 long years for a national company and being entitled upon the completion of 25 years of faithful service to a pension which would tide him over in his old age, along with all the others employed by that national company for as long as 20 years' duration, was summarily fired. All of them were without a job.

Picture this, if you will: A man of 63 years of age, having devoted the last 23 years of this life to one company and one profession, suddenly without work. There was no Social Security. There was no unemployment compensation. There most assuredly was no such thing as food stamps.

I can remember my grandfather each morning avidly reaching for the newspaper, fire in his eyes and hope in his mind, ready to leave, as he would do each day, and call personally upon everyone who had advertised for anyone to do any form of work, because work was the one thing he most desperately needed and wanted. But, I can remember him coming back each evening, almost visibly shrunken in stature, both drained from his eyes because there were no jobs in 1932 for anybody 63 years of age.

He struggled valiantly to maintain his dignity. My family and I did as many families did throughout the United States: We moved from the little town of Weatherford to Fort Worth, where we could take half of the home that my grandfather and grand-

mother were attempting to pay for and retire the mortgage on, and give them rent in order that they might have the dignity of paying for that mortgage out of what they saved from the use of part of that home. Families were doing that in those days.

Well, today people receive Social Security payments, not as handouts, not as humiliating acceptances of some welfare, but rather as a matter of right; and they receive it in dignity. It seems to me this is what Franklin Roosevelt had in mind when, in 1935, in signing that historic landmark legislation, he said, "This is the cornerstone of a structure which is being built, and is by no means complete."

Over the intervening half a century, we have superimposed upon that magnificant cornerstone guarantees of medical treatment for those who need it and otherwise would be debilitated without it; unemployment compensation for those who are buffeted by the vicissitudes of an economy that they cannot control; job training and retraining; and employment opportunities for young men and women; opportunities for a young couple to own their own home; some Federal guarantee that, despite what might happen, the loan might be paid; and the assurance that every young couple or every young person born in the most humble circumstances in this country might have as his or her birthright the right to an education.

Those things have been building upon this cornerstone. Much of it goes to the vision, the dedication, the determination of men like him whom I am about to introduce to you.

Throughout the years, his faithfulness, his leadership, his ability to see the right, perform the right, his courage to stand for the right, have helped to build upon this cornerstone which he was present at the process of laying. He is, in many ways, the leader of us all. We acknowledge his inspiration as well as his leadership. Mr. Senior Citizen—more than that, Mr. Dignity—yes, that, too, in many ways, Mr. America: Claude Pepper.

[Standing Applause.]

REMARKS OF HONORABLE CLAUDE PEPPER, CHAIRMAN, COMMITTEE ON RULES, U.S. HOUSE OF REPRESENTATIVES

Mr. PEPPER. Thank you very much. Thank you.

I am very grateful to my distinguished friend, the leader, for those very generous and kind words of introduction.

I am privileged to be here with you today to have a part in this great occasion where, on behalf of the American people, the millions of them who are covered by Social Security, we can express to that man who once lived, and that spirit which shall never die, our gratitude for what he has done for so many to make life better and richer.

In the last century, down in the basement of this Capitol a man sent a message by a strange little machine to some people in Baltimore. It was what was known as the first telegraph, sent by S.B. Morse. The message was, "What has God wrought?"

I have on my office wall a picture of the first airplane flight at Kitty Hawk by Orville Wright. Aviation began with that brave pioneer.

Noble and historic were these deeds in terms of meaning to the lives of millions of people. I think nothing is deeper than social security in America. Of all the great deeds that President Roosevelt achieved, I put first his leadership in the destruction of that unspeakable dastard, Hitler; second, his saving of America for democracy; and third, Social Security.

I asked Wilbur Mills this morning: "Wilbur, how many people do you suppose, since Social Security has been enacted, have been the beneficiaries of that program?" You know, of course, the program was enacted in 1935. The payments began in 1937. The first benefits, I think, were paid in 1940. We made meaningful amendments in 1939 and thereafter.

But he said, "If you take all of the aspects of Social Security—the survivors' benefits, the dependent children, the educational benefits, the educational benefits which existed until taken away a little while ago, all other benefits," he said, "possibly 100 million people have been bettered by Social Security."

What a legacy. What a man to lead his country.

I don't like to speak about things so personal, but God has mysterious ways his aims to accomplish. If Franklin Roosevelt had remained a gallent, dashing, young figure—patrician that he was—in health, I don't know whether he would ever have had Social Security or not. I don't know whether we would have had many other social security programs that mean so much to so many. But God, or someone, forced the circumstances and brought the proud, handsome, young Franklin Delano Roosevelt in touch with anguish and reality.

He taught him suffering, and he knew he was not the only one in his country to suffer. He said on one occasion, "When you have struggled for a year just to raise your big toe, you can understand what suffering means." So, he had the great pleasure. He put it in that message that we heard portions of here, in that third annual address known as the "Fireside Chat on Social Security."

He said, "There is one unconquered frontier in America." He knew we conquered the wilderness. He knew we crossed the mountains. He knew we would even master the seas. But we still had not mastered fear and want. And he took it as his heavenly task to make a contribution to that last concept, and he challenged us to the maximum.

Today, there are 38 million people who get a check every month from the Social Security program. There are innumerable people who receive benefits as survivors, widows, children; the diminished program, I regret to say, for those seeking an education. Others live in a better shelter, eat better food, live healthier and happier lives, because they can get that Social Security check every month.

And Roosevelt, I read the other day, made a rather poignant observation about Social Security. One of our great battles has been to keep it from being distorted from the social insurance program it is intended to be, from that into a welfare program where the recipient shall have meekly to approach someone, a bureaucrat, and apply and pass a means test.

Roosevelt thought he had solved that. He said, "I put in there that every man and woman who shares in the hope of receiving benefits under Social Security is to pay out of his or her earnings into that fund." And then he added, "With that in the Social Security law, the damned politicians will never be able to take my Social Security bill away from me." And that is what we must never forget.

What it is today, the recipient of a Social Security check can pick it up out of the mailbox, get it in his Post Office box, pick it up from his home, proudly hold it up before the world: "This is mine. I helped to buy with my money."

And the way so many people feel about it was illustrated on one occasion when I was in Birmingham, Alabama, by a lady whose husband I grew up with. I was sitting in their neat, little home. She was a widow. She was proudly telling me about her two sons. One was a minister and the other a businessman. They were both doing well.

I said, "Eunice, do you have Social Security?"

"Yes," she said, "I have Social Security."

"Well," I said, "then you are well off, aren't you? You have your two sons to help you and you have your Social Security."

She drew herself up. "I don't need my sons to help me. I have my Social Security."

How proud she was that she had that. Let's don't ever let anybody take the quality of that character away from the Social Security program.

Well, we have been engaged in the last three or four years on the defensive. We have fought like everything to perserve Social Security and to protect it. We hope in the years ahead that we will be able to perfect it as Roosevelt dreamed and hoped we might be able to do.

Is there anything to do? Women have not been given full equality under the program. And what about Medicare, medical care for the people of America?

A lady sat by my desk the other day; poured out her heart to me: "I have liver disease," she said. "I'll have to have an operation in the next six or nine months, or I'll be dead in the next twelve. I've been to the hospitals. They tell me I'll have to have $150,000 before I can have the operation, and I'll need another $50,000 before the operation is over."

She said, "I have been able to raise some from kind people—$45,000. What am I to do?" Thirty-five years old, the mother of three children, life hanging in the balance for $200,000.

A little bit ago, I was taking testimony at a hearing. Two lovely daughters were pouring out their hearts as to how they had made themselves destitute, one said, in three months. "My sister and I won't have anything. We have been treating our mother who has Alzheimer's disease. We will be destitute. Who will look after her? Will we have to be destitute to get the benefits of Medicaid?"

I sat across the table from a lady in Florida not long ago. She said, "Mr. Pepper, I am a professional obstetrician." She said, "You just don't realize how many children are born with some defect, some handicap, which in most instances could be corrected, but only the big hospitals in the cities can do that kind of operation. Most of these mothers are poor women who don't have any money. They don't know how to get in touch with the proper people in the big hospitals. The children grow up handicapped for life."

One of Roosevelt's great disappointments was he was taken over by the war and he didn't have an opportunity to develop a medical care plan, a medical care program under which, in the American way, by doing his or her part as best as he or she can, every man and woman and child in America will be able to get the medical care that he or she should have.

Is money so dear and life so cheap that somehow we can't allow that divine spark of life to live as long as may be in those in whom it has been entrusted? In the last

long journey of life, do people have to die ahead of time, live in ill-health or disease because they can't profit by the skills that we have developed, many of them by public funds?

So, I hope we will regard this day not only as a day of appreciation, but a day of gratitude.

God rest you, Mr. President. We will never forget you. We are grateful. But we will not let you down. We are going to fight whatever else there may be and keep the fight up as long as it needs to be maintained until we accomplish not only the preservation and the protection of social security but its perfection. God bless our ends.

[Standing Applause.]

Mr. PEPPER. We will now have a choral presentation by the United States Army Chorale.

CHORAL PRESENTATION—UNITED STATES ARMY CHORALE

Mr. PEPPER. Now we will hear another great actor in the part of the social security story, a man deeply dedicated to that deep objective. He is Chairman of the Select Committee on Aging, and he is performing a magnificent job in the leadership of the fight for the elderly of our blessed land.

I am very proud to present my friend and our distinguished leader of the elderly, the Chairman of the Select Committee on Aging, the Honorable Ed Roybal of California.

[Applause.]

REMARKS OF HONORABLE EDWARD ROYBAL, CHAIRMAN, SELECT COMMITTEE ON AGING, U.S. HOUSE OF REPRESENTATIVES

Mr. ROYBAL. Thank you, Mr. Pepper.

Ladies and gentlemen, I still firmly believe that it is best that I follow ten most excellent members of the Army choral group than one Claude Pepper. [Laughter.]

Ladies and gentlemen, when Social Security was passed many years ago, there were those who predicted it would not survive that decade. But today, on its golden anniversary, Social Security qualifies as one of the great success stories of the century, while at the same time it has a firm foundation for individual financial security in the 21st century.

Social Security is primarily responsible for this country's success in reducing proverty. Fifty years ago, half of all older Americans were, in Franklin D. Roosevelt's words, ill-housed, ill-clad, and ill-nourished. But today, the percentage of poverty among the elderly and the rest of Americans is almost identical. But, if Social Security did not exist, the elderly population—the elderly poverty rates would more than triple and half the nation's elderly would again be ill-housed, ill-clad, and ill-nourished.

Because it does exist, and because it is financially sound, 10 million Americans under age 65 receive Social Security benefits; 5 million children of surviving or disabled parents and other disabled adults depend on Social Security to keep out of poverty. This is a clear indication of how important Social Security can be to a surviving spouse and children and to the security of today's younger workers.

Ironically, some critics still point to Social Security's stunning success as proof that it has outlived its usefulness. To abolish Social Security or reduce its benefits makes about as much sense as doing away with private pensions or IRA's, or forcing healthy people to quit work because of age.

The challenge for Social Security's next years, during the next 50 years, is to preserve and to protect, to defend and improve its benefit package, while also encouraging the growth and development of private pensions, individual savings, and flexible opportunities for senior citizens who have both the ability and the desire to work.

We should make improvements in Social Security for women whose worker years are often interrupted with child care and other family responsibilities. And we should restore the cutbacks which hurt the disabled, which hurt students, and also those retirees who were born after 1916.

I firmly believe that we can reduce Social Security tax rates for all workers. We can eliminate the current tax exemption for those fortunate few who earn over $40,000 per year and, at the same time, continue the sound financing of a system that can provide benefits to a larger participating membership for the people of America.

Yes, ladies and gentlemen, changes should be made, and changes will be made. Social Security will again come under attack, but those changes should be gradual and should be based on common sense. But those changes, however they take place, should be reaffirmations of the principles which have made Social Security the great American success story for the 20th century.

Thank you.

[Applause.]

Mr. PEPPER. Now, ladies and gentlemen, it is my privilege to introduce the next spokesman. He was a Member of the House of Representatives in 1935 when it passed the Social Security bill. He was elected to the House at the same time President Roosevelt was elected to the White House in 1932. He was here during those momentous 100 days when Roosevelt and the Congress saved America from collapse.

He spent 14 years in the House. Then he was out for a while, catching his breath, as it were. Thereafter, he served 26 years in the Senate. He remained in the Senate until the end of last year.

He is still in good health, great spirits, still busy going over America advocating, supporting, helping create good causes. He is a man deeply dedicated to this great cause, because he was in, as they say, at the beginning.

I have the honor to present a great American and my great friend, former United States Senator, former Representative, Jennings Randolph.

[Applause.]

REMARKS OF HONORABLE JENNINGS RANDOLPH

Senator RANDOLPH. Good afternoon, ladies and gentlemen.

As we come to the end of the speaking program, Wilbur will close it out. We have made an agreement not to speak over 35 minutes each. [Laughter.]

Wilbur, I am going to cut it down to a few minutes. I thought you might have a message to take 17 or 18 minutes.

I do want to say the most significant bill ever passed in the Congress of the United States was the Social Security Act of 1935. [Applause.]

Yes, I was just thinking as I sat here with all of you young people today, we all are in that category. You know, we are not here thinking of aging. We are thinking of those we can speak of as being in that period of their lives in praise of age. Wouldn't that be better than aging?

But this is a very wonderful afternoon. I have never seen Statuary Hall come alive before. I look around and I can almost see smiles on the faces of some of those who are here at this time.

I loved the singers from the Army today, that choral group. They sang about the flag. Abraham Lincoln knew what that flag was. And there was a building constructed during his administration, a very small building. It was the Treasury Department. Very small; our deficit wasn't large then.

But they asked the President: "Mr. Lincoln, what part would you want in the program?"

"Well," he said, "I would like to raise the American flag."

So, he made the shortest speech that any Chief Executive of our great and wonderful country has ever made. He said, "I have been assigned to raise the American flag. This, I will do. And after I have raised it up, it will be for the people to keep it up."

I felt today, as I come here with all of you, that this is not the day just out of patriotic fervor, but it is a day of looking back, because, in looking back, America at that period looked forward. Franklin Roosevelt certainly looked back, yes; but he was constantly looking forward.

Yes, I remember when I came to this historic Hill in March of 1933. I will never forget those hours. But, as I sat here today, I was just thinking of F.D.R. over and over and over again. And, you know, of all the legislation perhaps that he fostered, this might be for many reasons perhaps the epitome.

Franklin Roosevelt, I know, would, if he could hear us here today, realize that we are remembering all of those who were a part of that early Congress in 1933. It is not very important, but I have cast 10,753 roll call votes on this Hill. I know I did right when I voted for Social Security in 1935. You know what was that vote? I checked it out today. We had the introduction of the measure on the 11th of April; but on the date, April 13, just two days later, in the House, we voted on a roll call for this legislation, in fact, by a vote of 372 to 33.

Those were the days, you know, the Soviet Union—believe it or not; it can all be proven—they were encouraging Americans who were unemployed in this country to come there and they would give them jobs. This was a time in the history of our country when we were really in trouble and the unemployment reaching sometimes 40 percent throughout the nation, millions of people actually on the move, living in almost cardboard houses in some parts of our country. Those were very crucial days.

So, I repeat: It was on April 13 that we voted on roll call 372 to 33; and then it was on June 19 that the Senate voted 77 to 6. I don't say the House was first. That is not important. But we had to go through two conferences—not one, but two—very difficult conferences. Then, of course, as I remember it, it was the 14th of August when Franklin Roosevelt signed the measure into law.

Today, it doesn't matter how many roll calls you cast, how many Members of the Senate with whom you served. I served with 283. How many House Members? I served with over 600. Yet, that all is not too important, except you permit me, perhaps, the mention of it here today.

I say that this is a happy hour, not just for a few—those in Statuary Hall with Claude Pepper—but for all men and women throughout the country. It is a day not just of memory, but a day of knowing that that which was done was right. Let us hope America will always do right.

Thank you very much.

[Applause.]

Mr. PEPPER. Now, ladies and gentlemen, as our last speaker I wish to introduce a man—he may not have been the father or the mother of Social Security, but he is certainly the midwife, because he was most instrumental in its delivery. He was the assistant to the professor from his university invited to write the Economic Security bill in 1934 by President Roosevelt. He worked intermittently with him, all the way through on to the completion of the enactment of the Social Security bill and for years thereafter. And then, as Assistant Secretary of Health, Education and Welfare, and finally Secretary of Health, Education and Welfare, he has carried on this great program of Social Security.

He has had more to do with the inception, with the birth and the growth of Social Security than any living person. We are proud we can have here today, to tell us some of these people who worked with him and some of the throes of those early days, a great American, the Honorable Wilbur Cohen.

[Applause.]

REMARKS OF WILBUR COHEN

Mr. COHEN. I am especially happy today to have the House of Representatives take the leadership in commemorating the Social Security Act, since the House of Representatives has been so instrumental in the development, the preservation, the protection and the expansion of this magnificent program.

It is especially wonderful for me today to recognize the fact that, 50 years later, we have such a group of men and women in the Speaker, the Majority Leader, the Chairman of the Rules Committee, the Chairman of the Select Committee, and the former Chairman of the Social Security Committee here who have been such loyal protectors of the program. I am especially happy to participate today.

Fifty-one years ago, I was a student at the University of Wisconsin and I came on my longest and most important journey in a rumble seat. Since I didn't have any money, I begged a friend of mine going to Richmond to take me along. And that was 51 years ago when I came to this great city to work with several people who are here with me today, who I have remained both a colleague and a co-worker and a friend, and I want to introduce them to you.

First, a wonderful lady who came with me from Madison, Wisconsin 51 years ago and who did the major research on the German social security and the foreign social security systems: Marianne Sackmann.

[Applause.]

Marianne Sackmann Linnenberg today, but I always think of her as "Sackmann."

Secondly, a young man then who I worked with over these 50 years who has done the major actuarial work on practically every aspect of the Social Security program, and whose integrity has established the integrity of the actuarial estimates: Robert J. Myers.

[Applause.]

No Commissioner of Social Security, no Secretary, no Republican, no Democrat of the Ways and Means Committee, the Senate Finance Committee has ever basically challenged his estimates; although, I will come later to the searching questions of Mr. Mills, who was the only Member of Congress I know who could take Bob Myers on.

The third member here today is my good friend, Robert R. Nathan, who did all of the unemployment estimates in 1934–35 and, in effect, constructed the estimates for unemployment which didn't exist prior to 1934. Bob?

[Applause.]

Today, you take for granted every month when you hear the unemployment estimates being given out, but there is the man who created the concept and developed the basic material upon which we all rely today.

They worked with me and I worked with them in the Committee on Economic Security. We little band of brothers and sisters keep in touch, because we were privileged to be part of this remarkable achievement 51 years ago.

Now I would like to introduce my dear friend of many years, Maurine Mulliner, the Secretary of the Social Security Board from its inception.

Maurine, will you stand?

[Applause.]

When any oral historian today wants to cite something about some initial controversy, they have to go back to her minutes in order to verify what was said or done in terms of the original development of the program.

The first Assistant Executive Director of the Social Security Board, and later the Director of the Bureau of Old Age Insurance, my good friend of many, many years, John Corson.

[Applause.]

I can't see because of the lights. I really can't see out in the audience very well, except if there are any others who are invited today from this group who will come—I don't see them. If there are, I wish you would stand up and I will introduce you.

We invited quite a number more, but 51 years later it is a little difficult for some of them to get there.

I now want to introduce two of the Members of Congress that I have worked with for many years and who have made great contributions to Social Security, as many others have. One of them I worked with for 35 years. I have answered at least 20,000 questions that he asked me over those years. We sometimes have differed; we sometimes had to work closely together; we sometimes had to force compromises. But he has been a loyal and dedicated believer in the principle of social security and social insurance; Wilbur D. Mills, the former Chairman of the Ways and Means Committee.

[Applause.]

And my own Congressman, who was Chairman of the Subcommittee on Social Security until recently and still is a Member of the House Committee on Ways and Means—and if I had 10 minutes, I would tell you what I think a great committee the Committee on Ways and Means is and what he has done to help defend Social Security, particularly the disability program: Jake Pickle, Congressman from Austin, Texas, a great city with a great university.

[Applause.]

Being a professor, I only speak in 50-minute units.

There were giants on the earth in 1935, giants in the Executive Branch, in the Legislative Branch, and in the Judicial Branch. The 74th Congress, which convened in January of 1935, had a rendezvous with history. It was to be an era of social reform at the national level, such as that which swept the States and the nation some 25 to 30 years before.

In five short months in 1934, the basic framework of the Social Security Act was formulated, and in seven months the Congress of the United States perfected it and enacted it into law. A monumental change in public policy was underway which was to have a tremendous impact upon generations to come.

Franklin Delano Roosevelt sent to Congress on January 17 a persuasive message of only 2½ pages, accompanied by a comprehensive report of 74 pages—a brilliant report, I might add. The latter report of the Cabinet Committee on Economic Security was prepared under the direction of a most remarkable woman, Frances Perkins, the Secretary of Labor and the first woman Cabinet member in the history of our nation. She has not really gotten her full due.

The report was written by Edwin E. Whittey, my professor of economics from the University of Wisconsin who, in 1934, contained in his one brain all of the encyclopedic information about social security throughout the world.

This report was orchestrated by one of the greatest public administrators I have ever known, Arthur J. Falkmeyer, an Assistant Secretary of Labor who later became the Chairman of the Social Security Board and who, with the help of several of the people here—Maurine and John and others—created the administrative structure on a nonpolitical, nonpartisan, merit basis that put the program in effect.

The proposed legislation, 63 pages in length, was sent up on the same day by the President and was called the Economic Security Act, or bill. It was primarily drafted by Thomas E. Eliot, a young man in the Labor Department whom we invited today but could not come, whose legislative insight subsequently earned him the great opportunity, cherished by many of you and by John Quincy Adams, since he later earned a seat in the House of Representatives.

The bill was introduced in the House on the same day by the Chairman of the House Committee on Ways and Means, that large, rugged farmer from North Carolina, Robert L. Doughton, nicknamed "Huey," and the sweet, gentle former coal miner from Maryland, David Lewis; and in the Senate by that nationally known leader of social legislation, Senator Robert F. Wagner.

The urgency and the uniqueness of this historic occasion was demonstrated by public hearings which began almost simultaneously in both Houses, in the House Ways and Means Committee and the Senate Committee on Finance.

But, in deference to the law of physics which holds that a person cannot be in two places at the same time, the Senate appropriately deferred to the constitutional prerogatives of the House of Representatives that all tax legislation must originate in the House, and began hearings two days later so that Professor Whittey could testify in both committees, which he did within 48 hours.

The nation was in such critical times, as Jennings Randolph and others have said, that there was an urgent need for prompt action; and I doubt there have been many times in our history when both Houses have hearings simultaneously on a single bill of such magnitude.

The hearings in the House took place between Monday, January 21, and February 7, 1935, and totaled 1,141 pages of testimony, the committee going into Executive Session almost immediately, and in less than two months, they reported out a clean bill.

In the Executive Sessions of the Committee on Ways and Means, there were, as there have been ever since, the legislators and lawyers, such as John W. McCormack of Massachusetts, later the Speaker of the

House, and the man whose gavel passed the Medicare and Medicaid bill in 1935 in the House; Jere Cooper of Tennessee, who later became the Chairman of the Ways and Means Committee; Fred Vinson, who later became the Chief Justice of the United States; and John Dingell, the father of the present distinguished Chairman of the House Committee on Energy and Commerce, who was the House sponsor of the first national comprehensive insurance bill in 1943.

Day after day, these distinguished legislators went through the bill line by line, page after page. A lot were new, innovative, far-reaching ideas, new proposals, changing, elaborating, clarifying under constant questioning from Members of both the committee and of another towering figure in the House, Mr. Middleton Beaman, the House Legislative Counsel. Mr. Beaman was the first Legislative Counsel of the House, and I know not how many legislative innovations he drafted during his tenure from 1916 to 1949, but in his absence I will say that the Social Security bill was certainly one of the greatest accomplishments which he achieved, with the help of Tom Eliot.

And Jere Cooper, later on the Floor when he retired said, "It was my privilege to attend many conferences with the late President Roosevelt, with the Attorney General of the United States and other officials who were working on that important measure. We found the advice and counsel of Mr. Beaman to be valuable at all times, and it is my conviction that the measure today has served the test of constitutionality largely because of the contribution by Mr. Beaman."

Ever since, I think even during the tenure of Mr. Mills, we will learn the tremendous contribution made by the House Legislative Counsel in the perfection of legislation.

When the clean bill was reported out and the committee was in Executive Session, somebody said—we can't remember who it was—"Well, we have to distinguish the clean bill from the old bill."

Well, the old bill was called the "Economic Security" bill. So somebody said, "Well, call it the 'Social Security' bill. That will distinguish it."

No one thought much of this change at the time. It was a rather routine discussion. But this term spread first to New Zealand and then around the world, so that today this concept, this term, this Americanism has worldwide recognition just like Classic Coca-Cola.

The Minority report, however, of the Members representing the Minority party on the committee made five objections to the old age plan that we today call "Social Security." I would like to just read them to you.

The first was that it was unconstitutional. Well, that was overcome.

The second was it would destroy private pension plans. Even with all the pension plans that were in existence that day, at that time, on the railroad—there were only 400 in the United States as of that time—it not only did not destroy them, there are thousands upon thousands today which it helped to create.

Third was, it would retard the economic recovery. And the interesting thing, they said, if that is so, don't put a payroll tax on; pay it all out of general revenues. I think the present Administration would fall over if that is what had happened in 1935. But that is what the Minority group did then.

They said it would establish a bureaucracy in competition with private insurance. As a matter of fact, private insurance today has accelerated expansion particularly in light of this, because of Social Security.

Forth, it would impose a crushing burden upon industry and labor.

I tell my students—and I use this—don't believe everything you read. The House of Representatives did not agree with the Minority report. It passed on April 19 by a vote of 392. But there was a motion to recommit, to strike out the old age plan, which was defeated 149 to 253, and thereby stands the great contribution the House of Representatives made, because the Senate did try to emasculate the program. But it was the House of Representatives that recognized the nature of the plan and its importance, and it is the plan we have built upon today.

It is often overlooked that the Social Security Act also provided the basis for stimulating all the States to add State unemployment insurance laws, to finance nationwide employment service, for the establishment of maternal and child health, crippled children, aid to the blind, aid to dependent children for the basic Federal structure of public health grants, the permanent continuation of the vocational rehabilitation program. All of those were just little add-ons in the program of 1935.

In effect, what that Act of '35 did, in addition to old age, is it built into a permanent structure the nationwide safety net which progressive legislators of both political parties have been struggling to build for the previous 146 years without the basic help of the Federal Government until Franklin Delano Roosevelt came along.

Now, the other body did act promptly, reporting a revised bill on May 20, but proceeded to make several basic changes in the House bill, a few that were improvements but several retrogressive steps. One of the changes passed June 19 proposed to allow private pension plans to contract out a social security old age system, thus I think—and I think Mr. Heinz will agree with me—undermining the actuarial foundation and the portability and universality of the plan.

The House rightfully and prophetically refused to accept this basic departure, and that was the nature of the first conference report. They sent the bill back to the Senate for a second conference. Just think how far-sighted they were.

The technical problems presented by the idea of contracting out were so monumental that it was never possible to work it out in any reasonable period of time in 1935. The Senate then backed down and the House accepted the conference report on August 8, and the Senate on August 9, without the emasculation that the Senate provided, and a new day dawned in the United States.

Franklin D. Roosevelt, in his jovial mood, radiating the confidence which helped to restore the confidence of the American people in those difficult days, affixed his signature to the bill five days later. You heard several quotations from him. I won't repeat them. But I will give you a couple that have not been quoted.

"We can never insure 100 percent of the population against 100 percent of the hazards and vicissitudes of life," he said, "but we have tried to formulate a plan which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty-riddled old age."

In addition to his famous statement that it is a cornerstone in the structure but is by no means complete, he recognized the incremental nature of what had to be done, which occurred in 1939 with the addition of survivors' insurance; in 1956 with disability insurance; in 1965 with Medicare. And I am sure I can say without contradiction, if he were here today he would say it is still not complete.

It was enacted as a protection, he said, to future administrations in the necessity of going deeply into debt to furnish relief to the needy, to flatten out the peaks and valleys of inflation. It is, in short, a law that will take care of human needs and, at the same time, provide for the United States an economic structure of vastly greater sounding.

That is the philosophy of the economic stabilizer which Social Security has provided for the economy that has flattened out some of the worst ups and downs of our economic cycle.

Now, in my opinion, the Social Security Act of 1935 was, in one sense, a quantum leap in social policy; but, in another sense, also an incremental development, a social policy development. Under President Roosevelt's magnificent leadership, he broke with the negative Federal policy advanced by President Pierce and supported by President Hoover in expanding public and Federal responsibility for dealing with the problems of old age, unemployment, disability, health, welfare, and childhood dependency.

Yet, under his leadership, he carried that out in a way built upon well-accepted institutional practices. It utilized the widely understood pooling of the risk concept prevalent in private insurance by applying it in principle to social insurance in old age and unemployment and Federal/State cooperation in connection with unemployment insurance, welfare, rehabilitation, public welfare, child health and social services.

The Act, in my judgment, was thus an expression of the ability of the Roosevelt Administration and his advisers to combine both a radical and a conservative program in one legislative package. The Act has served as a mechanism over the past several decades, at least until 1981, to stimulate increases in both public and private expenditures for social security, health, welfare, and social services that have become a built-in stabilizer of consumer purchasing power permitting the continued function of the marketplace profit, collective bargaining system and a work-oriented free enterprise economy.

But President Roosevelt was concerned about the future of his handiwork; and, as you have been told, he was very concerned about the possible future, political changes and proposed cutbacks or repeal of the Social Security System in the future. Thus, he supported and justified the use of contributory social insurance by employers and employees paying the costs to finance the program as the method that would assure continuation and support of a statutory and political rights of individuals to receive benefits without an income or needs test in times of financial or budget constraints.

In my opinion, he foresaw the present and he built in adequate defenses against it. He helped establish the principle that social security was a social compact, a solemn commitment which the Congress made to the contributors of the system and which have nothing to do with the deficit.

At the time he signed the Act into law, President Roosevelt explained the basic incremental nature of the program and contemplated, as did the Committee on Economic Security, that eventually there would be survivors' insurance and disability insur-

ance and Medicare, and hopefully national health insurance in the long-distant future. The building of the program has been a continuing process during the past 50 years which Roosevelt expected to go on until the program provided protection, as he said, against all the major hazards of life.

In my opinion, the task is still incomplete. There is a lot more to do. And I am certain that the House of Representatives will do that in the future.

It is obvious, as you look about the world, there is no one best or simple way to provide social security. There have to be accommodations to differing viewpoints and conditions. But, just as there are ways to form a more perfect union in marriage and in merchandising, there are even better ways to raise children than I know of, and there are better ways to improve family life, so does the Social Security.

But the one thing I learned in 50 years is, you got to build on what you have got. You can't constantly reform or restructure everything all the time and tinker with it in the hopes that it will improve it. When it isn't broke, as it isn't, don't fix it.

Nevertheless, the 1935 Act represents a significant and innovative step which created a workable institutional network, which has now survived 9 Presidents and 25 Congresses. There is no current evidence, in my opinion, despite harsh criticism and many proposed alternatives, that the Congress intends to change the basic structure, the fundamental philosophy or financing arrangements of the social insurance feature of the present law.

Although the provisions in the Social Security Act undoubtedly will change—and I hope improve in the future, as it has in the past—in my judgment, based on these 50 years, it will remain a dynamic and influential factor in the American economic, social and political life. And 50 years from now, people will still get their benefits and the system will still be financially sound, and I invite you to come back with me 50 years from now and celebrate that occasion.

[Applause.]

Certainly, the Social Security Act is one of the 10 greatest pieces of domestic legislation in the history of our republic. The House of Representatives, its Speakers, its Majority Leaders, its committee chairman of the Subcommittee on Social Security, have been its initiator over the years, its defender, its protector, and its mentor until this very day. May it always be so.

Thank you.

[Applause.]

Mr. PEPPER. Ladies and gentlemen, I wish to thank all of those who have contributed to this great occasion. I especially want to thank the United States Marine Corps Color Guard, the Combo, and the United States Army Chorale for all the magnificant muscial renditions which we appreciate very much.

You have in front of you—I want this row to stand over here; and the first two people and one right down there in this row, please stand up.

This is the committee that worked with us in putting the program together: The Honorable Bert Siedman, representing the Honorable Lane Kirkland from the American Federation of Labor; Jake Kliman; William Hutton, Executive Director of the Council of Senior Citizens; the Honorable Peter Hughes, one of the leaders of AARD; this great lady here, Maggie Kuntz, founder and head of the Gray Panthers; and Mr. Andrew Riden, head of the Aging Council.

Over here—I want him to stand up, too—Judge Hansen of the great international organization called the International Eagles. He came all the way from the West to be with us on this occasion. For many years, on the 14th of August, the date when President Roosevelt signed the Social Security bill, his organization, the International Eagles, has had a ceremony at Hyde Park to commemorate the significance of this great occasion.

Judge Hansen, we are grateful to all of you for being here with us today.

[Applause.]

This red-headed, tall, young man back here is the General Counsel to the Rules Committee and Staff Director of that committee. His name is Tom Spulak. He has been working with this committee and has put our program together. We are very grateful to you, Tom.

[Applause.]

Now we will have everyone rise, if you will, please.

I want to thank, in the warmest way, every one of you for being here. I hope you will go out and carry the message of gratitude for Social Security and determine that you will always be one of its preservers and its protector.

After our benediction, the audience will please remain standing; and, with the chorus, we will sing "God Bless America."

BENEDICTION

Reverend FORD. Let us pray.

The Lord bless us and keep us. The Lord make His face shine upon us and be gracious unto us. The Lord lift up His countenance upon us and give us peace. Amen.

SINGING OF "GOD BLESS AMERICA"

Mr. PEPPER. Goodbye. God bless.●

HOW TO BREAK THE ARMS CONTROL IMPASSE—A STAR WARS SOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. MCEWEN] is recognized for 5 minutes.

Mr. MCEWEN. Mr. Speaker, in a recent issue of the *New Republic* former National Security Adviser Zbigniew Brzezinski provided a cogent insightful observation concerning our Nations Strategic Defense Initiative. I commend the article by Mr. Brzezinski to the attention of my colleagues and ask that it be included in the RECORD.

HOW TO BREAK THE ARMS CONTROL IMPASSE

A STAR WARS SOLUTION

The usual *danse macabre* of American-Soviet arms control negotiations is about to begin. The process is typically initiated by a Soviet announcement to leaders of the U.S. government, and to the myriad self-appointed American accommodationists trooping to Moscow to seek on their own a "fair" solution, that the ongoing stalemate is due entirely to American rigidity. The Soviets insist that they cannot give an inch, and that only a massive display of American good faith—translated into unilateral concessions—can revive the negotiations.

In the late 1970s the Soviets made it clear that progress in negotiations would be contingent upon U.S. abandonment of its cruise missile program. In 1984 they premised even the beginning of arms control talks on the dismantling of the U.S. Pershing and cruise missiles already deployed in Europe. Then the MX missile came to be designated as the impediment to any compromise. And now the Strategic Defense Initiative, Reagan's so-called Star Wars proposal, has been identified as the mortal enemy of arms control.

These arguments are then faithfully reproduced on the Op-Ed pages of U.S. and West European papers. Renowned professors, former ambassadors, various politicized scientists, and leaders of the arms control lobby plead for a demonstration of American good faith—which happens to coincide with the acceptance of what the Soviets are demanding at the time. The process of negotiation thus begins in earnest—but among us Americans! The Russians, meanwhile, sit at the table in Geneva and wait for the eventual U.S. concessions.

It is a normal procedure for the United States to prepare for serious negotiations with the Soviet Union by defining a tough opening gambit, to be followed by a more flexible position that would be exercised in conjunction with some demonstrated Soviet willingness to compromise. But it is usually only a matter of time before some disgruntled official leaks the substance of the fallback position to one of the ex-ambassadors, peace-loving professors, or any one of the 535 representatives and senators who have lately become our surrogate secretaries of defense and state. Any one of them then feels free to publicize the fallback position as his constructive suggestion. Indeed, the latest fashion is to compose a joint letter published under three or four prestigious signatures, strongly urging the U.S. to make further unilateral concessions in order to convince the Soviets that we are negotiating in earnest. After we prove our good intentions, the Russians may be prepared to accept our third—or fourth—fallback position as a proper match for their own unyielding position.

The Soviet argument against SDI and the domestic critics' case against SDI are politically complementary. The Soviets say that SDI threatens the militarization of space, and that there will be no arms control agreement unless it is abandoned. The American critics say SDI will not work, that it will cost too much, that the Soviets can very easily overcome it, and that the Soviets are dreadfully fearful of it. The logical inconsistency of these arguments is less important than the political symmetry of their intended effect—namely that the U.S. should unilaterally forgo the SDI program.

In fact, nothing could be more damaging to the prospects for real arms control than the jettisoning of SDI. Indeed, the time has come for the United States to bite the bullet on the SDI question. Only if a strategic defense system is deployable within the next decade or so, and only if our will to deploy it is proven credible, can the United States trade it for a genuine and comprehensive arms control agreement with the Soviets. It is essential that this system be capable of disrupting and rendering militarily useless a Soviet first strike by intercepting missiles early in flight or by knocking them out as they descend toward the United States. Anything less than that virtually guarantees that there will be no comprehensive arms control agreement.

The reason for this proposition, unpalatable though it may be to the arms control lobby, is rooted both in the changing character of nuclear weaponry and in the nature of Soviet strategic deployments. In the 1970s both sides enjoyed large strategic forces whose primary function was to pose the threat of annihilation to the other country. These systems were not susceptible

to preemptive destruction. The emerging reality of the 1980s and 1990s is that both sides are deploying far more accurate weapons. These weapons are capable of a preemptive first strike that could eliminate the opponent's strategic forces—and prevent effective retaliation. For the first time it is possible to contemplate the possibility of an attack that destroys an overwhelming majority of the other side's forces while also disrupting its command and communications structures to such an extent that any response would be marginal, spasmodic, and conceivably not totally destructive. In short, as accuracy increases so does the benefit of striking first.

This is not to argue that the Soviets (or the United States) are likely or certain to launch a first strike. It is simply to say that the nuclear relationship is growing ever more precarious. This is the current danger in the American-Soviet military situation. It needs to be addressed and resolved by the arms control process, if possible; or unilaterally, if arms control remains stalemated.

But there is another problem raised by the advent of the highly accurate weaponry. The Soviet Union is now deploying such forces in large numbers; the United States is not. How can we negotiate effectively in this situation? We somehow have to convince the Soviets to limit the further deployment of their new SS-24 and SS-25 missiles, and to limit significantly the deployment of existing SS-18s and SS-19s, all of which have counterforce capability. Without such limitations, by the early 1990s the Soviets—even by conservative estimates—will have enough missiles to place the entire U.S. arsenal in jeopardy. Only our Trident and Poseidon submarines already out at sea *might* escape destruction from a Soviet first strike. And with the confusion and resulting disintegration of communications systems, the submarine forces might not be in a position to retaliate effectively.

In contrast, the United States is not likely to be able to threaten the Soviet Union in a comparable way. No ongoing or likely deployment program will enable us to launch a disarming attack. Even if the U.S. had some form of strategic defense in order to protect its missile forces, we would still have far too few MX missiles, D-5 missiles on Trident submarines, and Midgetmen to even permit contemplation of such a disarming first-strike attack at any point between now and the end of the century.

In these circumstances, the decision to go ahead with the SDI makes eminent sense. But it also means reformulating it politically and strategically. The U.S. should drop or at least de-emphasize President Reagan's idealistic hope for total nuclear defense for all our population. We should also abandon our unwillingness to consider SDI in the bargaining process. If we implement that part of the SDI program which by the mid-1990s would enable us to disrupt a Soviet first strike, we would reinforce deterrence and promote nuclear stability. That means concentrating on terminal defense and boost-phase interception.

Once we establish our determination to act on the SDI, we are in a better position to strike a bargain. We can say to the Soviets that we both face essentially two choices, one mutually beneficial, the other especially costly to them, but both stabilizing. The first choice is to renegotiate the 1972 ABM treaty to permit deployment of strategic missile defense, but without either side improving its ability to carry out a first strike. Then, in return for significant reductions in SS-24s, SS-25s, SS-18s, and SS-19s, the United States would not deploy its strategic defense system. The second option would be pursued if Soviets were unwilling to accept such a bargain. The United States would unilaterally terminate the ABM treaty and proceed with SDI. This would render the Soviets' new generation of accurate missiles useless and wipe out their multibillion ruble investment in them.

Some critics of the SDI argue that the Soviets could respond by vastly increasing their offensive deployments. There are two problems with this line of thinking. First, if the Soviets do respond by building up, they will confirm the ominous suspicion that they are intent on preserving a first-strike capability against the United States; if so, the urgency of negating that threat is all the greater.

Second, if the Soviets expand their offensive forces, the strategic defense could be expanded proportionally. Remember that such a system would not need to be foolproof since it would not be designed to defend populations; it would only need to be capable of significantly disrupting an attack on U.S. strategic forces. In such a competition we would have the advantage. It would be far cheaper for us to add defensive missiles than for them to add highly accurate offensive missiles. (Those who make the most ambitious claims for the SDI should bear in mind that we could not compete so well if we were seeking to build a foolproof defense of our cities. If our defense had to be 100 percent effective, it would cost us far more to expand it than it would cost the Soviets to expand their offensive forces.)

To shape such an effective U.S. defense strategy and a meaningful negotiating posture, President Reagan's SDI needs to be redefined. We must show the Soviets both that we can deploy a strategic defense system soon and that we will negotiate over its deployment if they are willing to make stabilizing reductions in their offensive missile forces. In the event of Soviet unwillingness to accept such an arrangement, we would be in position unilaterally to achieve strategic security for ourselves. And because the SDI would not be accompanied by a massive deployment of disarming first-strike offensive U.S. systems, we would in no way increase our strategic threat to the Soviets. Either way SDI promises a genuinely stabilized nuclear equilibrium between the United States and the Soviet Union. The time to act is now.

LOBBYING REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. HAMILTON] is recognized for 5 minutes.

● Mr. HAMILTON. Mr. Speaker, our current lobbying disclosure law is not working well. Enacted in 1946, the Federal Regulation of Lobbying Act was designed to find out who the lobbyists are, how much they are spending on lobbying activities, and who their financial supporters are. Failure by lobbyists to comply could result in criminal penalties of imprisonment or fines, and restrictions on future lobbying. The law is rather limited in scope. For example, a description of the kinds of lobbying activities engaged in is not required. In 1954, the Supreme Court upheld the act's constitutionality, but in doing so further restricted its scope: Direct lobbying—directly and personally communicating with Members of Congress to influence legislation—is covered, but not indirect lobbying or some types of grassroots lobbying—stirring up a Member's constituents about a particular issue. Moreover, organizations that spend their own money to lobby are not covered.

The result is an act that seems more loophole than law. Currently, far fewer than half of the estimated lobbyists in Washington register, and some experts estimate that the amount spent on all types of lobbying may be 10 times higher than reported. The Justice Department has not tried to enforce the law since the 1954 Supreme Court decision. Adoption by lobbyists of state-of-the-art technologies is causing additional problems, as the source of the lobbying contacts becomes more and more difficult to detect. Lobbying organizations now use proxy mailings to contact Congressmen using constituents' names, develop artificial constituencies for a cause through the use of highly sophisticated computer mailing lists, and use laser printers to make up individualized grassroots letters for their members on what appears to be personalized stationery.

In an effort to improve the public disclosure of the nature and extent of lobbying activities, I am introducing two proposals embodying quite different approaches. I am introducing them in order to get the general concepts advanced and the congressional debate underway; I am open to suggestions for revising specific provisions. The first, the Public Disclosure of Lobbying Act of 1985, is essentially the tough lobbying reform bill passed by the House—but not the Senate—in 1978:

Instead of requiring registration only of groups whose principal purpose is to lobby and who receives funds from others to lobby, anyone who spends more than a specified amount of money or time lobbying must register.

It requires disclosure of an organization's lobbying activities, including basis information on issue interests, paid professionals who lobby on its behalf, and itemized expenditures relating to lobbying. It also requires disclosure of extensive grassroots lobbying activity.

Violators would be subject to civil as well as criminal penalties.

I prefer this approach of broad disclosure with tough sanctions. But, frankly, I believe it would be difficult to pass at the present time. Such a reform proposal failed to pass in the late 1970's even though there was a considerable push for post Watergate reforms, strong support by President

Carter for lobbying reform, and less emphasis on deregulation than today.

Thus I am also introducing a second proposed bill, the Integrity in Lobbying Act of 1985. Senator DURENBERGER is introducing identical legislation on the Senate side. This second approach calls for broader disclosure of more relevant lobbying information, while requiring less recordkeeping. The penalties for noncompliance are less strict as well:

It covers a broader spectrum of lobbyists, and covers grassroots and other indirect lobbying efforts, as well as traditional direct lobbying.

It expands the information to be reported, including rough estimates of expected lobbying activities, the amount of time spent by volunteers on lobbying activities, and the number of media contacts for the purpose of lobbying.

It will make the information easily accessible to Members through the congressional computer system. The information will also be retrievable according to subject area.

It will ease the recordkeeping burden on lobbyists by requiring only general estimates, and will make the reporting form easy to fill out—probably a one-page standardized form with boxes to check and space for short descriptions.

It tries a novel approach of having the disclosure voluntary, relying upon the value lobbyists place on their respectability.

This self-regulatory approach may be more plausible than it sounds at first. Some 6,500 lobbyists register under the current system, even though compliance is not enforced and the act is burdensome, not many organizations have a principal purpose of personally lobbying members, and Members of Congress have limited interest in the information reported. Moreover, recent studies have indicated that lobbyists value their respectability as their most important asset—ahead of money, membership, contacts, and allies. If Congress declares that such disclosure is important, and greatly simplifies the filing process, actual compliance might be high. In addition, although it is a voluntary process, those who choose not to register may lose some of their credibility on Capitol Hill.

It should be noted that the Integrity in Lobbying Act of 1985 is drafted to be an addition to current law, rather than its replacement. For those engaged in lobbying activities not covered by present law, the bill sets up a new reporting system. For those engaging in the limited lobbying activities covered by the 1946 act, the bill would encourage them to file under the new expanded and simplified reporting system; but if they decide not to, they would still be required to file under the 1946 act. In short, there is no loss from the present system, but significant possible gain.

Overall, the emphasis of this proposed bill is on providing Congress with management information—timely, general information of what lobbyists are up to in order to get a good feel for what pressures are being brought upon the legislative process—rather than on getting incriminating information, trying to catch lobbyists lying or engaging in sinister activities. Lobbyists play an important role in our democratic process, and their activity should not be stifled. However, it is in the best interest of Congress and the general public to know what sort of lobbying activities they are engaged in. As the Supreme Court pointed out in its 1954 decision:

> Present day legislative complexities are such that individual Members of Congress cannot be expected to explore the myriad pressures to which they are regularly subjected. Yet the full realization of the American ideal of government by elected representatives depends to no small extent on their ability to properly evaluate such pressures. Otherwise, the voice of the people may too easily be drowned out by the voice of special interests masquerading as proponents of the public weal.●

TELECOMMUNICATIONS TRADE ACT OF 1985

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado [Mr. WIRTH] is recognized for 5 minutes.

● Mr. WIRTH. Mr. Speaker, today I am introducing, along with my colleague, Congressman JAMES J. FLORIO, of New Jersey, the Telecommunications Trade Act of 1985. This legislation deals with one of the most important areas of international trade, and one of the most important sectors of our economy—telecommunications.

The telecommunications industry is absolutely critical to the continued health, growth, and international competitiveness of the United States. Indeed, it is the economic infrastructure of the future—the brick and mortar foundation upon which this Nation can continue to build its economy in the information age. It is an area of international trade in which the United States provides products and services of extremely high quality, yet one where we have seen our trade posture seriously eroded in recent years—from a surplus of almost $1 billion in 1980 to a deficit of over $600 million in 1984.

This legislation is intended to deal with one of the key trade problems facing our telecomunications industry—restricted access to foreign markets. However, in setting forth a framework to open access by U.S. telecommunications suppliers to foreign markets, we must not simply slam the door to foreign competition in our market. Protectionist measures are not the answer. This bill rejects a protectionist approach. This moderate legislation is proactive—not reactive—intended and designed to open foreign markets through negotiations—not to close ours.

It represents a balanced, reasoned approach to the opening of international markets to the U.S. telecommunications industry. This legislation strikes a balance between negotiations and flexibility and, where markets are found restricted to U.S. firms, forceful remedial action.

As a result of a series of deregulatory decisions, the doors of the American telecommunications market have been thrown open to foreign competitors. Foreign companies enthusiastically entered our telecommunications market at unprecedented levels. But unfortunately, American telecommunications companies have been unable to equal our foreign competitors' success in exports.

Much of this problem is attributable to foreign markets that are characterized by government-owned telecommunications monopolies and a degree of government intrusion that substantially restricts U.S. access to those markets. Market access, however, is not the only problem affecting telecommunications trade efforts. The overvaluation of the dollar, for instance, has resulted in noncompetitive prices for telecommunications products sold abroad.

Moreover, American telecommunications businesses must rise to this trade challenge. They must recognize that the former domestic market has been transformed into a larger, global market, and they must engage in more extensive marketing efforts if they are going to cope with this new reality.

Our telecommunications industry is the world leader—it can compete successfully with anyone in the world, but it needs open access to foreign markets to compete; and we need to compete to sustain our economic and technological growth and development.

Government cannot improve our telecommunications trade posture singlehandedly. It cannot design, manufacture, or sell products. It can, though, create an environment conducive to exports—and that is the trust of this legislation.

Recognizing that negotiations are the most desirable method of achieving this open access to foreign markets, the bill contemplates a period of at least 18 months during which negotiations would occur. During this time, the Secretary of Commerce is directed to undertake a thorough investigation to determine whether U.S. companies are being denied equivalent access to a particular country's market.

The legislation is aimed at achieving market opportunities for U.S. suppliers in foreign markets on a level that

is equivalent to the access afforded the foreign suppliers in the U.S. Foreign governments are not, however, required to have a market that is the mirror image of the American market. Instead, they must provide substantially equivalent access.

While much attention has recently been focused upon the trade imbalance with Japan, the bill does not focus upon one foreign market. Instead, it recognizes that efforts must be made in a number of foreign countries that are currently characterized by pervasive government intervention that bars or restricts access by American telecommunications suppliers.

In addition, the bill covers both telecommunications equipment and service. By including services, U.S. companies will be able to gain access to telephone lines for purposes of reselling them as part of a value-added network or some other value-added offering. Our trade negotiators must focus not only on telecommunications equipment, but also the provision of telecommunications services by U.S. firms—an area which can very much serve to improve our overall trade balance in this sector.

While the bill offers the administration flexibility in choosing what is the most desirable means to open foreign markets—and does not call for the automatic imposition of some overly harsh sanctions that may do more to disrupt free trade than open up foreign markets—it does require that the President take some concrete action to remove identified trade barriers—either through some action by the Federal Communications Commission in, for example, its registration program, or through remedies under existing trade law.

Now is the time to act to open foreign markets to American telecommunications suppliers. By enacting this legislation, we will be assuring that the United States maintains its position as the world leader in telecommunications—a position that will assure the future health and growth of our entire economy.

SUMMARY OF THE "TELECOMMUNICATIONS TRADE ACT OF 1985"

INTRODUCTION

Among the fastest growing areas of world trade is the telecommunications equipment and services industry. Still, the United States balance of trade in telecommunications has significantly deteriorated in recent years—from a surplus of almost $1 billion in 1980 to a deficit of over $600 million in 1984—in large part as a result of barriers to foreign telecommunications markets. This telecommunications trade trend must be reversed to preserve the health, growth and competitiveness of the U.S. economy and telecommunications industry. The continued growth of this key industry is critical to the development of new and innovative telecommunications equipment and services for the American consumer and the preservation of American jobs.

The telecommunications industry is vitally important to the U.S. economy and promises to be a major component of international trade in the future. It is an area where American products and services are of extremely high quality and consequently, legislation directed specifically at this sector is essential to the encouragement of continued U.S. technological and economic preeminence.

PURPOSE AND STRUCTURE OF BILL

The Telecommunications Trade Act of 1985 is designed to open up foreign markets to U.S. telecommunications equipment and service suppliers rather than closing the domestic American markets. Recognizing that negotiations are the most desirable method of achieving this open access to foreign markets, the bill contemplates a period of at least 18 months during which negotiations could go forward prior to the institution of any necessary remedial actions.

The legislation is aimed at achieving access to foreign markets on a level that is equivalent to the access afforded the foreign suppliers in the U.S. Foreign governments are not, however, required to have a market that is the mirror image of the American market. Instead, they must provide "substantially" equivalent access.

While much attention has recently been focused upon the trade imbalance with Japan, the bill does not focus upon one market. Instead, it recognizes that efforts must be made in a number of foreign markets that are currently characterized by pervasive government intervention that bars access to American telecommunications suppliers. Moreover, the bill covers both equipment that is designed for use in providing or receiving telephone service, and services such as the resale of private lines. By including services, U.S. service providers will be able to gain access to telephone lines for purposes of reselling them as part of a value added network or some other value added service offering.

After negotiations, if it is determined that a country is denying equivalent access, the President must take remedial measures to open the foreign market. Again, the theory of the bill is that negotiations aimed at opening up foreign markets is the preferred course, but if barriers continue, some firm action must be taken. The bill requires the President to direct the Federal Communications Commission (FCC) to take action which restricts or denies access to foreign suppliers of the foreign country. However, if the President takes action under the Trade Act of 1974 such as imposing duties or import restrictions—which until now he has not done—he would not be required to implement a sanction through the FCC.

PROCEDURES

The bill sets forth the following procedures for identifying foreign telecommunications markets that may be restricting participation for U.S. suppliers and the steps to be taken in order to open up those markets.

After contemplated negotiations occur, the Secretary of Commerce is required to determine whether any foreign country which might provide a substantial market for U.S. telecommunications suppliers is denying equivalent market access to U.S. suppliers. The Secretary's investigation must also consider the marketing efforts made by U.S. suppliers, the competitiveness of their prices (which requires an analysis as to the effect the value of the dollar is having on telecommunications trade), the impact of market access gained by United States companies by virtue of joint ventures or foreign manufacturing plants, and the impact on U.S. employment.

In addition to the Secretary's initial investigation, any interested person can petition the Secretary to find that a foreign market is denying equivalent access to U.S. suppliers.

If the Secretary finds that a foreign country is denying access, the President would be required to take enforcement action by directing the FCC to restrict access to the U.S. telecommunications market.

If the President takes action under the Trade Act of 1974, however, he would not be required to implement restrictions through the FCC.

The Secretary must conduct an annual review to determine whether the purposes of the Act are being fulfilled.

FINDINGS OF THE BILL

Congress finds that:

(1) trade in telecommunications equipment and services is one of the fastest growing areas of world trade and is expected to reach $700,000,000,000 by 1993;

(2) the United States balance of trade in telecommunications equipment has deteriorated significantly in recent years, falling from a surplus of nearly $1,000,000,000 in 1980 to a deficit in 1984 of more than $600,000,000;

(3) the United States deficit in telecommunications equipment trade is the result of an increase in imports into the United States market for telecommunications equipment that greatly exceeds exports by United States suppliers of telecommunications equipment;

(4) the increase in imports into the United States market by foreign suppliers of telecommunications equipment is in part a result of the open nature of the United States telecommunications market;

(5) the recent decline in the rate of growth of United States exports in telecommunications equipment is in part a result of barriers to participation in foreign telecommunications markets that are characterized by pervasive government intervention (including restrictive practices governing market access and governmental favoritism of indigenous foreign suppliers);

(6) open and unrestricted access to foreign telecommunications markets by United States telecommunications suppliers is necessary and critical for the continued economic health, growth, and international competitiveness of the United States telecommunications industry and to the sustained growth and expansion of the United States economy;

(7) the provision of universal telephone service at reasonable rates for all Americans is closely linked to the continued economic growth of the domestic telecommunications industry;

(8) the continued economic growth and international competitiveness of the United States telecommunications industry is important and vital to—

(A) the long-term research and development projects and programs of the United States telecommunications industry,

(B) the rapid development and introduction into the marketplace of new and innovative telecommunications equipment and services for American residential and business telecommunications users,

(C) the development of efficient, reliable, and state-of-the-art telecommunications networks to serve the needs of American telecommunications consumers, and

(D) the maintaining of employment opportunities for United States workers in the telecommunications industry;

(9) while negotiations should be continued, significant efforts have been made and some progress has been achieved by United States negotiators to open the Japanese telecommunications market to United States suppliers of telecommunications equipment and service;

(10) significant efforts to open other foreign telecommunications markets to United States suppliers must be given equal priority by the United States;

(11) negotiated access to foreign telecommunications markets for United States telecommunications suppliers should be the means to achieve increased exports in telecommunications equipment and services;

(12) United States policies should be directed to opening up foreign markets and not the closing of domestic United States markets; and

(13) unless negotiations between the United States and country to achieve open market access in that foreign country for United States telecommunications suppliers are successful, the United States should take action to restrict open access to the United States telecommunications market to foreign suppliers of that country as a means of achieving an open global market for telecommunications trade.

THE "TELECOMMUNICATIONS TRADE ACT OF 1985"

I. SECTION-BY-SECTION ANALYSIS

Sec. 1—Short title and table of contents

The bill is titled the "Telecommunications Trade Act of 1985."

Sec. 2—Findings and purposes

(a) Findings.—While telecommunications equipment and services are among the fastest growing areas of world trade, the United States' balance of trade has fallen significantly in recent years—from a surplus of $1 billion in 1980 to a deficit of over $600 million in 1984. This trade imbalance is largely the result of the open nature of the American telecommunications market in combination with restricted foreign markets that are characterized by pervasive government intervention.

Open and unrestricted access to foreign markets is essential to the continued health and growth of the U.S. telecommunications industry and the economy in general. Moreover, the international competitiveness of the telecommunications industry is critically necessary to assure continued research and development of innovative telecommunications equipment and services, to preserve employment opportunities in the U.S., and to maintain an efficient state-of-the-art telecommunications network.

The bill's objective, therefore, is to obtain open and unrestricted access to foreign markets in telecommunications equipment and services. This goal should be achieved by negotiation, if possible. However, if consultations between the United States and an individual country are not successful, then the legislation finds that the United States should take remedial action as necessary to reduce access to its telecommunications market to foreign suppliers from that country as a means of achieving open access to that foreign country's market.

(b) Purpose.—The purpose of the Act is to identify and reduce barriers to international trade affecting United States suppliers of telecommunications equipment and services.

Sec. 3—Definitions

Section 3 sets forth the pertinent definitions to the bill.

"Foreign supplier" is defined as an entity whose corporate headquarters or primary corporate control are located or based in a foreign country, but does not include the American subsidiaries or affiliates of a foreign corporation.

"United States supplier" is defined as any entity that has its headquarters and primary control located or based in the U.S. and is in the business of providing telecommunications equipment or services. This definition does not include the subsidiaries or affiliates of American companies operating overseas.

"Equivalent telecommunications market access" is defined in a way that does not require a foreign telecommunications market to be the mirror image of the U.S. market. Instead, the bill defines market access in a way that is intended to measure whether United States suppliers have opportunities in providing telecommunications equipment and services in a foreign country that are "substantially equivalent" to the opportunities that foreign suppliers of that country have in providing telecommunications equipment and services in the United States.

The bill covers both telecommunications equipment and services. "Telecommunications equipment" is equipment that is designed for use in providing or receiving telephone service and may be regulated by the Federal Communications Commission (FCC). This includes customer premises, switching and transmission equipment, and is not limited to that equipment which might be covered by an existing FCC registration program. "Telecommunications service" is the resale of telephone service which may be regulated by the FCC. The definition of service does not include the provision of enhanced services not regulated by the Commission as a result of the Computer II decision. This definition of services is intended to focus efforts on assuring that American companies can obtain access to telephone private lines and resell them as part of a value added network or other value added service offering.

Sec. 4—Finding by the Secretary

The legislation encourages negotiation over the next year as a means of opening up foreign telecommunications markets. Commencing in August 1986, the Secretary of Commerce is required to identify those foreign countries denying substantially equivalent access to United States telecommunications suppliers.

Any foreign country whose potential market for U.S. suppliers is not substantial may be excluded from this mandatory investigation. Notice of the investigation must be published and an opportunity for presentation of views including a public hearing must be provided. The Secretary will also consult with appropriate Federal agencies and committees of Congress.

Subsection (b) provides an alternative procedure for triggering Administration action to open up foreign markets by allowing any interested person to petition the Secretary to determine that a foreign country is not providing substantially equivalent telecommunications market access. The Secretary must consider the petition and decide whether or not to investigate. If the Secretary decides that the petition does not warrant an investigation, an explanation of the reasons for the denial must be submitted to the petitioner as well as Congress, and published in the Federal Register. Subsection (c) sets forth the procedures to be followed in an investigation that is triggered by the petition process.

Subsection (d) requires the Secretary within 60 days of publishing notice of the decision to investigate a market, to publish a preliminary finding as to whether a foreign market is providing substantially equivalent market access, as well as preliminary recommendations for any enforcement actions to be taken. Any interested parties will then be given 60 days to comment on the preliminary finding.

Subsection (e) requires the Secretary to consider all the comments received and make a final decision regarding the investigation within 120 days of publishing the decision to investigate. A recommendation as to any action to be taken must be submitted to the President and published in the Federal Register.

Subsection (f) provides certain key factors that the Secretary must consider when investigating access to a foreign telecommunications market. The Secretary must consider; (1) the marketing efforts and the competitiveness of the prices of U.S. suppliers in the particular foreign market; (2) the access to the foreign markets afforded to U.S. suppliers through joint ventures and foreign manufacturing plants; (3) the success of U.S. suppliers in gaining access in the foreign country, compared to the success of U.S. telecommunications suppliers in other foreign countries and in the U.S.; and, (4) the impact on employment in the U.S. telecommunications industry.

Sec. 5—Presidential determination

Should the Secretary determine that a foreign country is denying market access to U.S. suppliers that is substantially equivalent to the access afforded the foreign suppliers in the U.S., the President *must* determine the proper action to achieve equivalent access. Within 60 days of the Secretary's finding, the President must direct the FCC to implement the appropriate action.

Sec. 6—Federal Communications Commission implementation

Section 6 requires the FCC to implement the action directed by the President within 30 days from the President's decision. In implementing the President's order, the FCC must provide public notice.

Sec. 7—Circumstances under which action not required

The President would not be required to implement action through the FCC if he instead took action under section 301 of the Trade Act of 1974. Under the Trade Act, the President could; (1) suspend or withdraw from a trade agreement with that country; (2) impose duties or other import restrictions on telecommunications equipment or services from that country; (3) restrict the terms of access authorizations from telecommunications suppliers from that country; or, (4) deny authorization to foreign suppliers of that country.

Consequently, the bill in effect gives the President the option of implementing enforcement actions through the FCC or through the existing trade remedies. He must, however, utilize one or the other.

Sec. 8—Action under this act not exclusive

Section 8 makes clear that the President's authority is not limited to directing the FCC to implement enforcement access. Instead, the President may in addition to any enforcement action involving the FCC, take steps under any other law that is designed

to achieve equivalent telecommunications market access.

Sec. 9—Report

Section 9 requires that the President inform the Congress and publish in the Federal Register any action to be taken along with the objectives to be achieved. If the President's action is different than that recommended by the Secretary of Commerce, the President must include in the report an explanation for the difference in the action taken.

Sec. 10—Monitoring the effect of actions

The Secretary must annually review the action taken in order to determine whether the action is fulfilling the purposes of the Act and to analyze the action's effect on interstate and foreign commerce. The Secretary must report these findings to the President and Congress.

If the President finds that the action is achieving its objectives, the President can suspend or modify the action. If the President takes such action, he must notify Congress, provide an explanation of the suspension or modification and publish notice in the Federal Register. If, conversely, the action taken is not having the desired effect, the President can take further action.

In addition to the review of the effectiveness of the actions, the Secretary must annually review the markets of those countries that were excluded from the initial investigation on the basis that the potential market in those countries would not be substantial. If after review, the Secretary finds that a country has a substantial market for U.S. equipment and services, the Secretary must conduct an investigation of that country.

Sec. 11—Amendment of the Communications Act of 1934

Section 11 amends Title VII of the Communications Act by adding a new section. The new section gives the Federal Communications Commission (FCC) explicit authority to implement any of the telecommunications market access enforcement action that the President orders under the Telecommunications Trade Act.

The new section also requires that the Commission issue regulations setting forth the procedures to be used in implementing the President's orders. While the Commission may specify the types of actions available to the President, the President's discretion will not be limited to the options set forth by the FCC.

Sec. 12—Effective date

The bill contemplates a period for negotiations to occur prior to any enforcement action being able to be taken pursuant to this legislation.

Consequently, the Act takes effect on July 1, 1986.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri [Mr. SKELTON] is recognized for 5 minutes.

● Mr. SKELTON. Mr. Speaker, this morning I was out of town on official business and I returned after the vote on S. 960. Had I been able to be present, I would have voted "yea."●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. LELAND] is recognized for 5 minutes.

● Mr. LELAND. Mr. Speaker, unfortunately I was unable to cast my "yea" vote today on the conference report on S. 960, the foreign assistance authorization. I was unavoidably detained outside the office on official business and literally arrived on the House floor seconds after the voting on the conference report had concluded.

It is inevitable that there will be differing perspectives on legislation as complex and comprehensive as the foreign assistance authorization. As chairman of the Select Committee on Hunger, I am particularly concerned that this body pass legislation that directly and efficiently benefits the poor, the hungry, and the malnourished people of the world. That should be—and must be—the goal of any true Foreign Assistance Program.

For far too long, in the guise of protecting U.S. security abroad, the focus of our foreign aid policy has been military assistance at the expense of developmental and economic assistance. It is ironic that while millions of people are dying in drought-striken countries, billions of dollars are authorized for military assistance to foreign nations.

I am greatly distressed that in order to pass a bill which helps the poor and malnourished of this world I must vote for a bill which also authorizes billions of dollars in foreign military assistance. The foreign assistance bill should symbolize our hope for peace and growth, not our fear of war and destruction.

The conference report does, however, provide us with a starting point. It reflects our Nation's commitment to developing countries and our responsibility to the needs of the poor and hungry of the world.

This bill helps us reach out to thousands of Third World children who are ill because they lack food and proper medical care. Investments in basic primary health care are among the most cost-effective means to reduce death rates, improve productivity, and promote development in less-developed nations. Maintaining funding for health aid projects, providing a modest increase in the child survival fund and supporting UNICEF's primary health care revolution—all included in this legislation—are investments crucial in meeting our goal of reducing the suffering of these children.

The reduction and elimination of hunger and famine will only result with the improvement of food production. This bill extends support to vital agricultural development projects managed by AID, international organizations, and American private and volunteer organizations.

It also provides support for continued U.S. participation in the International Fund for Agriculture Development [IFAD], a multilateral organization helping farmers in the poorest countries to feed themselves. IFAD has proven itself and we can be very proud of its accomplishments. It has been able to reach the poor farmers of Africa, Asia, and Latin America, giving them the ability to help themselves.

The vigil to end hunger must continue. We cannot falter in our efforts to avert future famine situations, help those affected return to self-sufficiency and dignity, reduce hunger and malnutrition, and remedy the massive poverty so prevalent throughout the world. That is what we must address in our foreign aid program. And that is why this conference report has my support.

Again, I sincerely regret I was unable to cast my vote on such an important piece of legislation.●

NEGOTIATE THE RELEASE OF THE SEVEN HOSTAGES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DYMALLY] is recognized for 60 minutes.

Mr. DYMALLY. Mr. Speaker, yesterday, Tuesday, July 30, along with some other Members of the House, I had the privilege of hosting a meeting of some of the families of the seven American hostages now held in Lebanon. During the course of about 4 hours they had an opportunity to meet with the press, to meet with about about a dozen Members of Congress, to meet with the State Department, to meet with a representative from the White House who came from the National Security Council and to discuss their concerns and frustrations and brought to us some very interesting observations. As I observed the comments from the families of these hostages, it occurred to me there is a point of departure with approach of the administration and that point of departure is this. The families want the administration to be in communication with the Government of Kuwait, with the hope of negotiating an exchange of those prisoners held in Kuwait for the seven American hostages held in Lebanon.

□ 2330

Let me point out that the prisoners held in Kuwait were convicted for bombing the French and American Embassies, and I believe seven or eight people were killed, and maybe two or three dozen people were injured.

But the families also point out that some of the people held in Kuwait are related to the captors of the American hostages in Lebanon. The administration has taken the position that they do not negotiate with or for prisoners of a terrorist and, therefore, they stand on principle. The families of the Americans believe that because these are Americans and their lives are so important to us that our Government should negotiate, and so that is the point of departure.

But in the course of discussing their concerns with us, they brought some documents which I think the Members of the House would be interested in reading or hearing. First was a letter from the Rev. Benjamin Weir. On February 15, 1985, Reverend Weir wrote to Dr. Oscar McCloud, and this is what Reverend Weir had to say. I quote:

FEBRUARY 15, 1985.

DEAR DR. OSCAR MCCLOUD: I am writing to ask you to do everything in your means to demand that the U.S. government intervene effectively with the government of Kuwait, because I understand the U.S. government is not in fact acting effectively to secure the release of prisoners held there. I am assured that once those prisoners are set free, I and others will be released at the same time. This requires direct and effective action by the U.S. government with the government of Kuwait.

The men who hold me insist they will refuse mediation or interference by any third party, Syria or other party. They are opposed to Syria and will not deal with them, nor any other party. If such interference is attempted. I am told our lives are in extreme danger and that the place we are held will be blown up with us. So please ask the U.S. government to take this matter seriously.

Sincerely yours,

BENJAMIN W. WEIR.

This apparently is in the handwriting of Reverend Weir. In fact, I have reason to believe it is his handwriting, because this letter and another one, which I shall read in a minute, was given to me by Mrs. Carol Weir. She wrote "I have given permission for this letter to be released." I wanted to be sure that she was aware that I intended to bring this letter to the attention of the Members, and as I want to point out to the Members, it is written in Reverend Weir's handwriting.

He writes to Mrs. Weir on April 10, 1985:

DEAR CAROL: I am well and your two messages have been received. I am here because of American political policy in support of Israel, and because of opposition to it others are prisoners in Kuwait. Thus far the U.S. government has not responded positively, but is able to do so. I ask you to do what you can to persuade the U.S. government to put pressure on the government of Kuwait to release those prisoners. I understand that if the U.S. government does not put pressure on Kuwait to release those prisoners then my life will be in danger and I will hold the U.S. government and President Reagan responsible. I ask you to act quickly because it is very hard for me to continue in this situation.

Sincerely

BEJAMIN M. WEIR.

APRIL 10, 1985.

Attending this session we had yesterday, which lasted from 9 to 1 o'clock, was Mr. Jerry Levin. You recall Mr. Levin was the reporter from Cable News Network who was released or who escaped from the Syrians sometime last year. And he had a statement which he read to the media, and I thought it was of some significance to bring it to the attention of the Members of the House. Again I asked Mr. Levin's permission to read this statement to the Members of the House.

I quote:

They are being called the "forgotten seven." Forgotten by whom? The public? I don't think so. I think they were ignored publicly by the government and the press until recently, so that the public knew very little about their situation, certainly not enough that it could be blamed for forgetting them. There is no question that the Administration knew plenty about the facts of our captivity, but refused to share them with the American people through the press. Rarely has one heard an official, or seen or read a story that discussed the reason for their kidnappings.

In fact the reason for the seven's ordeal is similar to the reason for the ordeal of the hijacked hostages. In both cases it has been for exchange of prisoners. The Administration knew that exchange was the demand in our case over a year ago, yet it would not share that information with the public. Last July the government was informed in videotaped messages that our lives and freedom depended on the lives and freedom of the prisoners in Kuwait. Our captors required me and the two other Americans who had been kidnapped up to that time to make the tapes. The prisoners in Kuwait are seventeen Arabs—mostly Shiite Moslems—convicted in Kuwait in March 1984 of the bombings there of the American and French embassies in December 1983. Five people were killed and eighty six wounded in the explosions. Our government was asked to intercede with Kuwait to release the prisoners, three of whom have been sentenced to death.

Lacking a clear idea of what the seven had been held for, the public has not been energised as it was in the hijacking crisis to communicate to the Administration and elected representatives its desire that the government do everything necessary to resolve the crisis as quickly as possible through the reciprocal release of the American hostages for the Arab prisoners. Without that public expression of concern, I think it is likely that the government will continue to treat this crisis differently from the hijacking crisis; and these men will continue to suffer, as did I, in squalid solitary confinement, locked away in a dark room, a wrist secured to the wall with a chain too short to permit standing. They will not be allowed to exercise. They will be blindfolded much of the time, always when their captors are present. They will be given little to eat—maybe seven to nine hundred calories a day; so they will lose weight and become physically weak. I lost thirty pounds. They will not be allowed to communicate with the outside world, except to write messages dictated by their captors; and they won't be allowed to receive any messages from the outside either. They will continue to suffer from the unrelenting strain and shock of isolation, separation, and uncertainty.

Some of these men have been in captivity for more than a year. The hijacking crisis lasted less than three weeks. There is an important reason why the hijacking hostages are free and the seven are not. The government, out of the glare of public attention, has apparently been unwilling to foster an exchange. It is apparently standing firm on the kind of principle the public, out of concern for the lives of its fellow citizens, forced the Administration to abandon quickly during the hijack crisis. Public pressure convinced the Administration that it had to work energetically for a reciprocal release of prisoners while maintaining its public posture of standing firm against terrorism. If it could do that in the case of the thirty nine, it should have done it in the case of the seven.

It is not pleasant to think of convicted extremist murderers being set free; but it is much more unpleasant to think of innocent Americans wasting away in chains, at the very least or, at the worst, being sacrificed because of the highly debatable components of an inconsistently observed principle.

Let no one be swayed by the argument that terrorism will increase if the prisoners in Kuwait are set free. If that argument could be properly suspended during the hijacking crisis, it should be suspended now for the same reason; American lives are at stake. Terrorism has been and is on the increase. It will continue to increase whether the extremist prisoners in Kuwait are martyred or not. And that condition will exist so long as the Administration is presuasive in convincing the American people that the focus of concern should be primarily on eliminating terrorists and not on eliminating the root causes of terrorism.

Now that the American people are becoming aware that the stakes in the case of the seven are quite similar to the stakes in the case of the thirty-nine, I hope they won't permit the Administration to ignore the similarities and act accordingly. If the public is successful in getting the Administration's attention, then I think these unfortunate men could be home soon. If not, then I am afraid, they will be locked away for a long long time.

□ 2340

Mr. Speaker, that was Jerry Levin, one of the freed hostages, who now is a correspondent for Cable News Network.

Now subsequent to the press conference, Mr. Speaker, there was a closed meeting with Members of Congress and the State Department and the White House. Again Mr. Levin was called upon to make a case for the seven courageous American hostages in Lebanon. Again I wish to quote from Mr. Levin. He stated:

It is a privilege and a relief to be here talking to you today, when you consider the possible alternative. I might still be a hostage; and my wife, Sis, might still be suffering from the governmental and press inattention that has afflicted for too many months the families of the seven Americans still being held hostage.

When Sis went public last fall, after being submissively silent for six months, she said, "I wish this was someone else talking." Even

though she felt speaking out was necessary, doing so worried her more than anything she had ever done before. Going public with the facts of my captivity and the captivity of the two other Americans who had been taken hostage in Lebanon up to that time was an awesome even frightening step because she proposed to do what had been strongly resisted and advised against by almost everyone she knew at the State Department, many colleagues in the press, and members of our family. But she was equally worried by what she perceived as the Administration's and a considerable portion of the press's failure to devote much attention to what had been until then an almost untouchable topic. She was against silence on the issue, because being submissively silent for six months had not worked. We were still hostages. In all likelihood, she believed, more would be taken. She was right. A year and a half later, the number of hostages in the group, of which I was possibly the first, has risen, we believe, to be seven Americans, two Frenchmen, and one Kuwaiti. Sis and I can never feel completely freed from the horror of our experience as long as any of them is held hostage. So we continue to work with most of the families trying to help them keep the story of their men's plight, and the reason for it, before the public.

They've been called the "Forgotten Seven." In truth, I, my wife, and most of the families involved feel they've been the "ignored seven." Six of them are probably still alive. The fate of the seventh is unsure. Most of the hostages, I believe, were and still are being held by terrorists who want to exchange them for seventeen Arabs, most of them Shiite Moslems convicted by a Kuwait court in the December 1983 bombings of the United States and French embassies there. Five people were killed and eighty six wounded in those explosions. Three of the convicted terrorists are Lebanese. Two of them have been sentenced to death, and they are reportedly relatives of some of the terrorists who took me and the others captive.

While the United States and Kuwait have been standing firm against the terrorists' demand that the prisoners in Kuwait be freed, the terrorists have been relentlessly upping the ante.

But the horrifying facts of our captivity, unlike the telling of the ordeal of the hostages on flight 847, were not widely known or frequently reported. Except in hostage home towns, there was little if any follow up to keep our story alive. So people forgot quickly, if they ever knew.

The Administration refused to be drawn into making even remotely comprehensive public statements about the growing crisis until the middle of last May, seventeen months after it began. At that time the captors released pictures of six of the hostages to an Arabic newspaper in Beirut along with their first public statement of what they wanted. Until then, their demands had only been communicated privately to the hostage families and the United States Government; but the government did not tell the public through the press what it knew. The families in frustration made the contents of their messages available to the public through the press. But the government never felt compelled to offer public corroboration. So the impact of the family's revelations was fleeting.

That to me is a shocking fact. I can tell you it is hard for the families of the other hostages to comprehend. I know, because there is an informal network of hostage families and friends. The network did not exist until Sis broke with government, press, and family advisors and went public seven hard months after my capture. She found a home on Today, Good Morning America, CBS Morning News, USA TODAY, The New York Times, The Detroit Free Press, and the Birmingham News. That was about "it"; but once hearing, seeing or reading Sis's appeals, the families quickly made contact and found that they had more than hostages in common. For one thing, they had been discouraged by the government from contacting each other. The families had also been advised by the government not to speak out. And it failed to even give periodic updates on the situation to hostage families. In other words, it didn't even provide simple hand holding, something that was done weekly during the Iranian hostage crisis and was done again during the Flight 847 crisis. The State Department's own manual on "Hostage Negotiation," published February 1984, a month before I was kidnapped, says "a family liaison function is vitally important. The families of those who are victims of terrorist incidents need a great deal of support and assistance during the crisis. They need most of all to be kept informed of what is happening and what is being done to ensure the safety of their loved one." That was not the case with the families of the seven remaining American hostages or with Sis when I was one. It is almost as if the manual had been written on the wind.

But until recently most of Congress had been equally inattentive. Most of the families suffered rebuff and rejection. Peggy Say, the sister of hostage Terry Anderson, has horror stories to tell. The relatives of Father Lawrence Martin Jenco had to organize a congressional blitz of their own to get attention. Sis's Senator, Howell Heflin, a long time friend of the family, indeed his son is a member of her late father's and brother's law firm in Birmingham, Alabama, would not and has not to this day returned her phone calls. Yet the doors were wide open to the families of the hijack victims. Fortunately because of the hijack crisis the other families have been able to ride piggy back as it were, on the coattails of the attention that crisis gained, to a position of heightened visibility and concern; but what an agonizing way to have achieved it.

Why was there such little attention? I think in part because the government was successful in persuading many editors and members of Congress that attention might get us killed. but the press rushed in undeterred to cover the Flight 847 story and the Iranian hostages story, and the government rushed to comply with the press's need for information, and congressmen began to speak out. It makes the hostage families think that quantity is a deciding factor in the degree of executive, legislative, and press concern, if any, as to whether or not those entities will devote much attention to this kind of story. Seven Americans, in the same kind of peril as the thirty-nine on Flight 847 apparently weren't enough to qualify. How many hostages does it take to make a crisis that the press and government will discuss? What is the magic number? Ten hostages? Twenty? Certainly not seven.

I think the Administration should have been pressed to state the basic facts of our captivity when it knew them for sure for the first time. That was in early July of last year. Releasing the basic facts of our captivity not have harmed us. It is hardly known that the captors delivered their demands to the State Department nearly a year ago. But the Administration chose not to make them public and never has. The fact that the captors wanted to exchange me and the two other Americans they had rounded up by then for the seventeen prisoners in Kuwait was communicated in videotaped messages our captors wrote and required us to make on the 5th of July. Our messages clearly stated that our lives and freedom depended upon the lives and freedom of the prisoners in Kuwait. But the Administration did not share with the public the basic facts of our captivity.

Reporting only the facts of our captivity and the terrorists' demands would not have been giving in to terrorism, as advocates of quiet diplomacy and the Administration's tall in the saddle stance would have you believe. It would have simply been the act of defining the problem for the public which has a legitimate and crucial need to be informed.

So in this situation, we had a citizenry that did not have enough information to inform its elected representatives and the Administration as to its feelings in the matter. Sis and I and many other well intentioned loyal Americans think that news coverage-publicity, if you will—is protection. It is what has helped get us out of spots created by carelessly monitored Administrations before. I'm sure it will again. But the Administration's public emphasis has been to focus entirely on terrorism. Now terrorism is an issue which certainly needs to be addressed. But the Administration seems to want us to believe that terrorism is the sole program. But it is not. Terrorism is a sympton, not the disease. And if the Administration insists on simply treating the sympton, the disease won't be cured.

As far as my own treatment was concerned, it improved a bit late last year. And I think publicity had something to do with it. At the time it got better, I wondered, why. When I reached freedom, I found that it improved when Sis was in Damascus last November speaking publicly about the need for peaceful unthreatening dialogue and negotiation that might help tame some of the hostility between people in the Middle East and their American counterparts as all levels of society. She explained that a truthful reporter was more valuable on the outside than in. A worried woman's lonely trip into the capital of what is conventionally considered a nation of hostile people was happily not ignored. Her story and what she was saying were carried in the Arab and American press. Her message reached President Assad's ears. He responded with a message to Sis through his foreign minister that Syria would work for my release. Her message of peace and genuine friendship also reached my captors ears. How do I know? They told me on Christmas eve. That was just about the first and last time they were ever that open with me about anything going on in the world.

At this time, we think the key message, in so far as the seven hostages are concerned, is no longer simply that they need to be remembered. They finally are. What needs to be clearly understood is why they are being held, and what it will take to get them freed. I believe that the captors will accept nothing less than the return of the prisoners in Kuwait. Now that the Administration has proven that it can get around the problem of officially saving face while unofficially doing what it says publicly it can't do, I think the public, not to mention the fami-

lies, ought to be asking why the same benevolent sleight of hand should not be applied in this situation.

Arranging a reciprocal release, despite what some people have already said, will not be the cause of an increase in terrorism. Terrorism is going to continue to escalate, in all likelihood, whether or not the prisoners in Kuwait are released, simply because the momentum of our mistakes in the Middle East will, I think, carry on well past the point where we may begin to reverse it. And, of course, at this point there are not any signs to make us think that a reversal is in progress. I recognize that this is a highly controversial point of view. But it is one that should be widely discussed. However, since so few people have been aware what the stakes are, they have been mute in the matter in a way they were not in the hijack crisis when they knew what the captors wanted.

I think the judgements that went into the decisions not to publish in the case of the seven need to be examined as thoroughly as the exhaustive examinations of the decisions to publish, publish, and publish the facts, the surrounding facts, and the facts surrounding the surrounding facts of the hijack crisis. And, I think, the judgements surrounding the Administration's refusal to discuss this crisis publicly as thoroughly as it did the earlier one needs to be examined and evaluated also.

□ 2400

Those are the words of Mr. Jerry Levin, and I bring it to the attention of the Members of the House.

Let me close by expressing my thanks to those Members who participated in the session with some of the families of the hostages and to express my deep admiration for the courage that the families have displayed.

GENERAL LEAVE

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

FRANCES HOLLEMAN BREATHITT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky [Mr. HUBBARD] is recognized for 30 minutes.

Mr. HUBBARD. Mr. Speaker, I would like to compliment and congratulate my colleague and friend, the gentleman from California [Mr. DYMALLY], for his excellent presentation, for his concern, which, I might add, is the concern of all of the Members of the House of Representatives, for the seven Americans held hostage in Lebanon. Congratulations to you, my colleague, for taking this time to remind us again that these are, indeed, men who are too forgotten, too ignored.

Mr. Speaker, I take this time to pay tribute to an outstanding lady—Frances Holleman Breathitt, who died of cancer July 11 at Georgetown University Hospital.

Mrs. Breathitt, wife of former Kentucky Gov. Edward T. "Ned" Breathitt, was a member of the Kennedy Center Board of Directors and was a member and Sunday school teacher at Metropolitan Memorial United Methodist Church in Washington.

I'm proud that Frances Holleman Breathitt was born and raised in Mayfield, KY, which is my hometown.

When Edward T. "Ned" Breathitt was elected Governor of Kentucky in 1963 western Kentuckians were proud that a popular Hopkinsville, KY, attorney and former State legislator was the first Governor from the western part of our State ever elected.

We were also proud that western Kentucky's Frances Holleman Breathitt was Kentucky's first lady for 4 years.

Mrs. Breathitt was known to Kentuckians as a talented, pretty, conscientious, and dedicated person. She was described in those terms when she attended Western Kentucky University, graduated from the University of Kentucky, and married Ned Breathitt on December 20, 1948.

Mrs. Breathitt was a helpful and devoted wife and mother. I admit I'm prejudiced, because I truly liked and admired Frances Breathitt, but I sincerely believe Frances Breathitt was the most admired and respected first lady in Kentucky during this 20th century.

At age 58, a 3-year battle with cancer finally took the life of a brave Frances Breathitt.

The thousands of Kentuckians who knew her, especially those at Hopkinsville where Ned and Frances Breathitt were at home prior to his being elected Governor, mourned her death.

In recent years, former Governor and Mrs. Breathitt have resided in Washington, DC. Ned Breathitt is an effective lobbyist and public affairs official for Norfolk Southern Corp. in Washington.

My wife Carol and I attended a beautiful and impressive service—"A Service of Thanksgiving for the life of Frances Holleman Breathitt"—on Tuesday, July 23, at Washington's Metropolitan Memorial United Methodist Church.

Her minister, Dr. William A. Holmes, praised the Christian principles which Frances Breathitt exemplified and told of her courageous and optimistic fight against cancer.

Frances Breathitt was also praised at the memorial service by longtime friends Ann Blessing Bray—her college roommate at University of Kentucky—of Harlan, KY, Roger L. Stevens, Chairman of the Board of the Kennedy Center, and U.S. Senator MARK HATFIELD of Oregon. Senator HATFIELD's remarks about Frances Breathitt were especially memorable.

Frances Breathitt was especially proud of her four talented and handsome children—Mary Frances Breathitt and Linda Breathitt, both of Washington, and Mrs. Susan Brickman of Dallas; and a son, Edward T. Breathitt III of Dallas.

Other survivors are two brothers, M. L. Holleman of Jackson, MS, and Wallace Holleman of Nashville, TN; a sister, Mrs. Harold [Mary Anna] West of Nashville; and two grandchildren, Blake and Jennifer Brickman of Dallas.

I ask my colleagues to share "A Tribute by Her Friends" which appeared in the program of the recent memorial service for Frances Holleman Breathitt.

It is as follows:

What we say here all too briefly is not the reflection of an emotional lament. It is our concept of Fran, Frannie, or Frankie, as we variously called her, when she was in our midst, enriching our lives. She will continue to do so for many years to come.

If there were defects we should record, we would do so. The truth is we do not know them, or they were so overshadowed by her virtues that they went unnoticed.

There was a tenderness wrapped in strength such as we have rarely seen. She showered these twin virtues upon her family without denying us our share. Her devotion to family was absolute and uncompromising. How often we heard a comment or two, ever so brief but profound, of her parents, her brother and sister. How often we observed her dedication to her beloved husband, her four treasured children, and her obsessive delight with her precious two grandchildren. All their joys and, inevitably, their sorrows became intimately hers. She protected them in their concerns with unselfish wisdom.

Hers was an almost silent, self-effacing way of leading and inspiring. There was an innate modesty balanced by a subtle self-confidence. Never was an unnecessary or unkind word uttered. She was forever learning by listening and watching, but her occasional disagreement would never be withheld or concealed if she numbered you among her friends.

She was endowed with a deep religious faith, quietly pursued but without the slightest intolerance toward others less believing.

Her long, final struggle for survival—and how she loved life—became her finest hour. Her inner strength, her uncommon valor, her rare unselfishness, her deep faith, confronted by the brutal test of agonizing pain and uncertainty, reached their ultimate climax. She has left a legacy of leadership and inspiration for others to inherit.

We have mentioned her happy reverence for the memory of her parents. She now becomes the object of that reverence for her children, her grandchildren, and those yet unborn.

A young amateur poet, with an Irish whimsy and humor that Frances so richly possessed, described many years ago how we view our friendship with her:

"We have touched the hem of a glory."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MCEWEN (at the request of Mr. MICHEL), until 5 p.m. today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BARTLETT) to revise and extend their remarks and include extraneous material:)

Mr. CRAIG, for 30 minutes, today.
Mr. BOULTER, for 5 minutes, today.
Mr. MCEWEN, for 5 minutes, today.

(The following Members (at the request of Mr. HUBBARD) to revise and extend their remarks and include extraneous material:)

Mr. PEPPER, for 5 minutes, today.
Mr. NELSON of Florida, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. HAMILTON, for 5 minutes, today.
Mr. WIRTH, for 5 minutes, today.
Mr. SKELTON, for 5 minutes, today.
Mr. LELAND, for 5 minutes, today.
Mr. HUBBARD, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BADHAM, on the subject of offshore oil leasing during general debate on H.R. 3011, in the Committee of the Whole, today.

Mrs. LLOYD, prior to the vote on the Sharp amendment to H.R. 3011, in the Committee of the Whole, today.

Mr. WOLPE, prior to the vote on the first Conte amendment to H.R. 3011, in the Committee of the Whole, today.

Mr. CONTE, on the Shaw amendment, to H.R. 3011, in the Committee of the Whole, today.

Mr. HOWARD, during debate on Freer Art Gallery amendment, to H.R. 3011, in the Committee of the Whole, today.

Mr. RAHALL, in support of H.R. 3011, Department of the Interior and related agencies appropriations, 1986, prior to final passage today.

(The following Members (at the request of Mr. BARTLETT) and to include extraneous matter:)

Mr. DANNEMEYER.
Mr. WOLF in two instances.
Mr. ECKERT of New York.
Mr. SCHUETTE.
Mr. MCKERNAN in two instances.
Mr. THOMAS of California in two instances.
Mr. ROTH in two instances.
Mr. KINDNESS.
Mr. CRAIG.
Mr. GILMAN in five instances.
Mr. MICHEL in two instances.
Mr. LENT.
Mr. CAMPBELL.
Mr. BROOMFIELD.
Mr. CHAPPIE.
Mr. CRANE.
Mr. WEBER.
Mr. BEREUTER.
Mr. SOLOMON.
Mr. GEKAS.
Mr. RINALDO.
Mr. DENNY SMITH.
Mr. GREEN.
Mr. YOUNG of Florida.
Mr. JEFFORDS.
Mr. COURTER.
Mr. RITTER.
Mr. GREGG.
Mr. KOLBE in two instances.
Mr. FRENZEL in five instances.
Mrs. VUCANOVICH.
Mr. SHUMWAY.
Mr. MCEWEN in two instances.
Mr. CLINGER.

(The following Members (at the request of Mr. HUBBARD) and to include extraneous matter:)

Mr. HUGHES.
Mr. STARK.
Mr. PEPPER.
Mr. RANGEL.
Mr. MURTHA.
Mr. SHELBY.
Mrs. SCHROEDER.
Mr. COELHO.
Mr. LEHMAN of Florida.
Mr. FLORIO.
Mr. DWYER of New Jersey.
Mr. GARCIA.
Mr. GAYDOS.
Mr. DASCHLE in five instances.
Mr. LEHMAN of California.
Mr. FASCELL in three instances.
Mr. HAYES.
Mr. CLAY.
Mr. FRANK in two instances.
Mr. MAVROULES.
Mr. JONES of North Carolina.
Mr. DONNELLY.
Mr. DORGAN of North Dakota.
Mr. HAMILTON in two instances.
Mr. RODINO.
Mr. BROOKS.
Mr. DYSON.
Mr. ECKART of Ohio.
Mr. LELAND.
Mr. MARKEY in two instances.
Mr. CONYERS.
Mr. MARTINEZ.
Mr. FAZIO.
Mr. SOLARZ.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 367. An act to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rukemaking procedures of the Veterans' Administration; to provide for judicial review of certain final decisions of the Administrator of Veterans' Affairs; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration; and for other purposes; to the Committee on Veterans' Affairs.

S. 410. An act to repeal the Commercial and Apartment Conservation Service, and for other purposes; to the Committee on Energy and Commerce.

S. 415. An act to amend the Education of the Handicapped Act to authorize the award of reasonable attorneys' fees to certain prevailing parties, and to clarify the effect of the Education of the Handicapped Act on rights, procedures, and remedies under other laws relating to the prohibition of discrimination; to the Committee on Education and Labor.

ADJOURNMENT

Mr. HUBBARD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 7 minutes a.m.), the House adjourned until today, Thursday, August 1, 1985, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1795. A letter from the General Counsel, Department of Energy, transmitting a draft of proposed legislation to transfer title, control, and custody of certain lands near Aiken, SC, from the U.S. Department of Agriculture to the U.S. Department of Energy; to the Committee on Agriculture.

1796. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend various health professions training authorities, and for other purposes; to the Committee on Energy and Commerce.

1797. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to extend various health research authorities, and for other purposes; to the Committee on Energy and Commerce.

1798. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Relations, transmitting notice of a proposed manufacturing license agreement for the production of defense equipment in Pakistan, pursuant to 22 U.S.C. 2776(d); to the Committee on Foreign Affairs.

1799. A letter from the Assistant Secretary-Treasurer, Trustees of the Seventh Farm Credit District Employee Benefits Program, transmitting the annual report disclosing the financial condition of the retirement plan for the employees of the seventh farm credit district, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

1800. A letter from the Acting Commissioner, Bureau of Reclamation, Department of the Interior, transmitting notice that it is necessary to construct modifications to Altus Dam and Dikes, W.C. Austin Project, OK, pursuant to Public Law 95-578, section

5; to the Committee on Interior and Insular Affairs.

1801. A letter from the Assistant Secretary of the Interior, transmitting the "Agreement of the Special Representative on Future United States Financial Assistance for the Northern Mariana Islands," and a draft of proposed legislation to authorize financial assistance for the Northern Mariana Islands; to the Committee on Interior and Insular Affairs.

1802. A letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to require that non-Federal providers of hospital care and services receiving direct payment of Medicare funds for services to Medicare beneficiaries provide similar services to VA beneficiaries under similar VA payment policies; to the Committee on Veterans' Affairs.

1803. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to extend coverage under the Social Security Act to railroad employment; jointly, to the Committees on Ways and Means and Energy and Commerce.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 3128. A bill to make changes in spending and revenue provisions for purposes of deficit reduction and program improvement, consistent with the budget process; referred, for a period ending not later than September 11, 1985, to the Committee on Education and Labor for consideration of section 505 of the bill and to the Committee on the Judiciary for consideration of section 124 of the bill (Rept. 99-241, pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CLAY (for himself, Mr. HAWKINS, Mrs. ROUKEMA, Mr. JEFFORDS, and Mr. CHANDLER):

H.R. 3126. A bill to provide reporting, disclosure, and fiduciary standards for State and local public employee retirement systems; to the Committee on Education and Labor.

By Mrs. ROUKEMA (for herself, Mr. CLAY, Mr. HAWKINS, Mr. JEFFORDS, and Mr. CHANDLER):

H.R. 3127. A bill to provide reporting, disclosure, and fiduciary standards for State and local public employee retirement plans and to amend the Internal Revenue Code of 1954 to limit the role of the Federal Government in the regulation of such plans with respect to contributions, benefits, and other matters, and to exempt such plans from the Federal income tax, and for other purposes; jointly, to the Committees on Education and Labor, and Ways and Means.

By Mr. ROSTENKOWSKI:

H.R. 3128. A bill to make changes in spending and revenue provisions for purposes of deficit reductions and program improvement, consistent with the budget process; referred to the Committee on Ways and Means; and referred to the Committee on Energy and Commerce, for a period ending not later than September 11, 1985, for consideration of parts B and C of title I.

By Mr. ANDERSON (for himself, Mr. HOWARD, Mr. SNYDER, Mr. SHUSTER, Mr. ROE, Mr. BREAUX, Mr. HAMMERSCHMIDT, Mr. OBERSTAR, Mr. YOUNG of Missouri, Mr. RAHALL, Mr. APPLEGATE, Mr. SAVAGE, Mr. SUNIA, Mr. BOSCO, Mr. MOODY, Mr. BORSKI, Mr. KOLTER, Mr. LIPINSKI, Mr. WISE, Mr. GRAY of Illinois, Mr. ATKINS, Mr. VISCLOSKY, Mr. TRAFICANT, Mr. PERKINS, Mr. DE LUGO, Mr. STANGELAND, Mr. GINGRICH, Mr. CLINGER, Mr. MOLINARI, Mr. SHAW, Mr. MCEWEN, Mr. PETRI, Mr. SUNDQUIST, Mrs. JOHNSON, Mr. PACKARD, Mr. BOEHLERT, Mr. CALLAHAN, Mr. GALLO, Mrs. BENTLEY, Mr. LIGHTFOOT, and Mr. MINETA):

H.R. 3129. A bill to authorize funds for construction of highways, for highway safety programs, and for mass transportation programs, to expand and improve the relocation assistance program, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. BEREUTER:

H.R. 3130. A bill to prohibit the granting of trust status to Indian lands to be used for the conduct of gaming activities; to the Committee on Interior and Insular Affairs.

By Mr. WIRTH (for himself, Mr. FLORIO, Mr. RINALDO, Mr. LENT, Mr. SWIFT, Mr. MARKEY, Mr. LELAND, Mr. RITTER, Mr. BRYANT, Mr. DOWDY of Mississippi, Mr. SLATTERY, Mr. COATS, Mr. SCHEUER, Mrs. COLLINS, Mr. BLILEY, Mr. WALGREN, Mr. ECKART of Ohio, Mr. RICHARDSON, Mr. RALPH M. HALL, Mr. FISH, Mr. DASCHLE, Mr. ROSE, Mr. TAUZIN, Mr. CARPER, Ms. MIKULSKI, Mr. NIELSON of Utah, and Mr. AUCOIN):

H.R. 3131. A bill to identify and reduce barriers to, and distortions of, international trade affecting U.S. suppliers of telecommunications equipment and services in interstate and foreign commerce; to the Committee on Energy and Commerce.

By Mr. BIAGGI (for himself, Mr. HUGHES, Mr. MCCOLLUM, Mr. MAZZOLI, Mr. FEIGHAN, Mr. SMITH of Florida, Mr. MORRISON of Connecticut, Mr. LUNGREN, Mr. SHAW, and Mr. GEKAS):

H.R. 3132. A bill to amend chapter 44, of title 18, United States Code, to regulate the manufacture, importation, and sale of armor piercing ammunition, and for other purposes; to the Committee on the Judiciary.

By Mr. BREAUX (for himself, and Mr. YOUNG of Alaska):

H.R. 3133. A bill to authorize appropriations to carry out the Atlantic Tunas Convention Act of 1975 during fiscal years 1987, 1988 and 1989; to the Committee on Merchant Marine and Fisheries.

By Mr. CRAIG (for himself, Mr. HANSEN, Mr. MARLENEE, Mr. MONSON, and Mr. STALLINGS):

H.R. 3134. A bill to provide for the expenditure or transfer of funds by the Secretary of the Interior and the Secretary of Agriculture for the emergency prevention, suppression, control, or eradication of grasshoppers, or mormon crickets on public lands; jointly, to the Committees on Agriculture, and Interior and Insular Affairs.

By Mr. DUNCAN (for himself, and Mr. ANTHONY):

H.R. 3135. A bill to amend the Tax Reform Act of 1969 with respect to the application of the excess business holding provisions to private foundations; to the Committee on Ways and Means.

By Mr. GIBBONS:

H.R. 3136. A bill to amend the Internal Revenue Code of 1954 to provide for the reimbursement to State and local law enforcement agenices for costs incurred in investigations which substantially contribute to the recovery of Federal taxes; to the Committee on Ways and Means.

By Mr. GLICKMAN (for himself, Mr. EDWARDS of California, Mr. BERMAN, Mr. JACOBS, Mr. TORRICELLI, and Mr. ROE):

H.R. 3137. A bill to amend the Foreign Sovereign Immunities Act; to the Committee on the Judiciary.

By Mrs. HOLT:

H.R. 3138. A bill to make the theft, embezzlement, or unlawful concealment of a flag of the United States an offense against the United States; to the Committee on the Judiciary.

By Mrs. KENNELLY:

H.R. 3139. A bill to amend the Internal Revenue Code of 1954 to exempt certain emergency medical transportation from the excise tax on transportation by air; to the Committee on Ways and Means.

By Mr. LEHMAN of Florida (for himself, and Mr. SHAW):

H.R. 3140. A bill to amend the Airport and Airway Improvement Act of 1982 to require nondiscriminatory treatment of business located off airport property who pick up and discharge customers at the airport; to the Committee on Public Works and Transportation.

By Mr. LENT (for himself, Mr. SNYDER, and Mr. JONES of North Carolina) (by request):

H.R. 3141. A bill to amend the Merchant Marine Act, 1936, to authorize the foreign acquisition of subsidized U.S.-flag vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. MCKERNAN (for himself, and Ms. SNOWE):

H.R. 3142. A bill to amend title 38, United States Code, to provide that per diem subsidies paid by the Veterans' Administration for the care of veterans in State homes shall not be used to offset payments that are made under the Medicaid Program for the purpose of assisting eligible veterans; jointly, to the Committee on Veterans' Affairs, and Energy and Commerce.

By Mr. MATSUI (for himself, and Mr. THOMAS of California):

H.R. 3143. A bill to amend the Internal Revenue Code to provide for a definition of adjusted gross income for purposes of the personal holding company tax; to the Committee on Ways and Means.

By Mr. ROWLAND of Georgia (for himself, and Mr. ROYBAL):

H.R. 3144. A bill to amend title 39, United States Code, to require that the U.S. Postal Service prescribe regulations relating to the delivery of mail to physically handicapped individuals; to the Committee on Post Office and Civil Service.

By Mrs. SCHROEDER:

H.R. 3145. A bill to amend title 5, United States Code, to encourage the employment of handicapped individuals by the Federal Government; to the Committee on Post Office and Civil Service.

By Mr. STARK (for himself, and Mr. GREGG.):

H.R. 3146. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment under the personal holding company provisions of computer software royalties earned by active businesses and the treatment under the minimum tax provisions of research or experimental expenditures of personal holding companies, and for other purposes; to the Committee on Ways and Means.

By Mr. THOMAS of California:

H.R. 3147. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income any employe achievement award to the extent that a deduction is allowable to the employer of such award; to the Committee on Ways and Means.

By Mr. WAXMAN:

H.R. 3148. A bill to assist the States to establish and operate protection and advocacy systems for mentally ill persons; to the Committee on Energy and Commerce.

By Mr. ANTHONY (for himself, Mr. DINGELL, Mr. BREAUX, Mr. SHAW, Mr. FLIPPO, Mr. SYNAR, Mr. DASCHLE, Mr. COELHO, Mr. LOWRY of Washington, Mr. ROEMER, Mr. HUNTER, Mr. ROBINSON, Mr. CONTE, Mr. SHELBY, and Mr. CARR):

H.R. 3149. A bill relating to the conduct of public contests for the purpose of selecting the design of duck hunting stamps, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HAMILTON:

H.R. 3150. A bill to regulate lobbying and related activities; to the Committee on the Judiciary.

H.R. 3151. A bill to provide for a self-regulating system of lobby disclosure to supplement and make more effective current disclosure law in the least burdensome manner possible; to the Committee on the Judiciary.

By Mr. SHUMWAY:

H.R. 3152. A bill to amend the Fair Labor Standards Act of 1938 to exempt employees of public agencies who are engaged in fire protection or law enforcement activities from the overtime requirements of that act, and for other purposes; to the Committee on Education and Labor.

By Mr. LIGHTFOOT:

H.J. Res. 365. Joint resolution designating the week beginning September 15, 1986, as "National Independent Free Papers Week"; to the Committee on Post Office and Civil Service.

By Mr. WRIGHT:

H. Con. Res. 179. Concurrent resolution providing for a conditional adjournment of the House from August 1 or 2 to September 4, 1985, and a conditional adjournment of the Senate from August 1 or 2 to September 4 or 9, 1985; considered and agreed to.

By Mr. RANGEL:

H. Con. Res. 180. Concurrent resolution expressing the sense of the Congress that the current tax incentives available to companies which operate in Puerto Rico should be retained; to the Committee on Ways and Means.

By Mr. HARTNETT:

H. Res. 245. Resolution urging the Postmaster General to issue a commemorative stamp in honor of the 350th anniversary of the National Guard; to the Committee on Post Office and Civil Service.

By Mr. STRANG:

H. Res. 246. Resolution to amend the Rules of the House of Representatives to prohibit the Committee on Rules from reporting any rule or order waiving any section 303 point of order contained in the Congressional Budget Act of 1974 with respect to general appropriation bills; to the Committee on Rules.

By Mr. JEFFORDS (for himself, Mr. CLINGER, Mr. FISH, Mr. GREEN, Mr. PURSELL, Mr. MCKINNEY, Mr. NIELSON of Utah, and Ms. SNOWE):

H. Res. 247. Resolution expressing the sense of the House of Representatives that the cost of our defense commitment to Japan and the present Japanese trade practices seriously threaten the economic health of the United States and that in order for Japan to retain access to our markets Japan should promptly assume a fair share of its defense costs and allow free and fair access to its markets; to the Committee on Foreign Affairs.

By Mr. TAUKE:

H. Res. 248. Resolution expressing the sense of the House of Representatives that the House shall not adjourn until after the first budget resolution is approved by both Houses of Congress; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DWYER of New Jersey:

H.R. 3153. A bill for the relief of Alberta R. Thomas; to the Committee on the Judiciary.

By Mr. FRANK:

H.R. 3154. A bill for the relief of John Patrick Brady, Ann M. Brady, and Mark P. Brady; to the Committee on the Judiciary.

By Mr. STARK:

H.J. Res. 366. A joint resolution for the relief of Solomon Monk; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 25: Mr. UDALL and Mr. BROOKS.
H.R. 44: Mr. BURTON of Indiana.
H.R. 97: Mr. FIELDS.
H.R. 230: Mr. HOWARD.
H.R. 343: Mr. SUNDQUIST, Mr. WILSON, Mr. DREIER of California, and Mr. DAUB.
H.R. 370: Mr. DWYER of New Jersey.
H.R. 442: Mr. ROBINSON.
H.R. 466: Mr. EVANS of Iowa, Mr. MONTGOMERY, and Mr. BEVILL.
H.R. 479: Mr. RITTER.
H.R. 825: Mr. SHAW.
H.R. 870: Mr. ASPIN, Mr. BUSTAMANTE, Mr. CARR, Mr. DIOGUARDI, Mr. EMERSON, Mr. GREGG, Mr. HAMILTON, Mr. MARTIN of New York, Mr. MORRISON of Washington, and Mr. WHITEHURST.
H.R. 930: Mr. BADHAM.
H.R. 1021: Mr. SKELTON.
H.R. 1059: Mr. BEVILL, Mr. ORTIZ, Mrs. SMITH of Nebraska, Mr. FROST, Mr. WHITTAKER, Mr. BUSTAMANTE, Mr. LOTT, and Mr. ROBERTS.
H.R. 1188: Mr. SKEEN.
H.R. 1190: Mrs. BOGGS, and Mr. HOPKINS.
H.R. 1207: Mr. THOMAS of Georgia and Mr. FRANKLIN.
H.R. 1294: Mr. DYSON.
H.R. 1309: Mr. KOSTMAYER, Mr. COYNE and Mr. HOYER.
H.R. 1338: Mr. FROST, Mr. HOWARD, Mr. RAHALL, and Mr. TORRICELLI.
H.R. 1345: Mr. FIELDS.
H.R. 1612: Mr. STUMP.
H.R. 1613: Mr. MOLLOHAN.
H.R. 1659: Mr. DANNEMEYER, Mr. DARDEN, Mr. DWYER of New Jersey, Mr. EVANS of Illinois, Mr. TALLON, and Mr. WEBER.
H.R. 1690: Mr. FEIGHAN, Mr. TOWNS, Mr. LUNDINE, Mr. MATSUI, and Mr. WEISS.
H.R. 1739: Mr. HOYER.
H.R. 1811: Mr. THOMAS of California, Mr. VANDER JAGT, Mr. WYLIE, Mr. BROOMFIELD, Mr. LIVINGSTON, and Mr. FRENZEL.
H.R. 1824: Mr. SIKORSKI and Mr. MILLER of Washington.
H.R. 1825: Mr. SIKORSKI and Mr. MILLER of Washington.
H.R. 1826: Mr. SIKORSKI and Mr. MILLER of Washington.
H.R. 1827: Mr. SIKORSKI.
H.R. 1828: Mr. SIKORSKI and Mr. MILLER of Washington.
H.R. 1893: Mr. KRAMER.
H.R. 1917: Mr. EDGAR, Mr. ROWLAND of Connecticut, and Mr. WEBER.
H.R. 1927: Mr. FORD of Tennessee and Mr. KOLTER.
H.R. 1980: Mr. BROOMFIELD, Mr. TORRICELLI, Mr. HORTON, and Mr. HOYER.
H.R. 2001: Mr. RUDD, Mr. PEPPER, and Mr. AUCOIN.
H.R. 2116: Mr. MORRISON of Washington.
H.R. 2198: Mr. HUBBARD.
H.R. 2297: Mr. ARCHER, Mr. BARTON of Texas, Mr. CRANE, Mr. DORNAN of California, Mr. FAWELL, Mr. GOODLING, Mr. KOLBE, Mr. LAGOMARSINO, Mr. LEACH of Iowa, Mr. LUNGREN, Mr. MCEWEN, Mr. MONSON, Mr. OXLEY, Mr. SHUMWAY, Mr. SILJANDER, and Mr. DENNY SMITH.
H.R. 2325: Mrs. BENTLEY, Mr. WORTLEY, Mr. NIELSON of Utah, Mr. ARMEY, Mr. HOPKINS, Mr. RUDD, and Mr. MONSON.
H.R. 2342: Mr. BUSTAMANTE, Mr. FEIGHAN, Mr. CLAY, Mr. EVANS of Iowa, Mr. DURBIN, and Mr. KOSTMAYER.
H.R. 2436: Mr. LUNDINE, Mr. GEJDENSON, Mr. SEIBERLING, Ms. SNOWE, Mr. DELLUMS, Mr. KILDEE, and Mr. BOUCHER.
H.R. 2451: Mrs. BOXER.
H.R. 2471: Mr. SHAW.
H.R. 2472: Mr. BIAGGI.
H.R. 2489: Mr. BORSKI, Mr. COOPER, Mr. MCCLOSKEY, Mr. SHELBY, Mr. SABO, and Mr. KLECZKA.
H.R. 2653: Mr. ATKINS, Mr. BORSKI, Mr. CHANDLER, Mr. DYMALLY, Mr. FAZIO, Mr. GREEN, Mr. GRAY of Illinois, Mr. HORTON, Mr. HOWARD, Mr. KOLTER, Mr. MATSUI, Mr. MARKEY, Mr. MOLLOHAN, Mr. RITTER, Mr. ROE, and Mr. WEAVER.
H.R. 2685: Mr. BORSKI.
H.R. 2712: Ms. OAKAR and Mr. KOLTER.
H.R. 2761: Mr. KANJORSKI, Mr. STUDDS, and Mr. OBERSTAR.
H.R. 2793: Mr. EVANS of Illinois.
H.R. 2811: Mr. OWENS.
H.R. 2812: Mr. OWENS.
H.R. 2813: Mr. OWENS.
H.R. 2818: Mr. MURPHY, Mr. GRAY of Illinois, Mr. KOLTER, Mr. HORTON, Mr. ECKART of Ohio, Mr. CROCKETT, and Mr. LUNDINE.
H.R. 2834: Mr. GUNDERSON.
H.R. 2848: Mr. ADDABBO and Mr. OWENS.
H.R. 2866: Mr. FAZIO.
H.R. 2943: Mr. SLAUGHTER, Mr. WEBER, Mr. DAUB, Mr. MCCOLLUM, Mr. MADIGAN, and Mrs. BENTLEY.
H.R. 2944: Mr. WEBER, Mr. WHITEHURST, Mr. BATEMAN, Mr. LAGOMARSINO, Mr. MONSON, Mr. PORTER, and Mr. THOMAS of California.
H.R. 2956: Mr. COLEMAN of Texas.
H.R. 2971: Mr. FISH, Mrs. HOLT, Mr. GALLO, Mr. HUGHES, and Mr. YATRON.
H.R. 2999: Mr. BIAGGI, Mr. HOYER, Mr. TORRES, Mr. ROSE, Mr. DIXON, Mr. MCCUR-

DY, Mr. BERMAN, Mr. HERTEL of Michigan, Mr. YOUNG of Florida, Mr. MURPHY, Mr. MOLLOHAN, Mr. YOUNG of Missouri, and Mr. TALLON.

H.R. 3006: Mr. LAGOMARSINO, Mr. HOYER, Mr. FROST, Mr. OLIN, Mr. LIGHTFOOT, Mr. FAZIO, and Mr. STUMP.

H.R. 3026: Mr. BEDELL, Mrs. BURTON of California, Mr. WEAVER, Mr. MOLLOHAN, Mr. ADDABBO, and Mr. VENTO.

H.R. 3035: Mr. MITCHELL, Mr. RAHALL, Mr. BURTON of Indiana, Mr. SKELTON, Mr. FLORIO, Mr. WILSON, Mr. ORTIZ, Ms. MIKULSKI, Mr. HAYES, Mr. BEVILL, Mr. CONYERS, Mr. GRAY of Illinois, Mr. SABO, Mr. BEDELL, Mr. EDGAR, Mrs. LLOYD, and Mr. WISE.

H.R. 3050: Mr. MONTGOMERY, Mr. STUMP, Mrs. MARTIN of Illinois, Mr. MARTINEZ, Mr. FIELDS, Mr. MOLLOHAN, Mr. SHAW, Mr. LIVINGSTON, and Mr. STANGELAND.

H.J. Res. 1: Mr. QUILLEN, Mr. OLIN, Mr. GROTBERG, Mr. EVANS of Illinois, Mr. MARTINEZ, Mr. WHEAT, Mr. FRANK, Mr. DAUB, Mr. MAVROULES, Mr. CLINGER, Mr. PORTER, Mr. CONYERS, Mr. IRELAND, and Mr. MCGRATH.

H.J. Res. 60: Mr. BROWN of Colorado, Mrs. VUCANOVICH, Mr. SCHUETTE, Mrs. MEYERS of Kansas, Mr. GUARINI, Mr. DAVIS, Mr. BORSKI, Mrs. MIKULSKI, and Mr. BRYANT.

H.J. Res. 122: Mr. LEHMAN of Florida, Mr. ANDERSON, Mr. HOWARD, Mr. YOUNG of Missouri, Mr. MCKERNAN, Mr. SUNIA, Mr. WEISS, Mr. MINETA, Mr. ROWLAND of Georgia, Mr. SOLOMON, Mr. BRYANT, Mr. HATCHER, Mr. CONYERS, Mr. BADHAM, and Mr. BORSKI.

H.J. Res. 126: Mr. BONER of Tennessee, Mr. BORSKI, Mr. FORD of Tennessee, Mr. LUNDINE, Mr. ORTIZ, Mr. LOEFFLER, Mr. DENNY SMITH, Mr. HAMILTON, and Mr. ROBERTS.

H.J. Res. 175: Mr. DANNEMEYER, Mr. ATKINS, Mr. HYDE, Mr. SABO, Mr. KINDNESS, Mr. MANTON, Mr. WOLPE, Mr. GRADISON, Mr. GRAY of Illinois, Mr. GUARINI, Mr. MCCLOSKEY, Ms. SNOWE, Mr. EVANS of Iowa, Mr. ENGLISH, Mr. RUDD, Mr. BROOKS, and Mr. BRYANT.

H.J. Res. 222: Mr. COUGHLIN and Mr. GILMAN.

H.J. Res. 287: Mr. ANNUNZIO, Mr. ANTHONY, Mr. BENNETT, Mrs. BURTON of California, Mr. CARNEY, Mr. CHANDLER, Mr. CLAY, Mr. COELHO, Mrs. COLLINS, Mr. COOPER, Mr. DORNAN of California, Mr. EMERSON, Mr. EVANS of Illinois, Mr. OLIN, Mr. SMITH of New Jersey, Mr. TAUZIN, Mr. TORRES, Mr. TRAFICANT, Mr. UDALL, Mr. GUARINI, Mr. JACOBS, Mr. KASICH, Mrs. KENNELLY, Mr. LUNGREN, Mr. MADIGAN, Mr. MAZZOLI, Mr. MONTGOMERY, and Mr. NEAL.

H.J. Res. 289: Mr. ALEXANDER, Mr. APPLEGATE, Mr. BERMAN, Mr. BORSKI, Mr. BRYANT, Mrs. COLLINS, Mr. DE LA GARZA, Mr. EDGAR, Mr. EVANS of Illinois, Mr. FAZIO, Mr. FLIPPO, Mr. GORDON, Mr. GUARINI, Mr. RALPH M. HALL, Mr. HEFNER, Mr. HORTON, Mr. HUGHES, Mr. JONES of Tennessee, Mr. KANJORSKI, Ms. KAPTUR, Mr. LANTOS, Mr. LEVIN of Michigan, Mrs. LLOYD, Mr. MCGRATH, Mr. MADIGAN, Mr. MARTINEZ, Mr. MAZZOLI, Ms. MIKULSKI, Mr. MURPHY, Mr. MURTHA, Mr. NOWAK, Mr. O'BRIEN, Mr. OWENS, Mr. RAHALL, Mr. RAY, Mr. REGULA, Mr. RINALDO, Mr. ROE, Mr. RUSSO, Mr. SMITH of New Jersey, Mr. SMITH of Florida, Mr. THOMAS of Georgia, Mr. TORRICELLI, Mr. TOWNS, Mr. VOLKMER, and Mr. WORTLEY.

H.J. Res. 296: Mrs. BOGGS.

H.J. Res. 312: Mr. ADDABBO, Mr. FOGLIETTA, Mr. FRANKLIN, Mr. RALPH M. HALL, Mr. HAMMERSCHMIDT, Mr. HARTNETT, Mr. HEFNER, Mr. HORTON, Mr. HYDE, Mr. KEMP, Mrs. KENNELLY, Mr. MATSUI, Mr. PERKINS, Mr. PRICE, Mr. QUILLEN, Mr. RINALDO, Mr. RODINO, Mr. SHAW, Mr. DENNY SMITH, Mr. SNYDER, Mr. TAUKE, Mr. VISCLOSKY, Mr. WEBER, Mr. WYLIE, Mr. KINDNESS, Mr. TORRICELLI, Mr. KOSTMAYER, Mr. HEFTEL of Hawaii, Mr. BADHAM, Mr. GUARINI, Mr. FUSTER, Mr. CLAY, Mr. HOWARD, Mr. BRYANT, Mr. MADIGAN, Mr. VOLKMER, Mr. SIKORSKI, Mr. BATEMAN, Mr. PACKARD, Mr. TRAFICANT, Mr. HATCHER, Mr. LEWIS of Florida, Mr. WALGREN, Mr. ERDREICH, Mr. DANIEL, Mr. KOLTER, Ms. MIKULSKI, Mr. SMITH of New Jersey, Mr. LEACH of Iowa, Mr. ORTIZ, Mr. TRAXLER, Mr. BIAGGI, Mr. KILDEE, Mr. APPLEGATE, Mrs. BENTLEY, Mrs. BURTON of California, Mr. BUSTAMANTE, Mr. CARNEY, Mr. CHAPPIE, Mr. DEWINE, Mr. DIOGUARDI, Mr. LANTOS, Mr. LOWERY of California, Mr. MOAKLEY, Mr. MONSON, Mr. MOORE, Mr. CAMPBELL, Mr. MCEWEN, Mr. HAYES, Mr. DYMALLY, Mr. DYSON, Mr. LEVIN of Michigan, Mr. AKAKA, Mr. COELHO, Mr. CONYERS, Mr. DIXON, Mr. EDGAR, Mr. FAUNTROY, Mr. FISH, Mr. OLIN, Mr. CALLAHAN, Mr. DE LA GARZA, Mr. CONTE, Mr. WALKER, Mr. SYNAR, Mr. DASCHLE, Mr. DICKINSON, Mr. CHANDLER, Mr. DURBIN, Mr. BROYHILL, Mr. GILMAN, Mr. CLINGER, Mrs. JOHNSON, Mr. ROTH, Mr. BROWN of Colorado, Mr. GEKAS, Mr. MONTGOMERY, Ms. FIEDLER, Mr. CHENEY, Mr. O'BRIEN, Mr. COBEY, Mr. LOEFFLER, Mr. LEWIS of California, Mr. LATTA, Mr. EMERSON, Mr. BEVILL, Mr. BROWN of California, Mr. RANGEL, Mr. THOMAS of California, Mr. HENDON, Mr. HENRY, Mr. HOPKINS, Mr. LIGHTFOOT, Mr. LOTT, Mr. BOEHLERT, Mr. GAYDOS, Mr. PICKLE, Mr. OBERSTAR, Mr. BARTLETT, Mr. SLAUGHTER, Mr. MCMILLAN, Mr. ROGERS, Mr. MURTHA, Mr. COURTER, Mr. HILER, Mr. GINGRICH, Mr. HUNTER, Mrs. MEYERS of Kansas, Mrs. BYRON, Mr. DREIER of California, Mr. DAUB, Mr. BEREUTER, Mr. GALLO, Mrs. VUCANOVICH, Mr. SMITH of Iowa, Mrs. BOGGS, Mr. AUCOIN, Mr. WEAVER, Mr. KANJORSKI, Mr. DWYER of New Jersey, Mr. CRAIG, Mr. MCCOLLUM, Mr. MOORHEAD, Mr. HANSEN, Mr. MCGRATH, Mr. MARTIN of New York, Mr. BONER of Tennessee, Mr. SHAW, Mr. SOLOMON, Mr. ACKERMAN, Mr. DELAY, Mr. LUKEN, Mr. LOWRY of Washington, Mr. SILJANDER, Mr. GUNDERSON, Mr. KRAMER, Mr. EDWARDS of Oklahoma, Mr. RUDD, Mr. LENT, Mr. MCKINNEY, Mr. COBLE, Mr. HOWARD, and Mr. DANNEMEYER.

H.J. Res. 326: Mr. MCCAIN, Mr. HUBBARD, Mr. ROBERT F. SMITH, Mr. SNYDER, Mr. LATTA, Mr. JONES of North Carolina, Mr. KOLTER, Mr. PASHAYAN, Mr. BADHAM, Mr. LEVINE of California, Mr. ENGLISH, Mr. LEWIS of California, Ms. OAKAR, Mr. MCEWEN, Mr. DIXON, Mr. HOYER, Mr. STUMP, and Mr. RANGEL.

H. Con. Res. 169: Mr. RANGEL, Mr. ROSE, Mr. SWIFT, Mr. BATES, and Mr. DURBIN.

H. Con. Res. 175: Mr. MARTINEZ and Mr. CONYERS.

H. Con. Res. 177: Mr. MCEWEN, Mr. BUSTAMANTE, Mr. LOEFFLER, Mr. WATKINS, Mr. SKEEN, Mr. LIGHTFOOT, Mr. SMITH of Iowa, Mr. CHENEY, Mrs. VUCANOVICH, Mrs. BENTLEY, Mr. LEATH of Texas, and Mr. HOPKINS.

H. Res. 60: Mr. DURBIN.

H. Res. 203: Mr. MONTGOMERY, Mr. DORNAN of California, Mr. RANGEL, Mr. BERMAN, Mr. MCGRATH, Mrs. HOLT, Mr. BOLAND, Mr. SUNIA, and Mr. PORTER.

PETITIONS, ETC.

Under clause 1 of rule XXII

185. The SPEAKER presented a petition of the Board of Commissioners, Hermitage, PA, relative to nuclear weapons; which was referred to the Committee on Foreign Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3008

By Mr. ARMEY:

—Page 3, line 22, strike out "and".

Page 4, line 17, strike out the period and insert in lieu thereof "; and".

Page 4, after line 17, insert the following:

(5) 5 members appointed by the director of the Office of Personnel Management from among individuals with Federal personnel management experience, of whom—

(A) 1 shall be appointed upon the recommendation of the Secretary of Defense;

(B) 1 shall be appointed upon the recommendation of the Secretary of Health and Human Services;

(C) 1 shall be appointed upon the recommendation of the Secretary of the Treasury;

(D) 1 shall be appointed upon the recommendation of the Secretary of Agriculture; and

(E) 1 shall be appointed upon the recommendation of the Secretary of the Interior;

Page 6, line 18, strike out "(3) and (4)" and insert in lieu thereof "(3) through (5)".

Page 7, line 6, strike out "Six" and insert in lieu thereof "Nine".

—Page 10, line 8, strike out "5" and insert in lieu thereof "10".

Page 10, strike out lines 14 through 17 and insert in lieu thereof the following:

(b) FINAL SELECTIONS.—The Commission shall select, from among the consultants included on the list prepared under subsection (a), at least 3 consultants to conduct the study under this Act. The functions of the consultants under this Act shall be performed by such consultants acting jointly.

Page 10, line 21, strike out "consultant" and insert in lieu thereof "consultants".

Page 11, line 15, strike out "consultant" and insert in lieu thereof "consultants".

Page 11, line 19, strike out "Consultant's" and insert in lieu thereof "Consultants' ".

Page 11, line 22, strike out "consultant, pursuant to its" and insert in lieu thereof "consultants pursuant to their".

Page 13, line 19, strike out "consultant's" and insert in lieu thereof "consultants' ".

—Page 10, strike out line 24 and all that follows thereafter through page 11, line 2, and insert in lieu thereof the following: "of occupations under each of the respective systems referred to in section 2(a).".

—Page 13, strike out lines 10 through 21 and insert in lieu thereof the following:

(d) ADDITIONAL REQUIREMENT.—The Commission shall furnish a copy of the consultant's report, together with the Commission's comments—

(1) to each appointing authority in the legislative branch of the Government; and

(2) to the Office of Personnel Management for prompt investigation.

—Page 3, strike out line 10 and insert in lieu thereof the following:

(1) the Chairman of the Equal Employment Opportunity Commission;

—Page 13, line 23, strike out "limit" and insert in lieu thereof "limit, expand, or otherwise change".

—Page 14, line 7, strike out "Act." and insert in lieu thereof "Act if the Director of the Office of Personnel Management certifies to Congress in writing that allocation of such

sums will not adversely affect the ability of the Office to carry out its statutory duties and responsibilities.".

By Mr. BARTON of Texas:

—Strike Section 7, paragraph C(3).

By Mr. BURTON of Indiana:

—In section 3, strike out subsections (b), (c) and (d) and insert in lieu thereof the following:

(b) COMPOSITION.—The Commission shall be composed of 14 members, of whom—

(1) 7 shall be appointed by the President in consultation with the majority leader of the Senate and the minority leader of the House of Representatives; and

(2) 7 shall be appointed by the President upon the joint recommendation of the Speaker of the House of Representatives and the minority leader of the Senate.

To the extent practicable, appointments under this section shall be made with a view towards maintaining a fair balance in the interests represented and the functions to be performed by the Commission.

(c) CONDITION FOR MEMBERSHIP.—(1) Members of the Commission shall not be officers or employees of the United States.

(2) If any member of the Commission becomes an officer or employee of the United States, that individual may continue as such a member for not longer than the 15-day period beginning on the date that such individual becomes such an officer or employee.

(3) An individual on leave without pay from the Government shall not, for purposes of this subsection, be considered an officer or employee of the United States.

(d) COMPENSATION.—Members of the Commission shall receive no pay on account of their service on the Commission, but while away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service under section 5703 of title 5, United States Code.

In section 3(e), strike out "paragraphs (3) and (4) of".

In section 3(h), strike out "Six" and insert in lieu thereof "Eight".

—Strike out Sec. 4(b)(4).
—Strike out Sec. 4(b)(5).
—Strike out Sec. 5.
—Strike out Sec. 5(a).
—Strike out Sec. 5(b).
—Strike out Sec. 6.
—Strike out Sec. 6(a).
—Strike out Sec. 6(b).
—Strike out Sec. 7.
—Strike out Sec. 7(a).
—Strike out Sec. 7(b).
—Strike out Sec. 7(b)(1).
—Strike out Sec. 7(b)(2).
—Strike out Sec. 7(b)(3).
—Strike out Sec. 7(c).
—Strike out Sec. 7(c)(2).
—Strike out Sec. 7(c)(3).
—Strike out Sec. 7(d).
—Strike out Sec. 8.
—Strike out Sec. 9.
—Strike out Sec. 10.
—Strike out Sec. 10(1).
—Strike out Sec. 10(2).
—Strike out Sec. 10(3).
—Strike out Sec. 10(4).
—Strike out Sec. 10(5).
—Strike out Sec. 10(6).
—Strike out Sec. 10(7).
—Strike out Sec. 10(8).
—Strike out Sec. 10(9).
—Strike out Sec. 10(10).
—Strike out Sec. 10(11).
—Strike out Sec. 10(12).
—Strike out Sec. 10(13).
—Strike out Sec. 11.
—In section 7(c), strike out paragraph (4).
—Strike all after the enacting clause.
—Page 2, line 5, after "1985", add: ", the 320 Billion Dollar Mistake".
—Page 2, line 5, after "1985", add: ", the Eight Billion Dollar Boondoggle."
—Page 2, line 5, after "1985", add: ", Being Railroaded Through on a Greased Track."
—Page 2, line 5, after "1985", add: ", But You Can Call Me Comparable Worth."
—Strike out Section 1.
—Strike out Section 2.
—Strike out Section 2(a).
—Strike out Section 2(b).
—Strike out Section 3.
—Strike out Section 3(a).
—Strike out Section 3(b).
—Strike out Section 3(c).
—Strike out Section 3(b)(2).
—Strike out Section 3(b)(1).
—Strike out Section 3(b)(3).
—Strike out Section 3(b)(4).
—Strike out Section 3(c).
—Strike out Section 3(c)(B).
—Strike out Section 3(c)(2)(A).
—Strike out Section 3(d).
—Strike out Section 3(e).
—Strike out Section 3(f).
—Strike out Section 3(g).
—Strike out Section 3(h).
—Strike out Section 3(i).
—Strike out Section 3(j).
—Strike out Section 3(k).
—Strike out Section 4.
—Strike out Section 4(a).
—Strike out Section 4(a)(A).
—Strike out Section 4(b).
—Strike out Sec. 4(b)(3)(A).
—Strike out Section 4(b)(2).
—Strike out Sec. 4(b)(3)(B).
—Strike out Sec. 4(b)(3)(C).
—Strike out Sec. 4(b)(3)(D).

By Mr. GEKAS:

—Page 15, strike out lines 13 and 14 and insert in lieu thereof the following:

(5) "ethnicity" refers to the country where a person was born or the country from which his or her ancestors came;

—Page 15, line 14, insert after "of":

"Afgani, Albanian, Algerian, Andorran, Angolan, Antiguan & Barbudan, Argentinian, Australian, Austrian, Bahamian, Bahrainian, Bangladeshi, Barbadian, Belgian, Belizian, Beninian, Bhutanian, Bolivian, Botswanian, Brazilian, Bulgarian, Burman, Burundian, Kampuchean, Cameroon, Canadian, Cape Verdian, Central African, Chadian, Chilean, Chinese, Taiwanese, Colombian, Comorosian, Congolese, Costa Rican, Cuban, Cypriot, Czech, Danish, Djibouti, Dominica, Dominican, Ecuadoran, Egyptian, Salvadoran, Guinean, Ethiopian, Fiji, Finnish, French, Gabonese, Gambian, German, Ghanan, Greek, Grenadian, Guatemalan, Guyanese, Haitian, Honduran, Hungarian, Icelandian, Indian, Indonesian, Iranian, Iraqui, Israeli, Italian, Ivory Coastal, Jamaican, Japanese, Jordanian, Kenyan, Kiribatian, Korean, Kuwaiti, Laotian, Lebanese, Lesothian, Liberian, Libyan, Liechtensteinian, Luxembourger, Madagascaran, Malawian, Malaysian, Maldivian, Mali, Maltese, Mauritanian, Mauritian, Mexican, Monacan, Mongolian, Moroccan, Mozambiqan, Nauran, Nepalese, Dutch, New Zealander, Nicaraguan, Niger, Nigerian, Norweigian, Omanian, Pakistanian, Panamanian, Papuan, Paraguayan, Peruvian, Philippino, Polish, Portuguese, Qataran, Romanian, Rwandan, St. Lucian, St. Vincentian, San Marinan, Princip an, Saudi Arabian, Senegalese, Seychellian, Sierra Leonese, Singaporan, Solomonese, Somalian, South African, Spanish, Sri Lankese, Sudanese, Surinamese, Swazi, Swedish, Swiss, Syrian, Tanzanian, Thai, Togonese, Tonganese, Trinidad & Tobagon, Tunisian, Turkish, Tuvaluan, Ugandan, Russian, U.A.R., British, Upper Voltese, Uruguayan, Vanuatuan, Vatican, Venezuelan, Vietnamese, Western Samoan, Yemenese, Yugoslavian, Zairese, Zambian, Zimbabwean, or"

By Mr. HANSEN:

—Section 5 (A) and (B)

Page 10, line 8. delete "5" and insert "10".

Page 10, line 14. delete "a consultant" and insert "not less than three consultants".

By Mrs. VUCANOVICH:

—Page 13, strike out line 22 and insert in lieu thereof the following:

SEC. 8. CONSTRUCTION; ADVISORY NATURE OF STUDY; SENSE OF CONGRESS.

Page 13, line 23, insert "(a)" before "Nothing".

Page 14, after line 3, add the following:

(b) ADVISORY NATURE.—The consultant's study and any findings, conclusions, recommendations, or comments by the consultant or the Commission under this Act with respect to such study shall be considered to be of an advisory nature only.

(c) SENSE OF THE CONGRESS.—The consultant's study and findings, conclusions, recommendations, or comments by the consultant or the Commission under this Act with respect to such study should not serve as the basis for any legal conclusion in a lawsuit against the government.

By Mr. WALKER:

—In section 7, on page 12, after line 6, insert the following new subsection and renumber succeeding sections accordingly:

"(b)(2) Such study shall include and measure the impact on wages in similar jobs negotiated under collective bargaining agreements."

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, 79th Congress, title III, Regulation of Lobbying Act, section 308(b), which provides as follows:

(b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received.

REGISTRATIONS

The following registrations were submitted for the second calendar quarter 1985:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective headings.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19.....

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:
1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§302(e).
(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out items "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 1

Organization or Individual Filing	Employer/Client
JULIE ABBOT, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE
CHARLES ADAMS, 6324 VARIEL AVE., #323 WOODLAND HILLS CA 91367	CHAD THERAPEUTICS
JOHN J. ADAMS, 2000 PENNSYLVANIA AVE., NW, #900 WASHINGTON DC 20006	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION
Do	ORBITAL SCIENCES CORPORATION
SAM ADAMS, 600 MARYLAND AVE., SW, #700 WASHINGTON DC 20024	NATIONAL FED OF INDEPENDENT BUSINESS
ADDUCI DINAN AND MASTRIANI, 1140 CONNECTICUT AVENUE, NW, #250 WASHINGTON DC 20036	VISAFLOR, S.A.
SAMUEL J. AGGER, 1818 N STREET, NW WASHINGTON DC 20036	DGA INTERNATIONAL, INC (FOR: SNECMA)
CREIGH H. AGNEW, 1625 EYE STREET, NW, #902 WASHINGTON DC 20006	WEYERHAEUSER COMPANY
AIR TRAFFIC CONTROL ASSN, INC, 2020 NORTH 14TH STREET, #410 ARLINGTON VA 22201	
AKIN GUMP STRAUSS HAUER & FELD, 1333 NEW HAMPSHIRE AVE., NW, #400 WASHINGTON DC 20036	GEICO CORPORATION
Do	GENERAL MOTORS CORP
Do	INTERNATIONAL TAXI ASSN
Do	NEDERLANDER THEATRES
SUSAN ALBERTS, 1411 K STREET, NW WASHINGTON DC 20005	AMERICANS FOR DEMOCRATIC ACTION
DONALD C. ALEXANDER, CADWALADER WICKERSHAM & TAFT 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	AMERICAN FINANCIAL CORP
AMERICAN OPTOMETRIC ASSN, C/O DR. JOHN D. TUMBLIN 600 MARYLAND AVENUE, SW, #400E WASHINGTON DC 20024	
AMERICAN-EUROPEAN ACID RAIN PROHIBITION, 11573 EMBERS COURT RESTON VA 22091	
JOANNE M. AMOROSI, 1228 17TH STREET, NW WASHINGTON DC 20036	AIR CONDITIONING CONTRACTORS OF AMERICA
ANDERSON BENJAMIN & READ, INC, 1776 K STREET, NW, #900 WASHINGTON DC 20006	U.S. BANKNOTE CORP
ANDERSON HIBEY NAUHEIM & BLAIR, 1708 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20009	EARTH SATELLITE CORP
ANGLO AMERICAN AUTO AUCTIONS, INC, 2 INTERNATIONAL PLAZA DR., #600 NASHVILLE TN 37217	
REYNOLD V. ANSELMO, 460 W. 42ND STREET, 4TH FL NEW YORK NY 10036	PAN AMERICAN SATELLITE CORP
ARENT FOX KINTNER PLOTKIN & KAHN, 1050 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	TOSHIBA AMERICA, INC
Do	TVW PAPER MACHINES, INC
ALVIN J. ARNETT, P.O. BOX 23451 WASHINGTON DC 20026	CONSOLIDATED RAIL CORP
ARNOLD & PORTER, 1200 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	CANADIAN FOREST INDUSTRIES COUNCIL
Do	CONSEJO EMPRESARIAL MEXICANO PARA ASUNTOS INTERNACIONALES
CLAIRE H. AUSTIN, 8701 TRIUMPH COURT ALEXANDRIA VA 22308	RUSSELL CORPORATION
LARRY AYRES, 1901 L STREET, NW, #303 WASHINGTON DC 20036	COLT INDUSTRIES, INC
BRENT A. BAGLIEN, 725 15TH STREET, NW WASHINGTON DC 20005	NATIONAL GRAIN & FEED ASSN
BAKER & DANIELS, 1920 N ST., NW, #600 WASHINGTON DC 20036	DICKINSON BUSINESS SCHOOL
BAKER & MCKENZIE, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	NATIONAL BUILDING GRANITE QUARRIES ASSN
BALLARD SPAHR ANDREWS & INGERSOLL, 1850 K STREET, NW, #1100 WASHINGTON DC 20006	CITY OF PHILADELPHIA
BARAFF KOERNER OLENDER & HOCHBERG, P.C., 2033 M STREET, NW, #203 WASHINGTON DC 20036	MAJOR INDOOR SOCCER LEAGUE
E. W. BARAGAR, 1700 NORTH MOORE ST., 20TH FL. ROSSLYN VA 22209	BOEING COMPANY
BARNES RICHARDSON & COLBURN, 1819 H ST., NW, #400 WASHINGTON DC 20006	STRATTON HATS, INC
Do	TEXAS CITRUS AND VEGETABLE IMPORT ASSOCIATION
THOMAS E. BASS, 1901 L STREET, NW, #303 WASHINGTON DC 20036	COLT INDUSTRIES, INC
RICHARD "SANDY" BEACH, 1730 RHODE ISLAND AVE., NW, #810 WASHINGTON DC 20036	CREDIT UNION NATIONAL ASSN, INC
BEAR WEST COMPANY, INC, 9 EXCHANGE PLACE, #1000 SALT LAKE CITY UT 84111	ROCKY MOUNTAIN ENERGY CO
STEVEN M. BECKMAN, 1757 N STREET, NW WASHINGTON DC 20036	INT'L UNION, UNITED AUTO AEROSPACE & AGRIC IMPLEMENT WORKERS
JAMES P. BELLIS, 11 DUPONT CIRCLE, NW, #700 WASHINGTON DC 20036	PALUMBO & CERRELL, INC (FOR: G. D. SEARLE)
BENDIXEN & LAW, 1029 VERMONT AVENUE, NW, #505 WASHINGTON DC 20005	PANAMSAT
BENNER BURNETT & COLEMAN, 1401 NEW YORK AVENUE, NW WASHINGTON DC 20005	OMNINET CORPORATION
JAY HARRIS BERMAN, 419 10TH STREET, NE WASHINGTON DC 20002	PROFESSIONAL INSURANCE AGENTS
ZALMAN C. BERNSTEIN, SANFORD C. BERNSTEIN & CO, INC 767 FIFTH AVENUE NEW YORK NY 10153	
EVE BERTON, 2020 K STREET, NW, #200 WASHINGTON DC 20006	NATIONAL FED OF FEDERAL EMPLOYEES
FRED BILLINGS III, 1616 H STREET, NW WASHINGTON DC 20006	NATIONAL GRANGE
ROBERT BINGAMAN JR., 530 7TH STREET, SE WASHINGTON DC 20003	NATIONAL CLEAN AIR COALITION
BINGHAM DANA & GOULD, 1724 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	PARALYZED VETERANS OF AMERICA
BISHOP LIBERMAN COOK PURCELL & REYNOLDS, 1200 17TH STREET, NW, 7TH FL. WASHINGTON DC 20036	FIRST COLONY LIFE INSURANCE
Do	KILPATRICK LIFE INSURANCE COMPANY
Do	MONUMENTAL LIFE INSURANCE COMPANY
BLACK MANAFORT STONE & KELLY, P.C., 324 NORTH FAIRFAX STREET ALEXANDRIA VA 22314	TRANS WORLD AIRLINES
ROGER BLACKLOW, 100 INDIANA AVENUE, NW WASHINGTON DC 20001	NATIONAL ASSN OF LETTER CARRIERS
RICHARD W. BLISS, 3242 GRACE STREET, NW WASHINGTON DC 20007	AMAX, INC
Do	ENVIRONMENTAL SCIENCE & ENGINEERING
Do	NATIONAL PAINT & COATINGS ASSN
Do	PB-KBB, INC
Do	VARIAN EIMIAC
WILLIAM F. BOLGER, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)
RICHARD H. BORNEMANN, 410 FIRST STREET, SE WASHINGTON DC 20003	AMERICAN NUCLEAR ENERGY COUNCIL
BOYD VEIGEL GAY & MCCALL, INC, 499 S. CAPITOL ST., SW, #412 WASHINGTON DC 20003	AMERICAN LAND DEVELOPMENT ASSN
Do	WHITEHALL CORPORATION
BRACEWELL & PATTERSON, 1825 EYE STREET, NW, #1200 WASHINGTON DC 20006	LIBERTY BANK & TRUST OF NEW JERSEY
ROBERT W. BRADFORD, 1900 WEST SUNSHINE STREET SPRINGFIELD MO 65808	
ROBERT M. BRANDON, 1300 CONNECTICUT AVE., NW, #401 WASHINGTON DC 20036	CITIZEN ACTION
H. ANTHONY BREARD JR., P.O. BOX 3151 HOUSTON TX 77253	CECOS INTERNATIONAL
WILLIAM M. BRODHEAD, 900 MARQUETTE BUILDING DETROIT MI 48226	PLUNKETT COONEY RUTT WATTERS STANCZYK & PEDERSEN (FOR: BRACY WILLIAMS & COMPANY)
PHILIP A. BROOKS, 1125 15TH STREET, NW WASHINGTON DC 20005	MORTGAGE BANKERS ASSN OF AMERICA
GARY W. BRUNER, P.O. BOX 2159 DALLAS TX 75221	AMERICAN PETROFINA, INC
PRISCILLA R. BUDEIRI, 215 PENNSYLVANIA AVE., SE WASHINGTON DC 20003	CONGRESS WATCH
G. N. BUFFINGTON, 2230 CALIFORNIA STREET, NW WASHINGTON DC 20008	NATIONAL ASSN OF REAL ESTATE INVESTMENT TRUSTS
LOU ANN BURNEY, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS
BURSON-MARSTELLER, 1825 EYE ST., NW, #950 WASHINGTON DC 20006	SEARS ROEBUCK & CO
BUTLER & BINION, 1747 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	ASSOCIATION OF EXECUTIVE SEARCH CONSULTANTS, INC
Do	CORNING ASSOCIATES
Do	JACQUES BOREL ENTERPRISES, INC AND ACCOR NORTH AMERICAN, INC
Do	NATIONAL FED OF INDEPENDENT BUSINESS
Do	PENNZOIL COMPANY
C. RICHARD CAHOON, 1120 VERMONT AVE., NW, #1130 WASHINGTON DC 20005	PETROLEUM MARKETERS ASSN OF AMERICA
CAMBRIDGE INTERNATIONAL, INC, 10057 MACLURA COURT FAIRFAX VA 22032	AVCO LYCOMING
Do	FMC CORPORATION
Do	GENERAL DYNAMICS LAND SYSTEMS
Do	LOCKHEED-GEORGIA CO
Do	NORDEN SYSTEMS, INC
JEANNE CAMPBELL, CAMPBELL-RAUPE ASSOCIATES, INC 1015 15TH STREET, NW, #907 WASHINGTON DC 20005	BODINE'S INC FOOD PRODUCTS
Do	INVEST TO COMPETE ALLIANCE
ANNE C. CANFIELD, 1331 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20004	GENERAL ELECTRIC CREDIT CORP
CAPITOL GROUP, INC, 2550 M STREET, NW, #650 WASHINGTON DC 20037	APPLIED ENERGY SERVICES, INC
Do	CHEMKRETE TECHNOLOGIES, INC; LUBRIZOL CORP
Do	GOVERNORS OFFICE, APPALACHIAN REGIONAL COMMISSION
Do	NATIONAL ASSN OF TOWN WATCH
CASSIDY AND ASSOCIATES, INC, 955 L'ENFANT PLAZA, SW, #1401 WASHINGTON DC 20024	CRAY RESEARCH, INC
Do	DREXEL UNIVERSITY
Do	NEW ENGLAND COLLEGE OF OPTOMETRY
Do	ROCKY MOUNTAIN ENERGY
Do	U.S. REPEATING ARMS
Do	UNITED HOSPITALS
Do	UNIVERSITY OF BRIDGEPORT
Do	UNIVERSITY OF SOUTHERN MISSISSIPPI
G. THOMAS CATOR, 1050 17TH STREET, NW WASHINGTON DC 20036	NEECE CATOR & ASSOCIATES, INC (FOR: SMALL BUSINESS UNITED)
MICHAEL CAUDELL-FEAGAN, 215 PENNSYLVANIA AVE., SE WASHINGTON DC 20003	U.S. PUBLIC INTEREST RESEARCH GROUP
CHADBOURNE PARKE WHITESIDE & WOLFF, 1101 VERMONT AVENUE, NW WASHINGTON DC 20005	NAPP CHEMICALS, INC
CHAMBERS ASSOCIATES, INC, 1411 K STREET, NW, #500 WASHINGTON DC 20005	METCALF & EDDY/KVB GROUP
NANCY CHAPMAN, 1728 CHURCH STREET, NW WASHINGTON DC 20036	OLSSON & FRANK (FOR NATIONAL ASSN OF MARGARINE MFGRS)
LESLIE CHRISTENSEN, 600 MARYLAND AVE., SW, #700 WASHINGTON DC 20024	NATIONAL FED OF INDEPENDENT BUSINESS
JAMES T. CHRISTY, 1730 PENNSYLVANIA AVE., NW, #265 WASHINGTON DC 20006	AIR PRODUCTS & CHEMICALS, INC
CHWAT/WEIGEND ASSOCIATES, 400 FIRST STREET, NW, #816 WASHINGTON DC 20001	BEER INDUSTRY LEAGUE OF LOUISIANA
Do	RETAIL TOBACCO DEALERS OF AMERICA, INC
CITIZEN ACTION, 1300 CONNECTICUT AVE., NW, #401 WASHINGTON DC 20036	
CITIZENS AGAINST MIDSHIPMEN IMPRESSMENT, 1292 GOODRICH, #200 SAINT PAUL MN 55105	

Organization or Individual Filing	Employer/Client
DENNIS B. CLARK, 311 FIRST STREET, NW WASHINGTON DC 20001	NATIONAL RESTAURANT ASSN
CLEARY GOTTLIEB STEEN & HAMILTON, 1752 N STREET, NW WASHINGTON DC 20036	BEAR STEARNS & CO
Do	LONZA, INC
GEORGE E. CLIFFORD JR., 146 GRAFTON STREET CHEVY CHASE MD 20815	
CLINTON REILLY CAMPAIGNS, 1738 BUSH STREET SAN FRANCISCO CA 94109	SACRAMENTO MUNICIPAL UTILITY DISTRICT, ET AL
COALITION AGAINST DOUBLE TAXATION, INC, C/O KIERNAN & O'BRIEN 1050 THOMAS JEFFERSON STREET, NW WASHINGTON DC 20007	
COALITION FOR ALTERNATIVES IN NUTRITION & HEALTHCARE, INC, P.O. BOX B-12 RICHLANDTOWN PA 18955	
COALITION TO STOP GOV'T WASTE, 499 S. CAPITOL STREET, SW, #102 WASHINGTON DC 20003	
COAN COUTURE LYONS & MOORHEAD, 1625 EYE ST., NW, #1015 WASHINGTON DC 20006	PRESBYTERIAN ASSN ON AGING
ALAN J. COBB, 1120 VERMONT AVENUE, NW WASHINGTON DC 20005	PETROLEUM MARKETERS ASSN OF AMERICA
ALICE I. COHAN, 7981 EASTERN AVE. SILVER SPRING MD 20910	NATIONAL ASSOCIATION OF SOCIAL WORKERS
DAVID COHEN, 1346 CONNECTICUT AVE., NW, #901 WASHINGTON DC 20036	PROFESSIONALS' COALITION FOR NUCLEAR ARMS CONTROL
SCOTT COHEN, 1750 NEW YORK AVENUE, NW, #210 WASHINGTON DC 20006	GILBERT A. ROBINSON, INC
SHELDON S. COHEN, MORGAN LEWIS & BOCKIUS 1800 M STREET, NW WASHINGTON DC 20036	CONSOLIDATED RAILROAD CORP
COLLIER SHANNON RILL & SCOTT, 1055 THOMAS JEFFERSON ST., NW, #308 WASHINGTON DC 20007	SMOKELESS TOBACCO COUNCIL
COLORADO FAMILIES TO INCREASE THE TAX EXEMPTON, P.O. BOX 18217 DENVER CO 80218	
COMMITTEE FOR THE ELECTRIC CONSUMERS PROTECTION ACT, 1000 POTOMAC STREET, NW, #401 WASHINGTON DC 20007	
RAYMOND F. CONKLING, 1600 S. LYNN STREET ARLINGTON VA 22202	DIAMOND SHAMROCK CORP
THOMAS L. CONRAD, 2001 EYE STREET, NW WASHINGTON DC 20006	ELECTRONIC INDUSTRIES ASSN
MARK N. COOPER, 802 LANARK WAY SILVER SPRING MD 20901	CONSUMER FEDERATION OF AMERICA
JAY COPELAND, 645 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	NATIONAL AUDUBON SOCIETY
JOSEPH L. COPPOLA, 3600 S. YOSEMITE, #830 DENVER CO 80237	KOGOVSEK AND ASSOCIATES, INC
MICHAEL J. COPPS, 1660 L ST., NW, #1000 WASHINGTON DC 20036	COLLINS AND AIKMAN CORP
CORMAN LAW OFFICES, 1420 16TH STREET, NW WASHINGTON DC 20036	AMERICAN BAKERS ASSOCIATION
Do	SYSTEMS & APPLIED SCIENCES CORP TECHNOLOGIES
TOM COSGROVE, 37 TRUMBULL STREET NEW HAVEN CT 06511	SIERRA CLUB
TAMARA COX, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: IOWA PORK PRODUCERS ASSN)
JOHN COZART, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: IOWA PORK PRODUCERS ASSN)
W. O. CRAFT JR., CRAFT & RICHARDS 1050 THOMAS JEFFERSON ST., NW, 6TH FL. WASHINGTON DC 20008	NATIONAL ARMORED CAR ASSN, INC
RONALD CRAWFORD, F/P RESEARCH ASSOCIATES 1700 K STREET, NW, #303 WASHINGTON DC 20006	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION
JOHN M. CROSS, 1201 PENNSYLVANIA AVE., NW, #700 WASHINGTON DC 20004	HILL & KNOWLTON, INC
D L ASSOCIATES, INC, 1730 RHODE ISLAND AVENUE, NW, #210 WASHINGTON DC 20036	GENERAL DYNAMICS CORP
WILLIAM K. DABAGHI, ARTER & HADDEN 1919 PENNSYLVANIA AVE., NW, #400 WASHINGTON DC 20006	A.S. NEMIR ASSOCIATES (FOR SUGAR & ALCOHOL INSTITUTE)
DAIRY-FARMER DISTRIBUTORS OF AMERICA, INC, * CHITTENANGO NY 13037	
DAVIS & HARMAN, 655 15TH STREET, NW WASHINGTON DC 20005	AMERICAN GENERAL LIFE INSURANCE CO
Do	AMERICAN HORSE COUNCIL
Do	APACHE CORPORATION
Do	BETHLEHEM STEEL
Do	CAPITOL HOLDING CORP
Do	CHICAGO BOARD OF TRADE
Do	CNA INSURANCE
Do	COMMITTEE OF ANNUITY INSURERS
Do	FLORIDA POWER & LIGHT
Do	FLORIDA SUGAR CANE LEAGUE
Do	JACKSONVILLE ELECTRIC AUTHORITY
Do	LINCOLN NATIONAL LIFE INSURANCE CO
Do	NATIONAL CATTLEMEN'S ASSN
Do	PROPERTY/CASUALTY GROUP
Do	STOCK INFORMATION GROUP
Do	WINTHROP FINANCIAL ASSN
Do	WOODSTREAM CORPORATION
BRENDA S. DAVIS, 1050 CONNECTICUT AVE., NW, #800 WASHINGTON DC 20036	ALLIED CORP
MICHAEL K. DEAVER AND ASSOCIATES, INC, 1025 THOMAS JEFFERSON ST., NW, #800 WASHINGTON DC 20007	CBS, INC
Do	TRANS WORLD AIRLINES, INC
RANDY R. DEBENHAM, P.O. BOX 4267 TOPEKA KS 66604	KANSAS ELECTRIC COOPERATIVES
DECHERT PRICE & RHOADS, 1730 PENNSYLVANIA AVENUE, NW, #1100 WASHINGTON DC 20006	CENTER FOR CIVIC EDUCATION
LESLIE DELONG, 1925 K STREET, NW, #206 WASHINGTON DC 20006	ALLIANCE TO SAVE ENERGY
WILLARD L. DEMORY, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BELL ATLANTIC MANAGEMENT SERVICES)
DEWEY BALLANTINE BUSHBY PALMER & WOOD, 1775 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	COMMITTEE FOR FUTURE INVESTMENT IN AMERICA'S PAST
Do	HERSHEY FOODS CORP
Do	MARRIOTT CORPORATION
Do	U.S. COALITION FOR FAIR CANADIAN LUMBER IMPORTS
DGA INTERNATIONAL, INC, 1818 N STREET, NW WASHINGTON DC 20036	ARIANESPACE, S.A.
ELAINE DICKINSON, 880 S. PICKETT STREET ALEXANDRIA VA 22304	BOAT OWNERS ASSN OF THE U.S.
GARY ALAN DICKINSON, 2 INTERNATIONAL PLAZA DR., #600 NASHVILLE TN 37217	ANGLO AMERICAN AUTO AUCTIONS, INC
DICKSTEIN SHAPIRO & MORIN, 2101 L ST., NW WASHINGTON DC 20037	AMERICAN GREYHOUND TRACK OPERATORS ASSN
Do	HERBALIFE INTERNATIONAL
Do	PROVIDENCE HOSPITAL
MICHAEL DINNERSTEIN, 1600 SOUTH EADS ST., #924-S CRYSTAL CITY VA 22202	NATIONAL TAX POLICY INSTITUTE FOR THE PUBLIC INTEREST
MARGARET R. DIPAULA, 1700 K STREET, NW, #1204 WASHINGTON DC 20006	CHEVRON USA, INC
KEVIN J. DONNELLAN, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS
SALLY L. DOUGLAS, 490 L'ENFANT PLAZA, SW, #3206 WASHINGTON DC 20024	NATIONAL FEDERATION OF INDEPENDENT BUSINESS
DOW LOHNES & ALBERTSON, 1255 23RD ST., NW WASHINGTON DC 20037	ARROWHEAD METALS, LTD
Do	HARRIS STEEL GROUP, INC
JOHN P. DOYLE JR., 8600 BOUNDBROOK LANE ALEXANDRIA VA 22309	J.P. DOYLE ENTERPRISES, INC
DAVID P. DRAKE, 1747 PENNSYLVANIA AVE., NW, #700 WASHINGTON DC 20006	CIBA-GEIGY CORP
DUTKO & ASSOCIATES, 412 FIRST ST., SE, #214 WASHINGTON DC 20003	DSC COMMUNICATIONS
Do	GRANGER ASSOCIATES
DENNIS J. EARHART, 2001 WISCONSIN AVE., #100 WASHINGTON DC 20007	BEAR WEST CO, INC (FOR ROCKY MOUNTAIN ENERGY CO)
JOHN M. ELLIS, 1120 FAIRFIELD AVENUE ROSEVILLE CA 95678	NOR-CAL FEDERAL COALITION
DONALD C. EVANS JR., 655 15TH STREET, NW, #310 WASHINGTON DC 20005	STEPAN CORPORATION
BRUCE E. FEIN, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BELL ATLANTIC MANAGEMENT SERVICES)
FENSTERWALD ALCORN & BOWMAN, 1000 WILSON BLVD., #900 ARLINGTON VA 22209	EQUITY FOR NATIONAL GUARD TECHNICIANS
JACK FERGUSON ASSOCIATES, INC, 203 MARYLAND AVE., NE WASHINGTON DC 20002	TACOMA BOAT BUILDING CO/AT-SEA INCINERATION
WILLIAM FERGUSON JR., 1875 EYE ST., NW, #1275 WASHINGTON DC 20006	CITY OF BALDWIN PARK
Do	CITY OF INGLEWOOD
Do	CITY OF OCEANSIDE
Do	CITY OF PROVO
Do	CITY OF REDONDO BEACH
Do	CITY OF SOUTH SALT LAKE
Do	IMPERIAL IRRIGATION DISTRICT
Do	OCEANSIDE REDEVELOPMENT AGENCY
Do	SANTA CRUZ PROPERTIES, INC
LAWRENCE A. FINERAN, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS
FINLEY KUMBLE WAGNER HEINE UNDERBERG MANLEY & CASEY, 10TH FLOOR 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN COLLEGE OF NEUROPSYCHOPHARMACAOLOGY
Do	AMERICAN PROTESTANT HEALTH ASSN
Do	AMERICAN SOC OF PHARMACOLOGY & EXPERIMENTAL THERAPEUTICS
Do	COMMITTEE ON PROBLEMS OF DRUG DEPENDENCE, INC
Do	JOHNSON & JOHNSON
Do	NATIONAL ASSN OF ALCOHOLISM TREATMENT PROGRAMS, INC
Do	SOCIETY OF REAL ESTATE APPRAISERS
Do	STATE OF MARYLAND
CHARLES B. FITZGERALD IV , 15837 A CRABBS BRANCH WAY ROCKVILLE MD 20855	NATIONAL CENTER FOR DRUNK DRIVING CONTROL
RONALD JAMES FITZSIMMONS, 2010 MASSACHUSETTS AVE., NW, 5TH FL. WASHINGTON DC 20036	PLANNED PARENTHOOD FED OF AMERICA, INC
FRANK R. FLEMING, 6324 VARIEL AVE., #323 WOODLAND HILLS CA 91367	CHAD THERAPEUTICS
FLORIDA BUSINESS ASSOCIATES, 2000 L ST., NW, #200 WASHINGTON DC 20036	GENERAL DEVELOPMENT CORP
Do	SEABOARD SYSTEM RAILROAD
THOMAS H. FLOYD JR., DGA INTERNATIONAL, INC 1818 N STREET, NW WASHINGTON DC 20036	ARIANESPACE, S.A.
R. D. FOLSOM, 1317 F STREET, NW, #400 WASHINGTON DC 20004	R. DUFFY WALL & ASSOCIATES, INC (FOR: BRINKS, INC)
PAUL S. FORBES, 7700 LEESBURG PIKE FALLS CHURCH VA 22043	ROYAL SILK
FOREMAN AND COMPANY, 1826 JEFFERSON PLACE, NW, #201 WASHINGTON DC 20036	CAMP CARMOUCHE BARSH HUNTER GRAY & HOFFMAN, P.C.

Organization or Individual Filing	Employer/Client
Do	GRAY AND COMPANY
Do	GREENE O'REILLY AGNEW & BROILLET
P. WHITNEY FOSBURGH JR., 645 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	NATIONAL AUDUBON SOCIETY
ALAN FOX, 1424 16TH STREET, NW, #604 WASHINGTON DC 20036	CONSUMER FEDERATION OF AMERICA
DAVID C. FRANKIL, 918 16TH STREET, NW, #402 WASHINGTON DC 20006	AMERICAN FURNITURE MANUFACTURERS ASSN
ELLIS B. FRANKLIN, 5025 WISCONSIN AVE., NW WASHINGTON DC 20016	AMALGAMATED TRANSIT UNION, AFL-CIO
RONNA FREIBERG, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)
ANNETTE P. FRIBOURG, 3900 WISCONSIN AVE., NW WASHINGTON DC 20016	FEDERAL NATIONAL MORTGAGE ASSN
FRIENDS OF THE RURAL DEVELOPMENT LOAN FUND, 2025 I STREET, NW, #901 WASHINGTON DC 20006	
JOHN B. GANTT, 2000 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION
Do	ORBITAL SCIENCES CORPORATION
NANCY GARLAND, 600 MARYLAND AVENUE, SW, #400 WASHINGTON DC 20024	AMERICAN OPTOMETRIC ASSN
GARVEY SCHUBERT ADAMS & BARER, 1000 POTOMAC ST., NW WASHINGTON DC 20006	PORT OF TILLAMOOK BAY & TILLAMOOK COUNTY
Do	TRANS WORLD AIRLINES, INC
RUSSELL J. GASPAR, 2555 M ST., NW, #100 WASHINGTON DC 20037	HANNA GASPAR & BIRKEL (FOR: AMERICAN HORSE PROTECTION ASSN, INC)
GARRY GEFFERT, 2001 S STREET, NW, #312 WASHINGTON DC 20009	FARMWORKER JUSTICE FUND, INC
GERARD BYLER & ASSOCIATES, INC, 1100 17TH STREET, NW WASHINGTON DC 20036	ALASKA FEDERATION OF NATIVES
GFE, LTD, 1835 K STREET, NW WASHINGTON DC 20006	CONSEJO EMPRESARIAL MEXICANO PARA ASUNTOS INTERNACIONALES
DANNY GHORBANI, 10506 CAVALCADE STREET GREAT FALLS VA 22066	ASSOCIATION FOR REGULATORY REFORM
GIBSON DUNN & CRUTCHER, 1050 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	CALFED, INC
Do	CITIZENS & SOUTHERN GEORGIA CORP
Do	PRUDENTIAL BANK & TRUST CO
Do	WASHINGTON MUTUAL SAVINGS BANK
JOANNE GLISSON, 900 17TH STREET, NW, #1014 WASHINGTON DC 20006	KAISER FOUNDATION HEALTH PLAN
JUDITH M. GOFF, 375 JACKSON STREET ST. PAUL MN 55101	FARM CREDIT SERVICES
GOLD & LIEBENGOOD, INC, 1050 CONNECTICUT AVENUE, NW, #980 WASHINGTON DC 20036	FORD MOTOR CO
Do	HANDGUN CONTROL, INC
Do	INTERNATIONAL GOLD CORP, LTD
Do	MCI COMMUNICATIONS
Do	TIMES MIRROR
HELEN C. GONZALES, 236 MASSACHUSETTS AVE., NE, #504 WASHINGTON DC 20002	NATIONAL CONSUMER LAW CENTER
RANDALL C. GORDON, 725 15TH STREET, NW WASHINGTON DC 20005	NATIONAL GRAIN & FEED ASSN
ROBERT K. GRAY, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: CHICAGO TITLE INSURANCE CO)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: FIRST AMERICAN TITLE INSURANCE CO)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LAWYERS TITLE INSURANCE CO)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SAFECO TITLE INSURANCE CO)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: STUART TITLE INSURANCE CO)
MARIANA E. GRIESMER, 1010 WISCONSIN AVE. NW, #800 WASHINGTON DC 20007	GROCERY MANUFACTURERS OF AMERICA, INC
RICHARD A. GROSS, 1300 19TH STREET, NW WASHINGTON DC 20036	WALD HARKRADER & ROSS (FOR: GENERAL MOTORS CORP)
MARY SCOTT GUEST, 1919 PENNSYLVANIA AVE., NW, #800 WASHINGTON DC 20006	O'CONNOR & HANNAN
JAMES E. GUIRARD JR., 1730 RHODE ISLAND AVENUE, NW, #419 WASHINGTON DC 20036	WALK-HAYDEL, INC
ALVIN M. GUTTMAN, 818 CONNECTICUT AVE., NW, #300 WASHINGTON DC 20006	NATIONAL ASSN OF ATOMIC VETERANS
DANIEL GUTTMAN, SPIEGEL & MCDIARMID 1350 NEW YORK AVE., NW WASHINGTON DC 20005	SERVICE EMPLOYEES INTERNATIONAL UNION
JANE SCHERER HAAKE, 1667 K STREET, NW, #420 WASHINGTON DC 20006	MEAD CORPORATION
HAGEDORN-CANDO, INC, 1704 23RD ST., SO. ARLINGTON VA 22202	TRAILWAYS BUS CO; NATIONWIDE PASSENGER BUS CO
Do	YANKEE ENERGY CO
HALE AND DORR, 1201 PENNSYLVANIA AVE., NW, #807 WASHINGTON DC 20004	VILLERS ADVOCACY FOUNDATION
D. MICHAEL HANCOCK, 100 MARYLAND AVENUE, NE WASHINGTON DC 20002	NATIONAL COALITION TO BAN HANDGUNS
HANSELL & POST, 1667 K ST., NW, #500 WASHINGTON DC 20006	CSX CORPORATION
DANIEL J. HANSON SR., 525 SCHOOL ST., SW WASHINGTON DC 20024	AMERICAN ROAD & TRANSPORTATION BUILDERS ASSOCIATION
CHARLES G. HARDIN ASSOCIATES, INC, 815 CONNECTICUT AVE., NW, #800 WASHINGTON DC 20006	ANDERSON HIBEY NAUHEIM & BLAIR
HARRIS & BERG, 1100 15TH STREET, NW, #1100 WASHINGTON DC 20005	CHEESE IMPORTERS ASSN OF AMERICA, INC
MILTON E. HARRIS, 20 QUEEN STREET WEST TORONTO ONTARIO CANADA	HARRIS STEEL GROUP, INC
RICHARD M. HARRIS, 525 SCHOOL ST., SW WASHINGTON DC 20024	AMERICAN ROAD & TRANSPORTATION BUILDERS ASSOCIATION
SUSAN P. HART, 1600 M STREET, NW WASHINGTON DC 20036	INVESTMENT COMPANY INSTITUTE
DAVID J. HAYES, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	HOGAN & HARTSON (FOR: SEMICONDUCTOR INDUSTRY ASSN)
KEITH HEARD, 1030 15TH ST., NW, #700 WASHINGTON DC 20005	NATIONAL COTTON COUNCIL OF AMERICA
ROBERT E. HEGGESTAD, 1827 PHELPS PLACE, NW WASHINGTON DC 20008	CASEY SCOTT & CANFIELD, P.C. (FOR UNIFICATION CHURCH)
HENNESSY ASSOCIATES, 152 WASHINGTON AVENUE ALBANY NY 12210	
HERON BURCHETTE RUCKERT & ROTHWELL, 1025 THOMAS JEFFERSON ST., NW, #700 WASHINGTON DC 20007	AEROJET-GENERAL, INC
Do	ASARCO, INC
Do	AUTOMOBILE IMPORT COMPLIANCE ASSN
Do	CALIFORNIA STUDENT LOAN FINANCE CORP
Do	CPC INTERNATIONAL, INC
Do	GROCERY MANUFACTURERS OF AMERICA, INC
Do	MASSPORT/COMMONWEALTH OF MASSACHUSETTS
Do	NATIONAL ASSN OF MANUFACTURERS
Do	NATIONAL MEDICAL CARE
Do	TEX-LA
Do	UNIVERSITY OF NEVADA/LOS ANGELES
Do	3M, INC
DALE E. HEYDLAUFF, CRAFT & RICHARDS 1050 THOMAS JEFFERSON STREET, NW, 6TH FL WASHINGTON DC 20007	ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
ROBERT G. HIBBERT, P.O. BOX 3556 WASHINGTON DC 20007	AMERICAN MEAT INSTITUTE
DAVID M. HIGGINS, 333 SOUTH GRAND AVE., #3930 LOS ANGELES CA 90071	
HOAG & ASSOCIATES, 1877 BROADWAY, #405 BOULDER CO 80302	NATIONAL ASSN OF BROADCASTERS
SCOTT HODES, 180 NORTH LA SALLE ST., #3800 CHICAGO IL 60601	ZALMAN C. BERNSTEIN
SUSAN HOECHSTETTER, 7981 EASTERN AVE. SILVER SPRING MD 20910	NATIONAL ASSN OF SOCIAL WORKERS
HOGAN & HARTSON, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	ECONOMICS LABORATORY, INC
NIELS C. HOLCH, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: HOOPA VALLEY INDIANS)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LANE INDUSTRIES)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)
HOLLAND & KNIGHT, 888 17TH ST., NW WASHINGTON DC 20006	PAN AMERICAN SATELLITE CORP
WILLIAM HOLMBERG, 1001 CONNECTICUT AVE., NW, #638 WASHINGTON DC 20036	SOLAR LOBBY
JOHN F. HOLTZ, NJ PETROLEUM COUNCIL 170 WEST STATE STREET TRENTON NJ 08608	AMERICAN PETROLEUM INSTITUTE
SHERI L. HOPTMAN, 1000 CONNECTICUT AVE., NW WASHINGTON DC 20036	JAPAN ECONOMIC INSTITUTE OF AMERICA
SENGA HOWAT, 1604 K STREET, NW WASHINGTON DC 20006	NATIONAL SMALL BUSINESS ASSN
HENRY W. HUBBARD, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)
HUGHES HUBBARD & REED, 1201 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20004	AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
Do	ANGLO AMERICAN AUTO AUCTIONS, INC
HUNTON & WILLIAMS, 2000 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	ASSOCIATION FOR THE PRESERV OF HISTORIC COASTAL PROPERTIES
Do	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION
Do	LONG ISLAND LIGHTING CO
RONALD A. HURST, 5410 GROSVENOR LANE, #210 BETHESDA MD 20814	AMERICAN MEDICAL CARE & REVIEW ASSN
CATHY HURWIT, 1300 CONNECTICUT AVE., NW, #401 WASHINGTON DC 20036	CITIZEN ACTION
GARY HYMEL, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: HITACHI AMERICA, LTD)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: KINGDOM OF MOROCCO)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: RAUSCHENBERG OVERSEAS CULTURAL INTERCHANGE)
INDIANA HI-RAIL CORPORATION, RR 1, BOX 242 CONNERSVILLE IN 47331	
INDUSTRIAL BIOTECHNOLOGY ASSN, 2115 E. JEFFERSON ST. ROCKVILLE MD 20852	
IVINS PHILLIPS & BARKER, CHTD, 1700 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20006	AMERICAN TEXTILE MANUFACTURERS INSTITUTE
Do	BLOUNT, INC
Do	COMMITTEE FOR REASONABLE INVENTORY ACCOUNTING RULES
Do	EMPLOYEE RELOCATION COUNCIL
Do	OBERLIN COLLEGE
Do	ROCHESTER TAX COUNCIL
JACOB K. JAVITS, 1211 AVENUE OF THE AMERICAS NEW YORK NY 10036	PARKER CHAPIN FLATTAU & KLIMPL (FOR: ASSOCIATION FOR A BETTER NEW YORK)
FRANK L. JENSEN JR., 1110 VERMONT AVE., NW, #430 WASHINGTON DC 20005	HELICOPTER ASSN INTERNATIONAL
BRUCE JOHNSON, AVENUE OF THE ARTS BLDG., #1009 PHILADELPHIA PA 19107	FAIC SECURITIES, INC
KENNETH A. JOHNSON, PILLSBURY CENTER MINNEAPOLIS MN 55402	PILLSBURY COMPANY
JONES DAY REAVIS & POGUE, 655 15TH ST., NW WASHINGTON DC 20005	SCM CORPORATION
ROBERT E. JULIANO ASSOCIATES, 1099 22ND STREET, NW, #404 WASHINGTON DC 20037	NATIONAL ASSN OF BROADCASTERS

Organization or Individual Filing	Employer/Client
LOEBE JULIE, 211 WEST 61 STREET NEW YORK NY 10023	COMMITTEE AGAINST GOVT WASTE & THE COAL. TO STOP GOVT WASTE
THOMAS W. JURIKA JR., 649 MISSION STREET SAN FRANCISCO CA 94105	URS CORPORATION
KADISON PFAELZER WOODARD QUINN & ROSSI, 2000 PENNSYLVANIA AVE., NW WASHINGTON DC 20036	BASKIN-ROBBINS
ROBERT A. KAY, 260 EIGHTH STREET TORONTO ONTARIO CANADA M8V 3E1	ARROWHEAD METALS, LTD
KENDELL W. KEITH, 725 15TH STREET, NW WASHINGTON DC 20005	NATIONAL GRAIN & FEED ASSN
JAMES J. KELLY, P.O. BOX 23451 WASHINGTON DC 20026	CONSOLIDATED RAIL CORP
KENDALL & ASSOCIATES, INC, 50 E ST., SE WASHINGTON DC 20003	WILLIAMS TECHNOLOGIES, INC
J. H. KENT, KENT & O'CONNOR 1919 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20006	AMERICAN SOC OF PLASTIC & RECONSTRUCTIVE SURGERY
PAUL T. KERRIGAN, 400 FIRST STREET, NW, #819 WASHINGTON DC 20001	BROTHERHOOD OF LOCOMOTIVE ENGINEERS
DOROTHY A. KEVILLE, 2215 CONSTITUTION AVE., NW WASHINGTON DC 20037	AMERICAN PHARMACEUTICAL ASSN
CARSON K. KILLEN, 8118 ORVILLE STREET ALEXANDRIA VA 22309	FARM CREDIT SURVIVAL COALITION (FOR: DAVID C. LENSING)
KING & SPALDING, 1730 PENNSYLVANIA AVE., NW, #1200 WASHINGTON DC 20006	ANTITRUST REMEDIES REFORM GROUP
Do	GENERAL AVIATION MANUFACTURERS ASSN
KIRKPATRICK & LOCKHART, 1900 M ST., NW WASHINGTON DC 20036	WOLVERINE WORLD WIDE, INC
KOMINERS FORT SCHLEFER & BOYER, 1401 NEW YORK AVE., NW WASHINGTON DC 20005	ATLANTIC RICHFIELD CO
Do	CROWLEY MARITIME CORP AND SUBSIDIARIES
Do	MATSON NAVIGATION CO
NICHOLAS P. KOSKORES, 1800 MASSACHUSETTS AVE., NW, #510 WASHINGTON DC 20036	NEW ENGLAND COUNCIL, INC
BERNARD KOTEEN, 1150 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	KOTEEN & NAFTALIN (FOR: STORER COMMUNICATIONS, INC)
KATHERINE KRELL, 1201 PENNSYLVANIA AVENUE, NW, #700 WASHINGTON DC 20004	HILL & KNOWLTON, INC
KUTAK ROCK & CAMPBELL, 1101 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	AMERICA FIRST FEDERALLY GUARANTEED MORTGAGE FUND II. . .
Do	DISTRICT HEATING DEVELOPMENT CO
L/5 SOCIETY, 1060 E. ELM TUCSON AZ 85719	
JOHN LAGOMARCINO, 417 NEW JERSEY AVE., SE WASHINGTON DC 20003	NATIONAL ASSN OF RAILROAD PASSENGERS
JOHN W. LAMPMANN, 2000 L STREET, NW, #810 WASHINGTON DC 20036	SPERRY CORP
FREDERICK LANDMAN, 460 W. 42ND STREET, 4TH FL. NEW YORK NY 10036	PAN AMERICAN SATELLITE CORP
LANE & MITTENDORF, 1750 K STREET, NW, #1200 WASHINGTON DC 20006	EQUITY PROGRAMS INVESTMENT CORP
JOSEPH L. LANG, 1121 L STREET, #1000 SACRAMENTO CA 95814	WEST COAST FABRICATORS & STEEL INDUSTRY ASSOCIATION
LAXALT CORPORATION, 214 MASSACHUSETTS AVE., NE, #380 WASHINGTON DC 20002	MESA PETROLEUM
THOMAS B. LEARY, HOGAN & HARTSON 815 CONNECTICUT AVENUE, NW WASHINGTON DC 20006	BUSINESS ROUNDTABLE
LEGISLATIVE STUDIES INSTITUTE, INC, 3471 N. FEDERAL HIGHWAY, #511 FORT LAUDERDALE FL 33306	
TERRY L. LEITZELL, BOGLE AND GATES ONE THOMAS CIRCLE, NW, #900 WASHINGTON DC 20005	COALITION FOR CLEAN WATER
ROBERT A. LEMBO, 1050 31ST STREET, NW WASHINGTON DC 20007	ASSOCIATION OF TRIAL LAWYERS OF AMERICA
CYNTHIA R. LENHART, 645 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	NATIONAL AUDUBON SOCIETY
MILTON LEVENSON, P.O. BOX 3965 SAN FRANCISCO CA 94119	BECHTEL POWER CORPORATION
LEVENTHAL & SENTER, 1001 22ND STREET, NW, #550 WASHINGTON DC 20037	PAN AMERICAN SATELLITE CORP
LAWRENCE A. LEVIN, 1001 CONNECTICUT AVE., NW, #1120 WASHINGTON DC 20036	CHEMICAL SPECIALTIES MANUFACTURERS ASSN, INC
DAVID LEVY, 3055 OLD HIGHWAY EIGHT P.O. BOX 1453 MINNEAPOLIS MN 55440	MEDTRONIC, INC
STUART A. LEWIS, 1919 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20006	FIRST INTERSTATE BANCORP
LINTON MIELDS REISLER & COTTONE, 1015 18TH ST., NW, #200 WASHINGTON DC 20036	MICHIGAN DEPT OF TRANSPORTATION
Do	STATE OF COLORADO, DEPT OF HIGHWAYS
JAMES D. LUCAS, 25 SOUTH CHARLES STREET BALTIMORE MD 21201	FIRST NATIONAL BANK OF MARYLAND
WILLIAM L. LUCAS, 2021 K STREET, NW, #300 WASHINGTON DC 20006	PRIMARK CORP
JOSEPH H. MACAULAY, 300 METROPOLITAN SQUARE 655 15TH STREET, NW WASHINGTON DC 20005	U.S. SURGICAL CORP
CLIFF MADISON GOVERNMENT RELATIONS, INC, P.O. BOX 3482 GRANADA HILLS CA 91344	BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
Do	CITY OF AVALON
MARY MAHON, 380 SECOND AVENUE NEW YORK NY 10010	
DANIEL C. MALDONADO, 10000 FALLS RD., #306 POTOMAC MD 20854	AIDS ACTION COUNCIL
Do	DEPARTMENT OF PUBLIC HEALTH
Do	LOS ANGELES ALLIANCE FOR EQUITABLE CUSTOMS STAFFING
Do	UNIVERSITY OF NEVADA, LAS VEGAS
MANAGEMENT & GOVERNMENT RESOURCES, 1305 MT. HOLLY ROAD BURLINGTON NJ 08016	BURLINGTON COAT FACTORY
MANATT PHELPS ROTHENBERG & TUNNEY, 1200 NEW HAMPSHIRE AVE., NW, #200 WASHINGTON DC 20036	AUTO IMPORTERS COMPLIANCE ASSOCIATION
Do	CONNECTICUT NATIONAL BANK
Do	MONEY STORE
Do	DONALD T. STERLING & ASSOCIATES
DAINE K. MARESCO, 1899 L STREET, NW, #403 WASHINGTON DC 20036	OUTDOOR ADVERTISING ASSN OF AMERICA, INC
RICHARD MARK, 1346 CONNECTICUT AVE., NW, #901 WASHINGTON DC 20036	PROFESSIONALS' COALITION FOR NUCLEAR ARMS CONTROL
ANN MARTINO, 2200 COLUMBIA PIKE, #417 ARLINGTON VA 22204	COALITION TO STOP GOV'T WASTE
DONALD F. MASSEY, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: ASARCO)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: HITACHI AMERICA, LTD)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: HOOPA VALLEY INDIAN RESERVATION)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: JOINT MARITIME CONGRESS)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: KINGDOM OF MOROCCO)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: RAUSCHENBERG OVERSEAS CULTURAL INTERCHANGE)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: UNITED AIRLINES)
DAWSON MATHIS & ASSOCIATES, 1800 M STREET, NW, #950 NORTH WASHINGTON DC 20036	AMERICAN ELECTRONIC LABORATORIES, INC
Do	MASSACHUSETTS MUTUAL LIFE INSURANCE CO
Do	PACIFIC GAS & ELECTRIC
Do	SOUTHEASTERN PEANUT ASSN
Do	WESTINGHOUSE CORPORATION
DAWSON MATHIS, 1800 M STREET, NW, #950 NORTH WASHINGTON DC 20036	DAWSON MATHIS & ASSOCIATES (FOR: AMERICAN ELECTRONIC LABORATORIES, INC)
Do	JACK MCDONALD CO (FOR: COALITION FOR THE ADVANCEMENT OF INDUSTRIAL TECHNOLOGY)
Do	JACK MCDONALD CO (FOR: FIBER FABRIC & APPAREL COALITION FOR TRADE)
Do	DAWSON MATHIS & ASSOCIATES (FOR: MASSACHUSETTS MUTUAL LIFE INSURANCE CO)
Do	DAWSON MATHIS & ASSOCIATES (FOR: PACIFIC GAS & ELECTRIC)
Do	DAWSON MATHIS & ASSOCIATES (FOR: SOUTHEASTERN PEANUT ASSN)
Do	DAWSON MATHIS & ASSOCIATES (FOR: WESTINGHOUSE CORPORATION)
MICHAEL MAWBY, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE
MAYER BROWN & PLATT, 2000 PENNSYLVANIA AVENUE, NW, #6500 WASHINGTON DC 20006	INVEST TO COMPETE ALLIANCE
Do	MERRILL LYNCH CAPITAL MARKETS
H. WESLEY MCADEN, 1155 15TH ST., NW, #424 WASHINGTON DC 20005	NEW YORK COTTON EXCHANGE
Do	SUPIMA ASSOCIATION OF AMERICA
RICHARD G. MCALEE, 233 EAST REDWOOD STREET BALTIMORE MD 21202	GORDON FEINBLATT ROTHMAN HOFFBERGER & HOLLANDER (FOR: SINAI HOSPITAL OF BALTIMORE, INC)
THOMAS MCCOY, 1771 N STREET, NW WASHINGTON DC 20036	NATIONAL ASSN OF MANUFACTURERS
MCNEILL & COMPANY, 1217 ELM STREET DENVER CO 80220	
CYNTHIA A. MCNEILL, 1217 ELM STREET DENVER CO 80220	MCNEILL & COMPANY
COLISE G. MEDVED, 1701 PENNSYLVANIA AVE., NW, #830 WASHINGTON DC 20006	PENN CENTRAL CORP
STEPHEN E. MEILI, 600 NEW JERSEY AVENUE, NW WASHINGTON DC 20001	INSTITUTE FOR PUBLIC REPRESENTATION
MEMEL JACOBS PIERNO GERSH & ELLSWORTH, 1800 M STREET, NW, #1000-N WASHINGTON DC 20036	ESKATON HEALTH CORP
LARRY D. MEYERS, 412 FIRST STREET, SE WASHINGTON DC 20003	CPEX PACIFIC, INC
Do	RICE BELT WAREHOUSE, INC
HARRIS MILLER & ASSOCIATES, 1000 WILSON BLVD., #900 ARLINGTON VA 22209	FLORIDA FRUIT & VEGETABLE ASSN
MILLER & CHEVALIER, CHTD, METROPOLITAN SQUARE 655 15TH STREET, NW WASHINGTON DC 20005	WESTERN SAVINGS & LOAN ASSN
MILLER CASSIDY LARROCA & LEWIN, 2555 M ST., NW, #500 WASHINGTON DC 20037	NATIONAL ASSN OF LIFE UNDERWRITERS, ET AL
JOAN MOODY, 1001 CONNECTICUT AVE., NW, #638 WASHINGTON DC 20036	SOLAR LOBBY
WALTER K. MOORE, 840 NORTH LAKE SHORE DRIVE CHICAGO IL 60611	AMERICAN HOSPITAL ASSN
MORRISON & FOERSTER, 2000 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	NATIONAL ELECTRICAL MANUFACTURERS ASSN
JOE MOSS, P.O. BOX 2159 DALLAS TX 75221	AMERICAN PETROFINA, INC
BETH MOTEN, 2020 K STREET, NW, #200 WASHINGTON DC 20006	NATIONAL FED OF FEDERAL EMPLOYEES
MUDGE ROSE GUTHRIE ALEXANDER & FERNDON, 2121 K STREET, NW WASHINGTON DC 20037	AMERICAN ASSN OF EXPORTERS-IMPORTERS-TEXTILE & APPAREL GROUP
Do	GOVERNMENT OF HONG KONG
Do	JAPAN LUMBER IMPROTERS ASSN
CHRISTINE ANN MULICK, 3600 S. YOSEMITE, #830 DENVER CO 80237	KOGOVSEK AND ASSOCIATES, INC
DANIEL J. MURPHY, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)
LESTER L. MURPHY JR., P.O. BOX 4267 TOPEKA KS 66604	KANSAS ELECTRIC COOPERATIVES, INC
MURRAY & SCHEER, 2550 M ST., NW, #695 WASHINGTON DC 20037	AMERICAN CYANAMID COMPANY
Do	INDUSTRY COUNCIL FOR TANGIBLE ASSETS
Do	PROVIDENT MUTUAL LIFE INSURANCE CO OF PHILADELPHIA

Organization or Individual Filing	Employer/Client
Do	SHUBERT ORGANIZATION, INC
NATIONAL AUTOMOBILE DEALERS ASSN, 8400 WESTPARK DRIVE MCLEAN VA 22102	
NATIONAL BICYCLE DEALERS ASSN, INC, 25255 CABOT ROAD, #215 LAGUNA HILLS CA 92653	
NATIONAL TAX POLICY INSTITUTE FOR THE PUBLIC INTEREST, 933 PRESIDENT STREET BROOKLYN NY 11215	
NEILL & COMPANY, INC, 900 17TH ST., NW, #400 WASHINGTON DC 20006	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION
NEILL MULLENHOLZ SHAW & SEEGER, 900 17TH ST., NW, #400 WASHINGTON DC 20006	PHH GROUP
DIANE S. NINE, 1350 NEW YORK AVENUE, NW, #300 WASHINGTON DC 20005	NATURAL RESOURCES DEFENSE COUNCIL, INC
WILLIE ERVINE NORMAN, P.O. BOX 1000 SEAGSVILLE TX 75159	
O'CONNOR & HANNAN, 1919 PENNSYLVANIA AVE., NW, #800 WASHINGTON DC 20006	COCA-COLA COMPANY
Do	DIMENSIONS, INC
Do	EMBASSY OF ECUADOR
Do	HISTORIC LANDMARKS FOR LIVING
Do	NATIONAL APARTMENT ASSN
Do	NATIONAL CLUB ASSN
Do	PYRAMID COMPANIES
O'MELVENY & MYERS, 1800 M ST., NW WASHINGTON DC 20036	ASSOCIATION OF TELEPHONE TELEGRAPH & RELATED TELEMATICS INDS
Do	SECURITY FIRST GROUP (FOR PUBLIC EMPLOYER BENEFITS COUNCIL)
KIM M. OBOZ, 1819 L STREET, NW, #900 WASHINGTON DC 20036	U S WEST, INC
DONALD G. OGILVIE, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN
OLSSON AND FRANK, 1029 VERMONT AVENUE, NW, #400 WASHINGTON DC 20005	NATIONAL ASSN OF MARGARINE MANUFACTURERS
PHILIP C. OLSSON, OLSSON AND FRANK 1029 VERMONT AVE., NW, #400 WASHINGTON DC 20005	NATIONAL ASSN OF MARGARINE MANUFACTURERS
CASSANDRA OPPERMAN, 15837 A CRABBS BRANCH WAY ROCKVILLE MD 20855	NATIONAL CENTER FOR DRUNK DRIVING COUNCIL
THOMAS J. OPSUT, 733 15TH STREET, NW WASHINGTON DC 20005	LEGAL SERVICES CORP
P/M CONSULTING, INC, 3030 MCKINNEY AVE., #1001 DALLAS TX 75204	SYSCON CORPORATION
GEORGE G. PAGONIS, 1120 CONNECTICUT AVE., NW, #335 WASHINGTON DC 20036	STELCO, INC
BENJAMIN L. PALUMBO, 11 DUPONT CIRCLE, NW, #700 WASHINGTON DC 20036	MARRIOTT CORPORATION
Do	G. D. SEARLE
PAN AMERICAN SATELLITE CORP, 460 W. 42ND STREET, 4TH FL. NEW YORK NY 10036	
PARKER CHAPIN FLATTAU & KLIMPL, 1211 AVENUE OF THE AMERICAS NEW YORK NY 10036	ASSOCIATION FOR A BETTER NEW YORK
PARRY AND ROMANI ASSOCIATES, INC, 1140 CONNECTICUT AVENUE, NW, #400 WASHINGTON DC 20036	NATIONAL SOFT DRINK ASSN
GARY B. PATTERSON, DELAWARE PETROLEUM COUNCIL P.O. BOX 1429 DOVER DE 19903	AMERICAN PETROLEUM INSTITUTE
JERRY M. PATTERSON, LEFF & MASON 1700 PENNSYLVANIA AVE., NW, #450 WASHINGTON DC 20006	HERON CORPORATION, LTD
Do	PACIFIC MUTUAL LIFE INSURANCE CO
Do	WESTERN FINANCIAL SAVINGS BANK
PATTON BOGGS & BLOW, 2550 M ST., NW, #800 WASHINGTON DC 20037	ASSOCIATION OF PRIVATE PENSION & WELFARE PLANS
Do	CHAMPION INTERNATIONAL
Do	CITY OF AZUSA
Do	CITY OF BANNING
Do	CITY OF COLTON
Do	CITY OF RIVERSIDE
Do	CITY OF SANTA CLARA
Do	DEALER ACTION ASSOCIATION
Do	FREEMAN
Do	INVESTMENT PARTNER ASSN
Do	LAZARD FRERE & CO
Do	LIGGETT GROUP
Do	NORTHERN CALIFORNIA POWER AGENCY
Do	PAINE WEBBER, INC
Do	PUBLIC UTILITIES DEPARTMENT
Do	SACRAMENTO PUBLIC UTILITY DISTRICT
PAUL HASTINGS JANOFSKY & WALKER, 6TH FLOOR 1050 THOMAS JEFFERSON ST., NW WASHINGTON DC 20007	NATIONAL BUSINESS AIRCRAFT ASSN
PERKINS COIE, 1110 VERMONT AVE., NW, #1200 WASHINGTON DC 20005	AEROSPACE INDUSTRIES ASSN OF AMERICA, INC
ANTHONY D. PERL, 417 NEW JERSEY AVE., SE WASHINGTON DC 20003	NATIONAL ASSN OF RAILROAD PASSENGERS
DAVID F. PERRY, 15 COMPUTER DRIVE, W. ALBANY NY 12205	HOSPITAL ASSN OF NEW YORK STATE
BARBARA PHILLIPS, 2000 M ST., NW, #230 WASHINGTON DC 20036	NETWORK OF AMERICA
BERNARD R. PHILLIPS III, P.O. BOX 4267 TOPEKA KS 66604	KANSAS ELECTRIC COOPERATIVES, INC
PIPER & MARBURY, 888 16TH ST., NW WASHINGTON DC 20006	CONSOLIDATED RAIL CORPORATION
MICHAEL PODHORZER, 1300 CONNECTICUT AVE., NW, #401 WASHINGTON DC 20036	CITIZEN ACTION
PRESTON THORGRIMSON ELLIS & HOLMAN, 1735 NEW YORK AVENUE, NW, #500 WASHINGTON DC 20006	CH2M HILL
Do	UNIVERSITY OF MICHIGAN HOSPITALS
KEVIN JOSEPH PRICE, 3408 TOLEDO TER., #J HYATTSVILLE MD 20782	
THOMAS J. PRICE, 410 FIRST STRET, SE WASHINGTON DC 20003	AMERICAN NUCLEAR ENERGY COUNCIL
JEFFREY A. PRUSSIN, 1505 N.W. 167TH STREET MIAMI FL 33169	INTERNATIONAL MEDICAL CENTERS
CASSANDRA WALKER PYE, 1750 K STREET, NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE
ROBERT N. PYLE, 1701 K ST., NW, #1004 WASHINGTON DC 20007	INTERNATIONAL MEDICAL CENTERS
GEORGE GREGORY RAAB, 2000 L STREET, NW WASHINGTON DC 20036	MEDTRONIC, INC
JOHN D. RAFFAELLI, LAW OFFICES OF JOHN D. RAFFAELLI 499 SOUTH CAPITOL ST., SW, #407 WASHINGTON DC 20003	DEAN WITTER REALTY, INC
RODERIC W. RAHE JR., 1015 15TH STREET, NW, #802 WASHINGTON DC 20005	AMERICAN CONSULTING ENGINEERS COUNCIL
RANDOLPH & TRUITT, 1752 N STREET, NW, #801 WASHINGTON DC 20036	TANADGUSIX CORPORATION
CRAIG RAUPE, CAMPBELL-RAUPE ASSOCIATES, INC 1015 15TH STREET, NW, #907 WASHINGTON DC 20005	BODINE'S INC FOOD PRODUCTS
Do	INVEST TO COMPETE ALLIANCE
REICHLER & APPELBAUM, 888 17TH ST., NW, #1101 WASHINGTON DC 20006	PERMANENT MISSION OF THE REPUBLIC OF SEYCHELLES
REID & PRIEST, 1111 19TH STREET, NW WASHINGTON DC 20036	CITY OF PHILADELPHIA
Do	PENNSYLVANIA SHIPBUILDING CO
Do	TELEFLEX, INC
STEPHEN M. RENNA, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS
WILSON L. REYNOLDS, 201 MASSACHUSETTS AVENUE, NE, #319 WASHINGTON DC 20002	HALT: AMERICANS FOR LEGAL REFORM
JOHN J. RHODES, HUNTON & WILLIAMS 2000 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20006	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION
RICHARD RICHARDS, CRAFT & RICHARDS 1050 THOMAS JEFFERSON STREET, NW, 6TH FL WASHINGTON DC 20007	NATIONAL ARMORED CAR ASSN, INC
RIVKIN RADLER DUNNE & BAYH, 1575 I STREET, NW, #1025 WASHINGTON DC 20005	AMERICAN CANCER SOCIETY
Do	LEXITEL CORPORATION
Do	SUGAR USERS GROUP
LIZ ROBBINS ASSOCIATES, 132 D STREET, SE WASHINGTON DC 20003	KIDDER PEABODY
Do	PAINE WEBBER JACKSON & CURTIS, INC
RICHARD R. ROBERTS, 1629 K STREET, NW, #500 WASHINGTON DC 20006	ROADSIDE BUSINESS ASSN
RUTH M. ROBERTS, P.O. BOX B-12 RICHLANDTOWN PA 18955	COALITION FOR ALTERNATIVES IN NUTRITION & HEALTHCARE, INC
ERNESTINE S. ROBINSON, 1575 EYE STREET, NW WASHINGTON DC 20005	AMERICAN SOC OF ASSN EXECUTIVES
GILBERT A. ROBINSON, INC, 1825 K STREET, NW, #206 WASHINGTON DC 20008	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION
JACK E. ROEBEL, 712 COMMERCE BLDG. 127 W. BERRY STREET FORT WAYNE IN 46802	SHEET METAL WORKERS MID-STATES HEALTH & BENEFIT TRUST
ROGERS & WELLS, 1737 H STREET, NW WASHINGTON DC 20006	GROCERY MANUFACTURERS OF AMERICA
ROISMAN RENO & CAVANAUGH, 509 C STREET, NE WASHINGTON DC 20002	NATIONAL ASSN OF HOUSING COOPERATIVES
ROSE SCHMIDT CHAPMAN DUFF & HASLEY, 1825 EYE ST., NW, #300 WASHINGTON DC 20006	ANNUAL CHARGES POLICY GROUP
DAVID B. ROSENAUER, 1317 F STREET, NW, #400 WASHINGTON DC 20004	R. DUFFY WALL & ASSOCIATES, INC (FOR: CANTOR FITZGERALD & CO, INC)
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: ESSLETE BUSINESS SYSTEMS, INC)
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: NEW YORK STATE BANKERS ASSN)
ANN M. ROWAN, ONE THOMAS CIRCLE, NW, #900 WASHINGTON DC 20005	NATIONAL COMM TO PRESERVE SOCIAL SECURITY & MEDICARE
Do	OAKLAND COLISEUM
Do	PORT OF OAKLAND
RONALD R. RUMBAUGH, 5205 LEESBURGH PIKE, #505 FALLS CHURCH VA 22041	NATIONAL BEER WHOLESALERS ASSN
ROBERT A. RUSBULDT, 1025 CONNECTICUT AVE., NW, #415 WASHINGTON DC 20036	AMERICAN INSURANCE ASSN
SHERYL P. RUTLEDGE, CRAFT & RICHARDS 1050 THOMAS JEFFERSON ST., NW, 6TH FL. WASHINGTON DC 20007	CONSUMERS UNITED FOR RAIL EQUITY
THOMAS G. SCHENDT, 111 EAST WISCONSIN AVE., #1800 MILWAUKEE WI 53202	NATIONAL EMPLOYEE BENEFITS INSTITUTE
ABRAHAM SCHNEIER, 600 MARYLAND AVE., SW, #700 WASHINGTON DC 20024	NATIONAL FED OF INDEPENDENT BUSINESS
JUDY SCHUB, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS
DEBRA L. SCHULTZ, 354 LONGACRE AVENUE WOODMERE NY 11598	
RALPH D. SCHUMACK, 1800 M STREET, NW, #790 SOUTH WASHINGTON DC 20036	DOW CORNING CORP
SCRIBNER HALL & THOMPSON, SUITE 700 1875 EYE STREET, NW WASHINGTON DC 20006	SECURITY LIFE OF DENVER INSURANCE CO
WALTER J. SCZUDLO, 1730 RHODE ISLAND AVENUE, NW WASHINGTON DC 20036	NATURAL GAS SUPPLY ASSN
RICHARD C. SEMACK, 17000 EXECUTIVE PLAZA DRIVE DEARBORN MI 48126	AUTOMOBILE CLUB OF MICHIGAN
JAMES M. SHANNON, HALE & DORR 60 STATE STREET BOSTON MA 02109	COALITION AGAINST DOUBLE TAXATION, INC
SHAW PITTMAN POTTS & TROWBRIDGE, 1800 M ST., NW, #900-S WASHINGTON DC 20036	AMALGAMATED BANK OF NEW YORK
Do	MARRIOTT CORPORATION
Do	NATIONAL AUTOMOBILE DEALERS ASSN

Organization or Individual Filing	Employer/Client
MONICA M. SHEEHAN, 840 NORTH LAKE SHORE DRIVE CHICAGO IL 60611	AMERICAN HOSPITAL ASSN
DEBORAH A. SHEIMAN, 1350 NEW YORK AVENUE, NW WASHINGTON DC 20005	NATURAL RESOURCES DEFENSE COUNCIL
VICTOR A. SHERLOCK, 1111 14TH STREET, NW, #300 WASHINGTON DC 20005	AMERICAN BAKERS ASSN
FREDERICK L. SHREVES II , HILL BETTS & NASH 1818 N STREET, NW, #700 WASHINGTON DC 20036	DONOHOE CONSTRUCTION CO, INC
STEVE SILVER, 1050 THOMAS JEFFERSON ST., NW, 6TH FL. WASHINGTON DC 20007	APEX MARINE CORP
Do	ARCO TRANSPORTATION CO
Do	MOORE MCCORMAK BULK TRANSPORT, INC
STANLEY C. SIMON, TOBOLOWSKY PRAGER & SCHLINGER 1900 SOUTHLAND CENTER DALLAS TX 75201	SOUTHLAND CORPORATION
JAMES W. SINGER III, 1100 15TH STREET, NW WASHINGTON DC 20005	PHARMACEUTICAL MANUFACTURERS ASSN
RICHARD L. SINNOTT, ONE THOMAS CIRCLE, NW, #900 WASHINGTON DC 20005	NATIONAL COMM TO PRESERVE SOCIAL SECURITY & MEDICARE
MARCUS W. SISK JR., 2828 PENNSYLVANIA AVENUE, NW, #203 WASHINGTON DC 20037	TOSCO CORPORATION
KEITH R. SMALL, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS
WILLIAM H. SMALL, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS
SNYDER BALL KRISER & ASSOC, INC, 499 S. CAPITOL ST., SW, #520 WASHINGTON DC 20003	GENERAL MOTORS CORP
DAVID F. SNYDER, 1000 NATIONWIDE DR. HARRISBURG PA 17105	NATIONWIDE INSURANCE COMPANIES
SONOSKY CHAMBERS AND SACHSE, 1050 31ST ST., NW WASHINGTON DC 20007	DEVILS LAKE SIOUX TRIBE
WALTER LARKE SORG, 1625 EYE ST., NW, #204 WASHINGTON DC 20006	SOUTHEASTERN DREDGE OWNERS ASSN SIZE STANDARD APPEAL COMM
SQUIRE SANDERS & DEMPSEY, 1201 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	AMERICAN CEMENT TRADE ALLIANCE, INC
Do	CAN-AM CORPORATION
DAVID P. STANG, P.C., SUITE 601 1629 K ST., NW WASHINGTON DC 20006	MCDERMOTT, INC
Do	ZOND SYSTEMS, INC
MELVIN L. STARK, 1025 CONNECTICUT AVE., NW, #415 WASHINGTON DC 20036	
JOHN F. STASIOWSKI, 5205 LEESBURG PIKE, #505 FALLS CHURCH VA 22041	NATIONAL BEER WHOLESALERS' ASSN
HAROLD STEPHERSON, 59 FORSYTH STREET, NW ATLANTA GA 30303	ETHIOPIAN FOOD LOBBY
STEVEN F. STOCKMEYER, 1800 M ST., NW, #950 NORTH WASHINGTON DC 20036	VERNER LIIPFERT BERNHARD... (FOR ICAHN & CO, INC)
Do	VERNER LIIPFERT BERNHARD... (FOR TRAVELERS CORP)
Do	VERNER LIIPFERT BERNHARD... (FOR TURNER BROADCASTING SYSTEM)
SULLIVAN & CROMWELL, 1775 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	ESSELTE BUSINESS SYSTEMS, INC
SURREY & MORSE, 1250 EYE STREET, NW WASHINGTON DC 20005	MORGAN GRENFELL & CO, LTD, ET AL.
SUTHERLAND ASBILL & BRENNAN, 1666 K STREET, NW, #800 WASHINGTON DC 20006	COMMITTEE AGAINST REVISING STAGGERS
Do	HOWARD ROSE COMPANY
Do	PRODUCTION OPERATORS CORP
Do	STATE OF NEVADA
Do	STATE OF WASHINGTON
DAVID L. SWANSON, CRAFT & RICHARDS 1050 THOMAS JEFFERSON ST., NW, 6TH FL. WASHINGTON DC 20007	NATIONAL ARMORED CAR ASSN
SWIDLER BERLIN & STRELOW, CHTD, 1000 THOMAS JEFFERSON ST., NW #500 WASHINGTON DC 20007	AMERICAN ELECTRONICS ASSN
TAGGART & ASSOCIATES, INC, 1015 15TH STREET, NW, #200 WASHINGTON DC 20005	ASSOCIATION OF AMERICAN RAILROADS
STEVEN TASGAL, 17TH & D STREETS, NW WASHINGTON DC 20008	AMERICAN RED CROSS NATIONAL HEADQUARTERS
CHARLES E. TAYLOR, 1801 K STREET, NW, #1200 WASHINGTON DC 20006	IBM CORPORATION
PAUL M. TENDLER, 1110 VERMONT AVENUE, NW, #840 WASHINGTON DC 20005	TENDLER & BIGGINS (FOR: MAI BASIC FOUR, INC)
GORDON M. THOMAS, 1090 VERMONT AVENUE, NW, #1100 WASHINGTON DC 20005	TEXTRON, INC
KENNETH W. THOMPSON, 2021 K STREET, NW, #300 WASHINGTON DC 20006	PRIMARK CORPORATION
THOMPSON MANN & HUTSON, 1730 PENNSYLVANIA AVE., NW, #1250 WASHINGTON DC 20006	CSX CORPORATION
ROBERT L. THOMPSON JR., P.O. BOX 70 FORT MILL SC 29715	SPRINGS INDUSTRIES, INC
TIMMONS & CO, INC, 1850 K ST., NW, #850 WASHINGTON DC 20006	MORGAN STANLEY & CO, INC
JAMES TOBIN, PETER SMALL & ASSOCIATES, INC 295 MADISON AVENUE NEW YORK NY 10017	WILLIAM M. MERCER-MEIDINGER, INC
DAVID R. TOLL, 2121 K STREET, NW, #880 WASHINGTON DC 20037	PUBLIC SERVICE CO OF COLORADO
FRANK V. TOTI JR., 600 MARYLAND AVE., SW, #700 WASHINGTON DC 20024	NATIONAL FED OF INDEPENDENT BUSINESS
JEFFREY B. TRAMMELL, 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: CHICAGO TITLE INSURANCE CO)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: FIRST AMERICAN TITLE INSURANCE CO)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LAWYERS TITLE INSURANCE CO)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MIAMI CHAMBER OF COMMERCE)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SAFECO TITLE INSURANCE CO)
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: STEWART TITLE GUARANTY CO)
TWENTIETH CENTURY ENTERPRISES, 3615 WISCONSIN AVENUE, NW WASHINGTON DC 20016	
U S WEST, INC, 1819 L STREET, NW, #900 WASHINGTON DC 20036	
URANIUM PRODUCERS OF AMERICA, C/O COVINGTON & BURLING 1201 PENNSYLVANIA AVE., NW P.O. BOX 7566 WASHINGTON DC 20044	
VAN NESS FELDMAN SUTCLIFFE & CURTIS, P.C., 7TH FLOOR 1050 THOMAS JEFFERSON ST., NW WASHINGTON DC 20007	CASTLE & COOKE, INC
Do	COMINCO ALASKA
Do	NORTHWEST POWER CO
MARTHA A. VANIER, 119 ORONOCO STREET P.O. BOX 1417-D50 ALEXANDRIA VA 22313	
ROBERT C. VARAH, 1330 BURLINGTON STREET EAST HAMILTON ONTARIO CANADA L8N 3J5	CANADIAN TUBULAR PRODUCERS ASSN
STEPHEN J. VERDIER, 1625 MASSACHUSETTS AVENUE, NW, #202 WASHINGTON DC 20036	INDEPENDENT BANKERS ASSN OF AMERICA
VERNER LIIPFERT BERNHARD MCPHERSON & HAND, CHTD, 1660 L STREET, NW, #1000 WASHINGTON DC 20036	ICAHN & COMPANY, INC
Do	TRW
Do	TURNER BROADCASTING SYSTEM, INC
MELODY V. VETRO, 214 MASSACHUSETTS AVENUE, NE, #550 WASHINGTON DC 20002	AMERICAN SPACE FOUNDATION
VINSON & ELKINS, 1101 CONNECTICUT AVE., NW, #900 WASHINGTON DC 20036	PROVIDENT LIFE & ACCIDENT INSURANCE CO
Do	SECTION 936 STEERING COMMITTEE
Do	WARBURG PINCUS CAPITAL CORP
Do	WARNER AMEX CABLE COMMUNICATIONS, INC
WAGNER & BARODDY, INC, 1100 17TH STREET, NW, #804 WASHINGTON DC 20036	DAEWOO INTERNATIONAL CORP
WALD HARKRADER & ROSS, 1300 19TH ST., NW WASHINGTON DC 20036	ABRAFE
ANDREW B. WALDO, 1330 CONNECTICUT AVE., NW, #300 WASHINGTON DC 20036	SYNTHETIC ORGANIC CHEMICAL MANUFACTURERS ASSN
R. DUFFY WALL & ASSOCIATES, INC, 1317 F STREET, NW, #400 WASHINGTON DC 20004	BRINKS, INC
Do	CANTOR FITZGERALD & CO, INC
Do	ESSELTE BUSINESS SYSTEMS, INC
ERNEST R. WARNER JR., 1818 N ST., NW WASHINGTON DC 20036	ARIANESPACE, S.A.
WASHINGTON ENERGY TRADE & AGRICULTURE GROUP, 655 15TH STREET, NW, #300 WASHINGTON DC 20005	CPM ENERGY CORP; VALLEY GREEN INT'L TRADING CORP, ET AL.
WASHINGTON RESOURCES AND STRATEGY, INC, 220 EYE STREET, NE WASHINGTON DC 20002	AMERICAN LAND DEVELOPMENT ASSN
LEROY WATSON, 1616 H STREET, NW WASHINGTON DC 20006	NATIONAL GRANGE
WEBSTER & SHEFFIELD, 1200 NEW HAMPSHIRE AVE., NW, #350 WASHINGTON DC 20036	ASARCO CORPORATION
ROBERT R. WEED, 214 MASSACHUSETTS AVENUE, NE, #550 WASHINGTON DC 20002	AMERICAN SPACE FOUNDATION
DAVID F. WEEDA, OLSSON AND FRANK 1029 VERMONT AVE., NW, #400 WASHINGTON DC 20005	NATIONAL ASSN OF MARGARINE MANUFACTURERS
WEIL GOTSHAL & MANGES, 1101 14TH ST., NW WASHINGTON DC 20005	ACF INDUSTRIES, INC
Do	ANTITRUST REMEDIES REFORM GROUP
Do	NATIONAL VENTURE CAPITAL ASSN
EILEEN J. WEINER, 233 EAST REDWOOD STREET BALTIMORE MD 21202	GORDON FEINBLATT ROTHMAN HOFFBERGER & HOLLANDER (FOR: SINAI HOSPITAL OF BALTIMORE, INC)
MARK G. WEISSHAAR, HUNTON & WILLIAMS 2000 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20006	ORBITAL SCIENCES CORP
JERRY WELCOME, P.O. BOX 3556 WASHINGTON DC 20007	AMERICAN MEAT INSTITUTE
WELLFORD WEGMAN KRULWICH & HOFF, 1775 PENNSYLVANIA AVE., NW, #450 WASHINGTON DC 20006	CBS, INC
Do	COALITION AGAINST DOUBLE TAXATION, INC
WEST COAST FABRICATORS & STEEL INDUSTRY ASSN, 2324 NAVY DRIVE STOCKTON CA 95206	
WEXLER REYNOLDS HARRISON & SCHULE, INC, SUITE 600 1317 F STREET, NW WASHINGTON DC 20004	CURTIN MAHONEY & CAIRNS
Do	MORGAN STANLEY & CO, INC
Do	NORTHWEST AIRLINES, INC
WHITE FINE & VERVILLE, SUITE 1100 1156 15TH ST., NW WASHINGTON DC 20005	UNIVERSITY OF MARYLAND
MARGITA E. WHITE, 1730 M STREET, NW, #407 WASHINGTON DC 20036	TELEVISION OPERATORS CAUCUS, INC
PHILLIP R. WIEDMEYER, 600 NORTH 18TH STREET BIRMINGHAM AL 35291	ALABAMA POWER CO
WILKINSON BARKER KNAUER & QUINN, 1735 NEW YORK AVE., NW WASHINGTON DC 20006	UNITED AIRLINES, INC
WILLIAMS & CONNOLLY, 839 17TH ST., NW WASHINGTON DC 20006	NINA COHEN
WILLIAMS & JENSEN, P.C., 1101 CONNECTICUT AVE., NW WASHINGTON DC 20036	PHARMACEUTICAL MANUFACTURERS ASSN
WILLKIE FARR & GALLAGHER, 818 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	AMERICAN RED CROSS RETIREMENT SYSTEM
Do	AMERICAN TRUCKING ASSN
Do	COMPTROLLER OF THE STATE OF NEW YORK
WILMER CUTLER & PICKERING, 1666 K ST., NW WASHINGTON DC 20006	CAPITAL CITIES COMMUNICATIONS, INC
WINSTON & STRAWN, #500 2550 M ST., NW WASHINGTON DC 20037	MERCEDES-BENZ OF NORTH AMERICA
ROBERT V. WITECK, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: UNITED AIRLINES)
WOOD LUCKSINGER & EPSTEIN, 2000 M STREET, NW, #500 WASHINGTON DC 20036	CHAD THERAPEUTICS, INC
GEORGE M. WORDEN, 1201 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	HILL & KNOWLTON, INC
KENNETH P. YALE, 1111 14TH STREET, NW, #1200 WASHINGTON DC 20005	AMERICAN DENTAL ASSN

Organization or Individual Filing	Employer/Client
LINDA YELDEZIAN, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE
DONALD ZARIN, BLUM NASH & RAILSBACK 1015 18TH STREET, NW WASHINGTON DC 20036	TIME, INC
KURT D. ZWIKL, 702 HAMILTON MALL ALLENTOWN PA 18101	MERCHANTS BANK

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following quarterly reports were submitted for the second calendar quarter 1985:

(NOTE.—The form used for reporting is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective headings.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19.....

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:
1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§302(e).
(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (a) Description, (b) quantity distributed; (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out items "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 1

NOTE ON ITEM "D."—(a) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)

1. $.....Dues and assessments
2. $.....Gifts of money or anything of value
3. $.....Printed or duplicated matter received as a gift
4. $.....Receipts from sale of printed or duplicated matter
5. $.....Received for services (e.g., salary, fee, etc.)
6. $.....TOTAL for this Quarter (Add items "1" through "5")
7. $.....Received during previous Quarters of calendar year
8. $.....TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).

9. $.....TOTAL now owed to others on account of loans
10. $.....Borrowed from others during this Quarter
11. $.....Repaid to others during this Quarter

12. $.....''Expense money" and Reimbursements received this Quarter

Contributors of $500 or more (from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": .....

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and address of Contributor*
	(*"Period"* from Jan. 1 through....., 19.....)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(a) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)

1. $.....Public relations and advertising services
2. $.....Wages, salaries, fees, commissions (other than item "1")
3. $.....Gifts or contributions made during Quarter
4. $.....Printed or duplicated matter, including distribution cost
5. $.....Office overhead (rent, supplies, utilities, etc.)
6. $.....Telephone and telegraph
7. $.....Travel, food, lodging, and entertainment
8. $.....All other expenditures
9. $.....TOTAL for this Quarter (Add "1" through "8")
10. $.....Expended during previous Quarters of calendar year
11. $.....TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . *loan* . . ."—Sec. 302(b).

12. $.....TOTAL now owed to person filing
13. $.....Lent to others during this Quarter
14. $.....Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
ROBERT J. AAGRE, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.		37.00
JULIE ABBOT, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE	2,538.28	
LEANNE J. ABDNOR, 1899 L ST., NW, #1250 WASHINGTON DC 20036	VENNERS & CO, LTD (FOR: KOCH INDUSTRIES)		
PAUL C. ABENANTE, 3RD FLOOR 1111 14TH ST., NW WASHINGTON DC 20005	AMERICAN BAKERS ASSN	720.00	2.50
THOMAS G. ABERNETHY SR., 3973 STUART PLACE JACKSON MS 39211	U.S. CANE SUGAR REFINERS' ASSN	500.00	645.34
ALBERT E. ABRAHAMS, 777 14TH ST., NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	8,000.00	1,288.34
ELAINE ACEVEDO, 1601 DUKE STREET ALEXANDRIA VA 22314	SOCIETY OF AMERICAN FLORISTS	7,384.78	
ACTION FOR CHILDREN'S TELEVISION, 46 AUSTIN ST. NEWTONVILLE MA 02160		24,393.32	459.17
JOHN J. ADAMS, 2000 PENNSYLVANIA AVE., NW, #900 WASHINGTON DC 20006	ETHYL CORPORATION	8,388.75	
Do	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION	4,025.00	
Do	ORBITAL SCIENCES CORPORATION	1,520.00	
Do	VEPCO		
ADAMS QUACKENBUSH HERRING & STUART, P.O. BOX 394 COLUMBIA SC 29202	U.S. CAPITAL CORP.	1,353.50	911.44
THOMAS L. ADAMS JR., 1201 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	AMERICAN SOCIETY OF ANESTHESIOLOGISTS	1,560.00	23.00
SANDRA LEE ADAMSON, P.O. BOX 44026 WASHINGTON DC 20026	L/5 SOCIETY	6,000.00	1,062.06
HOBSON H. ADCOCK, 700 ANDERSON HILL RD. PURCHASE NY 10577	PEPSICO, INC.		
V. J. ADDUCI, 1620 EYE ST., NW, #1000 WASHINGTON DC 20006	MOTOR VEHICLE MANUFACTURERS ASSN OF THE U.S., INC	42.00	
ROBERT O. ADERS, 1750 K STREET, NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	200.00	
TERRANCE M. ADLHOCK, 1111 19TH ST., NW, #303 WASHINGTON DC 20036	SOUTHERN CALIFORNIA EDISON CO	2,000.00	1,500.00
ADVOCATES TO SAVE LEGAL SERVICES, INC, 1625 K STREET, N.W. 8TH FLOOR WASHINGTON DC 20006			
AEROSPACE INDUSTRIES ASSN OF AMERICA, INC, 1725 DESALES ST., NW WASHINGTON DC 20036		17,443.41	17,443.41
AFL-CIO MARITIME COMMITTEE, 100 INDIANA AVE., NW WASHINGTON DC 20001		5,885.00	5,198.90
AGENCY FOR INSTRUCTIONAL TELEVISION, BOX A BLOOMINGTON IN 47401			
AGENDAS INTERNATIONAL, 820 SECOND AVENUE, #1302 NEW YORK NY 10017	MINISTERIO DEL EXTERIOR, REPUBLIC OF NICARAGUA		
ELIZABETH AGLE, 530 7TH ST., SE WASHINGTON DC 20003	NATIONAL CLEAN AIR COALITION, INC.	8,542.11	52.36
ROBERT S. AGMAN, 100 INDIANA AVE., NW WASHINGTON DC 20001	LABOR MANAGEMENT MARITIME COMMITTEE, INC	1,436.00	102.14
DAVID J. AHO, 1090 VERMONT AVENUE, NW WASHINGTON DC 20005	AMERICAN HOSPITAL SUPPLY CORP	1,000.00	50.00
HERBERT ALLEN AILSWORTH, 1050 17TH STREET, NW, #1101 WASHINGTON DC 20036	SANDOZ, INC.		28.00
AIR CONDITIONING & REFRIGERATION INSTITUTE, 1501 WILSON BLVD. ARLINGTON VA 22209			
AIR PRODUCTS & CHEMICALS, INC, 1730 PENNSYLVANIA AVE., NW, #265 WASHINGTON DC 20006			1,360.00
AIR TRAFFIC CONTROL ASSN, INC, 2020 NORTH 14TH STREET, #410 ARLINGTON VA 22201		2,439.20	2,439.20
RANDOLF H. AIRES, 633 PENNSYLVANIA AVENUE, NW, #600 WASHINGTON DC 20004	SEARS ROEBUCK & CO.	2,400.00	18.75
MICHAEL A. AISENBERG, 888 16TH ST., NW, #610 WASHINGTON DC 20006	DIGITAL EQUIPMENT CORPORATION	12,300.00	
AKIN GUMP STRAUSS HAUER & FELD, 1333 NEW HAMPSHIRE AVE., NW, #400 WASHINGTON DC 20036	AIR FREIGHT ASSOCIATION		
Do	AMERADA HESS CORPORATION	350.00	10.00
Do	AMERICAN INTERNATIONAL GROUP, INC.		
Do	AMERICAN TELEPHONE & TELEGRAPH CO	1,000.00	19.00
Do	ARCHER DANIELS MIDLAND COMPANY		
Do	ATCOR, INC.		
Do	BENEFICIAL CORPORATION	1,350.00	19.00
Do	CAPITAL MARKETS GROUP	18,600.00	342.00
Do	CELANESE CORPORATION	4,100.00	76.00
Do	COALITION OF SERVICE INDUSTRIES, INC.	600.00	19.00
Do	COMMITTEE AGAINST NETWORK DOMINANCE		
Do	CONTINENTAL AIRLINES	700.00	19.00
Do	E & J GALLO WINERY	125.00	
Do	EMBASSY OF PEOPLE'S REPUBLIC OF CHINA	400.00	10.00
Do	FARM LABOR ALLIANCE		
Do	FRUPAC INTERNATIONAL CORP.		
Do	GEICO CORPORATION	450.00	10.00
Do	GENERAL MOTORS CORP	6,975.00	133.00
Do	GOLDMAN SACHS & CO.		
Do	GULF & WESTERN INDUSTRIES, INC	8,350.00	152.00
Do	INTERNATIONAL TAXI ASSN	95.00	
Do	LEVI STRAUSS & CO	3,750.00	76.00
Do	LONE STAR INDUSTRIES, INC.		
Do	LONE STAR STEEL CO		
Do	MARRIOTT CORP.	3,250.00	57.00
Do	MESA PETROLEUM CO.	12,950.00	247.00
Do	METROPOLITAN TRANSIT AUTHORITY OF HARRIS COUNTY	5,125.00	95.00
Do	MILITARY ACCESSORIES SERVICE ASSN, INC		
Do	MORGAN STANLEY & CO, INC.	25,000.00	475.00
Do	MOTION PICTURE ASSN OF AMERICA, INC	2,000.00	19.00
Do	NATIONAL FOOTBALL LEAGUE	8,750.00	171.00
Do	NEW YORK AIR		
Do	PUROLATOR, INC.	11,120.00	209.00
Do	RAUSCHER PIERCE REFSNES, INC.		
Do	RINGLING BROS BARNUM & BAILEY COMBINED SHOWS, INC		
Do	SOUTHERN CALIFORNIA EDISON CO	4,500.00	95.00
Do	TEXACO, INC.		
Do	TEXAS AIR CORPORATION	440.00	10.00
Do	TIPPERARY CORP		
Do	WEBER HALL SALE & ASSOCIATES, INC		
Do	WERTHEIM & CO.		
Do	WESTERN GOVERNORS POLICY OFFICE	900.00	19.00
Do	ZALE CORPORATION		
JAMES J. ALBERTINE, 1575 EYE STREET, NW WASHINGTON DC 20005	AMERICAN SOC OF ASSN EXECUTIVES	300.00	
JOHN M. ALBERTINE, 1730 K ST., NW, #703 WASHINGTON DC 20006	AMERICAN BUSINESS CONFERENCE, INC.	3,125.00	30.00
SUSAN ALBERTS, 1411 K STREET, NW WASHINGTON DC 20005	AMERICANS FOR DEMOCRATIC ACTION	2,688.00	
FREDERICK K. ALDERSON, 1730 M STREET, NW, #607 WASHINGTON DC 20036	ARIZONA PUBLIC SERVICE COMPANY	912.00	739.96
DONALD C. ALEXANDER, CADWALADER WICKERSHAM & TAFT 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	ALIGNPAC	149.00	
Do	BALDWIN-UNITED CORPORATION	12.50	
Do	BECHTEL GROUP, INC		
Do	COMMITTEE FOR CAP FORMATION THROUGH DIVIDEND REINVESTMENT		
Do	DISABLED AMERICAN VETERANS	22.00	
Do	EASTERN AIR LINES, INC.		
Do	GETTY SYNTHETIC FUELS, INC	25.00	
NANCY L. ALEXANDER, 245 SECOND STREET, NE WASHINGTON DC 20002	FRIENDS COMM ON NATIONAL LEGISLATION	3,882.24	
RICHARD F. ALI, 729 15TH STREET, NW WASHINGTON DC 20005	ASSOCIATED BUILDERS & CONTRACTORS, INC	2,500.00	
JOHN D. ALLAN, ROYAL TRUST TOWER TORONTO DOMINION CENTER TORONTO, ONTARIO CANADA M5K 1J4	STELCO, INC.	2,000.00	357.21
WAYNE G. ALLCOTT, 1819 L ST., NW, #900 WASHINGTON DC 20036	U S WEST, INC.	4,856.25	1,970.04
WAXTON ALLCOX, 400 FIRST ST., NW, RM 801 WASHINGTON DC 20001	BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYES	14,373.81	
DOROTHY D. ALLEN, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.		
ROBERT G. ALLEN, 511 C STREET, NE WASHINGTON DC 20002	C.A.R.E.		
ALLIANCE AGAINST HANDGUNS, P.O. BOX 75700 WASHINGTON DC 20013			
ALLIANCE OF AMERICAN INSURERS, 1501 WOODFIELD ROAD, #400 WEST SCHAUMBURG IL 60195			10,093.75
ALLIANCE TO SAVE ENERGY, 1925 K STREET, NW, #507 WASHINGTON DC 20006			646.69
ROBERT F. ALLNUT, 950 L'ENFANT PLAZA, SW WASHINGTON DC 20024	COMMUNICATIONS SATELLITE CORP.	2,400.00	18.27
ALLTEL CORPORATION, 100 EXECUTIVE PARKWAY HUDSON OH 44236			1,077.00
JOSEPH C. ALLWARDEN, 220 DANIEL WEBSTER HWY SOUTH MERRIMACK NH 03054	KOLLSMAN INSTRUMENT CO.		
HARVEY ALTER, 1615 H STREET, NW WASHINGTON DC 20062	U.S. CHAMBER OF COMMERCE	3,200.00	
MICHAEL J. ALTIER, 1000 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	NATIONAL RETAIL MERCHANTS ASSN.	200.00	20.00
THOMAS H. ALTMEYER, 1575 I STREET, NW, #525 WASHINGTON DC 20005	MINING & RECLAMATION COUNCIL OF AMERICA	3,000.00	50.00
RICARDO R. ALVARADO, 2550 M STREET, NW, #600 WASHINGTON DC 20037	SIGNAL COMPANIES, INC	4,437.43	
SUSAN E. ALVARADO, 1771 N STREET, NW WASHINGTON DC 20036	NATIONAL ASSN OF BROADCASTERS	1,500.00	5,409.73
AMALGAMATED TRANSIT UNION, AFL-CIO, 5025 WISCONSIN AVENUE, NW WASHINGTON DC 20016			8,000.00
AMALGAMATED TRANSIT UNION, NATL CAP DIV. 689, 100 INDIANA AVE., NW, #403 WASHINGTON DC 20001			
JEROME A. AMBRO ASSOCIATES, 2301 S. JEFFERSON DAVIS DR., #719 ARLINGTON VA 22202	ASSOCIATED UNIVERSITIES	7,650.00	7,832.40
Do	COUNTY OF SUFFOLK, NEW YORK	16,400.00	16,643.83
ROBERT P. AMBROSE, 14615 LONE OAK ROAD EDEN PRAIRIE MN 55344	COOPERATIVE POWER ASSOCIATION	3,000.00	46.64
AMERICAN ACADEMY OF FAMILY PHYSICIANS, 1740 WEST 92ND ST. KANSAS CITY MO 64114		10,533.66	10,533.66
AMERICAN ADVERTISING FEDERATION, 1400 K STREET, NW, #1000 WASHINGTON DC 20005			
AMERICAN ARTS ALLIANCE, 424 C ST., NE WASHINGTON DC 20002		72,607.34	92,088.45

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
AMERICAN ASSN FOR COUNSELING AND DEVELOPMENT, 5999 STEVENSON AVENUE ALEXANDRIA VA 22304		38,896.83	22,436.27
AMERICAN ASSN OF BLOOD BANKS, 1117 NORTH 19TH ST., #600 ARLINGTON VA 22209			
AMERICAN ASSN OF EQUIPMENT LESSORS, 1300 NORTH 17TH ST., #1010 ARLINGTON VA 22209			
AMERICAN ASSN OF MEAT PROCESSORS, P.O. BOX 269 ELIZABETHTOWN PA 17022		187.41	50.00
AMERICAN ASSN OF PORT AUTHORITIES, INC, 1010 DUKE ST. ALEXANDRIA VA 22314		12,546.12	13,251.77
AMERICAN ASSN OF PRESIDENTS OF INDEPENDENT COLLEGES & UNIVS , BOX 723 REXBURG ID 83440		31,450.00	31,258.17
AMERICAN AUTOMOBILE ASSN, 8111 GATEHOUSE RD. FALLS CHURCH VA 22047			
AMERICAN BANKERS ASSN, 1120 CONNECTICUT AVENUE, NW WASHINGTON DC 20036		27,730.30	27,730.30
AMERICAN BUSINESS CONFERENCE, INC, 1025 CONNECTICUT AVENUE, NW, #209 WASHINGTON DC 20036		1,875.00	4,307.12
AMERICAN CAMPING ASSOCIATION, BRADFORD WOODS MARTINSVILLE IN 46151		12,285.88	9.00
AMERICAN CEMENT TRADE ALLIANCE, INC, 1331 PENNSYLVANIA AVE., NW WASHINGTON DC 20004		59,495.00	63,395.71
AMERICAN CLEAN WATER ASSN, 3911 NORTHHAMPTON, NW WASHINGTON DC 20015		4,208.83	4,158.68
AMERICAN COUNCIL FOR CAPITAL FORMATION, 1850 K STREET, NW, #520 WASHINGTON DC 20006		8,203.00	2,983.00
AMERICAN COUNCIL OF LIFE INSURANCE, INC, 1850 K ST., NW WASHINGTON DC 20006			15,503.33
AMERICAN FARM BUREAU FeD, 225 TOUHY AVE PARK RIDGE IL 60068		120,398.00	
AMERICAN FED OF LABOR & CONGRESS OF INDUSTRIAL ORGANIZATIONS, 815 16TH ST., NW WASHINGTON DC 20006			129,892.55
AMERICAN FEED INDUSTRY ASSN, 1701 N. FT. MYER DR. ARLINGTON VA 22209		3,240.00	3,240.00
AMERICAN FINANCIAL SERVICES ASSN, 1101 14TH ST., NW WASHINGTON DC 20005			11,625.00
AMERICAN FROZEN FOOD INST, 1700 OLD MEADOW RD., #100 MCLEAN VA 22102		6,000.00	6,000.00
AMERICAN HEALTH CARE ASSN, 1200 15TH STREET, NW WASHINGTON DC 20005		212,098.20	31,387.35
AMERICAN HELLENIC INSTITUTE PUBLIC AFFAIRS COMMITTEE, 1730 K ST., NW WASHINGTON DC 20006			
AMERICAN HONEY PRODUCERS ASSN, P.O. BOX 368 MINCO OK 73059		4,880.00	6,901.76
AMERICAN HOSPITAL ASSN, 840 N. LAKE SHORE DR. CHICAGO IL 60611		45,588.02	45,588.02
AMERICAN HOTEL & MOTEL ASSN, 888 SEVENTH AVE. NEW YORK NY 10019		21,959.48	11,266.45
AMERICAN INSTITUTE OF MERCHANT SHIPPING, 1625 K STREET, NW, #1000 WASHINGTON DC 20006			1,381.00
AMERICAN INSURANCE ASSN, 85 JOHN ST. NEW YORK NY 10038		2,290.00	2,290.00
AMERICAN ISRAEL PUBLIC AFFAIRS COMM, 500 N. CAPITOL ST., NW, #300 WASHINGTON DC 20001		102,535.00	113,993.69
AMERICAN LAND TITLE ASSN, 1828 L ST., NW WASHINGTON DC 20036			5,837.00
AMERICAN LEAGUE FOR EXPORTS & SECURITY ASSISTANCE, 122 C ST., NW, #740 WASHINGTON DC 20001		13,375.00	14,773.11
AMERICAN LIBRARY ASSN, 50 E. HURON ST. CHICAGO IL 60611		1,968.73	8,216.50
AMERICAN MALTING BARLEY ASSN, INC, 735 NORTH WATER STREET, #908 MILWAUKEE WI 53202			
AMERICAN MEAT INSTITUTE, PO BOX 3556 WASHINGTON DC 20007			6,500.00
AMERICAN MEDICAL ASSN, 535 NORTH DEARBORN ST. CHICAGO IL 60610		1,437.50	41,429.66
AMERICAN MEDICAL CARE & REVIEW ASSN, 5410 GROSVENOR LANE, #210 BETHESDA MD 20814			
AMERICAN MEDICAL PEER REVIEW ASSN, 440 FIRST STREET, NW, #510 WASHINGTON DC 20001			
AMERICAN METAL DETECTOR MANUFACTURERS' ASSN, 2814 NATIONAL DR. GARLAND TX 75401			
AMERICAN MOVERS CONFERENCE, 2200 MILL ROAD ALEXANDRIA VA 22314			2,819.00
AMERICAN NEWSPAPER PUBLISHERS ASSN, BOX 17407 DULLES INTERNATIONAL AIRPORT WASHINGTON DC 20041		9,324.75	9,324.75
AMERICAN NUCLEAR ENERGY COUNCIL, 410 1ST ST., SE WASHINGTON DC 20003		242,517.71	63,648.26
AMERICAN NURSES' ASSN, 2420 PERSHING RD KANSAS CITY MO 64108		26,810.82	26,810.82
AMERICAN OPTOMETRIC ASSN, C/O DR. JOHN D. TUMBLIN 600 MARYLAND AVENUE, SW, #400E WASHINGTON DC 20024		95.04	460.29
AMERICAN ORTHOTIC AND PROSTHETIC ASSN, 717 PENDLETON ST. ALEXANDRIA VA 22314			
AMERICAN PAPER INSTITUTE, INC, 260 MADISON AVE. NEW YORK NY 10016			8,234.37
AMERICAN PETROLEUM INSTITUTE, 1220 L ST., NW WASHINGTON DC 20037		209,823.42	266,473.19
AMERICAN PODIATRIC MEDICAL ASSN, 20 CHEVY CHASE CIRCLE WASHINGTON DC 20015			40,248.63
AMERICAN POSTAL WORKERS UNION, AFL-CIO, 817 14TH ST., NW WASHINGTON DC 20005		98,577.63	85,078.56
AMERICAN PSYCHOLOGICAL ASSN, 1200 17TH STREET, NW WASHINGTON DC 20036		28,560.28	28,560.28
AMERICAN PUBLIC TRANSIT ASSN, 1225 CONNECTICUT AVE., NW WASHINGTON DC 20036		73,270.00	73,270.00
AMERICAN PULPWOOD ASSN, 1025 VERMONT AVENUE, NW WASHINGTON DC 20005			
AMERICAN RED CROSS, 17TH & D STREETS, NW WASHINGTON DC 20006		2,000.00	300.00
AMERICAN RETREADERS' ASSN, P.O. BOX 17203 LOUISVILLE KY 40217		1,000.00	1,000.00
AMERICAN SEED TRADE ASSN, 1030 15TH STREET, NW, #964 WASHINGTON DC 20005			11,350.00
AMERICAN SHORT LINE RAILROAD ASSN, 2000 MASSACHUSETTS AVE., NW WASHINGTON DC 20036			
AMERICAN SOC OF ANESTHESIOLOGISTS, 1201 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20004			15,085.90
AMERICAN SOYBEAN ASSOCIATION, 600 MARYLAND AVENUE, SW, #510 WASHINGTON DC 20024			3,733.24
AMERICAN SUBCONTRACTORS ASSN, 1004 DUKE ST. ALEXANDRIA VA 22314			1,200.00
AMERICAN TEXTILE MACHINERY ASSN, 7297 N. LEE HWY. FALLS CHURCH VA 22042		1,500.00	1,500.00
AMERICAN TEXTILE MANUFACTURERS INSTITUTE, INC, 1101 CONNECTICUT AVENUE, NW, #300 WASHINGTON DC 20036		51,708.26	51,708.26
AMERICAN VETERANS OF WORLD WAR II, KOREA & VIETNAM (AMVETS) , 4647 FORBES BOULEVARD LANHAM MD 20706		6,950.47	6,950.47
AMERICAN VETERINARY MEDICAL ASSN, 1522 K STREET, NW, #828 WASHINGTON DC 20005		480.00	480.00
AMERICAN WATERWAYS OPERATORS, INC, 1600 WILSON BOULEVARD, #1000 ARLINGTON VA 22209		217,678.28	4,704.62
AMERICAN WOOD PRESERVERS INSTITUTE, 1945 GALLOWS ROAD, #405 VIENNA VA 22180			2,511.00
AMERICAN-EUROPEAN ACID RAIN PROHIBITION, 11573 EMBERS COURT RESTON VA 22091			
AMERICANS FOR IMMIGRATION CONTROL, INC, 107 2ND STREET, NE WASHINGTON DC 20002		7,206.23	7,206.23
AMERICANS FOR THE NATIONAL VOTER INITIATIVE AMENDMENT, 3115 N ST., NW WASHINGTON DC 20007			
MORRIS J. AMITAY, P.C., 444 N. CAPITOL STREET, NW, #712 WASHINGTON DC 20001	NATHAN LEWIN (FOR 47TH STREET PHOTO)	7,500.00	
Do	NORTHROP CORP	3,000.00	
Do	PAN AMERICAN WORLD AIRWAYS, INC	6,000.00	
Do	SOLAR ENERGY INDUSTRIES ASSN	7,600.00	
Do	THOMPSON MEDICAL	6,000.00	
JOEL E. AMKRAUT, 1620 SEABRIGHT AVENUE P.O. BOX 2247 SANTA CRUZ CA 95063	NATIONAL RIGHT TO MAIL COMMITTEE		
JOANNE M. AMOROSI, 1228 17TH STREET, NW WASHINGTON DC 20036	AIR CONDITIONING CONTRACTORS OF AMERICA	23,000.00	
JAN S. AMUNDSON, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	50.00	41.00
EDWARD ANDERSEN, 1616 H ST., NW WASHINGTON DC 20006	NATIONAL GRANGE	8,450.00	
ANDERSON BENJAMIN & READ, INC, 1020 19TH STREET, NW, #520, WASHINGTON DC 20036	U.S. BANKNOTE CORP		
ARNE ANDERSON, 1325 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20005	AMERICAN FED OF GOVERNMENT EMPLOYEES	7,488.72	
DESIREE C. ANDERSON, 1150 17TH STREET, NW, #306 WASHINGTON DC 20036	NATIONAL MULTI HOUSING COUNCIL		
H. KIM ANDERSON, VIRGINIA PETROLEUM COUNCIL 1809 STAPLES MILL ROAD RICHMOND VA 23230	AMERICAN PETROLEUM INSTITUTE	200.00	339.51
J. LEM ANDERSON, 4111 FRANCONIA RD. ALEXANDRIA VA 22310	TIME, INC	1,000.00	
JAMES A. ANDERSON JR., 1725 K STREET, NW, #710 WASHINGTON DC 20006	NATIONAL ASSN OF WHOLESALER-DISTRIBUTORS		
ROBERT L. ANDERSON, JOHN DEERE RD. MOLINE IL 61265	DEERE & COMPANY		
ROMILDA R. ANDERSON, 10 WESTPORT ROAD WILTON CT 06897	RICHARDSON-VICKS	10,500.00	4,142.34
STEVEN C. ANDERSON, 1700 OLD MEADOW RD. MCLEAN VA 22102	AMERICAN FROZEN FOOD INSTITUTE	5,000.00	
WAYNE C. ANDERSON, 1050 CONNECTICUT AVE., NW, #300 WASHINGTON DC 20036	NABISCO BRANDS, INC	5,000.00	367.00
WILLIAM C. ANDERSON, 1101 16TH ST., NW WASHINGTON DC 20036	INDEPENDENT PETROLEUM ASSN OF AMERICA		142.50
ANDREWS & KURTH, 1747 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20006	SPACE SERVICES INC OF AMERICA		
DAVID R. ANDREWS, THREE EMBARCADERO CENTER SAN FRANCISCO CA 94111	MCCUTCHEN DOYLE BROWN & ENERSEN (FOR: AMFAC, INC)		
Do	MCCUTCHEN DOYLE BROWN & ENERSEN (FOR: CASTLE & COOKE, INC)		
Do	MCCUTCHEN DOYLE BROWN & ENERSEN (FOR: ROHR INDUSTRIES)	180.00	
LEWIS D. ANDREWS JR., 1825 EYE STREET, NW, #400 WASHINGTON DC 20006	COMMITTEE FOR EQUITABLE COMPENSATION	6,000.00	357.00
LISA ANDREWS, 51 LOUISIANA AVENUE, NW WASHINGTON DC 20001	ACACIA MUTUAL LIFE INSURANCE CO	1,000.00	80.00
ROBERT B. ANDREWS, 1100 CONNECTICUT AVENUE, NW, #620 WASHINGTON DC 20036	MOBIL OIL CORP	500.00	
JACK R. ANGELL, 1101 17TH STREET, NW, #704 WASHINGTON DC 20036	UNITED GAS PIPE LINE CO		
JAY ANGOFF, 215 PENNSYLVANIA AVE., SE WASHINGTON DC 20003	CONGRESS WATCH	4,000.00	
J. DONALD ANNETT, 1050 17TH ST., NW, #500 WASHINGTON DC 20036	TEXACO, INC	500.00	
REYNOLD V. ANSELMO, 460 W. 42ND STREET, 4TH FL NEW YORK NY 10036	PAN AMERICAN SATELLITE CORP		
TOBIAS ANTHONY, 1819 H STREET, NW, #510 WASHINGTON DC 20006	AMERICAN COAL ASH ASSOCIATION, INC		
THOMAS ANTONE, CASSON CALLIGARO & MUTRYN 2600 VIRGINIA AVENUE, NW, #900 WASHINGTON DC 20037	SAMARITAN HEALTH SERVICE	500.00	30.00
PATRICK S. ANTRIM, 1800 K STREET, NW WASHINGTON DC 20006	BANKAMERICA CORPORATION		
APARTMENT & OFFICE BUILDING ASSN OF METROPOLITAN WASH, DC, 1413 K STREET, NW, #600 WASHINGTON DC 20005			
JOHN D. AQUILINO JR., 1600 RHODE ISLAND AVE., NW WASHINGTON DC 20036	NATIONAL RIFLE ASSN OF AMER		
PAUL W. ARCARI, 201 N. WASHINGTON STREET ALEXANDRIA VA 22314	RETIRED OFFICERS ASSN	2,188.00	
JOHN CHRISTIAN ARCHER, 1730 RHODE ISLAND AVE., NW, #213 WASHINGTON DC 20036	BROWN & ROOT, INC		
JOHN ARCHER, 8111 GATEHOUSE RD. FALLS CHURCH VA 22047	AMERICAN AUTOMOBILE ASSN		
R. M. JULIE ARCHULETA, 1747 PENNSYLVANIA AVENUE, NW, 3RD FL. WASHINGTON DC 20006	OCCIDENTAL CHEMICAL CORP	300.00	
ARENT FOX KINTNER PLOTKIN & KAHN, 1050 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	BREED CORPORATION		751.08
Do	CENTRAL STATES SE & SW AREAS HEALTH, WELFARE & PENSION FUNDS	205,885.79	11,690.44
Do	GUARDIAN LIFE INSURANCE CO OF AMERICA	41,729.49	329.87
Do	MOTOR AND EQUIPMENT MANUFACTURERS ASSOCIATION		
Do	TOYOTA MOTOR CORPORATION	218.80	5.25
Do	TUBULAR CORP OF AMERICA, INC	25,169.53	778.68
R. G. ARMISTEAD, 8613 JANET LANE VIENNA VA 22180			
G. RAY ARNETT, 1600 RHODE ISLAND AVENUE, NW WASHINGTON DC 20036	NATIONAL RIFLE ASSN OF AMERICA	3,750.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
ARNOLD & PORTER, 1200 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	AMERICAN ASSN OF EXPORTERS & IMPORTERS (AAEI)	400.00	195.00
Do	FLUOR CORPORATION		
Do	NATIONAL COORDINATING COMM FOR MULTIEMPLOYER PLANS	15,312.00	1,927.11
Do	SACRAMENTO MUNICIPAL UTILITY DISTRICT	1,892.24	133.90
CARL F. ARNOLD, 1100 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN IRON & STEEL INSTITUTE	1,350.00	
Do	CORPORATE PROPERTY INVESTORS	1,000.00	
Do	MEAD CORPORATION	1,440.00	
Do	QUINTANA PETROLEUM CORP	1,687.00	
JULIE L. ARNOLD, 1050 17TH STREET, NW, #1126 WASHINGTON DC 20036	TRAVENOL LABORATORIES, INC		
SANDY ARNOLD, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FED OF FEDERAL EMPLOYEES		
NAN ARON, 600 NEW JERSEY AVENUE, NW WASHINGTON DC 20001	ALLIANCE FOR JUSTICE	41.99	
ASBILL & JUNKIN, 1302 18TH STREET, NW, #603 WASHINGTON DC 20036	COALITION ON SMOKING OR HEALTH	23,987.50	14,350.22
LUD ASHLEY, P.C., 1735 NEW YORK AVENUE, NW, 6TH FL. WASHINGTON DC 20006	AMERICAN INTERNATIONAL GROUP, INC	3,000.00	
Do	FEDERAL HOME LOAN MORTGAGE CORP		
Do	IRVING TRUST CO	20,000.00	
Do	ISFA CORPORATION	18,860.00	
Do	MANVILLE CORPORATION	13,915.50	
Do	MERRILL LYNCH & CO, INC	4,000.00	
Do	NATIONAL ASSN OF STATE SAVINGS & LOAN SUPERVISORS	12,500.00	
Do	J.C. PENNEY CO, INC	36,680.00	
JOSEPH ASHOOH, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
ASIAN PACIFIC ECONOMIC EDUCATIONAL CULTURAL ORGANIZATION, P.O. BOX 891 MANILA, PHILIPPINE			
ASPHALT ROOFING MANUFACTURERS ASSOCIATION, 6288 MONTROSE ROAD ROCKVILLE MD 20852			
ASSOCIATED BUILDERS & CONTRACTORS, INC, 729 15TH ST., NW WASHINGTON DC 20005		15,000.00	
ASSOCIATED CREDIT BUREAUS, INC, P.O. BOX 218300 16211 PARK 10 PLACE HOUSTON TX 77084		1,500.00	
ASSOCIATED EMPLOYERS, INC, 1222 N. MAIN, #315A SAN ANTONIO TX 78212			
ASSOCIATED GENERAL CONTRACTORS OF AMERICA, 1957 E ST., NW WASHINGTON DC 20006			
ASSOCIATION FOR BROADCAST ENGINEERING STANDARDS, INC, 2000 M STREET, NW, #600 WASHINGTON DC 20036			
ASSOCIATION FOR THE IMPROVEMENT OF THE MISSISSIPPI RIVER, 10 BROADWAY ST. LOUIS MO 63102			105.00
ASSOCIATION OF AMERICAN FOREIGN SERVICE WOMEN, P.O. BOX 8068 WASHINGTON DC 20024			
ASSOCIATION OF AMERICAN LAW SCHOOLS, ONE DUPONT CIRCLE, NW, #370 WASHINGTON DC 20036			
ASSOCIATION OF AMERICAN PUBLISHERS, 2005 MASSACHUSETTS AVE., NW WASHINGTON DC 20036		7,535.17	7,535.17
ASSOCIATION OF AMERICAN RAILROADS, AMERICAN RAILROADS BLDG., SUITE 720 1920 L ST., NW WASHINGTON DC 20036.		97,545.74	97,545.74
ASSOCIATION OF AMERICAN VETERINARY MEDICAL COLLEGES, 1522 K STREET, NW, #828 WASHINGTON DC 20005		600.00	600.00
ASSOCIATION OF DATA PROCESSING SERVICE ORGANIZATIONS, 1300 NORTH 17TH STREET, #300 ARLINGTON VA 22209			
ASSOCIATION OF GOVERNMENT ACCOUNTANTS, 727 SOUTH 23RD STREET, #100 ARLINGTON VA 22202			
ASSOCIATION OF TRIAL LAWYERS OF AMERICA, 1050 31ST ST., NW WASHINGTON DC 20007		13,334.92	13,334.92
GEORGE J. ASTE, 1825 K ST., NW, #607 WASHINGTON DC 20006	UNITED AIRLINES	500.00	
ATLANTIC RICHFIELD CO, 515 SOUTH FLOWER STREET LOS ANGELES CA 90071			1,267.68
FRITZ E. ATTAWAY, 1600 EYE ST., NW WASHINGTON DC 20006	MOTION PICTURE ASSN OF AMERICA, INC		
JOHN J. AUCIELLO, P.O. BOX 269 ELIZABETHTOWN PA 17022	AMERICAN ASSN OF MEAT PROCESSORS		
AUDIO RECORDING RIGHTS COALITION, P.O. BOX 33705 WASHINGTON DC 20033		10,000.00	8,407.74
KENNETH E. AUER, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	FARM CREDIT COUNCIL	712.50	
JOHN D. AUSTIN JR., 1920 N STREET, N.W. WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
RONALD R. AUSTIN, 1201 16TH STREET, NW WASHINGTON DC 20036	OVERSEAS EDUCATION ASSN	546.25	
JOHN S. AUTRY, 2000 L STREET, NW, #810 WASHINGTON DC 20036	SPERRY CORPORATION	2,000.00	1,000.00
AVENEL ASSOCIATES, INC, P.O. BOX 53131 WASHINGTON DC 20009	FLORIDA DEFENDERS OF THE ENVIRONMENT	2,000.00	110.06
GEORGE C. AXTELL, 122 C ST., NW, #740 WASHINGTON DC 20001	AMERICAN LEAGUE FOR EXPORTS & SECURITY ASSISTANCE	3,000.00	30.69
WILLIAM H AXTMAN, 950 N. GLEBE RD., RM. 160 ARLINGTON VA 22203	AMERICAN BOILER MANUFACTURERS ASSN, INC		
CRAIG H. BAAB, 1800 M ST., NW WASHINGTON DC 20036	AMERICAN BAR ASSN	400.00	59.25
BABCOCK & BROWN, INC, 639 FRONT STREET SAN FRANCISCO CA 94111			
DALE R. BABIONE, 1700 N. MOORE ST. ROSSLYN VA 22209	BOEING COMPANY	3,380.00	
CARL E. BAGGE, COAL BUILDING WASHINGTON DC 20036	NATIONAL COAL ASSN	3,185.00	275.00
JOAN N. BAGGETT, 815 15TH ST., NW WASHINGTON DC 20005	INTERNATIONAL UNION OF BRICKLAYERS & ALLIED CRAFTSMEN	5,000.00	103.00
GEORGE F. BAILEY JR., P.O. BOX 21 MONTGOMERY AL 36101	ALABAMA RAILROAD ASSN		
PAUL C. BAILEY JR., 108 COLUMBUS ST. ARLINGTON VA 22204	SOUTHERN COMPANY SERVICES, INC	1,015.50	635.87
WILLIAM W. BAILEY, 1050 17TH STREET, NW, #650 WASHINGTON DC 20036	MERCK & CO, INC	2,000.00	592.00
JUDITH L. BAIRD, 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	ATLANTIC RICHFIELD CO	150.00	
JOHN BAIZE, CAPITOL GALLERY BLDG., #510 600 MARYLAND AVENUE, SW WASHINGTON DC 20024	AMERICAN SOYBEAN ASSOCIATION	950.00	243.90
EDWARD R. BAJER, 1015 15TH ST., NW, #802 WASHINGTON DC 20005	AMERICAN CONSULTING ENGINEERS COUNCIL	450.00	
BAKER & BOTTS, 1701 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	HOUSTON LIGHTING & POWER COMPANY		
Do	PENNZOIL CO		
BAKER & HOSTETLER, 1050 CONNECTICUT AVE., NW WASHINGTON DC 20036	CLEVELAND INSTITUTE OF ELECTRONICS		
DAVID BAKER, 530 7TH ST., SE WASHINGTON DC 20003	LEAGUE OF WOMEN VOTERS OF THE U.S.	3,126.09	61.60
EMIL F. BAKER, 1303 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	FLEET RESERVE ASSN		
GERALD E. BAKER, 1625 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	AIR LINE PILOTS ASSN	5,250.00	461.22
JAMES JAY BAKER, 1600 RHODE ISLAND AVE., NW WASHINGTON DC 20036	NATIONAL RIFLE ASSN OF AMERICA	962.50	186.94
KEITH L. BAKER, 1000 THOMAS JEFFERSON ST., NW, #600 WASHINGTON DC 20007	FEDERATION EMPLOYMENT & GUIDANCE SERVICE		
LISA BAKER, 1730 K STREET, NW, #703 WASHINGTON DC 20006	AMERICAN BUSINESS CONFERENCE	80.25	25.00
QUINTER S. BAKER, P.O. BOX 8091 FALLS CHURCH VA 22041	FRIENDSHIP HILL ASSN		
S. EASON BALCH JR., P.O. BOX 306 BIRMINGHAM AL 35201	BALCH & BINGHAM (FOR: SOUTHERN COMPANY SERVICES, INC)		
S. EASON BALCH, P.O. BOX 306 BIRMINGHAM AL 35201	BALCH & BINGHAM (FOR: SOUTHERN COMPANY SERVICES, INC)		
H. R. BALIKOV, 333 THORNALL ST. EDISON NJ 08818	J. M. HUBER CORP	438.00	1,905.10
CHRISTIAN BALLANTYNE, 214 N. HENRY STREET, #203 MADISON WI 53703	SIERRA CLUB	1,970.58	1,100.11
BALLARD SPAHR ANDREWS & INGERSOLL, 1850 K STREET, NW, #1100 WASHINGTON DC 20006	ATLANTIC ALLIANCE FOR MARITIME HERITAGE CONSERVATION		
Do	DELAWARE RIVER PORT AUTHORITY		17.50
Do	PHILADELPHIA PORT CORPORATION		10.50
Do	PORT OF WILMINGTON, DELAWARE		3.50
Do	SOUTH JERSEY PORT CORPORATION		3.50
Do	TEMPLE UNIVERSITY		
Do	TITAN OCEAN SYSTEMS, INC		
Do	TREASURE SALVORS, INC		
Do	U.S. COMMITTEE FOR UNICEF		
THOMAS M. BALMER, 888 16TH STREET, NW WASHINGTON DC 20006	MILK INDUSTRY FOUNDATION/INT'L ASSN OF ICE CREAM MFRS		
MICHAEL BALY III, 1515 WILSON BLVD. ARLINGTON VA 22209	AMERICAN GAS ASSN	3,000.00	247.08
GARY R. BALZHISER, 1050 CONNECTICUT AVE., NW, #760 WASHINGTON DC 20036	UNION OIL CO OF CALIFORNIA	2,000.00	80.00
PHILIP A. BANGERT, 1010 WISCONSIN AVENUE, NW, #800 WASHINGTON DC 20007	GROCERY MANUFACTURERS OF AMERICA, INC	30.00	
CHARLES E. BANGERT, P.C., 1825 EYE STREET, NW, #300 WASHINGTON DC 20006	BUSINESS ROUNDTABLE	1,050.00	
BANK OF BOSTON CORPORATION, 100 FEDERAL ST. BOSTON MA 02110			
JAMES T. BANKS, 600 MARYLAND AVE., SW, #607 WASHINGTON DC 20024	WASTE MANAGEMENT, INC		
DELMAR K. BANNER, 1800 MASSACHUSETTS AVENUE, NW, #604 WASHINGTON DC 20036	FARM CREDIT COUNCIL	4,540.00	
ROBERT D. BANNISTER, 15TH & M STREETS, NW WASHINGTON DC 20005	NATIONAL ASSN OF HOME BUILDERS OF THE U.S.		
SAMUEL J. BAPTISTA, 1620 EYE STREET, NW, #603 WASHINGTON DC 20006	VISA U.S.A., INC		
BARAFF KOERNER OLENDER & HOCHBERG, P.C., 2033 M STREET, NW, #203 WASHINGTON DC 20036	COLLEGE FOOTBALL ASSOCIATION		
Do	MAJOR INDOOR SOCCER LEAGUE	200.00	
Do	NATIONAL BASKETBALL ASSN	3,200.00	
Do	NORTH AMERICAN SOCCER LEAGUE		
E. W. BARAGAR, 1700 NORTH MOORE ST., 20TH FL. ROSSLYN VA 22209	BOEING COMPANY	443.39	326.98
MAURICE A. BARBOZA, 1800 M STREET, NW WASHINGTON DC 20036	AMERICAN BAR ASSN	400.00	50.00
ROBERT O. BARKER, 801 NORTHLAND TOWERS WEST SOUTHFIELD MI 48075	NATIONAL ASSN OF MANUFACTURERS	1,500.00	15.00
THOMAS H. BARKSDALE JR., 1220 L ST., NW WASHINGTON DC 20036	AMERICAN PETROLEUM INST	5,500.00	334.32
DONNA R. BARNAKO, 1200 15TH STREET, NW WASHINGTON DC 20005	AMERICAN HEALTH CARE ASSN	1,743.75	148.24
WILLIAM J. BARNDS, 1000 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	JAPAN ECONOMIC INSTITUTE OF AMERICA	500.00	
BARNES RICHARDSON & COLBURN, 1819 H ST., NW, #400 WASHINGTON DC 20006	STRATTON HATS, INC	10,000.00	147.89
Do	TEXAS CITRUS AND VEGETABLE IMPORT ASSOCIATION	10,000.00	2,629.83
LARRY P. BARNETT, 1709 NEW YORK AVE., NW WASHINGTON DC 20006	AIR TRANSPORT ASSN OF AMERICA	7,000.00	
BARNETT YINGLING & SHAY, 1090 VERMONT AVE., NW, #810 WASHINGTON DC 20005	CITIBANK, N.A	7,000.00	45.00
NEIL D. BARON, BOOTH & BARON 122 EAST 42ND ST. NEW YORK NY 10168	STANDARD & POOR'S CORPORATION		
JAMES C. BARR, 1840 WILSON BLVD ARLINGTON VA 22201	NATIONAL MILK PRODUCERS FEDERATION	3,300.00	
DAVID M. BARRETT, BARRETT HANNA DAILY & GASPAR 2555 M STREET, NW, #100 WASHINGTON DC 20037	ALLIED TUBE & CONDUIT CORP	7,515.67	2,129.41
Do	ENERGY CONSUMERS & PRODUCERS ASSN	4,500.00	907.75
Do	NATIONAL MEDICAL ENTERPRISES, INC	2,000.00	212.12

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
BARRETT SMITH SCHAPIRO SIMON & ARMSTRONG, 1201 PENNSYLVANIA AVENUE, NW, #821 WASHINGTON DC 20004	COFFEE SUGAR & COCOA EXCHANGE, INC		
Do	IRVING TRUST CO		
ROBERT W. BARRIE, 1331 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20004	GENERAL ELECTRIC CO	2,000.00	
HARVEY BARRISON, 291 BROADWAY NEW YORK NY 10007	C. A. SHEA & COMPANY, INC		
DAVID S. BARROWS, 1201 S. W. 12TH, #200 PORTLAND OR 97205	ASSOCIATION OF OREGON & CALIFORNIA LAND GRANT COUNTIES	1,200.00	
JAMES E. BARTLEY, 1090 VERMONT AVENUE, NW, #410 WASHINGTON DC 20005	NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE	6,000.00	21.00
Do	PROCOMPETITIVE RETAIL STEERING COMM		10.00
MARK A. BARTNER, 100 MARYLAND AVENUE, NE WASHINGTON DC 20002	RELIGIOUS COALITION FOR ABORTION RIGHTS, INC	5,250.00	199.10
R. WILLIAM BARTON, 1000 POTOMAC STREET, NW, #302 WASHINGTON DC 20007	FEDERATION EMPLOYMENT & GUIDANCE SERVICE		
RICHARD A. BARTON, 1101 17TH ST., NW, #900 WASHINGTON DC 20036	DIRECT MARKETING ASSN	1,400.00	
WELDON V. BARTON, 1625 MASSACHUSETTS AVENUE, NW, #202 WASHINGTON DC 20036	INDEPENDENT BANKERS ASSN OF AMERICA	12,500.00	818.19
WALTER F. BATCHELOR, 1200 17TH STREET, NW WASHINGTON DC 20036	AMERICAN PSYCHOLOGICAL ASSN	1,000.00	57.90
DIANE BATEMAN, 1015 18TH STREET, NW WASHINGTON DC 20036	FERTILIZER INSTITUTE	15,000.00	3,427.58
ROBERT E. BATES JR., 1100 CONNECTICUT AVE, NW WASHINGTON DC 20036	MOBIL OIL CORP	1,125.00	
DAVIS M. BATSON, 1155 15TH STREET, NW, #611 WASHINGTON DC 20005	ETHYL CORPORATION	500.00	
LAURIE C. BATTLE, 1709 NEW YORK AVE., NW, #801 WASHINGTON DC 20006	U.S. LEAGUE OF SAVINGS ASSOCIATIONS	3,125.00	
JOHN F. BATTLES, MASSACHUSETTS PETROLEUM COUNCIL 11 BEACON ST., #515 BOSTON MA 02108	AMERICAN PETROLEUM INSTITUTE	3,000.00	1,141.49
ROBERT J. BAUGHMAN, 717 PENDLETON ST. ALEXANDRIA VA 22314	AMERICAN ORTHOTIC AND PROSTHETIC ASSN		
BARBARA BAUMAN, 1990 M STREET, NW, #480 WASHINGTON DC 20036	DETROIT EDISON COMPANY	450.00	30.00
BARRY H. BAUMAN, 1615 H ST., NW WASHINGTON DC 20062	U.S. CHAMBER OF COMMERCE	1,600.00	
TINA MARTS BEACH, 1331 PENNSYLVANIA AVENUE, NW, #700 WASHINGTON DC 20004	GENERAL ELECTRIC CO	372.00	
BRUCE A. BEAM, 1667 K ST., NW, #450 WASHINGTON DC 20006	AMERICAN ELECTRIC POWER SERVICE CORP	457.52	1,328.12
BEAR WEST COMPANY, INC. 9 EXCHANGE PLACE, #1000 SALT LAKE CITY UT 84111	ROCKY MOUNTAIN ENERGY CO	4,652.50	1,528.13
DONALD S. BEATTIE, 1815 H STREET, NW, #1000 WASHINGTON DC 20006	AMERICAN PETROCHEMICAL CONSUMERS		
Do	RAILWAY LABOR EXECUTIVES' ASSN	2,914.91	
BARBARA F. BEATTY, 729 15TH STREET, NW WASHINGTON DC 20005	ASSOCIATED BUILDERS & CONTRACTORS, INC	2,500.00	
CHRISTINE T. BEATTY, 1627 K STREET, NW, #200 WASHINGTON DC 20006	ST. JOE MINERALS CORP	7,500.00	37.89
HUBERT BEATTY, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
LAURA L. BEATY, 806 N. JEFFERSON ST. ARLINGTON VA 22205	NATIONAL PARKS & CONSERVATION ASSOCIATION	970.20	12.80
ORREN BEATY JR., 700 JEFFERSON BUILDING 1225 19TH STREET, NW WASHINGTON DC 20036	WESTERN FUELS ASSOCIATION, INC	9,623.00	763.99
JEAN A. BECHERER, 1800 K STREET, NW, #530 WASHINGTON DC 20006	TESORO PETROLEUM CORP	1,500.00	
EDWARD A. BECK III, 1220 L STREET, NW WASHINGTON DC 20005	AMERICAN PETROLEUM INSTITUTE	8,165.07	292.00
ROBERT J. BECKER, 800 E. NORTHWEST HWY., #101 MT. PROSPECT IL 60056	JOINT COUNCIL OF ALLERGY & IMMUNOLOGY		
WILLIAM W. BEDDOW, 1101 15TH ST., NW WASHINGTON DC 20005	NATIONAL CONSTRUCTORS ASSOCIATION	1,600.00	
HOWARD BEDLIN, 1050 17TH STREET, NW, #770 WASHINGTON DC 20036	AMERICAN ASSN OF HOMES FOR THE AGING	202.00	122.57
JON CHARLES BEDNERIK, 11 EMBARCADERO WEST, #202 OAKLAND CA 94607	WESTERN INDEPENDENT BANKERS	500.00	1,197.83
LYDIA I. BEEBE, 1700 K STREET, NW, #1204 WASHINGTON DC 20006	CHEVRON USA, INC	180.00	
RONALD L. BEEBER, 1660 L STREET, NW WASHINGTON DC 20036	GENERAL MOTORS CORP	2,500.00	3,078.85
ROBERT M. BEERS, 2101 E STREET, NW WASHINGTON DC 20037	AMERICAN FOREIGN SERVICE ASSN	4,895.25	1,363.65
EDWIN L. BEHRENS, 801 18TH STREET, NW, #400 WASHINGTON DC 20006	PROCTER & GAMBLE MANUFACTURING CO	75.00	
JAMES BEIZER, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
MARK BELANGER, 805 THIRD AVENUE NEW YORK NY 10022	MAJOR LEAGUE BASEBALL PLAYERS ASSN		
DONALD K. BELCH, STELCO TOWER HAMILTON, ONTARIO CANADA L8N 3 TI	CANADIAN TUBULAR PRODUCERS ASSN	32.50	38.12
Do	STELCO, INC	942.50	629.04
HOWARD H. BELL, 1400 K ST., NW, #1000 WASHINGTON DC 20036	AMERICAN ADVERTISING FEDERATION		
WINSTON EVERETT BELL, P.O. BOX 26543 LAS VEGAS NV 89126			
MARY K. BELLAMY, 1600 M ST., NW WASHINGTON DC 20036	INVESTMENT CO INSTITUTE		
JAMES P. BELLIS, 11 DUPONT CIRCLE, NW, #700 WASHINGTON DC 20036	PALUMBO & CERRELL, INC (FOR: AMERICAN SOC OF COMPOSERS AUTHORS & PUBLISHERS).	9,600.00	
Do	PALUMBO & CERRELL, INC (FOR: NATIONAL SCHOOL TRANSPORTATION ASSN)	9,600.00	
Do	PALUMBO & CERRELL, INC (FOR: G. D. SEARLE)	9,600.00	
Do	PALUMBO & CERRELL, INC (FOR: SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT).	9,600.00	
BENCHMARK TECHNOLOGIES CORP, 1995 TREMAINSVILLE RD. TOLEDO OH 43613			
BENDIXEN & LAW, 1029 VERMONT AVENUE, NW, #505 WASHINGTON DC 20005	PANAMSAT	3,275.00	
BRUCE BENEFIELD, 1000 WILSON BLVD., #2600 ARLINGTON VA 22209	TRW, INC	550.00	364.30
KENNETH U. BENJAMIN JR., 1101 VERMONT AVE., NW WASHINGTON DC 20005	AMERICAN MEDICAL ASSN	1,142.00	181.74
BENNER BURNETT & COLEMAN, 1401 NEW YORK AVENUE, NW WASHINGTON DC 20005	SCHNITZER STEEL PRODUCTS CO	7,650.00	936.60
DANIEL BENNET, 729 15TH STREET, NW WASHINGTON DC 20005	ASSOCIATED BUILDERS & CONTRACTORS, INC	2,500.00	
BEVERLY L. BENNETT, 1850 K STREET, NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		350.00
CATHERINE BENNETT, 1700 PENNSYLVANIA AVE., NW, #730 WASHINGTON DC 20006	PFIZER, INC	650.00	372.29
WILLIAM C. BENNETT JR., 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	ATLANTIC RICHFIELD CO	150.00	
JOHN C. BENNISON, 4400 MACARTHUR BLVD., NW WASHINGTON DC 20007	AMERICAN SOC OF TRAVEL AGENTS	8,000.00	
BENOIT SMITH & LAUGHLIN, 2001 JEFFERSON DAVIS HIGHWAY, #501 ARLINGTON VA 22202	ECONOPURE		
Do	HUGHES AIRCRAFT COMPANY		
FREDERICK S. BENSON III, 1625 EYE STREET, NW, #902 WASHINGTON DC 20006	WEYERHAEUSER COMPANY		
NANCY C. BENSON, 1575 EYE ST., NW, #220 WASHINGTON DC 20005	AMERICAN CYANAMID CO	306.00	330.65
JAMES E. BENTON, N. J. PETROLEUM COUNCIL 170 W. STATE ST. TRENTON NJ 08608	AMERICAN PETROLEUM INSTITUTE	112.00	109.00
GEORGE L. BERG JR., 600 MARYLAND AVENUE, SW WASHINGTON DC 20024	AMERICAN FARM BUREAU FEDERATION	5,062.50	74.12
PETER E. BERG, BERG & ASSOCIATES 641 INDIANA AVENUE, NW WASHINGTON DC 20006			
REBECCA J. BERG, 900 17TH STREET, NW, #1100 WASHINGTON DC 20006	SEA-LAND CORPORATION	450.00	72.18
O. M. BERGE, 12050 WOODWARD AVE. DETROIT MI 48203	BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYES		
BOB BERGLAND, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	590.00	20.00
EDWIN M. BERGSMARK, THREE SEAGATE TOLEDO OH 43603	TOLEDO TRUST COMPANY		
PAUL C. BERGSON, 2550 M ST., NW, #770 WASHINGTON DC 20037	RJR INDUSTRIES, INC		
JANE W. BERGWIN, 1050 17TH STREET, NW, #490 WASHINGTON DC 20036	CONSUMERS POWER CO	3,448.00	1,266.00
JASON S. BERMAN, 2020 K ST., NW, #250 WASHINGTON DC 20006	WARNER COMMUNICATIONS, INC	15,000.00	10,423.00
JAY HARRIS BERMAN, 419 10TH STREET, NE WASHINGTON DC 20002	PROFESSIONAL INSURANCE AGENTS		
WILLIAM R. BERMAN, 8111 GATEHOUSE RD. FALLS CHURCH VA 22047	AMERICAN AUTOMOBILE ASSN		
MARY E. BERNHARD, 1090 VERMONT AVENUE, NW, #500 WASHINGTON DC 20005	FLEXIBLE PACKAGING ASSOCIATION		
CHARLES BERNHARDT, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FEDERATION OF FEDERAL EMPLOYEES		
DONALD C. BERNO, 1615 H ST., NW WASHINGTON DC 20062	U.S. CHAMBER OF COMMERCE	7,500.00	244.90
GEORGE K. BERNSTEIN, 1730 K ST., NW WASHINGTON DC 20006	AMERICAN INSURANCE ASSN	2,500.00	
MAX N. BERRY, 3213 O ST., NW WASHINGTON DC 20007	AMERICAN IMPORTERS MEAT PRODUCTS GROUP		
Do	CENTRE NATIONAL INTERPROFESSIONNEL DE L'ECONOMIC LAITIERE		
Do	COMMITTEE TO ASSURE THE AVAILABILITY OF CASEIN		539.40
Do	FEDERATION DES EXPORTATEURS DE VINS & SPIRITUEUX DE FRANCE		
FRANK S. BESSON III, 1725 JEFFERSON DAVIS HWY, #900 ARLINGTON VA 22202	AM GENERAL CORPORATION	1,925.00	
ROBERT BETZ, 1101 14TH STREET, NW, #1100 WASHINGTON DC 20005	ROBERT BETZ ASSOCIATES, INC (FOR: ALABAMA HOSPITAL ASSOCIATION)	5,250.00	141.80
BEVERLY ENTERPRISES, INC, 1901 N. FORT MYER DRIVE, #302 ROSSLYN VA 22209			25,649.68
CHERYL BEVERSDORF, 1200 15TH STREET, NW WASHINGTON DC 20005	AMERICAN HEALTH CARE ASSN	2,755.00	317.81
RALPH A. BIEDERMANN, ONE BRUNSWICK PLAZA SKOKIE IL 60077	BRUNSWICK CORP		
JOAN T. BIER, 1726 M STREET, NW, #701 WASHINGTON DC 20036	INTERNATIONAL MINERALS & CHEMICAL CORP	250.00	23.00
JAMES N. BIERMAN, 1775 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	FOLEY LARNDER HOLLABAUGH & JACOBS (FOR: VGS CORPORATION)		
MOE BILLER, 817 14TH ST., NW WASHINGTON DC 20005	AMERICAN POSTAL WORKERS UNION, AFL-CIO	8,452.30	
BILLIG SHER & JONES, P.C., 2033 K ST., NW, #300 WASHINGTON DC 20006	BARBER BLUE SEA LINE		7.00
Do	HAPAG-LLOYD, A.G.		7.00
Do	MAERSK LINE		7.00
Do	NEDLLOYD LINES		7.00
Do	PORT USERS	5,000.00	470.00
Do	PRIVATE TRUCK COUNCIL OF AMERICA, INC		
Do	SOUTH DAKOTA DEPT. OF TRANSPORTATION, DIV. OF RAILROADS		
FRED BILLINGS III, 1616 H STREET, NW WASHINGTON DC 20006	NATIONAL GRANGE	2,500.00	
KEVIN W. BILLINGS, 410 FIRST STREET, SE WASHINGTON DC 20003	AMERICAN NUCLEAR ENERGY COUNCIL	2,712.50	637.62
LEON G. BILLINGS, INC, 1660 L ST., NW, #713 WASHINGTON DC 20036	STATE OF MONTANA	22,500.00	
VITINA BIONDO, 1050 17TH STREET, NW, #770 WASHINGTON DC 20036	AMERICAN ASSN OF HOMES FOR THE AGING	244.00	
BIRCH HORTON BITTNER PESTINGER & ANDERSON, 12TH FLOOR 1155 CONNECTICUT AVE., NW WASHINGTON DC 20036	ALASCOM, INC		
Do	ALASKA POWER AUTHORITY		
Do	ALASKA TEAMSTERS-EMPLOYER PENSION TRUST		
Do	ALASKA TEAMSTERS-EMPLOYER WELFARE TRUST		
Do	AMERADA HESS		
Do	CALISTA CORP		
Do	CITY OF ST. GEORGE		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	FIRST FEDERAL BANK OF ALASKA, S.B.		
Do	NORTHERN AIR CARGO		
Do	SEALASKA CORP		
Do	ST. GEORGE TANAQ CORP		
Do	TEAMSTERS LOCAL 959		
Do	WESTINGHOUSE ELECTRIC CORP		
Do	YUKON PACIFIC CORP		
ROBERT J. BIRD, 888 16TH STREET, NW WASHINGTON DC 20006	ZACHRY, INC		
WILLIAM J. BIRKHOFER, 1015 15TH STREET, NW, #802 WASHINGTON DC 20005	AMERICAN CONSULTING ENGINEERS COUNCIL	875.00	
CHARLES O. BISHOP, 1225 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN PUBLIC TRANSIT ASSN	6,000.00	
H. RADFORD BISHOP II, P.O. BOX 946 HOLLY HILL FL 32017	NATIONAL HEALTH CARE FINANCING ASSN		
DENNIS A. BITZ, P.O. BOX 3965 SAN FRANCISCO CA 94119	BECHTEL POWER CORP		
GERRIE BJORNSON, 1800 K ST., NW, #929 WASHINGTON DC 20006	B.F. GOODRICH CO	100.00	
NEAL R. BJORNSON, 1840 WILSON BLVD. ARLINGTON VA 22201	NATIONAL MILK PRODUCERS FED		
BLACK MANAFORT STONE & KELLY, P.C., 324 NORTH FAIRFAX STREET ALEXANDRIA VA 22314	BETHLEHEM STEEL	22,500.00	223.60
Do	CHICAGO RTA	9,000.00	297.13
Do	DOMINICAN REPUBLIC	15,000.00	675.64
Do	FINA OIL & CHEMICAL CO	3,000.00	466.78
Do	FOOTWEAR INDUSTRIES OF AMERICA	12,000.00	204.22
Do	GOVERNMENT OF BARBADOS		502.55
Do	GOVERNMENT OF ST. LUCIA	2,100.00	1,387.99
Do	GOVERNMENT OF THE BAHAMAS	45,000.00	
Do	INTERNATIONAL MEDICAL CENTERS	4,500.00	292.64
Do	JOHNSON & JOHNSON	30,000.00	302.74
Do	KAMAN AEROSPACE	24,000.00	782.88
Do	NATURAL GAS SUPPLY ASSN	11,250.00	366.38
Do	SALOMON BROTHERS, INC	18,000.00	1,575.14
Do	SIGNAL COMPANIES	22,500.00	334.89
Do	SOLAR ENERGY INDUSTRY ASSN	4,000.00	
Do	TOBACCO INSTITUTE	22,500.00	20.50
Do	UNION PACIFIC	16,000.00	308.99
BEV D. BLACKWOOD, 1899 L STREET, NW, #1100 WASHINGTON DC 20036	EXXON CORPORATION		
BOWEN BLAIR JR., 519 S.W. THIRD AVE., #810 PORTLAND OR 97204	FRIENDS OF THE COLUMBIA GORGE		
DAVID A. BLAIR, 1000 16TH STREET, NW, #800 WASHINGTON DC 20036	BETHLEHEM STEEL CORPORTAION	227.00	
NEAL B. BLAIR, SUITE J 11244 WAPLES MILL RD. FAIRFAX VA 22030	FREE THE EAGLE & TARGET, INC	15,290.88	
ROSLYNNE BLAKE, 316 PENNSYLVANIA AVENUE, SE, #301 WASHINGTON DC 20003	SAN DIEGO GAS & ELECTRIC	625.00	18.70
MICHAEL D. BLANCHARD, P.O. BOX 2943 FORT WORTH TX 76113	TEXAS-NEW MEXICO POWER CO	12,812.10	1,000.00
HELEN BLANK, 122 C STREET, NW WASHINGTON DC 20001	CHILDREN'S DEFENSE FUND	1,558.80	300.05
MICHAEL K. BLEVINS, 2001 EYE STREET, NW WASHINGTON DC 20006	ELECTRONIC INDUSTRIES ASSN		
VIRGINIA B. BLISS, 1725 K STREET, NW WASHINGTON DC 20006	COURTNEY MCCAMANT & TURNEY	300.00	
JERALD BLIZIN, 1201 PENNSYLVANIA AVENUE, NW, #700 WASHINGTON DC 20004	HILL & KNOWLTON, INC		
L. THOMAS BLOCK, ONE WALL STREET NEW YORK NY 10015	IRVING TRUST CO	4,000.00	1,200.00
PETER L. BLOCKLIN, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN	1,500.00	
HOLTON E. BLOMGREN, 1015 15TH STREET, NW, #1220 WASHINGTON DC 20005	NATIONAL MANUFACTURED HOUSING FEDERATION	25,000.00	
DOUGLAS M. BLOOMFIELD, 444 N. CAPITOL STREET, NW, #412 WASHINGTON DC 20001	AMERICAN ISRAEL PUBLIC AFFAIRS COMM	18,250.02	629.67
MARK BLOOMFIELD, 1850 K ST., NW, #520 WASHINGTON DC 20006	AMERICAN COUNCIL FOR CAPITAL FORMATION	1,188.00	
JOHN B. BLOUNT JR., 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	2,500.00	493.55
JARED O. BLUM, 1730 M ST., NW, #610 WASHINGTON DC 20036	DIRECT SELLING ASSOCIATION	300.00	270.92
BLUM NASH & RAILSBACK, 1133 15 ST. WASHINGTON DC 20005	WALT DISNEY PRODUCTIONS	448.00	30.00
ROBERT A. BLUM, THREE EMBARCADERO CENTER 28TH FLOOR SAN FRANCISCO CA 94111	MCCUTCHEN DOYLE BROWN & ENERSEN (FOR: PERMANENTE MEDICAL GROUP, INC)	2,718.00	734.78
MILLY S. BLUMEL, 1050 CONNECTICUT AVENUE, NW, #760 WASHINGTON DC 20036	UNION OIL COMPANY OF CALIFORNIA		765.54
CHARLES R. BLUMENFELD, BOGLE & GATES 2100 THE BANK OF CALIFORNIA CENTER SEATTLE WA 98164	PACIFIC SEAFOOD PROCESSORS ASSN		
SAMUEL D. BLUNT, 444 N. CAPITOL STREET, #828 WASHINGTON DC 20001	RADIO OFFICERS UNION	1,657.38	
BOAT OWNERS ASSOCIATION OF THE U.S., 880 S. PICKETT ST. ALEXANDRIA VA 22304		50,000.00	32,625.00
SETH M. BODNER, 386 PARK AVENUE SOUTH NEW YORK NY 10016	NATIONAL KNITWEAR & SPORTSWEAR ASSN		4,396.00
HAROLD BOEL, 444 N. CAPITOL STREET, NW, #718 WASHINGTON DC 20001	PACIFIC TELESIS GROUP	12,000.00	
LARRY A. BOGGS, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
TIMOTHY A. BOGGS, 2020 K STREET, NW, #250 WASHINGTON DC 20006	WARNER COMMUNICATIONS, INC	14,400.00	8,156.82
ROBERT Z. BOHAN, 1101 16TH ST., NW WASHINGTON DC 20036	NATIONAL SOFT DRINK ASSN		246.87
PATRICIA BOINSKI, 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	ATLANTIC RICHFIELD CO	40.00	
MARK P. BOLDUC, 600 MARYLAND AVE., SW, #700 WASHINGTON DC 20024	NATIONAL FED OF INDEPENDENT BUSINESS	2,250.00	200.00
RICHARD O. BOLGER, 1010 WISCONSIN AVENUE, NW, #800 WASHINGTON DC 20007	GROCERY MANUFACTURERS OF AMERICA, INC		
ROBERT J. BOLGER, P.O. BOX 1417-D49 ALEXANDRIA VA 22313	NATIONAL ASSN OF CHAIN DRUG STORES, INC	1,500.00	
WILLIAM F. BOLGER, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)	350.00	
BERNADETTE BOLTON, 400 FIRST STREET, NW, #800 WASHINGTON DC 20001	BROTHERHOOD OF RAILROAD SIGNALMEN	300.00	
SHARON E. BOMER, 727 N. WASHINGTON STREET ALEXANDRIA VA 22314	UNITED FRESH FRUIT & VEGETABLE ASSN	980.00	285.56
A. DEWEY BOND, P.O. BOX 3556 WASHINGTON DC 20007	AMERICAN MEAT INSTITUTE	500.00	
JOHN E. BONITT, 1150 CONNECTICUT AVENUE, NW, #700 WASHINGTON DC 20036	ALLIED CORPORATION	1,150.00	90.00
SHARON LEE BONITT, 1025 CONNECTICUT AVE., NW, #200 WASHINGTON DC 20036	SHELL OIL CO	500.00	
GAYLON B. BOOKER, 1918 N. PARKWAY MEMPHIS TN 38112	NATIONAL COTTON COUNCIL OF AMER	865.38	118.83
W. DAN BOONE, 345 PARK AVE. NEW YORK NY 10154	UNION PACIFIC CORP AND ALLIANCE FOR CLEAN ENERGY		
JOHN K. BOOTH, 1850 K STREET, NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC	100.00	
DIANE BORATYN, 1230 31ST ST., NW, #5 WASHINGTON DC 20007	D BORATYN, LTD		
EDWARD T. BORDA, 1625 EYE ST., NW, #1023 WASHINGTON DC 20006	ASSOCIATION OF GENERAL MERCHANDISE CHAINS	4,000.00	
LAURENCE D. BORY, 1015 15TH ST., NW, #802 WASHINGTON DC 20005	AMERICAN CONSULTING ENGINEERS COUNCIL	750.00	
G. STEWART BOSWELL, 1611 NORTH KENT ST., #800 ARLINGTON VA 22209	AMERICAN APPAREL MANUFACTURERS ASSN, INC	3,750.00	85.00
CHARLES G. BOTSFORD, 1730 M ST., NW, #515 WASHINGTON DC 20036		1,500.00	454.00
JOHN E. BOUCHARD, 1667 K STREET, NW, #350 WASHINGTON DC 20036	MOLLER STEAMSHIP COMPANY, INC		
ALBERT D. BOURLAND, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.		
FRANK J. BOWDEN JR., ASSOCIATED PETROLEUM INDUSTRIES OF PA P.O. BOX 925 HARRISBURG PA 17108	AMERICAN PETROLEUM INST	2,340.00	1,438.36
JAMES J. BOWE, 4 WORLD TRADE CENTER NEW YORK NY 10048	COFFEE SUGAR & COCOA EXCHANGE, INC		
RODNEY A. BOWER, 818 ROEDER RD., #702 SILVER SPRING MD 20910	INTERNATIONAL FED OF PROFESSIONAL & TECHNICAL ENGINEERS		
ROBERT R. BOWERS, WEST VIRGINIA PETROLEUM COUNCIL SUITE 714 ATLAS BLDG. CHARLESTON WV 25301	AMERICAN PETROLEUM INSTITUTE	940.00	746.44
BOWERY SAVINGS BANK, 110 EAST 42ND STREET NEW YORK NY 10017			
DOUG B. BOWLES, 205 SPRING HILL TERRACE ROSWELL GA 30075	GEORGIA POWER CO	9,193.50	9,751.82
RICHARD P. BOWLING, 1020 PRINCESS STREET ALEXANDRIA VA 22314	TRUCK TRAILER MANUFACTURERS ASSN	1,000.00	5.28
BOWMAN CONNER TOUHEY & PETRILLO, 2828 PENNSYLVANIA AVENUE, NW, #203 WASHINGTON DC 20007	AMERICAN PETROFINA, INC	6,843.75	6,246.05
BOWMER COURTNEY BURLESON PEMBERTON & NORMAND, P.O. BOX 844 TEMPLE TX 76503	TRIBAL COUNCIL OF THE COUSHATTA TRIBE OF LOUISIANA		14,244.06
JIM D. BOWMER, P.O. BOX 844 TEMPLE TX 76503	TRIBAL COUNCIL OF THE COUSHATTA TRIBE OF LOUISIANA		124.87
JOAN COSTAIN BOWYER, 1015 15TH ST., NW WASHINGTON DC 20005	PHELPS DODGE CORP	150.00	
JOHN G. BOYD, 1801 K ST., NW WASHINGTON DC 20006	INTERNATIONAL BUSINESS MACHINES CORP	432.50	23.60
ROBERT K. BOYD, 1515 WILSON BLVD. ARLINGTON VA 22209	AMERICAN GAS ASSN	3,500.00	805.67
BOYD VEIGEL GAY & MCCALL, INC, 499 S. CAPITOL ST., SW, #412 WASHINGTON DC 20003	AMERICAN LAND DEVELOPMENT ASSN	11,052.10	11,052.10
Do	WHITEHALL CORPORATION	10,000.00	1,560.00
J. PATRICK BOYLE, 1910 K STREET, NW, #700 WASHINGTON DC 20005	NATIONAL GROCERS ASSN		
BRACEWELL & PATTERSON, 1825 EYE STREET, NW, #1200 WASHINGTON DC 20006	AMERICAN COUNCIL ON EDUCATION		
Do	APPALACHIAN ENERGY GROUP	1,320.00	526.68
Do	AUSTRIAN LANCE & STEWART, P.C		
Do	CHEMICAL MANUFACTURERS ASSN	3,465.00	1,382.53
Do	DRESSER INDUSTRIES, INC		
Do	HOUSTON NATURAL GAS CORP	825.00	329.17
Do	LIBERTY BANK & TRUST OF NEW JERSEY	495.00	197.50
Do	LOUISIANA LAND & EXPLORATION CO	1,650.00	658.35
Do	PENNSYLVANIA NATURAL GAS ASSOCIATES	495.00	197.50
Do	RALSTON PURINA CO		
Do	SOUTHDOWN/PELTO OIL COMPANY		
Do	U.S. TUNA FOUNDATION		
Do	VALERO ENERGY CORPORATION	3,300.00	1,316.70
BRACY WILLIAMS & COMPANY, 1000 CONNECTICUT AVENUE, NW, #304 WASHINGTON DC 20036	AMERICAN SOUTHWEST FINANCIAL CO	30,000.00	875.00
Do	CALIFORNIA NICKEL CORP		175.00
Do	CITY OF TUCSON	7,000.00	150.00
Do	CSX CORPORATION	20,000.00	900.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	DAYLIGHT SAVING TIME COALITION	10,000.00	160.00
Do	ENERGY ABSORPTION SYSTEMS, INC	8,000.00	115.00
Do	ESTES COMPANY	3,000.00	115.00
Do	PRATT & WHITNEY AIRCRAFT GROUP	5,000.00	120.00
Do	SINGAPORE AIRLINES, LTD	12,000.00	300.00
Do	SOUTHERN ARIZONA WATER RESOURCES ASSOCIATION	3,000.00	250.00
FRANK W. BRADLEY, 1700 K ST., NW WASHINGTON DC 20006	CHEVRON USA, INC	3,000.00	
WAYNE W. BRADLEY, 1101 VERMONT AVE., NW WASHINGTON DC 20005	AMERICAN MEDICAL ASSN	500.00	
DENNIS M. BRADSHAW, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
CHARLES N. BRADY, 8111 GATEHOUSE RD. FALLS CHURCH VA 22047	AMERICAN AUTOMOBILE ASSN		
CARREN BRAGG, 1901 L STREET, NW, #303 WASHINGTON DC 20036	COLT INDUSTRIES, INC		
CHARLES G. BRAGG, P.O. BOX 12285 MEMPHIS TN 38182	NATIONAL COTTON COUNCIL OF AMERICA	779.63	231.80
RAYMOND F. BRAGG JR., 114 THIRD STREET, SE WASHINGTON DC 20003	AMERICAN INDEPENDENT REFINERS ASSN	300.00	
ROBERT M. BRANDON, 1300 CONNECTICUT AVE., NW, #401 WASHINGTON DC 20036	CITIZEN ACTION	500.00	
Do	CITIZEN/LABOR ENERGY COALITION	2,500.00	
RICHARD D. BRANNICK, P.O. BOX 550 DEXTER NY 13634	NATIONAL BORDER PATROL COUNCIL		
GERARD M. BRANNON, 1850 K ST., NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
CHRISTIAN N. BRAUNLICH, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	125.00	
ROY BRAUNSTEIN, 817 14TH ST., NW WASHINGTON DC 20005	AMERICAN POSTAL WORKERS UNION, AFL-CIO	9,593.54	
DONALD H. BRAZIER, P.O. BOX 12266 SEATTLE WA 98102	DOLLAR SAVINGS BANK, ET AL		
HAROLD E. BRAZIL, 1900 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20068	POTOMAC ELECTRIC POWER CO	121.97	
NOEL BRAZIL, 600 MARYLAND AVENUE, SW, #400 WASHINGTON DC 20024	AMERICAN OPTOMETRIC ASSN		
H. ANTHONY BREARD JR., P.O. BOX 3151 HOUSTON TX 77253	CECOS INTERNATIONAL	2,000.00	600.00
EDWARD T. BREATHITT, 1050 CONNECTICUT AVE., NW WASHINGTON DC 20036	NORFOLK SOUTHERN CORPORATION	1,000.00	
ROY S. BREDDER, 1111 14TH ST., NW, #1200 WASHINGTON DC 20005	AMERICAN DENTAL ASSN	1,000.00	170.00
BREGMAN ABELL KAY & SIMON, 1156 15TH ST., NW, #1212 WASHINGTON DC 20005	AIR TRANSPORT ASSN OF AMERICA		
Do	AMERICAN FED OF LABOR & CONGRESS OF INDUSTRIAL ORGANIZATIONS	1,500.00	
Do	NATIONAL CAR RENTAL SYSTEM, INC	5,000.00	
Do	RYDER SYSTEMS, INC		
Do	TRANS WORLD AIRLINES, INC	2,500.00	
Do	TRUCK RENTING & LEASING ASSN	1,500.00	
JAMES PATRICK BRENNAN, 5999 STEVENSON AVENUE ALEXANDRIA VA 22304	AMERICAN ASSN FOR COUNSELING & DEVELOPMENT	4,925.01	341.49
MICHAEL J. BRENNAN, 1750 NEW YORK AVE., NW WASHINGTON DC 20006	INTERNATIONAL ASSN OF BRIDGE STRUCT & ORNAMENTAL IRON WKRS	10,800.00	374.67
PETER E. BRERETON, 900 EUCLID AVENUE CLEVELAND OH 44101	AMERITRUST CO, NAT'L ASSN	550.00	743.00
THOMAS M. BRESNAHAN III, 1700 K STREET, NW, #1204 WASHINGTON DC 20006	CHEVRON U.S.A., INC	400.00	
ALBERT E. BREWSTER, 1000 WILSON BLVD., #2300 ARLINGTON VA 22209	NORTHROP CORP		134.54
CHARLES BRIMER, 201 PARK WASHINGTON COURT FALLS CHURCH VA 22046	NATIONAL-AMERICAN WHOLESALE GROCERS' ASSN	1,000.00	
CLAUDE S. BRINEGAR, 461 S. BOYLSTON ST. LOS ANGELES CA 90017	UNION OIL CO OF CALIFORNIA	592.00	
BELVA B. BRISSETT, 1771 N ST., NW WASHINGTON DC 20036	NATIONAL ASSN OF BROADCASTERS	1,500.00	2,337.28
ELIZABETH Y. BRITTON, 2550 M STREET, NW WASHINGTON DC 20037	RJR INDUSTRIES, INC	245.08	246.59
STEPHEN W. BROADIE, 1629 K STREET, NW WASHINGTON DC 20006	ALLIANCE OF AMERICAN INSURERS	1,500.00	45.75
MARINA L. BROCKMANN, 605 14TH STREET, NW WASHINGTON DC 20005	SOCIETY OF THE PLASTICS INDUSTRY		
WILLIAM M. BRODHEAD, 900 MARQUETTE BUILDING DETROIT MI 48226	PLUNKETT COONEY RUTT WATTERS STANCZYK & PEDERSEN (FOR: BRACY WILLIAMS & COMPANY).	2,500.00	320.00
Do	PLUNKETT COONEY RUTT WATTERS STANCZYK & PEDERSEN, P.C. (FOR: MICHIGAN CONSOLIDATED GAS CO).	7,170.00	1,948.03
Do	PLUNKETT COONEY RUTT WATTERS STANCZYK & PEDERSEN, P.C. (FOR: CITY OF DETROIT, MICHIGAN).	7,500.00	453.73
DAVID A. BRODY, 1640 RHODE ISLAND AVE., NW WASHINGTON DC 20036	ANTI-DEFAMATION LEAGUE OF B'NAI B'RITH	3,500.00	
PHILLIP J. BROMAN, 919 18TH STREET, NW, #600 WASHINGTON DC 20006	TOYOTA MOTOR SALES, USA, INC		
MICHAEL D. BROMBERG, 1111 19TH ST., NW, #402 WASHINGTON DC 20036	FEDERATION OF AMERICAN HOSPITALS	4,500.00	
MARY E. BROOKS, 1730 M STREET, NW WASHINGTON DC 20036	LEAGUE OF WOMEN VOTERS OF THE U.S.	3,357.68	700.60
DAVID W. BROOME, 1726 M STREET, NW, #401 WASHINGTON DC 20036	BURLINGTON INDUSTRIES, INC	8,755.00	710.00
DANIEL T. BROSS, P.O. BOX 1478 HOUSTON TX 77001	UNITED GAS PIPE LINE CO		
MARIO BROSSI, 1730 M ST., NW WASHINGTON DC 20036	DIRECT SELLING ASSOCIATION	300.00	52.70
BROTHERHOOD OF RAILWAY AIRLINE & STEAMSHIP CLERKS, 815 16TH STREET, NW WASHINGTON DC 20006		14,900.00	26,180.68
DONALD G. BROTZMAN, 1400 K ST., NW WASHINGTON DC 20005	RUBBER MFGRS ASSN	10,000.00	
BROWN & FINN, 1920 N STREET, NW, #510 WASHINGTON DC 20036	SATELLITE TELEVISION INDUSTRY ASSN/S.P.A.C.E		
Do	SATELLITE TV VIEWING RIGHTS SUPERFUND, INC	30,159.50	
BEN JARRATT BROWN, 888 17TH ST., NW, #300 WASHINGTON DC 20006	CORPORATION FOR GOVERNMENT ACTION, INC		
CHARLES T. BROWN, P.O. BOX 100 MIAMI AZ 85539	PINTO VALLEY COPPER CORPORATION		
DAVID S. J. BROWN, 1101 17TH ST., NW, #604 WASHINGTON DC 20036	MONSANTO CO	700.00	177.33
DIANE R. BROWN, 1515 WILSON BOULEVARD ARLINGTON VA 22209	AMERICAN GAS ASSN	4,000.00	970.06
DOREEN L. BROWN, 1001 CONNECTICUT AVE., NW WASHINGTON DC 20036	CONSUMERS FOR WORLD TRADE		
ELLEN B. BROWN, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.	2,400.00	739.56
GEORGE L. BROWN, 1000 WILSON BOULEVARD ARLINGTON VA 22209	GRUMMAN CORP	1,250.00	129.72
JAMES P. BROWN, BROWN & ASSOCIATES 301 SOVEREIGN COURT, #102 ST. LOUIS MO 63011	CITY OF ST. LOUIS - CITY HALL		
JESSE P. BROWN JR., 1918 N. PARKWAY MEMPHIS TN 38112	NATIONAL COTTON COUNCIL OF AMER	3,173.08	261.92
REBECCA G. BROWN, 1275 K ST., NW, #750 WASHINGTON DC 20005	NATIONAL WOMEN'S POLITICAL CAUCUS	1,406.25	2.60
BROWN ROADY BONVILLIAN & GOLD, 1300 19TH STREET, NW, #300 WASHINGTON DC 20036	CITICORP CAPITAL INVESTORS, LTD	5,808.55	452.23
Do	KANSAS CITY SOUTHERN RAILWAY	4,667.40	364.92
Do	METROPOLITAN TRANSIT AUTHORITY	7,966.57	783.12
Do	NORTHEASTERN INTERNATIONAL AIRWAYS, INC		
Do	SECONDARY LEAD SMELTERS ASSN (SLSA)	1,590.30	18.90
Do	SMITH DAWSON ASSOCS (FOR SAN FRAN. PUBLIC UTIL. COMMISSION)	3,000.00	146.33
S. M. HENRY BROWN JR., 411 FAYETTEVILLE STREET MALL, #2035 RALEIGH NC 27601	WESTERN RIVER GUIDES ASSN		
VINCENT D. BROWN, NEBRASKA PETROLEUM COUNCIL P.O. BOX 95063 LINCOLN NB 68509	CAROLINA POWER & LIGHT CO	917.92	805.54
VIRGINIA BROWN, 15TH & M STREETS, NW WASHINGTON DC 20005	AMERICAN PETROLEUM INSTITUTE	2,000.00	1,464.43
WILLIAM E. BROWN, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	NATIONAL ASSN OF HOME BUILDERS OF THE U.S.		
WILLIAM R. BROWN, 122 C STREET, NW, #200 WASHINGTON DC 20001	FORD MOTOR CO	900.00	754.02
WILLIAM Y. BROWN, 600 MARYLAND AVE., SW, #607 WASHINGTON DC 20024	COUNCIL OF STATE CHAMBERS OF COMMERCE	270.00	
DONALD T. BROWNE, 205 EAST 42ND STREET NEW YORK NY 10017	WASTE MANAGEMENT, INC	5,000.00	22.72
BROWNSTEIN ZEIDMAN & SCHOMER, 1025 CONNECTICUT AVENUE, NW, #900 WASHINGTON DC 20036	RISK & INSURANCE MANAGEMENT SOCIETY, INC		
Do	CANADIAN FINANCIAL CORPORATION		
Do	NATIONAL CORPORATION FOR HOUSING PARTNERSHIPS		
Do	NATIONAL HOUSING REHABILITATION ASSN		
DAVID BRUBAKER, P.O. BOX 329 B-110 EPHRATA PA 17522	SCHOCHET ASSOCIATES		
JAMES W. BRUNER JR., 555 CAPITOL MALL, #1200 SACRAMENTO CA 95814	PENNAG INDUSTRIES ASSOCIATION		
KATHRYNE M. BRUNER, 1025 CONNECTICUT AVE., NW WASHINGTON DC 20036	ORRICK HERRINGTON & SUTCLIFFE		
WILLIAM K. BRUNETTE, 1909 K STREET, NW WASHINGTON DC 20049	GA TECHNOLOGIES, INC	750.00	209.93
MICHAEL E. BRUNNER, 2626 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20037	AMERICAN ASSN OF RETIRED PERSONS	477.89	108.25
ROBERT O. BRUNNER, 1909 K ST., NW WASHINGTON DC 20049	NATIONAL TELEPHONE COOPERATIVE ASSN	1,000.00	113.70
J. CHARLES BRUSE, 633 PENNSYLVANIA AVE., NW, #600 WASHINGTON DC 20004	AMERICAN ASSN OF RETIRED PERSONS	508.84	41.80
DAWN M. BRYDON, 888 16TH STREET, NW WASHINGTON DC 20006	ALLSTATE INSURANCE GROUP	720.00	328.60
BUCHANAN INGERSOLL, P.C., 1667 K STREET, NW, 9TH FL. WASHINGTON DC 20006	MILK INDUSTRY FOUNDATION/INT'L ASSN OF ICE CREAM MFRS		
Do	CLOROX CO		
Do	EXPRESS FOODS CO, INC		
Do	FEDERATION OF APPAREL MANUFACTURERS		
Do	GENERAL INSTRUMENT CORP		
Do	GROCERY MANUFACTURERS OF AMERICA, INC		
Do	LANGASCO ENERGY CORP		
Do	NORFOLK SOUTHERN CORP		
Do	OHIO OIL & GAS ASSN		
Do	WHEY PRODUCTS INSTITUTE		
LANA BUCK, 1319 F STREET, NW WASHINGTON DC 20004	NATIONAL ASSN OF PRIVATE PSYCHIATRIC HOSPITALS	110.00	
ROBERT D. BUEHLER, 1800 K ST., NW, #929 WASHINGTON DC 20036	BF GOODRICH CO	400.00	
G. N. BUFFINGTON, 2230 CALIFORNIA STREET, NW WASHINGTON DC 20008	NATIONAL ASSN OF REAL ESTATE INVESTMENT TRUSTS	1,377.50	
DOUGLAS W. BULCAO, 1101 CONNECTICUT AVE., NW, #300 WASHINGTON DC 20036	AMERICAN TEXTILE MANUFACTURERS INSTITUTE, INC	2,400.00	94.00
LINDA KNELL BUMBALO, 1125 15TH STREET, NW WASHINGTON DC 20005	MORTGAGE BANKERS ASSN OF AMERICA	5,850.00	180.00
DARREL D. BUNGE, MINNESOTA PETROLEUM COUNCIL 386 N. WABASHA ST., #1025 ST. PAUL MN 55102	AMERICAN PETROLEUM INSTITUTE	1,250.00	1,084.00
DAVID A. BUNN, 1211 CONNECTICUT AVENUE, NW, #406 WASHINGTON DC 20036	HEARST CORPORATION	900.00	
Do	MAGAZINE PUBLISHERS ASSN, INC	4,000.00	
Do	PARCEL SHIPPERS ASSN	1,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
CHRISTINE CAPITO BURCH, 1625 L STREET, NW WASHINGTON DC 20036	AMERICAN FED OF STATE COUNTY & MUNICIPAL EMPLOYEES		
NORMAN D. BURCH, 1101 VERMONT AVE., NW, #401 WASHINGTON DC 20005	COLLEGE OF AMER PATHOLOGISTS	5,200.00	108.00
BARBARA G. BURCHETT, 1201 PENNSYLVANIA AVENUE, NW, #210 WASHINGTON DC 20004	HALLMARK CARDS, INC		
DAVID G. BURDEN, 200 E. RANDOLPH DR. CHICAGO IL 60601	AMOCO CORP	372.00	744.00
PAUL F. BURDETT, SUITE 700 SOUTH 1800 M STREET, NW WASHINGTON DC 20036	MERRELL DOW PHARMACEUTICALS, INC		87.00
CLAIR W. BURGENER, P.O. BOX 8186 RANCH SANTA FE CA 92067	G A TECHNOLOGIES, INC	9,000.00	2,663.35
WILLIAM J. BURHOP, 1709 NEW YORK AVE., NW WASHINGTON DC 20006	AIR TRANSPORT ASSN OF AMERICA	10,200.00	
GERARD P. BURKE, 117 SPOTSWOOD RIVE SILVER SPRING MD 20904	INTERNATIONAL AIR LEASES, INC		
KEVIN BURKE, 1771 N STREET, NW WASHINGTON DC 20036	NATIONAL ASSN OF BROADCASTERS	1,500.00	986.08
SALLY J. BURKE, SCOTT HARRISON & MCLEOD 2501 M STREET, NW WASHINGTON DC 20037	AMERICAN ASSN OF CROP INSURERS	720.00	
Do	UNITED EGG PRODUCERS	67.50	
BURLEY & DARK LEAF TOBACCO EXPORT ASSN, 1100 17TH ST., NW WASHINGTON DC 20036		43,399.81	2,008.81
BILL D. BURLISON, 499 SOUTH CAPITOL STREET, SE, #103 WASHINGTON DC 20003	MCDONNELL DOUGLAS CORPORATION	2,000.00	350.00
Do	PLANNING RESEARCH CORPORATION		
MAHLON A. BURNETTE III, 3812 NORTH 13TH STREET ARLINGTON VA 22201	GROCERY MANUFACTURERS OF AMERICA, INC	5,148.75	2,929.92
CHARLES S. BURNS, 1015 15TH ST., NW WASHINGTON DC 20005	PHELPS DODGE CORP	1,200.00	
MICHAEL BURNS, 21 DUPONT CIRCLE, NW, #401 WASHINGTON DC 20036	BUSINESS EXECUTIVES FOR NATIONAL SECURITY	3,285.00	94.00
TIMOTHY F. BURNS, 2501 M ST., NW WASHINGTON DC 20037	CHEMICAL MANUFACTURERS ASSN, INC	2,000.00	274.55
BURR PEASE & KURTZ, INC, 810 N ST. ANCHORAGE AK 99501	EKLUTNA, INC		
BURSON-MARSTELLER, 1825 EYE ST., NW, #950 WASHINGTON DC 20006	CBS, INC	500.00	
Do	MORGAN STANLEY & CO, INC	400.00	
FRANK BURTNETT, 5999 STEVENSON AVENUE ALEXANDRIA VA 22304	AMERICAN ASSN FOR COUNSELING & DEVELOPMENT	1,041.87	
BUSBY REHM & LEONARD, 1629 K ST., NW, #1100 WASHINGTON DC 20006	AUTOMOBILE IMPORTERS OF AMERICA, INC	1,655.00	20.00
Do	TIMEX CORP	1,800.00	50.00
Do	UNIVERSAL LEAF TOBACCO CO, INC		
BARBARA L. BUSH, 1220 L ST., NW WASHINGTON DC 20005	AMERICAN PETROLEUM INSTITUTE	200.00	
E. PHILIP BUSH, 300 LINCOLN PLAZA, LB-5 DALLAS TX 75201	TAYLOR & MIZELL		
ROY BUSSEWITZ, 1319 F STREET, NW WASHINGTON DC 20004	NATIONAL ASSN OF PRIVATE PSYCHIATRIC HOSPITALS	115.00	
RICHARD R. BUTA, 1620 EYE ST., NW, #703 WASHINGTON DC 20006	BECHTEL NATIONAL, INC		
BUTLER & BINION, 1747 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	ASSOCIATION OF EXECUTIVE SEARCH CONSULTANTS, INC		
Do	CITY OF PHILADELPHIA	38,492.66	
Do	CORNING ASSOCIATES		
Do	JACQUES BOREL ENTERPRISES, INC AND ACCOR NORTH AMERICAN, INC		
Do	PHILADELPHIA FACILITIES MANAGEMENT CORP	36,389.12	
HELEN C. BUTLER, 1630 CONNECTICUT AVENUE, NW, #202 WASHINGTON DC 20009	GOVERNMENT OF THE REPUBLIC OF HAITI	4,500.00	
Do	TAIWAN POWER CO	4,500.00	
JOHN BUTTS, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	1,250.00	61.61
C.A.R.E., 511 C STREET, NE WASHINGTON DC 20002			
CADES SCHUTTE FLEMING & WRIGHT, 740 WASHINGTON PARK BUILDING 1001 22ND STREET, NW WASHINGTON DC 20037	HAWAII CONSUMER FINANCE ASSN, INC		65.50
Do	HAWAIIAN ELECTRIC CO, INC	193.75	5.80
Do	U.S. WINDPOWER, INC		
CADWALADER WICKERSHAM & TAFT, 7TH FLOOR 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	ASPHALT ROOFING MANUFACTURERS ASSN		
Do	KWAJALEIN ATOLL CORP		4,877.51
JOHN R. CADY, 1711 KING STREET ALEXANDRIA VA 22314	POTATO CHIP/SNACK FOOD ASSN		
ANDREW A. CAFFEY, 1025 CONNECTICUT AVENUE, NW, #707 WASHINGTON DC 20036	INTERNATIONAL FRANCHISE ASSN		
C. RICHARD CAHOON, 1120 VERMONT AVE., NW, #1130 WASHINGTON DC 20005	PETROLEUM MARKETERS ASSN OF AMERICA	1,000.00	
MORRISON G. CAIN, 1625 I ST., NW, #1023 WASHINGTON DC 20006	ASSOCIATION OF GENERAL MERCHANDISE CHAINS	6,250.00	
ALAN CALDWELL, 2550 M STREET, NW, #770 WASHINGTON DC 20037	RJR INDUSTRIES, INC	1,200.00	13.25
CAROL V. CALHOUN, MORGAN LEWIS & BOCKIUS 1800 M STREET, NW WASHINGTON DC 20036	ALIGNPAC		
CHARLES D. CALHOUN, 30 MONTGOMERY STREET JERSEY CITY NJ 07302	RADIO OFFICERS UNION	2,133.62	
FRANK W. CALHOUN, 3400 TEXAS COMMERCE TOWER HOUSTON TX 77002	HOUSTON ENDOWMENT, INC		
CALIFORNIA HOUSING COUNCIL, 1225 8TH STREET, #325 SACRAMENTO CA 95814			
PETER E. CALLANAN, 1100 CONNECTICUT AVE., NW WASHINGTON DC 20036	HONEYWELL, INC	300.00	500.00
JOHN C. CALLIHAN, 299 PARK AVENUE NEW YORK NY 10171	WESTVACO CORP		
CALORIE CONTROL COUNCIL, 5775 PEACHTREE-DUNWOODY RD., #500-D ATLANTA GA 30342			550.00
GORDON L. CALVERT, BOX 34-531 BETHESDA MD 20817	COMMERICIAL LAW LEAGUE OF AMER, COMM COLL. AGENCY SECTION		
DONALD L. CALVIN, 11 WALL ST. NEW YORK NY 10005	NEW YORK STOCK EXCHANGE, INC		
CAMBRIDGE INTERNATIONAL, INC, 10057 MACLURA COURT FAIRFAX VA 22032	AVCO LYCOMING	200.00	50.00
Do	FMC CORPORATION	175.00	
Do	GENERAL DYNAMICS LAND SYSTEMS	200.00	100.00
Do	LOCKHEED-GEORGIA CO	150.00	75.00
Do	NORDEN SYSTEMS, INC	150.00	
ARTHUR E. CAMERON, 499 S. CAPITOL ST., SW, #110 WASHINGTON DC 20003	AMERACE CORPORATION, ET AL	4,813.00	
Do	AMERICAN GREYHOUND TRACK OPERATORS ASSN	4,500.00	
Do	SAFETRAN SYSTEMS CORPORATION	6,525.00	
Do	SIGNAL COMMUNICATIONS		
BRUCE P. CAMERON, 1411 K ST., NW, SUITE 850 WASHINGTON DC 20005	AMERICANS FOR DEMOCRATIC ACTION	1,500.00	
NANCY CAMM, 1800 K STREET, NW, #900 WASHINGTON DC 20006	BANKAMERICA CORP	90.63	220.45
CAMP CARMOUCHE BARSH HUNTER GRAY HOFFMAN & GILL, 2550 M ST., NW, #275 WASHINGTON DC 20037	ALLSTATE	250.00	
Do	CHAMPLIN PETROLEUM COMPANY		
Do	CHEMICAL MANUFACTURERS ASSOCIATION, INC	8,850.00	
Do	EASTERN CENTRAL MOTOR CARRIERS ASSN		
Do	GEORGIA PACIFIC CORP	250.00	
Do	HOLLYWOOD MARINE SERVICES, INC		
Do	INTERMEDICS		
Do	MOBIL OIL CORP		
Do	NATURAL GAS SUPPLY ASSN	1,750.00	
Do	OCCIDENTAL PETROLEUM CORP		
Do	PENNZOIL CO	250.00	
Do	PPG INDUSTRIES, INC		
Do	SEARS ROEBUCK & CO	11,900.00	
Do	SIGNAL COMPANIES, INC		
Do	SOUTH CENTRAL BELL		
Do	TEXACO, INC	550.00	
C. R. CAMPBELL JR., 1120 CONNECTICUT AVENUE, NW, #900 WASHINGTON DC 20036	GTE CORP		
CARL C. CAMPBELL, 1030 15TH ST., NW, SUITE 700 WASHINGTON DC 20005	NATIONAL COTTON COUNCIL OF AMERICA	400.00	
CHARLES ARGYLL CAMPBELL, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS		
CHARLES O. CAMPBELL, 1745 JEFFERSON DAVIS HIGHWAY, #511 ARLINGTON VA 22202	MANUFACTURED HOUSING INSTITUTE	900.00	100.00
JEANNE CAMPBELL, CAMPBELL-RAUPE ASSOCIATES, INC 1015 15TH STREET, NW, #907 WASHINGTON DC 20005	ALGONQUIN GAS TRANSMISSION		
Do	AMERICAN NUCLEAR ENERGY COUNCIL		
Do	BODINE'S INC FOOD PRODUCTS		
Do	INVEST TO COMPETE ALLIANCE		
Do	LTV AEROSPACE & DEFENSE CO		
Do	NEW ENGLAND LIFE		
Do	PITNEY BOWES		
Do	RIFFE PETROLEUM CO		
Do	TEXAS AIR CORP		
Do	TEXAS UTILITIES SERVICE		
Do	WESTINGHOUSE CORP		
JERRY L. CAMPBELL, 1201 CHESTNUT ST. CHATTANOOGA TN 37402	TENNESSEE VALLEY PUBLIC POWER ASSN		
KEVIN B. CAMPBELL, 101 CONSTITUTION AVENUE, N.W. WASHINGTON DC 20001	UNITED BROTHERHOOD OF CARPENTERS & JOINERS OF AMERICA	9,600.00	6,640.48
THOMAS D. CAMPBELL, 1000 16TH ST., NW, #500 WASHINGTON DC 20036	AMOCO CORP		
CANADIAN COALITION ON ACID RAIN, 112 ST. CLAIR AVENUE, #504 TORONTO, ONTARIO CANADA M4V2Y3		500.00	2,172.08
SHARON M. CANAVAN, 1125 15TH ST., NW WASHINGTON DC 20005	MORTGAGE BANKERS ASSN OF AMERICA	6,810.00	195.00
CANDLELIGHTERS, 123 C ST., SE WASHINGTON DC 20003		20.00	
PAUL W. CANE, 50 BEALE ST., P.O. BOX 3965 SAN FRANCISCO CA 94119	BECHTEL POWER CORPORATION		
ANNE C. CANFIELD, 1331 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20004	GENERAL ELECTRIC CREDIT CORP	400.00	215.00
H. SPOFFORD CANFIELD, 1015 15TH STREET, NW, #900 WASHINGTON DC 20005	INTERNORTH, INC	2,000.00	
DAVE CANNARD, 113 W. 1ST VANCOUVER WA 98660	FRIENDS OF THE COLUMBIA GORGE		
W. DEAN CANNON JR , 9800 S. SEPULVEDA BLVD., #500 LOS ANGELES CA 90045	CALIFORNIA LEAGUE OF SAVINGS INSTITUTIONS		
DAVID L. CANTOR, 1133 15TH STREET, NW, #1200 WASHINGTON DC 20005	PORTER WRIGHT MORRIS & ARTHUR (FOR: COALITION FOR ENVIRONMENTAL ENERGY BALANCE (CEEB)).	95.40	
RICHARD A. CANTOR, P.O. BOX 8293 WASHINGTON DC 20024	OIL INVESTMENT INSTITUTE		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
GARY CAPISTRANT, 1200 15TH STREET, NW WASHINGTON DC 20005	AMERICAN HEALTH CARE ASSN	3,602.50	55.00
CAPITOL GROUP, INC, 2550 M STREET, NW, #650 WASHINGTON DC 20037	APPLIED ENERGY SERVICES, INC		
Do	CHEMKRETE TECHNOLOGIES, INC; LUBRIZOL CORP	5,125.00	445.81
Do	GOVERNORS OFFICE, APPALACHIAN REGIONAL COMMISSION	18,080.00	965.85
ROSS CAPON, 417 NEW JERSEY AVE., SE WASHINGTON DC 20003	NATIONAL ASSN OF RAILROAD PASSENGERS	10,794.83	
CONSTANTINE G. CARAS, 2828 PENNSYLVANIA AVENUE, NW, #205 WASHINGTON DC 20007	OGDEN CORPORATION		
DENISE A. CARDMAN, 1800 M ST., NW WASHINGTON DC 20036	AMERICAN BAR ASSN	400.00	50.00
NORVAL E. CAREY, 1025 CONNECTICUT AVE., NW #704 WASHINGTON DC 20036	GULF OIL CORP (FOR GA TECHNOLOGIES, INC)	4,311.00	472.81
ROBERT B. CARLESON, 1201 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	KMG MAIN HURDMAN, CPA'S (FOR: MERCEDES BENZ OF NORTH AMERICA)	400.00	10.00
EDWARD J. CARLOUGH, 1750 NEW YORK AVENUE, NW WASHINGTON DC 20006	SHEET METAL WORKERS' INTERNATIONAL ASSN	25,987.00	
ANNE E. CARLSON, 1620 EYE STREET, NW, #1000 WASHINGTON DC 20006	MOTOR VEHICLE MANUFACTURERS ASSN OF THE U.S., INC	250.00	
ROBERT E. CARLSTROM JR., 1627 K STREET, NW, #200 WASHINGTON DC 20006	ST. JOE MINERALS CORPORATION	6,000.00	147.90
BERTRAM W. CARP, 1724 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL CABLE TELEVISION ASSN	2,900.00	
CY CARPENTER, 12025 E 45TH AVE. DENVER CO 80251	FARMERS' EDUCATIONAL & CO-OPERATIVE UNION OF AMERICA	8,750.00	264.05
GEORGE D. CARPENTER, 7162 READING ROAD CINCINNATI OH 45222	PROCTER & GAMBLE MANUFACTURING CO	35.08	
JACK CARPENTER, 1920 N ST. NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
SUSAN CARR, 1709 NEW YORK AVENUE, NW, #801 WASHINGTON DC 20006	U.S. LEAGUE OF SAVINGS INSTITUTIONS	1,000.00	
JOHN R. CARSON, 20 CHEVY CHASE CIRCLE WASHINGTON DC 20015	AMERICAN PODIATRIC MEDICAL ASSN	16,000.00	
HANS L CARSTENSEN, 1625 EYE STREET N.W. #902 WASHINGTON DC 20006	WEYERHAEUSER CO		
DAVID C. CARTER, 1156 15TH ST., NW, #1019 WASHINGTON DC 20005	U.S. BEET SUGAR ASSN		
JOHN R. CARTER, 1000 WILSON BLVD., #2600 ARLINGTON VA 22209	TRW, INC	205.00	
JOSEPH L. CARTER JR., 412 FIRST ST., SE, #200 WASHINGTON DC 20003	ASSOCIATION OF AMERICAN RAILROADS	862.83	118.90
TERRIE M. CARTER, 1667 K STREET, NW, #370 WASHINGTON DC 20006	DEERE & CO	43.75	
JAMES P. CARTY, 1776 F ST., NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	500.00	
SUSAN B. CARVER, 1130 17TH STREET, NW WASHINGTON DC 20036	NATIONAL COAL ASSN	525.00	1,540.54
ALLEN R. CASKIE, 1850 K STREET, NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
EUGENE I. CASRAISS JR., 1757 N ST., NW WASHINGTON DC 20036	UNITED AUTO AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS	12,393.04	247.40
WILLIAM E. CASSELMAN II , 2000 L STREET, NW, #802 WASHINGTON DC 20036	POPHAM HAIK SCHNOBRICH KAUFMAN & DOTY, LTD (FOR: APCOA, INC)		
CASSIDY AND ASSOCIATES, INC, 955 L'ENFANT PLAZA, SW, #1401 WASHINGTON DC 20024	ALEXANDER GRAHAM BELL ASSN	50.00	
Do	ANATOLIA COLLEGE BOARD OF TRUSTEES	200.00	
Do	ATLANTA UNIVERSITY	300.00	53.00
Do	BARRY UNIVERSITY	200.00	
Do	BOSTON COLLEGE	100.00	92.38
Do	BOSTON UNIVERSITY	600.00	217.93
Do	BROADHEAD INVESTMENTS, INC		
Do	BROWN UNIVERSITY	600.00	4.16
Do	CATHOLIC UNIVERSITY OF AMERICA		
Do	CENTEX COMMUNICATIONS, INC		
Do	CITY OF HATTIESBURG	200.00	20.00
Do	COLUMBIA UNIVERSITY	300.00	10.00
Do	COMMAND CONTROL & COMMUNICATIONS CORP		
Do	COMMUNITY CARE SYSTEMS, INC		
Do	CRAY RESEARCH, INC		
Do	DREXEL UNIVERSITY		
Do	INDIANA UNIVERSITY	650.00	64.42
Do	NEORX	100.00	11.00
Do	NEW ENGLAND COLLEGE OF OPTOMETRY		
Do	NORTHWESTERN UNIVERSITY		
Do	OCEAN SPRAY CRANBERRIES, INC	400.00	41.75
Do	OCEANIC INSTITUTE		
Do	PIRELLI CABLE CORPORATION	200.00	85.88
Do	POLYTECHNIC INSTITUTE OF NEW YORK		
Do	ROCHESTER INSTITUTE OF TECHNOLOGY	550.00	15.92
Do	ROCKY MOUNTAIN ENERGY		
Do	SOUTHWEST MARINE, INC		
Do	TUFTS UNIVERSITY	300.00	33.00
Do	U.S. REPEATING ARMS		
Do	UNITED HOSPITALS		
Do	UNIVERSITY OF BRIDGEPORT		
Do	UNIVERSITY OF SOUTHERN MISSISSIPPI		
J. WARREN CASSIDY, 1600 RHODE ISLAND AVENUE, NW WASHINGTON DC 20036	NATIONAL RIFLE ASSN OF AMER		
LAWRENCE J. CASSIDY, 1750 NEW YORK AVENUE, NW WASHINGTON DC 20006	SHEET METAL WORKERS' INTERNATIONAL ASSN	13,929.00	
MARK A. CASSO, 1735 NEW YORK AVENUE, NW WASHINGTON DC 20006	AMERICAN INSTITUTE OF ARCHITECTS	1,970.00	
JOHN J. CASTELLANI, 27TH FLOOR 1000 WILSON BLVD. ARLINGTON VA 22209	TRW, INC	2,500.00	
RITA L. CASTLE, 100 NE ADAMS PEORIA IL 61629	CATERPILLAR TRACTOR CO	10,000.00	2,175.18
MICHAEL CAUDELL-FEAGAN, 215 PENNSYLVANIA AVE., SE WASHINGTON DC 20003	U.S. PUBLIC INTEREST RESEARCH GROUP	720.05	
JOSEPH E. CAVANAGH, 1125 15TH ST., NW WASHINGTON DC 20005	INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO-CLC	6,000.00	2,620.49
GORDON CAVANAUGH, 509 C STREET, NE WASHINGTON DC 20002	ROISMAN RENO & CAVANAUGH (FOR: COUNCIL OF LARGE PUBLIC HOUSING AUTHORITIES).	11,618.73	359.53
NICHOLAS G. CAVAROCCHI, 6TH FLOOR 2010 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036			
CEDERBERG & ASSOCIATES, 7100 SUSSEX PLACE ALEXANDRIA VA 22307	GRUMMAN CORPORATION		
Do	MARTIN MARIETTA CORP	200.00	
DAVID CERTNER, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	455.00	121.00
CF INDUSTRIES, INC, SALEM LAKE DR. LONG GROVE IL 60047			1,000.00
CHADBOURNE PARKE WHITESIDE & WOLFF, 1101 VERMONT AVENUE, NW WASHINGTON DC 20005	AMERICAN PAPER INSTITUTE		
Do	APPLIED ENERGY SERVICES, INC		25.00
Do			
Do	MANUFACTURERS LIFE INSURANCE CO & MAINE FIDELITY LIC	4,156.20	434.30
Do	NAPP CHEMICALS, INC		25.00
Do	WASHINGTON PSYCHIATRIC SOCIETY	11,014.00	157.24
HENRY CHAJET, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS	90.00	
DURWOOD CHALKER, P.O. BOX 660164 DALLAS TX 75266	CENTRAL AND SOUTH WEST CORP		
CHARLES E. CHAMBERLAIN, 1747 PENNSYLVANIA AVENUE, N.W. WASHINGTON DC 20006	COMMITTEE FOR 806.30 AND 807, INC	750.00	
CHAMBERS ASSOCIATES, INC, 1411 K STREET, NW, #500 WASHINGTON DC 20005	AMERICAN HOSPITAL ASSN		
Do	AMERICAN POSTAL WORKERS UNION, AFL-CIO	7,200.00	
Do	APACHE CORPORATION		
Do	BEAR STEARNS & CO		
Do	COALITION OF PUBLICLY TRADED LIMITED PARTNERSHIPS	12,000.00	
Do	COMMISSIONED OFFICERS ASSN OF THE PUBLIC HEALTH SERVICE		
Do	MANVILLE CORPORATION	2,500.00	
Do	NATIONAL ASSN OF RETIRED FEDERAL EMPLOYEES	825.00	
Do	STATE OF IDAHO, DEPT OF EMPLOYMENT	807.50	
Do	U S WEST		
ED CHANDLER, 7901 WESTPARK DRIVE MCLEAN VA 22102	NATIONAL MACHINE TOOL BUILDERS' ASSN	9,158.00	500.00
J. W. CHANDLER, 1575 I ST., NW WASHINGTON DC 20005	YORK DIV, BORG-WARNER CORP		
CHAPMAN DUFF & PAUL, 1825 EYE ST., NW WASHINGTON DC 20006	ANNUAL CHARGES POLICY GROUP		
JOHN M. CHAPMAN, 1000 WILSON BOULEVARD ARLINGTON VA 22209	BENDIX AEROSPACE SECTOR		
WILLIAM C. CHAPMAN, 1660 L ST., NW WASHINGTON DC 20036	GENERAL MOTORS CORP	3,000.00	7,065.15
CHARLES KARALEKAS MCCAHILL & WILSON, 1250 CONNECTICUT AVENUE, NW, #318 WASHINGTON DC 20036	INDEPENDENT INSURANCE AGENTS OF AMERICA		
RICHARD M. CHARLTON, 229 PENNSYLVANIA AVE., SE WASHINGTON DC 20003	ELECTRONIC DATA SYSTEMS CORPORATION	368.00	369.00
PEGGY CHARREN, 971 MEMORIAL DRIVE, #504 CAMBRIDGE MA 02138	ACTION FOR CHILDREN'S TELEVISION	416.67	
LESLIE CHEEK III, 1025 CONNECTICUT AVENUE, NW, #414 WASHINGTON DC 20036	CRUM & FOSTER CORP	16,250.00	726.65
JANE CHEEVER, 100 FEDERAL ST. BOSTON MA 02110	BANK OF BOSTON CORPORATION		
Do	FIRST NATIONAL BANK OF BOSTON		
CHEMICAL MANUFACTURERS ASSN, INC, 2501 M STREET, NW WASHINGTON DC 20037			
CHEMICAL SPECIALTIES MANUFACTURERS ASSN, 1001 CONNECTICUT AVENUE, NW, #1120 WASHINGTON DC 20036			1,262.61
WILLIAM B. CHERKASKY, 1025 CONNECTICUT AVENUE, NW, #707 WASHINGTON DC 20036	INTERNATIONAL FRANCHISE ASSN		
STEPHAN E. CHERTOFF, 1709 NEW YORK AVENUE, NW, #303 WASHINGTON DC 20006	BLUE CROSS & BLUE SHIELD		
CHILDREN'S TELEVISION WORKSHOP, ONE LINCOLN PLAZA NEW YORK NY 10023			
MICHAEL W. CHINWORTH, 1000 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	JAPAN ECONOMIC INSTITUTE OF AMERICA		
CHLORINE INSTITUTE, INC, 70 WEST 40TH STREET NEW YORK NY 10018		6,468.16	6,468.16
FRANK M. CHRISTENSEN, BOX 2030 HAMILTON, ONTARIO, CANADA	CANADIAN TUBULAR PRODUCERS ASSN		
HAL M. CHRISTENSEN, 1111 14TH STREET, NW, #1200 WASHINGTON DC 20005	AMERICAN DENTAL ASSN	3,000.00	964.68

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
WILLIAM T. CHRISTIAN, 2211 CONGRESS STREET PORTLAND ME 04122	UNION MUTUAL LIFE INSURANCE CO		
JACK E. CHRISTY, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	522.31	170.14
JAMES T. CHRISTY, 1730 PENNSYLVANIA AVE., NW, #265 WASHINGTON DC 20006	AIR PRODUCTS & CHEMICALS, INC	600.00	
CHUGACH ELECTRIC ASSN, INC, POUCH 6300 ANCHORAGE AK 99502			
DONALD T. CHUNN, ROUTE 2, BOX 89 COLUMBIA TN 38401	TITLE ASSOCIATES, INC		
CHWAT/WEIGEND ASSOCIATES, 400 FIRST STREET, NW, #816 WASHINGTON DC 20001	AMERICAN HOME SEWING ASSN, INC	500.00	500.00
Do	ASSOCIATED LOCKSMITHS OF AMERICA	975.00	975.00
Do	BEER INDUSTRY LEAGUE OF LOUISIANA	400.00	400.00
Do	NATIONAL ASSN OF COMPANION SITTER AGENCIES & REFERRAL SERV	375.00	375.00
Do	NATIONAL ASSN OF CONVENIENCE STORES	500.00	500.00
Do	NATIONAL ASSN OF TOBACCO DISTRIBUTORS	2,000.00	2,000.00
Do	NATIONAL WEATHER SERVICE EMPLOYEES ORGANIZATION	300.00	300.00
CIGAR ASSN OF AMERICA, INC, 1100 17TH STREET, NW, #1201 WASHINGTON DC 20036			493.30
DONNA M. CIROLIA, 1518 K STREET, NW, #401 WASHINGTON DC 20005	WATER QUALITY ASSN		
CITIZEN ACTION, 1300 CONNECTICUT AVE., NW, #401 WASHINGTON DC 20036		8,000.00	
CITIZEN/LABOR ENERGY COALITION, 1300 CONNECTICUT AVENUE, NW, RM. 401 WASHINGTON DC 20036		9,000.00	9,000.00
CITIZENS COMM FOR THE RIGHT TO KEEP & BEAR ARMS, LIBERTY PARK, 12500 NE TENTH PLACE BELLEVUE WA 98005		349,201.48	83,006.00
CITIZENS FOR SENSIBLE CONTROL OF ACID RAIN (CSCAR), P.O. BOX 33729 WASHINGTON DC 20033			
CITIZENS POLITICAL ACTION COMMITTEE, P.O. BOX 645 228 SOUTH A STREET, #2 OXNARD CA 93032			
R. NANCY CLACK, 1250 EYE ST., NW, #602 WASHINGTON DC 20005	DETROIT & MACKINAC RAILWAY CO		
DAVID A. CLANTON, 1667 K STREET, NW, 9TH FL. WASHINGTON DC 20006	BUCHANAN INGERSOLL, P.C. (FOR: FEDERATION OF APPAREL MANUFACTURERS)		
PATRICIA T. CLAREY, 1025 CONNECTICUT AVENUE, NW, #507 WASHINGTON DC 20036	ASHLAND OIL, INC	2,000.00	
BOB CLARK, SUITE 1908 400 MADISON ST. ALEXANDRIA VA 22314	RYDER SYSTEMS, INC		
DENNIS B. CLARK, 311 FIRST STREET, NW WASHINGTON DC 20001	NATIONAL RESTAURANT ASSN		
GILBERT CLARK, 1117 N. 19TH STREET, NW, #600 ARLINGTON VA 22209	AMERICAN ASSN OF BLOOD BANKS		
JAMES W. CLARK JR , 600 MARYLAND AVENUE, SW, #400 WASHINGTON DC 20024	AMERICAN OPTOMETRIC ASSN	95.04	144.25
JORDAN CLARK, 15TH & M STREETS, NW WASHINGTON DC 20005	NATIONAL ASSN OF HOME BUILDERS OF THE U.S.		
JOSEPH J. F. CLARK, 1725 K ST., NW, #1111 WASHINGTON DC 20006	EATON ASSOCIATES, INC		
JULIE CLARK, 1625 K ST., NW EIGHTH FLOOR WASHINGTON DC 20006	NATIONAL LEGAL AID & DEFENDERS ASSN	10,000.00	218.65
PHILLIP A. CLARK, 1050 17TH ST., NW, #700 WASHINGTON DC 20036	NATIONAL OCEAN INDUSTRIES ASSN	4,050.00	
ROBERT A. CLARK, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS	425.00	21.43
RUDY I. CLARK, 5342 WOODBURY WOODS LANE FAIRFAX VA 22032	AIR FORCE SERGEANTS ASSN, INC		
VERNON A. CLARK, 1899 L ST., NW, #403 WASHINGTON DC 20036	OUTDOOR ADVERTISING ASSN OF AMERICA, INC	2,438.00	11,591.00
WADE P. CLARKE JR , JOHN DEERE RD MOLINE IL 61265	DEERE & COMPANY		
SCOTT CHARLES CLARKSON, 600 MARYLAND AVENUE, SW, #607 WASHINGTON DC 20024	WASTE MANAGEMENT, INC	2,000.00	497.25
CECIL D. CLAY, 1750 NEW YORK AVENUE, NW WASHINGTON DC 20006	SHEET METAL WORKERS' INT'L ASSN	23,908.00	
JOAN CLAYBROOK, 2000 P STREET, NW, #605 WASHINGTON DC 20036	PUBLIC CITIZEN, INC	2,000.00	
CLAYMARK CORPORATION, INC, C/O MILBANK TWEED HADLEY & MCCLOY 30 ROCKEFELLER PLAZA, RM. 5600 NEW YORK NY 10112.			
CLEARY GOTTLIEB STEEN & HAMILTON, 1752 N STREET, NW WASHINGTON DC 20036	BEAR STEARNS & CO		
Do	PUBLIC SECURITIES ASSN		26.00
Do	SYNTHETIC ORGANIC CHEMICAL MANUFACTURERS ASSN, INC		
JACQUELINE W. CLEMENTS, 1015 15TH STREET, NW, #900 WASHINGTON DC 20005	INTERNORTH	1,500.00	
RONALD D. CLEMENTS, 1111 19TH ST., NW, 9TH FLOOR WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	2,295.45	266.94
CLEVELAND ELECTRIC ILLUMINATING CO, 55 PUBLIC SQUARE P.O. BOX 5000 CLEVELAND OH 44113			752.00
W. M. CLICK, BOX 719 DALLAS TX 75221	SOUTHLAND CORPORATION		
CLIFFORD & WARNKE, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	AUSTRALIAN MEAT & LIVE-STOCK CORP	1,200.00	412.50
Do	JOINT CORPORATE COMM ON CUBAN CLAIMS	600.00	180.00
GEORGE E. CLIFFORD JR., 146 GRAFTON STREET CHEVY CHASE MD 20815			
DEXANNE CLOHAN, 1101 VERMONT AVE., NW WASHINGTON DC 20005	AMERICAN MEDICAL ASSN	3,769.00	
STANLEY A. CMICH, 1700 GATEWAY BOULEVARD CANTON OH 44707	FISCAL ASSOCIATES, INC		
Do	GIBBONS & GRABLE CO		
Do	TIMKEN CO		
Do	WHITE ENGINES, INC		
COALITION TO KEEP ALASKA OIL, AFL-CIO BUILDING 815 16TH STREET, NW, #309 WASHINGTON DC 20006		688.00	688.00
COAN COUTURE LYONS & MOORHEAD, 1625 EYE ST., NW, #1015 WASHINGTON DC 20006	A - C VALLEY CORPORATION		
Do	PRESBYTERIAN ASSN ON AGING		
Do	VIETNAM VETERANS OF AMERICA		
Do	WESTINGHOUSE ELECTRIC CORPORATION		
COASTAL PROPERTIES INSTITUTE, INC, 66 SURFWATCH DRIVE JOHNS ISLAND SC 29455			
ALAN J. COBB, 1120 VERMONT AVENUE, NW WASHINGTON DC 20005	PETROLEUM MARKETERS ASSN OF AMERICA	7,500.00	1,317.68
RICHARD B. COBB, PETROLEUM COUNCIL OF GA 230 PEACHTREE ST., NW, #1500 ATLANTA GA 30303	AMERICAN PETROLEUM INSTITUTE	250.00	
COFFEE SUGAR & COCOA EXCHANGE, INC, 4 WORLD TRADE CENTER, 8TH FL. NEW YORK NY 10048			
JOHN J. COFFEY, 1700 K STREET, NW, #1204 WASHINGTON DC 20006	CHEVRON USA, INC	900.00	
DON V. COGMAN, 1100 CONNECTICUT AVENUE, NW, #820 WASHINGTON DC 20036	MAPCO, INC	4,750.00	44.50
DANIEL L. COHEN, 1050 31ST STREET, NW WASHINGTON DC 20007	ASSOCIATION OF TRIAL LAWYERS OF AMERICA	200.00	100.00
DEBORAH A. COHN, 2000 P STREET, NW, #305 WASHINGTON DC 20036	FORESIGHT SCIENCE & TECHNOLOGY, INC (FOR: NATIONAL COALITION FOR SCIENCE & TECHNOLOGY)		
HERBERT B. COHN, MORGAN, LEWIS & BOCKIUS 1800 M ST., NW WASHINGTON DC 20036	COMMITTEE FOR CAP FORMATION THROUGH DIVIDEND REINVESTMENT	27.00	
COLE & CORETTE, P.C., 1100 VERMONT AVENUE, NW, #900 WASHINGTON DC 20005	CHASE MANHATTAN BANK, N.A	86.25	
Do	GOVERNMENT OF THE NETHERLANDS ANTILLES		
Do	JAMES D. & LOIS M. LAROSA AND JAMES D. LAROSA	550.00	4.50
Do	LOTUS DEVELOPMENT CORP	580.00	4.50
Do	MEDTRONIC, INC		
Do	MILLIPORE CORPORATION		
Do	WORLD ZIONIST ORGANIZATION JERUSALEM, ISRAEL	607.50	5.00
E. WILLIAM COLE, 1050 CONNECTICUT AVENUE, NW, #760 WASHINGTON DC 20036	UNION OIL CO OF CALIFORNIA	700.00	50.00
KEN W. COLE, 1150 CONNECTICUT AVENUE, NW, #700 WASHINGTON DC 20036	ALLIED CORPORATION		
RANDALL I. COLE, 1050 CONNECTICUT AVENUE, NW, #200 WASHINGTON DC 20036	EL PASO NATURAL GAS CO	1,000.00	416.18
STACEY W. COLE, NEW HAMPSHIRE PETROLEUM COUNCIL 23 SCHOOL ST. CONCORD NH 03301	AMERICAN PETROLEUM INSTITUTE		
COLETTE R. COLEMAN, 311 FIRST STREET, NW WASHINGTON DC 20001	NATIONAL RESTAURANT ASSN		
COLLIER SHANNON RILL & SCOTT, 1055 THOMAS JEFFERSON ST., NW, #308 WASHINGTON DC 20007	AMERICAN FROZEN FOOD INST		
Do	AMERICAN MEAT INSTITUTE		
Do	AMERICAN TEXTILE MACHINERY ASSN	1,500.00	1,500.00
Do	BICYCLE MFGRS ASSN OF AMER, INC	1,500.00	1,500.00
Do	CYLINDER MANUFACTURERS ASSOCIATION		
Do	FOOD MARKETING INSTITUTE		
Do	NATIONAL BROILER COUNCIL		
Do	NATIONAL HAIRDRESSERS & COSMETOLOGISTS ASSN		
Do	NORRIS INDUSTRIES	2,000.00	2,000.00
Do	OUTDOOR POWER EQUIPMENT INSTITUTE		
Do	PITTSBURGH CORNING CORPORATION		
Do	SPECIALTY STEEL INDUSTRY OF THE UNITED STATES		
Do	WEST TEXAS LAND & ROYALTY OWNERS ASSN		
TERESE COLLING, 2062 N. 14TH ST. ARLINGTON VA 22201	MEDIA GENERAL, INC	1,600.00	130.99
MARY M. COLLINS, 1120 20TH STREET, NW, #600 SOUTH WASHINGTON DC 20036	UNION PACIFIC CORP	1,500.00	
STEPHEN J. COLLINS, 1620 EYE ST., NW, #1000 WASHINGTON DC 20006	MOTOR VEHICLE MANUFACTURERS ASSN OF THE U.S., INC		
COLORADO SKI COUNTRY USA, INC., SUITE A-201 1410 GRANT STREET DENVER CO 80203			
KENT W. COLTON, 15TH & M STREETS, NW WASHINGTON DC 20005	NATIONAL ASSN OF HOME BUILDERS OF THE U.S.		
COLUMBIA GORGE UNITED, BOX 328 STEVENSON WA 98648		5,124.10	901.98
COMMERCIAL UNION INSURANCE COMPANIES, ONE BEACON STREET BOSTON MA 02108			
COMMITTEE FOR A RESPONSIBLE TAX POLICY, INC, 1750 PENNSYLVANIA AVE., NW, #1201 WASHINGTON DC 20006			
COMMITTEE FOR CAP FORMATION THROUGH DIVIDEND REINVESTMENT, C/O HERBERT COHN 1800 M ST., NW, #800 NORTH WASHINGTON DC 20036.		482.02	482.02
COMMITTEE FOR CONSTITUTIONAL INTEGRITY, 1156 15TH ST., NW, #1212 WASHINGTON DC 20005			
COMMITTEE FOR DO-IT-YOURSELF HOUSEHOLD MOVING, 1725 K ST., NW, #401 WASHINGTON DC 20005			
COMMITTEE FOR EQUALITY OF CITIZENS BEFORE THE COURTS, 2762 N. CLAYBOURN AVENUE CHICAGO IL 60614			
COMMITTEE FOR HUMANE LEGISLATION, INC, 11 WEST 60TH ST. NEW YORK NY 10023		17,273.97	3,473.04
COMMITTEE FOR PRIVATE EDUCATION, 1025 MICHIGAN AVENUE, NE WASHINGTON DC 20036			
COMMITTEE FOR PROPOSITION THIRTY, P.O. BOX 915 HARTSELLE AL 35640			
COMMITTEE TO ASSURE THE AVAILABILITY OF CASEIN, 3213 O ST., NW WASHINGTON DC 20007		20,000.00	
COMMON CAUSE, 2030 M ST., NW WASHINGTON DC 20036		1,781,722.00	477,224.26
COMMUNICATIONS MANAGEMENT, INC, 1925 NORTH LYNN STREET, #1140 ARLINGTON VA 22209	CITIZENS FOR SENSIBLE CONTROL OF ACID RAIN (CSCAR)		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	NATURAL GAS SUPPLY ASSN		
Do	PHILIP MORRIS U.S.A.	12,606.40	12,606.40
COMMUNITY NUTRITION INSTITUTE, 2001 S ST., NW, #530 WASHINGTON DC 20009			
LANCE COMPA, 1411 K ST., NW, #410 WASHINGTON DC 20005	UNITED ELECTRICAL RADIO & MACHINE WORKERS OF AMERICA	6,098.90	
COMPETITIVE ENTERPRISE INSTITUTE, 2039 NEW HAMPSHIRE AVENUE, NW, #206 WASHINGTON DC 20009			66.72
COMPUTER & COMMUNICATIONS INDUSTRY ASSOCIATION, 1500 WILSON BLVD., #512 ARLINGTON VA 22209			
BERT M. CONCKLIN, 1500 PLANNING RESEARCH DRIVE MCLEAN VA 22102	PLANNING RESEARCH CORPORATION		673.02
EDWARD C. CONE JR., P.O. BOX 1788 FOREST PARK GA 30051	SOUTHEASTERN LUMBER MANUFACTURERS ASSN		
CAROLE K. CONES, 1515 N. COURTHOUSE RD., #301 ARLINGTON VA 22201	DCM GROUP (FOR: AD HOC COMM FOR AMERICAN SILVER)	3,000.00	41.32
CONFERENCE OF STATE BANK SUPERVISORS, 1015 18TH ST., NW WASHINGTON DC 20036			4,559.11
CONGRESS WATCH, 215 PENNSYLVANIA AVE., SE WASHINGTON DC 20003		69,920.29	49,173.23
RAYMOND F. CONKLING, 1600 S. LYNN STREET ARLINGTON VA 22202	DIAMOND SHAMROCK CORP	200.00	
JEFFREY B. CONLEY, 605 14TH ST., NW WASHINGTON DC 20005	E. BRUCE HARRISON COMPANY, INC (FOR: NEDA/CAAP)		
JEANNE K. CONNELLY, 1875 EYE ST., NW, #540 WASHINGTON DC 20006	CHAMPION INTERNATIONAL CORP		
ROBERT J. CONNER JR., 1100 CONNECTICUT AVE., NW WASHINGTON DC 20036	CHRYSLER CORPORATION	500.00	1,145.89
STEPHEN N. CONNER, ROUTE 1, BOX 506 EASTON MD 21601	FOREIGN MINISTRY OF KINGDOM OF SAUDI ARABIA		937.19
PAULA J. CONNOLLY, 1020 19TH ST., NW, #600 WASHINGTON DC 20036	AMERICAN EXPRESS CO.		
SUSAN CONNOLLY, 1615 H ST., N.W. WASHINGTON DC 20061	CHAMBER OF COMMERCE OF THE U.S.	2,617.75	
BRIAN L. CONNOR, 1420 KING STREET ALEXANDRIA VA 22314	NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS	2,000.00	
GERALD R. CONNOR, 1030 15TH STREET, NW, #1100 WASHINGTON DC 20005	HEALTH INDUSTRY MANUFACTURERS ASSN	2,375.00	102.67
RICHARD J. CONNOR JR., 1201 PENNSYLVANIA AVENUE, NW, #220 WASHINGTON DC 20004	JOSEPH E. SEAGRAM & SONS, INC	562.50	
JERRY C. CONNORS, 1745 JEFFERSON DAVIS HIGHWAY, #511 ARLINGTON VA 22202	MANUFACTURED HOUSING INST	1,000.00	100.00
GREGORY E. CONRAD, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
KATHY P. CONRAD, 1420 KING ST. ALEXANDRIA VA 22314	NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS	1,250.00	
MARK R. CONRAD, 1200 PEAVEY BUILDING MINNEAPOLIS MN 55479	NORWEST CORPORATION	12,528.00	6,340.00
SHEILA A. CONSAUL, 1020 19TH ST., NW WASHINGTON DC 20036	BALCOR/AMERICAN EXPRESS, INC.	6,500.00	6,008.49
CONSOLIDATED EDISON CO OF NEW YORK, INC, 4 IRVING PLACE NEW YORK NY 10003			415.00
CONSUMERS FOR WORLD TRADE, 1001 CONNECTICUT AVE., NW WASHINGTON DC 20036		1,619.68	20,440.19
CONSUMERS UNION OF U.S., INC., 256 WASHINGTON ST. MOUNT VERNON NY 10550			7,000.00
CONTACT SYSTEMS CORP, 200 MADISON AVENUE, #1207 NEW YORK NY 10016			
JOHN J. CONTNEY, 1250 E. HOLLANDALE BEACH BLVD. HOLLANDALE FL 33009	TEXTILE RENTAL SERVICES ASSN OF AMERICA		
DANIEL J. CONWAY, 1025 CONNECTICUT AVENUE, NW, #512 WASHINGTON DC 20036	REINSURANCE ASSN OF AMERICA		
EMERY S. CONYERS, P.O. BOX 1706 MIDLAND MI 48640	DOW CHEMICAL CO		
ALEXANDRA W. COOK, 229 PENNSYLVANIA AVE., SE WASHINGTON DC 20003	ELECTRONIC DATA SYSTEMS CORPORATION	352.00	246.00
FREDERCK N. COOK, VERMONT PETROLEUM ASSOCIATION P.O. BOX 566 MONTPELIER VT 05602	AMERICAN PETROLEUM INSTITUTE	750.00	625.44
HARRY N. COOK, 1130 17TH ST., NW WASHINGTON DC 20036	NATIONAL WATERWAYS CONFERENCE, INC		
K. RICHARD COOK, 1331 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20004	GENERAL ELECTRIC CO	425.00	
THOMAS M. COOK, 1301 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20004	NATIONAL CATTLEMEN'S ASSN	1,000.00	
EILEEN D. COOKE, 110 MARYLAND AVE., NE, SUITE 101, BOX 54 WASHINGTON DC 20002	AMERICAN LIBRARY ASSN	1,440.00	
BRIAN D. COONEY, 1125 15TH STREET, NW WASHINGTON DC 20005	MORTGAGE BANKERS ASSN OF AMERICA	6,600.00	42.00
BENJAMIN Y. COOPER JR., 1730 NORTH LYNN ST. ARLINGTON VA 22209	PRINTING INDUSTRIES OF AMERICA, INC	8,500.00	
CHESTER L. COOPER, 1616 P ST., NW, #410 WASHINGTON DC 20036	AMERICAN ACADEMY OF ARTS & SCIENCES	10,000.00	175.00
JESSE D. COOPER, 345 PETROLEUM BLDG DENVER CO 80202	ROCKY MOUNTAIN OIL & GAS ASSN	2,600.00	1,043.38
JOSHUA W. COOPER, 400 MADISON STREET, APT. 808 ALEXANDRIA VA 22314	PORTSMOUTH-KITTERY ARMED SERVICES COMM, INC	800.00	713.20
KATHY J. COOPER, 1700 K ST., NW, #1204 WASHINGTON DC 20006	CHEVRON USA, INC	125.00	
MITCHELL J. COOPER, 1001 CONNECTICUT AVE., NW WASHINGTON DC 20036	FOOTWEAR DIV, RUBBER MFGRS ASSN	14,250.00	
ROBIN A. COOPER, 3238 WYNFORD DRIVE FAIRFAX VA 22031	U.S. DEFENSE COMMITTEE	300.00	
DARRELL COOVER, 499 SOUTH CAPITOL ST., SW, #401 WASHINGTON DC 20003	NATIONAL ASSN OF INDEPENDENT INSURERS	2,000.00	793.00
JAY COPELAND, 645 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	NATIONAL AUDUBON SOCIETY	1,085.40	164.96
JOSEPH L. COPPOLA, 3600 S. YOSEMITE, #830 DENVER CO 80237	KOGOVSEK AND ASSOCIATES, INC	6,300.00	450.00
MICHAEL J. COPPS, 1660 L ST., NW, #1000 WASHINGTON DC 20036	COLLINS AND AIKMAN CORP	7,400.00	1,268.00
JOHN F. CORCORAN, 1050 CONNECTICUT AVE., NW, #740 WASHINGTON DC 20036	NORFOLK SOUTHERN CORPORATION	1,000.00	
PATRICK H. CORCORAN, 1725 K ST., NW, #1205 WASHINGTON DC 20006	ASSOCIATION OF OIL PIPELINES		
ALFRED C. CORDON, 1920 N ST., NW WASHINGTON DC 20036	BUFFALO BROADCASTING CO, INC		
CORMAN LAW OFFICES, 1420 16TH STREET, NW WASHINGTON DC 20036	AMERICAN BAKERS ASSOCIATION	2,500.00	
Do	BAITY & JOSEPH	8,600.00	
Do	BANK AMERILEASE GROUP	465.00	
Do	CALIFORNIA VISION SERVICE PLAN		
Do	CARGILL LEASING CORP	465.00	
Do	CCS AUTOMATION SYSTEMS, INC	1,400.00	
Do	CONNELL FINANCE CO, INC	465.00	
Do	CONSOLIDATED CAPITAL COMPANIES	2,500.00	
Do	EDS FINANCIAL CORPORATION	465.00	
Do	FIRST CHICAGO LEASING CORP	465.00	
Do	FIRST NATIONAL BANK OF BOSTON	465.00	
Do	FIRST NATIONAL BANK OF MINNEAPOLIS	465.00	
Do	GATX CORPORATION		
Do	GATX LEASING CORP	465.00	
Do	GENERAL ELECTRIC CREDIT CORP	465.00	
Do	KELSO & COMPANY	12,400.00	
Do	MANUFACTURERS HANOVER LEASING CORP	465.00	
Do	MUSIC CORP OF AMERICA, INC	2,300.00	
Do	STATE OF MICHIGAN	3,700.00	
Do	SYSTEMS & APPLIED SCIENCES CORP TECHNOLOGIES		
Do	SYSTEMS AND APPLIED SCIENCES CORP		
Do	TEXAS AIR CORP	800.00	
Do	UNITED ENERGY CORP	5,150.00	
BENNETT J. CORN, FOUR WORLD TRADE CENTER NEW YORK NY 10048	COFFEE SUGAR & COCOA EXCHANGE, INC		
CORN REFINERS ASSOCIATION, INC, 1001 CONNECTICUT AVE., NW WASHINGTON DC 20036		4,463.00	2,737.00
CORPORATION FOR GOVERNMENT ACTION, INC, 888 17TH ST., NW, #300 WASHINGTON DC 20006	COUNCIL ON MULTIEMPLOYER PENSION SECURITY	36,500.00	12,483.73
ERNEST J. CORRADO, 1625 K ST., NW, #1000 WASHINGTON DC 20006	AMERICAN INST OF MERCHANT SHIPPING	1,369.00	12.00
MARY MARCOTTE CORRIGAN, 1600 RHODE ISLAND AVE., NW WASHINGTON DC 20036	NATIONAL RIFLE ASSN OF AMER		
RICHARD L. CORRIGAN, 1201 PENNSYLVANIA AVENUE, NW, #250 WASHINGTON DC 20004	CH2M HILL, INC	2,000.00	
MARTY CORRY, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	543.85	769.34
ALLAN D. CORS, 1800 K ST., NW, SUITE 1104 WASHINGTON DC 20006	CORNING GLASS WORKS	2,500.00	
WILLIAM R. CORSON, 1707 H ST., NW WASHINGTON DC 20006	PENTHOUSE INTL LTD		
R. H. CORY, 1005 CONGRESS AVENUE, #795 AUSTIN TX 78701	CENTRAL AND SOUTH WEST SERVICES, INC	232.00	693.56
TOM COSGROVE, 37 TRUMBULL STREET NEW HAVEN CT 06511	SIERRA CLUB	3,105.00	839.10
COSMETIC TOILETRY & FRAGRANCE ASSN, INC, 1110 VERMONT AVE., NW, #800 WASHINGTON DC 20005			
J. DANIEL COSTELLO, 1615 H ST., NW SILVER SPRING MD 20062	U.S. CHAMBER OF COMMERCE		
MICHAEL E. COSTELLO, 1090 VERMONT AVENUE, NW, #600 WASHINGTON DC 20005	TEXAS EASTERN TRANSMISSION CORP		259.40
MEREDITH COTE, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	452.31	52.55
MARY ALICE COTTER, 410 FIRST STREET, SE WASHINGTON DC 20003	AMERICAN NUCLEAR ENERGY COUNCIL	1,100.00	90.61
COUNCIL FOR LANGUAGES AND OTHER INT'L STUDIES, 3520 PROSPECT ST., NW WASHINGTON DC 20007		10,113.87	11,560.78
COUNCIL FOR RURAL HOUSING AND DEVELOPMENT, 2300 M ST., NW WASHINGTON DC 20036		4,000.00	4,000.00
COUNCIL OF STATE CHAMBERS OF COMMERCE, 122 C ST., NW, #200 WASHINGTON DC 20001		1,189.98	562.05
COUNCIL ON MULTIEMPLOYER PENSION SECURITY, INC, 888 17TH ST., NW, #300 WASHINGTON DC 20006		34,250.00	39,289.84
COUNCIL ON SYNTHETIC FUELS, 1301 PENNSYLVANIA AVE., NW, #325 WASHINGTON DC 20006			
WILLIAM R. COURTNEY, P.O. BOX 844 TEMPLE TX 76503	TRIBAL COUNCIL OF THE COUSHATTA TRIBE OF LOUISIANA		
JOHN F. COVE, 918 16TH ST., NW, #702 WASHINGTON DC 20006	COVE ASSOCIATES, INC (FOR: ASSOCIATION OF U.S. NIGHT VISION MANUFACTURERS)		
COVINGTON & BURLING, 1201 PENNSYLVANIA AVENUE, NW P.O. BOX 7566 WASHINGTON DC 20044	AMERICAN ASSN OF ORAL & MAXILLOFACIAL SURGEONS		
Do	AMERICAN WATCH ASSN		50.00
Do	ASSOCIATION OF MAXIMUM SERVICE TELECASTERS, INC		
Do	COALITION TO PRESERVE THE INTEGRITY OF AMERICAN TRADEMARKS		
Do	COMMONWEALTH OF PUERTO RICO		
Do	GEORGE ROWE, JR. (FOR: ESTATE OF EDMUND G. MONELL)		
Do	HOUDAILLE INDUSTRIES, INC		
Do	INVESTMENT COMPANY INSTITUTE	3,000.00	5.00
Do	LUTHERAN BROTHERHOOD	5,568.75	32.40
Do	MIDWEST TELEVISION, INC		
Do	NATIONAL FOOTBALL LEAGUE	4,500.00	
Do	PACIFIC STOCK EXCHANGE, INC		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	POST-NEWSWEEK STATIONS, INC		
Do	WESLEYAN UNIVERSITY, AMHERST COLLEGE, ET AL	8,500.00	70.90
EUGENE S. COWEN, 1150 17TH ST., NW WASHINGTON DC 20036	AMERICAN BROADCASTING CO, INC	193.05	
C. DEMING COWLES, 6TH FLOOR 1050 THOMAS JEFFERSON STREET, NW WASHINGTON DC 20007	BERING SEA FISHERMEN'S ASSN	2,500.00	954.91
Do	MUNICIPALITY OF ANCHORAGE	9,200.00	2,236.78
Do	UNITED FISHERMEN OF ALASKA	3,000.00	953.09
ARCHIBALD COX, 2030 M ST., NW WASHINGTON DC 20036	COMMON CAUSE	5,350.02	
C. BRYAN COX, PO BOX 139 KANSAS CITY MO 64141	KANSAS CITY LIFE INSURANCE CO		223.24
JEFFREY T. COX, 1420 KING ST. ALEXANDRIA VA 22314	NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS	1,250.00	
DONALD FORSYTH CRAIB III, 633 PENNSYLVANIA AVENUE, NW, #600 WASHINGTON DC 20004	SEARS ROEBUCK & CO	200.00	53.00
CRAMER HABER & LUKIS, P.C., 818 CONNECTICUT AVE., NW WASHINGTON DC 20036	CANAVERAL PORT AUTHORITY	13,500.00	87.09
Do	CITY OF MIAMI	11,000.00	1,197.01
Do	DADE COUNTY INTERNATIONAL AIRPORT		
Do	DADE COUNTY	7,800.00	
Do	PENNSYLVANIA ENGINEERING CORP	12,500.00	1,333.43
WILLIAM C. CRAMER, 818 CONNECTICUT AVE., NW WASHINGTON DC 20006	CRAMER HABER & LUKIS, P.C. (FOR: CANAVERAL PORT AUTHORITY)		
Do	CRAMER HABER & LUKIS, P.C. (FOR: CITY OF MIAMI)		
Do	CRAMER HABER & LUKIS, P.C. (FOR: DADE COUNTY INTERNATIONAL AIRPORT)		
Do	CRAMER HABER & LUKIS, P.C. (FOR: DADE COUNTY)		
Do	CRAMER HABER & LUKIS, P.C. (FOR: PENNSYLVANIA ENGINEERING CORP)		
JOHN R. CRANE, 3238 WYNFORD DRIVE FAIRFAX VA 22031	U.S. DEFENSE COMMITTEE		
RICHARD L. CRAWFORD, 311 FIRST STREET, NW WASHINGTON DC 20001	NATIONAL RESTAURANT ASSN		
RONALD CRAWFORD, F/P RESEARCH ASSOCIATES 1700 K STREET, NW, #303 WASHINGTON DC 20006	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION	2,000.00	
WILLIAM D. CRAWFORD, 400 FIRST ST., NW WASHINGTON DC 20001	BROTHERHOOD OF RAILWAY CARMEN OF THE U.S. & CANADA	2,032.50	
JOHN P. CREGAN, 1000 CONNECTICUT AVENUE, NW, #1200 WASHINGTON DC 20036	U.S. BUSINESS & INDUSTRIAL COUNCIL	8,000.00	
RICHARD C. CREIGHTON, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA	5,000.00	500.00
DOUGLAS P. CREW, 100 N.E. ADAMS STREET PEORIA IL 61629	CATERPILLAR TRACTOR CO		
JOSEPH M. CRIBBEN, 6900 VALLEY BROOK DR. FALLS CHURCH VA 22042	UNITED ASSN OF JNYMEN & APPREN. OF PLMBG & PIPEFTG INDUSTRY	1,750.00	
MICHAEL F. CRIM, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FED OF FEDERAL EMPLOYEES		
RICHARD E. CRISTOL, 5775 PEACHTREE-DUNWOODY RD., #500D ATLANTA GA 30342	ROBERT H. KELLEN CO (FOR: CALORIE CONTROL COUNCIL)		
P. H. CROFT, 2000 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	AMERICAN SHORT LINE RAILROAD ASSN		
ROBERT W. CROMARTIE, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	175.00	
CHARLES H. CROMWELL, INC, 6709 GEORGIA ST. CHEVY CHASE MD 20815	GENERAL ELECTRIC CO		
Do	HUGHES HELICOPTERS		
Do	NORTHROP CORP		
DONALD J. CRONIN, 1511 K STREET, NW, #820 WASHINGTON DC 20005	FRANK G. KINGSLEY	5,000.00	55.00
LAUREN J. CRONIN, 1331 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20004	AMERICAN CEMENT TRADE ALLIANCE, INC	10,875.00	88.00
RAE E. CRONMILLER, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	150.00	
THOMAS R. CROSBY JR., 8111 GATEHOUSE ROAD FALLS CHURCH VA 22047	AMERICAN AUTOMOBILE ASSN		
JOHN M. CROSS, 1201 PENNSYLVANIA AVE., NW, #700 WASHINGTON DC 20004	HILL & KNOWLTON, INC		
COLLEEN CROSSLAND, 444 N. CAPITOL STREET, NW, #718 WASHINGTON DC 20001	PACIFIC TELESIS GROUP	15,450.00	
BOBBY E. CROW, 3805 W. ALABAMA HOUSTON TX 77027	COLUMBIA GULF TRANSMISSION CO		
CROWELL & MORING, 1100 CONNECTICUT AVE., NW WASHINGTON DC 20036	ASARCO INC		
Do	ASSOCIATED GAS DISTRIBUTORS		
Do	AVON PRODUCTS, INC		
Do	BROOKLYN UNION GAS CO	85.00	10.00
Do	BURLINGTON NORTHERN	1,395.00	12.00
Do	COMMUNICATIONS SATELLITE CORP		
Do	CONTRACTORS LIABILITY & INDEMNIFICATION ALLIANCE	540.00	11.00
Do	CONTROL DATA CORPORATION		
Do	COOK INLET REGION, INC		
Do	ELI LILLY AND COMPANY	2,250.00	10.00
Do	NATIONAL ASSN OF MANUFACTURERS		
Do	NATIONAL ASSN OF WHOLESALER-DISTRIBUTORS	9,120.00	10.00
Do	PAN AMERICAN WORLD AIRWAYS, INC; PAN AM WORLD SERVICES	3,561.00	94.53
Do	REGIONAL AIRLINE ASSOCIATION		
Do	TRUST FOR PUBLIC LANDS		
Do	WESTERN GOVERNORS' ASSN	348.75	6.00
CUBA CLAIMS ASSOCIATION, PO BOX 014004 MIAMI FL 33101			
JONNA LYNNE CULLEN, 1300 ARMY NAVY DR., #209, ARLINGTON VA 22202	LAWRENCE KUDLOW ASSOCIATES	4,800.00	
WILLIAM E. CUMBERLAND, 1125 15TH ST., NW WASHINGTON DC 20005	MORTGAGE BANKERS ASSN OF AMERICA	9,560.00	226.00
SCOTT S. CUNNINGHAM, 1100 15TH STREET, NW WASHINGTON DC 20005	UNION CARBIDE CORP		
JOHN T. CURRAN, 905 16TH ST., NW WASHINGTON DC 20006	LABORERS' INTL UNION OF NORTH AMERICA, AFL-CIO	14,182.50	400.25
Do	NATIONAL COORDINATING COMM FOR MULTIEMPLOYER PLANS		
MARY BETH CURRY, 1050 17TH STREET, NW, #770 WASHINGTON DC 20036	AMERICAN ASSN OF HOMES FOR THE AGING	262.00	34.50
RICHARD C. CURRY, 6819 ELM STREET, #3 MCLEAN VA 22101	FIRE ISLAND ASSOCIATES, INC	2,610.00	325.77
EDWARD P. CURTIS JR., GENESEE PUBLIC AFFAIRS, INC 36 W. MAIN STREET ROCHESTER NY 14614	MINISTRY OF THE ENVIRONMENT PROVINCE OF ONTARIO, CANADA		
M. RUPERT CUTLER, 1325 G ST., NW, #103 WASHINGTON DC 20005	ENVIRONMENTAL FUND	420.00	17.00
EVERETT E. CUTTER, 620 SW FIFTH AVENUE BLDG., SUITE 912 PORTLAND OR 97204	OREGON RAILROAD ASSN		
D L ASSOCIATES, INC, 1730 RHODE ISLAND AVENUE, NW, #210 WASHINGTON DC 20036	BRIGGS & STRATTON	250.00	
Do	PHILLIPS PETROLEUM CO		
Do	SCIENCE APPLICATIONS, INC	250.00	
D'AMICO LUEDTKE DEMAREST & GOLDEN, 1920 N STREET, NW, #400 WASHINGTON DC 20036	CENERGY EXPLORATION CO	190.63	
Do	MITCHELL ENERGY & DEVELOPMENT CORP	190.63	
Do	MURCHISON OIL & GAS, INC	190.63	
Do	PITTS ENERGY GROUP	190.63	
Do	SOUTHLAND CORPORATION	262.50	
Do	TEXAS OIL & GAS CORP	190.63	
Do	US TELECOM, INC	577.50	
Do	WESSELY ENERGY CORP	190.63	
WILLIAM D. D'ONOFRIO, 1800 W. 8TH ST. WILMINGTON DE 19805	NATIONAL ASSN FOR NEIGHBORHOOD SCHOOLS, INC		
WILLIAM K. DABAGHI, ARTER & HADDEN 1919 PENNSYLVANIA AVE., NW, #400 WASHINGTON DC 20006	A.S. NEMIR ASSOCIATES (FOR SUGAR & ALCOHOL INSTITUTE)		15.00
Do	COALITION FOR REGIONAL BANKING & ECONOMIC DEVELOPMENT	9,090.75	1,894.74
Do	HOUSTON CLEARING HOUSE ASSN	3,584.00	282.87
WILLIAM KAY DAINES, 1616 H ST., NW WASHINGTON DC 20006	AMERICAN RETAIL FEDERATION	900.00	133.00
LEWIS I. DALE, 1730 PENNSYLVANIA AVE., NW, #265 WASHINGTON DC 20006	AIR PRODUCTS & CHEMICALS, INC	760.00	
DONALD W. DALRYMPLE, 1575 I ST., NW WASHINGTON DC 20005	AMERICAN CYNAMID COMPANY (FOR: LEDERLE LABORATORIES)	2,360.00	802.91
JAMES G. DALTON, 1420 KING ST. ALEXANDRIA VA 22314	NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS	2,500.00	
JOHN M. DAMGARD, 1825 EYE STREET, NW, #1040 WASHINGTON DC 20006	FUTURES INDUSTRY ASSN, INC		
JOHN E. DANIEL, 1133 15TH STREET, NW, #1200 WASHINGTON DC 20005	OHIO EDISON CO		
DAVID C. DANIELS, 1608 K STREET, NW WASHINGTON DC 20006	AMERICAN LEGION	5,280.00	20.90
DAVID S. DANIELSON, 600 MARYLAND AVENUE, SW, #400-E WASHINGTON DC 20024	AMERICAN OPTOMETRIC ASSN		
CHARLES FRANKLIN DAOUST, P.O. BOX 12910 CHARLESTON SC 29412	KIAWAH ISLAND CO LTD		
COLLEEN A. DARLING, 1730 RHODE ISLAND AVENUE, NW, #204 WASHINGTON DC 20036	JAPANESE AMERICAN CITIZENS LEAGUE	5,040.00	176.53
DIANE DAVENNY DARNEILLE, 1726 M ST., NW, #300 WASHINGTON DC 20036	SCHERING-PLOUGH CORP	3,078.00	6,677.30
CRAIG D. DART, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
LINDA DASCHLE, 1709 NEW YORK AVE., NW WASHINGTON DC 20006	AIR TRANSPORT ASSN OF AMERICA	5,000.00	
JOHN C. DATT, 600 MARYLAND AVE., SW WASHINGTON DC 20024	AMERICAN FARM BUREAU FEDERATION	10,250.01	
M. DENNIS DAUGHERTY, 733 15TH STREET, NW WASHINGTON DC 20005	LEGAL SERVICES CORP	49.37	6.05
JOHN B. DAVENPORT JR., 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	145.00	
LARRY C. DAVENPORT, 5775 PEACHTREE-DUNWOODY RD., #500-D ATLANTA GA 30342	ROBERT H. KELLEN CO (FOR: CALORIE CONTROL COUNCIL)		
THEODORE S. J. DAVI, 371-106 BURGUNDY LN. LONGWOOD FL 32779			
EARL F. DAVID, 1825 K ST., NW, #1107 WASHINGTON DC 20006	PHILLIPS PETROLEUM COMPANY	1,000.00	
DANIEL I. DAVIDSON, 1350 NEW YORK AVE., NW WASHINGTON DC 20005	SPIEGEL & MCDIARMID (FOR: NORTHERN CALIFORNIA POWER AGENCY)		
JAMES H. DAVIDSON, 2000 L STREET, NW, #200 WASHINGTON DC 20036	AMERICAN NEWSPAPER PUBLISHERS ASSN	7,393.50	
DAVIS & HARMAN, 655 15TH STREET, NW WASHINGTON DC 20005	AMERICAN GENERAL LIFE INSURANCE CO	975.00	289.09
Do	AMERICAN HORSE COUNCIL	1,043.00	263.30
Do	APACHE CORPORATION		
Do	BETHLEHEM STEEL	500.00	198.20
Do	CAPITOL HOLDING CORP		
Do	CHICAGO BOARD OF TRADE	1,000.00	354.10
Do	CNA INSURANCE	750.00	135.08
Do	COMMITTEE OF ANNUITY INSURERS		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	FLORIDA POWER & LIGHT		239.85
Do	FLORIDA SUGAR CANE LEAGUE		
Do	JACKSONVILLE ELECTRIC AUTHORITY	1,000.00	
Do	LINCOLN NATIONAL LIFE INSURANCE CO	937.50	83.02
Do	NATIONAL CATTLEMEN'S ASSN		
Do	PROPERTY/CASUALTY GROUP	450.00	55.63
Do	STOCK INFORMATION GROUP	1,245.00	194.29
Do	WINTHROP FINANCIAL ASSN.	1,000.00	210.55
Do	WOODSTREAM CORPORATION		
DAVID R. DAVIS, INDIANA PETROLEUM COUNCIL 714 HARRISON BLDG. INDIANAPOLIS IN 46204	AMERICAN PETROLEUM INSTITUTE	1,857.72	492.59
DREW M DAVIS, 1101 16TH ST., NW WASHINGTON DC 20036	NATIONAL SOFT DRINK ASSN	242.34	93.70
EDWARD M. DAVIS, 410 FIRST ST., SE WASHINGTON DC 20003	AMERICAN NUCLEAR ENERGY COUNCIL	7,729.17	964.57
FRED G. DAVIS, 1111 19TH STREET, N.W. WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	2,849.61	455.34
DAVIS GRAHAM & STUBBS, 1001 22ND ST., NW, #500 WASHINGTON DC 20037	MUNICIPAL SUBDISTRICT, NO. COLORADO WATER CONSERVANCY DIST.	16,159.50	16,159.50
Do	NORTHERN COLORADO WATER CONSERVANCY DISTRICT	4,455.00	4,455.00
Do	SNYDER OIL CO		
DAVIS HOCKENBERG WINE BROWN & KOEHN, 2300 FINANCIAL CENTER DES MOINES IA 50309	NORTHWESTERN BELL (IOWA DIV)	50.00	
KENNETH E. DAVIS, SUITE 1210 1667 K ST., NW WASHINGTON DC 20006	ROHM & HAAS CO	500.00	
OVID R. DAVIS, P.O. DRAWER 1734 ATLANTA GA 30301	COCA-COLA COMPANY		
DAVIS POLK & WARDWELL, 1575 EYE ST., NW WASHINGTON DC 20005	MANVILLE CORP	150.00	5.00
Do	NORWEST CORP		
Do	U.S. TRUST CORP		
ROBERT DAVIS, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	FORD MOTOR CO	780.00	455.00
W. KENNETH DAVIS, P.O. BOX 3965 SAN FRANCISCO CA 94119	BECHTEL GROUP, INC		
DAVIS WRIGHT TODD RIESE & JONES, 1752 N ST., NW, #800 WASHINGTON DC 20036	GTE SPRINT COMMUNICATIONS	200.00	5.00
HARRY F. DAY, 1800 K STREET, NW, #1100 WASHINGTON DC 20006	NEW YORK STOCK EXCHANGE, INC		
DCM GROUP, 1515 N. COURTHOUSE RD., #301 ARLINGTON VA 22201	AD HOC COMM FOR AMERICAN SILVER	5,112.50	5,901.21
RALPH DE LA CRUZ, 1225 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	AMERICAN PUBLIC TRANSIT ASSN	2,625.00	162.00
O. MARK DE MICHELE, 411 NORTH CENTRAL AVENUE P.O. BOX 21666 PHOENIX AZ 85014	ARIZONA PUBLIC SERVICE COMPANY		
DEALER BANK ASSN, 1800 K ST., NW, #1014 WASHINGTON DC 20006			
JOHN RUSSELL DEANE III, 1607 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20009	AMERICAN METAL DETECTORS MANUFACTURERS, INC		
Do	AUTO INTERNATIONAL ASSN	250.00	130.56
Do	COALITION OF AUTOMOTIVE ASSNS	14.85	6.68
Do	SPECIALTY EQUIPMENT MARKET ASSN	1,650.00	774.92
RANDY R. DEBENHAM, P.O. BOX 4267 TOPEKA KS 66604	KANSAS ELECTRIC COOPERATIVES	6,250.00	2,268.21
DEBEVOISE & PLIMPTON, 1777 F ST., NW WASHINGTON DC 20006	SONY CORP OF AMERICA	387.00	
Do	STATUE OF LIBERTY-ELLIS ISLAND FOUNDATION, INC		2,767.38
ROBERT L. DEBO, MISSOURI OIL COUNCIL 428 E. CAPITOL, #203 JEFFERSON CIY MO 65101	AMERICAN PETROLEUM INSTITUTE		
JEFF DEBOER, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	1,750.00	566.41
EDWARD S. DEBOLT, 1515 N. COURTHOUSE RD., #301 ARLINGTON VA 22201	DCM GROUP (FOR: AD HOC COMM FOR AMERICAN SILVER)	2,850.00	
DECHERT PRICE & RHOADS, 1730 PENNSYLVANIA AVENUE, NW, #1100 WASHINGTON DC 20006	CENTER FOR CIVIC EDUCATION		
Do	CONSITUTIONAL RIGHTS FOUNDATION	4,426.00	374.53
Do	YONKERS RACING CORP		333.86
MARK O. DECKER, 1120 VERMONT AVE., NW, #1130 WASHINGTON DC 20005	NATIONAL ASSN OF REAL ESTATE INVESTMENT TRUSTS, INC	2,100.00	
WINSTON M. DECKER, 1522 K ST., NW, #828 WASHINGTON DC 20005	AMERICAN VETERINARY MEDICAL ASSN	480.00	
Do	ASSOCIATION OF AMERICAN VETERINARY MEDICAL COLLEGES	600.00	
RICHARD A. DEEM, 1101 VERMONT AVENUE, NW WASHINGTON DC 20005	AMERICAN MEDICAL ASSN	25.00	
BRIAN DEERY, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
DONALD H. DEFOE, 100 N.E. ADAMS STREET PEORIA IL 61629	CATERPILLAR TRACTOR CO	471.20	939.71
JOHN J. DEGNAN, SHANLEY & FISHER, P.C. 131 MADISON AVENUE MORRISTOWN NJ 07960	SHARP ELECTRONICS CORP		
GEORGE K. DEGNON ASSOCIATES, INC, 1311-A DOLLEY MADISON BLDG., #3A MCLEAN VA 22101	ASSOCIATION OF STATE & TERRITORIAL HEALTH OFFICIALS		1,000.00
GENE A. DEL POLITO, 1341 G STREET, NW, #500 WASHINGTON DC 20005	THIRD CLASS MAIL ASSN	600.00	
STEPHEN T. DELAMATER, 2600 SOUTHLAND CENTER 400 N. OLIVE ST. DALLAS TX 75201	HALLIBURTON CO		
JOHN W. DELANEY, 100 FEDERAL ST. BOSTON MA 02110	BANK OF BOSTON CORPORATION		
Do	FIRST NATIONAL BANK OF BOSTON		
DELANEY MIGDAIL & YOUNG, CHTD, 1629 K STREET, NW, #1000 WASHINGTON DC 20006	GOVERNMENT EMPLOYEES INSURANCE CO	10,000.00	363.47
Do	MARYLAND SAVINGS SHARE INSURANCE CORP	11,803.75	303.34
Do	NATIONAL ASSN OF INDEPENDENT INSURERS	4,000.00	389.80
THOMAS J. DELANEY, 1111 NORTH 19TH STREET, #700 ARLINGTON VA 22209	NATIONAL ASSN OF FEDERAL CREDIT UNIONS	1,500.00	119.92
LAW OFFICES OF PAUL DELANEY, JR., 1120 20TH STREET, NW WASHINGTON DC 20036	BOWATER INDUSTRIES PLC	9,823.35	
Do	CONTINENTAL GRAIN CO	13,242.42	
JOHN L. DELANO, 7 EDWARDS - BOX 1172 HELENA MT 59624	MONTANA RAILROAD ASSN		804.00
ROBERT B. DELANO, 225 TOUHY AVE. PARK RIDGE IL 60068	AMERICAN FARM BUREAU FED	3,125.00	
LESLIE DELONG, 1925 K STREET, NW, #206 WASHINGTON DC 20006	ALLIANCE TO SAVE ENERGY	185.82	
MICHAEL J. DELOOSE, 1015 18TH STREET, NW WASHINGTON DC 20036	CONFERENCE OF STATE BANK SUPERVISORS	645.00	
GEORGIA L. DELYANNIS, 1730 K STREET, NW, #903 WASHINGTON DC 20006	AMERICAN HELLENIC INSTITUTE PUBLIC AFFAIRS COMMITTEE		
TANIA DEMCHUK, 499 SOUTH CAPITOL ST., SW, #401 WASHINGTON DC 20003	NATIONAL ASSN OF INDEPENDENT INSURERS	100.00	
WILLARD L. DEMORY, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BELL ATLANTIC MANAGEMENT SERVICES).	230.00	
BRADFORD T. DEMPSEY, 512 W. MAPLE AVE., #210 VIENNA VA 22180			
PERRY COMO DENBY, BOX 7000 TEXARKANA TX 75501			
GEORGE H. DENISON, 4801 MASSACHUSETTS AVE., NW, #400 WASHINGTON DC 20016	CRUISE AMERICA LINE, INC	225.00	
Do	NATIONAL OFFICE PRODUCTS ASSN	300.00	
Do	WESTINGHOUSE ELECTRIC CORP	975.00	
RAY DENISON, 815 16TH ST., NW WASHINGTON DC 20006	AMERICAN FED OF LABOR & CONGRESS OF INDUSTRIAL ORGANIZATIONS	15,769.00	373.28
JOHN H. DENMAN, MISSOURI OIL COUNCIL 428 E. CAPITAL ST., #203 JEFFERSON CITY MO 65101	AMERICAN PETROLEUM INSTITUTE	735.00	729.11
ROBERT A. DENMAN, 600 MARYLAND AVENUE, SW, #202W WASHINGTON DC 20024	FARMERS' EDUCATIONAL & CO-OPERATIVE UNION OF AMERICA	4,152.96	264.48
WELLS DENYES, 1919 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	EASTMAN CHEMICALS DIVISION	1,100.00	143.32
DEPARTMENT FOR PROFESSIONAL EMPLOYEES, AFL-CIO, 815 16TH ST., NW WASHINGTON DC 20006		10,229.28	10,229.28
GREGORY L. DEPRIEST, 1735 DESALES STREET, NW WASHINGTON DC 20036	ASSOCIATION OF MAXIMUM SERVICE TELECASTERS, INC		
ALPHONSE DEROSSO, 1899 L ST., NW, #1100 WASHINGTON DC 20036	EXXON CORPORATION	250.00	144.72
LLOYD J. DERRICKSON, 1828 L ST., NW, #906 WASHINGTON DC 20036	MERRILL LYNCH & CO, INC	6,500.00	
MICHAEL DESANTO, 11436 SCHUYKILL RD. ROCKVILLE MD 20852	GREATER WASHINGTON/MARYLAND SERVICE STATION ASSN	1,000.00	
JAMES T. DEVINE, LAW OFFICES OF DERRIS LEONARD, P.C. 900 17TH ST., NW, #1020 WASHINGTON DC 20006	JOWLING PROPRIETORS ASSN OF AMER		
SAMUEL L. DEVINE, 888 17TH ST., NW WASHINGTON DC 20006	AMERICAN SMALL AND RURAL HOSPITAL ASSOCIATION, OHIO CHAPTER		
Do	CONSOLIDATED RAIL CORP		
Do	GROCERY MANUFACTURERS OF AMERICA, INC		
Do	OCCIDENTAL PETROLEUM CORP	19,999.98	
Do	PAYCO AMERICAN CORPORATION		
Do	PEPSICO, INC		
R. DANIEL DEVLIN, 1825 EYE STREET, NW, #350 WASHINGTON DC 20006	TRANS WORLD AIRLINES, INC	350.00	
DEWEY BALLANTINE BUSHBY PALMER & WOOD, 1775 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	AMAX INC		
Do	AMERICAN CAN CO		
Do	AMERICAN STOCK EXCHANGE, INC		
Do	BENEFECIAL CORP		
Do	BROWNING-FERRIS INDUSTRIES, INC		
Do	CHASE MANHATTAN CORP	180.00	
Do	COMMITTEE FOR FUTURE INVESTMENT IN AMERICA'S PAST	2,250.00	
Do	FEDERAL NATIONAL MORTGAGE ASSN		
Do	GENERAL ELECTRIC PENSION TRUST		
Do	GTE SERVICE CORP		
Do	INTEGRATED RESOURCES, INC		
Do	WARNER LEROY	337.50	
Do	MARRIOTT CORPORATION	1,125.00	
Do	PHIBRO-SALOMON, INC		
Do	JOSEPH E. SEAGRAM & SONS, INC	787.50	
Do	TEACHERS INSURANCE AND ANNUITY ASSN OF AMERICA		
DORIS J. DEWTON, 1025 CONNECTICUT AVE., NW, #507 WASHINGTON DC 20036	ASHLAND OIL, INC	2,000.00	
KENDALL P. DEXTER, 9 COUNTRY CLUB ROAD MOBILE AL 36608	MACMILLAN BLOEDEL, INC		
DGA INTERNATIONAL, INC, 1818 N STREET, NW WASHINGTON DC 20036	ARIANESPACE, S.A		293.33
Do	DIR INTL AFF OF THE GEN DEL FOR ARMEMENTS		
Do	SOCIETE NATIONALE D'ETUDE ET DE CONST. DE MOTEURS D'AVIATION		209.21
Do	SOFREAVIA		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	THOMSON-CSF DIVISION SYSTEMS ELECTRONIQUE OF FRANCE		
DIAMOND SHAMROCK CORPORATION, 717 N. HARWOOD STREET DALLAS TX 75201			
CHARLES J. DIBONA, 1220 L ST., NW WASHINGTON DC 20005	AMERICAN PETROLEUM INSTITUTE	1,875.00	
JOHN M. DICKERMAN, 1015 15TH ST., NW, #700 WASHINGTON DC 20005	NATIONAL LUMBER & BUILDING MATERIAL DEALERS ASSN		
CHESTER T. DICKERSON JR., 1101 17TH ST., NW, #604 WASHINGTON DC 20036	MONSANTO CO		255.12
GARY ALAN DICKINSON, 2 INTERNATIONAL PLAZA DR., #600 NASHVILLE TN 37217	ANGLO AMERICAN AUTO AUCTIONS, INC		
WILLIAM E. DICKINSON, 206 N. WASHINGTON ST., #300 ALEXANDRIA VA 22314	SALT INSTITUTE	250.00	250.00
DICKSTEIN SHAPIRO & MORIN, 2101 L ST., NW WASHINGTON DC 20037	BEAR STEARNS & CO		
Do	BOUNDARY GAS, INC		
Do	CAR AUDIO SPECIALISTS ASSOCIATION		
Do	FEDERATED CASH MANAGEMENT SYSTEMS	6,100.00	
Do	HERBALIFE INTERNATIONAL		
Do	HUGHES AIRCRAFT CO		
Do	LTV AEROSPACE & DEFENSE CO		
Do	MARINE ENGINEERS' BENEFICIAL ASSN		
Do	MCDONNELL DOUGLAS CORP		
Do	NATIONAL ASSN OF GOV'T GUARANTEED LENDERS, INC		
Do	NATIONAL FEDERATION OF SOCIETIES FOR CLINICAL SOCIAL WORK	4,000.00	
Do	PAULUCCI ENTERPRISES		
Do	SACO DEFENSE, INC	290.00	
Do	STANDARD MANUFACTURING CO		
Do	STATE OF DELAWARE, STATE OF IOWA, STATE OF LOUISIANA, ET AL	893.00	
RICK DIEGEL, 1125 15TH STREET, NW WASHINGTON DC 20005	INTERNATIONAL BROTHERHOD OF ELECTRICAL WORKERS, ALF-CIO-CLC	2,281.25	150.00
GEORGE DILLARD, 5128 SAUER, SUITE A HOUSTON TX 77004	KALEIDOSCOPE RESEARCH & MARKETING GROUP		
DILLON READ & CO, INC, 535 MADISON AVENUE NEW YORK NY 10022			1,000.00
TIMOTHY V. A. DILLON, 1331 PENNSYLVANIA AVE., NW, #905 WASHINGTON DC 20004	SACRAMENTO MUNICIPAL UTILITY DISTRICT	3,600.00	210.66
Do	WESTLANDS WATER DISTRICT	3,000.00	92.18
THOMAS A. DINE, 444 NORTH CAPITOL ST. NW, #412 WASHINGTON DC 20001	AMERICAN ISRAEL PUBLIC AFFAIRS COMM	14,374.98	3,087.06
CHARLES VERN DINGES IV , 1325 G STREET, NW, #1003 WASHINGTON DC 20005	ENVIRONMENTAL FUND	430.00	35.00
DIRECT SELLING ASSOCIATION, 1730 M ST., NW WASHINGTON DC 20036			923.62
HARLEY M. DIRKS, 400 FIRST STREET, NW, #712 WASHINGTON DC 20002	HEALTH & MEDICINE COUNSEL OF WASHINGTON		
Do	PROFESSIONAL SERVICES COUNCIL		
DISABLED AMERICAN VETERANS, 3725 ALEXANDRIA PIKE COLD SPRING KY 41076		151,324.61	151,324.61
BARBARA A. DIXON, 1600 EYE STREET, NW WASHINGTON DC 20006	MOTION PICTURE ASSN OF AMERICA, INC		
STEVEN P. DOEHLER, 1725 K ST., NW, #1405 WASHINGTON DC 20006	MORTGAGE INSURANCE COMPANIES OF AMERICA		
JULIE DOMENICK DOERR, 1600 M ST., NW WASHINGTON DC 20036	INVESTMENT COMPANY INSTITUTE		
JAMES F. DOHERTY, 624 9TH ST., NW 7TH FL. WASHINGTON DC 20001	GROUP HEALTH ASSN OF AMERICA, INC		
DOMESTIC WILDCATTERS ASSN, P.O. BOX 4394 HOUSTON TX 77210			
BRIAN J. DONADIO, 122 C ST., NW, #875 WASHINGTON DC 20001	AMERICAN OSTEOPATHIC ASSN	2,865.00	
NANCY A. DONALDSON, 110 MARYLAND AVENUE, NE, #408 WASHINGTON DC 20002	WOMEN'S ACTION FOR NUCLEAR DISARMAMENT EDUCATION FUND, INC	1,593.58	
RICHARD M. DONALDSON, 1738 GUILDHALL BLDG. CLEVELAND OH 44115	STANDARD OIL CO (OHIO)		
JOHN F. DONELAN, DONELAN CLEARY WOOD & MASER, P.C. 914 WASHINGTON BUILDING WASHINGTON DC 20005	PROCOMPETITIVE RAIL STEERING COMMITTEE	968.00	5.00
ANDREW J. DONELSON, 1101 15TH STREET, NW WASHINGTON DC 20005	MINNESOTA MINING & MANUFACTURING CO (3M)	2,500.00	
THOMAS E. DONLEY, 1615 H ST., NW, WASHINGTON DC 20062	U.S. CHAMBER OF COMMERCE		
KEVIN J. DONNELLAN, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	337.50	4.80
SALLY S. DONNER, 4TH FL. 1710 RHODE ISLAND AVE., NW WASHINGTON DC 20036	GENERAL FOODS CORPORATION	1,016.75	45.60
PAUL M. DONOVAN, LAROE WINN & MOERMAN 1120 G STREET, NW, #800 WASHINGTON DC 20005	CHLORINE INSTITUTE, INC	5,950.00	518.16
WILLIAM DONOVAN, 1111 N. 19TH ST, #700 ARLINGTON VA 22209	NATIONAL ASSN OF FEDERAL CREDIT UNIONS	2,500.00	220.20
FRANCIS X. DOOLEY, 525 SCHOOL ST., SW WASHINGTON DC 20024	AMERICAN ROAD & TRANSPORTATION BLDRS ASSN	7,500.00	480.00
IRA DORFMAN, 3RD FLOOR 1111 14TH ST., NW WASHINGTON DC 20005	AMERICAN BAKERS ASSN	116.50	2.00
MAY DEL RIO DORFMAN, 380 SECOND AVENUE NEW YORK NY 10010	PLANNED PARENTHOOD OF NEW YORK CITY, INC	433.15	
JAMES A. DORSCH, 1750 K ST., NW WASHINGTON DC 20006	HEALTH INSURANCE ASSN OF AMERICA, INC		
DEAN R. DORT II , 1667 K STREET, NW, #370 WASHINGTON DC 20006	DEERE & COMPANY	783.75	
CHARLENE DOUGHERTY, 645 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	NATIONAL AUDUBON SOCIETY	8,000.00	756.35
CHARLES P. DOWNER, 7901 WESTPARK DRIVE MCLEAN VA 22102	NATIONAL MACHINE TOOL BUILDERS' ASSN	1,125.00	250.00
JANE LIND DOWNEY, 2200 MILL RD ALEXANDRIA VA 22314	AMERICAN MOVERS CONFERENCE	833.00	
CONNIE M. DOWNS, 1800 K STREET, NW WASHINGTON DC 20006	BANKAMERICA CORP		
JOHN H. DOWNS JR., 1101 16TH STREET, NW WASHINGTON DC 20036	NATIONAL SOFT DRINK ASSN		291.32
JOHN P. DOYLE JR., 8600 BOUNDBROOK LANE ALEXANDRIA VA 22309	J.P. DOYLE ENTERPRISES, INC	3,000.00	
WILLIAM A. DOYLE, 2346 S. ROLFE STREET ARLINGTON VA 22202	HARRIS CORP	2,850.00	1,734.34
NANCY DRABBLE, 215 PENNSYLVANIA AVE., SE WASHINGTON DC 20003	CONGRESS WATCH	7,999.98	
RONALD W. DRACH, 807 MAINE AVENUE, SW WASHINGTON DC 20024	DISABLED AMERICAN VETERANS	15,688.41	13.05
JAMES E. DRAKE, 1101 VERMONT AVE., NW WASHINGTON DC 20005	AMERICAN MEDICAL ASSN	5,272.00	
PAUL A. DRAZEK, 600 MARYLAND AVENUE, SW WASHINGTON DC 20024	AMERICAN FARM BUREAU FEDERATION	7,500.00	
JOAN ALBERT DREUX, 600 PENNSYLVANIA AVENUE, SE, #211 WASHINGTON DC 20003	NATIONAL ASSN OF CASUALTY & SURETY AGENTS	2,400.00	1,112.82
JEROME L. DREYER, 1300 N. 17TH ST. SUITE 300 ARLINGTON VA 22209	ASSOCIATION OF DATA PROCESSING SERVICE ORGANIZATIONS		
STEPHEN D. DRIESLER, 1150 17TH STREET, NW, #306 WASHINGTON DC 20036	NATIONAL MULTI HOUSING COUNCIL	2,375.00	522.93
JOHN P. DRING, 1331 PENNSYLVANIA AVE., NW, #565 WASHINGTON DC 20004	TEXAS GAS TRANSMISSION CORP	1,500.00	278.26
KEVIN J. DRISCOLL, 1800 M ST., NW WASHINGTON DC 20036	AMERICAN BAR ASSN	400.00	50.00
DOROTHY J. DRUMMER, 1730 K ST., NW, #703 WASHINGTON DC 20006	AMERICAN BUSINESS CONFERENCE, INC	115.38	25.00
EDWIN JASON DRYER, 1775 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20006	FOLEY LARDNER HOLLABAUGH & JACOBS (FOR: VGS CORPORATION)		
FRAN DU MELLE, 1101 VERMONT AVENUE, NW, #402 WASHINGTON DC 20005	AMERICAN LUNG ASSN	2,890.00	1,053.00
ERNEST DUBESTER, 815 16TH STREET, NW WASHINGTON DC 20006	AMERICAN FED OF LABOR & CONGRESS OF INDUSTRIAL ORGANIZATIONS	14,104.27	251.73
EVELYN DUBROW, 1710 BROADWAY NEW YORK NY 10019	INTERNATIONAL LADIES' GARMENT WORKERS UNION	11,739.00	3,133.00
MORGAN D. DUBROW, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	150.00	
TIM DUDGEON, 1250 EYE STREET, NW, #900 WASHINGTON DC 20005	DISTILLED SPIRITS COUNCIL OF THE U.S.	2,000.00	200.00
JANE MCPIKE DUDLEY, 1101 15TH STREET, N.W. WASHINGTON DC 20005	NATIONAL CONSTRUCTORS ASSOCIATION	1,050.00	
MARY JANE C. DUE, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
ANN ANDERSON DUFF, 1776 F ST., NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	1,200.00	
JOSEPH R. DUGAN, 888 16TH STREET, NW WASHINGTON DC 20006	MILK INDUSTRY FOUNDATION/INT'L ASSN OF ICE CREAM MFGRS		
C. R. DUGGAN, 815 16TH ST., NW WASHINGTON DC 20006	BROTHERHOOD OF RAILWAY AIRLINE & STEAMSHIP CLERKS	2,700.00	2,700.00
FRANCIS J. DUGGAN, 412 FIRST ST., SE, #200 WASHINGTON DC 20003	ASSOCIATION OF AMERICAN RAILROADS	681.95	197.70
EVELYN DUKOVIC, 475 RIVERSIDE DRIVE, #239 NEW YORK NY 10115	MORALITY IN MEDIA, INC		
MERVIN E. DULLUM, 1629 K ST., NW, #204 WASHINGTON DC 20006	DELTA AIR LINES, INC	200.00	51.60
DON R. DUNCAN, 1825 K ST.,NW SUITE 1107 WASHINGTON DC 20006	PHILLIPS PETROLEUM COMPANY	4,500.00	227.85
DUNCAN WEINBERG & MILLER, P.C., 1775 PENNSYLVANIA AVE., NW, #1200 WASHINGTON DC 20006	GUAM POWER AUTHORITY		
Do	MID WEST ELECTRIC CONSUMERS' ASSN, INC		
Do	STATE OF NEVADA	125.00	
Do	STATE OF NORTH DAKOTA	210.00	
Do	WESTERN FUELS ASSOCIATION, INC		
WILLIAM C. DUNCAN, 1050 17TH STREET, NW, #410 WASHINGTON DC 20036	JAPAN AUTOMOBILE MANUFACTURERS ASSN	1,800.00	810.12
MARI LEE DUNN, 1850 K ST., NW, #520 WASHINGTON DC 20006	AMERICAN COUNCIL FOR CAPITAL FORMATION		
JOHN H. DUNNE, 818 ROEDER RD., #702 SILVER SPRING MD 20910	INTERNATIONAL FED OF PROFESSIONAL & TECHNICAL ENGINEERS		
DUNNELLS DUVALL BENNETT & PORTER, 1220 19TH STREET, NW, #400 WASHINGTON DC 20036	MULTIFAMILY HOUSING ASSOCIATION		
JAMES A. DUPREE, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	FORD MOTOR CO	2,400.00	910.20
JOSEPH L. DURAN, 100 FEDERAL ST. BOSTON MA 02110	FIRST NATIONAL BANK OF BOSTON		
JUDY C. DURAND, 1120 20TH STREET, NW, #600S WASHINGTON DC 20036	UNION PACIFIC CORPORATION	666.00	615.18
MARGARET A. DURBIN, 1025 CONNECTICUT AVENUE, NW, #415 WASHINGTON DC 20036	AMERICAN INSURANCE ASSN	255.00	8.00
B. J. DURHAM, P.O. BOX 2121 CORPUS CHRISTI TX 78403	CENTRAL POWER AND LIGHT COMPANY	259.80	384.44
ED DURKIN, 101 CONSTITUTION AVENUE, NW WASHINGTON DC 20001	UNITED BROTHERHOOD OF CARPENTERS & JOINERS OF AMERICA		
DUTKO & ASSOCIATES, 412 FIRST ST., SE, #214 WASHINGTON DC 20003	A.R.M., INC		
Do	ANCHOR INDUSTRIES, INC	3,093.75	
Do	ASSOCIATES OF NORTH AMERICA		
Do	BILL'S COAL CO		
Do	CALIFORNIA SPACE INST. & SCRIPPS INSTITUTION OF OCEANOGRAPHY	6,000.00	
Do	CENERGY EXPLORATION CO	8,668.75	
Do	CHEROKEE COAL CO	10,641.00	
Do	D & B WHOLESALE COSMETICS, INC	3,119.33	
Do	DSC COMMUNICATIONS		
Do	GRANGER ASSOCIATES		
Do	GULF & WESTERN INDUSTRIES, INC	22,500.00	
Do	MITCHELL ENERGY & DEVELOPMENT CORP	238.75	
Do	OKLAHOMA STATE UNIVERSITY	6,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	PATCH COAL CO		
Do	PITTS ENERGY GROUP	238.75	
Do	SCHLENSKER DRILLING CO		
Do	M. STEVENS COSMETICS CO	2,591.67	
Do	SWEETWATER COAL CO		
Do	TEXAS OIL & GAS CORP (TXO)	238.75	
Do	TRADE MAX, INC	6,882.50	
Do	UNITED TELECOM COMMUNICATIONS, INC	10,390.00	
Do	WESSELY ENERGY CORP	238.75	
L. L. DUXBURY, 210 7TH STREET, SE. #517 WASHINGTON DC 20003	RAILROAD RETIREMENT ASSN		719.85
PEGGY L. DUXBURY, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	120.00	
HENRY I. DWORSHAK, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
DENIS J. DWYER, 700 NORTH FAIRFAX ST. ALEXANDRIA VA 22314	RAILWAY PROGRESS INSTITUTE	475.00	
RODERICK T. DWYER, 1920 N STREET,N.W. WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
MICHAEL J. DYER, 1331 PENNSYLVANIA AVENUE, NW, #905 WASHINGTON DC 20004	NATIONAL COALITION FOR EMERGENCY MEDICAL SERVICES		
DYNALECTRON CORPORATION, 1313 DOLLEY MADISON BLVD. MCLEAN VA 22101			
TALIS DZENITIS, 633 PENNSYLVANIA AVENUE, NW, #600 WASHINGTON DC 20004	SEARS ROEBUCK & CO	500.00	19.15
DENNIS J. EARHART, 2001 WISCONSIN AVE., #100 WASHINGTON DC 20007	BEAR WEST CO, INC (FOR ROCKY MOUNTAIN ENERGY CO)	1,528.13	
JACK D. EARLY, 1155 15TH ST., NW, #514 WASHINGTON DC 20005	NATIONAL AGRICULTURAL CHEMICALS ASSN	225.00	21.00
GEORGE H. EATMAN, 1800 CONNECTICUT AVE., NW WASHINGTON DC 20009	SLURRY TECHNOLOGY ASSN	1,000.00	
EATON ASSOCIATES, INC, 1725 K ST., NW, #1111 WASHINGTON DC 20006			
CHARLES H. EATON, 1725 K ST. NW, #1111 WASHINGTON DC 20006	EATON ASSOCIATES, INC		
ROBERT E. L. EATON, 1725 K ST., NW, #1111 WASHINGTON DC 20006	EATON ASSOCIATES, INC		
ROBERT E. EBEL, 1025 CONNECTICUT AVE., NW, #1014 WASHINGTON DC 20036	ENSERCH CORPORATION	1,450.00	805.00
N. BOYD ECKER, 1100 CONNECTICUT AVE., NW WASHINGTON DC 20036	MOBIL OIL CORP	1,500.00	73.61
ROBERT C. ECKHARDT, 1750 PENNSYLVANIA AVE., NW, #1105 WASHINGTON DC 20006	CERTAIN TEXAS CLAIMANTS LAWYERS	4,250.00	
Do	CONSOLIDATED NATURAL GAS CO	5,000.01	
Do	INVESTMENT COMPANY INSTITUTE	5,000.01	
Do	STATE BAR OF TEXAS	10,000.00	
Do	WESTERN FUELS ASSOCIATION, INC	9,999.99	
PATRICIA K. ECONOMOS, 15TH & M STREETS, NW WASHINGTON DC 20005	NATIONAL ASSN OF HOME BUILDERS OF THE U.S.		
EDEA, INC, P.O. BOX 3056 VERO BEACH FL 32964	AMERICAN SHIP BUILDING CO		
WILLIAM R. EDGAR, 1620 EYE ST., NW, #501 WASHINGTON DC 20006	GATES LEARJET CORPORATION		
HELEN H. EDGE, 700 N. FAIRFAX ST. ALEXANDRIA VA 22314	RAILWAY PROGRESS INSTITUTE	462.50	
ARTHUR B. EDGEWORTH JR , 1709 NEW YORK AVE., NW, #801 WASHINGTON DC 20006	U.S. LEAGUE OF SAVINGS INSTITUTIONS	625.00	
EDISON ELECTRIC INSTITUTE, 9TH FLOOR 1111 19TH ST., NW WASHINGTON DC 20036		69,568.44	143,552.45
V. ANNE EDLUND, 1620 EYE ST., NW, #1000 WASHINGTON DC 20006	MOTOR VEHICLE MANUFACTURERS ASSN OF THE U.S., INC		
STEPHEN L. EDMISTON, 807 MAINE AVE., SW WASHINGTON DC 20024	DISABLED AMERICAN VETERANS	14,024.40	348.48
ED EDMONDSON, BOX 11 MUSKOGEE OK 74401	AMERICAN INLAND WATERWAYS COMMITTEE		
Do	CHEROKEE NATION		
Do	DOSS AVIATION, INC		
Do	IU INTERNATIONAL MANAGEMENT CORP		
Do	OKLAHOMA ASSN OF ELECTRIC COOPS		
Do	U.S. MARITIME COMMITTEE, INC		
EDS CORPORATION, 229 PENNSYLVANIA AVE., SE WASHINGTON DC 20003			2,933.00
JOHN M. EDSALL, 1120 20TH STREET, NW, #600S WASHINGTON DC 20036	UNION PACIFIC CORPORATION	218.00	953.12
EDWARDS ASSOCIATES, 507 SECOND ST., NE WASHINGTON DC 20002	CONFEDERATED TRIBES OF WARM SPRINGS		
CHRISTINE A. EDWARDS, 633 PENNSYLVANIA AVE., NW, #600 WASHINGTON DC 20004	SEARS ROEBUCK & CO	408.76	40.00
J. RODNEY EDWARDS, 260 MADISON AVE. NEW YORK NY 10016	AMERICAN PAPER INSTITUTE, INC		
WILLIAM A. EDWARDS, 1111 19TH STREET, NW WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	4,768.83	859.58
PAUL S. EGAN, 1608 K ST., NW WASHINGTON DC 20006	AMERICAN LEGION	9,003.00	183.88
YVONNE B. EIDER, 400 FIRST STREET, NW, #800 WASHINGTON DC 20001	FRIENDS OF ANIMALS, INC	5,322.84	449.00
ROBERT F. EISEN, 111 WEST 40TH STREET NEW YORK NY 10018	GREENWOOD MILLS MARKETING CO		3,003.00
ALBERT C. EISENBERG, 1735 NEW YORK AVENUE, NW WASHINGTON DC 20006	AMERICAN INST OF ARCHITECTS	9,000.00	10.00
H. J. ELAM III, 1201 MAPLE ST. GREENSBORO NC 27405	CONE MILLS CORPORATION	26,000.00	9,629.00
JANE ELDER, 214 N. HENRY ST., #203 MADISON WI 53703	SIERRA CLUB	3,840.00	3,504.23
GEORGE K. ELIADES, 7297 LEE HIGHWAY FALLS CHURCH VA 22042	SOCIETY OF AMERICAN WOOD PRESERVERS, INC	400.00	900.00
C. M. ELKINS ASSOCIATES, 1100 17TH ST., NW, #310 WASHINGTON DC 20036	DELAWARE & HUDSON RAILWAY CO		
Do	MISSOURI KANSAS TEXAS RAILROAD		
Do	PITTSBURGH & LAKE ERIE RAILROAD		
J. BURTON ELLER JR., 1301 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20004	NATIONAL CATTLEMEN'S ASSN	1,000.00	
CHARLES W. ELLIOTT, WISCONSIN PETROLEUM COUNCIL 25 W. MAIN ST., #703 MADISON WI 53703	AMERICAN PETROLEUM INSTITUTE	35.00	
JOHN DOYLE ELLIOTT, 5500 QUINCY ST. HYATTSVILLE MD 20784			
KEITH H. ELLIS, 1015 18TH ST.,NW WASHINGTON DC 20036	CONFERENCE OF STATE BANK SUPERVISORS	3,800.00	114.11
ELY RITTS BRICKFIELD & BETTS, WATERGATE 600 BLDG., #915 WASHINGTON DC 20037	AMERICAN PUBLIC POWER ASSN		
Do	OCEAN MINING ASSOCS		
EMERGENCY COMMITTEE FOR AMERICAN TRADE, 1211 CONNECTICUT AVE. WASHINGTON DC 20036		57,272.16	34,418.70
EMERSON ELECTRIC CO, 8000 FLORISSANT ST. LOUIS MO 63136			3,107.53
EMPLOYEE RELOCATION COUNCIL, 1627 K ST., NW, #600 WASHINGTON DC 20006			5,082.33
EMPLOYERS COUNCIL ON FLEXIBLE COMPENSATION, 1700 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20006		181,307.78	
IRENE R. EMSELLEM, 1800 M STREET, NW WASHINGTON DC 20036	AMERICAN BAR ASSN	400.00	50.00
LOWELL J. ENDAHL, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	125.00	
ENERGY CONSUMERS & PRODUCERS ASSN, BOX 1726 PETROLEUM PLAZA SEMINOLE OK 74868		28,970.00	8,619.13
RALPH ENGEL, 1001 CONNECTICUT AVE., NW, #1120 WASHINGTON DC 20036	CHEMICAL SPECIALTIES MFGRS ASSN	105.00	21.60
CHRISTOPHER ENGQUIST, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
CLINTON W. ENSIGN, 2600 VIRGINIA AVENUE, NW, #901 WASHINGTON DC 20037	SINCLAIR OIL CORPORATION	500.00	252.80
ENVIRONMENTAL FUND, 1325 G ST., NW #1003 WASHINGTON DC 20005			1,162.00
EPSTEIN BECKER BORSODY & GREEN, 1140 19TH ST., NW, #900 WASHINGTON DC 20036	NATIONAL CABLE TELEVISION ASSN, INC	1,790.00	
PAUL A. EQUALE, 600 PENNSYLVANIA AVE., SE, #200 WASHINGTON DC 20003	INDEPENDENT INSURANCE AGENTS OF AMERICA, INC	10,846.00	
INGOLF G. ESDERS, 815 16TH STREET, NW WASHINGTON DC 20006	INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO	7,589.50	
MARK ESHERICK, 1346 CONNECTICUT AVENUE, NW, #603 WASHINGTON DC 20036	ZERO POPULATION GROWTH, INC	916.00	56.00
JOHN T. ESTES, 2550 M ST., NW, #770 WASHINGTON DC 20037	RJR INDUSTRIES, INC	300.00	70.00
STEPHEN E. EURE, P.O. BOX 3556 WASHINGTON DC 20007	AMERICAN MEAT INSTITUTE	2,000.00	
EUROPEAN TRAVEL COMMISSION, 630 FIFTH AVENUE NEW YORK NY 10111			
DONALD C. EVANS JR., 655 15TH STREET, NW, #310 WASHINGTON DC 20005	FREIGHT FORWARDERS INSTITUTE		
Do	INDUSTRY COUNCIL FOR TANGIBLE ASSETS		
Do	OLYMPIA & YORK DEVELOPMENTS LTD		
Do	OLYMPIA & YORK EQUITY CORP		
Do	STEPAN CORPORATION		
JOHN R. EVANS, 9208 SEVEN LOCKS ROAD BETHESDA MD 20817	CAPITAL MARKETS GROUP	3,000.00	30.00
JOSEPH O. EVANS, APARTMENT 21 4401 LEE HWY. ARLINGTON VA 22207			
RAE FORKER EVANS, 1201 PENNSYLVANIA AVE., NW, #210 WASHINGTON DC 20004	HALLMARK CARDS, INC		
ROBERT B. EVANS, 1101 14TH STREET, NW WASHINGTON DC 20005	AMERICAN FINANCIAL SERVICES ASSN	1,375.00	
ROBERT D. EVANS, 1800 M ST., NW WASHINGTON DC 20036	AMERICAN BAR ASSN	400.00	50.00
ROBERT J. EVANS, 2060 CANTERBURY ROAD KINGSPORT TN 37660			
WILLIAM J. EVANS JR., 1660 L ST., NW, #901 WASHINGTON DC 20036	PAN AMERICAN WORLD SERVICES, INC	650.00	248.58
J. BALLARD EVERETT, 1125 15TH STREET, NW, #700 WASHINGTON DC 20001	MORTGAGE BANKERS ASSN OF AMERICA	1,060.00	209.00
ELLEN E. EVES, NEW MURPHY RD. AND CONCORD PIKE WILMINGTON DE 19897	ICI AMERICAS, INC		59.32
KY P. EWING JR., 1101 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	VINSON & ELKINS (FOR: ARCHIE BENNETT)		15.67
Do	VINSON & ELKINS (FOR: FEDERAL LAND BANK ASSNS OF TEXAS STOCKHOLDERS' DEFENSE FUND).	172,323.47	640.46
Do	VINSON & ELKINS (FOR: ALFRED C. GLASSELL JR.)	23,922.02	290.18
Do	VINSON & ELKINS (FOR: NORTHVILLE INDUSTRIES CORP)		
Do	VINSON & ELKINS (FOR: PUBLIC SERVICE BOARD OF THE CITY OF EL PASO, TX)	19,429.23	
Do	VINSON & ELKINS (FOR: TRAVELERS INSURANCE CO)	148,872.30	1,442.18
WAYNE S. EWING, ASSOCIATED PETROLEUM INDUSTRIES OF PA P.O. BOX 925 HARRISBURG PA 17108	AMERICAN PETROLEUM INSTITUTE		
ROBBIE G. EXLEY, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FEDERATION OF FEDERAL EMPLOYEES	77.94	
PAUL K. EYER, 122 C STREET, NW, #875 WASHINGTON DC 20001	AMERICAN OSTEOPATHIC ASSN	1,350.00	64.75
F/P RESEARCH ASSOCIATES, 1700 K ST., NW, #303 WASHINGTON DC 20006	NATIONAL CABLE TELEVISION ASSN, INC	1,000.00	
ROBERT R. FAHS, 1101 15TH ST., NW, #205 WASHINGTON DC 20005	CARGILL INC	2,500.00	73.00
DALE W. FALLAT, P.O. BOX 119 MAUMEE OH 43537	ANDERSONS		
F. S. FALLON JR., P.O. BOX 888-F-9 ASHLAND KY 41101			
GEORGE W. FALLTRICK, 815 16TH ST., NW WASHINGTON DC 20006	BROTHERHOOD OF RAILWAY AIRLINE & STEAMSHIP CLERKS		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
PETER M. FANNON, 1818 N STREET, NW, #410 WASHINGTON DC 20036	NATIONAL ASSN OF PUBLIC TELEVISION STATIONS	600.00	150.00
THOMAS B. FARLEY II , 1220 L ST., NW WASHINGTON DC 20005	AMERICAN PETROLEUM INSTITUTE	6,200.00	197.00
FARM CREDIT COUNCIL, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036		15,458.68	6,661.71
DAVID M. FARMER, 1629 K STREET, NW, #1010 WASHINGTON DC 20006	ALLIANCE OF AMERICAN INSURERS	1,300.00	
FARMERS' EDUCATIONAL & CO-OPERATIVE UNION OF AMERICA, 600 MARYLAND AVE., SW, #202W WASHINGTON DC 20025.		167,250.25	65,037.65
JOHN W. FARQUHAR, 1750 K ST., NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	300.00	
ROBERT M. FARQUHAR, P.O. BOX 130 LEVIS, QUEBEC, CANADA G6V 6N7	DAVIE SHIPBUILDING LIMITED		
DAGMAR T. FARR, 1750 K STREET, N.W. WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	450.00	
CHRISTOPHER G. FARRAND, 1120 20TH STREET, NW, #720 WASHINGTON DC 20036	PEABODY HOLDING COMPANY, INC		187.00
MICHAEL FARRAR, 1619 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	AMERICAN PAPER INSTITUTE, INC	200.00	
JOSEPH A. FARRELL, 1600 WILSON BOULEVARD, #1000 ARLINGTON VA 22209	AMERICAN WATERWAYS OPERATORS, INC	1,000.00	11.00
MARCUS G. FAUST, 2121 K ST., NW, #880 WASHINGTON DC 20037	STANDARD OIL CO (OHIO)	11,250.00	
JANE FAWCETT-HOOVER, 801 18TH ST., NW, #400 WASHINGTON DC 20006	PROCTER & GAMBLE MANUFACTURING CO	50.00	
WILLIAM D. FAY, 1130 17TH STREET, NW WASHINGTON DC 20036	NATIONAL COAL ASSN	6,125.00	3,451.26
FEDERAL JUDGES ASSOCIATION, 1355 MARKET STREET, #155 SAN FRANCISCO CA 94103		15,000.00	22,115.53
FEDERATION EMPLOYMENT & GUIDANCE SERVICE, 114 FIFTH AVENUE NEW YORK NY 10011			
FEDERATION FOR AMERICAN AFGHAN ACTION, 236 MASSACHUSETTS AVENUE, NE WASHINGTON DC 20002			12,219.86
FEDERATION OF AMERICAN CONTROLLED SHIPPING, 50 BROADWAY NEW YORK NY 10004		1,499.59	1,499.59
FEDERATION OF AMERICAN HOSPITALS, 1111 19TH ST., NW, #402 WASHINGTON DC 20036		11,500.00	11,500.00
FEDERATION OF AMERICAN SCIENTISTS, 307 MASSACHUSETTS AVE., NE WASHINGTON DC 20002			2,423.82
DONALD M. FEHR, 805 THIRD AVE. NEW YORK NY 10022	MAJOR LEAGUE BASEBALL PLAYERS ASSN		
BRUCE E. FEIN, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BELL ATLANTIC MANAGEMENT SERVICES).	275.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)		
CARL B. FELDBAUM, 1716 N STREET, NW WASHINGTON DC 20036	J. W. MARRIOTT JR.		
JOEL F. FELDMAN, LAW OFFICES OF SHELDON I. LONDON 1725 DESALES STREET, NW, #401 WASHINGTON DC 20036	AMERICAN HARDWARE MANUFACTURERS ASSN		
RANDOLPH B. FENNINGER, 1101 VERMONT AVENUE, NW WASHINGTON DC 20005	AMERICAN MEDICAL ASSN	4,500.00	
JUDITH W. FENSTERER, 242 E. 80TH STREET NEW YORK NY 10021	GENERIC PHARMACEUTICAL INDUSTRY ASSN	298.00	57.39
FENSTERWALD ALCORN & BOWMAN, 1000 WILSON BLVD., #900 ARLINGTON VA 22209	EQUITY FOR NATIONAL GUARD TECHNICIANS	2,512.50	207.13
Do	NATIONAL NUTRITIONAL FOODS ASSOCIATION	11,188.01	4,063.38
GEORGE F. FENTON JR., 1920 N STREET, NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS	45.00	10.00
EDWARD T. FERGUS, 100 GOLD ST. NEW YORK NY 10292	PRUDENTIAL-BACHE SECURITIES INC	750.00	
JACK FERGUSON ASSOCIATES, INC, 203 MARYLAND AVE., NE WASHINGTON DC 20002	DILLINGHAM CONSTRUCTION GROUP	14,364.23	1,406.94
Do	DILLINGHAM SHIP REPAIR		
Do	FOSS LAUNCH & TUG COMPANY; FOSS ALASKA LINE		
Do	MIDLAND CAPITAL CORP		
Do	NORTHWEST ENERGY COMPANY	3,000.00	1,098.31
Do	TACOMA BOAT BUILDING CO/AT-SEA INCINERATION		1,172.71
Do	U.S. BORAX & CHEMICAL CORP	15,333.33	1,747.26
Do	WESTERN FOREST INDUSTRIES ASSN		
BETSY FERGUSON, 1875 EYE ST., NW, #1110 WASHINGTON DC 20006	TIMES MIRROR COMPANY		
JOHN L. FESTA, 1619 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	AMERICAN PAPER INSTITUTE, INC		
FRED C. FIELDING, 1725 JEFFERSON DAVIS HWY, #900 ARLINGTON VA 22202	AM GENERAL CORPORATION	3,800.00	122.00
C. H. FIELDS, 600 MARYLAND AVE., SW WASHINGTON DC 20024	AMERICAN FARM BUREAU FED	6,562.50	41.45
HERBERT A. FIERST, 610 RING BLDG. 1200 18TH ST., NW WASHINGTON DC 20036	COUNCIL OF FOREST INDUSTRIES OF B.C.	31,251.00	1,840.00
LOUIS F. FINCH, 2001 JEFFERSON DAVIS HIGHWAY, #307 ARLINGTON VA 22202	INTERNATIONAL REQUIREMENTS CORP		
LAWRENCE A. FINERAN, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS		
WILLIAM A. FINERFROCK, 1117 N. 19TH STREET, #300 ARLINGTON VA 22209	AMERICAN ACADEMY OF PHYSICIAN ASSISTANTS	8,076.00	32.80
MATTHEW P. FINK, 1600 M ST., NW WASHINGTON DC 20036	INVESTMENT COMPANY INSTITUTE		
FINLEY KUMBLE WAGNER HEINE UNDERBERG MANLEY & CASEY, 10TH FLOOR 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036.	DIRECT BROADCAST SATELLITE CORP		
Do	GENERAL DYNAMICS CORP		
Do	GOLDEN NUGGET, INC	5,768.00	
Do	GOVERNMENT OF ANTIGUA & BARBUDA	2,700.00	
Do	RCA		
Do	TRT TELECOMMUNICATIONS CORP		
Do	TURNER BROADCASTING SYSTEM, INC		
Do	UNITED SATELLITE ACTION	1,160.00	
STEPHEN A. FINN, P.O. BOX 520783 - GENERAL MAIL FACILITY MIAMI FL 33152	BURGER KING CORP		
FINNEGAN HENDERSON FARABOW GARRETT & DUNNER, 1775 K STREET, NW WASHINGTON DC 20006	INTERNATIONAL COMMUNICATIONS ASSN		
THOMAS D. FINNIGAN, OLD RIDGEBURY ROAD SECTION D228 DANBURY CT 06817	UNION CARBIDE CORP		
M. J. FIOCCO, 1090 VERMONT AVE., NW WASHINGTON DC 20005	NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE	4,625.00	46.50
FIRST NATIONAL BANK OF BOSTON, 100 FEDERAL ST. BOSTON MA 02110			17,699.31
RICHARD L. FISCHER, 1000 16TH ST., NW WASHINGTON DC 20036	AMOCO CORPORATION		
FISHER & PHILLIPS, 3500 FIRST ATLANTA TOWER TWO PEACHTREE STREET, NW ATLANTA GA 30383	SAVANNAH-CHATHAM COUNTY BOARD OF EDUCATION		
DONALD W. FISHER, 3814 IVANHOE LANE ALEXANDRIA VA 22310	AMERICAN GROUP PRACTICE ASSN, INC	140.00	
DWIGHT R. FISHER, 600 MARYLAND AVENUE, SW, #700 WASHINGTON DC 20024	NATIONAL FED OF INDEPENDENT BUSINESS	700.00	100.00
JANET S. FISHER, 1333 NEW HAMPSHIRE AVENUE, NW WASHINGTON DC 20036	ATLANTIC RICHFIELD CO	250.00	
JOHN FISHER, 140 OKLAHOMA ROAD COOK WA 98605	COLUMBIA GORGE UNITED		
WILLIAM P. FISHER, 311 FIRST STREET, NW WASHINGTON DC 20001	NATIONAL RESTAURANT ASSN		
CHARLES L. FISHMAN, P.C., 1717 K STREET, NW, #502 WASHINGTON DC 20036	CAROLINA POWER & LIGHT CO		
Do	CONSOLIDATED EDISON CO OF NEW YORK		
Do	DUKE POWER CO		
Do	STONE & WEBSTER ENGINEERING CORP		
Do	VIRGINIA ELECTRIC & POWER CO		
Do	WESTINGHOUSE ELECTRIC CORP		
LAURI J. FITZ, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: GOVERNMENT OF CANADA).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF HAITI)	880.00	
CHARLES B. FITZGERALD IV , 15837 A CRABBS BRANCH WAY ROCKVILLE MD 20855	NATIONAL CENTER FOR DRUNK DRIVING CONTROL		
MARY CLARE FITZGERALD, 1025 THOMAS JEFFERSON ST., NW, #301 WASHINGTON DC 20007	GOLEMBE ASSOCIATES, INC		
THOMAS H. FITZPATRICK, 410 ASYLUM STREET HARTFORD CT 06103	AMERICAN PETROLEUM INST	400.00	606.78
ALAN M. FITZWATER, 3800 CONTINENTAL PLAZA 777 MAIN STREET FORT WORTH TX 76102	BURLINGTON NORTHERN RAILROAD	20,000.00	1,023.70
HILLIARD J. FJORD, 602 MAIN ST., #600 CINCINNATI OH 45202	OHIO RIVER CO	3,000.00	828.50
DANIEL V. FLANAGAN JR., 1730 RHODE ISLAND AVENUE, NW, #206 WASHINGTON DC 20036	VIRGINIA POWER CO		
JAMES J. FLANAGAN, 25 RESEARCH DR. WESTBOROUGH MA 01581	NEW ENGLAND POWER SERVICE CO	684.30	155.45
MICHAEL FLEMING, 1300 17TH ST., #1010 ARLINGTON VA 22209	AMERICAN ASSN OF EQUIPMENT LESSORS		
RUTH FLOWER, 245 SECOND ST., NE. WASHINGTON DC 20002	FRIENDS COMMITTEE ON NATIONAL LEGISLATION	4,050.99	
THOMAS H. FLOYD JR., DGA INTERNATIONAL, INC 1818 N STREET, NW WASHINGTON DC 20036	ARIANESPACE, S.A.		91.92
VERONICA M. FLOYD, 2001 S. JEFF DAVIS HIGHWAY, #1107 ARLINGTON VA 22202	BRUNSWICK CORP	5,700.00	545.71
RICHARD A. FLYE, MCKENNA CONNER & CUNEO 1575 EYE STREET, NW WASHINGTON DC 20005	FERTILIZER INSTITUTE	12,401.50	
FOLEY & LARDNER, 1775 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	VGS CORPORATION		
R. D. FOLSOM, 1317 F STREET, NW, #400 WASHINGTON DC 20004	R. DUFFY WALL & ASSOCIATES, INC (FOR: BRINKS, INC)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: FOOTWEAR RETAILERS OF AMERICA)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: LIBERTY NATIONAL)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: LIFE OF VIRGINIA)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: MORGAN GUARANTY TRUST CO)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: PHARMACEUTICAL MANUFACTURERS ASSN).	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: WINE & SPIRITS WHOLESALERS OF AMERICA).	300.00	
FOOD & ALLIED SERVICE TRADES DEPT, AFL-CIO, 815 16TH ST., NW WASHINGTON DC 20006		16,506.00	16,506.00
FOOD MARKETING INSTITUTE, 1750 K ST., NW WASHINGTON DC 20006			5,400.00
FOODSERVICE AND LODGING INSTITUTE, 1919 PENNSYLVANIA AVE., NW WASHINGTON DC 20006			
GORDON FORBES, 303 HANOVER BLDG., 480 CEDAR ST. ST. PAUL MN 55101	MINNESOTA RAILROADS	875.00	2,155.04
JAMES E. FORD, 1333 NEW HAMPSHIRE AVENUE, NW WASHINGTON DC 20036	ATLANTIC RICHFIELD CO		
LAURENCE S. FORDHAM, FOLEY, HOAG & ELIOT ONE POST OFFICE SQUARE BOSTON MA 02109	C & S WHOLESALE GROCERS, INC		
JOHN H. FOREHAND III, 12216 FLEMING LANE BOWIE MD 20715	COMPUTERVISION		
Do	OMNI-TECH OF AMERICA, INC		
DONALD D. FOREMAN, 5001 W. 80TH ST., #880 MINNEAPOLIS MN 55437	STANDARD OIL CO (INDIANA)		
FORESIGHT SCIENCE & TECHNOLOGY, INC, 2000 P ST., NW, #305 WASHINGTON DC 20036	NATIONAL COALITION FOR SCIENCE & TECHNOLOGY	675.00	1,175.71
Do	SOCIETY FOR AMERICAN ARCHAEOLOGY	2,861.83	2,148.83

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
FOREST FARMERS ASSOCIATION, P.O. BOX 95385 ATLANTA GA 30347			691.15
MARK A. FORMAN, 345 PARK AVE., 31ST FL NEW YORK NY 10154	UNION PACIFIC CORP	625.00	
MARTI FORMAN, 3471 N. FEDERAL HIGHWAY, #511 FT. LAUDERDALE FL 33306	AMERISERV, INC		
SALLIE H. FORMAN, 1825 K ST., NW WASHINGTON DC 20006	NATIONAL BROADCASTING CO, INC	937.50	50.07
LUISE FORSETH, 3055 OLD HIGHWAY 8 P.O. BOX 1453 MINNEAPOLIS MN 55440	MEDTRONIC, INC	50.00	127.68
RICHARD C. FORTUNA, 2916 STEPHENSON PL., NW WASHINGTON DC 20015	HAZARDOUS WASTE TREATMENT COUNCIL	1,500.00	1,500.00
EBERT E. FOURNACE, 3706 EATON RD., NW CANTON OH 44708	AMERICAN ELECTRIC POWER SERVICE CORP		
CONRAD M. FOWLER, BOX 71 WEST POINT GA 31833	WEST POINT PEPPERELL	5,974.00	11,198.32
ALLAN M. FOX, 1575 I STREET, NW, #1150 WASHINGTON DC 20005	AMERICAN MEAT INSTITUTE		
ERIC R. FOX, 1700 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	APPLE COMPUTER CORP		
DONALD FRAHER, 633 E STREET, NW WASHINGTON DC 20004	AMERICAN SYMPHONY ORCHESTRA LEAGUE	8,749.98	500.35
DAVID E. FRANASIAK, 1001 22ND STREET, #600 WASHINGTON DC 20037	STANDARD OIL CO (OHIO)	1,555.00	211.69
FRANCES E. FRANCIS, SPIEGEL & MCDIARMID 1350 NEW YORK AVE., NW WASHINGTON DC 20037	NORTHERN CALIFORNIA POWER AGENCY, ET AL		
DOUGLAS L. FRANCISCO, 1101 16TH ST., NW WASHINGTON DC 20036	INDEPENDENT PETROLEUM ASSN OF AMERICA		122.00
ALFRED S. FRANK JR., 700 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20037	NCR CORP		
DAVID C. FRANKIL, 918 16TH STREET, NW, #402 WASHINGTON DC 20006	AMERICAN FURNITURE MANUFACTURERS ASSN	750.00	421.80
WALTER L. FRANKLAND JR., 1717 K ST., NW WASHINGTON DC 20006	SILVER USERS ASSN, INC	2,131.70	64.46
JAMES R. FRANKLIN, 1185 AVENUE OF THE AMERICAS NEW YORK NY 10036	J.P. STEVENS & CO, INC		1,680.00
MARIAN C. FRANZ, 2121 DECATUR PLACE, NW WASHINGTON DC 20008	NATIONAL COUNCIL FOR A PEACE TAX FUND	450.00	144.00
CHARLES L. FRAZIER, 475 L'ENFANT PLAZA, SW, #2250 WASHINGTON DC 20024	NATIONAL FARMERS ORGANIZATION	5,250.00	3,704.42
GREGORY W. FRAZIER, P.O. BOX 427 ENGLEWOOD CO 80151	INTERNATIONAL ENERGY BROKERS, INC		
ROBERT M. FREDERICK, 1616 H ST., NW WASHINGTON DC 20006	NATIONAL GRANGE	5,000.00	
FREDERICK SERVICE GROUP, 102 W. CHURCH STREET FREDERICK MD 21701			
ANN TODD FREE, 1120 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN	500.00	
FREE THE EAGLE NATIONAL CITIZEN'S LOBBY, 11244 WAPLES MILL RD., SUITE J FAIRFAX VA 22030		3,100.00	272,970.81
D. MICHAL FREEDMAN, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE	7,755.34	
JOEL FREEDMAN, 1600 M ST., NW, 5TH FLOOR WASHINGTON DC 20036	HARTFORD FIRE INSURANCE CO	5,000.00	
JAMES O. FREEMAN, 1709 NEW YORK AVE., NW, #801 WASHINGTON DC 20006	U.S. LEAGUE OF SAVINGS INSTITUTIONS	4,845.00	20.00
LEWIS R. FREEMAN JR., 605 14TH STREET, NW WASHINGTON DC 20005	SOCIETY OF THE PLASTICS INDUSTRY		
MARY ANN FREEMAN, 1331 PENNSYLVANIA AVE. NW WASHINGTON DC 20005	GENERAL ELECTRIC CO	50.00	
PAULA A. FREER, 1800 M ST., NW, #975 WASHINGTON DC 20036	MARATHON OIL CO		
RONNA FREIBERG, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: ASARCO INC)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BROWNING-FERRIS INDUSTRIES, INC).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BUDD COMPANY)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: CHICAGO TITLE INSURANCE CO).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: COMMONWEALTH OF PUERTO RICO).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: FIRST AMERICAN TITLE INSURANCE CO).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: JOINT MARITIME CONGRESS).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LAWYERS TITLE INSURANCE CO).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: NATIONAL BRAODCASTING COMPANY).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)	130.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SAFECO TITLE INSURANCE CO).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SANTA FE CORP)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SHAKLEE CORPORATION)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: STEWART TITLE GUARANTY CO).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: STROH BREWERY CO)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: TOBACCO INSTITUTE)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: WARNER COMMUNICATIONS).		
FRENCH & COMPANY, 1317 F ST., NW, #307 WASHINGTON DC 20004	NATIONAL RETAIL MERCHANTS ASSN	3,150.00	295.00
VERRICK O. FRENCH, FRENCH & COMPANY 1317 F STREET, NW WASHINGTON DC 20004	HONG KONG TRADE DEVELOPMENT COUNCIL	1,570.00	125.00
SARA HAMRIC FREUND, 260 MADISON AVE. NEW YORK NY 10016	AMERICAN PAPER INSTITUTE, INC		
ANNETTE P. FRIBOURG, 3900 WISCONSIN AVE., NW WASHINGTON DC 20016	FEDERAL NATIONAL MORTGAGE ASSN	5,750.00	306.12
GEORGE L. FRICK, P.O. BOX 1429 20 E.DIVISION ST. DOVER DE 19903	AMERICAN PETROLEUM INSTITUTE		
SUSAN FRIDY, 1840 WILSON BOULEVARD ARLINGTON VA 22201	NATIONAL MILK PRODUCERS FED	2,490.00	
FRIED FRANK HARRIS SHRIVER & JACOBSON, 600 NEW HAMPSHIRE AVE., NW, #1000 WASHINGTON DC 20037	GENERAL ELECTRIC CO	1,258.50	21.40
PHILIP P. FRIEDLANDER JR., 1250 EYE STREET, NW, #400 WASHINGTON DC 20005	NATIONAL TIRE DEALERS & RETREADERS ASSN		
JAMES M. FRIEDMAN, 1100 CITIZENS BLDG. CLEVELAND OH 44114	CLEVELAND ELECTRIC ILLUMINATING CO	7,235.00	361.45
Do	COALITION FOR ENVIRONMENTAL-ENERGY BALANCE	6,970.00	361.45
FRIENDS COMMITTEE ON NATIONAL LEGISLATION, 245 2ND ST., NE WASHINGTON DC 20002			24,490.26
FRIENDS OF ANIMALS, INC, 400 FIRST STREET, NW, #800 WASHINGTON DC 20001		10,000.00	13,624.53
FRIENDS OF THE COLUMBIA GORGE, 519 SW THIRD, #810 PORTLAND OR 97204			
SUSAN T. FRITSCHLER, 1111 19TH STREET, NW WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	2,463.12	573.16
CHARLES H. FRITTS, 1101 14TH STREET, NW, #804 WASHINGTON DC 20005	NATIONAL APARTMENT ASSN	9,000.00	339.96
CHARLES H. FRITZEL, 499 S. CAPITOL ST., SE, #401 WASHINGTON DC 20003	NATIONAL ASSN OF INDEPENDENT INSURERS	300.00	305.00
JEFFREY FRITZLEN, 1120 20TH STREET, NW, #600-S WASHINGTON DC 20036	UNION PACIFIC CORP	2,000.00	
RICHARD B. FROH, 900 17TH ST., NW, #1014 WASHINGTON DC 20006	KAISER FOUNDATION HEALTH PLAN, INC	21,250.00	
MARCY STEPHENS FROSH, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE	5,670.00	88.00
ALBERT E. FRY, 1828 L STREET, NW, #402 WASHINGTON DC 20036	BUSINESS ROUNDTABLE	2,000.00	
FULBRIGHT & JAWORSKI, 1150 CONNECTICUT AVE., NW, #400 WASHINGTON DC 20036	CRYSTAL OIL COMPANY		
CLAUDIA R. FUQUAY, 1401 NEW YORK AVE., NW, #400 WASHINGTON DC 20036	NATIONAL FOOD PROCESSORS ASSN	500.00	76.59
FUTURES INDUSTRY ASSN, INC, 1825 EYE STREET, NW, #1040 WASHINGTON DC 20006			
DAVID H. FYOCK, 600 MARYLAND AVE., SW, #520 WASHINGTON DC 20024	GPU SERVICE CORPORATION	1,066.00	853.82
GA ASSN OF PETROLEUM RETAILERS, INC, 900 N. HAIRSTON RAOD, SUITE D STONE MOUNTAIN GA 30083			
MARC P. GABOR, 5025 WISCONSIN AVENUE, NW WASHINGTON DC 20016	AMALGAMATED TRANSIT UNION, AFL-CIO	3,000.00	618.86
TERRY GABRIELSON, 490 L'ENFANT PLAZA, SW, #3202 WASHINGTON DC 20024	TRANSCO ENERGY CO		
JAMES E. GAFFIGAN, 1899 L ST., NW, #607 WASHINGTON DC 20036	TRAVEL & TOURISM GOVERNMENT AFFAIRS POLICY COUNCIL	1,875.00	
FRANK W. GAINES JR., OLWINE CONNELLY CHASE O'DONNELL & WEYHER 1850 K STREET, NW, #890 WASHINGTON DC 20006.	PROGRESS TRADING CO		
NORMAN S. GAINES, 2550 M ST., NW, #770 WASHINGTON DC 20037	RJR INDUSTRIES, INC	2,200.00	1,171.94
JOE H. GALIS, P.O. BOX 221 RAIFORD FL 32083			
KARL GALLANT, 8001 BRADDOCK ROAD SPRINGFIELD VA 22160	NATIONAL RIGHT TO WORK COMM	3,000.00	287.93
MARK GALLANT, 1619 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL FOREST PRODUCTS ASSN	1,600.00	
HARRY GANDERSON, P.O. BOX 871 CHARLOTTSVILLE VA 22902	INTERNATIONAL TRADE SERVICES CORP		
CURTIS B. GANS, ROUTE 2, BOX 60 LOVETTSVILLE VA 22190	COMMITTEE FOR THE STUDY OF THE AMERICAN ELECTORATE	23,000.00	
JOHN B. GANTT, 2000 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION	2,360.00	
Do	ORBITAL SCIENCES CORPORATION	1,020.00	
NICOLE GARA, 1117 NORTH 19TH STREET, NW, #300 ARLINGTON VA 22209	AMERICAN ACADEMY OF PHYSICIAN ASSISTANTS	7,941.08	
HARRY D. GARBER, 1285 AVENUE OF THE AMERICAS NEW YORK NY 10019	EQUITABLE LIFE ASSURANCE SOCIETY OF THE U.S	4,400.00	45.00
GARDNER CARTON & DOUGLAS, 1875 I ST., NW WASHINGTON DC 20006	MIDCON CORP		
NANCY GARLAND, 600 MARYLAND AVENUE, SW, #400 WASHINGTON DC 20024	AMERICAN OPTOMETRIC ASSN		
EDWARD A. GARMATZ, 2210 LAKE AVE. BALTIMORE MD 21213	BALTIMORE GAS & ELECTRIC CO		
NICHOLAS P. GARNETT, 1025 VERMONT AVE., NW, #410 WASHINGTON DC 20005	NATIONAL INSULATION CONTRACTORS ASSN		
GARRETT & COMPANY, 1630 CONNECTICUT AVENUE, NW, #202 WASHINGTON DC 20009	GOVERNMENT OF THE REPUBLIC OF HAITI	4,125.00	4,500.00
Do	TAIWAN POWER COMPANY	3,000.00	4,500.00
GRENVILLE GARSIDE, 1050 THOMAS JEFFERSON ST., NW, 7TH FL. WASHINGTON DC 20007	VAN NESS FELDMAN SUTCLIFFE & CURTIS, P.C. (FOR: CENTRAL & SOUTH WEST CORP).		
JOHN C. GARTLAND, 214 MASS. AVE., NE, #210 WASHINGTON DC 20002	AMWAY CORP	8,250.00	60.89
GARVEY SCHUBERT ADAMS & BARER, 1000 POTOMAC ST., NW WASHINGTON DC 20006	CONTRACTORS BONDING & INSURANCE CO	651.00	121.58
Do	CSX CORPORATION	5,875.00	
Do	GTE SERVICE CORP		
Do	JAPAN FISHERIES ASSOCIATION	2,695.00	
Do	NIKE, INC		
Do	NORTHWEST MARINE IRON WORKS	6,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	PACCAR, INC		
Do	PACIFIC RIM TRADE ASSN		
Do	PORT OF TILLAMOOK BAY & TILLAMOOK COUNTY	4,000.00	
Do	SONATRACH	3,225.00	
Do	TOTEM: OCEAN TRAILER EXPRESS, INC	455.00	
Do	TRAILWAYS, INC	6,675.00	
Do	TRANS WORLD AIRLINES, INC	5,000.00	
Do	WASHINGTON CITIZENS FOR WORLD TRADE		
E. JUNE GARVIN, OHIO PETROLEUM COUNCIL 88 E. BROAD, #1960 COLUMBUS OH 43215	AMERICAN PETROLEUM INSTITUTE	1,500.00	2,365.44
W. BRADFORD GARY, 1050 17TH STREET, NW, #1126 WASHINGTON DC 20036	BAXTER TRAVENOL LABORATORIES, INC		
MARY A. GARZA, P.O. BOX 152777, 5B-7 IRVING TX 75015	ZALE CORP		
GAS APPLIANCE MANUFACTURERS ASSN, INC, 1901 NORTH FORT MYER DR. ARLINGTON VA 22209			
VERNON GASAWAY, 191 SANDS STREET, APT. 5J BROOKLYN NY 11201			
LILLIAN B. GASKIN, 1800 M ST., NW WASHINGTON DC 20036	AMERICAN BAR ASSN	400.00	50.00
FRANK T. GASPER, 8104 RIVER FALLS DRIVE POTOMAC MD 20854	MOOG, INC		
PHILIP GASTEYER, 1709 NEW YORK AVE., NW, #801 WASHINGTON DC 20006	U.S. LEAGUE OF SAVINGS INSTITUTIONS	3,250.00	
MARGARET L. GEHRES, 1828 L STREET, NW, #402 WASHINGTON DC 20036	BUSINESS ROUNDTABLE	700.00	145.46
RUTHANN GEIB, 1156 15TH STREET, NW, #1020 WASHINGTON DC 20005	AMERICAN SUGARBEET GROWERS ASSN		
RONALD L. GEIGLE, 1030 15TH STREET, NW, #1100 WASHINGTON DC 20005	HEALTH INDUSTRY MANUFACTURERS ASSOCIATION		
CAROLE SONNENFELD GEITHNER, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE	3,400.03	
ROBERT C. GELARDI, 5775 PEACHTREE-DUNWOODY RD., #500-D ATLANTA GA 30342	ROBERT H. KELLEN CO (FOR: CALORIE CONTROL COUNCIL)	360.00	
MORTON A. GELLER, 100 FEDERAL ST. BOSTON MA 02110	FIRST NATIONAL BANK OF BOSTON		
GENERAL AVIATION MANUFACTURERS ASSOCIATION, 1400 K STREET, NW, #801 WASHINGTON DC 20005			4,982.00
GENERAL INSTRUMENT CORPORATION, 767 5TH AVE. NEW YORK NY 10153		600.00	
GENERIC PHARMACEUTICAL INDUSTRY ASSN, 200 MADISON AVE., #2404 NEW YORK NY 10016		9,455.39	9,455.39
SUSAN STRAUSS GENN, 1025 CONNECTICUT AVENUE, NW, #707 WASHINGTON DC 20036	INTERNATIONAL FRANCHISE ASSN		
FRED J. GENTILE, 195 MONTAGUE STREET BROOKLYN NY 11201	BROOKLYN UNION GAS CO		
JOHN GENTILLE, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
NANCY WHORTON GEORGE, 499 SOUTH CAPITOL STREET, SW, #400 WASHINGTON DC 20003	CELERON		
Do	HOUSTON NATURAL GAS		
Do	TRANSCO, INC		
GEORGE W. GEPHART, P.O. BOX 1475 BALTIMORE MD 21203	BALTIMORE GAS & ELECTRIC CO		
GERARD BYLER & ASSOCIATES, INC, 1100 17TH STREET, NW WASHINGTON DC 20036	AK CHIN INDIAN COMMUNITY		
Do	ALASKA FEDERATION OF NATIVES		
Do	COLVILLE BUSINESS COUNCIL	250.00	
Do	COMMISSIONED OFFICERS ASSN OF THE U.S. PUBLIC HEALTH SERVICE		
Do	LEECH LAKE RESERVATION BUSINESS COMMITTEE		
Do	MINNESOTA CHIPPEWA TRIBE		
Do	PAPAGO TRIBE OF ARIZONA	1,223.00	
Do	TULALIP TRIBES	653.00	
Do	WHITE EARTH RESERVATION BUSINESS COMMITTEE	510.00	
JOSEPH G. GERARD, 918 16TH ST., NW, #402 WASHINGTON DC 20006	AMERICAN FURNITURE MANUFACTURERS ASSN	1,500.00	1,048.16
LOUIS GERBER, 1925 K ST., NW WASHINGTON DC 20006	COMMUNICATIONS WORKERS OF AMERICA	5,999.38	111.75
DANIEL R. GERKIN, 1575 I STREET, NW, #525 WASHINGTON DC 20005	MINING & RECLAMATION COUNCIL OF AMERICA	500.00	
PHYLLIS H. GERSTELL, 1850 K ST., NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
ALVIN J. GESKE, 1801 K ST., NW, #1109 WASHINGTON DC 20006	NATIONAL CATTLEMEN'S ASSN		
DAVID TROY SAXTON GETTY, P.O. BOX 7000-A TEXARKANA TX 75501		--	
DOROTHY F. GEVINSON, 801 18TH STREET, NW, #400 WASHINGTON DC 20006	PROCTER & GAMBLE MANUFACTURING CO	36.66	
ROBERT N. GIAIMO, 1140 19TH ST., NW, #600 WASHINGTON DC 20036	AETNA LIFE & CASUALTY	9,375.00	
Do	INSURANCE ASSOCIATION OF CONNECTICUT	3,750.00	
WAYNE GIBBENS, 1919 PENNSYLVANIA AVE., NW, #503 WASHINGTON DC 20006	MID-CONTINENT OIL & GAS ASSN	17,255.00	725.40
ANNE MARIE GIBBONS, THIRD FLOOR 2301 M STREET, NW WASHINGTON DC 20037	AMERICAN PUBLIC POWER ASSN	500.00	
GIBSON DUNN & CRUTCHER, 1050 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	ASSOCIATED SPECIALTY CONTRACTORS, INC		
Do	FEDERATION OF APPAREL MANUFACTURERS		
Do	INSURANCE ASSN OF CONNECTICUT		
Do	MECHANICAL CONTRACTORS ASSN OF AMERICA, INC		
THERESA GIBSON, 1771 N STREET, NW WASHINGTON DC 20036	NATIONAL ASSN OF BROADCASTERS	1,500.00	913.44
WILLIAM G. GIERY, 1919 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	FOODSERVICE AND LODGING INSTITUTE		
WILLIAM L. GIFFORD, 600 MARYLAND AVENUE, SW, #520 WASHINGTON DC 20024	GPU NUCLEAR CORP		
PAMELA GILBERT, 215 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	U.S. PUBLIC INTEREST RESEARCH GROUP	3,250.00	
RICHARD C. GILBERT, 1015 15TH STREET, NW WASHINGTON DC 20005	AMERICAN PUBLIC HEALTH ASSN	1,222.00	
MICHAEL GILDEA, 815 16TH ST., NW WASHINGTON DC 20006	AMERICAN FED OF LABOR & CONGRESS OF INDUSTRIAL ORGANIZATIONS	14,151.00	
JOHN E. GILES, 1600 EYE ST., NW WASHINGTON DC 20006	MOTION PICTURE ASSN OF AMERICA, INC	250.00	267.03
FLOYD H. GILKEY, 2111 HARBOR DRIVE ANNAPOLIS MD 21401	CHESAPEAKE INDUSTRIES, INC		
GINN & EDINGTON, INC, 121 SOUTH COLUMBUS STREET ALEXANDRIA VA 22314	GARRETT CORPORATION	8,000.00	80.60
Do	GULFSTREAM AEROSPACE CORP	1,500.00	12.73
Do	HERCULES INC		
Do	LOCKHEED-GEORGIA COMPANY	4,000.00	38.18
Do	MECHANICAL TECHNOLOGY, INC	4,500.00	42.42
Do	PROFESSIONAL INSURANCE AGENTS	6,000.00	55.15
Do	ROCKWELL INTERNATIONAL CORP	6,000.00	59.39
Do	TEXAS INSTRUMENTS, INC	10,000.00	93.33
Do	TURNER BROADCASTING SYSTEM, INC	6,250.00	59.38
Do	U.S. CANE SUGAR REFINERS' ASSN		
GERARD GIOVANIELLO, 777 14TH ST., NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	2,500.00	456.89
MICHAEL K. GIRE, BRICKER & ECKLER 100 E. BROAD ST. COLUMBUS OH 43215	AMERICAN SMALL AND RURAL HOSPITAL ASSOCIATION, OHIO CHAPTER		
BRENDA M. GIRTON, 633 PENNSYLVANIA AVENUE, NW, #600 WASHINGTON DC 20004	SEARS ROEBUCK & CO	100.00	
FRANCIS J. GIST, 1511 K STREET, NW, #809 WASHINGTON DC 20005			
MICHAEL J. GIUFFRIDA, 204 E STREET, NE WASHINGTON DC 20002	NATIONAL FROZEN FOOD ASSOCIATION	1,000.00	
SOL GLASNER, 2000 L ST., NW, #810 WASHINGTON DC 20036	SPERRY CORPORATION		
CLAUDE R. GLAZE, 815 16TH ST., NW WASHINGTON DC 20006	BROTHERHOOD OF RAILWAY AIRLINE & STEAMSHIP CLERKS	500.00	500.00
GEORGE L. GLEASON, 410 1ST ST., SE WASHINGTON DC 20003	AMERICAN NUCLEAR ENERGY COUNCIL	6,593.76	607.59
JOHN P. GLEASON, 11490 COMMERCE PARK DR. RESTON VA 22041	BRICK INSTITUTE OF AMERICA		
LAW OFFICES OF THOS GLEASON, 90 BROAD STREET, #600 NEW YORK NY 10004	INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO		
ROBERT GLEASON, 815 SIXTEENTH STREET, N.W. WASHINGTON DC 20006	INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO	8,458.25	
DONALD R. GLENN, 1627 K STREET, NW, #200 WASHINGTON DC 20006	ENERGY RESEARCH CORP		
JERE W. GLOVER, 1725 K STREET, NW, #308 WASHINGTON DC 20006	NATIONAL COUNCIL FOR INDUSTRIAL INNOVATION		
THOMAS G. GODFREY, P.O. BOX 69 WOLWORTH WI 53184	KIKKOMAN FOODS, INC		
JAMES W. GODLOVE, 1825 K STREET, NW, #1107 WASHINGTON DC 20006	PHILLIPS PETROLEUM CO	900.00	
RICHARD P. GODWIN, P.O. BOX 3965 SAN FRANCISCO CA 94119	BECHTEL CIVIL & MINERALS, INC		
JOSEPH GOFFMAN, 215 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	CONGRESS WATCH	4,249.98	
GEORGE TIMOTHY GOJIO, 1730 RHODE ISLAND AVENUE, NW, #204 WASHINGTON DC 20036	JAPANESE AMERICAN CITIZENS LEAGUE	7,000.00	3,200.00
A. JAMES GOLATO, 2300 M ST., NW, #800 WASHINGTON DC 20037	H&R BLOCK, INC	175.00	63.20
GOLD & LIEBENGOOD, INC, 1050 CONNECTICUT AVENUE, NW, #980 WASHINGTON DC 20036	COLLEGE OF AMERICAN PATHOLOGISTS	33,870.00	2,232.00
Do	DOREMUS & CO	6,400.00	3,657.00
Do	ELECTRONIC DATA SYSTEMS	21,725.00	2,186.00
Do	ENERGY RESEARCH CORP #200	6,888.00	1,732.00
Do	EQUITABLE LIFE ASSURANCE SOCIETY OF THE U.S.	84,498.00	2,582.00
Do	FEDERATED INVESTORS, INC	25,000.00	2,170.00
Do	FUND FOR ASSURING AN INDEPENDENT RETIREMENT	4,413.00	1,612.00
Do	GLOBETROTTERS ENGINEERING CORP	720.00	1,613.00
Do	HANDGUN CONTROL, INC	5,000.00	1,587.00
Do	INVESTMENT COMPANY INSTITUTE	5,775.00	1,909.00
Do	MARIOTT GROUP/MARRIOTT CORP	3,565.00	1,714.00
Do	MARIST COLLEGE	5,105.00	1,647.00
Do	MARTIN MARIETTA CORP	22,474.00	2,085.00
Do	NATIONAL COALITION FOR PORT PROGRESS		
Do	NATIONAL FOOTBALL LEAGUE	69,700.00	2,482.00
Do	OIL INVESTMENT INSTITUTE	1,475.00	1,758.00
Do	OUTDOOR ADVERTISING ASSN OF AMERICA	10,300.00	1,825.00
Do	PHILLIPS PETROLEUM CO	26,388.00	1,963.00
Do	PURGATORIE RIVER WATER CONSERVANCY DISTRICT	12,000.00	1,863.00
Do	TEXAS CATTLEFEEDERS ASSN	10,613.00	1,937.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	TICOR TITLE INSURANCE CO	26,950.00	1,780.00
Do	TIMES MIRROR	7,038.00	1,639.00
Do	TOBACCO INSTITUTE	60,000.00	3,709.00
HARVEY S. GOLD, 8100 OAK STREET DUNN LORING VA 22027	NATIONAL PEST CONTROL ASSN		
STEPHEN V. GOLD, 1010 WISCONSIN AVENUE, NW, #800 WASHINGTON DC 20007	GROCERY MANUFACTURERS OF AMERICA		
HOWARD S. GOLDBERG, 1818 N ST., NW WASHINGTON DC 20036	DGA INTERNATIONAL INC (FOR: SOCIETE NATIONALE D'ETUDE ET DE CONST DE MOTEURS D'AVIATION).		
Do	DGA INTERNATIONAL, INC (FOR: SOFREAVIA)		
RONALD L. GOLDFARB, GOLDFARB, SINGER & AUSTERN 918 16TH STREET, NW, #503 WASHINGTON DC 20003	WASHINGTON INDEPENDENT WRITERS, INC		
PATRICIA R. GOLDMAN, 444 NORTH CAPITOL STREET, NW WASHINGTON DC 20001	AMERICAN HOSPITAL ASSN	3,953.96	375.77
ROBERT H. GOLDSBOROUGH, 5508 LOMBARDY PLACE BALTIMORE MD 21210	AMERICANS FOR IMMIGRATION CONTROL, INC	3,000.00	552.20
BENSON S. GOLDSTEIN, 1600 M STREET, NW WASHINGTON DC 20036	INVESTMENT COMPANY INSTITUTE	68.68	22.00
HELANE L. GOLDSTEIN, 2626 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20037	NATIONAL TELEPHONE COOPERATIVE ASSN	1,862.50	403.66
JACK GOLODNER, 815 16TH ST., N.W. WASHINGTON DC 20006	DEPARTMENT FOR PROFESSIONAL EMPLOYEES, AFL-CIO	4,004.75	
RUTH M. GOLTZER, 1785 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL TRUST FOR HISTORIC PRESERVATION	4,619.93	
JOHN GONELLA, 412 FIRST ST., SE, #200 WASHINGTON DC 20036	ASSOCIATION OF AMERICAN RAILROADS	680.42	177.15
RUTH GONZE, THIRD FLOOR 2301 M STREET, NW WASHINGTON DC 20037	AMERICAN PUBLIC POWER ASSN	500.00	
CHARLES E. GOODELL, KING & SPALDING 1730 PENNSYLVANIA AVENUE, NW, #1200 WASHINGTON DC 20006	DGA INTERNATIONAL, INC (FOR SOFREAVIA)		
Do	DGA INTERNATIONAL, INC (FOR SNECMA)		
Do	THOMSON-CSF, INC		
GOODWIN PROCTER & HOAR, 28 STATE STREET BOSTON MA 02109	POLAROID CORPORATION		
ROBERT F. GOODWIN, 1850 K ST., NW, SUITE 275 WASHINGTON DC 20006	MEREDITH CORP	40.00	26.00
DOUGLAS GORDON, 1401 NEW YORK AVE., NW, #400 WASHINGTON DC 20005	NATIONAL FOOD PROCESSORS ASSN	375.00	
RANDALL C. GORDON, 725 15TH STREET, NW WASHINGTON DC 20005	NATIONAL GRAIN & FEED ASSN	60.00	
STEPHEN GORDON, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FED OF FEDERAL EMPLOYEES		
IRMGARD GORDOS, 1504 FERNWOOD-GLENDALE, #L-4 SPARTANBURG SC 29302	AMERICAN SECURITY COUNCIL		
MILLICENT GORHAM, 600 MARYLAND AVE., SW, #400E WASHINGTON DC 20024	AMERICAN OPTOMETRIC ASSN		
DAVID W. GORMAN, 807 MAINE AVENUE, SW WASHINGTON DC 20024	DISABLED AMERICAN VETERANS	12,688.00	160.00
JAMES D. GORMLEY, 1400 EYE ST., NW WASHINGTON DC 20005	GENERAL AVIATION MANUFACTURERS ASSOCIATION	1,917.00	
BARBARA DIANE GORRA, 1819 L STREET, NW, #820 WASHINGTON DC 20036	SANTA FE INTERNATIONAL CORP		
ANN M. GOSIER, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
JOHN T. GOULD JR., 1875 EYE STREET, NW, #540 WASHINGTON DC 20006	CHAMPION INTERNATIONAL CORP	200.00	600.00
GOVERNMENT RELATIONS ASSOCIATES, INC, 655 15TH ST., NW, #300 WASHINGTON DC 20005	GILMORE STEEL CORP		
Do	KAISER STEEL CORP		
HUGH J. GOWNLEY, 1225 19TH STREET, NW WASHINGTON DC 20036	DGA INTERNATIONAL, INC (FOR: SNECMA)		
EDMUND GRABER, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA	1,000.00	500.00
JOHN R. GRAFF, 1025 VERMONT AVE., NW, #330 WASHINGTON DC 20005	INTERNATIONAL ASSN OF AMUSEMENT PARKS AND ATTRACTIONS	107.50	1,452.00
DONALD E. GRAHAM, MCDERMOTT, WILL & EMERY 1850 K STREET, NW, #500 WASHINGTON DC 20006	NATIONAL COUNCIL OF FARMER COOPERATIVES		
LAWRENCE T. GRAHAM, 1401 NEW YORK AVENUE, NW, #400 WASHINGTON DC 20005	NATIONAL FOOD PROCESSORS ASSN	500.00	84.00
JOHN K. GRAM, 610 S.W. BROADWAY, #608 PORTLAND OR 97205	PUBLIC TIMBER PURCHASERS GROUP	1,781.25	340.55
FRANCES TURK GRANAHAN, 1090 VERMONT AVENUE, NW, #600 WASHINGTON DC 20005	TEXAS EASTERN TRANSMISSION CORP		201.19
JAMES I. GRANGER, 3806 MARYLAND STREET ALEXANDRIA VA 22309	PIPER AIRCRAFT CORPORATION	500.00	180.00
WILLIAM W. GRANT, 1150 CONNECTICUT AVE., NW, #710 WASHINGTON DC 20036	UTAH INTL, INC		130.80
JAMES L. GRANUM, 1050 CONNECTICUT AVE., NW WASHINGTON DC 20036	NORFOLK SOUTHERN CORPORATION	1,000.00	
GRAPHIC COMMUNICATIONS INTERNATIONAL UNION, AFL-CIO, CLC, 1900 L STREET, NW WASHINGTON DC 20036		27,806.00	32,020.00
KARLA L. GRAUE, 1724 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL CABLE TELEVISION ASSN, INC	892.00	
RUTH P. GRAVES, 600 MARYLAND AVE., SW, #500 WASHINGTON DC 20024	READING IS FUNDAMENTAL, INC	420.00	52.70
THOMAS P. GRAVES, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	125.00	
DAVID C. GRAY, 2939 VAN NESS STREET, NW, #108 WASHINGTON DC 20008	AMERICAN CAMPAIGN ASSOCIATION	7,000.00	766.36
JAMES A. GRAY, 7901 WESTPARK DR. MCLEAN VA 22102	NATIONAL MACHINE TOOL BUILDERS' ASSN	855.00	25.00
NEIL A. GRAY, 6811 KENILWORTH AVE. RIVERDALE MD 20737	NATIONAL ASPHALT PAVEMENT ASSN	6,623.64	1,492.15
ROBERT K. GRAY, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AMERICAN MARITIME ASSN).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: ASARCO INC)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BROWNING-FERRIS INDUSTRIES, INC).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BUDD COMPANY)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: CANADIAN ASBESTOS INFORMATION CENTRE).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: CHICAGO TITLE INSURANCE CO).	175.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: ELECTRONIC INDUSTRIES ASSN OF JAPAN).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: FIRST AMERICAN TITLE INSURANCE CO).	175.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: GRUMMAN CORPORATION)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: HRH PRINCE TALAL BIN ABDUL AZIZ AL SAUD).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: HTB CORPORATION)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: JOINT MARITIME CONGRESS).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LAWYERS TITLE INSURANCE CO).	175.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MARTIN BAKER AIRCRAFT COMPANY LTD).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MOTOROLA, INC)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: NATIONAL BROADCASTING CO, INC).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: QUIXOTE CORPORATION)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)	700.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SAFECO TITLE INSURANCE CO).	175.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SHAKLEE CORPORATION)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: STROH BREWERY CO)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: STUART TITLE INSURANCE CO).	175.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: TOBACCO INSTITUTE)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: U.S. BANKNOTE)		
MARK E. GRAYSON, 1201 PENNSYLVANIA AVE., NW, #700 WASHINGTON DC 20004	HILL & KNOWLTON, INC		
SAMUEL A. GRAYSON, P.O. BOX 1745 BOISE ID 83701	UNION PACIFIC RAILROAD		
MARY R. GREALY, 1111 19TH STREET, NW, #402 WASHINGTON DC 20036	FEDERATION OF AMERICAN HOSPITALS	1,500.00	
GREAT AMERICAN RESERVE INSURANCE CO, 2020 LIVE OAK P.O. BOX 388 DALLAS TX 75221			
GREAT WESTERN SUGAR CO, P.O. BOX 5308 DENVER CO 80217			
GREATER WASHINGTON BOARD OF TRADE, 1129 20TH ST., NW WASHINGTON DC 20036			
GREATER WASHINGTON/MARYLAND SERVICE STATION ASSN, 9420 ANNAPOLIS RD., 307 LANHAM MD 20706		2,000.00	2,000.00
DONALD R. GREELEY, 1101 17TH ST., NW, #307 WASHINGTON DC 20036	CELANESE CORP	2,000.00	164.20
EDWARD M. GREEN, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
GEORGE R. GREEN, 1750 K ST., NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	450.00	
JOHN K. GREEN, 800 AMERICAN CHARTER CENTER 1623 FARNAM ST. OMAHA NB 68102	PAPILLION-LAVISTA NEBRASK SCHOOL DISTRICT	3,512.50	55.54
KAYLENE H. GREEN, 555 NEW JERSEY AVE., NW, #880 WASHINGTON DC 20001	CONGOLEUM CORPORATION	300.00	126.20
LAURA MARIE GREEN, 8001 BRADDOCK ROAD SPRINGFIELD VA 22160	NATIONAL RIGHT TO WORK COMMITTEE	800.00	600.25
LEON GREEN JR., 1819 L ST., NW, #700 WASHINGTON DC 20036	CLEAN COAL COALITION, INC		
RANDY GREEN, 600 MARYLAND AVENUE, SW, #510 WASHINGTON DC 20024	AMERICAN SOYBEAN ASSN	1,425.00	94.16
ROY G. GREEN, 500 E. JOHN CARPENTER FREEWAY DALLAS/FT. WORTH TX 75261	U.S. LEAGUE OF SAVINGS INSTITUTIONS		
ALLEN GREENBERG, 2000 P ST., NW, #708 WASHINGTON DC 20036	HEALTH RESEARCH GROUP	66.00	
ELDON V. C. GREENBERG, GALLOWAY & GREENBERG 1835 K ST., NW, #801 WASHINGTON DC 20006	SOUTHEASTERN FISHERIES ASSN, INC	6,000.00	2,972.13
ELLEN F. GREENBERG, 1200 17TH STREET, NW WASHINGTON DC 20036	AMERICAN PSYCHOLOGICAL ASSN	2,325.00	285.75
H. THOMAS GREENE, 412 1ST ST., SE WASHINGTON DC 20003	NATIONAL AUTOMOBILE DEALERS ASSN	7,500.00	
MARCI E. GREENSTEIN, 2626 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20037	NATIONAL TELEPHONE COOPERATIVE ASSN	2,330.00	312.23
DALE W. GREENWOOD, 612 HOGE BLDG. SEATTLE WA 98104	WASHINGTON RAILROAD ASSN		
JOHN M. GREER, 1900 L STREET, NW WASHINGTON DC 20036	GRAPHIC COMMUNICATIONS INTERNATIONAL UNION, AFL-CIO, CLC	27,806.00	32,020.00
SARAH MASSENGALE GREGG, 1090 VERMONT AVENUE, NW WASHINGTON DC 20005	AMERICAN HOSPITAL SUPPLY CORP		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
SAUNDERS GREGG, PO BOX 2628 HOUSTON TX 77252	ENTEX, INC		
CHELLIS O. GREGORY JR., 1201 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	HILL AND KNOWLTON, INC (FOR: T. RAMIREZ AND COMPANY, INC)	5,775.00	143.10
JOHN D. GREGORY, LEWIS BABCOCK GREGORY & PLEICONES 1529 LAUREL STREET, P.O. BOX 11208 COLUMBIA SC 29211	MULTIFAMILY HOUSING ASSOCIATION		
MARY ELIZABETH GREGORY, 2075 S. ATLANTIC BLVD. COMMERCE CA 90040	AMERICAN SUN, INC	11,070.00	
KAREN M. GREINER, 1300 NORTH 17TH STREET, #300 ARLINGTON VA 22209	ADAPSO		
GINNY GRENHAM, 2501 M STREET, NW WASHINGTON DC 20037	CHEMICAL MANUFACTURERS ASSN	280.00	283.00
MARIANA E. GRIESMER, 1010 WISCONSIN AVE, NW, #800 WASHINGTON DC 20007	GROCERY MANUFACTURERS OF AMERICA, INC		
ELLEN GRIFFEE, 1413 K STREET, NW, 10TH FL. WASHINGTON DC 20005	ASSOCIATION OF SCIENCE-TECHNOLOGY CENTERS	6,500.00	208.21
RANDALL GRIFFIN, 1515 WILSON BOULEVARD ARLINGTON VA 22209	AMERICAN GAS ASSN	3,000.00	101.26
TOM W. GRIFFITH, 1448 DUKE ST., #100 ALEXANDRIA VA 22314	NATIONAL RURAL LETTER CARRIERS' ASSN	11,877.00	
JACK GRIMES, 8100 OAK STREET DUNN LORING VA 22027	NATIONAL PEST CONTROL ASSN		
NORMAN E. GRIMM JR., 8111 GATEHOUSE ROAD FALLS CHURCH VA 22047	AMERICAN AUTOMOBILE ASSN		
MARYBETH GRISWOLD, 1828 L STREET, NW, #500 WASHINGTON DC 20036	GTE SPRINT COMMUNICATIONS CORP	3,100.00	243.75
OLGA GRKAVAC, 1300 NORTH 17TH ST., #300 ARLINGTON VA 22209	ASSOCIATION OF DATA PROCESSING SERVICE ORGANIZATIONS		
GROCERY MANUFACTURERS OF AMERICA, INC, 1010 WISCONSIN AVE., NW, #800 WASHINGTON DC 20007			8,526.60
JAMES J. GROGAN, P.O. BOX 19614 IRVINE CA 92714	LINCOLN SAVINGS & LOAN ASSN	10,000.00	487.48
GROH EGGERS & PRICE, 550 WEST 7TH AVENUE, #1250 ANCHORAGE AK 99501	AMERICAN PETROFINA, INC		
GROOM & NORDBERG, 1775 PENNSYLVANIA AVENUE, NW, #700 WASHINGTON DC 20006	AD HOC GROUP ON LIFE INSURANCE CO TAXATION OF PENSION FUNDS		
Do	AETNA LIFE & CASUALTY		
Do	ALUMINUM CO OF AMERICA		
Do	BANKERS LIFE COMPANY		
Do	BAXTER TRAVENOL LABORATORIES, INC		
Do	COLORADO-UTE	100.00	8.00
Do	CONNECTICUT GENERAL INSURANCE CO		
Do	DOW CHEMICAL CO		
Do	ELI LILLY AND COMPANY		
Do	EQUITABLE LIFE ASSURANCE SOCIETY OF THE U.S.		
Do	GLOBAL MARINE, INC		
Do	GOLDMAN SACHS & CO		
Do	GUARDIAN LIFE INSURANCE CO OF AMERICA		
Do	GULF OIL CORP		
Do	JOHN HANCOCK MUTUAL LIFE INSURANCE CO		
Do	MINNESOTA MUTUAL LIFE INSURANCE COMPANY		
Do	NEW YORK CITY TEACHERS RETIREMENT SYSTEM		
Do	NEW YORK LIFE INSURANCE COMPANY		
Do	OCEAN DRILLING & EXPLORATION CO		
Do	PHILLIPS PETROLEUM COMPANY		
Do	PHOENIX MUTUAL LIFE INSURANCE COMPANY		
Do	PROVIDENT MUTUAL LIFE INSURANCE CO OF PHILADELPHIA		
Do	PRUDENTIAL INSURANCE COMPANY OF AMERICA	500.00	50.00
Do	PUERTO RICO, U.S.A. FOUNDATION	1,200.00	11,839.36
Do	READING & BATES CORPORATION		
Do	SOUTHERN CALIFORNIA EDISON COMPANY	100.00	8.00
Do	TRAVELERS		
Do	UNION TEXAS PETROLEUM		
Do	WESTERN CONFERENCE OF TEAMSTERS PENSION TRUST FUND		
Do	WESTINGHOUSE ELECTRIC CORP		
NINA G. GROSS, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN	1,500.00	341.37
STANLEY C. GROSS, 249 MAITLAND AVENUE ALTAMONE SPRINGS FL 32701	INSTITUTE OF INTERNAL AUDITORS, INC		
ED GROSSWILER, 920 SW SIXTH AVENUE 1400 PUBLIC SERVICE BUILDING PORTLAND OR 97204	PACIFIC POWER & LIGHT CO	1,723.00	
WALTER B. GRUBBS, P.O. BOX 841 ABILENE TX 79604	WEST TEXAS UTILITIES CO	536.24	1,137.33
JOHN T. GRUPENHOFF, 10,000 FALLS RD., #306 POTOMAC MD 20854	AMERICAN ACADEMY OF DERMATOLOGY	1,400.00	197.00
Do	AMERICAN ACADEMY OF OTOLARYNGOLOGY-HEAD & NECK SURGERY	400.00	118.10
Do	AMERICAN GASTROENTEROLOGICAL ASSN	1,200.00	140.90
Do	AMERICAN SOC FOR GASTROINTESTINAL ENDOSCOPY	1,200.00	140.90
Do	AMERICAN SOC OF CLINICAL ONCOLOGY	600.00	127.90
Do	AMERICAN UROLOGICAL ASSN/AMER ASSN OF CLINICAL UROLOGISTS	860.00	114.70
Do	ASSOCIATION OF AMERICAN CANCER INSTITUTES	780.00	124.20
Do	COOLEY'S ANEMIA FOUNDATION	200.00	112.70
Do	NATIONAL HEMOPHILIA FOUNDATION	300.00	126.70
GERALD M. GUARILIA, 70 NORTH MAIN STREET WILKES-BARRE PA 18711	BLUE CROSS OF NORTHEASTERN PENNSYLVANIA		
KENNETH A. GUENTHER, 1625 MASSACHUAETTS AVE., #202 WASHINGTON DC 20036	INDEPENDENT BANKERS ASSN OF AMERICA		
CLARK J. GUILD JR., GUILD, HAGEN & CLARK, LTD. 102 ROFF WAY RENO NV 89505	MOTION PICTURE ASSN OF AMERICA, INC		
JAMES E. GUIRARD JR., 1730 RHODE ISLAND AVENUE, NW, #419 WASHINGTON DC 20036	BASF WYANDOTTE CORP		65.52
Do	BELL AEROSPACE TEXTRON		
Do	KMS FUSION, INC	850.00	19.00
Do	TANO CORPORATION	1,500.00	514.52
Do	WALK-HAYDEL, INC	3,500.00	488.58
JEROME R. GULAN, 1604 K ST., NW WASHINGTON DC 20006	NATIONAL SMALL BUSINESS ASSN	4,500.00	
Do	SMALL BUSINESS LEGISLATIVE COUNCIL	2,500.00	
GUN OWNERS OF AMERICA, INC, 5881 LEESBURG PIKE, #204 FALLS CHURCH VA 22041		315,657.67	322,107.09
JOHN E. GUNTHER, 1725 K STREET, NW, #1405 WASHINGTON DC 20006	MORTGAGE INSURANCE COS OF AMERICA		
DAVID GUSKY, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FEDERATION OF FEDERAL EMPLOYEES	1,153.36	
SUSAN L. GUSTAFSON, 8111 GATEHOUSE ROAD FALLS CHURCH VA 22047	AMERICAN AUTOMOBILE ASSN		
RAYMOND J. GUSTINI, LEFF & MASON 1700 PENNSYLVANIA AVENUE, NW, #450 WASHINGTON DC 20006	GREAT WESTERN FINANCIAL CORP	11,206.00	62.79
Do	HERON CORP, LTD	2,224.00	35.34
Do	U.S. LEAGUE OF SAVINGS INSTITUTIONS	1,568.00	
ROBERT F. GUTHRIE, 815 16TH ST., NW, #608 WASHINGTON DC 20006	DEPARTMENT FOR PROFESSIONAL EMPLOYEES, AFL-CIO	4,901.00	
RICHARD E. GUTTING JR., 2000 M ST., NW, #580 WASHINGTON DC 20036	NATIONAL FISHERIES INSTITUTE	6,000.00	319.68
ALVIN M. GUTTMAN, 818 CONNECTICUT AVE., NW, #300 WASHINGTON DC 20006	NATIONAL ASSN OF ATOMIC VETERANS	2,500.00	
Do	TOWING & RECOVERY ASSN OF AMERICA, INC	675.00	
DANIEL GUTTMAN, SPIEGEL & MCDIARMID 1350 NEW YORK AVE., NW WASHINGTON DC 20005	SERVICE EMPLOYEES INTERNATIONAL UNION	1,200.00	
DALLAS E. GWYNN, BALCOR PLAZA 4849 GOLF ROAD SKOKIE IL 60077	BALCOR/AMERICAN EXPRESS, INC	20,200.00	5,773.68
H&W DRILLING, INC, 422 NORTH CLIFFWOOD AVENUE LOS ANGELES CA 90049			
JANE SCHERER HAAKE, 1667 K STREET, NW, #420 WASHINGTON DC 20006	MEAD CORPORATION	225.00	
DANA W. HAAS, 1920 N ST., NW, #720 WASHINGTON DC 20036	KANSAS CITY POWER & LIGHT CO, ET AL	2,812.50	5,215.22
GLENN M. HACKBARTH, 444 N. CAPITOL STREET, #204 WASHINGTON DC 20001	BONNEVILLE ASSOCIATES, INC (FOR: INTERMOUNTAIN HEALTH CARE, INC)	13,750.00	
GEORGE HACKER, 1501 16TH STREET, NW WASHINGTON DC 20036	CENTER FOR SCIENCE IN THE PUBLIC INTEREST	800.00	
CRAIG HACKLER, 412 FIRST ST., SE, #214 WASHINGTON DC 20003	BENEFICIAL MANAGEMENT CORP OF AMERICA		
Do	INTERNATIONAL CHIROPRACTIC ASSN		
LOYD HACKLER, 1616 H ST., NW WASHINGTON DC 20006	AMERICAN RETAIL FEDERATION	2,000.00	30.70
CHARLES W. HACKNEY JR., 15TH & M STS., NW WASHINGTON DC 20005	NATIONAL ASSN OF HOME BUILDERS OF THE U.S.		
WILLIAM F. HADDAD, ROUTE 12, SEDGEWOOD CARMEL NY 10512	GENERIC PHARMACEUTICAL INDUSTRY ASSN	3,000.00	
THOMAS M. HAGAN, 1005 CONGRESS AVE., #795 AUSTIN TX 78701	CENTRAL AND SOUTH WEST SERVICES, INC	597.00	1,090.62
HAGEDORN-CANDO, INC, 1704 23RD ST., SO. ARLINGTON VA 22202	DAVY MCKEE CORP		
Do	HANSEN ENGINE CO	1,000.00	
Do	TRAILWAYS BUS CO; NATIONWIDE PASSENGER BUS CO	1,312.50	
Do	YANKEE ENERGY CO	2,000.00	
ANN HAGEMANN, 1735 DESALES ST., NW, #400 WASHINGTON DC 20036	ASSOCIATION OF MAXIMUM SERVICE TELECASTERS, INC		
BRUCE N. HAHN, 9300 LIVINGSTON RD. FT. WASHINGTON MD 20744	NATIONAL TOOLING & MACHINING ASSN	11,420.00	3,696.32
THOMAS F. HAIRSTON, 1050 CONNECTICUT AVE., NW, #760 WASHINGTON DC 20036	UNION OIL CO OF CALIFORNIA	6,000.00	816.13
HALE AND DORR, 1201 PENNSYLVANIA AVE., NW, #807 WASHINGTON DC 20004	INDIAN LAND CLAIM COMMITTEE		
Do	NORTHEASTERN UNIVERSITY	45,000.00	1,427.55
Do	TOWN OF MASHPEE		
Do	VILLERS ADVOCACY FOUNDATION	2,423.50	
Do	PHIL VILLERS		
RANDOLPH M. HALE, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS		
CHERYL A. HALEY, 444 NORTH CAPITOL ST., NW, #500 WASHINGTON DC 20001	AMERICAN HOSPITAL ASSN	1,845.70	248.85
MARTIN HALEY COMPANIES, INC, 1015 15TH ST., NW WASHINGTON DC 20005	M&M/MARS		
REBECCA L. HALKIAS, 1850 K STREET, NW, #1100 WASHINGTON DC 20006	BALLARD SPAHR ANDREWS & INGERSOLL		
DEBI HALL, 729 15TH STREET, NW WASHINGTON DC 20005	ASSOCIATED BUILDERS & CONTRACTORS, INC	2,500.00	
JOHN F. HALL, 1619 MASSACHUSETTS AVE., N.W. WASHINGTON DC 20036	NATIONAL FOREST PRODUCTS ASSN	800.00	
RICHARD F. HALL, 1050 CONNECTICUT AVENUE, NW, #760 WASHINGTON DC 20036	UNION OIL CO OF CALIFORNIA	2,000.00	769.08

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
WILLIAM F. HALL, P.O. BOX 7658 CHICAGO IL 60680	PUBLIC AFFAIRS RESEARCH ASSOCIATES, INC		
MARIAN HALL-CRAWFORD, 316 PENNSYLVANIA AVENUE, SE, #301 WASHINGTON DC 20003	SAN DIEGO GAS & ELECTRIC	1,186.00	2,948.74
PAUL HALLISAY, 1625 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	AIR LINE PILOTS ASSN, INT'L	3,551.60	403.91
JOSEPH HALOW, 1747 PENNSYLVANIA AVE., NW, #1175 WASHINGTON DC 20006	NORTH AMERICAN EXPORT GRAIN ASSN, INC		
MAURICE E. HALSEY, P.O. BOX 190 AURORA IL 60507	NORTHERN ILLINOIS GAS COMPANY	2,000.00	
J. PHILLIP HALSTEAD, P.O. BOX 24305 OAKLAND CA 94623	CLOROX COMPANY		
PAUL T. HALUZA, 1120 19TH ST., NW, #333 WASHINGTON DC 20036	MOTOR AND EQUIPMENT MANUFACTURERS ASSOCIATION	3,000.00	376.51
RHONDA LEE HALVERSON, 1730 K ST., NW, #703 WASHINGTON DC 20006	AMERICAN BUSINESS CONFERENCE, INC	64.62	25.00
HAMEL & PARK, 888 16TH STREET, NW WASHINGTON DC 20006	BENEFICIAL FOUNDATION		
Do	ESTATE OF HELEN WODELL HALBACH		
Do	GRAEPER-VAN NOY-WAGNER, INC		
Do	GRAND TRUNK CORP	13,671.75	264.10
Do	SKYLINK CORPORATION, INC		
Do	TANDY CORPORATION		
J. LEE HAMILTON, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	212.00	
JAMES L. HAMILTON III, 818 CONNECTICUT AVE., NW WASHINGTON DC 20006	U.S. STEEL CORPORATION	720.00	213.79
PHILIP W. HAMILTON, 1825 K ST., NW WASHINGTON DC 20006	AMERICAN SOC OF MECHANICAL ENGINEERS		
STANLEY HAMILTON, 2200 MILL RD. ALEXANDRIA VA 22314	INTERSTATE CARRIERS CONFERENCE	500.00	50.00
VIOLET B. HAMILTON, 4-21 ASTORIA BLVD., #5B LONG ISLAND CITY NY 11102			
SUSAN WOODWARD HAMLIN, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
AMY R. HAMMER, 1899 L ST., NW, #1100 WASHINGTON DC 20036	EXXON CORPORATION	2,000.00	674.63
ROBERT E. HAMPTON, NEW MURPHY ROAD & CONCORD PIKE WILMINGTON DE 19897	ICI AMERICAS, INC		
TIMOTHY A. HANAN, 1100 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	MOBIL CORPORATION	1,500.00	
NOLAN W. HANCOCK, 1126 16TH ST., NW WASHINGTON DC 20036	OIL CHEMICAL & ATOMIC WORKERS INTERNATIONAL UNION	5,549.00	
TED HANDEL, THIRD FLOOR 2301 M STREET, NW WASHINGTON DC 20037	AMERICAN PUBLIC POWER ASSN	4,000.00	
DONALD K. HANES, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL COUNCIL OF FARMER COOPERATIVES	184.75	
GEORGE J. HANKS JR., 1100 15TH ST., NW, 12TH FL. WASHINGTON DC 20005	UNION CARBIDE CORP		
JAMES M. HANLEY, 1337 PENNSYLVANIA AVE., NW, #905 WASHINGTON DC 20004	ALLIANCE OF NON-PROFIT MAILERS	12,501.00	280.00
ELISABETH HANLIN, 2000 L ST., NW, #810 WASHINGTON DC 20036	SPERRY CORPORATION		
HANSELL & POST, 1667 K ST., NW, #500 WASHINGTON DC 20006	CSX CORPORATION		12.35
Do	NATIONAL BROILER COUNCIL	7,850.00	23.70
Do	ROCKWELL INTERNATIONAL CORP		26.20
Do	UNITED FAMILY LIFE INSURANCE CO	668.00	13.00
CHRISTOPHER W. HANSEN, 1745 JEFFERSON DAVIS HIGHWAY, #1000 ARLINGTON VA 22202	GENERAL DYNAMICS	1,000.00	415.00
HANSEN ENGINE CORP, 14920 MINNETONKA INDUSTRIAL ROAD MINNETONKA MN 55343			1,000.00
ERLING HANSEN, 624 9TH ST., NW, 7TH FL. WASHINGTON DC 20001	GROUP HEALTH ASSN OF AMERICA, INC		
J. E. HANSEN, 400 1ST ST., NW WASHINGTON DC 20001	BROTHERHOOD OF RAILROAD SIGNALMEN	350.00	
PETER J. HAPWORTH, 1015 15TH STREET, NW, #200 WASHINGTON DC 20005	NATIONAL PORK PRODUCERS COUNCIL	2,000.00	9.00
ROBERT N. HARBOR, 1050 CONNECTICUT AVENUE, NW, #200 WASHINGTON DC 20036	EL PASO NATURAL GAS CO		
CHARLES G. HARDIN ASSOCIATES, INC, 815 CONNECTICUT AVE., NW, #800 WASHINGTON DC 20006	ANDERSON HIBEY NAUHEIM & BLAIR		65.30
CHARLES G. HARDIN, 815 CONNECTICUT AVE., NW, #800 WASHINGTON DC 20006	MERCEDES-BENZ OF NORTH AMERICA, INC	10,935.00	220.24
RALPH HARDING, SUITE 717 WATERGATE 2600 VIRGINIA AVENUE, NW WASHINGTON DC 20037	PHILIPPINE SUGAR COMMISSION	60,000.00	36,779.00
WILLIAM E. HARDMAN, 9300 LIVINGSTON ROAD FT. WASHINGTON MD 20744	NATIONAL TOOLING & MACHINING ASSN	26,923.05	34.50
EUGENE J. HARDY, 1100 17TH ST., NW, #1000 WASHINGTON DC 20036	GERBER PRODUCTS COMPANY		
STUART B. HARDY, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.		
JON HARKAVY, 205 EAST 42ND STREET NEW YORK NY 10017	RISK & INSURANCE MANAGEMENT SOCIETY, INC		
CHARLES N. HARKEY, 453 NEW JERSEY AVENUE, SE WASHINGTON DC 20003	BENEFICIAL MANAGEMENT CORPORATION OF AMERICA	1,460.00	
DAN R. HARLOW, 717 N. HARWOOD STREET DALLAS TX 75201	DIAMOND SHAMROCK CORPORATION	1,000.00	
LEON HARPER, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	250.00	
WILEY C. HARRELL JR., 1211 CONNECTICUT AVE., NW, #502 WASHINGTON DC 20036	ANHEUSER-BUSCH COMPANIES, INC		
TONI HARRINGTON, 955 L'ENFANT PLAZA NORTH, SW, #905 WASHINGTON DC 20024	AMERICAN HONDA MOTOR CO, INC	200.00	169.09
HARRIS & BERG, 1100 15TH STREET, NW, #1100 WASHINGTON DC 20005	ASSOCIATION OF FOOD INDUSTRIES, INC	2,500.00	170.00
Do	CHEESE IMPORTERS ASSN OF AMERICA, INC	6,668.00	241.00
Do	COMMITTEE OF DOMESTIC STEEL WIRE ROPE & SPECIALTY CABLE MFRS		
MARILYN A. HARRIS, 818 CONNECTICUT AVENUE, NW WASHINGTON DC 20006	U.S. STEEL CORPORATION	800.00	62.50
ROBERT L. HARRIS, 818 CONNECTICUT AVE., NW WASHINGTON DC 20006	ALUMINUM ASSN		50.00
ANNE HARRISON-CLARK, 1707 H STREET, NW, #600 WSAHINGTON DC 20006	MARCH OF DIMES BIRTH DEFECTS FOUNDATION	4,125.00	102.55
J. WILLIAM W. HARSCH, 1600 M ST., NW, #701 WASHINGTON DC 20036	SIGNAL COMPANIES		
Do	SOLV-EX CORPORATION	34,285.98	2,208.48
WILLIAM H. HARSHA, 1102 DELF DRIVE MCLEAN VA 22101	WILLIAM H. HARSHA & ASSOCIATES, INC (FOR: NORFOLK SOUTHERN CORP)	15,000.00	238.01
LYNN S. HART, 444 N. CAPITOL STREET, NW WASHINGTON DC 20001	AMERICAN HOSPITAL ASSN	1,574.02	
SUSAN P. HART, 1600 M STREET, NW WASHINGTON DC 20036	INVESTMENT COMPANY INSTITUTE		
HARTFORD FIRE INSURANCE CO, HARTFORD PLAZA HARTFORD CT 06115			54,685.21
EDWIN HAROLD HARVEY, 2020 K STREET, NW, #200 WASHINGTON DC 20006	NATIONAL FEDERATION OF FEDERAL EMPLOYEES		
JAY HARVEY, 815 16TH STREET, NW, #408 WASHINGTON DC 20006	FOOD & ALLIED SERVICE TRADES DEPT, AFL-CIO	1,885.00	149.00
CLIFFORD J. HARVISON, 2200 MILL RD. ALEXANDRIA VA 22314	NATIONAL TANK TRUCK CARRIERS, INC		
LINDA CAROL HASLETT, 55 PUBLIC SQUARE, #624 P.O. BOX 5000 CLEVELAND OH 44113	CLEVELAND ELECTRIC ILLUMINATING CO		
HOLLY HASSETT, 2000 L STREET, NW, #200 WASHINGTON DC 20036	HERSHEY FOODS CORP		
LEWIS B. HASTINGS, 1776 K ST., NW, #200 WASHINGTON DC 20006	MOTOROLA, INC	3,000.00	
WALTER A. HASTY JR., 801 18TH STREET, NW, #400 WASHINGTON DC 20006	PROCTER & GAMBLE MANUFACTURING CO	430.70	
JANET HATHAWAY, 215 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	CONGRESS WATCH	5,499.96	
GARY R. HATTAL, 818 ROEDER RD., #702 SILVER SPRING MD 20910	INTERNATIONAL FED OF PROFESSIONAL & TECHNICAL ENGINEERS		
HOWARD M. HAUG, 100 EAST 42ND ST. NEW YORK NY 10017	NATIONAL FOREIGN TRADE COUNCIL, INC	5,333.34	534.71
BARBARA S. HAUGEN, 311 FIRST STREET, NW, #700 WASHINGTON DC 20003	NATIONAL ASSN OF INSURANCE BROKERS		
MARILYN BETH HAUGEN, 1619 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	AMERICAN PAPER INSTITUTE, INC		
BARBARA J. HAUGH, 1050 CONNECTICUT AVENUE, NW, #760 WASHINGTON DC 20036	UNION OIL CO OF CALIFORNIA		855.95
MARY W. HAUGHT, 1800 K ST., NW, #820 WASHINGTON DC 20006	SUN CO, INC	700.00	
CHARLES W. HAVENS III, 1333 NEW HAMPSHIRE AVENUE, NW WASHINGTON DC 20036	LEBOEUF LAMB LEIBY & MACRAE		
KATHRYN JOANN HAWES, 818 ROEDER RD., #702 SILVER SPRING MD 20910	INTERNATIONAL FED OF PROFESSIONAL & TECHNICAL ENGINEERS		
SIDNEY G. HAWKES, 1667 K ST., NW, #420 WASHINGTON DC 20006	MEAD CORPORATION	1,163.00	
CHARLES E. HAWKINS III, 729 15TH STREET, NW WASHINGTON DC 20005	ASSOCIATED BUILDERS & CONTRACTORS, INC	2,500.00	
DAVID G. HAWKINS, 1350 NEW YORK AVE., NW, #300 WASHINGTON DC 20005	NATURAL RESOURCES DEFENSE COUNCIL, INC	1,494.31	6.00
JOHN H. HAWKINS JR., 600 N. 18TH ST. BIRMINGHAM AL 35291	ALABAMA POWER CO	15,114.00	
WESLEY F. HAYDEN, 5224 CHEROKEE AVE. ALEXANDRIA VA 22312	INTERNATIONAL ASSN OF FISH & WILDLIFE AGENCIES	8,574.96	184.95
DAVID J. HAYES, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	HOGAN & HARTSON (FOR: SEMICONDUCTOR INDUSTRY ASSN)		38.30
ROBERT G. HAYES, BOGLE AND GATES ONE THOMAS CIRCLE, NW, #900 WASHINGTON DC 20005	KALAMA CHEMICAL, INC	1,000.00	
ROBERT A. HAYNOS, 4711 HUNT CIRCLE HARRISBURG PA 17112	HARSCO CORPORATION	15,249.99	1,131.02
HOLLY ELISABETH HAZARD, 400 FIRST STREET, NW, #800 WASHINGTON DC 20001	COMMITTEE FOR HUMANE LEGISLATION		
Do	FRIENDS OF ANIMALS, INC	5,500.00	69.12
HEALTH INSURANCE ASSN OF AMERICA, INC, 1750 K ST., NW WASHINGTON DC 20006			
ROBERT L. HEALY, 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	ATLANTIC RICHFIELD CO	300.00	
KEITH HEARD, 1030 15TH ST., NW, #700 WASHINGTON DC 20005	NATIONAL COTTON COUNCIL OF AMERICA	8,788.00	177.80
CHARLES L. HEBNER, NEW MURPHY ROAD & CONCORD PIKE WILMINGTON DE 19897	ICI AMERICAS, INC		
HERBERT A. HEDDEN, 1025 CONNECTICUT AVE., NW, #707 WASHINGTON DC 20036	INTERNATIONAL FRANCHISE ASSN		
JAY HEDLUND, 2030 M ST., NW WASHINGTON DC 20036	COMMON CAUSE	10,650.42	305.98
EDWARD D. HEFFERNAN, 1513 16TH ST., NW, 4TH FL. WASHINGTON DC 20036	CAMP CARMOUCHE BARSH HUNTER GRAY & HOFFMAN, P.C	12,000.00	
Do	CSX CORPORATION	8,675.00	39.02
Do	DUCTILE IRON PIPE RESEARCH ASSN		
Do	NATIONAL ASSN OF CRIMINAL DEFENSE LAWYERS	2,000.00	
Do	TRANSAMERICA INTERWAY, INC, ET AL	5,000.00	197.03
JOAN A. HEFFERNAN, 1200 17TH STREET, NW WASHINGTON DC 20036	AMERICAN PSYCHOLOGICAL ASSN	2,018.00	71.50
JOHN HEFFNER, 1957 E STREET, N.W. WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
ROBERT E. HEGGESTAD, 1827 PHELPS PLACE, NW WASHINGTON DC 20008	CASEY SCOTT & CANFIELD, P.C. (FOR UNIFICATION CHURCH)	1,250.00	26.00
ROSS J. HEIDE, 1001 22ND STREET, NW, #600 WASHINGTON DC 20037	STANDARD OIL CO (OHIO)		
JOHN F. HEILMAN, 807 MAINE AVE., SW WASHINGTON DC 20024	DISABLED AMERICAN VETERANS	17,331.60	244.56
ROBERT M. HEINE, 1701 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20006	CONOCO, INC	1,000.00	
RICHARD L. HELLWEGE, 1911 JEFFERSON DAVIS HIGHWAY, #1002 ARLINGTON VA 22202	LEAR SIEGLER, INC		
THOMAS M. HELSCHER, 1101 17TH STREET, NW, #604 WASHINGTON DC 20036	MONSANTO CO	450.00	216.10
CAROL C. HENDERSON, 110 MARYLAND AVE., NE, #101, BOX 54 WASHINGTON DC 20002	AMERICAN LIBRARY ASSN	903.00	
DONALD E. HENDERSON, 130 E. WASHINGTON STREET P.O. BOX 1290 INDIANAPOLIS IN 46204	INDIANA FARM BUREAU, INC	10,000.00	3,219.95
KATHLEEN M. HENDERSON, 1025 VERMONT AVENUE, NW, #500 WASHINGTON DC 20005	MILES LABORATORIES, INC		
CAROL DIANE HENDRICKS, 2601 PARK CENTER DRIVE, #C804 ALEXANDRIA VA 22302	AMERICAN MARITIME OFFICERS SERVICE		
DENNIS A. HENIGAN, 1775 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	FOLEY LARDNER HOLLABAUGH & JACOBS (FOR: VGS CORPORATION)		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
C. DAYLE HENINGTON, 1101 CONNECTICUT AVE., NW, #801 WASHINGTON DC 20036	CHICAGO MERCANTILE EXCHANGE		
EDMUND P. HENNELLY, 150 E. 42ND ST. NEW YORK NY 10017	MOBIL OIL CORP	1,500.00	
HENNESSY ASSOCIATES, 152 WASHINGTON AVENUE ALBANY NY 12210			
GEORGE F. HENNRIKUS JR., 201 N. WASHINGTON ST. ALEXANDRIA VA 22314	RETIRED OFFICERS ASSN	6,697.00	
LEANN HENSCHE, 2550 M ST., NW, #770 WASHINGTON DC 20037	RJR INDUSTRIES, INC	263.74	92.88
DAVID A. HENSON, 100 N.E. ADAMS STREET PEORIA IL 61629	CATERPILLAR TRACTOR CO		
BRUCE HEPPEN, 2020 K ST., NW, # 200 WASHINGTON DC 20006	NATIONAL FEDERATION OF FEDERAL EMPLOYEES		
STEPHEN HERM, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FED OF FEDERAL EMPLOYEES		
LAWRENCE R. HERMAN, 600 PENNSYLVANIA AVENUE, SE, #200 WASHINGTON DC 20003	INDEPENDENT INSURANCE AGENTS OF AMERICA, INC	10,846.00	
WILLIAM HERMELIN, 1200 15TH STREET, NW WASHINGTON DC 20005	AMERICAN HEALTH CARE ASSN	4,375.00	186.56
HERON BURCHETTE RUCKERT & ROTHWELL, 1025 THOMAS JEFFERSON ST., NW, #700 WASHINGTON DC 20007	AMERICAN GRAPE GROWERS ALLIANCE FOR FAIR TRADE	2,512.50	
Do	ASSOCIATION OF FLORAL IMPORTERS OF FLORIDA	556.25	
Do	BAY AREA RAPID TRANSIT DISTRICT	4,818.75	
Do	CALIFORNIA ALMOND GROWERS EXCHANGE	10,712.50	
Do	CHICAGO MERCANTILE EXCHANGE	38,631.75	
Do	CONFEDERATED SALISH & KOOTENAI TRIBES OF THE FLATHEAD RESERV		
Do	FARM LABOR ALLIANCE	14,575.00	
Do	INDEPENDENT CEMENT CORP	3,393.75	
Do	NATIONAL ASSN OF INSURANCE COMMISSIONERS	12.50	
Do	NATIONAL POTATO COUNCIL	2,987.50	
Do	SOLID-TEK SYSTEMS, INC		
Do	SUN-DIAMOND GROWERS OF CALIFORNIA	21,281.25	
Do	SUNKIST GROWERS, INC	17,268.75	
CATHERINE L. HERON, 1600 M ST., NW WASHINGTON DC 20036	INVESTMENT COMPANY INSTITUTE	112.08	
HERRICK & SMITH, 1800 MASSACHUSETTS AVENUE, NW, #510 WASHINGTON DC 20036	HARD MINERALS CONSORTIUM		
Do	SMITH COLLEGE		
CAROL M. HERRINGTON, 1235 JEFFERSON DAVIS HIGHWAY ARLINGTON VA 22202	EMERSON ELECTRIC CO		382.90
WILLIAM G. HERROLD, 1111 19TH ST., NW, #608 WASHINGTON DC 20036	INSTITUTE OF ELECTRICAL & ELECTRONICS ENGINEERS		
FRED HERVEY, P.O. BOX 29021 2645 E. WASHINGTON PHOENIX AZ 85038	REDUCE OUR DEBT FOUNDATION		
TED ALLEN HEYDINGER, 311 FIRST STREET, NW, #500 WASHINGTON DC 20001	COMPUTER & BUSINESS EQUIPMENT MANUFACTURERS ASSN	3,675.00	563.46
G. BROCKWEL HEYLIN, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
EDWARD HIDALGO, 1828 L ST., NW, #1111 WASHINGTON DC 20036	NORFOLK SOUTHERN CORP	15,600.00	93.30
J. THOMAS HIGGINBOTHAM, ONE MELLON BANK CENTER, #2002 PITTSBURGH PA 15258	MELLON BANK N.A. AND MELLON NATIONAL CORP	2,000.00	1,043.93
CAROL A. HIGGINS, 1101 14TH STREET, NW WASHINGTON DC 20005	AMERICAN FINANCIAL SERVICES ASSN	9,000.00	
DAVID M. HIGGINS, 333 SOUTH GRAND AVE., #3930 LOS ANGELES CA 90071		55,500.00	11,913.93
SHARON L. HILDEBRANDT, 444 N. CAPITOL STREET, NW WASHINGTON DC 20001	AMERICAN HOSPITAL ASSN		
WILLIAM F. HILDENBRAND, GOLD & LIEBENGOOD, INC 1050 CONNECTICUT AVENUE, NW, #980 WASHINGTON DC 20036	CHEMICAL MANUFACTURERS ASSN	9,738.00	1,622.00
CLIFTON T. HILDERLEY JR., 1025 CONNECTICUT AVE., NW, #507 WASHINGTON DC 20036	ASHLAND OIL, INC	2,000.00	
GERALD 'JERRY' HILL, 6 EXECUTIVE PARK DRIVE ATLANTA GA 30329	AMOCO CORP		
J. ELDRED HILL JR., 600 MARYLAND AVE., SW, #603 WASHINGTON DC 20024	UBA, INC	2,000.00	
MORTON A. HILL, 475 RIVERSIDE DRIVE, #239 NEW YORK NY 10115	MORALITY IN MEDIA, INC		
PATRICIA HILL, 1619 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	AMERICAN PAPER INSTITUTE, INC	2,635.42	153.95
ROBERT B. HILL, 2501 M STREET, N.W. WASHINGTON DC 20037	CHEMICAL MANUFACTURERS ASSN, INC	400.00	277.04
JOHN L. HILLS, RT. 1, BOX 645 PURCELLVILLE VA 22132	SUNDSTRAND CORPORATION	961.60	
JOHN M. HIMMELBERG, SCOTT HARRISON & MCLEOD 2501 M STREET, NW, #400 WASHINGTON DC 20037	FLORIDA FRUIT & VEGETABLE ASSN	3,000.00	
Do	FLORIDA TOMATO EXCHANGE	1,500.00	
RICK HIND, 215 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	U.S. PUBLIC INTEREST RESEARCH GROUP	4,000.00	
STEPHEN HITCHNER, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE	13,398.78	32.75
HOAG & ASSOCIATES, 1877 BROADWAY, #405 BOULDER CO 80302	DENELCOR, INC		
Do	NATIONAL ASSN OF BROADCASTERS		
LAWRENCE S. HOBART, 2301 M ST., NW WASHINGTON DC 20037	AMERICAN PUBLIC POWER ASSN	500.00	
CLAUDE E. HOBBS, 1801 K ST., NW WASHINGTON DC 20006	WESTINGHOUSE ELECTRIC CORP	3,000.00	210.00
HOBBS STRAUS DEAN & WILDER, 1819 H ST., NW, #800 WASHINGTON DC 20006	BRISTOL BAY AREA HEALTH CORP		
Do	MENOMINEE INDIAN TRIBE		
Do	METLAKATLA INDIAN COMMUNITY	200.00	
Do	MICCOSUKEE TRIBE OF INDIANS OF FLORIDA	100.00	
Do	NATIONAL CONGRESS OF AMERICAN INDIANS, INC		
Do	OGLALA SIOUX TRIBE	100.00	
Do	TANANA CHIEFS CONFERENCE, INC	30.00	
Do	THREE AFFILIATES TRIBES OF THE FORT BERTHOLD RESERVATION	500.00	
Do	UTE MOUNTAIN UTE TRIBE	6,600.00	16.00
SCOTT HODES, 180 NORTH LA SALLE ST., #3800 CHICAGO IL 60601	ZALMAN C. BERNSTEIN	2,500.00	
Do	INVESTMENT COMPANY INSTITUTE	4,500.00	
HOWARD E. HOELTER, ILLINOIS PETROLEUM COUNCIL P.O. BOX 5034 SPRINGFIELD IL 62705	AMERICAN PETROLEUM INSTITUTE		
GLEN D. HOFER, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL COUNCIL OF FARMER COOPERATIVES	1,470.00	
IRVIN A. HOFF, 20 N. LIVE OAK RD. HILTON HEAD ISLAND SC 29928	U.S. CANE SUGAR REFINERS' ASSN	416.67	268.57
ADONIS E. HOFFMAN, 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: GOVERNMENT OF HAITI)	800.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF KOREA)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)	400.00	
ELMO R. HOFFMAN, PARKER, JOHNSON, OWEN & MCGUIRE 108 EAST HILLCREST STREET P.O. BOX 2867 ORLANDO FL 32801.	GLOBAL EXPLORATION & DEVELOPMENT CORP		
THOMAS F. HOFFMAN, 1701 PENNSYLVANIA AVENUE, NW, #900 WASHINGTON DC 20006	CONSOLIDATION COAL CO	25.00	5.00
WILLIAM L. HOFFMAN, 516 FIRST ST., S.E. WASHINGTON DC 20003	AMERICAN UNIVERSITY OF BEIRUT	11,856.00	1,537.73
F. NORDY HOFFMANN AND ASSOC, INC, 400 N. CAPITOL ST., NW, #327 WASHINGTON DC 20001	ARCHER DANIELS MIDLAND COMPANY		
Do	INTERNATIONAL TELEPHONE & TELEGRAPH CORPORATION		
Do	MARINE ENGINEERS BENEFICIAL ASSN		
Do	O'CONNOR & HANNAN		
Do	PAGE AIRWAYS		
Do	WESTINGHOUSE ELECTRIC		
HOGAN & HARTSON, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	CLEVELAND CLINIC FOUNDATION		
Do	COUNCIL OF EUROPEAN & JAPANESE NATIONAL SHIPOWNERS' ASSN		
Do	ECONOMICS LABORATORY, INC	1,006.25	
Do	HOME HEALTH SERVICES & STAFFING ASSN		21.78
Do	MAY DEPARTMENT STORES CO	1,282.50	52.00
Do	MEDTRONIC, INC		
Do	MEHARRY MEDICAL COLLEGE		
Do	MERCEDES-BENZ OF NORTH AMERICA, INC	13,917.50	50.00
Do	METHODIST HOSPITAL		
Do	MUTUAL LIFE INSURANCE CO OF NEW YORK		
Do	NATIONAL HOSPICE EDUCATION PROJECT		
Do	NATIONAL HOSPICE ORGANIZATION	7,143.02	3.30
Do	NATIONAL SOFT DRINK ASSN	4,080.00	32.00
Do	TOYOTA MOTOR SALES, U.S.A., INC	2,020.00	111.22
RICHARD F. HOHLT, 1709 NEW YORK AVE., NW, #801 WASHINGTON DC 20006	U.S. LEAGUE OF SAVINGS INSTITUTIONS	6,412.50	25.15
WALTER HOLAN, 20 NORTH WACKER DRIVE CHICAGO IL 60606	PROFIT SHARING COUNCIL OF AMERICA		
BRUCE E. HOLBEIN, 111 POWDERMILL RD. (B79) MAYNARD MA 01754	DIGITAL EQUIPMENT CORPORATION	12,500.00	
MICHELE O'DONNELL HOLBROOK, 10 LAFAYETTE SQUAE, RM. 900 BUFFALO NY 14203	NATIONAL FUEL GAS DISTRIBUTION CORP, ET AL	1,733.20	4,855.86
NIELS C. HOLCH, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AMERICAN MARITIME ASSN).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BROWNING-FERRIS INDUSTRIES, INC).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: CHICAGO TITLE INSURANCE CO).	2,340.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: COMMONWEALTH OF PUERTO RICO).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: FIRST AMERICAN TITLE INSURANCE CO).	2,340.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: HOOPA VALLEY INDIANS)	260.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LANE INDUSTRIES)	520.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LAWYERS TITLE INSURANCE CO).	2,340.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LIFE CARE SERVICES CORP).		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: QUIXOTE CORPORATION)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)	130.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SAFECO TITLE INSURANCE CO).	2,340.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SHAKLEE CORPORATION)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: STEWART TITLE GUARANTY CO).	2,340.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: TOBACCO INSTITUTE)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: U.S. BANKNOTE)		1,850.00
HOLIDAY INNS, INC, C/O TALCOTT MCCABE & ASSOCIATES 600 MARYLAND AVE., SW, 302 W. WING WASHINGTON DC 20024.			
PHILIP C. HOLLADAY, 1025 CONNECTICUT AVENUE, NW, #200 WASHINGTON DC 20036	SHELL OIL COMPANY	500.00	
BRIGID A. HOLLERAN, 2550 M STREET, NW, #640 WASHINGTON DC 20037	CF INDUSTRIES, INC	500.00	653.50
THOMAS L. HOLLOWAY, 1920 N STREET, NW, #720 WASHINGTON DC 20036	UNION ELECTRIC CO, KANSAS CITY POWER & LIGHT CO, ET AL	2,187.00	4,542.65
WENDELL M. HOLLOWAY, 815 CONNECTICUT AVE., NW, #900 WASHINGTON DC 20006	FORD MOTOR CO	1,245.00	1,194.96
PETER E. HOLMES, 1331 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20004	GENERAL ELECTRIC CO	500.00	
E. Y. HOLT JR., 1111 NORTH 19TH ST., #700 ARLINGTON VA 22209	NATIONAL ASSN OF FEDERAL CREDIT UNIONS		
FRED H. HOLT, 119 ORONOCO STREET BOX 1417-D50 ALEXANDRIA VA 22313	ANIMAL HEALTH INSTITUTE		
JOHN F. HOLTZ, NJ PETROLEUM COUNCIL 170 WEST STATE STREET TRENTON NJ 08608	AMERICAN PETROLEUM INSTITUTE		
PAUL R. HOLTZ, 1111 14TH STREET, NW, #1200 WASHINGTON DC 20005	AMERICAN DENTAL ASSN	3,000.00	690.21
HOLTZMAN & ASSOCIATES, 214 MASSACHUSETTS AVENUE, NE, #340 WASHINGTON DC 20002	HOLLAND ASSOCIATES		
Do	NATIONAL COALITION FOR LOWER PRICES		
LOIS HOLWERDA-HOYT, 600 MARYLAND AVENUE, SW, #770 WASHINGTON DC 20024	AMERICAN ACADEMY OF FAMILY PHYSICIANS	1,937.50	358.97
HOME RECORDING RIGHTS COALITION, P.O. BOX 33576 WASHINGTON DC 20033		40,000.00	70,025.99
KAREN C. HONTZ, 1875 EYE ST., NW, #940 WASHINGTON DC 20006	GULF & WESTERN MANAGEMENT COMPANY	3,500.00	150.00
EDWIN M. HOOD, 1725 K STREET, NW, #1102 WASHINGTON DC 20006	NATIONAL STEEL & SHIPBUILDING CO	936.75	34.50
CANDICE SHY HOOPER, 1025 CONNECTICUT AVE., NW, #1014 WASHINGTON DC 20036	ENSERCH CORPORATION	5,313.00	2,691.55
LILLIE E. HOOVER, P.O. BOX 1085 MARTINSBURG WV 25401	NATIONAL PEACH COUNCIL		
HOPKINS & SUTTER, THREE FIRST NATIONAL PLAZA, #4200 CHICAGO IL 60602	LANE BANKING GROUP		
VIRGINIA E. HOPKINS, 1620 EYE ST., NW, #800 WASHINGTON DC 20006	TAFT STETTINIUS & HOLLISTER (FOR: KINGS ENTERTAINMENT CO)		
Do	TAFT STETTINIUS & HOLLISTER (FOR: TAFT BROADCASTING COMPANY)		
Do	TAFT STETTINIUS & HOLLISTER (FOR: TELEPHONE & DATA SYSTEMS, INC)		
Do	TAFT STETTINIUS & HOLLISTER (FOR: WALD MANUFACTURING CO, INC)		
SHERI L. HOPTMAN, 1000 CONNECTICUT AVE., NW WASHINGTON DC 20036	JAPAN ECONOMIC INSTITUTE OF AMERICA	100.00	
ROBERT JACK HORN, 1990 M ST., NW, #480 WASHINGTON DC 20036	DETROIT EDISON COMPANY	750.00	35.00
STEVEN HORNBURG, 1050 17TH STREET, NW, #770 WASHINGTON DC 20036	AMERICAN ASSN OF HOMES FOR THE AGING	187.00	120.60
HARRY J. HORROCKS II , 40 IVY STREET, SE WASHINGTON DC 20003	NATIONAL LUMBER & BUILDING MATERIAL DEALERS ASSN		
HOSPITAL ASSOCIATION OF NEW YORK STATE, 15 COMPUTER DRIVE WEST ALBANY NY 12205		1,076.00	1,076.00
HOSPITAL CORP OF AMERICA, 2000 L STREET, NW, #200 WASHINGTON DC 20035			3,463.00
WILLIAM J. HOTES, 919 18TH ST., NW, #400 WASHINGTON DC 20006	DIAMOND SHAMROCK CORPORATION	1,000.00	389.73
HOUDAILLE INDUSTRIES, INC, ONE FINANCIAL PLAZA FORT LAUDERDALE FL 33394			
MARGARET A. HOULIHAN, 1620 I ST., NW, #703 WASHINGTON DC 20006	BECHTEL POWER CORPORATION		
THOMAS B. HOUSE, 1700 OLD MEADOW RD. MCLEAN VA 22102	AMERICAN FROZEN FOOD INSTITUTE	1,000.00	
HOUSLEY GOLDBERG & KANTARIAN, P.C., 2301 M ST., NW, #500 WASHINGTON DC 20037			
JACK W. HOUSTON, 900 N. HAIRSTON ROAD, SUITE D STONE MOUNTAIN GA 30083	GEORGIA ASSN OF PETROLEUM RETAILERS, INC		
MARY GREER HOUSTON, 1901 L ST., NW #804 WASHINGTON DC 20036	SIEGEL HOUSTON & ASSOC, INC (FOR: FARM LABOR RESEARCH COMM)		7,663.45
HOUSTON NATURAL GAS CORP, P.O. BOX 1188 HOUSTON TX 77001			
HOVING GROUP, 910 17TH ST., NW, #318 WASHINGTON DC 20006	EAGLE-PICHER INDUSTRIES	250.00	
Do	WESTERN SOUTHERN		
ANNE L. HOWARD, ANNE L. HOWARD AND ASSOCIATES 888 17TH STREET, NW, #600 WASHINGTON DC 20006	LITTLE SIX BINGO	9,000.00	792.00
Do	PAN AMERICAN MANAGEMENT CO		
Do	SHAKOPEE MDEUAKAUTON SIOUX COMMUNITY		
EDWARD F. HOWARD, 1334 G STREET, 3RD FL. WASHINGTON DC 20005	VILLERS ADVOCACY ASSOCIATES	3,228.82	65.49
ROBERT M. HOWARD, 815 CONNECTICUT AVENUE, NW WASHINGTON DC 20006	FORD MOTOR CO	1,506.60	1,313.76
SENGA HOWAT, 1604 K STREET, NW WASHINGTON DC 20006	NATIONAL SMALL BUSINESS ASSN	2,000.00	
HOWELL CORP, 1010 LAMAR, SUITE 1800 HOUSTON TX 77002			
GARY HOWELL, 1745 JEFFERSON DAVIS HIGHWAY, #1006 ARLINGTON VA 22202	TEXAS INSTRUMENTS, INC	600.00	
J. WILLIAM HOWELL, 1801 K ST., NW WASHINGTON DC 20006	INTERNATIONAL BUSINESS MACHINES CORP		
JAMES P. HOWELL, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL COUNCIL OF FARMER COOPERATIVES	1,165.00	
MARY J. LYNCH HOWELL, 1090 VERMONT AVE., NW, #1100 WASHINGTON DC 20005	TEXTRON, INC	1,500.00	280.00
STEVEN K. HOWELL, 1010 LAMAR, SUITE 1800 HOUSTON TX 77002	HOWELL CORP		
WELDON U. HOWELL JR., 15 WEST CARRILLO STREET SANTA BARBARA CA 93101	SCHRAMM & RADDUE (FOR: H&W DRILLING, INC)		
JOHN B. HOWERTON, 1730 RHODE ISLAND AVE., NW, #209 WASHINGTON DC 20036	ASARCO INC	2,000.00	
JOHN A. HOWES, 1050 17TH ST., NW, #490 WASHINGTON DC 20036	CONSUMERS POWER CO	6,000.00	1,266.00
CLIFFORD T. HOWLETT JR., 1875 EYE ST., NW, #400 WASHINGTON DC 20006	GEORGIA-PACIFIC CORP	3,000.00	
PAUL R. HUARD, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	4,000.00	
HENRY W. HUBBARD, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)	205.00	
BETTY HUDSON, 1627 K STREET, NW, #200 WASHINGTON DC 20006	FLUOR CORPORATION	15,000.00	1,091.34
HUDSON CREYKE KOEHLER & TACKE, 1744 R STREET, NW WASHINGTON DC 20009	JAMES P. PURVIS		59.88
HUDSON DAVENPORT & SEAY, ONE THOMAS CIRCLE, NW, #375 WASHINGTON DC 20005	CITY OF DETROIT		
MARGARET RENKEN HUDSON, 600 MARYLAND AVENUE, SW, #695 WASHINGTON DC 20024	NATIONAL FED OF INDEPENDENT BUSINESS	2,250.00	200.00
STEVEN D. HUFF, 111 EAST WISCONSIN AVENUE, #1800 MILWAUKEE WI 53202	NATIONAL EMPLOYEE BENEFITS INSTITUTE		
DAVID EMERY HUGHES, 2211 CONGRESS ST. PORTLAND ME 04122	UNION MUTUAL LIFE INSURANCE CO		
GARY E. HUGHES, 1850 K ST., NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
HUGHES HUBBARD & REED, 1201 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20004	ANGLO AMERICAN AUTO AUCTIONS, INC	1,830.00	9.75
Do	CONTINENTAL AIR LINES, INC		
Do	GROCERY MANUFACTURERS OF AMERICA, INC	355.00	4.25
Do	TEXAS AIR CORP		
Do	47TH STREET PHOTO		
PETER W. HUGHES, 1909 K ST., NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	1,213.69	24.00
RICHARD H. HUGHES, P.O. BOX 880 VALLEY FORGE PA 19482	AVTEX FIBERS, INC		
WILLIAM HUGHES, 1522 K ST., NW, #836 WASHINGTON DC 20005	NATIONAL ASSN OF FEDERAL VETERINARIANS	17.90	
EDWARD L. HUIE, WHEATON PLAZA NORTH, #415 WHEATON MD 20902	NATIONAL ASSN OF AIR TRAFFIC SPECIALISTS	5,272.68	810.57
CORDELL W. HULL, 50 BEALE ST., P O BOX 3965 SAN FRANCISCO CA 94119	BECHTEL POWER CORPORATION		
RANDALL K. HULME, 618 A STREET, SE, #25 WASHINGTON DC 20003	PETER FENN & ASSOCIATES, INC		
MARGOT SMILEY HUMPHREY, 1150 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	KOTEEN & NAFTALIN (FOR: ALASCOM, INC)		
Do	KOTEEN & NAFTALIN (FOR: TELEPHONE & DATA SYSTEMS, INC)		
ROBERT R. HUMPHREYS, 1667 K ST., NW, #500 WASHINGTON DC 20006	HELEN KELLER NATIONAL CENTER		
FRANCIS M. HUNT, 1800 M STREET, NW, #700S WASHINGTON DC 20036	DOW CHEMICAL CO	550.00	239.00
MICHELE HUNT, 8500 BYRON ROAD ZEELAND MI 49464	HERMAN MILLER, INC		
PETER C. HUNT, 195 MONTAGUE ST. BROOKLYN NY 11201	BROOKLYN UNION GAS CO		
RICHARD M. HUNT, 1150 CONNECTICUT AVE., NW, #1009 WASHINGTON DC 20036	NL INDUSTRIES, INC	4,775.00	
HARRIET HUNT-BURGESS, 82 2ND ST. SAN FRANCISCO CA 94105	TRUST FOR PUBLIC LAND	4,560.00	1,978.00
JAMES C. HUNTER, 1747 PENNSYLVANIA AVENUE, NW, #300 WASHINGTON DC 20006	CITIES SERVICE OIL & GAS CORP	370.00	38.20
MICHAEL M. HUNTER, 1600 M ST., NW WASHINGTON DC 20036	INTERNATIONAL TELEPHONE & TELEGRAPH CORPORATION	1,560.00	65.00
MILTON F. HUNTINGTON, MAINE PETROLEUM ASSN 283 WATER ST. AUGUSTA ME 04330	AMERICAN PETROLEUM INSTITUTE	204.00	
HUNTON & WILLIAMS, 2000 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	AMERICAN INSURANCE ASSN	25,111.25	8.70
Do	EDISON ELECTRIC INSTITUTE	6,926.25	674.50
Do	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION	8,585.00	167.19
ADELE M. HURLEY, 112 ST. CLAIR AVE., WEST, #504 TORONTO, ONTARIO CANADA M4V 2Y3	LONG ISLAND LIGHTING CO		
HURT RICHARDSON GARNER TODD & CADENHEAD, 1100 PEACHTREE CENTER HARRIS TOWER 233 PEACHTREE STREET, NE ATLANTA GA 30043.	CANADIAN COALITION ON ACID RAIN	1,692.30	141.09
ROBERT R. HURT, 1050 17TH ST., NW, #650 WASHINGTON DC 20036	NATIONAL ASSN OF PENSION CONSULTANTS & ADMINISTRATORS, INC		835.92
CATHY HURWIT, 1300 CONNECTICUT AVE., NW, #401 WASHINGTON DC 20036	MERCK & CO, INC		
Do	CITIZEN ACTION	2,000.00	
BENJAMIN MELVIN HURWITZ, 1925 K ST., NW, #200 WASHINGTON DC 20006	CITIZEN/LABOR ENERGY COALITION	5,000.00	
GEOFFREY B. HURWITZ, 1667 K ST., NW, #1210 WASHINGTON DC 20006	MITCHELL ENERGY & DEVELOPMENT CORP		75.00
RAYMOND W. HUSSEY, 29400 LAKELAND BLVD. WICKLIFFE OH 44092	ROHM AND HAAS COMPANY	500.00	331.53
DEWEY M. HUTCHINS, 1919 PENNSYLVANIA AVE., NW, #705 WASHINGTON DC 20006	LUBRIZOL CORPORATION	700.00	1,212.09
PHILIP A. HUTCHINSON, 490 L'ENFANT PLAZA, #3210 WASHINGTON DC 20024	EASTMAN KODAK CO	500.00	257.00
ROBERT E. HUTCHINSON, P.O. BOX 29021 2645 E. WASHINGTON PHOENIX AZ 85038	VOLKSWAGEN OF AMERICA, INC	250.00	
JAMES L. HUTCHISON, 260 MADISON AVENUE NEW YORK NY 10016	REDUCE OUR DEBT FOUNDATION		
	AMERICAN PAPER INSTITUTE, INC		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
HELENA C. HUTTON, 1101 15TH STREET, NW WASHINGTON DC 20005	MINNESOTA MINING & MANUFACTURING CO (3M)	2,500.00	
RANDY HUWA, 2030 M ST., NW WASHINGTON DC 20036	COMMON CAUSE	10,346.28	494.10
B. F. HYDE, TENNESSEE PETROLEUM COUNCIL 211 7TH AVENUE, NORTH, 4TH FL. NASHVILLE TN 37219	AMERICAN PETROLEUM INSTITUTE	1,500.00	707.47
GARY HYMEL, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AMERICAN MARITIME ASSN).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: ASARCO INC)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BROWNING-FERRIS INDUSTRIES, INC.).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BUDD COMPANY)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: CANADIAN ASBESTOS INFORMATION CENTRE).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: CHICAGO TITLE INSURANCE CO).	265.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: FIRST AMERICAN TITLE INSURANCE CO).	265.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: HEALTH INSURANCE ASSN OF AMERICA).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: HITACHI AMERICA, LTD)	50.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: HTB CORPORATION)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: JOINT MARITIME CONGRESS).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: KINGDOM OF MOROCCO)	50.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LAWYERS TITLE INSURANCE CO).	265.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LIFE CARE SERVICES CORP).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MARTIN BAKER AIRCRAFT COMPANY LTD.).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MOTOROLA, INC)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MUTUAL OF OMAHA)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: NATIONAL BROADCASTING CO, INC).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: QUIXOTE CORPORATION)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: RAUSCHENBERG OVERSEAS CULTURAL INTERCHANGE).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF KOREA)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)	2,445.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SAFECO TITLE INSURANCE CO).	265.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SANTA FE INTERNATIONAL).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SHAKLEE CORPORATION)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: STEWART TITLE INSURANCE CO).	265.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: STROH BREWERY CO)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: TOBACCO INSTITUTE)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: U.S. BANKNOTE)		
ROBERT D. HYNES JR., 1825 K ST., NW, #807 WASHINGTON DC 20006	NATIONAL BROADCASTING CO, INC	500.00	202.21
RICHARD H. ICHORD, 499 SOUTH CAPITOL STREET, SW, #400 WASHINGTON DC 20003	AAI CORPORATION	1,503.75	927.36
Do	EMERSON ELECTRIC CO	600.00	1,764.27
Do	WASHINGTON INDUSTRIAL TEAM, INC	600.00	
BERNARD J. IMMING, 727 N. WASHINGTON ST. ALEXANDRIA VA 22314	UNITED FRESH FRUIT & VEGETABLE ASSN		
CATHERINE L. IMUS, 1000 16TH STREET, NW, #800 WASHINGTON DC 20036	BETHLEHEM STEEL CORP	33.00	
INDEPENDENT DATA COMMUNICATIONS MANUFACTURERS ASSN, C/O SQUIRE SANDERS & DEMPSEY 1201 PENNSYLVANIA AVE., NW WASHINGTON DC 20004.			
INDEPENDENT INSURANCE AGENTS OF AMERICA, INC, 100 CHURCH ST. NEW YORK NY 10007		24,247.00	24,247.00
INDEPENDENT PRODUCERS GROUP, 240 PAGE COURT 220 W. DOUGLAS WICHITA KS 67202		2,823.40	5,452.46
INDIANA HI-RAIL CORPORATION, RR 1, BOX 242 CONNERSVILLE IN 47331			60.00
INDIANA RAILROAD ASSN, 143 W. MARKET STREET, #201 INDIANAPOLIS IN 46204			1,515.36
INDUSTRIAL BIOTECHNOLOGY ASSN, 2115 E. JEFFERSON ST. ROCKVILLE MD 20852			476.00
INDUSTRIAL UNION DEPARTMENT, AFL-CIO, 815 16TH ST., NW WASHINGTON DC 20006		22,189.73	22,189.73
INDUSTRY COUNCIL FOR TANGIBLE ASSETS, 214 MASSACHUSETTS AVENUE, NE, #560 WASHINGTON DC 20002			
CHARLES E. ING, 412 FIRST STREET, SE WASHINGTON DC 20003	NATIONAL AUTOMOBILE DEALERS ASSN	3,000.00	
ANDREA L. INNES, 1130 17TH STREET, NW WASHINGTON DC 20036	NATIONAL COAL ASSN	5,375.00	288.06
INSTITUTE OF FOREIGN BANKERS, SUITE 303 EAST, RM. 23 200 PARK AVE. NEW YORK NY 10017		1,500.00	1,540.00
INSTITUTE OF MAKERS OF EXPLOSIVES, 1575 EYE STREET, NW, #550 WASHINGTON DC 20005			
INSURANCE ECONOMICS SOCIETY OF AMERICA, 1700 PENNSYLVANIA AVE., NW, #590 WASHINGTON, DC 20006		36,194.00	3,041.39
INTEGRATED RESOURCES, INC, 666 THIRD AVENUE, 4TH FL. NEW YORK NY 10017			4,250.00
INTERNATIONAL ASSN OF BRIDGE STRUCT & ORNAMENTAL IRON WKRS, 1750 NEW YORK AVE., NW WASHINGTON DC 20006.			10,800.00
INTERNATIONAL BROTHERHOOD OF TEAMSTERS, 25 LOUISIANA AVE., NW WASHINGTON DC 20001			75,654.93
INTERNATIONAL COMMUNICATIONS INDUSTRIES ASSN, 3150 SPRING ST. FAIRFAX VA 22031		18,924.58	4,925.28
INTERNATIONAL GOLD CORPORATION LIMITED, 900 THIRD AVENUE NEW YORK NY 10022			61,521.33
INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO, 17 BATTERY PLACE, #1500 NEW YORK NY 10004			50,981.03
INTERNATIONAL TAXICAB ASSOCIATION, 3849 FARRAGUT AVENUE KENSINGTON MD 20895			2,300.00
INTERNATIONAL TECHNICAL EXPERTISE, LTD, 150 S. WASHINGTON ST., #100 FALLS CHURCH VA 22042			
INTERNATIONAL UNION OF BRICKLAYERS & ALLIED CRAFTSMEN, 815 15TH ST., NW WASHINGTON DC 20005			7,773.04
INVESTMENT COMPANY INSTITUTE, 1600 M ST., NW WASHINGTON DC 20036			10,226.28
INVESTMENT COUNSEL ASSN OF AMERICA, INC, 50 BROAD ST. NEW YORK NY 10004			
CHARLES C. IRIONS, 2200 MILL RD. ALEXANDRIA VA 22314	AMERICAN MOVERS CONFERENCE	1,962.00	
THOMAS L. IRMEN, P.O. BOX 119 MAUMEE OH 43537	ANDERSONS		
IRON ORE LESSORS ASSN, INC, 1500 FIRST NATL BANK BLDG. SAINT PAUL MN 55101		15,598.97	15,296.66
ITEL CONTAINER CORP, 55 FRANCISCO STREET, 6TH FL SAN FRANCISCO CA 94133			81.00
J M FAMILY ENTERPRISES, INC, P.O. BOX 1160 DEERFIELD BEACH FL 33441			230.00
ROBERT A. JABLON, SPIEGEL & MCDIARMID 2600 VIRGINIA AVE., NW WASHINGTON DC 20037	FT. PIERCE UTILITIES AUTH OF THE CITY OF FT. PIERCE, ET AL		
CARLTON JACKSON, FLORIDA PETROLEUM COUNCIL 325 JOHN KNOX RD., #F-210 TALLAHASSEE FL 32303	AMERICAN PETROLEUM INSTITUTE		
CHARLES L. JACKSON, 1990 M ST., NW, #450 WASHINGTON DC 20036	SHOOSHAN & JACKSON, INC (FOR: ROGERS U.S. CABLESYSTEMS, INC)		
GLENN JACKSON, 1660 L STREET, NW, #601 WASHINGTON DC 20036	INTERSTATE NATURAL GAS ASSN OF AMERICA	300.00	
WILLIAM P. JACKSON JR., JACKSON & JESSUP, P.C. 3426 N. WASHINGTON BOULEVARD ARLINGTON VA 22201	OSBORNE TRUCK LINE, INC, ET AL	5,088.42	10,826.02
STEPHEN JACOBS, 1771 N STREET, NW WASHINGTON DC 20036	NATIONAL ASSN OF BROADCASTERS	1,500.00	1,594.64
WALTER K. JAENICKE, 1619 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL FOREST PRODUCTS ASSN	4,500.00	
E. A. JAENKE & ASSOCIATES, INC, 777 14TH ST., NW, #666 WASHINGTON DC 20005	FARMLAND INDUSTRIES	500.00	
Do	UNIVERSITY OF KANSAS	250.00	
DANIEL L. JAFFE, 1400 K ST., NW, #1000 WASHINGTON DC 20005	AMERICAN ADVERTISING FEDERATION		
JAFFE SNIDER RAITT & HEUER, P.C., 1800 FIRST NATIONAL BUILDING DETROIT MI 48226			
EDWARD L. JAFFEE, 1730 RHODE ISLAND AVENUE, NW, #713 WASHINGTON DC 20036	PPG INDUSTRIES, INC		
MARGO L. JAMES, 1515 WILSON BLVD. ARLINGTON VA 22209	AMERICAN GAS ASSN		
MICHAEL JAMESON, P.O. BOX 5100 SAN DIEGO CA 92105	CONCERNED WOMEN FOR AMERICA		
JAPAN ECONOMIC INSTITUTE OF AMERICA, 1000 CONNECTICUT AVE., NW WASHINGTON DC 20036		975.90	975.90
JOSEPH J. JAQUAY, 5025 WISCONSIN AVE., NW WASHINGTON DC 20016	AMALGAMATED TRANSIT UNION, AFL-CIO		
EVELYN JARVIS-FERRIS, 444 MARKET STREET SAN FRANCISCO CA 94111	SHAKLEE CORPORATION		
JERRY J. JASINOWSKI, 1776 F STREET, N.W. WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	2,000.00	
JACOB K. JAVITS, 1211 AVENUE OF THE AMERICAS NEW YORK NY 10036	PARKER CHAPIN FLATTAU & KLIMPL (FOR: ASSOCIATION FOR A BETTER NEW YORK).		2,354.09
JOSEPH A. JEFFREY, 1920 N ST., NW, #300 WASHINGTON DC 20036	AMERICAN MINING CONGRESS	400.00	
PHILIP F. JEHLE, 1150 CONNECTICUT AVE., NW, #310 WASHINGTON DC 20036	SMITHKLINE BECKMAN CORP	1,000.00	
JOSEPH S. JENCKES, SUITE 300 1710 RHODE ISLAND AVE., NW WASHINGTON DC 20036	ABBOTT LABORATORIES	5,000.00	187.80
LINDA JENCKES, 1750 K ST., NW WASHINGTON DC 20006	HEALTH INSURANCE ASSN OF AMERICA, INC		
DAVID M. JENKINS II , 1025 VERMONT AVENUE, NW, #500 WASHINGTON DC 20005	MILES LABORATORIES, INC		
JENNER & BLOCK, 21 DUPONT CIRCLE, NW WASHINGTON DC 20036	ADHESIVE & SEALANT COUNCIL, INC		
Do	AMERICAN ASSN OF NURSE ANESTHETISTS		
Do	AMERICAN DENTAL ASSISTANTS ASSN		
Do	AMERICAN DENTAL TRADE ASSN		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	AMERICAN FILM MARKETING ASSN		
Do	AMERICAN INTRA-OCULAR IMPLANT SOCIETY		
Do	AMERICAN PORTRAIT SOCIETY		
Do	AMERICAN SOC OF ASSN EXECUTIVES		
Do	AMUSEMENT & MUSIC OPERATORS ASSN	4,616.25	1,245.25
Do	ASSOCIATION OF OPERATING ROOM NURSES		
Do	AUTO GLASS INDUSTRY COMM		
Do	DENTAL GOLD INSTITUTE		
Do	INTRAOCULAR LENS MFRS ASSN		
Do	NATIONAL GLASS ASSN		
JAMES C. JENNINGS, 3255 GRACE ST., NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC		
JENNINGS STROUSS & SALMON, 111 WEST MONROE PHOENIX AZ 85003	SHAMROCK FOODS CO		
RUSTY L. JESSER, 1120 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN	1,000.00	
NANCY H. JESSICK, 1331 PENNSYLVANIA AVE., NW, #720 WASHINGTON DC 20004	HIRAM WALKER & SONS, INC.		
GUY E. JESTER, 2150 KIENLEN AVE. ST. LOUIS MO 63121	ASSOCIATION FOR THE IMPROVEMENT OF THE MISSISSIPPI RIVER		
CHARLES JOECKEL JR., 807 MAINE AVE., SW WASHINGTON DC 20024	DISABLED AMERICAN VETERANS	18,647.19	324.53
JOHNSON & ASSOCIATES, 3240 N. ALBEMARLE STREET ARLINGTON VA 22207	FOREMOST DAIRIES-HAWAII		
Do	MEADOWGOLD DAIRIES-HAWAII		
BRUCE JOHNSON, AVENUE OF THE ARTS BLDG., #1009 PHILADELPHIA PA 19107	FAIC SECURITIES, INC	6,000.00	2,180.36
CARL T. JOHNSON, 1800 K ST., NW, #1104 WASHINGTON DC 20006	CORNING GLASS WORKS	600.00	
CLIFFORD T. JOHNSON, 1700 NORTH MOORE STREET ROSSLYN VA 22209	BOEING MILITARY AIRPLANE COMPANY		
JAMES A. JOHNSON, 2550 M ST., NW, #500 WASHINGTON DC 20037	SHEARSON LEHMAN BROTHERS; NORFOLK SOUTHERN RAILWAY	7,500.00	39.00
JESS JOHNSON JR., 1025 CONNECTICUT AVE., NW, #200 WASHINGTON DC 20036	SHELL OIL CO	1,000.00	
JOEL L. JOHNSON, 122 C ST., NW, #740 WASHINGTON DC 20001	AMERICAN LEAGUE FOR EXPORTS & SECURITY ASSISTANCE	5,000.00	105.42
JOHN B. JOHNSON, ALABAMA PETROLEUM COUNCIL P.O. BOX 4220 MONTGOMERY AL 36195	AMERICAN PETROLEUM INSTITUTE	2,096.25	1,169.60
JUSTIN W. JOHNSON, P.O. BOX 970 FT. WORTH TX 76101	TEXAS ELECTRIC SERVICE CO	110.00	64.00
LARRY W. JOHNSON, P.O. BOX 3000 LEESBURG VA 22075	VOCATIONAL INDUSTRIAL CLUBS OF AMERICA, INC.		
LINDA MEYER JOHNSON, 1575 EYE STREET, NW, #625 WASHINGTON DC 20005	ROLM CORPORATION		
MARK R. JOHNSON, 1667 K STREET, NW, #350 WASHINGTON DC 20036	MOLLER STEAMSHIP CO, INC.		
NANCIE S. JOHNSON, 1701 PENNSYLVANIA AVENUE, NW, #900 WASHINGTON DC 20006	CONOCO, INC	1,100.00	
RADY A. JOHNSON, 1000 16TH ST., NW WASHINGTON DC 20036	AMOCO CORP	800.00	
RICHARD W. JOHNSON JR., 219 N. WASHINGTON STREET ALEXANDRIA VA 22314	NON COMMISSIONED OFFICERS ASSN OF THE USA	5,955.04	464.41
STANLEY L. JOHNSON, 1050 17TH ST., NW WASHINGTON DC 20036	TEXACO, INC.	125.00	
THOMAS G. JOHNSON, ONE SHELL PLAZA, #4868 P.O. BOX 2463 HOUSTON TX 77001	SHELL OIL COMPANY		
WALLACE E. JOHNSON, MOFFET, LARSON & JOHNSON, P.C. 1925 NORTH LYNN STREET, #700 ARLINGTON VA 22209	ASSOCIATION FOR BROADCASTING ENGINEERING STANDARDS, INC		
WILLIAM L. JOHNSON, 1050 17TH ST., NW, #301 WASHINGTON DC 20036	PRIMARK CORPORATION		
BARBARA W. JOHNSTON, 1150 CONNECTICUT AVE. NW #710 WASHINGTON DC 20036	UTAH INTERNATIONAL, INC		
DAVID JOHNSTON, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
ERNEST JOHNSTON, 1825 K STREET, NW, #1107 WASHINGTON DC 20006	PHILLIPS PETROLEUM CO	1,075.00	
JAMES D. JOHNSTON, 1660 L ST., NW WASHINGTON DC 20036	GENERAL MOTORS CORP	3,600.00	5,298.44
JOINT CORPORATE COMM ON CUBAN CLAIMS, C/O LONE STAR INDUSTRIES, INC PO BOX 5050 GREENWICH CT 06830			180.00
JOINT TASK FORCE ON FED FINANCIAL ASSIST. FOR LAW STUDENTS, P.O. BOX 40 NEWTOWN PA 18940			
MARY K. JOLLY, 1600 RHODE ISLAND AVENUE, NW WASHINGTON DC 20036	NATIONAL RIFLE ASSN OF AMERICA	900.00	167.39
HERBERT A. JOLOVITZ, 900 17TH STREET, NW WASHINGTON DC 20006	OWENS-CORNING FIBERGLAS CORPORATION	1,337.00	
BEVERLY E. JONES, WICKWIRE GAVIN & GIBBS, P.C. 1819 L STREET, NW, #700 WASHINGTON DC 20036	AMERICAN INDEPENDENT REFINERS ASSN	700.00	2.40
Do	CONSOLIDATED NATURAL GAS CO	230.00	
Do	NATIONAL HYDROPOWER ASSN, ET AL		
CHERYL L. JONES, 1331 PENNSYLVANIA AVE., NW, #565 WASHINGTON DC 20004	TEXAS GAS TRANSMISSION CORP		
JONES DAY REAVIS & POGUE, 655 15TH ST., NW WASHINGTON DC 20005	AUTOMOTIVE DISMANTLERS & RECYCLERS ASSN, INC		
Do	CARL M. FREEMAN ASSOCIATES		
Do	LOS ANGELES COUNTY	5,527.00	209.24
Do	MISSISSIPPI CHEMICAL CORP		
Do	PFIZER, INC.	6,000.00	150.00
Do	SCM CORPORATION		
ERNEST W. JONES, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
JAMES E. JONES JR., 1629 K ST., NW, #1010 WASHINGTON DC 20006	ALLIANCE OF AMERICAN INSURERS	201.10	78.25
JAMES E. JONES, 40 FRANKLIN RD., SW P.O. BOX 2021 ROANOKE VA 24022	APPALACHIAN POWER COMPANY		
JULIE S. JONES, 1050 17TH STREET, NW, #301 WASHINGTON DC 20036	PRIMARK CORP	750.00	
NORVILL JONES, 1620 EYE ST., NW WASHINGTON DC 20006	REYNOLDS METALS CO	166.67	
RANDALL T. JONES, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL COUNCIL OF FARMER COOPERATIVES	2,000.00	
WILEY N. JONES, 1667 K ST., NW, #600 WASHINGTON DC 20006	SOUTHERN PACIFIC TRANS CO & SANTA FE SOUTHERN PACIFIC CO	1,000.00	500.00
ALEXANDER H. JORDAN, 1201 PENNSYLVANIA AVENUE, NW, #730 WASHINGTON DC 20004	KIMBERLY-CLARK CORP		
DE SOTO JORDAN, 1331 PENNSYLVANIA AVE., NW, #1300 WASHINGTON DC 20004	ELECTRONIC DATA SYSTEMS CORPORATION	374.00	68.00
JAMES V. JORDAN III, PO BOX 2563 BIRMINGHAM AL 35202	SOUTHERN NATURAL GAS CO		
DAVID JORY, 1709 NEW YORK AVENUE, NW WASHINGTON DC 20006	AIR TRANSPORT ASSN OF AMERICA	5,000.00	
JEFFREY H. JOSEPH, 1615 H ST., NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.	1,400.00	10.00
MARY LOU JOSEPH, 2025 M STREET, NW WASHINGTON DC 20036	NATIONAL PUBLIC RADIO	17,509.64	520.37
ARDON B. JUDD JR., 1100 CONNECTICUT AVE., NW, #310 WASHINGTON DC 20036	DRESSER INDUSTRIES, INC.		
ROBERT E. JULIANO ASSOCIATES, 1099 22ND STREET, NW, #404 WASHINGTON DC 20037	NATIONAL ASSN OF BROADCASTERS		
ROBERT E. JULIANO, 1875 I ST., NW, #450 WASHINGTON DC 20006	HOTEL & RESTAURANT EMPLOYEES & BARTENDERS INTL UNION	16,238.64	2,379.07
THOMAS W. JURIKA JR., 649 MISSION STREET SAN FRANCISCO CA 94105	URS CORPORATION		
GEZA KADAR, 1750 K STREET, N.W. WASHINGTON DC 20006	HEALTH INSURANCE ASSN OF AMERICA, INC		
SUZANNE KALFUS, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FED OF FEDERAL EMPLOYEES		
LAUREL B. KAMEN, 1020 19TH ST., NW, #600 WASHINGTON DC 20036	AMERICAN EXPRESS CO		
LINDA HELLER KAMM, 1775 PENNSYLVANIA AVE., NW, #1000 WASHINGTON DC 20006	FOLEY LARDNER HOLLABAUGH & JACOBS (FOR: VGS CORPORATION)		
JAMES L. KANE JR., 1315 VINCENT PLACE MCLEAN VA 22101			
DONALD J. KANIEWSKI, 905 16TH ST., NW WASHINGTON DC 20006	LABORERS' INTL UNION OF NORTH AMERICA, AFL-CIO	7,500.00	293.40
KAPLAN RUSSIN & VECCHI, 1218 16TH STREET, NW WASHINGTON DC 20036	AMERICAN CHAMBER OF COMMERCE OF THE DOMINICAN REPUBLIC		
Do	TADIRAN ISRAEL ELECTRONICS INDUSTRIES, LTD		
GEORGE J. KARAM, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS		
GENE KARPINSKI, 215 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	U.S. PUBLIC INTEREST RESEARCH GROUP	5,250.00	
PATRICIA L. KATSON, 300 INDEPENDENCE AVE., SE WASHINGTON DC 20003	LIBERTY LOBBY	5,500.00	
HOWARD C. KATZ, 4 WORLD TRADE CENTER NEW YORK NY 10048	J. ARON & CO (FOR: COFFEE SUGAR & COCOA EXCHANGE, INC)		
RICHARD S. KAUFMAN, 3471 N. FEDERAL HIGHWAY, #511 FT. LAUDERDALE FL 33306	AMERISERV, INC.		
EVERETT E. KAVANAUGH, 1110 VERMONT AVE., NW, #800 WASHINGTON DC 20005	COSMETIC TOILETRY & FRAGRANCE ASSN, INC.		
ROBERT A. KAY, 260 EIGHTH STREET TORONTO ONTARIO CANADA M8V 3E1	ARROWHEAD METALS, LTD		
KAYE SCHOLER FIERMAN HAYS & HANDLER, 1575 I STREET, NW, #1150 WASHINGTON DC 20005	AMERICAN MEAT INSTITUTE		
Do	AMERICAN PSYCHOANALYTIC ASSOCIATION		
Do	AMERICAN SOCIAL HEALTH ASSN		
Do	DRUMMOND COMPANY		
Do	ELSEVIER SCIENTIFIC PUBLISHERS		
RICHARD F. KEATING, 1211 CONNECTICUT AVE., NW, #502 WASHINGTON DC 20036	ANHEUSER-BUSCH COMPANIES, INC		
ROBERT J. KEEFE, 444 N. CAPITOL STREET, #711 WASHINGTON DC 20001	KEEFE COMPANY (FOR: WESTINGHOUSE ELECTRIC CORP)		
JOSEPH D. KEEFER, 1301 PENNSYLVANIA AVE., NW, #325 WASHINGTON DC 20006	COUNCIL ON SYNTHETIC FUELS		
VICKI R. KEENAN, 1620 EYE ST., NW, #703 WASHINGTON DC 20006	BECHTEL POWER CORPORATION		
KEITH KEENEY, 5775 PEACHTREE-DUNWOODY RD., #500-D ATLANTA GA 30342	ROBERT H. KELLEN CO (FOR: CALORIE CONTROL COUNCIL)	100.00	
ROBERT C. KEENEY, 727 N. WASHINGTON ST. ALEXANDRIA VA 22314	UNITED FRESH FRUIT & VEGETABLE ASSN	2,006.00	486.36
ROBIN E. KEENEY, 1156 15TH STREET, NW, #1101 WASHINGTON DC 20005	NATIONAL ASSN OF SMALL BUSINESS INVESTMENT COS	2,000.00	
KENDELL W. KEITH, 725 15TH STREET, NW WASHINGTON DC 20005	NATIONAL GRAIN & FEED ASSN	50.00	
ROBERT H. KELLEN, 5775 PEACHTREE-DUNWOODY RD., #500-D ATLANTA GA 30342	ROBERT H. KELLEN CO (FOR: CALORIE CONTROL COUNCIL)	90.00	
KELLER & HECKMAN, 1150 17TH STREET, NW, #1000 WASHINGTON DC 20036	SPECIALTY ADVERTISING ASSN INT'L	500.00	35.00
DONALD W. KELLER, P.O. BOX 3331 HOUSTON TX 77253	QUINTANA PETROLEUM CORP		
JAY KELLER, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE	5,542.97	128.77
JOHN J. KELLER, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS		
PAUL J. KELLEY, 2727 NORTH CENTRAL AVE. PHOENIX AZ 85004	U-HAUL INTL, INC		
THOMAS F. KELLEY III, 311 FIRST STREET, NW WASHINGTON DC 20001	NATIONAL RESTAURANT ASSN		
TY KELLEY, P.O. BOX 1417-D49 ALEXANDRIA VA 22313	NATIONAL ASSN OF CHAIN DRUG STORES, INC	1,500.00	
STEPHEN G. KELLISON, 1835 K ST., NW, #515 WASHINGTON DC 20006	AMERICAN ACADEMY OF ACTUARIES		
STEPHEN S. KELLNER, 1001 CONNECTICUT AVE., NW, #1120 WASHINGTON DC 20036	CHEMICAL SPECIALTIES MFGRS ASSN	222.74	5.50
DEBORAH MARQUIS KELLY, 1200 17TH STREET, NW WASHINGTON DC 20036	AMERICAN PSYCHOLOGICAL ASSN	2,100.00	57.90
ERNEST B. KELLY III, 950 L'ENFANT PLAZA, SW WASHINGTON DC 20024	COMMUNICATIONS SATELLITE CORPORATION		
HAROLD V. KELLY, 1025 THOMAS JEFFERSON ST., NW, #511 W. WASHINGTON DC 20007	LTV CORP		
JOHN F. KELLY, 1828 L STREET, NW # 906 WASHINGTON DC 20036	MERRILL LYNCH & CO, INC.	2,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
PETER M. KELLY, BELL BOYD & LLOYD 70 W. MADISON, #3200 CHICAGO IL 60602	BALCOR/AMERICAN EXPRESS, INC.		
MARK L. KEMMER, 1660 L STREET, N.W. WASHINGTON DC 20036	GENERAL MOTORS CORP	2,500.00	2,983.18
KENDALL & ASSOCIATES, INC, 50 E ST., SE WASHINGTON DC 20003	ANDERSON HIBEY NAUHEIM & BLAIR (FOR MARRIOTT CORP)		
Do	CLADOUHOS & BRASHARES (FOR SMITH BARNEY HARRIS UPHAM & CO)		
Do	CARL M. FREEMAN ASSOCIATES, INC		
Do	HELLER EHRMAN WHITE & MCAULIFFE		
Do	MANVILLE CORPORATION	750.00	
Do	TOYOTA MOTOR SALES, U.S.A.	600.00	
Do	WORLDWIDE INFORMATION RESOURCES, INC		
WILLIAM T. KENDALL, 50 E ST., SE WASHINGTON DC 20003	ALLIANCE FOR FREE ENTERPRISE		
JOSEPH W. KENNEBECK, 490 L'ENFANT PLAZA, SW, #3210 WASHINGTON DC 20024	VOLKSWAGEN OF AMERICA, INC	300.00	
ART KENNEDY, P.O. BOX 3576 ECB ANCHORAGE AK 99501	KONIAG, INC.		
MICHAEL E. KENNEDY, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
EDWARD E. KENNEY & ASSOCIATES, INC, 499 S. CAPITOL ST., SW, #520 WASHINGTON DC 20003	LOCKHEED-GEORGIA CORPORATION		
JEREMIAH J. KENNEY JR., 12TH FL 1100 15TH ST., NW WASHINGTON DC 20005	UNION CARBIDE CORP		812.25
BRENDAN KENNY, 1625 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	AIR LINE PILOTS ASSN	4,200.00	461.62
J. H. KENT, KENT & O'CONNOR 1919 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20006	AMERICAN DENTAL HYGIENISTS ASSN	8,309.59	3,523.06
Do	AMERICAN SOC OF PLASTIC & RECONSTRUCTIVE SURGERY	2,570.00	1,103.19
Do	AMERICAN SUPPLY ASSOCIATION	7,558.83	3,202.78
Do	AMERICAN WAREHOUSEMEN'S ASSOCIATION		
Do	CFS CONTINENTAL		
Do	GOULD, INC.	8,292.14	3,523.06
Do	LOS ANGELES ALLIANCE FOR EQUITABLE CUSTOMS STAFFING	12,558.39	5,302.38
Do	NATIONAL CUSTOMS BROKERS & FORWARDERS ASSN OF AMERICA	7,467.65	3,167.19
Do	TRANSPORTATION LAWYERS ASSN		
RICHARD S. KESSLER, 1800 M STREET, NW, #950 WASHINGTON DC 20036	JACK MCDONALD CO (FOR: COALITION FOR THE ADVANCEMENT OF INDUSTRIAL TECHNOLOGY).		
Do	JACK MCDONALD CO (FOR: FIBER FABRIC & APPAREL COALITION FOR TRADE)		
DALE RODNEY KETCHAM, 1980 N. ATLANTIC AVE., #918 COCOA BEACH FL 32931			
ROBERT M. KETCHEL, 1331 PENNSYLVANIA AVE., NW, #895 WASHINGTON DC 20004	GENERAL ELECTRIC CO		
GILBERT W. KEYES, P.O. BOX 3999 (MAIL STOP 8C-68) SEATTLE WA 98124	BOEING AEROSPACE CO	1,306.72	1,385.79
KIAWAH ISLAND COMPANY, P.O. BOX 12910 CHARLESTON SC 29142			
RICHARD F. KIBBEN, 200 PARK AVE. NEW YORK NY 10166	BUSINESS ROUNDTABLE		
BRIAN D. KIDNEY, 444 N. CAPITOL STREET, NW, #718 WASHINGTON DC 20001	PACIFIC TELESIS GROUP	15,450.00	
ROBERT W. KIERNAN, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	1,500.00	100.00
WILLIAM S. KIES, 1750 K ST., NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	200.00	
KIKKOMAN FOODS, INC, P.O. BOX 69 WALWORTH WI 53184			
INGOLF N. KILAND JR., 1660 L STREET, NW WASHINGTON DC 20036	GENERAL MOTORS CORP	3,000.00	4,047.98
DANIEL L. KILEY, P.O. BOX 3609 NORFOLK VA 23514	NORFOLK SOUTHERN CORPORATION		
MARY K. KILLORIN, 1101 15TH STREET, NW WASHINGTON DC 20005	MINNESOTA MINING & MANUFACTURING CO (3M)	1,500.00	
ROBERTA D. KIMBALL, 1015 15TH STREET, NW, #802 WASHINGTON DC 20005	AMERICAN CONSULTING ENGINEERS COUNCIL	200.00	
RICHARD H. KIMBERLY, 1201 PENNSYLVANIA AVENUE, NW, #730 WASHINGTON DC 20004	KIMBERLY-CLARK CORP	3,525.60	131.01
KIMBERLY-CLARK CORP, 401 NORTH LAKE STREET NEENAH WI 54956			4,677.41
JAMES L. KIMBLE, 1025 CONNECTICUT AVE., NW, #415 WASHINGTON DC 20036	AMERICAN INSURANCE ASSN	350.00	15.00
LISA KIMBRO, 1101 16TH STREET, NW WASHINGTON DC 20036	INDEPENDENT PETROLEUM ASSN OF AMERICA		19.40
KING & SPALDING, 1730 PENNSYLVANIA AVE., NW, #1200 WASHINGTON DC 20006	BETHLEHEM STEEL CORP		
Do	DAMSON OIL CORP	180.00	
Do	GENERAL AVIATION MANUFACTURERS ASSN		
Do	GENERAL ELECTRIC CREDIT CORP		
Do			30.50
Do	LINCOLN PROPERTY CO	19,977.50	115.75
CHARLES L. KING, 1850 K ST., NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC.		
EDWARD H. KING, 200 WILMOT RD. DEERFIELD IL 60015	WALGREEN CO.		
G. JACK KING, WASHINGTON NATIONAL AIRPORT WASHINGTON DC 20001	U.S. AIR, INC.	1,000.00	
GARY V. KING, P.O. BOX 12148 ARLINGTON VA 22209	COTTAGE INDUSTRIES		
W. RUSSELL KING, 1730 RHODE ISLAND AVE., NW, #400 WASHINGTON DC 20036	FREEPORT MCMORAN, INC.	500.00	83.00
DANIEL T. KINGSLEY, 1655 N. FT. MYER DR., #700 ARLINGTON VA 22209	NATIONAL VENTURE CAPITAL ASSOCIATION	19,600.00	4,965.71
ROGER P. KINGSLEY, 10801 ROCKVILLE PIKE ROCKVILLE MD 20852	AMERICAN SPEECH-LANGUAGE-HEARING ASSN.		
JANIE A. KINNEY, BLUM NASH & RAILSBACK 1015 18TH ST., NW WASHINGTON DC 20036	MERCK & CO, INC	720.00	
Do	WALT DISNEY PRODUCTIONS		
MARCIA Y. KINTER, 1600 WILSON BOULEVARD, #1000 ARLINGTON VA 22209	AMERICAN WATERWAYS OPERATORS, INC		
CECILIA ANNE KIRBY, 1819 L STREET, NW, #600 WASHINGTON DC 20036	AMERICAN HOTEL & MOTEL ASSN	1,331.32	
KIRBY GILLICK SCHWARTZ & TUOHEY, P.C., 1220 L STREET, NW, #310 WASHINGTON DC 20005	AMERICA WEST AIRLINES, INC.		
Do	LAKE ONTARIO CEMENT LIMITED	1,250.00	28.00
Do	NATIONAL VEHICLE LEASING ASSN	1,350.00	54.00
ALAN G. KIRK II , 1900 PENNSYLVANIA AVE., NW WASHINGTON DC 20068	POTOMAC ELECTRIC POWER CO	282.45	
JOHN R. KIRK, BINGHAM, DANA & GOULD 100 FEDERAL ST. BOSTON MA 02110	FIRST NATIONAL BANK OF BOSTON		
KIRKPATRICK & LOCKHART, 1900 M ST., NW WASHINGTON DC 20036	AMERICAN COUNCIL OF LIFE INSURANCE		
Do	CALVERT GROUP, LTD		
Do	COUNCIL OF STATE HOUSING AGENCIES		
Do	COUNTY OF SUFFOLK, NEW YORK		
Do	INTERNATIONAL GOLD CORPORATION LIMITED	2,499.00	
Do	INVESTORS FIDUCIARY TRUST CO	3,948.00	
Do	PAINE WEBBER JACKSON & CURTIS, INC.		
Do	REPUBLIC NATIONAL BANK OF NEW YORK		
Do	SEARCH GROUP, INC.		
Do	WHITNEY NATIONAL BANK OF NEW ORLEANS		
KIRLIN CAMPBELL & KEATING, 1150 CONNECTICUT AVE., NW, #800 WASHINGTON DC 20036	COUNCIL OF EUROPEAN & JAPANESE NATIONAL SHIPOWNERS' ASSN	46,063.62	300.86
ROBERT A. KIRSHNER, 1619 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL FOREST PRODUCTS ASSN		
RICHARD L. KLASS, 1818 N ST., NW, #600 WASHINGTON DC 20036	DGA INTERNATIONAL, INC (FOR: DIR INTL AFF OF THE GEN DEL FOR ARMEMENTS)		
Do	DGA INTERNATIONAL, INC (FOR: SOCIETE NATIONALE D'ETUDE ET DE CONST DE MOTEURS D'AVIATION).		
Do	DGA INTERNATIONAL, INC (FOR: THOMSON-CSF DIVISION SYSTEMS ELECTRONIQUE OF FRANCE).		
RICHARD P. KLEEMAN, 2005 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	ASSOCIATION OF AMERICAN PUBLISHERS		
JAMES A. KLEIN, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.	1,750.00	353.51
KLINE KNOPF & WOJDAK, INC, 355 N. 21ST STREET, #105 CAMP HILL PA 17011	GENERAL PUBLIC UTILITIES CORPORATION		
WILLIAM J. KLINEFELTER, 815 16TH ST., NW, #706 WASHINGTON DC 20006	UNITED STEELWORKERS OF AMERICA	9,192.84	
MICHAEL R. KLIPPER, 1600 I ST., NW WASHINGTON DC 20006	MOTION PICTURE ASSN OF AMERICA	583.25	256.84
DAVID M. KLUCSIK, 1415 WYCKOFF ROAD, P.O. BOX 1464 WALL NJ 07719	NEW JERSEY NATURAL GAS CO		106.16
GLENN KNAPP, 773 DARTMOUTH AVE. SAN CARLOS CA 94070			
ALBERT B. KNOLL, 1800 K STREET, NW, #820 WASHINGTON DC 20006	SUN COMPANY, INC.	1,500.00	780.98
ROBERT L. KNOUS JR., 1410 GRANT STREET, #A-201 DENVER CO 80203	COLORADO SKI COUNTRY USA		
C. NEAL KNOX, NEAL KNOX ASSOCIATES BOX 6537 SILVER SPRING MD 20906		3,000.00	200.00
RUTH E. KOBELL, 600 MARYLAND AVE., SW, #202 WASHINGTON DC 20024	FARMERS' EDUCATIONAL & CO-OPERATIVE UNION OF AMERICA	2,635.00	92.88
THOMAS G. KOBUS, 1112 16TH ST., NW, #2000 WASHINGTON DC 20036	NATIONAL PARKING ASSOCIATION	26,563.41	
BRADLEY R. KOCH, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	137.50	
GEORGE W. KOCH, 1010 WISCONSIN AVE., NW, #800 WASHINGTON DC 20007	GROCERY MANUFACTURERS OF AMERICA, INC.	47.00	
KOJM ASSSOCIATES, 2906 S. GRANT STREET ARLINGTON VA 22202	TECHNICUM INT'L CORP AND PACIFIC-SIERRA RESEARCH CORP		
MICHAEL S. KOLEDA, 1301 PENNSYLVANIA AVE., NW, #325 WASHINGTON DC 20004	COUNCIL ON SYNTHETIC FUELS		
JOHN C. KOLOJESKI, LAROE WINN & MOERMAN 1120 G STREET, NW, #800 WASHINGTON DC 20005	CHLORINE INSTITUTE, INC.	5,950.00	518.16
KOMINERS FORT SCHLEFER & BOYER, 1401 NEW YORK AVE., NW WASHINGTON DC 20005	ATLANTIC RICHFIELD CO.		
Do	CROWLEY MARITIME CORP AND SUBSIDIARIES		
Do	MATSON NAVIGATION CO		
NICHOLAS KOMINUS, 1001 CONNECTICUT AVE., NW WASHINGTON DC 20036	U.S. CANE SUGAR REFINERS' ASSN	600.00	72.55
EUGENE P. KOPP, SUITE 600 SOUTH 1120 20TH STREET, NW WASHINGTON DC 20036	UNION PACIFIC CORP	1,250.00	
STEVEN KOPPERUD, 1701 N. FT. MYER DRIVE ARLINGTON VA 22209	AMERICAN FEED INDUSTRY ASSN	3,240.00	
HORACE R. KORNEGAY, 1875 I ST., NW, #800 WASHINGTON DC 20006	TOBACCO INSTITUTE		
NICHOLAS P. KOSKORES, 1800 MASSACHUSETTS AVE., NW, #510 WASHINGTON DC 20036	NEW ENGLAND COUNCIL, INC.		
BERNARD KOTEEN, 1150 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	KOTEEN & NAFTALIN (FOR: STORER COMMUNICATIONS, INC)	900.00	
GERALD J. KOVACH, 1133 19TH STREET, NW WASHINGTON DC 20036	MCI COMMUNICATIONS CORP		
KENNETH S. KOVACK, 815 16TH ST., NW, #706 WASHINGTON DC 20006	UNITED STEELWORKERS OF AMERICA	9,192.84	
JOAN M. KOVALIC, 1620 EYE ST., NW, #800 WASHINGTON DC 20006	TAFT STETTINIUS & HOLLISTER (FOR: INMONT CORP)		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	TAFT STETTINIUS & HOLLISTER (FOR: JAMES GRAHAM BROWN FOUNDATION)		
Do	TAFT STETTINIUS & HOLLISTER (FOR: SHERWIN-WILLIAMS COMPANY)		
MYLIO S. KRAJA, 1608 K ST., NW WASHINGTON DC 20006	AMERICAN LEGION	3,088.02	665.61
JOSEPH H. KRAMER III, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: HTB CORPORATION)		
STEPHEN W. KRAUS, 1850 K ST., NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
RAYMOND R. KRAUSE, THE PILLSBURY CENTER MS 3278 MINNEAPOLIS MN 55402	PILLSBURY COMPANY	1,500.00	
JEFFREY KRAUSS, 1350 PICCARD DRIVE, #304 ROCKVILLE MD 20850	M/A-COM, INC	2,500.00	
ALAN G. KRAUT, 1200 17TH STREET, NW WASHINGTON DC 20036	AMERICAN PSYCHOLOGICAL ASSN	4,000.00	291.28
EARL R. KREHER, 1620 EYE STREET, NW, #1000 WASHINGTON DC 20006	MOTOR VEHICLE MANUFACTURERS ASSN OF THE U.S., INC		
LAWRENCE E. KREIDER, 1015 18TH ST., NW WASHINGTON DC 20036	CONFERENCE OF STATE BANK SUPERVISORS		
DAWN C. KRISTOF, P.O. BOX 17402 DULLES INTERNATIONAL AIRPORT WASHINGTON DC 20041	WATER & WASTEWATER EQUIPMENT MANUFACTURERS ASSN, INC		
KROGER COMPANY, 1014 VINE ST. CINCINNATI OH 45201			3,998.01
JAMES C. KRONE, 1152 HASLETT ROAD P.O. BOX 99 HASLETT MI 48840	ROSES, INC	600.00	
KROOTH & ALTMAN, 2101 L STREET, NW, #210 WASHINGTON DC 20037	BRISCOE CO		62.50
KEITH R. KRUEGER, 600 MARYLAND AVE., SW, #400 WASHINGTON DC 20024	AMERICAN OPTOMETRIC ASSN		
K. H. KRUKE, 1776 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	HIGHWAY USERS FEDERATION FOR SAFETY & MOBILITY	1,000.00	34.53
PAUL R. KRUSE, 1155 15TH ST., NW WASHINGTON DC 20005	PENNZOIL CO	625.00	
JAMES S. KRZYMINSKI, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL COUNCIL OF FARMER COOPERATIVES	1,075.00	
THOMAS A. KUBE, 8111 GATEHOUSE ROAD FALLS CHURCH VA 22047	AMERICAN AUTOMOBILE ASSN		
PHILIP KUGLER, 555 NEW JERSEY AVE., NW WASHINGTON DC 20001	AMERICAN FED OF TEACHERS		
LLOYD R. KUHN, 1725 DESALES ST., NW WASHINGTON DC 20036	AEROSPACE INDUSTRIES ASSN OF AMERICA, INC	15,348.00	
THOMAS R. KUHN, 1111 19TH STREET, NW WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	5,084.42	229.22
ROSE KUIUMGIAN, 1910 K STREET, NW, #700 WASHINGTON DC 20006	NATIONAL GROCERS ASSN		
ESTER KURZ, 500 NORTH CAPITOL ST., NW, #300 WASHINGTON DC 20001	AMERICAN ISRAEL PUBLIC AFFAIRS COMM	13,562.52	257.43
JEFFREY KURZWEIL, HILL BETTS & NASH 1220 19TH ST., NW, SUITE 302 WASHINGTON DC 20036	MARRIOTT CORPORATION		
GARY JAY KUSHNER, P.O. BOX 3556 WASHINGTON DC 20007	AMERICAN MEAT INSTITUTE	1,000.00	
KUTAK ROCK & CAMPBELL, 1101 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	DISTRICT HEATING DEVELOPMENT CO		86.86
Do	NATIONAL ELECTRICAL MANUFACTURERS ASSN	25,000.00	1,562.45
Do	VALMONT INDUSTRIES, INC	13,424.06	77.22
KWAJALEIN ATOLL CORP, P.O. BOX 5220 KWAJALEIN EBEYE MARSHALL ISLAN			24,400.00
LABOR BUREAU, INC, 1346 CONNECTICUT AVE., NW, #501 WASHINGTON DC 20036			
LABOR MANAGEMENT MARITIME COMMITTEE, INC, 100 INDIANA AVENUE, NW WASHINGTON DC 20001		9,633.00	7,930.00
LABORERS' INTL UNION OF NORTH AMERICA, AFL-CIO, 905 16TH ST., NW WASHINGTON DC 20006			22,376.15
JOSEPH L. LACH, 1025 CONNECTICUT AVENUE, NW, #214 WASHINGTON DC 20036	MANVILLE PRODUCTS CORP	500.00	
JOHN D. LACOPO, 1331 PENNSYLVANIA AVE., NW, #1300 WASHINGTON DC 20004	EDS CORPORATION	96.00	20.00
BRUCE C. LADD JR., 1776 K STREET, NW WASHINGTON DC 20006	MOTOROLA, INC	16,500.00	75.00
ROBERT A. LADIG, SCOTT PLAZA PHILADELPHIA PA 19113	SCOTT PAPER COMPANY	3,625.00	1,217.47
PETER M. LAFEN, 530 7TH ST., SE WASHINGTON DC 20003	FRIENDS OF THE EARTH		
SANDRA L. LAFEVRE, 2500 RIVA ROAD, SE ANNAPOLIS MD 21401	NATIONWIDE INSURANCE CO & AFFILIATES		
JOHN LAGOMARCINO, 417 NEW JERSEY AVE., SE WASHINGTON DC 20003	NATIONAL ASSN OF RAILROAD PASSENGERS	6,500.00	
JACK L. LAHR, 1775 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	FOLEY LARDNER HOLLABAUGH & JACOBS (FOR: VGS CORPORATION)		
ROBERT LAMB, 1220 L STREET, NW WASHINGTON DC 20005	AMERICAN PETROLEUM INSTITUTE	5,000.00	139.78
DAVID F. LAMBERT III, 311 FIRST STREET, NW, #700 WASHINGTON DC 20001	NATIONAL ASSN OF INSURANCE BROKERS		
DAVID M. F. LAMBERT, 1000 POTOMAC STREET, NW, #302 WASHINGTON DC 20007	FEDERATION EMPLOYMENT & GUIDANCE SERVICE		
DAVID P. LAMBERT, 1800 K ST., NW WASHINGTON DC 20006	NEW YORK STOCK EXCHANGE, INC		
DAVID R. LAMBERT, 1030 15TH ST., NW, #964 WASHINGTON DC 20005	AMERICAN SEED TRADE ASSN	5,000.00	
MARCY LAMBOURNE, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	1,250.00	
VIRGINIA B. LAMP, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.	2,400.00	628.49
VIRGINIA A. LAMPLEY, 1818 N ST., NW, #600 WASHINGTON DC 20036	DGA INTERNATIONAL, INC (FOR: DIR INTL AFF OF THE GEN DEL FOR ARMEMENTS)		
Do	DGA INTERNATIONAL, INC (FOR: SOCIETE NATIONALE D'ETUDE ET DE CONST. DE MOTEURS D'AVIATION)		42.37
Do	DGA INTERNATIONAL, INC (FOR: SOFREAVIA)		
Do	DGA INTERNATIONAL, INC (FOR: THOMSON-CSF DIVISION SYSTEMS ELECTRONIQUE OF FRANCE)		
JOHN W. LAMPMANN, 2000 L STREET, NW, #810 WASHINGTON DC 20036	SPERRY CORP		
LINDA L. LANAM, 1709 NEW YORK AVENUE, NW, #303 WASHINGTON DC 20006	BLUE CROSS & BLUE SHIELD ASSN		
RAY H. LANCASTER, 1331 PENNSYLVANIA AVE., NW, #565 WASHINGTON DC 20004	TEXAS GAS TRANSMISSION CORP	3,000.00	229.06
L. CHARLES LANDGRAF, 1333 NEW HAMPSHIRE AVENUE, NW WASHINGTON DC 20036	LEBOEUF LAMB LEIBY & MACRAE		
THOMAS M. LANDIN, ONE FRANKLIN PLAZA PHILADELPHIA PA 19101	SMITHKLINE BECKMAN CORP		
LANDIS COHEN SINGMAN & RAUH, 1019 19TH ST., NW, #500 WASHINGTON DC 20036	AMERICAN SOC OF COMPOSERS AUTHORS & PUBLISHERS	1,600.00	
Do	NFL PLAYERS ASSOCIATION	4,000.00	
FREDERICK LANDMAN, 460 W. 42ND STREET, 4TH FL. NEW YORK NY 10036	PAN AMERICAN SATELLITE CORP		
BRUCE ALAN LANDY, 2601 VIRGINIA AVE., NW WASHINGTON DC 20037	B.A.L. CO		
Do	CRYOGENIC VACUUM TECHNOLOGY CO		
Do			
LANE & EDSON, P.C., 2300 M STREET, NW WASHINGTON DC 20036	CITY OF BALTIMORE	600.00	
Do	COUNCIL FOR RURAL HOUSING AND DEVELOPMENT	4,000.00	
Do	NATIONAL LEASED HOUSING ASSN	900.00	
ALBERT E. LANE, 1377 K ST., NW, #537 WASHINGTON DC 20005	MEDCOM-MIC		
Do	PEOPLE OPPOSED TO ENERGY LOBBY - POTEL		
RICHARD F. LANE, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
JOSEPH L. LANG, 1121 L STREET, #1000 SACRAMENTO CA 95814	WEST COAST FABRICATORS & STEEL INDUSTRY ASSOCIATION		2,724.46
ROBIN W. LANIER, 1000 CONNECTICUT AVE., NW WASHINGTON DC 20036	NATIONAL RETAIL MERCHANTS ASSN	200.00	20.00
WAYNE R. LAPIERRE JR., 1600 RHODE ISLAND AVE., NW WASHINGTON DC 20036	NATIONAL RIFLE ASSN OF AMERICA	1,187.50	950.00
CLIFFORD LAPLANTE, 1331 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20004	GENERAL ELECTRIC CO	1,230.00	
WILLIAM L. LARSEN, 1025 CONNECTICUT AVENUE, NW, #415 WASHINGTON DC 20036	AMERICAN INSURANCE ASSN		
REED E. LARSON, 8001 BRADDOCK ROAD, #600 SPRINGFIELD VA 22160	NATIONAL RIGHT TO WORK COMM		
JAMES LASALA, 5025 WISCONSIN AVENUE, NW WASHINGTON DC 20016	AMALGAMATED TRANSIT UNION, AFL-CIO		
MICHAEL LASHBROOK, 1600 RHODE ISLAND AVE., NW WASHINGTON DC 20036	NATIONAL RIFLE ASSN OF AMERICA	1,187.50	
WARREN LASKO, 1125 15TH STREET, NW WASHINGTON DC 20005	MORTGAGE BANKERS ASSN OF AMERICA		
LATHAM WATKINS & HILLS, 1333 NEW HAMPSHIRE AVE., NW, #1200 WASHINGTON DC 20036	AMERICAN DIETETIC ASSN	350.00	75.49
KARL F. LAUENSTEIN, 1745 JEFFERSON DAVIS HIGHWAY, #1000 ARLINGTON VA 22202	GENERAL DYNAMICS	1,000.00	364.48
LOUIS F. LAUN, 260 MADISON AVE. NEW YORK NY 10016	AMERICAN PAPER INSTITUTE, INC		
ROBERT LAUTERBERG, 1120 VERMONT AVE., NW, #1130 WASHINGTON DC 20006	PETROLEUM MARKETERS ASSN OF AMERICA		
LAVENTHOL & HORWATH, 1901 L STREET, NW WASHINGTON DC 20036	WORLD ZIONIST ORGANIZATION JERUSALEM, ISRAEL		
JOAN H. LAVOR, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
DEBORAH A. LAWRENCE, P.O. BOX 12148 ARLINGTON VA 22209	COTTAGE INDUSTRIES		
GEORGE H. LAWRENCE, 1515 WILSON BLVD. ARLINGTON VA 22209	AMERICAN GAS ASSN	1,250.00	
ELIZABETH LAWSON, 1730 M STREET, NW WASHINGTON DC 20036	LEAGUE OF WOMEN VOTERS OF THE U.S.	3,808.48	474.95
JANIE L. LAWSON, 1025 CONNECTICUT AVENUE, NW, #200 WASHINGTON DC 20036	SHELL OIL COMPANY	500.00	
LAXALT CORPORATION, 214 MASSACHUSETTS AVE., NE, #380 WASHINGTON DC 20002	CITIZENS FOR AMERICA		
Do	MESA PETROLEUM	1,500.00	
Do	MOTION PICTURE ASSN OF AMERICA, INC		
Do	PHILIP MORRIS INTERNATIONAL	500.00	
ERNEST M. LE SUEUR, 453 NEW JERSEY AVENUE, SE WASHINGTON DC 20003	BENEFICIAL MANAGEMENT CORP OF AMERICA		
LEAGUE OF WOMEN VOTERS OF THE U.S., 1730 M ST., NW WASHINGTON DC 20036		44,966.47	44,966.47
LEAGUE TO SAVE LAKE TAHOE, 2197 LAKE TAHOE BLVD. P.O. BOX 10110 SOUTH LAKE TAHOE CA 95731			8,000.00
RICHARD J. LEASE, 2145 BOISE DRIVE LAS CRUCES NM 88001			
LEBOEUF LAMB LEIBY & MACRAE, 1333 NEW HAMPSHIRE AVE., NW, #1100 WASHINGTON DC 20036	BRITISH INSURANCE ASSN		
Do	UNDERWRITERS AT LLOYD'S LONDON		
THOMAS J. LEE JR., P.O. BOX 2628 HOUSTON TX 77252	ENTEX, INC		
LEFEVERE LEFLER KENNEDY O'BRIEN & DRAWZ, 2000 FIRST BANK PLACE WEST 120 SOUTH 6TH STREET MINNEAPOLIS MN 55402	CITY OF NEW BRIGHTON		
LEFF & MASON, 1700 PENNSYLVANIA AVE., NW, #450 WASHINGTON DC 20006	COUNTY OF ORANGE		
Do	ORANGE COUNTY TRANSPORTATION COMMISSION		
Do	ORANGE COUNTY WATER DISTRICT		
Do	SANITATION DISTRICTS OF ORANGE COUNTY		
Do	SANTA ANA RIVER FLOOD PROTECTION AGENCY		
LEGISLATIVE STUDIES INSTITUTE, INC, 3471 N. FEDERAL HIGHWAY, #511 FORT LAUDERDALE FL 33306		300.00	892.61
TERRY L. LEITZELL, BOGLE AND GATES ONE THOMAS CIRCLE, NW, #900 WASHINGTON DC 20005	AMERICAN SHRIMPBOAT ASSOCIATION	1,000.00	
Do	MARINE CONSTRUCTION & DESIGN CO		
Do	OCEANTRAWL CORPORATION	2,000.00	
Do	BOGLE & GATES (FOR: PACIFIC SEAFOOD PROCESSORS ASSN)	3,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	PORT OF SEATTLE	2,000.00	
Do	SEATTLE METRO		
JOSEPH L. LEITZINGER, 900 4TH AVE. SEATTLE WA 98164	SIMPSON TIMBER CO	54.00	18.00
LYNN H. LEMASTER, 1111 19TH STREET, NW WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	1,739.61	482.10
ROBERT A. LEMBO, 1050 31ST STREET, NW WASHINGTON DC 20007	ASSOCIATION OF TRIAL LAWYERS OF AMERICA	1,767.42	87.48
LAVERNE STILL LEMEN, 1030 15TH ST., NW, #700 WASHINGTON DC 20005	NATIONAL COTTON COUNCIL OF AMERICA	962.50	28.80
LYNETTE LENARD, 1050 CONNECTICUT AVENUE, NW, #300 WASHINGTON DC 20036	NABISCO BRANDS, INC	2,500.00	1,120.00
THOMAS J. LENGYEL, 1625 K STREET, NW, #1000 WASHINGTON DC 20006	AMERICAN INSTITUTE OF MERCHANT SHIPPING		
LEONARD & MCGAUN, P.C., 900 17TH STREET, NW, #1020 WASHINGTON DC 20006	KANSAS CORPORATION COMMISSION		
Do	INTERNATIONAL UNION OF POLICE ASSNS, AFL-CIO		
Do	WISCONSIN DAIRIES		
BETTY JANE LEONARD, P.O. BOX 19109 GREENSBORO NC 27419	UNIFI, INC		252.36
BURLEIGH C. W. LEONARD, 2550 M STREET, NW, #770 WASHINGTON DC 20037	RJR INDUSTRIES, INC	600.00	738.44
EARL T. LEONARD JR., P.O. DRAWER 1734 ATLANTA GA 30301	COCA-COLA COMPANY	2,048.00	1,548.16
LLOYD LEONARD, 1730 M ST., NW WASHINGTON DC 20036	LEAGUE OF WOMEN VOTERS OF THE U.S.	4,804.59	
RODNEY E. LEONARD, 2001 S STREET, NW, #530 WASHINGTON DC 20009	COMMUNITY NUTRITION INSTITUTE		
CHARLES LEPPERT JR., 801 18TH STREET, NW, #400 WASHINGTON DC 20006	PROCTER & GAMBLE MANUFACTURING CO	81.36	
RICHARD L. LESHER, 1615 H ST., NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.		
LESNIK & COMPANY, 14701 GOV. ODEN BOWIE DRIVE UPPER MARLBORO MD 20772	BREED CORPORATION		
LEVA HAWES SYMINGTON & MARTIN, 815 CONNECTICUT AVE., NW, #1001 WASHINGTON DC 20006	FINNIGAN CORPORATION	272.00	
Do	SCIENTIFIC APPARATUS MAKERS ASSN	1,637.50	3.20
MILTON LEVENSON, P.O. BOX 3965 SAN FRANCISCO CA 94119	BECHTEL POWER CORPORATION		
LEVENTHAL & SENTER, 1001 22ND STREET, NW, #550 WASHINGTON DC 20037	PAN AMERICAN SATELLITE CORP		
MORRIS J. LEVIN, 1050 17TH ST., NW WASHINGTON DC 20036	ASSOCIATION OF AMERICAN RAILROADS	2,500.00	
BARBARA W. LEVINE, 1015 15TH STREET, NW WASHINGTON DC 20005	AMERICAN PUBLIC HEALTH ASSN	634.50	
HARRY LEVINE JR., 1331 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	GENERAL ELECTRIC CO	409.00	
KENNETH S. LEVINE, 1201 PENNSYLVANIA AVE., NW, #220 WASHINGTON DC 20004	JOSEPH SEAGRAM & SONS, INC	977.50	
LAWRENCE E. LEVINSON, 1875 EYE ST., NW, #940 WASHINGTON DC 20006	GULF & WESTERN INDUSTRIES, INC	3,500.00	500.00
JAMES F. LEVY, 5301 TRENHOLM ROAD COLUMBIA SC 29260	DENTAL MANAGEMENT SERVICES, INC		
LESLIE LEVY, 500 NORTH CAPITOL ST., NW, #300 WASHINGTON DC 20001	AMERICAN ISRAEL PUBLIC AFFAIRS COMM	9,375.00	330.36
F. THOMAS LEWAND, 1800 FIRST NATIONAL BUILDING DETROIT MI 48226	JAFFE SNIDER RAITT & HEUER, P.C.		
CLUNET R. LEWIS, 1800 FIRST NATIONAL BUILDING DETROIT MI 48226	JAFFE SNIDER RAITT & HEUER, P.C.		
E. DAVID LEWIS, UNIT P 7297 LEE HIGHWAY FALLS CHURCH VA 22042	SOCIETY OF AMERICAN WOOD PRESERVERS, INC	500.00	695.00
MICHAEL R. LEWIS, 1133 15TH ST., NW, #640 WASHINGTON DC 20005	INTERNATIONAL LONGSHOREMEN'S & WAREHOUSEMEN'S UNION	10,150.00	1,608.29
RICHARD LEWIS, 1025 VERMONT AVE., NW WASHINGTON DC 20005	AMERICAN PULPWOOD ASSN		
STUART A. LEWIS, 1919 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20006	MANUFACTURERS HANOVER CORP	600.00	
Do	NATIONAL BANK OF DETROIT	400.00	
JOHN F. LEYDEN, 815 16TH STREET, NW, #308 WASHINGTON DC 20006	PUBLIC EMPLOYEE DEPARTMENT, AFL-CIO	4,187.49	
WILLIAM J. LHOTA, 215 N. FRONT STREET COLUMBUS OH 43215	COLUMBUS AND SOUTHERN OHIO ELECTRIC CO	630.72	430.61
JUDITH LICHTMAN, 2000 P ST., NW, #400 WASHINGTON DC 20036	WOMEN'S LEGAL DEFENSE FUND	2,139.83	372.45
HERBERT LIEBENSON, 1604 K ST., NW WASHINGTON DC 20006	NATIONAL SMALL BUSINESS ASSN	5,625.00	
Do	SMALL BUSINESS LEGISLATIVE COUNCIL		
WILLIAM C. LIENESCH, 238 10TH ST., SE WASHINGTON DC 20003	NATIONAL PARKS & CONSERVATION ASSOCIATION	533.20	24.40
TERRY L. LIERMAN, 1156 15TH STREET, NW, #1102 WASHINGTON DC 20005	ALBERT AND DIANE KANEB		
DUKE R. LIGON, 1575 EYE STREET, NW, #510 WASHINGTON DC 20005	CORCORAN HARDESTY WHYTE HEMPHILL & LIGON, P.C. (FOR: NOVA SCOTIA RESOURCES, LTD).		
Do	CORCORAN HARDESTY WHYTE HEMPHILL & LIGON (FOR: PROVINCE OF NOVA SCOTIA).		
ROSS W. LILLARD, 2100 CHARTERBANK CENTER KANSAS CITY MO 64105	STINSON MAG & FIZZELL (FOR: FARMLAND INDUSTRIES, INC)		
RICHARD A. LILLQUIST, 1090 VERMONT AVE., NW, #500 WASHINGTON DC 20005	FLEXIBLE PACKAGING ASSOCIATION		
DIANE PALMER LILLY, 1200 PEAVEY BUILDING MINNEAPOLIS MN 55479	NORWEST CORPORATION		
STEPHEN R. LINDAUER, 1957 E STREET, NW WASHINGTON DC 20515	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
DONALD LINDSEY, 8213 S. RICHMOND CHICAGO IL 60652	BROTHERHOOD OF LOCOMOTIVE ENGINEERS		
KATHLEEN M. LINEHAN, 1025 CONNECTICUT AVE., NW, #700 WASHINGTON DC 20036	GULF OIL CORP		
ELENA LINTHICUM, 1050 CONNECTICUT AVE., NW, #800 WASHINGTON DC 20036	ALLIED CORPORATION		
LINTON MIELDS REISLER & COTTONE, 1015 18TH ST., NW, #200 WASHINGTON DC 20036	WISCONSIN GAS CO		
Do	WISCONSIN SOUTHERN GAS CO		
HERSHEL LIPOW, 1735 NEW YORK AVENUE, NW WASHINGTON DC 20006	AMERICAN INSTITUTE OF ARCHITECTS	3,625.00	167.73
LINDA A. LIPSEN, 2001 S STREET, NW, #520 WASHINGTON DC 20009	CONSUMERS UNION OF U.S., INC	2,160.00	
JOHN M. LISON, 16100 SOUTH LATHROP AVENUE HARVEY IL 60426	ATCOR, INC	6,000.00	195.90
SUSAN LISS, 600 NEW JERSEY AVENUE, NW WASHINGTON DC 20001	JUDICIAL SELECTION PROJECT	259.90	2.50
BARBARA A. LITTLE, 1155 15TH ST., NW, #611 WASHINGTON DC 20005	ETHYL CORPORATION	1,200.00	
CHARLES B. LITTLE, 600 MARYLAND AVE., SW, #603 WASHINGTON DC 20024	UBA, INC	1,000.00	
THOMAS W. LITTLE, 1750 K STREET, NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	750.00	
WILLIAM F. LITTLE, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	FORD MOTOR CO	487.00	455.10
ROY LITTLEFIELD, 15900 PINECROFT LANE BOWIE MD 20716	AMERICAN RETREADERS ASSN	1,000.00	
Do	GREATER WASHINGTON/MARYLAND SERVICE STATION ASSN	1,000.00	
E. GEOFFREY LITTLEHALE, 1101 14TH STREET, NW WASHINGTON DC 20005	AMERICAN FINANCIAL SERVICES ASSN	1,250.00	42.79
DAVID A. LITVIN, SUITE 600 1001 22ND ST., NW WASHINGTON DC 20037	STANDARD OIL COMPANY (OHIO)	725.00	169.85
ROBERT W. LIVELY, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	115.00	
FRANCI LIVINGSTON, 215 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	CONGRESS WATCH	3,750.00	
LOBEL NOVINS & LAMONT, 1275 K ST., NW, #770 WASHINGTON DC 20005	GENERIC PHARMACEUTICAL INDUSTRY ASSN	3,170.64	161.86
PAUL LOCIGNO, 25 LOUISIANA AVENUE, NW WASHINGTON DC 20001	INTERNATIONAL BROTHERHOOD OF TEAMSTERS	16,220.52	
ROBERT F. LOCKHART JR., 490 L'ENFANT PLAZA EAST, SW WASHINGTON DC 20024	TENNECO, INC		
KAREN LOCKWOOD, 444 NORTH CAPITOL ST., NW WASHINGTON DC 20001	AMERICAN HOSPITAL ASSN	1,889.61	519.87
ROBERT S. LONG, 919 18TH STREET, NW, #400 WASHINGTON DC 20006	DIAMOND SHAMROCK CORP	1,000.00	193.04
ROBERT W. LONG, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS	40.00	1.60
JOHN H. LONNQUIST, 1025 CONNECTICUT AVE., NW, #214 WASHINGTON DC 20036	MANVILLE CORPORATION	1,500.00	
LOOMIS OWEN FELLMAN & HOWE, 2020 K ST., NW WASHINGTON DC 20006	ASSOCIATION OF BITUMINOUS CONTRACTORS		
Do	CLASSROOM PUBLISHERS ASSN		
Do	OPTICAL MANUFACTURERS ASSN		
Do	TEXTILE RENTAL SERVICES ASSN OF AMERICA		
SUSAN J. LOOMIS, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA	2,000.00	500.00
PHILIP J. LOREE, 50 BROADWAY NEW YORK NY 10004	FEDERATION OF AMERICAN CONTROLLED SHIPPING	200.00	
ROBERT E. LOSCH, P.C., 1716 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20009	AMERICAN DREDGING CO, ET AL	20,000.00	3,345.09
CLAUDIA J. LOUIS, 1101 16TH ST., NW WASHINGTON DC 20036	NATIONAL SOFT DRINK ASSN		
TIMOTHY LOVAIN, 3713 GUNSTEN RD. ALEXANDRIA VA 22302	DENNY MILLER ASSOCIATES	9,000.00	
JAMES F. LOVETT, 1801 K ST., NW WASHINGTON DC 20006	WESTINGHOUSE ELECTRIC CORP	500.00	200.00
PAULA D. LUCAK, 815 16TH STREET, NW, #308 WASHINGTON DC 20006	PUBLIC EMPLOYEE DEPARTMENT, AFL-CIO	2,062.51	295.62
JAMES D. LUCAS, 25 SOUTH CHARLES STREET BALTIMORE MD 21201	FIRST MARYLAND BANCORP		
Do	FIRST NATIONAL BANK OF MARYLAND		1,783.17
MRS. FREDDIE H. LUCAS, 1660 L ST., NW WASHINGTON DC 20036	GENERAL MOTORS CORP	3,000.00	812.12
CHARLES EMMET LUCEY, MCDERMOTT, WILL & EMERY 1850 K STREET, NW, #500 WASHINGTON DC 20006	MCDERMOTT WILL & EMERY		
SYLVESTER LUKIS, 818 CONNECTICUT AVE., NW WASHINGTON DC 20006	CRAMER HABER & LUKIS, P.C. (FOR: CANAVERAL PORT AUTHORITY)		
Do	CRAMER HABER & LUKIS, P.C. (FOR: CITY OF MIAMI)		
Do	CRAMER HABER & LUKIS, P.C. (FOR: DADE COUNTY INTERNATIONAL AIRPORT)		
Do	CRAMER HABER & LUKIS, P.C. (FOR: DADE COUNTY)		
Do	CRAMER HABER & LUKIS, P.C. (FOR: PENNSYLVANIA ENGINEERING CORP)		
MILTON F. LUNCH, 1420 KING ST. ALEXANDRIA VA 22314	NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS	1,000.00	
LUND & O'BRIEN, 1625 EYE ST., NW WASHINGTON DC 20006	FEDERATION OF AMERICAN CONTROLLED SHIPPING	600.00	36.82
Do	PENNSYLVANIA POWER & LIGHT CO	1,814.70	103.63
CHRISTIAN J. LUND, 1825 I STREET, NW, #700 WASHINGTON DC 20006	UNITED TECHNOLOGIES CORPORATION	15,750.00	
FRANCIS M. LUNNIE JR., 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS		450.00
W. FLETCHER LUTZ, 727 SOUTH 23RD ST., #100 ARLINGTON VA 22202	ASSOCIATION OF GOVERNMENT ACCOUNTANTS		
JOHN C. LYNCH, 1615 H STREET, NW WASHINGTON DC 20062	CITIZEN'S CHOICE, INC	10,375.00	
TIMOTHY P. LYNCH, 1501 WILSON BOULEVARD, #910 ARLINGTON VA 22209	ROADWAY EXPRESS, INC	425.00	200.00
JOHN E. LYNN, 1735 NEW YORK AVENUE, NW WASHINGTON DC 20006	AMERICAN INSTITUTE OF ARCHITECTS	1,600.00	
M/A-COM, INC, 1350 PICCARD DRIVE, #304 ROCKVILLE MD 20850			7,860.00
TIMOTHY MACCARTHY, 1620 I STREET, NW, #1000 WASHINGTON DC 20006	MOTOR VEHICLE MANUFACTURERS ASSN OF THE U.S., INC	1,566.00	
ANTHONY R. MACCHIA, 127 JOHN STREET NEW YORK NY 10038	COFFEE SUGAR & COCOA EXCHANGE, INC		
RUSSELL MACCLEERY, 1250 I STREET, NW, #400 WASHINGTON DC 20005	NATIONAL TIRE DEALERS & RETREADERS ASSN		
JACK A. MACDONALD, 1901 N. FORT MEYER DRIVE, #302 ROSSLYN VA 22209	BEVERLY ENTERPRISES, INC	6,250.00	164.06
MIRIAM A. MACDONALD, 1025 CONNECTICUT AVENUE, NW, #1010 WASHINGTON DC 20036	METROPOLITAN INSURANCE COS	1,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
JAMES E. MACK, 9005 CONGRESSIONAL COURT POTOMAC MD 20854	NATIONAL ASSN OF MIRROR MANUFACTURERS		
Do	PEANUT BUTTER & NUT PROCESSORS ASSN	15,180.00	500.00
JAMES H. MACK, 7901 WESTPARK DR. MCLEAN VA 22102	NATIONAL MACHINE TOOL BUILDERS' ASSN	15,180.00	500.00
PETER T. MADIGAN, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	2,500.00	335.09
CLIFF MADISON GOVERNMENT RELATIONS, INC, P.O. BOX 3482 GRANADA HILLS CA 91344	BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY	2,000.00	
Do	CITY OF AVALON	750.00	
Do	MARK AIR, INC	1,200.00	
Do	SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT	1,000.00	
SUSAN MAGAW, P.O. BOX 3556 WASHINGTON DC 20007	AMERICAN MEAT INSTITUTE	2,000.00	
KATHERINE MAGRAW, 100 MARYLAND AVENUE, NE WASHINGTON DC 20002	PEACE POLITICAL ACTION COMMITTEE		
A. JOHN MAGUIRE, 1030 15TH STREET, NW WASHINGTON DC 20005	NATIONAL COTTON COUNCIL OF AMERICA	16,000.00	820.08
CHARLES MAGUIRE, 3315 P STREET, NW, #906 WASHINGTON DC 20036	MERRILL LYNCH & CO, INC	1,200.00	
W. TERRY MAGUIRE, BOX 17407 DULLES INTERNATIONAL AIRPORT WASHINGTON DC 20041	AMERICAN NEWSPAPER PUBLISHERS ASSN	1,125.00	150.00
JOAN A. MAHER, 1117 NORTH 19TH STREET, #600 ARLINGTON VA 22209	AMERICAN ASSN OF BLOOD BANKS		
THOMAS D. MAHER, 1600 M ST., NW WASHINGTON DC 20036	INVESTMENT COMPANY INSTITUTE		
JOHN F. MAHONEY, 1101 VERMONT AVE., NW WASHINGTON DC 20005	AMERICAN MEDICAL ASSN	5,378.00	
TERENCE P. MAHONY, 1825 K STREET, NW, #807 WASHINGTON DC 20006	NATIONAL BROADCASTING CO, INC	500.00	405.64
MICHAEL MAIBACH, 3065 BOWERS AVE, SCS-30, SANTA CLARA CA 95051	INTEL CORPORATION	12,000.00	2,100.00
ROBERT L. MAIER, 900 17TH ST., NW, #1000 WASHINGTON DC 20006	KAISER ALUMINUM & CHEMICAL CORP		
STEVEN R. MAIMON, P.O. BOX 7579 WASHINGTON DC 20044			
MICHAL W. MAINWARING, 1730 RHODE ISLAND AVENUE, NW, #713 WASHINGTON DC 20036	PPG INDUSTRIES, INC		
ELLEN L. MAITLAND, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS		
MAJOR LEAGUE BASEBALL PLAYERS ASSN, 805 THIRD AVENUE NEW YORK NY 10022			
K. WAYNE MALBON, 1250 I STREET, NW, #400 WASHINGTON DC 20005	NATIONAL TIRE DEALERS & RETREADERS ASSN, INC	345.00	25.00
DANIEL C. MALDONADO, 10000 FALLS RD., #306 POTOMAC MD 20854	LOS ANGELES ALLIANCE FOR EQUITABLE CUSTOMS STAFFING	10,440.00	2,149.44
DAVID MALLINO, 815 16TH STREET, NW WASHINGTON DC 20006	INDUSTRIAL UNION DEPT, AFL-CIO	6,922.50	557.63
J. WILSON MALLOY JR., 1919 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	EASTMAN CHEMICALS DIVISION	750.00	55.00
KURT L. MALMGREN, 1000 16TH STREET, NW, #800 WASHINGTON DC 20036	BETHLEHEM STEEL CORPORATION	252.00	
LAWRENCE R. MALONE, 1211 AVENUE OF THE AMERICAS NEW YORK NY 10036	CELANESE CORP		
MARY JO MALONE, 1735 NEW YORK AVE., NW WASHINGTON DC 20006	AMERICAN INSTITUTE OF ARCHITECTS	1,900.00	
ROBERT H. MALONEY, 490 L'ENFANT PLAZA EAST, SW WASHINGTON DC 20024	TENNECO, INC		
WILLIAM R. MALONI, 3900 WISCONSIN AVENUE, NW WASHINGTON DC 20016	FEDERAL NATIONAL MORTGAGE ASSN	22,500.00	1,002.98
MAN-MADE FIBER PRODUCERS ASSN, INC, 1150 17TH ST., NW, #310 WASHINGTON DC 20036		159,000.00	201,002.00
MANAGEMENT INSIGHTS, INC, 5501 LBJ FREEWAY DALLAS TX 75240			
CARTER MANASCO, 5932 CHESTERBROOK RD. MCLEAN VA 22101	NATIONAL COAL ASSN	7,812.51	71.85
MANATT PHELPS ROTHENBERG & TUNNEY, 1200 NEW HAMPSHIRE AVE., NW, #200 WASHINGTON DC 20036	AUTO IMPORTERS COMPLIANCE ASSOCIATION	4,155.00	
Do	BANKERS TRUST CO		
Do	BKK CORPORATION		
Do	BOEING CO		
Do	CONNECTICUT NATIONAL BANK	164.25	
Do	FLYING TIGER LINE, INC	930.00	
Do	KAUFMAN & BROAD, INC		
Do	MANUFACTURERS HANOVER LEASING CORPORATION	1,050.00	
Do	MONEY STORE	1,455.00	
Do	NORTHROP CORP	3,967.50	
Do	SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT	1,260.00	
Do	DONALD T. STERLING & ASSOCIATES	420.00	
MANCHESTER ASSOCIATES, LTD, 1155 15TH STREET, NW, #811 WASHINGTON DC 20005	CORPORACION NACIONAL DEL COBRE DE CHILE (CODELCO)		
Do	NISSAN MOTOR COMPANY, LTD		
FRANK MANKIEWICZ, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AMERICAN EXPRESS CO)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: CHICAGO TITLE INSURANCE CO).	1,500.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: FIRST AMERICAN TITLE INSURANCE CO).	1,500.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LAWYERS TITLE INSURANCE CO).	1,500.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: NATIONAL BROADCASTING CO).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)	2,125.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SAFECO TITLE INSURANCE CO).	1,500.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: STEWART TITLE GUARANTY CO).	1,500.00	
DONALD W. MANN, 60-8 FRANKLIN ST. TEANECK NJ 07666	NEGATIVE POPULATION GROWTH, INC		
RICHARD J. MANNIX, 195 MONTAGUE ST. BROOKLYN NY 11201	BROOKLYN UNION GAS CO		
CYNTHIA MANSFIELD, 600 MARYLAND AVE., SW, #520 WASHINGTON DC 20024	GPU SERVICE CORPORATION	3,780.70	719.41
MANUFACTURED HOUSING INSTITUTE, 1745 JEFFERSON DAVIS HIGHWAY, #511 ARLINGTON VA 22202			4,900.00
MARCH FOR LIFE, INC, PO BOX 2950 WASHINGTON DC 20013		13,062.93	13,619.43
DAINE K. MARESCO, 1899 L STREET, NW, #403 WASHINGTON DC 20036	OUTDOOR ADVERTISING ASSN OF AMERICA, INC	338.00	1,979.00
R. V. MARIANI, 815 16TH ST., NW WASHINGTON DC 20006	BROTHERHOOD OF RAILWAY AIRLINE & STEAMSHIP CLERKS	3,000.00	3,000.00
MARITIME INSTITUTE FOR RESEARCH & INDUSTRIAL DEVELOPMENT, 1133 15TH ST., NW, #600 WASHINGTON DC 20005		14,222.00	
E. VERNON MARKHAM III, 2121 K STREET, NW, #830 WASHINGTON DC 20037	STEPHENS OVERSEAS SERVICES, INC		
LAWRENCE D. MARKLEY, P.O. BOX 6300 ANCHORAGE AK 99501	CHUGACH ELECTRIC ASSN, INC		
RONALD ANTHONY MARKS, 10 WATERSIDE PLAZA, #2B NEW YORK NY 10010			
LUTHER A. MARKWART, 1156 15TH ST., NW, #1019 WASHINGTON DC 20005	AMERICAN SUGARBEET GROWERS ASSN		
HOWARD MARLOWE, 655 15TH STREET, NW, #300 WASHINGTON DC 20005	COALITION TO KEEP ALASKA OIL	650.00	38.00
CHALMERS H. MARQUIS, 1818 N STREET, NW, #410 WASHINGTON DC 20036	AGENCY FOR INSTRUCTIONAL TELEVISION		
Do	CHILDREN'S TELEVISION WORKSHOP		
Do	NATIONAL ASSN FOR PUBLIC TELEVISION STATIONS	600.00	150.00
DAN MARRIOTT, 900 KENNECOTT BUILDING SALT LAKE CITY UT 84133	GUARDIAN LIFE INSURANCE CO OF AMERICA		1,001.15
JOHN MARSH, 100 OAKVIEW DRIVE TRUMBULL CT 06611	RAYMARK CORPORATION		
CATHERINE A. MARSHALL, 1750 K STREET, NW WASHINGTON DC 20006	U.S. BREWERS ASSN, INC		
THOMAS A. MARTENS, P.O. BOX 10110 SO. LAKE TAHOE CA 95731	LEAGUE TO SAVE LAKE TAHOE	8,000.00	
DAVID F. MARTIN, 2020 14TH STREET, NORTH ARLINGTON VA 22201	AMERICAN STANDARD INC	750.00	
DONALD N. MARTIN, DONALD N. MARTIN & COMPANY, INC 630 FIFTH AVE. NEW YORK NY 10111			
FRED J. MARTIN JR., 1800 K STREET, NW WASHINGTON DC 20006	BANKAMERICA CORPORATION	1,017.29	453.58
J. ROSS MARTIN, KANSAS PETROLEUM COUNCIL 1414 MERCHANTS NAT'L BANK BLDG. 8TH & JACKSON TOPEKA KS 66612	AMERICAN PETROLEUM INSTITUTE	675.00	734.60
JAMES D. MARTIN, 950 L'ENFANT PLAZA, SW WASHINGTON DC 20024	COMMUNICATIONS SATELLITE CORPORATION		
JOHN M. MARTIN JR., 6909 FORT HUNT ROAD ALEXANDRIA VA 22307	FOOD MARKETING INSTITUTE	100.00	
KATHERINE E. MARTIN, 412 FIRST ST., SE, #200 WASHINGTON DC 20003	ASSOCIATION OF AMERICAN RAILROADS	357.37	242.56
LARRY K. MARTIN, 1611 NORTH KENT STREET, #800 ARLINGTON VA 22209	AMERICAN APPAREL MANUFACTURERS ASSN, INC	1,500.00	40.00
STEPHEN L. MARTIN, HARTFORD PLAZA HARTFORD CT 06115	HARTFORD FIRE INSURANCE CO	50.00	
JAMES C. MARTINELLI, 1025 CONNECTICUT AVENUE, NW, #300 WASHINGTON DC 20036	ENVIRONMENTAL MANAGEMENT CONSULTANTS, INC		
VILMA S. MARTINEZ, 612 S. FLOWER STREET, 5TH FLOOR LOS ANGELES CA 90017	MUNGER TOLLES & RICKERSHAUSER (FOR: SPANISH INTERNATIONAL COMMUNICATION CORP).	480.00	513.95
ERNEST MARTY, 85 RIDGE ST. NORTH SIDNEY, NSW 2060 AUSTRALIA			
JUDITH MARTY, 85 RIDGE ST. NORTH SYDNEY, NSW 2060 AUSTRALIA			
JOSEPH J. MARTYAK, 1100 15TH ST., NW, 12TH FL. WASHINGTON DC 20005	UNION CARBIDE CORP		
MARYLAND SAVINGS-SHARE INSURANCE CORP, 901 NORTH HOWARD STREET BALTIMORE MD 21201			1.62
MIKE M. MASAOKA, SUITE 520, THE FARRAGUT BLDG. 900 17TH ST., NW WASHINGTON DC 20006	AMERICAN JAPANESE TRADE COMM		
Do	JAPAN TELESCOPES MANUFACTURERS ASSN	200.00	
Do	NISEI LOBBY		
Do	TOYOTA MOTOR SALES, U.S.A., INC	750.00	
Do	WEST MEXICO VEGETABLE DISTRIBUTORS ASSN	500.00	
MARK A. MASLYN, 600 MARYLAND AVENUE, SW WASHINGTON DC 20024	AMERICAN FARM BUREAU FEDERATION	5,250.00	254.73
W. A. MASON, P.O. BOX 21106 SHREVEPORT LA 71156	SOUTHWESTERN ELECTRIC POWER CO		
NED W. MASSEE, 299 PARK AVENUE NEW YORK NY 10171	WESTVACO CORP	900.00	389.05
DONALD F. MASSEY, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: ASARCO)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: CHICAGO TITLE INSURANCE CO).	2,060.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: FIRST AMERICAN TITLE INSURANCE CO).	2,060.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: HITACHI AMERICA, LTD)	220.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: HOOPA VALLEY INDIAN RESERVATION).	560.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: JOINT MARITIME CONGRESS).	860.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: KINGDOM OF MOROCCO)	80.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LAWYERS TITLE INSURANCE CO).	2,060.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MUTUAL OF OMAHA)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: RAUSCHENBERG OVERSEAS CULTURAL INTERCHANGE).	1,400.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)	980.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SAFECO TITLE INSURANCE CO).	2,060.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: STEWART TITLE INSURANCE CO).	2,060.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: UNITED AIRLINES)	600.00	
JAMES D. MASSIE, 1730 RHODE ISLAND AVENUE, NW, #400 WASHINGTON DC 20036	FREEPORT-MCMORAN, INC	300.00	211.50
CHARLES D. MATTHEWS, 1050 17TH ST., NW, #700 WASHINGTON DC 20036	NATIONAL OCEAN INDUSTRIES ASSN	1,359.60	384.54
ROBERT A. MATTHEWS, 700 NORTH FAIRFAX ST. ALEXANDRIA VA 22314	RAILWAY PROGRESS INSTITUTE	1,021.88	
SUZETTE MATTHEWS, 1726 M STREET, NW, #806 WASHINGTON DC 20036	AIR TRAFFIC CONTROL ASSN, INC	2,432.00	12.42
JOANNE E. MATTIACE, 633 PENNSYLVANIA AVENUE, NW, #600 WASHINGTON DC 20004	SEARS ROEBUCK & CO	180.00	68.65
WILLIAM C. MATTOX, 1285 AVENUE OF THE AMERICAS NEW YORK NY 10019	EQUITABLE LIFE ASSURANCE SOCIETY OF THE U.S.	2,300.00	50.00
MARSHALL L. MATZ, SCOTT HARRISON & MCLEOD 2501 M STREET, NW, 4TH FL. WASHINGTON DC 20037	AFFILIATED FOOD PROCESSORS, INC		
Do	AMERICAN SCHOOL FOOD SERVICE ASSN	9,000.00	2,702.91
Do	ELECTRONIC DATA SYSTEMS	6,000.00	190.16
C.V. & R.V. MAUDLIN, 1511 K STREET, NW, #535 WASHINGTON DC 20005	BRASS AND BRONZE INGOT INSTITUTE		
WILLIAM W. MAURER, 1745 JEFFERSON DAVIS HIGHWAY, #1000 ARLINGTON VA 22202	GENERAL DYNAMICS	1,000.00	289.50
ANTHONY F. MAURIELLO, NEW YORK STATE PETROLEUM COUNCIL 150 STATE STREET ALBANY NY 12207	AMERICAN PETROLEUM INSTITUTE	3,187.50	2,138.81
THOMAS H. MAXEDON, KENTUCKY PETROLEUM COUNCIL 612-A SHELBY STREET FRANKFORT KY 40601	AMERICAN PETROLEUM INSTITUTE	489.16	45.12
WILLIAM A. MAXWELL, 311 FIRST STREET, NW, #500 WASHINGTON DC 20001	COMPUTER & BUSINESS EQUIPMENT MANUFACTURERS ASSN	1,400.00	42.00
ALBERT E. MAY, 1627 K STREET, NW WASHINGTON DC 20006	COUNCIL OF AMERICAN-FLAG SHIP OPERATORS	5,250.00	1.32
WALTER R. MAY, 7004 PARK TERRACE DRIVE ALEXANDRIA VA 22307	YELLOW FREIGHT SYSTEM, INC	12,000.00	2,539.00
MAYER BROWN & PLATT, 2000 PENNSYLVANIA AVENUE, NW, #6500 WASHINGTON DC 20006	AEROSPACE INDUSTRIES ASSN OF AMERICA, INC		
Do	BRUNSWICK CORP	200.00	
Do	COMDISCO, INC		
Do	GATX CORP	100.00	
Do	GOLDMAN SACHS & CO	500.00	
Do	JMB REALTY CORP		
Do	MERRILL LYNCH CAPITAL MARKETS		
Do	PFIZER, INC	400.00	
Do	RTS CAPITAL CORP		
Do	SEARS ROEBUCK & CO		
Do	TRANSCANADA PIPELINES LTD		
JEFFREY G. MAYS, 600 MARYLAND AVE., SW, #400E WASHINGTON DC 20024	AMERICAN OPTOMETRIC ASSN		
MICHAEL J. MCADAMS, 1015 18TH STREET, NW WASHINGTON DC 20036	FERTILIZER INSTITUTE	10,000.00	2,099.33
H. WESLEY MCADEN, 1155 15TH ST., NW, #424 WASHINGTON DC 20005	J. G. BOSWELL CO	3,000.00	
DOUGLAS E. MCALLISTER, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
ANN MCBRIDE, 2030 M ST., NW WASHINGTON DC 20036	COMMON CAUSE	13,398.78	170.50
R. G. MCBRIDE, MISSISSIPPI PETROLEUM COUNCIL P.O. BOX 42 JACKSON MS 39205	AMERICAN PETROLEUM INSTITUTE	1,000.00	819.76
STEPHEN C. MCCAFFREY, 1828 N. MERIDIAN STREET INDIANAPOLIS IN 46202	UNITED WAY OF INDIANAPOLIS		
JOHN A. MCCAHILL, 1250 CONNECTICUT AVE, NW WASHINGTON DC 20036	U.S. OLYMPIC COMMITTEE		
LAW OFFICES OF R. C. MCCANDLESS, 1707 H ST., NW WASHINGTON DC 20006	MILLER & SCHROEDER MUNICIPALS, INC		
Do	SANTA ANITA REALTY ENTERPRISES, INC		
Do	TRANSAMERICA CORPORATION		
Do	TRANSAMERICA INTERWAY CORP		
KATHERINE S. MCCARTER, 1015 15TH STREET, NW WASHINGTON DC 20005	AMERICAN PUBLIC HEALTH ASSN	2,566.00	
CAROLYN KIM MCCARTHY, 7901 WESTPARK DRIVE MCLEAN VA 22102	NATIONAL MACHINE TOOL BUILDERS' ASSN	1,500.00	500.00
JAMES R. MCCARTHY, 1220 L STREET, NW WASHINGTON DC 20005	AMERICAN PETROLEUM INSTITUTE	200.00	
JAMES W. MCCARTHY, 1515 WILSON BOULEVARD ARLINGTON VA 22209	AMERICAN GAS ASSN	7,900.00	1,764.00
MCCARTY NOONE & WILLIAMS, 490 L'ENFANT PLAZA EAST, SW, #3306 WASHINGTON DC 20024	AMERICAN MEDICAL TECHNOLOGISTS	855.00	81.47
ROBIN W. MCCLUNG, 1667 K ST., NW, #1210 WASHINGTON DC 20006	ROHM AND HAAS CO	500.00	426.19
MCCLURE & TROTTER, 1100 CONNECTICUT AVE., NW, #600 WASHINGTON DC 20036	COCA-COLA COMPANY		
Do	GULF & WESTERN INDUSTRIES, INC		
Do	MOBIL OIL CORP		
Do	NATIONAL ASSN OF SMALL BUSINESS INVESTMENT COS		
ROBERT S. MCCONNAUGHEY, 1850 K ST., NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
JAMES F. MCCONNELL JR., 1700 PENNSYLVANIA AVENUE, NW, #450 WASHINGTON DC 20006	LEFF & MASON (FOR: CARMA-SANDLING GROUP)		
JOHN L. MCCONNELL, 1800 K ST., NW, #1100 WASHINGTON DC 20006	NEW YORK STOCK EXCHANGE, INC		
ALVIN MCCOY, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FED OF FEDERAL EMPLOYEES		
DENNIS R. MCCOY, 1101 17TH STREET, NW WASHINGTON DC 20036	UNITED GAS PIPE LINE CO		
DAVID F. MCDERMITT, 1235 JEFFERSON-DAVIS HIGHWAY, #606 ARLINGTON VA 22202	NATIONAL UTILITY CONTRACTORS ASSN		6,426.38
ALBERT L. MCDERMOTT, 1819 L STREET, NW, #600 WASHINGTON DC 20036	AMERICAN HOTEL & MOTEL ASSN	2,431.13	
MARIANNE MCDERMOTT, 1350 NEW YORK AVENUE, NW, #615 WASHINGTON DC 20005	GREETING CARD ASSN		
MARK T. MCDERMOTT, JOSEPH, POWELL, MCDERMOTT & REINER, P.C. 1300 19TH STREET, NW, #400 WASHINGTON DC 20036.	CIVIL PILOTS FOR REGULATORY REFORM	2,000.00	
MCDERMOTT WILL & EMERY, 1850 K ST., NW, #500 WASHINGTON DC 20006	FEDERATION OF JAPAN SALMON FISHERIES COOPERATIVE ASSN		
Do	TIMBER REALIZATION		
Do	TUNA RESEARCH FOUNDATION, INC		
JACK MCDONALD CO, 1800 M STREET, NW, #950 NORTH WASHINGTON DC 20036	AMERICAN EXPRESS CORP		
Do	COALITION FOR THE ADVANCEMENT OF INDUSTRIAL TECHNOLOGY		
Do	FIBER FABRIC & APPAREL COALITION FOR TRADE		
Do	MUTUAL BENEFIT LIFE INSURANCE CO		
E. T. MCDONALD, 815 16TH ST., NW WASHINGTON DC 20006	BROTHERHOOD OF RAILWAY AIRLINE & STEAMSHIP CLERKS	2,700.00	2,700.00
JACK MCDONALD, 1800 M STREET, NW, #950 NORTH WASHINGTON DC 20036	JACK MCDONALD CO (FOR: AMERICAN EXPRESS CORP)		
Do	JACK MCDONALD CO (FOR: COALITION FOR THE ADVANCEMENT OF INDUSTRIAL TECHNOLOGY).		
Do	JACK MCDONALD CO (FOR: FIBER FABRIC & APPAREL COALITION FOR TRADE)		
Do	JACK MCDONALD CO (FOR: MUTUAL BENEFIT LIFE INSURANCE CO)		
MICHAEL D. MCDONALD, MARYLAND PETROLEUM ASSN 60 WEST ST. ANNAPOLIS MD 21401	AMERICAN PETROLEUM INSTITUTE	400.00	
PATRICK J. MCDONOUGH, 5999 STEVENSON AVENUE ALEXANDRIA VA 22304	AMERICAN ASSN FOR COUNSELING AND DEVELOPMENT		
MARIAN E. MCDOWELL, 1111 19TH STREET, NW WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	2,050.45	307.76
DINAH D. MCELFRESH, 1800 M ST., NW, #1030N WASHINGTON DC 20036	HAUCK & ASSOCIATES (FOR: NATIONAL ASSN OF CHILD CARE MANAGEMENT)		
AH QUON MCELRATH, 1334 G STREET, NW, THIRD FL. WASHINGTON DC 20005	VILLERS ADVOCACY ASSOCIATES	740.22	7.55
CHRISTINE W. MCENTEE, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	457.69	173.03
ROBERT H. MCFADDEN, 1620 EYE STREET, NW, #1000 WASHINGTON DC 20006	MOTOR VEHICLE MANUFACTURERS ASSN OF THE U.S., INC		
PAUL J. MCGEADY, 475 RIVERSIDE DRIVE, #239 NEW YORK NY 10115	MORALITY IN MEDIA, INC	82.40	
DONNA LEE MCGEE, 1726 M ST., NW, #401 WASHINGTON DC 20036	BURLINGTON INDUSTRIES, INC	1,000.00	710.00
P. ANNE MCGHEE, 1750 K ST., NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	450.00	
ROBERT M. MCGLOTTEN, 815 16TH ST., NW WASHINGTON DC 20006	AMERICAN FED OF LABOR & CONGRESS OF INDUSTRIAL ORGANIZATIONS	15,269.02	1,569.26
PHYLLIS M. MCGOVERN, 1875 EYE STREET, NW, #800 WASHINGTON DC 20006	TOBACCO INSTITUTE	9.71	1.80
JEANNE H. MCGOWAN, 1025 CONNECTICUT AVENUE, NW, #415 WASHINGTON DC 20036	AMERICAN INSURANCE ASSN	190.00	5.00
CHRISTOPHER C. MCGRATH, NEW YORK STATE PETROLEUM COUNCIL 156 WILLIAM ST. NEW YORK NY 10038	AMERICAN PETROLEUM INSTITUTE		
JEROME J. MCGRATH, 1660 L ST., NW, #601 WASHINGTON DC 20036	INTERSTATE NATURAL GAS ASSN OF AMERICA	500.00	
JOSEPH M. MCGUIRE, 1501 WILSON BLVD. ARLINGTON VA 22209	AIR CONDITIONING & REFRIGERATION INSTITUTE		
PETER E. MCGUIRE, 400 FIRST ST., NW WASHINGTON DC 20001	NATIONAL ASSN OF RETIRED & VETERAN RAILWAY EMPLOYEES	2,500.00	
MCGUIRE WOODS & BATTLE, 1400 ROSS BUILDING RICHMOND VA 23219	CSX CORP	2,130.00	533.47
Do	UNITED COAL CO		
MCHALE COOK & WELCH, P.C., 1122 CHAMBER OF COMMERCE BUILDING INDIANAPOLIS IN 46204	ESTATE OF MABEL R. LADD		
MCHENRY & STAFFIER, P.C., 1300 19TH ST., NW, #408 WASHINGTON DC 20036	FOOTHILLS PIPE LINES (YUKON) LTD		
Do	NOVA, AN ALBERTA CORP		
Do	NOVACOR CHEMICALS, LTD		
Do	PAN-ALBERTA GAS LTD		
CLARENCE M. MCINTOSH JR., 400 FIRST ST., NW WASHINGTON DC 20001	RAILWAY LABOR EXECUTIVES' ASSN	1,244.14	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
DENNIS MCINTOSH, 1771 N STREET, NW WASHINGTON DC 20036	NATIONAL ASSN OF BROADCASTERS	1,500.00	
WILLIAM F. MCKENNA, 2301 M ST., NW, #500 WASHINGTON DC 20037	HOUSLEY GOLDBERG & KANTARIAN, P.C.		
JAN E. MCKENZIE, 1111 19TH ST., NW, #702 WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	4,080.00	398.25
ROBERT T. MCKERNAN, 1619 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	AMERICAN PAPER INSTITUTE, INC	250.00	
WILLIAM COLM MCKEVENY, 30 ROCKEFELLER PLAZA NEW YORK NY 10112	AMERICAN PULPWOOD ASSN		
JAMES D. MCKEVITT, 600 MARYLAND AVE., SW, #695 WASHINGTON DC 20024	NATIONAL FEDERATION OF INDEPENDENT BUSINESS	2,250.00	200.00
C. A. 'MACK' MCKINNEY, 219 NORTH WASHINGTON STREET ALEXANDRIA VA 22314	NON COMMISSIONED OFFICERS ASSN OF THE USA	9,018.00	8,943.77
THOMAS I. MCKNEW JR., 1667 K ST., NW, #600 WASHINGTON DC 20006	SANTA FE SOUTHERN PACIFIC CORP	1,500.00	
JAMES D. MCLAUGHLIN, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN	850.00	
WILLIAM F. MCMANUS, 1331 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20004	GENERAL ELECTRIC CO	435.00	
JANE PIERSON MCMICHAEL, 1325 MASSACHUSETTS AVE., NW WASHINGTON DC 20005	AMERICAN FED OF GOVERNMENT EMPLOYEES	12,159.48	12,761.26
JAMES D. MCMILLAN, 1899 L ST., NW, #1100 WASHINGTON DC	EXXON CORPORATION	900.00	682.17
KURT CHARLES MCMILLAN, 1010 WISCONSIN AVENUE, NW, #800 WASHINGTON DC 20007	GROCERY MANUFACTURERS OF AMERICA, INC		
KATHRYN M. MCNAMARA, 633 PENNSYLVANIA AVENUE, NW, #600 WASHINGTON DC 20004	SEARS ROEBUCK & CO	126.00	12.00
LARAMIE FAITH MCNAMARA, 1000 WILSON BLVD., #2700 ARLINGTON VA 22209	TRW, INC	2,000.00	
PATRICK H. MCNAMARA, 1800 M STREET, NW, #700 SOUTH WASHINGTON DC 20036	DOW CHEMICAL, U.S.A.		
PETER F. MCNEISH, 1156 15TH STREET, NW, #1101 WASHINGTON DC 20005	NATIONAL ASSN OF SMALL BUSINESS INVESTMENT COS	3,000.00	
MICHAEL J. MCSHANE, 1200 NEW HAMPSHIRE AVE., NW, #360 WASHINGTON DC 20036	NATIONAL COMPUTER SYSTEMS		
RONALD E. MCWILLIAMS, 1700 N. MOORE ST. ROSSLYN VA 22209	BOEING MARINE SYSTEMS		
GEORGE G. MEAD, 1908 EDNOR ROAD CLOVERLY MD 20904	NORTH AMERICAN VAN LINES, INC	2,500.00	
LESLIE S. MEAD, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL COUNCIL OF FARMER COOPERATIVES	76.25	
JOHN K. MEAGHER, 1155 15TH ST.,N.W. SUITE 1004 WASHINGTON DC 20005	LTV CORPORATION	3,000.00	750.00
JOSEPH J. MEDER, 1050 17TH ST., NW, #1100 WASHINGTON DC 20036	INTERLAKE, INC	10,500.00	92.57
MEDTRONIC, INC, 3055 OLD HIGHWAY 8 P.O. BOX 1453 MINNEAPOLIS MN 55440			498.18
COLISE G. MEDVED, 1701 PENNSYLVANIA AVE., NW, #830 WASHINGTON DC 20006	PENN CENTRAL CORP		
WILLIAM H. MEGONNELL, 1111 19TH ST., NW, 9TH FLOOR WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	1,909.09	48.80
LARRY MEHLHAFF, 23 N. SCOTT SHERIDAN WY 82801	SIERRA CLUB	6,500.00	2,669.29
MICHELLE MEIER, 2001 S STREET, NW, #520 WASHINGTON DC 20009	CONSUMERS UNION OF U.S., INC	1,000.00	
MEMEL JACOBS PIERNO GERSH & ELLSWORTH, 1800 M STREET, NW, #1000-N WASHINGTON DC 20036	ALLIANCE FOR MEDICAL NUTRITION		
JOHANNA S.R. MENDELSON, 2025 M STREET, NW WASHINGTON DC 20036	NATIONAL PUBLIC RADIO		
HOWARD A. MENELL, 1020 19TH ST., NW, #600 WASHINGTON DC 20036	AMERICAN EXPRESS CO		
EDWARD L. MENNING, 1522 K ST., NW, #836 WASHINGTON DC 20005	NATIONAL ASSN OF FEDERAL VETERINARIANS	32.16	
JANE MENTZINGER, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE	5,225.04	
EDWARD A. MERLIS, 1724 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL CABLE TELEVISION ASSN	2,750.00	
EDWARD L. MERRIGAN, 6000 CONNECTICUT AVE., NW WASHINGTON DC 20815	CENTRAL GULF LINES, INC		
Do	NATIONAL ASSN OF RECYCLING INDUSTRIES, INC	5,000.00	797.61
MERRILL LYNCH & CO, INC, 1828 L ST., NW, #906 WASHINGTON DC 20036			8,500.00
NANCY JO MERRILL, 1725 K ST., NW, #814 WASHINGTON DC 20006	MARCH OF DIMES BIRTH DEFECTS FOUNDATION	2,750.00	9.70
THOMAS L. MESKAN, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	1,250.00	955.89
JEAN L. MESTRES, 1747 PENNSYLVANIA AVENUE, NW, #300 WASHINGTON DC 20006	CITIES SERVICE OIL & GAS CORP	514.80	90.25
M. BARRY MEYER, 818 CONNECTICUT AVE., NW WASHINGTON DC 20006	ALUMINUM ASSN		
LARRY D. MEYERS, 412 FIRST STREET, SE WASHINGTON DC 20003	HUCHENG INTERNATIONAL CO		
Do	LEMA PROPERTIES, INC		
Do	NATIONAL PEANUT GROWERS GROUP	4,500.00	
Do	SAM KANE PACKING		
JAMES G. MICHAUX, 1200 NEW HAMPSHIRE AVENUE, NW, #430 WASHINGTON DC 20036	FEDERATED DEPT STORES, INC	500.00	
THOMAS A. MICHELETTI, 1111 19TH STREET, NW, #303 WASHINGTON DC 20036	SOUTHERN CALIFORNIA EDISON CO	3,750.00	1,500.00
KATHLEEN MICHELS, 1101 14TH STREET, NW, #200 WASHINGTON DC 20005	AMERICAN NURSES' ASSN	4,410.13	25.05
RONALD A. MICHIELI, 1301 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20004	NATIONAL CATTLEMEN'S ASSN	1,000.00	
CHARLES J. MICOLEAU, ONE CANAL PLAZA PORTLAND ME 04112	AMERICAN EXPRESS		
MID CONTINENT WILDCATTERS ASSN, 200 DOUGLAS BLDG. WICHITA KS 67202		63,000.00	
MID-CONTINENT OIL & GAS ASSN, 711 ADAMS OFFICE BLDG. TULSA OK 74103		1,661.09	22,681.51
PAUL J. MIGNINI SR., 815 16TH STREET, NW, #310 WASHINGTON DC 20006	AMALGAMATED CLOTHING & TEXTILE WORKERS UNION	3,412.50	124.50
SHARON MIHNOVETS, 2809 S. JOYCE ST. ARLINGTON VA 22202			
MILBANK TWEED HADLEY & MCCLOY, 1 CHASE MANHATTEN PLAZA NEW YORK NY 10005	CLAYMARK CORPORATION		
Do	JOINT TASK FORCE ON FEDERAL FINAN. ASSIST. FOR LAW STUDENTS		
MILES & STOCKBRIDGE, 1701 PENNSYLVANIA AVE., NW, #500 WASHINGTON DC 20006	BLACK AND DECKER MANUFACTURING COMPANY		60.00
Do	PEPSICO, INC		100.00
Do	PIZZA HUT, INC		200.00
HARRIS MILLER & ASSOCIATES, 1000 WILSON BLVD., #900 ARLINGTON VA 22209	AGRICULTURAL PRODUCERS		
Do	FLORIDA FRUIT & VEGETABLE ASSN		
MILLER & CHEVALIER, CHTD, METROPOLITAN SQUARE 655 15TH STREET, NW WASHINGTON DC 20005	HALLMARK CARDS, INC		
Do	NATIONAL ASSN OF TEMPORARY SERVICES, INC		
Do	NATURAL GAS SUPPLY ASSN		
Do	WESTERN SAVINGS & LOAN ASSN		
DENNY MILLER ASSOCIATES, 400 N. CAPITOL ST., NW, #325 WASHINGTON DC 20001	BOEING COMPANY	2,000.00	450.00
Do	MARINE ENGINEERS' BENEFICIAL ASSN	1,000.00	450.00
Do	PORT OF TACOMA	975.00	3,250.00
Do	ROCKCOR, INC	1,625.00	450.00
MILLER CASSIDY LARROCA & LEWIN, 2555 M ST., NW, #500 WASHINGTON DC 20037	NATIONAL ASSN OF LIFE UNDERWRITERS, ET AL	1,062.50	
DALE MILLER, 4000 RENO ROAD, NW WASHINGTON DC 20008	GULF INTRACOASTAL CANAL ASSN		
Do	TEXASGULF, INC		
DEBORAH IMLE MILLER, 15TH & M STS., NW WASHINGTON DC 20005	NATIONAL ASSN OF HOME BUILDERS OF THE U.S.		
GRANT MILLER, 1725 JEFFERSON DAVIS HIGHWAY, #900 ARLINGTON VA 22202	LTV AEROSPACE & DEFENSE CO	2,500.00	125.00
HARRIS C. MILLER, 1747 PENNSYLVANIA AVENUE, #300 WASHINGTON DC 20006	OCCIDENTAL CHEMICAL CORP	665.00	44.72
JEFFREY T. MILLER, 7 CAMPUS DRIVE PARSIPPANY NJ 07054	NABISCO BRANDS, INC		
JOHN R. MILLER, 1750 MIDLAND BUILDING CLEVELAND OH 44115	STANDARD OIL CO (OHIO)		
JOSEPH E. MILLER JR., 1608 K STREET, NW WASHINGTON DC 20006	AMERICAN LEGION	6,960.00	72.30
NANCY A. MILLER, 1101 14TH STREET, NW WASHINGTON DC 20005	AMERICAN FINANCIAL SERVICES ASSN		
PAUL J. MILLER, 8000 SEARS TOWER CHICAGO IL 60606	INVESTMENT COUNSEL ASSN OF AMERICA, INC		
RICHARD G. MILLER, 1101 14TH STREET, NW, #200 WASHINGTON DC 20005	AMERICAN NURSES' ASSN	3,836.64	164.37
ROBERT H. MILLER, 490 L'ENFANT PLAZA EAST, SW, #2202 WASHINGTON DC 20024	TENNECO INC		
ROBIN MILLER, 1925 K STREET, NW WASHINGTON DC 20006	ALLIANCE TO SAVE ENERGY		
STEVEN T. MILLER, 1607 NEW HAMPSHIRE AVENUE, NW WASHINGTON DC 20009	AMERICAN METAL DETECTORS MANUFACTURERS, INC		
Do	AUTO INTERNACIONAL ASSN	250.00	130.56
Do	COALITION OF AUTOMOTIVE ASSNS	14.85	6.68
Do	SPECIALTY EQUIPMENT MARKET ASSN	1,650.00	774.92
W. KIRK MILLER, 735 NORTH WATER STREET, #908 MILWAUKEE WI 53202	AMERICAN MALTING BARLEY ASSN, INC		
C.G. PETE MILLIGAN, 4360 N.E. JOE'S POINT STUART FL 33494	AMERICAN TELEPHONE & TELEGRAPH CO	4,484.00	
JOHN C. MILLINER JR., P.O. BOX 1788 FOREST PARK GA 30051	SOUTHEASTERN LUMBER MANUFACTURERS ASSN		
JOHN F. MILLS, 1875 I ST., NW WASHINGTON DC 20006	TOBACCO INSTITUTE		
ROBERT G. MILLS, 3238 WYNFORD DRIVE FAIRFAX VA 22031	U.S. DEFENSE COMMITTEE	600.00	
RICHARD V. MINCK, 1850 K ST., NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC	1,200.00	
MINERALS EXPLORATION COALITION, INC, P.O. BOX 15638 DENVER CO 80215	MINERAL EXPLORATION COALITION, INC	870.00	867.19
MINING & RECLAMATION COUNCIL OF AMERICA, 1575 I STREET, NW, #525 WASHINGTON DC 20005			
JOSEPH MINISH, 66 SHERIDAN AVE. WEST ORANGE NJ 07052	U.S. LEAGUE OF SAVINGS INSTITUTIONS	4,125.00	443.32
MINTZ LEVIN COHN FERRIS GLOVSKY & POPEO, P.C., 1825 I STREET, NW, #1025 WASHINGTON DC 20006	CABLEVISION SYSTEMS DEVELOPMENT CO		
Do	GENERAL TELEPHONE & ELECTRONICS		
Do	HOME RECORDING RIGHTS COALITION	6,100.00	
Do	HOUGHTON MIFFLIN COMPANY		
Do	TURNER BROADCASTING SYSTEM, INC		
THOMAS B. MIRANDA, 410 FIRST ST., SE WASHINGTON DC 20003	AMERICAN NUCLEAR ENERGY COUNCIL	2,718.75	291.09
EDWARD F. MITCHELL, 1900 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20068	POTOMAC ELECTRIC POWER CO	1,704.45	
THOMAS F. MITCHELL, 1875 EYE ST., NW, #400 WASHINGTON DC 20006	GEORGIA-PACIFIC CORP		
STACEY J. MOBLEY, 1701 PENNSYLVANIA AVENUE, NW, #900 WASHINGTON DC 20006	E. I. DU PONT DE NEMOURS & CO		
DAVID T. MODI, 1701 PENNSYLVANIA AVENUE, NW, #900 WASHINGTON DC 20006	E. I. DU PONT DE NEMOURS & CO	30.00	
ROBERT M. MOLITER, 1331 PENNSYLVANIA AVE., NW, #865 WASHINGTON DC 20004	GENERAL ELECTRIC CO	170.00	
JOHN V. MOLLER, 1155 15TH STREET, NW, #1010 WASHINGTON DC 20005	MANCHESTER ASSOCIATES (FOR: CORPORACION NACIONAL DEL COBRE DE CHILE (CODELCO))		
Do	MANCHESTER ASSOCIATES, LTD (FOR: NISSAN MOTOR COMPANY, LTD)		
ROBERT A. MOLOFSKY, 5025 WISCONSIN AVENUE, NW WASHINGTON DC 20016	AMALGAMATED TRANSIT UNION, AFL-CIO	5,000.00	171.80
MICHAEL J. MOLONY, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	60.00	
C. MANLY MOLPUS, P.O. BOX 3556 WASHINGTON DC 20007	AMERICAN MEAT INSTITUTE	1,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
HERMAN J. MOLZAHN, 1600 WILSON BLVD., #1101 ARLINGTON VA 22209	AMERICAN WATERWAYS OPERATORS, INC		
CHRISTOPHER MONEK, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
ELIZABETH R. MONRO, 1709 NEW YORK AVE., NW WASHINGTON DC 20006	AIR TRANSPORT ASSN OF AMERICA	5,000.00	
MICHAEL MONRONEY, 1000 WILSON BLVD., #2700 ARLINGTON VA 22209	TRW, INC	1,000.00	
NANCY JACKS MONTGOMERY, 1601 DUKE STREET ALEXANDRIA VA 22314	SOCIETY OF AMERICAN FLORISTS		
STEVEN M. MOODIE, 910 16TH ST., NW, #302 WASHINGTON DC 20006	FEDERATION OF AMERICAN CONTROLLED SHIPPING	200.00	
JAMES P. MOONEY, 1724 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL CABLE TELEVISION ASSN, INC	4,375.00	
MARILYN MOONEY, 1701 PENNSYLVANIA AVENUE, NW, #900 WASHINGTON DC 20006	E. I. DU PONT DE NEMOURS & CO	70.00	
ALAN J. MOORE, 1667 K ST., NW, #600 WASHINGTON DC 20006	SANTA FE INDUSTRIES, INC	1,000.00	
CARLOS MOORE, 1101 CONNECTICUT AVENUE, NW, #300 WASHINGTON DC 20036	AMERICAN TEXTILE MANUFACTURERS INSTITUTE	480.75	28.00
FRANCIS B. MOORE, 3003 BUTTERFIELD ROAD OAK BROOK IL 60521	WASTE MANAGEMENT, INC	5,000.00	2,008.10
POWELL A. MOORE, 8637 WINTHROP DRIVE ALEXANDRIA VA 22307	LOCKHEED CORP	900.00	164.37
WILLIAM D. MOORE, 10 DORRANCE STREET PROVIDENCE RI 02903	GREATER PROVIDENCE CHAMBER OF COMMERCE		
MORALITY IN MEDIA, INC, 475 RIVERSIDE DR., #239 NEW YORK NY 10115		101.55	101.55
VINCENT L. MORELLI, 555 NEW JERSEY AVE., NW, #880 WASHINGTON DC 20001	CONGOLEUM CORPORATION	1,000.00	447.70
E. JOYCE MORGAN, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
JOHN MORGAN, 1925 K ST., NW WASHINGTON DC 20006	COMMUNICATIONS WORKERS OF AMERICA		
MORGAN LEWIS & BOCKIUS, SUITE 800 NORTH 1800 M ST., NW WASHINGTON DC 20036	BUSINESS ROUNDTABLE	4,273.00	
Do	COMMITTEE FOR CAP FORMATION THROUGH DIVIDEND REINVESTMENT		
Do	CONSOLIDATED NATURAL GAS CO		
PETER DENIS MORGAN, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	1,750.00	116.69
JEANNE L. MORIN, 1511 K ST., NW, #1100 WASHINGTON DC 20005	NATIONAL ASSN OF DEVELOPMENT COMPANIES	3,000.00	155.16
ROBERT E. MORIN, 600 NEW HAMPSHIRE AVENUE, NW, #354 WASHINGTON DC 20037	SOCIETY OF REAL ESTATE APPRAISERS		
JAMES A. MORRILL, SCOTT PLAZA I PHILADELPHIA PA 19113	SCOTT PAPER COMPANY	2,250.00	833.13
GERALD D. MORRIS, 555 NEW JERSEY AVE., NW WASHINGTON DC 20001	AMERICAN FED OF TEACHERS	11,849.10	80.00
JANELLE MORRIS, 1828 L STREET, NW, #906 WASHINGTON DC 20036	MERRILL LYNCH & CO, INC		
MARTIN S. MORRIS, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
TESSA MORRIS, 1819 L STREET, NW, #800 WASHINGTON DC 20036	SECURITY PACIFIC NATIONAL BANK		
W. PATRICK MORRIS, 1110 VERMONT AVENUE, NW WASHINGTON DC 20005	SHIPBUILDERS COUNCIL OF AMERICA		
MORRISON & FOERSTER, 2000 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	CROCKER NATIONAL BANK		
Do	NATIONAL ELECTRICAL MANUFACTURERS ASSN		
JAMES MORRISON, 21 DUPONT CIRCLE, NW, #401 WASHINGTON DC 20036	BUSINESS EXECUTIVES FOR NATIONAL SECURITY	2,860.00	95.00
JULIAN K. MORRISON III, 1015 15TH STREET, NW, #802 WASHINGTON DC 20005	AMERICAN CONSULTING ENGINEERS COUNCIL	750.00	
WILLIAM C. MORRISON, 2001 NORTH ADAMS ST. ARLINGTON VA 22201	MEAT IMPORTERS COUNCIL OF AMERICA, INC	875.00	
VALERIE T. MORSE, 453 NEW JERSEY AVE., SE WASHINGTON DC 20003	BENEFICIAL MANAGEMENT CORP OF AMERICA	950.00	
FRANK D. MORUZZI, 1235 JEFFERSON DAVIS HIGHWAY, #500 ARLINGTON VA 22202	ITALIAN ADVANCED INDUSTRIES INC	60.00	20.00
GEORGE R. MOSES, 1341 G STREET, NW, #202 WASHINGTON DC 20005	M/A-COM, INC	2,100.00	
Do	TRW, INC	900.00	
RUSSELL N. MOSHER, 950 N. GLEBE RD., #160 ARLINGTON VA 22203	AMERICAN BOILER MANUFACTURERS ASSN, INC		
MOSS ASSOCIATES, INC, 2450 VIRGINIA AVE., NW WASHINGTON DC 20037	ASSOCIATION OF BANK HOLDING COS	900.00	
DOROTHY J. MOSS, 1101 VERMONT AVENUE, NW WASHINGTON DC 20005	AMERICAN MEDICAL ASSN	25.00	
JOE MOSS, P.O. BOX 2159 DALLAS TX 75221	AMERICAN PETROFINA, INC	1,200.00	714.00
GERALD J. MOSSINGHOFF, 1100 15TH STREET, NW, #900 WASHINGTON DC 20005	PHARMACUETICAL MANUFACTURERS ASSN	1,000.00	
THOMAS MOSTOWY, 201 MASSACHUSETTS AVENUE, NE, #319 WASHINGTON DC 20002	HALT, INC		
LYNN E. MOTE, 1015 15TH ST., NW, #900 WASHINGTON DC 20005	INTERNORTH	2,000.00	
MOTION PICTURE ASSN OF AMERICA, INC, 1600 EYE STREET, NW WASHINGTON DC 20006		13,262.10	13,262.10
JOHN J. MOTLEY, 600 MARYLAND AVE., SW, #695 WASHINGTON DC 20024	NATIONAL FEDERATION OF INDEPENDENT BUSINESS	2,250.00	200.00
MOTOR AND EQUIPMENT MANUFACTURERS ASSOCIATION, 1120 19TH ST., NW, #333 WASHINGTON DC 20036			376.51
MOTOR VEHICLE MANUFACTURERS ASSN OF THE U.S., INC, 300 NEW CENTER BLDG. DETROIT MI 48202		4,112.00	4,112.00
ROBERT N. MOTTICE, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	250.00	
MOUNTAIN WEST ASSOCIATES, 2121 K ST., NW, #880 WASHINGTON DC 20037	PUBLIC SERVICE COMPANY OF NEW MEXICO	11,875.00	869.85
Do	UTAH POWER & LIGHT CO	24,782.99	8,460.18
JAMES MULAR, 815 16TH ST., NW WASHINGTON DC 20006	BROTHERHOOD OF RAILWAY AIRLINE & STEAMSHIP CLERKS		
JAMES S. MULHERN, 1840 WILSON BOULEVARD ARLINGTON VA 22201	NATIONAL MILK PRODUCERS FEDERATION	2,925.00	24.33
CHRISTINE ANN MULICK, 3600 S. YOSEMITE, #830 DENVER CO 80237	KOGOVSEK AND ASSOCIATES, INC	6,300.00	464.12
RICHARD J. MULLER, 1100 CONNECTICUT AVE., NW WASHINGTON DC 20036	CHRYSLER CORPORATION	2,000.00	105.00
ALBERT E. MULLIN JR , 111 POWDERMILL RD. (B79) MAYNARD MA 01754	DIGITAL EQUIPMENT CORPORATION	10,000.00	
TRACY MULLIN, 1000 CONNECTICUT AVE., NW, #700 WASHINGTON DC 20036	NATIONAL RETAIL MERCHANTS ASSN	250.00	25.00
ROBERT J. MULLINS, SUITE 202-W 600 MARYLAND AVENUE, SW WASHINGTON DC 20024	FARMERS' EDUCATIONAL & CO-OPERATIVE UNION OF AMERICA	8,064.00	
W. H. L. MULLINS, 1745 JEFFERSON DAVIS HIGHWAY, #1000 ARLINGTON VA 22202	GENERAL DYNAMICS	2,000.00	953.90
MULTIFAMILY HOUSING ASSOCIATION, C/O LIZ ARCURI 1220 19TH ST., NW, #400 WASHINGTON DC 20036			
DONNA T. MUNDY, 2211 CONGRESS STREET PORTLAND ME 04122	UNION MUTUAL LIFE INSURANCE CO	225.00	2,693.83
JOHN P. MURPHY, 1828 L STREET, NW, #710 WASHINGTON DC 20036	STAUFFER CHEMICAL CO	2,800.00	357.73
LESTER L. MURPHY JR., P.O. BOX 4267 TOPEKA KS 66604	KANSAS ELECTRIC COOPERATIVES, INC	15,150.00	393.70
PAUL T. MURPHY, 900 17TH ST., NW, #514 WASHINGTON DC 20006	NATIONAL FOREIGN TRADE COUNCIL, INC	5,000.00	592.00
RICHARD E. MURPHY, 2020 K ST., NW, #200 WASHINGTON DC 20006	SERVICE EMPLOYEES INTL UNION, AFL-CIO	1,000.00	436.79
MURRAY & SCHEER, 2550 M ST., NW, #695 WASHINGTON DC 20037	CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC RAILROADS	450.00	
Do	CLEVELAND CLIFFS IRON CO	250.00	
Do	CONNECTICUT MUTUAL LIFE INSURANCE CO	500.00	
Do	IRON ORE LESSORS ASSN, INC	250.00	
Do	LTV CORPORATION	500.00	
Do	MASSACHUSETTS MUTUAL LIFE INSURANCE CO	500.00	
Do	MUTUAL BENEFIT LIFE	500.00	
Do	NATIONAL BUSINESS AIRCRAFT ASSN	500.00	
Do	NATIONAL COUNCIL OF COAL LESSORS	300.00	
Do	NEW ENGLAND MUTUAL LIFE INSURANCE CO	500.00	
Do	PENN MUTUAL LIFE INSURANCE CO	500.00	
Do	SHUBERT ORGANIZATION, INC	300.00	
Do	SWAZILAND SUGAR ASSN	500.00	
DANIEL H. MURRAY, 1828 L STREET, NW WASHINGTON DC 20036	GTE SPRINT COMMUNICATIONS CORP	20,798.00	
GORDON L. MURRAY, 1911 JEFFERSON DAVIS HIGHWAY, #1002 ARLINGTON VA 22202	LEAR SIEGLER, INC/ENERGY PRODUCTS DIV	100.00	100.00
JAMES E. MURRAY, ONE FARRAGUT SQUARE SOUTH WASHINGTON DC 20006	BROWN WOOD IVEY MITCHELL & PETTY (FOR: NATIONAL ASSN OF SMALL BUSINESS INVESTMENT COS, ET AL.).		
MARGARET R. MURRAY, 600 NEW HAMPSHIRE AVENUE, NW, #626 WASHINGTON DC 20037	NATIONAL RURAL TELECOM ASSN	409.50	
ROSEMARY GRIFFIN MURRAY, 1660 L ST., NW, #901 WASHINGTON DC 20036	PAN AMERICAN WORLD AIRWAYS, INC		
ROBERT J. MUTH, 180 MAIDEN LN. NEW YORK NY 10038	ASARCO INC	400.00	
FRED J. MUTZ, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN	3,000.00	
PAUL J. MYER, 1150 17TH ST., NW, 11TH FLOOR WASHINGTON DC 20036	AMERICAN BROADCASTING CO, INC		
GARY D. MYERS, 1015 18TH STREET, NW WASHINGTON DC 20036	FERTILIZER INSTITUTE	4,500.00	
TIMOTHY D. NAEGELE & ASSOCIATES, 1850 K STREET, NW, #1280 WASHINGTON DC 20006	BAYBANKS, INC		
ALAN Y. NAFTALIN, 1150 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	KOTEEN & NAFTALIN (FOR: ALASCOM, INC)		
Do	KOTEEN & NAFTALIN (FOR: TELEPHONE & DATA SYSTEMS, INC)		
LINDA K. NAIDA, 1616 H STREET, NW WASHINGTON DC 20006	NATIONAL GRANGE		
PETER A. NALEWAIK, 4 WORLD TRADE CENTER NEW YORK NY 10048	COFFEE SUGAR & COCOA EXCHANGE, INC		
JOHN L. NAPIER, NAPIER AND JENNINGS P.O. DRAWER 995 BENNETTSVILLE SC 29512	NATIONAL BEER WHOLESALERS' ASSN OF AMERICA, INC	5,000.00	204.24
Do	OREGON INLET COMMISSION	11,700.00	1,011.76
Do	PHILLIPS PETROLEUM CO	15,173.76	1,873.76
KAREN J. NARDI, THREE EMBARCADERO CENTER SAN FRANCISCO CA 94111	MCCUTCHEN DOYLE BROWN & ENERSEN (FOR: AMFAC, INC)		
Do	MCCUTCHEN DOYLE BROWN & ENERSEN (FOR: CASTLE & COOKE, INC)		
Do	MCCUTCHEN DOYLE BROWN & ENERSEN (FOR: ROHR INDUSTRIES)		
JOHN FRANCIS NASH JR., 17 N. GREENBRIER STREET ARLINGTON VA 22203	MILLIKEN & CO	5,000.00	1,650.00
FRANCES E. NATHAN, 455 FIFTH AVENUE NEW YORK NY 10016	NEW YORK PUBLIC LIBRARY	5,021.00	
HARDY L. NATHAN, 1750 K ST., NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	750.00	
RAYMOND NATHAN, 4242 EAST-WEST HWY CHEVY CHASE MD 20815	AMERICAN ETHICAL UNION	500.00	339.51
NATIONAL AGRICULTURAL CHEMICALS ASSN, 1155 15TH ST., NW WASHINGTON DC 20005		7,591.02	7,591.02
NATIONAL AIR CARRIER ASSN, 1730 M ST., NW, #710 WASHINGTON DC 20036			
NATIONAL ASSN FOR BIOMEDICAL RESEARCH, 1275 K STREET, NW, #900 WASHINGTON DC 20005		67,150.00	9,315.79
NATIONAL ASSN FOR NEIGHBORHOOD SCHOOLS, INC, 335 LOCUST ST. PITTSBURGH PA 15218		2,986.80	2,480.59
NATIONAL ASSN FOR STOCK CAR AUTO RACING, INC (NASCAR), 1801 SPEEDWAY BOULEVARD DAYTONA BEACH FL 32015			8,000.00
NATIONAL ASSN FOR UNIFORMED SERVICES, 5535 HEMPSTEAD WAY SPRINGFIELD VA 22151		2,995.79	2,583.14
NATIONAL ASSN OF AIR TRAFFIC SPECIALISTS, WHEATON PLAZA NORTH, #415 WHEATON MD 20902			6,083.25
NATIONAL ASSN OF BEVERAGE IMPORTERS, 1025 VERMONT AVENUE, NW, #1205 WASHINGTON DC 20005			
NATIONAL ASSN OF CHAIN DRUG STORES, INC, P.O. BOX 1417-D49 ALEXANDRIA VA 22313			11,679.66

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
NATIONAL ASSN OF DEVELOPMENT COMPANIES, 1612 K ST., NW, #706 WASHINGTON DC 20006		56,927.73	11,241.28
NATIONAL ASSN OF FEDERAL VETERINARIANS, 1522 K ST., NW, #836 WASHINGTON DC 20005			50.06
NATIONAL ASSN OF HOMES FOR CHILDREN, C/O TALCOTT, MCCABE & ASSOCIATES 600 MARYLAND AVE., SW, 302 W. WING WASHINGTON DC 20024.			2,400.00
NATIONAL ASSN OF MANUFACTURERS, 1776 F ST., NW WASHINGTON DC 20006		93,931.84	93,931.84
NATIONAL ASSN OF PENSION CONSULTANTS & ADMINISTRATORS, INC, 359 E. PACES FERRY RD., NE ATLANTA GA 30305		3,000.00	665.01
NATIONAL ASSN OF RAILROAD PASSENGERS, 417 NEW JERSEY AVE., SE WASHINGTON DC 20003		126,208.22	62,673.17
NATIONAL ASSN OF REAL ESTATE INVESTMENT TRUSTS, INC, 1101 17TH ST., NW, #700 WASHINGTON DC 20036			5,283.26
NATIONAL ASSN OF STEVEDORES, 2011 I STREET, NW, #601 WASHINGTON DC 20006		3,250.00	2,080.00
NATIONAL ASSN OF TEMPORARY SERVICES, INC, 119 SOUTH SAINT ASAPH STREET ALEXANDRIA VA 22314			
NATIONAL ASSN OF TRUCK STOP OPERATORS, INC, 1199 N. FAIRFAX STREET, #801 ALEXANDRIA VA 22314			
NATIONAL BROILER COUNCIL, 1155 15TH ST., NW WASHINGTON DC 20005		9,023.70	9,023.70
NATIONAL BUSINESS AIRCRAFT ASSN, 1200 18TH ST., NW WASHINGTON DC 20036			
NATIONAL CABLE TELEVISION ASSN, INC, 1724 MASSACHUSETTS AVE., NW WASHINGTON DC 20036		21,210.00	21,210.00
NATIONAL CATTLEMEN'S ASSN, 1301 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20004			4,000.00
NATIONAL CHILD FINDERS TASK FORCE, 515 E. WASHINGTON STREET, #1 CHARLES TOWN WV 25414			
NATIONAL CLEAN AIR COALITION, INC, 530 7TH ST., SE WASHINGTON DC 20003		42,415.69	27,816.72
NATIONAL COAL ASSN, 1130 17TH STREET, NW WASHINGTON DC 20036		1,449,199.17	15,432.17
NATIONAL COALITION FOR MARINE CONSERVATION, INC, P.O. BOX 23298 SAVANNAH GA 31403		16,617.00	19,248.91
NATIONAL COMM FOR CITIZENS IN EDUCATION, WILDE LAKE VILLAGE GREEN, #410 COLUMBIA MD 21044			
NATIONAL COMM ON SMALL ISSUE INDUSTRIAL DEVELOPMENT BONDS, BOX 1, 900 SOUTH 1800 M ST., NW WASHINGTON DC 20036.			
NATIONAL COMMERCIAL FINANCE ASSOCIATION, 225 W. 34TH ST. NEW YORK NY 10001			
NATIONAL COTTON COUNCIL OF AMERICA, P.O. BOX 12285 MEMPHIS TN 38182		46,410.74	46,410.74
NATIONAL COUNCIL OF AGRICULTURAL EMPLOYERS, 499 S. CAPITOL ST, SW #411 WASHINGTON DC 20003		13,150.00	2,250.00
NATIONAL COUNCIL OF FARMER COOPERATIVES, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036		22,072.04	10,880.43
NATIONAL ELECTRICAL MFGRS ASSN, 2101 L ST., NW WASHINGTON DC 20037		4,680.59	4,680.59
NATIONAL EMPLOYEE BENEFITS INSTITUTE, 2550 M ST., NW, #303 WASHINGTON DC 20037		1,796.42	6,395.41
NATIONAL FEDERATION OF FEDERAL EMPLOYEES, 2020 K ST., NW, #200 WASHINGTON DC 20006		13,739.59	13,739.59
NATIONAL FEDERATION OF INDEPENDENT BUSINESS, 150 W. 20TH AVE. SAN MATEO CA 94403		19,400.00	19,400.00
NATIONAL FERTILIZER SOLUTIONS ASSN, 8823 NORTH INDUSTRIAL ROAD PEORIA IL 61615		8,578.41	1,986.35
NATIONAL FOOD PROCESSORS ASSN, 1401 NEW YORK AVENUE, NW, #400 WASHINGTON DC 20005		1,535.59	1,535.59
NATIONAL FOREIGN TRADE COUNCIL, INC, 100 EAST 42ND ST. NEW YORK NY 10017		17,405.05	17,405.05
NATIONAL GRAIN & FEED ASSN, 725 15TH ST., NW WASHINGTON DC 20005			1,898.47
NATIONAL GRANGE, 1616 H ST., NW WASHINGTON DC 20006		18,700.00	18,700.00
NATIONAL GUARD ASSN OF THE U.S., ONE MASSACHUSETTS AVE., NW WASHINGTON DC 20001		4,936.00	3.86
NATIONAL HEALTH CARE FINANCING ASSN, P.O. BOX 946 HOLLY HILL FL 32017			
NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE, 1090 VERMONT AVE., NW, #410 WASHINGTON DC 20005		12,000.00	11,257.50
NATIONAL KNITWEAR & SPORTSWEAR ASSN, 386 PARK AVENUE SOUTH NEW YORK NY 10016		1,250.00	
NATIONAL LEAGUE OF POSTMASTERS OF THE U.S., 1023 NORTH ROYAL STREET ALEXANDRIA VA 22314			48,190.00
NATIONAL LEASED HOUSING ASSN, 2300 M ST., NW, #260 WASHINGTON DC 20037		900.00	900.00
NATIONAL LOTTERY ASSOCIATION, P.O. BOX 13365 LAS VEGAS NV 89112			
NATIONAL MILK PRODUCERS FED, 1840 WILSON BLVD. ARLINGTON VA 22201		16,408.10	16,408.10
NATIONAL MOTORSPORTS COMM OF ACCUS, 1500 SKOKIE BOULEVARD, #101 NORTHBROOK IL 60062		56.00	11,978.00
NATIONAL MULTI HOUSING COUNCIL, 1250 CONNECTICUT AVE., NW, #620 WASHINGTON DC 20036			8,295.30
NATIONAL PARKING ASSOCIATION, 1112 16TH ST., NW WASHINGTON DC 20036			48,013.30
NATIONAL PEST CONTROL ASSN, 8100 OAK ST. DUNN LORING VA 22027			
NATIONAL PUBLIC AFFAIRS CORP, 900 17TH STREET, NW WASHINGTON DC 20006	WESTINGHOUSE ELECTRIC CORP		
NATIONAL REHABILITATION ASSN, 633 S. WASHINGTON ST. ALEXANDRIA VA 22314			4,500.00
NATIONAL RETAIL MERCHANTS ASSN, 1000 CONNECTICUT AVENUE, NW WASHINGTON DC 20036			3,265.00
NATIONAL RIGHT TO WORK COMM, 8001 BRADDOCK RD., #600 SPRINGFIELD VA 22160		8,669.10	8,669.10
NATIONAL RURAL ELECTRIC COOPERATIVE ASSN, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036			3,865.16
NATIONAL RURAL LETTER CARRIERS' ASSN, 1448 DUKE ST., #100 ALEXANDRIA VA 22314		14,754.00	15,822.00
NATIONAL SECURITY TRADERS ASSN, INC, ONE WORLD TRADE CENTER, #4511 NEW YORK NY 10048			4,652.97
NATIONAL SMALL BUSINESS ASSN, 1604 K ST., NW WASHINGTON DC 20006		5,000.00	980.00
NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS, 1420 KING STREET ALEXANDRIA VA 22314		12,500.00	10,100.00
NATIONAL SOFT DRINK ASSN, 1101 16TH ST., NW WASHINGTON DC 20036			56,108.58
NATIONAL SOLID WASTES MANAGEMENT ASSN, 10TH FLOOR 1730 RHODE ISLAND AVE., NW WASHINGTON DC 20036			
NATIONAL TIRE DEALERS & RETREADERS ASSN, 1250 EYE STREET, NW, #400 WASHINGTON DC 20005		5,850.00	5,850.00
NATIONAL VENTURE CAPITAL ASSOCIATION, 1655 N. LYNN ST., #700 ARLINGTON VA 22209			1,838.87
NATIONAL-AMERICAN WHOLESALE GROCERS' ASSN, 201 PARK WASHINGTON COURT FALLS CHURCH VA 22046		7,000.00	7,000.00
MICHAEL W. NAYLOR, 1050 CONNECTICUT AVE., NW, #800 WASHINGTON DC 20036	ALLIED CORPORATION		
KAREN J. NEALE, 2501 M STREET N.W. WASHINGTON DC 20037	CHEMICAL MANUFACTURERS ASSN, INC	465.00	50.08
JEFFREY NEDELMAN, 1010 WISCONSIN AVENUE, NW, #800 WASHINGTON DC 20007	GROCERY MANUFACTURERS OF AMERICA, INC	57.57	
STANLEY NEHMER, 1320 19TH STREET, NW, #600 WASHINGTON DC 20036	LEAD-ZINC PRODUCERS COMMITTEE	500.00	350.00
NEILL & COMPANY, INC, 900 17TH ST., NW, #400 WASHINGTON DC 20006	ARAB REPUBLIC OF EGYPT		1,200.00
Do	DEMOCRATIC REPUBLIC OF SUDAN		200.00
Do	HASHEMITE KINGDOM OF JORDAN	55,000.00	3,400.00
Do	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION	30,100.00	200.00
Do	KINGDOM OF MOROCCO		650.00
NEILL MULLENHOLZ SHAW & SEEGER, 900 17TH ST., NW, #400 WASHINGTON DC 20006	HASHEMITE KINGDOM OF JORDAN		
Do	KINGDOM OF MOROCCO		
Do	NATIONAL COUNCIL SOCIAL SECURITY MANAGEMENT ASSNS, INC	2,000.00	475.00
Do	NATIONAL FARM & POWER EQUIPMENT DEALERS ASSN	1,500.00	
Do	SENIOR EXECUTIVES ASSN	5,000.00	250.00
NELSON & YUDIN, 1707 H ST., NW, #500 WASHINGTON DC 20006	BUS TRANSIT CAUCUS	1,471.75	177.83
Do	DIMENSION FINANCIAL CORP		
CAROLYN B. NELSON, #2 METROPLEX DR., SUITE 500 BIRMINGHAM AL 35209	METROPOLITAN PROPERTIES, INC		
E. COLETTE NELSON, 1004 DUKE ST. ALEXANDRIA VA 22314	AMERICAN SUBCONTRACTORS ASSN	1,200.00	
THOMAS C. NELSON, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
SAMUEL B. NEMIROW, HILL BETTS & NASH 1220 19TH ST., NW, #302 WASHINGTON DC 20036	LYKES BROS. STEAMSHIP CO, INC		
NETWORK, 806 RHODE ISLAND AVE., NE WASHINGTON DC 20018		36,531.62	31,394.67
E. JOHN NEUMANN, 1100 CONNECTICUT AVE., NW, #820 WASHINGTON DC 20036	BALTIMORE GAS & ELECTRIC CO	1,076.30	2,636.06
NEW YORK COMM OF INTL COMM OF PASSENGER LINES, 74 TRINITY PLACE NEW YORK NY 10006			
LESLIE F. NEWCOMER, 226 W. RITTENHOUSE SQUARE PHILADELPHIA PA 19103	PHILADELPHIA NATIONAL BANK	345.60	509.76
NEWMAN & HOLTZINGER, P.C., 1615 L ST., NW, #1000 WASHINGTON DC 20036	UTILITY NUCLEAR WASTE MANAGEMENT GROUP		
NICHOLAS JOHN NICHOLS, 1620 EYE ST., NW WASHINGTON DC 20006	AMERICAN INST OF CERTIFIED PUBLIC ACCOUNTANTS	1,500.00	10,307.50
THOMAS NICKELS, 1101 14TH STREET, NW, #200 WASHINGTON DC 20005	AMERICAN NURSES' ASSN	5,143.96	272.82
NICKERSON INGRAM VENTO & ASSOCIATES, 8508 MT. ZEPHYR DR. ALEXANDRIA VA 22309	SYSTEMS CONTROL TECHNOLOGY, INC		
PATRICK J. NILAN, 817 14TH ST., NW WASHINGTON DC 20005	AMERICAN POSTAL WORKERS UNION, AFL-CIO	10,212.57	814.77
DIANE S. NINE, 1350 NEW YORK AVENUE, NW, #300 WASHINGTON DC 20005	NATURAL RESOURCES DEFENSE COUNCIL, INC	1,500.00	
NISSAN MOTOR CORPORATION IN U.S.A., 1919 PENNSYLVANIA AVENUE, NW, #707 WASHINGTON DC 20006			
NIXON HARGRAVE DEVANS & DOYLE, 1090 VERMONT AVENUE, NW, #1200 WASHINGTON DC 20005	AMERICAN FREE TRADE ASSN, INC	178.00	
Do	BAUSCH & LOMB		11,187.50
NL INDUSTRIES, INC, 1230 AVENUE OF THE AMERICAS NEW YORK NY 10020			
JOHN L. NOBLE, ONE AMERICAN PLAZA EVANSTON IL 60201	AMERICAN HOSPITAL SUPPLY CORP		
BARBARA D. NOCERA, 955 L'ENFANT PLAZA, SW, #905 WASHINGTON DC 20024	AMERICAN HONDA MOTOR CO, INC	200.00	42.00
A. ALLAN NOE, 1828 L STREET, NW, #710 WASHINGTON DC 20036	STAUFFER CHEMICAL CO	1,500.00	1,328.70
ROBERT W. NOLAN, 1303 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	FLEET RESERVE ASSN	100.00	
WALKER F. NOLAN, 1111 19TH ST., NW, 9TH FL. WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	5,785.39	348.40
H. CHRISTOPHER NOLDE, 2501 M ST., NW WASHINGTON DC 20037	CHEMICAL MANUFACTURERS ASSN, INC	750.00	211.50
CHARLES M. NOONE, 490 L'ENFANT PLAZA EAST, SW, #3306 WASHINGTON DC 20024	NATIONAL ASSN OF SMALL BUSINESS INVESTMENT COS	1,200.00	36.13
ROBERT I. NOOTER, 600 MARYLAND AVENUE, SW WASHINGTON DC 20024	AMERICAN FARM BUREAU FEDERATION	5,000.01	215.36
WILLIE ERVINE NORMAN, P.O. BOX 1000 SEAGSVILLE TX 75159			
JULIA J. NORRELL, 1850 K ST., NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC	5,325.00	87.58
NORTH AMERICAN EXPORT GRAIN ASSN, INC, 1747 PENNSYLVANIA AVE., NW, #1175 WASHINGTON DC 20006			
NORTH AMERICAN TELECOMMUNICATIONS ASSOCIATION, 2000 M ST., NW, #550 WASHINGTON DC 20036		33,200.00	33,200.00
NORTHEAST UTILITIES SERVICE CO, SELDEN ST. BERLIN CT 06037			3,175.79
NORTHERN TELECOM, INC, 600 MARYLAND AVENUE, SW, #605 WASHINGTON DC 20024			1,635.00
MARY JANE NORVILLE, 600 MARYLAND AVENUE, SW, #695 WASHINGTON DC 20024	NATIONAL FED OF INDEPENDENT BUSINESS	2,250.00	200.00
NOSSAMAN GUTHNER KNOX & ELLIOTT, 1140 19TH ST., NW, #600 WASHINGTON DC 20036	AETNA LIFE & CASUALTY		1,600.00
Do	HELIONETICS, INC		300.00
Do	INSURANCE ASSOCIATION OF CONNECTICUT		1,300.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	SOUTHERN CALIFORNIA EDISON		400.00
P. MICHAEL NUGENT, SUITE 1300, NORTH TOWER 1331 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	ELECTRONIC DATA SYSTEMS CORPORATION	320.00	94.00
RALPH D. NURNBERGER, 500 NORTH CAPITOL STREET, NW, #300 WASHINGTON DC 20001	AMERICAN ISRAEL PUBLIC AFFAIRS COMM	11,763.48	655.40
C.D. NYBERG, P.O. BOX 800 AUSTIN MN 55912	GEO. A. HORMEL & CO		
GEORGE O'BEA JR., 815 16TH ST., NW, #304 WASHINGTON DC 20006	UNITED PAPERWORKERS INT'L UNION		
COLEMAN C. O'BRIEN, 1709 NEW YORK AVE., NW, #801 WASHINGTON DC 20006	U.S. LEAGUE OF SAVINGS INSTITUTIONS	7,300.00	12.00
JOHN F. O'BRIEN, CONNECTICUT PETROLEUM COUNCIL 410 ASYLUM ST. HARTFORD CT 06103	AMERICAN PETROLEUM INSTITUTE		
MARY EILEEN O'BRIEN, 1800 M ST., NW, SUITE 710 SOUTH WASHINGTON DC 20036	DOW CORNING CORPORATION		
RAYMOND V. O'BRIEN, 1600 M ST., NW WASHINGTON DC 20036	INTERNATIONAL TELEPHONE & TELEGRAPH CORPORATION	150.00	30.00
ROSEMARY L. O'BRIEN, 2550 M ST., NW, #640 WASHINGTON DC 20037	CF INDUSTRIES, INC	500.00	29.11
THOMAS H. O'BRIEN, 2600 VIRGINIA AVENUE, NW, #800 WASHINGTON DC 20037	HARRIS CORPORATION	2,500.00	2,073.68
DAVID S. O'BRYON, 1916 WILSON BLVD. ARLINGTON VA 22201	AMERICAN CHIROPRACTIC ASSN		
SHANNON O'CHESTER, 122 C STREET, NW, #800 WASHINGTON DC 20001	CONCERNED WOMEN FOR AMERICA	1,000.00	
JAMES J. O'CONNELL, 1201 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20004	CONTROL DATA CORPORATION	721.50	170.17
RICHARD T. O'CONNELL, RICHARD T. O'CONNELL & ASSOCIATES, INC 3208 TRAVELER STREET FAIRFAX VA 22030	CHOCOLATE MANUFACTURERS ASSN OF THE USA		48.01
Do	NATIONAL CONFECTIONERS ASSN OF THE U.S.		
TERRENCE M. O'CONNELL II , 444 N. CAPITOL STREET, #711 WASHINGTON DC 20001	KEEFE COMPANY (FOR: WESTINGHOUSE ELECTRIC CORP)		
WILLIAM B. O'CONNELL, 111 EAST WACKER DR. CHICAGO IL 60601	U.S. LEAGUE OF SAVINGS INSTITUTIONS	21,437.00	2,163.05
O'CONNOR & HANNAN, 1919 PENNSYLVANIA AVE., NW, #800 WASHINGTON DC 20006	AMERICAN BUS ASSN	13,755.02	
Do	AMERICAN CLINICAL LABORATORY ASSN	1,250.00	
Do	AMERICAN FAMILY LIFE ASSURANCE CO	750.00	
Do	AMERICAN INST OF CERTIFIED PUBLIC ACCOUNTANTS	4,805.00	
Do	AMERICAN INSURANCE ASSN	9,287.00	
Do	AMERICAN PETROFINA	6,998.86	
Do	AMERICAN SOC OF ASSOCIATION EXECUTIVES	8,164.27	
Do	AMERICAN TRUCKING ASSNS, INC		
Do	ARMCO, INC		
Do	ASSOCIATION OF INDEPENDENT TELEVISION STATIONS, INC		
Do	AUTOMOTIVE PARTS & ACCESSORIES ASSN		
Do	BALFOUR BEATTY LIMITED (BIIC)		
Do	CENTER FOR ENVIRONMENTAL EDUCATION	500.00	
Do	CENTURY MEDIA CORP		
Do	CHAMBER OF COMMERCE OF THE U.S.		
Do	CHRONAR CORPORATION		
Do	CITY OF MINNEAPOLIS	1,200.00	
Do	CNA INSURANCE	16,728.09	
Do	COMMITTEE FOR PRUDENT DEREGULATION		
Do	COMMUNICATIONS COUNSEL		
Do	CONSOLIDATED RAIL CORP	24,595.00	
Do	DIMENSIONS, INC		
Do	ELECTRONIC DATA SYSTEMS CORPORATION	500.00	
Do	EMBASSY OF ECUADOR		
Do	FAIRCHILD INDUSTRIES, INC		
Do	FIRST PENNSYLVANIA BANK	3,125.00	
Do	GLASS PACKAGING INSTITUTE		
Do	GOVERNMENT OF CYPRUS	12,500.00	
Do	GOVERNMENT OF JAMAICA		
Do	GOVERNMENT OF SUDAN		
Do	GOVERNMENT OF THE COMMONWEALTH OF PUERTO RICO		
Do	HEALTH CARE FINANCING STUDY GROUP	3,550.00	
Do	HENNEPIN COUNTY	1,500.00	
Do	HISTORIC LANDMARKS FOR LIVING		
Do	HULES MEXICANOS, S.A.	2,000.00	
Do	INDUSTRIAS NEGROMEX, S.A. DE C.V.		
Do	INSURANCE ASSN OF CONNECTICUT	1,871.00	
Do	INVESTMENT COMPANY INSTITUTE	1,500.00	
Do	ITEL CORPORATION		
Do	J. C. PENNEY CO. INC	250.00	
Do	JAMAICAN BROADCASTING CORP		
Do	JOINT COMM OF KNITWEAR ASSOCIATIONS		
Do	KIMBERLY-CLARK CORP		
Do	MERCEDES-BENZ OF NORTH AMERICA, INC	1,200.00	
Do	MERRILL LYNCH & CO, INC	6,426.00	
Do	MEXICAN CEMENT CHAMBER	15,000.00	
Do	MILLER & SCHROEDER MUNICIPALS, INC	15,900.00	
Do	NATIONAL APARTMENT ASSN		
Do	NATIONAL CLUB ASSN		
Do	NATIONAL COAL CONSUMERS ALLIANCE		
Do	NATIONAL COMM FOR QUALITY HEALTH CARE		
Do	OPTICAL COATING LABORATORY, INC	2,800.00	
Do	PACIFIC TELESIS GROUP	8,368.00	
Do	PRUDENTIAL INSURANCE COMPANY OF AMERICA	4,180.00	
Do	PYRAMID COMPANIES	12,500.00	
Do	RLC CORPORATION		
Do	ROLLINS ENVIRONMENTAL SERVICES	2,043.95	
Do	JOSEPH E. SEAGRAM & SONS, INC	1,429.69	
Do	SECURITIES INDUSTRY ASSN	12,100.00	
Do	SMITHKLINE BECKMAN CORP	12,211.02	
Do	U.S. TELECOMMUNICATIONS SUPPLIERS ASSN		
EMILY O'CONNOR, 777 14TH STREET, NW WASHINGTON DC 20005	WESTINGHOUSE ELECTRIC CORP	3,600.00	
GEORGE E. O'CONNOR, 600 NEW HAMPSHIRE AVENUE, NW WASHINGTON DC 20037	NATIONAL ASSN OF REALTORS		
PATRICK C. O'CONNOR, KENT & O'CONNOR, INC 1919 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20006	NEW YORK LIFE INSURANCE COMPANY	6,000.00	2,350.00
Do	AMERICAN DENTAL HYGIENISTS ASSN		
Do	AMERICAN SUPPLY ASSOCIATION	7,558.83	3,201.38
Do	AMERICAN WAREHOUSEMEN'S ASSOCIATION	2,710.16	1,138.77
Do	ASSOCIATION OF FOOD INDUSTRIES, INC		
Do	NATIONAL ASSN OF FLEET ADMINISTRATORS, INC	3,254.58	1,387.26
Do	STEEL TANK INSTITUTE	8,091.13	3,114.81
Do	TRANSPORTATION LAWYERS ASSOCIATION	2,189.45	924.85
JOHN B. O'DAY, 1700 PENNSYLVANIA AVE., NW, #590 WASHINGTON, DC 20006	INSURANCE ECONOMICS SOCIETY OF AMERICA	1,000.00	
PAUL T. O'DAY, 1150 17TH STREET, NW WASHINGTON DC 20036	MAN-MADE FIBER PRODUCERS ASSN, INC	500.00	92.76
THOMAS A. O'DAY, 1629 K ST., NW, #1010 WASHINGTON DC 20006	ALLIANCE OF AMERICAN INSURERS	450.00	72.15
ASHTON J. O'DONNELL, 50 BEALE ST., P.O. BOX 3965 SAN FRANCISCO CA 94119	BECHTEL NATIONAL, INC		
DANIEL J. O'GRADY, 815 16TH STREET, NW, #408 WASHINGTON DC 20006	FOOD & ALLIED SERVICE TRADES DEPT, AFL-CIO	433.00	
JANE O'GRADY, 815 16TH ST., NW WASHINGTON DC 20006	AMERICAN FED OF LABOR & CONGRESS OF INDUSTRIAL ORGANIZATIONS	15,019.03	214.70
TERRI O'GRADY, 1600 RHODE ISLAND AVENUE, NW WASHINGTON DC 20036	NATIONAL RIFLE ASSN OF AMERICA	775.00	309.29
BARBARA E. O'HARA, 4400 MACARTHUR BLVD., NW WASHINGTON DC 20007	AMERICAN SOC OF TRAVEL AGENTS	100.00	
O'KEEFE ASHENDEN LYONS & WARD, ONE FIRST NATIONAL PLAZA - SUITE 5100 CHICAGO IL 60603	AMERICAN INVSCO CORPORATION		
O'MELVENY & MYERS, 1800 M ST., NW WASHINGTON DC 20036	AMAX, INC		
Do	SANTA FE INTERNATIONAL CORP		
Do	SECURITY FIRST GROUP (FOR PUBLIC EMPLOYER BENEFITS COUNCIL)		
Do	WARNER COMMUNICATIONS, INC		
LAW OFFICES OF JOHN O'NEAL, P.C., 600 NEW HAMPSHIRE AVENUE, NW, #626 WASHINGTON DC 20037	NATIONAL RURAL TELECOM ASSN	1,050.00	
SARAH E. O'NEIL, 1600 M ST., NW WASHINGTON DC 20036	INVESTMENT COMPANY INSTITUTE		
O'NEILL AND HAASE, P.C., 1333 NEW HAMPSHIRE AVE., NW, #1110 WASHINGTON DC 20036	ALLEGHENY COUNTY COMMISSION		
Do	ASSOCIATION OF PROGRESIVE RENTAL ORGANIZATIONS		
Do	BANK OF NEW ENGLAND	500.00	
Do	BEER INDUSTRY ALLIANCE		
Do	BHC, INC		
Do	COMMERICAL UNION INSURANCE COMPANIES		
Do	COMMERCIAL UNION INSURANCE COMPANIES	1,300.00	
Do	CRUISE AMERICA LINE, INC		
Do	GLASS PACKAGING INSTITUTE		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	MARATHON MANUFACTURING CO		
Do	MARRIOTT CORPORATION	1,200.00	
Do	MASSACHUSETTS GENERAL HOSPITAL		
Do	MILK INDUSTRY FOUNDATION		
Do	NORTHWESTERN MUTUAL LIFE		
Do	SEARS ROEBUCK & CO	1,150.00	
Do	TEXAS UTILITIES SERVICES, INC		
Do	U.S. FOOTBALL LEAGUE	600.00	
Do	U.S. STEEL	1,200.00	
Do	WESTINGHOUSE ELECTRIC CORP		
DONALD K. O'NEILL, 1000 WILSON BLVD., #2600 ARLINGTON VA 22209	TRW, INC	866.00	
J. DENIS O'TOOLE, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN	4,500.00	
M. DIANE O'TOOLE, 1000 WILSON BLVD., #2300 ARLINGTON VA 22209	NORTHROP CORP		
STEPHEN E. O'TOOLE, 1660 L ST., NW WASHINGTON DC 20036	GENERAL MOTORS CORP	3,000.00	3,622.92
PAUL C. OAKLEY, 1920 L STREET, NW WASHINGTON DC 20036	ASSOCIATION OF AMERICAN RAILROADS	210.00	5.00
HARRY R. OBLEY, MELLON SQUARE PITTSBURGH PA 15230	MELLON BANK N.A. AND MELLON NATIONAL CORP	2,000.00	2,565.41
KIM M. OBOZ, 1819 L STREET, NW, #900 WASHINGTON DC 20036	U S WEST, INC	4,600.00	1,128.58
THOMAS J. ODEN, 1840 WILSON BOULEVARD ARLINGTON VA 22201	NATIONAL MILK PRODUCERS FEDERATION	4,062.48	345.42
BRADFORD C. OELMAN, 900 17TH STREET, NW, #508 WASHINGTON DC 20006	OWENS-CORNING FIBERGLAS CORPORATION		
NEIL H. OFFEN, 1730 M ST., NW WASHINGTON DC 20036	DIRECT SELLING ASSOCIATION		
OIL INVESTMENT INSTITUTE, PO BOX 8293 WASHINGTON DC 20024			
PHILIP M. OLA, 1919 PENNSYLVANIA AVENUE, NW, #400 WASHINGTON DC 20006	STEEL SERVICE CENTER INSTITUTE		
MICHAEL D. OLDAK, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	100.00	
ALVIN E. OLIVER, 725 15TH ST., NW WASHINGTON DC 20005	NATIONAL GRAIN & FEED ASSN	65.00	
R. TEEL OLIVER, 1050 17TH STREET, NW, #650 WASHINGTON DC 20036	MERCK & CO, INC	687.50	500.00
VAN R. OLSEN, 1156 15TH ST., NW, #1019 WASHINGTON DC 20006	U.S. BEET SUGAR ASSN		
GERALD L. OLSON, PILLSBURY CENTER, MS 3771 MINNEAPOLIS MN 55402	PILLSBURY COMPANY		
RICHARD C. OLSON, 1313 DOLLEY MADISON BLVD. MCLEAN VA 22101	DYNALECTRON CORPORATION		
ROY E. OLSON, 260 MADISON AVE. NEW YORK NY 10016	AMERICAN PAPER INSTITUTE, INC		
OLSSON AND FRANK, 1029 VERMONT AVENUE, NW, #400 WASHINGTON DC 20005	NATIONAL ASSN OF MARGARINE MANUFACTURERS	6,000.00	6,000.00
PHILIP C. OLSSON, OLSSON AND FRANK 1029 VERMONT AVE., NW, #400 WASHINGTON DC 20005	NATIONAL ASSN OF MARGARINE MANUFACTURERS	2,000.00	
CLARK ONSTAD, 1201 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20004	TEXAS AIR CORP AND CONTINENTAL AIR LINES	1,500.00	624.00
PHILIP C. ONSTAD, 500 WEST PUTNAM AVE. GREENWICH CT 06830	CONTROL DATA CORPORATION	200.00	
CASSANDRA OPPERMAN, 15837 A CRABBS BRANCH WAY ROCKVILLE MD 20855	NATIONAL CENTER FOR DRUNK DRIVING COUNCIL		
MICHEL ORBAN, 125 BROAD STREET, 39TH FL. NEW YORK NY 10004	AMERICAN EXPRESS CO		
ORGAN. FOR PROTECTION & ADVANCEMENT OF SMALL TELEPHONE COS, 2301 M STREET, NW, #530 WASHINGTON DC 20037.		1,150.00	950.00
ABRAHAM ORLOFSKY, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FEDERATION OF FEDERAL EMPLOYEES	1,242.60	
ELVIRA J. ORLY, 1150 CONNECTICUT AVE., NW, #700 WASHINGTON DC 20036	ALLIED CORPORATION	31.25	
J. F. OTERO, 815 16TH STREET, NW WASHINGTON DC 20006	BROTHERHOOD OF RAILWAY AIRLINE & STEAMSHIP CLERKS	1,000.00	300.00
ROLAND A. OUELLETTE, 1660 L ST., NW, #501 WASHINGTON DC 20036	GENERAL MOTORS CORP	3,600.00	2,929.59
CLIFF OUSE, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	25.00	
GENE E. OVERBECK, 1101 17TH STREET, NW WASHINGTON DC 20036	AMERICAN AIRLINES, INC	2,125.00	
OVERSEAS EDUCATION ASSOCIATION, 1201 16TH STREET, NW WASHINGTON DC 20036		1,000.00	656.79
JACK W. OWEN, 444 NORTH CAPITOL ST., NW, #500 WASHINGTON DC 20001	AMERICAN HOSPITAL ASSN		194.57
THOMAS J. OWENS, P.O. BOX 12266 SEATTLE WA 98102	DOLLAR SAVINGS BANK, ET AL	16,625.00	6,669.97
WILLIAM J. OWENS, 1745 JEFFERSON DAVIS HIGHWAY, #511 ARLINGTON VA 22202	MANUFACTURED HOUSING INSTITUTE	900.00	100.00
R. RAY PAABO, 1667 K ST., NW, #600 WASHINGTON DC 20006	SANTA FE INDUSTRIES, INC	1,000.00	
PACIFIC MANAGEMENT DYNAMICS CORP, 910 FLOEIN RD., #107 SACRAMENTO CA 95831			
LEE W. PADEN, P.O. BOX 201 TULSA OK 74102	PUBLIC SERVICE COMPANY OF OKLAHOMA		
GEORGE G. PAGONIS, 1120 CONNECTICUT AVE., NW, #335 WASHINGTON DC 20036	STELCO, INC	1,500.00	1.50
HENRY H. PAIGE, 1333 NEW HAMPSHIRE AVENUE, NW WASHINGTON DC 20036	ATLANTIC RICHFIELD CO		
JOHN M. PALATIELLO, 210 LITTLE FALLS STREET FALLS CHURCH VA 22046	AMERICAN CONG. ON SURVEY. & MAPP./AMER SOC OF PHOTOGRAMMETRY	10,386.88	12,978.97
HENRY S. PALAU, 201 N WASHINGTON ST. ALEXANDRIA VA 22134	RETIRED OFFICERS ASSN		
BRADLEY D. PALMER, 3238 WYNFORD DRIVE FAIRFAX VA 22031	U.S. DEFENSE COMMITTEE	2,400.00	
PALUMBO & CERRELL, INC, 11 DUPONT CIRCLE, NW, #700 WASHINGTON DC 20036	AMERICAN SOC OF COMPOSERS AUTHORS & PUBLISHERS	16,625.00	
Do	NATIONAL SCHOOL TRANSPORTATION ASSN	6,000.00	
Do	R.J. REYNOLDS TOBACCO CO	19,800.00	
Do	SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT	9,000.00	
BENJAMIN L. PALUMBO, 11 DUPONT CIRCLE, NW, #700 WASHINGTON DC 20036	G. D. SEARLE	18,000.00	
PAN AMERICAN SATELLITE CORP, 460 W. 42ND STREET, 4TH FL. NEW YORK NY 10036			
PETER J. PANTUSO, 7900 WESTPARK DRIVE, #514 MCLEAN VA 22102	NATIONAL CONFECTIONERS ASSN OF THE U.S.	2,000.00	617.77
G. OLIVER PAPPS, N.J. PETROLEUM COUNCIL 170 W. STATE ST. TRENTON NJ 08608	AMERICAN PETROLEUM INSTITUTE		
STEPHEN J. PARADISE, 1800 K STREET, NW, #1100 WASHINGTON DC 20006	NEW YORK STOCK EXCHANGE, INC		
HERSCHELL E. PARENT, 460 TWIN CITY BANK ONE RIVERFRONT PLACE NORTH LITTLE ROCK AR 72114	AMERICAN PETROLEUM INSTITUTE	1,437.00	2,920.33
ALAN A. PARKER, 1050 31ST STREET, NW WASHINGTON DC 20007	ASSOCIATION OF TRIAL LAWYERS	5,000.00	100.00
PARKER CHAPIN FLATTAU & KLIMPL, 1211 AVENUE OF THE AMERICAS NEW YORK NY 10036	ASSOCIATION FOR A BETTER NEW YORK	30,000.00	2,354.09
JOHN N. PARKER, 1100 CONNECTICUT AVE., NW, #620 WASHINGTON DC 20036	MOBIL OIL CORP	375.00	
CARL M. PARKS, 633 PENNSYLVANIA AVENUE, NW, #600 WASHINGTON DC 20004	ALLSTATE INSURANCE GROUP	500.00	230.00
KEN PARMELEE, 1448 DUKE STREET ALEXANDRIA VA 22314	NATIONAL RURAL LETTER CARRIERS' ASSN	10,615.00	2,073.00
CHARLES C. PARTRIDGE, 5535 HEMPSTEAD WAY SPRINGFIELD VA 22151	NATIONAL ASSN FOR UNIFORMED SERVICES	1,640.32	
JACK PARTRIDGE, 1014 VINE ST. CINCINNATI OH 45201	KROGER COMPANY	2,500.00	978.01
LANDON PARVIN, 5410 CONNECTICUT AVENUE, NW, #502 WASHINGTON DC 20015	COMMUNICATIONS COUNSEL, INC		
PASKUS GORDON & HYMAN, 2005 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL MUSIC PUBLISHERS ASSN, INC		
DAVID J. PASSAMANECK, 4647 FORBES BOULEVARD LANHAM MD 20706	AMVETS	6,800.00	150.47
GARY B. PATTERSON, DELAWARE PETROLEUM COUNCIL P.O. BOX 1429 DOVER DE 19903	AMERICAN PETROLEUM INSTITUTE	239.67	73.43
JERRY M. PATTERSON, LEFF & MASON 1700 PENNSYLVANIA AVE., NW, #450 WASHINGTON DC 20006	GREAT WESTERN FINANCIAL CORP	17,168.00	
RICHARD M. PATTERSON, 1800 M ST., NW, #700 SOUTH WASHINGTON DC 20036	DOW CHEMICAL CO	500.00	239.50
WILLIAM H. PATTERSON, 1331 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	GENERAL ELECTRIC CO	274.00	
KENTON H. PATTIE, 3150 SPRING ST. FAIRFAX VA 22031	NATIONAL AUDIO-VISUAL ASSN, INC	3,687.50	
DAVID J. PATTISON, 1750 K ST., NW WASHINGTON DC 20006	HEALTH INSURANCE ASSN OF AMERICA, INC		
PATTON BOGGS & BLOW, 2550 M ST., NW, #800 WASHINGTON DC 20037	AIWA AMERICA, INC	4.04	
Do	AKAI AMERICA, LTD	6.52	
Do	ALUMINUM COMPANY OF AMERICA		
Do	AMERICAN BROADCASTING CO, INC	430.00	
Do	AMERICAN CONGRESS ON SURVEYING & MAPPING		
Do	AMERICAN EXPRESS CO		
Do	AMERICAN INTERNATIONAL AUTOMOBILE DEALERS ASSN		
Do	AMERICAN MARITIME ASSN	6,860.00	923.87
Do	AMERICAN PUBLIC POWER ASSN	301.66	
Do	AMERICAN SOC OF ASSN EXECUTIVES		
Do	ASSOCIATION OF TRIAL LAWYERS OF AMERICA	3,970.00	4,213.00
Do	BIOGEN		
Do	BURLINGTON INDUSTRIES, INC		
Do	CARLSON COMPANIES, INC	625.00	
Do	CASTLE & COOKE, INC		
Do	CHICAGO BOARD OPTIONS EXCHANGE		
Do	CHRYSLER CORPORATION	1,700.00	301.62
Do	CITY OF AZUSA	301.66	
Do	CITY OF BANNING	301.66	
Do	CITY OF COLTON	301.66	
Do	CITY OF RIVERSIDE	301.66	
Do	CITY OF SANTA CLARA	301.66	
Do	COALITION FOR NATIONAL AIRPORT	5,315.00	
Do	COLUMBIA, INC	1.82	
Do	COMMITTEE OF RAILROAD SHIPPERS	4,175.00	
Do	DEALER ACTION ASSOCIATION	825.00	
Do	DUTY FREE SHOPPERS, LTD	155.00	1,523.31
Do	ENERGY RESEARCH CORPORATION		
Do	FREEMAN	1,175.00	
Do	FUJI PHOTO FILM U.S.A., INC	11.63	
Do	GTE SPRINT		
Do	HITACHI SALES CORP OF AMERICA	107.25	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	E.F. HUTTON LIFE INSURANCE COMPANY	2,140.00	660.35
Do	IC INDUSTRIES		
Do	INSTITUTE OF SCRAP IRON & STEEL, INC	650.00	
Do	INTERMEDICS, INC		
Do	KENWOOD U.S.A. CORPORATION	3.38	
Do	LAUNDRY CLEANING COUNCIL		
Do	LAZARD FRERE & CO	1,350.00	
Do	LIGGETT GROUP	400.00	
Do	LOOP, INC	2,000.00	
Do	MARS, INC	1,930.00	721.43
Do	MATSUSHITA ELECTRIC CORP OF AMERICA	235.29	
Do	MAXELL CORP OF AMERICA	20.54	
Do	MCI TELECOMMUNICATIONS, INC	100.00	
Do	MICHIGAN INSURANCE ASSN	1,360.00	
Do	MITSUBISHI ELECTRIC SALES OF AMERICA, INC	33.00	
Do	MOCATTA METALS CORP	312.50	
Do	NAKAMICHI U.S.A. CORP	4.37	
Do	NATIONAL ASSN OF CHAIN DRUG STORES		
Do	NATIONAL CABLE TELEVISION ASSN, INC	260.00	
Do	NATIONAL MARINE MFRS ASSN	1,300.00	358.74
Do	NATIONAL SOFT DRINK ASSN	560.00	
Do	NEC ELECTRONICS (USA) INC	3.47	
Do	NEW PROCESS CO		
Do	NORTH AMERICAN VAN LINES		
Do	NORTHERN CALIFORNIA POWER AGENCY	301.66	
Do	OCEAN CATCH		
Do	ONKYO U.S.A. CORP	2.06	
Do	OSG BULK SHIPS, INC		
Do	OVERSEAS MILITARY SALES GROUP	820.00	
Do	PAINE WEBBER, INC		
Do	PIONEER ELECTRONICS (U.S.A.) INC	8.91	
Do	PUBLIC UTILITIES DEPARTMENT	301.66	
Do	READER'S DIGEST ASSN, INC		
Do	REDWOOD INDUSTRY PARK COMM	1,300.00	
Do	REPUBLIQUE D'HAITI	1,980.00	
Do	RETAIL INDUSTRY TRADE ACTION COALITION	10,065.80	480.35
Do	RETAIL TAX COMMITTEE	725.00	188.00
Do	RICE MILLERS' ASSN		
Do	ROCKWELL INTERNATIONAL CORP		
Do	SACRAMENTO PUBLIC UTILITY DISTRICT	301.66	
Do	SANSUI ELECTRONICS CORP	4.37	
Do	SANYO ELECTRIC, INC	109.40	
Do	SHARP ELECTRONICS CORP	50.41	
Do	SLURRY TRANSPORT ASSN		
Do	SONY CORPORATION OF AMERICA	83.16	
Do	SQUIBB CORP	1,100.00	
Do	ST. JOE MINERALS CORP		
Do	STATE OF LA, DEPT OF CONSERVATION		
Do	STEPHENS, INC		
Do	SULTANTATE OF OMAN	525.00	
Do	SYSCON CORPORATION		
Do	TDK U.S.A. CORP	25.49	
Do	TEKNIKA ELECTRONICS CORP	4.04	
Do	TOSHIBA AMERICAN, INC	39.60	
Do	U.S. FISHERIES DEVELOPMENT ASSN		
Do	U.S. LIFESAVING MANUFACTURERS ASSN		
Do	U.S. TUNA FOUNDATION		
Do	UNITED PLANT GUARD WORKERS ASSN		
Do	US JVC CORPORATION	65.67	
Do	ZEISS AVIONICS SYSTEMS, INC		
ANDREW R. PAUL, 1875 EYE STREET, NW, #940 WASHINGTON DC 20006	GULF & WESTERN MANAGEMENT CO	4,500.00	173.62
PAUL HASTINGS JANOFSKY & WALKER, 6TH FLOOR 1050 THOMAS JEFFERSON ST., NW WASHINGTON DC 20007	AMERICAN TELEPHONE & TELEGRAPH CO		
Do	ASPIRIN FOUNDATION OF AMERICA, INC	2,598.20	530.70
Do	CALMAT COMPANY	728.00	
Do	GAF CORPORATION	3,066.50	9.71
Do	M LIFE INSURANCE COMPANY	7,344.00	
Do	NATIONAL BUSINESS AIRCRAFT ASSN	5,236.00	
Do	OGLETHORPE POWER CORP		
Do	SECURITY LIFE OF DENVER	6,512.00	
PAUL WEISS RIFKIND WHARTON & GARRISON, 1714 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NEC ELECTRONICS U.S.A., INC		
Do	ORBITAL SCIENCES CORP		
LARRY E. PAULICK, 2111 EISENHOWER AVENUE ALEXANDRIA VA 22314	NATIONAL SPA & POOL INSTITUTE		
LOUIS R. PAULICK, 1901 NORTH FORT MYER DRIVE ARLINGTON VA 22209	GAS APPLIANCE MANUFACTURERS ASSN, INC		
RICHARD A. PAYSOR, 1415 ELBRIDGE PAYNE RD., #135 ST. LOUIS MO 63017	FIRST CAPITOL ASSOCIATES - GATEWAY, INC		
PEABODY LAMBERT & MEYERS, 1150 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	COMMITTEE OF CORPORATE TELECOMMUNICATIONS USERS		
JAMES M. PEIRCE JR., 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FEDERATION OF FEDERAL EMPLOYEES	1,817.29	
LEEANN PELHAM, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE	4,750.02	161.17
PELTON RESEARCH CENTER, 1400 S. JOYCE STREET ARLINGTON VA 22202	HELP, INC		
ELIN PELTZ, 1511 K STREET, NW WASHINGTON DC 20005	HAWAIIAN SUGAR PLANTERS' ASSN	300.00	50.00
CRISTSANDRA M. PENN, 1346 CHESTNUT, #800 PHILADELPHIA PA 19107	GREATER PHILADELPHIA CHAMBER OF COMMERCE		
JAMES C. PENNINGTON, 5535 HEMPSTEAD WAY SPRINGFIELD VA 22151	NATIONAL ASSN FOR UNIFORMED SERVICES	797.82	
PENNSYLVANIA POWER & LIGHT CO, 2 N. 9TH ST. ALLENTOWN PA 18101			1,918.33
DON PENNY, 1045 31ST STREET, NW, #506 WASHINGTON DC 20007	AMERICAN EXPRESS		
DOMINIC V. PENSABENE, 1700 K ST., NW WASHINGTON DC 20006	CHEVRON USA, INC	1,200.00	
GREGORY M. PENSABENE, 1667 K ST., NW, #600 WASHINGTON DC 20006	SANTA FE INDUSTRIES, INC	2,700.00	
PENSION RIGHTS CENTER, 1346 CONNECTICUT AVE., NW WASHINGTON DC 20036			119.72
PEPPER & CORAZZINI, 1776 K ST., NW WASHINGTON DC 20006	SATELLITE SYNDICATED SYSTEMS, INC		
BARBARA K. PEQUET, P.O. BOX 29631 WASHINGTON DC 20017	AMERICAN SOC FOR PREVENTION OF CRUELTY TO ANIMALS (ASPCA)	6,250.00	478.00
VICTOR J. PERINI JR., 1776 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	HIGHWAY USERS FEDERATION FOR SAFETY & MOBILITY		
PERKINS COIE, 1110 VERMONT AVE., NW, #1200 WASHINGTON DC 20005	AEROSPACE INDUSTRIES ASSN OF AMERICA, INC		630.00
Do	BOEING CO		
Do	BURLINGTON NORTHERN, INC		
Do	KOOTZNOOWOO, INC		
Do	ORMAT SYSTEMS, INC		
ROBERT A. PERKINS, 1100 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	CHRYSLER CORP	15,000.00	450.00
THOMAS P. PERKINS III, 1800 MERCANTILE BANK & TRUST BUILDING TWO HOPKINS PLAZA BALTIMORE MD 21201	MARYLAND SAVINGS-SHARE INSURANCE CORP		
GARY J. PERKINSON, 453 NEW JERSEY AVENUE, SE WASHINGTON DC 20003	BENEFICIAL MANAGEMENT CORP OF AMERICA	750.00	
ANTHONY D. PERL, 417 NEW JERSEY AVE., SE WASHINGTON DC 20003	NATIONAL ASSN OF RAILROAD PASSENGERS	3,100.00	
ERNEST MICHAEL PERLEY, 112 ST CLAIR AVENUE, WEST, #504 TORONTO, ONTARIO M4V 2Y3	CANADIAN COALITION ON ACID RAIN		
JEFFRY L. PERLMAN, 1615 H ST., NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S	2,420.00	534.74
LEONARD PERLMAN, 5999 STEVENSON AVENUE ALEXANDRIA VA 22304	AMERICAN ASSN FOR COUNSELING & DEVELOPMENT		
MARK PERMAR, P.O. BOX 12910 CHARLESTON SC 29142	KIAWAH ISLAND COMPANY, LTD		
DAVID F. PERRY, 15 COMPUTER DRIVE, W. ALBANY NY 12205	HOSPITAL ASSN OF NEW YORK STATE	384.00	235.63
G. STEPHEN PERRY, 950 L'ENFANT PLAZA, SW WASHINGTON DC 20024	COMMUNICATIONS SATELLITE CORP (COMSAT)		
KATE M. PERRY, 1785 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL TRUST FOR HISTORIC PRESERVATION		
SUSAN PERRY, 1025 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	AMERICAN BUS ASSN	2,687.50	75.00
JOHN J. PESCH, 3422 STONEYBRAE DRIVE FALLS CHURCH VA 22044	NORTHROP CORP		
THOMAS D. PESTORIUS, 1025 CONNECTICUT AVENUE, NW, #1014 WASHINGTON DC 20036	EBASCO SERVICES, INC		
PHILLIPS S. PETER, 1331 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20004	GENERAL ELECTRIC CO	150.00	
MARY PETERS, 1319 F STREET, NW WASHINGTON DC 20004	NATIONAL ASSN OF PRIVATE PSYCHIATRIC HOSPITALS	100.00	
PAUL F. PETERS, 1522 K STREET, NW, #828 WASHINGTON DC 20005	AMERICAN VETERINARY MEDICAL ASSN		
Do	ASSOCIATION OF AMERICAN VETERINARY MEDICAL COLLEGES		
PETERSON ENGBERG & PETERSON, 1730 M ST., NW, #907 WASHINGTON DC 20036	FEDERATED RESEARCH CORP	22,500.00	1,019.46

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
GEOFFREY G. PETERSON, 1250 EYE ST., NW, #900 WASHINGTON DC 20004	DISTILLED SPIRITS COUNCIL OF THE U.S., INC	2,000.00	400.00
LARS E. PETERSON, 1750 K STREET, NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	450.00	
MARY B. PETERSON, 1660 L ST., NW WASHINGTON DC 20036	GENERAL MOTORS CORP	3,000.00	2,623.32
MARY JO PETERSON, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA	1,000.00	500.00
RUSSELL W. PETERSON, 950 THIRD AVENUE NEW YORK NY 10022	NATIONAL AUDUBON SOCIETY	1,000.00	
SUSAN F. PETNIUNAS, 1025 CONNECTICUT AVE., NW, #214 WASHINGTON DC 20036	MANVILLE CORP	500.00	
MICHAEL J. PETRINA JR., 1110 VERMONT AVENUE, NW, #800 WASHINGTON DC 20005	COSMETIC TOILETRY & FRAGRANCE ASSN, INC		
PETROLEUM MARKETERS ASSN OF AMERICA, 1120 VERMONT AVE., NW, #1130 WASHINGTON DC 20005		187,285.60	17,270.68
BRIAN T. PETTY, 1901 L ST., NW, #702 WASHINGTON DC 20036	INTERNATIONAL ASSN OF DRILLING CONTRACTORS		
PHARMACEUTICAL MANUFACTURERS ASSN, 1100 15TH STREET, NW WASHINGTON DC 20005		6,551.85	6,551.85
MARSHALL A. PHARR, 6103 ADIRONDACK AMARILLO TX 79106	SOUTHWESTERN PUBLIC SERVICE CO	3,091.20	266.47
DENNIS J. PHELAN, ONE THOMAS CIRCLE, NW, #900 WASHINGTON DC 20005	PACIFIC SEAFOOD PROCESSORS ASSN	7,500.00	580.00
BARBARA PHILLIPS, 2000 M ST., NW, #230 WASHINGTON DC 20036	NETWORK OF AMERICA	4,846.14	
BERNARD R. PHILLIPS III, P.O. BOX 4267 TOPEKA KS 66604	KANSAS ELECTRIC COOPERATIVES, INC	13,091.00	2,303.02
DEBORAH M. PHILLIPS, 1200 NEW HAMPSHIRE AVE., NW, #320 WASHINGTON DC 20036	GENERAL INSTRUMENT CORPORATION		
DEIRDRE B. PHILLIPS, 100 FEDERAL STREET BOSTON MA 02110	BANK OF BOSTON CORP		
Do	FIRST NATIONAL BANK OF BOSTON	178.00	490.00
MARK W. A. PHILLIPS, 507 2ND ST., NE WASHINGTON DC 20002	CONFEDERATED TRIBES OF WARM SPRINGS		
WILLIAM G. PHILLIPS, D.C. ASSOCIATES, INC 402 THIRD STREET, SE WASHINGTON DC 20003	AIR QUALITY RESEARCH, INC		19.65
Do	ASSOCIATION OF UNIV. PROGRAMS IN OCCUPA HEALTH & SAFETY	6,000.00	2,268.22
Do	ASSOCIATION OF UNIVERSITY ENVIRONMENTAL HEALTH CENTERS	4,500.00	280.97
Do	HARVARD SCHOOL OF PUBLIC HEALTH		
Do	METAL TRADES DEPARTMENT, AFL-CIO	10,750.00	905.71
JOAN PICCOLO, 1776 K STREET, NW, #200 WASHINGTON DC 20006	MOTOROLA, INC	3,000.00	
W.D. PICKETT, 400 FIRST ST. WASHINGTON DC 20001	BROTHERHOOD OF RAILROAD SIGNALMEN	350.00	
PAULETTE C. PIDCOCK, 1100 CONNECTICUT AVENUE, NW, #530 WASHINGTON DC 20036	BALTIMORE GAS & ELECTRIC CO	319.29	
ROBERT R. PIERCE, 1701 18TH ST., NW WASHINGTON DC 20036	NATIONAL PARKS & CONSERVATION ASSN		
WAYNE PIERCE, 101 CONSTITUTION AVENUE, NW WASHINGTON DC 20001	UNITED BROTHERHOOD OF CARPENTERS & JOINERS OF AMERICA	21,125.00	200.00
PIERSON BALL & DOWD, 1200 18TH ST., NW WASHINGTON DC 20036	AMERICAN ACADEMY OF PEDIATRICS	33,246.02	
Do	DUN & BRADSTREET CORP		
Do	EL POMAR		
Do	GENENTECH	27,071.20	
Do	INFECTIOUS DISEASES SOCIETY OF AMERICA	5,997.92	
Do	SATELLITE BUSINESS SYSTEMS	2,500.00	
PIERSON SEMMES & FINLEY, 1054 31ST STREET,NW WASHINGTON DC 20007	OKLAHOMA NATURAL GAS COMPANY		
Do	SIX FLAGS CORPORATION		
STUART F. PIERSON, VERNER, LIIPFERT, BERNHARD, & MCPHERSON 1660 L ST., NW, #1100 WASHINGTON DC 20036	PAN AM, ET AL		
JOHN H. PILCHER, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	125.00	
DANIEL J. PILIERO II, P.C., 1750 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20006	AD HOC COMM OF MUTUAL FUND MANAGERS	1,305.14	
Do	INTEGRATED RESOURCES, INC	750.00	
Do	NL INDUSTRIES	850.00	
Do	PRUDENTIAL LINES, INC	1,150.00	
PILLSBURY MADISON & SUTRO, 1667 K ST., NW, #1100 WASHINGTON DC 20006	AMERICAN PETROLEUM INSTITUTE		
Do	INDEPENDENT STAINLESS STEEL WIRE REDRAWERS	1,525.00	48.00
Do	TEMIS RAMIRES DE ARELLANO	1,975.00	48.00
Do	TRANSPACE CARRIERS, INC	75.00	6.00
PILOTS RIGHTS ASSOCIATION, P.O. BOX 7000-367 REDONDO BEACH CA 90277			
PINEAPPLE GROWERS ASSN OF HAWAII, P.O. BOX 3829 HONOLULU HI 96813			
VALERIE F. PINSON, 1724 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL CABLE TELEVISION ASSN, INC	1,050.00	
PIPER & MARBURY, 888 16TH ST., NW WASHINGTON DC 20006	CONSOLIDATED RAIL CORPORATION	34,231.75	3,128.32
Do	FIRST MARYLAND BANCORP		
Do	FIRST NATIONAL BANK OF MARYLAND		
Do	TRANSAMERICA INTERWAY, INC, ET AL	250.00	
LILLIAN M.S. PITCAITHLY, 1730 K ST., NW, #703 WASHINGTON DC 20006	AMERICAN BUSINESS CONFERENCE, INC	139.62	25.00
PLAINS COTTON GROWERS, INC, PO BOX 3640 LUBBOCK TX 79452			
PLANNED PARENTHOOD OF NEW YORK CITY, INC, 380 SECOND AVENUE, THIRD FL. NEW YORK NY 10010			1,041.11
WYLL W. PLEGER, 1730 RHODE ISLAND AVE., NW, #213 WASHINGTON DC 20036	BROWN & ROOT, INC		
MICHAEL PODHORZER, 1300 CONNECTICUT AVE., NW, #401 WASHINGTON DC 20036	CITIZEN ACTION	5,000.00	
Do	CITIZEN/LABOR ENERGY COALITION		
NANCY POLIKOFF, 2000 P STREET, NW, #400 WASHINGTON DC 20036	WOMEN'S LEGAL DEFENSE FUND		
MICHAEL A. POLING, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
MINDY POLLACK, 1025 CONNECTICUT AVE., NW, #512 WASHINGTON DC 20036	REINSURANCE ASSN OF AMERICA		
RICHARD J. POLLACK, 444 NORTH CAPITOL STREET, NW WASHINGTON DC 20001	AMERICAN HOSPITAL ASSN	2,142.90	656.42
FRANCES A. POLLAK, 1850 K ST., NW, #390 WASHINGTON DC 20006	UNION CAMP CORPORATION	250.00	25.00
ALFRED M. POLLARD, 1155 CONNECTICUT AVE., NW, #1130 WASHINGTON DC 20036	SECURITY PACIFIC NATIONAL BANK		
RAFE POMERANCE, 530 7TH ST., SE WASHINGTON DC 20003	FRIENDS OF THE EARTH		
RAYMOND K. POPE, 2000 L STREET, NW, #200 WASHINGTON DC 20036	AMFAC, INC	3,437.49	578.94
PAULA D. PORPILIA, 1120 CONNECTICUT AVE., NW, 7TH FL. WASHINGTON DC 20036	AMERICAN BANKERS ASSN	1,250.00	132.04
PHILLIP PORTE & ASSOCS, INC, 3845 N. 26TH ST. ARLINGTON VA 22207	AMERICAN ASSN FOR RESPIRATORY THERAPY	7,000.00	
Do	AMERICAN MEDICAL RECORDS ASSN	2,500.00	
Do	NATIONAL ASSN OF MEDICAL DIRECTORS OF RESPIRATORY CARE	4,000.00	
CAROL ALICE PORTER, 1612 K ST., NW, #1101 WASHINGTON DC 20036	WILDLIFE LEGISLATIVE FUND OF AMERICA	4,524.00	
PORTER WRIGHT MORRIS & ARTHUR, 41 SOUTH HIGH STREET COLUMBUS OH 43215	COALITION FOR ENVIRONMENTAL-ENERGY BALANCE	22,225.00	993.14
SHARON T. PORTNOY, 225 W. 34TH ST. NEW YORK NY 10001	NATIONAL COMMERCIAL FINANCE ASSN		
WILLIAM J. POTTS JR., HALEY, BADER & POTTS 2000 M STREET, NW, #600 WASHINGTON DC 20036	ASSOCIATION FOR BROADCASTING ENGINEERING STANDARDS, INC		
JOHN MICHAEL POWDERLY, 815 16TH ST., NW, #706 WASHINGTON DC 20006	UNITED STEELWORKERS OF AMERICA	9,192.84	
POWELL GOLDSTEIN FRAZER & MURPHY, 1110 VERMONT AVE., NW, #1050 WASHINGTON DC 20005	ALTER GROUP	49,501.44	
Do	BEAR STEARNS & CO	3,000.00	
Do	COALITION FOR COMPETITION	28,000.00	
Do	COALITION FOR THE ADVANCEMENT OF INDUSTRIAL TECHNOLOGY	11,185.00	
Do	COUNCIL OF STATE HOUSING AGENCIES	500.00	
Do	FEDERAL NATIONAL MORTGAGE ASSN		
Do	FLOOD CONTROL ADVISORY COMMITTEE	1,230.00	
Do	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION	29,639.00	
Do	MARYLAND SAVINGS-SHARE INSURANCE CORP		
Do	MID-AMERICA ASSOCIATES		
Do	N & F DEVELOPMENT CORP, INC		
Do	NATIONAL INVESTMENT DEVELOPMENT CORP		
Do	NATIONAL MULTI HOUSING COUNCIL	1,525.00	
Do	SKW ALLOYS, INC		
Do	WESTINGHOUSE ELECTRIC CORPORATION	22,579.05	
ROBERT D. POWELL, 1300 19TH ST., NW, #400 WASHINGTON DC 20036	NATIONAL BUSINESS AIRCRAFT ASSN		
JOHN J. POWER, 815 16TH ST., NW WASHINGTON DC 20006	AMERICAN FED OF LABOR & CONGRESS OF INDUSTRIAL ORGANIZATIONS	15,019.03	503.29
FREDERICK W. POWERS III, 223 PERIMETER CENTER PARKWAY P.O. BOX 89000 ATLANTA GA 30338	SIEMENS-ALLIS, INC		
ROBERT L. PRATT, 101 FIRST AVE. WALTHAM MA 02254	THERMO ELECTRON CORPORATION	2,600.00	1,452.00
LLOYD T. PRESLAR, 1818 N ST., NW, #600 WASHINGTON DC 20036	DGA INTERNATIONAL, INC (FOR: SOCIETE NATIONALE D'ETUDE ET DE CONST DE MOTEURS D'AVIATION).		
Do	DGA INTERNATIONAL, INC (FOR: SOFREAVIA)		
Do	THOMSON-CSF DIVISON SYSTEMS ELECTRONIQUE OF FRANCE		
PRESTON THORGRIMSON ELLIS & HOLMAN, 1735 NEW YORK AVENUE, NW, #500 WASHINGTON DC 20006	AETNA LIFE & CASUALTY		
Do	ALLEGHANY CORPORATION		
Do	AMERICAN PRESIDENT LINES		
Do	BELLINGHAM COLD STORAGE	1,465.00	58.55
Do	CALISTA CORP		
Do	COALITION FOR THE ADVANCEMENT OF INDUSTRIAL TECHNOLOGY	3,695.00	
Do	COUNCIL OF AMERICAN-FLAG SHIP OPERATORS	1,207.50	
Do	GRANT COUNTY PUBLIC UTILITY DISTRICT		
Do	HUDSON WATERWAYS	2,636.00	
Do	INTELSAT	10,987.00	
Do	MOORE MCCORMACK RESOURCES, INC		
Do	NATIONAL ASSN OF STATE DIRECTORS OF COMMUN & JUNIOR COLLEGES		
Do	NORTH WEST TIMBER ASSN	4,662.50	
Do	PORT OF SEATTLE		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	SPOKANE COUNTY	1,617.00	
Do	SUNMAR SHIPPING, INC		
Do	TENNESSEE GAS PIPELINE CO		
Do	TRANSPORTATION INSTITUTE	2,413.48	57.50
Do	WESTERN FOREST INDUSTRIES ASSN	4,662.50	
KEITH A. PRETTY, 322 W. OTTAWA LANSING MI 48933	AMOCO CORPORATION		
BARBARA J. PRICE, 1825 K ST., NW, #1107 WASHINGTON DC 20006	PHILLIPS PETROLEUM COMPANY	950.00	109.59
JAMES M. PRICE, P.O. BOX 11248 KNOXVILLE TN 37919	SIERRA CLUB	3,050.00	1,107.60
LEE PRICE, 1757 N STREET, NW WASHINGTON DC 20036	INT'L UNION, UNITED AUTO AEROSPACE & AGRIC IMPLEMENT WORKERS	8,031.00	11.00
PATRICIA PRIDE, 1129 20TH ST., NW WASHINGTON DC 20036	FINANCIAL ACCOUNTING FOUNDATION	328.37	28.40
MICHAEL F. PRIESNITZ, 1310 HIGHWAY 96, #110 ST. PAUL MN 55108	FORESIGHT CONSULTING, INC		
SHARON D. PRINZ, 2121 K STREET, NW, #830 WASHINGTON DC 20037	STEPHENS OVERSEAS SERVICES, INC		
GWENYTH PRITCHARD, 600 MARYLAND AVE., NW, #700 WASHINGTON DC 20024	NATIONAL FEDERATION OF INDEPENDENT BUSINESS	2,250.00	200.00
JOEL PRITCHARD, BOGLE & GATES ONE THOMAS CIRCLE, NW, #900 WASHINGTON DC 20005	COALITION FOR CLEAN WATER	1,000.00	
Do	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION	1,200.00	
JERRY C. PRITCHETT, 5410 GROSVENOR LN., #120 BETHESDA MD 20814	MECHANICAL CONTRACTORS ASSN OF AMER, INC		
PRO-LIFE CDAC 12, P.O. BOX 7145 MENLO PARK CA 94025		90.00	380.40
SYDNEY PROBST, 1250 EYE STREET, NW, #900 WASHINGTON DC 20004	DISTILLED SPIRITS COUNCIL OF THE U.S.	2,000.00	200.00
PROCOMPETITIVE RAIL STEERING COMMITTEE, 1090 VERMONT AVENUE, NW, #410 WASHINGTON DC 20005			16,308.75
STUART PROCTOR, 600 MARYLAND AVE., SW WASHINGTON DC 20024	AMERICAN FARM BUREAU FED	2,108.32	30.60
PROFESSIONAL MANAGERS' ASSN, P.O. BOX 7762, BEN FRANKLIN STATION WASHINGTON DC 20044		5,219.60	6,590.33
PROFIT SHARING COUNCIL OF AMER, 20 N. WACKER DRIVE CHICAGO IL 60606			
PROJECT ADVISORY GROUP, 1029 VERMONT AVE., NW, #860 WASHINGTON DC 20005			1,032.97
PROPRIETARY ASSN, 1150 CONNECTICUT AVE., NW, #1200 WASHINGTON DC 20036			3,431.25
PRUDENTIAL-BACHE SECURITIES, INC, 100 GOLD ST. NEW YORK NY 10272			750.00
JAMES C. PRUITT, 1050 17TH ST., NW, #500 WASHINGTON DC 20036	TEXACO, INC	270.00	
JEFFREY A. PRUSSIN, 1505 N.W. 167TH STREET MIAMI FL 33169	INTERNATIONAL MEDICAL CENTERS	285.00	1,890.00
PRYOR CASHMAN SHERMAN & FLYNN, 410 PARK AVENUE NEW YORK NY 10022	O. EDMUND CLUBB		
Do	POPULATION CRISIS COMMITTEE	575.00	56.00
PUBLIC EMPLOYEE DEPARTMENT, AFL-CIO, 815 16TH ST., NW WASHINGTON DC 20006		55,459.22	15,089.25
PUBLIC TIMBER PURCHASERS GROUP, 610 SW. BROADWAY, #608 PORTLAND OR 97205		27,250.00	3,187.36
DAVID E. PULLEN, 1025 CONNECTICUT AVE., NW, #214 WASHINGTON DC 20036	MANVILLE CORP	1,000.00	
JOHN R. PURCELL, 204 E STREET, NE WASHINGTON DC 20002	NATIONAL FROZEN FOOD ASSN	500.00	
WILLIAM E. PURSLEY, 1025 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	SHELL OIL COMPANY	500.00	
SUE P. PURVIS, P.O. BOX 14042(D2B) ST. PETERSBURG FL 33733	FLORIDA POWER CORP	2,000.00	553.00
EARLE W. PUTNAM, 5025 WISCONSIN AVENUE, NW WASHINGTON DC 20016	AMALGAMATED TRANSIT UNION, AFL-CIO		
HOWARD PYLE III, 4930 QUEBEC ST., NW WASHINGTON DC 20016	HOUSTON LIGHTING & POWER COMPANY	3,600.00	
ROBERT N. PYLE, 1701 K ST., NW, #1004 WASHINGTON DC 20007	ELKEM METALS COMPANY	2,900.00	420.00
Do	INDEPENDENT BAKERS ASSN	3,000.00	300.00
JOHN R. QUARLES JR., MORGAN LEWIS & BOCKIUS 1800 M ST., NW WASHINGTON DC 20036	NATIONAL ENVIRONMENTAL DEVELOPMENT ASSN CLEAN AIR ACT PROJ		
JAMES M. QUIGLEY, 1875 EYE ST., NW, #540 WASHINGTON DC 20006	CHAMPION INTERNATIONAL CORPORATION		
WILLIAM A. QUINLAN, 3045 RIVA RD. RIVA MD 21140	NATIONAL CANDY WHOLESALERS ASSN, INC		
Do	RETAIL BAKERS OF AMERICA		
ARTHUR LEE QUINN, 1015 15TH STREET, NW, #200 WASHINGTON DC 20005	COOPER LABORATORIES, INC	20,000.00	15.96
Do	GOVERNMENT OF BELIZE	1,500.00	190.24
Do	GOVERNMENT OF REPUBLIC OF PANAMA	3,000.00	28.86
Do	SUGAR ASSN OF THE CARIBBEAN		159.04
PATRICK H. QUINN, 499 S. CAPITOL ST., SW, #411 WASHINGTON DC 20003	NATIONAL COUNCIL OF AGRICULTURAL EMPLOYERS	1,000.00	100.00
R/R ASSOCIATES, 2 MARINE WAY, SUITE 217 JUNEAU AK 99801	CITY OF DILLINGHAM		
CLIFFORD RABER, ONE MCDONALD'S PLAZA OAK BROOK IL 60521	MCDONALD'S CORP	410.70	175.02
ALEX RADIN, 2301 M ST., NW WASHINGTON DC 20036	AMERICAN PUBLIC POWER ASSN	1,579.20	
TESS A. RAE, 1850 K STREET, NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
JOHN D. RAFFAELLI, LAW OFFICES OF JOHN D. RAFFAELLI 499 SOUTH CAPITOL ST., SW, #407 WASHINGTON DC 20003	DEAN WITTER REALTY, INC		
Do	GULF COAST WASTE DISPOSAL AUTHORITY		
Do	NATIONAL COUNCIL FOR HIGHER EDUCATION LOAN PROGRAMS		
ROBERT A. RAGLAND, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	75.00	
TANYA A. RAHALL, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS	3,450.00	777.38
RAILROAD RETIREMENT ASSN, 210 7TH ST., SE, #517 WASHINGTON DC 20003		4,033.07	4,033.07
THOMAS F. RAILSBACK, BLUM NASH & RAILSBACK 1133 15TH ST., NW, #1100 WASHINGTON DC 20005	FEDERAL JUDGES ASSN		
Do	INSURANCE ASSN OF CONNECTICUT	349.00	50.00
Do	NATIONAL ASSN OF BROADCASTERS		
Do	WALT DISNEY PRODUCTIONS	448.00	30.00
RAILWAY LABOR EXECUTIVES' ASSN, 400 FIRST ST., NW, #804 WASHINGTON DC 20001		67,200.00	121,705.54
RAILWAY PROGRESS INSTITUTE, 700 NORTH FAIRFAX ST. ALEXANDRIA VA 22314	RAILWAY PROGRESS INSTITUTE		
ELIZABETH RAISBECK, 530 7TH ST., SE WASHINGTON DC 20003	FRIENDS OF THE EARTH		
JOHN C. RAMIG, 1730 M STREET, NW, #900 WASHINGTON DC 20036	STOEL RIVES BOLEY FRASER & WYSE (FOR: ASSOCIATION OF O & C COUNTIES)	683.80	
Do	STOEL RIVES BOLEY FRASER & WYSE (FOR: PACIFICORP)	5,070.65	1,168.05
KATHLEEN MARIE RAMSEY, 1010 WISCONSIN AVENUE, NW, #800 WASHINGTON DC 20007	GROCERY MANUFACTURERS OF AMERICA, INC	25.00	
JEANNETTE H. RANDALL, 3471 N. FEDERAL HIGHWAY, #511 FORT LAUDERDALE FL 33306	AMERISERV, INC	5,000.00	1,172.10
DONALD A. RANDALL, P.C., 321 D STREET, NE WASHINGTON DC 20002	AUTOMOTIVE SERVICE COUNCILS, INC	3,715.00	
Do	NATIONAL INDEPENDENT DAIRY-FOODS ASSN	7,450.00	
RANDOLPH & TRUITT, 1752 N STREET, NW, #801 WASHINGTON DC 20036	TANADGUSIX CORPORATION		
JAMES D. RANGE, 600 MARYLAND AVENUE, SW, #607 WASHINGTON DC 20024	WASTE MANAGEMENT, INC	5,000.00	3,110.63
D. MICHAEL RAPPOPORT, P.O. BOX 1980 PHOENIX AZ 85001	SALT RIVER PROJECT	1,680.00	4,179.66
RARE, INC, 1601 CONNECTICUT AVENUE, NW WASHINGTON DC 20009			
CARL L. RASAK, 8301 FORT HUNT ROAD ALEXANDRIA VA 22308			
MAGDA RATAJSKI, P.O. BOX 3609 NORFOLK VA 23514	NORFOLK SOUTHERN CORPORATION		
CAROL L. RAULSTON, 1619 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	AMERICAN PAPER INST, INC		
CRAIG RAUPE, CAMPBELL-RAUPE ASSOCIATES, INC 1015 15TH STREET, NW, #907 WASHINGTON DC 20005	AMERICAN NUCLEAR ENERGY COUNCIL		
Do	INVEST TO COMPETE ALLIANCE		
Do	LTV AEROSPACE & DEFENSE CO		
Do	NEW ENGLAND LIFE		
Do	PITNEY BOWES		
Do	RIFFE PETROLEUM CO		
Do	TEXAS AIR CORP		
Do	TEXAS UTILITIES SERVICE		
Do	WESTINGHOUSE CORP		
G. DAVID RAVENCRAFT, 1025 CONNECTICUT AVE., NW, #507 WASHINGTON DC 20036	ASHLAND OIL, INC	2,000.00	
EILER C. RAVNHOLT, 723 INVESTMENT BLDG. WASHINGTON DC 20005	HAWAIIAN SUGAR PLANTERS' ASSN	660.00	395.00
JOHN K. RAYBURN, 1801 K STREET, NW WASHINGTON DC 20006	WESTINGHOUSE ELECTRIC CORP	235.00	35.00
RAYMARK CORPORATION, 100 OAKVIEW DRIVE TRUMBULL CT 06611			6,814.81
JULIAN O. READ, 1005 CONGRESS AVENUE, #500 AUSTIN TX 78701	CENTRAL AND SOUTH WEST CORP		
READING IS FUNDAMENTAL, INC, 600 MARYLAND AVE., SW, #500 WASHINGTON DC 20560	READING IS FUNDAMENTAL, INC		625.25
SYDNEY C. REAGAN, NO. 10 DUNCANNON CT. DALLAS TX 75225	SOUTHWESTERN PEANUT SHELLERS ASSN		
JOHN M. RECTOR, 205 DAINGERFIELD RD. ALEXANDRIA VA 22314	NATIONAL ASSN OF RETAIL DRUGGISTS	700.00	150.00
ROBERT E REDDING, 7315 WISCONSIN AVE. BETHESDA MD 20814	SHIPPERS NATIONAL FREIGHT CLAIM		
ROBERT O. REDDING, 3519 S.W. 147TH LANE ROAD OCALA FL 32673			
DWIGHT C. REED, 1101 16TH ST., NW WASHINGTON DC 20036	NATIONAL SOFT DRINK ASSN		
JO REED, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	476.54	
REED ROBERTS TAX CREDIT ASSISTANCE CORP, 55 CHARLES LINDBERGH BLVD., #CS-101 UNIONDALE NY 11553			
PAULINE B. REEPING, 1750 NEW YORK AVENUE, NW WASHINGTON DC 20006	NEW YORK SHIPPING ASSN., INC		
JOSEPH M. REES, FRANCIS MCGINNIS & REES, INC 1000 POTOMAC STREET, NW, #401 WASHINGTON DC 20007	DELTA DENTAL PLANS ASSOCIATION	4,000.00	
BENJAMIN F. REEVES, 1100 17TH STREET, NW WASHINGTON DC 20036	BURLEY & DARK LEAF TOBACCO EXPORT ASSN	850.00	
J. RONALD REEVES, WASHINGTON NATIONAL AIRPORT WASHINGTON DC 20001	U.S. AIR, INC	2,000.00	243.75
JOHN T. REGGITTS JR., 95 BOOTON AVE. P.O. BOX 470 BOONTON NJ 07005			
REICHLER & APPELBAUM, 888 17TH ST., NW, #1101 WASHINGTON DC 20006	REPUBLIC OF NICARAGUA	4,000.00	
REID & PRIEST, 1111 19TH STREET, NW WASHINGTON DC 20036	ASSOCIATED NATURAL GAS COMPANY, ET AL		
Do	BALTIMORE GAS & ELECTRIC CO, ET AL		10,200.00
Do	CITY OF PHILADELPHIA		
Do	EDISON ELECTRIC INSTITUTE	214.00	
Do	HILATURAS LERMA, S.A., DE C.V. AND AMYTEX CORP		
Do	PENNSYLVANIA SHIPBUILDING CO		
Do	TELEFLEX, INC		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
REID & RIEGE, P.C., ONE STATE STREET HARTFORD CT 06103	WESLEYAN UNIVERSITY	1,907.00	
MICHAEL W. REID, 1925 K STREET, NW, #206 WASHINGTON DC 20006	ALLIANCE TO SAVE ENERGY		
MARY LYNN REILLY, 3805 ALTON PLACE, NW WASHINGTON DC 20016	NEIGHBORHOOD HOUSING SERVICES OF AMERICA		
HARRY O. REINSCH, 50 BEALE ST. P.O. BOX 3965 SAN FRANCISCO CA 94119	BECHTEL POWER CORPORATION		
REINSURANCE ASSN OF AMERICA, 1025 CONNECTICUT AVENUE, NW, #512 WASHINGTON DC 20036			
RELIGIOUS COALITION FOR ABORTION RIGHTS, INC, 100 MARYLAND AVENUE, N.E. WASHINGTON DC 20002	RELIGIOUS COALITION FOR ABORTION RIGHTS, INC	203,497.21	13,947.90
GEORGE E. RENAULT, 1800 M ST., NW, #1040 WASHINGTON DC 20036	AMERICAN ENERGY PRODUCTS, INC		
RENDON COMPANY, 1439 RHODE ISLAND AVE., NW WASHINGTON DC 20005			
JOHN W. RENDON JR., 1439 RHODE ISLAND AVE., NW WASHINGTON DC 20005	RENDON COMPANY		
RENEWABLE FUELS ASSOCIATION, 499 S. CAPITOL ST., SW, #420 WASHINGTON DC 20003		1,827.20	4,090.02
STEPHEN M. RENNA, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	1,500.00	60.10
DIANE RENNERT, 2005 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	ASSOCIATION OF AMERICAN PUBLISHERS	4,300.00	375.55
RESOURCES FUND, INC, 810 18TH ST., NW, #804 WASHINGTON DC 20006			20,000.00
RETIRED OFFICERS ASSN, 201 N. WASHINGTON ST. ALEXANDRIA VA 22314		11,235.00	
JOHN H. REURS, 74 TRINITY PLACE NEW YORK NY 10006	NEW YORK COMM OF INTL COMM OF PASSENGER LINES		
VINCENT P. REUSING, 1025 CONNECTICUT AVENUE, NW, #1010 WASHINGTON DC 20036	METROPOLITAN INSURANCE COS	1,000.00	
ALAN V. REUTHER, 1757 N STREET, NW WASHINGTON DC 20036	UNITED AUTO, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS	14,091.70	198.95
ALLAN R. REXINGER, 1150 CONNECTICUT AVE., NW, #1200 WASHINGTON DC 20036	PROPRIETARY ASSN	3,281.25	150.00
MARK E. REY, 1619 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL FOREST PRODUCTS ASSN	1,500.00	
RENEE REYMOND, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS		200.00
REYNOLDS ALLEN & COOK, 1667 K STREET, NW, #300 WASHINGTON DC 20006	GRANADA MANAGEMENT CORP		
MARY ANNE REYNOLDS, 8111 GATEHOUSE ROAD FALLS CHURCH VA 22047	AMERICAN AUTOMOBILE ASSN		
WILSON L. REYNOLDS, 201 MASSACHUSETTS AVENUE, NE, #319 WASHINGTON DC 20002	HALT: AMERICANS FOR LEGAL REFORM	4,800.00	10.00
JOHN J. RHODES, HUNTON & WILLIAMS 2000 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20006	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION	2,200.00	
Do	ROCKY MOUNTAIN ENERGY, UNION PACIFIC RAILROAD	500.00	
EDMUND B. RICE, 444 NORTH CAPITOL ST., NW, #500 WASHINGTON DC 20001	AMERICAN HOSPITAL ASSN	4,882.60	
RICE GENOCIDE RESEARCH, 3046 ROOSEVELT STREET DETROIT MI 48216			253.13
GRACE ELLEN RICE, 600 MARYLAND AVE., SW WASHINGTON DC 20024	AMERICAN FARM BUREAU FED	5,762.49	97.65
M. LEE RICE, 1110 VERMONT AVENUE, NW WASHINGTON DC 20005	SHIPBUILDERS COUNCIL OF AMERICA	1,500.00	
THERON J. RICE, 1700 PENNSYLVANIA AVE., NW, #900 WASHINGTON DC 20006	CONOCO, INC		
JAMES E. RICH JR., 1025 CONNECTICUT AVE., NW, #200 WASHINGTON DC 20036	SHELL OIL COMPANY	500.00	
RICHARD RICHARDS, CRAFT & RICHARDS 1050 THOMAS JEFFERSON STREET, NW, 6TH FL WASHINGTON DC 20007	SIKORSKY AIRCRAFT		
STACY RICHARDS, 1015 15TH ST., NW, #802 WASHINGTON DC 20005	AMERICAN CONSULTING ENGINEERS COUNCIL	375.00	
ALAN H. RICHARDSON, 2301 M ST., NW WASHINGTON DC 20037	AMERICAN PUBLIC POWER ASSN	4,000.00	
DONNA RICHARDSON, 1101 14TH STREET, NW, #200 WASHINGTON DC 20005	AMERICAN NURSES' ASSN	4,932.01	134.20
DOUGLAS B. RICHARDSON, 2001 WISCONSIN AVENUE, NW, #100 WASHINGTON DC 20007	GEORESEARCH, INC		
DOUGLAS C. RICHARDSON, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
JOHN C. RICHARDSON, 520 MADISON AVENUE NEW YORK NY 10022	LEBOEUF LAMB LEIBY & MACRAE (FOR: BRITISH INSURANCE ASSN AND LLOYD'S OF LONDON).		
K. O. RICHARDSON, 815 16TH ST., NW WASHINGTON DC 20006	BROTHERHOOD OF RAILWAY, AIRLINE & STEAMSHIP CLERKS	3,000.00	313.90
LOIS RICHERSON, 1724 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL CABLE TELEVISION ASSN, INC	981.00	
LES RICHTER, 1801 SPEEDWAY BOULEVARD DAYTONA BEACH FL 32015	NATIONAL ASSN FOR STOCK CAR AUTO RACING, INC (NASCAR)	8,000.00	
Do	NATIONAL MOTORSPORTS COMMITTEE OF ACCUS, FIA, INC		11,978.00
LARRY D. RICKARDS, 1200 17TH STREET, NW WASHINGTON DC 20036	AMERICAN PSYCHOLOGICAL ASSN	1,000.00	57.90
DON L. RICKETTS, 2550 M STREET, NW, #695 WASHINGTON DC 20037	BEAR STEARNS & CO	250.00	
Do	GENERAL AMERICAN LIFE INSURANCE CO	350.00	
Do	MASSACHUSETTS MUTUAL LIFE INSURANCE CO	2,500.00	
Do	NORTHWESTERN MUTUAL LIFE	2,500.00	
JUDY NOEL RIDDLE, 6630 W. BROAD ST. RICHMOND VA 23230	LAWYERS TITLE INSURANCE CORP		
LOWELL J. RIDGEWAY, NORTH DAKOTA PETROLEUM COUNCIL P.O. BOX 1395 BISMARCK ND 58502	AMERICAN PETROLEUM INST	632.00	1,119.76
E. GEORGE RIEDEL, 1600 M STREET, NW WASHINGTON DC 20036	INTERNATIONAL TELEPHONE & TELEGRAPH CORPORATION	1,800.00	150.00
E. PHILIP RIGGIN, 1608 K ST., NW WASHINGTON DC 20006	AMERICAN LEGION	11,322.00	369.35
PAT RILEY, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FED OF FEDERAL EMPLOYEES		
SUSAN RILEY, 1250 CONNECTICUT AVE., NW, #620 WASHINGTON DC 20036	NATIONAL MULTI HOUSING COUNCIL	1,812.66	
DALE P. RIORDAN, 3900 WISCONSIN AVENUE, NW WASHINGTON DC 20016	FEDERAL NATIONAL MORTGAGE ASSN	23,750.00	737.94
KEVIN J. RIORDAN, 1700 K ST., NW, #1204 WASHINGTON DC 20006	GULF OIL CORP	275.00	165.00
JOHN S. RIPPEY, 730 15TH ST., NW WASHINGTON DC 20005	ASSOCIATION OF BANK HOLDING COS	1,075.00	60.00
RISELLI & PRESSLER, 2033 M STREET, NW, #504 WASHINGTON DC 20036	PROFESSIONAL MANAGERS' ASSN	520.12	7.77
CAROL A. RISHER, 2005 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	ASSOCIATION OF AMERICAN PUBLISHERS	2,000.00	
ROBIN RISSO, 511 C STREET, NE WASHINGTON DC 20002	CONTINENTAL ASSN OF RESOLUTE EMPLOYERS (C.A.R.E.)		
JAMES E. RITCHIE & ASSOCIATES, 499 S. CAPITOL ST., SW, #400 WASHINGTON DC 20003	GAMING INDUSTRY ASSN OF NEVADA, INC		
Do	GOLDEN NUGGET, INC		
Do	NATIONAL ASSN OF OFF-TRACK BETTING		
Do	NATIONAL ASSN OF OPTOMETRISTS & OPTICIANS, INC		
Do	NEVADA RESORT ASSN		
JEANNE M. RITCHIE, 1850 K STREET, NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
PHILLIP W. RIVERS, 1050 17TH ST., NW #500 WASHINGTON DC 20036	TEXACO INC	137.25	
RIVKIN RADLER DUNNE & BAYH, 1575 I STREET, NW, #1025 WASHINGTON DC 20005	AMERICAN CANCER SOCIETY	7,500.00	500.00
Do	LEXITEL CORPORATION		
Do	NATIONAL SOFT DRINK ASSN	3,000.00	150.00
Do	NEW ENERGY CORPORATION		
Do	SIMON & ASSOCIATES, INC		
Do	SUGAR USERS GROUP	13,000.00	525.00
Do	FRANK W. WINNE & SON, INC		
RJR INDUSTRIES, INC, 1100 REYNOLDS BLVD. WINSTON-SALEM NC 27106			9,551.90
RAY ROBERTS & ASSOCIATES, 2224 PEMBROOKE DENTON TX 76201	J. W. BATESON & CO, INC	3,000.00	187.19
Do	TEXAS UTILITIES SERVICES, INC	3,000.00	543.43
BRADLEY H. ROBERTS, 1899 L STREET, NW WASHINGTON DC 20036	AMERICAN ASSN OF ADVERTISING AGENCIES	2,500.00	750.00
PATRICIA L. ROBERTS, 1825 K ST., NW, #1107 WASHINGTON DC 20006	PHILLIPS PETROLEUM COMPANY	1,250.00	142.00
PERRY A. ROBERTS, 8000 FLORISSANT ST. LOUIS MO 63136	EMERSON ELECTRIC CO		260.87
RICHARD R. ROBERTS, 1629 K STREET, NW, #500 WASHINGTON DC 20006	OUTDOOR ADVERTISING ASSOCIATION OF AMERICA, INC		
Do	ROADSIDE BUSINESS ASSN	500.00	586.01
RICHARD W. ROBERTS, 100 EAST 42ND ST. NEW YORK NY 10017	NATIONAL FOREIGN TRADE COUNCIL, INC	500.00	
WILLIAM A. ROBERTS, 444 NORTH CAPITOL STREET, #711 WASHINGTON DC 20001	KEEFE COMPANY (FOR: WESTINGHOUSE ELECTRIC CORP)		
MARK ROBERTSON, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AMERICAN EXPRESS CO)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: NATIONAL BROADCASTING CO).		
BETTY S. ROBINSON, 1757 N ST., NW WASHINGTON DC 20036	UNITED AUTO, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS	12,468.04	186.75
CHARLES A. ROBINSON JR., 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	162.94	
KENNETH L. ROBINSON, 1111 N. 19TH STREET, #700 ARLINGTON VA 22209	NATIONAL ASSN OF FEDERAL CREDIT UNIONS	1,400.00	
ROBINSON SILVERMAN PEARCE ARONSOHN & BERMAN, 230 PARK AVE, NEW YORK NY 10169	NATIONAL REALTY COMMITTEE		
THOMAS E. ROBINSON, 1101 17TH ST., NW, #700 WASHINGTON DC 20036	NATIONAL ASSN OF REAL ESTATE INVESTMENT TRUSTS, INC	1,800.00	
GILBERT A. ROBINSON, INC, 1825 K STREET, NW, #206 WASHINGTON DC 20008	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION	6,757.50	4,110.00
BOB JOHN ROBISON, 1201 PENNSYLVANIA AVENUE, NW, #700 WASHINGTON DC 20004	HILL & KNOWLTON, INC	2,500.00	137.15
ANTOINETTE K. ROCHE, 1025 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	GA TECHNOLOGIES, INC	2,000.00	350.00
JAMES ANTHONY ROCK, 1730 M STREET, NW, #607 WASHINGTON DC 20036	MONTANA POWER CO AND WASHINGTON WATER POWER CO	400.00	2,969.83
MICHAEL J. ROCK, 444 NORTH CAPITOL STREET, NW WASHINGTON DC 20001	AMERICAN HOSPITAL ASSN	1,208.20	154.41
DAVID W. RODERER, 3900 WISCONSIN AVENUE, NW WASHINGTON DC 20016	FEDERAL NATIONAL MORTGAGE ASSN		
RODEY DICKASON SLOAN AKIN & ROBB, P.O. BOX 1888 ALBUQUERQUE NM 87103	NAVAJO TRIBE		
QUINCY RODGERS, 1200 NEW HAMPSHIRE AVE., NW, #320 WASHINGTON DC 20036	GENERAL INSTRUMENT CORPORATION	600.00	
JACK E. ROEBEL, 712 COMMERCE BLDG. 127 W. BERRY STREET FORT WAYNE IN 46802	SHEET METAL WORKERS MID-STATES HEALTH & BENEFIT TRUST		
WILLI ROELLI, VOLKART BROTHERS, INC 120 WALL ST. NEW YORK NY 10005	COFFEE, SUGAR & COCOA EXCHANGE, INC		
ROGERS & WELLS, 1737 H STREET, NW WASHINGTON DC 20006	AMERICAN EXPRESS CO		
Do	CEMEXITOS ANAHUAC DEL GOLFO, S.A		
Do	LIZ CLAIBORNE, INC	900.00	
Do	DESERT PALACE, INC		
Do	DREYFUS CORPORATION	40,000.00	492.36
Do	FRANZIA, FRED T. JOHN C. & JOSEPH S		
Do	GROCERY MANUFACTURERS OF AMERICA		345.36
Do	WILLIAM ANTHONY HOGAN		
Do	INTERNOOR TRADE, INC	675.00	
Do	KAMEHAMEHA SCHOOLS/BERNICE P. BISHOP ESTATE		
Do	MERRILL LYNCH & CO., INC		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	MERRILL LYNCH HUBBARD		
Do	MORRIS & GWENDOLYN CAFRITZ FOUNDATION		
Do	NATIONAL ASSN OF BEDDING MANUFACTURERS		
Do	PAN AMERICAN WORLD SERVICES	902.68	100.07
Do	PARIBAS CORPORATION		
Do	PFIZER, INC	25,172.93	278.55
Do	TEACHERS INSURANCE & ANNUITY ASSN/COLLEGE RET. EQUITIES FUND		
BRUCE N. ROGERS, 1660 L ST., NW WASHINGTON DC 20036	GENERAL MOTORS CORP	2,500.00	6,491.39
DONALD L. ROGERS, 730 15TH ST., NW WASHINGTON DC 20005	ASSOCIATION OF BANK HOLDING COS	2,106.25	
ESTELLE H. ROGERS, 1350 NEW YORK AVENUE, NW, #300 WASHINGTON DC 20005	NATURAL RESOURCES DEFENSE COUNCIL, INC		
JAMES T. ROGERS, 311 FIRST STREET, NW WASHINGTON DC 20001	NATIONAL RESTAURANT ASSN		
KEITH ROGERS, 47 LAFAYETTE PLACE, APT. 6D GREENWICH CT 06830	U.S. TOBACCO COMPANY		
NANCY ROGERS, 815 16TH STREET, NW WASHINGTON DC 20006	INDUSTRIAL UNION DEPARTMENT, ALF-CIO	5,595.50	160.35
TERRENCE L. ROGERS, 1325 MASSACHUSETTS AVE., NW WASHINGTON DC 20005	AMERICAN FED OF GOVERNMENT EMPLOYEES	9,192.06	188.93
CAROLE M. ROGIN, 1800 M STREET, NW, #1030 WASHINGTON DC 20036	HAUCK & ASSOCIATES, INC (FOR: HEARING INDUSTRIES ASSN)		
Do	HAUCK & ASSOCIATES, INC. (FOR: NATIONAL ASSN FOR CHILD CARE MANAGEMENT).		
RICHARD A. ROHRBACH, 1625 I ST., NW, #809 WASHINGTON DC 20006	BOISE CASCADE CORP	22,250.00	156.95
JACK ROLLINS, 1201 16TH STREET, NW WASHINGTON DC 20036	OVERSEAS EDUCATION ASSN & NATIONAL EDUCATION ASSN		
JOHN F. ROLPH III, 1200 NEW HAMPSHIRE AVE., NW, #350 WASHINGTON DC 20036	CITIBANK, N.A	1,000.00	
KENNETH S. ROLSTON JR , 1025 VERMONT AVE., NW, #1020 WASHINGTON DC 20005	AMERICAN PULPWOOD ASSN, INC		
EMIL A. ROMAGNOLI, 180 MAIDEN LANE NEW YORK NY 10038	ASARCO INC	200.00	
MICHAEL J. ROMIG, 1850 K STREET, NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC	1,500.00	25.00
FRED B. ROONEY, 1050 CONNECTICUT AVE., NW, 12TH FL. WASHINGTON DC 20036	AMERICAN IRON & STEEL INSTITUTE	450.00	
Do	ASSOCIATION OF AMERICAN RAILROADS	550.00	
Do	CALMAT COMPANY	350.00	
Do	CONRAIL		
Do	CRAWFORD FITTING CO	350.00	
Do	DENVER & RIO GRANDE WESTERN RAILROAD CO	400.00	
Do	LONE STAR INDUSTRIES, INC	350.00	
Do	M LIFE INSURANCE CO	550.00	
Do	PAUL, HASTINGS, JANOFSKY & WALKER (FOR: SECURITY LIFE OF DENVER)	450.00	
JOHN C. ROOTS, 1333 NEW HAMPSHIRE AVE., NW, #1001 WASHINGTON DC 20036	ATLANTIC RICHFIELD CO	348.48	
RAYMOND W. ROPER, 1601 DUKE STREET ALEXANDRIA VA 22314	SOCIETY OF AMERICAN FLORISTS		
ROPES & GRAY, 1001 22ND ST., NW, #700 WASHINGTON DC 20037	AMHERST COLLEGE; WELLESLEY COLLEGE	100.00	
ROSE SCHMIDT CHAPMAN DUFF & HASLEY, 1825 EYE ST., NW, #300 WASHINGTON DC 20006	ANNUAL CHARGES POLICY GROUP	1,125.00	10.00
Do	CIGAR ASSN OF AMERICA		
LOUISE L. ROSEMAN, 1620 I ST., NW, #603 WASHINGTON DC 20006	VISA U.S.A., INC		
BURT ROSEN, 1700 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	PFIZER, INC	1,000.00	662.83
LESTER L. ROSEN, 1025 VERMONT AVENUE, NW, #500 WASHINGTON DC 20005	MILES LABORATORIES, INC		
RICHARD ROSEN, 5010 WISCONSIN AVE., NW, #118 WASHINGTON DC 20016			
DAVID B. ROSENAUER, 1317 F STREET, NW, #400 WASHINGTON DC 20004	R. DUFFY WALL & ASSOCIATES, INC (FOR: BALCOR/AMERICAN EXPRESS, INC)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: FOOTWEAR RETAILERS OF AMERICA)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: JMB REALTY CORP)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: LIBERTY NATIONAL)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: LIFE OF VIRGINIA)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: MORGAN GUARANTY TRUST CO)	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: PHARMACEUTICAL MANUFACTURERS ASSN).	300.00	
Do	R. DUFFY WALL & ASSOCIATES, INC (FOR: WINE & SPIRITS WHOLESALERS OF AMERICA, INC).	300.00	
ALBERT B. ROSENBAUM III, 2200 MILL RD. ALEXANDRIA VA 22314	NATIONAL TANK TRUCK CARRIERS, INC		
RICHARD ROSENBAUM, 666 THIRD AVE., 4TH FL. NEW YORK NY 10017	COMMITTEE FOR A RESPONSIBLE TAX POLICY, INC		
Do	INTEGRATED RESOURCES, INC	3,000.00	250.00
SARA ROSENBAUM, 122 C STREET, NW WASHINGTON DC 20001	CHILDREN'S DEFENSE FUND	142.50	
FRANCIS C. ROSENBERGER, 6809 MELROSE DRIVE MCLEAN VA 22101	NATIONAL CONFERENCE OF BANKRUPTCY JUDGES	3,750.00	
ROSES, INC., 1152 HASLETT ROAD P.O. BOX 99 HASLETT MI 48840		1,543.00	2,119.88
LYNN ROSINKSY, 1625 L STREET, NW WASHINGTON DC 20036	AMERICAN FED OF STATE COUNTY & MUNICIPAL EMPLOYEES, AFL-CIO		
GAIL E. ROSS, GOLDFARB SINGER & AUSTERN 918 16TH STREET, NW WASHINGTON DC 20006	WASHINGTON INDEPENDENT WRITERS		
JOE ROSS, P.O. BOX 1582 LITTLE ROCK AR 72201			
JOHN W. ROSS, 1301 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	NATIONAL CATTLEMEN'S ASSN	1,000.00	
NANCY ROSS, 1010 VERMONT AVENUE, NW WASHINGTON DC 20005	RAINBOW ALLIANCE		20.00
WILLIAM F. ROSS, SOUTH CAROLINA PETROLEUM COUNCIL 716 KEENAN BLDG. COLUMBIA SC 29201	AMERICAN PETROLEUM INST	321.00	773.17
ALAN J. ROTH, SPIEGEL & MCDIARMID 2600 VIRGINIA AVE., NW WASHINGTON DC 20037	FT. PIERCE UTILITIES AUTH OF THE CITY OF FT. PIERCE, ET AL		
BARRY N. ROTH, 1120 20TH STREET, NW, #700 WASHINGTON DC 20036	WILLIAMS COMPANIES	100.00	
SAMUEL A. ROTH, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.	2,000.00	77.00
JOHN C. ROTHER, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS		
EDWIN ROTHSCHILD, 1300 CONNECTICUT AVE., NW, #401 WASHINGTON DC 20036	CITIZEN/LABOR ENERGY COALITION	4,500.00	
DONALD D. ROUNDS, SOUTH DAKOTA PETROLEUM COUNCIL P.O. BOX 669 PIERRE SD 57501	AMERICAN PETROLEUM INST	910.00	1,879.29
WILLIAM C. ROUNTREE, SUITE 600 1001 22ND ST., NW WASHINGTON DC 20037	STANDARD OIL CO (OHIO)		
MICHAEL O. ROUSH, CAPITAL GALLERY EAST, #695 600 MARYLAND AVE. WASHINGTON DC 20024	NATIONAL FEDERATION OF INDEPENDENT BUSINESS	2,250.00	200.00
JOHN W. ROWLAND, 5025 WISCONSIN AVE., NW WASHINGTON DC 20006	AMALGAMATED TRANSIT UNION, AFL-CIO		
CHARLES ROWTON, 1899 L STREET, NW, #1100 WASHINGTON DC 20036	EXXON CORP	1,200.00	122.78
ROXTON, INC, 2000 S. EADS STREET, #1003 ARLINGTON VA 22202	GLOBAL IDENTIFICATION CORP		
ROBERT S. ROYER, ROYER & SHACKNAI 1747 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	AMERICAN MILITARY SALES		
Do	CHRYSLER MILITARY SALES CORP		
Do	CITY OF AKRON, OHIO		
Do	FORD, RIFF & BURGESS		
Do	HARLEY-DAVIDSON MILITARY SALES		
Do	INTERNATIONAL FUTURES EXCHANGE		
Do	INTEX HOLDINGS (BERMUDA) LTD		
Do	MICHIGAN TRADE EXCHANGE		
Do	MORGAN STANLEY & CO., INC		
Do	OVERSEAS MILITARY SALES GROUP		
Do	PHILLIPS PETROLEUM		
Do	SECURITIES INDUSTRY ASSOCIATION		
TOBI Z. ROZEN, 888 16TH ST., NW WASHINGTON DC 20006	MILK IND. FOUNDATION/INTL ASSN OF ICE CREAM MFRS		
ERIC M. RUBIN, RUBIN WINSTON & DIERCKS 1730 M ST., NW, #708 WASHINGTON DC 20036	COMMISSONER OF PUBLIC LANDS FOR STATE OF NEW MEXICO		
Do	OUTDOOR ADVERTISING ASSOCIATION OF AMERICA, INC		
BARBARA A. RUDOLPH, 1901 N. FORT MYER DRIVE, #302 ROSSLYN VA 22209	BEVERLY ENTERPRISES	3,375.00	236.87
CAMILLE KEARNS RUDY, 1346 CHESTNUT, #800 PHILADELPHIA PA 19107	GREATER PHILADELPHIA CHAMBER OF COMMERCE		
HENRY C. RUEMPLER, 1200 NEW HAMPSHIRE AVENUE, NW, #350 WASHINGTON DC 20036	CITIBANK, N.A	500.00	
RONALD R. RUMBAUGH, 5205 LEESBURGH PIKE, #505 FALLS CHURCH VA 22041	NATIONAL BEER WHOLESALERS ASSN		
JOHN RUNYAN, 1730 NORTH LYNN STREET SUITE 409 ARLINGTON VA 22209	PRINTING INDUSTRIES OF AMERICA, INC	500.00	
MORGAN S. RUPH, 4647 FORBES BOULEVARD LANHAM MD 20706	AMVETS	6,800.00	150.47
BARRY RUSSELL, 1101 16TH ST., NW WASHINGTON DC 20036	INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA		43.00
DOROTHEA L. RUSSELL, 1120 VERMONT AVENUE, NW, #1120 WASHINGTON DC 20005	NATIONAL CANDY WHOLESALERS ASSN, INC		
NANCY RUSSELL, 4921 SW HEWETT BLVD. PORTLAND OR 97221	FRIENDS OF THE COLUMBIA GORGE		
WALLY RUSTAD, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	50.00	
HERMAN MAX RUTH, P.O. BOX 4000 SPINGFIELD MO 65802			
J. T. RUTHERFORD & ASSOCIATES, INC., 1301 N. COURTHOUSE RD., #1802 ARLINGTON VA 22201	AMERICAN ASSN OF BIOANALYSTS/INTL SOC OF CLINICAL LAB TECHS		111.50
Do	AMERICAN COLLEGE OF RADIOLOGY		350.40
Do	AMERICAN OPTOMETRIC ASSN		151.70
Do	GTE/SPRINT COMMUNICATIONS		20.10
ELLA MARICE RYAN, 1156 15TH ST., NW WASHINGTON DC 20005	J. C. PENNEY CO, INC	100.00	
FRANK T. RYAN, 1400 K STREET, NW WASHINGTON DC 20005	RUBBER MFGRS ASSN	2,500.00	
GEORGE J. RYAN, 915 ROCKEFELLER BUILDING CLEVELAND OH 44113	LAKE CARRIERS' ASSN		310.50
JOHN F. RYAN, 1600 M STREET, NW WASHINGTON DC 20036	INTERNATIONAL TELEPHONE & TELEGRAPH CORPORATION		
JOSEPH RYAN, SUITE 320 1200 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	GENERAL INSTRUMENT CORPORATION		
NAJWA SA'D, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS		
DAVID J. SADD, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS	1,000.00	
ANTHONY J. SAGGESE JR., 1050 17TH ST., NW, #500 WASHINGTON DC 20036	TEXACO, INC		
GREGORY A. SAHD, 2033 M STREET, NW WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS	1,750.00	631.74

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
FRANK MAX SALINGER, 1101 14TH ST., NW WASHINGTON DC 20005	AMERICAN FINANCIAL SERVICES ASSN		
JAMES H. SAMMONS, 535 NORTH DEARBORN STREET CHICAGO IL 60610	AMERICAN MEDICAL ASSN	900.00	
WILLIAM SAMUEL, 1325 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20005	AMERICAN FED OF GOVERNMENT EMPLOYEES	7,246.98	147.40
SANDERS SCHNABEL & BRANDENBURG, P.C., 1110 VERMONT AVENUE, NW, #600 WASHINGTON DC 20005	AMERICAN SOC OF ASSN EXECUTIVES	7,139.50	
STEPHEN E. SANDHERR, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
CHARLES E. SANDLER, 1220 L STREET, NW WASHINGTON DC 20005	AMERICAN PETROLEUM INST	6,000.00	
PETER G. SANDLUND, 1725 EYE ST., NW, #315 WASHINGTON DC 20006	COUNCIL OF EUROPEAN & JAPANESE NATIONAL SHIPOWNERS' ASSN	300.00	
BRUCE W. SANFORD, BAKER & HOSTETLER 818 CONNECTICUT AVENUE, NW WASHINGTON DC 20006	SOCIETY OF PROFESSIONAL JOURNALISTS, SIGMA DELTA CHI	1,500.00	108.01
JAMES D. SANTINI, BIBLE, SANTINI, HOY & MILLER 900 17TH ST., NW WASHINGTON DC 20006	CHICAGO NORTHWESTERN TRANSPORTATION CO	6,000.00	43.95
Do	GREENS CREEK JOINT VENTURE	7,500.00	378.83
Do	HOMESTAKE MINING CO	2,250.00	905.97
Do	ISL VENTURES, INC	5,000.00	1,378.00
Do	LORIMAR PRODUCTIONS	3,500.00	85.11
Do	MARLENE C. MCGUIRL	5,801.25	99.12
Do	NATIONAL TOUR ASSOCIATION, INC.	9,000.00	619.28
Do	NORANDA EXPLORATION, INC	1,500.00	391.86
Do	REDFIELD LAND COMPANY		
Do	SAVAGE INDUSTRIES	3,000.00	55.60
CHARLES SAPP, 3500 TEXAS COMMERCE TOWER HOUSTON TX 77002	HOUSTON ENDOWMENT, INC		
RONALD A. SARASIN, 311 FIRST STREET, NW WASHINGTON DC 20001	NATIONAL RESTAURANT ASSN		
KAREN SASAHARA, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS		
ALBERT C. SAUNDERS, 1100 15TH ST., NW #900 WASHINGTON DC 20005	PHARMACEUTICAL MANUFACTURERS ASSN	4,000.00	51.85
THOMAS C. SAWYER, 1825 K STREET, NW WASHINGTON DC 20006	NATIONAL BROADCASTING CO	2,000.00	27.57
ROBERT WAYNE SAYER, 4545 42ND STREET, NW WASHINGTON DC 20016	GCA CORP		25.00
OMAR SBITANI, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS		
JAMES P. SCALA, 15TH & M STREETS, NW WASHINGTON DC 20005	NATIONAL ASSN OF HOME BUILDERS OF THE U.S.		
MIKE SCANLON, 406 COLIN LANE VIENNA VA 22180	NATIONAL TAXPAYERS UNION		
ROBERT H. SCARBOROUGH, 1700 PENNSYLVANIA AVE., NW, #600 WASHINGTON DC 20006	APPLE COMPUTER, INC		
HAROLD A. SCHAITBERGER, 1750 NEW YORK AVE. WASHINGTON DC 20006	INTERNATIONAL ASSN OF FIRE FIGHTERS	13,402.08	
JEROME D. SCHALLER, 1101 15TH ST., NW WASHINGTON DC 20005	MINNESOTA MINING & MANUFACTURING CO	10,000.00	30.00
WILLIAM T. SCHAPAUGH, 1030 15TH STREET, NW WASHINGTON DC 20005	AMERICAN SEED TRADE ASSN	4,000.00	
C. M. SCHAUERTE, P.O. BOX 3247 HOUSTON TX 77253	AMERICAN GENERAL CORPORATION		
DEBORAH SCHECHTER, 1501 16TH STREET, NW WASHINGTON DC 20036	CENTER FOR SCIENCE IN THE PUBLIC INTEREST	2,400.00	
JAY T. SCHECK JR., RT. 202-206 NORTH SOMERVILLE NJ 08876	AMERICAN HOECHST CORPORATION		
DALE E. SCHELL, 1919 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20006	GATX CORP		
THOMAS G. SCHENDT, 111 EAST WISCONSIN AVE., #1800 MILWAUKEE WI 53202	NATIONAL EMPLOYEE BENEFITS INSTITUTE		150.78
JANE SCHERER HAAKE, 1667 K STREET, NW, #420 WASHINGTON DC 20006	CHEVRON USA, INC		
DAVID JOEL SCHLEIN, 545 FOURTH STREET, SE WASHINGTON DC 20003	AMERICAN FED OF GOVT EMPLOYEES, LOCAL 12	4,448.00	
JACQUES T. SCHLENGER, 1800 MERCANTILE BANK & TRUST BLDG. THE HOPKINS PLAZA BALTIMORE MD 21201	MARYLAND SAVINGS-SHARE INSURANCE CORP		1.62
KENNETH D. SCHLOMAN, 1600 RHODE ISLAND AVENUE, N.W. WASHINGTON DC 20036	NATIONAL RIFLE ASSOCIATION OF AMERICA	962.50	84.53
FOREST S. SCHMELING, 1515 WILSON BLVD. ARLINGTON VA 22209	AMERICAN GAS ASSN	1,100.00	491.95
RICHARD M. SCHMIDT JR , SUITE 600 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	ASSOCIATION OF AMERICAN PUBLISHERS	500.00	
SCHNADER HARRISON SEGAL & LEWIS, SUITE 1000 1111 19TH ST., NW WASHINGTON DC 20036	SAVIN CORPORATION		
Do	TOYOTA MOTOR CORPORATION	3,494.00	102.02
MARK L. SCHNEIDER, 1001 22ND STREET, NW, #600 WASHINGTON DC 20037	STANDARD OIL CO (OHIO)		
THERESA A. SCHNEIDER, 1575 EYE STREET, NW, #550 WASHINGTON DC 20005	INSTITUTE OF MAKERS OF EXPLOSIVES		
FRANK SCHNELLER, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
SCHRAMM & RADDUE, 15 WEST CARRILLO STREET SANTA BARBARA CA 93101	H&W DRILLING CO		
JACK J. SCHRAMM, SUITE 607 600 MARYLAND AVENUE, SW WASHINGTON DC 20024	WASTE MANAGEMENT, INC	5,000.00	
H. B. W. SCHROEDER, 1050 17TH STREET, NW, #490 WASHINGTON DC 20036	CONSUMERS POWER CO	8,000.00	1,266.00
N. DONALD SCHROEDER, MARYLAND PETROLEUM COUNCIL 60 WEST ST., #403 ANNAPOLIS MD 21401	AMERICAN PETROLEUM INST	140.00	
JUDY SCHUB, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	184.62	27.00
MARK SCHULTZ, 1615 H ST., NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.	5,000.00	135.85
RICHARD F. SCHULTZ, 807 MAINE AVENUE, SW WASHINGTON DC 20024	DISABLED AMERICAN VETERANS	11,653.20	1,241.18
WILLIAM B. SCHULTZ, SUITE 700 2000 P ST., NW WASHINGTON DC 20036	PUBLIC CITIZEN, INC		
ROBERT L. SCHULZ, C/O IOWA PETROLEUM COUNCIL 1012 FLEMING BLDG. DES MOINES IA 50309	AMERICAN PETROLEUM INST	446.50	770.89
WALTER A. SCHUMANN III, 1511 NATALIE JOY LN. MCLEAN VA 22101	POTOMAC OVERLOOK ASSOCIATES		
JAMES H SCHUYLER, 15TH & M STS., NW WASHINGTON DC 20005	NATIONAL ASSN OF HOME BUILDERS OF THE U.S.		
DONALD H. SCHWAB, 200 MARYLAND AVE., NE WASHINGTON DC 20002	VETERANS OF FOREIGN WARS OF THE U.S.	12,750.00	342.20
SCHWABE WILLIAMSON WYATT MOORE & ROBERTS, SUITE 302 1000 POTOMAC ST., NW WASHINGTON DC 20007	NORTHWEST INLAND WATERWAYS COMMITTEE		
ELINOR SCHWARTZ, 318 S. ABINGDON STREE. ARLINGTON VA 22204	CALIFORNIA STATE LANDS COMMISSION	7,800.00	1,900.73
RICHARD SCHWARTZ, 880 S. PICKETT ST. ALEXANDRIA VA 22304	BOAT OWNERS ASSOCIATION OF THE U.S.	4,000.00	
STEVE AARON SCHWARTZ, 818 ROEDER ROAD SUITE 702 SILVER SPRING MD 20910	INTERNATIONAL FED OF PROFESSIONAL & TECHNICAL ENGINEERS		
RICHARD S. SCHWEIKER, 1850 K STREET, NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC	4,500.00	15.75
MICHAEL SCIULLA, 880 S. PICKETT ST. ALEXANDRIA VA 22304	BOAT OWNERS ASSOCIATION OF THE U.S.	6,000.00	
HAROLD B. SCOGGINS, 1101 16TH ST., NW WASHINGTON DC 20036	INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA		20.25
SCOTT COMPANY, INC., 66 SURFWATCH DRIVE JOHNS ISLAND SC 29455	COASTAL PROPERTIES INSTITUTE, INC		
DOUGLAS W. SCOTT, 530 BUSH ST. SAN FRANCISCO CA 94108	SIERRA CLUB		
ELLEN SCOTT, 1750 NEW YORK AVENUE, NW WASHINGTON DC 20006	SHEET METAL WORKERS INT'L ASSN	6,325.00	
JAMES M. SCOTT, 66 SURFWATCH DRIVE JOHNS ISLAND SC 29455	SCOTT COMPANY		
JOHN N. SCOTT, 1825 K STREET, NW, #1107 WASHINGTON DC 20006	PHILLIPS PETROLEUM COMPANY	222.00	97.92
SCRIBNER HALL & THOMPSON, SUITE 700 1875 EYE STREET, NW WASHINGTON DC 20006	CNA FINANCIAL CORP		12,000.00
Do	PROVIDENT LIFE & ACCIDENT INSURANCE CO		
Do	SECURITY LIFE OF DENVER INSURANCE CO		
TIMOTHY SCULLY, 25 LOUISIANA AVENUE, NW WASHINGTON DC 20001	INTERNATIONAL BROTHERHOOD OF TEAMSTERS	9,187.50	
EARL W. SEARS, P.O. BOX 12285 MEMPHIS TN 38112	NATIONAL COTTON COUNCIL OF AMER	3,125.00	140.39
LAW OFFICES OF JOHN SEARS, 818 CONNECTICUT AVENUE, NW WASHINGTON DC 20006	EMBASSY OF THE REPUBLIC OF SOUTH AFRICA	15,000.00	235.96
PAMELA SEDERHOLM, 2828 N. HASKELL AVE. DALLAS TX 75204	SOUTHLAND CORPORATION		
MARIA MCCREA SEGAL, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS		
HOWARD SEGERMARK, 214 MASSACHUSETTS AVENUE, NE. #560 WASHINGTON DC 20002	INDUSTRY COUNCIL FOR TANGIBLE ASSETS		
H. RICHARD SEIBERT JR , 1776 F ST., NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	980.00	
ARMISTEAD I. SELDEN, 122 C ST., NW, #740 WASHINGTON, DC 20001	AMERICAN LEAGUE FOR EXPORTS & SECURITY ASSISTANCE	5,000.00	
M. FRANK SELLERS, 1615 H STREET, NW WASHINGTON DC 20062	U.S. CHAMBER OF COMMERCE (FOR: BUSINESS ALLIANCE ON GOVERNMENT COMPETITION)	5,000.00	472.08
RICHARD C. SEMACK, 17000 EXECUTIVE PLAZA DRIVE DEARBORN MI 48126	AUTOMOBILE CLUB OF MICHIGAN		
STANTON P. SENDER, 633 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	SEARS, ROEBUCK AND CO	1,080.00	40.30
STUART D. SERKIN, 1800 CONNECTICUT AVENUE, NW WASHINGTON DC 20009	SLURRY TECHNOLOGY ASSN	1,000.00	
SERVICE MASTER INDUSTRIES, INC, C/O OF TALCOTT MCCABE & ASSOCIATES 600 MARYLAND AVE., SW, 302 W. WING WASHINGTON DC 20024.			650.00
SEVEN MONTHS SESSION FOR CONGRESS, 3306 YELLOWPINE TERRACE AUSTIN TX 78757			608.00
SEWARD & KISSEL, 919 18TH ST., NW WASHINGTON DC 20006	BALDWIN SECURITIES CORP	64.00	1.00
Do			
J. RICHARD SEWELL, 1111 19TH ST., NW, #1102 WASHINGTON DC 20036	FLORIDA POWER & LIGHT CO	2,100.00	470.09
SEYFARTH SHAW FAIRWEATHER & GERALDSON, 1111 19TH ST., NW WASHINGTON DC 20036	AGRICULTURAL PRODUCERS	23,789.97	
Do	AMERICAN SOC OF PENSION ACTUARIES	11,250.00	377.97
Do	FRIENDS OF THE HOP MARKETING ORDER		
Do	JOHNSON & HIGGINS		
DONNA S. SHAFFER, DULLES INTERNATIONAL AIRPORT P.O. BOX 17309 WASHINGTON DC 20041	PRIDE AIR, INC		
VICTORIA MCKENZIE SHAIN, 1710 RHODE ISLAND AVENUE, NW, #300 WASHINGTON DC 20036	ABBOTT LABORATORIES	1,000.00	
JAMES M. SHAMBERGER, 1025 CONNECTICUT AVE., NW, #512 WASHINGTON DC 20036	REINSURANCE ASSN OF AMER		
SHAMROCK FOODS CO., 2228 N. BLACK CANYON PHOENIX AZ 85009			
DEBORAH L. SHANNON, 1150 17TH ST., NW, #306 WASHINGTON DC 20036	NATIONAL MULTI HOUSING COUNCIL	1,250.00	92.98
JAMES M. SHANNON, HALE & DORR 60 STATE STREET BOSTON MA 02109	COALITION AGAINST DOUBLE TAXATION, INC		
HARRY D. SHAPIRO, 1800 MERCANTILE BANK & TRUST BLDG. TWO HOPKINS PLAZA BALTIMORE MD 21201	MARYLAND SAVINGS-SHARE INSURANCE CORP		1.62
NORMAN F. SHARP, 1100 17TH STREET, NW, #1201 WASHINGTON DC 20036	CIGAR ASSN OF AMERICA, INC		177.63
KAREN DOLMATCH SHAW, SUITE 920 1800 K ST., NW WASHINGTON DC 20006	BANKAMERICA CORPORATION	1,475.81	627.40
LUTHER W. SHAW, SUITE 514 1155 15TH ST., NW WASHINGTON DC 20005	NATIONAL AGRICULTURAL CHEMICALS ASSN	5,625.00	4.50
SHAW PITTMAN POTTS & TROWBRIDGE, 1800 M ST., NW, #900-S WASHINGTON DC 20036	AMALGAMATED BANK OF NEW YORK	1,250.00	55.00
Do	ASSOCIATION FOR THE IMPROVEMENT OF THE MISSISSIPPI RIVER	105.00	
Do	ATLAS MINERALS DIVISION	8,630.00	
Do	COMMITTEE FOR PRIVATE EDUCATION		
Do	EMERSON ELECTRIC CO	670.00	
Do	INSTITUTE OF FOREIGN BANKERS	1,500.00	40.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	INVESTMENT COMPANY INSTITUTE	600.00	
Do	INVESTMENT COUNSEL ASSN OF AMERICA, INC.		
Do	MARRIOTT CORPORATION		
Do	NATIONAL AUTOMOBILE DEALERS ASSN	9,000.00	40.00
Do	NATIONAL COMM ON SMALL ISSUE INDUSTRIAL DEVELOPMENT BONDS		
Do	UTILITY NUCLEAR WASTE MANAGEMENT GROUP		
SHEA & GOULD, 330 MADISON AVE. NEW YORK NY 10017	ELEANOR A. CLARK		
Do	HOSPITAL CORP OF AMERICA		
Do	NABISCO, INC.		
Do	REPUBLIC OF HAITI		21.50
DONALD B. SHEA, 1750 K STREET, NW WASHINGTON DC 20006	U.S. BREWERS ASSN, INC.		
JAMES V. SHEAHAN, 223 PERIMETER CTR. PKWY. P.O. BOX 89000 ATLANTA GA 30338	SIEMENS-ALLIS, INC.		
SHEARMAN & STERLING, 153 EAST 53RD ST. NEW YORK NY 10005	BUSINESS ROUNDTABLE		
JOHN J. SHEEHAN, 815 16TH ST., NW, #706 WASHINGTON DC 20006	UNITED STEELWORKERS OF AMER	12,275.73	
KATHLEEN SHEEKEY, 3RD FLOOR 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE	10,529.20	741.91
DEBORAH A. SHEIMAN, 1350 NEW YORK AVENUE, NW WASHINGTON DC 20005	NATURAL RESOURCES DEFENSE COUNCIL	431.34	
JONATHAN R. SHEINER, 410 FIRST ST., SE WASHINGTON DC 20003	CONSOLIDATED EDISON CO OF NEW YORK, INC.	676.25	
JOHN J. SHEPPARD, 267 WESTERVELT PLACE ENGLEWOOD CLIFFS NJ 07632	C. A. SHEA & COMPANY, INC.		
SEYMOUR SHERIFF, 1126 WOODWARD BLDG. WASHINGTON DC 20005	MAN-MADE FIBER PRODUCERS ASSN, INC.		
R. PHILIP SHIMER, SUITE 405 444 N. CAPITAL ST., NW WASHINGTON DC 20001	WESTERN GOVERNORS ASSOCIATION		
RUSSELL L. SHIPLEY JR., 1120 VERMONT AVENUE, NW, #1120 WASHINGTON DC 20005	NATIONAL CANDY WHOLESALERS ASSN, INC.		
SHIPLEY SMOOK HENRY & HOLDGREIWE, 910 17TH STREET, NW, #320 WASHINGTON DC 20006	BLUEJAY OIL COMPANY		
Do	FEDERATED DEPT STORES, INC.		
Do	FLANIGAN'S ENTERPRISES, INC.		
Do	FORT SILL GARDENS, INC.		
Do	NATIONAL COMMITTEE OF DISCOUNT SECURITIES BROKERS		
Do	STEADMAN MUTUAL FUNDS		
Do	STEADMAN SECURITY CORPORATION		
Do	U.S.-SOUTH WEST AFRICA/NAMIBA TRADE & CULTURAL COUNCIL		
Do	WBNO RADIO AND WLKM RADIO		
HARVEY A. SHIPMAN, 1701 PENNSYLVANIA AVENUE, NW, #830 WASHINGTON DC 20006	PENN CENTRAL CORPORATION		
SHIPPERS NATIONAL FREIGHT CLAIM COUNCIL, INC, 120 MAIN STREET HUNTINGTON NY 11743			
MARY FRANCES SHLAGEL, SUITE 760 1050 CONNECTICUT AVE., NW WASHINGTON DC 20036	UNION OIL CO OF CALIFORNIA		
ELAINE SHOCAS, 555 NEW JERSEY AVENUE, NW WASHINGTON DC 20001	AMERICAN FED OF TEACHERS	8,793.21	80.00
THOMAS K. SHOEMAKER, 1899 L STREET, NW, #600 WASHINGTON DC 20036	TRAVEL INDUSTRY ASSN OF AMERICA		
SHOOSHAN & JACKSON, INC., 1990 M ST., NW, #450 WASHINGTON DC 20036	ROGERS U.S. CABLESYSTEMS, INC.		
HARRY M. SHOOSHAN III, 1990 M ST., NW, #450 WASHINGTON DC 20036	SHOOSHAN & JACKSON, INC (FOR: ROGERS U.S. CABLESYSTEMS, INC)		
SCOTT SHOTWELL, 1619 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL FOREST PRODUCTS ASSN	2,475.00	
A. Z. SHOWS, RM 203 1801 COLUMBIA RD., NW WASHINGTON DC 20009			
FREDERICK L. SHREVES II, HILL BETTS & NASH 1818 N STREET, NW, #700 WASHINGTON DC 20036	DONOHOE CONSTRUCTION CO, INC.		
SANA F. SHTASEL, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	1,019.17	172.16
JOHN SHUEY, P.O. BOX 3151 HOUSTON TX 77253	BROWNING-FERRIS INDUSTRIES, INC.		
LAWRENCE E. SIEGEL, 8283 GREENSBORO DRIVE MCLEAN VA 22102	SATELLITE BUSINESS SYSTEMS		
JAMES V. SIENA, 1735 NEW YORK AVENUE, NW WASHINGTON DC 20006	AMERICAN INSTITUTE OF ARCHITECTS	2,000.00	
MARK SILBERGELD, 2001 S STREET, SW, #520 WASHINGTON DC 20009	CONSUMERS UNION OF U.S., INC.	3,700.00	20.00
DAVID SILVER, 1600 M ST., NW WASHINGTON DC 20036	INVESTMENT COMPANY INSTITUTE	115.38	
STEVE SILVER, 1050 THOMAS JEFFERSON ST., NW, 6TH FL. WASHINGTON DC 20007	ALASKA PULP CORP.		
Do	APEX MARINE CORP		
Do	ARCO TRANSPORTATION CO.		
Do	MOORE MCCORMAK BULK TRANSPORT, INC.		
Do	NORANDA MINING, INC		
SILVER USERS ASSN, INC, 1717 K ST., NW WASHINGTON DC 20006		1,381.41	3,276.36
SILVERSTEIN & MULLENS, 1776 K ST., NW WASHINGTON DC 20006	ASSOCIATION FOR ADVANCED LIFE UNDERWRITING	5,000.00	
Do	BRISTOL-MYERS CO		
Do	F.W. WOOLWORTH CO.		
Do	FEDERAL NATIONAL MORTGAGE ASSN.		
Do	GATX CORP		
Do	MUSIC CORPORATION OF AMERICA, INC.		
Do	NATIONAL ASSN OF HOME BUILDERS OF THE U.S.		
Do	NATIONAL COUNCIL OF SAVINGS INSTITUTIONS		
M. P. SIMMONS, P.O. BOX 860 VALLEY FORGE PA 19482	CERTAINTEED CORP		
NEIL A. SIMON, 1025 CONNECTICUT AVENUE, NW, #707 WASHINGTON DC 20036	INTERNATIONAL FRANCHISE ASSN		
PHILIP SIMON, 2030 M STREET, NW WASHINGTON DC 20036	COMMON CAUSE	3,800.01	
TALMAGE E. SIMPKINS, 100 INDIANA AVE., NW WASHINGTON DC 20001	AFL-CIO MARITIME COMMITTEE	300.00	681.44
Do	LABOR MANAGEMENT MARITIME COMMITTEE, INC	1,436.00	141.24
C. KYLE SIMPSON, P.O. BOX 3 HOUSTON TX 77001	BROWN & ROOT, INC.		
WILLIAM G. SIMPSON, SUITE 424 1155 15TH STREET, NW WASHINGTON DC 20005	FIRST MISSISSIPPI CORPORATION	2,000.00	
Do	J.R. SCRIBNER EQUIPMENT	2,000.00	
Do	MISSISSIPPI POWER & LIGHT COMPANY	2,000.00	
Do	STATE OF MISSISSIPPI	4,000.00	
ALBERT M. SIMS, BOX 872 SMITHTOWN NY 11787	PERFORMANCE ENGINEERING, INC.		
IVAN E. SINCLAIR, 1000 WILSON BOULEVARD, #2700 ARLINGTON VA 22209	TRW, INC.	2,000.00	
RICHARD L. SINNOTT & CO, SUITE 900 ONE THOMAS CIRCLE, NW WASHINGTON DC 20005	OAKLAND COLISEUM	6,000.00	
Do	PORT OF OAKLAND	3,000.00	
RICHARD L. SINNOTT, ONE THOMAS CIRCLE, NW, #900 WASHINGTON DC 20005	NATIONAL COMM TO PRESERVE SOCIAL SECURITY & MEDICARE	9,000.00	
JAMES C. SIVON, 730 15TH STREET, NW WASHINGTON DC 20005	ASSOCIATION OF BANK HOLDING COS.	1,312.50	60.00
SKADDEN ARPS SLATE MEAGHER & FLOM, 919 18TH STREET, NW WASHINGTON DC 20006	AIR PRODUCTS & CHEMICALS, INC.	10,000.00	
Do	CITIES SERVICE OIL & GAS CORP.		
Do	DREXEL BURNHAM LAMBERT, INC.	45,000.00	
Do	OCEAN THERMAL CORP	500.00	
Do	SEA-LAND CORP.		
Do	TEXACO, INC.		
Do	TRANSCO ENERGY COMPANY		
Do	TRICENTROL U.S., INC.		
CYNTHIA ELLIOT SKIFF, 8111 GATEHOUSE ROAD FALLS CHURCH VA 22047	AMERICAN AUTOMOBILE ASSN.		
WILLIAM J. SKINNER, 815 15TH ST., NW WASHINGTON DC 20005	U.S. PHARMACOPEIAL CONVENTION, INC	218.18	9.57
BARNEY J. SKLADANY JR., 1100 CONNECTICUT AVE., NW, #620 WASHINGTON DC 20036	MOBIL OIL CORP.	1,125.00	
RUTH L. SKY, 2211 CONGRESS ST. PORTLAND ME 04122	UNION MUTUAL LIFE INSURANCE CO		
F. SLATINSHEK & ASSOCIATES, INC., 1102 BELLE VISTA DR. ALEXANDRIA VA 20007	GRUMMAN AERO CORP; D.L. LYNCH & ASSOCS	300.00	
SCOTT L. SLESINGER, SUITE 804 1101 14TH ST., NW WASHINGTON DC 20005	NATIONAL APARTMENT ASSN		
BARRY S. SLEVIN, 1000 POTOMAC STREET, NW WASHINGTON DC 20007	SEIFMAN, SEMO, SLEVIN & MARCUS, P.C. (FOR: UNITED FOOD & COMMERCIAL WORKERS INT'L UNION)		
WILLIAM T. SLIDER, 15TH & M STREETS, NW WASHINGTON DC 20005	NATIONAL ASSN OF HOME BUILDERS OF THE U.S.		
RONALD J. SLINN, 260 MADISON AVENUE NEW YORK NY 10016	AMERICAN PAPER INST, INC		
CATHERINE REISS SLOAN, 1990 M ST., NW, #450 WASHINGTON DC 20036	SHOOSHAN & JACKSON, INC (FOR: ROGERS U.S. CABLESYSTEMS, INC)		
JOHN E. SLOAN JR., CAPITAL GALLERY EAST, #695 600 MARYLAND AVENUE, SW WASHINGTON DC 20024	NATIONAL FED OF INDEPENDENT BUSINESS	1,150.00	200.00
SLURRY TECHNOLOGY ASSN, 1800 CONNECTICUT AVE., NW WASHINGTON DC 20009		22,185.00	2,600.00
SMALL BUSINESS COUNCIL OF AMERICA, INC, P.O. BOX 4299 COLUMBUS GA 31904		18,125.00	50,505.67
SMALL BUSINESS LEGISLATIVE COUNCIL, 1604 K ST., NW WASHINGTON DC 20006		3,000.00	409.00
KEITH R. SMALL, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	1,250.00	17.85
PETER SMALL, 295 MADISON AVENUE NEW YORK NY 10017	PETER SMALL & ASSOCIATES, INC. (FOR: WILLIAM M. MERCER-MEIDINGER, INC)		
WILLIAM H. SMALL, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS		
SMATHERS SYMINGTON & HERLONG, SUITE 400 1700 K ST., NW WASHINGTON DC 20006	AMERICAN HORSE COUNCIL	3,666.00	
Do	FLORIDA EAST COAST RAILWAY CO	750.00	
Do	NATIONAL HOCKEY LEAGUE	1,500.00	
Do	PENNZOIL CO.	6,000.00	
Do	REPUBLIC OF SOUTH AFRICA	7,500.00	
SMC INTERNATIONAL, 1820 JEFFERSON PL., NW WASHINGTON DC 20036	GC SERVICES CORP	1,500.00	828.90
Do	PIEDMONT AIRLINES, INC.	3,000.00	886.05
Do	SAFECARD SERVICES, INC.	875.00	569.37
ELEANOR SMEAL & ASSOCIATES, 2401 VIRGINIA AVE., NW, #306 WASHINGTON DC 20037	NATIONAL ORGANIZATION FOR WOMEN		
ROBERT G. SMERKO, 1945 OLD GALLOWS ROAD, #405 VIENNA VA 22180	AMERICAN WOOD PRESERVERS INSTITUTE	2,078.00	99.00
DONALD E. SMILEY, 1899 L ST., NW, #1100 WASHINGTON DC 20036	EXXON CORPORATION	500.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
JAMES R. SMIRCINA, P.O. BOX 5000 CLEVELAND OH 44101	CLEVELAND ELECTRIC ILLUMINATING CO	799.28	752.00
CATHERINE S. SMITH, 1730 K ST., NW, #703 SUITE 209 WASHINGTON DC 20006	AMERICAN BUSINESS CONFERENCE, INC	124.51	25.00
DANIEL T. SMITH, P.O. BOX 660074 DALLAS TX 75266	INTERNATIONAL AIRLINE PASSENGERS ASSN, INC		
ELIZABETH M. SMITH, 815 16TH ST., NW, #310 WASHINGTON DC 20006	AMALGAMATED CLOTHING & TEXTILE WORKERS UNION	5,277.48	155.50
FREDERICK P. SMITH JR., 1575 EYE STREET, NW, #550 WASHINGTON DC 20005	INSTITUTE OF MAKERS OF EXPLOSIVES		
GORDON L. SMITH, 1201 PENNSYLVANIA AVE., NW, #700 WASHINGTON DC 20004	HILL & KNOWLTON, INC (FOR: FLORISTS' TRANSWORLD DELIVERY ASSN)	2,500.00	
GRACE H. SMITH, 2000 M STREET, NW, #230 WASHINGTON DC 20036	TELOCATOR NETWORK OF AMERICA		
HUGH H. SMITH, 1020 19TH STREET, NW, #600 WASHINGTON DC 20036	AMERICAN EXPRESS CO		
JAMES A. SMITH, 1020 19TH ST., NW WASHINGTON DC 20036	U S WEST, INC	4,015.60	3,139.00
JAMES P. SMITH, 2000 L STREET, NW, #200 WASHINGTON DC 20036	HOSPITAL CORP OF AMERICA	288.00	
JEFFREY A. SMITH, 1600 WILSON BOULEVARD, #1000 ARLINGTON VA 22209	AMERICAN WATERWAYS OPERATORS, INC		
JEFFREY A. SMITH, 919 18TH STREET, NW, #600 WASHINGTON DC 20006	TOYOTA MOTOR SALES, USA, INC	300.00	79.12
JENNIFER L. SMITH, 900 17TH STREET, NW, #520 WASHINGTON DC 20006	WEST MEXICO VEGETABLE DISTRIBUTORS ASSN	300.00	
JOSEPH M. SMITH, 1730 K ST., NW, #703 WASHINGTON DC 20006	AMERICAN BUSINESS CONFERENCE	50.77	25.00
JULIAN H. SMITH JR., 600 NORTH 18TH STREET BIRMINGHAM AL 35291	ALABAMA POWER CO	13,785.00	13,043.75
MICHAEL E. SMITH, 55 PUBLIC SQUARE, RM. 624 P.O. BOX 5000 CLEVELAND OH 44113	CLEVELAND ELECTRIC ILLUMINATING CO		
MICHAEL P. SMITH, 485 LEXINGTON AVE. NEW YORK NY 10017	NEW YORK STATE BANKERS ASSN	800.00	4,608.00
RONALD E. SMITH, 2501 M STREET, NW WASHINGTON DC 20037	CHEMICAL MANUFACTURERS ASSN	5,000.00	6,960.22
SHALAH SMITH, 1130 17TH STREET, NW WASHINGTON DC 20036	NATIONAL COAL ASSN	2,360.00	395.60
SUSAN SNYDER SMITH, 7900 WESTPARK DRIVE, #514 MCLEAN VA 22102	CHOCOLATE MANUFACTURERS ASSN OF THE USA	750.00	508.93
WILLIAM C. SMITH, 1850 K STREET, NW, #1100 WASHINGTON DC 20006	BALLARD, SPAHR, ANDREWS & INGERSOLL		
WAYNE H. SMITHEY, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	FORD MOTOR CO	14,024.00	980.30
FRANK B. SNODGRASS, 1100 17TH ST., NW, #306 WASHINGTON DC 20036	BURLEY & DARK LEAF TOBACCO EXPORT ASSN	1,158.18	
LARRY S. SNOWHITE, 1825 EYE ST., NW WASHINGTON DC 20006	ENVIRITE CORPORATION		
Do	GSX CORPORATION	8.75	
Do	LIBERTY MUTUAL INSURANCE CO	3,064.64	40.12
Do	MINTZ, LEVIN, COHN, FERRIS, GLOVSKY & POPEO (FOR: LION LINES, LTD.)		
Do	MINTZ LEVIN COHN FERRIS GLOVSKY & POPEO (FOR: MASS. CONSTRUCTION INDUS. COUNCIL TRUCK WEIGHT COMM).		
Do	MASSACHUSETTS COLLEGE STUDENT LOAN AUTHORITY	1,925.00	
Do	NEW ENGLAND EDUCATION LOAN MARKETING CORP	2,303.00	35.41
Do	MINTZ LEVIN COHN FERRIS GLOVSKY & POPEO (FOR: SECURITIES INDUSTRY ASSN)		
DAVID F. SNYDER, 1000 NATIONWIDE DR. HARRISBURG PA 17105	NATIONWIDE INSURANCE COMPANIES	600.00	344.60
EDWARD F. SNYDER, 245 2ND ST., NE WASHINGTON DC 20002	FRIENDS COMMITTEE ON NATIONAL LEGISLATION	4,726.26	
J. R. SNYDER, 400 1ST ST., NW, #704 WASHINGTON DC 20001	UNITED TRANSPORTATION UNION		812.82
JOHN M. SNYDER, 600 PENNSYLVANIA AVE., S.E. SUITE 205 WASHINGTON DC 20003	CITIZENS COMM FOR THE RIGHT TO KEEP & BEAR ARMS	9,000.00	
SOCIETY FOR ANIMAL PROTECTIVE LEGISLATION, P.O. BOX 3719 GEORGETOWN STATION WASHINGTON DC 20007		15,101.52	51,699.30
MICHAEL D. SOLOMON, 1709 NEW YORK AVENUE, NW WASHINGTON DC 20006	U.S. LEAGUE OF SAVINGS INSTITUTIONS	1,050.00	
FREDERICK P. SOMERS, 1625 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	AIR LINE PILOTS ASSN		
EDMUND T. SOMMER JR., 1627 K STREET, NW, #1200 WASHINGTON DC 20006	COUNCIL OF AMERICAN-FLAG SHIP OPERATORS	1,250.00	8.50
EDWARD J. SONDEY, 195 MONTAGUE STREET BROOKLYN NY 11201	BROOKLYN UNION GAS CO		
CHARLES R. SONNIER, SONNIER & HEBERT P.O. DRAWER 1040 ABBEVILLE LA 70511	COUSHATTA TRIBE OF LOUISIANA		
SONOSKY CHAMBERS AND SACHSE, 1050 31ST ST., NW WASHINGTON DC 20007	ASSINIBOINE AND SIOUX TRIBES		
Do	MACKENZIE TURNIPSEED		
Do	MULTI-HOUSING LAUNDRY ASSOCIATION, INC		
Do	STANDING ROCK SIOUX TRIBE		
E. RICHARD SOPER, 1957 E STREET, NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
IAN D. SPATZ, 1785 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL TRUST FOR HISTORIC PRESERVATION	3,184.02	
JOHN F. SPEER JR., 888 16TH STREET, NW WASHINGTON DC 20006	MILK INDUSTRY FOUNDATION/INT'L ASSN OF ICE CREAM MFRS		
WILLIAM C. SPENCE, 3805 W. ALABAMA HOUSTON TX 77027	COLUMBIA GULF TRANSMISSION CO		
PHILIP SPESER, 2000 P ST., NW WASHINGTON DC 20036	FORESIGHT SCIENCE & TECHNOLOGY, INC (FOR: NATIONAL COALITION FOR SCIENCE & TECHNOLOGY).		
Do	FORESIGHT, INC (FOR: SOCIETY FOR AMERICAN ARCHAEOLOGY)	1,200.00	
JOANN SPEVACEK, 1500 PLANNING RESEARCH DRIVE MCLEAN VA 22102	PLANNING RESEARCH CORP		607.42
SPIEGEL & MCDIARMID, 2600 VIRGINIA AVE., NW WASHINGTON DC 20037	NORTHERN CALIFORNIA POWER AGENCY, ET AL		
LARRY N. SPILLER, 1015 15TH ST., NW, #802 WASHINGTON DC 20005	AMERICAN CONSULTING ENGINEERS COUNCIL	900.00	
PETER A. SPINA, 150 EAST 42ND STREET NEW YORK NY 10017	MOBIL OIL CORP	900.00	
EARL C. SPURRIER, THE MADISON BUILDING, #514 1155 15TH STREET, NW WASHINGTON DC 20005	NATIONAL AGRICULTURAL CHEMICALS ASSN	90.00	
ELISABETH A. SQUEGLIA, BRICKER & ECKLER 888 11TH ST., NW WASHINGTON DC 20006	AMERICAN SMALL AND RURAL HOSPITAL ASSOCIATION, OHIO CHAPTER		
SQUIRE SANDERS & DEMPSEY, 1201 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	ALAMO CEMENT COMPANY, ET AL	1,463.75	18.75
Do	AMERICAN CHAMBER OF COMMERCE IN EUROPE & THE MEDITERRANEAN		
Do	AMERICAN CHAMBER OF COMMERCE IN ITALY, INC		
Do	AMERICAN CHAMBER OF COMMERCE IN GERMANY		
Do	AMERICAN SOC OF ANESTHESIOLOGISTS		155.00
Do	ASSOCIATION OF DATA PROCESSING SERVICE ORGANIZATIONS		
Do	INDEPENDENT DATA COMMUNICATIONS MANUFACTURERS ASSOCIATION		
Do	MICROBAND CORP OF AMERICA		
Do	NATIONAL COLLEGIATE ATHLETIC ASSN	636.25	19.00
Do	TYMNET, INC		
JOHN W. SROKA, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
CARL F. ST. CIN, 1101 17TH STREET, NW, #604 WASHINGTON DC 20036	MONSANTO CO		
ROBERT P. ST. LOUIS, SUITE 880 555 NEW JERSEY AVE., NW WASHINGTON DC 20001	CONGOLEUM CORPORATION	1,000.00	423.34
JANIS ST. MARIE, 15 WEST CARRILLO STREET SANTA BARBARA CA 93101	SCHRAMM & RADDUE (FOR: H&W DRILLING, INC)		
CONNELL STAFFORD, P.O. DRAWER 1734 ATLANTA GA 30301	COCA-COLA COMPANY	302.00	1,178.19
DAVID E. STAHL, 1619 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL FOREST PRODUCTS ASSN	3,500.00	
MELVIN R. STAHL, SUITE 1410 1235 JEFFERSON DAVIS HWY. ARLINGTON VA 22202	MOTORCYCLE INDUSTRY COUNCIL, INC		
ELVIS J. STAHR JR., 1815 H STREET, NW, #600 WASHINGTON DC 20006	CASSIDY & ASSOCIATES, INC	1,250.00	12.00
Do	NATIONAL AUDUBON SOCIETY		
LYNN E. STALBAUM, 1840 WILSON BOULEVARD ARLINGTON VA 22201	NATIONAL MILK PRODUCERS FED	2,610.00	107.12
TYRONE STALLWORTH, 220 NORTH DEVILLERS STREET PENSACOLA FL 32501			
STANDARD OIL CO (OHIO), MIDLAND BLDG. CLEVELAND OH 44115			24,072.24
DAVID P. STANG, P.C., SUITE 601 1629 K ST., NW WASHINGTON DC 20006	AMOCO CORP	214.60	
Do	COMMITTEE FOR CAPITAL FORMATION THROUGH DIV. REINVESTMENT	445.02	
Do	EMPLOYEE STOCK OWNERSHIP ASSN	139.28	
Do	NATIONAL ASSN OF ROYALTY OWNERS, INC	69.37	
Do	SMALL BUSINESS COUNCIL OF AMERICA, INC	55.18	
Do	ZOND SYSTEMS, INC	64.30	
MICHAEL J. STANTON, 1620 EYE STREET, NW, #1000 WASHINGTON DC 20006	MOTOR VEHICLE MANUFACTURERS ASSOCIATION OF THE U.S., INC	1,650.00	
WALTER M. STARKE, P.O. BOX 2563 BIRMINGHAM AL 35202	SOUTHERN NATURAL GAS CO		
BETTE ANNE STARKEY, 1030 15TH STREET, NW, #1100 WASHINGTON DC 20005	HEALTH INDUSTRY MANUFACTURERS ASSN		
LOIS STARKEY, SUITE 511 1745 JEFFERSON DAVIS HWY. ARLINGTON VA 22202	MANUFACTURED HOUSING INST	900.00	100.00
RONALD W. STASCH, 205 E. 42ND STREET NEW YORK NY 10017	RISK & INSURANCE MANAGEMENT SOCIETY, INC		
FRANK M. STASZESKY JR., 1620 EYE ST., NW, #703 WASHINGTON DC 20006	BECHTEL POWER CORP		
DAVID MICHAEL STATON, 1615 H STREET, NW WASHINGTON DC 20062	CITIZEN'S CHOICE, INC	2,000.00	
CHARLES D. STATTON, P.O. BOX 3965 SAN FRANCISCO CA 94119	BECHTEL POWER CORPORATION		
STAUFFER CHEMICAL CO, NYALA FARM ROAD WESTPORT CT 06881			9,264.70
SAMUEL E. STAVISKY & ASSOCIATES, INC, 1725 DESALES STREET, NW, #804 WASHINGTON DC 20036	BROADCAST MUSIC, INC		
SAMUEL E. STAVISKY, 1725 DESALES STREET, NW, #804 WASHINGTON DC 20036	SAMUEL E. STAVISKY (FOR: SHERWIN-WILLIAMS CO)		
Do	TAFT STETTINIUS & HOLLISTER (FOR: SPECIAL COMM FOR WORKPLACE PRODUCT LIABILITY REFORM).		
Do	TAFT, STETTINIUS & HOLLISTER (FOR: WALD MANUFACTURING CO, INC)	187.25	
JOHN HOWARD STECKER, 2020 LIVE OAK DALLAS TX 75221	GREAT AMERICAN RESERVE INSURANCE CO		
STEELE SIMMONS & FORNACIARI, 2020 K STREET, NW, #850 WASHINGTON DC 20006	K MART CORP	25,628.75	2,394.35
J. C. STEEN, 412 FIRST STREET, SE, #301 WASHINGTON DC 20003	MCDONNELL DOUGLAS CORP	800.00	210.44
Do	NORTHROP CORP	600.00	178.32
WILLIAM STEINBERG, 217 MGC - AMERICAN UNIVERSITY S.C. NEBRASKA & MASSACHUSETTS AVENUE, NW WASHINGTON DC 20016.	AMERICAN UNIVERSITY STUDENT CONFEDERATION		
JACK L. STEMPLER, 1725 JEFFERSON DAVIS HIGHWAY, #900 ARLINGTON VA 22202	LTV AEROSPACE DEFENSE CO	2,500.00	75.00
STEPHENS OVERSEAS SERVICES, INC., 2121 K STREET, NW, #830 WASHINGTON DC 20037	NATIONAL OFFICE MACHINE DEALERS ASSN		
Do			
STEPHENS, INC, 2121 K ST., NW, #830 WASHINGTON DC 20037			
VICTOR STEPSAY, 1750 NEW YORK AVENUE, NW WASHINGTON DC 20006	SHEET METAL WORKERS' INT'L ASSN	13,298.00	
STEPTOE & JOHNSON, CHTD, 1330 CONNECTICUT AVE., NW WASHINGTON DC 20036	ASSOCIATION OF PRIVATE PENSION & WELFARE PLANS, INC	6,854.75	487.92

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	RULE OF LAW COMMITTE		
Do	TRAILWAYS, IANC.		
RICHARD W. STERNBERG, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	125.00	
MICHAEL E. STEWARD, 7957 REVENNA LANE SPRINGFIELD VA 22153	PUGET SOUND POWER & LIGHT CO	5,024.00	530.89
EUGENE L. STEWART, 1001 CONNECTICUT AVE., NW, #910 WASHINGTON DC 20036	ROSES, INC	450.00	302.24
H. DONALD STEWART, 188 W. MAIN STREET PENNS GROVE NJ 08069			
IMAGENE STEWART, 214 P STREET, NW WASHINGTON DC 20001	AMERICAN WOMEN'S CLERGY ASSN		
S. LYNN STEWART, 3 EMBARCADERO CENTER SAN FRANCISCO CA 94111	MCCUTCHEN DOYLE BROWN & ENERSEN (FOR: AMFAC, INC)		
Do	MCCUTCHEN DOYLE BROWN & ENERSEN (FOR: CASTLE & COOKE, INC)		
Do	MCCUTCHEN DOYLE BROWN & ENERSEN (FOR: ROHR INDUSTRIES)		
WALTER J. STEWART, SUITE 700 1100 15TH ST., NW WASHINGTON DC 20005	SONAT, INC		
WARREN E. STICKLE, SUITE 1120 1001 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	CHEMICAL SPECIALTIES MFGRS ASSN	830.47	77.30
STEPHEN W. STILL, 1100 15TH STREET, NW, #700 WASHINGTON DC 20005	SONAT, INC		
DON STILLMAN, 1757 N STREET, NW WASHINGTON DC 20036	INT'L UNION, UNITED AUTO AEROSPACE & AGRIC IMPLEMENT WORKERS	1,496.65	15.00
EDWARD W. STIMPSON, SUITE 801 1400 K ST., NW WASHINGTON DC 20005	GENERAL AVIATION MANUFACTURERS ASSOCIATION	3,065.00	
JOHN J. STIRK, 1745 JEFFERSON DAVIS HIGHWAY, #1000 ARLINGTON VA 22202	GENERAL DYNAMICS	1,000.00	750.17
JOHN J. STOCKER, 1110 VERMONT AVENUE, NW WASHINGTON DC 20005	SHIPBUILDERS COUNCIL OF AMERICA	17,000.00	
STOCKHOLDERS OF AMERICA, INC., 1625 EYE ST., N.W. # 724A WASHINGTON DC 20006		9,495.00	968.01
STEVEN F. STOCKMEYER, 1800 M ST., NW, #950 NORTH WASHINGTON DC 20036	ALLNET COMMUNICATIONS SERVICES, INC		
Do	JACK MCDONALD CO (FOR: COALITION FOR THE ADVANCEMENT OF INDUSTRIAL TECHNOLOGY).	1,200.00	
Do	JACK MCDONALD CO (FOR: FIBER FABRIC & APPAREL COALITION FOR TRADE)	2,250.00	
Do	MANVILLE CORP	1,875.00	
Do	VERNER LIIPFERT BERNHARD... (FOR NORFOLK SOUTHERN)	3,570.00	
DENNIS C. STOLTE, 600 MARYLAND AVENUE, SW WASHINGTON DC 20024	AMERICAN FARM BUREAU FED	4,937.49	112.83
JANE S. STONE, 1719 ROUTE 10 PARSIPPANY NJ 07054	NATIONAL ASSN OF MANUFACTURERS	600.00	
JAY STONE, JAY STONE AND ASSOCIATES, INC 412 FIRST STREET, SE, #50 WASHINGTON DC 20003	MASSACHUSETTS MUTUAL LIFE INSURANCE CO	2,000.00	
Do	MELAMINE CHEMICALS, INC	2,000.00	
WILLIAM STONE, 4301 MASSACHUSETTS AVENUE, NW, #4012 WASHINGTON DC 20016	AMERICAN UNIVERSITY STUDENT CONFEDERATION		
FLOYD E. STONER, 1120 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN	1,000.00	
STEPHEN STORCH, 1800 K STREET, NW, #1100 WASHINGTON DC 20006	NEW YORK STOCK EXCHANGE, INC		
WILLIAM M. STOVER, 2501 M ST., NW WASHINGTON DC 20037	CHEMICAL MANUFACTURERS ASSOCIATION, INC	1,000.00	
PAUL STRAUSS, 4301 MASSACHUSETTS AVENUE, NW, #4012 WASHINGTON DC 20016	AMERICAN UNIVERSITY STUDENT CONFEDERATION		
ROGER J. STROH, 727 N. WASHINGTON STREET ALEXANDRIA VA 22314	UNITED FRESH FRUIT & VEGETABLE ASSN		
GEORGE W. STRONG, 2242 BARTLETT HOUSTON TX 77098	HOUSTON NATURAL GAS CORP		
STROOCK & STROOCK & LAVAN, 1150 17TH ST., NW WASHINGTON DC 20036	AMERICAN RED CROSS RETIREMENT SYSTEM		
Do	AMERICAN TRUCKING ASSNS, INC		
Do	CITY OF TUCSON	2,882.00	71.00
Do	DREYFUS CORPORATION		
Do	DREYFUS DOLLAR FUND		
Do	J. ARON & CO, INC		
GEORGE STRUMPF, 624 9TH ST., NW, 7TH FL. WASHINGTON DC 20001	GROUP HEALTH ASSOCIATION OF AMERICA, INC		
DOROTHY E. STUCKE, 1004 DUKE STREET ALEXANDRIA VA 22314	AMERICAN SUBCONSTRACTORS ASSN		
WALTER B. STULTS, 1156 15TH STREET, NW, #1101 WASHINGTON DC 20005	NATIONAL ASSN OF SMALL BUSINESS INVESTMENT COS	4,000.00	
EUGENE F. STURGEON, 182 CRATER LANE KENSINGTON CT 06037	NORTHEAST UTILITIES SERVICE CO	1,991.97	1,183.82
SULLIVAN & CROMWELL, 1775 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	AMERICAN INTERNATIONAL GROUP, INC		
Do	BP NORTH AMERICA, INC		
Do	ESSELTE BUSINESS SYSTEMS, INC	175.00	262.70
Do	GOLDMAN SACHS & CO		
Do	GRAND MET USA, INC		
Do	KIDDER PEABODY & CO, INC		
Do	SECURITIES INDUSTRY ASSN		
AUSTIN P. SULLIVAN JR , P.O. BOX 1113 MINNEAPOLIS MN 55440	GENERAL MILLS, INC		
BONNIE A. SULLIVAN, 725 15TH STREET, NW WASHINGTON DC 20005	NATIONAL GRAIN & FEED ASSN	30.00	
GAEL M. SULLIVAN, SUITE 1004 1155 15TH STREET, NW WASHINGTON DC 20005	LTV CORPORATION	2,344.00	640.00
HAROLD R. SULLIVAN, 1750 K ST., NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	750.00	
JOHN H. SULLIVAN, 2924 COLUMBIA PIKE ARLINGTON VA 22204	DEVELOPMENT ASSOCIATES, INC (FOR: GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA).	132.35	19.00
JUDY M. SULLIVAN, 1120 20TH STREET, NW, #700 WASHINGTON DC 20036	WILLIAMS COMPANIES		
MARGARET COX SULLIVAN, 1625 EYE ST., N.W. # 724A WASHINGTON DC 20006	STOCKHOLDERS OF AMERICA, INC		
PATRICK J. SULLIVAN, 815 SIXTEENTH STREET, N.W. WASHINGTON DC 20006	INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO	9,529.25	1,899.90
FERN SUMMER, P.O. BOX 17402 DULLES INT'L AIRPORT WASHINGTON DC 20041	WATER & WASTEWATER EQUIPMENT MANUFACTURERS ASSN, INC		
JOHN B. SUMMERS, 1771 N STREET, NW WASHINGTON DC 20036	NATIONAL ASSN OF BROADCASTERS	1,500.00	498.88
IRIS SUNSHINE, 1710 BROADWAY NEW YORK NY 10019	INTERNATIONAL LADIES GARMENT WORKERS UNION	5,124.99	181.15
SURREY & MORSE, 1250 EYE STREET, NW WASHINGTON DC 20005	ALLNET COMMUNICATIONS SERVICES, INC	7,042.50	161.93
Do	EMBASSY OF THE PEOPLE'S REPUBLIC OF CHINA		15.00
Do	MORGAN GRENFELL & CO, LTD, ET AL	5,130.00	35.00
Do	WESTINGHOUSE ELECTRIC CORP		
SUTHERLAND ASBILL & BRENNAN, 1666 K STREET, NW, #800 WASHINGTON DC 20006	AMERICAN INDUSTRIAL CLAY & GEORGIA KAOLIN	11.66	1.84
Do	ANGLO-AMERICAN CLAYS CORP	11.66	1.84
Do	ASSOCIATION OF BUSINESSES ADVOCATING TARIFF EQUITY		
Do	BANKING ISSUES GROUP		94.03
Do	CAPITAL HOLDING CORP		486.85
Do	COMMITTEE AGAINST REVISING STAGGERS		
Do	COUNCIL OF INDUSTRIAL BOILER OWNERS		
Do	CREDIT UNION NATL ASSN, INC		
Do	ENGELHARD MINERALS & CHEMICALS CORP	11.66	1.84
Do	EQUIFAX, INC	5,170.50	256.71
Do	HOWARD ROSE COMPANY	1,000.00	50.00
Do	INDUSTRIAL OIL CONSUMERS GROUP		
Do	J. M. HUBER CORP	11.66	1.84
Do	MUTUAL OF OMAHA INSURANCE CO		
Do	NATIONAL HOME LIFE ASSURANCE COMPANY	2,496.75	210.66
Do	NORD RESOURCES CORP	11.66	1.84
Do	SOUTHEAST COMPACT COMMISSION		200.74
Do	STATE OF NEVADA		200.74
Do	STATE OF WASHINGTON		200.74
Do	THIELE KAOLIN CO	11.66	1.84
WILLIAM F. SUTHERLAND, 1750 K STREET, NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	150.00	
W. THOMAS SUTTLE, 1755 WILLARD ST., NW, #4 WASHINGTON DC 20009	INSTITUTE OF ELECTRICAL & ELECTRONICS ENGINEERS	2,566.00	680.00
WILLIAM W. SUTTLE, 1025 CONNECTICUT AVE., NW SUITE 415 WASHINGTON DC 20036	AMERICAN INSURANCE ASSN		
IRVING W. SWANSON, 11212 FARMLAND DRIVE ROCKVILLE MD 20852	HARRIS CORPORATION	17,200.00	1,892.09
DAVID A. SWEENEY, 25 LOUISIANA AVE., NW WASHINGTON DC 20001	INTERNATIONAL BROTHERHOOD OF TEAMSTERS	18,142.20	
SWIDLER BERLIN & STRELOW, CHTD, 1000 THOMAS JEFFERSON ST., NW #500 WASHINGTON DC 20007	AIRCO, INC		
Do	LUCASFILM, LTD		
Do	MD PEOPLE'S COUNSEL (NATL ASSN OF STATE UTIL CONSUMER ADVO)		
Do	NATIONAL COUNCIL OF COMMUNITY HOSPITALS	3,798.00	
Do	NATIONAL SHORTHAND REPORTERS ASSN		
TRICIA L. SWIFT, 1619 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL FOREST PRODUCTS ASSN	1,200.00	
RUSSELL A. SWINDELL, P.O. BOX 2635 RALEIGH NC 27602	NORTH CAROLINA RAILROAD ASSOCIATION		
RANDALL SWISHER, 2301 M STREET, NW WASHINGTON DC 20037	AMERICAN PUBLIC POWER ASSN	2,500.00	
DAVID A. SYKUTA, ILLINOIS PETROLEUM COUNCIL P.O. BOX 5034 SPRINGFIELD IL 62705	AMERICAN PETROLEUM INST		
CHRISTOPHER U. SYLVESTER, 1831 BRIAR RIDGE COURT MCLEAN VA 22101	GARRISON DIVERSION CONSERVANCY DISTRICT	6,000.00	464.03
MERRIBEL SYMINGTON, SUITE 540 1875 EYE STREET, NW WASHINGTON DC 20006	CHAMPION INTERNATIONAL CORPORATION		
SYSTEMATICS, INC, 4001 RODNEY PARHAM ROAD LITTLE ROCK AR 72212			
ROBERT TAFT JR., 1620 EYE ST., NW, #800 WASHINGTON DC 20006	TAFT, STETTINIUS & HOLLISTER (FOR: GROCERY MANUFACTURERS OF AMERICA, INC.).		
Do	TAFT STETTINIUS & HOLLISTER (FOR: INMONT CORP)		
Do	TAFT STETTINIUS & HOLLISTER (FOR: JAMES GRAHAM BROWN FOUNDATION)		
Do	TAFT STETTINIUS & HOLLISTER (FOR: KINGS ENTERTAINMENT CO)	250.00	
Do	TAFT, STETTINIUS & HOLLISTER (FOR: MACHINERY DEALERS NATIONAL ASSOCIATION).		
Do	TAFT, STETTINIUS & HOLLISTER (FOR: RCA GLOBAL COMMUNICATIONS, INC)		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	TAFT, STETTINIUS & HOLLISTER (FOR: SHERWIN-WILLIAMS CO)		34.04
Do	TAFT, STETTINIUS & HOLLISTER (FOR: SPECIAL COMM FOR WORKPLACE PRODUCT LIABILITY REFORM).	160.00	
Do	TAFT, STETTINIUS & HOLLISTER (FOR: TAFT BROADCASTING COMPANY)	2,000.00	
Do	TAFT, STETTINIUS & HOLLISTER (FOR: TELEPHONE & DATA SYSTEMS, INC.)		
Do	TAFT, STETTINIUS & HOLLISTER (FOR: WALD MANUFACTURING CO, INC)		
TAGGART & ASSOCIATES, INC, 1015 15TH STREET, NW, #200 WASHINGTON DC 20005	ANIMAL HEALTH INSTITUTE		
Do	MARION LABORATORIES, INC		
Do	TELEPHONE & DATA SYSTEMS, INC		
WALTER G. TALAREK, SUITE 405 1945 GALLOWS RD. VIENNA VA 22180	AMERICAN WOOD PRESERVERS INSTITUTE		
TALCOTT MCCABE & ASSOCIATES, SUITE 302, WEST WING 600 MARYLAND AVENUE, SW WASHINGTON DC 20024	HOLIDAY INNS, INC	1,850.00	
Do	NATIONAL ASSN OF HOMES FOR CHILDREN	2,400.00	
Do	SERVICEMASTER INDUSTRIES, INC	650.00	
TANAKA WALDERS & RITGER, 1919 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	ELECTRONIC INDUSTRIES ASSN OF JAPAN		
Do	JAPAN AUTOMOBILE TIRE MFGRS ASSN		
SUSAN TANNENBAUM, 2030 M ST., NW WASHINGTON DC 20036	COMMON CAUSE	5,281.26	105.85
AUGUSTINE D. TANTILLO, 1726 M STREET, NW WASHINGTON DC 20036	RUSSELL CORP	3,500.00	1,656.00
TARGET, INC., 13924 BRADDOCK RD. P.O. BOX 881 CENTREVILLE VA 22020			10,500.00
JOHN F. TATE, 3238 WYNFORD DRIVE FAIRFAX VA 22031	U.S. DEFENSE COMMITTEE	1,200.00	
M. LOUISE TATE, 3238 WYNFORD DRIVE FAIRFAX VA 22031	U.S. DEFENSE COMMITTEE	900.00	
SUSAN TATUM, 1619 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL FOREST PRODUCTS ASSN	1,600.00	
GRACA DA SILVA TAVARES, 17 PERKINS STREET WEST NEWTON MA 02165			
TAYLOR & MIZELL, 3000 LINCOLN PL., LB5 DALLAS TX 75201			
CHARLES A. TAYLOR III, 499 SOUTH CAPITOL ST., SW, #401 WASHINGTON DC 20003	NATIONAL ASSN OF INDEPENDENT INSURERS	1,000.00	
CHARLES E. TAYLOR, 1801 K STREET, NW, #1200 WASHINGTON DC 20006	IBM CORPORATION	1,000.00	500.00
MARGIE A. TAYLOR, P.O. BOX 21 MONTGOMERY AL 36101	ALABAMA RAILROAD ASSN		
PEGGY TAYLOR, 815 16TH ST., NW WASHINGTON DC 20006	AMERICAN FED OF LABOR & CONGRESS OF INDUSTRIAL ORGANIZATIONS	15,019.03	437.31
R. WILLIAM TAYLOR, 1575 EYE STREET, NW WASHINGTON DC 20005	AMERICAN SOC OF ASSN EXECUTIVES	300.00	
ROBERT C. TAYLOR, 3000 LINCOLN PLAZA, LB-5 DALLAS TX 75201	TAYLOR & MIZELL		
WILLIAM S. TAYLOR, 239 W. NEW YORK AVENUE LAS VEGAS NV 89107			
ELAYNE L. TEMPEL, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FEDERATION OF FEDERAL EMPLOYEES		
NORMAN J. TEMPLE, 155 DRESDEN AVENUE GARDINER ME 04345	MAINE YANKEE - CENTRAL MAINE POWER CO	1,320.00	1,446.84
PAUL M. TENDLER, 1110 VERMONT AVENUE, NW, #840 WASHINGTON DC 20005	TENDLER & BIGGINS (FOR: ADVANCED CELLULAR PHONE CO)		
Do	PAUL TENDLER ASSOCIATES, INC (FOR: AMERICAN LICENSED PRACTICAL NURSES ASSN).		
Do	PAUL TENDLER ASSOCIATES, INC (FOR: BASCOM, INC.)		
Do	TENDLER & BIGGINS (FOR: GEODESCO)		
Do	TENDLER & BIGGINS (FOR: MAI BASIC FOUR, INC)		
Do	PAUL TENDLER ASSOCIATES, INC (FOR: NATIONAL INSTITUTE OF TENANTS)		
Do	PAUL TENDLER ASSOCIATES, INC (FOR: RASCH ELEKTRONIK)		
Do	PAUL TENDLER ASSOCIATES, INC (FOR: SCHOENEMAN, INC)		
Do	TENDLER & BIGGINS (FOR: SOLARGISTICS CORP)		
Do	PAUL TENDLER ASSOCIATES, INC (FOR: SOUTHEASTERN EXPORTERS)		
BETTY-GRACE TERPSTRA, 918 16TH ST., NW, #402 WASHINGTON DC 20006	AMERICAN FURNITURE MANUFACTURERS ASSN		
Do	SCOTT PAPER CO		
MICHELLE C. TESSIER, 1818 N STREET, NW, #410 WASHINGTON DC 20036	NATIONAL ASSN OF PUBLIC TELEVISION STATIONS	600.00	150.00
TEXANS FOR A RESPONSIBLE AMERICA, 1300 MAIN STREET, #2100 HOUSTON TX 77002		31,292.34	22,486.11
TEXTRON, INC, 40 WESTMINSTER ST. PROVIDENCE RI 02903		2,850.00	580.00
THACHER PROFFITT & WOOD, SUITE 512 1140 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMOSKEAG SAVINGS BANK	331.20	57.00
Do	BANK OF VERMONT	331.20	57.00
Do	FAMILY-BACKED MORTGAGE ASSN, INC	2,024.54	226.00
Do	MAINE SAVINGS BANK	331.20	57.00
Do	MUTUAL SAVINGS CENTRAL FUND, INC	1,388.89	226.00
Do	NEW HAMPSHIRE SAVINGS BANK	331.20	57.00
Do	SALOMON BROTHERS, INC	10,442.50	226.50
Do	SAVINGS BANKS ASSN OF MASSACHUSETTS	385.77	226.00
MARY KAY THATCHER, 600 MARYLAND AVENUE, SW WASHINGTON DC 20024	AMERICAN FARM BUREAU FED	4,374.99	300.39
KAREN E. THEIBERT, 1750 K STREET, NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	200.00	
BRUCE D. THEVENOT, 1155 15TH ST., NW, #424 WASHINGTON DC 20005	CASSON CALLIGARO & MUTRYN (FOR HUMANA, INC)	3,900.00	
Do	NATIONAL FED OF LICENSED PRACTICAL NURSES	5,000.00	
Do	OKLAHOMA STATE NURSING HOME ASSN	4,740.00	
ALAN J. THIEMANN, 1199 N. FAIRFAX STREET, #801 ALEXANDRIA VA 22314	NATIONAL ASSN OF TRUCK STOP OPERATORS		
THIRD CLASS MAIL ASSOCIATION, 1341 G ST., NW, #500 WASHINGTON DC 20005		600.00	600.00
EDLU J. THOM, 919 18TH STREET, NW, #400 WASHINGTON DC 20006	DIAMOND SHAMROCK CORP		
DIANE KAY THOMAS, 2727 29TH ST., NW, #634 WASHINGTON DC 20008	AMERICAN ASSN OF MINORITY ENTERPRISE SMALL BUS. INVEST COS	3,665.00	
DORIS I. THOMAS, 15TH & M STS., NW WASHINGTON DC 20005	NATIONAL ASSN OF HOME BUILDERS OF THE U.S.		
GORDON M. THOMAS, 1090 VERMONT AVENUE, NW, #1100 WASHINGTON DC 20005	TEXTRON, INC	600.00	150.00
JAMES M. THOMAS JR., 100 INDIANA AVENUE, NW, #403 WASHINGTON DC 20001	AMALGAMATED TRANSIT UNION, NATL CAP LOCAL 689		
JOHN W. THOMAS, 119 ORONOCO STREET BOX 1417-D50 ALEXANDRIA VA 22313	ANIMAL HEALTH INSTITUTE		
MESHALL THOMAS, SUITE 400 2000 P STREET, NW WASHINGTON DC 20036	WOMEN'S LEGAL DEFENSE FUND		
PATRICIA THOMAS, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FEDERATION OF FEDERAL EMPLOYEES	9,448.40	
ROBERT L. THOMAS, 1319 F ST., NW WASHINGTON DC 20004	NATIONAL ASSN OF PRIVATE PSYCHIATRIC HOSPITALS	75.00	
THOMAS E. THOMASON, 1620 EYE STREET, NW, #703 WASHINGTON DC 20006	BECHTEL POWER CORP		
THOMPSON & MITCHELL, 1120 VERMONT AVENUE, NW, #1000 WASHINGTON DC 20005	AMERICAN INLAND WATERWAYS COMMITTEE	475.00	
Do	COLD FINISHED STEEL BAR INSTITUTE		76.53
Do	CONTACT LENS MANUFACTURERS ASSN	810.00	
Do	CROWN LIFE INSURANCE CO	9,000.00	4,091.13
Do	MIDLAND ENTERPRISES, INC		
Do	VALLEY LINE COMPANY		
BOYD THOMPSON, SUITE 210 5410 GROSVENOR LANE BETHESDA MD 20814	AMERICAN MEDICAL CARE & REVIEW ASSN		
THOMPSON HINE & FLORY, 1920 N ST., NW, #700 WASHINGTON DC 20036	ALLTEL CORPORATION	1,077.00	
Do	GREAT WESTERN SUGAR CO		
JAMES P. THOMPSON JR., 1957 E STREET, N.W. WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA		
KENNETH W. THOMPSON, 2021 K STREET, NW, #300 WASHINGTON DC 20006	INTERSTATE NATURAL GAS ASSOCIATION OF AMERICA		
MICHAEL F. THOMPSON, 1745 JEFFERSON DAVIS HIGHWAY, #511 ARLINGTON VA 22202	MANUFACTURED HOUSING INSTITUTE	700.00	100.00
NANCY THOMPSON, 1600 EYE STREET, NW WASHINGTON DC 20006	MOTION PICTURE ASSN OF AMERICA, INC		
ROBERT L. THOMPSON JR., P.O. BOX 70 FORT MILL SC 29715	SPRINGS INDUSTRIES, INC		10,972.35
W. REID THOMPSON, 1900 PENNSYLVANIA AVE., NW WASHINGTON DC 20068	POTOMAC ELECTRIC POWER CO	55.64	
JOHN A. THORNER, 1619 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL FOREST PRODUCTS ASSN		
WILLIAM R. THORNHILL, P.O. BOX 2511 HOUSTON TX 77001	TENNESSEE GAS PIPELINE CO	78.84	21.00
MARGO THORNING, 1850 K ST., NW, #520 WASHINGTON DC 20006	AMERICAN COUNCIL FOR CAPITAL FORMATION	208.00	
WALTER L. THREADGILL, 1220 19TH STREET, NW WASHINGTON DC 20036	STORER COMMUNICATIONS, INC	250.00	
SAMUEL THURM, 1725 K ST., NW WASHINGTON DC 20006	ASSOCIATION OF NATL ADVERTISERS		
WALLACE TILLMAN, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	148.00	
MARTIN R. TILSON JR , PO BOX 2563 BIRMINGHAM AL 35202	SOUTHERN NATURAL GAS CO	46.82	12.36
PATTI A. TILSON, SUITE 520 900 17TH STREET, NW WASHINGTON DC 20006	TOYOTA MOTOR SALES, U.S.A., INC	500.00	
C. H. TIMBERLAKE, 1825 K ST., NW, #1107 WASHINGTON DC 20006	PHILLIPS PETROLEUM COMPANY	975.00	254.82
TIMMONS & CO, INC, 1850 K ST., NW, #850 WASHINGTON DC 20006	AMERICAN BROADCASTING CO, INC	1,377.50	
Do	AMERICAN INLAND WATERWAYS COMMITTEE	1,425.00	
Do	AMERICAN PETROLEUM INST	1,050.00	
Do	AMOCO CORP	850.00	
Do	ANHEUSER-BUSCH COMPANIES, INC	807.50	
Do	ASSOCIATION OF TRIAL LAWYERS OF AMERICA	97.50	
Do	BOEING COMPANY	500.00	
Do	BROWN GROUP, INC	1,200.00	
Do	CAPITAL MARKETS GROUP	1,450.00	
Do	CHRYSLER CORPORATION	1,045.00	
Do	EASTERN AIR LINES, INC	1,105.00	
Do	G. D. SEARLE & CO		
Do	H. J. HEINZ CO	250.00	
Do	MAJOR LEAGUE BASEBALL	2,500.00	710.50
Do	MIDDLE SOUTH SERVICES, INC	500.00	
Do	MORGAN STANLEY & CO, INC	1,451.25	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	NATIONAL RIFLE ASSN OF AMER	400.00	
Do	NORTHROP CORP	1,050.00	
WILLIAM C. TINKLEPAUGH, 888 16TH STREET, NW WASHINGTON DC 20006	MILK INDUSTRY FOUNDATION/INT'L ASSN OF ICE CREAM MFRS		
CONSTANCE D. TIPTON, 888 16TH STREET, NW WASHINGTON DC 20006	MILK IND. FOUNDATION/INTL ASSN OF ICE CREAM MFRS		603.00
E. LINWOOD TIPTON, 888 16TH ST., NW WASHINGTON DC 20006	MILK IND FOUNDATION/INTL ASSN OF ICE CREAM MFRS		628.00
EBEN S. TISDALE, 1550 WILSON BLVD., #600 ARLINGTON VA 22209	HEWLETT-PACKARD CO	3,000.00	874.31
TITLE ASSOCIATES, INC., RT.2, BOX 89 COLUMBIA TN 38401			
TOBACCO ASSOCIATES, INC. SUITE 912 1101 17TH ST., NW WASHINGTON DC 20036			4,137.61
JAMES R. TOBIN, MACK CENTRE DR. PARAMUS NJ 07652	BECTON, DICKINSON & CO	2,000.00	
M. DOUGLAS TODD, SUITE 2300 1000 WILSON BOULEVARD ARLINGTON VA 22209	NORTHROP CORP		
DAVID R. TOLL, 2121 K STREET, NW, #880 WASHINGTON DC 20037	WESTERN UTILITIES CLEAN AIR GROUP		
WILLIAM R. TOLLEY JR , PO BOX 37 MELBOURNE FL 32919	HARRIS CORPORATION		621.66
SALLY AUSTEN TOM, SUITE 1120 1522 K STREET, NW WASHINGTON DC 20005	AMERICAN COLLEGE OF NURSE-MIDWIVES		
EDWARD TONAT, 6723 BRIGADOON DRIVE BETHESDA MD 20817	ROBERT GOFF & ASSOCIATES, INC		
WILLIAM D. TOOHEY, 1899 L ST., NW, #600 WASHINGTON DC 20036	TRAVEL INDUSTRY ASSOCIATION OF AMERICA		
PETER W. TOOKER, 1920 N STREET, NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
JOHN G. TOTH, 2408 WANDA WAY RESTON VA 22091	RESTON ADVISER COMMITTEE		
GILBERT D. TOUGH, 70 NORTH MAIN ST. WILKES-BARRE PA 18711	BLUE CROSS OF N.E. PENNSYLVANIA		
WANDA TOWNSEND, 1724 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL CABLE TELEVISION ASSN, INC	962.00	
JOSEPH P. TRAINOR, 815 16TH ST., NW WASHINGTON DC 20006	BROTHERHOOD OF RAILWAY, AIRLINE & STEAMSHIP CLERKS	2,000.00	766.78
JEFFREY B. TRAMMELL, 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BROWNING-FERRIS INDUSTRIES, INC.).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: BUDD COMPANY)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: CHICAGO TITLE INSURANCE CO).	115.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: FIRST AMERICAN TITLE INSURANCE CO).	115.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: JOINT MARITIME CONGRESS).	57.90	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: LAWYERS TITLE INSURANCE CO).	115.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MIAMI CHAMBER OF COMMERCE).	460.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MOTOROLA, INC)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MUTUAL OF OMAHA)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: NATIONAL BROADCASTING CO, INC).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)	345.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SAFECO TITLE INSURANCE CO).	115.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SANTA FE CORP)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: SHAKLEE CORPORATION)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: STEWART TITLE GUARANTY CO).	115.00	
HUBERT TRAVAILLE, SUITE 510 1090 VERMONT AVE., NW WASHINGTON DC 20005	POTLATCH CORPORATION	2,500.00	102.90
TRAVEL & TOURISM GOVERNMENT AFFAIRS POLICY COUNCIL, SUITE 607 1899 L STREET, NW WASHINGTON DC 20036		1,885.00	1,885.00
TRAVEL INDUSTRY ASSOCIATION OF AMERICA, 1899 L ST., NW WASHINGTON DC 20036			
ERNEST B. TREMMEL, INC., 5908 ROSSMORE DRIVE BETHESDA MD 20014	BURNS & ROE, INC		
SALLY A. TRIPLETT, 1725 DESALES STREET, NW, #804 WASHINGTON DC 20036	SAMUEL E. STAVISKY & ASSOCIATES, INC (FOR: BROADCAST MUSIC INC. (BMI))		
EUGENE M. TRISKO, 9817 ROSENSTEEL AVENUE SILVER SPRING MD 20910	STERN BROS., INC		
VINCENT TRIVELLI, 815 16TH STREET, NW WASHINGTON DC 20006	AMERICAN FED OF LABOR & CONGRESS OF INDUSTRIAL ORGANIZATIONS	10,992.80	52.16
MICHAEL G. TROOP, 1709 NEW YORK AVENUE, NW, #801 WASHINGTON DC 20006	U.S. LEAGUE OF SAVINGS INSTITUTIONS	840.00	12.50
ROBERT C. TROUP, 730 SMITH RIDGE RD. NEW CANAAN CT 06840			
GEORGE G. TROUTMAN, SUITE 1100 1090 VERMONT AVE., NW WASHINGTON DC 20005	BELL HELICOPTER TEXTRON, INC	150.00	
ALEXANDER B. TROWBRIDGE, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS	1,250.00	
THOMAS TRUAX, 1200 15TH ST., NW WASHINGTON DC 20005	AMERICAN HEALTH CARE ASSN	3,300.00	
THOMAS L. TRUEBLOOD, 401 NORTH MICHIGAN AVE. CHICAGO IL 60611	INTERNATIONAL HARVESTER CO		949.16
TRUST FOR PUBLIC LAND, 82 SECOND ST. SAN FRANCISCO CA 94105			8,957.00
MOTOYUKI TSUTSUI, 919 18TH STREET, NW, #600 WASHINGTON DC 20006	TOYOTA MOTOR SALES U.S.A, INC		
ANH TU, SUITE 860 1029 VERMONT AVE., NW WASHINGTON DC 20005	PROJECT ADVISORY GROUP	360.71	46.50
TUCKER & VAUGHT, WESTERN FEDERAL SAVINGS BLDG., #1330 718 17TH ST. DENVER CO 80202	THE MANVILLE CORPORATION	2,000.00	
SHANNON B. TUEL, 311 FIRST STREET, NW WASHINGTON DC 20001	NATIONAL RESTAURANT ASSN		
B. ELIZABETH TUNNEY, 124 SALEM CHURCH ROAD MECHANICSBURG PA 17055	RETAIL, WHOLESALE & DEPT STORE UNION (INT'L), ET AL	7,380.00	1,325.05
BRIAN TURNER, 815 16TH STREET, NW WASHINGTON DC 20006	INDUSTRIAL UNION DEPARTMENT, AFL-CIO	7,218.25	135.50
JANE L. TURNER, 1920 N STREET, NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
WILLIAM W. TURNER, 1025 CONNECTICUT AVE., NW, #1014 WASHINGTON DC 20036	ENSERCH CORPORATION	5,000.00	2,538.33
RICHARD F. TURNEY, 1725 K ST., NW WASHINGTON DC 20006	COURTNEY, MCCAMANT & TURNEY	300.00	
MAX TURNIPSEED, 1155 15TH STREET, NW, #611 WASHINGTON DC 20005	ETHYL CORP	1,385.00	115.13
W. GLENN TUSSEY, 600 MARYLAND AVE., SW WASHINGTON DC 20024	AMERICAN FARM BUREAU FED	8,124.99	73.40
TWENTIETH CENTURY ENTERPRISES, 3615 WISCONSIN AVENUE, NW WASHINGTON DC 20016			
U.S. CANE SUGAR REFINERS' ASSN, 1001 CONNECTICUT AVE., NW WASHINGTON DC 20036		1,996.24	2,702.02
U.S. COMMITTEE FOR THE OCEANS, ROUTE 2 ARARAT VA 24053			
U.S. DEFENSE COMMITTEE, 3238 WYNFORD DRIVE FAIRFAX VA 22031		9,907.23	9,907.23
U.S. LEAGUE OF SAVINGS INSTITUTIONS, 111 E. WACKER DR. CHICAGO IL 60601			120,530.30
U.S. OUT OF CENTRAL AMERICA, P.O. BOX 42404 WASHINGTON DC 20015		2,266.11	2,101.36
U.S. PUBLIC INTEREST RESEARCH GROUP, 215 PENNSYLVANIA AVENUE WASHINGTON DC 20003		32,924.10	51,892.26
GILMAN UDELL, 1750 NEW YORK AVENUE, NW WASHINGTON DC 20006	INTERNATIONAL ASSN OF FIRE FIGHTERS	4,500.00	
JERRY G. UDELL, 1616 H ST., NW WASHINGTON DC 20006	AMERICAN RETAIL FEDERATION	300.00	33.50
KENJI UENO, 919 18TH STREET, NW, #600 WASHINGTON DC 20006	TOYOTA MOTOR SALES, U.S.A., INC		
PHILIP J. UFHOLZ, 1025 CONNECTICUT AVENUE, NW, #1010 WASHINGTON DC 20036	METROPOLITAN INSURANCE COS	1,000.00	
ROBERT D. UMPHREY JR., 1150 17TH STREET, NW WASHINGTON DC 20036	MAN-MADE FIBER PRODUCERS ASSN, INC	250.00	159.24
MANYA S. UNGAR, 10 BRANDYWINE COURT SCOTCH PLAINS NJ 07076	NATIONAL CONGRESS OF PARENTS & TEACHERS	161.14	887.75
STEVEN W. UNGLESBEE, 729 15TH STREET, NW WASHINGTON DC 20005	ASSOCIATED BUILDERS & CONTRACTORS, INC	2,500.00	
UNIFI, INC., P.O. BOX 19109 GREENSBORO NC 27419			450.36
UNION MUTUAL LIFE INSURANCE CO. 2211 CONGRESS ST. PORTLAND ME 04122			
UNIQUE ATHLETES, INC, 3 WOODLAND AVENUE WESTHAMPTON BEACH NY 11978			
UNITED BROTHERHOOD OF CARPENTERS & JOINERS OF AMERICA, 101 CONSTITUTION AVE., NW WASHINGTON DC 20001			37,565.48
UNITED FRESH FRUIT & VEGETABLE ASSN, 727 N. WASHINGTON ST. ALEXANDRIA VA 22314		4,216.00	1,156.59
UNITED GAS PIPE LINE CO, PO BOX 1478 HOUSTON TX 77001			
UNITED IRISH & AMERICAN SOCIETY OF ILLINOIS, BOX 219 3400 W. 111TH STREET CHICAGO IL 60655			
UNITED SERVICES AUTOMOBILE ASSOCIATION, 9800 FREDERICKSBURG ROAD SAN ANTONIO TX 78288			
UNITED WAY OF INDIANAPOLIS, COMMUNITY SERVICE COUNCIL OF METRO INDIANAPOLIS 1828 N. MERIDIAN STREET INDIANAPOLIS IN 46202.			
LLOYD N. UNSELL, 1101 16TH ST., NW WASHINGTON DC 20036	INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA		53.00
A. RUSSELL UPSHAW JR., 1030 15TH STREET, NW WASHINGTON DC 20005	EASTERN AIRLINES		105.00
MARIAN S. URNIKIS, 1120 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN	1,050.00	
UTILITY NUCLEAR WASTE MANAGEMENT GROUP, C/O EDISON ELECTRIC INSTITUTE 1111 19TH ST., NW WASHINGTON DC 20036.			
RONALD D. UTT, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.		263.13
MARY UYEDA, 1200 17TH STREET, NW WASHINGTON DC 20036	AMERICAN PSYCHOLOGICAL ASSN	2,018.00	166.35
ANTHONY VALANZANO, 1850 K STREET, NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC	2,400.00	
MATHEW VALENCIC, 201 MASSACHUSETTS AVE., NE SUITE 319 WASHINGTON DC 20002	HALT, INC		
JACK J. VALENTI, 1600 EYE ST., NW WASHINGTON DC 20006	MOTION PICTURE ASSN OF AMERICA, INC	450.00	
R. THOMAS VAN ARSDALL, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL COUNCIL OF FARMER COOPERATIVES	962.50	
RICHARD VAN DEUREN, 111 E. WISCONSIN AVENUE, NW, #1800 MILWAUKEE WI 53202	NATIONAL EMPLOYEE BENEFITS INST		199.62
JULIANE H. VAN EGMOND, SUITE 220 1575 EYE STREET, NW WASHINGTON DC 20005	AMERICAN CYANAMID CO	1,267.20	857.99
VAN FLEET ASSOCIATES, INC, SUITE 102 499 SOUTH CAPITOL ST., SW WASHINGTON DC 20003	CADILLAC GAGE	11,250.00	
Do	FORD AEROSPACE & COMMUNICATIONS CORP	3,300.00	
Do	MARCONI ELECTRONICS	5,050.00	
C. D. VAN HOUWELING, 1015 15TH ST., NW, #200 WASHINGTON DC 20005	NATIONAL PORK PRODUCERS COUNCIL		
NICK L. VAN NELSON, SUITE 540 1875 EYE STREET, NW WASHINGTON DC 20006	CHAMPION INTERNATIONAL CORPORATION		
VAN NESS FELDMAN SUTCLIFFE & CURTIS, P.C., 7TH FLOOR 1050 THOMAS JEFFERSON ST., NW WASHINGTON DC 20007	ALLIED-GENERAL NUCLEAR SERVICES		
Do	AMERICAN INST OF CERTIFIED PUBLIC ACCOUNTANTS	2,502.50	11.50

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	AMERICAN PRESIDENT LINES	52.50	
Do	ARCTIC SLOPE REGIONAL CORP		
Do	BRAE CORPORATION		
Do	CASTLE & COOKE, INC		
Do	CLEAN COAL TECHNOLOGY COALITION		
Do	COLUMBIA GAS SYSTEM SERVICE CORP		
Do	CONSUMERS UNITED FOR RAIL EQUITY (C.U.R.E.)	7,945.00	87.00
Do	HAWAIIAN ELECTRIC COMPANY, INC	2,292.50	18.50
Do	INTERNATIONAL LEISURE HOSTS, LTD		
Do	JACOBS ENGINEERING GROUP, INC		
Do	NATOMAS CO	1,242.50	
Do	NORTHWEST POWER CO	682.50	
Do	PEABODY HOLDING CO, INC		
Do	REPUBLIC GEOTHERMAL, INC		
Do	REPUBLIC OF PALAU	542.50	
Do	STATE OF ALASKA		
Do	TEXAS AIR CORP	2,117.50	
Do	UNION CARBIDE CORP		
DEBRA J. VANDERBEEK, 1575 EYE STREET, NW, #200 WASHINGTON DC 20005	AMERICAN CYANAMID CO	76.00	108.58
THERESA VARNER, 1909 K STREET, NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	499.01	
JENNIFER VASILOFF, 1730 M STREET, NW WASHINGTON DC 20036	LEAGUE OF WOMEN VOTERS OF THE U.S.	2,672.09	47.46
ROBYN E. VAUGHAN, 1600 M ST., NW WASHINGTON DC 20036	INVESTMENT COMPANY INSTITUTE		
JOHN P. VENNERS, 1899 L ST., NW, #1250 WASHINGTON DC 20036	VENNERS & CO (FOR: KOCH INDUSTRIES)		
VENTURE ENTREPRENEURS, INC., 1201 SAN MARCO BLVD., #204 JACKSONVILLE FL 32207			
STEPHEN J. VERDIER, 1625 MASSACHUSETTS AVENUE, NW, #202 WASHINGTON DC 20036	INDEPENDENT BANKERS ASSN OF AMERICA	14,075.00	1,803.70
JERRY T. VERKLER, 1660 L STREET, NW, #601 WASHINGTON DC 20036	INTERSTATE NATURAL GAS ASSOCIATION OF AMERICA	6,250.00	195.54
VERNER LIIPFERT BERNHARD MCPHERSON & HAND, CHTD, 1660 L STREET, NW, #1000 WASHINGTON DC 20036	BROWN & ROOT, INC	1,400.00	
Do	ICAHN & COMPANY, INC	5,745.00	
Do	JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS		
Do	ORION SATELLITE CORP	612.50	
Do	TURNER BROADCASTING SYSTEM, INC	1,672.50	
FRANK VERRASTRO, 1155 15TH STREET, NW, #600 WASHINGTON DC 20005	PENNZOIL COMPANY	937.50	
LINDA VICKERS, 1706 23RD ST., SOUTH ARLINGTON VA 22202	NATIONAL ASSN OF CROP INUSRANCE AGENTS	17,374.98	
R. ERIC VIGE, SUITE 300 1747 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20006	CITIES SERVICE OIL & GAS CORP	210.00	54.00
MICHAEL F. VIGIL JR., 900 THIRD AVENUE NEW YORK NY 10022	INTERNATIONAL GOLD CORPORATION LIMITED		
ANNE L. VIGNOVIC, 1750 K STREET, NW WASHINGTON DC 20006	U.S. BREWERS ASSN, INC		
RALPH VINOVICH, 1875 EYE STREET, NW, #800 WASHINGTON DC 20006	TOBACCO INSTITUTE	5,000.00	184.10
VINSON & ELKINS, 1101 CONNECTICUT AVE., NW, #900 WASHINGTON DC 20036	SECTION 936 STEERING COMMITTEE	390.00	
Do	WARBURG PINCUS CAPITAL CORP	393.75	
Do	WARNER AMEX CABLE COMMUNICATIONS, INC	117.50	
WALTER D. VINYARD JR., ZUCKERT, SCOUTT, RASENBERGER & JOHNSON 888 17TH ST., NW, 7TH FL. WASHINGTON DC 20006.	CONTINENTAL INSURANCE COMPANIES	25,000.00	
Do	HARTFORD INSURANCE GROUP		
Do	ITT CORP	2,000.00	
Do	NATIONAL FRATERNAL CONGRESS OF AMERICA	30,000.00	
VIRGINIA ASSOCIATION OF RAILWAY PATRONS, P.O.BOX 867 RICHMOND VA 23207		10.63	10.63
GEORGE A. VIVERETTE JR., 8111 GATEHOUSE ROAD FALLS CHURCH VA 22047	AMERICAN AUTOMOBILE ASSN		
NICK J. VOLCHEFF, 2509 E. SAN MIGUEL PHOENIX AZ 85016	AT&T		
VOLKSWAGEN OF AMERICA, INC, 490 L'ENFANT PLAZA, SW, #3210 WASHINGTON DC 20024			620.00
DOUGLAS K. VOLLMER, 801 18TH ST., NW WASHINGTON DC 20006	PARALYZED VETERANS OF AMERICA	10,512.72	
VOLPE BOSKEY & LYONS, SUITE 602 918 16TH STREET, NW WASHINGTON DC 20006	AMERICAN ASSN OF EQUIPMENT LESSORS		
INGRID A. VOORHEES, 1957 E ST., NW WASHINGTON DC 20006	ASSOCIATED GENERAL CONTRACTORS OF AMERICA	2,000.00	500.00
VORYS SATER SEYMOUR & PEASE, 1828 L STREET, NW, #1111 WASHINGTON DC 20036	CABOT CORPORATION	452.00	116.87
Do	COMMITTEE OF PUBLICLY OWNED COMPANIES		
Do	GROCERY MANUFACTURERS OF AMERICA, INC		
Do	INTERNATIONAL AGRICULTURAL DEVELOPMENT SERVICE	13,931.90	339.65
Do	OHIO MFRS ASSN	2,394.75	715.71
Do	OHIO OIL & GAS ASSN		
Do	SCM CORPORATION	3,000.00	
Do	TOLEDO TRUSTCORP	15,600.00	1,264.32
Do	YANKEE RESOURCES, INC		
W.A.W. WAR AGAINST WOMEN, 1224 FREEMONT ROSEBURG OR 97470			
R. B. WACKERLE, 1000 WILSON BOULEVARD, #2300 ARLINGTON VA 22209	NORTHROP CORP		
ROBERT J. WAGER, 3RD FLOOR 1111 14TH ST., NW WASHINGTON DC 20005	AMERICAN BAKERS ASSN	1,951.25	5.25
WAGNER & BARODDY, INC, 1100 17TH STREET, NW, #804 WASHINGTON DC 20036	AMERICAN BUSINESS PRESS	14,218.75	3,207.77
Do	CHICAGO AND NORTHWESTERN RAILROAD	1,625.00	940.79
Do	CSX CORPORATION	31,187.50	9,925.26
Do	DAEWOO INTERNATIONAL CORP	3,468.75	1,092.16
Do	E-SYSTEMS		
Do	JARTRAN, INC		
Do	LANIHAU CORPORATIONS		
Do	NATIONAL BEER WHOLESALERS OF AMERICA	7,968.75	2,078.62
Do	NATIONAL DEBT REPAYMENT FOUNDATION		
Do	NORTH AMERICAN BANCORPORATION	1,468.75	577.17
Do	UNITED NATIONS EDUCATIONAL SCIENTIFIC & CULTURAL ORGAN		
KERRI WAGNER, 1155 15TH STREET, NW WASHINGTON DC 20005	NATIONAL BROILER COUNCIL	1,250.00	
HOWARD W. WAHL, P.O. BOX 1000 ANN ARBOR MI 48106	BECHTEL POWER CORPORATION		
CHRISTINE M. WAISANEN, NEW MURPHY ROAD & CONCORD PIKE WILMINGTON DE 19897	ICI AMERICAS, INC		
HERBERT R. WAITE, 100 FEDERAL ST. BOSTON MA 02110	BANK OF BOSTON CORPORATION		
Do	FIRST NATIONAL BANK OF BOSTON	8,750.00	8,281.31
JOHN A. WAITS, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	FARM CREDIT COUNCIL	825.00	
WALD HARKRADER & ROSS, 1300 19TH ST., NW WASHINGTON DC 20036	EMPACADORA DEL NORTE, S.A.		
ANGELA S. WALDORF, N.C. PETROLEUM COUNCIL P.O. BOX 167 RALEIGH NC 27602	AMERICAN PETROLEUM INST		
ROBERT E. WALDRON, ASSOCIATED PETROLEUM INDUSTRIES OF MICHI 930 MICHIGAN NATL TOWER, PO BOX 10070 LANSING MI 48901.	AMERICAN PETROLEUM INST	845.00	1,016.56
CHARLS E. WALKER ASSOCIATES, INC, 1730 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	AGRICO CHEMICAL COMPANY, ET AL	5,000.00	
Do	ALABAMA POWER CO	2,500.00	
Do	ALUMINUM COMPANY OF AMERICA	750.00	
Do	AMERICAN TELEPHONE & TELEGRAPH CO	5,750.00	
Do	ARTHUR ANDERSON & CO	5,625.00	
Do	ANHEUSER-BUSCH COMPANIES, INC	3,750.00	
Do	CBS, INC	12,000.00	
Do	CHAMPION INTERNATIONAL CORP	750.00	
Do	COPIAT	2,500.00	
Do	DEALER BANK ASSN	9,000.00	
Do	DRESSER INDUSTRIES, INC	750.00	
Do	E. I. DU PONT DE NEMOURS & CO	750.00	
Do	FEDERAL NATIONAL MORTGAGE ASSN		
Do	FORD MOTOR CO	750.00	
Do	GOODYEAR TIRE & RUBBER CO	750.00	
Do	GTE CORPORATION	750.00	
Do	IBM	1,500.00	
Do	INDEPENDENT REFINERS COALITION	11,250.00	
Do	LONE STAR STEEL CO	1,562.50	
Do	NORTHVILLE INDUSTRIES CORP	6,000.00	
Do	NORTHWESTERN MUTUAL LIFE INSURANCE CO	1,565.00	
Do	OWENS-ILLINOIS	750.00	
Do	PROCTER & GAMBLE MANUFACTURING CO	750.00	
Do	PUBLIC SECURITIES ASSN	6,000.00	
Do	SCOTT PAPER CO	750.00	
Do	SIMUFLITE TRAINING INTERNATIONAL, INC	1,500.00	
Do	SONGWRITERS GUILD		
Do	UNION CARBIDE CORP	750.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	UNOCAL CORPORATION	20,000.00	
Do	WEYERHAEUSER CO	2,000.00	
R. DUFFY WALL & ASSOCIATES, INC, 1317 F STREET, NW, #400 WASHINGTON DC 20004	BALCOR/AMERICAN EXPRESS, INC	1,000.00	300.00
Do	BRINKS, INC	1,000.00	300.00
Do	FOOTWEAR RETAILERS OF AMERICA	1,500.00	600.00
Do	JMB REALTY CORP	1,000.00	300.00
Do	LIBERTY NATIONAL	1,000.00	600.00
Do	LIFE OF VIRGINIA	1,000.00	600.00
Do	MORGAN GUARANTY TRUST CO	1,500.00	600.00
Do	PHARMACEUTICAL MANUFACTURERS ASSN	1,500.00	600.00
Do	WINE & SPIRITS WHOLESALERS OF AMERICA, INC	1,000.00	600.00
MARTIN A. WALL, 1025 VERMONT AVENUE, NW, #800 WASHINGTON DC 20005	AMERICAN OSTEOPATHIC HOSPITAL ASSN	2,225.00	470.00
WALLACE & EDWARDS, 1150 CONNECTICUT AVE., NW, #507 WASHINGTON DC 20036	ALABAMA FARM BUREAU FEDERATION	6,000.00	981.58
Do	AMERICAN MEAT INSTITUTE	12,000.00	68.51
Do	AMERICAN SUGAR CANE LEAGUE OF THE USA, INC	6,000.00	4,490.10
Do	ARROW TRANSPORTATION CO		
Do	COTTON WAREHOUSE ASSOCIATION OF AMERICA	11,000.00	
Do	GROCERY MANUFACTURERS OF AMERICA, INC	1,000.00	
Do	NATIONAL COTTON COUNCIL OF AMERICA	7,500.00	5.80
Do	NATIONAL WOOL GROWERS ASSN	3,750.00	287.07
Do	SERVICE CORPORATION INTERNATIONAL	6,000.00	640.28
RAYMOND C. WALLACE, 5025 WISCONSIN AVENUE, NW WASHINGTON DC 20016	AMALGAMATED TRANSIT UNION, AFL-CIO		
LIONEL L. WALLENROD, 260 MADISON AVE. NEW YORK NY 10016	AMERICAN PAPER INST, INC		
R. DOUGLAS WALLIN JR , 1235 JEFFERSON DAVIS HWY. ARLINGTON VA 22202	EMERSON ELECTRIC CO		228.02
CHARLES S. WALSH, FLEISCHMEN & WALSH 1725 N ST., NW WASHINGTON DC 20036	NATIONAL CABLE TELEVISION ASSN, INC		
JAMES P. WALSH, DAVIS WRIGHT TODD RIESE & JONES 1752 N ST., NW, #800 WASHINGTON DC 20036	AMERICAN TUNABOAT ASSN	5,000.00	
HENRY L. WALTHER, 3238 WYNFORD DRIVE FAIRFAX VA 22031	U.S. DEFENSE COMMITTEE	3,000.00	
JAMES K. WALTON, 1819 L STREET, NW, #820 WASHINGTON DC 20036	SANTA FE INTERNATIONAL CORP		
WILLIAM C. WAMPLER, 412 FIRST STREET, SE WASHINGTON DC 20003	AMERICAN MEAT INSTITUTE		
Do	AMERICAN PEANUT PRODUCT MANUFACTURERS, INC	9,000.00	
HERBERT C. WAMSLEY, 1800 M STREET, NW, #1030N WASHINGTON DC 20036	INTELLECTUAL PROPERTY OWNERS, INC	17,539.00	
BONNIE B. WAN, 1201 PENNSYLVANIA AVENUE, #730 WASHINGTON DC 20004	KIMBERLY-CLARK CORP		
JOHN F. WANAMAKER, 201 N. WASHINGTON, ST. ALEXANDRIA VA 22314	RETIRED OFFICERS ASSN	2,350.00	
ALAN S. WARD, 1050 CONNECTICUT AVE., NW, #1100 WASHINGTON DC 20036	BAKER & HOSTETLER (FOR: SOAP & DETERGENT ASSN)		
JUSTIN R. WARD, 1350 NEW YORK AVENUE, NW, #300 WASHINGTON DC 20005	NATURAL RESOURCES DEFENSE COUNCIL, INC	1,316.42	35.10
STEPHEN E. WARD, 1919 PENNSYLVANIA AVENUE, NW, #503 WASHINGTON DC 20006	MID-CONTINENT OIL & GAS ASSN	2,759.85	125.00
THOMAS J. WARD, 70 N. MAIN STREET WILKES-BARRE PA 18711	BLUE CROSS OF NORTHEASTERN PENNSYLVANIA		
RICHARD D. WARDEN, 1757 N ST., NW WASHINGTON DC 20036	UNITED AUTO, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS	18,481.91	217.00
JACK WARE, 1220 L STREET, NW WASHINGTON DC 20005	AMERICAN PETROLEUM INST	7,680.00	343.80
MICHAEL O. WARE, 1701 PENNSYLVANIA AVENUE, NW, #900 WASHINGTON DC 20006	CONOCO, INC	1,750.00	
WILLIAM L. WARFIELD, 3900 WISCONSIN AVENUE, NW WASHINGTON DC 20016	FEDERAL NATIONAL MORTGAGE ASSN		
PETER F. WARKER, SUITE 2700 1000 WILSON BOULEVARD ARLINGTON VA 22209	TRW, INC	1,250.00	
ERNEST R. WARNER JR., 1818 N ST., NW WASHINGTON DC 20036	ARIANESPACE, S.A		201.41
Do	DGA INTERNATIONAL, INC. (FOR: DIR INTL AFF OF THE GEN DEL FOR ARMEMENTS)		
Do	DGA INTERNATIONAL, INC. (FOR: SNECMA)		166.84
Do	DGA INTERNATIONAL, INC. (FOR: SOFREAVIA)		
Do	THOMSON-CSF DIVISION SYSTEMS ELECTRONIQUE OF FRANCE		
WILLIAM H. WARNER, 1201 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20004	CONTROL DATA CORP	500.00	27.05
CHRISTINE M. WARNKE, SUITE 300 1101 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	AMERICAN TEXTILE MANUFACTURERS INSTITUTE, INC	400.00	275.85
B. JACK WARREN, P.O. BOX 95385 ATLANTA GA 30347	FOREST FARMERS ASSN	229.15	462.00
BARBARA J. WASHBURN, 1201 PENNSYLVANIA AVENUE, NW, #370 WASHINGTON DC 20004	CONTROL DATA CORPORATION	1,160.00	164.57
WASHINGTON BUR. FOR THE REP. OF THE SOCS. FOR THE DEFENSE... 4301 COLUMBIA PIKE, #405 ARLINGTON VA 22204			
WASHINGTON INDEPENDENT WRITERS, INC, 1341 G ST., NW, #205 WASHINGTON DC 20005			
WASHINGTON INDUSTRIAL TEAM, INC, 499 S. CAPITOL ST., SW, #520 WASHINGTON DC 20003	BOEING COMPANY	900.00	423.32
Do	HUGHES AIRCRAFT COMPANY	1,500.00	705.54
Do	ROCKWELL INTL	1,500.00	705.54
WATERBED MANUFACTURERS ASSN, 1411 WEST OLYMPIC BOULEVARD LOS ANGELES CA 90015			2,000.00
RONALD D. WATERMAN, 4802 TABARD PLACE ANNANDALE VA 22003	MILWAUKEE COUNTY-INTERGOVERNMENTAL RELATIONS	9,375.00	183.90
Do	WISCONSIN COUNTIES ASSN	4,100.00	52.49
CLARKE R. WATSON, 655 BROADWAY, #425 DENVER CO 80203	WESTLAND COMPANIES, INC		
KENNETH W. WATSON, 900 THIRD AVENUE NEW YORK NY 10022	INTERNATIONAL GOLD CORPORATION LIMITED	75.00	
STEPHEN L. WATSON, 143 W. MARKET ST., #201 INDIANAPOLIS IN 46204	INDIANA RAILROAD ASSN	600.00	915.36
CAROLYN HERR WATTS, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	50.00	
DOUGLAS R. WATTS, 1724 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL CABLE TELEVISION ASSN, INC	1,300.00	
GEORGE B. WATTS, 1155 15TH ST., NW WASHINGTON DC 20005	NATIONAL BROILER COUNCIL	1,500.00	
BRUCE H. WATZMAN, 1130 17TH STREET, N.W. WASHINGTON DC 20036	NATIONAL COAL ASSN	5,750.00	357.07
WILLIAM H. WEATHERSPOON, NORTH CAROLINA PETROLEUM COUNCIL PO BOX 167 RALEIGH NC 27602	AMERICAN PETROLEUM INST	800.00	1,049.08
A. VERNON WEAVER, 2121 K STREET, NW, #830 WASHINGTON DC 20037	STEPHENS OVERSEAS SERVICES, INC		
MARY WEBB, 1050 17TH STREET, NW, #770 WASHINGTON DC 20036	AMERICAN ASSN OF HOMES FOR THE AGING	189.00	32.15
ANDREW H. WEBBER, 440 FIRST STREET, NW, #510 WASHINGTON DC 20001	AMERICAN MEDICAL PEER REVIEW ASSN		
FREDERICK L. WEBBER, 1101 16TH STREET, NW WASHINGTON DC 20036	NATIONAL SOFT DRINK ASSN		278.04
SUSAN WEBER, 1346 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	ZERO POPULATION GROWTH, INC	10.00	6.00
WEBSTER & SHEFFIELD, 1200 NEW HAMPSHIRE AVE., NW, #350 WASHINGTON DC 20036	ASARCO CORPORATION	360.00	
Do	PINKERTON TOBACCO CO		
Do	POGO PRODUCING CO		
WEBSTER CHAMBERLAIN & BEAN, 1747 PENNSYLVANIA AVE., NW, #1000 WASHINGTON DC 20006	BEER INDUSTRY ALLIANCE		
Do	INTERNATIONAL TAXICAB ASSN	2,300.00	
Do	MILLER BREWING COMPANY	1,625.00	118.00
Do	WATERBED MANUFACTURERS ASSN	2,000.00	
LEE J. WEDDIG, SUITE 580 2000 M ST., NW WASHINGTON DC 20036	NATIONAL FISHERIES INST	4,000.00	75.00
DAVID F. WEEDA, OLSSON AND FRANK 1029 VERMONT AVE., NW, #400 WASHINGTON DC 20005	NATIONAL ASSN OF MARGARINE MANUFACTURERS	2,000.00	
CHARLES W. WEGNER JR., 600 PENNSYLVANIA AVENUE, SE, #203 WASHINGTON DC 20003	PROFESSIONAL INSURANCE AGENTS	500.00	6,679.00
JACK R. WEHRLY, SUITE 790 SOUTH 1800 M ST., NW WASHINGTON DC 20036	DOW CORNING CORPORATION		
THEODORE F. WEIHE, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	U.S. OVERSEAS COOPERATIVE DEVELOPMENT COMMITTEE	2,812.00	
STEVEN A. WEIN, 1090 VERMONT AVENUE, NW, #1100 WASHINGTON DC 20005	TEXTRON, INC	600.00	150.00
DONALD G. WEINERT, 1420 KING ST. ALEXANDRIA VA 22314	NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS	1,500.00	
TAMARA WEINSTEIN, 1830 17TH STREET, NW, #704 WASHINGTON DC 20036	RAINBOW ALLIANCE		20.00
ARTHUR E. WEISBERG, 2200 FIRST BANK PLACE EAST MINNEAPOLIS MN 55402	DORSEY & WHITNEY		
ARTHUR A. WEISS, 1800 FIRST NATIONAL BUILDING DETROIT MI 48226	JAFFE SNIDER RAITT & HEUER, P.C		
MORTON N. WEISS, SUITE 4511 ONE WORLD TRADE CENTER NEW YORK NY 10048	NATIONAL SECURITY TRADERS ASSN, INC	4,375.00	277.97
STANLEY A. WEISS, SUITE 401 21 DUPONT CIRCLE, NW WASHINGTON DC 20036	BUSINESS EXECUTIVES FOR NATIONAL SECURITY		
MARK G. WEISSHAAR, HUNTON & WILLIAMS 2000 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20006	ORBITAL SCIENCES CORP	187.50	
DON WELCH, P.O. BOX 841 ABILENE TX 79604	WEST TEXAS UTILITIES CO		
KATHLEEN WELCH, 215 PENNSYLVANIA AVE., SE WASHINGTON DC 20003	U.S. PUBLIC INTEREST RESEARCH GROUP	3,500.00	
WELLFORD WEGMAN KRULWICH & HOFF, 1775 PENNSYLVANIA AVE., NW, #450 WASHINGTON DC 20006	CANADIAN EMBASSY	850.00	
Do	CBS, INC	2,880.00	
Do	COALITION AGAINST DOUBLE TAXATION, INC	750.00	
Do	DEPARTMENT OF NATURAL RESOURCES, PROVINCE OF MANITOBA	1,250.00	
Do	GRANTS & CONTRACTS PROJECTS, UNITED WAY OF AMERICA	200.00	
Do	MANVILLE CORP	3,000.00	
Do	MITEX		
L. H. WELLS, SUITE 200 1025 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	SHELL OIL CO	500.00	
FRED WERTHEIMER, 2030 M ST., NW WASHINGTON DC 20036	COMMON CAUSE	16,050.00	210.00
ROLAND WESLEY, 1159 QUAIL RUN BOLINGBROOK IL 60439	COMMITTEE FOR MINOR. ACCESS TO POST SECOND. SCHOOL OWNERSHIP		
CHARLES M. WEST, 205 DAINGERFIELD ROAD ALEXANDRIA VA 22314	NATIONAL ASSN OF RETAIL DRUGGISTS	1,500.00	300.00
WEST COAST FABRICATORS & STEEL INDUSTRY ASSN, 2324 NAVY DRIVE STOCKTON CA 95206		10,833.34	1,920.37
FORD B. WEST, 1015 18TH STREET, NW WASHINGTON DC 20036	FERTILIZER INSTITUTE	25,000.00	1,284.92
WEST MEXICO VEGETABLE DISTRIBUTORS ASSN, PO BOX 848 NOGALES AZ 85621			1,000.00
PAMELA R. WEST, 1200 17TH STREET, NW WASHINGTON DC 20036	AMERICAN PSYCHOLOGICAL ASSN	1,875.00	100.03
WEST TEXAS LAND & ROYALTY OWNERS ASSN., 4302 AIRPORT BLVD. AUSTIN TX 78722		18.00	
W. P. WEST 1629 K ST., NW ROOM 204 WASHINGTON DC 20006	DELTA AIR LINES, INC	273.00	197.90
WESTERN FUELS ASSOCIATION, INC, 700 JEFFERSON BUILDING 1225 19TH ST., NW WASHINGTON DC 20036			25,609.18

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
JOHN F. WETZEL JR., 412 FIRST ST., SE, #200 WASHINGTON DC 20003	ASSOCIATION OF AMERICAN RAILROADS	190.79	263.93
WEXLER REYNOLDS HARRISON & SCHULE, INC, SUITE 600 1317 F STREET, NW WASHINGTON DC 20004	AETNA LIFE & CASUALTY		
Do	ALLIED CORPORATION	700.00	179.10
Do	AMERICAN AIRLINES	6,200.00	291.60
Do	AMERICAN LOW POWER TELEVISION ASSN		
Do	AMUSEMENT & MUSIC OPERATORS ASSN	1,875.00	800.97
Do	COMMUNICATIONS SATELLITE CORP	2,205.00	76.50
Do	CURTIN MAHONEY & CAIRNS	390.00	223.58
Do	DEALER BANK ASSN COMMITTEE ON GLASS-STEAGALL REFORM	3,500.00	163.53
Do	DYCO PETROLEUM CO	3,675.00	49.64
Do	FOOTHILLS PIPE LINES (YUKON) LTD		6.00
Do	GENERAL MOTORS CORP		72.32
Do	HOECHST-ROUSSEL PHARMACEUTICALS, INC		
Do	INEXCO OIL CO		
Do	MANVILLE CORPORATION	9,200.00	331.75
Do	MORGAN STANLEY & CO, INC	6,680.00	6.00
Do	MOTION PICTURE ASSN OF AMERICA, INC	3,900.00	272.81
Do	NATIONAL CABLE TELEVISION ASSN, INC	8,500.00	13.50
Do	NATIONAL RADIO BROADCASTERS ASSOCIATION	600.00	18.00
Do	NEW ENGLAND ELECTRIC SYSTEM	745.00	35.90
Do	NEW YORK POWER AUTHORITY		
Do	NORTHWEST AIRLINES, INC	2,000.00	6.00
Do	NOVA, AN ALBERTA CORP		
Do	NOVACOR CHEMICALS, LTD	2,725.00	54.64
Do	ROCK-OLA MANUFACTURING CORP	260.00	
Do	SECURITY INVESTMENT CO		
Do	STORER COMMUNICATIONS, INC	4,450.00	168.36
Do	TURNER BROADCASTING SYSTEMS, INC	15,680.00	3,081.87
ROBERT G. WEYMUELLER, 1101 VERMONT AVENUE, NW, #402 WASHINGTON DC 20005	VIACOM INTERNATIONAL, INC	6,480.00	729.54
BRIAN B. WHALEN JR., 401 N. MICHIGAN AVE, CHICAGO IL 60611	AMERICAN LUNG ASSN	4,563.00	4,366.00
CURTIS E. WHALEN, 490 L'ENFANT PLAZA, SW, #3202 WASHINGTON DC 20024	INTERNATIONAL HARVESTER CO	1,250.00	309.13
ELLAN WHARTON, 1701 PENNSYLVANIA AVENUE, NW, #900 WASHINGTON DC 20006	TRANSCO ENERGY COMPANY	4,500.00	4,427.23
LEONARD P. WHEAT, 1111 14TH ST., NW, #1200 WASHINGTON DC 20005	E. I. DU PONT DE NEMOURS & CO, INC		
CHARLES W. WHEELER, 1120 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	AMERICAN DENTAL ASSN	1,000.00	
JUNE M. WHELAN, SUITE 600 S 1120 20TH STREET, NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN	1,500.00	144.84
WHITE & CASE, 1747 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	UNION PACIFIC CORPORATION	1,250.00	
DEBORAH A. WHITE, 1333 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	ALLEGHANY CORPORATION		
DIANE WHITE, 122 C ST., NW, #800 WASHINGTON DC 20001	ATLANTIC RICHFIELD CO	29.20	
DONALD F. WHITE, 1616 H ST., NW WASHINGTON DC 20006	CONCERNED WOMEN FOR AMERICA	3,600.00	12.00
DON WHITE, 1200 17TH STREET, NW WASHINGTON DC 20036	AMERICAN RETAIL FEDERATION	1,500.00	145.00
WHITE FINE & VERVILLE, SUITE 1100 1156 15TH ST., NW WASHINGTON DC 20005	AMERICAN PSYCHOLOGICAL ASSOCIATION	1,907.40	57.90
Do	AMERICAN EDUCATORS OF ARKANSAS, INC, ET AL	30,000.00	
GEORGE E. WHITE JR., P.O. BOX 61000 NEW ORLEANS LA 70161	UNIVERSITY OF MARYLAND	50,000.00	
JOHN S. WHITE, 1800 M ST., NW, #975 WASHINGTON DC 20036	MIDDLE SOUTH SERVICES, INC	2,271.60	1,260.50
JOHN THOMAS WHITE II, SUITE 2202 490 L'ENFANT PLAZA EAST, SW WASHINGTON DC 20024	MARATHON OIL CO		
SAM WHITE, 412 FIRST STREET, SE WASHINGTON DC 20003	TENNECO INC		
Do	INDEPENDENT CATTLEMEN'S ASSN		
Do	NATIONAL PEANUT GROWERS GROUP	7,500.00	
WILLIAM R. WHITE, BRICKER & ECKLER 888 17TH STREET, NW, #1050 WASHINGTON DC 20006	SAM KANE PACKING		
Do	CONSOLIDATED RAIL CORP		
ALTON W. WHITEHOUSE, 1750 MIDLAND BLDG, CLEVELAND OH 44115	LINCOLN SAVINGS & LOAN ASSN	5,437.50	
MARSHALL E. WHITENTON, SUITE 600 1001 22ND ST., NW WASHINGTON DC 20037	STANDARD OIL CO (OHIO)		
FRED WHITING, 214 MASSACHUSETTS AVENUE, NE, #420 WASHINGTON DC 20002	STANDARD OIL CO (OHIO)	262.50	29.20
RICHARD M. WHITING, 730 15TH STREET, NW WASHINGTON DC 20005	AMERICAN SPACE FOUNDATION		
WHITMAN & RANSOM, 1333 NEW HAMPSHIRE AVE., NW, #650 WASHINGTON DC 20036	ASSOCIATION OF BANK HOLDING COS	937.50	
JAMES A. WHITMAN, P.O. BOX 1417-D49 ALEXANDRIA VA 22313	JAPAN EXTERNAL TRADE ORGANIZATION (JETRO)		161.58
ROBERT L. WHITMIRE, 1745 JEFFERSON DAVIS HIGHWAY, #1000 ARLINGTON VA 22202	NATIONAL ASSN OF CHAIN DRUG STORES, INC	500.00	
STEVEN C. WHITNEY, 27 SUNSET DRIVE ALEXANDRIA VA 22301	GENERAL DYNAMICS	1,000.00	557.07
WILLIAM F. WHITSITT, 1800 K ST., NW SUITE 820 WASHINGTON DC 20006	NATIONAL PARKS & CONSERVATION ASSN	462.00	75.00
DENNIS J. WHITTLESEY, KECK MAHIN & CATE 1730 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	SUN CO, INC	1,600.00	1,454.19
WILLIAM E. WICKERT JR., 1000 16TH STREET, NW, #800 WASHINGTON DC 20036	COWLITZ INDIAN TRIBE		
WICKWIRE LEWIS GOLDMARK & SCHOOR, 500 MAYNARD BLDG. SEATTLE WA 98104	BETHLEHEM STEEL CORPORATION	800.00	
RICHARD J. WIECHMANN, 1619 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	ARCTIC SLOPE REGIONAL CORP, ET AL		
JUDY A. WIEDEMEIER, 1875 I STREET, NW, #800 WASHINGTON DC 20006	AMERICAN PAPER INST, INC		
W. SCOTT WILBER, 1101 VERMONT AVENUE, NW WASHINGTON DC 20005	TOBACCO INSTITUTE	54.00	
ROBERT E. WILBUR, 3000 LINCOLN PL., LB5 DALLAS TX 75201	AMERICAN MEDICAL ASSN	3,975.00	492.44
THOMAS D. WILCOX, P.C., 2011 EYE STREET, NW, #705 WASHINGTON DC 20006	TAYLOR & MIZELL		
HARRY G. WILES II, 499 S. CAPITOL STREET, SW, #401 WASHINGTON DC 20003	NATIONAL ASSN OF STEVEDORES	1,830.00	1,830.00
GUENTHER O. WILHELM, SUITE 1100 1899 L STREET, NW WASHINGTON DC 20036	NATIONAL ASSN OF INDEPENDENT INSURERS		210.00
CARL B. WILKERSON, 1850 K STREET, NW WASHINGTON DC 20006	EXXON CORPORATION		
WILKINSON BARKER KNAUER & QUINN, 1735 NEW YORK AVE., NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
Do	AMERICAN ASSN OF PRESIDENTS OF INDEPENDENT COLL. & UNIVER	29,233.70	766.30
Do	BONNEVILLE INTERNATIONAL CORP	1,797.50	1.80
Do	CONFEDERATED SALISH & KOOTENAI TRIBES OF THE FLATHEAD RES		
Do	MANVILLE CORPORATION	19,998.50	2,232.29
Do	MOUNTAIN STATES TELEPHONE & TELEGRAPH CO	15,280.00	436.51
Do	NANA REGIONAL CORP, INC		
Do	NORTHWESTERN BELL TELEPHONE CO	15,280.00	436.51
Do	PACIFIC NORTHWEST BELL TELEPHONE CO	15,280.00	436.51
Do	J.C. PENNEY CO, INC	15,540.00	392.63
Do	SHEE ATIKA, INC		
Do	U.S. WEST, INC	15,280.00	436.51
Do	UNITED AIRLINES, INC	50,896.00	1,211.16
PAUL R. WILLGING, 1200 15TH STREET, NW WASHINGTON DC 20005	AMERICAN HEALTH CARE ASSN	6,875.00	36.00
RALPH E. WILLHAM, 1750 NEW YORK AVE., NW WASHINGTON DC 20006	SHEET METAL WORKERS' INTL ASSN	11,850.00	
WILLIAMS & CONNOLLY, 839 17TH ST., NW WASHINGTON DC 20006	NINA COHEN	2,011.25	20.00
BARRETT WILLIAMS, 417 NEW JERSEY AVE., SE WASHINGTON DC 20003	NATIONAL ASSN OF RAILROAD PASSENGERS	4,366.16	
F. LEE WILLIAMS, 1616 H ST., NW WASHINGTON DC 20006	AMERICAN RETAIL FEDERATION	1,600.00	
FLOYD L. WILLIAMS, 15TH & M STREETS, NW WASHINGTON DC 20005	NATIONAL ASSN OF HOME BUILDERS OF THE U.S		
KAREN WILLIAMS, 1750 K STREET, NW WASHINGTON DC 20006	HEALTH INSURANCE ASSN OF AMERICA		
LEONARD B. WILLIAMS, 1000 16TH STREET, NW, #800 WASHINGTON DC 20036	BETHLEHEM STEEL CORPORATION	235.00	
LUCINDA L. WILLIAMS, 1111 19TH ST., NW, #402 ARLINGTON VA 20036	FEDERATION OF AMERICAN HOSPITALS	5,500.00	
MARGIE R. WILLIAMS, 415 2ND ST., NE SUITE 300 WASHINGTON DC 20002	NATIONAL ASSN OF WHEAT GROWERS	1,902.56	
WILLIAMS MYERS & QUIGGLE, 888 17TH ST., NW WASHINGTON DC 20006	CHURCH ALLIANCE FOR CLARIFICATION OF ERISA	15,433.38	374.63
ROBERT E. WILLIAMS, 1825 K ST., NW, #607 WASHINGTON DC 20006	UNITED AIRLINES	1,500.00	
THOMAS F. WILLIAMS, 6812 OLD KENT ROAD AMARILLO TX 79109	SOUTHWESTERN PUBLIC SERVICE CO	769.90	333.55
DAVID K. WILLIS, 1620 EYE STREET, NW, #1000 WASHINGTON DC 20006	MOTOR VEHICLE MANUFACTURERS ASSOCIATION OF THE U.S., INC		
CHARLOTTE M. WILMER, 1800 MASSACHUSETTS AVE., NW WASHINGTON DC 20036	NATIONAL RURAL ELECTRIC COOPERATIVE ASSN	130.00	
WILMER CUTLER & PICKERING, 1666 K ST., NW WASHINGTON DC 20006	AMERICAN CYANAMID CO	5,557.70	32.70
Do	AMERICAN SOC OF COMPOSERS AUTHORS & PUBLISHERS	2,765.36	5.93
Do	APACHE CORPORATION		
Do	CAPITAL CITIES COMMUNICATIONS, INC		
Do	CBS, INC	1,987.50	44.62
Do	CITICORP		
Do	G-4 CHILDREN'S COALITION	6,839.26	20.48
Do	HANDGUN CONTROL, INC		862.69
Do	MOTOR VEHICLE MANUFACTURERS ASSOCIATION OF THE U.S., INC		
Do	PEOPLE OF ENEWETAK		33.25
CHARLES D. WILSON, 1850 K ST., NW, #390 WASHINGTON DC 20006	UNION CAMP CORP	644.00	2,883.50
DENA L. WILSON, SUITE 1000 1600 WILSON BLVD. ARLINGTON VA 22209	AMERICAN WATERWAYS OPERATORS, INC	3,500.00	193.62
DON T. WILSON, 1250 I STREET, NW, #400 WASHINGTON DC 20005	NATIONAL TIRE DEALERS & RETREADERS ASSN, INC	455.00	25.00
DOROTHY WILSON, 4201 CATHEDRAL AVENUE, NW, #607-E WASHINGTON DC 20016	COALITION OF CONCERNED CHARITIES		
PATRICIA M. WILSON, 2910 3RD AVENUE NORTH BILLINGS MT 59103	THERMAL ENERGY CO		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
REID WILSON, 215 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	U.S. PUBLIC INTEREST RESEARCH GROUP	3,250.00	
ROBERT C. WILSON, 499 S. CAPITOL ST., SW, #520 WASHINGTON DC 20003	RMI, INC.	380.00	
Do	WASHINGTON INDUSTRIAL TEAM, INC.	600.00	
ROBERT GARY WILSON, 1730 RHODE ISLAND AVENUE, NW WASHINGTON DC 20036	PPG INDUSTRIES, INC	30.45	25.00
ROSEMARY L. WILSON, MINNESOTA PETROLEUM COUNCIL 1025 NORTHERN FEDERAL BLDG. ST. PAUL MN 55102	AMERICAN PETROLEUM INST		
WILLIAM A. WILSON III, 8001 BRADDOCK ROAD SPRINGFIELD VA 22160	NATIONAL RIGHT TO WORK COMM	750.00	
JUDY WINCHESTER, 3900 WISCONSIN AVENUE, NW WASHINGTON DC 20016	FEDERAL NATIONAL MORTGAGE ASSN	2,000.00	79.46
KATHLEEN J. WINN, 1155 15TH ST., NW SUITE 602 WASHINGTON DC 20006	PENNZOIL CO.	475.00	21.00
MARIE WINSLOW, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FED OF FEDERAL EMPLOYEES		
WINSTON & STRAWN, #500 2550 M ST., NW WASHINGTON DC 20037	AMERICAN ASSN OF MUSEUMS		
Do	BEATRICE FOODS CO.	62.50	7.00
Do	BUILDING OWNERS & MANAGERS ASSN INTL		
Do	GOULD, INC.		
Do	INTERNATIONAL COUNCIL OF SHOPPING CENTERS		
Do	LEASE MANAGEMENT CORP		
Do	MERCEDES-BENZ OF NORTH AMERICA		
Do	NATIONAL AUDUBON SOCIETY		
Do	TERSON COMPANY, INC.		
DAVID A. WINSTON, 1922 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF LIFE UNDERWRITERS	482.25	73.00
JAMES L. WINSTON, 1730 M STREET, NW, #708 WASHINGTON DC 20036	NATIONAL ASSN OF BLACK OWNED BROADCASTERS		
MARK E. WINTER, 1828 L ST., NW WASHINGTON DC 20036	AMERICAN LAND TITLE ASSN	3,223.00	
RONALD S. WISHART JR., 1100 15TH STREET, NW, #1200 WASHINGTON DC 20005	UNION CARBIDE CORP.		
ROBERT V. WITECK, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AMERICAN EXPRESS CORP).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AMERICAN FLAGSHIPS)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: CANADIAN ASBESTOS INFORMATION CENTRE).	900.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: JOINT MARITIME CONGRESS).	1,500.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: MUTUAL OF OMAHA)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: NATIONAL BROADCASTING CO, INC).		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: REPUBLIC OF TURKEY)	3,000.00	
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: UNITED AIRLINES)	1,200.00	
CLAUDIA A. WITHERS, 2000 P STREET, NW, #400 WASHINGTON DC 20036	WOMEN'S LEGAL DEFENSE FUND		
WITKOWSKI WEINER MCCAFFREY & BRODSKY, SUITE 350 1575 I ST., NW WASHINGTON DC 20005	COORDINATING COUNCIL ON MANUFACTURED HOUSING FINANCE	6,949.00	264.61
Do	FOREMOST INSURANCE CO.	1,716.00	35.40
Do	NATIONAL MANUFACTURED HOUSING FINANCE ASSN	709.00	
GLENN P. WITTE, 888 16TH ST., NW WASHINGTON DC 20006	MILK IND. FOUNDATION/INTL ASSN OF ICE CREAM MFRS.		
ERNEST WITTENBERG ASSOCIATES, INC, 1616 H ST., NW WASHINGTON DC 20006	FEDERAL LAND BANK ASSNS OF TEXAS STOCKHOLDERS' DEFENSE FUND	1,500.00	480.00
HERMAN C. WITTHAUS, 1660 L ST., NW WASHINGTON DC 20036	GENERAL MOTORS CORP	3,000.00	2,837.02
CLINTON WOLCOTT, 2020 K ST., NW, #200 WASHINGTON DC 20006	NATIONAL FED OF FEDERAL EMPLOYEES		
JAMES E. WOLF, 2020 14TH ST., NORTH ARLINGTON VA 22201	AMERICAN STANDARD INC.	500.00	
JAMES WOLF, 1925 K ST., NW, #206 WASHINGTON DC 20006	ALLIANCE TO SAVE ENERGY	262.90	
SIDNEY M. WOLFE, 2000 P ST., NW, #708 WASHINGTON DC 20036	HEALTH RESEARCH GROUP	13.00	
THOMAS F. WOLFE, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.	2,541.50	
RONALD WOLSEY, P.O. BOX 507 BALTIMORE MD 21203	AMOCO CORPORATION		
DON WOMACK, SUITE 303 1825 K ST., NW WASHINGTON DC 20006	TEXAS UTILITIES SERVICES, INC.	2,575.00	85.47
WOMEN AGAINST MILITARY MADNESS POLITICAL ACTION COMM (WAMM) , 3255 HENNEPIN AVENUE MINNEAPOLIS MN 55408.		200.00	315.00
BURTON C. WOOD, 1125 15TH ST., NW WASHINGTON DC 20005	MORTGAGE BANKERS ASSOCIATION OF AMERICA	14,400.00	2,998.00
CHARLES A. WOOD, 10 LAFAYETTE SQUARE BUFFALO NY 14203	NATIONAL FUEL GAS DISTRIBUTION CORP., ET AL.		
JOHN L. WOOD, 2121 SAN JACINTO ST. P.O. BOX 660164 DALLAS TX 75266	CENTRAL AND SOUTH WEST CORP		
W. ALAN WOODFORD, 2501 M ST.,NW WASHINGTON DC 20037	CHEMICAL MANUFACTURERS ASSOCIATION, INC.	300.00	225.21
THOMAS C. WOODS, 1660 L STREET, NW WASHINGTON DC 20036	GENERAL MOTORS CORP	2,500.00	2,813.72
PERRY W. WOOFTER, SUITE 530 1800 K ST. NW WASHINGTON DC 20006	TESORO PETROLEUM CORP	2,000.00	
DAVID M. WOOLDRIDGE, 2222 ARLINGTON AVENUE SOUTH BIRMINGHAM AL 35205	EDMOND & VINES	988.44	
HOWARD E. WOOLLEY, 1771 N STREET, NW WASHINGTON DC 20036	NATIONAL ASSN OF BROADCASTERS	1,500.00	1,125.93
LINDA ANZALONE WOOLLEY, 1600 M ST., NW WASHINGTON DC 20036	INTERNATIONAL TELEPHONE & TELEGRAPH CORPORATION	220.00	70.00
NOEL C. WOOSLEY, 4647 FORBES BOULEVARD LANHAM MD 20706	AMVETS	6,800.00	150.47
GEORGE M. WORDEN, 1201 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	HILL & KNOWLTON, INC.		
DEE WORKMAN, 405 LEXINGTON AVE. NEW YORK NY 10017	MOBIL OIL CORP.	18,750.00	1,600.00
WORLDWIDE INFORMATION RESOURCES, LTD, 1717 K STREET, NW, #706 WASHINGTON DC 20006	EQUITABLE LIFE ASSURANCE SOCIETY OF THE U.S.		
Do	PAN AMERICAN WORLD AIRWAYS, INC		
Do	STATE OF MONTANA		
Do	TOYOTA MOTOR SALES U.S.A., INC.		
W. ROBERT WORLEY, 1736 CREEK CROSSING ROAD VIENNA VA 22180	SOUTHERN COMPANY SERVICES, INC.	1,710.00	846.54
JOSEPH T. WRABEK, BOX 70 CASCADE LOCKS OR 97014	COLUMBIA GORGE UNITED		
DAVID L. WRIGHT, ANDERSON HILL RD. PURCHASE NY 10577	PEPSICO, INC.		1,828.83
THOMAS L. WYLIE, 1800 K STREET, NW, #820 WASHINGTON DC 20006	SUN COMPANY, INC.	5,355.00	217.25
WYMAN BAUTZER ROTHMAN KUCHEL & SILBERT, SUITE 580 600 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20037	AMERICAN BOILER MANUFACTURERS ASSN, INC.		
Do	AUTOMOTIVE DISMANTLERS & RECYCLERS ASSN		
Do	BRISTOL BAY NATIVE CORP.		
Do	EKLUTNA, INC.		
Do	FILMWAYS, INC.		
MARC D. YACKER, 1619 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	AMERICAN PAPER INST, INC	195.00	
DAVID V. YADEN, 111 SW COLUMBIA, #800 PORTLAND OR 97201	NERCO, INC.	500.00	146.61
MILAN P. YAGER, 727 N. WASHINGTON STREET ALEXANDRIA VA 22314	UNITED FRESH FRUIT & VEGETABLE ASSN.	1,230.00	384.67
T. ALBERT YAMADA, SUITE 520 900 17TH ST., NW WASHINGTON DC 20006	TOYOTA MOTOR SALES, U.S.A., INC.	500.00	
Do	WEST MEXICO VEGETABLE DISTRIBUTORS ASSN	500.00	
NANCY FOSTER YANISH, 1750 K STREET, NW WASHINGTON DC 20006	FOOD MARKETING INSTITUTE	200.00	
DEBRA T. YARBROUGH, 1819 L ST., NW, #900 WASHINGTON DC 20036	U S WEST, INC.	7,000.00	259.55
EDWARD R. YAWN, 1111 19TH ST., NW WASHINGTON DC 20036	EDISON ELECTRIC INSTITUTE	1,434.55	197.22
KIM YELTON, 8120 FENTON ST. SILVER SPRING MD 20910	AMERICANS UNITED FOR SEPARATION OF CHURCH AND STATE	7,924.00	73.84
JACK YELVERTON, 1303 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	FLEET RESERVE ASSN		
RICHARD K. YEP, 5999 STEVENSON AVENUE ALEXANDRIA VA 22304	AMERICAN ASSN FOR COUNSELING AND DEVELOPMENT	4,792.00	348.27
D. SCOTT YOHE, 1629 K ST., NW, #204 WASHINGTON DC 20006	DELTA AIR LINES, INC.	390.00	145.20
ANDREW YOOD, 1220 L STREET, NW WASHINGTON DC 20005	AMERICAN PETROLEUM INST	200.00	
EDWARD A. YOPP, P.O. BOX 1072 EL PASO TX 79958	MBANK EL PASO		
ROBERTA LYNN YOUMANS, 509 C STREET, NE STANTON PARK WASHINGTON DC 20002	ROISMAN, RENO & CAVANAUGH (FOR: NATIONAL HOUSING LAW PROJECT)	1,809.95	
JOHN ANDREW YOUNG, 1333 NEW HAMPSHIRE AVE., NW, #207 WASHINGTON DC 20036	COASTAL CORPORATION		
THOMAS F. YOUNGBLOOD, 1819 L STREET, NW, #600 WASHINGTON DC 20036	AMERICAN HOTEL & MOTEL ASSN	1,575.00	
BETSY YOUNKINS, 1220 L STREET, NW, #1200 WASHINGTON DC 20005	AMERICAN PETROLEUM INST	6,000.00	171.82
EUGENE A. YOURCH, 50 BROADWAY NEW YORK NY 10004	FEDERATION OF AMERICAN CONTROLLED SHIPPING	200.00	
RALPH ZAAYENGA, 1800 K STREET, NW, #820 WASHINGTON DC 20006	SUN COMPANY, INC.	1,419.60	163.32
HARRY M ZACHEM, 1025 CONNECTICUT AVE., #507 WASHINGTON DC 20036	ASHLAND OIL, INC.	2,000.00	
MICHAEL ZAGORAC 8333 BRYAN DAIRY RD.,P.O. BOX 4689 CLEARWATER FL 33518	JACK ECKERD CORPORATION		
LYNN ZAKUPOWSKY, 1331 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	GENERAL ELECTRIC CO.	1,000.00	
STEVEN S. ZALEZNICK, 1909 K ST., NW WASHINGTON DC 20049	AMERICAN ASSN OF RETIRED PERSONS	632.69	
JOHN S. ZAPP, 1101 VERMONT AVE., NW WASHINGTON DC 20005	AMERICAN MEDICAL ASSN	4,900.00	132.36
ELAINE ZARAFONETIS, 201 PARK WASHINGTON COURT FALLS CHURCH VA 22046	NATIONAL-AMERICAN WHOLESALE GROCERS' ASSN	3,000.00	
LEO C. ZEFERETTI, 9912 FORT HAMILTON PARKWAY BROOKLYN NY 11209	BUILDING & CONSTRUCTION TRADES DEPT., AFL-CIO		
Do	NEW YORK TELEPHONE		
Do	PRATT AND WHITNEY		
Do	TRANSPORTATION INSTITUTE		
DENIS R. ZEGAR, 201 PARK WASHINGTON COURT FALLS CHURCH VA 22045	NATIONAL-AMERICAN WHOLESALE GROCERS' ASSN	3,000.00	
PHILIP F. ZEIDMAN, 1025 CONNECTICUT AVE., NW, #900 WASHINGTON DC 20036	AMERICAN BUSINESS CONFERENCE, INC.		
DON J. ZELLER, 1000 16TH ST., NW, #503 WASHINGTON DC 20036	AMOCO CORP	1,850.00	438.62
ZERO POPULATION GROWTH, INC, 1346 CONNECTICUT AVE., NW WASHINGTON DC 20036		5,671.00	4,943.00
RONALD L. ZIEGLER, 1199 N. FAIRFAX STREET, #801 ALEXANDRIA VA 22314	NATIONAL ASSN OF TRUCK STOP OPERATORS, INC		
MICHAEL J. ZIMMER, WICKWIRE, GAVIN & GIBBS 1819 L STREET, NW, #700 WASHINGTON DC 20036	CLEAN COAL COALITION, INC.		
Do	COGENERATION COALITION, INC.		
Do	CONSOLIDATED NATURAL GAS CO	250.00	41.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
ZIONTZ PIRTLE MORRISSET ERNSTOFF & CHESTNUT, METROPOLITAN PARK, 16TH FLOOR 1100 OLIVE WAY SEATTLE WA 98101.	CONFEDERATED TRIBES OF THE COLVILLE INDIAN RESERVATION		
Do	HOOPA VALLEY TRIBE	1,903.00	903.06
Do	INUPIAT COMMUNITY OF THE ARCTIC SLOPE		
Do	MAKAH INDIAN TRIBE		
Do	METLAKATLA INDIAN COMMUNITY		
Do	MILLE LACS BAND OF CHIPPEWA INDIANS		
Do	NORTHERN CHEYENNE INDIAN TRIBE		
Do	TULALIP INDIAN TRIBE		
Do	UKPEAGVIK INUPIAT CORPORATION		
ZUCKERT SCOUTT RASENBERGER & JOHNSON, 888 17TH ST., NW WASHINGTON DC 20006	BUSINESS ROUNDTABLE	9,012.50	2,103.86
Do	DREYFUS CORPORATION	8,000.00	2,745.74
Do	INCENTIVE FEDERATION, INC	5,100.00	1,398.38
CHARLES O. ZUVER, 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036	AMERICAN BANKERS ASSN	5,000.00	
KURT D. ZWIKL, 702 HAMILTON MALL ALLENTOWN PA 18101	MERCHANTS BANK		114.32
23RD CONGRESSIONAL DISTRICT ACTION COMM., 575 CHARLES ST. ST. MARYS PA 15857			
31ST PRO LIFE CONGRESSIONAL DISTRICT ACTION COMM, 8654 BONVIEW TERRACE WILLIAMSVILLE NY 14221			
34TH CONGRESSIONAL DISTRICT ACTION COMM (NY), RD 2 ALLEGANY NY 14706			

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following reports for the first calendar quarter of 1985 were received too late to be included in the published reports for that quarter:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective headings.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19.....

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:
1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§302(e).
(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out items "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

NOTE ON ITEM "D."—(a) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)

1. $.....Dues and assessments
2. $.....Gifts of money or anything of value
3. $.....Printed or duplicated matter received as a gift
4. $.....Receipts from sale of printed or duplicated matter
5. $.....Received for services (e.g., salary, fee, etc.)
6. $.....TOTAL for this Quarter (Add items "1" through "5")
7. $.....Received during previous Quarters of calendar year
8. $.....TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).

9. $.....TOTAL now owed to others on account of loans
10. $.....Borrowed from others during this Quarter
11. $.....Repaid to others during this Quarter

12. $.....Expense money" and Reimbursements received this Quarter

Contributors of $500 or more (from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": .....

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and address of Contributor* ("*Period*" from Jan. 1 through....., 19.....)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(a) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)

1. $.....Public relations and advertising services
2. $.....Wages, salaries, fees, commissions (other than item "1")
3. $.....Gifts or contributions made during Quarter
4. $.....Printed or duplicated matter, including distribution cost
5. $.....Office overhead (rent, supplies, utilities, etc.)
6. $.....Telephone and telegraph
7. $.....Travel, food, lodging, and entertainment
8. $.....All other expenditures
9. $.....TOTAL for this Quarter (Add "1" through "8")
10. $.....Expended during previous Quarters of calendar year
11. $.....TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . *loan* . . ."—Sec. 302(b).

12. $.....TOTAL now owed to person filing
13. $.....Lent to others during this Quarter
14. $.....Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
A & S TRANSPORTATION COMPANY, 75 JACOBUS AVENUE SOUTH KEARNY NJ 07032			
A-K ASSOCIATES, INC, 1225 8TH STREET, #590 SACRAMENTO CA 95814	DIRECTOR OF TIMBER COUNTIES COALITION	12,916.00	17,269.72
Do	GOLDEN GATE BRIDGE HIGHWAY & TRANSPORTATION DISTRICT	6,000.00	17,029.29
Do	HEMET VALLEY FLYING SERVICE		
Do	INTERNATIONAL FIRE MANAGEMENT		
Do	PATHOLOGIST PRACTICE ASSOCIATION	18,000.00	25,047.86
Do	STRATOS TANKER, INC		
ALBERT E. ABRAHAMS, 777 14TH ST., NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	8,000.00	204.75
CHARLES A. ACQUARD, 1400 K STREET, NW, #500 WASHINGTON DC 20005	HANDGUN CONTROL, INC	4,062.00	
AGENCY FOR INSTRUCTIONAL TELEVISION, BOX A BLOOMINGTON IN 47401			
KAREN D. ALEXANDER, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.		
RICHARD F. ALI, 729 15TH STREET, NW WASHINGTON DC 20005	ASSOCIATED BUILDERS & CONTRACTORS, INC	2,500.00	
WAYNE G. ALLCOTT, 1819 L ST., NW, #900 WASHINGTON DC 20036	U S WEST, INC	4,856.25	3,636.18
DOROTHY D. ALLEN, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.		
JEROME A. AMBRO ASSOCIATES, 2301 S. JEFFERSON DAVIS DR., #719 ARLINGTON VA 22202	ASSOCIATED UNIVERSITIES	2,550.00	2,019.98
Do	COUNTY OF SUFFOLK, NEW YORK	15,900.00	12,705.00
AMERICAN ASSN FOR RESPIRATORY THERAPY, 1720 REGAL ROW DALLAS TX 75235		1,438.60	19,243.76
AMERICAN ASSN OF BLOOD BANKS, 1117 NORTH 19TH ST., #600 ARLINGTON VA 22209			
AMERICAN ASSN OF EXPORTERS & IMPORTERS, 11 WEST 42ND STREET, 30TH FL. NEW YORK NY 10036			810.00
AMERICAN ASSN OF PRESIDENTS OF INDEPENDENT COLLEGES & UNIVS , BOX 723 REXBURG ID 83440		5,050.00	12,651.52
AMERICAN CHAMBER OF COMMERCE OF THE DOMINICAN REPUBLIC, P.O. BOX 95-2 SANTO DOMINGO DOMINICAN REPUBLIC			
AMERICAN CLEAN WATER ASSN, 3911 NORTHHAMPTON, NW WASHINGTON DC 20015		1,637.53	1,608.38
AMERICAN CONGRESS ON REAL ESTATE, 145 EAST CENTER STREET PROVO UT 84601			
AMERICAN DENTAL ASSN, 211 E. CHICAGO AVE. CHICAGO IL 60611		4,950.60	16,570.45
AMERICAN FED OF STATE COUNTY & MUNICIPAL EMPLOYEES, 1625 L ST., NW WASHINGTON DC 20036			117,397.50
AMERICAN MEDICAL PEER REVIEW ASSN, 440 FIRST STREET, NW, #510 WASHINGTON DC 20001			
AMERICAN PHYSICAL THERAPY ASSN, 1111 N. FAIRFAX ST. ALEXANDRIA VA 22314		4,256.54	4,256.54
AMERICAN REFUGEES IN AMERICA, 397 WALNUT HILL RD. ORANGE MA 01364			
AMERICAN SUBCONTRACTORS ASSN, 1004 DUKE ST. ALEXANDRIA VA 22314			1,400.00
AMERICAN TRUCKING ASSNS, INC, 2200 MILL RD. ALEXANDRIA VA 22314		10,290.06	69,812.35
STEPHEN O. ANDERSEN, 2000 L STREET, NW, #320 WASHINGTON DC 20036	CONSUMER ENERGY COUNCIL OF AMERICA		
ANDERSON & PENDLETON, 1000 CONNECTICUT AVENUE, NW, #707 WASHINGTON DC 20036	CANNED & COOKED MEAT IMPORTERS' ASSN		
Do	CORPORACION NACIONAL DEL COBRE (CHILE) (CODELCO)	6,249.00	6,508.11
ARNE ANDERSON, 1325 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20005	AMERICAN FED OF GOVERNMENT EMPLOYEES	7,452.36	
L. J. ANDOLSEK, 1533 NEW HAMPSHIRE AVENUE, NW WASHINGTON DC 20036	NATIONAL ASSN OF RETIRED FEDERAL EMPLOYEES	605.00	
DAVID R. ANDREWS, THREE EMBARCADERO CENTER SAN FRANCISCO CA 94111	MCCUTCHEN DOYLE BROWN & ENERSEN (FOR: ROHR INDUSTRIES)		180.00
R. G. ARMISTEAD, 8613 JANET LANE VIENNA VA 22180			
JOHN A. ARMSTRONG, 1330 BURLINGTON STREET EAST HAMILTON, ONTARIO CANADA L8N 3J5	CANADIAN TUBULAR PRODUCERS ASSN	140.00	397.00
Do	DOFASCO, INC		
ARNOLD & PORTER, 1200 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	BUILDING & CONSTRUCTION TRADES DEPT, AFL-CIO	44.50	1.50
Do	CENTRAL SERVICES ORGANIZATION		
Do	CSX CORPORATION		10.00
Do	HAMILTON BROTHERS OIL & GAS CORP		
Do	HOFFMANN-LA ROCHE, INC		
Do	NATIONAL COORDINATING COMM FOR MULTIEMPLOYER PLANS	15,312.00	926.80
Do	RECORDING INDUSTRY ASSN OF AMER, INC	2,022.25	20.97
Do	SACRAMENTO PUBLIC UTILITY DISTRICT, ET AL		521.55
ASSOCIATED BUILDERS & CONTRACTORS, INC, 729 15TH ST., NW WASHINGTON DC 20005		15,000.00	
ASSOCIATION FOR DEVELOPMENT POLICY RESEARCH, 1309 L STREET, NW WASHINGTON DC 20005		1,692.00	1,472.98
ASSOCIATION OF AMERICAN FOREIGN SERVICE WOMEN, P.O. BOX 8068 WASHINGTON DC 20024			
ASSOCIATION OF GOVERNMENT ACCOUNTANTS, 727 SOUTH 23RD STREET, #100 ARLINGTON VA 22202			
ASSOCIATION OF MAXIMUM SERVICE TELECASTERS, INC, 1735 DESALES ST., NW WASHINGTON DC 20036			534.50
AVON PRODUCTS, INC, 9 WEST 57TH ST. NEW YORK NY 10019			
BAKER & MCKENZIE, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	CAMBRIDGE RESEARCH & DEVELOPMENT GROUP		
DAVID BAKER, 530 7TH ST., SE WASHINGTON DC 20003	NATIONAL CLEAN AIR COALITION, INC	4,599.31	
MICHAEL BALY III, 1515 WILSON BLVD, ARLINGTON VA 22209	AMERICAN GAS ASSN	3,000.00	1,508.53
SAMUEL J. BAPTISTA, 1620 EYE STREET, NW, #603 WASHINGTON DC 20006	VISA U.S.A., INC		
BARAFF KOERNER OLENDER & HOCHBERG, P.C., 2033 M STREET, NW, #203 WASHINGTON DC 20036	COLLEGE FOOTBALL ASSOCIATION	200.00	
Do	MAJOR INDOOR SOCCER LEAGUE	700.00	
Do	NATIONAL BASKETBALL ASSN	2,200.00	
Do	NORTH AMERICAN SOCCER LEAGUE		
DAVID J. BARDIN, 1050 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	SOLMECS CORPORATION		
BARNES RICHARDSON & COLBURN, 1819 H ST., NW, #400 WASHINGTON DC 20006	BROWN-FORMAN CORP		
Do	DOW CHEMICAL CO		
Do	HEUBLEIN, INC		
Do	HIRAM WALKER & SONS, INC		
Do	PFIZER, INC		
Do	SCHIEFFELIN & CO		
Do	JOSEPH E. SEAGRAM & SONS, INC, ET AL		
Do	UNIROYAL, INC	605.75	
BARNETT & ALAGIA, 1000 THOMAS JEFFERSON STREET, NW, #900 WASHINGTON DC 20007	THAI FOOD PROCESSORS ASSN		
LARRY P. BARNETT, 1709 NEW YORK AVE., NW WASHINGTON DC 20006	AIR TRANSPORT ASSN OF AMERICA	7,000.00	
JAMES C. BARR, 1840 WILSON BLVD ARLINGTON VA 22201	CREDIT UNION NATL ASSN, INC	300.00	197.46
DAVID M. BARRETT, BARRETT HANNA DAILY & GASPAR 2555 M STREET, NW, #100 WASHINGTON DC 20037	ALLIED TUBE & CONDUIT CORP	11,589.58	1,926.63
Do	ENERGY CONSUMERS & PRODUCERS ASSN	4,500.00	863.48
Do	NATIONAL MEDICAL ENTERPRISES, INC	6,000.00	1,462.66
BARRETT SMITH SCHAPIRO SIMON & ARMSTRONG, 1201 PENNSYLVANIA AVENUE, NW, #821 WASHINGTON DC 20004	COFFEE SUGAR & COCOA EXCHANGE, INC		
Do	HUGO NEU & SONS, INC		
Do	IRVING TRUST CO		
Do	METROPOLITAN TRANSPORTATION AUTHORITY		
DAVID S. BARROWS, 1201 S. W. 12TH, #200 PORTLAND OR 97205	ASSOCIATION OF OREGON & CALIFORNIA LAND GRANT COUNTIES	1,200.00	
JAMES E. BARTLEY, 1090 VERMONT AVENUE, NW, #410 WASHINGTON DC 20005	PROCOMPETITIVE RETAIL STEERING COMM		15.00
WELDON V. BARTON, 1625 MASSACHUSETTS AVENUE, NW, #202 WASHINGTON DC 20036	INDEPENDENT BANKERS ASSN OF AMERICA	12,500.00	1,673.76
THOMAS W. BATTAGLIA, 2550 M STREET, NW, #300 WASHINGTON DC 20037	GLOBAL DEFENSE & SPACE, INC	2,000.00	6,000.00
MICHAEL K. BEARD, 100 MARYLAND AVE., NE WASHINGTON DC 20002	NATIONAL COALITION TO BAN HANDGUNS		
BARBARA F. BEATTY, 729 15TH STREET, NW WASHINGTON DC 20005	ASSOCIATED BUILDERS & CONTRACTORS, INC	2,500.00	
HOWARD BEDLIN, 1050 17TH STREET, NW, #770 WASHINGTON DC 20036	AMERICAN ASSN OF HOMES FOR THE AGING	202.00	115.64
LOUIS BEER, 1320 19TH ST., NW, #200 WASHINGTON DC 20036	M.A.N. TRUCK & BUS CORP		
JAMES BEIZER, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
DONALD K. BELCH, STELCO TOWER HAMILTON, ONTARIO CANADA L8N 3 TI	STELCO, INC		
BENCHMARK TECHNOLOGIES CORP, 1995 TREMAINSVILLE RD. TOLEDO OH 43613			
BENNER BURNETT & COLEMAN, 1401 NEW YORK AVENUE, NW WASHINGTON DC 20005	SCHNITZER STEEL PRODUCTS CO		265.00
DANIEL BENNET, 729 15TH STREET, NW WASHINGTON DC 20005	ASSOCIATED BUILDERS & CONTRACTORS, INC	2,500.00	
JOHN C. BENNISON, 4400 MACARTHUR BLVD., NW WASHINGTON DC 20007	AMERICAN SOC OF TRAVEL AGENTS	8,000.00	
JANE W. BERGWIN, 1050 17TH STREET, NW, #490 WASHINGTON DC 20036	CONSUMERS POWER CO	3,448.00	1,266.00
RACHELLE B. BERNSTEIN, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.		28.71
LEONARD BICKWIT JR., MILLER & CHEVALIER, CHTD. 655 15TH STREET, NW WASHINGTON DC 20005	CONSOLIDATED EDISON CO OF NEW YORK		
Do	GENERAL PUBLIC UTILITIES CORP	4,000.00	34.71
Do	LINCOLN SAVINGS & LOAN ASSN	27,714.10	20,187.56
PAT BILLINGS, 624 9TH STREET, NW, #700 WASHINGTON DC 20001	GROUP HEALTH ASSN OF AMERICA, INC	3,500.00	
VITINA BIONDO, 1050 17TH STREET, NW, #770 WASHINGTON DC 20036	AMERICAN ASSN OF HOMES FOR THE AGING	244.00	
ROBERT J. BIRD, 888 16TH STREET, NW WASHINGTON DC 20006	ZACHRY, INC		
H. RADFORD BISHOP II , P.O. BOX 946 HOLLY HILL FL 32017	NATIONAL HEALTH CARE FINANCING ASSN		
BISHOP LIBERMAN COOK PURCELL & REYNOLDS, 1200 17TH STREET, NW, 7TH FL. WASHINGTON DC 20036	ALEUT CORPORATION	500.00	
Do	ALEUTIAN/PRIBILOF ISLANDS ASSN, INC	500.00	
Do	AMERICAN ACADEMY OF OPHTHALMOLOGY		
Do	ASSOCIATION OF FEDERAL HEALTH ORGANIZATIONS		
Do	AUDIO RECORDING RIGHTS COALITION		
Do	CNA INSURANCE CO OF CHICAGO, ILLINOIS	500.00	
Do	CONSOLIDATED NATURAL GAS CO		
Do	ETHYL CORPORATION		
Do	HOME RECORDING RIGHTS COALITION		
Do	MANUFACTURERS HANOVER BANK		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	NATIONAL MASS RETAILING INSTITUTE	3,500.00	
Do	PIPE LINE EQUITY ACT COALITION	16,046.50	
Do	RIO GRANDE INDUSTRIES		
Do	ROADWAY SERVICES, INC		
Do	TANADGUSIX CORPORATION	1,500.00	
Do	TEXACO, INC		
Do	TEXAS GAS TRANSMISSION CORP		
Do	TOBACCO INSTITUTE	15,350.00	
ROGER BLACKLOW, 100 INDIANA AVENUE, NW WASHINGTON DC 20001	NATIONAL ASSN OF LETTER CARRIERS	2,115.40	
KENNETH T. BLAYLOCK, 1325 MASSACHUSETTS AVE., NW WASHINGTON DC 20005	AMERICAN FED OF GOVERNMENT EMPLOYEES	21,850.57	5,289.31
SAMUEL A. BLEICHER, FRANK BERNSTEIN CONAWAY & GOLDMAN 300 EAST LOMBARD STREET BALTIMORE MD 21201	A & S TRANSPORTATION COMPANY		
RICHARD W. BLISS, 3242 GRACE STREET, NW WASHINGTON DC 20007	ST. JOE MINERALS CORPORATION	1,942.00	35.81
JOANNE BLUM, 2010 MASSACHUSETTS AVENUE, NW, #500 WASHINGTON DC 20036	PLANNED PARENTHOOD FEDERATION OF AMERICA, INC	1,824.25	64.05
BLUM NASH & RAILSBACK, 1133 15 ST. WASHINGTON DC 20005	FLOATING POINT SYSTEM	875.00	5.00
ROBERT A. BLUM, THREE EMBARCADERO CENTER 28TH FLOOR SAN FRANCISCO CA 94111	MCCUTCHEN DOYLE BROWN & ENERSEN (FOR: PERMANENTE MEDICAL GROUP, INC).		3,474.97
SETH M. BODNER, 386 PARK AVENUE SOUTH NEW YORK NY 10016	NATIONAL KNITWEAR & SPORTSWEAR ASSN		4,314.00
DIANE BORATYN, 1230 31ST ST., NW, #5 WASHINGTON DC 20007	D BORATYN, LTD		
MARY M. BOURDETTE, 4TH FLOOR 122 C STREET, NW WASHINGTON DC 20001	CHILDREN'S DEFENSE FUND OF THE WASHINGTON RESEARCH PROJECT	5,010.72	584.00
BOWMAN CONNER TOUHEY & PETRILLO, 2828 PENNSYLVANIA AVENUE, NW, #203 WASHINGTON DC 20007	NATIONAL ASSN OF AIRCRAFT & COMMUNICATIONS SUPPLIERS, INC		
JAMES H. BOYD, 1090 VERMONT AVENUE, NW, #530 WASHINGTON DC 20005	NEWMONT MINING CORP		
THURMAN L. BOYKIN, 1911 N. FT. MYER DR., #702 ARLINGTON VA 22209	AGRISTORE SYSTEMS COMPANY		
Do	ARKANSAS 2000, INC		
BRACEWELL & PATTERSON, 1825 EYE STREET, NW, #1200 WASHINGTON DC 20006	APPALACHIAN ENERGY GROUP	325.00	129.67
STUART J. BRAHS, 1331 PENNSYLVANIA AVE., NW, #719 WASHINGTON DC 20004	ASSOCIATION OF PRIVATE PENSION & WELFARE PLANS, INC	1,081.75	
ROY S. BREDDER, 1111 14TH ST., NW, #1200 WASHINGTON DC 20005	AMERICAN DENTAL ASSN	1,000.00	149.49
MARTHA M. BROAD, 1350 NEW YORK AVE., NW, #300 WASHINGTON DC 20005	NATURAL RESOURCES DEFENSE COUNCIL, INC	6,250.00	25.00
BROADHURST BROOK MANGHAM & HARDY, 1730 PENNSYLVANIA AVE., NW, #300 WASHINGTON DC 20006	COLUMBIA GAS SYSTEM SERVICE CORP		
Do	CSX CORPORATION	3,787.50	914.00
Do	NORTHWEST PIPELINE CORP		
Do	PHILLIPS PETROLEUM CO	24,776.25	1,606.00
Do	TEXAS GAS TRANSMISSION CO		
BROWN & SEYMOUR, 100 PARK AVENUE, #2606 NEW YORK NY 10017	GRAY PANTHERS		
DONALD K. BROWN, 1121 L ST., #810 SACRAMENTO CA 95814	CROWLEY MARITIME CORPORATION		
Do	SUMMA CORPORATION		
MARGUERITE BRACY BROWN, 1625 L ST., NW WASHINGTON DC 20036	AMERICAN FED OF STATE COUNTY & MUNICIPAL EMPLOYEES	10,862.35	567.65
REBECCA G. BROWN, 1275 K ST., NW, #750 WASHINGTON DC 20005	NATIONAL WOMEN'S POLITICAL CAUCUS	1,406.25	2.40
SHIRLE L. BROWN, P.O. BOX 663, GPO NEW YORK NY 10016	SLB ENTERPRISES		
DAVID BRUBAKER, P.O. BOX 329 B-110 EPHRATA PA 17522	PENNAG INDUSTRIES ASSOCIATION		
JAMES W. BRUNER JR., 555 CAPITOL MALL, #1200 SACRAMENTO CA 95814	ORRICK HERRINGTON & SUTCLIFFE		
G. N. BUFFINGTON, 2230 CALIFORNIA STREET, NW WASHINGTON DC 20008	NATIONAL ASSN OF REAL ESTATE INVESTMENT TRUSTS	3,514.50	5.76
SUSAN M. BUFFONE, 3604 34TH STREET, NW WASHINGTON DC 20009	NATIONAL PARKS & CONSERVATION ASSOCIATION	345.00	
BURCH AND BENNETT, P.C., 1320 19TH STREET, NW, #200 WASHINGTON DC 20036	M.A.N. TRUCK & BUS CORP		
CHRISTINE CAPITO BURCH, 1625 L STREET, NW WASHINGTON DC 20036	AMERICAN FED OF STATE COUNTY & MUNICIPAL EMPLOYEES	10,392.79	284.70
J. THOMAS BURCH JR., 1320 19TH STREET, NW, #200 WASHINGTON DC 20036	BURCH AND BENNETT, P.C. (FOR: M.A.N. TRUCK & BUS CORP)		
DAVID G. BURDEN, 200 E. RANDOLPH DR. CHICAGO IL 60601	AMOCO CORP		
WILLIAM J. BURHOP, 1709 NEW YORK AVE., NW WASHINGTON DC 20006	AIR TRANSPORT ASSN OF AMERICA	10,200.00	
DIANE B. BURKE, 1625 L STREET, NW WASHINGTON DC 20036	AMERICAN FED OF STATE COUNTY & MUNICIPAL EMPLOYEES, AFL-CIO	8,371.99	113.00
GERARD P. BURKE, 117 SPOTSWOOD RIVE SILVER SPRING MD 20904	INTERNATIONAL AIR LEASES, INC		
J. J. BURKE JR., 40 E. BROADWAY BUTTE MT 59701	MONTANA POWER CO		
FRANCIS X. BURKHARDT, 1750 NEW YORK AVE., NW WASHINGTON DC 20006	INTERNATIONAL BROTHERHOOD OF PAINTERS & ALLIED TRADES		
BUSBY REHM & LEONARD, 1629 K ST., NW, #1100 WASHINGTON DC 20006	AUTOMOBILE IMPORTERS OF AMERICA, INC	1,500.00	140.41
NICHOLAS J. BUSH, 1730 RHODE ISLAND AVENUE, NW, #200 WASHINGTON DC 20036	NATURAL GAS SUPPLY ASSN	3,125.00	4,675.78
JAMES J. BUTERA, 4TH FLOOR 1101 15TH ST., NW WASHINGTON DC 20005	NATIONAL COUNCIL OF SAVINGS INSTITUTIONS	10,000.00	212.12
WILLIAM A. BUTLER, 645 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	NATIONAL AUDUBON SOCIETY	5,000.00	150.00
F. PATRICIA CALLAHAN, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS		
CAMBRIDGE INTERNATIONAL, INC, 10057 MACLURA COURT FAIRFAX VA 22032	AVCO LYCOMING	875.00	170.00
Do	FMC CORPORATION	175.00	
Do	GENERAL DYNAMICS LAND SYSTEMS	200.00	
Do	LOCKHEED-GEORGIA CO	150.00	
Do	NORDEN SYSTEMS, INC	150.00	
BRUCE P. CAMERON, 1411 K ST., NW, SUITE 850 WASHINGTON DC 20005	AMERICANS FOR DEMOCRATIC ACTION	1,584.55	
CAMPAIGN FOR COMMUNITY-BASED ECONOMIC DEVELOPMENT, 2025 EYE STREET, NW, #901 WASHINGTON DC 20006		610.00	600.00
JEANNE CAMPBELL, CAMPBELL-RAUPE ASSOCIATES, INC 1015 15TH STREET, NW, #907 WASHINGTON DC 20005	NEW ENGLAND COUNCIL, INC		
CAMPBELL-RAUPE ASSOCIATES, INC, 1015 15TH STREET, NW, #907 WASHINGTON DC 20005	AMERICAN NUCLEAR ENERGY COUNCIL		
Do	CONTINENTAL AIRLINES		
Do	LTV CORPORATION		
Do	NEW ENGLAND LIFE		
Do	TEXAS UTILITIES SERVICES		
Do	WESTINGHOUSE		
ROBERT P. CANAVAN, 1201 16TH ST., NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN	2,649.00	117.50
WILLIAM F. CANIS, 1730 PENNSYLVANIA AVENUE, NW, #450 WASHINGTON DC 20006	CATERPILLAR TRACTOR CO	2,500.00	624.59
CAPITAL ADVOCATES, 1127 11TH STREET, #950 SACRAMENTO CA 95814	CROWLEY MARITIME CORP	1,875.00	6,156.51
Do	DISTILLED SPIRITS COUNCIL OF THE U.S., INC		
ROSS CAPON, 417 NEW JERSEY AVE., SE WASHINGTON DC 20003	NATIONAL ASSN OF RAILROAD PASSENGERS	10,125.05	
C. SARGENT CARLETON, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS	12,500.00	1,618.27
EDWARD J. CARLOUGH, 1750 NEW YORK AVENUE, NW WASHINGTON DC 20006	SHEET METAL WORKERS' INTERNATIONAL ASSN	25,987.00	
CHAPIN CARPENTER JR., 1211 CONNECTICUT AVENUE, NW, #406 WASHINGTON DC 20036	MAGAZINE PUBLISHERS ASSN, INC	1,500.00	
JOHN BENJAMIN CARROLL, 100 E. WASHINGTON ST., #206 SYRACUSE NY 13202	DAIRY FARMER DISTRIBUTORS OF AMERICA, INC		
JOHN R. CARTER, 1000 WILSON BLVD., #2600 ARLINGTON VA 22209	TRW, INC	1,000.00	
LAWRENCE J. CASSIDY, 1750 NEW YORK AVENUE, NW WASHINGTON DC 20006	SHEET METAL WORKERS' INTERNATIONAL ASSN	13,929.00	
LUIS EDUARDO CASTANEDA, P.O. BOX 364 BUENA VISTA STATION MIAMI FL 33137	NEW GENERATION LOBBY		
G. THOMAS CATOR, 1050 17TH STREET, NW WASHINGTON DC 20036	NEECE CATOR & ASSOCIATES, INC (FOR: ASSOCIATION OF SMALL BUSINESS DEVELOPMENT CENTERS).	1,600.00	1,600.00
GORDON CAVANAUGH, 509 C STREET, NE WASHINGTON DC 20002	ROISMAN RENO & CAVANAUGH (FOR: COUNCIL OF LARGE PUBLIC HOUSING AUTHORITIES).	11,618.73	384.13
PHILIP CHABOT, 1317 F STREET, NW WASHINGTON DC 20004	EAST BAY REGIONAL PARK DISTRICT		
CHAMBERS ASSOCIATES, INC, 1411 K STREET, NW, #500 WASHINGTON DC 20005	STATE OF OREGON, DEPT OF HUMAN RESOURCES		
WILLIAM J. CHANDLER, 1511 K STREET, NW, #1100 WASHINGTON DC 20005	NATURAL RESOURCES DEFENSE COUNCIL, INC	5,000.00	264.06
CHARLES KARALEKAS MCCAHILL & WILSON, 1250 CONNECTICUT AVENUE, NW, #318 WASHINGTON DC 20036	INDEPENDENT INSURANCE AGENTS OF AMERICA		
WILLIAM CHASEY ORGANIZATION, INTERNATIONAL CLUB BLDG., #631 1800 K STREET, NW WASHINGTON DC 20006	ALLAN RONSON CO		
Do	CAMPUS CRUSADE FOR CHRIST, INC		
Do	INDUSTRIAL DATA LINK	9,000.00	2,112.50
Do	LIFE INSURANCE COALITION OF AMERICA		
Do	NATIONAL UNIVERSITY	6,000.00	2,212.50
Do	PROFESSIONAL ASSET MANAGEMENT, INC	6,000.00	2,112.50
Do	REAL PROPERTY SERVICES CORP	30,000.00	2,212.50
Do	SYNCROTECH SOFTWARE CORP	12,000.00	2,112.50
STEPHAN E. CHERTOFF, 1709 NEW YORK AVENUE, NW, #303 WASHINGTON DC 20006	BLUE CROSS & BLUE SHIELD		
CHILDREN'S TELEVISION WORKSHOP, ONE LINCOLN PLAZA NEW YORK NY 10023			
FRANK M. CHRISTENSEN, BOX 2030 HAMILTON, ONTARIO, CANADA	CANADIAN TUBULAR PRODUCERS ASSN	150.00	405.00
HAL M. CHRISTENSEN, 1111 14TH STREET, NW, #1200 WASHINGTON DC 20005	AMERICAN DENTAL ASSN	3,000.00	840.26
DONALD C. CLARK, 8224 OLD COURT HOUSE ROAD TYSONS CORNER VA 22180	SHEET METAL AIR CONDITIONING CONTRACTORS' NAT'L ASSN		
GILBERT CLARK, 1117 N. 19TH STREET, NW, #600 ARLINGTON VA 22209	AMERICAN ASSN OF BLOOD BANKS		
JULIE CLARK, 1625 K ST., NW EIGHTH FLOOR WASHINGTON DC 20006	NATIONAL LEGAL AID & DEFENDERS ASSN	10,000.00	98.23
ROBERT A. CLARK, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS	1,200.00	113.75
CECIL D. CLAY, 1750 NEW YORK AVENUE, NW WASHINGTON DC 20006	SHEET METAL WORKERS' INT'L ASSN	23,908.00	
COALITION TO PROMOTE AMERICA'S TRADE, 1875 EYE STREET, NW, #540 WASHINGTON DC 20006		41,400.00	
COHEN & WHITE, 2934 M ST., NW WASHINGTON DC 20007	COMPUTER & COMMUNICATIONS INDUSTRY ASSOCIATION	1,091.75	74.39
DAVID COHEN, 1346 CONNECTICUT AVE., NW, #901 WASHINGTON DC 20036	PROFESSIONALS' COALITION FOR NUCLEAR ARMS CONTROL	7,000.00	
DEBORAH A. COHN, 2000 P STREET, NW, #305 WASHINGTON DC 20036	FORESIGHT SCIENCE & TECHNOLOGY, INC (FOR: NATIONAL COALITION FOR SCIENCE & TECHNOLOGY).		
KEN W. COLE, 1150 CONNECTICUT AVENUE, NW, #700 WASHINGTON DC 20036	ALLIED CORPORATION		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
ROBERT E. COLE, 900 17TH ST., NW WASHINGTON DC 20006	KAISER ALUMINUM & CHEMICAL CORP		
COLLIER SHANNON RILL & SCOTT, 1055 THOMAS JEFFERSON ST., NW, #308 WASHINGTON DC 20007	LTV CORP		
STEPHEN J. COLLINS, 1620 EYE ST., NW, #1000 WASHINGTON DC 20006	MOTOR VEHICLE MANUFACTURERS ASSN OF THE U.S., INC		
COLUMBIA GORGE UNITED, BOX 328 STEVENSON WA 98648		1,935.00	47.30
COMMERCIAL UNION INSURANCE COMPANIES, ONE BEACON STREET BOSTON MA 02108			
COMMITTEE FOR DO-IT-YOURSELF HOUSEHOLD MOVING, 1725 K ST., NW, #401 WASHINGTON DC 20005			
STEPHEN R. CONAFAY, 1700 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	PFIZER, INC	3,500.00	1,110.97
CONCERNED WOMEN FOR AMERICA, 122 C STREET, NW, #800, WASHINGTON DC 20001		32,872.39	32,872.39
CONFERENCE OF STATE BANK SUPERVISORS, 1015 18TH ST., NW WASHINGTON DC 20036			4,649.06
CHARLES E. CONLON, 923 15TH STREET, NW WASHINGTON DC 20005	TRANSPORTATION INSTITUTE	3,000.00	
ROBERT J. CONNER JR., 1100 CONNECTICUT AVE., NW WASHINGTON DC 20036	CHRYSLER CORPORATION	500.00	1,811.66
GERALD R. CONNOR, 1030 15TH STREET, NW, #1100 WASHINGTON DC 20005	HEALTH INDUSTRY MANUFACTURERS ASSN	2,375.00	258.71
MARK R. CONRAD, 1200 PEAVEY BUILDING MINNEAPOLIS MN 55479	NORWEST CORPORATION	12,528.00	1,225.93
CONSOLIDATED RAIL CORPORATION, P.O. BOX 23451 L'ENFANT PLAZA WASHINGTON DC 20024			13,638.00
CONSUMER FEDERATION OF AMERICA, 1424 16TH ST., NW, #604 WASHINGTON DC 20005		142,511.00	107,145.00
CONSUMERS UNION OF U.S., INC., 256 WASHINGTON ST. MOUNT VERNON NY 10550			6,900.00
JOHN A. CONWAY, 1201 16TH STREET, NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN		
BENJAMIN Y. COOPER JR., 1730 NORTH LYNN ST. ARLINGTON VA 22209	PRINTING INDUSTRIES OF AMERICA, INC	8,500.00	
CHESTER L. COOPER, 1616 P ST., NW, #410 WASHINGTON DC 20036	AMERICAN ACADEMY OF ARTS & SCIENCES	10,000.00	150.00
COOPERATIVE LEAGUE OF THE USA, 1828 L ST., NW, #1100 WASHINGTON DC 20036		199,236.58	1,256.14
JAY COPELAND, 645 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	NATIONAL AUDUBON SOCIETY	994.00	345.80
CORMAN LAW OFFICES, 1420 16TH STREET, NW WASHINGTON DC 20036	SUPERIOR ENGINEERING & ELECTRONICS	750.00	
COUNCIL FOR A COMPETITIVE ECONOMY, INC, 122 C ST., NW, #700 WASHINGTON DC 20001			
JAMES COUSINS, 1101 15TH ST., NW, #400 WASHINGTON DC 20005	NATIONAL COUNCIL OF SAVINGS INSTITUTIONS	15,000.00	
ERIC COX, 418 7TH ST., SE WASHINGTON DC 20003	CAMPAIGN FOR U.N. REFORM-POLITICAL EDUCATION COMMITTEE	391.01	
W. O. CRAFT JR., CRAFT & RICHARDS 1050 THOMAS JEFFERSON ST., NW, 6TH FL. WASHINGTON DC 20008	ALLIS-CHALMERS ENERGY & MINERALS SYSTEMS CO	5,156.25	98.62
Do	BOEING ENGINEERING CO SOUTHEAST, INC	2,842.00	121.40
Do	CONSUMERS UNITED FOR RAIL EQUITY (C.U.R.E.)	7,712.00	301.90
Do	EDISON ELECTRIC INSTITUTE	1,995.00	103.35
Do	ILLINOIS DEPT OF ENERGY & NATURAL RESOURCES	2,524.00	102.60
Do	NAVAJO-HOPI RELOCATION COMMISSION	1,306.00	85.20
KEN A. CRERAR, 1611 NO. KENT STREET, #900 ARLINGTON VA 22209	FOOTWEAR INDUSTRIES OF AMERICA	3,000.00	3,723.44
LAUREN J. CRONIN, 1331 PENNSYLVANIA AVENUE, NW WASHINGTON DC 20004	KAISER CEMENT CORPORATION	4,300.00	1,411.40
JOHN M. CROSS, 1201 PENNSYLVANIA AVE., NW, #700 WASHINGTON DC 20004	HILL & KNOWLTON, INC		
BARRY M. CULLEN, 1620 EYE ST., NW, #700 WASHINGTON DC 20006	INTERNATIONAL PAPER CO	25.00	
DIANE BROWN CUNNINGHAM, 1620 EYE ST., NW, #700 WASHINGTON DC 20006	INTERNATIONAL PAPER CO	2,000.00	450.00
MARY BETH CURRY, 1050 17TH STREET, NW, #770 WASHINGTON DC 20036	AMERICAN ASSN OF HOMES FOR THE AGING	262.00	37.50
D L ASSOCIATES, INC, 1730 RHODE ISLAND AVENUE, NW, #210 WASHINGTON DC 20036	MARTIN MARIETTA AEROSPACE		
RUDOLPH N. D'AGARIS, 4708 NORBECK RD. ROCKVILLE MD 20853			
DAIRY-FARMER DISTRIBUTORS OF AMERICA, INC, * CHITTENANGO NY 13037			
TRACY DANESE, P.O. BOX 14000 JUNO BEACH FL 33408	FLORIDA POWER & LIGHT CO		2,672.87
DAN DANNER, 1667 K ST., NW, #650 WASHINGTON DC 20006	ARMCO, INC	1,300.00	360.97
LINDA DASCHLE, 1709 NEW YORK AVE., NW WASHINGTON DC 20006	AIR TRANSPORT ASSN OF AMERICA	5,000.00	
THEODORE S. J. DAVI, 371-106 BURGUNDY LN. LONGWOOD FL 32779			
KENNETH E. DAVIS, SUITE 1210 1667 K ST., NW WASHINGTON DC 20006	ROHM & HAAS CO	500.00	210.90
DAVIS WRIGHT TODD RIESE & JONES, 1752 N ST., NW, #800 WASHINGTON DC 20036	GTE SPRINT COMMUNICATIONS		
JEFF DEBOER, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	1,750.00	667.41
ROBERT DEBRAGGA, 26 FLANDER RD. RFD #1, BOX 239 STONINGTON CT 06388	PROJECT CURE, INC		50.00
JOHN J. DEGNAN, SHANLEY & FISHER, P.C. 131 MADISON AVENUE MORRISTOWN NJ 07960	SHARP ELECTRONICS CORP		
GEORGE K. DEGNON ASSOCIATES, INC, 1311-A DOLLEY MADISON BLDG., #3A MCLEAN VA 22101	ASSOCIATION OF STATE & TERRITORIAL HEALTH OFFICIALS		
LAW OFFICES OF PAUL DELANEY, JR., 1120 20TH STREET, NW WASHINGTON DC 20036	BOWATER INDUSTRIES PLC		
Do	CONTINENTAL GRAIN CO		
DELOITTE HASKINS & SELLS, 655 15TH STREET, NW WASHINGTON DC 20005	ARKANSAS ELECTRIC COOPERATIVE CORP		
Do	HYDRIL CO		
Do	TEKTRONIX CORPORATION		
Do	TRIANGLE INDUSTRIES, INC		
Do	UNION PACIFIC CORP		
MICHAEL J. DELOOSE, 1015 18TH STREET, NW WASHINGTON DC 20036	CONFERENCE OF STATE BANK SUPERVISORS	645.00	
ELIZABETH C. DEMATO, 5210 AUTH WAY CAMP SPRINGS MD 20746	SEAFARERS INTERNATIONAL UNION	3,000.00	210.69
R. DANIEL DEVLIN, 1825 EYE STREET, NW, #350 WASHINGTON DC 20006	TRANS WORLD AIRLINES, INC	325.00	
DEWEY BALLANTINE BUSHBY PALMER & WOOD, 1775 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	BENEFECIAL CORP		
Do	GENERAL ELECTRIC PENSION TRUST		
Do	PHIBRO-SALOMON, INC		
KENDALL P. DEXTER, 9 COUNTRY CLUB ROAD MOBILE AL 36608	TEACHERS INSURANCE AND ANNUITY ASSN OF AMERICA		
PATSY B. DIX, 1201 16TH ST., NW WASHINGTON DC 20036	MACMILLAN BLOEDEL, INC		
JAMES F. DOHERTY, 624 9TH ST., NW 7TH FL. WASHINGTON DC 20001	NATIONAL EDUCATION ASSN	2,375.00	115.00
ROBIN C. DOLE, 1825 EYE ST., NW, #350 WASHINGTON DC 20006	GROUP HEALTH ASSN OF AMERICA, INC		
BRIAN J. DONADIO, 122 C ST., NW, #875 WASHINGTON DC 20001	CENTURY 21 REAL ESTATE CORP	611.00	
RICHARD M. DONALDSON, 1738 GUILDHALL BLDG. CLEVELAND OH 44115	AMERICAN OSTEOPATHIC ASSN	2,865.00	
MARY ELIZABETH DONNELLY, 1090 VERMONT AVENUE, NW, #530 WASHINGTON DC 20005	STANDARD OIL CO (OHIO)		
MARY K. DONNY, 1828 L STREET, NW WASHINGTON DC 20036	NEWMONT MINING CORP		
THOMAS J. DONOHUE, 2200 MILL ROAD ALEXANDRIA VA 22314	COOPERATIVE LEAGUE OF THE U.S.A.	490.00	
JOHN P. DOYLE JR., 8600 BOUNDBROOK LANE ALEXANDRIA VA 22309	AMERICAN TRUCKING ASSNS, INC		
E. I. DU PONT DE NEMOURS & CO, INC, 1007 MARKET STREET WILMINGTON DE 19898	J.P. DOYLE ENTERPRISES, INC	3,000.00	
CATHERINE EAST, 1275 K ST., NW, 750 WASHINGTON DC 20005	NATIONAL WOMEN'S POLITICAL CAUCUS	1,998.98	
EDEA, INC, P.O. BOX 3056 VERO BEACH FL 32964	AMERICAN SHIP BUILDING CO		
MICHAEL D. EDWARDS, 1201 16TH STREET, NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN		
JILL W. EILAND, 507 SECOND STREET, NE WASHINGTON DC 20002	PORTLAND GENERAL ELECTRIC CO		
KEITH H. ELLIS, 1015 18TH ST.,NW WASHINGTON DC 20036	CONFERENCE OF STATE BANK SUPERVISORS	3,800.00	204.06
DOROTHY A. ELLSWORTH, 1300 CONNECTICUT AVE., NW WASHINGTON DC 20036	INTERNATIONAL ASSN OF MACHINISTS & AEROSPACE WORKERS	13,968.24	120.80
AMOS S. ENO, 645 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	NATIONAL AUDUBON SOCIETY	4,037.65	665.00
M. DALE ENSIGN, 2600 VIRGINIA AVENUE, NW, #901 WASHINGTON DC 20037	SINCLAIR OIL CORPORATION		
J. BARRY EPPERSON, P.O. BOX 42464 HOUSTON TX 77242	ASSOCIATED WIRE ROPE FABRICATORS	900.00	3,731.38
MARTHA M. ESCUTIA, 20 F STREET, NW, #200 WASHINGTON DC 20001	NATIONAL COUNCIL OF LA RAZA	2,000.00	650.00
BROCK EVANS, 645 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	NATIONAL AUDUBON SOCIETY	4,300.00	165.00
DONALD C. EVANS JR., 655 15TH STREET, NW, #310 WASHINGTON DC 20005	CONSOLIDATED FOODS CORP		
Do	FEDERATION FOR AMERICAN AFGHAN ACTION		
Do	FREIGHT FORWARDERS INSTITUTE		
Do	INDUSTRY COUNCIL FOR TANGIBLE ASSETS		
Do	OLYMPIA & YORK DEVELOPMENTS LTD		
Do	OLYMPIA & YORK EQUITY CORP		
ROBERT J. EVANS, 2060 CANTERBURY ROAD KINGSPORT TN 37660			
FAWN K. EVENSON, 1611 N. KENT ST., #900 ARLINGTON VA 22209	FOOTWEAR INDUSTRIES OF AMERICA	6,000.00	91.20
FEDERAL KEMPER LIFE ASSURANCE COMPANY, KEMPER BLDG. D-3 LONG GROVE IL 60049			680.94
JOEL F. FELDMAN, LAW OFFICES OF SHELDON I. LONDON 1725 DESALES STREET, NW, #401 WASHINGTON DC 20036	AMERICAN HARDWARE MANUFACTURERS ASSN		
FENSTERWALD ALCORN & BOWMAN, 1000 WILSON BLVD., #900 ARLINGTON VA 22209	EQUITY FOR NATIONAL GUARD TECHNICIANS		78.76
Do	NATIONAL NUTRITIONAL FOODS ASSOCIATION		1,527.42
JACK FERGUSON ASSOCIATES, INC, 203 MARYLAND AVE., NE WASHINGTON DC 20002	DILLINGHAM CONSTRUCTION GROUP	15,823.00	1,287.22
Do	DILLINGHAM SHIP REPAIR		
Do	FOSS LAUNCH & TUG COMPANY; FOSS ALASKA LINE		
Do	MIDLAND CAPITAL CORP		
Do	NORTHWEST ENERGY COMPANY		
Do	U.S. BORAX & CHEMICAL CORP	9,041.67	1,135.48
Do	WESTERN FOREST INDUSTRIES ASSN		
WILLIAM FERGUSON JR., 1875 EYE ST., NW, #1275 WASHINGTON DC 20006	IRVINE COMPANY	5,312.50	120.31
Do	SANTA CRUZ PROPERTIES, INC	660.00	8.55
FINLEY KUMBLE WAGNER HEINE UNDERBERG MANLEY & CASEY, 10TH FLOOR 1120 CONNECTICUT AVE., NW WASHINGTON DC 20036.	AMERICAN COLLEGE OF NEUROPSYCHOPHARMACAOLOGY	450.00	30.00
Do	AMERICAN PROTESTANT HEALTH ASSN	1,000.00	33.00
Do	AMERICAN SOC OF PHARMACOLOGY & EXPERIMENTAL THERAPEUTICS		
Do	COMMITTEE ON PROBLEMS OF DRUG DEPENDENCE, INC	166.00	10.00
Do	JOHNSON & JOHNSON		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	NATIONAL ASSN OF ALCOHOLISM TREATMENT PROGRAMS, INC	333.00	16.00
Do	SOCIETY OF REAL ESTATE APPRAISERS		
JILL FINSEN, 923 15TH ST., N.W. WASHINGTON DC 20005	TRANSPORTATION INSTITUTE	3,000.00	
JOHN FISHER, 140 OKLAHOMA ROAD COOK WA 98605	COLUMBIA GORGE UNITED		
CHARLES L. FISHMAN, P.C., 1717 K STREET, NW, #502 WASHINGTON DC 20036	CAROLINA POWER & LIGHT CO		
Do	CONSOLIDATED EDISON CO OF NEW YORK		
Do	DUKE POWER CO		
Do	STONE & WEBSTER ENGINEERING CORP		
Do	VIRGINIA ELECTRIC & POWER CO		
Do	WESTINGHOUSE ELECTRIC CORP		
REV. MSGR. JAMES H. FITZPATRICK, 15 COMPUTER DRIVE WEST ALBANY NY 12205	HOSPITAL ASSOCIATION OF NEW YORK STATE		
ALAN M. FITZWATER, 3800 CONTINENTAL PLAZA 777 MAIN STREET FORT WORTH TX 76102	BURLINGTON NORTHERN RAILROAD	20,000.00	4,070.25
FELIPE M. FLORESCA, 67 WALL STREET, #1802 NEW YORK NY 10005			
DAVID H. FOERSTER, 1201 16TH ST., NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN		
FOOTWEAR RETAILERS OF AMERICA, INC, 1319 F ST., NW, #700 WASHINGTON DC 20004			737.50
FOREMAN AND COMPANY, 1826 JEFFERSON PLACE, NW, #201 WASHINGTON DC 20036	GRAY AND COMPANY		
Do	HOME RECORDING RIGHTS COALITION		
CAROL TUCKER FOREMAN, 11 DUPONT CIRCLE, NW, #700 WASHINGTON DC 20005	HOME RECORDING RIGHTS COALITION		
FORESIGHT SCIENCE & TECHNOLOGY, INC, 2000 P ST., NW, #305 WASHINGTON DC 20036	NATIONAL COALITION FOR SCIENCE & TECHNOLOGY	675.00	877.06
Do	SOCIETY FOR AMERICAN ARCHAEOLOGY	2,438.55	1,739.98
RICHARD C. FORTUNA, 2916 STEPHENSON PL., NW WASHINGTON DC 20015	HAZARDOUS WASTE TREATMENT COUNCIL	1,500.00	1,500.00
NANCY E. FOSTER, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL COUNCIL OF FARMER COOPERATIVES	399.79	
DAVID E. FRANASIAK, 1001 22ND STREET, #600 WASHINGTON DC 20037	STANDARD OIL CO (OHIO)	812.50	182.55
GEORGE FRANKLIN, 235 PORTER ST. BATTLE CREEK MI 49016	KELLOGG COMPANY	3,000.00	325.00
JAMES R. FRANKLIN, 1185 AVENUE OF THE AMERICAS NEW YORK NY 10036	J.P. STEVENS & CO, INC		1,030.00
GREGORY W. FRAZIER, P.O. BOX 427 ENGLEWOOD CO 80151	INTERNATIONAL ENERGY BROKERS, INC		
SUSAN FRIDY, 1840 WILSON BOULEVARD ARLINGTON VA 22201	NATIONAL MILK PRODUCERS FED	2,490.00	
GAY H. FRIEDMANN, 1150 CONNECTICUT AVE., NW, #717 WASHINGTON DC 20036	SOUTHERN CALIFORNIA GAS CO	9,000.00	105.11
FRIENDS OF THE RURAL DEVELOPMENT LOAN FUND, 2025 I STREET, NW, #901 WASHINGTON DC 20006			519.30
CHARLES H. FRITTS, 1101 14TH STREET, NW, #804 WASHINGTON DC 20005	NATIONAL APARTMENT ASSN		9,172.65
ROBERT F. FROEHLKE, 1285 AVENUE OF THE AMERICAS NEW YORK NY 10019	EQUITABLE LIFE ASSURANCE SOCIETY OF THE U.S	1,000.00	15.00
RICHARD B. FROH, 900 17TH ST., NW, #1014 WASHINGTON DC 20006	KAISER FOUNDATION HEALTH PLAN, INC	21,250.00	
FULBRIGHT & JAWORSKI, 1150 CONNECTICUT AVE., NW, #400 WASHINGTON DC 20036	CRYSTAL OIL COMPANY		
CURTIS B. GANS, ROUTE 2, BOX 60 LOVETTSVILLE VA 22190	COMMITTEE FOR THE STUDY OF THE AMERICAN ELECTORATE	60,000.00	1,010.00
JOHN C. GARTLAND, 214 MASS. AVE., NE, #210 WASHINGTON DC 20002	AMWAY CORP	8,250.00	19.37
GARVEY SCHUBERT ADAMS & BARER, 1000 POTOMAC ST., NW WASHINGTON DC 20006	TRAILWAYS, INC	510.00	
GAS APPLIANCE MANUFACTURERS ASSN, INC, 1901 NORTH FORT MYER DR. ARLINGTON VA 22209			
GAY RIGHTS NATIONAL LOBBY, INC, 750 7TH ST., SE WASHINGTON DC 20003		118,911.13	57,774.70
WILLIAM L. GIFFORD, 600 MARYLAND AVENUE, SW, #520 WASHINGTON DC 20024	GPU NUCLEAR CORP		
WILLIAM GILMARTIN, 2010 MASSACHUSETTS AVE., NW, #500 WASHINGTON DC 20036	PLANNED PARENTHOOD FEDERATION OF AMERICA, INC	711.45	44.00
JAMES T. GLENN, 1331 PENNSYLVANIA AVE., NW, #560 WASHINGTON DC 20004	CSX CORPORATION	3,000.00	433.88
JERE W. GLOVER, 1725 K STREET, NW, #308 WASHINGTON DC 20006	NATIONAL COUNCIL FOR INDUSTRIAL INNOVATION		
GODFREY ASSOC, INC, 918 16TH ST., NW, SUITE S-501 WASHINGTON DC 20006			
HORACE D. GODFREY, 918 16TH ST., NW, SUITE S-501 WASHINGTON DC 20006	GODFREY ASSOC, INC		
GOLD & LIEBENGOOD, INC, 1050 CONNECTICUT AVENUE, NW, #980 WASHINGTON DC 20036	FUND FOR ASSURING AN INDEPENDENT RETIREMENT	4,413.00	1,612.00
DONNA GOLD, 1201 16TH STREET, NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN	2,375.00	20.00
RONALD L. GOLDFARB, GOLDFARB, SINGER & AUSTERN 918 16TH STREET, NW, #503 WASHINGTON DC 20003	WASHINGTON INDEPENDENT WRITERS, INC		
CHARLES E. GOODELL, KING & SPALDING 1730 PENNSYLVANIA AVENUE, NW, #1200 WASHINGTON DC 20006	DGA INTERNATIONAL, INC (FOR SOFREAVIA)		
Do	DGA INTERNATIONAL, INC (FOR SNECMA)		
Do	THOMSON-CSF, INC		
GEORGE B. GOULD III, 100 INDIANA AVE., NW WASHINGTON DC 20001	NATIONAL ASSN OF LETTER CARRIERS	12,337.77	9,436.18
GOVERNMENT RELATIONS ASSOCIATES, INC, 655 15TH ST., NW, #300 WASHINGTON DC 20005	GILMORE STEEL CORP		
Do	KAISER STEEL CORP		
GRAPHIC COMMUNICATIONS INTERNATIONAL UNION, AFL-CIO, CLC, 1900 L STREET, NW WASHINGTON DC 20036		47,987.00	49,166.00
GREAT AMERICAN RESERVE INSURANCE CO, 2020 LIVE OAK P.O. BOX 388 DALLAS TX 75221			
JAMES R. GRECO, P.O. BOX 3151 HOUSTON TX 77001	BROWNING-FERRIS INDUSTRIES, INC	2,500.00	310.00
JAMES W. GREEN, 1201 16TH ST., NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN		
ALLEN GREENBERG, 2000 P ST., NW, #708 WASHINGTON DC 20036	HEALTH RESEARCH GROUP		
ROBERT GREENSTEIN, 236 MASSACHUSETTS AVENUE, NE WASHINGTON DC 20002	CENTER ON BUDGET & POLICY PRIORITIES	443.35	279.58
JOHN M. GREER, 1900 L STREET, NW WASHINGTON DC 20036	GRAPHIC COMMUNICATIONS INTERNATIONAL UNION, AFL-CIO, CLC	47,987.00	49,166.00
JANICE M. GREGORY, 1726 M ST., #704 WASHINGTON DC 20036	ERISA INDUSTRY COUNCIL	4,000.00	
WILLIAM G. GREIF, 1155 15TH ST., NW WASHINGTON DC 20005	BRISTOL-MYERS CO	25,000.00	
KAREN M. GREINER, 1300 NORTH 17TH STREET, #300 ARLINGTON VA 22209	ADAPSO		
JAMES J. GROGAN, P.O. BOX 19614 IRVINE CA 92714	LINCOLN SAVINGS & LOAN ASSN	10,000.00	2,640.87
GROH EGGERS & PRICE, 550 WEST 7TH AVENUE, #1250 ANCHORAGE AK 99501	AMERICAN PETROFINA, INC		
RICHARD L. GRUBER, P.O. BOX 2511 HOUSTON TX 77001	TENNESSEE GAS PIPELINE CO		
KENNETH A. GUENTHER, 1625 MASSACHUAETTS AVE., #202 WASHINGTON DC 20036	INDEPENDENT BANKERS ASSN OF AMERICA		
MARY SCOTT GUEST, 1919 PENNSYLVANIA AVE., NW, #800 WASHINGTON DC 20006	DILLON REED & CO, INC		
LELAND M. GUSTAFSON, 1050 17TH ST., NW, #1180 WASHINGTON DC 20036	PACIFIC GAS & ELECTRIC CO	914.40	427.05
NED H. GUTHRIE, 209 HAYES AVENUE CHARLESTON WV 25314	AMERICAN FED OF MUSICIANS	3,770.00	2,004.88
GLENN M. HACKBARTH, 444 N. CAPITOL STREET, #204 WASHINGTON DC 20001	BONNEVILLE ASSOCIATES, INC (FOR: INTERMOUNTAIN HEALTH CARE, INC)	13,750.00	131.83
GEORGE HACKER, 1501 16TH STREET, NW WASHINGTON DC 20036	CENTER FOR SCIENCE IN THE PUBLIC INTEREST	1,400.00	
BRUCE N. HAHN, 9300 LIVINGSTON RD. FT. WASHINGTON MD 20744	NATIONAL TOOLING & MACHINING ASSN	11,425.08	1,459.78
DEBI HALL, 729 15TH STREET, NW WASHINGTON DC 20005	ASSOCIATED BUILDERS & CONTRACTORS, INC	2,500.00	
SEYMOUR HALPERN, 540 MADISON AVENUE, 23RD FL. NEW YORK NY 10022	BARON/CANNING & CO, INC (FOR: AMERICAN CAN CO)		
Do	BARON/CANNING & CO, INC (FOR: COORDINATION COUNCIL FOR NORTH AMERICAN AFFAIRS)	1,000.00	623.90
Do	BARON/CANNING & CO, INC (FOR: ELECTRONIC INDUSTRIES ASSN OF JAPAN)	1,000.00	356.75
Do	BARON/CANNING & CO, INC (FOR: REPUBLIC OF KOREA)		
J. PHILLIP HALSTEAD, P.O. BOX 24305 OAKLAND CA 94623	CLOROX COMPANY		
JERALD V. HALVORSEN, 2200 MILL ROAD ALEXANDRIA VA 22314	AMERICAN TRUCKING ASSNS, INC	15,000.00	982.01
Do	NATIONAL COAL ASSN		
WILLIAM W. HAMILTON JR., 2010 MASSACHUSETTS AVE., NW, #500 WASHINGTON DC 20036	PLANNED PARENTHOOD FEDERATION OF AMERICA, INC	667,761.00	76,036.00
HANDGUN CONTROL, INC, 1400 K STREET, NW, #500 WASHINGTON DC 20005			
HANNAFORD CO, INC, 655 15TH ST., NW, #200 WASHINGTON DC 20005	ROCKWELL INTERNATIONAL CORP		
Do	TRANS WORLD AIRLINES, INC		
HANSEN ENGINE CORP, 14920 MINNETONKA INDUSTRIAL ROAD MINNETONKA MN 55343			1,500.00
ERLING HANSEN, 624 9TH ST., NW, 7TH FL. WASHINGTON DC 20001	GROUP HEALTH ASSN OF AMERICA, INC		
STUART B. HARDY, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S.		
ANNE HARRISON-CLARK, 1707 H STREET, NW, #600 WSAHINGTON DC 20006	MARCH OF DIMES BIRTH DEFECTS FOUNDATION	4,125.00	43.00
CLIFFORD J. HARVISON, 2200 MILL RD. ALEXANDRIA VA 22314	NATIONAL TANK TRUCK CARRIERS, INC		
WALTER A. HASTY JR., 801 18TH STREET, NW, #400 WASHINGTON DC 20006	PROCTER & GAMBLE MANUFACTURING CO	105.00	
CHARLES E. HAWKINS III, 729 15TH STREET, NW WASHINGTON DC 20005	ASSOCIATED BUILDERS & CONTRACTORS, INC	2,500.00	
DAVID G. HAWKINS, 1350 NEW YORK AVE., NW, #300 WASHINGTON DC 20005	NATURAL RESOURCES DEFENSE COUNCIL, INC	1,658.07	5.75
PATRICK B. HEALY, 1840 WILSON BOULEVARD ARLINGTON VA 22201	NATIONAL MILK PRODUCERS FEDERATION	543.75	
ROBERT E. HEGGESTAD, 1827 PHELPS PLACE, NW WASHINGTON DC 20008	CASEY SCOTT & CANFIELD, P.C. (FOR UNIFICATION CHURCH)	875.00	24.50
Do	MANUFACTURED HOUSING INSTITUTE		
ROSS J. HEIDE, 1001 22ND STREET, NW, #600 WASHINGTON DC 20037	STANDARD OIL CO (OHIO)	325.00	65.00
STEVEN B. HELLEM, 605 14TH ST., NW WASHINGTON DC 20005	E. BRUCE HARRISON CO, INC (FOR: NEDA/CAAP)		
NOEL HEMMENDINGER, 1300 19TH STREET, NW WASHINGTON DC 20036	WALD HARKRADER & ROSS (FOR: JAPAN IRON & STEEL EXPORTERS' ASSN)		
CAROL DIANE HENDRICKS, 2601 PARK CENTER DRIVE, #C804 ALEXANDRIA VA 22302	AMERICAN MARITIME OFFICERS SERVICE		
DAVID A. HENSON, 100 N.E. ADAMS STREET PEORIA IL 61629	CATERPILLAR TRACTOR CO	600.00	760.77
HERCULES, INC, HERCULES PLAZA WILMINGTON DE 19894			9,408.00
LAWRENCE R. HERMAN, 600 PENNSYLVANIA AVENUE, SE, #200 WASHINGTON DC 20003	INDEPENDENT INSURANCE AGENTS OF AMERICA, INC	12,654.00	
HERON BURCHETTE RUCKERT & ROTHWELL, 1025 THOMAS JEFFERSON ST., NW, #700 WASHINGTON DC 20007	IMPERIAL VALLEY ASPARAGUS GROWERS ASSN		
WILLIAM G. HERROLD, 1111 19TH ST., NW, #608 WASHINGTON DC 20036	INSTITUTE OF ELECTRICAL & ELECTRONICS ENGINEERS		
FRED HERVEY, P.O. BOX 29021 2645 E. WASHINGTON PHOENIX AZ 85038	CIRCLE K CORPORATION		
DALE E. HEYDLAUFF, CRAFT & RICHARDS 1050 THOMAS JEFFERSON STREET, NW, 6TH FL WASHINGTON DC 20007	ALLIS CHALMERS ENERGY & MINERALS SYSTEMS CO	5,156.25	98.62
Do	CONSUMERS UNITED FOR RAIL EQUITY (C.U.R.E.)	7,712.00	301.90
Do	EDISON ELECTRIC INSTITUTE	1,995.00	103.35
Do	ILLINOIS DEPT OF ENERGY & NATURAL RESOURCES	2,524.00	102.60
GERALD 'JERRY' HILL, 6 EXECUTIVE PARK DRIVE ATLANTA GA 30329	AMOCO CORP		
SHEILA K. HIXSON, 1111 14TH STREET, NW WASHINGTON DC 20005	AMERICAN DENTAL ASSN	1,000.00	1,863.42

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
HOBBS STRAUS DEAN & WILDER, 1819 H ST., NW, #800 WASHINGTON DC 20006	BRISTOL BAY AREA HEALTH CORP		
Do	MENOMINEE INDIAN TRIBE		
Do	METLAKATLA INDIAN COMMUNITY		
Do	MICCOSUKEE TRIBE OF INDIANS OF FLORIDA		
Do	NATIONAL CONGRESS OF AMERICAN INDIANS, INC		
Do	OGLALA SIOUX TRIBE		
Do	TANANA CHIEFS CONFERENCE, INC	40.00	
Do	THREE AFFILIATES TRIBES OF THE FORT BERTHOLD RESERVATION	2,000.00	
Do	UTE MOUNTAIN UTE TRIBE	1,200.00	
HOGAN & HARTSON, 815 CONNECTICUT AVE., NW WASHINGTON DC 20006	AMERICAN ELECTRONICS ASSN		
Do	CLEVELAND CLINIC FOUNDATION		
Do	COALITION FOR THE ADVANCEMENT OF INDUSTRIAL TECHNOLOGY	864.50	
Do	COMPUTER & BUSINESS EQUIPMENT MANUFACTURERS ASSN		
Do	SCIENTIFIC APPARATUS MAKERS ASSN		
Do	SEMICONDUCTOR INDUSTRY ASSOCIATION		
WILLIAM J. HOLAYTER, 1300 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	INTERNATIONAL ASSN OF MACHINISTS & AEROSPACE WORKERS	7,682.48	
LEE F. HOLDMANN, 7315 WISCONSIN AVENUE, #825W BETHESDA MD 20814			
MOSES D. HOLMES JR., 1201 16TH ST., NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN	2,649.00	55.00
PAUL R. HOLTZ, 1111 14TH STREET, NW, #1200 WASHINGTON DC 20005	AMERICAN DENTAL ASSN	3,000.00	852.80
HOPKINS & SUTTER, THREE FIRST NATIONAL PLAZA, #4200 CHICAGO IL 60602	LANE BANKING GROUP	962.50	54.95
MARIAN HOPKINS, 1400 S. 28TH STREET, APT. 8 ARLINGTON VA 22206	BARNETT & ALAGIA	7,750.00	59.85
STEVEN HORNBURG, 1050 17TH STREET, NW, #770 WASHINGTON DC 20036	AMERICAN ASSN OF HOMES FOR THE AGING	187.00	7.60
SANFORD D. HORWITT, 5935 N. 5TH ROAD ARLINGTON VA 22203	COMMITTEE FOR HUMANE LEGISLATION, INC		
Do	FRIENDS OF ANIMALS, INC		
HOSPITAL ASSOCIATION OF NEW YORK STATE, 15 COMPUTER DRIVE WEST ALBANY NY 12205		429.00	429.00
ANNE L. HOWARD, ANNE L. HOWARD AND ASSOCIATES 888 17TH STREET, NW, #600 WASHINGTON DC 20006	LITTLE SIX BINGO	9,000.00	890.75
Do	PAN AMERICAN MANAGEMENT CO		
Do	SHAKOPEE MDEUAKAUTON SIOUX COMMUNITY		
EDWARD F. HOWARD, 1334 G STREET, 3RD FL. WASHINGTON DC 20005	VILLERS ADVOCACY ASSOCIATES	1,806.06	54.44
JOHN A. HOWES, 1050 17TH ST., NW, #490 WASHINGTON DC 20036	CONSUMERS POWER CO	6,000.00	1,266.00
BETTY HUDSON, 1627 K STREET, NW, #200 WASHINGTON DC 20006	FLUOR CORPORATION	15,000.00	980.64
HUDSON CREYKE KOEHLER & TACKE, 1744 R STREET, NW WASHINGTON DC 20009	JAMES P. PURVIS		103.95
HUDSON DAVENPORT & SEAY, ONE THOMAS CIRCLE, NW, #375 WASHINGTON DC 20005	CITY OF DETROIT		
TONY R. HUERTA, 100 INDIANA AVE., NW WASHINGTON DC 20001	NATIONAL ASSN OF LETTER CARRIERS	5,305.17	
STEVEN D. HUFF, 111 EAST WISCONSIN AVENUE, #1800 MILWAUKEE WI 53202	NATIONAL EMPLOYEE BENEFITS INSTITUTE		62.92
ROBERT R. HUMPHREYS, 1667 K ST., NW, #500 WASHINGTON DC 20006	HELEN KELLER NATIONAL CENTER		
HARRIET HUNT-BURGESS, 82 2ND ST. SAN FRANCISCO CA 94105	TRUST FOR PUBLIC LAND	6,820.00	5,902.00
GEOFFREY B. HURWITZ, 1667 K ST., NW, #1210 WASHINGTON DC 20006	ROHM AND HAAS COMPANY	500.00	
ROBERT E. HUTCHINSON, P.O. BOX 29021 2645 E. WASHINGTON PHOENIX AZ 85038	CIRCLE K CORPORATION		
INDEPENDENT BANKERS ASSN OF AMERICA, 1625 MASSACHUSETTS AVE., NW, #202 WASHINGTON DC 20036		90,500.00	28,436.20
INDEPENDENT INSURANCE AGENTS OF AMERICA, INC, 100 CHURCH ST, NEW YORK NY 10007		25,863.00	25,863.00
INTERLAKE, INC, 2015 SPRING RD. OAK BROOK IL 60521			16,768.00
INTERNATIONAL ASSN OF MACHINISTS & AEROSPACE WORKERS, 1300 CONNECTICUT AVE., NW WASHINGTON DC 20036			28,155.59
INTERNATIONAL BROTHERHOOD OF PAINTERS & ALLIED TRADES, 1750 NEW YORK AVE., NW WASHINGTON DC 20006			
INTERNATIONAL TECHNICAL EXPERTISE, LTD, 150 S. WASHINGTON ST., #100 FALLS CHURCH VA 22042			
AMY F. ISAACS, 1411 K STREET, NW, #850 WASHINGTON DC 20005	AMERICANS FOR A DEMOCRATIC ACTION	5,625.10	83.05
J M FAMILY ENTERPRISES, INC, P.O. BOX 1160 DEERFIELD BEACH FL 33441			
JAPANESE AMERICAN CITIZENS LEAGUE, 1765 SUTTER STREET SAN FRANCISCO CA 94118			
DAVID JENNESS, 1200 17TH STREET, NW, #520 WASHINGTON DC 20036	CONSORTIUM OF SOCIAL SCIENCES ASSNS		
RONALD P. JOHNSEN, 1250 EYE ST., NW, #703 WASHINGTON DC 20005	COLUMBIA GAS SYSTEM SERVICE CORP	175.00	233.18
H. BRADLEY JOHNSON, 1920 N ST., NW WASHINGTON DC 20036	AMERICAN MINING CONGRESS		
JONES & WINBURN, 50 E STREET, SE WASHINGTON DC 20003	AMERICAN ASSN OF EQUIPMENT LESSORS	27,000.00	34,274.09
Do	AMERICAN AUTOMOTIVE LEASING ASSN	3,000.00	34,274.09
Do	BURLINGTON NORTHERN, INC	53,000.00	34,274.09
Do	CITY OF BATON ROUGE	6,000.00	34,274.09
Do	HARTFORD FIRE INSURANCE GROUP	24,000.00	34,274.09
Do	NATIONAL ASSN OF ASCS COUNTY OFFICE EMPLOYEES (NASCOE)	2,499.99	34,274.09
ALLAN R. JONES, 2200 MILL RD. ALEXANDRIA VA 22314	AMERICAN TRUCKING ASSNS, INC	9,000.00	1,373.50
DAVID W. JOYNER, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS		
THOMAS W. JURIKA JR., 649 MISSION STREET SAN FRANCISCO CA 94105	URS CORPORATION		200.00
LAUREL B. KAMEN, 1020 19TH ST., NW, #600 WASHINGTON DC 20036	AMERICAN EXPRESS CO		
DENNIS R. KANIN, FOLEY HOAG & ELIOT ONE POST OFFICE SQUARE BOSTON MA 02109	HUMANE SOCIETY OF THE U.S., ET AL	2,520.50	20,490.28
GEORGE J. KARAM, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS		
KAYE SCHOLER FIERMAN HAYS & HANDLER, 1575 I STREET, NW, #1150 WASHINGTON DC 20005	PIONEER SYSTEMS, INC		1,504.50
Do	RAYMARK CORPORATION	2,100.00	1,050.00
KECK MAHIN & CATE, 1730 PENNSYLVANIA AVENUE, NW, #350 WASHINGTON DC 20006	SCHWINN BICYCLE CO	957.50	114.09
DONALD W. KELLER, P.O. BOX 3331 HOUSTON TX 77253	QUINTANA PETROLEUM CORP		
PAUL J. KELLEY, 2727 NORTH CENTRAL AVE. PHOENIX AZ 85004	U-HAUL INTL, INC		
KEMPER FINANCIAL SERVICES, INC, 120 SOUTH LASALLE STREET CHICAGO IL 60603			
KEMPER INVESTORS LIFE INSURANCE CO, 120 SOUTH LASALLE STREET CHICAGO IL 60603			352.82
VYTAUTAS KERBELIS, 69 COTTAGE ST. BAR HARBOR ME 04609	ARAS		
T. MICHAEL KERR, 1625 L ST., NW WASHINGTON DC 20036	AMERICAN FED OF STATE COUNTY & MUNICIPAL EMPLOYEES	10,815.00	130.82
FREDERICK A. KESSINGER, 1201 4TH ST., SW WASHINGTON DC 20024	ANIMAL HEALTH INSTITUTE		
MARYANN KILDUFF, 923 15TH ST., N.W. WASHINGTON DC 20005	TRANSPORTATION INSTITUTE	3,000.00	
GENE KIMMELMAN, 1424 16TH STREET, NW WASHINGTON DC 20036	CONSUMER FEDERATION OF AMERICA	6,636.00	
RUBY KING-WILLIAMS, 1201 16TH STREET, NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN		
PAUL G. KIRK JR., SULLIVAN & WORCESTER 1025 CONNECTICUT AVE., NW WASHINGTON DC 20036	NATIONAL FOOTBALL LEAGUE		
DONALD R. KIRTLEY, HERCULES PLAZA WILMINGTON DE 19894	HERCULES INC		
WILLIAM J. KISSICK, 503 QUEEN STREET EAST SAULT STE. MARIE ONTARIO CANADA P6A 5P2	ALGOMA STEEL CORP, LTD		
Do	CANADIAN TUBULAR PRODUCERS ASSN	400.00	699.51
RALPH W. KITTLE, 1620 EYE ST., NW, #700 WASHINGTON DC 20006	INTERNATIONAL PAPER CO	750.00	477.73
SAUL B. KLAMAN, 1101 15TH STREET, NW WASHINGTON DC 20005	NATIONAL COUNCIL OF SAVINGS INSTITUTIONS	10,000.00	
DAVID M. KLUCSIK, 1415 WYCKOFF ROAD, P.O. BOX 1464 WALL NJ 07719	NEW JERSEY NATURAL GAS CO		
PETER E. KNIGHT, 1101 15TH STREET, NW, #400 WASHINGTON DC 20005	NATIONAL COUNCIL OF SAVINGS INSTITUTIONS	8,000.00	
ROBERT L. KNOUS JR., 1410 GRANT STREET, #A-201 DENVER CO 80203	COLORADO SKI COUNTRY USA		
STANLEY E. KOLBE JR., 418 SOUTH CAPITOL STREET, SE WASHINGTON DC 20003	SHEET METAL & AIR CONDITIONING CONTRACTORS' NAT'L ASSN		
KOMINERS FORT SCHLEFER & BOYER, 1401 NEW YORK AVE., NW WASHINGTON DC 20005	APEX MARINE CORP	1,900.00	64.92
STEPHEN KOPLAN, 815 16TH ST., NW WASHINGTON DC 20006	AMERICAN FED OF LABOR & CONGRESS OF INDUSTRIAL ORGANIZATIONS	16,174.34	1,113.93
AMOS KRAMER, KANSAS PETROLEUM COUNCIL SUITE 1414 MERCHANTS BANK BLDG. 8TH & JACKSON STS. TOPEKA KS 66612	AMERICAN PETROLEUM INSTITUTE		
LAWRENCE E. KREIDER, 1015 18TH ST., NW WASHINGTON DC 20036	CONFERENCE OF STATE BANK SUPERVISORS		
JAMES M. KUSZAJ, SUITE 700 SOUTH 1800 M STREET, NW WASHINGTON DC 20036	DOW CHEMICAL U.S.A.		
BRUCE C. LADD JR., 1776 K STREET, NW WASHINGTON DC 20006	MOTOROLA, INC	16,500.00	60.00
MARCY LAMBOURNE, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	1,250.00	18.93
VIRGINIA A. LAMPLEY, 1818 N ST., NW, #600 WASHINGTON DC 20036	OGA INTERNATIONAL, INC (FOR: SOFREAVIA)		
LINDA L. LANAM, 1709 NEW YORK AVENUE, NW, #303 WASHINGTON DC 20006	BLUE CROSS & BLUE SHIELD ASSN		
JILL LANCELOT, 7100 SYCAMORE AVENUE TAKOMA PARK MD 20912	NATIONAL TAXPAYERS UNION		3,115.00
BRUCE ALAN LANDY, 2601 VIRGINIA AVE., NW WASHINGTON DC 20037	B.A.L. CO		
Do	CRYOGENIC VACUUM TECHNOLOGY CO		
Do			
LANE & EDSON, P.C., 2300 M STREET, NW WASHINGTON DC 20036	NATIONAL ASSN OF ENERGY SERVICE COS	2,439.00	2,439.00
LANE & MITTENDORF, 1750 K STREET, NW, #1200 WASHINGTON DC 20006	INDEPENDENT PRODUCERS GROUP	8,185.64	473.03
WILLIAM L. LARSEN, 1025 CONNECTICUT AVENUE, NW, #415 WASHINGTON DC 20036	AMERICAN INSURANCE ASSN		
JOHN LASTER, 1503 21ST ST., NW WASHINGTON DC 20036	SAVE OUR CHILDREN'S SECURITY		
LATHAM WATKINS & HILLS, 1333 NEW HAMPSHIRE AVE., NW, #1200 WASHINGTON DC 20036	WILSHIRE TERRACE COOPERATIVE HOUSING CORP	50.00	3.56
DENNIS LAVALLEE, 180 S. WASHINGTON ST., P.O. BOX 6808 FALLS CHURCH VA 22046	NATIONAL ASSN OF PLUMBING-HEATING-COOLING CONTRACTORS	500.00	113.85
CHARLES B. LAVIN JR., 180 S. WASHINGTON ST. FALLS CHURCH VA 22046	NATIONAL ASSN OF PLUMBING-HEATING-COOLING CONTRACTORS		
GEORGE H. LAWRENCE, 1515 WILSON BLVD. ARLINGTON VA 22209	AMERICAN GAS ASSN	1,250.00	
LEAGUE OF AMERICAN INVESTORS, 32123 LINDERO CANYON ROAD WESTLAKE VILLAGE CA 91361			
A. MICHAEL LEBECK, P.O. BOX 925 ALBUQUERQUE NM 87103			
LEBOEUF LAMB LEIBY & MACRAE, 1333 NEW HAMPSHIRE AVE., NW, #1100 WASHINGTON DC 20036	BRITISH INSURANCE ASSN		
LECHNER & BUTSAVAGE, P.C., 3101 SOUTH ST., NW WASHINGTON DC 20007	NATIONAL ASSN OF POLICE ORGANIZATIONS		7,421.55
MARY NELL LEHNHARD, 1709 NEW YORK AVE., NW WASHINGTON DC 20006	BLUE CROSS & BLUE SHIELD		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
CYNTHIA R. LENHART, 645 PENNSYLVANIA AVENUE, SE WASHINGTON DC 20003	NATIONAL AUDUBON SOCIETY	3,751.00	1,330.00
KAYE LEONARD, 1090 VERMONT AVE., NW, #510 WASHINGTON DC 20005	POTLATCH CORPORATION	85.75	77.86
LESNIK & COMPANY, 14701 GOV. ODEN BOWIE DRIVE UPPER MARLBORO MD 20772	BREED CORPORATION		
DALE LESTINA, 1201 16TH ST., NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN	2,957.00	342.00
KENNETH S. LEVINE, 1201 PENNSYLVANIA AVE., NW, #220 WASHINGTON DC 20004	JOSEPH SEAGRAM & SONS, INC	977.50	
LAWRENCE E. LEVINSON, 1875 EYE ST., NW, #940 WASHINGTON DC 20006	GULF & WESTERN INDUSTRIES, INC	3,500.00	500.00
ANN F. LEWIS, 1411 K STREET, NW, #850 WASHINGTON DC 20005	AMERICANS FOR DEMOCRATIC ACTION	13,538.44	69.80
DIANE PALMER LILLY, 1200 PEAVEY BUILDING MINNEAPOLIS MN 55479	NORWEST CORPORATION		
DONALD LINDSEY, 8213 S. RICHMOND CHICAGO IL 60652	BROTHERHOOD OF LOCOMOTIVE ENGINEERS		
KATHLEEN M. LINEHAN, 1025 CONNECTICUT AVE., NW, #700 WASHINGTON DC 20036	GULF OIL CORP	800.00	175.00
LINTON MIELDS REISLER & COTTONE, 1015 18TH ST., NW, #200 WASHINGTON DC 20036	IOWA DEPARTMENT OF TRANSPORTATION	4,162.00	47.00
Do	LAKE SUPERIOR DISTRICT POWER CO	615.00	
Do	MADISON GAS & ELECTRIC CO	1,443.00	
Do	METROPOLITAN SANITARY DISTRICT OF GREATER CHICAGO	5,587.00	
Do	NORTHERN STATES POWER CO	1,662.00	
Do	OREGON DEPT OF TRANSPORTATION	3,000.00	94.00
Do	STATE OF IL, DEPT OF TRANS, DIV OF WATER RES	3,515.00	
Do	STATE OF IL, DEPT OF TRANSPORTATION	6,309.00	101.00
Do	SUPERIOR WATER, LIGHT & POWER CO	284.00	
Do	WISCONSIN ELECTRIC POWER CO	4,607.00	437.00
Do	WISCONSIN FUEL AND LIGHT CO	272.00	
Do	WISCONSIN NATURAL GAS CO	1,522.00	111.00
Do	WISCONSIN POWER & LIGHT CO	2,492.00	
Do	WISCONSIN PUBLIC SERVICE CORP	2,649.00	
RON M. LINTON, 1015 18TH ST., NW, #200 WASHINGTON DC 20036	DENVER TECHNOLOGICAL CENTER		
LINDA A. LIPSEN, 2001 S STREET, NW, #520 WASHINGTON DC 20009	CONSUMERS UNION OF U.S., INC	2,160.00	
DAVID A. LITVIN, SUITE 600 1001 22ND ST., NW WASHINGTON DC 20037	STANDARD OIL COMPANY (OHIO)	1,840.00	233.00
LOOMIS OWEN FELLMAN & HOWE, 2020 K ST., NW WASHINGTON DC 20006	INDUSTRIAL DIAMOND ASSN		
Do	OPTICAL MANUFACTURERS ASSN		
TIMOTHY LOVAIN, 3713 GUNSTEN RD. ALEXANDRIA VA 22302	DENNY MILLER ASSOCIATES	9,750.00	
SARA L. LOVELAND, P.O. BOX 65-761 WASHINGTON DC 20035	S.O.S. SMALL BUSINESS JOBS		
CHARLES M. LOVELESS, 1625 L STREET, NW WASHINGTON DC 20036	AMERICAN FED OF STATE COUNTY & MUNICIPAL EMPLOYEES	10,815.00	437.08
JAMES D. LUCAS, 25 SOUTH CHARLES STREET, BALTIMORE MD 21201	FIRST NATIONAL BANK OF MARYLAND		
PETER J. LUCIANO, 923 15TH STREET, NW WASHINGTON DC 20005	TRANSPORTATION INSTITUTE	5,000.00	
WILLIAM F. LUDLAM SR., P.O. BOX 5282 VIRGINIA BEACH VA 23455	ARBA LICENSEES ASSN	2,000.00	793.00
W. FLETCHER LUTZ, 727 SOUTH 23RD ST., #100 ARLINGTON VA 22202	ASSOCIATION OF GOVERNMENT ACCOUNTANTS		
CLINTON LYONS, 1625 K STREET, NW, 8TH FL. WASHINGTON DC 20006	ADVOCATES TO SAVE LEGAL SERVICES, INC		
WILLIAM T. LYONS, 1747 PENNSYLVANIA AVE., NW, #700 WASHINGTON DC 20006	CIBA-GEIGY CORP	4,688.00	1,296.00
SAMUEL A. MABRY, 1800 K ST., NW WASHINGTON DC 20006	HERCULES INC	4,938.00	2,729.00
SHEILA MACDONALD, 3231 BEECH STREET, NW WASHINGTON DC 20015	NATIONAL TAXPAYERS UNION	966.00	
THOMAS L. MACK, 1145 ACACIA CIRCLE LITCHFIELD PARK AZ 85340	BECHTEL POWER CORPORATION		
JOHN MACNAMARA, 503 QUEEN STREET EAST SAULT STE. MARIE ONTARIO CANADA P6A 5P2	ALGOMA STEEL CORP, LTD		
CLIFF MADISON GOVERNMENT RELATIONS, INC, P.O. BOX 3482 GRANADA HILLS CA 91344	MARK AIR, INC	1,200.00	
Do	SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT	1,000.00	
Do	WESTERN AIRLINES		
JOAN A. MAHER, 1117 NORTH 19TH STREET, #600 ARLINGTON VA 22209	AMERICAN ASSN OF BLOOD BANKS		
LINDA J. MAHER, 1140 CONNECTICUT AVE., NW, #1006 WASHINGTON DC 20036	TURNER BROADCASTING SYSTEM, INC	4,600.00	722.46
JESSICA MAITZEN, 3900 WISCONSIN AVE., NW WASHINGTON DC 20016	NORWEST MORTGAGE, INC		
MAN-MADE FIBER PRODUCERS ASSN, INC, 1150 17TH ST., NW, #310 WASHINGTON DC 20036		168,000.00	201,075.18
MANCHESTER ASSOCIATES, LTD, 1155 15TH STREET, NW, #811 WASHINGTON DC 20005	CORPORACION NACIONAL DEL COBRE DE CHILE (CODELCO)		
Do	NISSAN MOTOR COMPANY, LTD		
PETER T. MANGIONE, 1319 F STREET, NW, #700 WASHINGTON DC 20004	FOOTWEAR RETAILERS OF AMERICA, INC	137.50	
DONALD W. MANN, 60-B FRANKLIN ST. TEANECK NJ 07666	NEGATIVE POPULATION GROWTH, INC		
THOMAS P. MARINIS JR., 3418 FIRST CITY TOWER HOUSTON TX 77002	VINSON & ELKINS (FOR: ARCHIE BENNETT JR.)	35,000.00	227.76
RICHARD MARK, 1346 CONNECTICUT AVE., NW, #901 WASHINGTON DC 20036	PROFESSIONALS' COALITION FOR NUCLEAR ARMS CONTROL	7,500.00	422.53
RICHARD P. MARKEY, 729 15TH ST., NW WASHINGTON DC 20005	ASSOCIATED BUILDERS & CONTRACTORS, INC		
RONALD ANTHONY MARKS, 10 WATERSIDE PLAZA, #2B NEW YORK NY 10010			
CHALMERS H. MARQUIS, 1818 N STREET, NW, #410 WASHINGTON DC 20036	AGENCY FOR INSTRUCTIONAL TELEVISION		
Do	CHILDREN'S TELEVISION WORKSHOP		
JOHN MARSH, 100 OAKVIEW DRIVE TRUMBULL CT 06611	RAYMARK CORPORATION		
PEGGY L. MARTIN, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS		
HERBERT S. MATTHEWS, RTE. 3, BOX 437 MECHANICSVILLE MD 20659	MARTIN-MARIETTA AEROSPACE	6,000.00	67.50
ALBERT E. MAY, 1627 K STREET, NW WASHINGTON DC 20006	COUNCIL OF AMERICAN-FLAG SHIP OPERATORS	5,250.00	1.32
H. WESLEY MCADEN, 1155 15TH ST., NW, #424 WASHINGTON DC 20005	J. G. BOSWELL CO	3,000.00	
JOHN A. MCCAHILL, 1250 CONNECTICUT AVE, NW WASHINGTON DC 20036	U.S. OLYMPIC COMMITTEE		
LAW OFFICES OF R. C. MCCANDLESS, 1707 H ST., NW WASHINGTON DC 20006	MILLER & SCHROEDER MUNICIPALS, INC		
Do	SANTA ANITA REALTY ENTERPRISES, INC		
Do	TRANSAMERICA CORPORATION		
Do	TRANSAMERICA INTERWAY CORP		
ROBIN W. MCCLUNG, 1667 K ST., NW, #1210 WASHINGTON DC 20006	ROHM AND HAAS CO	500.00	
ROSE MCCULLOUGH, SOUTHERN PLAINS OFFICE 5611 SEARS AVENUE DALLAS TX 75206	SIERRA CLUB	922.83	1,484.45
MCDERMOTT WILL & EMERY, 1850 K ST., NW, #500 WASHINGTON DC 20006	FORT HOWARD PAPER CO		
Do			
AH QUON MCELRATH, 1334 G STREET, NW, THIRD FL. WASHINGTON DC 20005	VILLERS ADVOCACY ASSOCIATES	851.76	6.00
ROBERT MCINTYRE, 1313 L ST., NW WASHINGTON DC 20005	CITIZENS FOR TAX JUSTICE	7,700.28	
JANE PIERSON MCMICHAEL, 1325 MASSACHUSETTS AVE., NW WASHINGTON DC 20005	AMERICAN FED OF GOVERNMENT EMPLOYEES	14,117.52	13,978.50
PATRICK H. MCNAMARA, 1800 M STREET, NW, #700 SOUTH WASHINGTON DC 20036	DOW CHEMICAL, U.S.A.		
ROBERT MCVICKER, 2421 CAVENDISH DR. ALEXANDRIA VA 22309	KOLLSMAN INSTRUMENT CO		
LESLIE S. MEAD, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL COUNCIL OF FARMER COOPERATIVES		
FRANCIS X. MEANEY, 1825 EYE STREET, NW WASHINGTON DC 20006	MINTZ LEVIN COHN FERRIS GLOVSKY & POPEO (FOR: NORTHERN ENERGY CORPORATION).		
Do	MINTZ LEVIN COHN FERRIS GLOVSKY & POPEO (FOR: SCA SERVICES)		
MICHELLE MEIER, 2001 S STREET, NW, #520 WASHINGTON DC 20009	CONSUMERS UNION OF U.S., INC	1,000.00	
NANINE MEIKLEJOHN, 1625 L ST., NW WASHINGTON DC 20036	AMERICAN FED OF STATE COUNTY & MUNICIPAL EMPLOYEES	6,604.14	70.60
JAMES T. MELVILLE, 503 QUEEN STREET EAST SAULT STE. MARIE ONTARIO CANADA P6A 5P2	ALGOMA STEEL CORP, LTD		
MEMEL JACOBS PIERNO GERSH & ELLSWORTH, 1800 M STREET, NW, #1000-N WASHINGTON DC 20036	NATIONAL ASSN OF PUBLIC HOSPITALS		
HAROLD E. MESIROW, 21 DUPONT CIRCLE, NW WASHINGTON DC 20036	LILLICK MCHOSE & CHARLES (FOR: FOSS LAUNCH & TUG COMPANY; FOSS ALASKA LINE).		
Do	WESTERN PIONEER, INC		
CHRISTOPHER L. MEYER, 410 8TH AVENUE DAYTON KY 41074	NEW GENERATION LOBBY		
SHARON MIHNOVETS, 2809 S. JOYCE ST. ARLINGTON VA 22202			
MILLER & CHEVALIER, CHTD, METROPOLITAN SQUARE 655 15TH STREET, NW WASHINGTON DC 20005	NATURAL GAS SUPPLY ASSN		
Do	NUCLEAR FUEL SERVICES, INC		
DENNY MILLER ASSOCIATES, 400 N. CAPITOL ST., NW, #325 WASHINGTON DC 20001	BOEING COMPANY	2,000.00	450.00
Do	MARINE ENGINEERS' BENEFICIAL ASSN	1,000.00	450.00
Do	PORT OF TACOMA	975.00	3,250.00
Do	ROCKCOR, INC	1,625.00	450.00
DAVID H. MILLER, 900 17TH STREET, NW WASHINGTON DC 20006	CHASE MANHATTAN BANK, N.A.	153.75	6.48
JOHN R. MILLER, 1750 MIDLAND BUILDING CLEVELAND OH 44115	STANDARD OIL CO (OHIO)		
RICHARD H. MITMAN, 6520 GOODLAND AVENUE NORTH HOLLYWOOD CA 91606			
JOHN V. MOLLER, 1155 15TH STREET, NW, #1010 WASHINGTON DC 20005	MANCHESTER ASSOCIATES (FOR: CORPORACION NACIONAL DEL COBRE DE CHILE (CODELCO)).		
Do	MANCHESTER ASSOCIATES, LTD (FOR: NISSAN MOTOR COMPANY, LTD)		
HERMAN J. MOLZAHN, 1600 WILSON BLVD., #1101 ARLINGTON VA 22209	AMERICAN WATERWAYS OPERATORS, INC		
ELIZABETH R. MONRO, 1709 NEW YORK AVE., NW WASHINGTON DC 20006	AIR TRANSPORT ASSN OF AMERICA	5,000.00	
JOHN MORGAN, 1925 K ST., NW WASHINGTON DC 20006	COMMUNICATIONS WORKERS OF AMERICA		
MORGAN LEWIS & BOCKIUS, SUITE 800 NORTH 1800 M ST., NW WASHINGTON DC 20036	ZALMAN C. BERNSTEIN		
JEANNE L. MORIN, 1511 K ST., NW, #1100 WASHINGTON DC 20005	NATIONAL ASSN OF DEVELOPMENT COMPANIES	2,976.22	102.11
MORRISON & FOERSTER, 2000 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	CONSOLIDATED FREIGHTWAYS		
Do	CROCKER NATIONAL BANK		
Do	ROSENBERG REAL ESTATE EQUITY FUND, INC		
MICHAEL L. MORTON, 918 16TH STREET, NW, #501 WASHINGTON DC 20006	GODFREY ASSOCIATES, INC		
SOL MOSHER, 1660 L ST., NW, #215 WASHINGTON DC 20036	CROWN ZELLERBACH CORPORATION		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
MUDGE ROSE GUTHRIE ALEXANDER & FERNDON, 2121 K STREET, NW WASHINGTON DC 20037	AMERICAN ASSN OF EXPORTERS-IMPORTERS-TEXTILE & APPAREL GROUP		500.00
Do	BIG RIVERS ELECTRIC CORP, ET AL	333.00	
Do	GOVERNMENT OF HONG KONG		
Do	JAPAN LUMBER IMPROTERS ASSN		
HENRY K. MUI, 2025 EYE STREET, NW, #926 WASHINGTON DC 20006	ORGANIZATION OF CHINESE AMERICANS		872.00
DONNA T. MUNDY, 2211 CONGRESS STREET PORTLAND ME 04122	UNION MUTUAL LIFE INSURANCE CO	150.00	3,212.21
KEITH MURPHY, KEMP KLEIN ENDELMEN & BEER 1320 19TH STREET, NW, #200 WASHINGTON DC 20036	M.A.N. TRUCK & BUS CORP		
WILLIAM T. MURPHY JR., 1225 19TH STREET, NW, #200 WASHINGTON DC 20036	DICKSTEIN SHAPIRO & MORIN		
Do	NATIONAL ASSN GOVERNMENT GUARANTEED LENDERS	1,200.00	28.00
Do	NATURAL GAS SUPPLY ASSN	1,500.00	35.00
MURRAY & SCHEER, 2550 M ST., NW, #695 WASHINGTON DC 20037	CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC RAILROADS	450.00	
Do	CLEVELAND CLIFFS IRON CO	250.00	
Do	CONNECTICUT MUTUAL LIFE INSURANCE CO	500.00	
Do	IRON ORE LESSORS ASSN, INC	250.00	
Do	LTV CORPORATION	500.00	
Do	MASSACHUSETTS MUTUAL LIFE INSURANCE CO	500.00	
Do	MUTUAL BENEFIT LIFE	500.00	
Do	NATIONAL BUSINESS AIRCRAFT ASSN	500.00	
Do	NATIONAL COUNCIL OF COAL LESSORS	400.00	
Do	NEW ENGLAND MUTUAL LIFE INSURANCE CO	500.00	
Do	PENN MUTUAL LIFE INSURANCE CO	500.00	
Do	SHUBERT ORGANIZATION, INC	300.00	
Do	SWAZILAND SUGAR ASSN	500.00	
ROSEMARY GRIFFIN MURRAY, 1660 L ST., NW, #901 WASHINGTON DC 20036	PAN AMERICAN WORLD AIRWAYS, INC		
ROBERT J. MUTH, 180 MAIDEN LN. NEW YORK NY 10038	ASARCO INC	300.00	
NATA, 1000 CONNECTICUT AVE., NW, #1200 WASHINGTON DC 20006			
NATIONAL ASSN OF BEVERAGE IMPORTERS, 1025 VERMONT AVENUE, NW, #1205 WASHINGTON DC 20005			
NATIONAL ASSN OF DEVELOPMENT COMPANIES, 1612 K ST., NW, #706 WASHINGTON DC 20006		22,065.32	9,396.78
NATIONAL ASSN OF ENERGY SERVICE COMPANIES, 2330 M ST., NW WASHINGTON DC 20037		2,439.00	2,439.00
NATIONAL ASSN OF HOME BUILDERS OF THE U.S., 15TH & M STS., NW WASHINGTON DC 20005		52,356.40	85,921.82
NATIONAL ASSN OF LETTER CARRIERS, 100 INDIANA AVE., NW WASHINGTON DC 20001		3,771,049.40	358,863.44
NATIONAL ASSN OF MARGARINE MFGRS, 1625 I ST., NW, #1024-A WASHINGTON DC 20006			
NATIONAL ASSN OF PLUMBING-HEATING-COOLING CONTRACTORS, P.O. BOX 6806 FALLS CHURCH VA 22046		3,113.46	3,113.46
NATIONAL ASSN OF RAILROAD PASSENGERS, 417 NEW JERSEY AVE., SE WASHINGTON DC 20003		104,216.31	33,464.24
NATIONAL ASSN OF REALTORS, 777 14TH ST., NW WASHINGTON DC 20005			88,295.42
NATIONAL ASSN OF RETIRED FEDERAL EMPLOYEES, 1533 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036		3,277.00	3,082.00
NATIONAL CLUB ASSOCIATION, 1625 EYE ST., NW, #609 WASHINGTON DC 20006			
NATIONAL COALITION FOR MARINE CONSERVATION, INC, P.O. BOX 23298 SAVANNAH GA 31403		7,689.40	18,784.10
NATIONAL COALITION TO BAN HANDGUNS, 100 MARYLAND AVE., NE WASHINGTON DC 20002			
NATIONAL COMMUNITY ACTION FOUNDATION, INC, 2100 M STREET, NW, #604A WASHINGTON DC 20037		193,274.00	34,388.00
NATIONAL COUNCIL OF SAVINGS INSTITUTIONS, 1101 15TH ST., NW, #400 WASHINGTON DC 20005		820,777.43	
NATIONAL EDUCATION ASSN, 1201 16TH ST., NW WASHINGTON DC 20036		19,685.00	19,685.00
NATIONAL EMPLOYEE BENEFITS INSTITUTE, 2550 M ST., NW, #303 WASHINGTON DC 20037		15,911.25	2,316.61
NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSN, INC, 122 C ST., NW, #380 WASHINGTON DC 20001		48,057.00	511.00
NATIONAL FEDERATION OF BUSINESS & PROFESSIONAL WOMEN'S CLUBS, 2012 MASSACHUSETTS AVE., NW WASHINGTON DC 20036.		58,024.50	25,416.97
NATIONAL FEDERATION OF COMMUNITY DEVELOPMENT CREDIT UNIONS, 29 JOHN STREET, #903 NEW YORK NY 10038			
NATIONAL HEALTH CARE FINANCING ASSN, P.O. BOX 946 HOLLY HILL FL 32017			
NATIONAL KNITWEAR & SPORTSWEAR ASSN, 386 PARK AVENUE SOUTH NEW YORK NY 10016		1,250.00	
NATIONAL PRINTING EQUIPMENT & SUPPLIES ASSN, INC, 6849 OLD DOMINION DRIVE, #200 MCLEAN VA 22101			
NATIONAL TAX EQUALITY ASSN, 321 D ST., NE WASHINGTON DC 20002		2,814.00	3,044.82
NATIONAL TAX LIMITATION COMMITTEE, 500 N. WASHINGTON STREET, #201 FALLS CHURCH VA 22046			4,000.00
NATIONAL TAXPAYERS UNION, 325 PENNSYLVANIA AVE., SE WASHINGTON DC 20003		17,525.00	9,745.00
NATIONAL TOUR ASSN, INC, 120 KENTUCKY AVE. LEXINGTON KY 40502		34,574.00	34,574.00
NATIONAL TURKEY FEDERATION, 11319 SUNSET HILLS RD. RESTON VA 22090			
NATURAL GAS SUPPLY ASSN, 1730 RHODE ISLAND AVE., NW WASHINGTON DC 20036		1,067,350.00	20,145.72
MICHAEL W. NAYLOR, 1050 CONNECTICUT AVE., NW, #800 WASHINGTON DC 20036	ALLIED CORPORATION		
SUSAN BINGHAM NEAL, SUITE 695 600 MARYLAND AVE., SW WASHINGTON DC 20024	THOMPSON & CO		
NEECE CATOR & ASSOCIATES, INC, 1050 17TH STREET, NW WASHINGTON DC 20036	NATIONAL ASSN OF SMALL BUSINESS INVESTMENT COS		
MARY ELIZABETH NEESE, 1101 15TH ST., NW, #400 WASHINGTON DC 20005	NATIONAL COUNCIL OF SAVINGS INSTITUTIONS	2,000.00	68.40
NEIGHBORHOOD HOUSING SERVICES OF AMERICA, 1951 WEBSTER STREET OAKLAND CA 94612			
NEILL & COMPANY, INC, 900 17TH ST., NW, #400 WASHINGTON DC 20006	INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION		
NEILL MULLENHOLZ SHAW & SEEGER, 900 17TH ST., NW, #400 WASHINGTON DC 20006	HASHEMITE KINGDOM OF JORDAN		
Do	KINGDOM OF MOROCCO		
E. COLETTE NELSON, 1004 DUKE ST. ALEXANDRIA VA 22314	AMERICAN SUBCONTRACTORS ASSN	1,400.00	
GAYLORD NELSON, 1400 EYE STREET, NW WASHINGTON DC 20005	WILDERNESS SOCIETY	647.52	
FREDERICK H. NESBITT, 100 INDIANA AVENUE, NW WASHINGTON DC 20001	NATIONAL ASSN OF LETTER CARRIERS	8,156.27	1,315.34
NEW GENERATION LOBBY, 410 8TH AVENUE DAYTON KY 41074			
MARY BENNETT NEWBOULD, 122 C STREET, NW, #875 WASHINGTON DC 20001	AMERICAN OSTEOPATHIC ASSN	1,800.00	
WILLIAM B. NEWMAN JR., P.O. BOX 23451 WASHINGTON DC 20024	CONSOLIDATED RAIL CORPORATION	4,150.00	
NICKERSON INGRAM VENTO & ASSOCIATES, 8508 MT. ZEPHYR DR. ALEXANDRIA VA 22309	SYSTEMS CONTROL TECHNOLOGY, INC		
NIXON HARGRAVE DEVANS & DOYLE, 1090 VERMONT AVENUE, NW, #1200 WASHINGTON DC 20005	AMERICAN FREE TRADE ASSN, INC		
Do	BAUSCH & LOMB		
PETER NIXON, 503 QUEEN STREET EAST SAULT STE. MARIE ONTARIO CANADA P6A 5P2	ALGOMA STEEL CORP, LTD		
NICHOLAS T. NONNENMACHER, 491 BROADWATER ARNOLD MD 21012	TERRENCE W. MODGLIN & ASSOCIATES (FOR: MARITIME INSTITUTE FOR RESEARCH & INDUSTRIAL DEVELOPMENT).	775.00	
NONPROFIT MAILERS FEDERATION, 2555 M STREET, NW, #405 WASHINGTON DC 20037			6,332.20
JULIA J. NORRELL, 1850 K ST., NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC	5,325.00	40.56
J. HALLOCK NORTHCOTT, 1101 15TH ST., NW WASHINGTON DC 20005	MINNESOTA MINING & MANUFACTURING CO		
NOSSAMAN GUTHNER KNOX & ELLIOTT, 1140 19TH ST., NW, #600 WASHINGTON DC 20036	AETNA LIFE & CASUALTY		1,200.00
Do	CALIFORNIA STUDENT LOAN FINANCE CORP		262.50
Do	HELIONETICS, INC		400.00
Do	INSURANCE ASSOCIATION OF CONNECTICUT		1,100.00
Do	NATIONAL SHORTHAND REPORTERS ASSN		
Do	SOUTHERN CALIFORNIA EDISON		800.00
MICHAEL NOVELLI, 3012 CAMBRIDGE PLACE, NW WASHINGTON DC 20007	PACIFIC POTOMAC SERVICES		
HUBERT K. O'BANNON, P.O. BOX 23451 WASHINGTON DC 20026	CONSOLIDATED RAIL CORPORATION	2,130.00	
MARY EILEEN O'BRIEN, 1800 M ST., NW, SUITE 710 SOUTH WASHINGTON DC 20036	DOW CORNING CORPORATION		
O'CONNOR & HANNAN, 1919 PENNSYLVANIA AVE., NW, #800 WASHINGTON DC 20006	AMERICAN CLINICAL LABORATORY ASSN	1,000.00	
Do	AMERICAN FAMILY LIFE ASSURANCE CO	750.00	
Do	AMERICAN PETROFINA	9,930.00	
Do	AMERICAN TRUCKING ASSNS, INC		
Do	BALFOUR BEATTY LIMITED (BIIC)		
Do	CAMBRIDGE REDEVELOPMENT AUTHORITY		
Do	CHRONAR CORPORATION	4,800.00	
Do	CNA INSURANCE	7,509.03	
Do	COCA-COLA COMPANY	2,870.00	
Do	FIRST PENNSYLVANIA BANK	4,750.00	
Do	GOVERNMENT OF CYPRUS	29,990.00	
Do	GOVERNMENT OF JAMAICA		
Do	GOVERNMENT OF SUDAN		
Do	ITEL CORPORATION		
Do	JAMAICAN BROADCASTING CORP		
Do	RLC CORPORATION		
Do	ROLLINS ENVIRONMENTAL SERVICES	9,000.00	
Do	JOSEPH E. SEAGRAM & SONS, INC	1,625.76	
CHARLES ALBERT O'CONNOR JR., 2300 S. 24TH ROAD, #533 ARLINGTON VA 22206			
EMILY O'CONNOR, 777 14TH STREET, NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	2,400.00	
IAN O'CONNOR, 111 CHIMNEY ROCK ROAD BRIDGEWATER NJ 08807	CANADIAN TUBULAR PRODUCERS ASSN	200.00	468.96
PAUL T. O'DAY, 1150 17TH STREET, NW WASHINGTON DC 20036	MAN-MADE FIBER PRODUCERS ASSN, INC	500.00	92.18
BARBARA E. O'HARA, 4400 MACARTHUR BLVD., NW WASHINGTON DC 20007	AMERICAN SOC OF TRAVEL AGENTS	100.00	
KATHLEEN O'LEARY, 1250 EYE ST., NW, #703 WASHINGTON DC 20005	COLUMBIA GAS DISTRIBUTION COMPANIES	3,500.00	248.20
LAW OFFICES OF JOHN O'NEAL, P.C., 600 NEW HAMPSHIRE AVENUE, NW, #626 WASHINGTON DC 20037	NATIONAL RURAL TELECOM ASSN	875.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
JACK JOHN OLIVERO, 36 W. 44 ST., #1115 NEW YORK NY 10036	OLIVERO FLORESCA ASSOCIATES		
VAN R. OLSEN, 1156 15TH ST., NW, #1019 WASHINGTON DC 20005	U.S. BEET SUGAR ASSN		
CHARLES J. ORASIN, 1400 K STREET, NW, #500 WASHINGTON DC 20005	HANDGUN CONTROL, INC	2,442.00	
MICHEL ORBAN, 125 BROAD STREET, 39TH FL. NEW YORK NY 10004	AMERICAN EXPRESS CO		
ELVIRA J. ORLY, 1150 CONNECTICUT AVE., NW, #700 WASHINGTON DC 20036	ALLIED CORPORATION	62.51	22.20
ORRICK HERRINGTON & SUTCLIFFE, 555 CAPITOL MALL, #1200 SACRAMENTO CA 95814			
J. ALLEN OVERTON, 1920 N ST., NW, #300 WASHINGTON DC 20006	AMERICAN MINING CONGRESS	150.30	15.50
WILLIAM H. OWENS JR., 1111 14TH ST., NW, #1200 WASHINGTON DC 20005	AMERICAN DENTAL ASSN	1,000.00	1,210.30
P/M CONSULTING, INC, 3030 MCKINNEY AVE., #1001 DALLAS TX 75204	FAIRCHILD INDUSTRIES		
Do	TALLEY CORPORATION		
JOEL PACKER, 1201 16TH STREET, NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN	2,101.00	75.75
GERARD PAUL PANARO, WEBSTER CHAMBERLAIN & BEAN 1747 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	RETAIL BAKERS ASSN	1,146.00	
JUDITH E. PARK, 1533 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20036	NATIONAL ASSN OF RETIRED FEDERAL EMPLOYEES	12,930.00	
PRUDENCE H. PARKS, 1100 H STREET, NW WASHINGTON DC 20080	WASHINGTON GAS LIGHT CO	120.41	435.16
TOM E. PARO, 1735 DESALES ST., NW WASHINGTON DC 20036	ASSOCIATION OF MAXIMUM SERVICE TELECASTERS, INC	506.00	
PARRY AND ROMANI ASSOCIATES, INC, 1140 CONNECTICUT AVENUE, NW, #400 WASHINGTON DC 20036	AFFILIATED CAPITAL CORP	4,950.00	
Do	AMERICAN FAMILY LIFE ASSURANCE CO	1,500.00	
Do	CARE ENTERPRISES	3,225.00	
Do	GENERIC PHARMACEUTICAL INDUSTRY ASSN, INC	1,500.00	180.00
Do	INTERNATIONAL BROTHERHOOD OF TEAMSTERS	2,250.00	
Do	JOHNSON & JOHNSON	3,333.00	
Do	K-MART	1,000.00	
Do	KNUDSEN CORPORATION	200.00	
Do	LINCOLN SAVINGS	3,300.00	
Do	LOYAL AMERICAN LIFE INSURANCE CO		
Do	MOTION PICTURE ASSN OF AMERICA, INC	1,200.00	362.15
Do	NATIONAL BEER WHOLESALERS ASSN	1,500.00	101.32
Do	NATIONAL SOFT DRINK ASSN		
Do	PFIZER, INC		
Do	SONY CORPORATION	1,400.00	
LOUIS R. PAULICK, 1901 NORTH FORT MYER DRIVE ARLINGTON VA 22209	GAS APPLIANCE MANUFACTURERS ASSN, INC		
ELIN PELTZ, 1511 K STREET, NW WASHINGTON DC 20005	HAWAIIAN SUGAR PLANTERS' ASSN	300.00	50.00
HUMBERTO R. PENA, 1155 15TH ST., NW WASHINGTON DC 20005	BRISTOL-MYERS CO	500.00	
PEPPER & CORAZZINI, 1776 K ST., NW WASHINGTON DC 20006	SATELLITE SYNDICATED SYSTEMS, INC		
BARBARA K. PEQUET, P.O. BOX 29631 WASHINGTON DC 20017	AMERICAN SOC FOR PREVENTION OF CRUELTY TO ANIMALS (ASPCA)		
PERITO DUERK & PINCO, P.C., 1140 CONNECTICUT AVENUE, NW, #400 WASHINGTON DC 20036	AMERICAN COLLEGE OF NEUROPSYCHOPHARMACOLOGY		
Do	AMERICAN PROTESTANT HEALTH ASSN	2,000.00	66.00
Do	AMERICAN SOC FOR PHARMACOLOGY & EXPERIMENTAL THERAPEUTICS		
Do	JOHNSON & JOHNSON		
Do	NATIONAL ASSN OF ALCOHOLISM TREATMENT PROGRAMS, INC	666.00	33.00
Do	SOCIETY OF REAL ESTATE APPRAISERS		
Do	COMMITTEE ON PROBLEMS OF DRUG DEPENDENCE, INC	333.00	20.00
ROBERT A. PERKINS, 1100 CONNECTICUT AVENUE, NW WASHINGTON DC 20036	CHRYSLER CORP	15,000.00	541.98
DAVID F. PERRY, 15 COMPUTER DRIVE, W. ALBANY NY 12205	HOSPITAL ASSN OF NEW YORK STATE	354.00	
JOHN J. PESCH, 3422 STONEYBRAE DRIVE FALLS CHURCH VA 22044	NORTHROP CORP		
SUSAN E. PHILLIPS, 1709 NEW YORK AVENUE, NW WASHINGTON DC 20006	BLUE CROSS & BLUE SHIELD ASSN		
PAUL J. PHOENIX, 1330 BURLINGTON STREET EAST HAMILTON ONTARIO CANADA L8N 3J5	DOFASCO, INC		
MOLLY J. PIERCE, 1709 NEW YORK AVE., NW, #303 WASHINGTON DC 20006	BLUE CROSS & BLUE SHIELD		
PIERSON BALL & DOWD, 1200 18TH ST., NW WASHINGTON DC 20036	AMERICAN ACADEMY OF PEDIATRICS	21,302.84	
Do	GENENTECH	4,194.52	
Do	INFECTIOUS DISEASES SOCIETY OF AMERICA	4,290.11	
PIERSON SEMMES & FINLEY, 1054 31ST STREET,NW WASHINGTON DC 20007	OKLAHOMA NATURAL GAS COMPANY		
JOHN H. PILCHER, 1776 F STREET, NW WASHINGTON DC 20006	NATIONAL ASSN OF MANUFACTURERS		
PILLSBURY MADISON & SUTRO, 1667 K STREET, NW #1100	TRANSPACE CARRIERS, INC		
PILOTS RIGHTS ASSOCIATION, P.O. BOX 7000-367 REDONDO BEACH CA 90277			4,613.87
SUMNER PINGREE, 1400 EYE ST., NW WASHINGTON DC 20005	WILDERNESS SOCIETY		
PLANNED PARENTHOOD FEDERATION OF AMERICA, INC, 2010 MASSACHUSETTS AVENUE, NW, 5TH FL. WASHINGTON DC 20036.		4,014.80	4,014.80
POWELL GOLDSTEIN FRAZER & MURPHY, 1110 VERMONT AVE., NW, #1050 WASHINGTON DC 20005	ALTER GROUP	20,250.71	960.15
Do	ASSOCIATION OF EXECUTIVE SEARCH CONSULTANTS, INC		
Do	BEAR STEARNS & CO		
Do	COALITION FOR COMPETITION	5,000.00	
Do	CORNING ASSOCIATES		
Do	COUNCIL OF STATE HOUSING AGENCIES	741.00	
Do	DIGITAL EQUIPMENT CORP	17,157.00	
Do	FEDERAL NATIONAL MORTGAGE ASSN		
Do	FLOOD CONTROL ADVISORY COMMITTEE	1,750.00	35.40
Do	JACQUES BOREL ENTERPRISES, INC		
Do	MARYLAND SAVINGS-SHARE INSURANCE CORP		
Do	MID-AMERICA ASSOCIATES		
Do	N & F DEVELOPMENT CORP, INC		
Do	NATIONAL INVESTMENT DEVELOPMENT CORP		
Do	NATIONAL MULTI HOUSING COUNCIL	500.00	
Do	SKW ALLOYS, INC		
WOODRUFF M. PRICE, 1331 PENNSYLVANIA AVE., NW, #560 WASHINGTON DC 20014	WESTINGHOUSE ELECTRIC CORPORATION	6,450.00	467.01
MICHAEL F. PRIESNITZ, 1310 HIGHWAY 96, #110 ST. PAUL MN 55108	CSX CORPORATION	3,000.00	1,140.37
PROJECT ADVISORY GROUP, 1029 VERMONT AVE., NW, #860 WASHINGTON DC 20005	FORESIGHT CONSULTING, INC		
PROJECT CURE, INC, 2020 K STREET, NW, #350 WASHINGTON DC 20006			744.79
PROTECT THE INNOCENT, INC, 451 SOUTH INDIANA STREET MOORESVILLE IN 46158		71,298.39	32,781.65
TANYA A. RAHALL, 2033 M STREET, NW, #900 WASHINGTON DC 20036	PROTECT THE INNOCENT, INC		32.01
DONALD A. RANDALL, P.C., 321 D STREET, NE WASHINGTON DC 20002	NATIONAL ASSN OF ARAB AMERICANS	1,916.67	111.40
Do	AUTOMOTIVE SERVICE COUNCILS, INC	1,668.00	
ROBERT A. RAPOZA ASSOCIATES, 2001 S STREET, NW WASHINGTON DC 20007	NATIONAL INDEPENDENT DAIRY-FOODS ASSN	11,477.50	
Do	FRIENDS OF THE RURAL DEVELOPMENT LOAN FUND		
ROBERT A. RAPOZA, 2001 S ST., NW, #500 WASHINGTON DC 20009	NATIONAL RURAL HOUSING COALITION	8,500.00	5,362.44
EILER C. RAVNHOLT, 723 INVESTMENT BLDG. WASHINGTON DC 20005	NATIONAL RURAL HOUSING COALITION		
JOHN K. RAYBURN, 1801 K STREET, NW WASHINGTON DC 20006	HAWAIIAN SUGAR PLANTERS' ASSN	660.00	400.00
ROBERT O. REDDING, 3519 S.W. 147TH LANE ROAD OCALA FL 32673	WESTINGHOUSE ELECTRIC CORP	235.00	35.00
CHARLES C. REELY, 1840 WILSON BLVD., #203 ARLINGTON VA 22201			
JOSEPH M. REES, FRANCIS MCGINNIS & REES, INC 1000 POTOMAC STREET, NW, #401 WASHINGTON DC 20007	NATIONAL LIMESTONE INST, INC	3,240.00	
ROBERT S. REESE JR., 2200 MILL RD ALEXANDRIA VA 22314	DELTA DENTAL PLANS ASSOCIATION	4,000.00	
REID & PRIEST, 1111 19TH STREET, NW WASHINGTON DC 20036	AMERICAN TRUCKING ASSNS, INC	9,000.00	1,131.72
Do	ASSOCIATED NATURAL GAS COMPANY, ET AL		
Do	CITY OF PHILADELPHIA		
Do	PENNSYLVANIA SHIPBUILDING CO		
MARY LYNN REILLY, 3805 ALTON PLACE, NW WASHINGTON DC 20016	TELEFLEX, INC		
RENEWABLE FUELS ASSOCIATION, 499 S. CAPITOL ST., SW, #420 WASHINGTON DC 20003	NEIGHBORHOOD HOUSING SERVICES OF AMERICA		
SARAH M. RENFROE, 2354 LAMBERT DR. TOLEDO OH 43613		14,346.40	3,809.19
STEPHEN M. RENNA, 777 14TH STREET, NW WASHINGTON DC 20005	BENCHMARK TECHNOLOGIES CORP		
WILSON L. REYNOLDS, 201 MASSACHUSETTS AVENUE, NE, #319 WASHINGTON DC 20002	NATIONAL ASSN OF REALTORS	600.00	91.00
DON L. RICKETTS, 2550 M STREET, NW, #695 WASHINGTON DC 20037	HALT: AMERICANS FOR LEGAL REFORM	4,800.00	10.00
Do	BEAR STEARNS & CO	250.00	
Do	GENERAL AMERICAN LIFE INSURANCE CO	350.00	
Do	MASSACHUSETTS MUTUAL LIFE INSURANCE CO	2,500.00	
RIDDELL HOLROYD & BUTLER, 1331 PENNSYLVANIA AVENUE, NW, #1215 WASHINGTON DC 20004	NORTHWESTERN MUTUAL LIFE	2,500.00	
Do	ASSOCIATES CORP OF NORTH AMERICA	1,000.00	
Do	BENEFICIAL CORP	5,000.00	
Do	C.I.T. FINANCIAL CORP		
SIERT F. RIEPMA, 1625 I ST., NW, #1024-A WASHINGTON DC 20006	W. K. KELLOGG FOUNDATION		
STARK RITCHIE, 1220 L ST., NW WASHINGTON DC 20005	NATIONAL ASSN OF MARGARINE MFGRS		
RIVKIN RADLER DUNNE & BAYH, 1575 I STREET, NW, #1025 WASHINGTON DC 20005	AMERICAN PETROLEUM INST		
LIZ ROBBINS ASSOCIATES, 132 D STREET, SE WASHINGTON DC 20003	SIMON & ASSOCIATES, INC		
	ASSOCIATION OF LOCAL HOUSING FINANCE AGENICES (ALHFA)	2,045.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	GOLDMAN SACHS	3,235.00	
Do	NATIONAL COUNCIL OF COMMUNITY MENTAL HEALTH CENTERS		
Do	NATIONAL MUSIC PUBLISHERS ASSN, INC	3,200.00	
Do	NEW YORK STATE HOUSING FINANCE AGENCY	1,630.00	
Do	PHOENIX HOUSE		
Do	SCHOLASTIC, INC	1,200.00	
Do	SOUTHERN BAPTIST PRESS ASSN	500.00	
Do	WELK MUSIC GROUP		
MARK ROBERTSON, THE POWER HOUSE 3255 GRACE STREET, NW WASHINGTON DC 20007	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: AMERICAN EXPRESS CO)		
Do	GRAY & CO PUBLIC COMMUNICATIONS INT'L, INC (FOR: NATIONAL BROADCASTING CO).		
ROBINSON SILVERMAN PEARCE ARONSOHN & BERMAN, 230 PARK AVE. NEW YORK NY 10169	NATIONAL REALTY COMMITTEE		
TERRENCE L. ROGERS, 1325 MASSACHUSETTS AVE., NW WASHINGTON DC 20005	AMERICAN FED OF GOVERNMENT EMPLOYEES	10,679.46	131.80
EMIL A. ROMAGNOLI, 180 MAIDEN LANE NEW YORK NY 10038	ASARCO INC	200.00	
ROSE SCHMIDT CHAPMAN DUFF & HASLEY, 1825 EYE ST., NW, #300 WASHINGTON DC 20006	CIGAR ASSN OF AMERICA		
RICHARD ROSEN, 5010 WISCONSIN AVE., NW, #118 WASHINGTON DC 20016			
DAVID B. ROSENAUER, 1317 F STREET, NW, #400 WASHINGTON DC 20004	INVESTMENT COMPANY INSTITUTE		
ALBERT B. ROSENBAUM III, 2200 MILL RD. ALEXANDRIA VA 22314	NATIONAL TANK TRUCK CARRIERS, INC		
MIRIAM A. ROSENBERG, 5999 STEVENSON AVENUE ALEXANDRIA VA 22304	AMERICAN ASSN FOR COUNSELING & DEVELOPEMENT		
FRANCIS C. ROSENBERGER, 6809 MELROSE DRIVE MCLEAN VA 22101	NATIONAL CONFERENCE OF BANKRUPTCY JUDGES	3,750.00	
LYNN ROSINKSY, 1625 L STREET, NW WASHINGTON DC 20036	AMERICAN FED OF STATE COUNTY & MUNICIPAL EMPLOYEES, AFL-CIO	7,619.80	320.30
GAIL E. ROSS, GOLDFARB SINGER & AUSTERN 918 16TH STREET, NW WASHINGTON DC 20006	WASHINGTON INDEPENDENT WRITERS		
STEPHEN O. ROSSETTI, 1434 DUKE STREET ALEXANDRIA VA 22314	INTERNATIONAL MILITARY CLUB EXECUTIVES		
JOSEPH L. ROSSO, 2200 MILL ROAD ALEXANDRIA VA 22314	AMERICAN TRUCKING ASSNS, INC	7,500.00	463.81
MARCUS ROTH, 100 INDIANA AVE., NW WASHINGTON DC 20001	NATIONAL ASSN OF LETTER CARRIERS	5,717.92	
WILLIAM C. ROUNTREE, SUITE 600 1001 22ND ST., NW WASHINGTON DC 20037	STANDARD OIL CO (OHIO)		
ROBERT S. ROYER, ROYER & SHACKNAI 1747 PENNSYLVANIA AVE., NW WASHINGTON DC 20006	MORGAN STANLEY & CO., INC		
Do	PHILLIPS PETROLEUM		
JOHN RUNYAN, 1730 NORTH LYNN STREET SUITE 409 ARLINGTON VA 22209	PRINTING INDUSTRIES OF AMERICA, INC	500.00	
CHARLOTTE RUSH, SUITE 700 1025 CONNECTICUT AVE., NW WASHINGTON DC 20036	GULF OIL CORP	950.00	
S.O.S. - SMALL BUSINESS JOBS, P.O. BOX 65761 WASHINGTON DC 20035		5,000.00	2,999.30
NAJWA SA'D, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS		
DAVID J. SADD, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS	8,000.00	450.00
DEAN SAGAR, 1050 17TH STREET, NW, #770 WASHINGTON DC 20036	AMERICAN ASSN OF HOMES FOR THE AGING	341.00	70.64
THOMAS L. SAGER, 1007 MARKET ST. WILMINGTON DE 19898	E. I. DU PONT DE NEMOURS & CO		
GREGORY A. SAHD, 2033 M STREET, NW WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS	8,200.00	674.67
WILLIAM SAMUEL, 1325 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20005	AMERICAN FED OF GOVERNMENT EMPLOYEES	8,419.62	375.64
COLIN D. SANDISON, 1899 L STREET, NW, #1100 WASHINGTON DC 20036	EXXON CORPORATION	100.00	66.08
BRUCE W. SANFORD, BAKER & HOSTETLER 818 CONNECTICUT AVENUE, NW WASHINGTON DC 20006	SOCIETY OF PROFESSIONAL JOURNALISTS, SIGMA DELTA CHI		
DONALD E. SANTARELLI, SUITE 700 2033 M ST., NW WASHINGTON DC 20036	EMPRESA BRASILEIRA DE AERONAUTICA, S.A	250.00	85.00
Do	SAFARI CLUB INTERNATIONAL	1,000.00	110.00
Do	STURM, RUGER COMPANY, INC	200.00	55.00
KAREN SASAHARA, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS		
SATELLITE SYNDICATED SYSTEMS, INC, P.O. BOX 702160 TULSA OK 74170			
SAVE OUR SECURITY, SUITE 222 1201 16TH STREET, NW WASHINGTON DC 20036		18,925.33	17,533.34
OMAR SBITANI, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS		
MIKE SCANLON, 406 COLIN LANE VIENNA VA 22180	NATIONAL TAXPAYERS UNION	2,076.00	
HAROLD A. SCHAITBERGER, 1750 NEW YORK AVE. WASHINGTON DC 20006	INTERNATIONAL ASSN OF FIRE FIGHTERS	12,763.86	
MARK L. SCHNEIDER, 1001 22ND STREET, NW, #600 WASHINGTON DC 20037	STANDARD OIL CO (OHIO)		
H. B. W. SCHROEDER, 1050 17TH STREET, NW, #490 WASHINGTON DC 20036	CONSUMERS POWER CO	8,000.00	1,266.00
WILLIAM B. SCHULTZ, SUITE 700 2000 P ST., NW WASHINGTON DC 20036	PUBLIC CITIZEN, INC		
NEIL D. SCHUSTER, SUITE #1000 1620 EYE ST., NW WASHINGTON DC 20006	MOTOR VEHICLE MANUFACTURERS ASSN OF THE U.S., INC		1,071.59
SCHWINN BICYCLE CO, 1856 NORTH KOSTNER AVENUE CHICAGO IL 60639			
DOUGLAS W. SCOTT, 530 BUSH ST. SAN FRANCISCO CA 94108	SIERRA CLUB		
ELLEN SCOTT, 1750 NEW YORK AVENUE, NW WASHINGTON DC 20006	SHEET METAL WORKERS INT'L ASSN	6,325.00	
LAW OFFICES OF JOHN SEARS, 818 CONNECTICUT AVENUE, NW WASHINGTON DC 20006	EMBASSY OF THE REPUBLIC OF SOUTH AFRICA	15,000.00	315.13
MARIA MCCREA SEGAL, 2033 M STREET, NW, #900 WASHINGTON DC 20036	NATIONAL ASSN OF ARAB AMERICANS		
SEIDMAN & SEIDMAN/BDO, 15 COLUMBUS CIRCLE NEW YORK NY 10023			
GEORGE M. SEITTS, SUITE 900 1015 15TH STREET, NW WASHINGTON DC 20005	INTERNORTH		
WILLIAM H. SHAKER, 500 N. WASHINGTON ST., #201 FALLS CHURCH VA 22046	NATIONAL TAX LIMITATION COMMITTEE		
DAVID L. SHAPIRO, 729 15TH STREET, NW WASHINGTON DC 20005	ASSOCIATED BUILDERS & CONTRACTORS, INC		
RICHARD N. SHAROOD, 8TH FL. 1752 N ST., NW WASHINGTON DC 20036	CHEMICAL WASTE MANAGEMENT, INC	8,000.00	
RUSSELL H. SHAY, 6014 COLLEGE AVE. OAKLAND CA 94618	SIERRA CLUB	4,982.17	337.00
LOIS BURKE SHEPARD, 8602 HIDDEN HILL LN. POTOMAC MD 20854	REPUBLICANS ABROAD		
JOHN J. SHEPPARD, 267 WESTERVELT PLACE ENGLEWOOD CLIFFS NJ 07632	C. A. SHEA & COMPANY, INC		
DALE SHERWIN, 1735 I ST., NW, #717 WASHINGTON DC 20006	A. E. STALEY MANUFACTURING CO	9,000.00	660.00
NELSON T. SHIELDS, 1400 K ST., NW WASHINGTON DC 20015	HANDGUN CONTROL, INC	2,400.00	
RUSSELL L. SHIPLEY JR , 1120 VERMONT AVENUE, NW, #1120 WASHINGTON DC 20005	NATIONAL CANDY WHOLESALERS ASSN, INC		
SHIPLEY SMOOK HENRY & HOLDGREIWE, 910 17TH STREET, NW, #320 WASHINGTON DC 20006	BLUEJAY OIL COMPANY		
Do	FORT SILL GARDENS, INC		
SIERRA CLUB, 530 BUSH ST. SAN FRANCISCO CA 94108		228,502.15	228,502.15
MARK SILBERGELD, 2001 S STREET, SW, #520 WASHINGTON DC 20009	CONSUMERS UNION OF U.S., INC	3,700.00	10.00
STEPHEN SILBIGER, 1625 L ST., NW WASHINGTON DC 20036	AMERICAN FED OF STATE, COUNTY & MUNICIPAL EMPLOYEES	13,987.19	435.30
HOWARD J. SILVER, 1200 17TH ST., NW, #520 WASHINGTON DC 20036	CONSORTIUM OF SOCIAL SCIENCE ASSNS	750.00	98.65
STEVE SILVER, 1050 THOMAS JEFFERSON ST., NW, 6TH FL. WASHINGTON DC 20007	NORANDA MINING, INC		
JEAN SINDAB, 2480 16TH ST., NW, #610 WASHINGTON DC 20009	WASHINGTON OFFICE ON AFRICA	3,750.00	
PETER SMALL, 295 MADISON AVENUE NEW YORK NY 10017	PETER SMALL & ASSOCIATES, INC. (FOR: WILLIAM M. MERCER-MEIDINGER, INC)		
SMATHERS SYMINGTON & HERLONG, SUITE 400 1700 K ST., NW WASHINGTON DC 20006	AMERICAN HORSE COUNCIL	3,666.00	
Do	COALITION OF COMMUNITY BANKS OF FLORIDA		
Do	FLORIDA EAST COAST RAILWAY CO	750.00	
Do	NATIONAL HOCKEY LEAGUE	1,500.00	
Do	PENNZOIL CO	6,000.00	
Do	REPUBLIC OF SOUTH AFRICA	7,500.00	
ROBERT G. SMERKO, 1945 OLD GALLOWS ROAD, #405 VIENNA VA 22180	AMERICAN WOOD PRESERVERS INSTITUTE		
DOUGLAS J. SMITH & ASSOCIATES, SUITE 704 1200 18TH ST., NW WASHINGTON DC 20036	AMERICAN SIGN & INDICATOR CORP		
Do	INSTITUTE OF SIGNAGE RESEARCH		
Do	NATIONAL ELECTRIC SIGN ASSN		
Do	SPERRY GYROSCOPE		
HUGH H. SMITH, 1020 19TH STREET, NW, #600 WASHINGTON DC 20036	AMERICAN EXPRESS CO		
JAMES A. SMITH, 1020 19TH ST., NW WASHINGTON DC 20036	U S WEST, INC	4,015.60	3,444.84
JEFFREY A. SMITH, 1600 WILSON BOULEVARD, #1000 ARLINGTON VA 22209	AMERICAN WATERWAYS OPERATORS, INC		
DENNIS SMYTH, 503 QUEEN STREET EAST SAULT STE. MARIE ONTARIO CANADA P6A 5P2	CANADIAN TUBULAR PRODUCERS ASSN	60.00	176.95
SOCIETY FOR NUTRITION EDUCATION, 1736 FRANKLIN STREET OAKLAND CA 94612		7.16	56.00
VINCENT R. SOMBROTTO, 100 INDIANA AVE., NW WASHINGTON DC 20001	NATIONAL ASSN OF LETTER CARRIERS	3,527.25	
KURT A. SOMMER, P.O. BOX 925 ALBUQUERQUE NM 87103			
BARRY SONSHINE, 111 RAYETTE ROAD CONCORD ONTARIO CANADA L4K 2E9	CANADIAN TUBULAR PRODUCERS ASSN	233.21	721.84
SOUTHERN FOREST PRODUCTS ASSN, P.O. BOX 52468 NEW ORLEANS LA 70152		32,033.72	32,033.72
SPACE SERVICES, INC (SSI) OF AMERICA, 7015 GULF FREEWAY, #140 HOUSTON TX 77087			
PHILIP SPESER, 2000 P ST., NW WASHINGTON DC 20036	FORESIGHT SCIENCE & TECHNOLOGY, INC (FOR: NATIONAL COALITION FOR SCIENCE & TECHNOLOGY).		
Do	FORESIGHT, INC (FOR: SOCIETY FOR AMERICAN ARCHAEOLOGY)	1,200.00	
ALAN P. SPIELMAN, 1709 NEW YORK AVENUE, NW WASHINGTON DC 20006	BLUE CROSS & BLUE SHIELD ASSN		
SQUIRE SANDERS & DEMPSEY, 1201 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	AMERICAN CHAMBER OF COMMERCE IN EUROPE & THE MEDITERRANEAN		
Do	AMERICAN CHAMBER OF COMMERCE IN ITALY, INC		
Do	AMERICAN CHAMBER OF COMMERCE IN GERMANY		
VIVIAN ESCOBAR STACK, 2010 MASSACHUSETTS AVENUE, NW, #500 WASHINGTON DC 20036	PLANNED PARENTHOOD FEDERATION OF AMERICA, INC		
MELVIN R. STAHL, SUITE 1410 1235 JEFFERSON DAVIS HWY. ARLINGTON VA 22202	MOTORCYCLE INDUSTRY COUNCIL, INC		
STANDARD OIL CO (OHIO), MIDLAND BLDG. CLEVELAND OH 44115			24,714.05
SAMUEL E. STAVISKY & ASSOCIATES, INC, 1725 DESALES STREET, NW, #804 WASHINGTON DC 20036	BROADCAST MUSIC, INC		
JOHN HOWARD STECKER, 2020 LIVE OAK DALLAS TX 75221	GREAT AMERICAN RESERVE INSURANCE CO		
VICTOR STEPSAY, 1750 NEW YORK AVENUE, NW WASHINGTON DC 20006	SHEET METAL WORKERS' INT'L ASSN	13,928.00	
STEPTOE & JOHNSON, CHTD, 1330 CONNECTICUT AVE., NW WASHINGTON DC 20036	ASSOCIATION OF PRIVATE PENSION & WELFARE PLANS, INC	2,355.00	102.86
Do	COALITION TO PROMOTE AMERICA'S TRADE	50,492.81	25.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
H. DONALD STEWART, 188 W. MAIN STREET PENNS GROVE NJ 08069			
KENNETH F. STINGER, 2200 MILL RD ALEXANDRIA VA 22314	AMERICAN TRUCKING ASSNS, INC	9,000.00	874.65
JOHN J. STOCKER, 1110 VERMONT AVENUE, NW WASHINGTON DC 20005	SHIPBUILDERS COUNCIL OF AMERICA	17,000.00	
STOVALL SPRADLIN ARMSTRONG & ISRAEL, 1819 H STREET, NW, #700 WASHINGTON DC 20006	COMMISSION ON FUTURE POLITICAL STATUS & TRANSITION	5,000.00	59.90
PAUL STRAUSS, 4301 MASSACHUSETTS AVENUE, NW, #4012 WASHINGTON DC 20016	AMERICAN UNIVERSITY STUDENT CONFEDERATION		
RONALD J. STRECK, P.O. BOX 238 ALEXANDRIA VA 22313	NATIONAL WHOLESALE DRUGGISTS' ASSN		
RICHARD H. STREETER, 1729 H STREET, NW WASHINGTON DC 20006	CAST NORTH AMERICA LTD		
GEORGE W. STRONG, 2242 BARTLETT HOUSTON TX 77098	HOUSTON NATURAL GAS CORP		
GEORGE STRUMPF, 624 9TH ST., NW, 7TH FL. WASHINGTON DC 20001	GROUP HEALTH ASSOCIATION OF AMERICA, INC		
DOROTHY E. STUCKE, 1004 DUKE STREET ALEXANDRIA VA 22314	AMERICAN SUBCONSTRACTORS ASSN		
SULLIVAN & WORCESTER, 1025 CONNECTICUT AVE., NW WASHINGTON DC 20036	MARION LABORATORIES, INC	16,570.00	
MARY BETH SULLIVAN, 923 15TH ST., N.W. WASHINGTON DC 20005	TRANSPORTATION INSTITUTE		
SUTHERLAND ASBILL & BRENNAN, 1666 K STREET, NW, #800 WASHINGTON DC 20006	FLATHEAD JOINT BOARD OF CONTROL		
Do	FREEPORT KAOLIN	11.66	1.84
Do	MULLITE CO OF AMER	11.66	1.84
Do	PROCESS GAS CONSUMERS GROUP		
DAVID L. SWANSON, CRAFT & RICHARDS 1050 THOMAS JEFFERSON ST., NW, 6TH FL. WASHINGTON DC 20007	ALLIS-CHALMERS ENERGY & MINERALS SYSTEMS CO	5,156.25	98.62
Do	BOEING ENGINEERING CO SOUTHEAST, INC	2,842.00	121.40
Do	CONSUMERS UNITED FOR RAIL EQUITY (C.U.R.E.)	7,712.00	301.90
Do	EDISON ELECTRIC INSTITUTE	1,995.00	103.35
Do	GA TECHNOLOGIES, INC	1,500.00	
Do	ILLINOIS DEPT OF ENERGY & NATURAL RESOURCES	2,524.00	102.60
SWIDLER BERLIN & STRELOW, CHTD, 1000 THOMAS JEFFERSON ST., NW #500 WASHINGTON DC 20007	AMERICAN HOECHST CORPORATION		
Do	MD PEOPLE'S COUNSEL (NATL ASSN OF STATE UTIL CONSUMER ADVO)		
TRICIA L. SWIFT, 1619 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	NATIONAL FOREST PRODUCTS ASSN	1,200.00	
SCOTT R. SWIRLING, SUITE 380 122 C ST., NW WASHINGTON DC 20001	NATIONAL FAMILY PLANNING & REPRODUCTIVE HEALTH ASSN, INC	483.00	28.00
KEITH TARR-WHELAN, 3626 N. KENSINGTON ST. ARLINGTON VA 22207	SAVE OUR SECURITY	8,700.00	
LINDA TARR-WHELAN, 1201 16TH ST., NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN	1,650.00	33.00
TEXTRON, INC, 40 WESTMINSTER ST. PROVIDENCE RI 02903		2,250.00	430.00
THACHER PROFFITT & WOOD, SUITE 512 1140 CONNECTICUT AVE., NW WASHINGTON DC 20036	BANK OF VERMONT		55.50
MARGARET P. THAXTON, 418 SOUTH CAPITOL STREET, SE WASHINGTON DC 20003	SHEET METAL & AIR CONDITIONING CONTRACTORS' NAT'L ASSN		
DIANE KAY THOMAS, 2727 29TH ST., NW, #634 WASHINGTON DC 20008	AMERICAN ASSN OF MINORITY ENTERPRISE SMALL BUS. INVEST COS	3,470.00	
BARBARA THOMPSON, 1828 L STREET, NW WASHINGTON DC 20036	COOPERATIVE LEAGUE OF THE U.S	350.00	150.00
DANA S. THOMPSON, 418 SOUTH CAPITOL STREET, SE WASHINGTON DC 20003	SHEET METAL & AIR CONDITIONING CONTRACTORS' NAT'L ASSN		
LAW OFFICES OF FRED THOMPSON, 1919 PENNSYLVANIA AVENUE, NW, #850 WASHINGTON DC 20006	CENTRAL STATES SE & SW AREAS HEALTH, WELFARE & PENSION FUNDS	5,620.00	
Do	WESTINGHOUSE ELECTRIC CORP	3,061.00	
THOMPSON MANN & HUTSON, 1730 PENNSYLVANIA AVE., NW, #1250 WASHINGTON DC 20006	CSX CORPORATION	2,710.00	81.72
ROBERT N. THOMSON, ONE LANDMARK SQ. STAMFORD CT 06901	MOORE MCCORMACK RESOURCES, INC	3,000.00	2,810.00
RICHARD B. THORNBURG, SUITE 505 5205 LEESBURG PIKE FALLS CHURCH VA 22041	NATIONAL BEER WHOLESALERS' ASSN		364.20
GIL THURM, 777 14TH ST., NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS		
CYRUS C. TICHENOR III, 1101 VERMONT AVENUE, NW, #405 WASHINGTON DC 20005	A. H. ROBINS CO, INC	800.00	69.00
TIMMONS & CO, INC, 1850 K ST., NW, #850 WASHINGTON DC 20006	BOEING COMPANY	900.00	
GARY G. TIMMONS, 1201 16TH STREET, NW WASHINGTON DC 20036	NATIONAL EDUCATION ASSN	2,101.00	50.75
JAY C. TOWNLEY, 1856 NORTH KOSTNER AVENUE CHICAGO IL 60639	SCHWINN BICYCLE CO		
THOMAS J. TRABUCCO, 1533 NEW HAMPSHIRE AVENUE, NW WASHINGTON DC 20036	NATIONAL ASSN OF RETIRED FEDERAL EMPLOYEES	10,991.00	
TRANSPORTATION INSTITUTE, 923 15TH ST., NW WASHINGTON DC 20005			14,473.54
TRUST FOR PUBLIC LAND, 82 SECOND ST. SAN FRANCISCO CA 94105			16,888.00
ANH TU, SUITE 860 1029 VERMONT AVE., NW WASHINGTON DC 20005	PROJECT ADVISORY GROUP	105.77	3.55
TUCKER & VAUGHT, WESTERN FEDERAL SAVINGS BLDG., #1330 718 17TH ST. DENVER CO 80202	PETRO-LEWIS CORPORATION		
A. RAY TYRRELL, 1800 M ST., NW, #900-S WASHINGTON DC 20036	ATLAS CORPORATION		
U.S. COMMITTEE FOR THE OCEANS, ROUTE 2 ARARAT VA 24053			
U.S. RECREATIONAL SKI ASSOCIATION, 221 WEST DYER ROAD SANTA ANA CA 92707			
GILMAN UDELL, 1750 NEW YORK AVENUE, NW WASHINGTON DC 20006	INTERNATIONAL ASSN OF FIRE FIGHTERS	3,000.00	
ROBERT D. UMPHREY JR., 1150 17TH STREET, NW WASHINGTON DC 20036	MAN-MADE FIBER PRODUCERS ASSN, INC	250.00	233.00
STEVEN W. UNGLESBEE, 729 15TH STREET, NW WASHINGTON DC 20005	ASSOCIATED BUILDERS & CONTRACTORS, INC	2,500.00	
UNIQUE ATHLETES, INC, 3 WOODLAND AVENUE WESTHAMPTON BEACH NY 11978			
URANIUM PRODUCERS OF AMERICA, C/O COVINGTON & BURLING 1201 PENNSYLVANIA AVE., NW P.O. BOX 7566 WASHINGTON DC 20044.		9,000.00	
RONALD D. UTT, 1615 H STREET, NW WASHINGTON DC 20062	CHAMBER OF COMMERCE OF THE U.S		130.10
RICHARD VAN DEUREN, 111 E. WISCONSIN AVENUE, NW, #1800 MILWAUKEE WI 53202	NATIONAL EMPLOYEE BENEFITS INST		86.66
H. B. VAN GIESON, 1700 NORTH MOORE STREET ROSSLYN VA 22209	BOEING COMPANY		
ROBERT C. VARAH, 1330 BURLINGTON STREET EAST HAMILTON ONTARIO CANADA L8N 3J5	DOFASCO, INC		
DONALD R. VAUGHAN, P.O. BOX 1288 ASHEBORO NC 27204	STEDMAN CORP		
VENTURE ENTREPRENEURS, INC., 1201 SAN MARCO BLVD., #204 JACKSONVILLE FL 32207			
STEPHEN J. VERDIER, 1625 MASSACHUSETTS AVENUE, NW, #202 WASHINGTON DC 20036	INDEPENDENT BANKERS ASSN OF AMERICA	14,075.00	1,960.32
VERNER LIIPFERT BERNHARD MCPHERSON & HAND, CHTD, 1660 L STREET, NW, #1000, WASHINGTON DC 20036	GENCORP	3,500.00	
Do	TRW	400.00	
ABE J. VORON, 6204 WHITE OAK LANE TAMARAC FL 33319	NATIONAL RADIO BROADCASTERS ASSOCIATION	2,200.00	837.00
VORYS SATER SEYMOUR & PEASE, 1828 L STREET, NW, #1111 WASHINGTON DC 20036	CABOT CORPORATION	1,710.00	244.60
Do	COMMITTEE OF PUBLICLY OWNED COMPANIES		
Do	INTERNATIONAL AGRICULTURAL DEVELOPMENT SERVICE	3,465.00	47.56
Do	NATIONAL ASSN OF STATE SAVINGS INSURERS		
Do	OHIO DEPOSIT GUARANTY FUND	18,025.00	1,756.01
Do	OHIO MFRS ASSN	1,875.00	1,473.63
Do	PITTSBURGH & LAKE ERIE RAILROAD CO	22,087.00	429.63
Do	SCM CORPORATION	3,000.00	
Do	TOLEDO TRUSTCORP	15,600.00	1,173.33
WAGNER & BARODDY, INC, 1100 17TH STREET, NW, #804 WASHINGTON DC 20036	AMERICAN BUSINESS PRESS	3,312.50	697.45
Do	CHICAGO AND NORTHWESTERN RAILROAD	3,156.25	1,471.52
Do	CSX CORPORATION	18,968.75	5,267.53
Do	E-SYSTEMS		
Do	JARTRAN, INC	375.00	137.83
Do	LANIHAU CORPORATIONS		
Do	NATIONAL BEER WHOLESALERS OF AMERICA	15,262.60	4,618.42
Do	NATIONAL DEBT REPAYMENT FOUNDATION		
Do	NORTH AMERICAN BANCORPORATION	1,031.25	342.62
Do	UNITED NATIONS EDUCATIONAL SCIENTIFIC & CULTURAL ORGAN		
WALD HARKRADER & ROSS, 1300 19TH ST., NW WASHINGTON DC 20036	JAPAN IRON & STEEL EXPORTERS' ASSN		
WASHINGTON GAS LIGHT CO, 1100 H ST., NW WASHINGTON DC 20080			555.57
WASHINGTON INDEPENDENT WRITERS, INC, 1341 G ST., NW, #205 WASHINGTON DC 20005			
WASHINGTON OFFICE ON AFRICA, 110 MARYLAND AVE., NE WASHINGTON DC 20002		45,471.99	33,032.04
RONALD D. WATERMAN, 4802 TABARD PLACE ANNANDALE VA 22003	MILWAUKEE COUNTY-INTERGOVERNMENTAL RELATIONS	9,375.00	40.08
Do	WISCONSIN COUNTIES ASSN	5,772.00	40.08
MARY WEBB, 1050 17TH STREET, NW, #770 WASHINGTON DC 20036	AMERICAN ASSN OF HOMES FOR THE AGING	189.00	13.00
ANDREW H. WEBBER, 440 FIRST STREET, NW, #510 WASHINGTON DC 20001	AMERICAN MEDICAL PEER REVIEW ASSN		
WEBSTER CHAMBERLAIN & BEAN, 1747 PENNSYLVANIA AVE., NW, #1000 WASHINGTON DC 20006	BEER INDUSTRY ALLIANCE		
JACK R. WEHRLY, SUITE 790 SOUTH 1800 M ST., NW WASHINGTON DC 20036	DOW CORNING CORPORATION		
THEODORE F. WEIHE, 1800 MASSACHUSETTS AVENUE, NW WASHINGTON DC 20036	U.S. OVERSEAS COOPERATIVE DEVELOPMENT COMMITTEE	2,812.00	
WILLIAM B. WELSH, 1625 L ST., NW WASHINGTON DC 20036	AMERICAN FED OF STATE COUNTY & MUNICIPAL EMPLOYEES	23,872.55	63.30
MARY LOUISE WESTMORELAND, 1400 K STREET, NW WASHINGTON DC 20005	HANDGUN CONTROL, INC	9,091.00	
ALTON W. WHITEHOUSE JR , 1750 MIDLAND BLDG. CLEVELAND OH 44115	STANDARD OIL CO (OHIO)		
MARSHALL E. WHITENTON, SUITE 600 1001 22ND ST., NW WASHINGTON DC 20037	STANDARD OIL CO (OHIO)	125.00	22.00
ANN R. WIESENECK, 900 17TH STREET, NW WASHINGTON DC 20006	KAISER ALUMINUM & CHEMICAL CORP		
T. J. WILDER, 1725 K STREET, NW, #1405 WASHINGTON DC 20006	MORTGAGE INSURANCE COS OF AMERICA		
HARRY G. WILES II , 499 S. CAPITOL STREET, SW, #401 WASHINGTON DC 20003	NATIONAL ASSN OF INDEPENDENT INSURERS		156.00
JULIAN A. WILHELM, 1320 19TH STREET, NW WASHINGTON DC 20036	BURCH AND BENNETT, P.C. (FOR: M.A.N. TRUCK & BUS CORP)		
CARL B. WILKERSON, 1850 K STREET, NW WASHINGTON DC 20006	AMERICAN COUNCIL OF LIFE INSURANCE, INC		
RALPH E. WILLHAM, 1750 NEW YORK AVE., NW WASHINGTON DC 20006	SHEET METAL WORKERS' INTL ASSN	11,850.00	
WILLIAMS & JENSEN, P.C., 1101 CONNECTICUT AVE., NW WASHINGTON DC 20036	ALAMO CEMENT COMPANY		
Do	AMERICAN HOME PRODUCTS	200.00	9.22
Do	AMERICAN HOSPITAL ASSN	3,060.00	204.08
Do	AMERICAN PHYSICAL THERAPY ASSN		
Do	AMERICAN REAL ESTATE COMMITTEE		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	CENTURY 21 REAL ESTATE CORP		
Do	CIGNA	452.50	22.51
Do	COMMITTEE FOR EMPLOYMENT OPPORTUNITIES		
Do	COMMITTEE FOR FAIRNESS IN REAL ESTATE TAXATION	875.50	80.31
Do	D'ANCONA & PFLAUM		
Do	DESIGN PROFESSIONALS COALITION		90.21
Do	ESTEE LAUDER, INC		
Do	FEDERATION FOR AMERICAN IMMIGRATION REFORM	765.00	39.50
Do	FIRST BOSTON CORP		138.24
Do	FIRST DATA		17.31
Do	FREIGHT FORWARDERS INSTITUTE		
Do	GENERAL ELECTRIC CO	200.00	9.22
Do	GENERAL PORTLAND, INC		
Do	GIFFORD-HILL & COMPANY, INC		
Do	HIGHER EDUATION ASSISTANCE FOUNDATION	125.00	17.00
Do	HOUSTON ENDOWMENT, INC	120.00	5.19
Do	IU INTERNATIONAL MANAGEMENT CORP	142.50	26.33
Do	KAISER CEMENT CORPORATION		
Do	KELLOGG COMPANY		
Do	KELLY, APPLEMAN, HART & HALLMAN		
Do	KRAUSE MILLING CO	62.50	9.22
Do	MONOLITH PORTLAND CEMENT COMPANY		
Do	MUSTANG FUEL CORPORATION		
Do	NATIONAL ASSN OF WATER COS	910.00	86.69
Do	NATIONAL CABLE TELEVISION ASSN, INC		43.33
Do	NATIONAL OFFICE MACHINE DEALERS ASSN		
Do	NATIONAL SOFT DRINK ASSN		
Do	NATIONWIDE INSURANCE COMPANIES		
Do	NORFOLK SOUTHERN CORP	5,512.50	372.66
Do	PARALYZED VETERANS OF AMERICA		
Do	RECORDING INDUSTRY OF AMERICA, INC	50.00	9.22
Do	SOUTHLAND ROYALTY CO		
Do	SOUTHWESTERN PORTLAND CEMENT COMPANY		
Do	STUDENT LOAN MARKETING ASSN	1,250.00	95.28
Do	TEXACO, INC		
Do	TEXAS AIR CORP	440.00	51.94
Do	U.S. TELEPHONE COMMUNICATIONS, INC		
Do	UNIVERSAL FOODS , INC		
Do	UNIVERSITY OF MICHIGAN HOSPITALS		
Do	USAA FINANCIAL SERVICE CO	125.00	17.31
Do	WILKIE FARR & GALLAGHER		
BARRETT WILLIAMS, 417 NEW JERSEY AVE., SE WASHINGTON DC 20003	NATIONAL ASSN OF RAILROAD PASSENGERS	6,000.02	
DAVID W. WILMOT, 1029 VERMONT AVNEUE, NW WASHINGTON DC 20005	ANHEUSER-BUSCH COS		
H. GRAHAM WILSON, 1330 BURLINGTON STREET EAST/BOX 460 HAMILTON ONTARIO L8N 3J5 CANADA	DOFASCO, INC		
PATRICIA M. WILSON, 2910 3RD AVENUE NORTH BILLINGS MT 59103	THERMAL ENERGY CO		
WINSTON & STRAWN, #500 2550 M ST., NW WASHINGTON DC 20037	AMERICAN ASSN OF MUSEUMS		27.40
Do	BEATRICE FOODS CO	187.50	10.00
Do	BUILDING OWNERS & MANAGERS ASSN INTL		
Do	GOULD, INC		
Do	INTERNATIONAL COUNCIL OF SHOPPING CENTERS		
Do	LEASE MANAGEMENT CORP		
Do	NATIONAL AUDUBON SOCIETY		
Do	TERSON COMPANY, INC		
SIDNEY M. WOLFE, 2000 P ST., NW, #708 WASHINGTON DC 20036	HEALTH RESEARCH GROUP		
GEORGE M. WORDEN, 1201 PENNSYLVANIA AVE., NW WASHINGTON DC 20004	HILL & KNOWLTON, INC		
JOSEPH T. WRABEK, BOX 70 CASCADE LOCKS OR 97014	COLUMBIA GORGE UNITED		
SAMUEL H. WRIGHT, 11333 MCCORMICK ROAD HUNT VALLEY MD 21031	PHH GROUP, INC	1,250.00	204.87
FREDERICK S. WYLE, ONE MARITIME PLAZA, #2500 SAN FRANCISCO CA 94111	FEDERATED STATES OF MICRONESIA		
WYMAN BAUTZER ROTHMAN KUCHEL & SILBERT, SUITE 580 600 NEW HAMPSHIRE AVE., NW WASHINGTON DC 20037	AMERICAN BOILER MANUFACTURERS ASSN, INC		
Do	BRISTOL BAY NATIVE CORP		
Do	EKLUTNA, INC		
Do	FILMWAYS, INC		
DAVID V. YADEN, 111 SW COLUMBIA, #800 PORTLAND OR 97201	NERCO, INC		
DEBRA T. YARBROUGH, 1819 L ST., NW, #900 WASHINGTON DC 20036	U S WEST, INC	5,000.00	
JUDITH A. YOUNG, 777 14TH ST., NW WASHINGTON DC 20005	NATIONAL ASSN OF REALTORS	1,500.00	50.48
DONALD ZARIN, BLUM NASH & RAILSBACK 1015 18TH STREET, NW WASHINGTON DC 20036	FLOATING POINT SYSTEMS, INC	202.99	5.00
L. ANDREW ZAUSNER, 1155 15TH ST., NW, #602 WASHINGTON DC 20005	PENNZOIL CO		
LEO C. ZEFERETTI, 9912 FORT HAMILTON PARKWAY BROOKLYN NY 11209	BUILDING & CONSTRUCTION TRADES DEPT., AFL-CIO		
Do	GRUMMAN DATA SYSTEMS CORP		
Do	NEW YORK TELEPHONE		
Do	PRATT AND WHITNEY		
Do	TRANSPORTATION INSTITUTE		
MELINDA M. ZIMMERMAN, 1730 RHODE ISLAND AVENUE, NW, #200 WASHINGTON DC 20036	NATURAL GAS SUPPLY ASSN	7,500.00	659.21
KENNETH ZINN, 1837 WYOMING AVENUE, NW WASHINGTON DC 20009	WASHINGTON OFFICE ON AFRICA	4,333.34	
13TH CONGRESSIONAL DISTRICT ACTION COMM, 5474 E. SCOVER LANE SAN JOSE CA 95118		58.25	162.67
31ST PRO LIFE CONGRESSIONAL DISTRICT ACTION COMM, 8654 BONVIEW TERRACE WILLIAMSVILLE NY 14221			

EXTENSIONS OF REMARKS

STRENGTHENING DEVELOPING INSTITUTIONS

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. DYMALLY. Mr. Speaker, I am pleased to bring to the attention of the Members of the House of Representatives a statement regarding title III of the Higher Education Act.

The statement was delivered by Dr. Stanley H. Smith, president, Shaw University, Raleigh, NC, to the Subcommittee on Postsecondary Education of the House Committee on Education and Labor on July 30, 1985.

The statement follows:

STRENGTHENING DEVELOPING INSTITUTIONS

(By Dr. Stanley H. Smith)

Mr. Chairman and other honorable and distinguished members of this very important Sub-committee on Post-Secondary Education, commendations are certainly very much in order for the roles that you are playing in dealing with educational issues, particularly Title III, which have impacted and will continue to impact on the future vitality, viability and competitiveness of this great Democratic country of ours.

My name is Stanley Hugh Smith. I have been president for seven years of Shaw University in Raleigh, North Carolina, an institution of Higher Education that has been in existence for 120 years, founded in 1865. I am a graduate of a Historically Black College, Fisk University, and received my Ph.D from Washington State University in Pullman, Washington, where I was elected to the academically prestigious Phi Beta Kappa Society. I have held administrative and teaching positions at Livingstone College, Tuskegee Institute, Meharry Medical College and Fisk University, all Historically Black Universities, before assuming the deanship of The College of Human Resources at Southern Illinois, a comprehensive University of more than 26,000 students.

From this relatively secure administrative position, I answered the call to become president of Shaw University at a time when this College was experiencing some financial problems. I am currently a member of The Commission on Colleges of The Southern Association of Colleges and Schools, the accrediting agency for The South Eastern Region of the United States.

With the firm belief that my educational background, training and experiences are typical of the more than 100 presidents and Chancellors of Historically Black Colleges and Universities, I will hereby attempt an evaluative assessment of the current operation of Title III, relying primarily on the methodology of a case study/participant observation approach. I will then suggest and recommend ways and means whereby this honorable and distinguished sub-committee can, conceivably, through legislation, enhance and strengthen the efficiency and effectiveness with which the primary beneficiaries of this legislative effort can be served.

Although some emphasis will herein be placed on the Title III experiences of a particular institution of Higher Education, inferences can, and will, safely be drawn with respect to their appropriateness and applicability to other educational institutions similarly structured and situated.

It is important in this context to be reminded that legislation establishing Title III—Strengthening Developing Institutions—was enacted in 1965 and had as its purpose "to assist in raising the academic quality of Colleges which have the desire and potential to make a substantial contribution to higher education resources of our nation, but which, for financial and other reasons are struggling for survival and are isolated from the main currents of academic life".

A "developing institution" is further defined as one which "is making a reasonable effort to improve the quality of its teaching and administrative staffs and its student services".

In the 1980 amendment, the program purpose was further clarified as "To improve the academic quality, institutional management and fiscal stability of eligible institutions, in order to increase their self-sufficiency and strengthen their capability to make substantial contributions to the higher education resources of the nation" and further:

"To assist an institution to plan, develop or implement activities that promise to strengthen the institution, in the areas of faculty development; funds and administrative management; development and improvement of academic programs . . ."

Title III, through the foresight and insight of this Congress is, therefore, the largest program of the U.S. Department of Education that makes grants directly to colleges and universities to develop their faculties, curricula and endowments designed to strengthen small institutions with weak and inadequate financial bases. In accordance with the sense of the act as discussed during the deliberations by Representative Edith Green of Oregon, Historically Black Colleges were to be the primary beneficiaries of Title III legislation to facilitate their accomplishing the referenced purposes. New categories of colleges have since been added without any significant increase in the level of funding. The share of HBCU's of Title III funding has decreased by approximately 50 percent since the program was initiated. The funding level even when conceived primarily for HBCU's, was not adequate to achieve the basic aims and objectives of Title III. Under these conditions, the possibilities and chances of moving from a developing to a developed status were, therefore, made very difficult. These goals were made even more unattainable by the significant increase in the operational cost of these institutions of Higher Education because of the spiralling cost of inflation. It is indeed ironic under these circumstances that some decision makers are wondering why these educational institutions are not now developed.

It is especially ironic that some decision makers consider this level of inadequate funding as overfunding and, therefore, seek, whenever and wherever possible, to reduce the funding level even further.

The irony is intensified when cognizance is taken that education is indeed the objective reality. The decision-making methodology should therefore be so documented and explicated that decision makers at varying points of time, should only have to follow the clearly defined rules of the games and arrive at similar, if not identical, decisions. For example, "developing institutions", as a concept, should be so operationally defined that all appropriate persons should agree on precise stages of development. Defining the universe to be measured would lead to the logical conclusion that a cluster of variables, to be teased out through multivariate analysis, will have to be taken into consideration in determining eligibility of institutions rather than reliance only on the Pell Grant.

Psychometric, sociometric and econmetric models should be developed and replicated identifying different typologies and their unique configuration of variables that constitute different funding levels for the attainment of the desired and expected goals. For example, funding levels structured to reach certain goals are not the same for a public institution where the State makes annual or semi-annual appropriations to the public institution contrasted with a private non-profit educational institution without such an appropriation. Questions of equity must also be raised concerning State appropriations to public institutions within the same State. There are important differences even among private educational institutions in terms of those institutions where tuition and fees constitute approximately 60 percent of operating expenses contrasted with all the Historically Black educational institutions where they are less than 50 per cent and if increased, will exclude significant proportions of the present consumers of these educational services.

Also ignored in the legislative conceptualization and the decision-making process is the great differential in the frequency of awards of contracts and grants to those colleges and universities that do not depend on Title III funding as a basic and fundamental dimension of institutional development. These institutions that do not rely on Title III funding, derive considerable revenues from contracts and grants from different federal agencies. It is not unusual to find these institutions carrying 85% to 90% Indirect Cost rate which goes directly to the educational institution for its general operating expenses. For example, such a university or colleage that has approved proposal funding for $500,000 for personnel could conceivably receive an additional $435,000 in indirect cost. This category of institutional development is at the seminal stages at most Title III funding, particularly HBCU schools. Some concern for equity should be evidenced in this regard.

It is additionally ironic that there are inconsistencies in the funding levels of institutions whose activities are congruent with the purpose and goals of the referenced educational institution and also consistent with the national goals and priorities es-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

poused by the executive and legislative branches of government.

The case university in question submitted a proposal in 1982 under the Strengthening Program of Title III for funding for five years. This proposal was ranked, using criteria developed by the U.S. Department of Education in the top 10 percent in the nation and was subsequently funded. Two critical components of the package were a Comprehensive Long Range Plan and the Proposal for Funding. Long Range Planning was such a critical part of the package that instructions to Field Readers by the Department of Education staffers indicated that if the Long Range Plan did not meet the stringent criteria developed by the Department, that the Proposal for funding would not be read and considered for funding. The university Long Range Plan and Proposal were highly ranked.

Yet in 1984-85, the current year, the University requested $587,624 to conduct the program as outlined in the original proposal. In November 1984, after the Grant Year had begun and after the University had made contractual arrangements with faculty, staff, and consultants for the 1984-85 year, it received a list of "Noted Exceptions" and an announcement of a change in the Program Officer assigned to it. The University replied to these "Noted Exceptions" and in March, received information from the Grants Officer sustaining the Exceptions and reducing the Grant by $142,272, a twenty-four percent (24%) reduction.

For 1985-86, the University submitted a request for $488,406 and was recently notified that the recommended level of funding is $266,934, which represents a forty-five percent (45%) reduction for the 1985-86 year.

The case University in question in its planning, recognizes and takes cognizance of the very significant societal movement in the United States and in the global society from an industrial to a Post-Industrial, High-Technological, Third Wave Society. As a consequence, the University makes the basic assumption that no one can be considered truly educated in today's society who is not knowledgeable about the intricacies of high technology. It is, therefore, developing courses in Computer Science. Engineering Technology, etc., to meet the needs of the society. It has made it mandatory for all entering freshmen to take at least one course in Computer Literacy. Because of inadequate Teaching Personnel and Computer Terminals, it is unable to meet all of the needs of the freshman and sophomore classes. The same adequacy and paucity of computer resources have significantly retarded software development in the Computer Assisted Instruction for two important academic units.

This University also recognizes that Blacks are considerably underrepresented in the quantitative disciplines of physical and biological sciences, mathematics, engineering and computer and information sciences. This case University is in grave danger of having very severe cuts made in its 1984-85 Title III appropriation when most of the funds have already been expended. At the same time that high level funding have already been expended. At the same time that high level funding has seemingly been made to other colleges and universities for the same activities related to high-technology, cuts amounting to $363,744 have been recommended for this Title III funded program over a two-year period.

The impression is given that the Title III funded educational institutions, particularly the HBCU's are essentially welfare recipients, are really not viable and should not be assisted any more. The fact is that these are the institutions with a demonstrable track record of taking students where they are and moving them to the point where they are competitive. These are colleges and universities that continue to send students on to graduate and professional schools. The basic assumption of these colleges is that tht high rate of unemployment and the feminization of poverty, are drains on the U.S. economy and can be ameliorated by considering education, particularly a college education, as the basic answer to upward socioeconomic mobility. As education ncreases there is a marked decrease in the above negative indices.

It is of significance that at the undergraduate level, 42 percent of Black college students were enrolled in two-year colleges in 1980 with a very low retention rate when compared to that at HBCU's. This places in proper perspective the attempts made by persons to de-emphasize the role and importance of four-year HBCU's that enroll 35 percent of all Blacks who attend four-year colleges. These HBCU's also confer forty percent of bachelor's degrees earned by Blacks. The need is great for a much higher proportion of Blacks to be enrolled in four-year colleges. It is in this setting that these students are more likely to be exposed to the skills of problem-solving; to develop the ability to conceptualize and to think logically, rationally and in abstract terms. These are the exposures and experiences that are seemingly more conducive to functioning and coping in a highly complex, complicated, high-technological, third wave society.

In order for the United States to continue to be competitive on the global level, all human resources must be adequately utilized. It is imperative that this sub-committee consider that a reauthorization of Title III is in the best interest of the United States and its national security.

Because approximately 80% of the HBCU's are not eligible for continued funding in the next two years in accordance with present legislation and because, for reasons enumerated above, they cannot be considered developed, it is strongly recommended that legislation be enacted extending the length of Title III. More importantly, however, is the expansion of Title III by incorporating all of the elements of The Institutional Aid Act of 1985.

The cost to the United States of inadequate education and training is high. It costs approximately $25,000 to keep one person in a Federal penitentiary.

Benjamin Franklin is, therefore, of contemporary relevance when he stated that the only thing more expensive than education is ignorance.

SUMMARY RECOMMENDATIONS

The following summary recommendations are herein in order:

1. Recognizing the significant value and worth of these educational institutions eligible for and funded by Title III funds to the continued growth, stability and strength of this nation, the implementation of Title III must be supported by legislative language, which charges the U.S. Department of Education to work closely and not confrontationally with these institutions in actualizing their potential for making even more significant contributions to this great nation. Investing in these schools is not a "handout" but an investment in the future of this country.

2. These educational institutions must be regarded as holistic educational social systems. Consequently, rigid and subjectively drawn lines of demarcation separating "developmental" and "non-developmental" activities must not be drawn, established and implemented by administrative memorandum.

3. Legislation must address the construction of a valid and reliable instrument to determine eligibility and that Pell Grant data must not be considered the only independent variable.

4. Past funding levels of Title III, particularly as they pertained to HBCU's, were not conducive to the effective attainment of the goals of the legislation within the time frame established. The funding level should, therefore, be significantly raised without provisions for arbitrary cuts and reductions for the duration. The concept of Title III must also be expanded and extended to incorporate all elements and dimensions of the "Institutional Aid Act of 1985" which is the title of both H.R. 2907 introduced by Congressman Augustus Hawkins and S. 1328 introduced by Senator Paul Simon.●

ENTERPRISE ZONES: ALIVE AND WELL IN THE STATES

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. GARCIA. Mr. Speaker, the July 28, 1985, edition of the New York Times has an article about enterprise zones in several States. The article points out that the enterprise zones in these States have been very successful. Successful in attracting businesses and jobs to decaying areas. And successful in revitalizing distressed area. The States have indeed led the way in proving that enterprise zones are an important tool to rejuvenate inner cities.

It is timely that this article appears now because JACK KEMP and I are introducing our Federal enterprise zone legislation tomorrow. We will be asking for cosponsors soon and ask that our colleagues read this article to see the evidence that exist in support of enterprise zones.

[From the New York Times, July 28, 1985]

LOCAL INCENTIVES DRAW INDUSTRY TO POORER ZONES

(By John Herbers)

While Congress has been deadlocked for four years on President Reagan's ideas for reviving blighted urban areas, half the states and hundreds of cities are offering a range of incentives to attract jobs and industry to "enterprise zones" such as he proposed.

State officials say the movement, which has spread quietly across the country, is beginning to show results in many areas and will continue even without Federal legislation.

The concept, as acted on by states and localities, is based on a reducing of taxes and regulation and on offering low-interest loans and other incentives for businesses to

settle within depressed areas of high unemployment and dependency on welfare.

A number of states without enterprise zones, including New York, are considering them, while other states, such as Massachusetts, are offering some of the same incentives for economic development in poor areas without using the "enterprise zone" label.

FROM MISSISSIPPI TO CONNECTICUT

Mr. Reagan first promoted the idea in his 1980 campaign for the White House, and although it remains controversial it has been embraced in states as diverse in economy, politics and geography as Mississippi and Connecticut. And it is being cited as a leading example of how domestic initiatives have shifted from the Federal level since Mr. Reagan took office.

"What happens to the Federal legislation is irrelevant to what we are doing here," said Carol Gaetjen, director of the Connecticut program, one of the first enacted. She pointed out that under Mr. Reagan's legislation Connecticut would probably have only one zone in which Federal incentives would be offered, whereas the state is operating six zones, each in a separate city.

In New York, the legislative Commission on Public-Private Cooperation, headed by State Senator Roy M. Goodman, Republican of Manhattan, concluded in a staff report drafted in late June after a three-month study of the phenomenon nationwide:

"Twenty-five states have enterprise zone programs, and there are now 1,281 enterprise zones in 524 different local jurisdictions. New York, Massachusetts and Michigan are the only major industrial states that have not passed enterprise zone legislation."

STATES REFINE THE IDEA

And Dick Cowden, associate director of policy for the Sabre Foundation, a private research organization based in Washington, says that although he believes Federal legislation is still needed, the states have redefined the concept by broadening the incentives beyond those in Mr. Reagan's proposal.

"The states," he says, "have developed capabilities once believed to be beyond their competence in housing, bond financing and even business loan pools and export promotion."

Although there is a consensus that it is too early to assess the success of the zones, the movement is considered important because it is the only major innovation for revitalizing those areas that contain large concentrations of poverty and unemployment, concentrations that have grown in recent years as entry-level jobs and plants have moved to the suburbs and beyond.

One indication of the interest in the movement is that national industrial real estate magazines are publishing long articles on the incentives being offered, and some localities are buying advertisements to attract businesses to the zones. For example, Streator, Ill., a small, declining city, said in an advertisement in Plants, Sites and Parks, a trade magazine, that it was offering "10-year 100 percent property tax abatement, sales and investment tax credits, waiver of local fees, income tax deductions, financing assistance, training programs and technical assistance" to industries that located in its zone, created by the state.

MANY DEMOCRATS FAVOR IDEA

Although Mr. Reagan promoted the concept of directing assistance into depressed areas, it goes against the general thrust of his policy, which is to offer aid primarily to individuals while reducing or eliminating assistance to declining communities. For the most part it has been urban Democrats rather than Reagan conservatives who have adopted the zone idea as their own at the state and local levels.

The idea behind Mr. Reagan's original legislation was to bring about community rejuvenation, job creation and capital investment through a program of reductions in property, business and investment taxes in specific blighted areas, coupled with a loosening of zoning and labor regulations. State and local contributions would expand the enticements.

Although the legislation had bipartisan support, with Representatives Jack F. Kemp, Republican of upstate New York, and Robert Garcia, Democrat of the Bronx, as sponsors in the House, it encountered opposition on several grounds. There were doubt that its tax incentives would actually create jobs, fear that enterprise zones would replace rather than augment other Federal programs, and concern that the 75 proposed zones to be spread throughout the nation in a demonstration program would place other depressed communities at a disadvantage.

The Senate passed the President's bill in 1984, but it was blocked in the House by Democratic leaders who questioned, among other things, whether businesses should be given tax breaks at a time of high Federal deficits. The legislation is being redrafted in committees, but its chances of eventual passage have been lessened and complicated by Mr. Reagan's tax proposals, which would reduce rather than increase business exemptions.

PLAN SEEN AS EFFECTIVE

Meantime, the states have proceeded with their own plans. The idea is so popular in some states that the University of Illinois and the Sabre Foundation have established long-term research plans to judge its effectiveness.

In its study of what has occurred so far, the New York legislative commission concluded, "Enterprise zoning is an effective method of improving chronically depressed neighborhoods." The Sabre Foundation found that the states "have not permitted zones to proliferate outside truly distressed areas" as Congress did in the past with a variety of antipoverty programs.

Although eligibility standards for a community to be designated as a zone vary widely from state to state, the criteria most often used include an unemployment rate substantially above the state average, a loss in population of 10 percent or more since 1970 and an incidence of poverty considerably higher than the average.

The most common incentives include tax credits based on the number of new employees, exemption from sales taxes on materials used for construction, abatements in real estate taxes, tax credits or deductions for capital improvements or employee training programs, offerings of low-interest loans to help businesses get started, and improvement of streets, water mains and sewers within the zone.

Most states have taken industrial development programs already under way and expanded the benefits for development within the zones. Since 1979, when Federal grants began to decline, most of the states have stepped up efforts to enhance development through a variety of incentives in communities of all kinds.

These examples point up some of the diversity in state approaches:

Connecticut: State officials say the state's small zones in the downtown areas of Bridgeport, Norwalk, New London, New Britain, New Haven and Hartford attracted $107 million in business investment, mostly by small concerns, and 3,668 new jobs in the two-year period ended last October, because of a range of incentives. The program is under review, and some critics say much of the development might have occurred anyway with the state's expanding economy.

New Jersey: Administration of a new law that provides tax credits and exemptions is now getting under way, with zones designated in Camden and Newark. Two zones may be added each year, with no more than 10 at any time.

Pennsylvania: The program puts more emphasis on loans to businesses than on tax incentives, and Gov. Dick Thornburgh, a Republican, says it has been used successfully to rehabilitate vacant steel mills, department stores and other enterprises and to subsidize transportation in old industrial cities of all sizes.

Kentucky: Corporations owned by residents of Kentucky's zones are eligible for dollar-a-year leases on commercial buildings and are exempt from all state and local taxes. In one zone in Louisville, labor unions have added to state-sponsored incentives by promising not to strike for 20 years if employers promised to resolve disputes by arbitration.

Louisiana: The state law requires that at least one-fourth of the state's census tracts qualify as enterprise zones. Businesses in urban zones are eligible for five-year exemptions from state taxes. Businesses in rural zones are entitled to a $2,500 tax credit for each new worker.

There is disagreement as to whether the Federal Government will ever establish enterprise zones. Although many state officials are indifferent about what Washington will do, Mr. Cowden of the Sabre Foundation says, "It is no longer true to say that the primary advocates of zones are the Reagan Administration and conservatives generally."

"As each new state passes an enterprise zone bill," he says, "two new senators and several representatives have a reason to vote for the measure, a fact that has been reflected in committee actions. If the states sustain their interest, some form of Federal zone policy will be inevitable."●

STRENGTHEN INADEQUATE SUPERFUND BILL

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. FLORIO. Mr. Speaker, last week the House Energy and Commerce Committee voted to report a bill reauthorizing the Superfund program. This bill contains several fatal flaws, which must be addressed as it proceeds through the legislative process.

Among other items, the bill does not establish standards or meaningful deadlines for Superfund cleanups; fails to give citizens the right to sue private

parties to force cleanup; preempts stricter State cleanup laws unless the State pays for the additional cleanup; contains a blatant bailout for major oil companies for damages caused by leaking underground storage tanks; and substantially weakens the liability of polluters for cleanup costs.

A recent editorial in the Philadelphia Inquirer analyzes these deficiencies in some detail and I would commend this analysis to my colleagues' attention.

HOUSE SUPERFUND BILL LOOKS BETTER THAN IT IS

Things aren't always what they seem. Consider, for instance, the House version of the Superfund reauthorization bill. On the surface, it looks pretty good. Funding of $10 billion (not as much as actually is needed, but better than the Senate bottom-line of $7.5 billion and a whale of a lot better than the Reagan administration's proposed $5.3 billion). A variety of provisions calling for clean-up schedules and standards (in short supply in the Senate and administration versions of the reauthorization bill).

Look closer, however, and there's almost nothing there—nothing that can be counted upon to protect Americans over the next five years from the hazards of abandoned chemical wastes.

Standards and schedules have been eliminated or weakened so as to be meaningless. Provisions making liable individuals or companies responsible for improperly disposing of toxic wastes have been gutted. For example, late last week, the House Energy and Commerce Committee set a $3 million limit on liability for damages caused by leaking underground storage tanks regardless of the extent of damage, or the assets of the company that owns the leaking tank. Leaks in underground chemical and gasoline storage tanks have been blamed for widespread contamination of drinking water supplies. While a liability limit might be appropriate for the corner gas station owner, it is hardly appropriate for giant oil corporations argue critics, but the committee made no distinction.

And while they were at it, committee members also barred individuals from using the Environmental Protection Agency to force the agency to clean up waste sites.

There is a growing sentiment in Washington that it would be better to abandon the Superfund effort, extend the existing law for a year and hope things will be better next year. The reason is simple: 1986 is an election year. In 1984, another election year, House members fell over themselves embracing Superfund. The Senate, however, failed to act, forcing action this year when the program is scheduled to expire. Advocates of strong legislation argue that no member of Congress up for re-election will want a string of weakening Superfund votes beside his or her name.

Perhaps Postponing the vote is an alternative that should not be ruled out for the time being, but there still is time to salvage the House bill. As last week's House committee, votes demonstrate there is one special interest that has not been heard from yet—the public. It could be that the $10 billion price tag on the House passed bill has lulled people into thinking that they'll be getting a worthwhile enforcement package for their money. That's where appearances can be deceiving.

Without strong guidance from Congress in the form of clean-up standards and schedules, EPA will drag its feet on Superfund programs regardless of how much money the Congress appropriates.

That's the message advocates of a Superfund with teeth will be spreading in the next few weeks, an members of Congress head back to their home districts during the August recess. When they return to Washington in September, Superfund will be waiting. Whether they've heard the message—and heeded their responsibility to protect the American public from chemical hazards—will become apparent in the zeal and dedication of their salvage efforts.●

THE PENSION PLAN REVERSION MORATORIUM ACT OF 1985

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. ROYBAL. Mr. Speaker, in an attempt to address the problem of "overfunded" pension fund terminations by employers which deprive American workers and retirees of their retirement income security, I am introducing, the Pension Plan Reversion Moratorium Act of 1985. Although I introduced legislation on June 6, the Plan Termination and Reversion Control Act of 1985, H.R. 2701, designed to curtail "overfunded" plan terminations, a discouraging number of these termination requests continue to be processed by the administration while the bill awaits consideration by the Committee on Education and Labor and the Committee on Ways and Means.

As chairman of the House Select Committee on Aging, I have called on the administration to support a temporary moratorium on further "overfunded" private pension plan terminations. I have asked the administration to assist me in a legislative effort to impose a 9-month moratorium on the Pension Benefit Guaranty Corporation [PBGC] and the Internal Revenue Service in the processing of new notices of intent to terminate, and determination letters concerning defined benefit pension plans. The bill would suspend further processing of applications while Congress studies the issue and considers appropriate legislative remedies. Similar legislation is being introduced by Senator HOWARD METZENBAUM in the Senate.

On June 10, 1985, United Airlines announced the proposed recapture of $962 million from the termination of pension plans covering United Airlines employees and retirees. The proposed asset reversion would be the largest to date. Prior to the announcement by United Airlines, a total of 729 completed and pending plan terminations had already accounted for more than $6.7 billion in recaptured plan assets since 1980. There is every indication that overfunded terminations will continue and that the "Implementation Guidelines" of the administration serve as a prime catalyst for this continuing trend. It should be noted that both the number of termination applications and amounts obtained by employers from overfunded terminations increased dramatically in 1984, after issuance of the guidelines, realizing some $3.1 billion in excess assets to employers in 1984 alone.

The administration is well aware of the deficiencies of its guidelines approach to asset reversions by employers. Both the Treasury Department and the Internal Revenue Service have indicated in internal memoranda that a number of concerns remain unresolved by the guidelines. The Treasury Department and the Internal Revenue Service have noted that:

Even though the guidelines policy requires the annuitization of benefits accured as of a reversion transaction, the security of participants' benefits generally will be diminished by such transactions. This is particularly true with respect to ancillary benefits, such as subsidized early retirement benefits, that need not be annuitized upon termination of a plan (and are not guaranteed by the PBGC).

The elimination of excess assets from a defined benefit plan will eliminate a source of funds that some employers have used to provide benefit increases (e.g., cost-of-living adjustments) to current employees and retirees.

Because the guidelines policy will facilitate employers in extracting assets from ongoing defined benefit plans, such plans will be increasingly vulnerable to use as tax-favored savings accounts for the benefit of employers. The tax-favored treatment provided to qualified plans thus will accrue to the benefit of employers, rather than employees.

With a recognition of these and other shortcomings of the administration's policy in this area, it becomes imperative for the Congress to move swiftly to impose a moratorium and to move to enact substantive legislation which protects workers and retirees from the loss of their retirement security from "overfunded" pension plan terminations.

The workers and retirees that write to the Select Committee on Aging regarding the loss of their retirement security through overfunded terminations are devastated by the actions of their employer and the failure of their Government to protect them. These are men and women who regard their pension benefits as their principal protection and security in old age and they cannot understand why their Government would countenance such terminations. As Richard Ippolito, Director of Research at the Department

of Labor's pension program, notes in his report entitled "Issues Surrounding Pension Terminations for Reversion,"

First, unless otherwise offset by higher wages or new plans, terminations appear to be costly to workers, representing reductions in (presumably) expected real pensions that could easily be in the vicinity of 50 percent. Second, even if firms take steps to offset worker losses, funding levels in surviving plans will be reduced to the legal limit, creating more risk for workers that the plan may not be economic in the long run . . . If the termination truly represents the firm unilaterally breaking an implicit contract with workers, a case can be made that the reversion belongs to the workers, not the firm.

Why are corporations terminating their pension plans? A number of companies now find themselves with more assets in their pension plans than are needed to pay vested benefits. By terminating a pension plan, employers can recapture so-called excess assets which remain after the plan's termination liabilities have been satisfied. Originally contributed by plan sponsors to fund future pension benefits, the recaptured assets will instead be used for other corporate purposes.

According to a press release issued by United Airlines, the pension plans are being terminated so that "excess" assets will not serve as an inducement for a hostile corporate takeover. Other companies use recaptured assets for capital investments, to improve profitability on corporate balance sheets, or to finance corporate acquisitions.

In overfunded pension plan terminations, both employees and retirees may lose valuable retirement benefits they will need to make their retirement financially secure. Pensions under a successor plan (if any) may be significantly less generous. It should be noted that the administration guidelines do not require crediting for past service in any successor plan. By recapturing "excess" assets, employers strip away the "cushion" of plan assets employees formerly had to ensure that poor plan investment performance would not jeopardize the future solvency of their pension plan. Retirees will lose ad hoc cost-of-living adjustments because the excess assets which typically fund such increases will now be taken by the employer upon termination.

The Pension Plan Reversion Moratorium Act of 1985 would:

(1) Impose a moratorium effective for any notice of intent to terminate and any request for any qualification determination letter pursuant to a plan termination of a defined benefit pension plan received after June 12, 1985; and

(2) Enable the Congress to commission a study by the General Accounting Office, in consultation with U.S. Department of Labor, Department of Treasury, Internal Revenue Service, and the Pension Benefit Guaranty Corporation, to examine the trend and problems arising out of overfunded defined benefit pension plan terminations and reversion of excess assets to employers.

Such a study would examine the reasons behind the increased trend of overfunded terminations, their impact on workers and retirees and their retirement income security, the impact of such terminations and reversions on the development and maintenance of defined benefit pension plans and on the private pension system and the collateral effects that might be experienced by the PBGC.

In conclusion, I urge my colleagues to give careful consideration to the merits of this legislation. The Congress must not allow pension plans to become a sacrificial lamb on the alter of corporate expediency. To do otherwise is to allow the steady erosion of the retirement income security of additional thousands of American workers and retirees. Please cosponsor and support enactment of the Pension Plan Reversion Moratorium Act of 1985 for American workers and retirees.●

COMPUTER SOFTWARE ROYALTIES

HON. ED ZSCHAU

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. ZSCHAU. Mr. Speaker, I am pleased to be introducing today the bill H.R. 3124, to amend the Internal Revenue Code so that computer software royalties would not be subject to personal holding company provisions.

I believe this bill goes a long way toward alleviating a crisis that has developed in one of this country's leading growth industries, computer software. The United States leads the world in productivity enhancing software technology written by relatively young, small scale, entrepreneurial operations. Most of these companies have only been in the business a short time and are growing at a rapid rate.

These software companies face vigorous competition from companies in the United States and around the world. In this competitive environment, a company which does not constantly advance is likely to find that its software products have become obsolete. Increased levels of investment in R&D are necessary just to avoid technologies obsolescence, Staying on top means that for most software companies, a very high percentage of retained earnings is not paid out in dividends to shareholders but, rather, is reinvested R&D.

It has become increasingly clear that the economic progress of the United States depends in large part upon the prosperity and growth of high-technology industries, particularly computer software. But if we are to make growth of high technologies industries an economic priority, it is important that we ascertain whether existing Federal tax policies provide a favorable environment for these high-tech companies. At the very least our tax policies should not impede their growth and competition both at home and abroad.

The software industry has been faced with what you might call a gap between law and technology. What I am talking about is demonstrated by a recent IRS ruling, which exposes computer software companies to serious personal holding company tax liability.

Letter Ruling 8450025, issued by the Internal Revenue Service last September, classifies software license and maintenance fees as passive income. The ruling holds that any company that receives most of its income from software license and maintenance fees may be subjected to the personal holding company tax penalties assessed against undistributed earnings.

This ruling hits hardest on small, closely held companies involved in some of the most innovative software development. This group was never intended to be affected by the personal holding company rules: In fact, there were no software companies in existence when the personal holding company rules were created.

The personal holding company rules were designed to attack "incorporated pocketbooks"; that is, corporations formed strictly to shelter personal income. At the time the personal holding company rules were created, corporate tax rates were much lower than individual rates, and many individuals tried to avoid paying the higher tax by declaring themselves to be corporations even though they did not have active businesses. This was the tax avoidance scheme that the personal holding company rules sought to eliminate. Unfortunately, innovative software companies, with active and ongoing business operations, get tarred with the same brush.

The personal holding company rules are applied mechanically. When a business meets certain definitional requirements, it may be classified as a personal holding company, regardless of whether the company is in fact a shelter or an active business. The problem with mechanical rules is that unintentioned inequities may result when the rules are applied to new situations or circumstances. This is exactly the case with the software industry.

Computer software is generally licensed to customers rather than being sold. License agreements are necessary in order to protect the developer's sub-

stantial investment in research and development and to protect its intellectual property rights. The licensee is given a limited set of rights to use the software, but the transaction is not a "sale" and the licensee does not "own" the program. Software developers also provide maintenance and support service which insure that errors are corrected, functions are enhanced, and the program runs smoothly and efficiently. These maintenance and support services are necessary to the licensee if the programs are to be of continuing utility. Unfortunately, under current regulations the IRS views both license and maintenance fees as passive royalty income.

If software companies confirm to be faced with a personal holding company tax liability, many of them will not be able to maintain high quality R&D programs. Moreover, some software developers may find themselves put right out of business by the tax. Clearly, the elimination of this unintended application of personal holding company provisions is necessary if we are to remain competitive in the computer software markets.

The legislation I am introducing today would exempt computer software royalties from passive income. A software company would not be subject to the personal holding company tax if more than 50 percent of its adjusted ordinary gross income comes from computer software royalties. "Computer software royalties" is defined to mean, compensation, however designated, which is derived in the active conduct of a trade or business, and which is received for the use of, or the right to use, a computer program.

Computer software royalty income will not be the only qualification for the exemption. A software company will also have to demonstrate that it has allowable deductions under sections 162 or 174 of the Internal Revenue Code, which are allocable to the trade or business in which the royalties are derived, equal or exceeding 15 percent of the company's adjusted gross income. For purposes of this section, compensation to major shareholders for personal services will be excluded from the calculation of allowable deductions. This in effect requires that the company's operations extend beyond merely the efforts of its major shareholders. The major shareholders whose services are excluded from the category of qualified expenses are defined as the fewest number of shareholders whose combined ownership interest exceeds 50 percent in value of the outstanding stock of the corporation.

H.R. 3124 also provides that section 553(a) of the Internal Revenue Code be amended to exclude computer software royalties from the definition of foreign personal holding company income if the proposed exceptions for domestic person holding company income are met. It also provides that these changes would be retroactive to taxable years beginning after December 31, 1975, so that the software companies which were founded during this period do not find themselves left with exposure to a penalty tax that should never have applied to them in the first place.

Mr. Speaker, this legislation is needed by a dynamic segment of our economy. It is fair to stop applying tax provisions to businesses for which they were never intended in the first place, and it is essential in order to preserve and enhance U.S. leadership in computer software.

Mr. Speaker, I ask unanimous consent that the bill be printed in the RECORD.

H.R. 3124

A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of computer software royalties for purposes of the personal holding company provisions

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TREATMENT OF COMPUTER SOFTWARE ROYALTIES.

(a) GENERAL RULE.—Subsection (a) of section 543 of the Internal Revenue Code of 1954 (defining personal holding company income) is amended by adding at the end thereof the following new paragraph:

"(9) COMPUTER SOFTWARE ROYALTIES.—

"(A) Computer software royalties; except that such royalties shall not be included if—

"(i) such royalties constitute 50 percent or more of the adjusted gross income, and

"(ii) the sum of the deductions (other than for compensation for personal services rendered by persons in the top group of shareholders) which are allowable under section 162 or 174 and which are allocable to the trade or business in which such royalties are derived equals or exceeds 15 percent of the adjusted ordinary gross income.

"(B) For purposes of this paragraph, the term 'computer software royalties' means compensation (however designated) which is derived in the active conduct of a trade or business and which is received for the use of, or the right to use, a computer program (as defined in section 101 of title 17, United States Code).

"(C) For purposes of this paragraph, the top group of shareholders is the group consisting of the fewest number of individuals whose combined ownership interest meets the stock ownership requirements of section 542(a)(2).

"(D) Paragraphs (1) and (4) shall not apply to computer software royalties."

(b) FOREIGN PERSONAL HOLDING COMPANIES.—Paragraph (1) of section 553(a) of such Code (defining foreign personal holding company income) is amended by adding at the end thereof the following new sentence: "This paragraph shall not apply to computer software royalties (as defined in section 543(a)(9)(B)) if the requirements of clauses (i) and (ii) of section 543(a)(9)(A) are met."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1975.●

BLACK COLLEGES AND UNIVERSITIES NEED ADDITIONAL SUPPORT

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. CONYERS. Mr. Speaker, the Nation's 105 traditionally black colleges and universities have a long-standing history, dating back to the 1850's of educating black Americans. These institutions have done an outstanding job throughout the years, and their role is even more important today. Sixty-two percent of all blacks who have undergraduate degrees received them from black colleges, 45 percent of all blacks who received their masters degrees obtained them from these institutions, and more than half of our black doctors received their medical degrees from historically black colleges and universities.

Furthermore, it is also considering H.R. 2907, the Institutional Aid Act of 1985, which was introduced by Congressman AUGUSTUS HAWKINS, chairman of the House Committee on Education and Labor, and our former colleague, Senator PAUL SIMON, who has introduced it in the Senate.

As a cosponsor of both bills, I fully and actively support both of them, especially H.R. 2907 which revises title III funding for historically black colleges and universities, it is important that the Congress continue to recognize and support the vital roles which our historically black institutions continue to play.

I strongly urge my colleagues to support the legislation reauthorizing the Higher Education Act, and H.R. 2907 the Institutional Aid Act. The following is a copy of the testimony which I gave at his morning's hearing:

TESTIMONY OF CONGRESSMAN JOHN CONYERS, JR., GIVEN BEFORE THE HOUSE COMMITTEE ON EDUCATION AND LABOR'S SUBCOMMITTEE ON POSTSECONDARY EDUCATION IN SUPPORT OF H.R. 2907

Chairman Hawkins, Chairman Ford, and distinguished members of the House Committee on Education and Labor's Subcommittee on Postsecondary Education, it is my honor on behalf of the members of the Congressional Black Caucus, to have the opportunity to come before this committee and to voice my support for the reauthorization of the Higher Education Act of 1965. Not long ago, I met with various college presidents in the Detroit area, and they indicated that this legislation was a matter of critical importance to them and the students which they serve.

Second, I would like to lend my strong endorsement for H.R. 2907, the Institutional Aid Act of 1985, which has been introduced by Chairman Hawkins on the House side and Senator Paul Simon on the Senate side. It is my hope that this measure, especially the black college and university provision, will be incorporated into the Higher Educa-

tion Act which this subcommittee is considering.

I make that endorsement, Mr. Chairman, because I am a strong supporter of our Nation's historically black colleges and universities, institutions which, since 1850, have provided hope for hundreds of thousands of black Americans. I might add that they continue to provide that hope today.

While there are several higher educational institutions that are predominantly black in Detroit, there are not historically black colleges or universities. Yet, not a day passes that I don't see the works of the able men and women who are graduates of these historically black institutions which are mostly located in our Southern States.

A large number of Detroit's black doctors, dentists, lawyers, teachers, businesspersons, and other professionals graduated from the Nation's traditional black institutions. When you talk with them, as I have on many occasions, they will quickly tell you that had not it been for these institutions, Mr. Chairman, they most likely would not have been in the professional fields where they serve today.

In many cases, particularly if you lived in the South, you had no choice but to attend these institutions because racism was, in effect, the law of the land.

I might add, Mr. Chairman, that several of my staff members are graduates of black institutions, or have taught at these institutions.

Today, many say that there is no longer a need for our historically black institutions. That in today's world, they have become dinosaurs. Nothing could be farther from the truth. A handful of black institutions still produces half of the graduates in America who are black. In fact, 62 percent of blacks who received their undergraduate degrees received them from black colleges, 45 percent of all blacks who received their masters degrees obtained them from these institutions, and half of the practicing black doctors in the United States received their medical degrees from Meharry Medical College or Howard University.

It is incredible that less than 1 percent of the Nation's 3,000 colleges and universities have produced more than half of all blacks who have graduated from our higher educational system.

When we look at the current high unemployment rate among blacks, the high poverty level, the high infant mortality rate, and the disproportionate number of blacks in our prison system, deep in our hearts, we know that equality and justice are still distant dreams for 30 million black Americans.

Under the current administration, things have gotten worse as evidenced by their steady assaults on affirmative action, civil rights, voters' rights, and court decisions as well as legislation involving our educational system. In fact, it was this administration that proposed giving tax breaks to higher education institutions which practiced overt racial discrimination.

These institutions, both private and public, were started by either religious denominations or by State mandate. In the case of the latter, States preferred to start black colleges rather than integrate existing institutions for whites only. The problem was that they never allocated equal financial resources to the black institutions.

I remind you that these practices were reenforced by the law of the land, including those of the Federal Government. It was not that long ago that the Governor of Alabama stood in the doorway of the University of Alabama and said: "Never." Today, he says he is a member of the Rainbow Coalition.

It may be a surprise to some of you that the Nation's historically black colleges and universities have never practiced discrimination, and that their doors have always been open to students and faculty regardless of race, creed, or color.

Mr. Chairman, I am not here today to criticize any of the Nation's 3,000 higher educational institutions. In fact, I commend their efforts, in my own district, there are a variety of public, private, and religious-affiliated institutions, most of them have done a very good job of educating minority students, but the fact remains that the majority of black college graduates attended one of America's 105 historically black colleges and universities.

It is important to note that the vast majority of these graduates come from families that are poor. Yet, black colleges and universities for the past century have almost always been able to provide them with a good education. Many who came from economically disadvantaged areas tend to return to help others.

When I think of the number of black leaders and professionals such as the late Dr. Martin Luther King, Jr., Rev. Jesse Jackson, Justice Thurgood Marshall, and Detroit's Judge Wade McCree, Judge Damon Keith, Mayor Coleman Young, Congressman George Crockett, Jr., Wayne State University's Vice President Arthur Johnson, and superintendent of Highland Park's School System, Dr. Thomas Lloyd, Jr., one can easily see that they have done a tremendous job in producing leaders for blacks Americans as well as all Americans. But the work of these institutions is not yet finished.

Over the years, title III funds have been very valuable to the historically black colleges and universities as they continue their efforts of educating the majority of blacks who graduate from higher education institutions, yet, title III funding to black colleges has continued to shrink. In 1984, they received only 35 percent of the title III funds compared to about 60 percent in 1966. They are slowly being graduated out of the program.

Black college officials blame their declining share of the money on changes in the rules for title III eligibility which allowed more colleges to qualify for grants.

The aid that black colleges have received has not been enough to eliminate their deficiencies which are largely due to many years of underfunding by the Federal Government, and in the case of the public institutions, the various State governments.

As Sterling Henry of the NAACP has noted, "the title III program was designed to be a program for black colleges. But some predominantly white institutions contend that they are just as deserving of aid from the program as are colleges that concentrate on ethnic minorities."

Some complain that many black colleges have received aid as "developing" colleges for years and see the program as a permanent source of support. As one who has been in the Congress for over 20 years, it has always been my belief that Congress intended the money to go primarily to black colleges but it did not want to use race-specific language in the highly charged civil rights' ERA.

Former Congresswoman Edith Green, author of original title III program to aid developing institutions, said the program was not intended to be "a cooperative venture among the top ten colleges and universities, but rather we conceived it primarily to strengthen the negro colleges in the South."

Dr. Norman Francis, president of Xavier University in Louisiana also noted that everyone in the world knew at the time when the program was created that "developing meant historically black colleges."

Why should we distinguish predominantly black colleges from historically black colleges? The financial condition of the school and the financial condition of the student are two different criteria; one is far worse than the other. When you take a poor student and put him or her in a poor college that has always been poor, you have an entirely different situation than that of a student attending an institution which is used to being given everything that it needs. It is our responsibility to expand and enhance these institutions so they can keep on doing what they have done well.

It is with these thoughts in mind that I encourage members of this committee to incorporate H.R. 2907 into the legislation reauthorizing the Higher Education Act. We have seen what can happen to a society where higher education is available only to the wealthy and the middle class. Remember, "a mind is a terrible thing to waste."

Included for the record is an editorial which appeared in the July 27, 1985 issue of the Michigan Chronicle.

The editorial follows:

[From the Michigan Chronicle, July 27, 1985]

A Matter of Black Pride

One of the tragic stories of our times is the plight of the predominantly Black institutions of higher learning in this country. There are a number of factors involved in what appears to be continuing deterioration of many of these institutions, particularly those which are privately endowed. Prime among these factors is the obvious lack of interest on the part of the alumni, many of whom used these schools as stepping stones to successful careers.

According to a report in a recent edition of the Chronicle of Higher Education, "four prominent, historically Black institutions are having accreditation problems, and all four exhibit the same pattern: declining enrollment, internal turmoil and multi-million dollar deficits.

"The institutions, all of which are now fighting to retain accreditation, are Bishop College, Cheyney University, Fisk University and Knoxville College. One two year institution, Motown College, also remains on probation, because of its weak financial condition."

A check of the Black "Who's Who in America" would reveal a number of highly successful Americans who are alumni of the above mentioned colleges, particularly Fisk University in Nashville which was once one of the most prestigious of the nation's privately endowed schools.

The problems at Fisk have made national headlines over a period of years and yet there seems to be a total inability to come to grips with the financial and administrative policies of the university that would enable it to plow its way through troubled waters.

The stories emanating from the campuses listed above are being repeated on a number of other campuses and danger signals are being heard loud and clear. There are several organizations which are attempting to ad-

dress themselves to the concerns of the traditional Black colleges which deserve national concern, if for no other reason than the remarkable contributions they have made to the nation as a whole. Somehow, somewhere, however, there must be an awakening of Black Americans to a responsibility that has not yet been properly assumed.

Close to a half century ago, Frederick Patterson, then president of Tuskegee Institute, saw the threatening clouds on the horizon when he began to note the decline in private philanthropy that had kept the doors of the predominantly Black colleges open. With the aid of Ira Lewis, then publisher of the Pittsburgh Courier, Patterson launched an idea that became the United Negro College Fund (UNCF).

The UNCF was the initial attempt to have Blacks become more involved not only in the financial support of the colleges which had become the cornerstone of education for Blacks across the nation, but also in having the alumni of these schools become more active in the affairs of the institutions.

The UNCF has served valiantly ever since it was created by these two forward looking men and yet it has failed to sufficiently involve enough of the communities across the nation in keeping these institutions alive.

There is still a great need for the Black colleges in spite of the great advances made since the UNCF was organized in opening the doors of institutions that once barred persons of color from their domains. The Fisks, the Cheyneys, the Bishops, the Knoxville and Morristown colleges must be kept alive. It is obvious, however, that there must be a much greater involvement of concerned Blacks in the affairs of these schools.

There is no reason why the citizens of Pennsylvania should have allowed Cheyney, a state supported institution, to have reached a point where its accreditation is being threatened because of what the assessment commission charged was "years of neglect." There is no reason why Fisk University, one of the great traditions of Black America, should reach the point where it faces the possibility of having to close its doors.

The painful crisis facing these institutions are a challenge to every Black American concerned about the future of their children. It is a challenge that must be faced or this whole matter of interest in Black pride will have to be re-examined.●

INTERSTATE BANKING

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. GARCIA. Mr. Speaker, during committee consideration of H.R. 2707, a bill that would authorize full interstate banking by 1990, many of my colleagues raised concerns regarding the effect interstate banking would have on small banks' ability to compete with the money center banks.

At the time I brought to my colleagues' attention the situation in New York State during the 1970's when bank zones were deregulated. The large New York City banks "invaded" the upstate New York market, and were quickly rebuffed by the long established hometown banks. The point is, banks that know their customers and give them the services they need at affordable rates need not fear out of State banks coming in and stealing their clients.

I enclose an article from the June/July issue of Economic Review which illustrates the point. This article is informative and "must" reading for those for, and against, interstate banking.

UPSTATE NEW YORK: TOUGH MARKETS FOR CITY BANKS

(B. Frank King)

Do larger banks necessarily enjoy insurmountable competitive advantages over smaller ones? The question of large banks' impact on smaller competitors lies at the heart of nearly all disagreements about easing geographic restrictions on banking.[1]

Many who oppose the liberalization of restrictions on banks' geographic expansion have argued that inherent advantages of larger banks allow them to jeopardize the market share and profitability of smaller banks and, eventually, to absorb them. Easing cross-state restrictions, these skeptics warn, will doom small institutions and eliminate the special service they provide to individuals and small-business customers.

Despite its popular appeal, this hypothesis has failed empirical tests consistently. One of its basic premises—that large banks are able to capture significant economies of scale or scope—has been tested in many studies; it has yet to find support. Further, several studies conclude that large banks entering new areas fail to win significant increases in market share or to reduce bank earnings seriously in the communities entered.

Yet the argument that large banks have an inherent advantage continues to win proponents, and not without reason. Studies of economies of scale in banking typically have used data from the 1960s and 1970s. Most studies of market entry by large banks also focus on a period before ceilings on interest payable on time and savings deposits began to be phased out under the Depository Institutions Deregulation and Monetary Control Act of 1980. Phasing out these ceilings may have diminished the advantages of local-office convenience and enhanced the competitive powers of both banks and thrift institutions by allowing them to offer market rates on a gradually increasing proportion of their deposits. The ceilings have improved large banks' ability to compete with smaller banks, or conversely, may have provided the smaller institutions an edge.

Banks' experience since 1980 should provide timely insight into large banks' current advantages. One of the most fruitful grounds for an analysis of large banks' experience is upstate New York, where some of our country's largest banks in the 1970s entered markets (such as Albany, Binghamton, and Elmira) dominated by smaller banks. Two previous studies have documented that the New York City banks, through 1980, had failed to enlarge their footholds significantly in upstate markets.[2]

An analysis of the most recently available data indicates that the upstate New York competitive situation has changed little, despite banks' new powers to compete for deposits. Relaxation of interest ceilings and the institutions' new authority to offer money market deposit accounts (MMDAs) and Super NOW (negotiable order of withdrawal) accounts apparently failed to enhance large New York City banks' ability to gain market share at the expense of other banks in these areas they entered through de novo and foothold acquisitions. The big banks' penetration remains low and their changes in market share since 1980—through generally positive—have been modest.

Evidence from this tough proving ground gives no indication that the regulatory changes of the early 1980s have made it any easier for some of the nation's largest banks to enter markets in competition against smaller banks. Deposit interest deregulation has continued since June 1983, possibly shifting the competitive balance between large and small banks still more. However, the record of 1980–1983 gives no indication that a transition is occurring.

THE ISSUE OF LARGE BANKS' ADVANTAGE

Except for the very largest banks, each broad banking size group tends to argue that larger banks have advantages that allow them to threaten small banks' market share and profitability and eventually to acquire the smaller banks. This can be a persuasive argument, particularly to legislatures, which typically are sympathetic to smaller businesses.

In the 1980s, even larger regional banks have argued, in supporting regional reciprocal interstate banking laws, that they should be given time to grow within their region to avoid being acquired by large money center institutions when national interstate banking arrives.[3] More often, though, the argument that large banks have inherent advantages has assumed that the smaller banks in question are community banks faced with the prospect of competing with regional and money center banks.

The Depository Institutions Deregulation and Monetary Control Act of 1980 and the Garn-St Germain Act of 1982 added to concern about the large bank-small bank issue. These pieces of legislation increased the number of institutions empowered to offer a full line of consumer financial services from about 14,000 commercial banks to more than 40,000 banks, thrifts and credit unions. They also added some 3,500 thrifts to the number of institutions able to offer a full line of business financial services. The question of larger institutions' advantage was underlined by the fact that some of these new competitors were larger than the commercial banks they were authorized to compete against.

Over the last two decades many studies have cast doubt on the assertion that larger banks have advantages that will allow them to overwhelm smaller banks. These studies have approached the issue from two directions: studies of economies of scale and scope in various samples of banks, and studies of changes in markets where the large banks began competing with smaller banks.

Little evidence has been found that large banks possess inherent advantages. A recent summary of evidence on large banks' advantages concludes that, "with remarkable consistency, the studies reported here suggest that large size does not seem to give a financial institution a significant competitive advantage."[4]

Studies have found that banks can achieve significant economies of scale in producing basic banking services only up to asset sizes of $50 million to $100 million, and the research has produced little evidence to

[1] Footnotes at end of article.

demonstrate economies of scale for individual basic products. These studies use different approaches, but their evidence is consistent.[5] More recently, researchers have studied economies of scope—the effects on costs of combining a group of related production processes in one operation—in banking with similar results: no cost advantages for large banks are evident.[6]

The second type of study of large banks' advantages looks at the effects of size in banking markets. Such an approach avoids several criticisms often leveled at economies of scale studies because it views the large bank as a whole and assesses its ability to attract customers in a market situation. Results of these studies generally are consistent with studies of economies of scale and scope; they conclude that larger institutions usually gain neither significant market share nor erode local banks' profitability when they enter smaller banks' markets. This has been shown in many types of entry and markets.[7]

Recent changes in financial system regulation and technology have made evidence in these studies potentially less relevant in today's environment, however. Better communications technology and the substitution of rate for convenience competition are making local offices less important.[8] The phased removal of regulatory restrictions on interest payable on time deposits and the introduction of new deposit accounts open up new dimensions of competition among depository institutions. These dimensions, not directly relevant to studies of economies of scale, were unavailable when most studies of large banks' market performance were undertaken.

The decline in importance of the local office and the introduction of deposit interest competition may have become crucial as interest rate ceilings have been removed and as new deposit products—such as money market certificates (1978), MMDAs (late 1982) and Super NOW accounts (early 1983)—were introduced.[9] Larger banks' alleged advantages in raising funds, it might be reasoned, could allow them to pay higher interest on deposits. In addition, the large banks' purported advertising advantages could help them attract deposit accounts when interest rate competition is allowed. Although interest rate ceilings will not be removed completely from time and savings deposits until early next year, data already available should provide evidence of any sharp shift in large banks' competitive abilities since phased removal of the ceilings began in 1980.

A CASE STUDY

New York provides a useful case study of the impact of this changing environment. Money center banks from New York City moved upstate with de novo and foothold entries in the early 1970s.[10] The 1970 amendments to the Bank Holding Company Act that eliminated advantages of operating as a one-bank holding company allowed large New York City banks to consider upstate bank acquisitions without fear of losing other advantages. Further, a 1971 state act liberalized the conditions under which New York City banks could branch in upstate markets. In compliance with State Banking Department policy, they entered by establishing new banks or branches or by acquiring banks with small market shares.[11]

The performance of these banks in the new markets has been reported in two earlier studies.[12] Kunreuther found that, through 1975, New York City banks had little success penetrating upstate markets. Golembe Associates extended the record of de novo and foothold acquisitions through 1980 and reported similar findings. Through June 1980, Golembe reported 29 of the 33 de novo and foothold banks and branches acquired in upstate metropolitan areas had gained a somewhat larger share of the market; one lost share. Two entrants had ceased operations and one changed character in a way that made its experiences irrelevant. The average market share was only 1.8 percent; and fully 13 operations had gained less than one point. All the de novo operations that remained (18) had gained market share, but their average share at mid-1980 was a mere 1.5 percent. The largest de novo share was 5.2 percent at that time; six de novos had market shares of less than 1 percent. Market share gains by foothold acquisitions (12) averaged only 0.9 percentage points. The largest gain was 2.7 points.[13]

Between 1980 and 1983, New York City banks changed their upstate market shares by buying or selling offices in a few instances. Bankers Trust, for instance, decided to sell its upstate offices entirely and completed some of the program by mid-1983. In measuring share changes for this study, sales of offices (but not purchases) were counted as share changes. This seemingly asymmetrical treatment is used because office sales indicate that a firm is giving up in one market to pursue more attractive opportunities in another. Office purchases, on the other hand, increase market share by external means rather than through local market competition.

When these external changes are accounted for, however, changes in New York City banks' upstate market shares between mid-1980 and mid-1983 show even smaller gains than in the entry-mid-1980 period. The large banks gained market share more often than they lost share, but gains averaged only one percentage point. The largest single share gain in any market was 9.5 points. The largest loss was 2.8 points in another market. At least one New York City bank lost market share in five of the eight upstate metropolitan areas analyzed in this study. Two lost share in three of the markets. (Share changes are detailed in Table 1.)

TABLE 1.—MARKET SHARES OF LARGE NEW YORK CITY-BASED BANKS ENTERING UPSTATE METROPOLITAN AREAS BY DE NOVO OR FOOTHOLD ACQUISITIONS, 1970's TO 1983 [1]

	Deposits, June 30, 1983 (millions)	Market share, June 30, 1983 (percent)	Change in market share		
			1980–83 (percentage points)	Entry, 1983 (percentage points)	Entry, 1980 (percentage points)
Albany-Schenectady-Troy:					
Chase Manhattan Corp	$32.1	1.10	0.07	1.10	1.03
Chemical New York Corp	67.9	2.32	.27	2.32	2.05
Citicorp	74.7	2.55	.08	1.97	1.89
Irving Bank Corp	121.6	4.15	.10	.92	.82
Manufacturers Hanover Corp	69.5	2.37	−1.43	.26	1.69
Market total		12.22			
Binghamton:					
Bankers Trust New York Corp	33.5	2.83	−1.56	−1.38	.19
Chase Manhattan Corp	33.0	2.79	−.19	2.79	2.98
Chemical New York Corp	32.4	2.73	.68	2.73	2.05
Market total		8.33			
Buffalo:					
Bankers Trust	0	0	−.40	0	.40
Chase Manhattan Corp	158.7	3.56	1.04	3.13	2.09
Chemical New York Corp	42.4	.95	.48	0.95	.47
Citicrop	116.5	2.62	−2.60	2.62	5.22
Manufacturers Hanover Corp	65.4	1.47	.05	1.47	1.42
Market total		8.60			
Elmira: Chemical New York Corp	32.4	10.25	9.49	10.25	.76
Poughkeepsie:					
Chase Manhattan Corp	46.3	6.15	3.49	6.15	2.66
Chemical New York Corp	38.4	5.11	3.63	5.11	1.48
Market total		11.26			
Rochester: [2]					
Bankers Trust New York Corp	0	0	−1.04	−3.36	−2.32
Chase Manhattan Corp	111.3	2.37	.34	1.96	1.62
Chemical New York Corp	81.6	1.74	1.09	1.37	.28
Manufacturers Hanover Corp	154.3	3.29	−.24	2.45	2.68

TABLE 1.—MARKET SHARES OF LARGE NEW YORK CITY-BASED BANKS ENTERING UPSTATE METROPOLITAN AREAS BY DE NOVO OR FOOTHOLD ACQUISITIONS, 1970's TO 1983 [1]—Continued

	Deposits, June 30, 1983 (millions)	Market share, June 30, 1983 (percent)	Change in market share		
			1980–83 (percentage points)	Entry, 1983 (percentage points)	Entry, 1980 (percentage points)
Market total		7.40			
Syracuse:					
Bankers Trust New York Corp	2.7	.13	.02	.13	.11
Chase Manhattan Corp	50.8	2.46	.60	2.46	1.86
Chemical New York Corp	79.5	3.85	2.78	3.85	1.07
Citicorp	52.0	2.52	1.66	2.52	.86
Manufacturers Hanover Corp	22.4	1.09	−.68	1.09	1.77
Market total		10.05			
Utica-Rome:					
Bankers Trust New York Corp	20.9	1.63	.12	.57	.45
Chase Manhattan Corp	24.7	1.93	.86	1.93	1.07
Chemical New York Corp	15.6	1.21	.97	1.21	.24
Citicorp	33.9	2.64	1.22	1.53	.31
Irving Bank Corp	46.0	3.58	.27	1.27	1.00
Market total		10.99			

[1] Data are as of June 30 of relevant year.
[2] Citicorp operates in Rochester, but its offices have a substantial volume of nonlocal deposits.

Overall, market share changes averaged a positive 0.7 percentage points, only about one-third of the change during the period between entry and 1980. (The larger share change during the earlier period is accounted for partially by the fact that the de novo operations begun before 1980 started from a zero base.) New York City banks lost share in eight instances during the 1980–1983 period, compared with the entry-1980 period when only one New York City bank lost share in an upstate market.

Thus, there is no evidence that the phased removal of deposit interest ceilings and the introduction of MMDA and Super NOW accounts has improved large New York banks' ability to gain market share from smaller upstate banks. If anything, more losses in market share during the 1980–1983 period might indicate the opposite.

The big banks' individual shares remained small at mid-1983, averaging just 3.64 percent. The average deposit size of their operations was $55 million. Acquired banks gained an average of 2.0 percentage points over the whole entry-1983 period. About two-thirds of that gain had occurred by 1980.

Large New York City banks' combined market shares have climbed since their entry into upstate markets, but they remain fairly small. The gains occurred primarily during the entry-1980 period when de novo operations accounted for most increases in market share. At entry, the large banks combined acquired an average market share of 3 percentage points in upstate markets. Their average combined share had risen sharply to 7.4 percentage points by mid-1980. It increased moderately by mid-1983, going to 9.9 percent.

SUMMARY

The continuing evidence from upstate New York seems to contradict the premise that allowing greater latitude for deposit competition increases large banks' ability to compete for deposits more than it improves small banks' competitiveness. This evidence also indicates that the large banks have not demonstrated substantial advantages over smaller upstate banks since they entered upstate metropolitan markets in the early 1970s. Deposit interest deregulation has continued since mid-1983; however, by that time some 55 percent of the nation's total bank deposits were free from interest rate regulation. Any change in large banks' competitive advantage should be noticeable in their relative performance.

The new evidence from northern New York remains quite consistent with the bulk of past evidence on both economies of scale and market performance and casts further doubt on the fabled advantage of large banks in producing and marketing basic financial services. Large banks have some advantages or they would not exist. But these advantages presently appear to be irrelevant in attracting the loan and deposit business of individuals and smaller business customers—the bread and butter of smaller banks.

NOTES

[1] This argument is elaborated in B. Frank King, "Interstate Banking: Issues and Evidence," *Economic Review* Federal Reserve Bank of Atlanta, vol. 69, (April 1984) pp. 36–45.

[2] See Judith Berry Kunreuther, "Banking Structure in New York State Progress and Prospects," *Monthly Review*, Federal Reserve Bank of New York, vol. 58 (April 1976) pp. 107–115 and Golembe Associates, Inc. "The Public Benefits and Costs of Maine Banks Affiliating with Out-of-State Institutions," Golembe Associates, Inc., Washington, D.C., January 1982, pp. 21–22.

[3] Thomas I. Storrs, "The Case for a Rational Banking System," *Proceedings of a Conference on Bank Structure and Competition*, April 23–25, 1984, (Chicago: Federal Reserve Bank of Chicago, 1984) pp. 37, 40–41.

[4] "Economics of Scale in Banking: An Overview," *Economic Review*, Federal Reserve Bank of Atlanta, vol., 67 (November 1982) pp. 4–5.

[5] A thorough summary of most of these studies is found in George J. Benston, Gerald A. Hanweck and David B. Humphrey, "Operating Costs in Commercial Banking," *Economic Review*, Federal Reserve Bank of Atlanta, vol. 67 (November 1982) pp. 6–21. George J. Benston, Allen N. Berger, Gerald A. Hanweck and David B. Humphrey, "Economies of Scale and Scope in Banking," *Proceedings of a Conference on Bank Structure and Competition*, May 2–4, 1983 (Chicago: Federal Reserve Bank of Chicago, 1983), pp. 432–455, provides additional evidence and discussion.

[6] See Benston and others (May 1983), pp. 450–452 and Thomas Gilligan, Michael Smirlock and William Marshall, "Multiproduct Cost Structures in Commercial Banking," *Proceedings of a Conference on Bank Structure and Competition*, April 12–14, 1982. (Chicago: Federal Reserve Bank of Chicago, 1982) pp. 262–282.

[7] Most of the studies of this sort are summarized and evaluated in B. Frank King, "Changes in Large Banks Market Shares," and "The Impact of Local Market Entry by Large Bank Holding Companies," *Economic Review*, Federal Reserve Bank of Atlanta, vol. 67 (November 1982) pp. 32–40 and 41–47. More recently Stephen A. Rhoades has analyzed evidence on bank scale and scope economics, bank entry and the impact of conglomerate mergers in other industries and found no clear indication of advantage for large, diversified firms, "The Implications for Bank Merger Policy of Financial Deregulation, Interstate Banking and Financial Supermarkets," Staff Study 132, Board of Governors of the Federal Reserve System, 1984.

[8] See Richard W. Nelson, "Branching, Scale Economies and Banking Costs," *Journal of Banking and Finance*, vol. 9 (June 1985) pp. 177–191, for a discussion of the role of convenience in the demand for bank services and in banking costs.

[9] See Storrs, p. 37 for an assertion by the chairman of a large regional bank that greater ability to compete on deposit interest gives large banks an extra advantage.

[10] Irving Bank Corp., then Charter New York Corp. acquired larger banks in Binghamton, Poughkeepsie, and Rochester. These are not analyzed.

[11] Kunreuther (1976) gives a thorough discussion of the New York law and the early entry patterns.

[12] See Kunreuther (1976) and Golembe (1982).

[13] See Golembe (1982). The latest entry studied occurred on June 20, 1977; 27 entries occurred before 1975.●

COHA ASSESSMENT OF GAO REPORT ON U.S. ASSISTANCE TO HAITI

HON. WALTER E. FAUNTROY

OF THE DISTICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. FAUNTROY. Mr. Speaker, at my request the U.S. General Accounting Office has investigated and written a report on the status of economic assistance programs being implemented in Haiti by the Agency for International Development. Haiti, the poorest nation in the hemisphere, received $45 million in development assistance last year from AID, and the GAO report details how this money is being spent.

Jon Crystal, a research associate at the Council on Hemispheric Affairs, has written an analysis of this report in which he focuses on some of the problems AID faces in its efforts. He also discusses the significance of the new emphasis on using private organizations to implement development

programs. I urge each of my colleagues to read Mr. Crystal's informative piece.

AN ANALYSIS OF THE GAO REPORT ON U.S. ASSISTANCE TO HAITI

(By Jon Crystal)

In a report released last month, the U.S. General Accounting Office (GAO) has given a painstakingly detailed summary of the United States' development assistance to Haiti and the effects such aid has had in recent years. The substitute of the report aptly sums up the conclusion that the Office reaches: "Progress Made, Challenges Remain." While the new emphasis on the work of U.S. and local private Non-Government Organizations (NGO's) in the country seems to have generated much optimism, it is still questionable whether this will overcome the obstacles to long-term success in the development field that have long existed and stem in part from the intrinsic shortcomings of the Haitian government.

To be sure, the task facing any development effort in the country is a formidable one, with the statistics speaking for themselves. Haiti's per capita income, the lowest in the hemisphere, is $300. There is one doctor for every 11,000 people and ⅓ of all Haitian children die before the age of five. Mountains cover 80 percent of the land, with much of the population crammed into urban slum areas. Officials from the Agency for International Development (AID)—the body that administers U.S. economic aid—has labeled past development ventures a "fiasco," including their own. An earlier GAO report produced in 1982 concluded, "Project results are generally unsatisfactory."

Many of the children that plagued earlier AID efforts remain today and chief among them is the government of Haitian president-for-life Jean-Claude ("Baby Doc") Duvalier. According to the recent report, AID officials attribute the government's "shortcomings" to "institutional weaknesses and poor economic and administrative policies." Put more bluntly, the massive corruption and inefficiency of the government bureaucracy has stymied development agencies in their struggle against widespread poverty.

The result has been twofolds: a negative international image for the country that dissuades investors from taking advantage of the rock bottom wages and more importantly, an inability of the Haitian government to assume the increasing costs and responsibilities of operating and maintaining finished development projects. The GAO report stresses that the recurrent cost problem—"a major constraint to an effective long-term rural development strategy"—is one which must be resolved by AID officials and the Haitian government. Donor's taking over the financing of such operations only delay the government in finding a permanent solution and fosters further dependence by cabinet ministries on foreign guidance and resources.

While the GAO report implies that Haitian cooperation is solving these dilemmas is "generally improving," certain inflexible constraints limit the amount of possible progress. A scarcity of financial resources and an I.M.F.-induced austerity program have acted as brakes on development, while on the political side, the Duvalier government fears that quick change will threaten the stability of the dictatorship. Were Baby Doc to disappear tomorrow, however, Haiti's economic woes would still remain; there are fundamental factors such as overpopulation, deforestation, and natural resource depletion that exist.

Nonetheless, AID officials have from past experiences recognized the difficulty of working with the Haitian authorities. Beyond this, AID has begun to circumvent the state apparatus altogether by following a new Caribbean Basin Initiative (CBI)-inspired policy of encouraging investment through the private sector. In the past year, for instance, AID has channeled nearly half of its $45 million total assistance through over 300 foreign and Haitian NGO's among which CARE and Catholic Relief Services are the largest. Officials enthusiastically assert that the NGO's can "effectively reach Haiti's poor, achieve quick program results . . . and fill voids in regions where little assistance is available." For example, an association of private health care providers has brought medical services to many rural areas hitherto not previously served by the government's clinic and hospital delivery system. Local organizations are also becoming involved in the implementation of ongoing NGO projects.

Problems have arisen however from this private sector strategy of assistance. It is difficult to coordinate so many organizations or indeed even to compile data on how many NGO's are operating in Haiti and what the focus of their activities are. Increased strains have been put on limited AID mission staff in the form of paperwork, monitoring progress, etc.

But what bothers many about the new strategy goes much deeper. On the one hand, World Bank officials have voiced concerns that this emphasis on NGO's may detract from efforts to strengthen government institutions. It is almost as though AID has given up on the possibility of the Haitian state ever achieving the ability to carry out development efforts on its own.

Similarly, the stress on developing the Haitian private sector contained both in the CBI and the AID strategy raises basic questions of development models. An AID document raises the possibility of Haiti as the "Taiwan of the Caribbean," and states, "what this implies is a more open Haitian economy, with greater potential for export of manufactured and processed agricultural products, but with a sharply growing need to import grain and consumer products." The provisions of the CBI and the proximity of the US market almost has to point Haiti in the direction of greater dependence on Washington. The question remains whether this path will lead to the future modernization of Haiti and the beginning of the end of its hunger, poverty, and despair on the one hand, and human rights violations, corruption and favoritism on the other. Indeed the GAO report itself asserts that Haiti's problems can only be solved through "a long-term sustained effort to encourage policies and institutions that strengthen development."

Progress thus far, while it has occurred, has and will be painfully slow. The report concludes that AID should continue its oversight and assistance to small community-implemented projects and food assistance programs while at the same time working with the Haitian authorities on how to meet the recurrent cost problem. The emphasis then belongs on the title of the report's second part: "Challenges remain"—an extreme understatement to say the least.●

SUCCESSFUL TAX BREAK AT RISK

HON. JAIME B. FUSTER

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. FUSTER. Mr. Speaker, someone who knows the Caribbean well and who is thoroughly familiar with the important role Puerto Rico can play in the region calls attention to the fact that the proposed repeal of section 936 of the IRS Code can "reverse the Caribbean's present wholesome trend to democracy."

Georgie Anne Geyer, distinguished columnist and Latin American scholar, underscores some of the grave and adverse consequences the proposal could have not only on Puerto Rico but the other islands. Her July 24, 1985, article in the Washington Times provides good advice: * * * "we cannot afford to throw away any of the few tools that really work."

I request that the entire article be inserted in the RECORD so that my colleagues can have the opportunity of reading it and, perhaps, follow her sound advice.

[From the Washington Times, July 24, 1985]

SUCCESSFUL TAX BREAK AT RISK

(By Georgie Anne Geyer)

Every once in a while, from one of the bowels of bureaucracy in Washington, an idea emerges that is so utterly stupid, so cockamamie, and so self-destructively shortsighted that one wants to howl with a banshee's rage.

This time the culprit is the U.S. Treasury Department. Ostensibly, it is working at revamping the nation's tax system. In reality, what it is proposing—and what a diverted Congress may pass—is a "reform" that might well go so far as to reverse the Caribbean's present wholesome trend to democracy.

The Treasury Department has fixed its eagle eye on an obscure part of the Internal Revenue Code: Section 936. Adopted fully in 1976, this section of the code by itself has practically brought an enviable and symbolic development to the island of Puerto Rico in its unique and important commonwealth arrangement with the U.S. mainland.

The section, quite simply, provides that U.S. corporations settling in Puerto Rico need not pay federal taxes on Puerto Rican earnings. They can return those earnings to the mainland, tax-free. This had meant that this provision, alone, has generated at least 150,000 jobs and an annual payroll of $1.8 billion.

Now, this Puerto Rican-American mainland "experiment," which has been thriving since World War II (before which an impoverished Puerto Rico was only an object of pity throughout the Caribbean), is not just another "arrangement." It has been, for 40 years, the living proof that the United States could hammer out original relationships with developing areas and peoples.

Cuban President Fidel Castro and others within the Eastern bloc have consistently brought the Puerto Rico case up in the U.N.

Decolonialization Committee, trying to destroy the unique relationship. Only in the last two years has that attempt been given up—by them. Apparently, the Treasury Department and some U.S. congressmen have decided to take up where the Eastern bloc left off.

Testifying before Congress in mid-July, Puerto Rican Gov. Rafael Hernandez, who is having enough problems with 20 percent unemployment, said: "The proposal . . . would destabilize our entire economy, throw thousands out of work and force many to flee to the mainland in search of jobs. It would not increase U.S. tax revenues but would instead cost the U.S more money in terms of higher unemployment in Puerto Rico."

But, the proposal does not end with, in effect, destroying the Puerto Rican economy and the island's precarious social sanity. Gov. Hernandez, one of the finest leaders in the Caribbean, has been proposing—and very rapidly working out—a remarkable new investment program, which would extend some of the Puerto Rican solutions to the other economically troubled Caribbean and Central American states.

The governor recently proposed a plan, which would complement in the most direct manner President Reagan's Caribbean Basin Initiative, to establish "twin plants" in the basin. Plants established in Puerto Rico would be "twinned" with plants in the other countries, using the appropriate skilled or unskilled labor the circumstances dictate.

The program has been widely applauded by Caribbean leaders. In congressional testimony, Frederick Brooks of the important Caribbean Central American Action organization put it bluntly: "In the Caribbean Basin, we don't have the luxury of waiting. The CBI contemplated the immediate start-up of new investment, so that economic results would be visible while moderate leaders still have the confidence of their people."

The amazing thing is that the twin-plants idea is not just an idea.

It would be put into practice immediately in the most sensitive areas, where investment is crucial. Johnson & Johnson has announced it would build the first of the proposed plants in Grenada in 120 days.

If Section 936 is eliminated, this hope for the Caribbean goes down the drain as well.

George Fauriol, senior fellow at the Georgetown University's Center for Strategic and International Studies, said recently: "The health of the U.S.-Puerto Rican relationship may ultimately be the cornerstone of stability and progress in the Caribbean Basin region. . . . The island's democratic institutions and free-market system reinforce the regional sense of commitment against radicalism and authoritarianism."

And as Mr. Brooks summed up: "The loss would be tragic not only for Puerto Rico, but for the other islands which need these investments so badly.

"We don't have much time, and we can't afford to throw away any of the few tools that really work."●

RESOLUTION SUPPORTING NATIONAL GLEANING EFFORTS

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. HALL of Ohio. Mr. Speaker, today I have the privilege of introducing a resolution commending gleaning groups throughout the country and those food producers—individuals and organizations—who permit gleaners to collect unharvested crops from their fields to help feed the poor of this Nation. Gleaning is a cooperative effort between growers of commodities and church and other nonprofit organizations which allows gleaners to harvest food left in the field and distribute them to programs which provide food to needy individuals.

I am pleased to say that an identical resolution is being introduced today by Senator PAUL S. TRIBLE.

Gleaning is not a new form of food contribution. Rather, it is both an idea and an action that has been with us for centuries. The support of gleaning to supply food to the poor is part of the Judeo-Christian heritage as set out in the book of Leviticus:

When you reap the harvest of your land, do not reap to the very edges of your field or gather the gleanings of your harvest. Do not go over your vineyard a second time or pick up the grapes that have fallen. Leave them for the poor and the alien.

This Nation is now experiencing a poverty rate that is higher than any we have faced over the last 15 years. Because we know that poverty is inextricably linked to hunger, we know that a great number of our citizens are living without sufficient resources to assure adequate nutrition for themselves and their families.

Many private nonprofit organizations such as the Society of St. Andrew in Virginia, Sparrow Outreach ministries in Washington State, and gleaners statewise in California are providing food to the needy through food pantries, food banks, and soup kitchens. For many, these food outlets may be their sole source of food. The public is generally aware of the food contributions made by grocery stores, produce markets, and food processors. However, I have found that few people are informed about the contributions made by gleaners. The donations of food producers and the efforts of gleaning organizations supply a great deal of the food available to the needy through food assistance outlets.

Across this Nation farmers are opening their fields to gleaners who channel the "fruits of their labor" to charitable organizations for distribution to the poor. Some States have enacted tax policies and good Samaritan laws to create incentives for gleaning activities. Many States are reviewing their legislation in this area. The resolution I am submitting today encourages State governments to invest in more incentives to increase the number of food producers who permit gleaning of their fields and the number of shippers who donate, or charge reduced rates for, transport services for gleaned produce.

In 1977, the General Accounting Office conducted a study of food loss during the 1974 crop year. It found that an estimated 49 million people could have been fed from the nearly 60 million tons of grain, fruit, and vegetables not harvested. This report to Congress confirms something that we already know: "food loss represents a missed opportunity to feed the hungry." With the growing rate of hunger in this country, we cannot afford to let these opportunities slip by.

I hope that my colleagues will join me in sponsoring this legislation. The text of my resolution follows:

H. CON. RES. —

Whereas a large number of people in this country are not able to regularly supply themselves and their families with food;

Whereas food banks, soup kitchens, and other emergency food providers are witnessing a substantial increase in the number of persons seeking food assistance;

Whereas gleaning is a partnership between food producers and nonprofit organizations through which food producers permit members of such organizations to collect grain, vegetables, and fruit which have not been harvested and distribute such food items to programs which provide food to needy individuals;

Whereas support of gleaning to supply food to the poor is part of the Judeo-Christian heritage as set out in the Book of Leviticus, "When you reap the harvests of your land, do not reap to the very edges of your field or gather the gleanings of your harvest. Do not go over your vineyard a second time or pick up the grapes that have fallen. Leave them for the poor and the alien.";

Whereas a 1977 General Accounting Office analysis estimated that during the 1974 harvest 60,000,000 tons of grain, vegetables, and fruit, valued at $5,000,000,000 were unharvested;

Whereas the diets of millions of hungry people in the United States could have been supplemented with such lost grain, vegetables, and fruit;

Whereas a number of State and local governments have enacted Good Samaritan laws which limit the liability of food donors and provide an incentive for food contributions; and

Whereas numerous civic, religious, charitable, and other nonprofit organizations throughout the country have begun gleaning programs to harvest such food items and channel them to the hungry in the United States: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) food producers who permit gleaning of their fields and civic, religious, charitable, and other nonprofit organizations which glean fields and distribute the resulting har-

vest to help alleviate hunger should be commended for their efforts; and

(2) State and local governments should be encouraged to enact tax and other incentives designed to increase the number of food producers who permit gleaning of their fields and the number of shippers who donate, or charge reduced rates for, transportation of gleaned produce.●

THE 20TH ANNIVERSARY OF MEDICARE AND MEDICAID

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Ms. SNOWE. Mr. Speaker, today marks the 20th anniversary of the birth of the Medicare and Medicaid Programs. Programs, like people, grow over the years so that each birthday marks another milestone along the path toward maturity. In the case of these two programs, much has been learned and changed, but much more can be done in the future.

Let us, just for a moment, go back to 1965. It was a time of economic expansion and a belief in abundance. It was in this environment that Medicare and Medicaid were created in order to protect those who were most in need of help: the elderly and the poor.

Now, 20 years later, Medicare insures 95 percent of all older persons, regardless of their income or their assets. Medicaid provides medical assistance for those with low incomes and for the bulk of nursing home care. Without these programs, the elderly and indigent would be at risk of catastrophic illness; many would not be able to seek adequate care.

But that is not to say that all the battles have been fought. In fact, like the maturing programs that they are, Medicare and Medicaid represent only a beginning. There is much left to be done. The elderly are paying large sums of money for out-of-pocket care under Medicare—over $1,500 per person. That must be remedied. The cost of medicine and prosthetic devices are not included under Medicare and therefore create a financial hardship for the elderly. That must be remedied. There is not a coordinated, comprehensive system of long-term care. That must be remedied.

In 15 short years, this Nation will enter the 21st century. We will face challenges that we can not begin to imagine. As we celebrate this important day, we should remember that we are celebrating an idea that, like all ideas, is only limited by our imagination.●

HELPING THE LEARNING DISABLED

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. SOLARZ. Mr. Speaker, I am extremely fortunate to represent the P'tach organization which is fast establishing a national reputation for education excellence.

P'tach [Parents for Torah for All Children] is an organization that establishes special education programs for learning disabled Jewish students in Yeshivot and day schools around the country.

Learning disabled children are prefectly capable of succeeding in the academic community, yet they require personal attention to maximize their potential. P'tach programs provide this individualized academic remediation and support services to enable these youngsters to remain in the mainstream of their Yeshiva.

P'tach graduates have pursued higher education and a variety of careers becoming productive members of the Jewish community and society at large.

Today there are 16 P'tach programs in operation in elementary and high school level Yeshivot serving over 400 children in the New York area alone. The cost to support these programs is enormous, averaging $10,000 per student per year, far more than most parents can afford to pay. P'tach must rely heavily on private donations in order to keep these vital programs afloat.

For hundreds of learning disabled Jewish children, P'tach opens the door to a brighter, more promising future.

I would like to place in the RECORD an article that recently appeared in the New York Times about the fine work of P'tach. I'm sure my colleagues will enjoy and appreciate reading about this first-rate educational institution.

[From the New York Times, June 9, 1985]

LEARNING DISABLED FIND EXTRA HELP AT YESHIVAS

(By Ari L. Goldman)

No matter how hard he tried, Daniel Plaut kept losing his place in the page of the Talmud that was spread out before him.

He lived in fear that his "rebbe," the rabbi who taught the class, would call on him and find out he was not following.

That was before Daniel, a brighteyed and articulate 17-year-old, was diagnosed as having a motor coordination problem that made following any printed text—let alone the small type on the page of a Talmud—virtually impossible without special help.

The evaluation also helped explain why he did poorly in the classes in secular studies at the Brooklyn yeshiva he attended.

A YEAR IN ISRAEL

Since the diagnosis five years ago, Daniel has been attending the country's first program in a yeshiva setting for youngsters with learning disabilities. Later this month he will graduate from high school, and he plans to spend a year in Israel working on a kibbutz before entering the College of Staten Island of the City University.

"I'm far from planning to become a rabbi," said Daniel, who wears a knit yarmulke over his dark wavy hair. "But I do plan to live the life of a religious Jew."

Daniel is one of 600 youngsters enrolled in a program called P'tach, which stands for Parents for Torah for All Children. P'tach chapters operate within established Jewish day schools, known as yeshivas, in New York, Boston, Chicago, Philadelphia, Baltimore, Washington, Los Angeles and Oak Park, Mich.

The program, which operates as an independent unit within a yeshiva, has its own teachers and own budget. As part of the arrangement with the yeshiva, P'tach students can participate in regular classes when they are able to keep up.

"What the public schools did 10 or 15 years ago, the yeshivas are dealing with now," said Joel Dickstein, the coordinator of P'tach at Yeshiva University High School in Manhattan, where Daniel is a senior. In 1975, Congress passed the Education of All Handicapped Children Act, under which public schools are required to provide services for handicapped youngsters, including the learning disabled.

IN THE BACK OF THE ROOM

The law, however, does not apply to the privately run yeshivas, which stress familiarity with the Talmud, the Jewish library of law and tradition, as well as academic excellence in secular subjects. "These are the kids that sat in the back of the room," Mr. Dickstein said. "They were not diagnosed in elementary school, so either they would get pushed ahead or they would get pushed out and go to public school."

In the public schools the learning-disabled youngsters would often get the special attention they required but would not get the Jewish learning—Hebrew, Bible, Talmud and Jewish history, laws and customs—that they needed to be part of the religious Jewish community.

At the P'tach program at the Manhattan yeshiva high school the other day, Rabbi Yehoshua Fulda was teaching the Bible to a class of six boys. Although all followed the same text from Numbers, what was going on was really six different classes. One youngster was learning Hebrew penmanship, another Jewish laws and another reading.

For half the period, the class examined the text together; during the second half each child concentrated on an individual assignment. Rabbi Fulda, who has a master's degree in special education, went from youngster to youngster, offering guidance and encouragement.

P'tach organizers acknowledge that the yeshiva program of Hebrew, which is read from right to left, and English, which is read from left to right, can be an additional frustration for a child trying to cope with dyslexia. A popular example is that a child with dyslexia might confuse a "b" with a "d."

PURELY PHONETIC

Rabbi Fulda said, however, that Hebrew can actually be a help to a child with a learning problem. "Hebrew is purely phonetic while English is not," he said. "If you learn the rules, you can deal with dyslexia better."

In the secular studies program at the Manhattan school, the P'tach students have small classes with time for concentration on individual lessons. In both the religious and secular classes the goal is to integrate the youngsters into the regular classes at the high school. Most of the P'tach youngsters take at least some classes with the regular high school students.

The P'tach program, with its 48 boys at the school, has added something new to the high school of 500. The school never had a shop for woodworking or stained glass until the P'tach program was established.

Daniel Plaut, who went from being a child with difficulty reading to a young man ready for college, said he still looked forward to shop each week. "When I came to school here, I felt like a low-life, a degenerate," he said. "That is what they taught me in elementary school. What they taught me here is a sense of self-esteem, a sense of value."

Five of the eight P'tach youngsters graduating this month will go on to college and three to vocational school. In addition to college programs, previous graduates have gone on to work in business, computers, jewelry and appliance repair.

P'tach was started in 1976 by a small group of parents of children with learning disabilities who felt that their youngsters were not being appropriately educated in Jewish day schools. The organization began as a support and advocacy group that hoped to convince the yeshivas to begin their own special education programs.

After getting encouragement but little action, P'tach decided to go into the education business itself, hiring educators and renting space from the yeshivas. In 1979, it opened its first program, with 13 students at the Manhattan yeshiva high school. There are now 600 students—400 of them in New York and New Jersey—in P'tach programs in 13 yeshiva elementary schools and 3 yeshiva high schools.

P'tach objective, its organizers say, is to turn the responsibility back to the Jewish day schools.

"Our goal is to go out of business," said Rabbi Burton Jaffa, the national director of P'tach, "and we will go out of business when every yeshiva recognizes that they have an obligation to these children."●

NATIONAL WATERMELON DAY

HON. WILLIAM W. COBEY, JR.

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. COBEY. Mr. Speaker, today I had the privilege of hosting the "Great Watermelon Feast" on the east lawn of the Capitol Grounds. At the event, Secretary of Agriculture John Block proclaimed today "National Watermelon Day."

This ceremony was held to reassure the American people that watermelons are safe to eat. Recently, watermelons from several fields in California were found to be tainted with the pesticide Aldicarb. When news of the tainted fruit was broadcast by the news media, many Americans across the country stopped buying watermelons.

National watermelon sales have dropped an average of 30 to 35 percent. In my own State of North Carolina, watermelon sales have dropped an average of 40 percent, with some areas in the State seeing a 50 percent decrease.

I hope the "Great Watermelon Feast" we held today will reassure the American people. California watermelons are now safe to eat, as all the watermelon-producing fields there have been checked for traces of the pesticide. Watermelons from other States, of course, have always been safe.

I trust that the word will go out that Americans should enjoy the summer and eat plenty of watermelon during the hot days ahead. People who buy watermelons from their local grocer or at farmers markets such as the Farmers Market in Raleigh, NC, which is part of the congressional district I represent, can be certain now that watermelons are safe.

Finally, Mr. Speaker, I wish to thank the National Watermelon Association for helping my staff organize today's event. Thanks also to Mr. DE LA GARZA, chairman of the House Agriculture Committee, Senator HELMS, the chairman of the Senate Agriculture Committee, the National Watermelon Queen, Shani Radney, and the North Carolina Watermelon Queen, Lynn Shirley, for joining us at this event.

And most of all, thanks to the farmers who work so hard to provide us with this high quality fruit.●

SHUTTING IN OIL, AGAIN

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. DANNEMEYER. Mr. Speaker, earlier this month the Secretary of the Interior took it upon himself to reach what has been described as a "preliminary" agreement with certain members of the congressional delegation from California on Outer Continental Shelf [OCS] energy development.

As a long-time advocate of increased U.S. energy efforts to offset oil imports and their negative impact on our balance of trade, I was distressed upon learning of the announcement. Subsequent meetings and a review of the agreement's details, including a meeting with Secretary Hodel, did nothing to dissuade me from the view that the agreement is not in our national interest.

While I will be speaking out in considerable detail on this issue, at this time I wanted to share with my colleagues an editorial from last Friday's Wall Street Journal which succinctly outlines the key objections to the proposal.

I ask permission to insert it at this point in the RECORD:

[From the Wall Street Journal, July 26, 1985]

SHUTTING IN OIL, AGAIN

Back in 1979, when American motorists were waiting in long gasoline lines, we were amazed to learn of "shut-in" oil wells in California. Federal regulations, it turned out, were the culprits. Price controls made it uneconomical to pump oil out of numerous existing wells, and allocation restrictions exacerbated the problems of the gas stations.

As one of his first acts as president, Ronald Reagan eliminated those federal controls in January 1981. Since then, of course, gas lines have vanished, supplies have grown, prices have fallen and OPEC is singing its swan song. Now, however, the Reagan administration plans to shut-in oil in California once more. Interior Secretary Donald Hodel last week reached a "preliminary" agreement with a California congressional delegation to sharply restrict oil and gas development off most of California's coast through 1999.

For the past four years Congress has passed, with ever slimmer majorities, annual moratoriums on the further exploration and development of California's offshore energy riches. Indeed, this area is considered the most promising of all the nation's waters in terms of oil and gas potential. This year, the effort to extend the moratorium seemed destined for defeat in a crucial House committee vote. A desperate delegation of Californians from Capitol Hill—mostly Democrats, but also including two Republicans, Sen. Pete Wilson and Rep. Bill Lowery—turned to Secretary Hodel for a bailout. They got it, at least tentatively.

Mr. Hodel agreed to offer for federal leasing a mere 150 of the 6,460 offshore tracts that Congress has so far withheld from development. The Hodel "compromise" would open up only 2.3% of the acreage. Moreover, instead of the year-to-year congressional bans, the Hodel pact would last until the end of the century, barring some undefined "national emergency."

Environmentalists were overjoyed. The Natural Resources Defense Council, longtime obstructionists of energy development, called Mr. Hodel's concessions a "breakthrough." The oil and gas industries were less sanguine. The specific tracts offered by Mr. Hodel were variously called "dogs," "junk", or "trash" by energy experts familiar with the geology of these areas. California Gov. George Deukmejian, too, was not pleased. As a historic opponent of "blanket moratoriums," Mr. Deukmejian clearly sees the benefits of offshore exploration, while still guarding the most sensitive sections of California's coastline. But the governor, like the energy industry, was not consulted prior to Mr. Hodel's decision. The word in Sacramento is that the interior secretary "paid a heavy price" to satisfy the demands of California's environmentalists lobby.

Already under the Reagan administration, with the prodding of Congress, federal bans on offshore drilling have expanded, unfathomably, from 700,000 acres in 1982 to 45 million acres today. In order for the U.S. to maintain present levels of oil and gas production at reasonable prices, reserves will have to be continually replaced with a high rate of new discoveries. The American Petroleum Institute estimates that between now and the year 2000 the U.S. will need to find more than 180% of its current proven reserves.

No such requisite amount of exploration is going to take place if federal authorities

again shut in oil in California or elsewhere in the U.S. The only "emergency" that the Interior Department should be planning for is the one preordained by Mr. Hodel's offshore decision.●

PRISONERS OF WAR

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. McEWEN. Mr. Speaker, I wish to take this opportunity to publish for the record the names of 39 brave Americans who have sacrificed themselves for the betterment of their Nation. The people, listed below, have served this great country to protect and defend the ideals of America and have proven their dedication by unwillfully serving as prisoners of war. I wish to take this opportunity to honor these men and, on behalf of all free Americans, thank them for their service. To these special individuals we owe an extra measure of thanks. Against all odds they did not give up on America, not during their darkest hours, days, weeks, months, and years. Mr. Speaker, may I present:

Mr. Robert M. Adams, Dayton, OH; Mr. Marcus Bacon, West Carrollton, OH; Mr. James E. Barkalow, Dayton, OH; Mr. Herman A. Boehmer, Dayton, OH; Mr. Albert E. Brown, Lewisburg, OH; Mr. Levi Burns, Richmond IN; Mr. Kenneth G. Castor, Dayton, OH; Mr. Earl Bradley Cooper, Dayton, OH; Mr. Jack Dail, Dayton, OH; Mr. James H. Daniel, Dayton, OH; Mr. Glen D. Dean, Dayton, OH; Mr. Merrill W. Demerit, Jr., Vandalia, OH; Mr. Norward Emrick, Dayton, OH; Mr. Zelotes C. Eschmeyer, St. Marys, OH; Mr. Eliga Denver Evans, Covington, OH; Mr. Willie Gibson, Wilmington, OH; Mr. Robert K. Hankey, Dayton, OH; Mr. John O. Jones, Fairborn, OH; Mr. John C. King, Dayton, OH; and Mr. Charles D. Krandall, Englewood, OH.

Also, Mr. Charles E. Larkin, Dayton, OH; Mr. Maynard Lawson, Dayton, OH; Mr. Basil F. Maxwell, Beavercreek, OH; Mr. Dwight Miller, Greenville, OH; Mr. James Mullen, Dayton, OH; Mr. George W. Murphy, Springfield, OH; Mr. Gary C. Music, Xenia, OH; Mr. Archie Neil, Fairborn, OH; Mr. Donald L. Nicely, Carlisle, OH; Mr. Dick E. Ogg, Dayton, OH; Mr. Jack Perry, Fairborn, OH; Mr. John E. Ratliff, Springfield, OH; Mr. Gerald G. Ruth, Gratis, OH; Mr. Paul Schuler, Kettering, OH; Mr. Lewis F. Sparrow, Dayton, OH; Mr. Herman P. Spratt, Miamisburg, OH; Mr. Robert E. Stone, Miamisburg, OH; Mr. George W. Sutton, Fairborn, OH; and Mr. Ralph Trucksis, Piqua, OH.●

TIME FOR THE SOVIETS TO PERMIT SOVIET JEWS TO EMIGRATE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. DORNAN of California. Mr. Speaker, I rise on behalf of this measure, Senate Joint Resolution 161, which I believe is both timely and compassionate. It seeks to support the case of individuals who suffer much through the refusal of the Soviet Government to permit their orderly emigration. It focuses on famed physicist Anatoly Shcharansky, who has won the hearts and admiration of the civilized world with his devotion to the cause of freedom. Shcharansky has protested in the last way available to him, by a hunger strike, while exiled internally in the Soviet Union. His valiant and devoted wife Avital, who herself had a difficult time leaving the Soviet Union, testified just yesterday before the House Foreign Affairs Committee, explaining how the Soviet Union seeks to exploit her husband.

It addresses the situation of all Soviet Jews, who face truncated opportunity within the Soviet Union, and limited chances to leave that country. As these courageous individuals have encountered Soviet discrimination, they have become activists on behalf of their coreligionists, with the result that they face persecution and terrible treatment at the hands of the Soviet State. Vladimir and Maria Slepak, Ida Nudel, Yosef Begun, and Vladimir Felstman, are just a few of the thousands who face Soviet heavyhandedness. We encourage the Soviet Union to respond to this appeal on behalf of Soviet Jewry and grant freedom to emigrate to Anatoly Shcharansky and all the others who have sought to exercise human rights subscribed to by the Soviet Union in the Helsinki accords. The 10th anniversary of the signing of those accords comes up in just a few days. What a wonderful celebration it would be of that anniversary if Anatoly Shcharansky and so many others were to be released from their various prisons and allowed to emigrate.

Thank you Mr. Speaker. I commend my colleagues in the House of Representatives and the Senate for their favorable action on Senate Resolution 161, and support it vigorously.●

IMPORTANT BANKING LEGISLATION

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. HUBBARD. Mr. Speaker, I received an excellent July 5, 1985, letter from Mr. Ted Bradshaw, director of government relations of the Kentucky Bankers Association in Louisville, KY.

I believe my colleagues will be interested in Ted Bradshaw's comments to me about two important banking measures which have been reported to the full House by our Committee on Banking, Finance and Urban Affairs. Upon reading his concerns, I am certain my colleagues will remember his support of closing the nonbank bank loophole (as embodied in H.R. 20, the Financial Institutions Equity Act of 1985) and his opposition to certain provisions of H.R. 2707, the Depository Institutions Acquisition Act of 1985, particularly those which override States' rights.

The letter to me from Ted Bradshaw follows:

JULY 5, 1985.

Hon. CARROLL HUBBARD, Jr.
2182 Rayburn Building,
Washington, DC.

DEAR CARROLL: Sometime within the next few weeks the House will take under consideration financial services legislation embodied in two bills reported by the House Banking Committee on June 12, 1985. H.R. 20, Financial Institutions Equity Act of 1985, would close the nonbank bank loophole while H.R. 2707, Depository Institutions Acquisitions Act of 1985, would authorize regional compacts with a state opt-out and a mandatory five year trigger for full nationwide interstate banking.

While none of these issues has been presented to the full membership of the Kentucky Bankers Association, my conversations with individual bankers across the state indicate a desire to see the loophole closed and the need to be able to offer additional services to their customers on a competitive basis. Most would prefer to see the loophole closed as of July, 1983 without grandfathering any nonbank banks but that date appears to be unattainable.

H.R. 2707, Depository Institutions Acquisitions Act, seems, to me, to be superfluous in that it authorizes interstate compacts which have been upheld by an 8-0 vote of the Supreme Court. The five ear "trigger" in this legislation is an "end run" by the big New York and California banks to get around the Supreme Court decision. The 1990 "trigger" does not make that much difference in Kentucky since we are one of only three states that has a national "trigger" that becomes effective in 1986. However, Kentucky made the decision on nationwide interstate banking at the state level which is where the decision should be made. Not mandated by Congress!

The real problem with H.R. 2707 is that the so called "opt-out provision" does not give a state that desires to participate in a regional interstate banking compact but not nationwide interstate banking any option. If a state remains a participant in a regional

compact, H.R. 2707 requires that state to open its borders to nationwide banking in 1990. The effect of this provision is to take away the authority of the individual states to determine the banking structure under which they want to operate and will cause the formation of regional interstate compacts to cease.

I would certainly hope that Congress will act responsibly and close the nonbank loophole, authorize some expanded services for banks in order that they may compete and allow the states to determine the banking structure in each state.

Sincerely,

TED BRADSHAW,
Director of Government Relations,
Kentucky Bankers Association.●

A TRIBUTE TO RALPH ROMIG

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. APPLEGATE. Mr. Speaker, I would like to bring to the attention of my colleagues in the House of Representatives, a man who has achieved many goals in his lifetime and has also contributed much to his community in Tuscarawas County, OH. Ralph Romig is a teacher, journalist, historian and lecturer who integrates his life experiences into a healthy working philosophy.

Ralph Romig has a vast knowledge of Ohio history. He is the president of the Tuscarawas Historical Society and is often called upon to lecture on the subject of Ohio's frontier beginnings and advancements. "Trumpet in the Land," a play which portrays the life of Ohio Indian leader, Tecumseh, received many helpful contributions from Mr. Romig.

To promote national interest in Ohio's many historical sites, Ralph Romig is the publisher and editor of Buckeye Country magazine which is circulated in 27 States. He is also the author of "Valley of the Tuscarawas" which is a short history of Tuscarawas County.

"Opportunity at Your Doorstep" is a book written by Ralph Romig which illustrates the rural life of the Ohio countryside. Mr. Romig has always enjoyed the quiet simplicity of country living.

In addition to the previously mentioned periodicals, Mr. Romig has also written a biography about baseball great Cy Young, entitled "Cy Young—Baseball's Legendary Giant." Mr. Romig presents all his books free of charge to libraries, foster homes, YMCA's, and various historical societies.

Ralph Romig has served as a community leader for the residents of Tuscarawas County in several capacities. He has held various elected offices; mayor of Tuscarawas Village, jury commissioner of Tuscarawas County and a member of the village council where he served as president for 10 years. He also found time to serve as president of the Tuscarawas Village Development Club, World Peace superintendent of the Ohio C.E. Union, Boy Scout advisor and elder of the Sharon Moravian Church.

Although he is past the retirement age, Ralph Romig has not considered retiring. He echoes the words of former Justice Oliver Holmes; he will retire when his work has stopped being fun.●

DR. THOMAS D. STAPLETON RECEIVES PRESIDENT'S CITIZENSHIP AWARD

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. HORTON. Mr. Speaker, I am very proud to enter into the official RECORD of the U.S. Congress information about an award that was made to one of my constituents, Dr. Thomas D. Stapleton. Dr. Stapleton recently received the President's Citizenship Award from the Medical Society of the State of New York. Society president Dr. Allison B. Landolt presented the award during the June annual meeting of the organization's house of delegates in New York City.

Dr. Stapleton is a native of Auburn, NY, which is located in my congressional district. He is a graduate of Georgetown University Medical School. In addition, he received further training at Brooklyn Eye and Ear Hospital and the New York Eye Infirmary.

A Navy physician with the 4th Marine Division in World War II, he participated in invasions of the Marshall Islands, Saipan-Tinian, and Iwo Jima, receiving four battle stars, a Presidential Unit Citation, a Bronze Star, and a Navy Commendation Medal.

Serving his community, Dr. Stapleton helped organize the city's community-owned nonprofit baseball club in 1958 and served as vice president, president, and chairman of the New York-Penn League Auburn team.

He was appointed to the board of trustees of Auburn Community College in 1958, reappointed in 1961, and served as vice chairman from 1965 to 1975. Honored with the Most Outstanding Citizen of the Year Award by the Auburn Lion's Club in 1969, Dr. Stapleton also won the Monsignor Straub Memorial Trophy as Sportsman of the Year in 1974, and was named Man of the Year by the Holy Family Athletic Association in 1980.

In 1984, the physician was appointed to the mayor's advisory committee for Operation Auburn.

Mr. Speaker, I congratulate Dr. Stapleton on his outstanding work and am pleased to share his accomplishments with my colleagues.●

LOW-POWER TELEVISION AND COPYRIGHT

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. KASTENMEIER. Mr. Speaker, today I am introducing legislation, with a respected member of my subcommittee [Mr. BOUCHER], to cure a problem in current copyright law. The problem involves low-power television, a new service authorized in 1982 by the Federal Communications Commission, which is designed to provide local television service in markets underserved by conventional television. Ultimately such low-power television could serve communities much as local radio stations serve such communities today.

However, current copyright law creates confusion with regard to transmitting local low-power television station signals via cable because the law can be construed as defining such signals as "distant signals" under copyright, subjecting them to royalty fees and limiting the ability of such low-revenue stations to provide television service.

When I learned of the problem in October 1984, I contacted my counterpart chairman on the Senate, Senator CHARLES MCC. MATHIAS, Jr., and together we wrote to the then Register of Copyrights, David Ladd, asking that administrative action be taken to resolve the problem since Congress was scheduled to adjourn within days.

In our letter, we noted that under the potential interpretation of the law, "cable systems would be very reluctant to include low power stations within their complement of local services on a 'may-carry' basis, which in turn would seriously damage the development or viability of low power television."

The letter further noted that, practically speaking, a low power television signal is not powerful enough to be designated a "distant signal" since its maximum range is only 10 to 20 miles.

The Copyright Office responded by expeditiously holding a public hearing on the matter; the Office determined that it would henceforth abide by the determination of a cable system as to whether or not a low-power television signal carried by that cable system is a local signal and therefore exempt for the royalty fee. By way of a letter from General Counsel Dorothy Schraeder, the Office expressly stated:

That the status of low power television signals under the cable compulsory license is ambiguous. Accordingly, in examining

cable Statements of Account, the Copyright Office will not question the determination by a cable system that a low power station's signal is "local" within an area approximating the normal coverage zone of such station.

The Copyright Office further expressed its support for legislative clarifications of the statutory ambiguity by a technical amendment to the Copyright Act.

The legislation we are introducing today accomplishes that objective. The bill is in the nature of a technical amendment to section 111(f) to clarify that subsection's definition of "local service area of a primary transmitter" as applied to low power television.

The existing statutory definition of the "local service area of a primary transmitter" covers those broadcast services in existence in 1976, full-owner domestic TV stations, Canadian and Mexican stations, and radio stations. Because all full power domestic stations were subject to the mandatory carriage rules, Congress defined the area of local service for copyright purposes in terms of the must carry area specified in FCC rules. Parenthetically, today's legislation is not affected by the finding of the D.C. Circuit that present must-carry rules are unconstitutional as violative of the first amendment. See Quincy against Federal Communications Commission.

Because low power television stations did not exist in 1976 and are not subject to mandatory carriage at all, current law needs to be clarified to insure that low power stations are treated in the same manner as full-power domestic and Canadian and Mexican signals with respect to when carriage of those signals will be "local" and royalty-free and when they will be "distant." Because of confusion created by the current definition not specifically defining an area with respect to new low power service, there is considerable reluctance on the part of cable systems to carry the programing of LPTV stations and risk copyright liablity. The net result is that audiences, especially in rural areas, are deprived of local programming offered by these stations. Moreover, low power licensees are insulated from a growing proportion of the public they were licensed to serve, with devastating effects on the pool of programming available to low power stations and the economic viability of this fledgling broadcast service.

The proposed legislation modifies section 111(f) to define specifically the "local service area" of low power television station in a manner such that cable systems will know with precision when their carriage of such a station is "local" and when it is "distant." For low power stations located outside the 50 metropolitan statistical areas with the largest populations based on the 1980 census, that area would comprise a radius of 35 miles from the low-power station's transmitter site. Therefore, a cable system located within that area may carry that station's signal as a "local" signal without payment of royalties. In heavily populated areas represented by the top 50 metropolitan statistical areas, however, the area of local service would be reduced to 20 miles.

It is believed that the amendment will remove any remaining copyright ambiguities facing cable systems and enable decisions as to whether or not to carry low power stations on a local basis to be based on what is best for subscribers and the community served.

The result of this statutory clarification will be increased programming possibilities in underserved small communities, promotion of localism, the freer flow of information and ideas and more satisfied viewers.●

DREW KARPINSKI

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. GALLO. Mr. Speaker, today I rise to acknowledge professionalism of the highest degree. I rise to bring to the attention of all of my fellow Members of Congress the accomplishments of a constituent of mine, Mr. Drew Karpinski, of Mendham, NJ.

Earlier this month, Mr. Karpinski completed his term as president of the Professional Insurance Agents of New Jersey, and he finished with such a long list of accomplishments that his peers named him the "agent of the year." This is only the third time in the history of the organization that this award has been bestowed upon a president leaving office.

Recognition by one's peers is the highest mark of accomplishment. It is recognition by professionals who know the meaning of excellence. It is recognition by those individuals who know, from their own personal experience, just what it takes to get a job done, and, more importantly, what it takes to reach the top.

Drew Karpinski is deserving of this recognition. Because of his efforts, the Professional Insurance Agents of New Jersey have risen to new heights within their industry. Because of Drew Karpinski's vision and understanding of the changing environment within his industry, the educational programs, the membership programs, and the legislative action program of the association are now second to none.

Under Drew's leadership, the association looked not only to help itself and its own members, it also looked upon the quality of life around the association and ventured to improve that quality. The Professional Insurance Agent's involvement in the Special Olympics Program is worthy of the applause of each and every Member of Congress.

I am lucky to have a constitutent like Drew Karpinski. Having people in one's district like Drew helps to improve the district. Their enthusiam, their pride, and their abilities are contageous. Those qualities spread, and make the district a better place in which to live.

Mr. Speaker, I thank you for the time to acknowledge Drew Karpinski's accomplishments.●

JIM FAULK—AN INSPIRATIONAL LEADER

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. GILMAN. Mr. Speaker, Jim Faulk, the coach, counselor, and athletic director at the St. Agnes Home for Boys in Sparkill, NY, passed away on June 19 at the age of 77.

One of his former students, James E. Merna, of Lanham, MD, is now the public affairs officer at the U.S. Department of Energy here in Washington. Mr. Merna recently had published in the Rockland County Journal News a tribute to Coach Faulk which I found so inspirational and moving that I would like to share it with my colleagues:

JIM FAULK—AN INSPIRATIONAL LEADER

(By James E. Merna)

Even though Jim Faulk left St. Agnes and Rockland County in 1959 to move to Orlando, Fla., and more recently to Chambersburg, Pa., he was never forgotten by his friends in Rockland County.

In 1978, Jim and his wife Betty, to whom he was married for 43 years, attended a banquet at the Holiday Inn in Nanuet. Jim was inducted, along with five other sports figures, into the Rockland County Sports Hall of Fame.

The program citation read: "Jim not only was the coach, he was Mr. Everything at St. Agnes. He did it all, He was the athletic director, the guidance counselor, the social worker, the disciplinarian, the trainer, the varsity and J.V. coach for all the sports, which included football, basketball, baseball, wrestling and golf. In his spare time he also ran a full sports program for the alumni. He even drove the school bus."

Jim Faulk came to St. Agnes in 1933, fresh out of the University of Alabama. Through the years, he turned down lucrative offers from Villanova, the New York Military Academy and other prestigious institutions to remain at a much lower salary with the orphans at St. Agnes. He produced football teams so tough, many agree, that few schools wanted to play him. One of the schools that accepted the challenge was St. Cecelia's High School in Englewood, N.J. Its young coach then was Vince Lombardi, who later went on to fame as head coach of the Green Bay Packers and the Washington Redskins.

Jim established a relationship with New York Military Academy, playing them in a variety of sports for a number of years only after having them first believe that St. Agnes, like NYMA, was a fancy prep school. Well, a fancy prep school we were not. St Agnes kids, for the most part, were orphans and the products of broken homes, primarily from the New York City. Most of us were sent to St. Agnes under the auspices of New York Catholic Charities.

It was at St. Agnes were Jim dedicated his life to helping needy youngsters improve their lot in life. He always said that the boys he worked with were more important to him than any records he may set. When he was elected to the Rockland County Sports Hall of Fame, he said in his acceptance speech, "I made it only because of the gutsy kids I coached at St. Agnes.

During World War II, Jim took a leave of absence from St. Agnes to join the Marines. As a Marine Corps officer, he saw extensive combat duty in the Pacific, including action at Guadalcanal. He remained in the Marine Corps Reserve in later life and retired as a full colonel.

He wrote many inspiring letter from his combat assignments during the war that were reprinted in a * * *serving in the military around the globe. In one of his letters, as he was aboard ship and waiting to go over the side, he wrote:

"There is absolutely no group of men in this wide world as loyal and devoted to its alma mater and to each other as you fighting boys from St. Agnes. No doubt, as you move from place to place in your travels to all continents and mingle with men from all states and nations, you must begin to appreciate more and more that spirit of St. Agnes—the spirit that is so much part of your daily lives.

"No one but a St. Agnes boy could understand that deep loyalty and respect you have for each other. Stick together in war as you did in peace. Let the Sisters back home know where you are and what you are doing. Whether a private or a captain, you all speak the same language; you all have the same ideals and you are all heroes in my book. The Sisters feel likewise. They are bursting with pride and joy over your accomplishments."

That's the type of man Jim Faulk was—always inspiring, encouraging and motivating St. Agnes men to excel and achieve. And many St. Agnes graduates heard his message and followed in his footsteps. Many walk taller in life today because of Jim Faulk's effort and concern. He cared like nobody cared.

Literally hundreds and hundreds of St. Agnes men, including two brothers and myself, joined the Marine Corps, inspired by the example set by Coach Faulk. He was probably the greatest unofficial recruiter the Marine Corps ever had. Continually inspired by Coach Faulk, many St. Agnes graduates have gone on to achieve great success in life. Joe Rosen, widely known as "Mr. St. Agnes Alumni Association," reports we have more than our share of doctors, lawyers, priests * * * professionals in the crafts and trades.

Jim and his wife Betty were never blessed with children of their own. But that didn't bother us. Many St. Agnes men adopted the Faulks—and they adopted us, and our children, as part of one big, happy family.

Some of us, including myself, even named our children after Coach Faulk. My eldest son, James Faulk Merna, 21, is a midshipman second class at the U.S. Naval Academy and president of the Class of 1987. Coach Faulk was very proud of his namesake, and visited him at Annapolis.

Coach Faulk once told me in a letter, while I was in Korea during that war, "One character trait that I admired in all of you St. Agnes men—you went out into the world with two strikes on you and never expected to be embraced, gave your all for your country when it asked, and, now, most of you are raising families who can truly say—my father came up the hard way."

The citizens of Rockland County honored Jim Faulk during his lifetime—and he had a deep and abiding love for them as well. This was manifested to me a few years ago when I asked Coach Faulk for a thought or two that I might be able to use in speaking to the John M. Perry American Legion Post in Sparkill. He offered the following:

"The people from Piermont, Sparkill and St. Agnes represent what this America really stands for. Their loyalty was always unquestioned, their dedication 100 percent, and they proved to be the greatest fighters in the world. Proof of their courage and sacrifice is evident in the Sparkill Square on Memorial Day where so many crosses are on display. No two towns in Rockland County together gave so many of their youths for the cause of freedom in World War II."

This was Coach Faulk—a giant among men, a stout patriot, God loving, widely respected and emulated. We cherish his memory and share in the very personal grief of his loved ones. By his personal example and lifetime of encouragement, he inspired many to greatness.

Rest in peace, Coach Jim Faulk.●

A TRIBUTE TO WILLIAM DAVID SMITH II

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. SHELBY. Mr. Speaker, I would like to invite my colleagues to join me in congratulating William David Smith II, on his appointment as chairman of the board of Spaw-Glass, Inc., a general contracting firm based in Houston, TX.

Mr. Smith is a partner in the Tuscaloosa, AL, public accounting firm of Morrison & Smith, specializing in business consulting, tax and auditing. he has been a member of the board of directors of Spaw-Glass since 1983, and replaces T.F. Glass, Jr., who will serve as chairman emeritus and remain as a consultant.

Spaw-Glass, Inc., founded by Glass and Spaw in 1953, has grown from a two-man operation to a major firm that employes 1,200 people in Houston, Dallas, San Antonio, TX and Tampa, FL.

The firm has completed more than 2 billion dollars' worth of construction projects in Houston and elsewhere since 1953 and has been ranked among the 400 largest general contractors in the Nation for 21 years by Engineering News-Record.

Spaw-Glass, Inc., is noted for its work on schools, hotels, hospitals, churches, condominiums, office buildings, retail centers, and industrial complexes. Its current projects are in Texas, Florida, Louisiana, and New Mexico.

Bill David Smith is the kind of individual who knows the true meaning of hard work. We need more like him in our business world today in order to strengthen this country's economic path. Alabama is fortunate to have a man of his caliber on her business team. It was with the utmost pleasure and pride that I named him as a delegate to the 1986 White House Conference on Small Business.

Mr. Smith is a graduate of the University of Alabama in Tuscaloosa, receiving his B.S. in accounting in 1956. He returned to the university, and a year later earned his M.B.A. degree.

In addition to his duties at Morrison & Smith and Spaw-Glass, Mr. Smith is also a member of the American Institute of Certified Public Accountants where he serves as chairman, area 2 planning subcommittee of the State legislation full committee. He is also a member of the Alabama Society of Certified Public Accountants, where he serves as chairman of the State legislation committee. He also serves as the Federal key coordinator in Alabama for the Washington office of the American Institute of Certified Public Accountants. Through these efforts in his profession, Bill David is recognized as a leader—throughout the public accounting industry.

Even though he keeps a busy schedule, Mr. Smith takes an active interest in his community. His civic involvements include membership on the board of directors of both the United Way of Tuscaloosa County and West Alabama Arts Council. He has played a pivotal role in fundraising efforts for the Y.M.C.A., Industrial Development Authority, Chamber of Commerce and Boy Scouts.

William David Smith has brought great honor and pride to his family, his business, the Tuscaloosa community, and the State of Alabama. I am proud of his accomplishments and achievements and certainly wish him the very best in his future endeavors.●

THE RETIREMENT UNIVERSAL SECURITY ARRANGEMENT ACT OF 1985

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mrs. ROUKEMA. Mr. Speaker, I am pleased to join the gentleman from Vermont, JIM JEFFORDS, in introducing the Retirement Universal Security Arrangement Act of 1985. This bipartisan legislation—nicknamed "Retirement-USA"—takes a momentous step

forward in addressing one of the most serious shortcomings of our pension system today—the lack of "portability" of pension benefits from one job to another.

Earlier this year, the Subcommittee on Labor-Management Relations, on which I serve as ranking Republican, conducted a series of hearings on the need for a coherent national retirement income policy. These hearings were particularly timely in that the comprehensive Federal pension law—the Employee Retirement Income Security Act [ERISA] has just completed its first decade.

If there was a single point upon which a consensus was heard it was that ERISA is working well for those employees who retire with a vested benefit which they can then receive as a "stream of income" in annuity form. But we learned that the vast majority of employees do not fall within this category.

In the first place, 48 percent of the work force is not covered by an employer-provided pension plan. This varies considerably from industry to industry with a high percentage in some, like public utilities, 93.1 percent, and a low percentage in others, such as business and personal services, 33.8 percent.

Even among those employees who are covered, the value of their pension coverage is diminished considerably by the current mobility which characterizes our labor force. Among men, the average tenure on a single job varies from 3.7 to 8 years, depending on the age group. With women, it varies from 2.3 to 3.9 years.

What does this mobility mean as far as pension benefits are concerned? In the first place, where plans adopt the minimum vesting requirement of 10 years, it means that any service for a lesser period will earn no pension benefits. Yet, even where an employee does vest, the plan frequently will "cash-out" his benefit when he leaves employment, thus allowing the funds to be used for purposes other than retirement income. Clearly, this is unfavorable both for the economy, which loses savings and capital formation, and for the individual who loses a future source of retirement income to supplement Social Security.

Even where employees are trying to provide for their retirement income through individual retirement accounts [IRA's], it is hardly a sufficient substitute since IRA's provide lumpsum benefits. This money can be used to purchase an annuity, but at a much higher rate than those paid by pension plans, which benefit from economies of scale.

At the conclusion of our hearings, it was apparent that what is clearly needed to address these deficiencies is a vehicle for employees to be able to move from one job to another with a single pension plan following that employee for the duration of his career. Mr. Speaker, that is precisely the vehicle which this bill provides.

A Retirement-USA would operate much like a statutory "prototype" defined-contribution pension plan. It would be tax qualified and would be established and maintained by a pension asset manager—bank, insurance company, mutual fund, and so forth. The investments made for the Retirement-USA account would be directed by the employee-participant, who would have to have at least three investment options available to him, one of which would have to be principally backed by Treasury obligations.

Besides offering the employers of uncovered workers a no-frills incentive to make pension contributions, Retirement-USA's would also provide another option for employers who already have a pension plan. Instead of cashing out or retaining accounts for terminated employees, an employer could transfer the cash value of vested amounts to a Retirement-USA, thus relieving the employer of the administrative burden of continuing to carry these accounts.

This bill serves a number of worthy goals: First, to preserve preretirement pension funds in the form of retirement savings for ultimate payout in annuity form to meet death, disability, and retirement needs; second, to provide voluntary pension portability for our increasingly mobile work force; and third, to improve social and tax equity for those employees not now covered under employer-sponsored plans.●

OUTER SPACE INVENTIONS ACT

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. LUJAN. Mr. Speaker, today I am introducing a bill which is critically important to the future of space commercialization. Called the Outer Space Inventions Act, this bill, when coupled with a bill already introduced by my colleague [Mr. KASTENMEIER] which clarifies the application of U.S. patent law to outer space in general, will go a long way to creating a climate in which space commercialization can survive and even flourish in the years ahead.

Mr. Speaker, what my bill, the Outer Space Inventions Act, does is to lay some positive ground rules for intellectual property rights in space by providing that any person who makes an invention in the course of activities in outer space shall retain all patent rights to such an invention. To achieve this objective, this bill amends title 35 of the United States Code and the National Aeronautics and Space Act of 1958.

Many estimates have been made and revised on the economic impact of space commercialization to the future of our Nation. While it is not clear whether the payoff to our country will be a $50 billion a year industry by the year 2000 or a $40 billion a year industry, what is clear is that this fledgling industry will contribute substantially to our economy during the 21st century if the industry can get off the ground properly. While we in Congress have begun to examine ways in which to reduce the substantial risk of doing business in space by streamlining the regulatory process, and eliminating Government redtape in the case of commercial launch vehicles, we still haven't come up with a very good way to actively help space commercialization get off the ground. I believe that this bill is a good step in that direction.

As my colleagues know, there are some risks of doing business in space which, even if we set clear and consistent Federal space policies, we just can't do anything about. We can't for example, change gravity. We can't reduce some of the physical risks our emerging space pioneers and entrepreneurs will face living and working in zero gravity. What we can do, however, is try to make it more cost effective for companies to do business in space.

This bill, Mr. Speaker, does just that by granting the patents to any companies making discoveries in space. This legislation recognizes the importance of the profit motive to American industry and innovation, and encourages corporate America to go forth and commercialize space.

This legislation has received strong support from a variety of patent attorneys and companies. Nothing in this bill is intended to affect any pending cases.

I urge my colleagues to lend their full support to this legislation, for I believe that our future in space depends, in large part, upon the passage of initiatives just like this one.

H.R. 3112

A bill to amend title 35 of the United States Code, and the National Aeronautics and Space Act of 1958, to provide that any person who makes an invention in the course of activities in outer space shall retain all patent rights to such invention

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Outer Space Inventions Act".

SEC. 2. Part II of title 35, United States Code, is amended by adding at the end thereof the following new chapter:

"Chapter 19—PATENT RIGHTS IN INVENTIONS MADE IN OUTER SPACE

"Sec.

"221. Policy and objective.

"222. Ownership of patents on inventions

made in outer space.

"223. Reservation of Federal license to use inventions made in outer space with full Federal funding.

"§ 221. Policy and objective

"It is the policy and objective of the Congress to use the patent system to promote the commercialization of outer space; to emphasize long-term economic and policy stability in the commercialization of outer space; to encourage innovative space ventures; to alleviate some of the extraordinary financial risks involved in the commercialization of outer space by business concerns and others; and to provide appropriate incentives for investments in commercial space ventures.

"§ 222. Ownership of patents on inventions made in outer space

"(a) In any case where an invention is made by a person in the course of activities of any kind in outer space, whether made with assistance from one or more Federal agencies or in the course of work performed under contract with one or more Federal agencies or otherwise, such invention shall be the exclusive property of that person, and if the invention is patentable a patent therefor may be issued to that person in accordance with this title notwithstanding any other provision of law. The rights given to an inventor under this subsection may not be waived or abrogated by any contract or other arrangement between the inventor and any such Federal agency.

"(b) As used in this chapter, the terms 'Federal agency' and 'made' have the meanings given them by section 201, and the term 'person' has the meaning given it by section 305(j)(1) of the National Aeronautics and Space Act of 1958.

"§ 223. Reservation of Federal license to use inventions made in outer space with full Federal funding

"In any case where an invention is made by a person in outer space with assistance from one or more Federal agencies or in the course of work performed under contract with one or more Federal agencies, and all or substantially all of the costs incurred and services required by that person in connection with the invention are paid or provided by such agency or agencies as part of such assistance or as payments under such contract, the head of such agency (or any of such agencies) may reserve an irrevocable, nonexclusive, nontransferrable, royalty-free license for the practice of the invention throughout the world by or on behalf of the United States or by any foreign government pursuant to any treaty or agreement with the United States.".

SEC. 3. Section 305 of the National Aeronautics and Space Act of 1958 is amended by adding at the end thereof the following new subsection:

"(m) None of the provisions of this section shall apply with respect to any invention which, under section 222 of title 35, United States Code, is the exclusive property of the inventor.".

SEC. 4. The amendments made by this Act shall apply with respect to inventions made on or after the date of the enactment of this Act.●

THE CROATIAN HOLOCAUST CAN NEVER BE FORGOTTEN

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. FEIGHAN. Mr. Speaker, on Sunday, May 26, a memorial Mass was celebrated at St. Paul (Croatian) Roman Catholic Church in Cleveland, OH, to commemorate Croatian war dead and the Croatian victims of the genocide perpetrated by the Yugoslav Communists after the Second World War. Following the ceremony, a commemorative program, sponsored by the Joint American Croatian Organization of Cleveland, was held. During the program, papers and resolutions dealing with the murders of numerous Croatians, including over 200,000 young soldiers, were read and approved. One resolution, signed by Bozidar Abjanic, president, Ratko Barisic, vice president, and Ivan Coric, secretary of the Joint American Croatian Organization of Cleveland, calls for an end to official U.S. silence and for a public acknowledgment of the genocide enacted against the Croatian nation by the Yugoslav Communist regime. The resolution has been called to my attention by Jerome A. Brentar, president of the American Croatian Academic Society.

I believe that other Members of the House will be interested in the resolution, and I ask that it be included in the RECORD.

JOINT COMMITTEE OF CROATIAN AMERICAN ORGANIZATIONS OF CLEVELAND RESOLUTION OF THE 40TH ANNIVERSARY OBSERVANCE OF THE CROATIAN GENOCIDE: SUNDAY, MAY 26, 1985

Whereas on this Memorial Day, a befitting annual observance has been set by the American people to commemorate and honor the war dead of this great country we as American Croatians join in this memorial observance and express our deepest gratitude for the sacrifices of all those Americans, since the founding of this Nation, who gave their lives for the preservation of future generations, and for the democratic ideals embodied in the Constitution and the American way of life; and

Whereas the freedom-seeking Croatian nation, from which we are descended, has also a special meaning to us, the assembly thus finds it especially fitting to honor the Croatian war dead, particularly the 200,000 Croatian soldiers, representing a whole generation of Croatian youth, together with an even greater number of Croatian civilians, who in May 1946, and the end of the World War II hostilities, fell victims to Communist treachery and virtual genocide for the recreation of the synthetic State of Yugoslavia; and

Whereas the perpetrators of genocide utilize mass murder with the intended result of the liquidation of a nation, the assembly, therefore wishes to emphasize to America and the Free World the reason for this horrendous crime by reiterating the phrase propagated by the communist minister of Propaganda and Provocation that "Croatian soldiers must die in order that (then defunct) Yugoslavia may live", which was followed to the letter by the partisan generals, Kosta Nadj and Koca Popovic, Tito's chief henchmen in charge of the genocidal operations against the Croatian nation;

Whereas genocide is an international crime of the worst nature, violating all the inalienable divine, civil and human rights of men and nations to existence, the assembly herewith petitions the U.S. government to end the forty years of public silence in regard to this peacetime holocaust and also to begin an investigation process for identifying the military and government figures involved in the extradition process against the Croatians from surrender points under Western allied control that has allowed for and, in some instances, even encouraged the greatest crime that has been committed against any European nation in the aftermath of World War II. Elementary justice demands that this genocide of the Croatians be acknowledged before the world and that the names of all those who, in any way, have been responsible for its happening be made a part of the public record.●

CHILDREN'S SURVIVAL BILL

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. MILLER of California. Mr. Speaker, I am pleased to introduce, along with my colleagues CHARLES RANGEL and MAJOR OWENS, the children's survival bill on behalf of the Children's Defense Fund, a nonprofit organization working to improve the quality of life for low-income children and their families. A companion bill has been introduced in the Senate by Senator CHRISTOPHER DODD.

With this bill, we hope to stem the rising tide of poverty, infant mortality, ill-health, abuse, and neglect that threatens to engulf America's children.

Today we can offer a serious response to the problems our children face. We can create an agenda for investment in children that is worthy of them, which is what this bill does.

I do not believe, given current conditions, this is an opportunity we can pass up.

Failure to act means accepting more impoverished children than at any time in the last 20 years—13.8 million. Three million new poor children in 5 years is a record of shame. We have erased a quarter century of progress in a very short time, and with it, heightened the risks for millions of children.

Failure to act means an end of reductions in the infant mortality rate. Our child health officials admit we cannot reach our own goals. Do we really want to be stuck at No. 16 in the world in infant mortality rates?

Failure to act means accepting more abused children, more untended latchkey children, more pregnant teenagers, more families driven apart

unable to provide the basics, drawing on shelters, and soup kitchens for their most basic needs.

There is little doubt or debate over the conditions children now face. Nor do we need to fashion miracle policies to solve these problems.

But we do first have to face reality. We know from our work at the Select Committee on Children, Youth and Families that children and their families are facing stresses greater than those faced in the past. A combination of changes in the workplace, in family composition, and in the economy have pushed children into circumstances that are far different, and in many ways, more difficult, than those in which we grew up. The children's survival bill will promote cost-effective programs which have proven records of preventing abuse and neglect, malnutrition, illiteracy, teen pregnancy, and dependency.

This bill invests in success, in healthier families and children. Four of the programs it contains, will themselves save the tens of millions of dollars, while enriching the lives of our children.

They include:

Head Start: A motivating program for young children that has a 20-year track record of success. For every $1 invested in Head Start, $3 are returned in reduced taxpayer costs, and increased public receipts. Head Start children are less likely to become pregnant as teens, less likely to become dependent on welfare, and more likely to enter vocational school, college, or the workforce.

WIC: The Women, Infants and Children Feeding Program, which study after study has found a success. A $35 a month WIC nutritional package for an infant can save far more than $1,400 a week it costs to hospitalize an infant for treatment of malnutrition.

Chapter I: The Education of the Disadvantaged Program teaches young children to read and compute at a cost of approximately $625 per year, compared to the more than $3,000 cost of keeping a child back to repeat a grade. Currently, nearly 10 million children repeat at least one grade during the course of their education.

Maternal and child health programs: Programs which are especially cost effective. Every dollar spent on comprehensive prenatal care saves $2 in the first year of an infant's life alone because of reduced need for hospital care.

Those are the core programs of this legislative package. They are workable, cost effective and urgently needed.

On behalf of the children of this country, and their futures, I invite you to join with me in cosponsoring the children's survival bill.●

THE ITEM VETO

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. DINGELL. Mr. Speaker, I enter into the CONGRESSIONAL RECORD an excellent editorial appearing recently in the Detroit News on July 22, 1985, denouncing the item veto. I believe this article merits the consideration of all of my colleagues in both bodies.

The article follows:

[From the Detroit News, July 22, 1985]

THE ITEM VETO MIRAGE

A filibuster in the U.S. Senate continues in an effort to block legislation that would give the president a line-item veto. Such a veto would allow the president to eliminate individual items in a congressional appropriations bill. Mr. Reagan has repeatedly called for such authority. On Thursday, he sent a letter to some senators in which he said a line-item veto "would go a long way toward assisting our efforts to provide sound fiscal management at the federal level."

It's a tempting device, particularly on the heels of the recent breakdown in budget negotiations in Congress. Despite all the handwringing about deficits in recent years, the spending path of the federal government has continued inexorably upward. Though revenue is rising at a record rate—because of the tax rate cuts in 1981, not in spite of them—spending has been rising as fast or even faster.

But would a line-item veto be the magic bullet that's needed to break this cycle? The evidence suggests it wouldn't. It might even provide encouragement for more federal spending.

The assumption behind the line-item veto is that presidents are fiscally prudent, while Congress, caught in the grip of narrow special interests, is profligate with federal tax dollars. But as Norman J. Ornstein, a scholar at the American Enterprise Institute and a student of Congress, has pointed out, our history suggests that presidents are no more willing than congressmen to take the political heat for cutting politically popular spending projects.

"More often than not," Mr. Ornstein has written in Fortune magazine, "Congress has had to protect the public purse from presidents pursuing expensive military objectives, wanting to buy more territory, or expanding federal involvement in commercial affairs." The self-aggrandizing tendency of the executive branch, Mr. Ornstein adds, can be seen in the parliamentary governments of the European nations, where strong executives dominate weak legislatures. In almost all cases, European government expenditures consume a larger portion of the gross national product than in the United States.

Adoption of the line-item veto would significantly change the balance between the executive branch and Congress, as those opposing it in the Senate, such as Charles McC. Mathias Jr. of Maryland, point out. An example: If the president wants congressional support for one of his spending projects, he can call up a senator or congressman and demand support for his project—with the threat that the dam or highway for the congressman's district will be line-itemed out of the budget if the vote goes the wrong way. Log-rolling will simply be extended one step further. The net result will be that the public will wind up paying for the president's pet projects and the congressman's projects, too.

Then there is the risk that members of Congress, secure in the knowledge that the president has line-item veto power, will dump ever more egregious amounts of pork into the federal budget, expecting the president to cut it while they take the credit from their constituents for trying to "bring home the bacon." Multiply that temptation 535 times and you have a formula for government spending growing even more wildly out of control.

But why, supporters of the line-item veto ask, should the president be denied the power granted to 43 state governors? Hasn't the line-item veto worked in those states? No. Benjamin Zycher, an economist at Cal Tech, has examined state and local spending in the seven states without an item veto and found that on average, their per capita spending rates are lower than in the rest of the states. The Constitution has already given President Reagan a weapon to cut federal spending that he has been loath to use; the veto. A study by Heritage Foundation scholars James Gatusso and Stephen Moore notes that Mr. Reagan vetoed 39 bills in his first term, slightly below the historical average. Ten out of the 15 presidents in this century, they add, vetoed more frequently than Mr. Reagan. In fact, Gerald Ford, whom Mr. Reagan called "soft on spending" in 1976, vetoed spending bills at four times the rate that Mr. Reagan has, according to Messrs. Gatusso and Moore.

The case for granting the president—any president—line-item veto power is dubious. Its benefits are a mirage. If Mr. Reagan wants to put a lid on spending, he could make more effective use of the tools he already has. The budget problem is fundamentally a political problem. Until a constituency has been built for cutting spending in significant ways, it matters little what devices we put in the hands of the politicians. We have opposed the idea of a constitutional amendment to balance the budget for much the same reason.

The line-item veto would do far less violence to the established ways of doing business then a balanced-budget amendment, and for that reason we would oppose its adoption too violently. But anybody who thinks it's likely to solve the federal governments' penchant for spending is likely to be disappointed.●

APARTHEID AS THE CAUSE OF REBELLION

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. RANGEL. Mr. Speaker, we live in an age which has witnessed countless rebellions, coups, and civil wars. These events have sometimes been instigated by small groups of leftist or rightist extremists but, as often as not, a legitimate grievance has led common men and women to rise up.

Apartheid is the root cause of unrest in South Africa. The violence has not been inspired by communist ideology

or terrorist fanaticism. Nor has it been engendered by racist polarization between blacks and whites. The catalyst has been a social system, one that has exploited a majority for the benefit of a minority.

The system of apartheid will not last forever. It cannot. Sheer numbers, combined with black activism, make apartheid's demise a matter of time. It is my hope that the white minority will relent before it is too late.

I would like to insert the following editorials into the CONGRESSIONAL RECORD. The column written by Bishop Desmond Tutu is particularly enlightening, and I urge my colleagues to consider it as the debate on United States/South Africa ties continues.

[From USA Today July 22, 1985]

THE ONLY ISSUE IS RACIST APARTHEID

Once more the dagger of apartheid has blood flowing from the wounds of South Africa—and still the racist government there clings to the myth that blacks are inferior and unworthy of full citizenship rights.

This weekend, the Botha government declared a state of emergency, the first in 25 years, and began throwing blacks in jail without due process of law.

For a year, the unrest among blacks has seethed. Gradually, a ground swell of black protest has gained momentum. There have been marches by blacks who have been met by force of arms, tear gas, gunfire. Now there are economic boycotts—blacks refusing to trade with white merchants.

And there is widespread disorder. Arson and stone-throwing, met by police tear gas and bullets, occured in 20 townships over the weekend.

Rivulets of blood threaten to become a raging river.

Sunday, police shot and killed three blacks in Tumahole. Not all the bloodshed has been by one race directed against the other. Last week, a black woman who traded with a white store owner was brutally slain by angry blacks.

In 10 months, more than 450 have been killed, hundreds of others jailed, and thousands have been wounded.

Many who are held in prison were arrested only because they spoke out against government racism.

Racial violence is by no means new to South Africa. Nor is the oppressive action of a government that has jailed blacks without legitimate charges, punished them without trial, and, in many documented cases, killed them for their political beliefs.

In the past, when discontent festered then erupted into outbreaks, the authorities smothered them. Always, there have been warnings that some day . . . some day . . .

But the racist leadership is too insensitive to listen, too intransigent to change, too ignorant to understand that 5 million whites cannot forever suppress the burning hopes of 22 million blacks for a chance to learn, to work, to vote, to live with dignity in freedom. The new, so-called "colored parliament" is a fraud on its face. Powerless.

In the USA, there has been a building sense of disgust over the rancid racism in South Africa.

In Congress, in corporations with investments in South Africa, in institutions of higher learning, and on the streets there have been different sorts of demonstrations reflecting outrage and opposition to South Africa's policies.

At this point, there is concern and fear that finally time may be running out in South Africa. Something—everything—must be done to try to bring the leaders there out of their mindless stupor.

Persuasion, diplomacy, economic sanctions—all this and more must be used to warn them that they will be wading into a bloodbath that will drown them.

They must wake up to the fact that "some day" may be now.

VIOLENCE WON'T SOLVE PROBLEMS

(By Desmond Tutu, Guest Columnist)

JOHANNESBURG, SOUTH AFRICA—The basic cause of all the trouble in our country is apartheid. Many in the black community, incensed at the injustice of apartheid, believe that anyone who collaborates to any extent with the apartheid system is a co-oppressor.

Collaborators were dealt with very, very harshly, with summary justice, during World War II. In Ulster, those thought to be sellouts of the IRA cause often have their kneecaps shot off. This is not to condone what is done, but it is a phenomenon that is universal.

Our effort as the church is to say that any form of violence is unacceptable and will not in the end solve the problems of our country. I spoke out very, very firmly against this kind of violence and said, "It fills or ought to fill any right-thinking person with repugnance." I called on the black community please to desist from methods that would discredit our cause.

I said, "You are harming the cause of liberation, because the government of South Africa will merely display scenes of this kind and say, 'Do you think that these people deserve the freedom for which they are crying out and for which they are working?'" This causes us considerable concern.

There is an escalation of violence in this land, and a great deal of it stems from the authorities. We are beginning to see something very much like what is happening in many Latin American countries.

But we in the churches are saying that there is still a great deal of good will, and if only the government were willing to sit down with the authentic leaders and representatives of every section of our community, there would be the possibility of moving forward.

As a Christian, there cannot come a time when we give in to despair and pessimism.

Because of the death and resurrection of our Lord Jesus Christ, we are bound to be prisoners of hope and hold onto the belief that it is still possible to persuade the authorities to see that our land is going to go up in flames unless they do what we are suggesting.●

THE 20TH ANNIVERSARY OF MEDICARE

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Ms. OAKAR. Mr. Speaker, today is the 20th anniversary of Medicare—a key program in the promise of a great society for all Americans, young and old.

Twenty years ago, we as a nation promised our senior citizens they would have access to health care and protection from financial disaster brought on by high medical bills. Today, we have yet to fulfill that promise. On its 20th birthday, Medicare offers older Americans only partial protection against hospital and medical expenses, and no coverage at all for major expenses such as long-term care and prescription drugs.

Adequate health care protection is a crucial component of retirement security. As we age, senior citizens need roughly twice as much health care as younger Americans. Yet, older Americans continue to face the very real possibility of financial ruin from long term, disabling illness.

Before Medicare began, senior citizens were spending 15 percent of their income on health care. Now, after 20 years of health care inflation and 5 years of the Reagan administration's budget cuts, seniors again are spending 15 percent of their income on health care. By 1990, the elderly's health bills will consume almost 19 percent of their total income, or close to $2,600 annually. In addition, by 1990, the elderly's projected annual rise in health care costs will be 10.4 percent, although their income will grow by only 6.4 percent.

These figures describe the average burden. Medicare, as we know, covers only the average health care expenses. However, for the elderly in need of long-term care—the most threatening of unmet health care needs—prospects are even more grim. For over one-third of the elderly—and for over 60 percent of the elderly who live alone—the onset of a chronic illness such as Alzheimers would drive them completely into poverty within a matter of weeks. This is because Medicare contributes next to nothing toward the expenses of long-term care.

Medicare also contributes little or nothing toward the cost of prescription drugs, preventive care, dental care, vision care, hearing care, mental health care, or foot care. Furthermore, the heath care that is covered under Medicare will grow more and more expensive if the Reagan administration persists in its policies of raising premiums, copayments, and deductibles for the elderly. This must not continue.

As Medicare enters its third decade, let us strive to improve the program and fulfill its promise. To do this, we must accomplish three goals:

First, we must reject all efforts to place the elderly at greater risk by increasing the cost of their health care under Medicare. Never again should a President's budget threaten the elderly with delayed eligibility, higher payments, or reduced coverage under Medicare. Such cuts are not only

cruel, they are contrary to the program's purpose and exacerbate existing problems of limited access to care and high costs.

Second, we must take steps to make Medicare the comprehensive health care program that it was intended to be, and which seniors need. I have introduced a package of legislation to fill in the gaps in Medicare coverage. H.R. 1401 would cover long-term care under Medicare through innovative, comprehensive programs providing case management and community care. H.R. 1402 would offer a preventive care option under Medicare to cover regular health screening for the elderly. Finally, H.R. 1403 would create a part C of Medicare to cover dental, vision and hearing care, and prescription drugs. These benefit reform bills are vitally necessary if seniors are to have adequate health coverage to meet their needs.

Third, we must adopt reasonable, effective health care cost containment strategies so that neither Medicare, nor the elderly it serves will be threatened further by uncontrolled inflation. By working closely with health care providers, private employers, and the States, we can achieve our cost containment goals while protecting access to care for all Americans.

Mr. Speaker, I believe the 20th anniversary of Medicare is a time not only to reflect and celebrate, but to accept a challenge. Our Nation has both the will and the resources to fulfill the promise of adequate health care protection for all its citizens. Let us get on with this worthy task.●

NOMINATION OF ALFRED A. SLOCUM AS NEW JERSEY'S PUBLIC ADVOCATE

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. RODINO. Mr. Speaker, last week Governor Kean of New Jersey nominated Rutgers Law School professor Alfred Slocum to be the State's public advocate. Al is a distinguished lawyer, a champion of the underprivileged, a committee advocate, and a good friend. I want to extend my congratulations on his nomination.

Al's exemplary career is a story of energy, ingenuity, intelligence, and dedication. Born and raised in East Orange, NJ, Al earned his bachelor's degree from the Newark College of Engineering and worked as an electrical engineer for nearly a decade. During this time, he served on the NAACP but got frustrated hearing lawyers tell him what could not be done. So he went to law school—to find out what could be done.

Al attended Rutgers Law School in Newark, close to home, and while there helped found the Minority Student Program, which remains a success today. Upon graduation in 1970, he accepted a part-time position on the Rutgers faculty while obtaining his master of laws degree from Yale University School of Law. Since than, he has taught at Rutgers.

Al has been an active member of the legal community. Last fall he was elected president of the Council on Legal Education Opportunity, a nationwide program partially funded by the American Bar Association to help economically and academically deprived students prepare for law school. He is also on the board of directors of the Puerto Rican Legal Defense and Education Fund and the Essex County Legal Services Program, and is a member of the National Conference of Black Lawyers. Previously he has served as general counsel of the National Organization of Black Law Enforcement Executives.

The public advocate position is a challenge, and Al is the right man for it. The position was created under former Gov. Brendan Byrne to meet the very real need for providing legal access and advocacy for the many citizens who otherwise stand powerless before large institutions. Although "equal justice for all" is one of the great promises of our democracy, it is little more than an abstract notion for many Americans. The public advocate's role is to make this promise a reality. I know Al will do everything in his power to do just that.

My best wishes go out to Al Slocum as he undertakes his new role. He is a superb choice, and he will fulfill his responsibilities with great distinction.●

AMWAY CORP. CELEBRATES 25TH ANNIVERSARY

HON. PAUL B. HENRY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. HENRY. Mr. Speaker, 25 years ago, two enterprising business partners from my district, Jay Van Andel and Richard DeVos, launched Amway Corp. from the basements of their Michigan homes. Combining their business acumen and leadership talents, DeVos and Van Andel built Amway into a major force in our national economy and the world's direct selling industry.

Today, Amway Corp. operates in more than 40 countries and territories around the world through 1 million independent distributors. Those distributors can offer their customers nearly 400 Amway products, most of which are manufactured at the company's world headquarters in Ada, MI, or its Nutrilite Products subsidiary in Buena Park, CA. Thus, Amway contributes directly to reducing our Nation's international trading deficit.

Throughout its history, Amway's cofounders have remained faithful to the fundamental principles of free enterprise and personal liberty. While building its sales to over $1 billion annually, this company consistently rewards individual success in proportion to individual effort.

Amway is one of our Nation's largest enterprises, providing a business opportunity to millions around the world. Therefore, I would like to ask my fellow Members to join me in offering our warmest congratulations to Amway Corp. on the occasion of its 25th anniversary—along with best wishes for many more years of business success.●

PROHIBIT USE OF FUNDS TO PERFORM ABORTIONS

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mrs. LLOYD. Mr. Speaker, earlier today, I voted for an amendment offered by Mr. SMITH of New Jersey to the D.C. appropriations bill to prohibit the use of funds to perform abortions. While I supported this amendment, I strongly feel that it should include an exception for the life of the mother. I have consistently voted for pro-life Measures in Congress with the expressed feeling that the life of the mother was paramount. It is my understanding that when this bill goes to conference a life of the mother disclaimer will be added.

I'm pleased to have had the honor of being voted the outstanding pro-life member of Congress by the American Life Lobby because of my strong support for the unborn. And while we have made significant progress in our fight for the right to life we must not relax our efforts. I urge my colleagues to join me in supporting this effort and call on the conferees to recognize the importance of protecting not just the unborn infant's life but also the life of the mother.●

FRIENDS OF THE EARTH OPPOSES U.S. POLICY TOWARD NICARAGUA

HON. MIKE LOWRY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. LOWRY of Washington. I would like to bring my colleagues' attention to a recent statement on Nicaragua by the environmental organization Friends of the Earth.

I believe that there are many reasons why the Reagan administration's policy toward Nicaragua is wrong and is not in the best interests of the United States. The victims of this policy are farmers, teachers, medical workers, and other innocent people. The policy is a counterproductive throwback to the old days of gunboat diplomacy that has negative effects throughout Latin America because it violates the principle of noninterventionism in a way that deeply concerns democratic elements in the region. It violates international law and treaty obligations which our Nation has pledged to honor. It employs a hypocritical double standard to criticize Nicaragua's human rights record while ignoring serious human rights abuses in other Central American countries. Finally, it risks more direct U.S. involvement, which would be disastrous. For these reasons, I continue to oppose U.S. aid to the Contras and to favor meaningful support for the Contadora process as well as negotiations between the United States and Nicaraguan Governments.

The Friends of the Earth resolution offers another perspective on this issue which I thought would be of interest. I commend it to your attention.

RESOLUTION ON UNITED STATES IN NICARAGUA

Whereas the state of the environment in Central America is of concern to Friends of the Earth, and;

Whereas the elected government of Nicaragua has attempted to improve previous environmentally destructive policies by: initiating reforestation projects, instituting integrated pest management programs in agriculture, protecting genetic diversity in the wild and in seed banks, initiating agrarian reform and land redistribution, developing alternative soft-path energy systems, creating a national park system, protecting endangered wildlife, initiating a literacy campaign, and more, and;

Whereas Friends of the Earth would like to acknowledge the existence and implementation of sound environmental policies by the government of Nicaragua, and;

Whereas Friends of the Earth would like to encourage the government of Nicaragua to continue and expand sound environmental policies, and;

Whereas Nicaragua's environmental policies serve as a positive model for the region, and;

Whereas sound environmental policies offer the possibility of a sustainable society in Nicaragua, and;

Whereas the Contra war is draining Nicaragua's economic, human, and physical resources necessary to implement sound environmental policies, and;

Whereas the Contra war is making it physically impossible to safely institute many environmental reforms such as reforestation, and;

Whereas warfare is directly destructive to the environment, and;

Whereas the continued state of war in Nicaragua causes refugees and others to utilize the land more harshly than they might otherwise, and;

Whereas costs to the United States of funding the Contra war divert dollars, talents, attention, and resources from our own environment's protection and restoration, and;

Whereas Friends of the Earth believes that peaceful solutions to conflicts are possible: Be it, therefore,

Resolved, That Friends of the Earth, recognizing the moral imperative requiring it to address the Nicaraguan conflict for the sake of the Nicaraguan people and the Central American environment, calls upon the United States government to end its Contra war in Nicaragua and seek peaceful solutions to that conflict.●

INTRODUCTION OF RETIREMENT-USA: LEGISLATION TO IMPROVE PENSION COVERAGE, PORTABILITY, AND ASSET PRESERVATION FOR RETIREMENT

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. JEFFORDS. Mr. Speaker, today my colleagues on the Committee on Education and Labor—Mrs. MARGE ROUKEMA, Mr. ROD CHANDLER, Mr. MAJOR OWENS, Mr. THOMAS E. PETRI, Mr. MERVYN DYMALLY, Mr. THOMAS J. TAUKE, Mr. WILLIAM D. FORD—and I are introducing a new legislative concept, "Retirement-USA," which is designed to improve pension coverage, to institute a form of pension portability, and to better preserve current pension plan asset accumulations for the payment of retirement benefits.

Our legislation, the Retirement Universal Security Arrangements Act of 1985, amends ERISA, the Employees Retirement Income Security Act of 1974, and the Internal Revenue Code to address those retirement issues which ERISA did not address or did not address well.

Take the issue of pension coverage. Experts agree that the widespread lack of pension coverage is the most serious problem remaining to be addressed by ERISA. Critics of the current tax structure also charge that by leaving out half of the Nation's work force, the system is inefficient and inequitable; they demand more from the $56 billion in retirement plan related tax expenditures. Far too many of our Nation's workers rely on Social Security alone for their retirement security. About half of recent retirees must meet their retirement living expenses without the benefit of employer sponsored or other individual retirement savings. The "Retirement-USA concept" meets head-on this challenge to expand pension coverage. It offers employers an attractive incentive to contribute on behalf of their employees to meet retirement, death, and disability needs; and it removes the significant barriers currently hindering employers from making pension contributions, as outlined in the May 1985 President's report on the State of Small Business.

Pension asset managers would establish Retirement-USA's thus removing the employer's burden to do so—for example, no employer start up costs. The pension asset manager of the Retirement-USA relieves the employer's burden by assuming all ERISA reporting, disclosure, and fiduciary obliations. The Retirement-USA operates with no administrative cost charged to the employer and the employer is under no obligation to continue to make contributions to a Retirement-USA—and, therefore, has no plan termination costs either. Employers would contribute on a simple formula percentage of compensation basis while employees would match employer contributions on a salary reduction, 401(k)-like basis, up to $2,000. Employees are more likely to save if the amounts do not show up in their W-2 wages. Finally, Retirement-USA's are group plans offering employees the freedom of choice of self-directed investments and availability of annuity, survivor, and other retirement income options.

A recent NBC news program labeled our Nation's $1.3 trillion in pension assets, "The Biggest Lump of Money in the World." A second pension policy challenge is to improve the efficiency with which this "Biggest Lump" delivers retirement income to supplement Social Security. Today too much of this sum is being cashed out and used for current consumption. This trend, magnified by the rise in the prevalence of defined contribution plans making distributions at job termination, will, if not properly channeled, have a negative effect on our national savings pool—pension assets being a primary source for new capital formation. On the other side of the coin, our increasingly mobile labor force, while generating a more frequent turnover of pension assets, is demanding a more attractive pension portability vehicle than currently exists.

The Retirement-USA steps up to meet these challenges to preserve pension assets for retirement purposes. Retirement-USA's are group portability plans that, unlike IRA's, allow employees to rollover their after-tax employee contributions as well as their pretax pension plan distribution. Retirement-USA's give employers a new incentive and means to deliver retirement benefits rather than lump-sum cash-outs. Retirement-USA's, as group plans, can offer spousal annuity and other retirement options at a lower cost—to emphasize the role of Retirement-USA's as a supplement to Social Security, all distributions would be made in a stream-of-income form unless spousal consent is otherwie obtained. Consistent with the current tax reform proposals before the Con-

gress, if premature pension distributions are made subject to an excise tax, then such distributions from employer plans would be required to be transferred to a Retirement-USA, thus keeping such funds in the national savings column and lessening the future burden on Social Security.

The Retirement-USA legislation explicitly recognizes as a cornerstone of our national retirement income policy the so-called three-legged stool consisting of Social Security, employer provided pensions, and individual retirement savings.

By strengthening the second leg of the pension stool—the employer provided portion—the Retirement-USA concept builds on the Social Security floor of protection to the end that the private pension system is made more efficient in delivering retirement income. This result is also consistent that the tax policy goals—to achieve greater horizontal tax equity—embodied in the tax reform measures currently being debated in the Congress. We have worked cooperatively with the Department of the Treasury to achieve this result.

In brief the goals of the Retirement-USA concept are—first, to preserve preretirement pension plan distributions in the form of retirement savings for their ultimate payout in monthly benefit form to meet death, disability, and retirement needs; second, to provide voluntary pension portability for our increasingly mobile workforce by allowing employers to transfer to Retirement-USA's of their choice both after-tax and before-tax employee and employer pension accumulations for their terminated workers; and third, to improve tax equity for those employees not now covered under employer sponsored plans by removing ERISA burdens on employers, by providing a no-administrative-cost incentive for such employers to contribute for their employees on an immediately vested and nonintegrated basis, and by allowing matching tax-deductible employee contributions to Retirement-USA's.

The Retirement-USA concept can be likened to a statutory prototype tax-qualified defined-contribution pension plan. The arrangement is established and maintained by pension assets managers, in other words, those insurance companies, banks, mutual funds, and other managers now serving the pension investment community. Under the arrangement the employee-participants would self-direct their accumulated investments and each USA would have to provide at least three investment options—one of which would have to be principally backed by Treasury obligations—to serve both as an employee investment safe-haven and as a new source of Treasury financing to help lower interest costs. To emphasize the role of Retirement-USA as a supplement to Social Security death, disability, and retirement benefits, all distributions would be made in a stream-of-income form unless spousal consent is otherwise obtained.

Besides offering the employers of uncovered workers new incentives and a no-frills mechanism to make pension contributions, Retirement-USA's would provide employers who already have pension plans with a more meaningful option—a pension portability option—which contrasts with today's practice of cashing-out the vested benefits of terminated employees. Instead of cashing-out or retaining the accounts of terminated employees, an employer could transfer the cash value of vested amounts to a Retirement-USA. The amount transferred could be above or below the $3,500 limit under the Retirement Equity Act, thus relieving employers of the administrative burden of maintaining terminated employee accounts. It is intended that the proposal achieve the goal of retaining capital in the private sector for economic development while lessening the pressure for future increases in income transfer programs.

In summary the Retirement-USA concept was developed to take a long-term view with respect to retirement income policy; to address the fairness and horizontal tax equity issue in the retirement context; to address the challenges of a changing work force, increasing mobility and multiple careers, shifting of employment from heavy industry to service sector, need for employment of older workers, and so forth; to increase the efficiency of the private pension system in providing retirement income supplemental to Social Security; to address the growing demands for retirement flexibility and individual investment choice; and to improve on the capital formation and efficient market capabilities of the private pension system.

By way of background, in developing the Retirement-USA concept, it has been the view of not only my colleagues and I, but also the consensus of several Presidential commissions and other private and governmental study groups on retirement that a long-term approach should be fashioned in this most critical area of domestic policy. Trends in demographic, economic, employment and other social factors give clear warning that shortsighted policy changes today could serve up to future generations a retirement crisis of major proportions.

As a reflection of these concerns the Committee on Education and Labor, on which I serve as the ranking member, recently completed its hearings on the need for a national retirement income policy. There were several themes stemming from those hearings in which there appeared to be a rather broad consensus.

Let me capsulize some of these major issues reflecting my views and those of others who shared their expertise on the subject matter.

First, retirement and pension policy should be developed to take into account not only tax policy but social-labor policy as well. It follows that our national goal should be to explicitly recognize the so-called three-legged stool consisting of Social Security, employer provided pensions, and individual retirement savings as the basis for achieving adequate levels of retirement income.

Social Security must be recognized for what it was intended—as a basic floor of protection for every worker. Today all but a small minority of workers retire from their full-time jobs at age 65 or younger. Under the 1983 Social Security Amendments, future workers who voluntarily or involuntarily, because of health reasons, choose to retire at age 65 or under will have to adjust to retirement income levels up to 15 percent lower than is the case for today's retirees relying on Social Security alone. Not all future workers will have the opportunity to delay retirement until full Social Security benefits are available at age 67 or later. I mention this only to emphasize the point that in the future the other two legs of the three-legged stool—that is, employer provided pensions and individual retirement savings—will have to be relied on even more heavily than at present, if the relative retirement income levels of future retirees are to keep pace with today's levels.

Therefore, it is my conclusion that this is not the time for the Congress to be reducing incentives—tax incentives or otherwise—for employers and individuals to make contributions to pension arrangements providing more adequate supplements to Social Security. Even today too many workers, and as shown in the New Beneficiary Survey roughly one-half of new retirees, rely almost exclusively on Social Security. Rather than viewing current tax expenditures related to employer and individual retirement plans as a source to meet short-term budget and revenue needs, the policy focus should be a long-term one centered on making these expenditures a more efficient supplement to Social Security.

While a variety of ERISA changes for making the private pension system more efficient were suggested during the course of the Committee on Education and Labor's hearing on national retirement income policy, the themes most often repeated by business, labor, and employee groups fell into three general categories—briefly stated they are coverage, portability, and what I will term "pension preservation".

In his testimony Senator JOHN HEINZ stated that "coverage is the most serious problem." Dr. Emily An-

drews of the Employee Benefit Research Institute [EBRI] reported on a disturbing finding from her research on pension coverage. She found that the coverage rate among nonfarm workers fell from 61 percent in 1979 to 56 percent in 1983. Stating that few are forecasting the robust growth in pension coverage experienced before 1979, she suggested the decline may have been caused by the 1982 recession and by post-ERISA legislation such as ERTA, Economic Recovery Tax Act of 1981 and TEFRA, Tax Equity and Fiscal Responsibility Act of 1982. Citing these and other examples of the effect of the frequent tax law changes to pension plans, the pension plan community seems to be speaking with one voice when as one proponent stated it "for the private employee benefit system to prosper, Government must follow a consistent and coherent long-term approach and not continually shift policies." Some suggest a 5-year moratorium on pension plan changes once a long-term policy has been put into place.

The individual retirement account [IRA] was the concept devised at the time ERISA, the Employee Retirement Income Security Act of 1974 was enacted to address the coverage and tax equity concerns at that time. Between 1975, the first year of IRA availability, and 1981, the last year the IRA was limited to the uncovered worker, utilization increased from 2.5 percent of those eligible to only 7 percent of the nearly 50 million uncovered work force. Even though the institution of the universal IRA in 1982 has expanded IRA coverage, principally for those who are already covered under pension plans, the fact remains that standing alone the IRA has not proven adequate as a pension savings vehicle for the vast numbers in the uncovered work force.

Given this fact as well as the current stagnation, if not retreat, in the percentage of workers covered by employer-pensions, we, as a nation, must consider the remarks of Dr. Andrews who concluded that "the challenge is to devise policies to encourage expanded coverage without producing adverse indirect effects on workers or firms." The Retirement-USA is the concept my colleagues and I have developed to meet this challenge.

The second general issue category suggested to us by business, labor, and employee groups as being ripe for policy development is along the lines of what some have labeled "pension portability." This term is not a well-defined one, but one business organization suggested that "it may be that portability's time has come" if the following advantages would accrue to employees and employers—if it would help to protect the purchasing power of an employee's vested benefits, and if it would remove from the employer's cost of administration those amounts attributable to maintaining the funds and records of vested terminated employees.

Additionally it was suggested that any proposal for portability address, among other things, the treatment of cash outs, whether participation should be optional, and the potential for a private sector solution. Advocates for multiemployer and single employer pension plans have expressed concerns that any portability scheme not mandate cash outs lest it lead to the underfunding of defined benefit plans. The Retirement-USA concept is designed to take all of these policy considerations into account, including the need for the portability of nondeductible employee contributions previously made to both private and public pension plans which are now precluded from IRA rollover treatment.

The third pension policy area in which there is a strong current for bipartisan agreement relates to what I have labeled "pension preservation." In the words of my Committee on Education and Labor colleague, BILL CLAY, "we ought to do more to insure that retirement plans are used to pay retirement benefits." The leading spokesman for multiemployer plans has also stated that the "practice of prematurely cashing out retirement benefits for consumption purposes ought to be discouraged." The explanation accompanying the President's tax reform initiative suggests that the proposed excise tax on premature pension distributions is designed to encourage retirement savings and discourage early and lump-sum withdrawals. Whatever appropriate means is finally fashioned to preserve current pension plan assets to pay retirement benefits and stem the considerable leakage from the system to the current consumption column, and the Retirement-USA vehicle is consistent with this policy concept, it is clear that not only will the private pension system be made efficient, but that national savings and capital formation will also be enhanced.

While retirement savings should be emphasized under any national retirement income policy that might be devised, plan savings by employees on an after-tax basis, for retirement or otherwise, should continue to be allowed. In this way individuals having fewer resources and who are less benefited by tax-deductible contributions, or salary-reduction tax treatment, will continue to participate in plans and increase the likelihood of their having a more adequate retirement income. Our legislation advances this concept by allowing the rollover of such nondeductible employee contributions into Retirement-USA's.

The question has been asked, "What role Federal tax policy plays in retirement income security?" Clearly, up to this point it has played an obvious and instrumental one in encouraging the growth of the private pension system—a true success story for the one-half of the work force covered by private pensions. The three policy topics I've described—coverage, portability, and pension preservation—are choice candidates for inclusion in any revised retirement policy structure which seeks to improve on the efficiency of the current supplemental employer plan and individual retirement savings framework. That framework is essentially a voluntary one, and we in the Congress must be careful to recognize that element as we fashion our intended improvements.

Pension plans provide the largest single source of new investment funds to our capital markets. To err in our policy judgment by reducing pension growth, which has already led to the accumulation of over $1.3 trillion under private and public plans, could result in a crippling of our national savings rate—already low at just above 6 percent—and place enormous upward pressure on interest rates. Increased efficiency both in retirement benefit delivery and in tax equity rather than systemwide reductions should be our bywords in the retirement policy arena.

These principles form the basis on which the following features of the Retirement-USA legislation have been developed.

Section 101 adds a new "Title V—Retirement Universal Security Arrangements" to ERISA.

Section 5001 of ERISA describes the general features of a retirement universal security arrangement—Retirement-USA—and states that such an arrangement may not accept contributions until a determination is made by the Secretary of the Treasury that the arrangement contains certain qualification requirements.

Section 5002 defines the term "pension asset manager." Generally, pension asset managers include those financial institutions and professional managers recognized by the Department of Labor as managing current pension asset portfolios under ERISA. Pension asset managers establish Retirement-USA's, not the employers who choose to transfer amounts from existing plans or who choose to contribute to such arrangements on behalf of their uncovered employees. Therefore, pension asset managers assume the reporting, disclosure, fiduciary, and other duties under ERISA, thus removing one of the significant barriers to employer establishment of pension plans; for example, see chapter 5 of the "State of Small Business: A Report of the President," May 1985. With respect to the pension coverages issue, the Retirement-USA concept addresses the shortcomings of current

law by targeting the uncovered worker in a more equitable and tax-efficient manner.

In addition to removing the abovementioned ERISA barrier to plan establishment, as described in following sections, the Retirement-USA concept encourages employer participation by operating with no administrative cost charged to the employer, by including a provision—similar to the rule for simplified employee pensions or SEP's—that an employer need not make continuous contributions, by simplifying the contribution formula which operates on an immediately vested, nonintegrated, and nondiscriminatory manner, by allowing employees to make contributions, on a salary reduction or 401(k)-like basis, matching the level of employer contributions up to $2,000, by providing important spousal and survivor protections, and by providing for employee freedom of choice to self-direct investments and receive payments in an annuity or other retirement income form.

Section 5003 provides that a Retirement-USA meeting the requirements of sections 5001(a), 5002(c), 5004, 5005, 5006, 5007, and subtitles C and D shall be considered to be a trust of a plan which meets the qualification requirements of section 410(a) of the Internal Revenue Code and is exempt from taxation under section 501(a) of such Code. The Secretary of the Treasury is to prescribe one or more prototype arrangements in order to facilitate the qualification process. Disqualification of an arrangement is not to be resorted to unless the civil and tax remedies applicable to such arrangement fail to achieve compliance.

Section 5004 extends the ERISA exclusive purpose rule to Retirement-USA's. As stated previously, such arrangements are to operate without administrative cost to contributing employers.

Section 5005 extends the ERISA nonforfeitability rule to Retirement-USA's. All contributions made to such an arrangement are 100 percent immediately vested in the participant.

Section 5006 requires Retirement-USA's to provide at least three investment options—in individual or pooled arrangements—at least one of which is principally backed by U.S. Treasury obligations—to serve as an employee safe-haven and as the default option in the case another option is not chosen by the participant. The excluded investments and 7-day free-look protection generally follow the IRA rules. Participants must be able to switch investments at least semiannually, although as under IRA's certain penalties can be made applicable in the case of premature switching, withdrawal, or transfer to another Retirement-USA.

Section 5007 extends the ERISA antiassignment and alienation provisions to Retirement-USA's.

Section 5008 defines terms and provides for rules of construction in connection with the application of various provisions of ERISA title I to Retirement-USA's.

Under subtitle B, section 5101, the ERISA annual report, disclosure of participant account balance, plan description, and related requirements are tailored to extend to Retirement-USA's in a manner similar to which they apply to defined contribution plans. Unless an alternative method of compliance is provided, Retirement-USA's must provide participants with part A prospectus information on investment options. Nothing in the legislation is intended to change the application of existing banking, insurance, or securities laws in this or any other connection.

Section 5102 extends the ERISA fiduciary provisions to Retirement-USA's. To avoid duplication, only the prohibited transaction provisions applicable to IRA's under section 4975 of the Internal Revenue Code apply to the accounts of participants under Retirement-USA's.

Section 5103 extends the ERISA title I enforcement provisions to Retirement-USA's.

Section 5201—subtitle C—generally describes the employee and employer contributions that may be made to a Retirement-USA.

Section 5202 allows as permissible contributions to a Retirement-USA—first, any rollover amount from another tax qualified plan, under new IRC section 402(a)(10), the transfer of nondeductible employee contributions to a Retirement-USA does not disqualify the rollover of the remainder of a plan distribution; second, an employee contribution, treated in the same manner as a salary-reduction payment under a 401(k) plan, which does not exceed the lesser of $2,000 or the amount of any employer contribution of the year; third, a payment by an individual which is treated in the same manner and subject to the same limits as a contribution to an IRA; and fourth, the payment of some or all of the amount of any nondeductible employee contributions distributed from a tax qualified plan—a Retirement-USA may, but is not required to, accept such nondeductible amounts. As under IRA's, employee contributions for a calendar year may be made before April 15 of the following year.

Section 5203 permits employers to make contributions to Retirement-USA's on behalf of their employees not covered under another pension plan. In order to initially target the availability of Retirement-USA's to the currently uncovered population, the employer's eligible work force must not have accrued a benefit under another plan for the previous 2 years—except in the case of a collectively bargained unit or a self-employed situation. Generally an employer must contribute on behalf of all noncovered employees in the general work force except that employees who are highly paid or who have worked less than 1 year may be excluded. In addition the ERISA age 21, resident alien, and collective bargaining exclusions are also permitted. The Secretary of the Treasury may provide, by regulation, that an employee may contribute for an allowable subdivision of an employer's general work force which is distinguishable by its distinct locality or separate product line.

The total amount of an employer's contribution—together with the amount of any employee contribution treated as a salary-reduction under section 5202—is limited in the same manner as for defined contribution plans under section 415 of the Internal Revenue Code. The employer may make contributions for each employee as a fixed percentage of compensation, subject to the SEP definition, or as a fixed dollar amount or in any combination of the two forms. As under SEP's employer contributions for a year may be made until April 15 of the following year—if so designated. The only reporting obligation of the employer is to submit to the Retirement-USA a listing by category of employee compensation and other relevant identification information in connection with the employer and employee contributions actually made for the year. Such listing meets the reporting requirement to the IRS if attached to the employer's Federal income tax return. Generally, the enforcement of contribution rules and limits is accomplished through tax sanctions administered by the IRS and by employee rights of action as under ERISA, the tax status of the Retirement-USA is generally not affected by such actions.

Section 5301 under subtitle D requires a Retirement-USA to provide for the distribution of a participant's account in a permitted retirement income form unless spousal consent is obtained. Permitted retirement income forms include a qualified joint and survivor annuity, other joint and single life annuity forms, and a recomputed distribution over life expectancy. The distribution rules under section 408(a)(6) of the Internal Revenue Code also apply.

Section 5302 provides that transfers among Retirement-USA's are to be allowed with respect to some or all of a participant's account balance, subject to certain permitted exceptions.

Section 102 amends ERISA and the Internal Revenue Code to allow for the voluntary transfer to a Retirement-USA from a tax qualified plan of the present value of the entire nonfor-

feitable benefit of a participant—or the participant's spouse in the case of the death of a participant—without such transfer being a violation of the restrictions under ERISA sections 203(e) and (g) or IRC sections 411(a) and 417(e). This provision allows employers an option to relieve their administrative burdens in connection with the benefits of terminated employees—employers may choose one or more Retirement-USA's to which to make such transfers; at the employer's option employees may also be given a choice—while also extending to such employees the opportunity to have their benefits paid in a retirement income form. The amount transferred may optionally exclude that portion of the vested benefit attributable to nondeductible employee contributions.

An additional rule is triggered in the event the Internal Revenue Code is amended to make distributions subject to an excise tax—which is generally applicable to the distributions made to all participants under a plan who are under a specified age—that is as suggested in the President's tax reform proposal. Only if such an excise tax is enacted, so much of the amount of any such a distribution which would be subject to the excise tax—if such distribution were actually made under such age—would, if a plan sponsor chooses to make such a distribution, be required to be transferred to a Retirement-USA. Of course a plan sponsor would not be required to make such a distribution or transfer except by choice.

Section 103 provides for a general effective date of January 1, 1987—although the qualification of Retirement-USA's could begin within 90 days after the date of enactment.

Title II contains conforming amendments to the Internal Revenue Code.

Section 201 provides for new IRC section 417A containing rules relating to Retirement-USA's. Matching employee contributions described under ERISA section 5202(b)(2) are accorded salary-reduction treatment as described in section 402(a)(8). The excise tax under section 4973 is made applicable to excess participant contributions made to a Retirement-USA. Employer contributions are made deductible under sections 162, 212, and 404 in the same manner as for a defined contribution plan—the section 405(c) limits also apply. The excise tax applicable to age 70½ and certain other distribution rules with respect to IRA's is also made applicable to Retirement-USA's. Generally the prohibited tranaction, borrowing, and security provisions—and related excise tax sanctions—applicable to IRA's are made applicable to Retirement-USA's.

The excise tax for withdrawals under age 59½ applicable to IRA's is extended to Retirement-USA's with the following exceptions—withdrawal of nondeductible employee contributions transferred into a USA, and to the extent the distribution is in the form of a single or joint life annuity. Tax free transfers on a trustee to trustee basis may be made from one Retirment-USA to another—subject to ERISA title V rules. The 10-year forward averaging and capital gains treatment under sections 402(a)(2) and 402(e) are made inapplicable to distributions from a Retirement-USA, except with respect to (A), rollover amounts—as described in section 402(a)(5) and (B), amounts transferred directly from a qualified plan to a Retirement-USA.

Section 202 amends IRC section 402(a) to allow rollover amounts to be transferred to Retirement-USA's.

Section 203 adds a new paragraph (10) to IRC section 402(a) to allow for the portability of nondeductible employee contributions to the extent some or all such contributions are transferred to a Retirment-USA—that is, such a transfer does not disqualify the deductible portion of a distribution from being considered an eligible rollover amount.

Section 204 provides that for tax deduction purposes ERISA section 5202(b)(3) employee contributions to a Retirement-USA be treated in the same manner as contributions to an IRA.

Section 205 provides an excise tax penalty on excess employer contributions.

Section 206 conforms the Internal Revenue Code with respect to the provisions described under section 102.●

THE SECRETARY OF STATE TALKS ABOUT HUMAN RIGHTS AT HELSINKI

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. BROOMFIELD. Mr. Speaker, I commend our distinguished Secretary of State, George Shultz, for his eloquent and timely comments about Soviet human rights violations. I have included excerpts from the Secretary's recent address before the Conference on Security and Cooperation in Europe, which met in Helsinki.

While the Soviet Union signed the Helsinki accords 10 years ago, human rights have since suffered in the Soviet Union. Thanks to the cynical attitude of Soviet leaders, the Moscow Helsinki Watch Group has been disbanded and most of its original members are in jail or have been banished. Jewish emigration from that police state has dramatically declined. Refuseniks by the thousands are being harassed by the all-powerful KGB. Overall, there has been no progress in the human rights area in the Soviet Union and in Eastern Bloc countries.

While I fervently hope that the Reagan-Gorbachev meeting this November will be productive and bear fruit, I remain concerned about the fact that the Soviets have little regard for signed agreements. While posturing in the international spotlight as a peace-loving and friendly country, Soviet actions appear to be the real measure of the goals of that country.

With these concerns in mind, I compliment the Secretary for his hard-hitting comments, and recommend them to my colleagues in the House:

SECRETARY OF STATE GEORGE SHULTZ, CSCE TENTH ANNIVERSARY COMMEMORATION ADDRESS, HELSINKI, JULY 30, 1985

The modern political values that underlie our civilization were born in Europe. The belief in human progress, in intellectual freedom, in religious tolerance, in the rights of the individual against the state, and in a peaceful international order—these are the legacies that have been passed on to us by European thought and culture since the Enlightenment. At times, oppression, intolerance, and war have banked the flames of this humane spirit. But always these values have stayed alive, offering hope and inspiration to mankind—that we might explore the outer reaches of knowledge, that we might ascent to a higher plane of human existence, that we might live in peace with our neighbors, that we might have faith in progress and in freedom, for ourselves, and our world.

Today, tragically, Europe is a divided continent. Yet the ideals of European civilization have not been extinguished. They live still in every nation, in every city and village, on every street, in every home, West and East. They bind Europe together. The barriers, the walls, the barbed wire, and the weapons cannot truly divide Europeans from each other or from their heritage. The spiritual strength of European civilization cannot be broken by government-made artifice.

Europe, let us not forget, has been divided before, though never so starkly. Vastly different political systems have lived side by side on this continent for hundreds of years. Empires, constitutional monarchies, and dictatorships have stood beside republics and democracies. Religious wars over the centuries, have caused the deaths of countless innocents. And in this century alone, the people of Europe have endured two world wars that ravaged their continent. Only the heroic efforts of the Western democracies and the Soviet Union saved Europe from Hitler's tyranny. Yet Europe has outlived even these times of trouble.

And the modern idea of liberty, since the eighteenth century, has continued to grow and flourish. It has survived all the historic conflicts and divisions of Europe because, even in the dark moments, the aspiration of individuals to speak, think, and travel freely—throughout the continent—was never extinguished. Belief in the rights of man has deep roots in European philosophy and history.

For now, we all live uneasily with the brutal and artificial division of this continent, even as we search for ways to end it. But nothing in human history has proven irreversible.

• • • • •

And yet, ten years after the signing of the Final Act, no one can deny the gap between hope and performance. Despite the real value of the Final Act as a standard of conduct, the most important promises of a decade ago have not been kept.

Let's look at the specifics.

In the Final Act, we all committed ourselves to treat in a positive and humanitarian way the applications of persons who wish to be reunited with members of their family. Yet, over the past five years, the number of Soviet citizens of Jewish nationality permitted to emigrate, mainly for family reunification, fell from over 51,000 to 896. The regrettable trend is the same for Soviet citizens of German and Armenian nationality.

There are over twenty cases of American/Soviet marriages in which the Soviet spouse has been denied exit permission two or more times, in spite of specific provisions of the Helsinki Final Act. Yury Balovlenkov, who married an American citizen in 1978, was on a hunger strike from March 25 to July 4 protesting six years of continued denial. He has seen only one of his two daughters and is in terribly weakened health.

The Final Act confirms the right of the individual to know and act upon the provisions of the agreement. Yet the citizen's group set up in Moscow to monitor implementation of the Final Act in the Soviet Union disbanded in September 1982 for fear of further persecution. Here is a group of enthusiastic Soviet citizens who were pleased and proud of the decision of their government to sign the Helsinki Final Act. Yet today, Yuriy Orlov, the group's founder, languishes in remote Siberian exile after seven years in a labor camp. Founding member Anatoly Shcharansky, imprisoned on a false charge in 1977, has completed his term in the notorious Chistopel prison and is now serving out the rest of his thirteen-year sentence in one of the most brutal of Soviet labor camps. Imprisoned group member Anatoly Marchenko, currently serving a twelve-year sentence, has been permitted no correspondence with his family for more than a year. Group member Ivan Kovalyov's health has reportedly deteriorated badly since his transfer to labor camp. His wife and fellow group member Tatyana Osipova recently had her own five-year labor camp sentence extended by two years.

The founder of a peace group in Moscow, Sergei Batovrin, was first harassed, them put in a psychiatric ward, and then, when he persisted in advocating peace the way so many thousands of young people do in other countries, he was thrown out of his native land altogether. Other peace activists have met similar fates, as have those struggling for womens' rights and free trade unions. The founders of a Social Democratic party in Moscow were jailed in January of this year.

On June 14, Bogdan Lis, Adam Michnik, and Wladyslaw Frasyniuk were sentenced in Gdansk to terms ranging from two-and-a-half to three-and-a-half years on charges having nothing ostensibly to do with their real "crime" of leading the fight for free trade unionism—a right recognized in the Concluding Document of the Madrid Review meeting. In the Soviet Union, Vladimir Klebanov's efforts to found a free trade union put him in a psychiatric hospital for four years.

Nor has abuse of psychiatric treatment been limited to trade unionists and peace activists. In the Ukraine, Vladimir Khailo, an Evangelical Baptist, has been interned in psychiatric hospitals since 1980 for his faith and his efforts to emigrate with his wife and fifteen children. He has refused an offer of freedom in exchange for renunciation of his faith.

All who would live an active religious life according to their faith, whether Christian, Jewish, or Muslim, risk harassment, imprisonment, or confinement in psychiatric institutions. Baptists, Ukrainian and Lithuanian Catholics, Russian Orthodox, Seventh Day Adventists, and Pentacostals have all been increasingly subject to repression. Dina Shvedsova, Vasyl Kobrin, Father Alfonsas Svarinskas, Father Gleb Yakunin, Pastor Nikolai Goretoi, and Pastor Viktor Valter are only a few of the Christians currently serving sentences of up to twelve years in prison or exile in the Soviet Union because of their faith. A small community of Pentacostals from the village of Chuguevka in the Soviet Far East has suffered grievously in the past several months. Ten community elders have been sentenced to up to five years in labor camp and the rest fired from their jobs. Six families have been threatened with losing custody of their children.

At least sixteen Jewish cultural activists, including nine teachers of the Hebrew language, have been arrested in the Soviet Union since last July, and many have been convicted on obviously trumped-up criminal charges to three to four years of imprisonment and labor camp. Iosif Berenshtein, currently serving a four-year term, was savagely beaten and stabbed while in prison, and lost most of this vision. Yuly Edelshtein, who is serving a three-year term, is reportedly undergoing repreated beatings in his labor camp in Siberia, as part of an effort "to exorcise his religious fanaticism," according to camp authorities.

Abuzakar Rahimov, a Muslim from Tashkent in Soviet Central Asia, was sentenced to seven years in a strict regime labor camp in 1982 for distributing material about the Islamic faith, including translations from the Koran.

Last year in Czechoslovakia, seven priests and nuns were arrested for "obstructing state supervision over churches and religious orders."

Finally, the man who more than any other represents the ideals enshrined in the Final Act—Andrei Sakharov—remains totally isolated from the outside world—in exile, probably still in Gorky. Even as I speak, he may be in a hospital following his most recent hunger strike on behalf of decent medical treatment for his beloved wife. We have reason to believe he was force-fed to break his hunger strike.

We cannot talk about the Helsinki process without talking about human beings, for they are supposed to be the true beneficiaries of the Helsinki Final Act. The fate of these individuals, moreover, affects the actions of thousands, maybe millions, by showing what happens to those who dare exercise their rights and freedoms.

The United States and the Soviet Union have an opportunity to help build a more secure world in the arms control negotiations currently underway in Geneva.

And in November our leaders will meet to examine the whole spectrum of issues before us. We are ready and willing to seize the opportunity. Let our two countries begin the patient, serious work of resolving problems and reaching agreements of benefit to us both, and to other countries as well.

Steps to reduce weapons and enhance security, steps to enhance economic and other exchanges, and steps to relieve the suffering and enrich the lives of individuals—all these reinforce each other. They are part of the same broad program of security and cooperation enshrined in the Helsinki Final Act. Taken together, they could lead us toward a new era in relations in Europe—one that could bring alive once again the promise of Helsinki and the larger promise of European history.

They are not massive or difficult steps to take. But they are important; they have a larger meaning. They require only courage and political will on the part of all of us.●

HIGH TECHNOLOGY ACTIVE BUSINESS ACT OF 1985

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. STARK. Mr. Speaker, I am today introducing, together with Mr. GREGG, the High Technology Active Business Act of 1985, a bill that is intended to eliminate the problem of the imposition of the personal holding company penalty tax on small software companies.

Congress has not carefully reviewed the personal holding company rules in many years, and the unintended application of these penalty provisions to high technology companies only recently has come to our attention. In essence, this is a case in which small software companies have been improperly subjected to a penalty tax merely because the personal holding company provisions have failed to keep pace with the fast-changing nature of high technology and the manner in which high technology companies do business.

The personal holding company penalty tax provisions were adopted to prevent the incorporation of passive investment activities in a closely held company, at a time when the corporate tax rates were significantly lower than the top individual rates. By contrast to this "incorporated pocketbook" situation envisioned by Congress in enacting the personal holding company provisions, most software companies clearly are engaged in extensive active business activities on an ongoing basis, including the development of new and improved software products and maintenance and update activities with respect to existing software products. However, because these software companies, being small, are closely held and because of the manner in which the software industry sells its products, these companies are subject to the personal holding company penalty tax. Once developed, the software company's products are transferred to others either by means of a so-called boxtop license to the public—under which the purchaser agrees to the license merely by opening the software's package—or by

means of licenses to particular customers, including computer manufacturers. The use of a license is necessary to protect the software company's proprietary interest in the software. Because these sales of software products are by means of licenses, the Revenue Service has taken the position that the resulting software income, characterized as royalties, constitutes personal holding company income, thereby triggering imposition of the 50 percent personal holding company penalty tax in addition to the regular corporate income tax already paid by the software company.

Since the personal holding company provisions were adopted to prevent incorporation of passive investment activities, the application of these provisions to software development companies conducting substantial active, ongoing business operations produces an unintended and extremely harsh result.

Accordingly, the proposed legislation adopts a new exclusion to the definition of personal holding company income for computer software royalties that are earned by a corporation from the active conduct of a trade or buisness. In keeping with the mechanical nature of the personal holding company provisions, the legislation establishes a number of objective, numerical tests for determining whether the corporation in fact is conducting an active business giving rise to the computer software royalty income, thereby offering a much more direct means than present law of distinguishing between active business operations and passive investment activities. These objective tests—which include a number of active business expenditure requirements—are similar to the approach taken in the nearly one dozen other "carve-outs" from personal holding company income that have been enacted by Congress through the years for various other types of active businesses that have become entangled in the personal holding company provisions because of the changing way in which they do business.

The proposed computer software royalties exclusion applies in general to royalties attributable to computer software that has been developed, manufactured, or produced by the corporation in connection with a trade or business. An active business, for purposes of the proposed exclusion, will be deemed to exist only if the total R&D and ordinary business expenses properly attributable to the business activities generating the computer software royalty income exceed a substantial specified percentage of the corporation's income. Qualifying business expenditures for this purpose do not include compensation for personal services of major shareholders. by requiring that R&D and other proper business expenses be significant as a percentage of the corporation's income, the test distinguishes active business operations from the passive investment repository of the "incorporated pocketbook" situation. In the "incorporated pocketbook" situation, it is unlikely that the corporation would be able to reinvest such a substantial portion of the royalty income in the active conduct of the same trade or business or to generate significant amounts of proper business expenses other than compensation of the major shareholders. Similarly, by so excluding the compensation of major shareholders, the proposed active business royalties exclusion avoids the "one-man corporation" concern by in effect requiring that the corporation's business activities extend well beyond merely the efforts of such major shareholders. Finally, the proposed exclusion is unavailable if the corporation has more than a minimal amount of other forms of personal holding company income, thereby providing further assurance that the exclusion will be applicable only to truly active software businesses.

The proposed exclusion for computer software royalties derived from the active conduct of a trade or business would be generally effective for taxable years ending after the date of enactment. However, the legislation also is intended to clarify the proper treatment of computer software royalties under present law for purposes of the personal holding company provisions.

The proposed legislation includes an additional provision that eliminates code section 174 R&D expenses as a preference item, for minimum tax purposes, in the case of personal holding companies. Under present law, R&D expenses are not a preference item for corporations other than personal holding companies. This provision of the proposed legislation addresses the following problem. If the startup high technology company constitutes a personal holding company because of the interest income generated on its venture capital balances during the startup phase, the company's loss carryforwards will be tainted such that, in future years when the loss carryforwards are offset against operating profits, the company will be subject to a minimum tax liability on 90 percent of the R&D that had been expensed in the taxable years in which the loss carryforwards were generated. Thus, this provision of the proposed legislation is merely making a technical correction of what clearly is an unintended result of the 1982 Tax Act.

The revenue effect of the proposed legislation should be very limited. Total actual collections of personal holding company tax from all corporations in all industries in recent years have been in the range of $3 to $5 million annually.

I believe that the proposed legislation provides a fair and carefully circumscribed solution to these very pressing problems of small software companies and startup high technology companies. I expect the bill to be noncontroversial and would hope that it can be promptly enacted.

The text of the bill follows:

H.R. —

A bill to amend the Internal Revenue Code of 1954 with respect to the treatment under the personal holding company provisions of computer software royalties earned by active businesses and the treatment under the minimum tax provisions of research or experimental expenditures of personal holding companies, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This act may be cited as the "High Technology Active Business Act of 1985".

(b) AMENDMENT OF THE 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954, as amended.

SEC. 2. TREATMENT FOR PERSONAL HOLDING COMPANY TAX PURPOSES OF COMPUTER SOFTWARE ROYALTIES DERIVED BY ACTIVE BUSINESSES.

(a) GENERAL RULE.—

(1) Paragraph (1) of section 543(a) (defining personal holding company income) is amended by striking the word "and" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting in lieu thereof the words ", and", and by adding at the end thereof the following new subparagraph (C):

"(C) computer software royalties derived from the active conduct of a trade or business (as provided in subsection (b)(5)) by the corporation."

(2) Subsection (b) of section 543 is amended by adding at the end thereof the following new paragraph (5):

"(5) COMPUTER SOFTWARE ROYALTIES FROM ACTIVE BUSINESS.—For purposes of subsection (a)(1)(C), computer software royalties will be treated as derived from the active conduct of a trade or business by the corporation if—

"(A) the royalties are attributable to (i) computer software that is developed, manufactured, or produced (in whole or in substantial part) by the corporation (or its predecessor) in connection with a trade or business or (ii) computer software that is distributed by the corporation in carrying on a trade or business but only if the corporation otherwise is carrying on the trade or business or developing, manufacturing, or producing computer software,

"(B) computer software royalties constitute 50 percent or more of the ordinary gross income of the corporation,

"(C) the sum of the deductions which are properly allocable to the same trade or business of the corporation as the amounts described in subparagraph (A) and which—

"(i) are allowable under section 174 (relating to research or experimental expenditures),

"(ii) are allowable under section 162 (relating to trade or business expenses), and

"(iii) would be allowable under section 162 but for the application of section 195 (relating to start-up expenditures).

other than compensation for personal services rendered by the fewest number of individual shareholders among those described in section 542(a)(2) (as determined without regard to stock considered as owned by the shareholder solely by attribution from a partner under section 544(a)(2)) whose combined ownership interest exceeds 50 percent in value of the outstanding stock of the corporation, equals or exceeds 25 percent of the ordinary gross income of the corporation, and

"(D) the sum of—

"(i) the dividends paid during the taxable year (determined under section 562),

"(ii) the dividends considered as paid on the last day of the taxable year under section 563(c) (as limited by the second sentence of section 563(b)), and

"(iii) the consent dividends for the taxable year (determined under section 565),

equals or exceeds the amount, if any, by which the personal holding company income for the taxable year (computed (I) without regard to amounts described in subsection (a)(1)(C), to interest during any taxable year in which the corporation is subject to the provisions of section 195 and otherwise meets the requirements of this paragraph, or to dividends from any corporation in which the taxpayer owns at least 50 percent of all classes of stock entitled to vote and at least 50 percent of the total value of all classes of stock and which meets the requirements of this paragraph (except that the royalties derived by such corporation may be attributable to computer software that has been developed, manufactured, or produced by the taxpayer in the manner described in subparagraph (A)), and (II) by including as personal holding company income the adjusted income from rents and from mineral, oil, and gas royalties) exceeds 10 percent of the ordinary gross income of the corporation.

"For purposes of this paragraph, any costs of developing computer software that are not properly treated as research or experimental expenditures (as defined in section 174) shall be treated as amounts for which deductions are allowable under section 162 or as amounts for which deductions would be allowable under section 162 but for the application of section 195. A corporation that otherwise fails to satisfy the requirement in subparagraph (C) for the taxable year nevertheless will be treated as satisfying such requirement for the taxable year if the average sum of the deductions referred to in subparagraph (C) (as adjusted for major shareholder compensation) equals or exceeds 25 percent of the average ordinary gross income of the corporation for each year of a period consisting of the taxable year and the four immediately preceding taxable years; provided that if the corporation has not been in existence for one or more of the four immediately preceding taxable years, the five-year computation period shall consist of the taxable year, those of the four immediately preceding taxable years during which the corporation was in existence, and such of the years immediately succeeding the taxable year as are necessary to complete the five-year computation period."

(b) FOREIGN PERSONAL HOLDING COMPANY INCOME.—Paragraph (1) of section 553(a) (defining foreign personal holding company income) is amended by adding at the end thereof the following new sentence: "This paragraph shall not apply to royalties described in section 543(b)(5) (without regard to subparagraph (A) thereof) that are received by a corporation in respect of computer software that has been developed, manufactured, or produced (in whole or in substantial part) in connection with the active conduct of a trade or business (as determined under sections 543(a)(1)(C) and 543(b)(5)) by such corporation or by a member of the same affiliated group of corporations (as defined in section 1504(a) without regard to section 1504(b)(3)) as the corporation."

(c) CONFORMING AMENDMENT.—Paragraph (4) of section 543(a) is amended by adding at the end thereof the following new sentence: "This paragraph shall not apply to royalties described in paragraph (1)(C)."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to all taxpayers years ending after the date of enactment of this Act.

SEC. 3. ELIMINATION OF RESEARCH OR EXPERIMENTAL EXPENDITURES AS A MINIMUM TAX PREFERENCE ITEM FOR PERSONAL HOLDING COMPANIES.

(a) GENERAL RULE.—The last sentence of section 57(a) (defining items of tax preference) is amended by inserting immediately before the period at the end thereof the following words: ", and paragraph (6) to the extent it relates to amounts allowable as a deduction under section 174(a) also shall not apply to a personal holding company (as so defined)."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1982.●

RESTRICTING THE DISTRIBUTION OF HANDGUNS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. RANGEL. Mr. Speaker, the terrible proliferation of easily obtainable handguns continues to reap a harvest of death. More than 10,000 Americans die each year because of these weapons, largely because of insufficient gun control. This is a national shame, and I rise to commend the efforts of Congressman PETER RODINO, chairman of the House Judiciary Committee. He has worked to restrict the availability of small caliber weapons.

Congressman RODINO has offered a bill which asks for a reasonable waiting period whereby a prospective handgun purchaser would be required to wait until local law enforcement officers checked his criminal records. In this way, the acquisition of firearms would be much less arbitrary than it is now. The Rodino bill is an excellent step in the right direction.

Chairman RODINO has an admirable record in safeguarding the rights and civil liberties of Americans. He is to be congratulated for his fine efforts. I submit the following article written by Mr. RODINO for inclusion in the RECORD.

The article follows:

[From the Washington Post, July 23, 1985]

THE SENATE UNDER THE HANDGUN

(Peter W. Rodino, Jr.)

If Congress really wants to fight crime, emasculating controls on the interstate sale of handguns surely is not the way to do it. But that is exactly what the Senate did recently with the passage of a bill that will render toothless the minimal gun control laws we now have on the books. What these laws need is strengthening, not weakening.

Considering the grim statistics on handgun crime in America, the Senate's action is surprising. In 1980, there were more than 11,000 handgun murders in the United States—as compared to four in Australia, eight in Great Britain and eight in Canada, each of which has a tough handgun control law. In 1983 handguns were used in 200,000 robberies and 120,000 aggravated assaults, and accounted for 44 percent of all murders. Even more alarming is the fact that while the Vietnam war claimed 46,121 American lives in the decade from 1963 to 1973, handgun murders killed more than 70,000 civilians back home in America.

But statistics cannot tell the whole story. Behind the numbers are thousands of personal tragedies, grieving families and shattered futures, brought about solely by reckless use of handguns by criminals. Our national memory is equally scarred by handgun-welding assassins taking aim at our political leaders. Fortunately, presidents Reagan and Ford, as well as Gov. George Wallace, survived handgun attempts on their lives. Presidential Press Secretary James Brady barely did. Robert Kennedy, Allard Lowenstein and George Moscone did not.

Sadly, murder by handgun has become, in the words of one London newspaper, "a peculiarly American death."

So why did the Senate approve the bill weakening controls? Ostensibly to help out-of-state hunters and sportsmen who want easier access to weapons. But hunters have no use for handguns such as the easily concealed, snub-nosed "Saturday night special." Only criminals do. Loosening restrictions on such weapons defies reason.

While no one wants to inconvenience hunters and sportsmen, at the same time we don't want to make it easier for criminals, drug addicts, felons and mental incompetents to get their hands on a handgun. But with the bill passed by the Senate, all a criminal has to do is cross a state line and the snub-nosed gun is his.

It's no surprise that every major police or organization opposes this bill. Last year, two-thirds of the American police officers who died in the line of duty were killed by handguns. A bill that would loosen restrictions—making it easier for criminals to purchase a handgun—can only add to the crime rate and increase the chance that murder, robbery and other violent crimes will jeopardize more lives.

There is a clear consensus in America that crime must be reduced. Last year Congress passed the Comprehensive Crime Control Act with just that purpose. One of its provisions called for strict prison sentences for persons who commit crimes while carrying firearms. What we really need are laws to prevent these crimes from happening initially—after-the-fact prison sentences do little for the victims of crime. The Senate bill, however, only makes the fight against crime more difficult by affording potential

criminals greater opportunity to commit a violent crime. Instead of giving law enforcement officials more tools to fight crime, this bill would end up giving criminals more tools to commit crimes.

Public opinion polls indicate that an overwhelming majority of Americans favors tougher gun control laws. So did the attorney general's 1981 Task Force on Violent Crime, which recommended a mandatory waiting period to enable law enforcement agencies to check the records of a prospective purchaser of a firearm.

To that end, I recently introduced legislation that calls for a reasonable waiting period. State and local laws with waiting periods have been highly effective: for example, two felons per week are prevented from buying handguns in Columbus, Ga., and in 1981, 1,200 felons were screened out in California. (In fact, had such a law been in place, John Hinckley might have been prevented from purchasing the handgun he used in his assassination attempt on President Reagan.)

A 1981 Gallup poll showed that 91 percent of Americans favor just such a waiting period. Americans are serious about fighting crime.

In America, we enact tough laws against drunk drivers and speeders because they cause highway deaths. We pass laws that crack down on drugs because they cause death and violent crime. Yet, if the bill passed by the Senate ever becomes law, we will be giving a free pass to criminals to purchase a gun.

For years opponents of gun control legislation have used the tired argument that guns don't kill, people do. But if the Senate's bill passes the House, more of the people who are likely to kill will find it easier to get their hands on a gun. It just doesn't make any sense.●

KEEPING SOUTH AFRICA IN PERSPECTIVE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. CRANE. Mr. Speaker, just over a week ago the Government of South Africa imposed a state of emergency in response to widespread unrest and rioting within the black community. That decision has been roundly criticised not only here in the United States but in the United Nations and in various foreign countries as well. But before rushing to judge the propriety of that action, I think that my colleagues here in this body would do well to remember several salient facts.

First, the state of emergency was imposed only after nearly 11 months of ongoing violence in black residential areas. Most of the rioting has been perpetrated by youths between the ages of 10 and 16. They have burned down schools, administration buildings, and houses. Cars, delivery vehicles, buses, and trains have all been stoned and set on fire, and businesses have been looted and burned. In this time period, more than $16 million worth of fixed property has been destroyed, and more than $6 million worth of motor vehicles and trains have also been destroyed.

Second, despite the impressions given by the press in this country, the violence has been largely black on black. More than 100 black town councilors have been attacked by black mobs, and more than 70 of these have also had their homes and businesses destroyed. Any black in a position of responsibility is in danger of being attacked, and many community leaders have been mutilated and set on fire in the streets. Black policemen and soldiers are favorite targets, with the homes of more than 360 black policemen having been razed in just over a year.

Third, while it is true that apartheid is abhorrent, we continue to focus only on South Africa, and not to any of the Eastern bloc countries that systematically abuse the human rights of their citizens, nor on any of the other African nations with human rights records far more tarnished than that of South Africa. Uganda, Angola, Zimbabwe, and numerous other black African states live in a perpetual "state of emergency," yet no protests are carried out in front of their Embassies, and no sanctions are imposed. Instead, we send them aid and maintain a business-as-usual policy toward them.

Many of South Africa's critics have claimed that the state of emergency was declared to suppress legitimate protest and to take the place of real reform. But this attitude denies the real situation within South Africa. Before condemning South Africa, each of us should ask ourselves the following questions. What would our response be if faced with the unrest that exists now in South Africa's black townships? If black violence reached the epidemic levels in this country that it has reached in South Africa—some 150 blacks murdered by other blacks—would we not act to bring an end to that violence? I daresay we would, and we would do so swiftly. Thus it is hard for me to condemn South Africa for acting as it has.

Along these same lines, I commend to my colleagues attention an editorial that recently appeared in the Washington Times. I think it is worthy of our attention.

The editorial follows:

SOUTH AFRICA IN PERSPECTIVE

With South Africa aflame, it's natural to think about what might arise from the ashes. An idealistic view—that once apartheid is overturned, a more democratic government will follow—is common among Americans who protest South African policies. They are justified in opposing apartheid, but wrong to assume that it is the sole evil in Africa, or even the greatest one.

In fact, South Africa is not the only nation on the continent in an official state of emergency. In Zimbabwe, parliament two weeks ago renewed a state of emergency, which allows it a freer hand in fighting opponents of Robert Mugabe's one-party state. Renewal was no surprise: the vote was 63-24, and Mr. Mugabe's Zimbabwe African National Union holds 63 of 100 seats. Opposing the measure was somewhat risky, since Justice Minister Eddison Zvobgo said anyone voting against extending the emergency would be seen as supporting the rebels.

There are worse places to be. Ethiopia, where brutal policies have teamed up with natural deficiencies to create famine, comes to mind. The Mengistu regime is nearly off limits for criticims, the fear being that if it becomes angry at donor nations, less food might be distributed to the starving. Mr. Mengistu holds his own countrymen hostage, his policies have led to innumerable deaths, yet he takes little heat.

In Uganda, it's as if Idi Amin never left. Some say it's worse, and last week's coup doesn't promise to be a liberating experience. Who wants to live in Mozambique? Angola? The Sudan? How about Libya? Few people courting arrest at the South African Embassy would. It's doubtful how many of them would dare get arrested if they weren't assured of being released in time for dinner.

The government of South Africa must share power with black leaders who are opposed to violence. It is equally important to realize that tyrants come in all colors, and that even relatively smooth transfers of power in Africa are often followed by regimes much worse than the one running South Africa. Americans should become more aware of this recurring phenomenon, especially those who have made the cause of black South Africans their own.●

TRIBUTE TO R.T. HANNA

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. COELHO. Mr. Speaker, this year, Chief R.T. Hanna, assistant commander of the central division of the California Highway Patrol, will retire after more than 28 years of service to the people of California.

Chief Hanna was born in Bakersfield, and attended schools in the Bakersfield area. After having graduated from Bakersfield College, he served with the Navy in the South Pacific during World War II. Hanna spent 12 years after his discharge from the Navy working as a mechanic for the Kern County Union High School District. In 1957, after having graduated from the California Highway Patrol Academy, he began his career with the CHP. He began by performing road patrol, commercial enforcement, and special duty assignments in the Bakersfield area.

In 1965, Hanna was promoted to the rank of sergeant and for the next 6 years served as the sergeant in charge of the Wheeler Ridge inspection facility. In 1971 he was promoted to the rank of lieutenant, and served as the field operations officer in the Indio area. The next year Hanna was transferred to Fresno, and he served as the

zone administrative lieutenant for the next 4 years. After being assigned to the CHP's Office of Internal Affairs in Sacramento, he was promoted to the rank of captain in 1976. The next year Hanna was assigned commander of the Fresno area. In 1980, he was appointed assistant commander of the central division, the position which Chief Hanna holds today.

Over the past four decades, R.T. Hanna has been a strong and dedicated servant of his country during World War II, his community as a mechanic with the Kern County Union School District, and his State as a leader in the California Highway Patrol. Chief Hanna has worked especially hard to make the highways of central California safe and efficient, and for that we are all grateful to him. I would like to thank Chief Hanna for his many years of dedicated public service, and I wish him much happiness in his retirement.●

A SALUTE TO JOHN M. TOUPS

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. WOLF. Mr. Speaker, on September 7, 1985, the Virginia Community Foundation's Founders Award will be presented to John M. Toups, businessman and resident of McLean, VA, at a dinner at the Hyatt Regency Hotel in Crystal City, VA.

The Northern Virginia Community Foundation was formed in 1978 by a group of northern Virginia residents who wanted "to return to the community some of the riches that they had received from it." Five areas of concern benefit from the foundation's endowment funds: The arts, education, health, youth and civic improvement.

The foundation receives charitable gifts from people from all walks of life with all levels of income—families, business, national corporations, and foundations. Donations are used exclusively to benefit northern Virginia.

Each year, the foundation honors a citizen of northern Virginia who has made an unusual contribution to the life and prosperity of the community. The award is made to recognize the unselfish efforts of that individual and to promote awareness of the significance of individual action in improving the quality of life for all members of the community.

This year, John M. Toups, chairman, president and chief executive officer of Planning Research Corp., has been chosen to receive the 1985 Founders Award. In a few short years in northern Virginia, John Toups has made his leadership and influence felt in supporting the business community, in improving technical higher education, in supporting locally developed cultural activities and in helping to solve the area's transportation problems.

John Toups is a member of the board of directors of the Fairfax County Chamber of Commerce, the Fairfax Symphony, the George Mason Institute Industrial Policy Board, the Tysons Transportation Association, the Washington Dulles Task Force and Fairfax County Neighborhood Watch/Crime Prevention Education, Inc. He has chaired and served on numerous committees and programs in northern Virginia and in the Greater Washington area. He is president of the Professional Services Council, vice president of the National Security Industrial Association and a director of the national Committee for Employer Support of Veterans Employment and of the Greater Washington Board of Trade.

He has helped his company become a significant factor for development and social commitment in the northern Virginia community. PRC officers and employees work on business, health, youth, educational, and cultural programs throughout the area, and the PRC building is opened to numerous community activities.

John Toups combines professional skills as a registered engineer with entrepreneurial skills as a businessman. When Toups Corp., a hydrology and land development engineering firm of which he was founder and president, was acquired by Planning Research Corp. in 1970, he became a PRC vice president. The company quickly recognized his abilites, and he became a PRC director in 1973, president in 1978 and chairman in 1982. Under John Toups' leadership, the international professional services company has grown from $280 million in revenue in 1980 to $375 million in 1985.

While its headquarters were still in Los Angeles, CA, PRC opened its first offices in McLean, VA, in 1970. John Toups moved the corporate headquarters from Washington, DC, to PRC's showcase building in the new Tysons/McLean development in 1981. PRC is now the third largest employer in northern Virginia, with more than 1,400 employees in McLean and Dulles, VA, and 7,500 employees worldwide.

Community leaders in northern Virginia also have quickly recognized not only John Toups ability, but also his dedication to the well-being of his neighbors and his community. His friends, colleagues, and associates are inspired by his intelligence, integrity and leadership in working to solve the community's problems and to enrich the lives of its citizens.

John M. Toups is a uniquely deserving recipient of the northern Virginia foundation's Founders Award.●

A LOOK TO CANADA FOR HEALTH CARE

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. PEPPER. Mr. Speaker, during a recent visit to Canada, Ms. Maggie Kuhn, founder and national convener of the Gray Panthers, and Mr. Robert Weiner, former staff director of the House Select Committee on Aging, were impressed by the success of their national health system and its potential in the United States. In contrast with the United States, in Canada no one single Canadian is denied important health services for lack of ability to pay; hospital stays are free to everyone; and doctor visits are free to everyone.

I believe my colleagues who are seeking solutions to the high cost of health care would benefit from reading the following paper prepared by these two distinguished senior citizen representatives. For this reason, I would like to insert at this point in the RECORD, in its entirety, the article entitled "Universal Health Care: Canada Has It, Why Can't We?"

UNIVERSAL HEALTH CARE: CANADA HAS IT, WHY CAN'T WE?

(By Maggie Kuhn, Founder and National Convener, Gray Panthers, and Robert S. Weiner, Former Staff Director, U.S. House of Representatives Committee on Aging)

During a recent week-long visit to Canada, Gray Panthers were struck by three basic facts of the Canadian health care system:

(1) Not a single Canadian is denied important health services for lack of ability to pay.

(2) Hospital stays are free to everyone.

(3) Doctor visits are free to everyone.

We went to Canada to learn, and learn we did. We learned the amazing contrast of the philosophy of our neighbor to the North that health care must be and is free and universal, whereas in the United States, where we often mistakenly believe we have the best health system around, thirty-five million people—15 percent of our population—lack health insurance coverage, according to the Census Bureau.

The Canadian system has been in place since 1969. Under its laws, every person has the right to receive adequate, continuous and personal health services and social services without financial or other barriers.

Of the world's industrialized nations, only two remain without a universal health plan—the United States and South Africa. The irony is overwhelming. In many ways, the deaths that occur from people being dumped from hospital to hospital for lack of payment are as unconscionable as apartheid itself.

The pride we take in the science and efficiency of our own system is false when we realize that we are not even among the world's top five nations in infant mortality or longevity/life span, two key indicators at both ends of the age spectrum.

Americans will justifiably ask key questions of the viability of the Canadian

system. For example, how is it paid for? What do the doctors think? Isn't this "socialized medicine"?

The Canadian system is run under federal law by each of the provinces (states), with each province taxing three percent of salaries, matched by three percent from employers, and both matched by an equal six percent from the national government. It started as a single province's (Saskatchewan) plan and was so successful that the country adopted it. Canada's costs per patient average $309 less annually than identical services in the United States, largely because of the efficiency of a universal system. Doctors bill the government for each patient rather than billing the patients themselves.

While there was a flurry of opposition at first by doctors, with some of the less successful ones leaving the country, physicians now are very satisfied, according to the many doctors and others with whom we spoke. Canadian physicians remain among the highest paid persons in society. And no, the word "socialized" is not used for medicine in Canada because health care there, like education, is considered a right, not a privilege.

Granted, under the Reagan administration, a national health service in our country is not likely to occur. But it is an idea long overdue. It is unconscionable that as we move this summer to celebrate social security's fiftieth birthday, the elderly are paying a higher percentage of their income now for health care than when Medicare, one of social security's major ingredients, was created. Medicare only covers forty percent of health care costs, and a Medicare recipient now has to pay over $400 of his or her own money for a hospital stay.

The Canadian system is by no means perfect. Because the system is provincially based, some specific services such as dental, optical, hearing and foot care vary by province. Also, some doctors attempt to overbill beyond the federal guidelines, and two provinces permit this action. In addition, services are not always available. The overcrowding we saw in some hospital emergency rooms was alarming, with beds stacked up in the halls. However, even this fact means that people have needed to use the system, and the system can be improved. Doctors, patients, and administrators with whom we talked agreed that Canada's sixteen-year-old law has dramatically improved access to health care in the nation.

We should at least try to have individual states in the United States pioneer a similar plan, as Canada's provinces first did before the national program went into effect. Gray Panthers across the nation will be asking Congress to support such states' pilot plans.

History can be made in our lifetime. On this last frontier, health care, it is time we caught up to the rest of the world.●

HIRING THE HANDICAPPED IN THE FEDERAL WORKFORCE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mrs. SCHROEDER. Mr. Speaker, I am today introducing legislation which will encourage the hiring of handicapped individuals by the Federal Government. As chairwoman of the Subcommittee on Civil Service, I strongly support equal employment opportunities. It's terribly important that all individuals who want to work for the Federal Government have the opportunity to do so. Disabled Americans can and do perform with excellence in the Federal Government.

My bill would make two basic changes in law: First, under current law, agencies are authorized to hire personal assistants for handicapped employees. This bill would ensure that personal assistants are not counted as part of the agency's personnel ceiling. Many personal assistants perform other tasks as well; so the bill would just exempt from the ceiling that proportion of the time spent on personal assistant duties.

Second, current law provides that success in meeting equal employment opportunity must be an element of an employee's performance appraisal standards. The bill would provide that success in hiring the handicapped would also be part of this requirement. While this provision should heighten awareness of bringing the disabled into Government service, it is not intended to weaken the current EEO laws relating to minorities and women.

There is a selective placement system in Federal agencies which deals with the planning and implementation of affirmative action for handicapped individuals. This program is staffed by selective placement coordinators who are responsible for providing direct services to handicapped individuals, bringing applicants and selecting officials together, keeping track of the types of positions agency managers and supervisors have to fill, and being up to date on rehabilitation organizations and services that can help solve problems when necessary. Linking performance standards to equal employment opportunity and affirmative action and specifically to programs dealing with the handicapped should start a cascade effect.

By holding managers and supervisors accountable for their success in hiring disabled citizens, we will encourage managers to consider whether each vacancy could be filled by a handicapped individual. This action alone should multiply the number of job opportunities there are for the handicapped in the Federal Government.

This idea will also greatly assist our overworked rehabilitation counselors. Certification of handicapped individuals will receive greater attention. Federal employees will be contacting counselors on a regular basis to advise them of job vacancies in their agencies. Handicapped individuals will no longer have to walk the pavement and bang on doors to have the opportunity to secure a job with the Federal Government.

While the two provisions of this bill are rather modest, they could go a long way toward making a career with the Federal Government a real possibility for disabled Americans.

The text of the bill follows:

H.R. —

A bill to amend title 5, United States Code, to encourage the employment of handicapped individuals by the Federal Government

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3102 of title 5, United States Code, is amended by adding at the end thereof the following:

"(f) Any individual employed as a personal assistant under this section shall not be counted for purposes of any personnel ceiling administered by the Office of Management and Budget or any other agency.".

(b) Section 4302a(c)(1)(B)(v) of title 5, United States Code, is amended to read as follows:

"(v) meeting affirmative action goals and achievement of equal employment opportunity requirements (including employment of handicapped employees, as defined in section 3102(a)(2) of this title);".

(c) Section 4313(5) of title 5, United States Code, is amended to read as follows:

"(5) meeting affirmative action goals and achievement of equal employment opportunity requirements (including employment of handicapped employees, as defined in section 3102(a)(2) of this title).".●

CONFERENCE ON SECURITY AND COOPERATION IN EUROPE

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. ROTH. Mr. Speaker, in view of the approach of the 10th anniversary of the signing of the Final Act of the Conference on Security and Cooperation in Europe, I commend to the attention of my colleagues an article written by the Council of Free Czechoslovakia brought to my attention by Mojmir Povolny, president and chairman of the council:

STATEMENT BY THE COUNCIL OF FREE CZECHOSLOVAKIA

The Council of Free Czechoslovakia commends all the free and democratic governments of Europe and the governments succeeded ten years ago in including in the Final Act of Helsinki Principles I (Sovereign equality, respect for the right inherent in sovereignty), VI (Non-intervention in internal affairs), VII (Respect for human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief), and VIII (Equal rights and self-determination of peoples) as well as, and especially, of the entire section on Cooperation in Humanitarian and Other Fields. The Council of Free Czechoslovakia wishes to commend the same governments for their uncompromising defense in the review sessions of the conference on Security and Cooperation in Europe of those signatories of the provisions dealing with Cooperation in

Humanitarian and Other Fields in general and with human rights and fundamental freedoms in particular. The Council of Free Czechoslovakia is especially grateful for the firm stand taken by the representatives of the same governments at the recent Ottawa Human Rights Experts' Meeting of the Commission on Security and Cooperation in Europe.

The Council of Free Czechoslovakia, however, reminds the same governments that in spite of the commitments assumed by the communist government of Czechoslovakia under the Final Act and in spite of their efforts to influence the conduct of the Czechoslovak government the violations of human rights and fundamental freedoms by the Czechoslovak authorities have continued unabated. Those who in Czechoslovakia have tried to monitor the observation by the Czechoslovak government of the human rights provisions of the Final Act have been persecuted, arrested, and incarcerated. The signatories of Charter 77 and the members of the Committee for the Defense of the Unjustly Persecuted (VONS) have lost their jobs, many have been sentenced for their advocacy of human rights to serve years in prison, their children have been denied admission to institutions of higher education, and many have been simply exiled from their own country. The persecution of churches and of religious believers, of priests and ministers as well as of laymen, in Czechoslovakia is so severe that it has no parallel anywhere even in communist ruled Central and Eastern Europe and can be compared only to the persecution of the churches in Czechoslovakia in the late 1940's and early 1950's. The restrictions imposed by the Czechoslovak government upon the freedom of travel of Czechoslovak citizens run counter to and make a mockery of the corresponding provisions of the Final Act.

The essential issue in Czechoslovakia, however, is the violation of Principles I, VI, and VIII of the Final Act—the continuing occupation of Czechoslovakia by the Soviet armed forces and the denial of the fundamental freedom of the Czechoslovak citizens to be governed by a government of their free choice.

The Council of Free Czechoslovakia appeals, therefore, to the free and democratic signatories of the Final Act that on the solemn occasion of the tenth anniversary of the signing of the Final Act as well as in all future review sessions and meetings of Conference on Security and Cooperation in Europe:

(1) They insist on the unabiguous observation by all the Czechoslovak authorities of the obligations and pledges undertaken in the Final Act and concerning human rights and fundamental freedoms of all Czechoslovak citizens;

(2) They request the guaranteed freedom of the Czechoslovak citizens, through their own appropriate non-governmental organization or organizations, to monitor this observation and to report on it to the conference on Security and Cooperation in Europe;

(3) They insist on the termination of Czechoslovakia's occupation by the Soviet armed forces and on Soviet non-intervention in Czechoslovak internal affairs;

(4) They encourage and pursue such an evaluation of international relations in Europe that would make possible a free and complete expression by the Czechoslovak people of their right of self-determination including the right ot neutrality.

The Council of Free Czechoslovakia address this appeal to the free and democratic governments of Europe and to the governments of the United States of America and of Canada in the most sincere and solemn conviction that the fulfillment of its request would make a signal contribution to freedom, peace, security, justice, and cooperation in Europe.●

MERCHANT MARINE ACT, 1936, AMENDMENTS

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. LENT. Mr. Speaker, I am introducing, by request, legislation to amend the Merchant Marine Act, 1936, to authorize the foreign acquisition of subsidized U.S.-flag vessels. This legislation was transmitted to Congress on April 2, 1985, by Secretary of Transportation Elizabeth H. Dole. Two of my colleagues, the chairman of the Merchant Marine and Fisheries Committee, Mr. Jones, and the ranking minority member of the Merchant Marine Subcommittee, Mr. SNYDER, join with me in introducing this bill.

This Nation's merchant marine is suffering through some very difficult times. The number of commercial merchant vessels in our fleet has been steadily declining. The operators of both the liner fleet as well as our liquid and dry-bulk vessels are having trouble securing adequate cargoes. The cost of constructing commercial ships in the United States has steadily gone up to the point where we have virtually priced ourselves out of the world market. It is not possible to build a vessel in the United States and have that ship be competitive with foreign operators. U.S. operators who have their vessels in international commerce are competing against foreign operators who are benefiting from Government construction subsidies and other forms of governmental assistance.

This legislation is intended to address one aspect of the problems facing the operators of the big liner vessels. The legislation proposes that section 615 of the Merchant Marine Act, 1936, originally approved in 1981, be amended to give the Secretary of Transportation permanent authority to authorize U.S.-flag operators receiving an operating-differential subsidy to construct or acquire vessels outside the United States. While the leadership of the Merchant Marine and Fisheries Committee does not necessarily agree with everything in this legislation, we do believe that it is a starting point from which the Congress can proceed in the development of legislation that would provide some benefit to our maritime industry.

This legislative proposal does not provide answers for all of the problems facing our maritime industry, in fact its scope is rather narrow. There will undoubtedly be those who oppose this legislation, arguing that it will cause harm to other sectors of our maritime industry—particularly the shipbuilding industry. In these difficult fiscal times, however, we need to be honest about what the Federal Government can do to help all sectors of our economy. It may not be possible, for example, to maintain a U.S. presence in the international shipping trade and, at the same time, continue to provide unlimited assistance to the U.S. shipyards. We may have to look at other alternatives rather than requiring U.S. operators on subsidy to use U.S.-built ships in the international trade. The cost impact of such a requirement—increased capital cost to the vessel operators, increased charges for shipping for transporting goods, and increased prices for U.S. consumers—may make this requirement unworkable.

Included with the executive communication from the Department of Transportation was a statement of purpose and need that was prepared by the Department to describe this proposed legislation. I have attached that document to my remarks for the benefit of my colleagues.

STATEMENT OF PURPOSE AND NEED

For a draft bill "To amend the Merchant Marine Act, 1936, to authorize the foreign acquisition of subsidized U.S.-flag vessels."

The draft bill would amend the Merchant Marine Act, 1936, to provide authority for subsidized U.S.-flag ship operators to construct or acquire vessels outside the United States and still receive operating-differential subsidies (ODS). Since the enactment of the Merchant Marine Act in 1936, ODS vessels have been required to be constructed in the United States. Such vessels were generally built with the aid of construction-differential subsidy (CDS). In order to assist subsidized operators in meeting their contractual obligations to replace overaged ships, section 1610 of Public Law 97-35 (approved August 13, 1981) added a section 615 to the Merchant Marine Act that generally authorized the acquisition of foreign-built vessels for subsidized U.S.-flag service in the absence of available CDS until the end of FY 1983. However, restrictions placed on this authority for FY 1983 mean that, for all practical purposes, the authority provided by section 615 was available only in FY 1982. Thereafter, section 134 of Public Law 98-151 (approved November 14, 1983) authorized the Secretary to permit two subsidized U.S.-flag operators to acquire a total of six existing foreign-built vessels.

Rather than continue such ad hoc approach, the draft bill would amend section 615 to continue to authorize U.S.-flag operators to construct or acquire vessels outside the United States and still receive ODS. It would also clarify current authority under section 615 to acquire existing vessels outside the United States to be reflagged and made eligible to receive ODS. However, funds from the Capital Construction Fund

provided by section 607 of the Merchant Marine Act, 1936, could not be used for this purpose.

Section 615 authority would be effective upon a determination by the Secretary that the foreign-built vessel is over 5,000 DWT and would be suitable for use by the Federal government for national defense or military purposes in time of war or national emergency. This provision would allow replacement of overaged vessels to continue on schedule and thus avert a decline in the size of the U.S.-flag liner fleet, which is the primary U.S. source of military sealift capability.

When documented under U.S. registry, subsidized vessels constructed or acquired under proposed section 615, or previous "build-foreign" legislation enacted as section 1610 of Public Law 97-35, would be eligible to transport reserved cargoes subject to the Cargo Preference Act of 1954. This is one element of the Administration's proposal to amend the current three year waiting period of the Cargo Preference Act of 1954, for foreign-built vessels, whether subsidized or not, so that modern, foreign-built vessels with national security utility would be immediately eligible to transport such cargoes.

Finally, section 3704 of title 46 generally requires U.S. construction of certain specified antipollution fixtures on a vessel for coastwise operation. The draft bill would continue to waive this requirement for previously U.S.-built vessels installing such features in a foreign yard under proposed section 615 or Public Law 97-35.●

INTRODUCTION OF A BILL WHICH WOULD CLARIFY THE TAXATION OF EMPLOYEE AWARDS

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. THOMAS of California. Mr. Speaker, I am introducing today legislation to amend the Internal Revenue Code with respect to the taxation of employee awards. This bill would clarify the tax treatment of employee awards to the employee-recipients.

Present law—section 274 (b)(1)(C) and (b)(3) of the Internal Revenue Code, as amended by ERTA—allows an employer to deduct up to $400, and in the case of qualified plan awards, up to $1,600, of the cost of employee achievement awards; that is, items of tangible personal property awarded by reason of an employee's length of service, productivity, or safety achievement. It is clear that the intent of the sponsors of the ERTA amendments to section 274(b) of the code, raising the dollar limits for deductible employee awards, was that eligible gifts should be excluded from an employee's income. Absent such an exclusion from the income of an employee-recipient, the ERTA amendments would have little, if any, practical effect.

The ERTA provision, however, did not provide for any exclusion of the value of employee awards from the recipient's gross income, and the Internal Revenue Service has taken the position that whether an employer's award to an employee constitutes taxable compensation or a gift excludable from gross income depends upon the facts and circumstances surrounding the award. The potential taxation to employees of achievement awards brings into question the viability of these award programs by making the awards far less attractive to the recipient.

The intent in adopting the ERTA amendments to section 274(b) of the code was to make employee recognition awards more available and appealing. Employee awards by their nature strengthen the relationship between a business and its employees, an objective that should not be discouraged by the tax laws. Present law discourages employers from adopting employee incentive award programs by making such programs unattractive to employee-recipients.

This bill offers a simple, straightforward, nondiscriminatory solution to the problem of the taxability to employee awards. The proposal draws on the language of section 274(b)(1)(C) of the code, and would exclude from an employee-recipient's income the value of all awards deductible to an employer under that section, with a provision for cost of living adjustments. The bill also includes reporting requirements for awards to ensure that nonexcludable amounts are included in income.

The exclusion of employee awards from the income of the recipient should not be restricted to any one type of eligible property, as was proposed by the Senate last year in the Deficit Reduction Act of 1984, but, rather, should include all items deductible to the employer. Any exclusion for employee awards must reflect the intent of the ERTA amendments to section 274(b), to promote awards that strengthen the relationship between a business and its employees. Any restriction that would limit awards to a particular type of property has no foundation in the original section 274(b) nor the ERTA amendments. The fact that there is no justification for restricting an employer's ability to make a meaningful noncash award to its employees or for favoring one type of property over another, was recognized by the Committee of Conference on the Deficit Reduction Act of 1984 when it eliminated the restrictive Senate proposal.

Indeed, the absence of adequate choices could have the effect of not motivating employees whose personal tastes would not be satisfied by the restricted items offered. Where employees do not have any interest in the items being offered, they have no incentive to achieve the accomplishments which the employer wishes to reward.

Employee incentive awards should be promoted because such awards produce an important national benefit. There is little doubt that the recognition of employee achievement serves to strengthen the morale of the work force, fosters pride on the part of individual employees, and enhances employer-employee relationships.

The employee award industry believes that employee achievement awards are excludable gifts that have never constituted taxable income. Similarly, most taxpayers take the position that employee awards constitute gifts excludable from the employee's income. Because employee achievement awards have not previously been taxed, then, this proposal should not result in a revenue loss. Indeed, the bill may even raise revenue because it will increase compliance with respect to all award items above the $400 and $1,600 limits for the first time. The bill includes reporting requirements to help ensure that all awards above the excludable dollar limits are included in the taxable income of the employee-recipient.●

AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS BILL, 1986

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. DASCHLE. Mr. Speaker, I commend my colleagues on the Appropriations Committee, specifically Chairman JAMIE WHITTEN, and Ranking Member VIRGINIA SMITH, for their leadership in passing H.R. 3037.

In the truly bipartisan spirit which has always characterized this committee, it has absolutely rejected the administration's drastic attempt to annihilate the Department of Agriculture and program critical to American agriculture. It has said "no" to the gutting of the Farmers Home Administration, it has told the administration to keep its hands off the Rural Electric Administration, critical to those living in rural areas. It has rejected out of hand the administration's proposal to eliminate almost entirely the Soil Conservation Programs available to our farmers.

Despite sugar-coated claims, the crisis in agriculture has not disappeared. Farm debt has continued to escalate. Prices are at the lowest point since the Depression. In fact, since 1936, the farmer's share of the consumer food dollar has decreased nearly 50 percent from 51 to 27 percent, while the share taken by those between the farmer and the consumer has nearly doubled, from 49 to 73 percent.

I commend the members of the committees for their awareness of the problems, of the enormity of these problems, and of the urgent need to respond quickly to them. This congressional recognition of the agriculture crisis is in marked contrast to the indifference of the administration in failing to acknowledge its existence.

The agriculture budget originally submitted by the administration to Congress completely ignored the needs of the farmer by proposing to abolish several critical programs such as conservation, rural housing, most direct farm lending by the Farmers Home Administration, and to reduce access to feeding programs for the elderly and needy women and children.

Although the President called for termination of the Soil Conservation Service, the Congress has recommended an appropriation of $365,629,000, an increase of $11 million more than the administration recommended for conservation operations. It has also included a minimum SCS staff number of 14,177 who will help develop conservation plans including grassed waterways, animal waste management systems, and erosion control structures.

Likewise, the administration proposed severe curtailment of loan funds for the Farmers Home Administration which provides loan funds to those farmers who are unable to obtain credit from other sources. This cut could not have come at a worse time for farmers who, while seeing their income drop steadily, suffer the impact of uncontrollable rising costs of industry and labor. Although the administration recommended a phaseout of the Direct Loan Program, the committee felt that this funding is absolutely critical and wisely rejected such a proposal.

The record of the REA Program is admirable and provides a model for the efficient and effective operation of a cooperative program between the people and their Government. Unfortunately and mistakenly, this administration has not strayed from its efforts to decimate, if not eliminate, the REA Program which is essential to the continued provision of electric and telephone services in rural areas. Ignoring its benefits and value, the current Administrators of REA apparently seek only the destruction and elimination of this valuable and needed program.

Commendably, as reported by committee, this measure prohibits USDA from continuing its present mistaken policy of dismantling the Engineering Standards Department of REA. Not only would consumer costs increase if engineering standards were eliminated, the dependability and economy of rural systems would be jeopardized.

The Engineering Standards Division has worked well in establishing and maintaining dependable and efficient rural electric and telephone systems. This administration would do well to heed the advice "if it ain't broke, don't fix it" and to cease its efforts to eliminate REA engineering standards activities.

Additionally, the committee has directed REA to abandon the policy of disqualifying rural telephone and electric systems for loans through the improper application of the general funds criteria. Neither the committee nor the Congress will accept this contrived policy and transparent effort to administratively repeal existing law. This effort to deny loans and loan guarantees to qualified rural electric and telephone systems is unfortunately not an isolated incident, but another in a long series of unprecedented attempts by USDA to destroy the REA program.

Finally, the Appropriations Committee has made a number of favorable recommendations in the area of the Food and Nutrition Service administered by the Agriculture Department. These include food stamps, school lunch, Commodity Supplemental Food Program, the Feeding Program for Women, Infants, and Children, and food donations. The committee rightly determined in each of these Domestic Food Programs to fund at or above the administration's recommended level and at a total funding level of $180 million more than the President's request. Again, I reaffirm my approval of the actions taken in this legislation.●

CONGRESSIONAL CALL TO CONSCIENCE—1985

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. FLORIO. Mr. Speaker, I am pleased to participate in the 1985 Congressional Call to Conscience on behalf of Soviet Jewry. I would like to commend my colleague, SANDER LEVIN, for chairing this effort this year and for his help in focusing congressional attention to the devastatingly small numbers of Soviet Jews who are permitted to emigrate from the Soviet Union.

Mr. Speaker, in only a few days, we will commemorate the 10th anniversary of the signing of the Helsinki accords on August 1, 1975. The Helsinki Final Act, which was signed by 35 nations including the United States and the Soviet Union, committed the signatories to respecting fundamental freedoms and human rights. By signing the Helsinki accords, the Soviet Union pledged to respect the fundamental freedoms of thought, conscience, religion, and belief and to permit individuals the right to leave any country, including their own.

Yet, during these 10 years since the signing, Soviet Government sponsored harassment, persecution, and arrests of Soviet Jews has increased while emigration levels have dramatically decreased. As we commemorate this anniversary, it is vital that we continue to stress to the Soviet leadership that the human rights violations perpetrated by the Soviet Union are not only in violation to the Helsinki accords which they have signed, but also contrary to the fundamental laws of humanity and compassion.

Several months ago, I adopted Yosef Kalman and his wife Lilia Sinayskaya, two refuseniks who have sought since 1981 to leave the Soviet Union and join their son in Israel. Yosef and Lilia are elderly pensioners in their seventies that gave up their health working for the Soviet Union for 50 years. Yosef suffers from thrombophlebitis of both legs, a neurological disease and a heart condition. Lilia has both an ulcer and liver disease. In 1980, she had to have a gallbladder operation.

The Kalmans clearly need to be close to their family for care and support. Their emigration would not endanger any state secrets. However, Soviet authorities have refused them this fundamental right on the flimsy pretext that they would be leaving behind other relatives in Kazan and Leningrad, and that these relatives may also want to emigrate in the future. According to their son Yuri, who lives in Israel, they need his everyday support and assistance; they need the love and care of their grandchildren. They also badly need a special diet, which is impossible to obtain in Kursk. Everyday of their living, bad damage is caused to their health; the long separation and the endless anguish undermine the forces of their soul and endanger their lives.

And yet, the Soviet Government has remained stone-hearted in deciding their fate. The Kalmans have been repeatedly refused the right to emigrate and join their family. The plight of the Kalmans is very real indeed and I commend their courage and perserverance. However, they are just one couple out of the many thousands that are experiencing the same treatment, the same harassment, the same heartlessness.

We must continue to protest the treatment of the 2 million Soviet Jews at every step. We will not have accomplished our purpose and fulfilled our moral responsibilities until the day comes when Soviet Jews will be free to profess and practice their religion, preserve their cultural heritage and exercise their right to emigrate and live where they choose. Until that day, we must and will continue to persevere.●

REMOVING ASBESTOS HAZARDS IN OUR SCHOOLS

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. WALGREN. Mr. Speaker, many school buildings across the country, including some in the Pittsburgh area, were constructed at a time when asbestos was used for its insulating and fire retardant qualities. However, since that time, many questions about asbestos have been raised and it has been found in some cases to be a human carcinogen. In many classrooms, teachers and students alike could be inhaling asbestos fibers, only to discover many years down the road that they have lung disease. All levels of government must respond to this dangerous situation.

In my own district in western Pennsylvania, efforts are underway to eliminate asbestos hazards. I would specifically point to the work of the Allegheny County Health Department which formed a task force to create an Asbestos Public Information Program. One of the task force's recommendations, which has been adopted by the health department, was to send asbestos school survey forms to all the schools in the county. Of the schools that returned the survey—228 of 500—and had been inspected for friable asbestos—86 percent, 60 percent reported that it is present.

I am pleased that the House on July 25 approved $50 million in funding for the Asbestos Abatement Program with my support. Earlier this year I urged the Appropriations Committee to include funding for the program. I will work for final enactment with the hope that this will help schools get started on what some have called a $1.4 billion problem. The Federal Government cannot do it all, but some seed money ought to help. Additionally, we must make sure the kinks are eliminated from the administration of the program and I am pleased that congressional hearings this year have highlighted these problems. There have been problems in schools determining what is and what is not a health risk. There have been problems with unqualified removal contractors. The bill we passed last week—H.R. 3038, provided EPA appropriations—requires that all projects funded by EPA be conducted by certified and trained contractors. And we have directed EPA to develop a hazard ranking system, to give schools guidance in this area.

Federal guidance on school asbestos removal has proceeded in fits and starts in recent years. In 1980, Congress enacted the Asbestos School Hazard Detection and Control Act, but the administration did not request funding for it. Regulations were not published until 1982. In 1984, we transferred the program to be solely administered by EPA and provided $50 million. I do hope that with this recent action we can put the program on a strong footing. We must insure a safe environment for our schoolchildren.●

DR. CAROLYNE K. DAVIS

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. SCHUETTE. Mr. Speaker, I rise today to note the accomplishments of the distinguished Dr. Carolyne K. Davis. I thank the gentleman from Michigan, Congressman PURSELL for sponsoring this special order so that like-minded Members could offer their praise of Dr. Davis.

This occasion is particularly satisfying because Dr. Davis was chairman of the nursing department at the University of Michigan, where she later became vice president in charge of academic affairs, and I know that her tenure there was an unqualified success.

Dr. Davis' accomplishments as Director of the Health Care Financing Administration are their own tribute to her skills as an administrator. Dr. Davis knows the health care profession as well as she understands the budgetary nuts and bolts of financing Medicare and Medicaid.

When Dr. Davis assumed control of HCFA, it was heading for bankruptcy by 1986. Through sheer administrative skill and political fortitude, Dr. Davis has implemented the prospective payment program which brought spiralling Medicare cost under control while providing the same quality of health care. This sweeping change, among others, has been part of a comprehensive restructuring of the Medicare and Medicaid system. This restructuring has ensured that these health care systems will survive into the 1990's, and allow Congress the time to address the long-term health care needs of this Nation.

Mr. Speaker, Dr. Davis has been a tremendous help to me in my short time in Washington, and I for one, will be sorry to see her go.

She has presided over the operations of the HCFA through the Reagan administration, and should get much of the credit for the improvements that have been made in administering the health care of the 50 million citizens HCFA serves. I wanted to take a moment to express my thanks to her, my pride in her service to the people of Michigan and the United States, and to wish her the best of luck in her new endeavors.●

SALUTE TO THE 50TH ANNIVERSARY OF SOCIAL SECURITY

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. DWYER of New Jersey. Mr. Speaker, this year our Nation commemorates the 50th anniversary of our most landmark economic security legislation, the Social Security Act, enacted by the Congress and signed into law by President Franklin Roosevelt on August 14, 1935.

During the month of August, local Social Security offices in cities and towns throughout the Nation will be celebrating the 50th anniversary of this landmark law, and we all owe a huge debt of gratitude to those able and dedicated individuals who have staffed these offices and transformed the fine principles of the Social Security Act into practice.

Without the efforts of these professionals, Social Security would not be the tremendous success story that it is today. The fine record of service established by the local Social Security offices in New Jersey's Sixth District illustrate their importance.

As Members of Congress, we have occasion to deal frequently with the local Social Security offices, and I have been continually impressed with the efficiency and responsiveness of the staff in my district who exemplify this tradition of excellence we have come to associate with Social Security during the five decades since its enactment.

The 50th anniversary of the Social Security Act is also an appropriate time to reaffirm the fundamental principles of this law which has provided a measure of protection to the aged, disabled and needy of our society. Social Security has allowed people to contribute to their future, and not live in fear of losing their security and independence in their retirement years. The monthly cash benefits received by nearly 37 million Americans provide a base of economic protection on which beneficiaries can build additional protection through pensions, insurance, savings and other income. With the formation of Medicare in 1965, Social Security was expanded to provide much-needed medical assistance to senior citizens.

With the bipartisan agreement on the Social Security Amendments of 1983, we can reassure Americans that the system is securely financed and one on which we all can depend.

Mr. Speaker, I know that my colleagues join me in thanking the excellent workers who have staffed the Social Security district offices for the past 50 years, and in reaffirming our

steadfast support for this program in its 50th year.

All Americans should be proud of the brilliant success of the Social Security system in its first half century. It grew from the suffering of the Depression, and now provides the basic measure of safety and financial solvency for all Americans.●

THE 10TH ANNIVERSARY OF THE SIGNING OF THE HELSINKI FINAL ACT

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. LEHMAN of Florida. Mr. Speaker, on August 1, 1975, the heads of 35 European and North American nations signed the Final Act of the Conference on Security and Cooperation in Europe. The Helsinki Final Act obligated the participants to work for greater cooperation in the military, economic, scientific, cultural, educational, and humanitarian spheres. The final act also includes broad humanitarian provisions commonly referred to as Basket III, which contains provisions for the reunification of families, the rights of citizens to enter and leave countries regularly on family visits, marriage across national lines, and the improvements in working conditions for journalist abroad.

On this day, August 1, 1985, the 10th anniversary of the signing of the Helsinki accord, very little can be seen in terms of concrete adherence to the Final Act by the Soviet Union.

The number of Soviet Jews permitted to emigrate has dwindled to almost nothing. The Soviet Union is violating the Helsinki agreement by denying political dissidents, refuseniks, and prisoners of conscience the basic human right of freedom of communication.

Soviet noncompliance reflects its weak commitment to the Helsinki agreement. A reassessment of this policy is long overdue. It is time to set a new course on Helsinki. I call on General Secretary Gorbachev to honor the Soviet commitment to the provisions of the Helsinki accords by making significant and visible changes in its emigration policies and treatment of Soviet Jews.●

THE 10TH ANNIVERSARY OF THE HELSINKI FINAL ACT

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. HORTON. Mr. Speaker, August 1 will mark the 10th anniversary of the Final Act of the Conference on Security and Cooperation in Europe, better known as the Helsinki accords. I would like to commend my colleagues on the Helsinki Commission for their diligence in bringing this anniversary to the public's attention.

Remembrances such as this serve many purposes. This anniversary is a reminder of the many commitments made by those 35 signatory nations. It reaffirms our stated objectives and obligations in the final act. Finally, it allows us to look back and examine the successes and failures of the first 10 years of the Helsinki accords.

We have seen many steps taken which promote East-West cooperation in the sciences, environment, and transportation. The final act encouraged the growth of trade, led to freer travel policies in Eastern Europe, and fostered better United States-Soviet communication before major military maneuvers.

In addition, the Helsinki accords provided a mutually agreed upon forum by which to examine the human rights records of each of the signatories, and provide greater discussion of internal policies which directly relate to human rights abuses.

However, it has become increasingly clear that a number of cosignatories have rejected the most basic tenets of the Helsinki Final Act. The Soviet Union and its Eastern European satellites have become more and more repressive in their fight against human rights activists. The number of activists arrested inside the Soviet Union has tripled in recent years. Religious persecution, forced labor, and psychiatric abuses have become commonplace throughout all of Eastern Europe. In addition, the invasion of Afghanistan and the imposition of martial law in Poland continue to serve as brutal reminders of the neglect the Helsinki Final Act has received in much of the Soviet bloc.

Mr. Speaker, the pledge by all 35 signatories to guarantee certain human rights and to improve the flow of information across borders must not be forgotten. As we approach the summit meetings between the United States and the Soviet Union, let this 10th anniversary serve as a reminder that some gains have been made. Many more must come.●

REPRESENTATIVE MONTGOMERY TO RECEIVE NCOA'S HIGHEST AWARD

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. PRICE. Mr. Speaker, as a past recipient of the Non Commissioned Officers Association of the USA [NCOA] L. Mendel Rivers Award for Legislative Action, I am proud and privileged to announce that our colleague, the Honorable G.V. SONNY MONTGOMERY, has been selected to receive that prestigious honor for the year 1984–85.

The award, so aptly named as a tribute to the late L. Mendel Rivers, past chairman of the House Armed Services Committee and a giant of a friend to all men and women in our uniformed services, will be presented to SONNY, September 11, 1985, by the president of NCOA, retired Army command Sgt. Maj. Walter W. Krueger.

SONNY was selected by the NCOA International Board of Directors for his dedicated and devoted service as a member of this body and as one who in the past year has proven to the association to be a special friend of our service members, both past and present. He is a true patriot with a great love for this country and for those who serve and have served in the Armed Forces of the United States.

He has been and continues to be a standard bearer on the House Armed Services Committee for all military personnel on active duty and in the National Guard and Reserve. He is, as equally important, the No. 1 congressional spokesman for our veterans. His record as chairman, House Veterans' Affairs Committee, stands as a monument for those who serve or have served our Nation in war and peace.

Additionally, SONNY was selected for his tenacity in having a new peacetime GI bill enacted in law. NCOA was the first military or veterans organization to seek a new education package for post-Vietnam era veterans and realized the attainment of its 10-year goal when SONNY successfully moved his bill through Congress last year.

The NCOA L. Mendel Rivers Award was first introduced in Congress in 1972 by one of our colleagues, the late F. Edward Hebert of Louisiana, who alike to Mendel Rivers was a former chairman of the House Armed Services Committee.

Eddie was the first Member of the House to receive the award. Since then it has been presented to Representatives Tom Downing, Bob Wilson, and Mendel Davis, now retired; and to current Members, CHARLIE BENNETT, BILL NICHOLS, and yours truly. On the Senate side, STROM THURMOND, John Tower (now retired), BOB DOLE, BILL ARMSTRONG, BILL COHEN, and SAM NUNN are past recipients.

SONNY will join this distinguished group, September 11, at the NCOA 13th annual congressional reception. all Members of Congress will receive an invitation to the affair so I encourage you to stop by the Cannon Caucus Room that evening to congratulate him.

Meanwhile, I extend to our colleague, SONNY, my personal congratu-

lations and salute the noncommissioned and petty officers; active duty, reservists, guardsmen, and veterans; whose membership creates the largest enlisted military association in the Nation, the Non Commissioned Officers Association of the USA [NCOA]. They are to be commended for choosing my friend, SONNY, as this year's recipient.●

FEAST-OR-FAMINE AND DEFENSE WASTE

HON. JOHN R. McKERNAN, JR.

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. McKERNAN. Mr. Speaker, every Member of Congress is acutely aware of the Nation's burgeoning budget deficit. Gaining control over Federal spending is at the top of the congressional agenda but, based on the events of the past few weeks alone, I think we would all agree that there are no easy solutions to this problem.

Because of its size and the steady increases in its budget in recent years, the Department of Defense is frequently seen as a target for large-scale reductions. However, discussions about how to reduce defense spending have sometimes been characterized more by heat than by light.

In a recent article published by the Los Angeles Times, my colleague, Congressman JOHN MCCAIN of Arizona, provides a well-reasoned treatment of what can be done to reduce defense spending without endangering our national security. Congressman MCCAIN's views on this subject are particularly credible, given his personal commitment to a strong national defense. I would like to share with my colleagues the views advanced by Congressman MCCAIN in the Times article of June 23, 1985.

[From the Los Angeles Times, June 23, 1985]

FEAST OR FAMINE AND DEFENSE WASTE

(By John McCain)

Some years ago, as the Navy liaison officer to the Senate, I lobbied for the defense budget. Then, the job was relatively easy; Congress voiced little opposition to what most members realized was a desperately needed buildup. Today, my role in the defense budget process is different, and the task is not so simply. American are not as willing as they were in 1980 to devote staggering amounts of dollars to an agency that appears riddled with waste, mismanagement and greed.

Recenlty a group of senior Pentagon officials told the Republican Congressional Conference that not one dol..r less could be spent on America's defense without harming national security. Billions, however, can be cut from the Pentagon's budget without endangering America's security or that of our allies.

Many in Congress agree that the solution to the dilemma of the deficit is an overall budget freeze that applies equally to all spending categories. The Pentagon, unlike other government agencies that have been streamlined over the past few years, is grossly inefficient and could play a significant role in reducing the debt. It has created obvious targets for those committed to reduce spending—the $600 ashtray, the $7,000 coffee pot, and other such horror stories. We must solve problems in the procurement process, but ending all the waste there will save only a few billion dollars—scarcely a dent in the deficit.

If we are truly dedicated to reducing the defense budget in a sensible fashion, we must look beyond spare-parts scandals. For example, the DIVAD anti-aircraft weapons has yet to prove its effectiveness in shooting down planes; it certainly does not merit a price tag of $6.8 million apiece. Cutting the entire program could save $4 billion. Similarly, additional savings could be realized by forgoing the purchase of almost 7,000 Bradley armored fighting vehicles requested by the Army. Existing personnel carriers could be modified and supplemented by procuring just 2,000 Bradleys, saving more than $4 billion.

These are just two examples of inefficient weapons systems that could be cut without endangering our national security. But members of Congress (and their constituents) will also have to take their licks if we are truly serious about defense cuts. Congress can no longer squander money on sacred cows of the defense budget.

Yet we must also recognize that facile criticisms serve no purpose in ending inefficiency. A recently published comparison of the costs of today's F-15 fighter with World War II's P-47 makes interesting reading, but such comparisons are superficial and serve only to divert attention from the real issues. The plane that I flew in Vietnam was less complex and expensive than its successor, but the increasing sophistication of the opponent we may face makes yesterday's weapons obsolete.

A broader misconception holds that simply reducing the Pentagon's budget will solve all of our fiscal problems. The 1986 defense budget will be approximately $270 billion; our deficit is close to $200 billion. Obviously, even cutting the defense budget by two-thirds would still not make the deficit disappear.

What are the solutions? We must recognize that our defense needs are a function of our foreign policy. So we must agree on overall foreign-policy goals and commitments. We can no longer be the world's policeman, nor can we withdraw to Fortress America. Between these two extremes, we need the bipartisan consensus that has been sadly absent since the Vietnam War. This does not mean falling into line behind successive Presidents. It means reaching broad agreement on our vital interests and the level of commitment needed to maintain them.

Few would deny that strategic realities require an American presence in Europe, but more than 60% of the defense budget is committed to the defense of our allies. Given the parsimonious attitude of our NATO and Asian allies, how large an American presence abroad is warranted? What are America's interests in the Persian Gulf, as opposed to those of our allies? And what level of American forces is required to defend our interests there?

Once the outlines of a broadly supported, long-term foreign policy are established, we can begin to match force (and spending) levels to those commitments. Such levels must then be funded with consistency. The feast-or-famine character of defense spending since the early 1960s is partly responsible for today's inflated budget; the sad state of America's defenses five years ago provoked what some would characterize as the Pentagon's greed.

A general who is offered more tanks than he can now use will probably accept, knowing that down the road he will face a drastically reduced budget. A Pentagon confident of consistent, adequate spending will not plead for excessive budgets as a buffer against future shortages; consistent levels would also ameliorate the Pentagon's willingness to accept inferior weapons.

We stand on the threshold of a long-needed redefinition of our defense needs. Presidents come and go, but our pledge to Europe has endured because the commitment was the result of bipartisan accord. The determination of our long-term national security needs must rest with Congress as well as the executive branch. Only by forging a bipartisan consensus can we truly resolve the current debate and provide the best possible defense at the least possible cost to the taxpayer.●

TRIBUTE TO DR. W.F. GIBSON

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. CAMPBELL. Mr. Speaker, I am pleased to pay special tribute to Dr. W.F. Gibson of Greenville, SC, who has recently been named chairman of the National Board of Directors of the NAACP.

This honor came as no surprise to those of us who know Bill Gibson, for his entire career has been marked by success and a tireless pursuit of human and civil rights. His tremendous leadership ability has been recognized through the many offices he has held including local, State and national NAACP positions, chair of the Greenville, SC, Human Relations Commission, chair of the S.C. Advisory Committee to the U.S. Commission on Civil Rights, member of the Alston-Wilkes Society, member of the S.C. Governor's Task Force on Critical Human Needs and member of the S.C. Human Affairs Commission.

In addition, Bill has received well-deserved awards and honors too numerous to mention from such organizations as civic clubs, educational institutions civil rights groups, religious organizations, fraternities, municipalities, and community groups.

Dr. Gibson was educated at Allen University, North Carolina A&T State University, and Meharry Medical College-School of Dentistry. He took his internship at Harlem Hospital in New York City, and now serves the Greenville area in the private practice of general dentistry.

As a Member of Congress, I have had occasions to call on Bill Gibson's

expertise many times, and I have always valued his input. He is a man of strongly held and vigorously defended beliefs, and he is highly respected for his concern, compassion and commitment.

We are proud of Bill Gibson in South Carolina, and that pride will be voiced on Friday, August 2, when some of this Nation's finest citizens will gather in Greenville to pay tribute to this man who has contributed so much to so many. Although a previously scheduled trade mission will not allow me to be with Bill and his friends, my thoughts will certainly be there.●

U.S. COAST GUARD

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. MICHEL. Mr. Speaker, we are celebrating the 195th anniversary of the U.S. Coast Guard. It is one of our most important services, yet its duties and accomplishments are relatively unknown. I believe our colleagues should know more about this vital part of our national security system.

First of all, it is our Nation's oldest, continuous sea going armed force.

In 1789, several enactments of the First Congress, providing authority for regulation of foreign commerce, recognized the need for a maritime police service as part of the national fiscal organization. The next year, Alexander Hamilton, Secretary of the Treasury, requested a fleet of 10 cutters, with the "first cost of one of these boats, completely equipped * * * computed at $1,000."

The Coast Guard was engaged in active service during the War of 1812, the Seminole War of 1836, the Mexican War, the Civil War and the Spanish-American War. During the First World War, by order of the President, the Coast Guard was transferred to the Navy. During the Korean war, the Coast Guard served independent of Navy control and played an important role in protecting harbor facilities and in helping to establish the Korean Coast Guard.

In 1965, a fleet of 17 82-foot patrol vessels was placed under U.S. Navy operational control for coastal and river surveillance in Vietnam. Coast Guard Squadron 1's mission expanded to include ports and waterways security, merchant marine details, navigational aid, and additional surveillance and interdiction duties.

Today the Coast Guard continues its traditional roles as the key Federal customs agency for maritime law enforcement, and as a component of the armed services. We each have read in recent months of Coast Guard seizures of thousands of pounds of marijuana, and increasing quantities of cocaine.

This "wartime" effort against well-financed adversaries has been waged, often under life-endangering circumstances, without loss of life.

Against more traditional aggressors, this armed service has enhanced the peacetime defense by assigning additional military duties to Coast Guard Atlantic and Pacific commanders in the newly established Maritime Defense Zones.

Today, this multimission service operates under the Department of Transportation—since 1967. My congratulations and best wishes go to Secretary Elizabeth Dole and to all those who proudly serve under the proud name of U.S. Coast Guard.●

TRIBUTE TO DR. HERBERT SCOVILLE, JR., ARMS CONTROL ADVOCATE

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. FASCELL. Mr. Speaker, I want to pay tribute to Dr. Herbert Scoville, Jr., who died yesterday. Dr. Scoville had a long and distinguished career as an arms control advocate and as an authority on advanced military technologies.

Dr. Scoville was an active participant in the public debate on arms control, new nuclear weaponry, and relations with the Soviet Union. I respected him as a knowledgeable and experienced expert on arms control issues who could always be counted on to offer positive suggestions and recommendations for achieving progress in arms control.

In February of this year I invited Dr. Scoville to give a presentation as an arms control expert at the Foreign Affairs Committee's first arms control workshop. This workshop was the first in a series of arms control workshops sponsored by the Foreign Affairs Committee in conjunction with the Congressional Research Service. These workshops are part of an effort that I am making to involve my colleagues in a comprehensive review and study of our country's nuclear arms control policy and its role in our national security. Dr. Scoville was an excellent choice to begin this series. His perceptive comments and articulate conclusions about the history of nuclear arms control negotiations and the importance of arms control to U.S. national security were consistent with so many other fine appearances he had made with Congress. His educational efforts with the public and with Members of Congress have been appreciated. They are a lasting contribution to public awareness about the dangers of nuclear war and the importance of arms control.

Dr. Scoville had an extensive career in Government service and then in the arms control community. His Government service included work as a senior scientist from 1946 to 1948 at Los Alamos for the Atomic Energy Commission, as Technical Director from 1948 to 1955 of the Defense Department's Armed Forces Special Weapons Project, as Deputy Director of Science and Technology from 1955 to 1963 for the Central Intelligence Agency, and then, until 1969, as Assistant Director for Science and Technology at the Arms Control and Disarmament Agency. In 1969 Dr. Scoville left Government service and was selected as the Director of the Arms Control Program at the Carnegie Endowment for International Peace. Starting in the 1960's he served on a number of advisory panels and he was a member of several delegations to arms control conferences. Beginning in 1979 he served as president of the Arms Control Association. His most recent books include "Missile Madness" and "MX."

Dr. Scoville's long-term commitment to the process of arms control as a way of reducing the dangers of nuclear war was recognized in 1981 when he received the Rockefeller Public Service Award and was cited for "mobilizing his energies, his scientific knowledge, and his political insight in an effort to create a public awareness of the importance of arms control to American and international security." I simply want to add my own feelings of respect for Dr. Scoville's commitment to arms control, his dedication to public education, and his sense of urgency.●

THE 115TH ANNIVERSARY OF THE BEAUTIFUL ZION A.M.E. CHURCH

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. SHELBY. Mr. Speaker, Sunday, July 28, marked the 115th anniversary of the beautiful Zion African Methodist Episcopal Church in Tuscaloosa, AL. The church organized in 1870, is listed with the State of Alabama as a historical site created and developed by freed slaves in the Tuscaloosa community shortly after the Civil War.

This anniversary is a significant event in the life of the beautiful Zion A.M.E. Church, and its recognition and celebration are important. The occasion provides the church an opportunity to reflect on its history, to assess its past performance, and to reestablish pride in the past achievements.

This anniversary is a happy occasion because it does not mark the ending of an era, but the continuation of a dream, a task, begun 115 years ago. As

the beautiful Zion A.M.E. Church approaches the future, it does so with renewed commitment and dedication. I am certain that this congregation will not only repeat the success of the past, but go on to higher levels of achievement. Please join me in congratulating Rev. John D. Windsor and the members of the beautiful Zion A.M.E. Church on this joyous occasion.●

HONORING MICHAEL S. PALLAK, PH.D.

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. WALGREN. Mr. Speaker, today I would like to commend Dr. Michael S. Pallak, who will end his term as executive officer of the American Psychological Association next month.

Dr. Pallak has guided his association during a phase of growth unprecedented in its 90 years of existence. He has overseen the publication of 20 scientific journals and has added the magazine Phychology Today to the association's portfolio. He has led a new effort to focus psychology's knowledge on national policy concerns and has assisted in congressional deliberations by testifying frequently before our committees. His guidance has been particularly helpful in the work of the subcommittee which I chair, the House Science, Research and Technology Subcommittee. Dr. Pallak has marshaled APA's financial resources to make certain that the psychologists of the future will have a vital national association behind them.

In his final report to the APA membership, published in June, he wrote:

The decade ahead should see an amazing array of accomplishments on behalf of psychology and an impressive array of contributions to the national discussions. Anything less would violate the trust that our members and the public have placed in us.

Dr. Michael Pallak has earned the trust that all leaders must have. In the past 10 years, he has exemplified the professional qualities that make this Nation great. In the future, I trust that he will continue his superb work, and I look forward on behalf of my colleagues to the fruits of his labor.●

RECOGNIZING GENE R. LINDLEY

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. KINDNESS. Mr. Speaker, it is my pleasure today to have the opportunity to recognize and commend the outstanding service of Gene R. Lindley, president of State Line Truck Stop of New Paris, OH.

Mr. Lindley will be honored in August by the National Association of Truck Stop Operators for his service as chairman of the board of the association, and I would like to take this time to bring his accomplishments to the attention of my colleagues in the House of Representatives.

In addition to serving as chairman of the National Association of Truck Stop Operators, Mr. Lindley has also been vice chairman of the 900-member national organization. He has been active in his community for many years and has held numerous leading positions in community groups.

Mr. Lindley has served as president of the Eaton, OH, Rotary Club; director of the Eaton Area Chamber of Commerce; and president, vice president, and 8-year member of the Eaton Board of Education. Gene has also served as president of the Eaton PTA, as an elder in the Eaton Presbyterian Church; and as president of the Presbyterian Church Corp. I have known Gene for many years and have appreciated his service on my congressional advisory council. Gene and his wife Alice have four fine children: Doug, Susan, Brenda, and Matt.

I am sure that Gene's work with the National Association of Truck Stop Operators will continue long after his tenure as chairman is complete, just as I am sure that he will continue to add to his fine record of generous service and active participation in his community. I would ask my colleagues to join me in saluting Gene Lindley and in wishing him future success and fulfillment in his work.●

POLKA JOE WOJKIEWICZ

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. ROTH. Mr. Speaker, August 3 is "Polka Joe Wojkiewicz Day" in Wisconsin.

This proclamation coincides with the "International Polka Festival," which will be held this weekend, August 2-4, in Rosemont, IL. This musical celebration promises to be a fun-filled event. Bands from across the Nation will be featured, playing their best and most light-hearted melodies. I am sure festival attendees will be dancing from noon to night.

The spotlight will also be on the great polka musicians who have devoted many years to promoting the music. Mr. Joe Wojkiewicz, Sr., of Green Bay, WI, will be among those musicians.

Mr. Wojkiewicz, whom friends know as "Polka Joe," received this year the highest number of ballots in the selection of members to the Polka Music Hall of Fame. This honor is a culmination of a lifelong love for polka music and sharing its joys with other people.

A Wisconsin native, Mr. Wojkiewicz began performing at an early stage, for his father had his own band. As he grew to adulthood, his interest in promoting polka music grew, leading him to many ballrooms and dance halls, even during his World War II stint in the Army.

In the late 1940's, he and his wife, Beatrice, moved to Green Bay and began to raise a family. He continued to promote and perform actively in polka music festivals and concerts. He even was involved in the recording under his own private label the music of several polka bands.

Fortunately, his accomplishments have not gone unnoticed. He was named "Polka Man of the Year" by the Wisconsin Orchestra Leaders Association for the years 1971 and 1972. His fame spread throughout the Nation, wherever people enjoy listening and dancing to good polka music.

The citizens of Wisconsin's Eighth District enjoy good polka music and good times. They are well acquainted with the hard work and musical achievements of Mr. Wojkiewicz. He has devoted over 45 years to sharing polka music with his family and fellow Americans. His dedication to and love for the happy sound of polka music has led to enduring friendships and great personal satisfaction. "Polka Joe" Wojkiewicz has earned the respect and admiration of polka music followers everywhere.●

CAMBRIA COUNTY COMMUNITY ACTION 20TH ANNIVERSARY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. MURTHA. Mr. Speaker, on Friday, September 6, a banquet will honor the 20th anniversary of the Cambria County Community Action Counsel.

Those 20 years of activity have spanned a era of unprecedented challenge and change in the Cambria County area. We have had to overcome a stunning natural disaster while also offsetting the impact of an economic revolution that has changed the face of our economy and altered the lives of thousands of families.

Poverty, family problems, the difficulties caused by recession have not been strangers to our area over those years. A key in helping thousands of families to cope with the situation and hold their lives and families together has been the community action agency.

Through their work in programs like WIC, Head Start, Weatherization,

homemaker services, emergency shelter, transportation, and information sharing, the agency and its workers have been essential to the community.

It is a pleasure for me to join in recognizing the outstanding contribution to our community made by the Cambria County Community Action Council, and to wish them continued success in facing the challenges ahead for our community.●

HELPING STATE VETERANS HOMES

HON. JOHN R. McKERNAN, JR.

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. McKERNAN. Mr. Speaker, today I am intoducing legislation designed to correct a problem facing Medicaid-certified State veterans' homes. Passage of this legislation will help these nursing homes, such as the Maine Veterans Home, to make full and proper use of the funds Congress has authorized for the benefit of veterans.

The problem these veterans' homes are facing stems from the treatment of the per diem payments made to the homes by the Veterans' Administration under section 641 of title 38, United States Code. The General Counsel of the U.S. Department of Health and Human Services has ruled, in an opinion requested by the Maine congressional delegation, that the per diem payments paid to veterans' homes must be treated as third-party liability payments, and, therefore, must be offset against Medicaid payments due to the homes. In other words, the VA per diem payments are of no benefit to those homes with Medicaid patients, since Medicaid payments are reduced by an amount equal to the VA stipend.

I do not believe that it is the intention of Congress, in authorizing the VA per diem payments, to have those funds simply replace Medicaid money. The VA payments are for the improvement in the quality of care for veterans. As long as the current legal requirement that the payments be treated as a third-party liability remains, there will be no choice as to the treatment of the payments by the States and the homes—the payments will simply offset Medicaid funds.

The legislation I am introducing today will resolve this situation by stating that the VA per diem payments shall not be treated as third party liability payments for Medicaid purposes. Under this legislation, States would not be required to reduce Medicaid payments to veterans' homes by the amount of the VA stipend. These homes would then be able to use these funds for the full benefit of their veterans.

As our Nation's veterans population grows older, we must take adequate steps to provide for their care. According to the VA report, "Caring for the Older Veteran," the VA will need to provide extended care capacity for at least 63,000 veterans in 1990 and 97,000 in 2000. This compares to an estimated average of 40,000 veterans in fiscal year 1985.

The system of State veterans' homes is an essential element in the provision of long-term care, and a key part of Federal support for these nursing homes is the VA per diem payment. By Congress passing legislation I am introducing, we can demonstrate that we will continue to give our full support to these homes.

I urge my colleagues to support this important legislation on behalf of our Nation's elderly veterans.●

WHY BOYCOTT JUST GRAPES?

HON. RICHARD H. LEHMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. LEHMAN of California. Mr. Speaker, today the United Farm Workers of America announced the expansion of their ill-conceived and counterproductive boycott of California table grapes.

What Congressmen, concerned citizens, and consumers should know is that the union, by it's own admission, has no legitimate complaint against the farmers it now seeks to destroy.

The union acknowledges that their complaint is against the Governor of California, George Deukmejian, and his appointees to the State Agricultural Labor Relations Board. They say he has stacked the board against them.

This haggling is nothing new. For 6 years the growers made the same allegation against Governor Brown, who stacked the board in favor of the UFW.

If the UFW wants to oppose Governor Deukmejian and his policies then they should do so in an upfront, straightforward manner. Boycotting thousands of family farmers will not change the Governors mind. It will only make farmers less willing to sign contracts with an organization more interested in destroying them, than in bettering their union's position.

One final point to demonstrate the flawed logic of this selective boycott. Why boycott just grapes? We grow hundreds of handpicked crops in California, but the UFW has chosen to punish only one group of farmers for the Governor's actions.●

CEASE FIRE

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. DASCHLE. Mr. Speaker, on July 16, LANE EVANS, chairman of the Vietnam Era Veterans in Congress Caucus and I hosted a premier screening of "Cease Fire" for members of the caucus, the House and Senate Veterans' Affairs Committees and their staffs.

"Cease Fire" is a motion picture that realistically depicts the agonizing and destructive effects that combat and war can have on those who defend our freedoms.

Set 15 years following the return of a Vietnam veteran, "Cease Fire" focuses on the problems, remembrances, and tragedies of one man trying to survive his combat experiences.

It's a powerfully moving film and we recommend that everyone take the opportunity to see this movie when it is released later this fall. It is not a film about the rightness or the wrongness of the Vietnam conflict. It is not a film about the comic strip heroics of a fictional character. But instead, it is an exploration of the difficulties so many of our veterans face following their return home from war. It's a film that should be seen by veterans—to help them cope. It's a film that should be seen by everyone—to help them understand.

"Cease Fire" was written and coproduced by George Fernandez, a Vietnam veteran, and is based on his stage play "Vietnam Trilogy." It's haunting. It's real. And it should be seen by each of us—to help us remember the job we, as Members of Congress, have to do.●

PAN-AMERICAN GAMES

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. THOMAS of California. Mr. Speaker, with the approach of the 10th Quadrennial Pan-American Games in August 1987, we look forward to an event in which the 37 nations of the Western Hemisphere come together in a spirit of cooperation and competition. The games, which are to be held in Indianapolis will be hosted by the United States for the first time in 30 years. It will be an important athletic and cultural event and many people have come together to ensure the smooth and efficient operation of the games.

Legislation was recently introduced to allow the duty-free entry of the personal effects, equipment, and other re-

lated articles of participants, officials, and other accredited members of the delegations (H.R. 2723). This legislation, which is supported by the U.S. Customs Service, will greatly expedite the entry of participants through a portion of the Customs clearance process. There is another portion of the Federal inspection, however, which cannot be waived for participants of the Pan-American Games or any other individual entering the United States—agricultural inspection.

The U.S. Department of Agriculture's Animal and Plant Health Inspection Service [APHIS] inspects incoming passengers, baggage, and cargo at ports of entry to prevent the introduction of pests and diseases that could seriously damage the agricultural industry. Recent episodes with costly diseases such as citrus canker and avian influenza demonstrate the pressing need to provide adequate inspections to exclude such diseases.

Many of the participants in the Pan-American Games will want to bring familiar foods for their stay, and some of these foods could be the bearers of agricultural pests and diseases. In addition, equestrian events will require the inspection and quarantine of any horses entering the country. APHIS was fully involved in the Olympic Games in Los Angeles, and they stand prepared once again. They are ready to cooperate in every way possible with the organizing officials to provide advance information and to arrange expedited clearance procedures consistent with their mission of protecting American agriculture.●

OUTSTANDING CASEWORKER

HON. GENE CHAPPIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. CHAPPIE. Mr. Speaker, today I want to bring to the attention of the House an individual who deserves special recognition because of her 4½ years of public service on behalf of northern Californians. Her name is Jane Winston Rogers, and today is her last day as a caseworker in my Chico office.

Her coworkers and I will miss her, not only because she has done such an outstanding job for the people of northern California, but also because we've really enjoyed working with her.

It takes a special person to be a good caseworker, and Jane is one of the best. Good caseworkers are compassionate and caring. They're also persistent, efficient, and tough when they need to be. They work long hours, often without receiving the recognition and praise they deserve.

In the 4½ years Jane has worked as a caseworker, she's handled every type of case that is referred to a congressional office. She's solved Social Security and Medicare claim problems for senior citizens. She's helped disabled veterans who weren't receiving their veterans' disability checks, and assisted those who had trouble with the Immigration and Naturalization Service and the Internal Revenue Service. She's been a sounding board for the frustrated and a source of comfort for those tangled up in the Federal Government's bureaucracy.

Over the years, her hard work hasn't gone unnoticed. Last month, the regional commissioner for the Social Security Administration made a special trip to the Chico office to present Jane with a certificate of commendation for her work on behalf of Social Security recipients. I've also received many letters of appreciation from those helped by Jane. I'd like to share the contents of one of those letters with you from a Lewiston man who wrote, "I would also like to thank your very capable coworker, Jane Rogers, who spent quite a lot of time on my case and who was very pleasant and understanding even when I thought that I was being a pest."

I know I speak for many northern Californians when I wish Jane the best of luck in her new career and thank her for her outstanding service to the State. She won't be easy to replace, and she certainly won't be forgotten.●

PERSONAL EXPLANATION

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. DANNEMEYER. Mr. Speaker, due to prior commitments in my congressional district, I was not present for the end of the session on July 25, in which I missed one vote, and the session on July 26, in which I missed four rollcall votes. Had I been present I would have voted:

JULY 25

"Aye" on House Joint Resolution 187, the Compact of Free Association, which was amended by a compromise substitute amendment.

JULY 26

"Aye" on the motion to approve the Journal proceedings of the previous day.

"Nay" on House Resolution 236 to waive certain points of order against consideration of H.R. 3036.

"Nay" on the Nelson substitute amendment which would moderately decrease the levels of spending for allowances and office staff for former Presidents.

"Aye" on the Jacobs amendment to reduce the appropriation for allowances and office staff for former Presidents.●

CROPS DESTROYED BY CRICKETS AND GRASSHOPPERS

HON. LARRY E. CRAIG

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. CRAIG. Mr. Speaker, as many of you have heard over the past several months, millions of grasshoppers and crickets have ravaged the Federal rangelands of the West and have destroyed millions of dollars' worth of private croplands. Today I am introducing legislation to protect Western and Midwestern States from these crop damaging pests. My bill would provide for the expenditure or transfer of funds by the Secretary of the Interior to the Secretary of Agriculture for the emergency prevention, supression, control, or eradication of grasshoppers or crickets on public lands.

In the past, emergency measures have been taken but only to come up with too little too late for many farmers and ranchers who have been economically devastated. This bill would make available to the Secretary of the Interior funds for obligation incurred on Federal lands subject to the jurisdiction of the Secretary of the Interior during the preceding fiscal year.

This is not a Government program but merely asks that the Government be responsible neighbors on those areas where public and private land adjoin. In 1985 alone, over 6 million acres were sprayed in my home State of Idaho. And yet, crop losses will still range in the millions due to the lack of an adequate system of pest control on public rangeland.

Colleagues of the House, join me in sponsoring this legislation to see that the Federal Government fulfills its responsibilities of a landowner and help rid the American farmer and rancher of these devastating losses.●

REFLECTIONS ON THE HELSINKI ACCORDS

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. GARCIA. Mr. Speaker, yesterday I inserted in the RECORD excerpts from a report published by the North Atlantic Assembly's Committee on Civilian Affairs on the "Implementation of the Humanitarian Commitments Entered into at the CSCE." Today I would like to share with my colleagues two articles on the Helsinki accords. One is from the July 25 edition of the

Christian Science Monitor. The other is from today's Washington Post.

I believe that both articles present a balanced and informative account of the Helsinki accords: its successes, its failures. I hope that my colleagues will take time to look at these articles, particularly during this week which marks the 10th anniversary of the Final Act of the Conference on Security in Europe—more commonly known as the Helsinki accords.

The articles follow:

[From the Washington Post, July 31, 1985]

HELSINKI REVISITED

In Helsinki, 35 governments are attending the 10th anniversary of the Helsinki agreement, and most of the democratic governments there are wondering why. For the West, the whole appeal of the 1975 agreement was that it made the Soviet bloc's commitment to human rights, heretofore regarded by bloc countries strictly as their internal affair, open to international review. The West dutifully demanded that these countries respect their new commitment, but most of the countries, and most of all the Soviet Union, refused. In some cases, the Russians perhaps got nastier than they otherwise might have been—hard as that is to imagine—in order to spite those leveling the human-rights demands.

So no one is enthusiastic about Helsinki, but all the original signers seem to be there, including those that are least enthusiastic. There are three good, if modest, reasons. Helsnki is a way for those who care in the West to keep faith with the victims of state repression in the East; these people are not only brave but also lonely—if they cannot have relief, they crave not to be forgotten. The agreement allows Westerners an opening to put a certain pressure for human rights on Eastern governments. And it lets East European governments so inclined—and all of them are at least mildly inclined from time to time—to distinguish their human-rights style from the well-oiled despotism practiced by the Soviet regime.

The painful question remains of what the West can do to reach into the Soviet Union and nurse the cause of human rights there—to do so effectively and not just for show, and to do so without seriously undercutting other substantial Western interests.

Here Western impulse, pointing toward intervention, vies with Western experience, which counsels not neglect but care. In raw East-West times, things get worse, but in easier East-West times they do not necessarily get better, or stay better. "Human rights" in the Western sense is in the Soviet sense a code word for challenge to the communist system. Western governments know this, although not all well-meaning Western individuals take it into account. The Soviet government can be shamed, but its capacity to resist shame is strong. This distinguishes it from East Europe, which shares in the Western humanistic tradition. All this is the bitter lesson of Helsinki.

[From the Christian Science Monitor, July 25, 1985]

WHAT YOU NEED TO KNOW ABOUT THE HELSINKI ACCORDS

(By Charlotte Saikowski)

Helsinki is getting ready for a giant birthday party.

Foreign ministers of 35 states will gather in the capital of Finland Aug. 1 to commemorate the 10th anniversary of the Final Act of the Conference on Security and Cooperation in Europe (CSCE). The act was signed in Helsinki in 1975 by the United States, Canada, the Soviet Union, and all the nations of Eastern and Western Europe except Albania.

The Helsinki event calls attention to one of the most unusual forums for East-West dialogue. Under the "Helsinki accords," as the Final Act is commonly called, the 35 member states, including neutral and nonaligned nations like Finland and Yugoslavia, gather periodically to review progress toward the goal of easing East-West tensions and promoting cooperation.

Public interest tends to focus on one aspect of the accords: human rights. This is because dissidents in the Soviet Union and East European countries invoke the accords when pressing for greater freedom—and because the West holds Moscow's feet to the fire on human rights violations.

But the Final Act is not only a declaration on human rights. It is a carefully balanced package of principles designed to provide a framework for improving cooperation in many areas, including military security, trade, science, technology, environment, culture, and education.

Although set out like an international agreement, the Final Act does not have legal status and there is no mechanism to enforce it. It is in fact a political rather than a legal undertaking.

A brief history explains why.

The idea was first broached by the Soviet Union in 1954. Because no peace conference followed the end of World War II, the Soviets saw a security conference as a kind of substitute peace treaty to seal the division of Europe and legitimize their wartime gains, including absorption of the Baltic states and the communization of Eastern Europe. The West European nations initially rejected the proposal as an effort to endorse Soviet hegemony over Eastern Europe and exclude the US from European affairs.

But a decade and a half later the European scene had appreciably changed. West Germany had concluded a series of treaties with its eastern neighbors enshrining the postwar borders. An era of détente began to emerge in East-West relations.

The Western nations agreed to explore the possibilities for a European security conference on three conditions: that the status of Berlin is regularized and separate talks to reduce conventional forces in Europe held simultaneously; that the US and Canada also take part; and that "European security" is broadened to include humanitarian concerns.

After three years of negotiation, the Western concept largely prevailed. Moscow had yielded in order to get the conference.

When the Final Act was finally signed, critics cried that the West had sold out to the Soviets. Many scorned it as a collection of wordy declarations. The Americans were ambivalent. Only idealists suggested it marked the beginning of a new era in East-West relations.

Today the optimists are disappointed. But many who criticized it now see its value as a political vehicle to pressure the Soviet-bloc countries to reform human rights practices and liberalize authoritarian systems. The US in particular has become an enthusiastic participant.

From Moscow's standpoint, the Helsinki accords provide tacit European and American acceptance of its wartime territorial acquisitions. But, while the document recognizes the "inviolability" of frontiers, it also says that the frontiers can be changed peacefully by mutual consent. In the Western view, therefore, the document does not freeze the borders of Europe.

Moreover, the term "inviolability" applies to East European frontiers as well. It thus challenges the so-called "Brezhnev doctrine" of limited sovereignty under which Moscow claims the right to intervene in bloc countries to preserve socialism (as it did in Czchoslovakia in 1968).

Helsinki has also provided the Soviets with a forum to press for European disarmament and the end of restrictions on trade with the West. But it has not realized the expected gains from the accords.

A major result of the Helsinki agreement has been the proliferation of informal groups in Eastern Europe to monitor compliance with the human rights provisions. Dozens of groups representing minorities and other dissidents have sprung up to gather evidence and write reports.

The most famous of these has been the "Moscow group" of intellectuals led by Yuri Orlov, Andrei Sakharov, and Anatoly Shcharansky a group now brutally disbanded. Helsinki also inspired such activity in Eastern Europe as Charter 77, a human rights manifesto and civil rights movement in Czechoslovakia.

In the West, too, there is monitoring activity. A special CSCE commission composed of representatives of Congress and the administration—the "Helsinki Commission"—functions in the US. Britian has a similar body. Many ethnic and private human rights groups also keep up pressure on signatory governments to hold the Soviet-bloc countries accountable for human rights violations.

Is it worth it?

Ten years after signing the Helsinki Final Act, no one can claim that the Helsinki process has ushered in a millennium in East-West relations. On the contrary, only limited progress can be recorded.

The Soviets have not changed their behavior in a substantial way. They have allowed some reunification of families, allowed more emigration, and improved conditions for foreign journalists. But progress falls far short of Helsinki standards.

The Soviet Union remains an oppressive society that denies political and economic freedom. Today the dissident community is shattered.

The Warsaw Pact nations have observed the compulsory provisions on prior notification of major military maneuvers. There is somewhat greater openness about military activities, including voluntary exchange of observers at exercises. But it has been difficult to extend "confidence building" measures.

The Helsinki process has stimulated activity in the UN Economic Commission for Europe. Scientific and economic cooperation took a leap in the late 1970s. Some East European states, such as Hungary, have improved facilities for Western businessmen.

But improvements have been spotty. Trade, in any case, declined in he 1980s because of the debt problems of Eastern Europe and recession in the West.

Despite disappointments over the Helsinki process, many believe it is a net plus for the West. They see it as a worthwhile forum in which to spotlight rights violations in the Soviet bloc, relate human rights to cooperation among states, mobilize world opinion, and give moral support to the repressed.

"We are really at the beginning of the history of a new process not only under the Helsinki accords but at the UN," Says Richard Schifter, US envoy to the recent Ottawa experts conference. "We have not been in the habit of commenting on violations of human rights in other countries—in Hitler's and Stalin's time, for example. Only 25 years from now will we be able to determine whether we are at the beginning of an era in which these concepts did take hold and states looked on the actions of other countries and caused them to change their behavior."

Certainly the Soviet leadership can no longer avoid discussion of its "internal affairs." It may sit impassively at Helsinki meetings. It may stonewall efforts to improve agreements or implement them. But the efforts are nonetheless there.

"Helsinki was never seen as a magic lever that would change the Soviet totalitarian dictatorship," says a State Department official. "But one mustn't overlook the impact in Eastern Europe. Even Romania has allowed a massive emigration of Jews."

Says Jeri Laber of the New York-based Helsinki Watch group. "At least the Soviets come to talk and sometime it's the only forum where East-West relations are raised and they have taken a lot of abuse without walking out."

In the eyes of some diplomatic experts, the most important benefit of Helsinki is its positive, unifying effect on the countries of Western Europe, the US, and the neutrals. Whatever the differences among them, they come together on high ground that shows what differentiates them from Soviet-bloc societies. And even nondissidents and governments in Eastern Europe, which would like to have more independence from the Soviet Union, quietly welcome the process.

"The high ground is an attractive high ground even to many whose circumstances are beyond their control on the other side of the fence," says Mark Garrison, director of the Center for Foreign Policy Development at Brown University. "It's an especially useful operation because it's not threatening in any way and encourages them to try to join us if possible on the high ground."

Frustrated over slow progress, many Soviet emigres favor repealing the Helsinki accords, but Western groups do not think withdrawal from the process is desirable.

"The first reason is we lose the best international forum in which to hold them to account for their violations of human rights," says Sen. Alfonse M. D'Amato (R) of New York, chairman of the US Helsinki Commission.

"Where else could we have so isolated the Soviet Union that its responses to our litany of human tragedy, enforced at the hands of Soviet officials, were confined to poorly crafted attacks on US employment, homelessness, discrimination, and medical care problems?"

Also, Senator D'Amato says Moscow would like to see the US withdraw from the Stockholm disarmament conference, leaving itself and the Europeans.

In the opinion of some diplomats, the Stockholm conference—if it ultimatly produces the desired military confidence-building measures—may prove to be the most valuable aspect of Helsinki, reducing the risk of war in Europe.

Comments William Schinn, a former United States State Department official: "We have observers at many Soviet exercises. That has helped heighten confidence and taken away some of the mystery."

One Decade Since the Final Act

1975—The Helsinki Final Act was signed by 35 states of Eastern and Western Europe after three years of negotiations.

1978—The first follow-up conference ended in Belgrade, Yugoslavia. The five-month meeting, attended by 140 delegates, was difficult. It produced only a short document, recording that different views were expressed on the degree to which the Final Act had been carried out and that consensus was not reached on a number of proposals submitted.

Nonetheless, the Soviets could not avoid talking about the suppression of freedom. The conference also gave the East Europeans leverage against Moscow. When the US and West Europeans criticized the Soviet arrest of three prominent dissidents—and Moscow threatened to walk out—the Poles, Romanians, and Hungarians refused to join the Soviets in a vote condemning such criticism as interference in their internal affairs.

1980—The Madrid conference was convened. This second review meeting was suspended for nine months in 1982 in response to the imposition of martial law in Poland. But it resumed, concluding in 1983.

Discussions focused almost entirely on human rights. An agreement was reached that did not go as far as Western members wished but that strengthened the Helsinki process by adding or bolstering language to: ensure the right of workers to organize; speed family reunification; strengthen religious freedom; condemn and supress terrorism; improve conditions for journalists; expand access of private citizens to foreign diplomatic missions.

Under the Madrid agreement, the "zone of applicability" of any such measures will apply to the entire European portion of the Soviet Union, right up to the Ural Mountains, instead of the 250 kilomter-wide band set at Helsinki.

1984—A conference on European military security was convened in Stockholm to develop confidence-and-security-building measures with a view to reducing the risk of military confrontation. It is scheduled to resume in September.

The NATO nations have on the table a package of military measures, including an exchange of annual forecasts of planned military maneuvers and the presence of observers at military exercises. The Soviets are pushing the idea of nonfirst use of nuclear weapons.

1984—A two-week seminar in Venice, Italy, on economic, scientific, and cultural cooperation in the Mediterranean.

1985—A human rights experts meeting was held in Ottawa, Canada. The Soviets refused to engage in substantive preliminary talks and the six-week meeting itself yielded no final document. The Western countries tabled a series of proposals aimed at making the Helsinki provisions more specific.

1985—A six week Cultural Forum attended by leading cultural figures will be held in Budapest, Hungary, in October. It will consider an expansion of cultural exchanges.

1986—A meeting on human contacts—family reunifications and visits, travel, binational marriages—will be held in Bern, Switzerland, in April.

1986—A third major review conference will begin in Vienna in November.

The Three Baskets of Helsinki

The Helsinki Final Act has three basic sections or "baskets," as they came to be known when participants threw in proposals during the negotiations.

Basket I contains the principles guiding relations between states that are defined in the United Nations Charter: respect for sovereignty, nonuse of force, inviolability of frontiers, nonintervention in the internal affairs of other countries, respect for human rights and fundamental freedoms, self-determination, and fulfillment of obligations under international law.

This basket also contains military "confidence building" measures, including the prior notification and the exchange of observers during major military exercises.

Basket II calls for cooperation in economics, science, technology, and the environment.

Basket III deals with cooperation in humanitarian and other fields, including freer movement of people and information, cross-border marriages and family reunification, and educational and cultural exchanges.

The Final Act also calls for periodic review conferences to evaluate implementation of the accord and take up new proposals. It designated that the first conference be held in Belgrade in 1977.●

SCOUTS IN SEEKONK, MA, AREA RECEIVE DISTINGUISHED AWARD

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. FRANK. Mr. Speaker, one of the most impressive programs for young people that I have encountered in my time in Congress is the Duke of Edinburgh Scouting project supervised by Dr. Albert Roy of Seekonk. Dr. Roy's dedication to providing the best possible experience for young people has redounded greatly to the benefit of the young people of the Seeknok area.

I was privileged some time ago to participate in a ceremony at the British Embassy in which the British Ambassador presented Duke of Edinburgh awards to deserving Scouts. Recently, through the great organizational efforts of Dr. Roy and the help of a lot of parents and others in Seekonk, a group of young people went to Scotland to receive their medals from Prince Philip.

I want to salute Dr. Roy for his skill and enthusiasm with which he guides this program. The young people of Seekonk are very lucky to have his support. And I want also to express my admiration for the young people who have participated in the program and have lived up to the high standards embodied by the Duke of Edinburgh awards.

Seekonk Scouts Hailed by Royalty

SEEKONK—For the second consecutive year, scouts of Troop 3 have received gold Duke of Edinburgh medals from Prince Philip at Holyroodhouse Palace in Edinburgh, Scotland.

The presentation was the culmination of a three-year project by Bill Crowley of Scott

Road and Russell Humphrey of Howland Street.

Fiona Lubbock, now of Beckley, West Virginia also received her gold award from the prince. She is the only female member of the Seekonk awards group.

Assisting Prince Philip in the awards ceremony was Sandra Whittaker, who was a member of Britain's 1984 Olympic track team and holds the Scottish record for 200 meters. She later chatted with Seekonk's Crowley, who is a nationally ranked miler.

The highest British awards for excellence in youth, the Edinburgh awards were established 30 years ago and are issued in 40 countries of the British commonwealth, from Australia to Zimbabwe.

The Seekonk scouts are the only Americans involved in the program. Special permission was arranged by having the troop attached to Bermuda for administrative purposes. This is the 11th year of Troop 3's participation.

Meanwhile, three scouts from Rhode Island, two from Connecticut and three from Michigan are being guided through the program by Dr. Albert Roy of West Avenue, Seekonk, American administrator for the awards.●

CUPIDITY IN THE PHILIPPINES

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. BEREUTER. Mr. Speaker, I would like to commend to my colleagues' review a recent editorial in the Washington Times of July 25, 1985. Indeed, if we want to avoid battling over funding for Philippine "contras" in a few years, we need to begin now to assist in assuring a democratic successor to the Marcos regime. I certainly hope we can learn and avoid the mistakes made elsewhere by our inaction and the perceptions of our policies and views of the world. Too often, the first steps toward democracy are taken when nations are already too deeply polarized.

The United States can be a strong, positive force in assisting the further development of democracy in the Philippines. Today, as this editorial concludes, democratic government in the Philippines is indispensible and still possible. Hopefully, it will not soon be too late.

CUPIDITY IN THE PHILIPPINES

The Philippines are about to be promoted from problem to crisis. Unless we want to endure, five years hence, House debates on whether to fund Filipino "contras," we had best concern ourselves now with assisting a smooth post-Marcos transition.

This is manifestly our business, as the Philippines' ally and in view of the increasing Soviet naval presence in the Pacific. A high Pentagon official told columnist Cord Meyer recently that if a new regime in the Philippines turned Clark Field and Subic Bay over to Soviet use, "the balance of power in the Pacific would be reversed." Do not doubt it.

The corruption of the Marcos regime has combined with nationalism to galvanize the extreme opposition to President Marcos. For no other reason than the brutality of the police and army that are trying to stamp it out even a brutal Communist insurgency—the New Peoples' Army—has been gaining support in the countryside.

President Marcos still subjects himself to elections of sorts (his present term is up in 1987) and in spite of political and medical problems, he plans to run again. The thrust of American diplomacy should be to deter him and also his ridiculous wife, Imelda. Mr. Marcos has made important contributions to Filipino national destiny. Now he can serve his country best by allowing a mechanism of succession to take shape, with power passing to genuine moderates—those, for example, who belong to the reform group within the government called "We Belong."

The National Endowment for Democracy, an independent agency funded by the U.S. government, has been easing the way for peaceful change in the Philippines by aiding indigenous non-Communist reform movements and labor unions. The Soviet Union, through the World Federation of Trade Unions, never ceases trying to infiltrate and co-opt the labor movement and has been active throughout non-Communist Asia. The NED has been countering this activity through the AFL-CIO's Free Trade Union Institute.

But this effort has itself been a source of criticism, e.g., an article in last Sunday's San Francisco Chronicle implying something covert about this aid (not true). The article leaned heavily on an interview with Filipino Sen. Jose Diokno, who has repeatedly called for an end to all U.S. involvement in his country.

Achieving a democratic future for the Philippines is difficult, but indispensable.●

BASEBALL IN THE DISTRICT OF COLUMBIA

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. WOLF. Mr. Speaker, on June 21, 1985, over 75 of our colleagues—including Representatives STAN PARRIS of Virginia, MICHAEL BARNES of Maryland, STENY HOYER of Maryland and Delegate WALTER FAUNTROY of the District of Columbia—joined me in writing Baseball Commissioner Peter V. Ueberroth urging him to let major league team owners know of our support for the return of major league baseball to Washington, DC. Our letter was written to add support to the efforts of the D.C. Baseball Commission, a group formed by the District of Columbia government to promote the city as a site for a major league team.

On July 29, 1985, I received a letter of response from Commissioner Ueberroth, and I would like to share both letters with Members of the House.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, June 21, 1985.

PETER V. UEBERROTH,
Commissioner of Baseball, New York, NY.

DEAR COMMISSIONER UEBERROTH: While most of us are only part-time residents of the Washington, D.C., metropolitan area, we want you to know of our strong support for bringing major league baseball back to the Nation's Capitol.

You may be assured that we are aware of your understandable view that grassroots and not just political backing should be the gauge by which demonstration of support for a team can best be measured in a community. We don't believe, however, that the two are mutually exclusive. So, as grassroots baseball fans—who also happen to be Members of Congress—we urge you to make major league baseball owners aware of our deep commitment to the placement of an expansion franchise in Washington, D.C.

As you well know, the D.C. Baseball Commission has initiated a season ticket drive and provided excellent factual documentation on the reason why the Washington, D.C., metropolitan area deserves one of the new baseball franchises. But beyond the raw numbers of population and buying power and beyond the factors of the vigorous D.C. summer tourist business and excellent public transportation network, we believe that baseball—so much a part of the fabric of American life—should also be part of daily life in Washington, D.C. Many of us grew up with major league baseball and we believe that the people of this area—especially our young people, whose lives can be enriched growing up with the game's sights and sounds—deserve a team.

A famous baseball announcer once said, "There is nothing so truly American as hitting one out of the ballpark." The home runs in this town too often come from a president scoring a political triumph or from a committee chairman steering through an important legislative victory. They should really come from the crack of the bat of a young outfielder or the long, lazy swing of an aging first baseman.

Along with the rest of this great metropolitan area, we miss those real home runs, Mr. Commissioner. Let the owners know—we would like to see baseball back in D.C.

Sincerely,

FRANK R. WOLF,
STAN PARRIS,
WALTER E. FAUNTROY,
MICHAEL D. BARNES,
STENY H. HOYER.

Other signees are:

Guy Vander Jagt, Frank Horton, Melvin Price, Mickey Leland, Henry B. Gonzalez, Norman D. Dicks, William F. Goodling, Stan Ludine, Thomas J. Downey, Bill Green,

Thomas J. Manton, Silvio O. Conte, Daniel K. Akaka, Martin Frost, Dan Burton, John J. Duncan, Kenneth J. Gray, Dan Daniel, Charles Wilson, Frederick C. Boucher,

Thomas J. Bliley, Jr., Harold L. Volkmer, Carl C. Perkins, George C. Wortley, Mike Synar, Norman Sisisky, Howard L. Berman, James M. Jeffords, Dan Lungren, G. William Whitehurst,

Stephen L. Neal, Berkley Bedell, Carl D. Pursell, Bob McEwen, Robert J. Mrazek, Don Sundquist, Steve Gunderson, Barbara F. Vucanovich, Robert Garcia, Arlan Stangeland,

Michael DeWine, Dan Coats, Michael G. Oxley, Harold Rogers, Robert Walker, Ronald V. Dellums, Augustus F. Hawkins, Howard Wolpe, Joseph J. DioGuardi, Robert Lindsay Thomas,

Roy Dyson, Edward J. Markey, Jim Moody, Vic Fazio, Albert G. Bustamante, Dennis E. Eckart, Nancy L. Johnson, Robert H. Michel, Robin Tallon, William M. Thomas,

Bill Chappell, Jr., Robert A. Young, David E. Bonior, Thomas M. Foglietta, Gerry E. Studds, Martin O. Sabo, Bill Emerson, Mario Biaggi, Matthew G. Martinez, Beau Boulter, Pat Williams.

BASEBALL,
OFFICE OF THE COMMISSIONER,
New York, NY, July 24, 1985.

Hon. FRANK D. WOLF,
U.S. House of Representatives, Washington, DC.

DEAR REPRESENTATIVE WOLF: Thank you very much for the letter in which you joined with a number of your colleagues to urge that Major League Baseball be returned to Washington. I recognize the support that exists for Baseball in Washington, and understand your interest in bringing the National Pastime to the Nation's Capital.

It is my expectation that expansion is likely in the next several years, something that I have indicated in testimony submitted earlier this year in the House and Senate. Moreover, it is clear that Washington is a major contender for an expansion franchise.

As your letter suggests, the final decision on expansion and the location of expansion franchises is left to the owners of the existing 26 Major League Clubs, and I shall make certain—as you and your colleagues requested—that the owners know of your views.

Again, thank you for writing. Best wishes.

Sincerely,

PETER V. UEBERROTH,
Commissioner.●

NAIROBI CONFERENCE MARKS CLOSE OF U.N. DECADE ON WOMEN

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mrs. SCHNEIDER. Mr. Speaker, the recently concluded U.N. Decade for Women Conference in Nairobi, Kenya, endorsed all the principles regarding the role and status of women recommended at the 1984 International Conference of Population in Mexico City. All these were included in a forward-looking strategy adopted at the conclusion of the meeting in the early hours of July 27, 1985.

What amazed me about this important women's conference were the many reports of significant progress being made in developing countries regarding family planning services and education, as well as the desire to implement more such advances. There is little doubt that many Third World governments seriously concerned about the population explosion in their countries, realize the necessity of these types of programs.

Particularly, I was very pleased to hear about the high level of commitment and support that the people of Kenya express in favor of improving access to family planning. Individuals would stop on the street during my visit to the conference and give me encouragement, telling me that they admired the work we were trying to accomplish on behalf of women who want to determine family size and the spacing of their children.

This situtation was made clear in a cogent article written by Werner Fornos, president of the Population Institute, which appeared in the Standard of Nairobi. I provide the article for your attention.

[From Nairobi, Kenya, July 18, 1985]

WOMEN MUST BE FREE TO DECIDE ON FAMILY "POPULATION SEVERE PROBLEM"

(By Werner Fornos)

At the conclusion of the United Nations Decade for Women there must be a universal resolve to promote and extend the rights of women and none were more significant than the fundamental human right of reproductive freedom.

Article 13 of the 1984 Mexico City Declaration on Population and Development, signed by the official representatives of 147 nations, focused on the very crux of a severe and expanding global problem.

"By the year 2000 some 1.6 billion women will be of childbearing age, 1.3 billion of them in developing countries. Major efforts must be made now to ensure that couples and individuals can exercise their basic human right to decide freely responsibly, and without coercion, the number and spacing of their children and to have the information, education and means to do so".

One-third of the mothers in the developing world did not want their last pregnancy, according to the World Fertility Survey, the largest social science research project ever undertaken. About one-quarter said their actual family size was higher than their desired family size.

Family planning services, supported by adequate information and education, offer a viable solution to this enormous dilemma and have been shown to contribute substantially to the health of mothers and children and to the quality of life.

Yet 400 million couples in the developing world who need and want such services are deprived of them due to lack of funding.

TRAGIC NUMBERS

This huge chasm between need and fulfillment all too frequently results in tragically high numbers of maternal and infant deaths attributable to such factors as malnourishment, dangerously short intervals between pregnancies, and mother giving birth too early or too late in life.

Twenty five million women worldwide suffer serious illness or complications every year during pregnancy and childbirth. Eleven million of the 133 million babies born every year will not reach their first birthday.

In Africa and Asia, half a million women die every year from maternal causes, leaving behind one million orphans. In some African countries a woman may have to give birth to six children to assure the survival of one son.

Family planning is the first line of defence against unwanted pregnancies, which have indeed reached epidemic proportions worldwide.

Today there are two abortions in the world for every five births. One woman dies every three minutes of complications resulting from septic abortion. And illegal abortion is the leading killer of women between the ages of 15 and 39 in Latin America, and a major cause of maternal mortality in Asia and Africa.

Women everywhere must have nothing less than full equality with men and the opportunity to succeed in all human endeavours on the basis of their ability alone. Gender should be neither a handicap nor an advantage. But before sex discrimination can be given a long overdue burial, it is essential that all women be able to voluntarily and responsibly make the most personal decisions governing their lives.

The current Nairobi conference signalling the end of the U.N. Decade for Women must not fail to address this crucial issue as it works out a forward-looking strategy in the best interests of women of the world and humanity itself.

The Population Institute is the world's largest private organization dedicated to bringing the world's resources and its population into a more equitable balance.●

THE WAGNER ACT AT 50

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. CLAY. Mr. Speaker, I would like to bring to the attention of my colleagues an editorial concerning the 50th anniversary of the Wagner Act. The editorial, from my hometown newspaper, The St. Louis Post-Dispatch, points out what is all too obvious, the National Labor Relations Act no longer protects the rights of workers to engage in and benefit from collective bargaining. I especially commend the last paragraph to my colleagues' attention:

In shaping the institutions that will govern future labor-management relations, unions must play a vital role. Fifty years after the Wagner Act, though, their legal standing is in peril. On this anniversary, the recognition that unions may well vanish should be sufficient to spark efforts to ensure that they don't.

I commend the following to the attention of the Members:

[From the St. Louis Post Dispatch, July 18, 1985]

THE WAGNER ACT AT 50

It's been 50 years since passage of the National Labor Relations Act, which, better known as the Wagner Act, is the set of laws that gave legal standing to labor unions. Thanks to this act—and only this act—unions have been able to fight for the sort of benefits that set the standards that nearly all employers, union or otherwise, have been forced to acknowledge and respect.

"But apart from past achievements, there is little to celebrate on this golden anniversary. In the last few years, labor has taken a

beating. Instead of helping fend off the blows, as strict compliance with the Wagner Act would require, the administration instead has installed as enforcers of this law people who strive for its sabotage. Time and again, the National Labor Relations Board has mined the foundations of strong unions. The fact that the Supreme Court last month upheld one of its most egregious decisions—forbidding unions from pursuing sanctions against members who quit during strikes—would appear to set the NLRB's decisions in granite.

The Occupational Safety and Health Administration, charged with ensuring safety at the workplace, has repeatedly failed to follow up on worker complaints, has dropped the number and frequency of unannounced workplace inspections, and has unapologetically sided with management in deciding what shall and shall not be deemed workplace hazards.

There is little room for optimism in assessing labor's future. Congress has passed legislation exempting companies awarded certain defense contracts from compliance with the Davis-Bacon Act. More and more U.S. manufacturers are relocating plants in countries such as South Korea, where labor is extremely cheap and unions (to say nothing of strikes) are outlawed. Fewer and fewer American workers belong to unions, and even those who do are seeing benefits cut and wages frozen. Tiered wage scales, unthinkable in the past, are becoming common.

In this bleak scenario, what is required? AFL-CIO President Lane Kirkland, in an interview last August with The Wall Street Journal, called federal labor laws a "dead letter" and suggested workers might be "better off with the law of the jungle." He might be on to something. The face of the U.S. work force has changed dramatically in the last five decades. Blue-collar workers account now for less than a third of the working population. More women are working than ever before, and the impact that this change has on society, forcing the development of new approaches to family-rearing, is profound and lasting.

It is clear that new structures must be developed to address new needs, for the contract, written or implied, that exists between labor and business will wither in the absence of fair, reasonable and realistic expectations each party to the contract can make of the other. It is just as clear that such guidance as is needed is likely not to come from government any time soon.

In shaping the institutions that will govern future labor-management relations, unions must play a vital role. Fifty years after the Wagner Act, though, their legal standing is in peril. On this anniversary, the recognition that unions may well vanish should be sufficient to spark efforts to ensure that they don't.●

NEWARK WILL HOST UNITED STATES YOUTH GAMES

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. RODINO. Mr. Speaker, it is with deep pride that I take this opportunity to let my colleagues know about the United States Youth Games, which will take place this year in my home city of Newark.

The United States Youth Games evolved from a pioneer summer recreational program in 1966 in New York City. That year the New York City Urban Action Task Force, concerned about a lack of organized recreational programs for young teenagers, combined with widespread urban unrest around the Nation, instituted an invitational event called "The Eastern Youth Sports Festival." New York, Boston, and Washington took part in that first competition, and it became the first of the summer sports festivals. In 1967, the AMF Corp. adopted the summer sports competition as a sponsor, and the United States Youth Games came into existence. In addition to offering over 1,000 young people the chance to participate annually in sporting events, the games are the culmination of weeks of competition held in the individual participating cities prior to the games, so they serve to supplement and enhance local municipal recreational programs.

Mr. Speaker, this year will be the first time that the games have been held in the State of New Jersey, and I am very proud that Newark, the largest city in the State, has been selected for this honor. I am happy to insert the following article from the Newark Star-Ledger into the RECORD, and I know my colleagues join me in wishing all the participants in the United States Youth Games the best of luck.

[From the Star-Ledger, Feb. 11, 1985]

YOUTHS TO GATHER FOR OWN OLYMPICS

(By Barbara Kukla)

Move over, Los Angeles! Newark is gearing up for an "Olympics" of its own—the 1985 U.S Youth Games, which the city will host Aug. 6-11. Nearly *2,000 participants,* coaches, chaperones and assistants from *14 cities* will take part in the 19th annual games, an event in which boys and girls between the ages of *9* and *15* compete in five different sports.

This is the first time that Newark will host the games and the first time that they will be held in New Jersey.

"We're doing it up just like the Olympics," said Leon Garcia of the Newark Department of Recreation and Parks, the national coordinator for the games.

"We have the support of the city council, which is providing the bulk of the financial support, and the mayor (Kenneth A. Gibson) has told us he intends to run the first five miles of our 'Torch Relay.' We anticipate having the opening ceremonies in front of City Hall."

"We are making great strides in our efforts to present a superior program," said Leonard Chavis, director of the city's department of recreation and parks. "A parade, several awards luncheons, sightseeing and entertainment, along with the athletic competition, will be part of the six-day series of events."

Garcia on March 6 and 7 will play host to the coordinators from the 14 participating cities, finalizing details for the games. The visit will include a tour of athletic facilities in Newark and at Montclair State College, led by the coordinators and city officials.

In the meantime, he has met with the principals of the city's public, parochial and private schools to arrange for informational sessions for their students.

"There will be five events—swimming, bowling, tennis, boys' and girls' basketball and track and field," Garcia said.

As a means of preparing youngsters who are interested in participating, Garcia said a series of "developmental meets" are planned for each Saturday in March, April and May. During the first two weeks in June, he said, tryouts will be held and members of the Newark team will be chosen.

Each team will have 88 members and about a dozen coaches, said Garcia. With the assistance of a corps of volunteers and staff members, participants will number about 2,000, he believes.

Garcia estimates that it will take about $360,000 to "house, clothe and feed" the youths and adults who take part. The city council, he said, has provided $50,000 in start-up funds and plans to allow another $100,000, while $50,000 will be donated by the AMF Corp., the national sponsor. Fundraising will account for most of the remainder, he said.

As Garcia explained, the games started in New York City in 1967 to provide constructive activities for youths of the inner city. Over the years, participation has branched out to involve more than a dozen cities.

Newark began participating in 1972, and while the team has never won the national title it has traditionally ranked "among the top four," according to Garcia. Over the past decade, he said, Newark has been considered a strong contender in bowling, basketball and track and field.

Participation, he said, is open to "any youth who lives in a 10-mile radius from Newark."

Serving as overall coordinators of the sporting events are William Wimberly and Vanessa Watson, basketball; Charles Davis, track and field; Patricia Sermon, tennis; James Patterson, bowling, and Steve Doxson, swimming. The coordinator for the Newark team is Harold Wright.

Participating in addition to Newark will be teams from Baltimore, Md.; Birmingham, Ala.; Boston, Mass.; Columbia, S.C.; Charleston, S.C.; East Orange; New Haven, Conn.; New York City; Paterson; Richmond, Va.; Washington, D.C.; Worcester Mass., and Syracuse, N.Y.

As chairman of the city's recreation committee, Councilman at-large Sharpe James said that while activities are being hosted at Montclair State College, "It's key that many of the related ceremonies and events take place within the City of Newark so that the participants come away with a better understanding and perception of Newark."●

KIDNEY TRANSPLANT CENTER AT SOUTH CHICAGO HOSPITAL

HON. CHARLES A. HAYES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. HAYES. Mr. Speaker, on August 8 and 9, the Illinois Health Facilities Planning Board will vote in Chicago on whether to approve a kidney transplant center at South Chicago Hospital.

Chicago currently has no renal transplant center primarily available to the minority population of the city—in spite of the fact that blacks suffer from end stage renal disease [ESRD] at a rate 2.6 times higher than that of whites. Whites, however, receive transplants at a rate 2.7 times higher than blacks in Illinois.

The community areas directly served by South Chicago Community Hospital have been officially designated by the Federal Government as medically underserved. This means that the areas served have much higher rates of poor health—higher infant death rate, higher VD rate, higher TB rate, and so forth—than other areas of the city of Chicago and the State of Illinois. This, for example, is reflected in fewer primary care physicians, a rate of 1 primary care physician for 3,417 population for the Southside versus 1 per 2,242 population for the city of Chicago. Black and Hispanic physicians combined, make up less than 2 percent of Chicago's physician population while the minority—black and Hispanic—composition of Chicago's total population is 40 percent black and 13.5 percent Hispanic. The maternal death rate is 22 times higher then the citywide average. The tuberculosis rate among Hispanics in the service area has doubled in the last 8 years. Blacks suffer from ESRD at a rate 2.6 times higher than whites.

The Chicago Health Systems Agency's [CHSA] health plan—1981-84—states that:

> Transplantation is cost-effective and can result in improved quality of life for ESRD patients. This alternative should be available to all medically appropriate patients desiring transplantation.

An appropriateness review of ESRD services conducted by the Chicago Health Systems Agency concluded that while the need standard for transplantation is set at a minimum of 15 transplants per center per year, "the need for this service exceeds fourfold the total number of procedures recomended by this standard."

That same CHSA Appropriateness Review states that:

> Approximately 50 percent of all patients with end stage renal disease are medically suitable for a kidney transplant.

For 50 percent of the 1983 dialysis pool of patients in Illinois to have received transplants, each transplant center would have had to perform 252 transplants. The actual total number of transplants performed in Illinois in 1983 was 243.

In documenting the high level of unmet need for kidney transplantation in Illinois, the CHSA's health plan states:

> The fact that 92 percent of all hemodialysis patients have never been evaluated for renal transplantation clearly demonstrates that there is considerable unmet demand for kidney transplantation services.

The level of unmet need is rising. The incidence of ESRD in Illinois increased by 38.5 percent from 1979 to 1983.

A major barrier to an increased rate of transplantation is the availability of kidneys. The CHSA health plan states that:

> Transplantation appears to be an underutilized alternative to dialysis * * * 43.9 percent of the cadaveric kidneys (obtained in Illinois) are transplanted while 45.6 percent of these kidneys are sent elsewhere; 10.5 percent of these kidneys are not used.
>
> The Data available through the ESRD Network 15 indicate that during 1983, 81 of the kidneys obtained in Illinois were not transplanted in the State.

One member of South Chicago Community Hospital's joint application, the Chicago Regional Organ and Tissue Bank [CROTE] began operation in January 1983 and as reflected in the ESRD network 15 data, CROTE procured 26 kidneys accounting for 67 percent of the increase in kidney procurement from 1982 to 1983 in the entire State of Illinois.

Transplantation is both the most cost-effective form of treatment for ESRD and the treatment that affords to patients the highest quality of life. Moreover, South Chicago Community Hospital's proposed transplant center will perform transplants at a cost lower than those charged by all existing transplant centers in Chicago. Recent cost figures show an average cost of $56,800 at Rush Presbyterian-St. Luke's Hospital, $38,000 to $40,000 at the University of Chicago Hospital and $31,200 at South Chicago Community Hospital.

One of the country's leading transplant surgeons, Dr. Oscar Salvatierra, Jr., has written that:

> If 10,000 instead of 6,000 transplants could be performed annually, * * * then more than $400 million would be saved * * * Maintaining this transplant level of 10,000 each year would ultimately produce enormous savings, and many more patients would be returned to normal or near normal lives.

Mr. Speaker, let this record reflect that I am strongly in support of the approval of a kidney transplant center at South Chicago Community Hospital.●

ELECTIONS, MEXICAN STYLE

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. FRANK. Mr. Speaker, those of us who are critical of violations of human rights in other countries have an obligation to be consistent in such criticism. And it therefore behooves those of us who have been critical of the lack of democratic procedures in many nations to comment on the sad spectacle of widespread abuse of basic democratic rights in the recent Mexican election. An editorial in the Washington Post for Saturday, July 20, underlines the dismay that many of us feel that Mexican officials continue to abuse democratic rights by engaging in fraudulent electoral practices. The failure of the Mexican Government to protect the right of individuals to vote, and to have their votes fairly counted, is deeply disturbing and I believe it is important that those of us who believe in democracy let the Mexican Government know how disappointed we are in their conduct in these recent elections.

[From the Washington Post, July 20, 1985]

ELECTIONS, MEXICAN STYLE

It may be that the candidates of Mexico's governing party, the PRI, actually got the most votes in last week's elections in the states of Nuevo Leon and Sonora. But no one may ever know for sure. Ballot fraud was pervasive. Poll watches of the main opposition party, the PAN, were disqualified before the elction or physically ejected from polling places. Voting lists were inflated with duplicate and false names. Some ballot boxes were stuffed. Others were simply snatched away and driven off in speeding cars. These were not isolated practices.

It's dismaying to observe this tawdry performance in a nation that is capable of doing better and at a time when Latin nations with democratic traditions far less robust than Mexico's—the latest example is hapless Boliva—have conducted fair elections. We say this, we trust, in due and humble awareness of past vote fraud in the United States.

In Mexico, vote fraud has been a widely conceded feature of a political system that has, over a run of more than 50 years, brought the country economic growth, political stability and a record of considerable respect for civil liberties. The PRI has won all presidential and nearly all congressional and gubernatorial elections in Mexico since it was formed. Many of its operatives and supporters believe it would be against the national interest for it to lose any major contest.

But Mexico's president, Miguel de la Madrid, made a point of promising beforehand that elections would be fairly conducted. One of the dismaying things about the Nuevo Leon and Sonora elections is that they suggest there are limits to the control the president—a technocrat who has made his career in Mexico City and not in electoral politics—maintains over the local PRI organizations.

Mexico may be at a critical point and is certainly at an uncomfortable point in its gallant effort to whittle down its huge foreign debt and to get its economy in shape for sustained growth. Polls taken before the Nuevo Leon and Sonora contests suggest that the PRI was holding onto a lead in areas where the PAN seemed to have great potential. The massive electoral fraud, by casting doubt on the reported outcome, also casts a shadow over the legitimacy of the ruling party's majorities. That's not helpful for a country that has been working hard at home and abroad to build confidence in itself as a major economic and political power.●

SUPPORT FOR INSURGENCIES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Foreign Affairs Newsletter for July 1985 into the CONGRESSIONAL RECORD:

SUPPORT FOR INSURGENCIES

In Ethiopia, Angola, Mozambique, Afghanistan, Nicaragua and Cambodia anti-communist insurgents are fighting pro-Moscow governments that seized power in the 1970s. Their struggles pose tough questions for U.S. policymakers. In some cases, the U.S. has chosen to help. We have aided rebels fighting the Soviets in Afghanistan. Congress recently voted aid for the Contras fighting Nicaragua's Sandinista government. Now many in Congress believe we should fund a third insurgency, the non-communist resistance in Cambodia, and some favor funding such insurgencies in general.

The idea of helping anti-communist rebels is attractive. The Soviets have funded armed insurgencies around the world for decades. Why shouldn't the U.S. do the same? For some people, the enemies of our enemy deserve our support. But every insurgency arises from a unique history. U.S. support for an insurgency should be based on a careful evaluation.

Are U.S. national interests served? Support for an insurgency should advance specific U.S. political and strategic goals. We must be clear whether we are committed to the insurgents or whether our support is merely to distract the Soviets. Unless assistance benefits U.S. friends or U.S. goals, public support for the venture will not likely be sustained. Funding a fight against a government we dislike does not necessarily mean our interests will be advanced.

What are the insurgents' chances for success? A successful insurgency exacts a high price from its opponents. The Afghan rebels hold much of the countryside, repeatedly attack major cities and military installations, and have fought the Soviets to a stalemate. The Contras in Nicaragua, on the other hand, do not hold a single town in Nicaragua and have little presence outside of border areas. The Cambodian insurgents have a precarious foothold along the Thai-Cambodian border and their bases inside Cambodia were recently overrun by Vietnamese occupation forces.

Is there broad international support for the insurgents? Such support is an important measure of an insurgency's legitimacy. The U.N. has repeatedly voiced opposition to the Soviet occupation of Afghanistan and the Vietnamese occupation of Cambodia. Pakistan and China, among other states in the region, have cooperated with the U.S. in aiding the Afghan rebels. Several, but not all, ASEAN states would support U.S. military aid to the Cambodian resistance. The European Community and most Latin American states, except those in Central America heavily dependent on U.S. aid, oppose U.S. aid to the Contras.

Do Congress and the American people support sustained U.S. involvement? The American people have a right to know where such aid will lead. Maintaining substantial levels of financial and political support for insurgent movements is problematic. Since its inception, the program to aid the Afghan resistance has had strong public and congressional support. The question of the Contras, however, remains divisive even though Congress now supports "humanitarian assistance" for them. Aid to the Cambodian resistance has not yet been the subject of much debate and it is premature to say a consensus exists.

What does the U.S. hope to achieve? Do we seek to overthrow a government or only to pressure it (and if so, for what purpose)? A negotiated settlement is often our goal. The insurgents and U.S. friends in the region must share our objective. The strength of the Afghan resistance has forced Soviet interest in U.N.-sponsored "proximity talks" with Pakistan. Asian friends acknowledge that, because of the Cambodian rebels' poor military performance, no negotiations with Vietnam are in sight. The Members of the Contadora group (Mexico, Venezuela, Colombia, and Panama) believe that U.S. support for the Contras undermines regional efforts at a diplomatic solution in Nicaragua.

What do we know about those who seek our support? Anti-communist rebels like to call themselves "freedom fighters" but often they do not share our traditions and values. Their behavior is often objectionable even when it is on behalf of goals we support. Afghan rebels seldom take Soviet prisoners of war. The majority of Contra military commanders served in the repressive National Guard under former president Somoza, and we must question their statements on democracy and their human rights practices. Most of the Cambodian resistance fighters are under the Khmer Rouge, which caused the deaths of some 2 million Cambodians during its 1975-79 rule. The non-communist resistance groups are overshadowed by the Khmer Rouge, raising questions about how to keep any U.S. assistance out of its hands.

What are the chances of military escalation involving the U.S.? Each insurgency seeks greater aid and U.S. commitment to its cause, and we must weigh the risks and costs carefully. Increased U.S. assistance to the Afghan rebels threatens Pakistan, a U.S. friend. Increasing Soviet violations of Pakistani airspace and hints of reprisal for supporting the rebels could lead to a more prominent U.S. role. U.S. emphasis on military pressure against the Sandinistas increases their reliance on Moscow and Havana and raises the possibility of escalation. In Cambodia, a direct U.S. connection to the resistance fighters may give the Vietnamese the pretext they have been waiting for to strike into Thailand and crush the resistance camps. Such a strike may lead to pressure for a greater U.S. military role. In all cases, we need to examine the chances of direct U.S. involvement.

Assisting insurgents fighting pro-communist regimes is a complex issue that deserves scrutiny. Short-term political benefits may come from giving aid, but so do risks and costs. We should avoid adopting a formal doctrine or listing explicit criteria for supporting insurgencies. We should make decisions on a case-by-case basis, acting from a clear understanding of how U.S. national interests can be served best. With caution, we can avoid being forced to pursue goals we do not share or that damage our long-term interests.●

HON. JOHN PAUL HAMMERSCHMIDT'S ELOQUENT TRIBUTE TO AMERICA'S DISABLED VETERANS

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. SOLOMON. Mr. Speaker, our distinguished colleague, the gentleman from Arkansas [Mr. HAMMERSCHMIDT] was a featured speaker at the recent National Convention of the Disabled American Veterans.

JOHN PAUL HAMMERSCHMIDT's reputation as an articulate advocate for America's disabled veterans is a well-deserved one. His speech in New Orleans was tremendously well received. I think it needs to be read by all of us and I am most pleased to submit it for the RECORD.

REMARKS OF HON. JOHN PAUL HAMMERSCHMIDT AT THE DISABLED AMERICAN VETERANS NATIONAL CONVENTION, NEW ORLEANS, LA, JULY 22, 1985

Mr. Commander, distinguished officers, and delegates to this 64th National Convention of the Disabled American Veterans, administrator of veterans' affairs, Mr. Harry Walters, and ladies and gentlemen:

One of my most pleasant congressional activities is to come to a National Convention of the DAV.

At these meetings we review what has recently occurred legislatively in the field of veterans affairs. We renew old friendships and we pledge anew to do that which is right and proper for the veterans of this Nation and their dependents.

And most importantly, we annually renew a pledge towards the hallmark of the DAV which is that our Nation's first and foremost objective is to give the highest priority to that select group of individuals who have been disabled in the service of their country.

Insofar as I am concerned—and I believe I can speak for the entire Congress—that pledge will be honored, will be supreme, and will guide the Congress in all that it does.

The DAV deserves many plaudits today. Its legislative program has been carefully crafted. Its spokesmen on Capitol Hill in Washington are excellent.

Dale Adams, Butch Joeckel, Rick Heilman, Dave Gorman, Ron Drach, Steve Edmiston, and all the others serve you extremely well and the Congress looks to them for advice and counsel.

The DAV—in a larger sense—also deserves other plaudits.

Your corps of national service officers—the vast majority or whom are seriously disabled Vietnam veterans—are second to none in their ability and dedication. The director, Art Wilson, is a fountain of knowledge in veterans' affairs.

The voice of the DAV in Washington is vibrant, strong, and reasoned.

You stick to your singleness of purpose—that the service connected come first.

And you usually achieve your objectives. You do it with facts, with persuasion, and with much persistence. I congratulate you on your efforts and on your accomplishments.

The DAV deserves at least two other particular commendations.

You now have more than 1 million members, which is a phenomenal achievement, considering your membership eligibility rules. How very proud you have a right to be. This great strength speaks loudly throughout the land.

It commands a voice that ought to be, and will be, heard—of that you can be sure.

On a more personal note, let me congratulate you on another matter of great personal pride to the citizens of the Third Congressional District of Arkansas. You have had the good sense and great wisdom to place in your highest office one of our native sons.

Chad Colley is not just our friend. He is an inspirational leader who reminds us daily of what the DAV is all about, what our Veterans' Programs are all about, and what our country is all about.

You will understand then my own pride in being his Congressman. He is the best there is and I congratulate each of you for electing him to the honored position of national commander of the DAV.

Legislative dilemmas abound these days. I can tell you that the Congress needs you and needs your ideas and your ideals. By your example, you give the Congress an impetus to excell. By your faith in the Nation, you give us inspiration to enact just laws and to seek more effective solutions to national problems.

It is no secret that many such problems exist today, particularly with respect to high Federal deficits and huge budgets.

The Veterans' Administration budget is caught up in this difficulty and it will not go away.

The House and Senate Budget Committee conferees continue to try to resolve differences in the manner in which major national fiscal policies are addressed. They involve almost every fabric of our society. The proper amount of money to operate the VA in fiscal years 1986, 1987, and 1988 is one of these issues still to be decided.

The 1986 House budget includes money for a compensation and pension cost-of-living increase of 4.1 percent. It provides that the Medical Program will operate just as it did this fiscal year.

However, it also calls upon the House Veterans' Affairs Committee to find $300 million in savings.

The Senate budget bill goes further. It would have no COLA for anyone, including Social Security recipients.

It would increase fees on GI loans, establish a hospitalization means test for certain nonservice-connected veterans, and require insurance companies to reimburse the Veterans Administration for nonservice-connected hospitalization.

You need to know that the House and Senate positions are several hundred million dollars apart.

Our problem is to reconcile the difference while hopefully doing no harm to good Veterans Programs. This presents a great challenge and the answers are not easy.

But two answers are not difficult for me at all. Very simply, they are this: If anyone gets a COLA, it's going to be service-connected disabled veterans who will be at the head of the list. And the $300 million is not going to come from the service-connected either.

In addition, I don't want to see the fee on GI loans increased.

However, as to this item alone, if the fee is increased by just 1 percent, it brings $153 million into the Treasury. And so the Senate at least thinks it to be a viable option for the conferees to consider.

Third party reimbursement by insurance companies, coupled with a realistic, easy to manage, limited means test might be a possibility for a House-Senate compromise.

One such plan would bring in over $1 billion in 3 years. Another would bring in even more. If—to achieve a budget that will really attack our high Federal deficit—we must go this route, I am certain the Congress will assure that service-connected veterans will be completely protected, that pensioners will be protected, ex-POW's will be protected, the aged needy will be protected, and quality of care will be preserved for all.

Moreover, the leadership of the DAV would be fully consulted as these proposals are considered—its advice and counsel will be invaluable.

Let me make it clear that no one knows at this time how the budget will be worked out. The thoughts I have expressed are only in the realm of things to be possibly considered.

But we must be realistic. The veterans world cannot be in a national vacuum and we wouldn't want it to be.

If that happened, we might find ourselves in a position of having to accept ill-advised proposals, with little knowledge of their consequences.

I earlier mentioned consultation with your leaders.

Let me dwell on that for a moment. It works for the good of all of us and it works well.

I mentioned where I stand with respect to COLA's for service-connected veterans. As this matter evolved, I consulted with Commander Colley at a congressional hearing as to what would be the position of the DAV if all COLA's including Social Security, were proposed to be frozen for 1 year.

He didn't hesitate to answer. He said that DAV members had responded before to patriotic calls and would bite that bullet by immediately agreeing to giving up COLA's given the fact that everyone else would be treated the same way.

Chad's answer was in the great tradition of the DAV and everyone in that crowded hearing room that day had reason to be terribly proud that their organization had no difficulty putting Nation above self.

It was DAV at its finest.

And there was another time of excellent consultation. It was when DAV learned that some bureaucrat economists at the Treasury Department were giving serious consideration to urging the President—as part of his tax reform package—to ask the Congress to pass law taxing veterans' compensation.

Just let me say to you that this kind of proposal was not made by mean spirited people. It was made by people who had read a lot of books and heard a lot of theories.

But, they had never worn a uniform, and they had never received a wound, they also didn't understand the historic position of our citizenry and they certainly didn't understand the DAV.

The proposal to tax compensation rightfully never saw the light of a single legislative day.

The DAV led a campaign against it that left no stone unturned. Our offices were in daily contact. The Congress was thoroughly alerted. Thousands of your members wrote letters of protest. You were justifiably outraged that any serious thought could be given to such an idea.

Just let me tell you that I have every reason to believe that Secretary Jim Baker at Treasury never gave the idea any credence nor did the President of the United States.

Harry Walters campaigned against it. Sonny Montgomery campaigned against it and so did the entire House and Senate Veterans' Affairs Committees.

And the idea died and was never even presented to the Congress

The DAV rose to its full height during the time of this controversy. It flexed its good muscles. It showed its strength. It did its job and you can be proud—each of you—that you were part of a great effort.

The DAV Auxiliary deserves a share of the credit too. And so do many other individuals and organizations.

But the auxiliary was particularly effective in its letter-writing and in its telephone calls. Congress listens when the ladies speak, for their voice is a loving one and a caring one and also a very convincing one.

The auxiliary deserves another credit. Together with the DAV membership, it lends a tremendous hand to the VA Medical Program by its volunteer activity.

I have seen that activity in visits to scores of VA hospitals and its success is almost indescribable. The VA simply couldn't do its job without it and I congratulate all of you for this great national effort of compassion and love of neighbor and comrade.

And now let me conclude by leaving with you one final thought. The Congress is involved with doing the Nation's will in every field of endeavor.

You are involved in many of these fields and you have a time-honored tradition of contributing to the solving of problems associated with them. I know that you will continue with those contributions.

To do our job properly the Congress needs your assistance, your wisdom, and yes, too your courage. That it will receive all of this is a foregone conclusion.

I believe this to be a mortal certainty for I have walked side by side with the DAV on many issues, and I know of your devotion to the veterans cause and indeed to the cause of this great Nation.

Thank you, my friends, for inviting me to be with you. It's always good to be at a National Convention of the DAV, and to be with my good friend Chad Colley.●

IMMIGRATION REFORM

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. DONNELLY. Mr. Speaker, once again this year, Congress will attempt to reform our Nation's immigration code. In that context, I strongly urge my colleagues to consider the important argument made in the following editorial from the Boston Irish Echo.

[From the Boston Irish Echo, July 27, 1985]

NEW IMMIGRATION LAW NEEDED

Immigrants by the tens of thousands are welcomed each year to our country. Under the current immigration law's preference system, permanent visas were issued among others last year to 20,000 citizens of Mexico, Korea, India, China and the Philippines.

Nearly 8,000 new arrivals came here from Britain.

In 1984, under existing preference rules, only 537 such visas were issued to people from Ireland.

There is something radically wrong in a system that penalizes, no matter how inadvertently, a nation and a people who have contributed so uniquely to America's growth and prosperity.

Since 1820 over 4.5 million Irish men and women have emigrated to the United States. Today, close to 20 percent of America's population can claim some degree of Irish heritage. At the present rate of allowable immigration, however, what took the Irish 165 years to accomplish would now take nine thousand years.

The well-known litany of Irish success stories is virtually endless. In every field from literature, industry and medicine to banking, journalism and the arts, the Irish have given unselfishly of themselves and their talent. America would have a vastly different place without the Irish contribution.

The effect of present day immigration, however, has negatively and unfairly all but closed the door to thousands of Irish who want to emulate their parents and grandparents in finding a new life here.

In 1965 when the laws were changed, severely cutting back the number of Irish allowed into the U.S., Ireland was in the midst of an industrial awakening. Job opportunities, were plentiful and there was little need for the "safety valve" of immigration. Sadly, that is not the situation today. Economic difficulties in Ireland—and through much of Europe—have forced many of Ireland's young people to look anew to America as the land of opportunity. But unfortunately, our doors remain closed to all but a handful of the hopeful.

The controversial Simpson immigration bill is coming up for consideration in the Senate, but that legislation does not address the problems facing the Irish. Its inadequacy as a remedy is underlined by the fact that several national Irish American groups have expressed strong opposition to the measure.

One bill that would effectively open the door wider to increased Irish immigration is currently languishing in the House Judiciary Committee on Capitol Hill. Filed last May by Massachusetts Congressman Brian Donnelly, H.R. 2606 would redress many of the inequities in the preference system and make additional immigrant visas available to the Irish and other nationalities.

The Donnelly bill merits the vigorous support of all Irish and Irish Americans—not only here in Massachusetts but across the country.●

OBSERVATIONS ON POLITICS

HON. LEE. H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, July 31, 1985 into the CONGRESSIONAL RECORD:

OBSERVATIONS ON POLITICS

Politicians are talking about whether a political realignment is taking place in the country that will usher in a period of Republican party dominance. There has not been a realignment since Roosevelt established the New Deal Coalition as the center of American politics, so a realignment would be a historic development. The state of the economy is by far the strongest issue in creating a realignment.

The basic trends are not in dispute. Some kind of political restructuring is taking place. The Democrats have lost political ground and the Republicans have gained. More voters call themselves Republican than in the past and southern whites are clearly switching to the Republican party. The South may not be solid Republican, but it has clearly ceased to be solid Democratic. Except for a few minorities, nearly every group has moved toward the Republican party. Republicans have won six of nine presidential elections since Eisenhower; by 1988 they will have held the presidency sixteen of twenty years. They clearly have a great opportunity; the question for the Republicans is whether they have nailed it down. If they provide policy changes that meet the public mood (tax simplification could be one), they will continue to make gains and the historic realignment may take place. On the other hand, if an economic recession or foreign policy disaster occurs, their fortunes could change quickly.

The Democratic party has become identified as the party of special interest groups. Its problem is how to appeal to the country's white middle class majority without abandoning its historic commitment to the minorities. At the state and local level it remains strong. The question for the Democrats is whether they can build a winning national party from that state and local base. The Republicans have their problems too. They have demanding groups within the party, but their internal divisions are not as severe as those of the Democrats.

So, the Democrats have serious problems and the Republicans have made impressive gains. But the successes of the Republicans under President Reagan are by no means permanent; the President's success, or lack of it, during his second term will determine the durability of his electoral coalition. A realignment is defined by durability, and it is too early to say if the recent trends are lasting. The jury is still out on whether the elections of 1980 and 1984 are like those of 1932 and 1936, which turned out to be critical turning points in American political history. At this point, it is probably correct that no political institution has yet managed to fill the vacuum created by the collapse of the Democratic New Deal Coalition. It is a fluid situation. As one commentator put it, "It is musical chairs and the music is still playing. When it stops, we don't know if the voters will sit in Republican or Democrat chairs."

My view is that there is no decisive evidence yet of a partisan realignment. Elections in this country will continue to be decided by the independent voters who are attached firmly to neither party. They make up a majority of the electorate, and their views are uncertain, changeable, ambivalent and sometimes contradictory. They tend to be centrists in their views, but they are sometimes liberal, and sometimes conservative. Overall, I am inclined to the view that voters are less firmly attached to party loyalties and respond to particular candidates and issues. I doubt if there is a majority party in the country today. But at any given time voters are shifting party loyalties and the key question now is not whether a realignment is taking place, but how much of a realignment is going on and why. The one thing we can be certain of is that whatever changes are underway, they will not be forever. The volatility of the voter is the only permanent feature of American politics.

It does seem to me that American politics is fundamentally changing. The whole framework of political discourse is changing. The central question remains the same: What should the role of government be in meeting the problems of the day, particularly with respect to economic matters. But while the main issue formerly was how much the federal government should expand its role by taxing, spending and regulating, it now is how and where that role of government should be curtailed. This change in the direction of American politics is likely to continue, principally because the budget deficit looms as the great restraint on American politics. It is no longer possible to return to the days of the New Deal or the Great Society when problems in the country were identified and government programs were created to attack them. The big deficits will shape the policy choices of the future whatever the political party or whoever the president. We have entered the period of the new politics of deficits. The climate is austere and the debate centers on cuts, not increases, for particular programs.

The deficit is also the chief weapon to enforce control of spending and to limit the growth of government. With few exceptions political leaders today simply do not advocate new spending programs. They advocated only incremental changes in present programs. A few politically sacrosanct components of the budget—entitlements, defense, and interest payments—absorb such a large part of the budget that the rest of the budget must sustain most of the reductions. The result is that the politics of the deficit forces restraint on the decisions of political leaders. A question for the future is what happens when a recession comes. The traditional way of dealing with a recession is by stimulation through government spending or tax reductions, but those approaches may be shut off because the next recession will occur in the midst of already astronomical deficits and debt. The party in power when the recession comes could be in big trouble with the voters.

(This newsletter draws on material in the Brookings Review, Winter 1985, and a new book, The New Direction in American Politics.)●

POTENTIAL SHORTAGES AND THE RISKS OF BEING WRONG

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. GREEN. Mr. Speaker, I would like to call to the attention of my colleagues an article which was published in the June 13, 1985 issue of Public Utilities Fortnightly. The article, entitled "Potential Shortages and the Risks of Being Wrong," written by Russell J. Christesen, president and chief operating officer, Ebasco Services Inc., considers the debate over the amount of energy that the United States should be producing in order to prepare for the future. Although the country has enough energy to serve the country today, the possibility of a

shortage is a constant threat. I would remind you that only 6 short years ago the gas lines wrapped around the block. I commend Mr. Christesen's article to my colleagues because of his in-depth look at the chance of another severe energy shortage.

The article follows:

[From the Public Utilities Fortnightly, June 13, 1985]

POTENTIAL SHORTAGES AND THE RISKS OF BEING WRONG

(By Russell J. Christesen)

The debate over whether to build new electric generating capacity, or to continue to rely on conservation and increased use of so-called alternate energy sources, continues unabated in the United States. The arguments on both sides are very familiar; indeed, one has a distinct, almost painful sense of deja vu when listening to them. That notwithstanding and on balance, we at Ebasco think the debate is a healthy thing. The issue needs to be examined and discussed in open forum, again and again, until it is resolved. That's the way we do things in a free society.

But . . . is anybody listening?

The answer is probably not the right people, by which I mean the people who really can help resolve the problem before it is in extremis, as the lawyers say.

Not the least of the reasons the right people are not listening is that the debate is being conducted in terms which many of them do not understand. They do not grasp (and probably don't care to grasp) gigawatts, capacity margins, reserve requirements, interconnections, et cetera. These esoteric terms reenforce their vaguely held notions that this is, after all, an electric utility debate, and the utilities and regulators should handle it. Furthermore, the arguments that we should count more on conservation and renewable sources such as wind, solar, and biomass are more readily understood by a lay public and those in government who may be looking for easy answers. These views are reenforced by experiences of the past decade, which saw rates rise inexorably and demand plummet. Finally, many people perceive the nation to be awash in a sea of unneeded kilowatts.

In my judgment they could not be more off the mark. But I hasten to add that their mistakes are partly of our making, because we have not focused the debate at the right level. Understandably, we have argued the case in terms of the effects of capacity shortages on individual or regional electric utility systems, and the publics they serve. While such an approach is perfectly valid from the industry's point of view, I respectfully suggest that the most promising way to focus public and governmental attention on the shortage problem is to cast it in terms of the *national interest*, rather than the industry's.

We must ask ourselves—as a nation, not merely as an industry—what would systemic electric power shortages really mean to us? What would they do to our economy and to the fabric of our society which, heaven knows, is being torn by so many other problems and differences? Last but not the least, what would such shortages mean to our national security?

The distressing fact is that we don't know what systemic power shortages would mean, because we have never really experienced them. Ironically, the U.S. electric utility industry is a victim of its own success in this respect.

SHORTAGES: WHAT PROBABILITY?

Perhaps the first step in coming to grips with the implications of shortages is to try to determine just how probable they are. After all, if there is no great likelihood that we will experience shortages, why worry about their costs? Some of the most rigorous studies of the relationship between economic growth and electricity have been done in recent years by the Electric Power Research Institute. One recent institute paper provides a sobering prospect of just how close we may be to power shortages.

The EPRI study determined total U.S. utility capacity requirements under the following four assumptions:

(1) Nonutility generation would be 4 percent of the total. It presently is 2.8 percent.

(2) Peak loads are assumed to grow only 92 percent as fast as total annual kilowatthours, due to improved load management.

(3) A 15 percent capacity margin is assumed to be needed for reliability.

(4) Retirements are limited to 30 gigawatts through 2000, which assumes some refurbishing of existing plants.

The study also assumes that all 135 gigawatts of presently planned capacity additions projected by the North American Electric Reliability Council will be completed, and that 15 gigawatts will have been retired by 1993.

It identifies three growth scenarios for gross national product: 2.9 percent ". . . would be the minimum socially acceptable target"; 3.5 percent would be a reasonable medium, and 4 percent would be a high growth rate.

With those assumptions in mind, the study indicates that required capacity additions during the seven years from 1994 to 2000 to be 208 gigawatts for the 2.9 percent GNP growth rate, 310 gigawatts for 3.5 percent, and 400 gigawatts for 4 percent. EPRI then goes on to put those required capacity additions in perspective:

These numbers are sufficiently large that they will be difficult to achieve under any foreseeable circumstance. Even with the low growth of 2.9 percent, by the year 2000 we would need to add 343 gigawatts of capacity, or about 20 gigawatts per year on average. This is roughly twice the present rate planned between 1984–93. The higher GNP growth rates, of course, would require much greater capacity additions.

Finally, the study pinpoints the years at which capacity surpluses disappear for each GNP growth rate. At 2.9 percent it is 1991; at 3.5 percent it is 1988–89; and at the high 4 percent we will have no surplus after 1987!

It is, of course, possible to take issue with these assumptions, particularly those concerning growth of GNP, but refining them does not change significantly the conclusion that capacity surpluses will begin to disappear during the next two to six years. Does it really matter whether we run out in 1988, 1989, or 1990, when all those years are well short of the time frame presently required to plan and build any plant, coal or nuclear, in this country? Arguing or refining those numbers is like rearranging the deck chairs on the Titanic.

Those EPRI numbers and others like them from equally reliable sources are telling us that capacity shortages are indeed very likely. Furthermore, they are saying that shortages may be upon us sooner than we think.

Common sense, to say nothing of national energy policy, dictates that we do something now about the situation.

THE SHORTAGE COSTS

If capacity shortages are a distinct possibility, we had better try to determine their costs to the country; i.e., to society, the economy, and our national security.

The likelihood and costs of shortages will vary due to differences in the nine coordination regions into which the country is divided. These differences include climate, economic growth, and the rate of peak demand growth. According to one EPRI researcher, "The perception of an impending electricity shortage in a particular region vis-a-vis other regions would disrupt business and industry expansion plans in that region and increase overall uncertaintly in other regions as well." So, in addition to their economic costs, shortages could give rise to societal costs in the form of rivalry and political factionalism from one region to another.

While it is extremely difficult to measure "downstream" social and economic costs of systemic shortages—i.e., the costs of such things as jobs lost, reduced economic output, shrunken tax bases—a number of individual studies have produced numbers that can only be described as scary. Here are a few examples of what it costs not to have an industrial or commercial kilowatt-hour where and when it is needed:

Oak Ridge Associated Universities studied outage costs for six industrial plants in the Tennessee Valley Authority region and found minimum total costs averaging between $286,000 for a one-hour once-per-year disruption to $734,000 for a three-hour outage occurring ten times per year. The range of costs varied by a factor of ten over the six plants, with the highest cost exceeding $1.5 million for the three-hour, ten-in-a year case.

Mathtech analyzed the environmental and socioeconomic consequences of a shortage of installed capacity for various duration interruptions to a chior-alkali plant and a pulp and paper plant. A 15-minute outage to the chior-alkali plant was estimated at $18,000 or $3.6 per kilowatt-hour. The same outage to the pulp and paper plant was estimated at $55,000, or $4.4 per kilowatt-hour.

Ontario Hydro has reported outage costs for a 20-minute disruption of $1.93 per kilowatt-hour for retail trade, $6.72 for an office building, and $174 for large farms. A Swedish study reports outage costs of $5.72 per kilowatt-hour for retail establishments and $11 per kilowatt-hour for offices for disruptions of momentary length through eight hours' duration.

If you assume that the average cost today of producing a kilowatthour where and when it is needed in the U.S. is in the range of six cents to ten cents, it is readily apparent that the costs of shortages are very much greater—anywhere from 15 to hundreds of times greater!

And this speaks only of economic costs. There would also be very large social and political costs and dislocations. In addition to the regional factionalism mentioned previously, shortages would pit different classes of customers against each other, and this would be reflected in the political process.

Shortages would also underscore the existing polarization in our society between the haves the the have nots, the rich and the poor, management and labor, and others, because it would be a competition for resources that would almost certainly be resolved, or at least approached, in populist fashion.

The risks which shortages pose to our national security are also obvious. Not only

might they cripple our military capabilities directly, they will also materially affect the industrial production needed for an adequate national defense.

So, while we cannot determine the costs of shortages with precision, it's a very good bet they would be large enough to produce strains in our society and economy, and if allowed to continue, could undermine its stability.

THE "RISK-TO-RISK" RATIO

In my opinion, the country simply cannot afford not to know the approximate size of those shortage costs or risks. We must quantify them on some reasonable, rational basis. That's the first step.

The next step is to compare these estimated shortage costs to the known costs of some modest degree of overbuilding and overinvestment in our electric power resources. Such costs are already known because we are experiencing them right now. They may be justified on the basis that demand, given the economic uncertainties we face, is impossible to predict exactly. Therefore, we have to be conservative and build in a small margin of safety, as well as a reserve margin, in our capacity planning.

Third, we need to compare these estimated shortage costs with the known costs of overbuilding to arrive at what might be called a "risk-to-risk" ratio. All the evidence to date suggests that this ratio will be large, which is to say the costs of systemic shortages to our society and economy are very much higher than are the costs of modest overbuilding.

Finally, we have to communicate the implications of that ratio to our leaders in government, to the press, to the regulatory community, and to the public. Consider how useful such a ratio, with all its underlying information, could be to a National Commission on Electric Power, such as that called for recently by the Edison Electric Institute and the National Association of Regulatory Utility Commissioners.

As a nation, our past experience in dealing with important national problems as they emerge—rather than when they are full force upon us—has not been encouraging, but we must try. The risks of being wrong are simply too great to do otherwise.●

THE 100TH BIRTHDAY SALUTE TO ROSE VIOLET BRYANT

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. DYSON. Mr. Speaker, I wish to bring to the attention of my colleagues a very special centennial commemoration. This Sunday, August 4, Mrs. Rose Violet Bryant of Indian Head, MD, will gather with her many friends to celebrate her 100th birthday.

Rose was born in Vienna, VA, not far from Wolf Trap on August 4, 1885—the year in which Grover Cleveland succeeded Chester A. Arthur as President of our Nation.

Rose and her late husband, Caleb Maltby Bryant, were married in Rockville, MD, on April 15, 1905 and spent 61 happy years together. Rose and Caleb set up their home in Indian Head, MD, in 1913 and it is in this home that Rose now resides.

Rose has remained socially active with the Worthy Matron of Grace Chapter of the Eastern Star, No. 21, for the past 68 years. Ever civic minded, Rose has voted in every Presidential election since American women gained their suffrage in 1920.

It is with pride that I salute Rose on this happy occasion, and I thank her for all she has done to serve our great Nation.●

A BILL TO EXPAND THE AVAILABILITY OF HEARING-AID COMPATIBLE TELEPHONES

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. MAVROULES. Mr. Speaker, yesterday I introduced a bill that expands the availability of hearing-aid compatible telephones. My bill would require that all telephones sold in the United States be hearing-aid compatible.

Alexander Graham Bell, the inventor of the telephone, once said he would rather be remembered for his work with the deaf than as the telephone's inventor. Technology has now produced special telephone equipment for the disabled, including small devices in the receiver of the phone that makes it compatible with hearing aids.

Yet, despite this available and relatively simple technology, people with hearing aids still have limited access to the telephone because not all phones are equipped with the device. Whether at home, at work, or on vacation the hearing impaired, just like everyone else, must have access to a telephone.

Phone manufacturers have stated that adding the compatibility device to the receiver can be done at no significant cost to the manufacturer. Right now all pay phones are equipped with a hearing-aid compatibility device, and the average consumer does not notice any difference. But, to those with hearing impairments, it makes all the difference in the world.

My bill does not dictate the technology that must be used to equip the phone with a hearing-aid compatibility device. Rather, I encourage technological advancement on the hearing-aid compatibility question. My bill also would not require any phones to be retrofitted. Only phones manufactured after enactment would be effected by the law.

More than one-third of all Americans over 65 wear hearing aids. And many younger citizens have hearing impairments. Whether we like it or not, most of us will confront a hearing impairment of some kind. And, all of us will have some occasion to communicate with a hearing-aid user. H.R. 3099 will ensure, in a cost-effective manner, that hearing impaired citizens have access to all telephones. I urge my colleagues to support this bill.●

DENY MFN STATUS TO ROMANIA

HON. DENNY SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. DENNY SMITH. Mr. Speaker, I rise to express my opposition to the continuation of most-favored-nation status for Romania. While I am normally supportive of the administration's foreign policy, I take issue with the President's notification to the Congress on June 4, 1985, of his intention to grant MFN status to Romania for another year.

Under provisions of the Trade Act of 1974, MFN status for a Communist country is closely linked to that nation's emigration policies. Romania's policies in years past have been costly and obstructionist. Even now, family reunification remains difficult.

The situation for Jews seeking to emigrate is particularly disturbing. Only 543 Jews were allowed to emigrate to Israel during the first half of 1985, half as many as allowed during the same period last year. Before Romania received MFN status, an average of 4,000 Jews a year were allowed to emigrate. Obviously, the emigration situation is not improving.

Although Romania is a signatory of the Helsinki human rights accords, it has an appalling record of human rights violations in other areas as well.

I am very concerned about religious persecution by the Ceausescu regime. According to reliable sources, those practicing their religious beliefs are continuously harassed. Churches are destroyed, internal visas are denied to clergy, and no building permits for new churches are being granted. It has also been reported that legal shipments of Bibles have been recycled into toilet paper. These are outrageous actions by a regime that has pledged to uphold the freedom of religion for its citizens.

Restriction of emigration and religious persecution are not the only human rights violations. The repressive treatment of the Hungarian minority continues unabated.

The time has come to end MFN status for this nation that flagrantly violates the very terms under which such status is supposed to be granted. That is why I have cosponsored House Resolution 234, a resolution disapproving the President's recommendation to extend MFN status to Romania for an-

other year. I urge my colleagues to join with us in condemning the human rights record of the Ceaususcu regime.●

PASSAGE OF THE CONSUMER RAIL EQUITY ACT IS ESSENTIAL

HON. VIN WEBER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. WEBER. Mr. Speaker, I am pleased today to announce my cosponsorship of the Consumer Rail Equity Act, H.R. 1190. This legislation is important to those of our Nation's railroad shippers that are captive to single railroads for service, to consumers of a variety of goods and products, and to our electric ratepayers in many sections of our country, including my State of Minnesota.

In 1980, the Congress of the United States deregulated competitive railroad traffic and granted railroads contracting authority in the Staggers Rail Act of 1980. At the same time, however, Congress recognized that some shippers do not have the benefits of competition and directed the Interstate Commerce Commission to assure that the railroad rates paid by those shippers are "reasonable." I must say that the record of this Commission in implementing this mandate of Congress has been dismal. Since 1980, the Commission has found no rate charged to a captive railroad shipper to be "unreasonable." Many captive shippers have complained to me that the rates they pay are indeed unreasonable and have provided evidence to support their claim.

I support the judgments made in the Staggers Rail Act of 1980. Clearly, we should remove Government regulations from all industries where competition exists. However, Government has a responsibility to protect citizens from monopoly pricing power. After a careful review of the provisions of the Consumer Rail Equity Act, I am convinced that this legislation will assure that the judgments made by the Congress in the Staggers Rail Act of 1980 are implemented appropriately by the Interstate Commerce Commission.

Mr. Speaker, I commend the Consumer Rail Equity Act to the attention of my colleagues. I believe this legislation is worthy of their support. I would hope that the Transportation Subcommittee of the House Energy and Commerce Committee will soon turn its attention to this important legislation.●

MR. REAGAN HAS IMPOSED A TAX

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. BROOKS. Mr. Speaker, much attention has been given to the claimed reluctance of this administration to increase taxes upon our citizens. What in reality is occurring is an increase in the taxation of the present and future generations to compensate for the fiscal irresponsibilities of the current administration.

While the President is not willing to face up to the real effects of his policies, more responsible administrations in the future will be required to do so at outrageous costs to working Americans, our children and grandchildren. Mr. Reagan seems to take great pleasure in protecting the vested shelters of his wealthy associates and supporters while ignoring the monumental debts he is amassing, and all the while reducing services to our ordinary citizens and our deteriorating infrastructure.

An excellent commentary of this phenomenon appeared on the editorial pages of the Washington Post today. I am pleased to submit it for inclusion in the RECORD today:

MR. REAGAN HAS IMPOSED A TAX

President Reagan believes that he saved you from a tax increase this summer when he demolished the Republican senators' budget plan. But did he? Look again. He has imposed a different tax, and it is now in place.

The Reagan administration is now borrowing more than $200 billion a year to finance its budget deficit. Somebody is going to carry that burden. Who? President Reagan has spared you the kind of tax that Congress enacts—the kind that is predictable, limited and distributed with some concern for fairness. By ruling out that kind of a tax this year, he has only ensured that the Debt Repayment Tax of 1985 will be of another kind.

One possibility is a surge of high inflation. Many people in this country already assume that the solution to the accumulating burdens of federal debt will be simply to inflate the currency again, as in the 1970s. In that case, those debts will be paid off by savers and investors as they watch the value of their money shrink. Inflation is a hidden tax but a real one—and it falls blindly, with no consideration of ability to pay. The Reagan economic program was supposed to encourage savings and investment. Instead, it is making saving and investment much more risky.

But perhaps that surge of inflation will never happen. Fear of it is now sufficiently widespread that at the first hint of it interest rates will soar. Lenders and investors lost gigantic amounts of money in the inflation of the 1970s, and they will send interest shooting upward as they attempt to protect themselves from a repetition. If that happens, instead of inflation there will be a long and severe recession. In that case the tax will be paid by the working people who lose their jobs and the companies that go bankrupt. The Reagan economic program was supposed to generate a steady rise in employment and expansion for business.

In either case, Americans are also going to have to carry the foreign debts that this country is now running up because of its unbalanced domestic economy. The Commerce Department announced yesterday that the trade deficit in June was, once again extraordinarily high. The longer Mr. Reagan lets these debts continue to rise unchecked, the heavier the repayment taxes will ultimately become.

The next tax has already been enacted, by a mechanism that—unlike Congress—is not open to argument and appeal. The only question is the precise form of the tax, a detial that will eventually become clearer. This week Mr. Reagan prevented Congress from trying to devise a tax of its own. He has guaranteed the alternative—a tax that is blind, unfair, unforgiving and hostile to every element of the stable prosperity that Mr. Reagan originally hoped to build.●

ALLEGHENY COUNTY/AUTHORITY CITED FOR RANKIN PROJECT

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. GAYDOS. Mr. Speaker, the U.S. Department of Housing and Urban Development recently cited Allegheny County in Pennsylvania and its redevelopment authority [RAAC] for achieving a national "first" under the Federal Rental Rehabilitation Program [RRP].

The county and the authority were recognized as being the first in the Nation to complete the rehabilitation of a structure under RRP, which was authorized in amendments to the HUD Act of 1983. The amendments set aside $150 million for fiscal 1984 and 1985 for the improvement of multifamily rental structures in the low- to moderate-income range.

A plaque commemorating the achievement was presented County Commissioners Thomas Foerster, Pete Flaherty, and Barbara Hafer, and Alfred M. Lento, chairman of the board for the redevelopment authority, by Michael G. Zerega and John Susi, officials from HUD's Pittsburgh office.

The project which brought Allegheny County officials national attention is a six-unit structure in the Borough of Rankin. In all, the county is involved in the rehabilitation of more than 90 such units at a total cost of $1.1 million.

This work is being completed through the cooperation of various county units including the redevelopment authority, the housing authority, and the department of development.

Mr. Speaker, completion of the Rankin project is another example of

what can be accomplished through the coordination of efforts by Federal, county, and local officials. It is a pleasure, therefore, to join HUD in publicly recognizing the work of Allegheny County and its redevelopment authority under the Federal Rental Rehabilitation Program.●

NEVER AGAIN

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. HUGHES. Mr. Speaker, today I rise once again to join many of my colleagues in decrying a brutal injustice. A mere 40 years ago, the Nazi war machine was finally stopped, but only after Hitler's satanic vision of a Judenrein Europe had, for all intents and purposes, been realized. Throughout the world we shocked citizens of conscience vowed, "Never again!" Today, as the Soviet regime is working to make its dream of a Judenrein Soviet Union reality, we must remember our solemn vow. Mr. Speaker, there is little time to waste. We cannot let the cry "never again" ring hollow.

We have heard that there is a vanguard of 400,000 brave refuseniks demanding rights for themselves, and for their approximately 2½ million Jewish brethren in the Soviet Union. Yes; we have heard the numbers, yet they mean little. What we often need is to hear the stories behind some of these people to add meaning to the math. Most of us have indeed heard the tragic tales of some of the more well-known refuseniks. Yet, for sure, everyone of the 400,000 has his own story of suffering.

Mr. Speaker, allow me to share with my colleagues some tales they may not be familiar with.

Iosif Lokshin is 1 of the 400,000. After receiving an invitation from Israel in 1979, Iosif applied to emigrate with his family in 1979 and again in 1980. He was refused both times. Unable to leave, Iosif became active in Jewish cultural activities and Hebrew language study. Then the harassment started. He was called for army retraining at age 39, and was repeatedly warned by the KGB to cease his Jewish activities.

After ignoring the warnings and participating in a protest demonstration, Iosif was arrested and sentenced to 3 years at a labor camp. In prison, Iosif became ill and was unable to fulfill his work quota. Instead of being given medical attention, Iosif was put on a punishment diet. Such a diet has killed many prisoners in Iosif's camp, but somehow he held on. Later, Iosif was repeatedly put into solitary confinement for extended periods of time. Finally, he was released in June 1984, after completing his sentence. Yet, while Iosif is no longer held within prison walls, he remains trapped behind the Iron Curtain. The tyranny of the prison system is no longer, but the oppression of the Soviet system remains.

Vladimir Tsukerman is 1 of the 400,000. In 1978, Vladimir's wife and child left the Soviet Union for Israel, expecting that Vladimir would follow shortly. Instead, Vladimir was denied exit and fired from his job. In 1981, Vladimir was arrested. The charge was "organizing mass disturbances." What had Vladimir done? He had dared to wear a placard saying, "Let me go to my wife and son." Soviet justice dictated 3 years at hard labor. Vladimir completed his sentence in 1984, yet he is far from free in the true sense of the word.

Such incredible tales do help us to fathom how much human suffering is represented by the figure 400,000. This is the importance of the Congressional Call to Conscience Vigil for Soviet Jews. These efforts wake us, often shock us, and constantly remind us. The Call to Conscience is a most important beginning. Let us heed this call and rise to meet our challenge. Let each of us, in whatever manner he thinks best, exercise his power and expend his energies on behalf of those languishing with no one to represent them.

Mr. Speaker, to this day the Soviet Union continues to treat the practice and study of Judaism as a crime and denies Jews the right to emigrate, in direct violation of the Helsinki Final Act, the Universal Declaration of Human Rights, and basic humanity. In the face of such continued Soviet efforts to destroy the spirit of its Jewish community—a community which represents 20 percent of the world Jewish population—we cannot remain passive. Forty years ago we were silent, and humanity sank to depths previously unimaginable. If we can salvage one thing from the tragedy of the Holocaust, it is the lesson that silence in the face of inhumanity is tantamount to complicity. We cannot allow ourselves to forget a lesson that came at so high a price.

Mr. Speaker, the Jews in the Soviet Union are our brothers in the struggle for freedom and dignity. We must be our brothers' keepers.●

OPERATING SUBSIDY FOR FOREIGN BUILT VESSELS

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. JONES of North Carolina. Mr. Speaker, today, at the request of the administration, I, with others, am introducing H.R. 3141, a bill to amend the Merchant Marine Act, 1936, to authorize the foreign acquisition of subsidized U.S.-flag vessels.

In 1981 the administration ended the Construction Subsidy Program. To grant relief to U.S. vessel operators who needed to build new and efficient vessels in order to compete in the U.S. foreign trade and who could not afford to build these vessels in U.S. shipyards without any construction subsidy, Congress created a temporary statutory "window" in which Congress could obtain authority to acquire vessels overseas and still remain eligible for operating differential subsidy [ODS].

As a result of this temporary window, 36 waivers have been issued and 25 new vessels have been added to the U.S.-flag fleet according to the Maritime Administration. The window period ended on September 30, 1983. The administration, through this legislation, is now proposing to make the build-foreign authority permanent.

At least two concerns face the Committee on Merchant Marine and Fisheries if build-foreign authority is made permanent and the balance of the maritime promotional legislation remains unchanged. The concerns for the U.S. shipbuilding industry, which is directly affected by the proposal, and concerns for the effect on the unsubsidized competitors of ODS operators, are based on the same theme—the lack of balance. As imperfect as the Merchant Marine Act, 1936, has become, its longevity and success over many years was attributable to the balance it achieved among the many, frequently divergent, maritime interests. Labor and management; subsidized and unsubsidized operators; shipbuilders and ship operators; all functioned in a state of regulatory equilibrium. Without judging whether the Nation has ultimately benefited from the arrangement, or whether the Government should have intervened to the extent it has, the fact remains that we chose to promote the maritime enterprise and 50 years worth of investment policy and management patterns have developed in reliance on the balanced maritime promotional programs.

I do not mean to imply that once established, Government programs must remain unchanged. But once a need for change is established, the change must be accomplished in the context of the overall economic, trade, and strategic policies that are in place at the time.

The bill introduced today does not fit the criteria outlined above, but is introduced, by request, to initiate the debate that, by necessity, will contemplate the balance that is the cornerstone of sound maritime policy.●

WHY CUBA AND NICARAGUA MATTER

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. COURTER. Mr. Speaker, we do not often consider how critical the Central and Latin American states can be to the global balance of power. Americans tend to take notice only when our national security interests there are revealed by the involvement of distant European powers in the region.

There was the Zimmermann telegram, and all that it revealed about imperial German machinations in Mexico to distract and endanger the United States and keep it from entering the fighting in Europe in World War I. German agents in Cuba instigated revolts in 1917 to disrupt production of sugar, required by both America and its European allies; the United States was required to land Marines on Cuba as a result. In the Second World War, a fantastic amount of Allied shipping was sunk in the Caribbean. Enemy submarines, which were not operating from Cuban or Nicaraguan ports as they could now, but from the Bay of Biscay 4,000 miles distant, sank 260 merchant ships in the Caribbean between January and August 1942 alone.

A series of such critical but forgotten strategic facts appear in Dr. Harold W. Rood's volume Kingdoms of the Blind (1980), and in his detailed essay on Cuba in the National Review (November 27, 1981). Similarly, and more recently, the excellent nationally syndicated columnist Jeffrey Hart has addressed the problem of "Mr. Reagan's strategic alarm about Soviet penetration of Cuba and Nicaragua," by turning to historical example. His analysis of Nazi policy in Latin America, particularly Uruguay, is a revealing brief on how a distant enemy might attempt to use such countries for themselves and against the United States in times of war or peace. The column by Mr. Hart follows.

[From the Washington Times, June 24, 1985]

ROOSEVELT, REAGAN, AND LATIN AMERICA

(By Jeffrey Hart)

In the summer of 1940, Franklin D. Roosevelt confronted a problem in Latin America that in many ways resembles the one with which President Reagan is now wrestling. Mr. Reagan, a Roosevelt supporter who frequently invokes the memory of FDR, would be fascinated by the parallels.

In the summer of 1940, with the sudden collapse of the supposedly formidable French army, Hitler stood at the English Channel and loomed over the continent of Europe. The catastrophic defeat of the Axis a few years later may cause us to forget how bleak things looked that summer.

The situation, with Britain standing alone between America and the Nazi forces, was in fact a major factor in causing FDR to seek a controversial third term that fall.

In June, as a bipartisan move, he had picked Republicans Frank L. Knox and Henry G. Stimson as secretaries of the Navy and War. In July, he told Mr. Knox that we must prepare and lose no time about it. And then the view most pertinent to us today: FDR told Mr. Knox that as soon as Germany had consolidated its gains in Europe it would proceed to penetrate South America—and that we then would have our work cut out for us in this country.

What Mr. Roosevelt had in mind was an impressive German economic and cultural penetration of the region, already under way, which could then provide the foundation of military cooperation.

Uruguay was to be the headquarters for the organization of the German economic effort. It was not a pipe dream. In 1940, more than 55 percent of Latin American exports went to Europe: Brazilian coffee, Peruvian tin, Argentine beef. Latin America needed the income from those exports, even to a Nazi-dominated Europe.

As FDR could see clearly, a Europe consolidated under Hitler and run from Berlin would be a powerful economic entity as well as a military one, and it could—and no doubt would—use its economic leverage to penetrate the Southern Hemisphere further.

Uruguay already had been invaded by German agents. Twelve of them led by a man named Julius Dalldorf and operating under the German minister, Otto Langman, had been arrested by the Uruguayan authorities in June.

The German plans rested on a promising ethnic situation. There were large German and Italian colonies throughout Latin America, especially in the vital ABC powers—Argentina, Brazil, and Chile. More recently, these communities have provided a haven for Nazi war criminals. There were riots between Nazi and anti-Nazi mobs in La Paz and Montevideo. Under American pressure, Colombia's government-owned airline, Avianca, fired all its German employees. Ecuador expelled the Italian mission for subversion. Mexico threw out Hitler's man in Mexico City, Arthur Dietrich.

Nevertheless, much of Latin America inclined toward the Axis until it became clear that Hitler was losing. In the summer of 1940, it was not clear that he could be beaten at all, and he had numerous disciples in Latin America, such as Argentina's Juan Peron.

In 1940, Hitler's interest in conquering England was secondary. His principal goal was to conquer Russia, seize its resources, destroy Bolshevism, and consolidate a Germanic continental empire. He in fact became startlingly close to doing so. Had he succeeded, his empire would have been a formidable economic and military force.

FDR saw all this. He would have been even more alarmed had he known that Hitler had already approved the German navy's "Z Plan" and given the orders for construction of a large surface fleet capable of operating on a global basis.

There is little doubt that FDR would share Mr. Reagan's strategic alarm about Soviet penetration of Cuba and Nicaragua. Again, a continental empire has designs on the hemisphere.

President Reagan knows that, even if many congressmen do not.●

A TRIBUTE TO MISS HELEN E. WOLFE

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. GEKAS. Mr. Speaker, I would like to bring to the attention of my colleagues in the U.S. Congress the achievements of Miss Helen E. Wolfe, my constituent from Sunbury, PA, who is being honored on September 4 at a dinner hosted by the board members of the John R. Kauffman, Jr. Public Library for her many years of service to the library and community.

Miss Wolfe retired as librarian of the John R. Kauffman, Jr. Public Library on June 1, 1985, ending a full-time career with the library that spanned more than four decades. I say full time career because I understand that Miss Wolfe is now serving in an advisory capacity to train new personnel.

Miss Wolfe began her career at the library on a part-time basis in 1940 and was appointed to the position of librarian on April 11, 1953. In 1961 she received the Certificate of Provisional Librarian from the Pennsylvania Library Association and in 1970 received the Commonwealth of Pennsylvania, Department of Education's Certificate of Public Librarianship. During her distinguished career, she held positions of ever increasing responsibility. She has served as president and secretary-treasurer of the West Branch Chapter Library Association, and at the State level served 3 years on the board of directors of the Pennsylvania Library Association. Her committee work within the association is equally noteworthy as she has served on its nominating, awards and membership committees.

Accomplishing all of these activities would seem to be enough to satisfy most of us in a lifetime, but for Miss Wolfe the list of achievements goes beyond her library work. In additional to currently serving on the Advisory Council of the North Central Library District, she serves on the Shikellamy School District's Citizens Advisory Art Committee and its Library Committee. She is also an active member of the Sunbury Business and Professional Women's Club.

Miss Wolfe has also devoted 40 years of her life as a Sunday school teacher at the Otterbein Church and, as is characteristic of this community-oriented individual, has served on her church's building, nominating, and pastor-parish committees.

I wish to extend my congratulations to Miss Wolfe for her remarkable efforts for the Kauffman Public Library and her community. She has truly en-

riched the lives of all who been privileged to know her and work with her.●

CRIMINAL JUSTICE SUBCOMMITTEE REPORT ON PROPOSED AMENDMENTS TO CIVIL AND CRIMINAL PROCEDURE RULES

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. CONYERS. Mr. Speaker, last April 30, the Supreme Court sent to Congress several proposed amendments to the Federal Rules of Civil Procedure and the Federal Rules of Criminal Procedure. Pursuant to the Rules Enabling Acts, those amendments will take effect tomorrow, August 1, absent legislation to the contrary. The purpose of the delayed effective date is to give Congress an opportunity to review proposed changes before they take effect.

The Criminal Justice Subcommittee, which I chair, has reviewed the proposed amendments transmitted by the Supreme Court on April 30. A hearing explored in detail several of the proposed amendments. Three representatives of the Judicial Conference of the United States spoke in support of the proposed amendments, and three other witnesses—two University of Southern California law professors and an attorney with the New York City Legal Aid Society—criticized various of the proposed amendments. In addition, the subcommittee received written comments from several other persons.

The subcommittee met today and decided, based upon the testimony at the hearing and the written comments, not to recommend legislation modifying, abrogating, or postponing the effective date of any of the proposed rules. The subcommittee instead voted to adopt a report indicating, with regard to each of the proposal amendments that was criticized, why the subcommittee decided not to recommed legislation. This report will be printed and made available to the public through the offices of the Subcommittee on Criminal Justice, room 362, House Office Annex II, Washington, DC 20515.

Only a few of the proposed amendments were controversial. With regard to the Federal Rules of Civil Procedure two proposed amendments were criticized.

Civil Rule 52(a) sets forth a standard of "clearly erroneous" for appellate courts to apply when reviewing district court factfinding. The proposed amendment makes it clear that this standard applies even if the finding is based upon documentary or other evidence that does not involve the demeanor or credibility of the witness. The report indicates that no legislation was recommended because it appears likely that the proposed amendment will affect a limited number of cases. If the proposal has a broader or more frequent impact, however, I would expect the subcommittee to take another look at the matter.

Civil Rule 83 regulates the promulgation of local rules and "standing orders." The proposed amendments seek to provide greater public participation in the drafting of such rules and orders and to ensure greater conformity by such rules and orders with the national rules. The criticism of the proposed amendments has been that they do not go far enough. The report indicates that no legislation was recommended because the matter is presently under consideration by the Subcommittee on Courts, Civil Liberties, and the Administration of Justice, which is working on legislation to revise the rules Enabling Acts.

Three proposed amendments to the Federal Rules of Criminal Procedure were criticized. Criminal Rule 6(e) sets forth a general rule of grand jury secrecy that prohibits disclosure of matters occurring before the grand jury, and provides for some exceptions to that rule. The proposed amendment to rule 6(e) seeks to add a new exception and to expand an existing exception. The report indicates that the subcommittee decided to address grand jury secrecy problems during its work on grand jury reform legislation and not to recommend legislation to modify, abrogate, or delay the effective date of the proposed amendment to rule 6(e).

Criminal Rule 11(c) requires that a judge inform a defendant who wishes to plead guilty or nolo contendere of "the maximum possible penalty provided by law." The proposed amendment adds language that specifically requires the judge, when so informing a defendant, to include that restitution can be imposed. The drafters of the proposed amendment, as they explain in the committee note, do not believe that the rule, as it would be amended, requires the judge to specify the amount of restitution, or an upper limit. The report indicates that no legislation concerning this proposed amendment is being recommended because the committee note cannot alter the clear meaning of rule 11(c).

Criminal Rule 35(b) regulates motions for reduction of sentence. The proposed amendment modifies the rule to conform it to current court interpretations of it. The critics do not believe the proposed amendment goes far enough. The report indicates that, given the rather short life expectancy of rule 35 (it is repealed when the bulk of the Sentencing Reform Act's provisions take effect in November 1986), the subcommittee is not recommending legislation to modify, abrogate, or delay the effective date of the proposed amendment.

The report also expresses views on two aspects of the rulemaking process. The subcommittee believes that, in view of its long experience with rule changes promulgated under the Rules Enabling Acts, its views might be helpful to the Subcommittee on Courts, Civil Liberties, and the Administration of Justice. The two matters commented upon are first, the role of the Supreme Court as promulgator of rule changes, and second the supersession clause, which provides, in effect, that rules supersede enacted statutes.●

HENRY J. DeSIMAS, JR., TO RETIRE FROM U.S. POSTAL SERVICE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. ANDERSON. Mr. Speaker, I would like to take this opportunity to draw attention to the achievements of one of the 32d District's exemplary citizens, Henry J. DeSimas, Jr., who is retiring after a distinguished career in the U.S. Postal Service.

One of California's native sons, Hank DeSimas was born and attended primary schools in San Pedro. A graduate of Loyola University with a major in business administration, his educational achievements also include postgraduate work at UCLA in the advanced management program.

Before starting his career with the Postal Service, his 3 years of active duty in World War II left him with numerous citations, including the Bronze Star for Valor, the Meritorious Service Medal, the Purple Heart, the Combat Infantry Badge, and campaign ribbons with nine battle stars and a bronze arrowhead. He retired after 27 years in the Active Reserve as a lieutenant colonel.

Hank started his postal career in 1946 as a letter carrier in San Pedro. Since then, he has moved up through the ranks and held various positions of increasing responsibility, including director of personnel and superintendent of the North Long Beach Station. From 1973 to 1982, he served as management sectional center manager/postmaster, Long Beach, CA. In this job, he had 23 postmasters reporting to him and was directly responsible for 3,600 employees, 89 facilities, and a budget of over $100 million. These challenging positions led up to what was surely one of the highlights of Hank's career when, in 1982, he was appointed Olympic program manager for the U.S. Postal Service. He was largely responsible for his organization's highly successful and financially

profitable efforts during the Los Angeles Olympics.

Hank was honored by the Postmaster General in Washington, DC and presented with the Partners in Progress award in 1984. In May of this year, he received the Postmaster General's highest award for Executive Achievement, an award for performance which is accompanied by a check for $10,000.

Hank actively participates in civic affairs and functions, and has been on the boards of directors of both the Downtown Lions Club of Long Beach and the March of Dimes. His service includes participation in the National Association of Postmasters, the United States National Association of Postal Supervisors, the Loyola Alumni Association, and the Reserve Officers Association.

Mr. Speaker, although Hank DeSimas' retirement from his present assignment in the employee involvement/quality of work life process for the western region will most certainly be the loss of the U.S. Postal Service, I am confident that California's 32d District will continue to benefit from the endeavors of one of its most selfless community servants. My wife, Lee, joins me in saluting Henry J. DeSimas, Jr., and we wish him, his wife Pat, their eight children, Kathy, Diane, Henry, James, Thomas, Debra, Daniel, and Kimberly, and their 15 grandchildren all the best in the years to come.●

BRAILLE EDITION OF PLAYBOY MAGAZINE

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. FAZIO. Mr. Speaker, on July 18, 1985, the House debated and passed the legislative branch appropriations bill for fiscal year 1986. During our deliberations, Congressman CHALMERS WYLIE offered an amendment to delete $103,000 from the appropriation to the Library of Congress for its National Program for the Blind and the Physically Handicapped. This is the amount that he estimated would be devoted to producing the braille edition of Playboy magazine.

I opposed Mr. WYLIE's amendment at that time on the grounds that his effort amounted to censorship. Further, that the decisions on which publications should be produced in braille is best left up to those who utilize this service, the blind themselves, which is the way the program currently works.

I very much regret that the Wylie amendment passed. I have taken several opportunities to express my views, and I would like to also place in the CONGRESSIONAL RECORD the views of others who have spoken out on this matter. I think that the Members of the House of Representatives should take time to read the following statements and articles:

AMERICAN COUNCIL OF THE BLIND,
Washington, DC, July 23, 1985.

Re: Library of Congress funding for braille edition of Playboy Magazine.

On July 18, 1985, the House passed an amendment to its FY 1986 legislative branch appropriations bill which reduces funding for the Books for the Blind and Physically Handicapped program by $103,000. (Cong. Rec., July 18, 1985, at p. 19659) The purpose of this amendment was to prohibit the Library of Congress from producing a braille edition of Playboy magazine. Since 1970, Playboy magazine, published without advertising, pictorial material, or picture captions, has been available free of charge to blind readers who are eligible for the Library of Congress' Braille and Talking Book program. Other magazines such as the Ladies Home Journal, Better Homes and Gardens, the National Review, the Atlantic and Sports Illustrated are also available in braille or recorded editions through the Library of Congress program.

The American Council of the Blind believes that blind persons should have the right to read what we choose, and that censorship has no place in a free society. Any material distributed to the public at large should not be censored when transcribed into braille or recorded form for blind readers.

Since 1931 the Library of Congress has provided first in braille and then in recorded form reading material to blind persons and has attempted to represent in its collection a broad range of material appealing to many interests. This is as it should be, since blind and visually impaired people are as diverse as society itself. Playboy was included in the program at the request of blind people, and continues to be very popular among the approximate 1,000 readers who receive it each month.

The question is simply whether blind persons should have access to a wide range of contemporary thought. Playboy is one of 36 magazines produced in braille by the Library at reader request and we believe that the blind persons who use this service are in the best position to determine what they wish to read.

Both the American Library Association and the Association of American Publishers have joined with us in opposition to the House's action on July 18. Please let me know whether we can count on your support for full funding for the Library of Congress Books for the Blind program so that blind Americans can be assured that we will be able to read what we choose.

Very truly yours,

J. SCOTT MARSHALL,
Director of Governmental Affairs.

STATEMENT BY COUNSEL TO PLAYBOY MAGAZINE

On July 18, 1985, the House of Representatives approved an amendment to the $1.3 billion appropriations bill for congressional operations (H.R. 2942). The amendment cut $103,000 from the appropriation to the Library of Congress for its National Program for the Blind and Physically Handicapped, an amount it was estimated would be devoted to producing a braille edition of *Playboy Magazine*.

Playboy Magazine has been published monthly for thirty years. During that time, not one single issue has ever been found obscene by any state or federal court. In the eyes of the law, *Playboy Magazine* stands on exactly the same footing as the *Reader's Digest*, the *New York Times Magazine*, and every other lawful publication. In fact, the courts have held that *Playboy Magazine* does not meet even one of the three tests a publication must meet before it can be found legally obscene.[1] Taken as a whole, *Playboy* does *not* appeal to the prurient interest, does *not* contain patently offensive descriptions of sexual conduct, and *does* have serious literary, artistic, political or scientific value.[2]

The law is crystal clear that Congress cannot discriminate between lawful publications on the basis of their content. Any other rule would be intolerable in a free society because discrimination on the basis of lawful content would enable the party that happens to be in power at the moment to suppress publications whose views that party deems unwise. If that *were* the law, one Congress could suppress *The Nation*, and the next Congress could suppress, instead, *The National Review*.

As the Supreme Court has said, "above all else, the First Amendment means that government has no power to restrict expression because of its message, its ideas, its subject matter, or its content." *Police Department of the City of Chicago v. Mosley*, 408 U.S. 92, 95 (1972). In fact, the most firmly established principle in the law of the First Amendment is that government may not discriminate among speakers because of the content of their speech.

The House amendment deleting funds from the Library of Congress' braille program was openly motivated by a desire to restrict the access of blind Americans to *Playboy Magazine* because of *Playboy's* content.[3] After the vote in the House of Representatives, Representative Wylie, the sponsor of the amendment, explained to the *Washington Post* that "*Playboy* assails traditional moral values. . . . I believe that promoting the reading of *Playboy* in this way does lead to undesirable activities." This content-based censorship of the reading material available to blind citizens is plainly unconstitutional.

It is not any more constitutional because access to a federal program, and a government subsidy, is involved. The Supreme Court, speaking through Justice O'Connor, earlier this month reaffirmed that *"those justifications cannot save an exclusion that is in fact based on the desire to suppress a particular point of view." Cornelius v. NAACP Legal Defense and Educational Fund, Inc.*, 53 U.S.L.W. 5116 (July 2, 1985)

[1] Before government may suppress speech as obscene, the Constitution requires that " 'the average person, applying contemporary community standards' would find that the work, taken as a whole, appeals to the prurient interests, . . .; [that] the work depicts or describes, in a patently offensive way, sexual conduct specifically defined by the applicable state law; and [that] the work, taken as a whole, lacks serious literary, artistic, political, or scientific value." *Miller v. California*, 413 U.S. 15, 22 (1973).

[2] For the most recent case holding that *Playboy Magazine* is not obscene under each of the *Miller* criteria, see the decision of the United States Court of Appeals for the Fifth Circuit in *Penthouse International, Ltd. v. McAuliffe*, 610 F.2d 1353, 1364-1373 (5th Cir. 1980).

[3] See Cong. Rec.-House, July 18, 1985, at H 5932-H 5935.

(emphasis added). The constitutional safeguards of free speech and equal protection of the laws would be violated "if Congress were to discriminate invidiously in its subsidies in such a way as to '"aim at the suppression of dangerous ideas."'" *Regan v. Taxation With Representatives of Washington*, 103 S. Ct. 1997, 2002 (1983); *see id.* at 2004 (Blackmun, J., concurring). Representative Wylie's amendment is therefore explicitly based on uncontitutional viewpoint discrimination.

For over half a century, Congress has provided funds to the Library of Congress to enable the nation's library to set in braille at least a few of the approximately 11,000 magazine published in this country. (The program currently provides sufficient funding to set 36 magazine in braille.) Not once during that long and proud history has Congress ever attempted to dictate which magazine must, or must not, be set in braille. Instead, Congress has wisely left the selection of magazine to the judgment of the Library of Congress and the blind Americans that program is designed to serve. Since 1970, representatives of the blind community have consistently included *Playboy Magazine* as one of the magazine they most want to read.[4]

Why is that? It is certainly not for the pictures, because only the text is set in braille. Perhaps it is because *Playboy* has for years published some of the very best fiction published in this country. Indeed, this year *Playboy Magazine* won the distinguished National Magazine Award "for excellence in fiction."[5] Where else can the blind have access to the fiction of writers such as Gabriel Garcia Marquez, John Le Carre, Saul Bellow, Isaac Asimov, and Joyce Carol Oates.[6] Perhaps the blind select *Playboy* because *Playboy* publishes candid interviews of individuals whose views or actions are of considerable interest or importance to the blind. Recent issues, for example, have contained interviews with then President Carter, and with Malcolm Forbes, Presidential candidate John Anderson, Lech Walesa and Dan Rather.[7] But whatever their reasons, the blind have decided *for themselves* what they want most to read.

The rights that would be most severely infringed are thus not those of *Playboy*, which will still be read each month by over 15 million sighted Americans, but the rights of blind people to read what they choose. That right to choose is fully protected by the Constitution, *Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council, Inc.*, 425 U.S. 748 (1976); *Stanley v. Georgia*, 394 U.S. 557 (1969), and Congress may not constitutionally strip blind Americans of that choice.

[From the New York Times, July 24, 1985]

THE BLAND FOR THE BLIND

Tough luck, blind folks. For you there will be no more Playboy magazines in Braille from the Library of Congress.

Congressman Chalmers P. Wylie has caught you.

And put a stop to it.

With the consent and approval of the entire House of Representatives of the United States.

And of all decent, right-thinking people, too, I'll bet.

Imagine it—I am speaking now to the unblind—imagine blind people, American blind people, reading Playboy by moving their fingertips over it.

Make your blood boil?

All right, so the famous Playboy pictures—those disgusting pictures—are not reproduced in the Library's Braille editions.

Thank Heaven for small favors. Is that what you say? Well, our House of Representatives was not so easily satisfied, because what about the infamous Playboy party jokes?

What about the vile Playboy Advisor with his licentious hints on what to do about—well, this—and that?

Trenchant questions were confronted in the House of Representatives.

"Is the Honorable Member telling this House that the Braille edition does not make it possible to visualize the most minute details of the Playmate of the Month by application of fingertips to, ah, shall we say—?"

"Unfortunately, no. Only the reading material is reproduced. Infamous party jokes, vile Playboy Advisor hints, interviews with American Presidents discussing lust they have felt in their hearts."

Cries of "shame! shame!"

Party jokes. Lust.

These are concepts that outrage the House of Representatives. The disclosure that blind people were being exposed to them was maddening.

Speaker O'Neill was hard pressed to defeat motions for renting more mercenaries to overthrow the Nicaraguan Government, which was assumed to be in cahoots with the Soviet Union in a plot to destroy the moral fiber of America's blind with Braille Playboy party jokes.

Many a Member reminded the press gallery what Lenin had said:

"Today party jokes, at the fingertips of the blind; tomorrow the novels of D.H. Lawrence in the hands of women and college girls."

Speaker O'Neill blocked resolutions calling for the immigration bureaucracy to hound D.H. Lawrence out of the United States, but only after testimony from Congressman Wylie that D.H. Lawrence had been dead for many years.

Throughout the turmoil Congressman Wylie remained the very bedrock of responsible literary criticism. The distinguished Ohioan Republican, known in his native state as "the Buckeye Sainte-Beuve" (sometimes "the Buckeye Longinus" or "the Buckeye Edmund Wilson"), refused to be drawn into debate about licentious jokes and vile advice.

The facts were sufficient. Government money paid for Braille editions of 36 magazines selected by blind readers for their literary merit.

"I do not feel that Playboy meets those standards," Mr. Wylie announced.

He was referring to the literary standards of journals like Good Housekeeping and Popular Mechanics, which are also produced in Braille at Government expense.

The usual bleeding hearts were heard from:

"Censorship!" they cried.

"Who are we, in spite of our infinite wisdom, to decide that the blind are entitled to expensively produced magazines, telling how to build bird houses, and how to dust behind radiators, but not to magazines telling how to use bird houses and radiators to make one's sex life more fulfilling?"

Congressman Wylie noted that the question at issue was not the type of advice to which the blind were entitled, but the literary quality of its donors.

While it was true, he noted, that officially approved magazines in the 1930's had split a great many infinitives in such articles as "How to Build Your Own Autogyro" and "Seven Keys to Tastier Macaroni and Cheese," both Popular Mechanics and Good Housekeeping were better edited nowadays and certainly more literate than Playboy, which often contained interviews with politicians.

Congressman Wylie emphasized that not all blind people enjoyed reading Playboy in Braille. This produced astonished cries from the House floor:

"Do you mean many of them are just as pure, upright and clean-living as you and I?"

Congressman Wylie said such was the fact. Since they would be depriving only a few—and those few, people of inferior literary taste—the Members readily voted the Braille Playboy out of existence.

Thus do the blind lead the blind.

[From the Wall Street Journal, July 22, 1985]

TUNNEL VISION

The Library of Congress usually gets fairly generous treatment from the legislative branch when budget time rolls around. But the House of Representatives has now voted to cut $103,000 from the institution's appropriation. This is what it costs the library to produce Playboy magazine in Braille.

Playboy is one of 36 magazines produced for the blind. Among the others are Fortune and Jack and Jill. Librarians and groups representing the blind choose the titles. No, Playboy's centerfold and other photos do not make it into the braille edition.

Rep. Chalmers Wylie spurred this move. "We have a budget deficit," he said in defending this action. We know. And $103,000 won't cure it. Such a pointed reduction is not economizing but censorship, a kind of legislative nannyism that treats the handicapped like children.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference.

---

[4] It has been suggested that *Playboy* decides which portions of the text of *Playboy Magazine* will be set in braille. That is not true. *Playboy* exercises no control whatsoever over the selection of text. Under a copyright licensing agreement executed in 1970, *Playboy* has given the Library of Congress permission to set the text of *Playboy Magazine* in braille. *Playboy* charges nothing for that permission.

[5] That award is given to one magazine each year by the American Society of Magazine Editors, in conjunction with the Columbia University Graduate School of Journalism.

[6] The list of persons who have contributed fiction and other articles to *Playboy* includes, in additon, Ray Bradbury, Arthur C. Clarke, Justice William O. Douglas, Laurence Durrell, Graham Greene, Sen. Philip A. Hart, Sen. Vance Hartke, Ernest Hemingway, Martin Luther King, Jr., Norman Mailer, Bernard Malamud, Sen. George McGovern, Vladimir Nabokov, Isaac Bashevis Singer, John Steinbeck, Paul Theroux, and John Updike.

[7] The list of persons interviewed by *Playboy* includes, in addition, Sen. Charles Percy, Albert Schweitzer, George Wallace, Princess Grace Kelly, John Kenneth Galbraith, Jesse Jackson, William Buckley, Jr., Sen. George McGovern, Tennessee Williams, Walter Cronkite, Bob Hope, Henry Aaron, Admiral Elmo Zumwalt, Billie Jean King, Sen. Patrick Moynihan, Andrew Young, Barbara Streisand, and William Colby.

This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, may be found in the August 1, 1985, Daily Digest of today's RECORD.

MEETINGS SCHEDULED

AUGUST 2

9:30 a.m.
Joint Economic
To hold hearings on the employment/unemployment situation for July.
2359 Rayburn Building

10:00 a.m.
Judiciary
To hold hearings on issues surrounding Joseph Mengele.
SD-226

SEPTEMBER 5

10:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on competitiveness in the long-distance telephone markets.
SD-628

SEPTEMBER 9

9:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation of the Motor Carrier Act (Pub. L. 96-296).
SR-253

9:30 a.m.
Finance
Health Subcommittee
To hold hearings on S. 1265, to provide compensation for workers injured by exposure to asbestos.
SD-215

SEPTEMBER 10

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 1310, the Clean Campaign Act of 1985.
SR-253

Labor and Human Resources
Labor Subcommittee
To resume oversight hearings on the impact of the Supreme Court's ruling in Garcia vs. San Antonio Metropolitan Transit Authority on the coverage of state and local government employees under the Fair Labor Standards Act.
SD-430

SEPTEMBER 11

9:30 a.m.
Commerce, Science and Transportation
Business meeting, to consider proposals relating to the future of Washington National Airport and Washington Dulles International Airport.
SR-253

Labor and Human Resources
To hold hearings on United States' relations with the International Labor Organization (ILO).
SD-430

10:00 a.m.
Select on Indian Affairs
To hold hearings on S. 1396, to settle unresolved claims relating to certain allotted Indian lands on the White Earth Indian Reservation in Minnesota.
SD-628

1:00 p.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on competitiveness in the long-distance telephone markets.
SR-253

SEPTEMBER 12

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Higher Education Act.
SD-430

SEPTEMBER 17

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on proposed legislation authorizing funds for programs of the Higher Education Act.
SD-430

SEPTEMBER 18

10:00 a.m.
Judiciary
Juvenile Justice Subcommittee
To hold hearings on S. 985, to protect the rights of victims of child abuse.
SD-226

SEPTEMBER 19

9:30 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 812, to authorize the President to control loans and other transfers of capital to any or all of the Soviet bloc countries.
SD-538

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on proposed legislation authorizing funds for programs of the Higher Education Act.
SD-430

SEPTEMBER 24

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on the problem of illiteracy in America.
SD-430

SEPTEMBER 26

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on the problem of illiteracy in America.
SD-430

SEPTEMBER 30

9:30 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on proposed revisions in subchapter C of the Internal Revenue Code relating to corporate taxation.
SD-215

OCTOBER 1

11:00 a.m.
Veterans' Affairs
To hold hearings to review the legislative priorities of the American Legion.
SD-106

CANCELLATION

AUGUST 1

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

SENATE—*Thursday, August 1, 1985*

(Legislative day of Tuesday, July 16, 1985)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Almighty God, sovereign Lord of history and nations, You are needed here: Your presence—Your mercy—Your judgment—Your wisdom—Your love. We need You in this formidable arena of controversy, conflict, and compromise, where unnumbered agendas converge and demand attention—where special interests collide—where strong wills clash. We need You when tempers rise, emotions boil, frustration enervates, and suppressed anger explodes.

Gracious God, in this vortex of the storm where personal, local, regional, national, international, special issues, and interests concentrate, give to the leaders, the Senators and their staffs grace exceeding the tempest. Somehow make it possible for them to enter recess without an undue burden of unfinished business. They do not recess to play games but to work harder than ever. Help them midst heavy schedules to tend to their own health and welfare and that of their families. In the name of Him Whose peace the world cannot give nor take away. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the two leaders have 10 minutes each unless reserved or yielded, then special orders not to exceed 15 minutes for Senators SIMON, PROXMIRE, KERRY, and BUMPERS, and routine morning business not to extend beyond the hour of 11:30 a.m. with statements limited therein to 5 minutes each.

Following morning business, the Senate will turn to the consideration of the conference report to accompany H.R. 2577, the supplemental appropriations bill. I hope we can complete that by 1 p.m. From 1 p.m. to 3 p.m., we will have a discussion of the various farm bills pending in the Agriculture Committee and hopefully at that time have some reliable cost estimates from various sources—CBO, OMB, USDA—so that we can focus on the various programs.

I must say, we only have a very few items remaining before we recess this evening or tomorrow before we begin the August recess. It could come this evening, I believe, if we can get a budget resolution. I know we have a conference starting at 10:15 and the Democrats have a caucus starting at 10:30. We will discuss the budget conference positions at that time. If that can be resolved and the supplemental appropriations can be resolved, that would leave the energy and water appropriations bill, the South Africa conference report, and the Genocide Treaty.

I am advised that it will take some time on the South Africa conference report, and as soon as that is confirmed we can make a judgment on that. But, if it is going to be extended discussion, it would be my hope we might call up that conference report, file cloture and go home, because I think it would take a number of days, into the next week, as I understand it. But I can advise the distinguished minority leader later on or early afternoon.

So I am prepared, if we can put it all together today, to complete action today. If not, hopefully by early afternoon tomorrow.

Mr. President, I reserve the balance of my time.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. WALLOP). Under the previous order, the democratic leader is recognized.

Mr. BYRD. Mr. President, I ask unanimous consent that my time be reserved for me during the day throughout the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I yield the floor.

RECOGNITION OF SENATOR SIMON

The PRESIDING OFFICER. Under the previous order, the Senator from

NOTICE

An interim issue of the daily Congressional Record for the Ninety-ninth Congress, first session, will be published on August 14, 1985, during the adjournment, unless otherwise ordered by the Joint Committee on Printing.

None of the material printed in the Congressional Record after adjournment may contain subject matter, or relate to any event, which occurred after the date Congress officially adjourned.

No provision herein shall be construed to supersede the two-page limitation rule.

All material must be signed by the Member and delivered to the respective Office of the Official Reporters of Debates, Room HT–60 or S–220 of the Capitol, Monday through Friday, between the hours of 10:00 a.m. and 3:00 p.m., through August 14.

Members of Congress desiring to purchase reprints of material submitted for Record printing during the adjournment may do so through the Congressional Printing Management staff located at the Government Printing Office. That office may be reached by telephoning 275–2226 between the hours of 8:00 a.m. and 4:30 p.m. daily.

By order of the Joint Committee on Printing.

CHARLES McC. MATHIAS, JR., *Chairman.*

Illinois [Mr. SIMON], is recognized for not to exceed 15 minutes.

HIROSHIMA REMEMBRANCE DAY

Mr. SIMON. Mr. President, this coming week, on August 6, when we are not in session, we will be noting the 40th anniversary of the dropping of the bomb at Hiroshima. Since that horrible display of weaponry, we have amassed more and more and more power. We are moving toward nuclear confrontation, at least I think that is the judgment of most people. And somehow we have to move away from that. We have to move away from it in ways that do not jeopardize in any way the security of our country nor the security of the Soviet Union. We have to start negotiating. My hope is that we can, as a first step, negotiate a verifiable comprehensive test ban treaty.

In any event, this body, our counterpart on the other side of the Capitol, and the administration ought to make a high priority of moving away from the present course. The present course ultimately means that these young pages here and all their counterparts all over this Nation and this world have a grim future. We can build a bright future, but it is absolutely essential, in order to build that bright future, that we negotiate away from the arms race which piles up more and more and more weapons of destruction.

Anniversaries can be good things or anniversaries can be bad things. I see the Chaplain on the floor. Sometimes when I attend church anniversaries I think they are not a good thing because they seem to say how good we are and pat themselves on the back.

The 40th anniversary of Hiroshima is not an occasion where we want to say how good we are. It is an occasion when we ought to say somehow we have to move away from piling up more and more and more weapons, because ultimately someone, somewhere, is going to light the match.

There is one safe way to deal with that, and that is to find verifiable ways of moving away from the arms race. I hope this body, the other body, and the President can move us in that direction.

Mr. President, I asked for this special order relating to Hiroshima Remembrance Day because the Senate will be in recess on August 6, the 40th anniversary of the atomic bombing of Hiroshima. The destruction of Hiroshima ushered in a new era in warfare, and I hope a new era in the conduct of international politics. While many of us rejoiced at the rapid close of World War II, we were skeptical that such enormous uncontrolled power could long keep the peace. Just after the war ended, Albert Einstein said: "Nuclear weapons have changed everything except our way of thinking." Unfortunately, Einstein turned out to frighteningly accurate—year after year, weapon after weapon.

Anniversaries are important. In 1985, we have already witnessed the 40th anniversary of the victory in Europe and the first successful atomic test in the desert of New Mexico. On August 6 we will note what is surely one of the most momentous of all dates—the destruction of Hiroshima by the first wartime use of nuclear weapons. Hiroshima was followed 3 days later by the atomic destruction of Nagasaki. And that second blast has so far been the last explosion of such terrible weapons fired in anger. But we would be complacent in the extreme if we were to assume that these two nuclear strikes were necessarily the last.

We stand on the brink of a qualitatively new and far more dangerous cycle of the arms race. The Reagan administration has embarked on one of the greatest arms race follies ever contemplated: the star wars space shield, the so-called strategic defense initiative. Every major premise of this program is faulty. SDI will not bring about a radical reduction in United States and Soviet offensive nuclear arms; it will instead increase the number of weapons necessary because both sides will require more weapons. It will not reduce the chances for a first strike; it will instead ensure that the Soviet military targets our orbital lasers early so that their nuclear weapons can get through the shield. And their weapons will shift to warhead that do not enter space. SDI will not make the world a safer place; it will instead raise the stakes in a crisis. Both sides will feel the necessity of quick and catastrophic action against the satellite "eyes and ears" essential to preserving military communications and nuclear launch-detection capabilities. And computers—which can malfunction—will make the ultimate decisions. The premium could shift to firing first, because there may no longer be the sure knowledge we each have today, that a first strike will invite a counter strike. In any event, nuclear weapons will still be delivered by suborbital or conventional means: a 1 megaton bomb could easily fit on the back of a standard-sized pickup truck.

There are other follies now under pursuit by both superpowers. We have our MX; Moscow has its SS-18 and SS-24. Our latest folly just arrived the other day, when the administration refused to join with the Soviet Union in a 5-month moratorium on nuclear tests and the Senate could not even agree to ask the President to resume talks. Even if the Soviets have conducted a number of extra tests in the past few weeks or months, what possible additional knowledge could they have gained in these tests? What kinds of militarily useful information could they have gleaned, that we could not with 40 years of testing and experimentation under our belt? A gesture of this sort could do wonders. Article 6 of the Non-Proliferation Treaty calls for the superpowers to make significant progress toward general and complete disarmament. Instead we push ahead with our test schedule as if a missed test spelled the end of Western civilization.

A comprehensive test ban treaty is verifiable down to exteremly small levels, and, with cooperative measures such as in-country tamper-proof seismic sensors, there is virtually unanimous sentiment that a good treaty could be negotiated with ironclad verification provisions. Why not take that first step toward fulfilling article 6 and meeting the aspirations of all the world's peoples? Why not engage in negotiations to stop all nuclear testing for all time? While no one would argue that an agreement banning tests will stop the arms race, it is clear that a treaty would dramatically slow the qualitative arms race and pave the way to reduce the numbers of missiles and warheads now spiralling out of control.

Mr. President, there are many arms control initiatives currently receiving attention in the public arena. Some are good ideas, others are less worthy. But it takes political wisdom, and political courage, to take that first step away from future Hiroshimas. We have spent the past 40 years moving closer to nuclear holocaust, devising new weapons programs and new strategic doctrines. When President Eisenhower met with Premier Khruschev, the two world leaders discussed the problems posed by nuclear fear. Eisenhower told Khruschev that when budgets are drawn up, his military come to him and say that they need more and better weapons to keep up with the Russians. Khruschev told the President that it was the same with Soviet defense spending: his military had to keep up with the Americans. And so it has been ever since.

We have legitimate differences with the Soviets. There are some disturbing trends under way, in the political and the military spheres. In the final analysis, however, we must put aside our fears and our concerns, and sit down with Moscow and negotiate over our differences. We have done it before on several occasions, and we can do it again. We owe nothing less to ourselves, our children, and to the legacy of Hiroshima.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from

Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 15 minutes.

Mr. SIMON. Mr. President, I suggest the absence of a quorum, and I ask that the time not be charged to the Senator from Wisconsin.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11:30 A.M.

Mr. DOLE. Mr. President, I note there are still three special orders remaining. I hope that in view of the conferences by both the Republicans and the Democrats—the Democrats starting at 10:15 and the Republicans at 10:30—that Senators might be able to abbreviate statements so that we can recess following the last special order until 11:30 a.m. I have cleared that with the distinguished minority leader.

I hope that Members who have special orders would come to the floor quickly and abbreviate their remarks because I know the Presiding Officer and others want to attend the conferences.

Mr. President, I ask unanimous consent that, following the execution of the final special order, the Senate stand in recess until the hour of 11:30 a.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, is there a particular order that I have to get unanimous consent to change in the sequence of speakers this morning?

The PRESIDING OFFICER. There is.

Mr. BUMPERS. Mr. President, I ask unanimous consent that I may be allowed to speak out of order and proceed under the special order that was arranged last evening.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR BUMPERS

The PRESIDING OFFICER. Under the previous order, the Senator from Arkansas [Mr. BUMPERS] is recognized for not to exceed 15 minutes.

FORTIETH ANNIVERSARY OF THE BOMBING OF HIROSHIMA

Mr. BUMPERS. Mr. President, I join my distinguished colleagues, Senator SIMON and Senator KERRY, in speaking this morning in commemoration of the 40th anniversary on Tuesday of the dropping of the bomb on Hiroshima. Incidentally, the Friday following next Tuesday, celebrates the 40th anniversary of the second nuclear bomb, which was dropped on Nagasaki. It was on that day that the world found that there was a power that we thought previously had been reserved to the Almighty. That was the ability to destroy all mankind.

Unfortunately, when we developed this power, we did not develop the wisdom of the Almighty to control it.

As Einstein has said, and has been quoted literally thousands of times, "The unleashed power of the atom has changed everything save our modes of thinking, and we thus drift toward unparalleled catastrophes."

The dropping of that first bomb on Hiroshima can be debated all you want. I only speak as one who was a 19-year-old marine aboard ship heading toward the invasion of Japan, so it is not necessary to say what my personal feelings were at the time.

I might also say—and I have said this on the floor before but this is an appropriate place to repeat it—the first year I was Governor of my State, I had the opportunity to go to Kansas City and I spent an hour with President Truman. I began to tell the President what a terrible job being Governor of Arkansas was, that I did not like it, that I did not like the pressures, that it was a lot more than I bargained for.

While I was sitting there lamenting about what a difficult job being Governor of Arkansas was, it suddenly dawned on me that I was talking to the man who had made the most awesome decision made by any American. That was the decision to drop the first bomb.

So I am not going through that exercise on the morality of the dropping of that bomb as I explain my position, and, in my opinion, it has probably saved untold millions of lives since that day.

But the dropping of that bomb started a clock ticking. Either we had to find a way to live with our friends and our adversaries and our enemies without the resort to major armed conflict, or we certainly would bring upon ourselves the final disaster.

We should not feel guilty as a nation over the development of the atomic bomb, though it is appropriate to be remorseful and sad. But had we not developed the bomb, someone else surely would have, and by now everybody would have had it anyway.

The bomb hastened the end of World War II, and there are varying estimates about how many Japanese and American lives would have been lost in a full-scale invasion of Japan. Probably as many as 2 million men and women.

But. you know, the dropping of that bomb has also served a very, very salutary purpose: It has brought Europe the longest uninterrupted period of peace since the beginning of man.

So in that sense, we owe a great debt to Hiroshima and Nagasaki. If it had not been for their tragedy as told by the gruesome pictures, and even the more gruesome personal accounts that we have seen in the past week, especially in Time and Newsweek, then the terrible destructive power of nuclear weapons might still be an abstraction on some scientist's drawing board.

You can look at a glazed desert floor where a test fused sand together and made the desert a glass floor. But you cannot compare that and the impact it has on our thinking with the impact of the twisted buildings and the poignant stories of Hiroshima and its residents.

With this awesome power which the world possesses comes great responsibility, and unhappily that has not been mankind's strong suit. We have avoided any further use of these weapons in anger, but that is about all you can say. And as long as nuclear threats are made and as long as one nation with a traditional adversary has the bomb and the other one does not, it is only natural that the other one wants it. As long as nations continue to use atomic diplomacy, the demand for these weapons is going to be irreversible.

It goes without saying, but it needs to be said over and over again, those two bombs on Hiroshima were in the 13- to 14-kiloton range. The world now has 50,000 nuclear weapons and hardly any of them that small, For the record, 1,000 kilotons is one megaton. A thousand kilotons is one megaton, and that was a 13-kiloton explosion in Hiroshima, and 5- to 10-megaton weapons are not unknown today.

Originally, we thought that an atomic bomb was just another weapon to be placed in our arsenal. We even seriously considered using them in Korea. President Eisenhower was strongly urged to use the atomic bomb from time to time. We considered using atomic weapons early in Vietnam. Fortunately, Presidents Truman and Eisenhower and their successors resisted all overtures to use this horri-

ble weapon in anger. So, instead, we have developed the doctrine of deterrence. That is, that nuclear weapons should exist to deter certain types of behavior.

In the infancy of this doctrine, which was Eisenhower's New Look policy of massive retaliation, we leaned too much on deterrence. We let our conventional weapons go almost ignored and we said, "If anybody jumps on us, we will simply nuke 'em." That was our policy for several years. But we soon learned that nuclear weapons cannot deter everything, so we began to rebuild our conventional forces. Deterrence is a perfectly legitimate policy but in the long-run, it is not the ultimate solution.

I want you to look at the odds. If you believe, as many people do, that in any given year, there is a 1-percent chance of a nuclear war, that means that in the next 40 years, there is one chance in three that there would be such a conflict. And the longer you look into the future, the bleaker it gets. At 1 percent, the odds of nuclear conflict within 50 years are 4 in 10 and within 100 years, 7 in 10. In other words, in the next 100 years, there is a 7-out-of-10 chance that we are going to have a nuclear holocaust. And within 500 years, which is about the same time it is now from the time Christopher Columbus discovered this continent, the odds of escaping a nuclear conflagration are a tiny 1 in 200. There is a 199-out-of-200 chance that we will have nuclear war in that period of time.

So what do we do? There are only two things that we can do. One is, we can take a technological approach and say we are going to build a defense system that makes nuclear weapons obsolete and we will be safe from that standpoint. I shall talk about that in just a moment.

The other one, the one that Einstein, by implication, was recommending, is that we make a giant leap forward in our mentality and the way we think about nuclear war. They are both immeasurably difficult, whether you are talking about a technological breakthrough or a giant leap forward in our thinking about our relationships with other nations. The main thing we must not do is allow false promises to lure us into a belief that there is some kind of salvation awaiting us that will save us. We have to face the awful truth.

Mr. President, I am not suggesting that we live white-knuckled all day every day in anticipation of this or keep our children nervous and upset constantly about the threat. And, incidentally, we are not. The peace movement which was so strong 3 years ago is on the back burner. Gorbachev's offer the other day of a 5-month moratorium, as Mary McGrory said in her column this morning, was met in Europe, where most of these activities always begin, by a giant yawn.

First, we must recognize that nuclear weapons will never be uninvented.

As the scientists who created the first bomb wrote 2 months before Hiroshima, "The fundamental facts of nuclear power are common knowledge."

Mr. President, there is no technological way to eliminate the weapons and there is no technological way to eliminate the nuclear threat. There is never going to be a technological quick fix. Any technological breakthrough could save us. I am not saying it does not exist, that we may not find it, but I am telling you that it is not an ultimate solution, that any solution along those lines will ultimately be available to our enemies and other countries. So to preach that kind of pious nonsense exploits and deceives the deepest yearnings of mankind for peace.

Star wars is going to be a blind alley. I am absolutely certain that star wars will not only bankrupt this country, but that it will not work.

Incidentally, if this were just a layman standing on the floor of the U.S. Senate saying that, that would be one thing, but when 50 of 100 physicists at the University of Illinois, perhaps second only to MIT in the field, say that this is absolute folly, then I am in pretty good company.

Nobody suggests that star wars is 100 percent perfect. Nobody suggests that it is going to be effective against certain submarine missiles or bombers. So I want to quote the scientists, who spoke wisely in June of 1945, again, when they said:

> In the past, science has often been able to provide new methods of protection against new weapons of aggression it made possible, but it cannot promise such efficient protection against the destructive use of nuclear power. This protection can only come from the political organization of the world * * *. In no other type of warfare does the advantage lie so heavily with the aggressor. He can place his "infernal machines" in advance in all our major cities and explode them simultaneously, thus destroying a major part of our industry and a large part of our population.

That is taken from a report by the Franck committee to the Secretary of War on June 11, 1945.

This does not mean we should not spend a prudent amount of money for basic research on ballistic missile defense, but it does not make any sense to spend billions and maybe a trillion dollars when we know it is not going to work. I believe the sound approach is to make certain we have a credible deterrent and to work seriously and hard at reaching good arms control agreements and to meet the Soviets halfway in trying to improve our relations.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. BUMPERS. Mr. President, I shall wrap this up. I ask unanimous consent that I be permitted to proceed for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, the measure of success for arms control is not whether it solves all of our problems or meets the gigantic criteria set by one side or the other.

The test of a good arms control agreement is would we be better off with it than we would be without it. Now, you can talk about deep cuts, which this administration has done, and I applaud that, but to say it has to be deep cuts according to our proposals at the START talks and nothing else will do is the height of folly. We have concerns about Soviet treaty compliance; everybody recognizes that, and that means we must put greater emphasis on verifiability but it does not mean that we ought to give up arms control treaties and arms control negotiations altogether.

So let us remember that the Soviets have done some things to come into compliance also, and let us not also forget that there is always room for improvements in relations. It has not been that long ago since Britain and France were at war with each other. It has not been that long ago that the United States and Japan, the two biggest trading partners in the world, were at war with each other. It has not been that long ago since China and Russia, the two greatest Communist powers in the world, were in active armed conflict and now they are living rather peaceably even though they have entirely different kinds of systems.

Mr. President, I ask unanimous consent that a quote by George Washington, saying that any nation which indulges toward another an habitual hatred or an habitual fondness is in some degree a slave, be printed in the RECORD.

There being no objection, the quotation was ordered to be printed in the RECORD, as follows:

> Nothing is more essential than that permanent, inveterate antipathies against particular nations * * * should be excluded; and that in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges toward another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or a slave to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another, disposes each more readily to offer insult and injury.
>
> To lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The Nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The Government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other

times, it makes the animosity of a nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

THE LESSONS OF HIROSHIMA

Mr. PELL. Mr. President, 40 years ago today, the world entered the nuclear age in a blinding flash of light as the Japanese city of Hiroshima was obliterated; 3 days later, a second holocaust was visited upon the inhabitants of Nagasaki. Shortly thereafter, the Japanese surrendered.

Forty years later, five nations have massive nuclear arsenals totaling more than 50,000 weapons. Other nations may have nuclear weapons or be on the verge. The United States alone has about 11,000 nuclear warheads in its strategic arsenal—each one of them capable of causing more devastation by far than was brought about in Hiroshima and Nagasaki. A single B-52 carries more nuclear explosive force than all of the bombs dropped by the allies in World War II. A single Trident submarine carries about 200 warheads—each one capable of obliterating a major city and most of those who dwell in it.

Whether it is a divine providence or some wisdom of our own, or both, which has saved us from ultimate folly, the world should be grateful almost beyond imagining that the world has been spared more nuclear holocausts in the past four decades.

The fact we have been spared from the use of nuclear weapons in war gives us cause for profound relief, but it does not give us cause for us to conclude that the risk we face is anything less than terrible. We would be well advised to use this day to resolve that all of us—regardless of political outlook—will do all that we can to bring about genuine curbs on the arms race, that we will do our utmost to reduce our nuclear arsenals, and that we will mean it when we say we will try to remove nuclear weapons from the face of the Earth. These are goals which must transcend political differences.

We should bear in mind the words of one of the most distinguished military leaders of this century, General of the Army Douglas MacArthur, who reminded us in 1961:

> Global war has become a Frankenstein's monster, threatening to destroy both sides. . . . It contains now only the germs of a double suicide.

Recently, several of the distinguished scientists who developed the bombs which devastated Hiroshima and Nagasaki appeared in the Senate to tell of their experiences and to reflect upon the present dangers. They were unanimous in their view that we must move urgently to place better controls on nuclear weapons. These men were direct witnesses to the effects of nuclear weapons. We should listen to them and reject the misbegotten notions of those who would willingly risk the future of mankind on the theory that somehow one side or the other can prevail in a nuclear conflict.

As we face the task of bringing about arms control, we can take no comfort in the fact that relations with our principal adversary, the Soviet Union, remain so difficult. We look for hopeful signs, but we must be realistic in recognizing that we have a great distance to go in restoring a relationship in which we can forge solid arms control agreements which protect our interests, but move us further back from the brink of the nuclear abyss.

Despite the difficulties, we can succeed. Both the United States and the Soviet Union must recognize their self-interest. Both must know that it is a better course to control arms and remove the threat of mutual self-annihilation.

I hope that we can act in a bipartisan fashion to help the President move the negotiations in Geneva beyond the present stalemate so that solid agreements can be reached on space weapons, strategic offensive weapons, and intermediate-range nuclear weapons in Europe.

The President and the Senate should move to ratify the two yet-unratified testing treaties—the Threshold Test Ban Treaty of 1974 and Peaceful Nuclear Explosions Treaty of 1976. We should reopen negotiations on a comprehensive ban on nuclear explosions. We must find ways to bolster the Non-Proliferation Treaty of 1978 to give the 124 non-nuclear-weapons states party to that pact reason to continue to forswear nuclear weapons. Success in these endeavors will be difficult, but success will occur if we have the resolve.

Arms control agreements will not end the arms race. Nonetheless, they can blunt—and even remove—its most dangerous aspects. Most importantly, arms control can keep us away from the brink. In time, if we succeed, the present peril may be a dim memory to our grandchildren and their children.

We need to recall Nagasaki and Hiroshima now to strengthen our resolve that nuclear war will never happen again. There is no greater inheritance we can offer those who will follow us.

THE SCIENCE OF WAR AND THE ART OF PEACE

Mr. MATSUNAGA. Mr. President, I rise to join the distinguished junior Senator from Illinois [Mr. SIMON] to speak in observance of the 40th anniversary of one of the most somber and awe-inspiring events in human history. It is fitting and proper for us as Americans to commemorate that fateful event, for we indeed played the major role.

Ours is the greatest Nation on Earth, Mr. President, because we are an immigrant society founded upon, and bound together by, those ideals known by the word "democracy"; all other nations have sprung from a single dominant ethnic origin. Therefore, it is not surprising, I suppose, that among those of us in Congress old enough to have vivid memories of Hiroshima and Nagasaki we bring not only ambivalence in our feelings but different perspectives to our recollections. In yesterday's Washington Post the *Enola Gay*'s commander, Col. Paul Tibbets, tells of meeting my old friend from my years in the House, Congressman JACK BROOKS of Texas, who expressed his gratitude that the colonel's fateful flight had brought an end to the war in the Pacific because he had been a marine, poised for the massive invasion which Japan's surrender forestalled. For my part, as a twice-wounded survivor of the war in Europe, I too rejoiced that it was finally over, even as I grieved over the loss of maternal relatives among the 113,000 killed outright in that first blast from a single bomb. Hiroshima was my mother's homeland. It is a small world, after all, and one which is fragile to the forces of nature and the ways inherent in the human condition.

World War II's destruction was enormous—including the profound loss of belief that civilization progresses over time and the achievements of science can only benefit mankind. That single war's legacy was the loss of 50 million lives in the period of 5½ years: 20 million Russians, 5 million Germans, 2 million Japanese, 1 million British and French, and some 300,000 Americans, not to mention the 1.3 million killed in the concurrent Chinese-Japanese war. Its conclusion gave birth to the present unsettling era of nuclear warfare capable of dwarfing even its own enormity. Physicists, indeed, had forged a two-edge sword.

Newspapers and magazines have devoted much attention to this 40th anniversary, especially to the circumstances whereby the United States introduced atomic weaponry into modern warfare with such shattering results. Some of the reportage has been most revealing in detailing the communications gap between scientists and political policymakers regarding the bomb and its deployment, the ethical concerns of its creators, and the moral cautions consistently voiced by Chief of Staff Gen. George C. Marshall versus the tactical arguments advanced by Chief Scientist Dr. J. Robert Oppenheimer. Perhaps the greatest irony of all, in the circumstances surrounding that Earth-shaking event, was how woefully below the mark the estimates of our Nation's

finest scientific minds were, regarding the bomb's anticipated death toll; how incredulous Gen. Leslie Groves, commander of the Manhattan Project, was upon hearing the first reports of widespread radiation sickness and death.

In the decades since that day when Hiroshima was obliterated by a single bomb on the order of 0.01 megaton, the nuclear stockpile of the two superpowers—Russia and the United States—has mushroomed to more than 50,000 such weapons with a total yield of 13,000 megatons. So the nuclear physicists have invalidated the proposition that warfare is one extreme option in the arsenal of international diplomacy. That option is no longer available. Nuclear science and the uncertain logic of deterrence defense strategy have raised the art of peacemaking to a global imperative. At Hiroshima the science of war demonstrated war's ultimate futility.

The art of peacemaking, hailed so long ago in the sermon on the mount, has long been valued in our Nation's history. The concept of a national agency devoted to peace research and education originated shortly after the American Revolutionary War when a "Plan for a Peace Office" appeared in a popular almanac. George Washington himself endorsed the idea of a "proper peace establishment" within the Federal Government. In this 20th century more than 140 bills have been introduced in Congress providing for the establishment of a Federal agency which would conduct peace research and training. Last year, after more than 200 years of hibernation, the idea finally reached fruition.

As for me, it represented the culmination of a dream going back to my college days when the 98th Congress passed legislation to establish just such an agency by the creation of the U.S. Institute of Peace. As a freshman in college writing a term paper on the tendencies of our culture that glorify war, I had called for replacing "attitudes favorable to war with attitudes opposed to war" and my own battlefield experiences as an Army infantry officer reinforced these sentiments a few years later. Then, when I was first elected to the U.S. Congress 23 years ago I introduced a bill calling for the establishment of a U.S. Academy of Peace. At that time there were newspaper editorialists who admonished me to "quit dreaming dreams and get on with the business of realistic legislation," a sentiment which was shared by some of my own political supporters and staff.

Nevertheless, I persisted and today I enjoy a feeling of gratification and expectation which comes from the near-realization of a dream, nurtured over a period of 48 years.

I say "near realization," Mr. President, because President Reagan, in seeming defiance of the statute, has yet to carry out this part of the legislation creating the U.S. Institute of Peace which he himself signed into law. The statutory deadline of April 20, 1985, for the President to submit to the Senate his nominations to the Peace Institute's Board of Directors, arrived more than 3 months ago—still no nominations. I devoutly hope it will not be necessary to take the President to court for a writ of mandamus ordering him to perform his duty under the law which he himself had approved by signing it. If and when he makes his appointments, I also hope and pray that the quality of his appointees will justify the undue delay.

Looking to the future, I can see an enormous influence on the preservation of world order and peace, emanating from the Institute's programs and catalytic activities, if those appointed to carry out its mission approach their assignment with dedication, imagination, and vigor. I urge the President to give us a slate of people capable of this most vital undertaking. He is well into his second term: the period when, it is said, he plans to make his mark in history as a major contributor to world peace. The Institute, therefore, represents an opportunity for him to make such a mark by appointing eminent, creative peacemakers who can fashion and build upon the congressional blueprint we have offered.

Mr. President, because Hiroshima was my mother's home, the event triggered by the *Enola Gay*'s flight 40 years ago was a traumatic one for me personally, even as it was traumatic for the world at large for what it foretold. While the quest of science is an endless one, the aspirations for peace are eternal. We must never lose faith in human reason and hence we must always strive for peace, even in ways which at times may appear foolish to others, for the lesson of Hiroshima is the ultimate absurdity of war itself.

THE 40th ANNIVERSARY OF HIROSHIMA

Mr. KENNEDY. On August 6, 1945 the world witnessed the detonation of the first atomic bomb over Hiroshima. As we prepare to commemorate the 40th anniversary of that fateful day, we solemnly recall the awful power of destruction that was unleashed in the world and renew our pledge—to ourselves and to future generations—that never again should such a terrible force be used.

Tragically, the 40 years since Hiroshima speak more of our failure than our success in learning the lessons of that day. We have accumulated 50,000 nuclear weapons on this planet in those four decades, most of them far more dangerous and destructive than the first atomic bombs. The arms race is gaining more momentum even though the stockpiles of the Soviet Union and the United States can already destroy the world many times over. In a world that contemplates overkill and megadeath, people ask when the United States and the Soviet Union will learn that enough is enough. When will we, the human family, begin to think in new ways and to act with bold measures so that our descendants will have us to thank rather than to condemn?

We have had some success in placing limits on nuclear competition. The Limited Test Ban Treaty of 1963 put an end to atmospheric testing. The Nonproliferation Treaty of 1968 helped restrict the spread of arms to other countries. The ABM Treaty halted a particularly dangerous and destabilizing arms race in defensive weapons and provided a basis for future reductions. Finally SALT II, although limited and never ratified, put a partial ceiling on the open-ended arms spiral.

But the arms race does continue and the risk of nuclear confrontation remains great. Even our existing arms control regimes are in danger undermined by both sides.

The bombings of Hiroshima and Nagasaki were the first, and so far, the last use of nuclear weapons. If we are to prevent a nuclear catastrophe in the future, we must redouble our efforts not simply to prevent nuclear war, but to prevent all war, because in a nuclear age we cannot rest on the hope that any war can be confined and controlled.

Let us make August 6 and 8 days of remembrance and peace. We mourn the tens of thousands dead and the afflicted survivors. We honor both cities as symbols of conscience and peace. However, it is not our words but our actions that will demonstrate our commitment to peace and the long road toward arms reduction and back from the nuclear brink.

In recent days, we have heard proposals from both sides concerning nuclear testing. Let us truly honor the memory of Hiroshima by making August 6 the date on which the United States and U.S.S.R. redouble their efforts for nuclear arms control, so that future generations will remember that date as a day not only of destruction, but also of hope and life.

The imagination and creativity that built the bomb can be harnessed to ensure that it never again be used. If we fail, there may be no one left to apportion the blame.

THE LESSONS OF HIROSHIMA

Mr. MATHIAS. Mr. President, on August 6, 1985, we will remember that 40 years ago the first atom bomb was exploded over the city of Hiroshima in Japan. The result revolutionized not only warfare but the entire world—the

nuclear age had begun. The first immediate effect was, of course, the death and injury of many thousands of people who lived in Hiroshima. The city itself was destroyed.

About a month after the bomb was dropped, I walked through the atomic ashes of Hiroshima and, of course, can never forget that experience. The entire city was leveled. As I approached the edges of the city, the first evidence of the bombing was apparent. Window panes were out, doors blown off the hinges and as one continued toward the center of the city, the damage got progressively worse; walls caved in, roofs collapsed. And finally, near the epicenter, near the point of greatest impact of the bomb, everything was totally destroyed. And what had been a populous urban center was as flat as a Kansas wheat field.

There were grim reminders of what life had been like at the moment the bomb was exploded. A tricycle sitting in the middle of the street, its wheels twisted by pressure and by heat, recalled that some child had been riding that tricycle at the moment the bomb was detonated. And a lump of molten glass, which upon examination proved to be three or four tumblers fused together by the intense heat of a fireball, was a reminder that a nuclear bomb—a triple threat combination of heat and explosive force and radiation—is a scourge for the human race.

It seems to me that the way to observe this anniversary is not to debate the act itself but rather to try to learn the lessons of Hiroshima. Certainly, the first lesson is that it should never happen again in any city. Hiroshima and Nagasaki should stand out in human history as the only cities where in all of time, in all of history, a nuclear attack took place. If we learn this lesson and apply it to our relationships today with the Soviet Union and with the rest of the world, and if all mankind will join with us in trying to apply the lessons of Hiroshima to the future, then in fact we will be able to stop the arms race. We will be able to reduce the chance that nuclear weapons will ever again be used on any population in any part of the world. We will be able to devote some of the resources that are now being squandered on armaments to improving the quality of life for all the people of the world.

That is the lesson of Hiroshima and that should be the monument of Hiroshima.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized.

THE PINCUS REPORT: NUCLEAR DETERRENCE WORKS BETTER WITH EACH PASSING YEAR

Mr. PROXMIRE. Mr. President, Walter Pincus completed a series of articles in the Washington Post in July on the remarkable revolution in the attitude of our Government toward nuclear weapons that has occurred in the 40 years since the dawn of the nuclear age at Hiroshima. The Pincus report examined a great deal of material that had been classified for many years. His articles shattered the secrecy that had enveloped our country's nuclear policy since nuclear weapons transformed the military policy of the superpowers. All careful readers of that report must have been shocked to be reminded of the initial attitude toward nuclear weapons during the first 10 to 20 years of the atomic age and warmly encouraged by the progress toward a far more cautious policy since that time.

The Pincus report begins with a description of the passionate rush to explode that first little, fat nuclear bomb over Hiroshima. Then came the rapid-fire race to prepare and drop another nuclear bomb over Nagasaki. Vice Adm. Frederick Ashworth, who was in charge of the second bomb on the raid, said, "This was the shortest time between development and operational use of any weapon in ordnance history." For the years that immediately followed—first in Korea and later in Vietnam—our Presidents were ready and willing to use the bomb.

President Eisenhower only decided against using the bomb in the Korean war for two reasons: First, the nuclear weapons seemed to be of little value against Chinese and North Korean troops that were scattered and well entrenched. Second, the President was concerned about a nuclear retaliation from the Soviet Union. But that cavalier attitude toward the use of nuclear weapons by the United States began to fade with the Cuban missile crisis of October 1962. That crisis showed American leadership how a military confrontation between the superpowers can lead with breathtaking swiftness to the brink of nuclear war.

The U-2 plane, at that time America's prime window on enemy nuclear weapons activity, provided photos on October 16, 1962, that showed the Soviet nuclear missile build up in Cuba. Then, wham bam this country raced toward a nuclear strike. That very day President Kennedy called a meeting of his top national security advisers. They discussed in detail a nuclear strike against the Soviet missiles in Cuba. The strike was set for October 20, 96 hours later. During that 96-hour span, the Kennedy administration decided to offer the Soviet Union a secret deal. The secrecy was critical.

The deal was this: We would withdraw our missiles from Turkey. Those American missiles could totally and instantly devastate many Russian cities against any defense. In return for U.S. withdrawal of missiles from Turkey, the Soviets would take their missiles out of Cuba. It worked. But for a week or so the world was literally on the brink of nuclear war. If the Soviets had not agreed to withdraw their missiles, we certainly would have struck with nuclear weapons against the Soviet nuclear missiles in Cuba. If one or two of those Soviet missiles in Cuba had survived, very possibly the Soviets would have fired the surviving missile to obliterate Washington or New York or both. Or the Soviets might have made a nuclear attack on U.S. missiles in Turkey. Such an attack would probably have triggered a general European war. Could this same kind of strategy that avoided a nuclear war in 1962 work again? Probably not. The secrecy of 1962 would be harder to achieve today. And without secrecy the deal would have collapsed. Advance notice of the intended U.S. withdrawal of missiles from Turkey would have been regarded as a sellout of our European allies, a fatal sign of weakness. But both superpowers are far more cautious today.

The progress toward caution and away from nuclear brinksmanship becomes apparent in another incident related by Pincus. In 1973, as the Israelis were on the verge of winning their war with Egypt, the Soviets moved nuclear weapons by ship toward Egypt. The threat to the very existence of Israel was obvious. The United States reacted by going on a full nuclear alert. That nuclear alert convinced the Russians that in spite of the domestic distractions in the United States with the Watergate crisis at its peak, the United States was ready, willing and able to respond in kind to a Soviet nuclear attack. But both President Nixon and his Secretary of Defense James Schlesinger, told Pincus that in their judgment in this later incident the superpowers were never close to nuclear war.

Pincus stresses the caution consistently exercised by the Soviets not only in the Egypt-Israeli incident but throughout their nearly 70-year history and particularly in the last 40 years, during the nuclear age. Far and away the most powerful element pushing the superpowers toward peace is the colossal growth in power of the superpowers' deterrent. As late as 1960 the United States had a roughly 10 to 1 edge in the strategic nuclear warheads over the Soviet Union. The count was 6,500 to 600. Today the U.S. advantage has practically vanished. It is 10,800 to 9,600. Pincus reports that most experts, including former National Security Director Bundy, and former Defense Secretaries McNamara and Schlesinger find that difference

meaningless. In fact, McNamara calls the size of the deterrents ridiculously excessive. But it seems to have convinced most of the experts that a nuclear war will not start with a superpower attack.

How would it start? Schlesinger and Nixon see a nuclear war, if it does start, starting with a third country. This Senator shares that judgment. This is precisely why the weakening of the United States antiproliferation policies in the proposed nuclear transfer agreement with the People's Republic of China is such a dangerous mistake.

With that gloomy exception, let us be grateful for our blessings. The happy fact is that the likelihood of a superpower nuclear was has diminished. Why? Not because we have developed any mutual and reciprocated affection for our great adversary, not because of growing trust in the world. We do not love our enemy. Our enemy certainly does not love us. Why then has peace advanced? We keep the peace out of a deep, all-encompassing fear. We do not want to die. We want to live. The leaders in the other superpower feel exactly the same way. Americans and the Soviets know that a superpower war means that we are dead. We are gone forever. We are finished. We are through, kaput. At last we get the message. Capital punishment is a grim and terrible deterrent. Obviously it does not work very well with criminals. But for world leaders it has worked for 40 years. It has done more than that. As the Pincus report details so clearly, that message of deterrence is working better with each passing year. Not cooperation, not trust, not love, but fear has brought peace.

MYTH OF THE DAY: THAT PRAYER HAS NO PLACE IN GOVERNMENT—IF SO, WHY THE CHAPLAIN?

Mr. PROXMIRE. Mr. President, the myth of the day today is that any government that mixes prayer every single day with the sessions of its congress or parliament heads for big trouble. Well, Mr. President, for some 200 years the U.S. Senate, as well as the House of Representatives, has opened every session with a prayer. We did this morning. We will tomorrow morning. And where is the trouble? This U.S. Senate is a living denial of the myth that has cut American schools off from prayer on the theory that somehow prayer will demean, insult, offend, or shame those who hear the prayer. What absolute, total nonsense! Chaplain Halvorson and the remarkable chaplains who have preceded him have given this body inspiring spiritual counsel.

I ask my colleagues to listen carefully to these daily prayers. What do they tell us? They tell us to be kind and gentle, to care for the poor, to comfort the suffering, to forget about ourselves. They challenge us to meet three of the hardest tasks in the world: First, to return love for hate; second, to include the excluded and, third, to say: "I was wrong." Again and again the chaplain gives a spiritual dimension to an economic or even a military problem. Does he avoid the political problems of the day, so that he can keep religion free of politics? Never. He steps right in swinging with his spiritual counsel. It is true that few Members of the Senate are physically in this body to hear the chaplain's prayer every day. But that daily prayer is carried to every office in the Senate by radio. It is printed as the very first statement of any kind in the CONGRESSIONAL RECORD, in every issue, every day. That means 27,000 copies of the daily prayer are distributed by the Government all over the country in libraries and, yes, in schools, too.

Now, Mr. President, there are two reasons why this regular daily prayer for 200 years flatly rebuts the myth that prayer has no place in government. First, this Senator in a long lifetime has yet to hear or read the prayer—Protestant, Catholic, Jewish, Mohammedan, Russian Orthodox, or other—in or out of the Senate that could cause any significant offense to any person. Second, the daily prayers in the Senate constitute a true highlight of our daily proceedings. They provide a spiritual dimension that we need. They appeal to our best instincts of forgiveness, love, tolerance. We are not only better human beings because of these prayers we hear every day, at the very seat of Government, we are better Senators. And we have a better country.

THE POSSIBILITY OF POL POT REGAINING POWER IN CAMBODIA

Mr. PROXMIRE. Mr. President, a frightening political struggle is being waged in Cambodia today.

According to the New York Times of July 17, the Khmer Rouge has publicly stated for the first time that it is prepared to share power with the current Vietnamese-controlled government.

Pol Pot was mentioned in their announcement as the man best able to share leadership in Cambodia.

Nearly 2 million innocent Cambodians died under Pol Pot's savage regime, before he was overthrown in 1979 by the Vietnamese.

And now, 6 years later, the Khmer Rouge has announed a plan for Cambodia that would make it "economically capitalistic and diplomatically neutral."

A plan they think would be best realized if Pol Pot were in the position to help guide Cambodia's future.

Currently, the Heng Samrin puppet government is in power in Cambodia, but there is a coalition which has formed in opposition to this rule.

The primary coalition member is the Khmer Rouge—other members are Son Sann, of the Khmer People's National Liberation Front, and Prince Norodom Sihanouk of the Sihanoukist National Army.

But now people in and out of Cambodia worry that Pol Pot would not be satisfied with any new power, and would attempt to seize complete control of the government.

They also fear that the slaughter—the genocide—committed against millions of Cambodians under Pol Pot's past reign, could occur again.

It could happen again, Mr. President, if this vicious man is allowed to rule.

Pol Pot's tenure may have been short, but it was the most ruthless attempt to wipe out a culture since the Holocaust.

He should never be permitted another tenure—another chance to subject Cambodians to his atrocities.

The people in Cambodia have suffered under Pol Pot and the Khmer Rouge, they have suffered under the Vietnamese—they should not have to endure Pol Pot's madness again.

In the past, it has been difficult to get accurate and current news of Cambodia.

The millions killed before were almost unnoticed by our press and public.

So long as we are able to receive news that alerts us to the possibility of another genocide—the Khmer Rouge and Pol Pot wishing to regain power, for example—then we must not turn our backs to it.

Now that we have received such news we must take effective action.

We must ratify the Genocide Treaty.

Mr. PROXMIRE. Mr. President, I yield 2 minutes to the distinguished Senator from Montana [Mr. MELCHER].

THE FARM BILL

Mr. MELCHER. Mr. President, I thank my friend from Wisconsin.

The Agriculture Committee meeting this morning has been canceled due to the two conferences meeting. Pending is a key vote on holding target prices steady for the 4 years of the bill. We had a meeting canceled yesterday afternoon when that vote was pending. We hope we can meet this afternoon. The majority leader has said that despite any action or inaction by the Senate Agriculture Committee, he would have a farm bill up before the recess, but the majority leader very

wisely instead has opted for a discussion this afternoon of farm-related issues.

I thank my friend from Wisconsin for yielding me this time.

MILITARY PERSONNEL AND VETERANS GROUP LIFE INSURANCE

Mr. PROXMIRE. Mr. President, I am pleased that the Veterans Committee and the Senate have accepted my amendment dealing with Servicemen's and Veterans' Group Life Insurance as part of S. 876 the Veterans' Administration Health Care Programs Improvement Act.

Mr. President, this amendment, which has now passed the Senate three times, increases the amount of optional life insurance available to military personnel and veterans from the present cap of $35,000 to $50,000.

There is a great need for increasing the amount of optional insurance for our military personnel. The current cap of $35,000 is far too low for a typical military family and it is far less than the more generous insurance programs we have provided for Federal employees, congressional employees, and Members of Congress. Federal employee insurance is supported in part by Government contributions. The Military and Veteran Insurance Program addressed in this amendment is entirely self-supporting.

Federal employees and Members of Congress can now sign up for basic life insurance based on the dollar amount of their annual salary, plus an additional $10,000 in supplementary insurance plus an option of up to five times the amount of their annual salary. Thus someone in Federal service making, say $20,000 a year, could sign up for a total of $130,000 in life insurance. A military member making $20,000 a year is currently limited to $35,000.

This discriminatory system of optional life insurance mistreats our military personnel and is inequitable from every perspective. A military family with several dependents may need far more than $35,000 in insurance if college costs, mortgages and other long-term obligations are to be met for the survivors. And it is difficult if not impossible for many military families to get insurance that covers war risks through private insurance firms.

The average American family now has about $56,000 in life insurance coverage. My amendment brings our military families and our veterans nearly up to this national average.

Mr. President, this amendment had the support of the Secretary of Defense, the Assistant Secretary of Defense for Manpower, the Joint Chiefs of Staff, the Service Secretaries and the heads of the National Guard and Reserve components.

This is a self-supporting program. It has no budgetary impact. It does not cost the taxpayers anything unless we become engaged in a general war involving the deaths of thousands of our soldiers which would require the payment of death benefits to their families.

Payments to this program—the premiums paid by the service personnel, pay for insurance payments required during peacetime. There has been no Government cost to this program since 1974 when the last Vietnam related payments were made. Even when U.S. personnel have sustained several hundred casualties in recent years such as in Lebanon with our marines or during the Grenada invasion, the insurance program has been able to make all payments without recourse to Federal support.

If we were to become involved in a general war with thousands of casualties, as during Vietnam, then there would be a Federal cost. In that unlikely event, I think it is only fair and just and patriotic that our Government make such benefits available to the families who sacrificed so much for our country.

During the Vietnam war, the United States was required to pay out death benefits of $507 million to the families of those who died fighting for us. The United States spent over $150 billion on that war. If there was 1 penny that deserved to be spent on that war in Vietnam, it was for insurance for our military families—to help those families of soldiers who did not come home.

Mr. President, I wish to recognize and applaud the contribution to this effort made by Congressman SONNY MONTGOMERY, the chairman of the House Veterans' Committee. His bill, H.R. 1709, is the model for this amendment and his support for our men and women in uniform is unmatched in the Congress.

RECOGNITION OF SENATOR KERRY

The PRESIDING OFFICER. Under the previous order, the Senator from Massachusetts [Mr. KERRY] is recognized for not to exceed 15 minutes.

TIME IS RUNNING OUT IN THE PHILIPPINES

Mr. KERRY. Mr. President, over the past several months, it has become increasingly clear that we face a rapidly deteriorating situation in the Philippines.

The Communist New People's Army is growing at an alarmingly rapid rate. It is generally now accepted that, barring a reversal of current trends, the NPA could be in a position to challenge the Armed Forces of the Philippines within as little as 3 years.

Mr. President, the Congress has acknowledged, in the recently passed conference report on the fiscal year 1986 foreign assistance authorization, that the only way the United States can help avert such an eventuality is to convince the Philippine Government that it must make significant political and military reforms.

Last May, the Senate approved overwhelmingly a bipartisan resolution on the Philippines that called for the United States to "encourage the revitalization of democracy in the Philippines" and warned the Philippine Government that Congress intends to grant future aid to the Marcos regime only if progress has been made in human rights and the democratization process has been made in human rights and the democratization process. This resolution was incorporated in the foreign assistance bill recently approved by both bodies of the Congress.

Passage of this amendment represents a major step toward a constructive congressional role in supporting the full restoration of democracy in the Philippines. In the coming months, we need to consider carefully how Congress can best advance this aim.

Mr. President, I decided to visit the Philippines last April in order to develop a better basis for determining what Congress could do to support the democratization process, improvement in human rights, and reform in the military. During a 6-day trip to the Philippines, from April 6 to 11, I visited the U.S. naval facility at Subic Bay and met with U.S. Embassy officials, high officials of the Philippine Government, and a wide range of opposition figures, including politicians, academicians, human rights groups, and representatives of the church.

I prepared a report on my visit which I hope will help clarify for Members the choices we confront in the Philippines. Today, I should like to discuss briefly some of the findings and conclusions of that report, which I will ask to have printed in the RECORD.

This trip impressed upon me the moral and political stake of the United States in encouraging the revitalization of democratic institutions in the Philippines. I was struck by the commitment that hundreds of thousands of Filipinos have made to actively defending the fairness of the electoral process in their country. These people have no guns; they have no army. They cannot, and do not desire to, seize power through violence. Yet, these people who have been active in the movement for free and fair elections are freedom fighters in the truest sense of that term. And I be-

lieve that we have a moral obligation to support them.

Mr. President, the briefings I received on the NPA insurgency left no doubt in my mind that, as of now, the NPA is winning the political contest in the Philippines. According to the estimate given to me by one U.S. military official, out of a total population of 54 million, only 12 million, or a little over 20 percent, staunchly oppose the NPA, while another 12 million are susceptible to NPA influence. The remaining 30 million people are considered to be indifferent to the struggle. This means that some 78 percent of the population of the Philippines does not support the Marcos regime—a very bad omen for a government fighting a homegrown insurgency.

Why are a majority of the population believed to be either sympathetic to the NPA or indifferent? I was told that the reasons include a decline in Government services; the Government's loss of credibility; and the increasing violence directed against civilians by the armed forces. The key to reversing these trends, according to Embassy officials, is to restore the Government's legitimacy and to ensure that the army is no longer perceived by the population as being the enemy.

The most urgent need of all is an end to the arbitrary arrest, torture, and killing of civilians—activities which have so alienated the civilian population in areas of NPA activity that they have been driven willingly into the arms of the NPA. Unless the abusive behavior and wanton killing of civilians by Government security forces are curbed, there is every reason to believe that the NPA will continue to grow rapidly over the next 2 or 3 years.

On the day I left the Philippines, an Italian missionary, Father Tullio Favili, was savagely murdered in Cotabato by men who were allegedly part of an integrated civilian home defense force unit in that village. This murder has focused increasing attention in the Philippines on a serious problem which has aroused fear and anger among Catholic and Protestant clergy and laity alike. This, and similar incidents, can only serve to radicalize priests and nuns in a country which is overwhelmingly Catholic in its religious makeup.

The problem of curbing abuses against civilians is clearly related to the broader issue of military reform. The immediate obstacle to progress on this issue is the continued retention of most Filipino generals beyond their retirement age—generals, who for the most part are not professional military men, but cronies of President Marcos or Gen. Fabian Ver, who was chief of staff of the armed forces until he was indicted in the Aquino assassination. It is clear that there will not be any changes in policy regarding salvaging and other abuses of civilians unless and until the power of Ver and his allies in the military is broken.

Unfortunately, President Marcos has continued to indicate his support for General Ver. He has pledged to bring Ver back as chief of staff if he is found not guilty in the Aquino assassination. He appears to have tried to influence the trial of General Ver as well, by publicly casting doubt on prosecution witnesses. Most Americans and Filipinos with whom I talked expect Ver to be acquitted and to be reinstated by Marcos. Even though Ambassador Bosworth and other U.S. officials have made it clear that the United States feels strongly that Ver should not be reinstated, such representations appear to have made little impression on Marcos up to this moment.

Mr. President, I went to the Philippines with the belief that it was vital for Congress and the executive branch to throw the full weight of the United States behind genuinely free and fair elections in the Philippines. I returned from this trip even more convinced that free elections are an essential element in any plan to save the Philippines. Unless the people can bring new leadership into power through the ballot box, there is no chance for Government to regain a measure of popular support and credibility. Ballots which are perceived as meaningful may help turn the situation around; bullets alone will certainly fail.

Last year, President Marcos held parliamentary elections through which he hoped to legitimize his regime by allowing the opposition to participate but by guaranteeing that his party won a majority of seats. Those elections demonstrated not only how strongly attached the Filipino people are to free elections but how deep is the dissatisfaction with the present government. In a relatively short time, the National Citizen's Movement for Free Elections—Namfrel—a private volunteer poll-watching organization, was able to mobilize 150,000 volunteers to observe the polling in approximately 40 percent of the nation's precincts. In many races, that presence made the difference between a fraudulent election and a fair one, with the result that many more opposition candidates were elected than anticipated.

The combination of Namfrel's success and a high voter turnout gave the opposition an unexpectedly large number of seats—one-third of the 180 at stake. It raised the hopes of the democratic opposition that elections could once more reflect popular will—if safeguards of fairness are built into the process.

Democratic opposition figures with whom I met are still emerging from the long night of authoritarian rule, during which they were unable to participate in politics in any meaningful way. But they are counting heavily on the United States to pressure the Marcos regime to agree to specific guarantees of free and fair elections.

The elections for provincial and local offices now scheduled for May 1986 and the Presidential election scheduled for May 1987 are critical to the restoration of credible government in the Philippines. Unless the people are convinced that the government represents their free choice, the possibility for saving democracy will be very slim indeed.

One of the hopes for a free and fair electoral process is Namfrel's role. I learned from Namfrel officials that they intend to target all of the approximately 100,000 voting centers in the country in the elections for provincial and local offices scheduled for next May. That would give the democratic opposition a much better chance for establishing a local political base in preparation for the 1987 Presidential election.

But President Marcos has refused to allow Namfrel's monitoring of the vote counting in the 1986 local elections or the 1987 Presidential elections, charging that it is an opposition organization. There have been disturbing reports that he is planning to create an alternative poll-watching organization that would be ostensibly independent but could actually be manipulated by the government to ensure the desired results.

The accreditation of Namfrel is one of the issues on which the United States must take a firm stand with regard to President Marcos in the next few months. But the Commission on Elections, which carries out the counting of votes from precinct to national level, must also be independent and impartial to safeguard against fraud.

Since the May 1984 elections, President Marcos has made no move toward reform of Comelec. Instead, he has signaled his intention of maintaining tight political control over the electoral process, in defiance of the sense of Congress resolution. Just 5 days after the passage of that resolution, Marcos named Victor Savellano, a member of his own KBL political party, to replace the retiring chairman of Comelec. The new chairman was so lacking in impartiality that he publicly declared his loyalty to President Marcos upon being named to the post.

One further infringement of political freedoms merits out attention. Although martial law was officially ended in 1981, the Marcos regime retains the power to detain political opponents without trial for indefinite periods, which it has used to suppress the opposition, especially outside the Metro Manila area. President Marcos has routinely signed preventive detention actions and given them to the

military to arrest and detain individuals who could not be convicted of a crime. In recent months, the PDA has been used to arrest a number of human rights lawyers and activists, suggesting that the Marcos regime is determined to prevent targets of arbitrary arrest any access to legal assistance. This substitution of arbitrary power of arrest for the rule of law has set the regime against the legal community as well as the Catholic Church in the Philippines.

Even greater urgency now attaches to these issues of free and fair elections because of the possibility of a sudden election for the Presidency at any time during the next 2 years. Under legislation passed by the Parliament last year, the Speaker of the Parliament would automatically succeed President Marcos upon his death, whereupon a new election for President would be held within 45 to 60 days. Since last November, when Marcos became seriously ill, this provision has taken on new significance. Although the President's health now appears to have improved, the democratic opposition is preparing for the possibility of such a sudden election.

Mr. President, the situation in the Philippines obviously poses a painful dilemma for the United States. The administration, which was content to demonstrate its unequivocal support for President Marcos before the Aquino assassination, but is now trying to encourage necessary political, economic, and military reforms.

However, the fact is that the Philippine Government has not made a single positive move toward genuinely free and fair elections, or toward protection of basic human rights or curbing the activities of "death squads" during the past year.

On the contrary, there has been retrogression on each of these fronts, suggesting that President Marcos has concluded that he has a free hand to strengthen his grip on power: Marcos' interference in the Ver trial and his vow to restore Ver to his former position as chief of staff; his decertification of Namfrel and naming of a KBL member as chairman of Comelec; the increased numbers of extrajudicial killings, whose victims have included Catholic and Protestant clergymen as well as human rights lawyers and activists; and finally the stepped up arrests of human rights lawyers by the use of preventive detention actions; are examples of this strategy.

The Congress has now put the Marcos regime on notice that it cannot continue to provide economic and security assistance to his regime in the absence of significant reforms. If the situation does not improve in the coming months, we should seriously consider withholding most of the proposed military and economic support fund assistance to Marcos until a number of political and military reforms have been carried out.

Mr. President, some policymakers may fear that the use of security assistance as leverage on Marcos would expose the United States to the charge of violating the 1983 bases agreement with the Philippines. It has been argued that Marcos has come to expect "rent" for the U.S. use of bases in the Philippines, and that threatening to withhold aid could precipitate some drastic steps by President Marcos that would endanger U.S. access to Subic Bay and Clark.

We should be clear on what the 1983 bases agreement does and does not obligate us to do. U.S. negotiators never agreed to the Marcos regime's demands that U.S. security assistance be considered as "rent" for the bases. Nor could the executive branch commit the Congress to provide any amount of foreign assistance in advance. The President promised only to make his "best effort" to obtain $900 million in security assistance from Congress over 5 years, and the use of the bases is not legally contingent on any specific level of security assistance.

Whatever risks may exist to our use of military bases in the Philippines in imposing conditions on future military and economic assistance should not outweigh the risk that the Communist NPA will take power in the next few years in the absence of swift, far-reaching political and military reforms. Moreover, the policy Congress is now on record as supporting clearly expresses the values that we stand for at home and abroad. It would give support to those "freedom fighters" who continue to work for a democratic alternative to the authoritarianism of the left and the right.

Finally, Mr. President, I should like to call the attention of my colleagues to an excellent editorial which appeared in the July 30, 1985, Boston Globe. As the editorial pointed out:

The Philippines today resemble the Nicaragua or Iran of 10 years ago. President Ferdinand Marcos has lost touch with his people, and his people are losing patience with him. Marcos's associates have accrued wealth through a corrupt system backed by a brutal incompetent military. Popular support for the Marxist New People's Army is growing. As economic crisis deepens and political crisis festers, it has become obvious that rapid reform is the only way to avert upheaval.

Yet, the editorial correctly points out that the Marcos regime is repeating the same mistakes of the Shah of Iran and the Dictator Somoza—"he assumes that because he is pro-American, he can count on U.S. support."

Because of the importance of Subic Bay Naval Base and Clark Air Force Base, the Marcos regime believes it can hold the United States hostage to its own domestic policies. But the Globe editorial had a reasonable recommendation for our policymakers in the executive branch. We should call Marcos's bluff. As the editorial suggested:

A conspicuous order to the Pentagon to update its plans for relocating the Philippines would send a signal to both Marcos and his critics that the United States has learned from past mistakes * * *.

Marcos expects the United States to lose its nerve because of its narrow interest in the bases. This is the moment to show him he is wrong. Philippine democracy, symbolizing values to the United States hopes to see thriving around the world, is too rare to be bartered for runways, drydocks, fuel tanks and barracks.

I believe that latter observation by the Boston Globe places the Philippines debate in its proper perspective.

Mr. President, I ask unanimous consent that my report and the Globe editorial be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE PHILIPPINE CRISIS AND UNITED STATES INTERESTS

(Report on a trip to the Philippines by Senator John F. Kerry)

INTRODUCTION

During my trip to the Philippines from April 6 to 11, I visited the U.S. naval facility at Subic Bay and met with U.S. Embassy officials, high officials of the Philippine government and a wide range of opposition figures.

Ambassador Steven Bosworth and his staff were generous with their time and provided helpful briefings, as did Gen. Teddy Allen, chief of JUSMAG. At Subic Bay I was briefed by the base commander, Rear Admiral Edwin Kohn and shown around the facility by his staff. I talked with President Marcos in private for more than two hours, and with Minister of Human Settlements and Mayor of Metro Manila Imelda Marcos twice for a total of six hours. I would be happy to brief my colleagues on the Committee on the details of those conversations in executive session. Minister of Defense Juan Ponce Enrile and Acting Chief of Staff Gen. Fidel Ramos also met jointly with me.

I had a very useful breakfast meeting with Jaime Cardinal Sin and met with potential opposition candidates Ramon Mitra, Agapito "Butz" Aquino, Senator Jovito Salonga, and Ambrosio Padilla. I also had conversations with members of the opposition "Convenor Group", Mrs. Corazon Aquino and Jaime Ongpin, and with former Supreme Court Justice Cecelia Munoz-Palma, who was authorized by another opposition group to seek common ground with the Convenors Group.

I had a series of meetings with a number of business leaders, opposition parliamentarians, human rights activists, labor leaders, academicians and officials of the citizens volunteer pollwatching organization, NAMFREL. Among the opposition figures who met with me was the last President of the Philippines before Marcos, Diosdado Macapagal.

In my meetings with American officials and Filipinos I was primarily concerned with their assessment of the present political situation, the insurgency and the prospects for a return to democratic institutions. The picture that emerged from these briefings and conversations, which I have summarized in this report, led me to press for

Senate action linking future U.S. military and economic assistance to reasonable evidence of progress on the vital issues of free elections and basic human rights. While the situation in the Philippines is constantly changing, the facts which I brought back from this trip are still relevant to future Senate consideration of the issue.

Finally, I wish to add that in my opinion Ambassador Bosworth is doing an exceptional job in a very difficult post. It is apparent that he has an acute historical awareness and sensitivity so necessary to the management of this very complex relationship. Since he assumed his current post, I believe there has been a clear change in U.S. policy, with much more energy focused on the need for democratic reforms. As a result of my meetings with the Ambassador in Manila and subsequent discussions with him during his visit to Washington in early June, I am convinced that he has moved effectively to bring appropriate pressures on the Marcos government for change.

I. BACKGROUND: PHILIPPINE POLITICS AND ECONOMY

The Philippines is a society in which vast rural and ubran poverty is juxtaposed with the great wealth amassed by a small elite. Since the colonial period, the Philippine rural economy has been marked by inequitable landholding in the rice, sugar and coconut sectors. The misery of the poor and landless peasants has been the root cause of agrarian unrest for decades. Efforts at land reform during the 1950's and 1960's were inadequate and their implementation was blocked by powerful interests which dominated the legislature. As a result, the majority of the Philippine people have suffered high levels of malnutrition, poor health and infant mortality.

It is generally agreed that when President Ferdinand Marcos established the martial law regime in 1972, most citizens were willing to give him a chance to solve the chronic problems of social and economic inequities and corruption. But after so many years of Marcos' authoritarian rule, that tolerance has come to an end. Instead of social progress, there has been, by all accounts, a widening gap between rich and poor in Philippine society. Both agricultural and urban workers have suffered a dramatic reduction in real wages; malnutrition has grown to an estimated 80 percent of the children of preschool age. An estimated 35 to 40 percent of the labor force is unemployed or underemployed.

During the 1970's and 1980's there has been a steady decline of government services to the desperately poor majority. The land reform program was never fully implemented; rural credit has faded out; government revenues have declined; the government showed little interest in economic development outside Marcos' home island of Luzon.

A severe economic crisis has gripped the Philippines since 1982, which has added fuel to the opposition to the Marcos regime from all sectors of society. During the past three years, the economy has stopped growing and has begun to contract. In 1984, the growth rate was −6 percent; this year, it could be even worse. According to a leading Filipino economist, economic statistics for the first quarter of 1985 indicated an annual rate of −8 percent.

The virtual collapse of the Philippine economy cannot be explained by global economic conditions, since other non-Communist states in Southeast Asia have maintained healthy rates of economic growth over the past few years. A study of the problem by Dr. Bernardo Villegas, an economist at the Center for Research and Communications shows that the decline of the economy had its origins in the mid-1970's, when the absolute power assumed by President Marcos under the martial law regime enabled him to set up government-sponsored corporations controlled by his relatives and cronies in various sectors of the economy. These corporations were given low-interest government loans and other advantages which were financed, especially after 1978, by borrowing from the international banking system. When many of these "crony corporations" lost money or failed completely, because of unwise investments and mismanagement, the Marcos regime, through various government-controlled banks, bailed them out or continued to subsidize them. These subsidies and bail-outs were also financed from borrowing on the international banking system.

In the agricultural sector, the Marcos regime has created monopolies under the control of close friends, such as Robert Benedicto (sugar) and Eduardo Cojuangco (coconuts), which allowed them to siphon off enormous profits at the expense of everyone else. These policies have contributed to the sharp decline of both sectors and have required enormous budgetary subsidies by the government. The IMF has demanded in 1984 negotiations that these monopolies be replaced by more decentralized management of the sugar and coconut sectors as a condition for further loans. Marcos has agreed to carry out far reaching reform of the bodies managing both sectors, but U.S. officials say that the changes he has made have been only cosmetic in character, leaving his cronies' control unaffected.

The Philippines, whose foreign debt in 1972 was only $1.9 billion, now has a staggering $26 billion in foreign debt, and its ratio of debt to export earnings puts it in the same category as Argentina, Chile, Brazil and Mexico. However, the structure of the Philippine debt is actually worse than those of the other countries, because its ratio of short-term debt to long-term debt is two to three times higher. A significant proportion of the increases in foreign debt during the late 1970's and early 1980's has been the result of the Marcos system of "crony capitalism".

The mismanagement of the economy has been the major cause of massive disinvestment on the part of Filipino businessmen during the 1970's and early 1980's. That disinvestment in turn brought about the decline in GNP that began in 1982. The Aquino assassination, and the strong suspicion that the highest levels of government might have been responsible for it, accelerated the withdrawal of investment capital by Filipino businessmen from the Philippine economy. It is estimated by Dr. Villegas that a total of $10 to 30 billion owned by Filipino businessmen have been invested abroad in recent years. Foreign investment in the Philippines has also declared in recent years. The business leaders with whom I spoke were firmly convinced that this capital, which is vital to the future economic health of the country, will not return unless and until there is a democratic government which respects the rule of law and normal checks and balances.

II. THE COMMUNIST INSURGENCY AND THE PHILIPPINE GOVERNMENT RESPONSE

A little more than a year ago, the U.S. Embassy in Manila began to view the insurgency of the New People's Army with a sense of urgency. It now believes that the NPA could be in a position to contend for national power within a few years—a sharp revision of the assessment as late as 1983. Embassy officials emphasized during our discussions that the NPA is markedly different from the Hukbalahup movement of the late 1940's and early 1950's in that it is nationwide in character, rather than being limited to Central Luzon. The NPA is now active in every one of the 73 provinces and militarily active in 62 of them.

One U.S. official familiar with U.S. intelligence gave me the estimate that, of a total population of 54 million people, only about twelve million, or a little over 20 percent, staunchly oppose the NPA, while another 12 million are susceptible to NPA influence. He regards the remaining 30 million as indifferent to the struggle.

The Catholic Church is the only institution in the Philippines with the moral authority to challenge both the Marcos administration and the NPA. At the local level Catholic priests are both opinion leaders and weathervanes of popular attitudes. So it is extremely significant, in my view, that a leading Catholic layman has reported on the basis of a survey of parish priests in 10 provinces that 25 to 30 percent of the priests are already sympathetic to the NPA, and that the percentage is continuing to increase. If the NPA wins over most of Catholic clergy, it is well on its way to winning the country.

The success of the insurgency was explained by Ambassador Bosworth in terms of popular suspicions of the central government, the general decline of the level of government services, and violence against civilians by government troops. Most of the rank and file NPA, according to Ambassador Bosworth, join the insurgency out of alienation, fear and revenge against the abuses committed by the Armed Forces of the Philippines (AFP) and the Philippine Constabulary (PC), the paramilitary arm of the police.

The NPA has taken advantage of this situation to establish an image of protecting popular interests against the government. Those who have been following the problem most closely in the Embassy told me that a purely military response to the NPA problem would only ensure that the government will continue to lose the loyalty of the population and will ultimately be defeated. The key to reversing the present alarming trends in the growth of the NPA military forces and control of population, they said, is a credible, legitimate government and an army which is no longer perceived by the population as the enemy. That would require in particular an end to military abuses against civilians, including the extrajudicial killings of civilians known informally as "salvaging", and the terrorization of citizens who may have given food or shelter to the NPA or are suspected of sympathizing with it.

U.S. officials believe that the Armed Forces of the Philippines is failing to bring the insurgency under control. As one U.S. military officer declared in a meeting with me, "We've got an ineffective armed forces and an insurgency that's growing day by day." A specialist on the insurgency pointed out that the NPA is taking over the countryside with such speed that time is running out on the Philippine government. This official agreed with the estimate given by Assistant Secretary of Defense Armitage that the NPA could be as strong as the govern-

ment militarily within three to five years but thought it might happen even sooner.

U.S. officials said they believe that acting Chief of Staff General Fidel Ramos and Minister of Defense Juan Ponce Enrile have finally recognized that major changes must be made in the AFP to increase its effectiveness. They noted that it has been only in the past several months that the Embassy has been able to conduct realistic discussions with them on the seriousness of the problem.

Other Embassy officials warned, however, that it is unclear whether these officials are capable of turning the deteriorating situation around. They observed that Enrile and Ramos are constrained in their ability to initiate personnel changes by the fact that most of the commanding generals of the AFP are loyal to General Fabian Ver, the former Chief of Staff. Ver, who is very close to President Marcos, is now on trial for his alleged involvement in the assassination of opposition leader Benigno Aquino in August 1983. Nevertheless, a statement pledging "unwavering loyalty" to Ver was signed by 68 Generals and flag officers, signifying Ver's continued domination of the military.

Of the 90 active duty generals in the AFP today, 30 are past retirement age, but have been kept on active duty by President Marcos. Most of these "overstaying generals" are considered political appointees whose main function is to protect the interests of Marcos and Ver in the military.

Both Defense Minister Enrile and Gen. Ramos told me they emphatically oppose the extension of active duty for these "overstaying generals" (even though Ramos himself also falls into this category). But they implied that they cannot do anything about the problem without the support of President Marcos. Marcos himself has publicly declared his intention to reinstate Ver as Chief of Staff if he is acquitted of the charges in the Aquino assassination, thus creating the impression among Filipinos that the outcome of the trial is a foregone conclusion. Most Americans and Filipinos with whom I talked expect Ver to be acquitted and to be reinstated by Marcos. That would be a serious blow to the chances for genuine reform of the AFP.

In our meeting, Enrile seemed to be arguing that the NPA problem is manageable without any major changes in organization or policy by the AFP. He emphasized that the NPA had little chance of winning without advancing from guerrilla warfare to main force warfare, and suggested that the NPA would be "lucky" to reach the stage of strategic stalemate within five to ten years. The Defense Minister also asserted that the AFP has already reversed the initiative on the battle-field. The NPA took the initiative in seventy percent of the contacts in 1984, he said, but the AFP has taken the initiative in sixty percent of the contacts so far this year. He said the AFP should be "alarmed" only if the NPA starts using artillery against it.

This view is a good deal more optimistic about the main trends in the conflict than that of U.S. officials in Manila. Even more disturbing, however, was the refusal of Enrile and Ramos to acknowledge that the AFP has a serious problem with abuses of civilians. He attributed reports of "salvaging" to "propaganda by radical anti-government groups". He also claimed that the AFP had investigated several cases in which such killings by AFP personnel had been alleged by human rights groups and had found no evidence to support the allegations.

U.S. Embassy officials indicated that the AFP and the Ministry of Defense are well aware that "salvaging" is continuing, however, and that they know the U.S. Embassy is also aware of it. The refusal of Enrile and Ramos to admit frankly in conversation with me that extrajudicial killings are a serious problem and to discuss the ways in which they intend to tackle it suggested to me that the government has not yet decided firmly to address the issue.

Enrile and Ramos have agreed to reforms in the previous AFP procurement system which will eliminate the systematic graft and corruption which previously surrounded the purchase of military equipment by the AFP. They have also agreed to the reorientation of procurement away from modern weapon systems like the F-16 fighter plan and toward enhancing force readiness through the purchase of basic items like trucks and communications equipment, and to the establishment of an effective operations and maintenance system. In addition, they have set up centers for the retraining of troops whose performance in the field has been particularly poor. But on the critical problem of military abuses and extrajudicial killings, U.S. officials say, the leadership of the AFP has yet to propose any concrete actions.

The attitude of President Marcos and the First Lady toward the insurgency has been to refuse to recognize—at least publicly—the urgency of the situation. The day before I met with him, President Marcos wrote to the heads of two ASEAN governments, Indonesian President Suharto and Singapore's Prime Minister Lee Kuan Yew, arguing that reports of the strength and influence of the NPA had been exaggerated. In the letter, Marcos claimed that the guerrillas had political and military infrastructure in only four percent of the country's villages and could "occasionally" visit another nine percent.

These figures contrasted sharply with the U.S. Embassy's estimate that the NPA influences one-third of the villages in the country. One Embassy official told me he believed the figures in Marcos' letter were simply fabricated.

III. THE POLITICAL CRISIS: MARCOS, THE DEMOCRATIC OPPOSITION AND FREE ELECTIONS

The massive failure of the economy and the outrage of the Aquino assassination have revived the relatively quiescent democratic opposition movement. After twelve years of authoritarian rule, during which the Marcos regime systematically repressed all political opposition, the democratic opposition has begun to recover its self-confidence and a fragile hope for peaceful political change. Dr. Emmanuel Soriano, former President of the University of the Philippines, observed that, "During martial law, our political growth was stunted. Now we are going through a process of rebuilding the institutions."

This process is a tenuous one, however, and it could be crushed by the Marcos regime unless the U.S. supports the restoration of democracy with firmness and consistency.

The initial manifestation of the democratic opposition was a series of mass demonstrations and protests against the regime that were notable for the participation of the urban professional and business class. In response to the nearly universal perception that the Marcos regime was complicit in the assassination of Benigno Aquino, an estimated four million people participated in some way in protests connected with the funeral. In late 1983 and 1984 the entire urban population appeared to express its desire for a change of government.

The crucial issue for the democratic opposition was whether or not to try to participate in Marcos-sponsored elections. Many opposition figures respected for their dedication to democratic principles feared that participation in May 1984 elections for the national parliament would merely help legitimize the Marcos regime without doing anything to end it, because of the regime's long history of using manipulated elections to strengthen its power. They organized a campaign to boycott the elections and, after the government party had succeeded in winning two-thirds of the parliamentary seats, called their mass demonstrations the "Parliament in the Streets" to emphasize the impotence of the Marcos/dominated parliament.

Others in the democratic opposition, however, felt that the electoral route was the only possible means of removing Marcos from power. They were willing to participate in the elections, provided that Marcos accredited the National Citizens Movement for Free Elections (Namfrel), an organization of volunteer poll-watchers whose aim was to ensure that the ballots were cast freely and counted fairly. Accreditation meant that Namfrel representatives had the authority to observe the counting of the votes at the precinct level.

Namfrel mobilized some 150,000 volunteers to observe the polling in approximately 40 percent of the nation's precincts. Although allegations of government fraud and intimidation were widespread, and Marcos' political party, the KBL, maintained a two-thirds majority in the parliament, Namfrel did make the difference in many cases between a fraudulent outcome and a fair one. Opposition parliamentarian Ramon Mitra of the PDP-Laban Party pointed out that in his constituency, where he ran against a Marcos cabinet member, the larger the Namfrel presence, the bigger was the vote for his candidacy.

The limited success of Namfrel in enforcing free and fair elections in a significant percentage of the 1984 races, combined with extremely high voter turnout, estimated at 85 percent, has brought a new surge of interest in trying to defeat Marcos through the electoral process. The opposition groups which boycotted last year's elections now concede that most Filipinos want to participate in elections. They have now decided to participate in the 1986 local elections on a selective basis and to play a role in trying to defeat Marcos in the 1987 Presidential election.

An official of Namfrel stated that he had seen a "tremendous change" in people's willingness to sacrifice and take risks for a democratic system. Many of its volunteer poll-watchers have told Namfrel officials that they are determined to go ahead with their poll-watching efforts in the 1986 elections, even if the government refuses to give them legal status.

The attention of the opposition has been focused in recent months on the possibility of a sudden election should President Marcos be unable to serve. Under legislation passed by the parliament last year, the Speaker of the parliament would automatically succeed President Marcos upon his death, and a new election for President would be held within 45 to 60 days. Since last November, when President Marcos became seriously ill and did not appear in public for several weeks, the problem of a

possible emergency election has taken on new significance. The U.S. Embassy's assessment is that if Marcos is well enough he will definitely run for the Presidency in 1987. However, if the President's health is such that he is unable to do so, it is unclear whether or not he would encourage the First Lady, Imelda Marcos, to run. It is clear, however, that Mrs. Marcos has carefully cultivated Gen. Ver's support to make a run for the Presidency should her husband be unable to do so.

Opposition groups feel that they have a better chance of defeating Mrs. Marcos than they would President Marcos in the 1987 election. Former Senator Jovito Salonga, who boycotted both the 1981 Presidential election and the 1984 parliamentary elections, said the opposition considers an election campaign against Mrs. Marcos "too good a chance to pass up."

With this in mind, the opposition has been making serious efforts since December to unify behind a single candidate to run against the government candidate in the event of a sudden election. A Convenor Group organized by Senator Aquino's widow, Corazon (Cory) Aquino, businessman Jaime Ongpin, and the nationalist ex-Senator Lorenzo Tanada have brought together eleven opposition figures considered potential candidates for the Presidency in an effort to work out a process by which a single opposition candidate could be chosen. The agreement, signed by all but two of the eleven, called for a majority of the group to choose the opposition candidate by secret ballot. If one candidate could not command a majority of votes after five rounds, the three convenors would then join them in voting. If a candidate still could not be chosen after three more ballots, the three convenors themselves would choose the candidate by a majority vote.

Those political figures and groups who were not satisfied with the Convenor Group's election of "Potential Standard Bearers" have formed a "National Unification Committee" and are planning their own convention to choose a candidate. But Mrs. Aquino, representing the Convenor Group, and former Supreme Court Justice Cecilia Munoz-Palma, representing the National Unification Committee, have been authorized to work together to arbitrate the differences between the two groups by working out a common plan for selecting a single oposition candidate. Despite the apparent obstacles to unity, Mrs. Aquino said she was not concerned. She indicated that it would be dangerous to single out a leader of the opposition now, because, "He might be liquidated."

Whether the election is held as scheduled in 1987 or occurs earlier, opposition forces face some major disadvantages in trying to oust the Marcos regime through elections. In a country racked by massive poverty, money is an extremely important political asset and the regime is expected to spend lavishly in buying votes. According to businessmen in the opposition, the Philippine Chinese Chamber of Commerce has already raised a slush fund of $200 million for the KBL's campaign, while reserving $2 million for the opposition. Cory Aquino indicated that the opposition expects to be outspent by the Marcos regime by a 200 to 1 ratio.

The opposition nevertheless believes that money alone will not win the election for the Marcos regime. Those involved in last year's parlimentary elections observed that the traditional technique of buying votes did not work in many places last May. "Marcos distributed the money through Barangay captains," a Namfrel official observed. "They were called to the palace and given money three different times. But people took the money and voted against Marcos' candidates anyway."

A second advantage for the Marcos regime is the fact that the KBL already has a nationwide political structure reaching all the way down to the local level. The nation's 42,000 barangay or precinct leaders, who were elected in a non-partisan campaign in 1982, were absorbed into the KBL party after their election. The opposition, on the other hand, is strong in Metro Manila and other cities but has little organization in the rural areas. Unless the opposition can win a significant proportion of local offices in the elections scheduled for May 1986, the Marcos regime will be able to control the presidential election more easily.

However, opposition strategists are not dispirited by the official apparatus. They point out that in almost every barangay, the 1982 local elections were contested, and the losers are the natural allies of the opposition there. They also expect Namfrel to be a larger, more effective presence in the barangays than they were in last year's elections. The organizers of Namfrel say that they did not have enough time or money to send pollwatchers into all areas where they were needed. This year they intend to target all of the approximately 100,000 voting centers in the country. They also hope that sixteen independent Catholic radio stations, as well as Radio Veritas, which is funded by the Catholic Bishops of Southeast Asia, will provide the communications network for the Namfrel effort. That network will be backed by amateur radio operators sending messages directly from the polling places.

But opposition parlimentarians, businessmen and party leaders were in agreement that the two absolutely vital conditions for curbing the fraud and violence that the Marcos regime might otherwise carry out in local and presidential elections is an independent Commission on Elections (Comelec) and official accreditation of Namfrel, which provides a necessary oversight mechanism for the counting of ballots at the local level. In the past the national-level Comelec has been comprised of Marcos supporters. As a result, local and province or city election committees have been stacked with Marcos supporters. In last year's parliamentary elections, Marcos made only a slight concession in response to popular pressure to make Comelec independent: he named an independent figure to the nine-member committee. It wasn't enough to make any difference in the conduct of the election, since the pro-Marcos majority could always vote to accept its own vote totals at the precinct and province or city level.

Since the May 1984 elections, President Marcos has made no move toward reform of Comelec. Instead, he has signalled his intention of maintaining tight political control over the electoral process. In May, he named Victor Savellano, a member of his own KBL party, to replace the retiring Chairman of Comelec. The new Chairman was so lacking in impartiality that he publicy declared his loyalty to President Marcos upon being named to the post.

Opposition figures are united in demanding that Comelec be made truly neutral and nonpartisan. They want a new chairman who is not loyal to the Marcos regime and new members who are independent, but they do not demand that members of the Commission be associated with the opposition.

The situation in the Philippines is strikingly similar, in its broad outlines, to that in Guatemala, where another authoritarian regime has pledged to undertake a transition to democratic rule. There, however, the government has agreed to the creation of an Electoral Tribunal whose members are chosen from a list of names submitted by a committee comprised of respected figures from the legal community, thus insuring that its independence will be accepted by the democratic opposition. The principle involved in this procedure is obviously an important one, and that principle is bing breached by the policy of the Marcos regime toward the Electoral Commission.

Namfrel represents the main obstacle to election fraud at the precinct level. Where Namfrel was unable to operate last May, the fraud and intimidation were frequently alleged. Cory Aquino cited the example of one precinct in Tarlac province in which the opposition candidate got only 8 votes out of 8,000. Opposition parliamentarian Ramon Mitra recalled that in some precincts where Namfrel was absent there were more votes for government candidates than registered voters.

The democratic opposition sees an officially sanctioned Namfrel as the minimum condition for elections that would give them any chance of defeating Marcos. "If Namfrel could be enfranchised early, it would give the opposition a lift," said Jamie Ongpin. "But it has to go together with an independent Comelec; otherwise it would be meaningless."

President Marcos, who agreed to the accreditation of Namfrel for last year's elections, withdrew that status as soon as the election was over. He has refused to renew it for the elections scheduled for 1986 and 1987, charging that it is an opposition organization. There have been reports that he is planning to create a new pollwatching organization which he will have accredited for the coming elections instead of Namfrel. The organization would be ostensibly independent but would in fact be manipulated by the government. The current draft of the electoral code proposed by the government party in the parliament calls for the decision on accreditation to be made by the Electoral Commission. If the Marcos administration proceeds as it has so far on the 1986 elections, it would destroy the credibility of elections in general.

The free political atmosphere necessary for the electoral process to be meaningful is also threatened in the Philippines by the Marcos administration's arbitrary powers of arrest and detention. The suspension of the writ of habeas corpus in what the government calls national security cases during the martial law period has been maintained by means of Preventive Detention Actions. These actions have been issued regularly in the absence of formal charges, and detention is often for indefinite periods and in defiance of court-ordered releases. According to former Supreme Court Justice Cecilia Munoz-Palma, President Marcos has routinely signed blank Preventive Detention Actions and given them to the military to arrest and detain individuals who could not be convicted of a crime. The refusal of the President Marcos to give up his arbitrary power to arrest and detain has been resisted not only by the legal community in the Philippines, but by the Catholic Church as well. The use of Preventive Detention Actions, combined with the almost universal belief that high officials were involved in the Aquino assassination have created a

general feeling that those who oppose the Marcos regime no longer have any legal protection from physical repression.

Without U.S. pressure on Marcos, the opposition fears that the 1986 and 1987 elections will simply be repeats of the 1984 experience. "The electoral code would look good," Ongpin explained, "but he would withhold his ace and refuse to purge Comelec. So the KBL would lose in Manila and win outside." Everyone I met in the opposition expressed the belief that President and Mrs. Marcos will cling to power by keeping tight control over the electoral process.

Both Embassy officials and opposition leaders believe that, if the Marcos regime wins the coming elections through widespread fraud, violence and intimidation, the result would be a rapid increase in support for the NPA insurgency. Cory Aquino best articulated the opposition's view of the consequences of yet another rigged election: "If we don't succeed in the next presidential election," she said, "people will say we've gone along with you moderates long enough." Senator Salonga suggested that the NPA would actually prefer that Mrs. Marcos win the election, if she turns out to be the candidate, because "she would be their best recruiter."

The elections of 1986 and 1987 are seen by the democratic opposition as the last chance to restore a democratically-oriented leadership to power in the Philippines. In a discussion with some members of the business community one official of Namfrel expressed the fear that, unless the change to a different leadership is made through elections during the next two years, "it will be far more difficult to achieve peaceful change in the future." No one among the six moderate critics of the regime participating in the discussion disagreed.

The democratic opposition fears that the U.S. will continue to provide economic and military assistance to the Marcos regime without demanding specific steps toward democracy, including the conditions for free elections mentioned above. Opposition figures stated in no uncertain terms that such a policy would be a disaster for Philippine democracy. Far from regarding conditioning U.S. aid to Marcos as an infringment on Philippine sovereignty, they viewed it as U.S. support for the self-determination of the Filipino people. For the democratic opposition, firm pressures from the U.S. that go beyond mere advice to Marcos on issues of democratization is the only hope for peaceful change.

IV. U.S. NAVAL FACILITY AT SUBIC BAY

Briefings from Rear Admiral Edwin Kohn, Commander of the U.S. Naval Facility at Subic Bay, and his staff impressed upon me the importance of that base to the U.S. military posture in the Pacific and Indian Oceans.

The Subic Bay facility has an ideally protected harbor and a position close to the sea lanes of communication through Southeast Asia and the Indian Ocean that cannot be duplicated elsewhere. It is home port for two of the three carrier task forces in the Pacific Fleet, and has an average of 12 ships in port on any given day. Subic provides fleet support services for those ships, including a ship repair facility with three floating, deployable drydocks, and 4,500 Filipino repair personnel. The supply depot at Subic provides for the needs of all ships that home port there. It supplies the fuel not only for ships and planes of the U.S. fleet, but also for Clark Airbase through an underground pipeline.

The Naval Air Station at Cubi Point is the base for a naval air squadron which logs 13,000 take-offs and landings every month, and is also home to Orion P-3 surveillance planes. Subic's naval hospital has an 84-bed capacity under normal conditions, which can be expanded to 125 in an emergency. Subic also has the facilities for training naval personnel away from sealanes and population centers, as well as for rest and recreation.

As Admiral Kohn explained, there is no other place in the world where all these facilities are situated together in such a convenient location and at such a low cost. At the ship repair facility, the cost of labor is only $50 per man-day. "While the facilities could be replaced," Admiral Kohn told me, "they could never be duplicated." Fall-back positions in Guam and Tinian are further away from the sealanes themselves, compounding the problems of maintaining a U.S. presence in the Indian Ocean.

Admiral Kohn's briefing also underlined the degree to which the use of the bases at Subic and Clark depends on the outcome of the current struggle in the Philippines. The facility at Subic and the fuel pipeline to Clark are extremely vulnerable to sabotage, since they are located in a densely populated area which is subject to growing influence by the New People's Army and the Communist Party of the Philippines. According to Admiral Kohn, the NPA has large influence throughout Central Luzon and has begun to influence a number of barangays in Bataan and Zimbales provinces, which are near the base. In all there are an estimated 700 NPA regular troops in Bataan, Zimbales and Pampanga provinces alone and some 5,000 in Luzon as a whole. Even the base's internal security is assumed to be constantly penetrated by the NPA through the thousands of Filipino civilians who go in and out every day.

The NPA could probably make the normal operation of both Subic and Clark impossible if it chose to do so. So far, however, the NPA has chosen to leave Subic and Clark alone, and Admiral Kohn believes that neither will become a target, because these bases are the only livelihood for the entire region of Cental Luzon. "If we are targetted," he said, "it would be counterproductive to what the NPA is trying to do."

According to Admiral Kohn, the two U.S. facilities at Subic and Clark employ about 40,000 Filipinos, making it the second largest employer in the Philippines outside the Philippine government. The Subic facility injects an estimated quarter of a billion pesos into the economy each year and Clark another 100 million pesos, for a total of 350 million pesos (about $20 million at the current official rate of exchange) per year. It is also believed that for every peso spent by the bases, there is a multiplier effect of five or six, making them an even more important factor in the Philippine economy.

Although the Communists apparently have no interest in disrupting base operations while they build up their political-military strength, an NPA military victory would clearly jeopardize U.S. use of the bases in the longer run. That is why U.S. security interests in the Philippines depend on an effective response to the rising NPA insurgency.

V. UNITED STATES POLICY: COMING TO GRIPS WITH THE PHILIPPINE CRISIS

The U.S. Embassy in Manila is attempting to encourage President Marcos to implement political, economic and military reforms and is willing to give his government the benefit of the doubt that it is moving in the right direction on these issues. Ambassador Bosworth pointed to "incremental changes" he felt Marcos had already carried out: the May 1984 National Assembly elections, which he judged a great improvement over previous elections in terms of fairness; moves that Marcos has made toward dismantling the sugar and coconut monopolies; and the willingness of the armed forces to concentrate on force readiness rather than procurement of modern aircraft and large naval vessels. He also suggested that Marcos has lost some of his power and has had to be more responsive to public opinion than in the past.

U.S. officials maintain that different issues require different policy approaches by the U.S. On economic policy the U.S. might be willing to withhold some aid resources because economic restructuring to liberalize the economy had not taken place. With regard to the professionalization of the AFP, the U.S. approach is to increase MAP funding, on the assumption that "putting more chips on the table" will give the U.S. more leverage on the Philippine government to reform the military leadership and policies. But any reduction in military aid, according to the administration, would open the U.S. to the charge of "bad faith" regarding the 1983 agreement on military bases by the Marcos regime.

It appears that U.S. efforts to move the Philippine government toward significant reforms may be constricted by the official belief that the 1983 bases agreement with the Philippines requires the provision of approximately $180 million in security assistance per year. Threatening to reduce military assistance to a longtime ally who argues that it is "rent" for U.S. use of the bases is an unpleasant diplomatic course which the administration understandably would like to avoid.

Yet the alternative, in my view, is far more serious. Embassy officials believe that the political-military situation in the rural areas is deteriorating very rapidly, and they doubt that President Marcos is ready to give up his political control of the military and move toward democratization. The implications of this fact are twofold: first, Marcos will try to limit substantive political and military reforms over the next two years to a minimum, and try to ensure that elections will further consolidate his regime; second, the insurgency will continue to grow, taking advantage of popular disaffection.

There are indications that key officials of the Marcos Administration, including Marcos himself, understand how dangerously weak the Philippine government is politically in trying to carry out a counterinsurgency war against the NPA. In February, Labor Minister Blas Ople declared publicly that there were signs that the will to resist the NPA was breaking down. He warned that once that will has collapsed, "the Communists can take over and occupy Manila—without firing a shot."

Only a few weeks ago, President Marcos, who had previously maintained that the NPA insurgency was under control, spoke for the first time about the possibility that he might have to call on "allied troops" if the NPA had too much outside help and foreign training. Since the NPA is conceded by U.S. officials to be a purely indigenous phenomenon, this sounded like the beginning of a campaign to claim that NPA successes are due to outside support.

This situation requires that we review our options in the Philippines, taking into ac-

count the high risks of continuing on our present courses as well as those of a more forceful stance toward Marcos.

We must consider realistically whether present policy can achieve the political-military reforms necessary to reverse the very serious trend in the strength of the Communist insurgency in the Philippines. That policy calls for increasing the level of military assistance in FY 1986 by 150 percent over the FY 1985 level. This is $15 million above what would be required to maintain a flat rate of military assistance under the "best efforts" commitment. The rationale, as explained by Ambassador Bosworth, is that additional assistance beyond the "best efforts" pledge gives the U.S. leverage on the Marcos government to professionalize the AFP and control military abuses.

There is a serious question in my mind, however, whether the difference between the $100 million now requested by the administration and the $85 million the administration says it must provide in any case, gives us any meaningful leverage on the Marcos government. It is not clear that Marcos feels that he stands to lose much if he simply reinstates Gen. Ver or one of his cronies as Chief of Staff and thus assures the loyalty of the military. I am concerned that the U.S. government might not be able to succeed in bringing about the dramatic change in military leadership which everyone agrees is necessary.

I am also concerned that the Reagan Administration may be tempted to adopt a passive role on the fundamental issue of democratization. In my view, we would be sending the worst possible signal if we relax the pressure on the Marcos regime, especially with regard to free elections and democratic rights.

Since my trip and the 89-8 vote in the Senate in favor of the resolution offered by Senator Frank Murkowski and myself which addressed the above concerns, the human rights and political situation has deteriorated still further. Therefore, the alternative of withholding at least a significant portion of military and Economic Support Fund assistance to Marcos until a number of political and military reforms have been carried out deserves serious consideration if current trends are not soon reversed.

While this form of leverage may be dismissed by some as inconsistent with the 1983 bases agreement and with the Marcos government's expectations of annual "rent" for use of the bases, we need to be clear about the nature of the U.S. commitment on aid in connection with that agreement. U.S. negotiators never agreed to consider U.S. security assistance as "rent", nor can the executive branch make such a commitment on behalf of Congress. The President's pledge was only to make his "best effort" to obtain a given level of assistance from Congress.

The risks of failing to use all the leverage at the command of the U.S. to move Marcos toward free elections, political freedoms and control of military abuses seem to me far more serious than whatever uncertainties may be posed by conditioning military aid. We face the very real possibility in the Philippines of another third world country succumbing to a Communist movement because the democratic alternative was not given a chance.

The Marcos regime may be strong enough to resist the demands of the democratic opposition, but it does not have enough popular support to reverse the present trends toward insurgent political-military gains. Even the incremental changes undertaken by the government last year now appear to be jeopardized by actions which President Marcos has taken recently. Moreover, there have been reports from the Philippines in recent weeks of a new wave of violations of human rights, including extrajudicial killings, which suggest that the government is continuing to move in the wrong direction.

A failure to take a firm position on democratization in the Philippines now would also jeopardize future Philippine-American friendship. It would confirm the growing tendency among Filipinos—particularly those who came of political age during and since the martial law period—to see U.S. policy as concerned only with the use of military bases in the Philippines. Many Filipinos are angry about the U.S. role in the Philippines because they believe that it involves a quid pro quo of support for Marcos in return for base rights. As one opposition member of parliament put it to me, "The U.S. has two military bases in search of a policy toward the Philippines. That is why you are caught in a bind supporting an unpopular dictator like Marcos."

This trip has brought home to me the fact that our strategic interests in the Philippines must be more solidly based on support for democratic government and social and economic progress in that country than it has in the recent past. It is not simply because the U.S. had responsibility in the Philippines for nearly half a century or that Filipinos and Americans fought side by side during World War II that the U.S. has an obligation to support the popular aspirations of the Filipino people for democracy and human rights. What is even more important is that the Filipino people have a long tradition of respect for law and of functioning democratic institutions. There remains, even after thirteen years of martial law and authoritarian rule—or perhaps because of that experience—a tremendous popular desire in the Philippines for the kind of freedoms that the U.S. should stand for in the world. Millions of people have shown by their actions this past year and a half that they want a democratic system, with free elections, checks and balances and respect for basic human rights.

There are few third world countries where the opportunity to support a genuine democratic alternative to authoritarianism of the left or the right is so clear and compelling as in the Philippines. Democracy now hangs in the balance there. We owe it to the Filipino people as well as to our own interests to support their demands for democracy with more than words.

SCHEDULE OF APPOINTMENTS

April 6.—11:30 p.m.: Arrival in Manila; briefing with First Secretary Richard A. Holmes, U.S. Embassy, on the political situation.

April 7.—All day visit to Subic Bay Naval Facility; briefing by Rear Admiral Edwin Kohn; rolling tour of base.

April 8.—Morning: Meeting with Senator Jovito Salonga and former President of the University of the Philippines, Emmanuel Soriano. Afternoon: Briefing by Ambassador Steven Bosworth and Embassy staff. Late Afternoon: Meeting and dinner with potential Presidential candidates Senator Salonga, Agapito "Butz" Aquino and Senator Ambrosio Padilla.

April 9.—Breakfast: Meeting with Jaime Cardinal Sin. Morning: Meeting with Imelda Marcos. Afternoon: Meeting with opposition MP and potential Presidential candidate Ramon Mitra (PDP-Laban), Alliance; human rights lawyer Rene Seguisag (MABINI), and former Presidenti Diosdado Macapagal. Evening: Dinner with Convenor Group member Jaime Ongpin and businessmen Ramon del Rosario, Jr., Vicente T. Paterno and Dante Santos.

April 10.—Breakfast: Meeting with opposition MP's Antonio V. Cuenco, Orlando S. Mercado and Bobby Sanchez; labor leaders Rolando M. Olalia, President, National Federation of Labor Unions and Letyo Villar of KMU, and academicians Alex Magno and Randy David. Morning: Meeting with President Ferdinand Marcos. Afternoon: Meeting with Defense Minister Juan Ponce Enrile and Acting Chief of Staff Gen. Fidel Ramos. Afternoon: Meeting with General Teddy Allen, Chief of JUSMAG Philippines. Afternoon: Meeting with Mrs. Corazon Aquino and former Supreme Court Justice Cecelia-Munoz Palma. Evening: Dinner hosted by Ambassador Bosworth, and including Vicente Jaime and Christian Monsod of Namfrel; Dr. Enrique Estaban, President of the Center for Research and Communication, and Bernardo Villegas, economist at the Center; businesswoman Isabel Wilson; former MP Francisco Tatad, and President of the University of the Philippines Edgardo Anagara.

April 11.—Breakfast: Meeting with Imelda Marcos. Luncheon: Ambassador Bosworth. Afternoon: Press Conference. 4:00 p.m.: Departure from Manila.

[From the Boston Globe, July 30, 1985]

THE PHILIPPINE HOSTAGES

The Philippines today resemble the Nicaragua or the Iran of 10 years ago. President Ferdinand Marcos has lost touch with his people, and his people are losing patience with him. Marcos's associates have accrued wealth through a corrupt system backed by a brutal incompetent military. Popular support for the Marxist New People's Army is growing. As economic crisis deepens and political crisis festers, it has become obvious that rapid reform is the only way to avert upheaval.

Marcos is prepared neither to reform the system nor to allow the democratic opposition to do it. Like the shah of Iran and the dictator Somoza. Marcos assumes that because he is pro-American, he can count on US support.

Marcos blamed the New People's Army's insurrection on "the integration of aid and foreign-trained troops," and hinted at invoking a 1951 mutual-defense treaty to draw US troops into fighting his battles for him. He made clear that he believes he holds two important hostages, Clark Air Force Base and the Subic Bay Naval Base. Marcos repeated a perennial threat to deprive the United States of the bases.

US policy makers should call Marcos's bluff. This is a case in which the hostages are expendable. A conspicuous order to the Pentagon to update its plans for relocating the Philippine bases would send a signal to both Marcos and his critics that the United States has learned from past mistakes. The democratic opposition would be heartened. The violent left would lose an invaluable forensic target; "the US-Marcos dictatorship."

Clark Field and Subic Bay are undeniably important to the US strategic position in the Pacific and the Indian Ocean. They cannot be duplicated, but neither are they irreplacable. Other sites at Guam, Tinian, Singapore and Australia would serve. Certainly the Philippine bases are not worth a US war to sustain a discredited regime.

The Philippine people have notable strengths in their judicial system, their advanced system of education and their identification with many American political values. If Marcos would get out of the way, the opposition could manage the rapid evolutionary change needed to forestall violent revolution. An intelligent US policy could provide the opportunity.

Marcos expects the United States to lose its nerve because of its narrow interest in the bases. This is the moment to show him he is wrong. Philippine democracy, symbolizing values the United States hopes to see thriving around the world, is too rare to be bartered for runways, drydocks, fuel tanks and barracks.

RECESS UNTIL 11:30 A.M.

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until 11:30 a.m.

Thereupon, at 10:43 a.m., the Senate recessed until 11:30 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. WARNER).

RECESS

Mr. DURENBERGER. Mr. President, I ask unanimous consent that the Senate be in recess until 12 noon.

There being no objection, the Senate, at 11:30 a.m., recessed until 12 noon; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. KASTEN).

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, my understanding is that in just a few moments we will start the supplemental appropriations bill, H.R. 2577, and hopefully we will conclude action on that. Following disposition of the supplemental appropriations bill, it is my hope we can clean up some miscellaneous items prior to 2 o'clock.

We had scheduled from 1 to 3 o'clock debate on the cost of the farm programs. We did extend the recess from 11:30 to 12 noon at the request of the distinguished minority leader. I hope that now we can pick up that half-hour or hour on the farm discussion and maybe have that from 2 to 4 o'clock, because we have taken some time away from the supplemental appropriations bill.

I can also indicate that the Republicans did have a conference this morning on the budget resolution. The budget conferees should be meeting at this moment. I cannot speak for all Republicans who were there, I think there were 41 or 42. But, in any event, we hope to take up the budget resolution conference report this afternoon and dispose of it.

Beyond that, that would leave the South Africa conference report. I am advised, as I have indicated earlier, that there will be a number of Members who wish to discuss that at length. If it appears that "at length" means beyond tomorrow evening, we may either decide to call it up today, file a cloture motion, or let those who oppose it discuss it tonight and tomorrow, and then file a cloture motion so that we can vote on cloture when we return.

Beyond that, the only other outstanding matter we have on our list is the energy and water appropriations bill. I know the distinguished chairman of the Appropriations Committee is prepared to move on that. I understand that there are a number of amendments. That would take a number of hours. We could do that this evening, but there may be some objection to taking that up at this time.

On the Genocide Treaty, I have also been advised there will be lengthy debate on that matter. I will discuss that today with the distinguished chairman of the Foreign Relations Committee, Senator LUGAR, and make a final announcement on that sometime this afternoon.

The other matter we had hoped to at least bring to the floor would be a farm bill. I know at this moment there is a meeting in the White House, a Cabinet meeting, on farm legislation and farm credit legislation. There are also some who believe that we should wait to see what the final budget figure will be, if, in fact, there is a House-Senate agreement on a budget resolution, before we take what some have called precipitous action. So we will see what happens there in the next few hours.

It would seem to me if we can do the items that I have suggested, we could conclude our work this evening. If not, we would be here tomorrow.

Mr. Presdient, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1985—CONFERENCE REPORT

Mr. HATFIELD. Mr. President, I submit a report of the committee of conference on H.R. 2577 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill. (H.R. 2577) making supplemental appropriations for the fiscal year ending September 30, 1985, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their repective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the Record of July 31, 1985.)

The Senator from Oregon is recognized.

Mr. HATFIELD. Mr. President, the conference report on H.R. 2577, the fiscal year 1985 Supplemental appropriations bill recommends a total of $13,009,352,536 for program and pay supplementals to continue operations of the Federal Government for the remainder of the current fiscal year. This amount is $405,763,000 below the House-passed level and $920,395,000 below the Senate-passed level. It is $124,399,100 above the administration's requested level.

A number of major items requested by the President are recommended in this conference report. These include: $3.5 billion for payment to the Social Security trust funds; $2.936 billion for reimbursement of net realized losses of the Commodity Credit Corporation [CCC], adjusted to reflect the prior provision of $1 billion for the CCC in the urgent supplemental signed into law by the President on July 24 (Public Law 99-71); $2.258 billion for the economic support funds, of which $2 billion is for aid to Egypt and Israel and $250 million is for aid to Jordan; $319 million for food stamps; and $175 million for veterans' compensation and pensions. In addition, the conferees recommend $27 million for humanitarian assistance to the Nicaraguan democratic resistance supported by the administration.

The conferees have recommended $287 million for student financial assistance—Pell grants—to cover the shortfall in the program in academic year 1985-86 not requested by the administration. This amount is the same as that recommended in the Senate-passed bill. Also included is $720,346,000 for guaranteed student loans recommended by both the House and Senate; $55.5 million above the level of the administration's request. The administration's lower amount is contingent on changes in authorizing language requiring action by the appropriate legislative committees.

Mr. President, I ask unanimous consent that a table listing these and other major items contained in the conference report on the fiscal year 1985 supplemental appropriations bill be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Major items in the conference report—supplemental, H.R. 2577

Program:	*Fiscal year 1985 budget authority*
Payment to the social security trust funds	$3,500,000,000
CCC reimbursement for net realized losses	2,935,790,000
Economic support fund (Egypt/Israel)	2,008,000,000
Guaranteed student loans	720,346,000
Food stamps	318,856,000
Student financial assistance (Pell grants)	287,000,000
Assistance to Jordan	250,000,000
International financial institutions	236,734,436
VA compensation and pensions	175,000,000
Dept. of State: buildings abroad (security)	167,579,000
Payment to the postal service	168,620,000
NOAA operations, research, and facilities	126,100,000
BLM: Management of lands and resources	115,500,000
Federal crop insurance program (borrowing authority)	113,000,000
Vocational and adult education	101,963,000
HDS: family social services	79,495,000
Dept. of State S&E (security)	73,342,000
Corps of Engineers/Bur. of Rec. (new starts)	63,100,000
National forest system (fire-fighting)	61,247,000
Federal crop insurance program	50,000,000
NASA research and development	40,000,000
Enhanced security countermeasures	35,000,000
Humanitarian Assistance for Nicaragua	29,000,000
FEMA: Emergency food and shelther program	20,000,000
Rental housing (rescission of contract authority)	(528,940,000)
Other rescission proposals	(207,516,000)
All other prgrams (net)	669,666,100
Total, title I	11,608,882,536
Pay raise costs:	
DOD pay costs	950,591,000
DOD pay costs (by transfer; non-add)	(916,450,000)
Non-DOD pay costs	449,879,000
Total, title II	1,400,470,000
Total bill	13,009,352,536

Note: Amounts in parenthesis ( ) are negative.

Mr. HATFIELD. Mr. President, the conference report includes $63.1 million for initiation of construction on water projects by the Corps of Engineers and the Bureau of Reclamation. As you will recall, the Senate bill included language "fencing" these funds until cost-sharing agreements are reached between the Secretary and the non-Federal project sponsors, and further providing that funds provided for specific projects shall lapse unless such an agreement is reached on that project by June 30, 1986. The administration dropped its opposition to the funding of new water projects based on this language and other assurances that the Senate would act on legislation providing for cost-sharing reforms.

The conferees adopted the Senate position. However, in acting on the conference amendments, the House rejected this position on a vote of 170 to 258. In acting on amendment No. 112 relating to Corps of Engineers construction, the House rejected the conferees' recommendation to accept an amendment incorporating the Senate cost-sharing language, and adopted instead a substitute amendment prohibiting initiation of construction on any of the projects funded unless cost sharing and any other needed authorizing legislation is enacted. Given the strength of the House vote, I recommend that the Senate agree to this language but adopt a further amendment making it effective only through May 15, 1986.

The House also rejected the conference position on one other amendment, amendment No. 262. The House bill recommended a rescission of $7.5 million of the funds available for carrying out a national program to encourage the use of automobile safety belts and passive restraints; the Senate bill recommended a $2 million rescission. The conferees recommended to rescind $3 million of funds available for this program and added language requiring the Secretary of Transportation to rule on the compliance of State mandatory safety belt use laws before available program funds are obligated and making the funds available until September 30, 1986. The conference recommendation was stricken on a point of order in the House. When the Senate acts on this amendment, I will move that the Senate recede to the House position. We are close to the end of the current fiscal year and can address this issue in the context of the regular fiscal year 1986 bill.

Mr. President, I yield to the ranking minority member of our subcommittee, the Senator from Wisconsin, for a statement.

Mr. PROXMIRE. Mr. President, I congratulate the chairman of the Appropriations Committee on this action.

All of us would like these appropriations as low as possible, in view of the size of the deficit. Under the circumstances, I think the conference committee did a good job.

We have checked with the Members on our side, and there is no objection to taking up the bill and acting on it at this time.

Mr. HATFIELD. I thank the Senator from Wisconsin.

Mr. President, this has been a very difficult bill to work out, and it has had nothing but the most bipartisan and excellent support from all members of our committee.

I should like to make a further observation: Because of the complexity of the appropriations process, as contrasted to the time I first went on the committee, when very few people would make most of the decisions in conference, I should like to state for the record the observation that in our conference we have practically every member on both sides of the aisle participating, hammering out the conference report, section by section, chapter by chapter, issue by issue, report by report. It really is a very remarkable demonstration of the comprehensiveness of the participation in our committees, and I am very proud of that.

In fact, 27 of the total membership of the committee of 29 participated in that conference. When you have 27 conferees on one side of a conference, you have a big audience and a big working force. So I commend Senators on both sides who participated so effectively.

Mr. PROXMIRE. Mr. President, we should not miss one part of this legislation, which is the fact that we now have cost sharing on water projects, and that is something for which the distinguished chairman of the Appropriations Committee deserves special credit. The administration worked for it, and it will result in economies in the future—less spending and less pork barrel, in my view, and more responsible projects.

This was something that was very difficult for many Senators, and I think the distinguished chairman has done an outstanding job in this respect and deserves great credit.

This is a controversial bill with respect to foreign aid and many other areas, but I think we did the best we could under the circumstances, in view of the legislative impasse.

Mr. HATFIELD. I thank the Senator from Wisconsin.

It is a historic and significant portion of this bill, as evidenced by the colloquy that accompanied the action by the Senate on this bill, engaged in by a number of Senators, relating to that very controversial issue of cost sharing.

Mr. President, let me outline the mechanics that we will follow, according to my understanding of the parliamentary situation.

We have about 60 amendments that are in disagreement, which will have to be acted upon en bloc or separately. There is one amendment I will offer at an appropriate time which would urge the Senate not to agree to one of the House amendments; to send back, in effect, a counterproposal; and that relates to the question of the water projects. Perhaps it is well that I should introduce that issue by merely explaining the situation at this point.

When the Senate passed the bill dealing with energy and water, we had a total of 33 or 34 projects. Some of

them were authorized and some were not authorized. The ones which were not authorized had been justified by extensive studies indicating that they represented some of the important needs of the infrastructure, particularly in our waterways programs.

We put them in the bill as unauthorized projects, primarily because the authorizing committees of the House and the Senate had not been able to get a comprehensive omnibus authorization bill for 14 years. I am not certain that there is much evidence that we are going to see a great change in that particular situation. But we did put in the cost-sharing requirement that, whether authorized or unauthorized, such projects, particularly as they were starting up construction, would have to engage in an understanding and a contract that the Secretary of the Army have local cost sharing. The Senate worked its will on that, adopted that, and we held to that in the conference.

In the conference activity, the House came in with 66 projects. In the conference, we worked it out for a total of 41, but again maintaining the Senate fence language relating to cost sharing.

When the House acted yesterday on this bill, they had the amendment in disagreement, and they voted to adopt an amendment which would exclude from that section of the appropriations supplemental all unauthorized projects.

That was the way in which the amendment was presented on the floor, and that was led by the chairman and subcommittee chairman of the authorizing committees of the House of Representatives, to adopt that amendment, which was adopted by an 80-vote margin.

Mr. President, since that time, a very careful review has been made by legal staff and others. Let me cite the language that was adopted by the House. It said:

> Notwithstanding any other provision of law (incuding any other provision of this Act), initiation of construction with respect to any project referred to in this paragraph shall be subject to subsequent enactment of legislation specifying the requirements of local cooperation for Water Resources Development Projects . . .

The intent, as I understood the debate on the floor of the House, was to exclude only unauthorized projects. Now it appears that that language includes all the projects in that bill, authorized and unauthorized. The division between the two categories is about 50-50. Out of the total 41 projects in the supplemental, about 20 are authorized and about 21 are unauthorized.

If this language should prevail, it would appear that then it would successfully inhibit any project from proceeding under construction, with or without authorization. I am sure that Members of the House who supported the amendment did not intend that, according to the debate, and I think that those who voted for it probably did not intend that.

Be that as it may, however one might interpret that language, what I am going to propose—and I have cleared it on the Democratic side of the aisle with Senators JOHNSTON, STENNIS, and BYRD—is to recognize the argument of the authorizing committees of the House and say, in effect: "All right, even though there has not been an omnibus bill provided by the authorizing committee that could be signed into law in 14 years, let us put a time certain for you to have a reasonable period of time to produce an authorizing bill. Therefore, we will fence, in effect, your language that was intended to exclude unauthorized projects until May 15, 1986. That, in effect, would say that you have 9 months to produce an authorization. If that 9-month period does not produce an authorization, then the conference report language that was initially agreed to shall take effect."

In other words, we could process with both the authorized and more especially the unauthorized, which seems to be the point of contention, the unauthorized projects, provided they have reached a cost-sharing arrangement, but at least will not totally exclude the opportunity to proceed with cost sharing on such unauthorized projects.

By the law, my colleagues know very well we do much of this on appropriation vehicles, authorizing projects or authorizing other things. There is nothing new about this. It just happens to be this is just one of the more controversial types of authorization. So we are not breaking any new ground, we are not establishing new precedents by authorizing these particular 21 projects.

But all we are doing is saying to the House, have another vote and look at it from the standpoint of a Senate counterproposal that is reasonable, and by the way, I have checked this with the chairman of the Senate authorizing committee and the Senate has also approved of this, the counterproposal as being a fair one and as being one that has reasonable time. We had originally suggested April 16. Senator STAFFORD has suggested another month, rather than 8, give them 9 months, and I am happy to do that. So consequently, that will be proposed in this process that I have outlined.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. PROXMIRE. I understand the administration, the Office of Management and Budget, approves this procedure; is that correct?

Mr. HATFIELD. The main point of contention as the Senator from Wisconsin recalls that we were involved in the CR last October related to the issue of cost sharing more than to the number of projects. Remember this: The administration has requested projects in their budget request, so the question is not projects or no projects. The question is cost sharing. We have worked that out with the administration, the administration has signed off on that and, therefore, to answer the Senator's question, yes.

Mr. PROXMIRE. They do not object to the fact that there would be a period between now and May 1986 in which the Senate could take action, having not taken action in the past. If they do not, as I understand it, then these projects would go forward.

Mr. HATFIELD. Yes.

Mr. PROXMIRE. There is no objection to this on their part as long as there is cost sharing.

Mr. HATFIELD. The question comes back to cost sharing and whatever action, whatever vehicles that the matter of projects are considered upon, the issue of cost sharing is what the administration has been most adamant in their position, and what I can say to the Senator has now been resolved with Mr. Stockman, representing the administration.

Mr. PROXMIRE. I thank the Senator.

Mr. DOMENICI. Mr. President, I would like to bring to the attention of the Senate an important provision of this supplemental conference agreement relating to Central America. Amidst all of the hoopla concerning renewal of U.S. assistance to the Nicaraguan Contras, most observers have overlooked a provision encouraging economic development in Central America as well as better understanding between ourselves and young leaders in Central America.

The conferees agreed to an amendment that I introduced in the Senate Appropriations Committee which provides $9 million for scholarships and educational exchanges in Central America. A major increase in funding for these programs, to enable the United States to compete with the Soviet Union in educational opportunities, was recommended by the National Bipartisan Commission on Central America and endorsed by the President last year.

I am pleased that Congress has finally acted to adequately fund graduate scholarships and educational exchanges for this vital region, but I am disappointed that an exciting scholarship program for third and fourth year undergraduates from Central America continues to be hobbled by restrictions imposed by a small band of Members in the other House.

All of us agree that prudence requires careful structuring of an initiative such as the Central America Undergraduate Scholarship Program, but to hold a 5-year program for 2,500 Central American scholars to a level of 143 for the first 2 years makes no sense when ten times as many young Central Americans travel each year to Cuba, the Soviet Union, or Eastern Europe. Frankly, if none went to those countries, we should do better than that for these people.

I am not alone in supporting this program, as long as it is carefully managed. Just yesterday, Congress cleared for the President's signature, H.R. 2068, the State-USIA authorization for fiscal year 1986–87. That legislation included several policy provisions endorsing the recommendations of the Kissinger Commission which this $9 million will support. House Majority Leader JIM WRIGHT, as well as an impressive group of Members from both Houses and both parties, support a broader-based effort to boost education in Central America through undergraduate and post-graduate scholarships to study in U.S. institutions.

I expect to return to this issue in the fiscal 1986 appropriation for the U.S. Information Agency. Perhaps it is time to bring the matter to a vote, to test whether Members agree that undergraduate scholarships for Central Americans are a good investment. Until then, I would encourage the U.S. Information Agency and the administration to work harder to support this program, and to work around the unnecessary restrictions included in the conference statement of managers. Those restrictions certainly are not the view of this Senator and those who originally sought the $9 million.

Mr. President, I would like to commend my distinguished colleague, Chairman HATFIELD, and my fellow members of the Appropriations Committee for bringing the fiscal year 1985 supplemental appropriations conference report to the Senate floor for final consideration before Congress adjourns for the August recess.

H.R. 2577 provides $13 billion in budget authority and $6.8 billion in outlays for a broad range of important Federal programs. Besides money for the traditional spring Federal pay supplemental, the conference report contains substantial funds for economic aid to Israel and Egypt, humanitarian aid for Nicaragua, student financial aid programs, the Food Stamp Program, and veterans compensation benefits.

The bill is within the Appropriations Committee's 302(a) allocation under the existing fiscal year 1985 budget resolution by $1.9 billion in budget authority and $0.8 billion in outlays—even considering outlays from prior-year budget authority and possible later requirements.

I would alert my colleagues to one provision of the conference agreement that could well result in higher Federal spending in the coming years. I am speaking of the provision that will fund an additional 210 NIH and ADAMHA extramural research grants in fiscal year 1985. While these are certainly important programs, I must point out that the number of grants now in the bill exceeds the total levels assumed in the Senate-passed budget resolution for fiscal year 1986 and each year through fiscal year 1988.

Mr. President, I ask unanimous consent that tables showing the relationship of the reported bill, with possible later requirements taken into account, to the fiscal year 1985 budget resolution (H. Con. Res. 280) be printed in the RECORD at the conclusion of my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

FISCAL YEAR 1985 SUPPLEMENTAL APPROPRIATIONS BILL, H.R. 2577

[Conference report: (compared to House Concurrent Resolution 280)]

	Fiscal year 1985	
	Budget authority	Outlays
Action to date by Appropriations Committee	555.1	542.6
Senate passed H.R. 2577:		
Program supplemental	11.8	5.5
Pay raises	1.4	1.4
Recissions and deferrals	−0.2	−0.1
Total bill	13.0	6.8
Adjustment to conform mandatory programs to budget resolution	−10.3	−4.0
Appropriations Committee total	557.8	545.4
302(a) allocation	560.0	546.2
Committee total compared to 302(a) allocation	−2.2	−0.8

Note: Details may not add to totals due to rounding.

FISCAL YEAR 1985 SUPPLEMENTAL APPROPRIATION BILL—H.R. 2577

[Congressional action to date (compared to H. Con. Res. 280) conference report]

	Fiscal year 1985	
	Budget authority	Outlays
Congressional action to date	1,012.0	929.8
H.R. 2577	13.0	6.8
CCC adjustment	−2.6	
Offsetting receipts	−3.5	−3.5
Total	1,018.9	933.1
Budget resolution	1,021.4	932.0
Over (+)/under (−) budget resolution	−2.5	+1.1

Note: Details may not add to totals due to rounding.

Mr. PACKWOOD. Mr. President, I rise today to support the amendment of my good friend and colleague, Senator HATFIELD, on the funding of water projects in the 1985 supplemental appropriations conference report.

The Senate's position on the funding of these water projects was clear: Cost-sharing agreements with local project users would have to be in place before the moneys in this supplemental appropriations bill could be released.

The House's amendment to the conference report adds a second criterion which must be met: Projects would have to be authorized. This criterion was clearly different than the Senate's position.

One of the 21 unauthorized projects funded in the Senate-passed supplemental appropriations bill is of vital concern to my State, the replacement of the Bonneville lock on the Columbia/Snake River System.

The existing Bonneville lock is woefully inadequate. It poses both serious hazards and long delays to river traffic in both directions. The average time-in-system to pass through the existing Bonneville lock is approximately 12.7 hours. Tethered barges must be separated and taken through the lock one at a time. The resulting bottleneck is particularly onerous because the Bonneville lock is the farthest downstream and is therefore the most heavily used lock on the entire system.

In 1982 I road a river tugboat, the *Oregon*, going downstream through the Bonneville lock. Tugboat operators have dubbed the east entrance to the lock "the gut." Entering it can be a harrowing experience, as evidenced by the many scars which have occurred when barge tows have collided with the lock.

Funding for the construction of a new lock at Bonneville is needed now. Improving the Bonneville lock will facilitate increased trade with the Pacific Rim. The capacity of the new lock will be adequate through the year 2040. The current lock can accommodate 13 million tons annually; the new lock 30 million tons. Further delay in funding will only result in increased costs and additional deterioration of the existing lock.

HELICOPTER FOR DRUG LAW ENFORCEMENT IN HAWAII

Mr. INOUYE. Mr. President, I would like to call the attention of the distinguished chairman of our Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee, the senior Senator from Nevada [Mr. LAXALT] to the portion of the statement of the managers regarding the funds we added for the Drug Enforcement Administration.

I note that the managers agreed to provide the full $20 million proposed by the Senate to enhance the Federal drug law enforcement effort. That enhancement was proposed by our chairman in close consultation with the Attorney General. When we considered that proposal in the Committee on Appropriations the only addition was to provide an additional $1,200,000 for an urgently needed helicopter for surveillance and eradication of illegal drugs in Hawaii.

Both the chairman, and the distinguished ranking minority member, the junior Senator from South Carolina

[Mr. HOLLINGS] have privately assured me that the conference agreement includes the $1,200,000 for the helicopter for Hawaii. However, the statement of the managers does not mention the helicopter, and I fear that the Department of Justice may be inclined to divert the $1,200,000 to something else.

Mr. LAXALT. Let me assure the distinguished Senator from Hawaii that the conference agreement definitely provides the $1,200,000 for the helicopter for Hawaii. When we met with the House managers, Senator HOLLINGS specifically asked if we agreed on the Hawaii helicopter, and the House managers affirmed that we had.

While we have provided for the funds to carry over into fiscal 1986, I would oppose any fooling around with the $1,200,000 for the helicopter. I would expect the DEA and the Department of Justice to expedite the procurement of the helicopter so it could be brought on line in the battle against illegal drug trafficking.

Mr. HOLLINGS. Let me also affirm that the conference agreement provides the full $1,200,000 for the helicopter. I commend the senior Senator from Hawaii for his efforts to secure this vital addition to the effort the Federal and local police forces are mounting in Hawaii. With all the Defense activities in Hawaii, there had been some thought that a helicopter could be obtained from one of the services. But I know that the Senator and his staff made a long and unsuccessful effort to secure one from the military. A year ago two staff members of the Committee on Appropriations reviewed the situation in Hawaii and clearly established the priority for this helicopter.

Let there be no false impressions, the conference agreement includes the $1,200,000 for the helicopter and I expect the DEA to get started with the procurement right away.

Mr. INOUYE. I appreciate having the assurances of the chairman and the ranking minority member, and their taking the time to complete the record on this item. As they indicated, this has been a long effort, and I did not want the Department to get any wrong ideas from the statement of the managers. I also want to thank them for all their help along the way.

Mr. COCHRAN. Mr. President, the conference report now before us and the bill which it accompanies, H.R. 2577, include urgently needed funds for several agencies under the jurisdiction of the Subcommittee on Agriculture, Rural Development, and Related Agencies. Many programs cannot be carried out, as required by law, if funds in this bill are not approved by the Congress and signed into law by the President.

The most urgently needed funding is for the Federal Crop Insurance Corporation [FCIC]. The FCIC has terminated the payment of claims and has notified its employees that they will be furloughed in 30 days if the funds provided in this supplemental, totaling $163 million, do not become available soon.

In addition, the conference agreement provides $2,935,790,000 for reimbursement for Commodity Credit Corporation [CCC] net realized losses. The original amount in both the House and Senate versions of the supplemental was $3,935,790,000. As you recall, however, we passed House Joint Resolution 342 almost 2 weeks ago. That emergency legislation provided $1 billion to continue the programs of the CCC while the supplemental was awaiting conference action. Although the CCC was able to resume operations, I am advised by the Secretary of Agriculture that that $1 billion will be exhausted the week of August 5—next week.

Another important item in the bill is $318,856,000 for the Food Stamp Program. Although this is not yet a critical need, these funds will be necessary to fund the program for the last few days of the fiscal year. This will ensure that benefits are not cut to food stamp recipients.

Funds are also included for various research projects, including the transfer of research now conducted at the Fort Stanton Experiment Station in New Mexico. This transfer will make available the land necessary for a new airport at Ruidoso. Other research items include funds for graduate fellowships, warm-water aquaculture, and remote sensing evaluation.

Under the conference agreement, $19 million is made available to partially fund the Grasshopper Control Program. The appropriated amount is to be used first, to reimburse APHIS accounts from which the Secretary of Agriculture borrowed funds; and second, to reimburse the Commodity Credit Corporation for a portion of the funding it has provided for the control program. Because the Secretary has declared the grasshopper outbreak an extraordinary emergency, CCC funds will continue to be available to carry out the control program.

For the Temporary Emergency Food Assistance Program [TEFAP], the conference report contains $7 million, to remain available until March 31, 1986. These funds are needed to assist States and local authorities with storage and distribution costs of providing surplus commodities to needy individuals.

Mr. President, other items are included in the conference agreement, including rescissions pursuant to the Deficit Reduction Act of 1984 and additional pay costs for virtually every agency under our jurisdiction.

I believe this conference agreement represents a fair compromise and merits approval by the Congress and the President.

Mr. LAUTENBERG. Mr. President, I rise to state my opposition to the action of the House in the matter of amendment No. 262 to this supplemental appropriations conference report. Amendment No. 262 has to do with the Senate provision providing funds to the Department of Transportation to enhance the development of passive restraints in our Nation's automobiles and to increase the use of seatbelts.

The House moved to strike the provision arrived at in conference to provide $4.5 million to DOT for this program. The Senate had approved $5.5 million for the program and conditioned the expenditure to try to bring some balance between the Department's advocacy of seatbelts and their position on passive restraints.

My colleagues might ask why the Senator from New Jersey would raise what might seem like an obscure provision. Let me inform my colleagues what I believe to be going on here.

Last year, when the Senate was considering the continuing resolution, the Senator from Missouri, Senator DANFORTH and I offered an amendment to provide funding for a balanced program within the Department of Transportation to enhance the use of seatbelts and the development of airbags and other passive restraints. We were assured that the program would be balanced and not just a supplement to the $20 million campaign of the auto industry to pass mandatory seatbelt laws in the States and, in the process, under the rule issued by Secretary Dole, rescind the requirement that airbags be provided in 1987 model cars.

The Senator from North Dakota, Senator ANDREWS, the able chairman of the Appropriations Subcommittee, conditioned an appropriation requiring that the Department provide a plan as to how they would spend the funds. The plan was supposed to be in keeping with the balance between seatbelts and passive restraints called for by the Senate. The plans submitted, belatedly by the Department, were deemed to be inadequate.

The Department asked for $20 million for fiscal year 1985. Under the continuing resolution, it was given $2.5 million. In the supplemental, the House committee provided no additional funding. The Senate provided $5.5 million but stipulated that $3 million would go to passive restraints. These funds would be used to bring low-cost airbags systems into the marketplace.

In fact, Mr. President, the Supreme Court in its decision mandating that the airbag be considered by DOT as a safety device said that the auto industry had engaged in the regulatory version of war on the airbag for years. So, even this tiny amount of funding

weighted against the millions spent by the auto industry is rejected by the House.

If you want an airbag in your car, you can get one, but you'll have to buy a Mercedes. They'll have airbags. But if you're an American of modest means, who buys the auto industry's Buy America campaign, then you're out of luck.

Mr. President, I would like to ask the Senator from North Dakota what he considers an appropriate response to this objectionable action by the House.

Mr. ANDREWS. My colleague from New Jersey has strong views about this matter. I can appreciate his frustration. This is a small amount of money when compared to the administration's request. The committee was trying to bring some balance to this program and to make the point that States should have a valid idea of what they were voting on before they considered mandatory seatbelt laws.

I cannot see holding up this vital legislation on this point. We have 60 days left in the fiscal year. We will have a 1986 fiscal year appropriations bill before the Senate in September. I would suggest to the Senator that we revisit this issue in that context. I am certainly prepared to work with him on this issue.

Mr. LAUTENBERG. I thank the Senator. Under the circumstances, I reluctantly accept his advice. I look forward to working with him to resolve this matter in September.

Mr. RIEGLE. Mr. President, there are a few comments I wish to make before the Senate finally adopts the conference report to the fiscal year 1985 supplemental appropriations bill. There are at least three items contained in this bill that I wanted to draw to the attention of my colleagues.

I am deeply upset that funding for the State Grants for Dependent Care Planning and Development Program was dropped by the conference committee. The Human Services Reauthorization Act—in which the State grants for dependent care was authorized—was passed so late in the 98th Congress, that there was insufficient time to secure the needed appropriations for this new program. Now a whole fiscal year will have passed for which this program was authorized and no funds were appropriated. It is extremely unfortunate that we are letting this opportunity pass without funding this small yet significant effort to address the vital child care needs of millions of parents and school age children. The reason given by the House conferees for taking this action was the short time left in the current fiscal year for issuing regulations and getting this program underway. Clearly this line of reasoning would not apply to fiscal year 1986. Therefore, I will continue my efforts to secure funding for this program in the regular fiscal year 1986 appropriations bill.

Mr. President, I am pleased however that this supplemental appropriations conference report retained the $5 million to fund the Federal Children's Trust Fund Challenge Grant Program authorized last Congress. This new grant program challenges States to establish special trust funds to finance child abuse prevention activities, by authorizing 25 percent Federal matching funds or $0.50 times the number of children in the State.

My own State is a leader in the field, having been one of the first States to establish a trust fund in 1982. Last year, by means of a $2 per taxpayer voluntary State income tax refund checkoff, $650,000 was raised for child abuse prevention activities. And now, with this additional appropriation, Michigan will be able to double her efforts in the critical fight against child abuse.

Mr. President, on a different subject, I am disappointed that this supplemental conference report continues our unwise policy of seeking to affect change in Central America by providing additional funding for the Contras in Nicaragua. For the reasons which I outlined earlier during Senate floor debate, I believe U.S. national security interests would best be served by a Central American policy which emphasizes nonmilitary, diplomatic solutions to the problems of the region. To that end, the United States should abandon its Contra policy, putting its energies instead behind the peace efforts of the Contadora nations, which seek to address the region's conflicts through serious negotiations. By actively supporting the Contadora peace process, I believe the United States could play an important role in both promoting regional stability and enhancing important U.S. national security interests.

One additional foreign policy issue addressed by this supplemental conference report is the $250 million in emergency economic assistance it contains for Jordan. I appreciate the fact that Jordan is facing difficult economic times, and share the hope that, by helping address that crisis through economic aid, the United States can nudge Jordan toward playing a more active role in the peace process.

My concern, which I express at length during Senate floor debate, is that receipt of this aid not prompt Jordan to increase its level of military spending with funds which would otherwise be required to address its economic needs.

In light of the absence of explicit Jordanian assurances on this point, I want the RECORD to show that it is the will of this Senator that provision of this emergency economic aid not result in further military spending by Jordan.

Mr. President, finally, I would like to mention that the conference report reiterates Congress' commitment to keep the Coast Guard at full force on the Great Lakes. In the 1986 budget proposal, the administration proposed the elimination or downgrading of 13 Coast Guard stations on the Great Lakes. This proposal is ill-advised, potentially dangerous, and has aroused tremendous opposition in many communities throughout the Great Lakes region. I am pleased this 1985 supplemental appropriations bills recognizes that the budget proposal should be examined very carefully prior to any actions being taken to close the Coast Guard stations. By prohibiting any expenditures for closure activities, the Congress will have sufficient time to investigate all aspects of this issue, and I am confident that upon examination, we will conclude that the continued operation of the Coast Guard stations is essential to the safety and the protection of lives on the Great Lakes.

TANGIER ISLAND

Mr. TRIBLE. Mr. President, I want to commend the chairman of the Appropriations Committee for his diligent work and leadership on this fiscal year 1985 supplemental appropriations bill. I regret the House's precipitous action last evening regarding the water projects language and I hope that the current impasse can be quickly resolved.

The four Virginia water projects included in the conference bill continue to be of great importance to the Commonwealth. Canal No. 2 and the hurricane protection project are designed to protect valuable inland and shoreline properties in the area of Virginia Beach area. The Richmond downtown floodwall protection plan is of vital importance to the city's commercial area.

Of course, the deepening of the Port of Hampton Roads is of great significance for not only the Commonwealth, but for the entire east coast.

Mr. President, I would like to clarify one point.

The House version of the bill provided $150,000 so that the U.S. Corps of Engineers could update project design and cost estimates in order that construction can begin at the earliest possible time at Tangier Island in the Chesapeake Bay. It's my understanding that this funding was not affected by last evening's floor action.

The chairman knows of Tangier Island's historic significance. An 8,200-foot seawall is desperately needed to check erosion of the shorefront adjacent to the airstrip at the northern tip of the island. The airstrip is the islanders' only link with the mainland during the winter. Without the air-

strip the island will eventually have to be evacuated.

Authorization for construction of such a seawall is contained in both House and Senate versions of the water projects bill. Additionally, the Appropriations Committee has, in past years, included instructions to the Corps of Engineers to use available funds to update the seawall construction engineering and design work so that construction can begin immediately upon authorization. I believe the Senate clearly supports the Tangier Island seawall project.

Am I correct in understanding that, since the Senate conferees did not specifically disagree with the House-provided $150,000 for the Tangier seawall design, I should assume that these funds will be provided in fiscal year 1985?

Mr. HATFIELD. The Senator from Virginia is correct in his understanding regarding the funds provided in fiscal year 1985 for the Tangier Island seawall study update. The intent of the committee has been clear and is indicated by report language provided in the regular fiscal year 1985 appropriation bill. We recognize the historic and cultural significance of Tangier Island and believe that the update of the engineering and design plans for the seawall should be readied as soon as possible.

Mr. TRIBLE. I thank the gentleman from Oregon, chairman of the committee.

Mr. WARNER. Mr. President, I rise to associate myself with the remarks of my Virginia colleague, Senator TRIBLE, on the cultural and historic significance of Tangier Island and with the need for the U.S. Army Corps of Engineers to use the necessary funds to update the engineering and design study for the Tangier floodwall.

WATER PROJECTS—APPROPRIATIONS

Mr. STAFFORD. Mr. President, I wish to state my support for the House language that requires passage of a water resources authorization bill with cost-sharing reforms before any money from this bill can be spent to initiate new water projects.

This is an important provision; the Senate should support it.

The Committee on Environment and Public Works will this week file our omnibus water resources development bill, together with its report. The bill will then go to the Committee on Finance for its review of the bill's tax provisions.

The floor colloquy many of us had with the majority leader in June demonstrates that the Committee on Finance will move quickly to report its amendments, if any.

It would be my hope that the majority leader will then schedule early floor action on the entire bill.

I will be ready to move on this bill as soon as we return in September. My committee will be ready to move.

Unfortunately, this cannot be guaranteed. Therefore, I see the House language as a valuable tool to keep the pressure on the Congress.

We need to get a water resources bill. The assurance that new projects are linked to such a bill is worthy of our support.

I believe the further amendment offered by the floor manager, setting the May 15 date, is a sound compromise. I commend him, and urge that he join with me in making certain we get the water bill to the floor as soon as possible.

REPORT LANGUAGE ON INTERNATIONAL TELECOMMUNICATIONS SATELLITE SERVICE

Mr. HOLLINGS. Mr. President, I had no intention of offering a statement on the report language the conferees agreed upon in regard to international telecommunications satellite service, since I believed the language was clear on its face. I still believe the language is clear, however, the House manager inserted a statement in yesterday's House debate that tries to reinterpret this language. This statement of the House manager obviously reflects his opinions alone and not those agreed upon in the conference. The various executive branch and independent agencies directed to act in the report language shall follow the plain meaning of that language.

More specifically, let me make the following points in response to the House manager's statement:

First. The managers reached no conclusion that the decision of the FCC last week did not fully enforce the conditions in Presidential Determination 85-2.

Second. The managers did not conclude that Intelsat does not today have the ability to price flexibly.

Third. The managers only agreed to support Intelsat's ability to compete fully and fairly in all new international telecommunications satellite services. The managers did not conclude, as the House manager asserts, that this support extends to any service—old or new—for which competitive challenges to its—Intelsat's—provision of services appear.

Fourth. In conditioning the support of the United States to a modification of article 5(d) of the Intelsat Agreement, the managers agreed that Intelsat had to have in place measures to ensure prices are cost-based and not predatory, including the release of information on revenues, costs, and the allocation of costs. The managers in no way agreed that Intelsat already had those measures in place. In fact, if we believed that Intelsat already had such measures in place, why did we even refer to Intelsat having to adopt such measures and release such information? It is clear that the managers believed just the contrary to the House manager's statement. Intelsat does not now have such measures in place. The type of information Intelsat releases is not sufficient for the United States to determine that prices are not predatory. The President and the executive branch are to make sure these measures are adopted prior to any support for a modification to article 5(d).

Fifth. The managers believe the current Presidential determination is properly balanced. There was no determination by the managers that the conditions in this determination are so "absolute and fundamental" that they can never be altered. What the managers agreed to is that prior to any change the President must submit the tentative decision to Congress for 45 days review.

As I stated at the outset, the report language is clear on its face, and the comments of the House manager are his alone.

GALLIPOLIS LOCKS AND DAM

Mr. BYRD. Mr. President, the Senate version of this supplemental appropriations bill, H.R. 2577, contained authorization for 25 new water projects, including the Gallipolis locks and dam on the Ohio River. These same projects were previously included in the Senate-passed version of the fiscal year 1985 continuing resolution, House Joint Resolution 648. Unfortunately, the authorization for these projects was dropped in conference with the House last fall; and, again yesterday, the House voted to withhold construction of Gallipolis and some 40 other new projects approved by the conferees on H.R. 2577, pending congressional passage of an omnibus water projects authorization bill.

Mr. President, there continues to be a pressing need for the reconstruction of the Gallipolis locks and dam. This is not a project with marginal benefits. The U.S. Army Corps of Engineers has determined that the replacement project has an 11.3-to-1 benefit-to-cost ratio. Furthermore, the corps indicated to me during appropriation hearings on February 20, 1985, that the new locks would produce an average of $173 million in benefits every year. These annual benefits greatly outweigh the one-time estimated project cost of $370 million. The Gallipolis project is presently the only facility on a 900-mile stretch of the Ohio River that does not have a main lock chamber measuring at least 1,200 feet in length. The existing lock chambers at Gallipolis are only one-half the size of the modern locks on the river. Consequently, barge operators must disassemble their larger tows and push smaller segments through these inefficient locks. Gallipolis continues to be a bottleneck which wastes time and money for Ohio River commerce.

Gallipolis locks, while inefficient, are exceptionally busy with 4,042 commercial trips carrying 37 million tons of products through the facility last year alone. The Corps of Engineers predicts that, by 1990, 64.5 million tons of commerce will be transported through the existing locks with an average delay of approximately 30 hours per tow. So, Mr. President, the existing locks are becoming an intolerable impediment for waterborne commerce on the entire Ohio River navigation system.

The existing locks are not only inefficient, they are extremely dangerous. Their location on a bend in the river, where strong currents exist, make a tow operator's job extremely difficult and hazardous. The Gallipolis reconstruction project, consisting of two new locks, one 1,200 feet by 110 feet, and one 600 feet by 110, would be located in a channel on the West Virginia side of the Ohio River, bypassing the existing lock chambers. In addition to the inherent efficiency of these larger locks, the new design would slice off a portion of the bend in the river thereby straightening out the approach taken by river tow operators. This is an important safety feature of the new facility.

Mr. President, there is some consolation that the conference agreement on this supplemental appropriations bill contains a limited authorization, as well as $4.5 million for land acquisition and continued planning and design of the Gallipolis project so that some progress can be made at Gallipolis. I am hopeful, however, that Senator HATFIELD's amendment, which I cosponsored, will be accepted when the Senate returns this conference report to the House for further action. Our amendment would effectively authorize Gallipolis, and 20 other projects, on May 15, if no omnibus water projects authorization bill has been signed into law prior to that time. Mr. President, recognizing the urgent safety and financial considerations calling for the replacement of the Gallipolis locks, I hope that the House will accept this latest compromise offering by the Senate this afternoon. If they do not, the people of West Virginia can be assured that I will do all in my power to see that the Gallipolis locks and dam are authorized on the next appropriate legislative vehicle.

Mr. HATFIELD. Mr. President, I believe that the parliamentary situation now would call for me to urge the adoption of the conference report.

The PRESIDING OFFICER. The Senator is correct.

Mr. HATFIELD. Mr. President, I do now, therefore, urge the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATFIELD. I believe now we have before us the 60-some amendments that will either be adopted en bloc or one by one. Is that correct?

The PRESIDING OFFICER. Technically after the first amendment in disagreement is reported, it would take unanimous consent to dispose of the amendments en bloc.

Mr. HATFIELD. I understand.

Mr. President, I propose now to propound a unanimous-consent agreement that the amendments of the House to the amendments of the Senate in disagreement be considered and agreed to en bloc with the exception of amendments numbered 112 and 262.

Let me say what those two numbers are. The No. 112 is the water projects amendment. Amendment 262 has to do with seatbelt appropriations, that we will have to have a separate one.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendments in disagreement agreed to en bloc are as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 2 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

DEPARTMENTAL ADMINISTRATION

(Rescission)

Of available funds under this head, for budget and program analysis, $7,000; for personnel, finance and management, operations, information resources management, equal opportunity, small and disadvantaged business utilization, and administrative law judges and judicial officer, $42,000; making a total of $49,000, are rescinded pursuant to section 2901 of the Deficit Reduction Act of 1984.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 5 to the aforesaid bill, and concur with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

For an additional amount for graduate fellowship grants under section 1417 of Public Law 95-113, as amended (7 U.S.C. 3152), $2,000,000, to remain available until expended.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 6 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

For an additional amount for a grant to Mississippi State University to conduct a program for and to promote research excellence in the area of warmwater aquaculture, including such lands, buildings, and equipment as may be necessary to carry out the program, $3,500,000, including $700,000 made available by Public Law 98-473 which shall be transferred to and merged with this appropriation, to remain available until expended, and to be matched by an equal non-Federal share.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered seven to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

For an additional amount for a grant to the University of Kansas for the evaluation and transfer of remote sensing applications to agricultural users, $200,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 14 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *$500,000, to remain available until expended*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 23 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

None of the funds provided for fiscal year 1985 in this or any other Act shall be available to restrict the authority of the Commodity Credit Corporation to lease space for its own use or to lease space on behalf of other agencies of the Department of Agriculture when such space will be jointly occupied.

Notwithstanding any other provision of this Act, the amount appropriated by this Act for the Commodity Credit Corporation, reimbursement for net realized losses, shall be $2,935,790,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 29 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

CHILD NUTRITION PROGRAMS

Upon request to the Secretary of Agriculture, any school district receiving all cash or all letters of credit in lieu of commodities under the school lunch program on January 1, 1985, shall continue to receive all cash in lieu of commodities or all letters of credit in lieu of commodities through December 31, 1985. Such school districts shall receive bonus commodities in the same manner as such commodities are made available to any other school district participating in the school lunch program.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 35 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

to remain available through March 31, 1986: *Provided*, That the Secretary of Agriculture shall review the reported condition of the "street people" and other disadvantaged people in cities and counties throughout the Nation, including those reported in Tunica County, Mississippi, and report to the House and Senate Committees on Appro-

priations his recommendations for correcting or improving the situation which exists

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 41 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

OPERATIONS, RESEARCH, AND FACILITIES

For an additional amount for "Operations, research, and facilities", $126,100,000, to remain available until expended.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 45 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

NATIONAL BUREAU OF STANDARDS

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

(Rescission)

Of available funds under this head, $500,000 are rescinded pursuant to section 2901 of the Deficit Reduction Act of 1984.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 51 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

(Transfer of Funds)

For an additional amount for "Salaries and Expenses", $2,400,000 for disaster loan making and servicing activities to be derived by transfer from the "Disaster Loan Fund".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 57 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

For an additional amount for "Salaries and Expenses, United States Attorneys and Marshals", $12,103,000, and in addition $3,000,000 to be derived by transfer from the "Working Capital Fund", both amounts to remain available until September 30, 1986.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 63 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out "expended", in said amendment, and insert: *September 30, 1986*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 65 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum inserted by said amendment, insert: *$20,000,000, to remain available until September 30, 1986*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 70 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

For an additional amount for a grant for the establishment of a clinical program to supplement the services of local Legal Services grantees at Drake University School of Law in Des Moines, Iowa, $4,000,000, to remain available until expended.

The purpose of the above grants is to fund two University Centers, which will provide legal clinics to supplement the civil legal services of Legal Services Corporation grantees, demonstrate how such legal clinics can be operated to benefit both law students and recipients, and conduct continuing legal education courses and seminars to encourage practicing attorneys for *pro bono* services. Under each such clinical program, no recipient shall receive legal services who would be disqualified by law or regulation from receiving such service from a Legal Services Corporation grantee.

$3,000,000 of each such grant shall be available to the governing body of the University to establish an endowment fund to provide income to support such a program on a continuing basis. Such endowment shall be held in a trust which dedicates the income exclusively to fulfilling the purposes above stated and shall be subject to audit by the General Accounting Office for the sole purpose of determining that all funds have been accounted for or used for such purposes. If either such grantee elects to discontinue the program established under this section, the corpus of the endowment trust shall revert to the Treasury of the United States and the document accepting the grant shall provide for such reversion.

The balance of the funds in each grant shall be made available to the grantee for facilities, equipment, and other costs actually incurred in establishing such a clinical program, and the application for the grant shall require only such information and supporting material as is reasonably necessary to assure that such funds will be used exclusively for the purposes described herein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 75 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

: *Provided*, That notwithstanding any other provison of law—

(a) The Secretary of State shall not permit the Soviet Union to occupy the new chancery building at its new embassy complex in Washington, D.C., or any other new facilities in the Washington, D.C. metropolitan area, if the Soviet Union fails to provide prompt and full reimbursement to the United States for damages incurred as a result of the construction of the new U.S. embassy in Moscow, in an amount to be determined by agreement between the U.S. and the U.S.S.R. or in the event of disagreement by the decision of an international arbital tribunal as created pursuant to the contract for construction between the U.S. and the U.S.S.R.

(b) Within 30 days after the enactment of this Act the Secretary of State shall initiate actions to begin the internationl arbitration process, which is provided for in the embassy construction agreement between the U.S. and the U.S.S.R., in order to resolve all U.S. claims against the U.S.S.R. for damages arising from delays in the construction of the new U.S. embassy complex in Moscow.

(c) In the event the amount of reimbursement provided to the U.S. under paragraph (a) by the U.S.S.R. is less than the amount of funds expended from this account for damages arising from delays at the site of the new U.S. embassy complex in Moscow that are determined by the Secretary of State to be the responsibility of the U.S.S.R., the Secretary of State shall submit to the Appropriations Committees of the House of Representatives and the Senate a detailed report explaining the reasons that the Secretary has accepted such arrangements and the financial costs to the U.S. of doing so.

(d) The Secretary of State may suspend the restrictions in paragraph (a) in the national security interests of the U.S. if he certifies to Congress that a substantial number of the claims described therein are settled and that resolution of any remaining claims is proceeding in a satisfactory manner. If the Secretary exercises the authority under this paragraph, he shall report to the Appropriations Committees of the House of Representatives and the Senate every six months concerning progress on resolution of any outstanding claims

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 77 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: *$1,200,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 87 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $75,000, to remain available until expended.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 91 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

; and for an additional amount under this head, $9,000,000, to remain available until September 30, 1986

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 92 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

For an additional amount under this head to promote the development of an independent media service by the Afghan people and to provide for the training of Afghans in media and media-related fields, $500,000, to remain available until September 30, 1986: Provided, That the Director, with the Secretary of State, shall report to the appropriate committees of Congress on the obigation of these funds 60 days from the date of enactment of this Act.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 102 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

"Aircraft Procurement, Navy, 1983/1985" ($129,000,000); "Aircraft Procurement, Navy, 1984/1986" ($21,200,000); and "Aircraft Procurement, Navy, 1985/1987" ($89,800,000).

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 109 to the aforesaid bill,

and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

ENHANCED SECURITY COUNTERMEASURES CAPABILITIES

To the Director of Central Intelligence, for the enhancement of security countermeasures capabilities, $35,000,000, to remain available until September 30, 1986, to be allocated by the Director of Central Intelligence among the National Security Agency, the Central Intelligence Agency, the Federal Bureau of Investigation, the Department of State, and any other agency that the Director of Central Intelligence may determine, such funds to be expended exclusively for the purpose of improving security countermeasures capabilities at United States Embassies and other facilities abroad in accordance with a plan to be developed by the Director of Central Intelligence in conjunction with the National Security Agency, the Central Intelligence Agency, the Federal Bureau of Investigation, the Department of State, the National Security Council and any other agency that the Director of Central Intelligence may determine and submitted to the Appropriations and Intelligence Committees of the Congress by September 1, 1985.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 121 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

For an additional amount for "Operation and Maintenance, General", to remain available until expended, $2,600,000 with which the Corps of Engineers is directed to construct recreation facilities (including a recreation lake) at Sepulveda Dam, California.

Within available funds, the Secretary of the Army is directed to use $400,000 to operate and maintain additional streambank stabilization structures in accordance with section 707 of Public Law 95-625.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 130 to aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to construct, operate, and maintain a sediment retention structure near the confluence of the Toutle and Green Rivers, Washington, with such design features and associated downstream actions as are necessary, in accordance with the Feasibility Report of the Chief of Engineers dated December 1984. The total non-Federal contribution toward payment of project costs shall be as set forth in such report.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 131 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

Funds appropriated to the United States Army Corps of Engineers in the "Energy and Water Development Appropriation Act, 1985", Public Law 98-360, for the purpose of compensating certain landowners who have experienced damages as a result of drawdown operations of the Libby Dam in Montana shall be expended to evaluate and award compensation for erosion or other damages of leveed and unleveed tracts of land in Kootenai Flats, Boundary County, Idaho, resulting from power or flood control drawdown operations at Libby Dam, Montana: Provided, That such evaluation and compensation of claims shall be based solely on the drawdown of water from Libby Dam for flood control, power operations, or other authorized purposes: Provided further, That compensation paid pursuant to this provision shall not exceed $1,500,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 132 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

For an additional amount for the Department of the Interior, Bureau of Reclamation, "Construction program", for the design and construction of the Animas-La Plata Project, Colorado and New Mexico; Buffalo Bill Dam Project, Wyoming; Boulder Canyon Project, Arizona and Nevada; and the Headgate Rock Project, Arizona, to remain available until expended, $14,300,000; or which $1,000,000 shall be available for transfers to the Upper Colorado River Basin Fund as authorized by section 5 of the Act of April 11, 1956 (43 U.S.C. 620d): Provided, That of the total appropriated, the amount for program activities which can be financed by the Reclamation Fund may be derived from that Fund: Provided further, That of the total appropriated, $8,300,000 is appropriated pursuant to the Snyder Act (25 U.S.C. 13), to be expended by the Bureau of Reclamation for the purpose of designing and initiating construction of the Headgate Rock Hydroelectric Project, Arizona: Provided further, That none of the funds herein appropriated may be expended to undertake such projects except under terms and conditions acceptable to the Secretary of the Interior as shall be set forth in binding agreements with those non-Federal entities desiring to participate in project construction. Each such agreement shall include a statement that the non-Federal entities are capable of and willing to participate in project cost-sharing and financing in accordance with terms of the agreement. At such time as the Secretary has executed a formal binding agreement and has determined that the non-Federal entities' financing plan demonstrates a reasonable likelihood of the non-Federal interest's ability to satisfy the terms and conditions of the agreement, the Secretary shall initiate construction at a project in accordance with such agreement: Provided further, That the funds appropriated herein shall lapse on June 30, 1986, if the agreement required herein for that project has not been executed.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 147 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

$3,600,000 to be derived by transfer from the "Economic Support Fund" for Lebanon as provided in Public Law 98-63: Provided, That these funds shall be available only for the International Atomic Energy Agency: Provided further, That no funds shall be obligated after the date of enactment of this Act for the International Atomic Energy Agency unless the Secretary of State determines and so reports to the Committees on Appropriations that Israel is not being denied its right to fully participate in the activities of that agency, including the rights, privileges or benefits that that Agency accords to all of its members

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 150 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

$2,258,000,000: Provided, That of the funds provided by this paragraph $250,000,000 shall be made available, and shall remain available for obligation for Jordan until September 30, 1987, only in accordance with the schedule of availability set forth in section 402(a)(1) and section 402(a)(2) of this Act: Provided further, That of the funds provided in this paragraph for Jordan, not more than 33⅓ percent may be disbursed before September 30, 1985; not more than 50 percent may be disbursed before March 31, 1986; not more than 66⅔ percent may be disbursed before September 30, 1986; and, not more than 85 percent may be disbursed before March 31, 1987: Provided further, That notwithstanding any other provision of law, funds provided in this Act for Jordan, if not utilized for programs, projects, or other activities in Jordan, must be returned to the United States Treasury: Provided further,

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 153 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

funds provided by this paragraph shall be made available notwithstanding section 10 of Public Law 91-672: Provided further, That the funds provided by this paragraph for Israel and Egypt shall be made available as cash grant transfers: Provided further, That not less than the Egyptian pound equivalent of $50,000,000 generated from funds made available by this paragraph, or from any other source, shall be deposited into the Trust Funds established by the Trust Account Agreement of 1980 to be used for United States supported programs in Egypt pursuant to the United States-Egypt Economic, Technical and Related Assistance Agreements of 1978 which provide for local currency requirements for programs of the United States in Egypt to be made available to the United States in the manner requested by the Government: Provided further, That prior to depositing funds into the Trust Fund, the Secretary of State shall notify the Appropriations Committees of both Houses of the Congress fifteen days in advance as to how the endowment is to be managed, where the funds will be deposited, the interest rate to be secured, and the procedures to be used in establishing, operating, and disbursing endowment funds: Provided further,

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 164 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert

BUILDINGS AND FACILITIES

For an additional amount for "Buildings and facilities", $500,000, to remain available until expended: Provided, That none of these funds may be obligated until the com-

pletion of a feasibility study by the Environmental Protection Agency to determine the most cost-effective way to house the research program at Newport, Oregon.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 166 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

EMERGENCY FOOD AND SHELTER PROGRAM

There is hereby appropriated $20,000,000 to the Federal Emergency Management Agency, to remain available until September 30, 1986, to carry out an emergency food and shelter program. Notwithstanding any other provision of this or any other Act, such amount shall be made available under the terms and conditions of the following paragraphs:

The Director of the Federal Emergency Management Agency shall, as soon as practicable after enactment of this Act, constitute a national board for the purpose of determining how the program funds are to be distributed to individual localities. The national board shall consist of seven members. The United Way of America, the Salvation Army, the National Council of Churches of Christ in the U.S.A., the National Conference of Catholic Charities, the Council of Jewish Federations, Inc., the American Red Cross, and the Federal Emergency Management Agency shall each designate a representative to sit on the national board. The representative of the Federal Emergency Management Agency shall chair the national board.

Each locality designated by the national board to receive funds shall constitute a local board for the purpose of determining how its funds will be distributed. The local board shall consist, to the extent practicable, of representatives of the same organizations as the national board except that the mayor or appropriate head of government will replace the Federal Emergency Management Agency member.

The Director of the Federal Emergency Management Agency shall award a grant for $20,000,000 to the national board within thirty days after enactment of this Act for the purpose of providing emergency food and shelter to needy individuals through private voluntary organizations and through units of local government.

Eligible private voluntary organizations should be non-profit, have a voluntary board, have an accounting system, and practice nondiscrimination.

Participation in the program should be based upon a private voluntary organization's or unit of local government's ability to deliver emergency food and shelter to needy individuals and such other factors as are determined by the local boards.

Total administrative costs shall not exceed 2 per centum of the total appropriation.

As authorized by the Charter of the Commodity Credit Corporation, the Corporation shall process and distribute surplus food owned or to be purchased by the Corporation under the food distribution and emergency shelter program in cooperation with the Federal Emergency Management Agency.

The Director of the Federal Emergency Management Agency shall review the reported condition of the "street people" and other disadvantaged people in cities and counties throughout the Nation, including those reported in Tunica County, Mississippi, and report to the House and Senate Committees on Appropriations his recommendations for correcting or improving the situation which exists.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 167 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: $1,105,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 168 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

For an additional amount for "Research and development", $40,000,000, to remain available until September 30, 1986: Provided, That this amount shall be deferred and shall not become available until March 1, 1986.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 178 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: $115,500,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 180 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

LAND ACQUISITION

For an additional amount for "Land acquisition", $1,000,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 183 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

For an additional amount for "Land acquisition and state assistance", $22,000,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 194 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

: Provided further, That no funds shall be paid to creditors of the Sangre de Cristo Development Company, Inc., whose claims are set aside by the United States Bankruptcy Court for the District of New Mexico: Provided further, That general assistance payments made by the Bureau of Indian Affairs after April 29, 1985 shall be made on the basis of Aid to Families with Dependent Children (AFDC) standards of need except where a state ratably reduces AFDC payments in which event the Bureau shall reduce general assistance payments in such state by the same percentage as the state has reduced the AFDC payment

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 199 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

For an additional amount for "Land acquisition", $7,000,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 200 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

ADMINISTRATIVE PROVISIONS

To assure that National Forest timber under contract from the Mapleton District of the Siuslaw National Forest prior to enactment of the Federal Timber Contract Payment Modification Act remains available, the Secretary of Agriculture is authorized to resell all timber which is defaulted or which is returned under provisions of the Federal Timber Contract Payment Modification Act and permit roads and other associated developments, notwithstanding any other provision of law, and notwithstanding the injunctions issued in National Wildlife Federation et al. v. United States Forest Service et al., 592 F. Supp. 931 (D. ORE. 1984) and in No. 84-4274 (9th Cir., March 6, 1985). Any such timber shall be available for resale from the date of enactment of this Act until dissolution of the aforesaid injunctions. The Secretary shall determine the potential environmental degradation to streams or other bodies of water of timber sales returned pursuant to the Federal Timber Contract Payment Modification Act and shall characterize each sale's potential environmental impact as minimal, moderate, or serious. The Secretary shall give resale priority to those sales with the least risk of potential environmental degradation.

Sales that are reoffered may be modified, including minor additions. Any decision of the Secretary of Agriculture to resell such timber shall not be subject to judicial review.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 202 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: $39,154,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 203 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

(DEFERRAL)

Of the funds available for obligation under this head, $1,600,000 shall not be available for obligation until October 1, 1985.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 204 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

SPR PETROLEUM ACCOUNT

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves $290,070,000 of the proposed deferral D85-42 relating to the Department of Energy, "SPR petroleum account", as set forth in the message of February 6, 1985, which was transmitted to the Congress by the President. The disapproval shall be effective upon enactment into law of this Act and the amount of the proposed

deferral disapproved herein shall be made available for obligation.

Notwithstanding any other provision of law, section 160(d)(1) of the Energy Policy and Conservation Act (Public Law 94-163, as amended) is amended by adding a new subsection as follows:

Strike the period at the end of subsection (B) and insert the following: "; or

"(C) the fill rate is sufficient to attain a level of 500,000,000 barrels by the end of the fiscal year during which the fill rate fall below the rate established in (B)."●

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 211 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

GENERAL PROVISIONS

None of the funds made available to the Department of the Interior or the Forest Service during fiscal year 1985 by this or any other Act may be used to implement the proposed jurisdictional interchange program.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 214 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

Section 117 of Public Law 98-151 (97 Stat. 977) is amended as follows:

(1) Delete the date "December 31, 1985" and insert in lieu thereof the following: "until future action by the Congress to the contrary".

(2) After the words, "Orange County" insert the following; ", Rockland County, Ulster County, or Sullivan County.

(3) Delete the words "up to 150 northbound and up to 150 southbound commercial vehicles" and insert in lieu thereof the following: "up to 125 northbound and up to 125 southbound commercial vehicles".

Public Law 98-63 (97 Stat. 329) is amended as follows:

(1) In subsection (2) delete the numeral "10" and insert in lieu thereof: "7".

(2) In subsection (4) delete the word "State's" and insert in lieu thereof: "States' ".

(3) In subsection (4) after the words "State of New Jersey" insert "and the State of New York".

(4) In subsection (4) after the words "in New Jersey" insert "and in New York".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 230 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

NATIONAL INSTITUTES OF HEALTH

Of the funds appropriated by Public Law 98-619 for fiscal year 1985 for extramural research grants to be awarded by the National Institutes of Health, and required to be obligated in that fiscal year, not to exceed $20,000,000 shall remain available for obligation until September 30, 1986: Provided, That funds appropriated for fiscal year 1985 shall be used to support no fewer than 6,200 new and competing research projects and 533 research centers.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 234 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

Funds appropriated by Public Law 98-619 for fiscal year 1985 for extramural research grants to be awarded by the Alcohol, Drug Abuse and Mental Health Administration and required to be obligated in that fiscal year shall be used to support no fewer than 550 new and competing research projects.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 235 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

$11,000,000 to remain available until September 30, 1986, of which $6,000,000 shall be for carrying out the Family Violence Prevention and Services Act (title III of Public Law 98-457), and $5,000,000 shall be for carrying out a child abuse prevention Federal challenge grant program under sections 402 through 409 of Public Law 98-473.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 249 to the aforesaid bill, and concur therein with an amendment as follows:

Immediately before the heading ADMINISTRATIVE PROVISIONS in said amendment, insert:

INQUIRIES AND INVESTIGATIONS

For an additional amount for "Inquiries and Investigations", $3,000,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 257 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Operations", $15,000,000, of which $5,000,000 shall be derived by transfer from "Redeemable preference shares", $5,000,000 from "Payments to air carriers", $2,500,000 from "Construction, Metropolitan Washington Airports", and $2,500,000 from "Headquarters administration": Provided, That section 5532(f)(2) of title V, United States Code, is amended by striking "December 31, 1985" and inserting "December 31, 1986" in lieu thereof: Provided further, That section 8344(h) of title V, United States Code, is amended (a) by adding the following phrase at the end of paragraph (1): ": Provided, however, That the amount such an annuitant may receive in pay, excluding premium pay, in any pay period when aggregated with the annuity payable during that same period shall not exceed the rate payable for level V of the Executive Schedule ."; and (b) by striking "August 3, 1981" in paragraph (2) and inserting "April 1, 1985" in lieu thereof: Provided further, That in the event that the Federal Aviation Administrator employs annuitants subject to section 8344(h) of title V, United States Code, not to exceed $10,000,000, to be derived from the unobligated balance of any appropriation available for obligation by the Federal Aviation Administration as of the effective date of this Act, shall be available through December 31, 1986 for the purpose of funding such employment: Provided further, That any such funding shall be reported to the Committee on Appropriations of the Senate and the House of Representatives.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 258 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

For an additional amount, in addition to the other amounts provided under this head, $2,000,000, to remain available until expended, for an expanded air marshall program on international flights of United States air carriers pursuant to sections 315 and 316 of the Federal Aviation Act of 1958 (49 U.S.C. 1356 and 1357).

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 260 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$14,640,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 261 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$9,760,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 272 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *$15,000,000, of which $12,200,000 shall remain available until September 30, 1986,*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 289 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

DISTRICT OF COLUMBIA FUNDS

GOVERNMENTAL DIRECTION AND SUPPORT

For an additional amount for "Governmental direction and support", $4,553,000: Provided, That $170,000 of this additional amount shall be allocated exclusively to the Commercial Assessment Division of the Department of Finance and Revenue to fund six new commercial assessor positions: Provided further, That of the $100,000 appropriated for fiscal year 1985 for the Statehood Constitutional Convention, $50,000 shall be for the Statehood Commission and $50,000 shall be for the Statehood Compact Commission: Provided further, That the cash and/or budget authority balance available to the Statehood Constitutional Convention on the date of expiration of the terms of its members, as distinguished from that allocated for the Statehood Commission and the Statehood Compact Commission, shall revert to the general fund of the District of Columbia.

ECONOMIC DEVELOPMENT AND REGULATION

For an additional amount for "Economic development and regulation", $9,873,000.

PUBLIC SAFETY AND JUSTICE

(INCLUDING RESCISSION)

For an additional amount for "Public safety and justice", $26,680,000: Provided, That $2,300,000 of this amount shall be allocated to the Metropolitan Police Department for the sole purpose of paying additional wages and fringe benefits of the Fraternal Order of Police arbitration award should that award not be disapproved according to law: Provided further, That if the arbitration award is disapproved, the $2,300,000 shall be used solely for repayment of the general fund deficit: Provided further, That not-

withstanding any other provision of law, in the case of each employee who retired from the Fire Department of the District of Columbia before February 15, 1980, and who is receiving on the date of the enactment of this Act an annuity based on service in the Fire Department, the District of Columbia Retirement Board shall cause to be paid not later than September 30, 1985, to each such employee a lump-sum payment equal to three percent of his or her annuity: Provided further, That of available funds under this head for fiscal year 1985, $300,000 are rescinded.

PUBLIC EDUCATION SYSTEM

(Including Rescission)

For an additional amount for "Public education system", $6,835,000, to be allocated as follows: $5,000,000 additional for the public schools of the District of Columbia; $1,324,000 additional for the University of the District of Columbia; $4,000 additional for the Educational Institution Licensure Commission; $356,000 additional for the Public Library; and $151,000 additional for the Commission on the Arts and Humanities: Provided, That of the funds available under this head for fiscal year 1985, $11,794,000 of the amount allocated to the District of Columbia Teachers' Retirement Fund are rescinded.

HUMAN SUPPORT SERVICES

(Including Rescission)

For an additional amount for "Human support services", $9,598,000: Provided, That of the amount available from the revenue sharing trust fund for fiscal year 1985, $698,000 are rescinded.

PUBLIC WORKS

(Rescission)

Of available funds under this head for fiscal year 1985, $875,000 are rescinded.

WASHINGTON CONVENTION CENTER FUND

For an additional amount for "Washington Convention Center Fund", $324,000.

REPAYMENT OF LOANS AND INTEREST

(Rescission)

Of available funds under this head for fiscal year 1985, $1,473,000 are rescinded.

REPAYMENT OF GENERAL FUND DEFICIT

For an additional amount for "Repayment of general fund deficit", $3,500,000.

SHORT-TERM BORROWINGS

(Rescission)

Of available funds under this head for fiscal year 1985, $1,250,000 are rescinded.

CAPITAL OUTLAY

For an additional amount for "Capital outlay", $23,400,000.

WATER AND SEWER ENTERPRISE FUND

For an additional amount for "Water and sewer enterprise fund", $10,801,000.

GENERAL PROVISIONS

SEC. 134. The Public Service Commission is hereby authorized to order and to approve the deregualtion of streetlighting service to the District of Columbia as provided in its opinion and order in Formal Case No. 813, dated July 12, 1984 (Order No. 8056), notwithstanding the provisions of section 493(a) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 811; Public Law 93-198; D.C. Code, sec. 43-402), section 8, paragraph 2 of An Act Making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and fourteen, and for other purposes, approved March 4, 1913 (37 Stat. 977; Public Law 67-435; D.C. Code, sec. 43-501), and section 1 of An Act Making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred, and for other purposes, approved March 3, 1899 (30 Stat. 1053; D.C. Code, sec. 43-1207): Provided, That the provisions of this opinion and order regarding deregulation of streetlighting service are hereby ratified and declared to be in effect as of July 12, 1984, and shall continue to be in effect until revoked or rescinded.

Resolved, that the House recede from its disagreement to the amendment of the Senate numbered 299 to the aforesaid bill, and concur therein with an amendement as follows:

In lieu of the matter inserted by said amendment, insert: *$4,860,000, of which $2,783,000 shall*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 307 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$36,454,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 330 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: *: Provided, That expenses of transportation audit contracts and contract administration shall be in addition to this amount and shall be financed from over-charges collected from carriers on transportation bills paid by the government and other similar type refunds at not to exceed $5,200,000 annually. This proviso will be effective from date of enactment of this Act through September 30, 1989*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 340 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

TITLE IV—AUTHORIZATION OF ECONOMIC SUPPORT FUND ASSISTANCE FOR JORDAN

SHORT TITLE

SEC. 401. This title may be cited as the "Jordan Supplemental Economic Assistance Authorization Act of 1985".

ECONOMIC SUPPORT FUND

SEC. 402. (a)(1) In addition to funds otherwise available for such purposes for such fiscal year, there are authorized to be appropriated to the President to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, $250,000,000 for the fiscal year 1985, which amount shall be available only for Jordan.

(2) Of the funds authorized to be appropriated by paragraph (1)—

(A) for the fiscal year 1985, $50,000,000 shall be available only for commodity import programs and $30,000,000 shall be available only for project assistance;

(B) for fiscal year 1986, $50,000,000 shall be available only for commodity import programs and $30,000,000 shall be available only for project assistance; and

(C) for the fiscal year 1987, $60,000,000 shall be available only for commodity import programs and $30,000,000 shall be available only for project assistance.

(b) Amounts appropriated to carry out this section are authorized to remain available until September 30, 1987.

POLICY

SEC. 403. (a) SENSE OF CONGRESS.—It is the sense of Congress that no foreign military sales financing authorized by this Act may be used to finance the procurement by Jordan of United States advanced aircraft, new air defense weapons systems, or other new advanced military weapons systems, and no notification may be made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposal sale to Jordan of United States advanced aircraft, new air defense systems, or other new advanced military weapons systems, unless Jordan is publicly committed to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

(b) CERTIFICATION.—Any notification made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems or other new advanced military weapons, must be accompanied by a Presidential certification of Jordan's public commitment to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

EXCEPTED AMENDMENT NO. 112

The text of excepted amendment No. 112 is as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered one hundred twelve to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

For an additional amount for the prosecution of river and harbor, flood control, shore protection, and related projects authorized by laws; and detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by State, local governments, or private groups) authorized or made available for selection by law (but such studies shall not constitute a commitment of the Government to construction), to remain available until expended, $48,000,000 for "Construction, general" and $800,000 for "Flood control, Mississippi River and Tributaries, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee"; of which $7,800,000 shall be derived from the Inland Waterways Trust Fund; except that the Secretary of the Army acting through the Chief of Engineers is authorized and directed to proceed with planning, design, engineering, and construction of the following projects substantially in accordance with the individual report describing such project as reflected in the Joint Explanatory Statement of the Committee of Conference accompanying the Conference Report for H.R. 2577: Ardsley, New York; Atchafalaya Basin Floodway System, Louisiana; Baltimore Harbor and Channels, Maryland and Virginia; Barnegat Inlet, New Jersey; Bassett Creek, Minnesota; Bonneville Navigation Lock, Oregon and Washington; Clear Creek, Texas; Cleveland Harbor, Ohio; Colorado River and tributaries, Boggy Creek at Austin, Texas; Cowanesque Lake, Pennsylvania; Dade County, Florida (north of Haulover Beach Park); Des

Moines Recreational River and Greenbelt, Iowa; Eight Mile Creek, Arkansas; Ellicott Creek, New York; Fairfield Vicinity Streams, California; Freeport Harbor, including relocation of North Jetty, Texas; Gallipolis Locks and Dams, Ohio and West Virginia; Geneva-on-the-Lake, Ohio; Gulfport Harbor, Mississippi; Jonesport Harbor, Maine; Kahoma Stream, Hawaii; Kill Van Kull Channel, Newark Bay Channel, New York and New Jersey; Liberty State Park Levee and Seawall, New Jersey; Little Dell Lake, Utah; Locks and Dam 26, Illinois and Missouri (Second Lock), including environmental management along the Upper Mississippi River Basin; Merced County Streams, California; Mississippi River Ship Channel, Gulf to Baton Rouge, Louisiana; Missouri National Recreational River, Nebraska and South Dakota; Mobile Harbor, Alabama; Moriches Inlet, New York; Norfolk Harbor, Virginia; Parker Lake, Oklahoma; Pearl River, Slidell, St. Tammany Parish, Louisiana; Port Ontario Harbor, New York; Richmond Harbor, California; Richmond local protection project, Virginia; Sacramento River Deep Water Ship Channel, California; Savannah Harbor Widening, Georgia; Tampa Harbor Branch Channels, including East Bay Channel maintenance, Florida; Virginia Beach Streams, Canal No. 2, Virginia; William Bacon Oliver Lock and Dam, Alabama: *Provided*, That none of the funds herein appropriated may be expended to undertake such projects except under terms and conditions acceptable to the Secretary of the Army (or under terms and conditions provided for in subsequent legislation when enacted into law) as shall be set forth in binding agreements with non-Federal entities desiring to participate in project construction. Each such agreement shall include a statement that the non-Federal entities are capable of and willing to participate in project cost-sharing and financing in accordance with terms of the agreement. At such time as the Secretary has executed a formal binding agreement and has determined that the non-Federal entities' financing plan demonstrates a reasonable likelihood of the non-Federal entities' ability to satisfy the terms and conditions of the agreement, the Secretary shall initiate construction at a project in accordance with such agreement: *Provided further*, That the funds appropriated herein shall lapse on June 30, 1986, if the agreement required herein for that project has not been executed: *Provided further*, That where construction of a comprehensive project for flood control and improvement of a multi-State region described in this paragraph has commenced prior to the date of enactment of this Act, new or additional non-Federal cost-sharing shall not be required for any part of such comprehensive project, and where construction of such a project has begun prior to the date of enactment of this Act, all elements or features of the comprehensive project shall be considered to be part of that project: *Provided further*, That the initiation of inland waterways projects identified for planning, design, engineering, and construction in this Act may be funded from sums available in the Inland Waterways Trust Fund, established by the Inland Waterways Revenue Act of 1978 (title II of Public Law 95-502) notwithstanding the second sentence of section 204 of such Act. Notwithstanding any other provision of law (including any other provision of this Act), initiation of construction with respect to any project referred to in this paragraph shall be subject to subsequent enactment of legislation specifying the requirements of local cooperation for water resources development projects under the jurisdiction of the Department of the Army and where appropriate, to enactment of needed authorizing legislation.

AMENDMENT NO. 574

(Purpose: To further amend Amendment No. 112)

Mr. HATFIELD. Mr. President, I call up that amendment and ask No. 112 be reported with a further amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD] proposes an amendment numbered 574 to amendment in disagreement 112.

After the word "legislation" at the end of the last sentence, add the following: "; except that this sentence shall not apply after May 15, 1986."

Mr. HATFIELD. Mr. President, I move to concur in amendment No. 112 with the further amendment that has just been read and I have explained exactly what the amendment does. It provides a reasonable period of time for the authorizing committees to come forth to resolve the question of the unauthorized projects, but if they fail to do that by May 15, then the provisions of the original conference report would take effect.

Mr. PROXMIRE. Mr. President, my understanding is it has been cleared with the leadership on the minority side, and there is no objection.

Mr. MATHIAS. Mr. President, will the Senator yield for a question?

Mr. HATFIELD. I yield.

Mr. MATHIAS. Will the manager of the bill tell us what is the impact on the projects that are already authorized?

Mr. HATFIELD. I was saying a little bit earlier to the Senator from Maryland that is somewhat debatable. What the intent of the House was as a verbally presented amendment in the session of the House yesterday was to provide an amendment that would separate out the unauthorized from the authorized projects and provide only for the authority to move ahead with the authorized projects but to lock out any opportunity to proceed with the unauthorized projects with or without cost sharing.

As we now reread that amendment in written, printed form, there is some question as to whether or not that amendment did precisely what it was intended to or whether now it can be interpreted to incorporate all projects in the supplemental, both authorized and unauthorized projects.

I would give to the Senator the wording of that amendment to illustrate my point.

It is the top section.

To be more specific, if I could, the Maryland projects are authorized but we are now looking at this language that would prohibit the Maryland projects from moving ahead even though they are authorized.

Mr. MATHIAS. Because the key words that the Senator is looking at are, "initiation of construction."

Mr. PROXMIRE. That is right.

Mr. HATFIELD. Yes, that is right on any projects.

Mr. MATHIAS. Except that this shall not apply after April 15.

Mr. HATFIELD. This has been changed to May 15.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon.

Mr. BYRD. Mr. President, reserving the right to object, and I will not object, I support the amendment that has been written by Mr. HATFIELD. I ask unanimous consent that my name may be added as a cosponsor of that amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, the Senate version of this supplemental appropriations bill, H.R. 2577, contained authorization for 25 new water projects, including the Gallipolis locks and dam on the Ohio River. These same projects were previously included in the Senate-passed version of the fiscal year 1985 continuing resolution, House Joint Resolution 648. Unfortunately, the authorization for these projects was dropped in conference with the House last fall; and, again yesterday, the House voted to withhold construction of Gallipolis and some 40 other new projects approved by the conference on H.R. 2577, pending congressional passage of an omnibus water projects authorization bill.

Mr. President, there continues to be a pressing need for the reconstruction of the Gallipolis locks and dam. This is not a project with marginal benefits. The U.S. Army Corps of Engineers has determined that the replacement project has an 11.3 to 1 benefit-to-cost ratio. Furthermore, the corps indicated to me during appropriations hearings on February 20, 1985, that the new locks would produce an average of $173 million in benefits every year. These annual benefits greatly outweigh the one-time estimated project cost of $370 million. The Gallipolis project is presently the only facility on a 900-mile stretch of the Ohio River that does not have a main lock chamber measuring at least 1,200 feet in length. The existing lock chambers at Gallipolis are only one-half the size of the modern locks on the river. Consequently, barge operators must disassemble their larger tows and push smaller segments through these inefficient locks. Gallipolis continues to be a bottleneck which wastes time and money for Ohio River commerce.

Gallipolis locks, while inefficient, are exceptionally busy with 4,042 commercial trips carrying 37 million tons

of products through the facility last year alone. The Corps of Engineers predicts that, by 1990, 64.5 million tons of commerce will be transported through the existing locks with an average delay of approximately 30 hours per tow. So, Mr. President, the existing locks are becoming an intolerable impediment for waterborne commerce on the entire Ohio River navigation system.

The existing locks are not only inefficient; they are also extremely dangerous. Their location on a bend in the river, where strong currents exist, makes a tow operator's job extremely difficult and hazardous. The Gallipolis reconstruction project, consisting of two new locks, one 1,200 feet by 110 feet, and one 600 feet by 110, would be located in a channel on the West Virginia side of the Ohio River, bypassing the existing lock chambers. In addition to the inherent efficiency of these larger locks, the new design would slice off a portion of the bend in the river, thereby straightening out the approach taken by river tow operators. This is an important safety feature of the new facility.

Mr. President, there is some consolation that the conference agreement on this supplemental appropriations bill contains a limited authorization, as well as $4.5 million for land acquisition and continued planning and design of the Gallipolis project so that some progress can be made at Gallipolis. I am hopeful, however, that Senator HATFIELD's amendment, which I cosponsored, will be accepted when the Senate returns this conference report to the House for further action. Our amendment would effectively authorize Gallipolis, and 20 other projects, on May 15, 1986, if no omnibus water projects authorization bill has been signed into law prior to that time. Mr. President, recognizing the urgent saftey and financial considerations calling for the replacement of the Gallipolis locks, I hope that the House will accept this latest compromise offering by the Senate this afternoon. If the House does not, the people of West Virginia can be assured that I will do all I can to see that the Gallipolis locks and dam are authorized on the next appropriate legislative vehicle.

Mr. HATFIELD. I thank the Democratic leader. He has certainly been a stalwart leader on this.

I believe I have a motion pending.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon [Mr. HATFIELD].

The motion was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXCEPTED AMENDMENT NO. 262

Mr. HATFIELD. Mr. President, I move that the Senate recede on amendment No. 262, which is the seat belt amendment. Let me explain that a little bit. We want to go back to the basic agreement on the committee, so we would recede to the House language.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon [Mr. HATFIELD].

The motion was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. I thank the Chair.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. HUMPHREY). The Chair, on behalf of the Vice President, pursuant to section 276 of title 22, United States Code, as amended, appoints the Senator from Wyoming [Mr. SIMPSON] and the Senator from Nebraska [Mr. ZORINSKY] as members of the Senate delegation to the Interparliamentary Union Conference to be held in Ottawa, Canada, on September 2-7, 1985.

DAVID STOCKMAN

Mr. SIMPSON. Mr. President, I would comment briefly to note the resignation of David Stockman, as Director of the Office of Management and Budget, becomes effective today. There is a reception for Mr. Stockman in the majority leader's office. I urge our colleagues to drop by and pay their regards to Mr. Stockman, or pay anything they wish in tribute to him or express at least their feelings. He is a very interesting man. I have come to know him. I have worked with him. He is an extraordinary person. I have never in my public life as a legislator met anyone who knew "the numbers" any better than David Stockman. He is truly a remarkable man.

The resignation of David Stockman as Director of the Office of Management and Budget will become effective today. In 4½ years in this most difficult and demanding position, David Stockman has displayed an absolute mastery of the Federal budget process second to none. Along with our fine President, he has changed the face of the Office of Management and Budget from a rather obscure entity into a very real force to be reckoned with in every area of Federal policy. He has grappled with the multitude of "the numbers" in the most professional and forthright manner possible—and by friend or foe, he is respected for that.

He is a dazzlingly bright fellow—and he will continue to dazzle and impress wherever he goes. He is a first-class act in any entourage. Dave will do well. He will even make a bit more out in public life than he could by further serving his Government. In fact, he may even make as much as most third basemen on many major league ball clubs! And why not? For he can handle the "hot corner" better than any man I have ever seen.

I want to wish David Stockman the very best in all his future endeavors. He and his lovely wife, Jennifer, deserve a time of respite and release from the hectic Washington scene. They can now, with their delightful daughter, Rachel, turn their attention toward what can only promise to be a most rewarding future—individually and as a family.

Dave leaves this arena a much better place for his having been here. I want to acknowledge and thank him for the great patience and consummate skill that he has displayed with me personally and with many of my colleagues as we have discussed, debated, cussed, and negotiated over these past years. I shall miss him greatly.

ORDER OF PROCEDURE

The PRESIDING OFFICER (Mr. HUMPHREY). Under the previous order, the hours between 1 and 3 o'clock are set aside for discussing of the pending options before the Agriculture Committee.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER Without objection, it is so ordered.

Mr. DOLE. Mr. President, it is my understanding we will start the discussion of a number of farm options here in just a few moments. I wish to thank the distinguished chairman of the Appropriations Committee, Senator HATFIELD, and the distinguished ranking member, Senator PROXMIRE, for their expeditious handling of the supplemental appropriations conference report. Thank you very much. We appreciate it.

After discussion of the different farm programs, it would be my hope that we might be in a position to take up the budget resolution. I have not conferred with the chairman of the Budget Committee. I know they are in conference now. It is my hope the Senate will act first on the budget res-

olution. We will have more to say on that later.

Then, it is my understanding that the distinguished Senator from Oregon would still like to take up the energy and water appropriations bill today. If we can either have a time agreement or some indication that would not take a great deal of time, we could dispose of that early, by 6 or 7 o'clock. That would leave only a couple of items. I understand we will not be able to complete either the South Africa conference report this week or the farm bill or the Genocide Treaty. I hope that, if that is a fact, as I understand it probably is, then we would call up the South Africa conference report, file cloture, and have a vote occur when we return from the August recess.

It is still my hope that we might complete action on all matters today. We have done rather well, I believe, in cleaning up the calendar and passing a number of legislative proposals. I urge my colleagues who are concerned about agriculture that there is an opportunity now that we can devote a couple of hours to discussing the cost of the program. One area that will be of interest is the final number that the Budget Committees agree on in their conference. That will be discussed as soon as that information is available.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MELCHER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FARM PROGRAMS

Mr. MELCHER. Mr. President, the situation on the farm bill in the Agriculture Committee is this:

Work on almost all the commodity title of the bill has been completed. When we last met yesterday morning, the pending motion was one that I made to have all of the coming 4 years or whatever the life of the bill is, to protect the current target prices where they are now. I am not asking that they be increased, but that they be held at the present level.

The committee had adopted previously a two-tiered system on target prices for wheat. By that, I mean the first 20,000 bushels of wheat produced by a farmer would receive a higher target price, $4.55 per bushel, and a lower target price of $4 per bushel for the next 40,000 bushels of wheat.

At that two-tier level, it comes out to about the same amount of dollars and deficiency payments as if we held it with no tier at $4.38 per bushel, which is the current target price.

If the committee does meet again—I believe we are scheduled to meet at 3 o'clock this afternoon—we will then proceed, I believe, to vote on the pending motion. That motion would leave the target prices at the same level, but would authorize discretion for the Secretary of Agriculture if he wanted to pay, in the 2 last years, 5 percent of the deficiency payment in commodities. The reason for that, Mr. President, is simply to avoid some of the budget impact connected with target prices and deficiency payments that are derived from those target prices.

The farmers and ranchers of this country want to know three key parts of this proposed new farm bill. First, they want to know about prices. They want to know what the prices of commodities are likely to be during the coming years. On most commodities, agricultural producers are suffering from very low prices, whether it is grain or soybeans or cotton or rice or cattle or hogs.

The prices are low and farmers and ranchers are in desperate straits in many instances because they have been selling their production for several years in a row at a loss. This eventually gets to your bank account. It gets to you on how much money you have borrowed to stay in operation during losing years.

There is another factor involved also. Land values in most agricultural States have dropped rather drastically. I really do not know of any agricultural State where land values have not dropped. The Department of Agriculture publishes every year a report on the current situation regarding land values. In the report in April of this year, which covered the previous 12 months—that is, the period between April 1984 and April 1985—their statistics showed the average drop in land owned by farmers and ranchers to be 12 percent during that 12-month period—a 12-percent drop nationwide average. If you look at my own State, Montana, it dropped a few percentage points more than that in that period of time.

Even more alarming was that six States in the Farm Belt—the two Dakotas, Iowa, Minnesota, Illinois, and Nebraska—had dropped an average, during that 12-month period, of 25 percent in land value.

Let me tell you this, Mr. President: That land value dropping that drastically in that year—that 12-month period—which, of course, followed drops in the preceding 12-month period and the 12-month period before that—that sort of decrease in land values is extremely catching; it is contagious. Even though Montana did not drop that much, do not think for a minute that I am not really scared for Montana, because it is all relative. We will see our land values sag further.

We are not in great shape in land values in Montana, but we have not had as drastic a drop over the last several years as many other States, particularly in the Corn Belt, have experienced.

What does all that mean to farmers and ranchers? It means a whole lot because more than half of agricultural land has a debt on it. As those values decline, the people holding the paper, the mortgages, get more itchy. And there is less collateral for those operators to show to their lending agencies, whether those agencies be commercial banks or the PCA's in farm credit system or the Farmers Home Administration of the Department of Agriculture. When farmers show their balance sheet, it gets worse and worse.

That certainly answers anybody who is wondering what is the major concern of farmers and ranchers about the situation and about the farm bill and about the economy of the United States: What is the price they are going to receive for their commodity? That is the No. 1 concern.

A farm bill is not meant to set everybody's prices. What we have had in the past in farm programs has not always been successful. Many people say, "Well, quit tinkering with it. Why should Congress be involved in it as much as they are? Obviously, it is a failure; why don't you get out of it? That, Mr. President, is an extremely fair and good question.

The answer is simply this: At this stage, with these commodity prices at the level they are, we could not conceivably think of getting out of it. There has to be a new farm bill and it has to protect the safety net features in the farm bill for the various commodities which are depending upon it. These are the grains, whether it is wheat or feed grains, cotton, rice, and soybeans. Those are the principal crops in the commodity program.

I could mention others: the sugar program, the wool program, the dairy program. In all instances, what we strive for and hope to succeed in our final efforts is that the farm bill will not remove the safety net, will not alter those safety features that are built into the underpinning of the agricultural commodities for the next 4 years or whatever the life of the bill will be.

With regard to what the prices are going to be, they are not going to be improving very much. We hope to hold the safety net there so that we can keep as many of these operators in business as possible for a brighter day. We do not want to lose them.

So we come to a point where people say, well, what does the bill do on moving more of the commodities abroad? This is the so-called market-

oriented policy. The market-oriented policy, if my colleagues can follow me for a moment or two, is the theory that if the price can be allowed to float on the open market, perhaps we will sell more of our commodities abroad and, by selling more of our commodities abroad, eventually the prices will stabilize and, we hope, will start to come up.

The Department of Agriculture advocates this type of approach in this farm bill. A big majority of the committee is supporting that. There will be questions of course on how you "rig" this. I do not think I am misusing the term when I say "rig" because you actually set the market clearance price at where we believe we will export so many billion bushels of wheat or so many million bushels of soybeans, corn, and sorghum or get rid of so many bales of cotton or so many hundredweights of rice. Frankly, it is conjecture on the part of the Department of Agriculture economists in trying to arrive at that clearance price. I do not want to be too harsh on those economists in the Department of Agriculture because, as a matter of fact, what they are being asked to do is to give us their best judgment. Their best judgment in some instances is right. I wish it were right more often than it is wrong, but to be honest about it they are more often wrong than they are right.

Harry Truman, once said, that what he really needed was a one-armed economist because every economist he dealt with said, "On the one hand, it is this way and, on the other hand, it is that way," and he wanted a one-armed man so, whatever it was, it would be this way; there would not be two different choices.

Economics is not a science where you can just say X plus Y equals something. Economics looks at different sets of factors and tries to evaluate what could conceivably happen. But they are giving us their best judgment. They are saying that these market clearance prices are going to be very low for the 1986 crop, they will even get a little bit lower in the 1987 crop and perhaps start to stabilize in the 1988 crops or the 1989 crops and maybe even show a little improvement.

While I believe we have to concede that some type of market-oriented policy is absolutely necessary now, I do not believe we want to see that price drop down to zero.

There is a second key factor about which the farmers and ranchers need to know. When I say that, I mean all of the rural communities, I mean all of rural America, whether it is our lenders or bankers or PCA's or the John Deere dealers or other implement companies, or whether it is the doctors and the dentists and the beauty shops and the bakers, or whatever, in these small communities, or whether it is the school boards, the churches, or retired people living in these towns. They need to know what is going to keep rural America alive. We have to speak to them about exports.

Mr. ANDREWS. Mr. President, will my colleague yield?

Mr. MELCHER. Yes; I will be delighted to yield to my colleague from North Dakota.

Mr. ANDREWS. Mr. President, I appreciate the senior Senator from Montana yielding. What he is saying is precisely correct. Face it, Mr. President, none of us in this Chamber, none of the best economists in this country know from our crystal balls what the next year holds. But we do know what the situation is today. We need a new concept, a farm bill that is market oriented. My colleague, the senior Senator from Montana, has pointed out how we intend to write such a bill but, at the same time, Mr. President, we need a safety net for farmers, and a safety net which is a freeze is not asking too much.

Today's major credit crisis in agriculture is in long-term loans. Federal Land Banks all over this country are in a tough way. The long-term lenders, banks and insurance companies alike are wondering about the value of these loans. We have spent many hours, Mr. President, as the Senator from Montana knows so well because he has been in those meetings, trying to work out ways to make individual farm operations cash flow. You have difficulty making them cash flow on a level playing field, Mr. President, you cannot make them cash flow if income is decreasing 5 percent in each one of those out years. It is important to note also that a 5-percent cut in gross represents about a 25-percent cut in net, and that is tragic.

It is tragic for the family farmer, for the Nation's consumers, for the American economy and for our trade deficit.

It is an unconscionable and unthinkable situation

Many of us in this Chamber on both sides of the aisle feel that the way to get our runaway deficits under control is to write a budget act that would freeze spending across the board, and that, Mr. President, incidentally, could well be the best farm bill we could write because those deficits are killing us with high interest rates. The agriculture sector feels the impact of high interest rates probably more than any other sector. The increased value of the dollar necessary to bring in overseas investments to cover our own deficit, which we are not willing to finance ourselves, means that we had to attract $83 billion in foreign investments that has cost us dearly in agricultural exports. But when we were talking about how to deal with the deficit, so important to agriculture, we were saying the fairest way would be an across-the-board freeze, a freeze, Mr. President, and a freeze was thought to be fair and is fair.

Some of us were willing to vote a freeze on the Defense Department, a freeze on COLA's—it took a little courage to do that—a freeze in agriculture, yes, a freeze in transportation. That is the way, Mr. President, we felt we could get the deficits under control. Some of us were even willing to vote for revenue enhancement, our political word for taxes, because we felt it was important to get the deficit down. But, Mr. President, let me say the freeze has not worked in the case of COLA's. It was not acceptable. The freeze has not worked in the case of defense. The bloated defense contractors have continued to up their take. And now we cannot even maintain a freeze in agriculture. They are telling us we have to decrease that segment, the very segment of our economy that is in the most trouble today.

Mr. President, it simply does not make sense. We need a level playing field for our farm families. We need to have a system of support that allows them to have that safety net while we move toward a new era in farm programs that will be market oriented, that will be competitive, that will take away the protective umbrella from the Canadians and the Argentines and the Australians who have been benefiting from our irrational farm policies of the past.

I salute my colleague and good friend for the very significant effort he is making toward that end. I will continue to support him in what he is trying to do because I think it is right not just for farmers in this country but for the entire economy of our country.

In fact, Mr. President, let me conclude by saying we ought to quit talking about the farm problem and start talking about the agricultural opportunity. We ought to begin to realize in our own country that the Soviets can blow this world up 10 times over and so can we. They can put a man in space and so can we. But they cannot feed their own people, much less troubled people in the other parts of this world. We can.

That is the true strength of our country. We ought to be saying we are proud of it and we are going to use it to show the way and share our bounty with other less fortunate members of the world community of nations. This is the American system at its best, at producing, at marketing, at benefiting mankind. So we should stop talking about the farm problem and begin looking at the agricultural opportunity and move ahead.

I salute my colleague from Montana for the great work he is doing in this cause and thank him for yielding.

Mr. MELCHER. I thank my friend from North Dakota. One thing about North Dakota, they always send people to the Senate that know agriculture, and that is a tribute to the people of North Dakota.

I commend my long-time friend. He has been in Congress much longer than I, and I commend him for his leadership at all times, both in the House and in the Senate, in making certain that we have some recognition and some understanding of the agricultural problems and agricultural matters in Congress.

When we talk about what this country is about in producing all this food, it is obvious that we have to export a lot of it. But that is nothing new.

When the country started out long ago, Thomas Jefferson conceived the idea that the greatest asset for the United States was its great agricultural capability and its ability to outproduce other areas and to provide various parts of the world with needed commodities. He was absolutely right. Things have not changed.

Farmers have become very good in producing; ranchers have become very good in their endeavors in livestock. We find that we consistently and continuously outproduce our own needs. That is not a mistake or some sort of fault or some sort of failure. That is huge success. That is what this country is about.

We are a country that exports agricultural commodities; and when we fail to take advantage of the great abundance of agricultural commodities that we have available over our own needs and make sure that they can be utilized throughout the world, we are failing in the most significant peacetime policy this country could have.

I believe it is far better to use the abundance of food we have to increase our influence around the world in peaceful ways. That is for better than concocting these wild schemes we always seem to be having on how more armaments can be sold by the United States or can be given away by the United States. Assuredly, we do it for our allies. Do not get me wrong. We are not trying to give or sell arms to people who are not our friends. We do it as a national defense goal.

I point out that a continuing problem is still hunger and malnutrition throughout the world. For those countries with which we have friendly dealings, we should make sure that, through our export mechanisms, we are there with the commodities they need in order to satisfy that hunger and that malnourishment.

There are three types of main exports, in my judgment.

One is regular sales for cash—to Russia, to Taiwan, to Japan, and to other countries. Cash on the barrelhead is one type.

Then there are concessionary sales, when we give terms and conditions. They need some interest; they need a longer period of time to pay, and we sell it on concessionary sales.

Also, there are donations of food.

These three categories have been down for the last several years, and that is one of the reasons why we are having desperate times with prices. All three categories should be improved, whether it is cash sales, meeting the competition, and whatever we have to do to get the cash sales; whether we have to go the extra mile in concessionary sales to countries such as Mexico and the Philippines or other developing countries; or whether we are meeting all the opportunties for donations where it is logical, reasonable, and mutually beneficial for the other countries and ourselves to do so. We are not meeting those needs, and that is why the agricultural imports of this country have been declining during the last 2 or 3 years. We should correct that, and it is our hope that in the export title of this bill we will do so.

As a third concern, the farmers and ranchers need to know about the credit situation and whether the bill will provide some restructuring of those loans. By restructuring I mean longer terms, lower interest rates, a chance to recover. We have not come to that particular title in the bill, but when we do get to it, I think we will find that our committee and Congress want to provide the type of financing that will work and save as many ranchers and farmers as possible who are in distress at this time.

Another part of the bill deals with conservation, which is by far the best conservation section in any farm bill in history.

Another part is the food stamp title, which has to be reauthorized again.

Then there is a title on agricultural research.

I believe that on these parts of the bill, we are going to do credit to the Senate and to the country by presenting good titles. I hope we will have a very good, strong, far-reaching bill reported, and passed by the Senate, passed by the House, and signed by the President this coming September. Since this is August 1, that is next month. It would have been wiser to have it out earlier, but the situation was such that we could not, and we find that the House is in the same situation.

To be included in the farm bill, so far as I am concerned, are amendments I will offer dealing specifically with some unattended business. First, I believe that we cannot ignore the plight of the livestock producers of this country. Hogs and cattle are selling at miserable prices. It is a total disaster. Cattle prices are lower now than at any time I can recall since the early 1960's. These people have to have some kind of protection.

I believe we should have some restraints for a time on the amount of meat we are importing, whether live or fresh frozen or chilled or canned. I do not care how it comes into this country. I think we will have to have some restraint for a time in order to allow the markets in the United States to stabilize before the situation goes into utter disaster.

It is ironic that one of the reasons why we are having pressure on the cattle market and the hog market in the United States is the difference in the value of the Canadian dollar as compared to the American dollar. Their hogs and cattle have been pouring over the border into the United States because the Canadian dollar is worth about 32 cents more. That is the approximate difference between the Canadian and the U.S. dollar.

So their hogs and cattle have been pouring into this country while our market is clear down, and their market will fall clear down, too. Our two markets are tied together. There has to be some restraint at this time in order to allow the U.S. market, the much larger market, to stabilize and come back. I do not think we can act on that too soon. The farm bill seems to be the quickest way of addressing the problem.

I hope we can discuss this during August with our Canadian friends and see what we can work out between them and us so that we can stabilize this livestock market and allow it to recover.

Mr. President, people are going to say, "What about the budget I guess it depends upon whose computer you are looking at or how you put in the figures.

The House committee has a package very similar to what we are hammering out in the Senate committee, and they find that they are within the budget. I am not going to say that the Department of Agriculture computer is wiser than the Congressional Budget Office computer. I do not think either computer makes a difference. I think they are equally wise. But it depends on who puts in the figures. The Department of Agriculture, on their assumptions, comes back with a larger cost than the Congressional Budget Office. That can be hammered out, and we can arrange to make sure that the budget that is allowed for agriculture is sufficient to preserve the agricultural economy and preserve these operators on their farms and ranches without them going broke.

It is absolutely essential that that happen because this agricultural economy is the whole underpinning of the country.

While it looks like we are going into an agricultural depression, we want to

turn that around quickly enough so these farmers and ranchers can survive and that we can save the whole U.S. economy from going into a very deep recession. It is that critical.

So on the budget we will do what we have to do to meet whatever it is set at. It has not been finalized yet. Whenever it is, we will try to live with it or get some emergency measures with which we can put up for a while but hold back enough so the cost is not overrunning us in the final analysis.

Mr. President, I yield the floor.

Mr. HART. Mr. President, I compliment the Senator from Montana on his statement and leadership on the agricultural crisis which faces the country. He and the Senator from Illinois [Mr. DIXON], the Senator from Iowa [Mr. HARKIN], and others, have been on the forefront speaking not just for political party but for an entire industry and this Nation. I want to identify very strongly with the remarks of the distinguished Senator from Montana [Mr. MELCHER].

There is something remarkable and something remarkably wrong in the United States of America in the 1980's, when we can be one of the two host nations for one of the greatest fundraising efforts in the history of the world to alleviate hunger in Africa at a time when American producers are losing their land and ability to produce the very grain and agricultural products necessary to meet that disaster.

The efforts made by the Senator from Montana and our colleagues who are concerned on the broad base of agricultural production in this country will not go unnoticed by the people of this Nation or the people of the world. I think as long as we continue to speak out for what is fair and just, not just for the producers of this Nation but the needs of hungry people around the world, there will be those who will hear that message and respond to it.

A LITTLE BIT OF THE TOTAL RAISED FOR THE FARMER AND FOOD ASSISTANCE

At no time in recent history has world opinion closed ranks on a question of basic importance as it has in recent days. Just weeks ago the world conscience was stirred by the Aid for Africa concerts. Performers supporting Aid for Africa donated their services and within hours of the event raised upward of $70 million for a program of food procurement and transportation for innocent victims of the forces of nature.

The drought in Africa may continue, Mr. President, but with a welling of public opinion a drought of the spirit has ended.

Bob Dylan began his performance with a plea for realization that food is vital to all life. He reminded the audience as well, of the plight of America's farmers, going broke in record numbers. "A Little Bit of the Total Raised," he said, "Should go to the family farmer."

In the budget climate we are operating in right now, Mr. President, I want to echo that sentiment. While we are attempting to forge a 1985 farm bill I hope we will remember "A Little Bit of the Total" should go to the family farmer.

After perpetrating the most expensive farm program in the history of American agriculture, the Reagan administration has kept the Senate Agriculture Committee tied in knots in an attempt to apply so-called free-market principles to American farm programs. They seek to reduce target prices and loan rates. They want to depress the market price of grains. By reducing farm income over the next 4 years they seek to drive massive numbers of farmers over the brink of financial disaster. At the same time this administration has rejected all compromises attempted to date on the budget. Compromises which could foster an atmosphere conducive to reducing interest rates. Interest rates which are driving farmers from the land.

I contrast, many members of the Senate Agriculture Committee seek to enact a system of tiered price supports which I have long advocated and which met a warm welcome in family farm States. The committee, on some very close votes, has attempted to maintain farm income while targeting the benefits to struggling small and medium sized family farms. I will continue to support them in those efforts in the Senate.

The committee has favored a 4-year bill which would freeze target prices and allow the administration some leeway on adjusting loan rates. They have been hamstrung by unceasing efforts to cut those supports in the later years covered by the bill. Those efforts emanate from the White House and the Office of Management and Budget. Those efforts will continue when a bill is finally brought to this body for consideration. We have a lot to do to make sure this farm bill will provide direct assistance to the family farmer.

The farm bill must be a vehicle to help farmers through these tough financial times. It must be a vehicle to bring food to the hungry of this Nation and other nations of the world. It should not be a vehicle to provide uncontrolled price support payments to large corporate superfarms as occurred under the Reagan administration's budget-busting PIK Program.

It must contain reasonable set asides for major commodities which we already possess in surplus. It must provide an incentive for farmers to participate and it must be stable and long term, so America's farmers know what to expect. I prefer a 4-year program. I do not think we should throw renewal of this program, so vital to farmer's interests, into the heat of the political arena 2 years hence. It might serve some politician's interests, but it will not serve the Nation. Farmers need the long-term stability of a 4-year program and they need it now.

Farmers can be guaranteed availability of credit by this legislation. Right now that is an unsure proposition for many of them. We will be addressing additional assistance in the near future for the farm credit system.

We can guarantee that farmers receive if not a fair price, which they so desparately need, at least a stable price so they can plan the future of their operations.

In the name of budget fairness, we can guarantee that the large amounts of money we spend out of necessity on farm programs are not skimmed off by the superfarms. I welcome those who believe with me that cash payments must be targeted to the small and medium sized farms. We can tier cash payments to the first 20,000 and 40,000 bushels on a range of commodities. That will target help to those who need it most. At the same time we must provide an equitable cap on the amount of payments that can be received by an individual producer and we must bring all aspects of the farm program under that ceiling.

I hope too that this Senate will renew a dairy program which has already saved taxpayer's money over previous years and has encouraged a drop in overproduction. The paid diversion program has saved well over a billion dollars in the last year and has provided stability for our dairy farmers. At the same time it encourages reduced production farmers themselves to finance the program. Crafted by the Senator from Iowa, Senator HARKIN, when he chaired the Dairy, Poultry, and Livestock Subcommittee in the House, it has been reaffirmed by the House committee this year. I hope we will join in that effort for the sake of consumers and dairy farmers.

This farm bill must provide equity for America's farmers. I will oppose all efforts on the floor of the Senate attempting to knock the props from under Colorado farmers. Our wheat farmers, sugar beet producers and others are hard pressed. We cannot balance the budget on the backs of those who feed this Nation. Colorado farmers are looking for a possible record wheat crop this year. The price they will receive in a depressed marketplace takes much of the pride of production away.

Though farmers constitute 2 percent of our budgetary outlays this year they are being asked to take 6 percent of the budget cuts. If all areas of the budget were being asked to take like cuts this might be considered fair, but that is plainly not the case.

From my position on the Armed Services Committee I have just witnessed this administrations insistence that weapon system after weapon system be funded at levels exceeding anything we contemplate spending on efforts to save our family farms. An additional $6 billion may be authorized by the Secretary of Defense on August 31 for the aimless Divad gun. We ask for targeted farm programs and they give us a gun that can't shoot straight.

I am suggesting that the priorities approved at the White House, and some in this Congress, are out of sync with the hopes and desires of our country. A little bit of the total raised should go to the family farmer. A little bit of the total should go to those at home and abroad who are going hungry.

Every national poll on the subject tells us that Americans believe in support for the family farm. They believe in feeding those who are unable to feed themselves. They believe in preserving our resources for a future of food abundance. They believe in competing in world markets.

Farmers whether in Colorado or Kansas, Iowa, or Illinois deserve to know what the future holds for them at the earliest possible time. The farm program should reflect their concerns and those of the American public in general.

Insensitivity to the problems facing rural America is not being accepted back home. There is good reason for the farmer demonstrations; there is good reason for the farm crisis committees which have formed; and there is a genuine reason to fear a collapse of the farm credit system. With its associated impact on 23 percent of our gross national product, the effect of such a disaster would reach to Wall Street, corporate board rooms and even to the White House.

We have the choice, provide funding for reasonable farm programs now or pay the price later. Provide a little bit of total raised or suffer the consequences.

Mr. DIXON. Mr. President, I am delighted to be involved in the discussion that was called by the majority leader on the questions concerning the 1985 farm bill and the budget.

My colleague from Arkansas has suggested to me that this is like the war that was declared but no one came. I look across the Chamber and note that very little contribution to this subject matter is being made by my friends on the majority side, which leads me to my first point which is this one: My colleagues on this side have religiously attended meetings of the Agriculture Committee since the beginning of our work on the 1985 farm bill. The chairman has said that there have been 70 of these. I have not kept count. But I have been to almost all of the meetings of the committee, even when I was a member of the conference committee on the DOD authorization bill with my distinguished friend in the chair. I attended the meetings that were called separately in the majority leader's office. I had the pleasure of attending the meetings with four of the Secretaries of Agriculture who are still alive, and who came in from all parts of the country to give us the benefit of their points of view. So I attended the meetings.

Yesterday morning, shortly before noon, the majority leader prevailed on a close vote. The vote was on a motion made by the majority leader, not by this side, by the majority leader, to freeze supports for the commodities for the American farmers for the first 2 years and lower it 5 percent in the third and fourth years. That was the majority leader's motion and it prevailed.

Thereafter, my colleague from Montana, the distinguished Senator from Montana, offered a motion—which was the last order of business before we adjourned for lunch—to simply freeze for 4 years, instead of 2 years, and in the third and fourth years, to maintain the support system with up to 5 percent of the deficiency payment made in commodities in the third year and up to 7½ percent of the deficiency payment in the fourth year.

I have not done the arithmetic on this yet. It is being done. But I assert that the difference between the position of my distinguished colleague from Montana and the position of the majority leader is probably less than $1 billion over the 4-year life of the farm bill, a figure of little consequence when set against all of the money that is being spent here, including, as my distinguished colleague in the chair knows, the $302.5 billion DOD authorization bill for this year.

Now, after this vote in the Agriculture Committee yesterday morning, we were supposed to meet in the afternoon at 3 o'clock. That meeting was called off and we did not meet. A long discussion took place last night, and we were told that this issue would be resolved this morning at 10 a.m.

But shortly before the appointed hour, the meeting was called off. I simply want to announce for this side, before we go home and visit with our agricultural constituency, that this side stood prepared to the final moment to vote on this floor a 1985 farm bill. It was the strongest farm bill ever written by the Congress of the United States on conservation questions, a farm bill that had resolved the major issues on food stamps and would have addressed, yesterday afternoon or this morning, the final problem of commodities.

Now, none of us deny, Mr. President, that there are budget considerations. I voted in the Armed Services Committee, where I had the honor of serving with the Chair, and where I have the honor of being the ranking minority member on the Preparedness Subcommittee that the President chairs, for zero absolute growth for the DOD authorization bill for this year. I lost. But I voted for that.

I have voted twice on the floor of the Senate here for a freeze, including entitlements, and I have lost, but I voted for that.

I hold in my hand, Mr. President, what purports to be the probable result of the budget conference between the House and Senate on the budget. There is a division in my party and I believe the fact is that there is a division in your party, Mr. President, on how many will support this result. But speaking for this Senator from Illinois, half a loaf is better than none, and I will vote for whatever the result is, because it is better than no budget, and I deplore the fact that the result could not be a better one.

But let me say this: The debate here is on whether you will give the American farmer and American agriculture, in desperate circumstances with the commodity prices at the lowest level in the last 7 years and with the value of land in Illinois dropping in the last year, equity. Mr. President, listen to this: Last year in my State the land values dropped 27 percent, the greatest in the modern history of our country.

Land values in Illinois in 1933, in the depth of the Depression, dropped 19 percent, but in Illinois last year they dropped 27 percent.

So while American agriculture faces this problem, my colleagues—my distinguished colleague from Montana, my distinguished colleague from Arkansas, my distinguished colleague from Iowa, and my friend on the other side, my distinguished colleague from North Dakota—and I are fighting to preserve a freeze, nothing more for the next 4 years than they enjoy now.

Now, what has the Budget Committee done? In defense, the Budget Conference Committee accepted the Senate figure. Let the record show, Mr. President, that means that next year defense spending will grow approximately 4 percent while, if we win, the money we spend on farmers grows not at all.

And let the record show that in the second year, defense spending will grow 3 percent plus inflation, which will be at least 7 percent, while, if we win, agriculture's budget will not grow at all. And let the record show that in the third year, if this budget resolution passes, defense will again grow 3 percent plus inflation, while the farmer support system will not grow at all.

Now, if my math serves me, that means that in the next 3 years, de-

fense spending will probably grow a total of 18 percent while support programs for the American farmer will not grow a bit.

The COLA's—there are no changes from current policy on cost of living adjustments for retirement programs. I agree that there is a major difference in the Congress about that question. But I want to point out that for every person on an entitlement, on Social Security, military pensions or any other retirement system in the United States of America, their support system will grow every year at the inflationary rate of at least 4 percent, that being the ordinary average, for the next 3 years, a total of 12 percent, while under this proposition the farmer will have no additional increase at all.

The truth is that the 1985 farm bill that we have been discussing in committee is a modest attempt to support American agriculture at the reasonable level now enjoyed by the agricultural community. The difference between what the majority leader has prevailed upon in the committee and what we would suggest ought to be in the bill is a sum of money probably less than $1 billion.

Mr. President, I talked yesterday briefly about the Divad gun. And I want to take another shot at that gun that cannot hit anything. I have written a letter today, as a member of the Armed Services Committee, Mr. President, to the distinguished chairman of the Armed Services Committee. The Secretary of Defense, by August 30, while we are away, has to certify whether he believes that the Divad gun meets the specifications in order to unfence the money that I fenced, as a member of the Armed Services Committee, in a long and arduous session there where we were finally able to convince the committee that the gun was a questionable gun and the $4 to $6 billion that might be spent on it ought not to be spent on it.

I have today asked the chairman of the Armed Services Committee to hold hearings when we get back on that Divad gun. But so that people in this country, Mr. President, can understand what we are debating on the floor of the U.S. Senate today, I want the people of this country to understand that if we cut back the purchase of the Divad gun that cannot hit anything, if we cut back the purchase of the Divad gun that has never hit anything 25 percent over the life of the 1985 farm bill, it would pay—that one gun that never hit a thing—would pay for the difference between the position taken by the majority leader in the Agriculture Committee and this side. Believe it or not, that is a fact.

So I will only say this in conclusion: We have come to the floor of the U.S. Senate 2 days in a row to argue about the question of the American farmer and budgetary constraints. We have spent more time on the poor American farmer on this issue than on all the issues on these two pages of the Budget Committee report. And the plain fact is that there is not anything in the country that will do more for a viable, increasingly exuberant economy than the American farmer. The best investment, in my view, that this country can make is the investment we will make in maintaining farm price supports at the present level for the next 4 years.

I thank the Chair.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER (Mr. GRASSLEY). The Senator from Arkansas.

Mr. PRYOR. Mr. President I associate myself with the remarks just given by my distinguished colleague from Illinois, Senator DIXON, and those given by Senator MELCHER, from Montana, and Senator HART, from Colorado.

I might also note, Mr. President, that 1 hour into this so-called colossal debate; that has been scheduled for the Senate floor, on the farm bill and program costs, we have had no debate. Up until just the past several moments, there have been only a few Members on this side of the aisle and I now see some Members on the other side of the aisle. I hope this discussion will be constructive and I hope we can come to grips with some of the problems agriculture is facing.

Mr. President, relative to the Divad gun, the $6 billion gun that my colleague from Illinois says will not hit a thing, I would just predict, Mr. President, that during the week of August 23, we are going to see a glowing report from either the Office of Operational Testing or the Pentagon, talking about how wonderful and how accurate this gun is and how we must rush production of the Divad gun. But, I hope, before that happens, that we will certainly give the Senator from Illinois another chance to fire that gun to see if it has improved. And I hope that the Pentagon will be honest with us before we rush into spending that $6 billion.

Mr. President, at this point in the RECORD, I would like to have printed an article on the Wharton School of Economic Study that was published this week in the Des Moines Register. Mr. President, with special attention on a paragraph in this article that states:

> If farm loan losses reach $50 billion the result will be a $42 billion increase in the Federal debt.

Mr. President, I think this study is quite significant. I now ask unanimous consent, Mr. President, that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARM CRISIS THREATENS ECONOMY, STUDY WARNS

(By John Hyde)

WASHINGTON, DC.—An economic study released Tuesday by the national Corn Growers Association says the entire U.S. economy will suffer "serious consequences" unless steps are taken to resolve the farm debt crisis.

The analysis indicates the debt crisis will result in "higher interest rates, lower employment, reduced gross National Product, lower personal income and a larger federal deficit * * * if preemptive actions are not taken."

The study was performed by Wharton Econometric Forecasting Associates of Philadelphia, with the help of the Food and Agriculture Policy Research Institute at Iowa State University and the University of Missouri.

FARM LOAN LOSSES

Some data used in the study were provided by Farm Journal magazine, which recently completed an extensive survey of farm debt load.

The economists concluded farm loan losses of $25 billion during the next four years would result in a $21.5 billion increase in the federal debt, increase short-term interest rates by 1.25 percentage points, reduce total employment by 275,000 jobs and reduce the Gross National Product by $50 billion over eight years.

"This study points out that you can pay now or you can pay later," National Corn Growers Association President Varel Bailey told a Capitol Hill news conference. Bailey is a grain and livestock farmer from Anita, IA.

Bailey emphasized that farm loan losses could be much greater than $25 billion during the coming four years if farm price supports are eliminated or net farm income drops for some other reason. If farm loan losses reach $50 billion, according to the study, the result will be a $42.2 billion increase in the federal debt.

The Wharton study also stated:

About $140 billion of the $210 billion in total U.S. farm debt is held by farms with debt-to-asset ratios of 40 percent or more. These farms are most likely to "experience financial stress," the study said.

Young farmers living in the central United States have the highest debt-to-asset ratio of farmers in any age group or region. The average debt-to-asset ratio for farmers under 35 years of age living in the central states exceeds 50 percent. "We could potentially lose an entire generation of farmers, based on those figures," said Bailey.

Net farm income in likely to remain between $20 billion and $25 billion unless the government intervenes with an active support program. Even to maintain the $20 billion to $25 billion net farm income figure, government supports of $6 billion to $7 billion annually would be required.

The "most optimistic" of farm programs being considered in Congress would not result in a net farm income increase during the coming five years. If government support programs were eliminated, as the Reagan administration has proposed, net farm income would drop 40 percent in three years.

NEXT WEEK

The conclusions were set out in a brief summary of the Wharton Econometric study. The full study will not be released until next week.

Bailey said his association was releasing a preliminary version of the study in hopes of having an impact on farm legislation being debated in both the Senate and House agriculture committees.

"What we do in the short term will affect agricultural credit in the long term," he said. "We're laying the concrete now. I sure hope we don't have to take jackhammers and tear it up later on."

Bailey said the genesis of the study was a meeting between Budget Director David Stockman and Iowa Gov. Terry Branstad, in which the governor appealed for federal help to ease the farm debt crisis. Stockman reportedly told Branstad. "If you can show the ag crisis affects the rest of the country, then we'll do something."

Bailey said his group then "took up the challenge" of demonstrating the effect of the farm debt crisis on the U.S. economy as a whole.

TOP TO BOTTOM

"These figures are significant to me as a manager," Bailey said. "They say we can ignore the problem and pay the social and economic consequencies later, or we can address the problem now and have a stronger economy from top to bottom."

Bailey said he had presented the study's findings earlier in the week to officials of the Reagan administration, including Agriculture Secretary John Block, and they were well received. "We were surprised" by the administration's reaction, Bailey said.

Block told the corn growers, "These are the kind of numbers we have to have to prove our point to other people in the government," Bailey said.

Bailey said comments such as Block's have led him to conclude the administration is "reconsidering the ag issue" and will be more favorably inclined to support aid to farmers.

Mr. PRYOR. Mr. President, we now have had a debate on this farm bill for several months.

One of the issues in the debate is whether or nor we should concentrate on exports, or trying to make certain that we recognize the necessity of allowing some price to the farmer who produces these items for export.

It is my opinion, after listening to the U.S. Department of Agriculture, that it is their policy that we first build a farm bill around exports. I am not saying that I oppose that position 100 percent, but I do feel that we must have a program, we must develop a policy, that is going to make absolutely certain that the prices ultimately paid to that farmer provide a net profit on what that farmer produces.

If we permit or if we encourage a policy that will give that farmer a price, we are certainly going to cure a lot of economic ills in our country.

One of the major debates after Labor Day, Mr. President, is our discussion about the philosophy of exports versus price. To say that we can separate price from credit—and I think once again that this might be the policy being enunciated by our present farm policy and especially by our present administration—is flawed and I hope we will give it our most careful and proper consideration.

Mr. President, at this time, as I see the very distinguished majority leader and also a member of the Agriculture Committee on the floor, I would like to ask the distinguished majority leader about a particular piece of legislation that in 1978 the majority leader himself introduced on February 2.

I hope—and I say this in friendship—that this piece of legislation introduced by Senator DOLE, Senator Tower, Senator THURMOND, Senator ZORINSKY, Senator Allen, Senator Curtis, Senator Hayakawa, Senator DOMENICI, Senator WEICKER, and Senator Schmidt, on February 2, 1978, might be discussed as a possible option after we return from our August recess.

I am not saying it is perfect or I am not saying it is going to work, and I am not saying it is going to bail us out of the farm crisis we are in today. But it should be discussed as a possibility.

Quoting the majority leader's words on February 2, 1978, he states:

This bill will not interfere with exports. It will not contribute to farm production increase. It will not encourage subsidies. And under my bill costs will be reasonable since scaled-down production will result in higher market prices resulting in a reasonable level of deficiency payments.

Once again, we have not had the opportunity to examine this concept as it relates to today's prices, or as it relates to both deflated farm prices and deflated farm land values, but I have been looking at this particular bill and I, for one, will be doing a lot of studying and asking a lot of people about a flexible parity plan. I think we must do it sincerely because the present bill under consideration is not a bill that is going to help because it is not going to provide a great enough cash flow for our farmers.

I think we might be starting off at the beginning, not the end, of this farm debate after the Labor Day period.

Mr. HARKIN. Will the Senator yield?

Mr. PRYOR. I yield for a question.

Mr. HARKIN. I thank the Senator. The Senator from Arkansas has given us a good reminder of the fact that we have not recently examined this flexible parity approach, which was considered back in 1978.

Do I understand that this flexible parity approach actually passed the Senate?

Mr. PRYOR. It was referred to the Agriculture Committee at that time, in 1978. I understand from reading the RECORD that there were hearings held around the country, one in South Carolina, held by the distinguished Senator from South Carolina, Senator THURMOND, and others.

Mr. HARKIN. If the Senator will yield further, I am sorry I did not quite hear him correctly, I do not believe, but did I hear a quotation about reduced production would yield higher prices and, therefore, would not have a lowering of income, that reduced production would increase the income?

Mr. PRYOR. It is in the CONGRESSIONAL RECORD. The paragraph states, quoting from Senator DOLE:

Under my bill, costs would be reasonable since scaled-down production should result in higher market prices resulting in a reasonable level of deficiency payments.

And it goes farther.

I also share what he said in 1978, and we can certainly agree with this statement in 1985, when he said:

Farmers are caught in a vicious cost-price squeeze and they, the American farmers, are unable to recover cost of production. Their situation is the worst since the Great Depression.

Since that time, many many farmers have gone out of business. So it has gotten a lot worse since Senator DOLE mentioned this in his discussion on his bill.

Mr. HARKIN. If the Senator will yield further, I might point out that if the majority leader thought the times were bad in 1978, I will point out that recent figures show that farm income parity is now at 52 percent, the lowest it has ever been, even lower than it was during the Great Depression. So if times were bad in 1978, I will submit that they are twice as bad right now.

If the Senator will yield further, on that passage referring to the majority leader's statements about reduced production leading to higher market prices, if I am not mistaken, the Senator from Arkansas, this Senator, and others have been for some time talking in the Agriculture Committee about that kind of an approach. Really, what do we not want is to put farmers on welfare. Farmers do not want to get Government paychecks. Farmers want to earn their income from the marketplace.

As the Senator knows, I have used the example before that those who want farmers to produce, produce, produce, plow up to the fence-rows, plow up and down the hillsides and everything else, what they are really doing is just promoting bankruptcy among the farmers.

Using that kind of philosophy we could have Ford Motor Co., for example, operating their plants 24 hours a day, 7 days a week, 365 days a year to turn out as many cars as humanly possible.

Obviously, the reason they do not do that is because it would destroy the market.

I think those Senators who talk a lot about this marketplace approach are getting confused. There are two sides to the market. There is the willing buyer and there is also the willing seller. It seems to me that one of the things that makes the marketplace is that the seller can decide how much

they want to contribute to the market. If they flood the market, of course, it depresses the prices; in fact, that is what is happening now with the farmers. It is because of Government policies, because of Government policies for the past 3 or 4 years which have forced farmers into this untenable position.

Now what I hear is that they want to push the farmers even further to produce more and more and get less and less for it.

I think the majority leader was right in 1978 in uttering those words, that by perhaps reducing our production it would increase the market price. I think that is what we have been talking about: A good supply management program, well managed by the Department of Agriculture, would keep our supply in line with demand. The reason that our farm economy is in the terrible situation it is in today, is that it has been horribly mismanaged over the last 4 years. In the first 2 years, 1981 and 1982, no meaningful set-asides, no reduction in production, plant fence-row to fence-row. Then they came in with the PIK Program, the largest set-aside in the history of this country. Of course, we all know how that operated.

First, the USDA came to us and said it would not cost anything. This is the same Department that is throwing these figures around now. They said it would not cost anything. Secretary Block said that before the House Agriculture Committee when I was in the other body. Then we found out it would cost billions of dollars.

In fact, 50 percent of the PIK payments went to 5.6 percent of the largest farmers.

So they had this massive set-aside. The next year, they bounced back again to really no effective set-aside at all. So there has not been any real management by the Department of Agriculture of our farm economy over the last 4 years. Farmers have been pushed from one extreme to the other. Now they are being told that the Department is going to wash its hands of it, that this administration will just walk away from the farmers and let those individual farmers compete with the Government of Argentina or the Government of Brazil or the European Economic Community.

What I understand my farmers want is the marketplace, which means they want supply in line with demand, so they get the price up, so they are able to make their profit in the marketplace and not because of a paycheck that comes from the Government.

I guess, in looking at this again, the question I wanted to propound to my dear friend from Arkansas is this: They are talking about reducing budget deficits, they are talking about this farm bill, about how much it is going to increase costs and all that. But it seems to me if we had just a little bit better management in the Department of Agriculture to manage effectively our set-asides, the farmers themselves would actually get their money from the marketplace; we would not have to get it out of the budget; we would not have to increase the deficit. That really is the way we ought to be going.

I want to get into that because we have heard a lot of talk about how much it is going to cost for this farm bill. As someone said the other day, you either pay now or you pay later; if you pay now you are going to pay a lot less than you will pay later. A 4-year freeze on target prices, I think, is the minimum we can accept. And even if you do that—a lot of people think that is going to keep income constant, but in fact, even if there is only a 4-percent inflation over the next 4 years, this is going to be a 16-percent real reduction in income to our farmers. Even if we freeze target prices.

Farmers are willing to take their share of sacrifice, but over the next 4 years, to have a reduction in their income of 16 percent, and that is just from a target price freeze, I think it is unfair to ask them to take more than that. I think it would be an unfair sacrifice.

The farm credit system reported last week that short-term borrowing increased from 5 to 22 basis points above the T-bill rate because of nervousness on Wall Street about the stability of the system. This represents an increase of $119 million in added interest costs to the borrowers of the system—$119 million in just the last week, added on top of all the other burdens the farmers have had, just because of the increase in the basis points because of the nervousness on Wall Street regarding the farm economy.

So, in looking at this, what we are seeing is a huge devaluation and loss of equity in our farm land and income to farmers. Wharton Econometrics did a study that showed if we took the so-called free market operation that we are being asked to take in the Agriculture Committee by the administration, we could have as much as a $50 billion discharge in agricultural debt. What this would mean throughout the country, is that this $50 billion of discharged agricultural debt would result in short-term interest rates—not just to farmers but all interest rates—going up by 2.5 percent.

Think what that will cost our economy: The study projects reduced business investment of $74 billion, a reduced output of our GNP of $96.7 billion, a total employment loss of 560,000 jobs, an increased Federal debt of $42.2 billion—just because of the discharge of this debt. So what we are talking about is that if we have that kind of discharge, the Federal debt is going up by $42 billion.

If, however, we freeze these target prices and we take the necessary preemptive action, we could have, perhaps, a minimum of even $10 billion being written off. The study projects the Federal debt would increase by only $5 billion.

So, if we go the way the administration wants us to go, the Federal debt will increase by $42 billion. If we have a target price freeze, we will have an increase in the Federal debt of $5 billion, for a difference of about $37 billion. In other words, by adding a little bit now to freeze the target prices, we will save going into debt by about $37 billion over the next 8 years.

It seems to me, Mr. President, that all of these figures that have come out from Wharton Econometrics and every other place only point to one course of action for us to take. That is to take preemptive action, to take the action needed now to prevent the fall in land prices and to keep this debt from being discharged in the amount that it will be discharged if, in fact, we take the administration's approach and reduce farm income.

I might just add that last evening, the distinguished chairman of the Committee on Agriculture talked about the average farmer having a net worth of $500,000. I got to looking into that. That did not sound quite right to me. What I found out is that from the 1980 census survey of a certain segment of farmers, indeed their net worth was $500,000. I began thinking about that.

That sounds like a lot, and it is a lot. But look at it this way: Let us say an Iowa farmer had 500 acres which had a value of $2,000 an acre. Let us say he had it half paid for in 1980, which was not out of line. His net worth would have been $500,000. But, since 1981, farm land values in Iowa have gone down an average of $1,000 an acre. So that farmer, who had a net worth of $500,000 when that census was taken in 1980, his net worth is now down to zero.

In fact, that is what happened. In Iowa, we lost $32 million in equity alone just since 1981.

So, again, as the distinguished Senator from Arkansas was pointing out, we really do have to take preemptive action. I am hopeful that we could take a harder look at the flexible parity concept, because I think there may be some promise there. It will give us the ability to have a higher support price for those farmers who take out more land out of production and less of a support price to those who take out less.

I would just like to ask the distinguished Senator from Arkansas who, indeed, does have the floor and has been so kind to yield me this time—I understand that last night, the distinguished chairman of the Committee

on Agriculture said, and I am quoting his words from the RECORD, in response to a question, I think, propounded by the distinguished Senator from Nebraska [Mr. EXON]—who, I see, is on the floor at this time—the Agriculture Committee was going to meet today at 10 o'clock in the morning.

To quote his words, he said:

I know this public display will be interesting news back home, but this committee has met regularly, it will, and we are scheduled to meet tomorrow morning at 10 o'clock, and I shall be there rapping the gavel tomorrow at 10 o'clock, Lord willing.

I know the Senator from Arkansas serves on the Agriculture Committee with this Senator. We were ready to meet at 10 o'clock this morning. I thought we had assurances that we were going to meet so that we could have voted on this and voted out a bill. We were ready to go. I thought we had assurances that we were going to meet, and we did not meet. Does the Senator from Arkansas have any information as to why the meeting was canceled this morning at 10 o'clock? I just wonder if the Senator has heard anything or if he can enlighten us as to why we did not meet?

Mr. EXON. Will the Senator from Iowa yield?

Mr. PRYOR. The Senator from Arkansas does not know. The Senator from Arkansas, like the Senator from Iowa, got to work this morning and was ready to go to the Agriculture Committee meeting. At about 9:30 or so I was informed that the Agriculture Committee would not meet. Perhaps the majority leader or especially the chairman of the Agriculture Committee, who is now on the floor, could tell us why we in fact did not meet.

Mr. EXON. If the Senator will yield, I think I could answer his question.

Mr. HARKIN. The Senator from Arkansas has the floor.

Mr. EXON. Will the Senator yield for just a second?

Mr. DOLE. The Senator does not know the answer. How can he answer the question?

Mr. EXON. I know the answer. If I may have a chance to explain it.

Mr. PRYOR. Mr. President, let me, if I might say to my very good friend from Nebraska, because the name of the chairman has been brought into the discussion, yield to the Senator from North Carolina, and then I will be happy to yield to the Senator.

Mr. EXON. I would be happy to.

I wonder if the Senator from North Carolina might be willing to yield to me just a moment. I think I might be able to help him out just a little bit. I always try to be helpful whenever I can.

The answer to the question propounded by the Senator from Iowa is very simple. The chairman of the Agriculture Committee said he would meet at 10 o'clock this morning, the Lord willing. I suspect that the chairman of the Agriculture Committee was willing but, obviously, the Lord was not. I do not know what other explanation could possibly be offered, but I just want to be helpful wherever I can to the distinguished chairman of the Agriculture Committee. I yield.

Mr. PRYOR. I yield for a question.

The PRESIDING OFFICER. The Senator from Arkansas yields the floor. The Chair recognizes the majority leader.

Mr. DOLE. Mr. President, there was a Republican conference at 10 o'clock this morning and there was a Democratic caucus at 10:30 to talk about the budget, which I will get into later, but I prefer, unless somebody else feels compelled to speak, that perhaps we could let a couple people on this side speak, and I would like to follow the distinguished chairman.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the distinguished majority leader. There may have been a less difficult question to answer than the question propounded by the distinguished Senator from Arkansas, but the committee could scarcely meet with the majority and minority having called conferences on the budget.

Now, I know the Senator from Arkansas agrees with me that the No. 1 responsibility facing this Congress is to try to come up with something that makes sense in terms of the Federal budget. In any case, no committees met at 10 O'clock or thereafter. As a matter of fact, the Democratic conference had to extend past noon. So I think the distinguished Senator from Iowa is chasing a rabbit and he did not quite catch one when he raised the question of why the committee did not meet.

Mr. President, let me level with my friends on the Agriculture Committee. As far as I know, I am still the chairman, and I do not propose to be deposed in terms of deciding what the agenda of the committee will be. I am anxious for the committee to meet, but I will tell Senators on what terms we are going to meet, and they can like it or lump it. That is, we are going to finish all of the farm bill and then do the commodities, because this chairman has sat patiently day after day, week after week, listening to filibusters. We are not going to do it any more. If Senators want to get the commodities, let us get through with the rest of the farm bill.

Mr. President, I have great affection for every member of the committee, but they have not fooled me 1 second. I made clear to the staff—and I think they will corroborate it—the first week of the markup that what was in progress was a filibuster. I have participated in a few around this place. But I say to the Senator from Iowa and anybody who is interested, we will be glad to meet the first opportunity, but we are going to finish the rest of the farm bill in the hope, the fervent hope of the chairman of the committee, that we can move along and finish the legislation.

Mr. MELCHER. Will the Senator yield?

Mr. HELMS. I do not believe I interrupted the Senator when he was speaking, if he will forbear. Now, then——

Mr. MELCHER addressed the Chair.

Mr. HELMS. Mr. President, who has the floor?

Mr. MELCHER. I do not want to interrupt the Senator. I would like to ask him to yield.

Mr. DOLE. Regular order.

Mr. HELMS. Regular order, Mr. President.

The PRESIDING OFFICER. The Senator from North Carolina has the floor.

Mr. HELMS. I thank the Chair.

The PRESIDING OFFICER. And he does not desire to yield. The Senator from North Carolina may proceed.

Mr. HELMS. I thank the Chair.

Let us go back in history just a little bit, Mr. President, on this farm bill. First of all, at the outset, the first crack of the bat, I made it clear that this Senator, the chairman of the Agriculture Committee, was not going to be a party to an irresponsible farm bill, one that is a budget buster. I said in committee, I said on this floor—I meant it and I mean it—that if it requires me to be the first chairman in the history of the Agriculture Committee to vote against a farm bill, I will do it rather than put my imprimatur on an irresponsible farm bill.

Now, that is the crux of the problem. I will get into the arithmetic of it in just a little bit.

Here we are, the Nation staggering under a Federal deficit with very little hope, as I see it, that we will get out of this deficit problem. We have had proposal after proposal not to reduce spending, not even to hold it in line but to escalate it, and now we are talking about a $20 billion escalation in the costs of the farm bill.

Mr. President, I will have no part of that. I made that clear from the very beginning, and I am not going to play politics. I am not going to mislead the farmers of America, because the farmers of America are not stupid. They know the genesis of their problem. Their problems began right here in the Congress of the United States decades ago when it became so fashionable to spend money we did not have, to place burdens on the coming generation.

The truth is, Mr. President, that the string has run out. We have no more

illusions. We have no more subterfuges to advance. We have to put up or shut up with respect to the way this Nation is going.

The problems of the American farmer began right here, and we cannot pretend that we are going to dole out more and bail out more and solve the problems of the farmers, because they know better than that.

Let us suppose that there was an epidemic of common sense in Congress for a change.

Mr. DOLE. Do not worry about it.

Mr. HELMS. I am not worried about it.

Mr. DOLE. It will not happen.

[Laughter.]

Mr. HELMS. Let us suppose there would be the courage and the good sense to make the hard choices and to reduce Federal spending—not by the amount that was agreed upon by the conferees this morning but by enough to send a signal that this Congress, at long last, has come alive and realized our responsibility.

Interest rates would drop. Every percentage point that the interest rates would drop would mean an extra $2 billion in the pockets of the American farmers.

If you want a farm bill, let us practice some fiscal responsibility for a change and stop playing politics. But, no, that is not what I have heard: "Nail it down. Raise it up. To heck with how much it costs the American taxpayers. We are for the small farmers." Well, they are not.

It is demonstrable that what is being demanded will not benefit the small farmers but those big farmers, and that ought to raise some questions too, Mr. President.

Last year, at the beginning of this farm bill process—and I might add, parenthetically, that at that point I was in the middle of a political campaign and did not know whether I would be here. It really did not matter in terms of my wanting to be sure that we got off to a reasonable start toward a sensible farm program. I began by saying that one of the necessary objectives of the 1985 farm bill would be reduce Government spending on agriculture.

I did not sugarcoat the words. I was criticized in my campaign for being blunt, and that is all right. I have become accustomed to criticism. But I made the point that the more involved the American taxpayer and the Federal Government were, the less chance the American farmers had for profitability in the marketplace.

The irony is that in the past 5 years, as Government spending on farm programs has shot into the stratosphere, increasing 300 percent, farm income has decreased 27 percent. What does that say for Senators and Congressmen who say: "We must spend more; we must spend more"?

The U.S. share of world markets has eroded 10 percent during that period. That is the period when Federal expenditures on farm programs was going up 300 percent. We used to have a 50-percent share of the world market for agricultural products, and we have 40 percent today.

I think it is a fair conclusion—any logical American not involved in politics, at least, can see the handwriting on the wall. They can see what makes sense and what does not, if they are given the facts. But they are not.

I am not going to go into the news media situation, but I could. I say to my brethren in the news media that it is about time you spelled out what has happened to the American farmer and why.

One-fifth of what it costs a farmer in America today to do business is what? It is the interest on the debt he owes. Interest that is a result of what? Federal deficits, irresponsible economic policies by the Congress of the United States. So, what is it, other than a rhetorical sleight of hand, for the Senate to be talking about—and demands being made upon the chairman for—a farm bill that increases Government costs by billions of dollars?

Mr. President, what is being discussed today is a farm bill that will cost about $20 billion annually, up from the current level of about $12 billion right now, and just $4 billion annually a few years ago.

I was ready to have the committee meeting at 10 o'clock. The majority leader knows that. I commend the majority leader and the minority leader for making the judgment that Senators on both sides of the aisle should hear about the budget, because that, after all, is the No. 1 problem today.

As for the farm programs, I am willing to see this Government spend about $12 billion annually on the farm programs so long as that assistance is properly targeted to farmers who truly need the assistance and who would benefit from receiving it. I think $12 billion could be spent in a manner that would be appropriate and beneficial to the financially troubled farmers and improve the U.S. agricultural production system and increase our exports. But the bill we are talking about does not do that.

In fact, the expenditure of $20 billion a year would do far more to hurt farmers than help them. It would hurt farmers, first of all, obviously, because it would increase the deficit. It would hurt farmers because a large amount of the money would go to big, wealthy farmers.

Remember all the protestations made here on this floor: "We have to help the small family farmer." It is not so. They are talking about the big guys. I am being blunt because a lot of blunt things have been said; and, as they say down in North Carolina, I am not through yet.

Other Senators may vote, if they wish, to increase farm spending to $20 billion a year, but this Senator will not. So let us review the facts of where we now stand.

The budget resolution approved earlier this year by the Senate required savings in the agricultural functions—we call them the Commodity Credit Corporation, the Agricultural Credit Insurance Fund—this budget resolution required savings of $14.5 billion over a 3-year period. This includes $5.5 billion in Commodity Credit Corporation savings, and $9 billion in ACIF savings. The level for CCC outlays, which are the farm price supports and income support subsidies, for fiscal years 1986 to 1988, was $32.1 billion.

And the budget conference mark which was approved this morning for these same two functions, the CCC and the ACIF, that mark is $38.8 billion. And this includes about 4 billion for ACIF and $34.8 billion for CCC outlays in the fiscal years 1986 to 1988.

What does this mean, Mr. President? It means that the budget conference has increased the outlay ceiling for CCC programs by about $2.7 billion more than the Senate budget resolution level.

So, assuming for the moment that the new budget conference mark is the one we will end up using for CCC Programs, outlays allowed under the 1985 farm bill are $34.8 billion. In comparison to this new mark, the 4-year freeze being advanced in the Agriculture Committee by some of the members, will cost $53.2 billion for the 3-year period, which amounts to $18.4 billion more than the new budget mark and $21.1 billion over the old Senate budget resolution mark.

Now I ask you, Mr. President: Is that fiscal responsibility?

And to put into perspective the relative cost differences, maybe I should point out that if one were to consider the cost of the 4-year freeze proposal in the out-years, that is in the years 1989 through 1991, there would be an additional cost of $433.3 billion in outlays. If the 1-year freeze provided for in the originial Zorinsky-Dole proposal were adopted, the additional costs in the out-years from 1989 to 1991 would be $28.1 billion. So, the difference between the two proposals is just a little bit of pocket change around this place, $15.2 billion.

Local papers, please copy.

No, it is not pocket change. We are talking about real dollars and we are talking about real deficits. We are talking about an economic crisis in this country which has, of course, poured over onto the farmer.

The point, Mr. President, and I shall conclude, is that I decided early on that not only would this be bad fiscal

policy, it would be bad farm policy. Beyond that, if we have any fidelity to our commitment to the American people as expressed in every political speech made by every Senator in this Chamber when he goes home, we have to say we cannot afford it, and it would be a cruel hoax on farmers and taxpayers alike to give any sort of indication that the proposal for the 4-year freeze being advanced has any chance of becoming a law.

Maybe what the Senators want to do is to have Ronald Reagan say, "Make my day; send me a bill like this." And I guarantee you that you will make his day.

I say again, in conclusion, I hope I will not hear any more suggestions that there was a breach of faith this morning about the Agriculture Committee meeting because every Senator who has mentioned it knows that both the Democrats and the Republians were meeting on the budget as well they should have been, and I say again, that when we meet, if we meet, and I want to meet as soon as possible, we are going to finish the farm bill because I want to spare myself all the filibusters. From now on I want some action on the remainder of the farm bill, and when we will get to the commodities. Unless I am——

Mr. MELCHER. Mr. President, will the chairman yield at that point?

Mr. HELMS. No.

Mr. MELCHER. Just to hear I agree with him on his scheduling.

Mr. HELMS. Mr. President, regular order.

The PRESIDING OFFICER. The Senator from North Carolina has the floor. He may continue.

Mr. HELMS. I think the record will show that I have not interrupted any Senator and I do not intend to. But I am saying that we will finish this farm bill, we will do it in an orderly process, and unless someone deposes me as chairman, and elects someone else, that is the way it is going to be.

Thank you, Mr. President.

I yield the floor.

STATUS OF THE 1985 FARM BILL DEBATE

Mr. DOLE. Mr. President, prior to the Fourth of July recess, I indicated my intention to have the farm bill—or at least a wheat bill—on the Senate floor before the August recess. I wanted to have the Senate act on farm legislation so that winter wheat farmers in Kansas and other States would have a fair idea of what their 1986 program will be before they begin planting in September.

The distinguished chairman of the Agriculture Committee, Senator HELMS, made every possible effort to report a bill during July. I believe he has said the committee held some 34 markup sessions on the various titles of the omnibus legislation during the past 2 months. I want the chairman to know how much this Senator and other wheat State Senators appreciate his efforts to accommodate our concerns to have a bill before the August recess.

Unfortunately, we have now reached the day before the recess is scheduled to begin and there is little likelihood that a commodities bill or a wheat bill can be brought to the floor and passed. I do not want to begin an acrimonious debate over why the Agriculture Committee has not yet reported legislation. There are a number of reasons, and they may all be valid.

The severe conditions in the farm economy today, and our determination to address them in this bill, have made committee members more deliberate in their actions. We spent weeks coming to a consensus on an approach to the basic provisions of the major commodity programs. In addition, there were at least a dozen objections on both sides of the aisle to the committee meeting in the afternoon or after the 2-hour limit in the morning.

IMPACT OF THE BUDGET CONFERENCE

Only this week, the abandonment of major deficit reduction objectives in the House-Senate budget conference had a significant impact on efforts to keep the cost of the farm bill under restraint. We now expect to consider a compromise budget resolution prior to going home for the recess, including a revised level for agriculture outlays. But we have not had the benefit of these numbers in recent weeks, and the Congressional Budget Office has not yet converted its budget estimates to the latest July cost projections.

So for a variety of reasons, Congress, the Senate, and the Agriculture Committees have not been able to meet the deadline for considering authorizing legislation for next year's farm programs. I understand that the House Agriculture Committee met this morning and came to much of the same conclusion. However, with a budget compromise likely to be agreed to, we should be able to get a better handle on the cost of various programs and come back in September with a realistic idea of where we are going.

Despite our difficulties in recent weeks, I believe there are enough similarities between the House and the Senate Agriculture Committee bills to give wheat farmers some idea of what next year's program will be.

I hope that Secretary Block can take these similarities into account in making a provisional announcement of the likely provisions on next year's wheat program before the August 15 deadline. He may not be able to specify the level for the acreage reduction percentage or the exact loan rate, but he should be able to give producers a good idea of what to expect.

THE TARGET PRICE QUESTION

Mr. President, as these details indicate, the Senate Agriculture Committee has reached agreement on most of the substantive details for the major commodity programs. The only outstanding issue of disagreement at this point is over the potential cost of the bill. And the key variable in the cost equation is the number of years for which target prices would remain at the current 1985 levels.

About a month ago, the distinguished ranking member of the committee, Senator ZORINSKY, proposed a framework for legislation that most members of the committee endorsed, and which we modified to provide for a 1-year target price freeze. The level of income support would be permitted to be adjusted down by 5 percent in the outyears. The committee adopted this version, the so-called Zorinsky-Dole bill, by a 10-to-7 vote.

Only last week, however, a bare majority of the committee decided to extend the target price freeze over the entire 4 years of the bill. Estimates of what the additional cost of the bill would be have varied widely, with USDA suggesting that it might cost an additional $18 billion over the life of the legislation. Unfortunately, the budget conference impasse and discrepancies between USDA and CBO baseline estimate prevented us from getting a reliable yardstick for comparing costs.

In an effort to get a broadly supported bill out of committee yesterday morning, we tried to get agreement on a compromise 2-year freeze, despite the expectation that it would be considerably out of budget. Although it passed on a 9-to-8 vote, it became clear to most committee members that we have not been able to reconcile policy expectations and desires with budget realities.

Earlier this week, I indicated that I might bring a separate bill to the floor as an amendment to another Agriculture Committee measure. Given the continuing confusion over what the numbers are, I decided that such an effort would not serve to resolve the remaining differences in committee. Instead, we agreed to have a thorough airing of where we are on the budget resolution today in the hope that some perspective can be introduced into the debate.

CHANGES IN BUDGET ESTIMATES

In looking over the most recent numbers, it is understandable how we have become so confused. The budget for the Commodity Credit Corporation in the original Senate budget resolution [SBR] is $32.1 billion. The SBR was developed using cost estimates based on conditions back in January. In July, the CBO raised the projected cost of CCC Programs by $8 billion, from $37.6 billion over fiscal year 1986-88 to $45.5 billion. With no budget resolution, it was unclear how much, if any, of this increased cost would need to be saved. The SBR

called for savings of $5.5 billion, or the difference between the $37.6 baseline and the $32.1 CCC budget. But with no new mark, the July CBO estimates only distorted efforts to match up programs with their cost impact.

I now understand that the budget conference report will set a new target for agriculture outlays of $38.8 billion, including the Agriculture Credit Insurance Fund [ACIF] as well as the CCC. At this point, I have no clear idea of how close the various bills introduced in the Agriculture Committee may be to this mark. The committee has yet to consider all the provisions of the credit title, which are included in the new House-Senate mark. We will need to consider these programs together with the commodity programs in order to get a full picture of the budget situation.

USDA has made estimates of outlays under the three basic variations of the committee bill: the 1, 2, and 4-year freeze proposals. Basically, they start at about $51 billion over 3 years and go on up to near $84 billion over the life of the bill. Compared to the CCC/ACIF mark of $38.8 billion in the conference report, there is still a lot of work to do before we can pass a bill with a reasonable chance of surviving conference and being signed into law.

There are still ways available to bring the basic committee farm bill closer to budget reality. We have about $6 billion in surplus commodities in CCC ownership that have already been paid for. They could be used to supplement farm income in lieu of cash. We are likely to take over a large share of the commodities placed under CCC loan in 1985 as well. The committee has considered using commodity certificates to maintain farm income and may have to revisit this area when we come back in September.

Still, it would be a disservice to American farmers for any of us to go back to our States and make wild promises about how many years we are going to freeze target prices or income support. More than many of us here in Washington, farmers understand where our $2 trillion debt and $200 billion deficits came from. They know that irresponsible spending by Congress, without consideration of revenues, has been the prime source of most of their economic woes over the past few years. And they know that, even as congressional appetites for spending invariably exceed available revenues, we will not be able to meet the exaggerated demands of some Members when we return in September.

Mr. President, I ask unanimous consent that the following tables on CCC savings targets, the budget conference status, and the USDA estimates on CCC outlays under farm bill proposals be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

CCC SAVINGS TARGETS

[Dollar amounts in billions]

	CCC	ACIF	Total
Original Senate savings target:			
Fiscal year:			
1986	$0.5	$2.7	
1987	1.1	2.9	
1988	3.9	3.4	
Total 1986–88	5.5	9.0	$14.5
Conference savings target (combined CCC/ACIF):			
Fiscal year:			
1986	2.1		
1987	3.5		
1988	6.3		
Total 1986–88	11.9		11.9
Savings reduction			2.6

Budget conference status

[Dollar amounts in billions]

Baseline outlays (function 350):	
CCC	$37.6
ACIF	13.1
Other (research, etc.)	7.5
Total	58.2
Conference mark (function 350):	
CCC/ACIF [1]	$38.8
Other (research, etc.)	6.8
Total	45.6
Savings needed	12.6
Less savings from freeze on appropriated accounts	.7
Ag Committee savings target	11.9

[1] USDA estimates the Agriculture Credit Insurance Fund [ACIF] portion at $4 billion. This would leave the CCC portion at $34.8 billion for fiscal year 1986–88.

CCC OUTLAYS UNDER FARM BILL PROPOSALS

[USDA estimates]

Target price assumptions	Fiscal year— 1986–88	1986–90	1986–91
5 percent cuts, starting in 1986	$44.9	$62.5	$68.0
1-year freeze	50.9	71.7	79.0
1-year freeze, with commodities in 1987	53.7	72.4	79.1
2-year freeze	53.2	76.3	84.9
4-year freeze	53.2	82.3	94.9
4-year freeze, with commodities in 1988–89	53.2	83.9	96.5

ASSUMPTIONS INCLUDED IN THE ABOVE ESTIMATES

$1.0 billion per year in direct credits for intermediate-term export credit program. If guaranteed credit is used, $3.0 billion would be saved over three years.

Average $1.0 billion cost of the conservation reserve. If CCC commodity payments are phased in over 3–4 years, up to $1.5 billion could be saved over three years.

Mr. DOLE. Mr. President, I also thank the distinguished chairman for putting a few facts in the RECORD. Facts may confuse some people but it is nice to have them available, if people really want the facts.

It would seem to me that if we are really concerned about the farmer and especially the small farmer, then we should talk about payment limitations. If we want to make certain that the small farmer is protected, we ought to have payment limitations and we are going to have payment limitations unless we can work out some accommodation on a farm bill. It is a little hard to understand all the posturing going on about targeting income for the small or family sized farmer and then not doing anything about payment limitations. But we will have a chance to vote after the recess to see who wants to target income and who is concerned about the big farmers walking off with most of the money.

If the chairman is right, we are talking about $10 billion, $15 billion, or even $20 billion in extra costs. Where is it going to go? It is not going to go to the family farmer. It is going to go to the big farmer. It is not going to go to the farmer who is in trouble, and there are a good many farmers in trouble. The windfall is going to be reaped by large farmers in every State.

So I think we ought to start off any debate, whether it is now or when we have the farm bill up, to determine what we want to do. Do we want to talk about the family farmer while we are protecting and promoting the large farmer in America, or do we really want to protect the family farmer? If we want to protect the family farmer, then let's adopt smaller payment limitations—a $20,000 payment limitation would protect a lot of farmers. Oh, some would not like it because they can get more now. They can get $50,000 now and, under some of these schemes, they can get much more than that.

But if we are going to come to this floor, with everyone talking about the family farmer, then we should expect amendments to be offered to protect the family farmer.

It just seems to me we ought to get back to reality in this Chamber and we ought to talk about what happens to agriculture and not become embroiled in some political oneupmanship. That is what all this is about. The Senator from Montana wants the Agriculture Committee to meet again so he can slap on a 4-year freeze. I would be willing to set aside the vote we took yesterday to start all over after the recess, if there is some concern that somehow the Republicans or some members of the committee, 9 out of 17, have some advantage prior to the recess. I would be willing to convene the committee or ask the chairman to convene the committee to set aside yesterday's vote and then have everyone go home and listen to their farmers.

The only people being addressed now are about 25 people in the press gallery and some do not know a jersey cow from an oil well, but they are writing great stories back home about what we are doing in agriculture. They never once cite the cost, never once indicate what we are really doing and

who is going to get the benefits. It is who is offering the most money. Whoever offers the most money is for the farmer and whoever offers less money is against the farmer. That is how it is reported and that is how it is received, and that is unfortunate.

But it seems to me we have a problem and it is called the Federal deficit. Some say, well, we are not going to take it out on the poor farmer. We have taken it out on the poor farmer for a long, long time by running up the debt, by making the dollar so high we cannot export, by raising his interest payments, by subsidizing his interest payments in the meantime so he buys more and more land which now has fallen, as everyone knows, to about half the value. And then we all talk about how to generate more income to the farmer. This is not income. We are talking about more subsidies. We are not talking marketplace; we are talking about more Federal payments to more farmers.

If that is what we want, then we ought to tell the farmer that he is going to get his income, but it is not going to be from the marketplace; it is going to be from the Federal Government.

The Senator from Montana has always got the plan to do more for the farmer. Spend more money—that is his recipe to help the farmer. Target the income—says the Senator from Oklahoma. Do not put any payment limits on it. Target the income for those 900-acre farmers, those average farmers.

It just seems to me that we can either decide during the recess whether we want to play politics or whether we want to address the farm problem, because it is real.

There are a lot of farm organizations that have farm proposals and they have constituents and they all get more members if their program passes, pretty much like politics. You have the Farm Bureau, they have a program, you have the Farmer's Union, they have a program; you have the NFO, they have a program; you have the AAM, they have a program; the Grange has a program; the wheat growers, the corn growers, the cotton growers, the rice growers, and we have to try to accommodate all of them. That is why we are in trouble.

I have a view that if some of the farmers in my State walked into our committee room and heard the discussion, they would probably go out and sell the farm. They would give up.

But I do not believe the answer to the American farmer is mortgaging his children's future so he can get bigger subsidy payments and no increase in the market price. We are not competitive in the world markets, and I think most people agree with that and most Senators agree on both sides of the aisle.

But we cannot have it both ways. We cannot say, "Oh, boy, I'm a fiscal conservative but, or except when it comes to A, B, C, D, E, F, and G."

Some people never met a Federal program they did not like, and the bigger they are the better they are.

I think there are a lot of farmers who wonder what we are doing. We are still trying to get a budget resolution. The distinguished chairman has given us accurate numbers and I have some other numbers to place in the RECORD with reference to the costs of different options. I would urge the people who are not going to take the budget seriously to vote against it today. Do not vote for it and then come back 2 months later and say, "Oh, well, I didn't mean it as far as agriculture. I wanted to get the mileage back home that I voted for the budget, but I really didn't mean it for agriculture."

And do not try to pick out some defense weapon and say, "Well, if you just do away with that we can put more in the farm program."

The distinguished Senator from Illinois, who brought that up earlier, voted for the conference report on defense the other day. I assume there is some money in there for Illinois. If we did away with all that money we could do a lot for the farm program. So we can all play those kinds of games: just do something over here and put it in the farm program and that will be the answer.

The problem is the farmer needs some assistance and he needs it in the marketplace. He needs it in exports. I believe there is a lot of good bipartisan work that has gone into the farm bill, led by the distinguished chairman and the distinguished ranking Democrat, Senator ZORINSKY. There have been a lot of good ideas from both sides of the aisle.

In the export area, I think it is largely the work of the distinguished Senator from Montana, and others. The farm credit area is a tough one that we have not reached yet. But in nearly every title, it has been a bipartisan effort.

But when we get down to the nitty-gritty on how much are we going to break the budget by, then it becomes political because there is a feeling around here that to be on top in agriculture you have to spend more money and whoever spends the most is going to get the most votes. That may be true; I doubt it. I hope not, because we are prepared to spend a lot of money in agriculture. We have to spend a lot of money. But we cannot do it all through Government subsidies. It has to come from the marketplace. It has to come from export promotion. It has to come from other sound programs like the Conservation Reserve, which is another bipartisan program. No one quarreled about the Conservation Reserve Program. Some of us think it ought to be larger, but nobody thinks it should not be in the farm bill.

We have some commodities that have different problems. Cotton is a different commodity. I think the cotton people pretty well have their program together. Rice is a different commodity, wheat is a different commodity, corn is a different commodity. The soybean producers want to be left alone. They are doing fairly well without the Government, thank you, seems to be their message.

We have the hog people who want a little checkoff, and the cattle people. The honey people; the wool people, where the support prices are twice the market price. I think it is pretty much the same in honey, and even the bees are laughing about that.

There is one guy in North Dakota, according to the GAO report, who received $720,000 from his honey operation—a family farmer. This is real honey, $720,000 in Federal payments. But we do not want to put any payment limitation on somebody like that, because that would damage the family farmer. We have put together all of these programs under the guise of helping the family farmer.

So I think when this bill comes to the floor we ought to start right off with the payment limitation amendment and see how many people want to help the family farmer. It ought to apply to wheat, it ought to apply to corn, it ought to apply to rice, it ought to apply to cotton, it ought to apply to wool, and it ought to apply to honey, and it ought to apply to dairy where the costs are out of control and every other commodity where the taxpayers are paying the bill and other farmers are paying the bill. If we resolve that issue, then we can move on to others.

I remember somebody mentioned flexible parity a while ago. That is a great idea, not because I thought of it, because I did not think of it. A group of farmers told me about it. That year we passed out three farm bills. As I said yesterday, the one Senator Talmadge passed out was the one that passed. But we passed out three farm bills, bipartisan.

I hope, in the final analysis, this does not become a debate on how many Republicans can hang or how many Democrats we can hang in the Senate. Because if we did that, the only ones that are going to hang are the farmers. There will not be any farm bill, or if there is, it is going to be so politicized it will be vetoed.

There was a Cabinet meeting at the White House earlier on agriculture, not just on commodities, but on farm credit and cargo preference, which are also very important to the American farmer.

So I guess what I am suggesting today is maybe during the recess all of

us who have a little of our partisan juices flowing from time to time—and we all have—should go out and visit with a farmer or two, pick out a Republican and pick out a Democrat. Maybe we would find out that when we come back we ought to back off the "who can spend the most money techniques" and "I want to protect farm income"—those are great slogans—and come back and put some legislation together that will have a conservation reserve component, that will have a good export promotion component, and that will have a good farm credit component.

As I said, I am perfectly willing, to make everybody happy, to say, "OK, we will just forget about the vote yesterday. There was not any vote. There was not any 9-to-8 vote for a 2-year freeze, so it is wide open."

When we come back—and the House is coming back as well, since they decided they could not complete action either—perhaps we could complete action in a bipartisan way. If that is not the case, then I do not know what I can advise the chairman on bringing a bill to the Senate floor, because September, October, and November are going to be very busy months.

I believe we are going to get a budget resolution passed this afternoon. If that is the case, the committees have until September 27 to put together their reconciliation packages. That will take all the time of the committees to fit everything into the budget resolution. We are going to pass that. Then we are going to have other legislation that follows, and by that time it will be October.

We ought to keep in mind as we look at the options we have that we are looking at tax reform, some of the balanced budget amendments, some of the other things we have scheduled, and I guess it would take at least a week or 10 days on a farm bill unless we can have a bipartisan agreement of some kind.

Finally, Mr. President, I would like to include in the RECORD much of the information that has already been suggested by or stated by the distinguished chairman on the cost because we set aside this time to talk about the cost. All the bills are expensive. We have some who are under the impression they are not expensive. They are going to have to be expensive. As I said yesterday, in the 4 Carter years, the price support programs cost $20 billion. In the 4 Reagan years, the first 4, it jumped to $63 billion—tripled, three times as much. I assume it is going to be even more now.

If you start off with one program he talked about with a 5-percent cut starting in 1986, the 6-year cost of that program is $68 billion; 1-year freeze, 6-year cost is $79 billion; a 1-year freeze with commodities in 1987, 6-year cost is $79 billion; a 2-year freeze, 6-year cost is $85 billion; 4-year freeze, the cost is $95 billion; a 4-year freeze with commodities in 1988 and 1989 is $96.5 billion. That is a rather expensive farm bill. It seems to me that we have to face up to the realities. We can all find things in any program we would rather not spend money on and put it in agriculture, put it in education or put it in programs for the handicapped or for the disadvantaged or the low-income people. But it does not work that way. I believe the real answer is going to lie in having, as I said, a vote of 13-to-4 in the committee or 12-to-5, or even better, and then we can come to the floor with a bipartisan package, and live within the budget resolution that we hope to pass later on this afternoon.

Mr. MELCHER. Mr. President, will the majority leader yield?

Mr. DOLE. I am happy to yield to my friend from Montana.

Mr. MELCHER. I thank the majority leader for yielding.

I want to be clear on a point that was presented in the Democratic caucus. the proposal seemed to be a conference agreement, or non-conference agreement, that there be $7.9 billion of reconciled cuts for the farm programs. I believe that the chairman of the committee stated it accurately when he said that would mean about $38 billion for the 3 years. It would result in the necessary budget outlay of $38 billion for the 3 years. Was our understanding in our caucus correct?

Mr. DOLE. I think that is correct as far as the $38 billion. As I understand, the savings target is going to be about $11.9 billion, but the $7.9 billion is the reconciled figure.

Mr. MELCHER. Yes.

Mr. DOLE. The Senator is correct.

Mr. MELCHER. My understanding, and I will ask the majority leader, under the House committee which has a very similar proposal as we have for the next 3 years, we are within $2 to $3 billion of being within that figure?

Mr. DOLE. I am not certain which baseline they used, whether they used the July revised estimates or January's on the House side.

Mr. MELCHER. I recognize there may be some differences there. That is why we have to know what the assumptions are. But I have been instructed—I do not know whether it is accurate or not, and it may be hearsay—that we are very close to getting in there.

Might I say I commend the majority leader for having this discussion. I commend him for his statement in addition to that. I also commend his willingness to try to come together on it so that we do not come out of that committee with a 9-8 vote, but that we come out with a 12-5 or 13-4 or something, a resounding vote. But I do believe we are getting close on the budget figures. I am more optimistic than the majority leader at this point.

Mr. HARKIN. Will the majority leader yield?

Mr. DOLE. Let me indicate I hope that is correct. I hope we have enough flexibility in the budget to put it together. We have the seeds of compromise although we may have some differences. There are a lot of people who have fairly similar ideas on what we should do. We get torn apart when we start reciting figures. That is why we have directed the USDA to sit down in the next 7 to 10 days and let us all know during the recess just what their final estimates are on costs. We have too many numbers. We have CBO numbers. We have USDA numbers. We have OMB numbers, and January and July numbers. I defy anybody to write that way. I apologize to those who have to write these stories when you have about five sets of numbers to deal with and have to tell somebody out in Russell, what we are doing back here on the farm bill. But I say to the distinguished Senator from Montana that I am sincere. If there is any feeling that somehow there is an advantage because of the vote yesterday, I would be very happy if the chairman would convene a meeting for that purpose—to vitiate the vote so nobody has the "recess advantage." There is not any political advantage. Then perhaps when we come back in September we would be in a better position to try to get together and maybe even some of us can get together in August.

Mr. HARKIN. Will the majority leader yield?

Mr. DOLE. I am happy to yield.

Mr HARKIN. I thank the distinguished majority leader for yielding.

I hope over the recess that the majority leader, and perhaps, hopefully, your staff would take a look at the Wharton work done on econometrics. I spoke with the majority leader in private about it the other evening. I was told also you not only take a look at that, but at what they are talking about in terms of the macroeconomic effects of what we are doing here. Perhaps we can get focused a little better not just on the individual farmer, whether it is Kansas or Iowa, being driven off the farm but what is going to happen throughout the economy as a result of the actions that we take here.

So I commend the majority leader. And I also ask if the distinguished majority leader would perhaps help or assist in trying to get the new Director of OMB, who I guess is coming in this month, and his staff to sit down with the people who did this study, and perhap get someone else from the White House to sit down with them to go over it. I would like to know if they have any arguments with the Wharton study.

I would like to know if they have any problems with their figures and how they arrived at some of their conclusions. So perhaps the fact that we did not get to this vote may be very helpful in coming back in September to having take a look at it. I guess I have the question: Would the majority leader's office assist in getting the OMB and the White House to sit down with those who did this Wharton study?

Mr. DOLE. I thank the distinguished Senator from Iowa for calling this to my attention, as he did yesterday. We have since been able to acquire copies. I think it is an excellent idea. It is a study that should be looked at. I just instructed staff to try to put that together.

Mr. President, I yield the floor.

Mr. BOREN addressed the Chair.

The PRESIDING OFFICER (Mr. NICKLES). The Senator from Oklahoma.

Mr. BOREN. Mr. President, I listened with interest to the comments made by the distinguished majority leader. Let me say that I think people in the country would wish we would all quit making comments on the floor, go back to the Agriculture Committee, and go to work because the farmers in this country who are in desperate economic straits do not care which political party has any advantage in the recess.

Let me say that advantage is going to be an advantage to no one as we have more and more people going into bankruptcy. I wish we would quit commenting on the Senate floor, go back to the Agriculture Committee, and go to work.

I also do not intend to make any comments about any proposals made by the Senator from Kansas because I do not think that would be helpful to the discussion even though he has by implication made comments in my interest to target income of the family farmers. I made comments about the Senator from Kansas in committee yesterday. I commend him for having the courage to offer a budget proposal to the President which the President has rejected which would have enabled us to look at 100 percent of the income, not rule off limits income to this Government and 85 percent of the spending, not rule off limits defense and entitlements. Then we might be able to do something to get the budget proposal down.

The only comments I have to make by reference to the Senator from Kansas is trying to compliment him to try to develop a budget package that would make some sense and really do something to get the deficits down without putting unfair advantage on any one particular sector.

Mr. President, I do not apologize to the Senator from Kansas or anyone else for saying that as far as I am concerned my mission in the Agriculture Committee is to try to do something to help the family farmer. I do not apologize for 1 minute for trying to direct the target for more of the moneys paid to the family units. I am shocked and astounded that the Senator from Kansas would be opposed to trying to target benefits so that we pay a higher price on the first 20,000 bushels of wheat produced than we pay on the next many thousands of bushels produced.

We have to consider what it takes the family-size farm to survive. I hope we can quit paying so much to huge operators so that we can finally allow the family farm income to have enough cash flow to survive.

Let me say while I have voted, and the record is very clear, for budgets on this floor, including the Hollings-Chiles-Nunn proposal, which was the only proposal which would have brought us to the balanced budget by the year 1988, which did touch the so-called sacred cows, I do think we also have to consider equity in any budget we pass and have and use common sense.

The greatest danger to this economy in the short-run, along with the overriding danger posed by deficits in both the budget area and trade deficits as well, is that we are going to collapse one critical sector in this economy and by doing so we are going to cause turmoil in the banking system and eventually have a domino effect on the whole economy.

Agriculture is one of those sectors where the danger is extreme right now. We are going to be irresponsible, in my opinion, if we do not pass a bill that does enough to get the income level and the cash flow for the average-size family farm up to a level that we will not have so much land on the market that we collapse land values and threaten the stability of the banking system not only in the farm belt but all across this country before we are through.

Some of us met in the last 2 or 3 days with representatives of the farm credit system. They are concerned with falling land values at a rate that is truly alarming, harking back to the days of the late 1920's. As I mentioned yesterday in committee, land values in my State have fallen 20 percent since January. I do not think there is a single person in this country who reads the newspapers who cannot understand that if you continue to have deflation of a basic unit of value, that stands behind and secures billions of dollars of credit in this country in the banking system, if you continue to have a 38-percent deflation on an annual basis, that that does not eventually cast a threat to the entire economy of this country and the financial system of this country. We would absolutely be closing our eyes to the facts if we do not believe that.

We also have a continuing decline in land value which serves as a basic unit of value behind much credit in this country, well over $200 billion of credit. At the same time, we have the farm credit system in a situation where as more and more units are experiencing more and more members are unable to service the debt, the interest rate is raised on those remaining members to keep the system afloat. That interest rate is up to 13 percent for the farmers, even though the Government is paying only 7 percent for the money.

How long are we going to let this go on? How long will we close our eyes to the dire threat of this proposal?

We talked to the credit experts this week and they said, "We have no hope to stabilize land values, to keep them from continuing to decline at an alarming rate. To stabilize the farm credit system will take an increase in cash flow to the family farm, an increase in net income, of between 10 to 20 percent in the next year."

We have been struggling over a bill with pencil and paper that at the most increases net farm income the first year about 6 percent on the average size family farm.

That is barely the margin enough to hold the situation together. If we allow that level to decline over the next 3 years by 5 percent a year, it is very easy to see we are going to be in a negative situation by the third year, not even doing as well as we are now.

If that happens, we are going to have enough trouble in the financial system, let me say, that we would think an investment of $5 billion or $6 billion right now in family farm income would be a tremendous bargain compared to the multibillion dollars of damage that the Congress will have to come in and repair if we allow this situation to happen.

The question has been raised about payment limitations and I think this can be very misleading. I urge my colleagues from Kansas to listen to these figures. I urge him over the recess to examine the figures on payment limitations that he just gave.

I just costed out exactly what he talked about with the $20,000 payment limitation.

You would think to hear the discussion we were guaranteeing farmers an income of $20,000 or $50,000. That is not so. We are talking about a gross payment.

I took a 400-acre cotton farm. Assuming the average yield was 600 pounds per acre, which is what the Department says it is, roughly, and you take the program proposed in the Agriculture Committee right now, on a 400-acre cotton farm—which is not a huge farm; I would call it a family-size

farm—you are going to get gross deficiency payments of $53,000 plus an additional loan on production of $10,000.

You would cut that back to $20,000?

You can see what you have done to the income of a family-size farm.

Let us take an 800-acre wheat farm. And I might say I am not a bit ashamed to try to target enough of our farm program to get the income up on a family-size wheat farm. Again, I would ask the majority leader to listen to this particular figure because I think it will be of interest to him. I am using a 38.8 bushel yield, which is the average figure. We are talking about the average-size family wheat farm in a State like Kansas or Oklahoma. The deficiency payment under this particular program would be $34,936 in addition to loan protection payments under the bill he is talking about, and an additional $14,361.60. That is a total of $49,297.60 gross.

It is not a huge farm. We are talking about an 800-acre wheat farm.

Let us reduce that to a maximum gross payment of $20,000. That cuts the income of an 800-acre wheat farmer in Oklahoma and Kansas by approximately 17 percent, a 17-percent drop in income for the average family size farm.

Seventy percent of all those family size wheat farms in Oklahoma right now have a negative cash flow. Land values have dropped 19 percent. Interest rates under the farm credit system are up to 13 percent. We are in a cycle and better stop before it is too late.

Certainly, as one Senator I want to see us look at these figures again before we cut the net income for an 800-acre wheat farm by 17 percent. If we do, we are not going to have any farmers to worry about. We will not even need to debate the farm program on the floor of the U.S. Senate in another year.

I would just say that I think we can go back to work, we should go back to work. There are honest differences of opinion. I hope we can work in that spirit. As I said in the committee yesterday, I have great respect for the chairman. He has never misled anyone about his view. We have some difference of opinion. We are certainly in agreement about the deficit. We have some difference of opinion about where the priority should be. But he has never misled anyone.

I respect the majority leader and the effort he has made to get a fair budget proposal accepted by the White House. He has stuck his neck out further than almost anyone else in this city trying to get a statesmanlike and fair approach adopted by people in both parties on the budget. He has succeeded in one great goal. We have been trying to get TIP O'NEILL and the President together. They finally got together.

It was not the way it was intended or hoped for. I hope we can get them back apart, maybe, if we can get a little progress and then get them back together on something like the Senator from Kansas suggested to obtain some progress.

We have a crisis. We need to go back and get to work on the Agriculture Committee. We do not have any time to waste. I think maybe some people on our side would be ready to submit to a 5-minute time limitation on any section of the committee bill, go ahead and finish the food stamp section, finish the farm credit section, finish the whole commodity section, and get it out.

But I say again we are going to make a very, very serious mistake if we act in the committee and the Senate acts to pass a bill on the floor that does not address the problems of farm credit, does not try to get the income up on the average-sized farm unit significantly over where it is now so we can save those farm units.

I certainly do not want to allow hundreds of thousands of dollars in payment to gigantic farm units. I have led the fight to target the support payments we make so we pay a higher rate on the first 40,000 bushels of wheat than we do on the next 40,000 and less on the next, and so on.

We have to be very careful as we struggle with payment limitations that we make it very clear that we are talking about gross, not net, payments and we have to be very careful to sit down and calculate the impact on the average-sized family farm unit before we take the step to jump off the cliff and lower the average family farm income—not the income of huge farms, not the income of the industrial farms, but the average-sized family farm. We cannot afford it.

As I said, this is the last speech I intend to make on the floor until the Agriculture Committee has sent a bill to the floor for us to act upon. I hope we will go back to the committee very shortly to do our talking there, mainly do our voting there and get a bill out here that we can pass.

I hope we will adopt a rule in the committee or on the floor that none of us will belittle the proposals of anybody else. I think to say we are concerned about family farm income is not a political slogan. It is a matter of heartfelt political conviction. I give the benefit of that doubt to the sincerity of everybody who sits on the other side of the aisle, and I hope everybody who sits on the other side of the aisle will give the same benefit of the doubt to me and my colleagues on this side.

We are trying to fight for stability and support not only for the farmer but for everybody in this economy. As the Senator from Iowa said a moment ago in citing the Wharton study, the rest of the country had better wake up to the facts. If you think this banking system is immune from a deflationary collapse of land values to secure billions of dollars of loans, you had better go back and read the introductory paragraphs of the Economics 101 textbook and reexamine your position on economics.

I thank the Chair.

Mr. EXON. Mr. President, I have listened with great interest to the remarks by many of my colleagues, including the detailed analysis of the situation just outlined by my colleague from Oklahoma [Mr. BOREN]. I say to all my colleagues that they have spoken with prudence, they have spoken with diligence, and they have spoken with an understanding of what the problem is in agriculture today; not only in agriculture, but in all of rural America and all of the small businesses who are so closely associated with agriculture that everything we are saying here today applies directly to them.

Mr. President, almost a year ago, I came to the Senate floor to offer an amendment to a supplemental appropriations bill. The amendment was in the form of a resolution which urged "The President in cooperation with the Board of Governors of the Federal Reserve System * * * to assure that an adequate flow of credit be available to American farmers at reasonable rates and that the American farmers be treated no less favorably than foreign borrowers with comparable levels of risk."

I offered that resolution because I was struck by the contrast between the credit treatment of American farmers and foreign borrowers. At that time, the external debt of Venezuela, Brazil, Argentina, and Mexico were roughly equal to the total indebtedness of the American farmer. Yet the way the Federal Government handled each situation was anything but equal.

Although my sense-of-the-Congress resolution was unanimously adopted by the Senate, incorporated into the final version of the supplemental appropriations bill and signed into law, the disparity continues. When foreign borrowers face an inability to pay their debts, massive bailouts and loan restructuring schemes are designed to prevent even one default. When American farmers face a temporary inability to pay their obligations, primarily through no fault of their own, emergency credit legislation is vetoed and a market-oriented farm policy is presented to Congress.

Recently, the contrast between the treatment of farm borrowers and foreign borrowers was again highlighted. Pursuant to a variable interest rate formula, the World Bank, which receives 20 percent of its support from the U.S. taxpayer, just announced

that the interest rate charged to developing countries would be lowered from 9.29 to 8.82 percent.

A few weeks prior to the World Bank announcement, the Omaha district of the Farm Credit System announced that its interest rates would increase from 12¾ to 13½ percent.

What in the world are our priorities?

The World Bank announcement is great news for Third World nations. It means that they will have an opportunity to lessen their debt burden. However, the American farmer is in as much need of favorable credit treatment as any Third World nation.

When the international banking system faced difficulty, the President enthusiastically embraced an $8.4 billion increase in U.S. contributions to the International Monetary Fund. Now the Federal farm credit system is experiencing difficulty and the administration is moving in slow motion to even discuss a rescue plan.

I have come to this floor dozens of times to discuss the economic crisis in rural America. I am here again to say that the situation is not improving and that major Federal action is needed.

I am beginning to think that the only way American farmers can get appropriate assistance from their Government is to form their own Third World nation. It could be called farmlandia. Then large international banks and multilateral lending institutions would line up to dole out cash to farmers. If there were ever a problem of repayment, the U.S. Treasury would then rush to the assistance of farmlandia.

But they cannot help the farmers because they are not a Third World nation.

Mr. President, it is time that the Federal Government got its priorities straight. We must put the needs of Americans first. Time after time, the Federal Government has come to the assistance of foreign borrowers or their lending institutions. Now the American farmer needs our help.

In the coming days, I am hopeful that the Congress will extend a helping hand to the American farmer through the approval of a farm bill that will lead rural America down a path toward prosperity. I also look forward to an administrative or, if necessary, a legislative solution to the crisis which cripples the farm credit system.

Alan L. Thober of Beatrice, NE, recently had a letter published in the Grand Island Independent newspaper and I shall ask that it be printed in the RECORD in its entirety. In it he notes the words of Daniel Webster. The Senate would do well to note those words. Webster said, "Let us never forget that the cultivation of the Earth is the most important labor of man. Unstable is the future of that country which has lost its taste for agriculture. If there is one lesson in history that is unmistakable, it is that national strength lies very near the soil."

Mr. President, the time for action is now.

I ask unanimous consent to have the article I mentioned printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Grand Island Independent, July 22, 1985]

DISTURBED BY FARM POLICIES

(By Alan L. Thober)

To the EDITOR:

A year has passed since I first received a copy of the President's program for the elimination of the family farmer from his deputy administrator. Some will remember my feeble efforts to influence the election through letters that were printed in various local newspapers, state and national magazines. The majority of farmers still voted in favor of the man that had already driven the first nail into the coffin of agriculture.

The futility of not believing the President's intentions has been demonstrated many times in the destruction of hundreds of family farms, the insolvency of dozens of ag-related banking institutions, hundreds of independent businesses and the severe problems of this nation's largest agricultural lender. The President's program is extremely simple and horrendously effective. It calls for the lowering of all market prices on major commodities through government manipulation until such time as the heartland of America is insolvent. To negate the President's influence and that of the three most powerful men in determining administrative policy, Senators Robert Dole and Jesse Helms, and the Farm Bureau's Robert Delano, hundreds of little publicized meetings have been held throughout this nation.

In attendance were governors, congressmen, senators, farmers and representatives of the grain trade and at least 22 farm organizations. It was clear from the beginning that if agriculture was to survive as a vital industry an entirely new direction must be taken. The direction chosen was a mandatory program based on bushel allotments that would produce food only for markets that allowed opportunity for profit. It would trim some $12 billion from the federal budget, retire for the use of future generations some 20 million acres of highly erodable land, reduce all surplus commodities to an amount needed for emergency and a host of contingencies beneficial to America and its largest industry.

On May 20, 1985, I received from the same source, Deputy Administrator Ray F. Volkil, a letter with an enclosure bearing the name and seal of the United States Department of Agriculture, revealing the reasons why the Reagan Administration will not support the program that is the concensus of the agriculture industry; 1. Farmer profits would be substantially higher. 2. Consumers would pay more for food. 3. Land prices would increase. 4. Farmers would continue owning the land.

The President perhaps has never read the words of Daniel Webster "Let us never forget that the cultivation of the earth is the most important labor of man. Unstable is the future of that country which has lost its taste for agriculture. If there is one lesson in history that is unmistakeable, it is that national strength lies very near the soil."

Mr. EXON. Mr. President, I guess what I am trying to get at here is that we seem to have our priorities all mixed up. I have heard figures thrown about here on the floor today indicating that we were trying to create a grandiose scheme of welfare, if you will, for the wealthy farmers. That is the farthest possible thing from the truth.

I have also heard remarks made that the less informed might assume that those of us who are trying to have a workable, pared-down effort for agriculture in their greatest time of need since the depression of the 1930's are somehow wild-eyed spenders. Let us talk about the latest budget figures that have just come out. I assume that the leadership on that side of the aisle has endorsed these because they are key parts of the budget compromise that we are now awaiting, patiently or otherwise, to come forth with an agreement between the House and the Senate Budget Committees.

The facts of the matter are that while the administration wanted a 40-percent cut in 3 years for agricultural programs, this latest plan incorporates a 22-percent cut. Mr. President, that 22-percent cut in agricultural programs that we are about ready to adopt in here, and many of us will be voting for that reluctantly, I presume, is one of the largest percentage cuts of any item in the budget. You would be led to believe, if you did not know to the contrary, that we were making no sacrifices whatsoever.

No, by and large, the budget proposal, which is not a good one, is a freeze across the board, except in national defense. National defense is not cut a penny. National defense gets full steam ahead, what they got before plus an inflationary increase on top of that. Many other programs, many of them worthy, are simply frozen.

Agriculture is taking and is scheduled to take one of the largest percentage cuts in the budget. That point should be made clear.

Also, I am almost shocked to hear some of my colleagues essentially get up and say that the more we cut farm programs, the better it is for the farmer.

Now, the farmers of America do not believe that, as much as they would like to get Government out of agriculture. This is not a welfare program we are talking about. It is a program that is designed to help the family-sized farmers now going broke in record numbers over the tide, if you will—this tide of despair that is engulfing not only them but the economies of rural America. How bad is it going to get? I do not know, Mr. President. But I know that the futures markets are kicking off numbers out there that have been, for the last 2 weeks, down, down, down, with agricultural prices.

It is now clear on the futures market that we are going to have wheat cash prices below $3 a bushel and we are going to have corn cash prices at or below $2 a bushel.

Now, anyone who knows anything about agriculture knows that you cannot begin to keep even the wolf's puppy away from the door with that kind or price. It may not be the Government's responsibility to set prices, but what is the difficulty our farmers face today and who caused it? Not the farmers primarily. No, it is the policies of their government and the policies of governments around the world. The overvalued dollar has not only wrecked our steel industry and many of our major smokestack industries but it has literally devastated agriculture in rural America.

Mr. HARKIN. Will the Senator yield?

Mr. EXON. I will be happy to yield. I yield to my friend from Iowa.

Mr. HARKIN. I thank the distinguished Senator from Nebraska for yielding. He is absolutely right. I said earlier on the floor of the Senate that it was the irresponsibility of Congress that cause the farmers' problems. The Senator from Nebraska has said that, too. In 1981, we had the Gramm-Latta budget, we had the tax cuts for the wealthy and we had this huge increase in defense spending—three of the most irresponsible things this Congress has ever done. And then we heard it said that these huge deficits have to be reduced, and it has been built up.

Well, the deficit, when President Reagan took office, was $932 billion. Today, that deficit is $1.8 trillion. This President has doubled the Federal deficit. And as the Senator from Nebraska correctly points out, it is that which is overvaluing the dollar, increasing the interest rates to our farmers. The misguided, the totally misguided policies of this administration have brought agriculture to its knees. The other thing I point out—and again the Senator from Nebraska was right on the mark talking about $2 corn and $3 wheat—I think this administration forgets the farmers do pay income taxes; that when those farmers do not make money, they will not be paying taxes and the deficit will go up even more. So if you want to get this economy back on track again, get the farm income back up and that will do it. If you keep driving the farm income down, the deficit is going to keep going up.

I thank the Senator. I wanted to point out from where most of the deficits have come. They have come in the last 4 years under the Reagan administration. This administration has had more deficits in its 4 years than the Presidents from George Washington to Jimmy Carter combined. That is what has ruined our economy, these huge budget deficits, piled up by this administration, doubling from $932 billion to $1.8 trillion in 4 years. The Senator from Nebraska is absolutely right. Misguided policies of this administration are destroying agriculture and if we follow those misguided policies once again, we are going to destroy agriculture even more.

I thank the distinguished Senator for yielding me this time.

Mr. EXON. I thank my friend from Iowa for his on-point remarks.

Mr. President, I ask unanimous consent that I might yield without losing my right to the floor to the distinguished chairman of the Agriculture Committee for an announcement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I thank the distinguished Senator from Nebraska. I asked Senator EXON if he would yield to me for the purpose of announcing that if the members of the Senate Agriculture Committee are willing, it is my intent to convene the Senate Committee on Agriculture, Nutrition, and Forestry at 4:30 to proceed, if we can, with the marking up of the 1985 farm bill. It is the chairman's intent to lay before the committee the credit title of the farm bill. Obviously, Mr. President, it will take unanimous consent for us to do that. I am simply making note that that is my intent. It will be up to the leadership, of course, to determine whether we can receive unanimous consent to do so.

I thank the Senator from Nebraska for yielding.

Mr. EXON. I thank the chairman of the Agriculture Committee for that very, very good news. I am delighted to hear it. I am going to cut my remarks short because I do not want to do anything that might impair the ability of the members of the Agriculture Committee to be there for that very, very important meeting.

I was at this desk 24 hours ago. We were pleading then for a meeting of the Agriculture Committee. One has now been scheduled and I am just delighted to hear the good news because at least we have a chance to get on with something constructive to solve the problems at hand.

Let me finish, Mr. President, by saying in addition to all of the other difficulties that our farmers are having—we have mentioned the high value of the dollar which has literally priced our agriculture products, along with other products, out of the international marketplace—in addition to that and equally devastating is highly subsidized foreign competition that is rampant in the world today, especially with our prime trading partners, the Common Market countries and Japan. They are subsidizing their agriculture to the point it makes it extremely difficult for the American farmer.

This morning, we had a hearing before a subcommittee of the Joint Economic Committee. We had the cattle people testify that they had a devastating situation brought about among other things by the fact that there has been an increased spread in the percentage of what the farmer receives for a critter at the farm gate and what that meat costs in the supermarket. Mr. President, that has mushroomed. It used to be about a 30-percent difference between the raw, live animal and what the meat costs. That has zoomed up to 44 percent today, and we want to know the reason why.

Mr. President, there is no question that unless we can do something constructive, unless we can keep from being attacked, those of us who are going to continue to fight for a sound farm program, recognizing that we are willing to go along possibly with agricultural programs taking the largest percentage cut of any other portion of the budget—and I want to drive that fact home—with these things we hope that we can work collectively together not as partisans but as people who are concerned about the survival of the family-sized farmer. The family farmers are the ones we are primarily concerned about today, in a climate of absolute depression in agricultural America. It seems to me that the Government caused the major portion of this program with embargoes, with high interest rates, with unbelievable expanding deficits, expecially in the last 4 years, creating the high value of the dollar which devastates agriculture more than any other industry and last but not least by the highly subsidized foreign competition that we see day in and day out.

I ask again the question I asked in opening these remarks: If we can do it for Third World nations; if we can give them a break on their interest rates; if we can give them a break by extending the time of their loans; if we can refrain from putting any of them out of business, not one; if we can refrain from having our bank examiners list even one of those foreign questionable loans when they examine banks, why are the regulatory agencies today not giving our farmers the same consideration?

If the farmers could get the same interest rates as Third World countries, which probably never will have a chance of paying back the money, we might be able to work our way out of this agricultural depression a lot faster than we otherwise might.

Mr. President, I hope the committee can meet at 4:30, as outlined by the chairman a few moments ago. It could take 24 hours to do it, but late is a lot better than never. Good luck, members of the Agricultural Committee.

Mr. KASTEN. Mr. President, the upcoming Senate debate on the 1985 farm bill will present us with an opportunity to set the course of Federal

dairy policy for years to come. In view of the tremendous importance of dairy farmers and the dairy industry to my home State of Wisconsin, I want to take a few minutes today to outline to my colleagues where I think we ought to be going in this area.

I would observe first of all that dairy is more important to Wisconsin than to any other State, and more important to the upper Midwest than to any other region.

Wisconsin produces more milk and dairy products than any other State, over one-sixth of the Nation's total production. Wisconsin produces almost a quarter of the Nation's butter, and 40 percent of our cheese. Milk output in Wisconsin is almost as large as that in the next two largest dairy States combined.

Yet these statistics do not go to the heart of why dairying is so vital to Wisconsin. The fact that there are over 43,000 dairy farms in the State does.

These tens of thousands of diary farmers provide the economic foundation of rural communities across the State. We are speaking of family farmers here, according to any definition of that phrase that has ever been used. Too small to utilize the Tax Code to finance expansion, too large to offset farm losses with off-farm income, these are the mid-sized, full-time family farms whose survival and prosperity has always been one of the chief declared goals of Federal farm policy.

Dairying in Wisconsin is a $3 billion-plus industry that provides tens of thousands of jobs in processing, transportation, farm supply, and other areas. It is every bit as important to Wisconsin as corn is to Iowa, wheat to Kansas, or tobacco to North Carolina.

None of this will come as a surprise to my colleagues. I mention it to make a point I feel it vital that we all understand as we approach the debate over the dairy title of the farm bill.

The point is this: Dairy policy is almost always discussed in terms that suggest that our only proper objectives are reducing the dairy surplus and treating all the milk-producing regions of the country equitably. I submit that this focus is inappropriate.

Wisconsin dairy farmers know that the surplus must be dealt with. But they realize that sound dairy policy involves more than just reducing Government purchases under the Price-Support Program.

It involves preserving the family dairy farm, and the many rural communities that depend upon it.

It involves ensuring that the benefits of the dairy industry's amazing productivity is passed along to consumers.

Finally, it involves allowing market forces to encourage production in the most efficient dairying regions, without interference from outdated or inappropriate Government policy.

It is also long past time that we recognized that all milk-producing regions are not alike. Neither I nor any of my farm constituents bear any malice at all toward the dairy industry in Florida or other Southeastern States. But it would be bad policy—grossly inequitable policy—to treat the interests of the few hundred dairy farmers in certain Southeastern and Western States as in any way comparable to those of the many thousands of dairy farmers in Wisconsin and Minnesota.

How does the dairy title approved by the Senate Agriculture Committee address the needs of the most important dairying region in the country? Not very well.

The committee chose to adopt a provision calling for a support price freeze through 1986, with yearly reductions in the support price in each year after that, depending on the size of the dairy surplus.

This approach is better than many that have been suggested. At least it would give dairy farmers some time to plan, and avoid the absurd situation we have had this year, with policy changing every 3 months.

But it is still inadequate. Indeed, it shows a disappointing lack of imagination in an area where imagination is badly needed.

Let's look for a moment at what the Agriculture Committee's plan does not do:

It does not address the rising tide of subsidized casein imports, which displace huge quantities of domestically produced nonfat dry milk.

It does not change the sad fact that dairy, alone among the major commodity programs, makes no attempt to target program benefits to family dairy farmers.

It does not change the pointless restrictions on the pricing of reconstituted milk—restrictions that deny consumers across the country the benefit of low cost-of-production milk from the upper Midwest.

I would note here that the regulation of reconstituted milk, along with the system of class I differentials, is part of an unbelievably complex regulatory system designed to encourage local production of milk across the country. In an era when long-distance transportation of fluid milk and power for reconstitution is much easier than it used to be, what we have is a lot of regulation serving an outdated policy goal.

We do not, after all, structure farm policy to encourage the production of peanuts in Maine. As Senator BOSCHWITZ has noted. The fact that oranges and orange juice are perishable does not give us an excuse to establish marketing orders that promote orange production in New Jersey or Wisconsin.

No—We allow these products to be produced where it is economically most efficient. Why should we not do the same for dairy?

Both economic efficiency and the cause of helping the mid-sized, full-time family farmer argues for a dairy title that does more than just adjust the price support level—A dairy title that is truly market-oriented. I regret that leadership from the administration, which is always proclaiming that we need a market-oriented farm policy, has not been forthcoming on this issue. On virtually everything save the price support issue, this administration has offered a policy of inertia. The only proposal on marketing order issues that this administration has made so far is one for a study. Not to be completed for 5 years.

I would welcome a change in the administration's nonposition on these issues in time for the Senate floor debate on dairy. Much more important, I invite my colleagues to examine these issues when we discuss the dairy title, and the various amendments to it that I and other dairy State Senators will be proposing.

These are troubled times for dairy farmers in Wisconsin and across the country. No Government policy by itself can bring prosperity to the dairy industry, or keep in business every individual dairy farmer. But we can come up with a dairy proposal that frees up markets for family dairy farmers, that targets dairy program benefits to those farmers, and that will last for long enough for all dairy farmers to plan for their future.

I ask my colleagues to join me in crafting such a policy when we debate the dairy title on the Senate floor.

Mr. BAUCUS. Mr. President, as we debate the future of the farm program, it is important to keep our eye on the ball.

U.S. farm exports are declining precipitously. In the past 4 years, they declined in volume by 17.6 percent.

This decline resulted in lost sales of farm commodities and products totalling 84.3 million tons.

The value of U.S. farm exports lost since 1981 will total over $36 billion by 1986. These losses would have added $300 billion to our gross national product.

All this translates into a drastic drop in farm income, and a record number of farm bankruptcies.

Federal farm programs are important. They make sure that America's farmers are able to continue to produce the food that feeds this Nation and much of the world.

But there are other reasons for the decline in American exports, and the subsequent loss of income by American farmers.

The American dollar—driven to exhorbitantly high levels by Federal budget deficits—has robbed American producers of many of their markets.

The budget deficit itself helped propel interest rates to double-digit levels.

The administration has failed to formulate a coherent and consistent international trade policy.

Many of America's agricultural products are blocked in foreign markets by unfair trade barriers, high tariffs and foreign subsidies.

The members of Montana Grain Growers Association understand that these problems are America's farmers' worst enemy.

The MGGA recently passed a resolution that urges their members to support efforts to stabilize the value of the dollar, balance the budget and design a trade policy that will allow us to compete in world markets.

This resolution is a voice of common sense at an uncommon time. The MGGA has its eye on the ball. They understand the real problems facing the farm economy.

I commend them for the leadership they are showing.

I ask unanimous consent that the MGGA's resolution be printed in the RECORD.

There being no objection, the material ordered to be printed in the RECORD, as follows:

MONTANA GRAIN GROWERS ASSOCIATION RESOLUTION

MGGA views with alarms the escalating budget deficit, the unprecedented trade deficit and the inferior international trading position of U.S. business and industry, of which agriculture is one of the most important. We fail to understand the lack of action by Congress and the Executive Branch to improve our position in world markets. We fail to understand why we cannot achieve sound monetary and fiscal policies. We fail to understand why we cannot design a comprehensive long term trade policy that has the power to enforce, if not a free, a fair, international trade. American agriculture is technically competent and competitive, but cannot alone compete against foreign treasuries.

The Montana Grain Growers Association looks forward to the day when our government is no longer a hindrance to our international trade, but a supporting partner—a partnership that will surely bring jobs back to the U.S. and put dollars in the pockets of U.S. farmers and workers. We must balance the budget, get the value of the dollar in line and design a trade policy that will allow us to compete in world markets, help stabilize the world economy and secure a lasting world peace.

The MGGA Board of Directors urges all state growers to support these efforts so we can look forward to the day when American agriculture again can operate without complex government programs.

Mr. McCONNELL. Mr. President, on April 16, I introduced my first legislative proposal as a U.S. Senator, S. 908. It was, as my distinguished colleagues on the Agriculture Committee know, a farm bill endorsed by the American Farm Bureau Federation, which is now cosponsored by 10 Members of this body. I said in my floor statement accompanying the introduction of S. 908, that no single farm proposal of the some 16 considered by the Senate Agriculture Committee would be adopted in its entirety. And it appears that the bill which will eventually be reported to the full Senate will indeed be the product of earnest compromise and concessions from Senators on both sides of the agricultural debate. It also appears that the committee compromise proposal will bear a strong resemblance to the bill I understand.

We need some common sense in agricultural policy, Mr. President, because what we are doing just is not working. No less an expert than Joseph Kinney, who has served as an adviser on agricultural affairs to former Senators Hubert Humphrey and Robert Morgan publicly advocates, as he calls it, a "full production agriculture."

"American agriculture must be allowed to operate in a manner which utilizes the technological advantages which are available only to America's producers," said Mr. Kinney in an article he authored for the Wall Street Journal.

I cannot agree more. For far too long, Mr. President, we have been guided by agricultural policy which was drafted to meet the needs of American agriculture when 60 million citizens called farming their primary occupation. When the farm policy that is the basis for current policy was initiated in 1933, American farmers could not even produce enough to meet domestic needs. In the 1970's, with general farm policy as it was in 1933, American farmers could not produce enough to keep up with ever-expanding foreign markets. Times are far different now and I think that we must recognize and deal with the circumstances as they now exist. Mr. President, I think that Mr. Kinney makes a good case for a new approach to agricultural policy and I think this kind of innovative thinking is long overdue.

The arguments for a mandatory production control program have been very persuasively put forth by the Senator from Iowa, Senator HARKIN, and are supported by a number of farmers in my State. But a majority of the farmers and agri-businesses in Kentucky are very much afraid of a mandatory control program. Studies from various sources have indeed shown that farm income will increase in the first year under Senator HARKIN's approach. But the same studies have shown that within 2 years, you will begin to see a drastic drop in exports of U.S. farm commodities. And farm implement and supply dealers who have borne the brunt of the current farm crisis along with the farmers will be driven right out of business. Within a 5-year period, Kentucky and America's farmers will again be producing only for a domestic market and the corresponding drop in farm income caused by the massive reduction in farm exports will doubtless lead American agriculture right down the primrose path to a depression. I just do not believe we want to do that.

The farm bill which will be reported out of the Senate Agriculture Committee will be a bipartisan bill, although just barely. It is no consensus, because none of us know just how to deal effectively with the problems of American agriculture. The distinguished Senator from Oklahoma, Senator BOREN, pointed out yesterday land prices in his State were declining at a rate of 38 percent annually, but in my own State of Kentucky, USDA estimates show that land values have decreased by less than 5 percent in 1985. We have a very real problem here because, the depth of the crisis facing Oklahoma farmers is somewhat different from the problems of the Kentucky farmer. It is very difficult to write a good farm bill under these conditions. The fact that we are dealing with a very real budget problem only complicates matters further.

Even though tobacco is Kentucky's leading cash crop, I must point out that Kentucky is 14th in the United States in soybean and corn production and is 12th overall in production of major U.S. farm export commodities. Farming is a $3 billion cash business in Kentucky. And I am convinced it could be even more if we could truly unleash the power of Kentucky agriculture.

We simply cannot unleash that power by idling up to 50 percent of our farmland and sending a clear signal to our competitors on the world market that American farmers are going to get out of the export business, as would happen in a mandatory control program. Contrary to what my friend from Montana may say, USDA does have an export policy—but this policy is worthless if our commodities are so overpriced that my Kentucky farmers are producing for Government storage instead of foreign buyers. A responsible export policy depends on responsible farm policy and I think we are slowly moving in the right direction.

Mr. President, as happens occasionally in this body, politics get in the way of policy. But all of us, on both sides of the aisle, are singing from the same page of the hymnbook, as the distinguished chairman of the Agriculture Committee might say. We want to make agriculture profitable again, we want to establish policy that will stabilize land prices, we want to put the American farmer back on equal footing with farmers from other parts of the world. And we can do it.

We must give our farmers the opportunity to do what they do best: use American farm technology to produce commodities more efficiently than any other farmer anywhere in the world. And with sound, cohesive, long-term farm policy we can use this farm bill as the vehicle to make it happen.

APPROACHING THE 1985 FARM BILL

Mr. QUAYLE. Mr. President, as the 99th Congress undertakes the vital task of constructing the most important and yet most difficult farm bill in the recent history of farm legislation, I want to offer my thoughts on how we can accomplish this formidable task within the parameters of clear and sound economic and social policy.

There is certainly good reason for the concern that all of us share over the future of the American farm community, and specifically, the family farm. The family farm, which began as a means of subsistence for millions of Americans during the first century and a half of this country's existence, has during the last 50 years developed into this Nation's largest industry and the primary supplier of food for the world.

The American farm community long ago shed its image as a small, simple sector of our society. Along with the input, processing, transportation and distribution industries which support it, agriculture has become this country's largest employer, requiring the services of over 20 million workers to produce and sell our farm products. Farm assets totaled $1.03 trillion on January 1, 1984, an amount equal to about 70 percent of the capital assets of all manufacturing corporations in the total United States. As a measure of our tremendous productivity, realize that today, one American farmer, the most efficient in the world, supplies enough food to feed 79 people.

Because of this tremendous productivity, we all enjoy a wide variety of inexpensive food. But the benefits of American agriculture extend far beyond our shores. In 1984, we exported over one-third of our aggregate crop production. To the credit of our farmers, the United States, thus far in 1985, has contributed to drought-stricken Africa over 3,076,260 metric tons of food assistance, valued at over $1 billion. Of course, this level of help would not be possible without the outstanding productivity of the American farmer.

The farm sector and the jobs that crop and livestock production create are especially important to the middle west, and to my State of Indiana. While Indiana leads the Nation in the production of steel and prides itself as a manufacturing State, agriculture remains the lifeblood of its economy. Ranked eighth overall in the value of farm produce sold, Indiana is rated near the top in corn, hog and soybean production. Poultry, eggs, popcorn, tobacco and wheat are also important to our State's economy.

Today, family farm operators big and small, old and new, with diverse management styles, are finding it difficult, if not impossible, to realize a profitable return from an investment in American agriculture, I would suggest several factors that have contributed to this alarming set of circumstances, as I think it important to isolate and understand the causes of our problems before we suggest solutions to them.

Sound farm policy must accurately reflect the uniqueness of agriculture as a business enterprise and its important interrelationship with our overall economy. The 1985 farm bill should authorize a program that will serve the long-run interests of the American food and fiber industry; a farm policy designed to foster long-term prosperity in American agriculture and based upon our farm operators' ability to realize a profitable return from the marketplace, not the U.S. Treasury. At the same time, we need a farm bill that will maintain a strong and stable domestic agricultural base, and thereby preserve both our economic strength and reasonable social stability, so that we may always meet our own food and fiber needs.

But before exploring how to achieve this objective, let us briefly review the many factors which have contributed to the difficult condition of American agriculture.

First of all, our capital intensive farm economy, sensitive to both interest costs and export volume, has, over the past couple of years, quite predictably, adjusted to prolonged high real interest rates as well as disadvantageous exchange rates. It has done so by moving asset values downward to a level consistent with current commodity prices and the revenues which these prices can produce. In short, the current farm economy cannot provide a return on asset values pushed well above reasonable levels by the high inflation periods of the late 1970's, and as a result, land and other farm asset values are declining.

Second, agricultural land values, from which critical operating and long-term financing are drawn, have tumbled to reflect this economic adjustment. disinflation in the farm environment has spurred a drastic realignment of our overcapitalized farm asset base. The estimated value of total farm assets increased from approximately $502.6 billion in 1975 to over $1.0456 trillion 1983, while during the same period total farm indebtedness increased from $81.6 billion to over $216.3 billion. This reflects the heavy increase in agricultural investment during the last half of the 1970's, but the pendulum has swung back toward more realistic and sustainable asset values during the 1980's. In my State of Indiana, land values on average have fallen over 21 percent during the last year, seriously restricting the ability of farm operators to borrow against such declining security, seriously undermining farm equity.

A decline in asset values of this magnitude is having serious repercussions in this Nation's banking system. As we consider means to stabilize our farm economy, we should not lose sight of the fact that in so doing we are addressing larger problems in our banking establishment that affect all Americans without regard to occupation.

Third, past farm programs, evolving under much the same structure since the 1930's, have introduced distorting and damaging incentives into the marketplace. These have encouraged overproduction, here and abroad, and excessive investment of capital into the production of farm produce; produce for which in many instances there is no market. How has this happened?

How? The current structure of our loan rates and target prices give the farm operator a higher price for his commodity bushel than he would otherwise receive from the market. Producers respond by increasing production, causing surpluses and further depressing prices. this vicious circle continues, requiring additional income support, forcing farmers to attempt to produce more in order to realize an equivalent gain for lower prices, and so forth.

The distorting effects of our farm programs impact the world market in a different manner. Developing agricultural economies around the world are often able to produce agricultural produce at costs lower than our most recent loan rates. Because our loan rates set minimum prices in the United States, foreign competitors can be assured a market for their production so long as it is sold below U.S. loan rates. Our increasing loan rates have encouraged other nations, such as Brazil, Agrentina, China, and Australia to increase their production, contributing both to already high grain surpluses and heightened world competition.

Forth, we must not forget that the economy of the 1980's is much different from the economy of the 1970's. As is evident to anyone who has studied the agricultural industry, changes in variables such as exchange, inflation and interest rates have a strong impact on both the health of the farm sector and on the effectiveness of agricultural legislation.

The 1970's, with their double-digit inflation and rapidly expanding export market, provided an ideal stage for an expansion of agricultural production. Inflated land values provided growing paper equity that could be used to finance growth. Progressive farmers fol-

lowed the suggestions of the marketplace and invested in what appeared to be a bright future in agriculture. But in stark contrast to the atmosphere of the 1970's, which covered up both management and policy oversights, the 1980's are characterized by a strong overall U.S. economy, low inflation and vibrant economic growth, accompanied by a strong U.S. dollar. These factors, combined with a maturing world agricultural economy, have worked to reduce our ability to export agricultural commodities and reverse past economic trends.

As we draft the 1985 farm bill, we must bear in mind the fact that, unlike the economy which characterized the 1970's, the low inflation and steady growth we are now experiencing are sustainable in the long run and must be considered as we develop a plan for American agriculture.

Overzealous economic incentives, brought about by Federal farm legislation, will in the long run only jeopardize any opportunity our children may now have to make their homes and livelihoods on American farms.

Many recent studies have explored the damaging effect our farm programs have had on the agricultural economy. These studies clearly warn that, if we do not quickly correct ineffective agriculural policies, the European Economic Community, Brazil, Argentina, Australia, China and other developing agricultural economies will replace the United States as the world's primary supplier of food and fiber.

How can we promote the return of stability and vitality to our farm sector over the long run without fully relying upon Federal price support programs? I would suggest that we adhere to several general policy guidelines similar to those which Secretary John Block has developed over the last 5 years.

We must begin this reconstruction by going back to our roots, toward a truly market-based farm economy. The best way to return health to this most precious of natural resources, the American farm family, is through a gradual and well planned move toward market dependence. For let me make clear, that I believe the objective of our approach should be the strengthening of our agricultural economy, and specifically, the family farm.

The first plank in our program must encourage our farmers to utilize the enormous technological productivity advantage they now enjoy. Limits on production, over and above prudent conservation practices, should only be employed as a short-run, voluntary, supply management tool. It is abundantly clear, that as we unilaterally withdraw valuable cropland from production, our competitors have and will eagerly fill the supply gap. Additional agricultural resources brought into production by our competitors will not quickly be removed, but will ensure continued competition in the world marketplace. Under no circumstances should mandatory, broad-scale production controls be included as a permanent provision of our farm programs, as they quite obviously are contrary to everything our economy was built upon. I believe I can confidently speak for the farmers of Indiana and elsewhere when I say that additional Federal management on the farm is the last thing they want or need.

I have mentioned the need for conservation practices as one part of a program to revitalize the farm economy. I fully endorse efforts underway in both the Senate and House agriculture committees to include both a strong "sodbuster" provision and a long-term reserve in the 1985 farm bill. As an original cosponsor of Senator ARMSTRONG's sodbuster bill, as well as a supporter of similar efforts which have regrettably failed in Congress in the past, I am encouraged by Secretary Block's display of support for these measures.

The sodbuster provision that recently passed both agricultural committees would prohibit the payment of Federal assistance to an operator who has planted a crop on highly erodible soil within the past 5 years. As many experts have noted, soil erosion has increased drastically over the last few years. Erosion from wind and rain, if left unchecked, represents one of the most imminent threats confronting agriculture. Consistent with this constructive initiative, I also believe we must revisit our tax codes, through which investment and improvement incentives have encouraged the plowing of erodible soil and the draining of our wetlands.

In addition, a long-run conservation reserve, which would encourage farmers to idle up to 30 million acres of erodible soil, would have several advantages. It would protect fragile and valuable soil, and provide additional cover for wildlife habitat. The plan would provide farmers with an additional source of income stability, as the Department of Agriculture would contract with farmers based on competitive bids. Further, the conservation reserve would help reduce swelling grain surpluses, which reduce commodity prices and increase Federal farm-support program costs. The USDA estimates that as much as 53 million acres might be eligible for such contracts and that yearly payments to farmers could amount to between $40 and $50 per acre. Finally, the removal of erodible soil from production will help consolidate resources by limiting the use of costly inputs and labor to our most productive farmland, which will lower per unit cost of production and increase overall productivity and profitability.

The long-term viability of American agriculture depends on our ability to sell farm products abroad. As sponsor of S. 171, the Agricultural Trade Enhancement Act of 1985, I have spoken out repeatedly on the crucial role that exports play. I am pleased to see so much attention being given to the export title of the 1985 farm bill, and I am especially encouraged to see that the intermediate-term export credit program which I introduced on the first day the U.S. Senate met this year may be incorporated as a part of the 1985 act. But I must stress that the true measure of a successful export program will lie in the resulting commercial sales of farm products, not those which require Federal credit assistance or export bonuses.

The importance of agricultural trade cannot be overstated. From an economic, humanitarian and national security perspective, our ability to remain competitive in the world commodity markets is crucial to the health of both our farm economy and our Nation in general.

The United States is the world's leading supplier of agricultural produce. But, since 1981, agricultural exports have fallen from a high of over $43 billion to only $38 billion in 1984. The USDA has continued to reduce its projection of 1985 sales, now estimated to be below $34 billion. Several economic and trade related factors have contributed to this decline, including the 1980 grain embargo, increasingly aggressive competition and the high value of the dollar. In addition, the rigid increases of loan rates built into the 1981 bill systematically priced American wheat and feed grains out of world markets. We must work to make sure that the 1985 farm bill will not similarly restrict U.S. agricultural exports.

We simply must take into account the impact of changing market conditions as we craft new farm legislation in 1985. This may require that we divorce income protection mechanisms from commodity prices. The risks of continuing to set goals for world production through our farm legislation are too great to do otherwise. This brings me to my third point—the need to establish realistic yet effective price support levels for our major commodities, such as wheat and feed grains.

We must realize that the inflexibility of the 1981 legislation, along with its frequent alterations, brought about both an overpricing of our farm products, and burdensome requirements on the Treasury. This point is made painfully clear when one considers that from 1980 through 1984, the United States spent unprecedented levels on farm programs, over $50 billion, while at the same time we witnessed the most severe farm recession since the 1930's. This experience should be

enough to convince us that we cannot ignore market mechanisms and continue an attempt to buy prosperity through Federal price and income supports. In sum, the 1985 farm bill should be market-sensitive and responsive to contemporary economic realities.

To accomplish this, we must set loan rates, the primary pricing mechanism of our support system, at levels that will encourage the sale of our products in world markets. Initially, this may require some downward adjustment in loan rates. But I would insist that we tie loan rates to market prices, perhaps as a fixed percentage of the 3-year average market price for each commodity, as many have suggested. In order to protect the income of our producers during this transition period, we can maintain target prices at levels that will enable them to maintain income while reestablishing the financial soundness and competitiveness of American agriculture. This process may take several years, but we must have as our goal the gradual elimination of income support programs.

Fourth, our new farm programs should target assistance where it is most needed and desired: toward the full-time family farmer. Unfortunately, most of the benefits from past programs have ended up in the hands of our largest producers, and while many of these operations may well be productive and efficient farms, they by no means require such a disproportionate share of Federal assistance.

There exist several proposed plans for the targeting of assistance to the family farm, including overall payment limitations, tiered loan and target price levels, and restricted eligibility requirements. All of these plans recognize the importance of accurately placing Federal support in the hands of the full-time producer, who depends upon farm income for his or her living.

Each recognizes too, that 88 percent of this Nation's 2.3 million farms sell less than $100,000 worth of farm products, while those who sell more than $100,000 have in the past enjoyed the benefits of a large share of Federal benefits. For example, in 1983, 95 percent of all Federal Farm Program participants received benefits totaling less than $25,000, but the remaining 5 percent of payees received funds accounting for over 39 percent of total assistance provided. The largest 12 percent of the participants accounted for some 45 percent of total assistance provided in 1983.

It is obvious that the structure of our programs have disproportionately channeled Federal assistance to the largest of our farms. The 1985 farm bill should efficiently target assistance to the full-time family farmer, who with his family as his primary source of labor, represents the group most in need of income support and stability. Smaller farm operators depend upon off-farm income as their principal means of income, and therefore generally do not require Federal assistance. Nor should we encourage, through our farm programs, the production of farm commodities as a hobby. On the other hand, very large operations enjoy the advantages of economies of scale. They are often owned by more than one proprietor, have available to them broader financial means, and usually require outside labor. These entities should be considered as would any other large business, and should not receive a disproportionate share of Federal assistance.

The construction of a new farm bill will allow Congress the opportunity to improve upon inconsistencies and conflicting priorities which have been much a part of past legislation. For example, our most recent dairy program paid farmers to produce milk, while simultaneously taxing them through assessments in order to pay them to reduce production. Our volume-based commodity price support programs encouraged overproduction and sodbusting, while the Commodity Credit Corporation spent millions in taxpayers dollars to store excess commodities. As I mentioned before, our Tax Code has served as a vehicle for crossed priorities as well. In short, the 1985 farm bill should be interprogram and cross-program consistent.

We can remedy these obvious inconsistencies by removing those provisions of our law which encourage practices that contrast with the intentions of our farm legislation. For example, I strongly support an agressive sodbuster provision, which would stop what has been a federally financed incentive to utilize highly erodible soils. Second, I support efforts to move our dairy price support program to a market-oriented program, where the level of price support would be based on the level of Commodity Credit Corporation dairy purchases. This approach would return realistic incentives to the marketplace, and assist in the reduction of costly surplus stocks. There are cetainly other areas where inconsistencies lie, including the complicated regulations which surround our set-aside requirements, which have in the past provided incentives for the production of livestock and alternative crops. Our restrictive production allotments should also be questioned, as they restrict entry into, and exit from the production of certain crops. I would hope that as we construct the 1985 farm bill, we will seriously examine the costs and benefits of these and other provisions.

One of the most important and timely issues that this Congress will address is that of farm credit. It is not surprising, given the factors I discussed earlier, that many of our farmers are finding it ever more difficult to secure dependable credit. Some have called this situation a "credit crisis," implying that a shortage of capital exists in the farm financial community. In fact the credit situation stems from a declining number of farmers capable of qualifying for the same loans they were able to receive only a few years ago. This is happening because land and asset values are falling, thereby diminishing farmers' collateral. Thus, what some are calling a credit crisis actually results from a lack of profitability. As land values soared during the 1970's, farmers were able to borrow against their land and often did so to finance expansion. Now, as collateral decreases, highly leveraged farmers are finding it impossible to borrow equivalent sums against the very same property.

One of the most disturbing consequences of these economic changes is the dramatic impact they have had on the Farm Credit System. The Farm Credit System, which includes the Federal land banks, the production credit associations and the bank for cooperatives, today finds itself in a very troublesome position. With a loan portfolio limited to farm credit, and faced with increasing losses, these banks have been forced to make drastic structural changes and may well require some form of Federal assistance in the near future. Congress must strongly consider the farm credit situation as it looks ahead toward efforts to revitalize the farm economy.

One cannot credibly examine nor effectively develop agricultural legislation without considering the dramatic impact our fiscal, trade, monetary, and budgetary policies have on the farm economy. In fact, these considerations, and how Congress and the President address them, may well have a more profound impact on the health of our farm economy than anything included in the 1985 farm legislation. Unless Congress can come to grips with the Federal budget deficit, barriers to international trade, inconsistent tax codes, and volatile interest rates, our painstaking efforts to construct a workable farm policy may well be in vain.

This farm bill must be developed within responsible budgetary restraints. Every budget-busting dollar we spend will be one added to the Federal budget deficit, and the effects of the deficit on such critical factors as real interest rates and the strength of the U.S. dollar are especially damaging to the farm economy.

In closing, I believe that in drafting the 1985 farm bill this Congress has both an opportunity and a tremendous responsibility to develop an effective agricultural policy that will work toward a strong and sound farm economy. Simply put, the livelihood of mil-

lions of Americans, both on and off the farm, is at stake. I hope that as Congress approaches this critical task, it does so with a solid understanding of the contemporary issues at hand, and with lessons of the past clearly in mind.

Mr. ABDNOR. Mr. President, chalk up another one for the U.S. Congress. No farm bill.

This is nonsense, Mr. President, absolute nonsense. This adds to a long string of injustices to the American farmer.

Just how much more depressed does the agricultural situation have to get before our Nation—including this Congress—wakes up. How much tears need to flow in roads and fields in rural America before this Congress recognizes the anguish of agriculture. We seem to care more about the future of the whooping crane than the family farmer and rancher. We need a broad-based national commitment to agriculture and rural America. Our neighbors residing on farms and in rural towns are exhausted, they've given all they have to give. They need and deserve our full attention and support and that support is an investment, not a subsidy. Future generations of Americans, and other nations, will stand in judgment of the inability of our generation to make decisions relative to food production.

It's been almost 5 months ago, Mr. President, that I was privileged to appear as the leadoff witness before the Senate Agriculture Committee as it began its deliberations on the 1985 farm bill. I presented to the committee, at that time, 3,000 pages of testimony received at Joint Economic Committee hearings, from over 200 expert witnesses during the previous 2 years, all addressing the economic condition of agriculture and future farm policy. As I am not a member of the Agriculture Committee, this was my contribution to getting that committee started quickly and in the right direction. Apparently, and sadly, partisan politics took precedence over public policy.

Over the last several weeks, I've pleaded with Members on both sides of the aisle in the Agriculture Committee to pick a bill, any bill—get something to the floor and let's give farmers the priority attention they deserve and so desperately need.

And now I—all of us—must return to our States emptyhanded and not one of us will or should escape the wrath of our farmer-constituents. There will be no acceptable excuses; we had the time, we had the resources, but we lacked the awareness and the heart. When I return to South Dakota I will share with my fellow farmers and ranchers my best judgments regarding the 1985 farm bill and then we shall return to Washington and nothing will stop us from doing what must be done.

Mr. President, I cosponsored the resolution calling for the Congress not to go out of session until the farm bill had been passed. I also signed a motion for cloture. If I could, I'd physically keep this Congress in session.

I have a suggestion, Mr. President. When the Congress reconvenes in September, I suggest it reconvene in Kenebec, SD; I would suggest the Odd Fellows Hall, but it's closed. You would be surprised how persuasive those folks can be.

TAX REFORM AND THE AGRICULTURAL ECONOMY

Mr. BAUCUS. Mr. President, the Federal income tax system has a significant impact on the agricultural economy. In some cases, this impact comes from provisions that affect businesses generally, such as the accelerated cost recovery system and the favorable treatment of capital gains. In other cases, it comes from provisions that affect farms and ranches specifically, such as special cash accounting rules and soil conservation deductions.

Most of these provisions were designed to help businesses in general, and farmers and ranchers in particular, by encouraging investment and increasing productivity. However, some farmers and ranchers and some agricultural economists think that these provisions' cumulative impact is largely negative. They believe that many of the provisions have grown so complicated that farmers and ranchers are burdened with excessive paperwork. And they believe that tax incentives have sometimes attracted tax shelter investments that encourage overproduction, increase land prices, and otherwise distort the agricultural economy.

TAX REFORM

In the same way that the current tax system has a significant impact on the farm economy, tax reform will have a significant impact on the farm economy, for good or ill.

At a time when the agricultural economy is reeling from heavy debt, low prices, and a record number of farm foreclosures, it's critical that we fully understand and openly debate the potential ramifications of tax reform for the agricultural economy.

Earlier this year, I asked the Congressional Research Service to study the effect of the Treasury Department's first tax reform plan on farm income. CRS completed the study in February. On May 28, the administration announced Treasury II, its revised tax reform plan.

In response, CRS has updated its first report to analyze the impact of Treasury II on farm income taxation.

CONCLUSION

I hope that this new report stimulates further study and debate. We must analyze not only the primary impact of reform on the tax burden on agricultural income, but also the secondary impact on the structure of the agricultural economy; not only the short-term impact, but also the long-term impact. Thus informed, we can openly debate the proper relationship between the Federal tax system and the agricultural economy.

I ask that the full text of CRS' updated report be printed in the RECORD.

The report follows:

IMPACT OF THE PRESIDENT'S TAX PROPOSALS ON FARM INCOME TAXATION

INTRODUCTION

On May 28, 1985, the Administration released its long-awaited entry into the area of tax reform, calling it "The President's Tax Proposals to the Congress for Fairness, Growth, and Simplicity." It is based on the document published by Treasury in November 1984 (now being called "Treasury I"), [1] but with a number of changes. Since Treasury I was extensively analyzed, most discussions of the President's Proposals start from these analyses.

This report is an updating of two previous CRS reports on the effects of Treasury I and other tax reform proposals on the taxes paid on farm income.[2] It follows the pattern of those reports in concentrating on the provisions of current tax law of special importance to farmers and how these provisions fare in the proposed tax revisions.

I. The President's proposals and Treasury I

Like the original Treasury proposal, the President's tax proposal trades reduced tax rates for a broader tax base. The broader base is achieved by taxing some currently tax-exempt income but mostly by reducing currently allowed deductions.

Tax rates for individuals are essentially the same in the President's proposals as they were in Treasury I, but the starting point (the zero-bracket amount) is slightly higher ($4,000 instead of $3,800 for couples, for example). The maximum corporate tax rate remains 33 percent, but there are graduated rates on the first $100,000 of taxable income (phased out as income rises so that any corporation with taxable income of $360,000 or more would pay at a flat 33 percent rate). Ten percent of dividends paid are deductible by the corporation, rather than the 50 percent provided in Treasury I.

The President's proposal does not attempt to bring in as many untaxed sources of income as the Treasury I proposal did. In particular, employee fringe benefits are not made taxable (except for a small "floor" under health insurance premiums). Of the changes in personal deductions from Treasury I, the floor under charitable contributions is removed but State and local taxes are still nondeductible. Most of the tax benefits of specific industries are repealed, as in Treasury I, with the well-publicized exception of the oil and gas industry.

Most of the reductions in tax benefits for agriculture from Treasury I are retained in the President's proposals, and in the case of

---

[1] U.S. Department of the Treasury. Tax Reform for Fairness, Simplicity, and Economic Growth, A Treasury Department Report to the President. Volume I, Overview. 262 p. Volume II, General Explanation. 408 p. November 1984.

[2] U.S. Library of Congress. Congressional Research Service. Effect of the Treasury Tax Reform Proposal on Farm Income Taxation. Report No. 85-543 E, by Jack Taylor. Washington, 1985. 24 p.; and Farm Income Taxation Under Four Tax Reform Proposals. Report No. 85-638 E, by Jack Taylor. Washington, 1985. 23 p.

cash accounting, the restrictions are tightened slightly. More liberal deductions for depreciation are provided and the indexing of interest payments is dropped, however, so on balance the taxes on farm income may be less under the President's proposal than under Treasury I.

II. Cash accounting

Farmers have never been required to keep their books on an accrual basis, even for the production of inventories or assets that will be held to produce income far into the future (with some specific exceptions, such as large, non-family corporations). Accounting for such costs on a cash basis allows the deduction of expenses before the income they produce has to be reported, sometimes long before. In addition, accelerating or postponing the purchase of materials and supplies can be used as an averaging device that can be of considerable importance in smoothing out the profitability cycles inherent in the farm economy.

Like the Treasury I proposal, the President's proposal requires the capitalization of all expenses incurred in raising livestock, trees, and other assets with preproduction periods of two years or more. Instead of being deductible currently, these expenses would be depreciated over the life of the asset they went to create after that asset producing income. Like the cost of other depreciable assets, these capitalized costs would be indexed for inflation. The President's proposal explicitly defines the preproduction period for livestock to include the gestation period.

Under Treasury I, farmers would not have been required to use inventory accounting if they were not required to do so under present law. Under the President's proposal, however, any farm with average gross receipts over the past three years of $5,000,000 or more would be required to use accrual accounting for all income and expenses, including inventory costs.

As under Treasury I, the special expensing privileges for soil and water conservation expenses, fertilizer and soil conditioner expenses, and land clearing expenses are repealed.

III. Capital gains

Under present law, gains on sales of assets classified as capital assets are tax-favored: for individuals, 60 percent are excluded from taxable income and for corporations, there is a maximum tax rate of 28 percent on them. Gains on long-lived assets used in trade or business receive this favorable treatment. Under some circumstances, sales of livestock, timber, and unharvested crops sold with the land also receive capital gains treatment.

The Treasury I proposal did away with the capital gains treatment altogether and taxed all gains on all sales at the same tax rates. Assets sold were indexed for inflation, however, so only real gains were taxed. The President's proposal contains tax preferences for capital gains (a 50 percent exclusion for individuals); but it does not include depreciable assets, livestock, timber, or unharvested crops sold with the land in the definition, so the effect is the same as Treasury I. The basis of any asset excluded from capital gains treatment would be indexed for inflation before computing gain or loss on its sale.

Farm land would, at least initially, receive capital gains treatment under the President's proposals. Individuals could exclude 50 percent of any gain and corporations would pay a maximum tax rate of 28 percent on it. But the discussion of the proposals expresses doubts about the propriety of this treatment for land used in a trade or business and suggests that "consideration would be given" to making it ineligible for capital gains treatment (p. 173).

IV. Depreciation

Present tax law contains depreciation and other capital recovery provisions that provide a heavy subsidy to the use of depreciable assets. In the case of some equipment and, particularly, single-purpose agricultural structures (such as hog barns), the subsidy is very large indeed. Singlepurpose structures, for example, receive a 10-percent investment tax credit and can be depreciated over 5 years.

Under Treasury I, the investment tax credits were repealed and depreciation was based on empirical studies of actual declines in economic value. Depreciation deductions were adjusted for inflation and so approximated real economic depreciation.

The President's proposal moves back toward explicit subsidies for investments in depreciable property. The investment tax credits are repealed, but a subsidy is delivered through a system of accelerated, real (inflation-adjusted) deductions. Assets are grouped into classes that correspond to observed patterns of economic depreciation, as in Treasury I, but the lives and depreciation rates are designed to give larger deductions than economic depreciation in the asset's early years. Most farm machinery and equipment (incuding, initially, single-purpose structures) is depreciated over a 7-year life with an initial depreciation rate corresponding to 154-percent declining balance depreciation. Farm buildings, except single-purpose structures, are depreciated over 28 years with an initial 112-percent declining balance rate. In both cases, the initial declining balance rates switch to straight-line rates at the most advantageous time. The depreciable basis is indexed each year for inflation, as in Treasury I.

The subsidy provided by this accelerated depreciation is greater than any in Treasury I, but it is much smaller than the subsidies provided by the investment tax credit and ACRS under present law. It must be borne in mind, however, that with indexation, reduced tax rates, and other tax changes in this proposal, the net effect may well be a reduced overall tax rate compared to present law. Such is the conclusion concerning the agricultural sector in a recent CRS study of corporation tax rates.[3]

Under both Treasury I and the President's proposal, the election allowed under present law to expense up to $5,000 of depreciable property purchases annually is retained.

V. Debt finance and indexation

The Treasury I proposal to index all interest income and most interest deductions except home mortgage interest is not included in the President's proposal. As net debtors, farmers stand to profit from this change, at least on their tax returns. Protecting lenders from inflation would have led to lower interest rates, however, so it is hard to say whether this change is positive or negative on balance.

The President's proposal retains from Treasury I the provision limiting the deductibility of nonbusiness interest to $5,000 plus net investment income, and also includes in the definition of nonbusiness interest a limited partner's share of the interest paid by a limited partnership. Since the proposal to tax limited partnerships with more than 35 partners was dropped, this interest limitation is the most important remaining curb on tax shelter partnerships.

The President's proposed tax system is much more thoroughly indexed than the present system, but it is not as thoroughly indexed as the Treasury I system. Physical assets are rather thoroughly protected from inflation, but debt instruments are not. In Treasury I, the indexation of interest income and deductions substituted for indexation of debt, but even that rough approximation is not included in the President's proposal. Indexing assets but not liabilities can serve to encourage debt financing and should probably be looked upon as a windfall by debtors.

[3] See U.S. Library of Congress. Congressional Research Service. Effects of Business Tax Provisions in the Administration's Tax Proposal: Updated Tables. Report No. 85-783 E, by Jane G. Gravelle. Washington, 1985. 10 p.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. QUAYLE). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON. Mr. President, just briefly, let me remark on the farm bill and what we are doing there, or perhaps not doing. I speak now not as a Member of the leadership, but as a Senator representing a State which has a large agricultural interest, indeed, we have cattle, sheep, wool, feed grains, sugar beets, honey, and many other products and we find a situation where we see agriculture in America in absolute chaos. More ironically and tragically, we see a situation where we injected $3 billion into agriculture in 1979—that was our entire agricultural outlay of expenditure then—and now during the first 4 years of this administration, we have channeled $63 billion into agriculture, which is a figure of $16 billion per year. Totally extraordinary. And in that period of time, we have seen more farms go out of existence than any time in our history, in any 4-year period.

Obviously, agriculture is very sick and it will not be healed by partisan rambling with regard to the programs that we are considering.

I would speak about the cattle industry in Wyoming, which is about the only remaining part of agriculture that does not get a nickel from the Federal Government. But they are on the ropes, too. So whether you are laying the bucks on or keeping the bucks out, you have agriculture in turmoil.

As one not on the Agriculture Committee, I have watched, observed, and listened, and I know the turmoil that is going on in that place. I also know the intent of some of the participants. I would hope that others may begin to

perceive the intent of some of the participants so that at least we begin to know where the bones are buried.

It is interesting to see how the measure is being used as kind of a self-detonating device. It seems they want to see how many Republican Senators from farm States can be blown out of the water. But I think we have a higher task than that. I do not speak to save my position as assistant majority leader. I will have plenty to do here in whatever capacity I choose to undertake.

But surely no responsible person can go through what we have gone through with the anguish of the budget, casting the hard votes, attacking 13 programs of the Federal Government, not only cutting back on some but completely eliminating some, dealing with the hard issues, and the gut-hard issue, if you will, of the cost-of-living allowance on Social Security, and the defense budget. You can't do all that and not have strong feelings about the course of the farm bill.

I have always said, and I mean it quite honestly, that the people of America are smarter than their elected representatives. I think that is the basic reason the country has existed for 200-plus years. It really does not take any effort to figure out that the way we will save money and cut the deficit is to deal candidly with the defense budget, Social Security, Medicare, Medicaid, veterans' benefits, and civilian and military retirement.

You really do not have to have any corner on intelligence or common sense to know that that is "where it is." But if we do not do that, then we are all at fault. I do not close myself out.

We have come to a point in this country where the interest groups begin to gin up their stuff, and they are very adept at that. The troubling thing is that if you were not alert and bright, like the people of America are when they have the full information before them, one would almost begin to believe that when we try to do something with Social Security, we are doing in all of the poor and the senior citizens, even a very limited thing, which would save us $20 billion to $28 billion in 3 years by limiting the cost-of-living allowance—and doing that across the board and the veterans are very agreeable to that and other groups within the society are very agreeable to that, as long as it affects everybody the same way. So we try to do that, and that is alarming to groups who are here in Washington and whose leadership has assigned the task to those people here somewhere down on K Street or in one of the warrens downtown. Their sole function is to juice up the troops. They do that magnificently, I might add.

I think we see that same thing occurring with regard to the farm problem. I think our vision of the farmer we are trying to help is someone with the earthy ring of someone from the early 1930's standing there with the Oshkosh B'Gosh overalls on, looking off into the sunset with a hoe in his hand. That solid American is not getting very much out of America's farm programs. He is not receiving the money.

Fifty percent of the farmers in the United States will never see one nickel of this farm bill money whether it is $2 billion or $82 billion. Fifty percent of the people in the United States who are in farming will never see that. It is important to hear that. We only have 2.5 million persons in farming anyway. So half of those will never see a nickel of whatever we produce here.

It is an extraordinary thing for we could be here doing it for the little guy, for the little farmer, and we pretend that is what we are doing. Yet all we have done is to inject an extraordinary amount of funds into the farm economy and nothing has happened. And nothing will happen as long as we simply extend these programs and that is what we will perhaps do in this body. Too bad.

I think it is important for the people at least to understand that in 1984 nearly 90 percent of all Federal farm payments went to wheat, feedgrains, cotton, rice, and dairy. Yet those commodities accounted for only 31 percent of the total cash receipts from all farming in 1984.

Even those payments do not appear to be distributed in a fair manner. Twenty-five percent of all dairymen got 62 percent of all total payments for 1984. For wheat in 1984, only 1.5 percent of the producers got 14.5 percent of all the payments. Two percent of the corn producers hauled down 16 percent of the total payments. Twelve percent of the cotton producers received 56 percent of all the cotton payments. And for heavy hitters try this: Twenty-two percent of the rice producers received 65 percent of the total payments.

I have not really included anybody from my area yet.

There is a serious issue in my State, with a very important agricultural component, the wool growers.

Under the present Wool Act, it is no longer appropriate to say that it does not cost the Government anything simply because it is raised from tariffs. It is appropriate to say that what you do not get into the general treasury in tariffs is less income to the United States. So it is a tough issue. And yet the Wool Act is the only program left in the agriculture economy that is still tied in some way to a type of parity.

We see wool production going down and the Wool Act payments going up. It is the only agricultural area where, with production going down, the cost of subsidizing it is going up. Those graph lines now cross on that.

I do not know what to do with that. We are going to be debating it. I think it calls for some type of correction.

Then, of course, one that I shall share with my colleagues and then cease ramblings—as one who is not on the Committee on Agriculture but rather interested in what has happened. A classic example would be to look at the honey programs of the United States, where we have 107 million going out to honey producers—maybe 2,500 of them, I do not know exactly how many there are. We subsidize the market for that product, but there is no world market for that product. It is odd, I think—a bit odd, it seems to me—that we would support a market for a product that has no world price. So we see that it is 65 cents a pound and one-half of the product is then purchased by the Federal Government. Yet, we still import that same one-half from other governments. Do not ask me how that works, Mr. President. It boggles the mind. It really is not worth commenting on any further. But that is what the honey program is: half of it is purchased by the Government and held in drums, which often then spoil. Then we import honey in the same amount as the half that is supported by the Federal Government, and in addition—and this is an extraordinary bit of adventurism—you can buy honey from another country for 30 cents and bring it in here and sell it to the Government for 65 cents, and sell the imported stuff in the local grocery and sell the home grown stuff to the Government to be stored by the barrel.

That, I think, is a dazzling program. And it fits with what I have said before, that our vision here, in the Senate and in the House, is that we are trying to take care of good solid people who are "working the land". I submit that we are not. We are taking care of the people who are "working the programs." And that is the difference. And there are a lot of them.

As Annie Landers says, as soon as we wake up and smell the coffee on that one, we will begin to make progress, because there are a lot of people interested in these farm programs who must be chuckling and saying "Lord, I think they are going to do it again." So stand behind the door while we pull the latch on Fort Knox and see if we can gimmick the system one more time—work the program instead of working the land. Put the battalions of accountants and lawyers into the trench and say, "How can we milk that program better than we can milk even the agriculture dairy program," which needs our attention. I hope we will give that to it too.

Those are the things that I think ought to be said out on the floor as we

deal with the great hysteria and some real hype about the poor old guy in agricultural America. Sure they are there. Well help them then. Because when we are all done with this stuff at whatever level we come in, only half of them are ever going to get a penny of it. The rest of it is going to go to some pretty sharp cookies in America—guys who have learned beautifully how to work the programs instead of working the land.

Our programs are a "laughter" in any league when you think what we have done with agriculture in the United States. They still smack of what was the situation in this country in the 1930's, and that is not where we are now.

It is a jumble of contradictions. We pay farmers to produce and produce and produce and then turn around, the same Government, and tell them not to produce and pay them for that. We set up farmers' reserves and set-asides and targeted this and targeted that, all of it is absolute disarray—figures, numbers, nobody could give you the right figures; bring your own to the table and you can do better than if you take anybody else's.

Certainly continuing this in agriculture is not the answer. We must move toward some market-oriented programs, some loan program targeted to market. That must come. We cannot do it immediately but must structurally phase it in. If we do not get that done this trip, then we can continue the fun and games as to who can punch a hole in Senator So-and-So in November 1986 and chuckle about it.

Or we can be thoughtful in a very bipartisan way and say, what do we do about a program that is costing us $63 billion in 4 years and now are we going to do it again and just extend it? Or, if we do not extend it, just take care of the heavy hitters and forget the little guy? That enables us, of course, to generate the enthusiasm of the debate. The poor old little guy is how we get the debate going. But that is not who is getting the jack.

Maybe we can, I hope—not now, but as we get into the after-the-recess period—actually honestly confront the farm problems of this country and see where the money goes, who receives it, why they receive it, whether the reason for that is still here or whether those reasons are no longer here, whether things have changed.

I have a kind of hunch that things have changed a bit since the 1930's, so it might be well to reexamine the farm programs in the context of the market as of the 1980's instead of the 1930's and I harbor the fond hope that we might be able to do that.

So, Mr. President, I hope that I do not have to listen—yet I know I shall have to, because I have no choice—to too much more, however, about the poor old "little guy"—and he is there; he is indeed out there. But since he is there, why not help him instead of helping the entrenched and the powerful instead of the agricultural portion of America which is powerless and disenfranchised and not able to figure out how to work the program.

I shall be interested in the debate. I look forward to it. I shall be in there, perhaps in a way where I shall see things that will be detrimental to my own State's agricultural interests. But, for Heaven's sake, let us try a little honesty and less hype, a little bit of candor instead of emotion.

As you have all heard me state before, I deal with these issues of immigration reform, veterans, nuclear regulation. You learn how to pass or kill a bill in this place based upon a deft blend of fear, guilt, emotion, or racism. It is really sometimes a ringy place to work.

Maybe when we deal with the farm bill as we should with other issues, we can finally at least define that essence of politics and at least recognize it as the arena where appetite and ambition compete openly with knowledge and wisdom. Let us hope we use a little more of the latter instead of the former as we try to grapple with the farm bill in an honest way.

That is a naive hope, I admit, but perhaps that can be done.

I thank the Chair.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT OF 1970

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to Calendar No. 261, S. 249, uniform relocation assistance.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. No objection, Mr. President.

The PRESIDING OFFICER. The Chair hears none, and it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 249) to amend the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

The Senate proceeded to consider the bill.

Mr. DOMENICI. Mr. President, I would like to make a few brief comments on the budget impact of S. 249, the Uniform Relocation Act Amendments of 1985.

This bill amends the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. That act provides for the compensation of individuals and businesses whose property must be destroyed or relocated as a result of the activities of State or Federal Government. Payments made under this program to displaced persons or businesses are considered to be entitlements under the Congressional Budget Act.

This bill would provide increased entitlement authority in years for which we do not yet have budget resolutions, and therefore, violates the Congressional Budget Act.

However, as chairman of the Budget Committee, I feel that this technical problem should not be raised in connection with this bill. Although S. 249 would increase Federal expenditures in fiscal year 1986 by $100,000 because of increased administrative expenses, those costs as well as the cost of the increased entitlement authority would be offset by savings in the bill which result in a net decrease in spending of $2 million in fiscal year 1987 and $8 million in fiscal year 1988. This information is derived from a 2-year-old Congressional Budget Office cost estimate, but I am assured that the figures remain more or less accurate.

It is my understanding that the increased administrative expenses will be absorbed within the existing funds of the affected agencies for fiscal year 1986.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 249

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Uniform Relocation Act Amendments of 1985".

TITLE I—GENERAL PROVISIONS

DEFINITIONS

SEC. 101. (a) Section 101(1) (42 U.S.C. 4601(1)) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (hereinafter the "Uniform Act") is amended by striking out "(except the National Capital Housing Authority)" and "(except the District of Columbia Redevelopment Land Agency)".

(b) Section 101(3) of the Uniform Act (42 U.S.C. 4601(3)) is amended to read as follows:

"(3) The term 'State agency' means any entity which has eminent domain authority under State law.".

(c) Section 101(4) of the Uniform Act (42 U.S.C. 4601(4)) is amended by inserting, "or mortgage interest subsidy to a person" after "insurance".

(d) Section 101(6) of the Uniform Act (42 U.S.C. 4601(6)) is amended to read as follows:

"(6) The term 'displaced person' means—

"(A) except as provided under paragraph (E) (with respect to a utility on real property under the control or ownership of a State or local agency), any person who moves from real property, moves personal property, or moves a business or farm operation, as a direct result of a written notice of intent to acquire or the acquisition of such real property in whole or in part for a program or project undertaken by a Federal agency or with Federal financial assistance;

"(B) solely for the purpose of subsections (a) and (b) of section 202 and of section 205, any person who moves from real property or moves personal property from real property—

"(i) as a direct result of the written notice of intent to acquire or the acquisition of other real property, on which such person conducts a business or farm operation, for a program or project undertaken by a Federal agency or with Federal financial assistance; and

"(ii) as a direct result of rehabilitation or demolition for a program or project undertaken by a Federal agency or with Federal financial assistance, where the person is a residential tenant, farm operation, or a small business and where the head of the displacing agency determines that such displacement is permanent;

"(C) solely for the purpose of subsections (a) and (b) of section 202 and of any other provisions of this Act which the head of the displacing agency may prescribe, any other person who is a residential tenant, farm operation, or small business and who the head of the displacing agency determines will be permanently displaced as a direct result of a program or project undertaken by a Federal agency or with Federal financial assistance;

"(D) any person who is eligible for relocation assistance under paragraphs (A), (B), or (C) of this subsection, unless such person has been determined, according to criteria established by the head of the lead agency, to be either in unlawful occupancy of the displacement dwelling or to have occupied such dwelling for the purpose of obtaining assistance under this Act; or

"(E) solely for the purpose of subsections (d) and (e) of section 202, any utility company which moves its facilities from real property under the ownership or control of a State or local agency.".

(e) Section 101 of the Uniform Act (42 U.S.C. 4601) is amended by adding at the end thereof the following new subsections:

"(10) The term 'suitable replacement dwelling' means any dwelling that is (A) decent, safe, and sanitary; (B) adequate in size to accommodate the occupants; (C) within the financial means of the displaced person; (D) functionally similar; (E) in an area not subject to unreasonable adverse environmental conditions; and (F) in a location generally not less desirable than the location of the displaced person's dwelling with respect to public utilities, facilities, services and the displaced person's place of employment.

"(11) The term 'displacing agency' means any Federal agency, State or State agency utilizing Federal financial assistance or, for the purposes of paragraphs (B) and (C) of section 101(6), any person furnished Federal financial assistance which causes a person to be a displaced person.

"(12) The term 'lead agency' means the Federal department, agency, or other entity designated by the President to coordinate implementation of the Uniform Act under section 213 of this Act.

"(13) The term 'appraisal' means a written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information.".

TITLE II—UNIFORM RELOCATION ASSISTANCE

SEC. 201. Section 201 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4621), and its catchline are amended to read as follows:

"DECLARATION OF FINDINGS AND POLICY

"SEC. 201. (a) The Congress finds and declares that—

"(1) displacement as a direct result of programs or projects undertaken by a Federal agency or with Federal financial assistance is caused by a number of activities, including rehabilitation, demolition, code enforcement, and acquisition;

"(2) displacement occurs in a variety of social, economic, geographic, and legal circumstances;

"(3) relocation assistance policies must provide for sufficient flexibility to assure fair, uniform, and equitable treatment of all affected persons;

"(4) the displacement of businesses often results in their closure; and

"(5) minimizing the adverse impact of displacement of businesses is essential to maintaining the economic and social well-being of communities.

"(b) This title establishes a uniform policy for the fair and equitable treatment of persons displaced as a direct result of programs or projects undertaken by a Federal agency or with Federal financial assistance, in order that such persons shall not suffer disproportionate injuries as a result of programs designed for the benefit of the public as a whole.

"(c) It is the intent of Congress that—

"(1) the primary purpose of this title is to minimize the hardship of displacement on persons displaced as a direct result of programs or projects undertaken by a Federal agency or with Federal financial assistance;

"(2) Federal agencies shall carry out this law in a manner which minimizes waste, fraud, and mismanagement;

"(3) the administration of this Act shall, to the maximum extent feasible, minimize unnecessary administrative and program costs borne by States and State agencies through the promulgation of economical regulatory requirements and the delegation of substantial administrative discretion to State and local governments;

"(4) uniform procedures for the administration of relocation assistance shall, to the maximum extent feasible, assure that the unique circumstances of any displaced person are taken into account and that persons in essentially similar circumstances are accorded equal treatment under this Act; and

"(5) the improvement of housing conditions of economically disadvantaged persons under this title shall be undertaken, to the maximum extent feasible, in coordination with existing Federal, State, and local governmental programs for accomplishing such goals.".

MOVING AND RELATED EXPENSES

SEC. 202. (a) Section 202(a) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4622(a)) is amended—

(1) by striking out the matter preceding paragraph (1) and inserting in lieu thereof the following:

"(a) Whenever a program or project to be undertaken by a displacing agency will result in the displacement of any person, the head of the displacing agency shall provide for the payment to the displaced person of—";

(2) by striking out "and" at the end of paragraph (2);

(3) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(4) by adding at the end thereof the following:

"(4) actual reasonable expenses necessary to reestablish a displaced nonprofit organization or small business at its new site, but not to exceed $10,000.".

(b) Section 202(b) of the Uniform Act (42 U.S.C. 4622(b)) is amended by striking out all that follows "may receive" and inserting in lieu thereof "an expense and dislocation allowance, which shall be determined according to a schedule established by the head of the lead agency.".

(c) Section 202(c) of such Act (42 U.S.C. 4622(c)) is amended to read as follows:

"(c) Any displaced person eligible for payments under subsection (a) of this section who is displaced from the person's place of business or farm operation and who is eligible under criteria established by the head of the lead agency may elect to accept the payment authorized by this subsection in lieu of the payment authorized by subsection (a) of this section. Such payment shall consist of a fixed payment in an amount to be determined according to criteria established by the head of the lead agency, except that such payment shall not be less than $1,000 nor more than $20,000. A person whose sole business is renting displacement property to others shall not qualify for this payment.".

(d) Section 202 of the Uniform Act (42 U.S.C. 4622) is amended by adding at the end thereof the following new subsections:

"(d)(1) For the purposes of this section and section 101(6)—

"(A) The term 'cost of relocation' shall include the entire amount paid by the utility company properly attributable to a relocation after deducting any betterment in the relocated utility and any salvage from the old utility.

"(B) The term 'utility' means any electric, gas, water, steam power or materials transmission or distribution system, any transportation system, or any communications system (including cable television), and any fixtures, equipment, or other property appropriate to the operation, maintenance, or repair of the foregoing. A utility may be publicly, privately, or cooperatively owned.

"(2) Except when provided otherwise by Federal law, whenever a federally assisted program or project undertaken by a displacing agency other than a Federal agency will result in the displacement of a utility from property under the ownership or control of a State or local agency, the head of the displacing agency shall provide a payment to the utility company pursuant to State or local law or a written contract, if any, between the utility company and the State or local agency, but in no event shall such payment exceed the actual reasonable cost of relocation of such utility.

"(3) Nothing in this subsection shall supercede a State or local law or a written contract between a utility company and a

State or local government, or require a payment to be made where none is required under State or local law or a written contract.

"(4) Nothing in this subsection shall deprive a utility company of its rights under State or local law.

"(5) Nothing in this subsection shall require a Federal agency to increase its payment if the increased payment is attributable to a contract or contract amendment that is made in anticipation of the Federal payment.

"(6) Nothing in this subsection shall require a Federal payment in excess of the payment that a State or local agency would pay if no Federal funds were involved.

"(7) Nothing in this subsection confers jurisdiction on a court of the United States (as defined in section 451 of title 28, United States Code) to review any action of a displacing agency in carrying out this subsection or to review the right of a utility company to be compensated under State or local law.

"(e) Whenever a program or project directly undertaken by a Federal agency will result in the displacement of a utility as the result of Federal acquisition of real property under the ownership or control of a State or local agency, the head of the Federal agency shall either relocate the utility with the utility company's consent, or provide a payment to the utility equal to the actual reasonable cost of relocation of such utility. Such relocation or such payment shall not be required when it is provided otherwise by a Federal law, or a Federal regulation promulgated prior to March 17, 1983, or a contract or agreement with a Federal agency.".

REPLACEMENT HOUSING FOR HOMEOWNER

SEC. 203. Section 203(a) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4623(a)) is amended—

(1) by striking out "Federal" in paragraph (1) and inserting in lieu thereof "displacing";

(2) by striking "$15,000" and inserting in lieu thereof, "$22,500";

(3) by striking out "acquired by" and all that follows through "market" in paragraph (1)(A) and inserting in lieu thereof "acquired by the displacing agency, equals the reasonable cost of a suitable replacement dwelling";

(4) by striking out paragraph (1)(B) and inserting in lieu thereof the following:

"(B) The amount, if any, which will compensate such person for any increased interest costs and other debt service costs which such person is required to pay for financing the acquisition of any such suitable replacement dwelling. Such amount shall be paid only if the dwelling acquired by the displacing agency was encumbered by a bona fide mortgage which was a valid lien on such dwelling for not less than one hundred and eighty days immediately prior to the initiation of negotiations for the acquisition of such dwelling."; and

(5) by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) The additional payment authorized by this section shall be made only to a displaced person who purchases and occupies a decent, safe, and sanitary replacement dwelling within one year after the date on which such person receives final payment from the displacing agency for the acquired dwelling or the date on which the displacing agency's obligation under section 205(c)(3) of this Act is met, whichever is later, except that the displacing agency may extend such period for good cause. If such period is extended, the payment under this section shall be based on the costs of relocating the person to a suitable replacement dwelling within one year of such date.".

REPLACEMENT HOUSING FOR TENANTS AND CERTAIN OTHERS

SEC. 204. Section 204 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4624) is amended to read as follows:

"REPLACEMENT HOUSING FOR TENANTS AND CERTAIN OTHERS

"SEC. 204. (a) In addition to amounts otherwise authorized by this title, the head of a displacing agency shall make a payment to or for any displaced person displaced from any dwelling unit not eligible to receive a payment under section 203 which was actually and lawfully occupied by such displaced person for not less than ninety days immediately prior to the initiation of negotiations for acquisition of such dwelling, or, where displacement is not caused by acquisition, any other event which the head of the lead agency may prescribe. Such payment shall consist of the amount necessary to enable such person to lease or rent for a period not to exceed three years, a suitable replacement dwelling. For a person whose income exceeds 50 per centum of the median income of the area, as determined by the Secretary of Housing and Urban Development, the amount referred to shall equal the lesser of (i) $4,500 or (ii) 36 times the amount obtained by subtracting the monthly housing costs for the displacement dwelling from the monthly housing costs for a suitable replacement dwelling. At the discretion of the head of the displacing agency, a payment under this subsection may be made in periodic installments.

"(b) Any displaced person eligible for payments under subsection (a) of this section may elect to receive in lieu thereof either Federal low income housing assistance or similar State or local governmental assistance if such assistance is available at the time of displacement and such person is otherwise eligible for such assistance. The failure of any such person to make such an election shall be considered when evaluating the eligibility of such person for any Federal or federally assisted low income housing assistance program during the three years following the date on which such person received the payment authorized under subsection (a) of this section.

"(c) Any person eligible for a payment under subsection (a) of this section may elect to apply such payment to a downpayment on, and other incidental expenses pursuant to, the purchase of a decent, safe, and sanitary replacement dwelling. A displaced homeowner who has occupied the displacement dwelling for at least ninety days but not more than one hundred and eighty days immediately prior to the initiation of negotiations for the acquisition of such dwelling may, at the discretion of the head of the displacing agency, be eligible for the maximum payment allowed under this subsection: *Provided*, That such payment shall not exceed the payment such person would otherwise have received under section 203(a) of this Act had the person occupied the displacement dwelling for one hundred and eighty days immediately prior to the initiation of such negotiations.".

RELOCATION ASSISTANCE COORDINATION AND ADVISORY SERVICES

SEC. 205. Section 205 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4625) and its catchline are amended to read as follows:

"RELOCATION ASSISTANCE COORDINATION AND ADVISORY SERVICES

"SEC. 205. (a) The head of any displacing agency shall assure that the relocation assistance advisory services described in subsection (c) of this section are made available to all persons displaced by such agency. If such agency head determines that any person occupying property immediately adjacent to the property where the displacing activity occurs is caused substantial economic injury as a result thereof, the agency head may make available to such person such advisory services.

"(b) The Secretary of Housing and Urban Development shall assign a high priority for assistance under the programs referred to in sections 204(b) and 206(b) of this Act to persons eligible under such sections. To the extent practicable, the Secretary shall require that federally assisted State and local governmental low income housing assistance programs assign priority for assistance to such persons. To the extent practicable, the Administrator of the Small Business Administration and the heads of other Federal agencies administering programs which may be of assistance to displaced persons shall make available technical assistance under subsection (c)(5) of this section and expedite the applications for such assistance by such persons.

"(c) Each relocation assistance advisory program required by subsection (a) of this section shall include such measures, facilities, or services as may be necessary or appropriate in order to—

"(1) determine, and make timely recommendations on, the needs and preferences, if any, of displaced persons for relocation assistance;

"(2) provide current and continuing information about sales prices and rental charges on suitable replacement dwellings for displaced homeowners and tenants and suitable locations for businesses and farm operations;

"(3) assure that a person shall not be required to move from a dwelling unless the person has had a reasonable opportunity to relocate to a suitable replacement dwelling;

"(4) assist a person displaced from a business or farm operation in obtaining and becoming established in a suitable replacement location;

"(5) supply information concerning other Federal programs which may be of assistance to displaced persons, and technical assistance to such persons in applying for assistance under such programs;

"(6) provide other advisory services to displaced persons in order to minimize hardships to such persons in adjusting to relocation; and

"(7) assure that a one hundred and eighty day homeowner-occupant is given a reasonable opportunity to remain in such occupancy status.

"(d) The head of a displacing agency shall coordinate the relocation activities performed by such agency with other Federal, State, or local governmental actions in the community which could affect the efficient and effective delivery of relocation assistance and related services.

"(e) Whenever two or more Federal agencies provide financial assistance to a displacing agency other than a Federal agency, to implement functionally or geographically related activities which will result in the dis-

placement of a person, the heads of such Federal agencies may by agreement designate one such agency as the cognizant Federal agency whose procedures shall be utilized to implement the activities. If such agreement cannot be reached, then the head of the lead agency shall designate one such agency as the cognizant agency. Such related activities constitute a single program or project for purposes of this Act.".

HOUSING REPLACEMENT BY FEDERAL AGENCY AS LAST RESORT

SEC. 206. Section 206 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4626) is amended to read as follows:

"HOUSING REPLACEMENT BY FEDERAL AGENCY AS LAST RESORT

"SEC. 206. (a) If a program or project undertaken by a Federal agency or with Federal financial assistance cannot proceed on a timely basis because suitable replacement dwellings are not available, and the need of the displacing agency determines that such dwellings cannot otherwise be made available, the head of the displacing agency may take such action as is necessary or appropriate to provide such dwellings by use of funds authorized for such project. The head of the lead agency shall require that this section may be used to exceed the payment ceilings established in sections 203 and 204 only on a case-by-case basis, for good cause.

"(b) Whenever housing replacement as a last resort will result in the provision of housing for persons who are otherwise eligible for low income housing assistance, the requirement that the displacing agency provide suitable replacement housing may be met through such assistance as the provision of a certificate of family participation under the existing section 8 housing program pursuant to the United States Housing Act of 1937, as amended (42 U.S.C. 1437f).".

CERTIFICATION

SEC. 207. (a) Section 210 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4630) and its catchline are amended to read as follows:

"AGENCY CERTIFICATION OF STATE PROGRAMS

"SEC. 210. (a) Except as provided in paragraph (b) of this section, the head of a Federal agency shall not approve any grant to or contract or agreement with a displacing agency, under which Federal financial assistance will be available to pay all or part of the cost of any program or project which will result in the displacement of any person on or after the effective date of this title, unless he receives satisfactory assurances from such agency that—

"(1) fair and reasonable relocation payments and assistance shall be provided to or for displaced persons, as are required to be provided by a Federal agency under sections 202, 203, and 204 of this title;

"(2) relocation assistance programs offering the services described in section 205 of this title shall be provided to such displaced person;

"(3) within a reasonable period of time prior to a displacement, suitable replacement dwellings will be available to displaced persons in accordance with section 205(c)(3) of this title.

"(b)(1) In lieu of the provisions of subsection (a) of this section, the head of a Federal agency may discharge his responsibilities under this title and title I of this Act, with the exception of sections 208 and 211 of this title, by accepting a certification from a State agency that it will implement State law in a manner which will accomplish the policies and objectives contained in this title and title I: *Provided*, That the head of the lead agency has determined that such State law will accomplish the same purpose and effect as this title and title I, particularly with respect to the definition of a displaced person, the categories of assistance required, and the levels of assistance provided to such persons in such categories.

"(2) The head of the lead agency shall, in coordination with other Federal agencies, monitor from time to time, and report biennially to the Congress on, State agency implementation of such certification, and a State agency shall make available any information required for such purpose. The head of a Federal agency, after consultation with the head of the lead agency, may withdraw his acceptance of the certification for good cause: *Provided*, That the State government is given due notice prior to taking any such action and is given a reasonable opportunity to demonstrate why such action should not be taken.

"(c) Prior to making a determination regarding State law under subsection (b) of this section, the head of the lead agency shall provide interested parties with an opportunity for public review and comment. In particular, the head of the lead agency shall consult with interested local general purpose governments within such States on the impacts of such State laws on the ability of local governments to carry out their responsibilities under the Act.

"(d) The head of a Federal agency may withhold his approval of any grant, contract, or cooperative agreement with any displacing agency found to have intentionally circumvented a State law adopted under subsection (b) of this section.".

FEDERAL SHARE OF COSTS

SEC. 208. (a) Section 211(a) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4631(a)) is amended to read as follows:

"(a) The cost to a displacing agency of providing payments and assistance pursuant to titles II and III shall be included as part of the cost of a program or project undertaken by a Federal agency or with Federal financial assistance. A displacing agency, other than a Federal agency, shall be eligible for Federal financial assistance with respect to such payments and assistance in the same manner and to the same extent as other program costs.".

(b) Section 210(b) of the Uniform Act (42 U.S.C. 4631(b)) is amended by striking out and all that follows "required by" and inserting in lieu thereof "State law which is determined by the head of the lead agency to have substantially the same purpose and effect of such payment under this section.".

REGULATION

SEC. 209. Section 213 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4633) and its catchline are amended to read as follows:

"REGULATION

"SEC. 213. (a) The President shall designate a lead agency.

"(b) The head of the lead agency shall—

"(1) develop, publish, and promulgate, with the active participation of other Federal agencies responsible for funding relocation and acquisition actions, and in full coordination with State and local governments, such rules as may be necessary to carry out this Act;

"(2) assure that relocation assistance activities under this Act are coordinated with low-income housing assistance programs or projects by a Federal agency, or a State or State agency with Federal financial assistance;

"(3) monitor, in coordination with other Federal agencies, the implementation and enforcement of this Act and report to the Congress, as appropriate, on any major issues or problems with respect to any policy or other provision of this Act; and

"(4) perform other duties as may be provided by law as relate to the purposes of this Act.

"(c) The rules promulgated pursuant to subsection (b) shall apply to the Tennessee Valley Authority only with respect to relocation assistance under this title and title I.".

TRANSFER OF SURPLUS PROPERTY

SEC. 210. Section 218 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4638) is amended by inserting "net" after "all".

REPEALS

SEC. 211. Sections 214, 215, 217, and 219 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4634, 4635, 4637, and 4639) are hereby repealed.

TITLE III—UNIFORM REAL PROPERTY ACQUISITION POLICY

UNIFORM POLICY ON REAL PROPERTY ACQUISITION PRACTICES

SEC. 301. (a) Section 301(2) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4651(2)) is amended by inserting the following before the period at the end thereof: ", except that the head of the lead agency may prescribe a procedure which forgoes the appraisal".

(b) Section 301(9) of the Uniform Act (42 U.S.C. 4651 (9)) is amended to read as follows:

"(9) If the acquisition of only a portion of a property would leave the owner with an uneconomic remnant, the head of the acquiring agency shall offer to acquire that remnant. For the purposes of this Act, an uneconomic remnant is a parcel of real property in which the owner is left with an interest after the partial acquisition of the owner's property and which the head of the acquiring agency has determined has little or no value or utility to the owner.".

(c) Section 301 of the Uniform Act (42 U.S.C. 4651) is amended by adding at the end thereof the following subsection:

"(10) A person whose real property is being acquired in connection with a project under this title may, after the person has been fully informed of his right to receive just compensation of such property, donate such property, any part thereof, any interest therein, or any compensation paid therefor to an acquiring agency, as said person shall determine.".

CERTIFICATION

SEC. 302. Section 305 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4655) and its catchline are amended to read as follows:

"AGENCY CERTIFICATION OF STATE PROGRAMS

"SEC. 305. (a) Except as provided in paragraph (b) of this section, the head of a Federal agency shall not approve any program

or project or any grant to, or contract or agreement with, an acquiring agency under which Federal financial assistance will be available to pay all or part of the cost of any program or project which will result in the acquisition of real property on or after the effective date of this title, unless he receives satisfactory assurances that—

"(1) in acquiring real property it will be guided, to the greatest extent practicable under State law, by the land acquisition policies under section 301 of this title and the provisions of section 302 of this title; and

"(2) property owners will be paid or reimbursed for necessary expenses as specified in sections 303 and 304 of this title.

"(b)(1) In lieu of the provisions of subsection (a) of this section, the head of a Federal agency may discharge his responsibilities under this title by accepting a certification from a State agency that it will implement State law in a manner which will accomplish the policies and objectives contained in this title: *Provided*, That the head of the lead agency has determined that such State law will accomplish the same purpose and effect as this title.

"(2) The head of the lead agency in coordination with other Federal agencies shall from time to time monitor State agency implementation of such certification and the State agency shall make available any information required for such purpose. The head of the lead agency shall by regulation develop criteria for withdrawal of acceptance of a certification.

"(c) Prior to making a determination regarding State law under subsection (b) of this section, the head of the lead agency shall consult with interested local general purpose governments within such States on the impacts of such State laws on the ability of local governments to carry out their responsibilities under this Act.".

TITLE IV—EFFECTIVE DATE

SEC. 401. (a) Section 209 of the Uniform Act takes effect on the date of its enactment.

(b) The remainder of this Act takes effect either twenty-four months from the date of its enactment or when a State agency makes such provisions applicable under State laws, whichever is earlier.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to:

CORRECTION IN THE ENROLLMENT OF STATE DEPARTMENT AUTHORIZATION CONFERENCE REPORT

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of House Concurrent Resolution 181, making technical correction in the State Department Authorization Conference Report.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (H. Con. Res. 181) to correct the enrollment of the bill H.R. 2068.

The PRESIDING OFFICE. Is there objection to the consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The concurrent resolution was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that movtion on the table.

The motion to lay on the table was agreed to.

MEASURE PLACED ON CALENDAR

Mr. DOLE. Mr. President, I ask unanimous consent that H.R. 2466, to make miscellaneous changes in laws affecting the U.S. Coast Guard, received from the House yesterday, be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. DOLE. Mr. President, I inquire of the distinguished minority leader if he is in a position to clear any or all of the following calendar items for passage today: Calendar No. 268, S. 811; Calendar No. 269, S. 816; Calendar No. 270, S. 140; Calendar No. 271, Senate Joint Resolution 183; and Calendar No. 267, S. 1027.

Mr. BYRD. Mr. President, I thank the Chair for indulging me. There is no objection to any of these five bills and resolutions to which the distinguished majority leader has referred. This side is ready to act upon them.

Mr. DOLE. I therefore ask unanimous consent, Mr. President, that the calendar items just identified be considered en bloc and confirmed en bloc and that the committee-reported amendments be considered and agreed to en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

RELIEF OF KENNETH DAVID FRANKLIN

The Senate proceeded to consider the bill (S. 1027) for the relief of Kenneth David Franklin, which had been reported from the Committee on Governmental Affairs, with an amendment to strike out all after the enacting clause, and insert the following:

SECTION 1. WAIVER OF EMPLOYEE STATUS REQUIREMENT AND TIME LIMITATION FOR CLAIMING DISABILITY RETIREMENT BENEFITS

(a) WAVIER OF EMPLOYEE STATUS REQUIREMENT.—Notwithstanding the requirement of section 8334(d) of title 5, United States Code, relating to status as an employee, Kenneth David Franklin of Raleigh, North Carolina, of his spouse, may make a deposit under such section.

(b) WAVIER OF TIME LIMITATION.—Notwithstanding the time limitation of section 8337(b) of title 5, United States Code, on filing a claim for disability retirement benefits, Kenneth David Franklin shall be entitled, after making the deposit allowed in subsection (a), to receive disability retirement benefits under subchapter III of chapter 83 of such title based on the claim referred to in the decision of the Merit Systems Protection Board numbered AT831L8410231, dated April 20, 1984, and the decision of the Merit Systems Protection Board numbered AT08318410232, dated April 20, 1984.

SEC. 2. COMPUTATION OF BENEFITS.

Upon receipt of the deposit allowed in section 1(a), the Director of the Office of Personnel Management shall certify to the Secretary of the Treasury the aggregate amount of the disability retirement payments that Kenneth David Franklin would have received if he had been receiving such payments for the period beginning on February 3, 1980, and ending on the date of the commencement of the period covered by the first disability retirement payment pursuant to this Act. The Secretary of the Treasury shall pay such amount, and interest on such amount at an annual rate of 6 percent, compounded annually, to Kenneth David Franklin from funds contained in the Civil Service Retirement and Disability Fund.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TREATMENT OF MINERAL MATERIALS ON PUBLIC LANDS

The Senate proceeded to consider the bill (S. 811) to clarify the treatment of mineral materials on public lands.

Mr. HATCH. Mr. President, I am pleased to see the Senate take action on S. 811, a bill which will allow the Bureau of Land Management to dispose of sand and gravel deposits found on unpatented mining claims located on Federal lands administered by that agency and sponsored by Senator GARN and myself.

Currently, the Bureau of Land Management is unable to dispose of surface sand and gravel materials located on unpatented mining claims because of a legal interpretation by the Department of the Interior. This interpretation will not allow sand and gravel deposits to be sold, removed, or displaced even with the consent of a mining claim holder. However, the Forest Service interprets the same statute differently and does allow for the disposal of sand and gravel on national forest land as long as the mining claimant consents.

The irony of this situation is obvious. And the result of this policy has a detrimental effect. In Utah sand and gravel is scarce in the southern portion of the State where mining claims number over 120,000.

This bill will simply rectify the incongruousness of this situation by clarifying that "mineral material surface resources may be disposed of by all Federal land management agencies." It will also protect mining claimants by assuring that they will receive adequate compensation for any surface sand and gravel which they may need but which have been previously disposed of under this authority.

I appreciate the efforts of the senior Senator from Utah in seeking to rectify this matter, and the gracious efforts of Senator McCLURE to bring this matter to the floor of the Senate.

The bill was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 811

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Act entitled "An Act to amend the Act of July 31, 1947 (61 Stat. 681) and the mining laws to provide for multiple use of the surface of the same tracts of public lands, and for other purposes", approved July 23, 1955 (69 Stat. 368; 30 U.S.C. 612) is amended—

(1) in subsection (b) by—

(A) inserting after "vegetative" the following "and mineral material"; and

(B) inserting after the second proviso the following: *"Provided further,* That if at any time the locator requires more mineral material for his mining operations than is available to him from the claim after disposition of mineral material therefrom by the United States subsequent to the location of the claim, he shall be entitled, free of charge, to mineral material for such requirements from the nearest mineral material site administered by the disposing agency which contains mineral material substantially equivalent to that estimated by the disposing agency to have been disposed of from the claim subject to reasonable rules and regulations for the protection of nonmineral resource values including environmental values:"; and

(2) in subsection (c) by inserting after "vegetative" the following "and mineral material".

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NEBRASKA WILDERNESS ACT

The Senate proceeded to consider the bill (S. 816) to establish the Pine Ridge Wilderness and Soldier Creek Wilderness in the Nebraska National Forest in the State of Nebraska, and for other purposes, which had been reported from the Committee on Energy and Natural Resources, with an amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CHILDREN'S JUSTICE ACT

The Senate proceeded to consider the bill (S. 140) to amend the Child Abuse Amendments of 1984 to encourage States to enact child protection reforms which are designed to improve legal and administrative proceedings regarding the investigation and prosecution of sexual child abuse cases, which had been reported from the Committee on Labor and Human Resources, with an amendment to strike out all after the enacting clause, and insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Children's Justice Act".

CHILDREN'S JUSTICE GRANT

SEC. 2. Section 4 of the Child Abuse Prevention and Treatment Act is amended by—

(1) redesignating subsections (d), (e), (f), the first time such subsection appears, and (f), the second time such subsection appears, as subsections (e), (f), (g), and (h), respectively; and

(2) inserting after subsection (c) the following:

"(d)(1) In addition to grants made to States under subsection (b), the Secretary is authorized to make grants to States for the purpose of assisting States in the developing, establishing, operating, or implementing programs or procedures for—

"(A) handling child abuse cases, especially child sexual abuse cases, in a manner which reduces the trauma to child victims;

"(B) improving the chances of successful prosecution or legal action against individuals who abuse children, especially individuals who sexually abuse children; or

"(C) improving procedures for protecting children from abuse,

in accordance with the eligibility requirements of this subsection. Grants under this subsection may be made to the State agency which administers funds received under subsection (a) or to an appropriate statewide law enforcement agency which has developed a child abuse program which meets the requirements of paragraph (2). The determination as to which agency of a State may apply for a grant pursuant to the preceding sentence shall be made by the chief executive officer of such State.

"(2)(A) In order for a State to qualify for assistance under this subsection, such State shall, except as provided in subparagraphs (B) and (C)—

"(i) establish a multidisciplinary task force as provided in paragraph (3); and

"(ii) adopt reforms recommended by the multidisciplinary task force in each of the three categories provided in subparagraphs (B), (C), and (D) of paragraph (3).

For purposes of clause (ii), reforms may include proof that the State has made substantial improvement in implementing or enforcing State laws or administrative practices in effect on the date of enactment of the Children's Justice Act as recommended by the task force of such State under paragraph (3).

"(B) If the Secretary determines, at the request of any State on the basis of information submitted by the State that such State—

"(i) has established a multidisciplinary task force within the 3 years prior to the enactment of the Children's Justice Act with substantially the same functions as the multidisciplinary task force provided for under this subsection; and

"(ii) is making satisfactory progress toward developing, establishing, operating, or implementing the programs or procedures in each of the three categories provided in subparagraphs (B), (C), and (D) of paragraph (3) and will continue to do so,

then such State shall not be required to meet the requirements of subparagraph (A).

"(C) A State may adopt reforms recommended by the task force of such State in less than all three of the categories provided in subparagraphs (B), (C), and (D) of paragraph (3), but in the event that a State fails to adopt any recommendation in a category the State shall submit to the Secretary a detailed explanation of the reasons for the State not planning to carry out any such omitted recommendation.

"(3)(A) Each State desiring to receive a grant under this subsection shall establish a multidisciplinary task force on children's justice composed of professionals experienced in the criminal justice system and its operation relating to issues of child abuse. The task force shall include representatives of the law enforcement community, judicial and legal officers including representatives of the prosecution and the defense, child protective services, child advocates, health and mental health professionals, and parents. Each State task force shall, for fiscal year 1987, review, analyze, and make recommendations for reforms needed to improve the response of such State to child abuse cases in each of the categories described in subparagraphs (B), (C), and (D).

"(B) A State shall provide for the handling of child abuse cases, especially child sexual abuse cases, in a manner which reduces the trauma to the child victim. Administrative procedures consistent with the reduction of trauma may include—

"(i) the establishment of interdisciplinary teams of child abuse professionals such as law enforcement officers, child protective service workers, prosecutors, child's advocates, mental health professionals, and medical personnel for handling child abuse cases;

"(ii) coordinated court proceedings for handling intrafamily child abuse; or

"(iii) providing for specialized training of law enforcement legal, judicial, and child welfare personnel to deal with child abuse victims and their families.

"(C) A State shall establish reforms designed to improve the chances of successful prosecution or legal action against individuals who abuse children, especially individuals who sexually abuse children. Such reforms may include—

"(i) strengthening the State definition of child sexual abuse;

"(ii) modifications of certain evidentiary restrictions such as the corroboration requirement and the qualification of child abuse victims as witnesses to allow for the age of child abuse victims; or

"(iii) establishing procedures for the closed-circuit televising or videotaping of victims testimony under circumstances which ensure procedural fairness while

minimizing the trauma to the child abuse victim, especially child sexual abuse victim.

"(D) In order to improve procedures to protect children from abuse, especially sexual abuse, a State shall establish administrative reforms by law or, if possible, pursuant to law by administrative action, such as—

"(i) providing a guardian ad litem who is assigned to make an independent investigation and report to the court on recommendations regarding what action should be taken that would be in the best interests of the child;

"(ii) granting courts authority to grant civil protection orders to protect children from further abuse; or

"(iii) providing treatment programs for the individual who abuses children, especially the individual who sexually abuses children, and the abused child.

"(4) A grant authorized by this subsection may be made by the Secretary upon application which is made at such time or times and contains or is accompanied by such information as the Secretary may prescribe. Each such application shall—

"(A) contain such assurances as may be necessary to evidence compliance with paragraphs (2) and (3);

"(B) contain assurances that the State will comply with the requirements of paragraph (2)(A)(ii) during the fiscal year for which the grant is made; and

"(C) provide for making such reports, in such form and containing such information as the Secretary may require to carry out his functions under this subsection, and for keeping such records and for affording such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports.

"(5)(A) In order to assist the States in developing effective approaches to achieve the objectives set forth in paragraph (1), the Secretary, through the National Center on Child Abuse and Neglect established pursuant to section 2(a), shall—

"(i) compile, analyze, publish, and disseminate to each State a summary, including an evaluation of the effectiveness or lack thereof, of approaches being utilized, developed, or proposed with respect to improving the investigation and prosecution of child sexual abuse cases in a manner which reduces the trauma to the child victim along with such other materials or information as may be helpful to the States in developing or implementing programs or procedures to satisfy the requirements of this subsection;

"(ii) develop and disseminate to appropriate State and officials model training materials and procedures to help ensure that all law enforcement, legal, judicial, and child welfare personnel are adequately trained to deal with child sexual abuse victims; and

"(iii) provide for the support of research projects to assist in identifying effective approaches to achieving the objectives of this subsection.

"(B) Not later than two years after the date funds are obligated under section 5(b) for the first fiscal year, the Secretary shall—

"(i) review and evaluate the effectiveness of the activities carried our with such funds in achieving the objectives of this subsection; and

"(ii) report to the appropriate committees of the Congress on the results of such review and evaluation and on the steps taken by the Secretary, through the National Center on Child Abuse and Neglect Center, to assist the States in achieving such objectives.

"(C) The summary, information, and materials required under subparagraph (A) shall be made available to appropriate State officials not later than 180 days after the date of the enactment of the Children's Justice Act.".

AUTHORIZATION

SEC. 3. Section 5 of the Child Abuse Prevention and Treatment Act is amended by—

(1) inserting "(a)" after "SEC. 5."; and

(2) inserting at the end thereof the following:

"(b) There are authorized to be appropriated $12,000,000 for each of the fiscal years 1987 and 1988 for the purposes of making grants under subsection (d) of section 4.".

COORDINATION OF FEDERAL PROGRAMS INVOLVING CHILD ABUSE

SEC. 4. Section 7 of the Child Abuse Prevention and Treatment Act is amended by—

(1) inserting "(a)" after "SEC. 7."; and

(2) inserting at the end thereof the following:

"(b)(1) Within 180 days of the date of enactment of the Children's Justice Act and every 6 months thereafter, the Attorney General, the Secretary of Health and Human Services, Secretary of Education, and the head of any other agency or department designated by the President, or their designees, responsible for programs involving child abuse prevention and treatment shall meet for the purpose of coordinating such programs in order to—

"(A) prevent the overlap of such programs and the resulting waste of resources; and

"(B) assure that such programs effectively address all aspects of the child abuse problem.

"(2) Within one year of the date of enactment of the Children's Justice Act and annually thereafter, the Secretary of Health and Human Services shall report to Congress with respect to the actions carried out by agencies and departments of the United States for the purpose of coordinating programs involving child abuse prevention and treatment as provided in paragraph (1).".

MODIFICATION OF FBI OFFENSE CLASSIFICATION SYSTEM

SEC. 5. The Attorney General shall modify the classification system used by the National Crime Information Center in its Interstate Identification Index, and by the Identification Division of the Federal Bureau of Investigation in its Criminal File, and its Uniform Crime Reporting System, with respect to offenses involving sexual exploitation of children by—

(1) including in the description of such offenses the age of the victim and the relationship of the victim to the offenders; and

(2) classifying such offenses by using a uniform definition of a child.

AMENDMENT TO PUBLIC HEALTH SERVICE ACT

SEC. 6. (a) Section 523 of the Public Health Service Act (42 U.S.C. 290dd-3) is amended—

(1) by striking our "subsection (e)" in subsection (a) and inserting in lieu thereof "subsections (e) and (i)"; and

(2) by adding at the end the following new subsection:

"(i) Nothing in this section shall be construed to supersede the application of State or local requirements for the reporting of incidents of suspected child abuse to the appropriate State or local authorities.".

(b) Section 527 of such Act (42 U.S.C. 290ee-3) is amended—

(1) by striking out "subsection (e)" in subsection (a) and inserting in lieu thereof "subsections (e) and (i)"; and

(2) by adding at the end the following new subsection:

"(i) Nothing in this section shall be construed to supersede the application of State or local requirements for the reporting of incidents of suspected child abuse to the appropriate State or local authorities.".

The amendment was agreed to.

Mr. HATCH. Mr. President, the U.S. Senate has an opportunity today to reaffirm our love for children by focusing our attention on legislation addressed at curbing the frightening reality of child abuse in our Nation. One of the greatest blessings for people everywhere is the family. It is within our own family that each of us individually learn to care, to cope and to develop the strong sense of values which together make up the society in which we live. But tragedy strikes some families in America through the harm of child abuse.

Senator PAULA HAWKINS has brought the issue of child abuse to the attention of the U.S. Congress. Through her dedication, she has brought to the attention of our country the problems of missing and exploited children. Now before the Congress is her legislation, S. 140, the Children's Justice Act which is designed to assist States in reducing the trauma to the child victims of sexual abuse; improving chances of successful prosecution of legal action against child molesters; and, improving procedures for protecting children from sexual abuse.

S. 140 authorizes $12 million in fiscal years 1987 and 1988 to assist States in these efforts. That is a small price tag when considering the emotional turmoil that children and parents suffer when a child is victimized.

This legislation was reported favorably from the Senate Committee on Labor and Human Resources on July 10, 1985. Now I ask my colleagues in the Senate to support S. 140 as an additional measure providing families support and assistance when the tragedy of child abuse occurs.

Mr. President, I ask unanimous consent, that a summary of the legislation be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF BILL

As reported from the committee, S. 140 amends the Child Abuse Prevention and Treatment Act. It establishes within the Department of Health and Human Services, a new Federal grant program to assist the States in developing, establishing, operating, or implementing programs and procedures designed to:

(1) reduce the trauma to the child victim of abuse especially child sexual abuse;

(2) improve the chances of successful prosecution or legal action against child abusers and molesters; and

(3) improve procedures for protecting children from abuse.

The new grant program provides $12 million for each of the fiscal years 1987 and 1988.

The Children's Justice Act, like the Child Abuse Prevention and Treatment Act it is amending, is designed to provide a financial incentive to the States to encourage their enacting additional child protection reforms. No State will be automatically eligible. All States will be required to improve their response to cases of child sexual abuse as a condition for receiving additional funds under this act. The legislation requires that the States must improve their response to child sexual abuse cases in the three general categories specified above. However, the States make the actual determination of what reforms to enact within those three categories.

For a State to be eligible for their allocation of funds under S. 140, the State must establish a multidisciplinary task force comprised of individuals and professionals involved in sexual child abuse cases. This multidisciplinary task force will make recommendations to the Governor, the State Legislature, the judiciary and others regarding the reforms needed to improve the response of such State to child sexual abuse in the categories specified in the bill.

The bill contains a provision which permits the State to utilize the recommendations of an existing or recently disbanded task force as long as its membership and functions are substantially the same as those called for under the act. The reforms do not have to be legislative. They can be administrative or judicial reforms or proof that the State has made substantial improvement in implementing or enforcing existing State statutes or procedures. The legislation also contains a provision which permits a State which has not enacted a reform recommended by their State task force in all three categories to submit a detailed explanation to the Secretary, who may, after reviewing the States' efforts, grant them eligibility to receive funds under this act.

The bill requires the National Center on Child Abuse and Neglect to compile, analyze and disseminate information about State statutes, programs, and procedures involving child sexual abuse cases within 6 months of enactment. To insure that all existing Federal resources are utilized, the bill requires the Attorney General, the Secretary of Health and Human Services and the head of any other agency involved in child abuse prevention and treatment to meet every 6 months to coordinate their efforts and avoid duplication. The bill directs the Secretary through NCCAN to develop and disseminate model training materials and procedures regarding child sexual abuse victims and provide for the support of research projects in this area.

The bill directs the Attorney General to modify the classification system by the Federal Bureau of Investigation to include the description of child sexual abuse offenses, the age of the victim and the relationship of the victim to the offenders and classify such offenses by using a uniform definiton of a child.

The bill amends the confidentiality provision in the Public Health Act which deals with federally funded alcohol and drug abuse prevention treatment programs to clarify that the Federal confidentiality statutes do not supercede the application of State or local laws requiring the reporting of suspected incidences of child abuse.

Mrs. HAWKINS. Mr. President, I am very pleased that the Senate is giving such expedited consideration to S. 140, Children's Justice Act. This legislation is long overdue.

The Children's Justice Act is needed if we are to succeed in enacting reforms in order to guarantee our nation's sexually abused and exploited children that we will heed their cry for help.

After years of fighting to get this problem acknowledged and discussed in public, we may have succeeded in increasing the public's awareness of this serious crime and it's long lasting effects upon its victims. We may have succeeded in getting people to stop whispering about sexual child abuse and begin to acknowledge that the crime does indeed happen in their neighborhoods, in their communities, and perhaps even in their own families. But the vast majority of the American public is still ignorant about how inadequate our administrative and judicial system is after the child victim makes that cry for help.

People are shocked to learn how few incidences are actually reported, how few cases are ever thoroughly investigated, how few cases are actually prosecuted, how few child molesters are ever successfully convicted and how few of these convicted child molesters actually are imprisoned.

Given the additional trauma experienced by young children who must undergo multiple interviews, depositions and questioning on such a personal and painful subject. Children who are often treated as if they had something to be ashamed of, rather than their abusers, is it any wonder why more children don't report their abuse?

Given the increased workload of child protection caseworkers, the difficulty in obtaining answers from a frightened and terrified child, the tendency to "burn out" in a high stress job, and the fact that the child protection worker's level of pay is less than a garbage collector, is it any wonder that many suspected incidences of child abuse are not fully and thoroughly investigated.

Given the misconceptions about children's testimony and archaic legal impediments, such as corroboration, prior competency and grueling cross examination is it any wonder that prosecutors are unwilling to take a case to court that is based solely on the child's testimony?

Given the misuse of the right of confrontation and to cross-examination by defense attorney's until it becomes not a method of determining the truth but a means to destroy evidence, the crucial testimony of the child, is it any wonder that so few child molesters ever get convicted?

Given the trend toward treatment and counseling of child molesters and the fact that so little is known about the effectiveness of these rehabilitative efforts, is it any wonder that many convicted child molesters use the criminal justice system as a revolving door and molest children time and time again?

These disturbing trends must be reversed. Teaching children to speak out and report their abuse is just a first step, we need to be able to guarantee them that they will not be further abused and traumatized by the administrative and judicial system after they make that initial cry for help.

Mr. President, I have been very encouraged by the interest and support that I have received from my colleagues on this bill. The bill was unanimously reported out of both the Subcommittee on Children, Family, Drugs and Alcoholism and the full Senate Labor and Human Resources Committee. Members of the committee, Republicans and Democrats, put aside party differences to work to develop a bill which would provide the Federal leadership and funding necessary to promote the administrative, judicial and legislative reforms needed to guarantee justice to abused children. Senators DODD, GRASSLEY, and METZENBAUM, offered excellent, constructive amendments which improved the bill. Senators CRANSTON, HATCH, DENTON and other committee members offered suggestions which were incorporated into the bill.

I would also like to thank the organizations that have provided our committee with information and their recommendations on this bill. The American Bar Association's National Legal Resource Center for Child Advocacy and Protection was particularly helpful, as was the National District Attorney's Association, the National Council on Family and Juvenile Court Judges, and the National Association of Attorneys General. The recommendations of the U.S. Attorney General's Task Force on Family Violence was utilized by the committee, as were the recommendations of the California Attorney General's Report and Recommendations on Enforcement of Child Abuse Laws. The spirit and advocacy of dedicated organizations and individuals to improving the plight of these abused children gives me hope that this legislation will result in changes in the administrative, judicial and legislative treatment of abused children, especially sexually abused child victims.

Mr. DODD. Mr. President, today the Senate acts to address a most serious problem: the sexual and physical abuse of American children. I am pleased to join my distinguished colleague from Florida, Senator HAWKINS, as a sponsor of the Children's Justice Act.

Last session, I was a primary sponsor of the Child Abuse Amendments of 1984, restoring critical funds to child abuse prevention and treatment pro-

grams. The authorization levels for these essential programs had been cut in half during action on the Omnibus Reconciliation Act of 1981. Moreover, separate funding for the identification, treatment, and prevention of child sexual abuse was eliminated in 1981. Although the Senate acted to restore these funds, the magnitude and seriousness of the problem demands further congressional action.

The Children's Justice Act would encourage States to enact legislative and administrative recommendations designed to improve a State's response to cases of childhood sexual victimization. I am indebted to my colleague from Florida for accepting a provision I offered requiring each State to set up a multidisciplinary task force to make those recommendations necessary to improve the State's handling of child sexual abuse cases. These task forces will enable representatives from law enforcement, the judicial community, and child protective services, as well as child advocates, health and mental health professionals, and parents to sit down and devise new ways to improve the response of the legal system to child abuse victims.

Mr. President, each task force should arrive at recommendations focused on first, minimizing trauma to child victims associated with legal proceedings, second, increasing the possibility of successful prosecutions, and third, setting new procedures in place to protect children from abuse. Such a task force has already been established in my State of Connecticut. Likewise, similar task forces in California and in Maine have issued impressive reommendations designed to expedite court cases involving child abuse and to protect children by better coordinating the efforts of all State agencies involved in civil and criminal abuse cases.

The provision I offered in the subcommittee on Children, Families, Drugs and Alcoholism, authorized $12 million for each fiscal year 1987 and 1988 for grants assisting those States that have established task forces and enacted recommendations to carry out those recommendations. A State that chooses not to enact a specific recommendation made by its task force may still qualify for a grant if the reasons for not acting are delineated in writing for the Secretary of Health and Human Services.

In addition, I was pleased to offer two amendments on behalf of my distinguished colleague from California, Senator CRANSTON, during markup of the Children's Justic Act in the Subcommittee on Children, Families, Drugs and Alcoholism. One such provision would require the National Center on Child Abuse and Neglect to compile, analyze, evaluate, and disseminate information on child abuse programs and reforms to all States througout the country. Far too often, practitioners and parents in my State of Connecticut do not know what their counterparts in California and elsewhere are doing in terms of child abuse prevention and treatment. The other amendment authored by Senator CRANSTON would clarify that compliance with State and local child abuse reporting requirements supercedes the application of confidentiality provisions for patients in alcohol and drug abuse treatment programs. This amendment parallels one incorporated into the family violence legislation enacted into law during the last session of Congress. Both these amendments were accepted.

Mr. President, as founder and cochairman of the Senate children's caucus, I can attest to the public emergency presented by the sexual victimization of our Nation's children. By even the most conservative estimates, a child is sexually abused some place in this country every 2 minutes. One in every five victims is a child under the age of seven. And close to half of all victims under age 18 will be the targets of repeated sexual abuse.

As Senators heard at a children's caucus forum on sexual abuse held on April 26, 1984, child sexual abuse can trigger many other serious problems, some of them long-lasting. Police chiefs across the country report that 70 percent of all runaways have been sexually abused prior to making the decision to run. And, teenage prostitution itself is closely linked to prior sexual victimization.

Mr. President, cases involving the physical abuse of children pose just a serious problem. In my State of Connecticut, the death rate from physical abuse tripled between 1980 and 1982. In States such as Utah, that figure was even higher. For this reason, I am pleased a provision I offered in the Labor and Human Resources Committee markup of the Children Justice Act was accepted, encouraging States to improve their respective responses to cases involving the physical abuse of children as well as to cases involving sexual abuse.

In closing, I urge my colleagues to support this legislation to help States better protect children who have been abused or neglected from further trauma at the hands of the legal system. By enacting the Children's Justice Act, the Senate would take another important step toward curbing the tragic epidemic of child abuse in this country. I call for immediate enactment of this legislative package.

Mr. CRANSTON. Mr. President, I rise in support of S. 140, the proposed "Children's Justice Act" which I have cosponsored and strongly endorsed. This legislation is aimed at encouraging States to enact reforms designed to improve legal and administrative proceedings regarding the investigation and prosecution of child abuse cases, particularly sexual abuse cases. Enactment of these reforms would help prevent the further victimization of children through an insensitive judicial process that fails to recognize the special nature of the crime involved and the additional trauma inflicted upon the children who are often the principal sources of evidence in the judicial proceedings brought against the perpetrators of these crimes.

Mr. President, before focusing on the provisions of S. 140, I want to pay special tribute to the chairman of the Subcommittee on Children, Families, Alcoholism, and Drugs, the Senator from Florida [Mrs. HAWKINS] and the ranking minority member, the Senator from Connecticut [Mr. DODD], for the tremendous bipartisan effort they have made in both focusing attention upon the need for this legislation and working with other Senators in developing a strong and effective approach to dealing with these problems. Last year, Senator DODD and Senator HAWKINS participated in a forum conducted by the Senate Children's Caucus on the subject of sexual abuse of children—a subject which has too often been hidden from public view. That forum played a critical role in focusing national attention on the full dimensions of this problem.

As the Senate coauthor with former Senator Percy of the 1978 legislation which established the first Federal program directed specifically at the problem of sexual abuse of children, I believe that it has become increasingly clear that what seemed to us in 1978 to be an important problem appears today to have represented merely the tip of an iceberg.

The growing statistics on the incidence of sexual abuse of children—regardless of whether the statistics represent merely better reporting procedures or an increase in the cases themselves—demonstrate beyond any doubt that more needs to be done by government entities at every level to deal effectively with the devastating, scourge of child abuse. I was pleased, therefore, to testify on May 2, 1985 before the Subcommittee on Children, Families, Alcoholism, and Drugs in support of S. 140 and to make several recommendations to strengthen the legislation and to submit specific legislative amendments for that purpose.

Mr. President, the Senator from Florida [Mrs. HAWKINS] and the Senator from Connecticut [Mr. DODD] have brought before this body an excellent bill which will help stimulate these needed activities at the local, State, and Federal level. I am deeply appreciative to both of them for their willingness to incorporate my four legislative recommendations into this measure.

HISTORY

Mr. President, as the chairman for 4 years of the Child and Human Development Subcommittee on the Senate Labor and Human Resources Committee—one of the predecessors of the present Subcommittee on Children, Families, Alcoholism, and Drugs—I have had a longstanding interest and concern about the problems relating to child abuse and neglect. In 1978, former Senator Percy and I worked together to develop the sexual abuse treatment program, legislation that was enacted in Public Law 96-266. That measure established a new small grant authority under the Federal Child Abuse Prevention and Treatment Act to help establish programs to provide services and treatment to children who were the victims of sexual abuse and to help develop programs to prevent such abuse. Unfortunately, the separate funding authority was eliminated in the 1981 budget reconciliation legislation, but I am pleased to say that we were able to restore the separate funding authorization in last year's child abuse amendments, Public Law 98-457.

The legislation before us today provides a new and much needed focus upon what happens to children during the judicial prosecution of child abuse cases, particularly sexual abuse cases.

RECOMMENDATIONS OF THE CALIFORNIA ATTORNEY GENERAL

Mr. President, at the time I testified in support of S. 140, I presented to the subcommittee a report issued on April 1, 1985, by a Commission on the Enforcement of Child Abuse Laws appointed by the California attorney general, John Van de Kamp. That report contained a series of findings and recommendations focused on how the criminal justice system could be made to work better to protect children who are the victims of sexual or other physical abuse. Those recommendations closely parallel the areas for reform suggested in S. 140.

For example, the California commission recommended that local law enforcement agencies in California establish specialized units or specially trained officers to handle all phases of investigation and prosecution of these cases—a concept which would fall within the purposes of S. 140.

A number of recommendations in the report focus upon the need for legislation to modify courtroom procedures to accommodate the special needs of child victims. These recommendations include:

Placing responsible limitations, within constitutional limits, on repetitive questions asked of child witnesses;

Pending explicit judicial authority to control the method of questioning of child witnesses;

Establishment of special rules for determining the competency of child witnesses;

Expanding the evidentiary rules relating to hearsay testimony to provide, with appropriate safeguards, for the admissibility of out-of-court statements of young child abuse victims; and

Permitting the use of contemporaneous close-circuit televised testimony of very young witnesses in order to reduce the pressures and tensions experienced by these children in experiencing a typical courtroom situation.

OUTLINE OF S. 140

Mr. President, S. 140 would provide for Federal financial assistance to go to States which enact reforms along the lines outlined by the California Commission. It would authorize the appropriation of $12 million for each of fiscal years 1987 and 1988 for making grants to States for the purpose of developing, establishing, operating, or implementing programs or procedures for first, handling child sexual abuse cases in a manner which reduces the trauma to the child victim; second, improving the chances of successful prosecution or legal action against child molesters; or third, improving procedures for protecting children from sexual abuse.

As a result of an amendment proposed by Senator DODD, in order to be eligible to receive a grant, a State would have to establish a multidisciplinary task force on children's justice—like the California attorney general's Commission on Enforcement of Child Abuse Laws—which would review, analyze, and make recommendations for reforms needed to improve the response of such State to child abuse cases in the three areas I have listed. A State like California which had established such a task force within the 3 years prior to enactment of S. 140 would not be required to establish a new task force.

Mr. President, I believe that this basic approach would provide an incentive for States to enact the reforms needed while providing them with flexibility to design the specific reforms and programs that would best meet the needs of their particular jurisdiction. The bill would also authorize the financial help that is needed to get some of these programs operating.

CRANSTON AMENDMENTS

Mr. President, at the time I testified in support of S. 140, I proposed several amendments, derived from recommendations contained in the California commission's report. On June 18, I introduced legislation, S. 1320, containing three of these proposals. I am deeply appreciative of the fact that the subcommittee incorporated all of my amendments into the legislation.

STRENGTHENING THE ROLE OF THE NATIONAL CENTER ON CHILD ABUSE

First, Mr. President, I recommended that the National Center on Child Abuse and Neglect be given responsibility to play a more active role in helping States improve and reform their laws relating to the investigation and prosecution of child sexual abuse cases in a manner that will reduce the trauma experienced by the child victims.

Mr. President, repeatedly, the California commission stressed the need for development of appropriate procedures, training materials, and research into the various aspects of the problem of child abuse, particularly those relating to sexual abuse cases. One specific recommendation was for the State of California to investigate what other jurisdictions, both domestic and foreign, are doing in these areas and analyze the reasons for the effectiveness or lack thereof of approaches being tested in other jurisdictions. During the hearings on S. 140, witnesses repeatedly called for the sharing of information on what was being tried and what was effective. Jack Yelverton, executive director of the National District Attorneys Association specifically called for the establishment of a national network to share information and expertise on model programs, to report and track changes in case and statutory law throughout the States and disseminate this information, to monitor and evaluate changes in State and Federal laws based upon the actual case experience of prosecutors, and to develop model legislation based upon such experience.

At a hearing of the children's caucus in Los Angeles that I chaired on June 10, I heard a similar plea for clearinghouse activities to support local law enforcement efforts to deal with complex sexual abuse cases. It was suggested that there ought to be one telephone number that local officials throughout the country could call to get information and advice on how to proceed with these difficult cases.

Mr. President, I was one of the cosponsors of the legislation enacted in 1974 which established the National Center for Child Abuse and Neglect, and, as the chairman of the Senate Subcommittee on Child and Human Development, I authored the 1978 legislation which extended the authorization of appropriations in that act. The Center was established to serve as just such a clearinghouse for information and to help develop the materials and procedures to be used by individual States and localities in confronting these cases. One persistent problem that has plagued the Federal child abuse program since it was first established has been its not disseminating information and research findings on a timely basis to those in the field who need to know what approaches and techniques are being tested in other jurisdictions and which of those are working and which are not.

A basic reason for this failing has been that the National Center has been buried in the HHS bureaucracy, with its funding diverted on occasion to support general discretionary projects supported by the Office of Human Development Services, rather than spent on projects focused specifically on the issues of child abuse and neglect. In April of 1980, the General Accounting Office [GAO] issued a report highlighting the weakness in the National Center's activities. That report—"Increased Federal Efforts Needed to Better Identify, Treat, and Prevent Child Abuse and Neglect"—noted that the "Center has provided little guidance and assistance to States and localities on effective approaches and programs to deal with abuse and neglect * * * Center officials had not clearly communicated to States and localities their opinions on promising approaches and programs even after extensive research and evaluation." GAO specifically recommended that to improve its leadership and assistance, the Center should be required to improve the coordination of Federal programs and resources, identify approaches and programs showing promise of success, and develop information on the progress of States and localities in addressing abuse and neglect.

GAO also noted that much of the problem arose from the lack of adequate support from HHS for the Center and noted prior efforts within HHS to divert some of the Center's research funds to other programs. Nothing in the intervening years since the GAO report was issued has changed much. Indeed, Congress was forced in last year's legislation reauthorizing appropriations for the Federal child abuse program to include provisions prohibiting HHS from using any funds appropriated under the child abuse act for any purpose other than that for which such funds were specifically authorized.

During the hearings held in the last Congress on reauthorizing funding for the National Center, the American Humane Association specifically recommended that the Center should emphasize its dissemination of information and knowledge in an assertive way.

Mr. President, it is not enough to have a National Center that serves merely as a repository of information; active efforts need to be made to share the information with those in the field who can put it to use. Without this kind of leadership and initiative to disseminate information, the individual States are needlessly left to duplicate activities and waste time and resources pursuing deadends.

The reported bill thus contains the amendment I proposed which would give the National Center a specific role and 6-month deadline to meet in the national effort to improve investigation and prosecution of child sexual abuse cases.

Specifically, the bill would require that, within 6 months, the Center compile, analyze, publish, and disseminate to each State information on the various approaches being utilized, developed, or proposed, including an evaluation of the effectiveness or lack thereof, to improve the investigation and prosecution of child sexual abuse cases in a manner which would reduce the trauma to the child victim and provide the States with other materials or information that may be helpful in making such improvements. It would also require the National Center to provide the States with model training materials and procedures to help ensure that all law enforcement, legal, judicial, and child welfare personnel are adequately trained to deal with child sexual abuse victims. Lastly, it would require the Center to provide for the support of research projects to assist in identifying effective approaches to improve the investigation and prosecution of child sexual abuse cases in a manner which reduces the trauma to the child victim.

Mr. President, I want to underscore the importance of the requirement that the National Center disseminate model training materials to law enforcement, judicial, legal, and child welfare personnel on how to deal with child sexual abuse victims. The need for this material has been stressed over and over, both in the Van de Camp Commission report and the testimony of witnesses who appeared before that commission. Dealing with a child who has been the victim of sexual abuse is a very difficult and very sensitive matter. The danger of further and deeper traumatization of the child by insensitive questioning or treatment is very high. Without adequate training, many professionals who want to help a child may actually do more harm than good. The judges as well as the lawyers who deal with these children in the courtroom setting need particularly to be sensitized to the special problems facing these young witnesses.

AUTHORIZING GRANTS TO BE MADE TO STATEWIDE LAW ENFORCEMENT AGENCIES

Mr. President, a second amendment I proposed to S. 140 which has been incorporated into the reported bill allows the funds appropriated under this new authority to go to statewide law enforcement agencies, and not be limited only to the social services agencies which currently receive grants under section 4(a) of the Federal Child Abuse Prevention and Treatment Act. I suggested this amendment because I believe that allowing these funds to go directly to statewide law enforcement agencies would be of significant benefit in helping to elevate the level of interest and attention paid to how the criminal justice system deals with child abuse cases. As long as child abuse is regarded primarily as a matter for the child welfare or social services agencies, rather than for law enforcement agencies as well, the changes that are contemplated under S. 140 are not likely to move forward with the speed they require.

COMPLIANCE WITH CHILD ABUSE REPORTING LAWS

Mr. President, a third amendment I proposed which was incorporated into S. 140 involves a problem identified by both the California attorney general's commission and the United States Attorney General's Task Force on Family Violence relating to a conflict between the general confidentiality provisions of the Federal drug abuse and alcoholism statutes, sections 290dd-3 and 290ee-3 of title 42, United States Code, and State and local laws which require all health-care professionals to report cases of known or suspected child abuse which come to their attention.

Mr. President, a full explanation of the need for this amendment is contained in my introductory statement on S. 1320 on June 18, 1985 which appears on page S8323 of the RECORD of that date (daily edition).

INCLUSION OF CHILD ABUSE DATA IN UNIFORM CRIME REPORTING SYSTEM

Finally, Mr. President, S. 140 includes the fourth amendment I had proposed which would direct the Attorney General to include specific information relating to child abuse in the FBI's Uniform Crime Reporting System. This amendment was incorporated into a similar amendment proposed by the Senator from Iowa [Mr. GRASSLEY], relating to other information and data collection mechanisms operated by the Department of Justice. These amendments should help provide hard data on the incidence and disposition of child abuse cases. The lack of this kind of data has been a persistent problem to policymakers attempting to respond adequately in this area.

CONCLUSION

Mr. President, child abuse, particularly sexual abuse of children, is a very serious problem in our society. I am deeply committed to finding ways to prevent child abuse and child sexual abuse and to provide appropriate treatment for child abuse victims and their families. But we also must take steps to make sure that the judicial and the law enforcement aspects of these cases are adequately handled. Parents are justifiably reluctant to have their children subjected to a further abuse through the criminal prosecution of these cases. As a consequence, in some cases, the perpetrators of heinous crimes against young children are allowed to go free—go free to prey on other children. Better

reporting and enforcement of child abuse laws can help deter potential abusers from engaging in the abuse in the first instance and certainly can be effective in removing them from society when they violate the law.

Companion legislation to S. 1320, H.R. 2791 was introduced in the House of Representatives on June 18 by my good friends and colleagues from California, Representatives DON EDWARDS, MEL LEVINE, and GEORGE MILLER as well as Representative DAN COATS who serves as the ranking minority member of the House Select Committee on Children, Youth, and Families of which Representative MILLER is the chairman. I am confident that our colleagues in the House will move quickly on this important, bipartisan initiative.

In closing, Mr. President, I want to extend my appreciation to the staff who have worked on this legislation, particularly Robin Rushton of Senator HAWKINS' staff and Marsha Renwanz of Senator DODD's staff, and Susanne Martinez of my own staff.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend the Child Abuse Prevention and Treatment Act to establish a program to encourage States to enact child protection reforms which are designed to improve legal and administrative proceedings regarding the investigation and prosecution of the child abuse cases, especially child sexual abuse cases."

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MYASTHENIA GRAVIS AWARENESS WEEK

The Senate proceeded to consider the joint resolution (S.J. Res. 183) to provide for the designation of the week of October 6 through October 12, 1985, as "Myasthenia Gravis Awareness Week."

MYASTHENIA GRAVIS AWARENESS WEEK

Mr. BYRD. Mr. President, I am very pleased that the Senate has moved with such speed to consider the joint resolution I introduce yesterday on behalf of myself and Senator METZENBAUM. That resolution designates the week of October 6 through October 12, 1985, as "Myasthenia Gravis Awareness Week." It is estimated that from 100,000 to 300,000 Americans are afflicted with this gravely disabling disease, a neuromuscular disorder that causes voluntary muscles to become weak and to tire easily.

It is the muscles of the head—particularly those of the eyes, the back of the throat, the larynx, and the respiratory tract—which are most prominently affected. It is a progressive disease—symptoms may advance irregularly, may get worse for a while and then remain the same for a period of time or even get better briefly. But over a period of years, there is always a gradual worsening of symptoms. The major danger in myasthenia gravis arises from progressive paralysis or infection, particularly that involving the respiratory tract.

There is no known cause of this disease, but it does appear that women are twice as susceptible to the disorder as men, afflicting the highest numbers of women between the ages of 20 and 40.

Mr. President, it is clear that much needs to be learned about myasthenia gravis. There is a continuing need to support innovative research into the causes, treatment, and cure of this disorder afflicting hundreds of thousands of American citizens. It is my hope that, by the passage of this resolution, the public's awareness will be raised by the programs, ceremonies, and activities which will stem from official designation of a national "Myasthenia Gravis Awareness Week", and that this will hasten the day when its cause will be known and effective treatment in all cases can be provided.

The joint resolution was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 183

Whereas the incidence and prevalence of myasthenia gravis present a significant health problem in the United States;

Whereas myasthenia gravis is a severe neuromuscular disorder, characterized by weakness of the voluntary muscles of the body;

Whereas an estimated one hundred thousand to two hundred thousand diagnosed, and over one hundred thousand undiagnosed, Americans of both sexes, and all races and ages, are afflicted with the disease;

Whereas the Nation faces a continuing need to support innovative research into the causes, treatment, and cure of myasthenia gravis; and

Whereas it is appropriate to focus the Nation's attention upon the problem of myasthenia gravis: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 6 through October 12, 1985, is designated as "Myasthenia Gravis Awareness Week" and the President of the United States is authorized and requested to issue a proclamation calling upon all government agencies and the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. DOLE. The nominations to which I refer are as follows: Calendar No. 366, Constance Horner; Michael E. Baroody, reported by the Committee on Labor and Human Resources today; Richard S. Nicholson, reported by the Committee on Labor and Human Resources today; Frank Shakespeare, reported by the Foreign Relations Committee today; John Gunther Dean, reported by the Foreign Relations Committee today.

Mr. BYRD. Mr. President, these nominations have been cleared on this side of the aisle, and we have no objection to proceeding.

Mr. DOLE. Mr. President, I ask unanimous consent that the nominations just identified be considered en bloc and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

(New Reports)

OFFICE OF PERSONNEL MANAGEMENT

Constance Horner, of the District of Columbia, to be Director of the Office of Personnel Management for a term of 4 years.

DEPARTMENT OF LABOR

Michael E. Baroody, of Virginia, to be an Assistant Secretary of Labor.

NATIONAL SCIENCE FOUNDATION

Richard S. Nicholson, of Virginia, to be an Assistant Director of the National Science Foundation.

DEPARTMENT OF STATE

Frank Shakespeare, of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Portugal.

John Gunther Dean, of New York, a career member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to India.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the nominations were considered en bloc and confirmed en bloc.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

SCHEDULE

Mr. DOLE. Mr. President, we are now waiting, as I understand it, for drafting to be done on the budget conference report. I am advised that it appears that the House may act first—I hope quickly; then the Senate will act—I hope quickly.

The only other matter that I believe we can possibly dispose of would be the energy and water appropriations bill. If the distinguished chairman of that committee and the ranking minority member are ready to proceed on that matter, I assume it may be at least 7 o'clock or 7:30 before we receive the conference report from the House. I hope that if there is a desire to dispose of the energy and water appropriations bill, that can be done between now and that time.

That would take care of nearly every major item, with the exception of the South Africa conference report. I am advised that there is still opposition to that as well as the Genocide Treaty and one other nonmajor piece of legislation which we have not been able to clear.

So I hope we can complete action on the energy and water appropriations matter in the next 2 hours and be prepared to take up the budget conference report, and dispose of that within an hour, and then conclude our business for the August recess.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER [Mr. ABDNOR]. Without objection, it is so ordered.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS, 1986

Mr. JOHNSTON. Mr. President, in just a moment, I shall make the following unanimous-consent request:

I ask unanimous consent that, when the Senate begins consideration of the bill, that is the energy and water appropriation bill, section 306 of the bill be withdrawn and that no other amendments dealing with the FERC rulemaking ability be referenced in section 306 be in order.

I shall not now ask for that, but I will in just a moment.

For the benefit of my colleagues, Mr. President, section 306 was inserted in the Appropriations Committee and reads as follows:

None of the funds made available in this act or any other act may be expended by the Federal Energy Regulatory Commission for implementation of any regulations adopted by the Commission resulting from the Notice of Proposed Rulemaking issued May 30, 1985 . . . until the sine die adjournment of the first session of the 99th Congress.

What this says, Mr. President, is that the implementation of the presently pending notice of proposed rulemaking at FERC, be held up until adjournment of this session so that Congress has time to consider its ramifications.

Mr. President, the presently pending notice of proposed rulemaking is a very far-reaching set of rules dealing with the issue of natural gas. There is much feeling that FERC feels compelled to propose and adopt these rules with considerable haste because the presently used procedures dealing with transportation of gas and the special marketing programs, have been ruled illegal by the DC circuit. Fortunately, the DC circuit, knowing that FERC was dealing with a rulemaking, made the effective date of the illegality of those procedures November 1, 1985.

So that FERC has felt that the transportation aspects of the rule needed to be put into effect immediately. This haste, Mr. President, might possibly make waste in this instance, because this notice of proposed rulemaking is so far reaching. It deals not only with transportation, but also with block pricing, with take-or-pay, with rate design and with a number of other procedures and substantive rules under FERC.

Mr. President, the original proposed rule was issued at the very same time that the President's tax plan, known as Reagan II, was proposed. The proposed rule was issued May 30, 1985. I believe that was within 2 days submittal of the Reagan II tax plan.

Reagan II took the interest of almost everybody in Congress and most everybody in the energy community, almost to the exclusion of this notice of proposed rulemaking. As the weeks went by and people in the energy community had the opportunity to focus on the very far-reaching nature of these rules, they hastily began to prepare and present their comments.

The comments, Mr. President, were due on July 15, which was only 6 weeks from the issuance of the rule. Six weeks is a very short period of time in which to analyze these very extensive rules to make comments on them, and to present them to FERC.

There are, as I understand it, 6,300 pages of comments on this notice of proposed rulemaking, and 275 parties have filed comments.

Mr. President, it is an absolutely enormous job that FERC and the other parties have time to read and digest 6,300 pages of comments involving 275 parties before mid September. In my judgment, it simply cannot be done.

Mr. President, for that reason, I put in this amendment to slow down the process. There was an editorial in the New York Times, and letters written elsewhere saying, "Senator JOHNSTON is opposed to this proposal because it is going to hurt producers." This is neither my conclusion nor my motive.

Mr. President, I am frank to say I have not read this notice of proposed rulemaking. I simply have not had time. Nor has my staff, which is very skilled and very good, had time to read this and digest it. We have been involved in a budget conference. We have been involved in appropriations bills; indeed this is one of those bills right here. We have had 2 day's hearing, on these very far-reaching rules which few of us were able to attend. These rules have been called the "Magna Charta" of natural gas. The Magna Charta of natural gas is presented before FERC, and 275 parties are given 6 weeks within which to comment, and FERC thinks that in a period of about an additional 6 weeks they can read, digest, interpret and decide on 6,300 pages of comments. It cannot be done.

So, Mr. President, that is the reason for the amendment; to ask, in fact to demand that FERC delay their process.

Mr. President, since the amendment was filed, a number of objections to the amendment, all, or some, at least, good objections, have been made. First, our colleagues from across the Capitol have said that this is impinging on their legislative jurisdiction. Indeed, it is. Sometimes that is necessary. It is better to have a measure that impinges on someone's legislative jurisdiction rather than to make a huge mistake or a huge series of mistakes in a rulemaking.

If, in fact, this has the effect of severely limiting the supply of natural gas, which I am advised it will, then surely it is better to impinge upon someone's jurisdiction in order to delay rather than to proceed in haste and adopt the rule.

Nevertheless, Mr. President, I find substance in their objections. And, in the meantime, my staff has been talking to staff over at FERC and they assure us that they are not trying to proceed in haste.

Indeed, on this very day, the distinguished chairman of the FERC, Mr.

Raymond O'Connor, issued an opening statement in which he pointed out:

Rulemaking at the Commission is an open, objective, and on-going process. Perhaps it goes without saying, but it bears repeating that this process begins with only a notice of a proposal and then the public is offered a full and fair opportunity to review and comment on the notice. Then, the Commission, by law, must consider, weigh, and evaluate those comments and the record and its precedents and the requirements of law. Then, and only then, may the Commission consider making final decisions on whether or not to issue a final rule. Even after a final rule is issued, in the case of the Natural Gas Act, the public has a statutory right to seek rehearing. Today we are only at the midpoint of this process. We have made no final decisions and we intend to fully consider all comments and all issues in an open and deliberate manner.

The statement goes on, Mr. President, in the same light. So, Mr. President, in light of what the distinguished chairman of FERC has said, in light of the sensitivity of my colleagues relative to impinging upon legislative jurisdiction, and considering the fact in effect that we have gotten their attention, and have clearly indicated that we want to slow this thing down—long enough to not only allow these comments to be considered, but I hope long enough to refine the proposed rule and to reopen the process to ask for additional comment—I will today, Mr. President, ask that this amendment not be considered. Before I repeat the unanimous-consent request, Mr. President, I ask unanimous consent to enter into the RECORD a letter that I and some of my colleagues are writing to Mr. O'Connor on this subject.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE, COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC, July 31, 1985.

Hon. RAYMOND J. O'CONNOR,
Chairman, Federal Energy Regulatory Commission, Washington, DC.

DEAR MR. CHAIRMAN: As you are no doubt aware, the Senate Appropriations Committee recently adopted an amendment to the energy and Water Appropriations bill which would have the effect of delaying implementation of any regulation stemming from your recent Notice of Proposed Rulemaking entitled "Regulation of Natural Gas Pipelines After Partial Wellhead Decontrol," Docket No. RM 85-1-000, until the adjournment of the first session of the 99th Congress. While it is not generally our practice to support limitations on the expenditure authorities of independent regulatory agencies, we felt compelled to do so in this instance in order to make clear to you and the other Commissioners our concern over the rate at which consideration of the NOPR is proceeding.

While we in no way wish to prejudge the merits of the NOPR, it is undoubtedly one of the most sweeping changes to ever confront the natrual gas industry. Our review of the comments filed on the NOPR indicates that many members of the industry felt the proposed rule to be exceedingly vague and the comment period unusually short. We share many of the procedural concerns expressed by industry. These concerns seem especially valid in light of the fact that two of the Commissioners present when the NOPR was issued have since departed the Commission.

We would therefore urge you to consider redrafting the NOPR taking into account the comments which have been filed, issuing a new proposed rule, and, thereafter reopening the comment period on the new, and presumably more refined, proposed rule. We are cognizant of the November 1, 1985, deadline for action on the new transportation program imposed upon the Commission by the D.C. Circuit as a result of the stay granted in the case of *Maryland Peoples Counsel* v. *FERC*, Nos. 84-1019 and 84-1090 (May 10, 1985) in its consideration of the blanket certificate transportation program and the special marketing program. If the above suggestion cannot be accommodated in that time frame, you may wish to formally issue the transportation provisions of the NOPR, while refining the remaining portion and resubmitting it for comment.

We feel that this would adequately satisfy both the concerns of ourselves and those in industry, and would help lessen the vulnerability of the final rule to legal challenge on procedural grounds.

Sincerely,

Mr. JOHNSTON. At this time I would like to put the request. I ask unanimous consent that when the Senate begins consideration of the bill—that is the energy and water appropriations bill—that the amendment on page 33, line 4, be withdrawn, and that no other amendments dealing with FERC rulemaking ability as referenced in that section be in order.

The PRESIDING OFFICER. Is there objection?

Mr. CHILES. Reserving the right to object, I have a little amendment to the bill. This does not mean my amendment is not going to be in order?

Mr. JOHNSTON. No. This will not affect that amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I thank the distinguished Senator from Louisiana for his willingness to make the unanimous-consent request. I have a slightly different view of the issue than the Senator from Louisiana, but I believe we both are interested in having the issue deliberated in a way that gives a full public hearing.

Until last spring, the FERC allowed gas pipelines to discriminate against residential consumers by providing preferential gas transportation services to selected industrial gas users. On May 10, 1985, the D.C. Court of Appeals found these programs discriminatory and ordered FERC to replace the programs with nondiscriminatory gas transportation programs by November 1, 1985. FERC decided not to appeal the decision further and began work on nondiscriminatory programs to replace the ones thrown out by the court.

FERC developed the proposed rule that requires natural gas pipelines to transport gas to anyone who requests this service on a nondiscriminatory basis if that pipeline transports gas for any other person. For example, if the pipeline agreed to transport gas from a customer considering switching from natural gas to low-cost oil, under the proposed rule the pipeline would also be required to transport gas for a local gas distribution company, the local gas utility, which previously had no option but to buy gas exclusively from the pipeline. Prior to May 10, pipelines were allowed to transport cheap gas for the industrial user but could deny similar service to the residential user.

The FERC rule would also allocate price-controlled gas, so-called old gas, to historic firm customers of each gas pipeline. The effect of this part of the proposed rule would be to encourage pipelines to buy the cheapest gas available for resale to distribution companies and residential consumers. Today, pipelines are able to average the prices of high-priced new gas with their low-priced old gas. With the proposed FERC rule the pipelines will be able to do so only for existing firm customers. Pipelines will be forced to bargain much more aggressively for lower gas prices. Gas prices to residential consumers will be unambiguously lower under the proposed rule.

Mr. President, as to whether there has been sufficient time to comment on the proposed rule, FERC notified the natural gas community of its intent to propose a comprehensive reform of the natural gas regulations 8 months ago. Beginning last December the commission conducted a 4-month in-depth inquiry into these issues and took over 200 comments. Based on these comments FERC issued the notice of proposed rulemaking by May 30, 1985. FERC has had its proposed rule available for comment for another 2 months giving all interested parties another opportunity to comment. It received voluminous comments, the overwhelming majority of which commended FERC on the general direction of the rulemaking and urged the Commission to issue the rule with various suggested revisions. FERC is today and tomorrow listening to oral comments and will revise its rule in light of all suggestions received.

Here I would refer to the opening statement at the conference today by Chairman O'Connor that the distinguished Senator from Louisiana referred to, and I ask unanimous consent that his full statement be printed in the RECORD at this time.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

OPENING STATEMENT—NOTICE OF PROPOSED RULEMAKING PUBLIC CONFERENCE

Good morning. I am chairman Raymond O'Connor. With me are my fellow commissioners, Anthony Sousa and Charles Stalon.

We welcome all of you to this hearing on the Notice of Proposed Rulemaking we issued in May on the effects of partial wellhead decontrol on the regulation of natural gas pipelines.

We thank everyone for the great amount of interest shown in the NOPR. We received close to 300 comments. The Commission is extremely pleased that all segments of the industry, the consumers, and the public have chosen to respond and participate in a comprehensive and detailed fashion to our call for comments on the NOPR. Your extensive comments, coupled with your previous participation in the six-month Notice of Inquiry process which preceded the NOPR, will be indispensable to our own review of the NOPR here at the Commission. We welcome the expertise and substantive advice of the public at all stages of this rulemaking process, including, of course, our public conference today and tomorrow.

I would also like to emphasize that many, many years of Supreme Court legal precedents and Congressional statutory authorizations have combined to assure that notice-and-comment rulemaking at the Commission is an open, objective, and on-going process. Perhaps it goes without saying, but it bears repeating, that this process begins with only a notice of a proposal; and then the public is offered a full and fair opportunity to review and comment on the Notice. Then, the Commission by law must consider, weight, and evaluate those comments and the record and its precedents and the requirements of law. Then and only then may the Commission consider making final decisions on whether or not to issue a final rule. Even after a final rule is issued, in the case of the Natural Gas Act, the public has a statutory right to seek rehearing.

Today, we are only at the midpoint in this process. We have made no final decisions, and we intend to fully consider all comments and all issues in an open and deliberate manner. As we have stated before, throughout this process, we are committed to upholding our obligations under the Natural Gas Act, the Natural Gas Policy Act, and the DOE Organization Act to assure that natural gas rates are just and reasonable, in the public interest, and not unduly discriminatory.

Because of the number of requests to participate, we request your cooperation on some organizational matters. As stated in the notice, this is not a judicial-type proceeding or evidentiary hearing. Speakers have been divided into panels. Each member of the panel may deliver a statement before general discussions begin. Before speaking, please identify yourself and the organization you represent, so that the reporter can properly record your name.

A transcript of the hearing will be, as usual, a part of the Commission's record and available through the Division of Public Information or it can be ordered from the stenographer in the front of the room during recess periods.

Many of you have brought copies of statements that you will make today. Please leave these copies with Bobby Isaac at the table at the rear of the room.

Anyone desiring copies of these statements may obtain them from the Public Reference Room on the first floor of this building during the day.

Finally, I note that we have two very full days ahead of us, so I would ask your cooperation in respecting the rather tight schedule under which we will have to operate.

Each participant has been allotted approximately five minutes. There will be time for questions after each panel concludes.

Mr. BRADLEY. I quote Chairman O'Connor saying, "Today, we are only at the midpoint of this process. We have made no final decisions, and we intend to fully consider all comments and all issues in an open and deliberate manner." That, to me, sounds like he is going out of his way to be fair.

I would also ask unanimous consent to print in the RECORD letters to the distinguished subcommittee chairman of the House from a number of interested parties on the appropriate authorizing committee in the House.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, July 26, 1985.

Hon. TOM BEVILL,
Chairman, Subcommittee on Energy and Water Development, Committee on Appropriations, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: In our letter to you of July 25, 1985 concerning efforts on the part of some members of the other body to limit the Federal Energy Regulatory Commission's (FERC) ability to proceed with its rulemaking on natural gas (Docket No. RM 85-1-000), we erred in referring to the Supplemental Appropriation bill.

As a clarification, we intended to refer to the Energy and Water Appropriation for Fiscal Year 1986.

Sincerely,

John D. Dingell, Chairman, Committee on Energy and Commerce; Philip R. Sharp, Chairman, Subcommittee on Fossil and Synthetic Fuels, Committee on Energy and Commerce; James T. Broyhill, Banking Minority Member, Committee on Energy and Commerce; William E. Dannemeyer, Ranking Minority Member, Subcommittee on Fossil and Synthetic Fuels, Committee on Energy and Commerce.

Attachment.

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, July 25, 1985.

Hon. TOM BEVILL,
Chairman, Subcommittee on Energy and Water Development, Committee on Appropriations, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: Some members of the Senate are considering attaching to the Supplemental Appropriation bill a limitation on the Federal Energy Regulatory Commission's ability to proceed on its notice of proposed rulemaking on natural gas (Docket No. RM 85-1-000). We are writing to strongly urge that you oppose their efforts to do substantive, authorizing legislation on an Appropriations bill.

The issue is a controversial one on which the Committee on Energy and Commerce is currently in the process of holding hearings. The Federal Energy Regulatory Commission is proceeding under their ongoing authority to protect the public interest under the Natural Gas Act of 1938 and the Natural Gas Policy Act of 1978. Any efforts to direct or limit the scope of their actions through the appropriations process would be an unwarranted intrusion in the independent regulatory process.

Thank you for your assistance in this matter.

Sincerely,

John D. Dingell, Chairman, Committee on Energy and Commerce; Philip R. Sharp, Chairman, Subcommittee on Fossil and Synthetic Fuels, Committee on Energy and Commerce; James T. Broyhill, Banking Minority Member, Committee on Energy and Commerce; William E. Dannemeyer, Ranking Minority Member, Subcommittee on Fossil and Synthetic Fuels, Committee on Energy and Commerce.

Mr. BRADLEY. Mr. President, I suppose the bottom line here is my sense that the normal procedures are being followed, the established processes are working. Acting under authority granted by law, FERC is making responsible action in response to the court order, and in the absence of any further policy direction from Congress. Anyone who disagrees with the final rule when it is published may petition the commission for a rehearing, challenge the rule in court, or seek legislation at that time.

Mr. President, I need not get into the history of the ill-fated attempt to pass natural gas legislation 2 years ago, but will simply refer to the time that legislation was being debated in the Energy Committee. The committee adopted by an 18-to-1 vote a provision similar to what FERC is now proposing in part A of its rule.

Finally, Mr. President, Congress can, of course, attempt to pass natural gas legislation at any time it desires. But relief from anticompetitive, discriminatory marketing practices and resulting high gas prices need not wait. In view of the court ordered deadline, I personally do not see any reason whatsoever to delay the implementation of this rule. A fair hearing? Yes. Unnecessary delay? No.

I thank the distinguished Senator from Louisiana for his leadership on the issue, for his strong feelings on the issue, and for his sense of fairness that he demonstrated today in propounding his unanimous-consent request. I look forward to working with him on the issue on the coming months, as I am sure we will.

Mr. JOHNSTON. I thank the distinguished Senator. I will make another comment since the distinguished chairman of the Appropriations Committee is not here; that is to say, one of the things that I have suggested to Mr. O'Connor in my letter just put into the RECORD was that it would be possible—and I think advisable—to put into operation immediately only those

provisions of the NOPR dealing with transportation.

The Senator referred to those in his opening statement. I think there is very little disagreement with those provisions. Those are the only parts of the NOPR which are time sensitive. They can withhold the rest of it for further comments before the FERC. That will allow the Congress, if it desires, to take a look at it. In any event, that has all been set forth in the letter.

I thank the distinguished Senator.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I move that the Senate proceed to the consideration of H.R. 2959, an act making appropriations for energy and water development for the fiscal year ending September 30, 1986, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2959) making appropriations for energy and water development for the fiscal year ending September 30, 1986, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Appropriations, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldfaced brackets, and the parts of the bill intended to be inserted are shown in italics.)

H.R. 2959

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1986, for energy and water development, and for other purposes, namely:

TITLE I DEPARTMENT OF DEFENSE—CIVIL DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

The following appropriations shall be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers for authorized civil functions of the Department of the Army pertaining to rivers and harbors, flood control, beach erosion, and related purposes.

GENERAL INVESTIGATIONS

For expenses necessary for the collection and study of basic information pertaining to river and harbor, flood control, shore protection, and related projects, restudy of authorized projects, miscellaneous investigations, and when authorized by law, surveys and detailed studies and plans and specification of projects prior to construction, [$133,189,000] $120,697,000, to remain available until expended [and in addition, $150,000, to remain available until expended for the Wabash River Basin comprehensive study.]

CONSTRUCTION, GENERAL

For the prosecution of river and harbor, flood control, shore protection, and related projects authorized by laws; and detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by States, local governments, or private groups) authorized or made eligible for selection by law (but such studies shall not constitute a commitment of the Government to construction), [$846,958,000] *$715,881,000* to remain available until expended [and in addition, to remain available until expended, for that increment of the project for beach erosion control, Sandy Hook to Barnegat Inlet, New Jersey, $1,500,000 shall be made available for the Ocean Township to Sandy Hook Beach at Sea Bright and Monmouth Beach extending to the vicinity of Long Branch; and in addition, $6,000,000, to remain available until expended, for the construction of the Yatesville Lake construction project;] and in addition, $95,700,000, to remain available until expended, for construction of the Red River Waterway, Mississippi River to Sherveport, Louisiana project, *of which $5,700,000 is for construction of Lock and Dam No. 3; and in addition $18,000,000, to remain available until expended, for construction of the main dam of the Elk Creek Lake, Rogue River Basin, Oregon Project, as authorized by the River and Harbor and Flood Control Act of 1962, Public Law 87-874*[; and in addition, $1,880,000, to remain available until expended for construction of the Lorain small boat Harbor, Lorain, Ohio, project authorized by section 107 of the Rivers and Harbor Act of 1960, as amended; and in addition, $400,000 to remain available until expended for remedial, corrective design and construction of project deficiencies in the First Ward Area Front Street Levee in Binghamton, New York.]

FLOOD CONTROL AND COASTAL EMERGENCIES

For expenses necessary for emergency flood control, hurricane, and shore protection activities, as authorized by section 5 of the Flood Control Act, approved August 18, 1941, as amended, [$25,000,000] *$10,000,000,* to remain available until expended.

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES, ARKANSAS, ILLINOIS, KENTUCKY, LOUISIANA, MISSISSIPPI, MISSOURI, AND TENNESSEE

For expenses necessary for prosecuting work of flood control, and rescue work, repair, restoration, or maintenance of flood control projects threatened or destroyed by flood, as authorized by law (33 U.S.C. 702a, 702g-1), [$321,685,000] *$285,735,000,* to remain available until expended: *Provided,* That not less than $250,000 shall be available for bank stabilization measures as determined by the Chief of Engineers to be advisable for the control of bank erosion of streams in the Yazoo Basin, including the foothill area, and where necessary such measures shall complement similar works planned and constructed by the Soil Conservation Service and be limited to the areas of responsibility mutually agreeable to the District Engineer and the State Conservationist.

OPERATION AND MAINTENANCE, GENERAL

For expenses necessary for the preservation, operation, maintenance, and care of existing river and harbor, flood control, and related works, including such sums as may be necessary for the maintenance of harbor channels provided by a State, municipality or other public agency, outside of harbor lines, and serving essential needs of general commerce and navigation; administration of laws pertaining to preservation of navigable waters; surveys and charting of northern and northwestern lakes and connecting waters; clearing and straightening channels; and removal of obstructions to navigation, [$1,325,195,000] *$1,302,800,000,* to remain available until expended, of which $12,000,000 shall be for construction, operation, and maintenance of outdoor recreation facilities, to be derived from the special account established by the Land and Water Conservation Act of 1965, as amended (16 U.S.C. 4601).

Within available funds under this account, advance maintenance of the Charleston Harbor navigation channel may be accomplished to allow for safe movement of vessels.

REVOLVING FUND

For initiation of construction on a dustpan dredge and for the Corps of Engineers Automation Plan, $7,000,000, to remain available until expended (33 U.S.C. 576).

GENERAL EXPENSES

For expenses necessary for general administration and related functions in the office of the Chief of Engineers and offices of the Division Engineers; activities of the Board of Engineers for Rivers and Harbors and the Coastal Engineering Research Board, $107,000,000, to remain available until expended.

ADMINISTRATIVE PROVISIONS

Appropriations in this title shall be available for expenses of attendance by military personnel at meetings in the manner authorized by 5 U.S.C. 4110, uniforms, and allowances therefor, as authorized by law (5 U.S.C. 5901-5902), and for printing, either during a recess or session of Congress, of survey reports authorized by law, and such survey reports as may be printed during a recess of Congress shall be printed, with illustrations, as documents of the next succeeding session of Congress; not to exceed $2,000 for official reception and representation expenses; and during the current fiscal year the revolving fund, Corps of Engineers, shall be available for purchase (not to exceed 175 for replacement only) and hire of passenger motor vehicles.

GENERAL PROVISIONS, CORPS OF ENGINEERS

SEC. 101. None of the funds appropriated in this title, except as specifically contained herein, shall be used to alter, modify, dismantle, or otherwise change any project which is partially constructed but not funded for construction in this title.

[SEC. 102. The Secretary of the Army, acting through the Chief of Engineers, shall grant, within ninety days of enactment of this Act, to the University of Alabama at Huntsville the funds appropriated to the Secretary of the Army pursuant to title I of Public Law 98-50 for the design and construction of a Corps of Engineers learning facility at Huntsville, Alabama. This grant shall be made to the University of Alabama at Huntsville subject to the conditions that the university will convey the grant funds to the Chief of Engineers to design and con-

struct the learning facility on lands owned by the University of Alabama and the completed facility is to be owned and maintained by the university and be operated by the university and the corps as a joint use facility, all according to such specifications, terms, and cost sharing arrangements for operation and maintenance as the University of Alabama at Huntsville and the Secretary of the Army, acting through the Chief of Engineers, may agree. The Secretary of the Army, acting through the Chief of Engineers, shall report to the Committee on Appropriations of the United States House of Representatives and the United States Senate on a monthly basis on the status of the required agreements and the construction of the learning facility until such time as the facility is constructed and operational at the University of Alabama at Huntsville.]

SEC. 102. Within available funds appropriated under "Operation and Maintenance, General", the Secretary of the Army may remove obstructions and ease bends at the Jacksonville Harbor navigation channel in the vicinity of Blount Island to allow for the free and safe movement of vessels.

TITLE II DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

For carrying out the functions of the Bureau of Reclamation as provided in the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) and other Acts applicable to that Bureau as follows:

GENERAL INVESTIGATIONS

For engineering and economic investigations of proposed Federal reclamation projects and studies of water conservation and development plans and activities preliminary to the reconstruction, rehabilitation and betterment, financial adjustment, or extension of existing projects, to remain available until expended, [$34,085,000] *$32,150,000: Provided*, That of the total appropriated, the amount for program activities which can be financed by the reclamation fund shall be derived from that fund: *Provided further*, That all costs of an advance planning study of a proposed project shall be considered to be construction costs and to be reimbursable in accordance with the allocation of construction costs if the project is authorized for construction.

CONSTRUCTION PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For construction and rehabilitation of projects and parts thereof (including power transmission facilities for Bureau of Reclamation use) and for other related activities as authorized by law, to remain available until expended, [$541,074,000] *$512,730,000* of which $97,412,000 shall be available for transfers to the Upper Colorado River Basin Fund authorized by section 5 of the Act of April 11, 1956 (43 U.S.C. 620d), and [$147,200,000] *$141,200,000* shall be available for transfers to the Lower Colorado River Basin Development Fund authorized by section 403 of the Act of September 30, 1968 (43 U.S.C. 1543), and $1,430,000 shall be considered as though advanced to the Colorado River Dam Fund for the Boulder Canyon Project as authorized by the Act of December 21, 1928, as amended: *Provided*, That of the total appropriated, the amount for program activities which can be financed by the reclamation fund shall be derived from that fund: *Provided further*, That transfers to the Upper Colorado River Basin Fund and Lower Colorado River Basin Development Fund may be increased or decreased by transfers within the overall appropriation to this heading: *Provided further*, That the final point of discharge for the interceptor drain for the San Luis Unit shall not be determined until development by the Secretary of the Interior and the State of California of a plan, which shall conform with the water quality standards of the State of California as approved by the Administrator of the Environmental Protection Agency, to minimize any detrimental effect of the San Luis drainage waters: *Provided further*, That no part of the funds herein approved shall be available for construction or operation of facilities to prevent waters of Lake Powell from entering any national monument: *Provided further*, That of the amount herein appropriated, such amounts as may be necessary shall be available to enable the Secretary of the Interior to continue work on rehabilitating the Velarde Community Ditch Project, New Mexico, in accordance with the Federal Reclamation Laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) for the purposes of diverting and conveying water to irrigated project lands. The cost of the rehabilitation will be non-reimbursable and constructed features will be turned over to the appropriate entity for operation and maintenance: *Provided further*, That of the amount herein appropriated, such amounts as may be required shall be available to continue improvement activities for the Lower Colorado Regional Complex: *Provided further*, That none of the funds made available by this Act for the Bonneville Unit of the Central Utah Project may be obligated or expended for the award of new construction contracts or for land acquisition related to new contracts until a supplemental repayment contract for municipal and industrial water supplies, sufficient to recover all allocable reimbursable costs, plus interest, has been executed between the Secretary and the Central Utah Water Conservancy District and such contract has been submitted to the Congress and 100 days have elapsed: *Provided further*, That $14,000,000 in unobligated balances of Teton Dam Failure of Payment of Claims funds provided under Public Laws 94-355, dated July 12, 1976, and 94-438, dated September 30, 1976, shall be available for use on projects under this appropriation: [*Provided further*, That none of the funds made available by this Act may be obligated or expended for construction of the Animas-LaPlata Participating Project, Colorado-New Mexico until: (1) an agreement has been executed between the Secretary of the Interior and non-Federal entities in Colorado and/or New Mexico providing for such non-Federal entities to contribute a reasonable portion of the total project costs; and (2) such agreement has been submitted to the Congress and 120 calendar days have elapsed. None of the funds made available to the Secretary of the Interior shall be made available for the Animas-LaPlata Project if the agreement required by this paragraph has not been reached by September 30, 1986:] *Provided further*, That none of the funds made available by this or any other appropriations Act shall be obligated or expended for construction (including land acquisition) of the Garrison Diversion Unit, North Dakota, unless the Congress has, prior to March 31, 1986, enacted legislation reformulating the Unit: *Provided further*, That this restriction shall not apply to the expenditure of funds pursuant to contracts that have been awarded prior to October 1, 1985: *Provided further, That the amount herein appropriated not to exceed $20,000 shall be available to continue a rehabilitation and betterment program with the Twin Falls Canal Company, Twin Falls County, Idaho, to rehabilitate facilities under the Act of October 7, 1949 (63 Stat. 724), as amended, to be repaid in full by the lands served and under conditions satisfactory to the Secretary of the Interior.*

OPERATION AND MAINTENANCE

For operation and maintenance of reclamation projects or parts thereof and other facilities, as authorized by law; and for a soil and moisture conservation program on lands under the jurisdiction of the Bureau of Reclamation, pursuant to law, to remain available until expended, $132,665,000: *Provided*, That of the total appropriated, the amount for program activities which can be financed by the reclamation fund shall be derived from that fund: *Provided further*, That of the total appropriated, such amounts as may be required for replacement work on the Boulder Canyon Project which would require readvances to the Colorado River Dam Fund shall be readvanced to the Colorado River Dam Fund pursuant to section 5 of the Boulder Canyon Project Adjustment Act of July 19, 1940 (43 U.S.C. 618d), and such readvances since October 1, 1984, and in the future shall bear interest at the rate determined pursuant to section 104(a)(5) of Public Law 98-381: *Provided further*, That funds advanced by water users for operation and maintenance of reclamation projects or parts thereof shall be deposited to the credit of this appropriation and may be expended for the same objects and in the same manner as sums appropriated herein may be expended, and such advances shall remain available until expended: *Provided further*, That nonreimbursable funds will be available from revenues for performing examination of existing structures on participating projects of the Colorado River Storage Project.

LOAN PROGRAM

For loans to irrigation districts and other public agencies for construction of distribution systems on authorized Federal reclamation projects, and for loans and grants to non-Federal agencies for construction of projects, as authorized by the Acts of July 4, 1955, as amended (43 U.S.C. 421a-421d), and August 6, 1956, as amended (43 U.S.C. 422a-422l), including expenses necessary for carrying out the program, [$42,515,000] *$39,315,000*, to remain available until expended: *Provided*, That of the total sums appropriated, the amount for program activities which can be financed by the reclamation fund shall be derived from that fund: *Provided further*, That during fiscal year 1986 and within the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed [$41,100,000] *$37,900,000: Provided further*, That any contract under the Act of July 4, 1955 (69 Stat. 244), as amended, not yet executed by the Secretary, which calls for the making of loans beyond the fiscal year in which the contract is entered into shall be made only on the same conditions as those prescribed in section 12 of the Act of August 4, 1939 (53 Stat. 1187, 1197).

GENERAL ADMINISTRATIVE EXPENSES

For necessary expenses of general administration and related functions in the office of the Commissioner, the Denver Engineer-

ing and Research Center, and offices in the seven regions of the Bureau of Reclamation, $49,200,000, of which $4,900,000, shall remain available until expended, the total amount to be derived from the reclamation fund and to be nonreimbursable pursuant to the Act of April 19, 1945 (43 U.S.C. 377): *Provided,* That no part of any other appropriation in this Act shall be available for activities or functions budgeted for the current fiscal year as general administrative expenses.

EMERGENCY FUND

For an additional amount for the "Emergency fund", as authorized by the Act of June 26, 1948 (43 U.S.C. 502), as amended, to remain available until expended for the purposes specified in said Act, $1,000,000, to be derived from the reclamation fund.

SPECIAL FUNDS

Sums herein referred to as being derived from the reclamation fund, the Colorado River Dam fund, or the Colorado River development fund, are appropriated from the special funds in the Treasury created by the Act of June 17, 1902 (43 U.S.C. 391), and the Act of December 21, 1928 (43 U.S.C. 617a), and the Act of July 19, 1940 (43 U.S.C. 618a), respectively. Such sums shall be transferred, upon request of the Secretary, to be merged with and expended under the heads herein specified; and the unexpended balances of sums transferred for expenditure under the head "General Administrative Expenses" shall revert and be credited to the special fund from which derived.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Reclamation shall be available for purchase of not to exceed 16 passenger motor vehicles of which 15 shall be for replacement only; purchase of two aircraft, of which one shall be for replacement only; *payment of such amounts not to exceed $6,000,000 as may be necessary for alterations to existing building No. 53 to accommodate the new center computer facilities at the Denver Federal Center, Lakewood, Colorado;* payment of claims for damages to or loss of property, personal injury, or death arising out of activities of the Bureau of Reclamation; payment, except as otherwise provided for, of compensation and expenses of persons on the rolls of the Bureau of Reclamation appointed as authorized by law to represent the United States in the negotiations and administration of interstate compacts without reimbursement or return under the reclamation laws; for service as authorized by section 3109 of title 5, United States Code, in total not to exceed $500,000; rewards for information or evidence concerning violations of law involving property under the jurisdiction of the Bureau of Reclamation; performance of the functions specified under the head "Operation and Maintenance Administration", Bureau of Reclamation, in the Interior Department Appropriations Act, 1945; preparation and dissemination of useful information including recordings, photographs, and photographic prints; and studies of recreational uses of reservoir areas, and investigation and recovery of archeological and paleontological remains in such areas in the same manner as provided for in the Acts of August 21, 1935 (16 U.S.C. 461-467) and June 27, 1960 (16 U.S.C. 469): *Provided,* That no part of any appropriation made herein shall be available pursuant to the Act of April 19, 1945 (43 U.S.C. 377), for expenses other than those incurred on behalf of specific reclamation projects except "General Administrative Expenses" and amounts provided for plan formulation and advance planning investigations, and general engineering and research under the head "General Investigations".

Sums appropriated herein which are expended in the performance of reimbursable functions of the Bureau of Reclamation shall be returnable to the extent and in the manner provided by law.

No part of any appropriation for the Bureau of Reclamation, contained in this Act or in any prior Act, which represents amounts earned under the terms of a contract but remaining unpaid, shall be obligated for any other purpose, regardless of when such amounts are to be paid: *Provided,* That the incurring of any obligation prohibited by this paragraph shall be deemed a violation of section 3679 of the Revised Statutes, as amended (31 U.S.C. 1341).

No funds appropriated to the Bureau of Reclamation for operation and maintenance, except those derived from advances by water users, shall be used for the particular benefits of lands (a) within the boundaries of an irrigation district, (b) of any member of a water users' organization, or (c) of any individual when such district, organization, or individual is in arrears for more than twelve months in the payment of charges due under a contract entered into with the United States pursuant to laws administered by the Bureau of Reclamation.

GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR

SEC. 201. Appropriations in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement, or repair of aircraft, buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: *Provided,* That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted.

SEC. 202. The Secretary may authorize the expenditure or transfer (within each bureau or office) of any appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of forest or range fires on or threatening lands under jurisdiction of the Department of the Interior.

SEC. 203. Appropriations in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency, or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by the Act of June 30, 1932 (31 U.S.C. 1535 and 1536): *Provided,* That reimbursements for costs of supplies, materials, equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

SEC. 204. Appropriations in this title shall be available for hire, maintenance, and operation of aircraft; hire of passenger motor vehicles; purchases of reprints; payment for telephone services in private residences in the field, when authorized under regulations approved by the Secretary; and the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members.

SEC. 205. (a) Within 30 days after enactment of this Act, there shall be established in the Treasury of the United States a working capital fund to assist in the management of certain support activities of the Bureau of Reclamation (hereafter referred to as the "Bureau"), Department of the Interior. The fund shall be available without fiscal year limitation for expenses necessary for furnishing materials, supplies, equipment, work, and services in support of Bureau programs, and, as authorized by law, to agencies of the Federal Government and others. Such expenses may include the acquisition, replacement, and operation of a central computer and related automatic data processing equipment; engineering services; payroll and other management services; acquisition and replacement of equipment and facilities, including the purchase, lease, or rent of motor vehicles and aircraft within any limitations set forth in appropriations made to carry out the functions of the Bureau and such other activities as may be approved by the Director, Office of Management and Budget.

(b) The fund shall be credited with appropriations made for the purpose of providing or increasing capital. There are authorized to be transferred to the fund (at fair and reasonable values at the time of transfer) the inventories, equipment, receivables, and other assets, less the liabilities, related to the functions to be financed by the fund as determined by the Secretary of the Interior.

(c) The fund shall be credited with appropriations and other funds of the Bureau, and other agencies of the Department of the Interior, other Federal agencies, and other sources, for providing materials, supplies, equipment, work, and services as authorized by law. Such payments may be made in advance or upon performance.

(d) Charges to users will be at rates approximately equal to the costs of furnishing the materials, supplies, equipment, facilities, and services (including such items as depreciation of equipment and accrued annual leave).

(e) There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this section.

(f) Funds that are not necessary to carry out the activities to be financed by the fund, as determined by the Secretary, shall be covered into miscellaneous receipts of the Treasury.

TITLE III—DEPARTMENT OF ENERGY

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES

(INCLUDING TRANSFER OF FUNDS)

For expenses of the Department of Energy activities including the purchase, construction and acquisition of plant and capital equipment and other expenses incidental thereto necessary for energy supply, research and development activities, and other activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; purchase of passenger motor vehicles (not to exceed 17 for replacement only), [$1,947,836,000] *$1,989,721,000,* to remain available until expended [of which $200,000,000 shall be derived by transfer from Uranium Supply and Enrichment Activities provided in prior years, and of which $17,400,000 shall be derived by transfer from Operation and Maintenance, Southeastern Power Administration; and of which $25,000,000 shall be avail-

able only for construction of the Center for Science and Technology, the Center for Energy and Biomedical Technology, the Energy and Mineral Research Center and the Demonstration Center for Information Technologies as described in the report accompanying this Act; together with not to exceed $6,000,000, to be derived from revenues from activities of the Technical Information Services, which shall be credited to this account and used for necessary expenses and shall remain available until expended] *of which $92,600,000 shall be derived by transfer from Uranium Supply and Enrichment Activities provided in prior years, and of which $17,400,000 shall be derived by transfer from Operation and Maintenance, Southeastern Power Administration; and of which $18,500,000 shall be available only for construction of the Advanced Science Center, the Center for Energy and Biomedical Technology, and the Energy and Mineral Research Center as described in the report accompanying this Act; together with not to exceed $6,000,000, to be derived from revenues from activities of the Technical Information Services, which shall be credited to this account and used for necessary expenses and shall remain available until expended.*

URANIUM SUPPLY AND ENRICHMENT ACTIVITIES

For expenses of the Department of Energy in connection with operating expenses; the purchase, construction, and acquisition of plant and capital equipment and other expenses incidental thereto necessary for uranium supply and enrichment activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; purchase of passenger motor vehicles (not to exceed 34 for replacement only); $1,612,700,000, to remain available until expended: *Provided,* That revenues received by the Department for the enrichment of uranium and estimated to total $1,612,700,000 in fiscal year 1968, shall be retained and used for the specific purpose of offsetting costs incurred by the Department in providing uranium enrichment service activities as authorized by section 201 of Public Law 95-238, notwithstanding the provisions of [section 3617 of the Revised Statutes (31 U.S.C. 484)] *section 3302(b) of 31 U.S.C. 484: Provided further,* That the sum herein appropriated shall be reduced as uranium enrichment revenues are received during fiscal year 1986 so as to result in a final fiscal year 1986 appropriation estimated at not more than $0.

GENERAL SCIENCE AND RESEARCH ACTIVITIES

(INCLUDING TRANSFER OF FUNDS)

For expenses of the Department of Energy, activities including the purchase, construction and acquisition of plant and capital equipment and other expenses incidental thereto necessary for general science and research activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), including the acquisition or condemnation of any real property or facility or for plant or facility acquisition, construction, or expansion; purchase of passenger motor vehicles (not to exceed 13 for replacement only); [$691,400,000] *$685,400,000,* to remain available until expended of which $6,000,000 shall be derived by transfer from Operation and Maintenance, Southeastern Power Administration.

NUCLEAR WASTE DISPOSAL FUND

For nuclear waste disposal activities to carry out the purposes of Public Law 97-425, including the acquisition of real property or facility construction or expansion, [$521,460,000] *$552,460,000,* to remain available until expended, to be derived from the Nuclear Waste Fund. To the extent that balances in the fund are not sufficient to cover amounts available for obligation in the account, the Secretary shall exercise his authority pursuant to section 302(e)(5) to issue obligations to the Secretary of the Treasury.

ATOMIC ENERGY DEFENSE ACTIVITIES

For expenses of the Department of Energy activities including the purchase, construction and acquisition of plant and capital equipment and other expenses incidental thereto necessary for atomic energy defense activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; purchase of passenger motor vehicles (not to exceed 435 of which 274 are for replacement only) including 57 policy-type vehicles; and purchase of three aircraft, one of which is for replacement only, [$7,593,415,000] *$7,623,300,000,* to remain available until expended.

DEPARTMENTAL ADMINISTRATION

For salaries and expenses of the Department of Energy necessary for Departmental Administration and other activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), including the hire of passenger motor vehicles and official reception and representation expenses (not to exceed $35,000); $410,366,000, all of which is available for fiscal year 1986 and shall remain available until expended, plus such additional amounts as necessary to cover increases in the estimated amount of cost of work for others notwithstanding the provisions of the Anti-Deficiency Act (31 U.S.C. 1511 et seq.): *Provided,* That such increases in cost of work are offset by revenue increases of the same or greater amount, to remain available until expended: *Provided further,* That moneys received by the Department for miscellaneous revenues estimated to total $244,228,000 in fiscal year 1986 may be retained and used for operating expenses within this account, and may remain available until expended, as authorized by section 201 of Public Law 95-238, notwithstanding the provisions of section 3302 of title 31, United States Code: *Provided further,* That the sum herein appropriated shall be reduced by the amount of miscellaneous revenues received during fiscal year 1986 so as to result in a final fiscal year 1986 appropriation estimated at not more than $166,138,000.

POWER MARKETING ADMINISTRATIONS

OPERATION AND MAINTENANCE, ALASKA POWER ADMINISTRATION

For engineering and economic investigations to promote the development and utilization of the water, power, and related resources of Alaska, and for necessary expenses of operation and maintenance of projects in Alaska and of marketing electric power and energy, $3,281,000, to remain available until expended.

BONNEVILLE POWER ADMINISTRATION FUND

Expenditures from the Bonneville Power Administration Fund, established pursuant to Public Law 93-454, are approved for [White River Falls Fish Passage Facilities,] Nez Perce Fish Propagation Facility, Yakima Hatchery, Colville Hatchery, Dryden Dam Fish Passage Facilities, and Tumwater Falls Dam Fish Passage Facilities. Expenditures are also approved for: (1) acquisition of one fixed wing aircraft for replacement only and (2) official reception and representation expenses in an amount not to exceed $2,500.

During fiscal year 1986, and within the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed $20,000,000.

OPERATION AND MAINTENANCE, SOUTHWESTERN POWER ADMINISTRATION

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy, and for construction and acquisition of transmission lines, substations and appurtenant facilities, and for administrative expenses connected therewith, in carrying out the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southwestern power area, $29,500,000, to remain available until expended.

CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE, WESTERN AREA POWER ADMINISTRATION

(INCLUDING TRANSFER OF FUNDS)

For carrying out the functions authorized by title III, section 302(a)(1)(E) of the Act of August 4, 1977 (Public Law 95-91), and other related activities including conservation and renewable resources programs as authorized, including official reception and representation expenses in an amount not to exceed $1,500, the purchase of passenger motor vehicles (not to exceed 18 for replacement only), $196,610,000, to remain available until expended, of which $189,619,000, shall be derived from the Department of the Interior Reclamation fund: *Provided,* That the Secretary of the Treasury is authorized to transfer from the Colorado River Dam Fund to the Western Area Power Administration $890,000, to carry out the power marketing and transmission activities of the Boulder Canyon project as provided in section 104(a)(4) of the Hoover Power Plant Act of 1984 (Public Law 98-381, 98 Stat. 1333).

[Notwithstanding provisions of this or any other law, no funds approved by this Act shall be used to pay the rates of basic pay and premium pay for power system dispatchers unless such rates are based on those prevailing for similar occupations in the electric power industry.]

EMERGENCY FUND, WESTERN AREA POWER ADMINISTRATION

The Treasury of the United States shall set up and maintain a continuing fund of $500,000 out of Western Area Power Administration deposits to the Reclamation Fund. Said continuing fund shall be available to the Western Area Power Administration to assure the continuous operation and maintenance of its power system during unusual or emergency conditions, within the meaning of the Act of June 26, 1948 (43 U.S.C. 502-03): *Provided,* That expenditures from said continuing fund shall be replenished from power revenues of the Project for which funds were expended on an unusual or emergency basis.

FEDERAL ENERGY REGULATORY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Energy Regulatory Commission to carry out the provisions of the Department of Energy Organization Act (Public Law 95-91), including services as authorized by 5 U.S.C. 3109, including the hire of passenger motor vehicles; official reception nad representation expenses (not to exceed $1,500) [$93,068,000] *$95,568,000,* of which $3,000,000 shall remain available until expended and be available only for contractual activities: *Provided,* That notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484), revenues from licensing fees, inspection services, and other services and collections estimated at $66,077,000 in fiscal year 1986 may be retained and used for necessary expenses in this account, and may remain available until expended: *Provided further,* That the sum herein appropriated shall be reduced as revenues are received during fiscal year 1986, so as to result in a final fiscal year 1986 appropriation estimated at not more than [$26,991,000] *$29,491,000.*

GEOTHERMAL RESOURCES DEVELOPMENT FUND

For carrying out the Loan Guarantee and Interest Assistance Program as authorized by the Geothermal Energy Research, Development and Demonstration Act of 1974, as amended, $72,000, to remain available until expended: *Provided,* That the indebtedness guaranteed or committed to be guaranteed through funds provided by this or any other appropriation Act shall not exceed the aggregate of $500,000,000.

GENERAL PROVISIONS—DEPARTMENT OF ENERGY

SEC. 301. Appropriations for the Department of Energy under this title for the current fiscal year shall be available for hire of passenger motor vehicles; hire, maintenance and operation of aircraft; purchase, repair and cleaning of uniforms; and reimbursement to the General Services Administration for security guard services. From these appropriations, transfers of sums may be made to other agencies of United States Government for the performance of work for which this appropriation is made. None of the funds made available to the Department of Energy under this Act shall be used to implement or finance authorized price support or loan guarantee programs unless specific provision is made for such programs in an appropriation Act. The Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, private, or foreign.

(TRANSFERS OF UNEXPENDED BALANCES)

SEC. 302. Not to exceed 5 per centum of any appropriations made available for the current fiscal year for Department of Energy activities funded in this Act may be transferred between such appropriations, but no such appropriation, except as otherwise provided, shall be increased or decreased by more than 5 per centum by any such transfers, and any such proposed transfers shall be submitted promptly to the Committees on Appropriations of the House and Senate.

(TRANSFERS OF UNEXPENDED BALANCE)

SEC. 303. The unexpended balances of prior appropriations prior for activities covered in this Act may be transferred to appropriation accounts for such activities established pursuant to this title. Balances so transferred may be merged with funds in the applicable established accounts and thereafter may be accounted for as one fund for the same time perod as originally enacted.

SEC. 304. The expenditure of any appropriation under this Act for any consulting service through procurement contract pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 305. None of the funds in the Department of Energy shall be used to pay the expenses of, or otherwise compensate, parties intervening in regulatory or adjudicatory proceedings funded in the Department of Energy.

[SEC. 306. Of the funds appropriated for Energy Supply, Research and Development Activities under this Act, $2,000,000 shall be available until expended to further domestic technology transfer by facilitating access to data within the national laboratories, including the use of super computers.

[SEC. 307. No funds authorized to be expended by this or any other Act from the Bonneville Power Administration Fund, established pursuant to Public Law 93-454, may be used for the procurement of, or for the payment of the salary of any person engaged in the procurement of, any extra high voltage (EHV) power equipment not produced in the United States or its possession.]

SEC. *306. None of the funds made available by this Act or any other Act may be expended by the Federal Energy Regulatory Commission for implementation of any regulation adopted by the Commission resulting from the Notice of Proposed Rulemaking issued May 30, 1985, entitled "Regulation of Natural Gas Pipelines After Partial Wellhead Decontrol", Docket No. RM85-1-000, until the sine die adjournment of the first session of the Ninety-ninth Congress.*

TITLE IV

INDEPENDENT AGENCIES

APPALACHIAN REGIONAL COMMISSION

APPALACHIAN REGIONAL DEVELOPMENT PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary to carry out the programs authorized by the Appalachian Regional Development Act of 1965, as amended, not withstanding section 405 of said Act, except expenses authorized by section 105 of said Act, including services as authorized by section 3109 of title 5, United States Code, and hire of passenger motor vehicles, [to remain available until expended, $141,500,000] *$80,000,000* of which [$100,000,000] *$50,000,000* shall be available for the Appalachian Development Highway System of which $10,000,000 shall be derived from prior year unobligated balances; and for necessary expenses of the Federal Cochairman and the alternate on the Applachian Regional Commission and for payment of the Federal share of the administrative expenses of the Commission, including services as authorized by section 3109 of title 5, United States Code, and hire of passenger motor vehicles, as additional [$2,500,000] *$1,800,000.*

DELAWARE RIVER BASIN COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out the functions of the United States member of the Delaware River Basin Commission, as authorized by law (75 Stat. 716), $168,000.

CONTRIBUTION TO DELAWARE RIVER BASIN COMMISSION

For payment of the United States share of the current expenses of the Delaware River Basin Commission, as authorized by law (75 Stat. 706, 707), $275,000.

INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

CONTRIBUTION TO INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

To enable the Secretary of the Treasury to pay in advance to the Interstate Commission on the Potomac River Basin the Federal contribution toward the expenses of the Commission during the current fiscal year in the administration of its business in the conservancy district established pursuant to the Act of July 11, 1940 (54 Stat. 748), as amended by the Act of September 25, 1970 (Public Law 91-407), $79,000.

NUCLEAR REGULATORY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Commission in carrying out the purposes of the Energy Reorganization Act of 1974, as amended, and the Atomic Energy Act, as amended, including the employment of aliens; services authorized by 5 U.S.C. 3109; publication and dissemination of atomic information; purchase, repair, and cleaning of uniforms; official representation expenses (not to exceed $3,000); reimbursements to the General Services Administration for security guard services; hire of passenger motor vehicles and aircraft, [$403,671,000] *$429,000,000,* to remain available until expended: *Provided,* That from this appropriation, transfer of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred: *Provided further,* That moneys received by the Commission for the cooperative nuclear safety research program and the material access authorization program may be retained and used for salaries and expenses associated with those programs, notwithstanding the provisions of section 3302 of title 31, United States Code, and shall remain available until expended.

SUSQUEHANNA RIVER BASIN COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out the functions of the United States member of the Susquehanna River Basin Commission, as authorized by law (84 Stat. 1541), $163,000.

CONTRIBUTION TO SUSQUEHANNA RIVER BASIN COMMISSION

For payment of the United States share of the current expense of the Susquehanna River Basin Commission, as authorized by law (84 Stat. 1530, 1531), $230,000.

TENNESSEE VALLEY AUTHORITY

TENNESSEE VALLEY AUTHORITY FUND

(INCLUDING TRANSFER OF FUNDS)

For the purpose of carrying out the provisions of the Tennesee Valley Authority Act of 1933, as amended (16 U.S.C., ch. 12A), including purchase, hire, maintenance, and operation of aircraft, and purchase and hire of passenger motor vehicles, and for entering into contracts and making payments under section 11 of the National Trails System Act, as amended, [$118,000,000] *$90,861,000,* to remain available until ex-

pended [of which $9,000,000 shall be derived from prior year unobligated balances in the Tennessee Valley Authority Fund:] *Provided,* That this appropriation and other moneys available to the Tennessee Valley Authority may be used for payment of the allowances authorized by 5 U.S.C. 5948.

TITLE V—GENERAL PROVISIONS

SEC. 501. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 502. None of the funds in this Act shall be used to pay the expenses of, or otherwise compensate, parties intervening in regulatory or adjudicatory proceedings funded in this Act.

SEC. 503. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 504. None of the funds appropriated in this Act shall be used to implement a program of retention contracts for senior employees of the Tennessee Valley Authority.

Sec. 505. Notwithstanding any other provision of this Act or any other provision of law, none of the funds made available under this Act or any other law shall be used for the purposes of conducting any studies relating or leading to the possibility of changing from the currently required "at cost" to a "market rate" or any other non-cost-based method for the pricing of hydroelectric power by the six Federal public power authorities, or other agencies or authorities of the Federal Government, except as may be specifically authorized by Act of Congress hereafter enacted.

[SEC. 506. No funds appropriated in this Act may be used for the procurement of, or for the payment of the salary of any person engaged in the procurement of, any extra high voltage (EHV) power equipment not produced in the United States or its possessions.]

BUDGET ACT WAIVER

Mr. HATFIELD. Mr. President, I move that in accordance with section 904 of the Budget Act to waive section 303 of that act with respect to the pending measure, H.R. 2959, as reported by the Committee on Appropriations and any amendments thereto.

This matter has been cleared with the chairman of the Budget Committee and on both sides of the aisle.

The PRESIDING OFFICER. The question is on agreeing to the motion.

Mr. CHAFEE. I object. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I repeat my request relating to the budget waiver.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon.

The motion was agreed to.

Mr. HATFIELD. Mr. President, I am pleased to bring before the Senate today H.R. 2959, the annual energy and water development appropriations bill for fiscal year 1986. The bill as recommended by the committee provides $15,182 million in new budget authority for energy and water development through activities of the Department of Energy, the Corps of Engineers, the Bureau of Reclamation, and several independent agencies. The amount reported is $97,588,000 lower than the President's budget request.

Let me repeat that. We are reporting today an appropriations measure relating to energy and water development that is $97,588,000 lower than the President of the United States, Ronald Reagan, requested, and $90,513,000 below the House of Representatives passed version. Our recommendation is within the Senate allocation for both defense and nondefense discretionary spending and I believe it represents a fiscally responsible appropriations measure.

Mr. President, I want to also underscore the fact that within this $15 billion, $7.623 billion is for the military procurement and military projects for energy defense activities.

I always like to emphasize the fact that in the energy bill it is not all water-related or civilian energy items, but we are carrying in that bill the Basic Nuclear Warhead Program of the military department.

Before proceeding further, Mr. President, I want to commend all the members of the subcommittee and the full committee, but particularly the Senator from Louisiana, BENNETT JOHNSTON, the ranking member of the subcommittee.

As former chairman of the Energy and Water Subcommittee, Senator JOHNSTON has developed a mastery of these programs.

I extend again my appreciation to him for his counsel and assistance in developing this legislation. As in previous years, Mr. President, this bill is the product of a nonpartisan and harmonious working relationship among many Members from both sides of the aisle, and I expect it to receive overwhelming support in the Senate.

The committee recommendation is the result of long hours of testimony from agency officials and private citizens during 10 sessions of hearings and two markup sessions.

No other committee or subcommittee has more public interest and participation. We hear from numerous local and private groups and organizations and literally hundreds of individual witnesses from throughout the United States. In addition, there have been literally hundreds of individual requests from Senators and Congressmen.

While we cannot support all these items within the limited funds available, I believe that priority requests have been adequately addressed as well as the critical national priorities of energy and water development.

Mr. President, the recommendation before us today provides $3.4 billion for Federal Water Resource Development Programs. This includes projects and related activities of the U.S. Army Corps of Engineers, the Bureau of Reclamation, and the Tennessee Valley Authority. This Water Development Program provides capital investment funding—capital investments with lasting benefits to the Nation in the areas of flood control, municipal and industrial water supply, irrigation, water conservation, commercial navigation, hydroelectric power, recreation, and fish and wildlife enhancement.

As OMB points out, the committee recommendation is approximately $330 million over the budget request for the Corps of Engineers. This $330 million was added by the committee to offset a a proposed reduction in the operation and maintenance of existing corps projects and facilities.

The administration's proposed cuts could have closed down important water projects and facilities, including ports and waterways navigation facilities across the United States. In a show of budget gimmickry, and false budget savings, I believe these cuts were proposed by OMB with the clear understanding that Congress would continue to provide funds for operations of these important projects. After receiving extensive testimony on the impact of these cuts, the committee does indeed recommend a restoration of the O&M account. Even with the reinstatement of these funds, the committee recommends about $250 million less than the House for the Water Development Programs and nearly $400 million below the current year level of funding.

Much of the reduction in budget authority comes from the corps construction program as ongoing projects are completed and no new projects are initiated.

Despite the impressive benefits of these projects, the process through which these capital investments are authorized and made eligible for funding has been delayed to the point of creating a slow death to the Water Resource Development Program. The last major construction bill for the Corps of Engineers was enacted in 1970. This type of delay in the authorization process has now and will continue to have serious impacts in the 1980's. The Appropriations Committee is under increasing pressure to fill this void created by the lack of authorizing

legislation and to provide project authorizations for some of these critical projects. The fiscal year 1985 supplemental appropriations bill includes a package of projects which, as a first step, will provide for a limited number of new starts and addresses the contentious cost-sharing issue. I hope the House will approve these important capital investment projects without delay.

In the energy area, the committee recommends approximately $11.2 billion for the Department of Energy. While most energy activities are maintained at current or slightly reduced levels of funding, there is an overall increase from fiscal year 1985 levels due to the amount provided for atomic energy defense activities. In energy defense activities, we recommend an increase of $293 million above the 1985 level. This increase is 4 percent over the current year level of funding, which is fully consistent with the Senate budget resolution recommendation for a 4-percent increase in defense spending. At the same time, the committee recommendation amounts to a $404 million reduction in energy defense from the budget request level.

As most of my colleagues know, I personally do not support any increase for these atomic weapons programs. That personal view, however, is not shared by the majority of the committee. In my view, even an increase of 4 percent in fiscal year 1986 is excessive.

Since 1981, the Nuclear Weapons Program has more than doubled in size. Each year, the Appropriations Committee has reduced the amount requested by the administration. Each year, we have trimmed the excessive appetites of the military planners and developers. We have accomplished these minimal reductions, when possible, within the guidance of the authorization committee. This year, the Appropriations Committee again has worked carefully to develop a recommendation which makes full use of all documents from the authorization process and provides an adequate amount for these activities.

In the nondefense energy area, the committee recommends about $1.8 billion for energy supply, research, and development. This includes slightly higher levels than the House for solar research, geothermal research, and nuclear energy programs. For uranium enrichment, the committee supports the Department of Energy's advanced enrichment decision to proceed with laser technology and expects to receive a budget amendment which will reflect current program plans. For general science activities, the committee provides $679 million, a reduction of $6 million below the budget request. This will provide adequate funding for the high energy physics and nuclear physics programs. In the Nuclear Waste Disposal Program, the committee trims by $19 million the large requested increase in the program. With prudent management, this reduction should not affect priority activities or critical milestones of the program.

Within title IV, the committee provides funding for independent agencies including Appalachian Regional Commission [ARC], the Tennessee Valley Authority [TVA], and the Nuclear Regulatory Commission [NRC].

The committee agrees with the budget request level of funding for the NRC. For ARC, the committee proposes a new appropriation of $71.8 million and a program level of $80 million in fiscal year 1986. The recommendation provides $50 million for highway activities and $30 million for economic development. The recommendation is about half the level approved in fiscal year 1985, and represents a phasedown of activities rather than the termination or zero funding proposed in the budget. For the TVA, the committee recommends additional budget authority of $90.8 million, which is $53 million over the budget and about $30 million below the fiscal year 1985 funding. Again, this level of funding would continue the phasing down of TVA nonpower activities in a more gradual manner than proposed in the budget request.

In conclusion, Mr. President, this is a fiscally responsible bill, a lean bill in all areas besides energy defense, and I urge the Senate to proceed with its early adoption.

Mr. President, let me add that we have some extraordinarily capable staff people on both sides of the aisle who assisted in bringing this bill to the floor. I would like the RECORD to indicate our deep commitment to them and our appreciation for their extraordinary talent and their professional skill.

Mr. President, I yield at this time to the Senator from Louisiana for any opening statement.

Mr. JOHNSTON. Mr. President, I concur with everything the distinguished Senator from Oregon said except the overly generous comments about myself which were not deserved; nevertheless, I thoroughly enjoyed hearing him say them.

Let me say, not because he said such nice things about me, but because I intended to say this anyway: The distinguished chairman has done a superlative job once again as chairman of this subcommittee. This is a product which I fully endorse, and I fully agree with his statement. It is indeed and in fact a bipartisan effort at the staff level and at the senatorial level. Our committee, I think, is united behind this bill. It represents a very good product. I endorse it fully and adopt the comments of the distinguished Senator from Oregon as my own.

Mr. HATFIELD. I thank the Senator.

Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc and that the bill as thus amended be regarded as original text for the purpose of futher amendment, providing that no point of order shall be considered as having been waived by agreeing to this request.

This request has been cleared on both sides of the aisle.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, a point of information: The motion which was just agreed to by unanimous consent is, of course, subject to the unanimous consent previously agreed to, is it not?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSTON. I thank the Chair.

AMENDMENT NO. 575

AMENDMENT NO. 576

(Purpose: To assure completion of certain recreation facilities)

Mr. HATFIELD. Mr. President, I send two amendments to the desk, one on behalf of Senator BUMPERS and one on behalf of Senator DANFORTH, which are related in subject matter. I ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Is there objection? If not, without objection, it is so ordered.

The clerk will state the amendments.

The assistant legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD] for Mr. BUMPERS, proposes an amendment numbered 575 and for Mr. DANFORTH, proposes an amendment numbered 576 en bloc.

Mr. HATFIELD. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 575

On page 4, after line 2, add the following new language:

"The Corps of Engineers is directed to construct recreation and management facilities at the Ouachita and Black Rivers, Arkansas and Louisiana, in the vicinity of the Felsenthal National Wildlife Refuge at full federal expense using funds heretofore provided, using the $3.5 million provided for such purpose in this Act.

AMENDMENT NO. 576

On page 4 after line 2, insert the following:

"SEC. . From funds previously appropriated for the Clarence Cannon, the Secretary is directed to continue construction of the remaining authorized recreation facilities at the full Federal funding. Construction shall continue until completion, subject to availability of funds.".

Mr. HATFIELD. Mr. President, these are two cases relating to the con-

struction of recreation facilities at two projects, one in Arkansas, one in Missouri, which had been previously authorized, and have been underway for some time.

This is merely language to direct the completion of these recreation facilities in accordance with the original intent of the project authorization.

Mr. JOHNSTON. Mr. President, the distinguished chairman is correct. The amendments have been cleared on this side.

Mr. DANFORTH. Mr. President, the Clarence Cannon Dam and Mark Twain Lake project in Missouri is all but complete. Unfortunately, one significant aspect of the project, promised to the people of the area when the project was planned, has been largely omitted. I refer to the recreational development associated with the lake—including the John F. Spalding Recreation Area, the spillway area, and about 25 hunter-fisherman access areas.

The need for the last of these items is particularly acute. The Corps of Engineers has built an excellent facility premised in large part on recreational benefits. But the ability of the people of Missouri to enjoy the lake has been severely compromised by the lack of access areas, particularly on the upstream end. It is my understanding that the corps can complete construction of the project—including the recreation facilities—not only under budget, but within the amount already appropriate for the project.

Mr. President, this amendment is very simple. It does not call for any additional appropriation for this project. It simply directs the corps to continue construction of the authorized recreation facilities at the Clarence Cannon Dam and Mark Twain Lake with the funds already appropriated to the project and not yet expended. Indeed, it saves money compared to the House bill, which appropriates an unneeded $1 million for this purpose.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments (Nos. 575 and 576) were agreed to.

Mr. HATFIELD. I move to reconsider the vote by which the amendments were agreed to.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 578

Mr. CHILES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The bill clerk read as follows:

The Senator from Florida [Mr. CHILES] proposes an amendment numbered 578.

At the appropriate place:

Provided, That none of the funds appropriated in this title may be used for preliminary discussions, staff briefings or meetings as defined in 10 Code of Federal Regulations 9.101(c) published May 21, 1985.

Mr. CHILES. Mr. President, this amendment is very simple. It is designed to achieve a simple objective, to ensure that the Nuclear Regulatory Commission does not retreat from full compliance with the terms of the Government Sunshine Act.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BOSCHWITZ). Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside.

The PRESIDING OFFICER. Is there objection?

Mr. CHILES. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. CHILES. Mr. President, I understand there are concerns from people who wish to see my amendment and have not seen it. At this time, I withdraw the amendment.

The PRESIDING OFFICER. The Senator has that right.

The amendment (No. 578) was withdrawn.

AMENDMENT NO. 579

(Purpose: To increase funding for research on verification and control technology by $7,500,000)

Mr. KENNEDY. Mr. President, I send an amendment to the desk on behalf of myself, Mr. HART, and Mr. BINGAMAN and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for himself, Mr. HART and Mr. BINGAMAN, proposes an amendment numbered 579.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 25, line 13, strike out "$7,623,300,000" and insert in lieu thereof "$7,630,800,000".

On page 25, line 14, after "expended" insert the following: ", of which $101,075,000 shall be available for verification and control technology".

Mr. KENNEDY. Mr. President, this amendment would increase the funding for DOE verification and control technology research to the level contained in the conference report on the DOD Authorization Act passed yesterday by the Senate. The level is $7.5 million above the amount contained in this bill.

Just yesterday we had an extended discussion on the floor of the Senate concerning the importance of verification to arms control, particularly for verification in the context of a comprehensive test ban treaty. The DOE verifications budget funds research in areas such as seismic detection of nuclear explosions, which is critical to a testing treaty.

One of the key issues is distinguishing nuclear explosions from earthquakes, and significant progress is being made in the use of seismic arrays to detect and discriminate low-yield nuclear tests from earthquakes. A seismic array is operating in Norway and negotiations are underway to install a second array in Finland. Upgrading the current North American seismic array to higher frequencies is one example of the proposals for additional funds in this area.

In addition, work is also proceeding in the area of noseismic detection of nuclear explosion.

The verification research program is not limited to detection of underground explosions. Detection of above ground testing, chemical and biological warfare verification and detection of the testing of directed weapons are all areas of immediate arms control concern which are included in this program.

Research in verification and control technology has high payoff, since improvements in verification can lead to new and greater opportunities for arms control and head off new escalation of the arms race. At a time when tens of billion of dollars are being spent on both sides for new weapons of mass destruction, it is little indeed to ask that we increase by a few million dollars—only about 8 percent of the total DOE verification budget, the vital research that can contribute so much to our hope for peace and an end to the arms race.

Mr. BINGAMAN. Mr. President, I am pleased to join the senior Senator from Massachusetts and the senior Senator from Colorado as a cosponsor of their amendment to increase funding for verification research in the De-

partment of Energy's laboratories by $7.5 million.

Earlier this year at our initiative the Senate Armed Services Committee added $10 million to the Omnibus Defense authorization bill for verification and control technology in the Department of Energy. In the House-Senate conference on the Defense authorization bill, the add-on was reduced to $7.5 million, the amount we are requesting today.

Mr. President, the need for these additional funds were examined in detail at a March 14 hearing before the Strategic and Theater Nuclear Forces Subcommittee of the Senate Armed Services Committee. At that hearing the Directors of all three DOE nuclear weapons laboratories testified that additional funds were needed to pursue potentially high-payoff research in such areas as seismic detection of nuclear explosion, detection of the testing of directed energy weapons, and remote detection of nuclear warheads. Since that hearing Argonne National Laboratory has also proposed to use its expertise to pursue research projects on verification technology. With the additional funds we are proposing in this amendment DOE will be able to fund only a small fraction of these research projects. Our intention is that they do so on the basis of the technical merit of the proposals.

Mr. President, there is no doubt as to the central role verification issues play in all of our arms control negotiations and in the ratification process following successful conclusion of negotiations. We need to have a forward-looking research program on verification technologies, one that keeps pace with the research on new strategic weapons technologies. Otherwise, we could deny ourselves the possibility of negotiating verifiable limits on the testing and deployment of these new weapons in the future.

Our amendment will help support such forward-looking research effort. This effort needs to be given a higher priority within DOE's and other agencies' budgets. By adopting this amendment the Senate will be sending a clear signal of the priority it places on this research program. So I join my colleagues in urging adoption of the amendment.

Mr. KENNEDY. Mr. President, I have discussed this amendment with the floor manager as well as the ranking minority member, and I hope that the amendment will be accepted.

Mr. HATFIELD. Mr. President, the Senator is correct. This is within the authorized level and we will accept the amendment on this side of aisle.

Mr. JOHNSTON. Mr. President, the amendment has been cleared and has been properly described.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment (No. 579) was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 580

(Purpose: To set aside funds for a report on research in arms control verification technology)

Mr. SIMON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Illinois [Mr. SIMON] proposes an amendment numbered 580.

Mr. SIMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 25, line 9, after the semicolon insert the following: "the preparation and submission of a report in classified and unclassified versions, not later than March 1, 1986, by the Secretary of Energy, in consultation with the Secretary of Defense, to the Congress on recent developments in the capabilities of the United States to monitor compliance with any comprehensive nuclear test ban agreement which may be negotiated by the governments of the United States and the Soviet Union;".

Mr. SIMON. Mr. President, this is an amendment that I have cleared with Senator HATFIELD and Senator JOHNSTON. There was a dispute the other evening about where we stand on verifiability of the comprehensive nuclear test ban. It simply asks the Secretaries of Energy and Defense to report to Congress on where we do stand. I believe there is no controversy.

Mr. HATFIELD. Mr. President, the Senator from Illinois has submitted this amendment. We have checked it and are willing to accept the amendment on this side of the aisle.

Mr. JOHNSTON. Mr. President, the amendment has been cleared on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 580) was agreed to.

Mr. SIMON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SIMON. Mr. President, if I may engage the Senator from Oregon in a colloquy, one of the items that is included in the House version of this bill but not included in the Senate version is $500,000 that the Corps of Engineers requested for a study for Alexander and Pulaski Counties, a study that was partially completed.

I do not ask the Senator from Oregon to commit himself to support that, but simply to take a good, serious look at it.

Mr. HATFIELD. I am happy to respond to the inquiry of the Senator from Illinois concerning this project. As he has indicated, it is in the House version; therefore, it will be a matter in conference. I assure the Senator from Illinois that we will look at this carefully. We do need to have some differences between the two bills in order to make a meaningful conference.

Mr. SIMON. I understand, and I thank the distinguished chairman of the committee.

Mr. JOHNSTON. Mr. President, we endorse the statements that have been made by both Senators.

Mr. HATFIELD. Mr. President, I ask for third reading.

Mr. CHAFEE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. EVANS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 581

Mr. EVANS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Washington [Mr. EVANS], for himself, Mr. MCCLURE and Mr. GORTON, proposes an amendment numbered 581.

Mr. EVANS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 29, line 22, strike "$95,568,000" and insert in lieu thereof the following: $95,568,000, of which $2,750,000 shall be available to conduct geographic and resource sorting for the purpose of identifying applications for hydroelectric licenses or exemptions which do not have the potential to adversely affect environmental resources in a cumulative manner,".

Mr. EVANS. Mr. President, I rise on behalf of myself, Senator MCCLURE, and Senator GORTON to offer an amendment to H.R. 2959. The amendment would earmark $2,750,000 to the Federal Energy Regulatory Commission to conduct resource and geographic sorting for the purpose of identifying applications for hydroelec-

tric licenses or exemptions which do not have the potential to adversely affect environmental resources in a cumulative manner.

On April 24, 1985, the FERC adopted a staff report outlining a methodology for review of the potential for adverse environmental impacts posed by multiple license applications for projects that could possibly be clustered together in limited geographical areas. The cluster impact assessment procedure [CIAP] is designed to: First, identify basins where there is a potential for adverse environmental impacts from clustered hydroelectric projects; second, identify target resources in particular river basins; third, determine the geographical extent of potential adverse impacts; fourth, determine the interaction of target resources and proposed and existing hydropower projects; and fifth, perform an environmental impact assessment of clustered projects for the purposes of preparing the appropriate NEPA documents for licensing the proposed projects.

The initial step in the CIAP is to identify basins where there is a potential for adverse environmental impacts from clustered hydroelectric projects. The analysis is based on legal filings or comments in individual licensing proceedings. For the purposes of determining which basins may be subject to CIAP, the FERC staff proposes evaluation of pending license applications. Pending exemption applications are to be included only where nonfishery target resources are concerned. Otherwise, applications for exemptions and preliminary permits and applications are to be excluded from CIAP analysis.

The next step in the CIAP analysis is to identify target resources in particular river basins where hydroelectric development proposals exist. The target resources are those which could be adversely affected by multiple hydroelectric developments. Again, they would be identified through legal filings or comments in individual license proceedings.

The third step in the CIAP is to determine the geographical extent of potential adverse impacts. Using the CIAP, the Commission could choose to assess potential environmental impacts on something less than a basinwide scope. The staff report suggested that clusters of closely spaced hydropower sites on particular rivers or tributaries may be an appropriate context for CIAP analysis. According to FERC, the narrower context could be justified on the basis of either the facts concerning the nature and geographic extent of the potential impacts, or reasons of administrative feasibility.

The fourth step in the CIAP analysis would be to determine the interaction of target resources and proposed and existing hydropower projects. The FERC staff proposes use of a computer-assisted matrix analysis to conduct an impact assessment. The assessment would determine the optimum relationship between energy production and loss in the quality and quantity of target resources.

Adoption by the FERC of the CIAP is a significant step toward systematic review of cumulative environmental impacts of hydropower development. But a lack of financial resources will prevent the FERC from conducting these environmental studies.

Mr. President, this amendment would allow the FERC to proceed expeditiously in the evaluation of license and exemption applications which may be environmentally benign. The amendment would provide the FERC with the financial resources to conduct geographic and resource sorting on rivers basins in addition to the Salmon River, ID, the Snohomish River, WA, and the Owens River, CA, where the FERC is currently conducting a full CIAP analysis. I believe it is appropriate to continue this process.

Mr. McCLURE. I ask the Senator from Washington: Am I not correct that this amendment would not retard in any way the Federal Energy Regulatory Commission's ongoing cluster impact assessment procedure for the Salmon, Snohomish and Owens Rivers?

Mr. EVANS. Yes, that is correct.

Mr. President, this amendment has been cleared with the floor manager and the ranking minority member, and I believe it is acceptable to them.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, as I understand the amendment which has been offered by the Senator from Washington, the figure of $95 million is a matter the committee has supported. We, in effect, are earmarking the $2.750 million, which would be within that total sum for the purpose he has indicated in his amendment.

Mr. EVANS. The Senator from Oregon is correct.

Mr. HATFIELD. Mr. President, there is no objection on this side of the aisle. We are willing to accept the amendment.

Mr. JOHNSTON. Mr. President, this is a very worthy goal. They do not have a great deal of play in their budget, but I think this is the kind of thing we should investigate, considering the worthiness of the end that the Senator from Washington is trying to accomplish. Therefore, we will endorse the amendment and look at it very carefully in conference and try to find out how much they can do within the restrictions of their budget.

Mr. EVANS. I appreciate that.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 581) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SEMINOE FEASIBILITY STUDY

Mr. WALLOP. Mr. President, I would like to thank my distinguished colleague from Oregon, Senator HATFIELD, for including my amendment providing $100,000 within available funds to be used by the Bureau of Reclamation for a feasibility study on Seminoe Dam and Reservoir for the purposes of irrigation, municipal and industrial water, and available storage in the fiscal year 1986 Energy and Water Development appropriation bill.

During the past year, the Wyoming Water Development Commission and the Bureau of Reclamation performed hydrology studies which indicated then an additional firm yield water supply could be achieved by enlarging Seminoe Reservoir. The Seminoe enlargement, in conjunction with the Deer Creek project presently being pursued by the Wyoming Water Development Commission could serve to meet a substantial portion of the long-term needs of the North Platte Basin.

The enlargement may also be necessary to store water from the Little Snake River water management project if trans-basin diversion is pursued. Flood control and water management benefits to the North Platte Basin could also be provided if enlargement of Seminoe is feasible. Because of these possibilities, both the State of Wyoming and citizens in Casper and elsewhere in the basin support this study, and have indicated a willingness to provide voluntary cost sharing in order to have the study proceed. As you know, the State of Wyoming has been a leader in voluntarily providing up front cost sharing to help finance vitally needed water development projects in our State.

The Seminoe Dam and powerplant are on the North Platte River about 72 miles southwest of Casper, WY. It is part of the Kendrick project in Carbon and Natrona Counties, and at present the reservoir has a total capacity of 1,017,280 acre-feet of water for the irrigation of project lands.

If the study proceeds on a fast track, as I am hopeful that it will, the possibility of enlarging the dam will mean

that other needed water uses can be obtained from this same site. That is cost efficient, and it makes multiple use of a very scarce resource in our region of this great Nation. At a time when water resource development funds are all too limited, making the most out of what is already there makes good sense.

I would like to commend my colleague from Oregon for bringing to the floor an energy and water budget for fiscal year 1986 which is sensitive to the need for fiscal restraint. While each of us might wish for more, the budget deficit is a matter of serious national concern. We must each do what we can on a daily basis to exercise fiscal restraint in Federal spending.

Mr. GORTON. Mr. President, I am pleased that H.R. 2959, the Energy and Water Development bill of fiscal year 1986 includes the $78,900,000 necessary to continue the operations of the Hanford Engineering Development Laboratory [HEDL] at Hanford, WA. HEDL is a facility dedicated to the breeder reactor program. The crown jewel of the U.S. breeder program is the fast flux test facility [FFTF]—the world's largest breeder test reactor.

Today this program is providing operating experience which surpasses the fuel burnup and reactor availability of any other breeder reactor facility in the world. It has proven the liquid metal reactor concept to be highly reliable by setting a world record of over 100 days of continuous full power operations. It has functioned at over 99 percent capacity factor. Futhermore, FFTF is providing extremely helpful data on fuel cycle technology, innovative safety features, artificial intelligence development and advanced core materials.

Despite the unparalleled operating success and the importance of the advanced breeder reactor program in the aftermath of Clinch River, the program has been cut significantly. The advanced breeder reactor program budget was cut by 18 percent by this year's administration request for a cumulative reduction of 50 percent over 2 years. The FFTF funding restorations provided for in this bill will mitigate the substantial job loss that was expected at HEDL as well as preserve the technology programs essential to maintain U.S. leadership in nonproliferation efforts.

Mr. HATFIELD. Mr. President, I ask for third reading.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The assistant legislative clerk commenced third reading of the bill.

Mr. HEFLIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The assistant legislative clerk commenced third reading of the bill.

Mr. HATFIELD. Mr. President, before third reading is completed, the Senator from New Mexico asks to be recognized.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

AMENDMENT NO. 582

Mr. DOMENICI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] for himself and MCCLURE, Mr. THURMOND, and Mr. BINGAMAN proposes an amendment numbered 582.

On page 25, line 13, strike "$7,623,300,000" and insert in lieu thereof "$7,641,800,000".

Mr. DOMENICI. Mr. President, this amendment has been modified substantially since I offered it in full committee and has been cleared with the distinguished chairman of the full committee and the ranking minority member.

I have a table to accompany it which indicates the places that these safeguards and security safety and environment construction projects are located and the amount of money that will be used to get them started.

This amendment moves in the direction of the administration's request in areas related to nuclear energy, but more specifically in the security environment and safety area.

Mr. President, my amendment seeks to restore funds to the level of the administration request for certain projects which I believe we all agree are ones which we should not shortchange. These are projects within the Department of Energy's defense activities.

Mr. President, this proposed amendment would restore cuts in the Senate bill for construction projects related to nuclear safeguards, security, safety and environment. These projects are also intended to bring certain facilities into compliance with environmental and safety regulations and upgrade their productivity. The amendment would also provide an increase in operating funds—over the Senate level, but still below the administration request—for nuclear reactor operations.

The amendment also includes a $24 million reduction in the funds available to the House level, for the procurement of enriched uranium for naval reactors—these funds are not needed because of a delay in scheduled fueling. The overall addition is $17 million.

This would change total funding as follows:

E & W Subcommittee	$7.623
Domenici amendment	7.640
Senate budget resolution	7.850
Armed Services conference	7.684
Administration request	8.047

Some examples of the kinds of projects this amendment would restore, include work on a plant at Oak Ridge which has been cited by the EPA for air and water emissions. If the problem is not corrected the State of Tennessee has threatened to shut it down. Another project would upgrade a facility at Savannah River so workers would be exposed to lesser amounts of radiation.

Mr. President, I ask unanimous consent to have printed in the RECORD the table to which I have referred.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Request	Conf. auth.	House	Senate	Change
Safeguards and security safety and environment					$+10.0
Construction:					
86-D-130 Tritium loading facility replacement, Savannah River, SC	$5.0	$5.0	$0	$2.0	$+3.0
86-D-186 Nuclear Safeguards Technology Laboratory, LANL, NM	1.0	1.0	0	0	+1.0
85-D-115 Renovate plutonium building utility systems, Rocky Flats, Golden, CO	17.7	17.7	15.7	15.7	+2.0
85-D-121 Air and water pollution control facilities, Y-12 Plant, Oak Ridge, TN	14.0	14.0	12.0	12.0	+2.0
86-D-124 Safeguards and site security upgrading phase II, Mound Plant, Miamisburg, OH	3.0	3.0	2.0	2.0	+1.0
86-N-104 Reactor modifications, ATR, INEL, Idaho	4.5	4.5	3.5	3.5	+1.0
Revitalization and restoration					+20.0
Construction:					
Defense Waste: 85-D-158 Central warehouse upgrade, Richland, WA	5.0	5.0	3.0	3.0	+2.0
Nuclear Materials:					
86-D-149 Productivity Retention Program, Phase I, VL	27.2	24.2	17.2	15.2	+9.0
82-D-124 Restoration of production capabilities, phase II-IV, VL	44.9	43.9	34.9	34.9	+9.0
Nuclear materials production—operating expenses-reactor operation	586.4	576.4	559.0	565.4	+11.0
Materials production—enriched materials					−24.0
Total appropriation change					+17.0

Mr. DOMENICI. Mr. President, I believe the chairman of the committee is inclined to support this legislation.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico has the floor. Does he wish to yield?

Mr. METZENBAUM. I have no intention of interrupting.

Mr. DOMENICI. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. Do I need a unanimous-consent request that the section of the bill that was previously closed that I amend be opened subject to amendment?

The PRESIDING OFFICER. The Senator needs unanimous consent.

Mr. DOMENICI. I so ask unanimous consent.

Mr. METZENBAUM. Objection.

The PRESIDING OFFICER. Objection is heard.

Mr. METZENBAUM. Mr. President, I am objecting because I do not know what this is all about. Until I find out, I am going to object.

That is the reason I wish to have a quorum call in order that I may be further enlightened.

Mr. DOMENICI. Perhaps I could just tell the Senator.

Mr. METZENBAUM. Sure.

Mr. DOMENICI. Mr. President, in the committee I sought to add money for the environmental and safety parts of the nuclear program where we were under the requests of the administration. I have modified that down to $17 million which still does not meet the request.

Mr. METZENBAUM. Seventeen billion?

Mr. DOMENICI. Million.

Mr. METZENBAUM. Million.

Mr. DOMENICI. And we are still under the overall allocation.

This would be spread across this country, none in my State, but in the States of Ohio, Tennessee, South Carolina, and Washington, to start programs which make our present facilities more safe and more environmentally sound.

They have all been looked at before. We thought that we should start more of them than the committee started, and that is what this amendment does.

The reason I needed consent is that section of the bill has been closed prior to my offering of my amendment.

Mr. METZENBAUM. Mr. President, will the Senator from New Mexico apprise us as to what impact this amendment would have on the budget and has it been taken into account as far as the budgetary consideration?

Mr. DOMENICI. I say to my friend, it still makes this section of the bill under the authorizing levels that were reported out by our authorizing committee and the section of the bill that relates to nuclear is still under the budget crosswalk even with this addition.

Mr. METZENBAUM. When the Senator from New Mexico has concluded his remarks, if he has additional remarks, I would appreciate his putting in a quorum call or I will put in one, just so I may learn a little more about it. I do not intend to delay it.

Mr. DOMENICI. Of course. I have nothing further. I will be glad to share the information with the distinguished Senator from Ohio.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, if the Senator will yield, the Senator is correct. We have checked this amendment. We have cleared it on this side of the aisle.

Mr. JOHNSTON. Mr. President, this is a $17 million amendment for an item for which the Department of Defense has recommended $60 million, which means we have very carefully gone over every item and agreed to the minimum amount. We, therefore, have cleared it on this side.

Mr. THURMOND. Mr. President, I rise in support of the amendment offered by my distinguished colleague from New Mexico, Mr. DOMENICI. The amendment would restore funds for various Department of Energy defense programs, and I am pleased to join Senator DOMENICI as a cosponsor of the amendment.

When the Appropriations Committee began markup of the Energy and Water appropriations bill, the House and Senate had not completed conference action on the fiscal year 1986 Department of Defense authorization bill which contains the authorization for the Department of Energy defense programs.

Unfortunately, the Appropriations Committee reduced several important defense programs below the level that has now been agreed to in the House-Senate conference on the fiscal year 1986 Department of Defense authorization bill.

Mr. President, the amendment offered today will not add funds above the level requested by the administration. It will simply restore the funding of certain very important programs to the authorization level agreed to by the House and the Senate in the fiscal year 1986 Department of Defense authorization bill.

Mr. President, I might add the fact that the conference report on the DOD authorization bill has already passed the Senate by a vote of 94 to 5.

I urge all of my colleagues to support this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 582) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I rise to commend my distinguished friend and colleague, Chairman HATFIELD, and the members of the Senate Appropriations Committee for bringing the energy and water development appropriation bill to the Senate floor.

In view of the impending action on the conference report accompanying the first concurrent resolution on the budget, I will not insert into the RECORD today the usual tables scoring the relationship of the pending appropriation bill to the budget resolution, the President's budget request, and the House-passed bill. I will do so later at an appropriate time. I will simply congratulate Chairman HATFIELD for reporting an energy and water development appropriation bill that is under the assumptions of the Senate-passed budget resolution in budget authority and generally on track in outlays.

CALIFORNIA WATER PROJECTS

Mr. CRANSTON. Mr. President, I am pleased to note that the bill before us, the fiscal year 1986 energy and water appropriation bill, contains $4 million for the Corps of Engineers to continue the Santa Ana River phase 1 studies. The area below the existing Prado Dam on the Santa Ana River faces the most serious flood threat in the State of California, in fact in the Western United States. But the House failed to include the funding requested by the Reagan administration and the State of California for this important investigation. I want to thank the chairman of the Senate Appropriations Committee for the tremendous help he's given thus far and ask the Senator from Oregon for his continued support in conference to see that the Santa Ana River phase 1 studies receive full funding.

Mr. HATFIELD. I thank the Senator from California for his comments. I want to assure him that I am aware of the importance of completing the Santa Ana River flood control studies. I will do everything possible to ensure that his concerns are addressed in the conference.

Mr. CRANSTON. I thank the Senator for that assurance. There are several other California water projects

which I would also like to call to my colleagues' attention.

King Harbor at Redondo Beach, CA, is a small craft harbor protected by a 3,700-foot-long breakwater. Most of the breakwater is 22 feet high, but a lower 14-foot portion inadequately protects the harbor. As a result, storms have caused nearly $7 million in damages in 1978, 1980, and 1983 and the inadequacy of the breakwater continues to pose a threat to public safety. The House approved $200,000 for the Corps of Engineers to conduct a study of raising the lower portion of the breakwater to 22 feet. Completing this study is a vital first step in providing needed protection. As the Senate bill does not include $200,000 for this study, I urge the chairman and the Senate conferees to recognize the importance of this study and accede to the House provision on this issue.

I would also like to mention the corps' coast of California storm and tidal waves study. Originally focused on San Diego County, the study has been expanded to look at erosion problems along the entire California coast. Southern Californians are concerned that if the study is funded at $750,000 as provided in the Senate bill, it will delay completion of the investigation and availability of important information. An appropriation of $1.5 million in fiscal year 1986 as approved by the House would permit the corps to work at full capability and undertake more research along the San Diego coastline without jeopardizing their contemplated study work on the coast. I hope that the chairman and the Senate conferees will take another look at the need for this investigation and in conference accede to the House on this issue.

The Corps of Engineers is currently engaged in planning for flood control work on the Guadalupe River in San Jose, CA. A project is needed to protect downtown San Jose from flooding and provide the basis for a downtown revitalization effort that includes a locally financed park along side the river. This work, however, cannot proceed until the flood control work is performed. Although the Senate bill provides $135,000 for Guadalupe River and adjacent streams as requested by the administration, this money is slated for work on adjacent Coyote Creek. I understand the feasibility study on Guadalupe River was completed sooner than expected. An appropriation of $400,000 as recommended by the House would speed up the Guadalupe project by as much as 2 years. I ask the Senate conferees to look carefully at increased funding for the Guadalupe River in conference.

Finally, I note that fiscal year 1986 energy and water appropriation bill includes funds for two projects of importance to Ventura, CA. The bill provides $1,640,000 for the maintenance dredging of the Ventura Harbor entrance channel and $100,000 for the feasibility phase of the ongoing channel navigation study. However, the Ventura Port District advises that only $1,540,000 is needed for maintenance dredging—$100,000 less than the Senate bill provides—while $200,000—an additional $100,000—is needed for the channel study. These levels are essential to assure the continuing operation of the harbor and to develop the remedial design measures necessary to alleviate the periodic shoaling that now plagues the Ventura Harbor entrance. Since a transfer of the money from one Ventura project to the other is budget neutral, I urge the committee to accede to the House position and make this adjustment in conference.

Mr. HATFIELD. I appreciate the Senator's remarks and I will certainly keep his concerns in mind during the conference and see what we can do to accommodate them.

Mr. WILSON. Mr. President, I would like to call the attention of my distinguished colleague, the chairman of the Committee on Appropriations, to three waters projects which are of great importance to my State. Before doing so, I want to express my gratitude to my friend from the neighboring State of Oregon, for the assistance he has already provided to my State. Particularly for his efforts to restore funding for the Santa Ana mainstem project which is one of the Nation's most important flood control projects.

As the committee prepares for conference, it is my hope that the Senate conferees will give serious consideration to funding for King Harbor, Redondo Beach, CA. As you are well aware, this small craft harbor is protected by a 3,700-foot breakwater that is 22 feet high except for 1,600 feet which is 14 feet in height. This lower portion inadequately protects the harbor, which sustained nearly $7 million in damages during storms in 1978, 1980, and 1983.

Initial study of the situation by the Army Corps of Engineers indicates that the raising of the breakwater to 22 feet is in the Federal interest. The House has included $200,000 to allow the continuation of this study. It is my hope that the Senate conferees will recede to the House on this matter thus enabling the completion of this important study.

Mr. HATFIELD. I am well aware of your continuing concern for this project and as a result, understand the importance of the King Harbor study to you and to Redondo Beach.

Mr. WILSON. I would like to ask the chairman's assistance with a matter in Ventura, CA. I would like to know if the committee would object to the transfer of $100,000 from the corps' general investigations budget for Ventura Marina for fiscal year 1986 to the Ventura Marina breakwater feasibility study for fiscal year 1986. When added to the $100,000 already provided in the committee bill for this purpose, this would provide $200,000 in fiscal year 1986 for the study, which is the stated amount of the corps' capability.

As the committee knows, the goal of the study is to devise ways of correcting a problem of shoaling at the marina, caused by a deficiency in the corps' design of the breakwater several years ago. Should the corps request this transfer, the additional $100,000 for study would continue efforts to prevent future sand buildup. It is my hope that the committee will approve the transfer should it be requested.

Mr. HATFIELD. I appreciate the Senator's concerns and ask that the record reflects the possibility of the transfer mentioned above.

Mr. WILSON. Finally, I would like to bring the coast of California storm and tidal waves study to the attention of the committee. I appreciate the consistent support that your committee has given this project. As you know, this project is expected to offer great insight into erosion problems along the coast of California and ultimately lead to decreased erosion. As can be expected, this study has been extremely popular and been expanded to meet needs beyond its original intent. While I believe that these expansions are important, I hope they do not come at the expense of the original project. Therefore, it is my sincere hope that the conferees will give serious consideration to increasing the appropriation of $750,000 that has been included in the Senate budget.

Mr. HATFIELD. Again, I can assure the Senator from California that his concerns are well understood. While I cannot guarantee that each of these concerns can be met in conference, I do want my friend, the Senator from California, to know that his concerns will be given every consideration.

Mr. WILSON. I thank the chairman, the committee, and especially your excellent staff for the consistent support and assistance that you have offered as I try to meet the diverse water needs of my State. I appreciate your interest in these projects and any help you are able to provide during the upcoming conference.

Mrs. HAWKINS. I would like to draw the attention of the chairman to a project in Florida which I believe is deserving of funding this year. This is a reconnaissance study for deepening a portion of the harbor at Port Canaveral, FL, to permit transshipment of bulk cargoes such as coal, citrus, and lumber. The study is estimated to require $262,000 in Federal funds, of which no more than $80,000 would be utilized this fiscal year.

The study is authorized under prior legislation, and the Corps of Engineers has indicated that they have the capability to proceed on the study.

Mr. HATFIELD. Let me respond to the Senator from Florida by saying that I am aware of her interest in deepening the Port Canaveral harbor. I would indicate that the Corps of Engineers has the capability to proceed with the study from available funds this year and every consideration will be given to the funding requirements when the bill comes before the committee next year.

Mrs. HAWKINS. I would like to express my sincere appreciation to the Senator from Oregon. He and the committee have been more than generous to Florida this year, as they have been for many years in the past, and, I certainly hope, will be for many years in the future.

Mr. MATHIAS. Mr. President, Maryland's premier beach, Ocean City suffers from a continuing danger of beach erosion and other storm damage that threatens to undermine the foundation of 1½ billion dollars' worth of private ocean-front property investment and destroy a community that contributes millions of dollars to Maryland's economy.

The State of Maryland is conducting a comprehensive review of a number of plans, including those of the Corps of Engineers, State agencies, and private organizations, to ensure that Ocean City and its residents are provided adequate hurricane and beach protection. To be most effective, that review should include the Corps of Engineers' Atlantic coast and Assateague Island study. Unfortunately however, the study has elapsed.

In order for the State of Maryland to exercise the most prudent use of its dollars and achieve its objective to protect Ocean City, I feel it is necessary that the Secretary of the Army continue this study. This will ensure that the best information is made available to the State of Maryland to achieve its goal. Therefore, I request that my colleague, when drafting the final report accompanying this bill, instruct the Chief of Engineers to utilize available funds to continue the planning and engineering part of this study to help provide adequate hurricane protection to Ocean City.

Mr. HATFIELD. I would like to assure my colleague from Maryland that I am aware of the importance and urgency of this project. While this item is not included in the bill and I cannot guarantee your concerns can be met, I want to assure you that this matter will be given every consideration in conference.

Mr. SARBANES. I thank the Senator from Oregon for his assistance. This is a matter of great importance to Maryland's premier beach resort.

SMALL BEACH EROSION CONTROL PROJECTS AT THE INDIAN RIVER INLET, DE

Mr. ROTH. Mr. President, I want to commend my great friend and colleague from Oregon [Mr. HATFIELD] and his committee for the quick and efficient work that they have undertaken to resolve all energy and water issues and thereby insure that sufficient appropriations will be available for fiscal year 1986 energy and water programs. I am pleased to see that he has included sand bypassing at the Indian River Inlet. There is an additional aspect to this project which I hope he would consider in the energy and water development appropriations bill for 1986. Authorizing language indicates that stone revetment erosion control measures on the inside of the Indian River Inlet are also proposed.

May I suggest to the Senator that the Corps of Engineers fund this project under the miscellaneous section 103 funds for small beach erosion control projects during fiscal year 1986. The projects were designed to be complementary, and to fund one project while not undertaking the others would be inefficient utilization of Federal appropriations.

I say to my good friend from Oregon, Delaware's beaches draw thousands of tourists yearly to enjoy the beach, bask in the sun, and swim in the ocean. It is an important component of Delaware's primary industry: tourism and recreation. To undertake this project as soon as possible will insure the safe and continuous use of Delaware's outdoor recreational facilities and in particular those around the Indian River Inlet region.

Mr. HATFIELD. Mr. President, I agree with my good friend from Delaware, that it would be a shame if this project were not completed in a timely manner. In the event that authorization is needed for the additional erosion control work, the committee expects the Corps of Engineers to complete the erosion control measure and the sand bypass facility, when that authorizing legislation is obtained.

Mr. ROTH. Am I correct that the Senator urges the Corps of Engineers to give this project top priority for consideration as a section 103 small beach erosion control project? I do want to remind him that this project should be completed as soon as possible.

Mr. HATFIELD. I do feel that the Corps of Engineers will do a good job in alleviating the problems at this inlet, and hope that the corps will take care of this work as soon as possible.

LORAIN SMALL BOAT HARBOR

Mr. GLENN. Mr. President, I would like to address the floor manager of H.R. 2959, Mr. HATFIELD regarding an issue of importance to me and the people of Lorain, OH. First I would like to commend both Mr. HATFIELD and Mr. JOHNSON for the fine work they have done on this appropriation measure. Unfortunately, they left out $1.8 million for the Lorain Small Boat Harbor.

This project is part of a vital economic revitalization effort funded by the people of Lorain and the State of Ohio. The State of Ohio has set aside $1.23 million in its capital improvement budget. The City of Lorain has set aside $615,000 for its share. The Federal Government would match these funds with $1.8 million.

This planned $3.6 million project will spur investment of $10 million in docks, launch ramps, boat sales and services, food services, housing, and lodging. Construction jobs will be generated with wages estimated at $5 million. The Army Corps of Engineers' cost benefit ratio for this project is 4 to 1, an enormous return for public investment.

In order to achieve these benefits the Federal Government must supply $1.8 million.

Mr. HATFIELD. My colleague from Ohio is aware that the Appropriations Committee is trying to keep the energy and water appropriation for 1986 as low as possible. That means some very good projects could not be included.

Mr. GLENN. I can appreciate the committee's desire to keep the cost of this measure under control. However, Lorain is suffering from severe economic distress. The development of recreational facilities appear to offer real hope for overcoming some of this distress. The Ohio Sea Grant Program has demonstrated the importance of this type of recreational development. According to Ohio sea grant, the charter and sport fishing industry alone have contributed $18 million to the economy of area surrounding Lorain, OH. So its important to remember what our President would say—"a rising tide lifts all boats."

If we are interested in improving the economy of Lorain we need to invest in its future. We have a responsible cost-sharing proposal here and there is enormous potential for private investment. I hope the chairman will consider this when the Lorain Small Boat Harbor is discussed in conference.

Mr. HATFIELD. That is an important point and I am sure that my colleague from Ohio is aware that I will consider all his points when discussing this project in conference.

Mr. DANFORTH. Mr. President, on September 12 and 13, 1977, the worst rain of record fell on Kansas City, MO—16 inches in 24 hours. Brush Creek, a tributary of the Blue River that passes through the heart of Kansas City, rapidly rose above its banks with devastating results, killing 12 people and causing millions of dollars in damages.

The Corps of Engineers has recommended a $15 million project along the middle stretch of Brush Creek, of which the city's share would be $5 million. Kansas City has asked for a larger project, with all of the additional work upstream and downstream to be financed by the city. In short, a $36 million flood control project would be built with a $10 million Federal contribution. Authorization of the project is included in the omnibus water project bills pending in both the House and the Senate.

Pending that authorization, continued planning and engineering work can proceed on the larger project. The House has provided $350,000 for that purpose; the Appropriations Committee provided only $100,000. The local contribution to this project is extraordinary; the need for it is urgent. Can the distinguished Senator from Oregon, the chairman of the committee, provide me with any indication of his intentions on this matter in conference?

Mr. HATFIELD. Mr. President, the Senator from Missouri has stated the arguments for this project in a forceful way. In view of the amount of money involved, I can assure the Senator that I will take a careful look at this matter in conference.

Mr. DANFORTH. I thank the Senator. Mr. President, on another matter, I want to commend the Appropriations Committee for supporting the budget request of the President with regard to the management of surplus radioactively contaminated Department of Energy facilities. The Senate figure, like the budget figure, for this program is $39 million; the House figure is $5 million less.

In my own State of Missouri, we have been trying for some time to encourage the cleanup of a 230-acre site at Weldon Spring, used by the Army during World War II for production of TNT and by the Atomic Energy Commission from 1957 to 1967 for processing of uranium and thorium ore concentrates. As of October 1, the site will be wholly in the hands of the Department of Energy, and a draft environmental impact statement for cleanup is expected in March.

If the House figure is adopted in conference for this program, it would have a major impact on the Weldon Spring cleanup. I am told that work on the contaminated uranium feed materials plant would be delayed for another year as a result. Such a delay would be a serious blow to the people of the area, especially those whose children attend high school just half a mile away. I strongly urge the chairman to do everything he can to preserve the Senate position on this matter.

Mr. HATFIELD. The Senator certainly has my assurance in that regard.

PORT AUSTIN HARBOR BREAKWATER

Mr. RIEGLE. Mr. President, my colleague from Michigan, Senator LEVIN, and I are particularly concerned about the need for construction of a northeast breakwall at Port Austin Harbor in Michigan. This harbor, as the House report notes, is an important refuge for small craft. However, the existing breakwall is not sufficient to protect the inner harbor. The House has provided $2.8 million to modify the existing harbor-of-refuge. I would like to ask the distinguished chairman of the Appropriations Committee to give this project favorable consideration during the conference on this legislation.

Mr. HATFIELD. I would like to assure my colleagues from Michigan that we will give their request all due consideration.

Mr. LEVIN. I would just like to add my personal support for this project and to point out that the House report indicates that this project should be funded at full Federal expense. This is a modification of an existing authorized project. The entire local cash contribution has already been provided as part of the existing project. I hope that the chairman of the Appropriations Committee and conferees to this legislation will take that into consideration in their deliberations.

Mr. HATFIELD. I thank my colleagues for their interest in this project and will keep their concerns in mind when the conference on this legislation convenes in September.

CONTINUOUS ELECTRON BEAM ACCELERATOR FACILITY

Mr. WARNER. Mr. Chairman, I commend you and other members of the Appropriations Committee for bringing an energy and water development appropriations bill, fiscal year 1986, to the floor which is $97.5 million below the budget estimates and $90.5 million below the House bill. I wish to have a clear understanding that within the activities of the nuclear physics budget for which the committee has provided $172.9 million, it is the committee's intention that $5 million is to be provided for the Continuous Electron Beam Accelerator Facility for research and development, and advanced architectural and engineering design work to better define the CEBAF project's scope, schedule and total cost, and for other necessary activities in support of the project.

Mr. HATFIELD. Senator WARNER, you are correct. It is the intention of this committee to approve the administration's request of $5 million for the Continuous Electron Beam Accelerator Facility for advanced architectural and engineering design work in fiscal year 1986.

Mr. WARNER. I thank my distinguished colleague from Oregon for clarifying this point.

Mr. DOMENICI. Mr. President, during the markup of this bill the chairman agreed to revisit the allocations for the various participants in the Inertial Confinement Fusion Program. I believe our staffs have done that, and they have found that the Senate bill should have had the figure for Los Alamos at the same level as the House—that is $38 million. I would like to ask the chairman if that is his understanding?

Mr. HATFIELD. I believe the Senator is correct. Our report should have read $38 million rather than $33 million.

Mr. DOMENICI. I hope the chairman will have that in mind when he begins his conference negotiations.

Mr. HATFIELD. The Senator can be assured that I will.

Mr. GORE. Mr. President, as we debate the energy and water appropriations bill, in particular the funding for the Tennessee Valley Authority, I believe it is important that our colleagues understand just how TVA works. There has been considerable misunderstanding about the nature of TVA's federally funded efforts, and about how TVA provides electricity to its service area.

The Senate Environment and Public Works Subcommittee on Regional and Community Development has recently been holding hearings to look at TVA and its programs. These have been informative and constructive efforts that have, I believe, shown the exceptional national benefits TVA is producing with appropriated funds.

Any expenditure of Federal tax dollars should be subject to careful oversight in the Congress. And we should insist on accountability for those who manage these dollars. When I served in the House, I renewed the Tennessee Valley caucus and held extensive meetings between Members of Congress and the TVA Board to examine a variety of problems then facing TVA ratepayers—the financial difficulties in the nuclear power program, various management initiatives, environmental problems, and rates in general.

For those of us in the Congress and in the valley, these problems are not new. We have been involved in oversight on TVA activities for as long as the agency has existed.

We have continually been pleasantly surprised that TVA is forthcoming, candid, and as eager as we in the Congress are to get to the bottom of whatever issue is at hand. During the recent hearings, TVA's Board and its managers have been straightforward advocates of public power, of their ratepayers, and of the innovative Federal programs they operate for our country.

I also had the opportunity in the House to serve on the principal committees involved in energy and envi-

ronmental matters. It was always striking to me that, when we sought an example of outstanding performance in nuclear waste handling, renewal energy and energy conservation, acid rain solutions, new coal burning technologies, water resource management, and a wide range of other energy and environmental technologies, invariably it was TVA which presented the model.

The ability of utilities and the Federal Government to rapidly implement a home insulation program in the late 1970's was made possible by TVA's pioneer work in this area. And this is but one of many such examples of efficient technology transfer from TVA to other utilities, as well as Federal, State and local government programs, to farm enterprises, and a wide range of businesses and educational institutions.

Clearly, the Tennessee Valley Authority has, in its half-century of serving electricity consumers in the Southeast, given this country much more than a hugely successful experiment in public power and economic development. The TVA has become a major laboratory for this country's efforts to find solutions to many tough energy and environmental problems.

As we look at the TVA programs covered in the energy and water bill before us today, I would like to take the opportunity to go over a few important points and try to clarify several key issues that might be causing some confusion.

TAXPAYER SUBSIDIES TO TVA

It has been suggested in the recent hearings, and several years ago by the Director of OMB that TVA's access to the Federal Financing Bank amounts to a taxpayer subsidy of TVA electric rates.

Mr. President, I wish there was some way we could put this issue to rest once and for all. The fact is, not one dime of taxpayer funds has ever gone to subsidize a TVA bond issue through the FFB. Moreover, the taxpayer has actually benefited from TVA's borrowing through the FFB as a result of the one-eighth percent fee it pays FFB on these issues.

Since it began using FFB authority for its borrowing, TVA has paid more than $100 million to the U.S. Treasury in these fees. There is simply no way that TVA's borrowing authority from the FFB can be considered a subsidy. A good deal for TVA ratepayers? Absolutely. But a good deal for the taxpayers, too.

However, removing TVA's eligibility for FFB financing would have cost TVA ratepayers between $100 million to as much as $1.5 billion in added borrowing costs since 1974—based on a 25 to 1.5-percent increase over FFB-issued rates. That would have translated into significant rate increases. And taking TVA out of the FFB Program would not have saved taxpayers one thin dime.

I want to also briefly address a memorandum from David Stockman about TVA's so-called unfair advantages, that TVA's exemption from property taxes gave it some special advantage. The fact is, TVA pays taxes in the form of in-lieu-of-tax payments to local governments based upon the value of property. These payments are as valuable to local governments as property taxes. So it is not accurate to say that TVA acquires some advantage through tax avoidance.

FINANCING FEDERAL NONPOWER PROGRAMS WITH POWER REVENUES

The question has been asked: Why could TVA not simply pay for these programs out of its power revenues? There are two good reasons why this is not only inappropriate but possibly illegal.

When the Congress created the TVA, it very wisely declared that revenues from TVA's Power Program be used solely for those activities which meet TVA demand for electricity. This was done to prevent any kind of cross-subsidy from electricity users to other residents in the valley. That was a smart, fair provision, and I think it still works.

Moreover, TVA's bonding covenants prohibit the use of power revenues for nonpower activities. So it should be clear that TVA should not—it cannot—use power revenues to fund its programs in fertilizer development, natural resource management, and economic development. These are regionally conducted programs, but they benefit everyone in not only the Tennessee Valley but the entire country, whether they use TVA electricity or not.

TVA BOARD AUTONOMY

TVA Directors are appointed by the President, confirmed by the Senate. The Board meets publicly twice a month. Compare that to such regulatory agencies as the ICC, which has hardly met at all over the past several years, and the FCC, FERC, and so on, and I believe you will see that TVA has a remarkable record of public access to its decisionmaking.

The issue of TVA accountability has always been openly debated in the valley. As I mentioned earlier, I have vigorously encouraged oversight by the Congress and people in the valley.

So, while TVA's Board does have statutory autonomy to set rates and make critical management decisions, I would strongly suggest that it has done so in the open, fully accountable to the Congress and its ratepayers.

There is a tension here. On the one hand we give TVA Directors the freedom to make decisions, and from that we get a streamlined process that produces efficiencies not possible in traditional Federal agency organizations. And on the other hand we want TVA to be accountable to its ratepayers. I believe we have both in TVA's organizational makeup. And while some of TVA's mistakes might not have occurred had it been a typical private utility or simply another Federal agency, I would submit that a much greater number of measurable benefits and efficiencies would have been lost had TVA been encumbered with a more restrictive management structure.

TVA'S PLANNING MISTAKES IN ITS NUCLEAR PROGRAM

It has been suggested that TVA's mistake in failing to forecast dramatic drop in electricity demand is a substantial indictment of its management and of TVA itself.

The fact is that TVA was far from unique in failing to predict the decoupling of growth and energy demand that occurred in the late 1970's. Four years ago I chaired House Science Subcommittee hearings on energy demand forecasting. The testimony at those hearings was troubling in that energy forecasters were far off the mark. But the hearings also revealed that all the forecasters erred—not only TVA, which had had a remarkably strong record until 1973, but also Shell, Exxon, the IOU's, and the Federal Government.

For instance, Henry Kelly of the Office of Technology Assessment testified that industrywide forecasts in 1973 overestimated national demand in 1980 by 700 billion kwh—the equivalent of nearly 140 large coal or nuclear plants. The 1990 estimates were even more dramatically off the mark—by nearly 400 large plants.

So it is wrong to suggest that TVA was somehow especially negligent in its planning for future electricity demand when it contracted to expand its nuclear plant operations.

No one in the valley is pleased that TVA committed to build nuclear plants it ultimately did not need. As ratepayers we will pay for that mistake. But TVA was not unique in not having a crystal ball when it made its building decisions in the early 1970's. And the Directors have done everything possible to soften the blow of that mistake for its ratepayers, and they have done it without asking the taxpayers for a bailout.

I strongly support this vigorous debate about TVA's activities. When we have the kind of successful programs TVA has—when we've created the kind of national and international yardstick for excellence TVA has created—when we've produced an effective laboratory for working out the problems in natural resource management, air and water quality, fertilizer development, environmental education—we should make these successes known.

Thank you.

APPALACHIAN REGIONAL COMMISSION

Mr. President, the Appalachian Regional Commission has made a difference in the everyday lives of millions. The rate of job growth in the rural areas of Appalachia would not have been what it has been without the ARC. And, the health of the region's young adults would not be what it is today if it were not for the contributions of the ARC to the good health of children.

The ARC has given hope to today's children and tomorrow's adults. It has meant an improvement in the health and quality of life of children and youths through nutrition, community centers and educational efforts. And, it has given hope to young adults as they enter the job market by opening up opportunities with new factories and developing the public facilities much of America takes for granted.

There has never been a better example of the new federalism than the ARC. Projects are funded by Washington, coordinated by the States, and planned and conducted at the local level, almost always with substantial local and private money. I hope the administration will not pursue a penny-wise and pound-foolish strategy and continue to press for the elimination of the ARC. There has been a lot of progress, but there is much more to be done, and many more benefits to be gained from continuing to invest in the region.

The region has seen a reversal of trends in outmigration that took two world wars, a depression, and several decades to create. It has taken only 15 years to come this far. Let's not give up now.

The budget dilemma has the ARC caught on its horns. The Senate approved a budget by one vote which does not fund ARC. An amendment which I cosponsored failed narrowly to return most ARC funds. The House reduced but continued ARC funds. Negotiations have concluded which ironed out a compromise on the entire budget from A to Z. Negotiations were intense, but a reasonable compromise was crafted.

Let's accept the spirit of compromise, and accept the committee's recommendation. Let's not go against the tide which is working its way toward a responsible compromise. I urge my colleagues to accept the committee recommendation as the best possible response, considering the many different views.

Mr. BYRD. Mr. President, I believe there is an urgent need for the continuation of the ARC Program at an effective level. This is an excellent program—a program of proven worth and accomplishment for the Appalachian States. That is why I offered, and the Appropriations Committee accepted, my amendment to add $50 million to this fiscal year 1986 energy and water development appropriation bill for construction of Appalachian highways.

The Appalachian States are those 13 States with the most fragile economic bases, hardest hit by economic recession, and the slowest to recover as the economy turns around.

The $81.8 million which the Appropriations Committee has recommended for ARC programs in this bill is not a Federal give away. It is not a handout. It is an investment in the economic future of a region of this Nation that has a proven need. Furthermore, the committee report language directs that the local share of any ARC area development programs must be at least 70 percent, except in distressed counties where the cost share is 50/50.

The need for the ARC and its programs in West Virginia continues to be of the utmost importance. Reductions in the Environmental Protection Agency's water and sewer grants program, farmers home rural development programs, urban development action grants, and the programs of the economic development administration have combined to put a great strain on community and infrastructure development in West Virginia at a time when the State does not have the resources to assume these additional financial responsibilities.

The ARC highway program is essential to the future economic health of the region. Completion of the corridor G highway between Charleston and Williamson on the Kentucky border—which can continue only with ARC help—is especially important. The new highway will substantially reduce travel time, thereby enhancing commerce in areas of southern West Virginia which are presently experiencing exceptionally high levels of unemployment. Without this type of improvement in the transportation network, this area will be condemned to poor economic development prospects for the foreseeable future.

Conversely, completed segments of the Appalachian Highway System have helped to attract hundreds of new businesses which have added more than 430,000 new jobs according to a study conducted in 1981. Failure to complete construction which is now under way on corridor G and other segments of the highway system would preclude the realization of such benefits in the future and largely waste the investment to date in partial construction of these roads.

Mr. Chairman, in my home State of West Virginia, unemployment was 15.9 percent earlier this year, down from a high of 21 percent a few months back. As late as May of this year, unemployment in Logan and Mingo counties—which could derive great economic assistance from the completion of the corridor G highway network—continued above 15 percent.

The construction of corridor G and other Appalachian highways is extremely expensive because of the mountainous terrain. Interstate highways throughout the United States have historically averaged about $2.2 million per mile while the figure for Appalachia is more than double that at $5.5 million per mile. So, interstate highway funding does not go as far in my State of West Virginia as it would in say New England or New Mexico, for example.

The ARC highways are especially important to the economy of the region because nearly 50 percent of the present highway system is used to haul coal from the hills and valleys of Appalachia. These Appalachian highways have national significance because 25.5 percent of U.S. coal reserves are located within the ARC boundaries.

Since 1982, when the ARC authorization expired, the program has been kept alive—at least at a 50-percent reduced level—through the appropriations process, by those of us who were able to recognize the tremendous benefits derived by so many of our citizens from the program and its leveraging abilities. We must not now—when the need remains so critical—so severely cripple this essential program that we abandon those of our citizens who have virtually no alternative source of help offering hope for the future.

I fully agree with the need to balance the Federal budget and to reduce the deficit. However, I believe that the ARC represents a necessary investment in the future of Appalachia. I do not believe we can afford to abandon those irreplaceable programs of proven effectiveness, which are relatively small, and which leverage substantial private investment as well. I, therefore, urge my colleagues to support the retention of funding for this program at least at the level approved by the subcommittee—$81.8 million—a level already reduced by some $62 million under the amount recommended by the House, and nearly $70 million under the fiscal year 1985 appropriation.

Mr. President, I thank Senator HATFIELD, the distinguished chairman of the Appropriations Committee, and Senator JOHNSTON for their fairness and assistance in restoring a substantial amount of funding for the Appalachian Regional Development Programs. I look forward to working with them further on this and other programs in the bill when the House and Senate conferees meet this September.

Mr. HATFIELD. Mr. President, third reading.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the en-

grossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall it pass?

So the bill (H.R. 2959) as amended, was passed.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives on the disagreeing votes thereon and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer [Mr. BOSCHWITZ] appointed Mr. HATFIELD, Mr. MCCLURE, Mr. GARN, Mr. COCHRAN, Mr. ABDNOR, Mr. KASTEN, Mr. MATTINGLY, Mr. DOMENICI, Mr. JOHNSTON, Mr. STENNIS, Mr. BYRD, Mr. HOLLINGS, Mr. BURDICK, Mr. SASSER, and Mr. DECONCINI conferees on the part of the Senate.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, is it possible for the floor manager, or whoever is in control of the floor at the moment, to give us some idea what is going on? Are we just waiting for the budget or for other legislation as well?

Mr. HATFIELD. I am sorry, would the Senator repeat the question?

Mr. METZENBAUM. The question is, Are we only waiting for the budget or are we waiting and intending to pass other legislation during that interim period, if the chairman of the Appropriations Committee knows? He may not.

Mr. HATFIELD. Mr. President, I defer to the distinguished assistant majority leader, the Senator from Wyoming, to give an indication of what the schedule is at this time. We have completed, of course, the appropriation bills, the conference report, and now this bill. There are no other appropriation bills that are ready to be taken up on the floor. That is all I could report at this time from my perspective.

I yield to the Senator from Wyoming.

ORDER OF PROCEDURE

Mr. METZENBAUM. Is the Senator in a position to give us some idea what the schedule is?

Mr. SIMPSON. Mr. President, I would first thank Senator HATFIELD and Senator JOHNSTON for their remarkable work on this measure. I deeply appreciate the assistance of the Senator from Louisiana on a serious matter with regard to the issue of the NRC. Certainly none of us wish to abrogate the Sunshine Act but, nevertheless the NRC is not functioning, in my opinion. It will function better if we are able to assure that those five members of that collegial body are able to "college." And they do not now do that. Hopefully, we can deal with that later and I know Senator CHILES and Senator JOHNSTON can work toward that.

Mr. President, in response to the request of the Senator from Ohio, it is the intent of the majority leader—and I believe he is coming to the floor—that we will select something at this point to proceed with and then try to deal with the budget resoluton.

Mr. KENNEDY. Will the Senator from Ohio yield for an inquiry?

Mr. METZENBAUM. Yes; I yield.

Mr. KENNEDY. I understand the Anti-Apartheid Act has passed the House of Representatives by a 274 to 50 vote. The papers are at the desk at the present time. There is every indication that the kind of overwhelming, bipartisan support that was reflected in the House of Representatives would be reflected here in the Senate.

I am just wondering, since we do have some time now and since it is a privileged matter, whether the leadership would give consideration to calling that matter up so that we might be able to debate that conference report.

Mr. SIMPSON. Mr. President, having just come into the Chamber and now being at least more up to date, let me express that the House is dealing with the budget resolution and it is hoped that they will do that and then that measure will come here. In the interim, it would be perfectly appropriate to the leadership to proceed with the anti-apartheid conference report. But I would request the Senator's indulgence so that the minute the budget resolution is here before us, that we may cease discussion of that measure and go immediately to the budget resolution for disposition here in the Senate.

Mr. KENNEDY. Well, as the leader knows, the time has been set for the budget debate in the House for 8 o'clock this evening for a 5-hour rule. It is 6:30 now. I know that the leadership will want to consult with the chairman of the Foreign Relations Committee on this issue. I just happened to be on the floor at this time, and I certainly hope that we can address that issue and perhaps dispose of it prior to the time we have final action over in the House on the budget.

Since there has been such overwhelming support in the conference, and in the House of Representatives, and since the conference report represents what I consider to be a very real compromise between the House and the Senate proposal, and actually I think adopted the better aspect of each of the different proposals, I would hope that the assistant majority leader would urge the majority leader, as well as the chairman of the committee, to bring this matter to the floor at this time so that we might go about this business.

I see the majority leader on the floor and I address those questions to him.

Mr. SIMON. Mr. President, let me yield to the majority leader, who is now here on the floor. But I would emphasize that the House time limit is not of the duration of 5 hours. It would be much less than that, perhaps 1 hour or less.

I yield to Senator DOLE.

Mr. DOLE. Mr. President, I have indicated a number of times today that we had hoped to take up the conference report on South Africa. I still have that intention. I would be willing to ever take it up in the next few moments if we could agree that when the budget conference arrived it would be set aside. I am advised—as I have also said a couple of times today—by Members on this side that they intend to discuss the South Africa conference report, H.R. 1460 at length. I have indicated to them if that is the case, and there is no way we can get it down today, tonight, or tomorrow, then I would file a cloture motion and that would be the first thing we would vote on when we come back.

Mr. KENNEDY. I appreciate the willingness of the majority leader to see that this matter be laid before the Senate. It might be that we could lay it before the Senate and perhaps either have one or two test votes to get a very clear indication about what the sentiment is in this body, and the various procedures by which that might be done.

Since the House vote was so overwhelming, bipartisan in nature, and since this conference report represents what I previously mentioned as the very best of both bills, I hope we might be able to address it at this time. It is a matter of enormous importance and urgency. I know there is a full program and schedule, but given the fact this is a privileged matter, I would hope we might be able to at

least begin the debate and discussion on it at this time.

Mr. DOLE. Mr. President, let me make it clear I supported the bill, I support the conference report and I am prepared to file cloture. I am prepared to enter into some agreement right now. I believe we will have the budget conference report here within an hour and 15 minutes. Maybe I can visit with the distinguished Senator from Massachusetts privately.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GRAMM). Without objection, it is so ordered.

THE 10TH ANNIVERSARY OF HELSINKI ACCORDS

Mr. BOSCHWITZ. Mr. President, I rise today on this 10th anniversary of the signing of the Helsinki accords to speak out once again on behalf of Soviet Jews and Christians.

The accords were originally set forth to promote improvement in human rights and religious freedoms, to increase the number of cultural and educational exchanges between the East and the West, and to foster cooperation in economics, science, and technology. Negotiations surrounding the Helsinki accords resulted in an international standard by which participating states can be held accountable. Unfortunately, there is very little to point to in terms of real changes in East-West relations resulting from the Helsinki accords. In fact, in some areas, such as human rights and emigration, there has actually been a step backward since the signing of the accords.

What this means, Mr. Chairman, is that as our societies grow and become more advanced in technology, simple human rights are being denied; in fact, they are being repudiated.

Many of my colleagues in the Senate know of and have participated in the congressional call to conscience for Soviet Jews and Christians. This program is a continuing vigil by Congress for the Soviet Jews and Christians who are held hostage by the Soviet Union. In the face of miserable emigration figures for 1985, we in Congress raise our voices every day to let the world know that we have not forgotten the oppressed peoples of the Soviet Union.

Although the Soviets signed Helsinki 10 years ago on this day, their ruthless state-sponsored persecution continues at an alarming rate. They have desecrated the agreement they once swore to uphold. What does this mean to those of us who are living in freedom?

The momentum of the upcoming summit conference fosters an ideal atmosphere for positive action. The spirit of cooperation cannot proceed without accounting for the predicament of the Soviet Jews and Christians. We must ask that future détente be contingent upon improvement of human rights in the U.S.S.R.

Mr. President, Helsinki has been defiled. I hope that as we enter this season of cooperation and dicussion, we will remember the Jews and Christians of the Soviet Union, and continue to fight for their rights.

RESPONSE TO JAPANESE TRADE PRACTICES

Mr. BOSCHWITZ. Mr. President, today I rise to speak on the issue of our country's growing trade deficits and I speak in support of the legislation pending in the Senate that specifically addresses our trade deficit with Japan.

Mr. President, I am just a single Senator. Perhaps my remarks and my comments will be judged as that by those who read this speech. However, I point out that I have long been an advocate of free trade and I have never made a speech of this type before. I have listened often and attentively to the arguments of my friend, Representative BILL FRENZEL, who is an ardent supporter of free trade. Yet I must rise in support of legislation that perhaps will be construed as a limitation of that principle.

I believe my record has been most consistently in support of the principles of free trade. But, at this time of record trade deficits, I shall vote for legislation that no doubt may will say will be a vote against free trade.

Indeed, the President's principal trade negotiator, U.S. Trade Representative Clayton Yeutter, strongly opposes the legislation because it "ties the President's hands in responding to unfair Japanese trading practices." In addition, Mr. Yeutter has stated that:

> Our disastrous experience during the 1930's, after passage of the Smoot-Hawley Tariff Act of 1930, shows that protectionist legislation is not the answer to trade problems.

I agree with that, Mr. President. Nevertheless, I support the legislation because I think unusual and extraordinary circumstances now exist that are not in conflict with free trade but, indeed, are in conflict with fair trade.

Mr. President, I have great respect for Mr. Yeutter, and I do not make this decision lightly. I actively supported Mr. Yeutter when he sought the position of our trade negotiator. I continue to do so. But I also have great respect for Senator DANFORTH, chairman of the Subcommittee on International Trade, and I agree with him that the ideal role of Congress in trade policy is to set general policy only by passing rather broad legislation.

I do not believe that Congress is particularly effective at implementing legislation or managing the day-to-day tactics of international trade, or international politics, for that matter.

But, Mr. President, we do not live in an ideal world. In an ideal world, Japan's markets would be as open to U.S. products as U.S. markets are open to Japanese products. Two factors are compelling in understanding the realities of our trade relations with Japan.

The first factor is the growing imbalance of trade between Japan and the United States. Between 1979 and 1983, U.S. exports to Japan increased from $8.2 billion to $11.6 billion. That is about a 40-percent increase. During that same period, however, Japan's exports to the United States increased from $25.7 billion to $42 billion. That increase alone—$16.3 billion—is nearly 1½ times the total $11.6 billion of U.S. exports to Japan in 1983. And, the imbalance is increasing. In 1984, our trade deficit with Japan was about $36 billion. It is expected to reach an incredible $50 billion this year.

Now, I do not believe that trade deficits, standing alone, are inherently dangerous or always bad. Imports give consumers and businesses a choice and encourage competition, if—and this is a crucial point—the exporting country's trade policies are fair. That point—whether Japan has fair trade policies—must be addressed in the context of the second factor, our history of negotiations with the Japanese.

In the past years, our trade negotiators have obtained about seven packages in which the Japanese have pledged to open Japan's markets to U.S. exports. Still, our trade deficit grows and barriers to U.S. exports continue to exist. Earlier this week, the Japanese announced another "action program" to reduce its trade barriers. So far, it has been received with skepticism, and for good reason. Previous packages have sounded good, but produced few tangible results.

There is more to obtaining access to Japan's markets than reducing specific barriers. The key to market access is the overall policy and attitude of the Japanese. And, history shows that the outlook is not that good.

Earlier this year, articles in the Asian Wall Street Journal Weekly and the Asahi Evening News, the largest English language paper in Japan, were brought to my attention. I ask unanimous consent that the articles be printed in the RECORD and recommend them to my colleagues for reading.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

JAPAN SHRUGS OFF TOUGH TRADE TALK FROM THE U.S.

(By E.S. Browning)

TOKYO.—It is a ritual as predictable as the arrival of the cherry blossoms, which are just appearing here. Every spring, the U.S. damands trade concessions from Japan. Every spring, Japan grovels and concedes. And every spring the U.S. trade deficit with Japan goes on growing.

This year, U.S. congiressmen say they finnally are getting tough, and will force Japan to truly open its markets to U.S. goods.

The Senate Finance Committee last week approved legislation that would require President Reagan to take steps within 90 days to offset the increase to the U.S. trade deficit expected to result from Japan's decision to expand the number of autos it exports to the U.S. to 2.3 million a year, from 1.85 million in the year ended March 31.

That bill followed on the heels of similar non-binding resolutions passed by the two houses of Congress calling on Mr. Reagan to restrict imports of Japanese goods if he can't persuade Japan to increase its purchases of U.S. products.

In Tokyo, a senior Japanese official holds his head in his hands, cowering in mock horror. "We are so afraid," he says. Turning serious, he adds, "This is nonsense, you know. How can we take it seriously?"

Many Japanese officials do take the threat seriously, of course. But they tend to see it as yet another inconsistent, unpredictable American attack. They say privately that change here requires long, steady pressure and patience, and that American outrage usually fades as quickly as it rises. Since Congress insists on seeing results within 60 to 90 days, the Japanese, from Prime Minister Yasuhiro Nakasone on down, are offering promises. They assure the U.S. among other things, that the Japanese telecommunications market now is "fully" liberalized.

EMOTIONAL PROBLEM

Japanese cynics are hoping that the American outcry will go away soon so they can get back to real work. More thoughtful Japanese worry that the problem could be getting serious—not only in economic terms.

"I am seriously concerned that there is too much emotion and impatience in Congress, without due understanding of the situation," say a former foreign minister, Saburo Okita, who is Mr. Nakasone's chief adviser on trade.

"There is the concern (here) that if we are pressed too much by a foreign government, it may arouse nationalistic sentiment," says Mr. Okita, one of the most internationally minded of Japanese officials. "This would really damage Japan. At the same time . . . if you have a nationalistic, unfriendly Japan in this part of Asia, the whole U.S. policy would be upset."

On a less exalted plane, a deficit like last year's $37 billion U.S. imbalance in trade with Japan (likely to exceed $40 billion this year) poses some purely practical problems. Even if Japan's government suddenly ordered an end to the deficit—something even Japan Inc., can't do—it is hard to see how the imbalance could be ended. Even fanciful solutions fall short. Consider:

All Japanese could be required to eat USDA beef. Japan produces around $2.5 billion worth of beef each year—much of it expensive, marbled beef from hand-massaged, beer-fed cattle. If Japan replaced that with U.S. prime, and continued paying Japanese beef prices, it would be a big new market. But the Japanese would have to increase consumption sixfold in order to bring the deficit back even to the already-whopping 1983 level of $19 billion. It would help only a little if the Japanese ate, with their steak sandwiches, only U.S. oranges, which also currently are limited by quota. That would knock $1.5 billion more of the deficit.

Japan could buy only American telephones and switching systems, another business whose rapid growth had caused tensions with the U.S. That would have knocked another $2.3 billion being off the 1984 deficit, $2.3 billion being the total of Japan's 1983 production for export and domestic use.

The U.S. could require that Japan buy only American military hardware (about 90% of Japan's needs currently are made in Japan, often under license from the U.S.). That would be a boon to beleaguered defense contractors, but it would reduce the deficit by just $2.8 billion (90% of Japan's 1984 hardware spending).

JUNK AUTOS

With Japan eating only U.S. beef and oranges, buying only U.S. telephones and firing only U.S. rifles, the trade deficit still would have stood at $28 billion last year. For the U.S. to eliminate the deficit entirely, it would have to require that Japan also junk its entire auto industry. The U.S. auto industry then could pick up $16.8 billion in Japanese sales, and Japan would lose around $15.4 billion in U.S. sales, finally wiping out the deficit.

Small wonder that U.S. officials don't even hope to put the U.S. trade balance back in the Black.

"Take away all barriers to the Japanese market, push the yen to a sharply higher level against the U.S. dollar, and I believe the U.S. would still run a trade deficit with Japan, perhaps on the order of $15 billion," the undersecretary of commerce for international trade, Lionel Olmer, said in a recent speech.

If Japan accepts all of the current demands, Washington officials say, the best they could hope for would be a $10 billion increase in U.S. exports, which would be offset partly by growing Japanese exports. Most Japanese and U.S. officials consider even the $10 billion figure well beyond reach.

So what can be done? The answers, according to U.S. and Japanese businessmen here, are old and they aren't exciting.

Instead of demanding that Japan become more like the U.S., American businessmen must learn to operate in the Japanese market. They must join Japanese business associations, and they must be prepared to make mistakes and lose money at first, as Japanese companies like Toyota Motor Corp. and NEC Corp. did in the U.S.

They must adjust their products to Japan. American made goods are getting the same bad reputation in Japan that Japanese goods once had in the U.S. Japanese officials delight in telling stories about U.S. products that won't hold up in Japanese humidity, or that burn out because of the difference between U.S. and Japanese electric power voltage.

The U.S. government must take a more consistent approach. U.S. officials are proud of their recent four-pronged effort to open Japanese markets—in telecommunications, wood products, electronics and medical supplies. But the Japanese snicker privately about it. The U.S. has a particularly strong grievance in medical equipment, for example; Japan has been dragging its feet for nearly two years about changing testing requirements that restrict the sale of foreign-made equipment. But it took the U.S. weeks to name someone to head the medical negotiating team, and to tell the Japanese specifically what the U.S. wanted.

U.S. HABITATS

Economists add that the U.S. needs to reduce its government budget deficit and the dollar's value, which inflates the price of U.S. goods. They also talk about U.S. labor costs and executive salaries, both higher than in Japan, and about the strong American tendency to borrow and consume, while the Japanese tend to save nearly 20% of income.

To many experts, it seems a too-tall order.

"We realize we must import, particularly from the U.S., in view of the severe trade imbalance," says Mr. Okita. Mr. Nakasone's trade adviser. But he and others say they doubt that Japan will buy as much as Americans hope. "We recognize that the U.S. has very real abilities in high technology. But when it comes to ordinary equipment, the equipment isn't quite up to standard," says Mr. Okita. The U.S. deficit with Japan is bound to grow further this year, he says—an assessment that many U.S. and Japanese officials share.

Given the frustrations, Japanese experts are worrying more and more that Congress will end up enacting some form of punitive legislation. If it does so, it will want to draft it carefully.

An economist at one of Japan's securities houses has been conducting simulations of what would happen if the U.S. put a surcharge on all Japanese goods. The surcharge would undoubtedly hurt Japan, by slowing its economic growth, this economist says. But he says it wouldn't reduce the U.S. trade deficit. Like the quotas on Japanese auto exports, he says, it would drive up the prices of Japanese goods, offsetting the drop in volume.

AUTO EXPORTS TO U.S.

U.S. President Ronald Reagan announced last Friday that he did not intend to seek the extension of Japan's voluntary automobile export restriction, due to expire at the end of March. The Japanese parties concerned, however, are already taking steps in the direction of virtually extending the restriction. This does not stand to reason.

Reagan stated in the announcement that he believed in the wisdom of upholding the principle of free and fair trade for consumers of the world. His objective seems to be to go back to the spirit of the General Agreement on Tariff and Trade (GATT) and the Antitrust Law by discontinuing what was, for all intents and purposes, an export cartel that existed for four years.

The export restriction on Japanese automobiles that began in 1981 (the quota was 1.85 million units for 1984) led to an absence of competition in the U.S. market, and raised the prices not only of Japanese cars but also American cars. But now that American makers have rang up record profits, the export restriction is being severely criticized by American consumers.

Reagan had to decide between heeding the voice of general consumers or giving in to the protectionist pressure in Congress and the auto industry, including the unions. He opted for the former. His choice is quite understandable, considering that his present interest, now that he is serving his second term, is to make sure that his name will go down in history.

The Japanese Ministry of International Trade and Industry (MITI), however, fearing a potential large increase of exports after the lifting of the quota, is considering some sort of export restriction measure. The most likely measure, in light of the nature of the U.S. Antitrust Law, is the export trade control measure which MITI has so far practiced—that is, to allot the production quotas individually to makers. The Japanese auto industry has more or less accepted MITI's approach, and the main concern of automakers here is now said to be their shares under the new arrangement.

The voluntary export restriction that came into force in 1981 was at the urging of the United States, whose automobile industry was in a dire recession. At the time, the U.S. attorney general announced that the action did not violate the Antitrust Law, and the American public accepted it as a contingency measure.

Over the next four years, the U.S. economy recovered, and the situation changed altogether. The people are now emphasizing "consumers' interests" more than "bringing salvation to the jobless." Actually, everyone seems to be talking of how much consumers lost as a result of the import control on foreign cars.

Should Japan decide to continue curbing its auto exports to the United States in these circumstances, the U.S. auto industry may be elated, but general consumers will be bitterly disappointed. And since the U.S. government has not asked Japan to take such a measure, it will certainly not do anything about it. Furthermore, Japan cannot expect immunity from the Antitrust Law this time. In fact, there is every possibility that American consumer groups may file an action with the Federal Trade Commission (FTC) on the grounds of infringement of the Antitrust Law. As a matter of fact, the Japanese home electrical appliance industry currently has a case of suspected export cartel pending in the U.S. Supreme Court.

MITI is afraid of the possibility that the ongoing trade disputes between Japan and the United States may escalate as a result of a sudden increase in Japanese auto exports to the United States following the abolition of the export restriction. We certainly do not rule out that possibility. However, future Japanese export cars are bound to include those which even the staunchest of trade protectionists in America will not be able to complain about—specifically, those which are ordered by American carmakers from Japanese makers for sale under American brand names. Such cars should number quite many.

Furthermore, the U.S. Department of Commerce report, which Reagan referred to in deciding against imposing further import quotas, stated that while Japanese cars in the U.S. market will have increased by 1.1 million units three years after the lifting of the import control, this should not pose any threat to the U.S. auto industry.

In correcting the Japan-U.S. trade imbalance, the root of the matter is to balance the extremely lopsided dollar-yen exchange rate. Of course it is also necessary to continue making item-wise and sector-wise adjustments where problems exist. Still, any measure to be taken must be in keeping with the spirit of the Antitrust Law and the underlying principles of GATT.

Reagan's statement last Friday also touched on the ongoing Japan-U.S. trade talks which are nearing their final stages. The U.S. president urged Japan to "respond in a reciprocal manner." But surely, the United States has merely "paid back" its four-year "debt" to Japan, and is in no position to press Japan to reciprocate.

The Japanese side must not play into America's tough bargaining hands. Japan must play cool and follow through the principle of free trade. (March 5)

Mr. BOSCHWITZ. Mr. President, these articles provide some insights into the issue. When the President did not request an extension of the voluntary restraint agreement on automobile imports, he urged the Japanese to reciprocate and increase access to Japan's markets. Rather than praise the President for ending the restraint agreement and allow unlimited access, the Asahi Evening News editorialized that we owe the Japanese something. Referring to the President's action of ending the quota, the newspaper stated:

But surely, the United States has merely "paid back" its four-year "debt" to Japan, and is in no position to press Japan to reciprocate. The Japanese side must not play into America's tough bargaining hands. Japan must play cool and follow through the principles of free trade.

I certainly hope that we have tough bargaining hands.

As I indicated earlier, I am not convinced that our "tough bargaining" has yielded tangible results. I am not convinced that Japan plays fairly by the rules of open trading relationships or that the credibility of our negotiators is so greatly respected or feared by the Japanese.

Only 1 month after the above editorial appeared, the headlines of the Asian Wall Street Journal read "Japan Shrugs Off Tough Trade Talk from the U.S." as a "rite of spring." The article quoted a senior Japanese official as saying, "This is nonsense you know. How can we take it seriously?" The article goes on to contend that our protests against lifting the auto restraints are simply "another inconsistent, unpredictable American attack" and asserts that change "requires long, steady pressure and patience, and American outrage fades as quickly as it rises."

Mr. President, it is America's patience that is fading and our outrage is more consistent and predictable. This legislation is a clear indication that we are serious. The legislation is not a free trader's dream. But I do not believe it is a protectionist measure like that of the 1930's. Our trade laws empower the President to negotiate the removal of unfair trade policies or retaliate against the offending countries. This legislation requires the President to enforce those trade laws. It may not be the ideal role for the Congress to play in trade policy. But, it reflects reality. The Congress is serious about obtaining true access to the markets in Japan and our other trading partners. I believe that Congress has the right to expect the aggressive, effective enforcement of our trade laws. That can strengthen and reinforce the credibility of our negotiators and help prevent precipitous protectionist actions by the Congress.

Mr. President, I believe that now is the time to act. I am disappointed that the legislation will not be considered this week. But I pledge my support when it is considered later in this Congress.

I thank the Chair.

ANTI-APARTHEID ACTION ACT OF 1987

Mr. DOLE. Mr. President, I have been asked by a number of Senators about plans for the conference report on H.R. 1460. I think there are some who have indicated that if it were not laid down until everything else was finished this evening, they would like to debate it and have a vote at that time in some way to indicate support or lack of support for the conference report. I have suggested that rather than do that, we take from now until quarter of 8 to debate the conference report on H.R. 1460, at which time I understand the Senator from Massachusetts and the Senator from Connecticut would move to table the conference report, which they would oppose, and following that vote it would be set aside so that we might go on to the budget conference report, which should be arriving about that time.

Mr. KENNEDY. If it is not possible to complete action prior to the time of the vote, is it the intention of the majority leader to file a cloture motion?

Mr. DOLE. that is correct. I indicated that earlier. I have been advised by Members who feel very strongly on the other side that they are prepared to discuss this at length, which would be tonight and tomorrow. Under those conditions, it seems to me the best course of action to pursue is to have it before the senate when we come back with a cloture motion filed. That motion would not mature unless we come in tomorrow, as I understand it, so I would need consent that we could have the cloture vote when we return on September 9, on a Monday.

Mr. KENNEDY. Parliamentary inquiry. Will the Chair repeat the unanimous-consent request for the benefit of the Senator from Massachusetts?

The PRESIDING OFFICER. The distinguished majority leader.

Mr. DOLE. That we debate the conference report on H.R. 1460 until 7:45 p.m., at which time the Senators from Massachusetts and Connecticut would offer a motion to table the conference report, which I understand they would oppose, and following the conclusion of that vote, the conference report on H.R. 1460 be set aside.

Mr. KENNEDY. Mr. President, reserving the right to object—and I will not—am I correct in my understanding that at some time after the chairman of the Foreign Relations Committee calls up the conference report, the majority leader will file a cloture motion and that he will work out, if not by consent agreement, a designated time for a cloture vote? I am obviously concerned that if we have that vote on Monday after we return, the votes will be there, but I would hope that every Senator would be alerted as to the possibility of a vote at that time.

Mr. DOLE. That is correct. I would indicate that I have determined, since we have accomplished so much in the past few days with the cooperation of every Member, that we would be better served by coming on the ninth but having votes on the ninth, and this is one vote that will be scheduled on that date.

ANTI-APARTHEID ACTION ACT OF 1985—CONFERENCE REPORT

Mr. LUGAR. Mr. President, I submit a report of the committee of conference on H.R. 1460 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The Legislative Clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1460) to express the opposition of the United States to the system of apartheid in South Africa, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of today, August 1, 1985.)

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, I rise to ask Members to vote favorably for this conference report.

The conferees from the Senate and the House met for approximately 4½ hours yesterday. We discussed the nature of our conference, which came about because the House of Representatives had decided that they wished to have a conference as opposed to conducting a vote on the original Senate bill that was passed on this floor 80 to 12.

I make this point, Mr. President, because on numerous occasions, I mentioned to colleagues in the House that if they were to approach this subject and have a bill, certainly there was an option that was clearly available to do that, and my colleagues in the House carefully considered that option and demanded a conference, which we held.

Now, during the course of the conference, we faced early on the fact that there were different points of view as to how the South African question should be approached. In truth, both of the bills, the Senate and the House, were restrained measures in most respects. The Senate bill, as you will recall, Mr. President, from our debate on this floor, was aimed at incentives for American business to enter into South Africa more vigorously, to have opportunities for service with American citizens, black and white citizens of South Africa; that that country might prosper under the right conditions, the Sullivan Principles, and that there might be more opportunities for a hands-on experience of Americans in that troubled country.

During the course of committee consideration—and this was confirmed on the Senate floor—there were three sanctions: No more bank loans to the South African Government, no nuclear cooperation with that government, and no computer sales to elements of that government that are enforcing apartheid. By any standard, most Americans felt these were relatively mild sanctions. Indeed, in the debate it was pointed out that very few bank loans are being made to the South African Government, and the American Banking Association has recommended that none be made.

Now, we see in the papers today, coincident with this debate, that a major bank in this country has decided not to make anymore loans to anybody in that country. That was not our course, Mr. President. We encouraged active American involvement, and we went the route of incentives, not a punitive route.

Now, the House bill basically went that same route but had two additional features: First, a banning of new investments in South Africa. This was circumscribed to say that if you were making money in South Africa, you could reinvest it in South African markets, but essentially it stopped new investments. That ran counter to the entire philosophy of our bill.

I indicated to conferees that we would find that unacceptable because, philosophically, it was totally out of kilter with our thrust.

The second major issue was the banning of the further import of Krugerrands into this country. On that issue, I indicated that we would have to negotiate if there was to be a conference, and indeed we did. Ultimately, the outcome of the conference—and the only significant change in the Senate bill—was that Krugerrands could no longer be imported into the United States of America unless, and I think this is important, Mr. President, the South African Government meets only one of eight conditions which shows even a partial movement toward the ending of apartheid.

I point out that those eight conditions are clearly specified in our bill. In my judgment, they are really, without debate, in human terms.

For example, if the Government of South Africa frees political prisoners, that is enough for the President to lift the ban on Krugerrands if persons are interested in buying those coins in our country.

I point out that prior to our debate yesterday, the sale of Krugerrands in America had plummeted to a point that the Canadian Maple Leaf is by far the predominant coin.

To add one more thing, our Senate bill, which we passed with a vote of 80 to 12, provided for the minting of an American gold coin; and in a bipartisan spirit yesterday, we said it would have denomination, legal tender status. There would be a $50 coin, a $20 coin, a $10 coin, and a $5 coin, as I recall, that Americans could buy. They could vote with their dollars for gold in an American mint. I think that is important.

Mr. President, if I speak with some emotion about this subject, so be it, because it is time we spoke, it is time we acted. This is the time to do so.

I appreciate that some would say that there is no urgency, that there are all sorts of difficulties. Someone even suggested in conference that movement on our part would somehow assist the Soviet Union, that there would be battleships of the Soviet Union in South African ports within weeks. The extravagance of language with regard to this bill is astonishing, and it is wrong.

Mr. President, the time to act is now. I appreciate the calm words of the majority leader, in which he suggests that there are Senators prepared to talk on and on, and that is their privilege. It takes no skill to postpone action, if you want to do so at this point in the session. All of us have tried to do that on some occasion, and many of us have done it with some success.

I make these points because even on the very specific point on which the Senator yielded, there are at least eight remedies by which the President can lift the whole situation if that is required.

I point out that we are in a situation with this bill in which we are still encouraging active American involvement in South Africa. We still have a set of mild sanctions which indicate our seriousness of intent.

Mr. President, this is bill designed to help an ailing country, and I think that is important. It is also a bill that speaks a great deal about our compassion for blacks in South Africa and says it loud and clear. As Representative PARREN MITCHELL said in our con-

ference yesterday, we need a clear signal, and he spoke movingly about that fact that blacks in South Africa see the Krugerrand issue as that kind of clear signal—unambiguous, immediate, and clear.

I suppose if the issue did not have such gravity, it would not be of great moment, but this one is serious. This is our opportunity in Congress to act. I pray that if we are not able to do so, the President of the United States and the Secretary of State will move to shape our policy, to move beyond constructive engagement to things they should be doing as they wrestle with these grave problems.

All of us will attempt to help in that respect. But this was our opportunity to speak in a bipartisan way, loud and clear. The House has done so by a vote of 380 to 48.

The Republicans in the House voted 3 to 1 for this conference report. The vote on the conference report, I point out, was a great deal stronger than on the original House bill, and for good reason. The people on our side of the aisle in the House said this is a bill that preserves the right to invest, to get in there, to help. They like that idea. I like that idea. That was the major push we had, in addition to pointing out, in a compassionate but compelling way, that we must act, that we must send clear signals to blacks who have been oppressed by the apartheid system.

Mr. President, I shall not speak much longer. We have before us, I think, an excellent piece of legislation, one that I am certain in due course will command a large majority of this body.

We do not know what will occur in 5 or 6 weeks. There may be other times and other occasions to treat the issue in different ways. But, for the moment, this seems to be a product that comes from persons on both sides of the aisle who have wisdom and a heart for persons who need our help and a very high regard for a nation that clearly needs the help of the international community, if it is to pull itself out of the spiral of despair in which South Africa is currently headed. We have that opportunity, and I hope the conference report will have strong support in this body.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. Mr. President, I will not deny the Senator from Massachusetts a chance to speak. We can proceed only until 7:45.

Mr. President, there is room for a most reasonable and strenuous disagreement with the statement of the Senator from Indiana, the distinguished chairman of the Foreign Relations Committee, that this is an excellent piece of legislation. I have no truck for apartheid—indeed it is evil and I deplore it. But this action will not end it, and more than likely this action will prolong it.

There is a great deal of doubt in this Senator's mind that this will help a nation in trouble, as was suggested by him. Who is going to stop this ball from rolling down the hill when the violence it fosters erupts even greater?

It is no coincidence that the violence in South Africa escalated after the House and the Senate separately acted.

If you take a look at the resolution itself, one of the things in there is a typical piece of our racist pandering and meandering, in trying to accomplish what looks good to the public.

If anybody here can demonstrate to me how this piece of legislation is going to improve the lot of those black Africans who we say we want to help, I have yet to hear the argument. Our moral suasion is not increased by our statement that puts comparative worth on evils in this world.

Look at the sixth requirement, which is entering into meaningful negotiations with truly representative black leaders. Who, in heaven's name, is going to define who those are? Who in this room is going to say that somebody can say that one of them is not truly representative? So one of the requirements, on its face, is impossible to meet.

Who is to pick them? Representative SOLARZ, or the Senator from Massachusetts, or the Senator from Wyoming? Who is going to pick the truly representative black leaders?

Who in this room is going to say that it perhaps should be those who are elected by the blacks? There are those people in South Africa who are elected black officials, elected by blacks. Would they be? No; they would not be acceptable to these people who offer us this.

I warn the Senate that once that ball starts down the hill, nobody is going to stop it.

And I ask us to look back at those countries we have sought to help with sanctions and other maneuvers from the floor of this Senate, to tell me that the Iranians are better off under Khomeini than they were under the Shah or that the Nicaraguans are better off under the Communist grip than they were under Somoza, or that the Cambodians are better off in our abandonment of responsibility over there. These balls gain the momentum that nothing we do on this floor can cease and, when the violence erupts and erupts and erupts again, when is it that we in this body, since we chose to govern South Africa, are going to say enough? And you know and I know that the answer to that is perfectly never.

There are many ways that we can do this to help the situation. One of the curious things about South Africa is that the business establishment perhaps is the only example in the world where it sits to the left of the government in power, where the business community is the one that has been bringing changes. But this action would harm the business community, the most reform-oriented sector of South African Society.

I have heard endless numbers of Senators on this floor time and time again express outrage at the concept of sanctions as they operate in the diplomatic world but particularly as they operate in the Soviet Union.

This country, says the Senator from Indiana, is in need of help, and perhaps that is true, but ought we not to consider what help amounts to?

Is it we who are helping ourselves and our reputations in front of our own constituents? Or is it we who are actually seeking to help South Africans?

Chief Butalesi, even Bishop Tutu, has said that sanctions are not the way to go. When it comes down to choosing truly representative black leaders, are we going to suggest that they are not because they disagree with what takes place on the floor of the Senate of the United States?

Probably.

Mr. President, when I introduced my amendment to this resolution 2 weeks ago, to my partial delight and my outright dismay, a number of Senators came afterwards and told me that they really believe in it and if I would introduce it as a piece of freestanding legislation or a freestanding resolution, they would vote for it.

It is nice to be recognized for having pricked the conscience of the Senate, but it was pricked. Why not do it when we had the opportunity? Why is it more moral to do it as a piece of freestand legislation or resolution than it is attached to the very thing which I asked us to be consistent over? Why? Because politics got in the way.

Mr. President, I believe that this conference report is not excellent as the chairman has suggested. If we adopt it, we would be retracing the tragic steps of previous American Congresses and administrations that have helped to topple bad regimes and install ones that are immeasurably worse. The people of Vietnam, Cambodia, Laos, Iran, Nicaragua, Zimbabwe, to mention only a few, have the U.S. Government to thank for pushing them out of the frying pan and right into the fire. Now we seem bent on going through this dreary exercise again. Now the people of South Africa are to be "helped" in the words of the distinguished chairman of the Foreign Relations Committee, out of a regime we find unsatisfactory—but helped into what?

Who is this body or in the White House will stand up and guarantee that if sanctions make the lives of ordinary South Africans poorer and less free, he will willingly stand up and admit it? Do the supporters of sanctions even conceive of a possible scenario in which sanctions will make for better lives for South Africans?

What happens when Soviet-directed forces, emboldened by the sanctions, cause huge disruptions? What would our long-distance Governors of South Africa have the government do? Should it repress these disruptions? Should it give in to the demands of the Soviet-directed African National Congress? What will the Congress do to try to fine-tune the situation down there? We all know what the Congress will do: Handwringing and defensive posturing, just like in the cases of Vietnam, Iran, Cambodia and on and on. When will this body begin to feel shame for the peoples it has helped to push under worse tyrannies?

Posturing with regard to South Africa, however, is all the more dishonorable because it is driven by racial politics in this country. I am dismayed by how many elected officials know that it is wrong to try to destabilize the South African regime, but rush to do so because they think they will curry favor with black American votes for doing so. What an insult to black American voter. Of course, black American voters don't like apartheid—but how insulting to suppose that they find the bloody, cannibalistic tyrannies of black Africa more to their liking. How shameful it is for white middle-class Members of Congress to try to foster racism in black voters.

Let us not indulge in the nonsense we heard on the floor last week about these sanctions "helping" South Africa. If any Member believes they are a help, he ought to apply such helpful measures to his own State! No. The question before us is whether we ought to put the United States on the side of those who are trying to overthrow the Government of South Africa, and bring about a situation immeasurably worse for blacks and whites alike than the one which exists now.

Mr. President, before we voted last time, I tried to amend the South Africa resolution, to at least make this Government's actions with regard to unsavory regimes morally consistent. Why, I ask, do we declare economic war on South Africa, and not on regimes that are much, much worse? It is not morality, but the opposite thereof, to fight lesser evils while siding with greater evils. Although the amendment lost, a majority of Members have told me privately that they agreed with me, and that they would vote for my approach to this problem were it to be offered as free-standing legislation.

I intend to do that and seek a vote because we owe no less to our morality.

Mr. President, I ask unanimous consent to have printed in the RECORD a series of articles and editorials from various newspapers around the world and from this country.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Times, July 29, 1985]

IN S. AFRICA, SOVIETS TURN INVISIBLE SCREWS

(By Arnaud de Borchgrave)

The "winds of change" that drove the colonial powers—Belgium, France, Britain and Portugal—from the African continent brought great hopes for democracy and economic development. More than a quarter century has passed since the wave of independence began. The shining hope has been supplanted by dictatorship, repression, brutality, venality, starvation and despair now commonplace throughout the continent. The exception has been South Africa, long an enclave of prosperity and order.

Over the years, most recently in conversations with President Pieter W. Botha, I learned of the constructive changes and steady progress taking place in South Africa that would lead to the dismantling of the abhorrent apartheid system not by violent revolution and race war, but by a reasoned process. Mr. Botha spoke to me of the tremendous political risks he was taking to bring about constitutional and other internal reforms. He said, "We can see all of black Africa slowly dying, and we have no intention of abandoning our country to the same fate."

What South Africans once found unmanaginable may now become a reality.

How curious it is to find the United States government expressing its "revulsion" at the South African state of emergency declared by the Pretoria government to put down a wave of terrorism in which an estimated 450 black South Africans have been the victims of systematic atrocities perpetrated by revolutionaries who also happen to be black. Would our State Department officials rather that South Africa decide that the lives and property of black people should not enjoy the protection of the law?

Ironically, the wave of violence washing over South Africa's urban black townships, bringing death to scores of black people at the hands of the revolutionary terrorists of the African National Congress, was generated in large part by the Nkomati accord, signed on March 16 last year between Mozambique and South Africa.

The crucial provision of Nkomati required Samora Machel, the Marxist leader of Mozambique, to close down the bases and facilities enjoyed by the African National Congress (ANC). This revolutionary movement has long been supported by the Soviet Union and has been under the political domination of the South African Communist Party for the past four decades. Mozambique had allowed ANC to use its territory to establish camps from which terrorist teams were infiltrated into South Africa. Mr. Machel immediately fulfilled his Nkomati pledge. The ANC's terror cadre was sent packing (to Zambia, Tanzania and Angola), and key personnel in the ANC political and terrorist command structure were expelled. ANC's terrorist operations were disrupted, and South Africa maintained the pressure by raiding ANC camps harbored by other neighboring countries.

President Botha's government had high expectations that Nkomati would signal the end of ANC as a terrorist problem. Then they could divert much of their defense budget into expanding their economy, and resume the ponderous pace of the progressive integration of black, Asian and mixed-race South Africans into the country's economic and political system. This is the key point: to bring black South Africans into the POLITICAL system would be to destroy the whole system of apartheid with its restrictions on areas of residence and property ownership.

Pretoria made this assumption, however, without considering that the only option left to the ANC, other than admission of defeat, was to mobilize their supporters inside South Africa, particularly in some of the black trade unions and in the United Democratic Front (UDF) coalition. Furthermore, for non-white South Africans, a climate of rising expectations had been created that encouraged militancy and pressure tactics to accelerate the sluggish pace of change. The dropping of a number of restrictive racial laws and the first officially sanctioned cracks in political segregation have contributed to that feeling of expectation, as has the fact that wages in South Africa are well above the African norm. Wages may be low compared with those in the United States, but they are so far above the norm for Africa that tens of thousands of black voluntarily leave their black-ruled bordering countries to take jobs in South Africa in spite of the inane, degrading humiliations of apartheid regulations.

ANC's regrouping after the Nkomati reverse was speedy. Last summer the ANC leadership held lengthy consultations with leading American anti-South Africa activists at the United Nations, then immediately went to Havana to work out details on creating external diplomatic pressure against South Africa in the United States and Western Europe, in which U.N. agencies would play a supporting role. By last October, the plans were ready for implementation. The opening round in "making South Africa ungovernable" commenced with illegal strikes by black trade unions. Some of the leaders were arrested, and those arrests were the focus of protests in Europe and America in the first two weeks of November.

On Thanksgiving, the campaign of American protests and sit-ins against South Africa moved into high gear. The U.S. protest coalition, known as the Free South Africa Movement (FSAM), is spearheaded by Randall Robinson's TransAfrica, a lobbying organization. They have made clear their commitment to the ANC and to other revolutionary movements and regimes sponsored by Moscow in Africa and the Caribbean.

Since then, Mr. Robinson has given the national media a daily, carefully orchestrated "story." He has de facto *"proprietary rights"* over protest at the South African Embassy. Two or three prominent people are lined up in advance to get arrested, which is a perfectly convenient thing to do since the U.S. attorney for the District of Columbia has refused to prosecute anyone demonstrating at the South African Embassy, while vigorously prosecuting those who protest at the Soviet Union's Embassy. A press conference is held at which the prominent people make statements, and then a group of demonstrators selected well in ad-

vance by TransAfrica goes to the embassy, where they demonstrate and are arrested.

Having learned from the civil rights and anti-Vietnam war protests, today's demonstrators are neatly dressed, orderly, polite—and in the long run as dangerous as the ANC-inspired mobs who have killed more than 450 black South Africans since the present terrorism campaign erupted. "On camera," the protestors are concerned, as indeed, most of us are, with human rights and the abuse of power. But the FSAM agenda aims at persuading the U.S. government to help economically isolate South Africa from the Free World and thus assist in overthrowing it and replacing it with a Soviet-dominated, pseudo-"nationalist" revolutionary regime. The polite dignitaries on the picket line, knowingly or unwittingly, are acting to transform South Africa into an Ethiopia, a Uganda, an Angola, a Tanzania or a Zimbabwe—a process in which democracy has meant one man, one vote, one time! And no less a personage than Richard Lugar, chairman of the Senate Foreign Relations Committee, is lending himself, albeit unwittingly, to this demolition exercise.

That is the ultimate purpose of the economic warfare campaigns to end economic relations and isolate South Africa from the United States. TransAfrica's FSAM crusaders are not fazed by the fact that such economic measures would force America to depend on the Soviet Union as the sole alternative supplier of a variety of strategic minerals we now buy freely from South Africa. After all, TransAfrica consistently promoted the nasty little pro-Soviet regime on Grenada.

Does it matter particularly whether South Africa is ruled in five years time by a government allied with the Soviet Union? The answer is yes, because ultimately our continued freedom depends on it.

South Africa is essential to the strategic survival of the United States and Western Europe. That strategic importance is the result of her geology and geography; and it is not a fact that is going to change for many years. South Africa is the sole source in the non-Communist world of a multitude of rare minerals which are critical to the industrial and military strength of the West—among them chromium, platinum and vanadium. These and other rare metals form the exotic alloys that enable rockets and jet engines to withstand intense heat, and which strengthen submarine hulls against the enormous pressures of the deep oceans, and have many specialized functions in our high technology. There is one alternative source for those minerals—the Soviet Union.

Furthermore, geography has placed South Africa astride the shipping lanes traveled by the oil tankers carrying crude oil from the Persian Gulf across the Indian Ocean and around the Cape of Good Hope into the Atlantic. The government which rules South Africa can control the tanker traffic carrying the Gulf's petroleum to Western Europe, Latin America and the United States.

The leaders of the Soviet Union obviously are aware of this. In sum, the blunt fact remains that South Africa represents the jugular vein of the West, and that even if South Africa had no controversial and unpopular racial and ethnic regulations, that country would be a target of Soviet imperialism. The Kremlin would prefer to win world power without provoking us to resist. The name of the geopolitical game is, after all, as Sun Tsu told us 25 centuries ago, to subdue the armies of one's enemies without ever having to fight them. Therefore, they use what is called in Soviet jargon "active measures" that entail propaganda, subversion, agents of influence, disinformation and other techniques implemented primarily by the KGB in cooperation with all Soviet agencies and assets to bring about the gradual collapse of our will to resist.

In the case of South Africa, as with Vietnam 15 years ago, the multifaceted Soviet "active measures" campaign aims to persuade our leaders to forget that America's strategic viability will be at risk in South Africa for many decades—regardless of the political and racial complexion of its government.

Is there proof that the Soviets are engaging in "active measures" to promote an ANC rule over South Africa? Yes, in fact the only time in history that the Soviets ever publicly admitted that such "active measures" existed came in a statement to the U.N. General Assembly four years ago. The U.S.S.R. formally stated, "Efforts are under way in the Soviet Union to mobilize world opinion in the fight to eliminate colonialism, racism and apartheid in southern Africa. Active measures in this direction are being carried out." The Soviets even named some of the agencies implementing "active measures." They were the Soviet organizations run by the International Department of the Soviet Communist Party Central Committee in cooperation with the KGB that, in turn, control the international fronts, among which are the World Peace Council (WPC), International Association of Democratic Lawyers (IADL), Women's International Democratic Federation (WIDF), and World Federation of Trade Unions (WFTU).

However, most Western public officials, public opinion molders, and particularly Congress and the media are hesitant, if not unwilling, to acknowledge the fact that the Soviet Union is seeking directly and through local surrogates to detach South Africa from the West, deny the West access to its strategic minerals and, sooner or later, replace its government with a regime more to Moscow's liking. Some argue instead that "nationalists" will take over ANC and expel the Marxists; but to date ANC's Marxist have regularly purged "nationalists" who chafed under their strict discipline.

The bottom line is that it is irrelevant whether anti-American "nationalists" or anti-American Marxists seize power in South Africa. The Soviets undoubtedly would prefer to see a Marxist-Leninist regime of the Angolan, Ethiopian or Cuban model take over. For many years, Soviet policy in the Third World has been to support any movement or regime so long as it was anti-American. They recognize that an ultra-nationalist or extremist regime determinedly hostile to American interests—Khomeini's Iran being a prime example—would serve Moscow's interests nearly as well in placing control of U.S. access to strategic minerals in hostile hands.

Without South Africa's minerals, America's high-technology defense industries would have to depend on the Soviets for those rare strategic minerals. If America did not buy minerals from South Africa, what price do you think the Soviets would set?

There is also a moral irony in this. Year by year over the past decade and more, as the urban black population has increased and skilled, educated black people play an expanding role in the modern urban economy, South Africa has been dropping racially restrictive laws and now is committed to opening the political power structure. On the other hand, Soviet gold, as Alexander Solzhenitsyn told us, is the product of the Soviet forced labor camps which comprise the Gulag Archipelago. Forced labor accounts for nearly all of Soviet mining operations. How the Soviet cynics must jeer to see America and Europe urging abandonment of trade with South Africa when their only alternative must be to line up at the Soviet trade counter and, therefore, to encourage the Soviets to expand their use of forced labor.

When the Politburo first considered how South Africa might be brought into the Communist camp back in Stalin's time, they used a classic tactic; develop a well-organized Communist Party and Communist underground; then penetrate and take over the African National Congress (ANC); organize a "popular front"; use terror to dispose of political opponents, demoralize the population, bring them under control and escalate into mass confrontational protests in order to elicit a stern reaction on the part of the government and police; then use that as the "justification" for a move into terrorist "armed struggle."

But in more recent years, in the Third World, the Soviets have recognized that it is sufficient that a government merely be anti-American for Soviet interests to be served. Of course the Soviets eventually would like to see traditional Marxist-Leninist parties ruling the countries of the Third World. But they realize that revolution by stages is less likely to alarm Western governments, thus they can avoid armed confrontations. After all, is the loss of one more slice of salami worth fighting over? In this type of "cold" conflict, all the tactics short of armed confrontation—propaganda, "active measures," disinformation and deception—play a very important role in undermining America's will to act in defense of our national interest, and, in the case of South Africa, in persuading our government to isolate America from South Africa.

From secret information provided by a high-level Soviet official who has now defected to the West, it has been learned that Moscow's overall plan has four main points:

Consolidate Soviet influence in Angola, Mozambique and Zimbabwe; at the same time enhance the military capabilities of these countries to act as Soviet surrogates; and provide aid sufficient to reduce their economic dependence on South Africa;

Strengthen the underground organization of the African National Congress and its fronts inside South Africa;

Weaken the South African military capacity and will to resist;

Increase the international political and economic isolation of South Africa through an intensified "active measures" campaign in Europe and America.

The international campaign for United Nations imposition of a total mandatory and binding international economic boycott against South Africa is spearheaded by various African states backed to the hilt by the Soviet bloc. Both in America and in the European countries who are South Africa's major trading partners, the campaigns are coordinated by the ANC's solidarity networks. (Shades of the various Central American solidarity networks, e.g., CISPES).

There is some peculiar self-delusion found among ANC supporters. Some back ANC because they see it as their revolutionary duty to support so-called "national liberation movements." Overall, they are a minority. Many more among the public figures in the so-called "anti-apartheid' campaigns under-

stand that the brutal assassinations of moderate black spokesmen, community leaders, individuals known to oppose ANC, police officers and those who work in some capacity for the government, the atrocities in which ANC-inspired mobs hack and burn alive the infants, children, wives and other relatives of their victims or intended victims, the car bombs and sabotage are prima facie evidence that ANC is a terrorist group of the most vicious nature. Even Bishop Desmond Tutu has implored the militants to stop their reign of terror—or "I'll pack my bags, collect my family and leave," as he himself put it last week. But our activists omit from their calculations those atrocities perpetrated on blacks by the ANC and South African Communist Party and deplore the fact that the white government has declared a state of emergency to put down the terror.

At bottom, the excuses for ANC terrorism amount to "the devil made them do it"—the devil being South Africa's racial policies. When did the fact that you do not like someone's presumed politics give you the right to disembowel his wife and burn his children to death? Individuals are responsible for their own actions; no one who argues that a grievance against society justifies murder can retain credibility as a "human rights" advocate. Those who take that position may well believe that similar tactics should be applied in America. Even six generations after civil war and 30 years after the civil rights movement was launched, we have failed to construct the racial utopia that is demanded overnight of South Africa. Thirty-five million Americans are living below the poverty line—most of them blacks. Does that justify terrorism?

The fact that South Africa has scrapped many repugnant racial rules seems to have no impact on the anti-South Africa lobby. Perhaps with their minds made up, they do not want to be confused by facts. They want revolution.

The strategic needs of our own people should be the overriding concern of Congress, but the anit-South Africa forces, including the Marxists, are arguing that apartheid problem is not a political one capable of rational political solutions involving formulae for opening the South African political power structure by degrees to all the people. Rather they say it is a moral issue. So they preach that "apartheid" is a sin, and that those "sinners" should stop sinning at once without respect to any other consideration such as transferring power in an orderly manner and maintaining social order. Pretoria, for its part, should begin by bringing black leaders, who renounce violence, into a new powersharing system.

[From the Washington Times, July 30, 1985]

ANTI-SOUTH AFRICAN LOBBY TRACED TO LEFT-WING GROUPS

(By Arnaud de Borchgrave)

Dennis V. Brutus, 60, one of the most influential political leaders of the anti-South Africa lobby in America, told an activist audience in Washington recently that the key U.S. groups in the network against South Africa were the American Committee on Africa (ACOA); Washington Office on Africa (WOA); TransAfrica and the coalition it heads called the Free South Africa Movement (FSAM); and the Institute for Policy Studies (IPS).

If his audience was particularly pleased, it may have been because he was addressing an IPS seminar audience that was representative of those organizations. He himself is prominent in the U.S. committee of the London-based International Defence and Aid Fund (IDAF) and The Africa Network (TAN), and was co-founder of the American Coordinating Committee for Equality in Sport and Society (ACCESS), which took the lead in setting up protests against a tour by South Africa's Springbok rugby team.

Mr. Brutus was born in Rhodesia and is a citizen of Zimbabwe. He left South Africa for London in 1966, having become active with the African National Congress (ANC) in the carly 1950s. His current role, is to present the political action desires of the ANC to the intellectual leaders and activists of the American left. He is effective at that. With turmoil in South Africa having driven Communist expansionism in Central America from the headlines, The Washington Times will examine some key organizations of the Network against South Africa.

The International Defence and Aid Fund was established in London in the 1960s by South African "exiles" to raise funds to help defray legal defense costs for black South Africans charged with treason, terrorism and other serious offenses. Mr. Brutus has been involved with IDAF for many years.

As for the activist credentials of Mr. Brutus, from 1948 to 1961 he taught English and Afrikaans in various South African schools, became active in ANC, and founded the campaign to expel South Africa from international sporting events. The 1961-63 period encompassed ANC's first terrorist campaign and his ANC affiliation cost Mr. Brutus his government teaching post. He was arrested in 1963 for violating the terms of his banning and was released on pretrial bond.

Mr. Brutus' reaction to this was extraordinary. He promptly fled to Mozambique where he was arrested by the Portugese and extradited to South Africa.

Mr. Brutus served an 18-month sentence on Robben Island where he was in the same work detail as Nelson Mandela of the ANC. Mr. Brutus claims to have hidden Mr. Mandela in his home while an underground fugitive. On his release, Mr. Brutus took his wife and seven children to London, where he led a number of campaigns organized by IDAF.

In 1978, the London Economist's prestigious Foreign Report published discussion documents by a Dutch support group for the ANC called Ikhela. The word means "spark" in Zulu, echoing Lenin's "Iskra" publication, which was "spark" in Russian. Members of the Dutch leftist group came to support a "black nationalist" faction in ANC. In defense of that faction, which wanted to expel the white Communists from ANC, they commented that "since the very beginning, the politics of the liberation movement in exile has been under the domination of the South African Communist Party;" and that as a result of SACP dominance, only two issues "formed the backbone of the antiapartheid politics: the disinvestment issue and the armed struggle."

Ikhela criticized the IDAF as "an inconsistent jelly fish" that "appears to be Christian-motivated," but accepts a program politically "run along highly sectarian lines" and is "controlled by members of the South African Communist Party."

IDAF has received substantial grants from the World Council of Churches, the U.S. National Council of Churches and from the government of the Ukranian Soviet Socialist Republic in other words, the government of the Soviet Union. The Ukranian SSR told the U.N. General Assembly it was "making regular contributions to the International Defence and Aid Fund."

There is no evidence in the public record that Mr. Brutus is a secret member of the South African Communist Party. In 1970, he moved to the United States to teach literature at Northwestern University. He did not come for political reasons or to seek political asylum, but, as he told The Washington Post more recently, because "Northwestern made me the best offer." Mr. Brutus has been associated with a number of anti-South African groups, and prominently with the U.S. committee of the IDAF. The U.S. Immigration and Naturalization Service tried for years to deport Mr. Brutus as an excludable alien under the McCarran Act provisions barring communists and members of communist-controlled organizations. The government was not willing to disclose to Mr. Brutus or his attorneys from Chicago's People's Law Office the sources of their intelligence concerning him. Declassified FBI documents and Justice Department legal papers have linked People's Law Office lawyers and staff to the terrorist Weather Underground Organization and to the Puerto Rican FALN (Armed Forces of National Liberation of Puerto Rico).

In 1983, after two years of proceedings, during which Mr. Brutus' cause was supported by Chicago Mayor Harold Washington, Cardinal Joseph Bernardin, former Illinois Sen. Charles Percy (who then was chairman of the Senate Foreign Affairs Committee), House Speaker Thomas P. O'Neill Jr., Sens. Howard Metzenbaum, Edward Kennedy and then Massachusetts Sen. Paul Tsongas, a federal judge granted Mr. Brutus political asylum in the United States.

[From the Washington Times, July 31, 1985]

KGB FRONTS PUSH CAMPAIGN TO DESTABILIZE SOUTH AFRICA

(By Arnaud de Borchgrave)

The protest campaign against South Africa corresponds to a pattern established by the Soviet KGB as one part of a broad "active measures" campaign that is being implemented by the U.S.S.R.'s "assets"—witting and unwitting—in the United States and Western Europe.

Is there collateral for that assertion? Yes, from the Federal Bureau of Investigation. FBI Assistant Director Edward O'Malley, in testimony before the House Intelligence Committee, held up as an example of "specific Soviet active measure, activities and operations in the United States" a conference of anti-South African activists in New York. Many of the initiators and leaders of the present protest participated actively in that conference whose "stars" were the political leadership of the African National Congress (ANC), which resumed terrorist operations against civilian targets in South Africa after the former Portuguese colonies of Mozambique and Angola achieved independence under Soviet-allied Marxist regimes and provided ANC with bases.

In 1961, at the instigation of the South African Communist Party (SACP), the ANC commenced a terrorist campaign. ANC formed a terrorist cadre called "Umkonto We Sizwe" (Spear of the Nation in Zulu), led by Nelson Mandela, who was not a member of the Communist Party but worked closely with it.

Not too long ago. The New York Times commented that Mr. Mandela would prob-

ably become the first black prime minister in the "new order" in South Africa. When he was on trial, Mr. Mandela delivered a statement in open court in which he said, "I admit immediately . . . that I was one of the persons who helped to form Umkonto We Sizwe, and that I played a prominent role in its affairs until I was arrested in August 1962." He said, "I do not deny that I planned sabotage," and continued, "I did not plan it . . . because I have any love of violence. I planned it as a result of a calm and sober assessment of the political situation. . . ." (Note: Quoted in THE AFRICAN COMMUNIST, official publication of the SACP, 3rd Quarter, 1964.)

The terrorist campaign failed. There was no rebellion, and the ANC and the SACP were outlawed and dwindled. They became primarily exile movements based in London whose publications were produced in East Germany. During the late 1960s and through the 1970s, ANC cadre received training in the Soviet bloc, Algeria, Libya, several Marxist African states and in Palestine Liberation Organization (PLO) camps. Johnstone Makatini, the ANC representative in Algiers during the early 1970s, now their U.N. observer, was responsible for organizing terrorist training for selected ANC members in the Soviet Union.

Following the Portuguese "carnation revolution" of 1974, pro-Soviet regimes too power in Mozambique and Angola which gave ANC training facilities after the 1976 Soweto riots produced a flood of new militant recruits. The camps were staffed by Cuban, East German, Soviet and other bloc experts. Selected ANC members were given advanced training in the Soviet Union, Cuba and several East European countries.

The principal coordinator of the Free South Africa Movement (FSAM) is Randall Robinson, executive director of TransAfrica, a self-described "lobby" formed eight years ago "to inform and organize popular opinion in the United States to advocate policies and practices that will help to achieve more progressive U.S. forign policy toward the nations of Africa and the Caribbean and peoples of African descent generally throughout the world." As translated into action. TransAfrica has promoted the interests of the ANC, SWAPO and Moscow-allied client regimes in Africa and the Caribbean. The link with the ANC has been open.

Recently, Dennis Brutus, a "political refugee" who successfully resisted U.S. efforts to deport him as an "excludable alien" under the McCarran act, and is one of the most influential interpreters of ANC's political wishes to the U.S. anti-South Africa movement, described the American Friends Service Committee (AFSC), Washington Office on Africa (WOA), American Committee on Africa (ACOA), TransAfrica and its Free South Africa Coalition (FSAM), and the Institute for Policy Studies (IPS) as providing the leadership for the U.S. anti-South Africa campaign.

Those ties are not recent developments. There was, for example, a conference on American divestment legislation supported by the United Nations Special Committee Against Apartheid and nine American groups in June 1981. Organizations taking leadership roles included the AFSC, ACOA, IPS, TransAfrica and WOA, along with several projects set up jointly and separately by these groups. ANC president Oliver Tambo had met with some of the leading figures a week before the conference in Atlanta. Others prominent in the conference were members of TransAfrica's board along with some leaders of communist front organizations used by the Soviets as vehicles for "active measures" and "disinformation" operations.

During the last four years, Mr. Tambo has made repeated trips to the United States for meetings with his U.S. supporters.

The October 1981 "Conference in Solidarity with the Liberation Struggles of Southern Africa," named by FBI Assistant Director O'Malley as a classic example of Soviet "active measures," had at least 20 officials of the ANC present. ANC president Tambo was unable to attend, but the ANC delegation "working" the conference was ably headed by Thabo Mbeki, Mr. Tambo's personal aide; Johnstone Mfanafuthi Makatini, ANC's chief U.N. representative, Yusuf Saloojee, ANC's representative in Canada; David Ndaba of the U.N. observer delegation, and others.

As violence erupted in the black townships of South Africa, Mr. Ndaba, administrative secretary of ANC's U.N. group who said he was involved in the Soweto riots of 1976, explained ANC's rationale for violence against black and colored moderates. The aim is to destroy by terrorism any alternative or moderate voice to the ANC and to use terror to bring the urban black population under ANC control. Any form of cooperation with the system would bring death and would demonstrate to black moderates that the government was incapable of protecting them from ANC violence.

Mr. Ndaba described the riots as "mass struggles carried out . . . to destroy the . . . institutions which make it possible for that regime to dominate our people. These mass political actions are accompanied by armed actions carried out by the . . . African National Congress."

Terming the violence that has killed an estimated 450 black South Africans "people's war," Mr. Ndaba noted that in a New Year's message last year, several weeks before South Africa and Mozambique signed the Nkomati pact that brought expulsion of the ANC from their Mozambican bases, Oliver Tambo called on ANC supporters "to make themselves ungovernable, to make apartheid institutions unworkable, and to challenge these institutions by confronting the most vulnerable links of the apartheid regime, and eventually, to change the racist rule in Pretoria."

The slaughter of black people at the hands of the ANC mobs did not seem to upset Mr. Ndaba, who said that "a number of black stooges have been killed; many heads of black townships have been petrol-bombed because the people are now challenging these collaborators. . . . The issue of black collaborators is becoming . . . a major issue." [NOTE: Interview was published in The Black Scholar, a Marxist monthly—contributing editors range from Angela Davis and several TransAfrica directors to leaders of terrorist Republic of New Afrika.]

During the congressional debates on economic sanctions against South Africa, many wondered whether U.S. measures to isolate South Africa were of any real significance. ANC's U.N. officials insist that the campaign against South Africa here is critical to their success.

Mr. Ndaba said at the start of the FSAM protests that "We will appeal to the black people in this country to take their place as the leading force of the anti-apartheid movement in this country. . . . It won't be until the Afro-Americans have taken the struggles . . . to the same level as Americans did in opposing the war in Vietnam that we will finally achieve our freedom." That ANC officials likened South Africa to "another Vietnam war" that produced over a million refugee "boat people" could indicate what lies in store for South Africa should ANC be victorious.

Mr. Ndaba said, "How long the struggle will be allowed to last depends to a great extent on how strong an anti-apartheid movement will develop in the United States to reverse the policies of the U.S. administration with whomever is in power—Republicans or Democrats. . . . It is true that the liberation of the people of South Africa will be brought about by the people of South Africa. . . . But the international community and Afro-Americans here can really play a complementary role. What we are saying is that this complementary role is indispensable. We can no longer do without your support, and the time for that support is now."

Mr. Ndaba's boss at the U.N. observer group, Mr. Makatini, confirmed the high value the ANC places on the U.S. anti-South Africa campaigns to ease the path for their armed revolution during his March 29 appearance on the MacNeil-Lehrer Newshour. During the interview, Mr. Makatini said the current level of violent protests in South Africa meant people were reaching "the position reached by the ANC in 1961—that non-violence could not work against the apartheid regime." He continued indicating that ANC's 1961 venture into terrorist "armed struggle" failed in large part because South Africa was isolated and the neighboring territories were "under colonial domination themselves. . . . But today, they are potential rear bases, and nothing can stop that revolution. Nothing."

Asked whether there was an alternative to violent revolution, Mr. Makatini did not directly answer. Instead he asked for "effective international action in the form of the imposition of comprehensive and mandatory sanctions against South Africa," and explained: "That would help to shorten the duration of the inevitable armed conflict. It would help lessen the loss of human lives. But nothing can stop the bloodshed now because we've been bleeding for the past 300 years, and it's soon that the bleeding has to be on both sides."

South Africa's Survival Essential to U.S. as Source of Key Materials

Leaders of the U.S. network against South Africa concentrate on creating a public sense of mutual repugnance surrounding apartheid and the injustices of the South African system. So far, so good. At least on the surface.

Censorship by omission, however, as wheeled into play when it comes to the U.S. national interest in maintaining a steady supply of strategic minerals. In the Free World only South Africa produces many of the strategic minerals essential in defense and modern industry. To boycott South Africa would render the Soviet Union our sole source for these minerals.

During the Rhodesian boycott, the Soviet Union quickly snapped up Rhodesian chrome—no compunction at all about trading through third parties with a white supremacist regime—and sold it back to the United States at a premium.

The politicians and "solidarity" activists of Europe and America do not have a monopoly on this sort of hypocrisy. When speaking privately with leaders of the black-

ruled countries of southern and central Africa, I found a keen recognition that the economic survival of their countries depends on South Africa.

Zambia, Zimbabwe, Angola, Mozambique, Botswana, Lesotho, Malawi, even Nigeria (albeit covertly), and other African states rely on South Africa for much of their technology and skilled technicians; for food and other imports; as an export market and for assistance in getting their goods to world markets; and for the foreign exchange earned in South Africa by their black citizens who find jobs there.

Revolution in South Africa would mean disaster for black Africans. Nevertheless, whenever the United Nations is assembled, its diplomats stand up and pronounce dire imprecations on the heads of South African whites while singing the praises of the African National Congress terrorists and blacks killing other blacks for "collaboration" with the government.

Among the U.S. groups that have pioneered the "moral" argument for sanctions against, and revolutionary change in, South Africa are the American Committee on Africa (ACOA) and its "independent" spin-off, the Washington Office on Africa (WOA); the American Friends Service Committee (AFSC); TransAfrica; and the Institute for Policy Studies (IPS). Each has provided "moral support" and sometimes more to the African National Congress (ANC), whose Soviet-allied revolutionaries began committing acts of terrorism against civilians more than two decades ago.

AMERICAN COMMITTEE ON AFRICA

George Houser, founder and executive director of the American Committee on Africa, celebrated the 25th anniversary of the organization by writing a booklet history of the committee called "Meeting Africa's Challenge: The Story of the American Committee on Africa."

According to Mr. Houser, now retired from ACOA, the impetus for the committee arose in 1951 during London meetings between U.S. black Activist Bill Sutherland and the editor of ANC's newspaper, "African World," who told Mr. Sutherland about ANC's plans to launch the "Defiance Campaign" of the early 1950s. When Mr. Sutherland returned to the United States, he told Mr. Houser, who then was executive secretary of the Congress of Racial Equality (CORE) and race relations secretary of the Fellowship of Reconciliation (FOR), about ANC's plans. Still, according to Mr. Houser, "We wrote to Walter Sisulu, the secretary general of the African National Congress . . . [who] responded eagerly, and in New York we decided to set up an ad hoc organization, which we called Americans for South African Resistance (AFSAR), in support of this campaign."

Mr. Houser reported that when the "Defiance Campaign" started in June 1952, its link to the ANC was Professor Z.K. Matthews, head of ANC's Cape branch, who had just arrived to teach at Union Theological Seminary. He remained in "constant touch" with ANC leaders in South Africa, and he was the source for bulletins issued by AFSAR. Mr. Houser also said that "AFSAR . . . raised several thousand dollars which, through Z.K. Matthews, was sent to ANC." When the ANC effort collapsed in 1953. AFSAR was reorganized into ACOA. The "Defiance" support set the pattern for ACOA activities.

Mr. Houser's organization shifted its focus to supporting Algeria's National Liberation Front (FLN) whose eight-year civil war was marked by atrocities and violence and repression that left one million dead.

Mr. Houser explained that "ACOA worked closely with . . . the FLN representatives in New York and at the U.N. Numerous public meetings were sponsored to call attention to the Algerian struggle and to condemn the support the U.S. was giving France." He also recalled that ACOA was the first to display the flag of the FLN's provisional revolutionary government at public meetings in New York.

Mr. Houser claimed that "there is not a major liberation movement in southern Africa which has not received some support from ACOA." "Much of this," he volunteered, "has been done through the Africa Defense and Aid Fund . . . sometimes the assistance given is to cover the emergency needs of visitors to New York and U.N. or to liberation movement leaders traveling in the U.S. It may help with travel expenses, accommodations, telephone bills, etc. . . . In the case of some of the liberation movements. . . . ACOA has taken major responsibility for raising the funds to make it possible for the organization to have an office and a full-time representative here."

During the 1970s, Mr. Houser described ACOA logistical support to "liberation movements" as including the supply of vehicles such as jeeps. Land Rovers and Volkswagon buses. Anti-communist and non-communist forces were slighted. For example, in Angola, there were three armed movements: The then-Peking-allied FNLA led by Holden Roberto, the nationalist UNITA headed by Jonas Savimbi and the Soviet-controlled MPLA. According to Mr. Houser, "a lengthy discussion was held in 1970, and the decision was to recognize the primacy of the MPLA at that time." The Marxist-Leninist MPLA, with Soviet assistance and Cuban troops, fought its way to power in 1975.

ACOA's Washington lobbying activities were outlined by Mr. Houser. "ACOA," he wrote, "has consistently opposed U.S. policies" in South Africa. The organization's representatives have appeared on numerous occasions before "the appropriate Senate and House committees. ACOA has kept a full-time office in Washington since 1968. Funds for the Washington operation, according to Mr. Houser's organizational history, have been provided primarily by four religious denominations: "Methodists, Presbyterian, United Church of Christ and Episcopalian." When these churches wanted to take a more active role against South Africa, he explained, "ACOA's Washington office was transformed into the independent, jointly sponsored Washington Office on Africa."

Among the best known ACOA representatives have been Mr. Houser himself before his retirement; Jennifer Davis, a South African "exile" who replaced him as executive director after years as ACOA's research director, and New York attorney Peter Weiss, who was ACOA president for 10 years and provided a significant amount of funding to ACOA's tax-exempt spin-off, The African Fund, through the Samuel Rubin Foundation. Mr. Weiss has performed similar functions on the board of the Institute for Policy Studies (IPS), which has cooperated with the ACOA on campaigns for legislation against U.S. bank loans to South Africa and other issues.

AMERICAN FRIENDS SERVICE COMMITTEE

The Philadelphia-based American Friends Service Committee (AFSC) increased the level of its southern Africa program in 1974 when it hired as program director Bill Sutherland, co-founder of ACOA. Mr. Sutherland moved to Africa in 1953 and later worked for the first government of Ghana under Kwame Nkrumah. He played a role in organizing the 1958 All African Peoples Conference in Accra. From 1963 to 1975, Mr. Sutherland was an employee of the Tanzanian Ministry of Foreign Affairs. When he went to work for the AFSC, he moved to Lusaka, Zambia.

The general trend of the AFSC southern Africa program was visible in the August 1977 16-member AFSC delegation Mr. Sutherland led on a tour of the "front-line" states. The proclaimed purpose was to "build relationships with the opponents of the status quo in southern Africa, particularly the liberation movements."

TRANS AFRICA

The principal coordinator of the Free South Africa Movement (FSAM) protest coalition is Randall Robinson, executive director of TransAfrica. The group was formed eight years ago "to inform and organize popular opinion in the United States to advocate policies and practices that will help to achieve a more progressive U.S. foreign policy toward the nations of Africa and the Caribbean and peoples of African descent generally throughout the world."

As this policy was translated into action. TransAfrica has promoted the interests of the ANC, the South-West Africa People's Organization (SWAPO) and Moscow-allied client regimes in Africa and the Caribbean. The link with the ANC has been open.

After graduating from Harvard Law School, Mr. Robinson worked in Tanzania as a Ford Foundation fellow before returning to Boston to practice public interest law. In 1975 he joined the staff of Rep. William Clay, D-Mo. Later he worked for Rep. Charles Diggs, D-Mich. ACOA's former executive director, George Houser, wrote that his organization had "maintained a working relationship" with Mr. Diggs, who was chairman of the House subcommittee on Africa. Mr. Robinson was executive director of the Congressional Black Caucus before taking on the TransAfrica project. His brother is Chicago-based television newsman Max Robinson.

The roll call of past and present members of the TransAfrica board of directors includes Harry Belafonte; the Rev. Isaac Bivens, United Methodist Church Board of Global Missions; Courtland Cox; Dr. Carlton Goodlett, for many years a member of the Presidium of the Soviet controlled World Peace Council and publisher of two San Francisco area black community newspapers; William Lucy of the American Federation of State, County and Municipal Employees (AFSCME); R. Prexy Nesbitt, former IPS fellow who headed the World Council of Churches Program to Combat Racism; the Rev. Wyatt Tee Walker; and Ronald Walters.

The list shows a preponderance of personalities on the left wing of the American political spectrum with respect to South Africa and other social issues.

INSTITUTE FOR POLICY STUDIES

The Institute for Policy Studies (IPS), which has offices just off Dupont Circle in Washington has amassed a 20-year public record remarkable for its consistency in supporting disarmament (by the West), nonintervention against Soviet surrogates, but intervention against authoritarian governments aligned with the West, abolition of nuclear power (by the West), and the dras-

tic curtailment of intelligence and internal security agencies (the American ones).

IPS and its subsidiary, the Transnational Institute (TNI), which has offices in Amsterdam as well as in IPS's Washington headquarters, play central roles in coordinating pressure campaigns on parliaments in Europe and on the U.S. Congress for such policies. In part, IPS exercises influences through a network of "progressive" congressional staff aides. IPS has acted as a conduit for Soviet and Cuban disinformation themes.

In 1982, the institute concluded a formal "exchange" agreement with the Arbatov Institute in Moscow and another Soviet agency, both used by Soviet intelligence for "active measures." The IPS/Soviet 1983 "Bilateral Exchange" conference in Minneapolis attracted Soviet GRU (military intelligence) Gen. Mikhail Milsteyn and others from those agencies experienced in "active measures" and political influence operations.

IPS Chairman Peter Weiss was president of ACOA for 10 years. Other IPS figures have been affiliated with the committee. Members of IPS's Southern Africa Project and Militarism and Disarmament Project have played key roles in coordinating divestment and antibank loan campaigns in Western Europe and the United States. Indeed, the Committee to Oppose Bank Loans to South Africa operated from IPS's headquarters and ACOA's New York office.

Even more significant was the central role of a member of the ANC and the South African Communist Party Central Committee, Ruth First Slovo, in organizing IPS/TNI solidarity efforts. Ruth First Slovo was killed in 1982 by a parcel bomb which exploded at ANC headquarters in Maputo. Her husband Joe Slovo heads the ANC's "military" arm, the terrorist "Umkonto we Sizwe" cadre. The Lithuanian-born Mr. Slovo, a member of the SACP Politburo and the ANC Revolutionary Council, was a lawyer in South African until ANC and the SACP commenced terrorist operations in the early 1960s. South Africa authorities have identified him as holding the rank of colonel in the Soviet KGB.

Yes, apartheid is repugnant. But there is a lot more to the anti-South African campaign than meets the eye in the current deluge of press releases.

Seeking a Quick Fix—Can it be Achieved Without Patience?

Confronted with a wrong, many Americans have a compulsive urge to do something about it, now. But in a sensitive, explosive situation, "now" can be the worst of times.

One of the wisest of Britain's colonial administrators, Sir David Trench, then governor-general of Hong Kong, commented to me nearly 20 years ago about what he saw as a characteristic flaw in American foreign policy. Americans, he said, "seem to have a passion for tying up all the loose ends. Out here, it's often better to leave a few loose ends dangling."

He was right. Patience with "loose ends" is particularly needed when engineering social transformations that pose irreconcilable conflicts among the vital interests of contending groups.

For example, South Africa.

In such a situation, time is needed not only to allay fears and modify attitudes, but also to alter those conditions that make the present circumstances so intractable.

America's new relationship with China, for example, was made possible by deliberately leaving loose ends untied: in particular, by a carefully crafted formula that deferred resolution of the Taiwan issue. Both sides have lived, however uncomfortably, with an understanding that recognizes the principle of one China (a principle that both Peking and Taiwan proclaim) but accepts the present existence of two governments. The dramatic evolution of mainland China suggests that time will, in fact, bring a way to bridge the unbridgeable gulf. As conditions in China change, an eventual voluntary union, under terms that recognize a special status for the Taiwanese, seems increasingly possible.

Some will argue that the Taiwan analogy is irrelevant: that the Taiwan dispute is political and therefore tolerable, while the problem in South Africa is one of racial oppression and therefore intolerable.

However, branding a situation "intolerable" does not create an alternative that will be both tolerable and achievable. The Soviet hold on Eastern Europe is intolerable, but we and the Eastern Europeans have tolerated it for almost 40 years. We fulminate against it, but we don't send NATO armies crashing across the East German frontier and we don't break diplomatic relations with the Soviet Union. We learned tragically in Hungary in 1956 that encouraging rebellion when we were not in a position to assist that rebellion was, to put it gently, not helpful.

Short term, there simply is no way to restore freedom to Eastern Europe. Long term, there is hope that Eastern Europe will evolve toward freedom.

Tolerating the intolerable, for a time, can be the price of achieving the unachievable. In activities as diverse as love, baseball, politics, and show business, timing is crucial. So, too, in diplomacy. Conditions change. Rulers change. Systems change. Attitudes change. Interests change. What one party to a dispute finds unacceptable today, it may find acceptable tomorrow.

In South Africa, the conflict is not simply black vs. white. The country's whites are also divided, some protesting that the pace of reform is too fast, others that it is too slow. (The nation's most powerful business leader, Sir Harry Oppenheimer, is pressing for more reform.) And blacks as well as whites have cause to fear a too precipitate change.

To see cause for fear, all they have to do is look north. Africa is a continental catastrophe. In Uganda—where another coup has just ushered in another regime, promising like those before it to redress the sins of its predecessors—the 100,000 Ugandans killed by their government in recent years have been black, not white. Some had their legs chopped off and were forced to eat the flesh of their fellow prisoners before they themselves were put to death. In country after country, the post-colonial history of the continent has been a tragic chronicle of hopes betrayed, of cruelty, tyranny, corruption, and failure.

In the worlds' haste to press independence on the African colonies, it was politically easier to be on the side of immediate "change" than to insist on the patience to prepare the way for it, and to accept for a while a temporary wrong in order to achieve a permanent right. Hundreds of millions of black Africans today are paying a terrible price for that impatience.

South Africa is changing. It will continue to change. With luck, change may come at a pace that allows South Africans, black, white, "colored," and Asian alike, to evolve a genuinely multiracial society that preserves the country's strengths while correcting its shortcomings. But achieving this will require leaving some of the loose ends untied. And it will require time, patience, and forebearance, not only from South Africans, but also from the world.

Abhorrent System: But Why Do Blacks Still Come There?

My urbane friend and colleague William Rusher notes the comically repetitive formula with which South Africa's racial system is routinely censured: one is required to use the adjective "abhorrent." I think "South Africa's abhorrent system of apartheid" must be the most frequently repeated phrase since "Polly want a cracker?"

Now, nobody feels compelled to refer to "the Soviet Union's abhorrent system of communism," even though that system is obviously far worse than apartheid. The first distinction between forms of government is not whether they are democratic or undemocratic, capitalist or socialist, or even free or unfree; it is whether they are bearable or unbearable.

Apartheid, whatever else it has done, has not driven blacks out of South Africa; on the contrary, South Africa, even with apartheid, attracts black immigration. South Africa has no equivalent of the Berlin Wall; it has no need, as communist systems do, to treat its people as captives who must be prevented from escaping. It is necessary to cling to such basic facts during the storms of propaganda.

So why do we make such a point of calling apartheid "abhorrent"? It's a matter of informal etiquette, like smiling and nodding while shaking hands. It's supposed to show our benevolence toward black people and our detestation—embarrassment, really—at the very idea of white rule.

The white man has been deeply embarrassed about white rule, or "colonialism," for a generation. But we can take this too far: Africa has paid dearly for the biracial mania for getting rid of white rule. The last 25 years have been bitter ones for such newly free African countries as Uganda, Nigeria, Angola, and Mozambique, to name a few.

An article in the Wall Street Journal mentions a farmer in Ghana, who performed a strange ritual before a reporter: He sprinkled a few drops of scotch on the ground, as a sort of sacrifice, and began a chant. His son explained: "He's praying that the British will come back and make everyone rich."

An English friend of mine tells of a recent trip to Jamaica, which he found sadly dilapidated. He told a native that it was his first visit there since the '50s, when the British still ruled the island. "Ah," said the Jamaican, "the good old days"—then caught himself, embarrassed at what he had admitted. Another friend, just back from India, met an Indian who has a recurrent dream that the British have returned. When he wakes up and finds they haven't, he cries.

Touching stories. They undermine the myth that colonialism was purely evil. In fact no empire can endure unless it brings prosperity to its provinces, as the Roman and British empires did. White rule had its benefits, not because it was white, but because white men happened to be the vehicles of civilization and the rule of law, even when their motives were selfish. The tragedy is that the colonial peoples got their in-

dependence before they had fully absorbed the civilized tradition. The poor Ghanaian farmer who thinks the British can magically bring wealth makes the same mistake as the doctrinaire racist: He thinks race itself is the key. But civilized habits are slow to develop and easy to abandon, as the history of Europe in this century proves.

In their way, the liberated African nations have been the victims of an obsession with race. They thought that getting rid of white rule would solve all their problems; and they dispensed with the good institutions that the white man had brought. It was right and natural that they should want independence; it was shortsighted to throw away the rule of law.

The American revolution succeeded because the Americans were fighting less to get free of England than to keep the traditional freedoms of Englishmen. They were fighting not to destroy, but to conserve.

South Africa has several free institutions that are likewise worth conserving: the rule of law, a market economy, an independent judiciary, a free press. These should be reformed to extend their benefits to blacks, not sacrificed to crude majority rule, especially if such rule would have the character of the murderous mobs who burn and hack to death suspected government informers.

In order to conserve, as Edmund Burke said, you must be able to reform. But to reform you must also know what to conserve. And there are few signs that most of the people who want to destroy the "abhorrent system" even realize that they have anything to lose. They may find out only when they have lost it. It would be a bitter irony if, a few years down the road, South Africa's blacks were praying vainly for the return of white rule.

Very Vicious Circle

The South African government, like the governments of eastern Europe, believes in crushing dissent rather than dealing with it by negotiation. It assumes that concessions made under duress will be taken as weakness. As a result, President Botha has got caught on an escalator of repression. The present wave of unrest in the African townships began 10 months ago. On July 20th Mr. Botha declared a state of emergency in nearly all the urban areas of Eastern Cape and the industrial heartland of Transvaal.

Will this stamp out the trouble and enable Mr. Botha to start considering the big political changes needed to calm the black townships? Probably not. Before the emergency was declared, the government already had formidable powers of arbitrary arrest and detention. It could banish people without giving reasons. It could hold them for interrogation for as long as it wished. South Africa has long been in a state of undeclared emergency. The declaration is primarily a symbolic gesture. Mr. Botha wants to be seen, especially by his constituency of fellow-Afrikaners, to be acting tough.

There is, though, nothing new about Mr. Botha's toughness. He has always tried to squash dissent. When demonstrations began last August, in support of a campaign to boycott Indian and mixed-race elections to Mr. Botha's new three-chamber parliament, riot police used batons and tear-gas to keep the campaigners away from the polling booths. That was like a match to a tinder of resentment among opponents of the new constitution, particularly among the black Africans who were pointedly excluded from the reforms.

Within days the flames began licking into some of the black townships. By chance, the first to ignite was Sharpeville, whose name is woven into the soul of black resistance because of the 67 protesters killed there by the police 25 years ago. This time the government had handed powers of local government to a number of black township councils as a compensation for excluding blacks from national politics. In practice, black councillors, instead of white civil servants, became the everyday administrators of these apartheid ghettoes.

When feelings were already running high over the Indian and mixed-race elections, and with clashes occurring regularly between demonstrators and the police, the council administering Sharpeville and five neighboring townships announced a big increase in house rents. The tenants rebelled. Young radicals turned on the councillors, burning their houses and killing two of them.

If Mr. Botha had then made a conciliatory gesture—a declaration of intent, perhaps, that he had some political plans in mind for the blacks—he might have dampened the fury. Instead, he sent in the riot police. He said he regarded the unrest as a communist-inspired campaign to sabotage his reforms. Dissenters would be crushed.

A vicious circle of anger and repression began. As the troubles spread, the government sent the army for the first time into the township, where it has been sporadically in action ever since. Soldiers surrounded four of the townships, while policemen went from house to house on search-and-interrogation work. Then the fledgling trade unions were sucked in. The infuriated townsdwellers of the industrialized areas got their own labour unions to protest. Until then the unions had tried to avoid overt politics. After a three-day strike, the government detained the country's two top black union leaders. The unions were now in the fray.

At each attempt by the government to snuff out the rebellion, the township revolt has become more violent and purposeful. Last March, in the eastern part of the Cape province, riot police stopped carrying tear-gas and rubber-bullet guns, and used real guns instead. On March 22nd police killed 20 people in Langa township.

Since September about 500 blacks have been killed, more than 2,000 injured and more than 3,000 arrested. The black radicals are now waging open war against black councillors and others they call collaborators. Some 120 councillors have been attacked and five killed, including a mayor and two deputy-mayors, and 75 have had their homes burnt down. Of the 38 councils granted the highest level of autonomy, only two are reported to be functioning.

The Not-Quite Revolution

Draw no premature conclusions from President Botha's "state of emergency". The edifice of white power in South Africa may be trembling, but it is not about to crumble. The country's black majority is justifiably and increasingly angry, but it does not follow that revolution will come tomorrow. South Africa's is not Iran. If South Africa's present Shah-of-the-Afrikaners were to bow out, there would be another to replace him. The whites have the guns, the blacks do not; and Mr. Botha's army and police force, though they have a growing black component, will not turn the guns on the big white chief. South Africa's blacks still lack the unifying do-or-die zeal of Shia Islam. The size of the recent wave of rebellious black optimism could make an ensuing trough of black despair even deeper.

Mr. Botha's declaration of a state of emergency on July 20th may mark a symbolic step along the bloody road to freedom or chaos (or both), but it brings no dramatic change in the balance of real power. The apparatus of repression was very nearly as powerful last week as it is now. Mr. Botha's main motive in raising the storm-flag is less to frighten the blacks than to impress his white constituents that he is not going soft in the face of black fury; and to show the outside world that the growing international disapproval of the past six months leaves him unmoved.

But Something Has Changed

Yet the not-quite revolution will go on, and Mr. Botha would be foolish to think otherwise. Since the Soweto troubles nearly a decade ago, there has been a steady bulging of black muscle. The past 10 months' violence has been geographically far more widespread. For the first time there is a fierce sharpening of the conflict among blacks themselves: about a quarter of those killed have been "system blacks"—black policemen, urban councillors, alleged collaborators—regarded as stooges by the militants. The black trade unions have grown apace, and have not confined themselves to pushing up wages; they have become increasingly ready to use their new-found strength to win political concessions. Mr. Botha's biggest outside ally, President Reagan, may soon turn his back on him, and European conservatives are wearily exasperated. This time the blacks, more sophisticated and more determined, have reason to be more confident.

So, even if white power is not immediately threatened, President Botha is politically beleaguered. On the face of things, so long as the economy ticks over and the killing does not spread to the white suburbs or the city centres, he can ignore black riots, and move on with the reforms which have already tossed a sop to the critics of apartheid. The trouble is that Mr. Botha looks more and more like a man who does not know where he is going.

His reforms so far have been designed to cut out the most impractical bits of apartheid, and to steamline the rest: to apply white power more flexibly, not to throw it away. Many people outside South Africa welcomed even this limited change. They argued that, although Mr. Botha is no liberal, once he started picking little holes in apartheid he would find himself, willy-nilly, gradually taking the whole construction to bits. That may still prove true. But once Mr. Botha saw the holes appearing more rapidly than he had foreseen, he shrank back from drilling more of them.

When a government-funded Afrikaner think-tank told him last month to scrap apartheid altogether, he told it to shut up. He still cannot help looking over his shoulder at those whites who believe he has already gone too far, and at the increasingly political South African generals who think the police force can no longer be trusted to run the black townships. And—the American and other disinvestment lobbies please note—when foreigners start poking Afrikaners like Mr. Botha too vigorously in the ribs, they tend to march smartly in the opposite direction from the one the rib-pokers want.

If Mr. Botha is to get back to any sort of reformist course, he has to return to the craft of politics, not the thump of repres-

sion. He has four years until the next parliamentary election. During this time he should have the guts to ignore the fears of the Afrikaner diehards, and gamble that the whites with eyes to see will come to terms with the black reality around them. He can:

Make a declaration of intent that he will grant full citizenship, under one constitution, to South Africans of all colours;

Draw up an agenda for a national convention to be attended by all South African leaders, including those of the banned African National Congress;

Release Mr. Nelson Mandela, leader of the ANC, provided he tells his followers to stop the violence, in return for the concessions mentioned above;

Suggest that Natal-cum-KwaZulu, where the Zulus Chief Gatsha Buthelezi has kept things astonishingly quiet, should embark on a provincial experiment in multiracial government that might become the model for a future South African federation.

Abandon the proposals for new regional councils, which are to be run on apartheid lines, and give local government in black and white areas real autonomy and much more money.

Some important blacks, such as Mr. Buthelezi and the Nobel prizewinner Bishop Tutu, still show a striking restraint. They do not—and should not—insist on immediate one-man-one-vote in a winner-takes-all unitary state. If there is to be any chance of evolutionary change in South Africa, it has to be established that 23m blacks will not treat the 8m-plus whites and browns as badly as the minority has treated the majority. A lot of blacks are still willing to accept that. Mr. Botha, having cracked his whip, should now start talking while there are still such people to talk to.

THE ACTION ACT AGAINST VIOLATIONS OF HUMAN RIGHTS

Mr. WALLOP. Mr. President, I ask unanimous consent to have printed the RECORD a bill which I am introducing called an action act against violations of human rights.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1586

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That

1. The Congress finds that a number of practices by governments on all continents that deprive citizens of their human rights and of full citizenship on the basis of religion, class, race, or national origin. These practices, whether they are called Apartheid, as in South Africa, Socialist Construction as in the Soviet Union and other Communist countries:

A. Deliberately restrict people's right to live and work as they wish, and restrict the right to form free labor unions;

B. Deny meaningful democratic participation in the political process by the majority of the population;

C. Consign most citizens to lives of economic, religious, and cultural deprivation;

D. Deny citizens the right to travel in their country or abroad;

E. Leads to the negation of property rights supposedly guaranteed by local laws;

F. Effectively deprive people of rights enjoyed by others on the basis of religion, class, race, or national origin.

2. Such practices are repugnant to the moral and political values of democratic free societies, and run counter to United States policies to promote democratic governments throughout the world and respect for human rights; and

3. It is the policy of the United States to promote peaceful change in countries where such practices are prevalent through diplomatic means, but also, where necessary and appropriate, through the adoption of other measures, in conjunction with our allies in order to reinforce United States opposition to such practices.

4. The President shall report within eighteen months of the enactment of this statute on which countries have a record equal to or worse than that of South Africa with regard to:

1. Interference with the free movement of persons within the country, interference with the right of persons to reside wherever they wish in the country, or to emigrate.

2. Restriction on the freedom to contract labor, to organize for collective bargaining, on the basis of race, color, creed, class or political affiliation.

3. Slave or forced labor.

4. Denial of equal treatment and due process before civil and criminal courts.

5. Restriction on the free exercise of religion, religious worship, religious instruction, and discrimination in employment, housing or any other respect on the basis of religion.

6. Any other undue burden placed on individuals and families because of their race, religion, national or tribal affiliation, class, or political affiliation.

The President shall report whether and how during the previous twelve months the record of each country with regard to these criteria has improved, remained the same or worsened.

5. The President shall impose the following sanctions upon those countries that have an overall record equal to or worse than that of South Africa *and* have failed to improve

a. prohibition of sales of U.S. made computer products to any such country;

b. prohibition of purchase by U.S. persons of the five principal export products or commodities of any such country.

Mr. PELL. Mr. President, I strongly support the conference report on the Anti-Apartheid Action Act of 1985. I believe it sends a clear and strong signal to the South African Government and black community in South Africa, that is, the majority of the people, of our opposition to apartheid, and our determination to take action to move the Government to dismantle its evil and immoral system of apartheid.

By banning the importation of Krugerrands, which are the foremost symbol of apartheid, by prohibiting loans to the Government of South Africa, by restricting computer sales and nuclear trade, we are bringing pressure to bear upon the South African Government and sending an unmistakable message that we are abandoning the administration's failed policy of constructive engagement.

I think that the conference report, which reflects hard work and a good faith effort by all the conferees, is a good measure. It makes an even split between the antiapartheid bill passed by the House of Representatives in June and the Senate version, adopted a few weeks ago. I think all parties are to be congratulated on it.

I hope very much that my colleagues will approve the conference report.

Mr. CRANSTON. Mr. President, I join with those who have spoken and those who are about to speak in support of this measure.

The chairman of the committee made a very fine statement, and he led the committee very effectively in regard to this issue.

This is vitally important to our country and in terms of the leadership that we should offer in the world morally and more than morally, substantively, on the abomination of apartheid in South Africa. Apartheid is official Government-sponsored, Government-led discrimination, akin in that way to the horrors of the discrimination in Nazi Germany, which I saw at first hand.

The Senate passed a fine measure originally by a very strong vote. The House of Representatives passed an even stronger measure.

Now we have a stronger measure than the original Senate bill before us.

I urge my colleagues on both sides of the aisle to approve this measure and to approve it speedily.

If we do not have that opportunity now, I know that in the course of time we will pass it. It will be more meaningful if we are able to proceed at this point. If we have to wait awhile, so be it. But we have the votes to break a filibuster and we will do so.

The issue tonight is simply this: Who will stand up and vote against apartheid and who will not? Who will bring economic pressure against the South African Government to end this abomination of apartheid and who will not? Who will vote for American ideals of freedom, fair play, and the brotherhood of man, and who will not?

The issue is clear. The line, Mr. President, is drawn.

Mr. KENNEDY. Mr. President, I believe there are a few times in the history of the Senate when a vote by individual Members of the Senate can send such a powerful signal—to the American people and to people across the world. I hope we will have that opportunity to do so tonight, without efforts to delay this vote by a handful of our colleagues, the same handful that attempted to block the Senate from expressing its will when this legislation was initially brought to the floor of the Senate.

Mr. President, the policy of constructive engagement is dead. The decision that was made last evening in a bipartisan way—between Democrats and Republicans alike, between Senators and Congressmen alike—in signing this conference report sent a very clear signal to the American people and to all the people of South Africa that the American people's represent-

atives no longer want to be identified with the repression and human exploitation of apartheid.

Mr. President, in the past, America has actually been supporting apartheid. Every time a Krugerrand was brought in and sold here in the United States, we were adding a brick to the wall of apartheid. Every time the United States extended a loan to the Government of South Africa, we were financing apartheid. And every time U.S. companies were selling computers to the South African Government we were assisting the South African Government in enforcing the laws of apartheid.

The action that was taken last night, Mr. President, was very clear. Apartheid must end.

This action demonstrates that the American people want to exert what influence they can to assist the forces within South Africa who want peaceful change, to show that there are forces outside of South Africa who also want to assist the process of change such as the United States, such as France, such as Canada, such as the nine European countries which only in the past few hours have withdrawn their ambassadors from South Africa.

Finally, Mr. President, I remember what President Kennedy said 1 year after the announcement of the Alliance for Progress; that those that make peaceful revolution impossible make violent revolution inevitable. How can we possibly accept, that in 1985, as we go into the 1990's and the year 2000, in a country of 23 million people, where 2 million are white and the rest are black or colored or Indian, that those citizens who are not white will be denied citizenship in their own country?

The South Africans are going to have to resolve their own future. But someday South Africa will be free, and I hope that then those individuals who participated in what I hope will be a peaceful revolution will look to the United States once again as a source of hope, a source of inspiration and a country that was true to its own most cherished values.

Mr. MATHIAS. Mr. President, the chairman of the Committee on Foreign Relations has followed this subject with great care, with great concern, and with great prudence. He is aware, as I am sure all of us are, that this is an explosive subject, and he has dealt with it as you deal with explosive subjects. His thorough command of all of the facts and his careful evaluation of all of the factors that affect not only the welfare of the people of South Africa but the interests of the United States of America, have already been expressed in his statement. Very little needs to be added to what he has already said.

I would point out that one of the provisions of the conference report is designed to meet a critical need of the people of South Africa which is not now being met by the present government there. That is the education of new leadership to serve in the future. It is, of course, all very well to say that the 70-percent black majority in South Africa should have a role in the determination of its own destiny. But this is a complex and difficult world and these people have been very largely denied the benefits of adequate modern education.

So in the conference report Senator Lugar is bringing to the Senate tonight there is a provision—I do not think anyone will pretend that it is an adequate provision—but the bill does plant the seed that encourages a greater opportunity for education among the black majority of South Africa.

There was another point raised in opposition to the conference report, that I think deserves attention this evening. It was said that Bishop Tutu had at one time been for restraint in the application of sanctions. I would close by quoting Bishop Tutu's latest comment after he had been denied an interview with Mr. Botha. He said:

> Certainly the young will say we told you so. There is no language they understand other than the language of violence. The young are right. We have nothing to show for the advocacy of nonviolence except the continued intransigence of the government and the escalation of their own violence.

Mr. President, I hope this conference report is adopted.

Mr. McCONNELL. Mr. President, I rise today to give my qualified support to the conference report and the Anti-Apartheid Action Act of 1985. I commend my colleagues for their dedicated efforts to resolve the differences between the House and Senate positions. There were substantial differences between the House and Senate in the legislative approach and solutions to the problems posed by South Africa's policy of apartheid. I believe that most of the measures in the bill represent an effective, appropriate responsible plan for our relations with South Africa.

As I have said before, I believe our policy should build bridges with the black community as we diminish the South African Government's ability and incentive to enforce apartheid. I think this intention is represented by the combination of scholarships to blacks and mandatory fair labor principles balanced with termination of computer sales and bank loans to the South African Government agencies enforcing apartheid.

The bill the Senate passed on July 11 was a first step taken by Congress in its involvement in redefining U.S. policy toward South Africa. As such, it was intended to send a clear message to the South African Government that Congress believes the time has come—indeed the time has passed—for immediate meaningful reforms. Apartheid must end, on this there is unanimous bipartisan support. The bill we passed epitomized the carrot and stick approach. There were positive measures to aid the economically disadvantaged black community and there were negative measures to reflect our dissatisfaction with the Government's policy of apartheid. The negatives were narrowly targeted only at the South African Government. I have discussed the merits of this balanced approach on the floor, before the Senate Foreign Relations, Committee and with my constituents. It is a sensible first step.

I was and remain deeply concerned by the prospect of taking any steps which may jeopardize the economic conditions of the majority of South Africans. I believe the addition of language which bans the sale of Krugerrands may cost black miners jobs. And the loss of jobs can only add to the turmoil we have seen erupt over the last 2 weeks. How will this ban help? When the first black miner is laid off, will he thank the United States for trying to bring an end to apartheid? Let's not forget 465,000 blacks are dependent upon their wages from gold mining. How many of those miners endorsed this ban?

While I am deeply concerned about the addition of this measure, I am hopeful the fact that the ban can be lifted if any of eight conditions are met will provide the necessary incentive for the South African Government to initiate reforms. There is an opportunity for them to be relieved of this burden. There is an opportunity for the South African Government to change their future.

On balance, given the constructive role I believe most of the bill will have I will support its passage. The bill is a first step. It affords the South African Government and the United States Government an opportunity to review and redefine how we will construct and continue our relations in the future. I am hopeful this bill will contribute to a better future for all South Africans.

Mr. PROXMIRE. Mr. President, I rise to voice my strong support for the Anti-Apartheid Action Act of 1985 which was agreed upon in the conference committee yesterday. Our colleagues in the House demonstrated, just a few hours ago, the overwhelming bipartisan support that is behind this bill by voting to pass the conference report by a vote of 380 to 48. I am absolutely delighted by the House action and hope we in the Senate will give this bill the same kind of overwhelming vote of approval.

I believe we need to pass such legislaton—both because it is right and in our national interest to do so. That's why I put in a bill setting forth sanctions against South Africa on the very first day of this session of Congress. And that's why on March 7, 1985, I joined Senators KENNEDY, WEICKER, and several other of our colleagues in introducing S. 635, the Anti-Apartheid Act of 1985. We had extensive hearings on that bill in the Banking Committee—but he Senate never had a chance to vote on it. Instead on July 11, 1985, the Senate passed S. 995, a bill that was reported out by the Foreign Relations Committee, by a vote of 80 to 12. Although I think the Senate bill made a good start in demonstrating American opposition to apartheid—I favored the bill passed by the House on June 5 by a vote of 295 to 127.

I hope the few Senators who oppose this legislation will let us vote on it today and send it to the President prior to our August recess. It is important to do so.

The French Government reacted swiftly to the recent escalation of violence in South Africa by barring new investment there by French firms. The U.N. Security Council last Friday also condemned the situation in South Africa and recent actions by that Government. The United States must also act at this crucial time. The administration will not move—it is paralyzed and clings tenaciously to its discredited policy of constructive engagement. By agreeing on a bill today the Congress, at least, will send a clear message to the South African Government that it must move beyond a policy of maintaining order through an armed repression of dissent. The Government must begin a dialog with black leaders about how to carry out nonviolent change and an eventual end to apartheid. Bishop Tutu and other black leaders have made it clear they are eager to begin such talks.

Americans have always understood that governments must, if they are to have legitimacy, obtain their power from the consent of the governed. I am afraid that until South Africa has a government that is based on the consent of all its people, and not just the small proportion of the population that is white, there will be serious and tragic trouble in that land. It is in America's interest to encourage nonviolent reform in that country and that is the purpose of the legislation being considered by us today. Let us move to pass this legislation without further delay. Let us put a clear statement of U.S. policy on the books. I do not exaggerate when I say the world is watching what we do here today.

● Mr. EAGLETON. Mr. President, I support these very limited sanctions on South Africa. I do so not for the impact it will have on the Government of South Africa in changing its repugnant white supremacy policy of apartheid, for it will have little. I do so as a means of registering collective protest against legally sanctioned racism.

The history of sanctions is one of noble purpose and flawed results. For example, sanctions were attempted against Mussolini in response to his invasion of Ethiopia and in the Spanish Civil War, both in the 1930's, and they failed. Responding to Poland's declaration of martial law in 1981, the United States imposed economic sanctions on both Poland and the U.S.S.R. They had no discernible effect.

Effective sanctions against South Africa would require the rigorous and scrupulous participation of dozens of nations. Even assuming the fullest cooperation of France, which recently announced economic sanctions, the very limited U.S. sanctions called for in this bill will have only a miniscule impact, if any at all, on the industrial and commercial life in South Africa.

Thus, our vote on this bill is, in all candor, a symbolic one. It is a message from the American Government that declares South Africa's policy of apartheid and its various schemes of enforcing that policy, including the current "state of emergency" martial law, to be abhorrent.

In so condemning South Africa, we must be mindful of our own history of legally sanctioned racism.

We must remember that our Government was founded with slavery written into the Constitution. Heroic men of good will—Washington, Jefferson, and Madison—knew slavery to be a vicious evil yet, slaveowners themselves, were politically helpless in removing it from our midst. Thus, an abomination was sanctioned in our Constitution.

Our Nation fought a bloody Civil War over slavery. In the war's aftermath, we thought we had excised it's presence from our society with three constitutional amendments.

The 13th—which abolished slavery.

The 14th—which guarantees to all persons "equal protection of the laws."

The 15th—which guarantees all citizens the right to vote regardless of "race, color, or previous condition of servitude."

Yet for close to 100 years after these amendments were adopted, America ignored their meaning and practiced a policy of white supremacy sanctioned by the Supreme Court itself in a noxious constitutional doctrine of "separate but equal rights." American blacks were in every respect second-class citizens. Not until 1954 did the Supreme Court fully abandon this doctrine in Brown versus Board of Education.

Even today, the legacy of slavery and "separate but equal" haunts us in terms of de facto segregated education and housing and black economic deprivation. Only last night CBS carried a story on Tunica County, the poorest county in Mississippi. Pictured in the story was a cluster of impoverished blacks living in roach-infested clapboard houses bordering an open stream of human excrement. When CBS began its examination of conditions in Tunica, the white officials in charge decided it was time to begin improving conditions in this area. One black interviewed on camera said, "It's still slavery. Now the chains are invisible, but it's still slavery."

Both America's segregated past and its remnants of economic inequality make us ill at ease when dealing with another nation's racial policies.

Do not misunderstand me. I am not comparing anything in 1985 America with 1985 South Africa. In terms of personal cruelty and crass inhumanity to mankind, 1985 South Africa tops the so-called free world in the indecency of its official policy.

That is why we wish to our very core that we could influence great change there.

But I fear we cannot.

There are certain conditions in certain places in the world where the dynamics of the situation are such that even a well-intentioned superpower is virtually powerless to bring about a solution. Northern Ireland is one. Lebanon, we have found in terms of the spilling of our own blood, is another. South Africa is a third.

Twenty-two million blacks, 70 percent of the population in South Africa, want to exercise the basic political and personal freedoms of mankind; 5.5 million whites, 18 percent of the population, want to continue the dominance that has been theirs for 200 years. South Africa's Government pays lipservice to the goal of ending apartheid, but its glacial pace ensures revolution.

The present crisis in which 25 blacks have been killed and 1,259 blacks have been jailed for political activity may abate. The "state of emergency" may be lifted. After all, it was 25 years between Sharpeville and today. Without meaningful progress toward ending apartheid, the manifest inhumanity will remain to fester; the seeds of explosion will remain to be nurtured.

Mr. HEINZ. Mr. President, I rise to commend my conference committee chairman, the distinguished Senator from Indiana [Mr. LUGAR], on the compromise reached with the House regarding the Anti-Apartheid Act of 1985.

It is a settlement that I fully endorse. It clearly demonstrates our Nation's abhorrence of apartheid, with sanctions that are far more than merely symbolic. Yet, very importantly, the compromise bill also permits our continued presence in South Africa, as long as that presence is tied

to the commitment to work against apartheid and for reform from the South African Government. U.S. companies that choose to remain in South Africa would be bound to subscribe to and follow the precepts of the Sullivan principles of fair play and nondiscriminatory employment. Thus, the final compromise package combines both the carrot of continued investment along with the stick of sanctions that I believe are necessary if the dismantling of apartheid is to become a reality.

Mr. President, I endorse the conclusion of the conference that the United States can best contribute to the ending of apartheid if it retains a physical presence in South Africa, and if such a physical presence is a force for economic and political change. While a "no new investment" section—which amounts to phased-in disinvestment—would have greater initial impact, once implemented its leverage is gone. An ongoing U.S. business presence in South Africa, actively lobbying for political change and creating economic and social change by force of example, in my judgment, is a more powerful tactic over the long term, and this is clearly a long-term battle. In that regard, the Sullivan principles have made a significant contribution toward bettering the lives of black and other nonwhite workers in South Africa. They have made the U.S. companies subscribing to them become a positive force in that troubled land, a symbol and a model of fairness and equity in economic and social relations between businesses and their nonwhite workers. But those principles—and foreign company adherence to them—needs to be strengthened.

The conference compromise is a good bill, and it provides a number of significant sanctions on the Government of South Africa. However, if there were not such strong reasons for avoiding a long and decisive battle over amendments earlier on the Senate floor, I would have favored a number of amendments to strengthen the sanctions contained in the bill. Most importantly, I would have favored an import sanction for foreign companies that failed to subscribe to the Sullivan principles or a similarly stringent code. That is a provision which very well may become relevant and necessary in the future if the Europeans and Japanese adopt policies that undercut the mandatory Sullivan principles mandated in this bill.

The terrible events of the past 6 months in South Africa have been the catalyst for this package. But, sanctions against South Africa were inevitable, given the moral repugnance of the system of apartheid.

I have come to the conclusion that it is time for the U.S. Government to move decisively away from the policy of "constructive engagement," in which our American patience was mistaken by the Government in Pretoria as an indication of acquiescence—or even approval—of the policy of apartheid. The passage of this bill should be seen as a death knell for that policy and a very significant symbolic gesture, one which begins the process of disassociation of the United States from the oppressor in South Africa and places our Nation in support of the oppressed.

Mr. President, there will be those who will say that this bill contains some awfully strong medicine, and that such remedies should be used only in extreme situations. My response to them would be that the disease of apartheid is so debilitating to the nonwhite citizens of South Africa that only strong remedies are likely to work. Let us not forget that South Africa is the only nation in the world where legalized and institutionalized racism is a cornerstone of public policy. This means that nonwhites are denied the fundamental right of citizenship which underpins civil rights and political liberties throughout the West. From that premise follows the absence of property rights, the pass laws restricting movement within the country, and all the other hated laws and regulations that implement apartheid. The homelands—or Bantustans—policy is but the most recent manifestation of a system that is based on the proposition that more than 80 percent of South Africa's population are nonpersons, completely at the mercy and whim of the Central Government.

Mr. President, the South African Government would most likely respond to my points about the lack of civil rights and liberties by saying that favorable economic opportunities for blacks in South Africa offset whatever political privation they may suffer. But are conditions really good for blacks there? In black areas infant mortality is 15 times that of whites. One out of two children die before the age of 5. Half the children under 10 suffer from malnutrition. All this is occurring in one of the most advanced technological societies in the industrialized world, not in the poorest of the poor less developed countries where one would expect such statistics. These tragic numbers are a logical result of the public policy pursued by the Government of South Africa.

The shame, Mr. President, is that it took the deaths of hundreds of blacks and the declaration of a state of emergency—in effect the terrible happenings of the past few months—to induce action. If only we had made it clear to the South African Government that if it continued to violate basic human rights we would begin to sever our economic ties, then perhaps things might not be as bad as they are now. The Export Administration Act of 1984, which I played a major role in drafting and managing, contained a number of the sanctions contained in the bill before us. Unfortunately, the House and Senate failed in their attempts at compromise. I am pleased, however, that important elements of that bill were incorporated into this package, particularly the ban on bank loans to the South African Government and the compulsory Sullivan principles. I am also pleased that the conferees agreed to a ban on the further importation of Krugerrands, a provision which I strongly supported in conference.

Mr. President, the greater the support for this bill the less the chance there will be a Presidential veto. I say to my colleagues, those of you who have reservations about the effectiveness of this bill, consider the strong possibility of other countries following our lead and example. In view of France's decision to impose sanctions and the EEC's resolution to call back their ambassadors for consultation, a continuing snowball effect is not at all unlikely. I call on you to join with me in strongly endorsing this bill and to send a message to South African and to the world that the days of apartheid are numbered.

Mr. SYMMS. Mr. President, on July 11, 1985, the Senate took what I view as inappropriate and thoroughly irresponsible action by passing the South Africa sanctions bill. Though the bill is intended to hasten the demise of apartheid, its effect will be to harm the very people it claims to help. Yesterday, the conference committee resolved the differences between the two bills, and wound up with legislation that is more punitive than the Senate bill.

This is the wrong approach to ending apartheid, and I reject the contention of some Members who are trying to legitimize their actions against South Africa by saying blacks are willing to suffer and lose their jobs for freedom. I do not deny that blacks want freedom, as they deserve, but I doubt very much that they want their homes destroyed, their lives threatened, or their country destroyed by radicals who do not want reform but want revolution and power. If it is true that House Members supporting sanctions are acting in the blacks' best interest, then why did the House of Representatives overwhelmingly reject a proposal to poll South African blacks about their feelings about disinvestment? Could it be that the majority in the House are not actually concerned with what blacks in South Africa want America to do to help them?

I would like to ask my colleagues who support these sanctions if they have ever heard of the Schlemmer poll, which proved that 75 percent of South African blacks oppose disinvestment. Some have questioned the

methodology of that study, but it was above reproach. Some said that blacks are afraid to say what they really think about disinvestment, but the poll was conducted with blacks interviewing blacks. So all these arguments when brought to light fall flat on their face, and the glaring truth is that Washington politicians are only pandering to the national news media, which is driving this issue. They show no concern for the welfare or the wishes of the blacks in South Africa.

There is still considerable debate in the international community regarding the best way to eliminate apartheid. Recently, my colleague from Massachusetts remarked approvingly on France's imposition of sanctions. But he failed to mention Great Britain's position toward South Africa, which I feel is both humane and moral, unlike the French position. Last Tuesday, British Foreign Secretary Sir Geoffrey Howe said that South Africa's policy of apartheid is "abhorrent in moral and social terms" but that his Government is still "firmly opposed to economic sanctions of any kind." Howe repeated his Government's official position saying, "The effects of economic measures would of course be felt most keenly by black South Africans."

While man's inhumanity to man is always abhorrent, ignoring it is a far greater offense. Unfortunately, injustice to blacks only draws attention and press coverage when the injustice is caused by whites. Time and again black crimes against blacks go unreported, while white crimes against blacks are front-page news. My question to my colleagues who support sanctions against South Africa, but ignore the greater abuses in other African nations or in Communist countries is—"Are we really not being racist ourselves by concerning ourselves solely with white injustice against blacks?"

Currently, the South African Government has been forced to invoke emergency powers in an attempt to control the enormous amount of especially vicious violence, much of which is blacks killing other blacks who are viewed as collaborators, and mob attacks against policeman, many of whom are black, forcing them to respond in self-defense. In other words, while the Government of South Africa is criticized for detaining persons without due process, there are blacks in South Africa being slaughtered by other blacks without proof of guilt, and without trial.

Desmond Tutu himself is speaking out vigorously against this black violence, and pleads that he will be forced to leave his beloved South Africa if these savageries do not end. Nightmarish events, such as the one about a black woman being axed to death, and her body burned by a black mob because she had allegedly violated the boycott against white-owned stores are becoming commonplace. The networks have shown film footage from South Africa—from Duduza, of another young black woman, accused of being a police informer, who was stoned and set on fire by a black mob. As the woman in agony tried to rise from her knees, her body ablaze, a bystander kicked her viciously in the head. Clearly, the ends do not justify the means; this type of hideous behavior makes one question the ugly influences in the antiapartheid movement, and as Tutu himself said, "whether South Africa's blacks are ready for freedom."

Let me quote from Oliver Tambo, the head of the Soviet-controlled African National Congress. Tambo declared, after the first executive gathering of the ANC since 1969 in Zambia, that an intensified war would make it difficult "to distinguish between soft and hard targets." A Radio Freedom ANC broadcast from Marxist Ethiopia vowed that black killings in South Africa would be on the increase, and that the ANC would target so-called "collaborators," that is, anyone suspected of trying to work solutions out peaceably with the Government, of those living in the homelands, and of the colored and Indian members of the tricameral Parliament. Let me read from a Foreign Broadcast Information Service release from July 23 of this year, an interview from London's The Guardian with an ANC official.

This official, Joe Slovo, who calls himself chief military planner for the African National Congress, states that the ANC's highest priority is to "build up and expand its underground cells." He remarks on the growth of internal leadership, and the appearance of the United Democratic Front. The South African Government has been criticized for linking the UDF with the ANC. However, this ANC official acknowledges that "many UDF leaders are veterans of the ANC."

Slovo comments on the growth of the trade unions, and says that the fact that there are more blacks in unions than whites "creates the possibility of making the economy unworkable as well as the country ungovernable." So this is the ultimate objective, Mr. President, to make South Africa ungovernable. Do my colleagues know that the ANC, which has been exposed as being a puppet organization of the South African Communist Party, is in favor of the exact type of sanctions legislation that this Congress seems to be supporting?

Joe Slovo, who gave this interview, is a veteran member of the South African Communist Party. And the Communists' war against South Africa is on the increase. Slovo claims that the line between civilian and military targets is "becoming thinner and thinner." The ANC is asking black policemen to turn their guns on their masters. The interview notes the new development of death squads, which have been responsible for killing 11 people and abducting 25 black activists.

My colleagues should read the remarks of these ANC officials, and rethink their position on this issue. Some of the biggest promoters of sanctions in the Senate are the same ones that display horror at "right-wing death-squads" operating in El Salvador. They don't seem nearly as concerned about Communist death squads operating in South Africa. In fact, the do not speak at all about Communist hit teams seeking to undermine the strongest American ally in Africa. It would be hard to explain to constituents I guess that one supports punitive measures against an ally that will weaken its economic position, and therefore open it up to a more volatile internal situation, and yet oppose taking strong measures against countries that are our declared enemies, because we have to keep a "dialog" going with them. This type of attitude is reprehensible, Mr. President.

I repeat, the goal of this ANC terrorism, which has already claimed so many civilian lives, is to make South Africa ungovernable. I find it astonishing that some of the biggest critics of South Africa are the same people who believe U.S. support for freedom fighters in Nicaragua is state terrorism. Curiously, that is Moscow's line too. And of course, Trans-Africa, which has promoted the "Free South Africa" movement, believes the United States should provide aid to the ANC and SWAPO, both pro-Soviet terrorist groups, because the United States, according to Robinson, provides "arms to all of the right-wing heinous regimes around the world." Naturally, Robinson believes the ANC and SWAPO are liberation movements. How well I remember how other Marxist liberation groups freed countries like Vietnam, North Korea, Cuba, and Nicaragua. Too bad the free world media cannot concern itself with the plight of those in the Marxist-dominated states, because those governments no longer allow foreign media inside, nor is native free press tolerated.

On the PBS program, Capitol Journal last Friday, Robinson was quoted as saying South Africa is "the most vicious regime on Earth." It defies explanation that Robinson can justify that comment when Desmond Tutu can fly freely around the world criticizing the Government, and return home without fear of reprisal. Meanwhile Andrei Sakharov is confined in the bowels of the Soviet Union, his whereabouts unknown, and Lech Walesa is forbidden to travel outside

51-059 O-86-29 (Pt. 16)

Poland—and sometimes inside Poland too. But no protestors appear in an orchestrated campaign before the embassies of these Communist governments, the most oppressive system of government the world has ever seen. How can Randall Robinson single out South Africa's political system for criticism when in Liberia whites can neither vote nor own property? Is black-imposed apartheid less objectionable than white-imposed apartheid? As to justice, one particularly enlightened practice in Liberia applied to suspected criminals is to pour a toxic potion called sassywood down their throats. If they regurgitate the substance, they're considered innocent, and if they retain it, they are guilty. This practice is referred to somewhat clinically in the "1984 State Department Country Reports" as "trial by ordeal."

The press vilifies the South African Government for invoking emergency powers even though designed to put an end to the violence, to the lynchings, and to prevent mobs' taking the law into their own hands. How can the South African Government restore an environment in which blacks feel safe in dealing with white political leaders in renewing the political dialogue, when many local black leaders are resigning their positions in the community for fear of assassination?

Also, there is literally no condemnation, either officially or in the press, of the atrocities committed by Robert Mugabe's Marxist regime against other blacks. Again, is apartheid more press-worthy than the genocidal campaign against the Ndebele Tribe by Mugabe's death squads? Where is the concern for minority rights in Zimbabwe? Or is it tolerated because the liberals feel uncomfortable in pressuring a black dictator to behave in a civilized fashion? How many of us are aware that Mugabe has had an emergency decree in place, and has recently extended it for another 6 months? Unlike President Botha who is anxious to renew a political dialog with black leaders, Mugabe has called his rapidly diminishing political opposition "malcontents" and said bluntly that they can leave Zimbabwe if they don't like his rule. Where is the national outcry over this dictatorial behavior—where is the media outrage—or are all the news cameras fixated only on South Africa?

Mr. President, this is only the tip of a very large iceberg of African violence. To futher my point, I would ask unanimous consent that an article that appeared in the Wall Street Journal on Monday, July 22, 1985 be printed in the RECORD. This article was written by Mr. George B.N. Ayittey, who is a native of Ghana and an assistant professor of economics at Bloomsburg University in Pennsylvania. Mr. Ayittey argues eloquently the hypocrisy of the U.S. fixation on South African apartheid, and the ignoring of gross atrocities of the rest of the continent.

I would also like to include in the RECORD an excellent piece by a member of the opposition party in South Africa, which appeared in last Wednesday's Washington Post. I commend Helen Suzman for her clarity of vision in suggesting how the United States can constructively enhance political rights in South Africa.

I also ask unanimous consent that other articles on this subject be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 24, 1985]

SOUTH AFRICA: WHAT THE WEST CAN DO

(By Helen Suzman)

What can be done by the West to speed up the dismantling of apartheid? Many options are under consideration, with disinvestment and sanctions much to the fore. If I thought these would work, they would have my unconditional support.

Not only do I not believe these campaigns would be effective I also believe they would be counter-productive.

I respect the moral motivation for disinvestment and sanctions. But, once gone from the South African scene, any good that may have resulted from American or European codes of employment conduct, for companies with interests in South Africa, will go by the board.

The Sullivan and European Community codes have certainly made businessmen more conscious of their social responsibilities, and have led to improvements in employment practices and also to assistance in education and housing.

More recently—perhaps because of the threat of disinvestment—organized business in South Africa has expressed its objections to the detention of trade unionists and is pressing for the repeal of influx control.

The vacuum left by the withdrawal of U.S. and European firms will be filled, if at all, by companies with less interest in the welfare of their black employees.

Moreover, if it is fondly imagined that the South African government will buckle under such pressures and abandon apartheid faster than it intends, this illusion should be immediately dispelled. Far more likely, far more in keeping with the temperament of the government and of the majority of the white inhabitants, would be the development of a siege mentality.

Nor should the idea be seriously entertained that economic hardship would lead to a successful black revolution, followed by a black majority socialist government to replace the white capitalist regime. It just is not on, as anyone acquainted with the ferocity and determination of the South African army and police will agree. Nor is there any guarantee that the replacement would be any better or more democratic than the present regime, should a revolution succeed.

That disinvestment, lack of foreign capital and imposition of sanctions would be effective as a punitive measure is undeniable. But it would not be selective of its victims.

Although the white South Africans would be affected, the major sufferers would be black—South African blacks and also blacks from neighboring states heavily dependent on South Africa for financial aid, grants, markets and jobs.

"Blacks don't care if there is mass unemployment," people say. I am on the receiving end of many requests from recent job losers for assistance in obtaining jobs, and I say that blacks who don't care are those whose jobs are not endangered or who have never had a job to loose.

My main opposition to any steps that inhibit economic expansion is that such action blunts the only weapon that blacks have or are in the process of acquiring—the economic muscle that accompanies upward mobility on the economic ladder by virtue of greater skills and increased consumer power. Too slowly, but nevertheless surely, blacks are obtaining the leverage with which to demand redress in the imbalances in power and wealth and privilege in South Africa.

It is totally counterproductive to put obstacles in the way of the economic forces that so far have led to changes that are more than cosmetic—trade unionism, skilled job opportunities, urbanization.

And it is counterproductive to drive whites, who are in growing numbers increasingly disillusioned with apartheid and who have begun to accept power-sharing, back into the laager.

I have to admit I resent the way in which people living many thousands of miles away from South Africa totally ignore the hundreds of thousands of white South Africans who abhor race discrimination and who have been fighting apartheid for years.

My party, with its policy of a no statutory discrimination and full adult suffrage with no domination, obtained 20 percent of the votes of the white electorate at the last election. We will do better next time, but not if the country is under grave economic stress. Liberalizing forces are not strengthened in such circumstances.

What can or should the West do to help bring apartheid to an end without causing chaos in South Africa? There are limits to what can be done from outside, if peaceful reform is the objective.

Most helpful would be for Western interests to stay in South Africa and use their influence with the government and white South Africans. Contact, not isolation, is needed. In one area only—sport—has isolation been successful in helping to break down segregation. It worked because of South Africa's longing to get back into international sport, but also because desegregation in sport did not affect the power structure. That there have been no rewards forthcoming in sport, I might add, is not conducive to South Africans making other changes.

U.S. and European firms should accelerate their efforts to uplift black participation in the South African economy. The latest reports on the implementation of the codes should have penalties imposed on them. The United States is considering making the Sullivan code compulsory for American firms in South Africa. I appreciate the problems in monitoring, but there have been positive results from the codes, and this should be considered.

The West should raise its voice long and loud against apartheid in general, and in particular against any outrageous actions by the South African government. Never mind about "double standards": South Africa claims Western values and must be judged as such.

I have no doubt that protest by Western envoys helped to un-ban people such as Beyers Naude and was instrumental in

freezing forced removals as at Crossroads. The South African government is more sensitive than one thinks. It does not enjoy being a pariah. It would like to be welcomed back into the Western community of nations.

But not at any cost. Rather should you aim at attainable objectives than adopt measures that could reduce the country to economic chaos, with totally unpredictable consequences.

SHARE THE POWER

(By William Raspberry)

The South African government is once again a day late and a concession short in its drive to forestall the inevitable. Conciliatory words that would have signaled a breakthrough a few years ago come across now as empty justification for the armed repression of the country's black majority.

The repression itself (invoked under emergency powers so sweeping that the press is forbidden even to print the names of those arrested and jailed) might have worked a few years ago to produce at least an uneasy calm. Now it serves only to radicalize the black population, threatening to turn what the government calls "riots" into what it fears most; full-fledged revolution.

The time-tested way of dealing with violent uprisings is to isolate the radical leadership while making serious concessions to the rank and file. South Africa is expert at isolating, incompetent at making concessions. Again and again, it makes concessions only after the thing conceded has ceased to hold even symbolic importance.

It concedes the permanency of its black urban population only after its "homelands" policy, under which, by definition, there would be no black South Africans, has been rejected by the entire world. It offers semicitizenship to its Asian and mixed-race population, hoping that the blacks will read that to mean "We must be next." With protest building both inside and outside the country, with police-provoked violence resulting in hundreds of deaths, with every funeral of every police victim threatening to launch the revolution, the government offers: what? A relaxation of the official ban on mixed marriages.

Now the offer is for negotiations between the government and the black leadership, negotiations with a view to power sharing. Listen to the government, and you get the impression that such negotiations are all it ever wanted, that the only reason for invoking the emergency powers now in force was to buy a period of peace during which the negotiations could move forward.

But first, you understand, the government must move to protect the blacks who are interested in negotiations from the black radicals bent on murdering them. The South African ambassador-designate Herbert Beukes sought to make that point on ABC-TV's "Nightime" the other night. Fortunately the Rev. Alan Boesak, one of the brightest new opposition leaders in the country, was also on that show to point out that the blacks being killed by blacks are not "moderates" and bridge-builders but men suspected of being collaborators, informants and quislings.

A DOUBLE STANDARD IN BLACK AND WHITE

(By George B.N. Ayittey)

Apartheid is an abomination. But the sad fact is that many of the black African leaders who applaud sanctions on South Africa have themselves instituted de facto "apartheid" regimes in their own countries against their own black people.

The first characteristic of apartheid is its caste system: separation of people on the basis of race. White South Africans, who control the government, have refused to share meaningful power with the disenfranchised black majority. The standards of living of the whites are far higher than those of the blacks. The second feature is a dual system of justice: a relatively lenient one for whites but a swift and brutal one for blacks. The third is an intolerance of any opposition—the death of Steve Biko and the imprisonment of Nelson Mandela are well-known. The fourth is insidious repression of the black majority in general through such devices as the pass laws.

Now, if one looks beyond the issue of skin color, similar characteristics also can be found in many black African regimes.

Negotiations, in fact, may be the way out of the turmoil and injustice in South Africa. The ruling whites cannot be expected to concede voluntarily any principle approximating one man-one vote. But just as blacks in charge of what was then Rhodesia were willing to negotiate a reserve of political power to the white minority, so might the whites in charge of South Africa see the wisdom of negotiating a settlement with the black majority.

The prospects for such a negotiated outcome increase with every acknowledgment, implicit or otherwise, from the ruling white minority that the present situation is untenable, politically, militarily and morally.

The danger is that the government, once again being too clever for its own good, will try to negotiate with its own handpicked "trusties," rendering any agreement worse than useless.

The government knows which black leaders have the confidence of the majority of black South Africans—men such as Nelson Mandela and Walter Sisulu, imprisoned since the early 1960s, or Nobelist Desmond Tutu, who may be in prison before the current unrest is over.

If South Africa's whites really are ready for peaceful change (as opposed to buying time to retain their absolute power) they know how to do it. The fear is that they will, as has become their sorry custom, do too little too late.

ONE-MAN, NO-VOTE

In black Africa, the two classes are not whites vs. blacks but rather the elites (the educated class and the military) vs. the people (the peasants). The elite minority, which controls the government, does not share power with the people. As in South Africa, the elite minority disenfranchises the peasant majority. Until 1984, the peasants of Liberia could not vote in a presidential election unless they had property valued at more than $25,000.

Indeed, some African leaders who advocate majority rule and one-man-one-vote for south Africa do not give their own black people the right to vote. Many have declared themselves "Presidents for Life." Other black regimes are military dictatorships or farcical "democracies."

The standards of living enjoyed by the elites far outstrip those for the peasants. Contrast the plush and subsidized amenities for the ruling class in the urban areas with the dingy and wretched lives of rural peasants. In Mauritania, while the elites have access to subsidized tap-water supplies, the peasants pay seven to 40 times more for their water from sellers with donkey carts. In Zaire, officials each earn between $5,000 and $9,000 a month while a peasant is lucky to make $50 a month. Cameroon, with a per-capita income of less than $1,000 a year, is the world's ninth-largest importer of champagne.

The prices at which the rural poor sell their produce are dictated, not by market forces, but by government directives. They face stiff penalties and outright confiscation of their produce if they sell above the dictated prices. In Ghana, farmers receive less than 10% of the world market price for their cocoa. In Gambia, they receive less than 20% of the world market price for their peanuts.

In many African countries, when peasants run afoul of the law, justice is swift and brutal. Consider two cases:

In September 1981, a 43-year-old peasant woman, Kporkporvie Dada, was beaten to death by Ghanaian border guards for taking a gallon of kerosene across a border to a relative.

Phillipine Addo, a 27-year-old peasant who in 1982 attempted to smuggle $3 worth of cocoa into Togo, was jailed for five years at hard labor.

The ruling elites also smuggle, embezzle funds, plunder state treasuries and illegally transfer their booty abroad. If corrupt ministers are apprehended, the sentences tend to be light or nonexistent: forfeiture of the booty or mere dismissals or transfers. Some examples:

In Upper Volta (now Burkina Faso), at corruption trials in 1984, former President Sangoule Lamizana who could not account for about $1 million he was charged with embezzling, was acquitted. Three top officials of his government were ordered only to repay to the state money they had allegedly stolen while in office.

Three top officials of the Ghana Meat Marketing Board were merely sacked in 1984 for "gross abuse of office."

In Gambia, the attorney general, M. Fafa M'Bai, set up an Asset Evaluation Commission in 1984 to probe illicit enrichment. While the commission was sending questionnaries to 16 Gambians to explain their riches, Mr. M'Bai was illegally transferring about $180,000 to Standard Charted Bank of London. He resigned and then sought an injunction to debar the commission from probing his assets. The Gambian Supreme Court granted that injunction!

South African crackdowns on the African National Congress can be compared with those meted out to opposition elements in black Africa; many leaders have either outlawed political parties or have declared their countries one-party states and liquidated the opposition. Many opposition members have mysteriously vanished in Zaire, Kenya, Uganda, Zambia and Guinea.

There are also parallels between apartheid and black African regimes in the control of their populations. For example, black South Africans must carry passes that allow them only into certain areas; in black Africa peasants must contend with curfews and roadblocks. Only members of the ruling class have the passes or permits to sail through road barriers and break curfew hours. For the majority of others, harassment is the norm. Policemen have deliberately set their watches ahead in order to harass and extort money from "curfew breakers." Peasants in Ghana could not legally cross regional borders until restrictions were lifted last year by the military government of Flight Lt. Jerry J. Rawlings. (Some economic reforms demanded by the

International Monetary Fund have also been implemented by Mr. Rawlings, but he shows no signs of allowing political freedoms.)

Despite the parallels, world opinion tends to apply radically different standards of morality to South Africa and black Africa. If South Africa had savagely expelled its illegal black aliens, as Nigeria recently did; or if South Africa had resettled some blacks on "homelands" in the midst of a famine, as Ethiopia recently attempted, condemnations at the United Nations and in Congress would have been deafening. As if the skin color or the ideology of the tyrant makes any difference to the oppressed. Does one see demonstrations in front of culpable black African embassies in Washington or calls for sanctions against any black African countries? There are 16 million oppressed blacks in South Africa. But some 400 million people live elsewhere in black Africa, a majority under despotic rule. Why is so little attention given to their plight?

The U.N. does not condemn despotism in black Africa for fear of 'interfering in the domestic affairs of sovereign nations." South Africa is not a sovereign nation, it might be argued—its government is illegitimate and unrepresentative of its people. But what black African government is legitimate and representative? Virulent condemnation of apartheid without parallel denunciations of tyranny in black African countries only serves to perpetuate the myth of black inferiority. Applying a lower standard of morality to black Africa betrays an insulting double standard against blacks.

REBUTTING RACISM

Some of the remaining support for apartheid may be caused by conditions in black Africa itself. When South Africans look across their border they see the same atrocities the black African governments accuse them of committing. Furthermore, these governments have, through misguided policies, reduced their economies to tatters. Ian Smith, the former white prime minister of Rhodesia, defended his refusal to hand over power to the majority by observing that black Africans were incapable of running a country and managing an economy. That statement was rightly denounced as racist and invalid, but black Africa's execrable economic record is not a convincing rebuttal.

To the majority of black Africans, the peasants, the whole apartheid issue is largely irrelevant. Many of them would affirm that they fared better economically under the white colonialists. To many, independence has meant oppression and economic deprivation. Indeed, back in 1981, many peasants in Ghana were calling upon the British to recolonize the country. If we had to die, I and many oppressed Africans would rather be shot dead in South Africa than in an independent African nation under black rule. It seems that only in South Africa does the killing and subjugation of innocent blacks prompt world-wide pressure for reform.

[From the Washington Times, July 29, 1985]

IN SOUTH AFRICA, SOVIETS TURN INVISIBLE SCREWS

The "winds of change" that drove the colonial powers—Belgium, France, Britain and Portugal—from the African continent brought great hopes for democracy and economic development. More than a quarter century has passed since the wave of independence began. The shining hope has been supplanted by dictatorship, repression, brutality, venality, starvation and despair now commonplace throughout the continent. The exception has been South Africa, long an enclave of prosperity and order.

Over the years, most recently in conversations with President Pieter W. Botha, I learned of the constructive changes and steady progress taking place in South Africa that would lead to the dismantling of the abhorrent apartheid system not by violent revolution and race war, but by a reasoned process. Mr. Botha spoke to me of the tremendous political risks he was taking to bring about constitutional and other internal reforms. He said, "We can see all of black Africa slowly dying, and we have no intention of abandoning our country to the same fate."

What South Africans once found unimaginable may now become a reality.

How curious it is to find the United States government expressing its "revulsion" at the South African state of emergency declared by the Pretoria government to put down a wave of terrorism in which an estimated 450 black South Africans have been the victims of systematic atrocities perpetrated by revolutionaries who also happen to be black. Would our State Department officials rather than South Africa decide that the lives and property of black people should not enjoy the protection of the law?

Ironically, the wave of violence washing over South Africa's urban black townships, bringing death to scores of black people at the hands of the revolutionary terrorists of the African National Congress, was generated in large part by the Nkomati accord, signed on March 16 last year between Mozambique and South Africa.

The crucial provision of Nkomati required Samora Machel, the Marxist leader of Mozambique, to close down the bases and facilitied enjoyed by the African National Congress (ANC). This revolutionary movement has long been supported by the Soviet Union and has been under the political domination of the South African Communist Party for the past four decades. Mozambique had allowed ANC to use its territory to establish camps from which terrorist teams were infiltrated into South Africa. Mr. Machel immediately fulfilled his Nkomati pledge. The ANC's terror cadre was sent packing (to Zambia, Tanzania and Angola), and key personnel in the ANC political and terrorist command structure were expelled. ANC's terrorist operations were disrupted, and South Africa maintained the pressure by raiding ANC camps harbored by other neighboring countries.

President Botha's government has high expectations that Nkomati would signal the end of ANC as a terrorist problelm. Then they could divert much of their defense budget into expanding their economy, and resume the ponderous pace of the progressive integration of black, Asian and mixed-race South Africans into the country's economic and political system. This is the key point: To bring black South Africans into the political system would be to destroy the whole system of apartheid with its restrictions on areas of residence and property ownership.

Pretoria made this assumption, however, without considering that the only option left to the ANC, other than admission of defeat, was to mobilize their supporters inside South Africa, particularly in some of the black trade unions and in the United Democratic Front (UDF) coalition. Furthermore, for non-white South Africans, a climate of rising expectations had been created that encouraged militancy and pressure tactics to accelerate the sluggish pace of change. The dropping of a number of restrictive racial laws and the first officially sanctioned cracks in political segregation have contributed to that feeling of expectation, as has the fact that wages in South Africa are well above the African norm. Wages may be low compared with those in the United States, but they are so far above the norm for Africa that tens of thousands of blacks voluntarily leave their black-ruled bordering countries to take jobs in South Africa in spite of the inane, degrading humiliations of apartheid regulations.

ANC's regrouping after the Nkomati reverse was speedy. Last summer the ANC leadership held lengthy consultations with leading American anti-South Africa activists at the United Nations, then immediately went to havana to work out details on creating external diplomatic pressure against South Africa in the United States and Western Europe, in which U.N. agencies would play a supporting role. By last October, the plans were ready for implementation. The opening round in "making South Africa ungovernable" commenced with illegal strikes by black trade unions. Some of the leaders were arrested, and those arrests were the focus of protests in Europe and America in the first two weeks of November.

On Thanksgiving, the campaign of American protests and sit-ins against South Africa moved into high gear. The U.S. protest coalition, known as the Free South Africa Movement (FSAM), is spearheaded by Randall Robinson's Trans Africa, a lobbying organization. They have made clear their commitment to the ANC and to other revolutionary movements and regimes sponsored by Moscow in Africa and the Caribbean.

Since then, Mr. Robinson has given the national media a daily, carefully orchestrated "story." He has de facto "proprietary rights" over protest at the South African Embassy. Two or three prominent people are lined up in advance to get arrested, which is a perfectly convenient thing to do since the U.S. attorney for the District of Columbia has refused to prosecute anyone demonstrating at the South African Embassy, while vigorously prosecuting those who protest at the Soviet Union's Embassy. A press conference is held at which the prominent people make statements, and then a group of demonstrators selected well in advance by TransAfrica goes to the embassy, where they demonstrate and are arrested.

Having learned from the civil rights and anti-Vietnam war protests, today's demonstrators are neatly dressed, orderly, polite—and in the long run as dangerous as the ANC-inspired mobs who have killed more than 450 black South Africans since the present terrorism campaign erupted. "On camera," the protestors are concerned, as indeed, most of us are, with human rights and the abuse of power. But the FSAM agenda aims at persuading the U.S. government to help economically isolate South Africa from the Free World and thus assist in overthrowing it and replacing it with a Soviet-dominated, pseudo-"nationalist" revolutionary regime. The polite dignitaries on the picket line, knowingly or unwittingly, are acting to transform South Africa into an Ethiopia, a Uganda, an Angola, A Tanzania or a Zimbabwe—a process in which democracy has meant one man, one vote, one time! And no less a personage than Richard Lugar, chairman of the Senate Foreign Re-

lations Committee, is lending himself, albeit unwittingly, to this demolition exercise.

That is the ultimate purpose of the economic warfare campaigns to end economic relations and isolate South Africa from the United States. TransAfrica's FSAM crusaders are not fazed by the fact that such economic measures would force America to depend on the Soviet Union as the sole alternative supplier of a variety of strategic minerals we now buy freely from South Africa. After all, TransAfrica consistently promoted the nasty little pro-Soviet regime on Grenada.

Does it matter particularly whether South Africa is ruled in five years time by a government allied with the Soviet Union? The answer is yes, because ultimately our continued freedom depends on it.

South Africa is essential to the strategic survival of the United States and Western Europe. That strategic importance is the result of her geology and geography; and it is not a fact that is going to change for many years. South Africa is the sole source in the non-Communist world of a multitude of rare minerals which are critical to the industrial and military strength of the West—among them chromium, platinum and vanadium. These and other rare metals form the exotic alloys that enable rockets and jet engines to withstand intense heat, and which strengthen submarine hulls against the enormous pressures of the deep oceans, and have many specialized functions in our high technology. There is one alternative source for those minerals—the Soviet Union.

Furthermore, geography has placed South Africa astride the shipping lanes traveled by the oil tankers carrying crude oil from the Persian Gulf across the Indian Ocean and around the Cape of Good Hope into the Atlantic. The government which rules South Africa can control the tanker traffic carrying the Gulf's petroleum to Western Europe, Latin America and the United States.

The leaders of the Soviet Union obviously are aware of this. In sum, the blunt fact remains that South Africa represents the jugular vein of the West, and that even if South Africa had no controversial and unpopular racial and ethnic regulations, that country would be a target of Soviet imperialism. The Kremlin would prefer to win world power without provoking us to resist. The name of the geopolitical game is, after all, as Sun Tsu told us 25 centuries ago, to subdue the armies of one's enemies without ever having to fight them. Therefore, they use what is called in Soviet jargon "active measures" that entail propaganda, subversion, agents of influence, disinformation and other techniques implemented primarily by the KGB in cooperation with all Soviet agencies and assets to bring about the gradual collapse of our will to resist.

In the case of South Africa, as with Vietnam 15 years ago, the multifaceted Soviet "active measures" campaign aims to persuade our leaders to forget that America's strategic viability will be at risk in South Africa for many decades—regardless of the political and racial complexion of its government.

Is there proof that the Soviets are engaging in "active measures" to promote an ANC rule over South Africa? Yes, in fact the only time in history that the Soviets ever publicly admitted that such "active measures" existed came in a statement to the U.N. General Assembly four years ago. The U.S.S.R. formally stated, "Efforts are under way in the Soviet Union to mobilize world opinion in the fight to eliminate colonialism, racism and apartheid in southern Africa. Active measures in this direction are being carried out." The Soviets even named some of the agencies implementing "active measures." They were the Soviet organizations run by the International Department of the Soviet Communist Party Central Committee in cooperation with the KGB that, in turn control the international fronts, among which are the World Peace Council (WPC), International Association of Democratic Lawyers (IADL), Women's International Democratic Federation (WIDF), and World Federation of Trade Unions (WFTU).

However, most Western public officials, public opinion molders, and particularly Congress and the media are hesitant, if not unwilling, to acknowledge the fact that the Soviet Union is seeking directly and through local surrogates to detach South Africa from the West, deny the West access to its strategic minerals and, sooner or later, replace its government with a regime more to Moscow's liking. Some argue that "nationalists" will take over ANC and expel the Marxists; but to date, ANC's Marxists have regularly purged "nationalists" who chafed under their strict discipline.

The bottom line is that it is irrelevant whether anti-America "nationalists" or anti-American Marxists seize power in South Africa. The Soviets undoubtedly would perfer to see a Marxist-Leninist regime of the Angolan Ethiopian or Cuban model take over. For many years, Soviet policy in the Third World has been to support any movement or regime so long as it was anti-American. They recognize that an ultra-nationalist or extremist regime determinedly hostile to American interests—Khomeini's Iran being a prime example—would serve Moscow's interest nearly as well in placing control of U.S. access to strategic minerals in hostile hands.

Without South Africa's minerals, America's high-technology defense industries would have to depend on the Soviets for those rare strategic minerals. If America did not buy minerals from South Africa, what price do you think the Soviets would set?

There is also a moral irony in this. Year by year over the past decade and more, as the urban black population has increased and skilled, educated black people play an expanding role in the modern urban economy, South Africa has been dropping racially restrictive laws and now is committed to opening the political power structure. On the other hand, Soviet gold, as Alexander Solzhenitsyn told us, is the product of the Soviet forced labor camps that constitute the Gulag Archipelago. Forced labor accounts for nearly all of Soviet mining operations. How the Soviet cynics must jeer to see America and Europe urging abandonment of trade with South Africa when their only alternative must be to line up at the Soviet trade counter and, therefore, to encourage the Soviets to expand their use of forced labor.

When the Politburo first considered how South Africa might be brought into the Communist camp back in Stalin's time, they used a classic tactic; develop a well-organized Communist Party and Communist underground; then penetrate and take over the African National Congress (ANC); organize a "popular front"; use terror to dispose of political opponents, demoralize the population, bring them under control and escalate into mass confrontational protests in order to elicit a stern reaction on the part of the government and police; then use that as the "justification" for a move into terrorist "armed struggle."

But in more recent years, in the Third World, the Soviets have recognized that it is sufficient that a government merely be anti-American for Soviet interests to be served. Of course the Soviets eventually would like to see traditional Marxist-Leninist parties ruling the countries of the Third World. But they realize that revolution by stages is less likely to alarm Western governments, thus they can avoid armed confrontations. After all, is the loss of one more slice of salami worth fighting over? In this type of "cold" conflict, all the tactics short of armed confrontation—propaganda, "active measures," disinformation and deception—play a very important role in undermining America's will to act in defense of our national interest, and, in the case of South Africa, in persuading our government to isolate America from South Africa.

From secret information provided by a high-level Soviet official who has now defected to the West, it has been learned that Moscow's overall plan has four main points:

Consolidate Soviet influence in Angola, Mozambique and Zimbabwe; at the same time enhance the military capabilities of these countries to act as Soviet surrogates; and provide aid sufficient to reduce their economic dependence on South Africa;

Strengthen the underground organization of the African National Congress and its fronts inside South Africa;

Weaken the South African military capacity and will to resist;

Increase the international political and economic isolation of South Africa through an intensified "active measures" campaign in Europe and America.

The international campaign for United Nations imposition of a total mandatory and binding international economic boycott against South Africa is spearheaded by various African states backed to the hilt by the Soviet bloc. Both in America and in the European countries who are South Africa's major trading partners, the campaigns are coordinated by the ANC's solidarity networks. (Shades of the various Central American solidarity networks, e.g., CISPES).

There is some peculiar self-delusion found among ANC supporters. Some back ANC because they see it as their revolutionary duty to support so-called "national liberation movements." Overall, they are a minority. Many more among the public figures in the so-called "anti-apartheid" campaigns understand that the brutal assassinations of moderate black spokesmen, community leaders, individuals known to oppose ANC, police officers and those who work in some capacity for the government, the atrocities in which ANC-inspired mobs hack and burn alive the infants, children, wives and other relatives of their victims or intended victims, the car bombs and sabotage are prima facie evidence that ANC is a terrorist group of the most vicious nature. Even Bishop Desmond Tutu has implored the militants to stop their reign of terror—or "I'll pack my bags, collect my family and leave," as he himself put it last week. But our activists omit from their calculations those atrocities perpetrated on blacks by the ANC and South African Communist Party and deplore the fact that the white government has declared a state of emergency to put down the terror.

At bottom, the excuses for ANC terrorism amount to "the devil made them do it"—the devil being South Africa's racial policies. When did the fact that you do not like someone's presumed politics give you the

right to disembowel his wife and burn his children to death? Individuals are responsible for their own actions; no one who argues that a grievance against society justifies murder can retain credibility as a "human rights" advocate. Those who take that position may well believe that similar tactics should be applied in America. Even six generations after civil war and 30 years after the civil rights movement was launched, we have failed to construct the racial utopia that is demanded overnight of South Africa. Thirty-five million Americans are living below the poverty line—most of them blacks. Does that justify terrorism?

The fact that South Africa has scrapped many repugnant racial rules seems to have no impact on the anti-South Africa lobby. Perhaps with their minds made up, they do not want to be confused by facts. They want revolution.

The strategic needs of our own people should be the overriding concern of Congress, but the anti-South Africa forces, including the Marxists, are arguing that apartheid problem is not a political one capable of rational political solutions involving formulae for opening the South African political power structure by degrees to all the people. Rather, they say it is a moral issue. So they preach that "apartheid" is a sin, and that those "sinners" should stop sinning at once without respect to any other consideration such as transferring power in an orderly manner and maintaining social order. Pretoria, for its part, should begin by bringing black leaders, who renounce violence, into a new power-sharing system.

[From the Washington Times, July 30, 1985]

ANTI-SOUTH AFRICAN LOBBY TRACED TO LEFT-WING GROUPS

(By Arnaud de Borchgrave)

Dennis V. Brutus, 60, one of the most influential political leaders of the anti-South Africa lobby in America, told an activist audience in Washington recently that the key U.S. groups in the network against South Africa were the American Committee on Africa (ACOA); Washington Office on Africa (WOA); TransAfrica and the coalition it heads called the Free South Africa Movement (FSAM); and the Institute for Policy Studies (IPS).

If his audience was particularly pleased, it may have been because he was addressing an IPS seminar audience that was representative of those organizations. He himself is prominent in the U.S. committee of the London-based International Defence and Aid Fund (IDAF) and The Africa Network (TAN), and was co-founder of the American Coordinating Committee for Equality in Sport and Society (ACCESS), which took the lead in setting up protests against a tour by South Africa's Springbok rugby team.

Mr. Brutus was born in Rhodesia and is a citizen of Zimbabwe. He left South Africa for London in 1966, having become active with the African National Congress (ANC) in the early 1950s. His current role is to present the political action desires of the ANC to the intellectual leaders and activists of the American left. He is effective at that. With turmoil in South Africa having driven Communist expansionism in Central America from the headlines, The Washington Times will examine some key organizations of the Network against South Africa.

The International Defense and Aid Fund was established in London in the 1960s by South African "exiles" to raise funds to help defray legal defense costs for black South Africans charged with treason, terrorism and other serious offenses. Mr. Brutus has been involved with IDAF for many years.

As for the activist credentials of Mr. Brutus, from 1948 to 1961 he taught English and Afrikaans in various South African schools, became active in ANC, and founded the campaign to expel South Africa from international sporting events. The 1961-63 period encompassed ANC's first terrorist campaign and his ANC affiliation cost Mr. Brutus his government teaching post. He was arrested in 1963 for violating the terms of his banning and was released on pretrail bond.

Mr. Brutus' reaction to this was extraordinary. He promptly fled to Mozambique where he was arrested by the Portugese and extradicted to South Africa.

Mr. Brutus served an 18-month sentence on Robben Island where he was in the same work detail as Nelson Mandela of the ANC. Mr. Brutus claims to have hidden Mr. Mandela in his home while an underground fugitive. On his release, Mr. Brutus took his wife and seven children to London, where he led a number of campaigns organized by IDAF.

In 1978, the London Economist's prestigious Foreign Report published discussion documents by a Dutch support group for the ANC called Ikhela. The word means "spark" in Zulu, echoing Lenin's "Iskra" publication which was "spark" in Russian. Members of the Dutch leftist group came to support a "black nationalist" faction in ANC. In defense of that faction, which wanted to expel the white Communists from ANC, they commented that "since the very beginning, the politics of the liberation movement in exile has been under the domination of the South African Communist Party;" and that as a result of SACP dominance, only two issues "formed the backbone of the anti-apartheid politics: the disinvestment issue and the armed struggle."

Ikhela criticied the IDAF as "an inconsistent jelly-fish" that "appears to be Christian-motivated," but accepts a program politically "run along highly sectarian lines" and is "controlled by members of the South African Communist Party."

IDAF has received sustantial grants from the World Council of Churches, the U.S. National Council of Churches, and from the government of the Ukrainian Soviet Socialist Republic—in other words, the government of the Soviet Union. The Ukrainian SSR told the U.N. General Assembly it was "making regular contributions to the International Defense and Aid Fund."

There is no evidence in the public record that Mr. Brutus is a secret member of the South African Communist Party. In 1970, he moved to the United States to teach literature at Northwestern University. He did not come for political reasons or to seek political asylum; but, as he told The Washington Post more recently, because "Northwestern made me the best offer." Mr. Brutus has been associated with a number of anti-South African groups, and prominently with the U.S. Immigration and Naturalization Service tried for years to deport Mr. Brutus as an excludable alien under the McCarran Act provisions barring communists and members of communist-controlled organizations. The government was not willing to disclose to Mr. Brutus or his attorneys from Chicago's People's Law Office the sources of their intelligence concerning him. Declassified FBI documents and Justice Department legal papers have linked People's Law Office lawyers and staff to the terrorist Weather Underground Organization and to the Puerto Rican FALN (Armed Forces of National Liberation of Puerto Rico).

In 1983, after two years of proceedings, during which Mr. Brutus' cause was supported by Chicago Mayor Harold Washington, Cardinal Joseph Bernardin, former Illinois Sen. Charles Percy (who then was chairman of the Senate Foreign Affairs Committee), House Speaker Thomas P. O'Neill Jr., Sens. Howard Metzenbaum, Edward Kennedy and then Massachusetts Sen. Paul Tsongas, a federal judge granted Mr. Brutus political asylum in the United States.

[From the Washington Times, July 31, 1985]

KGB FRONTS PUSH CAMPAIGN TO DESTABILIZE SOUTH AFRICA

The protest campaign against South Africa corresponds to a pattern established by the Soviet KGB as one part of a broad "active measures" campaign that is being implemented by the U.S.S.R.'s "assets"—witting and unwitting—in the United States and Western Europe.

Is there collateral for that assertion? Yes, from the Federal Bureau of Investigation. FBI Assistant Director Edward O'Malley, in testimony before the House Intelligence Committee, held up as an example of "specific Soviet active measures, activities and operations in the United States" a conference of anti-South African activists in New York. Many of the initiators and leaders of the present protest participated actively in that conference whose "stars" were the political leadership of the African National Congress (ANC), which resumed terrorist operations against civilian targets in South Africa after the former Portuguese colonies of Mozambique and Angola achieved independence under Soviet-allied Marxist regimes and provided ANC with bases.

In 1961, at the instigation of the South African Communist Party (SACP), the ANC commenced a terrorist campaign. ANC formed a terrorist cadre called "Unkonto We Sizwe" (Spear of the Nation in Zulu), led by Nelson Mandela, who was not a member of the Communist Party but worked closely with it.

Not too long ago, the New York Times commented that Mr. Mandela would probably become the first black prime minister in the "new order" in South Africa. When he was on trial, Mr. Mandela delivered a statement in open court in which he said, "I admit immediately . . . that I was one of the persons who helped to form Umkonto We Sizwe, and that I played a prominent role in its affairs until I was arrested in August 1962." He said, "I do not deny that I planned sabotage," and continued, "I did not plan it . . . because I have any love of violence. I planned it as a result of a calm and sober assessment of the political situation. . . ." (Note: Quoted in the African Communist, official publication of the SACP, 3rd Quarter, 1964.)

The terrorist campaign failed. There was no rebellion, and the ANC and the SACP were outlawed and dwindled. They became primarily exile movements based in London whose publications were produced in East Germany. During the late 1960s and through the 1970s, ANC cadre received training in the Soviet bloc, Algeria, Libya, several Marxist African states and in Palestine Liberation Organization (PLO) camps. Johnstone Makatini, the ANC representa-

tive in Algiers during the early 1970s, now their U.N. observer, was responsible for organizing terrorist training for selected ANC members in the Soviet Union.

Following the Portuguese "carnation revolution" of 1974, pro-Soviet regimes took power in Mozambique and Angola which gave ANC training facilities after the 1976 Soweto riots produced a flood of new militant recruits. The camps were staffed by Cuban, East German, Soviet and other bloc experts. Selected ANC members were given advanced training in the Soviet Union, Cuba and several East European countries.

The principal coordinator of the Free South Africa Movement (FSAM) is Randall Robinson, executive director of TransAfrica, a self-described "lobby" formed eight years ago "to inform and organize popular opinion in the United States to advocate policies and practices that will help to achieve a more progressive U.S. foreign policy toward the nations of Africa and the Caribbean and peoples of Africa descent generally throughout the world." As translated into action, TransAfrica has promoted the interests of the ANC, SWAPO and Moscow-allied client regimes in Africa and the Caribbean. The link with the ANC has been open.

Recently, Dennis Brutus, a "political refugee" who successfully resisted U.S. efforts to deport him as an "excludable alien" under the McCarran act, and is one of the most influential interpreters of ANC's political wishes to the U.S. anti-South Africa movement, described the American Friends Service Committee (AFSC), Washington Office on Africa (WOA), American Committee on Africa (ACOA), TransAfrica and its Free South Africa Coalition (FSAM), and the Institute for Policy Studies (IPS) as providing the leadership for the U.S. anti-South Africa campaign.

Those ties are not recent developments. There was, for example, a conference on American divestment legislation supported by the United Nations Special Committee Against Apartheid and nine American groups in June 1981. Organizations taking leadership roles included the AFSC, ACOA, IPS, TransAfrica and WOA, along with several projects set up jointly and separately by these groups. ANC president Oliver Tambo had met with some of the leading figures a week before the conference in Atlanta. Others prominent in the conference were members of TransAfrica's board along with some leaders or communist front organizations used by the Soviets as vehicles for "active measures" and "disinformation" operations.

During the last four years, Mr. Tambo has made repeated trips to the United States for meetings with his U.S. supporters.

The October 1981 "Conference in Solidarity with the Liberation Struggles of Southern Africa," named by FBI Assistant Director O'Malley as a classic example of Soviet "active measures," had at least 20 officals of the ANC present. ANC president Tambo was unable to attend, but the ANC delegation "working" the conference was ably headed by Thabo Mbeki, Mr. Tambo's personal aide; Johnstone Mfanafuthi Makatini, ANC's chief U.N. representative; Yusuf Saloojee, ANC's representative in Canada; David Ndaba of the U.N. observer delegation, and others.

As violence erupted in the black townships of South Africa, Mr. Ndaba, administrative secretary of ANC's U.N. group who said he was involved in the Soweto riots of 1976, explained ANC's rationale for violence against black and colored moderates. The aim is to destroy by terrorism any alternative or moderate voice to the ANC and to use terror to bring the urban black population under ANC control. Any form of cooperation with the system would bring death and would demonstrate to black moderates that the government was incapable of protecting them from ANC violence.

Mr. Ndaba described the riots as "mass struggles carried out . . . to destroy the . . . institutions which make it possible for that regime to dominate our people. These mass political actions are accompanied by armed actions carried out by the . . . African National Congress."

Terming the violence that has killed an estimated 450 black South Africans "people's war," Mr. Ndaba noted that in a New Year's message last year, several weeks before South Africa and Mozambique signed the Nkomati pact that brought expulsion of the ANC from their Mozambican bases, Oliver Tambo called on ANC supporters "to make themselves ungovernable, to make apartheid institutions unworkable, and to challenge these institutions by confronting the most vulnerable links of the apartheid regime, and eventually, to change the racist rule in Pretoria."

The slaughter of black people at the hands of the ANC mobs did not seem to upset Mr. Ndaba, who said that "a number of black stooges have been killed; many heads of black townships have been petrol-bombed because the people are now challenging these collaborators. . . . The issue of black collaborators is becoming . . . a major issue." [NOTE: Interview was published in The Black Scholar, a Marxist monthly—contributing editors range from Angela Davis and several TransAfrica directors to leaders of terrorist Republic of New Afrika.]

During the congressional debates on economic sanctions against South Africa, many wondered whether U.S. measures to isolate South Africa were of any real significance. ANC's U.N. officials insist that the campaign against South Africa here is critical to their success.

Mr. Ndaba said at the start of the FSAM protests that "We will appeal to the black people in this country to take their place as the leading force of the anti-apartheid movement in this country. . . . It won't be until the Afro-Americans have taken the struggles . . . to the same level as Americans did in opposing the war in Vietnam that we will finally achieve our freedom." That ANC officials likened South Africa to "another Vietnam war" that produced over a million refugee "boat people" could indicate what lies in store for South Africa should ANC be victorious.

Mr. Ndaba said, "How long the struggle will be allowed to last depends to a great extent on how strong an anti-apartheid movement will develop in the United States to reverse the policies of the U.S. administration with whomever is in power—Republicans or Democrats. . . . It is true that the liberation of the people of South Africa will be brought about by the people of South Africa. . . . But the international community and Afro-Americans here can really play a complementary role. What we are saying is that this complementary role is indispensable. We can no longer do without your support, and the time for that support is now."

Mr. Ndaba's boss at the U.N. observer group, Mr. Makatini, confirmed the high value the ANC places on the U.S. anti-South Africa campaigns to ease the path for their armed revolution during his March 29 appearance on the MacNeil/Lehrer/Newshour. During the interview, Mr. Makatini said the current level of violent protests in South Africa meant people were reaching "the position reached by the ANC in 1961—that non-violence could not work against the apartheid regime." He continued indicating that ANC's 1961 venture into terrorist "armed struggle" failed in large part because South Africa was isolated and the neighboring territories were "under colonial domination themselves. . . . But today, they are potential rear bases, and nothing can stop that revolution Nothing."

Asked whether there was an alternative to violent revolution, Mr. Makatini did not directly answer. Instead he asked for "effective international action in the form of the imposition of comprehensive and mandatory sanctions against South Africa," and explained: "That would help to shorten the duration of the inevitable armed conflict. It would help lessen the loss of human lives. But nothing can stop the bloodshed now because we've been bleeding for the past 300 years, and it's soon that the bleeding has to be on both sides."

SOUTH AFRICA'S SURVIVAL ESSENTIAL TO UNITED STATES AS SOURCE OF KEY MATERIALS

Leaders of the U.S. network against South Africa concentrate on creating a public sense of moral repugnance surrounding apartheid and the injustices of the South African system. So far, so good. At least on the surface.

Censorship by omission, however, is wheeled into play when it comes to the U.S. national interest in maintaining a steady supply of strategic minerals. In the Free World, only South Africa produces many of the strategic minerals essential in defense and modern industry. To boycott South Africa would render the Soviet Union our sole source for these materials.

During the Rhodesian boycott, the Soviet Union quickly snapped up Rhodesian chrome—no compunction at all about trading through third parties with a white supremacist regime—and sold it back to the United States at a premium.

The politicians and "solidarity" activists of Europe and America do not have a monopoly on this sort of hypocrisy. When speaking privately with leaders of the black-ruled countries of southern and central Africa, I found a keen recognition that the economic survivial of their countries depends on South Africa.

Zambia, Zimbabwe, Angola, Mozambique, Botswana, Lesotho, Malawi, even Nigeria (albeit covertly), and other African states rely on South Africa for much of their technology and skilled technicians; for food and other imports; as an export market and for assistance in getting their goods to world markets; and for the foreign exchange earned in South Africa by their black citizens who find jobs there.

Revolution in South Africa would mean disaster for black Africans. Nevertheless, whenever the United Nations is assembled, its diplomats stand up and pronounce dire imprecations on the heads of South African whites while singing the praises of the African National Congress terrorists and blacks killing other blacks for "collaboration" with the government.

Among the U.S. groups that have pioneered the "moral" argument for sanctions against, and revolutionary change in, South Africa are the American Committee on

Africa (ACOA) and its "independent" spin-off, the Washington Office on Africa (WOA); the American Friends Service Committee (AFSC); TransAfrica; and the Institute for Policy Studies (IPS). Each has provided "moral support" and sometimes more to the African National Congress (ANC), whose Soviet-allied revolutionaries began committing acts of terrorism against civilians more than two decades ago.

AMERICAN COMMITTEE ON AFRICA

George Houser, founder and executive director of the American Committee on Africa, celebrated the 25th anniversary of the organization by writing a booklet history of the committee called "Meeting Africa's Challenge: The Story of the American Committee on Africa."

According to Mr. Houser, now retired from ACOA, the impetus for the committee arose in 1951 during London meetings between U.S. black activist Bill Sutherland and the editor of ANC's newspaper, "African World," who told Mr. Sutherland about ANC's plans to launch the "Defiance Campaign" of the early 1050s. When Mr. Sutherland returned to the United States, he told Mr. Houser, who then was executive secretary of the Congress of Racial Equality (CORE) and race relations secretary of the Fellowship of Reconciliation (FOR), about ANC's plans. Still, according to Mr. Houser, "We wrote to Walter Sisulu, the secretary general of the African National Congress . . . [who] responded eagerly, and in New York we decided to set up an ad hoc organization, which we called Americans for South African Resistance (AFSAR), in support of this campaign."

Mr. Houser reported that when the "Defiance Campaign" started in June 1952, its link to the ANC was Professor Z.K. Matthews, head of ANC's Cape branch, who had just arrived to teach at Union Theological Seminary. He remained in "constant touch" with ANC leaders in South Africa, and he was the source for bulletins issued by AFSAR. Mr. Houser also said that "AFSAR . . . raised several thousand dollars which, through Z.K. Matthews, was sent to ANC." When the ANC effort collapsed in 1953, AFSAR was reorganzied into ACOA. The "Defiance" support set the pattern for ACOA activities.

Mr. Houser's organization shifted its focus to supporting Algeria's National Liberation Front (FLN) whose eight year civil war was marked by atrocities and violence and repression that left one million dead.

Mr. Houser explained that "ACOA worked closely with . . . the FLN representatives in New York and at the U.N. Numerous public meetings were sponsored to call attention to the Aglerian struggle and to condemn the support the U.S. was giving France." He also recalled that ACOA was the first to display the flag of the FLN's provisional revoluntionary government at public meetings in New York.

Mr. Houser claimed that "there is not a major liberation movement in southern Africa which has not received some support from ACOA." "Much of this," he volunteered, "has been done through the Africa Defense and Aid Fund . . . sometimes the assistance given is to cover the emergency needs of visitors to New York and U.N. or to liberation movement leaders traveling in the U.S. It may help with travel expenses, accommodations, telephone bills, etc. . . . In the case of some of the liberation movements . . . ACOA has taken major responsibility for raising the funds to make it possible for the organization to have an office and a full-time representative here."

During the 1970s, Mr. Houser described ACOA logistical support to "liberation movements" as including the supply of vehicles such as jeeps, Land Rovers and Volkswagen buses. Anti-communist and non-communist forces were slighted. For example, in Angola, there were three armed movements: The then-Peking-allied FNLA led by Holden Roberto, the Nationalist UNITA headed by Jonas Savimbi and the Soviet-controlled MPLA. According to Mr. Houser, "a lengthy discussion was held in 1970, and the decision was to recognize the primacy of the MPLA at that time." The Marxist-Leninist MPLA, with Soviet assistance and Cuban troops, fought its way to power in 1975.

ACOA's Washington lobbying activities were outlined by Mr. Houser. "ACOA," he wrote, "has consistently opposed U.S. policies" in South Africa. The organization's representatives have appeared on numerous occasions before "the appropriate Senate and House committees. ACOA has kept a full-time office in Washington since 1968. Funds for the Washington operation, according to Mr. Houser's organizational history, have been provided primarily by four religious denominations: "Methodist, Presbyterian, United Church of Christ and Episcopalian." When these churches wanted to take a more active role against South Africa, he explained, "ACOA's Washington office was transformed into the independent, jointly sponsored Washington Office on Africa."

Among the best known ACOA representatives have been Mr. Houser himself before his retirement; Jennifer Davis, a South African "exile" who replaced him as executive director after years as ACOA's research director; and New York attorney Peter Weiss, who was ACOA president for 10 years and provided a significant amount of funding to ACOA's tax-exempt spin-off, The Africa Fund, through the Samuel Rubin Foundation. Mr. Weiss has perfomed similar functions on the board of Institute for Policy Studies (IPS), which has cooperated with the ACOA on campaigns for legislation against U.S. bank loans to South Africa and other issues.

AMERICAN FRIENDS SERVICE COMMITTEE

The Philadelphia-based American Friends Service Committee (AFSC) increased the level of its southern Africa program in 1974 when it hired as program director Bill Sutherland, co-founder of ACOA. Mr. Sutherland moved to Africa in 1953 and later worked for the first government of Ghana under Kwame Nkrumah. He played a role in organizing the 1958 All African Peoples Conference in Accra. From 1963 to 1975, Mr. Sutherland was an employee of the Tanzanian Ministry of Foreign Affairs. When he went to work for the AFSC, he moved to Lusaka, Zambia.

The general trend of the AFSC southern Africa program was visible in the August 1977 16-member AFSC delegation Mr. Sutherland led on a tour of the "front-line" states. The proclaimed purpose was to "build relationships with the opponents of the status quo in southern Africa, particularly the liberation movements."

TRANSAFRICA

The principal coordinator of the Free South Africa Movement (FSAM) protest coalition is Randall Robinson, executive director of TransAfrica. The group was formed eight years ago "to inform and organize popular opinion in the United States to advocate policies and practices that will help to achieve a more progressive U.S. foreign policy toward the nations of Africa and the Caribbean and peoples of African descent generally throughout the world."

As this policy was translated into action, TransAfrica has promoted the interests of the ANC, the South-West Africa People's Organization (SWAPO) and Moscow-allied client regimes in Africa and the Caribbean. The link with the ANC has been open.

After graduating from Harvard Law School, Mr. Robinson worked in Tanzania as a Ford Foundation fellow before returning to Boston to practice public interest law. In 1975 he joined the staff of Rep. William Clay, D-Mo. Later he worked for Rep Charles Diggs, D-Mich. ACOA's former executive director, George Houser, wrote that his organization had "maintained a working relationship" with Mr. Diggs, who was chairman of the House subcommittee on Africa. Mr. Robinson was executive director of the Congressional Black Caucus before taking on the TransAfrica project. His brother is Chicago-based television newsman Max Robinson.

The roll call of past and present members of the TransAfrica board of directors includes Harry Belafonte; the Rev. Isaac Bivens, United Methodist Church Board of Global Missions, Courtland Cox; Dr. Carlton Goodlett, for many years a member of the Presidium of the Soviet-controlled World Peace Council and publisher of two San Francisco-area black community newspapers; William Lucy of the American Federation of State, County and Municipal Employees (AFSCME); R. Prexy Nesbitt, former IPS fellow who headed the World Council of Churches Program to Combat Racism; the Rev. Wyatt Tee Walker; and Ronald Walters.

The list shows a preponderance of personalities on the left wing of the American political spectrum with respect to South Africa and other social issues.

INSTITUTE FOR POLICY STUDIES

The Institute for Policy Studies (IPS), which has offices just off Dupont Circle in Washington has amassed a 20-year public record remarkable for its consistency in supporting disarmament (by the West), nonintervention against Soviet surrogates, but intervention against authoritarian governments aligned with the West, abolition of nuclear power (by the West), and the drastic curtailment of intelligence and internal security agencies (the American ones).

IPS and its subsidiary, the Transnational Institute (TNI), which has offices in Amsterdam as well as in IPS's Washington headquarters, play central roles in coordinating pressure campaigns on parliaments in Europe and on the U.S. Congress for such policies. In part, IPS exercises influence through a network of "progressive" congressional staff aides. IPS has acted as a conduit for Soviet and Cuban disinformation themes.

In 1982, the institute concluded a formal "exchange" agreement with the Arbatov Institute in Moscow and another Soviet agency, both used by Soviet intelligence for "active measures." The IPS/Soviet 1983 "Bilateral Exchange" conference in Minneapolis attracted Soviet GRU (military intelligence) Gen. Mikhail Milsteyn and others from those agencies experienced in "active measures" and political influence operations.

IPS Chairman Peter Weiss was president of ACOA for 10 years. Other IPS figures

have been affiliated with the committee. Members of IPS's Southern Africa Project and Militarism and Disarmament Project have played key roles in coordinating divestment and anti-bank loan campaigns in Western Europe and the United States. Indeed, the Committee to Oppose Bank Loans to South Africa operated from IPS's headquarters and ACOA's New York office.

Even more significant was the central role of a member of the ANC and the South African Communist Party Central Committee, Ruth First Slovo, in organizing IPS/TNI solidarity efforts. Ruth First was killed in 1982 by a parcel bomb which exploded at ANC headquarters in Maputo. Her husband Joe Slovo heads the ANC's "military" arm, the terrorist "Umkonto we Sizwe" cadre. The Lithuanian-born Mr. Slovo, a member of the SACP Politburo and the ANC Revolutionary Council, was a lawyer in South Africa until ANC and the SACP commenced terrorist operations in the early 1960s. South African authorities have identified him as holding the rank of colonel in the Soviet KGB.

Yes, apartheid is repugnant. But there is a lot more to the anti-South African campaign than meets the eye in the current deluge of press releases.

[From the Christian Science Monitor, July 23, 1985]

PRETORIA'S ECONOMIC FUTURE

(By Michael Spicer)

JOHANNESBURG.—International pressure on the South African government to change its racial policies can be effective—if it is the right kind of pressure. But the type of economic sanctions the United States Congress is in the process of approving are likely to be counterproductive: If effective, they would harm South Africa's economic future without strengthening the negotiating position of black South Africans.

The debate over disinvestment and other economic sanctions, conducted so vigorously over the past six months in the U.S., has had both positive and negative aspects for South Africans.

In the past, external pressure has played a part in promoting reform in South Africa. Just as sports boycotts have contributed to the process of integrating South African sport, so the sanctions debate has given impetus to coordinated South African business efforts to abolish apartheid.

South Africa's six employer federations represent English, Afrikaans, and black businessmen. When Sen. Edward M. Kennedy—a proponent of no new U.S. investment in South Africa—was in South Africa in January, the federations handed him a memorandum committing themselves to the fundamentals of a nonracial society.

The disinvestment campaign in the U.S. has certainly had a pronounced educational effect on all the key players in the U.S.-South African equation.

The proposals accepted June 4 by the U.S. Senate would have the U.S. government strengthen the negotiating position of South African blacks by increasing scholarships for blacks and providing support for organizations actively opposing apartheid, and they would extend U.S. government loans and lending guarantees to black-owned businesses.

Those striving for evolutionary reform in South Africa are not so naive as to suppose that a vigorous process of bargaining between whites, other minority groups, and their increasingly activist black fellow citizens will be an entirely comfortable experience. But they believe that economic growth will not only make the process sustainable in removing the fear of many whites that negotiation is a game of "winners and losers" but will also offer a prize worth promoting moderation: a viable and expanding economy.

The impact of the disinvestment debate on the South African government is less easy to judge. Americans, accustomed to the difficulty of encouraging the Soviet Union, Poland, Cuba, and others to make reforms by means of sanctions, should by now understand that the most common political response to that threat is an assertion of sovereignty and noncompliance. Nicaragua is but the latest example.

This counterproductive side of pressure was demonstrated in President P.W. Botha's sternly inflexible performance when interviewed by Ted Koppel on ABC's "Nightline" in March.

The ruling National Party, faced by a sizable and vocal white right wing, cannot afford to be seen to be changing at America's behest. One ironic effect of the disinvestment threat from the US may well have been to encourage Pretoria to use more strong-arm tactics within Southern Africa.

The manifest absurdity of linking timetables for South African reform to the US election cycle compounds the concern that, as with the sports boycott, the target will be a constantly shifting one in which the confusion of motives and goals of the disinvestment lobby will encourage a constant upping of the ante. In this respect even the mildest of symbolic measures supposedly intended to "send a message to Pretoria" may turn out to open a back door to real and damaging disinvestment measures.

Blacks in South Africa, fragmented in many ways as they are, have pretty generally combined to oppose the Reagan administration's South African policy of constructive engagement, which they believe takes no account of their interests. Manipulating the moral imperative of Americans in the interests of resisting apartheid has become a goal common to black South Africans.

One of the most interesting cleavages, however, that may be observed in black South African reactions to disinvestment is the distinction often drawn between threat and reality. Many black trade unions, as willing as others to encourage the threat of disinvestment as a stick with which to belabor Pretoria, are ambivalent about the debate moving on to actual implementation of disinvestment of sanctions. That would conflict with the unions' interest in preserving or maintaining their power base, which can only be achieved if the South African economy is not damaged and continues to grow.

Economic growth has been a major factor in breaking down apartheid. In short, a rigid social, economic, and political order is incompatible with a modern industrial state. But political will is required to create an even more just and equitable society. In that respect, international pressure, if calculated on the basis of the limits of its leverage—although recognizing the potential for provoking a counterproductive defensive posture within South Africa—can act as an important spur.

Insofar as the United States has the capacity to influence developments in South Africa, it needs to do so with the long-term future of South Africa in mind. America's own historical experience should help US citizens understand that truism—and lead toward a policy aimed at strengthening black negotiating power, and not toward damaging a productive economic future which all South Africans are working to bring about.

[From the Washington Times, July 26, 1985]

THE SOUTH AFRICAN GOVERNMENT IS MAKING A GRAVE MISTAKE IN NOT INSISTING ON AN ANSWER TO THE QUESTION: WITH WHAT SHALL APARTHEID BE REPLACED?

(By William Rusher)

Watching developments—both good and bad—in South Africa, and the responses thereto in the United States and elsewhere, I am struck by the fact that South Africa is failing to make one extremely important point in its own behalf.

The typical discussion of South Africa and its problems, at least in the United States, opens with declarations by everyone present that South Africa's current policy of apartheid is "abhorrent," and then goes on to analyze some subordinate aspect of the problem: should the South African government release Nelson Mandela unconditionally? Should the United States bar further loans to South Africa by American banks? And so on.

Seldom, if ever, do the discussants pause to specify what ought to replace apartheid. For apartheid—meaning those laws that discriminate against blacks, and especially those that bar blacks from participating in the political process—cannot simply be abolished: it must be replaced by something else.

And I have come to the conclusion that the South African government is making a grave mistake in not insisting on an answer to the question: with what shall apartheid be replaced?

It is not a trick question, or an unanswerable one. In fact, there are dozens of possible answers to it, each with its adherents. But it is a difficult question, because every answer is, in one way or another, manifestly unsatisfactory.

The most clear-cut and sweeping answer, favored by many if not most South Africa blacks and many of South Africa's more extreme foreign critics, is summed up in the formula, "One man, one vote, in a unitary state." That is to say, simply confer the franchise on every adult citizen inside the present borders of the Republic of South Africa, regardless of race, and may the best man win.

This solution has at least the merit of simplicity, and is moreover the system followed (more or less) in most of the world's democratic societies. But South Africa is, without much question, the most piebald, polyglot society on earth: a nation in which a high European culture composed of 5 million English- and Dutch-descended whites, 2.5 million long-acculturated "coloureds" of mixed ancestry, and perhaps a million "Asians" of Indian descent, plus an indeterminate number of blacks, exists side by side with a numerically dominant group of primitive, tribalized blacks who 150 years ago possessed neither a written language nor the principle of the wheel.

I do not say that South Africa's American critics, if pressed, would refuse to argue that it should submit itself unconditionally to rule by this black majority. But I notice that they don't dwell on the subject any longer than they have to, and I am confident that they would lose, if they adopted such a position, a large portion of the sympathy the anti-South African cause enjoys in the United States, because most Ameri-

cans understand instinctively the inevitable and disastrous consequences of such a "solution." The implacable evolution of Robert Mugabe's Zimbabwe into a one-party tribal dictatorship is an object lesson to everyone.

Apartheid in its present form is not the answer, either—as the South African government fully recognizes. But, as noted earlier, there are other ways of assuring every citizen of South Africa full and equal participation in the political processes that affect his life—most of them involving drastic partition of the present republic, plus consensual processes for matters of common concern. That is the direction South Africa is heading in already—the only sensible direction in which it can head. If it meanwhile insisted on more candor from its critics, it would succeed in demonstrating both the true difficulty of its problem and the wisdom of its unfolding policy.

[From the Washington Times, July 26, 1985]

THE DANGEROUS SITUATION DOES NOT MEAN CONSTRUCTIVE ENGAGEMENT WAS OR IS WRONG; IT'S THE ONLY POLICY THAT HOLDS ANY HOPE FOR A JUST POLITICAL EVOLUTION

(By Smith Hempstone)

Events in mineral-rich, strategically located South Africa, where President P.W. Botha declared a state of emergency Sunday, are fast approaching a point of no return.

In September, Mr. Botha—a moderate reformer by the lights of his 2.8 million fellow Afrikaners—introduced a new constitution giving limited political rights to the country's 3.5 million people of Asian and mixed racial origin.

This new constitution, viewed as windowdressing by liberals of all races and as dangerously radical by conservatives among the country's 4.7 million whites, conceded nothing to the nation's 24 million blacks beyond the small, impoverished, nominally autonomous tribal homelands established in 1979. As a gesture toward the 8 million urban blacks, many of whom have never seen these homelands, Mr. Botha threw them the bone of 38 local black councils, giving them at least some control over municipal affairs.

Implementation of the new constitution came hand-in-hand with the deterioration of the economic situation of South Africa, which is engaged in an expensive war against Angola-based Namibian guerrillas.

South African blacks not only are politically disenfranchised but are, in the main, confined to the lowest rungs of the economic ladder. Three million blacks lack work in a nation where unemployment compensation is virtually unknown. Even those who have jobs find themselves losing economic ground in the face of a wave of inflation that this year will exceed 16 percent.

Growing discontent with overcrowded black schools and inadequate housing fueled the political flames ignited by the new constitution. In disorders during the 10 months since then, 443 people—all but one of them black—have lost their lives. In the past year, 27 black mayors (and 213 other municipal officials) resigned amid accusations they were serving the cause of white domination. Of the 38 black municipal councils established by Mr. Botha, only five are functioning toady.

The state of emergency declared by Mr. Botha, the first called in a quarter-century of racial turmoil, unleashes the full power of the state against dissidents in 36 South African cities and towns.

The authorities already had at their disposal a massive array of legal weapons. In addition to these, any police or army officer now may arrest without warrant and hold any person for questioning for up to 14 days, and such detention without trial may be lengthened indefinitely by ministerial order.

Premises can be searched and property seized without written authority. The names of those detained cannot be published, permitting the government to wage war against its critics in silence. Curfews can be imposed, and there is no legal redress against the authorities for acts committed by them in the districts to which the emergency applies.

The last South African emergency declared—after the Sharpeville riots of 1960—covered 83 districts and lasted 56 days (under present legislation, a state of emergency is limited to one year).

During those two months, the police detained 11,503 people. Several hundred dissidents of all races were arrested this week in a widespread police dragnet.

What many liberals fear—not entirely without reason—is that this time extreme right-wing elements within the army and police may seek an Argentine solution to South Africa's unrest: the secret elimination of thousands of the government's foes.

It goes without saying that the Reagan administration should warn President Botha that such a policy would have disastrous consequences for white rule in South Africa. In this respect, it ought to be noted in passing that the ill-considered action of the Senate and the House in passing economic sanctions against South Africa earlier this month—the president has yet to sign the bill—is not going to add to American leverage. Once you have imposed sanctions, the threat of so doing no longer exists.

Mr. Botha has indicated in the past that the present constitution is not graven in stone, that he is willing to work out with representative African leaders a new "constitutional dispensation" that will address the legitimate aspirations of urban blacks.

There are moderate black leaders still interested in power-sharing with South African whites rather than their subjugation—Zulu paramount chief Gatsha Buthelezi, for one—and President Ronald Reagan ought to employ the carrot and the stick to get Mr. Botha into serious negotiations with them right now.

The dangerous situation does not mean that Mr. Reagan's policy of "constructive engagement" with South Africa (rather than ostracism) was or is wrong. On the contrary, it is the only policy that holds any hope for a just and peaceful political evoloution, rather than a bloody revolution in which there would be many losers and almost no winners.

What it does suggest is that this policy has not been effectively implemented. This is no time for the American embassy in Pretoria to be leaderless. Ambassador Herman W. Nickel, who has been recalled for consultation, has indicated that he is uninterested in returning, and he ought to be replaced immediately. Assistant Secretary of State for African Affairs Chester Crocker has run out his five-year string, and also ought to go.

Both men did their best, but Mr. Botha's declaration of a state of emergency is a measure of their failure. It's time now for some new faces and innovative implementation of a policy that is fundamentally sound.

[From the Washington Times, Aug. 1, 1985]

ABHORRENT SYSTEM: BUT WHY DO BLACKS STILL COME THERE?

(By Joseph Sobran)

My urbane friend and colleague William Rusher notes the comically repetitive formula with which South Africa's racial system is routinely censured: one is required to use the adjective "abhorrent." I think "South Africa's abhorrent system of apartheid" must be the most frequently repeated phrase since "Polly want a cracker?"

Now, nobody feels compelled to refer to "the Soviet Union's abhorrent system of communism," even though that system is obviously far worse than apartheid. The first distinction between forms of government is not whether they are democratic or undemocratic, capitalist or socialist, or even free or unfree; it is whether they are bearable or unbearable.

Apartheid, whatever else it has done, has not driven blacks out of South Africa; on the contrary, South Africa, even with apartheid, attracts black immigration. South Africa has no equivalent of the Berlin Wall; it has no need, as communist systems do, to treat its people as captives who must be prevented from escaping. It is necessary to cling to such basic facts during the storms of propaganda.

So why do we make such a point of calling apartheid "abhorrent"? It's a matter of informal etiquette, like smiling and nodding while shaking hands. It's supposed to show our benevolence toward black people and our detestation—embarrassment, really—at the very idea of white rule.

The white man has been deeply embarrassed about white rule, or "colonialism," for a generation. But we can take this too far: Africa has paid dearly for the biracial mania for getting rid of white rule. The last 25 years have been bitter ones for such newly free African countries as Uganda, Nigeria, Angola, and Mozambique, to name a few.

An article in the Wall Street Journal mentions a farmer in Ghana, who performed a strange ritual before a reporter: He sprinkled a few drops of Scotch on the ground, as a sort of sacrifice, and began a chant. His son explained: "He's praying that the British will come back and make everyone rich."

An English friend of mine tells of a recent trip to Jamaica, which he found sadly dilapidated. He told a native that it was his first visit there since the '50s, when the British still ruled the island. "Ah," said the Jamaican, "the good old days"—then caught himself, embarrassed at what he had admitted. Another friend, just back from India, met an Indian who has a recurrent dream that the British have returned. When he wakes up and finds they haven't, he cries.

Touching stories. They undermine the myth that colonialism was purely evil. In fact no empire can endure unless it brings prosperity to its provinces, as the Roman and British empires did. White rule had its benefits, not because it was white, but because white men happened to be the vehicles of civilization and the rule of law, even when their motives were selfish. The tragedy is that the colonial peoples got their independence before they had fully absorbed the civilized tradition. The poor Ghanaian farmer who thinks the British can magically bring wealth makes the same mistake as the doctrinaire racist: He thinks race itself is the key. But civilized habits are slow to develop and easy to abandon, as the history of Europe in this century proves.

In their way, the liberated African nations have been the victims of an obsession with race. They thought that getting rid of white rule would solve all their problems; and they dispensed with the good institutions that the white man had brought. It was right and natural that they should want independence; it was shortsighted to throw away the rule of law.

The American Revolution succeeded because the Americans were fighting less to get free of England than to keep the traditional freedoms of Englishmen. They were fighting not to destroy, but to conserve.

South Africa has several free institutions that are likewise worth conserving: the rule of law, a market economy, an independent judiciary, a free press. These should be reformed to extend their benefits to blacks, not sacrificed to crude majority rule, especially if such rule would have the character of the murderous mobs who burn and hack to death suspected government informers.

In order to conserve, as Edmund Burke said, you must be able to reform. But to reform you must also know what to conserve. And there are few signs that most of the people who want to destroy the "abhorrent system" even realize that they have anything to lose. They may find out only when they have lost it. It would be a bitter irony if, a few years down the road. South Africa's blacks were praying vainly for the return of white rule.

SEEKING A QUICK FIX:
CAN IT BE ACHIEVED WITHOUT PATIENCE?
(By Raymond Price)

Confronted with a wrong, many Americans have a compulsive urge to do something about it, now. But in a sensitive, explosive situation, "now" can be the worst of times.

One of the wisest of Britian's colonial administrators, Sir David Trench, then governor-general of Hong Kong, commented to me nearly 20 years ago about what he saw as a characteristic flaw in American foreign policy. Americans, he said, "seem to have a passion for tying up all the loose ends. Out here, it's often better to leave a few loose ends dangling."

He was right. Patience with "loose ends" is particularly needed when engineering social transformations that pose irreconcilable conflicts among the vital interests of contending groups.

For example, South Africa.

In such a situation, time is needed not only to allay fears and modify attitudes, but also to alter those conditions that make the present circumstances so intractable.

America's new relationship with China, for example, was made possible by deliberately leaving loose ends untied: in particular, by a carefully crafted formula that deferred resolution of the Taiwan issue. Both sides have lived, however uncomfortably, with an understanding that recognizes the principle of one China (a principle that both Peking and Taipei proclaim) but accepts the present existence of two governments. The dramatic evolution of mainland China suggests that time will, in fact, bring a way to bridge the unbridgeable gulf. As conditions in China change, an eventual voluntary union, under terms that recognize a special status for the Taiwanese, seems increasingly possible.

Some will argue that the Taiwan analogy is irrelevant: that the Taiwan dispute is political, and therefore tolerable, while the problem in South Africa is one of racial oppression and therefore intolerable.

However, branding a situation "intolerable" does not create an alternative that will be both tolerable and achievable. The Soviet hold on Eastern Europe is intolerable, but we and the Eastern Europeans have tolerated it for almost 40 years. We fulminate against it, but we don't send NATO armies crashing across the East German frontier—and we don't break diplomatic relations with the Soviet Union. We learned tragically in Hungary in 1956 that encouraging rebellion when we were not in a position to assist that rebellion was, to put it gently, not helpful.

Short term, there simply is no way to restore freedom to Eastern Europe. Long term, there is hope that Eastern Europe will evolve toward freedom.

Tolerating the intolerable, for a time, can be the price of achieving the unachievable. In activities as diverse as love, baseball, politics, and show business, timing is crucial. So, too, in diplomacy. Conditions change. Rulers change. Systems change. Attitudes change. Interests change. What one party to a dispute finds unacceptable today, it may find acceptable tomorrow.

In South Africa, the conflict is not simply black vs. white. The country's whites are also divided, some protesting that the pace of reform is too fast, others that it is too slow. (The nation's most powerful business leader, Sir Harry Oppenheimer, is pressing for more reform.) And blacks as well as whites have cause to fear a too-precipitate change.

To see cause for fear, all they have to do is to look north. Africa is a continental catastrophe. In Uganda—where another coup has just ushered in another regime, promising like those before it to redress the sins of its predecessors—the 100,000 Ugandans killed by their government in recent years have been black, not white. Some had their legs chopped off and were forced to eat the flesh of their fellow prisoners before they themselves were put to death. In country after country, the post-colonial history of the continent has been a tragic chronicle of hopes betrayed, of cruelty, tyranny, corruption, and failure.

In the world's haste to press independence on the African colonies, it was politically easier to be on the side of immediate "change" than to insist on the patience to prepare the way for it, and to accept for a while a temporary wrong in order to achieve a permanent right. Hundreds of millions of black Africans today are paying a terrible price for that impatience.

South Africa is changing. It will continue to change. With luck, change may come at a pace that allows South Africans, black, white, "colored," and Asian alike, to evolve a genuinely multiracial society that preserves the country's strengths while correcting its shortcomings. But achieving this will require leaving some of the loose ends untied. And it will require time, patience, and forebearance, not only from South Africans, but also from the world.

IS UNITED STATES FOR FREEDOM IN AFRICA—OR NOT?

(By Maj. Gen. Henry Mohr (U.S. Army Ret.))

The Soviet Union and its surrogates are gaining a stranglehold on the continent of Africa. A very senior U.S. military officer told me not long ago, "The Russians are walking across the entire face of Africa, practically unopposed."

Yet, free access by all nations to southern Africa's vast storehouse of strategic minerals is critical.

South Africa's policies may not conform to all of our ideals. However, it wasn't long ago that we practiced slavery in the United States. Women did not have the right to vote. A young United States of America would not, in those days, have accepted criticism by other nations of its internal policies, as we are doing to South Africa. Change takes time.

Essentially the same objections being thrown at South Africa were heard earlier about the policies of Rhodesia. People condemned Rhodesia's government because they thought it ruled the predominantly black country with a small white minority.

However, in 1979, Rhodesia had three blacks in its government out of a total of four government leaders. But under international pressures, Rhodesia's government fell. It is now a captive nation—part of the Communist Empire—under the new name of Zimbabwe. We can take no pride in our part of this sorry chapter of history.

Vital U.S. security interests are at stake in Africa. Our only dependable allies on the southern part of the continent are the Republic of South Africa and the UNITA freedom fighters of Angola. Strangely, we are allowing—even helping—surround the fiercely independent nation of South Africa with lustful, Soviet-backed Marxist nations. By yielding to a United Nations decision to turn control of Namibia over to a left-wing terrorist faction called SWAPO, current U.S. policy seems headed toward isolating the anti-Communist freedom fighters of UNITA in Angola from outside support they desperately need. This would leave South Africa encircled on all sides, with its back to the sea.

Angola is partially under a Marxist government, supported by 25,000 or more Soviet-backed Cuban troops, East German secret police and North Koreans. Namibia has become the pawn of diplomats trying to negotiate some Cuban troops out of Angola, perhaps at the cost of Namibia's right to selfdetermination and UNITA's hope for a free Angola.

The "recognized" Communist government of Angola is virtually a city-bound prisoner of the anti-Communist UNITA freedom fighters. Almost with no help, UNITA controls more than half of Angola, and has established an efficient government, operating openly throughout much of the country.

Considerable financial support for the Angolan Marxists comes from U.S. industries, such as Gulf Oil, which have reached an "understanding" with Angola's Marxist government.

The Communists have help from the U.S. Congress, too. It passed the Clark Amendment, which prohibits the U.S. from providing aid to UNITA, just as Congress, in an equally wierd action, has cut aid to the Contras in Nicaragua.

Heroic Angolan resistance to Communism has continued for a decade. It may win, in the end. But the U.S. State Department and Congress have some explaining to do. Is the United States supporting freedom in Africa, or is it not? As of now, neither our record nor our actions, in Angola and Namibia seem consistent with announced U.S. policy.

IMPRESSIONS OF SOUTH AFRICA

1. The Republic of South Africa remains the most interesting country I have ever visited. This hasn't changed during my twenty

years of personal involvement—from a Foreign Area Specialist/Student at University of Witwatersrand in Johannesburg to this most recent visit. During this time I have travelled to all corners of this beautiful country and all the surrounding countries/areas as well: Rhodesia/Zimbabwe; Southwest Africa/Namibia; Basutoland/Lesotho; Bechuanaland/Botswana; Swaziland; Angola; and Mozambique/Maputo.

2. I have always felt that external political pressure and threats will accomplish only small changes in the policy of Apartheid. It just drives the Afrikaner ruling group tighter into a laager. For example, the South African armed forces 25 years ago were almost totally dependent upon western sources (allies) for military power. Today they are almost totally self sufficient, producing all the army, navy and air force equipment they need for modern operations. Because third world groups have called repeatedly in the UN for economic embargoes and oil embargoes (never implemented), South Africa is today near self sufficient for power supplies. Their core energy system is based upon the world's largest coal reserves—billions of tons—enough to last 400-500 years. Much of the country's transportation is electrified—powered by electricity from giant coal-burning thermal power plants. Their need for petroleum is largely met by the world's largest and most advanced Oil-from-coal complexes. The government-financed, privately owned, profit making industry is operated by South African Synthetic Oil Limited (SASOL). There are now three gigantic SASOL plants built on top of huge coal fields producing the entire range of petroleum products from coal. There are petroleum-derivative plants circling the basic operation which siphon off residuals to produce over 100 byproducts; chemicals; gases; and feedstock for plastics and fertilizers. These huge areas look like something from a science fiction movie.

3. In my estimation, the integration of South Africa society is still decades away. It will come and will be driven by economics. This is a modern, industrialized society coexisting with primitive tribal customs and beliefs. The catalyst for change is the absolute requirement (growing all the time) for a skilled work force. This has produced a large urban non-white population which has become highly skilled in administrative and technical positions. In this category are all of the Coloreds (2.5 million), Indians (1.0 million), and long term urban blacks (maybe 10 million). Outside this group are blacks living in tribal "homelands" totalling maybe 10 million. These tribes are not homogeneous, but are separated by language, beliefs, customs, and organization. The Zulus are the largest tribe, and by far the most dominant, aggressive group.

The importance of the non-white, skilled urban worker is illustrated by two examples in the heart of white-run industry. Armscor is a government industry which designs and builds, or procures, equipment, supplies, ammunition for the defense forces. Armscor uses extensive non-white labor in the most sensitive areas. There is equal pay for equal work. White supervisors who can't get along and work smoothly with non-whites are fired!

In SASOL, the last two plants were built in record time (six years) by a predominantly non-white labor force and are run today by a highly trained work force containing many nonwhite technicians in sensitive positions. Again there is equal pay for equal work. Non-whites in industrial/urban areas are now able to own/build houses as they can afford with the land secured by 99-year leases. Very attractive government loans are available to non-whites for home finance.

4. Does all of this justify apartheid? Of course not. Are all non-whites moving up economically and socially? Of course not. I'm just providing some evidence for my idea of how the future will develop.

5. The ruling whites are by no means united on how to handle the situation. Even the dominant Afrikaners are divided among themselves. Some basic, rending changes must occur in key areas before political power will begin to move to non-whites. Some of these changes are in the areas of education, rural Afrikaner power, and the Dutch Reformed Church. Changes are occurring at a rapid pace. However, they are happening as the ruling Afrikaners see the need, not as the outside world would desire.

6. Some interesting observations of change on this trip:

a. Black policemen with pistols on their hip at Jan Smuts Airport.

b. Black policemen in highway patrol cars unaccompanied by whites.

c. Colored and black combat units in the Armed Forces, pulling border/combat duty in Namibia and Angola. Black and colored officers and NCOs training along with whites at SADF schools.

d. An evening at the Pretoria (heart of Afrikanerdom) Rotary Club provided these observations: The very impressive President of this Rotary Club is William * * *, who is colored; I noticed several colored and Indian businessmen in the group of 100+; there were a number of blacks, including a gynecologist at my table.

e. During a long discussion with Peter Botha, general manager of Armscor, he described their drive for productiveness and efficiency in these terms: "We are one of the most efficient industrial operations in the world. We cannot afford skilled labor turnover. Our black technicians are paid equal pay for equal work. When we have what appears to be mediocre production it often traces to an unmotivated work group and this often traces to prejudiced, ineffective white supervision at the foreman level. We recently fired a long term white supervisor who ignored two warnings about mishandling black workers. We no longer mix black and white when we start a new line. We go all-white or all-black with black supervisors and find we have no trouble." These are interesting observations from a white manager of Armscor, producing weaponry to preserve the present system.

f. Military magazines and newspapers are giving prominant space to the performance of black units and individual soldiers.

g. There are blacks everywhere in the big cities like Pretoria, Johannesburg, Cape Town twenty-four hours a day. There is no preoccupation with security by the whites. Their homes are much less secure than those in Washington, D.C.

h. Advertising and product packaging is strongly aimed at the huge black urban market.

i. In Cape Province, people are mixed and rubbing shoulders in the parks, on the beaches, in stores, restaurants, transport, literally everywhere. Colored housing areas are adjacent to white housing areas—the houses are the same quality.

7. Is all this a justification for apartheid? Not at all. It illustrates that the white ruling group is caught in an inexorable movement based on economic power. The non-whites will gain political rights. But it will come according to interactions and pressures inside South Africa and will take another twenty years. Millions of non-whites in South Africa are part of the establishment and have something to lose, even though they are unhappy about carrying passbooks, lack of political rights, and all kinds of demeaning racially-based customs. They are the best judges of when and how to push, not outsiders who won't have to lead the charge. The non-whites can paralyze South Africa tomorrow by simply stopping work. They will use their power eventually. Changes may be relatively non-violent compared to U.S. history and they will come much more quickly than in the U.S. South Africa has been an independent country only since 1910 and ruled by the Afrikaners since 1948. It took the U.S. from 1783 until the Supreme Court decision of 1954 to legally eliminate racial discrimination.

8. As stated earlier, the Dutch Reformed Church is virtually a State Church. It is powerful and a center of conservatism. It has evolved an interpretation of the Bible which makes the Afrikaner Volk similar to the Jews, as chosen people of God. Without any real basis in the scriptures, the DRC has largely ignored the entire new testament message and derived a doctrine which justifies the white Volk mission to build the country and take God's message to the (inferior) natives who will at some vague time be modernized and christianized. To do this work, the DRC has created "daughter" churches to carry its unique gospel to the various non-white groups. The religious/psychological support provided by the DRC for apartheid must weaken over time for a more liberal society to evolve peacefully or even semi-peacefully.

PAUL PEARSON.

WASHINGTON, DC,
June 19, 1985.

SIR: As South Africans visiting your great country, we are writing to you because we are concerned about the campaign for punitive measures being waged against our country in the United States.

Like all Americans, we also feel that things have to change in South Africa to bring about a situation of equality of opportunity for all who live in South Africa, regardless of colour, race or creed, in every area of endeavour—political, social, economical and educational. What many Americans apparently do not realise is that things are changing and that the pace of change is accelerating.

We see this as a welcome development and would not like to see the pace of change being slowed down or brought to a halt. We fear that the campaign for disinvestment or sanctions will do just that: it will slow down the pace of change.

It will do far more than that: it will punish the wrong people—those who want to bring about change and those who need it most—namely South Africa's black population who will be hardest hurt in terms of unemployment and economic deprivation if the disinvestment campaign succeeds.

If anyone believes that the Whites of South Africa can be browbeaten into a more reasonable frame of mind by making the Blacks suffer more, he is sorely mistaken. Quite the opposite will happen. Sanctions, therefore, can only reduce the changes of peaceful change in South Africa.

It is supremely ironical that the sanctions campaign is taking place now of all times—when things really are beginning to change. It gives the impression that South Africa is

being punished for changing for the better. What South Africa now needs is encouragement—not punishment, if the changes that have stated are to continue and accelerate.

One of the main accusations directed at South Africa is that it is governed without the consent of the majority. How is it to be justified that the very people who make this accusation are now acting in exactly the same way? The vast majority of South Africans—all of the Whites, almost all of the Coloureds and Indians and most of the Blacks reject disinvestment or sanctions. A scientific survey conducted by Professor Laurence Schlemmer of the University of Natal shows that 75 percent of all black South African factory workers are totally opposed to disinvestment. They will feel it most, after all.

That being so, what right have Americans to ignore the wishes of the vast majority of South Africans and increase their hardship and suffering at no cost or suffering to the Americans themselves. It is simply too easy to expect other people to suffer while one sits back in unaffected affluence in the safety of a distant land.

If the pace of change in South Africa is to be helped and quickened, South Africa needs more investment—not less, more job opportunities—not less, more education—not less, and above all, more encouragement—not less. Only by such encouragement and constructive engagement can we achieve what all reasonable Americans and South Africans wish to see: a South Africa in which all the people share equitably in the government, decision-making and the wealth of the land. We all want the same result, but we as South Africans think the methods advocated by the protagonists of punitive measures now, will not help to achieve the desired result.

F.G. BACKMAN,
Dr. W.R. HOODS,
T.L. GOUNDEN,
C.R.E. RENCKEN.
Members of the President's Council on South Africa.

Mr. WEICKER. Mr. President, I wish to first of all pay my compliments to the managers of the bill, especially my good friend DICK LUGAR for doing such an outstanding job. I am proud of him.

Mr. President, this is a historic moment in the proud history of America standing up for her ideals.

On January 14, I stood in front of the South African Embassy on Massachusetts Avenue. I said that the conscience of America had begun to move and that action would come on behalf of freedom in South Africa when the American people demanded it. Only 7 months later we stand on this floor to give final congressional approval to legislation imposing significant economic sanctions against South Africa. Decades of tolerant silence by our Government had deadened our sensitivity to the plight of the oppressed of South Africa and lent tacit support to the regime which oppresses them. The passage of this bill shatters that silence. It is a testament to the character of the American people that they have rallied to the cause which is before us today.

Mr. President, passage of this bill is not an academic exercise. What we are attempting to do is make a positive contribution to a moderate process of change in South Africa. Black majority rule is inevitable in South Africa; it will come by evolution or revolution. It is the hope of all who have been involved in this legislation that it will strengthen moderate forces in the black community and encourage the minority government to enter into a sincere dialog. The alternative to such a course is a holocaust for South African blacks and whites. I only hope, Mr. President, that our action has not come too late.

I want to congratulate some of those who have placed a role in passage of this measure. Majority Leader ROBERT DOLE and Chairman LUGAR have provided a timely and fair process through which the Senate could work its will. Senators PROXMIRE, CRANSTON, PELL, ROTH, DODD, MCCONNELL, and MATHIAS made valuable contributions to the drafting of this bill. Our colleagues on the House side, Congressmen GREY, BERMAN, WOLPE, and others built an overwhelming bipartisan consensus for H.R. 1460. But perhaps the greatest debt of gratitude is owed to the Senator from Massachusetts [Mr. KENNEDY]. His trip to South Africa focused the attention of the Nation on this matter. We have all been inspired by his passionate advocacy for an American policy worthy of her ideals and history.

Mr. President, on behalf of Senator KENNEDY and myself, I move to table the conference report, and I hope that everybody on this floor will soundly and roundly defeat Senator KENNEDY and myself.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Connecticut [Mr. WEICKER].

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. GOLDWATER] and the Senator from Idaho [Mr. SYMMS] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Mississippi [Mr. Stennis] is necessarily absent.

The PRESIDING OFFICER (Mr. STENNIS). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 0, nays 97, as follows:

[Rollcall Vote No. 168 Leg.]

NAYS—97

Abdnor	Bentsen	Boschwitz
Andrews	Biden	Bradley
Armstrong	Bingaman	Bumpers
Baucus	Boren	Burdick
Byrd	Hatfield	Murkowski
Chafee	Hawkins	Nickles
Chiles	Hecht	Nunn
Cochran	Heflin	Packwood
Cohen	Heinz	Pell
Cranston	Helms	Pressler
D'Amato	Hollings	Proxmire
Danforth	Humphrey	Pryor
DeConcini	Inouye	Quayle
Denton	Johnston	Riegle
Dixon	Kassebaum	Rockefeller
Dodd	Kasten	Roth
Dole	Kennedy	Rudman
Domenici	Kerry	Sarbanes
Durenberger	Lautenberg	Sasser
Eagleton	Laxalt	Simon
East	Leahy	Simpson
Evans	Levin	Specter
Exon	Long	Stafford
Ford	Lugar	Stevens
Garn	Mathias	Thurmond
Glenn	Matsunaga	Trible
Gore	Mattingly	Wallop
Gorton	McClure	Warner
Gramm	McConnell	Weicker
Grassley	Melcher	Wilson
Harkin	Metzenbaum	Zorinsky
Hart	Mitchell	
Hatch	Moynihan	

NOT VOTING—3

Goldwater	Stennis	Symms

So the motion was rejected.

CLOTURE MOTION

Mr. DOLE. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the conference report on H.R. 1460, the Anti-Apartheid Act of 1985.

Lowell Weicker, Nancy Landon Kassebaum, Arlen Specter, Dave Durenberger, Bill Cohen, Bob Dole, John H. Chafee, John Danforth, Al Simpson, Daniel J. Evans, Rudy Boschwitz, Bob Packwood, John Heinz, Frank Murkowski, Charles McC. Mathias, and Mark Andrews.

The following proceedings occurred subsequently:

Mr. DOMENICI. Mr. President, on behalf of the majority leader, I ask unanimous consent that for the purpose of rule XXII, the Senate be deemed to be in session on tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOMENICI. Further, I ask unanimous consent that at 1 p.m. on Monday, September 9, 1985, there be 3 hours of debate on the conference report to accompany H.R. 1460, to be equally divided; that following the conclusion of the debate, at 4 p.m., the Senate proceed to vote on the cloture motion on the conference report on H.R. 1460.

Mr. BYRD. Mr. President, reserving the right to object, and I will not object, will the distinguished Senator

indicate the parties between whom the time will be equally divided?

Mr. DOMENICI. The majority leader and the minority leader or their designees.

Mr. BYRD. I have no objection.

Mr. DOMENICI. Finally, I ask unanimous consent that the mandatory quorum under rule XXII be waived.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I yield to the Senator from Connecticut.

Mr. WEICKER. Mr. President, I ask unanimous consent that remarks I will make in explaining this parliamentary maneuver be included right after the tabulation of the vote so I do not have some Democratic opponent in 1988 waving this in front of me saying that I was for apartheid. A little explanation, I think, is in order.

It was my intention in moving to table the conference report to put the Senate on record on this issue before we recess. I regret that a small number of Senators have chosen to prevent final Senate action tonight, but as this vote indicates, there is overwhelming support for this conference agreement. I look forward to its passage in September by a strong bipartisan vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, let me indicate I am pleased the Senator has made his announcement for 1988.

UNANIMOUS CONSENT REQUEST

Mr. KENNEDY. Mr. President, I wonder if the majority leader would yield to me to propound a brief unanimous-consent request?

Mr. DOLE. Yes; Mr. President.

Mr. KENNEDY. Mr. President, I ask unanimous consent that we have a vote on the passage of the conference report on South Africa at 9 o'clock tonight.

Mr. HELMS. Objection, Mr. President.

The PRESIDING OFFICER. Objection is heard.

Mr. KENNEDY. I ask unanimous consent that we have it at 10 o'clock to-night.

Mr. HELMS. I object, Mr. President.

The PRESIDING OFFICER. Objection is heard.

Mr. KENNEDY. I ask unanimous consent that we have it before we go into recess.

Mr. HELMS. I object, Mr. President.

The PRESIDING OFFICER. Objection is heard.

ADJOURNMENT OF THE TWO HOUSES FOR THE AUGUST RECESS

Mr. DOLE. Mr. President, for the information of all Senators, it is the intention of the majority leader to bring the Senate back in session on Monday, September 9, 1985, at 12 noon. With that statement, I ask unanimous consent that the Senate now turn to the consideration of House Concurrent Resolution 179, the adjournment resolution.

The PRESIDING OFFICER. The clerk will state the resolution.

The legislative clerk read as follows:

A resolution (H. Con. Res. 179) providing for a conditional adjournment of the House from August 1 or 2 to September 4, 1985, and a conditional adjournment of the Senate from August 1 or 2 to September 4 or 9, 1985.

Mr. BYRD. Mr. President, will the clerk read the rest of the resolution.

The legislative clerk resumed reading of the resolution:

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, August 1, 1985, or on Friday, August 2, 1985, pursuant to a motion made by the Majority Leader, or his designee, in accordance with this resolution, it stand adjourned until 12 o'clock meridian on Wednesday, September 4, 1985, or until 12 o'clock meridian on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first, and that when the Senate adjourns on Thursday, August 1, 1985, or on Friday, August 2, 1985, pursuant to a motion made by the Majority Leader in accordance with this resolution, it stand adjourned until 12 o'clock meridian on Wednesday, September 4, 1985, or until 12 o'clock meridian on Monday, September 9, 1985, pursuant to a motion made by the Majority Leader, or until 12 o'clock meridian on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution whichever occurs first.

SEC. 2. The Speaker of the House and the Majority Leader of the Senate, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and the Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

The Senate proceeded to consider the resolution.

Mr. BYRD. Mr. President, I thank the clerk. I merely want the Senate to know that under section 2 the leadership of the two Houses is empowered by this resolution to call the Congress back into session if need be.

Mr. DOLE. I thank the distinguished minority leader.

I ask unanimous consent that the mandatory rollcall vote required by 2 U.S.C. section 198 be waived.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

The question is on agreeing to the resolution.

The concurrent resolution (H. Con. Res. 179) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to

FIRST CONCURRENT BUDGET RESOLUTION FOR FISCAL YEARS 1986, 1987, AND 1988—CONFERENCE REPORT

Mr. DOLE. Mr. President, I understand we can now start the debate on the budget resolution. We do not have the papers yet, but we are going to make the same speeches with or without the papers. It will save us some time. I have a number of Members who have commitments later on this evening. We would like to complete our work this evening and that will begin the August recess. I have asked the distinguished chairman of the Committee on the Budget, who is prepared, to make his opening statement, and the distinguished Democratic leader of the Budget Committee [Mr. CHILES] who suggested this procedure.

I hope there is no objection to at least having statements made. We have been debating the budget for 6 months. I would think it could be something we could dispose of in a fairly short time this evening.

Mr. BUMPERS. Mr. President, will the majority leader tell us if we can have a time agreement on the budget conference report?

Mr. DOLE. I say to my friend from Arkansas that I thought about a time agreement. There was some hope we might have gotten the papers first, but we decided not to pursue a time agreement.

As I understand it, under the Budget Act, we can, without debate, move to shorten the time. I hope that is not necessary. Many of us are prepared to vote right now—we do not have the papers, but without a lot of debate.

I think both Senator DOMENICI and Senator CHILES can respond to questions and others who are opposed to it want to be heard. I think we would save some time if we started now on an informal basis.

Mr. BUMPERS. Is that going to be the end of the legislative agenda when we finish with this?

Mr. DOLE. When this vote is taken, you are safe. The country is safe.

Mr. DOMENICI. Mr. President, I am authorized to announce on behalf of the majority leader that he has two schedules for reconvening: Those who talk tonight come back on September 4; those who do not talk will come back on September 9. I guess that means I am going to have to come back on September 4. But clearly, I am not going to talk very long.

As a matter of fact, Mr. President, I believe the House is voting now and we should have the papers shortly. I do want Senators who are not present and who might be listening to know that we do not intend to debate this

matter very long. We have been at it so long that if the rest of my colleagues are not tired, I certainly am. But I am prepared for those who would like to inquire, either generally or specifically, what we propose in this budget resolution.

(Later the following occurred:)

Mr. DOMENICI. Mr. President, while we have been debating the budget resolution that has not been called up, I ask unanimous consent to proceed to the conference report on Senate Concurrent Resolution 32, the first concurrent resolution on the budget for fiscal year 1986.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

FIRST CONCURRENT RESOLUTION ON THE BUDGET

Mr. DOMENICI. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate Concurrent Resolution 32.

The PRESIDING OFFICER laid before the Senate the message from the House of Representatives.

(Conclusion of later proceedings.)

Mr. DOMENICI. Mr. President, I rise tonight in support of the conference report on Senate Concurrent Resolution 32, the first concurrent budget resolution for fiscal years 1986, 1987, and 1988.

That this conference report even comes to the Senate tonight, in my opinion, is a minor miracle. I must admit to my colleagues that I had serious doubts during this entire year about the possibility that we could get a budget resolution at all. As I said when we brought this budget to the floor of the Senate this past spring, the Senate Budget Committee performed an improbable legislative feat when it passed out, by 1 vote, a budget for this year.

I must admit that at times, I was pessimistic about the possibility of getting a budget for the Nation, a budget with real deficit reduction, but against what I consider to be overwhelming odds and overcoming a series of well-publicized events that I need not reiterate because they are well known personally by many and vicariously by everyone because of the publicity that surrounded them, but that would have doomed most other efforts, the Senate conferees are proud to bring to our Chamber tonight a conference agreement on the budget for the next 3 years to come.

This conference report contains the largest deficit reduction effort ever undertaken by the Congress. In fact, for those who want comparisons, it is the largest deficit reduction effort in the history of the Congress. That does not mean it ought to satisfy everyone, because we have a very strange situation. While this deficit reduction package is the largest, the deficits that they apply to are also the largest ever and clearly, the deficits that remain after this deficit reduction package will be extremely large in the opinion of the Senator from New Mexico for these times. It will save more than $276 billion from projected deficits during the next 3 years. Not even in the famous reconciliation effort of 1981 has the Congress been able to cut deficits by such a large amount at one fell swoop.

This conference report will reduce deficits in fiscal year 1986 alone by $55.5 billion. If the recommendations and mandates of this conference report are accepted and implemented entirely by the Congress, we will have deficits using the economics we started with some 3 months ago, of $112 billion by fiscal year 1988. This compares favorably to the goal this Senate set for itself 4 months ago of getting the 1988 deficit down to $100 billion.

I am not telling you that is what they will be; I am telling you that based upon this format, and this set of assumptions, that is what they are. Indeed, they could be substantially higher if any of the major economic components vary from those that we assumed.

Mr. President, at this time I ask unanimous consent that a table which summarizes the components of the deficit reduction portion of this conference report be made a part of the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COMPONENTS OF CONFERENCE SUBSTITUTE

[In billions of dollars]

	Fiscal year—			Total 1986 to 1988
	1986	1987	1988	
SBC baseline deficit	227.4	244.7	243.6	715.7
Revenue increases	−3.0	−5.1	−7.6	−15.7
Outlay reductions:				
Defense	−27.5	−45.2	−64.6	−137.3
Nondefense	−22.3	−30.3	−40.3	−92.8
Debt service savings	−2.7	−9.4	−18.2	−30.3
Total deficit reduction	−55.5	−90.0	−130.7	−276.2
Deficit in conference substitute	171.9	154.7	112.9	439.5

Note.—Details may not add to totals due to rounding.

Mr. DOMENICI. Mr. President, the Senate-passed version reduced the deficit by $56.2 billion in the first year and had a $295 billion overall deficit reduction over the next 3 years.

Lest I give a false impression, let me say that I agree with almost everyone in this Chamber, whether they vote for or against this resolution, who would conclude that we should do more. This is merely a second step following last year's first step in what will be a long road toward balancing this Nation's fiscal accounts. And if major components of the fiscal budget continue to be left off the negotiating table, either by the Congress or by the President of the United States, then the road will indeed be very long. At least that is the opinion of the Senator from New Mexico.

The Senate conferees in a bipartisan move offered a much larger package of deficit reduction. One would have reduced it by $338 billion from the projected deficit in the next 3 years. It contained adjustments in the cost-of-living increases for Federal pension programs, modest revenue increases, and more domestic reforms than what I bring to you today. I believe that this Senate would have approved such a bold plan, but unfortunately, as all of us know, the White House and House of Representatives had serious problems with some of the elements in that package. I have said before that I think it was the best package and far better than what we have now.

But whether it is a mistake or not, it was rejected by those who have much to say about what we can do. Thus, many of those ingredients are not on the table. I think we have done the best we can with what is there, so all of that is history and hindsight and I do not want to dwell on it tonight. The fact is that the conference report which I bring to the Senate is the best that can be done under the circumstances. We were able to get more savings than we expected from the House conferees and we were able to impose more reconciliation than we thought. In this regard I would point out that this conference report mandates $67.1 billion in reconciliation spending savings, $8.4 billion in reconciled revenues. Those reconciliation savings will put almost every committee in the U.S. Senate to work upon their return to make some changes in the legislation that they have within their jurisdiction.

Some are entitlements, others direct spending, and yet others are authorizing legislation which would reduce the level that the appropriators are authorized to spend. It will not be easy. We will probably have a conference when both bodies do their work, a conference at which 250 to 300 Members of both bodies combined will be spread into a number of conferences to work out that bill.

Although that will be onerous, many of us think it is the most significant part of this budget and the most significant tool to force policy changes on the Congress of the United States, both in the House and the Senate.

I ask unanimous consent that a table summarizing these reconciliation savings made by the Senate committee be printed in the RECORD at this time.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SUMMARY OF RECONCILIATION SAVINGS BY SENATE COMMITTEE

[In millions of dollars]

Senate committee	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988		Total fiscal year 1986–88	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Agriculture, Nutrition, and Forestry		−1,250		−2,050		−4,600		−7,900
Armed Services		−100		−200		−300		−600
Banking, Housing, and Urban Affairs	−2,374	−2,814	−2,828	−3,685	−2,998	−3,821	−8,200	10,320
Commerce, Science, and Transportation	−328	−310	−133	−119	−135	−130	−596	−559
Energy and Natural Resources	−5,485	−5,403	−291	−147	−337	−314	−5,531	−5,570
Environment and Public Works		−200		−850		−1,050		−2,100
Finance		−3,307		−7,951		−10,908		−22,166
Governmental Affairs		−3,219		−4,421		−4,986		−12,626
Labor and Human Resources	−670	−170	−860	−535	−1,085	−960	−2,615	−1,665
Small Business	−448	−509	−564	−972	−1,060	−998	−2,072	−2,479
Veterans' Affairs	−300	−300	−400	−400	−450	−450	−1,150	−1,150
Total reconciliation (spending)	−9,605	−17,582	−4,494	−21,036	−6,065	−28,517	−20,164	−67,135
Total reconciliation (revenues)		+1,800		+3,000		+3,600		+8,400

RECONCILIATION SAVINGS BY SENATE COMMITTEE

[In millions of dollars]

Function and committee program	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988		Total fiscal year 1986–88	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Agriculture, Nutrition, and Forestry:								
350—Reform farm programs		−1,250		−2,050		−4,600		−7,900
Armed Services:								
600—Reform military retirement		−100		−200		+300		−600
Banking, Housing, and Urban Affairs:								
370—Reduce and reform Farmers Home Administration rural housing programs	−1,585	−1,091	−2,046	−1,765	−2,113	−1,834	−5,744	−4,690
450—Terminate Section 108 loans	−4	−12	12	−46	−62	−78	−54	−136
600—Forgive debt service payment for certain public housing projects	−497	−1,567	−467	−1,567	−463	−1,567	−1,427	−4,701
600—Reduce public housing operating subsidies	−288	−144	−327	−307	−360	−342	−975	−793
Total, Banking, Housing and Urban Affairs Committee	−2,374	−2,814	−2,828	−3,685	−2,998	−3,821	−8,200	−10,320
Commerce, Science, and Transportation:								
370—Miscellaneous small reductions	−9	−6	−13	−11	−14	−13	−36	−30
400—Eliminate local rail service assistance	−19	−4	−20	−8	−21	−17	−60	−29
400—Allow construction differential subsidy paybacks	−200	−200					−200	−200
400—Levy Coast Guard user fees	−100	−100	−100	−100	−100	−110	−300	−300
Total, Commerce, Science, and Transportation Committee	−328	−310	−133	−119	−135	−130	−596	−559
Energy and Natural Resources:								
270—Reduce funding for strategic petroleum reserve oil acquisition and related facilities construction	−1,471	−1,389	−1,185	−1,329	−1,335	−1,312	−3,991	−4,030
270—Increase Federal Energy Regulatory Commission fees	−14	−14	−28	−28	−31	−31	−73	−73
950—OCS leasing changes	−4,000	−4,000	1,504	1,504	1,029	1,029	−1,467	−1,467
Total, Energy and Natural Resources Committee	−5,485	−5,403	291	147	−337	−314	−5,531	−5,570
Environment and Public Works:								
400—Reduce federal-aid highway programs		−200		−850		−1,050		−2,100
Finance:								
550—Reduce medicaid outlays		−80		−180		−190		−450
570—Reduce medicare outlays		−2,454		−3,452		−4,949		−10,855
600—Increase Pension Benefit Guarantee Corporation insurance premiums		−300		−300		−300		−900
800—Levy Customs Service user fees		−473		−473		−513		−1,479
850—Terminate general revenue sharing beginning in FY 1987				−3,526		−4,956		−8,482
Total, Finance Committee (spending)		−3,307		−7,951		−10,908		−22,166
Total, Finance Committee (revenues)		+1,800		+3,000		+3,600		+8,400
Governmental Affairs:								
370—Reform postal subsidies		−123		−161		−198		−482
550—Federal employees health benefits program rebates		−800		−300				−1,100
920—Freeze federal civilian agency pay in FY 1986 and permanently shift effective date for pay raise to January		−1,232		−2,120		−2,557		−5,909
920—Freeze DOD civilian pay in FY 1986 and permanently shift effective date for pay raise to January		−904		−1,600		−2,061		−4,645
920—2,087-hour work year		−160		−160		−170		−490
Total, Governmental Affairs Committee		−3,219		−4,421		−4,986		−12,626
Labor and Human Resources:								
500—Reform guaranteed student loans	−100	−100	−250	−250	−450	−450	−800	−800
920—Change in overtime provision (Walsh-Healey)	−570	−70	−610	−285	−635	−510	−1,815	−865
Total, Labor and Human Resources Committee	−670	−170	−860	−535	−1,085	−960	−2,615	−1,665
Small Business:								
370—Reform Small Business Administration business assistance	−448	−380	−564	−551	−601	−541	−1,613	−1,472
450—Reform Small Business Administration disaster assistance programs		−129		−412	−459	−457	−459	−1,007
Total, Small Business Committee	−448	−509	−564	−972	−1,060	−998	−2,072	−2,479
Veterans' Affairs:								
700—Reform Veterans Administration programs	−300	−300	−400	−400	−450	−450	−1,150	−1,150

Mr. DOMENICI. I urge that those committees having jurisdiction, as indicated on the table that I have just inserted, be ready for their activities in the month of September because they will be charged with making changes in the laws within their jurisdiction to the tune and to the extent in dollars stated in each of the 3 years in the table which I have just inserted.

Let me talk for just a few moments as my last thoughts here.

I have heard some say that the budget process is not producing enough or that it cannot produce enough on time or that it is not getting deficits lower. I regret to say that, in my humble opinion, such talk ignores some realities, realities that some would like us to forget. We cannot ask the process to do more, whether it be the appropriation process, the budget process, the authorizing process, or any other. We cannot ask any of them to do more than the membership of this body and the other body is willing to do. When revenues and true entitlement changes were taken off the table during this conference, no process, no matter how ingenious, could have produced the savings that were lost.

We must be mature in our judgment. If the Congress will not act to cut deficits more, then no process will make up for that lack of will. If the President will not cooperate in areas that are absolutely vital for his support, then no Congress can be asked to do more.

The budget process brings the Senate tonight a realistic reflection of the collective judgment of the House and the Senate. And I say to those who want to do more that there is nothing in this resolution that precludes you from doing more. If you can find some way in the next 3 months as appropriation bills come, as authorizing bills come, as the debt limit rears its face in 2½ months, if you can find ways to do more and get 51 votes here and work its will on the U.S. House and get it signed by the President of the United States, I encourage you to try. I think there are a few items on which I would not join you if you make such an effort. I do not think very many of them will work, or at least I do not think they will work as well as the savings we are going to get here tonight when this budget is implemented. If we do nothing but rely on those other approaches, it is my honest opinion that we will get confusion, chaos, all kinds of bottlenecks, and when you add it up at the end of the year, I am not so sure you will come even close to these savings.

So it appears to me once again that this is realistic; it is the best we can do. Regardless of the system, regardless of the process, when we have the kind of activity that has taken place in the last 2½, 3 months with what we are left with on the table, I compliment the conferees from the House and the Senate and hope the Senate will pass this resolution.

Let me close with some specific information in some major areas. First, the Senate prevailed in the defense budget authority issue. Our numbers on budget authority are before us now, those that we voted in here that historic night when we passed the real courageous budget resolution. This conference report incorporates the Senate's authority levels and the estimated House levels for outlays in each of the 3 years for function 050, the defense function. This result validates the defense authorization bill that the Senate overwhelmingly approved earlier this week. I hope later to provide specific information on programmatic levels to the Senate but I do believe that for the time being, detailed reconciliation summaries that I have inserted in the RECORD should help Senators who wish to understand the very detailed assumptions that are made in this budget.

I also at this point ask unanimous consent that two charts, "Change From Senate Budget Committee Baseline" and "Change From Senate-Passed Budget Resolution" in each of the functions of Government, be made a part of the RECORD for the information of the Senate and those who use the CONGRESSIONAL RECORD.

And I ask unanimous consent to insert at this point a letter from the National Federation of Independent Businessmen supporting the budget resolution.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

CHANGE FROM SBC BASELINE

[In billions of dollars]

	Fiscal year 1985		Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Function:								
050 National Defense	0.01	−2.60	−31.14	−27.48	−48.51	−45.17	−74.62	−64.58
150 International Affairs	.54	−.57	−2.98	.74	−3.82	−1.20	−4.62	−2.23
250 General Science and Space	.00	−.03	−.05	−.06	−.31	−.25	−.34	−.41
270 Energy	−1.01	−1.42	−2.19	−1.89	−2.12	−2.25	−2.61	−2.56
300 Natural Resources	.48	−.03	−.29	−.24	−.49	−.51	−.89	−.64
350 Agriculture	2.25	2.30	−2.26	−2.27	−3.29	−3.75	−4.90	−6.62
370 Commerce & Housing Credit	−.02	−.13	−2.22	−1.63	−2.92	−2.63	−3.15	−2.78
400 Transportation	.09	−.05	−3.36	−2.40	−2.20	−2.14	−2.38	−2.71
450 Comm. & Reg. Development	−.07	−.30	−1.09	−.29	−1.50	−1.27	−2.13	−1.92
500 Ed., Empl., & Soc. Svcs	.46	.11	−.73	−.40	−1.13	−1.05	−1.45	−1.34
550 Health	.03	.03	−.33	−1.04	−.63	−.78	−.75	−.62
570 Medical Insurance	.25	.69	−.84	−2.49	−1.03	−3.47	−1.22	−4.98
600 Income Security	1.40	.05	−4.29	−4.17	−4.83	−5.06	−4.58	−4.76
650 Social Security	3.17	−.31	−.02	.00	−.02	−.14	−.02	−.35
700 Veterans Benefits	.19	.05	−.29	−.30	−.63	−.53	−.77	−.78
750 Administration of Justice	.17	−.04	.05	.06	.07	−.06	−.07	.04
800 General Government	−.04	−.09	−.50	−.48	−.76	−.72	−.77	−.78
850 Gen. Purpose Fiscal Asst	.00	.00	.00	.00	−4.77	−3.52	−4.99	−4.93
900 Net Interest	−.53	−.53	−.89	−.89	−6.88	−6.88	−14.88	−14.88
920 Allowances	.21	−.31	−3.29	−2.88	−4.83	−4.70	−5.35	−5.44
950 Undist. Offsetting Rcpts	−.03	−.03	−4.37	−4.37	1.02	1.02	.16	.16
Total	7.54	−3.22	−61.09	−52.49	−89.60	−84.94	−130.20	−123.10
Revenues				3.00		5.10		7.60
Deficit		−3.22		−55.49		−90.04	—	−130.70

CHANGE FROM SENATE-PASSED BUDGET RESOLUTION

[In billions of dollars]

	Fiscal year 1985		Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Function:								
050 National Defense	0.00	−2.60	0.00	−6.00	0.00	−6.90	0.00	−9.10
150 International Affairs	−.60	−.80	.10	1.05	−.30	.20	−.80	−.25
250 General Science and Space	.00	.00	.00	−.10	.05	.10	.00	.00
270 Energy	−.70	−1.00	.70	.45	.65	.55	.05	.25

CHANGE FROM SENATE-PASSED BUDGET RESOLUTION—Continued

[In billions of dollars]

	Fiscal year 1985		Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
300 Natural Resources	.40	−.10	.90	.50	.60	.35	.35	.45
350 Agriculture	2.20	2.30	1.10	1.05	.00	.45	−.80	.85
370 Commerce and Housing Credit	.00	−.10	.90	.30	2.10	1.15	1.75	.10
400 Transportation	−.20	−.10	−.35	−.30	1.00	.00	2.45	.70
450 Comm. & Reg. Development	−.10	−.30	.35	.15	.20	.20	.10	.15
500 Ed., Empl., & Soc. Svcs	.50	.10	1.45	.55	1.65	1.45	1.65	1.70
550 Health	.00	.00	.30	−.40	.20	.00	.30	.40
570 Medical Insurance	.20	.70	−.40	.90	−.60	1.60	−.60	2.20
600 Income Security	1.70	.30	−.30	2.45	−1.15	3.60	−1.50	4.90
650 Social Security	3.20	−.30	−.20	5.90	−.75	8.10	−1.50	8.10
700 Veterans Benefits	.20	.10	.75	.70	.75	1.05	.70	.95
750 Administration of Justice	.10	−.10	.10	.10	.15	.10	.20	.15
800 General Government	−.10	−.10	.20	.25	−.10	.00	.00	−.05
850 Gen. Purpose Fiscal Asst	.00	.00	.00	.00	.00	.00	.00	.00
900 Net Interest	−.50	−.50	.00	.00	.40	.40	1.10	1.10
920 Allowances	.20	−.30	−.50	−.05	−.40	−.10	−.10	.00
950 Undist. Offsetting Rcpts	.00	.00	−4.90	−4.90	.70	.70	.20	.20
Total	6.50	−2.80	.20	2.60	5.15	13.00	3.55	12.80
Revenues		0.30		2.10		3.10		4.20
Deficit		−3.10		0.50		9.90		8.60

NATIONAL FEDERATION
OF INDEPENDENT BUSINESS,
August 1, 1985.

Hon. PETE V. DOMENICI,
Chairman, Senate Budget Committee, Washington, DC.

DEAR CHAIRMAN DOMENICI: On behalf of the membership of NFIB, comprising more than 500,000 small and independent businesses, I am writing you to indicate our support for the budget compromise the Budget Conferees have apparently worked out.

Earlier in the year NFIB set out five basic requirements for a budget proposal we could support. Using polls of our members as guidelines, we defined the following budget criteria: (1) deficit reduction of at least $50 billion in fiscal year 1986; (2) no new taxes; (3) a freeze on defense; (4) a freeze on Social Security COLAs; (5) preservation of an independent SBA. The budget you have achieved meets four out of these five criteria and therefore warrants our support.

While we congratulate you for your hard efforts, NFIB urges you to continue working toward two basic goals. First, we hope you will encourage your colleagues to pass authorizations on unreconciled portions of the budget as close to budget guidelines as possible. Second, we hope that the savings effected by this budget will be a first step in the long term project of balancing the budget. Efforts by the Congress to examine strategies for achieving this goal, and to reduce our huge national debt, will be of great benefit to our country and its economy.

Once again, NFIB commends you for your efforts and is pleased to support the Conference Report as a "Key Small Business Vote".

Sincerely,

JOHN J. MOTLEY III,
Director of Federal Legislation.

Mr. DOMENICI. Mr. President, I believe that we, as Senators, fail to say a word of encouragement, to give a pat on the back, or simply to say, "Thank you," to those without whose help this legislative process would not work. I am speaking about our staffs, who put in long hours to make all of us look good and to make sure we know what we were doing.

I believe, with some obvious parochial pride, that we have as good a staff as there is on Capitol Hill, and in this case they have gone beyond the call of duty. Because we have been through so many different budgets that were on and off, that their work has been extremely difficult and the quantity has been astronomic.

I ask unanimous consent that the names of the majority staff of the Senate Budget Committee, with their positions, be printed in the RECORD at this point.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

Stephen E. Bell, Staff Director.
William Hoagland, Deputy Staff Director.
Susan Yurko, Special Assistant to the Staff Director.
Carla Garcia Voight, Secretary to the Staff Director.
Judee Klepec, Secretary to the Deputy Staff Director.
Suzanne Watson, Correspondence.
Carole McGuire, Director of Appropriations Activities.
Patricia Niffinegger, Secretary and Analyst for Appropriations Activities.
Theresa Flynn, Temporary Secretary for Appropriations.
Nell Payne, Counsel.
Chuck Konigsberg, Staff Attorney.
Elise Paylan, Budget Analyst.
Gabriella Carducci, Legislative Coordinator.
Catherine Woods, Secretary for Legal Group.
Sidney Brown, Chief of Budget Review.
Sue Nelson, Senior Analyst for Budget Review.
Anne Miller, Analyst for Budget Review.
Tom Foxwell, Director of Publications.
Roy Smith, Assistant to Director of Publications.
Buck White, Assistant to Director of Publications.
Gail Fosler, Chief Economist.
Cheri Janas Reidy, Economist.
John Rand, Economic Analyst.
David Nummy, Senior Analyst for Tax Policy.
David Malpass, International Economist.
Susie Fish, Secretary for Economics.
Jan Lilja, Senior Analyst for Human Resources Group.
Michael Carozza, Analyst for Income Security.
Anthony McCann, Analyst for Health Programs.
Margo Miller, Analyst for General Purpose Fiscal Assistance, Community and Regional Development and Employment and Training.
Michelle Mrdeza, Analyst for Veterans Programs.
Virginia Pounds, Legislative Tracker and Research Assistant.
Lorrie Tainter, PMI.
Carolyn Willis, Secretary for Human Resources.
Deborah Swartz Lipman, Senior Analyst for Natural Resources Group.
Austin Smythe, Analyst for Energy & Natural Resources and Environment.
Linda Crowl, Analyst for Justice and General Government.
Bill Hughes, Analyst for Space, Science, Justice & General Government.
Sonja Taylor, Legislative Tracker.
Laura White, Secretary for Natural Resources Group.
Charles Flickner, Senior Analyst for International Security and Credit.
Paul Heilig, Analyst for National Defense.
Carol Hartwell, Analyst for Commerce and Housing Credit.
Brenda Gompers, Secretary and Legislative Tracker for International Security and Credit.
Debbie Paul, Chief Clerk.
Kathryn Hamilton Cummings, Assistant Chief Clerk.
Beth Clark Strader, Staff Assistant.
Lynne Hausheer Zegeer, Staff Assistant.
Tyrone Cole, Staff Assistant.

Mr. DOMENICI. Mr. President, I would be remiss in my expressions of appreciation if I did not point out the excellent work of Senator CHILES' budget staff. Finally, the staff of the majority leader have worked with my committee staff throughout the long arduous meetings and preparation of this fiscal year 1986 budget resolution. Their help and guidance has been appreciated.

Mr. CHILES. Mr. President, I rise in support of this conference agreement.

This is not a conference agreement that I would have started off wanting to support, and I do not think we can tell anybody that it does the job on

the deficit. But it is the only program and the only opportunity we have now; and I think the only way we have to judge this is to ask whether this is better than no budget. When I look at it in that regard, this is better than no budget.

Within Congress and around the country, I think the deficit has now evolved as an understandable and dangerous issue that people want solved. I think they understand that there is a connection between deficits and interest rates and high trade deficits and the loss of jobs, the moving of our plants overseas. I believe that is a question that is becoming clearer and clearer to people. They know we need to get the deficit down.

We could have gotten the deficit down this time with the help of the White House and some of our leaders in the other House, but that was not to be. We did not get the help, but we found something else. I think we found a consensus in this body that spending cuts alone will not get it down. That is pretty helpful.

I believe we found a bipartisan spirit in this body as to how dangerous these deficits are, how it is going to take work on the part of everybody to get them down, and how you will have to look at every program in the Federal Government if you are going to get the deficit down.

You will have to look at every interest group in the Federal Government, and you will have to share the pain in all those interest groups if you are going to get the deficit down. You will have to look at revenues as well as the spending side if you are going to make a major cut.

This budget will reduce deficits substantially through reconciliation. That has always been important to the Senate. It is anathema to the House.

With respect to where we stand on reconciliation, I would give a couple of numbers. One, if you take out the COLA restraints—and we had to take those out—if you reduce those COLA restraints and then look at the Gorton-Chiles amendment, which was a compromise proposal put before the Budget Committee, which a lot of people wanted to support, it had about $72 billion in reconciliation. This has about $67 billion or $68 billion in deficit reconciliation.

Under the circumstances, I applaud the chairman and the work of the conferees in getting a product as good as this, given the fact that we lost the ability to work on anything on revenues or entitlement restraints.

Mr. President, one of the other things we have in this budget is that we have an understanding that was reached that we would not cut any of the poverty programs, any of the programs that affected those people who could not help themselves. That was a bipartisan agreement. It was an agreement made with the House. If you look at those programs you will see that they are not cut in this budget.

Mr. President, we have to ask ourselves what happens if we do not have a budget. We leave and go home for a month's recess. I think the people would perceive that Congress is being irresponsible.

We have to realize that we are a deliberative body, and there is one thing about a deliberative body—it is supposed to come to a conclusion. There are a lot of times I do not like the conclusion that is there. I would like to say that we will keep that from happening. But it seems to me that if you are going to be a deliberative body, you come down to the art of the possible, you come down to the responsibility of having to produce a product.

I believe the hour has come, the time has come, that we have to face up to that and determine whether or not we are going to produce that product or not. If we do not, then I feel that the people can well say:

> There is no way that bunch up there can do anything. They have been the problem in getting these deficits up. Now they won't do anything to put any kind of budget in effect, and we should have a plague on their Houses, both parties, both Houses.

I think they might well be right in making that determination.

Mr. President, if we do not have a budget, we will have another strategy, and I have heard that referred to as the veto strategy. That is the strategy that says:

> We in the White House will run against that irresponsible Congress. We will show them that we can control spending, that we do not have to worry about them having a budget. We don't have to worry about them because we will make them responsible and we will control the spending.

Mr. President, I know there are people who have advocated that strategy. They have said:

> That is better for us politically. We should have that strategy. It will make our President look good. We can show the House as being the big spenders.

Mr. President, when you consider the chaos that could result from that kind of strategy, I think that the public, before it was over, would say:

> A pox on all of them. Why in the world do they have that kind of wrangling? Why in the world are they doing that?

Frankly, I do not want to give the President that kind of veto strategy. After he has been the one who kept us from getting a good budget, torpedoed plan after plan that we had, I do not want him now to be able to sit on top and say:

> Look at what I'm doing. I'm making them do right. I'm making them save money. I'm making them not spend.

To me that would be the height of folly for us to allow him to have that, sort of have his cake and eat it, too.

Mr. President, if we have no budget resolution, item veto or impoundment certainly could be attached or likely could be attached to the debt ceiling bill. If we have no resolution, by the same token, that strategy I do not think would work because there would be no control against new spending increases.

So regardless of this it would be a great show of the veto at the same time; on the other hand, you would see new programs start and we see that veto strategy works until something is pretty popular. When something comes down that is pretty popular there is no veto and has not been any veto around here. We have seen that happen many times.

I think we could see that at the end of that process we would see we adopted new sending programs, and we would see there would be no reconciliation because without this instrument, there is no way of instructing those committees to go back and get savings. So that $68 billion that we are talking about in reconciled savings, those would be gone. If you had a veto of every project that came before us, you still would not get those savings.

Also, Mr. President, remember if there is no budget, then points of order lie against all of the appropriations bills.

The Senator from Florida has made himself pretty unpopular in the body before by standing on the floor and raising points against the appropriations bills when we had no budget. That is not a very pleasant thing for me to do or anyone else.

The way to not have that is to follow the law that we have adopted that we have set forth and see that that would not happen.

There are those in here who care about tax reform. I can tell you that if we do not have a budget we certainly would not have tax reform. You would not even be able to see that taken up in this Congress.

This product, as we have said before, is not great, but it is certainly better than nothing. It would cut deficits $29 billion in 1986, it would cut deficits by $200 billion over the 3 years, and then it reconciles $68 billion on domestic programs.

Mr. President, I think this budget is better in its priorities than the budget that was passed by the Senate earlier on before we went to conference. That budget basically cut domestic programs about two-thirds to what defense programs were cut. This one is very close to a one-to-one ratio. It cuts defense about $86 billion. It cuts domestic programs $93 billion. So basically now you are getting down to a one-to-one cut.

We would have a budget in place. We would be able to hold off new increases and I think again if we have

the will in this body, down the hall, and down the street, then we set the stage for future action and hopefully we would be able to take that action.

Certainly, we need to do that. We would have to have a change in some of the thinking. We would have to recognize that we do need revenue. We would have to recognize that we would have to be willing to put all the programs on the table. Maybe that is something that can happen.

I think that the pluses far outweigh the minuses. The fact that we now have a constituency for going further and trying to do that in this body, and we have seen that constituency grow during this debate on this conference report, I think that has been very healthy.

Mr. President, I urge that we adopt the resolution.

Mr. RUDMAN. Mr. President, I rise in opposition to the conference report on the first fiscal year 1986 budget resolution. In so doing, I am not implying any criticism of the efforts of the chairman of the Budget Committee, nor the majority leader. I believe that Senators DOMENICI, DOLE, and CHILES, and others on both sides of the aisle, have done yeoman work in trying to produce a budget resolution which would lead to meaningful reductions in the Federal deficit over the long term. Unfortunately, due to factors beyond their control, they failed.

Mr. President, the record budget deficits that the Federal Government has incurred over the last few years, and apparently will continue to run up, represents the single most pressing problem facing the President, Congress, and the American people. These deficits are already causing serious dislocations within the economy since they are primarily responsible for the continued high interest rates, the high value of the dollar, and the increasing U.S. trade deficit.

There has been much breast beating in recent months about unfair competition from imports; yet, how much of a problem would there really be if the dollar were not overvalued by as much as 35 percent? We see that farmers are having trouble getting credit and that whatever credit is available costs too much. Yet, how much of a problem would that be if the Federal Government's credit demands were not so excessive?

It was in this context that the Senate, on May 9, surprised the skeptics and passed a historic budget resolution calling for a $56 billion reduction in the Federal deficit in fiscal 1986 alone and $295 billion in savings over the next 3 years.

The Senate resolution accomplished this by making significant savings in the President's Defense Program, eliminating the automatic cost-of-living adjustments in most Federal entitlement programs, cutting or eliminating a number of discretionary programs, and freezing most other discretionary programs at the fiscal 1985 level. The prospects on May 9 for meaningful action on the deficit appeared very bright.

Although the vote on the final Senate package was close, that did not particularly concern me. Many of those who voted against the Senate package showed their support for strong action on the budget by voting for well-conceived alternatives, notably the substitute offered by Senators CHILES and HOLLINGS and the one by Senators GRASSLEY and BIDEN. Few people realize it, given the partisan rhetoric surrounding much of the debate on the budget, but 81 Senators, including two-thirds of the Democrats in this body, voted to cut at least half of the 1986 Social Security cost-of-living adjustment.

Within that total, 68 Senators, including 40 percent of the Democrats, voted to do away with the 1986 cost-of-living adjustment entirely, and if anyone doubts those figures I suggest they go back and check the RECORD.

Notwithstanding this, the Senate now finds itself faced with a conference report which accomplishes little. How can that be?

The bottom line, quite frankly, is that the President and the majority leadership of the House of Representatives have agendas in which the budget deficit problem, notwithstanding their rhetoric, does not rank very high. The position of the House leadership is clear. The most important item on their budget agenda is to prevent any restriction on statutory automatic cost-of-living adjustments in any entitlement program, no matter how limited.

Their apparent hope is that the Republicans will initiate this action, which even most Democrats in the Senate supported, so that they can turn it into an issue in the next campaign and talk about the Republicans who wanted to hurt the elderly of this country. Agenda item No. 2 is to protect every domestic program in the Federal Government's inventory, no matter how wasteful or inefficient it may be. The American public ought to be astounded that the House Democratic budget resolution did not call for the elimination of even one program in fiscal 1986. Among the thousands of Federal programs, they could not agree that one was sufficiently devoid of merit to justify its elimination. If that is not an endorsement of the status quo, I do not know what is.

Given the House's unwillingness to make more than minimal additional cuts in defense beyond what the Senate did, anyone with a basic grasp of arithmetic can figure out the only remaining option to address the deficit: Raise revenue. But, the House decided against that.

Instead, they resorted to a variety of gimmicks and accounting tricks to give the appearance of addressing the deficit. That, however, does not do the job and it will not fool the American people. Dealing with the Federal budget deficit clearly is not an item on the House Democratic leadership's agenda.

The administration is just as weak on the deficit. As has become crystal clear over the last couple of months, it is difficult to find reducing the deficit on the list of administration budget priorities, other than their rhetorical priorities. At the top of the list is an unwillingness to consider any measure which will lead to a revenue increase. Parenthetically, it is ironic to note that they failed to even propose a revenue neutral tax reform plan, notwithstanding their frequent statements to the contrary. The administration now concedes their tax reform plan will lose in excess of $11 billion in revenue over the next 5 years alone, with higher losses in subsequent years, and that assumes enactment of a retroactive recapture provision which will raise $60 billion.

Second, the administration is determined to keep as much money following through the Defense Department as possible. While I share the President's view that maintaining national security is probably the most important function of the Federal Government, the administration's attitude has resembled the House leadership's position on domestic programs: if the money is for defense, it cannot be bad. Third, the administration is determined to avoid exercising any leadership on cost-of-living adjustments, an attitude similar to that of the House leadership on taxes. It is then, after taking the entire revenue side of the equation off the table and three-quarters of the spending side, that they want action against the deficit. That does not, somehow, strike me as a commitment reducing the deficit.

But, the administration's impact on the budget deliberations in Congress were worse then benign. When it finally began to look like the Senate, under the leadership of Senators DOLE and DOMENICI, was making progress in conference with the House, the administration pulled the rug out from under negotiations. They did this without a word of warning to the very same Senators who had done so much, in some cases at considerable political risk, to secure enactment of as much of the administration's program as possible.

This may seem like a trite statement, but successful action against the deficit requires a focus on the deficit. The reason is quite simple. Every dollar spent by the Federal Government and every dollar not collected in revenue due to a tax deduction or credit has a constituency which will

argue that such money in question is critical to the national welfare. Reducing the deficit means, by definition, taking a series of steps, each of which will offend some individuals or organizations.

To the extent the attention of the President and Congress are focused on deficit reduction, these constituencies have little room to maneuver. But as soon as attention is divided and diffused, whether it be with tax reform, South Africa sanctions, or whatever, it becomes much easier for these narrowly focused constituencies to operate. And, as soon as the President, who is after all the leader of the Government, shows his lack of concern for the deficit, Congress will begin to cave to these particularized pressures. In fact, I saw this scenario at work yesterday in the Senate Appropriations Committee's markup. A budget-busting amendment was passed 17 to 9, although the Senate voted to table a similar amendment during floor consideration of the budget resolution with Appropriations Committee members voting 15 to 14 to table.

The President and the House majority leadership have succeeded in creating a situation where meaningful deficit reduction will not occur in 1985 for sure, and possibly not for the remainder of President Reagan's term in office. The conference report eliminates the Senate's proposed restraints on cost-of-living adjustments. It eliminates the House's proposed restraints on defense. It eliminates most of the domestic program cuts proposed by the Senate. And no new savings are offered as a replacement. The dollar savings in this conference report consist of those reductions in the President's defense program approved by the Senate, a freeze on most domestic discretionary programs at the fiscal 1985 level, and little else. This conference report will ensure deficits in excess of $180 billion range, or higher, in fiscal 1986 and probably for several years to come, if we are lucky.

Certainly, nobody should be fooled by the deficits estimated in the conference report before us. One can start with the fact that the impact of the defense program approved by the conference report is $22 billion low. The conferees took the Senate passed defense program, but simply reduced the cost estimate by $22 billion with the stroke of a pen, with the consent of the Defense Department. It appears that the conference report assumes the inclusion of all State and local employees in the Social Security Program, An assumption that many would argue is unconstitutional since it involves the Federal Government imposing a tax on State and local governments. This conference report has not been before the Senate long enough to give it a thorough examination, but I feel confident in asserting that there are other similar unrealistic assumptions.

On top of everything else, the conference report understates the deficit because it uses overly optimistic economic assumptions, in particular the assumption that there will be 4 percent annual real growth in the economy.

There was speculation that 4 percent was too optimistic when the Senate passed the budget resolution in early May. We know it now. I would probably be able to live with understating the projected deficits in this way, if it was a budget resolution that would make a real dent. I cannot live with it in the context of a budget resolution which accomplishes so little.

While the economy appears sound today, the combination of record budget deficits, record trade deficits and the resulting decline in the manufacturing sector of the economy, the overvalued dollar, high real interest rates, and a reliance on foreign capital to finance U.S. credit needs is inherently unstable. The failure to take serious action to reduce the deficit, and thereby move against these structural imbalances, will lead to a recession of the type this country has not experienced in years. And, if Congress cannot reduce the deficit when the economy is in decent shape, how will it be able to do so in the midst of a recession?

Supporters of the conference report argue that the minimal steps called for by the conference report are better than nothing. I strongly disagree. In fact, most of the minimal steps in this budget resolution can and probably will be followed even in the absence of an adopted conference report. I believe this conference report is a surrender to the deficit. I cannot vote for it and, come next fall, I will not support the increase in the Federal debt ceiling which will be necesssary to accommodate the outrageous deficits which are coming.

Mr. President, I urge my colleagues to join with me in voting against the budget resolution.

Mr. President, I will conclude by simply saying this: After 7 months of blood, sweat, and tears, we have come to this sorry state. I yield the floor.

(Mr. TRIBLE assumed the Chair.)

Mr. HOLLINGS. Mr. President, I will try to be as brief as possible. What makes you take any time at all is the historical approach to what we have been trying to do now for the past 3 to 4 years. We knew immediately after we passed Reaganomics in 1981 that we were in serious trouble.

I relate back to that particular time when we passed a budget on August 13, 1981. Incidentally, I had been the ranking member of the Budget Committee at that particular time and cosponsored with Senator DOMENICI the $35.4 billion spending cut package. Although we passed it on August 13, by September 24, President Ronald Reagan was on national TV saying we are going to have to raise taxes. Of course, we did not. Dave Stockman came out with the Trojan horse article about the trickle-down theory. The President and the White House then got their nose out of joint.

The word was, "Look, this is a Carter budget. After all, the President hasn't even had a chance to submit anything." And even though he was elected on what he submitted, they said, "Wait until January." So from January 1982 until August 1985, we tried to control this runaway horse of growing deficits.

With that in mind, I went to Howard Baker, then the majority leader, submitted a resolution that would appoint a joint committee to study the growing deficit problem. The committee would make recommendations to the President on how to get these deficits under control. They would be shared sacrifices across the board that would be fair to all.

The rest is history with respect to the President's approach to this particular responsibility. He submitted a budget that was voted down in the Budget Committee by a vote of 17 to 4. The Republicans on the committee did not like to vote against the President. I did not like to vote against the President. But it called for $200 billion deficits.

In January, in a bipartisan approach, the Senator from North Dakota, the Senator from Nebraska, the Senator from Mississippi, and myself circulated a "Dear Colleague" letter that consisted across-the-board freeze on spending and a freeze on tax expenditures.

That received four votes in the Budget Committee, but we began at that particular time on the very premise that not only was it necessary but it was politically attainable. I emphasize it was politically attainable. If you were a mayor of a city in any hometown in America and you could not print dollars like we do here in Washington, you would call together the city council and say, "No one is really suffering, we are doing pretty good, we are trying to allow the economy a chance to bounce back, so let us just hold the line 1 more year." This was the budget President Reagan ran on and been reelected overwhelmingly. This was the budget that had received three readings in the House last year, three readings in the Senate, signed into law. So we were not worried about it being politically attainable. We were worried about the will here in the national Congress.

We made progress in this particular budget process. We had Senator DOMENICI, Senator CHILES, Congressman GRAY and Congressman LATTA working

around the clock, all in good spirit trying to put together a particular budget under the circumstances. On that score they received the gratitude of all of us. They have done as good a job as can be done under those circumstances. But they were not the circumstances that would lead to real deficit reduction, and we in essence have missed a golden opportunity.

Throughout January, February, and March you could not mention Social Security. By April we had frozen Social Security. We had a majority of Democrats on this side of the aisle to do it. In January, February, and March, you could not mention defense to the President as a means to reduce the deficit. Senator STENNIS, the expert on national defense in the Congress, had joined in our bipartisan freeze which included defense. We were voting for a freeze with no growth except for inflation. We froze social programs and made some additional cuts. By the July 4 break, in a bipartisan submission of a majority of the Senate conferees we submitted just that: the Gorton-Chiles across-the-board freeze, a shared sacrifice. I talked to Chairman GRAY. He was working diligently, and thought we could make some progress. We were really encouraged. we were not in a logjam.

A real deficit reduction package was now at the table. Unfortunately it was derailed. The distinguished Congressman from New York, JACK KEMP, went to the White House to talk to Don Regan. He convinced the President's Chief of Staff that we were in a logjam. We were not. It was a bad representation. I attended all the budget meetings. We were making progress. We were not in a logjam.

He further convinced Mr. Regan to convince President Reagan that the only way to get us out of the logjam was to go back on Social Security. When we returned from the July 4 break the President commented that we have to do something about the deficit. However, the President emphasized tax reform like that was the priority need of this Government.

We met only last Friday morning, and the subject the President wanted to discuss was tax reform and not the deficit. The President said that when Congress comes back, I will get those conferees over and talk to them like a Dutch uncle. We are going to make them know we are really going to have to do something about the deficit.

In the meantime, with the Kemp-Regan message to President Reagan, the President determined, wait a minute, before I get those conferees together at 11 o'clock on Wednesday morning I had better get the House leadership and Senate leadership over for a conference about this logjam, Social Security, and defense, because the word had been put out, and the thing was pretty well arranged so that when President Reagan and Speaker O'NEILL got out under the tree by themselves, the Speaker said, Mr. President, if you take my Social Security, I will take your defense. And the President in essence says that is a good deal and we will not pay for it. There will be no revenues.

So what they did was take the $9 billion increase in budget authority for defense which is in this particular measure here today, and the $7.5 billion on COLA's—for the total of 17.4 that we are going to add to the deficit, and we are not going to pay for it. There will be no revenues.

That put us in gridlock. And through the genius of PETE DOMENICI, we now have that double COLA idea. Well, the distinguished majority leader in the House, Mr. WRIGHT, believes in the classic COLA, Mr. DOMENICI believes in the double COLA, and this Senator believes in the diet COLA. So we are into the COLA fight here in this U.S. Congress. But through the genius of PETE DOMENICI, he came up with a double COLA. I thought that was fanciful. But in any event, it changed the framework, and got us back into conversation.

I talked to leaders such as our distinguished friend, the Senator from Nevada, PAUL LAXALT, Senator DOLE and others and said we really ought to get you leaders together. It was leadership in a way that got us off track. Do not bother about the conferees. Get the leaders together, and then let us go back to the White House where you can all walk out at one time, not seeing who is going to blink first, but all blink together.

Politically, that was the only way it was done. To this dismay of those who were going over to the Speaker's office, when they got there, they got called. Mr. Reagan and Mr. Speaker had already announced that there would be no change, that they would insist on increases in Social Security and other COLA's; they would insist on the increases in defense. So what you have is a patchwork done here as best it can be done.

I say patchwork advisedly. That is what the poor chairman on the House side had to do. That is what took all the time. All day yesterday he would have to run to this chairman, "What will you take here and what will you take there?" What will a particular chairman take to get this particular budget and these particular votes? The environment of crisis and need did not pertain. We have a budget resolution developed by House chairmen—chairmen who never saw a dollar they could not spend.

I can tell you that the environment that is controlling this deficit persists here in the Nation's Capital but not out in the hinterland.

Out in the countryside, Mr. President, everyone fairly understands that we have now gotten by the election last year when we should have done something, when 38 Senators in an election year voted to freeze, freeze, freeze. And to add revenues in an election year, including the majority of Democrats in this body. That is how they felt the teeth on their backs. They wanted to be responsible. The proof of the pudding is there. The Senator from Nebraska and the Senator from Michigan who voted for a freeze both ran for reelection and won because they had the votes for fiscal integrity and responsibility.

Let me say on that particular point we have been totally mesmerized and misled on Social Security.

If you go up to the distinguished Senator from Maine, they will tell you, "Do not come up here running for office unless you leave alone any kind of import oil fee. If you go for the import oil fee, we use oil that is 95 percent imported and it will run up the heating bills of every voter and you will be swaying at the polls."

Interestingly, to show how we get the wrong word down here in this national kind of politically incubative Congress, Senator GARY HART ran on a $10 a barrel import oil fee, and he took Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut. He went through the whole of New England with the Democratic vote.

There is no question in my mind that similarly we have all been hung up on the mantle of Social Security. Nobody is cutting it. We are just asking the recipients—and I mean those who do not have need, because we have always provided COLA's for those at the poverty level and 10 percent above it—to hold off for 1 year. And we were careful not to shove anyone into poverty.

We did not have COLA's under President Lyndon Johnson. We had a good Democrat. We did not have COLA's under President Kennedy. He was a good Democrat. Incidentally, President Johnson did balance the budget. But we were mesmerized by that.

Now we have missed the opportunity. The opportunity here was not for Speaker O'NEILL to join President Reagan, but, rather, join the majority of Republicans and Democrats in this Congress.

I have a pretty good feel for legislative bodies. I served 10 years in a State legislature and 19 years here. After 29 years I have a pretty good nose and smell on political and legislative trends. A majority of the Republicans and Democrats in this Congress are ready, willing and prepared to do their duty, to face up to the responsibility and bite the bullet now. They have

been prevented from doing so because of President Reagan on the one hand upsetting the apple cart, and, more than anything else, Speaker O'NEILL running down the Social Security road, with his leader JIM WRIGHT sitting there at every one of the conferences. "But the veto, the veto," We heard more about the veto and what the White House was going to do than the White House ever told us.

He was not afraid of the veto; he was enjoying the veto. The chairman knows it and I know it.

So we were told how we were concerned and worried. There was not any worrying. They were just ramming home an impossible situation, where in this body, by a majority vote, as cited by the distinguished Senator from New Hampshire a while ago, joined together for a freeze on Social Security. But over on the House side this real concern about grappling with the deficit has never been exhibited.

When TIP misrepresented what he did, he went back and they went with him.

Senator DOMENICI can talk for the Republicans. Two-thirds of the Republicans voted with Senator DOMENICI. We ought to get that on the record.

So, TIP had the thought of going pell-mell down the road to victory. He was going to say that to senior citizens and all—we saved the COLA. Of course, he won't admit he saved it at the expense of all sound reason and fiscal responsibility toward all citizens.

But we have a far, far greater responsibility here than just being true to our senior citizens. The truth is that we are untrue to the senior citizens and all citizenry when we go along with this particular budget. We missed that opportunity. If we had ever gotten together and gotten a majority going, what you would really have had would be a bipartisan congressional budget. We could have come out with revenues and Social Security, minimum defense figures, and all the cuts. We would have come with the cuts. We really would have done the job.

Selfishly now, just talking in a partisan fashion for Democrats, we would have been released from the fiscal cancer that we suffer over this land of Democrats always wanting to spend and spend and spend.

We have earned that particular perception by constantly doing just that. They do not want to sacrifice. It the Democrat leaders had led for that sacrifice, we would have had it on this side and we would have had it in the House. We would have solved the problem this year.

What happens when you adopt this budget. I think the Senate should be fully informed that they are not solving anything. What we are doing here is suffering from battle fatigue. We are trying to get something done so we can have a lift in August and go on our trips and smile and say, "It is only a process. We cannot control processes and human nature. Under the process, we have done the best we can." Then go out and enjoy ourselves.

What happens? What really happens, if nothing changes between now and next year, is you are committed to a horrible deficits for as far as one can see. You are committed by this particular vote until August of next year when we will be struggling with the 1987 budget resolution.

When you come back on August 1 of next year you are committed to 3- percent real growth in defense. That is over and above inflation.

The Department of Defense is using a 4.7-percent inflation this year. They will use over 7 percent with increased inflation by next year.

You are committed to this increase, to keep your commitment for 3- percent real growth. This adds $25 billion to this year's totals. You are committed to COLA's, which will be at least another $10 billion add-on and probably more. That is $35 billion. You are committed, since you gave us a dificit of $190 billion to $200 billion, to another $30 billion jump in interest costs. That adds up to a $65 billion add-on.

You get another $12 billion increase due to health costs; you cannot divert them, there is no way in the world. If you can hold that kind of cap, you are lucky. That is $77 billion. And of course, add food stamps, veterans and a few other little things, and you have $80 billion. So you have on the one hand committed to spending the $80 billion in the next year, and what are you going to do? You are going back with no revenues and you are going to have to cut your program further.

And that, to me, is the Reagan designed program. That has always been his design. We have tried to emphasize it at every turn for the last 4 or 5 years, that President Reagan really believes that deficits are the only way to control congressional spending. He does not state it in words, but he states it in actions. He says, "Look, they are going to start new programs and do this and do that, and the only kind of discipline or control that I can put on that spending engine across there on Capitol Hill is to have these $190-$200 billion deficits so that when TIP O'NEILL and FRITZ HOLLINGS get together, they talk about how to cut spending rather than how to start new programs."

I think the distinguished Senator from New York [Mr. MOYNIHAN] will come and cite Tom Wicker's article in the paper and the economist Pyatt, who was told by a top economist of the Reagan administration that that is exactly why a man, grown, mature, and responsible as the President is, would do such a thing.

So we fall politically into the trap of running higher deficits and continuing them on, to what? Not to just cut spending, but to eliminate Government.

The gentleman in the White House is of the western mentality. He developed in the wild and woolly West the idea that it was developed without social security, without welfare, without food stamps, and without education. And if they did it that way, then the whole country can do it that way. And that is what the President came East to do. To dismantle this bureaucracy on the Potomac.

Of course, we down in the South know that is not quite the case on how to run Government. We tried it for 100 years in the State of South Carolina without a central government and thereupon mutually pledged each other our lives, our fortunes, and our sacred honor. So we are the ones who tried it for 100 years without these programs and forming this Nation, one Nation indivisible, we think we have done pretty well.

I agree with the President's attempt to discipline, but now it has gotten to the point of folly. What he has done now is cause us to do this: We have put out a fraudulent budget.

I say a fraudulent budget because they will tell you in Gant versus Coca Cola, 172 South Carolina at page 28, that is one that we learned as freshmen in law school, that to be fraud, it must be false, it must be material, it must be depended upon, that they did depend upon it, they were defrauded, and damage was caused—I say to my distinguished friend from Maine.

Here is what they are doing in this agreement. First, they start off with false OMB figures. Dave Stockman came over with his OMB figures and he sold that to the House.

Mr. DOLE. Will the Senator yield?

Mr. HOLLINGS. Yes, Mr. President.

Mr. DOLE. May I interrupt the Senator to pass the adjournment resolution? The House people want to go home.

Mr. HOLLINGS. If the Senator wants me to yield to do that, I will, but I am going to finish in just a minute.

Mr. DOLE. Then I shall wait.

Mr. HOLLINGS. I shall try my best.

We have these fraudulent figures. I was very interested in the distinguished chairman of the Budget Committee saying, just this afternoon, that we need reports from the Congressional Budget Office—we need CBO figures. But Stockman gave us these figures, got the Senate to use them. They got the House to use Stockman figures.

When Stockman is going up to Salomon Bros, he goes up to the stock market and says, "Man, they were so fraudulent that if the SEC were overseeing us and the figures we used, they

would send us all to jail." Thereupon, the Washington Post finally found out they were fraudulent and the New York Times and Time magazine and Newsweek. Senator EXON and I had three new conferences talking about the nature of these fraudulent figures. You could not get anyone's attention. They would not listen that they were fraudulent.

Well, even a blind hog picks up a acorn. We finally have their attention on these false figures. And if we use CBO estimates, we add $9 billion to this so-called cut—well, add the $9 billion onto the deficit of $172 billion in the agreement. That will make it $181 billion. The 1 percent decrease in the GNP that has also not been figured into the total. And now the administration says in order to maintain the 3-percent annual GNP rate, we would have to have, in the last two quarters, 5 percent real growth and anybody thinks in industry, nobody thinks that in the financial market.

What we have is a very fraudulent base in the resolution. There are many phony things lying around here. Take a look at some of them. Agricultural savings, we asked and we have now at the present time over a 3-year period a $45 billion cut from the baseline for agriculture. The conference report says cut it to $39 billion, but the majority leader told us this morning that the Agriculture Committee—and those on the committee can tell me—are talking about increases in the tens of billions of dollars. We know we have over a billion dollars in agriculture unreconciled. You won't achieve it if it's not reconciled and the Agriculture Committee is proving that point.

The Outer Continental Shelf issue is another one. These are law cases to be settled mostly between the States and the Federal Government. They will be lucky to get that over there.

We factored in Conrail, a saving of $1.2 billion. A majority in the House and Senate feels at this moment it is not going to pass, but we have it in this conference report.

Civil service, we have already frozen the pay of Government employees. They do not think they are going to put on top of a pay freeze, a 2-percent increase on their Social Security and retirement taxes.

Medicare revenue is another $1 billion to $2 billion. I can go down the list about the States going under. Whether or not that happens, there is a $600 million figure for Eximbank. We are not talking about selling loan assets of the Government, but the House is. I have been at the conference and they still are. That is not going to happen.

Mass transit is not reconciled and Amtrak and public housing, while it is reconciled, there is some debt forgiveness trickery in that particular one.

I could go down the others, Mr. President, but returning to my point I think there are phony savings of $7 billion to $10 billion easily there. So what you have instead of a $55 billion cut, it is nearer $37 billion. If you luck out instead of ending up with a deficit of $172 billion, Mr. President, you end up with a defict of $192 billion, perhaps more nearly $200 billion.

Last year, in October, the President, running for office, stood up and said, "We have estimated a deficit of $175 billion for this year, 1985." Now, today, they have it to $213 billion, but with the 1-percent drop in the gross national product, that is bound to go to 223, 225. So instead of 175, we are now running at a $225 billion deficit of $50 billion greater than projected only nine months ago. I ask the distinguished Senator to put bets with me: They would take the 172, I would take the 192 or 200 and I bet anybody in the Senate I come out closer; you pick the odds.

They do not believe it and they should not believe it. This year, in reality, we should be putting the pressure on at this point to create the environment that will make us act.

Maybe in August, if the bond market will go down 10 points, we can come back here in September on the debt limit bill and develop a real second concurrent resolution. We have the right under this conference report to do it. I would urge that happen so that we can attack the deficit this year, because—as I have told my colleagues—we will have deficits next year of $200 billion. And you are going into an election year with even more increases in Social Security, defense, interest costs, and everything else. They cannot be avoided.

It will be even more difficult to bring the deficit down. What we really need is responsibility and leadership. I am distressed that we have not developed it here in this particular debate. People are ready for the resolution so they can go home on their vacations, and more power to them. But we in the Congress will finally realize that we cannot have our cake and eat it, too.

Yes, go ahead, vote for it tonight. We have been doing this for 3 years running. But you come back next July and look around and see exactly where you have put yourself and this country. I do not think that is responsible. I know a majority do not want to do it. As a result, I did not sign the conference report, and I urge my colleagues to sincerely, not politically but on the fiscal basis alone, reject it. We should not heed any words about what the President is going to veto. This is a congressional concurrent resolution. We have known all Presidents were snookering us. They would always put in there the cut on veterans, knowing we would put it back. They would always cut impact aid knowing we in Congress would put it back. That is why we started 10 years ago the budget process, to get away from the maneuvers of the executive branch and get a concurrent budget resolution from the House and Senate. It is our responsibility. Do not tell us about vetoes. If we have a bipartisan, across-the-board freeze, including those revenues, I can tell you here and now the President would be isolated and he would be in a very difficult position to veto it. But at least we would have done our work and given this country heart.

I thank the distinguished majority leader.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I ask unanimous consent to transfer all time on the conference report to the amendment in disagreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the following estimates be considered to be the allocations required by section 302(a) of the Budget Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

The estimates are as follows:

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SECTION 302 OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1985

[In millions of dollars]

Committees	Direct spending jurisdiction		Entitlements funded in annual appropriation acts	
	Budget authority	Outlays	Budget authority	Outlays
Appropriations	576,084	531,709		
Agriculture, Nutrition, and Forestry	15,528	24,086	12,420	132
Armed Services	38,499	26,620	147	208
Banking, Housing, and Urban Affairs	20,649	14,960		
Commerce, Science, and Transportation	1,719	267	346	356
Energy and Natural Resources	1,024	373	54	56
Environment and Public Works	15,571	933	6	6
Finance	504,055	477,641	43,639	46,229
Foreign Relations	15,466	13,375		
Governmental Affairs	51,890	33,345	(1)	(1)
Judiciary	570	477	78	76
Labor and Human Resources	4,071	2,657	6,083	5,952
Rules and Administration	45	9		
Small Business	485	378		
Veterans' Affairs	1,502	1,141	15,317	15,416
Select Indian Affairs	445	443		
Not allocated to committees	−185,503	−182,113		
Total, budget	1,062,100	946,300	78,088	68,432

[1] Less than $500,000.

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SECTION 302 OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1986

[In millions of dollars]

Committees	Direct spending jurisdiction		Entitlements funded in annual appropriation acts	
	Budget authority	Outlays	Budget authority	Outlays
Appropriations	565,410	552,084		
Agriculture, Nutrition, and Forestry	18,198	17,275	213	218
Armed Services	40,622	28,068	165	165
Banking, Housing, and Urban Affairs	6,710	3,215		
Commerce, Science, and Transportation	1,561	−151	352	358
Energy and Natural Resources	−2,468	−2,839		
Environment and Public Works	16,266	573	6	6
Finance	540,805	510,642	46,622	46,723
Foreign Relations	15,208	13,000		
Governmental Affairs	54,043	34,687	(1)	(1)
Judiciary	512	439	82	82
Labor and Human Resources	4,273	2,608	5,568	5,572
Rules and Administration	45	8		
Small Business	309	153		
Veterans' Affairs	1,502	1,316	15,557	15,525
Select Indian Affairs	458	457		
Not allocated to committees	−193,756	−193,935		
Total, budget	1,069,700	967,600	68,564	68,647

[1] Less than $500,000.

Mr. DOMENICI. Mr. President, so the Senators that are listening will know what the floor manager's thoughts are on further debate, unless there are questions of the chairman, I have no further comments to make on the budget resolution.

Mr. BYRD. Mr. President, I have a question. This may have already been answered, but I have not heard it said. Will the distinguished chairman indicate whether or not the President supports this resolution?

Mr. DOMENICI. Perhaps I ought to yield to the distinguished majority leader on that. I have not been in communication. I do not know whether he has or not.

Mr. DOLE. Mr. President, I think it is fair to say that the President feels this is a step in the right direction.

Mr. DOMENICI. Might I say to the distinguished minority leader, I yielded because I knew he would answer it that way.

Mr. BYRD. I will shortly be casting a vote one way or the other on this resolution. If the President supports it, I would like to vote for it.

Mr. President, I would like to support this conference report, but if the President is going to at some future time criticize the Congress, and particularly those of us on this side of the aisle, for having supported this resolution, I might regret that I had cast my vote for it. It would be too late at that point. And there may be other votes over here, may I say.

Mr. DOLE. Mr. President, I am not certain what the President will say, but I have had an opportunity to visit with the President today and we did discuss the budget resolution. He did indicate that there were probably things that he would prefer. I believe I can say safely that the President will not criticize those who vote for it.

Mr. BYRD. Mr. President, will the distinguished majority leader or someone on the other side of the aisle try to get an answer from the White House before we cast our vote? I want to vote for this resolution, but I would like first to know whether or not the President of the United States supports this budget conference report.

Mr. DOLE. I think I have made it clear—perfectly clear we used to say. The President will indicate after passage of the conference report, assuming it passes, that he thinks it is a step in the right direction. I think he may even indicate that he would have preferred the Senate-passed measure on May 10, but I can assure the Senator from West Virginia, my good friend and supporter of this conference report, hopefully, that the President feels it is a step in the right direction. I think that is fairly definite. It is definite.

Mr. BYRD. Mr. President, I still ask the distinguished majority leader if he or someone on his side who is on good speaking terms with the President can find out whether or not he supports this resolution. I know that he might like something different. I would, also.

Mr. DOLE. Let me check on that. [Laughter.]

Mr. BYRD. I thank the majority leader.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Several Senators addressed the Chair.

The PRESIDING OFFICER. There is no time remaining on the conference report. All time was transferred to the amendment.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the conference report.

The conference report was agreed to.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The House recedes from its amendment and concurs therein with a further amendment.

The text of the amendment follows:

Strike out all after the resolving clause, and insert:

That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1985 is hereby revised and replaced, the first concurrent resolution on the budget for fiscal year 1986 is hereby established, and the appropriate budgetary levels for fiscal years 1987 and 1988 are hereby set forth.

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1985: $736,500,000,000.
Fiscal year 1986: $795,700,000,000.
Fiscal year 1987: $869,400,000,000.
Fiscal year 1988: $960,100,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1985: $0.
Fiscal year 1986: $3,000,000,000.
Fiscal year 1987: $5,100,000,000.
Fiscal year 1988: $7,600,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $44,800,000,000.
Fiscal year 1986: $50,900,000,000.
Fiscal year 1987: $56,100,000,000.
Fiscal year 1988: $61,200,000,000.

and the amounts for Federal Insurance Contributions Act revenues for old-age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $186,200,000,000.
Fiscal year 1986: $200,400,000,000.
Fiscal year 1987: $216,800,000,000.
Fiscal year 1988: $248,000,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1985: $1,062,100,000,000.
Fiscal year 1986: $1,069,700,000,000.
Fiscal year 1987: $1,137,950,000,000.
Fiscal year 1988: $1,216,450,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1985: $946,300,000,000.
Fiscal year 1986: $967,600,000,000.
Fiscal year 1987: $1,024,100,000,000.
Fiscal year 1988: $1,073,000,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1985: $209,800,000,000.
Fiscal year 1986: $171,900,000,000.
Fiscal year 1987: $154,700,000,000.
Fiscal year 1988: $112,900,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1985: $1,847,800,000,000.
Fiscal year 1986: $2,078,700,000,000.
Fiscal year 1987: $2,301,900,000,000.
Fiscal year 1988: $2,507,000,000,000.

and the amounts by which the statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1985: $24,000,000,000.
Fiscal year 1986: $230,900,000,000.
Fiscal year 1987: $223,200,000,000.
Fiscal year 1988: $205,100,000,000.

(6) The appropriate levels of total Federal Credit activity for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987, are as follows:

Fiscal year 1995:

(A) New direct loan obligations, $52,850,000,000.

(B) New primary loan guarantee commitments, $69,350,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1986:

(A) New direct loan obligations, $34,400,000,000.
(B) New primary loan guarantee commitments, $80,150,000,000.
(C) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1987:
(A) New direct loan obligations, $32,150,000,000.
(B) New primary loan guarantee commitments, $79,050,000,000.
(C) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1988:
(A) New direct loan obligations, $31,400,000,000.
(B) New primary loan guarantee commitments, $84,000,000,000.
(C) New secondary loan guarantee commitments, $68,200,000,000.
(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1985 through 1988 for each major functional category are:
(1) National Defense (050):
Fiscal year 1985:
(A) New budget authority, $292,600,000,000.
(B) Outlays, $249,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $302,500,000,000.
(B) Outlays, $267,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $323,400,000,000.
(B) Outlays, $285,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $346,800,000,000.
(B) Outlays, $303,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(2) International Affairs (150):
Fiscal year 1985:
(A) New budget authority, $24,700,000,000.
(B) Outlays, $17,200,000,000.
(C) New direct loan obligations, $11,500,000,000.
(D) New primary loan guarantee commitments, $10,300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $21,300,000,000.
(B) Outlays, $18,850,000,000.
(C) New direct loan obligations, $9,900,000,000.
(D) New primary loan guarantee commitments, $12,300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $20,100,000,000.
(B) Outlays, $17,300,000,000.
(C) New direct loan obligations, $9,600,000,000.
(D) New primary loan guarantee commitments, $12,300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $19,900,000,000.
(B) Outlays, $16,450,000,000.
(C) New direct loan obligations, $9,700,000,000.
(D) New primary loan guarantee commitments, $12,300,000,000.
(E) New secondary loan guarantee commitments, $0.
(3) General Science, Space, and Technology (250):
Fiscal year 1985:
(A) New budget authority, $9,100,000,000.
(B) Outlays, $8,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $9,100,000,000.
(B) Outlays, $8,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $9,050,000,000.
(B) Outlays, $8,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $9,300,000,000.
(B) Outlays, $9,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(4) Energy (270):
Fiscal year 1985:
(A) New budget authority, $900,000,000.
(B) Outlays, $5,500,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $5,900,000,000.
(B) Outlays, $5,550,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $4,100,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $5,850,000,000.
(B) Outlays, $5,150,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $4,950,000,000.
(B) Outlays, $4,450,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1985:
(A) New budget authority, $13,100,000,000.
(B) Outlays, $13,000,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $13,100,000,000.
(B) Outlays, $13,000,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $13,200,000,000.
(B) Outlays, $12,750,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $13,150,000,000.
(B) Outlays, $12,950,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1985:
(A) New budget authority, $27,000,000,000.
(B) Outlays, $23,300,000,000.
(C) New direct loan obligations, $13,800,000,000.
(D) New primary loan guarantee commitments, $5,700,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $18,300,000,000.
(B) Outlays, $15,550,000,000.
(C) New direct loan obligations, $13,600,000,000.
(D) New primary loan guarantee commitments, $6,400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $17,700,000,000.
(B) Outlays, $16,250,000,000.
(C) New direct loan obligations, $11,400,000,000.
(D) New primary loan guarantee commitments, $5,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $16,200,000,000.
(B) Outlays, $13,750,000,000.
(C) New direct loan obligations, $10,500,000,000.
(D) New primary loan guarantee commitments, $6,900,000,000.
(E) New secondary loan guarantee commitments, $0.
(7) Commerce and Housing Credit (370):
Fiscal year 1985:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $5,500,000,000.

(C) New direct loan obligations, $6,500,000,000.
(D) New primary loan guarantee commitments, $26,900,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1986:
(A) New budget authority, $7,700,000,000.
(B) Outlays, $3,700,000,000.
(C) New direct loan obligations, $5,000,000,000.
(D) New primary loan guarantee commitments, $28,200,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1987:
(A) New budget authority, $7,700,000,000.
(B) Outlays, $3,450,000,000.
(C) New direct loan obligations, $5,300,000,000.
(D) New primary loan guarantee commitments, $29,900,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1988:
(A) New budget authority, $7,850,000,000.
(B) Outlays, $5,200,000,000.
(C) New direct loan obligations, $5,400,000,000.
(D) New primary loan guarantee commitments, $31,700,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
(8) Transportation (400):
Fiscal year 1985:
(A) New budget authority, $29,400,000,000.
(B) Outlays, $26,000,000,000.
(C) New direct loan obligations, $300,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $26,850,000,000.
(B) Outlays, $25,800,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $28,900,000,000.
(B) Outlays, $27,700,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $29,750,000,000.
(B) Outlays, $28,100,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1985:
(A) New budget authority, $8,300,000,000.
(B) Outlays, $8,400,000,000.
(C) New direct loan obligations, $1,700,000,000.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $6,950,000,000.
(B) Outlays, $8,050,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $7,300,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $7,200,000,000.
(B) Outlays, $6,850,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1985:
(A) New budget authority, $32,100,000,000.
(B) Outlays, $30,400,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $8,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $31,550,000,000.
(B) Outlays, $30,850,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $9,000,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $32,350,000,000.
(B) Outlays, $31,350,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $9,400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $32,950,000,000.
(B) Outlays, $32,100,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $9,600,000,000.
(E) New secondary loan guarantee commitments, $0.
(11) Health (550):
Fiscal year 1985:
(A) New budget authority, $33,600,000,000.
(B) Outlays, $33,500,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $[illegible]0,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $36,000,000,000.
(B) Outlays, $34,900,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $250,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $38,400,000,000.
(B) Outlays, $37,800,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $250,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $41,100,000,000.
(B) Outlays, $40,700,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
(12) Medical Insurance (570):
Fiscal year 1985:
(A) New budget authority, $72,000,000,000.
(B) Outlays, $65,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $81,500,000,000.
(B) Outlays, $69,200,000,000.
(C) New direct loan obligations, $0.
(D) New Primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $90,600,000,000.
(B) Outlays, $76,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $94,200,000,000.
(B) Outlays, $84,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1985:
(A) New budget authority, $164,500,000,000.
(B) Outlays, $128,900,000,000.
(C) New direct loan obligations, $14,300,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $155,100,000,000.
(B) Outlays, $119,050,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $163,750,000,000.
(B) Outlays, $124,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $2,300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $172,400,000,000.
(B) Outlays, $130,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,800,000,000.

(E) New secondary loan guarantee commitments, $0.
(14) Social Security (650)
Fiscal year 1985:
(A) New budget authority, $198,700,000,000.
(B) Outlays, $189,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $207,200,000,000.
(B) Outlays, $200,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $224,750,000,000.
(B) Outlays, $214,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $264,600,000,000.
(B) Outlays, $228,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1985:
(A) New budget authority, $27,400,000,000.
(B) Outlays, $26,400,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $16,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $27,450,000,000.
(B) Outlays, $26,800,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $17,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $27,550,000,000.
(B) Outlays, $27,250,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $18,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $27,900,000,000.
(B) Outlays, $27,650,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $20,900,000,000.
(E) New secondary loan guarantee commitments, $0.
(16) Administration of Justice (750):
Fiscal year 1985:
(A) New budget authority, $6,700,000,000.
(B) Outlays, $6,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $6,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $7,050,000,000.
(B) Outlays, $7,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $7,200,000,000.
(B) Outlays, $7,150,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1985:
(A) New budget authority, $5,700,000,000.
(B) Outlays, $5,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $5,500,000,000.
(B) Outlays, $5,450,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $5,300,000,000.
(B) Outlays, $5,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $5,500,000,000.
(B) Outlays, $5,450,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(18) General Purpose Fiscal Assistance (850):
Fiscal year 1985:
(A) New budget authority, $6,400,000,000.
(B) Outlays, $6,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $6,500,000,000.
(B) Outlays, $6,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $2,000,000,000.
(B) Outlays, $3,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $2,100,000,000.
(B) Outlays, $2,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(19) Net Interest (900):
Fiscal year 1985:
(A) New budget authority, $129,200,000,000.
(B) Outlays, $129,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $142,300,000,000.
(B) Outlays, $142,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $152,500,000,000.
(B) Outlays, $152,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $155,000,000,000.
(B) Outlays, $155,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(20) Allowances (920):
Fiscal year 1985:
(A) New budget authority, $500,000,000.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $2,100,000,000.
(B) Outlays, $1,650,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $2,000,000,000.
(B) Outlays, $1,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $700,000,000.
(B) Outlays, $500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 1985:
(A) New budget authority, $32,400,000,000.
(B) Outlays, $32,400,000,000.
(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $39,900,000,000.

(B) Outlays, $39,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $37,100,000,000.

(B) Outlays, $37,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $40,900,000,000.

(B) Outlays, $40,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

RECONCILIATION

SEC. 2. (a) Not later than September 27, 1985, the committees named in subsections (b) through (z) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(b) The Senate Committee on Agriculture, Nutrition, and Forestry shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $1,250,000,000 in outlays in fiscal year 1986, $0 in budget authority and $2,050,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $4,600,000,000 in outlays in fiscal year 1988.

(c) The Senate Committee on Armed Services shall report changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to achieve savings of $0 in budget authority and $100,000,000 in outlays in fiscal year 1986, $0 in budget authority and $200,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $300,000,000 in outlays in fiscal year 1988.

(d) The Senate Committee on Banking, Housing, and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $2,374,000,000 in budget authority and $2,814,000,000 in outlays in fiscal year 1986, $2,828,000,000 in budget authority and $3,685,000,000 in outlays in fiscal year 1987, and $2,998,000,000 in budget authority and $3,821,000,000 in outlays in fiscal year 1988.

(e) The Senate Committee on Commerce, Science, and Transportation shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $328,000,000 in budget authority and $310,000,000 in outlays in fiscal year 1986, $133,000,000 in budget authority and $119,000,000 in outlays in fiscal year 1987 1987, and $135,000,000 in budget authority and $130,000,000 in outlays in fiscal year 1988.

(f) The Senate Committee on Energy and Natural Resources shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to achieve the following; saving of $5,485,000 in budget authority and $5,403,000,000 in outlays in fiscal year 1986, increases of $291,000,000 in budget authority and $147,000,000 in outlays in fiscal year 1987, and savings of $337,000,000 in budget authority and $314,000,000 in outlays in fiscal year 1988.

(g) The Senate Committee on Environment and Public Works shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other then those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $200,000,000 in outlays in year 1986. $0 in budget authority and $850,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $1,050,000,000 in outlays in fiscal year 1988.

(h)(1) The Senate Committee on Finance shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (C) any combination thereof, as follows: $0 in budget authority and $3,307,000,000 in outlays in fiscal year 1986, $0 in budget authority and $7,951,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $10,908,000,000 in outlays in fiscal year 1988.

(2) The Senate Committee on Finance shall report changes in laws within the jurisdiction of the committee sufficient to increase revenues as follows: $1,800,000,000 in fiscal year 1986; $3,000,000,000 in fiscal year 1987; and $3,600,000,000 in fiscal year 1988.

(i) The Senate Committee on Governmental Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $3,219,000,000 in outlays in fiscal year 1986, $0 in budget authority and $4,421,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $4,986,000,000 in outlays in fiscal year 1988.

(j) The Senate Committee on Labor and Human Resources shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $670,000,000 in budget authority and $170,000,000 in outlays in fiscal year 1986, $860,000,000 in budget authority and $535,000,000 in outlays in fiscal year 1987, and $1,085,000,000 in budget authority and $960,000,000 in outlays in fiscal year 1988.

(k) The Senate Committee on Small Business shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $448,000,000 in budget authority and $509,000,000 in outlays in fiscal year 1986, $564,000,000 in budget authority and $972,000,000 in outlays in fiscal year 1987, and $1,060,000,000 in budget authority and $998,000,000 in outlays in fiscal year 1988.

(l) The Senate Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $300,000,000 in budget authority and $300,000,000 in outlays in fiscal year 1986, $400,000,000 in budget authority and $400,000,000 in outlays in fiscal year 1987, and $450,000,000 in budget authority and $450,000,000 in outlays in fiscal year 1988.

(m) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee sufficient to reduce outlays by $1,250,000,000 in fiscal year 1986; to reduce outlays by $2,050,000,000 in fiscal year 1987; and to reduce outlays by $4,600,000,000 in fiscal year 1988.

(n) The House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional

Budget Act of 1974, sufficient to reduce outlays by $100,000,000 in fiscal year 1986; to reduce outlays by $200,000,000 in fiscal year 1987; and to reduce outlays by $300,000,000 in fiscal year 1988.

(o) The House Committee on Banking, Finance and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $2,374,000,000 in budget authority and $2,814,000,000 in outlays in fiscal year 1986; $2,828,000,000 in budget authority and $3,685,000,000 in outlays in fiscal year 1987, and $2,998,000,000 in budget authority and $3,821,000,000 in outlays in fiscal year 1988.

(p) The House Committee on Education and Labor shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $670,000,000 and outlays by $470,000,000 in fiscal year 1986; to reduce budget authority by $860,000,000 and outlays by $835,000,000 in fiscal year 1987; and to reduce budget authority by $1,085,000,000 and outlays by $1,260,000,000 in fiscal year 1988.

(q) The House Committee on Energy and Commerce shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,513,000,000 in budget authority and $3,947,000,000 in outlays in fiscal year 1986, $1,246,000,000 in budget authority and $5,008,000,000 in outlays in fiscal year 1987, and $1,401,000,000 in budget authority and $6,512,000,000 in outlays in fiscal year 1988.

(r) The House Committee on Government Operations shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce outlays by $0 in fiscal year 1986; to reduce outlays by $3,526,000,000 in fiscal year 1987; and to reduct outlays by $4,956,000,000 in fiscal year 1988.

(s) The House Committee on Interior and Insular shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $4,000,000,000 and outlays by $4,000,000,000 in fiscal year 1986; to increase budget authority by $1,504,000,000 and outlays by $1,504,000,000 in fiscal year 1987; and to increase budget authority by $1,029,000,000 and outlays by $1,029,000,000 in fiscal year 1988.

(t) The House Committee on Judiciary shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $570,000,000 and outlays by $70,000,000 in fiscal year 1986; to reduce budget authority by $610,000,000 and outlays by $285,000,000 in fiscal year 1987; and to reduce budget authority by $635,000,000 and outlays by $510,000,000 in fiscal year 1988.

(u) The House Committee on Merchant Marine and Fisheries shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $3,000,000 and outlays by $300,000,000 in fiscal year 1986; to reduce budget authority by $100,000,000 and outlays by $100,000,000 in fiscal year 1987; and to reduce budget authority by $100,000,000 and outlays by $100,000,000 in fiscal year 1988.

(v) The House Committee on Post Office and Civil Service shall report (1) changes in laws within the jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $3,219,000,000 in outlays in fiscal year 1986; $4,421,000,000 in outlays in fiscal year 1987, and $4,986,000,000 in outlays in fiscal year 1988.

(w) The House Committee on Public Works and Transportation shall report changes in laws within the jurisdiction of that committee sufficient to reduce outlays by $200,000,000 in fiscal year 1986, to reduce outlays by $850,000,000 in fiscal year 1987, and to reduce outlays by $1,050,000,000 in fiscal year 1988.

(x) The House Committee on Small Business shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $448,000,000 in budget authority and $509,000,000 in outlays in fiscal year 1986, $564,000,000 in budget authority and $972,000,000 in outlays in fiscal year 1987, and $1,060,000,000 in budget authority and $998,000,000 in outlays in fiscal year 1988.

(y) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $300,000,000 and outlays by $300,000,000 in fiscal year 1986; to reduce budget authority by $400,000,000 and outlays by $400,000,000 in fiscal year 1987; and to reduce budget authority by $450,000,000 and outlays by $450,000,000 in fiscal year 1988.

(z) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee sufficient to reduce the budget deficit by $5,027,000,000 in fiscal year 1986; to reduce the budget deficit by $7,245,000,000 in fiscal year 1987; and to reduce the budget deficit by $9,362,000,000 in fiscal year 1988.

MISCELLANEOUS PROVISIONS

AUTOMATIC SECOND BUDGET RESOLUTION

SEC. 3(a). If the Congress has not completed action by October 1, 1985, on the concurrent resolution on the budget required to be reported under section 310(a) of the Congressional Budget Act of 1974 for fiscal year 1986, then, for purposes of section 311 of such Act, this concurrent resolution shall be deemed to be the concurrent resolution required to be reported under section 310 of such Act.

(b) In the House of Representatives, section 311(a) of the Congressional Budget Act of 1974, as made applicable by subsection (a) of this section, shall not apply to bills, resolutions, or admendments within the jurisdiction of a committee, or any conference report on any such bill or resolution, If—

(1) the enactment of such bill or resolution as reported;

(2) the adoption and enactment of such amendment; or

(3) the enactment of such bill or resolution in the form recommended in such conference report;

would not cause the appropriate allocation for such committee of new discretionary budget authority or new spending authority as described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 made pursuant to section 302(a) of such Act for fiscal year 1986 to be exceeded.

TAX REFORM

SEC. 4. (a) The Congress finds that—

(1) the existing tax structure of the United States distorts economic activity, leading to an inefficient use of national resources and a weakening of our domestic economic vitality and competitive posture in international markets;

(2) the relative tax burdens among various taxpayer categories are manifestly unfair insofar as they arise from differences in the capabilities of taxpayers to take advantage of complicated tax laws;

(3) the ability of the Federal Government to plan and conduct rational fiscal policy is frustrated by elaborate schemes to avoid taxation and the unintended effects of tax incentives and penalties;

(4) progressive erosion of voluntary compliance threatens the fiscal integrity of our public finances and the confidence of our citizens in the Federal Government's capacity to govern; and

(5) a number of plans, each designed to simplify and reform the Tax Code, have been before the Congress for a time sufficient to allow for extensive analysis and evaluation.

(b) It is therefore the sense of the Congress that tax reform should be adopted as soon as possible, and that it should incorporate the following principles and objectives:

(1) efficiency and responsiveness to market conditions in the economic activities of American businesses and consumers;

(2) simplicity of structure and lower marginal tax rates;

(3) a fair and equitable distribution of the tax burden among all taxpayers, with relief for those below the poverty level, and incentive to bring them into the work force;

(4) a broader tax base, with deductions essential to avoid genuine hardship or to protect the economic security of the American people; and

(5) increased incentives for work, saving, and investment.

CBO SCOREKEEPING REQUIREMENTS

SEC. 5. It is the sense of the Senate that because the Senate requires timely reporting of legislative action on spending bills, and because the Senate requires continual control over the budget, the Director of the Congressional Budget Office shall issue a weekly report during periods when the Senate is in session detailing and tabulating the progress of congressional action on bills and resolutions providing new budget authority and changing revenues and the public debt for a fiscal year, including, but not limited to the requirements set forth in Public Law 93-344, section 308(b).

FARM LOSS DEDUCTION

SEC. 6. It is the sense of the Senate that revenues should be increased and it is assumed that tax legislation will be enacted to

limit to the national median family income the amount of farm loss which may be deducted against nonfarm income, and it is further assumed that revenues derived from enactment of such legislation be used to reduce individual income tax rates and to assure that full-time, family-size farm operators will not be disadvantaged by unfair competition from high-income taxpayers with substantial nonfarm income.

ENHANCED TAX LAW ENFORCEMENT

SEC. 7. It is the sense of the Congress that revenues should be increased and it is assumed that the Committees on Finance and Ways and Means will develop legislation to reduce the tax enforcement gap, estimated by the Internal Revenue Service at $92,000,000,000 in fiscal year 1986. It is further assumed that such legislation should provide for increased and improved enforcement and collection, through audits, examinations, and other steps designed to identify and eliminate tax cheating and increase revenue collections from individuals and corporations currently evading Federal taxes, and that the legislation should include steps designed to increase voluntary compliance with tax laws and that such steps may include increased staff for taxpayer assistance, speedier processing of returns and provision of public information designed to build public trust and understanding of Internal Revenue Service enforcement efforts and that such legisation should also provide that the resources of the Internal Revenue Service shall be increased to accomplish full enforcement of United States tax laws, increasing voluntary compliance.

INTERNATIONAL MONETARY CONFERENCE

SEC. 8. It is the sense of the Congress that the Administration should consider convening a high level meeting of the major industrial countries for the express purpose of exploring options to improve the functioning of the international monetary system, including measures to stablize currency exchange rates, reduce interest rates, promote maximum domestic and world economic growth, and help assure domestic price stability.

COMMITTEE REVIEW OF THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

SEC. 9. It is the sense of the House of Representatives that—

(1) each of its standing committees should review and study, on a continuing basis, those portions of the the President's Private Sector Survey on Cost Control affecting subjects within its jurisdiction;

(2) each of its standing committees should, in its consideration of any bill or joint resolution of a public character within its jurisdictions, review those portions of the President's Private Sector Survey on Cost Control pertaining to such bill or resolution; and

(3) each report of any such committee on a bill or joint resolution of a public character should contain—

(A) an identification of each recommendation of the President's Private Sector Survey on Cost Control implemented in such bill or resolution and the estimated dollar amount of program cost savings or revenue enhancement as a result of the implementation of each such recommendation; and

(B) a statement setting forth each recommendation of the President's Private Sector Survey on Cost Control pertaining to such bill or resolution, the disposition of each such recommendation, and the reasons for such disposition.

LIMITATION ON BENEFITS TO ALIENS

SEC. 10. It is the sense of the Congress that functional totals should be reduced to reflect a limitation on the amount of social security benefits paid to illegal and nonresident aliens. It is assumed that the Finance Committee and the Ways and Means Committee will report legislation to accomplish the required changes in law. Such legislation may limit benefits to the amount of wage-earner's contribution plus interest, unless the wage-earner is a citizen of a country with which the United States has a treaty or totalization agreement and that this provision would apply to individuals becoming eligible on or after January 1, 1986.

Resolved, That the House recede from its amendment to the title of the aforesaid resolution.

Mr. DOMENICI. Mr. President, I move that the Senate concur.

The PRESIDING OFFICER. Is all time yielded back?

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, we now have all the time anyone wants. The matter before us is the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I yield whatever time the distinguished Senator desires.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I should like to read a resolution which was adopted by the Republican conference of the U.S. Senate today. This resolution was adopted unanimously, and we are grateful to Senators ARMSTRONG and DANFORTH for drafting what was the reflection of the views of all those present:

Whereas, the the Republican Conference of the Senate of the United States expresses its appreciation for the outstanding leadership and tireless efforts of the Majority Leader, Senator Dole, and the Chairman of the Budget Committee, Senator Domenici, in achieving the pending conference report on the budget resolution; and

Whereas, the Conference finds that this budget resolution achieves significant spending reduction, but reduces the budget far less than needed; and

Whereas, the Conference finds that, despite passage of this budget resolution, enormous deficits are in prospect which threaten the economic future of this nation and the financial well-being of every family in America; and

Whereas, the Conference finds that the magnitude of current debt and the compounding effect of interest on the national debt urgently require additional deficit reduction; and

Whereas, the Conference finds that this budget resolution provides only a ceiling on permissible spending and that nothing in this resolution is intended to prevent Congress from spending less than the amounts reflected therein or from acting on the numerous and bipartisan proposals for further substantial deficit reduction,

Therefore, be it resolved That the Congress should adopt further deficit reduction measures at the earliest available opportunity, in order to reduce deficits to no more than 2 percent of the GNP in 1988 and balance the budget by 1990.

That is the Republican conference resolution.

Mr. CHILES. I would like to urge that it be adopted.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I yield to the Senator from Washington such time as he desires.

Mr. GORTON. Mr. President, it has been my distinct honor to serve on the conference committee on this budget resolution with eight very hard-working and dedicated colleagues who have signed the recommendation that the conference committee report be adopted. I do so with some considerable disappointment, but at the same time with the firm feeling that we should adopt this conference committee report and then enforce this budget resolution.

From the beginning of this process in January, I suspect that all of us sought a budget resolution which was both effective and fair. By effective, we mean a budget resolution which would succeed in substantially reducing budget deficits and give us at least a promise that that budget, at some time in the future, would be balanced. By fair, we mean one which defines the burden of coming to that conclusion equitably among the people of the United States.

From the point of view of this debate, of course, we have had at least four distinct major proposals before us: That proposed by the Senate Budget Committee; that passed by the Senate dramatically, early in May, by the vote of the courageous Senator from California; the so-called Gorton-Chiles proposal in the Budget Committee itself; and the most recent bipartisan proposal by members of this committee of both parties. But none of those four proposals is before us tonight.

Mr. COHEN. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate is not in order. Those Senators wishing to converse are urged to remove themselves from the Chamber.

Mr. GORTON. I thank the Chair.

Mr. President, it is my view that each of those four proposals was more effective and more fair, under that definition, than is the proposal before us at the present time—most particularly the last two, because they were clearly the most effective and the only

two which gave the slightest indication that we would ever reduce our deficits below $100 billion a year, much less to a balance, and were preferable even to the first of those two.

1Mr. President, I must say in this regard, as in many others, we find that the perfect can easily be the mortal enemy of the good. Maybe each of those is an exaggeration with respect to the proposals before us, and it should be more appropriate to say that the good is the mortal enemy of the fair, a distinct step forward.

Given the fact that the President of the United States and the leadership of the House of Representatives—probably fairly stated, the leadership of the House of Representatives in both parties—were adamantly opposed to all four of those proposals, and most particularly to the last two, and due to the fact that we do have a divided Government in this Congress and in this administration, that effective alliance between the President and the Speaker of the House of Representatives makes it impossible to come to a perfect or even to a very good solution. But we do not have that choice here tonight. We have a choice between this budget resolution and Government by chaos and Government by no budget resolution.

The PRESIDING OFFICER. The Senate is not in order. Staff members at the rear of the Chamber are requested to leave the Chamber. Those staff members conversing on the Republican side are to absent themselves from the Chamber.

Mr. GORTON. Mr. President, as I was attempting to communicate, at this point, given a divided Government, we have the option between this budget resolution and Government by chaos.

An attempt to bring points of order against appropriations bills or to utilize the debt ceiling resolution in another month or two in an attempt to see whether or not we can reach a better conclusion, that is highly unlikely at best and disastrous at worst.

This is the best solution achievable under the circumstances. It is due to the efforts of many Members in this body, but three in particular: the majority leader, who has courageously represented the point of view of the majority of the Senate of the United States, a majority, I suspect, on both sides of the debates, both public and with the administration; the most distinguished and thoughtful and considerate ranking minority member of the Budget Committee, the Senator from Florida, who has often lost in proposals which he has made but who has seen many of the ideas which he has expounded at least reach the point at which a majority of this body support them very, very wholeheartedly; but most particularly, Mr. President, the distinguished chairman of the Budget Committee, the Senator from New Mexico, who is literally worth his weight in diamonds to this body and to the people of the United States. His courage and constant persistence have brought us a proposal which he admits is far from what we would have wished but is infinitely better than anything we would have had without those efforts. And every person here and every person in the United States owes to the Senator from New Mexico an immense debt of gratitude.

This is half a loaf. Very few people will claim that it is more than that, but it is an important half loaf. It is important in that at least we will no longer see budget deficits which are increasing. Instead of deficits going from $220 billion, perhaps to $300 billion, we will see them in the order of $190 billion, $180 billion, maybe $170 billion.

I wished for much more, but the people of the United States will gain by receiving this half loaf and permitting us in the near future I hope to begin once again. This is not the end of the war. It is one scrimmage or one battle. The next battle if this resolution is passed at least will be fought on more favorable ground.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, may I have 2 minutes?

The PRESIDING OFFICER. Who yields time?

Mr. BYRD. I thank the distinguished Senator.

Mr. DOMENICI. I yield the Senator however much time he needs.

Mr. BYRD. I thank the Chair.

I thank the distinguished majority leader for attempting to get an answer to my question or maybe he got the answer. May I ask him what he found out in his conversation with the White House?

Mr. DOLE. Mr. President, if the distinguished minority leader will yield, I did make a telephone call and I did find out the President would like us to pass this budget resolution.

Mr. BYRD. Who said so?

Mr. DOLE. The chief of staff.

Mr. BYRD. Who is the chief of staff?

Mr. DOLE. It was Donald Regan, but he was at a meeting I had with the President this afternoon and we discussed it and I want to make sure I have it right. But I think the President will indicate he would like more, but that this is a step in the right direction and that he would like us to pass it.

Mr. BYRD. I appreciate what the distinguished majority leader has said. Could he tell us what Mr. Regan, the chief of staff for the Commander in Chief, said about the resolution and whether or not the President supports it?

Mr. DOLE. I think my inference is the President wants us to pass it and that would indicate his support. I spent about an hour with the President this afternoon, and I think there was not any doubt in my mind that he wanted us to pass this proposal, that he supports it, not with great enthusiasm. I do not think a lot of people do here. But I do not know what else I could tell the distinguished minority leader. He is pleased it has no taxes in it. But I think he feels that we have actually done a pretty good job.

Mr. BYRD. Did Mr. Regan indicate that the President would not be critical of this resolution if it is passed?

Mr. DOLE. The President will issue a statement shortly, hopefully, if we pass the resolution, and I have heard that statement and it is not critical.

Mr. BYRD. And it is not critical.

I certainly appreciate the distinguished majority leader's statement. My vote on this will be determined by whether or not Mr. Regan, the chief of staff, clearly indicated that the President of the United States supports this resolution. It may not be everything he wants. It is not everything I want or everything the majority leader wants. But I am not sure that I yet have a clear understanding as to what Mr. Regan said in response to the question asked by the distinguished majority leader.

Mr. DOLE. I just say to the distinguished minority leader I was there. I was not really quoting Mr. Regan. You do not visit the President and run out and quote a President. But I think as I recall the visit and paraphrasing what was said, we discussed the history of the budget debate and a number of other things and focused on what would happen this evening, and I had the clear impression that the President supports this conference report again with reservations. I think everyone here has reservations. I am not going to vote for it with any enthusiasm. I am going to vote for it because I think it is an improvement over the House-passed budget resolution. So, I think that is fairly firm. It is not from the chief of staff. This is from the President himself.

And beyond that, I just cannot say unless I can call the President back and I hate to do that. I just say the President supports this conference report.

Mr. BYRD. Mr. President, I will not press the majority leader any further. I thank him. I take it by what the majority leader has said that the President does support this budget resolution conference report, and I ask the majority leader one more time, be-

cause I want to be sure as I can be, to state what Mr. Regan said in response to the majority leader's questions on the phone just a few minutes ago.

Mr. DOLE. I asked Mr. Regan, in fact I told Mr. Regan that I had been asked by the distinguished minority leader if I could indicate publicly that the President supported the conference report. I reviewed the conversation we had earlier and reviewed the release that I had seen at that time, and I indicated to Mr. Regan that I felt from that conversation, visit, and the statement which will be released that the President would want us to pass this conference report. He said that is true; the President wants it passed. He has reservations, and he did not say "supports," but I think everything else was there.

Mr. BYRD. Mr. President, I thank the distinguished majority leader.

Mr. LONG. Will the Senator yield me 1 minute?

Mr. DOMENICI. I yield.

Mr. LONG. Mr. President, I am not going to vote for the conference report. My reasons are very simple. I do not think the people of this country, the business element or for that matter any thoughtful student of this subject would recommend to us a deficit of the dimension that is called for in this measure. When the conferees, of the Senate and the House have reduced spending every way they responsibly could do it, and I assume they have done that, they should have been calling upon us to raise revenue to help further reduce the deficit.

Mr. Paul Volcker, Chairman of the Federal Reserve, has said on occasion that we should cut spending all we can and then reduce that deficit by adding some revenue.

I know the majority leader has suggested that. The minority leader has recommended that. Mr. CHILES has recommended that. I read by the reports that Mr. DOMENICI has recommended that.

The President does not agree.

But for us to stop at this point, by having reduced spending to the extent that the conferees have done and I assume the best of their ability to cut spending, it is my judgment that we should have been called upon to increase revenues to further reduce the deficit.

The Senator from Louisiana is the ranking Democrat on the Finance Committee, and in my judgment we should have been called on to recommend to this Senate a revenue measure to help further reduce this deficit and to not reduce the deficit any more than this resolution achieved in my judgment is not responsible.

While I appreciate the dedicated efforts of those who tried to reduce it and undoubtedly have tried to do it——

The PRESIDING OFFICER. Will the Senator suspend?

The Senate is not in order. The distinguished Senator from Louisiana has a right to be heard. The Senate is not in order. We will not continue until the Senate is in order.

The Senator from Louisiana.

Mr. LONG. Notwithstanding the long hours and diligent efforts made by those who represented the Senate in conference, the majority leader and minority leader, I do not think that the huge deficit is in the national interest, Mr. President, and I simply cannot vote for it.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. I yield time to the distinguished Senator from Montana.

Mr. MELCHER. I thank the ranking member of the Budget Committee for yielding me time.

I wonder if the majority leader would be kind enough to yield for a question.

We have looked over the agriculture figures, and the reconciliation for agriculture covering those programs for commodities and loan programs, credit programs, research, it is $7.9 billion. In other words, it is an $8 billion reconciliation.

Mr. DOLE. Which is the House number.

Mr. MELCHER. I would ask the distinguished majority leader, since we have been discussing the farm bill costs in debate in committee and here on the floor. I ask, is it not irrelevant what the deficiency payments are, the target prices are for crop years 1988 and 1989 as far as this budget resolution is concerned?

Mr. DOLE. What was the first part of the question?

Mr. MELCHER. Is it not irrelevant, as far as this budget resolution is concerned, what the deficiency payments are for crop years 1988 and 1989?

Mr. DOLE. No; I do not think it is irrelevant. It seems to me there have to be some assumptions made to reach these figures, the $7.9 billion figure, which was the House number.

Mr. MELCHER. I want to be sure we have the same understanding. The $7.9 billion reconciliation will come out of the fiscal years 1986, 1987, and 1988 expenditures.

Mr. DOLE. Right.

Mr. MELCHER. That being the case, since the deficiency payments for crop year 1988 will be paid in fiscal 1989, it does not apply in this budget, nor does the reconciliation figure of $7.9 billion?

Mr. DOLE. The Senator is talking about the outyears? We do not deal with that year; the Senator is correct.

Mr. MELCHER. I want to just make this point. Yesterday in committee we voted for a 2-year freeze on target prices that would cover the crop years 1986 and 1987. Since those deficiency payments called for target price freezes in which crop year 1987 would be paid in fiscal 1988, the full budget impact has been considered in that particular proposal. And that was the Senator's proposal, was it not?

Mr. DOLE. That is correct.

Mr. MELCHER. I thank the distinguished majority leader, because I think he is on the right track with his proposal in committee yesterday. So what was done by that particular amendment covered all of the deficiency payments that will be contemplated in this budget. But in the following 2 years, the so-called outyears, those deficiency payments will be made in fiscal 1989 and fiscal 1990, not covered by this budget. So, the proposal I have made for the last 2 years is not affected by this budget.

Mr. DOLE. That is correct.

Mr. MELCHER. So if we hold target prices steady in those 2 outyears, we are assuming, regretfully, and possibly mistakenly, that the current level of target prices will be enough.

But, nevertheless, the point I want to make is that we have been arguing for the past couple of days about a part of the farm bill on the target prices for crop years beyond this budget resolution. What we accepted in the committee on the motion of the distinguished majority leader, the Senator from Kansas, who understands the farm program and particularly the wheat program as well or better than anybody else on this floor, was to accept his motion to freeze target prices for at least the first 2 years; and by doing so, the full budget impact for target prices was addressed. Those of us who feel strongly that we cannot cut target prices in the next 2 fiscal years beyond that to anything less than that covered in this 3-year span, I think, have probably made our case on behalf of agriculture producers and that is the least we can do in the farm bill.

I hope that we will not be accused of following the wrong leadership and busting the budget when we take up the matter again, in September, because we have followed the majority leader in his proposal for the first 2 years of the bill and we believe we can do no less for the last 2 years of the bill.

Mr. CHILES. Mr. President, I yield 2 minutes to the distinguished Senator from Mississippi [Mr. STENNIS].

Mr. STENNIS. Mr. President, I am one of those who believes in the Senate as an institution. I think it is my personal duty to uphold it and back it, the institution, whenever I can. I have been here during the start of two wars and have had other hard questions arise, but this is the most critical test, I believe, that the Senate has had since I have been here. And it has made a start on finding a way

through to a solution, a major part thereof, to this problem.

After all, this is our responsibility. This is purely a matter of raising revenue and appropriating revenue. It is clear as a bell throughout the Constitution that the sole power to raise revenue rests with the Congress and also to make appropriations. So, I wish it meant more.

First, a word about the men. I wish I was in the group that contributed to this. I have not been. But I have never seen a finer effort. Some men have been here a short term for Senate tenure and others are new faces. There were many that made tremendous contributions in this field and still have not attained anything like a solution, but they will keep trying. So I am going to support it, not because I like what it is, but it is a start. And I think we made that start, and we can finish it the same way.

Mr. DOMENICI. Mr. President, I yield myself 2 minutes.

Mr. President, let me say to Senators, regardless of what kind of economic forecasting you want to use and what you think about the future and what you think we might have done, let me tell you that of the budget that the President of the United States sent us, without putting any new taxes on—because the President says we should not now and I really urge to you that we cannot put it on here and count it if he says we are not going to get any. So let me go back. He sends us a budget. We have one little process, budget process. We reduce that expenditure level that he gives us by $277 billion—I have said it correctly—off of what he asks us to do, and there is still a deficit.

We are told by everyone that we cannot touch COLA's. And believe me, we have tried. They will not go in this thing. The President says, "No, and the House says, "No."

It seems to me there is only one issue, if that is all you have on the table: Have we done the best we could with what is there? And I will tell you, I have been at it awhile, and we are only one House. We are the Senate. The other body is another body, and the President is the other one. I think we have done the best we can with the agenda on the table that is before us.

We can talk about what we could have done, what we might have done, what we would have done if we had a bigger table. But there is not any. I was even told a few days ago what is gone is gone. You have done the best you could. Get on with the future. We did. I do not see how anybody can stand around here and say it is the greatest, but neither do I think you ought to run around saying $277 billion off a President's budget that is only 4 months old is a little insignificant kind of job. Sure, the Senator from Louisiana is right. We did not cut the budget enough. Sure, he could put some taxes on. Surely, if the President says we should not, we would have a real phony resolution if you want to put it in there. Put it in. He says it will never become law. So, it is not in there. So, I am not gung ho. I do not think it is a marvelous thing because we could have done better. But I have been sitting here all afternoon, we are finally getting down here, making a few speeches, and we are talking like it is nothing. It is only the biggest budget cut in the history of the Republic.

What are you going to do this afternoon? That may be nothing, but it is a first. You have been meeting for a couple hundred years. We never did anything like this in real dollars, proportionate dollars, or relevant to anything else. We never did anything like this. So, it seems to me that at least we ought to get on with voting it out of here, and let all of the other committees do their work.

Before I sit down, I want to thank the majority leader. He has been marvelous. When we started off, he was not even involved in this budget process. I would let him take the chair right now. He knows enough about it to run it.

I thank all of the rest of us, particularly LAWTON CHILES, and I apologize to some of you. Some chairmen were worried about us taking too much time. We are sorry we did. To those who have not been able to get their work done around here because we have been doing this, and we are sorry. We will get out of the way now. We hope you can all get your work done, and that we have not interfered too much. We just happened to think we could not give up. We could have given up 2 or 3 weeks ago. I felt very much like doing it, I tell you. If it had not been for your encouragement, the leaders' encouragement, some willingness to change along the way, to offer something new, I would have chucked it to you about 4 weeks ago, and to everybody else—to the U.S. House, and the President down there. And for those who say, "Well, good, some of you make that speech here because you say we should not do it"—those who are saying that is good, that is just what you should have done—I ask you what you would have gotten by the end of the year, and what you would have next year, and the year after. You get up here and tell me you would have gotten dynamite. You would have gotten nothing, vetos, continuing resolution, fights, debt limit that we never extend, and we may not, and we would have gotten no master plan or genius to put on that thing either. So, I think we ought to vote it in.

Unless somebody on my side wants some more time, I want to yield back the rest.

Mr. THURMOND and Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I yield 4 minutes to the distinguished Senator from Idaho, and 3 minutes to the distinguished Senator from South Carolina.

Mr. McCLURE. Mr. President, I am very reluctant and very hesitant to take the floor this evening to make any remarks, particularly after that very eloquent and moving speech by the distinguished Senator from New Mexico has made, because I rise in opposition to the resolution. I do it for a very simple reason.

Everybody knows that we are not going to control the Federal spending until we are willing to confront the growth of the entitlement programs. This resolution does not do that. No matter how you slice it, until you are ready to do that, we are not going to stop the growth of the Federal spending.

It is less than 5 years that a new President took over in this country. The Republicans became the majority party in this body for the first time in a quarter of a century. And we had in our first year the unenviable task of voting to increase the debt limit to $1 trillion. Remember that day? Remember when some of my friends on the other side of the aisle were giving the Republicans the dickens for voting for the largest debt ceiling in the history of the country?

The distinguished minority leader suggests we have got to have a pledge from the President of the United States; he will not criticize our results. I do not see anybody over there making a pledge. You are not going to criticize Republicans for presiding over the big deficits. As a matter of fact, I suspect that is exactly what is going to happen. Perhaps they should, because in spite of this budget resolution now 5 years after we faced $1 trillion, we are facing next year a $2 trillion debt ceiling.

Ladies and gentlemen, with the budget resolution that we have here that has no restraint on the growth of entitlements, in 5 years, we will be facing a $3 trillion budget deficit—national debt. How are you going to vote on that? Are you going to withhold your criticism for the Republicans and the President of the United States for having allowed that to happen? No. Some of the people that demand assurances that the President would not criticize us will be turning around and criticizing the President loudly for having allowed that kind of a budget deficit. I, for one, recognize the difficulties that the distinguished members of the Budget Committee have had in trying to come to a resolution of this matter. I do not envy them their task. I commend them for their dogged de-

termination to produce anything. I think they have done the very best that they can. But for the Senator from Idaho, it is not good enough. It is not good enough when we recognize the kind of fiscal and economic chaos that is in store for this country with $200 billion deficits built on top of $200 billion deficits, and we vote for a resolution that permits that, and say it has our approval. It does not have mine.

Mr. CHILES. I yield 3 minutes to the distinguished Senator from Louisiana.

THE PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I went to bed last night determined to vote against this resolution; disappointed because it did not cut enough, a little bit mad because of certain stubborn people in high places who kept us from doing that which was in the national interest and thinking that half a loaf is not enough, that we ought to hold out for a whole loaf. But, Mr. President, I thought how are we going to get from here to there. And as I began to dream off into sleep, not quite asleep, I thought am I going to lead that fight? Then I thought, well, maybe not, because I have not quite figured how to get from here to there. Just what is it we are going to do? And I figured, well, not me. Let us put somebody else in the leadership. Then I thought, who else has a plan? I finally figured out nobody has a plan, because there is no plan that is better than this. You can criticize it. I have soundly criticized it. It is only half a loaf. Maybe it is only a quarter of a loaf. But let me tell you, you are not going to get taxes because of the President, and you are not certainly going to get taxes without entitlement, and you are not going to get entitlements in this Congress. We all know that. The two go together. I think, with the distinguished Senator from Ohio, we ought to have both. But we cannot get both. There is just no way to get from here to there.

Mr. President, I do not see any strategy in chaos. We could break this thing down and go to an emergency status, have vetoes, have criminations, recriminations, and all the rest. But I do not see the strategy. I just do not see how it could work. And I am willing to follow. I would be willing to follow the President if he said, "Let us defy the rest of Congress and get a real budget," or I would follow my distinguished colleague from New Mexico, or my distinguished colleague from Florida. But we do not have a strategy, not any of us do. This is all we have.

There used to be a saying that all 535 Members of Congress want to balance the budget. They just have different ways of doing it. That is almost true today. I guess there are one or two so-called "supply siders" who think there is some positive good in having deficits, and maybe they do not have a strategy. The rest of us do. We just differ as to how to do it. But if anybody can give me a strategy as to how you can put together enough Members to do better than this, I have not heard it. I have been listening very, very carefully.

Mr. President, the fact is we have no one to follow. We have no one to follow. We have no plan other than this plan.

It does something. It is $68 billion in spending reconciliation. It is over $8 billion in taxes. They will call it something else, I guess. Reconciliation. And it is over $200 billion in cuts of the deficits, some of it smoke and mirrors, some of it real, but a heck of a lot more than we get without a plan.

This is the only game in town. It is the only plan. With a lot of sadness and in the cold light of day, I say it is our only choice.

Mr. DOMENICI. I thank the distinguished Senator from Louisiana for his observations. I yield back the balance of my time except for 6 minutes, 3 of which I yield to the Senator from South Carolina and 3 to the majority leader.

How much time does the Senator from Alaska desire?

Mr. STEVENS. Three minutes.

Mr. DOMENICI. And 3 minutes to the Senator from Alaska.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I do not know of a more important matter to the people of America today than cutting these taxes. It simply means we will have more inflation and higher interest rates if we do not take the necessary steps. We have balanced the budget once in 8 years, three times in 25 years. It is time we got busy and balance the budget.

On the other hand, the President takes a strong position. He has a right to the veto. The House has not taken the steps they should have taken, but I think the Senate took the right steps here. It took a lot of courage on the part of the Senate to do it. But we cannot do it alone.

I am convinced that it is better to save $277 billion and get this much done, if we do not get any more.

This is not the budget I want. I wanted to see a real budget, to balance it.

Senator DOMENICI has worked night and day. I have never seen a man work harder. In the years I have been here I have not seen a Senator who knows more about the budget and who has slaved to get something done than he.

The majority leader has had meetings in his office time after time. I stopped everything and went. Others did the same thing. That was to try to balance this budget. I think we better take this $277 billion or we will not get anything. This is the first step. Then if we have the courage we will take other steps to go further and try to bring this budget into balance.

I hope this budget, as advocated by the distinguished chairman, will be adopted.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I will not take the full time. I wanted to reaffirm the statements which have been made here about the others concerning the work of the distinguished Senator from New Mexico, but beyond that I would like the Senate to look ahead a little bit and realize that this is just the first of a series of years when we will be called upon to make really tough budget decisions.

We do not know where the majority is going to be in those years, I will tell you frankly, in terms of the relationship of the parties here in the Senate.

This chairman and the ranking member have done excellent work. I echo what my friend from Mississippi has said in that regard.

It could well be that in a short period of time the roles may be reversed. I remember when they were. But I think it is imperative that we establish a bipartisan support for the budget process. We need the support for the work of the majority on this side of the aisle, but the Members of the Senate on the other side of the aisle need fully to recognize that they, too, may need support sometime in the future just as some in this body needed it in the past.

I see my good friend looking at me now. He got support in the past.

The support is for the process inherent in the law that we passed. As I said, it is imperative that we give it that support. Unless we do, we are going to face worse chaos under some of the suggestions I have heard here as to how to bring about a reduction.

This is the only mechanism we have to bring about a reduction, not only this year but in the years to come.

So I would urge a strong bipartisan support for what I consider to be a very, very good effort, which has taken us, I will remind Members, 7 months.

It may be that the whole budget system itself and the basic law should be reviewed under the oversight process soon to see if we can devise a way so that it will not take that long, to put mandatory times in on getting the report back so there is an alternative to reach this vote earlier in the year. Under the system they are working under now, the Budget Committee has done a good job and they deserve our support.

THE BUDGET RESOLUTION CONFERENCE REPORT: FAR TOO LITTLE, FAR TOO LATE

Mr. HELMS. Mr. President, as we approach the rollcall vote, I must say that I am disappointed that the conference on the budget resolution failed to produce a responsible deficit reduction.

The American people had been led to believe that the major objective of the Congress in 1985 was to reduce the Federal deficit.

There had been much discussion last year about how this objective could be accomplished. Former Vice President Walter Mondale adopted the view that so-called deficit reduction could be achieved only by raising taxes and simultaneously increasing certain domestic spending. The voters spoke rather resoundingly last November on their view of this, and many other, of Mr. Mondale's views.

Mr. President, some Members of Congress have not yet received the message from the voters last November. They have persisted all year long in trying to devise means—directly and indirectly—for increasing taxes on the American people.

Thanks to the resolute opposition of President Reagan, the big taxers have been unsuccessful—at least thus far—in getting either the House or Senate to adopt tax increases as a part of so-called deficit reduction.

On the other side of Mr. Mondale's mistaken policy was a proposal for increases in domestic spending. Unfortunately, Mr. President, liberal big spenders have been more successful in this final budget document in implementing parts of this ill-conceived concept.

In the midst of a document that purports to be achieving major deficit reductions are numerous items to increase Federal spending.

Obviously, this document has just become available, but I have already discovered several increases in programs within the jurisdiction of the Committee on Agriculture, Nutrition, and Forestry, which I chair.

The conference report totally rejects the reasonable reductions included in the Senate-passed budget resolution for federally funded food assistance programs. Reductions of $500 million were proposed for the Food Stamp Program over a period of 3 years. Reductions of $1.2 billion were proposed for the various child nutrition programs over 3 years.

Rather than reduce spending by $1.7 billion over 3 years, however, the conference report increases spending for these programs by almost that amount.

The conference report proposes to increase food stamp spending by over $1 billion over 3 years—$1 billion over and above the increases already assumed for inflation. The Food Stamp Program, which now costs $12.5 billion, would escalate to over $14 billion annually by fiscal year 1988, under the assumptions included in the budget resolution conference report.

Part of that increase is a result of over $200 million increase for the Nutrition Assistance Program in Puerto Rico. That program was established at $825 million annually to reduce what had been the rapid growth in the Puerto Rican program. Without that reform, the program in Puerto Rico alone would be costing over $1 billion annually. Almost 60 percent of the Puerto Rican population was on the Food Stamp Program prior to the establishment of the $825 million grant. Under the conference report suggestion, Puerto Rico's program would once again begin escalating.

The President proposed in his budget to reduce spending in child nutrition programs. But what the President noted was that a large portion of spending for child nutrition programs—over $1 billion annually—goes for children receiving federally subsidized meals who are from families with incomes far above the poverty line. He recommended that reductions be made in the subsidies for these nonpoor families. The Senate-passed resolution included some of these reductions.

Instead, the conference report proposes to continue, unabated, this spendng for nonpoor children and to increase spending for child nutrition programs by over $100 million annually—again that much in increases over the increases already assumed for inflation. Spending for these programs will escalate from $5.5 billion to $6.4 billion by fiscal year 1988 under the assumptions contained in this conference report.

Frankly, Mr. President, I find too little in this conference report that is acceptable as true deficit reductions. It appears to this Senator that the conference report has become little more than a vehicle for restraining defense spending. No restraint of welfare spending or of other major domestic spending programs.

I have previously indicated to the distinguished chairman of the Budget Committee, Senator DOMENICI, that I would be unable to support such a final product. I ask that a copy of a letter to Senator DOMENICI be printed at this point in the RECORD:

The letter follows:

U.S. SENATE,
Washington, DC, June 24, 1985.

Hon. PETER V. DOMENICI,
U.S. Senate, Washington, DC.

DEAR PETE: Realizing that you are deeply involved in the conference on the budget resolution, I do not desire to complicate your already difficult task. However, I feel obliged to convey to you my concerns about various reports I'm hearing concerning the final shape of the conference report.

I am absolutely convinced that it is essential that the final package contain the features of the Senate-passed resolution which attempts to reform significantly some of the spending for domestic programs.

I am concerned that the final document not become merely an outline for restricting defense spending, without significantly addressing restraint or reductions in domestic spending. Frankly, if the final document becomes merely a guise for reducing defense expenditures—with little or no other reductions—it will have lost its central purpose, and I cannot support such a result.

The Senate-passed reductions are reasonable. I certainly hope that you and the other conferees will insist on these important provisions.

Kindest personal regards.

Sincerely,

JESSE HELMS,
Chairman.

Mr. HELMS. Mr. President, for the reasons outlined in that letter and those already cited, I am forced to oppose the conference report. I hope that it will be rejected and then perhaps the conferees can get down to business of serious budget reduction—by reducing these large spending programs.

I should specify, Mr. President, that the conference report establishes increases for food stamps and child nutrition at the subtotal level without making corresponding increases in the overall total for income security—function 600. This will mean, if the resolution is properly enforced, that any attempts to increase spending in either food stamps or child nutrition will result in the necessity to reduce spending in other programs under the jurisdiction, for appropriations, of the Agriculture Subcommittee of the Appropriations Committee.

So while the increase may not materialize, it seems to me that the conference report contains "funny numbers" that create an appearance of doing something to reduce the deficit while at the same time giving encouragement to ever greater Federal domestic spending.

Mr. President, another serious shortcoming in the conference report is the slippage in savings attributed to agricultural programs within the jurisdiction of the Agriculture Committee.

The savings in the conference report for this function have been significantly reduced, by $2.4 billion. Again, Mr. President, the conference report moves in the wrong direction—toward less savings, rather than maximum savings.

Agriculture program spending can and must be reduced, for the good of both farmers and taxpayers.

Mr. President, I am also troubled by the inclusion of tax increases in the budget resolution—and especially troubled by specific tax that some of the budget conferees, and others, apparently have in mind.

The tax increases appear designed to be just large enough to allow, among other increases, a continuation in the 16 cents per pack tax on cigarettes.

That tax is currently scheduled to fall to 8 cents on October 1.

Mr. President, I must oppose any efforts seeking to make permanent the current 16 cents Federal excise tax on each pack of cigarettes. It was my amendment to the Tax Equity and Fiscal Responsibility Act of 1982 that calls for the tax to be lowered back to its original 8 cents per pack beginning October 1, 1985.

I am sure the budget conferees have good intentions, but there are two primary reasons why I will be forced to respectfully disagree with them on this particular matter.

First, this action proposes a tax increase. Although it may be tempting to suggest that this would freeze the existing 16 cents per pack cigarette excise tax, it is critical to remember that one-half of the 16 cents is a temporary surtax enacted in 1982 and scheduled to end, or "sunset," this year. The Senate Budget Committee, in its effort to maintain existing revenue law, quite properly assumed in the Senate passed resolution that the sunset would take place this year as promised by Congress in 1982.

Second, consumers of tobacco products already bear an inordinate share of taxes imposed by all levels of government. Smokers paid Federal, State, and local governments a record $9.3 billion in tobacco taxes for the year ending June 30, 1984. The amount, levied on 28.5 billion packs, was an increase of $1.5 billion over the previous year and was more than three times the amount received by tobacco farmers for their 1984 crop.

The Federal cigarette excise tax raised $4.7 billion in this 12-month period. The amount was a $1.3 billion increase over the previous year's collections. Tobacco has been taxed by the Federal Government since 1863. The first State cigarette tax was imposed by Iowa in 1921. Over the past 121 years, tobacco taxes have generated more than $164 billion in revenue. I do not know of any other commodity that is as overtaxed as tobacco.

It is also my strong feeling that the regressive nature of cigarette excise taxes causes them to affect most adversely those who can least afford them—the working people of this country. Excessive cigarette taxes are an undue hardship to the 55 million Americans who choose to smoke, as well as the 276,000 family farmers who depend on tobacco for their livelihoods and the 50,000 workers who earn their living in tobacco manufacturing.

In conclusion, Mr. President, this budget resolution proposes a tax increase, and tobacco is already overtaxed.

Mr. DECONCINI. Mr. President, on May 9, I began my statement on the White House-Republican leadership budget plan by saying:

It has been a tortuous 3 weeks since the first copy of the so-called White House-Republican leadership budget plan arrived on our desks, heralded as the bottom line in deficit reduction for 1986 through 1988.

Well, the last 3 months have been even more tortuous, as the House and Senate conferees have struggled to reach a budget compromise that makes meaningful headway in reducing the huge Federal budget deficit. The product of their labor is now before the Senate and I intend to support it. However, let me quickly add that much like the victory of Pyrrhus over the Romans at Apulum in 279 B.C., the "victory" of reaching a deficit reduction compromise tonight may be a hollow one. Let me attempt to explain.

First, Mr. President, the deficit reduction assumed in the conference agreement will total only $39 billion in fiscal year 1986, according to the Congressional Budget Office bookkeepers. Using CBO's numbers, the deficit would be $181 billion next year and would shrink to $161 billion by fiscal year 1988. Even the more optimistic Office of Management and Budget accounting system shows that the deficit would still be $112 billion by 1988. That is a far cry from the surplus that the President predicted we would have in 1985 and 1986, when he outlined his economic blueprint back in February 1981. Furthermore, these deficit reduction assumptions are largely predicated on passage of an omnibus reconciliation bill that changes existing law to achieve savings and revenue increases over the next 3 years. These legislative changes would tackle some of the most politically sensitive and popular programs and activities in the Federal Government and will be extremely difficult to do as the Senate and the House approach another election year. For example, legislation to impose user fees on businesses to cover the cost of Customs services at the border and airports; legislation to achieve cuts in farm programs; and legislation to achieve savings in veterans programs will not be easy to achieve. Failure to address these and other reconciliation guidelines by the end of this session of Congress can only mean even larger deficits next year and in the outyears. Therefore, when all of the dust settles, we may not have even the limited deficit reduction target contained in the conference agreement.

Second, as I understand it, the budget conferees have opted not to impose tough, binding enforcement mechanisms in the compromise agreement. For example, there is no appropriation "cap" in the conference agreement that would help discipline the House and Senate Appropriations Committees in reporting and passing annual spending bills. Frankly, I would support a comprehensive appropriation cap that covers both defense and nondefense discretionary spending. The Senate-passed budget resolution contained two separate caps—one for defense and one for everyone else. I opposed that approach because it virtually held harmless defense spending from being stacked up against nondefense spending priorities in competition for scarce taxpayers dollars. Therefore, aside from reconciliation, there is no real "traffic cop" provision in the conference agreement that would put a lid on overall defense and nondefense discretionary spending.

Finally, Mr. President, I believe that the final conference agreement on the budget is a hollow victory because it lacks the full support of the President of the United States. It is true with spending reform and tax reform: without the full weight and power of the President of the United States, true, meaningful reform and deficit reduction will not be achieved. I am deeply disappointed that the President apparently pulled out of the conference battle a few weeks back, leaving his own Republican budget conferees dangling by themselves to fight it out with the House on a deficit reduction compromise. I am convinced that if the President had waded in with his own party negotiators; rolled up his sleeves; and used the tremendous power of persuasion that he clearly possesses, we would have a deficit reduction package before us that would make real progress in reaching a balanced budget before 1990. Furthermore, the jury is still out as to whether the President will use his considerable political clout to help push the reconciliation bill that will implement many of the savings and revenue initiatives contained in this conference report. I hope that he will, but it is one more major intangible that will ultimately help dictate whether we really achieve savings and cut the deficit next year and over the next 3 years.

Mr. President, I trust that my doubts about whether or not this conference report will actually cut the deficit, will not cloud my support for the conference report.

The conference report at least establishes the groundwork for cutting the deficit by $39 to $55 billion, depending on whose economic assumptions you embrace. It does set in motion the machinery to cut the deficit by $200 billion over 3 years. It does take some meaningful steps toward rolling back low priority spending in such activities as administrative overhead in Government programs and foreign aid. It freezes certain nondefense discretionary spending programs at current levels, thus reigning-in the growth of these programs in fiscal year 1986 and beyond. And it forces cuts in spending for the legislative branch.

At the same time, the conference agreement allows full COLA's for Social Security recipients; protects critical law enforcement activities including our new initiatives against terrorism; and maintains full inflation adjustments for our most needy veterans who have served our country with dignity and courage. And, finally, the conference agreement provides enough room for a strong national defense program for fiscal year 1986 through 1988, without compromising our efforts to ferret out waste, fraud, and abuse in the Defense Department.

Mr. President, our colleagues in the Senate who have toiled so long and hard on this budget compromise deserve great credit for bringing us a package that takes a small but important step toward reducing the deficit next year and in the years to come. Senator DOMENICI and Senator CHILES, the chairman and ranking member of the Budget Committee respectively, should be applauded for pulling out this "overtime" victory on the budget, especially when they apparently did so with their star quarterback—the President of the United States—on the sideline. The compromise is a good balance of restraint and progress in our effort to reduce the deficit yet maintain essential Government services and programs. The conference report deserves our support.

Mrs. HAWKINS. Mr. President, I support this budget resolution and am pleased to see that it does not include a freeze on the Social Security cost-of-living adjustment which was the roadblock to my supporting the Senate budget resolution. I am also pleased that our veterans, who have served this country so selflessly, will also be treated fairly.

This budget process has been a long and arduous process, Mr. President, and one that has caught the attention of the Nation. Most Americans believe that our deficit is the No. 1 problem facing this country and they have no patience with a Congress that is unable to restrain spending and unable to make politically difficult decisions. While I am grateful to my Senate colleagues on the Budget Committee for their hours of work on this legislation, I must admit that this is merely a downpayment and that we still have substantial work to do before our financial house is in order. This resolution is a beginning, but we cannot stop here. If we do not continue to come to terms with Federal spending, it will wreak havoc in our economy and the resulting high interest rates will threaten every American in all walks of life.

Mr. President, the near collapse of the budget conference this year is clear evidence to me that Social Security should not be part of the unified budget. In March of this year, when I realized that Social Security would again become the political football in this debate, I introduced legislation to remove it from the unified budget. If adopted, my legislation would effect next year's budget process so that we could no longer hold Social Security recipients hostage during the debate on this Nation's debt, and it would no longer be a reason for delaying final action on a budget resolution.

I have stated many times on this floor, that Social Security is not part of the deficit problem. It does not compete for scarce general revenue funds and should not be placed on the reduction table enabling Congress to escape making even tougher spending reductions. I look forward to working on this issue when we return in the fall to ensure that this important legislation is adopted before this process begins next year.

Mr. CRANSTON. Mr. President, with the Nation facing a fiscal future of $200 billion annual deficits "as far as the eye can see," the Senate today solved the problem simply by closing its eyes.

I cosponsored, fought for, and voted for a substitute Democratic budget that would have cut the deficit $303 billion over the next 3 years and $56.5 billion in fiscal 1986 alone. We were defeated 54 to 43.

The Office of Management and Budget claims this Reagan-Republican budget will cut the deficit $277 billion over 3 years—$26 billion less than the Democratic budget—and $55 billion in 1986—$1.5 billion less than the Democratic budget.

The Congressional Budget Office—a no-ax-to-grind, nonpartisan agency with a far better record than the Budget Office for accurate economic analysis—says the Reagan-Republican budget actually will cut the deficit by only $200 billion over 3 years—$103 billion less than the Democratic budget—and just $39 billion in 1986—$17.5 billion less than the Democratic budget.

Senate Republican Leader ROBERT DOLE said that the budget that would come before us was a watered-down, nothing budget.

He is right.

He just votes wrong.

I am going to vote against the budget conference report because it is a business-as-usual budget.

This budget is not the best that Congress can do to cut spending.

To ratify this budget is to tell the country that Congress does not want to do better, not that Congress can't do better.

For example, I can find over $23 billion in spending cuts I supported during consideration of the Senate budget resolution which are omitted from this budget.

These are the spending cuts which I supported which are left out of the business-as-usual budget:

First, 50-percent cut in general revenue sharing—$2.3 billion;

Second, freeze defense spending—$6 billion;

Third, Agriculture Program cuts totaling $6.6 billion; and

Fourth, miscellaneous cuts I voted for, totaling $8.4 billion.

The list is not long, but it shows what can be done and what is within the capability of the Senate and the Congress to do to cut spending without injuring this country's essential priorities and needs.

In brief, Mr. President, these are the reasons why I cannot go along with the business-as-usual budget.

BUDGET RESOLUTION CONFERENCE: DEFEAT

Mr. BAUCUS. Mr. President, I will oppose the conference report on the first concurrent budget resolution for fiscal year 1986. I do so because it is neither large nor fair.

At the end of 1980, debt held by the public was $715 billion. Under President Reagan, that has more than doubled—this year the debt will be $1.5 trillion. And at the rate we are going by the end of this decade it will be $2.5 trillion.

This year we will spend $130 billion on interest alone. That is money that does not buy health care, school lunches, national parks—or defense. It is just money down a rathole.

The ever-growing Federal deficit looms over our economic future like a dark cloud. The need to borrow to finance our consumption drives up our interest rates, draws money from abroad and drives up the value of the dollar. In turn the overvalued dollar is the single largest contributor to our ever-growing trade deficit.

Our failure to make the hard decisions necessary to slash these deficits endangers economic growth. We are in serious danger of failing to pass on to our children what our parents bequeathed us: a higher standard of living.

Mr. President, I have voted in this body for packages including COLA freezes, tax increases, defense freeze, and domestic spending cuts. I would have supported difficult reductions in worthy programs—as part of a large and balanced package.

This package is neither. Strip away the assumed management savings, some of the odd assumptions in defense and shift to CBO accounting and this package cuts the fiscal year 1986 deficit by less than $40 billion. And it does so by slashing domestic discretionary spending.

Mr. President, I began the year advocating that we rapidly enact an across-the-board freeze and then discuss further deficit reduction. The package we are offered tonight cuts not more than the freeze would have and lacks its balance.

The time has come for the President of the United States to take responsibility for the results of his fiscal policy—huge deficits. The time has come for him to cool his rhetoric and admit that ideology is no substitute for arithmetic. In return, Members of my party are willing to accept cuts in programs we care deeply about. All of us must give some. The game is worth the candle, but leadership must come from both ends of Pennsylvania Avenue.

Let me conclude with one thought uttered by a clever man: Every time you pass a 1-year-old, you should thank him. Because, Mr. President, we are spending and charging it to our children and their children after them. Our failure to make the hard choices only burdens the next generation.

This package assumes any budget is better than none. I do not agree.

Mr. LEVIN. Mr. President, this is an irresponsible budget because it does so little to reduce the deficit. But it would be even more irresponsible to do nothing. So with real reluctance I am voting for it.

Mr. BOREN. I agree with my colleague from Michigan, Mr. President. Passing this budget is better than doing nothing. However, it comes as close as possible to doing nothing. No one should be fooled into thinking that this budget seriously deals with the deficit crisis.

Mr. BYRD. Mr. President, I applaud the conferees for bringing us the conference agreement on the budget resolution. If we are to achieve any deficit reduction this year, we need a budget. The conferees overcame some major obstacles, not the least of which was the unwillingness of the President to deal seriously with the deficit. The conferees in both Houses and on both sides of the aisle deserve credit for their perseverence and hard work.

The conference agreement before us is not perfect, but it will result in significant reduction in the budget deficits that are undermining the economic base of this Nation. And it will do that without cutting benefits to Social Security recipients. I said earlier this year that we could reduce the deficit while protecting Social Security benefits. I am glad to see that, despite the rhetoric of some, we can do just that.

This conference agreement will achieve about $55 billion in deficit reduction in 1986 and $277 billion over the next 3 years. If all the savings included in this budget are enacted, it will result in a deficit of $112 billion by 1988.

That deficit is too high for my liking. But it represents a significant improvement over the budget the President sent us in February. I would remind my colleagues that the President's budget, measured on a comparable basis, would have resulted in a deficit of $147 billion in 1988. So that budget makes much more progress in the war against the deficit than the budget the President sent us.

It is still not as great a reduction as I would prefer. In May, I offered on the floor a proposal that would have achieved greater deficit reduction—some $303 billion over 3 years—and resulted in a 1988 deficit of $100 billion, half of the projected deficit for this year. It would have protected the cost of living adjustments for Social Security and other programs and would have provided for essential investments in our future, such as education and research.

My budget amendment also would have redressed some of the inequities created by this administration's tax policies. By allowing for a minimum corporate tax, my amendment would have ensured that all corporations pay some income tax. As it stands now, there are some profitable corporations that pay no Federal income tax—make no contribution to reducing the budget deficit. Worse still, many of these same companies get tax refunds from the Government. Mr. President, it seems that at a time when we are asking many Americans to make some sacrifice to reduce the deficit, we should not let a few corporations off the hook.

As I have said, this conference agreement is not perfect. It contains some notable flaws that I will work to correct. But it is a major improvement over the version that passed the Senate in May. For instance, the Senate budget would have increased the out of pocket expenses for Medicare beneficiaries. The conference agreement, however, would achieve Medicare savings of some $1 billion without increasing beneficiary's costs. Also, many programs that had been slated for elimination—such as the Appalachian Regional Commission, Economic Development Administration, and others—have been retained, although at reduced funding levels. Funding for Amtrak has also been reduced by 15 percent. Fortunately, the drastic cuts made in the Senate-passed budget were rejected. These and other changes will allow the needs of our people to be met while still achieving major reductions in the budget deficit.

The conference agreement would provide for full COLA's for all the major retirement programs. The conference agreement assumes that Federal pay would be frozen for 1 year. Since Black Lung COLA's are tied to Federal pay raises, not to the consumer price index as Social Security and other COLA's are, this would result in those beneficiaries not receiving a COLA next year. I am sure that the conferees did not intend to single out those suffering from black lung disease for this unfair treatment. I will work with the Government Affairs Committee and the Labor Committee to try to rectify this situation. I hope that I would have the support of my colleagues on both sides of the aisle to restore fairness to the treatment of the Black Lung Program.

I also wish to commend the conferees for the sensitivity they showed to the severe crisis in agriculture and rural America. They restored some $6 billion in reconciled cuts that were made in the Senate-passed budget. This will help us get a good farm bill that stays within the budget. We Democrats are committed to protecting farm income from further erosion. And this conference agreement will help us do that.

This budget agreement will not completely satisfy everyone. But is is an important element in our drive to reduce budget deficits. It does not go as far as I believe it should. I would prefer a budget that reduces the deficit far more and that restores some equity to our tax system. But I shall support this budget and continue my efforts to achieve a budget that significantly reduces the deficit, encourages sound economic growth, and is fair to all Americans.

Mr. GRASSLEY. Mr. President, this budget contains the defense budget authority levels passed by the Senate as a result of an amendment I offered May 2. It was indeed a difficult undertaking to bring about a fiscal year 1986 defense budget authority level of, essentially, a freeze plus inflation.

The incessant response from the Department of Defense prior to passsage of my amendment was not only that a freeze would greatly imperil national security, but that any cut at all would imperial national security. Notwithstanding the propaganda, the Senate proceeded to freeze the defense budget in real terms, and the House in nominal terms. The House cut an additional $32 billion in outlays from defense, over 3 years, below the Senate figure. The conference committee put back $10 billion. Even the Defense Department got into the cost-cutting act when it "discovered" an extra $4 billion in its "coffee can."

The bottom line is that Congress has chosen to reduce the original DOD request by $106 billion in outlays over the next 3 years.

Now Mr. President, we should all recognize—we in Congress, the executive branch, and the public at large—that even after disciplining the defense budget to the extent we have, we have not "imperiled national security." The simple fact is, the defense budget was too fat. We had rampant inflation in the defense industry. Prices were rising fast, and output was falling just as fast. Hammers were costing $500, and on and on—we all know the horror stories.

What the defense budget needed was a good freezing, an old fashioned recession. Not that a freeze will reduce the cost of $500 hammers to what they should cost, or $45 million fighters to what they should cost, but that the freeze is a necessary first step. The recession we have created in the defense industry will cause an increase in awareness of the value of each dollar spent for defense. As with any economic recession, less money leads to more efficiency and more productivity.

For this reason, Mr. President, I believe the defense budget action taken by Congress this year will be therapeutic for our national defense. And best of all, it will oblige us as a nation to regard with great skepticism in the future the proposition that subsidizing the defense budget necessarily increases the security of our country.

Mr. LEVIN. Mr. President, I will vote for this conference report only because it beats doing nothing. It will provide greater fiscal discipline than if we had no budget resolution at all. Using the accounting assumptions of the Office of Management and budget, it projects a budget deficit in 1988 of $112 billion, which would be $30 billion lower than the President called for in his February budget. It cuts spending more than the President proposed in that budget.

But all this means is that the budget resolution conference report which we are voting on today is an improvement over the totally inadequate budget which the President submitted earlier this year. First of all, it leaves the budget deficit far too high. The projected deficit of $112 billion in 1988 would still be about twice the size of the deficit when President Reagan entered office in 1981.

Second, the budget resolution conference report is based on very optimistic assumptions. The nonpartisian Congressional Budget Office estimates that this budget resolution conference report will result in a deficit in 1988 of $161 billion instead of $112 billion.

Third, this budget resolution does not recognize that both fairness and significant, real deficit reduction will require an increase in revenues. In order for a substantial deficit reduction package to be fair, it must be based on the principle of shared sacrifice. A package which focuses almost entirely on spending cuts, leaves open the possibility that many profitable corporations and wealthy individuals who are currently sheltering their incomes from any taxes, will still be able to do that at the same time many other of our citizens will be asked to sacrifice as a result of budget cuts. That is not fair and that is why any deficit reduction package should include a strengthened minimum tax on corporations and individuals.

The absence of significant revenues also places a limit on the amount of deficit reduction possible. The Chiles-Hollings package which I supported called for almost $50 billion more in deficit reduction than does this budget resolution conference report, and revenues were key to that difference. This lost $50 billion is the difference between doing little more than treading water, which is represented by this conference report, and substantial deficit reduction, which was represented by the Chiles-Hollings package.

Mr. President, to paraphrase Winston Churchill, this budget resolution conference report is not the end of the beginning in the battle for substantial deficit reduction; it is not even the beginning of the end; but if we are constant in our concern about the disastrous effects of the deficit, then it can be the end of the beginning.

Mr. MOYNIHAN. Mr. President, I vote "Nay." I do not support this budget resolution, because there is no resolution therein to a budget that now or in any time foreseeable will bring receipts and outlays into reasonable balance.

We know it can be done, and how to do it. Control every part of the budget: defense; domestic spending; entitlements; and taxes. The President and now the Congress have chosen not to do it. I choose not to join them in this budget resolution, that promises deficits of $180 billion next year and $160 billion 3 years out. That will bring us deficits much higher still if the business cycle does not disappear and another recession comes in the next 3 years. As it will.

I am gratified to see one new idea in this budget, a provision originally offered by myself and Senator LAUTENBERG in the Senate Budget Committee, to sell a portion of the Federal Government's $245 billion loan portfolio to private investors. This provision will reduce deficits by $3 billion over 3 years, and improve the management of Federal loans in the bargain. The proposal in the conference report is modest, but 10 percent of the pilot loan sale program we proposed on this floor last May, but it is a beginning.

It is not enough to make of this resolution much more than acquiescence to endless $200 billion deficits. To that I vote "Nay."

Mr. KERRY. Mr. President, I will vote against this budget. I commend the efforts of the budget conference and the hard work and energy that they and the Budget Committees have committed to this effort. But, unfortunately, hard work and commitment are not enough. I believe that we must meet our commitment to the American people for substantial deficit reduction. They look to the Congress for leadership—they expect it and deserve it. I do not believe that this budget fulfills that responsibility.

We are here at the end of a long negotiating road. In the closing minutes before the August recess, we have been presented a document that we are told will go a long way toward real deficit reduction. We are told that this is the best budget that is possible from this body. I disagree. This budget is not serious deficit reduction, it is a $37 billion not a $55 billion deficit reduction. The time to deal seriously with deficits is right now. Because what we are really doing here is avoiding the real problem of reductions by shifting an inordinate burden on a sector of Government that has already been hit hard in other parts of this budget.

I am very much opposed to a provision in this budget that would force State and local employees into the Medicare system effective January 1, 1986 and would also require that all new employees after January 1, 1986 be included in the Social Security system.

This new plan to include State and local employees in these systems will do considerable fiscal harm to both employer and employee. Massachusetts and its cities and towns will be profoundly affected by this provision. It will not only take money out of our employees paychecks, it will also take a great deal of money out of the overstrained coffers of our State and local governments.

Further, I can not support a budget which projects military spending of 3 percent increases after inflation in the out years, especially when domestic programs will be asked to absorb ever deeper cuts at the same time. If money alone could buy us the kind of national defense we needed, increases would make sense. But current defense programs are so fraught with waste, fraud and abuse in procurement as well as malfunctioning weapons systems, that we can not justify these ever increasing sums. They are commitments to buying more of the same. And I am bothered when the Secretary of Defense can find, overnight $4 billion in savings which did not exist the day before.

Military spending must be subjected to the same annual scrutiny every other program in our Federal budget meets.

Finally, there is far more room in the budget for revenues from tax compliance. I am pleased that compliance is included in the resolution and I am hopeful that it will be utilized to its full potential in the future.

Mr. President, having in the last few hours seen the details of the budget resolution, I must state that I am very much opposed to the provision which would force State and local employees into the Medicare system effective January 1, 1986 and would also require that all new employees after January 1, 1986 be included in the Social Security system.

Under current law, State and local government employee participation in Medicare and Social Security payroll taxes is not mandatory, therefore only 70 percent of these workers are covered by Medicare. To suddenly ask the remaining 30 percent of State and local workers to bear the burden of $8.4 billion in budget savings is unfair and surely disproportionate to the number of individuals involved.

The ability of State and local governments to pay the employer's share of the $8.4 billion to be raised will be extremely limited. In my own State for example, 2½ percent property tax limit would make it all but impossible for local government to meet the new commitment.

State and local governments do not pay lavish salaries. To enact this sudden change will certainly diminish the ability of these governments to provide responsible and attractive retirement systems. In the case of many State and local governments, a strong, modern retirement system is one of the key incentives which the governmental unit has to offer to attract quality people. Also, many of these governments will face constitutional restrictions prohibiting an unbalanced budget, because inadequate time has been provided for the additional revenue to be raised.

This proposal was not in the House or the Senate budget resolutions, nor has this proposal been given extensive consideration this year in any congressional hearings. A major change without adequate consideration is not a responsible way to legislate. Our States, communities and public servants do not deserve such a backdoor method on an issue that will so crucially touch their future.

Mr. SASSER. Mr. President, I would like to comment just briefly on the budget resolution before the body. First of all, it should be viewed as a significant achievement that we have before us a budget resolution at all. Just a few short weeks ago that did not seem likely. Both the chairmen and ranking members of the House and Senate Budget Committees must be applauded for their diligence and perseverence in this matter.

Now I know that this budget resolution does not meet with everyone's satisfaction. In fact, it may meet no one's satisfaction. The deficits are still too large, the deficit reduction is not enough. But Mr. President, I believe that when looked upon in light of the realities facing the conferees over the past several weeks, and in particular the limitations placed upon a basic framework for agreement by the administration, this budget resolution accomplishes about all that could realistically be expected of it.

The prospect of $200 billion deficits for as far as the eye can see poses one of the greatest dangers to sustained economic growth, in my estimation, than any other economic consequence facing the Nation at this point. These deficits are clearly the result of the failed economic policies and outright economic folly propounded by the administration over the past several years. Let there be no mistake, contrary to whatever rationale used to justify these policies, deficits do matter.

Until this administration faces up to this proposition, or abandons the threat of veto, there is not much that Congress will be able to do to address this serious problem. Unless the administration faces up to this proposition soon, the economy will inevitably be buried under an avalanche of debt.

The budget resolution before us is not completely negative, however, and the positive aspects of it must be cited.

First, the budget process, however damaged, has produced a budget resolution.

Second, $55 billion in deficit reduction next year, and some $278 billion over the next 3 years is not an insignificant amount, although I fear that the actual reductions will be considerably less than assumed in this resolution. Nonetheless, we have achieved a degree of deficit reduction.

Third, the budget resolution does effectively protect the more than 36 million Social Security beneficiaries from unwarranted reductions in their cost-of-living benefits next year.

Fourth, this resolution effectively rejects the notion that certain programs, particularly economic development programs which have benefitted areas bypassed by the current economic recovery, no longer warrant Federal funding. The rejection of outright elimination of programs such as the Economic Development Administration, the Appalachian Regional Commission, and the Urban Development Action Grant Program, signals that the Federal Government is still committed to the enrichment of undeveloped areas of this Nation.

Fourth, the budget resolution does effectively provide a safety net under those programs which benefit the most needy in our society. It effectively rejects increases in out-of-pocket expenses for our elderly on Medicare, and protects participants in the important Women, Infants, and Children Program.

Fifth, the resolution rejects the notion that farmers, students, and low- and moderate-income homebuyers should bear more of the brunt of deficit reduction than they have already contributed. By rejecting the imposition of user fees on Government-sponsored enterprises such as Fannie Mae, Freddie Mac, Sallie Mae, and the Farm Credit System, we once again are the Federal Government's commitment to the encouragement of family farms, education, and homeownership. In essence, we confirm our commitment to increased opportunity for all of our citizens.

In sum, Mr. President, given the constraints and parameters prevelant during consideration of this budget, we have done as much as we can do given the insistence of the President that we could and should do more. But somehow, we must continue the defense buildup that has increased defense spending 50 percent in the last 4 years—and convince the White House that mounting Federal budget deficits do pose a serious threat to the economy. I support the general principles which I have outlined above and are contained in this budget resolution. My only regret is that we were precluded from pursuing further principles of equity, such as the imposition of a minimum corporate tax structure which ensures that all pay their fair share, which would have accomplished even greater deficit reduction than that contained here.

Thus, with grave reservations, I lend my support to this budget resolution.

BUDGET ACCORD AND BEYOND

Mr. DOLE. Mr. President, almost 7 months ago to the day, a group of Republican Senators went to the Blair House to discuss the No. 1 domestic issue facing this Nation—the enormous and threatening Federal deficit. We decided, unanimously, to attack the problem head on by drafting a package of spending cuts that would cut the Federal deficit in half by 1988.

Today will not, and I repeat will not, be the culmination of that effort. But I have decided that this budget is better than no budget at all. This budget will be a step—a very small step—in the right direction.

The conference report on the fiscal 1986 budget fails to make the kind of savings we envisioned back in January, and we struggled months to achieve. What's more, it fails to address several of the critical fiscal issues we must eventually confront if we are ever to ensure long-term economic prosperity.

But it is a better product than the one passed by the House. And for this, I must give great credit to PETE DOMENICI and the other Senate budget conferees, who through their persistence, have brought us a conference agreement that could possibly save $277 billion over the next 3 years.

That total falls far shy of the $295 billion in savings in the original budget passed by the Senate, and woefully short of the $340 billion in deficit reductions that were part of the last Senate offer.

Nearly half of the savings in the final budget package will come from reductions in defense spending. And while the $68 billion in reconciled savings in the conference agreement almost doubles what was in the House-passed budget, it doesn't come close to

the $135 billion in reconciliation savings in the original Senate budget plan.

The final budget plan eliminates about a half dozen minor programs, but it avoids many of the structural reforms which result in long-term savings and that were part of the Senate's budget.

The conferees did agree to the Senate's position on budget authority for defense, which means that, for the present, our revitalized military posture will remain secure.

The end result, if the conference agreement is carried out—and it is far from certain that the House will be willing or able to do that—in 1988, the deficit will be $112.1 billion.

THE FUTURE

I have been asked repeatedly over the past few days about how Republicans feel—do you feel abandoned, left out on a limb because of our stand and commitment on the deficit? Well, I think I can speak for most of my colleagues when I say that we know, and we believe that the American public knows, that the position we took when we voted for the Senate budget package on May 10, and our subsequent attempts at resolving the budget impasse, were the right and responsible ones. We made some extremely difficult choices in that budget—with one goal in mind—cutting that deficit so that the U.S. economy could continue to grow and expand.

There were others, this time around, who felt those choices were not necessary. Our differences have not been with President Reagan—he is committed to seeing the deficit reined in—but on how to achieve those deficit reductions.

Because, believe me, the deficit problem is not going to vanish. And while this budget package will make a contribution to the effort, come next January, we will have to face up to the deficit realities anew. Perhaps next time we will have more converts to the Senate Republicans' view.

Again, I want to offer a special and personal word of thanks to PETE DOMENICI, for his tireless efforts on seeking and achieving a budget. And to all of my Republican colleagues who have supported me and Senator DOMENICI, who were stalwarts in this year's budget battles, I also offer my thanks, and repeat the words of John Paul Jones spoken in answer to a demand for surrender, "I have not yet begun to fight."

Mr. BINGAMAN. Mr. President, I reluctantly support the conference agreement reached on the budget resolution.

I support the agreement because it is so very important that some action be taken at this time to reduce the $200 billion plus deficit. I support it reluctantly because in my opinion the agreement does not reduce the deficit nearly enough.

While I admire the long and diligent efforts of members of the Budget Committees of the House and Senate to reach an agreement on the budget, I, like many of my colleagues, regret that more cannot be done to reduce this deficit that threatens to strangle our economy. Although both the House and Senate have passed more substantial deficit-reduction measures, the package before us today is a shell of what it should be. It is extremely unfortunate that more serious deficit-reduction efforts have been thwarted. And, I am concerned that we are passing up our best opportunity to reduce the deficit. As a result it is very likely that we will have a major deficit of growing magnitude facing us for as far as we can see into the future.

Everyone agrees that major economic problems confront and challenge us. The soaring domestic budget deficit is one of those problems, and the persistent trade deficit is another. Both threaten our economic security and our ability to compete in the international marketplace. Both must be brought under control as soon as possible.

The trade deficit, which reached a record $123 billion last year and promises to set a new record again this year, is fueled by our domestic deficit. The trade imbalance is stark evidence that our competitive position in the world economy is in decline as more and more of our products face foreign competition and many of our industries experience lost jobs and plant closings and slowdowns. While I am hopeful that we can regain our competitive edge and reverse our trade deficit, I am concerned that we cannot be successful if we do not do more now to reduce our domestic budget deficit.

The budget deficit hurts everybody. It creates the need for Government borrowing, thus keeping interest rates high. This makes foreign capital more attractive to U.S. markets and artificially drives up the value of the dollar relative to other currencies. Also, the money necessary to pay the interest on the huge national debt takes money from needed Government programs. This year alone we will pay more than $130 billion interest on the debt. It is estimated that by 1990 the interest on the national debt will nearly equal what we now spend on national defense.

Most of all, the deficit hinders our efforts to compete in the international marketplace. It increases the cost of our products overseas and threatens our economic growth. And it costs us jobs. Over time, the burden of the debt lowers our standard of living as more and more money goes to pay off the debt and not to more productive uses. By creating debt we not only hurt ourselves, but, worse, we hurt our children who eventually will have to pay the bill for our mismanagement.

Without question, these factors all contribute to our economic instability. In fact, in recent months leading economic indicators reflect a continued economic slowdown. Some have called this a temporary lull. But it can cause serious consequences if it continues.

In 2 of the last 3 months the index of economic indicators has shown extremely weak growth. The index is the main gauge of future economic activity and reflects a continued weakness in the industrial sectors of the economy. As a result of this slowdown the administration has recently revised its economic assumptions to reflect the reality of slower economic growth. As a result it is no longer possible to expect our deficit problem to be solved solely by economic growth.

This documented slowdown stemming from the U.S. budget deficit, high interest rates, the trade deficit, the dollar exchange rate, and the inflow of capital to the United States combine to create real fear of another recession.

As a Member of Congress I have attempted to support all fair and responsible efforts to reduce the deficit, including an across-the-board freeze at last year's levels. I did not support the Senate-passed version of the budget, however, because I did not feel it went far enough in reducing the deficit and it did not fairly share the burdens of deficit reduction. I hoped then that a stronger version would be shaped in conference. But now I have some of the same concerns about the conference package.

It is clear that all Americans must share the burden of lowering the deficit. While I think people are willing to share in the sacrifice, they want assurances that it will be shared fairly.

It is also clear that while now is our best opportunity to lower the $200 billion deficit, that opportunity is rapidly slipping away from us. The consequences could be disastrous.

While we agree that the deficit is serious, it is unfortunate that we cannot agree on how it should be reduced. Everyone has an inflexible attitude and refuses to compromise. Some refuse to raise taxes, others refuse to touch cost-of-living adjustments, and no one wants to reduce defense spending. The only way to come up with the needed savings is to put everything on the table. We need a comprehensive solution that perhaps touches all three areas. We need to consider raising taxes. And we need to consider holding the line on COLA's and on defense spending.

I am sincerely concerned, Mr. President, that because we cannot do more today, we are destined to reap a whirlwind tomorrow. I would like to think I

am wrong, but the signs are not reassuring.

Mr. BOSCHWITZ. Mr. President, I support this budget conference report.

Certainly, I hoped for greater deficit reduction. I was on record early for freezing COLA's and raising some revenues. That's why I worked on a plan with the Senator from Washington, Mr. GORTON, during the Budget Committee markup and with the Senator from Oklahoma, Mr. BOREN, on another plan during Senate floor consideration. Both of those plans would have reduced the deficit more than the conference report before us now. I am convinced the adoption of either of those plans would have resulted in a balanced budget by 1990, because both of those plans required some give from every program of the Federal Government across the board, and in addition raised some revenues.

Unfortunately, the budget conference committee, of which I was a member, could not agree on such a budget plan. At least twice we were looking at balanced budget plans in the eye, but certain important players, like the President and the Speaker, blinked.

Despite all of that, I will vote for this conference report. The deficit reduction in fiscal year 1986 will be $55.5 billion. Over 3 years we intend $277.4 billion in reductions. That's exactly half way between the $295 billion in the Senate-passed resolution, and the $259 billion in the House-passed resolution; $68.3 billion in savings are reconciled which is also about half way between the House and Senate when COLA's are removed.

So it's not everything I hoped for, but I sincerely believe it is better than not passing a budget.

Mr. President, I want to express my admiration and appreciation to PETE DOMENICI and LAWTON CHILES, without whom we could not have accomplished all we did. Many others deserve our thanks, like BOB DOLE, David Stockman, BILL GRAY, DELBERT LATTA, and the other members of the budget conference committee. Finally, I want to express my admiration and respect to the many staff involved, especially Steve Bell and the staff of the Senate Budget Committee, who are so helpful, knowledgeable, and professional.

I thank the Chair.

Mr. LAUTENBERG. Mr. President, I rise to support the conference report on the budget, but I do so with misgivings.

The fact that we have a budget resolution at all maintains the integrity of the budget process. And the budget before us maintains a number of programs critical to my State. Yet, savings that could have been made, deficit reduction that could have been secured, were not. As a result, the budget plan before us falls short.

The deficit is like a cancer, Mr. President, that is plaguing our economy. The Congress has undergone the travail and the pain of major budget surgery, but we have failed to completely cure the problem. It will be with us next year, and we will have to cope with it, and make some of the hard choices that are not being made this year.

The budget before us calls for $56 billion in deficit reduction in the coming fiscal year, and $276 billion in savings over the next 3 years. It assumes a budget deficit of $172 billion next year, and $113 billion by 1988.

That is not enough, Mr. President, to bring confidence to financial markets. It is not enough to get the dollar down, so that we can sell goods abroad at competitive prices, and reduce the trade deficit. It is not enough to ensure the long-term health of our economy. Unfortunately, given the rosy economic assumptions that underlie the deficit projections in this budget, I am afraid that we will not even reach those targets.

When the Senate considered the budget resolution, I supported a plan that would have brought us well over $300 billion in deficit reduction. The budget deficit in 1988 would have been below $100 billion. That would have been a bigger step than the one we take today toward deficit reduction. It was a plan that, notwithstanding significant reductions, would have saved programs critical to my State and the Nation.

I am pleased to note that many of these programs survive in the budget plan approved by the conference. Superfund toxic waste cleanup is budgeted at the levels approved by the Environment and Public Works Committee in which I serve. This is the same level that I had proposed in the Senate Budget Committee. This increase will not affect the budget deficit, as it will be offset by dedicated taxes on industry.

The plan preserves Federal support of Amtrak and mass transit at 15 percent below current funding, and preserves funding of the urban development action grant program at 20 percent below current levels. These programs, which are critical to the economic welfare of my State, were slated for elimination by the administration. I had sought a freeze in funding in an amendment on the Senate floor. Instead, the Senate adopted a 40-percent cut in Amtrak, a 20-percent cut in mass transit, and slated UDAG for elimination. In the face of such action, the preservation of these programs at the levels approved by the conference must be considered a victory.

The budget plan also removes reconciliation of the sale of Conrail. I had sought assurances from the Secretary of Transportation that she would not seek legislation providing for the sale of Conrail under the procedural constraints of a reconciliation. I argued in the Senate Budget Committee that the concerns of New Jersey and the other States of the Northeast and Midwest deserved a full and fair debate on the floor of the Senate. This is too important an issue to fast-track under conditions that deprive Members of their rights to fully debate a measure and to amend it. I am pleased that this point of view has prevailed.

Mr. President, a key element of this conference report is the preservation of the cost-of-living adjustment in Social Security. I consistently and strongly opposed the effort by Senate Republicans and approved by the administration to delay or cut the cost of living adjustment for our elderly. While we were granting a cost of living adjustment to our generals for the management of our military, the Senate would have denied relief from inflation to the elderly. I am pleased that this budget allows the Congress to keep its promise to the elderly of our Nation, that their Social Security would not be used to correct fiscal mistakes of the administration that has brought us these crushing deficits.

Lastly, I am pleased to note that the conference report incorporates a budget reform on Federal credit programs that is closely related to a proposal that my colleague from New York [Mr. MOYNIHAN] and I proposed in the committee and on the floor. We had proposed the pilot sale of loan assets, to reduce the deficit, to impose greater efficiency in the management of loan programs, and to clarify the true cost of Federal credit programs.

The conference report proposes that as new rural housing loans are issued, they shall be sold off to the private sector. First, we will recognize the payback of the loans promptly, at a time when we need the income. Second, we will recognize the true cost of these loans—the difference between the amount loaned, and the present value of the receivable. I am pleased that the conference has taken this significant step, and that its successful trial will provide a basis for adopting the broader proposal that Mr. MOYNIHAN and I advocated.

Mr. President, the budget before us is by no means a perfect budget. The Nation faces a grave economic threat as a result of the fiscal mismanagement of the last few years. Without the budget before us, the problem would get even worse. But, because of the shortcomings of this budget, the problem will be with us next year. I am committed to continue to work in the Budget Committee and in the Senate to reform our fiscal policies, to get the deficit down, and to put our economy on the footing that will ensure prosperity in the future.

TOO LITTLE, TOO LATE

Mr. PROXMIRE. Mr. President, here we are, literally at the last minute, considering a budget resolution. This budget has come to us by a tortuous route, and it looks it.

Members of the Budget Committee tried. The conference had more ups and downs than a roller coaster. Their efforts made those of Sisyphus look half-hearted.

But they failed. This conference report serves one purpose—it defuses public blame for our not having passed a budget. It does not significantly reduce the deficit. It will be around $200 billion in 1986, about the same level as in 1985. Deficits in the outyears are likely to be considerably higher because this economic recovery has seen its best days.

How can I say this when the resolution estimates that the deficits will be somewhere between $180 and $112 billion? This resolution is still based on optimistic economic assumptions about unemployment, GNP growth, and interest rates. Take GNP growth as an example. The resolution assumes a growth rate of about 4 percent after adjusting for inflation. Most economists are now saying growth in 1985 will be somewhere between 2.5 to 3 percent.

Sometime this month both the CBO and the OMB will revise their economic projections to take account of the slower economic growth we have already experienced this year. This one adjustment will add $15 to $20 billion to the 1986 deficit. In other words, about one-half the advertised cut in the resolution will be wiped out by this one adjustment.

Then some of the cuts in spending will disappear. The cut in defense outlays is nothing but a figment of someone's imagination. Some "new financing mechanism" will turn out to cost money, not save it. And next summer, when we get around to passing supplemental appropriations bills, the ceilings set in this resolution will be long forgotten.

Add these factors and the cuts in the deficit evaporate. The one thing that will not disappear will be the $200 billion that we will have added to the national debt.

Mr. President, I would like to call the attention of my colleagues to a study done by the Congressional Research Service entitled, "Federal Deficits, Debt and the National Economy." This study is a sobering analysis of the dangers posed by such debt.

These include:

First. By 1990, foreign investors will have to be willing to buy our debt to the tune of $200 billion a year. If they are not willing to do so, then the Federal Government will have to double its domestic borrowings, driving out of the credit markets farmers, small businessmen, and home buyers.

Second. We will join Mexico, Brazil, and Argentina on the list of nations with staggering international debts. As citizens of those countries are discovering, dealing with that debt means a significantly lower standard of living.

Third. Interest payments on the debt will explode. Making these payments will mean draconian cuts in spending and a whopping big tax increase.

These dangers are real. They will not be dispelled by a budget resolution which is little more than a placebo. That is why I am voting against this budget. It is too little, too late.

Mr. DURENBERGER. Mr. President, it is hard to be enthused with this conference report. The byproduct of limited options, the conference report on the fiscal year 1986 first budget resolution is flawed. To those of us who supported passage of the budget when it was approved last spring, it is distressing to see the historic work of the Senate rendered meaningless by those who care so little about the consequence of budget deficits.

I am told by some that half a loaf is better than none at all, that a bird in the hand is better than two in the bush, that $277 billion in deficit reduction is less than $330 billion, but better than nothing at all. And, that may be true. But, when one looks at the mirrors used to produce the so-called $277 billion in savings, it is difficult to see what is real and what is illusion.

The simple fact of the matter is that the President and the House of Representatives took a look at the painful choices made by the Senate and wished there was a less painful way to reduce the deficit. They got together, compared wish lists, and wished for 4 percent real growth in GNP over the next 4 years, 5 percent rates on 3-month Treasury bills, and a number of other unrealistic economic conditions. They wished they could avoid making meaningful reforms in Federal programs by freezing spending on every program—except for those with a political constituency. And they wished they could muddle through one more budget resolution without having to compromise on defense spending, without having to compromise on Social Security, without having to make the tough decisions that have to be made to reduce the god-awful deficit.

Unfortunately, when the House of Representatives and the administration discovered that the Senate would not go along with their wishful thinking, that we were going to force them to make some difficult choices, they cut us, and future generations, out of the deal. The President got runaway defense spending. The Speaker got runaway entitlement spending. Our children got runaway deficits. But, without additional revenues, after you set aside defense, interest payments, Social Security and Medicare, there is not much left for the future.

One of the few—but consequent—failures that history will assign to the Reagan administration is its misguided belief that a healthy economy can be sustained in a competitive world on spending increases and revenue cuts. The efforts to reduce domestic spending and increase defense spending while simultaneously cutting tax revenue has created such a demand on the world investment to satisfy U.S. demand for debt financing that our heralded economic recovery is slowly grinding to a halt under the pressures of import competition, export degradation and high cost of capital investment. And the consequences for even greater deficit and for debt-demand is inevitable. The revenue projections in this conference report are so unrealistic as to be possibly deceitful. The economy is not growing at a 4-percent clip and hasn't been for the last two quarters. Revenue projections for fiscal year 1985 are way behind estimates a year ago. OMB has already reduced its estimate of revenue from income taxes—especially corporate taxes—for fiscal year 1986 by $20 billion.

Besides economic problems, their are other problems facing this country which are implicit in the conference report's commitment to unrealistic deficits.

With deficits as large as those contained in this conference report, Ronald Reagan may be right when he says we can't afford anything new. In his 8 years in office, President Reagan will have increased the national debt from $850 billion to $2.5 trillion. And the annual debt service will be more than triple to $155 billion per year and rising in fiscal year 1988. With a $2.5 trillion national debt, we won't be able to afford taking action on acid rain, ground water protection, or on our failing infrastructure.

Mr. President, if it sounds like this conference report bothers me, it's because it does. This conference report represents a tragic failure on the part of this Nation's elected representatives to do what has to be done. We can't effectively freeze ourselves out of a deficit, and we shouldn't kid ourselves into trying.

The Senate's original resolution contained an across-the-board freeze on spending in which every beneficiary of Federal spending participated equally—except the truly needy. But the truly greedy went to work on the House side and in the administration and equity was forced out the window. The Senate had the courage to vote to eliminate 13 Federal programs. The House agreed on only one. The Senate provided a $100 billion deficit in 1988

including 3 percent real growth in defense spending with the expectation the House would take that particular function down even further from the President's request for 6 percent real growth. But the administration and the House cut a deal—the President got what he could settle for in defense and the House got what it wanted in domestic spending cuts—almost none. After you take advantage in this budget resolution of $11 billion in Medicare hospital insurance spending reductions much of which the Secretary of HHS had already accomplished by regulation; and after you consider the fact the House raised revenues from user fees by almost $16 billion; you have a reduction in domestic spending in the "peanuts" category.

But, Mr. President, I will support my courageous Senate Republican leadership and vote for the conference report. I feel like the better team lost the seventh game of the World Series. But we were up against the other league and all the umpires on this one.

Mr. MATTINGLY. Mr. President, I am pleased the conferees have reached an agreement on a budget resolution for fiscal year 1986, which begins October 1. The conferees have worked long hours to achieve this compromise and deserve much credit for their tenacity.

Before supporting the resolution, I would like to make a few general observations concerning it.

First, I am elated that the budget resolution calls for no new taxes. Make no mistake about it, the Federal Government suffers not from a lack of revenues, but from an inability to control its spending habits. In fact, tax increases will not reduce the deficit. Every tax dollar that comes to Washington, and then some, is spent. The only way to reduce the deficit is with fair and meaningful reductions in Federal spending.

Second, while the resolution calls for deficit reduction of $55 billion in fiscal year 1986, and $276 billion over 3 years, I do not believe this resolution will produce the intended, and much needed, deficit reductions. As I just stated, the only way to reduce the deficit is through meaningful, but fair, fundamental reform of spending programs. The old trick of spending restraint by smoke and mirrors will not fool anyone. Institutional spending reform must be accomplished if deficit reduction is to be achieved. I hope Congress will use the targets or guidelines in the resolution as a floor for deficit reduction rather than a ceiling. Along those lines, I am pleased to support my friend from Colorado, Mr. ARMSTRONG's call for further deficit reduction measures. Greater deficit reduction than called for in this resolution is needed. The deficit must be reduced in order for the favorable performance of the economy to continue. However, tax increases would be counterproductive since they retard economic growth and worsen the deficit problem.

To assure that these targets in the budget resolution are floors, and to achieve greater budgetary savings as Congress implements the resolution, I intend to offer amendments to the upcoming appropriations bills to reduce spending across the board. Such an approach is fair to all and will produce the much-needed additional savings.

Mr. President, we must not mislead the public or ourselves by thinking we have achieved a fiscal miracle by passing this budget resolution. It is better than no budget resolution, but just barely. Our job is not done. In fact it has only begun. Enactment of a resolution is only the starting point of the budget process. I challenge my colleagues in implementing the budget resolution to work for greater budgetary savings than is called for by the resolution. Only then can the deficit be reduced to a level that does not threaten continued economic growth.

Mr. McCONNELL. Mr. President, the conference report before us is the product of many hours of discussion and debate. It represents not a perfect utopian solution to the fiscal crisis we find ourselves in, but rather a document forged out of the give and take of the democratic process.

Therefore, there are provisions of this report that I do not agree with—there are items that if isolated for a single vote, I would surely oppose. The reality, however, is that we seldom make decisions in this body in a vacuum. Indeed, the very nature of the budget process forces us to take a broad view. We must look not only at line items, but at the way the entire package affects the level of Federal spending over the next few years.

We vote on this conference report in the context of a national debt that is well over $1.5 trillion. Last year, 13 percent of the total budget had to be set aside just to pay the 111 billion dollars' worth of interest on this debt. In fact, we are now paying more in interest every year than we did on the entire budget just 25 years ago!

What is perhaps even more astounding is that during the past 50 years Congress has increased taxes nearly 200 times. And as revenues have increased so has the budget. As a percent of the gross national product the budget has gone from 18.5 percent in 1960, to 20 percent in 1970, and to 23 percent in 1980. Today it stands at over 25 percent, and if one includes the spending of State and local governments that figure approaches nearly 40 percent of GNP.

Mr. President, I have represented the people of Kentucky in the U.S. Senate for just over 200 days. My tenture has been brief compared to that of many of my colleagues, but it has become abundantly clear that there is no greater issue facing the U.S. Congress than the Federal deficit.

I am encouraged that the budget resolution we debate tonight represents the largest deficit reduction in the history of the Congress—as it should, since we are faced with the largest deficit this Nation has ever seen. If fully enacted, this version of the budget will provide savings of $276 billion over the next 3 years.

Mr. President, I will support this conference report, not because it is perfect but because it does an equitable job of exacting substantial deficit reduction. I have no illusions that what is before us is a solution to the deficit problem; it is nothing more than a beginning and in some respects not even a very good beginning.

I would suggest to my colleagues, however, that the time has come to at least begin—we must show those we represent that we have the courage and political will to tackle the tough issues. I know that those that I have the high honor and privilege of representing demand no less.

Mr. HATCH. Mr. President, the conference report now before us on the first concurrent resolution on the budget, leaves me with an empty feeling and with a feeling of frustration. We have been promised that we would be able to save about $55 billion with the first resolution, but my analysis leads me to believe that this conference report leads in the same direction that so many other budgets adopted by the Congress have led. The estimate of the Congressional Budget Office is that this package of budget proposals would save only $39 billion. More than that, we are told that part of the deficit reduction will come through the imposition of user fees for certain Government services; yet I know from experience that the Congress, when it comes time to vote for those user fees in a legislative package, will not agree to bite the bullet and make such reductions. I am still awaiting the passage of a large package of user fees that were assumed in the budget 3 years ago.

The Senate is being asked to vote for new taxes as a part of this resolution. Admittedly the amount of tax increases requested in this report is small compared to previous years, but it is a bad principle to accept, given the record of previous years. We have raised taxes a great deal in the last few years, and we are still facing $220 billion deficit for fiscal year 1986. In 1982, I was told that I only had to agree to 98 billion dollars worth of new taxes over 3 years in order to guarantee three times that amount in spending reductions. Instead we ended up with $100 billion in additional spending.

Mr. President, I make a clear distinction between raising taxes and reducing spending to reduce the deficit for strong economic and political-economic reasons. Let me address the last issue first by saying that raising taxes has only tempted Congress to spend more money. This is the record of the late 1970's when inflation drove taxpayers into higher brackets and produced more revenue. This process reached its zenith in fiscal 1980 when Federal outlays increased by 17 percent. Let me now address the economic reason.

The heart of the matter is that Federal spending is the best indicator of the damage caused by our fiscal policy. Federal spending is the key because it is the best measure of the fiscal disincentives imposed on the private sector by the Federal Government. In the long run, it makes only a small difference whether we finance spending by raising taxes or borrowing funds, as long as we do not expect to do so forever. Increased taxes discourage work and investment, and, likewise, borrowing discourages both investment and consumption by raising interest rates. Each takes resources out of our economy for use by the Federal Government, often for programs that are of questionable value. So the size of the deficit simply tells us how Congress and the administration have chosen to fund Federal spending and not how damaging fiscal policy is to the economy.

A better measure of the burden of fiscal policy, as I have said, is the total amount of Federal spending. We ought to measure the number of jobs destroyed, the number of businesses closed, and the amount of income removed from the economy by Federal spending. Yet, this is an aspect of fiscal policy often overlooked. Recent years, of course, have seen a resurgence of concern about either the negative impact of high tax levels or the damaging effects of deficit spending. Nevertheless, very few concerned commentators in Washington focus their attention on the force that drives both of these variables—Federal spending.

Mr. President, even if the resolution now before us met the criteria that I felt were appropriate for reducing the deficit, there remains one more problem that has to be addressed concerning the true value of the budget process. What bothers me is the simple fact that in the last 5 completed fiscal years, the Congress has overspent its own first resolution by $28 billion a year. What does it mean to struggle over the resolution, attract so much attention to our efforts, and still start the next fiscal year's budget considerations in January with a $220 billion deficit once again. It seems to me that this has been the record of the last few years. We pass a resolution, make promises to control spending, and then promptly ignore them. The people of this Nation must be asking themselves how it can work out like this mathematically year after year. It could lead to a severe loss of confidence in those of us now in office. Before that happens, let me ask my colleagues to consider some reform of their own thinking and eventually a reform in the entire budget process. It is not now functioning.

Mr. CHILES. Mr. President, before we close off this debate on the budget resolution, I extend a special word of thanks to our Democratic staff on the Budget Committee. They have worked extremely hard over the long months it has taken us to get a budget. They have been here nights and weekends, analyzing the various proposals that have come from the administration, from each party in the Senate, from the House and from various Senators. They have of course used their analytic capabilities to develop our own proposals to reduce the deficit in a responsible way. The Senate and the public owe them a debt of gratitude for putting out clear information about difficult budget issues. Throughout the process, they have performed cheerfully and competently and we thank them for their efforts.

The staff members are Rick Brandon, Michelle Adams, Cheri Ball, Dennis Beal, Jim Carr, Barbara Chow, Alan Cohen, Doug Cook, Kathy Deignan, Lisa Faulkner, Peg Foley, John Hilley, Janet Holtzblatt, Connie Humphrey, Bentley Lipscomb, Brock MClane, Pat Monkres, Doug Olin, Jim Stasny, and Anne Willis.

I also thank two Presidential management interns who worked long and hard for us earlier in the year, Norman Chlosta of EPA and Kristin Faust of the SEC; as well as Geena Cohen and Jon Moyle, who did a fine job in their summer internships on the Budget Committee.

The PRESIDING OFFICER. The majority leader.

Mr. CHILES. I yield back my time.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I want to thank all Members for their patience over the past several months. We have been talking about the budget for probably too long. I particularly want to thank members of the Budget Committee and members of the budget conference; and, again, the distinguished chairman of the committee, PETE DOMENICI, and the distinguished ranking Democrat on the committee, LAWTON CHILES. There have been times when we were frustrated and angry, we did not know which way to turn, and I think the constant meetings and communication on both sides of the aisle is the only reason we are here this evening.

This is a budget resolution passed by the Congress. The President does not have to sign it. He does not have to say whether he is for or against it. But, again, I want to indicate, in case anyone is in doubt, the only inference I have from a long meeting with the President is that he supports the resolution.

That does not mean he is not going to criticize deficits. That does not mean he is not going to criticize those who want to increase taxes. That does not mean he might not like a better package.

This is the only package. He does not have to vote with his signature. He does not have to sign this document. I can say that the President is not opposed to this and if you are not opposed to it, the opposite is you support it. I could not get any other inference.

Mr. President, I think it is time we vote. Obviously, we could all find different ways to reach different results, better results, but I am not nearly as excited about this vote as I was the one on May 10. I do not think PETE WILSON is either or PETE DOMENICI or anyone else.

Mr. WILSON. The Senator is correct.

Mr. DOLE. You are looking better, too.

[Laughter.]

But in any event, here we are. It is time to make a judgment. I hope, as the distinguished Senator from Alaska just stated, that we have broad bipartisan support, primarily for the reason that I think most of these reductions are supported pretty much on both sides of the aisle.

I hope this is a step. It is not a big step; it is a small step, but it is a right step. I again thank the distinguished chairman.

The PRESIDING OFFICER. All time has been yielded back.

Mr. CHILES. Mr. President, I ask unanimous consent that the Senator from Nebraska have a moment to put his statement into the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, first I want to thank the chairman of the Budget Committee and the ranking member, and the rest of the conferees for their tireless work and efforts on producing a budget compromise and returning here with the document. They tried and they did their best.

In the opinion of this Budget Committee member, this document is such a far cry from what all had envisioned or hoped for to arrest runaway deficits and begin to reduce the reliance upon unrestrained borrowing that is driving the national debt to over the $2 billion milestone, or millstone, that it is hardly worthy of favorable consideration.

The numbers are full of fluff and optimistic as opposed to realistic figures and projections. If this budget

produces annual deficits of much under $200 billion, it will be a miracle.

As budgets go, this one is like kissing your sister—it lacks any passion toward success.

This budget is like new Coke—it is not the real thing.

But what were the negotiators to do when the key players of the President and the Speaker of the House torpedoed any chance of meaningful success?

I will vote for this conference report not because I believe it to be a good one, but in the final analysis, it probably is better than no restraint at all.

At least this document begins to address the terrible and totally unrealistic restraints placed on agriculture in our May action.

The main reason I hesitatingly support this is that it takes a step toward giving us some increased flexibility by billions of dollars in writing a farm bill that will not further devastate agriculture, but unfortunately, not enough to solve its problems.

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. No time remains.

Mr. WILSON. Mr. President, I ask unanimous consent to proceed for 30 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILSON. Mr. President, I thank the majority leader for his kind observance that I am looking better on this occasion.

That night when I came in to vote I was on a gurney. Tonight it seems to me that what we are voting on should be on a gurney. I want to add, however, that I think it is the best that the distinguished chairman and the ranking member could do, given the opposition they were facing with the House.

I feel better physically. I do not feel better spirtually. I do congratulate them on their efforts.

I would agree with those who said that this is not the last step; it is a very small first one.

Mr. DOLE. This would be the last vote until 4 p.m. on September 9.

The PRESIDING OFFICER. The question is on the motion to concur in the House amendment to Senate Concurrent Resolution 32.

The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON Announced that the Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 67, nays 32—as follows:

[Rollcall Vote No. 169 Leg.]

YEAS—67

Abdnor	Exon	Mitchell
Armstrong	Ford	Murkowski
Bingaman	Gore	Nickles
Boren	Gorton	Packwood
Boschwitz	Gramm	Pell
Bradley	Hatfield	Pryor
Bumpers	Hawkins	Quayle
Byrd	Hecht	Riegle
Chafee	Heflin	Rockefeller
Chiles	Heinz	Roth
Cochran	Inouye	Sasser
Cohen	Johnston	Simon
D'Amato	Kassebaum	Simpson
Danforth	Kasten	Specter
DeConcini	Kennedy	Stafford
Denton	Lautenberg	Stennis
Dixon	Laxalt	Stevens
Dodd	Leahy	Thurmond
Dole	Levin	Trible
Domenici	Lugar	Wilson
Durenberger	Matsunaga	Zorinsky
Eagleton	Mattingly	
East	McConnell	

NAYS—32

Andrews	Hart	Moynihan
Baucus	Hatch	Nunn
Bentsen	Helms	Pressler
Biden	Hollings	Proxmire
Burdick	Humphrey	Rudman
Cranston	Kerry	Sarbanes
Evans	Long	Symms
Garn	Mathias	Wallop
Glenn	McClure	Warner
Grassley	Melcher	Weicker
Harkin	Metzenbaum	

NOT VOTING—1

Goldwater

So the motion to concur in the House amendment was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion to concur in the House amendment was agreed to.

Mr. CHILES and Mr. GORTON moved to lay the motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, Mark Twain once said that its easier to stay out of debt than get out of debt. The events of the last weeks and months prove that Twain's wisdom endures along with his wit.

Mr. President, I rise to address my colleagues, becasue we voted today to make a down payment on our Nation's debt. The plan we approved will cut the deficit by $39 billion next year and by $200 billion in the next 3 years. It wasn't enough. Our future is still mortgaged. But we have made a start.

We could have done more. The problem is immense. It staggers the imagination. I actually draw gasps of wonderment when I try to describe the magnitude of our problem to Vermont taxpayers.

I still have trouble believing this example myself. All of the Federal taxes paid by all of the citizens of my State of Vermont last year would only pay for 2 days of interest—that's interest only—on the national debt. Our taxes don't pay for programs like national defense or Social Security. Fifteen percent of all the taxes collected in the United States—is just the interest penalty for our profligate ways.

The budget we have approved is fair. Social Security Cost of Living Adjustments are kept intact. Defense spending is allowed to grow after inflation in 1987 and 1988, and guaranteed student loans and the child nutrition programs are maintained pretty much at current levels. Any reductions will not affect the delivery of services.

The farm program is cut by $8 billion, but it survives after attempts to put every small farmer in America out of business failed. Amtrak, schedule for derailment by the administration, a consumer service, survives, with a 15-percent cutback. The Small Business Administration, an agency that creates jobs and helps the eoncomy of rural States like mine, was saved from being eliminated altogether.

So we have a budget we can live with. But can our children and grandchildren live with it?

Our future, their future, depends on our decision to continue what we did today, and more. Decisions that will leave our children with a chance to grow and prosper. We must plan that future of promise, for the alternative is surely one of debt and dependence.

We can continue to spend, and send the bill to future generations of Americans. Or we can get this country back on the road to the frugality that is part of my own Vermont-Yankee tradition.

I cosponsored a budget plan this year that would have balanced the budget by 1990. Deficits would have been reduced by almost $400 billion, more than twice the savings of the budget we did approve.

That budget plan was tough. Too tough, I guess. Domestic spending would have been cut by $90 billion. Defense spending would have been reduced by $72 billion in 1986. Real growth would have occurred in defense during 1987 and 1988.

I had to swallow deep cuts in programs that are important to my State. Unless we get the deficits under control, we'll just have to cut to the point where Government fails to provide the basic security, services and programs that all Americans need.

The more the debt grows, the more dollars in the budget will go to interest payments. And interest only buys time, and time costs money—more money than we can any longer afford.

Our national debt limits our choices. It takes away our very freedom.

Americans have the courage to accept what we must have the courage to accomplish. Today was a start. Let's not proclaim it a solution.

THE POSSIBILITY OF PROPOSALS TO SELL ADVANCED ARMS TO JORDAN AND SAUDI ARABIA

Mr. DECONCINI. Mr. President, just over a month ago, this body debated an amendment calling on the President to refrain from selling advanced weaponry to Jordan until that nation and Israel agree to a peace treaty. The opponents on this amendment stated that there were already sufficient provisions regarding this issue and that in any case, the King of Jordan needed to know that the United States is his friend. The opponents argued that the provision of $250 million in economic aid was a litmus test of U.S. support for Jordan that should not be encumbered by expressions of U.S. concern about the ultimate outcome of one of the most critical problems of the region.

I remember this amendment well because it was mine and because it was soundly defeated. In all fairness, many of my colleagues who are staunch supporters of a strong American-Israeli relationship voted against my amendment because they had participated in structuring the Jordanian econimic aid package, believed that Israel was adequately protected, and did not want to rock the boat by adding another safeguard. Also, in all fairness, I must say that the July 24, 1985, release by the Reagan administration of its Middle East arms sales study—the basis for a request for major advanced weapons sales to Jordan and Saudi Arabia that is expected in September—has led me to tell my colleagues "I told you so."

Clearly, in contemplating the proposal of advanced weapons sales to Jordan and Saudi Arabia, the administration is ignoring the safeguards that the supporters of the Jordan economic aid package thought that they had put in place. The fact of the matter is that the Reagan administration has pursued a consistent and single-minded strategy in the Middle East. This strategy has been in place since the beginning of the Reagan administration and it is based on two principles: The deemphasis of the Camp David accords and the attempt to carry the favor of the so-called more moderate of Israel's enemies through econimic aid and arms sales packages.

Mr. President, this strategy is based on several faulty assumptions and if it continues to be pursued, I have no doubt that the fragile peace that exists in the Middle East will soon come crashing down around us. The first faulty assumption is that the United States somehow needs to prove itself to Jordan and Saudi Arbia. This "litmus test" approach does not include any attempt to put Jordan and Saudi Arbia on record as supporting key United States interests in the region, particularly with regard to Israel. The term "Camp David accords" dropped out of President Reagan's vocabulary very early on in his administration.

Mr. President, I think I speak for a substantial portion of this body when I say I am tired of these litmus tests. The United States' interests in the Middle East have been clear for years, and we don't need to prove our intentions to anyone or to any nation. We want a just and lasting peace in the Middle East for all nations in the region. Three courageous statesmen of three starkly different nations joined together just a few years ago to establish a framework for this peace. That framework was called the Camp David accords, and it is long past time for President Reagan to put aside his party differences with President Carter and admit that that framework is a darn good one.

The second faulty assumption is the Reagan administration's belief that somehow you can strengthen the United States' position in the Middle East by weakening Israel's military position vis-a-vis its enemies in the region. The keystone of the United States' strength in the Middle East is a strong alliance between the United States and Israel. Let their be no doubt that our strengthening of Jordan and/or Saudi Arabia will leave Israel scrambling to recoup the ground that we have caused it to lose. Such an action on our part is foolish during even the best of economic times, but when you consider the current plight of the Israeli economy, the contortions that military aid to Jordan or Saudi Arabia will put Israel through are certainly not worthy products of an alliance.

The Reagan adminstration's third faulty assumption about the realities of the Middle East is that Jordan's security does not depend on a strong Israel. If it were not for Israel, it is my strong belief that Jordan would not exist today as we know it. Certainly, King Hussein would not be the leader of whatever might be left of Jordan if Israel somehow vanished from the region. Whatever arms the Reagan administration might want to sell to Jordan will not change this relationship. A weakening of Israel is a strengthening of Syria. A strengthening of Syria is a weakening of Jordan as well as Israel. A recognition of this simple fact by Jordan—and by the Reagan administration, as well—would hopefully lead King Hussein to recognize that his nation's security is inextricably and unavoidably intertwined with the security of Israel. Given this fact, the logical position of the Jordanian Government would be the acceptance of the Camp David accords as the best means for pursuing the mutual security interests of all nations in the region that are truly interested in lasting peace and stability in the Middle East.

Mr. President, the continuation of Middle East policymaking on the basis of these faulty assumptions will lead the United States to continue to tread water while the Soviet Union and Syria make rapid gains. Our investment in the Middle East seen in terms of our economic and military aid to Israel and Egypt is only about $6.5 billion. We just sent to the President for his signature a Defense Department authorization bill in excess of $302 billion. What a bargain we are getting in the Middle East—for about 2 percent of what we spend on our defense budget we protect our lifeline to that critical area. Let's stop undermining our own investment. Arms sales to Jordan and Saudi Arabia can only help the United States under one set of circumstances—the acceptance by those nations of Israel's right to exist and the acceptance of the Camp David accords as the only means for establishing a just and lasting peace in the Middle East.

TRIBUTE TO THE BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS INVESTIGATION OF THE ABORTION CLINIC BOMBINGS

Mr. DECONCINI. Mr. President, I would like to take this opportunity to pay tribute to a relatively unheralded group of law enforcement professionals at the Bureau of Alcohol, Tobacco, and Firearms [ATF]. The results of their diligent efforts are not only remarkable, but they serve as examples to which others may aspire.

Over the last few years, our country has been tormented by a series of bombings and arsons directed at abortion clinics. These attacks have resulted in countless disruptions of lives and physical damage in excess of $4.6 million dollars. The responsibility for investigating these criminal acts is that of the Treasury Department's Bureau of Alcohol, Tobacco, and Firearms.

Although my opposition to the choice of abortion is well known, we can never allow such terrorist methods in our country. Since 1982, the Bureau of Alcohol, Tobacco, and Firearms has served notice to those who resort to criminal behavior. Their efforts have solved 25 out of 35 bombings and arsons nationwide. Thirteen individuals have been convicted and sentenced to serve terms in prison. Ten of these criminals have received sentences of at least 10 years in length.

ATF's unsurpassed expertise in the field of explosives and arson investigaton has been demonstrated time and again. During a 21-minute period last Christmas, explosions destroyed three clinics in Pensacola, FL. ATF immediately responded by dispatching a highly qualified team of special agents, forensic chemists, and explo-

sives technicians to the sites. Within days, ATF agents apprehended four suspects, charging them with Federal explosives and conspiracy violations. All four have been convicted for their roles in the scheme. Two of the individuals received 10-year prison terms for their part in these crimes.

In January, ATF, special agents ended a series of 10 bombing and arson attacks aimed at abortion-related facilities throughout Maryland, Delaware, Virginia, and the District of Columbia. Three men were arrested, culminating an intense investigation undertaking which involved laboratory analysis, round-the-clock surveillances, and countless interviews. Based upon overwhelming evidence gathered by ATF, two of the suspects admitted involvement in the conspiracy, and the third individual was found guilty following a jury trial and ordered to serve a 10-year sentence.

ATF's efforts have unequivocally dispelled the much-publicized theory that the violence was the result of a national conspiracy. While some physical evidence indicates that some incidents committed in specific geographic areas are related, the only common thread in all of the attacks appears to be a deep-seated, antiabortion sentiment carried to violent extremes.

There will always be those who seek to advance their cause through the use of violence. I firmly believe, however, that ATF's impressive record will serve as a deterrance to future criminal activity. It is in recognition of their accomplishments that I urge my colleagues to join me in commending the continuing dedication and professionlism of men and women of the Bureau of Alcohol, Tobacco, and Firearms.

MIRACLES THROUGH MEDICINE

Mr. CRANSTON. Mr. President, at a time when the Nation's health system is being rocked with ever-escalating health care costs, the possible insolvency of the Medicare Program, and administration cutbacks affecting not only Medicare and Medicaid but basic research, I am grateful that California can offer hope: The City of Hope National Medical Center and Beckman Research Institute, which for over 70 years has been dedicated to quality and compassion in patient care, research, and education in catastrophic diseases.

The soul of the medical center is its ability to provide its patients with the latest life-saving equipment in a warm and homelike setting. Free treatment is provided to individuals who cannot afford it and the research carried on is world renowned. In sum, the City of Hope is a model hospital whose services and research efforts are in the vanguard in the war against disease.

The City of Hope began in two tents; it has developed into one of the preeminent forces in the world's health care delivery scene. And the miracle is that its humanitarian efforts are still going on with unabated success, even in these financially strained times.

I am pleased to share with my colleagues the keynote address by the City of Hope's executive director, Ben Horowitz, given at the center's 1985 biennial convention. I ask unanimous consent that his speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD as follows:

KEYNOTE ADDRESS BY EXECUTIVE DIRECTOR BEN HOROWITZ

Ladies and gentleman, members of the City of Hope family.

Welcome to the 1985 Biennial Convention!

The men and women gathered in this room represent the leadership of our auxiliaries throughout America. You have been elected as delegates to fulfill special responsibilities. According to our Constitution and Bylaws, you will be reviewing our organizational activities during the past two years and setting the direction for the next two years.

It can be solemnly stated, however, that the deliberations of every Convention place an indelible mark on the long range progress of the City of Hope. So it will be with this Convention.

It is appropriate that the Convention open in a festive mood. It reflects the warm kinship we feel for each other as members of the City of Hope family. It reflects the fact that we need each other, for the sum total of our accomplishments makes possible the giant strides of the City of Hope. It reflects our joy that the auxiliary movement has raised record-breaking funds since the last Convention.

Yes, tonight is a gala occasion for, in truth, it is a victory celebration!

In the sessions to come, we will turn to the serious problems which will be confronting the City of Hope in the coming years. The harsh reality is that the health system in the nation is being shaken to its very foundations.

As a result of new regulations which are imposing financial drains, hospitals are retreating from proper concern for the ill. Admissions are being denied to many patients. Bed stays are being shortened despite continued need. Services are being reduced or eliminated. The quality of care is threatened.

The City of Hope is more vulnerable than other hospitals to the cutbacks in reimbursements by government agencies and insurance companies.

A substantial number of our patients are not covered by any insurance.

No personal charge is made to patients who do have insurance.

Our Medical Center treats only victims of major diseases, which involve expensive procedures. It costs us more than $1,000 a day to treat one patient.

While other hospitals have a declining patient census, ours has been steadily growing.

As a unique research oriented institution—that of being a pilot center—we also are affected by the large cutbacks in grants pursued by the government.

Nevertheless, we have adamantly refused to depart from our high standards of care of impede our research endeavors.

The contents of my Keynote Address, and what you will see and hear in the days and nights to follow, seek to inform and inspire you. More signficantly, our objective is to move you to extraordinary efforts: first, to assure the integrity of our livesaving programs and second, to alert the citizens of your communities to resist the downgrading of their health systems.

With these introductory comments as a backdrop, I present my report.

OUR PATIENT SERVICES

The free, personalized quality care at the City of Hope attracted the highest number of patients in our history. In our role as a think tank for hospitals, advanced healthgiving therapies were offered to all our patients.

Some highlights are: improved diagnostic and treatment procedures for many cancer conditions, including non-surgical approaches and faster post-surgical recovery; new methods bringing even higher survival rates in our Bone Marrow Transplantation Program; new chemotherapy agents and innovative ways of administering them; new techniques to cope with congenital and genetic abnormalities; new systems for delivery of oxygen to patients with lung diseases; new surgical methods for cancer of the brain, spine and nervous system; and new implanted medication pumps to help liver cancer patients.

A complete listing would go on and on.

OUR CONSULTATION SERVICES

Second opinions from our professional staff have been provided for thousands of patients, under the care of private physicians and medical institutions, from virtually every state and many countries overseas.

OUR RESEARCH PROGRAMS

The U.S. National Cancer Institute renewed the designation of the City of Hope as a Clinical Cancer Research Center for the next five years. This is given only to selected institutions, and is highly prestigious.

We receive between $10 and $12 million in research grants and this is implemented by our own funds. More than 100 scientists are involved in 80 cancer research projects. Hundreds of findings and discoveries come from our laboratories every year.

As you know, our eminence in genetic engineering was attained several years ago by synthesizing human insulin. New discoveries from our laboratories in this field which have received world-wide attention were: a substance called tissue plasminogen activator (TPA) which assists the body in dissolving blood clots and helps avoid some of the consequences of heart attacks; the isolation and mass production of the tumor necrosis factor (TNF) which kills cancerous growth; and the invention of probes to identify many hereditary diseases from the DNA itself.

It is the conviction of scientists at the City of Hope that the current "knowledge explosion" will eliminate most of the diseases known today within the next 50 years. What a magnificent heritage we will be giving to future generations!

OUR AUXILIARY MOVEMENT

We now have 520 affiliates in 210 cities and 30 states. Their membership and fundraising are at an all-time high.

Fifty-eight of them were organized since the last Convention in 1983. They encom-

passed the recruitment of young adults, industry leaders, and senior citizens.

Our tens of thousands of auxiliary members have gained an outstanding reputation for their devotion and diligence to our cause. This is understandable. There is a gladness of the heart which comes to us who are associated with the city of Hope. Our activities lift the spirits, enhance a sense of self-worth, and increase our capabilities.

OUR FINANCIAL CRISIS

For the fiscal year ending September, 1984, our income was $87,000,000. For the fiscal year ending September, 1985, it should reach $92,000,000.

These figures sound good, but they are offset by several factors. Income projected for the Medical Center declined by almost $2 million. Expenses projected for the Medical Center rose by more than $2 million. Cutbacks in grants are beginning to take effect.

We have been compelled to borrow $10 million to met immediate cash flow requirements.

We also have to take into account that, on October 1st, we must provide for an inflationary increase of four percent in our budget for the new fiscal year, when we will be spending almost $2 million a week.

To meet these problems, the Board of directors launched an Emergency Fund Campaign for $10 million. It is calling upon our members and supporters for gifts, over and above those given previously. These extra dollars will determine: how many patients will be accepted by our Medical Center; how many patients will be turned away; and how extensive our basic and clinical research programs will be.

In a real sense, we are deciding who shall live and who shall die! This is an awesome responsibility, but we are confident that the response will be swift and effective.

OUR LEADERSHIP

The City of Hope is composed of dedicated and talented members. Its leaders must, therefore, undertake burdensome duties and demonstrate special qualities which command the respect and bring forth the best efforts of those they lead.

Our heartfelt thanks for a job well done go to, President Abraham S. Bolsky, the National Board of Directors, past Presidents Mike Hersch, Mannie Fineman, Percy Solotoy, and the late Louis Tabak. Associate Executive Director Sanford Shapero, Executive Medical Director Charles Mittman, and Medical Administrator Thomas Galinski, the officers of all our auxiliaries, our auxiliary members who assume leadership in their communities.

FACING THE FUTURE

The quantity and quality of health care and medical research is everybody's "business". Diseases do not pick and choose their victims. They strike at the strong and the weak, the good and the bad, the rich and the poor, the old and the young. We are all "under the gun", to use the vernacular.

Without question, great progress has been made against these age-old enemies of humankind. The latest government figures indicate that one of every two persons stricken with cancer will survive. Some fourteen other diseases show similar encouraging data. These advances were particularly made possible by government funding over the years.

Sad to relate, the clock has been turned back in both patient care and research. Predictions are that the worst is yet to come . . . unless public consciousness can be aroused against it.

Whatever the outcome of these developments, the City of Hope must continue to be a leading force in the health field. Our theme for this Convention is "Miracles Through Medicine". This was adopted because of our awareness that the City of Hope and medical science in general are on the threshold of spectacular breakthroughs.

The members of the City of Hope have the vision, faith and courage to overcome all obstacles. These attributes make them "miracle workers".

We are being challenged to mobilize the maximum human and material resources to go forward in our mission . . . that of relieving pain, prolonging life, effecting cures and wiping diseases from our midst.

Let us carry on in the spirit expressed by Louis Pasteur, "The future belongs to those who have done the most for suffering humanity". That future belongs to the family of the City of Hope. That future will belong to the people of America.

CBS TO AIR MISSING CHILDREN PICTURES

Mr. SPECTER. Mr. President, the tragedy of missing and exploited children continues to plague our Nation. As many as 1.5 million children are reported missing each year. As chairman of the Senate Judiciary Committee Subcommittee on Juvenile Justice, and cochairman of the Senate's Children's Caucus, I have spent considerable time studying this horrible problem and working to solve it.

I am heartened to bring to the Senate's attention today a letter I have received from Mr. Gene F. Jankowski, president of the CBS Broadcast Group. In response to a May 20 letter from Senator HEINZ and me, in which 83 other Senators joined, Mr. Jankowski has advised me that CBS, beginning this fall, will air on a regular basis the pictures and descriptions of missing children. As Mr. Jankowski notes, CBS' commitment to devote prime time to this worthy cause will ensure that this crucial information reaches CBS' largest and most diverse audiences.

I heartily congratulate CBS on its commitment, and applaud its willingness to serve the public in this manner. The media, because of its ability to reach all Americans, is central to the efforts to find missing children. In the past, when pictures and descriptions of missing children have been aired on network television, many of those children have been recognized and returned safely to their homes. CBS' commitment can only increase the frequency of these reunions.

When President Reagan signed into law the Missing Children's Assistance Act, which I introduced in the 98th Congress, we took a great step forward in the fight against this national tragedy. Voluntary private sector initiatives like the one now undertaken by CBS are an essential compliment to the programs established by the act.

Mr. President, I again commend CBS, and ask that Mr. Jankowski's letter of July 3 be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CBS,
New York, NY, July 3, 1985.

Senators SPECTER and HEINZ,
U.S. Senate,
Washington, DC.

DEAR SENATORS SPECTER and HEINZ: On May 20, 1985 you and 78 of your colleagues in the Senate wrote to Mr. Thomas Wyman urging CBS to air on a regular basis the pictures and descriptions of missing children.

I am pleased to advise you that beginning this fall we will be able to do so. This will be one part of a new CBS plan for broadcasting additional public service announcements ("PSA") in prime time.

This effort is incremental to an already extensive commitment. In 1984 alone, that effort represented $195 million worth of air time. By adding to the prime time component we will ensure additional exposure to our largest and most diverse audiences.

The announcements about missing children will be prepared in cooperation with the National Center for Missing and Exploited Children. The tragedy of missing and exploited children is of grave concern to all of us. We hope that CBS's effort will assist significantly in the growing nationwide response to this problem.

Sincerely,

GENE JANKOWSKI.

FELLOW ALABAMIAN NAMED PRESIDENT OF PRIVATE CARRIER CONFERENCE

Mr. HEFLIN. Mr. President, it gives me a great deal of pleasure to announce that a constituent, Mr. Herman Granberry, director of Transportation for West Point-Pepperell, has been elected president of the Private Carrier Conference of the American Trucking Association [ATA].

The private carrier conference, the largest of 11 conferences affiliated with the ATA, represents manufacturers, distributors, shippers and receivers who operate trucks as an extension of their primary business endeavors. Private carriers are the dominant sector of the trucking industry today, hauling nearly 60 percent of the Nation's intercity truck ton mileage and operating 6 million vehicles.

A 21-year veteran with West Point-Pepperell, Mr. Granberry holds a dozen patents for innovations and advancements within the textile industry. He brings to his new position of leadership with the private carrier conference a wealth of knowledge and experience. I am confident that he will make an effective contribution toward the Nation's search for a responsible transportation policy in the months and year ahead.

I know that my colleagues join me in congratulating Mr. Granberry as he begins his new responsibilities.

Thank you, Mr. President.

VETERANS HEALTH

Mr. PRESSLER. Mr. President, I rise today to speak on an issue that is very important to all of us—veterans health. As a Vietnam veteran who spent time in a military hospital overseas, I am very concerned with the current state of affairs in this area and would like to again bring it to the attention of my colleagues.

The situation facing the Veterans' Administration health care system today is critical. We face an expanded demand for medical services as a result of the aging World War II and Korean veteran population. Steps must be taken now if we are to meet the future health needs of these and other veterans.

My home State of South Dakota has approximately 79,000 veterans—12,700 of whom are over the age of 65. By 1990 this figure will rise to 18,700. By the year 2000 the total will have jumped to more than 24,000. Their medical needs are met by VA hospitals in Sioux Falls, Hot Springs, and Fort Meade. Nationally, the number of veterans over 65 is expected to triple from the current 3 million to 9 million over the next two decades. The VA reports that it currently turns away 20,000 eligible patients a month.

By 1995, 60 percent of all elderly males in the United States will have served in the military. Currently, 4 of every 10 Americans are veterans or members of their immediate families. Clearly, VA issues are important to many people.

For fiscal year 1985 the Federal Government has budgeted nearly $26 billion for veterans programs. Over the years, South Dakota has received a steady increase in VA funds in order to keep pace with rising medical costs. Nationally, the VA has been granted significant funding increases in recent years and the current fiscal year budget is the highest ever. Still, more must be done.

As we have debated the fiscal year 1986 budget, veterans health care and the level of funding needed has been a prominent issue. Of course, the deficit has made everyone budget conscious; but the fact remains that a potentially serious problem must be addressed. A number of questions must be asked: Will VA funding allocations for South Dakota and other States be sufficient to continue VA programs at their current level of service? How do we best maintain the present system? What steps must we take to meet the increased patient load to which I have referred? What changes must be made in the VA health care delivery system? To answer these questions satisfactorily, every option must be considered.

According to a 1983 survey conducted by the VA, approximately 380,000 veterans will require nursing home care by 1990. Also, the VA will need a minimum of 134,000 hospital beds by the year 2000—an increase of 68 percent. This demand will decrease once the needs of the World War II and Korean veterans have been served—probably between the years of 2010 and 2020.

The U.S. General Accounting Office [GAO] reports that the VA has not adequately explored the availability of community-based health services. I have often said that, properly undertaken, this option could help overcome VA overcrowding, as well as offer the individual veteran more convenient services. Both the Senate and House Veterans' Affairs Committees are considering legislation to determine to what extent the private sector can be of assistance to the VA in meeting long-term health care demands.

I have cosponsored S. 1007, most of which was adopted as part of the fiscal year 1986 veterans health bill. S. 1007 calls on the VA to pursue several approaches which are aimed at more efficiently expanding VA medical and nursing home facilities. It requires the VA, when developing new or replacement facilities, to first consider leasing or purchasing existing private facilities. Also, because VA facilities are generally more expensive to build and operate, a pilot program would be established to analyze the cost and number of different VA/private sector intiatives.

Mr. President, S. 1007 is but one example of the type of legislation that must be pursued if we are to meet the needs of our veterans. The time is now. Innovative and constructive approaches must be taken. Federal involvement must remain as the foundation for an effective system, but there is room for more private, local, and State participation in meeting veterans' health care needs.

THE NATIONAL BAR ASSOCIATION'S NEW PRESIDENT

Mr. HEFLIN. Mr. President, on Friday night, July 26, 1985, in Chicago, IL, Fred D. Gray was sworn in as the forty-third (43d) president of the National Bar Association. Justice Oscar Adams, the first black elected to the Alabama Supreme Court, administered the oath of office to him (and subsequently to the remaining elected officers of the National Bar Association).

Mr. President, the National Bar Association was founded in 1925, and is the oldest minority bar association in America. Over the past 60 years it has flourished tremendously in size and influence. Its network of over 8,500 lawyers judges, law faculty and administrators, and law students, has made significant strides. However, Mr. Gray is the first Alabamian to head this prestigious organization.

Mr. Gray received his B.S. degree from Alabama State University, his law degree from Case Western Reserve University. He is a member of the Alabama, Ohio, American Bar Association, the National Association of Criminal Defense Attorneys, the Association of Trial Lawyers of America, the Alabama Trial Lawyers Association, and the American Judicature Society. He is a past president of both the Macon County, AL, Bar Association and the Alabama Lawyers Association.

He is a senior partner in an outstanding law firm, Gray, Langford, Sapp, Davis & McGowan, in Montgomery and Tuskegee. He has won numerous awards of merit and distinction from various groups, including the Alabama State University Alumni Association, the Civil Liberties Union of Alabama, the NAACP, the National Bar Association, and the Educational Board of Community Leaders of America.

He is admitted to practice in all courts, not only the 11th circuit, but also in the sixth circuit. By his informal account, he has tried more than 275 cases to verdicts.

He has a very broad practice. I doubt if there is a law student in recent years who has not read Gomillion versus Lightfoot in courses on constitutional law. This landmark case opened the door for redistricting and the reapportionment of various legislative bodies, and laid the groundwork for the Supreme Court's later one-man, one-vote decision. This was Fred Gray's case, as were other landmark cases dealing with the systematic exclusion of blacks from jury services or ordinances requiring segregation intrastate in violation of the 14th amendment and due process in student disciplinary proceedings.

Of course, Fred Gray had a little help. In three of these cases he tried and argued on appeal, he was associated with Thurgood Marshall. But there are few attorneys whose trial and appellate records can match Fred Gray's legacy of landmark decisions.

I have known Fred Gray for approximately 25 years. When I went on the bench in 1971, there were two black lawyers in Alabama who were universally acclaimed to have reputations of excellence among the enlightened bar of Alabama. These were a great lawyer in Birmingham who is now in his late seventies, Arthur Shores, and Fred Gray. He practiced before me while I was on the bench. He always did an outstanding job. I know that he will do an excellent job as the 43rd president of the National Bar Association.

Mr. President, I offer to Mr. Gray my congratulations and my pledge to assist him in any way that I properly can during his term of office.

SALLY A. KELLY—A MASSACHUSETTS LAWYER WHO MAKES A DIFFERENCE

Mr. KENNEDY. Mr. President, one of the most impressive victories in the recent term of the U.S. Supreme Court was won by Sally A. Kelly, administrative counsel in the office of Attorney General Francis X. Bellotti of Massachusetts in the case of Metropolitan Life Insurance Co. versus Massachusetts.

On June 3, 1985, in her first case before the Court, which she described as a "textbook example of federalism," Ms. Kelly won a unanimous decision that ERISA, the Federal pension statute, did not preempt State laws on the subject and that insurance companies could properly be required to provide coverage for mental health care, as mandated by a Massachusetts statute.

As a specialist in health law, Sally Kelly has been active on many fronts in upholding the right of citizens to decent health care, including authorship of the patient-abuse law in Massachusetts. She has also shown her commitment to the public interest through her tireless efforts on behalf of nonprofit groups in Boston, such as the Boston Food Bank and the Fellsway Inn.

Sally Kelly's remarkable contributions and her dedication to public service are recognized in the current issue of Business Week. It is a pleasure to share her achievements with my colleagues in the Senate, and I ask unanimous consent that the article in Business Week, "A Lawyer Who Wanted To Make a Difference" may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Business Week, Aug. 5, 1985]

A LAWYER WHO "WANTED TO MAKE A DIFFERENCE"

Sally A. Kelly, administrative counsel to Massachusetts Attorney General Francis X. Bellotti and aspiring gourmet, cherishes her cooking lessons with Odette, the well-known Boston chef. But her fellow attorneys could take a lesson from Kelly, who recently persuaded the U.S. Supreme Court to endorse the rights of states to regulate insurance benefits. The 33-year-old Kelly won a unanimous decision in her first case before the court.

Kelly took on the insurance industry in 1979 when a Wellesley (Mass.) man complained that his insurer, Travelers Corp., would not pay for his daughter's mental-health treatment as mandated by state law. Travelers argued that the 1973 state law, which required insurance companies to provide at least $500 in mental-health coverage, was preempted by the federal Employee Retirement Income Security Act. But Kelly successfully demonstrated that mental-health coverage was similar to state-regulated car and neonatal insurance. "This is a textbook example of federalism," she declares.

Kelly's specialty in health law also led her to bring the first suit against a Massachusetts nursing home for patient abuse, in 1977. She later helped to write the state's patient-abuse law. Kelly is active in Bellotti's task force on rights of the elderly and in Massachusetts' role as lead counsel for 40 states looking for a remedy for investors who lost money in Baldwin-United Corp. annuities. Kelly also assisted Bellotti when he was president of the National Association of Attorneys General, which works to promote states' rights.

As if that weren't enough, she serves on the boards of several nonprofit groups, including the Boston Food Bank, which distributes food to local shelters, and Fellsway Inn, a halfway house for alcoholic women. "I always wanted to make a difference," says Kelly. "My heroes were Robert Kennedy and Dorothy Day."

PRAISING TALENT SEARCH

Mr. ROCKEFELLER. Mr. President, I would like to comment the Department of Education for a program it has administered for over 10 years entitled Talent Search. This program is especially important to West Virginia—almost half of our counties have been aided by Talent Search. In my State where unemployment is very high, the education of young people is critical to improving economic conditions.

Talent Search's primary goal is to motivate young people with special problems or needs to seek higher education and to ensure them true access to a quality education. The program identifies youth with financial or cultural needs who possess exceptional potential, and then helps them with training, financial aid, and other services. Talent Search staff provide career and academic counseling, tutorial services, assistance with application forms, publicity and counseling of financial aid opportunities, and a followup service to all Talent Search participants.

Grants are awarded to colleges and universities, public and private agencies and organizations, and in exceptional cases, to secondary schools. Through this program, youth are encouraged to continue in and graduate from secondary schools and to enroll in and complete postsecondary educational programs.

Young people within the ages of 12 years and 17 years are aided by Talent Search. The target student population consists of high school students and high school and college dropouts. The program focuses attention toward low-income families where neither of the participant's parents have received a bachelor's degree. Veterans are also given special consideration.

In my own home State of West Virginia, 27 of 55 counties have been targeted for aid through Talent Search. The Talent Search Program, combined with many other educational programs within the State, has made a significant contribution is reducing West Virginia's high school dropout rate. It also has helped to strengthen college placement efforts throughout the State. Students in need of financial aid have been helped immensely in the application process and in learning of the aid that can enable them to gain the education they desire and deserve.

Ensuring access to higher education for these young people is extremely important to every State. In West Virginia, the effort to achieve this goal has been tremendously aided by the Talent Search Program. Again, I commend my colleagues and the Department of Education for their role in sustaining this valuable program. Through the education of our youth, all of society will prosper.

EQUAL CREDIT OPPORTUNITY ACT

Mr. HEINZ. Mr. President, the Equal Credit Opportunity Act was passed in 1977 in order to prohibit discrimination in credit transactions on the basis of race, sex, marital status and age. It was passed in recognition of the fact that race, sex, marital status or age are not and should not be part of a determination of creditworthiness. Employment should be considered. Credit history should be considered. Sex or marital status should not. Neither has any relevance to the question of ability to repay a loan.

Included in the Equal Credit Opportunity Act was a provision authorizing the Federal Reserve to exempt nonconsumer transactions from the law wherever the Federal Reserve determined that application of the law would not contribute substantially to achieving the purposes of the act. Pursuant to this authority, the Federal Reserve Board, in 1977, issued regulations exempting commercial credit transactions from important requirements of the Equal Credit Opportunity Act. Since that time, commercial transactions have been exempt from the ban on inquiries regarding the loan applicants' marital status, certain recordkeeping requirements, and the requirement that denials of credit be accompanied by written explanations of that denial.

The exemptions approved by the Federal Reserve Board are far more sweeping than Congress ever intended. In fact, the exemptions approved by the Federal Reserve reduce the Equal Credit Opportunity Act to an absurdity. Women must be ensured an equal opportunity to go into business and obtain the same financial assistance to do so as men.

I am proud to be an original cosponsor of the 1985 amendments to the Equal Credit Opportunity Act introduced by Senator DOLE on July 23. This legislation limits the authority the Federal Reserve in promulgating regulations pursuant to the Equal Credit Opportunity Act to ensure that the rights of women and minorities are protected, as Congress intended them to be.

The bill specifies that no regulation may exempt personal, family, household or business loans from the requirements of the Equal Credit Opportunity Act. It further requires that any exemption that is granted by the Federal Reserve must be reviewed every 2 years and a determination made that the exemption remains appropriate.

This bill will correct an injustice that Congress thought it had corrected long ago. It will allow talented women who wish to enter the business world or expand their existing business to do so, and a bank may not require her husband's signature on the loan.

It will ensure that women or minorities who are turned down for loans are turned down for legitimate reasons, because a written explanation of that rejection will be issued.

It will also give women and minorities recourse in the courts if a lender consistently discriminates because records will exist that can be used as evidence to show discrimination.

The 1985 amendments to the Equal Credit Opportunity Act ensure fairness in the allocation of credit. It ensures that the equality we legislated in 1977 exists today. I urge my colleagues to join me in cosponsoring this important legislation.

PROBLEMS FACING DAIRY FARMERS

Mr. SPECTER. Mr. President, on Monday, July 29, 1985, I met with about 50 Pennsylvania dairy farmers from northeastern Pennsylvania, at the Carl Pensak dairy farm in Factoryville. These farmers, who are affiliated primarily with the Northern Tier Farmers Union Milk Producers Association, the Pennsylvania Farmers Union, ahd the Pennsylvania State Grange, expressed grave concerns about the State of the dairy industry in Pennsylvania and in the United States today. I would like to take this opportunity to share their views with the Senate, especially in light of the Senate's interest in the Farm bill and agricultural matters at this time.

The farmers with whom I met had two issues uppermost in their minds. The first of these concerned the importation of casein. Casein is a dry protein milk derivative used in dairy and dairy-substitute products, plastics, paint, and more. Imported chiefly from New Zealand, Australia, and the European Community countries, some 87,000 metric tons of casein was imported into the United States in 1984, according to the U.S. Foreign Agriculture Service. This represents, Mr. President, a startling jump from the 58,000 metric tons that the FAS reports were shipped to the United States in 1981. Other sources have placed the amount of casein brought into the country at even higher levels.

What is especially disconcerting about this situation is that at least some of the casein reaching our shores is being subsidized by foreign governments. As a result, dairy products from Pennsylvania and elsewhere in the United States reportedly are being displaced. The farmers with whom I talked expressed their strong view that import restrictions on casein should be imposed with the passage of the 1985 farm bill. It is my sense that this approach merits very strong consideration in this body, at an early time.

The other matter of special concern to the dairymen was the current dairy support program and, specifically, the dairy support price. One spokesman for the group noted that the current support price of $11.60 per hundredweight is the lowest in 6 years. In his view, and the view of others with whom I met, this is completely inadequate. It was suggested that, for dairy farmers to maintain a level of income that would keep them even with the national economy, support prices would have to be increased to $16 per hundredweight.

What is clear, Mr. President, is that our current dairy program is not meeting the needs of our Nation's dairy farmers. In 1983, the President enacted legislation that began a Dairy Diversion Program paying farmers $10 per hundredweight to reduce their marketings by 5 to 30 percent below their established production base. But my conversations showed that only a small number of farmers ever took advantage of this program. The price of milk has remained low. Dairy farmers throughout Pennsylvania are experiencing exceptional economic pressures at this time.

It may be necessary to deal with these issues on a regional basis because the problems for California, for example, are very different from those of Pennsylvania.

In the coming days the Senate will be contemplating reform of the current Dairy Program. It is imperative that we move quickly and firmly to deal with this problem at that time. We simply cannot afford to drive our farmers into perpetual hock with unrealistic and ineffective policies. I urge my colleagues to give this matter the most serious consideration when it is brought to the floor.

On a final note, I would like to briefly mention two other issues brought before me during my meeting. The first goes hand in hand with what I have been discussing. I refer specifically to the problem of farm loans. Without getting into extensive detail on this issue, I would like simply to emphasize my view that the criteria and guidelines for granting loans from the Farmers Home Administration must be reviewed thoroughly and addressed vigorously by this body in the upcoming farm legislation.

The last issue regards the Federal Government's Surplus Food Distribution Program. During the course of my meeting I was accompanied by Wyoming County Commissioners Robert Barziloski, Richard Fitzsimmons, and Harold Grow. Commissioner Barziloski, responsible for the Surplus Food Distribution Program in the county, expressed fear that the program might end this year. "There is no sense in having a hungry America," he said, "while there is a big food surplus in the country."

It is my strong sense that the Government's distribution will not end this year, but that is not the principal reason why I chose to mention this concern here. Rather, it is because I believe this remark has much greater implications. Simply put, we absolutely must rectify the problems that currently beset our agricultural community if we hope to have a strong and healthy economy and a strong and healthy Nation. Agriculture is the backbone of America, and, without the attention it deserves, we may all face a hungry America in the future.

JACK BARRY

Mr. LEAHY. Mr. President, the best-known personality, and the best-known voice, in Vermont does not reflect a public official. Instead, it is my good friend Jack Barry.

Virtually any time anyone discusses issues in Vermont—and we Vermonters discuss issues more than most people—the discussion usually turns to what Jack Barry has said on the subject.

I would like to share with my colleagues in the Senate an interesting article about Jack that appeared in the Vermont Vanguard Press, and I ask unanimous consent that it be printed in the RECORD.

[From the Vanguard Press, June 23-30, 1985]

INSIDE TRACK

(By Peter Freyne)

Jumpin' Jack Flash—This is a test. For the next three weeks no matter where you tune your AM receiver, you will not be able to pick up the mellifluous tones of Vermont's Mr. Radio—the one and only Jack Barry. Crisis intervention clinics will no doubt add extra staff and police patrols will be beefed up to handle any Barry fans exhibiting withdrawal symptoms.

After two and a half years on Burlington's WDOT, Jack says he's cut a deal with Peter Gibbert, owner of the Plattsburgh-based KDR, that will keep him in filet mignon until he retires. The Jack Barry Show will be produced out of new digs adjacent to the Mill Restaurant in Winooski and run in the same time slot it has had for years: 9-11 a.m.

Jack says phone calls will go to the New York studio first and then be rerouted to Winooski. Vermont callers will be able to dial a local number to get through to the voice that never quits.

For Jack, it's yet another radio station to add to his very impressive resumé. And it will be his first shot at taking on two separate audiences at once. That eight-mile wide puddle we call Lake Champlain may as well be a million miles wide in the minds of most local media. WPTZ-TV is just about the only operation to seriously attempt to cover both sides of the lake. And as their Burlington-based sales staff will tell you, it pays off.

Thirty years ago Jack Barry was an eyewitness to the birth of the radio call-in show. Working for a radio station in Wilmington, Delaware, the Waterbury Center native got a firsthand look at the legendary Joe Pyne in action. The brash and often insulting Mr. Pyne is credited by most observers with inventing the genre.

In 1954 Jack Barry came home to Vermont and started his first call-in talk show on the then brand-new WDOT. "It's Your Nickel" he called it. Over the years he's worked for the other major AM stations in town as well.

Many of Jack's Vermont listeners wish he'd be a little more brusque himself sometimes, and tell some of the windbags that call him up everyday to suck on glue. But Jack's a gentleman. And when the day comes that Vermont's only genuine media star hangs up his microphone, thousands of Vermonters will be missing a good friend. Until then let's enjoy him while we've still got him.

PARTY REFORM AND FEDERAL ELECTION LAWS

Mr. DURENBERGER. Mr. President, today I introduced the Integrity in Lobbying Act of 1985, a bill intended to improve our current ineffective and burdensome system of lobby registration. By establishing a system of more timely and complete disclosure, by fostering higher standards of professional ethics and responsibility among lobbyists, and by reducing unnecessary burdens on the first amendment rights of all Americans, this legislation can help generate greater public confidence in our legislative process.

As significant as this legislation is, it addresses only one portion of the problems currently confronting our representative system of government. On a broader level, if we are to deal responsibly with the difficult issues confronting Congress today, we must reform our entire electoral process in ways that place the collective interests of society above the growing multitude of narrow, special interest claimants. For however worthy each individual cause may be, this Nation can no longer afford a political process that separates complex problems into tiny fragments, blindly hoping that the cumulative outcome will somehow total the general public interest.

Mr. President, our electoral system historically has relied upon our political parties to perform this important representative function of combining disparate interests into broad coalitions, each representing a distinct public philosophy about the proper role of Government in society. Our political parties have never been rigid and disciplined collections of single-minded ideologues—they allowed ample room for expressing individual interests and opinions. But the parties were by far the most important organizations in our electoral system, providing a framework of shared ideals within which different points of view could be debated. And because our parties were decentralized, they provided avenues for representing regional and local values within the Federal Government as well as social and economic concerns.

In recent years, the broadly based system of representation provided by the parties has been eroded. Though still important, the parties' role in Government and elections has been diminished by the rise of new forms of campaign finance, heightened reliance on narrow interest organizations, and new modes of political communication. According to research conducted by the Advisory Commission on Intergovernmental Relations:

America's political system has changed substantially since 1960. Patterns of politics based upon lasting commitments to party and place—community, State, and region—have eroded significantly. They are being replaced an increasingly national political marketplace in which competing candidates, interest groups, and parties vie for media attention and rely upon modern marketing techniques to win support from an ever more volatile and skeptical public. The past 25 years have witnessed the final witheringaway of once powerful political machines; the development of a new process for nominating Presidents, characterized by the proliferation and heightened influence of Presidential primaries and by the declining role of State and local party leaders at national conventions; and the rise of television as possibly the most important single force in modern politics. As strong party loyalities have waned, the role of independent politicians, voters, and issue-oriented activists has expanded in contemporary elections. There has been an explosion of organized interest groups, single issue politics, and new group-related sources of campaign finance.

These are important and in some respects disturbing trends, with important implications for how Congress operates, for the messages we hear, and for the kinds of laws we enact. Most disturbing of all is evidence that Federal election laws have contributed to party decline, limiting party involvement in elections while favoring other forms of political activity. Thus, in 1972, 2 years before Congress established the current system of campaign contribution and expenditure limits, political parties provided approximately 17 percent of the contributions to candidates for the House of Representatives. Just 10 years after the landmark amendments to FECA in 1974, and despite historic fundraising efforts by both political parties, political party contributions to House candidates had fallen to less than 3 percent of total contributions, and the situation in the Senate was even worse.

Part of this decline was caused by the unrealistically low limits which FECA placed on party contributions to congressional candidates—limits which have not been raised since they were first passed in 1974. Moreover, as the accompanying article on "State Parties and the National Law of Campaign Finance" makes clear, State and local political parties have been particularly constrained by Federal election laws.

During the same period that the party role in campaign finance has been declining, the number of nonparty political action committees increased from 608 to 3,525, and the value of PAC contributions to congressional campaigns increased from $11.2 million in 1974—16 percent of total contributions—to $102 million in 1984—29 percent of all contributions. This does not mean, as we so often hear, that PAC's are corrupting our electoral system or brazenly undermining the integrity of the legislative process. So long as we require adequate disclosure—which we do—PAC's are a legitimate and constitutionally protected form of public involvement in the political arena. The problem with PAC's and other expressions of the current interest group explosion is that they encourage citizens and Congress alike to deal with complex issues on a parochial, ad hoc basis. They encourage us to look at every problem in simple terms of "what's in it for me, right here, right now." They make it easy to avoid, if only temporarily, the tough but unavoidable decisions we all must make to reconcile our competing goals with the resources available and to consider how our individual interests fit within a framework of the broader interests of society at large.

In such decisions, the parties play an irreplaceable role. They begin the process of building coalitions, of identifying areas of consensus, of focusing attention on priorities. Far from limiting the role of parties in our electoral process, as we have done in recent

years, we should be raising and removing limitations on party contributions in campaigns.

I want to emphasize that this is not a matter of partisan advantage or debate. Although many Democrats believe they have some catching up to do in terms of fundraising, leaders of both parties are in agreement on the basic goal of easing limitations on effective party competition. As former DNC director Eugene Eidenberg expressed it:

The political process should be regulated by government only to the degree necessary to insure the integrity and legitimacy of its results. I support the principle of political parties being free to make unlimited expenditures in behalf of their candidates.

Or, in the words of RNC Chairman Frank Fahrenkopf:

There is a legal limit on what each party can contribute to its candidates. As the cost of campaigns continue to grow, the percentage of funding from non-party sources must and will continue to grow. If the concern is really on the amount of money going to candidates from PAC's, a simple logical solution is readily apparent. There should be no limit on the amount political parties can spend or contribute to candidates for public office.

Ultimately, I support removing entirely the current limits on political party contributions to political campaigns. So long as we retain full and timely disclosure of party contributions and receipts, the public interest is protected. In the interim, we should at least raise the current party contribution limits for House and Senate candidates. Party contribution ceilings might be raised to 50 percent of funds received from other sources, and expenditures by parties on behalf of Senate candidates might be raised to 5 cents per voter from the current 2 cents. Limitations imposed by Federal laws on State and local parties should be eliminated entirely.

The important point is that enhancing the electoral roles of our political parties provides the surest way of improving communications between citizens and their elected officials, of promoting greater public confidence in our electoral system, and of protecting the performance and integrity of the legislative process.

Mr. President, I ask unanimous consent that the following articles entitled "Federalism and American Politics: New Relationships, a Changing System," Intergovernmental Aspects of FECA: State Parties and Campaign Finance,' and "View From the Commission" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FEDERALISM AND AMERICAN POLITICS: NEW RELATIONSHIPS, A CHANGING SYSTEM

(Timothy J. Conlan)

America's political system has changed substantially since 1960. Patterns of politics based upon lasting commitments to party and place—community, state, and region—have eroded significantly. They are being replaced by an increasingly national political marketplace in which competing candidates, interest groups, and parties vie for media attention and rely upon modern marketing techniques to win support from an ever more volatile and skeptical public. Specifically, the past 25 years have witnessed the final withering-away of once powerful political "machines"; the development of a new process for nominating presidents, characterized by the proliferation and heightened influence of presidential primaries and by the declining role of state and local party leaders at national conventions; and the rise of television as possibly the most important single force in modern politics. As strong party loyalties have waned, the role of independent politicians, voters, and issue-oriented activists has expanded in contemporary elections. There has been an explosion of organized interest groups, "single-issue" politics, and new group-related sources of campaign finance.

The party system has been at the center of many of these changes. Some believe the parties are trapped in a permanent pattern of decline. Others see parties adapting creatively to their new and complex political environment or undergoing a new phase of realignment. Normative assessments of these changes also vary widely. Some applaud what they perceive as greater openness, responsiveness, and heightened issue consciousness in contemporary politics. Others lament what appears to be growing volatility and fragmentation in a political system more reliant on the media and interest groups. To the extent that parties are indeed losing relative influence, however, individuals sharing both perspectives have raised concerns about the long-term exercise of effective representative government. Scholars in particular have come to view political parties as an indispensable link between elected leaders and the general public in a democratic society. According to the nonpartisan Committee for Party Renewal:

Strong parties and a strong party system remain the best hope for representative and responsible democracy in an extended and diverse republic like ours. They are the only institutions in our electoral system that can be held accountable for what government does. Those elected to public office in their name must make policy, not just advocate it, and are answerable for their actions to the electorate as a whole, not to a narrow constituency of limited and special interest.[1]

Because of their obvious importance, these changes have been much studied and debated. Almost overlooked, however, have been the implications of these political developments for the conduct and institutions of intergovernmental relations. In particular, federalism and the political party system appear to intersect in three significant ways:

Historically, the highly decentralized structure of American political parties provided an important avenue of state and local influence and communication in Washington and helped maintain political balance among the different levels of government. In recent years, changes in the parties' roles in the political system appear to have upset some of these traditional relationships, especially where traditional party functions have been assumed by competing political institutions with predominantly national orientations.

Footnotes at end of article.

Both the processes and outcomes of intergovernmental policy making appear to have been affected by such political changes. Organizations representing the clients and providers of new intergovernmental programs have contributed to the proliferation of Washington-based interest groups and encouraged the expansion of national lobbying offices representing state and local governments. It may be no coincidence that one of the most prolific periods of federal growth and activism corresponded with an era marked by rapid political evolution and declining state and local party influence in Washington.

Finally, the extent to which contemporary politics has altered roles and relationships within the federal system may have important implications for the basic values federalism was established to promote integrating diverse community values within the framework of broadly shared national perspectives; providing multiple arenas of meaningful public expression and participation; promoting policy experimentation and programmatic diversity; maintaining an effective system of shared and separated powers; and promoting more effective and responsive government by avoiding unworkable concentrations of governmental responsibility. Although it may be possible to pursue such values through other instruments of government or to concentrate on other possibly competing values, these objectives represent the stakes involved in the interplay of politics and federalism.

This article explores how these intergovernmental issues has been affected by political changes in America. Drawing upon the Commission's ongoing study of Transformations in American Politics and Their Implications for Federalism, it analyzes, first, changes in contemporary political processes that have had significant consequences for federal, state, and local roles in our political system. Traditional party roles in maintaining federalism, challenges to those roles by competing institutions, and emerging party adaptations to such challenges are discussed. The potential policy implications of these changes are then examined, followed by an exploration of their long term consequences for fundamental federal values.

PARTIES AND POLITICAL BALANCE IN THE FEDERAL SYSTEM

Because the United States has never had ideologically coherent, mass membership parties on the European model, political scientists are accustomed to thinking of American parties as relatively weak and loosely organized bodies. Yet, the party system traditionally has been the single most important political institution in American politics. The parties provided access to the governmental system for much of the electorate and served as an arbiter for prevailing values in individual communities.

This central role was most clearly manifested by the large urban machines, but it was not limited to them. In the late nineteenth century, political parties mobilized the electorate so fully and effectively that they were compared to "armies drawn up for combat."[2] At that time, parties dominated the popular press, controlled large numbers of government positions, and—through parades, clubs, and gatherings—provided a major source of popular entertainment. More important, until the mid twentieth century, American parties retained a paramount role in the most basic electoral functions of representative democracy: recruiting and nominating candidates

for office, structuring debate on public issues, organizing and mobilizing the electorate, financing politics, and informing citizens about candidates and government policies. Consequently, it is not surprising that some of the earliest research in political behavior underscored the influence of parties at both ends of the representational process: a citizen's identification with one political party or the other was found to be the single most important factor in predicting how that individual would vote,[3] while in Washington a representative's party affiliation was found to be the best indicator of what his or her position would be on the majority of roll call votes.[4]

PARTY DECENTRALIZATION

Equally significant, the structure of traditional American parties was intimately linked to the maintenance and operation of the federal system. American parties were traditionally organized in a highly decentralized manner. Indeed, less than 30 years ago a major authority on parties declared that:

There is perhaps no point on which writers on American politics are so . . . agreed as that our state and local party organizations, taken collectively, are far more powerful than our national party organizations. As Professor Macmahon puts it, "Considered nationally political parties in the United States may be described as loose alliances [. . . of state and local party organizations] to win the stakes of power embodied in the presidency.[5]

This system strongly reinforced constitutional provisions intended to ensure state representation in the federal government, such as the electoral college and the structure of the Senate. National office holders owed their election to state and local party organizations and were closely attuned to the vagaries of local politics. "In the United States," wrote Edward Banfield and James Q. Wilson, "the connection between local and national politics is peculiarly close. . . . Congressmen and Senators are essentially local politicians, and those of them who forget it soon cease to be politicians at all."[6] In fact, some members of Congress held important positions within state or local party organizations themselves and could be viewed as local as well as national political officials.

For their part, presidential candidates were chosen by an assemblage of independent state and local party chieftains at the national convention. Historically, the ranks of such candidates were often swelled by governors running as "favorite sons" and leading unified state delegations. Such leaders frequently sought to broker the convention's decision and perhaps to gain the nomination themselves as "dark horse" candidates. Once the nominations were made, the chosen candidates relied for their election upon the permanently organized state and local parties with their armies of adherents and party workers.

Thus, the traditional party system provided broad channels for representing the interests of state and local officials in national policymaking and strong mechanisms for protecting those interests in the political arena. As Morton Grodzins expressed it:

The parties . . . disperse power in favor of state and local governments. . . . States and localities, working through the parties, can assume that they will have an important role in many national programs. . . . [They] are more influential in federal affairs than the federal government is in theirs.[7]

The corresponding absence of party discipline and hierarchy at the national level often reinforced the decentralizing thrust of state and local party influence by raising obstacles to concerted legislative action in Washington. Because legislative opponents of the president and congressional party leaders were insulated from effective party sanctions—especially in the period after 1910—the natural difficulties of coalition building in a large and diverse nation were often magnified by national party weaknesses. On those rare occasions when presidents did attempt to use their political influence to defeat congressional opponents or to punish unreliable party members at the polls, their efforts generally failed dismally.

This is not to say that parties alone were responsible for maintaining governmental decentralization in the United States, nor that they were incapable of serving nationalizing purposes at specific points in time. During periods of national crisis, when strong leadership and popular support existed on behalf of vigorous and innovative federal policies, the parties served as convenient and necessary vehicles for mobilizing popular support and for encouraging effective legislative coalition building. At other times, the structure of the party system simply reinforced other factors promoting decentralization in the political system, notably the pervasive and intense popular attachment to the values of localism and laissez-faire, and constraints imposed on the federal government by reigning legal doctrines and provisions of the Constitution.

Over time, however, most of the explicit constitutional protections for states in the federal system were altered or eroded. Changing judicial interpretations greatly broadened the range of implied federal powers, and popular election of senators and presidential electors replace state legislative selection. Thus, by the early 1960s, prominent scholars widely credited the decentralized structure of American political parties with primary responsibility for shaping and preserving the decentralized character of the federal system itself. According to Grodzins:

The nature of American political parties accounts in largest part for the nature of the American governmental system. The specific point is that the parties are responsible for both the existence and form of the considerable measure of decentralization that exists in the United States.[8]

CHANGING ROLES OF PARTIES

Over the past 25 years, the role of political parties in American politics has departed increasingly from this traditional, decentralized system—so much so that veteran political observer Theodore White maintains that our political system has changed "so dramatically . . . as to amount to a revolution."[9] In the process, the parties' capacity to act as balance wheels in the federal system has diminished, in part because certain traditional party functions have been assumed by competing institutions—like the mass media—that are more national in scope and orientation.

PUBLIC ATTITUDES

For example, even though party identification remains the single most important factor influencing how most people vote, it appears to have lost much of its past effectiveness as a voting guide, and personal loyalties to parties have grown attenuated. The number of self-described political independents climbed from 22% of the population in 1952 to 35% in 1980 and encompassed a much broader cross-section of the population. In sharp contrast, the number of persons declaring a strong loyalty to either party declined from 35% to 23% of the population during this period.[10] Although party identification, especially among Republicans, appears to have made a significant rebound in 1984, it is presently unclear whether this constitutes a short- or long-term reversal of the post-1960 decline, or if it represents, perhaps, the beginning of a long-expected party realignment.[11] Nevertheless, faith in the parties has diminished sufficiently that, by 1983, an ACIR-Gallup poll found that almost half the population (45%) believed that organized interest groups best represent their political interests, compared with only 34% who believed that either of the major political parties does so.

Most important, there is little doubt that patterns of party voting have changed in recent years. Voters' willingness to defect from their party and vote for a candidate from another party has increased markedly. Over 60% of American voters reported that they "split their ticket" in 1980, compared with about one-third who did so in the 1950s.[12] Similarly, the percentage of congressional districts supporting a congressional candidate from one party and a presidential candidate from another averaged 35% in the 1970s, compared to just 25% in the 1950s.[13] Comparable behavior is apparent for other offices at all levels of government.

THE NOMINATING PROCESS

The weakening hold of parties on the electorate has been paralleled by the dwindling capacity of party organizations and leaders to control candidates' use of the party label in elections. This erosion in party control over nominations began at the state and local level in the wake of the widespread adoption of primary elections. Primaries were explicitly intended to reduce the influence of party organizations in the electoral process by removing control over nominations from party conventions and granting it directly to voters instead. Initially, and especially in states and localities with strong party organizations, party leaders were often able to circumvent this effect and retain control over the nominating process by stimulating high turnout among party stalwarts. But over time, as most party organizations have faltered in their ability to determine voter behavior in primaries, they have often lost their once effective and predictable control over nominations.

At the national level as well, presidential primaries during the 1960s began to erode the capacity of national party conventions to select the presidential nominee. Previously, primary elections had been used by party leaders mainly for advisory purposes, to test the viability and weaknesses of different candidates. Due in part to a series of far-reaching reforms in the Democratic Party's delegate selection process, however, the number of presidential primaries increased from 17 in 1968 to 31 in 1980 and the number of delegates selected by primaries rose to more than two-thirds of the total.[14]

In combination with other party reforms, the vastly increased role of primaries has significantly altered the process of selecting presidential candidates. The role of the media as an indispensable means of direct communication between candidates and voters has increased, as has the influence of political amateurs and dedicated issue activists who form the core of new, independent-

ly established candidate organizations. On the other hand, the influence of state and local parties and government officials has diminished as critical nominating decisions have been removed from inside the halls of the party convention and transferred to an often fluctuating and poorly defined primary electorate. As a result, the nominating process has become far more open and volatile, often benefiting lesser known and less established politicians who are able to capitalize on waves of publicity stemming from a few unexpected early primary victories.

These changes in the electorate and in the nominating process have combined with the availability of new and independent electoral resources to diminish the parties' role in conducting campaigns. Primary elections encourage candidates to develop an independent and personalized campaign organization to seize their party's nomination. Consequently, primary victors increasingly find that they have less need to rely on the support of party organizations during the general election.

This tendency has been strongly reinforced by: (1) the availability of new campaign technologies that allow candidates to communicate directly with voters; (2) the proliferation of independent campaign specialists and professional consultants who perform election tasks ranging from polling and media advising to overall campaign management and strategy; and (3) the vast expansion of non-party financial and organizational resources, including new sources of funding, increased electoral activity by organized groups, and the post-1960 influx of issue-oriented volunteers.

COMPETING INSTITUTIONS IN POLITICS

Paralleling and often reinforcing these changes in party functions has been the growing influence of competing institutions in the political arena: Media, interest groups, and financial organizations.

MASS MEDIA

Most significant, perhaps, has been the expanding role of the mass media in American politics.[15] Indeed, two noted scholars of the electoral process have characterized television as:

. . . the new political god. It has supplanted the political party as the main conduit between candidate and voter. It is the principal influence acting on the voter in a campaign and his chief source of information. It is the medium of information he is dependent on and the one he trusts most implicitly. However, it is both an expensive and unpredictable master.[16]

Changes in communications technology historically have had political and intergovernmental implications. One famed media analyst has gone so far as to argue that "a speed-up in communications always enables a central authority to extend its operations to more distant margins."[17] In the early years of the United States, news travelled slowly—limited by the sluggish pace of often primitive transportation—and the localistic pattern of communications tended to reinforce the decentralized system of governmental authority.[18] Moreover, newspapers at the time were often closely affiliated with political parties, frequently depending on them for news, patronage, and advertising and forming an integral part of their communications network.

This decentralizing influence of communications began to erode with the invention and application of the telegraph (in the 1840s) and radio (in the 1920s). Wire services and radio networks offered speed-of-light electronic communications between distant places, binding the nation much more closely together. In part because of the rise of the wire services, reporters adopted a less partisan—but somewhat more sensational—style of writing, calculated to please more diverse audiences.

The most significant changes, however, followed the introduction of television. Television has had a significant impact on politics and the news industry, as well as shaping popular culture and entertainment. Since 1963, when the networks first shifted from 15- to 30-minute evening newscasts, a majority of the population has said that television is its major source of news.

Intergovernmentally, the overall effect has been to shift the focus of political attention away from localities, away most particularly from the states, and toward the national government. The economics of broadcasting dictate that most network news stories originate in a comparatively small number of locations—with Washington and New York being the major focal points. Because television is at once more national in coverage and more political in content than other news media, there is reason to believe that its development has contributed to expanding the national agenda. At the same time, coverage of state and local government activities, by the media as a whole, often seems inadequate. Although the states enjoy essentially coequal status constitutionally, evidence suggests that this tier of government fares least well in terms of media coverage and public comprehension.[19]

Apart from such direct interactions between government and television, TV has also affected government through its impact on the political process. Summarizing his experiences from two decades of observing presidential elections, Theodore White argues that "American politics and television are now so completely intertwined that it is impossible to tell the story of one without the other."[20]

No aspect of the electoral process has been influenced more by television than presidential nominations. The glare of the cameras has helped erode the deliberative capacity of national conventions and reduced the role of state and local party leaders. At the same time, media coverage has magnified the importance of early state primaries and caucuses. Presidential nominating campaigns are now "brokered" by television commentators, opinion pollsters, and tiny electorates in such states as New Hampshire, Iowa, Maine, and Vermont. Many political observers believe that the personal attributes of successful nominees have been altered by the change of process.

During the course of the campaign itself, candidates now rely very heavily on television to reach voters, rather than upon the cadres of local party workers that once offered their aid. However, the cost of television time, and the fees of professional campaign managers who know how to use the media and other modern technologies, have created new forms of dependencies.

INTEREST GROUPS

Interest group developments in recent years have also affected the conduct of contemporary politics.[21] Although interest groups and voluntary associations have always been prominent features of American political culture, never have they been as numerous, entrenched, or politically active as they are today. Estimating the number of interest groups over time is a difficult task, but there is broad agreement that their ranks have grown. By one recent count the number of groups established between 1960 and 1980 increased by as much as 60%.[22]

On the whole, these modern interest groups contrast sharply with the traditionally decentralized parties by their heavy focus on Washington. Responding to "the increased salience of national politics," the number of groups represented in the nation's capital more than doubled in the 20 years after 1960.[23] This includes both groups that were formed in Washington and other previously established groups that migrated there. By far the fastest growing types of organizations have been citizen or "public interest" groups, civil rights and minority groups, social welfare organizations, and groups representing women, the elderly, and the handicapped. Because many of these organizations have relatively short life spans, however, and because business, trade, and professional associations also increased substantially in number, the overall distribution of group types represented in Washington has changed relatively little during this period.[24]

Many factors have contributed to interest group formation—from economic growth and specialization to rising levels of education—but a commonly overlooked source in recent years has been the federal government itself. As careful scholarship has documented, many recent groups were formed in response to new federal programs, as program clients and service providers banded together to share information and expand their resources.[25] Indeed, many groups have benefitted from direct governmental assistance to help them sustain or expand their operations.[26] Still other groups have organized for defensive purposes, responding to the perceived negative consequences of governmental action.

The increase in the size of the interest group population is only one component of their rise to prominence in national politics. Of equal significance have been changes in the way interest groups conduct their political activities. Many scholars contend that, during the last 20 years, interest groups have undergone a political metamorphosis. They have done so by adopting methods of influencing government policymakers that traditionally had been performed by political parties. The result has been a gradual blurring of the distinctions between interest group and party politics and, utlimately perhaps, a change in the political status of both.

Prior to 1964, interest groups in Washington primarily engaged in "institutional lobbying," focusing their efforts on influential legislators and administrators. Such lobbying usually consisted of exchanging technical advice and information, and, on occasion, applying various forms of political pressure. Seldom, if ever, did these kinds of political interactions include direct contributions to candidates for national office. Nor did they usually involve contact or interchanges with constituents on a daily basis.[27]

More recent research suggests that, in addition to these traditional activities of institutional lobbying, interest groups increasingly engage in broader forms of political activity, including political education, grassroots lobbying, coalition building, and electoral fundraising through political action committees.[28] Although traditional lobbying and information services still command the major share of most groups' resources, media contacts, coordinating efforts with other groups, and mobilizing mass member-

ship campaigns are among the fastest growing interest group activities.

Although interest groups have always engaged in them to some extent, such techniques for financing campaigns, mobilizing the public, and building legislative coalitions have traditionally been the province of political parties. In the last few years, the functions of interest groups and the parties have continued to intersect even further. Although there have long been electoral relationships between the parties and certain interest groups, several groups have recently begun to devote substantial new financial and political resources to expanding their influence within the parties and to enlarging the scope of party activity in general. For example, some business interests have begun closely coordinating their electoral contributions with the Republican National Committee, while on the Democratic side, labor and education organizations have become intimately involved in the party's presidential nomination process.

CAMPAIGN FINANCE

Nowhere has the intersection of politics and interest groups changed more dramatically than in the field of campaign finance.[29] Interest-group-affiliated political action committees (PACs) have grown at an astonishing rate over the past ten years, from 608 in 1974 to 3,525 by January of 1983.[30] Moreover, PAC contributions to federal congressional campaigns alone increased from $11.2 million in 1974 (accounting for 15.7% of campaign funds) to $83.6 million in 1982 (about 28% of total funds).[31]

Although these data suggest much about contemporary group participation in politics, most important from an intergovernmental perspective are several nationalizing trends in campaign finance. First, in part because of the growing role of nationally-organized PACs, congressional (and some state and local) campaigns appear to be drawing larger proportions of funds from outside affected states or congressional districts. As one congressman lamented.

The state of Iowa is a classic example of the problem. We're mainly rural and small business, but in elections the Republicans are largely funded by business, much of which has nothing to do with the state, and the Democrats are funded by labor, much of which doesn't have anything to do with the state. . . . We're seeing regional politics and state and citizen politics become national. National groups determine outcomes whereas local constituencies used to provide the crucial role. This is new.[32]

This pattern of funding has become sufficiently common that another member of Congress, when asked why he accepted large contributions from out-of-state PACs, replied that "I just don't feel right asking constituents in my district for campaign funds." [33]

Second, federal campaign election laws have had a dampening effect on state and local party activities and financial contributions to congressional candidates. (For details, see "State Parties and the National Law of Campaign Finance," Intergovernmental Perspective, Fall 1984.) Finally, stemming partly from these legal provisions, the relatively powerful and expanding fiscal role of the national parties, especially the Republican, has given powerful intra-party impetus to the nationalization of campaign finance. The national party committees now contribute far more to congressional (and many state) candidates than in the past. Indeed, in recent elections, the national committees of both parties have far outstripped state and local committees in their contributions and expenditures on behalf of congressional candidates. In 1981-82, for example, spending in support of congressional candidates by state and local party committees totaled $1,627,964 for Democrats and $1,213,999 for Republican.[34] In contrast, such spending by the national, senatorial, and congressional committees equaled $3,437,602 for the Democrats and a whopping $18,697,179 for the Republicans (see Figure 1). Such large sums, in turn, reflect the sophisticated direct mail fundraising operations established by the national Republican committees in recent years and now being imitated by their Democratic counterparts. In the view of at least one observer, this financial development carries the potential for permanently reversing the historically decentralized structure of American political parties:

The decentralization and weak organizational structure characteristic of American parties at the national level are changing, and will continue to change until the parties . . . become national bureaucracies with hierarchies, divisions of labor, and so on.[35]

PARTY ADAPTATION AND NATIONALIZATION

These fiscal developments demonstrate clearly that, whatever loss in relative influence they may have suffered, political parties in the United States have begun adapting in complex and sophisticated ways to their new political environment. Overall, parties at both the state and national levels have enlarged their staffs and budgets, modernized their activities, and expanded the services they provide to candidates. Because the national parties have frequently assumed a leadership role in such adaptations, traditional patterns of party decentralization are being modified.

Although the national parties traditionally have been viewed as weak and part-time entities, by the latter 1970s striking gains were being made. Responding in part to party weaknessess apparent in the wake of the Watergate scandal, the Republican National Committee (RNC) launched a concerted effort to expand its resource base and organizational capabilities. National committee staff, which totaled an estimated 138 in the non-election year of 1967, grew to 220 by 1977,[36] At the same time, the committee's 1965 budget of $1.5 million was enlarged to $9.7 million by 1978.

This enhancement of party resources has allowed the Republican National Committee and its congressional counterparts to provide a broad array of expanded services both to candidates and to its state and local affiliates. At the congressional level, the party has shown unprecedented activity in recruiting and training strong candidates to run in targeted districts. It also provides an array of valuable electoral services, from sophisticated polling to fundraising assistance and co-ordinating PAC contributions to candidates. Finally, the RNC has engaged in large-scale programs of television advertising in recent years that provide a nationwide political umbrella for Republican candidates.

Although it has remained respectful of state party prerogatives, the Republican National Committee (RNC) has also become involved in a range of activities at the state and local level. In addition to recruiting and assisting congressional candidates at the district level, it has provided a range of contributions and services to gubernatorial and state legislative candidates in selected races. In 1980, for example, it spent $3 million in assisting more than 4,000 state legislative candidates, including direct financial contributions of $1.7 million. Moreover, the RNC has engaged in a variety of efforts to help modernize state and county party organizations and to improve their fundraising and candidate-assistance capabilities. Organizationally, then, the national Republican party has assumed a strong role in modernizing the party, reversing the traditional pattern of weak national leadership. As Leon Epstein observes, "the Republicans have nationalized their party effort by a method analogous to the federal government's grant-in-aid system." [37]

The national Democratic party has engaged in a process of nationalization as well, although it began in a distinctly different fashion. Over the course of the past 20 years, the Democratic party has begun to depart from the traditional confederal pattern of party structure—characterized by the legal independence and political autonomy of state and local party organizations—by asserting the national party's control over the presidential delegate selection process and promoting broadened citizen participation in party affairs. "The old hegemony of the state parties [has been] broken," conclude Huckshorn and Bibby, "at least in the area of delegate selection." [38]

Although the promulgation of new and frequently elaborate national party rules affecting this process has sometimes led to conflicts with state and local parties, the Supreme Court has affirmed the national party's authority to regulate its own affairs, even granting it precedence over contradictory state laws. Indeed, the Court's recognition of broad national party authority may ultimately rank among the most significant developments affecting the intergovernmental balance of power in party affairs, for both Democrats and Republicans. In addition, such decisions could have major repercussions for state regulation of state and local political parties if similar reasoning is applied to judgments at that level.[39]

The Democratic National Committee (DNC) and its congressional counterparts have also begun to emulate the successful organizational initiatives of the RNC. Although the DNC lags far behind in fundraising and candidate contributions, it has started to develop an expanded direct mail fundraising operation; to offer additional resources, training, and services to congressional candidates; and to experiment with a small program of national party advertisements. It has also attempted in recent years to assist in modernizing state party activities and to enhance Democratic participation in elections through get-out-the-vote efforts.

Significant efforts have been undertaken to modernize parties at the state level as well. Available evidence suggests that most state party organizations today are more professional, employ larger and more specialized staffs, have larger budgets, and engage in a wider range of services and activities than did their counterparts in the early 1960s.

Despite the overall growth in state party organizational capacity, however, state parties continue to vary considerably in terms of their resources and capabilities. Some, especially in many small states and in the South and West where party organizations traditionally have been weak, have only begun to join in the process of party modernization. Variations in resources and capacities are even greater at the local level, although virtually all of the once powerful

local "machines" have disappeared. Thus, whatever the ultimate influence of parties vis-a-vis their functional competitors, it is clear that the relative balance of influence and resources within the parties has significantly shifted over time.

BEHAVIORAL RESPONSES TO THE NEW POLITICAL ENVIRONMENT

Taken as a whole, these political developments have had important implications for the conduct of politics, the behavior of elected officials, and ultimately for intergovernmental relations. These effects have been especially evident in Congress. Although it was not uncommon in the past for Senators and Representatives to be active in or closely linked to state and local party organizations, most members today have adopted highly independent political styles. "The conditions favoring individualistic politicians," observes one congressional scholar, "have become even more prevalent now than in the past."[40]

This situation reflects both contemporary party inadequacies and the growing significance of nonparty political resources. Thus, most current members of Congress report little interaction with or reliance upon state and local party resources. Even by the early 1960s, a commonly accepted view among members of Congress was that "If we depended on the party organization to get elected, none of us would be here."[41] More recently, an indepth study of the "home styles" of 18 congressmen discovered that:

. . . in only two or three cases is there an integrated working relationship between the congressman's personal organization and the local party organization. That is exactly the way most of our House members want it—separate organizations pursuing separate tasks. The task of the congressman's personal organization is to keep him in Congress. . . . Most members . . . prefer to remain minimally involved in local politics, not to become local political leaders.[42]

As previously indicated, numerous resources now exist that permit members of Congress—and other major political officials—to build personalized campaign organizations capable of winning elections with little party help or even over party opposition. Moreover, once elected to office, most members of Congress find that their legislative and constituent service responsibilities provide additional opportunities for developing direct and positive relationships with constituents of both political parties and for cementing the loyalties of past supporters.

Nowhere is the changing role played by parties in congressional elections more evident that in the changing sources and expenditures of campaign funds. In 1982, congressional candidates spent approximately $343 million on their campaigns, of which an estimated $100 million was devoted to television advertising.[43] Only 2% of total campaign contributions in that election were obtained from party sources (not including indirect expenditures in support of party candidates) down from 17% ten years earlier (see Figure 2).[44] And, as has been shown, that party assistance which is provided comes increasing from national committees.

Enhanced political independence by members of Congress has both positive and negative ramifications for voters, legislators, and the political system as a whole. The most apparent intergovernmental repercussion, however, has been declining interdependence between state and local parties and members of Congress. As former congressman Abner Mikva has written, modern legislators—because of their electoral independence—have "little or no loyalty to the state organization" upon their arrival in Washington.[45] This assessment is reaffirmed by others, who stress the increased importance of non-party sources of campaign finance.

Congressional and senatorial candidates must rely heavily on nonparty sources for funds. Therefore, representatives and senators, once in office, feel little sense of obligation to their state and local parties, and the parties lack significant influence on the behavior of legislators in the halls of Congress.[46]

THE NEW POLITICS AND INTERGOVERNMENTAL POLICY

As the preceding section has demonstrated, the American political system has been significantly altered—and in several respects nationalized—over the past quarter century. Political parties today are less important than in past years as channels for state and local influence and communication in the federal system, while the relative role of the parties; national committees has greatly expanded. As the political significance of national sources of campaign finance have also increased, voters and public officials alike have altered long familiar patterns of behavior.

Utltimately, the most critical issue raised by these developments concerns their effects on the practical operations of government and on the substance of public policy. The general absence of direct and precise links between political changes and specific government policies tends to cloud this issue in a wealth of ambiguities, and individual assessments of the outcomes are subject to widely varying standards of evaluation. Nevertheless, a number of significant institutional and policy consequences have been convincingly linked to contemporary political change, including some that directly affect federalism and intergovernmental policy and others that involve the governmental system as a whole.

On the broadest level, most observers believe that the political system today is more open, more responsive, and more sensitive to specific issues than in the past. At least during the late 1960s and 1970s, voters' attitudes toward major public issues appeared to exert a greater influence over their decision at the ballot box than was true in the 1950s, while the independent influence of party identification and social group affiliation declined.[47] Moreover, political convensions are now far more representative of women and minorities.[48] New groups—and new forms of interest groups—today play an active role in the nation's capital, represent a wider spectrum of political interests, and utilize new channels of access to public opinion through the mass media and modern technology. Finally, the national legislature has become more responsive to citizen initiatives and more active in identifying new issues of public policy.

At ths same time, many observers believe that contemporary political system is excessivly fragmented, volatile, and hyperresponsive to narrowly defined interests. Opinion analysts have detected "a much more volatile electorate . . . active and involved—but . . . with weaker institutional ties."[49] Political conventions—while more representative of major demographic segments of the population—appear to be increasingly dominated by dedicated issue activists, largely out of step with the party rank and file.[50] Moreover, because of high levels of political fragmentation both inside and outside of Congress, many observers believe that the always difficult task of legislative coalition building has become even more difficult, as members find it more and more costly to exert the political discipline needed to resolve the hard political decisions of the day.[51] At least one authority on Congress has related such problems directly to the declining influence of political parties:

Why . . . do we hear all the contemporary hoopla about single-issue groups? Probably because politicians fear them now more than before and thus allow them to play a larger role in our politics. Why should this be so? Simply because the parties are too weak to protect their members and thus to contain single-issue politics.[52]

These issues are of obvious concern to citizens and public officials alike. Within the context of American politics as a whole, they have significant ramifications for federalism and intergovernmental policymaking.

INTERGOVERNMENTAL CONSEQUENCES

CONGRESS AND INTERGOVERNMENTAL PROGRAMS

Some analysts detect a more direct relationship between the declining influence of state and local parties on Congress and the content of recent intergovernmental policy. National policy activism and historic rates of growth in federal governmental responsibilities were among the most significant inter-governmental developments of the last quarter century. Although many factors contributed to this growth, political change and declining state and local party influence appear to have played a significant role. As Lewis Kaden has argued:

The last twenty-five years have brought enormous changes in the types of persons elected to the Senate and the House, and the techniques used in their successful campaigns. The core element in this transformation has been the decline in importance of state party organization . . . . As Senators and Members of the House develop independent constituencies among groups such as farmers, businessmen, laborers, environmentalists, and the poor, each of which generally supports certain national initiatives, their tendency to identify with state interests and the positions of state officials is reduced.[53]

Specifically, changes in the political environment of Congress appeared to influence both the scope and the design of intergovernmental programs. As more and more members of Congress felt encouraged or compelled in recent years to build independent ad hoc political coalitions back home, the role of policy entrepreneur became increasingly prevalent. Initiating new programs and demonstrating legislative activism proved to be useful methods both for strengthening alliance with politically helpful interest groups and for appealing to individual constituents. The activities of former Representative John Brademas epitomized this electoral strategy. In 1968, Brademas reportedly utilized his legislative position on the House Education and Labor Committee to "mobilize the education community" on behalf of a difficult reelection bid.[54] Later, he authored and helped enact a new federal aid program, the Environmental Education Act of 1970, which enabled him to demonstrate his commitment to a highly popular issue. As two of his former staff assistants have written:

Brademas [D-IN] felt very strongly that Congress can and should play a significant role as initiator and creator of public policy. . . . [T]he Environmental Education Act was his baby; he authored it, he felt re-

sponsible for it. . . . [T]he environmental response was becoming a burning and timely political issue in late 1969. . . . This bill gave Brademas a perfect opportunity to move into the environmental area, such opportunities would be limited for members of the Education Committee.[55]

Similar cases of intergovernmental policy entrepreneurship abound in the legislative annals of the 1960s and 1970s.[56]

The end results of this new legislative style were often paradoxical. Although individual initiatives were often responsive to legitimate interest group and constituency needs, their cumulative effect upon citizen attitudes toward government and on the intergovernmental system as a whole appeared to be counterproductive.[57] Meanwhile, many members of Congress found that legislative activism provided no substitute for stable coalitions at the local level and began perceiving their environment as a legislative treadmill. No matter what new programs were enacted, the popular attitude seemed increasingly to be: "What have you done for me lately?" [58]

Such political pressures have not only affected the overall scope of the intergovernmental system, they have significantly influenced program structures and design as well. At least throughout the 1960s and 1970s, Congress demonstrated a strong preference for narrowly defined categorical grants and tended to resist efforts at carefully targeting federal programs to neediest areas and individuals. As David Mayhew has emphasized, categorical grants can be a particularly useful congressional tool for building electoral support. Because they provide "particularized benefits" to discrete congressional constituencies, they enable legislators to claim political credit for tangible benefits delivered to their districts.[59]

Another often overlooked policy development in the last 1960s and 1970s was the enormous expansion that took place in intergovernmental regulation. As fiscal constraints on federal spending grew in the 1970s, intergovernmental regulation became increasingly popular as a means of permitting continued congressional activism while placing most of the costs onto state and local governments. By one count, 34 major regulatory statutes were adopted between 1964 and 1980, each directly or indirectly regulating state and local governments in new and intrusive ways.[60] As one former official in the Johnson administration has observed:

Confronted with a problem and a showing that other levels of government are "defaulting," [Congress'] strong tendency is to pass a law. [In the 1960s], money was Washington's antidote for problems. Now, the new fiscal realities mean that Congress provides fewer dollars. Still determined to legislate against problems, Congress uses sticks instead of carrots.[61]

STATE AND LOCAL REPRESENTATION IN WASHINGTON

State and local governments also responded to the new political environment. Following the well-worn path trod by countless other groups, organizations representing the full-range of state and local officials—from the state house to townhall—have either located in Washington or established major offices there. Especially when viewed in historic perspective, this trend has been striking. In 1957, the National Association of Counties had a professional staff of one and a budget of $18,000. Twenty-five years later, its staff had swelled to 60 and its budget totalled $5 million.[62] The U.S. Conference of Mayors, which had a budget of $88,000 in 1960, had grown to a $3.5 million operation by 1983 with a staff of 40. In 1954, the Conference of Mayors was joined in Washington by the American Municipal Association (now the National League of Cities), which by 1983 had a staff of 55 and a budget of $4.5 million. Perhaps the most dramatic change occurred in the case of the National Governors Association (formerly the National Governors Conference), which did not open a Washington office until 1967. Fifteen years later the NGA had a staff of 70, a budget of $5.4 million, and had established a Washington center housing numerous individual states and affiliated organizations. During the 1960s and 1970s, many individual cities and countries also expanded their Washington presence by establishing independent offices or hiring a part-time national representative. Localities, too, have been joined by a host of specialized organizations and others, like the National Association of Towns and Townships, representing smaller jurisdictions.

Some have interpreted this expanded organizational presence as a sign of growing state and local political strength and sophistication. Clearly it has helped enable subnational officials to play a leading role in enacting and shaping certain major pieces of federal legislation, such as general revenue sharing and community development block grants. At the same time, however, this organizational boom also reflects erosion in the unique political role once occupied by these officials and their party organizations in the political system. Viewed from this perspective, it constitutes a form of compensation for lost political influence rather than a sign of mounting strength. As Haider expressed it: "For governors and mayors, individually and collectively, national party influence is generally declining. . . . [They] have acted upon the political necessity of banding together to deal with their federal constituencey." [63] Although their direct channels of representation have been enhanced, state and local officials are now viewed increasingly in Washington—not as uniquely constituted co-governors—but as a few more voices among a multitude of special interest claimants.

POLITICAL CHANGE AND FEDERAL VALUES

In the broadest sense, these congressional and public interest group developments testify to the degree to which contemporary changes in the political system have had important intergovernmental consequences. Such changes have served to open national political processes to new responsibilities and new constituents. But at the same time they may have helped to alter the very nature of the federal system. In the view of one authority on federalism:

[We] have moved to a system in which it is taken as axiomatic that the federal government shall initiate policies and programs, shall determine their character, shall delegate their administration to the state and localities according to terms that it alone determines, and shall provide for whatever intervention on the part of its administrative agencies as it deems necessary to secure compliance with those terms.[64]

Agrees another academic observer:

Over the past fifteen years the United States has crossed the fault line from a federal system to a decentralized national system. . . . When it comes time to make policy, all eyes look to Washington, and federalism is viewed as one among many crosspressures rather than as a pathway through them. When it comes time to implement policy, federalism is transformed into a managerial model in which the states and localities are cast in the roles of middle and lower echelons of management that cannot be trusted to follow orders without being paid off and reined in. The political idea of states as polities and localities as communities has all but disappeared.[65]

Such pessimistic assessments of the contemporary status of American federalism are not universally shared. Some noted observers perceive, instead, that our governmental institutions are poised to enter a bold new era of decentralization.[66] Adherents to this view point to recent actions by a national administration publicly committed to fostering a "new federalism," and they emphasize the growing fiscal constraints confronting the federal budget. Moreover, the extraordinarily high levels of party unity exhibited in Congress on key economic and spending issues in 1981, coming in the wake of unprecedented national party activity in the 1980 congressional elections, may indicate the potential of future party-building efforts for enhancing Congress' capacity to confront broad and complex public issues in a comprehensive fashion.

As the nation's constitutional bicentennial approaches, basic and perennial issues of governmental performance—and the political system's role in promoting or hampering them—will receive renewed public attention and reflection. Among the issues certain to be considered will be the federal system's performance in furthering the values it has traditionally been viewed as promoting: integrating and preserving diverse community values within a shared national framework; providing multiple arenas of meaningful public expression and participation; promoting policy experimentation and programmatic diversity; maintaining an effective system of shared and separated powers; and promoting more effective and responsive government by avoiding unworkable concentrations of public responsibility.

If these values remain major public priorities and the federal system continues to be viewed as an effective governmental instrument to achieve them, then methods of assuring federalism's vitality through our political system will remain important items on the public agenda. In a political culture geared increasingly to the reflexive pursuit of more direct forms of democracy, thoughtful citizens may wish to place greater emphasis on representative instruments like political parties and federalism that help to manage and constrain the political agenda and impose greater structure on the policy-making process.

At bedrock, the maintenance of federalism is not a political end in itself but a vehicle to broader public goals. If the influence of state and local political institutions wanes, important avenues of public participation may wither. To the extent that local governmental and political bodies constitute "training schools of democracy," as Tocqueville put it, the civic foundations of democratic government are at stake. Moreover, the erosion of federalism's capacity to provide a territorial dimension to political representation that is distinct from the functionalism of interest group pluralism may rob our national governing bodies of a useful and important perspective in the making of public policy.[67] Thus, the stakes in the evolution of American politics extend beyond issues of distributing power and influence among the different levels of government, but address the wellsprings and vitality of democracy itself.

FOOTNOTES

[1] Committee for Party Renewal, "Principles of Strong Organization." Party Line (September 1984): 17.

[2] Walter Dean Burnham, Critical Elections and the Mainsprings of American Politics (New York: W. W. Norton, 1970), p. 72.

[3] Angus Campbell, et al., The American Voter, abridged edition (New York; John Wiley and Sons, 1964).

[4] Julius Turner, Part and Constituency: Pressures on Congress (Baltimore: Johns Hopkins Press, 1951).

[5] Austin Ranney and Willmoore Kendall, Democracy and the American Party System (New York: Harcourt, Brace, & World, 1956), pp. 160, 161.

[6] Edward Banfield and James Q. Wilson, City Politics (New York: Vintage Books, 1963), p. 2. Emphasis added.

[7] Morton Grodzins, "Centralization and Decentralization in the American Federal System," in A Nation of States, ed. Robert Goldwin (Chicago: Rand McNally, 1968), pp. 7, 9.

[8] Moton Grodzins, The American System, ed. Daniel Elazar (Chicago: Rand McNally, 1966), p. 254; see also William Riker, Federalism: Origin, Operation, Significance (Boston; Little, Brown and Co., 1964), pp. 91-101; and David Truman, "Federalism and the Party System," in American Federalism in Perspective, ed. Aaron Wildavsky (Boston: Little, Brown and Co., 1967), pp. 81-109.

[9] Theodore White, America in Search of Itself, The Making of the President, 1956-1980 (New York: Warner Books, 1982) p. 70.

[10] Michigan Survey Research Center, reprinted in Robert J. Samuelson, "Fragmentation and Uncertainty Litter and Political Landscape," National Journal (20 October 1979): 1731; and Nelson W. Polsby and Aaron Wildavsky, Presidential Elections, 6th ed. (New York; Charles Scribner's Sons, 1983), p. 319.

[11] "Dramatic Shift Found in Voters Party Ties," Washington Post (19 November 1984): A6.

[12] Everett Carll Ladd, Where Have All the Voters Gone? (New York: W.W. Norton, 1982), p. 78.

[13] Norman Ornstein, et. al., Vital Statistics on Congress, 1982 (Washington: American Enterprise Institute, 1982), p. 53.

[14] Nelson Polsby, Consequences of Party Reform (New York: Oxford University Press, 1983), p. 64.

[15] This section on the mass media is based largely on David Beam's chapter, "Mass Media, National Politics: Political Communications and American Federalism" in ACIR, Transformation in American Politics and Their Implications for Federalism (forthcoming).

[16] William Crotty and Gary Jacobson, American Parties in Decline (Boston: Little, Brown, 1980), p. 67.

[17] Marshall McLuhan, Understanding Media: The Extensions of Man (New York: New American Library, 1964), p. 96.

[18] Frederick Williams, The Communications Revolution, rev. ed. (New York: New American Library, 1982), p. 172.

[19] Kent M. Jennings and Harmon Zeigler, "The Salience of American State Politics," American Political Science Review 64 (1970): 523-34; and Virginia Gray, "Politics and Policy in the American States," in Politics in the American States, eds. Virginia Gray, Herbert Jacob, and Kenneth Vines (Boston: Little, Brown, and Co., 1983), p. 16.

[20] White, America in Search of Itself, p. 165

[21] The following section on interest groups draws heavily on research by Ann Martino, "The Nationalization of Interest Group Politics: New Roles, New Strategies, and New Problems," in ACIR Transformations in American Politics and Their Implications for Federalism, (forthcoming).

[22] Kay Lehman Schlozman and John T. Tierney, "More of the Same: Washington Pressure Group Activity in a Decade of Change," Journal of Politics 45 (May 1983): 355-356; see also Jack L. Walker, "The Origins and Maintenance of Interest Groups in America," American Political Science Review 77 (June 1983): 394-396.

[23] *Ibid.*

[24] Kay Lehman Schlozman, "What Accent the Heavenly Chorus?" Paper prepared for the 80th Annual Meeting of the American Political Science Association, August 30-September 2, 1984, Washington, tables 2 and 3.

[25] Samuel H. Beer, "The Adoption of General Revenue Sharing: A Case Study in Public Sector Politics," Public Policy 24 (Spring 1976): 160; and Lawrence D. Brown, New Policies, New Politics: Government's Response to Government's Growth (Washington: Brookings Institution, 1983), pp. 39-46.

[26] Walker, "Origins and Maintenance of Interest Groups," pp. 398-400.

[27] Lester Milbrath, The Washington Lobbyist (Chicago: Rand McNally, 1963); and Raymond Bauer, Ithiel de Sola Pool, and Lewis Dexter, American Business and Public Policy (New York: Atherton Press, 1963).

[28] See Jeffrey M. Berry, Lobbying for the People (Princeton, NJ: Princeton University Press, 1977); and Schlozman and Tierney, "More of the Same," p. 361.

[29] This section draws heavily on Cynthia Cates Colella, "Campaign Finance: The High Cost of Democracy," in ACIR, Transformations in American Politics and Their Implications for Federalism, (forthcoming).

[30] Federal Election Commission, "FEC Publishes Final 1981-82 PAC Study," Press Release, 20 January 1984.

[31] Federal Election Commission, "FEC Releases New PAC Figures," Press Release, 29 November 1983.

[32] Rep. Jim Leach, quoted in Elizabeth Drew, Politics and Money: The New Road to Corruption (New York: Macmillan, 1983), p. 34.

[33] Rep. Carroll Hubbard Jr., quoted in Joel Brinkley, "Going for the Jugular on PAC Money," New York Times, 30 July 1984, p. A10.

[34] Fred Eiland, Federal Election Commission, personal conversation with Cynthia Cates Colella, ACIR, November 1984.

[35] Xandra Kayden, "The Nationalizing of the Party System," in Parties, Interest Groups, and Campaign Finance Laws, ed. Michael J. Malbin (Washington: American Enterprise Institute, 1980), p. 276.

[36] These and all subsequent figures are derived from the following sources: Cornelius Cotter and John Bibby, "Institutional Development of Parties and the Thesis of Party Decline," Political Science Quarterly 95 (Spring, 1980): 1-27; Leon D. Epstein, "Party Confederations and Political Nationalization," Publius 12 (Fall, 1982): 67-102; M. Margaret Conway, "Republican Political Party Nationalization, Campaign Activities, and Their Implications for the Party System," Publius 13 (Winter, 1983): 1-17; and Larry Sabato, "Parties, PACs, and Independent Groups," in The American Elections of 1982, eds. Thomas Mann and Norman Ornstein (Washington: American Enterprise Institute, 1983), pp. 72-110.

[37] Epstein, "Party Confederations," p. 86.

[38] Robert Huckshorn and John Bibby, "State Parties in an Era of Political Change," in The Future of American Political Parties, ed. Joel Fleishman (Englewood Cliffs, NJ: Prentice-Hall, 1982), p. 81.

[39] See San Francisco County Democratic Central Committee, et. al., v. March Fong Eu, et. al., Docket No. C-83-5599-MHP, U.S.D.C. N.CA (1984).

[40] Thomas E. Mann, "Elections and Change in Congress" in The New Congress, eds. Thomas Mann and Norman Ornstein (Washington: American Enterprise Institute, 1981), p. 39.

[41] Charles C. Clapp, The Congressman: His Work as He Sees it (New York: Anchor Books, 1963), p. 397.

[42] Richard Fenno, Home Style: House Members in Their Districts (Boston: Little, Brown and Co., 1978), p. 113.

[43] Richard Cohen, "Costly Campaigns: Candidates Learn that Reaching the Voters is Expensive," National Journal (16 April 1983): 782.

[44] Senator Paul Laxalt, Congressional Record, 24 May 1983, p. S7352.

[45] Abner J. Mikva and Patti B. Sarris, The American Congress: The First Branch (New York: Franklin Watts, 1983), p. 70.

[46] Huckshorn and Bibby, "State Parties in an Era of Political Change," pp. 91-92.

[47] Norman Nie, Sidney Verba, and John Petrocik, The Changing American Voter (Cambridge, MA: Harvard University Press, 1976).

[48] William Crotty, Party Reform (New York: Longman 1983), p. 136.

[49] Nie, Verba and Petrocik, The Changing American Voter, p. 348.

[50] Nelson Polsby and Aaron Wildavsky, Presidential Elections, 4th ed. (New York: Scribner, 1976), p. 136.

[51] Anthony King, "The American Polity in the Late 1970s: Building Coalitions in the Sand," in The New American Political System, ed. Anthony King (Washington: American Enterprise Institute, 1978).

[52] Morris Fiorina, "Collective Responsibility in American Politics," Daedalus (Summer 1980): 40.

[53] Lewis Kaden, "Politics, Money and State Sovereignty: The Judicial Role, Columbia Law Review 79 (1979): 862-863.

[54] Jack Schuster, "An 'Education Congressman' Fights for Survival," in Policy and Politics in America, ed. Allan Sindler (Boston: Little, Brown and Co., 1973), p. 200.

[55] Dennis Brezina and Allan Overmeyer, Congress in Action: The Environmental Education Act (New York: The Free Press, 1974), p. 26.

[56] See for example, David Price, Who Makes the Laws? (Cambridge, MA: Schenkman, 1972); Roger Davidson, The Politics of Comprehensive Manpower Legislation (Baltimore: Johns Hopkins University Press, 1972); and Lawrence Gladieux and Thomas Wolanin, Congress and the Colleges (Lexington, MA: D.C. Health, 1976).

[57] ACIR, An Agenda for American Federalism: Restoring Confidence and Competence, A-86 (Washington: U.S. GPO, 1981).

[58] See for example, Steven Roberts, "Congressmen and Their Districts: Free Agents in Fear of the Future," in the United States Congress, ed. Dennis Hale, (Chestnut Hill, MA: Boston College, 1982), p. 76.

[59] David Mayhew, Congress: The Electoral Connection (New Haven, CT: Yale University Press, 1974), p. 129.

[60] ACIR, Regulatory Federalism: Policy, Process, Impact, and Reform (Washington: U.S. GPO, 1984), pp. 19-24.

[61] Samuel Halperin, "Federal Takeover, State Default, Or a Family Problem?" in Federalism at the Crossroads: Improving Educational Policymaking ed. Samuel Halperin (Washington: Institute for Educational Leadership, 1976), pp. 2, 3.

[62] These and the following data are derived from Donald Haider, When Governments Come to Washington (New York: The Free Press, 1974), chapter 1; Timothy Conlan, Congressional Response to the New Federalism: The Politics of Special Revenue Sharing and its Implications for Public Policy Making (Ph. D. diss., Harvard University, 1982), pp. 11, 12; and SIAM Intergovernmental News 7 (Winter 1984): 4-6.

[63] Haider, When Governments Come to Washington, pp. 110, 111.

[64] Daniel Elazar, "Is the Federal System Still There?" in Hearings on the Federal Role, Advisory Commission on Intergovernmental Relations, (Washington: U.S. GPO, 1980), pp. 84-85.

[65] Stephen Schecter, "The State of American Federalism in the 1980s," in American Federalism: A New Partnership for the Republic, ed. Robert B. Hawkins, Jr. (San Francisco: Institute for Contemporary Studies, 1982), p. 61.

[66] John Naisbitt, Megatrends (New York: Warner Books, 1984), chapter 5.

[67] Samuel H. Beer, "Federalism, Nationalism, and Democracy in America," American Political Science Review 72 (1978).

THE CHAIRMAN'S VIEW

DEAR READER: In December, ACIR held a grand dinner to celebrate its 25th anniversary. The evening celebrated many of those individuals who gave so much of their time and energy to the formation and success of ACIR. Portraits of Frank Bane, our first Chairman, and Bill Coleman, our first executive director, were unveiled. Likewise, Senator Muskie and Congressman Fountain were singled out for their contributions to the Commission.

We were also celebrating more than individuals. We were celebrating an idea and an approach to government. Soon we will begin to celebrate these ideas through the bicentennial of the drafting and ratification of the Constitution. There is no more appropriate time to remind ourselves of ACIR's role in the federal republic. For it is that role that gives us steadfastness of purpose and clarity regarding our objectives.

There is no better place to start than with the Founding Fathers. While the Founding Fathers did not see the need to create an

ACIR, they would see its need today. Then as now, problems plague relationships between the national government and the states. The Articles of Confederation created a weak national government, one incapable of bringing equal means to bear upon pressing problems of the day. The constitutional convention in Philadelphia was in direct response to these problems.

Their answer to these problems was the creation of a general government with adequate authority to pursue national objectives. The Founding Fathers thought that the division of powers within the general government as well as between it and the states would remain in equilibrium providing balance and reasonable government. Yet there was an even more fundamental principle in operation. The Founding Fathers held that good government could be brought about through reflection and choice rather than by accident and force. In other words, citizens could create their governments through reflection on the first principles, morals, and politics.

While few governments had ever been created through reflection and choice, none had been created on the scale of our experiment in self-governance, with the burden placed upon citizens to be not only their own governors but also to be constitution makers in deciding the rules by which their governments would operate. Yet the ability to reflect and choose implies that citizens have alternatives and information regarding the likely consequences of selecting one form of organization over another.

This is precisely where ACIR's role begins. In an increasingly complex federal system, there must be agencies committed to providing citizens and policymakers with well-thought-out studies on important issues facing the federal system. However, to be of value these studies must be more than mere factual summations of existing research. They must also meet the following criteria:

They must provide citizens and policymakers with a range of well-reasoned alternatives from which they can reflect and choose. This does not hinder the Commission from taking positions—far from it. Rather it lays down the basis upon which the commission and others can choose.

Our studies must pay particular attention to the role that citizens play as constitution makers as well as governors. For these roles were the cornerstone of the American revolution in self governance.

We must seek ways to bring about equilibrium in the federal system. Not only between the federal and state governments but also between state and local governments.

Finally, we must broaden our network of constituents to include those not commonly thought to be part of the intergovernmental system. Neighborhoods, special districts, and townships are important players in the intergovernmental system; we should understand their role in and contribution to a healthy federal system.

Some have questioned whether ACIR has outlived its usefulness.

VIEW FROM THE COMMISSION

DEAR READER: One of the few things growing faster than the national debt these days is the role of Political Action Committees (PACs) in financing federal elections. The October report of the Federal Election Commission showed PAC contributions to 1984 congressional campaigns up 143% over 1980 levels. PACs were also credited with a 250% rise in "independent expenditures," so called because they are made without consulting any candidate.

By contrast, the same report showed that political party contributions had made up less than 2% of all funds raised in these races, indicating that many of the activities formerly conducted by parties are now being performed by PACs.

These intriguing data support the basic premise underlying the ongoing study by the Advisory Commission on Intergovernmental Relations, "Transformations in American Politics and Their Implications for Federalism." Our political process is undergoing swift and fundamental change. And partly as a result of the way we have responded to these changes, the incentives for decisionmakers at all levels of government are much different today than they were 30, 20 or even 10 years ago.

On examination, few would dispute that federalism has been among the casualties of this new political order. Once labor-intensive affairs, successful federal election campaigns required extensive coordination among myriad ward bosses, majors and other officials at the state and local levels. But today, these campaigns tend to be expensive, centrally run media operations, often carried out with little, if any, need for cooperation from politicians at the lower levels of government. Contributing to this trend has been the increased election role of the national parties, which has helped to undermine state and local party autonomy.

This diminished role for non-federal polls has, in turn, led to a growing lack of symmetry in intergovernmental relations. We find today's Congress increasingly unresponsive to state and local concerns on such basic issues as federal preemption. Yet, having frequently deployed state and local governments as administrative instruments of federal policy, Congress exhibits little regard for their political and managerial concerns.

Grant simplification, inter-governmental regulatory reform, and a variety of needed improvements to state-implemented national law have long occupied the back-burner of national politics. Sadly, the diminished influence of state and local officials in Washington has left no one to hold the Congress accountable for the institutional concerns of state and local governments. The decline in state party organizations is certainly a contributing factor to this phenomenon.

Regardless of how reasonable, any effort to turn this situation around is bound to encounter difficult political obstacles, for the decline of congressional sensitivity to state and local institutional concerns has been mirrored by increased sensitivity to powerful special interests. These actors include "economic" and other moneyed interests, which, through PAC and individual contributions, fund candidates' access to media, as well as the self-described "public interest" activists, who influence legislators primarily through their access to free media publicity and their disproportionate weight in party nomination decisions.

Not surprisingly, many of these interest groups have a major stake in today's centralized policymaking process. Lobbies representing everything from highway construction to spending for the elderly would find it immeasurably more difficult to press their categorical agendas under a truly decentralized federal system, in which strong state party organizations would mediate among competing political interests. Many such groups could be expected to exert strong opposition to new decentralizing schemes.

Nevertheless, it remains both possible and desirable to upgrade the political roles of nonfederal officials and their party organizations through reforms designed to channel campaign contributions through state and local political parties. In fact, many of the current campaign funding channels were created as an unintended result of the Federal Election Campaign Act (FECA) reforms of the 1970s.

These earlier reforms placed strict limits on the amounts that parties, PACs and individuals could contribute to federal campaigns, with the principal goal being limiting the role of money in politics. However, because PACs could proliferate, while parties could not, the main effect of these reforms was to enhance greatly the importance of non-party contributors in the election process at the expenses of state party organizations.

In my opinion, these mistakes should be corrected. Ceilings on party contributions to federal candidates can be safely eliminated if combined with measures to preclude parties from becoming conduits for corruption. These and other reforms can be used to enhance the role of state and local party organizations in funding federal elections, and, with it, the influence of nonfederal officials in the legislative process.

At the same time, plans which seek to limit PAC contributions should be viewed with great caution. Such reforms would run afoul of the constitutional rights of Americans to participate in this political process, and would merely channel more campaign financing into "independent expenditures," which the Supreme Court has said are not subject to financial limits. We must remember that PACs are a legitimate form of political expression, and have actually helped to increase citizen involvement in the electoral process.

Notably, the need for sensible campaign finance reform extends beyond the issue of federalism and intergovernmental relations. With the parties no longer providing significant election support to congressional candidates, legislators have found themselves increasingly compelled to seek campaign funding from highly personalized coalitions of special interests. This situation has enhanced the ability of interest groups to undermine legislative discipline in Congress. And it has been this lack of legislative discipline that is largely responsible for our stalemate on such hotly contested, but vital, public issues as deficit reduction and tax reform.

While I cannot speak for all of my colleagues on the Commission, I believe it is essential that Congress undertake a timely review of the Federal Election Campaign Act, and that states also examine their own laws regulating political parties. Our investigation of this subject will hopefully stimulate awareness at all levels of government as to the broad significance of this arcane area of the law.

Once again, the Commission is to be commended for its illuminating insights into a major policy issue affecting the nation. I cannot think of any more important intergovernmental issue than the state of our political party system.

DAVE DURENBERGER,
United States Senator,
Minnesota.

INTERGOVERNMENTAL ASPECTS OF FECA: STATE PARTIES AND CAMPAIGN FINANCE

(Cynthia C. Colella)

A national law regulating the conduct of campaigns for national elective office, the Federal Election Campaign Act (FECA), is seldom thought of as having intergovernmental ramifications. Yet those offices covered by FECA, although national, represent single states or districts within single states. As a result, they are of intense interest to states and localities and to state and local constituencies. In addition, though treated somewhat differently by the law than other political committees which support candidates for federal office, state and local party committees—like their federal counterparts—are subject to the gamut of FECA requirements and limitations. These requirements and limitations affect the structure and operation of political parties at all levels. Finally, by design or effect, certain provisions of the law appear to have strengthened the national parties relative to their subnational counterparts, thus possibly contributing to the trend toward the nationalization of campaign finance.

THE ANTIPROLIFERATION RULE

Under the contribution limits of FECA, the national political party commmittees are given a distinct advantage over other political committees (see Tables I and II).

TABLE I.—FECA: DEFINITIONS IN BRIEF

FECA

The Federal Election Campaign Act of 1971, as amended in 1974, 1976, 1977 and 1979.

POLITICAL COMMITTEE

A group that meets one of the following conditions:

1. Any local unit of a political party (excluding a state committee) which: receives contributions aggregating over $5,000 during a calendar year; makes contributions or expenditures aggregating over $1,000 during a calendar year; or makes payments aggregating over $5,000 during a calendar year for activities exempted from the definition of contribution and expenditure.

2. Any state unit of a political party which receives contributions or makes expenditures aggregating in excess of $1,000 during a calendar year.

3. Any authorized committee regardless of how much it receives or spends, once the individual who authorized the committee becomes a candidate.

4. Any separate segregated fund, upon its establishment.

5. Any other organization, club, association, or group of persons that receives contributions or makes expenditures aggregating in excess of $1,000 during a calendar year.

PARTY COMMITTEE

A political committee which represents a political party and is part of the official party structure at the national, state, or local level.

LOCAL PARTY COMMITTEE

A political committee which functions at the level of a local party organization.

STATE PARTY COMMITTEE

A political committee which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of the party at the state level.

NATIONAL PARTY COMMITTEES

Political committees established and maintained by a national political party. A party's national committee, House campaign committee, and Senate campaign committee are defined as national party committees.

AFFILIATED COMMITTEES

Committees that are considered one political committee for purposes of contribution limits.

A state party committee is presumed to be affiliated with the local party committees within the state unless a local committee can demonstrate its independence.

All authorized committees of the same candidate are affiliated.

All political committees established, financed, maintained or controlled by the same person, group, corporation or labor organization are affiliated.

MULTICANDIDATE COMMITTEE

A political committee with more than 50 contributors that has been registered for at least 6 months and, with the exception of state party committees, has made contributions to 5 or more candidates for federal office.

SEPARATE SEGREGATED FUND

A political committee established by a corporation (profit or nonprofit), labor organization, or incorporated membership organization.

CONTRIBUTION

Anything of value given to (or provided on behalf of) a candidate or political committee to influence a federal election.

EXPENDITURE

A purchase or payment made to influence a federal election.

INDEPENDENT EXPENDITURE

An expenditure for a communication expressly advocating the election or defeat of a clearly identified candidate that is not made with the cooperation or prior consent of, or in consultation with, or at the request or suggestion of, any candidate or his/her authorized committees or agents.

COORDINATED PARTY EXPENDITURES

Limited expenditures made by party committees on behalf of federal candidates in general election campaigns.

[Source: Federal Election Commission.]

TABLE II.—CONTRIBUTION LIMITS UNDER FECA

Contributions from	Contributions to: Candidate or his/her authorized committee	National party committee [1] per calendar year	Any other committee per calendar year	Total contributions per calendar year
Individual	$1,000 per election [2]	$20,000	$5,000	$25,000
Multicandidate committee [4]	$1,000 per election	$15,000	$5,000	No limit
Party committee	$1,000 or $5,000 [3] per election.	No limit [5]	$5,000	No limit
Republican or Democratic Senatorial Campaign Committee,[6] or the National Party Committee, or a combination of both.	$17,500 to Senate candidate per calendar year in which candidate seeks election.	NA	NA	NA
Any other committee or group.	$1,000 per election	$20,000	$5,000	No limit

[1] For purposes of this limit, each of the following is considered a national party committee: a party's national committee, the Senate Campaign committees and the National Congressional committees, provided they are not authorized by any candidate.

[2] Calendar year extends from January 1 through December 31. Individual contributions made or earmarked to influence a specific election of a clearly identified candidate are counted as if made during the year in which the election is held.

[3] Each of the following elections is considered a separate election: primary election, general election, runoff election, special election, and party caucus or convention which has authority to select the nominee.

[4] A multicandidate committee is any committee with more than 50 contributors which has been registered for at least 6 months and, with the exception of State party committees, has made contributions to 5 or more Federal candidates.

[5] Limit depends on whether or not party committee is a multicandidate committee.

[6] Republican and Democratic Senatorial Campaign committees are subject to all other limits applicable to a multicandidate committee.

[7] Group includes an organization, partnership or group of partners.

Source: Federal Election Commission.

Notably, however, those advantages accrue only to parties at the national level. For purposes of contribution limitations, state and local party committees are legally considered to be just like other political committees—e.g., political action committees (PACs). Indeed, this even-handed treatment is fairly extensive, including in its reach a Federal Election Commission (FEC) provision known as the "antiproliferation rule." Originally designed to ensure against single businesses or unions setting up a number of different segregated funds to circumvent FECA's contribution limits, the FEC has also applied the antiproliferation rule to political parties and, in so doing, has decided that with rare exceptions state and local parties are one for the purposes of contribution and expenditure limits. In other words, local parties are legally assumed to be affiliates of the state parties in much the same way that divisional units of corporations are viewed as the affiliates of those groups. Consequently, a state party and all the local parties within a particular state share a single limit.

Because the national party and Senate campaign committees share a much higher contribution limit and the U.S. House of Representatives campaign committees are exempt from joint contribution restrictions, state and local parties find themselves at a distinct financial disadvantage. Hence, "Senate candidates can receive three and half times more from their national party than from the state party whose nominee they are, and House candidates can receive twice as much." [1]

COORDINATED EXPENDITURES

In 1976, the Supreme Court overturned some portions of FECA that restricted expenditures on the basis that such restrictions were in violation of First Amendment free speech guarantees. As a result, individuals and groups may now make unlimited expenditures for the purpose of "advocating the election or defeat of clearly identified candidate(s)" as long as those expenditures are "not made with the cooperation or prior consent of" any candidate or her/his agents.[2] This type of independent expenditure has been denied political parties at all levels on the assumption that they can never genuinely disconnect themselves from candidates bearing their labels.

A special category of expenditures, therefore, has been created for parties: coordinated expenditures. So named because the expenditures may be made in coordination with a candidate's campaign, the party rather than the candidate must actually do the spending. Although being able to coordinate expenditures with their candidates may be seen as giving the parties an advantage over other groups and individuals, critics are quick to point out a corresponding disadvantage. Unlike independent expenditures which are unlimited by law, coordinated expenditures are subject to per candidate limits.

AGENCY AGREEMENTS

The subject of coordinated expenditures takes on a more overtly intergovernmental cast when state party committees allow national party committees to act as their spending agents. Such agency agreements are the offspring of a provision of FECA which holds that "[t]he limitations on contributions . . . do not apply to transfers between and among political committees which are national, State, district, or local committees . . . of the same political party."

[1] Footnotes at end of article.

Beginning in 1978, however, a number of state GOP party committees authorized the National Republican Senatorial Campaign Committee (NRSC) to spend their funds—in other words, to act as their agent for spending purposes—a practice subsequently upheld by the Supreme Court.

Although most observers feel that unlimited funds transfers are a perfectly acceptable feature of the law, some are less than sanguine about their newest permutation: agency agreements allowing national party committees to spend state party funds. Thus, political scientist and North Carolina state party chair David Price has commented:

I really think unlimited transfers of funds between state and national party units is still desirable. [However,] I'm not sure . . . that simply letting the national party absorb the state parties' spending entitlements is desirable. . . . I'm not sure that's a healthy development from the standpoint of the strength of our state parties.[3]

THE 1979 AMENDMENTS: REVITALIZATION OR INTERGOVERNMENTAL LOOPHOLE?

In 1979, Congress amended portions of FECA. In so doing, it was responding to complaints that the statute discouraged state and local parties from engaging in grassroots activities. As President Ford's campaign manager observed in 1976.

One of the major results of the spending limitations has been to encourage the development of highly centralized campaign organizations with elaborate controls over spending. . . . The experience of the Ford campaign in 1976 showed conclusively that it was easier to discourage grassroots activity than to try to control it and report it. In previous campaigns, it was possible to tell a local campaign or party official to go ahead with a project as long as he could raise the money to finance it. Now, federal law places a premium on actively discouraging such activity because of the danger that it could well lead to a violation of the spending or contribution limits in the primary. Furthermore, in the general election, because no contributions are permitted once federal funds become available, it is even more important to discourage such activity.[4]

In response, the 1979 amendments: allowed state and local party groups to buy campaign materials for voluntary activities, unencumbered by spending limits, and permitted unlimited spending by state and local parties for purposes of voter registration and get-out-the-vote drives on behalf of presidential tickets.

These amendments have been praised as an important first step toward rekindling state and local party viability—encouraging those longtime bulwarks of the party system to engage in the sort of grassroots activities that have been their traditional forte.

SOFT MONEY

On the other hand, as the now popular journalistic term "soft money" implies, some feel that the 1979 amendments are less notable as a means of strengthening state and local party committee involvement in federal elections than as a convenient loophole for circumventing the intent of FECA.

"Soft money" has been so named because it involves the use of funds—from corporate treasuries, union dues, and large individual donors—that cannot directly be contributed to federal elections. Such funding sources are, however, legal in many states and presumably allowable under the 1979 contribution and expenditure exemptions for party-building activities.[5]

The use of the 1979 amendments as a soft money vehicle first manifest itself during the 1980 campaigns, with the Republican National Committee (RNC) raising and spending approximately nine million such dollars.[6] The idea quickly caught on and [b]oth parties now see soft money as a way of supercharging their presidential campaigns. Both have active programs to collect cash and channel it through their state brethren.[7]

In 1984, Democrats planned to raise between $20 and $27 million through a separate Democratic Victory Fund. Of that amount, about $15 to $16 million was scheduled to be channelled through Democratic parties "in 20 key states" for registration and get-out-the-vote drives.[8] Although no figures were set for similar GOP activities, sources estimated the amounts to range between $10 and $14 million.[9]

Critics contend that it has been primarily the national—rather than state and local—party committees which have coordinated the raising, distribution, and use of soft monies. They view the 1979 amendments in practice more as a gignatic statutory loophole for national party spending rather than an effective means of energizing state and local parties. According to critic Elizabeth Drew:

The theory was that the state parties should be able to participate in the publicly financed Presidentital campaign. . . . But in 1980 the national parties assumed the role of raising and distributing such funds—which was not the intent of the law—and have significantly expanded their use. Through an imaginative, and questionable, interpretation of the law, both parties now use soft money for congressional as well as Presidential campaigns. They use it as much as they can—and as much as they think they can get away with—for television advertising and get-out-the-vote drives. Their rationale is that they are using soft money for non-federal elections—for governorships, state legislatures, and so on. (The only federal election mentioned in the 1979 change in law was the one for President.) But, obviously, efforts to motivate people to vote the party ticket at the state level are likely to benefit the candidates for federal office as well. So the distinction is a false one, and the lengths to which the parties go to make the distinctions between their soft money and hard money expenditures are fairly ludicrous.[10]

Others, however, believe that Drew may be too harsh in her criticism and contend, in fact, that the amendments may potentially benefit state and local parties:

Critics such as Drew are too quick . . . to condemn all loopholes in FECA indiscriminately. They 1980 experience suggests that the law as written and administered may be open to abuse; certainly contributions to large voter-mobilization efforts on behalf of the national ticket should be subject to FECA's limits and disclosure requirements. But to regard the 1979 amendments simply as a loophole is to beg important questions: if private and party money have any role to play in Presidential elections, then one must ask through what channels that money is best raised and spent. The 1974 law, while providing an ancillary role for national party committees, clearly tended to remove state and local parties and their voter contact activities from the Presidential campaign. Assuming that some "loopholes" for party initiatives are desirable, the 1979 provisions seem, on balance, to be well conceived. They open up the possibility of a significant campaign role for state and local organizations and make the Presidential campaign a less centrally controlled media/dominated affair.[11]

In either case, the political issue of soft money recently became a legal issue when the Center for Responsive Politics filed a complaint with the FEC. Specifically, the group alleges that "the Republicans and Democrats illegally transferred funds to their respective state committees to influence the outcome of the special election to fill a U.S. Senate seat in November 1983 in Washington State."[12] The group bases its allegations on the fact that in 1983 the Democratic National Committee contributed $20,000 from its Non-Federal Corporate Account to the Washington State Democratic Central Committee while Republican national committees contributed a combined $67,000 to the Washington State Republican Party for "party-building" and other purposes. Only one statewide office—the U.S. Senate vacancy—was at stake in the election; the remainder of contests were local and primarily nonpartisan. According to the Center's Executive Director Ellen Miller:

It is hard for the Center to believe that the massive expenditures made by the national party committees were made to influence the outcome of a few races for county coroner (Spokane County), a county assessor, auditor, and sheriff (Whatcom County) or the city council (King and Snohomish Counties).[13]

As the foregoing suggests, current uses of the 1979 amendments are viewed alternatively as invidious on the one hand or invigorating on the other. The one claim probably awaits judicial consideration; the other time and additional research. At present, however, it does appear that amendments designed to enhance state and local parties may, at the same time (or perhaps instead), have further enhanced the fiscal position of their national counterparts.

CONCLUSION

As the accompanying article on "State Parties in the 1980s" illustrates, state political parties have become increasingly professional, financially sound, and better able to adapt to evolving political conditions. Nonetheless, state and local parties continue to face formidable obstacles and major challenges, including rapid technological changes and competition from organized interests.

Those parties also face legal challenges. To varying degrees, state laws regulate party structure, procedure, and electoral involvement. At the same time, federal law may be perceived as placing additional legal burdens on subnational party organizations. For instance, ACIR's survey of state party chairs found considerable dissatisfaction with FECA's reporting requirements and contribution limits.

If parties at all levels face competitive challenges in the forms of organized interests and PACs, subnational parties also face the challenge of maintaining their historical autonomy at a time when their national counterparts appear to be in financial and organizational ascendancy. That process, some contend, has been exacerbated by the Federal Election Campaign Act. By strengthening the financial bond between candidates and national party committees and encouraging state and local parties to defer to the fiscal and organizational superi-

ority of their federal counterparts, some fear that the law has already contributed to unprecedented levels of party centralization. As one of the nation's leading scholars on campaign finance has noted:

[R]ecent changes in party organization are the result of both political reform (in this case the Federal Election Campaign Act of 1971, as amended) and changes in other areas . . . which were not directed toward the parties but are, nonetheless, having unintended consequences on party structure.[14]

Whether or not these "unintended consequences" will ultimately lead to a nationalization of campaign finance remains to be seen.

FOOTNOTES

[1] Jo Freeman, "Political Party Expenditures Under the Federal Election Campaign Act: Anomolies and Unfinished Business," Paper presented for delivery at the 1983 Annual Meeting of the American Political Association, Chicago, IL, September 1983, p. 17.

[2] Federal Election Commission, Campaign Guide for Nonconnected Committees (Washington, D.C.: FEC, 1983), p. 47.

[3] Testimony before the Advisory Commission on Intergovernmental Relations, Washington, D.C., June 6, 1984.

[4] Richard B. Cheney, "The Law's Impact on Presidential and Congressional Election Campaigns," in Parties, Interest Groups, and Campaign Finance Laws, ed. by Michael J. Malbin (Washington, D.C.: American Enterprise Institute, 1980), p. 240.

[5] For example, corporations are allowed to give money to state parties in 33 states.

[6] Xandra Kayden quoted in Peter Grier, "'Soft Money' and '84 Campaign Financing," The Christian Science Monitor, 19 June 1984, p. 4.

[7] Grier, "'Soft Money'," p. 4.

[8] Thomas B. Edsall, "'Soft Money' Will Finance Voter Signup," Washington Post, 12 August 1984, p. A4; and Jeff Gerth, "Democrats Set Up $27 Million Drive," New York Times, 29 August 1984, p. A20.

[9] Edsall, "'Soft Money'," p. A4.

[10] Elizabeth Drew, Politics and Money: The New Road to Corruption (New York: Macmillan Publishing Company, 1983), p. 15.

[11] David E. Price, Bringing Back the Parties (Washington, D.C.: Congressional Quarterly Press, 1984), pp. 252-53.

[12] Center for Responsive Politics, Press release and accompanying Complaint to the Federal Election Commission, August 28, 1984.

[13] Ibid.

[14] Xandra Kayden, "The Nationalizing of the Party System," in Parties, ed. Malbin, p. 257.

SENATE JOINT RESOLUTION 114—RAILROAD RETIREMENT DAY

Mr. GLENN. Mr. President, I am pleased to cosponsor Senate Joint Resolution 114, designating August 29, 1985, as "Railroad Retirement Day." With this resolution, we join more than a million railroad retirees across the Nation in celebrating the success of the railroad retirement program on its 50th anniversary.

Throughout our Nation's history, railroads have played a major role in industrial development, employment, and national defense. In fact, America and its railroads grew up together. Today, railroads continue to function as the irreplaceable lifeline of our Nation. The railroad retirement system was established in 1935 to provide basic social insurance and a private pension for the industry's workers. For the past 50 years, the program has ably protected railroad workers, retirees, and their families against loss of income due to retirement, disability, or death.

On the occasion of this 50th anniversary, I think it would be helpful if we reviewed the history of the railroad retirement program and the reasons why it was established.

Private pension plans originated in the railroad industry in 1874 when the first formal industrial pension plan in America was established. By 1927, over 80 percent of all railroad employees worked for employers who had formal pension plans, but only a small proportion of employees ever received benefits. The pension plans paid inadequate benefits, had limited disability coverage, and no transferability from employer to employer. The plans were inadequately financed and could be terminated at will.

The Great Depression of the 1930's led to the push for retirement plans on a national basis because few of the Nation's elderly were covered under any type of retirement plan. The railroad industry pension plans had difficulty meeting their obligations during this period. Older workers exercised seniority rights to continue working, and accounted for a disproportionate number of the industry's employees. While the Social Security system was in the planning stages, railroad workers sought a separate railroad retirement system which would continue and broaden the existing railroad pension programs under a uniform national plan. The proposed Social Security system was not scheduled to begin monthly benefit payments for several years and would not give credit for work performed before 1937. Conditions in the railroad industry called for immediate benefit payments based on prior service.

Legislation was enacted in 1934, 1935, and 1937 to establish a railroad retirement system separate from the Social Security Program enacted in 1935. The 1934 act was declared unconstitutional by the Supreme Court and the 1935 act was also challenged in the courts. The future of the program was uncertain when the first benefit checks were mailed to 18 retirees on July 13, 1936. While an appeal was pending in the courts, railroad management and labor, at the urging of President Roosevelt, resolved their differences and this lead to the Railroad Retirement and Carriers' Taxing Acts of 1937. In 1937, the benefit payments of nearly 50,000 pensioners were taken over by the Railroad Retirement Board, and by the end of 1938, almost 100,000 elderly employees had retired under the system.

The largest check issued on that first day of benefit payments in 1936 was for $91.04 and went to Mr. Thomas B. Strain, age 73, of Johnson City, TN. I believe Mr. Strain's story demonstrates the importance of the railroad retirement system. Mr. Strain's railroad career began at age 15 with the Southern, and he served for several different railroad employers in a variety of positions before retiring in 1936 at age 73. He told Labor magazine in 1936:

I wasn't counting my chickens before they were hatched. In the light of what the courts have done to other liberal legislation, I scarcely dared hope that we would get our pensions for a long time, if ever. I have been living under suspense since I was retired. The $91.04 checks will lift a load of worry off my mind and make my future secure. The organziations which obtained this protection for old railroad men have done a great job, for which they are entitled to our prayers. I hope there will be no backing up now. (Labor, July 21, 1936.)

The first check, for $63.83, went to Mr. William Wesley Billett of Bellefonte, PA. Mr. Billett told the Labor reporter how important the pension was to him:

The people at Washington have made our dreams come true. I wish I could tell how grateful I am. Unless one is past 70, and separated from the activities of a lifetime, he cannot begin to understand what it means to be able to look to the future without fear. (Labor, July 21, 1936)

Since that July day in 1936, railroad retirement benefits of $77 billion have been paid to more than 4 million retired workers, their spouses and survivors. The first retirement annuities awarded under the 1935 act averaged $60 a month and no monthly benefits were payable to spouses or survivors. Currently, employee annuity awards average about $900 a month, annuities for spouses average just over $300 a month, and annuities to aged and disabled widow(er)s about $540 a month. In 1985, nearly 1 million beneficiaries will receive retirement and survivor benefits.

The program has been amended several times since 1935, and has faced solvency problems in recent years due to high inflation, recession, and a general decrease in railroad employment. The Railroad Retirement Solvency Act of 1983 was worked out by railroad labor, management, and Congress and was necessary to prevent a drastic 40-percent cut in retirement benefits. The bill had some tough medicine that required sacrifices from workers, employers, and retirees. But most importantly, the system is now financially sound and benefit payments are not jeopardized.

In my home State of Ohio, 53,400 railroad retirees and their families receive benefits. As a Senator, I hear from many railroad retirees about how important the program has been in ensuring an adequate retirement. Mr. Ralph Miller Graeff of Cleveland worked for the Railway Express and REA Express for 30 years. Although Mr. Graeff retired from the railroad in 1975, he has been working harder than ever as an officer with the National Association of Retired and Veteran

Railway Employees in Cleveland. "The Railroad Retirement Act was a crucial piece of New Deal legislation, and has enabled millions of railroad workers to retire with a secure pension," Mr. Graeff told me. "But we have been worried in the past few years because of benefit cutbacks. I have been working against proposals to cut retirement benefits and eliminate the Railroad Retirement Board. I hope retirees can count on many more 50th anniversaries for the railroad retirement system, Mr. Graeff said.

Mr. President, this 50th anniversary occasion gives all of us the opportunity to renew our commitment to the railroad retirement system. It was established in a time of national crisis, and has faced financial crises and other challenges during the past five decades. Yet, the railroad retirement system continues to serve railroad employees and their families, providing protection against the economic hazards of old age, disability, unemployment, and sickness. I invite my colleagues to join me in supporting Senate Joint Resolution 114, to designate August 29, 1985, as "Railroad Retirement Day" and recognize one of the most important and successful social programs in our Nation's history.

NATIONAL HOME CARE WEEK

Mr. GLENN. Mr. President, as the ranking Democratic member of the Special Committee on Aging, I am deeply aware of the importance of home health services in meeting the long-term care needs of older Americans. Since joining the committee, I have worked to develop home health care as an available and cost-effective option for those who would prefer to be cared for at home rather than in a nursing home or hospital. I am proud to join my colleagues in support of Senate Joint Resolution 139, designating the week of December 1, 1985, as "National Home Care Week."

If Congress approves this resolution, 1985 would be the fifth year that Congress has formally recognized the importance of home health care and the dedication of thousands of people across this country who provide these services. I have supported this resolution in the past. I believe that passage of this resolution is particularly significant in 1985 because home health services, which Congress has sought to make increasingly available to the elderly and disabled, seem to be targeted for severe reductions by the Reagan administration.

The implementation of the new Medicare prospective payment system, based on diagnosis related groups [DRG's], is reducing lengths of hospital stays. In response to a request from the Special Committee on Aging, the General Accounting Office [GAO] is examining the impact of DRG's on long-term care services. The GAO findings indicate that Medicare patients are being discharged earlier and often in need of further care. As a result, home health agencies are experiencing significantly increased demand for their services. Despite the increased demand, the Reagan administration is seeking a freeze on Medicare home health providers and is taking other steps to limit home health care.

In mid-May the Health Care Financing Administration [HCFA] announced a radical change in the methodology for calculating cost limits for home health reimbursement, effective July 1, 1985. HCFA gave just 30 days' notice for providers and the public to comment upon this complex and significant change. I led an effort to urge the Department of Health and Human Services to extend the comment period to allow time for adequate analyses and response to such dramatic changes. The Secretary ignored this effort and on July 5, issued a final notice instituting the new methodology, effective July 1, 1985.

These changes, combined with the freeze on provider reimbursement, will have a devastating effect on home health agencies and the clients they serve, especially Medicare beneficiaries and the indigent. Mr. President, I would like to read a few statements as examples of the many comments that I have received from home health agencies in my home State of Ohio.

In a letter I recently received from Sister Linda Smith, executive director of Mercy Home Health Care in Cincinnati, she writes "Without a sufficient reimbursement level, no agency will be able to afford these services for Medicare recipients. What will happen is that home care will belong to those who can afford the services—leaving the indigent and the elderly in hospitals or nursing homes * * *"

The director of the Visiting Nurses Association in Dayton, Mr. Gregory J. Rozelle, said that if the new methodology had been used in 1984, his agency would have lost over $30,000. Mr. Rozelle points out that as a result of the DRG's "Home health agencies have had to provide longer visits and more intensive services to these patients. As a result, costs are rising. The proposed method of limiting payment would seem to single out home health agencies for cost containment when in fact they are facing extraordinary pressure and are inherently cost effective."

I agree with these comments and the many others I have received. Therefore, I have joined Senator JOHN HEINZ in cosponsoring S. 1450 which would prohibit the Secretary from changing home health care reimbursement levels or methodologies from the June 30, 1985, levels until October 1, 1986, or during a freeze period on home health reimbursement, whichever is longer. Unfortunately, the Secretary and HCFA have decided to make policy for home health care rather than implementing policy set by Congress, thus making S. 1450 necessary.

S. 778, the "Home Care Protection Act of 1985," which I am cosponsoring, is aimed at ensuring fairness for home health providers and the Americans they serve. S. 778 would clarify Congress' intent regarding the intermittent care standard for home health coverage. The fiscal intermediaries, under pressure from HCFA, are frequently interpreting the standard more narrowly than Congress intended in establishing the Medicare benefit for home health care. Furthermore, this standard is applied inconsistently across the country.

Earlier this year HCFA issued proposed new rules which will make it more difficult for States to receive waivers to provide home and community-based services under Medicaid. In fact, it is likely that many States will not even seek waivers under these rules because they are so restrictive, representing another attempt by the administration to reduce the availability of home and community-based long-term care services for the elderly and the poor. I have joined Senators BRADLEY and CHILES in introducing S. 1277, the "Medicaid Home and Community-Based Services Improvement Act of 1985," which would allow the States the choice of providing home and community based services, including home health care, as part of their State Medicaid plan, without first seeking a waiver from HCFA.

The administration has taken other steps as part of what appears to be a concerted strategy to reduce older Americans' access to home health services. Among these, I would like to cite two more examples: their proposal to impose a copayment on the Medicare home health benefit and their proposal to remove the Medicare waiver of liability presumption. It is encouraging to note, however, that thousands of dedicated people are continuing to provide home and other community-based, long-term care services to their clients despite these major roadblocks.

By supporting "National Home Care Week" and other Senate efforts to ensure the availability of home care services as a viable and humane option for ill and frail older Americans, we recognize the resourcefulness and commitment of those individuals who serve our Nation's elderly and disabled. At a time when Government and taxpayers alike seek ways to contain costs while providing health care with dignity, then home health care and other community based health services such as hospice, seem to me to be natural choices. I urge passage of

this resolution, as well as Senate Joint Resolution 155 which would designate November 1985 as "National Hospice Month." By this action, we will not only honor those who provide home care services but will send another message to the administration about Congress' belief in home care as a cost-effective and humane option for America's elderly.

WRIGHT-PATTERSON AFB POW/MIA MEMORIAL SERVICE

Mr. GLENN. Mr. President, no American family should be forced to live in the agonizing twilight between hope and despair, and I know I speak for every citizen of this land when I say we must do everything humanly possible to see that every last American soldier, sailor, marine, and airman who served in Southeast Asia is finally, fully, and completely accounted for. On this issue there can be no compromise.

On July 15, a memorial service was held at Wright-Patterson Air Force Base in Ohio to honor our POW/MIA servicemen and their families. The base chaplain, Maj. Howard V. Mellott, delivered a moving sermon which called upon the national conscience to keep faith with our POW/MIA families, to stand with them and support them in their hour of need. I believe that Chaplain Mellott's message is significant not only for those present at the July 15 ceremony but for the Nation as a whole. Thus I ask unanimous consent that the full text of his remarks be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

POW/MIA SERVICE OF RECOGNITION AND REMEMBRANCE

(By Chaplain, Maj. Howard V. Mellott)

No word, no prayers can adequately be spoken today that would give you the hope and the promise that you so much desire, the whereabouts, information that you have so desperately craved for and needed, since the end of the Vietnam conflict. But we are here today to show you in this small, but meaningful way that we do recognize and remember your husbands, your fathers, your brothers that are still missing in action or who are prisoners of war.

At a funeral a few weeks ago, I referred to the four Marines slain in El Salvador as the "Sons of America," and that I truly believe they were, for we were all caught up in the events of that tragedy. That being the feeling then, I think I can truthfuly say that these POWs—these MIAs whom we are remembering today are "the fathers and the brothers of America!" I served with some of them during the Vietnam conflict and many who are here today served with them too. Among the many who are still POWs and MIAs there is a Vice Commander from Nakon Phonom, Thailand who is among our POWs and MIAs. I met the Vice Commander on my way to my isolated tour at Nakon Phonom. He was returning from a visit with his wife and two small daughters (twins). That was April 1968. On the plane he showed me the family picture. In June of that year he left the base for a mission on Laos: A mission from which he did not return. Now his twin daughters, I'm sure are in their early twenties. They and their mother are still awaiting some kind of word as to what really happened to him! I cannot forget him nor will I ever forget him. Nor can we afford to forget any of our POWs or MIAs now!

Captain Gerald Coffee, United States Navy, a POW for seven years spoke this past May in the Garden Grove Crystal Cathedral where Dr. Bob Schuller is the Pastor. Captain Coffee emphasized the importance of faith and gave four aspects of their faith. A faith in themselves as individuals, a faith in each other, a faith in their country, and a faith in God. He related how he, along with other prisoners during that time of imprisonment, tapped out codes on the prison cell walls to encourage each other. There were the letters "G B" meaning "God Bless, be tough, hang in there, I'm praying for you." "G N"—"Good night". "G B A"—"God Bless America". There was also a code signal for church services each Sunday. Gathered at their respective cell walls they would repeat the Pledge of Allegiance, The Lord's Prayer, and the 23rd Psalm and other Bible passages they remembered from church and Sunday school. They even passed a bit of humor around for their cheer: "Little weevil in my bread, I think I just bit off your head!"

These men to whom we pay honor are military people, recognized for their duty and their devotion: They are men who fulfilled their obligation of honor to their country, America: They are men who obeyed the Military Code of Conduct, resisted exploitation, even at the cost of severe torture, they are still there—we cannot and must not forget them!

Our message today to our POWs and MIAs, especially to the families, is to not give up. Hold on! If you can force your heart and nerve and sinew to serve their term long after they are gone, the captors, when there's nothing left within you, accept the will that says to hold on! Hold on!

In Exodus, Chapter 17, beginning at Verse Eight, the children of Israel were attacked by the Amalekites. Moses stood at the top of the hill with the Rod of God in his hands. The Bible tells us that as long as Moses held up the rod in his hands, Israel was winning the battle. But whenever he rested his arms at his side, the Amalekites were winning. It was too much for Moses to continually hold up his arms with the Rod of God in his hands. Consequently, Aaron and Hur saw Moses' dilemma. They rolled a stone for Moses to sit upon and they stood on each side holding up his arms. The battle was then won when Moses' hands were strengthened by Aaron and Hur on each side of him holding his arms up so that he could hold high the Rod of God.

I say to the families of our POWs and MIAs that too often we have been guilty of letting you hold on to hope and faith by yourselves while we have stood over at a distance. We stood away from you, not because we wanted to, but because we did not understand. You have weakened, almost at times ready to give up. Experience has taught us that no one can stand alone, especially in the last few weeks has this been brought close to home to each of us. Please be assured you are not standing alone any longer. We are here to stand with you. We will stand on either side of you, as did Aaron and Hur with Moses. We will stand in front of you, in back of you, and all around you to hold you up, to encourage you, to go with you, if needs be, all the way until there are answers and results to your questions concerning your husbands, your fathers and your brothers. Our fathers and brothers too.

(Selected by Chaplain Mellott)

A BLESSED THOUGHT

There is promise in each sunrise,
There is hope for each new day;
There's a sunbeam for each raindrop,
There is help along the way.
There is grace for all life's problems,
There is strength for trials you face;
There is mercy and compassion
Even in life's darkest place.
There is love that can't be measured,
That makes all life's sorrows dim
When you place your hand in God's hand
And walk life's path with Him.

POLISH-AMERICAN HERITAGE MONTH

Mr. GLENN. Mr. President, today marks the first day of Polish-American Heritage Month. I am proud that the Senate, mindful of the many contributions of Polish-Americans, has set aside this time to recognize the achievements and culture of ethnic Poles.

Although for many years Poland has been ruled by the iron hand of autocracy and despotism, in 1791 and for 20 years thereafter, Poland enjoyed a brief period of freedom and democratic government under a constitution patterened after our own. In the early 20th century, Poles came to America seeking relief from an oppressive Prussian regime and from shortages of farmland in Europe. To many during this period, the New World embodied the promise of economic prosperity and democratic liberties. In Ohio, the Polish community flourished. Poles were drawn to the port city of Cleveland with the expectation that employment awaited them in the prosperous iron and steel mills of America's industrial heartland. As their numbers increased, Polish settlers in Ohio established a town of considerable vitality know as Warszawa or Little Warsaw. This community became a stronghold of Polish culture in northeastern Ohio, second only to Chicago in the Midwest.

Ohio Poles did not escape the stagnation and austerity of the Great Depression. Emigration from Europe declined during this period, while the Poles in Ohio strove to retain the advances they had made during the preceding years of prosperity. World War II and an increase in demand for the products of an industrial economy brought renewed vigor to the Nation and to the Polish community. Hitler's ruthless invasion of Poland and his persecution of the valiant Polish resistance prompted many Poles to join the American war effort to fight Nazi

tyranny. Today, the Polish Legion of American Veterans, with who I have visited on several holiday occasions, and the Polish veterans of World War I and II, remember the sacrifices of the more than 1 million ethnic Poles who served in the American and Allied Armed Forces during World War II, in World War I, in Korea, and in Vietnam. There are no more loyal and patriotic U.S. citizens than those Americans of Polish extraction.

Like most American cities during the 1950's and 1960's, Cleveland became suburbanized. Similarly, second and third generation Poles moved from the security and homogeneity of Polish communities like Warszawa into the sprawling suburbs of modern America.

Today, in a community where Sunday Mass is still said in Polish and where tour buses bring visitors to the Slavic Harvest Festival every fall, Polish culture is undergoing a renaissance. Indeed, a June 1982 issue of the Ohio magazine reports that,

> In the melting pot of Cleveland, where assimilation and upward mobility have wiped out most of the ethnic strongholds and left them cheerless and transient, Warszawa is different. Here the Poles, and to a lesser degree the Bohemians, have stayed. An urban village. Self-contained. Self-sufficient. * * * They see in their customs something worth hanging on to, in their neighborhood a vitality worth keeping. * * * Let the rest of the world change, they say in Warszawa, we'll wait and see.

Finally, Mr. President, as we recognize the many contributions made by Polish-Americans and as we honor their heritage, let us also celebrate the confluence of ethnic traditions which combine to form a society that is uniquely American.

FORTIETH ANNIVERSARY OF THE UNITED NATIONS

Mr. PELL. Mr. President, as one who was present at the San Francisco Conference as part of the secretarial staff, I am intimately acquainted with the original goals and aspirations of the United Nations. The ideals embraced by the U.N. are similar to those which guide our country—to replace a world at war with one where the rule of law shall prevail; where human rights are honored; where development will blossom; and where conflict gives way to freedom from violence. After 40 years, these ideals still live within the United Nations.

Many in the United States criticize the United Nations and question U.S. membership and contributions to the U.N. family of organizations. It is clear that the United Nations could be a more effective organization but it is my firm belief that it still plays a vitally important role in preserving and promoting international peace and security, international development, and human rights. To date no one has been able to identify a better way to approach problems in these areas on a world scale.

Every administration since the founding of the United Nations has determined that U.S. membership is essential to our national interests and that the United States should play an active role in the various U.N. organizations as an important part of our overall program of diplomacy. Thoughtful people consistently agree that the U.N. system provides a means to accomplish important tasks that neither the United States nor other nations can achieve alone or in small coalitions.

Therefore, Mr. President, it is with great pleasure that I ask unanimous consent that the remarks of Elliot L. Richardson at the annual meeting of the National Capital United Nations Association delivered on June 6, 1985, be printed in the RECORD. Ambassador Richardson, an old friend, has an unrivaled record of distinction in the service of the United States. He has served as Deputy Secretary of State, Secretary of Commerce, Secretary of Defense, Attorney General, and Ambassador to the U.N. Conference on the Law of the Sea.

It is with great pleasure that I insert his enlightened remarks into the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY ELLIOT L. RICHARDSON

It is a great pleasure to join my fellow members of the United Nations Association in honoring the distinguished individuals here tonight who were present at the creation of the United Nations in San Francisco forty years ago. The high hopes kindled there may no longer burn so brightly, but they are still at the heart of the aspiration for peace.

I'm sure you will have noted that the program bills my remarks as an "address." After the buildup Ambassador Leonard gave me, an "address" is an intimidating assignment, and the only thing I can promise is length. So I urge you to sit back, settle down, and be prepared for a long oration. If it turns out to be shorter than you anticipated, please conceal your disappointment.

I join the veterans of San Francisco this evening in commemorating, in addition to the birth of the United Nations, two other closely related anniversaries. The Normandy invasion began forty-one years ago today; VE-Day came just over forty years ago. I was in the D-Day landing, and I celebrated V-E Day in Germany. In the circumstances, I hope you will tolerate a story about a couple of hunters in the Maine woods. It was a warm, late September day. The hunters had bagged a huge buck with a tremendous spread of antlers. They were dragging the buck by the forefeet, and the antlers kept catching on the underbrush. As they toiled, the hunters were passed by a brisk young female hiker. She noticed what a hard time they were having and said, "I hope you guys won't mind a suggestion, but the way the antlers are curved, it looks like they wouldn't catch so much if you dragged the deer by the hind legs."

The two hunters thanked her and decided that maybe she was right. So they dragged the stag by the hind legs for a while. It was a hot day, and when the time came for a breather, one hunter said to the other, "You know, that wasn't a bad idea that young woman gave us. It really is easier this way." The second hunter replied, "Yeah, that's true. The only trouble is we're getting farther and farther from the automobile."

I'm sure you're right, Ambassador Leonard, in saying that there has been no fundamental change in the spirit of idealism with which the UN was launched, and no change in the basic commitment to the cause of peace that emerged from World War II. It seems plain, nevertheless, that we have been getting farther and farther from the automobile.

In addition to landing in Normandy on D-Day, my regiment was selected for the privilege of being the first American unit to enter Paris. On the evening of August 24, 1944, our camp in the Bois de Vincennes was surrounded by an eager and curious crowd of Parisians. One woman asked me, "When you defeat the Germans, will you go on across Germany and attack the Soviet Army?" I was shocked and incredulous. The same question, nevertheless, kept cropping up as we crossed France and advanced into Belgium and Germany. I developed a stock reply. "That would be insane," I would say. "Why should we? We have no quarrel with Russia. Our two countries have ample resources and ample territory. Each has energetic, talented people. Each has enough internal problems to keep it busy. Just because the Russians have a different ideology from ours is no reason to go to war with them."

I still think this was a sensible, rational answer. It was the sort of answer you would expect from a well-brought-up American boy. Whatever we were, we young American soldiers were not cynics. Neither were we smart enough to foresee the mixture of Soviet truculence and paranoia that, within a few years, would trigger the Cold War. The West had no choice but to respond, of course, but that is small consolation for the cycle of action and reaction that has shadowed the global scene ever since. Meanwhile, the very existence of the Cold War continues to stand between the ideals on which the UN was founded and the possibility of their fulfillment.

A second reason why we have been getting farther and farther from the automobile, I think, is that people have simply gotten weary of the effort to keep old expectations alive. Although our native idealism occasionally reemerges in a new enthusiasm—the nuclear freeze movement, for instance—the American public has become bored by the UN and all its progeny. Someday, incidentally, I'm going to take a little time off and write an essay on the historical consequences of boredom. It will argue that boredom has been the single most important cause of war. We are told that "Man (woman) does not live by bread alone." Does this mean that we do not easily endure contentment?

However that may be, the decades since the founding of the UN have again and again confronted us with problems that turned out to be a lot harder than they originally seemed. Take conflict prevention and peacekeeping. If wars are endemic to relations among tribes, sovereign states, and ethnic groups, it was to have been expected that it would be difficult to develop the means of preventing and containing them.

What is new under the sun is the awesome reality that any given conflict could lead to a nuclear exchange, and a nuclear exchange could lead, via "nuclear winter," to the extinction of all life on earth. Nothing could be clearer, therefore, than that humanity has far more compelling reason than ever before to work out better means of conflict prevention and better means of conflict containment and peacekeeping. And yet, because the effort has been so difficult and because the successes have been so debatable, we have tended to throw up our hands and turn aside.

Surely any rational outline of a coherent system of foreign policy would have as one of its major headings "Management of the Politico-Military Balance." Arms control and disarmament would come under this heading. A second heading would be "International Economic Relations—Economic Development, Money, and Trade." A third heading, I submit—and I think many of you would agree—should be "Human Rights." Hubert Humphrey, whose sister Frances Howard is here tonight, would certainly have insisted that this belongs in the outline.

Only one other subject is of comparable importance: "Dispute Settlement, Conflict Prevention, Conflict Containment, and Peacekeeping." In fact, it is not a major plank in any country's foreign policy today. Now this may be a consequence partly of the sheer failure of imagination. It may be a consequence partly of emotional resistance to facing up to the implications of nuclear winter. It is also, surely, a symptom of "tired blood."

Another factor taking us farther and farther from the automobile is our reaction to the perception that the United Nations is just another bureaucracy. One answer to that is, "So? What large-scale human institution is not?" Now that I'm in the private sector, I'm chronically irked and amused by the tendency of private-sector managers to look toward governmental institutions, domestic or international, as if their bureaucratic behavior were somehow peculiar. The truth, of course, is that private enterprises like the steel and railroad industries have been among the most constipated bureaucracies the world has ever seen. It is, nevertheless, a fact that the perception of the management of the United Nations and its affiliated organizations as bloated and unwieldly has affected people's attitudes toward them.

Given, then, this diagnosis of the problem, it is obvious that I wouldn't be Chairman of the United Nations Association if I did not believe that there are some answers and if I were not convinced that it is important to resist these trends. The UNA is fighting against the three negative factors that I have just briefly outlined. The UNA is fighting for a stronger system of conflict prevention and peacekeeping. We few, we happy few, we band of sisters and brothers who belong to the UNA, rightly take pride in being a part of this effort. Ours is the only membership organization attempting to wrestle with these problems. Not only are we doing so with some success, but the momentum we are now developing will make us increasingly effective. We need, however, to do much more to enlist the help of others.

Take, for example, the deterioration of relations between the Soviet Union and the United States which has done so much to prevent the UN Security Council from fulfilling its promise. For 15 years, persistently, year in and year out, the United Nations Association has maintained exchanges with the Soviet Union directed toward both economic and security issues. This is our so-called "Parallel Studies Program." When I became chairman of the UNA-USA, the program had long been headed by my predecessor, former UN Ambassador Bill Scranton; it is now headed by former Ambassador to the Soviet Union and former Deputy Secretary of State Walter Stoessel. Alternating between the Soviet Union and the United States, meetings are held two or three times a year. Former Under Secretary of the Treasury Bob Roosa chaired the U.S. side at a recent discussion of economic issues in Moscow, and in New York earlier this year Ambassador Stoessel chaired a session on security issues in which former National Security Adviser Brent Scrowcroft participated.

These exchanges do not produce dramatic results, but they do significantly contribute to the development of better understanding of the issues that divide us. Foundations have been laid in the thinking of a great many people in key positions. The proof of the pudding will come whenever the political will exists at the highest levels to achieve progress toward a more rational relationship between our two countries.

Under the second heading—peacekeeping, conflict prevention, dispute settlement, and containment of the escalation of conflict—the UNA is the only membership organization resisting the "tired blood" syndrome. The Multilateral Issues Project for 1985 focused on these problems. Fifty of our own chapters, together with groups from the League of Women Voters and other organizations, grappled with them. The are hard problems, and when you read the report—it will be released next month—don't be disappointed because it doesn't advocate dramatic new departures. Our recommendations will be thoughtful; they will also be realistic. The subject will in any case be on the UNA-USA agenda for as long as it takes to find solutions. Given the 40 years in which these questions have been awaiting adequate answers, not even we, not even the UNA, should be expected to produce them in only one year.

The most important thing about the Multilateral Issues Project is that we the people, members of the UNA-USA, are tackling matters of genuinely vital concern. A week ago in Los Angeles, in an American Association for the Advancement of Sciences panel on nuclear nonproliferation, I summarized the recommendations contained in last year's UNA report on this subject. It's a first-rate report. No "think tank" could do better. We are already working to put its recommendations into effect; these too will remain on the UNA agenda for as long as it takes to get them adopted. But the report did not come from a think tank. It emerged from the hard thinking of UNA members all across the country. This is the aim of the Multilateral Issues Project—to involve individual citizens in finding better ways of assuring their own survival. That is what gives the report its special significance.

Finally, there is that matter of bureaucracy I touched on. The UNA has just launched a new project on the management and administration of the UN. Here again we are tackling, head-on, a problem that has sapped confidence in the UN system. In terms of its potential contribution to the rebuilding of public confidence in the UN, this could be one of the UNA's most valuable initiatives. With the help of a preliminary grant from the Ford Foundation, we brought together last spring a group drawn from a number of the permanent missions in New York as well as from the U.S. government and the UN secretariat. Speaking as a pretty experienced bureaucrat myself, I have been greatly impressed by the seriousness and objectivity of their deliberations.

Happily, we now have in Javier Pérez de Cuellar a Secretary-General who welcomes a searching examination of the way the UN manages its affairs. Although he was prevented by a critical development in the Iran-Iraq situation from attending a meeting on the subject in which he had planned to participate, we did discuss it with his principal advisers and were assured of their cooperation. With adequate follow-on financial support, this is another area in which the UNA can make a major contribution.

In general, and in the broadest terms, the gap between UN potential and UN performance is in part a consequence of a failure of U.S. leadership itself. This country's practice, I am sorry to say—and this is not a comment aimed only at the present administration—has been to measure our success at the UN solely in terms of our ability to defeat votes critical of ourselves and our friends. We have not kept score on the basis of our success in carrying out the U.S. agenda because we have not had an agenda.

This state of affairs should be remedied. The United States should be taking the initiative, not simply reacting to the initiatives of others. As the nation with the largest stake in the preservation of global stability, whatever strengthens world order is in our interest. Whatever strengthens the UN, therefore, is in our interest. And the way to strengthen the UN is to use it.

If you want to build a stronger structure of peace and stability in the world, you do not, as in the Malvinas-Falklands crisis, rush into an exercise in shuttle diplomacy and call on the UN Secretary-General to use his good offices only after the exercise has failed. You do not dispatch a great-power expedition to Lebanon and then, when the foreseeable reaction has forced its withdrawal, think belatedly of substituting a UN peacekeeping force. You do not act unilaterally in Nicaragua without first having exhausted the effort to build a structure based on Article 52 of the UN Charter under which the countries of the region commit themselves to resist Soviet/Cuban intervention.

The U.S. has the unique capacity—and the corresponding responsibility—to take the lead in creating a world order in which individual human beings are enabled to live their lives as free as possible from the threats of war and famine and oppression. Having failed to make clear how we propose to address these problems, the United States has no solid basis for criticizing the shortcomings of the UN. We owe it to ourselves—we owe it to the community of nations—to go before the UN with clearcut proposals for countering these threats. We owe it to ourselves—we owe it to the community of nations—to fight for these proposals. We owe it to ourselves—we owe it to the community of nations—to do our utmost to win the understanding and support of our critics and opponents.

You, the members of the Capital Area Division of the UNA-USA, and especially those of you who have been honored here tonight, have long been doing your part to support and defend the purposes of the UN. You deserve to take enduring satisfaction in the contributions you have made. I hope

you will feel inspired to do even more in the years ahead.

Thank you very much.

A TRIBUTE TO ADM. HENRY E. ECCLES

Mr. PELL. Mr. President, the U.S. Navy has a long and proud tradition of producing from its ranks not only courageous and enterprising warriors, but also thoughtful, brilliant, and eloquent analysts and theoreticians who develop strategic and tactical concepts that ultimately shape our Nation's Naval forces.

Some of the outstanding examples of the U.S. Navy's great intellectuals have been Stephen B. Luce, Alfred Thayer Mahan, and William S. Sims.

I pay tribute today to a retired Naval officer who stands in the forefront of that great tradition, Rear Adm. (Ret.) Henry E. Eccles. Admiral Eccles, a graduate in 1922 from the U.S. Naval Academy, served on active duty in the Navy with great distinction for 30 years. His active duty service included 12 years of submarine duty and service on destroyers, cruisers, and battleships. Assigned to the Asiatic Fleet at the outbreak of World War II, he saw combat duty as a vessel commander, and then was deeply involved in the complex problems of base development and logistics planning and operations for campaigns in the Pacific.

Admiral Eccles was awarded, in recognition of his service in those years the Navy Cross, the Silver Star, the Legion of Merit, and the Netherlands Order of the Bronze Cross, before his retirement from active duty in 1952.

Perhaps more importantly, however, his service and experience in active duty provided the basis for his extraordinary contributions to theoretical and strategic thinking in all of the many years since his retirement.

As with Luce, Mahan and Sims, Admiral Eccles has produced his influential books, essays, and lectures in Newport, RI., where he has been closely associated with the Naval War College as a confident and advisor to War College presidents, as a lecturer, author, and conductor of seminars.

Admiral Eccles is best known as the Navy's earliest and most persuasive and influential exponent of the science of military logistics. While still on active duty, he established the Logistics Department at the Naval War College, and pursued the same subject after his retirement.

His understanding of the importance of logistics in warfare has led Admiral Eccles to perceptive analyses of the strong links of interdependence between a nation's defense capabilities and the strength and capacity of its private-sector economy, and between military strength and effectiveness and foreign policy and diplomacy. And his forceful and energetic presentation of his views has made him one of the most influential of the strategic thinkers of this century.

Through the years, I have myself frequently had the benefit of Admiral Eccles intelligent, perceptive and informed analyses of our Nation's military and political position in the world and I have always found it original, provocative, and highly useful.

Recently illness has caused Admiral Eccles to leave his home of many years in my home city of Newport, RI. We miss him mightily as a neighbor, but continue to look for his continued contributions to the theoretical structure which must underlie effective national defense.

THE URGENCY OF A COMPREHENSIVE BAN ON NUCLEAR EXPLOSIONS

Mr. PELL. Mr. President, earlier today, I and a number of my colleagues recalled the devastation of Hiroshima 40 years ago by the first atomic weapon used as an instrument of war. That recollection made some of us acutely aware of how much remains to be done if we are ever to get nuclear weapons truly under control.

This past week brought us stark evidence of the sorry plight of nuclear arms control as both the Soviet Union and the United States handled the test ban issue so capriciously.

Unfortunately, the way the offers and the rejections were made by both sides left the impression that the superpowers are still engaged in "grandstanding" about serious arms control issues. It would be most reassuring if each side were willing to take a fresh look at the offer of the other side and weigh it carefully before reacting. I hope they do not consider the matter closed.

In regard to the Soviet offer, I recognize that there are pitfalls to be avoided. We would need to be sure that verification was adequate, and we would have to ensure that a moratorium was not allowed to substitute for what should be the goal of both sides—a mutual and verifiable ban on nuclear explosions. Nonetheless, I believe that we should look upon the Soviet offer as an indication that they are seriously interested in sitting down at the negotiating table to see if agreement is possible on a test ban. We should not allow the opportunity to be lost.

Mr. President, there is no question in my mind that a mutual and verifiable ban on nuclear explosions is very much in the national interest of the United States. Unfortunately, the administration decided early in its first term to abandon the longstanding U.S. quest for a comprehensive ban on explosions. The administration also decided that it would not support Senate approval of two yet-unratified testing agreements—the Threshold Test Ban Treaty of 1974 and the Peaceful Nuclear Explosions Treaty of 1976. Both treaties were concluded by Republican Presidents and have received bipartisan support. For more than 2 years, the United States has sought expanded verification provisions in the two treaties, which already include unprecedented verification, and the Soviets have said ratification must precede talks on additional verification measures. The result is an impasse that continues to this day without any good prospect of resolution.

Unless some way is found to regain momentum, we could pay a very high price. A total of 124 nonnuclear weapons States have forsworn nuclear weapons in the Non-Proliferation Treaty based on a pledge of the nuclear weapons States that they would strive to bring an end to testing. Those nations will gather in September for the 5-year review of the treaty. We and the Soviets have scant little to tell them about our efforts to put an end to testing. Can anyone doubt that a decision by other nations that the superpowers are not doing anything and that they should get their own nuclear weapons would very quickly place the world in far greater jeopardy?

Mr. President, if we want progress, I believe that we should agree with the Soviets to begin negotiations at the earliest possible time. In those negotiations, we should explore all feasible avenues toward successful verification, including the exchange of inspection teams.

I do not believe that a mutual moratorium of reasonable duration would adversely affect our national security. Our ability to detect and measure testing has improved substantially in recent years. In addition, we could seek early exchanges of data and agreement upon other reasonable steps to enhance verification and reassure the sides during a moratorium.

Mr. President, some abhor the thought of a moratorium on nuclear testing simply because the Soviets have proposed it. I sometimes think that the Soviets should be urged to have only bad ideas, since Soviet support can taint a good idea, particularly in the field of arms control. Nonetheless, I believe that we should not reject a moratorium out of hand. It would be far more sensible to put the Soviets to the test of working with us to fashion a moratorium of a duration consistent with our national security interests. Such a moratorium must, of course, be mutual and must be adequately verifiable, consistent with our needs during its duration.

In this connection, I should note that many believe that the Soviets broke the terms of a testing moratorium before agreement was reached on the Limited Test Ban Treaty of 1963. On this basis, some argue that a mora-

torium shouldn't be attempted again. This judgment is based on a fundamental misreading of the facts. We, the British, and the Soviets agreed in October 1958, to suspend testing while test ban negotiations were pursued. In December 1959, we announced that we were ending our formal moratorium, thus releasing the others from their obligation to us. We and the Soviets began preparing for tests. The Soviets resumed atmospheric testing on September 1, 1961, and we resumed underground testing 2 weeks later. We were quite surprised by the magnitude of the Soviet testing program, but had no reason to believe that they were bound not to resume nuclear testing. The record thus demonstrates that the Soviets adhered to the only testing moratorium to date, rather than the reverse.

Most importantly, whether there were a moratorium or not, we should resume negotiations on a comprehensive ban started in the previous administration. Those negotiations were very productive. By 1979, almost all issues had been resolved or appeared resolvable. The sides were moving toward agreement that tests would be stopped in a treaty, that a moratorium would be placed indefinitely on so-called peaceful nuclear explosions, that national seismic stations would be placed by the United States and the Soviets on each other's territory and that there would be a system of challenge inspections.

Mr. President, it has been so long since we have gotten anywhere in arms control that I sometimes think we have forgotten the vital contribution arms limitation can make to our national security. There is no question in my mind that it would be tragic if we were to abandon our goal of a test ban. I believe we can achieve a test ban if both sides are willing. It is an opportunity waiting to be grasped. We would be wise to recall the example of President Kennedy, who, in 1963, seized upon an opportunity and, within a matter of weeks, concluded agreement on the first testing treaty. Fortunately, it is not too late for us to show similar wisdom and to conclude the effort he started.

TRIBUTE TO EDWIN CRAIG WALL, SR.

Mr. THURMOND. Mr. President, I rise today to pay tribute to a distinguished entrepreneur and philanthropist from South Carolina, Edwin Craig Wall, Sr., who died April 8, 1985. To his wife, May Wall; his son, E. Craig Wall, Jr., and his three daughters, Harriet Martin, May Wall, and Nell Otto, and indeed the entire Wall family, I extend my deepest sympathy.

Edwin Craig Wall, Sr., was born on February 14, 1911, in Lilesville, NC. He graduated from Lilesville High School with the class of 1928. Though he never earned a college degree, he was an example of the reality of the American dream. Coming out of a rural southern town paralyzed by the depression, he began a lumber business in Conway, SC, that grew rapidly and provided jobs for many citizens and economic growth for South Carolina.

Wall was a resourceful businessman. His company, Canal Industries, Inc., expanded in new areas and turned waste lumber into tomato stakes and step ladders, bark and sawdust into charcoal briquets, and fumes from his machinery into lumber-drying steam.

Through Canal Industries and its affiliated entities, Mr. Wall became involved in land development, management, and retailing. By financing other business ventures, he played a major role in the development of the "Grand Strand" along the South Carolina coast. One of his best known investments was Waccamaw Pottery, a huge outlet mall that has attracted millions of tourist dollars to the coastal area of the State, again providing much needed jobs and economic stability.

Craig Wall was not only an entrepreneur, but was a public servant as well. A registered forester and a pioneer in conservation work, he was long active in forestry organizations on the county, State, and national levels. For his community service, he was honored with the American Legion Outstanding Community Service Award in 1971 and the Boy Scouts' coveted Silver Beaver Award in 1960. He served on the board of directors of Conway Hospital and was trustee of the Belle Baruch Foundation in Georgetown, SC.

In the business community, he was director of the Peoples National Bank in Conway, SC, and served on the general board of directors for the C&S National Bank of South Carolina. He held a seat on the Federal Reserve Board of Richmond from 1972 to 1978.

Mr. Wall's interest in higher education reached across the Carolinas. He served on the board of visitors for Davidson College in North Carolina, Clemson University, and Presbyterian College in South Carolina, and was on the board of trustees at Queens College in Charlotte, NC. He was instrumental in the founding of the Coastal Carolina branch of the University of South Carolina. From 1967 to 1971 he was chairman of the South Carolina Higher Education Commission.

Mr. President, I would like to call to the attention of my colleagues the outstanding accomplishments of this man, since he is a typical example of one who has succeeded in realizing the opportunities that America offers and who has rendered great service to humanity.

CRISIS FACING AMERICA'S TEXTILE INDUSTRY

Mr. THURMOND. Mr. President, there is a growing crisis facing America's textile industry. With each week that passes, the flood of cheap imports grows enormously. The American textile/fiber/apparel market is literally being buried under a tidal wave of unfairly subsidized products against which high quality American products cannot compete.

America has a long and proven history of innovation and the ability to not only withstand competition, but to successfully compete in its own right. Not long ago, I introduced S. 680, a bill which would make major strides in saving America's textile industry if passed. For a long time I did not introduce this legislation in the hopes that a commitment made to me in 1980 by President Reagan would be realized. I feel certain the President is a man of his word. However, I believe his advisors have failed to present him with a true picture of the devastation which is threatening to obliterate our textile industry within the next decade. In my continuing effort to provide an accurate description of the industry and its rapid deterioration, I have been submitting a series of articles for the record so that my colleagues can read this for themselves.

Mr. President, the textile industry is becoming an endangered species. If present import levels are not reduced, by 1995 there will be no more textile industry. This sad tale of unfair foreign competition is revealed in this article from the Florence, SC, Morning News on Thursday, July 18, 1985, which I ask unanimous consent be printed in the RECORD for consideration by my colleagues.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Florence Morning News, July 18, 1985]

IMPORTS A "KILLER" FOR U.S. TEXTILE INDUSTRY

CAMDEN.—Sam the Detective discovered what was killing Dolly's dress sales: imports.

A humorous skit presented Wednesday by the S.C. Textile Manufacturers Association brought home the message that American-made goods mean more jobs and greater buying power for Americans. When Dolly began purchasing foreign-made dresses because they were cheaper, a local dress plant closed. Workers were laid off, so they had no money with which to shop.

Sam, who was really an out-of-work economics professor, pointed out the domino theory applies to business. If one is affected, the whole country is ultimately involved.

The textile association is promoting a program they hope will make the public more aware of American-made products. "Crafted With Pride in the U.S.A." will soon be seen on a lot more items, such as textiles and clothing.

The group sponsored a breakfast presentation for retail merchants and the media.

Its purpose was to promote a nationwide campaign to recognize American goods.

Dick Demarest, plant manager of the DuPont May Plant, said the association is trying to save American textiles. "The textile industry has been seriously damaged by imports. In 1984, imports increased by 34 percent," he said.

To bring the figures closer to home, he told the group that 18 textile and apparel plants in South Carolina closed last year. that meant 5,400 employees were laid off.

"The economy of the United States is hurt by imports," he said, noting there are 2 million textile-related jobs in the country. The group is not opposed to imports, but it was opposed to "the outrageous growth of imports in the past three of four years," he said.

American consumers prefer articles made in this country, he said. The Crafted With Pride program was initiated to make consumers aware of the need to purchase U.S. goods.

"The U.S. textile industry is the most productive in the world. It can be the most competitive if we are allowed free trade." Demarest explained that the textile association is pushing for legislation to control the amount of imports allowed in this country.

"We are asking the merchants of South Carolina to support us in the Crafted With Pride program," he said. The label, which features a red, white and blue star, will help consumers find goods made in America.

Monnie Broome, chairman of the S.C. Crafted With Pride committee, explained a new promotion for merchants. The Gold Seal Merchants Program will recognize those merchants whose stores carry 75 percent or more American-made goods. After taking a survey of their stock and having it verified, the merchants will be eligible for benefits such as promotional materials and advertising.

Banners, display ads, radio jingles, camera-ready logos for advertising, hang tags, and other promotional items will be sent to the Gold Seal Merchants. Articles will be sent to newspapers to help promote the Made in America theme.

After Broome's presentation, a panel fielded questions from the audience. Besides Demarest and Broome, the panel consisted of Terry May, director of public affairs for Milliken, and Ron Copsey, director of public relations for J.P. Stevens.

Asked whether fabric manufacturers are using the Crafted With Pride in U.S.A. labels, Copsey replied that the movement is not as strong as the committee had hoped. All clothing contains labels stating the country of origin, but the idea is to establish a sensitivity in the consumer for made-in-America products.

The panel revealed some interesting facts about textile manufacturing in this and other countries. Demarest said the commerce department does not have good data about foreign textiles. In other countries, the governments keep track of all such information. In fact, foreign governments are partners with industry and help subsidize many of them. Here, the government is often an adversary of business, he added.

May said there is no such thing as free trade in this country, because American manufacturers cannot carry textiles into Taiwan, Hong Kong, and China. On the other hand, those countries are free to bring goods here.

The association is pushing a bill in Congress that calls for the orderly growth of imports.

Broome explained why many American textile manufacturers use foreign-made equipment. In the '50s and '60s, American manufacturers decided they had the best technology in existence, so they abandoned research and development on new machinery. Governments in many foreign countries subsidized research for industry, and advances were made in equipment.

"Now we are trying to catch up," he said. "We have to buy foreign equipment because it is not available here."

Broome ended his remarks on an optimistic note. "We are the most productive industry in the world. We are going to survive and press forward."

Copsey said the message to the public is a vital part of the program. Commercials with well-known actors will be shown in selected areas to make people aware of the importance of buying American textiles.

The key to success, according to Broome, is for the retailer to give the consumer a choice. American consumers will buy American products if they have the chance, he said.

He earlier quoted Sam Walton, the founder of Wal-Mart: "We must realize that our American workers are our No. 1 customers."

CANADIAN SOFTWOOD LUMBER IMPORTS

Mr. BAUCUS. Mr. President, the Commerce Department recently announced trade statistics for the first 6 months of 1985. We ran a $70 billion deficit—larger than ever before.

This huge deficit represents millions of jobs lost and key industries endangered.

One such industry is the forest products industry.

Despite the fact that we have plentiful resources and the most efficient producers in the world, the industry is endangered by a flood of Canadian imports.

In my home State of Montana, the problem is severe.

The forest products industry has been a mainstay of Montana's economy since 1845, when Father Anthony Ravalli erected our first sawmill at St. Mary's Mission in the Bitteroot Valley.

Today we have hundreds of logging operations and lumber mills. They account for thousands of jobs, and about half the income in western Montana.

We're proud that our American sawmills are the most efficient in the world.

U.S. sawmill workers have made great sacrifices to maintain that competitive edge. In fact, our workers allowed their wages to be frozen during 1981 and 1982 so that their mills could survive the recession.

Nevertheless, the U.S. industry faces hard times.

Between 1979 and 1983, labor income in the Montana forest products industry fell by 17 percent.

During roughly the same period, 9 Montana sawmills closed and 2,700 forest products workers lost their jobs. This April, Louisiana Pacific closed its Trout Creek mill and many more workers became unemployed.

The same fate has befallen forest products workers all over the country, from Maine to Georgia to Oregon.

THE STUMPAGE PROBLEM

This disruption results from a direct attack, by the Canadian Provinces and their subidized lumber mills.

As the Wall Street Journal reported this morning, Canadian imports have risen 13 percent this year. They now account for 32 percent of U.S. softwood consumption. In Montana, they account for about 40 percent.

The primary reason Canadian imports have risen so high is Canada's stumpage practices. As the International Trade Commission found in 1982, Canadian lumber mills have been able to expand their share of the United States lumber market by paying cheap prices for the right to cut timber on Government-owned land.

In the United States, this stumpage price is set by either an open auction or competitive bids.

In Canada, nearly all the timberland is owned and controlled by provincial governments. They set the price at whatever level they think necessary to keep Canadian lumber mills open and Canadian workers employed.

This policy has a dramatic impact on the U.S. industry.

THE 1983 DECISION

After the ITC studied the issue in 1982, a group of U.S. producers brought a countervailing duty action, charging that Canadian softwood imports were benefiting from illegal subsidies.

The Commerce Department rejected this petition. The cornerstone of its decision was the legal conclusion that stumpage was generally available because it was provided to the furniture industry and other wood products industries.

Since that time, one court has questioned whether—as the Commerce Department assumed—there is an implicit general availability requirement in our countervailing duty law. Even if there is, it seems absurd to interpret it the way Commerce did, permitting availability to a few related industries to constitute general availability.

In any event, subsequent events have made the true nature of Canada's stumpage practices crystal clear.

Canadian production levels are high. And U.S. consumption levels are high. Given this situation, the free play of economic forces should result in high Canadian stumpage prices.

But that has not happened. To the contrary, Canadian stumpage prices have fallen dramatically since 1982, allowing the Canadian mills to expand their U.S. market share even further. This has undermined U.S. lumber prices, reduced the profitability of

U.S. lumber companies, and increased forest products industry unemployment.

Mr. President, the administration and Congress are again considering how to address this critical issue.

I believe that we should address it quickly and decisively. We should revise our countervailing duty law, to make clear that artificially low stumpage prices are illegal trade subsidies. I have introduced two bills—S. 982 and S. 1292—that would accomplish this. The distinguished chairman on the Energy Committee, Senator McCLURE, also has introduced legislation that would accomplish this.

THE ITC STUDY

An important part of our current effort is the International Trade Commission's update of its 1982 study.

Last week, the ITC held a hearing to gather testimony for this update. I had the privilege of testifying at this hearing, along with Congressman BONKER of Washington, Congressman WEAVER of Oregon, and Congressman CRAIG of Idaho.

Also presenting testimony was Mr. Stanley Dennison, chairman of the U.S. Coalition for Fair Lumber Imports. Mr. Dennison's testimony persuasively explains the harm that unfair Canadian stumpage subsidies are causing United States producers. As he says, "Free trade is fair trade and this implies that there is balance and equality in trade practices. We think something should be done to restore fair play for the American industry."

Mr. President, the Canadian softwood lumber imports will be one of the most urgent ones confronting us when Congress returns. I look forward to helping the Finance Committee and the full Senate achieve decisive resolution of the issue, so that we can move on to consider other important United States-Canadian trade issues, such as the negotiation of a free trade agreement.

I ask unanimous consent that a copy of Mr. Dennison's testimony be inserted in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TESTIMONY OF STANLEY DENNISON

Good morning Madame Chairwoman and fellow Commissioners, I want to thank you for the opportunity to be here to discuss today's North American softwood lumber industry. I am Stan Dennison, Executive Vice President—Building Products for Georgia-Pacific Corporation and I am also Chairman of the U.S. Coalition for Fair Lumber Imports which represents landowners and manufacturers from every region of the country.

Georgia-Pacific is not only one of the largest manufacturers of American lumber but, to our knowledge, we are also one of the largest importers of Canadian lumber. Last year, according to our records, Georgia-Pacific purchased about 1.5 billion board feet of Canadian lumber at a cost of nearly 400 million dollars.

Georgia-Pacific has remained neutral in this controversy for a long time because of our position as both a manufacturer and importer. We have always supported policies and legislation that encourage fair trade.

We can no longer remain neutral—even though a reduction of Canadian imports could prove costly to Georgia-Pacific. These imports have reached levels that are causing a liquidation of our U.S. industry.

Today, low-cost Canadian imports account for close to one-third of all softwood lumber consumed in this country. In 1975, the Canadian lumber imports accounted for almost 19 percent of U.S. markets. In 1984 this percentage rose to more than 32 percent and it appears it will increase to 35 percent during 1985. That's overdoing the generosity of the American market.

Why are these percentages escalating? The answer is that Canadian lumber enjoys a delivered cost advantage mainly due to very low stumpage price. More than 90% of Canadian lumber production comes from federal or provincial government lands. The provincial governments use appraisal and selling methods that result in little or no cost of stumpage to the Canadian producer.

Canadian governments essentially set stumpage prices so low that Canadian lumber can be sold in the U.S. at whatever prices are needed to be competitive, regardless of how close American mills are to their own local markets. For example, stumpage prices in British Columbia interior, the largest exporting area to the U.S., are below the U.S. market in the South by $117 per thousand board feet.

In our country, one-third of timber production comes from government lands, one-third from company-owned lands, and one-third from private lands . . . where the assessed value of timber is based on bidding at competitive auctions. The differences are far too great . . . and exist because of Canadian government subsidies that U.S. producers do not enjoy from our own government. This is disrupting markets for our nation's forest products industry and is not fair trade.

In 1984, lumber consumption in the U.S. was the highest ever, yet increases in Canadian lumber imports devastated our American industry.

In just the last six years, more than 250 U.S. sawmills have closed . . . we estimate approximately 27,000 jobs have been lost because of Canadian imports. Georgia-Pacific closed a major sawmill in Arkansas because we were unable to realize sufficient prices to yield adequate profit.

It is rather staggering to close a Southern pine mill in Arkansas, while softwood from interior British Columbia is thriving in the same market.

The U.S. softwood lumber industry is as efficient as any in the world. Even in the face of dismal financial performance, the industry has invested heavily and improved productivity.

However, if Canadian lumber imports continue to flood into the United States, the resulting decline of the return on capital will be insufficient to justify continued investments in the U.S. softwood lumber industry. We will see even further liquidation of our American industry.

Moreover, if imports continue to come into the U.S. at the rate they are now, they will depress the price of stumpage in this country to the point that millions of private tree farmers will stop planting because they cannot get a fair return on their money.

Our forests wil not be replanted. They will not grow and provide income for the American tree farmer, the logger, the truck driver, the sawmill owner, and the industry's shareholder.

We have no objection to Canadian lumber being imported into this country. It's good lumber, as our own lumber is, but the situation is unfair.

Free trade is fair trade and this implies that there is balance and equality in trade practices. We think something should be done to restore fair play for the American industry.

We respectfully ask that you examine the facts of this situation and the destruction that is occurring in our domestic lumber market for U.S. producers. . . or there will be few American lumber producers left to compete in world markets.

SUPPLEMENTARY EXTRADITION TREATY BETWEEN UNITED STATES AND UNITED KINGDOM

Mr. TRIBLE. Mr. President, today I chaired a hearing before the Foreign Relations Committee to receive testimony on the recently signed Supplementary Extradition Treaty between the United States and the United Kingdom. The Honorable Lowell Jensen, Deputy Attorney General, and the Honorable Abraham Sofaer, legal adviser for the Department of State, testified in support of the treaty. In September, the committee will hold a second day of hearings to provide public witnesses an opportunity to testify.

It was my view that giving the public witnesses until September to prepare testimony would ensure a full airing of the issues this treaty presents. To this end, I asked the administration to appear today in order that their analysis of the treaty and the arguments in support of the treaty would be available at the earliest possible date. It's my hope that the public witnesses will comment in detail on the administration's views.

Mr. President, Mr. Jensen and Judge Sofaer have done an excellent job of presenting the case for this treaty and I find their arguments compelling. For the benefit of my colleagues, as well as for those who will appear before the committee in September or wish to submit written comments to the committee on the treaty, I ask unanimous consent that Judge Sofaer's and Mr. Jensen's statements on the treaty be inserted in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF D. LOWELL JENSEN, DEPUTY ATTORNEY GENERAL

Mr. Chairman and Members of the Committee, I appreciate this opportunity to testify in support of the Supplementary Extradition Treaty Between the United States and the United Kingdom.

With the entry into force of the Jay Treaty in 1794, the United Kingdom became

our first extradition treaty partner. Since then it has remained one of our best partners in extradition. Extradition treaties are invaluable law enforcement tools that must be periodically updated to reflect the advent of new crimes or new trends in both law enforcement techniques and in the commission of old, familiar crimes. The various treaties and supplements thereto governing extradition relations between the United States and the United Kingdom have been revised and updated on numerous occasions to meet the evolving needs of our respective countries during the past 191 years.

The 1985 Supplementary Extradition Treaty, which amends several provisions of the 1972 United States-United Kingdom Extradition Treaty, is designed primarily to address an issue of concern to all civilized nations: terrorism. The issue of terrorism is of particular concern to the United States and the United Kingdom since the citizens of our two countries are primary targets of international terrorism.

The 1972 United States-United Kingdom Extradition Treaty bars the extradition of persons whose crimes are deemed to be political offenses. While this term has defied comprehensive definition, American courts have uniformly construed "political offenses" to mean those that are incidental to severe disturbances such as war, revolution, and rebellion.

In recent years there have been four cases involving requests by the United Kingdom for the extradition of Irish Republican Army members charged or convicted of terroristic crimes. The fugitive in the first such request had caused an explosion in a British army barracks in Yorkshire, England that injured a civilian.

The IRA member in the second request had attempted to murder a British soldier who was a member of a plain-clothes intelligence patrol in Belfast.

The *third* request was for a convicted IRA member (William Joseph *Quinn*) who is charged with murdering a twenty-one year old, plain-clothes, off-duty police constable in London; sending letter bombs that caused severe injuries to their recipients; placing an explosive device in the London area; and with conspiracy to cause explosions that were likely to result in the indiscriminate killing of civilians in the London area.

The fourth request was for an IRA member who, with several IRA associates, planned an ambush of a British army convoy. In furtherance of that scheme they commandeered the home of a Northern Irish family whose house overlooked the route to be followed by the convoy. Alerted to the proposed ambush, British Security Forces stormed the house. During the ensuing melee, this IRA member shot and killed a British officer. Caught, convicted, and sentenced to life imprisonment, he became one of twelve jailed IRA members who somehow obtained weapons and escaped from H.M. Prison, Crumlin Road, Belfast. They left behind several severely wounded guards.

In each of the four cases described, the fugitive claimed that the unsettled political situation in Northern Ireland constituted a "war, revolution, or rebellion" and that his offenses qualified for treatment as "political offenses." The United States courts have accepted this argument in all but one case (Quinn) which is currently on appeal before the Ninth Circuit Court of Appeals.

The British Government has concurred in our view that it is unacceptable that a criminal may commit a heinous offense which shocks the sensibilities of all decent people; flee the country which he has terrorized; and find safehaven in another country by labelling his crime a political offense. The United States cannot condemn terrorism committed abroad against our citizens and then provide shelter on these shores for perpetrators of such atrocities against citizens of other countries.

Article I of the 1985 Treaty lists a variety of crimes associated with terrorism that are so destructive of society that under no circumstances should they be considered as "political offenses" for which extradition may be denied. Thus, terrorists committing such crimes as aircraft hijacking and sabotage, crimes against diplomats, hostage taking; and other heinous crimes, such as murder, manslaughter, malicious assault, and certain offenses involving firearms, explosives, and damage to property, would no longer be able to hide behind the political offense exception to avoid extradition from either this country or the United Kingdom. Once the Supplementary Extradition Treaty enters into force, terrorists wanted by the United States or the United Kingdom, who are found within the territory of either, can expect swift and certain justice for their crimes.

I shall now highlight other provisions of the 1985 Supplementary Extradition Treaty.

Article II provides that the statute of limitations of the Requesting Party only, shall be applied in determining whether extradition is time barred. In the past, a fugitive has been able to claim that even though he committed a crime in the Requesting country, his extradition should be barred because the Requested country's statute of limitations would prevent his prosecution for the offense. This provision is standard in our new treaties.

Article III expands from 45 to 60 days the time by which a formal extradition request and supporting documents must be submitted by the Requesting Party to the Requested Party following the provisional arrest of a fugitive by the Requested Party. This will provide more time for the preparation and transmittal of documents for the increasingly complex crimes for which extradition is being sought by the United States and the United Kingdom. This increase in time is more in line with the provisions of our other extradition treaties negotiated in the last ten years.

Article IV provides that the Supplementary Treaty shall apply to any offense committed before or after it enters into force, except an offense which was not a crime under the laws of both Parties at the time of its commission. Such provisions have become standard in our more recent treaties.

Mr. Chairman and Members of the Committee, the Department of Justice joins the Department of State in urging the swift advice and consent of the Senate to ratification of this Supplementary Extradition Treaty between the United States and the United Kingdom.

I would be pleased to respond to any questions the Committee may have.

STATEMENT BY ABRAHAM D. SOFAER

Mr. Chairman, members of the Committee, I am honored to appear before you to testify on the Supplementary Treaty Concerning the Extradition Treaty Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland. This treaty was signed on June 25 and transmitted to the Senate on July 17.

This is my first appearance before this Committee as Legal Adviser to the Department of State. Since my confirmation, I have had the pleasure of consulting with individual Senators on a number of issues before the Department. I look forward to ongoing development of this constructive working relationship.

Mr. Chairman, the Supplementary Treaty addresses a problem with which this Committee is all too familiar: the difficulty of combating international terrorism. Nearly every day, a new terrorist assault occurs somewhere in the world. The object of such atrocities is to use terror and fear to attract media attention and to coerce governments into capitulating to terrorist demands.

The public, both in the United States and in other civilized nations, is distressed and angry over the inability of governments to bring these criminals to justice. Indeed, many of our own legislators have expressed their impatience with the difficulties of capturing and punishing terrorists in foreign countries. This widespread frustration has given ruse to calls for extreme measures to prevent terrorist acts of violence and to punish their perpetrators.

Mr. Chairman, I share this sense of frustration. While we must resist demands that we—like the terrorists—act in disregard of the law, the Department of State, in cooperation with the Department of Justice and other federal agencies, is committed to developing new tools to fight international terrorism effectively and in a manner consistent with our legal traditions and social values. Toward this end, the Departments of State and Justice, acting jointly, took the initiative to negotiate this Supplementary Extradition Treaty.

The most important aspect of the Supplementary Treaty is that it explicitly identifies particular crimes—such as airplane hijacking and murder of diplomats—that may no longer be regarded as political offenses excepted from the extradition process that exists between the U.S. and its historic ally the United Kingdom. The Supplementary Treaty recognizes that terrorists who commit the specified, wanton acts of violence and destruction should not be immune from extradition merely because they believe they were acting to advance a political objective.

Mr. Chairman, I will begin by reviewing the provisions of the Supplementary Treaty and their relationship to the existing U.S.-U.K. extradition treaty. I shall then discuss the origin and evolution of the political offense exception and the urgent need to implement a version of that doctrine in relations with the United Kingdom that advances rather than retards the human values and other interests historically served by international law.

PROVISIONS OF THE SUPPLEMENTARY EXTRADITION TREATY

The Supplementary Extradition Treaty amends the Extradition Treaty between the United States and the United Kingdom, signed at London on June 8, 1982. The Supplementary Treaty contains four substantive articles. Article 1 addresses the political offense exception; Article 2, the statute of limitations; Article 3, the time limit within which documents must be submitted in support of an extradition request following a provisional arrest; and Article 4, retroactive application of the treaty.

Article 1 of the Supplementary Treaty amends the political offense exception to extradition, contained in Article V, paragraph (1)(c) of the current extradition treaty, by identifying particular crimes that shall not be regarded as offenses of a political character. The crimes listed are those typically committed by terrorists: aircraft hijacking and sabotage; crimes against internationally protected persons, including diplomats; hostage taking; murder; manslaughter; malicious assault; kidnapping; and specified offenses involving firearms, explosives, and serious property damage. These are not political acts, such as organizing, assembly, speech, or even espionage. They are heinous crimes, regardless of the motives of the perpetrators.

Recent events underscore the wisdom of this provision. Within the last two months, U.S. citizens have been the victims of almost every one of the types of terrorist acts excepted by the proposed treaty. How would we regard the argument that the murders of Robert Stethem on TWA-847 or of the Marine guards in El Salvador were "political offenses?" It is a shocking and disgraceful fact that criminals who commit these types of barbarous crimes against the citizens of other nations, and manage therefore to get to the U.S., are often able under current U.S. law, successfully to invoke the political offense exception and thereby escape extradition. Worst of all, in many cases in which the exception can be successfully invoked under present law, the United States is unable to prosecute the terrorists involved, because we lack jurisdiction for most offenses committed abroad. In such cases, the U.S. is limited to deporting such persons to some third country where they can continue to elude justice. The treaty amendment before you today would prevent such travesties of justice with respect to extradition requests between the United States and the United Kingdom.

Article 2 of the Supplementary Treaty amends Article V, paragraph (1)(b) of the current treaty to provide that extradition shall be denied if prosecution would be barred by the statute of limitations, of the requesting state. The current treaty permits the statute of limitations of either the requesting or requested state to bar extradition. The current formulation is included in several older extradition treaties. We have concluded, however, that the interests of justice are better served by applying the law of the requesting state—the place where the fugitive committed his crime—in determining whether his trial is time-barred. A criminal should not be able to avoid prosecution by fleeing to a country that has a shorter statute of limitations than the country in which the crime is committed.

Article 3 of the Supplementary Treaty amends Article VIII, paragraph (2) of the current treaty to provide that the requesting state shall have up to 60 days following the provisional arrest of a fugitive to submit evidence in support of its extradition request; if such evidence is not submitted within that time, the fugitive shall be freed. The current treaty allows only 45 days for submission of such evidence. Provisional arrest, a common feature of extradition treaties, allows the immediate apprehension of a fugitive from a foreign jurisdiction who might otherwise continue to elude capture, while at the same time requiring the foreign jurisdiction to substantiate its case within a reasonable time. We have concluded that 60 days is a more appropriate period, in light of the increasing complexity and volume of the documentary evidence necessary to substantiate requests for extradition. The full period, of course, will be used only if supporting documents cannot be prepared and transmitted in less time.

Article 4 provides that the Supplementary Treaty will apply to any offense committed before or after its entry into force; if the offense in question was committed before the Supplementary Treaty enters into force, it must have been an offense under the laws of both the United States and the United Kingdom at the time of commission. This is a standard provision in recent supplementary extradition treaties that the United States has concluded. Its purpose is to facilitate application of the changes effected by the Supplementary Treaty to prospective extradition requests for offenses committed in the past. The retroactive application of these procedural provisions is fully in accord with the U.S. extradition treaty practice.

Articles 5 and 6 are technical provisions that provide for the territorial application of the Supplementary Treaty, for its ratification, and for its entry into force.

ORIGIN AND EVOLUTION OF THE POLITICAL OFFENSE EXCEPTION

The overboard application of any concept, however enlightened, can lead to foolish and antisocial results. You will understand how the political offense exception has come to produce such results, by examining its evolution and true purposes.

First, the political offense exception is above all an exception. The basic tradition of international law applicable with respect to fugitives from justice is one of cooperation between nations to enhance their capacity to maintain the lawful order and security on which all liberty ultimately depends. The oldest known document in diplomatic history—a peace treaty between Ramses II of Egypt and the Hittite prince Hittusili III, concluded in 1280 B.C.—provided for the exchange of criminals of one nation found in the territory of the other. This principle of cooperation in extraditing fugitives has survived to modern times.

The great Eighteenth Century revolutions were based in part upon the notion that individuals have the right to engage in revolutionary political activity in pursuit of liberty. Those were times when today's democracies were ruled by Kings and Emperors, when universal suffrage did not exist, and when the mere open, verbal criticism of a ruler was frequently regarded as sedition or treason. In the wake of those revolutions, the emerging democracies of western Europe did not want to surrender to foreign sovereigns revolutionaries who had committed offenses in those nations in the course of exercising their political rights. The Jacobean Constitution of 1793, reflecting this revolutionary spirit, declared that the French people "grant asylum to foreigners banished from their countries for the cause of freedom." The same sentiment gave rise to the seminal provision in the Belgian extradition law of 1833, which provided that a fugitive "shall not be prosecuted or punished for any political offense . . ., nor for any act connected to such crime."

From its inception, the political offense exception has been applied without significant controversy to "pure" political offenses. Pure political offenses are those directly related to the security and structure of the state: sedition, treason, and the like. Governments and courts have had little trouble excepting these offenses from extradition. By contrast, application of the exception to "relative" political offenses has always been problematical. Relative political offenses are common, often violent crimes, such as murder and arson, whose perpetrators nevertheless claim immunity from extradition because their common, criminal acts were allegedly committed in a political context, or for a political purpose.

Claims of immunity from extradition based on "relative" political offenses have posed difficulties for civilized nations from the start. For example, in 1855, a Belgian court invoked the political offense exception to deny a French request for extradition of a fugitive who had placed a bomb under the railway over which Emperor Napoleon III was travelling. This decision led the Belgian legislature—the land in which the exception originated—to amend the 1833 extradition law to refuse to recognize as political offenses certain common crimes used by terrorists for political ends. The statute provided: "There shall not be considered as a political crime or as an act connected with such a crime an attack upon the person of the head of a foreign government or of members of his family, when this attack takes the form of either murder, assassination or poisoning."

This provision, known as an "attentat clause", gained widespread acceptance as a limitation on the political offense exception.

Courts have continued to grapple with the political offense exception through the years. For example, in 1891 Britain's Queen's Bench divisional court considered a Swiss extradition request for one Castioni, a fugitive who had shot and killed a State Council member in the course of an armed attack upon a municipal building. In a landmark decision, the Justices held that a criminal act was not protected under the political offense exception if committed merely "in the course of" a political conflict or uprising; it must also be done "in furtherance of" a political cause. The court found that Castioni had acted as a participant in an insurrection, that the shooting had occurred during this conflict, and that the shooting had in fact not been an act of personal malice against the victim. The Justices therefore ruled that the offense was political and denied extradition. American courts that have recently refused extradition have relied heavily on the ruling in Castioni.

Three years after Castioni, however, the British courts refined the doctrine. The French Government requested extradition of one Meunier, who had carried out bomb attacks on a crowded cafe and an army barrack. Meunier fought extradition by invoking the political offense exception. Justice Cave held that, for an offense to be judged political, "there must be two or more parties in the State, each seeking to impose the Government of their choice on the other." Meunier, the court found, was an anarchist who was the enemy of all organized society. Accordingly, he was not subject to the exception and was ordered extradited.

While Castioni, narrowly construed, may have made sense when it was decided, it makes no sense today to deny extradition to a nation such as Switzerland—with a democratic system of politics and a fair system of justice—of a man who willfully attempts to impose his will on the people through murder. If civilized society is to defend itself against terrorist violence, some offenses must fall outside the scope of the exception, even though they are politically motivated. The Meunier decision represents an early recognition that legal principles such as the political offense exception are based on the

determination of sovereign nations to refuse for humane or ideological reasons to cooperate with other nations in the enforcement of criminal statutes. These principles do not create "rights" in the individuals that assert them. Each nation must decide how far to extend the doctrine based on its own values, and many have refused to shield from justice individuals who would destroy the freedoms and lives of others to gain political advantage.

A few examples should illustrate how harmful and unacceptable decisions of other nations can be, when they refuse to extradite Americans because of the political offense exception. In 1972, two American citizens, Holder and Kerkow, hijacked a domestic U.S. flight, extorted $500,000 from the airline that owned the plane, and forced the pilot to fly to Algeria. They were indicted in the United States for aircraft piracy, kidnapping, and extortion. The U.S. Government requested that France extradite Holder and Kerkow to this country to stand trial. Although the crimes were extraditable offenses under the U.S.-France Extradition Treaty, a French court denied extradition in 1975. The court noted that, at one point in the skyjacking, Holder had demanded that the plane be flown to Hanoi. He later dropped that demand. Nevertheless, the Court held that Holder's invocation of Hanoi demonstrated that he had acted out of a political motive, bringing the crimes within the scope of the political offense exception.

Another egregious example of overbroad application of the exception resulted from the hijacking in 1973 by five U.S. citizens of a domestic flight. They demanded, and received, $1 million in ransom for release of the passengers, and then forced the plane to fly to Algeria. Two of the fugitives had escaped from prison, where they had been serving sentences for murder and armed robbery. The U.S. Government sought extradition of the five from Paris in 1976 to stand trial for air piracy. But a French court refused to extradite the fugitives. It accepted their claims that they had hijacked the plane to escape racial segregation in the United States and that the charges against them constituted political persecution. The court therefore held that the skyjacking and extortion were political offenses.

In my view, some recent decisions in this country have applied the political offense exception as expansively and unreasonably as it has been applied against us by some nations. These recent decisions all concern Provisional Irish Republican Army (PIRA) fugitives, but our objections to them are based on principle and have nothing to do with the PIRA or other particular movements.

One such case involved Desmond Mackin, a PIRA member sought for the attempted murder of a British soldier. In that case, a U.S. Magistrate found that, at the time of the offense, the PIRA was conducting an armed uprising in the portion of Belfast where the crime was committed; that Mackin was an active member of the PIRA; and that the attack on the British soldier was incidental to Mackin's role in the PIRA's political uprising. The Magistrate therefore denied extradition. The decision was later upheld on appeal to the district court, and in a judgment of great significance the Second Circuit Court of Appeals refused to disturb the lower court decision, holding that the refusal of a court to grant extradition requests in certain contexts in not an appealable order.

A second case involved Joseph Patrick Doherty, who blasted his way out of a prison in Belfast while awaiting a court's decision on charges including the murder of a British Army officer. Doherty was convicted of murder and other offenses two days after his escape and fled to the United States. The United Kingdom sought his extradition with respect to his conviction on charges of murder, attempted murder, and possession of firearms with intent to endanger life, and on new charges relating to his escape. The latter charges included firearms offenses and inflicting grievous bodily harm on a prison officer. Based upon his review of Irish history and politics, a U.S. district judge concluded that a political conflict existed in Northern Ireland and that Doherty's offenses had been committed "in the course of and in furtherance of that struggle." The judge recognized that "it would be most unwise as a matter of policy to extend the benefit of the political offense exception to every fanatic group or individual with loosely defined political objectives who commit acts of violence in the name of these so-called political objectives." He nevertheless drew an exception for the PIRA, after an analysis of its nature, structure, and the mode of its internal discipline, concluding that it has "both an organization, discipline, and command structure that distinguishes it from more amorphous groups such as the Black Liberation Army or the Red Brigade." The judge thereupon declared that Doherty's offenses were political and denied extradition.

What the PIRA and other, less structured terrorist groups have in common is far more significant in applying the political offense exception than the ways in which they may differ. All these groups exhibit a willingness to engage in the indiscriminate killing of people to achieve political ends.

Mackin and Doherty are not the only cases granting political offense treatment to PIRA members. Since 1979, U.S. judges or magistrates have denied four British requests for extradition of PIRA fugitives accused or convicted of violent terrorist crimes. Each denial was based on the political offense exception to extradition.

The problem is not the magistrates or judges involved in these cases. Their opinions reflect sincere attempts to apply our extradition laws; and the view that these lower court decisions are not always appealable has obstructed the development of law through decisions of our highest courts. The basic problem is the law itself, insofar as it is being applied so that the United States has become a sanctuary for terrorist murderers.

This is an intolerable situation. We must not allow our country to become a haven for terrorists who belong to groups that use indiscriminate violence against the citizens of other countries—just as we expect that foreign governments should not harbor terrorists who commit violent acts against United States citizens.

Unsuccessful attempts have been made to amend our extradition statute. Those efforts differ significantly from the present one, in that they were based on changes in the political offense exception that would or could have been applied to any nation with which we have extradition relations, including some which have experienced political change or instability since establishment of those relations, and which may not permit opponents of the government in power any lawful means of political dissent. The present approach is more narrow, and carefully drawn. It seeks to remedy the overbroad application of the political offense exception through a particular agreement with the United Kingdom. The rationale for this new Supplementary Treaty is simple: with respect to violent crimes, the political offense exception has no place in extradition treaties between stable democracies, in which the political system is available to redress legitimate grievances and the judicial process provides fair treatment. While this particular agreement relates to the United Kingdom, we fully intend to negotiate—and are in the process of negotiating—similar agreements with other nations that meet these criteria.

The conditions for justifying extradition of political rebels who engage in common crimes of violence undeniably exist in both the United States and the United Kingdom. Members of the Republican movement who desire reunification have not been prevented from participating in the democratic political system in the United Kingdom. Indeed, the PIRA's close supporter, Sinn Fein, has participated in a number of elections in Northern Ireland and has secured a small proportion of the vote—just under 12 percent in the local elections held in May. A Sinn Fein member has been elected to one of Northern Ireland's 17 seats in Parliament, but has refused to take his seat. The violence is therefore not the result of a lack of opportunity to engage in the democratic process. It seems that extremists in the movement either reject the democratic system completely or are not confident of success at the polls. In any event, they conduct a campaign of violence. They have political rights, but they choose to act unlawfully.

Similarly, no one can seriously challenge the basic fairness of the British system of justice, even under the extraordinary situation that Britain has faced in Northern Ireland. To deal with that situation, the United Kingdom has developed special non-jury courts—commonly known as Diplock Courts—to try certain well-defined terrorist acts. Diplock Courts operate without a jury in order to eliminate the risk of jury intimidation and murders, especially likely in the trial of PIRA terrorists.

The absence of a jury does not mean the central principles of procedural fairness are not maintained: trials are held in open court; witnesses may be called and cross-examined; the burden remains on the prosecution to prove guilt beyond a reasonable doubt; the accused has a right to legal advice and representation; and the right of appeal is completely unfettered. The judge in the Doherty case recognized these facts. He found: "The Court . . . specifically rejects respondent's claim that the Diplock Courts and the procedures there employed are unfair, and that respondent did not get a fair trial and could not get a fair trial in the courts of Northern Ireland. The Court concludes that both Unionists and Republicans who commit offenses of a political character can and do receive fair and impartial justice and that the courts of Northern Ireland will continue to scrupulously and courageously discharge their responsibilities in that regard."

The Republic of Ireland also has non-jury courts for terrorist type offenses. Indeed, the Irish courts have recently decided to show their repugnance for IRA crimes by extraditing the PIRA terrorists arrested there to the United Kingdom.

Mr. Chairman, Secretary Shultz said last October that "the rule of law is congenial to

action against terrorists." We and the United Kingdom view this Supplementary Treaty as an important step in applying the rule of law to terrorism. The principle reflected in Article 1 of the Supplementary Treaty will establish a definite, workable rule for applying the political offense exception to extradition among stable democracies. It will also be consistent with the rules adopted in 1977 by the Council of Europe which authored the European Convention for the Suppression of Terrorism. That Convention established limits on the political offense exception virtually identical to those contained in this Supplementary Treaty. The United Kingdom is a party to the Convention without reservation, but it is open solely to members of the Council of Europe, and we are only an observer there. Nevertheless, in our search for a solution to the problems created by current applications of the political offense exception in U.S. courts, we looked to that Convention and concluded that its limitations were appropriate.

Mr. Chairman, I respectfully request that the Committee report on this treaty as a priority matter and that you recommend that the Senate give its advice and consent to ratification. I appreciate this opportunity to testify and will be pleased to answer any questions.

PROTECTING ANIMALS AGAINST INHUMANE TREATMENT

Mr. CHAFEE. Mr. President, the treatment of animals used in laboratory experiments is by no meams a new issue. It has, however, recently come to the forefront of public attention in the wake of disturbing revelations about the abuses at the University of Pennsylvania Head Injury Clinic. I am pleased that the National Institutes of Health has responded to public concerns by suspending funding for this clinic until a full investigation can be completed.

Abuses at the University of Pennsylvania are merely the most recent and visible example of a continuing problem: Current standards leave too much room for shoddy care and inhumane treatment.

Congress now has before it new legislation designed to tighten these standards. S. 1233, introduced in the Senate by Senator DOLE, and H.R. 2653, introduced in the House by Representative BROWN, would go a long way toward insuring that lab animals are properly cared for and humanely treated.

These bills represent a reasonable approach to a difficult problem. Certainly many research projects which have greatly benefited mankind might not have been conducted without some use of animals. While it is important for such efforts to continue, we most certainly should not condone the inhumane treatment of animals nor should we undertake experiments which sacrifice the lives of animals unnecessarily.

As a cosponsor of Senator DOLE's bill, I urge my colleagues to support this important legislation. It would minimize the use of animals by directing researchers to consider alternatives. A new national information service would assist them in finding such alternatives, and would prevent unintended duplication of research. In those cases which require the use of animals, researchers would be directed to seek the least painful methods, and to use pain-relieving drugs and anesthesia to minimize the animals' distress.

Mr. President, until we can develop alternative methodologies, we will need to continue some use of animals in research. These projects have resulted in medical and scientific breakthroughs that have touched all of our lives, and have saved millions of others. But we can—and should—ensure that strict standards are in place to protect the subjects of such experiments.

This legislation represents a reasonable balance between the public's concern over the treatment of animals and the need to continue research which benefits us all. I believe its enactment will be a significant step toward a resolution of this continuing controversy.

In closing, Mr. President, I wish to direct my colleagues' attention to an editorial on this subject which appeared in yesterday's edition of the New York Times. It points out the need for this type of legislation, adding that the bills before us are endorsed by the American Physiological Society, the largest user of lab animals. I ask unanimous consent that the article be reprinted in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 31, 1985]

CRUELTY TO RESEARCH ANIMALS

Medical research would be impossible without experiments on animals, and most researchers treat them well, not least because badly kept animals make poor subjects. But there are distressing exceptions. Recently, the National Institutes of Health cut off funds for a University of Pennsylvania laboratory after a preliminary finding that the lab failed to treat animals humanely.

Experimentation on animals rouses strong public feeling, particularly when cats or dogs are concerned. Extremist animal rights groups have recently taken to raiding laboratories and turning animals loose. In May 1984 a group stole videotapes of experiments from the Head Injury Research Laboratory at the University of Pennsylvania. Another group, People for Ethical Treatment of Animals, has distributed excerpts of the tapes that seem to show baboons suffering from insufficient anesthesia and nonsterile surgery.

Animal rights advocates not long ago staged a sit-in at the National Institutes of Health protesting the Pennsylvania experiments. The demonstration ended when Margaret Heckler, Secretary of Health and Human Services, ordered the N.I.H. to suspend its funding.

Does the standard of animal care by researchers need improvement? Scientists currently observe voluntary codes. Their institutions have in-house committees that monitor animal research, and are subject to Department of Agriculture inspections. This light-handed control would be ideal if it worked. It doesn't. Painful experiments aside, Agriculture's veterinary inspectors regularly find violations of minimum standards of care. According to inspectors' reports analyzed by the Society for Animal Protective Legislation, 24 percent of one sample of research institutions were found to have major, repeated violations; 22 percent had some major violations, 29 percent had minor violations and only 24 percent were in compliance.

A bill to improve the system has been introduced by Bob Dole in the Senate and George Brown in the House. It would require researchers to minimize pain by all reasonable steps that do not frustrate the experiment. Institutions' animal care committees would have to include a veterinarian and a concerned public member. Researchers would have to consult a veterinarian in planning any painful experiment.

This moderate bill is supported by the American Physiological Society, the largest user of research animals. It believes the bill would impose no hardship on its members and would not impede research. Raising the standards of animal care, and catching offenders who have fallen into callousness, has instrinsic value. It is also necessary to preserve public support against those who oppose all use of animals in research.

NORTHERN VIRGINIA COMMUNITY FOUNDATION'S FOUNDER'S AWARD

Mr. WARNER. Mr. President, I rise today in recognition of the recipient of the Virginia Community Foundation's Founder's Award, John M. Toups, businessman and resident of McLean, VA.

Northern Virginia community leaders will present the award on September 7, 1985.

In publicly recognizing an individual who has made an unusual leadership contribution to the northern Virginia community, the foundation seeks to promote awareness of the significance of individual action in improving the quality of life for all members of the community.

The Northern Virginia Foundation was formed in 1978 by a group of residents who wanted "to return to the community some of the riches that they had received from it."

Five areas of concern benefit from the foundation's endowment funds: The arts, education, health, youth, and civic improvement.

The foundation receives charitable gifts from people from all walks of life at all income levels—families, businesses, national corporations, and foundations.

Donations are used exclusively to benefit northern Virginia.

The foundation has selected John M. Toups, chairman, president, and chief executive officer of Planning Re-

search Corp. to receive the 1985 Founder's Award.

In his 5 years in northern Virginia, John Toups has made significant contributions of time and leadership for the betterment of the business community, the improvement of technical higher education, the support of locally developed cultural activities, and the solution of the area's transportation problems.

John Toups currently serves as a director of the Fairfax County Chamber of Commerce, the Fairfax Symphony, the George Mason Institute Industrial Policy Board, the Tysons Transportation Association, the Washington-Dulles Task Force, and Fairfax County Neighborhood Watch/Crime Prevention Education, Inc.

He has chaired numerous committees and programs in northern Virginia and in the Greater Washington area, and is incumbent president of the professional services council and vice president of the National Security Industrial Association.

Not only has John Toups devoted his personal energies and intelligence to improving the northern Virginia community, but he also has led his company and employees to be actively involved in community affairs.

PRC officers and employees work on business, health, youth, educational, and cultural programs throughout the area, and John Toups has made the PRC headquarters building available to the community as an "after hours" center for community events.

John Toups is a registered engineer and consummate businessman. After several years of municipal engineering, he founded Toups Corp., in Orange County, CA in the late 1950's.

In 1970, the hydrology and land development engineering company merged with Planning Research Corp. He became a PRC director in 1973, president in 1978, and chairman in 1982. Under his leadership, the compnay has grown from $280 million in 1980 when it moved its headquarters to McLean, to a $375 million professional services firm in 1985, providing engineering and information services worldwide.

PRC opened its first offices in McLean, VA in 1970, and John Toups moved the corporate headquarters to a showcase building in the new Tysons/McLean development in 1981.

PRC is now the third largest employer in northern Virginia, with more than 1,400 employees.

With his strong personal and corporate influence for good in the northern Virginia community, John Toups richly deserves the 1985 Northern Virginia Foundation's Founder's Award. When he receives the award on September 7, leaders of all elements of the northern Virginia community will rise to applaud.

THE SINGLE 6-YEAR PRESIDENTIAL TERM

Mr. MATHIAS. Mr. President, the enduring strength of our Constitution is an important source of our national stability. But all of the provisions that worked well during the early days of our Republic are necessarily well suited to today's world. The Presidential term is a prime example of a horse-and-buggy mechanism that requires another look in the space age. Because I believe this provision of our Constitution should be reevaluated, I am pleased to cosponsor Senate Joint Resolution 171. This measure, recently introduced by the chairman of the Judiciary Committee, Senator THURMOND, and by Senator DECONCINI, proposes to amend the Constitution to limit the President to a single, 6-year term.

All of our elected Presidents have been chosen for 4-year terms. Until the ratification of the 22d amendment in 1951, every President was eligible for reelection at the expiration of his term. Even today, a President may serve two terms. This is the status quo that has been the subject of much trenchant criticism.

The critics argue that 4 years may not be long enough for a President to design coherent national policies, work with the Congress to have them enacted, and put them into practice. The possibility that every President may seek reelection promotes partisanship and discourages statesmanship.

The Chief Executive, and his supporters and opponents in the Congress, can't keep their eyes on the ball if they are continually distracted by the prospect of a campaign a few months—or years—down the road. In recent years, we've seen some troubling indications of the price we pay for the current system: lack of continuity and predictability—particularly in foreign policy; inability to take the long view that's needed for wise policy choices; increased difficulty in forging a bipartisan approach to tough national problems.

Because of these shortcomings of the present system, the proposal to limit the President to a single term of 6 years is worth serious consideration. A single 6-year Presidential term—SSPT—would remove the temptation for the President to confuse what's best for the country with what will be best for the party—or the President—at the time for reelection. At the same time, it would give the President a better shot of translating his policy ideas into reality before his term expires.

Like many good insights, SSPT is not a new idea. It was hotly debated at the Constitutional Convention in 1787, which at one point adopted a proposal for a single 7-year term, but later reversed itself. Constitutional amendments to establish a 6-year term have been proposed more than 150 times in Congress over the years; most of these would also have limited the President to a single term.

Several Presidents, from Andrew Jackson through Jimmy Carter, have advocated the concept. Many congressional leaders have agreed: The most recent Senate hearings on the issue, in 1971, focused on a resolution offered jointly by the leader of the Senate Democrats, Mike Mansfield, and the dean of Senate Republicans, George Aiken.

In the 14 years since those last hearings on SSPT, four men have occupied the Oval Office. Each of these incumbents has been involved in a hard-fought Presidential campaign. This recent history has a lot to teach us about the contradictory roles of the President, as Chief Executive, and as a political partisan. President Reagan, in his second term, is the first President since Eisenhower to be barred from succeeding himself. It will be interesting to study his experience in search of clues as to the effect of that status on Presidential power and effectiveness.

There are able advocates on both sides of the Presidential term issue. Elected officials, constitutional scholars, and other citizens will no doubt draw divergent lessons from the recent past. A thorough debate on this topic can only enrich our political discourse.

One of the most thoughtful and vigorous advocates of the single 6-year term was the late Milton S. Eisenhower. Dr. Eisenhower had the rare opportunity to view the power and the problems of the Presidency from close up. Eight Presidents, from Calvin Coolidge to Richard Nixon, profited from his counsel, including, of course, his brother, President Dwight D. Eisenhower. Drawing from this wealth of experience with the modern Presidency, Milton Eisenhower concluded that the establishment of a single 6-year term would be a reform of inestimable importance. In his view, the "pursuit of electoral immortality" was the chief obstacle to increasing the efficiency and effectiveness of our Government. Accordingly, in 1982, Dr. Eisenhower joined with three other distinguished public servants—former Secretary of State Cyrus Vance, former Treasury Secretary William Simon, and former Attorney General Griffin Bell—as national chairmen of the Committee for a Single 6-Year Presidential Term. This committee, headquartered in Baltimore, has worked hard to encourage serious consideration of this proposal.

Milton Eisenhower's death last May deprived the country of one of its most experienced and articulate statesmen. I was fortunate enough to be able to draw on his experience and knowledge at various critical junctures over the past decades, so I feel his loss person-

ally. One way that we as a nation can acknowledge Dr. Eisenhower's legacy is to open a thorough and comprehensive debate on the proposal for a single 6-year Presidential term. One way that I can express my personal gratitude for his wise counsel is to join as a cosponsor of Senate Joint Resolution 171.

TRIBUTE TO MYRTLE E. GREEN

Mr. HEFLIN. Mr. President, it is with a great deal of sorrow that I stand today to acknowledge the passing of one of Alabama's most devoted public servants, Judge Myrtle G. Green of Huntsville.

There are many words with which to describe this rare woman, but perhaps none could be more accurate than the word "dedicated." Myrtle Green was a totally devoted person who contributed 54 years of service toward the betterment of Alabama and Madison County.

Miss Green, a graduate of Riverton High School, began working as a clerk typist in the probate office in 1928. She worked under three probate judges for 41 years before she ran for the office herself. Her bid was a successful one. She carried every ballot box in the county but one, and lost there by only three votes. During her 12 years in office, she not only distinguished herself as an untiring leader, but also as a committed community worker. She served as a member of the advisory board of the Huntsville-Madison County Mental Health Center, a member of the Huntsville Business & Professional Women's Club, the Salvation Army advisory board and the Democratic women's group.

To fully appreciate the depth and dimension of Myrtle Green, one must look at but a few of the honors bestowed on her by her constituents and colleagues. In 1970, she was cited as the "Outstanding Working Woman" by the Central Center Pacesetters. In 1971, the Huntsville-Madison County bar presented her the Liberty Bell Award.

There was no question that Myrtle G. Green was a great public servant. Her dedication and love for Alabama was exemplified through her work. Her perceptive insight, devotion, and integrity while in office meshed to make Myrtle G. Green a probate judge that any State would be proud to claim. Alabama and America have lost a great citizen.

Mr. President, I ask unanimous consent that two articles from the Huntsville Times be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

MYRTLE G. GREEN

Myrtle G. Green, Madison County's first woman probate judge, died Friday afternoon at her home at age 74. With the passing of Miss Green, the county lost one of its most devoted public servants, whose career spanned 54 years.

Miss Green, a graduate of Riverton High School, began working as a clerk-typist in the Probate Office at age 16. She worked under three probate judges for 41 years before deciding to run for the office herself in 1970. She carried every ballot box except for one—and lost that one by only three votes.

She was sworn in as the county's first woman probate judge in January 1971, a post she held until her retirement in early 1983. Miss Green found time for many other community activities. She was a member of the Advisory Board of the Huntsville-Madison County Mental Health Center, a member of the Huntsville Business and Professional Women's Club, the Salvation Army Advisory Board and the Democratic Women's group. She was cited in 1970 as the Outstanding Working Woman by the Central City Pacesetters, received the Good Government Award in 1971 from the Huntsville Jaycees and in 1982 was awarded the Liberty Bell by the Huntsville-Madison County Bar Association.

Miss Green's many friends and the citizens of Madison County she served so well for so long will miss her. She was a public servant in the truest sense.

COUNTY'S FIRST WOMAN PROBATE JUDGE DIES

(BY RETA MCKANNAN)

Myrtle G. Green, who retired in early 1983 as Madison County's first woman probate judge, died Friday afternoon at her home at the age of 74.

Miss Green, of 606 California St., served the county as probate judge from 1971 until her retirement in January 1983. She had compiled 54 years in public service, beginning work in the probate office in 1928 at the age of 16.

Funeral arrangements were to be announced later today.

Miss Green, a graduate of Riverton High School, took her first job as a clerk-typist in the Probate Judge's office after completing a business course at then-Howell Business School in Florence.

She worked under three probate judges for 41 years before running for the office hereself in 1970. She carried every ballot box in the county but one, losing there by only three votes. Miss Green took office in January 1971.

Responsible for all records filed for real estate, deeds, and until 1963, the issuing of all licenses, Miss Green said the work was interesting because "you meet people, help people . . . there's a lot of satisfaction in being able to do that. It made me stay 54 years."

For her accomplishments, Miss Green, was cited in 1970 as the Outstanding Working Woman by the Central City Pacesetters, and received the Good Government Award in 1971 for the Huntsville Jaycees. In 1982, she was awarded the Liberty Bell by the Huntsville-Madison County Bar Association.

She served as a member of the Advisory Board of the Huntsville-Madison County Mental Health Center, and was a member of the Huntsville Business and Professional Women's club, the Salvation Army Advisory Board and the Madison County Democratic Women's group.

Miss Green is survived by two sisters, Miss Lucy Green of Huntsville and Mrs. Elizabeth G. Orth of Decatur, Ga., and two brothers, John Marvin Green of Huntsville and Frank McArthur Green of New Market.

Visitation is scheduled for tonight from 6 to 9 p.m. at Laughlin Funeral Home.

TRIBUTE TO CHARLIE BURNS

Mr. HEFLIN. Mr. President, in the hustle and bustle and chaos of today's society, oftentimes people attach undue importance to material wealth and possessions when categorizing others. All too frequently, our judgments leave out the factors of personal generosity, concern for others, friendship, and kindness.

Today, Mr. President, I rise in sadness occasioned by the recent death of an individual who personified these best human traits, Charlie Burns. Charlie, a resident of Montgomery, AL, passed away on Friday, July 19, from a heart attack while on the way to visit his 91-year-old mother.

Born in Selma, AL, in 1919, Charlie Burns was a graduate of Auburn University. During his career, he worked as a freelance writer, and editor, and as assistant editor of the newsletter put out by the Alabama League of Municipalities. After leaving the league, Charlie worked putting out the Alabama Trucker Magazine for the Alabama Trucking Association, and then was manager and editor of his own Independent Trucker Magazine.

Charlie Burns was a person who could be described as a friend of everyone he ever met. Even when he could not afford to help others, he did anyway—although it would make life that much tougher for him.

Mr. President, our society has too few people like Charlie Burns. It is sad for all of us to have lost him.

Joe Azbell of the Montgomery Independent recently captured the true essence of Charlie Burns in an article he wrote. I ask unanimous consent that that article, and one from the Birmingham News, be printed in full in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Montgomery Independent, July 25, 1985]

CHARLIE REMEMBERED

(By Joe Azbell)

Sgt. Charles J. Burns was editor of the Craig Field Journal before I took over as base newspaper editor at the end of WW II. He was a rip-snorter in those days rushing here and yonder, always on a project.

I will never forget our first encounter. Here was a round little doughboy with a squeaky voice like a toy mouse and a high pitched machine-gun laugh, suddenly appearing to show me some of the tricks to covering Craig Field. His cousin, Ann Burns, later wife of General William Wise, was secretary in the PR office and a crackerjack writer.

The Burnses were a rich, powerful family in Selma at the time. Charlie's uncle, L.P. Burns, was mayor. Mayor Burns literally ran Selma. He was good to Selma and Selma was good to him.

Charlie and I immediately became close friends. He was a civilian living in Montgomery in those days. He would call me up on the phone "Hey, Sergeant, how's the newspaper going? You sure know your onions. Heh! Heh! Anything I can do for you?" He was forever complimenting others but never praised himself.

Charlie died here last week. He was going to visit his mother who at 91 survives him. Charlie just fell over dead on the walkway. He was too heavy and didn't take care of himself.

Former WCOV-TV Announcer Ed Brown said of Charlie: "He was the greatest little guy who ever lived . . . never did a mean thing to anyone. We are going to miss him." Charlie and Ed, who was Gov. Jim Folsom's press secretary, had a warm relationship eating breakfast almost every morning at Farmer's Market.

THE "JEEP"

At Auburn University, Charlie was called "Jeep." He was one of the best loved students on the campus, involved in politics and fraternities, always laughing his show-stopping giggle.

"Heh. Heh. How you doing, buddy. You are sure looking great. I like your tie. It makes you look like a million."

Charlie, as he was later known by friends, never allowed his squeaky voice to slow him down. Then there was his toothy smile with the spaced teeth that lighted up a room.

"Have you heard from Georgy Porgy? I haven't seen him lately. You know the Governor (Wallace) is my old buddy. Met him with Eddie Reed. Eddie Reed just loved him. I think Eddie Reed had more to do with George Porgy's career than anybody."

Nobody ever said an unkind word about Charlie. He was not threatening to anyone. He loved everybody. Everybody loved him. He had a lot of personal problems and pain from his fight to make his Independent Trucker magazine go, his reaching out to help everybody, but he seldom mentioned them.

"Hey, Joe, I brung you something. A little present I picked up for you. If you don't like it, give to Miss Betty. Smartest thing you ever did was to marry a Selma girl and especially that girl."

A PRO

A lot of us used Charlie on occasions when we needed information. If he didn't have the information, he would find it. He was a pro.

Under Ed Reed's tutelage at the Alabama League of Municipalities, Charlie learned about editing a magazine. He was always "associate editor" but he could turn out great little pearls about city officials and they loved it.

Then Charlie left the league and the magazine, much to the shock of his friends. He went to work to make a success of the Alabama Trucker Magazine for the Alabama Trucking Assn. The late Lawrence (Snag) Andrews, a powerful state senator from Union Springs, got the job for Charlie.

After many years, Charlie, now greyhaired, parted from the trucking group and eventually set up the Independent Trucker magazine. He was always moving. He was at the Capitol constantly, running around the city or out in the state in his battered old car.

In later years, he was editor of the Alabama Legionnaire, a job that he got on my recommendations. He was beginning to get back on his feet after a lot of years of tough sledding. He seemed happy for the first time in a long time.

The last time I saw him was a few weeks ago, his white hair was shining and in place but he fussed because he was still fighting dandruff. "I thought when you got greyhaired, you lost dandruff . . . heh-heh, "heh-heh," he said. "What can I do. I've tried everything."

Charlie had a lot of close friends over the years, Jake Jordan, Lea Harris, Ned Jones, Ted Stancel, Henry Flinn Jr., Art Smith, Grover Hall Jr., Paul Robertson, Top Howard, Ray Evans, and just about anybody you can name. He thought Mayor Emory Folmar was the best mayor in Alabama and Mayor Joe Smitherman of Selma right up there with him.

A HAPPY FELLA

During his recent hard luck times, Charlie lived with some of his friends and did little chores for some of them. They loved him and encouraged him and that was why in his mid-sixties he was making a real comeback.

The Charlie Burnses of the world are few and far between. He was involved in hundreds of political campaigns but he never asked for a political favor. He had a lot of pride, a brilliant mind in the trade journal field, and an overflowing generosity. It was giving to friends and refusing to accept full pay for anything that kept him in hard straits. Gov. Wallace would have given him a job but Charlie wouldn't ask. It was his stubborn pride.

If ever there was a guy who considered everyone his brother, it was Charlie. For almost 40 years, we were close buddies. And a thousand others probably could say the same thing of him.

Jim Ritchey of the Truckers Association said Charlie had a small retirement check coming but he wouldn't come by to sign up. He was that way. Money meant little to him even when he needed it.

Out of the kindness of his heart, he helped people when he couldn't afford to do so. If he had money, his friends did, too. I know there must be a special place in heaven for the Charlie Burnses, those who love so deeply and yet get so little from life for themselves.

I can hear that little squeaky voice right now trying to soften up Saint Peter so some of his buddies can come up there and get in and keep him company for he never liked to eat alone and always wanted people around so he could gossip politics or find out what's going around.

[From the Birmingham News, July 20, 1985]

CHARLIE BURNS, WALLACE FRIEND, IS DEAD AT 66

MONTGOMERY.—A longtime friend of Gov. George Wallace and Alabama American Legion public relations officer died suddenly of a heart attack, relatives said.

Charlie Burns, a 66-year-old Montgomery resident, suffered a heart attack Friday morning while walking into the apartment building where his mother lives, said Francis Condit, his sister-in-law.

Wallace said Friday that Burns was a "dear and personal friend and fellow comrade whose death is a personal loss to me."

"His extreme dedication and patriotism to his state and nation was surpassed only by his love for humanity," Wallace said.

Burns worked as a freelance writer and editor, assistant editor of the Alabama League of Municipality newsletter, and manager and editor of the Independent Truckers' Magazine, Ms. Condit said.

Burns, born June 19, 1919 in Selma, graduated from Selma public schools and Auburn University.

Survivors include a son, Charles Burns III of Montgomery; daughters Elizabeth Burns of Montgomery and Mrs. Kendall McMoy of Atlanta; and his mother, Mrs. Charles J. Burns of Montgomery, 91.

Graveside service is set for 2 p.m. Sunday at the Old Live Oaks Cemetery in Selma.

TRIBUTE TO BRYANT WHITMIRE

Mr. HEFLIN. Mr. President, it is with a great deal of sadness that I rise today to note the passing of one of the most outstanding members of the legal profession, Bryant Whitmire of Birmingham, on July 10. 1985.

There are many phrases with which tribute may be paid to attorneys, but probably none convey greater respect than the description, "a common man's lawyer." Bryant Whitmire was truly a champion for the common man, deeply respected by all who met and worked with him. Born in 1912, Whitmire received his law degree from the University of Alabama and was admitted to the Alabama bar in 1936. He set up his own office in 1937 in downtown Birmingham where he practiced the rest of his life. During his distinguished career, his colleagues honored him many times. Among his most treasured award was being named Lawyer of the Year in 1981 by the Birmingham Bar Association.

To fully realize the depth and dimension of this dedicated man, one must look beyond a mere listing of his honors and awards to the true essence of his character.

Bryant Whitmire was a rare and unique character, as well as being a tremendous lawyer. His life was shaped around his love for other people. He had excellent logic and true merit and achieved much scholarly success, but I believe his own measure of success was not in his material or personal accomplishments, but in the simple everyday pleasure of helping other people.

Bryant Whitmire was truly fond of his clients, thinking of them not as impersonal numbers or mere faces, but as worthy human beings. He was widely known for his wit and humor, his storytelling abilities, his integrity, and his leadership but no more so than for his ability and willingness to give his time to listen and counsel.

Bryant Whitmire was fond of saying that he was a "country lawyer, the last of a dying breed." He was not only a lawyer, but a counselor, and a friend. He dealt with bankers and doctors, coal miners and coal operators, workers and laborers alike, never caring about their positions, only their needs. He earned many times over, the respect and admiration of all who knew him.

Mr. President, Bryant Whitmire was a truly great attorney and man. His life personified the true essence of the word citizen. I only wish that my words today could convey the same esteem toward him that he clearly held others in. Bryant Whitmire will be greatly missed. Alabama, and America, have lost a great citizen, I have lost a close friend.

Mr. President, I ask unanimous consent that an article from the Birmingham News be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From The Birmingham News, July 11, 1985]

BRYANT WHITMIRE DIES; SELF-STYLED COUNTRY LAWYER

He didn't think of himself as one of those big-city attorneys in a law firm with a string of last names for a company title.

But as you'd expect a lawyer to do, Bryant Whitmire kept an office tucked into a tall, downtown building, plaques dotting the walls and heavy books filling the shelves.

It was the client he could look to for a plate of turnip greens as he dropped off some legal papers that made Whitmire smile.

He once told The Birmingham News, "I even give (clients) curb service. I'm going to take a copy of a will to a lady in Leeds myself, not mail it to her or send somebody else with it. I know that lady, know her family, and if she's home, she'll have some turnip greens for me."

Whitmire, 73, died Wednesday. His son, Bryant Jr., said although his father had "slowed down in past years" because of asthma, he kept working with the law firm of Whitmire, Coleman and Whitmire until his death.

"He'd come in three or four hours a day. He'd handle as much as he could." When his father had more than he could do, he'd pass it on to his only son. "And that was fine. It's what I'm here for," he said.

Funeral will be at 11 a.m. Friday at Johns-Ridout's Southside with burial following in Cedar Grove in Leeds, Whitmire's hometown.

He is survived by his wife, Sue, his son Bryant, and two daughters, Elaine Whitmire of New York City and Suzanne Haugseth of Florence.

"He was a heavy-set man, jovial. A general practitioner," the younger Whitmire said

"He was a heavy-set man, jovial. A general practioneer," the younger Whitmire said of his father. "He had a thousand stories to tell. It's a shame we didn't get a tape recorder and go over his stories. We just didn't get that done," he said.

"He considered himself a country lawyer. He was one of the last of the breed," said the younger Whitmire.

In 1981 when the former president of the Birmingham Bar Association was named Lawyer of the Year, he told *The News*, "I never wanted to be a hotshot lawyer in one of those big firms where they have one lawyer interview a client, then another one do something else, then another one finally get down to handling you.

"I get to see people every day," he said with a wide smile. "There are lawyers in bigger firms that stay on their phones talking to places like San Francisco and New York and overseas all the time. It seems as if that's all they ever do.

"That isn't for me," he said. "I'm a local community lawyer. I deal with bankers and doctors, coal miners and coal operators, workers and laborers and the people they work for."

Shortly after he earned his law degree from the University of Alabama School of Law, Whitmire was offered three jobs—two which paid $50 a month and another which paid $100 a month.

"Daddy had a fit when I told him that," Whitmire once told The News. "He told me, 'After all that time and hard work and money spent to become a lawyer, that's the best they could do?' Then he said, "Come on, let's go get us an office and open up your own law practice."

It was 1937 when Whitmire and his father found an office in the City Federal Building in downtown Birmingham. It was where he practiced the rest of his life.

Current Bar Association President J. Mason Davis said the long table still dominating the group's meeting room was one Whitmire arranged to buy more than 30 years ago from a Leeds chair company. "We just had it refinished because of the sentiment attached to it," he said. "When we look at it, we think of (Whitmire)."

Davis said, "He was the fastest storyteller around. It's a great loss to Birmingham."

THE 34TH ANNUAL NATIONAL SQUARE DANCE CONVENTION

Mr. HEFLIN. Mr. President, on June 28, 1985, I had the privilege of attending an outstanding first for my home State, the 34th National Square Dance Convention.

The many folk arts that have always thrived in Alabama have long been a source of pride for the State. Both our musical and dancing heritage have played important roles in the development of America's musical tradition. Alabama's recognition of square dancing as the State dance has been a boon not only to square dancing itself, but to all the traditional arts.

The role of square dancing is an important one. Today, in an era when the traditional family unit is frequently criticized, square dancing is a form of family recreation which symbolizes the unity of the family, a basic cornerstone of our society. It is a joyful expression of the vibrant spirit of the American people. It is from this that the spirit of gatherings such as this one grows, a monument to a past expression of joy that overlaps to a bright future.

The 34th National Square Dance Convention was a tremendous success in many ways. It not only recognized and celebrated the square dance, but it also spread our much acclaimed "southern hospitality" to all parts of the Nation. The fellowship and interaction the fellow square dancers shared helped to intensify the friendly and open atmosphere that so characterizes Alabama. The convention was the largest gathering ever held in Alabama, boasting 19,730 dancers from 49 States and 10 countries.

Mr. President, for a moment I would like to commend the local Alabamians who put this convention together. It is not often that the kind of dedication that these people displayed is found. There were a total of 3,000 Alabama square dancers who volunteered their time and efforts over the past 3 years to accomplish this feat. If no administrative costs, it is estimated that between $11 and $15 million was generated into the economy. Most importantly, but their hard work and devotion, they set up a program that was organized, enjoyable, and successful. I take my hat off to these people, they represent the best resource that Alabama has to offer.

Like all Alabamians, I am very proud of the talent that lies in abundance in our home State. It was a great pleasure for me to attend the 34th National Square Dance Convention and speak to the participants. An important chapter of history was added to Alabama's heritage by this convention, and I would like to commend all those involved with this undertaking.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and a withdrawal which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

AMENDMENT TO DEFENSE NUCLEAR COOPERATION AGREEMENT BETWEEN THE UNITED STATES AND FRANCE—MESSAGE FROM THE PRESIDENT—PM-72

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to transmit to the Congress, pursuant to Sections 123 b. and 123 d. of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2153(b), (d)), the text of an amendment modifying the 1961 defense nuclear cooperation agreement between the United States and France to provide for cooperation on the safety and security of

nuclear activities and installations for mutual defense purposes. I am also including a copy of my written approval, authorization, and determination concerning that agreement, as amended. A copy of the joint unclassified letter submitted to me by the Secretaries of Energy and Defense, which provides a summary position on the amendments, is also enclosed. A classified letter and attachments are being transmitted directly to the appropriate congressional committees.

The amendment focuses our cooperation on the safety and security of each nation's nuclear activities and installations. It does not allow transfer of nuclear components or weapons, or special nuclear materials, or source material and, therefore, fully complies with the international agreements in matters of non-proliferation and does not alter other mutual cooperation agreements that exist between the two countries in the field of defense.

I have concluded that the cooperation authorized by the amendment is in the United States' interest and have determined that performance of the amended agreement will promote and not constitute an unreasonable risk to the common defense and security. Accordingly, I have approved the amendment and authorized its execution.

I have also found that the amendment meets all applicable requirements of the Atomic Energy Act, as amended, for agreements for defense nuclear cooperation; and therefore, I am transmitting it to the Congress without exempting it from any requirement contained in Section 123 a. of the Atomic Energy Act. The transmission shall constitute submittal for the purposes of Sections 123 b. and 123 d. of the Atomic Energy Act. The 30-day continuous session period specified in Section 123 b. shall begin immediately. Upon completion of this period, the 60-day continuous session period provided for in Section 123 d. shall commence.

RONALD REAGAN.

THE WHITE HOUSE, *August 1, 1985.*

MESSAGES FROM THE HOUSE

ENROLLED JOINT RESOLUTION SIGNED

At 10:38 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolution.

S.J. Res. 180. Joint resolution commemorating the 10th anniversary of the signing of the Helsinki Final Act.

The enrolled joint resolution was subsequently signed by the President pro tempore [Mr. THURMOND].

At 3:31 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 1714) to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes; it asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. FUQUA, Mr. BROWN of California, Mr. NELSON of Florida, Mr. ANDREWS, Mr. TORRICELLI, Mr. LUJAN, Mr. WALKER, and Mr. LEWIS, of Florida as managers of the conference on the part of the House.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2068) to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the U.S. Information Agency, the Board for International Broadcasting, and for other purposes.

The message further announced that the House agrees to the amendment of the Senate to the following bill:

H.R. 2370. An act to amend the Public Health Service Act to extend the programs of assistance for nurse education.

The message also announced that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 444. An act to amend the Alaska Native Claims Settlement Act.

The message further announced that the House agrees to the amendments of the Senate to the amendments of the House to the bill (S. 1147) to amend the orphan drug provisions of the Federal Food, Drug, and Cosmetic Act and related laws.

The message also announced that the House agrees to the amendments of the Senate to the amendments of the House to the bill (S. 1195) to require that a portion of the mail of Congress and the executive branch include a photograph and biography of a missing child.

The message further announced that the House has passed the following joint resolutions, without amendment:

S.J. Res. 137. Joint resolution to designate the week of December 15, 1985, through December 21, 1985, as "National Drunk and Drugged Driving Awareness Week;" and

S.J. Res. 168. Joint resolution designating August 13, 1985, as "National Neighborhood Crime Watch Day."

The message also announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 9. Concurrent resolution expressing the sense of the Congress that Medicare be commended on its 20th anniversary for the program's success in protecting older Americans against the high cost of health care.

The message also announced that the House has passed the following bills and joint resolutions, in which it requests the concurrence of the Senate:

H.R. 484. An act for the relief of certain former flight engineers of Western Airlines;

H.R. 1028. An act to promote and encourage management of priority interjurisdictional fishery resources;

H.R. 1095. An act for the relief of Meals on Wheels of the Monterey Peninsula, Incorporated;

H.R. 2121. An act to provide for the reauthorization of the Coastal Zone Management Act of 1972, and for other purposes;

H.R. 3036. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1986, and for other purposes;

H.R. 3067. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1986, and for other purposes;

H.J. Res. 60. Joint resolution to designate the week beginning September 1, 1985, as "National School-Age Child Care Awareness Week"; and

H.J. Res. 300. Joint resolution designating August 14, 1985, as "Social Security Day," and the week of August 11, 1985, through August 17, 1985, as "Social Security Week."

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 181. Concurrent resolution to correct the enrollment of the bill H.R. 2068.

At 6:10 p.m., a message from the House of Representatives, delivered by Mr. Berry, one if its reading clerks, announced that the House agrees to the report of the committee of conference of the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1460) to express the opposition of the United States to the system of apartheid in South Africa, and for other purposes.

The message also announced that the House agrees to the amendment of the Senate to the amendment of the House to the amendment of the Senate numbered 112 to the bill (H.R. 2577) making supplemental appropriations for the fiscal year ending September 30, 1985, and for other purposes.

At 8:10 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 2475) to amend the Internal Revenue Code of 1954 to simplify the imputed interest rules of sections 1274 and 483, and for other purposes; it agrees to the conference asked by the Senate on the disagreeing votes of the

two Houses thereon, and appoints Mr. ROSTENKOWSKI, Mr. GIBBONS, Mr. PICKLE, Mr. RANGEL, Mr. STARK, Mr. DUNCAN, Mr. ARCHER, and Mr. VANDER JAGT as managers of the conference on the part of the House.

The message also announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 98. Joint resolution condemning the passage of Resolution 3379 in the U.N. General Assembly on November 10, 1975, and urging the U.S. Ambassador and U.S. delegation to take all appropriate actions necessary to erase this shameful resolution from the record of the United Nations.

At 8:58 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House recedes from its amendment to the concurrent resolution (S. Con. Res. 32) setting forth the congressional budget for the U.S. Government for the fiscal years 1986, 1987, and 1988 and revising the congressional budget for the U.S. Government for the fiscal year 1985, and concurs therein, with a further amendment, in which it requests the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker has signed the following enrolled bill:

S. 1195. An act to amend title 3, United States Code, to authorize the use of penalty and franked mail efforts relating to the location and recovery of missing children.

At 9:36 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2475) to amend the Internal Revenue Code of 1954 to simplify the imputed interest rules of sections 1274 and 483, and for other purposes.

MEASURES REFERRED

The following bills and joint resolutions were read the first and second times by unanimous consent, and referred as indicated:

H.R. 484. An act for the relief of certain former flight engineers of Western Airlines; to the Committee on the Judiciary.

H.R. 1028. An act to promote and encourage management of priority interjurisdictional fishery resources; to the Committee on Commerce, Science, and Transportation.

H.R. 1095. An act for the relief of Meals on Wheels of the Monterey Peninsula, Incorporated; to the Committee on Finance.

H.R. 3036. An act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1986, and for other purposes; to the Committee on Appropriations.

H.R. 3067. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1986, and for other purposes; to the Committee on Appropriations.

H.J. Res. 60. Joint resolution to designate the week beginning September 1, 1985, as "National School-Age Child Care Awareness Week"; to the Committee on the Judiciary.

H.J. Res. 300. Joint resolution designating August 14, 1985, as "Social Security Day", and the week of August 11, 1985, through August 17, 1985, as "Social Security Week"; to the Committee on the Judiciary.

MEASURES PLACED ON THE CALENDAR

The following bills were read the first and second times by unanimous consent, and placed on the calendar:

H.R. 2121. An act to provide for the reauthorization of the Coastal Zone Management Act of 1972, and for other purposes.

H.R. 2466. An act to make miscellaneous changes in laws affecting the United States Coast Guard, and for other purposes.

ENROLLED JOINT RESOLUTION SIGNED

The Secretary of the Senate reported that on today, August 1, 1985, she had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 180. Joint resolution commenorating the tenth anniversary of the signing of the Helsinki Final Act.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were refered as indicated:

EC-1581. A communication from the General Counsel of the Department of Energy transmitting a draft of proposed legislation to transfer certain National Forest lands from the Department of Agriculture to the Department of Energy for added security enhancement for the Savannah River Plant; to the Committee on Agriculture, Nutrition and Forestry.

EC-1582. A communication from the Secretary to the Railroad Retirement Board transmitting, pursuant to law, a report on a violation of law involving overobligation of appropriated funds; to the Committee on Appropriations.

EC-1583. A communication from the Assistant Secretary of the Interior transmitting, pursuant to law, the Agreement of the Special Representatives on Future U.S. Financial Assistance for the Northern Mariana Islands, and a draft of proposed legislation to authorize financial assistance to the Mariana Islands; to the Committee on Energy and Natural Resources.

EC-1584. A communication from the Secretary of Health and Human Services transmitting a draft of proposed legislation to extend coverage under the Social Security Act to railroad employment; to the Committee on Finance.

EC-1585. A communication from the Director of Legislative Affairs, transmitting, pursuant to law, notice of the intention to increase level of aid to Mali for fiscal year 1985; to the Committee on Foreign Relations.

EC-1586. A communication from the Director of Legislative Affairs, AID, transmitting, pursuant to law, notice of the intention to increase aid to Liberia for fiscal year 1985; to the Committee on Foreign Relations.

EC-1587. A communication from the Secretary of Health and Human Services transmitting a draft of proposed legislation to amend Indian health authorities; to the Select Committee on Indian Affairs.

EC-1588. A communication from the Administrator of the Veterans' Administration transmitting a draft of proposed legislation to require non-Federal providers of hospital care and services receiving direct Medicare payments for services to Medicare beneficiaries provide similar services to VA beneficiaries under similar VA payment policies; to the Committee on Veterans' Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated.

POM-368. A concurrent resolution adopted by the Legislature of the State of Utah; to the Committee on Finance.

"RESOLUTION

"Whereas, H.R. 1520 is a bill sponsored by Congressman Morris Udall in the U.S. House of Representatives which directs the President to negotiate a decrease in foreign copper production and, if a decreased is not agreed upon, imposes tariffs on foreign copper products being imported into this country;

"Whereas, the chief copper producers of the world, besides the United States, are Chile, Zambia, Zaire, and Peru;

"Whereas, H.R. 1520 calls upon the President to negotiate with these four countries to reach an agreement whereby they will limit their copper production to 1983 levels for five years after the agreement is reached;

"Whereas, if the President cannot reach such an agreement within six months with these four countries, H.R. 1520 would impose tariffs of 15 cents per pound of copper or fabricated copper imported into this country, including copper wire, sheets, bars, strips, angles, mesh, foil, and insulated wire;

"Whereas, H.R. 1520 has been proposed in response to the impact of cheap foreign copper products on the U.S. industry, which has caused a loss of over half of the jobs in the copper mining and smelting industry since 1979, and resulted in the closure of over 15 of the 28 major copper mines in the country, including the Kennecott Mines;

"Whereas, although in 1980 the U.S. copper mines produced one-quarter of the world's copper products, today they produce only one-sixth;

"Whereas, although copper prices are at a 60-year low in real dollars, foreign copper production has actually increased;

"Whereas, a number of circumstances have combined to give foreign copper producers an unfair advantage over U.S. copper producers;

"Whereas, foreign copper producers, unlike U.S. producers, have access to low-interest loans from multilateral lenders such as the World Bank, which allow them to

function at substantially lower costs than U.S. producers;

"Whereas, foreign copper producers also have a cost advantage in the lack of environmental controls on copper production, in contrast to the high-cost environmental control equipment required on U.S. plants;

"Whereas, the current high levels of the dollar against foreign currency hurts the U.S. copper industry by making prices artificially high, and helps foreign copper producers by keeping the price of their copper artificially low; and

"Whereas, the devastation of the U.S. copper industry because of undue foreign competition causes problems for individual workers, and city, state, and federal governments.

"Now, therefore, be it resolved, That the Legislature of the state of Utah, the Governor concurring therein, expresses its support for the passage of H.R. 1520, sponsored by Congressman Morris Udall of Arizona and co-sponsored by Congressmen David Monson and Howard Nielson.

"Be it further resolved, That a copy of this resolution be prepared and forwarded to the members of Utah's congressional delegation, the President of the U.S. Senate, the Speaker of the U.S. House of Representatives, and the chairman of the House Ways and Means Committee."

POM-369. A resolution adopted by the Hermitage Board of Commissioners relating to the use of nuclear weapons at Hiroshima and Nagasaki; to the Committee on Foreign Relations.

POM-370. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations.

"ASSEMBLY JOINT RESOLUTION No. 63

"Whereas, For 14 years Ida Nudel, a Jewish citizen of the Soviet Union, has tried to gain permission to emigrate to Israel, to join her only living relative, her sister; and

"Whereas, Ida Nudel has come to be known as the "Guardian Angel" of the Soviet Jewry movement, for her indefatigable efforts on behalf of "prisoners of conscience" and others who have suffered persecution by the Soviet government solely because they desire to celebrate their Jewish heritage and emigrate to Israel; and

"Whereas, For her efforts she was sentenced to a four-year prison term in Siberia, and since her release has been forced to live in "unofficial exile" far from her home in Moscow; and

"Whereas, In recent months she has been taken seriously ill, and the prospects for her recovery are not encouraging; and

"Whereas, Rather than allow her to receive the full medical attention and treatment she needs, the Soviet authorities have instead threatened her with a new trial and prison term; and

"Whereas, The type of treatment that Ida Nudel has received from the Soviet government is not worthy of such a powerful nation and is in violation of the international human rights accords to which the Soviet Union is a signator; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California urges the government of the Union of Soviet Socialist Republics to allow Ida Nudel to emigrate to Israel where she may be reunited with her sister, her only living relative, who will care for her in the remaining months of her life; and be it further

"Resolved, That the legislature urges the President of the United States and other federal officials to use all appropriate diplomatic channels to attempt to persuade Soviet authorities to allow the emigration of Ida Nudel; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President, Vice President, and Secretary of State, the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to the Ambassador to the United States from the Union of Soviet Socialist Republics, and to the Consul General of the Union of Soviet Socialist Republics headquartered in San Francisco."

POM-371. A resolution adopted by the Army & Navy Union of U.S.A. relating to Bill S. 1456; to the Committee on the Judiciary.

POM-372. A joint resolution adopted by the General Assembly of the State of Tennessee; to the Committee on the Judiciary.

"HOUSE JOINT RESOLUTION No. 295

"Whereas, the 1st Congress of the United States of America, at its first session, by a two-thirds (⅔) majority of both Houses, made the following proposition to amend the Constitution of the United States of America in the following words, to wit:

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, two thirds of both Houses concurring. That the following (article) be proposed to the legislatures of the several states, as (an amendment) to the constitution of the United States, . . . which (article), when ratified by three fourths of the said legislatures, to be valid to all intents and purposes, as part of the said Constitution, viz:

"ARTICLE

"No law varying the compensation for the services of the Senators and Representatives shall take effect, until an election of Representatives shall have intervened. Now, therefore,

"Be it resolved by the House of Representatives of the Ninety-Fourth General Assembly of the State of Tennessee, the Senate Concurring, That the proposed amendment to the Constitution of the United States of America quoted in the preamble of this Resolution is ratified.

"Be it further resolved, That certified copies of this Resolution be forwarded by the Secretary of State of Tennessee to the Governor of Tennessee; to the Administrator of General Services, Washington, D.C.; and to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States."

POM-373. A resolution adopted by the Council of the City of Fort Worth, Texas relating to the Fair Labor Standards Act; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GOLDWATER, from the Committee on Armed Services, unfavorably without amendment:

H.R. 752: A bill to amend title 38, United States Code, to ensure an orderly transition to the new educational assistance program established by chapter 30 of that title (Rept. No. 99-124).

By Mr. STAFFORD (for Mr. HATCH), from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 1264: A bill to amend the National Foundation on the Arts and Humanities Act of 1965, to extend the authorizations of appropriations for that Act, and for other purposes (Rept. No. 99-125).

By Mr. ABDNOR, from the Committee on Environment and Public Works, without amendment:

S. 1567: An original bill to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes (Rept. No. 99-126).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, without amendment:

S.J. Res. 43: Joint resolution to authorize the Armored Force Monument Committee, the United States Armor Association, the World Wars Tank Corps Association, the Veterans of the Battle of the Bulge, the 11th Armored Cavalry Regiment Association, the Tank Destroyer Association, the 1st, 2d, 3d, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th, 12th, 13th, 14th, and 16th Armored Division Associations, and the Council of Armored Division Associations, jointly to erect a memorial to the "American Armored Force" on United States Government property in Arlington, Virginia, and for other purposes (Rept. No. 99-127).

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 1097: A bill to amend the Motor Vehicle Information and Cost Savings Act to provide for the appropriate treatment of methanol (Rept. No. 99-128).

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs, without amendment and with a preamble:

H.J. Res. 251: Joint resolution to provide that a special gold medal honoring George Gershwin be presented to his sister, Frances Gershwin Godowsky, and a special gold medal honoring Ira Gershwin be presented to his widow, Lenore Gershwin, and to provide for the production of bronze duplicates of such medals for sale to the public.

By Mr. ABDNOR, from the Committee on Environment and Public Works, without amendment:

S. Res. 207: An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1567, the Water Resources Development Act of 1985.

S. Res. 208: An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1567, the Water Resources Development Act of 1985.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources:

Michael E. Baroody, of Virginia, to be an Assistant Secretary of Labor; and

Richard S. Nicholson, of Virginia, to be an Assistant Director of the National Science, Foundation.

(The above nominations were reported from the Committee on Labor and Human Resources, with the recommendation that they be confirmed, subject to the nominees' commitment

to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. LUGAR, from the Committee on Foreign Relations:

John Gunther Dean, of New York, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to India.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: John Gunther Dean.

Post: Ambassador to the Republic of India.

CONTRIBUTIONS, AMOUNT, DATE, DONEE

1. Self: John Gunther Dean: None.
2. Spouse: Martine Duphenieux Dean: None.
3. Children and Spouses names: Daughter: Catherine Dean Curtis: None. Son-in-law: William Curtis: None. Son: Paul Dean: None. Daughter-in-law: Lucinda Closson Dean: None. Son: Joseph Dean: None.
4. Parents names: None (deceased).
5. Grandparents names: None (deceased).
6. Brothers and spouses names: None.
7. Sisters and spouses names: None.

Frank Shakespeare, of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Portugal.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Frank Shakespeare.

Post: Ambassador to Portugal.

CONTRIBUTIONS, AMOUNT, DATE, DONEE.

1. Self: 1983, none; 1981, none; October 1982, Fascell campaign committee, $100; October 1984, Fascell campaign committee, $100; August 1982, Lou Lehrman, $250; May 1982, Hatch, $150; May 1982, Vice President Bush, $100; May 1982, Blackburn, $100; September 1982, Buckley, $50.
2. Spouse: None.
3. Children and spouses: None.
4. Parents names: None (deceased).
5. Grandparents names: None (deceased).
6. Brothers and spouses names: None.
7. Sisters and spouses names: None.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. INOUYE:

S. 1549. A bill for the relief of Joseph Y.; wife, Jean Marichu; sons, Franz Joseph L.; Felix Roy L.; daughters, Maria Estrella L.; Milche L. Quijano; to the Committee on the Judiciary.

By Mr. DURENBERGER (by request):

S. 1550. A bill to reduce costs in the Medicare and Medicaid programs, and for other purposes; to the Committee on Finance.

By Mr. DURENBERGER (for himself, Mr. HEINZ and Mr. CHAFEE):

S. 1551. A bill to amend title XVIII of the Social Security Act to provide for administrative appeals and judicial review under part B of Medicare; to the Committee on Finance.

By Mr. HEINZ:

S. 1552. A bill to amend the Public Works and Economic Development Act of 1965 to establish a National Public Works Corporation for purposes of providing financial assistance to States and local governments for the construction, rehabilitation, and repair of certain public facilities, and for other purposes; to the Committee on Environment and Public Works.

By Mr. HATFIELD (for himself, Mr. PACKWOOD, Mr. STAFFORD and Mr. KERRY):

S. 1553. A bill entitled the "Beverage Container Reuse and Recycling Act"; to the Committee on Commerce, Science, and Transportation.

By Mr. HATFIELD:

S. 1554. A bill for the relief of Samina Zafar and Saadia Zafar, her daughter; to the Committee on the Judiciary.

S. 1555. A bill for the relief of Fernando Casafranca and Theresa Bravo Casafranca, his wife, and Miguel Casafranca, their son; to the Committee on the Judiciary.

By Mr. FORD (for himself, Mr. PELL, Mr. NUNN, Mr. GARN, Mr. BUMPERS, Mr. COCHRAN, Mr. ZORINSKY, and Mr. GORE):

S. 1556. A bill to provide for a two-year Federal budget cycle, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

By Mr. METZENBAUM:

S. 1557. A bill to provide the public with information concerning the use of products containing aspartame, to provide for conduct of studies to determine the health effects of using products containing aspartame, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. LAXALT (for himself and Mr. HECHT):

S. 1558. A bill to settle certain claims affecting the Pyramid Lake Paiute Indian Tribe of Nevada, and for other purposes; to the Committee on the Judiciary, the Committee on Energy and Natural Resources and the Select Committee on Indian Affairs, jointly, by unanimous consent provided, that if the Committee on Indian Affairs reports the bill, the other committees have 15 calendar days in which to report or be discharged.

By Mr. DURENBERGER (for himself and Mr. QUAYLE):

S. 1559. A bill to amend title XVIII of the Social Security Act to revise the method of payment to hospitals for capital related costs under the Medicare program; to the Committee on Finance.

By Mr. QUAYLE (for himself and Mr. DURENBERGER):

S. 1560. A bill to provide for a block grant to States for health planning activities, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. SPECTER:

S. 1561. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 regarding contribution, and for other purposes; to the Committee on the Judiciary.

By Mr. GRASSLEY (for himself, Mr. DECONCINI and Mr. LEVIN):

S. 1562. A bill to amend the False Claims Act, and title 18 of the United States Code regarding penalties for false claims, and for other purposes; to the Committee on the Judiciary.

By Mr. HELMS (for himself, Mr. ABDNOR, Mr. DENTON, Mr. EAST, Mr. GOLDWATER, Mr. GRASSLEY, Mr. LAXALT, and Mr. NICKLES):

S. 1563. A bill to amend the Federal Campaign Act of 1971 to prohibit the use of compulsory union dues for political purposes; to the Committee on Rules and Administration.

By Mr. DURENBERGER:

S. 1564. A bill to provide for a self-regulating system of lobby disclosure to supplement and make more effective current disclosure law in the least burdensome manner possible; to the Committee on Governmental Affairs.

By Mr. NICKLES (for himself and Mr. BOREN):

S. 1565. A bill to require the Secretary of Agriculture to conduct a study of alternatives for providing agricultural credit during the 1986 through 1989 fiscal years; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DENTON (for himself and Mr. HATCH):

S. 1566. A bill to extend the Family Life Demonstration Program for three years; to the Committee on Labor and Human Resources.

By Mr. ABDNOR

S. 1567. An original bill to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes; from the Committee on Environment and Public Works; placed on the calendar.

By Mr. LAXALT (for himself and Mr. HECHT):

S. 1568. A bill to declare that the United States holds certain lands in trust for the Reno Sparks Indian Colony; to the Committee on Energy and Natural Resources.

By Mr. BINGAMAN (for himself, Mr. MATSUNAGA, Mr. CHILES, Mr. HOLLINGS and Mr. GORE):

S. 1569. A bill to amend title XVIII of the Public Health Service Act to encourage health promotion and disease prevention through the implementation of a coordinated national nutrition monitoring system; to the Committee on Governmental Affairs.

By Mr. NICKLES (for himself, Mr. WILSON, Mr. THURMOND, Mr. HATCH, Mr. MATTINGLY, Mr. EXON, Mr. COCHRAN, Mr. LUGAR, Mr. ZORINSKY, Mr. GRAMM, Mr. EVANS, Mr. MCCLURE, Mr. EAST, Mr. MCCONNELL, Mr. HECHT, Mr. ABDNOR, Mr. BOSCHWITZ, Mr. GARN, Mr. DURENBERGER, Mr. LAXALT, Mr. SIMPSON, Mrs. KASSEBAUM, Mr. DOLE, and Mr. DOMENICI):

S. 1570. A bill to amend the Fair Labor Standards Act of 1938 to exclude the employees of States and political subdivisions of States from the provisions of that Act relating to maximum hours, to clarify the application of that Act to volunteers, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BRADLEY:

S. 1571. A bill to stabilize international currency markets in support of fair global competition; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BOSCHWITZ:

S. 1572. A bill for the relief of Marie Ange Adolphe; to the Committee on the Judiciary.

By Mr. D'AMATO:

S. 1573. A bill to extend patent numbered 3,387,268, "Quotation Monitoring Unit", for a period of ten years; to the Committee on the Judiciary.

By Mr. LUGAR (for himself and Mr. HATCH):

S. 1574. A bill to provide for public education concerning the health consequences of using smokeless tobacco products; to the Committee on Labor and Human Resources.

By Mr. WEICKER (for himself and Mr. BUMPERS):

S. 1575. A bill to recognize the Cabinet status of the Administrator of the Small Business Administration; to the Committee on Governmental Affairs.

By Mr. MITCHELL:

S. 1576. A bill to amend the Trade Act of 1974 to authorize the President to negotiate an agreement establishing a joint commission to resolve trade and other economic disputes between the United States and Canada; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 1577. A bill to transfer title, control, and custody of certain lands near Aiken, South Carolina from the United States Department of Agriculture to the United States Department of Energy; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. THURMOND (for himself, Mr. KENNEDY, Mr. DENTON, Mr. GORTON, Mr. SYMMS, Mr. GORE, Mr. MATTINGLY, Mr. LAXALT, Mr. MCCONNELL, Mr. HECHT, Mr. HATFIELD, Mr. PACKWOOD, Mr. MATSUNAGA, Mr. STEVENS, Mr. SPECTER, Mr. MURKOWSKI, Mr. HATCH, Mr. EVANS, Mr. WALLOP, Mr. EAST, Mr. CHILES, Mr. INOUYE, Mr. HELMS, Mr. SIMPSON and Mr. HOLLINGS):

S. 1578. A bill to amend the Low-Level Radioactive Waste Policy Act to improve procedures for the implementation of compacts providing for the establishment and operations of regional disposal facilities for low-level radioactive waste, and for other purposes; to the Committee on Environment and Public Works.

By Mr. CRANSTON (for himself, Mr. STAFFORD, Mr. KENNEDY, Mr. WEICKER, Mr. KERRY and Mr. RIEGLE):

S. 1579. A bill to clarify that the remedies available for the enforcement of certain civil rights statutes are applicable to the States; to the Committee on Labor and Human Resources.

By Mr. THURMOND (for himself, Mr. HATCH, Mr. DENTON and Mr. EAST):

S. 1580. A bill to provide for comprehensive reforms and to achieve greater equity in the compensation of attorneys pursuant to Federal statute in civil and administrative proceedings in which the United States, or a State or local government, is a party; to the Committee on the Judiciary.

By Mr. THURMOND (for himself and Mr. MATHIAS) (by request):

S. 1581. A bill to amend section 3006A of title 18, United States Code, to improve the delivery of legal services in the criminal justice system to those persons financially unable to obtain adequate representation, and for other purposes; to the Committee on the Judiciary.

By Mr. MURKOWSKI:

S. 1582. A bill to amend the Securities Exchange Act of 1934; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. D'AMATO (for himself, Mrs. HAWKINS, Mr. ABDNOR and Mr. MURKOWSKI):

S. 1583. A bill to provide additional funding for comprehensive drug law enforcement, prevention, and treatment; to the Committee on the Judiciary.

By Mr. HEINZ:

S. 1584. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer to expense the costs of plant and equipment destroyed in whole or in part in a nature disaster; to the Committee on Finance.

By Mr. MATTINGLY (for himself, Mr. NUNN, Mr. ZORINSKY, Mr. DURENBERGER, Mr. THURMOND, Mr. STENNIS, Mr. ABDNOR, Mr. BOREN, Mr. GRASSLEY, Mr. PRYOR, Mr. COCHRAN, Mr. HEFLIN, Mr. WARNER, Mr. HOLLINGS, Mrs. KASSEBAUM, Mr. BOSCHWITZ, Mr. TRIBLE, Mrs. HAWKINS, Mr. EAST, Mr. ANDREWS, Mr. DENTON, Mr. HELMS and Mr. HARKIN):

S. 1585. A bill to amend the Internal Revenue Code in order to clarify the right of cooperatives to net earnings and losses among patronage allocation units, and for other purposes; to the Committee on Finance.

By Mr. WALLOP:

S. 1586. A bill entitled the "Action Act Against Violations of Human Rights"; to the Committee on Foreign Relations.

By Mr. ROTH (for himself, Mr. METZENBAUM, Mr. FORD and Mr. PROXMIRE):

S. 1587. A bill to establish a commission to review contract payments by departments and agencies of the Federal Government and to take appropriate action to recapture profits on those contracts which the commission determines to be excessive; to the Committee on Governmental Affairs.

By Mr. SARBANES:

S. 1588. A bill to amend title 5, United States Code, to modify the method for determining the amount payable by a Federal employee in order to receive credit under the civil service retirement system based on certain military service; to the Committee on Governmental Affairs.

By Mr. GRASSLEY:

S. 1589. A bill to amend the Farm Credit Act of 1971 to require institutions of the Farm Credit System to make available to the general public a list of the names of the members and stockholders of such institutions; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ARMSTRONG:

S. 1590. A bill to amend the United States Housing Act of 1937 to encourage resident management and ownership of public housing; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LEVIN (for himself and Mr. RIEGLE):

S. 1591. A bill to recognize the organization known as the American Philatelic Society; to the Committee on the Judiciary.

By Mr. BINGAMAN:

S. 1592. A bill to amend the Tariff Act of 1930 to require that petitioners may elect whether price or constructed value is used in determining the foreign market value of merchandise imported from foreign state controlled economies; to the Committee on Finance.

By Mr. LAUTENBERG (for himself and Mr. BRADLEY):

S. 1593. A bill to direct the Administrator of the Environmental Protection Agency to conduct a national assessment of the extent to which radon gas formed from naturally occurring deposits of uranium is a threat to public health, to authorize a demonstration program to test methods of eliminating the threat to public health from radon gas and to authorize disaster assistance for releases of radon gas; to the Committee on Environment and Public Works.

By Mr. LAUTENBERG (for himself, Mr. ROCKEFELLER, Mr. GORE, Mr. PELL and Mr. METZENBAUM):

S. 1594. A bill to amend the Communications Act of 1934 to increase the availability of educational and informational television programs for children; to the Committee on Commerce, Science, and Transportation.

By Mr. WARNER (for himself, Mr. WILSON, Mr. HELMS, Mr. GARN, Mr. EXON, Mr. HEFLIN, Mr. GRASSLEY and Mr. THURMOND):

S. 1595. A bill to prevent the implementation of Revenue Ruling 83-3 and other similar considerations affecting the housing allowances of the military and clergy; to the Committee on Finance.

By Mr. WARNER (for himself and Mr. WEICKER):

S. 1596. A bill to amend the District of Columbia Stadium Act of 1957 to direct the Secretary of the Interior to convey title to the Robert F. Kennedy Memorial Stadium to the District of Columbia; to the Committee on Energy and Natural Resources.

By Mr. WARNER:

S. 1597. A bill to authorize awards, decorations, insignia, and other recognition for service in the United States Merchant Marine, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. GRASSLEY:

S. 1598. A bill to amend the Farm Credit Act of 1971 to provide additional farm credit resources, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 1599. A bill to establish a commission to study the structure of the Farm Credit System and recommend any appropriate changes, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HEINZ (for himself, Mr. DURENBERGER, Mr. ABDNOR, Mr. ANDREWS, Mr. DENTON, Mrs. HAWKINS, Mr. SPECTER, Mr. PRESSLER, Mr. RIEGLE, Mr. WARNER, Mr. DECONCINI, and Mr. WILSON):

S. 1600. A bill to provide that certain of the Social Security Trust Funds be excluded from the Federal budget process for fiscal years beginning on or after October 1, 1985, and to clarify that specifications and directions with respect to 9 such Trust Funds may not be included in any concurrent resolution on the budget adopted with respect to fiscal years beginning after such date; to the Committee on the Budget and the Committee on Governmental Affairs, jointly pursuant to the order of August 4, 1977.

By Mr. LEAHY:

S. 1601. A bill entitled the "Rural Transportation Equity Act of 1985"; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SPECTER (for himself, Mr. ROCKEFELLER, and Mr. MURKOWSKI):

S. 1602. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to assist certain disabled veterans in acquiring specially adapted residences; to the Committee on Veterans Affairs.

By Mrs. HAWKINS:

S. 1603. A bill to amend the Truth in Lending Act to impose a national ceiling on credit card interest rates; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. RIEGLE:

S. 1604. A bill to amend title XVIII of the Social Security Act to waive the late enrollment penalty under Medicare part B for any

disabled individual who was covered under his own or his spouse's private employment-related health insurance; to the Committee on Finance.

By Mrs. HAWKINS:

S. 1605. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the credit for dependent care expenses, to make such credit refundable, and to provide that certain respite care expenses are eligible for such credit; to the Committee on Finance.

By Mr. DOLE (for himself and Mr. DURENBERGER):

S. 1606. A bill to amend title XVIII of the Social Security Act to revise the methodology for computing the additional payment to hospitals for indirect costs of medical education, and to provide an additional payment for hospitals which serve a disproportionate share of low-income or Medicare patients; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HOLLINGS, Mr. HELMS, Mr. NICKLES, Mr. DOLE, Mr. NUNN, Mr. HEINZ, Mr. HATCH, Mr. STENNIS, Mr. BENTSEN, Mr. KERRY, Mr. PRYOR, Mr. ROTH, Mr. BURDICK, Mr. JOHNSTON, Mr. CHAFFEE, Mr. EAST, Mr. BOREN, Mr. CHILES, Mr. BRADLEY, Mr. GLENN, Mrs. HAWKINS, Mr. DENTON, Mr. WARNER, Mr. TRIBLE, Mr. MCCLURE, Mr. RIEGLE, Mr. ROCKEFELLER, Mr. SPECTER, Mr. LAXALT, Mr. KENNEDY, Mr. BIDEN, Mr. SIMON, Mr. STAFFORD, Mr. MATTINGLY, Mr. BUMPERS, Mr. ZORINSKY, Mr. SASSER, Mr. MELCHER, Mr. WEICKER, Mr. DANFORTH, Mr. QUAYLE, Mr. D'AMATO, Mr. HEFLIN, Mr. GRASSLEY, Mr. MATSUNAGA, Mr. COCHRAN, Mr. HART, Mr. WILSON, Mr. INOUYE, Mr. METZENBAUM, Mr. LUGAR, Mr. LONG, Mr. GRAMM, Mr. STEVENS and Mr. DECONCINI):

S.J. Res. 186. A joint resolution to designate the week of September 23, 1985, through September 29, 1985, as "National Historically Black Colleges Week"; to the Committee on the Judiciary.

By Mr. WARNER (for himself and Mr. TRIBLE):

S.J. Res. 187. A bill designating Patrick Henry's last home and burial place, known as Red Hill, in the Commonwealth of Virginia, as a national Memorial to Patrick Henry; to the Committee on Energy and Natural Resources.

By Mrs. KASSEBAUM:

S.J. Res. 188. A joint resolution to designate July 6, 1986, as "National Air Traffic Control Day"; to the Committee on the Judiciary.

By Mr. HATCH (for himself and Mr. THURMOND):

S.J. Res. 189. A joint resolution designating the week beginning January 12, 1986 as "National Fetal Alcohol Syndrome Awareness Week"; to the Committee on the Judiciary.

By Mr. ROTH (for himself, Mr. STEVENS, Mr. COHEN and Mr. DURENBERGER):

S.J. Res. 190. A joint resolution to establish greater productivity in Federal Government operations as a national goal of the United States; to the Committee on Governmental Affairs.

By Mr. BUMPERS (for himself, Mr. MATHIAS, Mr. CRANSTON, Mr. WEICKER, Mr. NUNN, Mr. MURKOWSKI, Mr. INOUYE, Mr. CHAFEE, Mr. SIMON, Mr. DODD, Mr. LEVIN, Mr. MOYNIHAN and Mr. ZORINSKY):

S.J. Res. 191. A resolution to designate the month of October 1985 as "Learning Disabilities Awareness Month"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DURENBERGER:

S. 1550. A bill to reduce costs in the Medicare and Medicaid Programs, and for other purposes; to the Committee on Finance.

HEALTH CARE FINANCING COST REDUCTION AMENDMENTS

Mr. DURENBERGER. Mr. President, at the request of the administration and in my capacity as chairman of the Senate Finance Committee's Health Subcommittee, I am introducing the "Health Care Planning and Cost Reduction Amendments of 1985." This bill would carry out the President's budget recommendations for the Medicare and Medicaid Programs.

Mr. President, this bill asks the Congress to change Medicare and Medicaid policy. I do not agree with the package in its entirety. But, I believe it is important that the issues raised by the bill be brought before the Senate.

For the purposes of this statement, it would be best to leave a discussion of my questions or concerns about the package to another day. The Finance Committee will review the recommendations made by this bill and give them due consideration when it marks up on a Medicare and Medicaid bill this fall.

Mr. President, I will take this opportunity, however, to again express my frustration with the fact the Secretary of Health and Human Services has promulgated regulations which freeze hospital reimbursement rates and medical education reimbursement, as well as reduce the reimbursement for home health agencies.

These regulations clearly flaunt congressional intent. They were obviously designed to meet the President's budget goals, not carry out the Secretary's duties as executive of the Medicare Program. They are another example of how high deficits and budget constraints adversely affect good health policy. And, it is for these reasons I support efforts to remove the Social Security Act, including Medicare, from the congressional budget.

The Congressional mandate given the Secretary concerning the updating of the DRG's was intended to "reflect changes in treatment patterns, technology, and other factors which may change the relative use of hospital resources." To use this mandate simply to reduce payments is wrong and will adversely affect the credibility of Medicare and its prospective payment system.

Mr. President, I ask unanimous consent that the bill summary and the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1550

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE AND REFERENCES IN ACT

SECTION 1. (a) This Act may be cited as the "Health Care Financing Cost Reduction Amendments of 1985".

(b) The amendments in this Act apply to the Social Security Act, unless otherwise specifically stated.

TITLE I—MEDICARE

PART A—CHANGES IN ELIGIBILITY AND COST SHARING

USE OF MEDICARE PHYSICIANS' SERVICES ECONOMIC INDEX TO INCREASE ANNUALLY THE SUPPLEMENTARY MEDICAL INSURANCE DEDUCTIBLE

SEC. 101. (a) The matter in the first sentence of section 1833(b) (42 U.S.C. 1395l(b)) preceding clause (1) is amended by striking out "of $75" and inserting instead "equal to $75 increased by the percentage increase of an index (as determined by the Secretary), based on appropriate economic index data (as stated in the fourth sentence of section 1842(b)(3)) from 1985 to the year preceding such calendar year and (if not a multiple of $1) rounded to the next higher multiple of $1".

(b) The amendment made by subsection (a) shall apply to expenses incurred during calendar year 1987 and later years.

FIRST FULL MONTH OF MEDICARE ELIGIBILITY

SEC. 102. (a)(1) Subsections (a)(1), (b)(1), (c)(1)(B)(i), and (e) of section 226 (42 U.S.C. 426), section 1818(a)(1) (42 U.S.C. 1395i-2(a)(1)), section 1836(2)(42 U.S.C. 1935o(2)), subsections (d) and (g)(1) of section 1837 (42 U.S.C. 1395p), section 1839(d) (42 U.S.C. 1395r(d)), and section 1876(a)(5) (42 U.S.C. 1395mm(a)(5)) are each amended by inserting "and one month" after "age 65" each place it occurs.

(2) The first sentence of section 226(b) (42 U.S.C. 426(b)) is amended by striking out "before the month" in the matter following paragraph (2).

(3) Section 226(e)(1) (42 U.S.C. 426(e)(1)) is amended—

(A) by striking out "and" at the end of subparagraph (A),

(B) by substituting a semicolon for the period at the end of subparagraph (B), and

(C) by adding at the end the following:

"(C) section 202(e)(1)(C)(i) and section 202(f)(1)(C)(i) shall each be deemed to be amended by striking out 'and (I) has attained retirement age (as defined in section 216(l)) or (II) is not entitled to benefits under subsection (a) or section 223,';

"(D) section 202(e)(1)(D) and section 202(f)(1)(D) shall each be deemed to be repealed;

"(E) the matter in the first sentence of section 202(e)(1) following paragraph (F) shall be deemed to be amended—

"(i) by striking out 'becomes entitled to an old-age insurance benefit equal to or exceeding the primary insurance amount (as determined after application of subparagraphs (B) and (C) of paragraph (2)) of such deceased individual,', and

"(ii) by striking out 'retirement age (as defined in section 216(l))' and inserting instead 'age 65 and one month'; and

"(F) the matter in the first sentence of section 202(f)(1) following paragraph (F) shall be deemed to be amended—

"(i) by striking out 'or becomes entitled to an old-age insurance benefit equal to or exceeding the primary insurance amount (as determined after application of subparagraphs (B) and (C) of paragraph (3)) of such deceased individual,', and

"(ii) by striking out 'retirement age (as defined in section 216(l))' and inserting instead 'age 65 and one month'.".

(4) Section 226(e) (42 U.S.C. 426(e)) is amended by adding at the end the following:

"(5) For purposes of determining entitlement to hospital insurance benefits under subsection (b) in the case of an individual described in paragraph (2)(A)(i) of that subsection, 'the retirement age (as defined in section 216(l))' in section 223(a)(1)(B) shall be deemed to read 'age 65 and one month' and 'retirement age (as defined in section 216(l))' in the matter following paragraph (D) in the first sentence of section 223(a)(1) shall be deemed to read 'age 65 and one month'.

"(6) For purposes of determining entitlement to hospital insurance benefits under subsection (a) or (b) in the case of an individual who is a qualified railroad retirement beneficiary, section 7(d)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(d)(2)) shall be deemed to be amended by inserting 'and one month' after 'age 65' each place it occurs.".

(5) Section 1838(c) (42 U.S.C. 1395g(c)) is amended by inserting "and one month" after "age of 65".

(6) Section 103(a)(1) of the Social Security Amendments of 1965 (42 U.S.C. 426a(a)(1)) is amended by inserting "and one month" after "age 65".

(b) The amendments made by the preceding subsection apply to individuals who attain age 65 after 1985.

ONE PERCENT COINSURANCE FOR HOME HEALTH BENEFITS

SEC. 103. (a) Section 1813(a) (42 U.S.C. 1395e(a)) is amended by adding at the end the following:

"(5) The amount payable for home health services furnished an individual in any calendar year shall be reduced by a coinsurance amount equal to one-hundredth of the inpatient hospital deductible for each home health visit (after the twentieth) furnished to him in that year.".

(b) Section 1833(a)(2)(A) (42 U.S.C. 1395(a)(2)(A)) is amended by inserting before the semicolon the following: ", less in each case the coinsurance amount specified in section 1813(a)(5)".

(c) The first sentence of section 1866 (a)(2)(A) (42 U.S.C. 1395cc(a)(2)(A)) is amended by striking out "or (a)(4), section 1833(b)" and inserting instead "(a)(4), or (a)(5), section 1833 (a)(2)(A) or (b)".

(d) The amendments made by the preceding subsections apply to home health services furnished after 1985.

CHANGES IN SUPPLEMENTARY MEDICAL INSURANCE PREMIUM

SEC. 104. (a) Section 1839(a)(2) (42 U.S.C. 1395r(a)(2)) is amended by striking out "(e)" and inserting instead "(c)".

(b) The second sentence of section 1839(a)(3) (42 U.S.C. 2395r(a)(3)) is amended to read as follows: "The monthly premium shall be equal to the monthly actuarial rate for enrollees age 65 and over, determined according to paragraph (1) of this section, for that calendar year, multiplied by 0.5 for fiscal years 1984 and 1985, 0.54 for 1986, 0.58 for 1987, 0.62 for 1988, 0.66 for 1989, and 0.7 for 1990 and later years.".

(c) The first sentence of section 1839(b) (42 U.S.C. 1395r(b)) is amended by striking out "or (e)".

(d) Section 1839(c) (42 U.S.C. 1395r(c)) is amended by inserting "(or, if midway between multiples of 10 cents, to the next higher multiple of 10 cents)" before the period.

(e)(1) Subsection (e) of section 1839 (42 U.S.C. 1395r) is repealed.

(2) Subsection (f) of that section is redesignated as subsection (e).

(f) Sections 1844(a)(1)(A)(i) and 1844(a)(1)(B)(i) (42 U.S.C. 1395w(a)(1)(A)(i) and 1395w(a)(1)(B)(i)) are each amended by striking out "or 1839(e), as the case may be".

EXTENSION OF WORKING AGED PROVISIONS TO INDIVIDUALS OVER 69

SEC. 105. (a)(1) Section 1862(b)(3)(A)(i) (42 U.S.C. 1395y(b)(3)(A)(i)) is amended by striking out "who is under 70 years of age during any part of such month" and ", if the spouse is under 70 years of age during any part of such month".

(2) Section 1862(b)(3)(A)(iii) (42 U.S.C. 1395y(b)(3)(A)(iii)) is amended by striking out "and ending with the month before the month in which such individual attains the age of 70".

(3) Section 1837(i)(3) (42 U.S.C. 1395p(1)(3)) is amended to read as follows:

"(3) The Special enrollment period referred to in paragraphs (1) and (2) is the period beginning with the first day of the first month in which the individual is no longer enrolled in a group health plan described in section 1862(b)(3)(A)(iv) by reason of current employment and ending seven months later.".

(4) Section 1838(e) (42 U.S.C. 1395q(e)) is amended to read as follows:

"(e) Notwithstanding subsection (a), in the case of an individual who enrolls during a special enrollment period pursuant to section 1837(i)(3)—

(1) in the first month of the special enrollment period, the coverage period shall begin on the first day of that month, or

(2) in a month after the first month of the special enrollment period, the coverage period shall begin on the first day of the month following the month in which he so enrolls.".

(b)(1) Section 4(g)(1) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 623(g)(1)) is amended by striking out "through 69" and inserting instead "or older".

(2) Section 12(a) of that Act (29 U.S.C. 631(a)) is amended by inserting "(except the provisions of section 4(g))" after "Act".

(c) The amendments made by the preceding subsections are effective January 1, 1986.

APPLICABILITY OF LIFETIME LIMIT ON PSYCHIATRIC CARE TO CERTAIN PSYCHIATRIC UNITS OF GENERAL HOSPITALS

SEC. 106. (a) Section 1861(c) (42 U.S.C. 1395x(c)) is amended by inserting the following before the period: "or of a psychiatric unit that is not subject to the provisions of section 1886(d)".

(b) The amendment made by subsection (a) applies to spells of illness beginning after the date of enactment of this Act.

PART B—CHANGES IN REIMBURSEMENT

EXTENSION OF FREEZE ON PAYMENTS FOR PHYSICIANS' SERVICES

SEC. 111. (a) Subparagraphs (A) and (B) of section 1842(b)(4) (42 U.S.C. 1395u(b)(4)) are each amended by striking out "15" and inserting instead "27".

(b) Section 1842(b)(4)(C) (42 U.S.C. 1395u(b)(4)(C)) is amended by striking out "1985" and inserting instead "1986".

(c) Section 1842(b)(4) (42 U.S.C. 1395u(b)(4)) is further amended by striking out subparagraph (D) and inserting instead the following:

"(D) In determining the customary charges for physicians' services furnished during the 12-month period beginning October 1, 1986, by a physician who at no time for any services furnished during the 24-month period beginning October 1, 1984, was a participating physician (as defined in subsection (h)(1)), the Secretary shall not recognize inceases in actual charges for services furnished during the 27-month period beginning on July 1, 1984, above the level of the physician's actual charges billed in the 3-month period ending on June 30, 1984.

"(E) In determining the customary charges for physicians' services furnished during the 12-month period beginning October 1, 1986, by a physician who was a participating physician (as defined in subsection (h)(1)) for services furnished during the 12-month period beginning October 1, 1985, the Secretary shall take into account only the actual charges for services furnished during the 6-month period beginning on October 1, 1985.

"(F) In determining the customary charges for physicians' services furnished during the 12-month period beginning October 1, 1986, by a physician who was a participating physician (as defined in subsection (h)(1)) for services furnished during the 12-month period beginning October 1, 1984, but who at no time for any services furnished during the following 12-month period was a participating physician, the Secretary shall take into account only the actual charges for services furnished during the 6-month period beginning on April 1, 1985.

"(G) In determining the customary charges for physicians' services furnished during the 12-month period beginning October 1, 1987, by a physician who at no time for any services furnished during the 12-month period beginning October 1, 1985, was a participating physician (as defined in subsection (h)(1)), the Secretary shall not recognize increases in actual charges for services furnished during the 6-month period beginning on April 1, 1986, above the level of the physician's actual charges billed in the 3-month period ending on June 30, 1984.".

(d) The first sentence of section 1842(j)(1) (42 U.S.C. 139u(j)(1)) is amended to read as follows: "In the case of a physician who is not a participating physician for items and services furnished during a portion of the 24-month period beginning October 1, 1984, the Secretary shall monitor the physician's actual charges to individuals enrolled under this part for physicians' services furnished during that portion of that period.".

REDUCTION IN AMOUNTS PAID FOR THE INDIRECT COSTS OF MEDICAL EDUCATION

SEC. 112. (a) The first sentence of section 1886(d)(5)(B) (42 U.S.C. 1395ww(d)(5)(B)) is amended by striking out "except that in the computation under this subparagraph the Secretary shall use an educational adjust-

ment factor equal to twice the factor provided under such regulations" and inserting instead "and in the computation under this subsection the Secretary shall use an educational adjustment factor equal to not more than 5.795%".

(b)(1) The amendment made by subsection (a) applies to admissions occurring after September 30, 1985.

(2) The amendment made by subsection (a) shall not require the Secretary of Health and Human Services to change any amount determined under section 1886(d)(2)(C)(i) of the Social Security Act (42 U.S.C. 1395ww(d)(2)(C)(i)).

FREEZE ON PAYMENTS FOR CLINICAL DIAGNOSTIC LABORATORY TESTS AND POTENTIAL PERMANENT APPLICATION OF FEE SCHEDULES TO SUCH TESTS FOR HOSPITAL OUTPATIENTS

SEC. 113. (a) Section 1833(h)(1) (42 U.S.C. 1395l(h)(1)) is amended—

(1) in the first sentence of subparagraphs (B) and (C), by striking out "June" and inserting instead "September",

(2) in the second sentence of subparagraphs (B) and (C), by striking out "July" and inserting instead "October", and

(3) in the second sentence of subparagraph (C), by inserting the following before the period: ", unless the Secretary, by June 30, 1987, determines that the fee schedule shall continue to apply, established on a nationwide basis".

(b) The first sentence of section 1833(h)(2) (42 U.S.C. 1395l(h)(2) is amended—

(1) by striking out "July 1, 1987" and inserting instead "October 1, 1987",

(2) by striking out "12-month" and inserting instead "27-month",

(3) by inserting "(for the 12-month period beginning October 1, 1986, and later periods)" after "adjusted annually", and

(4) by inserting "annual" after "equal to the".

FREEZE ON PAYMENTS FOR ROUTINE SERVICE COSTS OF SKILLED NURSING FACILITIES

SEC. 114. (a) The matter in section 1888(a) (42 U.S.C. 1395yy(a)) preceding paragraph (1) is amended by inserting "for cost reporting periods beginning after June 1984 but before July 1985," after "under this title".

(b) Section 1888(b) (42 U.S.C. 1395yy(b)) is amended by inserting "or in subsection (b)" before the period.

(c) Section 1888(c) (42 U.S.C. 1395yy(c)) is amended by inserting "or (b)" "after subsection (a)".

(d) Subsections (b) and (c) of section 1888 (42 U.S.C. 1395yy) are designated as subsections (c) and (d).

(e) Section 1888 (42 U.S.C. 1395yy) is amended by inserting after subsection (a) the following:

"(b) The Secretary, in determining the amount of the payments which may be made under this title with respect to routine service costs of extended care services for cost reporting periods beginning after June 1985, shall not recognize as reasonable (in the efficient delivery of health services) per diem costs of such services to the extent that such per diem costs exceed the per diem limits that applied (or would have applied) under subsection (a) for the cost reporting period immediately preceding the cost reporting period for which the amount of payments is being determined under this subsection.".

DIRECT APPORTIONMENT OF MALPRACTICE COSTS TO MEDICARE

SEC. 115. (a) Section 1861(v)(1) (42 U.S.C. 1395x(v)(1)) is amended by adding at the end the following:

(P) In determining the reasonable cost of services, the Secretary may separaely accumulate and directly apportion on a claims paid or other basis to the insurance programs established by this title costs of malpractice insurance premiums and self-insurance fund contributions.".

(b) The amendment made by subsection (a) is effective with respect to cost reporting periods beginning after June 1979. Any regulations or instructions issued previously to carry out the effect of that amendment are effective with respect to cost reporting periods beginning after that month until and unless modified or revoked.

INCLUSION OF LABOR OR DELIVERY ROOM DAYS IN DETERMINING HOSPITAL ROUTINE INPATIENT PER DIEM COSTS

SEC. 116. (a) Section 1861(v)(1) (42 U.S.C. 1395x(v)(1)) (as amended by section 115 of this Act) is further amended by adding at the end the following:

"(Q) In determining hospital routine inpatient per diem costs, the Secretary may count as a patient day a day on which a patient is in a labor or delivery room at the census-taking hour.".

(b) The amendment made by subsection (a) is effective with respect to cost reporting periods beginning after August 1976. Any regulations or instructions issued previously to carry out the effect of that amendment are effective with respect to cost reporting periods beginning after that month until and unless modified or revoked.

REDETERMINATION OF ALLOWABLE COSTS NOT TO AFFECT CERTAIN PAYMENTS TO HOSPITALS

SEC. 117. Section 1886(d) (42 U.S.C. 1395ww(d)) is amended by adding at the end the following:

"(9) No redetermination of any allowable operating costs of inpatient hospital services shall affect any payment under this subsection for a cost reporting period that has begun before the date of the redetermination.".

PART C—ADMINISTRATIVE CHANGES

ASSIGNMENT OF INPATIENT HOSPITAL BENEFIT PERIOD, DEDUCTIBLE, AND COINSURANCE IN THE ORDER OF FILING OF PAYMENT REQUESTS

SEC. 121. (a) Section 1812(b)(1) (42 U.S.C. 1395d(b)(1)) is amended—

(1) by inserting "as an inpatinet of a particular hospital" after "inpatient hospital services furnished to him", and

(2) by inserting "as an inpatient of that hospital, or of another hospital that has previously filed a request for payment under this part for such services," after "150 days during such spell".

(b)(1) The first sentence of section 1813(a)(1) (42 U.S.C. 1395e(a)(1)) is amended by inserting "as an inpatient of a hospital that first files a request for payment under this part for such services" after "any spell of illness".

(2) The second sentence of section 1813(a)(1) (42 U.S.C. 1395e(a)(1)) is amended to read as follows: "In addition, the amount payable for inpatient hospital services furnished an individual during any spell of illness shall be reduced by a coinsurance amount equal to—

"(A) one-fourth of the inpatient hospital deductible for each day (after the 60th but before the 91st day) on which such individual is furnished such services during such spell of illness as an inpatient of a particular hospital, or of another hospital that has previously filed a request for payment under this part for such services; and

"(B) one-half of the inpatient hospital deductible for each day (after the 90th but before the day following the last day for which such individual is entitled under section 1812(a)(1) to have payment made on his behalf for inpatient hospital services during such spell of illness) on which such individual is furnished such services during such spell of illness as an inpatient of a particular hospital, or of another hospital that has previously filed a request for payment under this part for such services;

except that the reduction under this sentence for any day shall not exceed the charges imposed for that day with respect to such individual for such services (and for this purpose, if the customary charges for such services are greater than the charges so imposed, such customary charges shall be considered to be the charges so imposed).".

(3) Section 1813(a)(2) (42 U.S.C. 1395e(a)(2)) is amended—

(A) by striking out "to any provider of services", and

(B) by inserting "as an inpatient of a particular hospital, or of another hospital that has previously filed a request for payment under this title for such services" after "such services".

(c) The amendments made by the preceding subsections apply to spells of illness beginning after September 1985.

ELIMINATION OF REQUIREMENT FOR A RAILROAD RETIREMENT BOARD CARRIER CONTRACT

SEC. 122. (a) Section 1842(g) (42 U.S.C. 1395u(g)) is repealed.

(b) The first sentence of section 1841(i) (42 U.S.C. 1395t(i)) is amended by striking out "and section 1842(g)".

(c) The amendments made by the preceding subsections are effective one year after the date of enactment of this Act, or as such earlier time as the Secretary and the Railroad Retirement Board may agree.

TITLE II—MEDICAID

LIMITATION ON STATES' ENTITLEMENT TO FEDERAL PAYMENTS FOR MEDICAL ASSISTANCE

SEC. 201. (a) Section 1903 (42 U.S.C. 1396b) is amended by adding at the end the following new subsection:

"(v)(1) Notwithstanding any other provision of this section, no State (other than Puerto Rico, Guam, the Virgin Islands, the Northern Mariana Islands, or American Samoa) shall be entitled to payment with respect to expenditures for medical assistance under paragraphs (1) and (5) of subsection (a), for fiscal year 1986 or any succeeding fiscal year, in excess of such State's allotment under paragraph (2).

"(2)(A) For fiscal year 1986, the allotment of each State subject to this subsection shall be an amount which bears the same ratio to $22,130,121,000 as the amount the State is entitled to receive under paragraphs (1) and (5) of subsection (a) for medical assistance expenditures for fiscal year 1984 bears to the total amount all such States are entitled to receive for such expenditures.

"(B) For fiscal year 1987 and each subsequent fiscal year, each State's allotment shall be an amount equal to its allotment for the preceding fiscal year, multiplied by the change in the MCPI (as defined in subparagraph (C)) for such subsequent fiscal year.

"(C) For purposes of this paragraph, the 'change in the MCPI' for a specified fiscal year means the ratio of (i) the annual average index of the medical care expenditure category of the Consumer Price Index for all urban consumers (U.S. city average) published by the Bureau of Labor Statistics for the first fiscal year preceding such specified fiscal year, to (ii) such index as so measured for the second such preceding fiscal year.

"(3) For purposes of paragraph (2), the amounts States are entitled to receive under paragraphs (1) and (5) of subsection (a) for medical assistance expenditures for fiscal year 1984 shall be the amounts approved by the Secretary before October 1, 1985, on the basis of expenditure reports received by the Secretary on or before January 20, 1985.

(b)(1) Notwithstanding the provisions of section 1903(v) of the Social Security Act, the Secretary shall make payments totaling $300,000,000 to qualifying States, for fiscal year 1986 only, in addition to payments subject to the limitation under section 1903(v)(1), in accordance with this subsection.

(2) For purposes of this subsection, the term "qualifying State" means a State (other than Puerto Rico, Guam, the Virgin Islands, the Northern Mariana Islands, or American Samoa)—

(A) which applies to the Secretary before January 1, 1986, for funding under this subsection, and

(B) the Federal share of whose medical assistance expenditures for fiscal year 1986, as approved by the Secretary before July 1, 1987, on the basis of expenditure reports received by the Secretary before January 1, 1987, exceed 108 percent of the State's allotment as determined under section 1903(v)(2)(A), and

(C) which can demonstrate either—

"(i) that the rate of increase in the Federal share of medical assistance expenditures from the 12-month period ending on September 30, 1983 to the 12-month period ending on September 30, 1985 did not exceed the percentage increase in the annual average index of the medical care expenditure category of the Consumer Price Index for all urban consumers (U.S. city average) published by the Bureau of Labor Statistics (MCPI) from the 12-month period ending on September 30, 1983 to the 12-month period ending on September 30, 1985, or

(ii) that the percentage change in the rate of increase in the Federal share of medical assistance expenditures between fiscal years 1984 and 1985 and fiscal years 1985 and 1986 did not exceed the percentage change in the rate of increase in the MCPI between those same periods.

For purposes of this paragraph, the Federal share of each State's medical assistance expenditures shall be calculated without regard to subsections (s) and (t) of section 1903 of the Social Security Act, and as if the Federal medical assistance percentage in effect in the State for fiscal year 1984 was the Federal medical assistance percentage in effect in the State for every fiscal year.

(3) The amount payable to a qualifying State under this subsection shall be that amount which bears the same ratio to $300,000,000 as the excess of the Federal share of the State's medical assistance expenditures for fiscal year 1986 (as determined under paragraph (2)(A)) over 108 percent of its allotment under section 1903(v)(2)(A) bears to the total of all such excess amounts for all qualifying States.

(4)(A) The Secretary shall make interim payments totaling $300,000,000 in accordance with paragraph (3) not later than July 1, 1986, to those States that appear to be qualifying States on the basis of the most recent estimates received by the Secretary as of January 1, 1986.

(B) The Secretary shall make fiscal adjustments in payments under this subsection (including reductions and increases as necessary in payments made under subparagraph (A)) not later than July 1, 1987.

GRANTS TO STATES FOR COSTS OF ADMINISTRATION

SEC. 202. (a) Section 1903 (42 U.S.C. 1396b), as amended by section 201 of this Act, is further amended by adding after subsection (v) the following new subsection:

"(w)(1) The Secretary shall, in accordance with the succeeding provisions of this subsection, make grants for fiscal year 1986, and each fiscal year thereafter, to each State other than Puerto Rico, Guam, the Virgin Islands, The Northern Mariana Islands, and American Samoa, for the proper and efficient administration of its plan approved under this title in lieu of payments under paragraphs (2), (3), (5), (6), and (7) of subsection (a) for quarters in such fiscal year.

"(2) The amount payable to a State under paragraph (1) for any fiscal year shall be that amount which bears the same ratio to the total amount appropriated to carry out such paragraph for such fiscal year as the amount payable by the Secretary under paragraphs (2), (3)(B), (5), (6), and (7) of subsection (a) with respect to such State's administrative expenditures made for fiscal year 1984 bears to such amounts payable to all the States to which this subsection applies.

"(3) For purposes of paragraph (2), the amount payable by the Secretary under paragraphs (2), (3)(B), (5), (6), and (7) of subsection (a) with respect to a State's administrative expenditures made for fiscal year 1984 shall be determined on the basis of expenditure reports sent to the Secretary by January 20, 1985, and approved by the Secretary prior to October 1, 1985.

"(4) Grants pursuant to paragraph (1) shall be made quarterly, in amounts as nearly equal as is feasible (unless the State's report pursuant to subsection (d) indicates that a lesser amount will be needed during the coming quarter for the proper and efficient administration of the State plan), reduced by amounts previously paid under this section that were not used by the State for such purpose.

"(5)(A) There are authorized to be appropriated for grants under paragraph (1) $1,191,148,000 for fiscal year 1986, and, for any subsequent fiscal year, the amount appropriated for the preceding fiscal year multiplied by the change in the GNP deflator (as defined in subparagraph (B)) for such subsequent fiscal year.

"(B) For purposes of this paragraph, the 'change in the GNP deflator' for a specified fiscal year means the ratio of (i) the gross national product implicit price deflator, measured for the second quarter of the first fiscal year preceding such specified year, published by the Bureau of Economic Analysis, Department of Commerce, before August 31 of such preceding fiscal year, to (ii) such deflator, as so measured, for the second such preceding fiscal year.

"(6) No amount shall be payable under paragraph (2), (3), (5), (6), or (7) of subsection (a) to any State for any quarter for which a grant under this subsection may be made to such State.".

FLEXIBILITY IN DETERMINING BENEFITS

SEC. 203. (a) Section 1902(a)(10) (42 U.S.C. 1396a(a)(10)) is amended—

(1) in paragraph (A), in the matter preceding clause (I), to read as follows:

"(A)(i) for making medical assistance available, including at least the care and services listed in paragraphs (1) through (5), (7), and (17) of section 1905(a), to all individuals—";

(2) by redesignating paragraph (A)(ii) and paragraph (B) as paragraph (B) and paragraph (A)(ii), respectively;

(3) in subparagraph (A)(ii), as redesignated,—

(A) by inserting ", with respect to the care and services listed in paragraphs (1) through (5), (7), and (17) of section 1905(a)" after "any individual described in subparagraph (A)"; and

(B) by striking out "subparagraph (A)" each place it occurs and inserting instead "clause (i)";

(4) in subparagraph (B), as redesignated,—

(A) by moving the left margin one em to the left;

(B) in the matter preceding clause (I), by inserting, "for making medical assistance available" before "at the option of the State";

(C) by striking out "clause (i) of this subparagraph" and "clause (i)" each place they occur and inserting instead "subparagraph (A)"; and

(D) by redesignating subclauses (I) through (VI) as clauses (i) through (vi); and

(E) by adding at the end "and"; and

(5)(A) by striking out "and" at the end of subparagraph (C); and

(B) by striking out subparagraph (D).

(b) Section 1902(a)(10)(C) (42 U.S.C. 1396a(a)(10)(C)) is amended—

(1) in clause (i), by striking out all that follows "all such groups" and inserting instead "not described in subparagraph (A) or (B); ".

(2) in clause (ii), by inserting "and" at the end; and

(3) by striking our clause (iv).

(c) Section 1902(a)(17) (42 U.S.C. 1396a(a)(17) is amended to read as follows:

"(17) include the standards and methods (which shall be reasonable) for determining eligibility for and the extent of medical assistance under the plan for each group of individuals not described in paragraph (10)(A) for which medical assistance is provided under the plan which—

"(A) in the case of the methodology used in determining income and resource eligibility for each group, shall be the same methodology which would be employed under the cash assistance program described in paragraph (10) (A) in effect in the State to which such group is most closely categorically related,

"(B) provide for taking into account only such income and resources as are, as determined in accordance with regulations of the Secretary, available to the applicant or recipient, except to the extent otherwise provided in paragraph (E);

"(C) do not take into account the financial responsiblity of any individual for any applicant or recipient of assistance under the plan unless such applicant or recipient is such individual's spouse or such individual's child who is under age 21 or (with respect to States eligible to participate in the State program established under title XVI), is blind or permanently and totally disabled,

or is blind or disabled as defined in section 1614 (with respect to States which are not eligible to participate in such program);

"(D) take into account, in accordance with regulations of the Secretary, the costs of the applicant or recipient (or family members living with the applicant or recipient), whether in the form of insurance premiums or otherwise, for medical care or for any other type of remedial care recognized under State law; and

"(E) in determining the amount of income and resources which an individual residing in a medical institution who has been determined to be eligible may be required to contribute to the cost of medical care covered under the State plan (including income or resources of a spouse or parent as permitted under subparagraph (C))—

"(i) may take into account, to the extent permitted by the Secretary, income and resources of the applicant or recipient and of individuals financially responsible for the applicant or recipient (as described in paragraph (C)) which are not taken into account in determining eligibility, and

"(ii) do not take into account more than 20 percent of that portion of the total annual income of individuals financially responsible for the applicant or recipient (as described in paragraph (C)) that exceeds 200 percent of the poverty line as revised by the Secretary pursuant to section 652 of the Head Start Act;".

(d) Section 1902(f) (42 U.S.C. 1396a(f)) is amended by striking out "incurred medical expenses" each place it occurs and inserting instead "medical expenses".

(e) Section 1903(f) (42 U.S.C. 1396b(f)) is amended in paragraph (3) by striking out "incurred by such family" and inserting instead "of such family".

ELIGIBILITY OF CERTAIN INDIVIDUALS WHO BECOME INELIGIBLE FOR SUPPLEMENTAL SECURITY INCOME OR STATE SUPPLEMENTAL PAYMENTS

SEC. 204. Section 503 of the Unemployment Compensation Amendments of 1976, P.L. 94-566, is amended by inserting ", and for every month since April 1977 for which such individual was entitled to a monthly insurance benefit under title II," after "if for such month".

STATEWIDENESS REQUIREMENT RETAINED ONLY FOR MANDATORY SERVICES TO MANDATORY ELIGIBLES

SEC. 205. Section 1902(a)(1) (42 U.S.C. 1396a(a)(1)) is amended by inserting ", with respect to the care and services listed in paragraphs (1) through (5), (7), and (17) of section 1905(a) and furnished to individuals listed in paragraph (10)(A)," after "provide that".

AMENDMENT CONCERNING "FREEDOM OF CHOICE"

SEC. 206. (a) Section 1902(a)(23) (42 U.S.C. 1396a(a)(23)) is amended by striking out "any individual eligible for medical assistance (including drugs) may obtain such assistance" and inserting instead "any individual listed in paragraph (10)(A) may obtain medical assistance for any of the care and services listed in paragraphs (1) through (5), (7), and (17) of section 1905(a)".

AMENDMENTS CONCERNING HEALTH MAINTENANCE ORGANIZATIONS

SEC. 207. (a) Section 1902(e)(2)(A) (42 U.S.C. 1396a(e)(2)(A)) is amended—

(1) by striking out all that precedes "and who would" and inserting instead the following:

"(2)(A) In the case of an individual who is enrolled—

"(i) with any health maintenance organization under a contract under section 1903(m)(2)(A), or

"(ii) in a case management system approved under section 1915(b)(1),"; and

(2) by inserting "or system" before the period at the end.

(b) Section 1902(e)(2)(B) (42 U.S.C. 1396a(e)(2)(B)) is amended—

(1) by inserting "or case management system" before "under a State plan"; and

(2) by inserting "or system" after "the organization".

(c) Section 1915(b) (42 U.S.C. 1396n(b)) is amended by inserting "and section 1903(m)" after "section 1902".

AMENDMENTS CONCERNING COPAYMENTS

SEC. 208. (a) Section 1916 (42 U.S.C. 1396o) is amended to read as follows:

"SEC. 1916. (a) The State plan shall provide, with respect to the care and services listed in paragraphs (1) through (5), (7), and (17) of section 1905(a) and furnished to individuals listed in paragraph (10)(A), that—

"(1) no enrollment fees, premiums, deductibles, or similar charges will be made, and

"(2) any coinsurance or similar charges will be nominal (except that the charge for nonemergency services furnished in a hospital emergency room may be twice the nominal amount established under the State plan for hospital outpatient services).

"(b) The State plan may, at State option, provide that no deduction, cost sharing, or similar charge will be imposed under the plan with respect to any or all of the following:

"(1) services furnished to individuals under 18 years of age (and, at the option of the State, individuals under 21, 20, or 19 years of age, or any reasonable category of individuals 18 years of age or over),

"(2) services furnished to pregnant women, if such services relate to the pregnancy or to any other medical condition which may complicate the pregnancy (or, at the option of the State, any services furnished to pregnant women),

"(3) services furnished to any individual who is an inpatient in a hospital, skilled nursing facility, intermediate care facility, or other medical institution, if such individual is required, as a condition of receiving services in such institution under the State plan, to spend for costs of medical care all but a minimal amount of his income required for personal needs, or

"(4) emergency services (as defined by the Secretary), or

"(5) services furnished to such an individual by a health maintenance organization (as defined in section 1903(m)) in which he is enrolled.

"(c) The State plan may provide, with respect to care and services furnished under the State plan (other than the care and services listed in paragraphs (1) through (5), (7), and (17) of section 1905(a) and furnished to individuals listed in paragraph (10)(A)), for—

"(1) enrollment fees, premiums, deductibles, or similar charges, in amounts left to State discretion, and

"(2) coinsurance or similar charges, in amounts left to State discretion.".

(b) Section 1902(a)(10) (42 U.S.C. 1396a(a)(10)), as previously amended by this Act, is further amended, in clause (IV) in the matter following subparagraph (C), to read as follows:

"(IV) the furnishing of an item or service to an individual without the imposition of a deductible, cost sharing, or similar charge under a State plan in accordance with subsection (a) or (b) of section 1916 shall not require the furnishing of that item or service without the imposition of such charge to an individual not exempted from such charge under the State plan;".

ELIMINATION OF FEDERAL REQUIREMENTS CONCERNING STATE PAYMENT RATES

SEC. 209. (a) Section 1902(a)(13) (42 U.S.C. 1396a(a)(13) is amended—

(1) in the matter preceding subparagraph (B), to read as follows:

"(13)(A) provide assurances satisfactory to the Secretary for the filing of uniform cost reports by each hospital, skilled nursing facility, and intermediate care facility and for periodic audits by the State of such reports; and";

(2) in subparagraph (B)—

(A) by striking out "that the State shall" and inserting instead "include a description of the methodology to be used by the State in setting payment rates for hospitals, skilled nursing facilities, and intermediate care facilities, and", and

(B) by striking out "and" at the end; and

(3) by striking out subparagraph (C).

(b) Section 1902(a)(30)(A) (42 U.S.C. 1396a(a)(30)(A)) is amended—

(1) by striking out ", and the payment for,", and

(2) by striking out "efficiency, economy, and quality of care" and inserting instead "efficiency and economy".

(c) Section 1903(h) (42 U.S.C. 1396b(h)) is repealed.

ELIMINATION OF REQUIREMENTS CONCERNING STATE AGENCY STAFF AND COOPERATIVE ARRANGEMENTS WITH OTHER STATE AGENCIES IN ADMINISTRATION OF STATE PLAN

SEC. 210. (a) Section 1902(a)(11) (42 U.S.C. 1396a(a)(11)) is repealed.

(b) Section 1902(a)(22) (42 U.S.C. 1396a(a)(22)) is amended—

(1) by striking out clause (A), and redesignating clause (B) as clause (A), and

(2) by striking out clause (C), and redesignating clause (D) as clause (B).

(c) Section 1902(a)(24)) (42 U.S.C. 1396a(a)(24) is repealed.

SIMPLIFICATION OF REQUIREMENT TO VERIFY THAT MEDICAL SERVICES WERE FURNISHED AS CLAIMED

SEC. 211. (a) Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(1) by striking out "and" at the end of paragraph (45).

(2) by striking out the period at the end of paragraph (46) and inserting instead "; and ", and

(3) by inserting after paragraph (46) the following new paragraph:

"(47) provide for an effective method of verifying, by sampling techniques or other methods approved by the Secretary, whether services billed by all participating providers were furnished as claimed to individuals entitled to medical assistance under the State plan.".

(b) Section 1903(a)(3)(B) (42 U.S.C. 1396b(a)(3)(B)) is amended by striking out "and which include" and all that follows before the semicolon.

ELIMINATION OF PENALTY FOR FAILURE TO PAY PREMIUMS FOR INDIVIDUALS ELIGIBLE FOR MEDICARE PART B BENEFITS

SEC. 212. Section 1903(b) (42 U.S.C. 1396b(b)) is amended by striking out paragraph (1).

ELIMINATION OF REVIEW REQUIREMENTS AND PENALTIES RELATED TO MECHANIZED INFORMATION SYSTEMS

SEC. 213. Section 1903(r) (42 U.S.C. 1396b(r)) is repealed.

AMENDMENT TO UTILIZATION CONTROL PENALTY

SEC. 214. Section 1903(g)(4) (42 U.S.C. 1396(g)(4)) is amended by adding at the end the following new subparagraph:

"(C) "The Secretary shall not find a showing of a State unsatisfactory, with respect to the requirement to conduct annual onsite inspections in mental hospitals, skilled nursing facilities, and intermediate care facilities under paragraphs (26) and (31) of section 1902(a), for failure to review the care of each person receiving medical assistance (or, as permitted by the Secretary, each person in a sample group of such individuals) where the showing demonstrates, with respect to each institution subject to this requirement, that the State did not fail to meet the requirement with respect to more than—

"(i) (in the case of an institution with more than fifty such patients) the lesser of ten such individuals or two percent of the total number of such individuals in the institution, or

"(ii) (in the case of an institution with fifty or fewer such patients) one individual.".

EFFECTIVE DATE

SEC. 215. (a) The amendments made by sections 201 and 202 shall become effective upon enactment.

(b) The amendments made by sections 203 through 214 shall be effective with respect to calendar quarters beginning on or after the first day of the first fiscal year for which sections 201 and 202 are in effect.

SUMMARY OF PROPOSED HEALTH CARE FINANCING COST REDUCTION AMENDMENTS OF 1985

SHORT TITLE AND REFERENCES IN ACT

Section 1 would assign the draft bill the short title "Health Care Financing Cost Reduction Amendments of 1985".

TITLE I—MEDICARE

PART A—CHANGES IN ELIGIBILITY AND COST SHARING

USE OF MEDICARE PHYSICIANS' SERVICES ECONOMIC INDEX TO INCREASE ANNUALLY THE SUPPLEMENTARY MEDICAL INSURANCE DEDUCTIBLE

Section 101 would increase the Supplementary Medical Insurance (SMI) deductible (currently set at $75) each year, beginning with 1987, by the percentage increase in the economic index used to determine the allowable increase in prevailing charges for physicians' services, rounded to the next higher multiple of $1. This section would allow the SMI deductible to keep pace with changes in physician fees in the future.

FIRST FULL MONTH OF MEDICARE ELIGIBILTIY

Section 102 would provide for eligibility for Medicare benefits to begin in the first month throughout which all the eligibility requirements have been met.

ONE PERCENT COINSURANCE FOR HOME HEALTH BENEFITS

Section 103 would impose a coinsurance of one percent of the inpatient hospital deductible for each home health visit after the twentieth in any calendar year.

CHANGES IN SUPPLEMENTARY MEDICAL INSURANCE PREMIUM

Section 104 would increase the SMI premium over a period of five years from 25 percent of the estimated *per capita* costs of the SMI program to 35 percent. Under current law, the monthly premium for 1986 and 1987 will be set at 25 percent of the estimated *per capita* costs; annual increases in the monthly premium for later years is to be limited by the percentage increase in Social Security benefits. The proposed changes would provide a more reasonable balance between Federal and beneficiary shares of total program costs, which were originally intended to be evenly shared.

EXTENSION OF WORKING AGED PROVISIONS TO INDIVIDUALS OVER 69

Section 105 would expand the provisions that make Medicare the secondary payer for working beneficiaries (and spouses) to include individuals over 69 years of age (as well as those between 65 and 70), and would require an employer to continue to provide group health coverage to all older employees and spouses of employees, not only those under 70, to the same extent as the employer provided those benefits to employees and spouses under 65.

APPLICABILITY OF LIFETIME LIMIT ON PSYCHIATRIC CARE TO CERTAIN PSYCHIATRIC UNITS OF GENERAL HOSPITALS

Section 106 would apply the 190 day lifetime limit on inpatient psychiatric care to patients in a psychiatric unit of a general hospital if Medicare pays for services furnished in the unit on a cost rather than prospective basis. Under current law hospitals have little incentive to limit the length of stay of patients in such units.

PART B—CHANGES IN REIMBURSEMENT

EXTENSION OF FREEZE ON PAYMENTS FOR PHYSICIANS' SERVICES

Section 111 would extend the freeze on payments for physicians' services for another year, through fiscal year 1986. Prevailing charges for services furnished after the freeze would not include an allowance for the lack of an increase during the freeze. For physicians who were not participating physicians during fiscal years 1985 and 1986, actual charges for services furnished during that period that were above their actual charges from April, through June of 1984 would not be recognized in determining their customary charges for fiscal year 1987. For physicians who were participating physicians during fiscal year 1985 but not during fiscal year 1986, only actual charges from April through September 1985 would be considered in determining their customary charges for fiscal year 1987. For physicians who were participating physicians during fiscal year 1986, only actual charges from October 1985 through March 1986 would be considered in determining their customary charges for fiscal year 1987. For physicians who were not participating physicians during fiscal year 1986, actual charges from April through September of 1986 that were above their actual charges from April through June of 1984 would not be recognized in determining their customary charges for fiscal year 1988.

REDUCTION IN AMOUNTS PAID FOR THE INDIRECT COSTS OF MEDICAL EDUCATION

Current law requires that hospitals under the diagnosis related groups (DRG) system be paid additional amounts for the indirect costs of medical education equal to double the amounts determined under regulations for those costs before the DRG system was placed in effect. Section 112 would eliminate the doubling factor and limit the educational adjustment factor to not more than 5.795%.

FREEZE ON PAYMENTS FOR CLINICAL DIAGNOSTIC LABORATORY TESTS AND POTENTIAL PERMANENT APPLICATION OF FEE SCHEDULES TO SUCH TESTS FOR HOSPITAL OUTPATIENTS

Section 113 would freeze Medicare payments for clinical diagnostic laboratory tests for the 15 month period beginning in July 1985, and would set fees in future years without an allowance for the lack of an increase for that period. Section 113 would also apply fee schedules to such tests for hospital outpatients through September 1987, and permanently if the Secretary so decided before July 1987; current law applies fee schedules to tests for hospital outpatients only through June 1987.

FREEZE ON PAYMENTS FOR ROUTINE SERVICE COSTS OF SKILLED NURSING FACILITIES

Section 114 would freeze for one year, through June 1986, the limits on payments for routine service costs of skilled nursing facilities, and would preclude later adjustments for the lack of an increase during that year.

DIRECT APPORTIONMENT OF MALPRACTICE COSTS TO MEDICARE

Section 115 would provide explicit statutory authority for the Secretary to accumulate separately and directly apportion on a claims paid or other basis to Medicare the costs of malpractice insurance premiums and self-insurance fund contributions. The section would retroactively ratify regulations or instructions issued previously to carry out the effect of this section.

INCLUSION OF LABOR OR DELIVERY ROOM DAYS IN DETERMINING HOSPITAL ROUTINE INPATIENT PER DIEM COSTS

Section 116 would provide explicit statutory authority for the Secretary, for purposes of determining hospital routine inpatient per diem costs, to treat as inpatient days any days on which a patient is in a labor or delivery room. The section would retroactivity ratify regulations or instructions issued previsouly to carry out the effect of this section.

REDETERMINATION OF ALLOWABLE COSTS NOT TO AFFECT CERTAIN PAYMENTS TO HOSPITALS

Section 117 would preclude any retroactive changes in payments to hospitals subject to the prospective payment system (including retroactive changes to the hospital-specific portion of payments to those hospitals), due to redeterminations of any allowable costs of inpatient hospital services. Permitting such changes following judicial or other redeterminations of allowable costs for earlier cost reporting periods would erode the prospective nature of the hospital prospective payment system by introducing an element of uncertainty incompatible with the purpose of the system.

PART C—ADMINISTRATIVE CHANGES

ASSIGNMENT OF INPATIENT HOSPITAL BENEFIT PERIOD, DEDUCTIBLE, AND COINSURANCE IN THE ORDER OF FILING OF PAYMENT REQUESTS

Section 121 would change the order in which hospitals are responsible for collecting from a Medicare beneficiary the inpatient hospital deductible, coinsurance, and charges for services furnished after the Medicare coverage period has expired for a particular spell of illness, in cases in which the beneficiary is an inpatient of two or more hospitals during the same spell of illness. The responsibility for collecting these amounts is currently assigned in the chronological order in which services are furnished. Section 121 would instead assign the responsibility in the order in which hospi-

tals submitted requests for Medicare payments, so that a hospital that provided services after another hospital, but submitted its request first, would be responsible for collecting the inpatient hospital deductible and would be credited with the first 60 days of Medicare coverage (for which no coinsurance is required). This change would simplify the administration of the Medicare program by eliminating the need to make later adjustments in amounts payable to specific hospitals.

ELIMINATION OF REQUIREMENT FOR A RAILROAD RETIREMENT BOARD CARRIER CONTRACT

Section 122 would eliminate the requirement for a separate Railroad Retirement Board carrier contract. Under the section, SMI claims of railroad retirees would be processed by the same organizations that process other SMI claims. The section would reduce administrative costs and improve service to beneficiaries.

TITLE II—MEDICAID

LIMITATION ON STATES' ENTITLEMENT TO FEDERAL PAYMENTS FOR MEDICAL ASSISTANCE

Section 201 would limit States' entitlement to Federal matching payments with respect to medical assistance expenditures. For FY 1986 Federal matching payments would be limited to $22,130,121,000; each State's share of this amount would be proportional to its share of Federal matching payments for FY 1984. For FY 1987 and succeeding fiscal years, each State's limit would be its FY 1986 ceiling, indexed by the medical care component of the Consumer Price Index. This amendment would not apply to the territories, whose Federal matching payments are already capped.

For FY 1986 only, the Secretary would be authorized to distribute additional funds appropriated, up to a ceiling of $300 million, in additional grants to States whose Federal medical assistance payments, but for their ceiling, would be more than 108 percent of such payments as limited by the ceiling.

GRANTS TO STATES FOR COSTS OF ADMINISTRATION

Section 202 would provide for grants to States (other than the territories) for costs of administration, in lieu of present authority for Federal matching payments for such costs.

Each such State's grant for FY 1986 and each succeeding fiscal year would be a proportion of the total appropriation for this purpose equal to that State's proportional share of Federal matching payments to all such States for administrative expenditures for FY 1984 (other than development costs of Medicaid management information systems (MMIS)), determined on the basis of expenditure reports sent to the Secretary by January 20, 1985, and approved by the Secretary prior to October 1, 1985.

Appropriations would be authorized for this purpose of $1,191,148,000 for FY 1986, and the prior year's appropriation adjusted by the GNP deflator for FY 1987 and succeeding fiscal years.

FLEXIBILITY IN DETERMINING BENEFITS

Section 203(a) would eliminate most minimum benefit requirements for the current "categorically needy" groups, retaining the requirements only for current mandatory services for the mandatory eligibles.

Subsection (b) would amend paragraph (10)(C) of section 1902(a) to eliminate the requirement that a State whose "medically needy" program includes care in institutions for mental diseases or in intermediate care facilities for the mentally retarded provide to all "medically needy" groups a minimum benefit package comparable to that required for the "categorically needy". This subsection would also eliminate from paragraph (10)(C) provisions concerning income and resource determinations which duplicate or overlap provisions of paragraph (17).

Subsection (c) would amend section 1902(a)(17) to contain all requirements concerning standards and methods for determining eligibility and benefits of individuals other than mandatory eligibles. As amended—

Section 1902(a)(17)(A) would maintain the requirement that the methodology used to determine income and resource eligibility must be the same as that of the cash assistance program for the group most closely categorically related to the optional medical assistance group;

Section 1902(a)(17) (B) and (C) would maintain the requirements to take into account only income and resources actually available to the applicant or recipient, and not to take into account the financial responsibility of any other individual (other than a spouse or parent);

Section 1902(a)(17)(D) would maintain the requirement to take into account costs of medical or remedial care, but eliminate the reference to "costs incurred" in order to allow States to consider also costs for which payment has not yet been made and foreseeable future costs;

Section 1902(a)(17)(E) would explicitly provide, that, in determining the amount an eligible individual residing in a medical institution must contribute to the cost of care—

(1) income and resources may be taken into account that were not counted in determining eligibility, to the extent the Secretary may permit (this is a clarifying amendment; the rule is necessarily implied to avoid results inconsistent with the intent of the Congress, and has been applied since the inception of the program in 1965, but the absence of an explicit statement is a source of recurring confusion); and

(2) up to 20 percent of that portion of the annual income of financially responsible spouses and parents that exceeds 200 percent of the Federal poverty line may be deemed available to the applicant or recipient (this is new authority).

Subsections (d) and (e) would amend section 1902(f) (the "209B eligibility provision") and section 1903(f) (which limits Medicaid eligibility to those whose income and resources do not exceed 133⅓ percent of the cash assistance standard for families with dependent children) to eliminate the restriction of spenddown to incurred medical costs, in order to include also costs for which payment has not yet been made and foreseeable future costs.

ELIGIBILITY OF CERTAIN INDIVIDUALS WHO BECOME INELIGIBLE FOR SUPPLEMENTAL SECURITY INCOME OR STATE SUPPLEMENTAL PAYMENTS

Section 204 would clarify that the disregard of certain income provided by section 503 of Public Law 94-566, for purposes of determining Medicaid eligibility, applies only to those individuals who become ineligible for supplemental security income (SSI) as a direct result of a cost-of-living increase in social security benefits, and would therefore, without this section, be ineligible for Medicaid as well. It is clear from the legislative history of section 503 that this provision was never intended to afford relief to individuals who lost SSI eligibility for reasons apart from the cost-of-living increase, but who, if that increase were deducted from their total income, would qualify for SSI (despite the contrary outcome in Lynch v. Rank).

STATEWIDENESS REQUIREMENTS RETAINED ONLY FOR MANDATORY SERVICES TO MANDATORY ELIGIBLES

Section 205 would amend the present requirement that the State plan be in effect throughout the State to apply only with respect to mandatory services to those groups the State is required to cover.

AMENDMENT CONCERNING "FREEDOM OF CHOICE"

Secton 206 would limit applicability of the requirement that recipients have freedom of choice in selection of a provider from whom to receive covered services to mandatory services for the categorically needy.

AMENDMENTS CONCERNING HEALTH MAINTENANCE ORGANIZATIONS

Section 207(a) and (b) would permit States to extend the minimum enrollment period now available to individuals enrolled in Federally qualified HMOs to individuals enrolled in (1) a case management system approved under the Medicaid freedom-of-choice waiver authority, or (2) all types of HMOs, both State and Federally qualified.

Subsection (c) would permit the Secretary to grant States waivers of the "freedom of choice" requirement with respect to entities qualifying as health maintenance organization under the Medicaid definition.

AMENDMENTS CONCERNING COPAYMENTS

Section 208 would amend provisions concerning copayments by Medicaid recipients. No premiums or like charges could be made for mandatory services for the mandatory groups, and copayments for such services could only be nominal. States would have the option to exempt from copayment requirements services furnished to children, pregnant women, inpatients subject to spenddown requirements, HMO services, and emergency services. There would be no restrictions on copayments for optional services for any individuals.

ELIMINATION OF FEDERAL REQUIREMENTS CONCERNING STATE PAYMENT RATES

Section 209 would eliminate all statutory requirements with respect to minimum payment rates for Medicaid services, but States would be required to include in their plans a description of the methods used to set payment rates for hospitals, skilled nursing facilities, and intermediate care facilities.

ELIMINATION OF REQUIREMENTS CONCERNING STATE AGENCY STAFF AND COOPERATIVE ARRANGEMENTS WITH OTHER STATE AGENCIES IN ADMINISTRATION OF STATE PLAN

Section 210 would eliminate requirements that the State agency cooperate with State health and rehabilitation agencies in the administration of services; and that it specify in its plan the health professionals to be used in plan administration.

SIMPLIFICATION OF REQUIREMENT TO VERIFY THAT MEDICAL SERVICES WERE FURNISHED AS CLAIMED

Section 211 would repeal the present requirement that MMIS systems provide for written notice to be given to individuals (or to a sample of individuals) of the medical services furnished under the State plan to those individuals, and would instead require the State plan to provide an adequate method for verifying whether services for which payment is claimed under the State

plan were actually furnished to covered individuals.

ELIMINATION OF PENALTY FOR FAILURE TO PAY PREMIUMS FOR INDIVIDUALS ELIGIBLE FOR MEDICARE PART B BENEFITS

Section 212 would eliminate the reduction in Federal reimbursement with respect to expenditures which would not have been incurred by the State if it had exercised its option to pay Medicare part B premiums on behalf of eligible Medicaid recipients.

ELIMINATION OF REVIEW REQUIREMENTS AND PENALTIES RELATED TO MECHANIZED INFORMATION SYSTEMS

Section 213 would eliminate requirements and related penalties with respect to operation of States' mechanized claims processing and information retrieval systems.

AMENDMENT TO UTILIZATION CONTROL PENALTY

Section 214 would amend the utilization control penalty requirement to add a tolerance for error. Under present law, substantial penalties must be assessed if the State teams making onsite inspections in mental hospitals and skilled and intermediate care facilities fail to review the care of a single patient. Under this amendment, a State would not be penalized for failure to meet this requirement, so long as the number of individuals in any one institution whose care was not reviewed did not exceed the lesser of two percent of the Medicaid population or ten patients (or one patient, in the case of a small institution).

EFFECTIVE DATE

Section 215 would provide that amendments made by sections 201 and 202 of the bill would be effective upon enactment, and that amendments made by sections 203 through 214 would be effective with respect to calendar quarters beginning on and after the first day of the first fiscal year for which sections 201 and 202 are in effect.

By Mr. DURENBERGER (for himself, Mr. HEINZ, and Mr. CHAFEE):

S. 1551. A bill to amend title XVIII of the Social Security Act to provide for administrative appeals and judicial review under part B of Medicare; to the Committee on Finance.

FAIR MEDICARE APPEALS ACT

Mr. DURENBERGER. Mr. President, today, I join my distinguished colleagues Senator HEINZ and Senator CHAFEE in introducing the "Fair Medicare Appeals Act of 1985" to bring Medicare's part B appeals process up to date by providing for the appeal of part B claim determinations beyond the level of the fiscal intermediary.

Mr. President, the Social Security Act already provides for judicial review for disputes regarding the entitlement to benefits under both parts A and B of the Medicare Program. However, judicial review for disputes regarding the amount of benefits is only allowed under part A, but not under part B.

The Medicare Program is undergoing dramatic upheaval. In just the past few years Congress has legislated major Medicare systems reform at a rate unprecedented in the Halls of Congress. Using the vehicles of competition and consumer choice we have introduced needed financial incentives to encourage the cost effective delivery of quality care to our Nation's 30 million elderly and disabled beneficiaries.

Congress has reformed the way Medicare pays for inpatient hospital services—setting a prospective price for services provided based on a list of 468 diagnosis related groups [DRG's]. We have given Medicare beneficiaries the option to use their Medicare entitlement to purchase coverage from private health plans—the new Medicare voucher legislation. And we have developed and implemented a new peer review system to closely monitor the quality of care provided to Medicare beneficiaries.

But in all this flurry of activity we've overlooked one very important part of the program that now sticks out like a sore thumb—the appeals process under Medicare's supplemental insurance program, part B.

Part B is Medicare's optional insurance program that provides coverage for basic noninstitutional services including physician visits, outpatient procedures, plus medical home health care and durable medical equipment. It's an important part of the Medicare Program with 98 percent of Medicare beneficiaries opting to enroll.

I was, therefore, surprised to learn that under current law, there is no provision for judicial review of claims disputed by Medicare's beneficiaries. For amounts of benefits over $100, appeals are heard only by a hearing officer who is not only appointed by the carrier, but employed by him as well. The decision made by the hearing officer is final. There is absolutely no further review provided Medicare beneficiaries beyond the carrier level.

The part B appeals process was modeled after AETNA's Federal employee health benefit plan. When part B was designed it was the thought that claims under part B were relatively small when compared to part A, Medicare's Hospital Insurance Program. It was the intent of Congress to limit judicial review of part B claims to prevent the needless overloading of the courts with minor claim disputes.

Yet the health care system is not the same system it was 20 years ago. We are moving away from hospital-based services, financed primarily under part A, to services provided in doctor's offices, hospital outpatient units and home health agencies—financed primarily under part B. Many factors are contributing to the shift from part A to part B.

Medicare's new hospital prospective payment system limits the amount it will pay hospitals for services provided on the prospectively determined prices, associated with the 468 diagnosis related groups [DRG's]. Hospitals now have new financial incentives which encourage them to discharge patients as soon as it is medically possible. This shift places greater demands on post-hospital service providers.

New and increasingly sophisticated advances in medical technology have made possible the performance of many surgical procedures on an outpatient basis. At the same time, Medicare's new peer review program is contributing to the growth in out-patient surgery by effectively reducing hospital admissions for procedures that can safely be performed in an outpatient setting.

The rationale used to preclude judicial review—that part B claims are relatively small when compared to part A—can no longer be justified. In fact, under Medicare's current reimbursement system, certain procedures can cost the Medicare Program more if performed on an outpatient basis compared to its inpatient hospital rate. For example, the fixed inpatient DRG payment for cataract surgery is about $1,500. For outpatient surgery, the average charge is $2,200 and can go as high as $4,500.

Last week I introduced the "Medicare Outpatient Surgery Savings, Access, and Quality Act" (S. 1489) to bring Medicare's payment of outpatient surgery into line with its true costs. S. 1489 establishes fixed prospective prices for outpatient surgery based on the same fixed prospective rate paid to ambulatory surgical centers and hospital outpatient settings. My bill will bring down the costs of surgical procedures paid for under part B. But, the trend toward the use of more part B covered services will obviously continue.

Finally, technological advances have contributed to the increased availability of and demand for home health medical services equipment making home health care a new service option for many who would otherwise be institutionalized.

All these factors have contributed to an increase in part B payments at the rate of about 20 percent per year. Forty-one percent of the increase in part B payments can be attributed to an increase in the volume of claims filed. At the same time, there has been a substantial increase in the number of part B appeals filed at the carrier level. According to a recent HCFA's carrier appeals report, carrier review requests increased by 35 percent from October to December in 1983 to the same quarter in 1984. In fact, the report states that the number of cases pending at the end of 1984—248,493—was the highest ever recorded.

We mustn't ignore the facts any longer. Use of part B covered services under Medicare is increasing. Beneficiary appeals of part B claim determinations are increasing. Yet, carriers are paying out less under their review de-

terminations than ever before—$350,000 during October-December 1984 compared to $512,000 for the same period in 1983.

In addition to the lack of judicial review, the Health Care Financing Administration recently issued an intermediary manual change which took away the Medicare beneficiaries' option to be represented in an appeals hearing by their own physician. This was a major regulatory change in the administration of the Medicare Program that was never published or presented for public comment.

The reality of how the appeals process works for the average Medicare beneficiary disputing a part B claim determination clearly points to the need for reform.

Imagine youself a 70-year-old retired person who has just received a bill for $1,000, for relatively minor surgical procedure performed in your doctor's office. Upon submitting the bill for reimbursement, you find that Medicare will pay only half the charge. You are out $500.

You submit an appeal to the carrier to review your claim. After waiting for several months for a decision, the carrier denies your appeal, provides no explanation why your appeal was denied, plus correspondence from the carrier is written in a language you cannot understand. But that's it. You are stuck with the carrier's decision—under current law there is no appeal beyond the carrier.

Reform of the part B appeals process is needed to guarantee Medicare beneficiaries their right to due process. As Congress continues to reform the Medicare Program, we must closely monitor the quality of care being provided, the administration of benefits, and the appropriate payment of claims.

The "Fair Medicare Appeals Act of 1985" provides the following:

(1) Where the amount of dispute is between $100 and $500 beneficiary appeals will be settled by the carrier.

(2) Beneficiaries with disputes concerning a dispute greater than $500, but less than $1000, may appeal the claim determination to an administrative law judge appointed by the Department of Health and Human Services.

(3) Where the amount in dispute is greater than $1000, a beneficiary may appeal the administrative law judge's decision to the courts.

(4) Provides for the right of beneficiaries to choose representation by their providers in any of the appeals procedures under both Part A and Part B.

Mr. President, I ask unanimous consent that S. 1551 be printed in the CONGRESSIONAL RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1551

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Fair Medicare Appeals Act of 1985."

AMENDMENTS TO SOCIAL SECURITY ACT

SEC. 2. (a) section 1869(a) of the Social Security Act is amended by inserting "or part B" after "part A".

(b) Section 1869(b) of such Act is amended—

(1) in paragraph (1)(C), by inserting "or part B" after "part A";

(2) in paragraph (2), by inserting after "$100" the following: "in the case of benefits under part A, or $500 in the case of benefits under part B"; and

(3) by adding at the end thereof the following new paragraphs:

"(3) In the case of any hearing or judicial review conducted or requested pursuant to paragraph (1)(C), the beneficiary may allow the provider which furnished the services involved to act as such beneficiary's representative.

"(4) In determining the amount in controversy, the Secretary, under regulations, shall allow two or more claims to be aggregated if the claims involve the delivery of similar or related services to the same individual or involve common issues of law and fact arising from services furnished to two or more individuals.".

(c) Section 1842(b)(3)(C) of such Act is amended by striking out "$100 or more" and inserting in lieu thereof "at least $100, but not more than $500,".

(d) Section 1879(d) of such Act is amended by striking out "sections 1869(b)" and all that follows through "part (B)" and inserting in lieu thereof "sections 1869(b) and 1842(b)(3)(C), as may be applicable,".

(e) The amendments made by this Act shall apply to hearings and judicial review with respect to determinations under section 1869(a) of the Social Security Act made on or after the date of the enactment of this act.

Mr. HEINZ. Mr. President, today Senator DURENBERGER, Senator CHAFEE, and I are introducing legislation to improve the effectiveness and fairness of appeals and procedural protections available to Medicare beneficiaries. I am pleased to state that these amendments are supported by a broad-based coalition of beneficiary, provider, practitioner, and supplier organizations.

Congress has long recognized that the cost of medical care to the elderly can be enormous. For this reason, the Medicare Program was enacted, in 1965, to provide "help for old people who need assistance in meeting medical costs." The part B medical insurance program was created to provide security to all of the Nation's elderly faced with huge medical bills.

Part B of Medicare covers the costs of a variety of noninstitutional health care services. While most part B payments, which totaled $19.3 billion in fiscal year 1984, are for physician services, the program also covers many other services, such as outpatient laboratory tests, home health services, and durable medical equipment.

To deal with disputes that arise over the amount of payment due a beneficiary or provider of services under the Medicare Program, various appeal processes have been instituted. Unfortunately, under current law, part B beneficiaries whose claims are denied wholly or partially have had a very limited appeals process available to them. This has raised questions about whether the due process requirements of the Constitution have been met.

To begin to deal with this problem, I asked the General Accounting Office [GAO] in August of 1984 to review the current appeals process and due process protections for beneficiaries under part B of Medicare. That review was recently completed and I am releasing the GAO report today.

The GAO made two significant findings: First, with regard to the adequacy of the beneficiary appeals process under the due process principle of the Constitution, the GAO stated that their review of court decisions showed that courts have found the Health and Human Services Department's appeals procedures do not satisfy the requirements of due process.

Second, the GAO found that the Department's Health Care Financing Administration has not acted to implement GAO's 1980 and 1981 recommendations to improve protection against underpayments to beneficiaries because to do so would increase administrative costs and program payments. GAO stated that while it recognized that costs would increase, HCFA has an equally important obligation to pay for services that are covered in order to protect the elderly and disabled from inequitable out-of-pocket expenses.

For part B beneficiaries, as well as providers, the Medicare statute and recent court decisions have effectively precluded judicial review of part B programs and claims paid or not paid. Beneficiaries who receive low reimbursement for charges they have paid to their doctors may know that something is wrong, but are generally powerless to do anything about it.

Presently, a beneficiary may request an in-house paper review of unsatisfactory reimbursement, but the beneficiary plays no part in the process and must accept the result. Only if a dissatisfied claimant has a claim of more than $100 and expenses for a "fair" hearing is there any opportunity for direct examination of his or her file and a chance to express his or her side of the story. According to many claimant's attorneys, the "fair" hearing is mostly an exercise in arithmetic, with no opportunity to examine the underlying decisions and no further opportunity for review for disappointed beneficiaries.

A case in point is that of Mr. Salvatore Civello, a 69-year-old former truck driver from Ridgewood, NY. Mr. Civello paid his doctor $1,150 for the removal of a tumor. His initial Medicare reimbursement was $602.00. After he requested a review of that determination, he received an additional $353.00. The carrier never told him why or how these figures were derived.

The judge ruling in the case in which Mr. Civello was a plaintiff, stated that the language used in the review determination letter is "bureaucratic globbledegook, jargon, double talk, a form of officialese, federalese, and insurancese, and doublespeak. It does not qualify as English."

Mr. President, during fiscal year 1984, the beneficiaries' liabilities on unassigned claims for the difference between actual and allowed charges were almost $3 billion, up from $882 million in fiscal year 1978. And, as the GAO found in 1980, there is a high risk of underpayment in beneficiary submitted claims. This is illustrated by the fact that during fiscal year 1983, of 2,337,779 reviews conducted by carriers, 1,363,934, or 59 percent, were reversed. The vast majority of these reversals were made in favor of the beneficiary—68 percent—with awards to beneficiaries totaling $154,813,518. And carrier review requests are on the rise. They have increased dramatically—by 33.5 percent—from the last quarter in 1983 to the first quarter in 1984—576,448 to 769,557.

Mr. President, the legislation I am introducing today would give part B beneficiaries basic due process protections, without overburdening the courts with minor matters. Simply stated, it provides a hearing by an administrative law judge for any part B claim greater than $500. For disputes of more than $1,000 judicial review will be available if the beneficiary is not satisfied with the results of the administrative law judge review. It also allows beneficiaries to be represented in an appeals proceeding by their doctor or hospital.

Mr. President, this legislation is needed and it is needed now. Since the inception of the prospective payment system and DRG method of hospital payment, more medical services are being rendered in outpatient settings, thereby creating much larger part B bills than under the previous payment system. Already the percentage of claims submitted by beneficiaries is high and beneficiary liability for Medicare reasonable charge reductions is approaching $3 billion a year. For the individual beneficiary, living on a fixed income, close to the subsistence level, the losses may impose severe hardship and emotional strain.

Attorneys for beneficiaries have long complained that present procedures do not meet due process requirements, but the problems with the part B appeals process have not been fully resolved by the courts of this country. Our Nation's elderly Medicare beneficiaries are entitled to the due process protections afforded by the Constitution. This bill assures that they receive due process.

● Mr. CHAFEE. Mr. President, I am pleased to join my colleagues from Minnesota and Pennsylvania in introducing the Fair Medicare Appeals Act of 1985.

Under current law there is a difference between the manner in which disputes concerning the amount of benefits under part A and part B of Medicare are resolved. There is a two-track system for the appeal of carrier decisions. Under part A if a beneficiary has a dispute with a provider, he or she may appeal the decision by the carrier to an administrative law judge. If the dispute involves more than $1,000 the beneficiary may appeal the administrative law judge's decision through full judicial review. On the other hand, if there is a dispute under part B of the program, the beneficiary is entitled only to receive a hearing with a hearing officer who is not a lawyer, is employed by the carrier, and works out of a manual—with no consideration of case law or even previous decisions made by the carrier. The carrier's decision is final; there is no appeal.

This legislation would make four major changes in the part B appeals process. Disputes involving amounts between $100 and $500 will continue to be settled by the carrier. Disputes involving amounts between $500 and $1,000 will have recourse to a full hearing by an administrative law judge. If the amount in dispute is greater than $1,000, a beneficiary may appeal the administrative law judge's decision through full judicial review. Finally, all beneficiaries will have the right to choose representation by their providers in any appeals procedures under part A and part B.

The difference between these two appeal procedures was not a problem when the part B program was small. However, today with the increased complexity and increased number of claims the difference is difficult to justify.

The current part B appeals process was designed 20 years ago. It has been 13 years since Congress last took a serious look at Medicare appeals procedures and procedural protections. I believe it is time to reexamine the system and make much-needed reforms.

Part B of Medicare has become an integral part of health care for the elderly. Congress has added services under the program to address the changing needs of the elderly. With the advent of prospective payment system under part A of Medicare, beneficiaries rely heavily on the services offered under part B. That system has created pressures on hospitals to discharge patients sooner than in the past and consequently beneficiaries need the services of post-hospital providers, which are paid for through part B of the program, like physician and home health care services.

In addition to these demands, advances in medical technology have made possible the performance of many surgical procedures on an outpatient basis. Technological advances have also created increased availability and demand for beneficiaries to receive medical care in their homes rather than in hospitals or other institutional settings.

In short, the Medicare Program has changed dramatically in both structure and nature since its beginnings 20 years ago. Yet beneficiary and provider protections have not kept up with these changes. As Congress continues to reform and restructure the Medicare Program, our goals must be high quality of care, fair administration of benefits, appropriate payment of benefits, and a speedy and fair resolution of disputes. The Fair Medicare Appeals Act of 1985 will further these goals.●

By Mr. HEINZ:

S. 1552. A bill to amend the Public Works and Economic Development Act of 1965 to establish a National Public Works Corporation for purposes of providing financial assistance to States and local governments for the construction, rehabilitation, and repair of certain public facilities, and for other purposes; to the Committee on Environment and Public Works.

NATIONAL PUBLIC WORKS CORPORATION ACT

● Mr. HEINZ. Mr President, today I send to the desk a bill entitled the "National Public Works Corporation Act of 1985." This measure is designed to preserve and enhance the national infrastructure by establishing a National Public Works Corporation for purposes of providing financial assistance to State and local governments for the construction, rehabilitation, and repair of public facilities.

Mr. President, although there is no precise definition of what constitutes the "national infrastructure," it would certainly include this country's 557,000 bridges, 3.9 million miles of roads and streets, 8,400 public libraries, 106,000 public elementary and secondary schools, 1,250 public colleges and universities, 43,000 dams, 3,100 courthouses, 4,200 parks, and 4,700 public airports. In addition, a complete catalog of the national infrastructure would include innumerable water systems, waste water treatment facilities, jails, ports, waterways, and levees. To borrow an eloquent description crafted by the distinguished senior Senator from New Mexico, the national infra-

structure may be summed up as "those things that make us a civilized and healthy society."

Regrettably, our national infrastructure has been deteriorating at an accelerating pace over the past several decades. According to Dr. Pat Choate, author of "America in Ruins" and perhaps the foremost expert in the United States on infrastructure investment, this country's public facilities are wearing out faster than they are being replaced, and are doing so at a time when the United States is seriously underinvesting in its public infrastructure. Dr. Choate reports that public works investment, measured in noninflated purchasing power—1972 dollars—fell from $30 billion in 1965 to $25 billion in 1984—a 17-percent decline. Measured against the value of the GNP, public works investment declined from 3.2 percent of the GNP in 1965 to 1.5 percent in 1984—a 52-percent decline. This underinvestment is the primary cause of America's public works deterioration.

Deterioration is evident in nearly every facet of the national infrastructure. The Congressional Budget Office notes that, by 1990, 41 of the Nation's 71 major airports will routinely experience peak-hour delays of 30 minutes due to antiquated traffic control systems. The U.S. Army Corps of Engineers estimates that, of the 184 principal locks on the inland waterway system, more than 100 are more than 50 years old, the average lifespan of a lock; 54 of these aged locks need major attention immediately. The U.S. Department of Transportation reports that 120,000 of the Nation's 557,000 bridges are structurally deficient while another 121,000 are obsolete. The Federal Highway Administration reveals that fully half of the primary, secondary, and urban roads in the United States are listed in only fair condition.

In my home State of Pennsylvania, the need for infrastructure investment is particularly acute. More than 9,400 of Pennsylvania's 55,000 bridges are either structurally deficient or functionally obsolete; 765 dams, out of a total of 3,000 pose a potential threat to life and property. More than 900 sewerage projects costing over $3.5 billion must be constructed in order to enable Pennsylvania to meet the minimum requirements of the Federal Clean Water Act. Most, if not all, of Pennsylvania's municipal waste disposal facilities will have to be replaced or expanded in the next 10 years, before they are filled to capacity.

Increasing the amount of money invested in the national infrastructure is not only necessary, but makes good economic sense as well. As proof, I would cite the conclusions of a study commissioned by the Associated General Contractors of America. According to the AGC, a sustained investment program of, say, $10 billion a year for 6 years would cause production in most industries to rise 0.2 percent per year. The Nation's hardhit industries would enjoy production increases of 0.5 to 1.0 percent annually. Overall, a $60 billion, 6-year construction program would lead to an increase in employment of 1.92 million man-years over the length of the undertaking.

Mr. President, the bill I am introducing today is identical to H.R. 2818, a bill introduced in the House of Representatives on June 20, 1985 by Congressman WILLIAM CLINGER of Pennsylvania. This measure, titled the Public Works Corporation Act, establishes a revolving loan fund for purposes of enabling State and local governments to repair and replace badly-deteriorated bridges, roads, sewers, water lines, and other facilities which generate a dependable stream of income.

Let me take a few minutes to describe the substantive provisions of this legislation.

ESTABLISHMENT OF A CORPORATION

Under the terms of this act, a National Public Works Corporation would be established to oversee and administer a revolving loan fund jointly capitalized by the Federal Government and the several States. This corporation, to be controlled by a bipartisan board of directors, would handle all fiduciary matters connected with this fund, and would act on loan requests submitted by participating States. The quasi-independent corporation's review of loan requests would be limited to: First, financial matters regarding the integrity of the corporation's reserves, and, second, the technical and competitive aspects of the projects submitted for funding. The corporation will reject only those requests which threaten the solvency of the loan fund or which the corporation has determined to be extravagant or unworkable. Individual States will determine for themselves what priority to assign to projects submitted and how much money each will receive.

CAPITALIZATION AND RESERVE-FUND

The National Public Works Corporation Act authorizes the Federal Government to deposit with the corporation $2.5 billion, to be matched by a $2.5 million contribution from the participating States. This $5.0 billion stake will be placed in reserve and leveraged up to $50.0 billion through the sale of taxable bonds backed with the full faith and credit of the U.S. Government. All proceeds from the sale of such bonds would be placed in a National Infrastructure Loan Fund, from which interest-bearing loans can be made to State and local governments for the purpose of replacing and rehabilitating public facilities. At no time may the total amount of outstanding loans exceed 10 times the amount of capital held in reserve.

Although the States are required to collectively contribute $2.5 billion to the loan fund, the effect of the legislation in practical terms is to permit them to leverage 20 times that amount in project loan funds. Moreover, in recognition of the fact that different States have different fiscal capabilities, this measure allows States to set their own timetables for contributing their share of the loan fund reserves.

Participation in this program is voluntary. States choose the amount and timing of their contributions. The maximum contribution is limited to the figure that bears the same ratio to $2.5 billion as the State's population bears to the national population. For example, a State with 10 percent of the country's population may contribute up to $250 million to the loan fund. The Federal Government will match this contribution with an equal amount. Assuming the loan fund is fully capitalized, the State is then under the bill's formula, entitled to receive loans of up to $5.0 billion, depending on the size of the State's original contribution to the fund. As the loans are repaid, the State is entitled to second-generation funds for other projects it wishes to advance.

LOANS TO STATE AND LOCAL GOVERNMENTS

The corporation is authorized to make loans to participating States and to units of local government within those States. States may request loans for amounts less than total estimated project-cost, if other funds are available from Federal and State grant programs, local entities, or private contributors. Loans are generally available for the construction, reconstruction, rehabilitation, or repair of any public facility. However, the repayment of the loan and the operation, maintenance, and replacement costs of the project must be tied to a guaranteed stream of revenues associated with the facility.

The interest rate charge on the loan will be based upon the cost of borrowing funds at the time the loan is granted and the corporation's administrative costs. Interest rates may be reduced across the board through a direct appropriation by Congress. This authority is to be used when high interest rates would make the cost of loans from the corporation an inordinate burden on borrowers.

The corporation may only approve loans that have the approval of the Governor of a participating State. The board shall ensure that the project is technically feasible and that awards are made on the basis of competitive bidding. The corporation is granted further powers to audit the borrower's compliance with the loan requirements and to take remedial actions when necessary.

51-059 O-86-32 (Pt. 16)

DEFAULTS

In the event of a default on the loan by a State and local government, half of the amount of the default would be charged against the State's portion of the loan fund reserve. A State may replenish its reserves within 2 years, but after that time, if the reserves go unreplenished, the amount of loans available to the State in the future would be substantially reduced.

Mr. President, this bill is not a panacea for the ills of the Nation's infrastructure. Nor is it a comprehensive program designed to replace all other infrastructure programs currently operating under the auspices of the Federal Government. However, the creation of a Natonal Public Works Corporation and revolving loan fund is a major step in the right direction and important precedent for the future. I urge my colleague to give this measure their careful scrutiny and enthusiastic support.

I ask unanimous consent that the full text of the National Public Works Corporation Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1552

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Public Works Corporation Act".

SEC. 2. Title II of the Public Works and Economic Development Act of 1965 is amended to read as follows:

"TITLE II—PUBLIC WORKS CORPORATION

"ESTABLISHMENT OF THE PUBLIC WORKS CORPORATION

"SEC. 201. There is established a body corporate to be known as the National Public Works Corporation (referred to in this title as the 'Corporation') which shall be an instrumentality of the United States and shall have succession until dissolved by Act of Congress.

"BOARD OF DIRECTORS

"SEC. 202. (a) The management of the Corporation shall be vested in a Board of Directors consisting of seven directors who shall be appointed by the President by and with the advice and consent of the Senate. One director shall be appointed as Chairman and one director shall be appointed as Vice Chairman in accordance with subsection (b). Except as provided in subsection (b) of this section, the term of each director shall be eight years. Any director appointed to fill a vacancy shall be appointed only for the unexpired portion of the term. Any director may continue to serve as such after the expiration of the term for which he was appointed until his successor has been appointed and has qualified.

"(b) Of the members first appointed to the Board of Directors, one shall be appointed for a term of two years, one shall be appointed for a term of three years, one (who shall be appointed Vice Chairman) shall be appointed for a term of four years, one shall be appointed for a term of five years, one shall be appointed for a term of six years, one shall be appointed for a term of seven years, and one (who shall be appointed Chairman) shall be appointed for a term of eight years. Any person appointed as a director thereafter to fill the seat held by the Vice Chairman shall be appointed as Vice Chairman and any person appointed as a director thereafter to fill the seat held by the Chairman shall be appointed as Chairman.

"OFFICERS AND EMPLOYEES

"SEC. 203. (a) The Board of Directors of the Corporation shall appoint a President of the Corporation and such other officers and employees as it deems necessary to carry out the functions of the Corporation, subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and persons so appointed shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. The President of the Corporation shall be an ex officio member of the Board of Directors and may participate in meetings of the Board except that he shall have no vote except in case of an equal division. No individual other than a citizen of the United States may be an officer of the Corporation. No officer of the Corporation shall receive any salary or other remuneration from any source other than the Corporation during the period of his employment by the Corporation.

"(b) No director, officer, attorney, agent, or employee of the Corporation shall in any manner, directly or indirectly, participate in the deliberations upon or the determination of any question affecting his personal interests, or the interests of any corporation, partnership, or association in which he is directly or indirectly interested.

"(c) The Chairman and Vice Chairman shall be compensated at the rate payable under level III of the Executive Schedule under section 5314 of title 5, United States Code. The other directors shall be compensated at the rate payable under level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(d) Not more than four directors serving at any time may be from one political party.

"(e) The Corporation shall not engage in political activities nor provide financing for or assist in any manner any project or facility involving political parties, nor shall the directors, officers, employees, or agents of the Corporation in any way use their connection with the Corporation for the purpose of influencing the outcome of any election.

"CORPORATE POWERS

"SEC. 204. (a) The Corporation shall have power—

"(1) to adopt, alter, and use a corporate seal;

"(2) to make contracts;

"(3) to lease such real estate as may be necessary for the transaction of its business;

"(4) to sue and be sued, to complain and defend, in any court of competent jurisdiction, State or Federal;

"(5) to select, employ, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary for the transaction of the business of the Corporation;

"(6) to define the authority and duties of such officers, employees, attorneys, and agents, require bonds of them and fix the penalties thereof, and to dismiss at pleasure such officers, employees, attorneys, and agents;

"(7) to prescribe, amend, and repeal, by its Board of Directors, bylaws, rules, and regulations governing the manner in which its general business may be conducted and the powers granted to it by law may be exercised and enjoyed together with provision for such committees and the functions thereof as the Board of Directors may deem necessary for facilitating its business under this title; and

"(8) to exercise, to the extent not inconsistent with the provisions of this title, the general corporate powers of a corporation organized and existing under the laws of the District of Columbia.

"(b) The Board of Directors of the Corporation shall determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid.

"(c) The Corporation shall be entitled to the free use of the United States mails in the same manner as the executive departments of the Government.

"(d) The Corporation, with the consent of any board, commission, independent establishment, or executive department of the Government, including any field service thereof, may avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this title.

"PRINCIPAL OFFICE

"SEC. 205. The principal office of the Corporation shall be located in the District of Columbia.

"BORROWING AUTHORITY

"SEC. 206. (a) The Corporation may issue notes, debentures, bonds, and other evidences of indebtedness in such amounts and on such terms and conditions as its Board of Directors may determine subject to the limitations prescribed in this title.

"(b) Except as provided in section 209(b) of this title, the aggregate outstanding indebtedness of the Corporation under this section at any time may not exceed ten times the reserve fund of the Corporation under section 207(a) of this title at that time.

"(c) The obligations of the Corporation issued under this section shall be guaranteed with the full faith and credit of the United States.

"(d) Any of the obligations issued by the Corporation may be secured by its pledging or granting of security interests in all or any part of its revenues or other receipts or all or any part of its assets.

"(e) Neither the Directors nor any other person executing obligations shall be subject to any personal liability or accountability by reason of the issuance thereof.

"(f) All obligations of the Corporation shall be negotiable instruments, subject only to any provisions for registration of ownership of obligations.

"CAPITALIZATION AND RESERVE FUND

"SEC. 207. (a) The capitalization of the Corporation shall consist of amounts appropriated pursuant to subsection (b) of this section and amounts contributed by participating States in accordance with subsection (c) of this section. The amount of the capitalization shall constitute a reserve fund which shall not be available for making loans under this title. The Corporation may invest any portion of the reserve fund which is not, in its judgment, required to meet current needs. Such investments may be made only in interest-bearing obligations of the United States with maturities suitable for the needs of the Corporation. The interest

on and the proceeds from the sale or redemption of any such obligation shall be credited to and form a part of the reserve fund.

"(b) There is authorized to be appropriated for the capitalization of the Corporation for fiscal years beginning after September 30, 1985, not to exceed $2,500,000,000.

"(c) A State electing to participate in the Corporation may make contributions to the Corporation at such times and in such amounts as the State chooses. Except as provided in section 209(d) of this title, the total contributions of a State to the Corporation shall not exceed an amount equal to the amount which bears the same ratio to $2,500,000,000 as the population of such State bears to the population of all the States.

"LOANS TO STATES AND LOCAL GOVERNMENTS

"SEC. 208. (a) The Corporation is authorized to make loans to participating States and to units of local government located in participating States for projects for the construction, rehabilitation, and repair of public facilities in accordance with this section. Any such loan may be in an amount sufficient to pay for all or a portion of the cost of completing an approved project, except that the amount of any such loan may not be used for payment of the non-Federal share of the cost of any project for which a Federal grant is made.

"(b)(1) Except as otherwise provided in section 209(c) of this title, the total amount of the loans outstanding under subsection (a) of this section shall at no time exceed the aggregate outstanding indebtedness of the Corporation under section 206(b) of this title.

"(2)(A) Except as otherwise provided in subparagraph (B) of this paragraph and section 209(c) of this title, the total amount of the loans to a State and to units of local government within such State outstanding under subsection (a) of this section shall at no time exceed that amount which bears the same ratio to the total amount allowable under paragraph (1) of this subsection as the amount of contributions made by such State to the Corporation under section 207(c) of this title bears to the amount of contributions made by all participating States to the Corporation under section 207(c) of this title.

"(B) In no event shall the total amount allowable under subparagraph (A) for loans to a State and to units of local government in such State exceed the amount which would be allowable for loans to such State and such units under subparagraph (A) if (i) the full amount authorized by section 207(b) were appropriated, (ii) each State made the maximum contribution allowable to such State under section 207(c), and (iii) the Corporation incurred the maximum allowable indebtedness under section 206(b).

"(c) The Corporation may not make a loan for a project for a public facility unless the Corporation determines that the public facility after completion of the project will generate fees for the use of the facility in amounts sufficient to repay the principal and interest on the loan and to create a sufficient reserve for operation and maintenance of the project and for replacement costs over the useful life of the project. An applicant for a loan under this section shall demonstrate to the satisfaction of the Corporation that such applicant (or the agency or instrumentality for whom such applicant is applying under subsection (h)(1) or (h)(2)) has the legal authority to assess and collect such fees with respect to the project and that such fees will provide sufficient revenues to meet the requirements of the preceding sentence.

"(d) As a condition of any loan made under this title for a project for a public facility, the Corporation shall require that fees for the use of the facility be collected over the term of the loan in amounts sufficient to meet the requirements of subsection (c) and that all such fees be deposited in separate accounts (1) for the payment of principal and interest on such loan, and (2) for the payment of operation, maintenance, and replacement costs.

"(e) The Corporation may disapprove a loan application under this section for a project if it determines that the project is not feasible from an engineering standpoint, that the project will not generate revenues sufficient to satisfy the requirements of subsection (c) of this section, or that it is otherwise inconsistent with this title.

"(f) Each loan made under this title shall bear interest at a rate determined by the Corporation to be necessary to provide a return to the Corporation sufficient to pay for the Corporation's cost of borrowing funds and for the Corporation's administrative costs (including the costs of salaries of directors, officers, and employees).

"(g) The term of repayment for any loan made under this section shall not exceed the useful life of the project (as determined by the Corporation), except that in no event shall such term exceed twenty five years.

"(h)(1) The Governor of a State shall submit applications for loans for projects involving public facilities of such State or any agency or instrumentality of such State. In the case of any agency or instrumentality of two or more States, the Governors of such States shall jointly submit applications for loans for projects involving public facilities of such agency or instrumentality.

"(2) The responsible official of a unit of local government shall submit applications for loans for projects involving public facilities of such unit of local government or any agency or instrumentality of such unit. In the case of an agency or instrumentality of two or more units of local government, the responsible officials of such units shall jointly submit applications for loans for projects involving public facilities of such agency or instrumentality.

"(3) The Corporation shall not approve an application for a loan submitted by one or more units of local government within a State unless the Governor of such State has certified approval of the application.

"(4) The Governor of a State shall not submit applications for loans for such State and approve applications for loans for units of local government in such State in aggregate amounts which exceed the amount allowable for loans in such State under subsection (b)(2). Any application for a loan for a project for an agency or instrumentality of two or more States shall contain an agreement among such States as to the apportionment of costs among such States for purposes of this paragraph and section 208(b)(2).

"(5) The Governor of a State shall ensure a proper distribution of the funds allowable for loans in such State under subsection (b)(2) between urban and rural areas by selecting projects for submission under paragraph (1) and projects for approval under paragraph (2) so that the percentage of funds borrowed for projects in units of local government having a population of fifty thousand or more is not more than 5 per centum greater nor less than 5 per centum lower than the percentage of the State's population residing in units of local government having a population of fifty thousand or more. After the end of the two-year period beginning on the date the first loan is made under this title to a State or a unit of local government in such State, the Corporation shall only make a loan to such State or such a unit if, after taking into account that loan and all previous loans made to such State and such units, the Governor will be in compliance with the preceding sentence or will be more closely in compliance with the preceding sentence than before such loan was made.

"(i) As a condition of any loan under this title, the Corporation shall require that all contracts made with the proceeds of such loan be awarded on the basis of competitive bidding.

"(j) The Corporation shall conduct such audits as may be necessary to enforce this title. If the Corporation determines that fees are not being collected in sufficient amounts to meet the requirements of section 208(c) of this title, the Corporation shall notify the loan recipient of the amount by which such fees need to be increased. The Corporation shall not make additional loans to such recipient until the fees are so increased.

"(k) There is authorized to be appropriated to the Corporation for fiscal years beginning after September 30, 1983, such additional sums as may be necessary to reduce interest rates paid by borrowers under this title. Any amount appropriated under this subsection for a fiscal year shall be applied uniformly, as determined by the Corporation, to reduce interest rates for all recipients of loans under this title during such fiscal year.

"DEFAULTS

"SEC. 209. (a)(1) If the Corporation determines that any loan is in default, the Corporation shall notify the recipient (and the State in which a unit of local government is located if such unit is the recipient) of such default.

"(2) During the period beginning on the date of such notification and ending on the earlier of the date such default is cured or the date which is two years after the date of such notification, the Corporation shall not make loans to such recipient and, in any case in which the recipient is a State, the Corporation shall not make loans to any unit of local government within that State.

"(3) If the recipient (or the State on behalf of a recipient which is a unit of local government) does not cure any default within two years after the date of notification under paragraph (1), the Corporation shall reduce the reserve fund established under section 207(a) by the amount of the loan which remains in default. Such amount shall be set aside for purposes of repaying the holders of the obligations issued under section 206 of this title.

"(b) A reduction in the reserve fund under subsection (a)(3) of this section shall not affect any outstanding obligation for purposes of applying the limitation on indebtedness under section 206(b) of this title. The Corporation shall not issue any obligation under section 206 of this title after such a reduction if the outstanding indebtedness of the Corporation after the issuance of such obligation exceeds an amount equal to ten times the reserve fund, as so reduced.

"(c) A reduction in the reserve fund under subsection (a)(3) of this section shall not affect any outstanding loan for purposes of

applying the limitations on amounts allowable for loans under paragraphs (1) and (2) of section 208(b) of this title. Any reduction in the amount available for loans which results from such a reduction in the reserve fund shall first be applied to reduce the amount available for future loans to the State which is found to be in default and to units of local government within such State. To the extent necessary, after the amount available to such State and such units is reduced to zero, such a reduction in the reserve fund shall be applied to reduce the amount available for future loans to the other States and units of local government within such States in proportion to the contributions of each such State to the Corporation.

"(d) At any time after a reduction is made in the reserve fund under subsection (a)(3) of this section on account of a default by a State or a unit of local government in such State, such State may contribute all or a portion of the amount of such reduction to the reserve fund. Any additional amount of authority to make loans under section 208(b)(1) resulting from such contribution shall first be made available to States other than the State making such contribution and to units of local government in such States to the extent that the amount available to such other States and units was reduced under subsection (c) of this section, and any excess authority to make loans resulting from such contribution shall be made available to the State making such contribution and to units of local government in such State.

"TAXABLE STATUS

"SEC. 210. The Corporation, its property, its franchise, capital, reserves, surplus, security holdings, and other funds, and its income shall be exempt from all taxation now or hereafter imposed by the United States or by any State or local taxing authority; except that (1) any real property and any tangible personal property of the Corporation shall be subject to Federal, State, and local taxation to the same extent according to its value as other such property is taxed, and (2) any and all obligations issued by the Corporation shall be subject both as to principal and interest to Federal, State, and local taxation to the same extent as the obligations of private corporations are taxed.

"AUDIT BY GENERAL ACCOUNTING OFFICE

"SEC. 211. The General Accounting Office shall audit the financial transactions of the Corporation, and for this purpose shall have access to all its books, records, and accounts.

"ANNUAL REPORT

"SEC. 212. The Corporation shall submit an annual report to the Congress and the President as soon as practicable after the end of each fiscal year on the status of the Corporation and its reserve fund. Each such report shall include a description of the projects for which loans were made during the preceding fiscal year.

"DEFINITIONS

"SEC. 213. For purposes of this title—

"(1) the term 'construction' means the actual building of a new public facility at a site where no similar facility previously existed, including the acquisition of land for such facility and nonstructural alternatives, and the reconstruction of a public facility at an existing site or adjacent to an existing site;

"(2) the term 'maintenance' means routine and regularly scheduled activities intended to keep a public facility operating at its designed specifications;

"(3) the term 'public facility' means any facility owned or operated by a State, a unit of local government, or an agency or instrumentality of one or more States or units of local government, including, but not limited to, highways, streets, bridges, mass transit facilities and equipment, airports, water supply and distribution systems, sewers, locks and dams, buildings, ports, waterways, and docks; except that such term does not include any highway on a Federal-aid system (as defined in title 23, United States Code);

"(4) the term 'rehabilitation' means the correction of structural flaws in a public facility so as to extend the design life of such facility;

"(5) the term 'repair' means the correction of a structural flaw in a public facility without adding significantly to the design life of such facility;

"(6) the term 'State' means the several States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Marianas; and

"(7) the term 'unit of local government' means a city, county, town, township, parish, village, or other general purpose political subdivision of a State, and an Indian tribe.".●

By Mr. HATFIELD (for himself, Mr. PACKWOOD, Mr. STAFFORD, and Mr. KERRY):

S. 1553. A bill entitled the "Beverage Container Reuse and Recycling Act;" to the Committee on Commerce, Science, and Transportation.

BEVERAGE CONTAINER REUSE AND RECYCLING ACT

● Mr. HATFIELD. Mr. President, today I have the pleasure of introducing a bill aimed at the protection of our environment and resources, the Beverage Container, Reuse and Recycling Act. We can no longer afford to discard nearly 100 billion beverage containers annually—containers that are recyclable and reusable.

Each year, over 380 trillion Btu's of energy is expended in the manufacturing of beverage containers in the United States. Under this legislation, 70 to 130 Btu's would be saved. Through the mandatory deposit on beverage containers we will have the means to recycle 10.5 million tons of refuse each year. Presently nine States; including Oregon, Michigan, Maine, New York, Massachusetts, Iowa, Connecticut, Delaware, and Vermont, have laws similar to the one I am introducing in the 99th Congress, as I have each session since 1977. These States understand the importance and necessity of preserving our natural resources and eliminating waste of both those resources and our energy supply.

In 1980, the General Accounting Office [GAO] reported on four of the nine States which have refund and recycling systems. The report entitled, "States' Experience with Beverage Container Deposit Laws Show Positive Effects," found that an 80-percent reduction of beverage container waste could be realized. As a result, a 40-percent reduction in total litter is estimated. Another study conducted by New York State Commission found that roadside litter diminished as much as 30 percent, saving the taxpayer approximately $50 million per year. In addition, the GAO projected that a national law would create 97,100 new jobs nationwide.

The trend toward a national bottle bill has been displayed by American industry. A recent development, the reverse vending machine, is a system which enables consumers to feed empty beverage containers into a machine and in turn receive money or coupons. It meets the demands of supermarkets and convenience stores, entices even the most harried consumer, and has become a promising enterprise. This new technology is one more step toward increasing the efficacy of the act.

How will this law effect an already rushed consumer? In those States which have implemented beverage container laws, the public has shown overwhelming approval. In Oregon, for example, there is a 90-percent approval rate, while Vermont has 97 percent public support. The law does not infringe on any citizen's covenience. The consumer still has the option of discarding containers, but will have paid for the decision to do so. Instead the law provides an incentive for those who choose to participate in the recovery of resources, saving scarce energy, and maintaining a clean environment.

We have languished too long in the wastefulness of a throwaway society, frivolously using our natural resources. We cannot continue to live in this fashion. The choice is clear, conservation or plunder, we must give value for value. As stewards of the Earth, the consumption of our resources must be balanced with renewal whenever possible. This bill is not only a substantive step in that direction, but a symbolic one as well. It will serve to end the flip-top, snap-tab, throwaway society.

Oregonians, as well as several other States, have demonstrated that a beverage container law can work. It is now essential for the entire Nation to share in the responsibility of protecting our environment. It is my hope that the 99th Congress will adopt such legislation. I ask that the text of the Beverage Container Reuse and Recycling Act appear at this point in the text.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1553

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Beverage Container Reuse and Recycling Act".

FINDINGS AND PURPOSES

SEC. 2. Congress finds and declares that—

(1) the failure to reuse and recycle empty beverage containers represents a significant and unnecessary waste of important national energy and material resources;

(2) the littering of empty beverage containers constitutes a public nuisance, safety hazard, and esthetic blight and imposes upon public and private agencies unnecessary costs for the collection and removal of such containers;

(3) empty beverage containers constitute a significant and rapidly growing proportion of municipal solid waste, disposal of which imposes a severe financial burden on local governments;

(4) the reuse and recycling of empty beverage containers would eliminate these unnecessary burdens on individuals, local governments, and the environment;

(5) a uniform national system for requiring a refund value on the sale of all beverage containers would result in a high level of reuse and recycling of such containers;

(6) a national system for requiring a refund value on the sale of all beverage containers would result in significant energy conservation and resource recovery;

(7) a national system for requiring a refund value on the sale of all beverage containers would be anti-inflationary and would help create jobs in areas of commerce; and

(8) a national system for requiring a refund value on the sale of all beverage containers would be inexpensive to administer because of its self-enforcing nature.

DEFINITIONS

SEC. 3. For the purposes of this Act, the term—

(1) "beverage" means beer or other malt beverage, mineral water, soda water, or a carbonated soft drink of any variety in liquid form and intended for human consumption;

(2) "beverage container" means a container designed to contain a beverage under pressure of carbonation;

(3) "refundable beverage container" means a beverage container which has clearly, prominently, and securely affixed to, or printed on, it (in accordance with section 4) a statement of the amount of the refund value of the container;

(4) "consumer" means a person who purchases a beverage in a beverage container for any use other than resale;

(5) "distributor" means a person who sells or offers for sale in commerce beverages in beverage containers for resale;

(6) "retailer" means a person who purchases from a distributor beverages in beverage containers for sale to a consumer or who sells or offers to sell in commerce beverages in beverage containers under pressure of carbonation to a consumer. The Administrator shall prescribe such regulations as may be necessary to establish what person is a retailer with respect to the sale of beverages in beverage containers under pressure of carbonation to consumers through beverage vending machines;

(7) "Administrator" means the Administrator of the Environmental Protection Agency;

(8) "commerce" means trade, traffic or transportation—

(A) between a place in a State and any place outside thereof;

(B) within the District of Columbia or any territory of the United States; or

(C) which affects trade, traffic, commerce, or transportation described in subparagraph (A) or (B); and

(9) "State" includes the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

REQUIRED BEVERAGE CONTAINER LABELING

SEC. 4. No distributor or retailer may sell or offer for sale a beverage in a beverage container under pressure of carbonation unless there is clearly, prominently, and securely affixed to, or printed on, it (in accordance with regulations prescribed by the Administrator) a statement of the amount of the refund value of the container, such amount being not less than 5 cents.

RETURN OF REFUND VALUE OF BEVERAGE CONTAINERS

SEC. 5. (a)(1) If a consumer tenders for refund an empty and unbroken refundable beverage container to a retailer or distributor who sells (or has sold at any time during the period of three months ending on the date of such tender) a brand of beverage which was contained in the container, the retailer or distributor respectively shall promptly pay the consumer the amount of the refund value stated on the container.

(2) If a retailer tenders for refund an empty and unbroken refundable beverage container to a distributor who sells (or has sold at any time during the period of three months ending on the date of such tender) a brand of beverage which was contained in the container, the distributor shall promptly pay the retailer—

(A) the amount of the refund value stated on the container, plus

(B) an amount equal to 2 cents per container to help defray the retailer's cost of handling.

The payment amount specified in clause (B) may be adjusted by the Administrator, following evaluation and public comment, to reflect the true cost of recycling beverage containers. This paragraph shall not preclude a retailer from tendering refundable beverage containers to persons other than distributors.

(b) The opening of a refundable beverage container in a manner in which it was designed to be opened and the compression of a metal refundable beverage container shall not, for the purposes of this section, constitute the breaking of the container if the statement of the amount of the refund value of the container is still readable.

RESTRICTIONS ON METAL BEVERAGE CONTAINERS WITH DETACHABLE OPENINGS

SEC. 6. No distributor or retailer may sell or offer for sale a beverage in a metal beverage container a part of which is designed to be detached in order to open such container.

PREEMPTION OF STATE AND LOCAL LAW

SEC. 7. (a) Except as otherwise provided in this section, no State or political subdivision thereof may establish or continue in effect any law respecting a refund value of beverage containers sold with a beverage under the pressure of carbonation to the extent the Administrator determines the law is inconsistent with this Act.

(b) No State or political subdivision thereof may, for the purposes of determining the amount of any tax imposed by such State or subdivision on the sale of any refundable beverage container, take into account any amount charged which is attributable to the refund value of such container.

(c) Subsection (a) does not prevent a State or political subdivision thereof from establishing or continuing in effect any law respecting a refund value on containers other than for beverages or from regulating redemption and other centers which purchase refundable beverage containers from retailers and consumers.

PENALTIES

SEC. 8. Whoever violates any provision of sections 4, 5(a), or 6 shall be fined not more than $1,000 for each violation.

EFFECTIVE DATES

SEC. 9.(a) Except as otherwise provided in subsections (b) and (c), this Act shall take effect on the date of its enactment.

(b) The provisions of sections 4, 5, and 7 shall apply with respect to beverage containers sold or offered for sale in interstate commerce on or after two years after the date of enactment of this Act.

(c) The provisions of section 6 shall apply with respect to beverages in beverage containers sold or offered for sale in interstate commerce on or after one year after the date of enactment of this Act.

(d) The provisions of section 7(a) shall preempt State and local laws to the extent to which they are inconsistent with the provisions of this Act only on and after the respective effective dates of such provisions.●

By Mr. FORD (for himself, Mr. QUAYLE, Mr. PELL, Mr. NUNN, Mr. GARN, Mr. BUMPERS, Mr. COCHRAN, Mr. ZORINSKY, and Mr. GORE):

S. 1556. A bill to provide for 2-year Federal budget cycle, and for other purposes; pursuant to the order of August 4, 1977, referred jointly to the Committee on Governmental Affairs and the Committee on the Budget.

BUDGET PROCEDURES IMPROVEMENT ACT

Mr. FORD. Mr. President, I was delighted to learn last night that the chairmen of the Senate Budget and Governmental Affairs Committees have now publicly announced their intention to hold joint hearings on the subject of 2-year budget bills and other proposals to improve the Federal budget process. In view of this action I am today introducing, for myself and a number of cosponsors, a 2-year budget bill virtually identical to those bills which I have been introducing in the Senate since September 1981.

I look forward to those hearings and I express the sincere hope that out of these hearings will emerge from the appropriate committees a 2-year budget bill with such other improvements as the members of those committees deem desirable, so that the Senate and the House of Representatives can take definite action to put in place the 2-year budget and appropriation cycle.

As I have said many times before, on this floor and elsewhere, a 2-year budget and appropriation cycle won't begin to solve all of our many problems related to Federal spending and revenues. But, such a change will make some modest but important improvements in the budget and appropriation process.

We will gain precious time. Clearly recent experience shows that it is im-

possible in these complex times to complete annual appropriations in an orderly manner. With our available time essentially doubled we should be able to do the job better, and also gain time to do needed oversight work.

The results of 2-year appropriation cycles should also benefit the Nation by permitting State governments to plan earlier with more certainty. Also, we should gain a new measure of economic stability throughout the public and private economic sectors.

Mr. President, when we return from the August recess we will have less than a month to complete the 1986 appropriation bills before the new fiscal year begins. As of today not one regular 1986 appropriation bill has been completed and enacted.

The need for a 2-year budget cycle becomes painfully more evident with the passage of each year. I sincerely hope we will not have to wait much longer for corrective action by Congress and the President.

Mr. President, I now send the 2-year budget bill to the desk and ask unanimous consent that it be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1556

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, this Act may be cited as the "Budget Procedures Improvement Act of 1985".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares that the present annual Federal budgeting process—

(1) allows insufficient time for the fulfillment by the Congress of its legislative and oversight responsibilities;

(2) allows insufficient time for the review and consideration by the Congress of authorizing legislation, budget resolutions, and appropriation bills and resolutions and other spending measures;

(3) allows insufficient time for the evaluation of costly and complicated Federal programs, and thereby contributes to the unrestrained growth of the Federal budget; and

(4) allows insufficient time for agencies and State and local governments to plan for the implementation of programs.

(b) It is the purpose of this Act to establish a more thorough and timely process for the adoption of the Federal budget by—

(1) establishing a two-year cycle for the adoption of the budget;

(2) requiring the separate and distinct consideration of authorizing legislation, the budget, and appropriation bills and resolutions and other spending measures and thereby allowing full evaluation of the need for and the merits and costs of the various programs and agencies of the Federal Government;

(3) strengthening congressional procedures for the consideration of budget resolutions, reconciliation bills and resolutions, appropriation bills and resolutions, and other measures providing spending authority; and

(4) strengthening the requirement for congressional oversight of Federal programs by authorizing committees.

REVISION OF TIMETABLE

SEC. 3. Section 300 of the Congressional Budget Act of 1974 (2 U.S.C. 631) is amended to read as follows:

"TIMETABLE

"SEC. 300. The timetable with respect to the Congressional budget process for any Congress (beginning with the One-hundredth Congress) is as follows:

"First Session

"On or before:	Action to be completed:
November 10 (of the preceding year).	President submits current services budget for the 2-fiscal-year budget period beginning in the succeeding even-numbered year.
January 15	President submits his budget for the 2-fiscal-year budget period beginning in the succeeding calendar year.
April 15	Congressional Budget Office submits report to Budget Committees with respect to the 2-fiscal-year budget period.
May 15	Committees and joint committees submit reports to Budget Committees with respect to the 2-fiscal-year budget period.
June 15	Budget Committees report first concurrent resolution on the budget for the 2-fiscal-year budget period to their Houses.
July 1	Committees report bills and resolutions authorizing new budget authority for the 2-fiscal-year budget period.
July 31	Congress completes action on the first concurrent resolution on the budget for the 2-fiscal-year budget period.
September 15	Committees report allocations of the first concurrent resolution on the budget among programs within their jurisdiction.
December 1	Congress completes action on bills and resolutions authorizing new budget authority for the 2-fiscal-year budget period.

"Second Session

"On or before:	Action to be completed:
January 15	President submits revised budget for the 2-fiscal-year budget period.
March 31	House committees report bills providing new budget authority and new spending authority for the 2-fiscal-year budget period.
March 31	Congressional Budget Office submits report to Budget Committees with respect to the 2-fiscal-year budget period.
April 15	Senate committees report bills providing new budget authority and new spending authority for the 2-fiscal-year budget period.
June 15	Budget Committees report second required concurrent resolution on the budget for the 2-fiscal-year budget period to their Houses.
July 15	Congress completes action on bills and resolutions providing new budget authority and new spending authority for the 2-fiscal-year budget period.
August 1	Congress completes action on second required concurrent resolution on the budget for the 2-fiscal-year budget period.
September 25	Congress completes action on the reconciliation bill or resolution, or both, implementing the second required concurrent resolution on the budget for the 2-fiscal-year budget period.
October 1	2-fiscal-year budget period begins.".

AMENDMENTS TO THE CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974

SEC. 4. (a) Section 2(2) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 621(2)) is amended by striking out "each year" and inserting in lieu thereof "biennially".

(b)(1) Section 3(4) of such Act (2 U.S.C. 622(4)) is amended by striking out "fiscal year" each place it appears and inserting in lieu thereof "2-fiscal-year budget period".

(2) Section 3 of such Act (2 U.S.C. 622) is further amended by adding at the end thereof the following new paragraph:

"(6) The term '2-fiscal-year budget period' means the period of 2 consecutive fiscal years beginning on October 1 of any even-numbered year.".

(c)(1) Section 202(f)(1) of the Congressional Budget Act of 1974 (2 U.S.C. 602(f)(1)) is amended—

(A) by striking out "April 1 of each year" and inserting in lieu thereof "April 15 of each odd-numbered year";

(B) by striking out "the fiscal year commencing on October 1 of that year" and inserting in lieu thereof "each fiscal year in the succeeding 2-fiscal-year budget period",

(C) by striking out "such fiscal year" the first place it appears and inserting in lieu thereof "such 2-fiscal-year budget period"; and

(D) by striking out "such fiscal year" the second place it appears and inserting in lieu thereof "each fiscal year in such 2-fiscal-year budget period".

(2) Section 202(f) of such Act (2 U.S.C. 602) is further amended—

(A) by striking out "paragraph (1)" in paragraph (2) and inserting in lieu thereof "paragraphs (1) and (2)";

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following new paragraph:

"(2) On March 31 of each even-numbered year, the Director shall transmit to the Committees on the Budget of the House of Representatives and the Senate such revisions of the report required by paragraph (1) as may be necessary due to changing economic conditions and due to any revisions in the Budget transmitted by the President to the Congress on January 15 of that year under the last sentence of subsection (a) of section 1105 of title 31, United States Code.".

(d)(1) Section 301(a) of such Act (2 U.S.C. 632(a)) is amended—

(A) by striking out "MAY 15" in the subsection heading and inserting in lieu thereof "JULY 31 OF EACH ODD-NUMBERED YEAR";

(B) by striking out "May 15 of each year" in the first sentence and inserting in lieu thereof "July 31 of each odd-numbered year";

(C) by striking out "the fiscal year beginning on October 1 of such year" and inserting in lieu thereof "the 2-fiscal-year budget period beginning on October 1 of the succeeding year"; and

(D) by inserting a comma and "for each fiscal year in such period" after "set forth".

(2) Section 301(a)(7) (2 U.S.C. 632(a)(7)) of such Act is amended by inserting "except as provided in subsection (b)(2)," before such other matters.

(3) Section 301(b) (2 U.S.C. 632(b)) of such Act is amended to read as follows:

"(b) ADDITIONAL MATTERS IN CONCURRENT RESOLUTION.—

"(1) Except as provided in paragraph (2) the first concurrent resolution on the budget may also require any other procedure which is considered appropriate to carry out the purposes of this Act.

"(2) It shall not be in order in the Senate or the House of Representatives to consider any first concurrent resolution on the budget—

"(A) which directs any committee to determine and recommend changes in bills, laws, or resolutions; or

"(B) which includes any matter with respect to any subject other than budget outlays, budget authority, the surplus or deficit in the budget, revenues (including off-setting receipts and off-setting collections), or the level of the public debt.".

(4) Section 301(c) of such Act (2 U.S.C. 632(c)) is amended—

(A) by striking out "March 15 of each year" in the matter preceding paragraph (1) and inserting in lieu thereof "May 15 of each odd-numbered year";

(B) by striking out "the" the second place it appears in paragraph (2) and inserting in lieu thereof "an"; and

(C) by striking out "the fiscal year beginning on October 1 of such year" in paragraph (2) and inserting in lieu thereof "each fiscal year in the 2-fiscal-year budget period beginning on October 1 of the succeeding year".

(5) Section 301(d) of such Act (2 U.S.C. 632(d)) is amended—

(A) by striking out "fiscal year" in the first sentence and inserting in lieu thereof "2-fiscal-year budget period";

(B) by striking out "April 15 of each year" in the third sentence and inserting in lieu thereof "June 15 of each odd-numbered year";

(C) by striking out "the fiscal year beginning on October 1 of such year" in the third sentence and inserting in lieu thereof "the 2-fiscal-year budget period beginning on October 1 of the succeeding year";

(D) by striking out "five" in paragraph (6) and inserting in lieu thereof "four";

(E) by striking out "such fiscal year" in paragraph (6) and inserting in lieu thereof "the first fiscal year of such 2-fiscal-year budget period,"; and

(F) by striking out "such period" in paragraph (6) and inserting in lieu thereof "such four-fiscal-year period".

(6) Section 301(e) of such Act (2 U.S.C. 632(e)) is amended—

(A) by striking out "fiscal year" each place it appears and inserting in lieu thereof "2-fiscal-year budget period"; and

(B) by striking out "set for" in paragraph (1) and inserting in lieu thereof "set forth".

(e)(1) Section 302(a) of such Act (2 U.S.C. 633(a)) is amended—

(A) by inserting "for a 2-fiscal-year budget period" after "budget" the first place it appears; and

(B) by inserting "for each fiscal year in such 2-fiscal-year budget period" after "estimated allocation".

(2) The last sentence of section 302(b) of such Act (2 U.S.C. 633(b)) is amended—

(A) by striking out "Each" and inserting in lieu thereof "By September 15 of each odd-numbered year, each"; and

(B) by striking out "promptly".

(f)(1) Section 303(a) of such Act (2 U.S.C. 634(a)) is amended—

(A) by striking out "fiscal year" each place it appears and inserting in lieu thereof "2-fiscal-year budget period"; and

(B) by striking out "such year" and inserting in lieu thereof "such period".

(2) Section 303(b) of such Act (2 U.S.C. 634(b)) is amended by striking out "fiscal year" each place it appears and inserting in lieu thereof "2-fiscal-year budget period".

(g) Section 304 of such Act (2 U.S.C. 635) is amended—

(1) by striking out "OF" the second place it appears in the section heading and inserting in lieu thereof "ON";

(2) by striking out "fiscal year" the first two places it appears and inserting in lieu thereof "2-fiscal-year budget period";

(3) by striking out "for such fiscal year";

(4) by inserting before the period "for such 2-fiscal-year budget period"; and

(5) by adding at the end thereof the following: "Prior to the adoption of the second concurrent resolution on the budget required for a 2-fiscal-year budget period under section 310(a), it shall not be in order in the Senate or the House of Representatives to consider any concurrent resolution on the budget revising the most recently agreed to concurrent resolution on the budget for such 2-fiscal-year budget period if the concurrent resolution making such revisions—

"(1) directs any committee to determine and recommend changes in bills, laws, or resolutions; or

"(2) includes any matter with respect to any subject other than budget outlays, budget authority, the surplus or deficit in the budget, revenues (including offsetting receipts and offsetting collections), or the level of the public debt.".

(h) Section 305 of such Act (2 U.S.C. 636) is amended by striking out "fiscal year" each place it appears and inserting in lieu thereof "2-fiscal-year budget period".

(i)(1) Section 307 of such Act (2 U.S.C. 638) is amended—

(A) by striking out the section heading and inserting in lieu thereof "COMMITTEE ACTION ON APPROPRIATION AND OTHER SPENDING BILLS";

(B) by inserting "(a) COMMITTEE ACTION ON REGULAR APPROPRIATIONS BILLS.—" before "Prior";

(C) by striking out "fiscal year" and inserting in lieu thereof "2-fiscal-year budget period";

(D) by striking out "that year" each place it appears and inserting in lieu thereof "that 2-fiscal-year budget period"; and

(E) by inserting "for each fiscal year in that 2-fiscal-year budget period" after "committee's recommendations";

(F) by striking out "as" before "set forth";

(G) by inserting "for each such fiscal year" before "in the most recently"; and

(H) by adding at the end thereof the following new subsection:

"(b) REPORTING OF CERTAIN MEASURES.—

"(1) All bills and resolutions providing budget authority or spending authority described in section 401(c)(2)(C) for any 2-fiscal-year budget period—

"(A) shall be reported to the House of Representatives no later than March 31 of the year in which such period begins; and

"(B) shall be reported to the Senate no later than April 15 of the year in which such period begins.

"(2) If a committee of the House of Representatives or the Senate determines that a waiver of paragraph (1) is necessary with respect to any bill or resolution providing supplemental appropriations for any period, such committee may report, and the House or Senate may consider and adopt, a resolution waiving the application of such paragraph in the case of such bill or resolution.".

(2) The table of contents in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking out the item relating to section 307 and inserting in lieu thereof the following new item:

"Sec. 307. Committee action on appropriation and other spending bills.".

(j)(1) Section 308(a) of the Congressional Budget Act of 1974 (2 U.S.C. 639(a)) is amended—

(A) by striking out "fiscal year" in the matter preceding paragraph (1) and inserting in lieu thereof "2-fiscal-year budget period";

(B) by striking out "fiscal year" in paragraph (1)(A) and inserting in lieu thereof "2-fiscal-year budget period";

(C) by inserting "for each fiscal year in such 2-fiscal-year budget period" after "resolution" the first place it appears in paragraph (1)(A);

(D) by inserting "for each such fiscal year" after "set forth" in paragraph (1)(A);

(E) by inserting a comma after "projection" in paragraph (1)(B);

(F) by striking out "5" in paragraph (1)(B) and inserting in lieu thereof "4";

(G) by striking out "such fiscal year" in paragraph (1)(B) and inserting in lieu thereof "the first fiscal year of such 2-fiscal-year budget period,";

(H) by striking out "such period" in paragraph (1)(B) and inserting in lieu thereof "such 4-fiscal-year period";

(I) by inserting "for each fiscal year in such 2-fiscal-year budget period" after "governments" in paragraph (1)(C);

(J) by striking out "fiscal year" in paragraph (2)(A) and inserting in lieu thereof "period";

(K) by inserting "for each fiscal year in such 2-fiscal-year budget period" after "tax expenditures" the second place it appears in paragraph (2)(A);

(L) by striking out "such year" in paragraph (2)(A) and inserting in lieu thereof "such period";

(M) by inserting a comma after "projection" in paragraph (2)(B);

(N) by striking out "5" in paragraph (2)(B) and inserting in lieu thereof "4";

(O) by striking out "such fiscal year" in paragraph (2)(B) and inserting in lieu thereof "the first fiscal year of such 2-fiscal-year budget period,"; and

(P) by striking out "such period" in paragraph (2)(B) and inserting in lieu thereof "such 4-fiscal-year period".

(2) Section 308(b) of such Act (2 U.S.C. 639(b)) is amended—

(A) by striking out "fiscal year" in the first sentence and inserting in lieu thereof "2-fiscal-year budget period";

(B) by striking out "such fiscal year" the first place it appears in paragraph (1) and inserting in lieu thereof "each fiscal year in such 2-fiscal-year budget period";

(C) by striking out "such fiscal year" the second place it appears in paragraph (1) and inserting in lieu thereof "each such fiscal year,";

(D) by striking out "such fiscal year" the third place it appears in paragraph (1) and inserting in lieu thereof "such 2-fiscal-year budget period";

(E) by inserting "for each such fiscal year" after "set forth" in paragraph (1);

(F) by striking out "fiscal year" in paragraph (2) and inserting in lieu thereof "2-fiscal-year budget period";

(G) by striking out "fiscal year" in paragraph (3) and inserting in lieu thereof "2-fiscal-year budget period";

(H) by inserting "for each fiscal year in such 2-fiscal-year budget period" after "revenues" the first place it appears in paragraph (3);

(I) by striking out "such year" the first place it appears in paragraph (3) and inserting in lieu thereof "each fiscal year in such 2-fiscal-year budget period";

(J) by striking out "such year" the second place it appears in paragraph (3) and inserting in lieu thereof "each such fiscal year";

(K) by inserting "for each fiscal year in such 2-fiscal-year budget period" after "debt" the first place it appears in paragraph (4);

(L) by striking out "such fiscal year" the first place it appears in paragraph (4) and inserting in lieu thereof "such 2-fiscal-year budget period"; and

(M) by inserting "each" before "such fiscal year" the second place it appears in paragraph (4).

(3) Section 308(c) of such Act (2 U.S.C. 639(c)) is amended—

(A) by striking out "Five" in the subsection heading and inserting in lieu thereof "Four";

(B) by striking out "each fiscal year" in the matter preceding paragraph (1) and inserting in lieu thereof "each 2-fiscal-year budget period";

(C) by striking out "5 fiscal years beginning with such fiscal year" and inserting in lieu thereof "4 fiscal years beginning with the first fiscal year in such 2-fiscal-year budget period"; and

(D) by striking out "such period" each place it appears and inserting in lieu thereof "such 4-fiscal-year period".

(k)(1) Section 309 of such Act (2 U.S.C. 640) is amended—

(A) by inserting a semicolon and "LIMITATION ON ENROLLMENT OF CERTAIN BILLS AND RESOLUTIONS" at the end of the section heading;

(B) by inserting "(a) COMPLETION OF ACTION REQUIRED.—" before "EXCEPT";

(C) by striking out "the seventh day after Labor Day of each year" in the matter preceding paragraph (1) and inserting in lieu thereof "July 15 of each even-numbered year";

(D) by striking out "such year" the second place it occurs in paragraph (1) and inserting in lieu thereof "such period";

(E) by striking out "fiscal year" each place it appears and inserting in lieu thereof "2-fiscal-year budget period"; and

(F) by adding at the end thereof the following new subsection:

"(b) LIMITATION ON ENROLLMENT.—Bills and resolutions providing new budget authority for any 2-fiscal-year budget period or new spending authority described in section 401(c)(2)(C) for any 2-fiscal-year budget period shall not be enrolled until the concurrent resolution on the budget required to be reported under section 310(a) for such 2-fiscal-year budget period has been agreed to, and if a reconciliation bill or reconciliation resolution, or both are required to be reported under section 310(c) for such 2-fiscal-year budget period, until Congress has completed action on that bill or resolution, or both.".

(2) The item relating to section 309 in the table of contents in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting before the period a semicolon and "limitation on enrollment of certain bills and resolutions.".

(l)(1) Section 310(a) of the Congressional Budget Act of 1974 (2 U.S.C. 641(a)) is amended—

(A) by striking out "The" in the first sentence and inserting in lieu thereof "By June 15 of each even-numbered year, the";

(B) by striking out "fiscal year" in the first sentence and inserting in lieu thereof "2-fiscal-year budget period";

(C) by striking out "such fiscal year" each place it appears in paragraph (1) and inserting in lieu thereof "each fiscal year in such 2-fiscal-year budget period";

(D) by inserting "for each fiscal year in such 2-fiscal-year budget period" after "revenues" in paragraph (2);

(E) by inserting "for each fiscal year in such 2-fiscal-year budget period" after "debt" in paragraph (3); and

(F) by inserting before the matter following paragraph (4) the following new sentence:

"It shall not be in order in the Senate or the House of Representatives to consider any such concurrent resolution if such concurrent resolution directs any committee to determine and recommend changes in laws, bills, or resolutions directly or indirectly authorizing the enactment of new budget authority.".

(2) Section 310(b) of such Act (2 U.S.C. 641(b)) is amended by striking out "September 15 of each year" and inserting in lieu thereof "August 1 of each even-numbered year".

(3) Section 310(d) of such Act (2 U.S.C. 641(d)) is amended by inserting "even-numbered" after "each".

(4) Section 310(e) of such Act (2 U.S.C. 641(e)) is amended—

(A) by striking out "20 hours" in paragraph (2) and inserting in lieu thereof "100 hours"; and

(B) by adding at the end thereof the following new paragraph:

"(3) It shall not be in order in the Senate or the House of Representatives to consider any reconciliation bill or resolution or any amendment thereto or any conference report thereon which changes any provision of law other than provisions of law which—

"(A) provide new budget authority or spending authority described in section 401(c)(2)(C);

"(B) relate to revenues; or

"(C) specify the amount of the statutory limit on the public debt.".

(5) Section 310(f) of such Act (2 U.S.C. 641(f)) is amended—

(A) by striking out "It" and inserting in lieu thereof "In any even-numbered year, it"; and

(B) by striking out "fiscal year" each place it appears and inserting in lieu thereof "2-fiscal-year budget period".

(m) Section 311(a) of such Act (2 U.S.C. 642) is amended—

(1) by striking out "fiscal year" the first and second places it appears in the matter preceding paragraph (1) and inserting in lieu thereof "2-fiscal-year budget period";

(2) by striking out "such fiscal year" the second, third, and fourth places it appears in the matter preceding paragraph (1) and inserting in lieu thereof "any fiscal year in such 2-fiscal-year budget period".

(3) by striking out "such fiscal year" in the matter following paragraph (3) and inserting in lieu thereof "the 2-fiscal-year budget period in which such fiscal year occurs";

(4) by inserting "for any such fiscal year" after "outlays" in the matter following paragraph (3);

(5) by inserting "for any such fiscal year" after "revenues" the first place it appears in the matter following paragraph (3); and

(6) by inserting "for such fiscal year" after "revenues" the second place it appears in the matter following paragraph (3).

(n) Section 401(b) of such Act (2 U.S.C. 651(b)) is amended—

(1) by striking out "the fiscal year which begins during the calendar year in" in paragraph (1) and inserting in lieu thereof "the first 2-fiscal-year budget period which begins after the date on";

(2) by striking out "for such fiscal year" in paragraph (2) and inserting in lieu thereof "budget for the 2-fiscal-year budget period in which such fiscal year occurs"; and

(3) by inserting "for such fiscal year" after "new budget authority" the second place it appears in paragraph (2);

(o)(1) Section 402(a) of such Act (2 U.S.C. 652(a)) is amended—

(A) by striking out "REPORTING OF" in the section heading and inserting in lieu thereof "ACTION ON";

(B) by striking out "(a) REQUIRED REPORTING Date.—" and inserting in lieu thereof "(a)(1) DATES FOR REPORTING AND FINAL ACTION.—";

(C) by striking out "May 15" and inserting in lieu thereof "July 1 of the odd-numbered year";

(D) by striking out "fiscal year" each place it appears and inserting in lieu thereof "2-fiscal-year budget period"; and

(E) by adding at the end thereof the following new paragraph:

"(2) The Congress shall complete action on all bills and resolutions directly or indirectly authorizing the enactment of new budget authority for a 2-fiscal-year budget period not later than December 1 of the year preceding the year in which such 2-fiscal-year budget period begins.".

(2) The table of contents in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking out "Reporting of" in the item relating to section 402 and inserting in lieu thereof "Action on".

(p) Section 403(a) of the Congressional Budget Act of 1974 (2 U.S.C. 653(a)) is amended—

(1) by striking out "4" in paragraph (1) and inserting in lieu thereof "three"; and

(2) by striking out "four" in paragraph (2) and inserting in lieu thereof "three".

(q)(1) Title IV of such Act (2 U.S.C. 651 et seq.) is amended by adding at the end thereof the following new section:

"REPORTS

"SEC. 405. (a)(1) The reports required by sections 301(c), 302(b), 308(b), and 308(c) shall contain the tables described in subsection (b).

"(2) Any—

"(A) concurrent resolution on the budget reported by the Committee on the Budget of the Senate or the House of Representatives under section 301, 304, or 310 of this Act; and

"(B) bill or resolution reported by a committee of the Senate or the House of Representatives which provides, modifies, or terminates budget authority or spending authority described in section 401(c)(2)(C), or which contains or modifies estimates of budget outlays,

shall be accompanied by a report containing the tables described in subsection (b). The conference report on any bill or resolution described in clause (A) or (B) of the preceding sentence shall be accompanied by a joint statement of the managers containing such tables.

"(b)(1) The tables required by subsection (a) shall set forth estimates of budget authority, spending authority described in section 401(c)(2)(C), and budget outlays for each of the accounts (to which the report, bill, or resolution referred to in such subsection pertains) which are set forth in the Budget Accounts Listing contained in the Budget of the United States Government submitted by the President pursuant to subsection (a) of section 1105 of title 31, United States Code, during the Congress in which the report referred to in subsection (a)(1) is made or the bill or resolution described in subsection (a)(2) is reported. If any such report, bill, or resolution contains provisions involving budget authority, spending authority, or outlays for which accounts have not been included in such Budget Accounts Listing, the estimates therefor in the table required by this subsection shall be set forth in account records with account identification codes assigned by the Director of the Congressional Budget Office.

"(2) The tables described in paragraph (1) which are required to be included in the reports required by sections 301(c), 302(b), 308(b), and 308(c), and in the reports accompanying any concurrent resolution on the budget reported under section 301, 304, or 310 shall also set forth estimates for the budget authority and spending authority described in section 401(c)(2)(C) which will become available without further congressional action and estimates of the outlays that will result from such budget authority and spending authority. With respect to the reports required by sections 301(c) and 302(b), the estimates described in the preceding sentence are only required for the accounts or portions of accounts relating to the subject matter within the legislative jurisdiction of the committee submitting the report.".

(2) The table of contents in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 404 the following new item:

"Sec. 405. Reports.".

(r) Section 904(b) of the Congressional Budget Act of 1974 (2 U.S.C. 621(b)) is amended by inserting "or any provision of a first concurrent resolution on the budget requiring a procedure pursuant to section 301(b)(2)" after "title III or IV".

AMENDMENTS TO TITLE 31, UNITED STATES CODE

SEC. 5. (a) Section 1101 of title 31, United States Code, is amended by adding at the end thereof the following new paragraph:

"(3) 'two-fiscal-year budget period' has the meaning given to such term in paragraph (6) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(6))".

(b) Section 1104(c) of title 31, United States Code, is amended—

(1) by inserting "(1)" after the subsection designation;

(2) by striking out the last sentence thereof; and

(3) by adding at the end thereof the following new paragraph:

"(2) The budget submitted pursuant to section 1105 for the 2-fiscal-year budget period beginning on October 1, 1988, and the estimates of outlays and proposed budget authority required to be submitted under section 1109 for such 2-fiscal-year budget period, shall be set forth in the same accounts which are set forth in the Budget Accounts Listing contained in the budget submitted for fiscal year 1987 under section 1105. Any change in the accounts used in the budget submitted under section 1105 for the 2-fiscal-year budget period beginning on October 1, 1988, or any succeeding 2-fiscal-year budget period, or in the estimates of outlays and proposed budget authority required under section 1109 for any such 2-fiscal-year budget period, from the accounts set forth in the Budget Accounts Listing contained in the budget submitted under section 1105 for fiscal year 1987 or the preceding 2-fiscal-year budget period, as the case may be, shall be made only in consultation with the Committees on Appropriations, the Committees on the Budget, and the committees having legislative jurisdiction over the programs or activities which will be affected by such changes. The provisions of this paragraph do not prohibit the inclusion of new accounts in the Budget Accounts Listing contained in the budget submitted pursuant to section 1105 solely for purposes of presenting estimates for new programs.".

(c)(1) So much of section 1105(a) of title 31, United States Code, as precedes paragraph (1) thereof is amended to read as follows:

"(a) By January 15 of each odd-numbered year, beginning with 1987, the President shall transmit to the Congress, the budget for the 2-fiscal-year budget period (as defined in section 3(6) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(6))) beginning on October 1 of the succeeding calendar year. The budget transmitted under this subsection shall include the President's Budget Message, summary data and text, and supporting detail. The budget shall set forth in such form and detail as the President may determine—".

(2) Section 1105(a)(5) of title 31, United States Code, is amended by striking out "the fiscal year for which the budget is submitted and the 4 fiscal years after that year" and inserting in lieu thereof "each fiscal year in the 2-fiscal-year budget period for which the budget is submitted and the two fiscal years immediately following the second fiscal year in such 2-fiscal-year budget period".

(3) Section 1105(a)(6) of title 31, United States Code, is amended by striking out "the fiscal year for which the budget is submitted and the 4 fiscal years after that year" and inserting in lieu thereof "each fiscal year in the 2-fiscal-year budget period for which the budget is submitted and the two fiscal years immediately following the second fiscal year in such 2-fiscal-year budget period".

(4) Section 1105(a)(9)(C) of title 31, United States Code, is amended by striking out "the fiscal year" and inserting in lieu thereof "each fiscal year in the 2-fiscal-year budget period".

(5) Section 1105(a)(12) of title 31, United States Code, is amended—

(A) by striking out "the fiscal year" in subparagraph (A) and inserting in lieu thereof "each fiscal year in the 2-fiscal-year budget period"; and

(B) by striking out "each of the 4 fiscal years after that year" in subparagraph (B) and inserting in lieu thereof "each of the 2 fiscal years immediately following the second fiscal year in such 2-fiscal-year budget period".

(6) Section 1105(a)(13) of title 31, United States Code, is amended by striking out "the fiscal year" and inserting in lieu thereof "each fiscal year in the 2-fiscal-year budget period".

(7) Section 1105(a)(14) of title 31, United States Code, is amended by striking out "that year" and inserting in lieu thereof "each fiscal year in the 2-fiscal-year budget period for which the budget is submitted".

(8) Section 1105(a)(16) of title 31, United States Code, is amended by striking out "the fiscal year" and inserting in lieu thereof "each fiscal year in the 2-fiscal-year budget period".

(9) Section 1105(a)(17) of title 31, United States Code, is amended—

(A) by striking out "fiscal year following the fiscal year" and inserting in lieu thereof "each fiscal year in the 2-fiscal-year budget period following the 2-fiscal-year budget period";

(B) by striking out "that following fiscal year" and inserting in lieu thereof "each such fiscal year"; and

(C) by striking out "fiscal year before the fiscal year" and inserting in lieu thereof "2-fiscal-year budget period before the 2-fiscal-year budget period".

(10) Section 1105(a)(18) of title 31, United States Code, is amended—

(A) by striking out "the prior fiscal year" and inserting in lieu thereof "each of the 2 most recently completed fiscal years";

(B) by striking out "for that year" and inserting in lieu thereof "with respect to that fiscal year"; and

(C) by striking out "in that year" and inserting in lieu thereof "in that fiscal year".

(11) Section 1105(a)(19) of title 31, United States Code, is amended—

(A) by striking out "the prior fiscal year" and inserting in lieu thereof "each of the 2 most recently completed fiscal years";

(B) by striking out "for that year" and inserting in lieu thereof "with respect to that fiscal year"; and

(C) by striking out "in that year" each place it appears and inserting in lieu thereof "in that fiscal year".

(12) Section 1105(a) of title 31, United States Code, is further amended by adding at the end thereof the following new sentence:

"By January 15 of each even-numbered year, the President shall transmit to the Congress any revisions the President may desire to make in the Budget transmitted in the previous year.".

(d) Section 1105(b) of title 31, United States Code, is amended by striking out

"each year" and inserting in lieu thereof "each even-numbered year".

(e) Section 1105(c) of title 31, United States Code, is amended—

(1) by striking out "fiscal year for" each place it appears and inserting in lieu thereof "2-fiscal-year budget period for";

(2) by inserting "or current 2-fiscal-year budget period, as the case may be," after "current fiscal year"; and

(3) by striking out "that year" and inserting in lieu thereof "that period".

(f) Section 1105(d) of title 31, United States Code, is amended by striking out "fiscal year" and inserting in lieu thereof "2-fiscal-year budget period".

(g) Section 1106(a) of title 31, United States Code, is amended—

(1) by striking out "fiscal year" in the matter preceding paragraph (1) and inserting in lieu thereof "2-fiscal-year budget period";

(2) by striking out "that fiscal year" in paragraph (1) and inserting in lieu thereof "each fiscal year in such 2-fiscal-year budget period";

(3) by striking out "the 4 fiscal years following the fiscal year" in paragraph (2) and inserting in lieu thereof "each fiscal year in the first 2-fiscal-year budget period following the 2-fiscal-year budget period";

(4) by striking out "future fiscal years" in paragraph (3) and inserting in lieu thereof "each fiscal year in the first 2-fiscal-year budget period following the 2-fiscal-year budget period for which the budget is submitted"; and

(5) by striking out "fiscal year" the last place it appears in paragraph (3) and inserting in lieu thereof "2-fiscal-year budget period".

(h) Section 1106(b) of title 31, United States Code, is amended by striking out "the fiscal year" and inserting in lieu thereof "each fiscal year in the 2-fiscal-year budget period".

(i)(1) Section 1109(a) of title 31, United States Code, is amended—

(A) by striking out "each year" and inserting in lieu thereof "each even-numbered year (beginning with 1986)";

(B) by striking out "the following fiscal year" and inserting in lieu thereof "each fiscal year in the 2-fiscal-year budget period beginning in the following even-numbered year"; and

(C) by striking out "during that year" and inserting in lieu thereof "during each such year".

(2) Section 1109(b) of title 31, United States Code, is amended by inserting "even-numbered" after "each".

(j) Section 1110 of title 31, United States Code, is amended—

(1) by striking out "fiscal year" and inserting in lieu thereof "2-fiscal-year budget period (beginning on or after October 1, 1988)"; and

(2) by striking out "May 16 of the year before the year in which the fiscal year begins" and inserting in lieu thereof "May 16 of the year before the year in which the bills and resolutions setting forth such authorizations are to be reported under section 402 of the Congressional Budget Act of 1974 (2 U.S.C. 652)".

(k) Section 1114 of title 31, United States Code, is amended—

(1) by striking out "The" each place it appears and inserting in lieu thereof "For each 2-fiscal-year budget period, beginning with the 2-fiscal-year budget period beginning on October 1, 1988, the"; and

(2) by striking out "each year" each place it appears.

TITLE AND STYLE OF APPROPRIATION ACTS

SEC. 6. Section 105 of title 1, United States Code, is amended to read as follows:

"§ 105. Title and style of appropriation Acts

"(a) The style and title of all Acts making appropriations for the support of the Government shall be as follows: 'An Act making appropriations (here insert the object) for the 2-fiscal-year budget period ending September 30 (here insert the even-numbered calendar year.).'.

"(b) All Acts making regular appropriations for the support of the Government shall be enacted for a 2-fiscal-year budget period, and shall specify the amount of appropriations provided for each fiscal year in such period.

"(c) For purposes of this section, the term '2-fiscal-year budget period' has the same meaning as in section 3(6) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(6)).".

AMENDMENTS TO THE LEGISLATIVE REORGANIZATION ACT OF 1946

SEC. 7. (a) Section 136(a) of the Legislative Reorganization Act of 1946 is amended—

(1) by striking out "Congress" in the matter preceding paragraph (1) and inserting in lieu thereof "Senate and the House of Representatives";

(2) by striking out "its" each place it appears in paragraphs (1) and (2) and inserting in lieu thereof "their";

(3) by inserting "(except the Committees on Appropriations, the Committees on the Budget, the House Committee on House Administration, the House Committee on Rules, and the House Committee on Standards of Official Conduct)" after "Representatives" in the matter following paragraph (2); and

(4) by striking out the second and third sentences thereof.

(b) Section 136 of such Act is further amended by striking out subsections (b) and (c) and inserting in lieu thereof the following new subsections:

"(b) During the period beginning on January 15 of each odd-numbered year and ending October 1 of the following year, each standing committee of the House of Representatives and the Senate to which subsection (a) applies shall review and study—

"(1) the application, administration, execution, and effectiveness of those laws (or parts of laws) the subject matter of which is within the jurisdiction of that committee, and

"(2) the organization and operation of the Federal agencies and entities having responsibilities in or for the administration thereof,

in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, modified, or eliminated. During such period, each such committee shall also review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of that committee (whether or not any bill or resolution has been introduced with respect thereto). Such committee may carry out the required reviews and studies by contract, or may require a Government agency to do so and furnish a report thereon to the committee. Such committees may rely on such techniques as pilot testing, analysis of costs in comparison with benefits, or provision for evaluation after a defined period of time. The findings and determinations made by each such committee from its oversight activities under this section in any year shall be reported to the House of Representatives or the Senate no later than October 1 of such even-numbered year, and shall constitute the basis for such committee's legislative work during the succeeding Congress.

"(c) To assist a standing committee in carrying out its responsibilities under this section, the head of each Federal agency which administers the laws or parts of laws under the jurisdiction of such committee shall provide to such committee such studies, information, analyses, reports, and assistance, including the requests for appropriations and the justifications therefor submitted by the agency to the President pursuant to section 1108 of title 31, United States Code, as may be requested by the chairman and ranking minority member of the committee, except that such request and justifications for a 2-fiscal-year budget period shall not be submitted under this subsection until after the day the President transmits the Budget to the Congress under section 1105 of such title for such period.

"(d)(1) To assist a standing committee in carrying out its responsibilities under this section, the head of any agency shall furnish without charge to such committee computer tapes or discs, together with explanatory documentation, containing information received, compiled, or maintained by the agency as part of the operation or administration of a program, or specifically compiled pursuant to a request in support of a review of a program, as may be requested by the chairman and ranking minority member of such committee.

"(2) The Committee on House Administration of the House of Representatives and the Committee on Rules and Administration of the Senate shall prescribe rules and regulations for their respective Houses which will minimize duplication of requests under paragraph (1) of this subsection.

"(e) Within thirty days after the receipt of a request from a chairman and ranking minority member of a standing committee having jurisdiction over a program being reviewed and studied by such committee under this section, the Comptroller General of the United States shall furnish to such committee summaries of any audits or reviews of such program which the Comptroller General has completed during the preceding six years.

"(f) Consistent with their duties and functions under law, the Comptroller General of the United States, the Director of the Congressional Budget Office, the Director of the Office of Technology Assessment, and the Director of the Congressional Research Service shall furnish to each standing committee of the Senate or the House of Representatives such information, studies, analyses, and reports as the chairman and ranking minority member may request to assist the committee in conducting reviews and studies of programs under this section.

"(g) This section does not require the public disclosure of matters that are specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and are in fact properly classified pursuant to such Executive order, or which are otherwise specifically protected by law. This section does not require any committee of the Senate to disclose publicly information the disclosure of which is governed by Senate Resolution 400, Ninety-fourth Congress, or any other rule of the Senate.".

AMENDMENTS TO RULES OF SENATE AND HOUSE OF REPRESENTATIVES

SEC. 8. (a) Paragraph 8 of rule XXVI of the Standing Rules of the Senate is repealed.

(b)(1) Clause 4(a)(1)(A) of rule X of the Rules of the House of Representatives is amended by inserting "odd-numbered" after "each".

(2) Clause 4(a)(2) of rule X of the Rules of the House of Representatives is amended by striking out "such fiscal year" and inserting in lieu thereof "the 2-fiscal-year budget period in which such fiscal year occurs".

(3) Clause 4(b)(2) of rule X of the Rules of the House of Representatives is amended by striking out "fiscal year" and inserting in lieu thereof "2-fiscal-year budget period".

(4) Clause 4(f) of rule X of the Rules of the House of Representatives is amended by striking out "annually" each place it appears and inserting in lieu thereof "biennially".

(5) Clause 4(g) of rule X of the Rules of the House of Representatives is amended—

(A) by striking out "March 15 of each year" and inserting in lieu thereof "May 15 of each odd-numbered year";

(B) by striking out "fiscal year" the first place it appears and inserting in lieu thereof "2-fiscal-year budget period"; and

(C) by striking out "that fiscal year" and inserting in lieu thereof "each fiscal year in such ensuing 2-fiscal-year budget period".

(6) Clause 4(h) of rule X of the Rules of the House of Representatives is amended by striking out "fiscal year" and inserting in lieu thereof "2-fiscal-year budget period".

(c)(1) Clause 2(l)(1)(C) of rule XI of the Rules of the House of Representatives is amended—

(A) by striking out "fiscal year" and inserting in lieu thereof "2-fiscal-year budget period";

(B) by striking out "that year" each place it appears and inserting in lieu thereof "that 2-fiscal-year budget period";

(C) by inserting "for each fiscal year in that 2-fiscal-year budget period" after "committee's recommendations";

(D) by striking out "as" before "set forth"; and

(E) by inserting "for each such fiscal year" before "in the most recently".

(2) Clause 4(a) of rule XI of the Rules of the House of Representatives is amended by striking out "fiscal year if reported after September 15 preceding the beginning of such fiscal year" and inserting in lieu thereof "2-fiscal-year budget period if reported after August 1 of the year in which such 2-fiscal-year budget period begins".

(d) Clause 2 of rule XLIX of the Rules of the House of Representatives is amended by striking out "fiscal year" and inserting in lieu thereof "2-fiscal-year budget period".

EFFECTIVE DATE

SEC. 9. The provisions of this Act and the amendments made by this Act shall take effect the first day of the One-hundredth Congress, except that—

(1) the amendments made by section 5(i) of this Act shall take effect on November 9, 1986; and

(2) the provisions of section 10 of this Act shall take effect on the date of enactment of this Act.

FISCAL YEAR 1988

SEC. 10. (a) Notwithstanding the amendments made by sections 3, 4, 5, 6, 7, and 8 of this Act, the President shall submit to the Congress a budget for fiscal year 1988, and the estimates of outlays and proposed budget authority that would have been required under section 1109 of title 31, United States Code (as such section was in effect on November 8, 1986). The provisions of section 201 of the Budget and Accounting Act, 1921 (now 31 U.S.C. 1105), as such provisions were in effect on the day before the effective date of this Act, shall apply to the submission by the President of the budget for fiscal year 1988. The provisions of section 1109 of title 31, United States Code (as such provisions were in effect on November 8, 1986) shall apply with respect to the submission of such estimates by the President.

(b) Notwithstanding the amendments made by sections 3, 4, 5, 6, 7, and 8 of this Act, the Congress shall complete action on the concurrent resolutions on the budget that would have been required for fiscal year 1988 under the provisions of the Congressional Budget Act of 1974 as such provisions were in effect on the day before the effective date of this Act. The provisions of the Congressional Budget and Impoundment Control Act of 1974 (as such provisions were in effect on the day before the date of enactment of this Act) shall apply with respect to concurrent resolutions on the budget for fiscal year 1988, bills and resolutions providing new budget authority or new spending authority for fiscal year 1988, and bills and resolutions authorizing the enactment of new budget authority for fiscal year 1988, except that—

(1) the provisions of section 301(b)(1) of such Act (as in effect on the day before the effective date of this Act) shall not apply with respect to fiscal year 1988, and the provisions of section 301(b)(2) of such Act (as in effect on the day before the effective date of this Act) shall not apply with respect to fiscal year 1988 to the extent that such provisions are inconsistent with clause (2) of this subsection;

(2) it shall not be in order in the Senate or the House of Representatives to consider any first concurrent resolution on the budget for fiscal year 1988 required by section 301 of such Act (as in effect on the day before the effective date of this Act) if such concurrent resolution on the budget—

(A) directs any committee to determine and recommend changes in bills, laws, or resolutions; or

(B) includes any matter with respect to any subject other than budget outlays, budget authority, the surplus or deficit in the budget, revenues (including off-setting receipts and off-setting collections), or the level of the public debt.

(3) prior to the adoption of the second concurrent resolution on the budget required for a fiscal year under section 310(a) of such Act (as in effect on the day before the effective date of this Act), it shall not be in order in the Senate or the House of Representatives to consider under section 304 of such Act (as in effect on the day before the effective date of this Act) any concurrent resolution on the budget revising the most recently agreed to concurrent resolution on the budget for such fiscal year if the concurrent resolution making such revisions—

(A) directs any committee to determine and recommend changes in bills, laws, or resolutions; or

(B) includes any matter with respect to any subject other than budget outlays, budget authority, the surplus or deficit in the budget, revenues (including offsetting receipts and offsetting collections), or the level of the public debt.

(4) bills and resolutions providing new budget authority for fiscal year 1988 or new spending authority described in section 401(c)(2)(C) of such Act for fiscal year 1988 shall not be enrolled until the concurrent resolution on the budget required to be reported under section 310(a) of such Act (as in effect on the day before the effective date of this Act) for such fiscal year has been agreed to, and if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c) of such Act (as in effect on the day before the effective date of this Act) for such fiscal year, until Congress has completed action on that bill or resolution, or both;

(5) it shall not be in order in the Senate or the House of Representatives to consider any concurrent resolution on the budget required under section 310(a) of such Act (as in effect on the day before the effective date of this Act) for fiscal year 1988 if such concurrent resolution directs any committee to determine and recommend changes in laws, bills, and resolutions directly or indirectly authorizing the enactment of new budget authority for fiscal year 1988;

(6) it shall not be in order in the Senate or the House of Representatives to consider any reconciliation bill or resolution for fiscal year 1988 or any amendment thereto or any conference report thereon which changes any provision of law other than provisions of law which—

(A) provide new budget authority or spending authority described in section 401(c)(2)(C) of such Act;

(B) relate to revenues; or

(C) specify the amount of the statutory limit on the public debt.

(7) section 405 of such Act, as added by section 4(q) of this Act, shall apply with respect to fiscal year 1988; and

(8) section 1104(c)(2) of title 31, United States Code, as added by section 5(b) of this Act, shall apply with respect to fiscal year 1988.

By Mr. METZENBAUM:

S. 1557. A bill to provide the public with information concerning the use of products containing aspartame, to provide for the conduct of studies to determine the health effects of using products containing aspartame, and for other purposes; to the Committee on Labor and Human Resources.

ASPARTAME SAFETY ACT

Mr. METZENBAUM. Mr. President, today I am introducing a bill entitled "the Aspartame Safety act of 1985." I consider this legislation the absolute minimum that Congress needs to do in order to protect the health and safety of the 100 million American consumers who are using this chemical sweetner under its better-known brand name of "Nutrasweet."

In 1984, Americans consumed over 7 million pounds of aspartame, which is equivalent to 1.4 billion pounds of sugar. This year we will consume over 20 billion cans of diet soft drinks, the vast majority of which are 100 percent Nutrasweet. We had better be sure that the questions which have been raised about the safety of this product are answered.

I must say at the outset, this product was approved by the FDA in circumstances which can only be de-

scribed as troubling. The FDA originally approved aspartame in 1974. However, that decision was stayed after concerns were raised about health and safety problems. In March of 1976 a special FDA task force released its report on testing practices at GD Searle Co., the manufacturer of aspartame. That report contained the following conclusions:

At the heart of FDA's regulatory process is its ability to rely upon the integrity of the basic safety data submitted by sponsors of regulated products. Our investigation clearly demonstrates that, in the G.D. Searle Company, we have no basis for such reliance now.

Through our efforts, we have uncovered serious deficiencies in Searle's operations and practices which undermine the basis for reliance on Searle's integrity in conducting high quality animal research to accurately determine or characterize the toxic potential of its products.

". . . The studies we investigated reveal a pattern of conduct which compromises the scientific integrity of the studies."

Now, Mr. President, one might ask what does a 1976 report on testing practices at G.D. Searle have to do with aspartame, a chemical sweetner approved by the FDA in 1981? The answer is simple. Over 90 percent of the tests submitted by G.D. Searle to the FDA in order to get aspartame approved were submitted prior to March 1976, when the report was issued. In addition, of the 25 Searle tests examined by the FDA task force, 11 were tests done on aspartame. One of the major questions hanging over the approval process is this question of how the FDA resolved the issues raised by its own task force in 1976. There are serious questions about the quality of tests used to approve this chemical sweetner.

Mr. President, the questions do not stop with the 1976 task force report. For in 1977, the FDA wrote to the U.S. attorney in Chicago requesting a grand jury investigation of G.D. Searle Co. I quote from the letter sent by the chief counsel of the FDA, Richard Merrill:

We request that your office convene a grand jury investigation into apparent violations of the Food, Drug, and Cosmetic Act . . . and the False Reports to the Government Act, by G.D. Searle and Company and three of its responsible officers for their willful and knowing failure to make reports to the Food and Drug Administration required by the Act, and for concealing material facts and making false statements in reports of animal studies conducted to establish the safety of the drug Aldactone and the food additive Aspartame.

In 1980, the FDA established a public board of inquiry on aspartame. What did they conclude? "The Board has not been presented with proof of a reasonable certainty that Aspartame is safe for use as a food additive under its intended conditions of use."

In May 1981, 2 months before the FDA Commissioner, Arthur Hayes, approved aspartame for use in dry foods, three FDA scientists informed the Commissioner that they did not believe that aspartame had been proven safe beyond a reasonable doubt. They questioned the reliability of key brain tumor tests which were submitted by G.D. Searle. These three FDA scientists comprised half of the so-called "Commissioner's Team" which was set up to advise the Commissioner on aspartame approval.

Despite all the questions raised by the chronology I have outlined, the FDA Commissioner decided to approve aspartame in July of 1981. He later approved aspartame for use in soft drinks in July 1983.

In May of this year I asked the GAO to undertake a full investigation of the aspartame approval process. That investigation is now under way and I have high hopes that it will shed some light on the questions surrounding the Commissioner's decision to approve this product.

Pending the completion of that report, however, there are a number of steps which Congress should take with relation to aspartame. The bill I am introducing today outlines the minimum steps I feel are necessary.

The bill mandates that independent tests on aspartame be conducted under the auspices of the National Institutes of Health. These tests will focus on the general effects which aspartame has on brain chemistry as well as the specific behavioral and neurological reactions experienced by individuals—headaches, mood alterations, memory loss et cetera.

The tests will also examine the health effects of aspartame on pregnant women and fetuses and whether aspartame consumption can lower the threshold for seizures. Another important area for investigation is how aspartame reacts to medicines particularly MAO inhibitors which are used in the treatment of depression, dopa used in the treatment of Parkinson's disease, and aldomet used in the treatment of hypertension.

Under the bill, there will be a moratorium imposed on new uses of aspartame in foods and drugs pending the completion of independent test or for the period of 1 year—whichever comes sooner.

There are credible questions which have been raised by eminent scientists, regarding aspartame.

Dr. Richard Wurtman of MIT has examined questions relating to aspartame's effect on brain chemistry, Dr. William Pardridge of UCLA has expressed his concerns about fetal IQ, Dr. Elsas of Emory University has warned us about groups in the population at high risk from large concentrations of phenylalanine in the blood. Dr. Matalon at the University of Illinois is particularly concerned about individuals who are genetically susceptible to phenylalanine—PKU carriers—and who may be a sizable risk group as far as aspartame is concerned. Nearly 5 million Americans are PKU carriers.

Two researchers in Philadelphia, Profs. Gautieri and Mahalik, have done studies on mice which show that aspartame affected the vision of newborn mice whose mothers had been exposed to the chemical sweetner.

Mr. President, I ask unanimous consent that reports and statements concerning these scientists be placed in the RECORD following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, one final point concerning tests. The Journal of the American Medical Association recently published a report on aspartame which, with some significant disclaimers, stated it was safe for most people. I wish that this report could ease my concerns. It does not. It merely restates the FDA position which relies solely on the tests conducted by G.D. Searle. As I have indicated, these tests are under a cloud. In addition, the concerns raised recently by the scientists I mentioned above were not even considered in the report.

Mr. President, the FDA is content to have the manufacturer of aspartame, G.D. Searle, conduct these studies. How absurd. We do not need the people who are making millions of dollars on aspartame telling us it's safe.

Has the FDA forgotten that in 1977 it sought to have a grand jury investigation into allegations that Searle conducted fraudulent tests on aspartame? Doesn't anyone in the agency know they are presently considering prosecuting that company for withholding information on adverse effects from another one of their drugs, Theo-24?

It is a sad fact that the current FDA is a mere shadow of what that agency used to be. Now it is more of a handmaiden to the food and chemical industry than it is a defender of the health and safety of American consumers.

In addition to mandating independent tests, my bill will require labeling which will inform consumers how much aspartame they are ingesting. This information is important not only for consumers who wish to regulate their intake of aspartame but also for physicians who may be treating individuals who feel they have experienced side effects. Such side effects are likely to be dose related and the physician will want to know how much aspartame has been consumed. In addition, consumers have a basic right to know the makeup of the foods which they consume.

The label will also contain the maximum allowable daily intake established by the FDA. How many con-

sumers even know that the FDA has attached such a limit to aspartame consumption? The current ADI is 50 mg per kg. of body weight. It was originally 20 mg/kg. However, in 1983 the FDA decided to ignore its standard 100-fold safety factor by more than doubling the maximum allowable daily intake. Why did they decide to make an exception for aspartame? In 1983, they approved aspartame for soft drinks, so they decided to increase the limit knowing consumption was bound to increase. The justification the FDA used for violating its standard 100-fold safety factor was that the tests showed it was safe at the new levels of consumption. And guess who was responsible for all the tests—G.D. Searle Co., of course.

I intend to fully investigate the manner in which the FDA altered its safety standard for this product. In the meantime, consumers have a right to know at least that some such standard exists. Sure, if you weigh 130 pounds you would have to drink 4 to 5 liters of diet soft drink to hit the limit. But if you are a child who weighs 30 pounds, you hit that limit with 3 to 4 cans of diet soft drink. That's even without the gum, pudding, breakfast cereal—all sweetened with aspartame.

Under this bill, the Secretary will be responsible for deciding how best to express the ADI on the label so consumers can understand what it means. For example, on diet soft drinks the label might read: "Maximum Allowable Daily Intake: 3 cans per 25 lbs. of body weight." There may be better ways to express this concept. The Secretary can work on that but consumers have a right to this information particularly since the advertising for this product has left the impression that everyone in the population, including children, can consume as much as they want of this chemical sweetener and still remain within the standard FDA recommended range of a 100-fold safety factor.

My bill designates one other labeling requirement. The label will advise that aspartame is not intended for infant feeding.

Mr. President, I would like to quote from an FDA document dated February 28, 1980:

> Nevertheless, in consideration of the remote possibility that a parent might use aspartame as a non-sugar sweetener in the infant formula or food, there may be some merit in the inclusion of a statement on the label to the effect that aspartame-containing foods are not intended for use in infant feeding. Such labeling may provide added assurance that aspartame will not be fed to infants.

Did the FDA ever follow up on this recommendation? Of course not. Too troublesome for industry. How remote is the possibility that a parent will give nutrasweet to a child? A little diet coke in a bottle? Some pudding? A little kool-aid? Maybe some cereal?

This bill ensures that parents will know that aspartame-containing foods are not intended for infant feeding.

Finally, Mr. President, my bill will establish a Clinical Adverse Reaction Committee within the FDA. Consumers who feel they have experienced side effects from aspartame should have the right to have their complaint investigated.

The FDA claims such complaints have declined to almost zero. Isn't that interesting. What the FDA doesn't tell us is that since February of 1984, G.D. Searle has not forwarded any complaints they have received to the FDA. In addition, we learn that the FDA informed its regional office to forward only "serious complaints," for example, a complaint severe enough to require the attention of a physician. And did the FDA notify physicians that they were interested in collecting and analyzing reports of adverse reactions to aspartame? Absolutely not. So how are physicians to know they should even be notifying the FDA of such reports? The only notification physicians around the country have received is a medical bulletin from G.D. Searle quoting the FDA that aspartame is completely safe.

Now, however, the FDA has informed myself and Senator HEINZ that they are considering establishing a Clinical Adverse Reaction Committee to collect and evaluate reports of side effects.

This bill makes it easy for the FDA. It mandates the FDA to collect and study reports of side effects and to alert physicians around the country that they are interested in knowing about such reactions.

Only then can we get an accurate picture of the problem.

Mr. President, I said at the outset this bill represents a minimum response to the FDA which recently sent me a letter rejecting proposals for labeling and informing me that G.D. Searle's tests are insufficient to settle the questions raised.

To put it mildly, that response was totally unsatisfactory. We have an agency desperately attempting to explain away its unwillingness to protect the safety of American consumers. Clearly, at today's FDA politics and ideology come before the public health.

I know there are career FDA personnel who are committed to doing a good job. They are trying to be honest and professional. Their task is becoming impossible under the weight of leadership which has raised political interference to an art form. On the issue of aspartame, as on the issue of food dyes and infant formula, there are those of us in Congress who will not rest until this agency meets its responsibilities to the American consumer. That, I can promise.

Mr. President, I ask unanimous consent that the text of the bill, the letter, and scientific studies mentioned during my remarks, and other supporting materials be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1557

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Aspartame Safety Act of 1985".

LABELING REQUIREMENTS

SEC. 2. (a) Section 403 of the Federal Food, Drug, and Cosmetic Act is amended by adding at the end thereof the following new paragraph:

"(q)(1) If it contains aspartame, unless its label and labeling—

"(A) specify the total number of milligrams of aspartame contained in each serving;

"(B) specify the allowable daily intake of aspartame (in milligrams) for each kilogram of human body weight, as established by the Secretary; and

"(C) bear the following statement: 'THIS PRODUCT CONTAINS ASPARTAME, WHICH IS NOT INTENDED FOR USE IN INFANT FEEDING' ".

"(2) The Secretary shall by regulation require that the information required by subparagraph (1)(B) to be specified on the label and labeling of any food containing aspartame be included on such label and labeling in a manner which is the most useful to individuals who consume such food.

"(3) The statement required by subparagraph (1)(C) shall be located in a conspicuous place on the label and labeling of each food containing aspartame as proximate as possible to the name of such food and shall appear in conspicuous and legible type in contrast by typography, layout, and color with other printed matter on such label and labeling.".

(b)(1) Section 502 of such Act is amended by adding at the end thereof the following new paragraph:

"(u)(1) If it is a drug containing aspartame, unless—

"(A) its label and labeling—

"(i) specify the total number of milligrams of aspartame contained in each dosage;

"(ii) specify the allowable daily intake of aspartame (in milligrams) for each kilogram of human body weight, as established by the Secretary; and

"(iii) bear the following statements: 'THIS PRODUCT CONTAINS ASPARTAME, AND IS NOT INTENDED FOR USE BY INFANTS 'PHENYLKETONURICS: CONTAINS PHENYLALANINE'; and

"(B) the manufacturer, packer, or distributor (including all retail establishments) thereof includes in all advertisements and other printed and descriptive matter issued or caused to be issued by the manufacturer, packer, or distributor with respect to such drug the information described in clauses (A)(i) and (A)(ii) and the statements specified in clause (A)(iii).".

"(2) The Secretary shall by regulation require that the information required by subparagraph (1)(A)(ii) to be specified on the label and labeling of drugs containing aspartame be included on such label and labeling in a manner which is the most useful to individuals who consume such drugs.

"(3) The statements required by subparagraph (1)(A)(iii) shall be located in a conspicuous place on the label and labeling of each drug containing aspartame as proximate as possible to the name of such drug and shall appear in conspicuous and legible type in contrast by typography, layout, and color with other printed matter on such label and labeling.".

(2) The first sentence of section 503(b)(2) of such Act is amended by striking out "and (1)," and inserting in lieu thereof "(1), and (u)(1)(B),".

MORATORIUM

SEC. 3. During the period beginning on the date of enactment of this Act and ending—

(1) on the date which is one year after the date of enactment of this Act, or

(2) the date on which all studies required under section 4 are completed, whichever is earlier,

the Secretary of Health and Human Services (hereinafter referred to as the "Secretary") shall not approve or permit any use of aspartame in any food or drug if such use was not approved or permitted on the date of enactment of this Act.

RESEARCH

SEC. 4. (a) The Secretary, through the Director of the National Institutes of Health, shall request proposals for, and make grants and enter into contracts for the conduct of, clinical studies on aspartame, including studies concerning—

(1) the effect of the consumption of aspartame on brain chemistry;

(2) the health effects of the consumption of aspartame on pregnant women and fetuses;

(3) behavioral and neurological effects experienced by individuals who have consumed aspartame, especially children who have consumed aspartame;

(4) the interaction of aspartame with drugs, including monoamine oxidase inhibitors, alpha-methyldopa, and L-dihydroxyphenylalanine; and

(5) the effect of the consumption of aspartame in increasing the probability of seizures.

(b) In making grants and entering into contracts under subsection (a), the Secretary shall provide for the completion of the studies required under such subsection within one year after the date of enactment of this Act.

(c) To carry out this section, there are authorized to be appropriated such sums as may be necessary.

(d) The authority of the Secretary to enter into contracts under this section shall be to such extent or in such amounts as are provided in appropriated Acts.

CLINICAL ADVERSE REACTION COMMITTEE ON ASPARTAME

SEC. 5. (a) The Secretary, through the Commissioner of the Food and Drug Administration, shall establish a Clinical Adverse Reaction Committee on Aspartame. The Committee shall collect reports of individual reactions to the consumption of foods containing aspartame, including reports of reactions from individuals taking various medications, and shall evaluate and prepare appropriate responses to such reports.

(b) The Secretary shall announce the establishment of the Committee under subsection (a) through the mailing of written notices to physicians and other health care providers and through advertisements in medical journals and in publications read by the general public. Such advertisements shall include the telephone number of the telephone service established pursuant to subsection (c).

(c) The Secretary shall establish a telephone service for the reporting by individuals of reactions to the consumption of products containing aspartame. Calls on such telephone service shall be without charge to the caller.

SCIENTISTS SUGGEST NUTRASWEET LINK TO BRAIN DAMAGE

(By Geogory Gordon)

WASHINGTON (UPI).—Two pediatric and genetic researchers say many pregnant women who consume aspartame, the popular sugar substitute sold as NutraSweet in soft drinks and 70 other products, may have babies with permanent brain damage.

In a contention rejected by NutraSweet's manfacturer, one of the scientists, Dr. Louis Elsas of Emory University in Atlanta, also said he believes a key aspartame component can cause similar damage to infants if they ingest it in the six months following birth.

"There's no reason why the pregnant female should be taking aspartame," Elsas said, "and there's no reason why a child less than six months old should be taking aspartame. Period." He said the damage may not show up for years.

Meanwhile, lawyers for a 5-year-old boy who a research team said became "unconsolably and wildly emotional" after drinking NutraSweet products have filed a $2 million damage suit against the product's manufacturer, G.D. Searle Co. of Skokie, IL.

The suit, filed three weeks ago in Washington, charges that aspartame is an "unreasonably dangerous and harmful food additive" that causes permanent effects when combined with glucose and given to children under six years old.

It was disclosed last month the General Accounting Office is investigating the manner in which Commissioner Arthur Hull Hayes of the Food and Drug Administration approved aspartame in 1981 over the objections of several agency scientists who challenged brain tumor studies.

Officials of G.D. Searle, which last year sold more than $600 million in NutraSweet for diet soft drinks and other products, dismiss all the allegations and criticisms of aspartame. They assert the product has undergone the most extensive testing of any food additive ever approved by the FDA.

"I think quite clearly, the data on aspartame does support the safety of the product," Roger Thies, Searle's associate general counsel, said in a recent interview.

Dr. Lewis Stegink, a professor of pediatrics and biochemistry at the University of Iowa who, with funding from Searle, performed some of the pivotal studies that supported FDA approval, said, "Am I concerned about the safety? The answer is no. Would I like to see additional studies done? Of course. That's what science is all about."

Dr. Richard Guall, vice president for nutrition and medical affairs of Searle's NutraSweet group, said aspartame "has no adverse effects on the behavior of children" with the exception of a select group who are alerted to the contents in warning labels.

Elsas, director of medical senetics at Emory, and Dr. Reuben Matalon, professor of pediatrics and senetics at the University of Illinois Medical School, have yet to publish any findings that specifically refer to aspartame. But both said they have extensively studied a key component of the sweetener—phenylalinine—and that they consider it a hazard for fetuses and infants.

The scientists said in interviews that they approached Searle in the 1970s about their concerns, but that they believe company-sponsored studies of aspartame have not adequately tested the substance for its effects on the human fetus.

"The don't want to listen," Elsas said. "The people at Searle would like to have you think that nothing happens as long as the phenylalinine level is below the tenfold elevation level" that is the FDA's safety standard.

Elsas said that besides pregnant mothers, he is concerned about aspartame ingestion by newborn babies and young children who eat diet gelatins and puddings. He called Searle's studies on phenylalinine "a whitewash anecdote" that has received no scientific peer review. Elsas also noted that women who consume the substance while nursing could present a similar risk to their babies because the extent of phenylalinine in mother's milk has yet to be investigated.

Elsas and Matalon said consuming even moderate amounts of NutraSweet raises the concentration of phenylalinine in the blood. Matalon said he was "not too concerned" about older children consuming aspartame because the effects on them should be "reversible" through dietary changes.

Matalon, who began a study April 1 with a grant from the National Institutes of Health, said that one in 50 women are particularly sensitive to high phenylalinine consumption and if they ingest aspartame during pregnancy "it may cause birth defects" such as mild retardation. He said the defects would be a matter of concern because 8 to 10 million American women are believed to be sensitive to phenylalinine.

The affected women, Matalon said, are known as "carriers" of PKU—phenylketonuria—a disease resulting in reduced IQ's in babies. If not put on a special diet, PKU infants will suffer severe mental retardation as they grow, he said.

Although the FDA requires all aspartame products to carry a warning for PKU victims, no warnings is required for carriers, those who do not have the disease but have one PKU gene and are susceptible to phenylalinine.

The problem is complicated because carriers generally are not identified unless they have PKU offspring. "We don't know them and they don't know themselves," Matalon said.

Matalon, head of the PKU clinic at the University of Illinois, said he was concerned about studies showing that any rises in phenylalinine levels from aspartame consumption would still be within safe limits. Matalon said those studies are "not based on a lot of experiments."

He said Searle did not adquately test the levels and effects of breakdown products—known as metabolites—of phenylalinine in the body.

Gaull and Stesink, however, defended Searle's testing and said it shows that even at "abuse levels"—extremely heavy consumption of aspartame—the phenylalinine levels in the blood do not rise significantly.

Gaull also said the levels of phenylalinine quickly drop. He said that while PKU carriers "have less ability to metabolize" than those with the disease, "it is not limiting in their abililty to fully metabolize" the substance.

Consumption of aspartame, he argued, results in increases in blood phenylalinine levels "no greater than the increase in concentration after a meal . . . consisting of a hamburger and a milkshake."

Elsas, who already had published one study on humans, said he believes the po-

tential danger extends to all present women who regularly consume aspartame, and possibly to young children who may experience behavioral and neurological disorders if they drink or eat aspartame.

Elsas said a woman who drinks one can of a soft drink sweetened with aspartame may experience a four-fold increase in her blood phenylalinine level. As a result, he said, the concentration found in the fetus can reach a level four times as high as the prospective mother's, because the chemical concentrates on the fetal side.

"Now the fetus's brain is growing, and that phenylalinine interferes at critical movements of brain cells, and that child could come out with severe mental retardation that's unrelated to anything you could measure after birth," Elsas said.

"I'm concerned that this could be a major health hazard that has been totally unexplored."

Gaull called Elsas's findings "incorrect," contending the fetus concentrates phenylalinine only at about 1.5 times the level in the mother.

Stegink called Elsas's projections of blood phenylalinine "totally impossible" but acknowledged no research has been conducted on the effect of aspartame on pregnant women.

The Washington lawsuit is based on research by Dr. Keith Conners of D.C. Children's Hospital, who said "Stephen," a 5-year-old boy "repeatedly ran full force into the wall, knocking himself to the floor, crying, and repeating the performance until we was restrained," after consuming aspartame.

The suit seeks $2 million in negligence and liability damages from Searle due to the alleged immediate adverse effects and long-term damages to a child's neurological, or brain, nervous and motor systems.

Asked about the suit, Gaull said, "The bottom line is that aspartame has no adverse effects on children. In view of the fact that this case is in litigation, I don't want to comment on it."

Stephen's doctors allege his injuries, subject of one of numerous complaints about NutraSweet to the Centers for Disease Control, include psychotic neurosis and other neurologic and psychiatric disease and side effects, ranging from behavioral changes to nightmares.

Negligence charges, that the company failed to test aspartame, failed to warn of its possible dangers, and failed to report "adverse studies regarding the safety and efficacy of aspartame," also were lodged.

Conners, a specialist in hyperactivity and neurologic disorders in children, would not comment on his research concerning aspartame. But in testomony to Congress, he said, "we are inclined to believe that the clear results . . . conclude that aspartame (and-or its vehicle) are causing deviant behavior of quite severe proportions in this boy."

"The FDA has never required adequate neurological pediatric testing to determine this kind of reaction on children. And to allow this on the market without testing it on kids is a crime," Aaron Levine, a lawyer representing Stephen, said.

Although Searle officials maintain the product is safe, four company-sponsored tests—investigating aspartame's possible effect on hyperactivity and seizures in children, seizures in adults, and headaches—are under way.

STUDY ON MICE SHOWS ASPARTAME PROBLEMS, RESEARCHERS SAY

PHILADELPHIA (AP).—Two researchers are calling for further studies into the effects on pregnant women of the artificial sweetener aspartame, saying that their study using mice showed that offspring had trouble with their eyes.

Aspartame is sold as a sugar substitute under the trade name Equal and as an additive under the name Nutrasweet.

"We don't advocate stopping the use of aspartame, but we do think there is a need for more studies on its use by pregnant women," said Ronald F. Gautieri, professor of pharmacology at the Temple University School of Pharmacy.

Gautieri and Michael P. Mahalik, assistant professor of pharmacology at the Philadelphia College of Osteopathic Medicine, reported their findings in a recent issue of Research Communications in Psychology, Psychiatry and Behavior.

In their study, the eyes of newborn mice whose mothers were not exposed to aspartame began focusing 20 days after birth. Babies born to pregnant mice fed 1 gram of the sweetener per kilogram of their weight took 2 days longer to focus, and 4 grams extended the focusing time to 4 days.

"Something affected the neurosensory system," Gautieri said.

In the last year, a growing number of researchers have warned pregnant women to avoid aspartame because of unknown consequences to fetuses.

"Something could happen over the long term," Mahalik said. "We feel that byproducts of aspartame somehow affect the process of myelimization, the sheath that covers nerves.

"We think the study supports the previously-stated opinion that aspartame could affect some brain functions."

The Food and Drug Administration and the National Centers for Disease Control, reacting to more than 500 consumer complaints of headaches, dizziness, and insomnia, have said tests reveal no problems with the sweetener. But the CDC also said it did not examine any possible problems relating to pregnancy.

The National Institutes of Health is conducting a 3-year study on aspartame.

The FDA's acceptable daily intake of the sweetener is 3 grams for a person weighing 130 pounds. That is equivalent to six quarts of soda containing NutraSweet or 150 packets of Equal.

GAO INVESTIGATING NUTRASWEET APPROVAL

(By Gregory Gordon)

WASHINGTON (UPI).—The General Accounting Office is investigating the manner in which the Food and Drug Administration approved the popular artificial low-calorie sweetener aspartame in 1981 over the objections of several agency scientists, it was disclosed Wednesday.

The inquiry was begun at the request of Sen. Howard Metzenbaum, D-Ohio, who said in a letter last week to Comptroller General Charles Bowsher that there were "serious deficiencies" in tests more than a decade ago on the product—marketed as NutraSweet by the G.D. Searle & Co.

Officials of G.D. Searle, a Skokie, IL.-based firm that last year sold more than $600 million in aspartame, said Wednesday they are absolutely convinced the product, widely used in diet soft drinks, is safe.

They acknowledged they have commissioned eight new studies on the effects of the sweetener on humans, including whether it may be linked to intense headaches, seizures in children and adults and hyperactivity in children—all subjects of hundreds of consumer complaints filed with the Centers for Disease Control.

Dr. Gerald Gaull, vice president for nutrition and medical affairs of Searle's NutraSweet group, said the FDA had concluded the company's earlier studies were sound. He said Searle is conducting new tests, four of which should be completed by early next year.

"If there is a real problem we'd better be the first ones to know because we're going to need some lead time to correct it, take the product off the market, or whatever," Gaull said.

James Turner, a Washington consumer lawyer who has challenged the FDA's approval process that began in the early 1970s, asserted that "Searle's undertaking of these new tests is an admission that this product has not been shown to be safe for marketing."

Turner is appealing a federal court lawsuit aimed at forcing the FDA to hold public hearings on the safety of aspartame.

Internal government memoranda obtained by the United Press International show that Commissioner Arthur Hull Hayes of the Food and Drug Administration overruled several agency scientists in approving G.D. Searle's application to market aspartame in 1981.

Three of six scientists on the "Commissioner's Team on Aspartame" said on May 18 and 19, 1981, that tests they had reviewed did not prove the product's safety with "reasonable certainty of no harm," as required by FDA regulations, according to agency memos obtained by UPI intern Joshua Meyer.

Metzenbaum last week asked the FDA to require labels showing the amount of aspartame a product uses; to ensure that "focused clinical tests" take place; and to commission a qualified independent lab to repeat the animal tests questioned by the FDA researchers.

In his letter to Bowsher, he said that "very serious questions have been raised regarding this approval process, questions which must be resolved if consumers are to have complete confidence in the safety of aspartame."

GAO officials confirmed that Congress' investigative arm is following up on Metzenbaum's request for an inquiry into:

The validity of G.D. Searle's tests on brain tumors in rats, challenged in 1975 for being sloppy and unscientific by an FDA task force and criticized again by the three scientists on the panel advising Hayes.

Why Hayes overruled the FDA-appointed Public Board of Inquiry, which opposed the approval of aspartame in 1980 on grounds the brain tumor studies were inadequate. Walle Nauta, chairman of the board of inquiry, has indicated the panel may have opposed the approval even more strongly had it known that G.D. Searle planned to widely market it in soft drinks. Nauta has said that a different set of tests should have been conducted for soft drink use.

Roger Thies, Searle's associate general counsel, asserted in an interview Wednesday that the likelihood aspartame would be used in carbonated beverages was made clear to the board and that the dosages tested proved safety of aspartame as a food or beverage additive. He said. "It would be almost inconceivable to me that somebody could drink enough (diet) soft drink in a day to go

beyond the consumption levels that we have shown to be safe."

Hayes' decision to overturn the board of inquiry based on a summary of a "Japanese study" submitted after the board's decision. The study, UPI learned, was conducted by the Ajinomoto Co., Inc., the Japanese licensee of Searle's aspartame patent. Turner has alleged that Hayes had no legal basis to rely on a study that was not part of the administrative record.

The extent the FDA evaluated the concerns of Dr. Richard Wurtman of the Massachusetts Institute of Technology, who raised questions with the FDA regarding the effects of aspartame on brain chemistry, and Dr. William Pardridge of UCLA, who suggested women who consume aspartame may give birth to infants with lower I.Q. levels.

Whether officials of the Carter White House, Reagan White House or Reagan transition team discussed aspartame approval with FDA officials. Thies denied that Searle Chairman Donald Rumsfeld, a former top aide to President Gerald Ford, had any contact with White House or FDA officials about aspartame after joining the firm in 1977.

The same tests questioned by FDA scientists continue to be the foundation of proof of safety relied on by the agency in approving NutraSweet.

Gaull contended that aspartame, the three components of which are aspartic acid, phenylalanine and methanol, is "the most tested product ever approved by the FDA."

The Centers for Disease Control in Atlanta recently issued a report on the side effects of aspartame on humans, asking the FDA to start "focused, clinical studies" on the product's safety on "an expedited basis."

Two-thirds of 200 complaints reviewed in the report were considered adverse neurological or behavioral reactions—anxiety, seizures, extreme headaches, dizziness, severe depression and mood swings.

Other reactions consumers have blamed on the sweetener include the formation of benign skin tumors, menstrual irregularities and many other problems.

Thies said a small segment of the 100 million Americans who have tried aspartame products may have a "sensitive or allergic reaction, or idiosyncratic reaction" to aspartame.

In opposing aspartame approval, three of the six FDA scientists advising Hayes focused on G.D. Searle's brain tumor studies and concluded that aspartame "has not been shown to be safe and therefore may not be approved for marketing," the term head wrote in 1981.

One of the three, Dr. Satya Dubey, said in a letter to team leader Joseph Levitt that "statistical results obtained so far point out many problems . . . and some of them may be considered serious."

Also objecting were Dr. Robert Condon and Dr. Douglas Park, the staff science adviser for the FDA Office of Health Affairs.

Gaull said that although "three internal scientists raised questions about the brain tumor studies and the statistics on that, there is nothing new about the fact that not everyone agrees within a regulatory agency on every decision."

[From the New York Times, July 3, 1985]

A SWEETENER'S EFFECTS: NEW QUESTIONS RAISED

(By Marian Burros)

In 1984, G.D. Searle & Company of Skokie, Ill. sold $600 million worth of the artificial sweetener aspartame, on which it holds the exclusive United States patent. Produced under the trademark NutraSweet as a food additive and Equal as a table-top sweetener, aspartame is found in a wide variety of products—from puddings, bubble gum and breakfast cereals to some of the best known diet soft drinks marketed by Coca-Cola, Pepsi and Seven-Up.

Recently, however, aspartame has been the target of criticism from several scientists conducting studies of the sweetener or its components. While their findings are not conclusive, preliminary data have indicated that aspartame may be responsible for a range of problems from temporary dizziness to mental retardation.

Their contentions are strongly denied by Searle, which has done its own studies on aspartame in the past and is conducting new ones. "When any new product is marketed and attention is called to it, people tend to ascribe any adverse experience to that new product," said Dr. Frank M. Sturtevant, a pharmacologist who is director of the office of scientific affairs at Searle. "We expected a lot more in the way of complaints than we got: only 600 out of 70 million people who have used it."

Aspartame has been controversial since Searle first sought to market it in 1974. After considerable debate about its safety, the sweetener was approved by the United States Food and Drug Administration in 1981. But this spring questions about its effects began to surface again.

In May, the Senate Committee on Labor and Human Resources received testimony from two researchers favoring quantitative labeling of products containing aspartame. In accordance with Federal law, it is now listed on labels as an ingredient; no amount is specified. Dr. William Pardridge, an associate professor of medicine at the University of California at Los Angeles, said that too much of the artificial sweetener might cause subtle brain changes in young children. Dr. Richard J. Wurtman, director of the clinical research center at the Massachusetts Institute of Technology, said that consuming aspartame with carbohydrates might double aspartame's effect on the brain.

On June 17, Dr. Louis Elsas, director of the division of medical genetics at Emory University in Atlanta, said that neither pregnant women nor infants under the age of 6 months should consume aspartame because of the chance of brain damage to the fetus or infant.

Dr. Sturtevant, who calls these contentions "at best, highly speculative," says dozens of tests done by Searle prove the safety of aspartame. Dr. Sanford Miller, director of the F.D.A.'s Center for Food Safety and Applied Nutrition, says that the claims against aspartame are unfounded. And the American Diabetics Association has reaffirmed its faith in aspartame, saying that F.D.A.'s studies "appear sufficient to demonstrate its safety."

Since the marketing of aspartame four years ago, the Centers for Disease Control in Atlanta has received over 600 complaints from people who said they suffered dizziness, headaches, blurred vision or grand mal seizures (a type of epilepsy) after consuming aspartame. The centers called for studies to determine individual sensitivity to the sweetener.

On May 23, a $2 million lawsuit was filed against Searle in United States District Court in Washington on behalf of a 5-year-old boy in Olney, Md. The suit charged that consumption of NutraSweet caused irreversible brain damage, but it did not specify the amount consumed.

In granting approval of aspartame—which is 180 to 200 times sweeter than sugar with only one-tenth of the calories—Dr. Arthur Hull Hayes Jr., the F.D.A. Commissioner in 1981, overruled several of the agency's scientists and an independent public board of inquiry set up to evaluate the Searle studies of aspartame's effect on animals. These scientists said that the company's research did not adequately answer the safety questions about carcinogenicity. According to Congressional testimony from Dr. Alexander M. Schmidt, a former F.D.A. Commissioner, some of the experiments were "poorly conceived, carelessly executed or inaccurately analyzed or reported."

After a recent review of the Searle studies, Dr. M. Adrian Gross, a senior science adviser at the Environmental Protection Agency and a former pathologist at the F.D.A., wrote to the office of Senator Howard M. Metzenbaum, a member of the Committee on Labor and Human Resources. His letter said that despite the shortcomings of the experiments, "at least one of those studies has established beyond any reasonable doubt that aspartame is capable of inducing brain tumors in experimental animals."

In a telephone interview, Dr. Sturtevant asserted that some of the data presented to Dr. Gross for review were incorrect. The correct tabulations, he contended, were contained in a document that he wrote for the board of inquiry impaneled by the F.D.A. The document showed, he said, "that there is no statistically significant increase in brain tumors in experimental animals."

Aspartame-sweetened foods now carry a warning directed at phenylketonurics—people who are unable to metabolize phenylalanine, one of two amino acids that make up aspartame. Victims of phenylketonuria, or PKU, will become permanently retarded if the condition is not diagnosed at birth and consumption of phenylalanine strictly controlled.

According to Dr. Elsas, about 2 percent of the population are carriers of the PKU gene and are unaware of the condition. He has expressed concern about the effects of phenylalanine on unborn children of PKU carriers.

"A small change in the phenylalanine level in a pregnant woman's blood is magnified by the placenta into the fetal blood, and the fetal brain will concentrate that further," Dr. Elsas explained. "High levels of phenylalanine in unformed or forming brains could cause irreversible damage. No one knows what degree of elevation in the mother's blood may cause brain damage in the fetus."

Dr. Elsas's concern is based on two studies of the effects of phenylalanine on two groups of people—10 in each group ranging in age from 8 to 24—who have PKU but have developed normally. In these studies, the first of which was published in the Journal of Clinical Investigation in January, Dr. Elsas observed that the patient's reaction time was affected and the production of adrenalinlike chemicals in the brain was reduced.

The second study, just completed, confirms the first, he said, adding, "All of the

brain changes were reversible within a three-week period, but it took longer for full mental functions to return."

Dr. Elsas said that anybody over the age of 6 months should consume "aspartame in moderation, and if they have symptoms, they should get their phenylalanine blood level checked."

Dr. Sturtevant says that Dr. Elsas "is scaring people unnecessarily." "It is not physically possible for an unknown PKU carrier to maintain a phenylalanine blood level in the unsafe range by means of consuming products containing NutraSweet." he said. "There is no experimental evidence to suggest a risk to the fetus." Searle has eight studies of its own under way exploring the effects of aspartame on the brain.

Dr. Wurtman of M.I.T. does not believe that moderate amounts of aspartame are a hazard to normal people. "But" he said in a recent interview, "I think there are some numbers of people who are at risk." Dr. Wurtman, who is a consultant to Searle on products other than aspartame, said that when he and Searle "talk about aspartame we tend not to agree."

Dr. Wurtman's own animal studies show that "you double the effect of the phenylalanine in the brain when you have aspartame and carbohydrates together, and no one knows what a safe amount is," he said. "There are several groups of people who might be especially susceptible to high doses. These include people who are taking drugs that act on the brain like antihypertensives, people with a history of seizures, young people and pregnant women." For adults who do not fall into the above categories, Dr. Wurtman said half a gram to one gram of aspartame a day should be safe.

"But," he added, "if a 7-year-old, weighing about 45 or 50 pounds, drinks a 2-liter bottle of Diet Coke, which contains about 1,200 milligrams, he is already exceeding the allowable daily limit for aspartame suggested by F.D.A."

Dr. Wurtman said he knew of a dozen patients "with first-time seizures confirmed in university hospitals who were consuming very large amounts of aspartame." "It is very important," he said, "that such people be subjects in controlled studies."

Dr. Wurtman also said all foods containing aspartame should state the amount on the label.

But Searle and soft-drink manufacturers disagreed. "We have no objection to F.D.A. requiring quantitative labeling for food ingredients in general," Dr. Sturtevant said, "but we do object to F.D.A. singling out aspartame, because there is no scientific evidence suggesting that it need be."

"Aspartame is safe," said Dr. Miller of the F.D.A., but he added: "We are not moving very rapidly to approve new uses. If there is another segment of the population besides phenylketonurics who are sensitive, we will do whatever we have to do—from putting something on the label up to banning it if the population is large enough."

[From The Washington Post, July 3, 1985]

EXPERT STILL TROUBLED BY ASPARTAME

(By David Zinman)

Aspartame, the low-calorie sugar substitute marketed as NutraSweet, is one of the amazing success stories of the 1980s. In the four years since the artificial sweetener found its way onto grocery store shelves, more than 100 million Americans have tried it. They have tasted it in more than 90 types of products ranging from diet soft drinks to sugarfree gum. Last year, its manufacturer, G.D. Searle & Co., reported sales soaring to $535 million. By 1986, some expect it to top $1 billion.

But there is a possible dark side to all this. Aspartame contains a potentially harmful component, an amino acid called phenylalanine. Too much of it can cause brain damage, especially in fetuses and newborn of genetically susceptible women, according to studies done by Dr. Louis Elsas of Emory University in Atlanta.

"The big unanswered question," said Elsas, "is if pregnant women taking artificial sweeteners can elevate their blood level of phenylalanine to concentrations that adversely affect their fetuses. Is the damage from phenylalanine produced by a threshold effect? Or do little bits of the problem occur at lower levels?

"Aspartame is being promoted as something good for you. But I don't think that it is a legitimate thing for our nation to be exposed to in large quantity."

Searle said reports about potential adverse effects of aspartame on pregnant women and infants were "misleading and do a disservice to consumers." The Chicago-based firm pointed out that in 1981, the Food and Drug Administration found the product to be safe and effective.

Searle does not dispute the contention that high levels of phenylalanine can cause damage in fetuses. But it says there is no cause for alarm because current consumption amounts are not even close to a point where they might pose a problem. Most important, it says that studies on pregnant animals show that even at "abuse levels," aspartame presents no hazard to the fetus.

Nonetheless, Elsas, director of medical genetics at the Atlanta school, said he is concerned, in part, because the sweetener's sale has been so massive and there are still some unknowns about the product. What worries him—and this is not based on any study but his own personal thoughts as a scientist—is the notion that aspartame's effects could be slow and subtle. They could take a generation or more to uncover.

"It's not going to be so overt an explosion," Elsas said recently on "Nightline," an ABC-TV news program. "We may not be able to see the effects for a generation. And then we'll suddenly see a lot of kids with behaviorial abnormalities—with IQs that aren't reaching what . . . we anticipated from their educational or their genetic input."

Searle says that more than 20 years of testing in animals has shown aspartame to be safe over long periods. Elsas acknowledges there has been no documented negative side effects of aspartame. Nor has he personally conducted a study on the sweetener.

But he has done research with children and young adults with gene defects who ingested phenylalanine at high levels and found that their reaction time had slowed. That means phenylalanine can produce quantifiable changes in brain function. "I believe," he says, "the unlimited use of phenylalanine products should be moderated especially in certain groups."

A pediatrician and a biochemist, Elsas is focusing on patients with a rare genetic disorder called phenylketonuria or PKU. These individuals cannot metabolize foods containing phenylalanine. As a result, the chemical concentrates in their brains. This can cause retardation in fetuses and newborns who have this genetic disorder. Many states require tests to discover PKU babies who must then be kept on special diets.

Elsas is also concerned about parents of these children, who are normal but may carry one of the two genes needed to have PKU. "There is a genetically susceptible subpopulation of well over a million women whose fetuses may be at risk if they take indiscriminate amounts of phenylalanine," says Elsas. They, too, he says, may also have an impaired ability to metabolize phenylalanine.

Since it is not always possible to detect these single gene carriers before a PKU baby is born, the vast majority don't know who they are. About 1 percent of babies delivered each year are born to mothers who are PKU carriers.

People in whom high levels of phenylalanine may pose problems, Elsas said, are:

Pregnant women. If blood phenylalanine rises to a level high enough to cause problems, the child's brain development could be affected.

Children under 6 months. A high level of blood phenylalanine can produce irreversible brain damage by slowing formation of mature brain cells and by altering the formation of myelin cells that insulate parts of the brain.

Older children and adults carrying the PKU disorder. A high blood concentration of phenylalanine will reduce the brain's ability to function as quickly and efficiently. But these changes are reversible once the level of phenylalanine returns to normal.

The flaw in Elsas' argument, says Daniel Azarnoff, president of research and development for Searle, is that he has no idea what is a dangerous level of phenylalanine concentration. Moreover, he said, Elsas' concern that people may be getting toxic amounts of phenylalanine flies in the face of scientific data. "He is saying people eat a lot of aspartame," says Azarnoff. "The evidence is they don't."

The FDA has set 50 milligrams of aspartame per kilogram (2.2 pounds) of body weight as an acceptable daily intake. To reach that amount, Searle says, a 132-pound person would have to drink 18 cans of diet soda in a day. The average 12 oz. can of diet soda contains 170 milligrms aspartame, Searle says.

But Dr. William Patridge of the University of California at Los Angeles says the FDA has underestimated consumption of aspartame. Patridge could not be reached for comment. However, the magazine Common Cause said Patridge wrote to the FDA in 1983 citing figures showing how children eating aspartame-sweetened foods all day could be on their way to consuming the maximum amounts the FDA uses for its safety assessment.

Searle says that tests it sponsored show no harmful effects have been seen even at levels of 200 milligrams—four times the FDA's intake standard. However, the quality of Searle-sponsored studies has been criticized. Sen. Howard Metzenbaum (D-Ohio) has complained that the FDA overruled many scientific questions raised about the reliability of testing. A federal investigation is now under way.

Elsas also argues that the FDA's own publications show that the daily phenylalanine intake of some children ages 7 to 9 goes as high as 70 milligrams per kilogram of body weight—exceeding the agency's acceptable daily amount of 50 milligrams. What Searle's studies do not show, he says, is long-term effects at intermediate levels. In addition, one scientist, Richard Wurtman of the Massachusetts Institute of Technology, says some foods intensify the effects of

phenylalanine. "If one drinks a beverage containing aspartame at the same time one eats a carbohydrate-rich food," Wurtman says, "then aspartame's effect on brain phenylalanine is doubled."

To try to clarify the situation, Dr. Reuven Matalon of the University of Illinois has started a study funded by the National Institutes of Health to look at the effects of aspartame on PKU carriers as well as on normal individuals. The study will take about two years.

"In the meantime, I don't think it is fair to express concerns about aspartame as conclusions," he said. "There is no data to implicate it in any difficulty. At the same time, we do not know what a high level of intake will do and where the danger point comes. Until we get the data, if I were the FDA, I would recommend that pregnant women use caution. Moderation should be the key."

SWEET SUSPICIONS

STEVE WILSON. They say it's the biggest breakthrough in diet drinks, a better taste from a new product everybody is talking about.

Commercial.

STEVE WILSON. 7-up has got it, too. And orange soda, and Dr. Pepper. And the fact is it's virtually impossible to find a can of diet soda without NutraSweet.

Commercial.

STEVE WILSON. Powered drink mixes have it too: like Kool-Aid, Wylers fruit drinks, chocolate drink mixes. It's in Jello, it's in all kinds of sugar-free products. You can buy it in little packets under the brand name Equal. It's 200 times sweeter than sugar and Americans sure like the way it tastes. The company that makes it at $80 a pound made more than half-a-billion dollars worth last year and may sell twice as much in 1985—unless nagging safety questions slow down sales.

MOS. My girlfriend just told me yesterday it's not supposed to be good for you. So, now I'm not too sure if I'm drinking the right thing.

MOS. I'd like to know how safe it is. I imagine it is safe to a degree because it's in everything you drink now-a-days.

ROBERT SHAPIRO. It's safe.

STEVE WILSON. Unquestionably?

ROBERT SHAPIRO. Unquestionably!

STEVE WILSON. Not a doubt in your mind?

ROBERT SHAPIRO. Not a doubt in my mind.

STEVE WILSON. Nobody expresses more confidence in the stuff than the man who is president of the NutraSweet Group, the division that brings in 70 percent of the total profits of the big Searle Pharmaceutical Company.

STEVE WILSON. Why is it that you can't seem to convince so many others of that?

ROBERT SHAPIRO. That's just not right. The fact is we have convinced all the folks whose opinion matters.

STEVE WILSON. He's not talking about Joyce Moscado. She's one of thousands of people who have complained about serious side effects, one of those who believes when all the facts are known.

JOYCE MOSCADO. Everybody's going to be convinced that there are people who do have an adverse reaction to the consumption of NutraSweet.

STEVE WILSON. Mary Carr is another one who's not convinced by Searle's multi-million-dollar advertising and public relations blitz.

MARY CARR. My body went through hell with this stuff, I really did. I think that they should take it off the market and do more research because I would not want to put anyone through this.

STEVE WILSON. But it's not just all the letters from consumers who are reporting adverse effects. It's what so many respected scientists are saying.

Dr. WOODROW MONTE. Every time a truly impartial team of scientists have looked at NutraSweet, it has been turned down, it has been denied. It's not been tested correctly. The tests that have been done that I consider to be honest tests show extreme dangers over the long term.

WILSON. When our report continues, a closer look at some of the complaints and why some scientists are still saying that despite government approval, your diet soft drink may not be as safe as you've been led to believe.

STEVE WILSON. Are you telling me I shouldn't drink the stuff?

Dr. WOODROW MONTE. Yes, I am saying you shouldn't drink the stuff.

STEVE WILSON. It's dangerous.

Dr. WOODROW MONTE. Yes, I'm saying that I believe that with all my heart.

ROD LEONARD. Seizures, headaches; among women its the early onset of menopause, serious depression. People say they can't understand what's happening to them except that they keep getting more and more depressed until they want to kill themselves.

JOYCE MOSCATO. You really don't want to go to work, you don't want to deal with friends, you don't want to communicate with the rest of the world.

STEVE WILSON. They believe Nutrasweet, America's newest artificial sweetener, is responsible. And despite how good it tastes in diet drinks and gelatin and all kinds of sugar-free products, people all over the nation are reporting side effects. Like headaches—some mild, some unbearably painful; stomach problems; various allergic reactions, even seizures. But her complaints and thousands of others like them are "anecdotal", scientifically unsubstantiated stories that don't worry Robert Shapiro.

ROBERT SHAPIRO. No, I don't find it scary because I'm aware of what the evidence is and there is no evidence to suggest that younger females or anybody else has a problem with the product.

STEVE WILSON. He's president of the group that makes it, the Nutrasweet Group at the G.D. Searle Drug Company where they can't ship it fast enough to meet demand. But on Capitol Hill just last month, FDA chairman Frank Young admitted to a Senate Committee that while he believes it's safe for most of us, there is a big exception.

FRANK YOUNG. With the exception of a sub-group in the population, young females and that is under further study at this point.

STEVE WILSON. But diet drinks are big with lots of young women, a number of whom have reported the same problem Joyce Moscato had for the many months she consumed NutraSweet—her menstrual periods simply stopped.

JOYCE MOSCATO. December 27th I quit using NutraSweet and on January 25th I had my first period. I felt great and I've been normal ever since.

STEVE WILSON. Well, despite his claims nobody has a problem with his product, Shapiro knows better and reluctantly admitted NutraSweet—aspartame—can be trouble.

ROBERT WILSON. Now it's not just young women reporting side effects. Some of the nation's most respected scientists have some serious concerns about the product. Dr. Richard Wurtman at MIT believes it may adversely affect brain chemistry; that is can cause behavioral changes. Dr. John Olney at Washington University has raised questions about brain damage to children. And here on the campus of Arizona State University near Phoenix, Dr. Woodrow Monte says the big danger is from a substance left in our bodies when NutraSweet breaks down—methyl alcohol.

Dr. WOODROW MONTE. If I could get a public hearing, if I could have a Congressional hearing, if I could have a hearing before the Food and Drug Administration which they have been stopping, trying to stop, I could prove easily, show easily, that even these so-called small amounts of methyl alcohol can cause extremely serious consequences over the long term.

STEVE WILSON. Now these complaints we've been hearing from all over the country are certainly alarming but what may be even more alarming is how this product NutraSweet got past the Food and Drug Administration and onto our grocery shelves.

STEVE WILSON. Politics?

ROB LEONARD. I would call it politics.

STEVE WILSON. Steve Wilson (reporting).

JOYCE MOSCATO. Never for one minute did I suspect that a product that was on the market with the approval of the FDA would be causing such harm.

STEVE WILSON. Joyce Moscato and many others like her say the harm—in her case depression and menstrual problems—is linked to NutraSweet: The only artificial sweetner the Food and Drug Administration has declared safe.

ROBERT MCQUATE. For FDA to cavalierly approve something on a whim is totally out of the realm of possibility.

STEVE WILSON. But you weren't satisfied with the work that they'd done?

In fact the soft drink makers were so dissatisfied with what they believed was the lack of evidence NutraSweet was safe, they prepared a formal, 31-page protest—scientific chapter and verse raising serious questions. McQuate says now it was just designed to "spark discussion in the industry"—and it never WAS submitted to the FDA. He says secret tests his members paid for later answered all their questions. But others believe those who want to use NutraSweet discarded the scientific concerns for safety in favor of higher profits brought in from better-tasting diet products. But Searle—the big drug company—makes NutraSweet and has the legal responsibility to scientifically prove to the government that it's safe.

Dr. ADRIAN GROSS. They lied and they didn't submit the real nature of their observations because had they done that it is more than likely that a great number of these studies would have been rejected simply for adequacy.

STEVE WILSON. Dr. Gross was the chief scientist on a nine member task force that reported Searle made a number of "deliberate decisions" seemingly calculated to minimize the chances of discovering NutraSweet is toxic—a danger to our health.

Dr. GROSS. What Searle did, they took great pains to camouflage these shortcomings of the study. As I say filter and just present to the FDA what they wished the FDA to know and they did other terrible things for instance animals would develop tumors while they were under study. Well, they would remove these tumors from the animals.

STEVE WILSON. Other laboratory animals Searle used for tests on another product in

the same lab seemed to die and come back to life—this one three times.

ROBERT SHAPIRO. It's apparently a recording keeping error.

The president of the NutraSweet Group at Searle says Dr. Gross and his task force are just wrong. But looking at other experiments on laboratory animals and other independent evidence, a scientific board of inquiry has also raised serious safety questions. So have other respected scientists. But the FDA approved it. So it's safe?

ROBERT SHAPIRO. It has been established by the people who are charged by law with the responsibility for making those decisions and they've made those decisions and the fact is it's safe.

Everybody who has looked at the cancer question has said this should not be marketed on the basis of the cancer question except for Dr. Hayes. The Reagan appointed commissioner of the FDA who now works as senior medical advisor to the Searle public relations firm.

STEVE WILSON. Dr. Arthur Hayes who approves wider use of NutraSweet is also now dean of the New York Medical College and refuses to speak publicly about this issue.

WILSON STAND-UP. Now we don't know if NutraSweet is safe or not. We do know that a lot of good scientists still have a lot of good questions and that's the point: The law requires the FDA to establish to a reasonable certainty that the stuff is safe before we start consuming it. About all that's certain at this point: there's big money riding on the outcome and so too is our health. At Searle Company headquarters in Chicago. . . . (Steve Wilson reporting).

NUTRASWEET UP-DATE

COMMERCIAL. "It's a little red swirl next to the name NutraSweet Brand Sweetner."

STEVE WILSON. Thanks to a fortune spent on ads like this, even young Americans know what NutraSweet is.

COMMERCIAL. "100 percent NutraSweet. Oh, that's the good stuff.

WILSON. But since we reported more about all the questions still unanswered in regard to the safety of NutraSweet, there have been some new developments.

Sen. HOWARD METZENBAUM. There's enough reason to be suspicious.

WILSON. Senator Metzenbaum says he's seen enough now to have real suspicions and he has directed the General Accounting Office to investigate. Specifically, his letter to the Comptroller General asks for an investigation of NutraSweet test results, what really happened during the formal FDA approval process, and to what extent was the White House involved in the approval of the product.

Sen. METZENBAUM. Where there's smoke, there's fire. The Food and Drug Administration ought to act with dispatch to investigate these, the safety of this product. Too many people are drinking too many diet drinks to permit this to go on and they shouldn't need a Congressional prod in order to do the job that is truly their own responsibility.

WILSON. By the way, another Metzenbaum letter, this one also signed by Senator Heinz, puts some sharp questions to the F.D.A. The Senators want to know if more stringent labeling requirements are in the works. So we'll know how much of the stuff is safe to drink, what's being done to validate the test data the manufacturer provided, and who's monitoring and encouraging medical reports from doctors across the nation when they see evidence of medical problems possibly related to NutraSweet?

Searle—the maker of NutraSweet—is still standing behind the product, calling it absolutely safe. But the company has acknowledged now at least eight more studies are being done on the product safety questions, perhaps the biggest here at Duke University. Scientists on this campus and elsewhere will study whether NutraSweet causes headaches, seizures and special problems for children.

In Atlanta, scientists at Emory University are out with a report that links NutraSweet consumption by pregnant women to birth defects and problems with infants who eat or drink it. And in Maryland late last month, what may be the first lawsuit as a result of the safety concerns. The mother of a little boy is seeking $2 million from Searle claiming the child has suffered serious and permanent neurologic and psychiatric injury as a result of NutraSweet.

The product, meanwhile, is still selling briskly. Sales are expected to top $1 billion this year.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
Rockville, MD, January 10, 1977.

Hon. SAMUEL K. SKINNER,
U.S. Attorney, Northern District of Illinois, 219 South Dearborn Street, Chicago, IL.

DEAR MR. SKINNER: We request that your office convene a Grand Jury investigation into apparent violations of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. 331(e), and the False Reports to the Government Act, 18 U.S.C. 1001, by G.D. Searle and Company and three of its responsible officers for their willful and knowing failure to make reports to the Food and Drug Administration required by the Act, 21 U.S.C. 355(i), and for concealing material facts and making false statements in reports of animal studies conducted to establish the safety of the drug Aldactone and the food additive Aspartame. Concealing material facts relative to the Aldactone study also resulted in that drug being misbranded within the meaning of 21 U.S.C. 352(a) and 321(n), in violation of 21 U.S.C. 331(a).

I—THE STATUTORY/REGULATION SCHEME

A. *Investigational New Drugs.* The Food and Drug Administration has responsibility for assuring that drugs marketed in this country are safe for their intended uses and are accurately labeled. The Federal Food, Drug, and Cosmetic Act prohibits the marketing of any "new drug" in interstate commerce unless a new drug application (NDA) filed pursuant to 21 U.S.C. 355 containing substantial evidence of the safety and effectiveness of the drug has been approved by the FDA. Before an NDA is approved for any particular use of a drug, that drug may lawfully be used only for investigational tests, first in animals and thereafter in humans. This testing is permitted only in accordance with 21 U.S.C. 355(i) and regulations promulgated thereunder.

The original statutory basis for regulating the investigational use of new drugs was provided in 1938 by the basic Federal Food, Drug, and Cosmetic Act. The Drug Amendments of 1962 authorized the FDA to establish by regulation new reporting requirements to assure that information about significant hazards, contraindications, side effects and adverse or unusual reactions associated with the investigational use of new drugs is disseminated rapidly. These regulations specify the form, content, and timeliness for the submission of such reports. Failure to comply with such requirements is prohibited under the Act, 21 U.S.C. 331(e).

A major purpose of the investigational drug regulations, 21 CFR Part 312, is to safeguard human subjects during the investigational phase of drug development. Accordingly, the regulations require that prior to the administration of any investigational drug to human subjects, the sponsor of the drug must file with the FDA a notice of claimed investigational exemption for a new drug (IND), which contains adequate information about preclinical (animal) investigations of the drug and any studies and other experience from which the sponsor has concluded that it is reasonably safe to initiate clinical (human) testing. A careful evaluation of the animal toxicity and pharmacological studies provides some assurance of the expected effects when the drug is administered to humans. If the data submitted in an IND justify the conclusion that the drug may safely be tested in humans, the FDA permits the sponsor to ship the drug to investigators. It is not uncommon, as is the case with Aldactone, that a drug may have an approved NDA for certain uses while simultaneously being tested in animals and/or humans for other uses under an IND.

Because the IND procedures provide a limited exemption for the distribution of a drug which has not as yet been shown to be safe and/or effective by adequate and well-controlled clinical investigations, the regulations require the sponsor to closely monitor the progress of pre-marketing investigations. The regulations provide that progress reports of such investigations be submitted to the FDA at reasonable intervals, not to exceed one year. 21 CFR 312.1(a)(5). In addition, the regulations require that a sponsor shall "promptly investigate" and report to the FDA "any findings associated with use of a drug that may suggest significant hazards, contraindications, side effects or precautions pertinent to the safety of the drug". If such a finding is "alarming", it must be reported "immediately" and clinical investigation discontinued or modified until the finding is adequately evaluated and a decision is reached that it is safe to proceed. 21 CFR 312.1(a)(6).

The results of drug testing are critical not only to establish the basic safety and effectiveness of the product, but also to identify possible side effects, contraindications, and the need for special warnings, all of which must be included in the drug labeling. The sponsor of every new drug submits proposed labeling for FDA approval at the time of initial marketing and thereafter to reflect new information resulting from its use.

B. *Food Additive Petitions.* The Act also provides for FDA approval of food additives. Approval of an additive is codified in a regulation prescribing conditions under which the additive may be safely used. The regulation is promulgated solely on the basis of a manufacturer's petition, filed pursuant to 21 U.S.C. 348(b), which contains reports of studies establishing the safety of the additive. As with investigational drugs, the FDA does not perform safety tests on food additives; it must rely upon the data developed by the petitioner. Studies supporting a petition are ordinarily performed only on animals; human testing is uncommon.

The major purpose of the food additive provisions, added to the Act in 1958, is to prevent the unrestricted marketing and consumption in human food of chemicals without reasonable proof that these chemicals will not adversely affect man, either immediately, over a life-time or in the next generation.

C. *Monitoring Test Integrity.* Reports of studies submitted to the FDA as part of INDs or NDAs and food additive petitions must be complete, balanced and truthful if the Agency is to fulfill its duty of assuring that these products are safe and that new drugs contain accurate labeling based on the result of preclinical and clinical testing.

The FDA has not routinely monitored the conduct of animal test results submitted in support of either new drugs or food additive petitions. The reliability of the testing is normally checked by FDA review of the sponsor's reports of the underlying raw data. If necessary, the FDA may review the underlying raw data itself in the possession of the sponsor. The FDA may also select manufacturers or preclinical testing laboratories for routine surveillance inspectors. When there is reason to believe that there are irregularities or discrepancies in the conduct of tests or the reporting of test data, the FDA may conduct a compliance inspection in order to evaluate the testing facilities, practices, and record keeping procedures to resolve any apparent discrepancy between the raw data and the report or to determine the truthfulness of data presented in the report.

Recent FDA experiences have identified significant problems in the manner in which many preclinical laboratory studies are performed. Deficiencies in the quality and integrity of reported data have prompted the Commissioner of Food and Drugs to establish a bioresearch monitoring program, and to propose the promulgation of good laboratory practices regulations which will delineate proper procedures for conducting preclinical laboratory studies. Congress has increased FDA's budget for the fiscal year 1977 by $16.6 million specifically to help achieve the goals of the new program.

II—THE SEARLE INVESTIGATION

The genesis of the investigation of studies conducted by and for G.D. Searle was the FDA's discovery in 1972 of certain discrepancies in Searle data submitted in support of a large-selling anti-infective drug Flagyl. FDA review of the data was initiated because independent investigators had reported evidence that Flagyl was a carcinogen (an agent capable of producing cancer). Searle's own long-term toxicity study, submitted in 1970, had not concluded that Flagyl was a carcinogen. In April 1974, Searle submitted more studies on the issue of Flagyl's carcinogenicity and also submitted corrections to the data from its original long-term study. These corrected data raised further questions, resulting in FDA inspections initiated at Searle beginning in May 1974 and proceeding intermittently until the first of July 1975. These initial inspections failed to satisfactorily resolve questions of discrepancies and inadequacies in Searle preclinical testing and reporting of test results.

On July 23, 1975, Dr. Alexander M. Schmidt, then the Commissioner of Food and Drugs, established a special internal Task Force to review the conduct of animal experiments conducted by and for G.D. Searle and report to him. Inspections were conducted at Searle and at three independent laboratories, Hazelton Laboratories, Vienna, Virginia, The Wisconsin Regional Primate Center, Madison, Wisconsin, and Microscopy for Biological Research, Albany, New York, which had conducted or participated in the evaluation of animal studies for Searle.

The Task Force reviewed inspection reports covering 25 separate studies on seven different products, totaling approximately 500 pages plus 15,000 exhibits. Based on this information, data originally submitted by Searle, the scientific evaluation of animal tissue slides and other raw data, the Task Force issued its report to the Commissioner on March 24, 1976. A copy of the Task Force report was forwarded to the Consumer Affairs Section, Antitrust Division, Department of Justice, and to your office in April. Among other observations, the Task Force questioned Searle's handling of data applicable to the drug Aldactone and the reporting of studies on the food additive Aspartame.

The Task Force report was provided to Searle and the firm requested an opportunity to submit a written reply and to meet with the Commissioner to respond to the conclusions and recommendations of the Task Force. The meeting was held on May 18; Searle submitted its written reply to the Task Force report on May 21. I am enclosing a copy of the transcript of the May 18 meeting and the written reply of Searle to the Task Force report (Exs. 1a, 1b). At the meeting, Searle requested an opportunity to make further written reply to two memoranda by FDA pathologist M. Adrain Gross, a Task Force consultant who had reviewed much of the Searle preclinical testing data. This Searle reply was sent to the Agency on June 21, 1976.

III—INFORMAL ADMINISTRATIVE HEARING

After review in my office and in the office of the Associate Commissioner for Compliance of all the material relating to this matter, on September 3, 1976, the Agency issued, pursuant to 21 U.S.C. 335, a Notice of Hearing to G.D. Searle and Company, and * * * for apparent violations of the Federal Food, Drug, and Cosmetic Act and related violations of 18 U.S.C. 1001 concerning Aldactone and Aspartame. The hearing, originally scheduled for September 21, 1976, was postponed at the request of Searle until October 20. An amended Notice of Hearing, dated September 15, 1976, was issued to correct an inadvertent omission from the earlier notice and to verify October 20 as the hearing date. A copy of the Notice of Hearing was forwarded to the Consumer Affairs Section and to Assistant United States Attorney Fred Branding of your office.

At the October hearing, Searle submitted lengthy written replies to the 305 Notice. Copies of these are enclosed. In addition, Searle reiterated a request for the Agency's investigational file covering the apparent violations which were the subject of the hearing. This request was denied, as was an earlier Searle request for "discovery" which referenced the Jencks Act, the Federal Rules of Criminal Procedure and *Brady* v. *Maryland.* Copies of correspondence concerning these requests have been provided to the Consumer Affairs Section and Mr. Branding.

As you know, preliminary reports of discrepancies in preclinical testing conducted by and for Searle were partially responsible for hearings on drug-related research held before the Senate Subcommittee on Health of the Committee on Labor and Public Welfare and the Subcommittee on Administrative Practices and Procedures of the Committee on the Judiciary both chaired by Senator Edward Kennedy on July 10, 1975. Subsequent testimony updating the investigation and the positions of the FDA and Searle were taken before the joint subcommittees on January 20 and April 8, 1976.

IV—FAILURE TO SUBMIT SAFETY DATA ON ALDACTONE

A. *The Drug.* Aldactone is a new drug marketed by Searle pursunat to NDA 12-151. The drug was first approved in 1960 for use as a diuretic (an agent that increases the secretion of urine) for congestive heart failure and for hyperaldosteronism, a relatively rare but severe disorder of the adrenal cortex often resulting in a marked increase in high blood pressure. By 1974, Aldactone and a related drug utilizing the same active ingredient, Aldactazide, constituted approximately —— of Searle's total pharmaceutical sales, approximately —— a year. Current sales are reported to be —— a year.

In 1963, Searle submitted IND 714 to conduct studies to develop data for the use of Aldactone in massive doses in the treatment of myasthenia gravis (serious muscular paralysis). In 1969, Searle amended its IND to cover testing of Aldactone for severe congestive heart failure at dosage levels much higher than those approved in the NDA.

B. *The MBR ("Mauro") Report.* In 1970 Searle designed two 78-week toxicity studies in the rat on Aldactone, one to support the long-term use of the drug at dosage levels approved in the NDA and the other to support higher dose levels in the treatment of severe congestive heart failure. The first study, later extended to 104 weeks in duration, was conducted by Hazelton Laboratories Vienna, Virginia; the second was performed by Searle in its own laboratories. The study conducted at Searle began in August 1970 and rates were sacrificed and necropsied (autopsied) during February and March 1972.

In November 1972, consistent with prior practices, Searle submitted the slides of sections of organ tissues of the rats from the study it had performed to an outside consultant pathologist for examination. The slides were examined by Dr. Jacqueline Mauro, a board certified pathologist, at Microspsy for Biological Research, Ltd. Alabany, New York (MBR). The report of her "readings"—the MBR report—was submitted to Searle on March 21, 1973. In a letter to MBR dated June 1, 1973, Dr. —— acknowledged receipt of the report which "looks just fine."

In the summary of the MBR report, Dr. Mauro stated that her pathology review of the data suggested a group relationship, meaning a drug-related or drug-induced relationship, with tumors (adenomas) of the testes and liver. She also noted a significant number of thyroid tumors and non-tumorous thyroid lesions which she called "adenomatous goiter". Dr. Mauro recommended that these findings be measured for statistical significance. A statistical review of pathology findings is important since an absolute cause-and-effect relationship usually cannot be established in experimental biology. Therefore, an association between an agent and an effect is determined as a probability. If the incidence of a toxic response, such as a lesion, is found among animals treated with the agent under study to a significant degree greater than in animals not exposed to the agent, the established practice is to regard the agent as responsible for that toxic reaction. Where, as here, the toxic reaction is the development of tumors, it is likely to result in restrictive labeling imposed by FDA or even revocation of marketing approval.

C. *Searle's Reaction to the MBR Report.* In early August 1973, a statistically significant relationship between the administra-

tion of Aldactone and liver and testicular tumors, as well as thyroid tumors, was confirmed by Searle's Mathematics-Statistics Department based on the MBR report. Thereafter, at the request of ——, some of the liver tissue slides were reviewed by a then recently hired Searle pathologist Dr. Rudolf Stejskal. He concluded that Dr. Mauro's analyses were "incorrect" and thus "unreliable" since certain slides which she had diagnosed as revealing benign tumors (adenomas) were, in his opinion, lesser lesions (hyperplasia) and that other slides that she had diagnosed as being benign tumors were in fact malignant tumors. On the basis of Dr. Stejskal's limited review of the liver slides, Searle did not submit the MPR report to the FDA.

In April or May 1974, Dr. Stejskal reviewed more of the slides which had been analyzed in the MBR report. This time, he felt that the slides revealed more thyroid tumors than had been reported by Dr. Mauro. Thus, while having concluded that her characterization of the liver slides was too extreme, he also found that her characterization of the thyroid lesions was too restrained. In various interviews with FDA personnel and in written submissions to the Agency, Dr. Stejskal has never commented on the MBR diagnosis of testicular tumors which, according to Searle's Mathematics-Statistics Department, were, as Dr. Mauro suggested, drug-related and statistically significant.

In August 1974—sixteen months after it received the MBR report—Searle sent the same slides examined by Dr. Mauro, and approximately 1,000 additional slides from the same study, to another contract pathologist, Dr. Donald A. Willigan. His report was received by Searle in December 1974. It reveals a statistically significant drug-related increase in tumors of the thyroid and tests, as did the MBR report, but most important to Searle, not tumors of the liver. The concern at Searle over the liver pathology of the MBR report must have been particularly acute; undoubtedly the firm recognized that this information would have to be included in the Aldactone labeling, with a probable decrease in sales. The production of tumors in the testes and thyroid of the test animals, at statistically significant levels, must also have been unwelcome news but, insofar as Aldactone is felt to be active in these endocrine glands, Searle was prepared to argue that these tumors would be less likely to concern the FDA and the prescribing physician. We disagree with Searle's discounting the tumors of endocrine glands. However, the liver findings were more alarming because there was no theory upon which they could be discounted. Thus, unlike the MBR report, the Willigan report was submitted to FDA promptly upon receipt at Searle.

Immediately after the first Congressional hearings and the Commissioner's establishment of the Task Force, and immediately prior to the initiation of inspections by the FDA Task Force, which Searle had every reason to believe would include studies on Aldactone, Searle finally disclosed the MBR report to the FDA in July 1975, some 27 months after it had been received.

D. *Violation of 21 U.S.C. 331(e) and 18 U.S.C. 1001.* The FDA regards the MBR report as containing "alarming findings", namely, statistically significant drug-related tumors of the liver and also of the thyroid and the testes, especially given the wide use of the drug in humans. Accordingly, Searle was required to report these findings to the Agency "immediately" pursuant to 21 CFR 312.1(a)(6). If one were to conclude that these findings were not "alarming", they unquestionably were of the type that suggested significant hazards, contraindications, effects and precautions pertinent to the safety of the drug and therefore should have been submitted to the Agency "promptly" as also required by 21 CFR 312.1(a)(6). Even if one took the view most favorable to Searle that these findings were neither alarming nor suggestive of significant precautions, they were significant and thus were required to be submitted to the Agency at least within one year of receipt by Searle. 21 CFR 312.1(a)(5).

The primary purpose of the requirement that test findings be submitted to the FDA promptly is to permit the agency to assess for itself whether the investigational exemption should be modified or revoked. A manufacturer is not entitled to withhold damaging information in the hope that ultimately it might be proved incorrect. Moreover, the regulations do not preclude a manufacturer from filing expert criticism along with or following the reported study. In short, under any view of the facts, Searle was not entitled to discount the entire MBR report on the basis of Dr. Stejskal's review of some of the slides for only one of the tissue types. Moreover, to give great weight to Dr. Stejskal's analyses is to conclude that in May 1974 Searle had reason to believe, based upon his subsequent review of more of the slides, that administration of Aldactone in the study had caused even a greater number of thyroid tumors than reported by Dr. Mauro.

21 U.S.C. 331(e) prohibits the failure to make any report required by regulations under the IND provisions of the Act. The decision not to submit the MBR report was a conscious one and thus our Notice of Hearing charged this violation as a intentional act under the felony provisions of the Act, 21 U.S.C. 333(b). Failure to submit the MBR report also constitutes concealment of a material fact, a violation of 18 U.S.C. 1001.

E. *Labeling of Aldacone: Violation of 21 U.S.C. 331(a).* When in March 1975 the FDA received from Searle the report of Dr. Willigan which confirmed the statistically significant incidences of thyroid and testes tumors reported to Searle two years earlier by Dr. Mauro, the Agency became concerned that the labeling for Aldactone was inadequate. On June 10, 1975, it convened the Cardio-Renal Advisory Committee, a group of non-FDA experts, to review the data then known on Aldactone. Even prior to the disclosure of the MBR report in July 1975, and based upon the result of the tissue slide examination by Dr. Willigan and the analysis at FDA's request of certain liver slides by Dr. John Boitnott, a pathologist at Johns Hopkins University, the Advisory Committee concluded that while the toxicological studies were incomplete they showed "definite and significant increases in neoplasia (tumors) of the thyroid gland, testes and possibly breasts and liver. They certainly warrant a warning to the medical profession and a curtailment in the recommendations for use." A copy of the Committee's report is enclosed. Aldactone has now been relabled consistent with the Committee's views.

In view of the similar statistically significant thyroid and testes tumor findings in the MBR and Willigan reports, and the findings of liver lesions by both pathologists, we believe Searle's failure to submit the MBR report resulted in violation of 21 U.S.C. 331(a) for causing the shipment in interestate commerce of Aldactone which was misbranded within the meaning of 21 U.S.C. 352(a) in that its labeling did not reveal the potential of the drug to cause tumors, a potential disclosed by the MBR report. As you can see, the Advisory Committee's conclusion also supports FDA's view that the findings in the MBR report were "alarming".

V—ANALYSIS OF SEARLE'S EXPLANATIONS FOR FAILURE TO SUBMIT THE MBR REPORT

The administrative process, including the special Task Force and the 305 Notice and hearing, has been extensive; much of the dialogue between Searle and the FDA invovles complex issues. The following portion of this letter, as well as parallel dicussions of apparent violations involving Aspartame, must necessarily be specific in order to comprehensively and accurately reflect the context of this case. Regrettably, the length of this letter bespeaks our goal.

Searle's explanation for its failure to submit the MBR report, set forth in various documents, is best summarized in the firm's response to the Notice of Hearing which was submitted to the FDA on October 20, 1976. Without attempting to provide at this time a point-by-point critique of the Searle submission, comment upon the main recurrent themes provided in Searle's defense may be useful.

1. From the beginning, Searle has repeatedly taken the position that the MBR report was "proven" by its own pathologist to be "incorrect" and thus Searle was under no obligation to submit it to the Government.

Searle's contention that Dr. Mauro's pathology results were unreliable must be evaluated in light of the fact that pathology is a judgmental discipline. Proliferative lesions of the liver cells can be subclassified according to the particular nature of the proliferation. A diffuse increase in hepatocellular elements is usually termed "diffuse hyperplasia", or mostly, "hyperplasia". When such proliferation is not diffuse but rather a spotty distribution throughout the tissues with islands or zones of proliferating cells, the term "nodular hyperplasia" is utilized. When such nodules of hyperplasia contain cells which the pathologist deems as having been permanently altered or "transformed" into neoplastic or tumor cells, the term "neoplastic nodule" is applied; this is taken to represent a group of proliferating cells which have "crossed the boundary" on the way to becoming a liver tumor. Various pathologists utilize other recognized terms such as "adenoma" to signify a benign liver tumor. A tissue slide characterized by one pathologist as an "adenoma" would also meet the criteria for "neoplastic nodule". The most extreme form of cellular proliferative stage, the malignant tumor variety, is commonly termed "hepatocellular carcinoma".

What is important, however, is that all these various terms represent a series of characterizations of stages of the proliferative process which can be viewed as a continuum. It is entirely possible that two pathologists may examine a given lesion and characterize it somewhat differently. This does not necessarily mean that one is "right" and the other is "wrong". Therefore, one must examine characterizations of liver alterations in a set of animals and ask whether a pathogenic process, such as a poliferative change, is evident.

Accordingly, it is proper to focus on the similarities among pathologists rather than emphasize the differences among them.

When Dr. Mauro refers to "adenomas" and Drs. Stejskal and Willigan reference "nodular hyperplasia" and Dr. Robert Squire, a cancer expert at the National Institutes of Health who reviewed some of the liver slides at the request of the FDA Task Force, talks about "neoplastic nodule", each one is calling attention to a proliferative change in the liver. One may grade such a proliferation along the continuum or by different phrases from another one, but basically they imply the same problem. The proclivity of experts to use different terms in liver pathology was recently demonstrated at a workshop at the National Cancer Institute published in "Cancer Research", Vol. 35, Nov. 1975.

Searle also alleges "extreme variation and contraindications in diagnosis" between Drs. Stejskal and Willigan on the one hand and Dr. Mauro on the other. FDA believes that the differences in diagnoses were not extreme and reflect merely the continuum of diagnostic evaluations of the same class that are well recognized in the field of pathology.

2. Searle argues that the IND regulations presuppose that the data which must be submitted must be accurate and reliable. 305 Reply, pages 10, 15. 21 CFR 312.1(a)(6) refers only to "findings" which are significant or alarming. Accuracy is not used as a standard precisely because such findings at this preliminary stage may, in many cases, be undermined. By contrast, the requirement to submit progress reports within a year does state they be "acurate", reflecting the Agency expectation that by then any discrepancies will have been resolved.

Searle argues that the applicable statute and regulations do not require reports of all animal studies conducted during the course of clinical investigations but only reports of testing on humans and of those animal tests conducted before human testing is initiated. In addition, Searle contends that the IND regulations are unreasonably ambiguous. These arguments are without merit.

In the interest of protecting patients taking experimental drugs, the statute authorizes regulations requiring the reporting of animal tests before tests on humans are allowed. However, the regulations also permit so-called Phase I and Phase II clinical (human) trials to proceed before all the preclincial (animal) work is concluded. Accordingly, it is not uncommon that long-term animal studies, such as the 78-week Aldactone study, are undertaken concurrently with initial human testing. Item 10a of the form for the "Notice of Claimed Investigational Exemption for New Drugs" notes that these first two phases "may overlap and, when indicated, may require additional animal data before these phases may be completed or Phase III may be undertaken". 21 CFR 312.1(a)(2). The regulations therefore contemplate additional animal studies during testing in humans.

Searle also seems to rely on the phrase "such investigational use" in subsection 3 of the IND statutory provision, arguing that this refers to human test results only. This is incorrect. The results referred to in subsection 3 are those, as the statute goes on to state, "as the Secretary [by delegation, the Commissioner] finds will enable him to evaluate the safety and effectiveness of such drug in the event of the filing of [a new drug application]". Thus, reports must be submitted to the Commissioner to permit him to determine whether the subsequent new drug application will be approved or denied. 21 U.S.C. 355(b) provides that NDAs must contain full reports of "investigations" which have been made to show whether or not a drug is safe for use. There is no distinction between clinical and preclinical investigation; the statutory phrase included both. Indeed, a new drug application may not be approved unless "substantial evidence" is submitted in support of the safety and effectiveness of the drug substantial evidence is defined in the Act, 21 U.S.C. 355(d), as evidence consisting of "adequate and well controlled investigations, including clinical investigations". Obviously, the Act presupposes that reports will be submitted of preclinical investigations, otherwise the specific reference to "clinical investigations" would be meaningless.

Searle argues that the use of the term "investigators" in the regulations necessarily means investigators involved in clinical investigation. This is not true and the regulations do not use that phraseology. If anything, the regulations make clear that where clinical investigations are meant to be specified, that phrase is used.

Searle further argues that the MBR report cannot be considered a "finding" under the regulations identified by the charge. There can be no question that the readings of a pathologist of tissue slides are "findings" in preclinical tests; the results of an entire study are usually stated in terms of the tissue slide pathology. If anything, the use of the word "findings" in the regulations suggests that information must be submitted to the Agency whether or not it can be considered, of itself, a completed or final "report".

3. Searle notes that the 78-week rat study in question used much higher dose levels than would be the usual human daily dose and thus the tumor findings were neither alarming nor even significant in terms of safety. 305 Reply, page 1. Most investigational toxicity studies in animals involve massive doses of the drug being tested.

The reason for the use of large doses of a drug in test animals is that such tests are designed to identify toxic reactions in those portions of the user population who are most susceptible to the drug. Accordingly, to accentuate the effects and maximize the probability that adverse reactions will become manifest, the relatively small number of test animals are given large doses. In fact, because the purpose of a preclinical toxicity study is to determine a toxicological profile of a drug, the human dose is an almost meaningless comparative measure. In animal studies, the question is what reactions will be manifested, not how much can the animal tolerate.

Even if the comparison were valid, the level of the animal dose as compared to the human dose is misleadingly referenced by Searle. The animal study in question was designed specifically to establish human use for the treatment of severe congestive heart failure at dosage levels four to six times larger than the human dose for which the drug is marketed. Moreover, while comparing the animal test dose to the dosage for human use, Searle fails to acknowledge that at the time of this animal study, it was testing Aldactone in humans at six times the dosage of the drug then approved. In its written reply to the 305 Notice, Searle also emphasizes the lack of significant findings from the study done at Hazelton which was completed on Aldactone at approximately the same time as Searle's own study. The Hazelton study, however, does not balance the Searle study since, among other reasons, the amount of Aldactone received by the highest dosed animals in the Hazelton study was an amount between the low and mid-doses for the Searle test animals.

4. Searle contends that the MBR report was incomplete. However, the report, as received by Searle and ultimately submitted to the Agency, is in precisely the same form as other pathology reports by Dr. Mauro that Searle unhesitatingly submitted to the FDA. In fact, Searle itself was capable of "completing" the study by adding to Dr. Mauro's pathology examination the statistical analysis it had performed in August 1973 and the gross observations from the necropsy. Searle chose not to do so.

5. Searle also insists that Dr. Willigan's diagnosis were more unfavorable to the drug and thus Searle cannot be accused of hiding "damaging" information 305 Reply, page 8. This assertion is very misleading. Dr. Willigan's diagnosis were unfavorable in the same respect (thyroid and testes) as Dr. Mauro's reports were unfavorable; his diagnosis simply made bad news worse. The real significance of Dr. Willigan's diagnosis is that he did not find a statistical significant incidence of liver tumors, which was Searle's greatest concern with the MBR report and was the reason why Dr. Stejskal was asked in August 1973 to initially review the liver slides, not all slides. It should also be noted that until May 1974, when Dr. Stejskal reviewed not only liver slides but numbers of the thyroid and testes slides, the only basis upon which Searle could conclude that the entire MBR report was unreliable was Dr. Stejskal's review of some of the liver slides from the high dose and control groups. Dr. Mauro, on the other hand, looked at approximately 5,000 slides, including 277 liver slides. But even the refutation of Searle's argument tends to obscure the point: The IND regulations are designed to funnel data to the FDA before it is reevaluated, whether the result be to confirm or undermine the initial conclusions.

In a similar vein, Searle also discounts the admittedly unfavorable thyroid and testes diagnosis on the ground that these are endocrine glands and were the "expected" site of drug-related reactions since Aldactone is felt to be an endocrine-active drug. This "target-organ" argument is unsupportable.

Even assuming that a drug acts where it is "expected" to act, the nature of the reaction is not predictable. That is why animal toxicity studies are conducted; to determine the range and severity of reactions. There were many abnormalities in the "target organs" of the rats on this study. A tumor is one of many reactions; but it is one of the most serious kinds of toxic reactions that are seen. Moreover, animal toxicity studies are regularly submitted to the FDA which reveal little or no significant toxic reactions, even in those organs theorized or "expected" as being the "target organs". Because every agent known to cause tumors in men also cause tumors in animals, tumors in animals constitute alarming implications for human toxic reactions.

FDA has required Searle and other manufacturers of oral contraceptives, which are endocrine-active compounds, to conduct long-term animal toxicity tests. When tumors of the mammary gland, one of the endocrine glands, are discovered, the FDA has forced the removal of the particular drug from the market and prevented testing in humans. With the oral contraceptives, all of which have basically the same therapeutic action, some have caused tumors in test animals, others have not. Obviously, there-

fore, "target-organ" tumors are not predictive.

6. Searle justifies its failure to submit the MBR report based in part on Dr. Mauro's use of terminology in evaluating the thyroid slides, arguing that her choice of words bespeaks Dr. Mauro's unreliability as a pathologist. Dr. Stejskal has also stated that her terminology indicated that her report could not be relied upon.

What Dr. Mauro classified as an "adenomatous goiter", a non-tumorous hyperplasia of the thyroid, was classified by Dr. Williган and Dr. Stejskal as an "adenoma", that is, a benign tumor. Searle never notified Dr. Mauro or MBR of any questions about Dr. Mauro's report, including its terminology. On June 1, 1973, ——— wrote to MBR stating that Searle had received the MBR report and that it "looks just fine". Searle now argues that this reference applies not to the liver or other readings themselves but rather to the form of the report.

Whether form includes terminology we can only speculate. The fact is that the term "adenomatous goiter" is recognized as a very precise reference to a non-tumorous condition of the thyroid probably resulting from a metabolic imbalance. Thus, while Dr. Stejskal suggests Dr. Mauro's analyses were overly general and thus unreliable, her slide readings appear to have pin-pointed a significant distinction in thyroid proliferative lesions.

VI—SEARLE REPLY TO ALLEGATION OF MISBRANDING

Searle's reply to the allegations of causing Aldactone to be misbranded is essentially to accuse the FDA of not moving promptly in its role to review labeling. 305 Reply, pages 22-28. In fact, the Williган report was submitted to FDA in March 1975; the Agency reviewed it and convened the Cardio-Renal Advisory Committee in June, which issued its conclusion in September. Also in September, Searle submitted proposed new labeling and thereafter a proposed "Dear Doctor" letter, both of which were inadequate. By comparison, Searle's first proposed amended labeling for Aldactone came not immediately upon their receipt of the Williган preliminary report in December 1974, nor upon the submission to the Agency of the final report in March 1975 but rather after submission in July 1975 of the MBR report and, notably, after creation of FDA's investigatory Task Force.

The burden to provide adequate labeling is placed by the law squarely on the shoulders of the manufacturer-proponent of a product. Moreover, in order to promptly advise physicians, FDA drug regulations provide that warnings and hazards may be added to drug labeling without prior approval by the Agency. 21 CFR 314.8(d)(1). Searle did nothing to react to the MBR report even after May 1974, when the thyroid tumor problem documented in that report was confirmed by Dr. Stejskal.

FDA, of course, did not have an opportunity to take action on Aldactone labeling on the basis of the MBR report until that report was submitted in mid-July 1975. Searle questions whether the labeling would have been changed on the basis of the MBR diagnosis alone, suggesting that it would not. To the contrary, with respect to thyroid and testes, the findings of the MBR and Williган reports were consistent; the Williган report identifying even more tumors than the suppressed report. If Searle had used the MBR report as received in March 1973, the labeling for Aldactone would have contained a statement—as it does today—about possible dose-related thyroid, testicular and liver consequences. Contrary to the assertion in the 305 Reply, page 26, the FDA does not acknowledge that the MBR report is not the basis of the labeling change. The MBR report supports the labeling reference to liver lesions and, together with the Williган report, substantiate the label warnings with respect to testicular and thyroid tumors.

VII—SUMMARY

In sum, Searle received in March 1973 a pathology report which contained damaging information about its largest selling drug; information that was confirmed two months later by its own Mathematics-Statistics Department. A few of the slides which concerned Searle most, those concerning the liver, were received by an in-house pathologist who took exception with some of the consultant pathologist's diagnoses. On that basis, the entire report, later confirmed by another pathologist to be substantially correct in its results, if not in its slide-by-slide analyses, was withheld from the FDA by Searle for over two years.

The legal as well as the practical answer to Searle's after-the-fact justifications for not submitting the MBR report is contained in Searle's own 305 reply. "The quality of the decision made must be judged by information available at the time, not by subsequent development". Nowhere in its submissions to the FDA does Searle explain why it initially reviewed only the MBR liver diagnoses. Unquestionably, it was the report by its Mathematics-Statistics Department that, just as Dr. Mauro had suggested, there *was* a drug-related increase in liver tumors. This was the motivation for the withholding of the MBR report, the use of a second outside pathologist and the prompt submission of his findings even though they confirmed drug-related tumors in two other organs.

VIII—CONCEALING MATERIAL FACTS AND MAKING FALSE STATEMENTS IN STUDIES SUBMITTED IN SUPPORT OF SEARLE'S FOOD ADDITIVE PETITION FOR ASPARTAME

A. *The Product.* Aspartame is the trade name of a sweetening ingredient for food manufactured by Searle. Because Aspartame is a food additive, it may be marketed only upon FDA approval of a petition establishing its safety, which approval is codified as a regulation published in the Federal Register.

Aspartame is a synthetic product based upon two amino acids, 1-aspartic acid and 1-phenylalanine. It is intensely sweet, about 180 times as sweet as sugar, but is metabolized in the human body as a protein unlike sugar which is metabolized as a carbohydrate. Because of its great sweetness, Aspartame used in place of sugar would provide only approximately 1/180th of the calories of a quantity of sugar yielding equivalent sweetness. The potential commercial value of Aspartame is enormous. Searle has built a manufacturing plant solely for the purpose of producing Aspartame.

B. *Status of Aspartame.* In the Federal Register of March 5, 1973 (38 F.R. 5921), FDA gave notice that a petition had been filed by Searle proposing the issuance of a regulation to provide for the safe use of Aspartame in foods as a nutritive substance with sweetness and flavor enhancing properties. In the Federal Register of July 16, 1974 (39 F.R. 27137) the Commissioner concluded that the evaluation of the data in the petition, which included approximately 150 studies and other relevant material, justified amending the food additive regulations to provide for the same use of Aspartame under specified conditions.

In response to this publication, FDA received objections to the regulation from members of the public and two requests for a hearing, provided under § 409 of the act, 21 U.S.C. 348. Issues concerning the safety of Aspartame were identified by the objectors in the first part of 1975, and it was agreed that there would be an administrative hearing, called a Board of Inquiry. Based upon the Commissioner's conclusion in July 1975 that the integrity of certain animal studies conducted by Searle was questionable, and in conjunction with the establishment of the investigatory Task Force, including auditing of certain animal studies relating to Aspartame, the FDA stayed the effectiveness of the food additive regulation in a notice published in the federal Register of December 5, 1973 (40 F.R. 56907).

After the issuance of the Task Force report in March 1976, FDA began to consider methods by which certain of the studies submitted by Searle would be authenticated at Searle's expense, by a non-government panel of experts. This process, to be performed under a contract approved by the FDA and paid for by Searle, is soon to begin.

The 52-week toxicity study in the infant monkey

A. *Initiation and Basic Description of the Study.* In November 1969, Searle officials decided it was "essential" to obtain the opinion of Dr. Harry A. Waisman about the differences and similarities in the side effects of Aspartame as compared with those of phenylalanine. Dr. Waisman was a leading researcher associated with the University of Wisconsin Regional Primate Center and had published extensively on the toxicity of phenylalanine. Dr. Waisman's published works establish that phenylalanine is capable of producing brain damage in Rhesus monkeys. The Aspartame study was initiated on January 15, 1970 and terminated on or about April 25, 1971. Searle submitted its report to the FDA on October 10, 1972. A copy of the report of the study, excluding appendix tables, is enclosed. Unfortunately, during the course of this study, in March 1971, Dr. Waisman died.

In this study, seven new-born Rhesus monkeys were placed on a diet which included Aspartame. The first infant monkeys became part of the study in January 1970; the last were added, at birth, in October 1970. The daily feeding of the monkeys, and monitoring and recording their actions, was the responsibility of Mr. Gunther Sheffler, a laboratory technician with a bachelors' degree who was selected by Dr. Waisman. The tables of the laboratory test results, feeding schedules and the like which constitute the summary of raw data of the Searle report were prepared primarily by Mr. Sheffler. Presumably, Mr. Sheffler selected the new-borns for inclusion in the study; his selection was consistent with criteria which may have been set by Dr. Waisman. Although Dr. Waisman had access to and was undoubtedly familiar with the monkey colony at the Primate Center, in all likelihood he rarely if ever directly participated in the conduct of the study. However, he and Searle were responsible for the study design.

The Aspartame monkey study did not have "untreated concurrent controls", that there was no parallel group of new-born monkeys identified and monitored for com-

parative purposes which were not fed Aspartame. According to a Searle protest drafted several months after initiation of the study, the monkeys were to be kept on a diet with Aspartame for one year, then returned to a basal diet, subjected to behavioral and learning tests; and finally sacrificed and necropsied (autopsied) for the preparation of tissue slides to be reviewed microscopically for alteration (post-mortem work-up). Of the seven test monkeys, one died after 300 days; four were kept on Aspartame for approximately 365 days as planned; and administration of Aspartame for two others was ceased on March 31, 1971, after approximately 200 days. No behavioral or learning tests were performed. Only the one monkey who had died during the test was necropsied and subject to post-mortem work-up.

B. *Conflict Between the Study and Searle's Report of the Study.* Before commenting briefly on the specific falsifications listed in the 305 Notice and to clarify why this study came to the attention of the Agency, you should note the very great literary license Searle officials took in drafting its report. Searle has repeatedly contended that Dr. Waisman was working on his own, that Searle had little or no control over his activities, that the Searle protocol for this study was drafted after the inception of the study in order to attempt to bring some retrospective structure to the work done by Dr. Waisman and that because of Dr. Waisman's death, the documents reflecting the daily conduct of the study were in chaos.

In essence, Searle now insists that the Waisman study was uncontrolled, and refers to it conspicuously as a "pilot" experiment; its shortcomings are itemized, all but enthusiastically.

Yet, while containing a few carefully couched disclaimers, the report of this toxicity study was submitted to the Agency just like any other of the 150 studies; it bears the authorship of the persons responsible for the study, namely —— and Waisman, in that order; it bears a Searle Pathology-Toxicology project number; it is in standard format setting forth methodology, observations, and the like, including a study design and conclusions.

Searle wanted data comparing Aspartame with phenylalanine. Dr. Waisman was the expert in the field and his name would carry great weight. The report to FDA is drafted in a manner which covers up the admitted inadequacy of the design, control and documentation of the study. However, when Searle is accused or representing this study for far more than it was, it denies almost all knowledge of or involvement with its initiation, design or performance; Searle cannot have it both ways.

Searle's conclusion that it had "no control over conduct of the study, and Dr. Waisman did not have to, nor did he, follow any suggestions by Searle or its employees" is difficult to understand. Searle documents in the possession of the FDA establish that in November 1969, Searle sought to involve Dr. Waisman in a study of Aspartame in order to compare its toxicity, particularly seizures and learning defects due to brain damage, with that of phenylalanine. In January 1970, such a study was initiated. It is also noteworthy that in a memorandum of a September 4, 1970, conversation with Dr. Waisman, —— reports that he suggested to Dr. Waisman that two animals be placed on the study at lower dosage levels within the next few days. This is exactly what happened. Searle asserts that the behavioral testing was never anticipated on this "pilot" study but rather on a subsequent study which was being planned by an associate of Dr. Waisman. 305 Reply, page 36. However, various Searle documents obtained by the Task Force investigators, written both during the subsequent to the monkey study, establish beyond any question that behavioral testing, as well as the necessary post-mortem work-up, was originally planned for this study.

C. *Specific False Statements or Concealed Facts.* The 305 Notice delineates four false statements and entries in Searle's report of this study. (1) The report failed to reveal that the infant monkeys were not suitable for the study. (2) The report states that acceptable historical and contemporary data on untreated control monkeys were available, thus diminishing the necessity for concurrent control groups of monkeys. (3) The report falsely states that animals were not available for purchase and sacrifice (necropsy) at the termination of the administration of the test compound, as originally planned, because of personnel shortages. This statement also gives the misleading impression that the animals were incapable of being purchased when in fact they were available for purchase, although not immediately, after the test compound had ceased to be administered. (4) The report falsely states that necropsy data on one non-surviving monkey was lost to Searle due to "similar" reasons, namely, confusion and personnel shortages after Dr. Waisman's death. In fact, the data were available and were obtained at the Regional Primate Center by FDA investigators during the Task Force investigation. Moreover, the monkey died approximately five months before Dr. Waisman's death.

1. The first specific violation listed in the 305 Notice is based, in part, upon a January 19, 1972, memorandum written by —— reflecting the reservations of Mr. Scheffler about the suitability and documentation of monkeys for the study. —— notes of a conversation with Mr. Scheffler state: "no extensive records on individual monkeys." In addition, on June 23, 1971 —— was made aware of the fact that one of the seven monkeys on the study "never should have been included in your experiment since he had an obvious birth defect."

Searle asserts that neither nutritional nor reproductive histories of the mothers of the infant test monkeys were in any way significant to the study. Nevertheless, the report states that only "infant Rhesus monkeys (Macaca mulatta) from full term, normal pregnancies" were used. In fact, the mothers were laboratory monkeys and had been on other tests. The impact of the mother's health, nutrition, reproductive history, etc., would be significant were the mother to pass to her off-spring some deficiency, some altered type or rate of metabolism due to another chemical she had been exposed to previously, any or all of which might affect the infant monkey and its reaction to Aspartame. Further, these effects may be completely unnoticed by laboratory technicians.

2. The second specific allegation in the 305 Notice was that the report falsely states that a concurrent comparison control group (monkeys in the study that were monitored but not exposed to Aspartame) was unnecessary because acceptable historical and contemporary data on untreated monkeys were available. Searle admits that there were no existing post-mortem data from other monkeys in the colony but notes that there was such ante-mortem (pre-sacrifice) data for other monkeys. This seems to be correct. And in view of the fact that the study did not include behavioral and post-mortem aspects as originally planned, the non-existence of post-mortem data for untreated monkeys was rendered essentially irrelevant. Accordingly, this alleged falsehood now appears to have been adequately explained.

3. The third charge of falsification in the 305 Notice alleges that the reasons given by Searle for the failure to sacrifice and necropsy the monkeys "at the termination of administration of the test compound", namely, shortage of personnel and lack of supervision following Dr. Waisman's death, are untrue.

Searle's reply to these allegations focuses upon the fact that the monkeys were taken off Aspartame feeding allegedly without notice to Searle, and were thus "unavailable" for sacrifice "at the point of termination". The documents available to the FDA do not now establish that Searle had knowledge of the termination dates of administration of Aspartame (March 31, April 4 and April 25, 1971) until mid-June 1971. But the fact that the availability of these monkeys for purchase and sacrifice did not immediately coincide with the termination of the Aspartame feedings is not relevant; the protocol for this study originally provided for cessation of administration of Aspartame prior to sacrifice and necropsy. Thus, Searle's lack of immediate awareness of the termination of administration of Aspartame does not negate the fact that Searle later had the opportunity to buy the monkeys. Searle could not truthfully assert in its report to FDA that the monkeys were "unavailable"; so Searle stated that they were "unavailable at the time" when they were taken off Aspartame feeding.

Searle's failure to necropsy the animals, including examining brain tissue for those monkeys which had manifested seizures, is more likely based on the fact that Dr. Waisman had no post-mortem comparative data. If Searle had found adverse effects, it would have had no way to show that the consequences were not attributable to Aspartame. Searle did not want to take this chance. But Searle also did not want to admit the real reason for its indifference. The same apprehension of a "can of worms" is reflected in Searle memoranda discussing the potential consequences of Dr. Waisman's feeding of Aspartame to pregnant monkeys.

Reliance upon alleged personnel shortages and lack of supervision do not explain why Searle did not closely monitor this study. FDA investigation did not reveal that things were plunged into chaos by Dr. Waisman's death as Searle has repeatedly suggested. 305 Reply, page 55. Treatment was continued for two to five weeks after Waisman's death on monkeys M-79 and M-14, completing their one year treatment as scheduled. During interviews in February of this year by FDA Task Force members, Mr. Schaffler stated that there were plenty of personnel on hand when Dr. Waisman dies and that when the new laboratory director took over, he dismissed a number of employees because they were not needed.

Searle asserts that it makes no difference what reason is given for certain events as long as the events are true. We disagree. None of the real reasons for Searle's decision not to purchase the monkeys for post-mortem work-up was included in the submission to FDA; the monkeys were available for purchase and post-mortem work-up, but —— advised ——, and Saunders that the

monkeys should not be purchased; they concurred. Nevertheless, it may be literally true that the monkeys were not known by Searle to be available "at the termination of administration of the test compound".

4. Finally, the report submitted to FDA states that necropsy data on the one non-surviving monkey, which received high doses of Aspartame and died after 300 days, were lost to Searle due to Dr. Waisman's death.

In fact, the data were available from the Primate Center and were obtained by the FDA Task Force investigators. The monkey died approximately five months before Dr. Waisman's death. Searle does not reply to this charge directly, but rather states that its use of the term "necropsy data" meant tissue slides, not the autopsy report dated October 22, 1970, which Searle claims it never received. It is undisputed that on October 21, 1970, Dr. —— was made aware of the death of the monkey and that sacrifice was planned. Apparently, Searle failed to follow up on this information to determine that a report had been generated.

Searle now admits that it does not know what happened to the "necropsy data"; nevertheless, the report gives an answer as if the facts were known, namely, that the data were lost in the confusion after Dr. Waisman's death. This is an excuse based on no information, rather than the truth.

The 46-week toxicity study in the hamster

A. *The study.* On April 20, 1970, Searle initiated what was to have been a 104-week toxicity study on Aspartame in the hamster. The study was terminated prematurely, after 46 weeks of treatment, due to an unexpectedly high mortality in both control and treated animals ascribed to a disease known as "wet tail" (severe diarrhea). Searle submitted its report to the Agency on December 8, 1972.

B. *The Violation of Title 18.* The alleged violation of Title 18, Section 1001, set forth in the FDA Notice of Hearing, is based on the following set of facts: Blood from certain animals in the study was collected for hematology testing and for blood chemistry at the scheduled 26-week interval. Samples were drawn and six different kinds of tests were conducted. Searle technicians appear to have experienced methodology problems with one of these, the test for serum glucose (blood sugar). Searle did not correct the problem with the glucose testing until approximately twelve weeks later. By that time, however, approximately 30 percent of the previously tested hamsters had died. Accordingly, at the 38th week of the study, other hamsters were taken as substitutes from the same feeding groups and blood was collected from them. The glucose values of these new animals were reported by Searle as being those of tests run at 26 weeks on blood samples from the original animals, which had since died. Thus, the glucose values represented for one set of animals at a different time.

C. *Searle's Inadequate Explanation.* Searle admits the fact that its report contains this false information, but argues that this did not result from willful conduct or any intentional act. Moreover, Searle argues that this falsehood is not material to the appraisal of the safety of Aspartame.

Most Courts of Appeal have held that a violation under §1001 can be sustained only upon a showing of the materiality of a falsehood. However, the courts generally define a "material" statement as one which has the tendency to influence or is capable of influencing. Actual reliance upon false information need not be shown. Nor must the Government prove that the person knew that a statement was false; rather, a reckless disregard for the truth or evidence of a conscious purpose to avoid learning the truth will establish the requisite culpability. Here, documents in the possession of FDA establish at least that —— knew of the need for a second glucose test and knew that hamsters were dying and substitutes were needed.

Searle suggests that these data were gathered and prepared by technicians reporting to Mr. Martinez, and that neither —— nor —— was aware of the existence of the problem concerning these data until they received FDA's Notice of Hearing. However, —— admits in his 305 reply that he was involved in resolving the serum glucose problems, although he claims that he did not review this matter when drafting the report. —— The substitute animals were identified as substitutes on the raw data sheets which, we believe, —— as the authors of this study, were obliged to review and may in fact have reviewed in order to attest to the integrity and accuracy of the report. Further evidence of disregard for the truth will have to be developed by the Grand Jury.

Searle argues that there was no motive for any intentional misrepresentation or concealing of the fact that glucose values for one animal were substituted for those of another. While the question of glucose levels seems to have been non-controversial in this study, the failure of the Searle report to simply note the substitution of test results could be attributed to the fact that at the time of the substitution the animals were contracting a disease and the study was accordingly threatened. Also, the reason for the wide variation in glucose values was, at first, not known. Until —— confirmed that it was a laboratory problem, the unexpected test results might have been thought to indicate severe liver or pancreas reactions in the test animals.

It is true that these entries may not have been material to a determination of the ultimate safety of Aspartame. However, as Searle points out, numerous studies have been conducted and submitted to the Agency in support of the safety of this sweetening agent and thus, arguably, even a wholly fabricated study might not qualify as material in the sense of being a "but for" or independently sufficient basis for a decision.

We believe that the law permits prosecution for a falsehood that has the potentiality for influencing the Government in its evaluation of the immediate report in which the falsehood is contained whether or not the sum of the safety data is altered by the falsehood at issue. Moreover, in this case, the hamster study was selected by the FDA Task Force as one of a few Aspartame studies for review upon the consultation with toxicologists in the FDA Bureau of Foods. Both this study and the monkey study met the criteria for selection of studies established by the Task Force.

Searle argues that the original records relating to the glucose substitutions are in existence and only their destruction or modification would be consistent with an intentional falsification in the final report. This, of course, is not a necessary prerequisite to a finding of intent; if it were, every defendant in every prosecution involving a crime of intent would argue, perversely, that his failure to destroy evidence of his culpability established his lack of intent.

One final note on both Aspartame studies. In considering the extent to which the reports were written to convey impressions more favorable than the underlying data would support, reference should be made to the memorandum of December 28, 1970, from Mr. Helling of Searle to, among others, Drs. ——, entitled "Food and Drug Sweetener Strategy." In that memorandum, Searle commits itself to obtaining favorable review by FDA personnel by seeking to develop in them a "subconscious spirit of participation" in the Searle studies. What FDA needs instead, and must have to evaluate products, are adequate and controlled studies, supported by the raw data, and reported accurately and in a timely fashion. The assumption that these reports can be relied on is at the heart of FDA's mission; the agency cannot possibly look over the shoulder of each laboratory technician or draftsman involved in each of the thousands of animal and human drug studies conducted each year. The FDA must receive the truth, not psychological warfare. To emphasize the importance of safety data on Aspartame, we note that if ultimately approved for marketing, this sweetening agent can reasonably be expected to be part of the daily diet of every American.

IX—INDIVIDUALS WHO APPEAR TO BE RESPONSIBLE FOR THE VIOLATIONS CHARGED IN FDA'S NOTICE OF HEARING

A principal purpose for convening an investigatory Grand Jury would be to identify those persons responsible for any violations of the law investigated by the Agency. The persons named in the FDA 305 Notice were identified on the basis of information known to or obtained by the Agency, but without the benefit of compaulsory process. All Searle officers, employees, and former employees, were interviewed by Task Force investigators in the presence of Searle counsel or monitors.

A. *Overall Corporate Organization.* The organization charts and similar information-available to the FDA reveal the following major outlines of responsibility within the Searle Company.

In 1971, T.B. Carney, Sr., was the Vice-President of Searle Laboratories for Research, Development and Control. —— was then the Vice-President for research and Development, under Mr. Carney. The research and development group consisted of six branches; Dr. —— was the Director of Biology and was superior to —— head of the pathology/toxicology section. In February 1972, —— replaced Mr. Carney as the head of the RD&C and —— became the Director for R&D. Dr. Francis J. Saunders replaced —— as the head of Biology. The Director of Chemistry, a branch on equal level with Biology was Dr. Paul D. Klimstra. In April 1972, —— became President of Searle Laboratores, a division of G.D. Searle and Company —— was designated as Vice-President for Research and Development.

In July 1973, at about the time that Searle was beginning to deal with the MBR report, the research and development group was reorganized and Dr. Klimstra was made the Director, Pre-Clinical Research and Development, operating directly under —— was made the Director of Pathology/Toxicology and reported directly to Dr. Klimstra. Dr. Saunders was given the title of Director, Research Liaison at the same level as Dr. Klimstra, but outside the reporting chain of —— Klimstra —— In May 1974, —— was given the title of Vice-President for Scientific Affairs although he continued to report —— and remained the immediate superior of Dr. Klimstra who in thru re-

mained the immediate superior of ——. No other structural changs were made, and these designations remained the same through 1975.

B. *Responsibility for Failure to Submit the MBR Report.* When the MBR report was received at Searle in March 1973 it would have been within the immediate domain of —— Director of the Pathology/Toxicology Department and his superior Dr. Saunders. From about the time that Searle began its Mathematics/Statistical evaluation of the report (August 1973) until its submission, it would have remained within the jurisdiction of ——, who was then reporting to Dr. Klimstra. Dr. Stejskal, who originally reviewed the MBR tissue slide evaluations, was ultimately responsible to —— through his immediate superior in the Pathology Laboratory. —— functioned as head of the Toxicology Laboratory also reporting to ——.

1. *Evidence of Responsibility Developed by the Task Force.* The Agency has evidence that it was —— who originally requested Dr. Stejskal to review the MBR liver slide analyses in July or early August 1973, and it was either —— who requested further review of liver, thyroid, and testes slides in February 1974, which Dr. Stejskal performed in April or May of that year. —— were fully aware of Dr. Mauro's slide readings by September 1974. According to Dr. Dutt, the then head of Searle's Mathematics-Statistics Department, it was —— who requested him to perform a statistical analysis on the MBR report in August 1973.

The FDA has no direct knowledge of the extent, if any, of personal knowledge or participation of Drs. Saunders, Klimstra, —— in the decision to withhold the MBR report from the FDA. In view of the damaging effect of the liver findings, as well as the testes and thyroid tumors, and given the commercial importance of Aldactone in Searle's marketing line, it is difficult to believe that —— did not advise his superiors Drs. Saunders (and thereafter Klimstra) —— of the MBR report. Restrictive labeling for Aldactone, as in fact eventually resulted, would certainly have rendered these individuals accountable to their corporate superiors for any decline in sales of the drug. The evidence in our investigatory files leads us to the conclusion that —— were in a position to know of the report and certainly had authority to decide not to submit it; we have however no direct evidence of their actual knowledge or participation in that decision.

2. *The 305 Replies.* In the Searle 305 reply, we are told that —— —— promptly advised Dr. Klimstra of the findings of Dr. Williган. This does not necessarily mean that Dr. Klimstra was advised of the earlier Mauro findings, but it does raise the provocative question of whether Dr. Klimstra, Dr. Saunders and —— were similarly advised when the MBR report was received in March 1973, particularly in view of the fact that Searle had no basis for discounting the MBR report until Dr. Stejskal's August review.

In —— 305 reply, he states that he first learned of the existence of the MBR report on June 17, 1975, as assertion that is certainly appropriate for Grand Jury inquiry. —— however, insists upon defending the institutional action of G.D. Searle and Company by arguing, at page 2 of his reply, that the MBR document was "preliminary and incomplete" since it "did not contain antemortem data, text or results of statistical analyses that are necessary for a final, complete and full report of the study".

This characterization of Dr. Mauro's pathology findings is nonsense. A pathologist's role in a study is to report examination of post-mortem lesions only; the contract pathologist never generates antemortem data or statistical analyses; the MBR report did not contain these and neither did the report from Dr. Williган which waw submitted to FDA. When a firm, such as Searle, receives a report from an outside pathologist, the firm itself provides the antemortem data and conducts statistical analysis. —— further asserts that the MBR report lacks materiality. This is not true. The document was capable of and has influenced the Agency in its decision with respect to the labeling of Aldactone and in limiting human investigational studies.

—— also claims ignorance of the MBR report until June 1975. He admits that he was aware that Dr. Williган had diagnosed the slides from the 78-week study, but insists that he was unaware of any prior involvement in the study by Dr. Mauro —— asserts that —— would not be expected to advise him of the results of pathology analysis on a rountine basis. With certain minor exceptions, the response of —— parallels that of ——. Apparently, neither —— was required to authorize the re-evaluation of the slides for this study by Dr. Williган.

—— strongly asserts the corporate theory that the findings of Dr. Mauro were "so in error and so unreliable that the entire report was deemed untrustworthy"; that it was not a relevant part of the Searle Aldactone study, and in substance that it never was required to be submitted to the FDA. —— assumes full responsibility for concluding that the MBR report was "fundamentally incapable of serving as a valid, defensible representation of the tumor data from the rat study involved". —— claims he did not discuss the document with his superiors. Nevertheless, at page 11 of his reply, —— states in the third person that "internal Searle records show that —— regularly and candidly informed his superiors at G.D. Searle and Company of the toxicologics status of company products, including recommendations relating to procedures and testing programs". While he claims he discounted in toto the MBR findings, —— also states, at page 6 of his reply, that after Dr. Williган's findings were reported he became concerned about human test subjects.

Accordingly, he discussed with Dr. Bernard M. Wagner, Professor of Pathology at Columbia University in New York the "question of tumors in thyroid, testes and liver."

C. *Responsibility for False Statements in Reports of Studies on Aspartame.* The 305 Notice with respect to Aspartame named. They were the authors of the reports that the FDA believes contain false information and/or omitted material facts. In our view, they are responsible for failing to report the substituted glucose values in the hamster study and are responsible for any false statements or concealed facts resulting from having drafted Dr. Waisman's "pilot" monkey study so that it would appear to be a valid, thorough scientific study.

X—GRAND JURY INVESTIGATION INTO OTHER POSSIBLE OFFENSES

The FDA Task Force investigated 25 studies involving seven products. Its report lists numerous incidences of poor laboratory practices, resulting in discrepancies and inadequacies in data in one or more of the investigational studies in support of each product. Some of these poor laboratory practices were characterized by the Task Force as "deliberate decisions" seemingly calculated by Searle to minimize discovery of toxicity and/or to allay FDA concern. The Task Force report also discusses examples of poor laboratory practices in animal studies submitted in support of the drug Flagyl, which were the subject of special attention at the Congressional hearings.

The Task Force report and each report of investigation for the 25 target studies have been reviewed by my office. Because the law does not make poor animal laboratory practices a punishable offense, much of the questionable conduct by Searle may not fairly be subject to a characterization, under the Act or Title 18, that will with reasonable probability establish a violation before a Judge or jury. For this reason, the scope of the Agency's 305 Notice was far more limited than the findings of the Task Force, whose investigation was designed primarily to review laboratory practices. Our selection of apparent violations for inclusion in the 305 Notice does not, of course, limit the inquiry of your office or by the Grand Jury.

One of the recommendations of the Task Force was that the FDA recommend to the Department of Justice that Grand Jury proceedings be instituted in the Northern District of Illinois using compulsory process in order to identify more particularly the nature of the violations and to identify all those responsible for such violations. Indeed, there are areas in which the Task Force investigation has raised serious questions that we believe your office should consider for presentation before the Grand Jury, but which were now included in the 305 Notice primarily on the ground that the notice is designed to give persons an opportunity to respond to apparent violations of law which the Agency, on the basis of available evidence, intends to recommend for prosecution. The extent to which evidence was available to the Task Force reflects the fact that inspections began three months after the Task Force was created; Searle knew it was going to be audited.

Four decisions or courses of conduct by Searle were specifically considered by our office for Grand Jury review. These are set forth in the memoranda from Arthur Levine to me dated August 6 and 30, 1976, copies of which have previously been provided to the Consumer Affairs Section and to Mr. Branding. Two of these appeal to us to be reasonably fruitful areas for Grand Jury investigation.

1. The Williган report submitted to the Agency in March 1975 contained a computer print-out summary table of tumor findings which did not include four malignant mammary tumors in treated females which had in fact been diagnosed by Dr. Williган and reported in his raw data. Searle explained the omission as the inadvertent error of a programmer in the Mathematics-Statistics Department who listed the mammary tumors as benign, although the raw data sheets she was using as a reference stated that they were malignant. These errors were not detected, or at least not corrected, by the supervisory statistician in that department or by Dr. Stejskal, the pathologist responsible for the study in Pathology/Toxicology Department. Thus the Searle report, based on the pathology examination of Dr. Williган contains, in part, false data.

All of the individuals involved in this episode have been interviewed by the FDA, and state, in essence, that they simply made an error. The FDA investigatory file does not

now contain information which would establish a willfully false submission under Title 18. However, the drug industry generally and Searle particularly was concerned about evidence of malignant mammary tumors in test animals (Ex. 22). In order to accept the Searle explanation is to believe that the unfavorable mammary malignancy data were innocently omitted from the summary table four separate times by three different individuals.

2. With respect to the discrepancies between the submission to FDA and the underlying raw data for the 80-week rat study on Flagyl, I concur in Mr. Levine's suspicions that ——— was asked to prepare for submission to the Agency an animal study which was poorly controlled and documented, and that he may well have known that the study contained inaccuracies or at least that the data was incomplete and could not be confirmed, but did not reveal these facts in the report of the study submitted to the FDA.

Two other actions by Searle, discussed in paragraphs 3 and 5 of the August 6 memorandum and which are the subject of the August 30 amended memorandum, do not now appear to be fruitful matters for further investigation within the context of the Aldactone 78-week rat study. However, the general inadequacy of Searle statistical and sampling methods was admitted by Dr. Dutt, former head of the Mathematics-Statistics Department. See Ex. 21. The Grand Jury may wish to investigate consequences of these practices which, unlike the case with Aldactone, were not subsequently remedied. Moreover, Searle's theoretically conceivable but in fact inapplicable arguments over the specific facts pertaining to Aldactone demonstrate a willingness to rationalize in order to avoid admitting any error, even an error which turns out to benefit their product or further corroborates their procedures. See August 30 memo., para. 2.

XI—PROCEDURE

The issues discussed in this transmittal letter as well as those raised by the Task Force report are based upon reports and supportive documents which amount to almost 20,000 pages. The Task Force report, Mr. Levine's memoranda of August 1976, and the Notice of Hearing focus these data into areas of potential criminal liability. It may not be necessary that each document be reviewed by your office in order to develop these matters for further investigation by the Grand Jury. However, Mr. Levine of our office (8-443-4360) and Mr. Carlton Sharp, a compliance officer in the Bureau of Drugs and Chairman of the Searle Task Force (8-443-1940), both of whom are intimately familiar with the facts of this case, would be pleased to provide any assistance in identifying particular documents in support of each charge in the Task Force report, the August memoranda, and the Notice of Hearing.

If you desire to review the exhibits and other significant data, such initial review might most efficiently be conducted in Rockville, Maryland, where the pertinent documents, together with Messrs. Levine, Sharp, and the other members of the Searle Task Force, are located. We would also be pleased to bring to Rockville, or to Chicago, at your request, the lead inspector for the Task Force, Mr. Philip Brodsky, and any or all others of the investigatory team. As issues are delineated and screened, Messrs. Levine and Sharp would be anxious to come to Chicago for whatever time necessary to continue discussions and preparation for the Grand Jury investigation.

In view of the breadth of the FDA investigation, the scientific matters raised, and the large volume of documents already assembled, his assistance would be extremely valuable. Moreover, such a procedure would eliminate any question, whether or not meritorious, that documents obtained by the Grand Jury may be shared only within the Department of Justice and not with the Food and Drug Administration.

As I mentioned previously, Mr. Fred Branding of your office has been kept fully advised of all pertinent developments in this case. Many of the attorneys in our office have had the privilege of working with him in cases recommended by our office. In his conversations with Mr. Levine over the last months, he has expressed a strong interest in this case and we would warmly support his designation as the attorney in your office responsible for reviewing the matter and handling the presentation to the Grand Jury.

As you know, this office cooperates closely with the Consumer Affairs Section in the prosecution of cases under the Act. A copy of this transmittal letter has been sent to Mr. Robert McConachie, Acting Chief. We anticipate that we will be apprised of your review of this transmittal and we and the Consumer Affairs Section will appreciate being kept advised of any developments. Mr. Sharp has already identified many potential witnesses to support the pathology and toxicology principles that underlie the charges in the 305 Notice and the Task Force report.

We look forward to hearing from you following your initial review of these materials, and discussing with you a schedule for future action on this important and precedent-setting case.

Very truly yours,

RICHARD A. MERRILL,
CHIEF COUNSEL,
Food and Drug Administration.

STATEMENT FROM ADRIAN GROSS, FORMER FDA INVESTIGATOR AND SCIENTIST

In the pages to follow here I am presenting a number of comments which you may find informative in any future efforts to curtail exposure to aspartame; those comments are centered around three main topics:

(a) The studies carried out by G.D. Searle & Co. to establish the safety of aspartame are to a large extent unreliable; this is a conclusion that would follow the FDA's own extensive investigations into the acceptability of experimental studies conducted by and for Searle; see top of page 2 here.

(b) Their serious shortcomings notwithstanding, at least one of those studies has established beyond any reasonable doubt that aspartame is capable of inducing brain tumors in experimental animals and that this predisposition of it is of extremely high significance; see bottom of page 16 here.

(c) I would view the Acceptable Daily Intake (ADI) set by the FDA for aspartame (50 mgm/kgm body weight/day) as totally unwarranted and extremely high in that it can be associated with completely unacceptable risks as far as the induction of such tumors is concerned; see top of page 19 here.

(a) The reliability of studies with experimental animals carried out by and for G.D. Searle & Co.

Beginning at the top of the next page there are given a number of quotes from the Final Report of the FDA's Task Force dated March the 24th, 1976, which had investigated the G.D. Searle & Co.:

It is important to realize that this particular document, although signed by the members of a special Task Force appointed by FDA Commissioner Alexander M. Schmidt, in fact represents an FDA *institutional* view. At the Joint Hearings held by the Subcommittee on Health of the Committee on Labor and Public Welfare and the Subcommittee on Administrative Practice and Procedure of the Committee on the Judiciary of the United States Senate (both Subcommittees then chaired by Sen. Edward M. Kennedy of Massachusetts) on April 8 and 9 and July 10, 1976, Commissioner Schmidt said (page 3 of the record of that hearing): "today I would like to report to you the *final results of the Food and Drug Administration's (FDA) detailed investigation* of animal studies performed by Searle. . . ." (emphasis added).

(Page 4 of the record of that hearing):

"Senator KENNEDY. Let me ask you this. These are the conclusions of the (Task Force appointed to that) study. Do you agree with those conclusions?"

"Dr. SCHMIDT. Yes, I do."

"Senator KENNEDY. Yes, you do. Is this the first time, to your knowledge, that such a problem has been uncovered of this magnitude by the Food and Drug Administration?"

"Dr. SCHMIDT. It is certainly the first time that such an extensive and detailed examination of this kind has taken place. We have never before conducted such an examination as we did at Searle."

"From time to time, we have been aware of isolated problems, but we were not aware of the extent of the problem in one pharmaceutical house . . ."

I have reproduced here that particular exchange verbatim since in recent years and apparently at the urging of G.D. Searle & Co., Dr. Schmidt has found it expedient to distance himself from the conclusions in that particular report which he had accepted and represented as his own and as those of the agency he headed at the time (see the copy of the affidavit that he swore to on February the 4th, 1983, and the one sworn to by me subsequent to that date, both of which I had given to you).

To quote then from that particular report of the Task Force identified at the top of this page, much of which was also quoted by Commissioner Schmidt himself at the Senate subcommittee hearings mentioned above here:

(Pages 1 and 2 there):

"At the heart of FDA's regulatory process is its ability to rely upon the integrity of the basic safety data submitted by sponsors of regulated products. Our investigation clearly demonstrates that, in the (case of the) GD Searle Company, we have no basis for such reliance now."

"Reliance on a sponsor is justified when FDA has reasonable assurance that the sponsor will: (1) inform the agency of *all* material results, observations, and conclusions of an experiment, (2) report fully and completely *all* of the conditions and circumstances under which an experiment was conducted, and (3) submit its reports to the FDA in a timely fashion so that measures to protect the public health and safety can be taken promptly when warranted. Through our efforts, we have uncovered serious deficiencies in Searle's operations and practices which undermine the basis for reliance on Searle's integrity in conducting high quality animal research to accurately determine or

characterize the toxic potential of its products."

"Searle has not met the above criteria on a number of occasions and in a number of ways. We have noted that Searle has not submitted *all* the facts of experiments to FDA, retaining unto itself the unpermitted option of filtering, interpreting, and not submitting information which we would consider material to the safety evaluation of the product. Some of our findings suggest an attitude of disregard for FDA's mission of protection of the public health by selectively reporting the results of studies in a manner which allays the concerns of questions of an FDA reviewer. Finally, we have found instances of irrelevant or unproductive animal research where experiments have been poorly conceived, carelessly executed, or inaccurately analyzed or reported."

"While a single discrepancy, error, or inconsistency in any given study may not be significant in and of itself, the cumulative findings of problems within and across the studies we investigated reveal a pattern of conduct which compromises the scientific integrity of the studies. We have attempted to analyze and characterize the problems and to determine why they are so pervasive in the studies we investigated."

"Unreliability in Searle's animal research does not imply, however, that its animal studies have provided no useful information on the safety of its products. Poorly controlled experiments containing random errors blur the differences between treated and control animals and increase the difficulty of discriminating between the two populations to detect a product induced effect. A positive finding of toxicity in the test animals in a poorly controlled study provides a reasonable lower bound on the true toxicity of the substance. The agency must be free to conclude that the results from such a study, while admittedly imprecise as to incidence or severity of the untoward effect, cannot be overlooked in arriving at a decision concerning the toxic potential of the product."

In addition to these general comments which are meant to apply to any study with experimental animals conducted by G.D. Searle & Co., that same Task Force Report contains additional references to problems encountered for individual studies carried out by G.D. Searle & Co. *specifically* for aspartame:

(Page 25, paragraph 3): "In the Aspartame (DKP) 115 week rat study, the submission (to the FDA) states that twelve lots of the test compound, diketopiperazine, a metabolite of Aspartame, were manufactured by a Searle chemist and used in the study. However, the investigators found that some of the batch numbers were merely different drum numbers and actually only seven batches were made. Searle personnel informed the investigators that records of manufacture and assay of two batches could not be located."

(Page 26, last paragraph): "Significant deviations from the protocols of several studies were noted which may have compromised the value of these studies, including the excision of tissue masses (which are likely to represent mammary tumors) from live animals during the course of a study. There is no indication that these deviations were reviewed or approved by the Protocol Design Committee; hence they may represent serious unauthorized changes in the experiments. . . . In at least one study, the Aspartame 52 weeks monkey study, the protocol was written *after* the study had been initiated."

(Page 31, paragraph 2): "In addition, we found evidence that, as far back as 1969, top management (at G.D. Searle & Co.) concerned itself with the animal studies to determine the safety of its artificial sweetener, Aspartame. An internal strategy memorandum from the Regulatory Affairs Department to top management advises management of tactics designed to produce favorable action by FDA officials and concludes that Searle must get Aspartame into commercial channels as soon as possible to minimize the incentives of other firms to develop other sweeteners." (actually, the contents of that "strategy" memorandum originating at G.D. Searle & Co. are a veritable eye-opener; I would strongly urge you to actually read it in its entirety if you wish to obtain a whiff of exactly how G.D. Searle & Co. understand to approach their responsibility in the area of assuring the safety of their own products. I was given to understand that the memorandum to which reference is made here was included in the material sent to your Office by the Food and Drug Administration.)

(Page 32, last paragraph): ". . . there was little continuity of technicians that performed antemortem observations on animals from one observation period to another. In addition to a lack of continuity, there was a lack of adequate supervision and training of the technicians in all phases of the studies, which is documented in the . . . Aspartame (DKP) 115 week rat, and Aspartame 42 week hamster investigation reports. . . ."

(Page 33, paragraph 2): "In each study investigated, poor practices, inaccuracies, and discrepancies were noted in the antemortem phases which could compromise the study."

(Page 33, paragraph 3): "Protocols normally specified age and sex requirements of animals. In general, these criteria were followed. However, exceptions were found in the 106 week dog study of Aspartame, where the protocol called for dogs to be 150 to 160 days of age and yet three dogs were used in this study that were approximately 70 days older than the protocol specified.

(Page 34, paragraph 2): "At Hazleton Laboratories rats and mice were said to be held for a two week period before they are entered into a study. In the 104 week rat studies of Aldactone and Aspartame there were deviations from this holding period when rats were introduced into the studies after only five or six days respectively."

(Page 36, paragraph 3): "One of the most elementary considerations in a toxicological study is to assure that the test animals receive the active ingredient under test. When the substance to be tested is incorporated into the feed, its homogeneity and concentration in the diet mix should be determined prior to the start of the study. Random samples from freshly mixed batches should be analyzed periodically during the course of the study to ensure that the proper mixing and formulating procedures are being used. In studies conducted by both Searle and Hazleton, little concern was evidenced for the need of proper quality control of homogeneity, concentration, or stability of the active ingredient-diet mixture."

"When Dr. Frederick Reno of Hazleton Labs was asked why Hazleton did not conduct tests on the purity of the test substance, he replied that Hazleton's policy is that the purity of the test material is assumed to be 100% unless notified to the contrary by the client. Tests for (chemical) stability, (biologic) potency and homogeneity of the treatment feed mixture are performed only at the client's specific request; Searle never made such a request of Hazleton in its protocols. Further, Dr. Reno stated that Seale never requested that the basal feed be assayed for residual drugs, pesticides and other contaminants. Hazleton did not conduct such tests for Searle nor were any reserve samples of the treatment mixtures maintained for studies performed for Searle."

"It was noted in the investigation of the Aspartame (DKP) 115 week rat study that drums of the product for each dosage level were identified with color coded labels to match the color of the identification card on the animal cages. When the animal rooms at Searle were inspected on October 17, 1975, it was noted that each drum contained several labels pasted over one another and that the labels underneath the current labels were of various colors. If the current label were to come off, the technician could easily be misled by the label underneath (thus) resulting in a feed mix-up. This is the only study where we found evidence of a test of stability of the test substance in the diet mixture, but the value of this test was negated when, during the course of the study, there was a change in the supplier of the diet and new stability tests were not performed on the new diet-test substance mixture."

"In preparing mixtures of active substance with food both Hazleton and Searle used blenders that were not electrically grounded. This is of concern because of the potential for the electrostatic properties of the test substance to cause it to adhere to the metal walls of the mixer and/or to distribute unevenly through the food, thereby preventing a homogeneous food-test substance mixture."

"In view of the problems noted with all stages from the receipt of the test substance, preparation of the feed-test substance mixture, the failure of both Searle and Hazleton to analyze for concentration, homogeneity, and stability of the test substance in the diets, and the practices of feed replenishment, there is *no* way in which it can be assured that animals received the intended dosage."

(Page 39, paragraph 1): ". . . investigators toured the animal facilities on October 17, 1975, and noted the following poor current practices at that time:—"

"An exterminator company is employed by Searle for general pest control in the animal rooms. This company has a blanket order to spray the animal rooms twice a month and additional instructions may be given for specific animal rooms as required."

"The investigators were informed that animals are not removed from the animal rooms during the time that they are being fogged with insecticides. Evidence indicates that this practice has been in effect at least since 1970. A memorandum dated September 25, 1970, from Dr. McConnell to Dr. Victor Drill, which appears as a General Exhibit to the Aspartame inspection report, indicates that Dr. McConnell was concerned about this practice; at the time, however, there was no evidence that this practice was ever discontinued."

"The investigators inquired whether basal diets or treatment mixtures were subjected to analysis for pesticides. No records were found to indicate that any treatment mixtures used in the studies were ever tested or assayed for pesticide content."

"Currently a mixer with a capacity of 10 to 12 kg. is used for blending treatment mixtures. The investigators were informed that the mixture is cleaned with water, alcohol, ether, or is dry cleaned, depending on the material blended. When the mixer was examined on October 17, 1975, however, it was encrusted with material from previous use."

"Records are not maintained of weighing and blending of treatment mixtures. After mixing, the mixtures are placed in plastic, teflon lined containers and are identified with color coded stickers. . . . When the investigators examined the containers on October 17, 1975, they noted that the identification stickers of different colors were present underneath the current stickers and that the edges of some of the top stickers were raised."

"Running inventory records for either treatment mixtures or the test compounds used in treatment mixtures are not maintained. Dr. K.S. Rao, Senior Research Investigator (Toxicology), indicated that it is not necessary to maintain such records as fresh treatment mixtures are prepared weeky, biweekly, or every four weeks. Clearly, the lack of inventory records, the lack of batch records, and the lack of homogeneity and stability assays, results in poor control over the treatment mixtures."

"The practices enumerated above are such that any or all of them could compromise the integrity of a study."

(Page 42, paragraph 1): "Technicians participated in many studies simultaneously. The technicians weighing, withdrawing blood, feeding and observing the animals for tissue masses, etc., were not assigned to a particular study, but performed those functions for various studies in progress (at one time). . . ."

"Technician Bartolome Tangonen stated that the appearance of his initials at the top of a page (on the sheets entitled 'Observation for Drug Effects' where the heading provides a space for the name of the technician, but which was not invariably filled in) did not necessarily mean that he actually made the observations described in the sheets or that he filled out the sheets which bear his initials. His initials could indicate that he was supervising the work of other technicians or that he was making the observations."

"Numerous errors and inconsistencies were noted in all the antemortem phases of these experiments. . . . Because many of the observations required are of a subjective nature, continuity of the persons assigned to make these observations is critical, yet the names of the observers entered on the same animal groups are often different for subsequent observations."

"Inconsistencies were noted in observations of findings during the course of the Aldactone 78 week study with animals being reported as alive when they were actually dead, and in the reporting of the presence and location of certian tissue masses. These include approximtely 20 instances of animals reported as dead and then reported as having vital signs normal again at subsequent observation periods. (See Attachment 10)."

"Similar inconsistencies are contained in the Flagyl 80 week rat study, the Cu-7 rat study, the Aspartame (DKP) 155 week rat study, and in the Aspartame 46 week hamster study."

(Page 47 penultimate paragraph); "In the supplementary Statement of Mr. Daniel C. Searle dated February 13, 1976, which was appended to the record of the Joint Hearing before Senator Kennedy held on January 20, 1976, Mr. Searle, referring to the errors on Observations for Drug Effects sheets, stated 'In the truest sense, the errors identified by the FDA (in these records) were completely irrelevant to the scientific conclusions of the study. . .' ".

His comment on the irrelevancy of the mistakes on these records relates to his testimony that other records with information as to the date of death and tissue masses were kept by Searle and these other records contained the 'correct' information."

"We do not agree with Mr. Searle that the information on the Observations for Drug Effects sheets is irrelevant."

"The title printed on these 'Observations for Drug Effects' forms is 'Statistical Work Sheet'; it is therefore reasonable to expect that these 'careless' entries must have formed the basis for input for statistical operations which are crucial to the 'scientific conclusions of the study.' . . . If the alive/dead status of each animal was 'carelessly' entered on these 'statistical Work Sheets', as conceded by Mr. Searle, and if its status as a tumor-bearer at any time was largely in doubt, as demonstrated here, the statistical computations based on this kind of raw input data are of qustionable value, if any, and would clearly affect what Mr. Searle denominates as the 'scientific conclusions of the study'."

(Page 51, paragraph 1): "In the Aldactone 78 week rat study, the 115 week rat study of Aspartame, and in the Ovulen 7 year dog study, tissue masses (likely to be tumors) were excised from live animals during the course of the study and the animals were continued on the study."

(Page 52, paragraph 1): "The removal of tissue masses from rats in a chronic toxicity study is an unacceptable practice, since it may seriously prejudice the findings of the experiment. For example, if the removed mass, when excised, is found to be *benign*, . . . its excision may have prevented it from becoming malignant, a change which is not unusual, and which is normally a function of time. The purpose of a safety study in animals is to find out as completely as possible *all* the likely risks associated with the test products. Interference with the natural development of tumors will prejudice the findings of the experiment. . ."

(Page 52, last paragraph): "Animals found dead during the course of a study should be necropsied (examined post-mortem) promptly; when prompt necropsy is not possible, the animal remains should be refrigerated until the next working day, when the post-mortem examination must be performed. Delay or improper handling of dead animals results in the loss of valuable information through autolysis (post-mortem degeneration or spoilage) of tissues. Proper practice following necropsy is to fix (embalm) the tissue in freshly prepared neutral buffered formalin (solution) after slicing the organs and opening the respiratory and digestive tracts to permit penetration of the fixative to prevent autolysis."

"In a number of studies which we investigated at both Searle and Hazleton, loss of information through autolysis of tissues was substantial. While Searle's (written) submissions to FDA stated that animals were necropsied promptly after death, FDA investigators found that this was not always true; frequently animals were fixed in-toto (i.e., without opening up the various organ systems tracts and dissecting and slicing of organs) after opening only the thoracic and abdominal cavities and holding them for periods sometimes longer than a year before they were necropsied. Fixation in-toto is an unacceptable practice and its use by Searle had to contribute to tissue loss. At Hazleton, there was no evidence of fixation in-toto. However the unacceptably high incidence of autolysis, 14 percent in one study, indicates improper handling of the tissues."

"In the Aspartame (DKP) 115 week rat study at Searle 98 of the 196 (50 percent) animals that died during the study were fixed in-toto for periods ranging from 1 day to 1 year before they were necropsied. Of these, 20 animals had to be excluded from postmortem examinations because of excessive autolysis. Dr. K.S. Rao (of G.D. Searle & Co.) realized that Searle's procedures with regards to delays in necropsies were not proper. In a memorandum to Dr. McConnell dated July 13, 1973, Rao stated: "I realize animals which die during the study are the most critical ones to evaluate the (test) compound effects. Hence, our people are now ready to perform a complete autopsy of the dead animals. If there are any special instructions in handling the brain and spinal cord, please advise." (Exhibit R-64 to the Aspartame 115 week rat study). However, Dr. Rao did not write this memorandum until 78 weeks into this study (i.e., not until more than half of the time devoted to it has elapsed). Of the 20 animals in this study which had to be discarded because of excessive autolysis, 13 died prior to Dr. Rao's memorandum; the remaining 7 died subsequent to that memorandum, indicating that his recommendation for prompt necropsy was not followed. In fact, Searle's records show that only 3 of the 20 animals were necropsied on the day they were found dead. Similarly, in the . . . Aspartame 46 week hamster studies, a number of animals that died were fixed in-toto and necropsied at a later date."

(Page 55 at the top): "Searle had no formal training program for its prosectors (the technicians actually carrying out necropsies or gross post-mortem examinations of the carcasses and tissues of the experimental animals); its on-the-job training was minimal. An example of this is shown in the Aspartame (DKP) 115 week rat study where the necropsy of the animals was performed by Mr. Spaet. His written observations of gross pathology were later changed by Dr. Rudolph Stejskal, who was (designated as) the supervising pathologist on this study but who was *not* physically present during these autopsies (and, consequently, could not have verified the presence, absence or extent of the lesions observed and recorded by Mr. Spaet). When questioned by the investigators as to why he made these changes, Dr. Stejskal stated that Mr. Spaet was employed for only a few months and was encouraged to write down everything that appeared to be questionable or unusual. He also informed the investigators that Mr. Spaet sometimes used wrong terms in the description of his findings. The gross pathology observations submitted in the Food Additive Petition (to the FDA) were selected by Dr. Stejskal and represented his interpretation of Spaet's observations. Dr. Stejskal indicated if he could not confirm a gross observation microscopically, he would then omit the gross observation from his report. (Actually, failure to confirm a gross observation microscopically may not be due to the usage of a wrong term but simply due to a failure to collect for microscopic examination a representative part of a lesion actually present; therefore, what Dr. Stejskal may have very likely achieved here was to

withhold from the attention of the FDA possibly real lesions in those experimental animals in which Aspartame was tested for safety.) . . . Had a professional (pathologist) been available to confirm Spaet's findings directly or to provide him with a practical on-the-job training during necropsies, then it would not have been necessary for Dr. Stejskal to have to change (perhaps improperly) or 'second-guess' Spaet's observations. Moreover, Mr. David Kie, a more experienced prosector, was also available during these necropsies and did some of the prosecting himself. Review of the gross pathology records disclosed that, in at least one instance, Dr. Stejskal omitted a statement made on the gross observation sheet by Mr. Kie."

(Page 57, paragraph 2): "Histopathology (the lesions manifest in any tissue by examination under the microscope) is an extremely important morphological indicator of the effects of an insult upon a tissue or cell. Careful preparation, cutting, slicing, mounting, staining, and interpretation of histologic slides from animal tissues to determine the changes occuring in test animals during the course of, and to some extent, as a result of the administration of a test substance to the animals, is crucial if the investigator is to glean valuable information from the experiment. Much valuable histopathologic information was lost in some of the studies which we investigated at Searle and Hazleton through preparation of poor quality slides which could not be interpreted by pathologists; inadequate numbers of acceptable quality slides of certain tissues upon which conclusions were based; and violations of protocol specifications which called for slides to be made of certain tissues for histopathological evaluation which was not done."

"In the Aspartame (DKP) 115 week rat study at Hazleton 3 tissues were noted on single animal sheets as having usual or unusual lesions and, yet, contrary to the protocol, slides were not prepared of this tissue for microscopic examinations. . . ."

(Page 60, paragraph 3): "Included in the report (by G.D. Searle & Co.) to FDA of the Aspartame hamster study is the report (of findings following examination of the) slides of several organs of one animal for which our investigators determined that slides were never prepared. . . . In the Aspartame 104 week rat study conducted at Hazleton, 5 animals were described as having tumors in the histopathological incidence table. A check of the slides and blocks (of tissue from which such slides must have been prepared) reveals that neither were present for the tissues in which the observations were made. Also at Hazleton, positive findings were reported by pathologists on 15 slides of this study but no record could be found that slides were ever made of these tissues. Since the investigation, Hazleton has attempted to determine the source of these errors relating to the tumor slides. The Task Force has received no report of Hazleton's findings."

"Part of the difficulty in attempting to identify precisely what tissues have been examined and what tissues have been reported to the FDA and to make a reasonable assessment of what happened in the conduct of the study, results from the lack of "original" postmortem work sheets or documents. Such instances include the Aspartame 115 week and 104 week rate studies; . . ."

"An example of one occurence which demonstrates the inadequacy of control between gross pathology and histopathology at Searle is available in a description of animal K23CF (an unexposed female animal) in the 115 Aspartame (DKP) rat study. This animal, a control female, was reported on gross necropsy as having a tissue mass of approximately 10x8x3 cm in the left inguinal region. A notation, in a different handwriting, made at the bottom of this gross observation records states, 'no (tissue) mass found in bottle (of fixative into which specimens of such tissue masses are to be placed so as to enable one to collect a sample of such masses for microscopic examination and characterization as to the nature of the mass)'. In the microscopic findings of this study the mammary gland is reported as having a 'necrotizing cystadenocarcinoma (a *malignant* tumor of the mammary gland); well differentiated.' Dr. Stejskal (the pathologist at G.D. Searle responsible for the pathology operations on this particular study) was asked how it would be possible for this mass to have been read microscopically when the technician responsible for preparing the slides indicated that the mass was not contained in the specimen bottle. (Note that by pretending that a control or unexposed animal manifested a malignant mammary tumor when in fact that animal did not have such tumor or even if it did, that tumor could not be found and therefore could not be confirmed to be a mammary gland cystadenocarcinoma, the significance of the incidence of such tumors amongst animals exposed to Aspartame has been improperly reduced). The pathologists's (Dr. Stejskal's) response, as reported by the investigators, was that, at the time the animals were sacrificed (i.e., killed so that their tissues could be dissected and examined) 'you should have seen things when this study was run—there were five studies being run at one time—things were a mess'."

(Page 62, paragraph 2): "Because of the serious consequences of teratogenicity (the ability of an agent on test to elicit developmental or birth anomalies in the newborn), assessment of the potential of a test substance on reproductive and developmental processes constitutes an extremely important phase in safety evaluation. The rapid rate of change in morphological, biochemical and physiological properties of the conceptus, the embryo, and the neonate presents special problems. Important considerations are selection of appropriate species, and absorption of test substance. The planning, performance and evaluation in this sphere requires a high degree of sophistication."

"The person responsible for most of the reproduction studies reviewed was apparently inexperienced in conducting studies of this nature and yet was given full responsibility at Searle with a title of Senior Research Assistant in teratology. His prior experience was one year's employment with the Illinios Wildlife Service where his work involved population dynamics of the cotton tail rabbit. When asked by the investigators during an interview what qualifications or training he had for conducting reproduction and teratology studies, he replied that shortly after his employment (began at Searle) he went to a meeting (lasting at most for a few days) of the Teratology Society and Searle provided him with any books on the subject he wanted. This individual was also responsible for the training and supervision of a research assistant and two technicians."

(Page 64 paragraph 3): "Review of 5 reproduction and teratology studies for Aspartame revealed poor animal husbandry practices and problems in the design of some of the studies. In a memorandum of October 19, 1972, from a Searle technician to Dr. Rao, with copies to his superior and to Dr. McConnell (of Searle), regarding the conception rate in the rabbit teratology study PT 1044S72, the author provided some possible reasons for the observed poor conception rate in the remaining animals following the death of 13 animals in this study. The memorandum includes statements regarding the poor physical condition of the animals when they were received by Searle, e.g., diarrhea; the lack of an adequate acclimatization period, e.g., 6 days instead of 3 weeks; breeding the animals before they were sexually mature, e.g., insemination at 96-116 days instead of 160-240 days and pseudopregnancies because of injection of hormone. The memorandum concludes with this paragraph:

"'In view of the information that I have received, I feel the majority of the animals used for this study were sexually immature. Pseudopregnancy of some of the 27 rabbits may have also contributed to the lower conception rate. Some of these points were discussed at the beginning of this study, however we decided to go ahead as scheduled. Perhaps this information can be utilized in future teratology studies so that this type of problem will be eliminated.'

"A July 15, 1975, letter to Searle from one of its consultants on reproduction and teratology (Dr. Geoffrey Palmer from Great Britain) commented on the quality of the studies as follows: '. . . even following the track you did, it seems to me you have only confounded the issue by a series of studies most of which have severe design deficiencies or obvious lack of expertise in animal management. Because of the(se) twin factors, all the careful and detailed examination of fetuses, all the writing, summarization and resummarization is of little avail because of the shaky foundation.' "

(Page 66, paragraph 1): ". . . We conclude that Searle rarely monitored the performance of work done for it under contract (by other laboratories or institutions)."

(Page 66, paragraph 3): "Searle characterized the 52 week monkey study (with aspartame) by Dr. Waisman at the University of Wisconsin as a first priority with the Searle Company. Yet, to the investigators, Searle disclaimed any direct control in the study, despite the facts that the protocol (detailed specifications on precisely how the study is to be carried out) for the study was written by Dr. McConnell (of G.D. Searle & Co.) *after* Dr. Waisman initiated the study in January 1970; that frequent high-level communication took place between Searle executives and Dr. Waisman prior to and during the study; that Dr. Waisman was paid $15,000 by Searle for consultation on Aspartame; and that Searle provided Dr. Waisman with 200 grams of Aspartame to conduct the studies."

"While high-level communication between Searle management and Dr. Waisman, and knowledge of his activities (Waisman gave a seminar at Searle on his work in October 1970), is evident, there was virtually no effective monitoring of this work."

"From what can be inferred from an interview with Dr. McConnell on October 14, 1975, he had serious reservations about the quality of the study, but he then went on to indicate that, in the absence of hard data to substantiate his reservations, there was no way to set them down in written form in a submission to FDA (i.e., he gave no indica-

tion whatsoever to the FDA on such reservations as he said he had)."

(Page 80 at the top): "In the Aspartame 46 weeks hamster study, blood samples reported in the submission to FDA as 26 week values (for certain specified animals) were found by our investigators as being, in fact, values for different animals which were bled at the 38th week. Many of the animals for which these values were reported (to the FDA) were dead at the 38th week."

"In attempting to understand the entries in Table 8 of the Aspartame Food Additive Petition (submitted to the FDA by G.D. Searle & Co.) which described clinical chemistry values (Exhibit H-14 to the inspection report of the 46 week hamster study), the investigators interviewed Dr. K.S. Rao (of the G.D. Searle & Co.) on November 11, 1975, and asked him to clarify certain BUN (Blood Urea Nitrogen) values found in that table. After reviewing the table from the submission (to the FDA) and the original data (in G.D. Searle's own records of observations from which allegedly what was reported to the FDA originated), Dr. Rao replied in writing stating:

" 'It is apparent from the report, that the Appendix portion contains all the individual (animal) values of clinical lab data available from the raw data file. A selected portion of these values appears to have been used in computing group means (which were reported to the FDA). It is not clear what criteria may have been used for selecting a portion of the data or for deleting the others in computing the means (reported to the FDA).'

" 'For the above reasons, I cannot compute the means for the BUN values indicated (in the report submitted by G.D. Searle & Co. to the FDA) from the data available in the Appendix portion of the report.' "

"In the Aspartame 115 week rat study, the investigators point out data appearing on two tables, one in the raw data (in Searle's own files) and the other in the submission (by G.D. Searle & Co.) to the FDA. It is impossible to determine how some of the values in the submission were arrived at, although in two instances the submitted values appear to be an average of the two values shown in the raw data, and in other cases, it appears that a single value was selected from the two values which appear in raw data. These findings appear on pages 10 and 11 of the inspection report of this study and in Exhibits R34 and R35."

Following these quotations from the Final Report of the Searle Task Force, it may be useful to relate here what happened in the Fall of 1975 following that investigation at G.D. Searle & Co., particularly in reference to the aspartame studies:

Inasmuch as only a very small fraction of the fairly large number of studies on aspartame carried out either by or for G.D. Searle & Co. could be audited by the investigators at that time, the decision was made by the FDA to have the original records maintained by G.D. Searle & Co. for the balance of those studies sealed in place at G.D. Searle & Co. so as to preserve their authenticity for a future date when they might also be audited.

In fact, however, the only additional audit as far as aspartame studies are concerned that was carried out by the FDA did not take place until April to August 1977, i.e., almost *two years* subsequent to the original audit. Even then, only three additional studies were audited: two of these were relatively minor ones on the embryotoxic and teratogenic potential for aspartame (one in the rat and one in the mouse) while the third one was the same long-term study in rats of 115 weeks with DKP that had already been investigated during the original audit in 1975. Aside from this, as far as I know, no additional efforts at auditing any other study on aspartame was made by the FDA despite the fact, as mentioned earlier, that a relatively very large number of studies with experimental animals have been conducted by or for G.D. Searle & Co. for this particular food additive.

This apparent refusal by the FDA to do what would have been the "right" thing to do in this case is even more difficult to comprehend if one considers additionally that.

In December 1975 i.e., as a consequence of the initial findings by the FDA on the reliability of the aspartame studies conducted by and/or for G.D. Searle & Co., the FDA decided to prevent aspartame from entering the market;

The findings during the 1977 audits not only confirmed those made in 1975 with respect to the lack of reliability of the studies of aspartame, but actually extended them in a substantial fashion;

Despite all this, the FDA refused to allow its findings on the reliability of the aspartame studies to be put before the Scientific Board of Inquiry concerning aspartame which had been convened following the request of Dr. John W. Olney of the Washington University School of Medicine in St. Louis, Mo. and Mr. James Turner, a Washington, DC attorney. This refusal took place even though the two gentlemen insisted that such concerns on the reliability of the two studies were directly related to the evidence (or lack of it) for the safety of aspartame;

Although largely as a result of the findings arising from the 1975 investigation at G.D. Searle & Co., the U.S. Congress appropriated an additional $16,000,000 or so to the FDA for the express purpose to do a better job at monitoring the quality of studies carried out by the regulated industry and although the FDA took this money and recruited a large number of investigators *allegedly to devote to this program*, other than the limited audits carried out in 1977 by the FDA with respect to aspartame, apparently nothing more in the way of such audits were carried out for this particular product. Therefore, most of the raw data that had originally been sealed by the FDA at G.D. Searle & Co. in 1975 were eventually unsealed and returned to the custody of G.D. Searle & Co., without any further attempts at validating the reliability of such reports as that firm had elected to submit to the FDA on the safety of aspartame.

This kind of track record on the part of the FDA does not seem to me to inspire much confidence that the health of the people of this country is in fact adequately protected by its regulatory activities.

As to what was uncovered as a result of the 1977 audit, you may recall that I had given you a copy of that particular EIR (Establishment Inspection Report); that 76-page document came to be known as the "Bressler Report" after the name of the leader of the team of investigators and scientists that participated in that particular audit, Mr. Jerome Bressler, an FDA investigator located in the Chicago District. A perusal of its contents reveals that the original (1975) findings with respect to the 115-week rat study with DKP, or diketopiperazine, a breakdown product of aspartame, were confirmed with respect to:

Discrepancies between what was found in G.D. Searle's own internal records on the circumstances of the conduct of this study and on the observational findings actually made and what was actually reported by that firm to the FDA with respect to:

—The presence of tissue masses likely to be tumors (e.g., animal No. F6HF;

—Grossly detected pathological changes in general for the experimental animals;

—Records of ophthalmoscopic examinations for those animals;

—The alive/dead status of each animal at any given time;

—The presence of certain microscopically evident lesions when the G.D. Searle & Co. records indicate that such findings could not possibly have been made since no such examinations were made;

—Problems with clinical laboratory determinations;

The multifaceted evidence for this study being flawed due to:

—Substitution of some of the animals in the study;

—The presence of intercurrent disease and the administration of drugs to combat this, neither of which were completely reported to the FDA;

—Incomplete examination of tissues from the experimental rats;

—Excision of tissue masses likely to be tumors from live animals in this study;

—Absence of batch records and records for the mixing of the test substance into the diet of the experimental animals;

—Incomplete stability studies for the agent on test;

—Absence of homogeneity studies for the agent on test;

—Deficiencies in the methods of chemical assay for the actual DKP that was mixed into the diet of the experimental rats;

—Problems with the dosage of DKP given to the experimental rats;

—Problems with the fixation in-toto and autolysis;

—Failure to report to the FDA of all tissue masses (likely to be tumors) which were found in the experimental rats;

—Failure to report to the FDA of all internal tumors present in the experimental rats, e.g., polyps in the uterus (Animal K9MF, ovarian neoplasms (Animals H10CF, H19CF, and H7HF) as well as other lesions (Animal D29CF);

—Inconsistencies between different parts of the report on this study submnitted by G.D. Searle & Co. to the FDA on the percise nature of the lesions manifested by the test rats;

—Numerous transcription errors in that report.

Interestingly, the Bressler group found not only that no homogeneity tests were conducted by G.D. Searle & Co. on the mixture of the test agent with the diet of the experimental rats, but they obtaned direct evidence that in fact the distrbution of the test agent in that diet was clearly not homogeneous due to failure to have the test agent ground in a sufficiently fine manner. A Polaroid photograph of a sample of that diet obtained by the investigative team actually shows the test agent in the form of coarse particles within the diet. It follows that the experimental rats could eat that diet without actually touching the DKP and, consequently, no-one could state with any assurance just how much DKP (if any) those rats were actually exposed to in the course of that study.

In sum, problems such as this leave rather gaping holes in the reliability of such tests of safety as were conducted by G.D. Searle & Co. not only in general with respect to

any of their products, but more specifically with respect to aspartame itself. And yet, it seems as if none of this had inhibited in any way or restrained the FDA from approving this product for marketing in an extremely widespread fashion.

(b) The problem with the brain tumors noted in the experimental animals:

You may recall that amongst the material that I had given you there was a rather extensive prepared statement by Dr. Olney before the Scientific Board of Inquiry. I shall not comment here on the bulk of Dr. Olney's concerns on the safety of aspartame; rather I shall limit myself here to only one aspect discussed by him there—the matter of the tumors of the central nervous system of the exposed rats. This can be found in Part III of that prepared address of Dr. Olney's.

Table 1 of Part III in that presentation by Dr. Olney presents the pertinent data on this:—no animals with any brain tumors were noted amongst the 120 control or unexposed rats, 5 were found with brain tumors amongst the 160 rats exposed at the low level of aspartame (1-2 grams/kg. body weight) and 7 were found with brain tumors amongst the 160 animals exposed to the high rate of 4-8 grams/kg. body weight. These three rates represent incidences of respectively 0.00%, 3.13% and 4.38%.

The question that arises as soon as a distribution such as this is observed is quite simple:—did the agent on test, aspartame in this case, *cause* the brain tumors noted amongst the animals exposed to it, or rather can one view the occurence of such tumors only in the two groups of rats exposed to aspartame as merely a "chance" event, an occurence unrelated to their exposure status?

The usual way the FDA (and any other recognized scientific institution) answers this kind of question is to compute the probability that a distribution such as the one observed here can arise due to sheer chance; if it turns out that such probability is rather small (0.05 or 5%) the policy in scientific circles is to state that the result observed has achieved "high statistical significance". What this implies is that the probability of the incidences observed arising by chance alone (i.e., that they are *unrelated* to the agent on test) is so small (5% or less) that one would *not* be justified in concluding that the test agent was *not* a factor causing such incidences.

In other words whenever the results of an appropriate statistical test for significance yields a p (for probability) value equal to or less than 0.5 or 5%, *the policy in the FDA and in any other scientific or regulatory circles* is to regard the agent on test as being a *cause* of the increase in incidence of whatever kind of lesion is being evaluated amongst the exposed animals by comparison with the control incidence. I am saying, therefore, that whether the agent on test had in fact *caused* that particular increase in incidence is not a matter that is usually decided according the "opinion" of any scientist or group of scientists; it is not a matter that is put to some kind of "vote", or on which there must be some form of "consensus"; rather, the decision is made by the results of the test for statistical significance—the "p" value is either larger than 0.05 and one then views the results as *not* having achieved statistical significance, or it is 0.05 or less in which case one must conclude that the results *are* statistically significant i.e., that they are extremely unlikely to be due to chance alone.

The data on brain tumors amongst the rats exposed to aspartame that were presented by Dr. Olney in his Part III, Table 1, have been analyzed statistically by me and the following are the results of my computations:

Slope of dose-response function	0.005,891
Standard error of this slope	0.003,046
Chi square for significance of this slope	3.724
"p" or probability of this chi square	0.027

The entry in the last row above, $p = 0.027$, indicates that the results on the incidence of brain tumors that were tabulated by Dr. Olney, had in fact achieved rather high statistical significance since $p = 0.027$ is barely more than half $p = 0.05$.

In fact, the statistical significance that applies here is considerably larger yet if one considers that brain tumors amongst rats are ordinarily very rare. In his Table 2 of Part III, Dr. Olney presents the results of what he had gleaned from the world literature on this subject—the "historical control rate" for such tumors amongst large populations of rats indicates that no more than 49 animals afflicted with them have been found amongst nearly 60,000 rats, an incidence rate of less than one tenth of 1 percent.

Interestingly, the FDA seems to have a policy that whenever faced with decisions of this sort, it never fails to consider this aspect of the "historical control" incidence; a recent example of this can be given in their decision concerning the carcinogenicity or cancer-induction propensities of a number of color additives, a matter that arose as recently as last year. One cannot help wondering just why they failed to consider this particular aspect in reference to the cancer-induction of aspartame. Had they in fact addressed the "historical incidence" of brain tumors amongst rats as presented by Dr. Olney, they could not have failed to conclude what I have concluded:—that the significance that attaches to those tumors amongst the rats exposed to aspartame increases many-fold over the already high significance mentioned above when what was observed merely in this particular study is considered.

In view of all these indications that the cancer-causing potential of aspartame is a matter that had been established way beyond any reasonable doubt, one can ask:—What is the reason for the apparent refusal by the FDA to invoke for this food additive the so-called Delaney Amendment to the Food, Drug, and Cosmetic Act? Is it not clear beyond any shadow of a doubt that aspartame had caused brain tumors or brain cancer in animals, and is this not sufficient to satisfy the provisions of that particular section of the law?

Given that this is so (and I cannot see any kind of tenable argument opposing the view that aspartame causes cancer) how would the FDA justify its position that it views a certain amount of aspartame (50 mgm/kgm body-weight) as consituting an ADI (Allowable Daily Intake) or "safe" level of it? Is that position in effect not equivalent to setting a "tolerance" for this food additive and thus a violation of that law? And if the FDA itself elects to violate the law, who is left to protect the health of the public?

(c) Precisely how safe is the FDA's estimate of the Allowable Daily Intake (ADI) of 50 mgm/kgm body-weight for aspartame?

Even though the FDA seemingly declined to apply the provisions of the Delaney Amendment in this case, they could have still elected to subject the data on brain tumors to a formal Risk Assessment or Risk Analysis; this is a procedure on which they have a regulation and FDA policy is to carry out such formal Risk Assessment in the case of suspected carcinogenic agents which find their way into human food through exposure to them by food-producing animals. In other words, this is not some kind of technique that would be new or unfamiliar to that regulatory agency. And yet, it appears that either that specific procedure was not attempted at all in the FDA as far as aspartame is concerned, or, if attempted, its results were set aside or ignored.

In this section I shall present the results of my own computations involving the risks of brain tumors; the specific set of data analyzed has been given in the previous section here—the incidences of such tumors as tabulated by Dr. Olney in his presentation before the Scientific Board of Inquiry with respect to aspartame.

The first item to be considered is that if one wishes to extend safety data from small laboratory rodents such as rats to much larger mammals such as humans, the exposure rates expressed in grams per body-weight must be modified or corrected by a certain adjustment.

The reason for this is that relatively small animals have, per unit body-weight or mass, a much larger body-surface. It is well known that most metabolic functions are better related to body-surface than they are to body-weight. For example, if one were to provide general anesthesia, say, for an elephant, and one were to select the same dose in mgm/kgm body-weight of a general anesthetic which is used in humans, chances are excellent that the animal will promptly die due to a drug-overdose; the reason for this is the same—for a given unit of body-weight, the elephant has a much smaller total surface area than the human and, therefore, a much lower tolerance for any drug given on a basis of body-weight.

The usual adjustment aimed at correcting this problem is to find what dose in humans is equivalent to a certain dose given to rats (expressed in grams per kgm body-weight). In the particular study of Searle where the brain tumors were found, the average adult weight of male rats was 506 gms. and that for female rats was 331 gms, for an average weight for the two sexes of 418.5 gms. A 60 kgm adult human is "worth" on a weight or mass basis $60{,}000/418.5 = 143.37$ such rats. On a body-surface basis, however, that same 60 kgm. human would be "worth" only the two-thirds power of 143.37 i.e., only 27.39 rats of an identical average weight. Thus, in order to have equivalence between humans and rats, doses expressed in grams/kgm body-weight for the rate must be divided by the one-third power of 143.37 i.e., by 5.23. It is clear that 5.23×27.39 is 143.37, the ratio of the body-weights for the two species.

The formal risk assessment was carried out by utilizing two separate techniques: one was the Mantel-Bryan approach (also known as the log-probit method) while the other was the so-called One-Hit procedure. The latter is defined as $P(d) = 1 - \exp(-\lambda d)$ where P stands for probability, d for dosage, $\exp(i)$ indicates e, the wellknown mathematical constant, 2.718, raised to the power of $-\lambda$, and λ stands for a constant to be estimated from the observed experimental results.

The Mantel-Bryan procedure, published nearly a quarter century ago in 1961 in the Journal of the National Cancer Institute (Vol. 27, page 455, under the title "Safety

Testing of Carcinogenic Agents") represents the first rational and formal approach at risk analysis; in the time elapsed since its publication it has gained extremely widespread recognition and acceptance. Such regulatory agencies as the FDA and the EPA use it routinely in their risk assessment procedures inasmuch as it is being generally regarded as a "classic" method.

I have used here both of these extrapolating techniques with a confidence interval of 90 percent, and in either case the Abbott Correction was utilized.

The table that follows presents the "virtually" safe levels of aspartame expressed in mgm/kgm body-weight corresponding to a variety of upper limits on the risk with the data derived, as explained, from the observations on brain tumors in rats as tabulated by Dr. Olney. The results for each of the two methods of extrapolation (the log-probit and the one-hit procedures) are presented for either rats or humans; as explained on the previous page here, the estimates for the human are 5.23 times smaller than those for the rat due to the necessary correction for the relative body-surface of the two species.

RESULTS OF THE FORMAL RISK ASSESSMENT

[Based on data for brain tumors in rats]

Extrapolating procedure: Upper limit on brain tumor risk	"Virtually safe" levels of aspartame expressed in mgm/kgm body-weight			
	Mantel-Bryan or log-probit method		One-hit method	
	For rats	For humans	For rats	For humans
1/100,000,000	0.380	0.072,6	0.000,731	0.000,140
5/100,000,000	0.733	0.140	0.003,66	0.000,699
1/10,000,000	0.983	0.188	0.007,31	0.001,40
5/10,000,000	2.00	0.382	0.036,6	0.006,99
1/1,000,000	2.74	0.524	0.073,1	0.014,0
5/1,000,000	5.95	1.14	0.366	0.069,9
1/100,000	8.45	1.61	0.731	0.140
5/100,000	20.0	3.82	3.66	0.699
1/10,000	29.7	5.67	7.31	1.40
5/10,000	79.6	15.2	36.6	6.99
1/1,000	126	24.1	73.1	14.0
5/1,000	412	78.7	366	69.9
1/100	733	140	735	140

Examination of the entries in the table just above reveals that for very small upper limits on the risk, the one-hit procedure yields estimates much smaller than those generated by the log-probit method: For an upper limit on the risk as small as 1/100,000,000, the one-hit estimates are some 520 times smaller than the corresponding ones resulting from the log-probit approach. However, for larger upper limits on the risk, this difference between the two kinds of estimates gradually disappears—thus, for an upper limit on the risk as high as 1/100 the estimates generated by each of these two separate methods of extrapolation appear to be virtually identical.

If we now wish to enquire on the upper limit for the brain tumor risk associable with 50 mgms/kg body-weight for aspartame (the level that the FDA views as constituting an Allowable Daily Intake or ADI), we may consult the table on the previous page here; 50 mgms/kg body-weight for humans would fall between the entries in the third-last and the second-last row in that table; the upper limit on the risk would, therefore, be between 1 and 5 per thousand population for each of the two extrapolating procedures. More exact interpolation would yield for 50 mgm/kg body-weight for humans (equivalent to 261.69 mgm/kg body-weight for rats) an upper limit on the risk of 2.27/1,000 population under the log-probit kind of extrapolation and 3.57/1,000 population for the one-hit kind.

It is clear that risks of this magnitude for what the FDA regards as a "safe" level of exposure to aspartame represent an outright calamity or disaster. In fact, were the Allowable Daily Intake of aspartame be only *one-tenth* as large as decreed by the FDA, i.e., in the neighborhood of merely 5 mgm/kgm body-weight, the table on the previous page reveals the upper limit on the brain tumor risk would still be as large as approximately 1/10,000 population for the log-probit method and almost 5/10,000 population for the one-hit procedure, both of which would seem to me to be clearly and totally unacceptable. Even if the FDA's ADI were one-hundred times smaller (i.e., no more than 0.5 mgm/kgm body-weight) the upper limit on the brain tumor risk can be seen in the table on the previous page here to be approximately between 1 and 5/1,000,000; considering the widespread consumption of soft-drinks containing this food additive in this country alone, I should think that even this would represent a rather high risk.

This concludes my remarks that were briefly summarized near the bottom of the first page of this communication.

I should add here that the views given above are strictly my own and that they do not represent in any way those held by the U.S. Environmental Protection Agency where I am currently employed; that agency has no regulatory jurisdiction or interest in food-additives such as aspartame.

Wishing you and Senator Metzenbaum the very best and continued success in all your legislative efforts, and particularly those that involve aspartame, I remain, Mr. Wagoner,

Sincerely yours,

M. ADRIAN GROSS,
Senior Science Advisor,
Benefits and Use Division,
Office of Pesticide Programs.

STATEMENTS FROM COMMUNITY NUTRITION INSTITUTE

A national organization, Aspartame Victims and Their Friends, Inc. was launched today at a Washington, D.C. press conference in which one of the organization's founding members announced that a lawsuit would be filed against G. D. Searle and Company, makers of aspartame under the trade name NutraSweet.

The organization, which is affiliated with the Aspartame Resource Center of the Community Nutrition Institute, a Washington-based consumer group, will be located in Ocala, Florida, and will operate a national telephone hot line.

A founding member of the organization, Mrs. Shannon Roth, Ocala, who recently lost vision permanently in one eye, said the onset of her blindness began with the use of NutraSweet and her vision deteriorated over a period of several months during which she consumed large amounts of the sweetener. Her loss of vision is linked to aspartame by her physician and other medical authorities.

Roth said she is filing a personal injury lawsuit against Searle in Florida, and that she is joining with several other members of "Victims" to file a personal injury claim against the Food and Drug Administration (FDA). James Turner, an attorney and consumer activist, said that an administrative petition is being filed with the Justice Department as the preliminary step toward the eventual personal injury lawsuit against FDA.

CNI's Executive Director, Rod Leonard, said the new organization would provide a link between aspartame users who have experienced adverse reactions and have suffered injury and economic loss. He described the symptoms which include grand mal seizures, severe suicidal depression, temporary and permanent blindness, menstrual problems and other severe disorders.

Leonard said that he and Turner also are filing a request with FDA to create a national surveillance program on aspartame complaints. He said FDA Commissioner Frank Young had told Senators John Heinz and Howard Metzenbaum that the agency is considering the establishment of a Clinical Adverse Reaction Review Committee on aspartame, including the orderly collection and transmission of reports from FDA field offices.

"The orderly collection and transmission of reports will be a charade," Leonard said, "unless the FDA also sends a memorandum to physicians, health clinics, psychologists, allergists and other specialists informing them of the plan by FDA to collect information on adverse reports." He and Turner said a national monitoring program must include notification of physicians.

Turner is also representing CNI and others in a legal action to require FDA to hold a public hearing to review the decision to approve aspartame for use in fluid products. The lawsuit, which is currently pending in the U.S. Circuit Court of Appeals, also asks the court to direct the FDA to suspend the authorization for aspartame as a food additive pending the outcome of the hearing.

COMMUNITY NUTRITION INSTITUTE,
Washington, DC, September 13, 1984.

Dr. FRANK E. YOUNG,
Commissioner, Food and Drug Administration, Rockville, MD.

DEAR MR. COMMISSIONER: This letter is a request for the Food and Drug Administration to establish and maintain a surveillance program to monitor the complaints of all consumers regarding aspartame, a sweetener product that is marketed as NutraSweet by Searle and Company. When FDA approved in July 1983 the use of aspartame in liquids, the agency was aware of health concerns expressed both by scientists (particularly the instability of the substance in liquids) and consumers and said it would monitor complaints.

However, no monitoring program was established until February, some eight months later, after we specifically requested that some action be taken by FDA to fulfill its July pledge. We proposed that the Centers for Disease Control be asked to make an epidemiological evaluation of the complaints, and we were subsequently informed that a monitoring program had been initiated—including a CDC evaluation.

We now have learned enough information to question whether an aspartame monitoring program ever has been, in fact, carried out by FDA. The evidence suggests that FDA has sought to avoid the collection and analysis of complaints, and has instructed regional offices to withhold data from its Washington headquarters.

For example, FDA has informed us and others that it has received some 680 complaints that were forwarded to CDC, with the implied conclusion that this is the total number of complaints. However, in discussions with the staff in the Freedom of Information Office (FIO) at FDA, we now learn that those complaints were all received prior to February or March of this year, and do not include any complaints received subsequently.

In addition, the FIO office said that regional FDA offices had been told that only "serious" complaints should be forwarded to FDA headquarters; and, for the guidance of regional office staff, a "serious" complaint

is one in which the illness is severe enough to require the attention of a physician.

Thus, no effort has been made since April to determine the actual extent of consumer reactions to NutraSweet, or to analyze and categorize the complaints. In at least one regional office—located in Philadelphia—we understand that NutraSweet complaints filed since June have not even been examined.

We also had requested FDA early this year to notify physicians the agency was monitoring complaints of adverse reactions to aspartame, or NutraSweet. We were told that FDA had no intention of inviting physicians to send in reports of complaints. This attitude now seems self-serving on the part of an agency that instructs its field offices to forward only those complaints which have been filed by individuals who sought the counsel of their physician because of the severity of their reaction.

This also is a self-fulfilling argument for the basic FDA position that complaints about aspartame, or NutraSweet, have no pattern, and that all of them can be explained by the placebo effect—i.e., whenever any new product is introduced, it will be seized upon by the public as the source of their ailment. FDA has made no efforts to alert physicians to its need for information, but instead waits on consumers who seek medical advice about their complaints to make a special effort to alert FDA to the problem. Thus, FDA has consistently limited its knowledge as to whether a problem may or may not exist.

On the surface, FDA has made a gesture towards monitoring that the agency hopes will satisfy the public. In fact, the agency appears to want no information and is making no effort to acquire data on adverse reactions.

The material sent to CDC is meaningless, and no substantive conclusions can be drawn from an epidemiological assessment of data that has made its way through the indifference of public officials. The reports available to CDC are not reflective of the complaints that have been directed to FDA, nor do they represent a random selection of information from physicians.

This episode illuminates a darker problem within FDA and the procedures now employed in the regulation of food additives. Had aspartame been introduced as a drug, physicians would be routinely monitoring the reaction of their patients when prescribing the substance for use in weight control or for other special dietary purposes. The effects of aspartame, specifically the amino acid components, have been characterized by a number of scientists as the same as those of a drug. In approving the substance as a food additive, however, FDA has told physicians, in effect, that no adverse reactions should be expected; i.e., symptoms of aspartame use cannot be ascribed to the substance, according to the federal government.

The health consequences of aspartame have been a controversy of long standing within FDA. Over the 14 years prior to its approval, the agency had repeatedly examined the data on its health implications and could not make a declarative scientific finding that the substance is safe for use in the American food supply. Subsequent studies and further analysis of the data have served only to raise additional questions that preclude a finding that the product is safe. Only last week, for example, D. Jeffrey Bada of Scripps Institution in La Jolla, CA, found that potentially harmful chemical changes occur when NutraSweet is heated in liquid form. Your agency said it is reviewing the study "purely out of scientific interest," which is an odd reaction considering that the test performed by Dr. Bada should have been conducted by FDA before approving NutraSweet. In the face of this pattern of scientific controversy, which is further buttressed by the nature of the complaints of those consuming the substance, the least FDA should be doing is carefully monitoring the effects of aspartame on its consumers.

Thus far, FDA has spurned its responsibilities, and has no monitoring strategy. As the newly appointed Commissioner, you have the opportunity to take a more responsible stance than did your predecessor, and I urge you to develop and make public an effective and intensive surveillance program to monitor the health consequences of the consumption of aspartame. We stand ready to assist you in any way that we can.

Sincerely,

RODNEY E. LEONARD.
JAMES S. TURNER.

STATEMENT OF RICHARD J. WURTMAN, M.D., MASSACHUSETTS INSTITUTE OF TECHNOLOGY, TO SENATE COMMITTEE ON LABOR AND HUMAN RESOURCES

Thank you for inviting me to comment on issues raised concerning the safety of aspartame when used as an artificial sweetener.

I am a physician, a research scientist, and a professor of neuroendocrinology and neuropharmacology at the Massachusetts Institute of Technology. For the past 15 years, much of my research has dealt with the effects of food constituents on the chemical composition of the brain, and on various brain functions and types of behavior. I have studied these effects in experimental animals, normal people, and people with brain disorders. My interest in aspartame derives from the fact that it contains two amino acids, phenylalanine and aspartic acid. Aspartame's consumption raises the levels of these amino acids in the blood stream, and one of them—phenylalanine—thereupon produces chemical changes in the brain. In 1980 I was invited to testify before the Board of Inquiry on aspartame, convened by the Food and Drug Administration, concerning the possibility that the aspartic acid in aspartame might do damage to the brain. I concluded then and continue to believe that there is no significant risk of toxicity from the aspartic acid in aspartame. Subsequently, however, I became concerned about risks that might result from the phenylalanine in aspartame, especially if—as seemed likely—the introduction of aspartame into soft drinks would increase the quantities that some people consumed beyond the FDA's consumption estimates (for example, on a hot day). My laboratory initiated pilot studies on this question about two years ago, and in July of 1984 we received a grant from the National Institute of Neurological and Communicative Diseases and Stroke to extend these studies.

I believe that the information now available about aspartame warrants the following conclusions about its possible effects on the brain:

1. When aspartame is consumed by laboratory rats in doses consonant with those sometimes ingested by people, it changes the chemical composition of the brain: It alters the brain's levels of some amino acids, and thereby affects the production and release of some of the neurotransmitters that the brain uses to carry signals from one nerve cell to another. These changes are enhanced when the aspartame is consumed along with a food that is rich in carbohydrate (as happens, for example, when someone eats a jelly sandwich or cookies or pasta along with diet soda). The changes in neurotransmitter release are likely to affect numerous brain functions (like the control of blood pressure, or the appetite) and aspects of behavior.

2. When normal human volunteers consume aspartame in doses that are high—but within the FDA's estimates of 90th percentile intakes—blood amino acid levels change in ways that almost certainly produce corresponding alterations in the chemical composition of their brains (especially if the aspartame has been ingested along with carbohydrate-rich foods). However the particular changes that occur in the human's brain are likely to be different from those occurring in the rat's. (This is because the rat's liver destroys the phenylalanine in aspartame very quickly, while the human's liver destroys the phenylalanine much more slowly. The predominant effect of aspartame on the human's brain is likely to be an increase in its phenylalanine levels; the predominant effect on the rat's brain has been shown to be an increase in its levels of tyrosine, another amino acid that is formed when the liver metabolizes phenylalanine.) Hence, while it seems likely that aspartame, in doses of sufficient size, will affect brain functions and behavior in people, the precise nature of its effects cannot necessarily be predicted using data from experiments on rats. It is necessary also to do functional and behavioral studies on people—normal people; people with metabolic disorders that impair their ability to metabolize phenylalanine; and people with brain disorders that might sensitize them to whatever changes in brain chemistry the aspartame might produce.

3. Such studies are essential before we can state categorically that aspartame does not affect the brain. However—in the absence of positive evidence that aspartame produces deleterious effects, their performance would not seem to be a prerequisite to the continued general use of aspartame. Of greater concern are the numerous anecdotal reports, written by consumers (and, in some cases, physicians), suggesting a relationship between their consumption of aspartame-sweetened foods and the subsequent appearance of various neurological and behavioral sequellae. A recent report prepared by the Center for Disease Control for the Food and Drug Administration summarized the contents of several hundred such letters; it concluded that the question of whether the sweetener can cause the signs and symptoms that have been ascribed to it can be resolved only by "controlled clinical studies" carried out in medical research centers. (In such studies, patients would alternately receive aspartame and a placebo, double-blind, while their physical condition was being carefully monitored.) I agree with the CDC and the FDA that it is imperative that such studies now be done. I also agree that, even though the evidence for a causal relationship (between aspartame consumption and subsequent behavioral or neurological symptoms, as described by some patients) is, in some cases, highly suggestive, such uncontrolled, anecodotal case reports provide an insufficient basis for limiting aspartame's use.

4. If aspartame does produce side-effects involving the brain, and if these side-effects result from the sweetener's phenylalanine content, then their production almost cer-

tainly requires that large amounts of aspartame—probably several grams—be consumed. The problem at present is that it is difficult if not impossible for the patient or his physician to know how much aspartame he has eaten or drunk. A can of diet soda is required to indicate that it contains aspartame, but nowhere on the can need it be stated how much aspartame it contains. I doubt that one consumer (or physician) in a thousand now realizes, for example, that a can of TAB provides less than one-fourth as much aspartame as a can of DIET-PEPSI or DIET-COKE. The unavailability of this information causes countless people to worry about aspartame who should not (because they consume only tiny amounts of it). Moreover it deprives consumers (or their physicians) of the ability to calculate how much aspartame they have drunk on days when they think the sweetener might have caused side-effects; and it deprives them of the opportunity to set reasonable limits on their aspartame intake. I believe it is essential that companies which include aspartame in their products be required to indicate on the labels (in readable print) how much of the sweetener is present in each can or serving. This simple change in labeling practice would, I believe, sharply reduce the number of consumers who believe without probable foundation that they have suffered aspartame related side-effects. Perhaps more importantly, it would also enable physicians to identify those patients who might really have had such responses, so that such people might then undergo controlled clinical testing.

Thank you again for giving me this opportunity to express these views.

STATEMENT OF DR. LOUIS J. ELSAS II

Thank you for your inquiry regarding the Phenylalanine containing sweeteners Nutrasweet, Aspartame, and Equal. All are dipeptides composed of two amino acids, aspartate and L-Phenylalanine. The following are responses to several inquiries like your own.

First let me allay your anxieties by saying that there have been no documented side effects from L-Phenylalanine-containing sweeteners.

1. I have no insight into alleged "victims" of aspartame, but suggest that after eating or drinking aspartame-containing food stuffs and while symptomatic, the blood concentrations of L-Phenylalanine be quantiated. Inquire where and how from your local physician or University medical center. Human biochemical geneticists usually can provide this service. A comparative repeat sample should be quantitated when symptoms are no longer present.

2. From my own and others studies, high blood concentrations of L-Phenylalanine are harmful to human brains in at least three situations:

a. In older than 6 months old children and adults with mature brains high blood concentrations will prolong performance time, slow brain wave cycles (EEG) and reduce neurotransmitter production in a reversible manner.

b. In newborns to 6 months old with rapidly growing brains elevated blood phenylalanine produces irreversible brain damage by slowing migration of oligodendroglia (brain cells) and altering myelin (nerves' insulation) formation.

c. In pregnancy, if the mother's blood phenylalanine is raised to high concentrations, her child's brain development can be irreversibly damaged.

No one has determined "how high" the blood phenylalanine must be elevated to produce any of these bad effects under any of these conditions or age groups. It has not been proven that "all people can take as much aspartame without fear of ill effects as they desire." In fact there are many genetically susceptible people: affected patients with phenylketonuria (about 20,000) and their asymptomatic parents (about 4,800,000 based on a U.S. Population of 240,000,000) who should not take unlimited amounts of aspartame until this information is available.

Several clinical investigators and organizations such as the Centers for Disease Control and the American Academy of Pediatrics are deciding on how to address these issues. In the interim I would suggest moderation particularly if you are pregnant, breast feeding or have had symptoms directly related to ingesting phenylalanine-containing sweeteners.

BIOCHEMICAL AND NEUROPSYCHOLOGICAL EFFECTS OF ELEVATED PLASMA PHENYLALANINE IN PATIENTS WITH TREATED PHENYLKETONURIA

(A Model for the Study of Phenylalanine and Brain Function in Man)

ABSTRACT

Phenyletonuria provides a human model for the study of the effect of phenylalanine on brain function. Although irreversible mental retardation is preventable through newborn diagnosis and dietary phenylalanine restriction, controversy exists regarding the effects of increased concentrations of phenylalanine in older patients. We have studied ten older, treated, phenylketonuric patients using a triple-blind, multiple trials, crossover design. Each patient was tested at the end of each of three 1-wk periods of high or low phenylalanine intakes. Tests included a repeatable battery of neuropsychological tests, analysis of plasma amino acids, and measurement of urine amino acids, phenyl organic acids, dopamine, and serotonin. In all 10 patients, plasma phenylalanine rose (900—4,000 μM). In 9 of 10 patients there was an inverse relationship between plasma phenylalanine and urine dopamine excretion. When blood phenylalanine was elevated, these patients had prolonged performance times on neuropsychological tests of higher but not lower integrative function. Urinary serotonin fell during phenylalanine loading in six patients. The concentration of phenylacids in the urine was not proportional to the plasma phenylalanine at concentrations below 1.5 mM. In one patient, neither performance time nor dopamine excretion varied as blood phenylalanine rose or fell. We interpret these data as follows: blood phenylalanine above 1.3 mM impairs performance on neuropsychological tests of higher integrative function, this effect is reversible, and one mechanism may involve impaired biogenic amine synthesis.

INTRODUCTION

Nearly a half-century ago Folling (1) attributed a syndrome of mental retardation and aberrant behavior to an inherited metabolic error. Since then, phenylketonuria (PKU) [1] has been the prototype for investigations of the effect of phenylalanine on central nervous system function in man. It is clear that if plasma phenylalanine is normalized before age 3 wk through dietary restriction of phenylalanine irreversible mental retardation is prevented (2). The mechanisms of producing this permanent structural damage remain unclear, but several hypotheses have developed. Decreased or abnormal myelin formation and/or impaired oligodendroglial migration during the first 6 mo of postpartum brain development are the most probable mechanisms.

Controversy persists regarding possible effects of elevated phenylalanine on brain function when development is nearly complete in older, treated patients with PKU. Whether or not elevated concentrations of phenylalanine disturb central nervous system function in these patients is unknown. Since ~1 in 16,000 Caucasian newborns (Georgia statistics) is affected with PKU, and effective newborn screening has prevented permanent brain damage since 1970 in the newborn screenee, an answer to the question of whether high plasma phenylalanine affects mental function becomes more urgent for this accumulating population.

Silverman and Guthrie (unpublished observations) approached the question by administering one loading dose of phenylalanine to control subjects, heterozygotes, and homozygous affected patients with PKU and compared errors in response time among the three groups. Their results suggested a difference among the three groups which related directly to the concentrations of plasma phenylalanine achieved.

In 1980, Waisbren et al. reviewed the available literature on psychological assessment of children after termination of phenylalanine/restricted diets. Results were mixed, some showing a drop in IQ and other achievement test scores and others showing no change. Numbers of patients, study design, and assessment tools varied greatly among the reports. The PKU Collaborative Study began a prospective study in 1967. Results of achievement tests (Stanford Binet. Wechsler Intelligence Scale (WISC), Wide Range Achievement Tests [WRAT]) on 81 children, 38 of whom had continued the diet beyond 6 yr of age and 43 of whom had discontinued at 6 yr of age, were reported in 1982. Results at 8 yr of age showed slightly lower achievement in reading and spelling in the discontinuers. No significant difference in IQ between the groups was observed after this 2-yr interval. Brunner et al. in a recent study (1983) reported a negative correlation between performance on neuropsychological tests and serum phenylalanine concentration on the day of testing in a group of early treated patients age 6–13 yr. Neither of these studies used the patient as his/her own control Interindividual variation, differences in phenylalanine concentrations achieved and in techniques used by collaborating centers have hindered interpretation of results.

In in vitro systems, phenylalanine influences the synthesis of two biogenic amines, dopamine and serotonin, which are critical compounds in neurotransmission. Both tyrosine-3-hydroxylase (E.C.C.1.14.16.2) and tryptophan-5-hydroxylase (E.C.C.1.14.16.4) are rate-limiting enzymes in the synthesis of dopamine and serotonin, respectively, and are competitively inhibited by phenylalanine at millimolar concentrations. Another potential inhibitory effect of phenylalanine on biogenic amine synthesis is through impaired uptake of tyrosine and tryptophan

[1] *Abbreviations used in this paper:* PKU, phenylketonuria: WISC, Wechsler Intelligence Scale; WRAT, Wide Range Achievement Tests.

across the blood-brain barrier. Phenylalanine, tyrosine, and tryptophan share the same transport system and compete for a common transport function at physiologic concentrations. Since transport of amino acids across the blood-brain barrier is the rate limiting step in the movement of amino acids from plasma to brain, and since their plasma concentration is near saturation of their transporter proteins, increased concentrations of plasma phenylalanine could limit the transport of tyrosine and tryptophan and thus their availability to the brain cell membrane for neuropeptide synthesis or conversion to biogenic amines.

The current study compares specific neuropsychological tests with changes in plasma phenylalanine and biogenic amine production in young adults and older children with PKU. Although the dopamine excreted in the urine is a reflection of multiple sources of dopamine synthesis, we chose to measure urine dopamine, since it reflects 24-h production of the amine, not an acute level, and becuse urine collection is a noninvasive method of obtaining biologic fluids. Assessment is made of competitive inhibition by phenylalanine of tyrosine and tryptophan transport by kidney tubule. We use a triple/blinded, crossover, clinical protocol to circumvent the influence of individual variations in this disorder.

METHODS

Study design. 10 patients with PKU, aged 6–24 yr, were admitted on a 21-d protocol to the Emory Univeristy Clinical Research Facility. Informed consent was obtained from adult patients or from the parents of patients <21 yr of age. Each patient served as his or her own control. Each patient was admitted on one of two double crossover protocols and five were studied in each protocol group. Either the patient entered on a low dietary phenylalanine which was increased the second week and decreased the third week (low-high-low) or in the reverse pattern (high-low-high). Patients equilibrated for 7 d after each change I dietary phenylalanine. Past plasma concentrations of phenylalanine on known intake and genotyping of parents were used to determine the amount of phenylalanine added to patient formulation for restriction and loading (23,24). Patients whose entering concentration of plasma phenylalanine was high either because of poor control or because of diet discontinuation for several years were on the high-low-high protocol. Five other patients who had been in consistently good dietary control entered the study on the low-high-low protocol.

The study diet was based on Phenylfree or Lofenalac as a phenylalanine-free amino acid source. A specified amount of tasteless I-phenyulalanine was added to the formula during the loading phases. The study was triple-blinded: neither the patients nor their parents could taste the difference in formula and were unaware of their experimental condition: the psychologist administering the neuropsychologic tests was uninformed of the patients' blood phenlyalanine concentration; and the laboratory personnel performing amino acid, organic acid, and amine analyses did not know the condition under which sample were obtained.

Biochemical tests. Blood and urine samples were obtained on all patients at the beginning of the first week as a baseline and at the new equilibria achieved at the end of each 7-d interval.

Plasma and urine amino acids were analyzed by ion exchange chromatography on the Beckman model 119 CL using lithium buffers (Beckman Instruments Inc., Palo Alto, CA). Because tryptophan is somewhat labile in extraction from blood, recovery of "spiked" standards from whole blood and urine was quantitated to determine losses. In the physiological ranges measured from 50 to 200 μM, recovery was 82–90% efficient. Data are presentred normalized to an internal standard without correction for these specific losses which are in the range for the internal standard, *S*-2-aminoethyl-L-cysteine.

Dopamine assays were performed using the single isotope radioenzymatic assay developed by Peuler and Johnson. This method used catechol-o-methyl transferase from rat liver to transfer a radioactive methyl group from *S*-adenosyl methionine to catecholamine, forming methyl catecholamine derivatives which were then characterized by radiochromatographic analysis. The assay was sensitive in urine to 120 pg/ml for dopamine.

Serotonin was determined by a radioimmunoassay developed by Peskar and Spector (26) using rabbit antibody prepared by coupling serotonin to bovine serum albumin. The antibody bound 50 percent of ^{3}H-serotonin in the absence of free serotonin. Less than 1 ng of free serotonin was detected by standard displacement methods.

Urine organic acids were analyzed by gas chromatography on a HP 5992 gas chromatograph/mass spectroscope and quantitated on a HP 5790 gas chromatograph. Organic acids were extracted with ethyl acetate and ether and derivatized with trimethylsilane and *bis*-(trimethysilyl)trifluoracetamide (27). The level of sensitivity for phenylacids in urine was ~5 μg. Specific recovery of phenylacetic, phenyllactic, and phenylpyruvic acids were 68, 91, and 58 percent, respectively. All calculations are corrected for these losses by parallel external and internal standards used during extraction, derivatization, and quantitation.

Renal clearances were calculated for phenylalanine, tyrosine, and tryptophan, from timed 24-h urine collections and midpoint plasma collections. Both specimens were quantitated for concentrations of amino acids and creatinine. The glomerular filtration rate (GFR) was calculated from the creatinine clearance, as were the rates of a specific amino acid filtration, excretion, and reabsorption using the following formulation: $F_{AA} = GFR \times P_{AA}$, $E_{AA} = U_{AA} \times V$, $T_{AA} = F_{AA} - E_{AA}$, where U was urinary amino acid concentration in mg-ml, V (urine volume) in ml/min, and P_{AA} the plasma amino acid concentration in mg/ml. The F_{AA} (filtered aminoacid), E_{AA} (excreted aminoacid), and T_{AA} (reabsorbed aminoacid) were expressed in mg/min. Percent reabsorption was calculated as $T_{AA}/E_{AA} \times 100$.

Neuropsychological tests. Measurements of general intelligence and achievement were based on the Wechsler Intelligence Scales. (The Wechsler Adult Intelligence Scale for adults and the WISC for children) and the WRAT. To determine the influence of phenylalanine concentrations on neuropsychological performance, a repeatable battery of tests was developed and administered as a baseline on admission to the study and at the end of each 1-wk treatment period. A confounding variable inherent in tests given multiple times is subject learning. Two procedures were incorporated in the study design to reduce the artifacts due to learning. For one group of test (type 1. Table I), the subject was allowed to practice the task until the asymptote of the learning curve was reached. Any changes in performance after becoming maximally competent with the task then reflected experimental manipulation of the patient. This procedure would not eliminate learning artifacts from a second group of tests (type 2, Table I). Because of this limitation, equivalent forms of this latter group tests were developed to be given at the end of each of the experimental conditions. Table I lists the test names and the neuropsychological variables they measured.

Interpretation of data. Data are arrayed for all subjects in tabular form (Tables II, III, IV, and V) to emphasize intraindividual differences because of the wide interindividual variability in age, sex, intellectual competence, and phenylalanine requirements. From these tables, individual differences and choice reaction time and the direction of change between the two dietary conditions are calculated and plotted against changes in plasma phenylalanine during the same intervals in Figs. 2 and 3.

TABLE 1.—NEUROPSYCHOLOGICAL TESTS USED AND THE VARIABLES MEASURED BY THEM

Test name	Type [1]	Age [2]	Variables
Tests of higher integrative function			
Choice reaction time:			
Figures	1	≥6	Visual-perceptual discrimination and associated latency.
Letters	1	≥6	
Rhyme	1	≥6	
Trails B	2	≥8	Complex visual-motor coordination. Maintaining a set. Following instructions.
Digit span	2	≥8	Short-term auditory memory. Concentration.
Benton visual retention	1	≥8	Visual memory.
Buschke-Morgan	2	≥8	Attention. Short-term auditory memory.
Symbol digit	2	≥6	Visual-motor speed. Concentration.
Tests of lower integrative function			
RAN	2	≥6	Verbal visual integration.
Trails A	2	≥6	Visual-motor coordination.
Grooved pegboard	1	≥5	Visual-spatial-tactile coordination. Visual-motor speed.
Halstead finger tapping	1	≥5	Fine motor skill.

[1] 1. A test which can be repeated over several testing sessions. 2. A test which cannot be repeated and must be presented as equivalent forms over several testing sessions.
[2] The age listed in years plus greater ages.

Patient profiles and study design. Age, sex, IQ, and achievement scores for all patients are listed in Fig. 1. Each patient was given a symbol which was used in subequent graphs. IQ scores below 85 in A.S. and K.K. were explained by their late diagnoses and treatment at 5 and 18 mo of age, respectively. K.K. is the older brother of T.K. Both D.A. and W.J. were diagnosed and treated before 3 wk of age and both had IQ scores which were consistent with parental scores (D.A.'s parents' scores were 103 and 83; W.J.'s were 88 and 70).

Biochemical results. Plasma and urine amino acid and urine organic acid concentrations are presented for all patients in Table II during each of the three experimental conditions. The level of dietary phenylalanine was calculated from actual intake in the Clinical Research Facility. Emory University. The time interval of 7 d required for stablilizating the plasma phenylalanine concentration on a constant diet was determined by sampling one subject daily. A new plateau of blood phenylalanine concentration was achieved on the sixth to seventh day after each diet change. The plasma phenylalanine reflected the diet changes, and the relationship between

intake and plasma concentration demonstrated interindividual variation between ingested phenylalanine ranging from 36 to 130 mg-kg per d and plasma phenylalanine concentration ranging from 800 to 4,400 μM.

Urinary phenyl acids are not detected in the urine of normal subjects. Four of the five patients who were on the High-low-high protocol and had not recently been on restricted phenylalanine intake were exreting large amounts of phenylpyruvate and phenyllocate at the end of the first week of high phenylalanine intake. Excretion of both fell dramatically after 1 wk of restricted phenylalanine intake. However, excretion reached the original high levels at the end of the third week (high dietary phenylalanine). In the low-high-low group who had been on continuous dietary control before entry into this study, excretion of organic acids never reached the high levels of the other group despite comparable plasma phenylalanine levels. In general, <50 mg of phenylacids per gram creatinine were excreted until the plasma phenylalanine rose above 1,500 μM. Those with the highest plasma phenylalanine did not consistently excrete the greatest amount of derived organic acids.

The results of dopamine and serotonin excretion are arrayed in Table III. Results were normalized to creatinine excretion. Interindividual variation in dopamine excretion was great. In general, the patients who were on the low-high-low protocol and had been on consistent dietary management before the study achieved higher levels of dopamine excretion than did those patients in the high-low-high group who were not well controlled immediately before the study. This kind of separation was not seen for serotonin excretion. Changes in dopamine excretion varied inversely with changes in plasma phenylalanine in 9 of 10 patients. The inverse relationship of changes in plasma phenylalanine concentrations and urinary dopamine excretion are graphed in Fig. 2. Solid symbols represent patients on the high-low-high protocol. Open symbols represent patients on low-high-low protocols. Results from all patients cluster in quadrants I and III regardless of the protocol (high-low-high or low-high-low) where quadrants I and III circumscribe an inverse relationship between plasma phenylalanine and urinary dopamine concentrations. Symbols in quadrant I show an increase in urine dopamine with decrease in plasma phenylalanine, those in quadrant III show a decrease in urine dopamine with an increase in plasma phenylalanine. Serotonin excretion did not vary directly with changes in phenylalanine.

TABLE II.—EFFECTS OF DIETARY MANIPULATION OF PHENYLALANINE (PHE) ON CONCENTRATIONS OF PHE, TYROSINE (TYR), AND TRYPTOPHAN (TRP) IN PLASMA AND URINE AND ON EXCRETION OF THREE ORGANIC ACIDS

Patient	Wk	Dietary PHE (mg/kg/d)	Plasma PHE (μM)	Plasma TYR (μM)	Plasma TRP (μM)	Urine PHE (mg/g creatinine)	Urine TYR (mg/g creatinine)	Urine TRP (mg/g creatinine)	Urine organic acids (mg/g creatinine)		
									Phenylpyruvate	Phenylacetate	Penyllactate
B.R	1	36	1,255	46	46	192	16	4.6	68	np	203
	2	4	252	65	66	99	8.5	2.4	28	np	36
	3	36	797	33	46	22	7.1	10.7	35	np	21
W.J	1	105	1,790	33	24	155	6	2	639	150	950
	2	7	197	26	36	40	6	19	17	nd	37
	3	105	1,303	29	23	375	7	16	1,057	377	872
K.K	1	82	2,317	37	34	256	5	6	597	87	1,233
	2	7.5	1,426	24	52	114	4	7	55	38	87
	3	81	3,296	49	58	295	6	10	1,126	103	2,143
T.K	1	74	2,058	28	42	850	14	37	787	128	1,179
	2	8	753	35	63	88	6	3	59	63	56
	3	74	2,647	35	53	313	8	8	1,217	152	1,776
A.S	1	69	4,405	33	36	496	14	20	877	79	689
	2	8	441	22	45	74	7	9	36	10	23
	3	69	3,900	26	35	178	6	15	894	94	515
D.A	1	10	668	65	117	18	6	3	13	1	22
	2	100	3,260	85	94	361	18	11	179	71	329
	3	10	1,632	78	113	44	5	2	34	103	118
M.B	1	17	304	46	65	38	20	8	nd	nd	15
	2	94	1,549	57	43	166	14	3	69	84	110
	3	16	634	51	63	76	6	7	34	5	71
M.F	1	19	199	37	68	13	5	7	12	nd	12
	2	95	1,402	87	80	195	13	19	15	175	nd
	3	18	329	28	50	50	8	17	18	28	nd
M.K	1	38	793	58	93	112	25	14	19	38	50
	2	130	2,460	62	43	367	22	11	791	130	751
	3	40	577	47	41	94	20	10	9	58	45
T.W	1	17	352	45	40	48	9	26	nd	nd	nd
	2	100	2,290	32	33	509	15	32	464	273	450
	3	15	536	32	40	104	7	29	nd	nd	nd

Np, not processed; Nd, none detected. Data are single measurements. The space between patients A.S. and D.A. separates the patients on the high-low-high protocol above from those on the low-high-low protocol below.

Studies of membrane transport. To explore the possibility that increased concentration of phenylalanine might competitively inhibit tyrosine or tryptophan uptake by the only plasma membrane transport function available for study in children, we quantitated their renal tubular transport. Renal tubular reabsorption data were obtained on eight patients under these conditions of phenylalanine loading and are presented in Table IV. Phenylalanine did not inhibit tyrosine reabsorption by renal tubular epithelium at the levels of filtered phenylalanine reached in these patients. At the highest rate of filtered phenylalanine (45 mg/min/M2 in patient A.S.), we observed no less than 99% reabsorption of tyrosine. Maximum renal uptake of tryptophan was also seen at these filtered loads of phenylalanine. These findings differ from earlier results reported by Lines and Waisman, who reported a generalized aminoaciduria in PKU patients and suggested the possibility of competitive inhibition of reabsorption by high filtered loads of phenylalanine. However, their data were not adjusted for surface area. Our data for renal tubular transport provide negative evidence for a significant effect of phenylalanine on tyrosine uptake in the proximal renal tubule at the same time that dopamine excretion is reduced. Whether or not the lack of effect of increased phenylalanine reabsorption of amino acids in the proximal renal tubule is an appropriate reflection of transport across the blood-brain barrier is not known. Evaluation of blood-brain barrier transport using invasive techniques is not ethical in healthy children. Nuclear imaging techniques may be useful in the future.

TABLE III.—EFFECTS OF DIETARY MANIPULATION OF PHENYLALANINE (PHE) ON THE EXCRETION OF DOPAMINE AND SEROTONIN

Patient	Week	Dietary PHE (mg/λg/d)	Plasma PHE (μM)	Urine volume (ml/24 h)	Urine dopamine (μg/gm creatinine)	Urine serotonin (μg/gm creatinine)
B.R	1	36	1.255	1.700	6	117
	2	4	252	655	166	204
	3	36	797	940	88	127

TABLE III.—EFFECTS OF DIETARY MANIPULATION OF PHENYLALANINE (PHE) ON THE EXCRETION OF DOPAMINE AND SEROTONIN—Continued

Patient	Week	Dietary PHE (mg/λg/d)	Plasma PHE (μM)	Urine volume (ml/24 h)	Urine dopamine (μg/gm creatinine)	Urine serotonin (μg/gm creatinine)
W.J	1	105	1.790	650	16	151
	2	7	197	900	26	1.280
	3	105	1.303	955	35	1.273
K.K	1	82	2.317	800	48	343
	2	7.5	1.426	955	69	324
	3	81	3.296	1.498	36	1.014
T.K	1	74	2.058	1.780	41	356
	2	8	735	1.940	94	726
	3	74	2.647	1.724	73	370
A.S	1	69	4.405	2.670	15	749
	2	8	441	2.500	51	388
	3	69	3.900	2.910	20	166
D.A	1	10	668	970	429	512
	2	100	3.260	602	48	259
	3	10	1.632	405	192	442
M.B	1	17	304	338	124	408
	2	94	1.549	750	39	234
	3	16	634	342	158	577
M.F	1	19	199	570	26	140
	2	95	1.402	475	116	877
	3	18	329	820	103	1.070
M.K	1	38	793	735	294	914

TABLE III.—EFFECTS OF DIETARY MANIPULATION OF PHENYLALANINE (PHE) ON THE EXCRETION OF DOPAMINE AND SEROTONIN—Continued

Patient	Week	Dietary PHE (mg/λg/d)	Plasma PHE (μM)	Urine volume (ml/24 h)	Urine dopamine (μg/gm creatinine)	Urine serotonin (μg/gm creatinine)
	2	130	2.460	570	96	571
	3	40	577	928	194	596
T.W.	1	17	352	1.560	80	438
	2	100	2.290	1.340	35	626
	3	15	536	980	150	623

Note.—The space between patients A.S. and D.A. separates the patients on the high-low-high protocol above from those on the low-high-low protocol below.

Neuropsychological tests. Part of the purpose of this study was to determine the kinds of tests most suitable for determining possible changes in performance in treated PKU children challenged with phenylalanine. We found that many of the standard tests were too difficult to be applicable across the age group we were assessing and data could not be obtained on all 10 subjects. More complete analysis of these issues will be presented in a separate paper. Results are presented here for those tests on which data were obtained for all subjects. Data were obtained from all 10 subjects on the Choice Reaction Time when figures were used for matching. They were also complete on the Pegboard Test, the Tapping Test, and on Trails "A". Table V summarizes the results of the Choice Reaction Time and the Grooved Pegboard Test. The latter is a test of visual-spatial-tactile coordination and motor speed, whereas the Computerized Choice Reaction Time is a test of visual-perceptual discrimination, and by comparison is a test of higher integrative function. The Grooved Pegboard Test results are typical of results of the tests of lower integrative function, i.e., no significant differences were seen between conditions. In three other tests of lower integrative function of which the Grooved Pegboard is representative, <3 of 10 showed changes consistent with changes in plasma phenylalanine. Those results are not reported here. In the Choice Reaction Time Test, 7 out of 10 subjects showed changes concomitant with changes in plasma phenylalanine, i.e., reaction time was prolonged with increased plasma phenylalanine. M.F., who did not demonstrate typical changes in his Choice Reaction Time, also did not have a decrease in urinary dopamine when plasma phenylalanine concentrations were elevated (compare Table V with Table III, week 1 to week 2). Differences in Choice Reaction Time were not as consistent in K.K. and A.S. as in the other subjects. It is pertinent to note that K.K. and A.S. were not treated effectively early in life, and were less competent by achievement testing than many of the other patients (see Fig. 1). A graphic display of changes in phenylalanine and changes in Choice Reaction Time among those 10 patients is shown in Fig. 3. A direct relationship was seen between changes in plasma phenylalanine concentration and reaction time. When plasma phenylalanine increased, the choice reaction time increased, that is, performance worsened. Conversely, when phenylalanin concentrations fell, choice reaction times were shorter, which indicated improved performance. Solid symbols again represent patients on high-low-high dietary protocol and open symbols those on low-high-low dietary protocol. Symbols in quadrant II represent changes of increased choice reaction time with changes reflecting increased plasma phenylalanine concentrations. Symbols in quadrant IV indicate decreased choice reaction time with decreased plasma phenylalanine (Fig. 3).

(Figures 1, 2, and 3 not reproducible for the RECORD.)

TABLE IV.—ABSENCE OF AN EFFECT OF INCREASED FILTERED PHENYLALANINE ON RENAL TUBULAR REABSORPTION OF TYROSINE (TYR) AND TRYPTOPHAN (TRP)

Patient	Week	Urine volume (ml/24 h)	^{F}Phe (mg/min/M^2)	^{F}Tyr (mg/min/M^2)	^{r}Tyr (mg/min/M^2)	Tyrosine transport (percent Reabsorption)	^{F}Trp (mg/min/M^2)	^{r}Trp (mg/min/M^2)	Tryptophan transport (percent Reabsorption)
B.R.	1	1,700	8.852	0.357	0.350	98	0.402	0.399	99
	2	800	1.945	.547	.542	99	.627	.626	99
	3	940	5.737	.260	.257	99	.409	.404	99
W.J.	1	650	10.03	.201	.199	99	.166	.165	99
	2	900	1.35	.195	.194	99	.308	.301	98
	3	955	6.94	.134	.132	99	.148	.145	98
T.K.	1	1,780	2.800	.248	.242	97	.416	.399	96
	2	1,940	4.311	.360	.357	99	.723	.722	99
	3	1,724	(1)	(1)	(1)	(1)	(1)	(1)	(1)
A.S.	1	2,670	16.551	.137	.134	98	.166	.162	98
	2	2,500	3.146	.121	.120	99	.272	.269	99
	3	2,910	45.66	.330	.327	99	.513	.509	99
M.B.	1	338	1.558	.259	.254	98	.413	.411	99
	2	750	8.773	.351	.347	99	.302	.301	99
	3	342	(1)	(1)	(1)	(1)	(1)	(1)	(1)
M.F.	1	570	1.483	.306	.304	99	.629	.627	99
	2	475	6.120	.418	.415	99	.434	.430	99
	3	820	2.753	.259	.255	98	.512	.503	98
M.K.	1	735	6.468	.519	.508	98	.939	.934	99
	2	570	14.872	.411	.403	98	.325	.321	99
	3	928	4.552	.426	.418	98	.401	.397	99
T.W.	1	1,560	2.438	.342	.339	99	.340	.332	98
	2	1,340	18.641	.285	.278	97	.331	.316	95
	3	980	3.419	.220	.218	99	.316	.306	97

[1] Not processed. The space between patients A.S. and M.B. separates the patients on the high-low-high protocol above from those on the low-high-low protocol below. Calculations for renal tubular reabsorption are detailed in the methods section. ^{F}Phe, ^{F}Tyr, ^{F}Trp, filtration rate of phenylalanine, tyrosine, and tryptophan, respectively. ^{r}Phe, ^{r}Tyr, ^{r}Trp, tubular reabsorption rate of phenylalanine, tyrosine, and tryptophan, respectively. mg/min/M^2, mg of indicated amino acid filtered or reabsorbed per minute normalized to meters squared of body surface area.

DISCUSSION

Although mechanisms are unclear, the negative effect of increased blood phenylalanine on the developing human brain during infancy and early childhood is clear. Early dietary restriction of phenylalanine prevents irreversible brain damage in children detected and treated for phenylalanine hydroxylase deficiency. The studies reported here investigate whether elevated blood phenylalanine in the older child and young adults is associated with altered mental function, and if so, by what mechanism.

Early studies by Weil-Malherbe, Nadler and Hsia, and McKean demonstrated decreased levels of catecholamines in blood, urine, and autopsied brains of untreated patients with phenylketonuria. McKean also demonstrated improvements in visual evoked response in three severely retarded untreated patients when dietary phenylalanine was restricted or when catecholamine precursors were administered without restricting phenylalanine in the diet. He postulated that although concentrations of tyrosine (1.2×10^{-4} M/g of brain) in brain of hyperphenylalaninemic patients were well above the K_m reported for tyrosine hydroxylase in mammalian brain tissue (5×10^{-5} M), phenylalanine itself might inhibit tyrosine hydroxylase activity directly. This hypothesis was supported by in vitro observations of Undenfriend who found that phenylalanine was a competitive inhibitor of rat brain tyrosine hydroxylase with a $K_i = 1.7 \times 10^{-5}$ M. Since the concentrations of phenylalanine found by McKean in his autopsy material averaged 8.4×10^{-4} M, such a mechanism of competitive inhibition was possible.

Phenylalanine may impair production of two psychoactive amines, namely dopamine and serotonin. Curtius et al. described both decreased serotonin and dopamine synthesis in patients with high plasma phenylalanine concentrations caused, by both phenylalanine hydroxylase deficiency and disorders in the tetrahydrobiopterin pathway. He also postulated competitive inhibition of both tyrosine and tryptophan hydroxylase by high phenylalanine at 1,500 and 600 μM concentrations, respectively Katz et al. demonstrated the direct conversion of 20 μM phenylalanine to dihydroxphenylalanine without the release of free tyrosine in rat brain striatal synaptosomal preparations. Phenylalanine was only 1/10 as good a substrate for this enzyme as tyrosine. However, he suggested that phenylalanine could be a substrate for tyrosine hydroxylase in the presence of saturating concentrations of tetrahydrobiopterin, and could be a competitive inhibitor as well.

TABLE 1.—EFFECTS OF DIETARY MANIPULATION OF PHENYLALANINE (PHE) ON CHOICE REACTION TIME AND GROOVED PEGBOARD ASSEMBLY

Patient	Week	Plasma PHE (uM)	Choice fraction time (m/s)	Pegboard x (s/10 pegs)	
				Right	Left
B.R.	1	1,255	811	57	73
	2	252	601	57	68
	3	797	654	51	66
W.J.	1	1,790	1,940	30	100
	2	197	1,407	50	33
	3	1,303	1,594	50	50
K.K.	1	2,317	1,085	34	31
	2	1,426	967	35	32
	3	3,296	901	29	31
T.K.	1	2,058	811	19	19
	2	735	621	19	21
	3	2,647	767	18	18
A.S.	1	4,405	669	26	29
	2	441	678	26	35
	3	3,900	769	25	28
D.A.	1	668	1,658	52	31
	2	3,260	2,113	56	29
	3	1,632	1,518	36	31
M.B.	1	304	1,215	36	36
	2	1,549	1,485	33	48
	3	634	1,221	40	39
M.F.	1	199	998	25	25
	2	1,402	980	20	20
	3	329	791	25	25
M.K.	1	793	910	20	24
	2	2,460	1,062	21	32
	3	577	744	19	23
T.W.	1	352	1,286	22	34
	2	2,290	1,297	32	33
	3	536	1,193	24	36

Note.—The space between patients A.S. and D.A. separates the patients on the high-low-high protocol above from those on the low-high-low protocol below. The choice reaction time represents a mean of 20 trials. The pegboard results represent a mean of four trials.

Our results in vivo in treated PKU patients conform to the hypothesis that high phenylalanine inhibits dopamine synthesis, since 24-h urine dopamine excretion fell when plasma phenylalanine concentrations were maintained at an elevated concentration for days by dietary manipulation. A consistent relationship was not found between plasma phenylalanine and serotonin excretion in our study. Serotonin is stored in many tissues, and this inconsistency may be related to the high "background noise" of excretion of stored serotonin during a 24-h period.

The results from our experiments do support the hypothesis that brain function is altered by phenylalanine at the equilibrium concentrations achieved in the study. The battery of neuropyschological tests showed differences in a performance test which required higher integrative function rather than fine motor coordination. This was consistent over the whole group, regardless of the age or competence of the patients. Although many test batteries have been used in other surveys, the computerized reaction time has not been reported. We are currently attempting to determine whether patient competency, age, attention, or other factors influence the neuropyschological response to increased plasma phenylalanine, and deriving tests to maximize changes in accordance with patient competency.

Our data support a mechanism for prolonged performance through an inhibition by phenylalanine of biogenic amine synthesis. In our study when dopamine excretion fell, blood phenylalanine rose and performance times were prolonged. Data from two patients deserve special attention: the patient with the lowest IQ (K.K.) who was not diagnosed until 18 mo of age demonstrated expected biochemical changes in uninary dopamine excretion when phenylalanine concentrations were increased, but test scores on the Computerized Choice Reaction Time were unchanged. It is not surprising, in view of his overall low performance and achievement, that reaction time improved over the 3-wk period independent of the plasma phenylalanine, which suggested a gradual learning effect rather than relationship to biocheminal status. It is also likely that intellectual competency of a patient will control the amount of change produced by altered phenylalanine. The lower the individual's competency, the less change might be expected. The one major outlier (M.F.) did not show consistent trends in neuropsychological tests or in catecholamine excretion. despite attaining a concentration of 1,402 μM plasma phenylalanine, he excreted barely measurable amounts of derived organic acids. We can speculate that he has other "protective" functions. Possible mechanisms include impaired transport of phenylalanine across the blood brain barrier or an increased rate of phenylalanine incorporation into new protein synthesis. He could also have some "protective" variation in tyrosine hydroxylase which prevents inhibition by phenylalanine. He emphasizes the indivduality of patients with phenylketonuria and the "sensitivity" of brain function to phenylalanine loading.

The impairment in choice reaction time and decrease in dopamine excretion seen with increased plasma phenylalanine were reversible within the week periods studied. We are currently investing a variety of repeatable neuropsychological and electrophysiological tests with which to assess performance in patients with varying competency, age, and achievement scores.

These data support the hypothesis that high concentrations of phenylalanine reversibly affect neuropsychological performance, probably through reduction in L-dihydroxyphenylalanine and dopamine production. The mechanisms may be through increased intracellular phenylalanine and competitive inhibition of brain tyrosine-3-hydroxylase. Whether intracellular concentrations of brain tyrosine are diminished is unknown. Although the concentrations of blood phenylalanine attained in our studies did not inhibit renal tubular reabsorption of tyrosine, it should be noted that the transport K_m of phenylalanine, tyrosine, and tryptophan in brain and kidney differ. Additionally, the blood-brain barrier is saturated at normal plasma concentrations, whereas the renal tubular epithelium is not (16–19). Since nearly 80% of all brain dopamine is found in th corpus striatum, decreases in dopamine synthesis could affect neuropsychological functions that involve both nigrostriatal and corticostriatal pathways. This could explain the deterioration in response of our patients to a timed test, the Computerized Choice Reaction Time Test, which required integration of stimuli and a motor response. We have recently observed a change in the mean power frequency of electrical impulses detected by EEG in a different group of patients with phenylketonuria who were studied under similar clinical research protocols. This type of electrophysiological approach could assist in anatomical localization of changes in brain function.

[Report From Annals of Internal Medicine, February 1985]

ASPARTAME-INDUCED GRANULOMATOUS PANNICULITIS

(Nelson Lee Novick, M.D.)

The low-calorie artificial sweetener, aspartame (NutraSweet; G. D. Searle & Co., Skokie, Illinois), a synthetic combination of aspartic acid and the methyl ester of phenyl-alanine, is currently used in many diet sodas, cereals, and chewing gums and as a substitute for granulated sugar. Although the Food and Drug Administration has approved aspartame for routine use (except in patients with phenylkentonuria), its potential for toxicity remains controversial. This report describes the first confirmed case of aspartame-induced granulomatous panniculitis.

A 22-year-old otherwise healthy woman had numerous, bilateral, nontender, nodular lesions on both legs for 2 months. The patient denied having used any oral, systemic, or topical medications during the preceding 6 months. She also denied any history of recent infections or trauma, and she had no accompanying constitutional symptoms. For the previous 6 years, the patient had habitually consumed between 1080 to 1320 mL (36 to 44 fl oz) daily of a popular saccharin-containing diet soft drink. Approximately 10 weeks before presenting for evaluation, she had switched to the same manufacturer's new aspartame-sweetened diet soda. She made no other changes in her diet. Two weeks later, the patient first noted the onset of several nontender, deep nodules on her left thigh. New lesions subsequently appeared elsewhere on her legs while the previous lesions slowly enlarged: none disappeared.

On examination, numerous deep nodules ranging from approximately 0.5 to 5 cm in diameter were palpated bilaterally on the thighs and calves. The overlying skin appeared normal. The nodules were firm and in some areas coalesced to form large deep plaques that were freely movable over the underlying fascial tissues. No adenopathy or other cutaneous or mucous membrane lesions were present; the rest of the general physical findings were normal.

Complete blood and differential count, erythrocyte sedimentation rate, serum electrolyte and amylase levels, and urinalysis findings were normal; liver function test, serum protein electrophoresis, direct and indirect immunofluorescence studies, tuberculin tine test, and tests for antinuclear antibody and anti-streptolysin-O were negative. The patient refused a chest roentgenogram. Histologically, a septal panniculitis with lymphocytes and histiocytes predominated within the thickened fibrotic septae. Many multinucleated histiocytic giant cells and a lymphohistiocytic infiltrate extended into the adjacent fatty lobules, consistent with erythema nodosum.

The patient was advised to stop using the recently introduced aspartame-sweetened beverage. During the next 4 weeks, no new lesions appeared and all previous lesions spontaneously resolved without residua. She was then advised to resume daily consumption of the suspected aspartame-sweetened diet drink; 10 days later, she again developed the nodular lesions on both legs, this time in greater number than before. Withdrawal of the beverage once again resulted in gradual and complete resolution of all lesions.

The patient was next challenged with pure aspartame, 50 mg four times daily, in capsule form (supplied by G.D. Searle & Co.). Ten days later, nodules reappeared on her legs. Withdrawal of aspartame resulted in spontaneous clearing of all lesions.

Widely used, aspartame is 180 times sweeter than sucrose and is metabolized primarily to aspartic acid, phenylalanine, and methanol. No previous reports could be found in the literature conclusively linking aspartame to any cutaneous eruptions. Several unconfirmed reports of "dermal eruptions" and urticaria have been received by the

manufacturer according to Robert L. Alberti, M.D., Director of Medical Communications, G.D. Searle & Co. In addition, the Adverse Drug Reaction Report System of the American Academy of Dermatology has received one unconfirmed report of a macular, erythematous, confluent pruritic eruption in a man who had consumed large amounts of an aspartame-sweetened diet cola (Report No. 1170031284, reported 12 March 1984 and transferred to the FDA 10 April 1984).

The precise classification and pathogenetic mechanism of the panniculitis in my patient are unclear. Absence of tenderness in lesions, overlying skin changes, constitutional symptoms, and residual pigmentary changes upon resolution is inconsistent with erythema nodosum, whereas the histopathologic finding of septal panniculitis strongly favors that diagnosis.

The formation of toxic metabolites of aspartame, either during the drug's shelflife or as metabolic byproducts, offers one possible explanation for the reaction seen in this patient. Boehm and Bada have recently reported that the heating of aspartame results in conversion of some of its amino acids to their racemates. Although they note that the possible toxicity of consuming large amounts of these racemates remains to be determined, they speculate that some food or beverage components may catalyze the racemization of aspartic acid and phenylalanine in aspartame at room temperature. Furthermore, despite extensive prior testing, no such reaction has yet been reported, suggesting that this phenomenon may be idiosyncratic rather than dose-related. Fortunately, in the present patient, mere discontinuation of the aspartame-containing beverage resulted in complete and relatively rapid resolution of the condition without residua.

By Mr. LAXALT (for himself and Mr. HECHT):

S. 1558. A bill to settle certain claims affecting the Pyramid Lake Paiute Indian Tribe of Nevada, and for other purposes; by unanimous consent jointly referred, to the Committees on Indian Affairs, and Energy and Natural Resources, and Judiciary. Provided that if Indian Affairs Committee reports the measure, the Energy and Natural Resources Committee and Judiciary Committee have 15 calendar days in which to report the measure or be automatically discharged.

PYRAMID LAKE PAIUTE AND TRUCKEE RIVER SETTLEMENT ACT

● Mr. LAXALT. Mr. President, I introduce with my distinguished colleague [Senator HECHT] a bill which settles a very longstanding water allocation dispute involving the waters of the Truckee and Carson Rivers. It settles the water rights for the Pyramid Lake Paiute Tribe, the cities of Reno and Sparks, NV, and the Newlands reclamation project. I am, I might say, extremely pleased to be able to bring this bill to the Senate after many years of litigation and negotiation.

Specifically, the bill allocates among the water users certain waters of Lake Tahoe, Stampede Dam, and the Truckee River. The measure also incorporates, as a separate title, a water compact agreed to by the States of Nevada and California, assigning water rights to both the Truckee and Carson Rivers. It establishes a fund from which the Pyramid Lake Tribe will provide for the propogation of the fishery at Pyramid Lake and other tribal enterprises. It directs the Secretary of the Interior to maintain and improve the fish habitat of the Truckee River for the cutthroat trout, a particularly impressive game fish, and for the endangered cui-ui fish, found nowhere else in the world. Finally, the bill provides for the dismissal of some six pending lawsuits.

Mr. President, I commend the parties who have negotiated this agreement for putting aside longstanding disputes, for working in a statesmanlike atmosphere, and for their willingness to compromise in behalf of a final agreement. Special thanks must go to Bob Broadbent, Assistant Secretary for Water and Science at the Department of the Interior, for all the time and effort he put into this effort.

Mr. President, as Governor of Nevada back in 1972, I called an emergency session of the Nevada Legislature in an effort to resolve the disputes surrounding this resource. Unfortunately, those early efforts were unsuccessful but they make the introduction of this bill today even more gratifying.

I believe the bill fully addresses all the issues involved and allocates to all the parties of interest a fair share of the limited water resource. To the extent that minor disagreements may remain in portions of the bill, I call upon the negotiating parties to continue in their good faith, openhanded way to reach agreement on those matters and let us proceed as a united Nevada family behind this settlement.

Mr. President, the Senate will be called on to approve this settlement and to provide part of the wherewithal to make it work. I assure my colleagues that this bill is far and away preferable to the course of the last 60 years of litigation and conflict. If the measure can be improved, I stand ready to work diligently to that end but hope that the same willingness of the Nevada negotiators will prevail in this body not to press narrow special interest but look rather to the total package and its overall benefits.●

● Mr. HECHT. Mr. President, today I am very pleased to be able to join my colleague, Senator LAXALT, in introducing a bill that will, at long last, settle some extremely nettlesome Indian water rights issues in northern Nevada. For more than half a century, the waters that flow in the Truckee and Carson River Basins have been a source of litigation and conflict, as well as a source of life and economic progress.

The longstanding disputes revolve around the Newlands project, the Nation's first reclamation project. The Pyramid Lake Paiute Indian Tribe, local farmers, and the growing cities of Reno and Sparks all rely on the water provided by the project.

After many years of difficult negotiations and legal battles, all the parties involved are now prepared to put the conflict behind them and work together for a better future. They have come to the Congress requesting legislation that will set in motion the mechanism they have agreed upon to manage the water in a fair and nonconfrontational manner.

It is important that Congress act swiftly and approve the necessary authorizing legislaton to put this agreement into place. I therefore look forward to working with my colleagues and urge their support as the Pyramid Lake Paiute and Truckee River Settlement Act moves through the legislative process.●

By Mr. DURENBERGER (for himself and Mr. QUAYLE):

S. 1559. A bill to amend title XVIII of the Social Security Act to revise the method of payment to hospitals for capital related costs under the Medicare Program; to the Committee on Finance.

MEDICARE CAPITAL PAYMENT REFORM ACT

● Mr. DURENBERGER. Mr. President, today I am introducing S. 1559 to amend title 18 of the Social Security Act, to restructure payment to hospitals for capital costs under Medicare. I am happy to be joined in introducing this bill by my colleague from Indiana, Mr. QUAYLE, who is a leader in health system reform. I will also be joining him today in introducing a bill to redefine the Federal commitment to health planning—a bill consistent with the intent of S. 1559.

Mr. President, 2 years ago Congress set in place a new payment system for Medicare hospital services. This system, based on a payment for episode of illness for 468 diagnosis related groups, was designed to change the incentives for hospitals—to encourage them to manage resources more efficiently. This new payment has had a tremendously positive effect on the health care system. But not all of Medicare's expenses for hospital services were included in the new methodology.

Excluded from the fixed-price was a passthrough for hospital capital cost. We were reticent to commit Medicare to a capital policy because the data we had on hospital capital costs was clearly not as adequate as what we had on the operating expenses. But, an agenda for restructuring capital payments was set forth. This agenda included: First, a deadline of October 1, 1986, to restructure Medicare payment for capital costs. At that point, unless Congress acts otherwise, 1122 facility

review for Medicare would become mandatory. Second, the Congress instructed the Secretary of Health and Human Services to complete a study and make recommendations to the Congress on Medicare capital policy reform by October 1, 1984.

It was the intent of Congress that the two capital deadlines—the threat of mandatory 1122 review and the completion of the Secretary's report on capital—would provide a catalyst for reform. The hospital industry and other interested parties have been given time to develop a consensus approach. They have not. And, the Department of Health and Human Services is now woefully late with its report.

The time has come to move forward on this issue. Hospital capital expenses may only total in the range of 7 percent of the average amount Medicare pays for a hospital stay. But, it has a significant affect on the other 93 percent on the operating side. A reasonable new policy is needed now.

Hospitals must go to the financial markets for capitalization. Eighty percent of the capital raised for the hospital industry is financed through debt. To receive loans and sell bonds, it is essential that there be more certainty concerning the future of Medicare payment for capital expenses.

Whether or not hospitals are in an expansive mode, these institutions still must maintain a physical plant and constantly update equipment to keep abreast of the times. Quality care is as dependent on a hospital's ability to raise capital as it is to have revenues sufficient to keep the doors open.

For these reasons, I decided it was necessary to put a proposal on the table to get things rolling. My proposal is a starter. It may require refinement to make appropriate law in this complex area. I look forward to having a hearing on this proposal and the Secretary's Medicare capital report in the Finance Committee's Health Subcommittee in September or October. It is my intention to make Medicare capital payment the high priority issue it needs to be.

As this proposal and others are considered by the Congress, it is critical that each keep to a set of principles upon which prospective pricing and Medicare reform in general are based:

PROSPECTIVELY SET AND NONHOSPITAL-SPECIFIC RATES

The traditional Medicare capital passthrough does not provide the right incentive to hospitals and is contradictory to the prospective payment system. A new methodology for capital payment should be complementary to the DRG rate system and not hospital-specific.

SIMPLE AND STRAIGHTFORWARD METHODOLOGY

Hospitals should know how they will be paid and should be able to make reasonable dec sions concerning the capital needs of their institutions within the parameters of the new methodology. An appeals process for hospitals with exceptional needs would be cumbersome and potentially regulating. But, the Congress should be open to considering some accomodation for special services.

REASONABLE TRANSITION

A prospective nonhospital-specific capital policy will be tough on mamy insititutions. A transition is essential to allow institutions to adjust and restructure capitalization to comply with the new methodology. A transition cannot be so long that it undermines the new payment methodology and it should be designed so that it cannot be "gamed."

FAIRNESS

A new capital payment structure should be neutral with respect to whether hospitals are nonprofit, forprofit or public. There is no reason to favor one ownership type over another.

MEDICARE CAPITAL—PAYMENT REFORM

Mr. President, S. 1559 has been carefully crafted to account for the principles I have laid out. There will, I am sure, be concerns expressed about the sensitivity of the approach to the many unique conditions hospitals may face in future capitalization. I will review some of these problems. It is not my intent through this measure to create disincentives to appropriate investment. I look forward to exploring with interested parties the implications of the proposal.

S. 1559 restructures Medicare payment for hospital capital costs providing an add-on percentage factor to the DRG rate in lieu of current capital cost passthroughs. The add-on factor would include a blend over a 6-year transition period of hospital-specific and national capital ratios. Return on equity for for-profit hospitals would be phased out over this period as part of the hospital-specific ratio. Over the transition, the weight applied to the national ratio in the add-on factor would increase year by year until the sixth year when the entire add-on factor would equal the national percentage.

The hospital-specific portion of the add-on for capital would be based on a ratio of Medicare payments for capital passthroughs to each hospital—including return on equity for those institutions which receive that payment now—to all other Medicare payments to that hospital. The national portion would be based on a comparable ratio of all Medicare payments for capital passthroughs to all other Medicare payments to PPS hospitals. Return on equity would not be included in the national ratio.

The hospital-specific and national ratios would be based on an average of 3 years: 1984, 1985, and 1986. The Secretary of Health and Human Services would be allowed to base these ratios on estimates. Since the final audited data from these years is unlikely to be available by October 1, 1986, the use of such data may be troublesome as it has been in the past. But, the calculation of the add-on using recent data is critical to make the payment levels relevant to the most current capital activity. It also reduces the need to have a roll-forward factor to account for differences between the base years and the start of the new methodology.

S. 1559 uses a 6-year phase-in for a number of reasons. Six years is longer than the depreciable life of or lease terms on almost all equipment and represents more than half the duration of almost all debt financing—for example on a 15-year, 12-percent bond with level annual payments of interest and principle, over 55 percent of the total interest will have already been paid in 6 years. Six years is clearly a sufficient period of time during which even the least aggressive of managers of hospitals would be able to restructure capital—the labor and capital intensity of his institution—refine lease and rental agreements, and make other changes to restructure the institution's capital requirements. It should also be pointed out that 6 years provide a reasonable, but finite, period after which the vagaries and inefficiencies of the current system can generally be put behind us.

Additionally, the approach would base its hospital-specific and national portions on the average of a 3-year base period. This 3-year average would minimize gaming during the phase-in. The fixed 6-year phase-in avoids equipment/nonequipment, old/new capital measurement, and complexity. It avoids continuation of a passthrough payment into the next century simply because some existing hospital buildings may be in service for 30 more years. At the end of the 6 years, nonprofit and for-profit institutions would be treated alike under Medicare.

In the longer term, the proposal provides all hospitals incentives to structure both assets and capitalizations in economically efficient ways, reflecting real use without the biases historically introduced through retrospective cost-based passthroughs. In addition, particularly in the short run, hospitals having a hospital-specific capital cost ratio greater than the national average cost would have greater incentive to restructure assets and capitalization in the direction of greater cost efficiency.

The approach used in this bill accepts the notion that transitions into prospective payment systems are essential. The hospital-specific payment portion of the add-on would equal 95 percent the first year, 85 percent the second year, 70 percent the third year,

50 percent the fourth year, 25 percent the fifth year, and finally the 100 percent national rate in 1991.

The bill also has a special rule for new hospitals which allows the Secretary to estimate their hospital-specific portion of the rate during the transition.

As I said, this plan appropriately moves Medicare away from a cost-based passthrough for capital to a prospective payment. It has, nevertheless, its drawbacks and raises broader issues which are worth review.

Hospitals having major capital expenses during the transition may have an arbitrarily low hospital-specific ratio. The transition does not recognize any portion of the actual capital costs of a major investment made less than 1 year prior to the implementation of the new payment model. This could be burdensome on hospitals which have unavoidable or nondiscretionary capital expenditures that may not be easy to restructure.

The other potential problem with the base period is the assumption made that the cost of capital will reflect in the future the base period data. Both the Reagan tax reform plan and the one proposed by Senator BRADLEY and Representative GEPHARDT would have us eliminate tax-exempt financing for private purposes. It has been estimated that this policy change would increase the cost of virtually all capital projects for nonprofit hospitals which depend on tax-exempt financing. Estimates vary, but it appears that the interest costs of projects could increase anywhere from 25 to 50 percent.

The nonprofit portion of the hospital industry is highly leveraged. Eighty percent of its capital costs are debt-financed, and the lion's share of this is from tax-exempt instruments. Tax reform is not the only factor. Currently, the nonprofits, for-profits, and public hospitals have a very uneven playing field in the area of capitalization. It is not always apparent which corporate grouping has the upper hand. The nonprofits do have tax-exempt financing, the for-profits have equity financing as well as debt available to them, and the public hospitals may have tax-exempt financing as well as public treasuries. I am not committed to having the industry move to one status under the law. However, I am convinced that investment in the industry is perverted by the differences I have outlined. As we make new tax policy over the next months, it is important that we evaluate the affects of these differences. This consideration is not related to a Medicare capital payment policy and is one of the keys to it. The Congress should not consider tax and health policy in isolation. If it does, the hospital industry will be the worse for it and access to quality and cost-effective health care for Americans will be threatened.

ELIMINATION OF 1122 REVIEW

The bill includes an additional provision which would delete section 1122 from title 18. I am proposing this change in policy because the facilities regulations sanctioned under section 1122 no longer has relevance to Medicare. This provision is not needed when Medicare adopts a payment system for capital which provides the right economic incentives for hospitals. I, also, believe that the regulation of facilities and equipment investment under section 1122 has not been a successful cost-containment mechanism and is an impediment to the development of a competitive marketplace in the health care system.

When Medicare and the other major payers in the health care marketplace paid on a cost or cost-plus basis, regulation of facilities investment may have been a rational policy. In a price-fixed market where Medicare will use its buying power to bring costs down through prospective pricing, the need for directing hospital management through regulation makes little sense.

HEALTH PLANNING

It has become a cliche in health circles that the Federal role in health planning cannot be reformed until the Medicare capital payment issue is settled. Therefore, I believe it is highly appropriate that S. 1559 which addresses the question of Medicare payment for capital and section 1122 review should be accompanied by legislation which addresses the issue of health planning. Health planning is more than simple regulation of hospital investment and it deserved Federal support.

I have developed the Health Planning Block Grant Act with Senator QUAYLE, a bill to redirect the national commitment to health planning.

Mr. President, 1122 review and its sister program, certificate of need, have had their day, and it is past. In the new environment of consumer choice, institutions are not going to be able to invest willy-nilly. This is not to say, however, that there are not other important roles for health planning. But, facilities regulation as an aspect of health planning is a bankrupt concept. My State, Minnesota, has recognized this fact and allowed certificate of need to sunset.

Our health planning bill would replace the current Public Health Service Act health planning provisions which have prescriptive language concerning certificate of need and other activities. Those provisions are not relevant to the reality of the health care marketplace or the objectives of health systems reform.

The bill provides funding to the states through a block grant for a range of health planning activities. These activities include development of health plans, data collection and research by State and local agencies. Agencies should assess access to health services as well as the cost and quality of care. I would hope the planning agencies would work closely with the Peer Review Organizations and the providers of health care.

As I have said, traditionally, health planning has been focused on regulating health care providers. The new direction mandated by the bill which I have developed with Senator QUAYLE sends clear signals that health planning should be made to complement the competitive, consumer-choice approach to health care reform.

Health planning should be aimed not at controlling providers, but at improving information available to consumers and payers so as to assist each in buying right in the marketplace. This includes keeping an eye on the marketing practices of providers.

Health planning can be a useful tool to maintain community attention to issues of access. Consumer choice of health plans and the markets it creates works. But, it may leave gaps in access. Those unsponsored by insurance, the frail elderly in need of long-term care services, and rural Americans may have needs the marketplace ignores. Planning agencies can help provide guidance to policymakers in these areas.

The health planning block grant bill gives States the freedom to design programs to meet their specific needs. There is a national purpose in subsidizing their effort. The Federal Government has a responsibility to assure access to care and promote a cost-effective, quality health care system for Americans. Health planning has a role to play in these goals though it is best carried out by the States and communities.

I look forward to working with Senator QUAYLE on the health planning block grant. It is critically important as the Congress considers health policy relative to Medicare and health care system issues like health planning that the relevant committees of jurisdiction work closely together to coordinate their efforts.

Mr. President, I ask that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1559

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION. 1. This Act may be cited as the "Medicare Capital Payment Reform Act of 1985".

AMENDMENTS TO SOCIAL SECURITY ACT

SEC. 2. (a) Section 1886(a)(4) of the Social Security Act is amended by striking out "with respect to costs incurred in cost re-

porting periods beginning prior to October 1, 1986" and inserting in lieu thereof "with respect to hospitals which are not subsection (d) hospitals".

(b) Section 1886(d)(3) of such Act is amended by adding at the end thereof the following new subparagraph:

"(F) ADJUSTMENT FOR CAPITAL RELATED COSTS.—The Secretary shall adjust the national DRG prospective payment rate for each hospital (as computed under subparagraph (D) and adjusted under subparagraph (E)) for fiscal years beginning on or after October 1, 1986, to provide an add-on payment for capital related costs in accordance with subsection (g).".

(c) Section 1886(g) of such Act is amended to read as follows:

"(g) CAPITAL RELATED COSTS.—

"(1) ADD-ON-AMOUNT.—For each fiscal year beginning on or after October 1, 1986, the amount of the add-on payment for each DRG rate for capital related costs for a subsection (d) hospital shall be equal to the amount of such DRG rate multiplied by the add-on ratio.

"(2) ADD-ON-RATIO.—The add-on ratio shall be equal to (P)(RH)+(1-P)(RN), where P is the factor determined under paragraph (5), RH is the hospital-specific ratio, and RN is the national ratio.

"(3) HOSPITAL-SPECIFIC RATIO.—(A) The hospital-specific ratio for a hospital is the fraction—

"(i) the numerator of which is the amount paid under part A to such hospital for the hospital's base period (defined in subparagraph (B)) for capital related costs (as defined by the Secretary), including return on equity, and

"(ii) the denominator of which is the total amount paid under part A to such hospital for such base period for operating costs of inpatient hospital services (as defined in subsection (a)(4)).

"(B) For purposes of subparagraph (A), a hospital's base period is the 3-year period consisting of fiscal years 1984, 1985, and 1986, or, if shorter, the period consisting of all of the complete fiscal years during which the hospital was in operation prior to October 1, 1986.

"(4) NATIONAL RATIO.—(A) The national ratio is the fraction—

"(i) the numerator of which is the amount paid under part A to all subsection (d) hospitals for the base period (defined in subparagraph (B)) for capital related costs (as defined by the Secretary), excluding return on equity, and

"(ii) the denominator of which is the total amount paid under part A to all such hospitals for such base period for operating costs of inpatient hospital services (as defined in subsection (a)(4)).

"(B) For purposes of subparagraph (A), the base period is the 3-year period consisting of fiscal years 1984, 1985, and 1986.

"(5) VALUE OF P.—For purposes of determining the add-on ratio, P is equal to—

"(A) 0.95 for the fiscal year beginning on October 1, 1986,

"(B) 0.85 for the fiscal year beginning on October 1, 1987,

"(C) 0.70 for the fiscal year beginning on October 1, 1988,

"(D) 0.50 for the fiscal year beginning on October 1, 1989,

"(E) 0.25 for the fiscal year beginning on October 1, 1990, and

"(6) SPECIAL RULE FOR NEW HOSPITALS.—In the case of a hospital which was not in operation for any complete fiscal year prior to October 1, 1986, the value of P for such hospital for all fiscal years beginning on or after October 1, 1986 shall be 0.00.

"(7) USE OF ESTIMATES.—In applying this subsection, the Secretary may, to the extent necessary, use estimates of costs and payments. Such estimates shall be readjusted as data becomes available, and payments to hospitals shall be readjusted accordingly.

"(8) REPORTS TO CONGRESS.—Whenever the Secretary adjusts classifications and weighting factors for DRG's pursuant to subsection (d)(4)(C), the Secretary shall also reexamine and report to Congress with respect to the appropriateness of the add-on amount for capital related costs established by this subsection.".

EFFECTIVE DATE

SEC. 3. The amendments made by section 2 shall apply to payments for operating costs of inpatient hospital services incurred on or after October 1, 1986.

REPEAL OF SECTION 1122

SEC. 4. Effective October 1, 1986, section 1122 of the Social Security Act is repealed.●

By Mr. QUAYLE (for himself and Mr. DURENBERGER):

S. 1560. A bill to provide for a block grant to States for health planning activities, and for other purposes; to the Committee on Labor and Human Resources.

HEALTH PLANNING BLOCK GRANT ACT

● Mr. QUAYLE. Mr. President, I am introducing legislation today to establish a block grant to the States to support health planning activities designed to meet the needs of a competitive health care market structure. I am pleased that my distinguished colleague, Mr. DURENBERGER, the chairman of the Senate Finance Health Subcommittee, and a longtime advocate of reform of the health care marketplace, is joining me in this effort.

This proposal is designed to work in tandem with another bill I am cosponsoring with Mr. DURENBERGER today that proposes to integrate capital costs for part A reimbursement into Medicare's new prospective payment methodology. Together, these two proposals provide a comprehensive reform of our Federal policy of health facilities regulation.

In 1983, Congress enacted the prospective payment system for hospital inpatient services under the Medicare Program which reimburses hospitals on the basis of prospectively determined specific amounts on a case-by-case basis, according to individual patient diagnoses. However, Congress made the decision not to incorporate all of the expenses previously reimbursed by Medicare on a reasonable cost basis into the prospective payment system. Present law provides that the capital-related costs (including depreciation, interest expenses, leases, and rentals and, in the case of for-profit hospitals, a return on equity capital) paid by Medicare be excluded from the prospective payment system until October 1, 1986. That date was selected to allow sufficient time for the development of an alternative proposal to deal with capital costs. Until then, these costs will continue to be reimbursed on a reasonable cost basis. To date, little progress has been made by either the industry or the Department of Health and Human Services in developing a viable solution. Therefore, I believe that it is now time to move beyond mere discussion. It is time to take positive steps to resolve the capital issue and thereby strengthen the prospective payment system. This bill provides a valid starting point for moving this forward on the agendas of all parties involved—the hospitals, the administration, and the Congress. I do not believe this proposal is necessarily the final solution and I am eager to work with all interested parties to address their concerns. I look forward to working with Senator DURENBERGER on fine tuning this proposal and developing a consensus on this issue.

This proposal modifies the current reimbursement system for capital by adding on a percentage for capital costs to each DRG over a 6-year period with the majority of the transition in the last 2 years. Over the 6-year transition period, the add-on factor would reflect a blend of base-period hospital specific and national capital ratios with increasing weight applied to the national ratio each year, until the sixth year when the add-on factor would be equal to the national ratio. This transition period will be sufficient to avoid serious financial disruption to those hospitals that are highly leveraged in capital investments when the proposal is implemented.

This proposal would provide incentives for all hospitals to behave more efficiently with regard to their capital expenditures. For the first time, strong incentives would be in place for hospital managers to minimize the overall costs of new investments by selecting the right financial mix and by making capital investment decisions that are sensitive to marketplace conditions. It would also link payment for capital directly to a hospital's real volume and need, that is, number of cases instead of the institution's actual capacity.

It has been argued that a reevaluation of the Federal role in health planning would not be appropriate until the issue of reimbursement for capital expenditures was addressed because of the resulting effects of this change on the health care system. Thus, I believe that it is appropriate and timely to introduce these two bills which together will provide a consistent policy.

Historically, our health planning law has focused on the regulation of capital expenditures through mandatory Certificate of Need and its accompanying regulatory structure. S 1560 now obviates the need for this regulatory

structure because it provides sufficient incentives for provider institutions to behave efficiently and not make unnecessary or uneconomic capital expenditures. Therefore, I believe the time has arrived to refocus our health planning law on current needs that reflect the realities of a competitive health care marketplace.

Health planning has been useful in many States in containing health costs and assuring equitable access to health services. However, since the enactment of health planning legislation in the early 1970's, dramatic changes have taken place in the delivery of health care services because of the competitive effects of the prospective payment system and, more significantly, because of initiatives the private sector has taken to contain costs; yet our health planning law has remained static.

Health planning should be reformed and updated to reflect these changes and this proposal would achieve that. Under the block grant approach proposed in this bill, all funds for health planning would flow to the States with each given the discretion to design its own health planning programs, establish the role of its statewide health planning agency, and choose whether or not to continue or designate agencies at the regional or local levels. This approach permits the States to use these funds for activities that fit their own individual and unique needs including data collection, research, and the development of health plans or together with such activities to regulate capital expenditures of institutional health care providers through certificate-of-need-type reviews. Additionally, it would give States the prerogative to use the funds to meet two pressing needs of the competitive health care system—to collect and disseminate purchaser information with respect to health care services and to assess access to health care services.

These two latter activities are particularly important in my view. As price competition has begun to dominate the financing of the health care delivery system, indirect subsidies that have existed within the system for years as a way of paying uncompensated costs have tended to be squeezed out of the system. Clearly this may be painful during the transition to a fully competitive system, but it provides an opportunity, in the long run, to deal with certain issues in a more explicit and, thus, a more effective way.

In this context, a major challenge confronting us is how to pay for health care for the poor. At the present, we are using a combination of Government funds—including in varying degrees in different communities local, State, and Federal funds—and the indirect subsidy provided by cost-shifting to pay for the hospital care for the poor. Competition is squeezing out the cost-shift subsidy, thus exposing the inadequacy of Government funding, not only Federal funding, but local and State funding also.

In addition, the problems of access to health care services, particularly tertiary care, in the rural areas is of deep concern as the competitive marketplace moves forward. Thus, I think it is important that the States utilize health planning funds to evaluate the magnitude of their access to care problems and to decide how to appropriately address them.

Adequate purchaser information about the cost and quality of health care services is necessary in a competitive marketplace. To foster competition in the health care marketplace, purchasers need access to easily understood and relevant cost and quality. Hopefully, forward-looking States will utilize the health planning dollars available to them to collect and disseminate such information to businesses and other consumers of health care services.

We have created in this country the most advanced health care system in the world but one which has proven to be extremely expensive. We are beginning to make progress in containing these costs and these two proposals will further this effort. I urge my colleagues to support them.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1560

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Health Planning Block Grant Act of 1986".

(b) Title XV of the Public Health Service Act is repealed.

(c) Title XIX of such Act is amended by adding at the end thereof the following new part:

"PART D—HEALTH PLANNING BLOCK GRANT

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1941. For the purpose of allotments to States to carry out this part, there are authorized to be appropriated $58,256,000 for each of the fiscal years, 1986, 1987, and 1988.

"ALLOTMENTS

"SEC. 1942. (a)(1) From amounts appropriated under section 1941 for any fiscal year, the Secretary shall allot to each State an amount which bears the same ratio to the total amount appropriated under such section for such fiscal year as the population of the State bears to the population of all States, except as provided in paragraph (2).

"(2) Notwithstanding paragraph (1), the allotment of any State in any fiscal year under this subsection shall not be less than $100,000. If, under paragraph (1), the allotment of any State in any fiscal year will be less than $100,000, the Secretary shall increase the allotment of such State to $100,000, and shall proportionately reduce the allotments of all other States whose allotment exceeds $100,000 in a manner that will insure that the allotment of each State in such fiscal year is at least $100,000.

"(3) For purposes of this part, the population of a State shall be determined on the basis of the 1980 decennial census.

"(b) To the extent that all funds appropriated under section 1941 for a fiscal year and available for allotment in such fiscal year are not otherwise allotted to States because—

"(1) one or more States have not submitted an application or description of activities in accordance with section 1945 for such fiscal year;

"(2) one or more States have notified the Secretary that they do not intend to use the full amount of their allotment; or

"(3) some State allotments are offset or repaid under section 1906(b)(3) (as such section applies to this part pursuant to section 1945(e)):

such excess shall be allotted among each of the remaining States in proporation to the amount otherwise allotted to such States for such fiscal year without regard to this subsection.

"PAYMENTS UNDER ALLOTMENTS TO STATES

"SEC. 1943. (a) For each fiscal year, the Secretary shall make payments, as provided by section 6503(a) of title 31, United States Code, to each State from its allotments under section 1942 from amounts appropriated for that fiscal year.

"(b) Any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available for the next fiscal year to such State for the purposes for which it was made.

"USE OF ALLOTMENTS

"SEC. 1944. (a) Except as provided in subsection (c), amounts paid to a State under section 1943 from its allotment under section 1942 for any fiscal year may be used at the discretion of the States for any one or more of the following:

"(1) the compilation or conduct of studies and analyses, and the collection of data, by—

"(A) a State agency; or

"(B) local and regional public and private entities designated by the State,

with respect to the financing and delivery of health care in the State;

"(2) the development by a State agency of a plan for the allocation of health services and resources in the State, including assessments of access to health care services;

"(3) the development by public or private entities designated by the State of local and regional plans for the allocation of health services and resources in the applicable locality or region;

"(4) activities carried out by a State agency to review and determine, to the extent deemed appropriate by the State, the need for—

"(A) capital expenditures by health care providers in the State;

"(B) the acquisition by health care providers of major medical equipment for use in the State; and

"(C) major expansions in the provision of institutional health care services in the State;

"(5) the participation of local and regional and public and private entities designated by the State in the reviews conducted, and the determinations made, by the State under paragraph (4); and

"(6) the collection and dissemination of purchaser information with respect to health care services.

"APPLICATION AND DESCRIPTION OF ACTIVITIES; REQUIREMENTS

"SEC. 1945. (a) In order to receive an allotment for a fiscal year under section 1942, each State shall submit an application to the Secretary. Each such application shall be in such form and submitted by such date as the Secretary shall require. Each such application shall contain assurances that the legislature of the State has complied with the provisions of subsection (b) and that the State will meet the requirements of subsection (c).

"(b) After the expiration of the first fiscal year for which a State receives an allotment under section 1942, no funds shall be allotted to such State for any fiscal year under such section unless the legislature of the State conducts public hearings on the proposed use and distribution of funds to be provided under section 1943 for such fiscal year.

"(c) As part of the annual application required by subsection (a), the chief executive officer of each State shall—

"(1) certify that the State agrees to use the funds allotted to the State under section 1942 in accordance with the requirements of this part;

"(2) provide assurances that such chief executive officer will designate or establish a State agency to administer funds provided under this part;

"(3) agrees to cooperate with Federal investigations undertaken in accordance with section 1907 (as such section applies to this part pursuant to subsection (e) of this section); and

"(4) certify that the State agrees that Federal funds made available under section 1943 for any period will be so used as to supplement and increase the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the programs and activities for which funds are provided under that section and will in no event supplant such State, local, and other non-Federal funds.

The Secretary may not prescribe for a State the manner of compliance with the requirements of this subsection.

"(d) The chief executive officer of a State shall, as part of the application required by subsection (a), also prepare and furnish the Secretary (in accordance with such form as the Secretary shall provide) with a description of the intended use of the payments the State will receive under section 1943 for the fiscal year for which the application is submitted, including information on the programs and activities to be supported. The description shall be made public within the State in such manner as to facilitate comment from any person (including any Federal or other public agency) during development of the description and after its transmittal. The description shall be revised (consistent with this section) throughout the year as may be necessary to reflect substantial changes in the programs and activities assisted by the State under this part, and any revision shall be subject to the requirements of the preceding sentence.

"(e) Except where inconsistent with the provisions of this part, the provisions of section 1903(b), section 1906(a), paragraphs (1) through (5) of section 1906(b), and sections 1907, 1908, and 1909 shall apply to this part in the same manner as such provisions apply to part A of this title.

"DEFINITION

"SEC. 1946. For purposes of this part, the term 'State' means each of the several States and the District of Columbia.".

(d) The amendments made by subsections (a) and (b) shall take effect on October 1, 1986.●

By Mr. SPECTER:

S. 1561. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 regarding contribution, and for other purposes; to the Committee on the Judiciary.

SUPERFUND FAIR CONTRIBUTION ACT

Mr. SPECTER. Mr. President, today I am introducing legislation which I believe represents an important advancement in the enforcement and fairness of our country's Superfund Program, officially known as the Comprehensive Environmental Response Compensation and Liability Act [CERCLA]. This legislation would codify a private party's right to contribution in a Superfund proceeding and ensure that such action is governed by the Federal Rules of Civil Procedure.

I am introducing this proposed legislation at this time so that it may be considered by Members of the Senate in advance of our taking up the Superfund legislation in the fall. I have also agreed to cosponsor certain amendments proposed by Senator THURMOND which, in my opinion, require further analysis and modification; and I reserve my final judgment until further constituent comments are received and floor debate is evaluated.

Following Senate Committee on Environment and Public Works consideration of Superfund reauthorization, I requested that Senator THURMOND seek a referral and hold hearings before the Judicary Committee, which has the responsibility for legislation on the Federal Rules of Civil Procedure and other court-related matters, because of my concern that the Superfund Program operate fairly in accordance with due process while carrying out its mandate to clear up the environment. The Judiciary Committee held 2 days of hearings which I chaired in part. I believe these hearings set out many issues and provided members of the committee important viewpoints and information.

In order to fully explore the issues, the committee heard from representatives to the Environmental Protection Agency, Department of Justice, environmental groups, and industry. In particular, I had the opportunity to question EPA Director, Lee Thomas; Gene A. Lucero, EPA: Henry Habicht, DOJ; Randy M. Mott, National Association of Manufacturers; Edmund Frost, Chemical Manufacturers Association; T. Lawrence Jones, American Insurance Association; the Honorable Charles D. Renfrew, American Petroleum Institute; George Freeman, Hunton & Williams; and Ann Powers, Chesapeake Bay Foundation.

During our hearings on the Superfund reauthorization, many questions were raised by expert witnesses from EPA, industry, and environmental groups. Problems were identified relating to the application of the Federal Rules of Civil Procedure and the scope, timing, and standard of judicial review. Questions also were raised about EPA efforts to identify and notify all possible responsible parties and the need to codify a good-faith defense to administrative orders. Environmental groups have concerns about administrative procedures and whether sufficient regulations have been promulgated.

I share these and other concerns. Due to the short term the Judiciary Committee had for referral, it was impossible to reach agreement on a committee amendment. With more time, an accord probably would have been reached.

Based upon our hearings and my experience in litigation in the Federal courts, it is my conclusion that defendants in Federal court litigation under Superfund should have a right of contribution to bring in additional defendants so that all parties may be before the court at the same time to determine issues of liability and damages with the appropriate determination as to contribution and/or indemnification.

This amendment would remove any doubts as to the right of contribution under Superfund. The Supreme Court in recent decisions has been hesitant to imply a right of contribution under other statutes unless expressly stated. These decisions create substantial doubts regarding the application of contribution to Superfund, despite several recent district court cases implying such a right.

I believe that any defendant in a Government enforcement action under Superfund should be able to file a claim for contribution against other defendants as third-party defendants as soon as the enforcement action has been brought. These private party actions would encourage additional parties to come foward and expedite settlement discussions with the Government. This bill would permit the timing and procedure for such contribution claims to be governed by the Federal Rules of Civil Procedure. In some instances, private party cleanup may occur more quickly if the courts first resolve issues of liability and remedy, leaving questions of apportionment until after the Government's action has been completed. In other cases, the reverse could be true. Consistent with the Federal Rules of Civil Procedure, these decisions should be left to the sound discretion of the court.

This bill also authorizes contribution protection for parties that settle with the United States or a State in good faith. Where a party has entered into a judicially approved good faith settlement with the United States or a State, no other responsible or potentially responsible party may seek contribution from the settling party. This protection should attach to all matters that the settling party has resolved with the United States or a State. Thus, in cases of partial settlements, the settling party may remain liable for any other cleanup action or costs not addressed by the settlement.

This bill also provides that where the United States or a State has secured a partial settlement with or judgment against a party, it can seek relief for any of the remaining response actions or costs for which the nonsettlors are liable and that the party may also maintain a contribution action against nonsettlors or other potentially responsible parties regarding the portion of the response action or costs for which the party is liable.

One other issue of special concern to me is judicial review. It is my sense that more work needs to be undertaken to arrive at a better solution than that currently provided by law or yet suggested by any interested party. In my judgment, it is vital that actions to clean up the environment proceed without undue delay. At the same time, it is vital that litigants' rights be protected in accordance with established principles under the laws of administrative procedure and review. It is a difficult balance to find; and, as I see it, we are not quite there but we are making progress.

Before Superfund reauthorization reaches the floor for Senate action, there will be an opportunity for all interested groups to have their views and inputs considered so that we may strive for the best possible balance to obtain the dual objectives of cleaning up the environment and protecting litigants' rights to due process of law.

Four years after its inception, the Superfund Program has accomplished much in cleaning up hazardous waste sites. Remedial action has been started at over 160 locations. Depite EPA's accomplishments, the Office of Technology Assessment recently reported that over 10,000 sites still need attention. In my home State of Pennsylvania, there are numerous sites which present a threat to the public health in abandoned warehouses, near schools and homes, and in municipal landfills. Plainly, there is still a very long way to go.

Congress is determined to act this year to extend and improve this vital environmental legislation. It is apparent that the scope of Superfund will be expanded substantially, and its tax base will be broadened to assure adequate financing.

I have joined with many other Senators urging Senator DOLE, the distinguished majority leader, to schedule Superfund for floor action at the earliest possible date. The cleanup of the numerous hazardous waste sites in Pennsylvania and over the entire Nation requires our immediate and urgent attention.

Mr. President, I ask for your support and that of my colleagues in enacting this important reform which will expedite environmental cleanup while protecting important due process rights.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD as if read.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1561

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by adding at the end thereof the following new subsection:

"(l)(1) Any person may seek contribution from any other person who is liable or potentially liable under subsection (a), during or following any civil action under section 106 or under such subsection (a). Such claims shall be brought in accordance with section 113 and the Federal Rules of Civil Procedure, and shall be governed by Federal law. Nothing in this subsection shall diminish the right of any person to bring an action for contribution or indemnification in the absence of a civil action under section 106 or this section.

"(2) When a person has resolved its liability to the United States or a State in a judicially approved good faith settlement or judgment against such person, such person shall not be liable for claims for contribution regarding matters addressed in the settlement or judgment. Such settlement does not discharge any of the other potentially liable persons unless its terms so provide, but it reduces the potential liability of the others to the extent of any amount stipulated by the settlement or judgment.

"(3) Where the United States or a State has obtained less than complete relief from a person who has resolved its liability to the United States or the State in a good faith settlement, the United States or the State may bring an action against any person who has not so resolved its liability. A person that has resolved its liability to the United States or a State in a good faith settlement may, where appropriate, maintain an action for contribution or indemnification against any person that was not a party to the settlement. In any action under this paragraph, the rights of any person that has resolved its liability to the United States or a State shall be subordinate to the rights of the United States or the State. Any contribution action brought under this paragraph shall be bought in accordance with section 113 and shall be governed by Federal law.".

By Mr. GRASSLEY (for himself, Mr. DECONCINI, and Mr. LEVIN):

S. 1562. A bill to amend the False Claims Act, and title 18, of the United States Code regarding penalties for false claims, and for other purposes; to the Committee on the Judiciary.

PENALTIES FOR FALSE CLAIMS

Mr. GRASSLEY. Mr. President, today I am introducing, along with my colleague from Arizona [Mr. DECONCINI], and my colleague from Michigan [Mr. LEVIN], the False Claims Reform Act of 1985.

This area of law is in desperate need of reform. We need only review the disturbing array of examples from the past several years of fraudulent use of taxpayer dollars to realize our Government is not able—and in too many cases not willing—to adequately protect the money entrusted it by its citizens.

Why the Government bureaucracy is, for whatever reason, unwilling to guard against or agressively punish fraud, is puzzling. But while we in Congress may not be able to legislate aggression on the part of investigators and prosecutors, we do have a very important responsibility to pursue a vigilant oversight of their activities.

What we can and should legislate is statutory assistance for those charged with protecting against fraud. This bill is intended to provide that assistance in three ways; by expanding enforcement tools, by strengthening deterrence, and by encouraging disclosure of fraud by private individuals.

For background purposes, I'd like to recount the history of the False Claims Act. In 1863, Abraham Lincoln recognized both the danger of government contractor profiteering and the need for private persons to become involved in its prevention when he signed into law the Federal False Claims Act. That act came in response to Civil War era horror stories that sound all too familiar, contractors selling boxes of sawdust in place of boxes of muskets, and reselling horses to the cavalry two and three times.

The False Claims Act allows an individual knowing of fraudulent practices to bring suit on behalf of the government and receive a portion of the recovery if the action is successful. Unfortunately, the teeth of President Lincoln's law were removed during World War II, and the provision has been little used since.

The main purpose behind the enactment of the False Claims Act of 1863—to encourage individuals to ferret out fraud against the government—is even more crucial today as the Government spends hundreds of billions of dollars on contracts with private corporations in areas such as defense, aerospace, and construction.

This False Claims Reform Act restores the incentive for individuals to come forward by establishing minimum award portions a prevailing whistleblower may receive, and by increasing that amount to 30 percent. Per-

haps more important to persons who consider going public with their knowledge of fraud, is the added protective language assuring make whole relief for those suffering employer retaliation due to their disclosure.

Enforcement abilities will also be enhanced by this act with the establishment of a preponderance of evidence burden of proof in civil false claims cases as opposed to the more stringent clear and convincing burden. In addition, the act expands the scienter provision to include constructive as well as actual knowledge of a false claim.

In order to fully utilize all remedies available to the Government, the Reform Act will allow more information sharing among Justice Department attorneys, agencies, and Congress so that each branch is better able to assemble the information necessary to take appropriate action against violators of the False Claims Act.

The third major reform in this act increases deterrence by raising the civil forfeiture from $2,000 to $10,000 per claim. The original $2,000 amount has not been changed since 1863. In addition, damages payable to the Government would be increased from double to treble. In the criminal area, penalties would be raised to $1 million. The Senate passed these same increases earlier this year for false claims submitted by defense contractors.

Mr. President, the current fraud problems will not disappear by a wave of any magic fraud bill. But reform is desperately needed, and Congress must assume the responsibility.

Current law puts the Government at a critical disadvantage in fraud cases. Contractors have us over a barrel. Our choice is inexorably clear. If we like being over a barrel, I would suggest we leave the law the way it is and instead grin and bear continued rapes and pillages of the Treasury. The alternative is true reform that shifts the advantage back to the Government where it belongs, and deals with fraud as those who elect us would expect. I urge my colleagues to cosponsor this bill as a very significant step toward repelling the current wave of fraud sweeping this country.

By Mr. HELMS (for himself, Mr. ABDNOR, Mr. DENTON, Mr. EAST, Mr. GOLDWATER, Mr. GRASSLEY, Mr. LAXALT, and Mr. NICKLES):

S. 1563. A bill to amend the Federal Campaign Act of 1971 to prohibit the use of compulsory union dues for political purposes; to the Committee on Rules and Administration.

TO STOP THE USE OF COMPULSORY UNION DUES FOR POLITICAL PURPOSES

● Mr. HELMS. Mr. President, today I am introducing legislation to halt a blatant violation of political freedom, the use of compulsory union dues for political purposes.

Federal laws give organized labor a special privilege enjoyed by no other private association—the right to take money from American workers as a condition of employment and to contribute that money to political causes and candidates the workers themselves may not necessarily support.

Federal labor laws grant union officials the power to require a person to pay dues as a condition of getting and keeping a job. Under this unique grant of special privilege, unions collect an estimated $3.5 billion a year from individuals who have to pay up or risk being fired.

The Federal Election Campaign Act, as amended in 1976, gives the appearance of restricting the use of compulsory union dues for political purposes. The law prohibits the use of compulsory dues for direct cash contributions to political candidates. It does not, however, prohibit the use of forced union dues for a number of other indirect means of supporting union-backed political candidates and causes.

In light of this dichotomy created by Federal legislation, union officials have divided their political expenditures into two categories. The first is commonly referred to as union hard money. It consists of money given directly to candidates in the form of cash or in-kind contributions taken from funds given voluntarily by union members. The second category is referred to as union soft money, spent by union officals on behalf of—but not contributed directly to—political candidates.

Soft money comes directly from compulsory union dues. It finances the operations of union PAC's and provides extensive in-kind political services. While it represents the overwhelming bulk of union political expenditures, it is neither documented nor reported to the FEC.

A relatively small portion of the millions of dollars in soft compulsory union dues money is used to operate the union PAC's. This portion pays the salaries of numerous full-time union political operatives across the Nation. It provides PAC supplies, finances mass mailings and travel expense accounts, and purchases sophisticated office machinery and computers.

Mr. President, even voluntary PAC contributions from union members originate with this compulsory dues soft money. Compulsory dues bankroll the administrative overhead costs of union partisan political fundraisers. Compulsory dues soft money used for financing union PAC's runs well into the millions every year. In July 1976, AFL-CIO public relations director, Bernard Albert, admitted that the annual budget of the national COPE alone ran to approximately $2 million.

In spite of the vast sums of compulsory union dues that finance the operating costs of union PAC's, the bulk of compulsory dues soft money goes for unreported, unlimited in-kind political expenditures.

The July 1979 issue of Steelabor, the official newspaper of the United Steelworkers of America, offered its readers a surprisingly candid and straightforward explanation of in-kind political spending. Union dues money, reported the union paper,

> • • • can't go for direct political contributions—but it can do a lot; mailings supporting or opposing political candidates, phone banks, precinct visits, voter registration, and get-out-the-vote drives.

In spite of these admissions, Steelabor's account only tells half of the story. To fill out the picture, several key expenditures need to be added to the list: Weeks, thousands of union employees devoted almost solely to partisan politics; election day workers, paid overtime rates from compulsory dues; millions of political pamphlets and flyers; and paid election-day carpools and babysitters, to name a few.

Mr. President, once again, these indirect union in-kind political expenditures are not subject to any limitations under the FECA. They are paid for with dues money taken from workers as a condition of employment. And without question they represent the overwhelming bulk of union political expenditures.

Fortunately, the courts begun to address this problem. Most recently, Mr. President, the Supreme Court ruled in favor of workers in the case of Ellis/Fails versus Brotherhood of Railway, Airline and Steamship Clerks.

The Ellis/Fails case grew out of a collective bargaining agreement negotiated between Western Airlines and the Brotherhood of Railway, Airline and Steamship Clerks [BRAC] in 1971. Effective February 1971, all employees in BRAC's bargining union were required either to join the BRAC union or pay agency fees equal to full union dues.

BRAC officials forwarded portions of these dues to the State and national unions, used them for lobbying activities, made political contributions, administered members-only benefit plans, and took part in other activities unrelated to collective bargaining. Nonmember employees were opposed to several of the political and ideological activities supported by BRAC officials, yet were forced to finance them through the payment of agency fees. They filed a class action suit against BRAC employers.

The suit charged that BRAC officials had violated the Railway Labor Act [RLA] by charging agency fees above the amount needed to cover the nonmembers' share of collective bargaining costs. This practice violated

the employees' rights as guaranteed under the first, fifth, and ninth amendments to the U.S. Constitution and under the RLA, and constituted a breach of the union's duty of fair representation for all members of the bargaining unit.

The suit also charged that BRAC's dues reduction procedure breached the union's duty of fair representation because of its arbitrary nature, because it offered only a small reduction of the total amount of nonbargaining spending, because it was not available to nonmembers, and because it was denied to members who had properly submitted objections.

Mr. President, the relief sought included a return by the union of all compulsory dues money improperly spent, injunctive relief imposing stringent requirements as to the purposes for which the union lawfully could spend future dues, and the recovery of attorneys' fees.

BRAC officials responded to the suit with two actions. They dropped the compulsory membership requirement, allowing employees to become agency fee-payors instead, and they amended their rebate scheme to provide a few more political expenditure rebates. The determination of the refund was entirely in the hands of BRAC officials, however, and was appealable only to a panel handpicked by BRAC.

In 1976, a U.S. district court ruled that protesting nonmember employees could not be forced to support financially the BRAC union's political and ideological activities, listed 12 other categories nonmembers could not be forced to support, such as lobbying, organizing, conventions, publications, and social activities.

In September 1982, the Ninth Circuit Court of Appeals reversed the rule that nonpolitical activities not essential to bargaining could not be charged to nonmembers, and affirmed the approval of BRAC's internal rebate scheme.

A petition to the Supreme Court of the United States was filed in January 1983 and the Court agreed in April to hear the case. Oral arguments were held in January 1984.

On April 15, 1984, the Supreme Court unanimously overturned the circuit court and struck down the controversial union rebate scheme. The Court held that employees' constitutional rights were violated when their forced union dues were used to finance activities and causes they opposed; and that a simple rebate of the involuntary loans, even with interest, was inadequate to protect workers' rights.

Under the Court's new ruling, union officials will initially have to reduce the fees charged to forced dues payers, or will have to deposit the fees in an interest-bearing escrow account while the correct chargeable amount of forced fees is determined.

Across the Nation, courts are responding to this hallmark Supreme Court decision. A compulsory unionism agreement requiring nonunion Chicago teachers to pay fees to the Chicago Teachers-Union [CTU] as a condition of employment was recently declared unconstitutional by the Seventh Circuit United States Court of Appeals in Hudson versus Chicago Board of Education.

Under this agreement, the Chicago Board of Education deducted a fee equal to 95 percent of full union dues from nonmember teachers' paychecks and turned the money over to the CTU. If the teachers protested the seizure and use of their money, they had recourse only to a rebate panel entirely controlled by CTU officials.

The Court ruled that before requiring nonunion employees to pay compulsory union fees, a public employer

> * * * must establish a procedure that will make reasonably sure that the wages of nonunion employees will not be used to support those of the union's political and ideological activities that are not germane to collective bargaining * * *

The union-controlled rebate procedure failed to ensure that the nonunion members' money would not be used for political purposes.

In a continuing series of cases in Ohio, officials of the National Education Association have used the State courts to force nonunion teachers to pay compulsory union fees. In at least four of these cases that have gone to trial, the courts have ruled that NEA records are not adequate to determine how much money any teacher owed for collective-bargaining services.

In the past, Ohio courts had ruled against dissenting employees. Given the stringent guidelines set down by the Ellis/Fails case, however, the Ohio courts now have a firm precedent for protesting nonunion members from supporting political, nonbargaining expenses.

Mr. President, it is essential to rebut a false allegation circulated by opponents of my proposals to prohibit the expenditure of compulsory union dues for political, nonbargaining activities. Claiming that the use of compulsory union dues for politics is analogous to the use of corporate funds to establish political action committees with which stockholders may disagree; they say my legislation would unfairly tip the political balance of power in favor of business interests by restricting only union politics.

Those who have been confused by this smokescreen argument should read a recent decision by the U.S. Court of Appeals in Federal Election Commission versus International Association of Machinists which, in my opinion, shatters this bogus argument once and for all.

In that case, Mr. President, attorneys for the International Association of Machinists union charged that 11 corporations had violated the Federal Elections Campaign Act by soliciting contributions to their political action committees from administrative personnel under what they termed "inherently coercive" conditions. Although the district court ruled that no such violation had occurred, it did allow several constitutional issues raised by the plaintiffs to be heard by the U.S. Court of Appeals for the District of Columbia.

Union attorneys asked the appeals court to decide, among other constitutional issues, whether the use of general corporate assets to establish and support corporate political action committees violates the first amendment rights of dissenting shareholders. Union attorneys cited the landmark Supreme Court decision in Abood versus Detroit Board of Education concerning the use of compulsory union dues by a union political action committee to promote the election of certain candidates.

In Abood, the Supreme Court held that the first amendment prohibits unions from forcing employees to support political causes against their will through the use of compulsory union dues. The union attorneys attempted to draw a parallel between Abood and FEC versus IAM. They argued that the use of treasury funds by corporations to establish and administer PAC's abridges the free speech rights of shareholders who object to such use of corporate assets. The Court of Appeals was not convinced.

Noting that ". . . in Abood the (Supreme) Court had held that the first amendment prohibited a public employee union from requiring any employee 'to contribute to the support of an ideological cause he may oppose as a condition of holding a job'", the appeals court ruled that there was no valid analogy between the union position in FEC versus IAM and Abood. The Court stated that a corporate shareholder is under no such compulsion to support a political cause against his will. Citing another Supreme Court decision in first National Bank of Boston versus Bellotti, the appeals court said "the shareholder invests in a corporation of his own volition and is free to withdraw his investment at any time and for any reason." A more appropriate analogy, according to the reasonsing of the court, would be the employee who voluntarily joins the union, and later finds himself in disagreement with its stand on a political issue.

Any meaningful campaign reform must deal with the abusive use of compulsory union dues by implementing court decisions to protect worker rights. The time has come to return to individual workers the right to choose for themselves which political candi-

dates and causes their dollars will be used to support.

Because of the continuing menace of the use of involuntary union dues for political purposes, I am introducing legislation today to guarantee that all political expenditures will come from money voluntarily contributed.

Enactment of this important legislation will guarantee the voluntary nature of each person's participation in the political process by prohibiting the use of compulsory union dues for political purposes. This bill will insure that, in matters of political conscience, Federal election laws will be neutral while voluntary participation will continue to be protected. I respectfully urge my colleagues to give this legislation their fullest consideration.●

By Mr. DURENBERGER:

S. 1564. A bill to provide for a self-regulating system of lobby disclosure to supplement and make more effective current disclosure law in the least burdensome manner possible; to the Committee on Governmental Affairs.

INTEGRITY IN LOBBYING ACT

Mr. DURENBERGER. Mr. President, organized interest group influence in the policymaking process has long been a concern of this Congress. That's why nearly 40 years ago it passed the Federal Regulation of Lobbying Act, a law designed to disclose certain basic information about the significant activities of professional lobbyists.

Much, however, has changed since 1946. There was, of course, the Supreme Court's 1954 decision in U.S. versus Harriss, which substantially narrowed the applicability of the new law.

More important, though, was the extraordinary proliferation of Washington-based interest groups during the 1960's and 1970's. These groups were lured to the Nation's Capital by the expansionist mood of the Federal Government itself and encouraged to put down Washington roots in order to protect spending programs, tax measures, and regulatory policies beneficial to their interests.

Once here, they found the atmosphere quite congenial. The declining influence of political parties throughout this same period created a leadership vacuum that many groups were eager to fill and formed a political void that encouraged them to engage in more diverse forms of communication with Government officials. At the same time, decentralizing reforms in Congress, including the great growth in the numbers of subcommittees and staff members, opened many additional pathways to interest group influence. And changes in campaign finance laws profoundly altered the nature and scope of interest group involvement in Federal elections. Finally, increasingly sophisticated technologies have made it easier and less expensive for groups to influence constituents, potential constitutents, and lawmakers.

Yet, despite these enormous changes in the number of interest groups and the nature of lobbying, our basic policy governing disclosure remains unaltered. And the statutory basis of that policy, according to one of the Nation's leading authorities on interest groups, is "recognized by everyone familiar with it * * * (as) a toothless, ineffective law" which fails to cover some of the most significant new forms of lobbying activity.

While recognizing that changing times, tactics, and actors require a new and more effective means of disclosure, it is also well to recognize that groups, like individuals, have certain legal rights, not least among them the right to petition Congress. We must therefore strike a balance in lobbying reform—a balance that takes into account both the tremendous need for improved public disclosure of the nature and extent of lobbying activities and the constitutional need to preserve fundamental group rights.

Thus, I am introducing the "Integrity in Lobbying Act of 1985," a bill that will supplement and greatly enhance current lobbying regulations. Congressman LEE HAMILTON is introducing an identical bill in the House. The central purpose of this legislation is to improve the management of existing lobby disclosure law and to encourage lobbyists to provide more and better information though a self-regulating system of lobby disclosure. Underlying his approach is a basic faith in the professional integrity found among the vast majority of lobbyists and lobbying organizations, as well as a belief that interest group input is an important part of our democratic process. I want to stress that this legislation takes nothing away from the current complusory system or registration. It establishes an optional self-regulatory system that I believe will provide more and better information to the public and place fewer ineffective regulatory burdens on interest groups. If lobbyists choose not to comply with its provisions, however, they remain covered by the existing law.

This proposed legislation will provide for fuller information in three ways. First, in recognition of the profound changes that have occurred over the past two decades in the numbers, scope, and practices of interest groups seeking to influence Federal policy, it covers a wider array of lobbyists and lobbying activities under its disclosure provisions than existing law. Second, it increases the amount of information to be provided, including information on lobbying by volunteers. And third, it provides for an efficient and accessible means of identifying and analyzing lobbying activity through a computerized filing, coding, and cross-indexing system.

At the same time, in order to produce the least possible burden on first amendment rights and organizational capacity, the legislation is based on a unique system of self-regulation that relies on professional ethics and integrity. Moreover, the bill is designed to keep to a minimum the amount of paperwork and recordkeeping required on an organization complying with its provisions.

There are at least three major benefits to be gained from this broad but largely voluntary approach to disclosure. To begin with, timely information on lobbying activities can help Congress reconcile the conflicting goals of popular sovereignty—the principle that government is responsive to the people—and equal representation—the ideal that no single interest receives undue consideration over others because it is more effectively represented. Information on the extent of the imbalance in resources devoted to representing competing interests will alert Members of Congress to the need to listen more closely to the weaker voices and to consider more carefully the overall public interest. Second, information on who is lobbying on what issues can help alert and mobilize competing interests, enabling more voices to be heard. And finally, an open and accountable lobbying process based upon the good faith of lobbyists themselves can further develop the sense of ethics and professionalism among the diverse lobbying community, while at the same time enhancing public confidence in congressional decisions.

Mr. President, I ask that a copy of S. 1564 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1564

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Integrity in Lobbying Act of 1985".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds and declares that—

(1) in recent years, changes in technology, campaigning, elections, and congressional procedures have combined to significantly enhance the influence of organized special interest groups in the legislative process;

(2) as Members of Congress are held increasingly accountable for their responses to such organized special interest groups, they have correspondingly less incentive to respond to the interests of unorganized segments of the public or to the political parties whose labels they bear;

(3) the timely disclosure of the nature and sources of activities undertaken by organized special interest groups for the purpose of influencing legislation can help dilute the bias in favor of such groups in the legislative process by—

(A) mobilizing previously unorganized segments of the public,

(B) creating countervailing pressures on Members of Congress to represent broad public interests in the face of organized special interest pressures, and

(C) enabling Members of Congress to more effectively assess the myriad pressures brought to bear upon them in the legislative process; (4) because the right to petition Congress for a redress of grievances is protected under the First Amendment of the Constitution of the United States, procedures for the implementation of lobbying disclosure policies must be designed to impose the least possible burden on this right; and

(5) although present lobbying disclosure regulations are inadequate, a system of disclosure that features voluntary compliance with professional standards can be an effective means of supplementing current law without infringing on First Amendment rights.

(b) It is the purpose of this Act to establish a program that—

(1) provides for the self-regulatory disclosure to the Congress and to the public of the nature and sources of the activities of organized special interests which are undertaken for the purpose of influencing Federal legislation; and

(2) provides for the Congress to actively encourage such disclosure.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "affiliate" means an organization which is associated with another through a formal relationship based upon ownership or an agreement (including a charter, franchise agreement, or bylaws) under which—

(A) the governing instrument requires one such organization to be bound by decisions of the other organization on legislative issues, or

(B) the governing board of one such organization includes persons who—

(i) are designated representatives of another such organization or are members of the governing board, officers, or paid executive staff members of such other organization, and

(ii) by aggregating their votes, have sufficient voting power to cause or prevent action on legislation by the first such organization;

(2) the term "Secretary" means the Secretary of the Senate;

(3) the term "Clerk" means the Clerk of the House of Representatives;

(4) the term "direct expenditure" means—

(A) a payment, distribution (other than normal dividends and interest), loan (if made on terms or conditions that are more favorable than those available to the general public), advance, deposit, or gift or other thing of value made—

(i) for mailing, printing, advertising, consulting fees or the like, which are associated with activities described in section 4; or

(ii) for the retention or employment of an individual or organization that makes lobbying communications on behalf of the retaining or employing organization; or

(B) a contract, promise, or agreement, whether or not legally enforceable, to make, disburse, or furnish any item referred to in subparagraph (A);

(5) the term "identification" means—

(A) in the case of an individual, the name, occupation, and business address of the individual and the position held in such business; and

(B) in the case of an organization, the name and address of the organization, the principal place of business of the organization and a general description of its business or activities;

(6) the term "legislation" means the totality of all matter, both substantive and procedural, relating to the introduction, amendment, enactment, defeat or repeal of any bill, resolution, treaty, report, nomination, or other similar matter before the Congress;

(7) the term "lobbying communication"—

(A) means any oral or written communication (including a speech, address, article, advertisement, media appearance, press release, letter or personal appeal) directed to (i) a Member, officer or employee of Congress to influence the content or disposition of legislation, or (ii) any governmental official or employee to influence a decision by the President to sign or veto any legislation;

(B) means any oral or written communication (including a speech, address article, advertisement, media appearance, press release, letter or personal appeal) directed to any person designed to solicit such person to assist the soliciting organization's effort to influence legislation by (i) engaging in the activities described in this paragraph or paragraph (A), or (ii) participating in any demonstration, rally, or fund-raising drive intended to influence the content or disposition of legislation;

(C) does not include—

(i) a communication by an individual solely for a redress of personal grievances, or solely to express his personal opinion;

(ii) a communication by, or on behalf of, a candidate, as defined in section 301 (2) of the Federal Election Campaign Act (2 U.S.C. 431 (2)), or by, or on behalf of, an organization in its capacity as a political committee, as defined in section 301 (4) of such Act (2 U.S.C. 401 (4)); and

(iii) a communication which deals only with the existence, subject matter, or status of any issue,

(iv) a communication made through a speech or address, through a newspaper, book, periodical, magazine or newsletter published for distribution to the general public or published for purposes unrelated to engaging in activities described in section 3, (7) A, B, (a), except that this exemption shall not apply to a paid advertisement in a newspaper, book, periodical, or other publication distributed to the general public, or to a paid radio or television announcement, and

(D) in the case of an organization which is not registered under section 5 of this Act, shall not include a communication made to a Member, officer, or employee of the Congress in response to a request from that Member, officer, or employee, or submitted for inclusion in a report of a hearing or in the record or public file of a hearing;

(7) the term "Member, officer, or employee of the Congress" means—

(A) any Member of the Senate or the House of Representatives, or any Delegate or Resident Commissioner to the House of Representatives; and

(B) any officer or employee of the Senate or the House of Representatives or any employee of any Member, committee, or officer of the Congress;

(8) the term "organization" means any corporation, company, foundation, association, labor organization, firm, partnership, society, joint stock company, national organization of State or local appointed officials and any organizational unit thereof (excluding any organization of elected officials of general purpose State or local government whose employees operate solely on the authority of such public officials acting in their official capacities and whose employees receive their principal compensation and expenses for lobbying communications by such State and local governments), group of organizations, or group of individuals, which has one or more paid officers, directors, or employees;

(9) the term "paid officer, paid director, or paid employee" means an officer, director, or employee of an organization who received income from such organization as compensation for services at a rate in excess of the Federal minimum wage;

(10) the term "quarterly filing period" means any calendar quarter beginning on January 1, April 1, July 1, or October 1, of any year; and

(11) the term "volunteer" means an individual who works under the direction of an organization without compensation.

APPLICABILITY

SEC. 4. (a) The provisions of this Act shall apply to any organization which—

(1) makes, or makes plans to make, at least ten lobbying communications described in section 3(7)(A) during a quarterly filing period; or

(2) makes, or makes plans to make, at least five lobbying communications described in section 3(7)(A), and at least five lobbying communications described in section 3(7)(B) during a quarterly filing period.

(b) The provisions of sections 5 and 6 of this Act shall not apply to an affiliate of a registered organization if such affiliate engages in activities to the extent described in subsection (a) and such activities are reported by the registered organization. Any registered organization which reports on behalf of any affiliate shall include in its registration and reports an identification of such affiliate.

REGISTRATION

SEC. 5. (a) Each organization shall register with the Clerk of the House of Representatives and the Secretary of the Senate not later than fifteen days following the events described in section 4(a).

(b) The registration required by this section shall be in such form as the Secretary and Clerk shall jointly prescribe and shall contain the following:

(1) an identification of the organization;

(2) a description of the types of issues in which the organization, as of the date of filing, intends to engage in lobbying communications;

(3) the approximate number of individuals and organizations who are members of the organization and a description of the principal contributors to, and interests represented by, the registered organization, except that nothing in this paragraph shall be construed to require the disclosure of any membership or contributor list; and

(4) an identification of any retained individual or organization, any volunteer, and any employee who engages in lobbying communications on behalf of the organization, except that an organization shall not be required to identify a volunteer who has not engaged in lobbying communications to the extent described in section 4(a)(2).

(c) A registration filed under subsection (a) shall be effective until the first day of January of the year following the date upon which the initial registration is filed. Each organization shall file a new registration under subsection (a) within thirty days

after the first day of January of each year, unless the organization has (1) ceased to engage in the activities described in section 4, and (2) has not made plans to engage in such activities during the ensuing year.

REPORTS

SEC. 6. (a) Each organization shall, between the first and fifteenth day of each quarterly filing period, file a report with the Secretary and the Clerk, at such place as they shall jointly designate, concerning—

(1) any activities described in section 4 which the organization has engaged in, or plans to engage in, as the case may be, during the quarterly filing period in progress; and

(2) an update of the report filed by such organization for the previous quarterly filing period.

(b) The report described in subsection (a) shall be in such form as the Secretary and Clerk shall jointly prescribe and shall contain the following:

(1) an identification of the organization filing the report;

(2) an estimate of the total direct expenditures and indirect costs incurred, or planned to be incurred, with respect to the activities described in section 4;

(3)(A) an identification of any retainee, employee, or volunteer who has engaged, or plans to engage, during the quarterly filing period in progress in a lobbying communication described in section 3(7)(A) on behalf of the organization, except that an organization shall not be required to identify a volunteer who has not engaged in lobbying communications to the extent described in section 4(a)(2); and

(B) an identification of each subject concerning which the retainee, employee or volunteer identified under subparagraph (A) has made, or plans to make, such lobbying communications;

(4) with respect to each subject identified in paragraph (3)(B)—

(A) an estimate of the total direct expenditures with respect to such lobbying communications, which the organization (i) made during the preceding quarterly filing period, and (ii) made, or plans to make, during the quarterly filing period in progress, stated according to the categories described in subsection (c) of this section;

(B) an estimate of the percentage of the amount described in subparagraphs (A)(i) and (A)(ii) expended or planned to be expended, as the case may be, with respect to—

(i) lobbying communications described in section 3(7)(A) of this Act, and

(ii) lobbying communications described in section 3(7)(B) of this Act;

(C) an estimate of the total number of hours spent by volunteers engaging in the activities described in section 4 of this Act with respect to such subject;

(D) an estimate of the number of media contacts made, or planned to be made in conjunction with the activities described in paragraph (4)(B)(ii) of this section; and

(E) a general description of the methodology used by the organization in developing the estimates required under this section.

(c)(1) the amounts described in paragraph (2) shall be stated in the following categories: Category A—amounts less than $10,000; Category B—amounts equal to or greater than $10,000, but less than $100,000; Category C—amounts equal to or greater than $100,000, but less than $500,000; Category D—amounts equal to or greater than $500,000, but less than $1,000,000; and Category E—amounts equal to or greater than $1,000,000.

(2) Any amount listed in Category E shall be stated as the number of millions involved.

(d) For the purpose of this section, the term "indirect costs" means the costs of general operating overhead such as the costs of salaries, office equipment, utilities and rental or mortgage payments, and the costs of legislative activities other than lobbying communications such as attending hearings and gathering information on and analyzing legislation, which are allocable to the activities described in section. 4.

DUTIES OF THE SECRETARY AND CLERK

SEC. 7. (a) It shall be the joint duties of the Secretary and Clerk—

(1) to develop computerized filing, coding, and cross-indexing systems to carry out the purposes of this Act, including a cross-indexing system which, for any person identified in any registration or report filed under this Act, discloses each organization identifying such person in any such registration or report;

(2) to make copies of each registration and report filed with them under this Act available for public inspection and copying, commencing as soon as practicable after the date on which the registration and report involved is received, but no later than the end of the fifth working day following such date, and to permit copying of such registration or report by hand or by copying machine, or, at the request of any individual or organization, to furnish a copy of any such registration or report upon payment of the cost of making and furnishing such copy; but no information contained in any such registration or report shall be sold or utilized by any individual or organization for the purpose of soliciting contributions or business;

(3) to compile and summarize, with respect to each quarterly filing period, the information contained in registrations and reports filed during such period in a manner which clearly presents the extent and nature of the activities described in section 4 which are engaged in during such period;

(4) within forty-five days after the close of each quarterly filing period, to make available the information compiled and summarized under paragraph (3)—

(A) to the public (including offering copies for sale by mail), and

(B) to Members and committees of the Congress, through its online computer system; and

(5) to prescribe such guidelines, reporting formats and procedures as are necessary for the performance of his duties under this Act;

(6) compile each week of a quarterly filing period, from material submitted by the Chairman of each committee of the Congress, the names of each representative of an organization and each organization testifying before the Congress and the purpose of the hearing at which the representative of such organization was testifying; and

(7) collating the matter compiled as provided in paragraph (6) with the other disclosure data compiled for each quarter pursuant to paragraph (3).

RESPONSIBILITY UNDER OTHER LAWS

SEC. 8. Notwithstanding any other provision of law, compliance with this Act shall be deemed to be compliance with the Federal Regulation of Lobbying Act (2 U.S.C. 260 *et seq.*).

AUTHORIZATION

SEC. 9. There are authorized to be appropriated such sums as are necessary to carry out the purposes of this act.

EFFECTIVE DATES

SEC. 10. (a) Except as provided in subsection (b), the provisions of this Act shall take effect on the first day of the first calendar quarter which begins more than one hundred and eighty days after the date of the enactment of the Act.

(b) The provisions of this Act requiring the issuance of guidelines to implement this Act shall become effective upon the date of enactment.

By Mr. NICKLES (for himself and Mr. BOREN):

S. 1565. A bill to require the Secretary of Agriculture to conduct a study of alternatives for providing agricultural credit during the 1986 through 1989 fiscal years; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURAL CREDIT RELIEF ANALYSIS

Mr. NICKLES. Mr. President, while we are concentrating our present efforts in agriculture on the 1985 farm bill, farmers and ranchers alike continue to experience farm credit problems, with interest comprising a healthy chunk of total farm expenses.

Today Senator BOREN and I are introducing a measure to analyze three proposals which could drop farmers' interest rates by up to 30 percent on funds borrowed from the farm credit system. The bill I am introducing would require the Secretary of Agriculture to explore lowering farm interest rates by providing a Government guarantee on bonds issued by the farm credit system or by allowing the interest on the bonds to be free from Federal income tax or a combination of the two approaches.

The farm credit system [FCS] is a cooperative that provides credit to farmers and ranchers, their cooperatives, farm-related businesses, commercial fishermen, and rural homeowners. The FCS is supervised by the Farm Credit Administration, an independent Federal agency and contains about one-third of total farm debt. The FCS obtains its funds through the sale of securities to investors in the private credit market.

The FCS extends credit through its component parts: Federal Land Banks [FLB's] and Federal Land Bank Associations [FLBA's]; Federal Intermediate Credit Banks [FICB's] and Production Credit Associations [PCA's]; and the Banks for Cooperatives [BC's].

The 12 FLB's make 5 to 40-year loans, secured by mortgages on farms or rural real estate, to borrowers who apply at local FLBA's. Loans can be used to acquire farms, farmland, equipment and livestock, as well as to refinance existing debt. FLB's will make loans valued at an estimated $5.9 billion in 1986.

The 12 FICB's, through local PCA's, make loans of up to 7 years to farmers and ranchers, rural homeowners, and farm related businesses, and loans of up to 15 years to commercial fishermen. Loans can be used for the production of agricultural products; the harvesting and production of aquatic products; and the purchase, repair, and maintenance of rural homes.

The 12 BC's make long- and short-term loans directly to cooperatives of farmers, ranchers, or commercial fishermen.

Since September of last year, the prime rate has dropped from 13 percent to 9.5 percent, a 27-percent decline. But look at what has happened to farmers' cost of money during this time. Oklahoma Federal Land Bank borrowers saw interest rates jump from 11.75 percent to 12.5 percent on January 1 of this year. Something is wrong when agriculture has to pay more for money when the rest of the economy is paying less.

Mr. President, when the farm credit system takes a loss on a loan, this cost is not coming out of some investor's pocket. It is coming out of a farmer's pocket who can ill afford to bear additional financial liabilities. Last year, the PCA side of the ledger suffered a whopping $308 million in losses; in 1983, $245 million; in 1982, $160 million; and in 1981, $44 million. This trend is no different with the Federal Land Bank with $110 million in losses last year, up substantially from $8 million in 1983, $1.5 million in 1982, and less than $1 million in 1981.

Earlier this year, in testimony before the Committee on Small Business, John Harling, chief executive officer of the Farm Credit Banks of Omaha, explained how FCS borrowers are being hit twice from the deteriorating agriculture economy. When asked what would happen to agriculture lending institutions if the troubled agriculture situation continued, Mr. Harling stated the following:

> We are already seeing the pressure on both the farm credit associations and particularly the small local commercial banks. As those losses come into the portfolio and are written off, that brings continued pressure on earnings, continued pressure on capital and ultimately, if the losses continue, the organization will run out of capital base and will be forced into liquidation.
>
> Loss sharing agreements have been triggered now two years in a row in which the financially sound and strong PCA's provide capital to the others. The next step is to turn to the credit bank itself for financial assistance, and that is occurring now. But in both cases you can only go so far and then you start adversely impacting all of the other borrowers, and you can't raise your rates to the point where you put that next round of borrowers through the ringer until their loan won't work anymore.
>
> That is what we are seeing happening, that downward spiral as the pressure of increased costs of funds and losses comes to bear on interest costs.

Mr. Harling went on to state he felt we were "a ways away" from a total collapse of the agriculture credit system but stated, "we believe that some significant action needs to be taken and very soon, the sooner the better, to keep that from happening."

Mr. President, I do not propose that providing Government guaranteed or tax-free farm credit system bonds is the answer to all of agriculture's problems. Nor do I think the farm bill or any other single piece of legislation will cure all of the industry's ills. However, I do think the prospect of lowering farmer's interest rates through the measures I have outlined are worth pursuing.

According to special analyses F of the fiscal year 1986 Federal budget, "tax-exempt interest rates in 1984 have normally been about 75 percent of taxable interest rates on long-term obligations with similar credit risk." Typically, Government guarantees result in interest rates at about 95 percent of market rates. Together, these could result in a 30-percent interest rate reduction for Oklahoma farmers and ranchers. The proposals I am setting forth could be a tremendous boost to get agriculture back on its feet again.

Most of my colleagues are aware the farm credit system is trying to clean up its own house by undergoing some internal changes in order to obtain greater efficiencies in the system. But, I am not sure whether a reorganization plan will result in lower interest rates to farmers and ranchers. I am also concerned that localized input into lending and management decisions will suffer in the process.

Mr. President, we should not wait until the farm credit system comes knocking on the door to consider what should be done. Nor do I want to haphazardly set forth a proposal when certain questions remain unanswered. But this measure will give us the facts about Government guaranteed tax-free farm credit system bonds, and we will then be able to take the right course of action.

Under the bill I am introducing, the Secretary of Agriculture, in consultation with the Treasury Secretary, would take into account any loss in tax revenues resulting from my proposals together with gains in net farm income for farmers and farm-related businesses and the resulting increases in tax revenues. By October 31, the Secretary would tell us what he found. Quite frankly, there are many people in agriculture who would love to become taxpayers. They simply have not been turning a profit. Granted, revenue would be lost from tax-exempt bonds, but the Government might make a dollar by making taxpayers out of a few people along the way.

Under my bill, the Secretary would also consider the potential savings to the Farmers Home Administration resulting from fewer borrowers having to turn to the traditional lender of last resort. In Oklahoma, the demand for FmHA farm ownership money is three times greater than funds available. By easing credit terms at PCA's and Land Banks, the Federal Government could be doing itself a favor by lessening pressure on its own farm lending agency, the Farmers Home Administration.

In closing, let me say there is indeed a crisis in agriculture. No single piece of legislation will solve all of our problems. But collectively, congressional actions can improve the economic climate in agriculture. Through commodity programs, we will be addressing the income side of the equation. Through proposals such as those I have outlined today, we can take steps toward reducing the interest expense which is eating away profits for much of the Nation's agriculture sector. It is my hope to put this legislation on a fast track and hope my colleagues will join me in this effort to bring credit relief to America's farmers and ranchers.

Mr. President, I ask unanimous consent that a copy of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1565

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) the Secretary of Agriculture, in consultation with the Secretary of the Treasury, shall conduct a study of alternatives for providing agricultural credit during the 1986 through 1989 fiscal years.

(2) In conducting such study, the Secretary shall—

(A) estimate the demand for agricultural credit during such fiscal years, based upon current trends in farm income, farm prices, projected interest rates, and changes in farm land values;

(B) estimate the cost of providing direct and guaranteed loans under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) during such fiscal years, based upon projected credit demands and farm income;

(C) evaluate a program of providing credit to agricultural producers that would offer cheaper credit to such producers and reduce the dependence of such producers on the Federal Government by providing—

(i) Government guarantees for bonds sold by institutions of the Farm Credit System established under the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.);

(ii) exemptions from Federal income taxation for interest on such bonds; or

(iii) both such guarantees and exemptions;

(D) take into account any loss in tax revenue resulting from alternatives for providing agricultural credit, together with gains in net income for farmers and farm-related businesses and the resulting increase in tax revenues; and

(E) take into account potential savings to the Federal Government resulting from such alternatives.

(b) Not later than October 31, 1985, the Secretary of Agriculture shall submit a report containing the results of such study, together with any necessary legislation, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

By Mr. DENTON (for himself and Mr. HATCH):

S. 1566. A bill to extend the Adolescent Family Life Demonstration Program for 3 years; to the Committee on Labor and Human Resources.

ADOLESCENT FAMILY LIFE DEMONSTRATION PROGRAM EXTENSION

Mr. DENTON. Mr. President, it is my pleasure to join with Senator HATCH to introduce a bill to reauthorize the Adolescent Family Life Act of 1981, title XX of the Public Health Service Act. The bill would reauthorize the law with no changes to the current statute, and at the current authorization level of $30 million for 1986, 1987, and 1988. The $30 million authorization would continue the operations of the multiyear demonstration projects at a time when all informed and thinking Americans acknowledge the alarming number of adolescent pregnancies and abortions.

During the closing days of the 98th Congress, Public Law 98-512 extended the program for an additional year, until September 30, 1985. After hearings and long deliberation, last year's reauthorization was amended by deleting the then existing references to referral for such services, to strengthen and emphasize requirements that care projects provide education and vocational training. Otherwise, the AFL Program remained unchanged as the result of the reauthorization.

Given the efforts of the last Congress, I see no need for extensive consideration of the proposed reauthorization. For my colleagues who are interested in the policy rationale and past achievements of the program, I recommend an examination of the report filed last year by the Committee on Labor and Human Resources (98-496), and of the hearings held on April 24 and 26, 1984, by the Subcommittee on Family and Human Services.

In short, Mr. President, I believe that all of my colleagues are concerned about the health and well-being of teenagers and their families. I urge them to join us in supporting a small but vital program. Through the AFL Program, we are finding and developing prevention, care, and research projects that can help thousands of adolescents directly and, through demonstration and dissemination, create models for successful programs that ultimately can help millions of adolescents and their parents deal with the causes and consequences of teenage pregnancy.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1566

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2010(a) of the Public Health Service Act is amended by striking out "and" after "1984," and by inserting before the period a comma and "$30,000,000 for the fiscal year ending September 30, 1986, $30,000,000 for the fiscal year ending September 30, 1987, and $30,000,000 for the fiscal year ending September 30, 1988".

Mr. HATCH. Mr. President, I am pleased to join with my colleague, Senator DENTON, in introducing a bill to reauthorize the Adolescent Family Life Act of 1981, title XX of the Public Health Service Act. We propose that it be reauthorized for 3 years at the current authorization level of $30 million for 1986, 1987, and 1988.

Each year, more than a million American adolescents become pregnant, and a significant number of these pregnancies are unwed mothers. Certainly these statistics demonstrate that the issues of adolescent sexuality, pregnancy, and parenthood are of concern to all of us.

Nonetheless, I believe strongly that these issues are, at their core, family issues. The role of the family, as research supports, is a key factor in dealing with these serious problems. The involvement of the family, especially of parents, in the decisions made by a teenager can be critical to the outcome and adjustment of an adolescent.

For these reasons, I have been a supporter of the Adolescent Family Life Program and am proud to cosponsor its reauthorization for 3 years. This bill, which authorizes funding of service demonstration programs, promotes an integrated family approach which recognizes the sensitive and private nature of these problems.

The Adolescent Family Life Program is an important alternative to previous federally funded programs because it encourages family participation, because it promotes adoption as an alternative to abortion, and because it encourages care, counseling, and education and vocational training for pregnant teenagers and adolescent parents. Although a new governmental program, it takes a more traditional as well as a more comprehensive approach to the problems of adolescent sexuality, pregnancy, and parenthood. This is the correct approach—Government should act to strengthen the bond between parent and child and should support the family unit.

I encourage the Senate to recognize the positive potential of this alternative to the problems of teenage sexuality, pregnancy, and parenthood by reauthorizing the Adolescent Family Life Act for another 3 years.

By Mr. LAXALT (for himself and Mr. HECHT):

S. 1568. A bill to declare that the United States holds certain lands in trust for the Reno Sparks Indian Colony.

RENO SPARKS INDIAN COLONY

● Mr. LAXALT. Mr. President, I introduce for myself and my distinguished colleague, Senator HECHT, a bill to declare that the United States holds certain lands in trust for the Reno Sparks Indian Colony.

This bill, Mr. President, will create a new colony consisting of some 1,900 acres in Hungry Valley, some 10 miles north of Reno, NV. The present colony, consisting of some 20 acres, was established in 1917. The tribe has grown over 400 percent since that time and its present land base is simply not sufficient to permit any tribal continuity. Additionally, the bill places the present colony land in trust for the tribe.

The new tribal land provides for the cancellation of grazing rights on some 640 acres which will be used for its housing needs. Separate agreements will be reached between the grazing right holder and the colony for that loss. Grazing rights to the remaining transferred land will remain intact.

For its part, the tribe has agreed to relinquish to Washoe County a parcel of land needed by the county in nearby Lemmon Valley.

I stress that the basic purpose of the bill is to relieve severe crowding of tribal housing and community activities in the colony's present restricted location.●

● Mr. HECHT. Mr. President, today I am privileged to join my senior colleague from Nevada, Senator LAXALT, in introducing legislation to withdraw some 1,900 acres of public land located in Hungry Valley, NV, for use by the Reno-Sparks Tribal Colony.

The Reno-Sparks Indian Colony was established in 1917 through the purchase of a 20-acre tract of land by the Federal Government for the amount of $6,000. This purchase was a direct result of the abolishment of certain treaties by the Congress in 1871 and the subsequent need to address various nonreservation Indian groups who had not been accommodated by the treaty allotment system.

The colony's population has grown in excess of 400 percent since that time, and for the past 15 years the colony has been working diligently to expand its land base for housing and economic development. Today's legislation is a balanced and well-planned culmination of these efforts.

Despite some initial misunderstandings about the colony's development

intentions, this proposal now has virtually unanimous support at the local level. Most importantly, enactment of this bill will trigger a contractual agreement between the colony and Washoe County, dated June 26, 1984, which provides for transfer to the county of 160 acres of colony lands located in nearby Lemmon Valley.

Finally, this bill provides for the cancellation of grazing privileges on the 640 acres which the colony intends to develop for housing. It is our intention to cause as little disturbance as possible to the present grazing activities in Hungry Valley, and we believe that the bill's grazing provisions will accomplish this end.

I look forward to working with my colleagues toward this bill's swift enactment, and I ask unanimous consent that a copy of the bill, be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1568

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Except as otherwise provided in section 2, all right, title, and interest of the United States in the lands described in subsection (b) of this section are hereby declared to be held by the United States in trust for the benefit and use of the Reno Sparks Indian Colony and are hereby declared to be part of the Reno Sparks Indian Colony.

(b) The lands referred to in subsection (a) comprise approximately 1,948.38 acres of public land within Hungry Valley, Washoe County, Nevada, and are described as follows:

Township 21 North, Range 20 East, Mount Diablo base line and meridian, Section 4, 640 acres more or less, reservation, restrictions, and conditions, if any, rights of way and assessors either of record or actually existing on said premises.

Township 21 North, Range 20 East, Mount Diablo base line and meridian, Section 9, 640 acres more or less, reservations, restrictions, and conditions, if any, rights of way and assessors either of record or actually existing on said premises.

Township 21 North, Range 20 East, Mount Diablo base line and meridian, Section 16, 640 acres more or less, reservations, restrictions, and conditions, if any, rights of way and assessors either of record or actually existing on said premises.

Township 19 North, Range 20 East Mount Diablo base line and meridian, beginning at a point on the North County Road right-of-way fence line described as being 1,268 feet East and 30 feet North of the West quarter corner of Section 7 said point being at the intersection of the boundary fence between L.M. Christianson and A.L. Jensen, with said North County Road right-of-way line; thence North 0 8' West 490.30 feet; thence West 787.74 feet thence South 0 12' West 490.30 feet to North County Road right-of-way fence, thence along said fence line 373.16 feet; thence North 104.35 feet to the North County Road right-of-way fence line 208.71 feet to the place beginning, containing 8.38 acres more or less, beginning reservations, restrictions, and conditions, if any, rights of way and assessors either of record or actually existing on said premises.

Township 19 North, Range 20 East, Mount Diablo base line and a meridian, beginning at the intersection of the East boundary line of the West half of the South West quarter of Section 7 with the South line of Scott Street Road, said point being 30 feet South of the North East corner of said West half of the South West quarter; thence South 89 35' West and along the South line of said Scott Street Road 361.2 feet; thence South and a parallel with the East boundary line of said West half of Southwest quarter of Section 7, 2,326.18 feet South to North line of Glendale Road; thence South 64 30' East along the North line of said Glendale Road 400 feet to the East line of Glendale Road West half of South West quarter of Section 7; thence North along East boundary line 2,501 feet to the place of beginning containing 20 acres more or less, reservations, restrictions, and conditions, if any, rights of way and assessors either of record or actually existing on said premises.

SEC. 2. (a)(1) Except as otherwise provided in this section, nothing in this Act shall deprive any person of any right-of-way, mining claim, grazing permit, water right, or other right or interest which such person may have in the land described in the first section on the date preceding the date enactment of this Act.

(2) Notwithstanding the last sentence of section 402(g) of the Federal Land Policy and Management of 1976 (90 Stat. 2774, 43 U.S.C. 1752(g)), within 30 days after the date of enactment of this Act, the Secretary of the Interior shall cancel all grazing permits and leases on the following described land:

Township 21 North, Range 20 East, Mount Diablo Meridian, Section 4 comprising 640 acres more or less in Washoe County, Nevada.

(b) Within 120 days after the date of enactment of this Act, the Secretary of the Interior, in accordance with section 402(g) of the Federal Land Policy and Management Act of 1976 (90 Stat. 2774, 43 U.S.C. 1752(g)), shall pay to the holder of any lease or permit cancelled under subsection (a) of this section reasonable compensation, to be determined by the Secretary, for the adjusted value of any improvements which said holder constructed or placed on the land described in subsection (a)(2) of this section and cannot be removed. Such payment shall not exceed the fair market value of the terminated portion of the holder's interest therein.

(c) The Secretary of the Treasury is authorized and directed to pay to the Secretary of the Interior, out of funds in the Treasury of the United States not otherwise appropriated, such sums as the Secretary of the Interior may require to make the payments required under subsection (b) of this section.

(d) The grazing privileges exercised under any grazing permit or lease issued by the Secretary of the Interior on any of the following described lands located within the grazing unit known as the Paiute Canyon Grazing Allotment Range. Washoe County, Nevada, prior to the date of enactment of this Act shall not be affected by this Act, and shall continue to be subject to the terms and conditions of such permit or lease, and to the applicable rules, and regulations of the Secretary of the Interior:

Township 21 North, Range 20 East, Mount Diablo base line and meridian, Section 9, 640 acres more or less.

Township 21 North, Range 20 East, Mount Diablo base line and meridian, Section 16, 640 acres more or less.

(e) The grazing privileges exercised under any grazing permit or lease on the lands described in subsection (d) of this section shall continue to be administered by the Secretary of the Interior through the Bureau of Land Management in accordance with the rules and regulations governing grazing permits and leases on the public lands. Such grazing permits or leases may be canceled or modified by the Secretary of the Interior for failure to meet the terms and conditions of such permits or leases or for failure to abide by the applicable rules and regulations of the Secretary of the Interior. If a grazing permit or lease is so canceled, the Secretary of the Interior shall not issue a new grazing permit or lease covering the lands described in subsection (d) of this section.

(f) Grazing fees for the grazing permits and leases on the lands described in subsection (d) of this section shall continue to be payable by the holder of such permit or lease to the Secretary of the Interior at the prevailing rates. Notwithstanding any other provision of law, such fees shall be remitted by the Secretary of the Interior to the Reno Sparks Indian colony within 30 days after the date on which such fees are paid to the Secretary of the Interior.

(g) The grazing permits and leases on the lands described in subsection (d) of this section shall not be assigned or transferred to any person or organization other than the Reno Sparks Indian Colony.

SEC. 3. (a) Section 1 of the Act of August 9, 1955 (69 Stat. 539, as amended; 25 U.S.C. 415), is amended by inserting ", and lands held in trust for the Reno Sparks Indian Colony," immediately after "Twenty-nine Palms Band of Luiseno Mission Indians,".

(b) Section 164 of the Act of July 14, 1955 (42 U.S.C. 7474), shall be applied without regard to the provisions of the first section of this Act.●

By BINGAMAN (for himself, Mr. MATSUNAGA, Mr. CHILES, Mr. HOLLINGS, and Mr. GORE):

S. 1569. A bill to amend title XVII of the Public Health Service Act to encourage health promotion and disease prevention through the implementation of a coordinated national nutrition monitoring system; to the Committee on Governmental Affairs.

IMPROVED PUBLIC HEALTH THROUGH NUTRITION MONITORING ACT

●Mr. BINGAMAN. Mr. President, today I am introducing the Improved Public Health through Nutrition Monitoring Act of 1985, a bill which I believe will help us better understand and assess the nutritional and health status of Americans.

Last year, I introduced similar legislation. This year's version has some important changes, but the basic purpose is the same. A national nutrition monitoring and surveillance system will help us obtain timely information about the nutritional health of Americans, including diet, nutrition, and health status measurements, food consumption patterns, with the overall goal of insuring a safe and nutritious food supply.

Importantly, this bill links nutrition monitoring efforts to health promotion. The bill promotes the public health and the prevention of diseases by coordinating and improving Federal efforts in nutrition monitoring. We need to begin to combine what we know about good nutrition and health promotion. This bill does this.

Much is being done in this country at this time to improve health care, to reduce costs, and to promote good health. Much of this activity has taken place as a self-help effort, and these efforts need to continue. But we also need to increase our knowledge of those Americans who are in high risk groups or geographic areas and who lack basic nutritional and dietary needs. Presently, however, we have a major problem—a lack of timely nutrition and dietary data, and an analysis of such data that can be used for public use and planning.

The Department of Health and Human Services now engages in several nutrition-related research and monitoring activities. Foremost is the National Health and Nutrition Examination Survey (NHANES). The Department of Agriculture also conducts a comparable survey in the Nationwide Food Consumption Survey (NFCS). In 1981, the administration submitted to Congress the long-awaited joint implementation plan for a Comprehensive National Nutrition Monitoring System. This was done to consolidate the two major nutrition studies of NHANES and NFCS into one coordinated survey to begin in 1987. To this date, we are still waiting for implementation and it looks virtually impossible to meet the 1987 deadline.

We now know that nutrition is linked to our health. It is a major component in promoting health and preventing disease, especially during pregnancy, infancy, childhood, and adolescence. We also know that without proper nutrients, the most severe impact can be malnutrition and even hunger and long-term illnesses.

Representative GEORGE E. BROWN, JR., of California, who has been a leading advocate for nutrition-monitoring legislation in the House, has eloquently described the connection between health and the use of nutrition data. I believe his statement concisely explains the critical need that we, in Congress, have for adequate up-to-date nutrition data to make informed policymaking decisions.

Congress needs and should use the information from such a national nutrition monitoring system to formulate and evaluate the consequences of nutrition and health policies and programs, oversee the effectiveness and efficiency of such Federal programs, evaluate the quality of the administration of the programs, and assess the extent to which the programs and policies are consistent and coordinated. Establishment of national baseline data is essential for evaluating the implications of changes in agricultural policy related to food production, processing, and distribution which may affect the nutritional quality and safety of the food supply; for monitoring the impact of food consumption practices and trends; for identifying early warning signals of both low and high caloric and nutrient intake; and for determining the appropriateness of Federal efforts regarding food regulations and nutrition research and education.

Mr. President, my bill would amend title 17 of the Public Health Service Act and require that the Secretary of Health and Human Services prepare a comprehensive health promotion and nutrition monitoring plan over a 10-year period to improve Federal health promotion and disease prevention efforts, particularly nutrition monitoring and related research programs. To advise the Secretary, an Interagency Health Promotion and Nutrition Monitoring Board is established. Furthermore, an Advisory Council on Health Promotion and Nutrition Monitoring will be appointed by the President and Congress to give scientific and technical advice on the development and implementation of the comprehensive plan and to evaluate the progress of the nutrition monitoring program.

The bill authorizes $3 million to carry out the health promotion and nutrition plan: $2 million for a competitive grants program to encourage nutritional status research and cost-effective methods for surveillance, and $1 million for technical assistance to State and local governments. These costs, however, would be offset by the improved health and collection of new, useful nutrition information which would be generated.

In conclusion, Mr. President, nutrition monitoring and related research is now scattered among various Federal agencies and departments. The result has been inefficient management, untimely data collection and dissemination, and a lack of coordinating among the various Federal agencies. In these times of Federal spending restraints, more needs to be done to improve the efficiency and effectiveness of nutrition monitoring. This legislation is a first attempt to assure that accountability, while at the same time getting the information that is so desperately needed.

Similar legislation—H.R. 2436—has been introduced in the House by Representative MACKAY. I urge my colleagues to support this critical measure.●

By Mr. NICKLES (for himself, Mr. WILSON, Mr. THURMOND, Mr. HATCH, Mr. MATTINGLY, Mr. EXON, Mr. COCHRAN, Mr. LUGAR, Mr. ZORINSKY, Mr. SYMMS, Mr. GRAMM, Mr. EVANS, Mr. MCCLURE, Mr. EAST, Mr. MCCONNELL, Mr. HECHT, Mr. ABDNOR, Mr. BOSCHWITZ, Mr. GARN, Mr. DURENBERGER, Mr. LAXALT, Mr. SIMPSON, Mrs. KASSEBAUM, Mr. DOLE, and Mr. DOMENICI):

S. 1570. A bill to amend the Fair Labor Standards Act of 1938 to exclude the employees of States and political subdivisions of States from the provisions of that act relating to maximum hours, to clarify the application of that act to volunteers, and for other purposes; to the Committee on Labor and Human Resources.

FAIR LABOR STANDARDS ACT AMENDMENTS

Mr. NICKLES. Mr. President, today, I am introducing legislation in response to the Supreme Court's recent decision in Garcia versus San Antonio Metropolitan Transit Authority which held that the Fair Labor Standards Act [FLSA] is applicable to State and local governments. The total impact of this decision is still being assessed by various State and local entities but evidence presented to a hearing conducted by the Labor Subcommittee, on July 25, which I chair, was staggering. I am convinced that Federal intrusion into the employer-employee relationship at the State and local level is totally unwarranted.

I am very pleased that my distinguished colleague from California, Senator WILSON, has agreed to sponsor this legislation with me. His work and interest in this area are well known and of great assistance to the Labor Subcommittee. In addition, I am pleased to be joined by so many of my colleagues who, recognizing the potential impact of the Garcia decision on their constituents, have agreed to cosponsor this bill.

Briefly, as orginally enacted in 1938, the FLSA required every employer to pay each of its employees engaged in commerce or in the production of goods for commerce the statutory minimum wage and overtime rate. Initially, the definition of employer excluded both the United States or any State or political subdivision of a State.

This exemption for State and local governments first cracked in 1966. Then, coverage was extended to include an enterprise engaged in the operation of a hospital, an institution primarily engaged in the care of the sick, the aged, the mentally ill or defective who reside at such institution, a school for the mentally or physically handicapped or gifted children, an elementary or secondary school, or an institution of higher education, regardless of whether or not the hospital, institution, or school was public or private. Also, coverage was mandated for both public and private railways and carriers.

After the Supreme Court upheld the constitutionality of such extension to hospitals, institutions and schools in *Maryland* v. *Wirtz*, 392 U.S. 183 (1968), Congress proceeded to extend FLSA coverage to virtually all State and local employees in 1974. A partial ex-

emption from the overtime provisions was granted for firefighters who, under the FLSA, are allowed to work 212 hours in a 28-day cycle and for police officers who are allowed to work 171 hours in the same time period before overtime or premium pay is required. This is in comparison to the standard 40-hour workweek otherwise applicable.

The congressional extension to State and local governments was short lived, however. In *National League of Cities* v. *Usery*, 426 U.S. 833 (1976), the Supreme Court ruled that the Commerce Clause did not empower Congress to enforce such requirements against the States "in areas of traditional governmental functions." 426 U.S. at 852.

Until February 19, 1985, this remained the law of the land. Then, in a 5–4 vote, the Supreme Court changed its mind and ruled that in covering employees of the San Antonio Metropolitan Transit Authority under the wage and hour provisions of the FLSA, Congress contravened no affirmative limit on its power under the Commerce Clause of the United States Constitution. Thus, overnight literally State and local governments found themselves facing a potential liability that could reach $3 billion.

For my own State of Oklahoma, the Department of Public Safety has informed me that including prospective troopers attending an intensive stress-type academy will cost the State an additional $68,000 per month in overtime for an average of 50 cadets because of FLSA requirements. The city of Stillwater has reported that the Garcia decision will cost it $624,279 this year alone. These are not isolated instances.

Evidence presented to the Labor Subcommittee on the potential effects of Garcia has led me to conclude that a legislative response is imperative. Therefore, the bill I am introducing today will address the three main problem areas resulting from this decision.

First, the legislation would exempt State and local governments from the overtime but not the wage provisions of the FLSA. This restores to State and local governments the flexibility to schedule their employees to serve best the needs of their own areas. Without this provision, overtime would have to be paid at any time after the statutory permitted hours for a workweek or period had been reached and compensatory time off or comp time in lieu of such overtime would not be permitted. In certain highly stressful occupations such as police work, firefighting, mental health counseling, to name a few, time off is preferable to employees over extra pay. The legislation does not require that compensatory time off be used or that overtime premium pay be given; it merely allows the flexibility to offer comp time as an alternative.

Mandating that overtime be compensated in cash, as Garcia does, presents significant cost problems in providing services needed on a cyclical basis. For example, testimony received at the Labor Subcommittee hearing indicated that Los Angeles County has fire problems about 6 months of each year. During this period, firefighters must work many extra hours and, prior to Garcia, would then take comp time during the slack season. Having to pay overtime is estimated to cost Los Angeles County an additional $12.5 million a year just for fire protection alone. In one 18-day period in June and July of this year, the Los Angeles County Fire Department incurred an additional cost of $564,000 for overtime as a result of Garcia. This legislation would restore Los Angeles County's ability to use comp time.

An extreme example of what can happen under the Garcia decision on police work occurred right here in Washington, DC. Two detectives were pulled off a homicide investigation by police officials who were concerned that the detectives would have to be paid overtime if they continued to work past the end of their shift. To add more insult to this, the two detectives reassigned to the case also were pulled off when their shifts ended. I would ask unanimous consent that a copy of the July 10, 1985, Washington Post article discussing these events be inserted in the RECORD at the end of my statement along with two other articles. One is an article entitled "Overtime Ruling Costly to the Localities" which appeared in the July 15, 1985, Washington Post; and the other, an editorial which appeared in the Wall Street Journal on July 24, 1985.

Second, the bill would exempt volunteers of State and local governments from both the wage and hour provisions of the FLSA. The most common example used in this area is volunteer firemen who, under Department of Labor regulations, are presumed to be employees if they receive more than $2.50 per call as reimbursement for expenses they may have incurred.

Although this is a serious problem, it is even more far reaching. Called into question as a result of the imposition of the FLSA on State and local governments would be, for example, a referee for the local high school basketball game or a school crossing guard who may receive some nominal fee. This local school district could find that time and attendance records are required to assure full compliance with all FLSA requirements. In an example presented at the Labor Subcommittee hearing, a county busdriver for the transportation department who desires to volunteer as a driver in a county-run meals-on-wheels program for the elderly would be prohibited.

Obviously, there are countless other examples. The point, however, is clear. The Federal Government should not be interfering with these individuals who, for humanitarian reasons want to offer their volunteer services at the State and local level. This legislation would not allow this type of intrusion.

Third, the bill would have an effective date with respect to workweeks beginning after February 19, 1985, the day the Supreme Court decided the Garcia case. Another troubling aspect of the Garcia decision to State and local governments is the potential liability they face while bringing themselves into compliance with the FLSA. Although the Labor Department will not institute enforcement proceedings until later, State and local governments are still subject to individual lawsuits not only for backpay but also punitive damages which means successful claimants can receive double the backpay award plus attorney fees. In light of the fact that State and local governments were complying with the law of the land one day and the Supreme Court changed it overnight, imposition of this type of liability seems inappropriate.

I have had several conversations on this matter with administration officials. While they assure me that the administation will not support legislation in this area unless there is active and coordinated support for it by State and local governments, I am confident this bill can meet that test. The administration has been invited to testify as the Labor Subcommittee continues its hearing on Garcia on September 10, 1985. Further, I ask unanimous consent that a copy of a letter I received be printed in the RECORD at the end of my statement and after the previously referred newspaper articles. The letter is dated July 22, 1985, and signed by representatives of seven States and local organizations asking for legislative relief.

With the added support of your cosponsorship, I am sure this bill can be a vehicle with the broad-based backing from the grassroots of the White House that is needed to enact a solution to this serious problem.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1570

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 13(b) of the Fair Labor Standards Act of 1938 is amended—

(1) by striking out the period at the end of clause (29) and inserting in lieu thereof a semicolon and "or"; and

(2) by adding at the end thereof the following new clause:

"(30) any employee of a public agency that is a State, a political subdivision of a State, or an interstate govenment agency.".

SEC. 2. Section 3(e) of the Fair Labor Standards Act of 1938 is amended—

(1) by striking out "paragraphs (2) and (3)" in paragraph (1) and by inserting in lieu thereof "paragraphs (2), (3), and (4)"; and

(2) by adding at the end thereof the following new paragraph:

"(4) The term 'employee' does not include any individual who is a volunteer for a public agency that is a State, a political subdivision of a State, or an interstate governmental agency, even if the individual is paid expenses or a nominal fee to perform the services for which the individual volunteered.".

SEC. 3. The amendments made by the first section of this Act shall take effect with respect to work weeks beginning after February 19, 1985.

D.C. POLICE TAKE DETECTIVES OFF SLAYING PROBE TO AVOID OVERTIME

(By John Ward Anderson)

It apparently was one of the shortest cases that D.C. homicide detectives Tom Arnold and Joe Schwartz had ever worked.

At 10:30 Monday night they left the office at 300 Indiana Ave. NW to investigate a fatal shooting at Harvard Street and Georgia Avenue NW. About an hour later their roles in the investigation came to a halt when an official in the Criminal Investigations Division ordered them back to D.C. police headquarters for an unprecedented reason: police officials were concerned that the detectives, who got off work at 11:30 p.m., would have to be paid overtime to continue working the case.

Two more investigators, Julia Crosby and Daniel Villars, were assigned to the case and worked it through the night. When their shift of duty was finished at 7:30 a.m., they, too, were ordered to go home, again because of overtime.

When a suspect in the slaying was arrested about noon yesterday, Detective Dwayne Stanton appeared at the D.C. Superior Court arraignment, but because he had only limited knowledge of the case, the proceeding had to be postponed until today.

While homicide officials and investigators reacted with anger and frustration at what one termed the "round robin" of detectives assigned to the case, police officials—embarrassed at the way the investigation was handled—said a misinterpretation of a memo on work hours caused the confusion.

Gary Hankins, labor committee chairman of the Fraternal Order of Police, said the community was "shortchanged" in the quality of the investigation.

"Any time an investigation is being conducted, when the evidence is freshest and people's memories are freshest is the most productive time. The idea of pulling people off at that time of an investigation is ludicrous," Hankins said.

"We certainly are not going to stop our job as police officers because someone is going to eat up [compensatory] time or overtime," said Assistant Chief of Police Isaac Fulwood Jr., who called the removal of the original detectives "unacceptable."

"It should never have happened," Fulwood said. "They should have stayed on the scene and finished the case."

The victim of the shooting was identified by police as Duane Lee Taylor, 18, of 589 Columbia Rd. NW, who was shot once in the upper right chest and was taken by D.C. Fire Department ambulance to the Washington Hospital Center, where he died a short time later.

Police said a 16-year-old Northwest Washington youth, whose name was not released, was arrested about 1 p.m. yesterday and charged with second-degree murder in the slaying.

No officials or investigators in the homicide unit would speak on the record about the investigation of the incident because of a standing order that members of the unit not talk with the press. Details were provided by homicide officials, investigators, and other police department sources who were familiar with the case.

Fulwood said the removal of investigators was due to a "misinterpretation" of a July 3 police memo that attempted to spell out new guidelines on when and how police officers should be paid overtime.

The new guidelines were necessary, Fulwood said, because of a recent Supreme Court ruling that police officers and firefighters nationwide are covered by the federal Fair Labor Standards Act.

Previously, D.C. police officers who were not covered by the act could work overtime in exchange for an equal amount of leave. Under the Supreme Court ruling, however, an officer who works more than 171 hours in a 28-day period has to be paid time-and-a-half.

The memo said that "Compensatory time earned as a result of late runs, late arrest, etc., must be documented," justified and signed by the watch commander.

According to Fulwood, the purpose of the memo was "not only to control [compensatory] time but to get a handle on the impact" of the Supreme Court ruling, which he said could have a "devastating effect on the budget of the department." Fulwood said he thought the memo was "perfectly clear."

"If there was a misunderstanding, it's been cleared up," he said.

[From the Washington Post, July 15, 1985]

OVERTIME RULING COSTLY TO LOCALITIES

(By Lee Hockstader)

A recent Supreme Court ruling forcing state and local governments to adhere to federal wage and hour laws will add $10 to $15 million a year to the costs of operating the D.C. government and hundreds of thousands of dollars to suburban governments, area officials say.

That is only a small portion of what is now estimated to be the overall $2 billion to $4 billion cost to state and local governments from the ruling that forces the governments to pay overtime wages to most of their workers instead of giving them compensatory time off.

"It's too much money," complained attorney Gilbert J. Ginsburg, a labor lawyer who is an adviser to many cities, including Alexandria and New York.

The ruling "hits very, very hard and is a burden," said Cornelius J. O'Kane, Fairfax County's personnel director. Officials there estimate the court's Feb. 19 ruling will cost Fairfax taxpayers $500,000 to $1 million a year.

Most of the added costs will come in overtime to police and firefighters, who in the past have earned substantial amounts of compensatory time off.

For example, one immediate impact of the ruling is in western states such as California, where thousands of firefighters will be collecting time-and-a-half overtime pay for battling the forest fires that were out of control in that region last week. Paying the California firefighters overtime wages, rather than compensating them with time off later, will cost $10 million to $20 million, according to James D. Mosman, the state's director of personnel administration.

Cities, which are expected to be hit the hardest when the Labor Department starts enforcing the court ruling Oct. 15, are raising the possibility of layoffs, reduced services or higher taxes. Officials in the Labor Department and the White House say they have been flooded with calls and letters from mayors worried about the impact of the ruling on their budgets.

Local governments attacked the ruling when it was announced, but say they are only now beginning to add up the likely costs as their budget and personnel officers supply them with more precise estimates.

"We are just now getting a handle on it, and it is very difficult," said Donald Weinberg, the District's director of labor relations. "It is causing a real problem."

District officials say the impact of the ruling here will not be as severe as in some other large cities because Washington already pays overtime to many of its employes.

"If there are no other pressures then it is clearly manageable," said Betsy Reveal, the District's budget director. "But it cannot be seen in isolation. In combination with other pressures it could cause problems." The District's annual payroll is about $850 million.

Under guidelines for the Fair Labor Standards Act, which state and local governments now must follow, police must receive overtime pay if they work more than 171 hours in a 28-day period. For firefighters, overtime must be paid after 212 hours.

Blue-collar employes in public works as well as clerical and technical employes, many of whom commonly work overtime hours, would also be covered. Teachers, as professional employes, are excluded from coverage under the law.

The Supreme Court ruling came in a case known as *Garcia* v. *San Antonio Metropolitan Transit Authority* on the question of whether overtime provisions in the act apply to municipal workers.

Joseph Garcia, a bus driver in San Antonio, had brought suit against the city, challenging its practice of paying time-and-a-half overtime only when bus drivers worked on their days off or on holidays. For all other overtime hours worked, bus drivers were paid at the normal hourly rate. The city said it should be exempt from the act; Garcia, backed by labor unions, said it should not.

The 5-to-4 high court ruling has diverse implications. For example:

Municipalities will no longer be able to accept volunteer or subminimum wage services from their employes. Crossing guards—frequently senior citizens working for little or no pay—will have to be paid at least a minimum wage, for instance. This provision is expected to hurt small towns, which frequently depend on volunteer workers to a large degree.

Municipalities may have to pay substantial sums of overtime wages to police recruits in academies who devote long hours to their training. "We've heard of an instance where trainees are paid at a higher rate than police captains," said a White House official. The official who asked not to be identified, said the likely effect in that instance would be a cutback in training time for police officers.

Public employes in some rural jurisdictions who saved compensatory time by working long hours in the winter so they could plant their crops in the spring will be unable to continue that practice.

In Puerto Rico, implementing the act is expected to cost millions of dollars because the government must start paying the minimum wage to public employes who have been earning less.

Officials also express fears of curtailed work by public safety employes, and cite the case of four D.C. homicide detectives whose investigation of a murder was cut short last week to avoid paying them overtime. The incident occurred shortly after police officials had circulated a memorandum outlining steps to comply with the ruling.

"There's an increasing degree of alarm about the costs and the disruption, both of which will be substantial," said the White House official.

Congressional hearings on the issue are scheduled for July 25, and three governors as well as a host of local officials are expected to raise the prospect of budget-busting expenses because of the ruling.

Groups such as the National Association of Counties and the National League of Cities also are increasing pressure on the Reagan administration to introduce legislation that would repeal overtime provisions of the Fair Labor Standards Act and effectively neutralize the fiscal impact of the Supreme Court's ruling.

The White House official acknowledged that the administration is considering backing such a bill. Congressional aides say the measure would be opposed by organized labor, and would stand little chance of passage in the Democratic-controlled House of Representatives.

"What happens on the House side depends on how much pressure we can gin up," said one Senate aide who would like to see the *Garcia* decision undone by Congress. "But politically I just don't think we can do it."

Susan Meisinger, deputy under-secretary for employment standards in the Labor Department, said she believes legislation is possible. "There's a growing concern about the impact," she said. "What happens depends on how hard state and local governments push."

In a speech to the American Bar Association last week, Attorney General Edwin Meese III blasted the court for the *Garcia* ruling, declaring that it "undermines the stability" of state and local governments.

To comply with the ruling, Los Angeles will have to pay $100 million a year; San Francisco, $50 million, and New York, $40 million, according to Cynthia M. Pols, counsel to the National League of Cities.

Many municipalities are in the process of determining how many of their workers are covered by the federal guidelines and how many are not. Some personnel officials acknowledge privately that in borderline cases where there is room for discretion, governments may tend to classify workers as exempt from the law, and therefore ineligible for premium pay.

State and local government officials also are afraid of the effects of a provision in the federal law that allows employes to bring private lawsuits to recover back overtime pay. Because the court's ruling was effective April 15, any municipal worker who wants to collect overtime since that date will be able to do so, along with a penalty doubling the overtime payment.

Ironically, although labor union officials initially were elated by the Supreme Court decision in February, some are now acknowledging that their members are unhappy about losing compensatory time off.

[From the Wall Street Journal, July 24, 1985]

A MESSAGE FROM GARCIA

This week a Senate subcommittee will begin hearings on the application of the Fair Labor Standards Act to state and local governments, a subject that usually glazes the eyes of all but the most devoted. This year, though, it is not just a matter of a million dollars here, a million there. Real money is at stake. And state and local political leaders actually may be coming forward to say so.

Early this year the Supreme Court, in the Garcia decision, extended the reach of the FLSA to cover state and local government activities that were once exempt. Among other changes, local employees will not be permitted to work overtime and take compensatory time off later on. From now on the workers will have to be paid for their overtime at time-and-a-half rates. Local government trainees, from firefighting recruits to youth employment program workers, will also fall under the time-and-a-half rule.

The price tag will vary by locality and region. Big cities in the Northeast will suffer least, since their labor practices are already the most expensive and most favorable to public employee unions. But even these cities will pay more than their spokemen currently admit. And for the country as a whole, the Garcia decision may cost about $3 billion.

Lest you think this figure is a righ-wing scare tactic, be advised that it does not include the cost of renegotiating contract, administering the changes or going to court in disputes over retroactive pay. Nothing in the current Reagan budget will even approach this decision in added burden to local governments.

As the Journal's Joann S. Lublin pointed out in a story yesterday, even local government workers are not ecstatic about the Garcia decision. The rule requiring time-and-a-half for overtime will often mean no overtime at all, and hence less total wages than in the bad old days. Senior citizens who now do government jobs at relatively low wages in order to stay below their Social Security ceilings may well find the jobs eliminated. Paramedics who work in town and volunteer their after-hours services in their rural home communities will not be able to do so anymore. Though the public employee unions have an institutional interest in uniform national labor standards, labor organizations are divided on this issue.

Until very recently, local governments were urging the Reagan administration to press for corrective legislation but somehow not yelling quite loud enough for their voices to reach the general media or the Democrats in the House of Representatives. With state and local support slow in coming, the administration faced its own dilemma: Should it step forward and take the political heat alone, or should it let the cost run up and start to entrench themselves until the localities got up the gumption to join vigorously in the debate?

In the past few days there have been signs of more action. The hearings will give us the first public indication of how all the calculations have come out. If a thundering silence emerges from the hearing room, do not assume that the Garcia problem is trivial; what you hear will simply be local leaders whose ties to an old ideology make them afraid to acknowledge the depth of the trouble. And if you hear a bit of healthy yelling, you will know that economic realities are at last forcing some necessary reconsiderations in American urban politics.

JULY 22, 1985.

Senator DON NICKLES,
Chairman, Senate Labor Subcommittee, SH-608, Hart Senate Office Building, Washington, DC.

DEAR SENATOR NICKLES: We are writing to seek your support for legislation to mitigate the impact of the Supreme Court's February 19, 1985 decision in *Garcia* v. *San Antonio Metropolitan Transit Authority* on state and local government. In that decision, the Supreme Court overruled its 1976 *National League of Cities* v. *Usery* decision that the Tenth Amendment was a bar to application of the Fair Labor Standards Act (FLSA) to state and local employees engaged in traditional governmental functions, effectively extending the wage and hours provisions of the FLSA to states and localities.

We believe that, in at least three areas, amendments to the FLSA are necessary to accommodate the unique problems of state and local government.

First, individuals who provide service to state and local government on a volunteer basis should not be subject to the wage and hours provisions of the FLSA. Of particular concern to states and localities are the provisions of the Department of Labor's (DOL) regulations which establish the presumption that volunteer firefighters are employees whenever they receive more than $2.50 per call as reimbursement for incidental expenses. As a result of this regulation, many of the estimated one million volunteer firefighters in the nation will be entitled to receive the minimum wage and overtime compensation for volunteer activities. This regulation will have a devastating impact on the many state and local jurisdictions which rely on volunteer firefighters.

Second, the overtime provisions of the FLSA should not apply to state and local employees. Under Section 7 of the FLSA, regular employees are entitled to compensation on a time and a half basis for hours worked in a week in excess of 40. Similarly, overtime pay must be paid to firefighters for hours worked in excess of 212 in a 28 day period and to police officers for hours worked in excess of 171 in a 28 day period. These provisions mean that numerous employment practices of state and local government, many of which have been incorporated into collective bargaining agreements at the request of employees and are long-standing practices, must be ended.

For example, duty cycles for firefighters of 24 hours on duty and 48 off duty, the most common duty cycle in the nation, can no longer be utilized unless the governing body is willing to pay overtime compensation. Similarly, the practice of using compensatory time off in lieu of overtime compensation is generally not permissible under the overtime provisions of the FLSA. Under the "comp" time concept, both public safety and regular employees are allowed to accumulate compensatory time for later use as time off. This practice is advantageous to both the governmental entity, which is provided with scheduling flexibility, and the employee, who is able to take longer vacations.

Third, a prospective effective date for the application of the FLSA to states and localities should be established. On June 14, DOL announced plans to begin enforcement

actions against states and localities and to impose liability on states and localities retroactive to April 15. This retroactive enforcement policy will compound the problems caused by application of FLSA to states and localities. The FLSA regulations establish countless new regulatory requirements for states and localities, many of which are being imposed in the middle of budget cycles and collective bargaining agreements. In our view, it is essential that Congress establish a moratorium on the application of the FLSA to states and localities that will ensure an orderly and harmonious transition period.

The proposed changes in the FLSA, which are necessary to prevent undue federal interference with the operation of state and local government, must be approved by Congress as soon as possible, preferably before DOL enforcement activities begin on October 15. Furthermore, because expedited congressional action is essential, we urge your support for narrowly crafted legislation which includes only provisions relating to the application of the FLSA to states and localities.

Sincerely,

Alan Beals, Executive Director, National League of Cities; Matthew B. Coffey, Executive Director, National Association of Counties; John J. Gunther, Executive Director, U.S. Conference of Mayors; William Hansell, Jr., Executive Director, International City Management Association; Earl S. Mackey, Executive Director, National Conference of State Legislatures; Carl W. Stenberg, Executive Director, Council of State Governments; Barton D. Russell, Executive Director, National Association of Towns and Townships.

Mr. WILSON. Mr. President, I rise today in support of legislation that is being introduced to mitigate the severe financial and administrative impact that the U.S. Supreme Court's recent decision, *Garcia* v. *San Antonio Metropolitan Transit Authority,* is causing on the State and local governments of this Nation. I am pleased to join with my distinguished colleague from Oklahoma, Senator NICKLES, to introduce a bill to release State and local governments from the undue burdens of the maximum hours provisions of the Fair Labor Standards Act [FLSA].

On July 15, I introduced legislation, S. 1434, to relieve State and local governments and their employees from the inflexible maximum hours of the FLSA. I am pleased that this legislation has already been cosponsored by 20 of my colleagues. I am hopeful that my colleagues who have joined me in the effort to return fiscal stability and autonomy to the State and local governments, will support the Nickles-Wilson legislation.

The Nickles-Wilson bill incorporates the provisions of S. 1434 and enhance its impact by allowing volunteers to continue to provide services to State and local governments. To date, State laws and collective bargaining rights have been adequate to ensure that State and local government employees and volunteers are treated fairly.

Had the Supreme Court been rectifying employment abuses by State and local governments, I would have introduced S. 1434 or joined with the Senator from Oklahoma in introducing this legislation. However, nowhere in the Court's lengthy opinion is there one citation of an employment injustice committed by a State or local government. That is because these local governmental employers are not running sweat shops. Rather, they are forced by local tax reduction efforts and reduced Federal assistance to develop creative employment strategies, such as comp time and flexible scheduling, to provide needed community services within the constraints of extremely tight budgets.

The State and local governments of this Nation need this legislative relief immediately. A Joint Economic Committee hearing I chaired on the impact of the Garcia decision provided evidence that the FLSA's overtime requirements will cost States and municipal governments across the Nation billions of dollars. California alone, it has been estimated, will have to spend at least $300 million in order to comply with the FLSA's rigid requirements. These governmental entities will not receive any extra services for these tremendously increased costs.

I want to commend Senator NICKLES for his leadership in holding hearings before the Subcommittee on Labor. He too has taken testimony from local government officials who stated that the Garcia decision creates a financial and administrative nightmare for local governments.

I am extremely pleased that a position was solidified on this issue here in the Senate. Local government groups such as the U.S. Conference of Mayors, the National League of Cities, the National Association of Counties and others wholeheartedly support this legislation. I have heard from many State and local government employees from my State and others that support this legislation because it offers them the flexibility to negotiate for compensatory time off in lieu of overtime pay, a practice prohibited by the FLSA. The administration is supportive of the effort to mitigate the harsh effect of the Garcia decision.

Mr. President, State and local government employees should have the flexibility that is prohibited under the FLSA, citizens who choose to volunteer their time should have the option of doing so, and finally our State and local governments need the autonomy to deal with their special labor situations—pragmatism requires it and the Constitution mandates it. The Nickles-Wilson bill will achieve these objections.

Mr. MATTINGLY. Mr. President, I am pleased to be an original cosponsor of this important legislation, which will release State and local governments from the burdens of the Supreme Court's recent decision in *Garcia* v. *San Antonio Metropolitan Transit Authority.*

The Garcia case held that the Fair Labor Standards Act [FLSA] is applicable to State and local governments. The result of this decision is that State and local governments will no longer have the flexibility to set up their employees' work schedules without Federal interference.

Since the time of this decision, I have received letters from numerous local government officials from all over my State of Georgia. They have expressed deep concern about the effect of this ruling on critical government services. From small counties to large cities, the negative impact could be devastating. Though it is impossible to measure exactly what the financial effect of this decision will be around our Nation, it is estimated it could be in the billions of dollars.

By making the provisions of the FLSA applicable to State and local governments, many communities are forced to either shift resources from essential safety programs to comply with this mandate or reduce the manpower needed to provide these services. I seriously question the sensibility of any decision which so negatively impacts the services of communities throughout America. In these times of congressional actions to reduce the deficit, it is time to get the Federal Government off the backs of local communities. It is time to minimize the Federal mandates and regulations with which cities must comply, not increase them.

I believe this legislation addresses the problem in a comprehensive and constructive manner. This bill, which will take effect concerning work weeks beginning after February 19, 1985, will exempt State and local governments from the overtime provisions of the FLSA. These employees will be given the opportunity to again enjoy compensatory time off as a result of their hard work. However, State and local governments will not be exempted from the minimum wages provisions of the FLSA, the child labor provisions, or the Equal Pay Act.

Senior citizens, who now work in government jobs for relatively lower wages to stay below Social Security ceilings, may possibly find they no longer have these jobs. Yet the responsibilities they fulfill, such as busdrivers and school-crossing guards, still exist. Also exempted will be volunteer firefighters, who perform such a vital public service to their communities.

Mr. President, the effect of the Garcia decision will be to place a costly and unnecessary burden on local governments, their employees, and the taxpayers. I urge my col-

leagues to join in the passage of this much-needed legislation.

By Mr. BRADLEY:

S. 1571. A bill to stabilize international currency markets in support of fair global competition; to the Committee on Banking, Housing, and Urban Affairs.

STRATEGIC CAPITAL RESERVE ACT

● Mr. BRADLEY. Mr. President, the volatility of the international currency market makes it impossible for U.S. employers to offer secure job opportunities in most of our trade-sensitive industries. In addition the lack of competitiveness of the dollar is eroding the selling strength of thousands of U.S. businesses. The resulting trade deficit threatens both our long-term economic health, and, ultimately, our national security. As our economic house starts to burn, the administration seems to be mesmerized by an academic debate on whether or not water will put out a fire. Some congressional proposals only add to the problem by confusing the problem of trade deficits and trade barriers.

We must start thinking strategically about the problems of trade barriers and trade deficits plaguing the world economy of the eighties. Only a clear economic strategy will provide the long-term stability we need to prosper, and that requires that we go to the source of our economic problem.

An article on the front page of Tuesday's Wall Street Journal addressed what I believe is the source of the problem of the trade deficit. The article reveals that $150 billion worth of currencies are traded worldwide each day. Furthermore, the net long-term capital flow from Japan to the rest of the world was $55 billion for the year that ended March 31. During the same time, net long-term capital inflows to the United States exceeded $100 billion a year. These financial tidal waves washing back and forth across the Atlantic and Pacific trade communities play havoc with daily investment decisions. They wipe out corporate gains overnight, and they destroy the competitiveness of American businesses. We cannot even establish the real impact of unfair trade barriers until we stabilize the dollar.

Congress must take action to make American companies more competitive in world markets. Today I am introducing the Strategic Capital Reserve Act of 1985. This bill will direct the Federal Reserve and the U.S. Treasury to build up a strategic capital reserve of foreign currencies for the purpose of stabilizing currency markets and simultaneously building up the competitiveness of the dollar. The bill improves the competitiveness of the dollar—and the competitiveness of U.S. businesses in trade-sensitive industries—by building a strategic reserve of foreign currencies to counteract financial flows that promote other countries' exports. Once the strategic capital reserve is in place, its very existence will stabilize international currency markets by giving the U.S. Government a tool for cushioning sharp movements in exchange rates in either direction.

First, the Strategic Capital Reserve Act will establish a set of procedures by which the Federal Reserve, in consultation with the U.S. Treasury, will build up the strategic capital reserve. It directs the Federal Reserve to purchase foreign currency in any fiscal quarter that two conditions are met. One, the amount by which U.S. imports of goods and services exceed U.S. exports of goods and services must have been running at a yearly rate greater than 1½ percent of GNP for the previous four quarters. In other words, the dollar must have a 1-year continuously uncompetitive track records on the foreign exchange markets.

Two, the value of the dollar measured against the other major trading currencies must be 15 percent above the level required for full U.S. competitiveness abroad. That is, the value of the dollar must be at least 15 percent above the level needed for a balanced current account. In any quarter that both conditions are met, the Federal Reserve will purchase at least $3 billion of foreign currencies for the strategic capital reserve. The purchase must not exceed the value of the current account deficit for the previous fiscal quarter. Under our current trade deficit, Treasury would have to establish a reserve of at least $12 billion and a maximum of $100 billion over the next year.

Second, the Strategic Capital Reserve Act amends the charter of the Federal Reserve to require the Federal Reserve to exclude the purchase of foreign currencies for the strategic capital reserve when it sets monetary policy. Currently, when any central bank—including the U.S. Treasury—sells dollars, the Federal Reserve considers itself forced to sell enough U.S. treasury bills to offset the additional dollars made available to worldwide consumers. For the buildup on the strategic capital reserve to strengthen the competitiveness of the dollar, it is necessary for the Federal Reserve to avoid counteracting the impact of strategic capital reserve foreign currency purchases and dollar sales.

The third provision of the bill directs the President to work with our 10 major trading partners to establish an international financial commission. The commission would be asked to report within 1 year on how to stabilize the world financial system to minimize financial shocks to our economy. The commission would include representatives of the 11 major financial world powers. One matter the commission should investigate is the availability of short-term as well as long-term securities issued by foreign governments to residents of each major trading country. The commission will continue consideration of measures to improve international macroeconomic coordination started at the Williamsburg summit in 1983.

Fourth, the bill directs the Chairman of the Federal Reserve and the Secretary of the Treasury to report annually to Congress on strategic capital reserve operations, as well as to consult with the central banks of Germany, Japan, Britain, and France to ensure maximum cooperation in stabilizing trade conditions.

We have a serious problem in foreign trade. The size of our trade deficits threaten the stability of our economy. It has become a matter of national security. But as with other areas of national security, we must identify the greatest dangers and take effective steps to minimize their potential impact. In this case, we must cushion our economy against the potential impact of financial shocks by establishing a currency reserve, just as we have cushioned ourselves from the impact of oil supply shocks by building a strategic petroleum reserve. What we need is action, not more talk.

Our businesses have always been at the forefront of industrial change. It is time for the Government to get its house in order so that our businesses can continue to succeed on the basis of their natural advantages: innovation and commitment in the work force. The Strategic Capital Reserve Act is an important step toward unleashing the natural competitive potential of American workers and businesses. ●

By Mr. D'AMATO:

S. 1573. A bill to extend patent numbered 3,387,268, "Quotation Monitoring Unit," for a period of 10 years; to the Committee on the Judiciary.

EXTENSION OF PATENT

● Mr. D'AMATO. Mr. President, today I am introducing the Senate companion to H.R. 1012, legislation introduced earlier this year in the House by Representative SOLARZ. Our bills seek to undo a serious inequity resulting from 15 years of restrictive Federal regulations that have only recently been changed.

On September 9, 1963, Prof. Sidney Epstein of Brooklyn, NY, filed for a patent on his invention, the Quotation Monitoring Unit. This invention enables investors to obtain the most recent quotations on selected stock issues directly. Professor Epstein was awarded Patent No. 3,387,268 for this invention on June 4, 1968.

For this invention to be fully useful, however, a subsidiary communication authorization [SCA] is needed. The SCA permits information to be sent

over FM airwaves to the Quotation Monitoring Unit. Unfortunately, for the first 15 years of the life of Professor Epstein's patent, FCC regulations did not permit SCA's to be used with Quotation Monitoring Units.

By the time the FCC's regulations were changed in 1983 to permit SCA's to be used with Professor Epstein's invention, the patent had nearly expired. For more than 10 years, Professor Epstein was denied the benefit of his patent by a set of Federal regulations that have since been abandoned.

Only Congress can correct this inequity. I urge my colleagues to support this bill to bring justice to a deserving individual inventor who has had the bad fortune to run into a series of bureaucratic regulations that should have been changed long before they were. I urge my colleagues to support this bill in the interests of equity and fair play and I ask unanimous consent that the full text of the bill be printed in the RECORD in its entirety at the conclusion of my remarks.

Thank you, Mr. President.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1573

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Commerce, acting through the Commissioner of Patents, shall, when patent numbered 3,387,268 (relating to a quotation monitoring unit) expires, or as soon thereafter as possible, extend such patent for ten years, with all the rights pertaining thereto.●

By Mr. LUGAR (for himself and Mr. HATCH):

S. 1574. A bill to provide for public education concerning the health consequences of using smokeless tobacco products; to the Committee on Labor and Human Resources.

HEALTH CONSEQUENCES OF SMOKELESS TOBACCO PRODUCTS

Mr. LUGAR. Mr. President, I am pleased, along with my colleague, Mr. HATCH, to introduce a bill that requires warning labeling for all smokeless tobacco products and advertisements and provides public education concerning the health consequences of using these products.

Like smoking tobacco, snuff, and chewing tobacco contain significant levels of nicotine which is associated with a rise in blood pressure and addiction. Additionally, use of smokeless tobacco causes commonly occurring alterations in the tissues of the mouth such as gingival recession, or recission of the gums, peridontal bone destruction, tooth abrasion, and most importantly, precancerous lesions such as leukoplakia. Approximately 7 percent of leukoplakia lesions convert to squamous cell carcinomas accounting for roughly 90 percent of all oral cancers.

A study by the Coalition on Smoking OR Health indicated that the risk of developing cancer is four times greater for snuff users than for nonusers, and is approaching 50 times greater for long-term chronic users. One research group reported that there may be as many as 70 deaths per year from oral cancer caused by smokeless tobacco. The Surgeon General reports that smokeless tobacco contains the highest amount of certain cancer causing toxins permitted in a consumer product for oral consumption. Because of the significant health risks associated with the use of smokeless tobacco products, a number of professional organizations encourage the enactment of legislation that would require warning labels on smokeless tobacco products, including the American Cancer Association, the American Lung Association, the American Heart Association, the American Dental Association, the American Academy of Otolaryngology, the American Association of Pediatrics, and the American Medical Association.

Until recently, the use of smokeless tobacco had been restricted to a relatively small percentage of the United States population. However, the National Cancer Institute estimates that today some 22 million Americans use smokeless tobacco. Sales of snuff increased 188 percent between 1970 and 1979, and continued to increase by 7 to 9 percent per year in the 1980's. In fact, Time magazine reported on July 15, 1985, that the amount of snuff sold annually in the United States has risen 60 percent since 1978.

This increase in the use of smokeless tobacco products is alarmingly pronounced among our youth. Surveys conducted in Indiana among 8th to 12th graders by Arden G. Christen of the Indiana University School of Dentistry, indicate that 48 percent of the students are users of smokeless tobacco. In fact, in one Indiana junior high school surveyed, 6.3 percent of the seventh-grade boys and 12.6 percent of the eighth-grade boys are regular users of smokeless tobacco. One study in Oregon recently found that 19 percent of ninth-graders and 23 percent of 10th-graders admitted they were daily users of smokeless tobacco. Other local studies in Massachusetts, Oklahoma, and Texas suggest that between 20 and 40 percent of high school boys are chewing or dipping. Moreover, smokeless tobacco usage has become quite common among college students nationwide.

Unfortunately, many of these young people are under the misimpression that use of smokeless tobacco carries no significant health risk. Teens seem to view smokeless tobacco as a healthy altenative to smoking cigarettes, and current advertising and packaging of smokeless tobacco products does nothing to dispel this inaccuracy.

Precedent for warning labels outlining the health hazards of regular use of tobacco products has been clearly established through legislation such as the Compehensive Smoking Education Act, signed into law during the 98th Congress. The serious health risks associated with use of smokeless tobacco products, in addition to the increase in use of these substances, particularly among young Americans, can no longer be ignored. It is imperative that warnings clearly outlining these health risks be prominently displayed on packages of smokeless tobacco and on all advertising of these products.

Mr. President, I ask that the text of this bill be printed in full.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1574

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Comprehensive Smokeless Tobacco and Health Education Act of 1985".

FINDINGS

SEC. 2. The Congress finds that—

(1) scientific research has determined that—

(A) the use of smokeless tobacco is a cause of oral and pharyngeal cancer, oral leukoplakia, gum disease, and tooth loss; and

(B) smokeless tobacco contains nicotine and may be addictive;

(2) the use of smokeless tobacco by adolescents is increasing;

(3) there is a widespread lack of knowledge among the general public of the health risks associated with the use of smokeless tobacco; and

(4) State and local efforts are insufficient to educate the public on the dangers of smokeless tobacco use.

PUBLIC EDUCATION

SEC. 3. (a)(1) The Secretary of Health and Human Services, through the Office of Smoking and Health of the Department of Health and Human Services, shall—

(A) develop educational programs and materials and public service announcements respecting the dangers to human health from the use of smokeless tobacco; and

(B) make such programs, materials, and announcements available to States, local governments, and school systems.

(2) In develping programs, materials, and announcements under paragraph (1), the Secretary shall consult with the Secretary of Education, medical and public health entities, consumer groups, and other appropriate entities.

(b) One year after the date of the enactment of this Act, and annually thereafter, the Secretary shall transmit a report to the Congress concerning the activities undertaken under subsection (a) during the preceding year.

(c) The Secretary, through the Office of Smoking and Health of the Department of Health and Human Services, may provide technical assistance to States to assist such States in the development of educational programs and materials and public service announcements respecting the dangers to human health from the use of smokeless tobacco.

REPORT ON SMOKELESS TOBACCO AND HEALTH

SEC. 4. The Secretary, through the Surgeon General of the United States, shall transmit a report to the Congress not later than January 1, 1987, and annually thereafter, containing—

(1) a description of the effects of health education efforts on the use of smokeless tobacco products;

(2) a description of current practices and methods of smokeless tobacco product advertising and promotion;

(3) a description of the use by the public of smokeless tobacco products;

(4) an evaluation of the known health effects of smokeless tobacco products; and

(5) such recommendations for legislation and administrative action as the Secretary considers appropriate.

SMOKELESS TOBACCO WARNING STATEMENTS

SEC. 5. (a)(1) It shall be unlawful for any person to manufacture, package, or import for sale or distribution within the United States any smokeless tobacco product unless the package of the product bears, in accordance with the requirements of this section, one of the following statements:

"WARNING: THIS PRODUCT MAY CAUSE MOUTH CANCER

"WARNING: THIS PRODUCT MAY CAUSE GUM DISEASE AND TOOTH LOSS

"WARNING: THIS PRODUCT CONTAINS NICOTINE AND MAY BE ADDICTIVE".

(2) It shall be unlawful for any manufacturer or importer of a smokeless tobacco product to advertise or cause to be advertised within the United States any smokeless tobacco product unless—

(A) the advertising of such product bears one of the statements specified in paragraph (1);

(B) in the case of television advertising, one of the statements specified in paragraph (1)—

(i) appears for the duration of each advertisement; or

(ii) is read once during each advertisement; and

(C) in the case of radio advertising, one of the statements specified in paragraph (1) is read once during each advertisement.

(b) Each statement required by subsection (a) shall appear—

(1) in the case of the smokeless tobacco product package—

(A) on the top of the package or in another prominent location on the package; and

(B) in conspicuous and legible type in contrast by typography, layout, and color with all other printed material on the package; and

(2) in the case of print and television advertising—

(A) in a conspicuous location and in conspicuous and legible type in contrast by typography, layout, and color with all other printed material in the advertisement; and

(B) in a format prescribed by the Federal Trade Commission.

(c) The statements specified in paragraph (1) of subsection (a) shall be rotated by each manufacturer or importer of a smokeless tobacco product in each twelve-month period in an alternating sequence on packages of each brand of smokeless tobacco product manufactured by the manufacturer or importer and in the advertisements for each such brand of smokeless tobacco product in accordance with a plan submitted by the manufacturer or importer and approved by the Federal Trade Commission. The Federal Trade Commission shall approve a plan submitted by a manufacturer or importer of a smokeless tobacco product which will provide the rotation required by this subsection and which assures that all of the statements required by paragraph (1) of subsection (a) will be displayed by the manufacturer or importer at the same time.

(d) Not later than 180 days after the date of enactment of this Act, the Federal Trade Commission shall promulgate such regulations as it may require to implement subsections (a), (b), and (c).

(e)(1) After the Advisory Committee on the Health Consequences of Using Smokeless Tobacco appointed by the Surgeon General of the United States completes its study and report products, the Surgeon General and the Federal Trade Commission shall review the findings and conclusions of such study. After the completion of such review, the Federal Trade Commission may, by regulation, promulgate revisions of the statements specified in paragraph (1) of subsection (a). Any such revision shall be based on the findings and conclusions of such study.

(2) Any regulations promulgated under paragraph (1) of this subsection shall be promulgated in accordance with subchapter II of chapter 5 of title 5, United States Code.

(f) Any person who violates the provisions of this section shall be guilty of a misdemeanor and shall on conviction thereof be subject to a fine of not more than $10,000.

(g) The several district courts of the United States are invested with jurisdiction, for cause shown, to prevent and restrain violations of this section upon application of the Attorney General of the United States acting through the several United States attorneys in their several districts.

(h)(1) No statement relating to the use of smokeless tobacco products and health, other than the statements required by this section, shall be required on any package of a smokeless tobacco product.

(2) No requirement or prohibition based on the use of smokeless tobacco products and health shall be imposed under State law with respect to the advertising or promotion of any smokeless tobacco product the packages of which are labeled, and the advertisement of which is conducted, in conformity with the provisions of this section.

DEFINITIONS

SEC. 6. For purposes of this Act—

(1) the term "package" means a pack, box, carton, can, or any other container of any kind in which smokeless tobacco is offered for sale, sold, or otherwise distributed to consumers;

(2) the term "person" has the same meaning as in section 3(5) of the Federal Cigarette Labeling and Advertising Act;

(3) the term "Secretary" means the Secretary of Health and Human Services;

(4) the term "smokeless tobacco" means any finely cut, ground, powdered, or leaf tobacco that is intended to be placed in the oral cavity; and

(5) the term "United States" has the same meaning as in section 3(3) of such Act.

EFFECTIVE DATE

SEC. 7. (a) Except as provided in subsection (b), this Act shall take effect one year after the date of enactment of this Act.

(b) Section 5(d) shall take effect on the date of enactment of this Act.

Mr. HATCH. Mr. President, I am pleased, along with my colleague, Mr. LUGAR, to introduce a bill which would require warning labeling for all smokeless tobacco products and advertisements.

Recently, the Surgeon General reported that smokeless tobacco contains the highest amount of certain cancer-causing elements of any consumer product intended for oral consumption. The suspect ingredient in smokeless tobacco is N-nitrosonornicotine [NNN]. This chemical has been proven to cause cancer of the esophagus, nasal cavity, trachea, and lungs in laboratory animals. The most common problem for smokeless tobacco users is leukoplakia, a precancerous lesion within the oral cavity, 7 percent of which convert to squamous cell carcinomas. These account for 90 percent of all oral cancers.

In the past, the number of smokeless tobacco users was only a small percentage of the population. However, today, the popularity of this product is increasing rapidly, especially among other youth. Of those that are regular users, 55 percent began the habit by or before the age of 13. In September 1984, the Utah Department of Health conducted a survey of 3,232 Utah students between the ages of 10 and 18. Fifty-two percent were male and 48 percent were female. The study showed that males are much more likely to use snuff or chew than are females. The survey also indicated that 39 percent of all males surveyed have tried smokeless tobacco at some point in their lives. Of all surveyed, females and males alike, 25 percent have used smokeless tobacco at some time in their life.

Many of these young people aren't aware of the dangers of chewing tobacco. It is essential that people are warned of the health risks associated with the use of these products. In 1984, I sponsored the "Smoking Education Act of 1984", which was signed into law. This will be effective in better educating the people of our country about the dangers of cigarette smoking. It is imperative that this additional warning labeling legislation be passed into law and the public made aware of the health risks of smokeless tobacco. We have made great strides toward cigarette smoking education and now it is time to do the same with smokeless tobacco use education.

Mr. President, I urge my colleagues to join with me and Senator LUGAR in sponsoring this important public health bill.

By Mr. WEICKER (for himself and Mr. BUMPERS):

S. 1575. A bill to recognize the Cabinet status of the Administrator of the Small Business Administration; to the Committee on Governmental Affairs.

CABINET STATUS OF THE ADMINISTRATOR OF THE SMALL BUSINESS ADMINISTRATION

● Mr. WEICKER. Mr. President, today I am introducing legislation to

raise the status of the Administrator of the Small Business Administration [SBA] to Cabinet level. This legislation urges the President to make the Administrator of SBA a full participant in the duties and activities of the President's Cabinet, and further, that he be the President's principal adviser on all matters relating to small business. Accordingly, his salary would be raised commensurate with this inceased status.

Mr. President, the SBA Administrator serves a critical role as the voice of small business within the administration. He or she is the chief advocate for small enterprise, clearly the driving force behind our economy. The President's 1985 Report of the State of Small Business states that there are 14.2 million American small businesses, which comprise 97 percent of all businesses in this country. The reports tells us that all—100 percent—of the 1 million net, new jobs created during the recent recession were generated by businesses with fewer than 20 employees. And while large firms lost 1.6 million jobs between 1980 and 1982, small firms created 2.6 million new jobs during that same time. In addition, small business dominated industries added jobs at a rate almost twice that of industries dominated by large firms between 1982 and 1984.

Mr. President, the small business sector is our Nation's undisputed economic leader. It clearly warrants Cabinet level representation, so that we may be assured that small business' concerns are addressed when tax, regulatory, and other executive branch policy decisions are being carved out.

Mr. President, Congress has once again recognized the importance of American small business by enacting legislation to reconvene the White House Conference on Small Business by September 1986, to be preceded by conferences in all 50 States, which are currently being implemented by the President. By elevating the status of the SBA administrator, this legislation gives proper recognition to the importance of this agency and the constituency it represents.

Mr. President, I ask unanimous consent that the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1575

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of the Congress that the Administrator of the Small Business Administration should be designated by the President—

(1) as a member of, and a full participant in all functions, duties, and activities of, the Cabinet, and

(2) the President's principal advisor on all matters relating to small business.

(b)(1) Section 5312 of title 5, United States Code, is amended by adding at the end thereof the following:

"Administrator of the Small Business Administration."

(2) Section 5314 of such title is amended by striking out:

"Administrator of the Small Business Administration."●

By Mr. MITCHELL:

S. 1576. A bill to amend the Trade Act of 1974 to authorize the President to negotiate an agreement establishing a joint commission to resolve trade and other economic disputes between the United States and Canada; to the Committee on Finance.

JOINT COMMISSION TO RESOLVE ECONOMIC DISPUTES BETWEEN THE UNITED STATES AND CANADA

● Mr. MITCHELL. Mr. President, I am today reintroducing legislation I originally introduced in the 98th Congress calling for the creation of an International Joint Economic Commission to aid in resolving trade and economic disputes between the United States and Canada.

This bill would authorize the President to negotiate with Canada for the establishment of a joint commission which would have authority to conduct fact finding analysis, making advisory recommendations, and, if asked by both parties, provide arbitration of disputes on trade and other economic issues.

The United States enjoys a unique and special relationship with Canada marked by close political, social and economic ties. As each others largest trading partner we engage in extensive two way trade in many sectors. Last year that trading relatinship—the largest trading partnership in the world—grew a full 25 percent. But this growth in trade has been followed by an escalation in the number and intensity of trade disputes that threatens further progress in our relationship.

As a Senator from a border State, I witness the influence that lingering trade problems can have on public attitudes toward overall United States-Canadian relations. Maine has strong economic ties to the eastern provinces in Canada, but continuing complaints from such important regional industries, as fishing, lumber, and potatoes have strained relations and produced in some cases an ambivalent or even hostile attitude regarding further economic dealings with the Canadians.

The same is true in other parts of the country where industries have been hurt by the recent surge in Canadian imports. For many years, until 1982, United States-Canada trade flows were roughly equal. Then in 1982 the United States recorded a merchandise deficit of $13.9 billion which increased to $15.4 billion in 1983 and $21.8 billion last year. Next to Japan, that was our largest bilateral trade deficit.

In 1984, imports from Canada grew by almost 28 percent, double that recorded for the year before. In fact three-quarters of all Canadian exports go to the United States. Our exports to Canada have also increased and now account for one-fifth of our global sales.

As trade flows have increased and the strong growth in Canadian imports has displaced our domestic products, tensions have been aggravated and trade disputes, which in many cases have lingered for years, are taking on a new urgency. A number of bills have been introduced in Congress to deal with trade disputes with Canada involving softwood lumber, pork products, fresh vegetables, tourist literature, and beef products.

Precisely because our relationship with Canada is so close and of a unique nature we should make more of an effort to diffuse the kinds of economic conflicts that can too readily escalate out of control.

Although we do have close governmental ties with Canada, I believe that our process of settling disputes can be improved. The current process tends to be highly political, and there is significant likage among issues. Less powerful interests in each country become suspicious that their interests are being traded off and that their positions are not judged on their merit. Furthermore, there is nothing to compel the United States and Canada to resolve their disputes.

Of course, these drawbacks characterize most bilateral relationships. But the close ties and harmonious relationship the United States has with Canada suggest that a more effective method of dispute settlement may be possible.

This bill would authorize the creation of a new entity, the International Joint Economic Commission, with a mandate to facilitate the settlement of bilateral disputes involving economic issues. The new commission would be modeled after the successful International Joint Commission which has dealt successfully with boundary water problems since 1911. It would have an equal number of commissioners appointed by each country and would have three basic powers.

First, it would conduct fact-finding investigations and analyses of major bilateral issues. Disputes are often characterized by disagreements over facts, so the exercise of this function could help establish a common factual basis in controversial issues. Furthermore, an independent analysis of the issues involved in a dispute could highlight possible solutions overlooked by each country.

Second, the International Joint Economic Commission could give advisory opinions or recommendations on issues referred to it by both governments.

This function would obviously be most useful when each government follows the recommendation. The IJC has been especially successful in this regard. Because the decisionmaking process of the IJC is well respected, its recommendations are usually adopted.

Third, the International Joint Economic Commission could actually arbitrate disputes, again on a referral basis. While arbitration is a useful method if dispute settlement, this function would not likely be used very much. The IJC has never employed its arbitral responsibility, probably because this requires each country to yield part of its autonomy. Nonetheless, the new commission should be given this responsibility in the event that the United States and Canada determine that arbitration would be useful in settling certain disputes.

In spite of an escalation of trade problems, economic relations with Canada have improved as a result of recent changes in Canadian Government policies toward United States and other foreign investment. The Canadian Government is again emphasizing its special trade relationship with the United States and both governments are exploring the possibility of entering into a bilateral free-trade arrangement. Such an arrangement is at this time quite distant and may perhaps be undesirable. A number of divisive issues would first have to be resolved but if an arrangement is reached, our economic and political ties will be undoubtedly be furthered strengthened.

That would not, however, diminish the value of a joint commission to facilitate the settlement of economic and trade disputes between our two nations. Indeed, the closer economic ties and increased trade resulting from a free trade arrangement would make this type of dispute resolution body even more necessary.

Last year the Senate approved legislation giving the President authority to negotiate the establishment of a joint economic commission with Canada. That provision was deleted in conference with the House along with provisions for a free-trade arrangement with Canada. Regardless of what progress occurs on a free-trade arrangement, we should improve our bilateral relationship with Canada through the creation of a joint commission to address trade and other economic disputes.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1576

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. JOINT COMMISSION TO RESOLVE ECONOMIC DISPUTES BETWEEN THE UNITED STATES AND CANADA.

Section 612 of the Trade Act of 1974 (19 U.S.C. 2486) is amended by adding at the end thereof the following new subsection:

"(c) The President is authorized and requested to seek, through an agreement, the establishment of a joint commission to resolve trade and other economic issues between the United States and Canada. All disputes concerning such issues should be referred to the joint commission for fact-finding and resolution through arbitration in a manner similar to the procedure established by the Convention Concerning the Boundary Waters Between the United States and Canada (36 Stat. 2448). Nothing in this subsection shall be construed as prior approval of any legislation which may be necessary to implement such an agreement.".●

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 1577. A bill to transfer title, control, and custody of certain lands near Aiken, SC, from the U.S. Department of Agriculture to the U.S. Department of Energy; to the Committee on Agriculture, Nutrition, and Forestry.

TRANSFER OF CERTAIN FEDERAL LAND

Mr. THURMOND. Mr. President, along with my distinguished colleague from South Carolina, Senator HOLLINGS, I am very pleased to introduce legislation today at the request of the Department of Energy. This bill would effect a transfer of title, control, and custody of certain Federal lands near Aiken, SC, from one Federal agency to another.

The background and need for this measure is amply detailed in the materials I will submit for the RECORD at the conclusion of my remarks. Therefore, I only wish to briefly state now that enactment of the bill would allow a land transfer to take place from the Department of Agriculture to the Department of Energy, thereby significantly enhancing security at the Savannah River plant in my home State of South Carolina.

Mr. President, I ask unanimous consent that a copy of a letter I have received from Assistant Secretary of Energy Garrish, together with a copy of a letter from the Honorable J. Michael Farrell, General Counsel of the Department of Energy, to Vice President BUSH, appear in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF ENERGY,
Washington, DC, July 29, 1985.

Hon. STROM THURMOND,
U.S. Senate,
Washington, DC.

DEAR SENATOR THURMOND: Today, the Department has forwarded to the Congress a legislative proposal to transfer lands near Aiken, South Carolina, from the United States Department of Agriculture to the United States Department of Energy.

This proposal would enhance security at the Department's Savannah River Plant. It is necessary because the Department of Agriculture, which concurs with this proposal, does not have the authority to transfer lands to another Federal agency without specific legislation.

I have enclosed a copy of the draft bill as well as the forwarding letter to the Vice President, which explains the proposal in detail. Your assistance with respect to this legislation would be very much appreciated.

Sincerely,

THEODORE J. GARRISH,
Assistant Secretary for Congressional, Intergovernmental, and Public Affairs.

DEPARTMENT OF ENERGY,
Washington, DC, July 29, 1985.

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Enclosed is proposed legislation "[t]o transfer title, control, and custody of certain lands near Aiken, South Carolina from the United States Department of Agriculture to the United States Department of Energy." The Office of Management and Budget advises that it has no objection to the submission of this proposal from the standpoint of the President's program.

PURPOSE OF THE LEGISLATION

The purpose of this legislation is to transfer back to the Department of Energy lands near Aiken, South Carolina that had been transferred from the Department to the United States Forest Service in 1972. The lands were given National Forest status in 1974. The Forest Service does not have the authority to transfer lands to another Federal agency without specific legislation (16 U.S.C. § 521).

Acting under Executive Order 11508, dated February 10, 1970, the General Services Administration (GSA) surveyed Federal land holdings and utilization and made recommendations to the President regarding the use and disposal of property. Seven parcels of Savannah River Plant (SRP) lands, totaling 49,300 acres, were proposed for disposal by GSA. The Atomic Energy Commission, the Department's predecessor agency, strenuously objected to this transfer based on programmatic, security, and public safety grounds. Despite these objections, however, three parcels totaling 6,021 acres were transferred to the Forest Service. The transfer was done to provide public recreational benefits under the President's "Legacy of the Parks" program. Enclosure 1 depicts these parcels in relation to the SRP.

In recent years, there has been a continuing increase in the use of international and domestic terrorism by various groups to achieve political, economic, and other objectives. These trends and their implications for U.S. facilities have been the subject of intense interest and concern by the Administration and Congress. The Department has revised its internal threat guidance to recognize more specifically the terrorist threat and the potential for acts of sabotage resulting in program interruptions and adverse effects upon public safety. In particular, we have evaluated the security implications of uncontrolled public access to the three parcels near Aiken and concluded that their acquisition would enhance SRP security.

THE LEGISLATION

Section 1 of the proposed bill would transfer from the Forest Service to the Department, without cost, the three parcels of land numbered 1, 2, and 3 in Enclosure 1. It would increase significantly the distance between areas of uncontrolled public access

and SRP facilities whose uninterrupted operations are essential to meeting our national defense mission.

In the specific case of parcels 2 and 3, the critical facilities of concern include the Savannah River Laboratory, Fuel Fabrication facilities, Computer Center, and Emergency Operating Center. See Enclosure 2. These facilities are potential sabotage targets. Roving patrols and intensive development provide active perimeter security for access routes directly in front of these facilities. Acquisition of parcels 2 and 3 would increase the distance between the less protected flanks and SRP boundaries from 5,000 feet to about 7,000 feet for the Savannah River Laboratory and from 4,000 feet to 8,000 feet in the case of the Fuel Fabrication facilities.

The critical facilities of concern for parcel 1 are the supporting facilities necessary for the effective and reliable operation of the SRP. Facilities in close proximity to this tract include electrical, cooling water, and steam distribution systems, power generation facilities, and experimental facilities. Our ability to deny public access to this tract would aid in the effectiveness and reliability of SRP security systems by reducing significantly the possibility of establishing staging areas in close proximity to critical facilities or undetected access onto existing Department land. See Enclosure 3. Acquisition of this parcel would increase the overland distance between these critical facilities and the SRP boundary from 3,000 feet to 15,000 feet.

Section 2 of our proposal would provide that valid existing rights with respect to these lands are protected.

The increasing incidence of terrorism throughout the world has added a new dimension to maintaining security at national defense facilities. Transfer of the land in question back to the Department will enhance security significantly by limiting public access to lands that are in close proximity to critical nuclear facilities.

Acquisition of these lands is consistent with, and an extension of, other recent actions taken to ensure the integrity of the SRP perimeter from uncontrolled public access, including requests for airspace restrictions, fencing and barricades on public Highway 125, additional security personnel, and security enhancements in the operating areas.

COST AND BUDGET DATA

Enactment of this legislation would result in no significant increase in the budgetary requirements for the Department of Energy.

Sincerely,

J. MICHAEL FARRELL,
General Council.

By Mr. THURMOND (for himself, Mr. KENNEDY, Mr. DENTON, Mr. GORTON, Mr. SYMMS, Mr. GORE, Mr. MATTINGLY, Mr. LAXALT, Mr. MCCONNELL, Mr. HECHT, Mr. HATFIELD, Mr. PACKWOOD, Mr. MATSUNAGA, Mr. STEVENS, Mr. SPECTER, Mr. MURKOWSKI, Mr. HATCH, Mr. EVANS, Mr. WALLOP, Mr. EAST, Mr. CHILES, Mr. INOUYE, Mr. HELMS, Mr. SIMPSON, and Mr. HOLLINGS):

S. 1578. A bill to amend the Low-Level Radioactive Waste Policy Act to improve procedures for the implementation of compacts providing for the establishment and operation of regional disposal facilities for low-level radioactive waste, and for other purposes; to the Committee on Environment and Public Works.

LOW-LEVEL RADIOACTIVE WASTE POLICY AMENDMENTS ACT

Mr. THURMOND. Mr. President, today, I am introducing a bill to amend the Low-Level Waste Policy Act of 1980. I am also offering this same language as an amendment to S. 1517, introduced by the Senator from Idaho [Mr. MCCLURE] earlier this week. This language provides for an orderly system of low-level nuclear waste disposal during the period of 1986 through 1992.

Mr. President, the issue of how this Nation will dispose of its low-level nuclear waste is at a critical point. Under the 1980 act, States were encouraged to enter regional compacts to handle this waste. Thirty-three States have done so, and now the Senate Judiciary Committee has before it six of these regional agreements. As an incentive for entering such compacts, the 1980 act authorized any such organized region whose compact has obtained congressional approval to exclude out-of-region waste beginning January 1, 1986.

However, Congress has not yet granted consent to any such compact, and therefore the full burden of nationwide disposal continues to fall on the three current sites: Beatty, NV; Barnwell, SC; and Richland, WA. The Governors of these three States have indicated that they will close these sites at the end of this year if Congress has not satisfactorily addressed the disposal problem.

Thus, we face the situation where there could be no site for low-level waste disposal after December 31 of this year if Congress does not act before the end of this session. Since ratification of these compacts alone would allow Nevada, South Carolina, and Washington to exclude all waste generated outside their respective regions, and since other sites will not be available by January 1, 1986, I am introducing this legislation to provide the necessary transition beginning in 1986.

This legislation is similar to the one considered by the House Committee on Interior and Insular Affairs. It would give regions without sites time to create disposal sites by 1993, while enforcing caps on the amount of waste the currently sited States will have to accept.

This legislation contains several important features:

Under section 5, nonsited regions will be allowed access to existing disposal facilities through December 31, 1992. Caps will be placed on the volume of waste the three existing disposal facilities are required to take. In order to stay within the volume caps, each utility generator will be allocated a specific amount of disposal space;

To encourage the development of disposal sites, nonsited compact regions and nonmember States will be required to meet specified milestones. Failure to meet these milestones will result in loss of access to the generators of the violating compact region or State. Access will be restored once compliance with the milestone is established; and

All generators outside of sited compact regions will be required to pay surcharges on waste shipped to the existing disposal facilities.

I believe this legislation strikes a reasonable balance between the need for disposal of low-level waste and fairness to those States which have done more than their share in handling all of the Nation's low-level waste.

The Governors of Nevada, South Carolina, and Washington support this legislation, and I believe its passage, along with congressional approval of pending compacts, will avert the crisis we now face and will place us on the road to a long-term solution to this problem.

Mr. President, as I have already indicated, there are currently six compacts pending in the Judiciary Committee. These six regions and their member States are:

Southeast: Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia.

Northwest: Alaska, Hawaii, Idaho, Montana, Oregon, Utah, and Washington.

Rocky Mountain: Colorado, Nevada, New Mexico, and Wyoming.

Central Midwest: Illinois and Kentucky.

Central: Arkansas, Kansas, Louisana, Nebraska, and Oklahoma.

Midwest: Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio, and Wisconsin.

I would also note that the Judiciary Committee has the option to report these compacts at anytime, and could attach this legislation, or similar language, as a condition for approval of these compacts. However, the House has opted to pursue the course of introducing separate legislation to address the transition period from 1986 through 1992, when the compact regions could exclude out-of-region waste. Therefore, I am introducing this legislation to put this body on a parallel track, which should expedite final congressional approval of the transition provisions. Also, by introducing this legislation as a separate item, other Senate committees, with expertise in this area, will be given the opportunity to review this proposed transition legislation.

However, I want to make it clear that I intend for this bill to be part of

51-059 O-86-34 (Pt. 16)

a package approach whereby Congress approves the pending compacts and provides for a transition period through 1992. In fact, this bill is strictly contingent upon congressional approval of the pending compacts. I will not support passage of this, or similar legislation, without concurrent approval of these compacts, and I have been assured by the majority leader of the Senate that this bill will only be considered as part of a package granting congressional approval for these compacts. Congressman MORRIS UDALL, chairman of the House Interior and Insular Affairs Committee, has also assured me that he will work to have this legislation and these compacts considered as a package by the House.

It is my hope that these other committees will move expeditiously in light of the deadline the Nation is facing. It is my intention to ask the majority leader to accommodate Senate floor consideration of this matter in time to obtain congressional approval for these compacts, with the transition provisions in one form or another, by the end of this year.

Mr. President, I ask unanimous consent that copies of letters I have written to Senator DOLE and Congressman UDALL and their replies, be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, DC, August 1, 1985.

Senator ROBERT DOLE,
Majority Leader, U.S. Senate, Washington, DC.

DEAR BOB: Thank you for your commitment to treat pending low-level nuclear waste compacts and legislation providing for a transition period for low-level waste disposal as a single package, and your agreement not to bring up any "transition" legislation without a concurrent agreement to approve these compacts.

The transition legislation will help provide a means to solve the low-level waste disposal problem, and your commitment means that currently-sited states can join in this earnest effort to reach a solution, without incurring the risk of continued responsibility for unlimited nationwide disposal.

I will be working with the other members of the Judiciary Committee, and with the other Committees involved, in an effort to reach a consensus solution before the January 1, 1986, deadline. Your commitment ensures that the Senate will undertake a comprehensive and fair review of this critical issue.

With kindest regards and best wishes,
Sincerely,

STROM THURMOND,
Chairman.

U.S. SENATE,
OFFICE OF THE MAJORITY LEADER,
Washington, DC, August 1, 1985.

Hon. STROM THURMOND,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, DC.

DEAR STROM: Thank you for your letter today concerning the proposed procedure for handling the ratification of regional compacts and the transitional legislation under the "Low Level Radioactive Waste Policy Act".

I agree that it would be unfair to the three States that are now burdened with all of the nation's radioactive waste to simply pass the transitional legislation without acting on the compacts that have been negotiated to handle this waste on a regional basis. I will be pleased to work with you to ensure the joint scheduling of these matters so that we can reach fair resolution for South Carolina, Kansas, and other States involved.

Sincerely yours,

BOB DOLE,
Majority Leader.

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, DC, August 1, 1985.

Representative MORRIS K. UDALL,
Chairman, Committee on Interior and Insular Affairs, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I appreciate having the opportunity to discuss with you the low-level nuclear waste compacts and legislation providing for a transition period that was reported out of your Committee yesterday.

Thank you for your commitment to treat these compacts and any "transition" legislation as a single package. Your commitment ensures that currently-sited states can join in an earnest effort to reach a solution to the low-level waste problem, without incurring the risk of continued responsibility for unlimited nationwide disposal.

Senate Majority Leader Dole has assured me that he considers the compacts and the transition legislation to be a single package, and that he will not bring up any "transition" legislation without a concurrent agreement to approve these compacts.

I appreciate your fine work on this critical issue, and look forward to a successful resolution of this matter before the end of this Session.

With kindest regards and best wishes,
Sincerely,

STROM THURMOND,
Chairman.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, August 1, 1985.

Hon. STROM THURMOND,
U.S. Senate,
218 Russell Senate Office Building,
Washington, DC.

DEAR SENATOR THURMOND: Legislation for approval of interstate compacts for low-level radioactive waste management is essential this year. The Committee on Interior and Insular Affairs yesterday voted to report to the House all the bills on this subject. H.R. 1083, being the legislation under which the compact system will function, was agreed to first, and the six regional compacts were subsequently approved by unanimous consent.

I intend to pursue an identical procedural approach on the House floor. Once issues related to the compact system are resolved in H.R. 1083, there is no reason for delay in approval of the interstate compacts.

I look forward to completing work on all these bills this fall.

Sincerely,

MORRIS K. UDALL,
Chairman.

Mr. GORTON. Mr. President, I am pleased to join my colleagues in cosponsoring the Low-Level Radioactive Waste Policy Act Amendments of 1985.

It is my greatest hope that Congress will avoid a national crisis in low-level radioactive waste disposal by swiftly approving this bill and the six regional compacts pending before Congress.

Time is running out on this issue. Since passage of the Low-Level Radioactive Waste Policy Act of 1980, several attempts have been made to ratify the regional compacts pending before Congress. Congressional ratification of the compacts has been blocked, however, because some States failed to comply with the 1980 act and develop alternative disposal plans and sites in a timely manner. Thus, the full burden of nationwide disposal continues to fall on the three current sites: Richland, WA, Barnwell, SC, and Beatty, NV.

Washington, South Carolina, and Nevada have shouldered all of the other States' low-level waste burden for too long. The State of Washington has done much more than its share and has cooperated in dealing with the national problem of low-level waste disposal in an exemplary fashion. In 1981 Washington State, in conjunction with other Northwest States, established the first compact in the Nation. While waiting for Congress to ratify the Northwest Interstate Compact on Low-Level Radioactive Waste Management, Washington State has continued to accept for disposal over 50 percent of the low-level radioactive waste produced in the United States, although Washington itself generates only 3 percent of the Nation's waste.

Washington has been reasonable and patient long enough. This situation has become totally unacceptable to the citizens of Washington State, and I am prepared to support any reasonable actions which Washington officials decide are necessary to protect the health and safety of the people of our State, in the event that Congress does not ratify the Northwest Compact this year. The Governors of Washington, South Carolina, and Nevada all have indicated that they will not continue to accept the entire Nation's low-level waste after this year if Congress has not satisfactorily addressed the disposal problem.

We face a situation where there could be no site for low-level waste disposal after December 31, 1985, if Congress does not act before the end of this session. Since ratification of these compacts alone would allow Washing-

ton, South Carolina, and Nevada to exclude all waste generated outside their respective regions, and since other sites could not be available by January 1, 1986, it is imperative that Congress provide the necessary transition by approving the Low-Level Radioactive Waste Policy Act Amendments of 1985.

Washington, South Carolina, and Nevada have developed this compromise legislative package in consultation with unsited States and other interested parties. It strikes a reasonable balance between the needs of both the sited and unsited States.

The basic elements of the package—guaranteed post-1985 access for unsited States' generators, volume caps, volume reduction, surcharges, and enforceable milestones to ensure that new sites are developed—are carefully balanced and firmly linked together. They must be accepted as a package and passed in conjunction with the pending compacts. The provision requiring Washington, South Carolina, and Nevada to dispose of the Nation's low-level waste for another 7 years is very distasteful to the sited States and would be completely unacceptable if this requirement was not accompanied by the other elements in the package.

I firmly believe that the Low-Level Radioactive Waste Policy Act Amendments of 1985 offers a viable framework for averting the national disposal crisis that is certain to occur if the current legislative stalemate continues, and I urge Congress to give prompt consideration to this bill.

Mr. HECHT. Mr. President, today I am pleased to join my colleague from South Carolina, Senator THURMOND, in introducing a bill to provide for fair and reasonable management of the Nation's low-level nuclear waste. Although the Congress attempted to deal with the issue of low-level waste disposal sites in 1980, most States have not responded as the Congress and the Nation had hoped.

As a result, the States of Nevada, South Carolina, and Washington continue to bear the full national burden of low-level nuclear waste disposal. It is simply unfair to expect this situation to go on much longer. This bill provides administrative and financial incentives for all States to act responsibly and together plan for the safe and efficient disposal of low-level nuclear waste. It makes a gesture of good faith to all the States by extending the period during which they may free access to the Nevada, South Carolina, and Washington sites. Most importantly, it provides for a series of events that must occur on a preestablished schedule and a time certain when other waste disposal sites are to be in operation.

It is my hope that this bill will finally lay to rest the conflict and concern that has plagued this issue, and will lay the groundwork for the Nation to focus instead on how to best use nuclear technology to help build a safe and prosperous future.

I urge my colleagues to join with me in supporting this legislation.

Mr. HOLLINGS. Mr. President, I am a cosponsor of the low-level nuclear waste legislation being introduced today.

This bill is the result of a valiant effort, led by Gov. Richard Riley of South Carolina, to break the current increase over low-level nuclear waste policy. As my colleagues know, a 1980 law says that any region of the country with a congressionally approved interstate compact may stop taking out-of-region nuclear waste, starting on January 1 of next year. However, some other States have not lived up to their responsibilities under the 1980 act. They now seek to block congressional approval of the compacts formed by the three regions with existing low-level waste burial grounds. They want continued access to our sites.

Governor Riley and the Governors of Washington State and Nevada have bent over backward to try to find a reasonable solution to this impasse. They have worked with Congressman UDALL and others to fashion acceptable legislation. The bill being introduced in the Senate today reflects those negotiations. In this bill, South Carolina has gone just about as far as it can go. Because of pressures from other regions, the three States with disposal facilities agree to take waste from outside their regions for several more years.

In return, the amounts of waste disposed of annually at the three sites will not increase, and three States will receive special surcharges. States that do not meet clearly defined milestones for developing their own disposal capacity will be denied access to the three existing facilities. Most importantly, the bill makes clear that the provisions providing additional access to disposal sites will only become effective once the Southeast Compact and the other compacts receive congressional consent. Congressional consent to the compacts is a central part of this compromise agreement.

If this is the package that is finally brought before the full Senate, I will support it. It is more than generous to the regions without disposal sites, and it protects the key interests of my State, Washington State, and Nevada.

Mr. President, I would like to add to a final comment regarding this issue of low-level nuclear waste. The three States with waste facilities are under no obligation, legal or moral, to continue operating them. Nothing in current law requires it. My State opened a site many years ago to handle its own waste. South Carolina acted responsibly. But as I have said before, South Carolinians are increasingly impatient with those who somehow expect our State to keep taking their nuclear garbage indefinitely. We will not do that. Governor Riley has clearly stated that he will close our Barnwell site if Congress does not pass reasonable legislation on this issue. I fully support him in this matter.

Time is running very short on this issue, and, frankly, time is working against those who do not have their own disposal capacity. We need a legislative compromise soon, or whole regions of the country will find themselves without places to put their low-level waste. The bill being introduced today, when coupled with congressional consent language, will be just barely acceptable to South Carolina. I urge everyone involved to support this fragile compromise and not to push changes or alternatives that will simply destroy agreement. In particular, I hope that the utility industry does not push a rival bill. If they undercut the current compromise, they may find themselves with no burial sites at all.

Mr. President, I look forward to working with our colleagues to pass an acceptable legislative package that will protect both the States with waste sites and those without them.

Mr. KENNEDY. Mr. President, today I am pleased to join forces with the distinguished chairman of the Senate Judiciary Committee, Senator THURMOND, and sponsor the Low Level Radioactive Waste Policy Act Amendments of 1985.

The introduction of this measure signals a breakthrough on one of the most technically complicated and politically difficult issues before the 99th Congress. It offers a nonpartisan consensus proposal to avert an imminent problem over disposal of low-level radioactive waste.

Achieved after extensive negotiations over the past year, and the product of substantial compromises on all sides, this legislation offers a rational, workable solution that is in the interest of every State. It accommodates the need for States like Massachusetts to continue to have interim access to the three existing disposal sites, while bolstering ongoing efforts to develop their own alternatives. At the same time, the bill will implement the regional system Congress created in 1980 to lift sole responsibility for nationwide disposal from the three States—South Carolina, Nevada, and Washington—that have already shouldered more than their fair share of the burden.

Technology that produces low-level radioactive waste includes nuclear medicine, products like smoke detectors manufactured with radioactive isotopes, and nuclear generated electricity. Each year over half of the hos-

pital patients in the country are treated or diagnosed with radiopharmaceuticals; and 3,300 medical centers, hospitals, and clinics are certified to handle radioactive materials. In just 1 year Boston's New England Medical Center uses nuclear medicine to treat or diagnose almost 30,000 patients. Massachusetts General Hospital generates eighty 30-gallon drums of waste annually. Harvard University, which performs research with radioactive materials and accepts radioactive waste from a dozen teaching hospitals in the Commonwealth, is responsible for 2,200 drums a year. And in Massachusetts alone the nuclear industry contributes over 10,000 jobs and more than a billion dollars annually to the State economy.

Obviously nuclear technology is important to the people of Massachusetts and to citizens all across the country, but it requires strict regulation and safe, environmentally sound disposal of the waste it generates. Since 1980 both Congress and Governors throughout the country recognized that low-level waste disposal is the responsibility of the 50 States, and that this responsibility should be shared fairly on a regional basis.

Congress launched this policy in the Low-Level Waste Policy Act of 1980, which encouraged States to form regional agreements for the disposal of low-level waste. As an incentive for entering "interstate compacts" the 1980 act permitted any region in a congressionally approved compact to refuse to accept waste from outside the region beginning January 1, 1986.

With that deadline rapidly approaching, Congress has not yet ratified a single compact; after 6 years, no additional disposal space has been created. The three States with operational sites are understandably concerned over the lack of progress. But it is now clear that States cannot move fast enough to build new waste facilities before the 1990's. The challenge, which until now has been insurmountable, has been to reach an agreement acceptable to the three States with disposal sites, and the 47 States without, that allows continued access to existing sites while assuring the timely development of new capacity.

The bill we introduce today breaks the deadlock by providing for an orderly system of nationwide low-level waste disposal for the next 7 years, together with congressional approval of pending regional compacts. South Carolina, Nevada, and Washington are guaranteed that by 1993 they will no longer be the sole dumping ground for all low-level waste in the country. During the transition period there will be restrictions on generators of waste to reduce the volume they ship to these three sites. A surcharge on waste will provide financial incentives for additional volume reduction. The States that do not yet belong to a regional compact with an operating site, are guaranteed access for 7 years to existing sites under tough but reasonable conditions they can satisfy. And enforceable milestones toward opening new sites will ensure continued progress in creating new disposal capacity.

Judging from the widespread support for this legislation, I believe this approach is realistic and achieveable. Massachusetts waste generators are already practicing significant waste reduction, and the Commonwealth no longer produced the largest amount of low-level waste. In addition, under the able guidance of State Senator Carol Amick, Secretary of Environmental Affairs James Hoyt, and other officials, the Commonwealth is on its way toward meeting its obligations for waste disposal, with full public involvement every step of the way. Massachusetts expects to reach the milestones that will be required under the Federal legislation as a preconditions for shipping its waste to existing sites.

The proposed amendments to the 1980 act are more than a good beginning—they provide a carefully crafted and balanced framework for avoiding a problem in 1986 that could damage the public health, the environment and the economy. I look forward to working with Senator THURMOND, State Governors and all interested parties to achieve timely action on this measure.

This bill would not have been possible without the leadership in the House of Representatives of the chairman of the Interior and Insular Affairs Committee, MO UDALL, and the chairman of the Energy, Conservation and Power Subcommittee, ED MARKEY, my colleague from Massachusetts. Nor would we be at this point without the tireless efforts and cooperation of three outstanding Governors: Richard Riley of South Carolina, Richard Bryan of Nevada, and Booth Gardner of Washington. And as my colleagues are well aware, Senator THURMOND has almost single handedly kept the need for this legislation as a priority in the Senate.

Enactment of this bill will be an impressive legislative achievement. It will be as much a victory for Democrats as for Republicans, for Massachusetts as for South Carolina, for environmental groups, utilities, university research centers and all Americans. I urge my colleagues in the Senate to support this measure.

By Mr. CRANSTON (for himself, Mr. STAFFORD, Mr. KENNEDY, Mr. WEICKER, Mr. KERRY, and Mr. RIEGLE):

S. 1579. A bill to clarify the remedies available for the enactment of certain civil rights statutes are applicable to the States; to the Committee on Labor and Human Resources.

CIVIL RIGHTS REMEDIES EQUALIZATION ACT

Mr. CRANSTON. Mr. President, I have today introduced S. 1579 the proposed Civil Rights Remedies Equalization Act of 1985. This bill would clarify congressional intent that the remedies of violations of section 504 of the Rehabilitation Act of 1973 prohibiting Federal agencies and recipients of Federal financial assistance from discriminating against handicapped persons are available against the States to the same extent as they are available against Federal agencies and against local government and private recipients of Federal funds. This legislation is necessary, for the purpose of implementing congressional intent in enacting section 504, because of a recent Supreme Court ruling that, even though the statute authorizes an aggrieved party to bring suit in Federal court against a category of entities that literally includes the States, the States may not be sued in Federal court unless the law expressly makes the States answerable in Federal court.

The bill would, in the same manner, ensure equalization of the remedies for violations of the prohibition in title IX of the Education Amendments of 1972 against sex-based discrimination in education, and the prohibition in the Age Discrimination Act of 1975 against discrimination based on age.

I am also submitting an amendment to the bill amendment No. 584 with a substitute text extending the coverage to include the prohibition in title VI of the Civil Rights Act of 1964 against discrimination based on race, color, or national origin, and the provisions of any other Federal statute prohibiting discrimination by recipients of Federal financial assistance.

Joining me in introducing these measures are Senator STAFFORD, a coauthor with me of the original section 504 provision and the 1974 and 1978 amendments to section 504 and the chairman of the Subcommittee on Education of the Labor and Human Resources Committee; Senator KENNEDY, the ranking minority member of the Labor and Human Resources Committee; Senator WEICKER, chairman of that committee's Subcommittee on the Handicapped; Senator KERRY, the ranking minority member of that subcommittee, where I served throughout the seventies; and Senator RIEGLE, with whom I have often worked closely in efforts to improve the opportunities for disabled and elderly persons, among others.

BACKGROUND

Section 504 of the Rehabilitation Act of 1973, of which I was a principal author, prohibits Federal agencies and federally assisted programs from subjecting qualified handicapped individuals to discrimination. As the courts

have acknowledged, Congress created a right of action in Federal or State court to remedy violations of section 504—with no exception in the law either for the States or for any particular type of remedy, such as monetary damages.

Nevertheless, on June 28, 1985, in the case of Atascadero State Hospital versus Scanlon, the Supreme Court held—in a 5-4 decision—that the Congress, in enacting section 504, had not exercised its authority to waive the States' general immunity under the 11th amendment to suits for damages in the Federal courts. Senators STAFFORD and WEICKER and Representatives MARIO BIAGGI, DON EDWARDS, WILLIAM FORD, JAMES JEFFORDS, and GEORGE MILLER, and I had submitted an amicus brief urging the Court not to reach that result.

In this case, an individual suffering from diabetes and the loss of sight in one eye claimed that the State had violated section 504 by denying him employment in a State hospital as a graduate student assistant recreational therapist. The Supreme Court, reversing the Ninth Circuit Court of Appeals, held that the individual's claim for compensatory damages against the State or a State agency could not be heard in Federal court.

The same holding also applies to injunctions, but it is well established that the 11th amendment does not bar Federal courts from issuing injunctions against named State officials, as distinguished from the State itself, even though the effect is exactly the same as an injunction against the State. Therefore, as the result of Atascadero, injunctive relief is now the only relief available in Federal court against a State agency for a violation of section 504 or any other civil rights statute on the receipt of Federal financial assistance.

NEW RULE FOR CONSTRUING LEGISLATION WAVING THE 11TH AMENDMENT

Mr. President, as I have indicated, the Supreme Court has interpreted the 11th amendment of the Constitution—which literally shields a State only from suits brought in Federal courts by citizens of another State or by citizens or subjects of a foreign nation—as barring all private persons from suing a State in the Federal courts. However, the States themselves and the Congress may waive that immunity.

Federal legislation waiving the States' 11th amendment immunity, however, is subjected to special rules that the Court has been developing in recent years. These purported rules of statutory construction differ significantly from those ordinarily applied, which are designed to ascertain the Congress' intent and give it effect. Regardless of whether the congressional intent is clear, the Court now insists that for a Federal law to waive the States' immunity the intention to do so must be stated "in unmistakable language in the statute itself."

I want to emphasize for my colleagues how extraordinary this rule is. Even where—as in the case of section 504 of the Rehabilitation Act—a statute makes all persons and entities in a specified category of persons and entities subject to suit in Federal court and that category clearly and literally includes States and State agencies, and no exception is provided—or even anywhere implied—for States or their agencies, the Court will hold that the law is not sufficiently clear to constitute a waiver. To further underscore this point, I would note that the Congress always clearly intended and understood that section 504 would apply to the States. The language used in section 504 to apply to non-Federal entities—"any program or activity receiving Federal financial assistance"—had been used in the title VI of the Civil Rights Act of 1964 and, with the word "education" inserted before "program," in title IX of the Education Amendments of 1972. The regulations implementing title VI that had been adopted by Federal departments and agencies prior to the enactment of either title IX or section 504, as well as the regulations implementing title IX and section 504 itself, were, by their terms, expressly applicable to the States to the same extent as any other recipient of Federal financial assistance. Moreover, the 1973 Rehabilitation Act extensively restructured and authorized a substantial increase, from $600 million in fiscal year 1973 to $650 million in fiscal year 1974, in appropriations for the Federal-State Vocational Rehabilitation Program. The States now receive more than $1 billion annually under this program. In addition, the States and State agencies unquestionably have constituted a major segment of the category of recipients of all Federal financial assistance throughout the period which these three laws were enacted and since.

Nevertheless, in the absence of a single word in the statute or its legislative history or the implementing regulations of the lead agency or, for that matter, of any department or agency to support their position, five justices concluded that suits against the States for damages in Federal court for violations of section 504 were not authorized. Therefore, only private and Federal and local government entities may be sued in Federal court for damages for such violations.

Mr. President, the purpose of the rule that the Court has adopted seems to be not to assist it and other courts in ascertaining and carrying out congressional intent, but, rather to impose on the Congress a formalistic requirement that the Court now insists be complied with in order for it to give effect to congressional action.

As a result of the Court's decision, a disabled individual who has suffered unfair discrimination at the hands of a State agency has two choices—a suit in State court for damages or injunctive relief, or both, or Federal suit for an injunction against individual State officials. Those choices are not adequate. As to the limit on Federal remedies, litigation involving a claim of discrimination often takes years to resolve. Thus, where the disabled person is seeking employment or is trying to pursue an education or to particiapte in a project having only a 2- or 3-year life, an injunction may come too late to be a value in remedying the harm done through the unlawful discrimination. In a very real sense, the availability of only injunctive relief postpones the effective date of the antidiscrimination law, with respect to a State agency, to the date on which the court issues an injunction because there is no remedy available for violations occurring before that date.

This result is especially devastating in the context of employment discrimination against disabled persons because they—unlike women and members of race and national origin minorities—are not protected by the Civil Rights Act title VII prohibition against employment discrimination, which is enforceable in Federal court through suits for damages.

The availability of a remedy for damages in State court is not adequate for three main reasons. First, State courts—because of a variety of factors including the greater likelihood of State judges being deferential to State officials and laws—are not as likely to be as sympathetic to aggrieved parties in interpreting Federal statutes and applying them to state officials as are the Federal courts.

Second, State judges generally lack the familiarity with and the expertise in interpreting and applying Federal laws that Federal judges typically have.

Third, State courts often have backlogs far greater than those in the Federal courts in the same geographical areas.

Perhaps the best indication of the inadequacies of State courts in this regard is that, according to advice I have received from civil rights lawyers, the overwhelming majority of persons bringing suit based on claims that their rights under Federal laws have been violated by State agencies file their cases in Federal court.

QUESTIONS RAISED WITH RESPECT TO CIVIL RIGHTS LAWS OTHER THAN SECTION 504

Mr. President, it appears that the holding in Atascadero may create problems in carrying out congressional intent with respect to the availability of Federal court suit for damages

against States under other civil rights laws in addition to section 504 of the Rehabilitation Act.

In terms of the entities that section 504 prohibits from discriminating and against which it thus creates a right of action for violations of that prohibition, section 504 was patterened after title VI of the Civil Rights Act of 1964 and title IX of the Education Amendments of 1972. In addition, the Age Discrimination Act of 1975 incorporates the basic structure of these three laws. Thus, it appears that legislation is needed to ensure that Federal court remedies are available against the States to the same extent that they are available against all other entities within the scope of these three statutes as well as any other Federal law prohibiting discrimination by recipients of Federal funds.

PROVISIONS OF THE LEGISLATION

Mr. President, I disagree with the Court's action in setting up a hurdle that the Congress must clear before its intent to waive the 11th amendment will be given effect. However, the fact is that the hurdle now exists and further legislative action is necessary in order for section 504, and possibly other civil rights laws using similar operative language, to be given full effect.

Therefore, our legislation would reverse the holding in Atascadero by providing that, unless otherwise expressly provided in Federal statute, the remedies available to enforce the four major Federal civil rights laws noted above, and any other Federal civil rights law based on receipt of Federal financial assistance, against public or private entities other than States shall also be available against the States. Thus, under our proposal, if a Federal suit for damages were generally available to enforce a civil rights law against a recipient of Federal funds—and nothing in that law were to exempt the States from such a suit—a Federal suit for damages would be available against a State or a State agency.

In this way, our legislation would eliminate the Court-made barrier to effectuating congressional intent that the holding in the Atascadero case raises. Under the bill as amended, a statute that is, on its face, equally as applicable to and enforceable against a State agency as it is against other entities, would be enforceable by the same means against State and non-State entities alike.

Our legislation also specifies that it would take effect, with respect to each affected statute, on the date that the law in question took effect. Thus, for example, in the case of section 504 of the Rehabilitation Act of 1973, which took effect on September 26, 1973, its date of enactment, our proposal would take effect retroactive to that date.

Finally, I would note my understanding that, as has been clearly established in Supreme Court cases, including the Atascadero case, over the past 21 years, the Congress has the authority to waive the States' 11th amendment immunity under the following provisions of the Constitution: the commerce clause, the spending clause, and section 5 of the 14th amendment. In my view, this legislation is clearly authorized by at least the latter two provisions.

CONCLUSION

Mr. President, without regard to one's views about the reasoning underlying the Atascadero case—and I believe, as did the four dissenting Justices in the case, that the decision was misguided—I believe that the overwhelming majority of my colleagues would agree that civil rights laws prohibiting discrimination on the part of Federal agencies and the recipients of Federal financial assistance should be enforceable against the States to the same extent that they are enforceable against municipalities and units of local governments, private schools, businesses, and other entities—and the Federal Government itself. Our bill would provide for that result and, thus, make clear that the States may be held accountable in Federal court for injuries they inflict on disabled persons, women, members of minority groups, and older persons through violations of such statutes.

Thus, I urge my colleagues to give this legislation prompt and thorough consideration and strong support. A very significant part of our national legal framework for combating unjust discrimination has been destroyed. We in the Congress should repair the damage as swiftly as possible.

(The text of amendment No. 584 appears in today's RECORD under "Amendments Submitted.")

By Mr. THURMOND (for himself, Mr. HATCH, Mr. DENTON, and Mr. EAST) (by request):

S. 1580. A bill to provide for comprehensive reforms and to achieve greater equity in the compensation of attorneys pursuant to Federal statute in civil and administrative proceedings in which the United States, or a State or local government, is a party; to the Committee on the Judiciary.

LEGAL FEES EQUITY ACT .

Mr. THURMOND. Mr. President, I am introducing today an administration proposal—the Legal Fees Equity Act—to provide a revamping of the federally mandated attorney compensation schemes applicable to civil, criminal, and administrative proceedings involving the United States and to civil proceedings involving State and local governments.

The purpose of this legislation is to provide a statutory framework for a more equitable balance in compensation for professional legal services rendered in litigation involving the Government. In seeking to attain this goal, the bill would:

Set a $75 per hour maximum rate for attorney's fees awarded, and eliminate the use of bonuses and multipliers to escalate fee awards. This will compensate private attorneys general at a level commensurate with—but still significally higher than—that of their Government counterparts, but provide a reasonable incentive sufficient to attract competent counsel;

Allow recovery of attorneys' fees only when party has prevailed on the merits of its complaint, or where the suit is concluded by a favorable settlement agreement;

Allow recovery of attorneys' fees only for work performed on issues on which the party prevailed;

Permit the reduction or denial of the amount of fee awards, for example, where a party has unreasonably protracted the litigation; where the services provided were excessive with regard to the nature of the controversy; or where the fee award would unreasonably exceed the hourly salary of a salaried attorney;

Provide that monetary judgment be reduced—but not more than 25 percent—by the amount of the attorneys' fees allowed in the proceeding. Exceptions are allowed for suits under certain provisions of the Equal Access to Justice Act, suits for recovery of disputed taxes, or in cases of undue hardship;

Establish certain procedural requirements for attorneys' fee applications, including a 30-day time limit after final judgment for submitting fee applications, and require courts and agencies to develop additional guidelines; and

Clarify the circumstances in which attorneys' fees may be awarded when a claim becomes moot or the party refuses to accept a reasonable settlement offer.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD along with the letter of transmittal from the Department of Justice and accompanying section-by-section analysis.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1580

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Legal Fees Equity Act."

SEC. 2. Findings and Purposes.

(a) Congress hereby finds and declares that—

(1) Many Federal statutes authorize awards of attorneys' fees to be made to parties who prevail against the United States, or against state or local governments, in judicial and administrative proceedings;

(2) The failure to provide standards to guide courts and administrative bodies in awarding such fees has led to inconsistent interpretations of these federal civil fee-shifting statutes, and in many instances to excessive awards of attorneys' fees under them;

(3) It is inappropriate for the federal government to impose on state and local governments the statutory requirement to pay awards of attorneys' fees without providing standards by which to make such awards;

(4) The limitation of $75 per hour prescribed by Congress for civil judicial and administrative proceedings under the Equal Access to Justice Act provides a reasonable and appropriate maximum hourly rate for the award of attorneys' fees against the United States, or against state or local governments, in judicial or administrative proceedings;

(5) It is inappropriate for awards of attorneys' fees to be made to parties who have not prevailed on the merits of their complaint against the United States, or against state or local governments, in judicial or administrative proceedings;

(6) It is appropriate that parties in judicial or administrative proceedings against the United States, or against state or local governments, pay a reasonable portion of their attorneys' fees when monetary awards are recovered;

(7) Statutory provisions are necessary to control the circumstances and conditions under which awards of attorneys' fees and related expenses or costs may be made against the United States, or against state or local governments, in judicial or administrative proceedings; and

(8) Statutory amendments are also appropriate to limit the circumstances in which federal agencies hire outside private counsel from litigation and the amounts at which such outside counsel can be paid.

(b) It is the purpose of this Act—

(1) To establish a uniform hourly rate that shall be the maximum compensation authorized to be awarded against the United States, or against state or local governments, in judicial or administrative proceedings to which any federal fee-shifting statute applies;

(2) To require that awards of attorneys' fees against the United States, or against state or local governments, in judicial or administrative proceedings to which any federal fee-shifting statute applies be made only to parties who have prevailed in the proceedings;

(3) To prescribe standards for the awarding of attorneys' fees and related expenses or costs against the United States, or against state or local governments, in judicial or administrative proceedings to which any federal fee-shifting statute applies; and

(4) To authorize the Attorney General to promulgate regulations governing the circumstances in which federal agencies can retain outside private counsel for litigation and to impose a uniform limit on the rates such counsel can be paid from appropriated funds.

SEC. 3. DEFINITIONS.

For the purpose of this Act—

(1) "Attorneys' fees" means fees attributable to professional legal services performed by a person, or persons, licensed to practice law (but shall not include services by pro se claimants), or to services by enrolled tax practitioners with respect to proceedings before the United States Tax Court, including overhead expenses, as defined in this Act, but not including related expenses;

(2) "Fee-shifting statute" means any federal statute that provides for recovery by a party of attorneys' fees or related expenses against the United States, or against a state or local government;

(3) "Overhead expenses", except in extraordinary circumstances, shall include, but not be limited to, rent or mortgage payments, maintenance (including heating and cooling costs), furniture and supplies, reporters, treatises, and other books, secretarial and other clerical and librarian time (including computer word processing expenses), telephone services and calls, and mailing expenses;

(4) "Related expenses" means those expenses that may be awarded pursuant to a federal law, and which are actually incurred by the attorney in connection with judicial or administrative proceedings, but does not include attorneys' fees or overhead expenses, as defined in this Act, or costs enumerated in section 1920 or title 28, United States Code;

(5) "Party" means, for purposes of judicial proceedings, a party as defined by Rule 17 of the Federal Rules of Civil Procedure, or, for purposes of administrative proceedings, a party as defined in section 551(3) of Title 5, United States Code;

(6) "Judicial proceeding" means a civil proceeding in any court or under the jurisdiction of a judicial officer, in which a party may by law be awarded attorneys' fees or related expenses;

(7) "Administrative proceeding" means any proceeding, other than a judicial proceeding, in which a party may by law be awarded attorneys' fees or related expenses;

(8) "Administrative officer" means the official(s) or person(s) authorized by statute or regulation to decide the substantive issues being considered in an administrative proceeding, or the official(s) or person(s) designated by the head of the agency as the administrative officer(s) for the purpose of this Act;

(9) "Prevailed on the merits" means having obtained a final decision in which the party has succeeded on a significant issue or issues in the controversy and obtained significant relief in connection with that issue or issues, and may include, where the party is a defendant in a suit by the government, obtaining the dismissal of the complaint;

(10) "Final decision" means a final judgment by the court, or a final order by an agency, in which a party establishes entitlement to relief on the merits of the claim or claims brought in the proceeding, and includes a judgment or order obtained by a party dismissing the proceeding with prejudice or pursuant to a settlement agreement;

(11) "United States" means the United States, or any agency of the United States, or any official of the United States acting in his or her official capacity;

(12) "State" means any state government, or any agency of the state government, or any official of the state government acting in his or her official capacity, and includes the territories and the District of Columbia; and

(13) "Local government" means any county, city, town, municipality, municipal corporation, school board, special governmental district, or other political subdivision created by a state, or any agency of such entity, or any official of such entity acting in his or her official capacity.

SEC. 4. SCOPE AND APPLICATION; RELATIONSHIP TO OTHER LAWS.

(a) The provisions of this Act—

(1) apply to any judicial or administrative proceeding in which a award of attorneys' fees and related expenses is authorized, pursuant to any federal fee-shifting statute, to be made against the United States, or a state or local government, and

(2) establish minimum criteria and requirements for the award of attorneys' fees and related expenses to which this Act applies.

(b) Notwithstanding any other provision of law, no award of attorneys' fees or related expenses shall be made against the United States, or against state or local governments, in any judicial or administrative proceeding, except as expressly authorized by law (other than this Act), and in accordance with the provisions of this Act. No such award shall exceed the amount determined under the provisions of this Act.

(c)(1) The provisions of any applicable federal fee-shifting statute that establish criteria or requirements in addition to those provided in this Act for the award of attorneys' fees and related expenses in such proceedings, or that otherwise limit awards of attorneys' fees in such proceedings, shall apply in addition to the provisions of this Act.

(2) Nothing in this Act shall be interpreted to create any right to, or provide any authority for, an award of attorneys' fees or related expenses in any judicial or administrative proceeding.

(d) No award of attorneys' fees or related expenses shall be made under a federal fee-shifting statute against a party who has intervened to defend the validity of a law or action of the United States, or a state or local government, and who has not been found to have violated a constitutional or statutory right of the party seeking the award.

(e) Awards of attorneys' fees and related expenses otherwise authorized under section 504 of title 5 of the United States Code or section 2412(d) of title 28 of the United States Code (the Equal Access to Justice Act) shall be made in accordance with the provisions of this Act, except that subsections (a)(1), (b)(1)(C), (b)(2)(A), and (c) of section 6 of this Act shall not apply.

(f) The provisions of this Act shall not apply to compensation of attorneys in proceedings under section 3006A of title 18, United States Code.

SEC. 5. ALLOWANCE OF ATTORNEYS' FEES.

A party otherwise eligible to receive attorneys' fees and related expenses to which this Act applies must establish that—

(1) the party has prevailed on the merits against the United States, or against a state or local government;

(2) the work for which the award of attorneys' fees and related expenses is sought—

(A) was performed in the judicial or administrative proceeding in connection with issues upon which the party prevailed against the United States or against a state or local government, and

(B) was not excessive, redundant, or otherwise unnecessary to resolve the controversy; and

(3) the application for attorneys' fees and related expenses is made in accordance with sections 6(a) and 7 of this Act.

SEC. 6. AMOUNT OF ATTORNEYS' FEES.

(a)(1) No award of attorneys' fees against the United States, or against the state or local government, to which this Act applies shall exceed $75 per hour.

(2) Bonuses or multipliers shall not be used in calculating awards of attorneys' fees.

(b)(1) The court or administrative officer shall reduce or deny accordingly the amount of attorneys' fees and related expenses otherwise allowable if it is found that—

(A) the prevailing party, during the course of the proceeding, engaged in conduct that unreasonably protracted the final resolution of the controversy,

(B) the amount of attorneys' fees otherwise authorized to be awarded unreasonably exceeds the hourly salary of the the attorney representing the party, or

(C) the time spent and legal services provided were excessive with regard to the nature of the controversy.

(2) The court or administrative officer, in the exercise of discretion, may reduce or deny an award where—

(A) the amount of attorneys' fees otherwise authorized to be awarded unreasonably exceeds the monetary result or value of injunctive relief achieved in the proceeding, or

(B) a reduction or denial of the amount of attorneys' fees would otherwise be appropriate under the applicable fee-shifting statute.

(c) Whenever a monetary judgment is awarded in any judicial or administrative proceeding to which a federal fee-shifting statute applies, a portion of the judgment (but not more than 25% thereof) shall be applied to satisfy the amount of attorneys' fees authorized to be awarded against the United States, or against a state or local government. If the authorized award of attorneys' fees exeeds 25% of the judgment, the excess shall be paid by the United States, or the state or local government. This subsection shall not apply to awards of attorneys' fees pursuant to section 7430 of the Internal Revenue Code.

(b) Section 593(g) of title 28, United States Code, relating to independent counsel investigations, is amended by adding at the end thereof the following new sentence: "Such award shall not exceed $75 per hour.".

SEC. 7. TIMELY APPLICATIONS AND PROCEDURES.

(a) In any judicial or administrative proceeding to which this Act applies, a party may seek an award of attorneys' fees and related expenses only within thirty days after a final decision by the court or agency from which no appeal is taken. The party seeking an award of attorneys' fees shall submit to the court or agency such information as may be required by the court or agency.

(b) Courts and agencies shall develop procedures, not inconsistent with this Act, for filing of applications for awards of attorneys' fees, which shall provide guidance as to what information should be required to be submitted pursuant to subsection (a) of this section, when such information should be submitted, and when determinations should be made concerning awards of attorneys' fees and related expenses. In no event shall an award of attorneys' fees and related expenses be made prior to entry of a final decision by the court or agency.

SEC. 8 MOOTNESS AND SETTLEMENT DEFENSES

No award of attorneys' fees and related expenses subject to the provisions of this Act may be made—

(1) where the government demonstrates that—

(A) the claims have become moot due to a change in government policy, and

(B) the pendency of the judicial or administrative proceeding was not a material factor in such change in policy; or

(2) for services performed subsequent to the time a written offer of settlement is made to a party, if the offer is not accepted and a court or administrative officer finds that the relief finally obtained by the party is not more favorable to the party than the offer of settlement.

SEC. 9. COMPTROLLER GENERAL REPORT.

The Comptroller General of the United States shall submit on April 1 of each year a report to the President and the Congress on the amount of attorneys' fees and related expenses awarded during the preceding fiscal year against the United States, or against state or local governments, in judicial and administrative proceedings to which this Act applies. The courts and each agency shall provide the Comptroller General with such information as is necessary to comply with the requirements of this section.

SEC. 10. LIMITATION ON EMPLOYMENT AND COMPENSATION OF OUTSIDE, PRIVATE COUNSEL.

Section 3106 of title 5, United States Code, is amended to read as follows:

"§ a3106. Employment of attorneys; restrictions

"(a) Except as otherwise authorized by law, the head of an Executive department, military department, or other agency, including and independent agency, board, or commission, may not employ an attorney or counsel for the conduct of litigation in which the United States, as agency, or employee thereof is a party, or is interested, or for the securing of evidence therefor, but shall refer the matter to the Department of Justice.

"(b) Notwithstanding any other provision of law—

(1) an Executive department, military department, or other agency, including an independent agency, board, or commission, shall not retain outside, private counsel for the conduct of judicial or administrative litigation in which the United States, an agency, or employee thereof is a party, or is interested, or for the securing of evidence therefor, except upon a certification of need by the Attorney General and in accordance with regulations promulgated by the Attorney General; and

(2) no payment from appropriated funds to such outside, private counsel retained pursuant to subsection (b)(1) shall exceed $75 per hour.

"(c) The Attorney General, after consultation with the Office of Management and Budget, the Office of Personnel Management, and other interested agencies, and upon public notice and comment pursuant to section 553 of this title, shall promulgate regulations implementing this section, including-

(1) the circumstances, terms, and conditions under which Executive departments, military departments and other agencies, including independent agencies, boards, and commissions, are authorized to employ outside, private counsel to be paid from appropriated funds;

(2) procedures for the receipt and prompt resolution of applications from any agency for a certification of need by the Attorney General, in a particular case or class of cases, authorizing the retention of outside, private counsel for litigation in circumstances not otherwise permitted under this section; and

(3) the coordination of the use and availability of the expertise of attorneys within the Executive Branch of government for litigation.

The regulations authorized by this subsection and the determinations of the Attorney General pursuant to such regulations shall not be subject to judicial review.

"(d) For the purposes of this section, the term "outside, private counsel" means an attorney, firm, legal services organization, or association engaged in the practive of law other than as an employee of the United States.

"(e) This section does not apply to the employment and payment of counsel under section 1037 of title 10.".

SEC. 11. EFFECTIVE DATE.

The provisions of this Act shall apply to any award of attorneys' fees and related expenses incurred subsequent to the enactment of this Act, including those incurred after such date in actions commenced prior to such enactment.

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AND INTERGOVERNMENTAL AFFAIRS,
Washington, DC, July 31, 1985.

Hon. GEORGE BUSH,
President of the Senate, Washington, DC.

DEAR MR. PRESIDENT: Enclosed for your consideration and appropriate reference is a legislative proposal "To provide for comprehensive reforms in compensation of attorneys pursuant to federal statute in civil, criminal, and administrative proceedings in which the United States is a party, and in civil proceedings involving state and local governments."

The proposal, known as the "Legal Fees Equity Act," would establish standards and procedures for awards of attorneys' fees in civil judicial and administrative proceedings against the United States, states, and local governments in cases where federal statutes allow such awards, and eliminates excessive awards in such cases. This bill specifically includes fee awards to subjects of investigations under the Independent Counsel statute, 28 U.S.C. § 593(g), and also expands the authority of the Attorney General over the hiring of outside counsel by federal agencies for litigation.

Numerous federal statutes provide that parties to civil suits and administrative proceedings against the United States, states, or local governments may, in appropriate circumstances, recover. "reasonable attorneys' fees" from government defendants. These fee-shifting statutes, for the most part, provide little or no guidance as to when an award of attorneys' fees is appropriate, or as to what constitutes a reasonable award. As a consequence, courts have reached conflicting interpretations of these statutes, and in some cases have made awards of attorneys' fees that greatly exceed the relief obtained by the parties in the proceeding. Multipliers and bonuses have been used to double, even triple, normal commercial hourly rates. Attorneys' fees awards at rates in excess of $100 per hour are becoming increasingly common, with some attorneys' fee requests exceeding $400 per hour through the use of multipliers.

Federal, state, and local taxpayers are the ones who must bear the cost of these excessive attorneys' fee awards that confer windfalls upon a select group of attorneys. These developments have fueled litigation over attorneys' fee awards that frequently overshadows the case on the merits, and have created a burgeoning area of practice for legal practitioners and publishers who hold

themselves out as experts on how to obtain large awards of attorneys' fees against government defendants.

The need for legislation is, if anything, even more acute with respect to the award of attorneys' fees against state and local governments than against the federal government. As the liability of states and localities for damages and awards of attorneys' fees has greatly expanded under new federal statutes and recent decisions of the Supreme Court, the obligation of Congress to define more clearly the circumstances and extent to which these entities should be liable for attorneys' fees under federal statutes has also grown. The sound functioning of our federal system demands that the national government should not impose upon the state governments an obligation to pay attorneys' fees in circumstances and amounts not limited by Congress.

We are pleased that Congress was able last year to pass part of this proposal doubling the rates for cases under the Criminal Justice Act, 18 U.S.C. § 3006A, but we think that only strengthens the case for enacting the balance of this comprehensive reform of attorneys' fee statutes. We can see no justification for allowing the award of attorneys' fees at the rate of several hundred dollars per hour in civil actions when attorneys representing defendants in criminal proceedings or habeas corpus actions are paid at the revised rates of $40 or $60 per hour. The current state of the law still reflects a serious misallocation of resources, at the expense of the public treasury. The intent of the bill is to achieve a more equitable balance in compensation among the various attorneys litigating for or against the government—attorneys for the government, defense attorneys paid under the Criminal Justice Act, and private attorneys receiving fees under fee-shifting statutes.

The Department of Justice urges prompt and favorable consideration of the proposed legislation, which would establish much-needed guidelines for awards of attorneys' fees in civil cases against federal, state, and local government defendants. Enactment of this legislation would promote a more equitable system of compensation for attorneys paid by the government in civil cases, and should substantially reduce the present burdens of litigation over attorneys' fee awards, which one Supreme Court Justice has labeled "one of the least socially productive types of litigation imaginable." *Hensley* v. *Eckerhart*, 103 S. Ct. 1933, 1944 (1983) (Brennan, J., dissenting).

The brief summary accompanying this letter outlines the salient features of the bill.

The Office of Management and Budget has advised this Department that the enactment of this proposed legislation would be in accord with the President's program.

Sincerely,

PHILLIP D. BRADY,
Acting Assistant Attorney General.

SUMMARY OF KEY PROVISONS OF THE BILL

1. Level of the Fee Cap: The bill would set the maximum rate for attorney compensation in civil judicial and administrative proceedings under all federal fee-shifing statutes at $75 per hour, which is the same rate established in the Equal Access to Justice Act, 28 U.S.C. § 2412(d) and 5 U.S.C. § 504 (which is still in effect for cases filed before October 1, 1984). The bill would, in all cases under federal fee-shifing statutes, eliminate bonuses and multipliers that courts have used excessively to escalate awards of attorneys' fees.

Because private attorneys in cases under federal fee-shifting statutes are, in one sense, doing "government legal work," it is inappropriate for the compensation that taxpayers pay to "private attorneys general" who sue the government to exceed significantly the compensation paid to the "public attorneys general" who defend the government. The proposed legislation would compensate private attorneys at a level commensurate with (but still significantly higher than) that of their government counterparts, and would provide for a reasonable incentive sufficient to attract competent counsel in fee-shifting cases.

2. Awards to Prevailing Parties: The bill would allow recovery of attorney's fees only when a party has prevailed on the merits of its complaint, or, in accordance with existing case law, where the suit is concluded by settlement agreement. In addition, the bill would allow recovery of attorneys' fees only for work performed on issues in the case on which the party prevailed, and only to the extent the work performed was not excessive, redundant, or otherwise unnecessary.

3. Reduction of Fee Awards: The bill would specify several bases for reducing or denying fee awards that otherwise would be allowed under federal fee-shifting statutes. Reduction of the award would be appropriate, for example, in cases where a party has unreasonably protracted the litigation; where the award is excessive in comparison to the monetary results achieved in the litigation; or where the services provided were excessive with regard to the nature of the controversy. The bill would also provide for reduction of the fee award when it unreasonably exceeds the hourly salary of a salaried attorney. As a guideline, the proposal would require special scrutiny of awards at rates exceeding an amount double an attorney's hourly salary. Allowing twice the hourly salary should cover normal overhead expenses and provide for a reasonable allowance in most cases. The provision would not require courts to limit awards to an amount twice the attorneys' hourly salary, but is designed to ensure that courts carefully review awards to salaried attorneys so as to avoid conferring windfalls at the expense of taxpayers.

The bill would also provide that, in any case where a party recovers a money judgment against a federal, state, or local government, up to 25% of the judgment shall be applied to the party's legal fees. This provision would not apply to suits under certain provisions of the Equal Access to Justice Act that allow attorneys' fees only when the government's position is not found to be substantially justified. This provision also would not apply to suits for recovery of disputed taxes under 27 U.S.C. § 7430.

4. Procedural Guidelines: The bill would establish certain procedural requirements for processing of attorneys' fee applications under federal fee-shifting statutes, and would require courts and agencies to develop additional guidelines.

5. Independent Counsel Investigations: To avoid any ambiguity in the coverage of the legislation, the bill would specifically amend the Independent Counsel statute, 28 U.S.C. § 593(g), to impose the same $75 per hour limitation upon any fee award to a subject of an investigation under that statute.

6. Limitation on Outside Counsel Retained by Federal Agencies: To further the comprehensive nature of the bill, and to promote efficiency and economy in the federal government's use of outside counsel, the bill would impose a $75 per hour limit upon the amounts payable to outside private counsel retained by any federal agency for litigation where the taxpayers must foot the bill. It would also authorize the Attorney General to promulgate regulations governing the circumstances in which any federal agency could retain outside counsel for litigation. Although the Department of Justice presently has such regulations and enforces a $75 per hour limit for outside counsel in litigation subject to its litigation control, legislation such as this is necessary in order to extend the Attorney General's authority over the outside counsel practices of agencies with independent litigation authority. This amendment only relates to the hiring of outside counsel from appropriated funds for purposes of litigation, and does not affect an agency's use of its own attorney's for litigation.

SECTION-BY-SECTION ANALYSIS

SECTION 1—SHORT TITLE

Section 1 provides that the Act may be cited as the "Legal Fees Equity Act."

SECTION 2—FINDINGS AND PURPOSES

Numerous federal statutes provide that parties to Civil suits and administrative proceedings against the United States, states, or local governments may, in appropriate circumstances, recover "reasonable attorneys' fees" from government defendants. These statutes have put a great burden on the courts because, for the most part, Congress has provided little or no guidance as to when an award of attorney's fees is appropriate, or as to what constitutes a reasonable award. As a consequence, courts have reached conflicting interpretations of these statutes—in some cases using "multipliers" and "bonuses" to double, and even triple, the normal hourly rates of the prevailing party's attorney. This has resulted in uncertainty at least the appearance of arbitrariness or unfairness to litigants. Litigation over attorneys' fee awards frequently overshadows the case on the merits, and has led to the creation of a burgeoning area of practice for attorneys' fee litigators.

The problems evident in this area are in some respects even more serious with respect to the states and localities. Recent decisions of the Supreme Court have expanded greatly the liability of states and local governments to suits under various Federal statutes, and correspondingly to awards of attorneys' fees. As the liability of the states and localities has greatly expanded in recent years, the obligation of Congress to define more clearly the circumstances and extent to which they should be held liable for attorneys' fees under Federal statutes has also grown.

The purpose of the bill is to have Congress provide greater guidance to the courts and federal agencies for the award of attorneys' fees pursuant to federal statute, and to reduce the current uncertainties and disparities reflected in the present decisions. The bill is not intended to deny fees to attorneys for prevailing parties; only to set common standards and procedures that would apply to all awards of attorneys' fees against the United States, and against state and local governments. This will increase the fairness and equity of the current maze of fee-shifting statutes, and should increase public acceptance of these statutes which compensate private attorneys from the public treasury.

With respect to civil judicial and administrative proceedings, the bill is intended to provide guidance in the calculation of fee awards, and to limit the hourly rate of compensation to $75 per hour, which is the same rate established in the Equal Access to Justice Act, 28 U.S.C. § 2412 (d)(1) and (d)(3) and 5 U.S.C. § 504(b). This $75 per hour rate would also apply specifically to a fee award to a subject of an independent counsel investigation pursuant to 28 U.S.C. § 593(g). The bill would eliminate the use of bonuses and multipliers.

The bill is also intended to limit the recovery of attorneys' fees to those cases in which a party has prevailed on the merits of the complaint, and only for work performed on issue in the case on which the party prevailed. The bill also specifies several discretionary bases for reducing or denying fee awards that otherwise would be allowed under federal fee-shifting statutes—for example, where a party's conduct unreasonably protracted the litigation; or the requested fee award unreasonably exceeds the hourly salary of a salaried attorney—and provides, in any case where a party recovers a money judgment against a federal, state, or local government, for up to 25 percent of the judgment to be applied to the party's legal fees.[1]

Finally, the bill would amend the existing restrictions of 5 U.S.C. § 3106 to expand their coverage specifically to include the employment of outside private counsel by federal agencies.

SECTION 3—DEFINITIONS

Section 3 defines the terms used in the bill. "Attorneys' fees" are defined as fees attributable to professional legal services performed by a person, or persons, licensed to practice law, including enrolled tax practitioners who practice before the United States Tax Court. This definition is intended to limit awards to licensed practitioners, and not to allow awards to non-licensed, pro se claimants or law students.[2] The definition applies to all fee-shifting statutes, and is intended to cover all awards of fees that in fact reflect compensation of attorneys, however denominated, including those designated as "costs" by the court or administrative agency.[3] "Attorneys' fees" includes "overhead expenses" but does not include "related expenses."

Expenses to be included as "overhead expenses" should be considered as such except in extraordinary circumstances. The list of overhead expenses is not exhaustive, and other appropriate expenses may be included as "overhead expenses." The list is intended to preclude considering these expenses as "related expenses," except in extraordinary circumstances.

"Related expenses" are those expenses that may be awarded pursuant to federal statute, are not "overhead expenses," and are actually incurred by the attorney as a result of judicial or administrative proceedings. The term is intended to be a generic term encompassing those expenses that can properly be awarded under federal law; it does not expand the types of expenses that may be awarded. "Related expenses" does not include "attorneys' fees."

This definition is not intended to affect case law under Title VII and 42 U.S.C. § 1988 which, in some instances, has authorized awards of costs beyond those specified in 28 U.S.C. § 1920 to include such items as lodging and travel expenses. See, e.g., *Northcross* v. *Board of Education*, 611 F.2d 624, 639 (6th Cir. 1979), cert. denied, 447 U.S. 911 (1980). However, as noted, the definition of overhead expenses precludes considering the items enumerated there as "related expenses." The definition also excludes costs enumerated in 28 U.S.C. § 1920, and the bill is not intended to affect the allocation of costs enumerated in that section.

Courts and administrative officers may include as "related expenses" actual costs incurred for the services of paralegals and law clerks who assist attorneys in representing their clients.

The definitions of "final decision" and "prevail on the merits" are discussed in connection with the provisions of section 5(1) of the bill, which requires that a party seeking an award of attorneys' fees must prevail on the merits.

SECTION 4—SCOPE AND APPLICATION; RELATIONSHIP TO OTHER LAWS

Subsection (a) provides that the provisions of this bill are intended to apply to all awards of attorneys' fees against the United States, or any state or local government, and to establish minimum criteria for such awards. In this way, this bill will provide greater uniformity in the application of the scores of fee-shifting statutes that authorize awards of attorneys' fees and related expenses against the federal, state, and local governments.

Subsection (b) provides the general rule that, notwithstanding any other provision of law, the provisions of this bill would apply to, and modify, all federal fee-shifting statutes, including the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412 (b) and (d). No award of attorneys' fees and related expenses could exceed the amounts determined under the bill.

Nothing in this bill is intended to overturn cases such as *Christiansburg Garment Co.* v. *Equal Employment Opportunity Commission*, 434 U.S. 412, 421 (1978), where the Supreme Court held that attorneys' fees may be awarded to a prevailing defendant if the plaintiff's claim is found to be "frivolous, unreasonable or without foundation, even though not brought in subjective bad faith." Moreover, 28 U.S.C. § 2412(b) presently provides a statutory basis for the award of attorneys' fees against the United States under certain established common law theories. However, any such awards would be governed by the provisions of this bill.

Subsection (c)(1) provides that the criteria for the award of attorneys' fees and related expenses established by this bill would not supersede more restrictive criteria contained in other statutes for making such awards. The provisions of this bill establish minimum criteria to be applied for determining and awarding attorneys' fees and related expenses or costs in judicial and administrative proceedings against the United States or against state or local governments.[4] Subsection (c)(2) provides that nothing in the bill shall be interpreted to create any right to an award of attorneys' fees of related expenses. Any right to such an award derives solely from the provisions of other laws. Where the underlying federal law does not provide authority for an award of attorneys' fees, see, e.g., *Webb* v. *Board of Education*, 105 S. Ct. 1923 (1985), there would be no basis for a fee award under this bill.

The bill does not affect the compensation of attorneys in suits against the government such as those under the Federal Tort Claims Act, 28 U.S.C. §§ 2671-2680, or involving National Service Life Insurance or United States Government Life Insurance, under 38 U.S.C. § 784(g). Those statutes are not federal fee-shifting statutes, because the final award of damages or proceeds is calculated without reference to attorneys' fees and there is no additional element of the award that is attributable to the prevailing party's attorneys' fees. However, the bill would apply to an award of attorneys' fees under any statute that requires the inclusion of a separate element in the damage award to account for attorneys' fees. See e.g., the Uniform Property Relocation Act, 42 U.S.C. § 4654(c).

Subsection (d)(1) is similar to provisions for determining attorneys' fees in the Alaska Native Claims Settlement Act, 43 U.S.C. § 1619(d)(2). Subsection (d)(2) is intended to protect a party intervening in defense of his own interests with respect to a governmental action but whose conduct did not give rise to the dispute at issue from the specter of liability through an automatic shift of attorneys' fees should the plaintiff prevail. Under the fee-shifting statutes generally, a plaintiff who does not prevail is ordinarily not liable for the government's attorneys' fees. See *Christiansburg Garment Co.* v. *EEOC*, 434 U.S. 412 (1978). Similarly, an intervenor-defendant who defends his own rights under the challenged governmental scheme but whose conduct did not give rise to the controversy and did not violate the constitutional or statutory rights of the plaintiff also should not ordinarily be liable for attorneys' fees.

Subsection (e) provides that, although the bill generally would apply to awards under the Equal Access to Justice Act ("EAJA"), the provisions of section 6(a)(1) (establishing a limitation of $75 per hour for attor-

---

[1] This 25 percent reduction would not apply to suits under certain provisions of the Equal Access to Justice Act, or to suits for recovery of disputed taxes under 26 U.S.C. § 7430.

[2] Most courts have ruled that pro se litigants generally are ineligible for attorneys' fees awards. See *Cofield* v. *City of Atlanta*, 648 F.2d 986 (5th Cir. 1981); *Owens-El* v. *Robinson*, 498 F. Supp. 877 (W.D. Pa. 1980); *Crooker* v. *Department of Justice*, 632 F.2d 916, 922 (1st Cir. 1980); and *Burke* v. *Department of Justice*, 559 F.2d 1182 (10th Cir. 1977), aff'g mem. 432 F. Supp. 251 (D. Kan. 1976). The D.C. Circuit, however, has awarded attorneys' fees under the FOIA to pro se prisoners and to law students who received 12 hours of course credit. See *Crooker* v. *Department of Treasury*, 663, F.2d 140 (D.C. Cir. 1980); *Jordan* v. *Department of Justice*, 691 F.2d 514 (D.C. Cir. 1982). The definition of "attorney," however, is not intended to affect judicial interpretations regarding whether individual statutes authorize awards of attorneys' fees to licensed attorneys appearing pro se. For example in *White* v. *Arlen Realty & Development Corp.*, 614 F.2d 387 (4th Cir.) (per curiam), cert. denied, 447 U.S. 923 (1980), the Fourth Circuit denied an award of attorneys' fees to a plaintiff-attorney under the Truth-in-Lending Act.

[3] Generally, courts have followed the principle that attorneys' fees, which are authorized by various fee-shifting stautes, are distinct from costs, which are authorized by 28 U.S.C. §§ 2412(a) and 1920. However, some statutes, such as Title VII of the Civil Rights Act and 42 U.S.C. § 1988, have been interpreted to make attorneys' fees part of costs. See *Delta Air Lines* v. *August*, 450 U.S. 346 (1981) (Title VII). If left unaddressed, parties could attempt to circumvent the $75 fee limitation and other provisions in this bill regarding attorneys' fees by seeking attorneys' fees as costs under these statutes.

[4] For example, 5 U.S.C. § 7701(g)(1) provides that attorneys' fees may be awarded if (1) the party has prevailed; and (2) the award of attorneys' fees would be "warranted in the interest of Justice. . . ." The second of these two criteria, which is not contained in the bill, would continue to apply.

neys' fees) and section 6(c) (reduction of fee awards in money damages cases) of the bill would not apply to awards made under 5 U.S.C. § 504(a)(1) and 28 U.S.C. § 2412 (d)(1)(A) and (d)(3) (as in effect for cases filed before October 1, 1984). Those provisions of the EAJA provide for awards of attorneys' fees to eligible parties who prevail in litigation with the United States unless the government proves that its position in the litigation was substantially justified. Those provisions already have a general rule limiting fee awards to no more than $75 per hour. In addition, the factors listed for reduction of fee awards in paragraphs (3) and (4) of section 6(b) of the bill would not apply under those provisions of the EAJA.[5] The language and legislative history of those provisions of the EAJA reflect Congress's intent to award attorneys' fees to prevailing parties who meet the qualifications of that Act, unless the government's position was "substantially justified" or "special circumstances" would make an award of attorneys' fees unjust. The purpose of this subsection is to assure that the special characteristics of the EAJA in this respect will not be affected by this bill. The exceptions described in this subsection would not apply to attorneys' fee awards under 28 U.S.C. § 2412(b).

Subsection (f) provides that the provisions of the bill shall not apply in federal criminal proceedings or civil habeas corpus proceedings in the federal courts under the Criminal Justice Act, 18 U.S.C. § 3006A.

SECTION 5—ALLOWANCE OF ATTORNEYS' FEES

Section 5 of the bill establishes the prerequisites to an award of attorneys' fees and related expenses against the United States, or against state or local governments, in any civil judicial or administrative proceeding to which a federal fee-shifting statute applies. The party seeking such awards must establish, and the court or administrative officer must determine, (1) that the party prevailed on the merits of its complaint in the proceeding; (2) that the work for which the award is sought was performed in the proceeding in connection with issues on which the party prevailed against the United States or a state or local government and was necessary to resolve the controversy; (3) that the application is submitted in compliance with the procedural requirements of Section 7 and does not exceed amounts authorized under Section 6; and (4) that the services for which attorneys' fees are sought are not excessive, redundant, or otherwise unnecessary.

As set forth in section 4(c) of the bill, the requirements of this section for awards of attorneys' fees, including the requirement that a party "prevail," are not intended to supersede other additional requirements established by law, such as those under 5 U.S.C. § 7701(g)(1) (where an award to a prevailing party must be "warranted in the interest of justice").

Nothing in this section is intended to change the burden of proof for determinations of "substantial justification" in applications for fee awards under the Equal Access to Justice Act, 5 U.S.C. § 504(a)(1) and 28 U.S.C. § 2412 (d)(1)(A) and (d)(3) (as in effect for cases filed before October 1, 1984). The burden remains in the government to prove "substantial justification" in connection with such applications.

Prevail on the Merits.—Paragraph (1) would preclude awards of attorneys' fees and related expenses against the United States and against state and local governments unless the party seeking the award prevailed on the merits of its complaint. The definition of "prevail on the merits" focuses on whether the party was successful on significant issues in the controversy and obtained significant relief in connection with these issues. This is intended to be a more flexible standard than some formulations of this term. CF. *Taylor* v. *Sterrett*, 640 F.2d 663, 669 (5th Cir. 1981) (a prevailing party for attorneys' fees purposes "has been successful on the central issue" in the case, and has "acquired the primary relief sought"). The relief sought need not be "central," but must be significant in terms of the result sought by the party. In this respect, the bill reflects the first part of the test enunciated by the Supreme Court in *Hensley* v. *Eckerhart*, 461 U.S. 424, 433 (1983) ("plaintiffs may be considered 'prevailing parties' for attorneys' fees purposes if *they succeed on any significant issue in litigation* which achieves some of the benefit the parties sought in bringing suit") (emphasis added).

This bill differs, however, from the second part of the *Hensley* formulation. The language of *Hensley* is subject to an overly expansive reading, as the district court did in *Laffey* v. *Northwest Airlines, Inc.*, 572 F. Supp. 354 (D.D.C. 1983), rev'd, 746 F.2d 4 (D.C. Cir. 1984), cert. denied, 53 U.S.L.W. 3882 (U.S. June 17, 1985). There, the district court found the plaintiffs to be prevailing parties for all purposes even though they in fact failed to achieve the results sought in important respects.

The purpose of the bill is to state more precisely that the relief obtained by the party must be significant, not merely "some of the benefit" the party sought. The relief obtained should be significant in terms of the result sought by the party in bringing the suit. Cf. *Hensley* v. *Eckerhart*, 461 U.S. at 440 ("A reduced fee award is appropriate if the relief, however significant, is limited in comparison to the scope of the litigation as a whole").

The requirement to show that the party has prevailed on the merits would also apply to statutes, such as the Clean Air Act, that authorize the award of attorneys' fees "when appropriate."[6]

This paragraph provides that the party must prevail in a "final decision" of a court or a final disposition by an agency in an administrative proceeding. The Federal Rules of Civil Procedure generally define a final judgment as any order from which an appeal lies, including dismissals and default and summary judgments, and final judgments entered on less than all pending claims pursuant to Rule 54(b). In an adversary proceeding, the final decision is one which determines the rights of the parties and from which no further review is provided within the administrative process. The definition of "final decision" is limited to those final judgments in which the party establishes entitlement to relief on the merits. Thus, an award of attorneys' fees would not be appropriate for a party who has prevailed only on a motion for preliminary injunction or for a temporary restraining order, where the merits of the suit have not been resolved. However, the definition would permit the award of attorneys' fees where the party defending against a suit brought by the government obtains the dismissal of a groundless complaint.[7]

The bill would preclude so-called "interim awards" of attorneys' fees except where the text or legislative history of an applicable fee-shifting statute indicates that Congress has authorized them, but such awards should be made only "to a party who has established his entitlement to some relief on the merits of his claims, either in the trial court or on appeal." *Hanrahan* v. *Hampton*, 446 U.S. 754, 757 (1980) (per curiam). In *Hanrahan*, the Supreme Court noted that the legislative history of 42 U.S.C. § 1988 cited, as examples of appropriate circumstances for interim fee awards, two cases[8] in which the "party to whom the fees were awarded had established the liability of the opposing party, although final remedial orders had not been entered." Id. at 757. The Court found that the plaintiffs had not prevailed on the merits of any of their claims and reversed the award of attorneys' fees. Id. at 758. Further, the Court ruled that attorneys' fees are not to be awarded for nondispositive rulings regarding matters of discovery, evidence, or procedure. Id. at 759. See also *Smith* v. *University of North Carolina*, 632 F.2d 316, 350-51 (4th Cir. 1980).

Paragraph (1) is not intended to modify existing case law providing that attorneys' fee may be awarded in cases where the litigation is terminated by settlement agreement, as long as the party seeking fees has prevailed on the merits of the relief sought.[9] Nor is the provision intended to preclude discussions between the parties of attorneys' fees, or the waiver thereof, before the decision on the merits by a court or the final disposition by an administrative officer, or to prevent the government from discussing liability for attorneys' fees in conjunction with liability on the merits as part of a settlement agreement, or from including in a settlement agreement provisions for attorneys' fees and related expenses or costs.

Necessary Work on Prevailing Issues.—Under paragraph (2), a prevailing party

[5] These discretionary factors authorize a reduction of the attorneys' fee award based on findings that the time and legal services were excessive with regard to the nature of the controversy, or that the amount sought unreasonable exceeds the monetary result or injunctive relief achieved.

[6] The Supreme Court in *Ruckelshaus* v. *Sierra Club*, 103 S. Ct. 3274, 3281 (1983), held that the claimant must demonstrate that it enjoyed "some degree of success on the merits" in order to receive attorneys' fees under the Clean Air Act, which provides for such fees "when appropriate."

[7] See H.R. Conf. Rep. No. 96-1434, 96th Cong., 2d Sess. 21-22 (1980). See also *United States ex rel. Heydt* v. *Citizens State Bank*, 668 F.2d 444, 447 (8th Cir. 1982) (organization which successfully opposed IRS summons in order to protect the confidentiality of its members was a prevailing party under the EAJA; however, no attorneys' fees were awarded because the IRS position was substantially justified).

[8] *Bradley* v. *Richmond School Board*, 416 U.S. 696 (1974) and *Mills* v. *Electric Auto-Lite Co.* 396 U.S. 375 (1970), are cited in the legislative history of the Civil Rights Attorneys' Fees Awards Act of 1976. S. Rep. No. 94-1011, 94th Cong., 2d Sess. 2, and H.R. Rep. No. 94-1558, 94th Cong., 2d Sess. 6 (1976).

[9] See, e.g., *Ward* v. *Schweiker*, 562 F. Supp. 1173 (W.D. Mo. 1983). As the court stressed in *Parker* v. *Matthews*, 411 F. Supp. 1059, 1054 (D.D.C. 1976), aff'd, 561 F. 2d 320 (D.C. Cir. 1977), the settlement should be carefully scrutinized to determine if an award of attorneys' fees is justified:

"[W]hether to award attorneys' fees where there has been a settlement of a title VII lawsuit must be determined by a close scrutiny of the totality of the circumstances surrounding the settlement, focusing particularly on the necessity for bringing the action and whether the party is the successful party with respect to the central issue—discrimination."

seeking an award of attorneys' fees and related expenses against the United States, or against state or local governments, must show that the work for which fees are sought was performed in connection with issues, substantive or procedural, upon which the party prevailed in the disposition of the controversy.[10] This provision is not intended to preclude awards of attorneys' fees and related expenses where a party's pleadings contain meritorious alternative grounds for relief, based on the same facts as those on which the party prevailed, on which a court or administrative officer did not rule because the party prevailed on other grounds. In such instances, awards of attorneys' fees and related expenses may include amounts attributable to time expended on such alternative pleadings, if the court or administrative officer determines that the alternative pleadings were reasonably directed to the resolution of the merits of the controversey. Of course, a party who seeks different types of relief under different statutory provisions is not entitled to fees for those claims where no relief was provided; nor are awards of attorneys' fees and related expenses to be made in cases where the specific statutory provisions construed in the case do not provide for the award of attorneys' fees.[11]

Paragraph (2) also requires the party seeking attorneys' fees to establish that the services for which fees are sought were not "excessive, redundant, ortherwise unnecesary."[12] Because prevailing intervenors are "parties" for the purposes of this bill, they may receive awards of attorneys' fees if they meet the requirements of the applicable fee-shifting statute and this bill, including the showing required by this paragraph.

Compliance with this Act.—Paragraph (3) requires that applications for an award of attorneys' fees and related expenses be made in accordance with the provisions of this Act.

SECTION 6—AMOUNT OF ATTORNEYS' FEES

Civil fee-shifting statutes

Paragraph 6(a)(1) establishes a maximum hourly rate of $75 for attorneys' fees awards against the United States, states, and local governments under federal fee-shifting statutes.[13] This provision shall not apply to awards under the Equal Access to Justice Act, 5 U.S.C. § 504(a)(1) and 28 U.S.C. § 2412(d)(1)(A) and (d)(3), because the EAJA has its own limit of $75 per hour, subject to specified exceptions.[14] In calculating the amount of any award of fees, section 6(a)(2) provides that multipliers or bonuses shall not be used.

The $75 per hour limit in subsection (a) is intended to assure that fees paid to private counsel in fee-shifting cases are brought somewhat more in line with the salaries of attorneys who represent the government in these cases, while providing sufficient incentive to attract competent counsel. This is appropriate, because many federal fee-shifting statutes are premised on the theory that groups or individuals who sue the government for the public benefit are acting as "private attorneys general." Attorneys' fees paid by taxpayers to these "private attorneys general" should be generally commensurate with the salaries paid by taxpayers to federal "public attorneys general."[15] Even the rate of $75 per hour set in the bill is well above the compensation of government attorneys.

It is emphasized that this subsection establishes only a maximum hourly rate of compensation, and that prevailing rates may in fact be less than the maximum allowed under the bill. Courts should give due consideration to the fees normally received by the attorney for similar work and other relevant factors. Attorneys' fees may be awarded at hourly rates less than the maximum established by this bill.

Subsection (b)(1) provides that courts or administrative officers shall reduce or deny awards of attorneys' fees and related expenses against the United States, or against state or local governments, where it is determined that (A) the prevailing party unreasonably protracted the final resolution of the controversy; (B) the attorneys' fee unreasonably exceeds the hourly salary of the attorney; or (C) the time spent and legal services provided were excessive with regard to the nature of the controversy. Subsection (b)(2) also authorizes a reduction or denial of a fee award if (A) the award otherwise allowable would unreasonably exceed the monetary result or the value of injunctive relief achieved in the proceeding; or (B) the award would otherwise by unjust or inappropriate. The amount of any reductions pursuant to subsection (b)(2) shall be at the discretion of the court or administrative officer.[16]

Paragraph (1)(A) is patterned on the Equal Access to Justice Act, 28 U.S.C. 2412(d)(1)(C) and 5 U.S.C. 504(a)(3). Paragraph (1)(C) addresses the problem of a case that is overlawyered. It is derived from *Hughes* v. *Repko*, 578 F.2d 483 (3d Cir. 1978), where the district court was directed to determine whether it was reasonably necessary to spend the number of hours claimed by the attorneys in order to perform the legal services for which compensation was sought.

Paragraph (1)(B) provides that the court or administrative officer may consider, as a basis for reducing an otherwise allowable fee award, whether the award would unreasonably exceed the hourly salary of the party's attorney. This provision is intended to apply to all attorneys who are paid on a salaried basis, including in-house counsel and associates in a law firm. As a general guideline, an application for an award may be regarded as unreasonably high under paragraph (1)(B) if it is more than twice the attorney's hourly salary. Twice the attorney's hourly salary should, in general, provide reasonable compensation and cover normal overhead expenses. The bill is intended to encourage courts and administrative officers carefully to review applications for awards that would substantially exceed the actual cost of the litigation, and to reduce awards that would confer windfalls on attorneys or the organizations that employ them.

Paragraph (2)(A) is intended to address the anomalous result where attorneys receive far greater benefit from the litigation than their clients, such as in cases where $100,000 is awarded in attorneys' fees for a $10,000 judgment, or where $22,000 in attorneys' fees is awarded for only a $500 award to each of three clients. In other cases, the injunctive relief actually achieved in the case might be so limited that it does not warrant the amount of attorneys' fees otherwise allowable. Cf. *Hensley* v. *Eckerhart*, supra, 461 U.S. at 435-36 & n.11 (The award of full attorneys' fees to a party who has achieved only partial or limited success would be "an excessive amount"). In determining whether reduction of an award is appropriate, courts or administrative officers should consider both the monetary judgment achieved and any significant injunctive or other equitable relief obtained by the parties in the proceeding.

Paragraph (2)(B) provides that the bases for reducing an award of attorneys' fees that are listed in this subsection are not meant to be exclusive, and courts and administrative officers should continue to consider other factors that are appropriate under existing law. See *Hensley* v. *Eckerhart*, supra, 461 U.S. at 436-37. For example, the legislative history of the Civil Rights Attorney's Fees Award Act of 1976, 42 U.S.C. § 1988, provides that "special circumstances" are to be considered by courts in awarding attorneys' fees. Nothing in this bill is intended to preclude consideration of

---

[10] See *Hensley* v. *Eckerhart*, supra, 461 U.S. at 435 ("[W]ork on an unsuccessful claim cannot be deemed to have been 'expended in pursuit of the ultimate result achieved.' . . . [T]herefore no fee may be awarded for services on the unsuccessful claim.").

[11] See *Smith* v. *Robinson*, 104 S. Ct. 3457 (1984) (affirming court of appeals' reversal of district court's award of attorneys' fees where case was grounded on the Education for All Handicapped Children Act, which does not provide for the award of attorneys' fees, even though the plaintiff included allegations based on section 504 of the Rehabilitation Act of 1973 and 42 U.S.C. § 1983, which the courts did not reach). The Court agreed with the respondents' contention that "Whatever Congress' intent was in authorizing fees for substantial, unaddressed claims based on § 1988 or § 505, it could not have been to allow plaintiffs to receive an award of attorney's fees . . . where Congress has made clear its intent that fees not be available." Id. at 3466. See also *Irving Independent School District* v. *Tatro*, 104 S. Ct. 3371, 3379 (1984).

[12] See *Hensley* v. *Eckerhart*, supra, 461 U.S. at 434 ("Cases may be overstaffed, and the skill and experience of lawyers may vary widely. Counsel for the prevailing party should make a good-faith effort to exclude from a fee request hours that are excessive, redundant, or otherwise unnecessary, just as a lawyer in private practice ethically is obligated to exclude such hours from his fee submission.").

[13] In determining the total award of attorneys' fees, courts and administrative officers should continue the practice of determining the number of hours reasonably expended in the proceeding, multiplied by a reasonable hourly rate not exceeding $75. In deciding whether the hours claimed were "reasonably expended" under any fee shifting statute, the Supreme Court has admonished that "[h]ours that are not properly billed to one's client also are not properly billed to one's adversary pursuant to statutory authority." *Hensley* v. *Eckerhart*, supra, 461 U.S. at 434, citing *Copeland* v. *Marshall*, 641 F.2d 880, 891 (D.C. Cir. 1980) (en banc) (emphasis in original). In arriving at the total fee award, the factors set forth in section 6(b) and those identified by the Supreme Court in *Hensley* v. *Eckerhart*, supra, 461 U.S. at 434-37, should be considered.

[14] The provisions of the Equal Access to Justice Act, unlike other fee-shifting statutes, predicate awards of attorneys' fees not only upon a finding that the party prevailed, but also that the government was not substantially justified in its position. In light of the latter requirement and the EAJA's existing fee limitation provision, it is unnecessary to apply the general fee limitation of this bill to the EAJA.

[15] Federal fee-shifting statutes "should not be implemented in a manner to make the private attorney general's position so lucrative as to ridicule the public attorney general." *Johnson* v. *Georgia Highway Express, Inc.*, 488 F.2d 714, 719 (5th Cir. 1974).

[16] The factors set forth in paragraphs (1)(C) and (2)(A) would not apply to awards under 5 U.S.C. 504 and 28 U.S.C. 2412(d) of the Equal Access to Justice Act (as in effect for cases filed before October 1, 1984). This exception is intended to maintain the status quo in the interpretation of the "special circumstances" provision of the EAJA, and not to affect the courts' construction of that term in the context of fre awards under the EAJA.

such "special circumstances" to reduce the amount of fee awards against the government.

Subsection (c) provides that, whenever a monetary judgment is awarded against the United States, or against a state or local government, a portion of the judgment (but not more than 25%) shall be applied to satisfy the amount of attorneys' fees allowed in the proceeding. If a fee award exceeds 25% of the judgment, the defendant government would be liable for the excess. On the other hand, if a fee award is less than 25% of the judgment, the award would be satisfied from the amount of the judgment. Any amount not applied to attorneys' fees, of course, would be paid to the plaintiff.

The rationale for this offset is not to reduce the attorneys' compensation, but to provide that a prevailing party should pay part of its legal expenses from any monetary award recovered in a judicial or agency proceeding. This provision would not apply to attorneys' fee awards under the Equal Access to Justice Act, 5 U.S.C. § 504(a)(1) and 28 U.S.C. § 2412 (d)(1)(A) and (d)(3), where fee awards are available only where the government's position was not substantially justified. Cf. note 13, supra. It also would not apply to awards in cases brought for recovery of disputed tax payments under 26 U.S.C. § 7430, in order to avoid inconsistent adjudications under the Internal Revenue Code.[17]

The result of the 25 percent reduction in monetary awards to be applied toward attorneys' fees is similar to that under the Federal Tort Claims Act, 28 U.S.C. § 2678, and section 206 of the Social Security Act, 42 U.S.C. § 406, which provide for compensation of attorneys from any monetary awards recovered by the parties, except that the fee award under a fee-shifting statute would not be limited to 25 percent of the judgment.

Independent counsel investigations

As amended in 1982, the statute providing for the appointment of an Independent Counsel to investigate allegations of criminal wrongdoing by the President and other specified Executive officials now authorizes the court to award reimbursement to a subject of an independent counsel investigation for all or part of his or her attorneys' fees incurred in the course of such investigation if no indictment is brought against the subject and the attorneys' fees would not have been incurred but for the Independent Counsel investigation. 28 U.S.C. § 593(g). This statute, however, does not provide for a limitation on the amount of fees awarded.

New subsection 6(d) of the bill would impose a limit of $75 per hour on awards under the Independent Counsel provision, the same limit as for other civil fee-shifting statutes. This change is made expressly to avoid any uncertainty as to the reach of the statute. As provided in section 11 of the bill, this amendment would apply to all attorneys' fees incurred after the date of enactment of the bill.

Criminal Justice Act fees

As introduced in the 98th Congress (S. 2802 and H.R. 5757), the bill contained provisions that would amend the Criminal Justice Act, 18 U.S.C. § 3006A(d), to double the compensation rates for defense attorneys in criminal proceedings—from $30 per hour for time expended in court and $20 per hour for time expended out of court to $60 and $40, respectively—and also double the maximum total compensation to $2,000 per attorney for felony cases, $800 per attorney for misdemeanor cases, and $500 per attorney for post-trial and probation revocation proceedings.

Those provisions were enacted separately in the closing days of the 98th Congress as part of the Comprehensive Crime Control Act of 1984, Pub. L. No. 98-473. Thus, the much-needed increase in the maximum hourly rates for attorneys who represent parties under the Criminal Justice Act has already been achieved. Accordingly, the bill presently focuses solely on attorneys' fee awards in the civil and administrative context. We see the enactment of this bill as just as significant a step in bringing about a better balance in civil fee awards as the Criminal Justice Act amendments were in the criminal context.

SECTION 7—TIMELY APPLICATIONS AND PROCEDURES

Subsection (a) establishes a jurisdictional requirement that a party seeking an award of attorneys' fees and related expenses submit an application for such award within 30 days of a final decision on the merits by a court or the entry of a final disposition by an administrative officer, from which no appeal is taken. A final decision on the merits is defined as the entry of judgment under the Federal Rules of Civil Procedure, and includes a dismissal of the suit and a dismissal pursuant to a settlement agreement. Parties may not be awarded attorneys' fees and related expenses by a court or administrative officer if the fee award application is made after the 30 day time limit.

This requirement is consistent with the jurisdictional time for filing fee applications pursuant to the Equal Access to Justice Act, and is responsive to the Supreme Court's recent observation that courts can adopt procedural rules setting reasonable time limits for applications for attorneys' fee awards. *White* v. *New Hampshire Department of Employment Security*, 455 U.S. 445 (1982).[18] Subsection (a) also requires the party seeking an award to submit such information as may be required by the court or agency.

Subsection (b) directs courts and agencies to provide guidance to parties regarding the information required to be filed. Courts and agencies should, at the least, require submission of the following information: a statement of the basis of the claim for attorneys' fees; a statement that attorneys' fees are awardable under applicable law; a statement of the amount sought; a copy of any written fee agreement; and an itemized accounting of the hours expended and the specific tasks performed by the attorney on each issue in the proceedings.[19] Further, courts and agencies should require the submission of information to assist them in making the findings under section 6(b) of this bill, with respect to the reduction of awards of attorneys' fees. Subsection (b) further requires courts and agencies to establish procedures regarding the timing of applications for attorneys' fees and supporting information, and the timing of judicial and agency rulings on these applications.[20]

To ensure that courts are consistent in issuing requirements for submission of information for fee applications, the bill anticipates that the Judicial Conference of the United States would prescribe guidelines for courts to follow in establishing these requirements. These guidelines would not supersede any requirements for submission of information required by law in conjunction with attorneys' fees applications. The bill also anticipates that agencies, when establishing requirements for submission of information in conjunction with fee applications, will follow the guidelines established by the courts.

Section 7(b) requires that these guidelines provide that attorneys' fees may be awarded only final decisions. The meaning of final decision, including dismissals and so-called "interim awards" in the circumstances outlined by the Supreme Court in *Hanrahan* v. *Hampton*, supra, are discussed in connection with section 5(1) of the bill.

SECTION 8—MOOTNESS AND SETTLEMENT DEFENSES

Under existing law, a party will be held to be a prevailing party and entitled to recover attorneys' fees and related expenses or costs even if the claim has been mooted, if it is found that the suit was a "catalyst" for the change of policy that rendered the claim moot. See, e.g., *Maher* v. *Gagne*, 448 U.S. 122, 129-30 (1980). Subsection (a) would codify the standard by which pending litigation is determined to have been such a catalyst by requiring that the litigation be a "material factor" in the policy change. This is the standard that is currently being applied by most courts. See, e.g., *Morrison* v. *Ayoob*, 627 F.2d 669 (3d Cir. 1980), cert. denied, 449 U.S. 1102 (1981). This provision would ensure that courts do not place undue emphasis on chronology—that is, the fact that the plaintiff's case was pending when

[17] Inconsistent adjudications could result because the tax laws permit taxpayers who contest many government tax claims either: (1) to pay the contested taxes and sue for a refund in a district court or in the Claims Court, or (2) to bring suit, without payment, in the Tax Court. A taxpayer who sued in the District or Claims Court and won would receive a monetary award. Presumably, 25% of this amount would otherwise be applied to reduce any attorneys' fees award. However, a taxpayer who sued in the Tax Court and won would not receive a monetary award but, instead, simply a determination that no liability existed. Thus, the 25% reduction would hinge entirely upon the taxpayer's choice of forum, an anomalous result that would otherwise channel many more cases to the already overburdened Tax Court.

[18] As noted by the Supreme Court in *White*, courts currently differ with respect to the time in which attorneys' fees awards must be sought. Id., 455 U.S. at 450 n.9. Before *White*, some courts allowed only 10 days from the time of entry of judgment for filing of fee applications under Fed. R. Civ. P. 59(e); other circuits have imposed no time constraints. The Eighth Circuit has recommended a rule for filing attorneys' fee requests within 21 days after entry of judgment. See *Obin* v. *District 9, Int'l Ass'n of Machinists*, 651 F.2d 574, 583 (8th Cir. 1981).

[19] A requirement for this type of information is consistent with the District of Columbia Circuit's ruling in *National Ass'n of Concerned Veterans* v. *Secretary of Defense*, 675 F.2d 1319 (D.C. Cir. 1982), which required detailed documentation by a party seeking an award of attorneys' fees.

[20] For example, in some cases fee applications can be resolved immediately following the district court's decision on the merits in order to permit a simultaneous appeal on the merits and of the fee award. This would prevent piecemeal appeals, and might be appropriate where no disagreement existed over the calculation of the award or where the determination required complete familiarity with the record. See *White*, supra, 455 U.S. at 454. In other cases, however, it might be preferable to defer attorneys' fees issues until all appeals have been completed and the plaintiff's entitlement to relief on the merits has been established with finality. This might be appropriate in cases where the determination of attorneys' fees is difficult and likely to consume more time than the appeal on the merits.

the government changed the policy that mooted the suit. Under this provision, governments would be encouraged to carry out planned policy reforms without fear of incurring liability for fees in pending suits, but would still be liable for attorneys' fees unless the government could prove that the suit actually was not a "material factor" in the policy change.

Subsection (b) would deny awards of attorneys' fees and related expenses for services performed after a written offer of settlement by the United States, or by state or local governments, if the party refuses the offer but is ultimately able to do no better when the case is resolved on the merits. The Supreme Court has already construed Rule 68 of the Federal Rules of Civil Procedure to reach this same result in cases under 42 U.S.C. § 1983. *Marek* v. *Chesny*, No. 83-1437 (U.S. June 27, 1985). This subsection would apply the Marek result to all fee-shifting statutes under which attorneys' fees are awarded against the government. This would provide an incentive for governments to make reasonable settlement offers, and encourage parties to give serious consideration to such offers. As the Supreme Court noted in Marek, slip op. at 9, "Section 1988 encourages plaintiffs to bring meritorious civil rights suits; Rule 68 simply encourages settlements. There is nothing incompatible in these two objectives." [21] This bill would make that construction uniform for all fee-shifting statutes to avoid the need for litigation over the construction of each such statute.

SECTION 9—COMPTROLLER GENERAL REPORT

Section 9 requires the Comptroller General of the United States to submit an annual report to the President and the Congress on the amount of attorney's fees and related expenses or costs awarded against the United States or against state and local governments under federal fee-shifting statutes in judicial and administrative proceedings. To assist the Comptroller General, courts and agencies should provide whatever information is needed. In preparing this report, the Comptroller General should use the reports prepared under the Equal Access to Justice Act by the Director of the Administrative Office of the United States Courts and the Chairman of the Administrative Conference of the United States, respectively, under 28 U.S.C. § 2412(d)(5) and 5 U.S.C. § 504(e).

[21] The contrary rule would provide little incentive for parties to settle cases early in the litigation. See Fioretti and Convery, "Attorney's Fees Under The Civil Rights Act—A Time for Change," 16 J. Mar. L. Rev. 261, 277-78 (1983) (discussing earlier cases that had failed to apply the approach of *Marek* v. *Chesny*):

"Aside from the 'prevailing party' issue, the present application of § 1988 results in a lack of incentive for plaintiff's attorneys to enter into pretrial settlements. The more hours the attorney spends on the case, the higher his potential fee award. The motivation then is not to settle, but to proceed to trial, where the hourly rates are even higher.

"Nor is such a result in the plaintiff's best interests. The purpose of the Civil Rights Act as a whole is to protect those who have suffered a constitutional tort. It naturally follows that if an early settlement is possible, the plaintiff, the protected party under the Act, should be compensated swiftly. However, a plaintiff's attorney, who during the early phase of the litigation has spent relatively few hours in preparation, may lack incentive to settle until compensable hours have reached a significant level. Thus, the overriding goal of the Civil Rights Act is thwarted and litigation is encouraged. The already crowded courts are further congested, so that the taxpayer suffers as well."

SECTION 10—LIMITATION ON EMPLOYMENT AND COMPENSATION OF OUTSIDE PRIVATE COUNSEL

This section, a new provision in the bill, would impose upon the federal government the same fee cap—$75 per hour—that the bill would impose upon attorneys' fee awards to parties in litigation with the federal government, or with the states.

Section 3106 of Title 5 of the United States Code currently requires that Executive departments must refer all litigation to the Department of Justice, unless otherwise authorized by law. The Department already has regulations governing the hiring of private counsel in litigation under its authority, and it has consistently limited the payment of private counsel to $75 per hour. But the Department's regulations now do not reach agencies with independent litigation authority. Where agencies are authorized by law to employ attorneys to conduct litigation, there presently are no statutory restrictions upon the hiring of outside counsel as opposed to staff attorneys, or upon the hourly rates that may be paid. As a result, many agencies presently expend taxpayer dollars on private attorneys at a cost well in excess of the cost of staff attorneys. Other agencies, though, including those with large litigation caseloads such as the Securities and Exchange Commission and the Federal Trade Commission, rely entirely upon staff counsel and do not use outside private counsel.

As part of the overall reform effort of the Legal Fees Equity Act, the bill would make all agencies accountable to the Attorney General with respect to the hiring of outside counsel. This amendment would provide that, notwithstanding any other provision of law, no agency could retain private counsel at the expense of the taxpayers to conduct litigation except in accordance with regulations adopted by the Attorney General. The bill also sets a limit of $75 on the hourly rate of such attorneys retained by the government and paid from appropriated funds. This provision corresponds to the $75 limit on the hourly rate on all fee-shifting statutes, so that the taxpayers will pay private agency counsel a rate no higher than would be paid by those same taxpayers to a prevailing plaintiff in a fee-shifting case. (For attorneys directly employed by the federal government, of course, the effective hourly rate would be far less than $75 per hour.)

This section would amend 5 U.S.C. § 3106. The two existing sentences of § 3106 would be retained largely without change as subsections (a) and (e), respectively. The only change is that the first sentence of present § 3106, which refers to Executive departments and military departments, would be expanded to include a reference to all other agencies including independent agencies, boards, and commissions, to make subsection (a) consistent with the reach of the limitations of subsection (b). Of course, there are many independent agencies, boards and commissions that already have independent litigation authority, and they would not be affected by the change to subsection (a). They would, however, be affected by the limitations of subsection (b), which would apply to the hiring of private counsel at taxpayer expense by any agency, independent or not.

Subsection (b) states the general rule that no agency may retain private counsel at taxpayer expense to handle any litigation except as provided in regulations adopted by the Department of Justice, and that, in any event, such private counsel may not be paid more than $75 per hour from funds appropriated for agency litigation. This includes any funds appropriated to the agency for litigation or legal services, and the permanent, indefinite appropriation to the Judgment Fund under 31 U.S.C. § 1304. It is not intended to apply, however, to the compensation of counsel on a contingency-fee basis, rather than on an hourly basis, for the collection of debts owed to the federal government, should that practice be authorized by Congress.

Subsection (c) authorizes the Attorney General to promulgate regulations implementing the provisions of this section as amended. The regulations could not raise the overall limit of $75 per hour in subsection (b)(2) but, subject to that limit, they may take into account different types of litigation and the experience and skill of attorneys. The subsection also contemplates a procedure for an agency, in exceptional circumstances, to apply to the Attorney General for a certification of need to employ outside private counsel, for a particular case or a class of litigation, in circumstances that would not otherwise be permitted by the regulations. This will preserve a measure of flexibility in the hiring of outside counsel in response to unexpected demands. The regulations also provide that the Attorney General may act to coordinate the use and availability of the expertise of the some 17,000 attorneys presently employed by the federal government, in order to promote their more efficient use and to reduce the need for hiring more expensive outside counsel. The bill specifically precludes judicial review of the regulations adopted by the Attorney General under this subsection and the determinations and actions he takes pursuant to those regulations, because judicial review of the Attorney General's supervison of litigation involving the United States would be most inappropriate.

SECTION 11—EFFECTIVE DATE

Section 11 applies the provisions of the bill to any award of attorneys' fees and related expenses incurred subsequent to the enactment of the bill. Further, the provisions of the bill apply to actions commenced prior to enactment, but only for attorneys' fees and related expenses incurred after the date.

Mr. HATCH. Mr. President, in July 1981, the Constitution Subcommittee began a series of hearings to examine the degree to which recent Federal statutes and court opinions have subjected States and municipalities to growing liabilities for awards of attorney fees. Several leading State and local officials testified about the deleterious effects to these unanticipated liabilities. One State attorney general, for instance, noted that:

States have shown that they have paid sometimes 10 times as much money to pay off these attorney fee awards than they had to pay to satisfy plaintiffs.

Hearings on S. 584 and S. 585, Subcommittee on the Constitution, 97th Congress, 1st session 561 (1981).

At the same time, officials in the Reagan administration undertook a review of the need for some standards to govern the award of attorney fees under numerous statutes which, under broadly defined circumstances, shift the entire expense of litigation to the

State, local, or Federal Government defendant. The legislation, which I am sponsoring today, the Legal Fees Equity Act, is the product of careful study to develop uniform standards for setting fees at levels sufficient to attract competent counsel without granting windfalls to lawyers.

This careful study has shown that standards for determining eligibility for, and the amount of, attorney fees awarded against Government parties have varied widely from court to court and State to State. This has often resulted in the award of excessive fees. For example, some courts have even used "multipliers" to double or triple an attorney's customary hourly rate when computing the amount of a fee award.

These inconsistent and troublesome results are primarily due to the ambiguity of fee-shifting statutes which provide no uniform standards for the award of attorney fees to a litigant who prevails to some degree in litigation against a government. Judicial and administrative officers are simply left without adequate guidelines in the law to fashion uniform and fair awards. Thus, the Legal Fees Equity Act is needed to provide standards and procedures for awarding attorney fees in proceedings against the United States as well as State and local governments in cases where Federal statutes allow such awards.

This bill differs in several important respects from S. 2802, the version of this legislation which I sponsored in the 98th Congress. As a result of hearings held on S. 2802, this bill specifically applies to the Independent Counsel statute, 28 U.S.C. 593, and expands the authority of the Attorney General to enforce limits on the hiring of outside counsel by Federal agencies. This bill also differs from S. 2802 in that the portions of S. 2802 which doubled the attorney fee compensation rates for the Criminal Justice Act have already been enacted.

It is noteworthy, however, that disparities between the compensation of attorneys awarded fees in civil actions against the Government and the compensation of attorneys awarded fees for representing indigent criminal defendants. Although the attorneys working under the Criminal Justice Act protect some of our Nation's most vital constitutional rights in criminal trials where life and liberty may be at stake, they still are compensated at levels far below attorneys who are paid under fee-shifting statutes. The Legals Fees Equity Act continues to try to remedy that inequity.

BACKGROUND

Since first established by the Supreme Court in 1796, *Arcambel* v. *Wiseman*, 3 Dall. 306 (1796), the basic rule in America for the compensation of counsel has been that each party to a judicial proceeding is expected to bear the cost of his own litigation. The Supreme Court ruled in *Alyeska Pipeline Service Co.* v. *Wilderness Society*, 421 U.S. 240 (1974), that Federal courts lacked power to create exceptions to this rule by awarding fees to attorneys who undertook to enforce certain important rights. Alyeska makes it clear, however, that Congress may create exceptions to the traditional American rule by statute.

Since 1974 Congress has enacted over 129 fee-shifting statutes. These statutes authorize recovery of attorney fees in cases against State and local governments as well as the Federal Government. Most of these statutes simply grant the court discretion to award reasonable attorneys' fees to the prevailing plaintiff in a suit against a government. These enactments offer little or no guidance as to the limits of judicial discretion, the standards for determining a reasonable fee or the degree of success necessary to satisfy the prevailing requirement. Accordingly, the amount and complexity of litigation to determine the amount of counsel fees under these fee-shifting statutes has increased dramatically. In 1980 alone, the Supreme Court issued nine opinions on the award of attorney fees. That same year, the Fifth Circuit decided over 50 reported cases on counsel fees.

The Supreme Court reacted to this veritable flood of litigation with the comment that "a request for attorneys fees should not result in a second major litigation." *Hensley* v. *Eckerhart*, 103 S.Ct. 1933, 1941 (1983). In that same case, Justice Brennan argued that litigation over attorney fees "serves no productive purpose, vindicates no one's civil rights, and exacerbates the myriad problems of crowded appellate dockets." (Id. at 1950.) A hint of the Supreme Court's frustration with the absence of adequate legal standards governing the award of reasonable fees emerges later in Justice Brennan's concurrence: Ultimately—the fee shifting statute's—straightforward command is replaced by a vast body of artificial, judgmade doctrine, with its own arcane procedures, which, like Frankenstein's monster, meanders its well intentioned way through the legal landscape leaving waste and confusion—not to mention circuit splits—in its wake. (Id. at 1951.)

Not only has the absence of standards for the award of attorney fees clogged the courts, it has also led to exorbitant fee awards. A recent request for fees in Massachusetts is an example of this problem. A zoning law was declared unconstitutional after a lengthy series of appeals. The attorney, who is also a full-time law professor, requested $331,441 in fees at an effective hourly rate of $412.50 an hour for his services. The Washington Post issued the following commentary on that case:

> High-priced lawyers are just charging much too much—to the point of caricature—and the folks expected to pay their fees should put an end to the practice. Just because well-heeled private clients dole out huge sums doesn't mean that the public should be equally generous. The "prevailing wage" approach that government uses when it is buying services—which is the essence of Professor Tribe's claim—has a superficial appeal. But on closer inspection it reveals elements of a gigantic rip-off. * * * Lawyers—even civil rights lawyers—need at least as much wage restraint as others when it comes to billing the government.

The Post might also have asked how an hourly rate of $412.50 can be justified alongside the limits of $20 per hour imposed on attorneys relying on the Criminal Justice Act.

In the absence of adequate computation standards, attorney fee awards have also been subject to the criticism that the award is disproportionate to the degree of success achieved in the underlying case. For instance, in *Skoda* v. *Fontani*, 646 F.2d 1193 (7th Cir. 1981), the plaintiff was awarded $1 in damages, but the attorney fee award was awarded over $6,000. In *Rivera* v. *City of Riverside*, 679 F.2d 795 (9th Cir. 1982), the plaintiff was awarded $33,000 in damages, but the attorney fee award was nearly a quarter of a million dollars. The National Association of Attorneys General recently completed an exhaustive report on the award of attorney fees under the fee-shifting statute most often employed against State and local governments. This report gives a comprehensive overview of the problems created by the lack of adequate standards for the award of attorney fees. I would urge each of my colleagues to read this report.

The overall purpose of this proposal is to provide the courts and Federal agencies with greater guidance in implementing Federal fee-shifting statutes. This bill would not deny fees to prevailing attorneys, but would set standards and procedures to ensure that such fees are "reasonable." An important element of the standards proposed by this legislation is a cap of $75 per hour on attorney fees awarded against the Government in civil judicial or administrative proceedings. This $75 per hour fee cap is the same rate established in the recently enacted Equal Access to Justice Act, 28 U.S.C. 2412(d) and 5 U.S.C. 504(b). The bill would, therefore, allow courts to compensate private attorneys at a level commensurate with, though still higher than, that received by the Government attorneys they oppose.

In the absence of adequate statutory guidance, some courts have used bonuses and multipliers extensively to escalate awards. Multipliers were justified as compensation for litigating a

particular complex case, as a reward for high quality work by the attorney, or as an offset for the riskiness or contingency of the case. In the recent Supreme Court case of *Blum* v. *Stetson*, — U.S. — (Mar. 21, 1984) (slip op. No. 81-1374), found that these justifications for multipliers "do not withstand examination." (Id. at 9.) The complexity of a case will be reflected in the number of hours expended in preparation. The quality of an attorney's work will be reflected in the customary hourly rate used to compute his award. Contingency is an element of every case brought under these fee-shifting statutes because they require a litigant to prevail in order to qualify for an award. This "prevailing" requirement was enacted by Congress to discourage frivolous or meritless suits. Granting a bonus for risky cases would be at odds with Congress' intent to award fees only for meritorious suits. Thus, where bonuses are used to compensate attorneys who are handling complex or novel cases, the net result is to inflate compensation which has already been adequately provided. Bonuses for contingency defeats a primary purpose of only compensating litigants for meritorious suits. Consistent with the Stetson case, this bill would eliminate the use of multipliers and bonuses in an effort to avoid absurdly high awards.

The bill is intended to apply to all awards of attorney fees against the United States and any State or local government. Its provisions apply to, and modify, all Federal fee-shifting statutes, but do not supersede more restrictive criteria contained in other statutes. This includes awards made under the Equal Access to Justice Act, except certain specified provisions of that act.

Federal fee-shifting statutes generally contain language indicating that such awards are available only to "prevailing parties." Ambiguities have developed concerning when a party has adequately prevailed so as to come within the statutes. For example, *Nadeau* v. *Helgemoe*, 581 F.2d 275 (1st Cir. 1978), adopted a standard which held that if a party had succeeded "on any significant issue in litigation which achieves some of the benefit the parties sought in bringing suit, "while *Taylor* v. *Sterrett*, 640 F.2d 663 (5th Cir. 1981), held that a party must have been "successful on the central issue as exhibited by the fact that he has acquired the primary relief sought."

The Legal Fees Equity Act, which I am proposing, clarifies this standard by requiring that a party prevail on the merits in order to obtain an award of fees. The bill's standard is neither as lenient as the "some benefit" test nor as strict as the "central issue" test. The relief sought must be "significant," not merely of "some benefit." Moreover an award of attorney fees may not be obtained prior to a final judgment. This latter requirement is not meant to be read so as to preclude interim awards where Congress has authorized them in the various fee-shifting statutes. Neither is the requirement of final disposition intended to preclude recovery of attorney fees where settlement is reached prior to judgment. Such settlements are generally desirable and so long as it can be shown that the party has prevailed on the merits of the relief sought an award of attorneys' fees may still be obtained.

Where a settlement offer is made by government officials and refused by the plaintiff who is unable thereafter to do any better at final judgment, this bill would deny the recovery of attorney fees for services performed subsequent to the refused offer. Such a provision will encourage government officials to make responsible settlement offers and urge complainants to give those offers meaningful consideration. Of course, where refusal is reasonable under the circumstances this provision would not apply.

The bill also provides that the amount of any judgment awarded against the United States, or against a State or local government shall be reduced by the amount of the attorney fees, not to exceed 25 percent of the judgment. This provision ensures that prevailing parties will pay part of their legal expenses from any monetary award. This subsection of the bill is not applicable to specific sections of the Equal Access to Justice Act, to certain tax cases or where it would result in undue hardship to the party.

Due to the protracted nature of some litigation, a claim may be rendered moot by State or Federal legislation enacted prior to judicial resolution of the conflict. Under existing case law such a turn of events would not preclude a recovery of attorneys' fees where a court determined that the case was a catalyst for the legislative change. See, e.g., *Maher* v. *Gagne*, 448 U.S. 122 (1980). This judicial doctrine, however, involves the courts in the rather difficult and unpredictable process of determining that a particular court action was the catalyst for a legislative enactment. As my colleagues understand, legislators rarely have the same things in mind when voting for a particular bill. A judicial inquiry into legislative motives is difficult at best. The Legal Fees Equity Act provides a standard for determining when a case provides such a catalyst by requiring that the litigation be a "material factor" in the legislative change. This provision would permit legislators and other State officials to proceed with policy changes without fear of incurring costly litigation expenses because some pending suit peripherally relates to their actions.

Finally, the bill contains several other provisions for timely application and uniform procedures to be followed in seeking recovery of attorney fees. The provisions of this bill would apply to all cases commenced subsequent to enactment as well as to those commenced prior to enactment respecting that amount of the attorney fees and expenses incurred following the date of enactment.

Mr. President, the sparsity of guidance given by the terse language of the myriad fee-shifting statutes is perhaps itself sufficient evidence that some clear standards are necessary to govern the award of attorney fees. Moreover the need to provide greater balance between the attorney fees policies applicable to lawyers representing indigent criminal defendants and those applicable to lawyers who sue governments civilly argues for the Legal Fees Equity Act.

Along with a copy of the Legal Fees Equity Act, I ask that the report of the National Association of Attorneys General, and the Washington Post editorial from December 16, 1983 be included in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Report to Congress—From the National Association of Attorneys General]

CIVIL RIGHTS ATTORNEY'S FEES AWARDS ACT OF 1976

FOREWORD

. . . [O]ne of the least socially productive types of litigation imaginable [is] appeals from awards of attorney's fees . . .

Ultimately, § 1988's straightforward command is replaced by a vast body of artificial, judge-made doctrine, with its own arcane procedures, which like a Frankenstein's monster meanders its well-intentioned way through the legal landscape leaving waste and confusion (not to mention circuit-splits) in its wake.

Hensley v. Eckerhart, 103 S. Ct. 1933, 1944, 1951 (1983) (Brennan, Marshall, Blackmun, and Stevens, JJ., concurring in part and dissenting in part).

The only truly consistent thread that runs through federal court decisions on attorney's fees is their lack of consistency.

[I]nordinately high fee awards in some cases, and the absence of a coherent rationale for justifiably large awards in other cases, have lent support to the sentiments of the Italian proverb that "a lawsuit is a fruit tree planted in a lawyer's garden."

Berger, *Court Awarded Attorney's Fees: What is "Reasonable"?*, 126 Pa. L. Rev. 281, 292 (1977).

As the foregoing comments suggest, courts and commentators alike have become critical of attorney's fees litigation. Since passage of the Civil Rights Attorney's Fees Awards Act of 1976, one constant voice expressing concern has been that of the National Association of Attorneys General, which has continuously monitored the implementation and effect of the Act. On the basis of its collective experience, the Association has become increasingly concerned that the Act, as interpreted and applied by

the courts, is operating contrary to its original purpose. Rather than simply facilitating access to the courts for disadvantaged victims of civil rights violations, a purpose that the Association wholeheartedly endorses, the Act has had the unintended effects of encouraging frivolous noncivil rights claims, deterring settlement of meritorious claims, awarding fees to plaintiffs who do not actually prevail, conferring unreasonable "windfall" fees on plaintiffs' counsel, draining public treasuries, and fostering an avalanche of litigation on attorney's fees that threatens to bury the underlying civil rights claims that the Act was intended to vindicate.

In this report, the Association outlines and documents these adverse and unintended applications of the Act and recommends the enactment of statutory standards that would restore the Act to its original purpose, provide needed guidance to the courts and the bar, and mitigate the possibility of abuse. In particular, the Association recommends that the Act be amended to apply solely to true civil rights cases; to define "prevailing party" in a realistic manner; to restore and guide judicial discretion to award or deny fees; to provide workable standards for computing a "reasonable" fee; to impose a ceiling on the hourly rates at which attorneys may be compensated; to prohibit the award of "bonuses" in excess of reasonable compensation for time reasonably spent by prevailing counsel; and to provide additional incentives for settlement.

This report begins with an outline of the Association's findings and recommendations, which is followed by a discussion and analysis of the basis for each finding and recommendation. After documenting the magnitude of the problem created by the lack of coherent and workable standards (Finding and Recommendation No. 1), the report makes specific findings and recommendations concerning the scope of the Act (Finding and Recommendation No. 2), the standard for determining a party's eligibility for fees (Findings and Recommendations Nos. 3, 4, and 5), and the standard for calculating a "reasonable" attorney's fee (Findings and Recommendations Nos. 6, 7, and 8). Finally, the report discusses the adverse impact of the Act on the process of dispute resolution both in and out of court, and recommends how that problem could be alleviated by legislative reform (Finding and Recommendation No. 9).

The various recommendations contained in this report are not intended to discourage or inhibit victims of civil rights violations from redressing their grievances through litigation. Rather, the intent of these recommendations is to turn the focus of civil rights litigation away from fee disputes and return it to the aggrieved parties whose rights the Act was intended to vindicate. This report does not take issue with the Congressional determination that a public entity that violates a person's civil rights should be burdened with having to pay attorney's fees necessary to prove such a violation. However, the process for awarding fees, the amounts of fees awarded, and the underlying claims must be viewed in light of the purposes of the original Act. As indicated by the findings contained in this report, the Act is operating contrary to its original purposes. Legislative action, along the lines recommended in this report, is urgently needed.

RESOLUTION

In plenary session on June 25, 1983, the Association adopted the following resolution:

Whereas, litigation under the Civil Rights Attorney's Fees Awards Act of 1976, 42 U.S.C. § 1988, is expanding at an alarming rate with further expansion in the future a near certainty; and

Whereas, lack of meaningful standards to determine what is a "reasonable" attorney's fee in any given case consistently results in exorbitant court-ordered fee awards paid from public treasuries of state and local governments and creates additional problems for public defendants; and

Whereas, cases decided under the Fees Act frequently involve the characterization of parties as "prevailing" for purposes of collateral attorney's fees requests when, in fact, they have not prevailed in any meaningful sense on the merits of their claim; and

Whereas, the reported Fees Act opinions so narrowly circumscribe the ability of lower courts to determine when special circumstances exist that justify outright denial of requested fees that the discretion expressly contemplated by the Fees Act itself can rarely be exercised at all; and

Whereas, a special subcommittee chaired by Attorney General Kenneth Eikenberry has studied abuses under 42 U.S.C. § 1988 and has compiled its findings into [this] Report;

Now, therefore, be it resolved, that the National Association of Attorneys General:

1. Urges the Congress to adopt legislation that will eliminate these and other related problems that have resulted from abuses under 42 U.S.C. § 1988;

2. Commends Attorney General Eikenberry and members of the Subcommittee for the diligent work on this matter and adopts the Report as part of the Association's policy position; and

3. Authorizes its General Counsel to transmit these views to the appropriate members of the Administration and Congress.

INTRODUCTION

A. Purpose of the Civil Rights Attorney's Fees Award Act

The Civil Rights Attorney's Fees Awards Act of 1976 was passed in direct response to the Supreme Court's decision in *Alyeska Pipeline Service Co. v. Wilderness Society,* 421 U.S. 240 (1975), which held that federal courts do not have the power to award attorney's fees to a prevailing party without express statutory authorization.[1] Prior to *Alyeska,* federal courts had been awarding attorney's fees to the prevailing party in civil rights cases on the theory that, in bringing such cases, plaintiffs serve in the capacity of "private attorneys general," seeking to vindicate constitutional rights, not for themselves alone, but also for the benefit of others similarly situated. By holding that the federal courts lack authority to award fees under such circumstances, *Alyeska* "created anomalous gaps in our civil rights laws," which the Act was intended to fill.[2]

The Act was thus intended to remove financial barriers that would otherwise prevent access to the courts by disadvantaged plaintiffs acting in the role of private attorneys general, by affording successful civil rights plaintiffs "the opportunity to recover what it costs them to vindicate these rights in court." [3] Such a measure was viewed as desirable in order to enforce "major civil rights laws," [4] protecting the most "basic" and "fundamental" civil rights.[5]

As a "narrowly drawn" response to *Alyeska,*[6] the Act was not intended as a wholesale abrogation of the "American Rule" that each party must bear its own litigation costs. Rather, it was viewed by its proponents as "only a first step and a rather limited and cautious one." [7] The proponents of the Act repeatedly emphasized its limited purpose by reiterating that the Act was not intended to "aid [ ] lawyers," [8] encourage meritless litigation,[9] or provide "windfalls" to prevailing counsel.[10] Rather, Congress stressed the Act's relatively moderate approach of authorizing courts, in their discretion, to award a "reasonable" attorney's fee to prevailing parties in certain civil rights cases, in contrast to that of more liberal statutes providing for mandatory fee awards or awards to nonprevailing parties.[11]

B. Good intentions gone away: A need for legislative action

As will be shown in this report, the good intentions of Congress outlined above have not been realized. Rather than simply facilitate the vindication of meritorious civil rights claims, as Congress intended, the Act has operated to foster a flood of litigation on the entitlement to and amount of attorney's fees. Rarely has a federal statute had the immediate and explosive impact on litigation involving state officials as has this Act. Particularly after *Maine v. Thiboutot,* 488 U.S. 1 (1980),[12] it has become routine for all governmental litigation—from the most complex class actions for institutional reform to the most commonplace complaints for state judicial review of administrative decisions—to include requests for attorney's fees under the Act. Not surprisingly, the soaring number of attorney's fees claims is reflected in the burgeoning amount of litigation engendered by the Act itself.

These developments are both undesirable and unnecessary. One can hardly conceive of a less socially valuable use of resources than fees litigation.[13] State and federal taxpayers are now routinely subjected to the spectacle of publicly-funded counsel making claims for fees to be paid by publicly-funded agencies, defended by publicly-funded attorneys general, and decided by publicly-funded courts. While no single participant in these exercises is exclusively responsible, it is the Association's firm belief that the lack of statutory standards governing the application for and adjudication of fee awards has unnecessarily encouraged unreasonably high requests, stymied settlement efforts, forced these matters into litigation, and permitted inconsistent, excessive, and ever-escalating fee awards. This chain of events has caused an outcry by the bench, the bar, and the tax-paying public for legislative reform.

The Association therefore urges the Congress to enact clear standards of eligibility for and computation of fee awards under the Act, in accordance with the recommendations contained in this report. Provision for such standards would render the application of the Act more consistent and, hence, more reasonable, to the mutual benefit of civil rights plaintiffs, state taxpayers, and the judiciary. Greater certainty would promote settlement, reduce fee litigation, and thereby permit counsel and the courts to devote more attention to substantive matters.

Footnotes at end of article.

51-059 O-86-68 (Pt.16)

The Association wishes to emphasize that it endorses the salutary purpose of the Act and is committed to the Act's concept of reasonable fees to prevailing parties in civil rights cases. The recommendations contained in this report are intended to further the Act's original purpose while eliminating its unintended and undesirable side-effects.

FINDINGS OF THE ASSOCIATION

Finding No. 1: Litigation under the Fees Act is expanding at an alarming rate with further expansion in the future a near certainty.

Finding No. 2: The Act, as interpreted and applied by the courts, makes attorney's fees available not only in civil rights cases but in virtually all cases against state and local governments or officials.

Finding No. 3: Cases decided under the Fees Act frequently involve the characterization of parties as "prevailing" for purposes of attorney's fees awards when, in fact, they have not prevailed, in any meaningful sense, on the merits of their claims.

Finding No. 4: In cases where the requesting party has, in fact, prevailed to some extent, attorney's fees awards under the Act are frequently disproportionate to the degree of success actually achieved.

Finding No. 5: The Fees Act, as interpreted and applied by the courts, makes the award of fees to a prevailing party virtually mandatory, thereby eliminating the "discretion" expressly granted to the courts by the Act.

Finding No. 6: Lack of meaningful standards for determining what constitutes a "reasonable" attorney's fee in any given case results in inconsistent and often excessive fee awards and makes it difficult to settle claims for attorney's fees.

Finding No. 7: Courts routinely make "bonus" awards or apply "multipliers" to the hourly rates set for prevailing counsel, resulting in grossly inflated awards constituting a "windfall" to prevailing counsel.

Finding No. 8: In applying the Fees Act to prevailing parties represented by publicly-funded salaried attorneys, courts normally award fees based on hourly rates charged by private counsel, resulting in windfalls that substantially exceed the actual cost of the litigation.

Finding No. 9: The Fees Act affects the process of legal dispute resolution in a way that is unfair to public defendants and that further burdens the courts by:

A. making it more desirable for plaintiffs to commence litigation, rather than settle disputes informally;

B. making it more advantageous for plaintiffs to continue litigation rather than settle where any meritorious claim is presented;

C. making it less desirable, once litigation is underway, for public defendants to alter challenged laws, administrative regulations, or official positions in any way that favors the plaintiffs;

D. making it less desirable for public defendants to litigate those close issues that should be litigated; and

E. making it difficult for plaintiffs and defendants to settle claims for attorney's fees.

RECOMMENDATIONS OF THE ASSOCIATION

Recommendation No. 1: The Congress should amend the Act, as specified in the further recommendations enumerated hereunder, to provide clear and precise standards governing eligibility for and computation of attorney's fees awards under the Act.

Recommendation No. 2: The Congress should amend the Fees Act to apply only to civil actions to redress the deprivation, under color of any state law, statute, ordinance, regulation, custom or usage, of any right secured by a provision of the Constitution of the United States or an Act of Congress providing for individual civil rights of citizens or of all persons within the jurisdiction of the United States.

Recommendation No. 3: The Congress should amend the Fees Act to require that, in order to be eligible for a fee award, a party must clearly and substantially prevail on the merits of each issue or claim as to which fees are being sought.

Recommendation No. 4: The Congress should amend the Fees Act to require that courts apportion the amount of fee awards to the degree of success actually attained by the prevailing party.

Recommendation No. 5: The Congress should amend the Fees Act to provide expressly that a court may deny fees where, in the court's view, denial is appropriate, including, but not limited to, cases in which the court determines:

A. that the defendant's position was substantially justified or advanced in good faith; or

B. that an award of fees would not further the substantive purposes of the Act.

Recommendation No. 6: The Congress should amend the Fees Act to provide that the prevailing party shall not be awarded fees in excess of $75 per hour.

Recommendation No. 7: The Congress should amend the Fees Act to prohibit the award of bonuses or multipliers in excess of compensation at a reasonable hourly rate for the number of hours reasonably spent by prevailing counsel.

Recommendation No. 8: The Congress should amend the Fees Act to provide that, where the prevailing party is represented by a publicly-funded legal services organization, courts should compute a reasonable hourly rate for such counsel based on the actual costs of the litigation to the organization, including the proportion of the attorney's annual salary and of the organization's annual overhead attributable to the number of hours reasonably spent on the case.

Recommendation No. 9: The Congress should amend the Fees Act to provide that the court shall deny attorney's fees to a prevailing party, where it determines:

A. that the lawsuit was brought principally for the purpose of obtaining attorney's fees; or

B. that the prevailing party rejected an offer of judgment made pursuant to Rule 68 of the Federal Rules of Civil Procedure, or a cognate state rule of procedure, that was more favorable than the relief ultimately granted by the court, in which case no fees shall be awarded for the services rendered after the date of the offer.

DISCUSSION OF FINDINGS AND RECOMMENDATIONS

Finding No. 1: Litigation under the Fees Act is expanding at an alarming rate with further expansion in the future a near certainty.

Since the inception of the Act in 1976, litigation on eligibility for and computation of attorney's fees has mushroomed. The number of reported cases involving attorney's fees is tremendous. West's annotations to 42 U.S.C. § 1988 now fill 179 closely printed pages.[14] A computer search for cases arising under § 1988 revealed almost 3,000 federal and state decisions as of December 1983. The advance sheets routinely report numerous attorney's fees cases each week; and the Supreme Court decides fee cases every term, while declining to review many more. Indeed, in just one month in 1980, the Court rendered six major attorney's fees decisions.[15]

This explosion of fee litigation has engendered numerous law review articles,[16] and several treatises on the subject,[17] as well as a bi-monthly newsletter designed to keep attorneys apprised of current developments in the area of attorney's fees.[18] As noted by Lloyd Cutler,[19] in his Foreword to a recent three-volume treatise on court-awarded attorney's fees, this Act and other similar fee-shifting statutes "have created a new field of law that has grown so fast and become so complex that it has baffled the efforts of courts and lawyers to comprehend and apply it."

The vast amount of litigation on attorney's fees has led the courts to complain that "the fee proceedings have become the main event rather than the side show" such that "the [attorney's fees] tail is wagging the [civil rights] dogs."[20] The Supreme Court has added its voice to this mournful chorus, recently stating that "a request for attorney's fees should not result in a second major litigation."[21] Other concurring and dissenting justices in the same case characterized fee litigation as "one of the least socially productive types of litigation imaginable" and bemoaned the fact that "[s]uch appeals [from fee awards], which greatly increase the costs to plaintiffs of vindicating their rights, frustrate the purposes of § 1988."[22] Those justices went on to state that:

Congress enacted § 1988 . . . not to spawn litigation, however interesting, over [attorney's fees]. . . . In systemic terms, attorney's fees appeals take up lawyers' and judges' time that could more profitably be devoted to other cases, including the substantive civil rights claims that § 1988 was meant to facilitate.

Ultimately, § 1988's straightforward command is replaced by a vast body of artificial, judge-made doctrine, with its own arcane procedures, which like a Frankenstein's monster meanders its well-intentioned way through the legal landscape leaving waste and confusion (not to mention circuit-splits) in its wake.[23]

As the above quotation indicates, the flood of litigation under § 1988 has done little to resolve the many questions arising from its implementation. Very few hard and fast rules have developed, and conflicts exist not only among circuits but often among the district courts or panels of a single circuit.[24] As a result of this continuing confusion, litigation in this area will undoubtedly continue to expand. For example, as indicated by the numerous lower-court majority and dissenting opinions citing or "explaining" *Hensley v. Eckerhart*,[25] the Supreme Court's latest "pronouncement" on § 1988, that case, like many of its predecessors, has apparently raised as many questions as it has answered.

Apparently, the confusion over the proper interpretation and application of § 1988 can be resolved only by the Congress. As noted by one commentator,

Because [fee-shifting] is contrary to two hundred years of experience in American federal courts, the cases have been difficult for lawyers and judges alike. Understanding has not been materially helped by Congress which has frequently passed attorney fee provisions with . . . only minimal or inconsistent direction how the measures are to be interpreted and applied.

Derfner & Wolf, *supra* at ix. Only by setting clear statutory standards for the application of the Act can the rising tide of needless litigation be stemmed.

Recommendation No. 1: The Congress should amend the Act, as specified in the further recommendations enumerated hereunder, to provide clear and precise standards governing eligibility for and computation of attorney's fees awards under the Act.

Finding No. 2: The Act, as interpreted and applied by the courts, makes attorney's fees available not only in civil rights cases but in virtually all cases against state and local governments or officials.

The proponents of § 1988 touted the Act, as its name implies, as a measure designed to protect "basic" and "fundamental" civil rights by encouraging private enforcement of our "major civil rights laws," including § 1983.[26] Although there is strong evidence that Congress viewed § 1988 as a civil rights measure,[27] the Supreme Court subsequently held in *Maine v. Thiboutot* that fees are available not only in civil rights cases but in any action under § 1983, which the Court construed to include cases arising under *any* federal statute or constitutional provision.[28] In response to the state's argument that such a construction is contrary to legislative intent, the Court suggested that "[t]hat argument . . . can best be addressed to Congress, which, it is important to note, has remained quiet in the face of our many pronouncements on the scope of § 1983." [29] In his dissenting opinion in *Maine v. Thiboutot*, Justice Powell predicted that the Court's decision would "dramatically expand the liability of state and local officials and may virtually eliminate the 'American Rule' in suits against those officials." In Justice Powell's prescient view, the

[P]ractical effect [of the majority opinion] means that state and local governments, officers and employees now face liability whenever a person believes that he has been injured by the administration of *any* federal-state cooperative program, whether or not that program is related to equal or civil rights.

. . . [I]ngenious pleaders may find ways to recover attorney's fees in almost any suit against a state defendant.[30]

Even at that time, Justice Powell observed that "[t]here is some evidence that § 1983 claims already are being appended to complaints solely for the purpose of obtaining fees in actions where 'civil rights' of any kind are at best an afterthought." [31]

Unfortunately for state governments and their taxpayers, Justice Powell's prediction has now become a painful and expensive reality. Fees are now routinely sought and awarded in even the most routine state court reviews of administrative agency decisions, having little or no bearing on civil or equal rights. For example, the Supreme Judicial Court of Massachusetts ruled that a plaintiff who succeeded in obtaining a reversal of an administrative decision, thereby obtaining $250 toward the purchase of a washing machine, was entitled to attorney's fees under § 1988. The court reasoned that since the plaintiff's complaint contained a claim, not reached by the court, that the regulation in question violated the Equal Protection Clause of the United States Constitution (by discriminating between those who have broken-down washing machines and those who have none), a claim which the court viewed as "substantial," the action was one to enforce the provisions of § 1983, thereby invoking the fee-shifting provisions of § 1988.[32]

The *Stratos* case illustrates another related problem that has arisen under § 1988. Relying on statements in the legislative history of the Act that, in cases containing both § 1983 and non-§ 1983 claims, if the § 1983 claim meets the "substantiality" test articulated in *Hagans v. Lavine*, 415 U.S. 528 (1974), then attorney's fees may be allowed even though the court declines to enter judgment for the plaintiff on that claim,[33] courts have often awarded fees where the § 1983 claim is weak, but not "obviously frivolous," "absolutely devoid of merit," or "wholly insubstantial." [34] As noted by Justice Rehnquist in his dissenting opinion in *Hagans*, the substantially test is met whenever the "plaintiff is able to plead his claim with a straight face." [35] The effect of that test is therefore to stand the concept of federalism on its head by "federalizing" nearly all claims against state or local officials.[36]

The application of the substantiality test to § 1988 means that plaintiffs can recover fees under § 1988, even when they lose on their federal civil rights claims. For example, in *Seals* v. *Quarterly County Court*, 562 F.2d 390 (6th Cir. 1977), the district court had ruled in plaintiff's favor on state law grounds but had ruled *against* him on his § 1983 claim. Nevertheless, the Sixth Circuit held that plaintiff was entitled to fees under § 1988, since his claim under § 1983 was "substantial."

Clearly, in enacting § 1988, Congress did not intend to encourage litigants to pad their meritorious state law complaints with weak or meritless civil rights claims, in order to obtain fees under § 1988. Yet, that is the net effect of the case law discussed above. Congress must therefore act to clarify its original intent that § 1988 be used to enforce our most basic and fundamental civil rights. The Association is concerned that the statute not be revised so as to impair individuals seeking full redress for violations of their civil or equal rights. However, the Association believes that a restoration of the scope of the Act to pre-*Thiboutot* coverage is necessary.

In so acting, Congress will be able to answer a number of nagging questions concerning the proper scope of the statute: should it apply to cases brought by corporations or other business entities? Should it apply to all cases raising constitutional questions? One case that raises these questions and has already sparked considerable public criticism is *Grendel's Den* v. *Larkin*, No. 77-3418-T (D. Mass.). In that case, Harvard Law School Professor Lawrence Tribe is seeking almost $350,000 in attorney's fees and costs for his successful efforts to obtain a liquor license for a restaurant in Harvard Square. Although the Supreme Court's decision on the merits of that case was based on the Due Process and Establishment Clauses of the United States Constitution, it is unlikely that this liquor license matter is the type of case that Congress had in mind when it enacted § 1988 as a means of protecting disadvantaged victims from violations of their most basic human rights.[37]

Recommendation No. 2: The Congress should amend the Fees Act to apply only to civil actions to redress the deprivation, under color of any state law, statute, ordinance, regulation, custom or usage, of any right secured by a provision of the Constitution of the United States or an Act of Congress providing for individual civil rights of citizens or of all persons within the jurisdiction of the United States.

Finding No. 3: Cases decided under the Fees Act frequently involve the characterization of parties as "prevailing" for purposes of attorney's fees awards when, in fact, they have not prevailed, in any meaningful sense, on the merits of their claims.

Although the Act expressly provides that only a "prevailing" party may be awarded fees, the application of this provision by the courts to cases where parties have not prevailed in any meaningful sense has effectively eliminated the prevailing party requirement, contrary to the express language of the statute and the underlying Congressional intent. In numerous cases where judgment was rendered for the defendant, courts have nevertheless viewed the plaintiff as a prevailing party for purposes of § 1988 fee awards. For example, in *NAACP v. Wilmington Medical Center, Inc.*, 689 F.2d 1161 (3rd Cir. 1982), *cert. denied*, 103 S. Ct. 1499 (1983), the district court dismissed plaintiffs' claims against the state and federal defendants and, after trial, held that plaintiffs had failed to prove discrimination by the Wilmington Medical Center and accordingly entered judgment for the defendants and denied plaintiffs' request for fees. On appeal, the Third Circuit reversed the denial of fees, stating that "[t]he fact that a judgment was ultimately entered in favor of [the defendant] does not make the plaintiffs any less the prevailing party.[38] The court ruled that plaintiffs had "prevailed" since they had obtained "some of the benefits sought by the litigation," even though the actual "benefits" obtained, by means of an agreement between the state and federal defendants, had been vigorously but unsuccessfully *opposed* by the plaintiffs in the litigation.[39]

Similarly, in *Dayan v. Board of Regents*, 620 F.2d 107 (5th Cir. 1980), the Fifth Circuit affirmed the district court's ruling for the defendant on the merits, that the defendant's "rational procedural policy violates neither the First Amendment nor the Fourteenth Amendment to the United States Constitution," yet also affirmed an award of fees to the plaintiffs on the ground that they had obtained "substantial voluntary relief as a direct result of their lawsuit."[40] Another example of an award of fees to a losing party appears in *Ross v. Horn*, 598 F.2d 1312 (3rd Cir. 1979), *cert. denied*, 448 U.S. 906 (1980), in which the appellate court remanded the case for a redetermination of plaintiffs' eligibility for fees while, at the same time, affirming the district court's holding that the procedures employed by the defendant in processing suspected unemployment fraud cases adequately protected plaintiffs' statutory and constitutional due process rights.

In a number of cases, plaintiffs have been awarded fees where the benefits sought in their complaint were obtained by legislative action before a final judicial decision could be rendered on the merits. For example, in *DeMier v. Gondles*, 676 F.2d 92 (4th Cir. 1982), plaintiffs who voluntarily dismissed their claim after the state legislature enacted a statute that achieved the object of the suit were awarded fees, even though other complaints may have contributed to the change in policy.[41]

A striking example of the inequities that can result is *Institutionalized Juveniles v. Secretary of Public Welfare*, 568 F. Supp. 1020 (E.D. Pa. 1983). There, defendants had prevailed in the United States Supreme Court on what the District Court recognized were the central issues of the case. *Secretary of Public Welfare v. Institutionalized Juveniles*, 442 U.S. 640 (1979). Nonetheless, the District Court awarded almost $90,000 in

fees, including a 50 percent multiplier, based on its view that various regulatory and statutory changes during the period of litigation provided some of the plaintiffs with some of the benefits they sought. An appeal is pending.

Although the legislative history of § 1988 indicates that the term "prevailing party" is to be read broadly to include cases that end in a consent decree or out-of-court settlement, "none of the cases cited in the House or Senate Reports involves a fee award in the context of such a remote and extra-judicial resolution of a lawsuit as legislative preemption."[42] Furthermore, even if such a result had been intended by the enactors of § 1988, the problems involved in determining whether and to what extent a particular lawsuit acted as a "catalyst" for legislative change, make the application of the "prevailing party" standard to cases mooted by legislative action judicially unworkable. Since legislators act from multifarious motives, it is difficult, if not impossible, to determine the impact, of a particular lawsuit on a legislative body as a whole.[43] Moreover, as recognized by one court, even attempting to make such a determination "might constitute an impermissible inquiry into legislative motive."[44]

Cases resolved by settlement present similar problems. For example, in *Young v. Kenley*, 641 F.2d 192 (4th Cir. 1981), the Fourth Circuit reversed a denial of attorney's fees to a plaintiff who alleged discrimination in the denial of a position for which she had never even applied. Once plaintiff applied for the position, after being urged to do so by the defendants and the district court, she passed the required test and was given the position in question, and the case was settled on that basis. Over the strong dissent of Justice Rehnquist, joined by Justice O'Connor, the Supreme Court denied a petition for a writ of certiorari on the prevailing party issue.[45] In his dissent from the denial of certiorari, Justice Rehnquist suggested that an award of fees in such circumstances "seems largely to disregard th[e] central purpose of § 1988 [—] * * * to 'enforce' the civil rights laws or to * * * promote[] their policies for the benefit of the public at large," and indicated that fees should not be awarded "if the discernible benefit was conferred gratuitously by the defendant or was taken simply to avoid further litigation expenses."[46] Nevertheless, on remand, the district court ultimately awarded fees in an amount exceeding $30,000.

Thus although Congress stressed that § 1988, unlike other more liberal fee provisions, was intended to apply only where a party has "prevailed,"[47] that intent has been undercut by subsequent court decisions construing the term "prevailing" so broadly as to include cases where the party awarded fees has actually lost the case on the merits or failed to succeed in any meaningful sense. Congress must therefore reassert its initial intent in a manner that will prevent such perversions of the statute's seemingly straightforward prevailing party requirement.

Recommendation No. 3: The Congress should amend the Fees Act to require that, in order to be eligible for a fee award, a party must clearly and substantially prevail on the merits of each issue or claim as to which fees are being sought.

Finding No. 4: In cases where the requesting party has, in fact, prevailed to some extent, attorney's fees awards under the Act are frequently disproportionate to the degree of success actually achieved.

In many cases, large amounts of fees have been awarded, despite the fact that the plaintiff received only nominal relief on the merits. For example, in *Skoda v. Fontani*, 646 F.2d 1193, 1194 (7th Cir. 1981), the court held that plaintiffs, who won a jury verdict of only one dollar on their civil rights claim, for which they had claimed $200,000 in damages, were "prevailing parties," contrary to the district court's conclusion. On remand, the district court reluctantly awarded plaintiffs $6,086.12 in fees and costs.[48] Similarly, in *Milwe v. Cavuoto*, 653 F.2d 80, 83–84 (2d Cir. 1981), the court held that "the one dollar assessed against [the defendant] on plaintiff's constitutional claim would be sufficient to support an award of fees under the Act."

Another case in which the amount of fees awarded was grossly disproportionate to the degree of success on the merits in *Rivera v. City of Riverside*, 679 F.2d (9th Cir. 1982), in which the Ninth Circuit found no abuse of discretion in the district court's award of $243,343.75 in fees incurred in obtaining a jury verdict of $33,350. An even more extreme example of a court's failure to proportion a fee award to the degree of success obtained is the decision reached in *Haygood v. Younger*, No. S–75–738LKK (E.D. Cal. 1983), a case in which plaintiff alleged illegal confinement in a state prison. The complaint named sixteen defendants and alleged nineteen separate causes of action. After five years of pre-trial proceedings, eleven defendants were dismissed or granted summary judgment, and seventeen causes of action were dismissed. Three defendants were granted a directed verdict after the plaintiff's case in chief. The jury returned a verdict of $640 against one of the remaining defendants and $1,450 against the other. The plaintiff then sought $75,968.75 in attorney's fees. Included was a demand for $17,831.25 in "paralegal fees" for assistance claimed to have been provided by the plaintiff's inmate advisor. The defedants' request for discovery and for an evidentiary hearing to contest the fee request were both denied by the court. The court then awarded $45,383.17 in attorney's fees, including $9,900 in paralegal fees for the inmate advisor. The award was apparently reduced from the amount originally requested only because counsel's representation had been of poor quality and the hours claimed had been "padded."

The effect of such decisions is to encourage civil rights plaintiffs to pad their complaints with multiple, meritless claims, "secure in the knowledge that any tactic reasonably related to his cause will be compensable."[49] Not only is the "penalty" incurred by the defendant in such cases disproportionate to the jury inflicted, but such results also operate to the disadvantage of plaintiffs (as opposed to their counsel). Plaintiff's counsel, who can expect to be compensated for time spend on *all* claims, if he prevails to any extent, has no incentive to settle a case in the early stages of litigation, but rather is encouraged to litigate every claim to the maximum extent. Aggrieved plaintiffs are thereby deprived of the benefit of an early settlement, and courts, as well, are subjected to congested dockets.[50]

The Supreme Court's recent decision in *Hensley v. Eckerhart*, 103 S. Ct. 1933 (1983), directing the lower court to reconsider the amount of its fee award in light of the extent of success achieved by the plaintiffs, is a step in the right direction, but it will not resolve all of the problems discussed above and may raise additional ones. For example, it remains to be seen how the lower courts will resolve the apparent contradiction between the Court's directive that, in cases where plaintiffs only partially succeed, the "results obtained" may warrant a downward adjustment in the amount of fees awarded,[51] with its caveat that "[w]here a plaintiff has obtained excellent results . . . the fee award should not be reduced simply because the plaintiff failed to prevail on every contention raised in the lawsuit."[52] Rather than "clarify the proper relationship of the results obtained to an award of attorney's fees," as the *Hensley* case purports to do,[53] it will undoubtedly generate further litigation on what constitutes an "unrelated claim" or "excellent results."[54] As stated by Justice Brennan in his concurring and dissenting opinion in *Hensley*, "Regular appellate scrutiny of issues like those in this case . . . generates a steady stream of opinions, each requiring yet another to harmonize it with the one before or the one after."[55] Indeed, in post-*Hensley* cases in the lower courts, *Hensley* is relied upon by fee applicants and opponents alike and is cited in both majority and dissenting opinions,[56] indicating that additional legislative guidance is needed on the propriety of apportioning the amount of fees awarded to the degree of success attained by the prevailing party.

Recommendation No. 4: The Congress should amend the Fees Act to require that courts apportion the amount of fee awards to the degree of success actually attained by the prevailing party.

Finding No. 5: The Fees Act, as interpreted and applied by the courts, makes the award of fees to a prevailing party virtually mandatory, thereby eliminating the "discretion" expressly granted to the courts by the Act.

The proponents of the Fees Act emphasized the discretionary nature of the Act, which expressly provides that "the court, *in its discretion, may* allow the prevailing party . . . a reasonable attorney's fee" (emphasis added), and contrasted that Act with other statutes *requiring* that fees be awarded to a prevailing party.[57] However, the Senate Report suggested that, in exercising their discretion, courts should apply the standard articulated by the Supreme Court in *Newman v. Piggie Park Enterprises, Inc.*, 390 U.S. 400, 402 (1968), i.e., that a prevailing party "should ordinarily recover an attorney's fee unless special circumstances would render such an award unjust."

That standard, which has become known as the *Newman* standard, "was initially used by the courts to explain or justify the *mandatory* imposition of fees."[58] Application of such a standard is appropriate where the purpose of the fee provision is "to *encourage* suit or to provide an *incentive* to litigate,"[59] not where the provision in question was enacted "mainly for the purpose of preventing the cost of litigation from *deterring* a suit."[60] Since the purpose of § 1988, as articulated by its proponents, was not to encourage litigation, but rather "to insure the high cost of litigation does not bar the federal court to citizens who seek to enforce their rights under our civil rights laws,"[61] the rationale underlying the *Newman* standard is inapplicable to § 1988.

Despite the incompatibility of the *Newman* standard with the overall purpose of the Act, and although Congress chose not to use the *Newman* language in § 1988,[62] most courts, in reliance on the Senate

Report, interpret § 1988 in a manner contrary to its express language.[63]

The practical effect of the application of the *Newman* standard to § 1988 is to make the award of fees to a prevailing party mandatory, since courts have rejected virtually every "special circumstance" proferred by defendants as a justification for denying fees.[64] Among the special circumstances that have been rejected by appellate courts as rendering an award of fees unjust are defendants' good faith,[65] defendants' reliance on previous court orders or government regulations,[66] that defendants' refusal to expend funds was based on lack of legislative appropriation,[67] that defendants were compelled by law to engage in the challenged conduct,[68] that plaintiff received only nominal damages,[69] that the fee award would be paid by a public entity and would thereby impair that entity's ability to provide further services,[70] that plaintiffs were able to afford counsel,[71] that plaintiffs refused to settle,[72] and that the suit did little or nothing to further civil rights.[73] Even the fact that the plaintiff committed perjury during trial has been rejected as a special circumstance justifying a denial of fees.[74]

As a result, one judge has described the application of the special circumstances exception by the courts as

[R]ender[ing] [the exception] in effect a nullity. This interpretation is reminiscent of the passage wherein Macbeth remarked, "Life is but a walking shadow; . . . a tale told by an idiot, full of sound and fury, signifying nothing."[75]

Moreover, where fees are awarded despite the fact that, for example, the defendant acted in good faith, the plaintiff obtained only nominal damages, and the action did nothing to further civil rights, "a question arises as to what goals of the Attorney's Fees Act, if any, are being furthered."[76] In such cases, "the only true victor may be the plaintiff's attorney."[77]

Furthermore, given the prospect of a mandatory fee award if he prevails, plaintiff's counsel has no incentive to enter into a pretrial settlement. The more time he spends on the case, the higher his potential fee award. The motivation to proceed to trial is therefore enhanced, and the incentive to settle, diminished.[78]

Therefore, in order to restore the judicial discretion expressly intended by the Act, but virtually eliminated in its application, Congress should amend the Act to specify circumstances in which the courts' discretion may be exercised to deny fees. Such an amendment would not only further the original purpose of the Act, but would also be consistent with the standard applicable to fee awards against federal defendants under the Equal Access to Justice Act, which expressly provides that fees are *not* to be awarded when the government has demonstrated a substantial justification for its position.[79] Since the purpose of the Equal Access to Justice Act, as set forth in its legislative history,[80] is parallel to that of the Fees Act, there is no reason why state and local defendants should not share the protection, enjoyed by federal defendants under the Equal Access to Justice Act, from the imposition of unjust awards of attorney's fees.

Recommendation No. 5: The Congress should amend the Fees Act to expressly provide that a court may deny fees where, in the court's view, denial is appropriate, including, but not limited to, cases in which the court determines;

A. that the defendant's position was substantially justified or advanced in good faith; or

B. that an award of fees would not further the substantive purposes of the Act.

Finding No. 6: Lack of meaningful standards for determining what constitutes a "reasonable" attorney's fee in any given case results in inconsistent and often excessive fee awards and makes it difficult to settle claims for attorney's fees.

At the time Congress enacted the Fees Act, the pertinent House and Senate Reports indicated that the appropriate standards for determining what constitutes a reasonable fee are those contained in *Johnson* v. *Georgia Highway Express*, 488 F.2d 714 (5th Cir. 1974).[81] Both the House and Senate reports expressed confidence that the application of those standards would "result[] in fees which are adequate to attract competent counsel, but which do not produce windfalls to attorneys."[82]

That hope has not been realized. As early as 1977, one commentator noted that "[t]he only truly consistent thread that runs throughout federal court decisions on attorney's fees is their lack of consistency."[83] The situation is no better today. Some courts, finding the *Johnson* criteria too subjective and imprecise, have applied different approaches to computing a reasonable fee, most notably the lodestar approach, first articulated in *Lindy Brothers Builders, Inc.* v. *American Radiator & Standard Sanitary Corps.*, 487 F.2d 161 (3rd Cir. 1973) (*Lindy I*), in which a reasonable hourly rate is multiplied by the number of hours reasonably spent to produce a lodestar figure, which may then be adjusted upward and downward depending on additional factors not applied in determining reasonable hours and rates.[84] Still other courts have adopted a hybrid approach, combining the lodestar method with the *Johnson* criteria.[85] With different approaches being applied by different circuits and even by various courts within each circuit, parties litigating cases under § 1988 are subject to different approaches and, hence, different results. Courts disagree on what factors should be applied, how they should be applied, and even what they mean. Opposite holdings have been made on virtually every aspect of fee computation.[86] As a result, in cases decided between 1974 and 1979, hourly rates awarded to civil rights attorneys varied by 685 percent.[87]

As noted by one commentator, the adverse effects of this confusion are several:

First, it inevitably results in unfairness to both attorneys and litigants. . . .

A second consequence of the chaotic state of the law is an excessive amount of litigation concerning the proper fee amount. . . .[88]

A third consequence of the existing state of the law is the arbitrary and haphazard allocation of legal resources . . .

Finally, the high degree of subjectivity involved in most fee decisions is unhealthy for both the legal profession and for the conduct of litigation . . .[89]

Although, "[i]deally, . . . litigants will settle the amount of a fee,"[90] this "ideal" cannot be realized where the parties have no way of estimating how much a court would award in a particular case.

Finally, the most significant adverse effect of the various methods presently employed to calculate the amount of fee awards under the Act is that the awards generated by the application of those methods cannot be characterized as "reasonable," in any conceivable sense of that term. The state of New York, for example, is currently appealing two cases in which the combined fee awards exceed $2 million. The cumulative effect of such awards on public treasuries is devastating. The state of Washington, for example, currently has pending against it over $8 million in attorney's fees claims. The state of Florida paid nearly $2.6 million in court-awarded attorney's fees during 1983 alone, and fee awards in recent years in that state have equalled roughly 80 percent of *all* substantive civil rights judgments against the state. Although the numbers are smaller, the state of Kansas has paid more in attorney's fees awards during the past three years than it has for all other settlements and judgments of any kind during that same period.

The escalating amount of fee awards has evoked harsh criticism from the judiciary, the press, and the public, as well as from many attorneys. In response to a survey of attorneys and federal judges, conducted by the Federal Judicial Center, 111 of 184 respondents agreed with the statement that "attorneys in class action suits [including civil rights actions] often reap 'windfall profits.'"[91] Judges also agreed, at a ratio of nearly three to one, that "fee abuses are a serious problem."[92] Concluding that "[t]he feeling that attorneys reap exorbitant fees appears to run deep," Professor Arthur Miller noted that "current attempts to reform the fee awards standards may be a logical response to a problem widely thought to exist by the judiciary, and many attorneys, as well as by the press and the public."[93]

Since the courts have thus been unable to arrive at consistent and workable standards for computing a "reasonable" fee under the Act, Congress should amend the statute to eliminate the chaos that is undermining its effective implementation. One partial solution that would eliminate much of the confusion and, at the same time, avoid blatantly excessive fees, would be for Congress to set a maximum hourly rate at which counsel may be compensated, as Congress was careful to do in the Equal Access to Justice Act, where the federal treasury was at risk.[94] In order to avoid disparate treatment for state and local treasuries, Congress should afford them the same protection. Other specific amendments are recommended later in this report.

Recommendaton No. 6: The Congress should amend the Fees Act to provide that the prevailing party shall not be awarded fees in excess of $75 per hour.

Finding No. 7: Courts routinely make "bonus" awards or apply "multipliers" to the hourly rates set for prevailing counsel, resulting in grossly inflated awards constituting a "windfall" to prevailing counsel.

The awarding of "bonuses" over and above the "lodestar" amount (reasonable number of hours spent times reasonable hourly rate) has become commonplace under § 1988.[95] This growing practice has netted spectacular fee awards in many cases, far in excess of the reasonable value of the services rendered. For example, in *Bolden v. Pennsylvania State Police*, 491 F. Supp. 958 (E.D. Pa. 1980), an employment discrimination case, the court increased the basic fee by 50 percent, converting an $88,450 award into $132,675 (the total award, including $6,685 for law student services and $12,612.50 for preparation and litigation of the fee application, came to over $151,000). Although the court noted that the legal issues in the case were not particu-

larly novel, it awarded the 50 percent bonus on account of the "excellent quality" of the legal work and the case's advancement of civil rights.[96] Similar results were reached in the New York case of *Population Services International v. Carey,* 476 F. Supp. 4 (S.D.N.Y. 1979), in which a bonus of $23,240 was added to a base award of $46,760, because the attorneys demonstrated a "high degree of skill and comprehensive research." Presumably counsel's research would have already been reflected in the number of hours billed, and the attorneys' skill would be reflected in their hourly rates, making a further bonus superfluous. In *Vecchione v. Wohlgemuth,* 481 F. Supp. 776 (E.D. Pa. 1979), the court doubled the lodestar amount to account for delay in payment, the quality counsel's work, the case's furtherance of civil rights and defendants' bad faith. The resulting award exceeded $207,000.[97]

The concept of such bonuses or multipliers is nowhere mentioned in the Act. The legislative history, while citing a few cases in which minimal bonuses or multipliers were awarded,[98] fails far short of evincing clear Congressional support for the use of bonuses in computing fee awards. Rather, the concept of bonus awards is entirely a judicial creation, conceived in contexts that are entirely inapposite to the application of § 1988.

The concept originated in antitrust cases resulting in the creation of an equitable fund out of which both plaintiffs and their counsel recover.[99] In awarding fees in such cases, "the court exercises its equitable jurisdiction over the relationship between an attorney and his amorphous client." [100] The rationale for fee awards in such cases is one of quantum meruit—"the members of the [benefited] group should pay 'compensation as was reasonable'. . . to the attorney representing their interests." [101] Under that theory, bonus awards make sense and are easily implemented, particularly where the case has created a large monetary fund out of which the award will be paid.

By contrast, fee awards under § 1988 are paid by the defendant *in addition to* any other judgment against him. Since the defendant is not the one who *benefited* from the action, the quantum meruit theory cannot be used to justify inflation awards in such cases. Nor can a bonus in such cases be characterized as part of the defendant's equitable "punishment" for legal wrongs against the plaintiffs, since, under § 1988, unlike in the antitrust cases, fees must be paid in *addition* to the compensatory relief on the merits, rather than out of it.[102]

An additional significant difference between fee awards in antitrust cases and those in § 1983 actions is that, in the latter, the fee award must be paid by a state or other public entity rather than by a private defendant. The state, unlike a private defendant, is a representative of the public interest; and the taxpayers who ultimately bear the burden of such awards are not guilty of any wrongdoing. Extra caution is therefore warranted in assessing the amount of the award so as not to disrupt state and local governments or unduly reduce the amount of money available for other public purposes. Since the rationales underlying bonus awards have no application in the context of § 1988, the adoption of this mechanism into the calculation of fees under § 1988 is not warranted.

Moreover, bonus awards are entirely inconsistent with the purposes of § 1988. First of all, bonuses are, by definition, "windfalls" to plaintiff's counsel, since bonuses are awarded in addition to "compensation of [Plaintiffs] legal expenses," which is all that Congress intended to provide.[103] As noted by one court, "multiplying the number of hours properly spent times a reasonable hourly rate is sufficient to serve [the] goal" of attracting competent counsel.[104] Anything more than that is simply "unearned personal gain at the public expense[105] or, in other words, "windfall."[106]

Second, even where some rationale is given for awarding a bonus, the *amount* of the bonus awarded is entirely arbitrary,[107] thus violating Congress's mandate that fee awards be "reasonable." Even courts that have endorsed the use of bonuses have commented on the subjectivity of arriving at a precise amount.[108] As noted by one court, the use of bonuses is an "open-ended device" that "is able to undo in a twinkling . . . all of the careful calculations" involved in setting the lodestar amount.[109] The arbitrary nature of such awards is exacerbated by the fact that a difference between a bonus, of, *e.g.,* 10 percent and one 25 percent can result in a difference of hundreds of thousands of dollars in a protracted case.

The lack of consistency and predictability of bonus awards is directly contrary to Congress's purpose of ensuring uniformity and consisistency in fee awards.[110] Furthermore, as a practical matter, the unpredictability of bonus awards makes it difficult for the parties to settle fee claims, since the prospect of bonus awards makes it impossible to estimate, with any degree of accurancy, the total amount of fees a court would be likely to award in a particular case.[111] Finally, the exorbitant fee awards that result from the use of bonuses certainly cannot be characterized as "reasonable" in amount.[112]

An examination of the justifications offered by courts in support of bonus awards reveals that those justifications are, in fact, fallacious and inconsistent with the overall purposes of the Act. The primary justification used to support bonus awards is that a bonus is necessary to account for the contingent nature of success, often termed the "risk of loss" or the "contingency factor." The roots of this concept can be found in the contingent fee agreements that often obtain between tort plaintiffs and their attorneys. In those circumstances, a contingent fee arrangement has "an economic rationale: it compensates plaintiff's lawyer for his services as an entrepreneur who bears the risks of litigation."[113] By taking a number of cases on a contingency basis, plaintiff's counsel can use the large fees recovered in successful cases to cover the losses he incurs in unsuccessful ones. Such arrangements thus have the purpose and effect of financing not only meritorious but also losing cases.[114]

However, such a purpose and effect are entirely inconsistent with those of Congress in enacting § 1988. Congress intended the Act to encourage and provide compensation only for *meritorious cases,*[115] certainly not for losing cases,[116] nor even for cases that have a reasonable chance of success but do not ultimately succeed.[117] In fact, Congress intended the Act to *deter* meritless suits.[118] As the Supreme Court said recently with respect to another fee statute, "One might well imagine the surprise of the legislators who voted for this section as an instrument for deterring meritless suits upon learning that instead it could be employed to fund such suits."[119]

As pointed out by one commentator, ignoring the contingency factor is more consistent with Congressional intent: "Putting the lawyer to the risk in close cases helps weed out meritless claims . . . [and] provide[s] a desirable check on the . . . increase in court docket congestion."[120] Moreover, "[i]f [unsuccessful] litigation is to be subsidized, one may well ask why the subsidy should come from the defendant in another case."[121]

Contingency bonuses have the further untoward effect of rewarding, and hence encouraging, marginal claims to an even greater extent than clearly successful ones, since the amount of a contingency bonus varies inversely with the strength of plaintiff's claim.[122] Awarding bonuses on this basis is patently unfair to defendants, since such award have the converse effect of forcing defendants to pay higher attorney's fees where they had a strong, but ultimately unsuccessful, defense than where violations of plaintffs' rights were clear from the outset.[123] Such awards cannot serve to deter egregious civil rights violations by potential defendants, one of the subsidiary purposes of the Act,[124] since defendants are "penalized" only where it is unclear, prior to litigation, that their conduct is, in fact, illegal.[125]

Finally, to the extent that contingency bonuses are intended to protect plaintiffs' counsel against the risk of nonpayment for their services, such bonuses are particularly inappropriate where plaintiffs are represented by a legal services organization that never receives payment from its clients and whose funding is not contingent on whether it prevails in individual cases. Such attorneys "cannot truly be said to have undertaken a risk of no remuneration." 126 As aptly stated by one commentator:

"If an organization is not permitted to charge its clients for its services . . . what does that organization *risk* in undertaking representation in one of the few types of cases which permit recovery of a fee? . . . [L]itigation which permits the collection of a fee by a federally funded legal services organization is actually the most lucrative type of litigation available to such organizations.[127]

Nor can contingency bonuses to legal services attorneys be justified on other grounds. Such bonuses cannot operate as an incentive for such groups to take more civil rights cases,[128] since an Internal Revenue Service ruling prohibits public interest law firms seeking tax-exempt status from "us[ing] the likelihood or probability of a fee award as a consideration in its selection of cases." [129] Furthermore, no additional incentive is needed to induce such organizations to take on such cases, since "[t]hese organizations exist to represent groups like the [plaintiff] class, with constitutional claims at the cutting edge of the law." [130] Nor should contingency bonuses be used as an indirect means of funding legal services organizations.[131] This Act was not intended for that general purpose,[132] but rather, only to finance *successful civil rights* cases, and there is no guarantee that bonuses received by legal services organizations will be used for that limited purpose. Thus, contingency bonuses to legal service attorneys, which serve none of the purposes of § 1988, must be characterized as impermissible windfalls to such organizations.

Other rationales, in addition to contingency, used by the courts to justify bonus awards include the complexity of the case and the quality of the services provided by plaintiffs' counsel. Since the complexity of the case increases the number of hours rea-

sonably spent, and the quality of representation increases the reasonable hourly rate used to compute the lodestar amount, a bonus supplementing the lodestar based on the factors necessarily constitutes a windfall, which should be disallowed.[133]

A bonus based on benefits obtained by the plaintiffs in the underlying case is also contrary to the purposes of the Act and unfair to the defendants. The basic fee award is designed to compensate plaintiffs to whatever extent that they prevail.[134] A party who fully prevails will receive compensation for all time reasonably spent in doing so and, accordingly, will receive a higher fee than one whose success is limited.[135] An additional bonus for success can only constitute a windfall. Moreover, the amount of a bonus based on results is likely to be arbitrary, particularly in nonmonetary cases where the results are difficult to translate into quantitative terms.[136] Finally, a court that has just ruled in plaintiff's favor might be inclined to reemphasize the importance of its ruling by rewarding plaintiff again, by way of a bonus, for his "outstanding" success. Such a bonus is unfair to defendants, since they have already "paid" for the results of their wrongdoing via the relief awarded against them on the merits. To "punish" them again by supplementing the fee award is contrary to the compensatory, nonpunitive purpose of the Act. Eliminating such bonuses would eliminate this subjective element of fee awards.[137]

For all of the reasons discussed above, bonus awards are inconsistent with the purposes of § 1988. Rather than merely compensate plaintiff's counsel for their legal expenses in prosecuting a particular civil rights case, all that the act intended, bonus awards constitute windfalls to plaintiff's counsel, a result that Congress expressly intended to avoid. Therefore, Congress should amend the Act to prohibit the use of bonuses or multipliers in computing a fee award.

Recommendation No. 7: The Congress should amend the Fees Act to prohibit the award of bonuses or multipliers in excess of compensation at a reasonable hourly rate for the number of hours reasonably spent by prevailing counsel.

Finding No. 8: In applying the Fees Act to prevailing parties represented by publicly-funded salaried attorneys, courts normally award fees based on hourly rates charged by private counsel, resulting in windfalls that substantially exceed the actual costs of the litigation.

In computing a "reasonable" attorney's fee for prevailing counsel, most courts have applied the market rates charged by private law firms to their fee-paying clients, even where the attorney seeking fees has not actually incurred the high costs ordinarily associated with private practice. For example, in a case now pending before the District Court of Massachusetts, a law professor employed by Harvard University at an annual salary of $70,000 and having minimal overhead expenses seeks to be compensated at the rate of $275 per hour (plus a bonus of 50 percent), a rate higher than those charged by even the most high-priced private firms in the area.[138]

In *Dennis* v. *Chang*, 611 F.2d 1302 (9th Cir. 1980), attorney's fees were awarded in four civil rights actions in which a nonprofit legal aid society, partially funded by the state of Hawaii, represented the prevailing plaintiffs. The Ninth Circuit specifically rejected the argument that the legal aid society should be reimbursed only for its actual costs in litigating the case. Rather, the court concluded that the fee award should be based upon rates charged by private Honolulu attorneys. Similarly, in *Stenson* v. *Blum* No. 81-7385 (2d Cir.), *cert. granted*, 103 S. Ct. 2426 (1983), the Second Circuit affirmed an award of fees to a publicly-funded legal services organization, at the rate of $95 to $105 per hour, "the rate[s] charged for similar work by [private] attorneys of like skill in the area." Those cases are not atypical.[139] However, as a few courts and commentators have recognized, awarding fees to legal services attorneys at "market" rates "constitute[s] a substantial windfall for the organizations involved" and therefore should not be permitted under § 1988.[140]

A proper determination of what constitutes a "reasonable" hourly rate for legal services attorneys must begin with an examination of the language of the Act and its legislative history. The Act itself provides some guidance by authorizing the award of "a reasonable attorney's fee *as part of the costs.*" The legislative history also repeatedly equates attorney's fees with the costs of litigation and emphasizes that the Act is intended to reimburse plaintiff's counsel for the "cost" of vindicating plaintiff's civil rights in court.[141]

The legislative history further indicates that the Act was intended primarily to encourage *private* attorneys to take civil rights cases,[142] although the House Report indicates, in a footnote, that "a prevailing party is entitled to counsel fees even if represented by an organization."[143] Thus, the legislative history falls far short of mandating that legal services attorneys be compensated at "market" rates. Moreover, even if Congressional endorsement of the market-rate system could be inferred form the legislative history, the escalating rates that have resulted from its application require a reexamination of that system in light of the overall puposes of § 1988.[144]

What the legislative history does unequivocally demonstrate is Congress's intent that, however fees are computed under the Act and to whomever they are awarded, the amount of such fees should not be such as to constitute a windfall to prevailing counsel.[145] A close examination of the market-rate system of computing hourly rates for legal services attorneys reveals that it is contrary to that clear legislative intent.

As a few courts and commentators have recognized, assigning "market" rates to legal services attorneys presents difficult, if not insurmountable, problems. First of all, to state the obvious, there is no true "market" for the services of legal services attorneys, since they receive no fees from their clients. Particularly since minimum fee schedules may no longer be used,[146] rates vary widely within communities and even within individual law firms,[147] depending on factors having no necessary relationship with the value of the services rendered or the experience and skill of the attorneys involved, for example, the attorney's relationship with a particular client, what that client can afford to pay, the firm's overhead expenses, and how much profit the firm desires to make.[148] Since such factors are unrelated to the value of a legal services attorney's services in a particular case, assigning such an attorney a rate based on these factors is patently unreasonable and inconsistent with the legislative purpose of compensating civil rights attorneys only for the value of their services in a particular case.

More significant, in light of Congress' clear intent to avoid windfalls, is the fact that rates determined in this manner are likely to far exceed the legal service organizations' actual costs, since such rates are computed on the basis of the high overhead expenses and profit margins of private firms, which are not shared by legal services organizations.[149] Any such excess is obviously a windfall to such organizations.[150] Particularly where the party paying the fee is a state government, "the difference, if any, between the 'market value' fee and the 'compensation' fee would be better spent in remedying [the civil rights violation that gave rise to the action]."[151]

Although the market-rate system may have been adopted in order to *avoid* treating legal services organizations any differently from private attorneys,[152] that system, in effect, gives such publicly-funded counsel an unfair advantage over their private counterparts. As noted by one commentator:

"Requiring district courts to award identical gross fees to private and organizational counsel, notwithstanding the greater litigation expenses incurred by private counsel, would effectively award a higher return of profit to organizational counsel. Such a rule would lead a court to arbitrarily increase an otherwise reasonable award of attorney's fees simply because plaintiff's counsel happened to be employed by a legal services organization."[153]

Such disparate treatment is not only unfair to the litigants on both sides of civil rights cases, but is also directly contrary to "the spirit of 'reasonableness' which is the heart of section 1988. * * * Legal services organizations, along with their counterparts in private practice, are not entitled to anything more than a reasonable fee under section 1988."[154]

In order to avoid windfalls to legal services attorneys, a few lower courts have adopted an alternative method of computing hourly rates for legal services organizations, based on the actual litigation expenses of such organizations. Rather than arbitrarily assigning "market" rates to such attorneys, hourly rates are computed according to the hourly wages of the attorneys involved plus the percentage of the annual overhead of the organization attributable to the number of hours reasonably spent by the organization's attorneys on the case.[155]

This cost-based method has the advantages of more accurately reflecting the actual costs of vindicating a plaintiff's rights in a particular case, without compensating plaintiff's counsel for overhead and other expenses not actually incurred.[156] Such a system is consistent with the factors enumerated in *Johnson* v. *Georgia Highway Express* and endorsed by the Congress. An individual attorney's salary presumably reflects his relative skill and experience within the organization.[157] Other pertinent factors, such as the novelty and complexity of the case, would still be reflected in the court's consideration of the number of hours reasonably spent. Moreover, it must be remembered that the *Johnson* criteria were intended only as guidelines and were *not* meant to be applied so as "to make the prevailing counsel rich."[158]

In addition, a cost-based system is actually easier to administer than the more subjective and essentially arbitrary market-rate system.[159] The information needed to compute rates on this basis, i.e., attorneys' salaries and organizational overhead, is readily available, since legal services organizations are required under the Legal Services Cor-

poration Act [160] to report such information as a condition to their receipt of federal funding. By contrast, under the market-rate system, prevailing counsel have the substantial burden of producing detailed and case-specific affidavits from community lawyers of similar experience and other expert testimony in order to establish an appropriate market rate for their services.[161] Furthermore, the objectivity of such information will facilitate settlement of fee claims by such organizations.

In sum, a cost-based system for determining reasonable hourly rates for legal services attorneys is consistent with the language and intent of the Act and is certainly preferable to the subjective and inflationary market-rate analysis currently applied by most courts. Under a cost-based system, legal services attorneys would receive full compensation for the cost of vindicating their clients' rights. They should not and cannot reasonably expect to receive more. Accordingly, Congress should amend the Act to provide that fee awards to salaried publicly-funded attorneys be computed on the basis of their actual costs.

Recommendation No. 8: The Congress should amend the Fees Act to provide that, where the prevailing party is represented by a publicly-funded legal services organization, courts should compute a reasonable hourly rate for such counsel based on the actual costs of the litigation to the organization, including the proportion of the attorney's annual salary and of the organization's annual overhead attributable to the number of hours reasonably spent on the case.

Finding No. 9: The Fees Act affects the process of legal dispute resolution in a way that is unfair to public defendants and that further burdens the courts by:

A. making it more desirable for plaintiffs to commence litigation, rather than settle disputes informally;

B. making it more advantageous for plaintiffs to continue litigation rather than settle where any meritorious claim is presented;

C. making it less desirable, once litigation is underway, for public defendants to alter challenged laws, administrative regulations, or official positions in any way that favors the plaintiffs;

D. making it less desirable for public defendants to litigate those close issues that should be litigated; and

E. making it difficult for plaintiffs and defendants to settle claims for attorney's fees.

Throughout this report, a recurring theme has been the adverse effect of various aspects of the Fees Act, as interpreted and applied by the courts, on the process of settling disputes. Because of the courts' liberal construction of "prevailing party" combined with their rejection of virtually all circumstances justifying the denial of fees, plaintiffs with any colorable claim are encouraged to commence suits, rather than attempt to resolve disputes informally, and to continue to litigate every claim, secure in the prospect of a substantial fee award as long as they prevail on any issue or succeed in obtaining some benefit after the commencement of litigation. Moreover, the longer the litigation continues, the higher the award the plaintiffs can expect to receive.

Conversely, defendants are discouraged from informally resolving disputes for fear that their actions will confer prevailing party status on the plaintiffs, virtually guaranteeing liability for fees. Public defendants are discouraged, however, from litigating cases where they have a strong defense, since in such cases, if plaintiffs ultimately prevail, defendants are forced to pay for both sides of the litigation plus a "contingency bonus" based on plaintiffs' high risk of loss.

Furthermore, because of the absence of uniform standards for calculating a "reasonable" fee award, plaintiffs and defendants have difficulty settling fee claims without litigation. Plaintiffs are further encouraged to litigate their claims for fees, since the cost of fee litigation is also charged to the defendants.

The net result of these incentives and disincentives is to deter plaintiffs from settling meritorious cases but to encourage defendants to settle close cases where they have a strong, but possibly unsuccessful, defense. Many of the foregoing recommendations, if adopted by the Congress, would partially alleviate these skewed and undesirable effects of the Act. However, in order to further encourage settlement, where appropriate, and thereby reduce unnecessary litigation, to the mutual benefit of all parties and the courts, additional reforms are necessary.

In order to encourage pre-litigation settlement, plaintiffs should be precluded from receiving fees where it can be shown that the litigation was commenced primarily for the purpose of obtaining attorney's fees.[162] Such a denial would be warranted where, for example, plaintiffs made no attempt to resolve the dispute informally prior to litigation or filed suit despite defendants' willingness to settle the matter informally.

Once litigation is commenced, settlement could be encouraged by precluding an award of fees to plaintiffs who reject an offer of judgment made pursuant to Rule 68 of the Federal Rules of Civil Procedure and subsequently obtain a less favorable judgment from the court. Although some courts have construed Rule 68 to require the denial of attorney's fees in such circumstances,[163] other courts have disagreed.[164]

The denial of fees incurred after the rejection of a settlement offer that turns out to be more favorable than the relief eventually obtained from litigation would "work to further the legitimate concerns of judicial economy and efficiency without discouraging attorneys from pursuing civil rights litigation." [165]

Recommendation No. 9: The Congress should amend the Fees Act to provide that the court deny attorney's fees to a prevailing party, where it determines:

A. that the lawsuit was brought principally for the purpose of obtaining attorney's fees; or

B. that the prevailing party rejected an offer of judgment made pursuant to Rule 68 of the Federal Rules of Civil Procedure, or a cognate state rule of procedure, that was more favorable than the relief ultimately granted by the court, in which case no fees shall be awarded for the services rendered after the date of the offer.

CONCLUSION

The Association's recommendations are designed to further the original purposes of the Fees Act while eliminating some of the serious problems that have arisen from its application. In general terms, the major problem with the Act, as presently implemented by the courts, is the lack of uniform and easily applied standards of determining eligibility for fees and for computing the amount of a reasonable fee in particular cases. Absent such standards, state and local governments are faced not only with high and occasionally exorbitant fee awards, but also with the burden and expense of opposing excessive and unjustified claims for fees. Without clear standards, such opposition inevitably takes the form of complex and protracted litigation over fees, which further saps the resources of state and local governments, to the detriment of all parties, the courts, and ultimately, the public, the Act's intended beneficiaries. Legislative reform, along the lines recommended by the Association, is therefore urgently needed.

ABOUT THE ASSOCIATION

The National Association of Attorneys General was founded in 1907 for the purpose of fostering communication of legal developments and cooperative legal actions among the states' chief legal officers and their staff attorneys.

The Association staff compiles and disseminates information on legislative, agency, and judicial developments that have an impact on state legal affairs, and provides research and technical assistance to the offices of Attorneys General. The Association handles hundreds of information requests each month from the offices of Attorneys General, members of Congress, officials of the federal government, and the public. Information clearinghouses are maintained in ten substantive areas: antitrust, commerce, consumer protection, charitable trusts and solicitations, bankruptcy, criminal justice, corrections, and institutional confinement, energy, environment, and medicaid fraud. In addition, the Association has been fortunate to obtain under the Intergovernmental Personnel Act (IPA), the services of two senior attorneys from the Department of Justice to assist state Attorneys General in the areas of management and information systems, and Supreme Court advocacy.

The Association operates an extensive continuing legal education program in numerous substantive law areas attended by Attorneys General, Assistant Attorneys General, and other state and local govenment officials.

The Association publishes five monthly reports of significant state and federal legal developments and legislative activities, as well as A-G Report, which focuses on the activities and responsibilities of Attorneys General. These publications are available to the bar and the public.

The full Association meets twice yearly, in June and in December, at which time it receives recommendations from the committees and subcommittees, and thereafter debates and decides what action the Association shall take on litigation, legislation and policy issues. The autonomy of each Attorney General is carefully protected and the influence of the Attorneys General working within the Association is targeted at those issues on which there is unanimous or nearly support.

The Associations's staff works with numerous committees and subcommittees of the Congress in implementing the Association's policy positions by coordinating testimony of Attorneys General and providing such committees with the views of the Association on particular issues. In addition, we work closely with numerous state, local, and other associations on national issues of mutual concern.

Each spring, Attorneys General meet in Washington, D.C., with the President, Vice President, U.S. Attorney General, and chiefs of the antitrust, civil rights, criminal, and lands and natural resources divisions of the Department of Justice, the Chief Jus-

tice of the United States, House and Senate Judiciary Committee chairmen, and other key members of the Administration and Congress.

There are seven former Attorneys General who now serve in the Congress. Senator Jeff Bingaman (D-N.M.) was elected in November 1982 and joins Senators Slade Gorton (R-Wash.), Warren Rudman (R-N.H.), John Danforth (R-Mo.), Thomas Eagleton (D-Mo.), and Robert Stafford (R-Vt.), as well as Rep. Jim Jeffords (R-Vt.).

There are 10 Governors who are former Attorneys General: Governors Richard Bryan (D-Nev.), George Deukmejian (R-Calif.), Toney Anaya (D-N.M.), Mark White (D-Tex.), and Bill Clinton (D.-Ark.), William Allain (D-Miss.), William Brennan (R-Me.), Bruce Babbit (D-Ariz.), Alan Olson (R-N.D.), and William Janklow (R.-S.D.).

FOOTNOTES

[1] *Id.* at 269.

[2] S. Rep. No. 1011, 95th Cong., 2d Sess. 1,4(1976), *reprinted in* 1976 U.S. Code Cong. & Ad. News 5908.

[3] 121 Cong. Rec. 26,806 (1975) (remarks of Sen. Tunney); H.R. Rep. No. 1558, 95th Cong., 2d Sess. 2 (1976).

[4] 122 Cong. Rec. 33,314 (1976) (remarks of Sen. Abourezk), 35,116 (remarks of Rep. Anderson).

[5] 121 Cong. Rec. 26,806 (1975) (remarks of Sen. Tunney); 122 Cong. Rec. 31,472, 33,314 (remarks of Sen. Kennedy), 35,115 (remarks of Rep. Anderson), 35,124 (remarks of Rep. Railsback), 35,126 (remarks of Rep. Fish), 35,127 (remarks of Rep. Holtzman) (1976).

[6] 122 Cong. Rec. 35,126 (remarks of Rep. Kastenmeier) (1976).

[7] *Id.*

[8] 122 Cong. Rec. 33,314 (remarks of Sen. Kennedy), 35,127 (remarks of Rep. Jordan) ("This is not a food-stamp bill for lawyers. It is not going to work that way."), 35,128 (remarks of Rep. Seiberling) ("not a lawyers' bill") (1976).

[9] 121 Cong. Rec. 26,806 (1975) (remarks of Sen. Tunney) ("Bill would do nothing to encourage frivolous or bad faith litigation"); 122 Cong. Rec. 35,127 (remarks of Rep. Jordan), 35,128 (remarks of Rep. Seiberling) (1976); H.R. Rep. at 7.

[10] H.R. Rep. at 9; S. Rep. at 6.

[11] H.R. Rep. at 6–9; 122 Cong. Rec. 35,155–17 (remarks of Rep. Anderson and Rep. Railsback), 35,122–23 (remarks of Rep. Seiberling) (1976).

[12] In that case, the Supreme Court construed 42 U.S.C. §§ 1983 and 1988 to apply to actions to enforce rights secured by any federal statute and ruled that such actions could be brought in state as well as federal courts.

[13] *See Hensley* v. *Eckerhart*, 103 S. Ct. 1933, 1944 (1983) (Brennan, Marshall, Blackburn, and Stevens, JJ., concurring in part and dissenting in part) (referring to fees litigation as "one of the least socially productive types of litigation imaginable").

[14] 42 U.S.C.A. § 1988 (West 1981) at 155–305 and (West Supp. 1983) at 13–48.

[15] *Maher* v. *Gagne*, 448 U.S. 122 (1980); *Maine* v. *Thiboutot*, 448 U.S. 1 (1980); *Roadway Express, Inc.* v. *Piper*, 447 U.S. 752 (1980); *New York Gaslight Club* v. *Carey*, 447 U.S. 54 (1980); *Hanrahan* v. *Hampton*, 446 U.S. 754 (1980); *Supreme Court of Virginia* v. *Consumers Union*, 446 U.S. 719 (1980).

[16] *See, e.g.*, Note, *Awards of Attorney's Fees in the Federal Courts*, 56 St. John's L. Rev. 277 (1982) (citing numerous other articles on the subject); *see also* Fioretti & Convery, *Attorney's Fees Under the Civil Rights Act—A Time for Change*, 16 J. Mar. L. Rev. 261 (1983).

[17] E. Larson, *Federal Court Awards of Attorney's Fees* (1981); H. Newberg, *Public Interest Practice and Fee Awards* (1981); M. Derfner & A. Wolf, *Court Awarded Attorney Fees* (1983).

[18] *Attorney Fee Awards Reporter* (Harcourt Brace Jovanovich).

[19] L. Cutler, *Foreword* to Derfner & Wolf, *supra* at vii.

[20] *Mills* v. *Eltra Corp.*, 663 F.2d 760, 761 (7th Cir. 191) (186 hours devoted to case on the merits and over 350 hours on the fee portion).

[21] *Hensley* v. *Eckerhart*, 103 S. Ct. 1933, 1941 (1983).

[22] *Id.* at 1944 (Brennan, Marshall, Blackmun, and Stevens, JJ., concurring in part, dissenting in part).

[23] *Id.* at 1950–51.

[24] *Compare, e.g., New York Association for Retarded Citizens v. Carey*, 711 F.2d 1136 (2d Cir. 1983) *with Stenson v. Blum*, No. 81-7385 (2d Cir. 1982), *cert. granted*, 103 S. Ct. 2426 (1983); *compare also National Association of Concerned Veterans v. Secretary of Defense*, 675 F.2d 1319 (D.C. Cir. 1982), *with Environmental Defense Fund, Inc. v. EPA*, 672 F.2d 42 (D.C. Cir. 1982), *and Jordan v. United States Department of Justice*, 691 F.2d 514 (D.C. Cir. 1982).

[25] 82 *Shepard's United States Citations* (Supp. No. 6) at 308 and (Supp. No. 7) at 96.

[26] *See* floor debates and House and Senate reports cited in introduction, *supra*.

[27] *See Maine v. Thiboutot*, 488 U.S 1, 25–26 (1980) (Powell, J., dissenting); Comment, *The Scope of the Civil Rights Attorney's Fees Awards Act After Maine v. Thiboutot, Maher v. Gagne, and Supreme Court of Virginia v. Consumers Union*, 66 Iowa L. Rev. 1301, 1311–13 (1981); Case Comment, *Statutory Non-Civil Rights Violations of Section 1983 and Awards of Attorney's Fees After Maine v. Thiboutot*, 61 B.U.L. Rev. 1069, 1086–89 (1981).

[28] *Id.* at 4–9.

[29] *Id.* at 8.

[30] *Id.* at 22, 24.

[31] *Id.* at 24.

[32] *Stratos v. Department of Public Welfare*, 387 Mass. 312 (1982). Although the court viewed the claim as "substantial" under the "painstakingly minimal standard of substantiality defined in *Hagans v. Lavine*," *id.* at 319, it expressed doubt that plaintiff could have actually prevailed on his equal protection claim, given the minimal level of scrutiny applicable to classifications drawn by law or government practice where, as here, no suspect classification or fundamental right is involved. *Id.* at 318.

[33] H.R. Rep. at 4 n. 7. It should be noted that the test of "substantiality" articulated in *Hagans* was developed for purposes of federal *jurisdiction* and is therefore ill-suited to determining whether a party has prevailed on the merits. See M. Derfner & A. Wolf, *Court Awarded Attorney Fees*, ¶ 12.01 (1983).

[34] *Hagans* v. *Lavine*, *supra* at 536–43; *see Stratos*, *supra* at 319.

[35] *Id.* at 564.

[36] *See* m. Derfner & A. Wolf, *Court Awarded Attorney Fees* ¶¶ 12.01–03 (1983).

[37] *See* 122 Cong. Rec. 35,122 (1976) (remarks of Rep. Drinan, sponsor) (Act passed to encourage enforcement of civil rights by "'private attorney[s] general' advancing the rights of the public at large, and not merely some narrow parochial interest").

[38] *Id.* at 1167.

[39] *Id.* at 1167–68

[40] *Id.* at 108 (emphasis omitted).

[41] *See also Armstrong v. Reed*, 462 F. Supp. 496 (N.D. Miss. 1978) (where state statute was amended while case was pending, judgment entered in state defendants' favor, but fees awarded to plaintiffs since they "accomplished their goal"); *Coalition for Basic Human Needs v. King*, 691 F.2d 597 (1st Cir. 1982) (the First Circuit reversed the district court's denial of fees and awarded approximately $15,000 to the plaintiffs, based on their "success" in obtaining a short injunction pending appeal of a lower court denial of a requested preliminary injunction, even though the actual benefits, appropriation of welfare funds were conferred by the state legislature, not by the defendants or the court, even before the injunction went into effect).

[42] *Cicero v. Olgiati*, 473 F. Supp. 653, 655 (S.D. N.Y. 1979).

[43] M. Derfner & A. Wolf, *Court Awarded Attorney Fees* ¶ 9.02 (1983).

[44] *Bly* v. *McLeod*, 605 F.2d 134, 138 n. 6 (4th Cir. 1979), *cert. denied*, 445 U.S. 928 (1980).

[45] *Kenley* v. *Young*, 455 U.S. 961 (1982).

[46] *Id.* at 967.

[47] *See, e.g.*, H.R. Rep. at 6–7. *Compare, Vermont Low Income Advocacy Council, Inc.* v. *Usery*, 546 F.2d 509, 36 A.L.R. Fed. 519 (2nd Cir. 1976), applying stricter test under attorney's fees provision of the Freedom of Information Act (FOIA), 5 U.S.C. § 522 (a)(4)(E) under which "court may assess against the United States reasonable attorneys fees . . . in any case . . . in which the complainant has substantially prevailed".

[48] 519 F. Supp. 309 (N.D. Ill. 1981).

[49] Fioretti & Convery, *Attorney's Fees Under the Civil Rights Act—A Time for Change*, 16 J. Mar. L. Rev. 261, 278 (1983).

[50] *Id.*

[51] *Id.* at 1940.

[52] *Id.*

[53] *Id.* at 1939.

[54] *See id.* at 1950 (Brennan, J., concurring in part and dissenting in part).

[55] *Id.* at 1951.

[56] *See* 82 *Shephard's United States Citations* (Supp. No. 6) at 308 (Supp. No. 7) at 96.

[57] *See* H.R. Rep. at 8. Approximately half of the federal fee-shifting statutes are mandatory. M. Derfner & A. Wolf, *Court Awarded Attorney Fees* ¶ 5.02 [2] (1983); *see, e.g.*, Age Discrimination in Employment Act of 1967, 29 U.S.C. § 626(b); Truth in Lending Act, 15 U.S.C. §§ 1640(a), 1667b(a). 1667d(a), 1681n, 1681o, 1961e(d); Civil Service Reform Act of 1978, 5 U.S.C. § 5596(b)(1)(A)(ii); Right to Financial Privacy Act of 1978, 12 U.S.C. § 3417(a)(4).

[58] Derfner & Wolf, *supra* at ¶ 10.01 (emphasis added). *See, e.g., Hutchinson v. William C. Barry, Inc.*, 50 F. Supp. 292, 298 (D. Mass. 1943).

[59] Derfner & Wolf, *supra* at ¶ 10.01.

[60] *Id.* (emphasis added).

[61] 122 Cong. Rec. 31,471 (1976) (remarks of Sen. Mathias). *See also* 122 Cong. Rec. 31,472 (remarks of Sen. Kennedy), 35,118, 35,128 (remarks of Rep. Seiberling), 35,126 (remarks of Rep. Fish) (1976); H.R. Rep. at 1, 2–3, 6; S. Rep. at 2, 3, 6.

[62] *Compare, e.g.*, the Magnuson-Moss Warranty-Federal Trade Commission Improvement Act, 15 U.S.C. § 2310(d)(2), which provides as follows:

"If a consumer finally prevails . . . he may be allowed by the court to recover . . . attorney's fees . . ., unless the court in its discretion shall determine that such an award of attorney's fees would be inappropriate."

[63] Fioretti & Convery, *Attorney's Fees Under the Civil Rights Act—A Time for Change*, 16 J. Mar. L. Rev. 276 (1983).

[64] Derfner & Wolf, *supra*, at ¶ 10.02[3] (1983); Fioretti & Convery, *supra* at 276; *Judicial Discretion and the 1976 Civil Rights Attorney's Fees Awards Act: What Special Circumstances Render an Award Unjust?*, 51 Fordham L. Rev. 320 (1982).

[65] *See, e.g., Supreme Court of Virginia v. Consumers Union*, 446 U.S. 719, 739 (1980); *Hutto v. Finney*, 437 U.S. 678, 693 (1978); *Nadeau v. Helgemoe*, 581 F.2d 275, 280 (1st Cir. 1978); *Holley v. Lavine*, 605 F.2d 638, 646 (2d Cir. 1979), *cert. denied*, 446 U.S. 913 (1980); *Bills v. Hodges* 628 F.2d 844, 847, (4th Cir. 1980); *Ellwest Stero Theatre, Inc. v. Jackson*, 653 F.2d 954, 956 (5th Cir. 1981); *Haycraft v. Hollenbach*, 606 F.2d 128, 132 (6th Cir. 1979); *Bond v. Stanton*, 630 F.2d 1231, 1234 (7th Cir. 1980); *Pickett v. Milam*, 579 F.2d 1118, 1121 (8th Cir. 1978); *Seattle School District No. 1 v. Washington*, 633 F.2d 1338, 1349 (9th Cir. 1980), *aff'd*, 102 S. Ct. 3187 (1982); *Love v. Mayor*, 620 F.2d 235, 236 (10th Cir. 1980).

[66] *See, e.g., Crosby v. Bowling*, 683 F.2d 1068, 1072–73 (7th Cir. 1982); *Johnson v. Mississippi*, 606 F.2d 635, 637 (5th Cir. 1979).

[67] *See, e.g., Coalition for Basic Human Needs v. King*, 691 F.2d 597, 602 (1st Cir. 1982).

[68] *See, e.g., Ellwest Stereo Theatre, Inc. v. Jackson, supra* at 956.

[69] *See, e.g., Skoda v. Fontani*, 646 F.2d 1193 (7th Cir. 1981).

[70] *See, e.g., Morrison v. Ayoob*, 627 F.2d 669, 673 (3rd Cir. 1980), *cert. denied*, 449 U.S. 1102 (1981).

[71] *See, e.g., Entertainment Concepts, Inc. v. Maciejewski*, 631 F.2d 497, 507 (7th Cir. 1980), *cert. denied*, 450 U.S. 919 (1981).

[72] *See, e.g., Coop v. City of South Bend*, 635 F.2d 652, 655 (7th Cir. 1980).

[73] *See, e.g., Concerned Democrats v. Reno*, 689 F.2d 1211 (5th Cir.), *rev'g* 493 F. Supp. 660 (S.D. Fla. 1980).

[74] *Price v. Pelka*, 690 F.2d 98 (6th Cir. 1982).

[75] *Connor v. Winter*, 519 F. Supp. 1337, 1348 (S.D. Miss. 1981) (Cox, J., dissenting).

[76] Fioretti & Convery, *supra* at 277.

[77] *Id.*

[78] Fioretti & Convery, *supra* at 277.

[79] 5 U.S.C. § 504(a)(1); 28 U.S.C. § 2412 (d)(1)(A). Congress created this exception as a "safety valve" to preclude fee awards when the federal government "advance[ed] in good faith the novel but credible extension and interpretations of the law that often underlie vigorous enforcement efforts." S. Rep. No. 253, 96th Cong., 2d Sess. 7 (1980). *See also, Vermont Low Income Advocacy Council, Inc. v. Usery, supra*, at 36 ALR F. at 525, 526. (FOIA attorney's fees would not be awarded if the government's withholding of information "had a reasonable basis in law").

[80] *See* Pub. L. No. 96-481, § 201, H.R. Rep. No. 1418, 96th Cong., 2d Sess. 5 (1980), *Reprinted in* 1980 U.S. Code Cong. & Ad. News 4984 (purpose of Act is to remove the financial deterrent to litigation against the United States).

[81] S. Rep. at 5; H.R. Rep. at 8-9. The twelve *Johnson* factors, similar to those contained in the American Bar Association's Code of Professional Responsibility, are: (1) the time and labor required; (2) the novelty and difficulty of the questions; (3) the skill requisite to perform the legal service properly; (4) the preclusion of other employment by the attorney due to acceptance of the case; (5) the attorney's customary fee; (6) whether the fee is fixed or contingent; (7) time limitations imposed by the client or the circumstances; (8) the amount involved and the results obtained; (9) the experience, reputation, and ability of the attorney; (10) the "undesirability" of the case; (11) the nature and length of the professional relationship with the client; and (12) awards in similar cases.

[82] S. Rep. at 5; *see also* H.R. Rep. at 8-9.

[83] Berger, *Court Awarded Attorney's Fees: What Is "Reasonable"?*, 126 U. Pa. L. Rev. 281, 283-93 (1977).

[84] *See, e.g., Furtado v. Bishop*, 635 F.2d 915, 920 (1st Cir. 1980); *Northcross v. Board of Education*, 611 F.2d 624 (6th Cir. 1979), *cert. denied*, 447 U.S. 911 (1980); *Copeland v. Marshall*, 641 F.2d 880 (D.C. Cir. 1980) (*Copeland III*).

[85] *See, e.g., Copper Liquor, Inc. v. Adolph Coors Co.*, 684 F.2d 1087 (5th Cir. 1982); *Anderson v. Morris*, 658 F.2d 246 (4th Cir. 1981); *Avalon Cinema Corp. v. Thompson*, 689 F.2d 137 (8th Cir. 1982).

[86] M. Derfner & A. Wolf, *Court Awarded Attorney's Fees* ¶ 16.01 (1983).

[87] Comment, *Calculation of a Reasonable Award of Attorneys' Fees under the Attorneys' Fees Awards Act of 1976*, 13 J. Mar. L. Rev. 331, 378 (1980).

[88] West's annotations to 42 U.S.C.A. § 1988, concerning guidelines and determinations of a "reasonable" fee, now fill 44 closely printed pages. 42 U.S.C.A. § 1988 (West 1981) at 221-58, (West Sup. 1983) at 29-39.

[89] Berger, *supra* at 283-93.

[90] *Hensley v. Eckerhart*, 103 S. Ct. 1933, 1941 (1983).

[91] A. Miller. *Attorney's Fees in Class Actions* (Federal Judicial Center 1980) at 300.

[92] *Id.* at 306.

[93] *Id.* at 301.

[94] 5 U.S.C. § 504(b)(1)(A); 28 U.S.C. § 241(d)(2)(A) (setting a maximum hourly rate of $75). The Association is sensitive to inflation's effect on the adequacy of an hourly rate and suggests that this should be adjusted periodically.

[95] Leubsdorf, *The Contingency Factor in Attorney Fee Awards*, 90 Yale L.J. 473 (1981).

[96] *Id.* at 965-66. Presumeably the purpose of *any* fee award under § 1988 is the advancement of civil rights.

[97] *Id.* at 795-800. *See also, e.g., Stenson v. Blum*, No. 81-7385 (2d Cir. 1983), *cert. granted*, 103 S. Ct. 2426 (1983) (affirming 50 percent bonus); *Graves v. Barnes*, 700 F.2d 220 (5th Cir. 1983) (approving multiplier of 2); *Louisville Black Police Officers Organization, Inc. v. City of Louisville*, 700 F.2d 268 (6th Cir. 1983) (approving 33-1/3 percent enhancement); *Manhart v. City of Los Angeles*, 652 F.2d 904 (9th Cir. 1981); *vacated and remanded on other grounds*, 103 S. Ct. 2420 (1983) (approving increments of 75 and 30 percent); *Rajender v. University of Minnesota*, 546 F. Supp. 158 (D. Minn. 1982) (multiplier of 3); *Wells v. Hutchinson*, 499 F. Supp. 174 (E.D. Tex. 1980) (multiplier of 2); *West v. Redman*, 530 F. Supp. 546 (D. Del. 1982) (multiplier of 1.75).

[98] S. Rep. at 6. Those cases were cited as examples of the application of the proper criteria for determining a reasonable fee. Congress nowhere expressly endorsed or even mentioned the use of bonuses.

[99] *See, e.g., Lindy I*, 487 F.2d 161 (3rd Cir. 1973); *Lindy Brothers Builders, Inc. v. American Radiator & Standard Sanitary Corp.*, 540 F.2d 102 (3rd Cir. 1976) *(Lindy II); City of Detroit v. Grinnell Corp.*, 495 F.2d 448 (2d Cir. 1974).

[100] *Prandini v. National Tea Co.*, 557 F.2d 1015, 1020 (3rd Cir. 1977).

[101] *City of Detroit v. Grinnell, supra* at 469; *Lindy I, supra* at 165.

[102] *See* Berger, *Court Awarded Attorneys Fees: What Is "Reasonable"?*, 126 U. Pa. L. Rev. 281, 317-18 (1977); *see also Hutto v. Finney*, 437 U.S. 678, 695 (1978) (fee award under § 1988 *not* intended to "compensate the plaintiff for the injury that first brought him into court").

[103] *See* S. Rep. at 6 ("counsel . . . should be paid, as is traditional with attorneys compensated by a fee-paying client, 'for all time reasonably expended on a matter' ").

[104] *Oliver v. Kalamazoo Board of Education*, 576 F.2d 714, 716 (6th Cir. 1978).

[105] *Northcross v. Board of Education*, 611 F.2d 624, 638 (6th Cir. 1979), *cert. denied*, 447 U.S. 911 (1980).

[106] *Id.; see also* Berger, *supra* at 292, 317-18, 324 n. 167; Rowe, *The Legal Theory of Attorney Fee Shifting: A Critical Overview*, 1982 Duke L. J. 651, 675.

[107] *See* Berger, *supra* at 290.

[108] *See, e.g., National Association of Concerned Veterans v. Secretary of Defense*, 675 F.2d 1319, 1382 (D.C. Cir. 1982) (amount of bonus "inherently imprecise"); *Foster v. Gloucester County Board of Chosen Freeholders*, 465 F. Supp. 293, 302 (D. N.J. 1978). *See also* M. Derfner & A. Wolf, *Court Awarded Attorney Fees* ¶ 16.05[1] (1983).

[109] *Swicker v. William Armstrong & Sons, Inc.*, 484 F. Supp. 762, 777 (E.D. Pa. 1980).

[110] *See* 122 Cong. Rec. 35,118, 35,122 (1976) (remarks of Rep. Sieberling); H.R. Rep. at 1.

[111] For example, in *Brewster v. Dukakis*, 544 F. Supp. 1069 (D. Mass. 1982), plaintiff's counsel sought fees of $1.2 million, including a 100 percent bonus. Following litigation of the fee claim, the district court awarded $386,204, including a 10 percent bonus. If bonuses were not available, the gulf between what plaintiffs were seeking and what defendants were willing to pay would have been much narrower and settlement much more likely.

[112] The size of such awards has brought harsh criticism from members of the public as well as the bench and bar. *See* Berger, *supra* at 292 and n. 55; *Alpine Pharmacy, Inc. v. Charles Pfizer & Co.*, 481 F.2d 1045, 1050, (2d Cir.), *cert. denied*, 414 U.S. 1092 (1973) ("lucrative fees involved in recent class actions may evoke public acceptance of an Italian proverb, 'A lawsuit is a fruit tree planted in a lawyer's garden' ").

[113] Leubsdorf, *supra* at 480.

[114] *Copeland III*, 641 F.2d 880, 913 (D.C. Cir. 1980) (Wilkey, J. dissenting); Leubsdorf, *supra* at 474 ("The current theory of contingency bonuses implies that lawyers and clients should be made as willing to bring a feeble suit as a promising one"); *id.* at 491-92.

[115] 122 Cong. Rec. 35,118 (remarks of Rep. Seiberling) ("provide for . . . compensation . . . in meritorious cases"), 35,127 (remarks of Rep. Jordon) ("access to the system of justice to everyone . . . if he does, in fact, have a meritorious claim"), 35,128 (remarks of Rep. Seiberling) ("meritorious . . . deserving cases") (1976).

[116] 121 Cong. Rec. 26,806 (1975) (remarks of Sen. Tunney) ("act would do nothing to encourage frivolous litigation").

[117] *Furtado v. Bishop*, 84 F.R.D. 671, 677 (D. Mass. 1979) ("There must be an element of reason; the fee must not be such as to encourage the overpressing of marginal claims"), *rev'd*, 635 F.2d 915 (1st Cir. 1980); H.R. Rep. at 6-8.

[118] S. Rep. at 5; *Christianburg Garment Co. v. EEOC*, 434 U.S. 412, 419-20 (1978).

[119] *Ruckelshaus v. Sierra Club*, 103 S. Ct. 3274, n. 6 (1983).

[120] Note, *Promoting the Vindication of Civil Rights Through the Attorney's Fees Awards Act*, 80 Colum. L. Rev. 346, 375 (1980).

[121] Leubsdorf, *supra* at 488-89.

[122] *See, e.g., City of Detroit v. Grinnell Corp., supra* at 471 ("[t]he greater the probability of success . . . the less this consideration should serve to amplify the basic . . . fee"); *Prandini v. National Tea Co., supra* at 1020.

[123] Leubsdorf, *supra* at 488-89.

[124] *See, e.g.*, 122 Cong. Rec. 31,471 (1976) (statement of Sen. Scott) (Act will help eradicate discrimination); S. Rep. at 5 ("fee awards . . . secur[e]) compliance with [civil rights] laws"); *Copeland III, supra* at 986.

[125] Rowe, *supra* at 656, 676, n. 115; Leubsdorf, supra at 490; Note, *Promoting the Vindication of Civil Rights Through the Attorney's Fees Awards Act, supra* at 375; *Hughes v. Repko*, 578 F.2d 483, 491 (3rd Cir. 1978) (Garth, J., concurring).

[126] *Vecchione v. Wohlgemuth, supra* at 795.

[127] Comment, *Calculation of a Reasonable Award of Attorneys' Fees Under the Attorneys' Fees Awards Act of 1976*, 13 J. Mar. L. Rev. 331, 369-70 and n. 189 (1980). *See also* Rowe, *supra* at 670.

[128] *Cf. Rodriguez v. Taylor*, 569 F.2d 1231, 1245, (3rd Cr. 1977), *cert. denied*, 436 U.S. 913 (1978).

[129] Rev. Proc. 75-13, § 3, 1975-1 Cu. Bull. 662.

[130] *NYSARC v. Carey*, 711 F.2d 1136, 1154 (2d Cir. 1983).

[131] *Compare Copeland III, supra* at 899 *with id.* at 920 n. 32 (dissent).

[132] *See* Comment, *Calculation of a Reasonable Award of Attorneys' Fees, supra* at 362-63, 395.

[133] *See* Leubsdorf, *supra* at 487; Berger, *supra* at 317-38.

[134] *See Hensley v. Eckerhart*, 103 S. Ct. 1933, 1940 (1983).

[135] *Id.*

[136] Berger, *supra* at 316.

[137] *Id.* The purpose of this and other recommendations contained in this report is to make the process of awarding fees more objective. If these recommendations are implemented, courts would be liberated from engaging in this unnecessarily subjective process, since more claims for fees could be settled and those that reached the courts could be resolved by the application of objective and easily applied criteria.

[138] *Grendel's Den v. Larkin*, No. 77-3418-T (D. Mass.). *See also Johnson v. Snyder*, 470 F. Supp. 972 (N.D. Ohio 1979); *Pugh v. Rainwater*, 465 F. Supp. 41 (S.D. Fla. 1979); *Pennsylvania v. O'Neill*, 431 F. Supp. 700 (E.D. Pa. 1977), *aff'd mem.* 573 F.2d 1301 (3rd Cir. 1978) (fees awarded to law professors at "market" rates).

[139] *See also, e.g., Rodriguez v. Taylor*, 569 F.2d 1231 (3rd Cir. 1977), *cert. denied*, 436 U.S. 913 (1978); *Lund v. Affleck*, 587 F.2d 75 (1st Cir. 1978).

[140] *NYSARC v. Carey*, 711 F.2d 1136 (2d Cir. 1983). *See also Ramos v. Lamm*, 713 F.2d 546 (10th Cir. 1983); *Copeland III*, 641 F.2d 880 (D.C. Cir. 1980) (Wilkey, J., dissenting); *Copeland v. Marshall*, 594 F.2d 244 (D.C. Cir. 1978) (*Copeland I*); *Greenspan v. Automobile Club*, 536 F. Supp. 411 (E.D. Mich. 1982); *Glover v. Johnson*, 531 F. Supp. 1036, 1039-44 (E.D. Mich. 1982); *Page v. Preisser*, 468 F. Supp. 399 (S.D. Iowa 1979); *Alsager v. District Court*, 447 F. Supp. 572, 577-80 (S.D. 1977); Comment, *Calculation of a Reasonable Award of Attorney's Fees Under Attorney's Fees Awards Act of 1976*, 13 J. Mar. L. Rev. 331, 378-400 (1980).

[141] 122 Cong. Rec. 31,471 (remarks of Sen. Mathias), 31,472 (remarks of Sen. Kennedy), 35,118 (remarks of Rep. Seiberling), 35,126 (remarks of Rep. Fish) (1976); H.R. Rep. at 1, 2-3, 6; S. Rep. at 2, 3, 6. *See also Alsager v. District Court, supra* at 577 ("Nothing . . . indicates that the purpose of the statute was other than *reimbursement* for costs and time spent."); *Page v. Preisser, supra* at 402-03.

[142] *See* H.R. Rep. at 2-3.

[143] H.R. Rep. at 8 n. 16.

[144] *See Copeland III, supra* at 908, 910 (dissent) ("path of attorney's fees [under market-rate system] . . . is Up, Up, and Away! . . . [S]pecific situations which arise in future cases will sometimes bring to light deficiencies in the general rules laid down in the past . . ").

[145] *See* H.R. Rep. at 9; S. Rep. at 6.

[146] *Goldfarb v. Virginia State Bar*, 421 U.S. 773 (1975).

[147] *See Copeland III, supra* at 910 n. 3, 924 (dissent) (" 'going hourly rate'. . is itself an artificial construct").

[148] Comment, *Calculation of a Reasonable Award of Attorney's Fees, supra* at 385; *Copeland III, supra* at 914, 924-25 (dissent).

[149] *See NYSARC v. Carey, supra* at 1150.

[150] Such a windfall cannot be justified as enabling legal services organizations to undertake other civil rights cases, *cf. Palmigiano v. Garrahy*, 616 F.2d 598, 602 (1st Cir.), *cert. denied*, 449 U.S. 839 (1980); *Copeland III, supra* at 899, since the Act was not intended to serve that purpose, however benevolent.

[151] *Glover v. Johnson, supra* at 1044.

[152] *See, e.g., Palmigiano v. Garrahy, supra* at 601.

[153] Comment, *Calculation of a Reasonable Award of Attorney's Fees, supra* at 398.

[154] *Id.* at 395.

[155] *See NYSARC v. Carey, supra* at 1150-52; *Glover v. Johnson, supra* at 1044; *Alsager v. District Court, supra* at 579; *Page v. Preisser, supra* at 402.

[156] *See Page v. Preisser, supra* at 401.

[157] *Rodriguez v. Tayler, supra* at 1248.

[158] *Johnson v. Georgia Highway Express*, 488 F.2d 714, 719 (5th Cir. 1974).

[159] *See Copeland III, supra* at 925-28 (dissent).

[160] 42 U.S.C. § 2996h(c)(1); 45 C.F.R. § 1602.

[161] *See* Berger, *supra* at 324; Comment, *Calculation of a Reasonable Award of Attorney's Fees, supra* at 385; *National Association of Concerned Veterans v. Secretary of Defense*, 675 F.2d 1319, 1325 (D.C. Cir. 1982) ("Setting a prevailing hourly rate

has proven more difficult than perhaps may have been contemplated.").

[162] *Cf., e.g.*, 42 U.S.C. §3612(c), precluding an award of fees which the lawsuit is "brought principally for the purpose of gaining attorney fees."

[163] *See, e.g., Fulps v. City of Springfield*, 715 F.2d 1088, 1092 (6th Cir. 1983); *Walters v. Heublein, Inc.*, 485 F. Supp. 110, 113 (N.D. Cal. 1979); *Jones v. Federated Department Stores, Inc.*, 527 F. Supp. 912, 920-21 (S.D. Ohio 1981); *Scheriff v. Beck*, 452 F. Supp. 1254 (D. Colo. 1978). *See also*, Note, *Rule 68: A "New" Tool for Litigation*, 1978 Duke L.J. 889, 899-90. A proposed amendment to Rule 68 is presently being considered, which would expressly provide that fees should be denied in such circumstances. 98 F.R.D. 361-67 (1983).

[164] *See, e.g., Chesny v. Marek*, 720 F.2d 474 (7th Cir. 1983); *Greenwood v. Stevenson*, 88 F.R.D. 225 (D. R.I. 1980).

[165] *Waters v. Heublein, Inc., supra* at 114-15; *see also* Committee Note to Preliminary Draft of Proposed Amendment to Rule 68, 98 F.R.D. at 366 (1983).

[From the Washington Post, Dec. 16, 1983]

ATTORNEY'S FEES

Professor Laurence Tribe of Harvard Law School won a big constitutional case against the Commonwealth of Massachusetts and is therefore, by federal statute, allowed to collect "reasonable" attorney's fees from the loser. But the state is refusing to pay his $332,000 bill, which is based in part on an hourly rate of $275. No wonder. That's a pretty hefty fee for a moonlighting academic who wins a liquor license case. Yes, a liquor license.

Prof. Tribe, with two assistants, represented a restaurant in challenging a state statute that granted churches and schools a veto power over liquor license applications by nearby businesses. After three years he won decisively in the Supreme Court, arguing that this delegation of a governmental licensing decision to a private party, particularly a religious organization, violated due process and the establishment clause of the First Amendment. Under a 1976 federal statute, attorneys who win constitutional and civil rights cases against governments can request the court to make the losing defendant pay "reasonable" attorney's fees. The purpose is to promote vindication of those rights.

Prof. Tribe can command high fees from his paying clients (many are not) because he is an eminent constitutional scholar and a highly creative and successful advocate. Billing $275 per hour, he argues, is consistent with top wages in Boston law firms, is much less than in the priciest New York or Washington firms, and is much less than he himself has charged some affluent clients. Prof. Tribe also argues that the 50 percent "tip" he applied to the itemized bill is both legal and perfectly reasonable given the complexity of the constitutional theories involved, the risk of losing and the time he's waited to receive any compensation at all.

That's beside the point. High-priced lawyers are just charging much too much—to the point of caricature—and the folks expected to pay their fees should put an end to the practice. Just because well-heeled private clients dole out huge sums doesn't mean that the public should be equally generous. The "prevailing wage" approach that government uses when it is buying services—which is the essence of Prof. Tribe's claim—has a superficial appeal. But on closer inspection it reveals elements of a gigantic rip-off.

Public works cost too much in part because the Davis-Bacon Act effectively requires union-scale wages. Medical costs soar in part because doctors have dominated service and price decisions. There's news every week of some windfall for a government consultant or defense contractor. For all these groups, government should refuse to bolster inflated wages and profits. Sorry, Prof. Tribe. Lawyers—even civil rights lawyers—need at least as much wage restraint as others when it comes to billing the government.

Mr. DENTON. Mr. President, I am pleased to join my distinguished colleague, Mr. THURMOND as a cosponsor of the Legal Fees Equity Act. The bill would establish standards and procedures for awards of attorneys' fees in civil judicial and administrative proceedings against the United States, States, and local governments in cases where Federal statutes allow such awards, and eliminates excessive awards in such cases. This bill specifically includes fee awards to subjects of investigations under the Independent Counsel Statute, 28 U.S.C. 593(g), and also expands the authority of the Attorney General over the hiring of outside counsel by Federal agencies for litigation. The intent of the bill is to achieve a more equitable balance in compensation among the various attorneys litigating for or against the government and private attorneys receiving fees under civil fee-shifting statutes.

Mr. President, a number of Federal statutes provide that parties to civil suits and administrative proceedings against the United States, States, or local governments may, under appropriate circumstances, recover "reasonable attorneys' fees" from the government defendants. These statutes have, however, placed a great burden on the courts due to the lack of congressional guidance as to when an award of attorneys' fees is appropriate, or as to what constitutes a reasonable award. As a result, courts have reached conflicting interpretations of the civil fee-shifting statutes. In some cases the courts have used "multipliers" and "bonuses" to double, and even triple, the normal hourly rates of the prevailing party's attorney. Attorneys' fee in excess of $100 an hour are common, with some requests exceeding $400 an hour.

The Legal Fees Equilty Act will provide the much-needed guidance to the courts and Federal agencies for the award of attorneys' fees pursuant to Federal statutes thereby reducing the current uncertainties and disparities reflected in present decisions.

Specifically, the bill will:

Set a $75 per hour maxmum rate for attorney's fees awarded, and eliminate the use of bonuses and multipliers to escalate fee awards. This will compensate "private attorneys' general" at a level commensurate with—but still significantly higher than—that of their government counterparts, but provide a reasonable incentive sufficient to attract competent counsel;

Allow recovery of attorney's fees only when a party has prevailed on the merits of its complaint, or where the suit is concluded by a favorable settlement agreement;

Allow recovery of attorneys' fees only for work performed on issues on which the party prevailed;

Permit the reduction or denial of the amount of fee awards, for example, where a party has unreasonably protracted the litigation; where the services provided were excessive with regard to the nature of the controversy; or where the fee award would unreasonably exceed the hourly salary of a salaried attorney;

Provide that monetary judgments be reduced—but not more than 25 percent—by the amount of the attorneys' fees allowed in the proceeding. Exceptions are allowed for suits under certain provisions of the Equal Access to Justice Act, suits for recovery of disputed taxes, or in cases of undue hardship;

Establish certain procedural requirements for attorneys' fee applications, including a 30-day time limit after final judgment for submitting fee applications, and require courts and agencies to develop additional guidelines;

Clarify the circumstances in which attorneys' fees may be awarded when a claim becomes moot or the party refuses to accept a reasonable settlement offer;

Amend the Independent Counsel Statute (28 U.S.C. 593(g)), to impose the same $75 per hour limitation upon any fee awarded to a subject of an investigation under the statute; and

Impose a $75 per hour limit upon the amounts payable to outside private counsel retained by any Federal agency for litigation where the taxpayer must foot the bill.

Mr. President, I welcome the guidance and reform which the Legal Fees Equity Act offers. I urge my colleagues to join me in cosponsoring the bill.

By Mr. THURMOND (for himself and Mr. MATHIAS) (by request):

S. 1581. A bill to amend section 3006A of title 18, United States Code, to improve the delivery of legal services in the criminal justice system to those persons financially unable to obtain adequate representation, and for other purposes; to the Committee on the Judiciary.

CRIMINAL JUSTICE ACT REVISION

● Mr. THURMOND. Mr. President, I rise today to introduce the proposed "Criminal Justice Act Revision of 1985" at the request of the Judicial Conference of the United States.

During the last two Congresses, the Judicial Conference has proposed legislation to amend the Criminal Justice Act [CJA] to increase the compensation available to attorneys and other persons providing representation under the act, and to update and

streamline its operation. Although Congress did include the long overdue increase in CJA compensation in the Comprehensive Crime Control Act of 1984 (Public Law 98-473), enacted on October 12, 1984, Congress has not addressed several of the important issues which have been raised by the Judicial Conference.

In seeking to address those issues, the bill I am introducing today would, in part, provide for:

Variation of the hourly rates among districts and circuits to account for differences in economic conditions.

Elimination of the compensation rate differential for in-court and out-of-court hours.

Future increases in the hourly rates based upon cost-of-living salary adjustments given to Federal employees.

Further increases in the case compensation maximums and modification of the standard for waiving the maximums;

Increases in compensation limits pertaining to investigative, expert, and other services, with and without prior authorization, and provision for nunc pro tunc authorization in appropriate circumstances;

Authority to appoint counsel for financially eligible persons charged with a petty offense, where confinement is authorized and representation is determined to be in the interest of justice;

Mandatory appointment of counsel for financially eligible material witnesses in custody;

Professional liability protection for Federal defenders;

Funding for the continuing education and training of persons providing representational services under the act; and

Authorization for the establishment of a Federal defender organization for the U.S. District Court for the District of Columbia.

Mr. President, I believe that these proposals, and other issues addressed by this legislation are important ones which merit the serious consideration of Congress. I ask unanimous consent that the bill be printed in the RECORD, along with the letter of transmittal from the Judicial Conference of the United States and accompanying section-by-section analysis.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1581

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Criminal Justice Act Revision of 1985."

SEC. 2. (a) Section 3006A of title 18, United States Code, is amended as follows:

(1) Subsection (a) is amended by striking out "(1) who is" and all that follows through "subsection (h)." and inserting in lieu thereof the following: "in accordance with this section. Representation under each plan shall include counsel and investigative, expert, and other services necessary for adequate representation. Each plan shall provide the following:

"(1) Representation shall be provided for any financially eligible person who—

"(A) is charged with a felony or misdemeanor (other than a petty offense as defined in section 1 of this title);

"(B) is a juvenile alleged to have committed an act of juvenile delinquency as defined in section 5031 of this title;

"(C) is charged with a violation of probation;

"(D) is under arrest, when such representation is required by law;

"(E) is entitled to appointment of counsel in parole proceedings under chapter 311 of this title;

"(F) is subject to a mental competency hearing under chapter 313 of this title;

"(G) is in custody as a material witness;

"(H) is entitled to appointment of counsel under the Sixth amendment to the Constitution; or

"(I) faces loss of liberty in a case, and Federal law requires the appointment of counsel.

"(2) Whenever the United States magistrate or the court determines that the interests of justice so require, representation may be provided for any financially eligible person who—

"(A) is charged with a petty offense for which a sentence to confinement is authorized; or

"(B) is seeking relief under section 2241, 2254, or 2255 of title 28.

"(3) Private attorneys shall be appointed in a substantial proportion of the cases. Each plan may include, in addition to the provisions for private attorneys, either of the following or both:

"(A) attorneys furnished by a bar association or a legal aid agency.

"(B) Attorneys furnished by a defender organization established in accordance with the provisions of subsection (g).".

(2) Subsection (b) is amended—

(A) in the second sentence—

(i) by striking out "In every criminal case" and all that follows through "violation of probation and" and inserting in lieu thereof "In every case in which a person entitled to representation under a plan approved under subsection (a)"; and

(ii) by striking out "defendant"; and inserting in lieu thereof "person";

(B) in the third sentence by striking out "defendant" each place it appears and inserting in lieu thereof "person"; and

(C) in the fifth sentence by striking out "defendants" and inserting in lieu thereof "persons."

(3)(A) Subsection (d)(1) is amended by striking out "not exceeding $60" and all that follows through "Such attorney" and inserting in lieu thereof the following: "not in excess of $50 per hour, unless the Judicial Conference determines that a higher rate of not in excess of $75 per hour is justified for a circuit or for particular districts within a circuits, for time expended in court or before a United States magistrate and for time expended out of court. The Judicial Conference may develop guidelines for determining the maximum hourly rates for each circuit in accordance with the preceding sentence, with variations by district, where appropriate, taking into account such factors as the minimum range of the prevailing hourly rates for qualified attorneys in the district in which the representation is provided and the recommendations of the judicial councils of the circuits. Not less than three years after the effective date of the Criminal Justice Act Revision of 1985, the Judicial Conference is authorized to raise the maximum hourly rates specified in this paragraph up to the aggregate of the overall average percentages of the adjustments in the rates of pay under the General Schedule made pursuant to section 5305 of title 5, United States Code, on or after such effective date. After the rates are raised under the preceding sentence, such maximum hourly rates may be raised at intervals of not less than one year each, up to the aggregate of the overall average percentages of such adjustments made since the last raise was made under this paragraph. Attorneys".

(B) Subsection (d)(2) is amended—

(i) in the first sentence—

(I) by striking out "$2,000" and inserting in lieu thereof "$5,000"; and

(II) by striking out "$800" and inserting in lieu thereof "$1,500";

(ii) in the second sentence by striking out "$2,000" and inserting in lieu thereof "$3,000"; and

(iii) by striking out the third sentence and inserting in lieu thereof the following: "For any other representation required or authorized by this section, the compensation shall not exceed $1,000 for each attorney in each proceeding.".

(C) Subsection (d)(3) is amended by striking out "for extended or complex representation".

(D) Subsection (d)(4) is amended in the first sentence by striking out "represented the defendant" and inserting in lieu thereof "provided representation to the person involved".

(4)(A) Subsection (e)(1) is amended in the first sentence by striking out "an adequate defense" and inserting in lieu thereof "adequate representations".

(B) Subsection (e)(2) is amended to read as follows:

"(2) WITHOUT PRIOR REQUEST.—(A) Counsel appointed under this section may obtain, subject to later review, investigative, expert, and other services without prior authorization if necessary for adequate representation. Except as provided in subparagraph (B) of this paragraph, the total cost of services obtained without for prior authorization may not exceed $300 and expenses reasonably incurred.

"(B) The court, or the United States magistrate, if the services were rendered in a case disposed of entirely before the United States magistrate, may, in the interest of justice, and upon the finding that timely procurement of necessary services could not await prior authorization, approve payment for such services after they have been obtained, even where the cost of such services exceeds $300.".

(C) Subsection (e)(3) is amended by striking out "$300" and inserting in lieu thereof "$1,000".

(5)(A) Subsection (h)(2)(A) is amended by striking out "similarly as under title 38, United States Code, section 605, and subject to the conditions of that section" and inserting in lieu thereof "in accordance with section 605 of title 28".

(B) Subsection (h)(2)(B) is amended in the third sentence by striking out "coming" and inserting in lieu thereof "next fiscal".

(C) Subsection (h) is further amended by adding at the end thereof the following:

"(3) MALPRACTICE AND NEGLIGENCE SUITS.—The Director of the Administrative Office of the United States Courts shall, to the extent the Director considers appropriate,

provide representation for and hold harmless, or provide liability insurance for, any person who is an officer or employee of a Federal Public Defender Organization, or a Community Defender Organization receiving periodic sustaining grants, established under this subsection, for money damages for injury, loss of property, or personal injury or death arising from malpractice or negligence of any such officer or employee in furnishing representational services under this section while acting within the scope of that person's office or employment.".

(6) Subsection (j) is amended by inserting immediately before the period at the end of the first sentence the following: ", including funds for the continuing education and training of persons providing representational services under this section".

(7) Subsection (l) is amended—

(A) by striking out ", other than subsection (h) of section 1,"; and

(B) by striking out "Act" each place it appears and inserting in lieu thereof "section".

(b)(1) Section 3006A of title 18, United States Code, is further amended by striking out subsection (g) and redesignating subsections (h) through (l) as subsections (g) through (k), respectively.

(2) Subsection (j), as redesignated by paragraph (1), is amended to read as follows:

"(j) DISTRICTS INCLUDED.—As used in this section, the term 'district court' means each district court of the United States created by chapter 5 of title 28, the District Court of the Virgin Islands, the District Court for the Northern Mariana Islands, and the District Court of Guam.".

SEC. 3. Section 223(e) of the Comprehensive Crime Control Act of 1984, title II, Public Law 98-473, 98 Stat. 1837, October 12, 1984, is amended to read as follows:

"Section 3006A(a) is amended

(1) in paragraph (1)(A) by deleting "misdemeanor (other than a petty offense as defined in Section 1 of this title)" and substituting "Class A misdemeanor"; and

(2) in paragraph (1) by deleting subparagraph (E) and by redesignating subparagraphs (F) through (I) as (E) through (H), respectively; and

(3) in paragraph (2)(A) by deleting "petty offense" and substituting "Class B or C misdemeanor or an infraction."

SEC. 4. Section 1825 of title 28, United States Code is amended to read as follows:

"1825. Payment of fees

"(a) In any case in which the United States or an officer or agency of the United States is a party, the United States marshal for the district shall pay all fees of witnesses on the certificate of the United States attorney or assistant United States attorney, and in the proceedings before a United States magistrate, on the certificate of such magistrate, except that any fees of defense witnesses, other than experts, appearing pursuant to subpoenas issued upon approval of the court, shall be paid by the United States marshal for the district—

"(1) on the certificate of a Federal public defender or assistant Federal public defender, in a criminal case in which the defendant is represented by such Federal public defender or assistant Federal public defender, and

"(2) on the certificate of the clerk of the court upon the affidavit of such witnesses' attendance given by other counsel appointed pursuant to section 3006A of title 18, in a criminal case in which a defendant is represented by such other counsel.

"(b) In proceedings in forma pauperis for a writ of habeas corpus, and in proceedings in forma pauperis under section 2255 of this title, the United States marshal for the district shall pay, on the certificate of the district judge, all fees of witnesses for the party authorized to proceed in forma pauperis, except that any fees of witnesses for such party, other than experts, appearing pursuant to subpoenas issued upon approval of the court, shall be paid by the United States marshal for the district—

"(1) on the certificate of a Federal public defender or assistant Federal public defender, in any such proceedings in which a party is represented by such Federal public defender or assistant Federal public defender, and

"(2) on the certificate of the clerk of the court upon the affidavit of such witnesses' attendance given by other counsel appointed pursuant to section 3006A of title 18, in any such proceedings in which a party is represented by such other counsel.

"(c) Fees and mileage need not be tendered to a witness upon service of a subpoena issued on behalf of the United States or an officer or agency of the United States, upon service of a subpoena issued on behalf of a defendant represented by a Federal public defender, assistant Federal public defender, or other attorney appointed pursuant to section 3006A of title 18, or upon service of a subpoena issued on behalf of a party authorized to proceed in forma pauperis, where the payment of such fees and mileage is to be made by the United States marshal under this section.".

SEC. 5. This Act and the amendments made by sections 2, 3 and 4 of the Act shall take effect on October 1, 1985, or 120 days after enactment, whichever is later.

ADMINISTRATIVE OFFICE
OF THE U.S. COURTS,
Washington, DC, April 18, 1985.

Hon. GEORGE BUSH,
President, U.S. Senate, Washington, DC.

DEAR MR. PRESIDENT: The Judicial Conference of the United States transmitted to the last two Congresses draft legislation to amend the Criminal Justice Act (CJA), 18 U.S.C. § 3006A. The purpose of the proposed amendments was to increase the compensation available to attorneys and other persons providing representation under the CJA as well as to update and streamline its operation. CJA revision bills embodying the Judicial Conference proposals were introduced in both the 97th (H.R. 5190) and 98th (S. 2420, H.R. 4307) Congresses. Although H.R. 4307 was passed by the House of Representatives, none of these bills was enacted into law.

A partial increase in CJA compensation was enacted, however, as "The Criminal Justice Act Revision of 1984," Chapter XIX of the Comprehensive Crime Control Act of 1984 (P.L. 98-473, 98 Stat. 1837, October 12, 1984). The Judicial Conference welcomes this adjustment, which doubled the hourly rates for attorney compensation by raising the limits to $60 per hour for in-court time and $40 per hour for out-of-court time. Also doubled by the CJA Revision of 1984 were the case compensation maximums. While we are hopeful that this compensation increase—the first in fourteen years—will encourage more qualified and experienced attorneys to accept appointments under the CJA, and thereby serve to improve the quality of representation, we note that the CJA Revision of 1984 did not address several of the very important issues that would have been resolved by the bills supported by the Judicial Conference. Among the most significant of these are provisions for:

1. Variation of the hourly rates among districts and circuits to account for differences in economic conditions;

2. Elimination of the compensation rate differential for in-court and out-of-court hours;

3. Future increases in the hourly rates based upon cost-of-living salary adjustments given to federal employees;

4. Further increases in the case compensation maximums and modification of the standard for waiving the maximums;

5. Increases in compensation limits pertaining to investigative, expert and other services, with and without prior authorization, and provision for *nunc pro tunc* authorization in appropriate circumstances;

6. Authority to appoint counsel for financially eligible persons charged with a petty offense, where confinement is authorized and representation is determined to be in the interest of justice;

7. Mandatory appointment of counsel for financially eligible material witnesses in custody;

8. Professional liability protection for federal defenders;

9. Funding for the continuing education and training of persons providing representational services under the persons providing representational services under the Act; and

10. Authorization for the establishment of a federal defender organization for the United States District Court for the District of Columbia.

Accordingly, on behalf of the Judicial Conference, I am once again transmitting for Congressional consideration a draft bill to revise the CJA. The draft bill incorporates, with minor technical revisions, each of the provisions of H.R. 4307. In addition, Section 4 of the bill would amend Section 1825 of title 28, United States Code, to authorize federal public defenders and other counsel appointed under the CJA to certify the payment of defense fact witness fees in federal criminal cases. Currently this certification is performed by U.S. attorneys and assistant U.S. attorneys, thus posing the potential for conflict of interest and also creating an administrative burden for prosecutors.

The language of the witness fee provision is identical to H.R. 5189 (97th Congress) which was introduced by Congressman Kastenmeier upon request of the Judicial Conference. While the concept embodied in H.R. 5189 has had the support of the Department of Justice through the last two Administrations as well as the support of the judiciary, no action was taken on it by the 97th Congress.

For your information, I have enclosed, along with the draft bill (1) a comparative text reflecting changes in existing law, (2) a section-by-section analysis and (3) a chart comparing the provisions of the draft bill with the CJA Revision of 1984.

Representatives of the Judicial Conference and Administrative Office personnel will, of course, provide whatever assistance the Congress may request in reviewing this proposal.

Sincerely,

JOSEPH F. SPANIOL, JR.,
Deputy Director.

SECTION-BY-SECTION ANALYSIS

Section 1 provides that the Act may be cited as "the Criminal Justice Act Revision of 1985".

Section 2 amends 18 U.S.C. 3006A in the following manner:

(a) Adequate Representation of Defendants

Subsection (a) has been restructured for purposes of clarity and to incorporate changes in the law since the last comprehensive revision of the Criminal Justice Act (hereinafter referred to as "CJA") in 1970. Mandatory appointments are listed in paragraph (a)(1) and discretionary appointments (previously found in subsection (g)) are now located directly below in paragraph (a)(2).

Paragraph (a)(1) has been amended to provide separately for mandatory representation of those charged with juvenile delinquency, a probation violation, or a felony or misdemeanor. Thus, subparagraph (a)(1)(A) provides for mandatory representation when a felony or misdemeanor is charged, subparagraph (a)(1)(B) provides for the mandatory representation of those charged with juvenile delinquency, and subparagraph (a)(1)(C) provides for mandatory representation of those alleged to have violated probation. The language of subparagraph (a)(1)(B) has also been changed slightly to conform with the provisions of chapter 403 of title 18, United States Code,—"Juvenile Delinquency."

Subparagraph (a)(1)(E) conforms the language of the CJA to that of the Parole Commission and Reorganization Act of 1976. The new language makes it clear that appointment of counsel under the CJA is mandatory in parole matters when so provided in the Parole Commission and Reorganization Act. (See comments below relating to Section 3 of the bill which further amends the CJA to eliminate references to parole in accordance with the Comprehensive Crime Control Act of 1984 (CCCA), title II, P.L. 98-473, 98 Stat. 1837, October 12, 1984).

Subparagraph (a)(1)(G) makes appointment of counsel mandatory for a material witness who is in custody, and not discretionary as currently provided in subsection (g). The Bail Reform Act of 1984, enacted as chapter I of the CCCA, provided for mandatory representation by appointed counsel at a detention hearing for a financially eligible person arrested as a material witness (See Sections 3144 and 3142(f) of title 18, United States Code). This requirement is incorporated into the CJA through the operation of current paragraph (a)(2) of the CJA which provides for the furnishing of representation to a person "who is under arrest when such representation is required by law," as well as current paragraph (a)(5) which provides for the representation of a person "for whom, in a case in which he faces loss of liberty, any Federal law requires the appointment of counsel." However, subsection (g) continues to provide *discretionary* authority for the appointment of counsel to represent a material witness in custody and, presumably, encompasses representation at every stage of such proceedings including the giving of a deposition by the material witness. Since the *mandatory* appointment provision of the Bail Reform Act of 1984 only refers to representation at the detention hearing, it is unclear whether the appointment of counsel to assist material witnesses in custody at *depositions* remains within the discretion of the presiding judge or magistrate. Amending the CJA to require the appointment of counsel for material witnesses will (1) eliminate any questions concerning the entitlement to representation throughout the material witness proceedings, (2) be consistent with what already is the general practice in a number of districts, and (3) reflect the view of the Judicial Conference that any person held in custody against his or her will, whether as a defendant or one designated by a party as a material witness, should have the assistance of an attorney in exercising all rights provided by law.

Subparagraphs (a)(1)(H) and (a)(1)(I) make no substantive change, but merely separate into two subparagraphs the provision appearing in current paragraph (a)(5).

Paragraph (a)(2) replaces current subsection (g) and lists those cases in which appointment of counsel is discretionary.

Subparagraph (a)(2)(A) is new and permits the appointment of counsel, as a matter of discretion, in petty offense cases where a sentence of confinement is authorized. At present, the language of the CJA excludes apointment of counsel in petty offense cases. However, as a result of two Supreme Court decisions, there are some petty offense cases and situations in which appointment of counsel is now required. In the first decision, *Argersinger* v. *Hamlin*, 407 U.S. 24 (1972), the Court held that under the Sixth Amendment to the Constitution an indigent defendant is entitled to appointment of counsel if there is a likelihood of imprisonment. The Court expressly reserved the question of the right to counsel in cases where incarceration is authorized but will not be imposed. Later, in *Scott* v. *Illinois*, 440 U.S. 367 (1979), the Supreme Court held that there is no constitutional right to appointed counsel unless imprisonment is actually imposed. In view of the *Argersinger* and *Scott* decisions, attorneys are presently being appointed in petty offense cases where there is a likelihood of imprisonment, and compensation is being provided under the authority of paragraph (a)(5) of the Criminal Justice Act, which extends the coverage of the Act to all cases where the Sixth Amendment to the Constitution requires the appointment of counsel.

There remains a practical difficulty however, since a judge or magistrate must predict at the commencement of proceedings whether or not a term of confinement is likely to be imposed. Generally, comparatively little information concerning the facts of the case, aggravating or mitigating circumstances, or the character of the defendant is available to the judicial officer at that time. A decision not to appoint counsel at the preliminary stages of proceedings serves to foreclose incarceration as a sentencing option of the court. Subparagraph (a)(2)(A) would eliminate this problem by permitting judges and magistrates to appoint counsel in petty offense cases where incarceration is authorized by statute and they determine that the interests of justice require it. The final decision concerning imposition of a term of confinement could then be reserved until the conclusion of the proceedings. Accordingly, maximum sentencing flexibility would be preserved. (See comments below relating to Section 3 of the bill which further amends the CJA to reflect the new offense classifications created by the CCCA.)

The language of paragraph (a)(3) contains no substantive changes, although it now comprises a separate subparagraph, with stylistic improvements.

(b) Appointment of Counsel

The second sentence is made less cumbersome by the omission of individual references to the category of cases for which a person may be entitled to appointed counsel. The word "person" has been substituted for the word "defendant" in this subsection, and elsewhere in the CJA, to reflect the fact that counsel may be appointed for habeas petitioners and material witnesses as well as for persons charged with a crime.

(d) Payment for Representation

(d)(1) Hourly Rate

(d)(2) Maximmum Amounts

The CJA, as enacted in 1964, provided for compensation of appointed counsel at a rate not to exceed $15 per hour for time expended in court, and $10 per hour for time expended out of court. The CJA also provided maximum compensation limits of $500 for felony cases and $300 for misdemeanor cases. The 1970 amendments increased the hourly rate maximums to $30 per hour for time expended in court, and $20 per hour for time expended out of court. Maximum compensation limits were increased to $1,000 for felony cases, and $400 for misdemeanor cases. In addition, new maximums were established—$1,000 for representation provided on appeal, and $250 for appointment under subsection (g), probation revocation cases, and post-trial motions made after entry of judgment.

The rates and maximums remained at the levels set in 1970 for nearly fourteen years, until the passage of the CJA Revision of 1984 which was enacted as chapter XIX of the CCCA. The CJA Revision of 1984 doubled the hourly rates of attorney compensation by raising the limits to their current levels of $60 per hour for in-court time, and $40 per hour for out-of-court time. In addition, the CJA Revision of 1984 doubled the case compensation maximums.

These compensation increases will provide the courts with, at least, partial relief from the difficulties they have been encountering in recent years in recruiting and retaining qualified private attorneys to serve on their CJA panels. There are, however, serious concerns that (1) in at least some high-cost districts, the new compensation levels continue to be inadequate, and (2) in those districts where the present compensation limits are sufficient, changes in economic conditions in the ensuing years will erode the value of these limits and render them inadequate long before Congress legislates additional increases.

Congressional action to increase compensation followed, by seven years, the determination by the Judicial Conference Committee to Implement the CJA that the rate and case compensation maximums had become inadequate and its recommendation that they be increased. It was this delay factor that led to the compensation CJA revision bill which was introduced in the 98th Congress and passed the House of Representatives, but not the Senate.

The compensation scheme of H.R. 4307 is retained in the new draft bill. It amends paragraph (d)(1) of the CJA to establish a maximum hourly compensation rate of $50, thus eliminating the in-court and out-of-court hourly rate differential and the administrative burdens and expenses associated with it, While the $50 rate represents a decrease from the $60 rate currently applicable to in-court hours, the change is expected to result in a moderate increase in their total amount of compensation available in most cases, since approximately 75% of all hours expended by CJA counsel are for services performed out of court and thus are subject to the $40 per hour limit. On the other hand, the elimination of the need to

administer two rates should produce savings.

In addition, the Judicial Conference would be authorized to set a higher maximum hourly rate not to exceed $75, for a particular circuit or district within a circuit, if the Conference determines that circumstances existing in such circuit or district warrant an exception from the general maximum. Further, the Judicial Conference would be authorized to develop guidelines for determining such maximum hourly rates, taking into account such factors as (1) the minimum range of the prevailing rate for qualified attorneys in individuals districts, and (2) the recommendation of the judicial councils of the circuits

The provision for setting an alternate hourly rate would restore at least some of the flexibility and viability which the Congress created when, in 1970, it amended paragraph (d)(1) of the CJA to authorize judicial councils to set alternate hourly rates for districts, "not to exceed the minimum hourly scale established by a bar association for similar services rendered in the district." This goal was subsequently frustrated by the abolishment of minimum bar fee schedules following the decision of the Supreme Court in *Goldfarb* v. *Virginia State Bar*, 421 U.S. 733 (1975), which held that a minimum fee schedule promulgated and enforced by a bar association constitutes unlawful price-fixing in violation of the Sherman Act. The *Goldfarb* decision thus resulted in a collateral deactivation of the adjustment authority conferred by Congress in the Circuit Councils. In *Mills* v. *United States*, 713 F. 2d 1249, (7th Cir. 1983), *cert. denied*, 104 S.Ct. 974 (1984)), the Court of Appeals for the Seventh Circuit held that, in the absence of a local bar association minimum fee schedule, the Judicial Council for the Seventh Circuit lacked authority to increase the hourly rates payable to attorneys accepting appointments under the CJA above the $20 and $30 maximums. While the CJA Revision of 1984 removed the 1970 language authorizing judicial councils to set alternate hourly rates, it made no provision to replace this mechanism for affording flexibility to the CJA compensation scheme.

In addition the draft bill would authorize, but not require, the Judicial Conference to annually increase the $50 and $75 maximums up to the federal pay comparability raises, if any, given to federal employees. Thus, the CJA would include a limited mechanism for administrative adjustment of the compensation rates to provide for fair and reasonable compensation to counsel in light of future changes in economic conditions. This authority would not become operative until three years after the effective date of the proposed legislation.

Finally, in view of the increase in hourly rates, proposed paragraph (d)(2) would increase the overall per-case compensation maximums to $5,000 for felonies, $1,500 for misdemeanors, $3,000 for appeals and $1,000 for any other representation provided under the CJA. Cases falling within subsection (g) of the current law would be included in the new "other representation" category. Also included would be cases brought within the scope of the CJA under subparagraph (a)(1)(I) (current paragraph (a)(5)), as a result of judicial decisions or new Federal statutes which may require the appointment of counsel. The need for this provision was most recently demonstrated by the enactment of the Insanity Defense Reform Act of 1984 (Chapter IV of the CCCA) which amended the CJA to provide for representation at certain mental competency proceedings but failed to include a case compensation maximum for such appointments.

(d)(3) Waiving Maximum Amounts

While amendments to paragraph (d)(2) made by the draft bill allow for some variation among the districts with respect to the maximum hourly rate, and also contain a limited mechanism to permit raises to the hourly maximum to reflect increases in the cost of living, the case compensation maximums established by the new paragraph (d)(2) are limits to be applied in every district and circuit and may not be increased by the Judicial Conference. Thus, attorneys in districts where a higher hourly rate has been established under paragraph (d)(2) may reach the case compensation limit after expending fewer hours than attorneys in districts where the lower hourly rate is in effect. In order to avoid an erosion of the flexibility intended in the compensation scheme set forth in paragraph (d)(2), the standard for waiving the maximum amount has been broadened—the judicial officers' authority to certify compensation in excess of the maximum would no longer be limited to those cases which are "extended and complex". Under the new standard, the maximum could be waived by the chief judge of the court of appeals upon the certification of the presiding judicial officer that excess payment is necessary to provide "fair compensation".

The case compensation ceilings would also be effectively lowered if the Judicial Conference approved higher hourly rates based upon federal pay comparability increases. The proposed waiver standard will permit the full realization of the benefits of such adjustments.

(d)(4) Filing Claims

The word "person" has been substituted for "defendant."

(e) Services Other Than Counsel

(e)(1) Upon Request

The phrase "adequate representation" has been inserted in lieu of "an adequate defense".

(e)(2) Without Prior Request

The modest increase from $150 to $300 as the amount which may be incurred for expert services without prior authorization takes into account the dramatic increase in the cost of these services which has occurred since this limit was established in 1970. In addition, paragraph (e)(2) has been split into subparagraphs (A) and (B). Subparagraph (A) is substantially identical to current paragraph (e)(2), the exception being the substitution of "representation" for "defense", the increased dollar limitation, and the reference to subparagraph (B). Subparagraph (B) is a new provision which allows the judge or magistrate to approve a claim for investigative, expert, or other services obtained by appointed counsel, even though prior authorization has not been secured and the amount of the claim exceeds the new limit established by subparagraph (A). However, subparagraph (B) would limit the discretion of judicial officers to provide this ratification to those circumstances where "timely procurement of the necessary services could not await prior authorization".

(e)(3) Maximum Amounts

The $300 limit contained in the present Act has not been changed since the CJA was enacted in 1964. The proposed bill raises the limit to $1,000, a more realistic figure in view of the increase in fees charged by investigators and experts during the nearly twenty-one years since the current limit was established.

(g) Discretionary Appointments (Deleted); Redesignations

Current subsection (g) has been deleted and is found in new paragraph (a)(2), and current subsections (h) through (1) have been redesignated as subsection (g) through (k), respectively.

(g) Defender Organization (currently subsection (h))

(g)(2) Types of Defender Organization

This paragraph contains two minor stylistic revisions.

(g)(3) Malpractice and Negligence Suits (new)

This paragraph is intended to provide protection for employees of federal public and community defender organizations who face lawsuits alleging legal malpractice and negligence arising out of their performance of representational services within the scope of their employment. Since the Supreme Court's decision in *Ferri* v. *Ackerman*, 444 U.S. 193 (1979), there has been serious concern about the impact on the federal defender program of the potential exposure of employees of federal defender organizations to personal liability for legal malpractice claims. Paragraphs (g)(3) would give the Director of the Administrative Office of the United States Courts explicit statutory authority to either provide representation and indemnification, or liability insurance for employees of federal public and community defender organizations. The language of this provision is similar to current statutory authorities for insulating personnel against personal liability for medical malpractice. See 10 U.S.C. Sec. 1089; 38 U.S.C. Sec. 4116; and 42 U.S.C Sec.233.

(i) Appropriations (currently subsection (j))

At the present, the training and education of federal public defenders is provided through the Federal Judicial Center as part of its general training program for all members and employees of the Federal Judiciary. The amendment to this subsection is intended to specifically designate funds through the defender budgetary process for the continuing education and training of federal defenders and their staffs as well as for private counsel on the CJA panels. It will permit separate, flexible, and long-term planning for defender training which is more comparable to that provided United States attorneys. This amendment will further enhance cooperation between federal defenders and the private bar and facilitate their continuing efforts to improve the quality of representation in the federal courts. At present, Federal Judicial Center training programs for federal defenders are generally not open to CJA panel attorneys and there is no other federally sponsored program for training panel attorneys. This amendment would not preclude an interagency agreement with the Federal Judicial Center to take advantage of efficiencies and economies in the administration of these educational programs.

The training of CJA panel attorneys as well as federal defenders is of paramount importance in light of the need for the improvement of advocacy in the federal courts recognized in the report of the Committee of the Judicial Conference of the United States to Consider Standards for Admission to Practice in the Federal Courts. It is believed that making training funds available

in this manner will provide the needed flexibility in the area of training and continuing education to increase the overall effectiveness of federal defenders and CJA lawyers.

(j) Districts Included (Currently Subsection (k))

This subsection has been amended to expressly provide that the District Court for the Northern Mariana Islands is a district court within the meaning of the CJA. A parallel provision currently appears in 48 U.S.C. 1694c(b), thus the change is merely a conforming revision. In addition, the subsection has been reworded for purposes of style.

(k) Applicability in the District of Columbia (Currently Subsection (1))

This subsection would give the United States District Court for the District of Columbia the option of establishing a federal defender organization.

Section 3 provides conforming amendments which will be required when the major part of the Sentencing Reform Act of 1984 (chapter II, Comprehensive Crime Control Act of 1984) becomes effective on November 1, 1986. These include technical amendments to reflect changes in offense classifications as well as the elimination of parole.

Section 4 amends 28 U.S.C. Section 1825 to authorize federal public defenders and other counsel appointed under the CJA to certify the payment of defense fact witness fees in federal criminal cases. The current language of this section provides that in any case in which the United States is a party (which includes all federal criminal cases) the United States attorney, or an assistant United States attorney, must certify the claims of witnesses for the payment of fees. This requirement applies to witnesses whether they are appearing on behalf of the government, or on behalf of a defendant or petitioner for whom CJA services are authorized.

The practice of having prosecutors certify the payment of defense witness fees posts the potential for conflicts of interest for the U.S. attorneys, as well as additional administrative burdens.

The amendment to the witness fee certification statute will authorize federal public defenders and their assistants to certify the payment of defense fact witness fees in those cases where representation is provided by federal public defenders or their assistants. In those cases where representation is furnished by other counsel appointed under the CJA—private panel attorneys or attorneys furnished by a community defender organization—defense fact witness fees would be certified by the court upon the affidavit of the witnesses' attendance by the appointed attorney. In each case, the appearance of the defense witness would be pursuant to a subpoena issued upon approval of the court.

The proposed revision of the procedures for certifying defense fact witness fees has had the support of the Department of Justice in the past two Administrations.

Section 5 provides that the Act and amendments made by sections 2, 3, and 4 of the Act shall take effect on October 1, 1985, or 120 days after enactment, whichever is later.●

● Mr. MATHIAS. Mr. President, I am pleased to join the distinguished chairman of the Judiciary Committee, Senator THURMOND, to introduce the Criminal Justice Act Revision of 1985. This legislation, which is being brought before the Congress at the request of the Judicial Conference of the United States, will make needed changes in the Criminal Justice Act [CJA] of 1964, in order to improve the delivery of legal services to indigent defendants in the Federal courts. Introduction of this bill marks another important step in the process of revitalizing our national response to the commands of the sixth amendment to the Constitution, which guarantees those accused of crime the effective assistance of counsel.

The Judicial Conference bill is substantially similar to the Criminal Justice Act Amendments of 1984, which I introduced on March 13, 1984. Legislation identical to my bill was passed by the House of Representatives in May 1984. Unfortunately, the Senate did not act upon these bills before the adjournment of the 98th Congress.

However, the Senate did take one important step last year to address a critical problem plaguing the administration of the CJA. The fees authorized to be paid to attorneys appointed to represent indigent criminal defendants in Federal court had not been adjusted since 1970. In the waning hours of the 98th Congress, the Senate adopted an amendment that doubled these hourly rates and case compensation maxima. This increase should ameliorate the problem of inducing competent counsel to accept CJA appointments. But more remains to be done before we can rest assured that indigent defendants benefit from the substance, not just the form, of the sixth amendment guarantee.

The bill we introduce today seeks to give us that assurance. It includes further improvements in the mechanisms for compensating court-appointed defense counsel; expansion of CJA coverage of investigative and expert services, and of representation of indigent material witnesses in custody; and authorization for professional liability insurance, and for improved continuing legal education and training, for Federal defenders. It also relieves the Federal courts in the District of Columbia of an outdated ban on the establishment of a Federal Defender Program in Washington.

Enactment of legislation addressing these issues will reaffirm our dedication to a Federal criminal justice system that is effective, efficient, and fair. I look forward to working with the chairman of the Judiciary Committee and my other colleagues toward that end.●

By Mr. MURKOWSKI:

S. 1582. A bill to amend the Securities Exchange Act of 1934; to the Committee on Banking, Housing, and Urban Affairs.

SHAREHOLDERS VOTING RIGHTS ACT

● Mr. MURKOWSKI. Mr. President, I am introducing a bill today to bring fairness and equity to shareholders who are too often the victims of the chaotic process of hostile corporate takeovers. This bill gives the shareholders of a target corporation the ability to decide collectively the future of their company in a reasonable manner, similar to the way they would make other fundamental decisions regarding their company.

I am alarmed by the systematic weakening of the American economy caused by the threat of hostile takeovers. Increasingly, either in anticipation of an attack or as part of repelling an onslaught or in the aftermath of a takeover, corporation are compelled to gravely weaken their capital structures. They substitute huge loads of equity for debt—debt often bearing interest rates and other provisions that create a real danger of liquidation or insolvency in the future.

The Shareholders Voting Rights Act, without preempting existing laws, would add provisions to the Williams Act to assure that the takeover process is fair and evenhanded.

With the relatively simple changes that I am proposing, I believe the current system will improve dramatically. Those who are in the game today simply to make a quick profit through the receipt of greenmail or through the temporary upsurge in market value created by the possibility of a takeover, would no longer find the takeover game attractive for such speculation. And shareholders, armed with information of the pros and cons of the offer, would have the last say on whether the offer was in the corporation's best interests.

This proposal includes the following:

Requires any person who seeks to acquire more than 15 percent of a target corporation to make a single offer to all shareholders for the remaining outstanding shares at an identical price.

Restores the role of the board of directors in the process by requiring that any takeover bid be made first to the directors of the company, who would have 10 days in which to consider it, negotiate if appropriate, and then accept or reject the offer.

Provides that if the board of directors rejects the takeover bid, the offeror may submit the bid to the entire shareholder body in a proxy contest. Only those persons who were shareholders at the time that the takeover bid was first made and who continue to maintain their interest will be permitted to vote on the offer.

Prevents the officers of a company whose shareholders have approved a takeover bid from taking any further defensive tactics to frustrate the takeover other than legal action based on a bona fide claim that the bid is in violation of law.

Provides for a 3 year "sunset" of this law.

Eliminating the questionable practice of two-tier offers, this bill allows shareholders to consider a tender offer without the fear of being "squeezed out."

Second, in allowing directors 10 days in which to study and then accept or reject the offer, the bill gives corporate officials time to make an informed decision.

There are many reasons why a board of directors should be directly involved in a takeover decision. In addition to the problems created for shareholders under the present system, current employees, retired pensioners, suppliers, creditors and entire communities may have their financial futures endangered by a hostile takeover bid. Under the present system, the board of directors, the body which traditionally concerns itself about these constituencies, can be entirely bypassed.

Increasingly, courts, investors, the Securities and Exchange Commission and others have relied upon the directors to protect the interests of the corporation, with its many constituencies. But more and more, shareholders are denied the insight and the judgment of the directors when making the most vital decision of corporate ownership.

The recent wave of hostile takeovers has not been directed solely against companies with bad managers; and many of the companies that have been victims of takeover attempts have good short-term or long-term earning potential. However, let me be clear that this bill is not meant to protect or entrench bad corporate management.

In a dramatic illustration of the detrimental impact of a recent hostile takeover attempt, the chairman of Unocal's testimony before the Senate Subcommittee on Securities illustrated the dangerous increase in debt loads created by hostile takeovers. He said:

> Before the proposed merger (with Mesa Petroleum), Unocal's equity was $5.7 billion, and our long-term debt, $1.3 billion. After the merger, the combined companies would have had . . . nearly $11 billion in debt, $10 million of Newco common stock!

Incidentally, Unocal acquired approximately another $4.5 billion in debt to stave off this takeover attempt.

I favor Government regulation of private business only when it is necessary to protect a vital interest of our country. This bill embodies the principles set forth by the Business Roundtable, a distinguished group of the leaders of 200 of the Nation's largest corporations, which also shares my concern about Government regulation. These principles recognize that mergers and acquisitions which are conducted in an orderly fashion are in the long-term best interest of both the shareholders and the economy as a whole.

My bill restores orderliness in the takeover or merger process, and I ask my colleagues to support this measure.●

By Mr. D'AMATO (for himself, Mrs. HAWKINS, and Mr. ABDNOR):

S. 1583. A bill to provide additional funding for comprehensive drug law enforcement, prevention, and treatment; to the Committee on the Judiciary.

COMPREHENSIVE DRUG LAW ENFORCEMENT, PREVENTION, AND TREATMENT ACT

● Mr. D'AMATO. Mr. President, today I am pleased to introduce the Comprehensive Drug Law Enforcement, Prevention, and Treatment Act, enactment of which will turn the great wealth of the drug kingpins into the weapons that will destroy their drug empires. This approach was recently recommended by the American Bar Association.

Last year alone, an estimated $360 million in drug money and property was seized. As we make full use of recent changes in our drug forfeiture laws, there is no reason why, in the next few years, we cannot seize $1 billion or more per year of the $100 billion a year narcotics industry's illegal income.

Last year, in the Comprehensive Crime Control Act, we established a Department of Justice Forfeiture Fund. This Fund consists of amounts received from the forfeiture of property under the laws enforced by the Department of Justice that remain after expenses for the forfeiture and sale of that property. Under this new law, however, money may be appropriated from this fund for only six specific purposes: First, payment of expenses necessary to inventory, safeguard, maintain, advertise, and sell forfeited property; second, payment for information leading to a forfeiture; third, compromise and payment of valid liens against forfeited property; fourth, disbursement in connection with the remission and mitigation of forfeitures; fifth, purchase of equipment for forfeited conveyances retained for official use; and sixth, purchase of evidence.

Last year, we also created the Customs Forfeiture Fund. This Fund consists of the proceeds of the sale of property forfeited under the customs laws. Money may be appropriated from this Fund only for: First, the payment of expenses necessary to inventory, safeguard, maintain, advertise, and sell forfeited property; and second, payment of awards to informants.

These were important, but limited, steps forward. Even this limited program is set to expire in fiscal year 1987. The law enforcement purposes of the Justice Fund, the more expansive of the two, are narrowly defined. Drug education and treatment are not even mentioned as possible purposes for these new funds. Not only are the purposes of the Customs Fund more restricted than those of the Justice Fund, but the amounts to be appropriated are quite small: No more than $20 million in fiscal years 1986 and 1987.

The Comprehensive Drug Law Enforcement, Prevention, and Treatment Act that I am introducing today, however, would expand our drug forfeiture program in three important ways:

First. It directs that the Justice and Customs Forfeiture Funds shall be used entirely for drug law enforcement, prevention, and treatment purposes; second, it provides that each of these purposes shall share equally in the two Funds; and third, it makes the Funds a permanent part of our drug abuse control strategy.

The bill I am introducing today does nothing to weaken our support for the law enforcement and asset maintenance purposes already established by law. It merely provides that the amounts remaining after these purposes are paid for will be available for additional drug law enforcement purposes, as well as for drug prevention and treatment.

The Department of Justice and Customs Service will distribute the additional law enforcement money. The Secretary of Health and Human Services will distribute the drug abuse prevention and treatment money. It will be used to assist public and private nonprofit entities in providing drug abuse prevention and clinical training programs, and drug abuse treatment services.

When our forfeiture efforts attain their full potential, the provisions of this bill would enable us to hire a thousand new DEA, Customs, and other drug law enforcement agents, inspectors, investigators, and prosecutors. It would enable these agencies to modernize their communications and investigative equipment, to expand their money laundering and financial investigations against drug kingpins, to mount a truly effective campaign against designer drugs and other dangerous synthetics such as PCP, and tend to a host of other law enforcement needs that are not now being adequately met.

With the money for an effective education and prevention program, we could reach milions of school children to teach them to say no to drugs while in the earliest grades when they are still reachable, and we can counter the peer pressure to use drugs and with the examples of positive role models.

We cannot ignore the long waiting lists of those already abusing drugs who now seek treatment. I urge my colleagues to support a national campaign to help these people recover, otherwise they will commit hundreds of thousands of crimes to pay for their habits.

51-059 O-86-35 (Pt. 16)

Drug and alcohol abuse constitutes a $200 billion a year drain on the American economy. In the workplace, it causes massive absenteeism, safety hazards, and losses in productivity. The health care costs it imposes on our economy are staggering. In the schools, drug and alcohol abuse make it impossible for teachers to teach and for students to learn. This epidemic is responsible for more than half of all crimes committed today.

Mr. President, we need massive reinforcements of people and resources to win the war on drugs. My bill can provide these reinforcements. At no additional cost to the taxpayer, it can help make our homes, streets, schools, and workplaces safe again. It can help remove from the American economy the hundreds of billions of dollars in costs under which it is now straining. I encourage my colleagues to join me in cosponsoring this legislation and to give it their full support.

Mr. President, I ask that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1583

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SHORT TITLE

SECTION 1. This Act may be cited as the "Comprehensive Drug Law Enforcement, Prevention, and Treatment Act".

FUNDING FOR DRUG ABUSE AND PREVENTION PROGRAMS UNDER THE DEPARTMENT OF JUSTICE ASSETS FORFEITURE FUND

SEC. 2. (a) Paragraph (1) of section 524(c) of title 28, United States Code, as added by section 310 of the Comprehensive Crime Control Act of 1984 (Public Law 98-473), is amended by—

(1) striking out "the following purposes of the Department of Justice";

(2) striking out "and" at the end of subparagraph (C);

(3) striking out the period at the end of subparagraph (D) and inserting in lieu thereof "; and"; and

(4) adding after subparagraph (D) the following:

"(E) disbursements to—

"(i) the Attorney General for drug law enforcement purposes;

"(ii) the Secretary of Health and Human Services to assist public and private nonprofit entitiies in providing drug abuse prevention and clinical training programs; and

"(iii) the Secretary of Health and Human Services to assist public and private, nonprofit entities in providing drug abuse treatment.

Any funds appropriated under subparagraph (E) shall be divided into thirds and distributed on a basis of one-third for the purposes provided in clause (i), one-third for the purposes in clause (ii), and one-third for the purposes provided in clause (iii). Disbursements to the Secretary of Health and Human Services under subparagraph (E) shall be made in accordance with written requests of the Secretary of Health and Human Services.".

(b) Paragraph (5) of section 524 of title 28, United States Code, is amended by inserting after "this subsection" the following: ", except that the Secretary of Health and Human Services shall prepare, for transmittal by the Attorney General, the portion of the report relating to expenditures under subparagraph (E) of paragraph (1)".

(c) Paragraph (7) of subsection (c) of section 524 is amended to read as follows:

"(7) There are hereby authorized to be appropriated for each fiscal year—

"(A) such sums as may be necessary for the purposes described in clauses (A), (B), (C), (D), and (E); and

"(B) $2,000,000 for the ACTION Drug Prevention Program.

At the end of each fiscal year, any amount in the fund in excess of the amounts appropriated shall be deposited in the general fund of the Treasury of the United States, except that an amount not to exceed $5,000,000 may be carried forward and available for appropriation in the next fiscal year.".

FUNDING FOR DRUG ABUSE AND PREVENTION PROGRAMS UNDER THE CUSTOMS FORFEITURE FUND

SEC. 3. (a) Subsection (a) of section 613a of the Tariff Act of 1930 (19 U.S.C. 1613), as added by section 317 of the Comprehensive Crime Control Act of 1984 (Public Law 98-473) is amended—

(1) by striking out "the following purposes of the United States Customs Service";

(2) in clause (1) by striking out "and" after the semicolon;

(3) in clause (2) by striking the period and inserting in lieu thereof "; and"; and

(4) by inserting at the end thereof the following:

"(3) disbursements to—

"(A) the Secretary of the Treasury for drug law enforcement purposes;

"(B) the Secretary of Health and Human Services to assist public and private nonprofit entities in providing drug abuse prevention and clinical training programs; and

"(C) the Secretary of Health and Human Services to assist public and private, nonprofit entities in providing drug abuse treatment.

Any funds appropriated under clause (3) shall be divided into thirds and distributed on a basis of one-third for the purposes provided in subclause (A), one-third for the purposes provided in subclause (B), and one-third for purposes provided in subclause (C). Disbursements to the Secretary of Health and Human Services under clause (3) shall be made in accordance with written requests of the Secretary of Health and Human Services.".

(b) Subsection (d) of section 613a is amended by inserting after "under this section" the following: ", except that the Secretary of Health and Human Services shall prepare, for transmittal by the Attorney General, the portion of the report relating to expenditures under clause (3) of subsection (a).●

By Mr. HEINZ:

S. 1584. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer to expense the costs of plant and equipment destroyed in whole or in part in a natural disaster; to the Committee on Finance.

DEDUCTION FOR REPLACEMENT COSTS INCURRED IN CONNECTION WITH A NATURAL DISASTER

● Mr. HEINZ. Mr. President, today, I am introducing a bill which will allow companies or businesses that have had property destroyed by natural disaster to write off immediately the cost of rebuilding their facilities, provided the facility is rebuilt in the same locality.

The purpose of this bill is to encourage companies to rebuild their plants or businesses in the same locality rather than move to another area. Currently if there is a natural disaster, such as a flood, tornado, hurricane, or earthquake, companies are entitled to SBA disaster loans at a lower interest rate. The purpose of these loans is to allow the company to rebuild its facilities, but there are no restrictions requiring that the facilities be rebuilt in the same location.

The Tax Code allows the companies to collect the insurance and rebuild without paying taxes on amounts they receive in excess of their basis in the property. Again, there is no restriction on where they have to rebuild.

My bill is very simple, it would allow taxpayers to deduct currently the cost of repairing or replacing the facility. These are the costs that would normally have to be depreciated over a period of years. However, the special tax break is only available if the company or business rebuilds in the same locality. This provision, is fair for several reasons: When a company is destroyed, either in whole or in part, they have a choice of rebuilding or taking the insurance money, and closing up their business. If they choose to rebuild, they have to borrow additional funds, and now have a large debt to pay off. This is an expense that they were not counting on, and will only reduce their profits. They didn't choose what was going to happen to them, it was an act of God, but they have to pay for it. By allowing them to expense the unanticipated additional cost of rebuilding or repairing their facility, it puts them closer to the financial position they were in prior to the disaster.

The requirement that they rebuild in the same locality is a protection for the residents of that area. They depend on the factory or business for their livelihood. The Tax Code should allow the company to recoup its losses, but not at the expense of the residents in the area.

Mr. President, I urge my colleagues to cosponsor this legislation, and work for its swift passage. I further ask that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1584

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the folloing new section:

"SEC. 197. DEDUCTION FOR REPLACEMENT COSTS INCURRED IN CONNECTION WITH A NATURAL DIASTER.

"(a) ALLOWANCE OF DEDUCTION.—A taxpayer may elect to treat qualified disaster replacement costs which are paid or incurred by the taxpayer during the taxable year as expenses which are not chargeable to capital account. The expenditures so treated shall be allowed as a deduction.

"(b) QUALIFIED DISASTER REPLACEMENT COSTS DEFINED.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified disaster replacement costs' means any amount which (but for this section) would be included in the basis of any property which—

"(A) replaces property used in connection with a trade or business which was destroyed in whole or in part in connection with a disaster occurring in an area subsequently determined by the President of the United States to warrant the assistance by the Federal Government under the Disaster Relief Act of 1974,

"(B) is used, or to be used, in the same trade or business in which the property which it is replacing was used,

"(C) is of a character subject to an allowance for depreciation (or amortization in lieu thereof), and

"(D) is located in the locality in which the property which it is replacing is located.

"(2) NO SUBSTANTIAL EXPANSION.—The term 'qualified disaster replacement costs' shall not include any amount to the extent such amount is attributable to a significant expansion of the property which it is replacing.".

(b) CONFORMING AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Sec. 197. Deduction for replacement costs incurred in connection with a natural disaster.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 1984, with respect to disasters occurring after such date. ●

By Mr. MATTINGLY (for himself, Mr. NUNN, Mr. ZORINSKY, Mr. DURENBERGER, Mr. THURMOND, Mr. STENNIS, Mr. ABDNOR, Mr. BOREN, Mr. GRASSLEY, Mr. PRYOR, Mr. COCHRAN, Mr. HEFLIN, Mr. WARNER, Mr. HOLLINGS, Mrs. KASSEBAUM, Mr. BOSCHWITZ, Mr. TRIBLE, Mrs. HAWKINS, Mr. EAST, Mr. ANDREWS, Mr. DENTON, Mr. HELMS, and Mr. HARKIN):

S. 1585. A bill to amend the Internal Revenue Code in order to clarify the right of cooperatives to net earnings and losses among patronage allocation units, and for other purposes; to the Committee on Finance.

NET EARNINGS AND LOSSES AMONG COOPERATIVES

● Mr. MATTINGLY. Mr. President, the topic which this bill addresses is of great importance to the nearly 2 million members of our Nation's farmer-owned cooperatives. I might add that this issue is of some urgency to several co-ops which are in imminent danger of being told by the Internal Revenue Service that they must go back into past years and pay taxes, penalties and interest because they utilized the practice of "netting" their gains and losses among their several areas of cooperative business activity for the purpose of determining their taxable income.

This practice of offsetting profits made in one area of business activity against losses incurred in another area of activity conducted by the same organization is not an exception to the rule—indeed, it is a practice available to all types of business enterprises whether they be sole proprietorships, partnerships, or corporations. The U.S. Tax Court has distinctly found that farmer-owned cooperatives are also eligible to employ this same practice of netting gains and losses among their several divisions for tax purposes.

Despite the clear and unambigious language used by the Tax Court in overturning the IRS position against co-op netting, we find ourselves today faced with yet another attempt by the service to change the law by administrative fiat. Their cavalier attitude has obviously raised the concern of at least 32 of our Senate colleagues who have either addressed their complaint to Secretary Baker or who signed on as cosponsors of the amendment which I had earlier intended to introduce to the imputed interest bill.

Mr. President, the bill introduced today and cosponsored by 22 of our colleagues does not make any substantive changes in existing law as expressed in the Internal Revenue Code. It does not alter previous decisions of the U.S. Tax Court in cases involving netting of gains and losses among divisions by cooperatives. It only attempts to reaffirm existing law and effectuate the Tax Court rulings which the IRS has apparently chosen to ignore.

We are also aware of the concerns expressed by Secretary Block over the IRS actions. He too has expressed his feelings on this issue in letters to both Secretary Baker and to the Senate Finance Committee. USDA has studied this issue under several administrations, and Secretary Block's letters of support are based on the results of intensive studies conducted over the years.

As I have indicated in my earlier statements on this issue, we are here today to simply seek fairness and equity for our farmer-owned cooperatives in the application of the Tax Code. We do not ask that the statute be changed, only that language be added which makes perfectly clear to the IRS what the Tax Court has tried to tell them on three different occasions * * * that farm co-ops are entitled to use netting procedures in determining patronage dividends for tax purposes. One would think that such legislative action would be unnecessary given the rather blunt language found in the court decisions. Unfortunately, the service seems rather prone to selective deafness when anyone tells them something they don't want to hear.

The language which we have submitted today is only a minor modification of the amendment language which many of us had earlier offered to the imputed interest bill in an attempt to address this issue. At that time, the esteemed chairman of the Finance Committee quite correctly objected to our nongermane amendment and requested that we withhold pending a hearing before the committee. Such a hearing was expeditiously held on July 15, by Senator CHAFEE, chairman of the Subcommittee on Taxation and Debt Collection. We have since worked with committee staff in an effort to satisfactorily modify the bill language.

We have come a long way toward a meeting of the minds in drafting the bill, sufficiently far enough that we are offering the measure today. I know that over the coming recess period staff and other interested parties will continue to meet if there remain any unresolved, minor concerns which should be addressed before the committee takes up the measure in business session following our recess. Obviously, the sponsors of the bill would like to resolve any outstanding concerns in a spirit of cooperation and understanding. I feel confident that such will be the case and that we can expect a speedy consideration of this matter upon our return.

We urge the assistance of our colleagues in this effort to put an end to what the court referred to in one decision as the IRS's "* * * unwarranted tinkering with the tax structure applicable to cooperatives."●

By Mr. ROTH (for himself, Mr. METZENBAUM, Mr. FORD, and Mr. PROXMIRE):

S. 1587. A bill to establish a commission to review contract payments by departments and agencies of the Federal Government and to take appropriate action to recapture profits on those contracts which the commission determines to be excessive; to the Committee on Governmental Affairs.

FEDERAL CONTRACT FAIR PRICE COMMISSION ACT

● Mr. ROTH. Mr. President, we have read numerous accounts in the press of contractor overcharges and overpriced spare parts. Also, recent information available from the U.S. Census Bureau indicates that profits are healthy in the defense industry. For example, profits as a percent of equity or resources contributed for 10 large military contractors in 1984 averaged 25 percent whereas commercial manufacturing, mining, and trade corporations averaged 12.8 percent. This and other information from the Inspectors

General, the General Accounting Office, and the media provide growing evidence that some defense contractors are reaping unearned and exorbitant profits.

Mr. President, I believe we must strengthen our defenses and that contractors should realize fair and reasonable profits for performing Government contracts. However, the many disclosures of abuses by defense contractors have made the taxpayer suspicious of all Government procurement operations and Government contractors.

Government procurement regulations provide guidelines to be used in establishing the estimated initial contract profit levels; however, there are essentially no limits on final profit levels on Government contracts. I believe contractors should receive appropriate profits but those profits should be commensurate with the resources contributed by the contractor.

These press accounts of contractor profits suggests that action is needed to protect the Government's interest. One approach is to reactivate the Renegotiation Board although the Board has had a controversial history. While the concept of renegotiation may have caused controversy in the past, the revelations in the press suggests that the concept is worthy of reconsideration.

Mr. President, to encourage this reexamination, today Senators METZENBAUM, FORD, PROXMIRE, and I are introducing legislation designed to establish a commission to review contract payments by departments and agencies of the Federal Government and to take appropriate action to recapture profits on those contracts which the Commission determines to be excessive. Our bill, the Federal Contract Fair Price Commission Act of 1985, grew out of one section of earlier legislation, S. 940, that I introduced to prevent excess profits in the defense industry.

Mr. President, the Commission is similar to the Renegotiation Board which expired in 1979. While the Board existed it found excess profits of $1.3 billion on defense contracts. The Board could have found more but it was hampered in several ways. Our bill will correct the shortcomings of the Board and apply the revised principles to all Government contracts.

The Commission will be concerned with contractors or subcontractors who receive over $5 million in Federal contracts during any year. This should encourage the Commission to focus on larger firms rather than small businesses as generally happened under the old Renegotiation Board. Also profit levels will be determined by product line, preventing firms from averaging profitable with unprofitable work to obscure high profits on specific products.

The Defense Contract Audit Agency will be used for audit support to the Commission and subpoena power is added to assist the Agency if needed. This provides the Commission with immediate, experienced audit support by staffs who are already at many contractor plants.

To ensure compliance criminal and civil penalties are stipulated for contractors who fail or refuse to file the proper information or furnish false or misleading information. The Commission will not only recover excessive profits but will levy interest charges on those profits and can recover the moneys directly or indirectly from the contractor.

We offer this legislation to further the debate on measures to protect the taxpayer from paying excessive profits to Federal contractors.

Mr. President, I ask unanimous consent that a summary of the bill be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

FEDERAL CONTRACT FAIR PRICE COMMISSION ACT OF 1985—A BRIEF SUMMARY

The bill establishes a commission to review contract payments by departments and agencies of the Federal Government and recapture excessive profits on those contracts. Guidelines currently exist in agency regulations to establish initial profit levels, however, there are essentially no limits on final Government contractor profit levels.

The commission is similar to the Renegotiation Board which went out of existence when its legislative authorization was allowed to lapse on September 30, 1976. However, the commission will apply to all government contracts and includes several new provisions. The primary provisions of the bill are as follows:

The profit levels will be determined by product line within a contractor or subcontractor organization, preventing firms from averaging profitable with unprofitable product lines to obscure high profits.

The Act shall apply to any contractor or subcontractor who received over $5,000,000 in Federal contract funds during any fiscal year. This is to encourage the commission to focus on larger firms rather than small businesses as generally happened with the old Renegotiation Board.

The commission will be composed of five members who after the first appointment will serve a term of five years with staggered expiration dates.

The Defense Contract Audit Agency with its contract audit expertise will be given subpena power and designated to make reviews of contractor reports and records in support of the commission.

Criminal and civil punishments are stipulated for failure or refusal to file the proper information or furnishing false or misleading information.

The commission may recover excessive profits by offsetting the amount against other payments due a contractor, or by directing other agencies to withhold the amount of the excess profits from their payments to the offending contractor.

Contractors will not only be required to repay excess profits but will be charged interest on the overpayment.

Contractors may seek relief from a commission determination, however, the court may not overturn a determination unless it was arbitrary, capricious, or not supported by substantial evidence.

The commission shall report annually to the Congress on its activities.●

● Mr. METZENBAUM. Mr. President, I am pleased to join the distinguished chairman of the Governmental Affairs Committee, Senator ROTH, as well as Senators FORD and PROXMIRE in introducing the Federal Contract Fair Pricing Act of 1985. This bill, which is designed to recover excess profits derived from Federal contracts, creates a mechanism that has the potential to impose discipline upon our chaotic and scandalously wasteful Federal procurement process.

There can be no argument about the urgency of our need to reform that process. Nor, Mr. President, is there any question about the deep frustration in Congress and among the public at large over the apparent inability of our Government to put its own house in order.

We have tried—and for the most part, without notable success—to require competition in Federal procurement.

We have tried to tell procurement officials VIA legislation to do what they should be doing in the normal course of business—things like using "should cost" analysis, seeking second sources, dealing severely with contractors who defraud the Government.

I have strongly supported efforts to force change in the procurement process.

I will continue to do so.

But, Mr. President, I believe that until the day comes—if it ever does—on which Congress and the administration are prepared to overhaul procurement from the ground up, contractors will continue to find ways around every requirement we write.

That is why the bill we are introducing today is in my judgment so very important.

This bill, Mr. President, establishes a commission that will have full authority to review all Federal contracts.

This is a commission with teeth.

It will have at its disposal the auditing capabilities of the Defense Contract Audit Agency.

It will have the power to gather information from contractors and to move against—with very substantial sanctions—those who fail to comply with filing requirements or who furnish false or misleading information.

The commission will have access to appropriate Government and corporate records—by subpoena, if necessary.

And above all, this commission will have the power to recover—with inter-

est—on behalf of the taxpayers, contractor profits deemed to be excessive.

This commission, Mr. President, is a mechanism through which we can expect to recover very large amounts of money.

How much?

It is impossible to say, but we do know that hardly a day goes by without some new story surfacing about this or that contractor's efforts to bilk the Federal Treasury.

And we can also be reasonably sure that what we hear about is the tip of the iceberg—that if major, blue chip firms are playing fast and loose with defense and other contracts, then others may well be doing the same.

This bill makes good business sense.

It gives us the opportunity to correct mistakes and to save Federal dollars that would otherwise be lost forever.

And, the existence of a strong Federal fair price commission will say to contractors and to Federal procurement officials something that desperately needs saying—that someone is watching.

The Federal Fair Price Commission is intended to be a literal watchdog of the Treasury.

It is something we need.

And I hope, Mr. President, that we can and will move expeditiously to put it in place.●

By Mr. GRASSLEY:

S. 1589. A bill to amend the Farm Credit Act of 1971 to require institutions of the Farm Credit System to make available to the general public a list of the names of the members and stockholders of such institutions; to the Committee on Agriculture, Nutrition, and Forestry.

LIST OF MEMBERS AND STOCKHOLDERS OF INSTITUTIONS OF THE FARM CREDIT SYSTEM

Mr. GRASSLEY. Mr. President, today I am introducing legislation aimed at helping maintain the control of the Farm Credit System by its farmer borrowers. Simply, this legislation gives members and stockholders of the Farm Credit System the right to obtain, upon request, a list of other members and stockholders within the requester's lending association.

The Farm Credit System was created in order to give farmers a financial vehicle with which they could meet their borrowing needs. The system was set up to be owned and operated by farmers who actually borrow from the various lending associations which make up the Farm Credit System.

It is important to note that much, if not all, of the congressional support for this system has been based upon this unique charactistic as a farmer owned and operated self-help tool. Consequently, it should not be difficult to conclude that movement away from farmer control and away from the primary mission of helping farmers could seriously jeopardize support for this system, not only from Congress but also from farmers and the general public.

Unfortunately, recent decisions made that have a dramatic effect upon farmer borrowers of the Farm Credit System have raised serious questions as to who really controls the system. Farmers have had little or no say in decisions to freeze PCA stock, or to raise Federal Land Bank interest rates. In short, major action and decisions are being made that affect the Farm Credit System yet none of the farmers are being asked beforehand whether or not they approve.

How can we say this is a farmer owned and operated system when farmers are being left out of the decision process?

What is just as alarming is the fact that the farmers who make up the membership and own the stock of their local farm credit lending association or bank, are unable to obtain a list of the other member/stockholders of their association. How can mutual decisions be made when the decisionmakers are barred from communicating with each other? And how can you communicate with each other if you don't even know who the other member/stockholders are?

How many of my colleagues in the Senate would work under those conditions? What if you were expected to vote on legislation, but were not allowed to learn who the sponsors were, or who supported it or opposed it? Without this simple, basic knowledge, how could there exist a free flow of reliable information from which you make your decisions.

There is no legitimate excuse for the present obstructive policies which bar stockholders from learning who their colleagues are. We are not asking for sensitive financial information from the members. The purpose of making names available is simply to enhance the flow of information among those who are suppose to share the responsibility in making decisions affecting the policy and direction of their cooperative as well as the individual member/stockholder. If someone does not want their name made available, then arrangements can be made to accommodate those concerns.

Mr. President, the Farm Credit System is facing very trying times today that will require careful decisions to be made based upon the best possible information and under conditions which maximize communication. I urge my colleagues in joining me in this legislation that will serve as a good first step in that direction.

By Mr. ARMSTRONG:

S. 1590. A bill to amend the U.S. Housing Act of 1937 to encourage resident management and ownership of public housing; to the Committee on Banking, Housing, and Urban Affairs.

RESIDENT MANAGEMENT AND OWNERSHIP OF PUBLIC HOUSING

● Mr. ARMSTRONG. Mr. President, there's no telling what people can accomplish when they don't listen to the experts.

For the last quarter-century or so, the poverty experts have concentrated on failure. Sociologists, psychologists, urban studies directors, criminologists, and others have emphasized losing. Their work—and our public policies—have focused on inability, not ability.

We have started from negative axions; and not surprisingly, we have wound up with negative bottom lines. Why can't poor children learn as well as others? Why do the urban poor have such high crime rates? Why do low-income people in urban areas slide downward into greater dependency?

To answer these questions, we have spent hundreds of millions of dollars in research and experimentation. To implement our purported solutions, we have spent tens of billions of dollars. And to our amazement, we have made very little difference in dealing with the pathology of poverty.

The real poverty experts are those poor people who are finding ways to break out of the cycle of dependency. Instead of asking why poor kids cannot learn, they are showing us that their children, from Newark to Chicago to Los Angeles, can excel when taught with determination, ingenuity, and dedication. So far, the Congress has refused to bring Federal education progams into line with the reality of academic achievement by poor children. This indicates that there is, indeed, a learning problem; but it is right here in Washington, not in poor neighborhoods.

The same is true with regard to low-income housing. The projects, as they are known in every part of the Nation, have been an economic disaster, a political boondoggle, and a social disgrace. They have become symbols of everything wrong with Government's paternalistic approach to the poor: an approach that assumes helplessness, discourages initiative, and fosters dependency. In the process, it wastes staggering amounts of money.

Clearly it is time for some basic reform, for the sake of budget savings and, more important, to achieve practical improvements in the lives of the people who live in Federal housing projects. Having learned a lot from some of them, I am today proposing legislation based on their experience and in line with their aspirations. My bill is designed to facilitate resident management of federally assisted housing projects.

That is not a radical proposal, only a modest innovation. But I would rather take a few solid steps in the right di-

rection than run a mile down a dead-end alley. And that is an apt metaphor for the current direction of our housing programs.

First, let me give credit where due. This legislation embodies not my ideas but the proven accomplishments of those actually living in public housing projects who have demonstrated that resident management of those properties does work. It isn't theory; it's an operational fact.

Almost within sight of the Capitol Building in which I speak, the residents of Kenilworth/Parkside, a 464 unit, inner city complex in Northeast Washington, have shown what a difference they could make when given a chance. From information given to me, I am told resident management at Kenilworth/Parkside has increased rent collections 179 percent by taking charge of finances themselves. That is only one of many improvements. Three years ago, 76 percent of the almost 3,000 residents were getting public assistance. Now less than 50 percent are on welfare. People have reason to work; young people aspire to more education; the facilities are better maintained because the residents are in charge of them. In other words, low-income people are behaving just like everyone else.

That should not be in the least surprising. What is remarkable is that, for so long, Government assumed that the poor either would not or could not make that adaptation. But they are making it in the Bromley-Heath development in Jamaica Plains, MA; in the Cochran project in St. Louis, MO; in the B.W. Cooper project in New Orleans; in the Iroquois Homes development in Louisville, and elsewhere.

This legislation is intended to give them a hand and, even more important, to extend the same chance to residents in other low-income housing projects. It would enable resident management corporations to contract directly with the Department of Housing and Urban Development to secure, on a project basis, their share of the operating subsidy the HUD currently gives to the public housing agency.

For the first 3 years of resident management, that operating subsidy would not be reduced if the residents succeed in increasing the housing project's income by holding down costs and increasing rents. After all, if the residents show they can do a better job, financially, than the public housing agency had been doing, they should not be penalized for their efficiency by losing their operating subsidy. Least of all should that operating subsidy simply be transferred back to the public housing agency, to be spent on poorly managed projects where rents are not collected and operating costs keep going up and up.

If the resident management corporation accrues funds in excess of operating and projects costs during its first 3 years, the money could be retained by the corporation for these purposes: improving maintenance and operation of the housing project, acquiring additional units of low-income housing, or acquiring ownership of the project if that becomes economically—and legally—possible.

This legislaton will provide resident management corporations with flexibility concerning Federal rules and regulations which unnecessarily increase costs. This provision has been included at the advice of tenants themselves, who object to the diversion of tax dollars from urgently needed repairs to redtape and bureaucratic requirements.

Anyone familiar with Federal housing projects know that our modernization efforts have been far less than successful. Here's the problem: When we target the most rundown, neglected, defaced projects for modernization funds, so that new appliances or screendoors or linoleum can be put in, we do nothing to permanently alter the conditions that made those projects the most abused. So in no time at all, the modernized project is back where it started, with the new appliances stolen or broken, the security locks destroyed, the windows smashed.

Conversely, when resident management improves a project, when the tenants themselves improve things and prevent deterioration, their commendable efforts put them farther down on the list for modernization. Because they are trying to keep up the property, they are not considered urgently in need of modernization grants, And so, we penalize desirable conduct and reward negative behavior.

To remedy that, this legislation would require HUD to give priority consideration to resident managed projects in awarding comprehensive modernization funds. It does not guarantee such funding for those projects; they would still have to demonstrate justification for their application. But it would push to the top of the waiting list, so to speak, those housing projects where the residents are most likely to protect the investment of modernization money.

There is much to learn from the resident management corporations that are already in operation. Their participants understand the need for sound training in all aspects of property management. They understand the need for strong bonding requirements and for procedures to make sure that the corporation is run democratically and for the benefit of all residents. They do not want their own success to be undermined by poorly planned enterprises elsewhere. And that is why this legislation specifies in some detail the procedures for setting up a resident management corporation, for training, for insurance, for contracts, and bookkeeping. These are stiff requirements, but they have already been met by those who are making resident management work; and in order to replicate their success elsewhere, we must maintain the high standards they have met for the protection of all involved.

It is equally important to be clear about what this legislation would not do. It does not take the Federal Government out of the housing business. Whatever we may think about the wisdom of current programs, resident management does not terminate any of HUD's activities or eliminate any of its programs.

This bill would not reduce Federal housing expenditures. Whether we want to spend more or less, resident management does not commit us either way.

My proposal does not transfer ownership of any properties away from HUD or from local public housing agencies, though it would permit resident management corporations to use excess revenues, if they should be able to accumulate any, for acquisition of additional units of low-income housing. Personally, I see no reason why qualified residents who aspire to home ownership should not be given every opportunity to fulfill that dream. Time will tell if it is feasible; and at some future time, after assessing the record of resident management, the Congress may want to address the potential for resident ownership. But that issue is apart from the purpose of this bill, which is to assist low-income residents to enter the mainstream of American life.

This bill does not usurp the local role in managing public housing. I frankly think this bill may help public housing authorities to achieve what ultimately is their main objective: to provide well-managed, decent, affordable housing for low-income tenants. In fact, a number of public housing officials have wanted to rid themselves of unnecessary Federal rules and regulations to improve project management. This bill can help achieve this goal.

My proposal would not require resident management in all public housing. That is not practicable in many places. It would not open the door to takeovers of low-income projects; for it provides safeguards by way of training, bonding, and oversight.

This bill is not intended to repudiate the role of public housing agencies within present HUD programs. Some may argue that that role will diminish if more and more subsidized housing is managed by its residents. If tenants learn to deal with community problems, collect more rent than the housing agencies, make their projects cleaner and safer, reduce the need for

rehabilitation funds, protect the taxpayers' investment, create project-based self-help groups, train and employ residents for maintenance and repair, generate economic development out of former slums, and move on up the opportunity ladder, then perhaps the role of housing agencies will change. But if resident management does produce those results, then perhaps the role of those agencies should have changed a long time ago.

It is important to keep in mind that the Federal Government pays almost all of the costs of public housing projects. We have an obligation to protect the taxpayer's multibillion dollar investment in those pojects. That is why the Federal Government has always set certain standards, operating conditions, and procedures for the housing agencies that wish to receive these tremendous amounts of Federal money. This legislation sets the condition that they must allow resident management wherever the circumstances clearly warrant it.

If ever there was a grassroots initiative, this is it. And it springs from grassroots that have been trodden upon for a long time. I want to pay tribute to those who, faced with challenges that would have daunted most of us in Congress, have persisted, insisted, and beat the odds against them. Kimi Gray and Gladys Roy at the Kenilworth Courts here in Washington, their counterparts in other parts of the country, and the residents who are helping them reshape life in the housing projects have overcome formidable obstacles. We should learn their example. If they can so greatly improve the operation of federal housing programs, so can the Congress, if we put our minds to it.

Finally, credit should be given to the National Center for Neighborhood Enterprise, its president, Bob Woodson, and staff. They have provided a forum for the poor people who, rich in energy and determination, are making resident management work. They have focused national attention, not so much upon the problems of low-income housing, as upon their solutions. They have studied success, not failure. Where others saw a dispossessed proletariat, they have looked for winners, doers, changers, darers. And they have found them, right where they always were: in America, waiting for a chance.

This bill gives them a chance. I ask unanimous consent that its text be printed in the RECORD, along with two newspaper articles explaining the background of this proposal and the successful implementation of resident management in Federal housing.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1590

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Housing Act of 1937 is amended by adding at the end thereof the following:

"RESIDENT MANAGEMENT

"SEC. 20. (a) The purpose of this section is to encourage increased resident management of public housing projects by providing for projects which are managed by residents increased flexibility by (1) waiving certain statutory and regulatory requirements, (2) giving such projects a priority for comprehensive improvement assistance, and (3) permitting the retention and use for certain purposes of any excess of revenues over operating and project costs.

"(b) The Secretary may not enter into or renew a contract with a public housing agency unless the Secretary finds that the public housing agency is making all reasonable efforts to encourage the assumption of project management responsibilities by resident management corporations established in accordance with this section. For the purpose of making the finding in the preceding sentence, the Secretary shall require public housing agencies to give residents of public housing projects an opportunity to submit comments prior to entering into a contract with respect to those projects.

"(c)(1) As a condition of entering into a resident management program, a majority of the adult residents of a public housing project must approve the establishment of a residents council to determine the feasibility of establishing a resident management corporation to manage the project.

"(2) The residents council and the public housing agency shall jointly select a qualified and certified management specialist to assist in determining the feasibility of, and to help establish, a resident manager corporation.

"(3) Prior to assuming any management responsibilities for a public housing project, the resident management corporation must provide fidelity bonding and insurance, or equivalent protection, in accordance with regulations by the Secretary and the public housing agency. Such bonding and insurance, or its equivalent, shall be adequate to protect the Secretary and the public housing agency against loss, theft, embezzlement, or fraudlent acts on the part of the resident management corporation or its employees.

"(4) A resident management corporation which has qualified and supplied insurance and bonding or equivalent protection sufficient to the Secretary and the public housing agency may enter into a contract with the public housing agency establishing respective management rights and responsibilities of the corporation and the agency, including specific terms governing management personnel, access to project records, submission of and adherence to budgets, rent collection procedures, tenant income verification, tenant eligibility determinations, tenant eviction, the acquisition of supplies and materials, and such other matters as may be appropriate. For the purpose of this paragraph, the Secretary is authorized to develop and encourage the use of a model contract.

"(5) The books and records of a resident management corporation operating a public housing project shall be audited annually by a certified public accountant and a written report of such audit shall be forwarded to the public housing agency and the Secretary.

"(d)(1) The Secretary is authorized to publish a list of those Federal requirements which unnecessarily increase project costs or restrict project income, and which, at the option of the resident management corporation, may be waived with respect to the public housing project managed by that resident management corporation. The list of requirements which may be waived shall include the applicability of section 12 of this Act to the project, of minimum property standards prescribed by the Secretary (but only if local property standards are followed), and of such other operating and managerial requirements as the Secretary may specify.

"(2) Notwithstanding any provision of section 9 or any rule or regulation thereunder, the operating subsidy for a project managed by a resident management corporation shall be determined on an individual project basis and on the basis of statistical information from the two years preceding the year in which the subsidy is being determined. The subsidy amount so established for such a project may not be reduced during the first three years of management by the resident management corporation.

"(3) Any excess of project revenues over operating costs and project costs of a public housing project managed by a resident management corporation may be retained by the resident management corporation for the purposes of—

"(A) improving the maintenance and operation of the project;

"(B) acquiring ownership of the project; and

"(C) acquiring additional units of housing for lower income persons.

"(e) Public housing projects managed by resident management corporations shall be given a priority in the allocation of assistance under section 14.".

[From the Washington Times, May 17, 1985]

A SUCCESSFUL TEST OF THE AGENDA IN THE DISTRICT OF COLUMBIA

(By Richard Vigilante)

It is no surprise that the future of American public housing policy is being decided inside Washington, D.C. But it might be a surprise that in an important sense it's being decided just barely inside Washington, D.C. not downtown, where the politicans meet the policy pros, but in a questionable neighborhood one step from the Maryland border, where sits a public housing project that three years ago was known as one of the worst in the city.

The project is called Kenilworth-Parkside, and it is already famous in the policy community. Though there are others like it around the country, its phenomenal success and fortunate location have made it Exhibit A of the "housing radicals."

This merry band, mostly think-tankers and Hill staffers is convinced the solution to the disastrous state of public housing is to turn the projects over to the experts—the residents, most of whom are on welfare and some of whom have never held regular jobs or acquired marketable skills or even decent work habits. And odd choice of personnel to run, and eventually own, a multimillion-dollar piece of real estate. If Kenilworth-Parkside is a fair example, it works.

Three years ago, Kenilworth-Parkside was everything the phrase "the projects" has come to mean; Considered simply as housing, it was a disaster. Heat and hot water

were the exception, not the rule. The most routine maintenance was neglected, and vandalism and tenant abuse made maintenance pointless, anyway. Rents were neither willingly paid nor vigorously collected and the project lost hordes of money.

As a community it was even worse; overrun by drugs, crime, despair, and fear; 85 percent of the residents relied chiefly on government largess for their income, 30 percent were totally dependent, teen-age pregnancies were frequent.

In 1982, the residents of the project decided that living conditions had crossed into the intolerable zone. They formed their own management corporation, elected a board of directors from among the residents, and convinced the city to let them run the place.

Within two years they radically improved living conditions; restored regular heat and hot water, patched up leaky roofs and other gross physical defects, cut operating costs 60 percent, and raised rent receipts 13 percent.

So much anyone who understand incentives might have predicted since the managers live in the project, they suffer when the heat goes off. But in those two years crime also dropped 75 percent, resident income rose substantially, and welfare dependency and teen-age pregnancies were reduced by half though essentially the same people were living there as in 1982.

The evidence indicates that over these broad social changes are directly attributable to the resident takeover.

The story of the transformational Kenilworth-Parkside could fill a book, though as told by Kimi Gray, the Kenilworth resident who heads the board of directors, it would be a novel, not a doctoral thesis. The theme would be straightforward—the end of childhood.

Current public housing programs, along with most welfare programs, assume their clients are part of an "underclass," not merely poor, but socially deranged members of a culture that attaches, as one theorist put it "no value to work, sacrifice, self-improvement, or service to family, friends, or community." But a similar description might be made of very young children—notoriously, though innocently, selfish because everything is done for them.

The Kenilworth experience suggests the "underclass" theorists who design welfare programs have it backwards. Residents of public housing and other government dependence behave irresponsibly because all responsibility has been taken from them.

According to Kimi Gray, Kenilworth residents behave responsibly because they have responsibility: they are self-governing, making their own rules and enforcing them.

Break a window? Pay a fine, enforced by the residents. Poor people can't afford to pay fines? "Wrong," says Kimi, "Poor people can't afford to break windows." Don't cut your grass? Management will cut it and send you a bill. Let your kids "hang out" all day causing trouble instead of going to school? You'll be reported to the authorities and if you don't straighten out your kid you'll be evicted. There have only been two evictions.

This is not totalitarianism—middle-class people live under similar restraints. Indeed at Kenilworth the rules are so cherished by the community they work more like the status restraints of middle-class neighborhoods than like citations from a lawbook.

One reason welfare dependency has declined is that all the work of the projects from running the furnaces to fixing the roofs, is done by resident employees. More importantly, self management has created a community, and in that community "watching soap operas all day and collecting welfare" is not acceptable behavior. Crime has dropped 75 percent because the community defends itself—one of the principal social activities at Kenilworth seems to be watching the street and calling the police.

The next step, the residents hope, will be the ultimate responsibility, ownership, first by management collectively and then by those residents who wish and, with subsidies, could afford to buy their units co-op style.

Public policy analyst Cicero Wilson, who has studied Kenilworth-Parkside closely for the American Enterprise Institute, points out that as tenants, public housing residents are encouraged to be irresponsible.

As their incomes rise, their rents rise, discouraging work. Indeed, income increases can eventually force them out of their homes. The current system guarantees that the most responsible residents of the community will be punished or forced to leave.

With ownership as a goal, tenants would have an incentive to raise their incomes and protect their homes—like adults in the real world, not children sentenced to the welfare nursery.

Ownership is the ultimate goal of the housing radicals. Rumor has it that mild-manner HUD Secretary Sam Pierce has radical blood in his veins. Let's hope.

[From the Dallas Times Herald, Aug. 16, 1984]

CARVING A PLANK

(By D. W. Nauss)

Two decades ago, when he was leading civil rights marches in West Chester, Pa., Robert Woodson never thought that someday he would be contributing to the Republican Party's platform.

But Woodson's ideas on self-help incentives leading to home ownership for public housing residents were incorporated this week into the party's plank by the Subcommittee on Community and Neighborhood Resources.

"It's very heartwarming," said Woodson, president of the non-profit National Center for Neighborhood Enterprise in Washington, D.C. "I hope this will become part of the national political debate."

Woodson, 47, has gained some national attention as a black conservative and for endorsing the belief that the way to help minorities and the poor is through self-sufficiency and less federal control of poverty programs.

Although he is vague on how low-income residents would buy public housing projects, he suggested a voucher system could be used in which assistance payments could be applied as mortgage payments.

His views make most Republicans smile.

"What he expounded was historical Republican philosophy—government helping people gain their economic independence," said Susan Auld, a delegate from Vermont.

"I am enthusiastic about this," said South Carolina delegate Elmer Rumminger, referring to Woodson's public housing proposal. "This could be one of the most dramatic things to come out of this convention."

Rumminger was so impressed that he invited Woodson to lunch with a dozen other delegates after Woodson testified before the community resources subcommitee. The luncheon resulted in an invitation for Woodson to draft a proposal for the GOP plank.

Woodson, who calls himself a conservative independent, said Democratic poverty programs have been a failure despite the infusion of billions of dollars. Republicans have adopted a "low-budget Great Society" program using the same ideas but less money, he said.

"The real answer to poverty is not some welfare dependency program," he said. "It's a ladder to help us walk out of the canyons of despair."

Woodson, who holds a master's degree in sociology from the University of Pennsylvania, said past poverty programs depended on massive expenditures. Professional social workers or social scientists decided how the money would be spent, not the poor people affected, he said.

But in several housing projects around the country, poor people have demonstrated they can improve their living conditions if given the opportunity to make major management decisions, Woodson said.

The next step is to provide residents of public housing projects an opportunity to buy the units where they live.

Woodson's journey to the Dallas Convention Center completes an ideological trip from the far left 20 years ago to the conservative right today.

Active in the civil rights movement of the early 1960s, he broke with mainstream black leaders over the issue of housing, which he opposed. He also worked several years as a social worker in Boston.

Today, he calls himself a "reconstructed social worker" and criticizes their role in the poverty cycle.

"The big hypocrisy is being played out by the poverty industry, consisting of professional social workers and scientists," he said. "They engage in a bait-and-switch games, using the condition of the poor to obtain money and then consume most of the money themselves."

[From the Washington Post, May 20, 1985]

HOUSING TENANTS EXPERIMENT WITH SELF-GOVERNMENT

(By Arthur S. Brisbane)

Every weekday morning about 7:30 Gladys Roy leaves her apartment at the Kenilworth Courts public housing project and walks to work, keeping an eye out for unmowed front yards in the sprawling complex. An unkempt lawn means she'll fine the tenant.

Crossing Quarles Street, where the junkies will hang out later in the day, Roy enters the offices of the Kenilworth-Parkside Resident Management Corp, and gets a whiff of the strong cleanser her staff uses to scour away the dirty residue of neglect.

She takes her seat behind the manager's desk. For two decades, the 52-year-old mother of nine was just one of the many welfare recipients living at Kenilworth. Now she runs the project and makes $17,000 a year doing it.

She and her staff have not converted Kenilworth Courts and its smaller sister project, Parkside, into anything like paradise. But they are making a case that tenants can fight poverty and perhaps run government housing better than the government can.

They are part of the District's first experiment in tenant management, in which the residents are managing and running their 25-year-old public housing complex. They appear to have halted somewhat the marked deterioration of their homes and, in

so doing, have brought jobs to the project and income to its residents.

One of fewer than 10 such operations in the country, the resident management program at Kenilworth, begun in 1982, receives mostly favorable reviews from some housing experts and federal Housing and Urban Development officials. District housing officials and some Kenilworth residents are more restrained in their assessment, however, and they suggest that claims made by the resident managers and their supporters may be overstated.

"I think it is one of the most successful in the country, in my experience of going around the country and looking at seven or eight of them," said Robert Woodson, president of the National Center for Neighborhood Enterprise, an organization that studies housing and other issues.

"Our general view is that it is working," said Ken Beirne, general deputy assistant secretary for HUD's policy development and research department. "The question of all the reasons why it is working I don't think has been resolved yet."

The District's Housing and Community Development department, which gave the management contract to tenants, appears to have adopted a wait-and-see attitude toward resident management.

"It's a concept that we do support, and it's one we do want to work with residents to expand," said Madeline M. Petty, department director." . . . On the surface it appears that it is something that we want to do."

Directed by a board of residents, the Kenilworth-Parkside managers head a staff of 30 residents hired to prepare the budget, collect the rent and perform the maintenance on the 464 units where 2,500 persons live in the far Northeast section of the District.

Through stricter enforcement, the resident managers have increased rent collections 179 percent, according to a report the American Enterprise Institute is compiling on the resident-management experiment.

On-site administrative costs have dropped 60 percent, the report says, and expenditures for routine maintenance have declined 20 percent since March 1982, when the residents took over from Central City Property Management Co., a private firm under contract with the city to run Kenilworth.

Yet even as the residents win battles, they discover new enemies. A recent increase in drug dealers and users, rousted by police from other areas of the city, demonstrates the affinity between public housing and some of society's most intractable ills.

And inside the project, not every resident is enamored of the new management headed by Kimi Gray, the 40-year-old spark plug and board chairman of the Kenilworth-Parkside Resident Management Corp.

Some residents, such as Jacqueline Robinson, think Kenilworth is much improved. "You could say it has picked up since the tenants took over," she said. But, then, her brother Garcia Robinson got a job with the resident management corporation.

Willie Mae James, who lives in a five-bedroom unit with 12 relatives, said, "I think it has gotten a little better but not too much. When they fix things, they don't stay fixed."

Her daughter, Neicy James, added, "They are too strict. They check on you. They see who's living here. They put your rent up, if you make more money. . . . If they see trash in your yard, they fine you for it—even if it's not yours."

Some tenants give the management good marks for maintenance but say they are frustrated by the crime problem. "No, they don't need those people [resident managers]," said Eleanor Farley. "They need somebody to do something about the drugs in the street."

Fred Thomas, deputy police chief for the 6th District, said his officers arrested 50 to 60 persons on drug charges last month at Kenilworth. Most of them were not residents. "They just come there to ply their trade," he said.

Thomas credits the residents with helping police discourage drug traffickers, who are attracted to the wooded areas and the sanctuary afforded by the nearby Maryland state line.

"If we didn't have help from them," he said, "it would be a heck of a lot worse situation."

Meanwhile officials at the city's housing department question whether the experiment is as successful as it is portrayed by Gray and the American Enterprise Institute.

Petty expressed doubt that the numbers cited by Gray and the institute are accurate and said her department was compiling its own statistics. She declined to release any data on rent collection, maintainance and administrative costs at Kenilworth-Parkside.

In similar experiments elsewhere, experts have reported tensions between tenant management groups and public housing authorities.

"There are some housing authorities that in fact have fear that they will lose control if they give residents more say in what's going on," said Clyde McHenry, a housing consultant who helped train the Kenilworth managers.

McHenry headed the New Orleans public housing authority and was later named an assistant secretary at HUD for public housing during the Carter administration.

Phil Abrams, a former HUD undersecretary, recalled that District housing officials in 1983 chose not to seek funds actively to completely renovate tenant-managed Kenilworth Courts. Abrams, the official responsible for doing out those funds, bypassed the city's list of priorities and designated $13.2 million for Kenilworth-Parkside.

"Mayor Barry had always been supportive [of resident management]," said Abrams, now a real estate developer in Denver, "but the bureaucracy in the housing authority was somewhat reticent and, I think, somewhat threatened by the success of tenant management. So they made the judgment, in applying for modernization funds, that there were other projects that were in worse shape than Kenilworth."

HUD has not released the funds for the modernization project, which was announced in October 1983. "The money is supposed to go to Kenilworth," a HUD spokesman said.

"But we are waiting to put in place a series of meetings that need to happen before decisions can be made."

When the rehabilitation project starts, the resident management corporation will become a partner with Gilbane/Smoot, a contractor and construction management corporation formed by the Gilbane Building Co. Gilbane/Smoot and the tenants will oversee the construction work.

The city's Housing and Community Development Department will retain the power to let contracts for the project, but Gray believes that the joint partnership will provide more jobs to Kenilworth residents.

Opened 25 years ago, Kenilworth was built to provide housing for some of the District residents displaced by the urban renewal of Southwest.

Parkside, a 42-unit housing project erected in 1940, was merged with Kenilworth Courts at the time of Kenilworth's opening.

In the years that followed, Kenilworth shared the fate of many big city public housing projects. Many welfare-dependent residents did not pay their rent regularly. The city failed to maintain the property properly, and it became run down. According to residents, there was little, if any, heat and hot water during 1979, 1980 and 1981. Rats were everywhere.

Meanwhile, Kimi Gray and her supporters were taking note of tenant groups in cities such as St. Louis, Boston and New Orleans that were experimenting in the 1970s with resident management of public housing.

Resident management, Gray came to believe, "gives residents back the responsibility of taking care of their community. It provides jobs. Maintenance calls are answered within 24 hours. The engineer lives on the grounds. When the heat goes out, he becomes cold, too."●

By Mr. LEVIN (for himself and Mr. RIEGLE):

S. 1591. A bill to recognize the organization known as the American Philatelic Society; to the Committee on the Judiciary.

AMERICAN PHILATELIC SOCIETY

● Mr. LEVIN. Mr. President, today I am introducing legislation, with Senator RIEGLE, to grant a Federal charter to the American Philatelic Society, a nonprofit corporation headquartered in State College, PA. Identical legislation, House Joint Resolution 2097, has already been introduced by Representative MORRISON.

The American Philatelic Society is the largest organization of stamp collecters in the United States. The society currently has 53,000 members who collect post and revenue stamps, first-day covers, and participate in other philatelic activities. Next year, the American Philatelic Society will observe its centennial. This is therefore a particularly appropriate time for the Congress to grant the society a Federal charter.

Mr. President, as one who has long enjoyed the hobby of stamp collecting, I am pleased to sponsor this resolution and I urge my colleagues to support it.●

By Mr. BINGAMAN:

S. 1592. A bill to amend the Tariff Act of 1930 to require that petitioners may elect whether price or constructed value is used in determining the foreign market value of merchandise imported from foreign state-controlled economies; to the Committee on Finance.

TARIFF ACT AMENDMENTS

● Mr. BINGAMAN. Mr. President, I am introducing a bill today to improve the administration of the antidumping duty laws dealing with imports from

nonmarket economy countries. The level of imports from these countries is substantial—$5.2 billion in 1984—often undercutting the more vulnerable industries in the United States, and significantly contributing to the decline in our competitive position. Only by improving our trade remedy laws can we insure that our industries have a fair trade climate in which to compete. Before I describe the legislation, let me explain why it is necessary.

BACKGROUND

One of the U.S. industries severely affected by imports from nonmarket economy countries has been the potash industry centered in Carlsbad, NM. The industry is in trouble. Employment has dropped by one-third in just over 3 years. The industry's decline has been caused by several factors, including the recession, the PIK program, and increased competition from Canadian producers. However, one of the most serious causes of injury to the industry is subsidized and dumped potash entering the declining American market from the U.S.S.R. and East Germany and priced at a steep discount off the prevailing price. It is clear that the industry is suffering heavily from the effects on prices of these unfairly priced imports. There have not only been lost sales, but the unfairly priced imports have lowered prices along the coast and on the Mississippi and caused serious financial setbacks. Recent inadequate actions by the Department of Commerce and the International Trade Commission in response to this problem make it clear that remedial legislation is needed to improve our trade laws.

The domestic potash industry filed antidumping petitions against both the Soviet Union and East Germany. To determine if potash is being sold at less than fair value, the statute says the Department must establish the "normal value" of the Russian and East German potash in their internal markets "on the basis of normal costs, expenses and profits." The Department was correct in trying to use West German internal prices to establish that normal value in the Soviet Union and East Germany. Unfortunately, the West German producer, having agreed to cooperate, at the last minute refused to supply the necessary data. The Department of Commerce then drifted to more unsatisfactory and irrelevant alternatives—France, England—and ended up in the closing hours of the case using realizations from a Canadian export sales combine. The Canadian export prices are far less relevant than West German prices or any of the other alternatives recommended by the industry. These alternatives—constructed costs or price data from customers in West Germany—would have come closer to meeting the intent of the statute. Further, the domestic industry was not given an opportunity to point out obvious problems and calculation errors in the Department's analysis, before the statutory deadline.

The final result seems ludicrous: Preliminary determinations made last September showed dumping margins at 187 percent for the Soviet Union and 112 percent for East Germany. With a change in data based on availability, not relevance, the Department of Commerce concluded that there was no dumping by East Germany and an extraordinarily low margin of only 1.77 percent by the Soviet Union. The margin is the foreign market value minus the U.S. price received for foreign imports.

In the case of the Soviet Union, the Department's final determination means that Soviet potash exports could be assessed only a 1.77-percent duty upon entering the United States, and no duty could be assessed for East Germany. It is not surprising that the ITC ruled that no injury existed from either country. Something about our trade remedy laws is clearly not working.

Additional examples from other industries can be cited where the same problem of having to rely on unreliable data from nonsimilar economies exists. These include the classic case of golf carts from Poland. The Department of Commerce first was led to Canadian data and then had to create a fictional factory in Spain to determine what the normal value was of Polish golf carts in the Polish economy. We also have seen the economy of Paraguay used as a surrogate for the economy of China in a menthol case. In a case involving shop towels from China, Commerce pursued pricing leads in Pakistan, Malaysia, Hong Kong, the Dominican Republic, and Colombia and finally used import prices into the United States, 48 hours before the statutory deadline. Clearly, none of these comparisons were satisfactory.

The procedures, actual practices, and the final results of this process force me to conclude that our present laws and system of trade remedies are simply not being reasonably enforced by the Department. Perhaps, to be fair, these laws cannot be enforced in a completely satisfactory way. The legislation I offer today would arm the Commerce Department with the statutory authority to more fairly evaluate petitions against nonmarket or controlled economies and give it greater latitude to use the best information available.

LEGISLATION

The Department of Commerce has taken the position that the countervailing duty law does not apply to nonmarket economy countries. Therefore the antidumping duty law is the sole unfair trade law that the Department is prepared to enforce against the nonmarket economy countries. The question of whether the countervailing duty law effectively applies to these countries has been under review by the Court of International Trade (*Continental Steel et. al.* v. *U.S.; AMAX et. al.* v. *U.S.*, CIT No. 84-05-00728). The court has just decided that the countervailing duty law does apply to nonmarket economies. The Government will appeal to the Court of Appeals for the Federal Circuit, in all probability, with a request that further administrative proceedings be stayed pending that appellate decision. I believe, as the Court of International Trade does, that the countervailing duty law is absolutely comprehensive in coverage, both as to countries and government practices that may induce exports. But domestic industries are presently faced with the unfortunate situation in which there is only one remedy, the antidumping duty law, to evaluate the fairness of pricing from the nonmarket economies. And that statute does not work very effectively.

I have designed this bill to use acceptable existing practices to a large extent, without attempting to develop an entirely new concept for measuring the fairness of export pricing by centrally planned economies. Wholesale revision of the existing concepts was unsuccessfully attempted in the omnibus legislation that became the Trade and Tariff Act of 1984. My bill preserves the present Commerce Department goal of identifying a comparable market economy, or surrogate economy, to establish foreign market value.

However, the bill requires that the Department, at an early stage in the investigation, decide which market economy will be used for, first, home market price analysis; second, export price analysis, and third, constructed value. The Commerce Department would have to choose the best surrogate economy for each of these possible lines of analysis and justify its choice. Once the choice is made by the Department of Commerce, the petitioners have the right to elect which line of analysis will be used in the investigation. That would end the Department of Commerce practice of choosing a laundry list of countries and not deciding which country's data to use until late in the proceedings—to the detriment of the accuracy, fairness, and completeness of the investigation. The petitioners would also be able to decide, based on their knowledge of the foreign industry, whether constructed values or prices more fairly reflect the "normal costs, expenses and profits" associated with production in the nonmarket economy.

Sometimes petitioners know there are distortions in the home market or in the export markets of a surrogate

market economy country. But they have limited means and time to prove to the Commerce Department, in a series of mini cases within an investigation, that these prices do not reflect the normal situation the statute seeks to establish. Therefore, in my bill, the petitioners are given the right to elect conceptually how the investigation will proceed.

The Commerce Department has never decided what the hierarchy of economic criteria is in choosing a surrogate country. And the statute is silent. That gap is filled in my bill by making comparability of economies the primary factor in the choice of surrogate market economy. Only if it is necessary to decide between quite similar market economies may the Department compare sectors or analogs in actual manufacturing facilities. The bill seeks to end choices reached primarily on the technical similarity of production—the supply side of the overall analysis—because such claims tend to ignore entirely the demand side. They ignore, for example, the local demand for the commodity, and whether the countries are export oriented or insulated from the forces of the international economy. Also, the focus by the Department of Commerce from time to time on the technical similarity of production ignores the fact that costs of inputs are as important as the physical use of inputs.

Finally, the bill directs the Department of Commerce to use verifiable information, if possible, once a surrogate country and line of analysis have been selected, but as an alternative, to use the best information available. It ends the tail-wagging-the-dog situation that has come to exist, in which the Department draws up extensive lists of possible surrogate countries and descends far down the list and far from true economic comparability in an effort to secure verifiable data. Administrative experience at the Department of Commerce has been that foreign manufacturers not directly involved in antidumping proceedings have little interest in making their confidential costs and price data available. Indeed, if they do, they may expose themselves to the risk of trade action against them. It is poor practice to give predominant importance to the acquisition of verifiable information over the comparability of the surrogate economy. The bill avoids those situations where the availability or nonavailability of particular information has become critical to the outcome of the case—as was the situation of West German data in the potash cases. And it avoids interference with the investigation process by a party suppressing price or cost information.

CONCLUSION

As the international trade environment becomes more complex and competitive, it is imperative to apply effective remedies to deal with unfair competition from nonmarket economies. We have an existing set of remedies for dealing with unfair trade practices by market-oriented economies. It is only fair to have a similar system for nonmarket economies. I believe my legislation brings more equity to the trade remedy process, and I encourage my colleagues to support the bill.●

By Mr. LAUTENBERG (for himself and Mr. BRADLEY):

S. 1593. A bill to direct the Administrator of the Environmental Protection Agency to conduct a national assessment of the extent to which radon gas formed from naturally occurring deposits of uranium is a threat to public health, to authorize a demonstration program to test methods of eliminating the threat to public health from radon gas, and to authorize disaster relief assistance for releases of radon gas; to the Committee on Environment and Public Works.

RADON ASSESSMENT AND REDUCTION ACT

● Mr. LAUTENBERG. Mr. President, I rise today to introduce the Radon Assessment and Reduction Act of 1985. A companion bill is being introduced in the House of Representatives by Congressman EDGAR. I am pleased to be joined by Senator BRADLEY as cosponsor.

Radon is just now being recognized as one of the major threats to public health facing us today. Environmental Protection Agency figures estimate that the number of lung cancer deaths annually due to radon exposure could be as high as 20,000. The Committee on Indoor Air Quality, an interagency research group including representatives of the EPA, Department of Energy, Department of Housing and Urban Development, Tennessee Valley Authority, and National Bureau of Standards, has put this figure as high as 30,000. This would place radon among the top 10 causes of death in the country.

Radon is a gas naturally emitted from uranium and radium found in hard rock and granite. It can travel for miles underground, and reaches the surface through fissures and porous soils. Radon can also reach the surface through ground water supplies. When emitted into the atmosphere, radon dissipates, and causes no health hazard to humans. However, when radon enters a home, due to restricted ventilation, it concentrates, reaching levels which can be a serious hazard to health. Efforts to improve insulation and conserve energy serve to increase radon concentration.

A geologic formation known as the Reading Prong has been found to emit high levels of radon. The Reading Prong extends from eastern Pennsylvania through northern New Jersey into western New York State. Some 20,000 homes located over the Reading Prong in Pennsylvania have been found to be at high risk of radon contamination. It is estimated that at least 80,000 homes in New Jersey face a similar risk.

Fortunately, the means of alleviating radon contamination are relatively simple. However, the costs of retrofitting a home to eliminate hazardous radon contamination can be quite high, with estimates beginning at $1,000. A home in Pennsylvania, found to have the highest radon concentration ever detected in a home in the United States, was retrofitted at a cost of over $30,000.

At present, such substantial costs would have to be borne in whole by the homeowner. Insurance would not provide coverage, and there is no existing mechanism for assistance on the Federal level.

This bill would provide relief to eligible homeowners incurring the costs associated with radon-reduction measures. By classifying radon and radon daughters as natural disasters under the Disaster Relief Act of 1974, it would make homeowners eligible for direct Federal assistance through the Federal Emergency Management Agency [FEMA]. Under FEMA programs, homeowners and businesses would be eligible to receive low interest loans for repairs instituted to eliminate radon exposure. Temporary housing could also be provided to affected residents. This relief would come out of existing FEMA funds, and would not require additional appropriation for radon mitigation measures.

The bill would also direct the EPA to conduct a national assessment of the extent of the hazards posed nationally by naturally occurring radon. The Agency would have to report back to Congress its findings within 1 year of enactment of the bill.

Mr. President, this bill also authorizes a $4 million demonstration program in EPA to test methods of eliminating radon gas from homes over the next 3 fiscal years. This demonstration program, to be conducted within the Reading Prong and any other sites deemed suitable by the EPA, directs the EPA to assess existing mitigation technologies in place, and develop new technologies based on this assessment. Through prompt implementation of the demonstration program, we would begin alleviation of this deadly hazard for those persons found to be at the greatest risk. Annual reports to Congress would be required detailing the progress of the demonstration program. The first of these reports is due in September 1986.

Mr. President, the extent of the radon problem throughout our country is just now being realized. Based upon very limited studies, it is estimated that at least 1 million homes na-

tionwide may be afflicted with hazardous radon contamination.

Radon contamination is a problem that could inflict not only serious health problems, but also considerable financial hardship. Millions of citizens throughout the country could be afflicted with the hardships of radon contamination. Many will be unable to afford the repairs necessary to reduce exposure to carcinogenic radon, and will be forced to continue living in a highly dangerous indoor atmosphere. This bill will take positive, immediate steps to alleviate radon exposure, and will provide the financial assistance to enable citizens to safeguard themselves from continued exposure to the hazardous gas.

Mr. President, the Radon Assessment and Reduction Act of 1985 addresses a matter of serious and growing concern throughout our country, and I urge my colleagues to support the bill.

I ask unanimous consent that the text of the bill and recent articles from newspapers in New Jersey be inserted in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1593

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Radon Assessment and Reduction Act of 1985".

SEC. 2. NATIONAL ASSESSMENT OF RADON GAS.

(a) NATIONAL ASSESSMENT.—The Administrator of the Environmental Protection Agency (hereinafter in this Act referred to as the "Administrator") shall—

(1) identify the locations in populated areas in the United States where radon gas and radon daughters are forming from naturally occurring deposits of uranium and are collecting in residences and other structures;

(2) assess for each location identified under paragraph (1) the amounts of radon gas and radon daughters that are forming and the amounts that are present in residences and other structures; and

(3) determine the level of radon gas and radon daughters which poses a threat to human health and assess for each location identified under paragraph (1) the extent of the threat to human health.

(b) REPORT.—The Administrator shall submit a report to Congress on the results of the assessment conducted under subsection (a) not later than one year after the date of the enactment of this Act.

SEC. 3. DEMONSTRATION PROGRAM.

(a) IN GENERAL.—The Administrator shall conduct a demonstration program to test methods of reducing or eliminating the threat to public health of radon gas and radon daughters. Such methods shall include venting of residences and other structures and any other methods the Administrator determines may be effective in reducing or eliminating such threat. The demonstration program under this section shall be conducted at the Reading Prong, Pennsylvania and New Jersey, and at such other sites as the Administrator considers appropriate.

(b) REPORT.—The Administrator shall submit interim reports not later than September 30, 1986, and September 30, 1987, on the status of the demonstration program carried out under this section. The Administrator shall submit a final report on the results of such program not later than December 31, 1988.

(c) AUTHORIZATION.—There is authorized to be appropriated for fiscal years 1986, 1987, and 1988 a total of $4,000,000 to carry out this section.

SEC. 4. INCLUSION WITHIN DISASTER RELIEF PROGRAM.

Section 102 of the Disaster Relief Act of 1974 (42 U.S.C. 5122) is amended by inserting "release of radon gas and radon daughters," after "explosion," in paragraphs (1) and (2).

[From the Record, May 21, 1985]

RADON TESTS DUE IN N.J. WITHIN YEAR

(By Janny Scott)

It is likely to be a year before New Jersey begins systematic testing of radiation levels in houses on the Reading Prong, the three-state rock formation that has prompted Pennsylvania to begin a sampling of 21,000 homes.

New Jersey environmental officials have rejected the kind of "random sampling" being done in Pennsylvania, where officials say nearly half the homes tested so far have levels of cancer-causing radon that should be reduced.

"An area as large as you're talking about has to be narrowed down in scope," George Klenk, a state environmental spokesman, said yesterday. "You can't just go out and start sampling."

The Reading Prong extends from Reading, Pa., through northern New Jersey and into New York State. It passes through parts of seven counties, including most of Passaic and Morris, and a small section of Bergen.

The formation contains extensive uranium deposits. Pennsylvania officials believe the deposits are responsible for the elevated levels of radon, a radioactive gas that can cause lung cancer after long exposure.

Pennsylvania officials discovered the first, and worst, case last December: In a house near Reading they found levels 675 times higher than the level at which they recommend remedial action.

Since then, the Department of Environmental Resources (DER) has tested 1,600 homes in the Pennsylvania portion of the Prong. Officials figure the program will take up to 18 months to complete.

STRATEGY TO BE DEVELOPED

Klenk said New Jersey will hire a consultant to study the geology of the area and develop "a scientific strategy for a nonrandom sampling of radon in the area."

The Department of Environmental Protection hopes to invite bids by the end of the month. Consultants will have a month to bid, then the state will have a month to choose. The study is likely to take nine months, Klenk said.

"Random sampling has already been shown to be not as accurate as it should be," Klenk said. He pointed out that Pennsylvania has found that houses right next to each other have had widely divergent radon levels.

In the meantime, authorities in the newly discovered and little-understood field of indoor air pollution yesterday described several steps people can take to check their houses.

They said radon levels can usually be lowered through relatively small and inexpensive alterations, such as improving ventilation inside and under the house, and sealing cracks in the the basement.

Private testing costs about $50 and can take up to three months for a reliable reading. While consultants said repairs cost several thousand dollars at most, a state official said they can go as high as $20,000.

"The main point is it's almost always possible to fix the house and bring the levels down to an acceptable point," said Dr. Joel J. Nobel, MD, of the National Indoor Environmental Institute in Plymouth Meeting, Pa., a group of consultants that advises homeowners on how to reduce radon levels.

In Pennsylvania and New Jersey, officials are referring interested homeowners to Terradex Corporation of Walnut Creek, Calif., believed to be the only private company offering radon testing and analysis.

The company will send homeowners one or more pillbox-sized detectors to station in their basements and living quarters for one to three months, H. Ward Alter, the president of Terradex, said yesterday.

The radon gas leaves tiny tracks on a plastic chip in each detector, Alter said. Homeowners return the detectors to the company, which counts the tracks under a microscope and estimates the average concentrations in the house.

With concentrations above a certain level, Alter said his firm refers homeowners to contractors capable of recommending modifications in the house. The testing and analysis cost $50 for one detector and $80 for two.

The margin of error is 20 percent, said Alter, a physical chemist previously employed by General Electric. The device, developed by General Electric, has been used in environmental testing for about six years.

Nobel said his institute recommends people make changes within their home if they find radon levels of four to five picocuries per liter of air—though authorities differ on what levels necessitate action, and there are no standards for safe exposures in the home.

He said one common technique involves subsurface ventilation—installing blowers to enable the subterranean gas to escape from under the house and dissipate in the outdoor air rather than seep into the house.

He and others also recommended increasing household ventilation through such simple methods as opening windows, and sealing cracks in foundations, drains and sumps.

According to officials, randon can be found in most houses. A naturally occuring product of the decay of uranium, it moves easily through small spaces such as those between particles of soil and rock.

In older houses, with cracks and drafts, the radon and the dangerous byproducts of its composition do not collect in the house. But weatherization and the airtight construction of an energy-conscious era have made the houses built in the past 10 to 15 years radon traps.

There are no standards for dangerous levels in homes. The federal government and some states recommend action at certain levels, but they are drawn from standards for miners, who work under very different conditions.

The risk estimates, too, are based on the experience of miners. Studies have found high rates of lung cancer among uranium miners. But there are no data on the effects of long-term household exposures.

Yesterday, officials stressed that a location on a rock foundation like the Reading Prong does not necessarily mean a house will have high radon levels.

The construction of the house, the type of soil beneath it, the distance from a uranium deposit, and the life style of the residents are among the factors that can affect radon levels.

"One can have a house with low levels immediately adjuacent to a house with high levels," said Nobel.

In Pennsylvania, the state has distributed booklets showing how to reduce radon levels in 24 types of houses, and is trying to arrange for courses at local vocational and technical high schools, said Bruce Dallas of the DER.

"We're telling them that there's not an immediate health risk," Dallas said. He said short-term exposure is not believed to pose a threat, "but a long-term exposure really raises the likelihood of lung cancer."

One scientist widely considered an expert in radon said he found high levels in his house. Instead of moving out, he said he has been "studying it for a year and a half" and "treating it as a lab."

Suggesting that the media may have exaggerated the risks of low-level radiation, he said he is not concerned about his health. However, he asked not to be identified because his wife does not like people to know.

But Nobel, who found high levels in his house and has taken steps to bring them down, said, "Since the problem is relativley easy to get rid of, it would seem foolish to wait 20 to 25 years for castastrophic data."

[From the Home News]

WORRIED HOMEOWNERS CAN PURCHASE DETECTOR TO TEST FOR DEADLY RADON

(By Sarah Strohmeyer)

Homeowners who are concerned about the presence of radon in their homes can conduct their own tests for the lethal gas before the state begins testing in at least five central and northern New Jersey counties this summer.

The state Department of Environmental Protection was flooded with phone calls yesterday about the threat of radon gas and its division of air quality assigned a group of staff scientists to answer the inquiries, a spokemsan said.

A Calfornia company manufactures the only commercially available radon gas detector. The devise, which is used by the federal Envrionmental Protection Agency, is available to indivdiual homeowners for $50.

Dr. H. Ward Alter, president of Terradex Corp. Of Walnut Creek, Calif., said his company submitted a $500,000 bid May 15 to the DEP to use the devise in testing a random number of homes in all 21 New Jersey counties.

The concern about radon surfaced earlier this month when federal and state officials discovered that a geological formation, running across the northern half of New Jersey from Pennsylvania to New York state, contains uranium deposits that emit the gas.

Homes in northern Somerset County along the edge of the gological formation—the Reading Prog—which mainly runs through Morris, Passaic, Hunterdon and Warren counties.

Approximately 5,000 to 20,000 people die each year because of radiation from the gas, which causes lung cancer after long exposure at high levels, said Terry McLaughlin, position chief of environmental standards for the federal EPA.

Although the state has never tested homes for natural radon gas exposure, "hundreds to thousands of homes may contain higher than normal levels" of the gas, said Dr. Curtis E. Cummings, chief of the occupational environmental health clinic for the state Department of Health.

"Radon is everywhere all the time," said McLaughlin. "It's a matter of levels."

A "working level" of radon gas in the home is .02 (4 pico-Curries per liter), he said. If a home has a level of .04 (8 pico-Curries per liter) or more, the home should be ventilated.

"A high level of radon is relatively inexpensive to correct," said McLaughlin. Radon gas reaches high levels in homes that are poorly ventilated where it cannot escape to outside air. By improving the ventilation of crawl spaces, installing slab ventilation beneath the house or simply adding an air cleaner, the levels of radon can be drastically reduced, he said.

McLaughlin said he knew of no home that had to be permanently abandoned because it showed high levels of the gas.

Radon actually travels from miles below the earth's surface into the basement of many homes where it becomes trapped and lodged in dust. But clearing away the dust is not enough to remove the gas, said Alter.

"To filter the air is not enough, you have to get rid of the radon," Alter. He said the detector—called a Tractch—is a small cylinder that is set up in a basement for one to three months and then sent to Terradex for interpretation. When the homeowner is informed of the results of the radon test, the company then makes suggestions on how to clear the gas, depending on the house's design, he said.

Alter said federal and state environmental agencies have chosen to ignore naturally emitted radon gas in homes. Most testing has been done in western states where tailings from uranium minds have spread the gas.

"Radon gas is a natural hazard and the government has not informed the public about it," said Alter whose company has been making the testing device for 11 years. "We've been testing homes for six to seven years but the EPA has quietly swept the problem under the rug for the past five."

"Radon gas gets addressed when it shows up in high levels," said Cummings. He said routine radon testing of homes is too expensive for the state.

"Nobody anywhere has ever done routine testing," Cummings said.

But testing for radon gas should be done routinely, especially in newly built homes that are of tighter constructions, Alter said. He said Washington state is presently considering a bill to make radon testing a requirement for building permits.

New Jersey has tested for randon gas in the past. In 1983, 43 homes in the Essex County communities of West Orange, and Glen Ridge were found to have high levels of radon gas.

At that time, state environmental officials suggested the radon was linked to the former U.S. Radium Corp. plant in Orange that refined ore into radium and used the luminescent substance on watch faces. The DEP spent $8 million testing 339 homes with cleanup costing about $40 million.

[From the Home News, May 23, 1985]

TESTS FOR LETHAL RADON GAS SET FOR NORTHERN SOMERSET

(By Sarah Strohmeyer)

Some homes in the hills of northern Somerset County will be tested this summer for lethal radon gas seeping from radioactive uranium deposits located miles under the earth's surface, a state environmental official said yesterday.

"We expect very few houses will show radon," said Jim Staples, a Department of Environmental Protection spokesman. He said the DEP plans to start testing in "problem houses" by July.

A geological formation running across the northern half of the state, from Pennsylvania to New York, was recently found by federal and state officials to be emitting radon gas in some homes in the Reading, Pa. area.

Dubbed the "Reading Prong," the band of rock is located mainly in Morris, Passaic, Warren and Hunterdon counties. The top half of Somerset lies on the edge of the geological formation.

Staples said the DEP has received "hundreds of calls' about radon since the discovery was announced earlier this week.

Radon gas is a biproduct of disintegrating uranium, a radioactive metal usually found in types of granite. Long exposure increases the chance of getting lung cancer.

So far the state Health Department has proved no correlation between people living along the Reading Prong and reported cases of lung cancer, according to state officials.

Somerset County Administrator Bjorn E. Firing said he was not notified of radon gas testing.

The testing of the Somerset County homes will be the first time the state has ever searched for naturally emitted radon, Staples said. In 1983 radon was found in 43 homes in Essex County that were believed to contain uranium because of the former U.S. Radium Corp. plant in Orange.

At high risk are homes that are poorly ventilated, usually heavily winterized, that do not allow the gas to escape out of the house, Staples said. In the open air, radon presents no health threat. But gas that seeps into houses where it cannot escape is inhaled by occupants, doing great damage to lungs.

But homes that show a high presence of radon are not safe if they are just ventilated, according to Harvey Sachs, a radon expert. "If there is a level of radon 10 to 20 percent higher than normal, how can you ventilate a house that much and still pay the heating bills," he asked.

A former member of the Princeton University faculty who studied radon levels in Pennsylvania homes bordering the Reading Prong in 1980, Sachs said the state knew about the high levels of radon in that area three years ago.

"I have no basis to make a statement that the same levels are in New Jersey," said Sachs. He said thousands of people die each year because of radon.

Homeowners can buy commercial monitors that measure levels of radon in their homes, Sachs said. The monitors are then mailed back to the producing company which interprets the results, he said.

Sachs echoed opinions of other area geologists who said radon levels in new homes should be routinely measured and that local building codes should be changed in areas of high radon levels.●

By Mr. LAUTENBERG (for himself, Mr. ROCKEFELLER, Mr. GORE, Mr. PELL, and Mr. METZENBAUM):

S. 1594. A bill to amend the Communications Act of 1934 to increase the availability of educational and informational television programs for children; to the Committee on Commerce, Science, and Transportation.

CHILDREN'S TELEVISION EDUCATION ACT

● Mr. LAUTENBERG. Mr. President, I rise today to introduce the Children's Television Education Act of 1985. The legislation is intended to ensure that the Nation's children enjoy the educational and informational benefits that television can offer.

I am pleased that Senators ROCKEFELLER, GORE, PELL, and METZENBAUM join as cosponsors, and that Representative WIRTH, who has been a leading voice on this issue, is today introducing identical legislation in the House of Representatives.

There should be no question that television is still the most pervasive mass medium in our society. By the time the average student graduates from high school, that child has spent more time watching television than in the classroom.

Television can have a major impact in educating and informing children and exciting their curiosity about the world around them. Television can impart values and skills. Its role in the educational development of our children is all the more important, in light of findings that America's educational system must work harder and harder to prepare our children to compete effectively in an international economy.

Broadcasters must seek to fulfill television's potential to educate and inform. That is their legal obligation. They are granted use of the public's airwaves, a scarce but valuable resource. They are, in short, public trustees, obliged to serve the public interest. That is the basic principle of the Communications Act. And an important part of the public broadcasters are obliged to serve is children.

In general, commercial television broadcasters have failed the children of this Nation. Broadcasters air precious little programming directed toward children, even less of some educational or informational value. Notwithstanding the Federal Communications Commission declaration back in 1974 that broadcasters have a special responsibility to children, broadcasters have not responded. The amount of educational and age specific programming has remained static. Although children mostly watch television during the week, almost half of children's progamming is aired on weekends.

From a market perspective, the broadcasters' performance is no surprise. Broadcasters sell commercial time to advertisers who want to reach people who spend money. Children simply are not the most valuable audience. Left to their own devices, broadcasters will sell children short. Indeed, broadcasters who want to serve children, do so at their commerical peril.

This is a situation that justified regulation. But, just as broadcasters have failed the children, the Federal Communications Commission has failed the public. In December 1983, the Commission, by a 4 to 1 vote, closed the book on a 13-year proceeding on children's television and abdicated its regulatory responsibility. The Commission reasoned, in part, that children had access to information from other sources—like cable television and video cassette recorders.

As Commissioner Henry Rivera stated, in an eloquent dissent:

> At a time when the educational training and fitness of children are subject to increasing criticism, this indifference is unfortunate, if not outrageous.

More recently, the Commission rejected petitions to even inquire as to the growing commercialization of children's programming. In too many cases, the cartoons children watch are nothing more than program-length commercials, featuring the toy characters that sponsors want to sell. Marketing is done not just in 30-second spots, but in 30-minute program slots.

It is time for the Congress to step in. The legislation we introduce today would set up a clear but not inflexible standard for broadcasters to meet. The bill prescribes a guideline of 7 hours a week of educational and informational programming, 5 hours of which shall occur Monday through Friday.

If a broadcaster fails to meet that guideline, an interested party may file a petition before the Commission against the broadcaster when it comes time for license renewal. The Commission is required to hold a hearing. At that hearing, the broadcaster would have the burden to show that, notwithstanding its failue to meet the guideline, it has fulfilled its obligation to serve the child audience.

The bill makes clear that the obligation to serve children is a real one. The obligation is independent of considerations about the contribution, if any, of other media or electronic technologies. Broadcasters alone utilize scarce spectrum space. Their licenses are worth millions and millions of dollars. They have an obligation, in return for the use of the public's airwaves, to serve the public.

Mr. President, there is precedent for this kind of regulation. The FCC for many years imposed guidelines, setting a limit on the air time for commercials, and a minimum on the air time for public affairs and news and local programming. If a broadcaster failed to meet that guideline, his application for license renewal would be subject to review by the full Commission.

The FCC repealed those guidelines last year. It argued that marketplace forces compelled Broadcasters to limit commercials. Viewers would turn to other stations. Marketplace forces compelled broadcasters to provide news—because the viewers want it. However, the marketplace does not compel broadcasters to serve children. So, Congress, in the absence of FCC action, must step in.

The bill also addresses the problem of program-length commercials. It requires the Commission to commence an inquiry and to report its findings within 9 months. The problem is a serious one, and the Commission should not ignore it.

Mr. President, in the last Congress, Representative WIRTH introduced legislation in the House, and I introduced identical legislation in the Senate, mandating simply an hour a day of educational or information programming. The legislation we introduce today, I think, is an improvement. It sets a guideline that is clear, but not without flexibility. It states clearly the consequences of a broadcaster's failure to serve the needs of children.

Representative WIRTH and I have benefited from the active participation and support of Action for Children's Television, the National PTA, the National Education Association, and the American Academy of Pediatrics.

I ask unanimous consent that the text of the bill be printed in the RECORD.

I also ask unanimous consent that at the conclusion of my remarks, a recent editorial from Business Week be printed in the RECORD. It is worth noting that even while championing the deregulation of the Commission, the editorial draws a distinction with children's television, and criticizes the Commission for allowing its overcommercialization.

And finally, Mr. President, I ask unanimous consent that there be printed the policy statement of the American Academy of Pediatrics on children's television, a number of recent articles, and the full text of the dissent of Commissioner Rivera to the FCC's children's television ruling. The dissent lays out clearly the factual and legal basis for legislating in this area.

Mr. President, I intend to actively pursue this matter in the Senate in the coming weeks and months. Our children should not be shortchanged.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1594

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Children's Television Education Act of 1985".

SEC. 2. FINDINGS.

(1) a series of expert commissions have documented serious shortcomings in our Nation's educational system which will profoundly affect both the opportunities available to our Nation's children, and the ability of the United States to compete effectively in an international economy;

(2) by the time the average student graduates from high school, that child has spent more time watching television than the classroom;

(3) the potential of commercial television programming for making a major positive impact in improving the education of children has been largely unrealized;

(4) it has been clearly demonstrated that television can assist children in learning important information, skills, values, and behavior, while entertaining them and exciting their curiosity to learn about the world around them;

(5) commercial television is the most effective and pervasive mass medium;

(6) as public trustees, commercial television station operators have a legal obligation to serve children, regardless of the contribution that may be made by public television, cable television, video cassettes, or other new or traditional communications media;

(7) commercial television has generally failed to meet its obligation to provide educational and informational programming to children as part of its obligation to serve the public interest; and

(8) the Federal Communications Commission, in concluding its proceeding on children's television, has declined to take effective steps to increase educational and informational programming designed for children on commercial television and has instead rendered broadcaster's obligations to serve children vague and unenforceable.

SEC. 3. CHILDREN'S TELEVISION PROGRAMMING.

Part I of title III of the Communications Act of 1934 is amended by redesignating the last section as section 333 and by inserting before such section the following:

"CHILDREN'S TELEVISION PROGRAMMING OBLIGATION

"SEC. 332. (a) The purposes of this section are—

"(1) to further use the potential of television for the positive educational and informational benefit of our Nation's children;

"(2) to encourage expanded development of programming specifically designed to meet the educational and informational needs of children;

"(3) to enforce the obligation of broadcasters to meet the educational and informational needs of the child audience; and

"(4) to establish a presumptive quantitative guideline for serving the child audience, which broadcasters must meet or establish good cause for not doing so.

"(b) In exercising its obligation to serve the public interest, convenience, and necessity under this title, each television broadcasting station shall broadcast a substantial amount of programming—

"(1) which serves the educational and informational needs of children who are 12 years of age or younger through programming that is specially designed to meet such needs;

"(2) which is reasonably scheduled throughout the week; and

"(3) which is directed to specific age groups of children.

"(c) The Commission shall prescribe such regulations as are necessary to carry out the purposes of this section. Such regulations shall be initially prescribed not later than 180 days after the date of the enactment of the Children's Television Education Act of 1985.

"(d)(1) The Commission shall designate for hearing under section 309(e) any application for renewal of a license by a television station, if a petition for denial is filed under section 309(d)(1) that contains specific allegations of fact claiming that the applicant has failed to broadcast a minimum of 7 hours a week, 5 hours of which shall occur Monday through Friday, of programming that is described in subsection (b)(1), (2), and (3).

"(2) In a hearing held pursuant to this subsection, the burden of proceeding with the introduction of evidence and the burden of proof shall be upon the applicant with respect to its fulfillment of its obligation to serve the child audience.

"(3) Notwithstanding section 309(d)(2), the Commission may dismiss any petition to deny an application for renewal only if it determines that the petition is frivolous.".

SEC. 4. REPORT.

Section 5(g) of the Communication Act of 1934 is amended—

(1) by striking out "and" at the end of paragraph (3);

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following:

"(5) list those television broadcast station licensees whose licenses were renewed, notwithstanding failure to meet the level of programming set forth in section 332(c)(1), and describe in detail the reasons for the renewal; and

"(6) describe the implementation by the Commission of section 332, and its impact on television programming designed to meet the educational and informational needs of children.".

SEC. 5. PROGRAM LENGTH COMMERCIALS.

(a). INQUIRY.—The Federal Communications Commission shall conduct an inquiry into program length commercials for which the primary audience is children who are 12 years of age or younger. As part of such inquiry, the Commission shall assess whether, and to what extent, the broadcasting of such commercials breaches the obligations of a commercial broadcast station licensee to serve the needs of children.

(b) REPORT.—Within 9 months after the date of the enactment of this Act, the Federal Communications Commission shall complete the inquiry under this section and send a report to the Congress on its findings.

(c) PROGRAM LENGTH COMMERCIAL.—The term "program length commercial" means programming—

(1) which is intended as the primary element of a program or programming segment of 20 minutes or longer; and

(2) which is designed, in whole or in part, to promote the purchase of one or more specific products by—

(A) the theme of the programming, and

(B)(i) the identification of the product by name in the title of the programming, or

(ii) the reference or display of the product in the content of program in a manner of to the extent that readily permits the identification of the particular product brand.

SEC. 6. EFFECTIVE DATE.

This Act shall take effect 60 days after the date of the enactment of this Act.

[From the Business Week, Aug. 5, 1985]

THE FCC IS ON THE RIGHT TRACK

Starting about 1980, exploding technology and burgeoning competition in the U.S. telecommunications and broadcasting industries began shaking the Federal Communications Commission out of its comfortable rut. The agency could have responded to the ensuing period of dramatic change by throwing a regulatory net over every new product and service that dared show its head. Instead, under its colorful chairman, Mark S. Fowler, who took over in May, 1981, the FCC has become a high-gear engine for deregulating the industries it was created to oversee.

The task of opening up two large and complex industries is bound to generate conflict. By pushing hard for marketplace solutions, Fowler has upset entrenched interests that prospered under the benign protection of regulation. Fowler has also made his share of mistakes. He has been brash, especially in dealing with powerful congressional committees, and he has exposed himself to some valid criticism, such as assertions that he has permitted the over-commercialization of some children's television programs.

But the most important point is that under Fowler the FCC has encouraged rather than slowed competition and innovation in services and products that were once the domain of government-sanctioned monopolies. He is on the right track.

[From the Business Week, Mar. 25, 1985]

ARE THE PROGRAMS YOUR KIDS WATCH SIMPLY COMMERCIALS?

On the distant planet of Eternia, Prince Adam changes into He-Man and does daily battle against the evil Skeletor and his legion of dastardly villains. At stake in He-Man and The Masters of the Universe, a syndicated television program for children, are Castle Grayskull and the secrets of the universe. But all the warfare in children's TV isn't fought on the screen. Battle lines are being drawn between broadcasters, toy manufacturers, children's advocates, and regulators. At issue: whether children's TV shows are becoming little more than feature-length commercials for new lines of toys.

Masters of the Universe is representative. Adam, Skeletor, and the others began their existence not as the brainchildren of cartoonists but as toys created by Mattel Inc. Then, in a joint effort with Filmation Studios, the company developed a TV show based on the characters as part of a coordinated package to promote and sell the toys.

Product licensing has been around since Mickey Mouse. But selling a program and a toy as a package is new. The trend has grown with the recent deregulation of television, and the practice angers many parents and children's advocates. "This is the worst kind of exploitation," says Frank W. Orme, the 79-year-old president of the Los Angeles-based National Association for Better Broadcasting (NABB). "It's deceptive and cynical because kids can't tell when they are being pitched." The Federal Communications Commission will consider the complaints within the next few weeks.

MONEY MACHINE

For toy companies, the fate of a powerful marketing tool hinges on the outcome of

the FCC's deliberations. "Until recently, we would come out with a product, put on TV commercials, and kids would ask for the product after seeing the commercials," says Joseph Mendelsohn III, president of General Mill Inc.'s Kenner Products Div. Now, instead of being confined to a 30-second spot, Kenner weaves product-based characters, such as Care Bears and Strawberry Shortcake, into half-hour animated programs. "The payoff is much bigger," Mendelsohn says.

Indeed, the marketing edge that comes from turning a toy into a television star is proving increasingly irresistible to toy companies. The number of toy-based shows has jumped from 14 to 40 in the past two years. Mattel's Masters of the Universe line—priced from $5 to $30—racked up $500 million in worldwide sales in 1984, its third year. The company has had problems keeping up with demand. Helped by a TV show called The Transformers, Hasbro Bradley Inc.'s Transformers toy line—which can change from vehicles to robots—pulled in more than $100 million in its first year, making it the most successful toy introduction ever.

As the FCC continues to ease rules requiring the separation and clear identification of commercials, critics fear these programs will spread throughout children's television. "In a competitive environment, no toy manufacturer can afford not to have its own programs based on toys," says Peggy Charren, founder of Action for Children's Television (ACT), a Newtonville (Mass.) children's advocacy group. Adds FCC Commissioner Henry M. Rivera: "If the commission blesses this practice by inaction, the vast majority of children's programming eventually will be funded this way."

But Rivera is a minority of one on the five-member FCC. Despite his dissent, the commission eliminated children's programming guidelines just before Christmas in 1983 and later deregulated nearly all commercial practices on television. Broadcasters had claimed deregulation would have little effect because marketplace competition would keep them in line. But ACT and the NABB contend market forces do not adequately protect children, a uniquely vulnerable class of consumers. They filed the FCC complaints, hoping to slow the spread of product-based programming.

PROFIT SHARING

The FCC will also consider an ACT proposal that would keep station owners from receiving part of the profits from sales of merchandise featured on the programs they broadcast. That request attacks an unusual deal worked out by Telepicture Corp., producer of the forthcoming ThunderCats animated action series, which features cat-like superheroes. Telepicture offered station owners who signed on early an option to participate in profits from the program and from toys and other licensed products based on ThunderCats characters. To date, about 45 licensing deals have been arranged. The program which cost a staggering $15 million to produce, already is scheduled to air in nearly 90 percent of the country when it debuts this fall.

Opponents say this type of arrangement will distort programming decisions, leading broadcasters to consider retail sales potential in scheduling programs. But Telepictures President Michael N. Garin defends the profit-sharing plan as an innovative way of allowing small producers to mount expensive productions. "Only by bringing in stations at the initial stages to share the risks are you going to have any alternatives to network television," he says.

NATIONAL SCANDAL

Increasingly, toy companies are producing the product-based shows themselves, or are striking joint agreements with established producers such as Hanna-Barbera Productions, a Taft Broadcasting Co. subsidiary. Many of the shows are then sold to independent stations.

The networks, ambivalent about the trend to product-based programming, are partly responsible for the role the independents have taken. They turned down top-rated Masters of the Universe, for example, largely based on objections to Mattel's involvement in the program's production company. "I have a general discomfort with toy-company ownership positions [in these] series," says Squire D. Rushnell, American Broadcasting Cos.' vice-president for children's programming. "How do you separate the intention of doing a TV show from the intention of selling a product?" Still, all three networks are now running children's shows that were inspired by products. George F. Schweitzer, a CBS Broadcast Group vice-president, asks: "Why should it be wrong if the top inspired the program and not the other way around? We evaluate programming on entertainment value and not on its merchandising ability."

If the FCC rejects the complaints, as is widely expected, opponents shouldn't count on help from Congress. Although Representative Timothy E. Wirth (D-Colo.), chairman of the House telecommunications subcommittee, calls product-based programming "a national scandal," he says Congress can't tell broadcasters what they can or cannot air. Concludes Wirth: "You can't legislate good judgment."

[From the USA Today, Mar. 15, 1985]

FEDERAL HELP NEEDED TO GIVE CHILDREN CHOICE

(By Peggy Charren)

NEWTON, MA.—Choice is the secret to public service on that small screen from which most of us get our news, our entertainment, our fantasies, and our perceptions of what's happening all over the world.

The lack of choice in commercial TV's offerings to children is a national disgrace.

Neither CBS, NBC, nor ABC airs a single daily or even weekly show for children Monday through Friday.

The nation's major toy companies—Mattell, Hasbro and a dozen others—now control the production of more than 40 children's "program-length commercials" based on brand-name toys.

The new GI Joe series, for example, includes 90 half-hour shows featuring every character, vehicle, and weapon in Hasbro's GI Joe line.

It is too soon to depend on cable or home video to provide the diversity missing from TV station schedules.

These new delivery systems are not yet in a majority of U.S. homes and the cost means this solution discriminates unfairly against the poor.

Public broadcasting, the source of programs that serve a multitude of special audiences, including children, with education and entertainment, is underfinanced and cannot fill the void by itself.

That's the bad news.

But the good news is that TV choice for children and their families can be a reality before the end of 1985 if three Washington institutions each deal with a single piece of the problem.

The Federal Communications Commission must enforce its own guidelines against program-length commercials for children, a guideline first promulgated in 1974.

The President, instead of vetoing funds for the Corporation for Public Broadcasting—as he did twice last year—should become a vocal supporter of increased dollars for PBS.

Congress should act to pass the Children's Television Education Act, introduced last year by Rep. Tim C. Wirth, D-Colo., and Sen. Frank Lautenberg, D-N.J.

This bill would provide for each station to air five hours a week of children's educational programs Monday through Friday.

With enough choice for young audiences, parents can help their children to develop viewing patterns that educate, entertain, and enchance the process of growing into happy, productive adults.

The choice for choice is ours, but only if we all act together on behalf of our children.

[From the U.S. News & World Report]

WHY CHILDREN'S TV TURNS OFF SO MANY PARENTS

(By Geoffrey Tooth)

Amid growing alarm over violence on television, a wide-ranging drive is under way to improve the quality of TV shows for American children.

Heating the campaign that is reaching all the way to Congress is a concern that the nation's 33 million children between the ages of 2 and 11—some of TV's most ardent viewers—are being shortchanged by the electronic screen.

The A.C. Nielsen Company says the average child in that age group watched a record 27 hours and 21 minutes a week in its latest survey in November, compared with 23 hours and 18 minutes a decade ago. By the time most young people leave high school, they have spent more time before a television screen than in the classroom.

Critics complain that despite viewer enthusiasm the number of educational programs for children is declining, especially on the three commercial networks. Such shows as "Captain Kangaroo" have disappeared, and most of what remains on ABC, CBS and NBC are cartoons, which some say have little informational value.

LIMITED ACCESS

The Public Broadcasting Service offers highly acclaimed programs such as "Sesame Street," but many parents complain that they aren't enough because PBS is unavailable or reception is poor in some areas.

"The commercial TV networks have abandoned their obligation to children," says Peggy Charren, president of Action for Children's Television, a Boston-based citizen's group. "The problem with children's television is that there isn't enough, and what there is isn't diverse enough."

Initiatives for change include measures at the local and national levels, both inside and outside the broadcasting industry. Among them—

Legislation soon to be introduced in Congress would require every TV station to air a minimum of about 5 hours of programs a week to enhance the education of children. Backers of the plan include Senator Frank Lautenberg (D-NJ) and Representative Timothy Wirth (D-Colo), chairman of the House Telecommunications Subcommittee.

A bill sponsored by Senator John Heinz (R-Pa) would allow tax credits for corporations that invest in the development of children's programs on public broadcasting.

Commercial networks are about to introduce a variety of new programs for the young, including a half-hour show on NBC with news for children.

Some local stations also are trying new approaches. Channel 20 in Washington, D.C., for example, introduced a series January 27 designed to teach parents and young people how to learn more from the medium and to participate in the creation of shows.

Much of the desire for change stems from fears that many children are influenced as much or more by TV as by traditional sources of guidance—families, churches and schools. A 1982 study by the National Institute of Mental Health concluded that "violence on television does lead to aggressive behavior by children and teenagers who watch the programs." The National Coalition on Television Violence, a citizens' group, reports a recent "deluge of high-action, violent cartoon shows."

Says Dr. Thomas Radecki, head of the coalition and a psychiatrist: "We can only pump so much violence into our people before we explode."

The coalition reports that violent acts on television—viewed by many children as well as adults—increased 65 percent in the last four years. The group counted 46 acts of violence an hour on NBC's "The A Team." Defenders counter that TV mayhem is clearly perceived by most viewers as entertainment and reflects themes dating back to the plays of ancient Greece.

CRITICAL SURVEYS

A new study by the Task Force on Children and Television of the American Academy of Pediatrics, says TV contributes not only to violence but also to high rate of drug and alcohol abuse and encourages smoking and obesity. The report pinpoints advertising on children's programs and prime-time broadcasts as major influences.

Many scholars say that changes now being considered are inadequate. Notes a study by the Markle Foundation/Boys Town Conference: "The U.S. is failing to make full and effective use of television as an educational tool. In this technological age, there can be no effective education policy without an effective telecommunications policy."

The conference, to which some of the nation's leading educators contributed, found the U.S. far behind many other countries in providing educational programs for the young. The British Broadcasting Corporation, for example, airs 840 hours of at-home children's TV a year, compared with 150 hours a year of new shows on America's PBS.

The study urges that public broadcasting be a main conduit for more programs in light of generally low profits on children's shows on commercial channels. Also recommended: A crash program costing 62 million dollars a year—to be paid by the U.S. government—that would create a variety of new informational shows for children up to age 13.

The Markle report concludes: "Unless we begin to value television for its educational potential, that potential will never be realized."

CHILDREN, ADOLESCENTS, AND TELEVISION

Next to the family, television may be the most important source of information for children and a principal factor influencing their development. Children two to 12 years old in the United States watch approximately 25 hours of television per week. On an annual basis, children spend more time in front of their television sets than they spend in school.

Television is a powerful tool that can promote learning, create aspirations, and induce prosocial behavior. When it deals with medical topics, television contains many messages that promote health or prevent illness. However, television advertising and programming can adversely affect learning and behavior of children and adolescents in a number of significant areas:

1. Repeated exposure to televised violence promotes a proclivity to violence and a passive response to its practice.

2. Television viewing increases consumption of high caloric density snacks, and increases the prevalance of obesity.

3. Although the evidence that television may have a deleterious effect on school performance may be confounded by other factors, learning from television is passive rather than active, and detracts from time spent reading or using active learning skills.

4. Television conveys unrealistic messages regarding drugs, alcohol, and tobacco, and indirectly encourages their use.

5. The portrayal of sex roles and sexuality on television is unrealistic and misleading: sexual relationships develop rapidly; the risk of pregnancy is rarely considered; adolescence is portrayed as a constant state of sexual crisis. These characteristics may contribute directly or indirectly to the risk of adolescent pregnancy and clearly alter age-dependent experiential learning with respect to sexuality. Pornography on cable television is a particularly important concern.

6. Television promotes ethnic and racial stereotypes and does little to promote a sympathetic understanding of handicapped people.

7. Television conveys an unrealistic view of problem solving or conflict resolution.

To address these concerns, we recommend that the AAP:

1. Educate pediatricians with respect to the consequences of television viewing. Approaches should include the development of specific materials and curricula for teaching medical students, pediatric house staff, practicing pediatricians, and others who deal directly with the health of children and adolescents.

2. Provide materials and an approach to counseling children, adolescents and their families regarding the effects of television and methods suitable for altering viewing habits. Although an AAP pamphlet already exists for this purpose, additional materials regarding alcohol and sexuality would be useful. Specific recommendations for counseling should be developed.

3. Encourage legislative activity to increase quality programming and reduce advertising directed at children.

4. Establish liaisons with networks, producers, writers, and other professional organizations to improve the quality of programming and advertising and to act as a resource for these groups.

5. Provide an ongoing review of new technologies that enable families to alter or control their children's television viewing habits.

6. Encourage involvement by local and chapter groups to interact with network affiliates, independent television stations and cable companies to improve local programming and advertising directed at children.

Task Force on Children and Television: H. James Holroyd, M.D., Chairman; S. Norman Sherry, M.D.; Frank Palumbo, M.D.; Victor Strasburger, M.D.; William H. Dietz, Jr., M.D., Ph.D.

REFERENCES

1. Pearl D., "Television and Behavior: Ten Years of Scientific Progress and Implications for the Eighties." Vol. 1., DHHS Publ. No. AOH 82-1195. 1982.

2. Gerbmer G. "Report of the Effects of Television on Children." Annenberg School of Communication, University of Pennsylvania, Phila. 1982.

3. Comstock G., Robenstein E., Murray J. (eds). "Television and Social Behavior: A Technical Report to the Surgeon General's Scientific Advisory Committee on Television and Social Behavior" 5 vols. DHEW Publ. No. HSM 72-9160. 1972.

4. Breed W., Defoe JR., "The Portrayal of the Drinking Process by Prime-time Television." *Journal of Communications.* Winter 1981.

5. Danaher BG., Berkanovic E., Gerbmer R., "Smoking and Television: Review of Extant Literature." *Addictive Behaviors.* 8:173-182. 1983.

FOWLER'S FCC TELLS KIDS TO GET LOST

(By Paul Harris)

WASHINGTON, Dec. 27.—The FCC's latest kidvid policy statement, depending on one's perspective, represents either the pinnacle or the nadir of chairman Mark Fowler's philosophy of "unregulation."

With the wave of a hand last week, Fowler dismissed the idea of adopting program standards for kidvid, arguing that doing so would violate a D.C. Appeals Court decision (see separate story). Never mind that view's unfirm legal footing, Fowler's message to the industry is clear: This agency wants to renew every broadcast license and can best do so by removing such petty technicalities as a station's performance.

In classic doublespeak, the commission ruled that tv stations have an obligation to serve moppet interests, but no minimum guidelines will be stipulated. So innocuous is the language that a station can now get by without programming anything specified for children, according to dissenting commissioner Henry Rivera, a Reagan appointee.

It need only argue that kids are served by other video sources in the community, from "Sesame Street" on a PBS station to cable tv or even homevideo. That's economic discrimination, as fundamental as it comes, Rivera argues.

Needless to say, the position goes farther then any previous FCC Chairman, either conservative or liberal, has been willing to tread in excusing broadcasters from recognizing the special needs of a constituency that can't fend for itself in the marketplace. Responsible broadcasters will continue to see a commitment—if only to ward off competing applications—while marginal stations may now bask in the realization that a once-feared FCC is now their true friend.

In short, the agency has muddled the kidvid lingo to such an extent that there is no way a station can be held accountable. FCC official Bill Johnson admitted as much when he said last week he could not conceive of how a broadcaster could be considered in violation of the new policy, there are so many variables.

Just how Fowler's well-known distaste for programming guidelines would withstand the first comparative hearing on the subject is open to question. The commission would be required to measure an incumbent's level

of kivid programming—say, zero for example—against a petitioner's promise for a specific level of excellence. That's a quantitative collision he presumably would seek to avoid.

Meanwhile, broadcasters have officially suppressed their glee over the ruling with an innocuous statement of their own. "Children are our most valuable resource," cried Eddie Fritts, prez of the National Assn. of Broadcasters, who argued that interjecting Federally mandated programming is a dangerous precedent.

"We are entering an age with television of abundance. What should be analyzed in this situation is not what one individual station is telecasting but what is available to the child in the home on a daily basis."

The NAB's euphoria could conceivably turn sour in a month or two depending on how much furor is whipped up in Congress over the FCC's move. To politicians during an election year, a vote against children is like blaspheming motherhood. At a time when the industry is seeking friends on Capital Hill for deregulation legislation, it doesn't need an additional rallying cry against its special interest bill.

STATEMENT OF COMMISSIONER HENRY M. RIVERA CONCURRING IN PART, DISSENTING IN PART

REPORT AND ORDER REVISING COMMERCIAL TELEVISION LICENSING POLICIES

When the Commission issued the Notice of Proposed Rulemaking in this proceeding,[1] I expressed strong reservations about several of the reasons given for launching this regulatory review.[2] I am pleased that the *Report and Order* abandons the deregulatory rationales I found objectionable.[3] Doing so has forced the Commission to focus closely on the actual performance of the over-the-air television broadcast system, and this close study allows us responsibly to conclude that the regulations eliminated by this decision are unnecessary to protect the public interest.[4]

Frankly, although this proceeding is commonly referred to as "television deregulation," I do not think our actions are especially deregulatory[5]—nor could they be, as long as television remains a medium pervaded by structural scarcity. In reality, our decision changes very little of substance. The bedrock public interest obligation of broadcasters to serve the needs and interests of their communities of license still exists.[6] The primary change being made is the way we will measure compliance with the obligation. The key to the effectiveness of this revised scheme will be, as before, a sincere commitment by the FCC to police broadcasters' compliance with their substantive obligations. That sincere commitment, not the paperwork we eliminate here, is what is needed to maintain an accountable system. The requirements we retain generally give us the necessary tools to do our job properly, if we are committed to the task.

Except for the Commission's continuing inaction with regard to children's television programming, *see infra* pp. 11-14, I am persuaded that our decisions in this proceeding will not put the public interest in jeopardy. While I do not completely subscribe to the analysis advanced by the *Report and Order*,[7] the assembled evidence convinces me that the public can expect a continued healthy supply of non-entertainment programming and non-abusive levels of commercialization absent FCC processing guidelines. I also believe the quarterly issue-programs lists will allow the Commission and the general public to ensure that every television station remains publicly accountable, at least to the extent they are now.

Turning to the specifics of this decision, the evidence before us regarding adult-oriented non-entertainment programming establishes that commercial incentives rather than FCC guidelines spur broadcasters to provide such service, and that licensees in markets of all sizes will continue to provide an acceptable amount of informational and other similar programs absent our guidelines. I recognize that reasonable people may differ on these points[8] and that, at first blush, identical regulatory schemes for radio and television would seem unjustified in view of the quantum difference between the number of competitors in the two industries.[9] Initially, however, it bears emphasizing that although we are conforming the procedural rules governing television and radio licensees, the substantive requirements of the average radio of television license differ considerably. As described more fully below, pp. 9-11, television stations remain far more restricted in their discretion to specialize than their counterparts in radio. In addition, the degree to which most broadcasters are surpassing our informational, local and other non-entertainment program guidelines strongly suggests that this performance is generally due to economic self interest, not FCC processing guidelines.[10] By eliminating the guidelines, we are not saying that commercial television licensees are no longer required to air programming that responds to the needs and interests of the local community. We are simply choosing to deemphasize these benchmarks as monitoring devices because we are confident, based on the data, that from a strictly quantitative standpoint the system is functioning acceptably and will continue to do so.[11]

This issue of whether to retain a formal ascertainment procedure is a somewhat closer question. The ascertainment primers were adopted largely at the behest of broadcasters and broadcast lawyers in search of security in the licensing process. If broadcasters no longer want the safe harbor provided by the primer—and the record in this docket establishes that they do not[12]—there would have to be a very good reason for the FCC to insist upon it. While not without detractors, the primer does have its virtues. First, it provides an objective (if imperfect) framework within which to evaluate performance at renewal time. Second, some public interest advocates have argued that formal ascertainment is needed to guarantee broadcaster sensitivity to the programming needs of groups having limited economic resources. With regard to the first point, I am persuaded that the quarterly issues-programs lists can serve as well as the primer in providing evidence of a broadcaster's awareness of and attention to its community, without the undue formalisms of the primer.[13] As for the second point, if I believed that ascertainment in accordance with existing FCC guidelines assured programming responsive to all strongly felt needs, I would readily oppose repeal of those guidelines. However, broadcasters necessarily have broad discretion in deciding what programs to air and what local needs to address; and it is impossible to assure programming responsive to all local needs and interests simply by requiring broadcasters to ascertain according to a prescribed formula.[14] That being the case, retention of the ascertainment primers does not appear warranted and I concur in their elimination.[15]

For many of the same reasons, I can support the repeal of the logging duty. The FCC requires program logs primarily to determine how much non-entertainment programming each broadcaster is airing. If logging helped to assure adequate attention to community needs or an effective comparative renewal standard, these benefits would plainly outweigh the costs imposed and I would object to elimination of the program log requirement. From what I can gather, however, logging does neither. Failure to meet the Commission's processing guidelines (which is revealed by scrutiny of logs) does not prevent renewal and satisfaction of them does not assure renewal. More than that, the new quarterly issues-programs list may be a superior gauge of a broadcaster's programming because a licensee will have to account for its public interest performance more precisely than it does under a system of rote logging.[16]

Having discussed the particulars of this decision, it is important that I set forth my understanding of a television broadcaster's public interest responsibilities under this revised scheme. Television licensees, as public trustees, must remain accountable for their exclusive use of valuable spectrum. This decision maintains that public accountability. Indeed, most broadcasters' public interest responsibilities remain unchanged by our actions here: every broadcaster must continue to air programming responsive to local needs,[17] and to assure that issues of particular relevance to all significant segments of the community are addressed.[18] Now, however, when a broadcaster's overall programming performance is challenged at renewal time, its rendition of these duties will be measured in the first instance by reference to quarterly issues-programs lists, rather than by its compliance with the ascertainment primer. Furthermore, the 1960 *En Banc Programming Statement's*[19] requirement that each broadcaster provide well-rounded, "something-for-everyone" programming has been modified. Licensees may now specialize, but their discretion to do so is elastic and will expand or contract depending on the number of television outlets in a market. In markets with relatively few stations (and, thus, where satisfaction of all programming needs through specialization will be economically impossible), a broadcaster's programming responsibilities remain exactly what they were before this decision. And, under the reasoning of the *Report of Order*,[20] most television stations will fall into this category because few local television markets presently approximate the narrowcasting environment indispensible to specialization.[21] Seen in this light, it is evident that the substantive changes made possible by this decision are relatively limited.

As noted initially, I do take strong exception to this *Report and Order* in one respect: its failure to adopt a children's educational programming requirement and guideline.[22] This issue is the Achilles' heel of this Commission's efforts to deregulate the video marketplace and is a subject on which I have spoken elsewhere.[23] In brief, evidence before the FCC indicates that licensees are not fulfilling the special children's programming obligations previously imposed on them by the Commission; that commercial incentives discourage licensees from airing such programming; and, thus, that regulatory intervention is required to protect the public interest in this regard.[24] This proceeding, being framed broadly to review and revise the programming obligations of tele-

---

Footnotes at end of article.

vision licensees,[25] gave the Commission both the opportunity and the duty to correct the injury to children's interests caused by the Commission's refusal to promulgate a children's educational programming guideline.[26] The Commission seriously undermines the credibility and viability of its deregulatory efforts when it fails, as here, responsibly to address problems not accommodated by the marketplace. I dissent from the majority's continued irresponsibility in this regard.

I cannot help noting that the thorough evaluation of adult-oriented non-entertainment programming in this proceeding stands in marked contrast to the shallow effort made in the children's television docket. This difference explains why I can support most of this decision and why I adamantly oppose the action taken by the children's television order. In this decision, the Commission has relaxed its regulations only because empirical evidence corroborates economic theory and confirms that adult-oriented informational and other non-entertainment programming is currently available in substantial amounts and is likely to continue undiminished under reduced regulation. By comparison, in the children's television decision, the Commission conducted no study or survey to discover how much and what kind of programming is presently broadcast on commercial television to meet children's special needs.[27] Then, in the face of substantial record evidence suggesting market failure and its own recognition that economic incentives to air such programming are weak, the majority arbitrarily concluded that programming responsive to children's needs was adequate and retained only token agency oversight.[28] Importantly, this decision retains a vehicle for overseeing licensees' compliance with their obligation to air programming responsive to the needs of the adult audience (the issues-programs lists), unlike Docket 19142, which eschewed any form of reporting to enable the Commission to enforce licensees' purported "special obligation" to children.[29] Finally, unlike its approach to children's television, the Commission in appraising the need for continuing these rules has wisely focussed on the actual performance of commercial television broadcasters—who form the backbone of our television system and will continue to fulfill this role for the forseeable future—instead of glossing over the facts and relying on the presumed performance of cable operators and others just now entering the video marketplace.[30]

In all other respects, I do not oppose the specific actions taken here. As I said at the outset, the success or failure of this new scheme from a public interest perspective will depend, as under the prior scheme, upon its good faith implementation. More specifically, its success or failure will depend, as before, upon the standards used to evaluate an incumbent's performance at renewal time in the face of a competing application or petition to deny. This Commission's pursuit of a comparative renewal policy that is both coherent and lawful merits a footnote, if not a chapter, in the annals of American administrative law.[31] Our comparative renewal policy was not at issue in this proceeding.[32] This decision, however, by abandoning the benchmarks provided by some of these now eliminated rules and failing concurrently to provide clear guidance about what must be done to earn a legitimate renewal expectancy has done nothing to render the renewal process more objective or less susceptible to judicial criticism. Therefore, the Commission was most unwise in failing to resolve the comparative renewal inquiry concurrent with this proceeding.[33]

In summary, I can generally concur in this decision because the scheme it adopts is no worse than the one it replaces in assuring licensee accountability and, in some respects, may be better.[34] The Commission's failure to adopt, together with this order, a clear comparative renewal policy may lead broadcasters to rue the day this action was taken. I cannot say, however, that the general public [35] will suffer as a result of this decision.

FOOTNOTES

[1] *Notice of Proposed Rulemaking to Revise Commercial Television Licensing Policies*, 94 FCC 2d 678 (1983) (*NPRM*).

[2] *Concurring Statement of Commissioner Henry M. Rivera, supra*, 94 FCC 2d at 721-27. I found unconvincing the argument that the Commission could rely on competition from new media in the video marketplace to safeguard the public interest in responsive programming, since the new media are not available nationwide. *Id.* at 721-25. I was also wholly unpersuaded by the claim that these regulations should be discarded because they place broadcasters at a disadvantage vis-a-vis the new video services. *Id.* at 725. After all, there can be no competitive disadvantage occurring from unborn competition and the cable industry, the principal alternative to over-the-air television, is often more extensively regulated by local municipalities than broadcasters are by the FCC.

[3] The *Report and Order* admits that most of the new competition adverted to in the NPRM is "just beginning to assert" itself and that the impact of this nascent competition is difficult to predict. Paras. 20-21. It contains no reference whatever to the level playing field rationale previously advanced.

[4] Although I harbored doubts about the reasons given for starting this proceeding, I was not convinced that the regulations under review were necessary to advance the public interest in a responsive and accountable television broadcast system. My initial view was that it might be possible to further this objective through more finely tuned administrative tools. 94 FCC 2d at 726. Our actions here are, in the main, procedural fine tuning, I said then, and I continue to believe, that any revised regulatory framework will have to: (1) assure that television stations continue to be subject to binding and enforceable public service obligations, consistent with their status as public trustees; (2) retain rational procedures to measure a licensee's rendition of these public obligations; and (3) preserve the public's opportunity to participate meaningfully in our licensing decisions. *Id.* at 721-22.

[5] That is no doubt why the unadopted "statutory option" proposed in this proceeding continues to draw attention from hopeful deregulators, *see Report and Order* para. 7, and why efforts to narrow the ambit of statutory obligations continue. *See generally Fairness Doctrine Notice of Inquiry*, 49 Fed. Reg. 20317 (May 14, 1984).

[6] My fellow commissioners are apparently inclined to chip away at this bedrock by downgrading it here to a mere "obligation." *See Report and Order* paras. 3, 23, 29, 32, 54. Regardless of how this core public interest programming requirement may be described, however, the Commission's discretion to eliminate it altogether is statutorily foreclosed. *See UCC* v. *FCC*, 707 F.2d 1413, 1427-1430 (D.C. Cir. 1983).

[7] For example, I disagree with the suggestion that these regulations should be repealed simply because they are costly or allegedly raise First Amendment concerns. *See Report and Order* paras. 25-30.

[8] In fact, I was initially skeptical that statistics on licensee performance in a regulated environment could be probative of licensees' likely performance absent regulation. 94 FCC 2d at 725 n.25. Close examination of the evidence has put a new light on the matter.

[9] *See* 94 FCC 2d at 724.

[10] Some broadcasters do not meet current programming guidelines; however, the overwhelming majority far exceeds them in markets of all sizes. *See* Comments of the National Association of Broadcasters in MM Docket No. 83-670, Appendix B—NAB Television Programming Study, filed November 21, 1983. This is not entirely surprising since television is the dominant information provider and since informational programming, especially news, is a profitable business. In any event, viewing the statistics compiled in this proceeding, it is difficult to conclude that the public's overall access to issue-oriented and other non-entertainment programs on television will be impaired by this decision.

[11] When the FCC established the processing guidelines under review, it set them at a level at which most licenses were performing, rather than at a level of performance at which the public interest was theoretically optimized. However, insofar as the guidelines can be said to represent a level at which the system as a whole functioned acceptably, that level of acceptable performance will continue because: (1) there are more television licenses on the air now than there were in 1976; (2) the record shows that most licensees in markets of all sizes are airing substantially more informational and other non-entertainment programming than the FCC's guidelines; and therefore, (3) viewers have access to more of this programming than before. *See* Appendix B to NAB Comments.

[12] *See Report and Order*, Appendix B, paras. 42-52.

[13] A number of questions remain regarding the role of these lists in renewal cases. For example, the Commission has not described the standard to be used to evaluate the relationship between the issues a licensee singles out and the programs listed as responsive to those issues. Obviously, there must be a demonstrable relationship if the list is to serve its intended function. *See UCC* v. *FCC*, 707 F.2d at 1437. Similarly, how will a licensee show that its issue-responsive programming is sufficient to withstand a challenge? I agree that these questions can be answered on an *ad hoc* basis, but until this body of precedent has developed our failure to detail the mechanics of the process will disadvantage both the public and licensees. Nonetheless, our decision does provide some important guidance: (1) the issues-programs list will be the most significant vehicle for recording efforts to fulfill the bedrock programming responsibility; (2) licensees must adequately document their issue-responsive programming; (3) the lists will serve as an initial frame of reference by the Commission to evaluate programming issues raised in a petition to deny or comparative renewal; (4) if the lists are insufficient to resolve a substantial question, the Commission can ask the licensee for more information; and, most importantly, (5) the licensee bears the burden of proving that it has met the bedrock duty to air issue-responsive programming. *Report and Order paras.* 76-77.

[14] Citizens' groups and the judiciary have, in fact, complained about the inadequacy of formal ascertainment as a measure of licensee performance and as a public interest spur. *See Alianza Federal de Mercedes* v. *FCC*, 539 F.2d 732, 736 (D.C. Cir. 1976).

[15] The *Report and Order's* comment that the ascertainment requirement is being completely eliminated, *see* paras. 47 and 54, overstates the action being taken and should not lull licensees into a false security. All broadcasters remain responsible for seeing to it that all significant issues are addressed and for airing issue-responsive programming; therefore, a *fortiori* they will have to ascertain local programming needs to meet those requirements. *Cf. Committee for Community Access* v. *FCC*, No. 82-2314, slip op. at 6-7 (D.C. Cir. July 15, 1984). They would also be well advised to document their reasons for covering some issues but not others to guard against renewal challengers. The *Report and Order* indicates that "[i]f the programming presented by the licensee satisfies its obligation, the ascertainment efforts of the station are irrelevant." Para. 54. In other words, if confronted by evidence that a licensee has ignored a significant need or has failed to provide adequate issue-responsive programming the station would bear the burden of showing that its programming decisions were reasonable, and its ascertainment of local needs would be material to this issue. In this respect, our action is closer to Option II than Option I as specified in the NPRM. *See also* para. 39 ("Assessing the reasonableness of a licensee's decision [in a comparative challenge] will necessitate an ad hoc review to examine the circumstances in which the programming decision was made. The examination will focus on the licensee's evaluation of the programming of other television stations and on its own responsive programming in light of the needs of the community.") As we said in the radio deregulation proceeding: "[W]hat is important is that licensees utilize their good faith discretion in deter-

mining the type of programming that they will offer and this issues to which they will be responsive. It would be inconsistent with the exercize of good faith judgment for a broadcaster to be 'walled off' from its community. Rather, broadcasters should maintain contact with their community on a personal basis. . . . What is not important is that each licensee follow the same requirements dictating how to do so." *Deregulation of Radio*, 84 FCC 2d 968 (1981).

[16] The commission could have replaced the present logging duty with a rule requiring broadcasters to log all issue-responsive programming (as initially proposed in response to the court's remand of the radio regulation decision, *UCC* v. *FCC, supra*). However, the quarterly issues-programs list is likely to provide much the same information because a licensee must describe issue-responsive programming as well as its time date and duration. Since these lists will serve as "[t]he most significant source of issue-responsive information under the new regulatory scheme," *Report and Order* at para. 76, and since there is no limit to the number of issues that can be specified it will behoove broadcasters to assemble the most comprehensive and informative lists possible. Consequently, these lists are likely to provide an index of public interest performance that is as informative as the issue-oriented logs. *See also* Petition for Reconsideration by National Radio Broadcasters Association in BC Docket No. 79-219, filed June 4, 1984 (complaining that new quarterly lists are too burdensome).

[17] *Report and Order*, para. 37. While we are deemphasizing the significance of quantitative performance, the amount of issue-oriented programming aired by a licensee will continue to be relevant in some contexts, contrarty to the contention of the *Report and Order* in paragraph 37 ("arguments based solely on the failure to present amounts of nonentertainment programming will not be appropriate"). *See UCC* v. *FCC, supra*, 707 F.2d at 1433-34; *Committee for Community Access* v. *FCC*, No. 82-2314, Slip op. at 6-7 (June 15, 1984).

[18] *Report and Order*, para. 38.

[19] 44 FCC 2303 (1960).

[20] Footnotes 34 and 61.

[21] Even where specialization is feasible and permissible, no licensee may flatly ignore issues of concern to a significant segment of the communit. Rather, a licensee may do so only after developing a reasonable basis for relying on another station in the market to address the needs in question. Thus unless a broadcaster wants to endanger its renewal expectancy, it will exercise great care to assure that such needs are met.

[22] I also object to the apparent repeal of aggregate commercial time limitations insofar as children's programming is concerned. Not only does this represent an unexplained (and, thus unlawful) departure from the FCC's prior conviction that special policies are required to protect vulnerable young viewers from overcommercialization, *Children's Television Policy Statement*, 50 FCC 2d at 1, 12-14 (1979), but it does so without any record support. Because the Commission by this action does not alter other policies governing commercial practices in the children's programming area (*e.g.* the prohibition against host-selling, the reguirement that program and commercial matter be separated, etc.), I can concur in its action in that regard, *See Report and Order* n. 99.

[23] *Children's Television Programming and Advertising Practices*, 49 Fed. Reg. 1704 (January 13, 1984), 55 RR 2d 199, 243 (1984) (Dissenting Statement of Commissioner Henry M. Rivera).

[24] *Id.* Despite the fact that specific evidence was proffered in this proceeding indicating that there is a continuing need for regulation addressing the children's programming issue— including a study by the House Subcommittee on Telecommunications, Consumer Protection and Finance and reports by the National Commission on Excellence in Education and the National Science Foundation— the Commission erroneously fails to discuss this evidence and persists in the mistaken course of action adopted in Docket 19142. *See* Comments of Action for Children's Television in Docket 83-670, filed November 17, 1983, at 5, 24.

[25] 94 FCC 2d at 700-01 (inviting commenters to propose all reasonable options for consideration).

[26] In fact, a specific proposal was lodged in the comments urging such action. *See* Comments of Action for Children's Television in Docket 83-670, filed Nov. 17, 1983.

[27] *See Children's Television Programming and Advertising Practices, supra*, 55 RR 2d at 247.

[28] *Id.* at 206-07, 215. "[A] fig leaf," I called the vestigial oversight role retained by my colleagues, "to clothe the nakedness of the new policy." 55 RR 2d at 245.

[29] I urged the Commission to devise a special reporting requirement to monitor licensees' performance and to provide a continuing picture of what programming is available on commercial television to meet the unique needs of child viewers. *See id*, 55 RR 2d at 250.

[30] The acknowledgement here that the structure of local television markets is not now conducive to programming specialization exposes the makeweight nature of the argument in Docket 19142 that a children's programming requirement would impede station specialization. *See* 55 RR 2d at 254.

[31] *See geneally Victor Broadcasting, Inc.* v. *FCC*, 722 F.2d 756 (D.C. Cir. 1983); *Central Florida Enterprises, Inc.* v. *FCC, 683 F.2d 503 (D.C. Cir. 1982), cert, denied*, 103 S.Ct. 1774 (1983); *Central Florida Enterprises, Inc.* v. *FCC, 598 F.2d 37 (D.C. Cir, 1978); Citiznes Communications Center* v. *FCC*, 447 F.2d 1201 (D.C. Cir. 19712). *See also Committee for Community Access* v. *FCC, supra.*

[32] That question is being considered elsewhere. *See Comparative Renewal Notice of Inquiry*, BC Docket No. 81-742, 88 FCC 2d 120 (1981); *Further Notice of Inquiry*, 47 Fed. Reg. 46117 (October 1982).

[33] Prompt resolution of the pending inquiry on comparative renewal standards is essential and has been promised by the staff; in view of the meager results produced by the FCC's prior efforts, however, I am not confident that this issue can be properly resolved absent legislative intervention.

[34] An apparent mystique has attached to the regulations under review here—that they are essential to the public accountability of commercial licensees. I disagree. What is essential is responsible oversight by the FCC of broadcaster performance. If this exists, reams of rountinely filed paperwork are unnecessary. If it does not exist, no amount of administrative regulation will make a whit of difference.

[35] Except, as previously stated, the country's youth.

By Mr. WARNER (for himself, Mr. WILSON, Mr. HELMS, Mr. GARN, Mr. EXON, Mr. HEFLIN, Mr. GRASSLEY, and Mr. THURMOND):

S. 1595. A bill to prevent the implementation of Revenue Ruling 83-3 and other similar considerations affecting the housing allowances of the military and clergy; to the Committee on Finance.

HOUSING ALLOWANCES OF THE MILITARY AND CLERGY

Mr. WARNER. Mr. President, I rise today to introduce a measure preventing the Internal Revenue Service from implementing Revenue Ruling 83-3 and other similar considerations affecting the housing allowances of the military and clergy.

Joining me as cosponsors on this bill are Senators HELMS, WILSON, GARN, EXON, HEFLIN, GRASSLEY, and THURMOND.

This legislation is mandated despite the best efforts of the Senator from North Carolina [Mr. HELMS], the Senator from Oregon [Mr. PACKWOOD], the Senator from South Carolina [Mr. THURMOND], myself, and others during the last Congress who joined me in trying to prevent the IRS from promulgating Revenue Ruling 83-3.

This legislation is also mandated even though the President's tax reform proposal protects the tax exempt status of the military and clergys' housing allowance and the deductibility of mortgage interest payments for an individual's principal residence.

The President's proposal, unfortunately, does not prevent Revenue Ruling 83-3 from being implemented, thereby depriving members of the military and the clergy a substantial portion of their total compensation.

On several occasions during the 98th Congress this Senator, along with others, sponsored bills and amendments seeking to retain the current tax treatment of housing allowances for our uniformed service personnel and clergy.

The first major push came last June when the Senator from Virginia and the Senator from North Carolina successfully offered an amendment to the 1985 Defense authorization bill.

Unfortunately, many items considered nongermane to the DOD authorization bill were dropped in conference with the House of Representatives.

This amendment was one such item.

Mr. President, I ask unanimous consent that the conferees' statement on this issue be included at this point in my comments to illustrate the significance with which this matter was viewed at the time.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Clarification of tax treatment of certain allowances.—The Senate amendment contained a provision (sec. 160c) that would provide, for purposes of the tax benefit rule of section 265(1) of the Internal Revenue Code, that military housing and subsistence allowances and ministers' parsonage allowances not be considered as exempt fom the Federal income tax.

The House bill contained no similar provision.

The conferees are deeply troubled by the prospect of an Internal Revenue Service ruling that would treat military housing allowances in such a manner as to disallow military homeowners' itemized deductions of mortgage interest and real property taxes on their Federal income tax returns. The specter of such a ruling has created substantial anxiety within the armed forces.

The Congress has consistently considered the tax advantage that accrues to military allowances in defining and setting military compensation levels. (See section 101(25) of title 37, United States Code.) If the tax advantage component of military compensation were to be neutralized by a change in current tax practice, then it would be necessary to adjust the other components of military compensation accordingly. The conferees believe that the better course would be to preserve the current tax practice.

In the interest of setting the concerns of service members to rest, the conferees were sorely tempted to retain section 160c of the Senate amendment. Unfortunately, inclusion of the provision in Senate amendment. Unfortunately, inclusion of the provision in the conference report might be ruled to violate the rules of the House of Representatives by including a tax measure in legislation not reported by the Committee on Ways and Means. Consequently, the conferees reluctantly agreed to drop the provision.

Mr. WARNER. Mr. President, another major effort to get this issue before the Congress came on September 26, 1984, when the distinguished Senator from Oregon [Mr. PACKWOOD] held hearings in the Subcommittee on Taxation and Debt Management.

In response to testimony by Congressman PARRIS, representatives of affected groups and myself, Senators PACKWOOD and MOYNIHAN expressed their strong support for retention of the pre-83-3 treatment.

Senator PACKWOOD, recognizing the need to remove the chilling effect this ruling already created, offered his assistance to bring this issue before the Congress before adjournment.

Unfortunately, time ran out before that action could be taken.

But now, as the Congress begins its deliberations on tax reform, it seems appropriate to this Senator that attention be directed to revenue ruling 83-3 and the impact it will have on the military and clergy.

This is an issue of fundamental and urgent importance that has produced great fear and confusion.

Currently, ministers who purchased a home prior to 83-3 have protection from its effects until January 1, 1987.

However, those ministers who purchased a home after the effective date of 83-3 are affected immediately and have paid additional taxes on their 1984 returns because this situation was not resolved last year.

In addition, the Internal Revenue Service and the Treasury have been internally examining the extension of the housing allowance aspect of 83-3 to all uniformed service personnel receiving housing allowances.

Every day, hundreds of service people are forced to make rent-or-buy decisions with this issue hanging over their heads like the "Sword of Damocles."

With this background, Senators can see that the action Congress takes on this bill will assume tremendous signficance to our Nation's military personnel, our clergy, the families of both groups, and many builders and realtors.

This Senator fully supports continuation of the pre-83-3 tax treatment in both cases, not on the grounds of special treatment, though that is, indeed, justified.

This Senator takes this position because it is demonstrably more cost effective.

While, at first blush, it might seem proper that no one should use tax-free dollars to finance a tax deductible expense, closer examination reveals that, in these special cases, blind application of that concept not only leads to a serious decline in morale for the affected groups, but also creates a potential net loss for the Treasury.

The figure we historically use for determining comparability relative to civilian professions in "regular military compensation," or RMC.

The RMC is defined in title 37 of the United States Code of include the tax advantages resulting from tax-free allowances paid to military personnel.

Subsequently, Congress has historically computed the total compensation package of the military with these allowances included.

If revenue ruling 83-3 were applied to the military, as the IRS fully intends to do, it would breach longstanding pay and benefit commitments.

Further, the Department of Defense estimates that if 83-3 were applied, at least 270,000 military homeowners, at any one time, will incur an additional tax burden equivalent to 4 to 6 percent of their pay. Equity considerations and the potential impact on retention would virtually force us to restore the lost take-home pay.

The only way to restore RMC to its previous level of comparability would be through a pay raise. There is no way to target such a raise to homeowners only. Thus, it would cost approximately $1.2 billion while revenues gained by implementing 83-3 on the military would be about $350 million; a net loss to the Treasury of approximately $800 million.

In the case of the clergy, their salaries are paid by the tax-deductible contributions of the members of their respective congregations. Any loss to a minister due to additional taxes he must pay as a result of 83-3 will inevitably be made up by increased contributions from members of the congregation.

The contributions are tax deductible and, of course, must be greater than the after-tax net income of the minister since his housing costs are now greater due to his inability to deduct his mortgage interest costs to the extent of the tax-exempt housing allowance he receives.

As a result, the Treasury loses more income from increased charitable deductions than it receives from implementation of 83-3.

Gen. John W. Vessey, Jr., Chairman of the Joint Chiefs of Staff, the uniformed military adviser to the Commander in Chief, has assessed the impact of 83-3 and stated his deep concern. And I quote:

> Our most conservative projections indicate that this action would result in the loss of tens of thousands of trained career officers and enlisted personnel essential to the maintenance of the readiness of our forces.
>
> This revenue ruling (83-3) issue will continue to take its toll on the morale and welfare of service members until it is favorably and permanently resolved.

Mr. President, this is the most important pay and benefit issue of immediate impact to military personnel and clergy.

Failure to resolve it promptly could have more impact on military retention than almost any other personnel issue.

The problem for the clergy is equally critical. Retaining the pre-83-3 tax treatment will add no new costs to the Federal budget.

In fact, as this Senator has explained, prohibiting implementation of the housing allowance aspects of 83-3 for both the clergy and the military will save the Treasury substantial sums of money.

It has long been the intent of Congress that these housing allowances be tax exempt and that the military and clergy be able to take full advantage of the mortgage interest deduction as well.

The advantage for military personnel resulting from this consideration is an integral part of RMC. Congress has explicitly recognized and used this principle in setting military pay rates for many, many years. In addition, 83-3 contradicts earlier revenue rulings that expressly allowed such deductions.

I urge my colleagues in both Houses to act now to stop this unnecessary and fiscally unproductive attack on the morale of two professions central to our Nation. This measure will provide favorable and prompt resolution to this issue.

Congress must not leave the "Sword of Damocles" hanging over the heads of so many when it is within our power and ability to remove it.

Mr. President, I ask unanimous consent that two recent statements from the Internal Revenue Service on these matters be included at this point in my statement. Further, Mr. President, I ask unanimous consent that the bill be printed in full at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1595

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEDUCTIONS FOR CERTAIN EXPENSES INCURRED BY MEMBERS OF UNIFORMED SERVICES OF THE UNITED STATES, OR BY MINISTERS, WHO RECEIVE HOUSING, SUBSISTENCE OR PARSONAGE ALLOWANCES.

(a) IN GENERAL.—With respect to any mortgage interest or real property tax costs paid or incurred by any minister of the gospel or any member of a uniformed service (within the meaning given to such term by section 101(3) of title 37, United States Code) or to a subsistance, quarters, housing or equivalent allowance or to income excluded from gross income of the taxpayer under section 107 of the Internal Revenue Code of 1954 (relating to rental value of parsonages) the application of section 285(1) of the Internal Revenue Code of 1954 shall be determined without regard to Revenue Ruling 83-3 (and without regard to any other regulation, ruling, or decision reaching the same result, or a result similar to the result, set forth in such Revenue Ruling).

(b) Members of Uniformed Services.—

(1) IN GENERAL.—Chapter 7 of title 37, United States Code, is amended by adding at the end thereof the following new section:

"§ 431. Tax deductions allocable to basic allowance for quarters and basic subsistence allowance

"In determining whether any deduction allocable to basic allowance for quarters (including any variable housing allowance, station housing allowance, or similar allowance) or basic subsistence allowance is allowable under the Internal Revenue Code of 1954, and only for such determination, such allowance shall not be considered as exempt from income taxes nor shall any such deduction be considered as reimbursed by the receipt of any such allowance.".

(2) TECHNICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new section.

"431. Tax deductions allocable to basic allowance for quarters and basic subsistence allowance.".

(3) CROSS REFERENCES.—Section 134 of the Internal Revenue Code of 1954 (relating to cross references to other acts) is amended—

(A) by adding at the end of subsection (a) the following new paragraph:

"(7) Allowances paid as part of regular military compensation, see section 101 (25) of title 37, United States Code.", and

(B) by adding at the end thereof the following new subsection:

"(c) For deductions allocable to basic allowance for quarters and basic subsistence allowance see section 431 of title 37, United States Code.".

(c) MINISTERS.—Section 107 of the Internal Revenue Code of 1954 (relating to rental value of parsonages) is amended—

(1) by striking out the matter preceding paragraph (1) and inserting in lieu thereof:

"(a) GENERAL RULE.—In the case of a minister of the gospel, gross income does not include—", and

(2) by adding at the end thereof the following new subsection:

"(b) SPECIAL RULE.—Notwithstanding any other provision of this title, for the purposes of determining whether any deduction allocable to any allowance defined by this section or any similar housing allowance is allowable under this title, and only for such determination, such allowance shall not be considered as exempt from income taxes nor shall any such deduction be considered as reimbursed by the receipt of any such allowance.".

(d) EFFECTIVE DATE.—The provisions made by this section shall apply to taxable years beginning after December 31, 1982.

NEWS RELEASE—DEPARTMENT OF THE TREASURY

WASHINGTON.—The Internal Revenue Service today announced that it has not concluded its consideration of the question of whether members of the uniformed services are entitled, under current law, to take deductions on their income tax returns for home mortgage interest and property taxes to the extent they receive tax-free housing allowances from the federal government.

The IRS said, however, that any determination on the issue that would adversely affect members of the uniformed services would not be applied to home mortgage interest and property taxes paid before Jan. 1, 1987. The IRS had previously announced that no adverse decision would be applied to home mortgage interest and property taxes paid by members of the uniformed service before Jan. 1, 1985.

The uniformed services include all branches of the armed forces, the National Oceanic and Atmospheric Administration, and the Public Health Service. By law, eligible members are entitled to receive tax-free housing and subsistence allowances if they do not reside on a federal base.

NEWS RELEASE—DEPARTMENT OF THE TREASURY

WASHINGTON.—The Internal Revenue Service today announced that for certain ministers Revenue Ruling 83-3 will not be applied until Jan. 1, 1987, to disallow deductions for mortgage interest and property taxes paid by a minister out of a tax-free parsonage allowance. Relief from the disallowance of deduction is provided only to ministers who owned and occupied a home before Jan. 3, 1983, or who, on that date, had a contract to purchase a home and later owned and occupied that home.

If, on Jan. 3, 1983, a minister owned and occupied a home or had a contract to purchase a home, but later ceased to occupy that home, the disallowance in Revenue Ruling 83-3 applies for any home the minister may subsequently occupy, regardless of when that occupancy begins.

The IRS explained that Internal Revenue Code section 265(1) disallows any deductions for expenses allocable to tax-exempt income. In Revenue Ruling 83-3, issued on Jan. 3, 1983, the IRS said that section 265(1) precludes deductions for mortgage interest and property taxes paid by a minister out of a tax-free parsonage allowance.

Revenue Ruling 85-96, which modifies Revenue Ruling 83-3, is attached and will be published in Internal Revenue Bulletin No. 1985-29, dated July 22, 1985.

PART I—SECTION 265

Expenses and Interest Relating to Tax-Exempt Income 26 CFR 1.265-1: Expenses relating to tax-exempt income. (Also sections 107, 163, 164; 1.107-1, 1.163-1, 1.164-1.)

Rev. Rul. 85-96, Rev. Rul. 83-3, 1983-1 C.B. 72, holds, in part, that a minister may not deduct interest and property taxes that are allocable to a rental allowance excluded from gross income under section 107 of the Internal Revenue Code. This holding is based on section 265(1) of the Code, which provides, in part, that no deduction is allowed for any amount that is otherwise deductible but that is allocable to one or more classes of income (other than interest) wholly exempt from income tax. Section 7805(b) of the Code grants the discretion for any revenue ruling to be applied without retroactive effect. Under the authority contained in section 7805(b), Rev. Rul. 83-3 states that if a minister owned and occupied a home before January 3, 1983 (or before January 3, 1983, had a contract to purchase a home and subsequently owns and occupies that home), there will be no disallowance of deductions for interest and property taxes until the earlier of the date on which the minister no longer occupies the home or January 1, 1985.

Section 1052 of the Tax Reform Act of 1984, Pub. L. 98-369, provides that with respect to any mortgage interest or real property tax costs paid or incurred before January 1, 1986, by any minister of the gospel who owned and occupied a home before January 3, 1983 (or had a contract to purchase a home before such date and subsequently owned and occupied such home), the application of section 265(1) of the Code to such costs will be determined without regard to Rev. Rul. 83-3 (and without regard to any other regulation, ruling, or decision reaching the same result, or a result similar to the result, set forth in Rev. Rul. 83-3).

The Internal Revenue Service has decided, under the authority of section 7805(b), to grant further relief to taxpayers who may have relied on Rev. Rul. 62-212, 1962-2 C.B. 41, which was revoked by Rev. Rul. 83-3. Accordingly, deductions for mortgage interest and real property tax costs will not be disallowed under Rev. Rul. 83-3 if such costs are paid or incurred before January 1, 1987, and if section 1052 of the Tax Reform Act of 1984 would have applied to those costs had they been paid or incurred before January 1, 1986.

HOLDING

The second sentence of the next-to-the-last paragraph of Rev. Rul. 83-3 is amended to read as follows:

Further, if the minister described in Situation 2 owned and occupied a home before January 3, 1983, (or had a contract to purchase a home before January 3, 1983, and subsequently owns and occupies that home), the revenue ruling will not be applied to that minister so as to disallow deductions for mortgage interest or real property tax costs paid or incurred before January 1, 1987, or before such date as the minister ceases to occupy that home, whichever is earlier.

EFFECT ON OTHER REVENUE RULINGS

Rev. Rul. 83-3 is hereby modified.

Mr. HELMS. Mr. President, I am honored to join again with my friend from Virginia [Mr. WARNER] in a continuation of our efforts to protect ministers and military personnel from overreaching by the Internal Revenue Service. The basic problem is that the IRS is constantly looking for ways to bring about what they call "tax enhancement"—which are, in fact, tax increases. In this case the IRS, through administrative action, has targeted ministers and military personnel and the tax breaks Congress has previously extended these groups through legislation.

Mr. President, in early 1983 the IRS issued a ruling preventing ministers from deducting mortgage interest and taxes paid on their residence, to the extent that they receive a traditional, nontaxable parsonage allowance. Later, the IRS indicated that it would apply the some ruling to military personnel with respect to their quarters allowance.

Because of these IRS actions, I introduced S. 2017 on October 27, 1984, to maintain the status quo for both ministers and military personnel. When the deficit-reduction package came before the Senate in April 1984, Senator WARNER and I sponsored an amendment—which was adopted—to postpone the taking effect of the IRS ruling until January 1, 1986. Senator WARNER and I believed that the interim provided by our amendment would allow Congress to study the matter carefully, and then work its will before

January 1, 1986. Many, including myself, have questioned whether the IRS should have attempted to make this substantive change in the law on its own anyway.

Mr. President, in addition to the Warner-Helms amendment postponing the full taking effect of the revenue ruling, we also offered an amendment to the Department of Defense authorization bill which, in a different way than S. 2017, would have maintained the status quo ante. This amendment was adopted in the Senate without opposition in June 1984, but it was deleted by the conference committee in an effort to maintain the customary prerogatives of the House on the initiation of revenue measures.

I believe these two separate Senate floor victories—which Senator WARNER and I have had in connection with this issue—demonstrate that there is strong support for the objectives we seek. Because of this strong support, I urge prompt action by the Senate during this session.

Mr. President, let me explain now in more detail the background of this issue and the reasons for enacting this legislation.

In early January 1983, the Internal Revenue Service published Revenue Ruling 83-3. In part, this ruling provides that ministers may no longer deduct interest and taxes paid on a personal residence to the extent the amounts expended are allocable to tax-exempt income. In addition, there have been indications that Revenue Ruling 83-3 will be applied to military personnel who likewise receive housing allowances.

Mr. President, it is common practice in the United States for a minister to be given a housing allowance by his church. Under section 107 of the Internal Revenue Code this allowance is excludable from the minister's gross income. Up to new ministers have, fully within the letter of the law, deducted interest and taxes from their income just like other taxpayers. In their case, however, this deduction has an additional benefit because some of their compensation, in the form of a housing allowance, is exempted from gross income by section 107. With Revenue Ruling 83-3 and its new application of section 265, the IRS is attempting to diminish the benefit of section 107 to the clergy.

Traditionally, Congress has tried to promote religion by refraining from taxing religious activities and by providing certain tax benefits for those involved in religious activities. We provide these tax benefits because of the longstanding recognition by the American people that Government exists to serve the common good of society. Government is the servant, not the master, of the people. Therefore, it is perfectly proper for the Government to give preferred status to certain institutions in society for the public good. Religion certainly occupies such a place in American society.

Also, Mr. President, ever since the formation of the various branches of our armed services, it has been the practice to provide military personnel with appropriate housing or with a housing allowance when appropriate housing has been unavailable. The granting of subsistence and housing allowances, separate and apart from actual pay, has been the traditional method for compensating members of the armed services and has been provided for either by regulation or by statute. It is codified today in title 37 of the United States Code.

Allowances paid to our military personnel have in the past been recognized as being exempt from taxation. Both the courts and the Internal Revenue Service have held that subsistence and housing allowances are not items of income. For many years IRS regulations specifically have provided that subsistence and housing allowances need not be included in the income tax returns of members of the uniformed services. Up to now, members of the Armed Forces have, fully within the letter of the law, deducted interest and taxes on their personal residences just like other taxpayers.

As with ministers, prior to Revenue Ruling 83-3, members of the uniformed service have received an additional benefit when taking such deductions because some of their compensation, in the form of housing and subsistence allowances, is exempted from gross income. In Revenue Ruling 83-3, the IRS has attempted to diminish the benefits available to the clergy. Now the possibility exists that the IRS will also apply 83-3 to the military.

Mr. President, it is my strong conviction, shared by Senator WARNER and others, that Revenue Ruling 83-3 should not be permitted by Congress to take effect in this way. In order to achieve the objectives of maintaining the status quo, I urge enactment of the legislation we are today introducing.

By Mr. WARNER:

S. 1596. A bill to amend the District of Columbia Stadium Act of 1957 to direct the Secretary of the Interior to convey title to the Robert F. Kennedy Memorial Stadium to the District of Columbia; to the Committee on Energy and Natural Resources.

TRANSFER OF ROBERT F. KENNEDY MEMORIAL STADIUM TO THE DISTRICT OF COLUMBIA

Mr. WARNER. Mr. President, I rise today to introduce legislation requiring the Secretary of the Interior to convey ownership of the Robert F. Kennedy Memorial Stadium to the District of Columbia.

The origin of this proposal goes back several years.

President Carter's Task Force on the District of Columbia in 1977 laid the foundation, and now the Department of the Interior and the District of Columbia government have supported this step to complete a transfer.

I strongly support this legislation which was approved by the House of Representatives in the 98th Congress and again in this Congress on June 24, 1985.

Comparable Senate action is timely.

The Congressional Budget Office, in a letter to Chairman DELLUMS of the House District of Columbia Committee on June 18, 1985, has determined that transfer of the stadium "will not affect the budgets of either the Federal Government or the District of Columbia."

The Secretary of the Interior authorized the District of Columbia Armory Board to issue 20-year bonds to finance the construction of the stadium in 1960. However, revenue from the stadium operations was never enough to meet the interest payments on the bonds or to begin payment on the principal.

The District of Columbia has covered the interest payments of $12.8 million.

In the District of Columbia Appropriations Act of Fiscal Year 1978 and 1979, the bond principal of $19.8 million was jointly repaid by the Federal Government and the District of Columbia.

The District of Columbia, through the Armory Board, has operated and maintained the stadium since its construction, and has financed two-thirds of the stadium costs—$22.7 million of the total $36.2 million.

This transfer will not be a departure from the normal use of the stadium, or its operating procedures.

Provisions are included which require the District of Columbia to use the stadium for purposes previously approved by the Department of the Interior.

Should the terms and conditions of this agreement be reached, an orderly process for returning the ownership to the Federal Government is provided.

In the spirit of federalism, there is simply no logical reason for the Federal Government to own a stadium, a responsibility which should be purely local.

As an avid sports fan, and an unpaid director of the Washington Redskins, I am hopeful that this legislation will also enhance the attraction of the Nation's Capital as a major league baseball city.

As you may know, the District of Columbia is actively engaged in a campaign to win a major league baseball franchise for the city.

Baseball Commissioner Peter Ueberroth has indicated that a favorable stadium lease, including needed re-

pairs to the stadium, is a key prerequisite in determining the site of a new franchise.

The District of Columbia is prepared to make the estimated $16 million in repairs with public and private funds.

This transfer legislation removes any Federal taxpayer obligation for future operation or maintenance of the stadium, and allows the District of Columbia to compete fairly with other cities for a major league baseball franchise.

I have asked the distinguished chairman of the Senate Energy and Natural Resources Committee, Mr. MCCLURE, to schedule a hearing on the bill soon after the Senate returns from the August recess so that we may bring it to the floor before adjournment.

I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1596

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONVEYANCE OF STADIUM

Section 7 of the District of Columbia Stadium Act of 1957 (D.C. Code, sec. 2-326) is amended—

(1) by inserting "(a)" after "Sec. 7."; and

(2) by inserting after subsection (a) the following new subsections:

"(b) The Secretary of the Interior (hereinafter in this section referred to as the 'Secretary') shall convey without consideration to the government of the District of Columbia all right, title, and interest of the United States in and to the stadium constructed under this Act.

"(c) The conveyance of real property under subsection (b) shall be subject to such terms and conditions (which shall be set forth in the instrument of conveyance) as will ensure that title to the property shall not be transferred by the District to any person or entity other than the United States and that the property will be used only—

"(1) for stadium purposes;

"(2) for providing recreational facilities, open space, or public outdoor recreation opportunities;

"(3) for such other public purposes for which the property was used prior to June 1, 1985; and

"(4) for such other public purposes for which the property was approved for use by the Secretary with the concurrence of the National Capital Planning Commission prior to June 1, 1985.

"(d)(1) the instrument of conveyance referred to in subsection (c) shall provide all right, title, and interest conveyed to the District of Columbia pursuant to such instrument shall revert to the United States if—

"(A) the terms and conditions referred to in subsection (c) have not been complied with, as determined by the Secretary, and

"(B) such noncompliance has not been corrected within ninety days after written notice of such noncompliance has been received by the Mayor of the District of Columbia.

Such noncompliance shall be treated as corrected if the District of Columbia and the Secretary enter into an agreement, with the concurrence of the National Capital Planning Commission, which the Secretary considers adequate to ensure that the property will be used in a manner consistent with the purposes referred to in subsection (c).

"(2) No person may bring an action respecting a violation of any term or condition referred to in subsection (c) before the expiration of ninety days after the date on which such person has notified the Mayor of the District of Columbia of the alleged violation. The notice shall include notice of such person's intention to bring an action to declare a reversion under paragraph (1) of this subsection.

"(3) Any property which reverts to the Secretary under this subsection shall be administered by the Secretary as part of the Park System of the Nation's Capital in accordance with the provisions of the Act of August 25, 1916 (16 U.S.C. 1,2-4), and other provisions of law generally applicable to units of the national park system.".

SEC. 2. TECHNICAL AMENDMENT.

Section 11 of the District of Columbia Stadium Act of 1957 (D.C. Code, sec. 2-330) is amended by inserting "(including any area designated as area A, B, C, D, or E on the revised map entitled 'Map to Designate Transfer of Stadium and Parking Lots to the District', prepared jointly by the National Park Service (National Capital Region) and the District of Columbia Department of Public Works for site development and dated March 1985 (NPS drawing number 831/87284))," after "property of any kind".

By Mr. WARNER:

S. 1597. A bill to authorize awards, decorations, insignia, and other recognition for service on the U.S. Merchant Marine, and for other purposes; to the Committee on Commerce, Science, and Transportation.

MERCHANT MARINE DEFENSE SERVICE RECOGNITIONS AND MEDALS ACT

Mr. WARNER. Mr. President, today I am introducing legislation to authorize the Secretary of Transportation to issue medals for service in the merchant marine during World War II and subsequent conflicts and to issue medals, ribbons, or bars previously awarded for merchant marine service.

The bill also authorizes the Secretary of Transportation to provide a U.S.-flag and grave markers for burials of merchant marine veterans who served in World War II, subsequent conflicts or in significant military operations.

Identical legislation, H.R. 679, was introduced in the House of Representatives by Representative MARJORIE HOLT.

My legislation is designed to provide appropriate recognition for merchant mariners who have served the United States in wartime. This measure establishes some comparability with persons who served under similar circumstances in the Armed Forces of the United States.

In both World Wars I and II, the U.S. merchant marine was greatly expanded to provide the necessary logistic support without which our forces could not have operated successfully overseas.

In 1917, troop ships, hospital ships, vessels serving in the war and Navy Departments and commercial vessels engaged in trade to ports in war zones were taken over by the Navy.

Naval Reserve members in the Naval Auxiliary Service were called to active duty to operate such ships under the Naval Overseas Transportation Service which transported about 60 percent of the supplies sent to the American Expeditionary Force in Europe, supplies to all U.S. naval bases abroad and other essential shipping purposes.

When the United States entered World War I, its ocean going merchant marine was very small and a tremendous effort was made to expand the U.S. merchant shipping capacity.

Vice Admiral A. Gleaves, USN, who commanded the Cruiser and Transport Force, stated in "The History of the Transport Service," published in 1921, that the merchant marine and Navy had worked together shoulder to shoulder during the war period, without differences or distinction as to status.

He further stated:

The outstanding lesson which the experience of the war has driven home is of value both in peace and in war of a prosperous deepsea merchant marine.

The loss of merchant mariners due to enemy action in World War I numerically exceeded that of Navy losses.

With the advent of World War II, thousands of seafarers were needed to man new ships of all types that were soon to be coming off the ways.

The War Shipping Administration built U.S. Maritime Service training stations at ports around the Nation for a tremendous expansion of the U.S. merchant marine.

Men of the merchant marine shared the fighting during World War II with Navy armed guard crews and communications personnel assigned to augment the small merchant marine complements.

The percent of merchant marine personnel lost to enemy action was greater than that of any armed service with the possible exception of the Marine Corps.

However, the Navy did not mobilize the merchant marine in World War II as it had done in World War I.

Although President Roosevelt decided not to militarize the merchant marine, in the sense that it would have become officially an armed service, Admiral Land established the U.S. Maritime Service along Navy lines complete with Navy grades, similar uniforms, insignia, medals, ribbons, et cetera.

It was known as the fourth arm of defense.

Service in the merchant marine was voluntary.

Many joined who were too old or had disabilities which precluded their entry into the armed services.

Others joined because of the promise of early action with the enemy and were often not disappointed.

Following World War II, merchant marine veterans were given discharge lapel buttons, certificates of continuous service, and a document suitable for framing expressing the Nation's thanks from the President.

Because many returned to their shore occupations, they were given reemployment rights similar to veterans of the Armed Forces.

It is difficult to estimate the number of merchant mariners who served in World War II because accurate records are not available.

A considerable number of World War II merchant mariners either had served or subsequently served on active duty in the armed services.

Estimates of those who served in war zones in World War II range from 200,000 to 300,000.

Perhaps 25 to 50 percent of those are also veterans of an Armed Force.

Many have since died.

The sealift provided by the merchant marine remains indispensable to the ability of our armed services to sustain combat operations overseas.

Incentives are necessary to acquire and maintain a healthy sealift capacity.

In addition to acknowledging outstanding merit performed by members of the American merchant marine similar to official recognition of gallantry and heroism of men in the Armed Forces, this bill will serve as an incentive to others to adopt seafaring careers.

The disparity of treatment is highlighted when the merchant marine veteran of World War II, who is not also a veteran of the armed services, dies. This disparity was often brought to my attention, when serving as Secretary of Navy, by my special assistant for the merchant marine Robert Carl, a World War II merchant mariner of distinction.

Although the merchant mariner may have been exposed to considerable hardship and danger, fought the enemy, had ships sunk from under him and even may have been a prisoner of war, as more than 500 merchant mariners were during World War II, there is no official recognition of his sacrifices.

Additional costs incident to this bill with reference to the medals will be relatively small.

It is estimated 3,000 to 5,000 individuals may apply on reauthorization and the costs of administration and for new medals will be $18,000 to $30,000 total over several years.

Except for administration, the costs of replacements and medals for ribbons previously issued will be paid directly by those eligible.

It is estimated demand for flags and grave markers for deceased merchant mariners will range between 3,000 and 7,000 per year, costing, including administration costs, about $25 per death, for totals of $75,000 to $175,000 per year.

My bill will signal to these heroic merchant mariners that a great and grateful Nation does not forget their courageous service.

I urge my colleagues to support this bill and ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1597

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Merchant Marine Defense Service Recognition and Medals Act."

SEC. 2. The Secretary of Transportation ("Secretary"), is authorized to award any person decorations and insignia of appropriate design, including medals, ribbons, bars, ribbon bars, emblems, rosettes, miniature facsimiles, plaques, citations, or other appropriate awards, or other suitable devices or indicia symbolic thereof, and replacements or replicas therefor, for any of the following acts or service in the United States Merchant Marine:

(a) Distinguished service by outstanding acts, conduct, or valor beyond the line of duty;

(b) Meritorious acts, conduct or services, in the line of duty, but not of such outstanding character as would warrant an award for distinguished service;

(c) Service in time of war or national emergency proclaimed by the President or by Congress, or during operations by Armed Forces of the United States outside the continental United States, for such period of time and in such areas, or under such conditions or danger to life as the Secretary may set forth in regulations;

(d) For other acts or service of conspicious gallantry, intrepidity, extraordinary heroism, at risk of life above and beyond the call of duty which would warrant decorations or awards for members of the Armed Forces.

SEC. 3. The Secretary is authorized to issue a citation to any United States ship or to any foreign ship which participates in outstanding or gallant action in marine disasters or other emergencies for the purpose of saving life or property. The Secretary may award a plaque to a ship so cited, and a replica of such plaque may be preserved, as a permanent historic record. The Secretary may also award an appropriate citation ribbon bar to the master or each person serving on board such ship at the time of the action for which the citation is made. Any award or citation to a foreign ship or crew under this section shall be subject to the concurrence of the Secretary of State.

SEC. 4. (a) Not more than one of any type of medal shall be awarded to any one person, but for each succeeding act, conduct, or service justifying such an award, a suitable device may be awarded to be in worn with the medal or ribbon.

(b) In the event a person scheduled to receive any award under this Act is unable to accept it, the Secretary may make the award to an acceptable personal representative.

(c) The Secretary may provide at cost, or authorize for manufacture and sale at reasonable prices by private persons, the decorations or insignia awarded under the authority of Section 2 of this Act, and replacements, including awards, medals for ribbons and ribbon bars previously issued under this Act or any predecessor Act.

(d) Decorations authorized under Section 2 (c) and (d) of this Act may be of the same design as are authorized for members of the Armed Services for similar service or acts.

SEC. 5. The Secretary is authorized to issue a flag of the United States and grave markers for the burial or similar service of merchant mariners who served in the United States Merchant Marine in World War II, or in support of the Armed Forces of the United States or its allies in subsequent periods of conflict.

SEC. 6. The Secretary may prescribe rules and regulations as necessary to carry out this Act.

SEC. 7. The manufacture, sale, possession or display of any awards, decorations or insignia provided for in this Act, or in any rule or regulation issued pursuant to this Act, is prohibited except as authorized by this Act or any rule or regulation issued pursuant thereto. Whoever violates any provision of this Section shall be punished by a fine not exceeding $250 or by imprisonment not exceeding six months, or both.

SEC. 8. The Merchant Marine Medals Act, as amended, (46 App. 249-249c), is repealed.

By Mr. GRASSLEY:

S. 1598. A bill to amend the Farm Credit Act of 1971 to provide additional farm credit resources, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 1599. A bill to establish a commission to study the structure of the Farm Credit System and recommend any appropriate changes, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FARM CREDIT SYSTEM LEGISLATION

Mr. GRASSLEY. Mr. President, the bill I am introducing today S. 1598, will provide assistance to the troubled Farm Credit System. Congressman COOPER EVANS, my colleague from Iowa introduced this bill in the House. I realize that this bill may not provide all the answers to the problems in the Farm Credit System but it can serve as a blueprint and a beginning. This bill would establish a central reserve for the Farm Credit System and authorizes the appropriation of $5 billion to capitalize this central reserve. The purpose of this reserve is to assist troubled banks and associations. During the time Federal funds are on deposit in this reserve, the Governor of the Farm Credit System will serve at the pleasure of the President and will be required to hold reserve funds in Treasury bills or some other liquid form.

This bill also requires the Federal land banks and associations to offer

fixed-rate, 20-year real estate mortgages to be financed by issuing a separate class of long-term bonds, with interest rates on the mortgages to be limited to not more than 1½ percent above the interest rate on the bonds.

This bill would provide the Farm Credit Administration with enforcement powers similar to other financial institution regulatory agencies. It also directs the governor to issue regulations requiring banks and associations to provide by-laws, lists of directors and officers, and stockholder meeting schedules to stockholders and members of the banks and associations on an annual basis and other times on request. The Governor is required to develop guidelines for an annual financial audit to be conducted by each bank and association using an independent CPA and the results of this audit is to be presented to the stockholders and members at an annual meeting. Limits will be established to prevent banks and associations from concentrating an excessive portion of its loans with any one borrower.

In addition, the General Accounting Office is required to audit the Farm Credit System every 3 years and report the results to Congress. This bill also will increase collateral requirements for Federal Land Bank loans by reducing the percentage limits which determine the amount which can be loaned in relation to total collateral on the loan, this is to protect against sharp fluctuations in land values.

Today I am also introducing a bill, S. 1599, that will establish a Farm Credit System Review Commission. The purpose of this Commission is to examine the Farm Credit System and recommend organizational changes which will maintain the long-term viability of the Farm Credit System and allow it to adapt to the changing nature of American agriculture.

I encourage my colleagues to support this legislation and work with me toward solutions. It is critical that the Congress starts to take action to deal with the serious problems facing the Farm Credit System and its members.

By Mr. HEINZ (for himself, Mr. DURENBERGER, Mr. ABDNOR, Mr. ANDREWS, Mr. DENTON Mrs. HAWKINS, Mr. SPECTER, Mr. PRESSLER, Mr. RIEGLE, Mr. MATHIAS, Mr. DECONCINI, Mr. WARNER, and Mr. WILSON):

S. 1600. A bill to provide that certain of the Social Security Trust Funds be excluded from the Federal budget process for fiscal years beginning on or after October 1, 1985, and to clarify that specifications and directions with respect to such trust funds may not be included in any concurrent resolution on the budget adopted with respect to fiscal years beginning after such date; pursuant to the order of August 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

TAKING SOCIAL SECURITY OUT OF THE UNIFIED BUDGET

Mr. HEINZ. Mr. President, it is time to make it clear where the Congress stands on Social Security. The House and the President have agreed that Social Security should be put outside the budget discussion. The Senate should now take the lead in locking that door. Consequently, I am introducing legislation today that will remove Social Security from the Federal budget and, therefore, from all current and future budget debates, beginning on October 1, 1985.

Over the past several months many of the proposals we have taken up to reduce the deficit have included across-the-board COLA freezes. There is no reason for the Senate to be defensive about these proposals, which in their various forms claimed widespread bipartisan support. At one time or another at least 60 Senators supported a freeze, whether it be the Chiles proposal, the so-called KGB plan, or the final budget resolution adopted by the Senate. In all those efforts the key element was fairness. Millions of Americans who would have been affected by a COLA freeze supported these deficit reduction efforts because they touched all programs and they were fair. Most importantly, these proposals were comprehensive and effective approaches to solving the deficit.

Despite our determined efforts at effective deficit reduction, the President and the House have closed off any consideration of Social Security in the budget debate. Thus, it is time for the Senate to take the lead in closing the door once and for all on any further debate on this issue.

Beyond the politics of the budget there are substantive reasons for taking Social Security off budget. Social Security is a trust-funded program with its own source of tax revenues. This program is financially sound. It currently brings in more revenues than it pays out and is projected to be solvent well into the next century.

Despite Social Security's unique status, it can be, and occasionally has been, a target for irresponsible budget cutting. That is why I proposed an amendment in 1982 and again in 1983 to immediately remove Social Security from the unified budget. When I proposed that we take Social Security out of the unified budget, I did so because the acrimonious budget battles nearly felled the effort to restore solvency to Social Security and to reduce the Federal budget deficit. My amendment was narrowly defeated, but the Social Security Amendments of 1983 included a provision to remove the trust funds from the unified budget in 1992.

Mr. President, I think Social Security is every bit as explosive an issue today as it was during those earlier debates. In fact, I don't think we will get a real budget until we separate Social Security from the budget process. The legislation I am introducing today will accelerate Social Security's departure from the budget to fiscal year 1986. I have discussed this with the chairman of the Finance Committee, Senator PACKWOOD, and he has indicated his support for this effort. Also, the bill I am introducing has broad bipartisan support and is cosponsored by Senators DURENBERGER, ABDNOR, RIEGLE, DECONCINI, ANDREWS, DENTON, MATHIAS, HAWKINS, SPECTER, and PRESSLER.

Mr. President, we have to recognize that with Social Security in the budget Congress loses sight of the real source of budget deficits. The real source of the budget deficit can be explained by basic arithmetic: We spend more on programs than we want to pay for from income taxes. Social Security now gives us billions in payroll taxes to make this difference look smaller. The real issue here is not Social Security, but rather our unwillingness to reconcile our expectations of Government with our tolerance for taxes. Social Security has nothing to do with this. We tax enough in Social Security to more than pay for the benefits. We deceive ourselves as to the structural causes of the deficit if we allow the current on-budget status of Social Security to obscure the unvarnished reality of spending beyond our means everywhere else.

Mr. President, we are now depending on Social Security to pay for programs that we don't have the guts to pay for through the income tax. This is a problem that can only get worse. Taking Social Security off budget will, in 1986, show the true deficit to be $16.8 billion higher than it is under current budget calculations. By 1990 it will be $67 billion higher. And, by the end of this century, if Social Security is not taken off budget we could well have more than $100 billion a year from its trust funds to lull us into a false sense of fiscal responsibility.

Not only does Social Security bail us out by masking the deficit, but it is an irresistible target for the budget cutters' knives. Social Security is a program of such enormous size—serving one out of seven Americans—the tremendous savings can be achieved with relatively small adjustments in the program. We have no other program—save defense—that allows us to make such sweeping deficit reductions with such a small stroke of the pen. We have to face up to the real need for spending reductions lies elsewhere.

Fifty years ago the Congress embarked on a new enterprise to guarantee a secure retirement, not just to

those Americans who have already attained old age, but to the hundreds of millions of workers now planning for their retirement. The truly remarkable accomplishment of this system is the psychological security that it delivers. Yet, Mr. President, in the 15 years that the Social Security Program has appeared in the unified budget, the confidence of younger Americans has steadily declined. Today, the message of security is not being heard by younger generations. It's being drowned out by the hue and cry of deficit reduction. The radios of today's youth can barely detect the signals we work so hard to transmit on Social Security because of interference from our transmissions in the budget process.

Mr. President, we can never convince the younger generation of the durability of this program unless we respect the permanence of our promise. It is time that we recognize the uniqueness of this program with its own tax base, its own trust funds, and benefits based on earnings. We must stop holding Social Security hostage to the vicissitudes of budget negotiations. We need to free the program to pay benefits and collect contributions that American workers have come to rely on. It is my hope that by taking Social Security out of the budget debates, we can begin to restore public confidence in the system.

There is more at stake here than the integrity of the Social Security Program. I think we must concern ourselves in this Chamber with the integrity of the budget process. The mere mention of Social Security as a means to reduce deficits has once again threatened to grind the process to a halt.

We are never going to get an honest budget that has the agreement of both Chambers until we take Social Security out of the debate. We have nearly brought the budget process to grief in the last 5 years because of the mere mention of Social Security. If we are going to begin to get serious about budget deficits, we must heed the message that Social Security is clearly out of bounds. We must take the leadership to make sure it truly is out of bounds.

So, Mr. President, I rise today to urge my colleagues to join with me in moving the Social Security trust funds out of the unified budget so we can get on with the responsible job of solving our massive budget deficits.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1600

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) section 346(a)(2) of the Social Security Amendments of 1983 is amended by striking out "1992" and inserting in lieu thereof "1985".

(2) Section 346(b) of the Social Security Amendments of 1983 is amended by striking out "1992" and inserting in lieu thereof "1985".

(b) Section 710(a) of the Social Security Act (42 U.S.C. 911 note), as amended by section 346(b) of the Social Security Amendments of 1983 (to be effective with respect to fiscal years beginning on or after October 1, 1985, as provided in the amendments made by paragraph (2) of subsection (a) of this Act), is amended—

(A) by inserting "(1)" after the subsection designation; and

(B) by adding at the end thereof the following new paragraph:

"(2) No concurrent resolution on the budget considered under section 301, 304, or 310 of the Congressional Budget Act of 1974 (2 U.S.C. 632, 635, 641), or any amendment thereto, or conference report thereon, may contain any specifications or directions described in the second sentence of section 310(a) of such Act with respect to any Trust Fund specified in paragraph (1) of this subsection or with respect to revenues attributable to the taxes specified in such paragraph.".

● Mr. MATHIAS. Mr. President, this month marks the 50th anniversary of the signing into law of the Social Security Act. This landmark legislation has done so much to give all of us a measure of optimism and stability as we grow older.

As we celebrate the first half-century of Social Security, we must work together to sustain its future. The legislation that the Senator from Pennsylvania [Mr. HEINZ] and I, with others, introduce today will help do that by removing the Social Security system from the unified budget. With enactment of this bill, decisions about Social Security can be based exclusively on maintaining solvent trust funds which guarantee benefits, rather than on other economic or budgetary constraints of the Government as a whole.

Legislation enacted in 1983 already requires that the Social Security and Medicare trust funds be removed from the budget beginning in fiscal year 1992. Our bill would immediately return Social Security to the same position of budget independence that it occupied from its origins until 1969. However, in our present attempts to reduce mounting Federal budget deficits, Social Security has become an unnecessary and unfair bargaining tool.

By removing Social Security from the unified budget, not only will we protect beneficiaries from recurring threats to the benefits on which they depend and which they have earned, but also we will gain a truer picture of just how bad the deficit problem really is. No longer will we mislead ourselves or the American people with distorted budget deficit figures that have reflected Social Security trust funds that don't belong in the picture.

Let us put the minds of our senior citizens at ease, once and for all. Let us end the temptation to make Social Security a political hostage to the necessity of controlling the budget deficits. Let us abandon cosmetic attempts to color the public perception of deficit figures. The time has come to return Social Security to its historic budgetary independence.●

Mr. WARNER. Mr. President, I ask unanimous consent to be added as a cosponsor of legislation offered by Senator HEINZ removing the Social Security trust funds from the unified Federal budget.

Approximately 36 million Americans are receiving Social Security benefits, and nearly 90 million Americans are supporting the program by paying Social Security taxes.

Social Security is the bedrock of retirement income, and as we all know, the only means of subsistence for millions of our older citizens.

The Social Security Amendments Act of 1983 provided in part for this process beginning in 1992.

By moving the date of enactment to October 1, 1985, we may once and for all set Social Security apart from normal budgetary considerations.

I urge my colleagues to join me in supporting this effort.

By Mr. LEAHY:

S. 1601. A bill entitled the "Rural Transportation Equity Act of 1985"; to the Committee on Banking, Housing, and Urban Affairs.

RURAL TRANSPORTATION EQUITY ACT

● Mr. LEAHY. Mr. President, I rise today to introduce legislation to ensure that Americans living in rural areas of this country will have access to vital health care and social service programs.

The Rural Transportation Equity Act, which I am introducing today, would clarify the funding formula for the Section 18 Rural Bus Line Program administered by the Urban Mass Transportation Administration. The Section 18 Program has provided almost $500 million in much-needed aid to transportation systems in rural areas since 1978. Nearly 1,000 communities are served by this program, drawing them even closer together with effective and reliable transportation systems.

Since its inception, the Section 18 Transportation Program has been a partnership among the Federal and State and local governments. Under a funding formula established in 1978 by an amendment I offered with Senator STAFFORD, the Federal Government provides half of the operating funds, while State and local governments provide the other half.

In addition, the funding formula we designed allowed State and local governments to use the Federal moneys

they receive to fund half of the State and local portion of Section 18 Rural Bus Programs. The other half of the State and local funds were generally intended to come from purely State and local moneys, with some specific exceptions.

Until 1983, the Federal Highway Administration [FHWA] had jurisdiction over the Rural Bus Program. FHWA's longstanding interpretation of our funding formula permitted rural communities to use some Federal moneys to meet the so-called local match requirement. FHWA correctly recognized that rural areas often have difficulty competing with metropolitan areas for State transportation funds. In light of these difficulties, the agency relaxed the requirement that local governments must foot a full 25 percent of the bill for a rural bus line.

Certain Federal funds could be devoted to the local matching funds, including revenue sharing, Appalachian Regional Commission funds, and HUD community block grant development funds. In addition, State and local social service agencies were permitted to contract with section 18 transportation providers to transport clients to and from their offices and programs. These social service contracts are an integral source of funds for section 18 rural bus lines. A majority of these bus lines devote more than 50 percent of their services to transporting the elderly, ill, and handicapped.

Soon after UMTA assumed authority over the Rural Bus Program in 1983, however, the agency ruled that social service contracts could no longer be used as part of the local match. Mr. President, this decision, I believe, strays from our original intention in Congress and has jeopardized the ability of rural communities to provide citizens access to health care and social services—access that is taken for granted in metropolitan areas.

A recent study published by Rural America found that the average rural transportation system that uses social service contracts has suffered up to a 25-percent loss of funds as a result of the UMTA ruling.

The legislation I am introducing today would restore the longstanding interpretation of the law that contracts with social service agencies and may be used to fund the local portion of the Rural Bus Program.

A few brief examples of the kinds of services provided by section 18 bus lines, Mr. President, should bear out the need to restore the previous interpretation of the funding formula. In my own State of Vermont, David Palmer has run a most successful Section 18 Program in Bethel. The Stage Coach Line is a 15-vehicle operation which devotes the majority of its energy to transporting the elderly and infirm under contract from social service agencies. Elderly residents of eight towns near Bethel are picked up each day and driven to centers which provide low-cost meals and recreational activities. In addition, residents of the area may use the Stage Coach for transportation to mental health workshops and day care centers.

All around the country, Section 18 Bus Programs provide these kinds of services. In rural Pennsylvania dislocated workers are transported to job training sites. In the Plains States, deaf and blind citizens are provided transportation to schools and recreational centers. And in California, children ride on section 18 bus lines to participate in the Foster Grandparents Program.

Section 18 bus lines are a vital link between health care, nutrition, social services, and the residents of the rural areas of this Nation. It was not too long ago that these important programs were only available in major metropolitan areas. Rural parts of this country were left out, for the most part. UMTA's misguided interpretation of the law has now made it more difficult for rural Americans to have access to the programs and services we fought so hard to bring to rural areas.

Mr. President, Americans living in rural areas are entitled to the same services and programs offered to other Americans. This is something we all agree upon. The Rural Transportation Equity Act would require UMTA to recognize that a consensus exists in this country in favor of the equitable treatment of rural America, and would enable section 18 bus lines to more readily provide citizens in rural areas with transportation to social service and health care programs.

I urge my colleagues to support this important legislation, and I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being on objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1601

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 18(e) of the Urban Mass Transportation Act of 1964 is amended by adding at the end thereof the following: "For the purpose of this subsection, the term 'Federal funds or revenues' does not include funds received by a recipient of funds under this section pursuant to a service agreement with a State or local social service agency or a private social service organization.".●

By Mr. SPECTER (for himself, Mr. ROCKEFELLER, and Mr. MURKOWSKI):

S. 1602. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to assist certain disabled veterans in acquiring specifically adapted residences; to the Committee on Veterans' Affairs.

SPECIAL ADAPTED RESIDENCES FOR CERTAIN DISABLED VETERANS

Mr. SPECTER. Mr. President, I am proud to be introducing legislation today with my colleagues, Senators FRANK MURKOWSKI, and JAY ROCKEFELLER which would amend title 38, section 801, concerning the Veterans Administration's Adaptive Housing Program for disabled veterans.

This legislation would change title 38 to enhance the fairness of current law as it relates to America's veterans who have been blinded or have lost the use of both hands while serving their Nation. Unfortunately, the loss of the use of one's eyes or hands makes it difficult or impossible to live in comfort in a conventional home. In recognition of these disabled veterans' needs and of their service to the United States, the VA provides them with a $6,000 grant to be used in acquiring adaptations to their homes that are necessary due to their disability.

Currently, a blinded or disabled veteran eligible for this grant cannot use it toward the purchase of a home that has already been adapted. Yet, other disabled veterans who qualify for a similar adaptive housing grant under title 38, section 801(a) are able to utilize their grant to purchase an already adopted home. The legislation which I am introducing would correct this inequality in title 38, section 801(b), by enabling veterans covered under this section to also apply their grant to the purchase of a home that is already equipped with the adaptations that they need to live full and productive lives.

There would be no significant financial cost involved in making this change. The $6,000 grant for adaptations is already in effect. This bill would simply allow these disabled veterans to receive the money in a way that will be more useful to many of them.

This measure has the full support of the Blinded Veterans Association, chartered by this Congress in 1958 to serve as the official representative of America's blinded veterans. In addition, VA Administrator Harry Walters has endorsed this bill and it has already been favorably reported by the House of Representatives.

This legislation will bring fairness to current law and will help many veterans who were blinded or who lost the use of their hands while serving their country, by enabling them to purchase a home that has already been sensitized to their disability. We can make a major difference to the lives of these courageous people at an insignificant cost. I, therefore, urge all of you to joint with me in supporting this long overdue measure.

● Mr. ROCKEFELLER. Mr. President, with pride, I am joining my dis-

tinguished colleagues, Senators SPECTER and MURKOWSKI, in introducing legislation to address the special needs of our Nation's blind veterans. As a member of the Senate Veterans' Affairs Committee, which is chaired by Senator MURKOWSKI, this bill reflects my stong commitment to ensuring that all veterans are recognized for their sacrifices and service on behalf of our country.

As Senator SPECTER has explained, the legislation would amend title 38, section 801 concerning the Veterans Administration's existing Adaptive Housing Program for disabled veterans. We seek to make a very minor change in the current law; however, if and when enacted, it will result in providing more fairness to veterans who were blinded in service defending America.

This bill would amend the law to enable a service-connected blinded veteran to use a $6,000 adaptive housing grant, provided by the VA in an existing program, to purchase a home which already has the modifications he requires. It appears that the original authors overlooked the need to make this provision explicit. There is no reason to require a blinded veteran to purchase a home without the needed modifications in order to qualify for the grant. Through this bill, the veteran would receive this modest assistance for the best housing option available, which makes sense financially for him and fulfills the intent of the original law. For example, in another part of the original law, other disabled veterans who qualify for a different adaptive housing grant are clearly able to use a $37,000 grant to purchase a home with adaptions already constructed.

I wish to commend the Blinded Veterans Association for their assistance in bringing this matter to my attention as soon as I joined the Veterans Committee. The BVA was chartered by Congress in 1958 to serve as the official representative of America's blinded veterans. The organization has done an excellent job in educating Congress and the VA about the Adaptive Housing Program and the need improving upon its provisions for blinded veterans.

The Veterans' Administration is on record in support of this legislation. And the bill's companion has already been received favorably by the House Veterans Committee.

I encourage all of my colleagues in the Senate to join Senators MURKOWSKI, SPECTER, and myself in working to enact this legislation on behalf of blinded veterans. In doing so, we will bring more fairness and equity to a fine law in order to further pay the debt we owe to veterans who were disabled in performing their duty to America.●

By Mrs. HAWKINS:

S. 1603. A bill to amend the Truth in Lending Act to impose a national ceiling on credit card interest rates; to the Committee on Banking, Housing, and Urban Affairs.

NATIONAL CREDIT CARD CONSUMER PROTECTION ACT

● Mrs. HAWKINS. Mr. President, today I am introducing legislation to curtail the amount of interest charged on credit cards. This is a consumer issue that has concerned me for some time, and one that I believe requires our action.

According to the Congressional Research Service in December 1980, the prime rate in this country was 21.50 percent—an all-time high. In November of that year, just 1 month earlier, interest rates on credit cards were 17.41 percent.

Today, the prime rate is 9½ percent but interestingly, the average interest rate reported for credit cards in May of this year which is the most recent data available, was 18.71 percent.

As we all know the prime rate is usually defined as the rate that banks charge their most creditworthy customers. What I want to know is why the rest of us, who are also creditworthy customers, are being charged 18, 20 and even 22 percent. The American consumer is being taken to the cleaners to the tune of $12 billion annually which is the amount that Consumer Reports magazine recently reported lenders are making in interest collection assuming an average 18-percent interest rate. The magazine also reported another $3.4 billion in annual fees was collected by the issuers of the five major cards and 1 to 6 percent of the dollar value of each transaction was charged to merchants who use those cards.

Credit cards provide a safe and convenient method of payment. They are popularly used from vocationers to elderly consumers preferring not to carry cash. The bill I am introducing today will impose a national ceiling on credit card interest rates. It amends the Truth in Lending Act and provides that the interest rate on credit cards may not exceed more than 5 percentage points the average of the investment yield of U.S. Treasury bills, with maturities of 26 weeks, which were outstanding the year before.

I believe that this legislation is overdue. Credit card interest rates have remained consistently high over the past year and have not responded to anything other than State imposed usuary ceilings. The bill I am introducing today would ensure a reasonable ceiling nationwide. The average investment yield on U.S. Treasury bills in 1983 was 9.27. In 1984 it was 10.43. If this bill had been enacted last year, the maximum interest rate that could be charged this year on credit cards would be 15.43 percent—5 percentage points above 10.43 percent.

Mr. President, I do not favor legislative action to remedy this problem. I would prefer the banks to take voluntary action, but I do not see any movement in that direction, and I can no longer stand by and watch the elderly residents of my State on fixed incomes, or the young couples struggling to start a family, or the middle-class parents who are trying to send their son or daughter to college, continue to be gouged by these outrageous interest rates. Consumers need a friend on this issue. I urge my colleagues to join me in ths effort.

Mr. President, I ask that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1603

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this act may be cited as the "National Credit Card Consumer Protection Act".

SEC. 2. Section 107 of the Truth in Lending Act (15 U.S.C. 1606) is amended by adding at the end thereof the following:

"(f) The annual percentage rate which may be charged during a calendar year on an extension of credit obtained by use of a credit card may not exceed by more than 5 percentage points the average of the investment yield of United States Treasury bills with maturities of 26 weeks which were outstanding during the most recent 12-month period preceding January 1 of that year for which data are available, as determined by the Board.".●

By Mr. RIEGLE:

S. 1604. A bill to amend title XVIII of the Social Security Act to waive the late enrollment penalty under Medicare part B for any disabled individual who was covered under his own or his spouse's private employment-related health insurance; to the Committee on Finance.

ELIGIBILITY FOR SOCIAL SECURITY DISABILITY INSURANCE

● Mr. RIEGLE. Mr. President, today I am introducing S. 1604, a bill which will eliminate an inequity which exists in the Medicare Program for Social Security disability insurance [SSDI] beneficiaries. There is a small number of SSDI beneficiaries who are eligible for Medicare but who have failed to enroll because they have health coverage through the extension of their work-related health insurance or a spouse's employment-related health care plan. If these individuals ever need to enroll in the Medicare part B program, they will be subject to a 10-percent annual penalty for their delayed enrollment. This bill will address this persistent inequity.

Mr. President, as you know Medicare is a program first enacted in 1965 as title VIII of the Social Security Act to provide financial access to vital health

care services to our elderly population. In 1973, Medicare coverage was extended to disabled individuals entitled to Social Security disability insurance for 24 months or more. Since its inception, the program has experienced an enormous growth. In 1983, 27-million elderly and 3-million disabled individuals were enrolled in the Medicare Program. In 1983, Medicare expenditures equaled $58.8 billion and accounted for 17 percent of all health care expenditures in this country. In 1986, Medicare is estimated to cost $67 billion. It is clear that this program is serving a vital source of access for our seniors and disabled individuals.

When Medicare was first enacted in 1965, a 10-percent annual surcharge was assessed against those who delayed their enrollment in the voluntary part B—supplemental medical insurance—of Medicare. This provision was enacted to create a disincentive for individuals who were planning to delay enrollment until they became ill and in need of health care services. This was a provision based on sound actuarial accounting and was designed to assure a sufficient amount of premiums to assist in the funding of the program. At that time, there was a maximum of a 30-percent penalty because the enrollment period for the part B of Medicare was limited to 3 years. In 1972, the limited enrollment period was abolished. However, Congress failed to repeal or cap the part B surcharge. We now have a small population of individuals who have incurred a substantial penalty for their late enrollment. According to the Health Care Financing Administration [HCFA], in 1983, 169 seniors were paying a 150-percent penalty and 18 seniors were paying a 160-percent penalty. This penalty is an add-on to their monthly premium payment. There are situations where this surcharge is not only unfair and inequitable but is penalizing American citizens who are actually saving the Federal Government significant Medicare outlays.

Congress recently addressed this problem and rectified a similar circumstance where old age and survivors beneficiaries were being inappropriately penalized. Included in Public Law 97-248, the Tax Equity and Fiscal Responsibility Act of 1982 [TEFRA], was the "working aged" provisions which made Medicare the "secondary payer" for certain elderly workers. The provisions amended the Federal Age Discrimination Employment Act [ADEA] to require employers to offer their employees aged 65 to 69 and their dependents the equivalent health care coverage as their younger employees. It became clear that it would be inappropriate to penalize these individuals and subject them to the part B premium surcharge if enrollment in the part B program would simply duplicate their work-based health care coverage. This inequity was rectified with the passage of Public Law 98-369, the Deficit Reduction Act of 1984 [DEFRA], which exempted these individuals from the surcharge.

The bill I am introducing today, S. 1604, would address another circumstance where individuals are being inappropriately penalized. A small number of disabled individuals who are qualified for Medicare as a result of their eligibility for SSDI, receive their health care coverage through a spouse's employment-related health care plan or through the continuation of their own work-related health plan. They are saving the Federal Government health care dollars by their utilization of an employment-related plan to cover the expenses of their disability and health care needs and they should not be penalized for their efforts. This bill will eliminate the part B premium penalty for the disabled person and/or disabled spouse who are enrolled in a group health care plan provided by the beneficiary's former employment or a spouse's current or former employment.

I urge all my colleagues to support this piece of legislation and help to eliminate this inequitable and unfair situation. We must persist in our efforts of making Medicare affordable, accessible, and fair in its design and implementation.●

By Mrs. HAWKINS:

S. 1605. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the credit for dependent care expenses, to make such credit refundable, and to provide that certain respite care expenses are eligible for such credit; to the Committee on Finance.

CREDIT FOR DEPENDENT CARE EXPENSES

● Mrs. HAWKINS. Mr. President, today I am introducing legislation to expand the dependent care tax credit and make it refundable for those whose tax liability does not exceed the credit to which they are otherwise entitled. This legislation would also provide for a limited credit for respite care expenses. Respite care is a service afforded seriously ill or disabled dependants and provides the caregiver some relief to their demanding job.

I have been involved in this issue for many years and am convinced that the dependant care tax credit plays a very important role in both young and older families. Access to affordable dependent care is a crucial factor in ensuring that women, who have a disproportionate share of the responsibility for caring for these family members, have an equal opportunity to enter and continue in the job market. The tax credit enables them to work and contribute to the economy while avoiding the terribly high costs of institutional care for children and elderly dependents.

Almost 46 percent mothers with children under three are in the labor force as are almost 57 percent of mothers with children ages 3 to 5. Additionally, 1 in 10 middle-aged women between 45 and 65 has responsibility for an older relative, and nearly 1 million women aged 44 to 58 claim that the health of a family member limits their work.

The need for this tax credit is well established. It is critical to young families with children who are struggling to keep up with the cost of living. Unfortunately, economic realities dictate that many mothers absolutely must work. Two-thirds of the women in the work force are either sole providers or have husbands who earn less than $15,000. Almost one in six American families is headed by a woman. If affordable child care is unavailable, the children are left to fend for themselves. As many as 6 to 7 million children 13 years and under may go without care for a substantial part of the day—those are alarming statistics. Broadening the dependent care tax credit is clearly another tool that we can use to help keep our children safe.

The credit is equally important to families caring for an elderly dependent. The availability of the dependent care tax credit encourages women in these families to stay in the work force. However, for those who do retire to assume the full-time job of caring for a dependent family member, it is important that the use of respite care be encouraged to give them an opportunity to rejuvenate. In the long run, this will enable them to provide quality care to the family member for a longer period of time.

Currently, the dependent care tax credit is available to taxpayers who incur work related expenses for the care of a child under the age of 15, a disabled spouse, or any other dependent who is physically or mentally incapable of caring for himself or herself. The sliding scale provides the maximum benefit to the lower income families, but it does not go far enough. It currently allows a 30-percent credit for work related dependent care expenditures up to $2,400 for taxpayers with incomes of $10,000 or less. The credit is reduced by the percentage point for each $2,000 of income between $10,000 and $28,000 to a minimum of 20 percent.

This is a rather unrealistic picture of the amount of assistance needed by low-income families. Under the current system, a family earning $10,000 a year would have to pay $2,400 per year, nearly one-fourth of its income, to receive the maximum credit. Most families at this income level are unable to spend that amount of money on child care. The scale needs to be adjusted to provide them with more assistance so that child care can be a re-

alistically affordable option for them. In so doing, we will be directly assisting those children who have been left alone for several hours in the day while their mothers work. It is the children who will benefit from this change.

The bill I am introducing today would raise the sliding scale to 50 percent of work related expenses for families earning $11,000 or less. The scale would be reduced by 1 percentage point for each full $2,000 of income with earnings of $41,000 or more receiving a maximum credit of 20 percent. By expanding the credit to give low-income families greater access to the benefits of the credit, we are providing an incentive to these families to join or stay in the work force. Additionally, and very importantly, the credit would be refundable. A refundable tax credit that is also indexed to the cost of living will allow low-income families to take full advantage of the credit.

This legislation expands the concept of the dependent care tax credit and allows a credit for respite care. The credit is available for up to $1,200 of expenses for one dependent and $2,400 for two individuals. The legislation allows the care giver to either hire someone to come to the home and care for the dependent or to take the dependent to an adult day care center. It also permits a maximum 2-week stay in an institution. This is to allow the care giver an adequate block of free time each year in order to thoroughly rejuvenate and tend to personal affairs.

Respite care is a service afforded a dependent person which allows the full-time care giver some relief to the full-time job of tending to the needs of a dependent relative. It is a new concept, but a vitally important one. Full-time care of an elderly person is exhausting, demanding and sometimes lonely work. Respite care will allow the caregiver an opportunity to rest for a few hours during the day and tend to personal and family matters. In the long run, this will provide the caregiver with more stamina and mental energy to deal with the demands of this round-the-clock job.

Mr. President, I believe that I have established the critical need for expansion of the dependent care tax credit in my statement. This is an issue that affects our families—the very nucleus of society. The availability of affordable care for our children and family members who are unable to care for themselves should be a national priority. I hope that my colleagues will join me in this effort to enact a reform that keeps pace with our changing society, a society in which more and more women are working and there is a growing need for affordable child care.●

By Mr. DOLE (for himself and Mr. DURENBERGER):

S. 1606. A bill to amend title XVIII of the Social Security Act to revise the methodology for computing the additional payment to hospitals for indirect costs of medical education, and to provide an additional payment for hospitals which serve a disproportionate share of low-income or Medicare payments; to the Committee on Finance.

INDIRECT GRADUATE MEDICAL EDUCATION REIMBURSEMENT AND DISPROPORTIONATE SHARE HOSPITALS

Mr. DOLE. Mr. President, today I join my distinguished colleague Senator DURENBERGER in introducing S. 1606, a bill that revises the way the Medicare Program pays for the indirect costs of teaching hospitals and also provides for an added payment to hospitals serving a large number of poor elderly. The primary purpose of this bill is to begin working toward a more accurate and equitable Medicare reimbursement method for hospitals that have graduate medical education programs and/or serve a large portion of low-income elderly. While the bill we offer brings us closer to our stated purpose, we recognize that it is only the first step. We welcome suggestions and comments on the bill.

THE INDIRECT TEACHING ADJUSTMENT

Medicare currently provides an added payment to hospitals to account for the indirect costs of medical education programs. These so-called indirect costs are due to the increased patient care costs that are associated with the presence of a teaching program. These costs exist for a variety of reasons, such as an increase in the number of tests and procedures ordered and increased staffing requirements.

The original adjustment was calculated on the basis of the number of residents per bed. In 1983, when we moved away from cost based reimbursement to the new DRG system, due to a lack of clear information that took into account nonteaching factors that legitimately increase hospitals' costs, the Congress doubled the original adjustment factor. It was Congress' stated intention to continue the doubling until a better method could be developed. And I believe we have developed an interim strategy that is better.

S. 1606 has three major provisions which revise the indirect payment. First we reduce the overall level of the adjustment by approximately one quarter. Second, the reimbursement formula has been changed to take into account economies that are gained with the increase in size of a teaching program. The current formula provides for an 11.597-percent increase to each payment for every 0.1 of resident per patient bed. If the resident-to-bed ratio triples, so does the adjustment percent. With the revised formula, the rate of adjustment increases more slowly as the teaching program becomes larger.

Third, and also consistent with S. 1158 a bill introduced earlier dealing with Medicare payments for direct medical education expenses, and consistent with testimony given at the June 3, 1985, Senate Finance Committee Subcommittee on Health Hearing, after July 1986, the calculation of the resident per bed formula omits those who have not graduated from accredited United States or Canadian medical schools. We recognize that some States, particularly those in the Northeast, may have difficulty with this provision. We are continuing to work with Senators BRADLEY and MOYNIHAN to develop a strategy that will minimize disruptions that may occur in hospitals with large numbers of foreign medical graduates.

DISPROPORTIONATE SHARE ADJUSTMENT

There is mounting evidence that hospitals many of which are large urban public hospitals but also some located in rural areas who care for a large number of poor elderly incur higher costs. Provisions contained in TEFRA charged the Secretary of Heath and Human Services with the responsibility of providing for exceptions and adjustments to hospital payment amounts to take into account the special needs of public or other hospitals that serve a disproportionate share of poor elderly patients. To date the Secretary of Health and Human Services, however, has not provided for such a disproportionate share adjustment.

In 1983, Congress enacted the provisions creating the prospective payment system. The legislation included an exception for disproportionate share hospitals and again required the Secretary to provide for exceptions and adjustments as deemed appropriate. Still no action took place.

Finally again in DEFRA we required the Secretary to develop a definition of disproportionate share hospitals and to identify such hospitals by December 31, 1984. The Health Care Financing Administration, though currently working on meeting this requirement, is well past the deadline of December 31, 1984.

COURT ACTION REGARDING THE DISPROPORTIONATE SHARE ADJUSTMENT

In 1984 a California hospital—Redbud Hospital—filed suit against HHS challenging the hospital's initial payment rate under the new DRG system. On July 30, 1984, the court granted a preliminary injunction, prohibiting the Secretary from imposing the new system on the hospital. The court noted the hospital's status as a hospital serving a disproportionate number of Medicare and Medicaid patients and that Congress has singled this class of hospitals out for special consideration. The court required the

Secretary to promulgate regulations or written policies with respect to this class of hospitals serving a disproportionate share of Medicare and low income patients, as provided in law. On June 14, 1985 the court required that the Secretary publish interim final rules by July 1, 1985, and final rules by October 1, 1985. Although HCFA appealed the decision, it published interim rules on July 1, 1985.

These interim rules allowed hospitals, on a case-by-case basis, to apply for an adjustment. They were also given a number of requirements with which they had to comply in order to qualify for the adjustment. However, no specific adjustment method was described in the interim rule.

Last week the order was stayed. The interim rules are being withdrawn.

CURRENT RESEARCH EFFORTS

Preliminary results from research being conducted by a great many groups including the Health Care Financing Administration, the American Hospital Association, the Congressional Budget Office, and the Prospective Payment Assessment Commission, underscore the existence of a disproportionate share effect—higher costs do occur as a result of the presence of large numbers of Medicare or low income patients. Continuing research is building on these findings, along with work on the evaluation of alternative measures of disproportionate share and on an adjustment methodology. While a definitive answer is unlikely in the short run, we can take a step forward toward a solution.

DISPROPORTIONATE SHARE ADJUSTMENT

Thus in addition to revising the way Medicare pays teaching hospitals, S. 1606 also provides for a disproportionate share adjustment. The adjustment would be available to rural as well as urban hospitals.

This portion of the bill is made up of three major provisions.

First, hospitals larger than 100 beds serving a large portion of low-income individuals or those participating in Medicare, will be eligible to receive an adjustment calculated on the basis of the proportion of low-income elderly and the proportion of Medicaid patients they serve. In order to qualify for an adjustment, a hospital must have a specified proportion of its days accounted for by either dually eligible Medicare and Medicaid patients or nonaged Medicaid patients at which point a 3-percent adjustment is provided. The adjustment increases until the proportion reaches a maximum point and then the adjustment is capped at 13 percent thereafter.

Second, an exceptions process has been provided that permits the Secretary to provide the adjustment to hospitals who do not otherwise qualify by reason of their bed size or their failure to meet the other requirements previously described relating to the proportion of Medicare or low-income patients. This may provide some assistance to small rural hospitals which would not otherwise qualify but would also be available to urban hospitals.

Third, we require the Secretary to develop data files that will be instrumental in our ability to further target the adjustment in year two of this bill. Specifically, we wish to construct a method which targets the adjustment on institutions who serve a large number of low-income Medicare beneficiaries. We continue to believe that Medicare is not intended to subsidize access of nonelderly poor to hospital care.

CONCLUSION

There is broad consensus that under the current system at some hospitals are experiencing unusual hardships while others are receiving windfall profits. The disparity should not be allowed to continue if we can find an equitable method of reallocating these funds. We believe that the approach contained in this bill will eliminate some of the inequities and starts us down the road toward a more fair and reasonable approach. Also important to note is our continuing commitment to the support of medical education and to teaching institutions. They perform a critical function in our communities as do those nonteaching institutions who care for the poor and the elderly.

We knew at the outset of the new PPS system that changes would be necessary. We believe this bill is a responsible attempt to address some of the issues confronting us.

Mr. President, I request that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1606

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PAYMENT FOR INDIRECT COSTS OF MEDICAL EDUCATION

SECTION 1. (a) DETERMINATION OF PAYMENT.—Section 1886(d)(5)(B) of the Social Security Act is amended to read as follows:

"(B) Effective with respect to discharges occurring on or after October 1, 1985, the Secretary shall provide for an additional payment amount for subsection (d) hospitals with indirect costs of medical education, in an amount computed in the same manner as the adjustment for such costs under regulations (in effect as of January 1, 1983) under subsection (a)(2), except as follows:

"(i) The amount of such additional payment shall be equal to the DRG payment multiplied by an educational adjustment factor equal to $((1+r).442-1)(1.63)$, with r being the ratio of interns and residents to beds.

"(ii) In determing such adjustment the Secretary shall not distinguish between those interns and residents who are employess of a hospital and those interns and residents who furnish services to a hospital but are not employees of such hospital.

"(iii) Effective on and after July 1, 1986, such additional payments shall not be made with respect to any intern or resident who is not a graduate of a school of medicine approved by the Liaison Committee on Medical Education of the American Medical Association and the Association of American Medical Colleges, or of an accredited school of osteopathy, dentistry, or podiatry located in the United States or Canada.

"(iv) The Secretary shall continue to count interns and residents assigned to outpatient services of the hospital as part of the calculation of the full-time equivalent number of interns and residents.".

(b) STUDY RELATING TO INTERNS AND RESIDENTS ASSIGNED TO OUTPATIENT SERVICES.—Prior to June 1, 1986, the Secretary of Health and Human Services shall conduct a study and report to the Congress on the impact of eliminating the counting of interns and residents assigned to outpatient services of a hospital for purposes of section 1886(d)(5)(B) of the Social Security Act.

PAYMENT FOR HOSPITALS WHICH SERVE A DISPROPORTIONATE SHARE OF LOW-INCOME OR MEDICARE PATIENTS

SEC. 2. (a) DETERMINATION OF PAYMENT.—Section 1886(d)(5) of the Social Security Act is amended by adding at the end thereof the following new subparagraph:

"(F)(i) For fiscal years 1986 and 1987, the Secretary shall provide for an additional payment amount for subsection (d) hospitals which serve a significantly disproportionate number of low-income patients or patients entitled to benefits under part A of this title, and have 100 beds or more.

"(ii) A payment under this subparagraph shall be made to any hospital described in clause (i) for which, for the preceding fiscal year, the percentage determined under clause (iii) is 30 percent or greater

"(iii) The percentage for a hospital is the fraction (expressed as a percentage) equal to the sum of—

"(I) the fraction, the numerator of which is the number of such hospital's patient days for such fiscal year which were made up of patients who (for such days) were enrolled under part B of this title pursuant to an agreement under section 1843, and the denominator of which is the number of such hospital's patient days for such fiscal year which were made up of patients who (for such days) were entitled to benefits under part A of this title; plus

"(II) the fraction, the numerator of which is the number of such hospital's patient days for such fiscal year which were made up of patients who (for such days) were eligible for medical assistance under a State plan approved under title XIX of this act, other than individuals enrolled under part B of this title pursuant to an agreement under section 1843, and the denominator of which is the total number of such hospital's patient days for such fiscal year.

"(iv) The amount of the additional payment under this subparagraph shall be equal to—

"(I) 3.0 percent of the DRG payment in the case of a hospital for which the percentage under clause (iii) is equal to 30 percent;

"(II) 13.0 percent of the DRG payment in the case of equal to or greater than 55 percent; and

"(III) a percentage between 3.0 percent and 13.0 percent (determined at a rate of four-tenths of one percentage point increase for each 1 percentage point increase in the

hospital's percentage under clause (iii) of the DRG payment for a hospital for which the percentage under clause (iii) is greater than 30 percent but less than 55 percent.

"(v) The Secretary may make payments under this subparagraph to a hospital which does not qualify for an additional payment under this subparagraph by reason of the 100-bed requirement of clause (1) or the minimum percentage requirement of clause (ii), or may increase the payment amount to a hospital as otherwise determined under clause (iv) (but not to an amount in excess of 13.0 percent of the hospital's DRG payment), in the case of a hospital which the Secretary determines, on the basis of additional data on the economic status of its patients presented by the hospital, serves a significantly disproportionate share of low-income patients or patients entitled to benefits under part A of this title as compared to other hospitals.

"(vi) The Secretary shall, if feasible, for fiscal year 1987, make payments under this subparagraph on the basis of an index constructed by the Secretary which the Secretary determines is a better measure of the disproportionate share of low-income patients or patients entitled to benefits under part A of this title served by hospitals than are the provisions of clauses (ii), (iii), (iv), and (v). If the Secretary makes payments on the basis of such an index, the total amount of the payments made to all hospitals may not exceed the total amount which would be made under this subparagraph if clauses (ii), (iii), (iv), and (v) were to apply to such fiscal year.".

(b) DUAL ELIGIBILITY FILE.—For purposes of implementing section 1886(d)(5)(F) of the Social Security Act, the Secretary of Health and Human Services shall develop for each State statistical files of individuals in such State who are dually eligible under both title XVIII of such Act and under the State's plan approved under title XIX of such Act. For purposes of establishing such files, any State having a plan approved under such title XIX shall provide to the Secretary any data necessary to carry out this subsection.

(c) CONFORMING AMENDMENT.—Section 1886(d)(5)(C)(i) of the Social Security Act is amended by striking out ", and of public or other hospitals that serve a significantly disproportionate number of patients who have low income or are entitled to benefits under part A of this title".

EFFECTIVE DATE

SEC. 3. The amendments made by this Act shall become effective on October 1, 1985.

Mr. DURENBERGER. Mr. President, I rise to join my colleague from Kansas, the distinguished majority leader, Mr. DOLE, to introduce a bill to amend title IX of the Social Security Act to refine the payment adjustment to hospitals under Medicare Part A for indirect medical education and establish an adjustment in Medicare payments to those hospitals treating a disproportionate share of the poor, elderly, and disabled.

This amendment is an interim step in Medicare policy. The new prospective payment system will require further refinement. But this measure clearly moves the payment methodology for prospective payment forward and makes it fairer. It will also help assure that the elderly and disabled will have access to the quality hospital services they deserve.

INDIRECT MEDICAL EDUCATION ADJUSTMENT

The indirect medical education adjustment is a misnomer. It is actually an adjustment adopted as part of the Medicare prospective payment system to provide for the legitimate higher costs of services to Medicare beneficiaries in teaching hospitals. The prospective payment system's per-case payment methodology is based on averages. It was felt at the time of its establishment that these payments based on average per-case costs alone would not be sufficiently sensitive to the fact that teaching hospitals tend to: First, treat sicker patients, thus more intensive treatment; second, be located in inner cities where costs of operations are higher; third, be saddled with a disproportionate share of poor Medicare patients; and fourth, experience an increase in the number of tests and procedures prescribed due to the practice style of residents.

It was determined in 1983, as part of the Social Security amendments establishing prospective payment, that an indirect medical education adjustment should be set at 11.59 percent as an add-on to the per-case payment for teaching hospitals for every 0.1 resident-to-bed in a given teaching hospital. There is little question, from all analyses, that this adjustment has been set to high. The adminstration to meet its budget goals would have the Congress reduce it by half. This is inappropriate and would unduly harm many institutions.

On the other hand, the adjustment was set arbitrarily at 11.59 percent. Under the current methodology, the hospital of the University of Minnesota with a 0.43 ratio of residents to beds, gets at add-on of 48.89 percent. UCLA's hospital, on the other hand, with a ratio of 1.0, residents to beds, gets an add-on of 115.9 percent. The University of Minnesota is just not that much different in the type or people served and the services provided than UCLA.

Senator DOLE and I have developed this bill to refine the payment adjustment to account for the fact that it is too high and now oversubsidizes certain institutions simply because they have an extremely high ratio of residents to beds. The bill reduces the current payment adjustment of 11.59 percent by a quarter and provides a lesser adjustment for each increment of additional residents to beds. The methodology will better reflect the actual marginal costs of a higher ratio of the number of residents to beds. UCLA may receive higher payments than the University of Minnesota under this new model, but the proportions will be more in line.

We have already introduced legislation reforming Medicare payment for the direct costs of graduate medical education. That bill, S. 1158, reaffirms Medicare's commitment to support residents, interns, and other health professionals in training who provide services to Medicare beneficiaries. It also addresses the budgetary and health policy realities of 1985.

The policies outlined in S. 1158 are intricately related to the bill I am proposing today. At a hearing I chaired in the Finance Committee's Health Subcommittee on S. 1158, witnesses testified that Medicare would be justified in dropping its payment for the direct costs of residency slots filled by foreign medical graduates. This policy should be consistent in the indirect medical education adjustment as well, and so it is included in this bill.

I know eliminating the foreign medical graduates from the indirect adjustment will concern those who view the indirect as a necessary subsidy for the poor Medicare beneficiaries who frequently have access only to hospitals with a large number of foreign medical graduates. I share their concern though I am confident that the disproportionate share adjustments included in S. 1606—discussed below—will sufficiently substitute for the amounts lost due to new medicare policy toward foreign medical graduates in training in U.S. hospitals.

The indirect medical education adjustment is, at best, a crude measure of many factors relating to the higher cost of teaching hospitals. Eventually, when the Secretary of Health and Human Services is able to develop an index to adjust the per-case payments in the prospective payment system to severity, the indirect can be further reduced or eliminated. Such an index, however, seems currently out of our grasp. And, despite the Secretary's commitment to finding an acceptable index, I think adoption of such a measure is years away. Until we find the right measure, it is important to sustain an appropriate adjustment for teaching hospitals.

DISPROPORTIONATE SHARE

S. 1606 would establish a new adjustment to the per-case payment to hospitals which treat a disproportionate share of poor, elderly, and disabled. I chaired a hearing of the Finance Committee's Health Subcommittee on the disproportionate share issue earlier this week. The testimony from the hearing convinced me that Congress should adopt an adjustment, albeit crude, and put pressure on the Secretary to develop a more appropriate adjustment.

The Congress, in the 1982 Medicare law, the 1983 Medicare law, and the 1984 Medicare law instructed the Secretary to make provision in Medicare's payments for the hospitals which treat a disproportionate share of the poor. She has chosen to ignore this directive. And she has actually fought it

51-059 O-86-36 (Pt. 16)

in the Redbud versus Heckler case. She contends that the legislative language concerning disproportionate share hospitals is ambiguous as to its mandate, that the best-intentioned enforcers have difficulty finding adequate data with which to identify these institutions, and that even if we were able to identify the right institutions, we would have difficulty determining the nature of the payment.

Well, the Ways and Means Committee has already addressed these questions about disproportionate share in their Medicare package. The Finance Committee should act also, and S. 1606 provides a starting point for its action on disproportionate share. Our answers, even when conferenced this fall, may be less than accurate or adequate. But, at least they will put in law the clear congressional direction that the Secretary has argued is currently not available.

As I stated at the hearing, a disproportionate share amendment to the Medicare law should meet certain principles:

First, disproportionate share legislation will not be designed to bail out hospitals. The purpose of the Medicare prospective payment reform and health systems reform in general is to provide incentives for cost-effective management of hospitals and to reward the efficient providers of quality care. That is why the Congress moved away from a hospital-specific cost-based payment system to one based on prospectively set per-case prices.

The old cost-based system was inflationary and promoted inefficient management of hospital services. Public hospitals and others which primarily treat the poor did well in the cost-based environment because they passed their higher costs and bad debts on to other payers. In the new prospective pricing system for Medicare many of the hospitals are in trouble. Their survival, per se, is not Medicare's concern—it is only important that Medicare's pricing system not inhibit access to care for its beneficiaries.

Second, unless and until the law is changed and we decide to tax the payroll of working people in America to pay for indigent care, Medicare is not intended to subsidize access of the nonelderly poor to hospital care. Medicare cannot be in the business of saving public or inner city hospitals at the expense of all other hosptials, the elderly and disabled, and the workers of America.

The Congress has mandated commitment from Medicare's resources to finance its share of medical education, and we will make a recommitment to medical education in this year's legislative package. But we do this because it is directly relevant to the quality health care to which the elderly and disabled are entitled under Medicare.

I have been careful to articulate the limits of our commitment to the poor via the Medicare trust fund. But this does not mean that the Congress can leave to Crosby, Stills, and Nash—who are holding concerts to raise money for the poor—the financing of the health care of 30 million disadvantaged Americans. I have said many times how impressed I was to learn that the greatest killer of children in America today—10,000 young victims last year alone—is poverty. That is unconscionable. And, it is also unconscionable that this administration would have us cut more deeply into the national response to this crying need and that this Congress would be so ineffecutal in its commitment to health care for indigent Americans.

Third, the Finance Committee and the U.S. Senate, since the problem of the disproportionate share hospital came on the congressional scene in 1982, has always seen this as an issue, in large part of severity of illness. The Secretary hasn't been able to find a severity index to help make the prospective payment system more realistic. Even if she had, we would probably still be considering the disproportionate share issue because, as we will learn today, there are factors of the sick poor beyond simply severity which add to the cost of their treatment. Nutritional deficiency, chemical dependency, lack of family, social service requirements, and locational costs are examples. So we will be looking for severity measures that take these factors into account, while recognizing with work that's already been done in this area.

Finally, this Senator, in particular, will make two additional arguments. One is of location and the other of federalism. While most people—the Ways and Means Committee included—seem to think of disproportionate share in terms of downtown Chicago or Parkland in Dallas, it's no accident that the Secretary got sued by a 40-bed hospital in Redbud, CA. I think the problem is in many ways worse in rural America where choices are limited and the population is both older and poorer. I'm just afraid our big city researchers are going to overlook the Redbuds and the Windom, MN, in their sampling.

This leads me to federalism. For 4 years now we have been practicing devolution of responsibility from the Federal to State and local governments without devolution of resources. The administration would have us make a bad situation worse by eliminating deductibility of State and local taxes, eliminating tax-exempt bond financing, and increasing the Federal role in excise taxes—a field, except in wartime, usually left to the States. The problem in Redbud and Windom is a poor tax base which, throughout rural America is getting weaker every day. The municipalities and counties cannot pay to provide access for their indigent citizens to hospitals or to maintain their public hospitals. To make the problem even worse, the States are all cutting their taxes and their spending on income maintenance of the poor in an effort to attract the Saturn plants of this crazy world.

Even before the stiff competition for industry started, the disparity in State commitment to the poor, which we have blessed with Federal reimbursement, varies widely from a $138 a month AFDC payment in Tennessee—the new home of Saturn—to $474 a month in New York City to $524 a month in Minnesota.

S. 1606 meets these criteria. It provides an adjustment to per case payments for hospitals which serve a sufficient level of poor Medicare beneficiaries. The proxies used to determine that level are not perfect by any means.

The bill gives direction to the Secretary to do better on new proxy by fiscal year 1987. And, the entire provision will sunset after fiscal 1987. The sunset is important. It will compel the Congress to revisit the issue at that time and access the adjustment in light of progress on developing a severity index and the availability of better data generally.

The bill limits an automatic adjustment to hospitals with over 100 beds which meets the threshold for the proxy. This level is based on the advice of the analysts who tell us that the data shows little disproportionate share factor for hospitals of smaller size. I am not completely confident in their conclusions. Their determination is problematic and may exclude rural hospitals which are small and should qualify. Therefore, the bill allows for an exceptions process so smaller rural hospitals can make a case for the adjustment.

As I said, a portion of the indirect medical education expense can be attributed to the treatment of poorer Medicare patients. To fund the new disproportionate share adjustment, the indirect has been lowered by an amount proportional to the percentage of the indirect which can statistically be shown to represent treatment of poor patients. This is a tough cut to make. But, it is essential so that the new adjustment is based on appropriate assumptions and not a budget issue.

S. 1606 is a start. A final version of disproportionate share adjustment will be thrashed out in the Finance Committee this fall when we markup on Medicare. I look forward at that time to working closely with my colleagues on this bill and the Finance Committee chairman, Senator PACKWOOD. I

know the chairman has done much thinking in this area and I look forward to cooperating with him in developing a final disproportionate share provision for the Finance Committee's package.

Mr. BRADLEY. Mr. President, there has been considerable discussion this year regarding the appropriate level of Medicare financing for medical education. In February of this year, the President proposed a long-term freeze in the level of support for direct medical education costs and an immediate halving of the indirect medical education payment. Over my objections, the Senate budget resolution adopted the level of cuts proposed by the President and reconciled this level of savings to the Senate Finance Committee.

Mr. President, as an alternative to the administration proposal, Senators DOLE, DURENBERGER, and BENTSEN recently introduced a bill (S. 1158) that provides for a 1-year freeze on all direct medical education payments, a limit on the number of years of physician training that Medicare will fund, and an immediate termination of the direct costs of training foreign medical school graduates.

Today, a companion bill is being introduced that provides for a sizeable reduction in funding—perhaps too sizeable—for the indirect medical education payment, an immediate termination of the indirect payment for foreign medical school graduates and a special payment for hospitals serving a disproportionate share of low-income patients.

Mr. President, both of these bills will most likely be debated as part of the Finance Committee reconciliation bill this September.

I know that changes in Federal support for medical education should be made, but there are two issues that I would like to address at this time.

The first relates to the abrupt termination of all funding for foreign medical graduates. Roughly 60 percent of all residents in New Jersey and 35 percent in New York are foreign medical graduates—well over the national average. Any proposal to eliminate funding will be felt more severely in New Jersey and New York than in other States. A precipitous cessation of funding will severely affect the capacity of these hospitals to effectively function. Rather than an immedate elimination of funding, these hospitals need a period of years to adjust to new conditions.

Mr. President, Senator MOYNIHAN and I have entered into discussions with Senators DOLE and DURENBERGER to see if there is some way that these proposals can be modified to help these hospitals adapt to changing conditions. I am pleased to report that everyone is making a good faith effort on this, and I am optimistic that we will be able to arrive at a mutually acceptable solution to this issue by September.

Mr. President, I would also like to commend the sponsors of this legislation for including in their bill a provision to help hospitals that serve a disproportionate share of low-income patients. Senator MOYNIHAN and I have discussed the importance of this with the sponsors of the legislation. The evidence is compelling that many center city hospitals have higher costs, and the Medicare law should be changed to reimburse these hospitals accordingly. While some changes may need to be made in the legislative provisions on disproportionate share that are included in this bill, I want to commend the sponsors for agreeing that Federal legislation is needed in this area.

I look forward to working with my colleagues on the Finance Committee on a mutually acceptable solution to these issues.

By Mr. THURMOND (for himself, Mr. HOLLINGS, Mr. HELMS, Mr. NICKLES, Mr. DOLE, Mr. NUNN, Mr. HEINZ, Mr. HATCH, Mr. STENNIS, Mr. BENTSEN, Mr. KERRY, Mr. PRYOR, Mr. ROTH, Mr. BURDICK, Mr. JOHNSTON, Mr. CHAFEE, Mr. EAST, Mr. BOREN, Mr. CHILES, Mr. BRADLEY, Mr. GLENN, Mrs. HAWKINS, Mr. DENTON, Mr. WARNER, Mr. TRIBLE, Mr. MCCLURE, Mr. RIEGLE, Mr. ROCKEFELLER, Mr. SPECTER, Mr. LAXALT, Mr. KENNEDY, Mr. BIDEN, Mr. SIMON, Mr. STAFFORD, Mr. MATTINGLY, Mr. BUMPERS, Mr. ZORINSKY, Mr. SASSER, Mr. MELCHER, Mr. WEICKER, Mr. DANFORTH, Mr. QUAYLE, Mr. D'AMATO, Mr. HEFLIN, Mr. GRASSLEY, Mr. MATSUNAGA, Mr. COCHRAN, Mr. HART, Mr. WILSON, Mr. INOUYE, Mr. METZENBAUM, Mr. LUGAR, Mr. LONG, Mr. GRAMM, Mr. STEVENS, and Mr. DECONCINI):

S.J. Res. 186. Joint resolution to designate the week of September 23, 1985, through September 29, 1985, as "National Historically Black Colleges Week"; to the Committee on the Judiciary.

NATIONAL HISTORICALLY BLACK COLLEGES WEEK

Mr. THURMOND. Mr. President, it gives me great pleasure, along with 55 of my distinguished colleagues, to introduce Senate Joint Resolution 186, which authorizes and requests the President to designate the week of September 23, 1985, through September 29, 1985, as "National Historically Black Colleges Week."

This is the third consecutive year that I have been pleased to author this legislation. This year, I am especially proud to see such an overwhelming display of bipartisan support from my colleagues for this joint resolution. Several of the original cosponsors of this bill do not have historically black colleges and universities located in their States. However, they appreciate, as do I, the great contributions made to our Nation by the historically black colleges and universities.

I am particularly pleased that six of these institutions of higher learning, namely Allen University, Benedict College, Claflin College, South Carolina State College, Morris College, and Voorhees College, are located in my home State. These colleges are vital to the higher education system of South Carolina. They have provided the opportunity for thousands of young people in my State to go to college who would not otherwise have been able to afford a college education.

Mr. President, hundreds of thousands of young Americans have received quality educations at these 102 schools. These institutions have a long and distinguished history of providing the training necessary for participation in a rapidly changing society. The predominantly black colleges and universities in America have offered to our citizens a variety of curriculums and programs through which they could develop their skills and talents, thereby expanding their opportunities as individuals and laying the foundation for continued social progress.

Specifically, recent statistics show that historically black colleges and universities have graduated 60 percent of the black physicians in our country, 60 percent of the black pharmacists, 40 percent of the black attorneys, 50 percent of the black engineers, 75 percent of the black military officers, and 80 percent of the black members of the judiciary.

Mr. President, through passage of this commemorative resolution, Congress can reaffirm its support of our historically black colleges, and appropriately recognize their important contributions to our Nation. I look forward to the speedy passage of this joint resolution, and I ask unanimous consent that a copy of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 186

Whereas there are one hundred and two historically black colleges and universities in the United States;

Whereas such colleges and universities provide the quality education so essential to full participation in a complex, highly technological society;

Whereas black colleges and universities have a rich heritage and have played a prominent role in American history;

Whereas such institutions have allowed many underprivileged students to attain their full potential through higher education; and

Whereas the achievements and goals of the historically black colleges are deserving of national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of September 23, 1985, through September 29, 1985, is designated as "National Historically Black Colleges Week" and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States and interested groups to observe such week with appropriate ceremonies, activities, and programs, thereby demonstrating support for historically black colleges and universities in the United States..

● Mr. D'AMATO. Mr. President, I rise today in recognition of historically black colleges throughout the Nation. These fine institutions of higher learning deserve this special recognition. Therefore, I am pleased to be an original cosponsor of a joint resolution introduced by my distinguished colleague from South Carolina, which designates September 23, 1985, as "National Historically Black Colleges Week."

One hundred and two historically black colleges and universities provide quality education for the advancement of our citizenry. They provide us with citizens who are both capable of functioning in a high technology world and who have not forgotten the history of the Romans or the beauty of Shakespeare. These historically black colleges not only have a rich heritage, but have played a significant role in American history as well.

For example, Tuskegee Institute was created in 1881 by an act of the Alabama State Legislature. Booker T. Washington opened the school and served as principal and instructor for 33 years. From 1896 to 1943, George Washington Carver was associated with this great institution and was one of its foremost instructors.

Many students have benefited from these institutions of higher education. Historically black colleges have the potential to continue to provide necessary educational programs so that more students will reach their fullest potential. Only through education do we set the minds of mankind, and mankind itself, free.

I urge my colleagues to join me as cosponsors of this joint resolution.●

By Mr. WARNER (for himself and Mr. TRIBLE):

S.J. Res. 187. Joint resolution designating Patrick Henry's last home and burial place, known as Red Hill, in the Commonwealth of Virginia, as a National Memorial to Patrick Henry; to the Committee on Energy and Natural Resources.

NATIONAL MEMORIAL TO PATRICK HENRY

Mr. WARNER. Mr. President, next year our country will observe the 250th anniversary of the birth of one of our country's greatest orators and Revolutionary War heros, Patrick Henry.

Celebrations and events will be held throughout the year in remembrance of the contributions of Patrick Henry in our struggle for independence.

I rise today to introduce a joint resolution to commemorate this American's lifelong service to our country by designating his last home and burial place as The Red Hill Patrick Henry National Memorial.

His devotion to public service began in 1765 as a member of the Virginia House of Burgesses where he quickly became an outspoken advocate of the rights of the colonies.

With the leadership of Patrick Henry, Virginia led the opposition to the Stamp Act, the first direct tax to be levied by the British Parliament on the Colonies.

This solidified the growing unrest and produced a common bond among the Colonies.

As a delegate to the First Continental Congress in 1775, Patrick Henry argued vigorously for collective measures by the Colonies against Britain.

During that same year, he delivered his famous "Give me liberty or give me death" speech at the Second Virginia Convention at St. John's Church in Richmond, VA.

He devoted the spring of 1775 to sessions of Congress in Philadelphia and to organizing military forces in Virginia, of which he later served as Commander in Chief.

Patrick Henry became Virginia's first Governor, serving for 5 yearly terms.

Following the Revolutionary War, he was a delegate to the Constitutional Convention where he was successful in securing the adoption of the Bill of Rights by the Convention.

Following his long career as a public servant, Patrick Henry retired to Red Hill which he referred to as "one of the garden spots of the world."

Red Hill is presently managed by the Patrick Henry Memorial Foundation and is dedicated to the aims, ideals, and purposes for which Patrick Henry lived.

His home, gardens, and law office are preserved as a shrine and museum and are operated solely by private donations.

The joint resolution I introduce today will duly recognize the lifelong contributions of this dedicated American patriot by memorializing his last home and burial place, Red Hill.

This action follows the request of the Virginia General Assembly in its 1985 legislative session where Senate Joint Resolution 82 was enacted calling for national recognition and stewardship of Red Hill by the Federal Government.

Mr. President, I request that letters of endorsement of the joint resolution from other foundations in Virginia dedicated to the remembrance of Patrick Henry be printed in the RECORD.

This joint resolution reaffirms that the ownership of Red Hill remains non-Federal, and any future operation and maintenance costs will not be the responsibility of the Federal Government.

Mr. President, I believe approval of this joint resolution by the Senate will complete the deserved recognition of the life of Patrick Henry and provide for a successful 250th anniversary celebration next year.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

ST. JOHN'S CHURCH FOUNDATION,
Richmond, VA, July 9, 1985.

Senator JOHN WARNER,
U.S. Senate,
Washington, DC.

DEAR SENATOR WARNER: We are in receipt of a copy of your letter which was written to Mr. Theodore W. Graves, President, Patrick Henry Memorial Foundation, relative to the draft resolution concerning the designation of Patrick Henry's home at Red Hill as a National Memorial. Upon reading this resolution, we feel that it is most appropriate and sincerely hope that it can be adopted by the Congress of the United States.

Thanking you for bringing this to our attention and with kindest regards, I remain,

Sincerely,

T.M. CARRINGTON III,
President.

JULY 4, 1985.

Hon. JOHN W. WARNER, Senator,
Hon. PAUL S. TRIBLE, Senator,
Hon. DAN DANIEL, Representative,
Washington, DC.

GENTLEMEN: Thank you for your consideration in sending a copy to me of your proposed House or Senate Joint Resolution to recognize the brilliance and contributions of Patrick Henry, the First Governor of Virginia under the first constitution of the independent states, in the formation and creation of the United States by designating Red Hill, his last home and site of his grave as a "National Memorial".

I could not possibly improve upon your statements which you have presented and I heartily endorse them and feel assured that they will be passed by the Congress and signed by the President.

As Chairman of the 250th Anniversary Celebration of the historic Hanover County Courthouse on May 29, 1985, Patrick Henry's 249th birthday I would like, herewith to send each of you a copy of that program and a book we published that day—Portraits in the Historic Hanover County Courthouse. The Hon. A. E. Dick Howard gave a remarkable address titled, "Virginia: The Hourglass of Constitutional Liberty". He further stated that the Historic Hanover County Courthouse because of Patrick Henry was an early stage for our seeking Constitutional Liberty.

As Chairman of the Bicentennial Committee for Hanover County I was proud to display the flag that Senator Warner helped design which was given to us when Hanover County was designated a Bicentennial Community.

As Chairman of the Courthouse Committee for the Honorable Richard H. C. Taylor, Judge of the 15th Judicial Circuit I am continuing our efforts to preserve this important property and to help to prepare for the

1986 Celebration of the 250th Anniversary of the birth of Patrick Henry.

We commend your efforts on behalf of Patrick Henry. Also, we are appealing to the Postmaster General for a Commemorative Stamp for Patrick Henry to be issued on May 29, 1986 at Hanover, Virginia 23069 which is near the site of his birthplace Studley Plantation.

The Red Hill designation as a "National Memorial" would be one of the highlights of the anniversary year. On July 5 at a special meeting of The Scotchtown Committee when I presented your proposal a resolution was passed unanimously endorsing Red Hill as a "National Memorial". We wish you Godspeed!

Respectfully submitted.

BRUCE V. ENGLISH,
Chairman, Bicentennial Committee for Hanover County.

THE ASSOCIATION FOR THE PRESERVATION OF VIRGINIA ANTIQUITIES,
Richmond, VA, July 26, 1985.

Senator JOHN WARNER,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR WARNER: I am pleased to inform you that the matter of your proposed House or Senate Resolution concerning the Department of Interior recognizing Red Hill was a topic on the agenda of our Executive Committee meeting of 23 July.

Please know that, by a unanimous vote, the Executive Committee of the Board of Trustees for the Association for the Preservation of Virginia Antiquities wholeheartedly supports your efforts, along with those of Senator Trible and Representative Dan Daniel, to pass a resolution providing that Mr. Henry's Red Hill site be hereto recognized and known as The Red Hill Patrick Henry National Memorial. We feel that such action on the part of the Congress of the United States will further bring recognition and honor to a man who played an important part in the formation of our Nation; and that it is fitting and proper that the Red Hill site be designated a National Monument.

If the APVA can be of further assistance in this matter, please contact me. I am,

Sincerely,

SHIRLEY T. VANLANDINGHAM,
President, APVA.

PATRICK HENRY MEMORIAL FOUNDATION,
Brookneal, VA, July 26, 1985.

Hon. JOHN W. WARNER,
U.S. Senate, 405 Russell Senate Office Building, Washington, DC.

DEAR SENATOR WARNER: I am authorized by the Executive Committee of the Patrick Henry Memorial Foundation to report that we have reviewed the revised draft resolution and find it acceptable as drafted.

It is pleasing to know that the citizens of Virginia and the Nation, as well as our colleagues that honor Patrick Henry in the preservation field, support a National Memorial to Patrick Henry at Red Hill. Special thanks to you and Congressman Daniel for crystallizing that feeling in the form of legislation.

Sincerely,

PATRICK DAILY,
Director.

By Mr. HATCH (for himself and Mr. THURMOND):

S.J. Res. 189. Joint resolution designating the week beginning January 12, 1986, as "National Fetal Alcohol Syndrome Awareness Week"; to the Committee on the Judiciary.

NATIONAL FETAL ALCOHOL SYNDROME AWARENESS WEEK

Mr. HATCH. Mr. President, the consumption of alcohol during pregnancy has been shown to cause extremely serious problems. To call attention to these problems and encourage their solution, I am pleased to introduce this resolution which designates the week of January 12, 1986, as National Fetal Alcohol Syndrome Awareness Week.

This issue, indeed, merits our attention. For, in the past few years, we have learned that the use of alcohol during pregnancy may cause serious birth defects. In 1981, Surgeon General Everett Koop issued a strong advisory warning about fetal alcohol syndrome and cautioned expectant women or women considering pregnancy to abstain from the use of alcoholic beverages.

Throughout pregnancy, a fetus is dependent entirely on its mother to provide the nutrients for physical development because the mother's blood carries nutrients directly through the placenta into the baby's bloodstream. Thus, alcohol in a mother's bloodstream is transported directly into her baby's bloodstream, possibly affecting the baby's development adversely.

Several of these adverse consequences of fetal alcohol syndrome have been identified: Deficient growth both before and after birth can occur. More specifically, a reduction in height and weight and in brain size, which is associated with mental retardation, are possible. Developmental disabilities can result, with the infant experiencing delays in learning to walk and speak. Heart defects also plague babies suffering from fetal alcohol syndrome.

Some of the striking tragic facts already known about fetal alcohol syndrome include the following:

Fetal alcohol syndrome is one of the three leading causes of birth defects with accompanying mental retardation in this country.

Fetal alcohol syndrome ranks behind only Down's and spina bifida as the most common cause of mental retardation due to birth defects.

Less severe effects, such as increased irritability and hyperactivity, are characteristics of babies whose mothers have consumed alcohol during pregnancy.

Not only are the problems associated with fetal alcohol syndrome severe, but also the magnitude of those affected is great. A conservative estimate of the number of infants born with irreversible abnormalities caused by fetal alcohol syndrome is 1,800 to 2,400 each year. Thirty-six thousand babies each year exhibit the less severe alcohol-related birth defects. The dollar costs are staggering, running over $1.5 billion per year. It is impossible to measure the emotional costs of fetal alcohol syndrome.

Let us spread the message that alcohol and pregnancy don't mix. This resolution is a first step. I urge you to join me in cosponsoring it.

By Mr. ROTH (for himself, Mr. STEVENS, Mr. COHEN, and Mr. DURENBERGER):

S.J. Res. 190. Joint resolution to establish greater productivity in Federal Government operations as a national goal of the United States; to the Committee on Governmental Affairs.

PRODUCTIVITY IMPROVEMENT

● Mr. ROTH. Mr. President, today I, along with Senators STEVENS, COHEN, and DURENBERGER, am introducing a joint resolution which would establish increased productivity in the Federal Government as a national goal.

To strengthen the integrity and improve the productivity of Federal programs, President Reagan is proposing several legislative initiatives to provide Government managers with the new tools necessary to effectively manage the Government's resources. These initiatives build upon past accomplishments in assuring that we get the most for each tax dollar spent. This joint resolution is the cornerstone of these initiatives.

Partnership between the Congress and the administration in support of a governmentwide productivity improvement program will help to assure success. A joint resolution establishing productivity improvement in the Federal Government as a national goal would be a strong signal of congressional intent to foster productivity improvement.

While Federal productivity has been improving, it has not been increasing as quickly as private and public organizations that have continuously focused on its importance. This resolution presents the Congress with an opportunity to show its support for better management, more efficient services to the public and a conscious effort to make productivity a higher priority.

Everyone knows what productivity is—getting the most for each tax dollar while efficiently delivering goods and services. In the Federal Government this means reducing costs in addition to providing better services. A 1984 GAO report on productivity management suggested that a 5-percent increase in Federal productivity could produce a 1-year savings of about $4.5 billion, and the Grace Commission estimated $3.18 billion might be saved with a 5-percent increase in productivity.

By Executive order, the President plans to establish a productivity program that will be administered by the

Office of Management and Budget and involves all major executive departments and agencies. Each agency is to appoint a productivity executive and develop a 5-year productivity plan. OMB will then review agency plans as a part of its budget and management review process to ensure overall guidance and control.

While the executive branch is primarily responsible for the operation of Government, it does so under the statutory limits and oversight powers of the Congress. That makes us, the legislators, partners in the delivery of better Government. Through this congressional resolution, we are reaffirming our responsibilities by making productivity a national goal, encouraging the President to make recommendations to Congress he believes necessary to achieve that goal, and requiring him to submit a report annually with the budget detailing the management improvements in each agency that contribute to greater Government productivity.

We expect this annual productivity report to provide, for each department and major independent agency, productivity data on relevant operations, productivity goals, management actions taken during the current and previous years which contribute to improving productivity, and planned management actions for the next year.

I hope the Senate will act quickly on this resolution and let the American public, as well as the executive branch, know that we are behind the President's initiative to provide those that rely on Government and those who pay for Government with the best management that we can deliver. I urge my colleagues to join me in sponsoring this legislation.●

By Mr. BUMPERS (for himself, Mr. MATHIAS, Mr. CRANSTON, Mr. WEICKER, Mr. NUNN, Mr. MURKOWSKI, Mr. INOUYE, Mr. CHAFEE, Mr. SIMON, Mr. DODD, Mr. LEVIN, Mr. MOYNIHAN, and Mr. ZORINSKY):

S.J. Res. 191. Joint resolution to designate the month of October 1985 as "Learning Disabilities Awareness Month"; to the Committee on the Judiciary.

LEARNING DISABILITIES AWARENESS MONTH

Mr. BUMPERS. Mr. President, I rise today to introduce, along with Senators MATHIAS, CRANSTON, WEICKER, NUNN, MURKOWSKI, INOUYE, CHAFEE, SIMON, DODD, LEVIN, MOYNIHAN, and ZORINSKY, a joint resolution to designate October 1985 as "Learning Disabilities Awareness Month." With this resolution, I hope to shed light on the problems that confront the learning disabled of this country and to help open the door to a greater understanding of the nature and causes of these learning difficulties.

There are over 10 million children in this country that have been positively diagnosed as learning disabled. I and my distinguished colleagues who have cosponsored this resolution simply want to say that we care about these children, and that we also care about the many more who may be suffering from learning disabilities but have not yet been diagnosed as such.

We have made great strides since the adoption of the Education for All Handicapped Children Act of 1975 (Public Law 94-142). The programs spawned by this law have brightened the lives of many children and allowed them to pursue the goals they fully deserve to attain. The number of learning disabled children served under the auspices of this act in the United States is over 1.8 million.

Yet, learning disabilities are not easily identified by even the most experienced teachers and pediatricians. Clearly, there are many more children who suffer from learning disabilities that may have not yet been identified. The number of children counted as learning disabled has increased substantially since 1976. While the rate of growth has declined, every day there are those whose disabilities have been recognized and the path to treatment illuminated.

The term "learning disability" itself is only 20 years old. Learning disabilities are neurological problems that can impair a child's ability to perform certain tasks that require accurate perceptive skills. These are physiological problems that in no way reflect a child's intellectual capacity or potential. The learning disabled child encounters difficulty in linguistic skills such as reading, writing, spelling, and often in mathematics, concentration, memory and symbolism. Regulations that accompany Public Law 94-142 state that learning disabilities include "such conditions as perceptual handicaps, brain injury, minimal brain dysfunction, dyslexia, and developmental aphasia."

There is an important distinction between learning disabilities and other problems that are often mistaken as being similar. Learning disabled children are not mentally retarded, nor do they suffer from emotional disturbances that are the result of psychological ailments. The hyperactivity and antisocial behavior often associated with learning disabilities are simply a reflection of the frustration that these children feel.

These frustrations are manifested in many ways and often result in a sense of failure that breeds even further frustration. A recent article in the Journal of Learning Disabilities cites evidence that establishes a clear link between juvenile delinquency and learning disability. The so-called JD-LD link has also been confirmed by the American Bar Association. Of course, the overwhelming majority of learning disabled are not at risk of becoming delinquent. But the number of youths in the juvenile justice system that have been identified as suffering from learning disabilities is staggering.

Research conducted by the National Center of State Courts and the Association of Children with Learning Disabilities found the incidence of learning disabilities among youths brought before the juvenile justice system to be 36 percent. Other research shows that after 40 to 60 hours of remediation the rate of recidivism for JD-LD children drops drastically. This fall a bench book about learning disabilities for juvenile delinquency judges and family court judges will be distributed nationally through the National Council of Juvenile and Family Court Judges.

The current Presidential initiative on adult literacy has highlighted the problem of adult literacy in this country. Recent studies document that 60 million men and women in this country cannot read the front page of their local newspaper. The link between adult illiteracy and learning disabilities has also been firmly established. Can we allow today's learning disabled child to become tomorrow's illiterate adult?

Intelligent and gifted children can suffer with these problems, yet with early diagnosis and proper remediation these children can soar to the highest reaches of achievement. In fact such notable men as Einstein, Disney, Patton, Nelson Rockefeller, and Edison were victims of learning disability. How many more geniuses are there who may be suffering from this handicap? The trained and caring professional can take a learning disabled child and, like the cutting of rough diamond, reveal the sharp and perfect edge of genius that lies just below the surface.

There are many lives touched by learning disabilities and many that we know and love who have battled with these problems. One such battle has been won by the wife of my dear friend and colleague, Senator CHARLES MATHIAS, Ann Bradford Mathias. Her story brings inspiration to us all. I ask unanimous consent, Mr. President, that following my remarks be printed an article by Mrs Mathias that appeared in People magazine.

Before concluding, I wish to acknowledge the efforts of my distinguished colleagues in the House of Representatives who sponsored this resolution in that body—Mr. GEORGE BROWN of California and Mr. JACK KEMP of New York. Also, Mr. President, I would also like to extend my praise for the tireless efforts of the many and varied organizations in this country who have embraced this cause and worked so hard to improve the

lives of the learning disabled. This praise particularly extends to the Foundation for Children with Learning Disabilities, who gave much assistance in drafting this resolution.

Mr. President, those with learning disabilities can overcome their difficulties. These problems do not have to be tragic. Current and emerging technology, such as tapes, computers, data processing equipment, and new teaching techniques can help in the eradication of learning disabilities as an impediment to achievement. This is clearly the time to interject hope and understanding into the lives of those who have such disabilities. With the designation of October as "Learning Disabilities Awareness Month" we can bring down the barriers that prevent the recognition and treatment of these problems. I urge the Senate to adopt this resolution.

Mr. President, along with the article, I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S.J. RES. 191

Whereas millions of Americans suffer from one or more learning disabilities;

Whereas it is estimated that 10,000,000 American children have been diagnosed as suffering from learning disabilities;

Whereas most learning-disabled persons are of normal or above normal intelligence but cannot learn to read and write in the conventional manner;

Whereas it is important for parents, educators, physicians, and learning-disabled persons to be aware of the nature of learning disabilities and the resources available to help learning-disabled persons;

Whereas early diagnosis and treatment of learning-disabled children gives such children a better chance for a happy and productive adult life;

Whereas the courage necessary for learning-disabled persons to meet their special challenges should be recognized;

Whereas hundreds of national and local support groups for learning-disabled persons, parents of learning-disabled children, and professionals who work with learning disabled persons have made important contributions to the treatment of learning disabilities;

Whereas research and study have contributed to public knowledge about learning disabilities, but much remains to be learned; and

Whereas public awareness of and concern about learning disabilities may encourage the establishment of the program necessary to promote early diagnosis and treatment of learning disabilities and to help learning-disabled persons and their families cope with their learning disabilities: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That October 1985 hereby is designated "Learning Disabilities Awareness Month," and the President of the United States is authorized and requested to issue a proclamation calling upon all public officials and the people of the United States to observe such month with appropriate programs, ceremonies, and activities.

A SENATOR'S WIFE STRUGGLES WITH A LEARNING DISABILITY

(By Ann Bradford Mathias)

From the time I was very small, I can remember feeling that I was different. No one ever talked about it; it was just something I sensed. I was an underachiever in every subject. There was confusion within my brain, and I could not pull things out of it when I felt that I needed to.

At 5, like my older sister and younger brothers, I went off to a progressive private school in Cambridge, Mass. I was an academic disaster. Reading, writing and spelling were a problem from the very first. No matter how hard I tried to memorize spelling, I couldn't. As the material, particularly the math, became more complicated, I wasn't able to do it. We had a real math wizard teaching us in the fourth grade, and she would call out numbers for us to multiply. I would sit there cringing because I couldn't remember sequentially much more than the first two steps in any exercise. In front of my peers, I would always come up with the wrong answer or nothing. I couldn't compete.

As the work grew tougher, it only got worse. I became a habitually slow reader; trying to speed up only lessened my comprehension. I was good on the sports field and socially, and since I seemed to be growing in the area of leadership, I was allowed to pass into higher grades even though I wasn't going anywhere academically. I was getting C-minuses and D's no matter how hard I was trying. How I craved to go home to my parents with some good grades! There was never a discussion in my household about marks. There was sort of a vacuum, and that made me all the more uncomfortable. There were always conferences between my parents and the teachers, but I didn't know what they were about and would never be told.

Eighth grade was a real washout. In English we began to memorize the poems of John Masefield and other poets. I would work all evening and go to sleep memorizing, only to wake up in the morning and not be able to recall one line. None of the teachers believed me. I was accused again and again of not doing my homework. It was terribly painful. I felt the only thing I had going for me was my integrity, and to have it questioned struck at my very innards.

In the end I even traded that for a good mark. That same year we began French and Latin. I was having trouble reading my native tongue, much less a foreign one. One day during a Latin test I panicked. Sitting in front of me was the smartest boy in the class, and because he was left-handed his paper was always available for me to see. I desperately needed something to indicate to myself, and more importantly to my parents, that I could be okay, so I copied his paper. At the end of the week I got the test back with "terrific" written in Latin. I took it home and put it on my father's bureau, where it sat like a monument for the rest of the year. Every time I looked at it I felt uncomfortable for having done something so totally dishonest.

Later, when it came time to start thinking about college, I stunned my teachers by telling them I was applying to Vassar. By then I had learned how to organize my thoughts better and then get them down on paper. I still had to work four times harder than my peers, but I felt that if I didn't try I would always wonder if I could have made it. One of my former teachers, who had begun doing some work on identifying what are now called learning disabilities, had been following my progress over the years. She was on the Vassar board of trustees and was a personal friend of the dean of admissions and offered to take me for a private interview, where she was able to tell the dean something about my problems. Her interceding on my behalf got me in. The dean of admissions was very direct and told me I didn't have the necessary skills but that there was a steady progress in my learning. On the famous day when everybody heard whether they had been accepted at the colleges where they'd applied, I got a communication from Vassar that I was on a waiting list. Eight weeks later I got a call saying that I had been accepted as a Vassar "risk." For a long time afterward, whenever the phone would ring in my room at Vassar, I was sure it was some official telling me, "Bye-bye, Baby."

In my sophomore year I had a marvelous English teacher named Mrs. Bergeret. I credit her with the fact that I graduated. She gave me extra time for my papers and advised me to use pencil since it was easier to erase. She sat me down and said, "You know, there is nothing the matter with you. You are an extremely articulate and interesting person." I was astonished. I needed that kind of encouragement. I also needed to learn that there was a way to do things that addressed my needs as opposed to the norm. Although she didn't know about my learning disabilities per se, Mrs. Bergeret taught me that, in order to learn and retain facts, I first had to read, then write down everything I'd read, then speak it. It was simple reinforcement, but for me it worked. By the time I graduated from college, I was making B's and some A's.

My first job after college was with the CIA in Washington, D.C. I was placed in an area where I was performing very well, so well that I soon found myself having to do briefings. The fear of public utterance will always haunt me, but the CIA insisted. So they sent me to an elementary speaking course, where I bombed and was invited by the teacher not to come back.

During that time I met Mac, who had just decided to run for the Maryland legislature. Over the years I've campaigned for Mac, but it has always been on a one-to-one basis. I park my car and walk 15 miles a day, knocking on doors. That's been embarrassing too. Because of my confusion with directions, I've lost my car quite a few times.

One of my father's cousins is Dr. Edwin Cole, an expert in developmental dyslexia and founder of the language training program at Massachusetts General Hospital. He has traced a pattern of learning disorders in our family that goes back almost to William Bradford. When my own boys came, I was watching for it. There were few problems with our older boy, Charlie, but with our younger son, Rob, I have relived my own pain. He couldn't write, for instance. He had a real processing problem—a problem getting his thought from his brain through his muscles onto paper. I would have him dictate his creative stories to me and he would then illustrate them. That way he felt he could communicate. As he grew older he became an excellent skier and sailor, and though these sports were an additional expense we let him pursue them because they were great for his self-esteem. Rob is now 22 and a senior at the University of Vermont, and director of operations at

the university rescue squad where he takes every message down on the typewriter rather than trusting his handwriting.

A year ago I became involved with the experimental Lab School of Washington. It was founded by educator Sally Smith and teaches learning-disabled children of ages 6 to 16 academic skills through the arts such as music and dance. Each child has his own so-called "prescription" that tells how he learns best. If, for example, he can't read, he can perhaps learn through hearing. The arts offer the children opportunities to strengthen their visual, auditory, tactile and motor skills.

It is a great relief to find out that there are neurological reasons for my disability. Organization is still a problem, though. Even now, when I get nervous, I have trouble pulling out my words. If I am handling my problems in any way today, it is by getting up and talking about them. It is terribly important that the public know such a syndrome exists. I wish they had known about it when I was growing up.

ADDITIONAL COSPONSORS

S. 58

At the request of Mr. DANFORTH, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 58, a bill to amend the Internal Revenue Code of 1954 to increase research activities, to foster university research and scientific training, and to encourage the contribution of scientific equipment to institutions of higher education.

S. 127

At the request of Mr. PRYOR, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 127, a bill to authorize the Secretary of Health and Human Services to conduct a clinical trial to determine the efficiency and economic feasibility of providing Medicare coverage for personal emergency response systems.

S. 274

At the request of Mr. DENTON, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 274, a bill to provide for the national security by allowing access to certain Federal criminal history records.

S. 359

At the request of Mr. DURENBERGER, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of S. 359, a bill to provide for medical demonstrations in health promotion and disease prevention.

S. 360

At the request of Mr. ZORINSKY, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 360, a bill to direct the Secretary of Agriculture to convey, without consideration, to the Nebraska Game and Parks Commission, approximately 160 acres of land within the Nebraska National Forest to be used for the purposes of expanding the Chadron State Park, NE.

S. 477

At the request of Mr. DURENBERGER, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 477, a bill to enhance rail competition and to ensure reasonable rail rates where there is an absence of effective competition.

S. 525

At the request of Mr. GLENN, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 525, a bill to transfer to the Secretary of Health and Human Services the authority of the Secretary of Energy to conduct epidemiological studies of the effects of radiation, and for other purposes.

S. 528

At the request of Mr. RUDMAN, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 528, a bill to establish a Bipartisan Commission on Congressional Campaign Financing, to improve the manner in which congressional campaigns are financed.

S. 558

At the request of Mr. MOYNIHAN, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 558, a bill to amend the Internal Revenue Code of 1954 to permanently exclude educational assistance programs from gross income, and for other purposes.

S. 725

At the request of Mr. CHAFEE, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 725, a bill to authorize appropriations to carry out the Endangered Species Act of 1973 during fiscal years 1986, 1987, 1988, 1989, and 1990.

S. 805

At the request of Mr. RIEGLE, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 805, a bill to provide for a program for the provision of child care services in public housing projects.

S. 806

At the request of Mr. RIEGLE, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 806, a bill to strengthen the program for grants to States for planning and development of dependent care programs, and for other purposes.

S. 855

At the request of Mr. PRYOR, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of S. 855, a bill for the relief of rural mail carriers.

S. 859

At the request of Mr. THURMOND, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 859, a bill to suspend temporarily the duty on dicyclohexylbenzothiazylsulfenamide.

S. 961

At the request of Mr. SARBANES, the names of the Senator from Tennessee [Mr. GORE] and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of S. 961, a bill to authorize the Alpha Phi Alpha Fraternity to establish a memorial to Martin Luther King, Jr., in the District of Columbia.

S. 975

At the request of Mr. DOMENICI, the name of the Senator from Vermont [Mr. STAFFORD] was added as a cosponsor of S. 975, a bill to amend the Securities Exchange Act of 1934 to provide a moratorium on hostile corporate takeovers financed by "junk" securities, to prohibit federally insured institutions from holding "junk" securities, and for other purposes.

S. 987

At the request of Mr. EXON, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 987, a bill to recognize the organization known as the Daughters of Union Veterans of the Civil War 1861–1865.

At the request of Mr. EXON, the name of the Senator from Alabama [Mr. HEFLIN] was withdrawn as a cosponsor of S. 987, supra.

S. 1084

At the request of Mr. GOLDWATER, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of S. 1084, a bill to authorize appropriations of funds for activities of the Corporation for Public Broadcasting, and for other purposes.

At the request of Mr. SARBANES, his name was added as a cosponsor of S. 1084, supra.

At the request of Mr. MOYNIHAN, his name was added as a cosponsor of S. 1084, supra.

S. 1093

At the request of Mr. BYRD, his name was added as a cosponsor of S. 1093, a bill to amend the patent law to restore the term of the patent grant in the case of certain products for the time of the regulatory review period preventing the marketing of the product claimed in a patent.

At the request of Mr. MATHIAS, the names of the Senator from Indiana [Mr. QUAYLE] and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of S. 1093, supra.

S. 1127

At the request of Mr. DIXON, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of S. 1127, a bill to extend the Medicare prospective payment transition period.

S. 1198

At the request of Mr. MITCHELL, the names of the Senator from Maine [Mr. COHEN], the Senator from Minnesota

[Mr. DURENBERGER], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Vermont [Mr. LEAHY], the Senator from Massachusetts [Mr. KERRY] and the Senator from Montana [Mr. BAUCUS] were added as cosponsors of S. 1198, a bill to establish in the Environmental Protection Agency a program of research on indoor air quality, and for other purposes.

S. 1206

At the request of Mr. ROTH, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of S. 1206, a bill to require the Director of the Office of Management and Budget to prepare and transmit to the Congress a comprehensive report and plan on the reorganization, restructuring, consolidation, or realignment of Federal field offices, and for other purposes.

S. 1209

At the request of Mr. CHILES, the names of the Senator from New York [Mr. MOYNIHAN], and the Senator from Oregon [Mr. HATFIELD] were added as cosponsors of S. 1209, a bill to establish the National Commission to Prevent Infant Mortality.

S. 1223

At the request of Mr. ARMSTRONG, the name of the Senator from Nevada [Mr. HECHT] was added as a cosponsor of S. 1223, a bill to authorize the erection of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed forces of the United States who served in the Korean war.

S. 1286

At the request of Mr. DOMENICI, the name of the Senator from Vermont [Mr. STAFFORD] was added as a cosponsor of S. 1286, a bill to limit the amount of "junk" securities which may be held by federally insured institutions, and for other purposes.

S. 1312

At the request of Mr. PRESSLER, the names of the Senator from North Dakota [Mr. BURDICK], the Senator from Rhode Island [Mr. PELL] and the Senator from New York [Mr. MOYNIHAN] were added as cosponsors of S. 1312, a bill to provide that the Federal Communications Commission review the proposed acquisition of television networks to ensure such acquisitions are in the public interest, and for other purposes.

S. 1339

At the request of Mr. DODD, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 1339, a bill to amend the Internal Revenue Code of 1954 to allow any distribution from an individual retirement account or annuity which is used in the purchase of a home to be rolled over into the basis of such home, and to be treated as ordinary income upon the recognition of gain from the sale of such home.

S. 1371

At the request of Mr. LEVIN, the names of the Senator from California [Mr. CRANSTON], the Senator from North Dakota [Mr. ANDREWS], the Senator from California [Mr. WILSON], the Senator from Illinois [Mr. DIXON], the Senator from New Jersey [Mr. BRADLEY], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Arkansas [Mr. BUMPERS], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of S. 1371, a bill to designate the portion of 15th Street, Southwest, Washington, District of Columbia, located between Maine and Independence Avenues as "Raoul Wallenberg Avenue."

S. 1373

At the request of Mr. SPECTER, the names of the Senator from South Carolina [Mr. HOLLINGS], the Senator from New Jersey [Mr. BRADLEY], and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of S. 1373, a bill to amend title 18, United States Code, to authorize prosecution of terrorists and others who attack U.S. Government employees abroad, and for other purposes.

S. 1378

At the request of Mr. DURENBERGER, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 1378, a bill entitled the "Long Term Care Insurance Promotion and Protection Act of 1985."

S. 1381

At the request Mr. QUAYLE, the names of the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Nebraska [Mr. ZORINSKY], the Senator from Indiana [Mr. LUGAR], the Senator from Maine [Mr. MITCHELL], the Senator from South Carolina [Mr. THURMOND], and the Senator from Florida [Mr. CHILES] were added as cosponsors of S. 1381, a bill to amend the General Education Provisions Act to improve and expand the Assessment Policy Committee.

S. 1393

At the request of Mr. ABDNOR, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of S. 1393, a bill to provide for a study of the use of unleaded fuel in agricultural machinery, and for other purposes.

S. 1414

At the request of Mr. BENTSEN, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 1414, a bill to provide additional funding and authority for the Federal Bureau of Investigation in order to improve the counterterrorist capabilities of the Bureau.

S. 1430

At the request of Mr. MOYNIHAN, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 1430, a bill to require the Secretary of Health and Human Services to make grants to eligible State and local governments to support projects for education and information dissemination concerning acquired immune deficiency syndrome, and to make grants to State and local governments for the establishment of programs to test blood to detect the present of antibodies to the human T-cell lymphotrophic virus.

S. 1450

At the request of Mr. HEINZ, the names of the Senator from Tennessee [Mr. GORE], the Senator from Arizona [Mr. DECONCINI], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of S. 1450, a bill to prohibit the Secretary of Health and Human Services from changing reimbursement levels or methodologies from home health services under the Medicare program prior to October 1, 1986, or during a freeze period.

S. 1451

At the request of Mr. CHAFEE, the names of the Senator from Texas [Mr. BENTSEN], and the Senator from California [Mr. WILSON] were added as cosponsors of S. 1451, a bill to allocate funds appropriated to carry out section 103 of the Foreign Assistance Act of 1961 for nutrition programs which reduce vitamin A deficiency.

S. 1458

At the request of Mr. ZORINSKY, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 1458, a bill to amend the Internal Revenue Code of 1954 to provide that an activity relating to the free distribution of low cost articles by certain nonprofit organizations and veterans' organizations in connection with the solicitation of charitable contributions does not constitute an unrelated trade or business of such organization.

S. 1468

At the request of Mr. HATFIELD, the names of the Senator from Maryland [Mr. MATHIAS], the Senator from Connecticut [Mr. WEICKER], and the Senator from Iowa [Mr. HARKIN] were added as cosponsors of S. 1468, a bill to amend the Internal Revenue Code of 1954 to provide that a taxpayer conscientiously opposed to participation in war may elect to have such taxpayer's income, estate, or gift tax payments spent for nonmilitary purposes; to create the U.S. Peace Tax Fund Board of Trustees; and for other purposes.

S. 1525

At the request of Mr. SPECTER, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1525, a bill to amend the

Elementary and Secondary Education Act of 1965 to provide grants to local educational agencies for dropout prevention demonstration projects.

S. 1543

At the request of Mr. MATHIAS, the names of the Senator from Indiana [Mr. LUGAR] and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of S. 1543, a bill to protect patent owners from importation into the United States of goods made overseas by use of U.S. patented process.

SENATE JOINT RESOLUTION 68

At the request of Mr. DODD, the names of the Senator from Maine [Mr. COHEN], the Senator from Tennessee [Mr. SASSER], and the Senator from Oregon [Mr. HATFIELD] were added as cosponsors of Senate Joint Resolution 68, a joint resolution to designate November 21, 1985, as "William Beaumont Day."

SENATE JOINT RESOLUTION 117

At the request of Mr. LEVIN, the names of the Senator from Rhode Island [Mr. PELL], and the Senator from Connecticut [Mr. DODD] were added as cosponsors of Senate Joint Resolution 117, a joint resolution designating the week beginning September 22, 1985, as "National Adult Day Care Center Week."

SENATE JOINT RESOLUTION 130

At the request of Mr. QUAYLE, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of Senate Joint Resolution 130, a joint resolution designating the week beginning on November 10, 1985, as "National Blood Pressure Awareness Week."

SENATE JOINT RESOLUTION 139

At the request of Mr. GLENN, his name was added as a cosponsor of Senate Joint Resolution 139, a joint resolution to designate the week of December 1, 1985, through December 7, 1985, as "National Home Care Week."

SENATE JOINT RESOLUTION 145

At the request of Mr. GRASSLEY, his name was added as a cosponsor of Senate Joint Resolution 145, a joint resolution designating November 1985 as "National Diabetes Month."

SENATE JOINT RESOLUTION 149

At the request of Mr. DIXON, the names of the Senator from Louisiana [Mr. JOHNSTON] the Senator from Arkansas [Mr. BUMPERS], the Senator from Montana [Mr. BAUCUS], the Senator from Alabama [Mr. HEFLIN], and the Senator from California [Mr. CRANSTON] were added as cosponsors of Senate Joint Resolution 149, a joint resolution to designate the week of September 15, 1985, through September 21, 1985, as "National Dental Hygiene Week."

SENATE JOINT RESOLUTION 152

At the request of Mr. CRANSTON, his name was added as a cosponsor of Senate Joint Resolution 152, a joint resolution to recognize both Peace Corps Volunteers and Peace Corps on the Agency's 25th anniversary, 1985-86.

At the request of Mr. DODD, the names of the Senator from Kansas [Mr. DOLE], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Maine [Mr. COHEN], the Senator from Hawaii [Mr. INOUYE], the Senator from Massachusetts [Mr. KERRY], and the Senator from Washington [Mr. EVANS] were added as cosponsors of Senate Joint Resolution 152, supra.

SENATE JOINT RESOLUTION 155

At the request of Mr. PACKWOOD, the names of the Senator from Massachusetts [Mr. KERRY], and the Senator from Ohio [Mr. GLENN] were added as cosponsors of Senate Joint Resolution 155, a joint resolution to designate the month of November 1985 as "National Hospice Month."

SENATE JOINT RESOLUTION 158

At the request of Mr. MURKOWSKI, the names of the Senator from Illinois [Mr. DIXON], the Senator from Hawaii [Mr. INOUYE], and the Senator from North Carolina [Mr. EAST] were added as cosponsors of Senate Joint Resolution 158, a joint resolution designating October 1985 as "National Community College Month."

SENATE JOINT RESOLUTION 165

At the request of Mr. SIMON, the names of the Senator from Hawaii [Mr. INOUYE], the Senator from Alabama [Mr. HEFLIN], the Senator from New York [Mr. D'AMATO], the Senator from Minnesota [Mr. DURENBERGER], the Senator from North Carolina [Mr. EAST], the Senator from Virginia [Mr. TRIBLE], the Senator from Tennessee [Mr. GORE], the Senator from North Carolina [Mr. HELMS], the Senator from Georgia [Mr. NUNN], the Senator from Maryland [Mr. SARBANES], the Senator from Tennessee [Mr. SASSER], the Senator from Alabama [Mr. DENTON], the Senator from Pennsylvania [Mr. SPECTER], the Senator from California [Mr. CRANSTON], the Senator from Virginia [Mr. WARNER], the Senator from Utah [Mr. GARN], the Senator from Pennsylvania [Mr. HEINZ], the Senator from New York [Mr. MOYNIHAN], the Senator from Arkansas [Mr. BUMPERS], and the Senator from Massachusetts [Mr. KENNEDY] were added as cosponsors of Senate Joint Resolution 165, a joint resolution designating the month of October 1985 as "National High-Tech Month."

SENATE JOINT RESOLUTION 166

At the request of Mr. DURENBERGER, the names of the Senator from Iowa [Mr. GRASSLEY], and the Senator from Alabama [Mr. DENTON] were added as cosponsors of Senate Joint Resolution 166, a joint resolution to appeal for the release of Dr. Yury Orlov and other Helsinki Final Act monitors.

SENATE JOINT RESOLUTION 171

At the request of Mr. THURMOND, the name of the Senator from Maryland [Mr. MATHIAS] was added as a cosponsor of Senate Joint Resolution 171, a joint resolution proposing an amendment to the Constitution of the United States with respect to the length of the term of office of the President and Vice President and the number of terms a President may serve.

SENATE JOINT RESOLUTION 176

At the request of Mr. D'AMATO, the names of the Senator from Pennsylvania [Mr. HEINZ], and the Senator from Illinois [Mr. DIXON] were added as cosponsors of Senate Joint Resolution 176, a joint resolution to provide that a special gold medal honoring George Gershwin be presented to his sister Frances Gershwin Godowsky, and a special gold medal honoring Ira Gershwin be presented to his widow, Leonore Gershwin, and to provide for the production of bronze duplicates of such medals for sale to the public.

SENATE JOINT RESOLUTION 179

At the request of Mr. KENNEDY, the names of the Senator from Minnesota [Mr. DURENBERGER], and the Senator from Maine [Mr. MITCHELL] were added as cosponsors of Senate Joint Resolution 179, a joint resolution requesting the President of the United States to resume negotiations with the Soviet Union for a verifiable comprehensive test ban treaty.

SENATE JOINT RESOLUTION 185

At the request of Mr. MOYNIHAN, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of Senate Joint Resolution 185, a joint resolution to designate August 18, 1985, as "National Flowers-by-Wire Day."

SENATE CONCURRENT RESOLUTION 24

At the request of Mr. MATTINGLY, the name of the Senator from South Dakota [Mr. ABDNOR] was added as a cosponsor of Senate Concurrent Resolution 24, a concurrent resolution to direct the Commissioner of Social Security and the Secretary of Health and Human Services to develop a plan outlining the steps which might be taken to correct the Social Security benefit disparity known as the notch problem.

SENATE CONCURRENT RESOLUTION 36

At the request of Mr. PROXMIRE, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of Senate Concurrent Resolution 36, a concurrent resolution expressing the sense of the Congress regarding the establishment of a joint commission between the United States and the Soviet Union to study the concept of "nuclear winter" and its

impact for the national security of both nations.

SENATE CONCURRENT RESOLUTION 51

At the request of Mr. DIXON, the names of the Senator from Michigan [Mr. RIEGLE], the Senator from California [Mr. CRANSTON], and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of Senate Concurrent Resolution 51, a concurrent resolution to congratulate the Society of Real Estate Appraisers on the fiftieth anniversary of its founding.

SENATE RESOLUTION 37

At the request of Mr. PRYOR, the names of the Senator from Rhode Island [Mr. PELL], the Senator from Nebraska [Mr. EXON], the Senator from Nebraska [Mr. ZORINSKY], the Senator from Oregon [Mr. PACKWOOD], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of Senate Resolution 37, a resolution regarding small business and agricultural representatives on the Federal Reserve Board.

SENATE RESOLUTION 174

At the request of Mr. GORE, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of Senate Resolution 174, a resolution expressing the sense of the Senate with respect to the proposed closing and downgrading of certain offices of the Social Security Administration.

SENATE RESOLUTION 183

At the request of Mr. BINGAMAN, the names of the Senator from Oklahoma [Mr. BOREN], and the Senator from Kentucky [Mr. FORD], were added as cosponsors of Senate Resolution 183, a resolution to express the sense of the Senate regarding maintenance of U.S. energy independence and national security interests with respect to uranium.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. ABDNOR:

S. Res. 207. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1567, the Water Resources Development Act of 1985; from the Committee on Environment and Public Works; to the Committee on the Budget.

S. Res. 208. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1567, the Water Resources Development Act of 1985; from the Committee on Environment and Public Works; to the Committee on the Budget.

By Mr. HEINZ:

S. Res. 209. A resolution expressing the sense of the Senate in opposition to the repeal of the Historic Rehabilitation Tax Credit; to the Committee on Finance.

By Mr. LEVIN:

S. Res. 210. Resolution expressing the sense of the Senate regarding the system of political representation in South Africa; to the Committee on Foreign Relations:

By Mr. BYRD (for Mr. ZORINSKY (for himself, Mr. HELMS, Mr. LEAHY, Mr. DOLE, Mr. MELCHER, Mr. LUGAR, Mr. PRYOR, Mr. COCHRAN, Mr. BOREN, Mr. BOSCHWITZ, Mr. DIXON, Mrs. HAWKINS, Mr. HEFLIN, Mr. ANDREWS, Mr. HARKIN, Mr. WILSON, Mr. MCCONNELL, and Mr. EXON)).

S. Res. 211. Resolution expressing the sense of the Senate regarding the need to maintain and assist the farmer-owned institutions of the Farm Credit System during this period of stress in agriculture; considered and agreed to.

By Mr. DOLE (for Mr. GORTON (for himself, Mr. BENTSEN, Mr. HATFIELD, Mr. PROXMIRE, Mr. PACKWOOD, Mr. ABDNOR, Mr. EVANS, Mr. CRANSTON, Mr. METZENBAUM, Mr. BRADLEY, Mr. KERRY, Mr. COHEN, Mr. RIEGLE, Mr. MOYNIHAN, Mr. MATSUNAGA, Mr. BINGAMAN, Mr. BIDEN, Mr. CHAFEE, Mr. BUMPERS, Mr. BAUCUS, Mr. EAGLETON, Mr. WEICKER, Mr. MATHIAS, Mr. SIMON, Mr. KASTEN, Mr. DODD, and Mr. DECONCINI)):

S. Res. 212. Resolution expressing the sense of the Senate concerning violence against health care facilities.

By Mr. BYRD (for himself, Mr. BRADLEY, Mr. CHILES, Mr. LAUTENBERG, Mr. LEAHY, Mr. MELCHER, Mr. DODD, Mr. MITCHELL, Mr. FORD, Mr. MATSUNAGA, Mr. DECONCINI, Mr. HART, Mr. BIDEN, Mr. BAUCUS, Mr. EAGLETON, Mr. BUMPERS, Mr. EXON, Mr. JOHNSTON, Mr. INOUYE, Mr. LEVIN, Mr. NUNN, Mr. PELL, Mr. PROXMIRE, Mr. RIEGLE, Mr. SARBANES, Mr. SASSER, Mr. ZORINSKY, Mr. SIMON, Mr. KERRY, Mr. HOLLINGS, Mr. BENTSEN, Mr. STENNIS, Mr. BINGAMAN, Mr. ROCKEFELLER, Mr. CRANSTON, Mr. KENNEDY and Mr. HARKIN):

S. Res. 213. A resolution to express the sense of the Senate concerning recess appointments; to the Committee on the Judiciary.

By Mrs. HAWKINS:

S. Res. 214. A resolution urging the U.S. Government to restrict the amount of its financial contributions to the United Nations until such time as the United Nations reduces the Soviet Union's number of votes in the United Nations from three to one, and for other purposes; to the Committee on Foreign Relations.

By Mr. MURKOWSKI:

S. Res. 215. A resolution to express the sense of the Senate that the July 30, 1985, Trade Action Program of Japan, is inadequate; to the Committee on Finance.

SENATE RESOLUTION 207—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. ABDNOR, from the Committee on Environment and Public Works, reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 207

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of the Water Resources Development Act of 1985. Such waiver is necessary because the bill authorizes enactment of new budget authority which becomes available in fiscal year 1986, and such bill was not reported prior to the statutory deadline imposed by section 402(a) of the Congressional Budget Act of 1974 for such authorizations.

The Committee postponed consideration of the legislation beyond the reporting date to ensure full and deliberate consideration of the complex issues surrounding the equitable allocation of costs among the users and the federal government.

SENATE RESOLUTION 208—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. ABDNOR, from the Committee on Environment and Public Works, reported the following original resoluton; which was referred to the Committee on the Budget:

S. RES. 208

Resolved, That Section 303(a) of the Congressional Budget Act is hereby waived with respect to consideration of The Water Resources Development Act of 1985. This waiver is necessary because the legislation provides an increase in revenue which first become effective in fiscal year 1986, and the first concurrent resolution on the budget for such year has not been agreed to pursuant to Section 301.

The Committee devoted substantial time to ensuring full and deliberate consideration of the complex issues surrounding the equitable allocation of costs among the users and the federal government and believes the legislation should be considered by the Senate promptly.

SENATE RESOLUTION 209—RELATING TO THE REPEAL OF THE HISTORIC REHABILITATION TAX CREDIT

Mr. HEINZ submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 209

Whereas the 25% investment credit for the rehabilitation of cerfified historic buildings has been an unqualified success, working just as Congress intended to stimulate investment in our nation's cities and towns and to preserve the best of our older buildings;

Whereas as neighborhoods and central business districts are experiencing this renaissance, the state and local economies of which they are a part receive the benefits of increased local retail sales and business activity, increased employment and wages, and the resulting increased collection of income, sales, and property taxes;

Whereas the historic rehabilitation tax credit has generated more than $5 billion in private sector investment in more than 6,800 historic buildings since January, 1982, creating thousands of rental housing opportunities, including the provision of low- and moderate-income housing;

Whereas in the absence of preservation tax incentives, market forces would channel investment away from historic buildings, which would deprive Americans of the economic and cultural benefits of historic preservation; Therefore, be it

Resolved, That it is the sense of the Senate that legislation to revise or reform

the Tax Code should not contain any provision to eliminate or in any way lessen the efficacy of the historic rehabilitation tax credit.

● Mr. HEINZ. Mr. President, I am submitting today a resolution expressing the sense of the Senate that if and when Congress enacts legislation to revise or reform the Tax Code, such legislation should not contain any provision to eliminate or in any way lessen the efficiency of the historic rehabilitation tax credit.

As most of my colleagues are aware, the President's tax reform proposal proposes to eliminate the historic rehabilitation tax credit. I support the thrust of President's effort for a fairer tax system and tax reform, however, I do not believe that our zeal for tax reform should blind us to those programs and tax provisions which are truly successful. The historic rehabilitation tax credit has contributed to the preservation of America's heritage, and has revitalized our cities and towns.

The Tax Reform Act of 1976 was the first initiative to eliminate some of the previous tax law's bias against historic preservation, but it did not go far enough. Consequently in the Economic Recovery Tax Act of 1981 Congress created the current three-tiered system of rehabilitation tax credits. The rehabilitation credit is provided for qualified expenditures incurred in connection with the rehabilitation—but not enlargement—of certain old or historic buildings. The credit rate is equal to 15 percent for qualified expenditures incurred in connection with buildings at least 30 years old but less than 40 years old. There is a 20-percent credit for qualified expenditures incurred in connection with buildings at least 40 years old, and a 25-percent credit for qualified expenditures incurred in connection with certified historic structures of any age.

The rehabilitation credit has met the goal which Congress established in an effective and efficient manner. In 1981, Congress expressed its intent to stimulate investment in our Nation's cities and towns to preserve the best of our older buildings. Since January 1982, more than $5 billion has been invested in more than 6,800 historic buildings. A recent Government Accounting Office report concluded that the credit has been effective, as well as efficient. One of the reasons for this is that the credit does not involve a lot of Government redtape or bureaucracy. The 25-percent credit is truly a model of what Government can do to stimulate private-sector development activity without undue bureaucratic controls.

The rehabilitation credit has led to the preservation of our cultural and architectural heritage. It has also generated what can be accurately described as an urban renaissance. In Pennsylvania, from large structures in Philadelphia and Pittsburgh to the Old School in Mechanicsburg, projects aided by the historic rehabilitation tax credit are serving as anchors for urban revitalization. This is truly an urban renewal program that has benefited State and local economies in terms of increased sales and business activity, increased employment and wages, and increased tax revenue.

My final point concerns the credit's effect in an area that should be a top priority of citizens and legislators alike: this Nation's housing stock. The rehabilitation credit has effectively been used to increase housing. More than half of all historic rehabilitation projects are housing. Since January 1982, more than 36,000 housing units have been rehabilitated. In my own State, Philadelphia estimates that in its Old City, use of the historic tax credit has resulted in 2,000 units, a 300-percent increase in housing units. In fact, 90 percent of the housing starts in Philadelphia last year resulted from construction activity induced by the rehabilitation tax credit, and I understand that Philadelphia's experience is not unique.

Mr. President, I am introducing this resolution to preserve the credit, and I urge all my colleagues to join me in this effort.●

SENATE RESOLUTION 210—REGARDING THE SYSTEM OF POLITICAL REPRESENTATION IN SOUTH AFRICA

Mr LEVIN submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. Res. 210

Whereas South Africa has implemented a new three-tiered Parliament where South African whites share power with mixed race and Indian South Africans, but blacks are still excluded from the Parliament;

Whereas approximately 500 persons have been killed in unrest in South Africa since the August 1984 elections for new members of Parliament;

Whereas numerous persons have been detained for publicly protesting against government policies or actions in 1984 and 1985;

Whereas in 1984 South Africa prohibited all indoor political gatherings, and in September at least 130 persons were arrested for violating this law; and

Whereas forty-five political prisoners died in detention in South Africa between 1976 and 1985, and two of these died in detention in 1985: Now, therefore, be it

Resloved, That it is the sense of the Senate that the President should strongly urge the Government of South Africa to implement a system of political representation for all South Africans which is based on the principle of "one person, one vote."

Sec. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

● Mr. LEVIN. Mr. President, today I am introducing a resolution which expresses the sense of the Congress that the President should urge the Government of South Africa to implement a system of political representation for all South Africans which is based on the principal of "one person one vote."

I intended to offer this resolution as an amendment during the July 11 deliberations on S. 995, the Anti-Apartheid Action Act of 1985. However, because any amendments to the bill would have slowed down and perhaps endangered passage of sanctions, I decided not to offer the amendment at that time.

Mr. President, we must continually reaffirm the legitimacy of the struggle of the majority of South Africans for a united, nonracial, and democratic South Africa.

The elections of August 1984—the so-called colored elections—were a mockery of the democratic process. They have not brought peace or justice to South Africa for the simple reason that they still denied the right to vote to the majority of South Africans. As Randall Robinson of the Free South Africa Movement so aptly put it:

> The Government of South Africa promulgated a constitution that it advertized as a human rights advance, but that, in fact, continued the total political disenfranchisement of blacks and actually heralded the government's intention to press on relentlessly with its program of denying all political rights to blacks, stripping them of their South African citizenship and shipping many of them off to "homelands." Black leaders who protested this new constitutional enshrinement of racism were immediately slapped into jail and held incommunicado without specified charges being brought against them.

I think that it is important for the Congress to send a clear message to the South African Government that the United States believes that the continuation of the policy of disenfranchisement of the black majority should be ended and should be replaced by a system of one person, one vote. It is impossible to speak of the value of individual freedom and of democracy and ignore the blatant and massive denial of the most fundamental method of expressing that freedom and protecting that democracy. Yet this denial occurs in South Africa day after day through the continued refusal of the Government of South Africa to adhere to a policy of full voting participation.

Our own history has taught us the basic fairness of this proposition—a proposition that recognizes the basic dignity of each individual and allows each individual to express that dignity through participation in the political process in the form of exercising the right to vote.

Most of us are familiar with Bishop Desmond Tutu's continued exhortations in support of the values of freedom and democracy which are denied to the majority of his countrymen.

But for those who might not have had the opportunity to hear this Nobel Peace Prize winner on the subject, I would like to share an excerpt from his remarks of February 3, 1985, on his Enthronement as Anglican Bishop of the Diocese of Johannesburg:

I for my part cannot keep quiet when God's children hurt, when they live in single hostels, when they are banned or detained arbitrarily, when they are uprooted . . . Please dear white fellow South Africans hear the cri de coeur we utter. It is that we too are just ordinary human beings. We too love to be with our wives everyday, we too want our children to rush out to meet us as we come back from work, we too would like to live where we can afford it. We too want to be able to move freely everywhere in the land of our birth, we too want to have security of tenure. We too want to participate in the decisions that affect our lives. These are not extravagant demands. They are the expectation of any human being. We want to have a new kind of South Africa. Where we all, black and white can walk tall together. . .

Together, the President and the Congress, should send a message to the Government of South Africa that the time is now—that the time is in fact long past due—for it to adhere to the principle of one person, one vote.●

SENATE RESOLUTION 212—RELATING TO VIOLENCE AGAINST HEALTH CARE FACILITIES

Mr. DOLE (for Mr. GORTON) (for himself, Mr. BENTSEN, Mr. HATFIELD, Mr. PROXMIRE, Mr. PACKWOOD, Mr. ABDNOR, Mr. EVANS, Mr. CRANSTON, Mr. METZENBAUM, Mr. BRADLEY, Mr. KERRY, Mr. COHEN, Mr. RIEGLE, Mr. MOYNIHAN, Mr. MATSUNAGA, Mr. BINGAMAN, Mr. BIDEN, Mr. CHAFEE, Mr. BUMPERS, Mr. BAUCUS, Mr. EAGLETON, Mr. DECONCINI, Mr. WEICKER, Mr. MATHIAS, Mr. SIMON, Mr. LONG, Mr. KASTEN, Mr. GORTON, and Mr. DODD) submitted the following resolution; which was placed on the calendar:

S. RES. 212

Whereas over the last four years there has been nearly a 2000% increase in reported incidents of violence against health care facilities, most of which provide abortion services;

Whereas since January, 1984, there have been 228 reported incidents of violence, including bombings, arson, vandalism and burglaries, against certain health care facilities which provide abortion and reproductive services;

Whereas 29 of these facilities have been damaged or destroyed as a result of arson or bombings;

Whereas out of the 48 incidents of arson, bombings, and attempted arson bombings perpetrated against health care facilities since May, 1982, the efforts of the Bureau of Alcohol, Tobacco and Firearms have resulted in 14 indictments and 11 convictions with respect to 24 incidents;

Whereas since January, 1984 violence against health care facilities has resulted in millions of dollars worth of property damage;

Whereas violence not only results in destruction of property but also seriously jeopardizes the lives of patients, medical staff, and members of the general public;

Whereas violence has no place in the legitimate debate of public issues and is an immoral and totally unacceptable way by which to effect a change in law and public policy in our society;

Whereas the First Amendment guarantees the right to freedom of speech and to petition the Congress; now, therefore be it

Resolved, That it is the sense of the Senate that it condemns the growing incidence of violence against health care facilities, and it encourages the Bureau of Alcohol, Tobacco and Firearms and the Department of Justice to intensify their efforts to apprehend and convict the perpetrators of such violence. Further, the Senate urges the Department of Justice to use all applicable federal criminal statutes against individuals who engage in such violence.

● Mr. GORTON. Mr. President, today, I am introducing a sense of the Senate resolution condemning the growing incidence of violence against health care facilities.

Mr. President, last month the Nation reacted with horror at the hijacking of TWA flight 847 in Greece and has applauded the administration's determination to make a stand against terrorism around the world.

If outrage at terrorism is justified, then it is as valid when commenting about bombing an abortion clinic as when reacting to a skyjacked commerical airliner. Terrorism is an insidious crime that strikes at the innocent and the defenseless in the name of a larger cause. Those who criminally jeopardize others' lives are criminals, no matter what the rationalization and should be unanimously condemned by Congress.

In Washington State alone, there have been four incidences of bombings and arson of health care clinics which provide abortion services. An advocate of these violent attacks has declared that direct action against abortion clinics is the only appropriate response to abortion.

The tactics of "direct action" have escalated into a form of domestic terrorism. A group of fanatics has set out to impose its political will through fear rather than persuasion. Those who cannot change the law by peaceful means justify violence. The most bizarre among them are even risking murder out of the conviction that they are stopping murder.

In 1984, 24 health care facilities were damaged by bombings and arson and attempts were made at bombing six more clinics. In addition, 42 clinics received bomb threats and 35 were vandalized. A total of 173 specific acts of violence occurred against health care facilities in 1984. This statistic is particularly shocking when compared to the fact that only nine incidents of violence against health care facilities occurred in 1981.

In case after case, throughout the United States, the tactics of antiabortion protestors have been repeated. In addition to bombings and arson, they include invading clinics, blocking entrances and parking lots, making phone calls to clinics and to employees' homes which threaten death to employees or threaten bombing of the clinics; photographing and filming patients as they attempt to enter; pushing, shoving, and threatening patients and employees; copying down and tracing license plates of patients and making harassing phone calls to them at home; banging on doors and windows while surgery is in progress; flinging fetuses in the faces of patients trying to enter; and setting up gauntlets through which patients must pass.

These tactics are not simple expressions of opinion. They are part of concerted plans to intimidate women and close abortion and reproductive health clinics. In Roe versus Wade the U.S. Supreme Court ruled that the constitutional right of privacy encompasses a woman's right to decide to terminate a pregnancy under certain circumstances. The Court wrote that the right of privacy is "founded in the 14th amendment's concept of personal liberty and restrictions upon State Action" and that States may not completely prohibit women from choosing abortion. Understandably, Roe versus Wade has drawn both passionate support and furious opposition.

Abortion and family planning clinics are engaged in legal activity, however, and are entitled to the same protection under law as any other place of business. The issue here is not one of "prochoice" versus "prolife." This is a matter or order over chaos. Our society cannot survive if we express our opinions about public issues by committing violent acts rather than by exercising our precious right to freedom of speech and to petition our Government.

These incidents are the acts of a few individuals who do not appreciate that words are the tools of persuasion in our society, never violence. Terrorism of the kind aimed at the clinics undermines the rule of law that makes honest debate possible in a democracy, and should be condemned by all Americans who value the public peace and the preservation of our constitutional freedoms.

Mr. President, I urge my colleagues to join me as cosponsors of this resolution which condemns these vicious acts of violence, calls upon the administration to intensify its efforts to bring those persons responsible for these deplorable attacks to justice, and supports prompt, effective enforcement of our laws that prohibit these totally unacceptable actions.

● Mr. BENTSEN. Mr. President, today, I am pleased to introduce a

Senate resolution which expresses the sense of the Senate concerning violence against health care facilities. In the United States, within the last 4 years, there has been nearly a 200-percent increase in the number of reported acts of violence against health care facilities, most of which provide abortion services. I strongly feel that these acts of violence and destruction demands the attention of Congress. My concern for safety at women's health care centers has prompted me to address these issues. Our society will not survive if we express our opinions about public issues by committing violent acts rather than by exercising our precious right to freedom of speech and to petition the Government. These violent acts have placed the lives of many Americans in jeopardy; solely because a group of misguided individuals have taken a vigilante approach to forcing social change on a society founded on the democratic principles of debate over civil unrest. These violent incidents are the actions of individuals who seek to change public policy through the use of violence. I strongly disagree with these individuals and believe that it is our responsibility to speak out against these reprehensive incidents.

I would like to mention a few of the violent acts that have occurred in my home State, several of which caused thousands of dollars of damage. For example, a bombing at the Cypress-Fairbanks Family Planning Center disrupted service at the entire clinic for several months. Additionally, at the West Loop Clinic, a Molotov cocktail was thrown through a window, causing $50,000 in damages. At the women's outpatient clinic, a bomb completely destroyed the reception area and created smoke damage through the office. A combined total of $1,620,000 damage was suffered by the Clear Lake Women's Center and the Mesquite Women's Clinic.

In a democratic society, controversial issues should be debated rather than resolved by acts of destruction. I must stress to you the potential trend that this violence exemplifies throughout our Nation. Our Nation prides itself on the fundamental right of freedom of speech. However, the issue before us is not the speech itself but the unbridled and lawless conduct of a few who act outside the established forum of government.●

● Mr HATFIELD. Today I join in introducing a resolution speaking out against the bombing of abortion clinics and requesting heightened efforts to apprehend and convict those responsible for these acts. Within the last 4 years there has been nearly a 2,000-percent increase in the number of reported acts of violence against health care facilities, which provide abortion services.

This shocking increase in the number of clinics bombed heightens my resolve against the tyranny of violence, not only that which is committed inside abortion clinics but the violence outside as well. Without equivocation or qualification I oppose abortion as a destruction of human life, just as I abhor the threatened destruction of life which is inherent in the buildup of nuclear weapons. It is imperative that we act to affirm the value we place on all human life, both existing and potential.

There may well be times when nonviolent civil disobedience is called for. There are times when our spiritual calling may not be compatible with the demands of governmental authority. However, in the case of civil disobedience, the use of violence is never permissible and those who engage in such acts must accept the full penalty of the law for their actions.

It is inconceivable to me that an act of destruction can be seen as fairly representing the cause of nonviolence and the preservation of life which those of us who oppose abortion advocate. The need to change our law concerning abortion is great, but I feel very strongly that criminal and desperate measures only serve to denigrate our efforts toward meaningful change.

Abortion is a form of violence. This is an undeniable reality. It is the destruction of life. It furthers the dehumanization of life. It cheapens life. In the same context, clinic bombings perpetuate that destruction. Each of these acts erodes the base of sanity on which our society teeters.●

● Mr. PACKWOOD. Mr. President, I rise today in strong support of the Senator from Washington's resolution condemning violence against women's health care facilities. Many women's clinics in my home State of Oregon have experienced such instances of violence and harassment; and the frequency of these incidents is only growing with each passing day. Just this past weekend, a Planned Parenthood clinic in Portland was vandalized.

I ask unanimous consent that an article published in the Oregonian (July 26, 1985) describing this incident be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Oregonian, July 27, 1985]

CLINIC STRUCK BY VANDALS

Anti-abortion slogans were spray-painted on Planned Parenthood's main clinic in Southeast Portland and rocks where thrown into the plate-glass doors early Friday morning, according to Jay Decker, public information officer for the Portland Police Bureau.

Two of the slogans read: "Planned death" and "Stop baby murder." Police think two vandals were involved because the slogans painted on the building showed two different styles of handwriting, Decker said.

The broken doors face the west side of the parking lot, and although the outer and inner glass doors were damaged, nothing was taken, Decker said. The incident, which police think happened between 1 a.m. and 7 a.m. Friday, was reported to police by a neighbor.

"The irony of the whole thing is that Planned Parenthood combats abortion by helping women prevent unwanted pregnancy," said Scott Frangos, public relations coordinator for the agency.

Joan Binninger, director of education for Planned Parenthood, said that "Planned Parenthood is outraged by this act of violence and vandalism. We would like the public to be aware that extreme right-wing groups are actively mounting a campaign designed to enforce their ideas through overt acts of violence."

Planned Parenthood is a United Way agency whose services include birth control counseling, treatment and testing for venereal disease, and education programs for schools and community groups.

Mr. PACKWOOD. Mr. President, my feelings on the matter of abortion are very strong. It is not my role, or your role or the role of any government to tell a woman what she must or must not do regarding an abortion. This relatively new and terrifying phenomenon, the bombings of clinics and harassment of their clients and employees, is yet another example of a small minority of people trying to enforce their point of view on all of us.

Unfortunately, I have a feeling that because the violence is directed at abortion and family planning clinics, some feel that these illegal acts are not as "illegal" as if, for example, the harassment was directed at a private school building. I have been involved in the fight for reproductive freedom for many years and have seen, time and time again, that the minute the word "abortion" is injected into the debate, all else becomes sidetracked. Mr. President, the subject of abortion stirs passionate emotions. But that is not the point to be made here today. The point to be made, is that illegal acts to overturn legal rights will never be successful. We will never allow a minority to violently force their view of the world on the rest of us.

As I said earlier this year on this floor on this subject, the danger of the liberties of all Americans is most threatened by those who want to compel conformity of thought and deed. Conversely, our liberties are most secured by a decent respect for diversity, and most especially on those subjects upon which there is no consensus.

I ask unanimous consent that an editorial by Adele Simmons which appeared in the New York Times (July 29, 1985) on the subject of abortion clinic violence and harassment appear at the conclusion of my remarks. I believe Ms. Simmons' conclusion is right on target. She said, "Our response to abortion clinic violence should not be determined by the political coloration

of terrorists' cause." It is my hope that my colleagues on both sides of the abortion issue will join as cosponsors of this resolution and will condemn these acts for what they are: illegal. Let me not say that the subject of the harassment and violence—women exercising their right to choose to have an abortion—justifies the means.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 29, 1985]

REAGAN'S SILENCE ON ABORTION TERROR

(By Adele Simmons)

AMHERST, MA.—Bombs exploded in 25 abortion and family-planning clinics throughout America in 1984. Eighteen directors of abortion clinics were threatened with death. Opponents of abortion invaded one clinic and trampled employees. A doctor who headed an abortion clinic and his wife were abducted and held for eight days.

President Reagan remained silent on the subject throughout the year. Not unitl January did he publicly protest violence as a means of opposing abortion—and only then after heavy Congressional pressure.

From the record, it seems plain that the President's attitude toward terrorist incidents reflects his personal view of the politics of the terrorists. His outrage at the actions of the terrorists aboard the hijacked Trans World Airlines plane was both obvious and appropriate. But he has yet to demonstrate an equally passionate commitment to ending terrorism at home.

To do so would require him to set aside partisan concerns and discomfit some of his political allies. He and many Americans have been quick to denounce the terrorism associated with the Islamic fundamentalists. But what about the United States-based Christian "army of God," which claimed credit for several of the abortion clinic bombings and the abduction of the doctor and his wife? What about the Florida clinic bomber who, when arrested in January, explained that he was motivated by love of God as he sat at his kitchen table and, according to one account, "spooned explosive black powder into large iron pipes that were planted to explode before daybreak on Christmas at three abortion clinics"?

What of the lay pastor in a Maryland Lutheran church who was sentenced to jail for his role in a clinic bombing in Maryland? What of Joseph Scheidler, leader of the Pro-Life Action League, who informed the House Judiciary Subcommittee on Civil and Constitutional Rights that his organization did not answer to the law of our country? It answers, he said, to a "higher law." God has determined that abortion is immoral, according to Mr. Scheidler, and therefore anti-abortion activists who invade clinics should be compared to "the trespassing of a fireman into a burning building to save a life."

Family-planning and abortion clinics are engaged in legal activity and are entitled to the same protection under law as any other place of work. The Federal Bureau of Investigation defines terrorism as "the unlawful use of force or violence against persons or property to intimidate or coerce a government, the civilian population, or any segment thereof, in furtherance of political and social objectives." That no one has been killed so far is sheer good fortune.

Five people were sentenced recently to 10 years in prison for their roles in abortion clinic bombings. What was particularly disturbing was the political nature of the response to these sentences. "Pro-choice" forces have condemned the sentences as too lenient; "right-to-life" people have celebrated their brevity. Both sides miss the heart of the matter: The point is not abortion, but rather terrorism.

Americans are focusing attention on terrorism. President Reagan has an opportunity to educate them on a crucial point: Our response to it should not be determined by the political coloration of terrorists' cause. If he does so, it is hard to imagine that more than a handful of Americans will oppose a consistent, firm approach to all terrorism.●

SENATE RESOLUTION 213—EXPRESSING THE SENSE OF THE SENATE CONCERNING RECESS APPOINTMENTS

Mr. BYRD (for himself, Mr. BRADLEY, Mr. CHILES, Mr. LAUTENBERG, Mr. LEAHY, Mr. MELCHER, Mr. DODD, Mr. MITCHELL, Mr. FORD, Mr. MATSUNAGA, Mr. DECONCINI, Mr. HART, Mr. BIDEN, Mr. BAUCUS, Mr. EAGLETON, Mr. BUMPERS, Mr. EXON, Mr. JOHNSTON, Mr. INOUYE, Mr. LEVIN, Mr. NUNN, Mr. PELL, Mr. PROXMIRE, Mr. RIEGLE, Mr. SARBANES, Mr. SASSER, Mr. ZORINSKY, Mr. SIMON, Mr. KERRY, Mr. HOLLINGS, Mr. BENTSEN, Mr. STENNIS, Mr. BINGAMAN, Mr. ROCKEFELLER, Mr. CRANSTON, Mr. KENNEDY, and Mr. HARKIN) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 213

Whereas, the United States Constitution in Article II, Section 2, Clause 2, vests in the Senate the power to give its advice and consent to presidential appointments,

Whereas, the Appointments Clause specifies the method clearly preferred by the Framers for the regular appointment of Officers of the United States,

Whereas, the Appointments Clause has been judicially determined to be an aspect of the principle of separation of powers woven into the United States Constitution (*Buckley* v. *Valeo*, 424 U.S. 1 (1976)),

Whereas, the reasons behind the Recess Appointment Clause, Article II, Section 2, Clause 3, like those supporting the pocket veto power, have been largely superseded by modern methods of instantaneous communication and the modern practice of Congress with respect to abbreviated intrasession adjournments (*Kennedy* v. *Sampson*, 511 F. 2d 430 (D.C. Cir. 1974)),

Whereas, the adherence to Appointment Clause procedures, unlike a recess appointment that thereafter may be rejected by the Senate, precludes subsequent challenges with respect to the appointee's rightful exercise of significant authority pursuant to the laws of the United States: Therefore be it

Resolved, That it is the sense of the Senate that—

(1) The exercise of the power to make recess appointments should be confined to a formal termination of a session of the Senate, or to a recess of the Senate, protracted enough to prevent it from discharging its constitutional function of advising and consenting to executive nominations;

(2) As the President as well as the heads of Executive and military departments are authorized to detail officers of the United States to fill vacancies in offices at all levels of the Federal Government, Chapter 33, Title 5, United States Code, which details are valid for at least thirty days, no recess appointment should be made when the Senate stands adjourned or recessed within a session for a period of less than thirty days; and

(3) No recess appointment should be made of any person to any office—

(a) if such person has previously, during the same presidential term, been nominated for appointment to such office; and

(b)(1) the Senate has voted not to give its advice and consent to such appointment; or

(2) the appropriate committee of the Senate has voted not to report such nomination to the Senate.

SENATE RESOLUTION 214—RELATING TO U.S. CONTRIBUTIONS TO THE UNITED NATIONS

Mrs. HAWKINS submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 214

Whereas the Soviet Union has three votes in the United Nations General Assembly, one for Byelorussia, one for the Ukraine, and one for the Soviet Union proper, while the United States has only one vote;

Whereas the United Nations Charter specifies that the United Nations shall be composed of "states";

Whereas the Soviet Union does not allow sovereignty and independence, the criteria for all other nation-states in the United Nations, for the Byelorussian Soviet Socialist Republic and the Ukrainian Soviet Socialist Republic;

Whereas the Soviet Union has not allowed its "republics" to establish or maintain separate sovereign diplomatic relations with any other sovereign state since 1920;

Whereas the American taxpayer pours more than one billion dollars per year into the United Nations;

Whereas this funding level is more than twice the amount given by any other country; and

Whereas the Soviet Union is nearly two hundred million dollars in arrears to the United Nations: Now, therefore, be it

Resolved, That it is the sense of the Senate that the financial contributions by the United States Government to the United Nations each year should not exceed one-third the financial contributions by the Government of the Soviet Union to the United Nations in such year until—

(1) such time as the Soviet Union grants independence and total sovereignty to Byelorussia and the Ukraine; or

(2) the United Nations reduces the number of votes of the Soviet Union in the United Nations from three to one,

at which time the United States' contribution to the United Nations should be adjusted so as not to exceed that of the Soviet Union.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the Secretary of State.

● Mrs. HAWKINS. Mr. President, today I am submitting legislation to reduce the amount of the U.S. financial contribution to the United Nations.

Each year over $1 billion of the American taxpayer's money is poured into the coffers of the United Nations—more than twice the amount given by any other country. In fact, while the United States contributes 25 percent of the U.N. budget, the Soviets contribute less than 10 percent.

Yet day after day the United Nations is used as an international forum by the Soviets and Third World countries to denounce the United States and advance their own foreign policy objectives.

For example, the United Nations has been allocating American tax dollars to SWAPO, the PLO, and other known anti-U.S. terrorist groups.

If that isn't bad enough, the Soviets have three votes in the U.N. General Assembly—one for Byelorussia, one for the Ukraine, and one for the U.S.S.R. proper—while the United States has but one vote.

The legislation I'm introducing today would cut back our financial contribution to the United Nations until such time as the Soviet Union grants independence and total sovereignty to Byelorussia and the Ukraine or the United Nations reduces the number of votes of the Soviet Union from 3 to 1.

This would save the American taxpayers in excess of x million dollars a year, and better yet, free the people of the Ukraine and Byelorussia from Soviet reign.

Last year, President Reagan took a first step toward eliminating anti-American activity in the United Nations when he stood firm in his decision to withdraw the United States from UNESCO.

That move alone will save the American taxpayers some $47 million in 1985.

And the American people cheered when U.S. Ambassador Charles Lichenstein told the U.N. members that if they didn't feel welcome here, they should remove themselves and the organization from American soil.

The fact is, the American taxpayer is fed up with the goings-on at the United Nations. It is clear to them that the United Nations has failed its basic mission to keep the peace.

If we aren't willing to end our support for this organization then we ought to at least cut our contributions and end the ability of our adversaries to use the organization as a base for espionage and propaganda.

It is of vital importance that the voices of freedom and the interests of Western nations are heard within the United Nations.

To accomplish that goal, the United States must use any pressure available to roll back Soviet influence.

Ending the shrill anti-Western bias of the United Nations could also shift the terms of debate within the United Nations to focus outrage on Soviet aggression throughout the world, and lack of human rights within totalitarian systems.

Moving to forcefully reassert American influence within the United Nations would thus be part of a larger offensive on many fronts against Soviet power.

I urge my colleagues to join me in supporting this resolution.●

SENATE RESOLUTION 215—EXPRESSING THE SENSE OF THE SENATE WITH RESPECT TO THE JULY 30, 1985, JAPAN TRADE ACTION PROGRAM

Mr. MURKOWSKI submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 215

Whereas the United States Senate on March 28, 1985, by a vote of 92 to 0, directed the President to respond to the unfair trade practices of Japan;

Whereas the United States House of Representatives on April 2, 1985, by a vote of 394 to 19 also directed the President to respond to the unfair trade practices of Japan;

Whereas the merchandise trade balance between the United States and Japan showed a deficit for the United States of $37 billion in 1984;

Whereas this bilateral merchandise trade deficit registered $25 billion for the first six months of 1985—a 40-percent increase over the comparable period in 1984;

Whereas U.S. merchandise exports to Japan in the first six months of 1985 have shown no growth and in fact have declined in the most recent reporting period;

Whereas the merchandise trade balance between the United States and Japan for the month of June showed the fourth consecutive monthly increase in the bilateral deficit including the entry of $450 million worth of additional new automobiles from Japan in one month;

Whereas other countries have experienced a similar pattern of inability to enter the Japanese market;

Whereas the currency misalignments do not sufficiently explain these trends given the five-month decline in the dollar and the decline of other major currencies against the yen, without comparable increases in Japanese imports into Japan;

Whereas the most recent United Nations statistics show that many nations, particularly in East Asia, are diverting their exports from their natural market, Japan, to the United States, thereby placing additional import pressures on important U.S. industries such as textiles and steel;

Whereas the Senate Finance Committee has reported on a pattern of unfair trading practices by Japan in merchandise trade, leading to the export of significant unemployment to the United States;

Whereas hearings before the Senate Foreign Relations Committee have shown that this pattern of unfair trading practices extends to United States-Japan services trade;

Whereas last year for the first time in our trade relations with Japan, the United States faced a deficit with Japan in the services sector amounting to over $1 billion.

Whereas the Congress and executive branch have repeatedly urged the Japanese Government to reduce or eliminate its barriers to imports;

Whereas the Japanese Government on July 30, 1985, announced an Action Plan to expand export opportunities to the Japanese market;

Whereas an examination of the Action Plan reveals it to be inadequate and unlikely to lead to a reduction of tension over trade;

Whereas the Senate declares its disappointment that so few of the specific U.S. requests for reduction of individual barriers were contained in the Action Plan;

Whereas the Senate declares the Japanese commitment to reduce plywood tariffs, beginning in 1987 and at an undetermined rate, to be unacceptable;

Whereas the Senate declares the Japanese refusal to renounce the practices of depression cartels to be unacceptable;

Whereas the Senate declares the policy of targeting specific industries such as aerospace, computers and satellites to be unacceptable;

Whereas the Senate declares the policy of controlled distribution through restrictions on store size in Japan to be unacceptable;

Whereas the Senate declares Japanese acquiescence in cartel-like authority by Japanese business at home and abroad to be unacceptable;

Whereas the Senate declares the Japanese Government prohibition against foreign company access to Japanese Government research and development projects to be unacceptable;

Whereas the Senate notes that the Action Plan calls for some limited participation by U.S. citizens in Japanese standards making but that such promises have been given in the past without notable results;

Whereas the Senate declares that the failure to reduce tariffs sufficiently in chocolate, aluminum, fresh grapefruit, walnuts, wine and other products is unacceptable;

Whereas the Senate notes that the Action Plan does not contain any reference to Japan's intentions of reducing the growing trade deficit by the purchase of United States natural resources: Now therefore, be it

Resolved, That it is the sense of the Senate that the President should inform the Government of Japan that the Action Plan is an insufficient response to the growing trade deficit, and be it further

Resolved, That the Government of Japan should immediately take any and all steps within its power to reduce trade barriers which have been brought to its attention by officials of the government of the United States, and be it further

Resolved, That the Senate, upon its return from the forthcoming recess period, shall act on legislative measures, including S. 1404, a bill to require the President to respond to unfair trade practices of Japan, that will assure relief from the growing trade imbalance with Japan.

Mr. MURKOWSKI. Mr. President, this morning the Republican Conference Trade Task Force met with the new USTR Clayton Yeutter to discuss the worsening trade deficit with Japan and to review Japan's most recent action plan to deal with this growing problem.

It is my firm conviction that the trade imbalance with Japan is only worsening, and that the July 30 action plan announced by that country is too little and too late.

In this regard, I prepared a sense of the Senate resolution that I hoped would have been considered by my colleagues before we recess tonight. Unfortunately, Mr. President, I have been informed that the resolution was not cleared by the minority for action today.

Mr. President, I find it most unfortunate that my colleagues did not have a chance to consider my resolution before the August recess. I am convinced that the resolution would have received wide support in the Senate because the Japan action plan is a considerable disappointment and is unlikely to signficantly deal with the trade problem. At a time when dramatic action would have been constructive, Japan has chosen instead to take a gradual approach over 3 years to implement some changes in the approach to the United States-Japan trading relationship.

Mr. President, as the recently announced June trade figures point out, our deficit with Japan is growing out of control. In June alone, the imbalance is $4.6 billion, and for the first 6 months of this year the trade deficit is $23.9 billion. At this rate, we will face a $48 billion trade deficit in 1985, compared with the $37 billion trade deficit that we experienced last year.

My reaction to Japan's action plan, and the underlying facts about our declining market shares is captured in the sense of the Senate resolution that I today submitted and I will not repeat what is set forth in that resolution.

Suffice it to say, Mr. President, Congress will have to take action after the August recess to assure that corrective measures will be taken to end this major problem. We cannot afford to watch the situation continue to deteriorate.

AMENDMENTS SUBMITTED

SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1985

HATFIELD (AND BYRD) AMENDMENT NO. 574

Mr. HATFIELD (for himself and Mr. BYRD) proposed an amendment to the amendment of the House to the amendment of the Senate numbered 112 to the bill (H.R. 2577) making supplemental appropriations for the fiscal year ending September 30, 1985, and for other purposes; as follows:

After the word "legislation" at the end of the last sentence, add the following: "; except that this sentence shall not apply after May 15, 1986."

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS

BUMPERS AMENDMENT NO. 575

Mr. HATFIELD (for Mr. BUMPERS) proposed an amendment to the bill (H.R. 2959) making appropriations for energy and water development for the fiscal year ending September 30, 1986, and for other purposes; as follows:

On page 4, after line 2, add the following new language:

"The Corps of Engineers is directed to construct recreation and management facilities at the Ouachita and Black Rivers, Arkansas and Louisiana, in the vicinity of the Felsenthal National Wildlife Refuge at full federal expenses using funds heretofore provided, using the $3.5 million provided for such purpose in this Act."

DANFORTH AMENDMENT NO. 576

Mr. HATFIELD (for Mr. DANFORTH) proposed an amendment to the bill H.R. 2959, supra; as follows:

On page 4 after line 2, insert the following:

SEC. . From funds previously appropriated for the Clarence Cannon Dam, the Secretary is directed to continue construction of the remaining authorized recreation facilities at full Federal funding. Construction shall continue until completion, subject to availability of funds.".

COMPREHENSIVE ENVIRONEMENTAL RESPONSE

COMPENSATION AND LIABILITY ACT EXTENSION

CRANSTON AMENDMENT NO, 577

(Ordered to lie on the table)

Mr. CRANSTON submitted an amendment intended to be proposed by him to the bill (S. 51) to extend and amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and for other purposes; as follows:

On page 124, line 16, strike out "FUNDS UNSPENT OR $7,500,000,000" and insert in lieu thereof "$10,000,000,000".

On page 125, strike out lines 1 through 18.

On page 125, line 19, strike out "(3)" and insert in lieu thereof "(2)".

On page 125, line 20, strike out "$7,500,000,000" and insert in lieu thereof "$10,000,000,000".

On page 126, line 10, strike out "$7,500,000,000" and insert in lieu thereof "$10,000,000,000".

On page 126, line 13, strike out "$7,500,000,000" and insert in lieu thereof "$10,000,000,000".

On page 126, line 18, strike out "$7,500,000,000" and insert in lieu thereof "$10,000,000,000".

On page 126, line 20, strike out "(4)" and insert in lieu thereof "(3)".

On page 126, line 23 strike out "or (3)".

On page 135, line 16, strike out ".08 percent" and insert in lieu thereof ".115 percent".

On page 135, line 20 and 21, strike out "FUNDS UNSPENT OR $7,500,000,000" and insert in lieu thereof "$10,000,000,000".

On page 136, line 3, strike out "or (3)".

On page 136, line 4, strike out "section 4611(d)(3)" and insert in lieu thereof "such paragraph".

On page 141, line 20, strike out ".08 percent" and insert in lieu thereof ".115 percent".

On page 142, line 2, strike out "$4,000" and insert in lieu thereof "$5,750".

On page 144, line 16 and 18, strike out "$4,000" each place it appears and insert in lieu thereof "$5,750".

ENERGY AND WATER DEVELOPMENT APPROPRIATION

CHILES AMENDMENT NO. 578

Mr. CHILES proposed an amendment to the bill H.R. 2959, supra; as follows:

At the appropriate place:

Provided, That none of the funds appropriated in this title may be used for preliminary discussions, staff briefings or meetings as defined in 10 Code of Federal Regulations 9.101(c) published May 21, 1985.

KENNEDY (AND OTHERS) AMENDMENT NO. 579

Mr. KENNEDY (for himself, Mr. HART, and Mr. BINGAMAN) proposed an amendment to the bill H.R. 2959, supra; as follows:

On page 25, line 13, strike out "$7,623,300,000" and insert in lieu thereof "$7,630,800,000".

On page 25, line 14, after "expended" insert the following: ", of which $101,075,000 shall be available for verification and control technology".

SIMON AMENDMENT NO. 580

Mr. SIMON proposed an amendment to the bill H.R. 2959, supra; as follows:

On page 25, line 9, after the semicolon insert the following: "the preparation and submission of a report in classified and unclassified versions, not later than March 1, 1986, by the Secretary of Energy, in consultation with the Secretary of Defense, to the Congress on recent developments in the capabilities of the United States to monitor compliance with any comprehensive nuclear test ban agreement which may be negotiated by the governments of the United States and the Soviet Union;".

EVANS (AND OTHERS) AMENDMENT NO. 581

Mr. EVANS (for himself, Mr. MCCLURE, and Mr. GORTON) proposed an amendment to the bill H.R. 2959, supra; as follows:

On page 29, line 22, strike "$95,568,000" and insert in lieu thereof the following:

"$95,568,000, of which $2,750,000 shall be available to conduct geographic and resource sorting for the purpose of identifying applications for hydroelectric licenses or exemptions which do not have the potential to adversely affect environmental resources in a cumulative manner,".

DOMENICI (AND OTHERS) AMENDMENT NO. 582

Mr. DOMENICI (for himself, Mr. MCCLURE, Mr. THURMOND, and Mr. BINGAMAN) proposed an amendment to the bill H.R. 2959, supra; as follows:

On page 25, line 13, strike "$7,623,300,000" and insert in lieu thereof "$7,647,800,000".

LOW-LEVEL RADIOACTIVE WASTE POLICY ACT AMENDMENTS

THURMOND AMENDMENT NO. 583

Mr. THURMOND submitted an amendment intended to be proposed by him to the bill (S. 1517) to amend the Low-Level Radioactive Waste Policy Act to improve procedures for the implementation of compacts providing for the establishment and operation of regional disposal facilities for low-level radioactive waste, and for other purposes; as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Low-Level Radioactive Waste Policy Amendments Act of 1985".

SEC. 2. The Low-Level Radioactive Waste Policy Act (42 U.S.C 2021b et seq.) is amended by striking out sections 2, 3, and 4 and inserting in lieu thereof the following:

"DEFINITIONS

"SEC. 2. For purposes of this Act:

"(1) The term 'activity of the Secretary' means any activity of the Secretary of Energy that is conducted at an atomic energy defense, research and development, or demonstration installation or institution owned by and operated principally for the Department of Energy or its successor.

"(2) The term 'agreement State' means a State that—

"(A) has entered into an agreement with the Nuclear Regulatory Commission under section 274 of the Atomic Energy Act of 1954 (42 U.S.C. 2021); and

"(B) has authority to regulate the disposal of low-level radioactive waste under such agreement.

"(3) The term 'atomic energy defense activity' means any activity of the Secretary of Energy performed in whole or part in carrying out any of the following functions:

"(A) naval reactors development, propulsion, and decommissioning;

"(B) weapons activities including defense inertial confinement;

"(C) verification and control technology;

"(D) defense nuclear materials production;

"(E) defense nuclear waste and materials byproducts management;

"(F) defense nuclear materials security and safeguards and security investigations; and

"(G) defense research and development, other than that described in subparagraphs (A) through (F).

"(4) The terms 'atomic weapon', 'byproduct material', 'source material', and 'special nuclear material' have the meanings given such terms in section 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2014), as such section is in effect on January 1, 1985.

"(5) The term 'commercial nuclear power reactor' means any unit of a civilian nuclear powerplant required to be licensed under section 103 or 104 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2133 or 2134(b)).

"(6) The term 'compact' means a compact entered into by two or more States pursuant to this Act.

"(7) The term 'compact commission' means the regional commission, committee, or board established in a compact to administer such compact.

"(8) The term 'compact region' means the area consisting of all States that are members of a compact.

"(9) The term 'disposal' means the isolation of low-level radioactive waste pursuant to the requirements established by the Nuclear Regulatory Commission under applicable laws, or by an agreement State if such isolation occurs in such agreement State.

"(10) The term 'Federal research and development activity' means any activity of the Secretary of Energy that is not an atomic energy defense activity specified in paragraph (3).

"(11) The term 'generate', when used in relation to low-level radioactive waste, means to produce new low-level radioactive waste.

"(12) The terms 'high-level radioactive waste' and 'spent nuclear fuel' have the meanings given such terms in section 2 of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101), as such section is in effect on January 1, 1985.

"(13) The term 'low-level radioactive waste' means radioactive material that—

"(A) is not high-level radioactive waste, spent nuclear fuel, transuranic waste, or byproduct material (as defined in section 11 e. (2) of the Atomic Energy Act of 1954 (42 U.S.C. 2014(e)(2)) as in effect on January 1, 1985); and

"(B) the Nuclear Regulatory Commission, consistent with existing law, classifies as low-level radioactive waste.

"(14) The term 'non-sited compact region' means any compact region that is not a sited compact region.

"(15) The term 'regional disposal facility' means a low-level radioactive waste disposal facility in operation on January 1, 1985, or subsequently established and operated under a compact.

"(16) The term 'Secretary' means the Secretary of Energy.

"(17) The term 'sited compact region' means a compact region in which there is located one of the regional disposal facilities at Barnwell, in the State of South Carolina; Richland, in the State of Wahington; or Beatty, in the State of Nevada.

"(18) The term 'State' means any State of the United States, the District of Columbia, and, subject to the provisions of Public Law 96-205, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

"(19) The term 'transuranic waste' means radioactive waste contaminated with concentrations of transuranic elements greater than the limit for transuranic waste established by rule by the Nuclear Regulatory Commission.

"RESPONSIBILITIES FOR DISPOSAL OF LOW-LEVEL RADIOACTIVE WASTE

"SEC. 3. (a) STATE RESPONSIBILITIES.—Each State shall be responsible for providing, either by itself or in cooperation with other States, for the disposal of—

"(1) low-level radioactive waste generated within the State (other than by the Federal Government) that consists of or contains class A, B, or C, radioactive waste as defined by section 61.55 of title 10, Code of Federal Regulations, as in effect on December 27, 1982;

"(2) low-level radioactive waste described in paragraph (1) that is generated by the Federal Government, except that any State shall not be required to, but may, provide for disposal of any such waste that results from an activity of the Secretary or the research, development, testing, or production of any atomic weapon; and

"(3) low-level radioactive waste described in paragaphs (1) and (2) and required to be accepted for disposal under section 5.

"(b) FEDERAL RESPONSIBLITIES.—(1) The Federal Government shall be responsible for ensuring the safe disposal of—

"(A) high-level readioactive waste and spent nuclear fuel, in accordance with the provisions of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101 et seq.);

"(B) low-level radioactive waste generated as a result of any activity of the Secretary; and

"(C) low-level radioactive waste generated as a result of any research, development, testing, or production of any atomic weapon.

"(2)(A) Not later than the expiration of the 12-month period following the date of the enactment of the Low-Level Radioactive Waste Policy Amendments Act of 1985, the Secretary shall submit to the Congress a comprehensive report setting forth recommendations of the Secretary to ensure the safe disposal of any radioactive waste for which—

"(i) disposal is not provided under other Federal law in effect on the date of the enactment of the Low-Level Radioactive Waste Policy Amendments Act of 1985; and

"(ii) the Secretary determines that disposal as low-level waste may not be viable.

"(B) Such report shall include—

"(i) an identification of the radioactive waste for which neither the Federal Government nor the States have responsibility under existing Federal law, except for byproduct material as defined in section 11 e. (2) of the Atomic Energy Act of 1954 (42 U.S.C. 2014(e)(2)), as in effect on January 1, 1985;

"(ii) an identification of Federal and non-Federal options for disposal of such radioactive waste;

"(iii) a description of the actions proposed to ensure the safe disposal of such radioactive waste;

"(iv) a description of the projected costs of taking such actions; and

"(v) recommendations of the Secretary for resolving the issues related to disposal of radioactive waste described in subparagraph (A).

"REGIONAL COMPACTS FOR DISPOSAL OF LOW-LEVEL RADIOACTIVE WASTE

"SEC. 4. (a) IN GENERAL.—(1) It is the policy of the Federal Government that the responsibilities of the States under section 3 for the disposal of low-level radioactive waste can be most safely and efficiently managed on a regional basis.

"(2) To carry out the policy set forth in paragraph (1), the States may enter into such compacts as may be necessary to provide for the establishment and operation of regional disposal facilities for low-level radioactive waste.

"(b) APPLICABILITY TO FEDERAL ACTIVITIES.—(1)(A) Except as provided in subparagraph (B), no compact or action taken under a compact shall be applicable to the transportation, management, or disposal of

low-level radioactive waste generated by activities of the Secretary.

"(B) Low-level radioactive waste generated by the Federal Government that is disposed of a regional disposal facility or disposal facility within a State which is not a member of a compact shall be subject to the same conditions, regulations, requirements, fees, taxes, and surcharges imposed by the compact commission, and by the State in which such facility is located, in the same manner and to the same extent as any low-level radioactive waste not generated by the Federal Government.

"(2) Any low-level radioactive waste disposal facility established or operated exclusively for the disposal of low-level radioactive waste produced by the Federal Government shall not be subject to any compact or any action taken under a compact.

"(3) Nothing contained in this Act or any compact may be construed to confer any new authority on any compact commission or State—

"(A) to regulate the packaging or transportation of low-level radioactive waste in a manner inconsistent with the regulations of the Nuclear Regulatory Commission or the Department of Transportation;

"(B) to regulate health, safety, or environmental hazards from source material, byproduct material, or special nuclear material;

"(C) to inspect the facilities of licensees of the Nuclear Regulatory Commission;

"(D) to inspect security areas or operations at the site of the generation of any low-level radioactive waste by the Federal Government, or to inspect classified information related to such areas or operations; or

"(E) to require indemnification beyond the provisions of chapter 171 of title 28, United States Code (commonly referred to as the Federal Tort Claims Act), or section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2210) (commonly referred to as the Price-Anderson Act), whichever is applicable.

"(4) Nothing contained in this Act or any compact may be construed to limit the applicability of any Federal law or to diminish or otherwise impair the jurisdiction of the Federal agency, including the regulatory responsibilities of the Nuclear Regulatory Commission and the Department of Transportation.

"(c) EFFECTIVENESS OF AUTHORITIES UNDER COMPACT.—(1) Except as provided in paragraphs (2) and (3), each compact shall take effect in accordance with the provisions of the compact.

"(2) Any authorty in a compact to restrict the use of the regional disposal facilities under the compact to the disposal of low-level radioactive waste generated within the compact region shall not take effect before each of the following occurs:

"(A) January 1, 1986; and

"(B) the Congress by law consents to the compact.

"(3) Any authority in a compact to restrict low-level radioactive waste generated within the compact region from being transported or disposed of outside the compact region shall not take effect before the Congress has by law consented to the compact.

"(d) CONGRESSIONAL REVIEW.—Each compact shall provide that every 5 years after the compact has taken effect the Congress may by law withdraw its consent.

"LIMITED AVAILABILITY OF CERTAIN REGIONAL DISPOSAL FACILITIES DURING TRANSITION AND LICENSING PERIODS

"SEC. 5. (a) AVAILABILITY OF DISPOSAL CAPACITY.—(1) Subject to the provisions of subsections (b) through (k), each State in which there is located a regional disposal facility referred to in paragraphs (1) through (3) of subsection (b) shall make disposal capacity available for low-level radioactive waste generated by pressurized-water and boiling-water commercial nuclear power reactors in accordance with the allocations established in subsections (c) and (e).

"(2) Subject to the provisions of subsections (b) through (k), each State in which there is located a regional disposal facility referred to in paragraphs (1) through (3) of subsection (b) shall make disposal capacity available for low-level radioactive waste generated by any source not referred to in paragraph (1).

"(3) Before the expiration of the 3-month period following the date of the enactment of the low-level Radioactive Waste Policy Amendments Act of 1985, the 3 States in which there is located a regional disposal facility referred to in paragraphs (1) through (3) of subsection (b) shall enter into an agreement with each other to establish which disposal facility shall accept low-level radioactive waste from which generators of such waste. Under such agreement such States—

"(A) may assign generators to such regional disposal facilities individually, region-by-region, or by any other method such States determine to be appropriate; and

"(B) shall provide a method for assigning disposal capacity to any generator of low-level radioactive waste not specifically provided for in such agreement.

"(4) Such States shall submit the agreement entered into under paragraph (3) to the compact commission for each sited compact region for such approval as may be required under the terms of the respective compacts for the disposal of waste generated outside such compact region at the regional disposal facility located in such State.

"(5) The agreement entered into under paragraph (3) shall not be required to receive any additional consent of the Congress.

"(6) The allocation provisions of this section shall not affect the distribution of low-level radioactive waste before January 1, 1986, or 30 days after the States referred to in paragraph (2) enter into the agreement referred to in paragraph (3), whichever is later.

"(7) No provision of this section shall be construed to obligate any disposal facility or State referred to in paragraphs (1) through (3) of subsection (b) to accept low-level radioactive waste from any source in the event that any such facility ceases operation.

"(b) LIMITATIONS.—The availability of disposal capacity for low-level radioactive waste from any source under subsection (a) shall be subject to the following limitations:

"(1) The regional disposal facility located at Barnwell, in the State of South Carolina, shall not be required to dispose of more than a total of 8,400,000 cubic feet of low-level radioactive waste during the 7-year period beginning January 1, 1986, and ending December 31, 1992 (as based on an average annual volume of 1,200,000 cubic feet of low-level radioactive waste).

"(2) The regional disposal facility located at Richland, in the State of Washington, shall not be required to dispose of more than a total of 9,800,000 cubic feet of low-level radioactive waste during the 7-year period beginning January 1, 1986, and ending December 31, 1992 (as based on an average annual volume of 1,400,000 cubic feet of low-level radioactive waste).

"(3) The regional disposal facility located at Beatty, in the State of Nevada, shall not be required to dispose of more than a total of 1,400,000 cubic feet of low-level radioactive waste during the 7-year period beginning January 1, 1986, and ending December 31, 1992 (as based on an average annual volume of 200,000 cubic feet of low-level radioactive waste).

"(c) UTILITY ALLOCATIONS DURING THE 4-YEAR TRANSITION PERIOD.—(1) Each commercial nuclear power reactor licensed to operate at full power before September 1, 1984, and in operation for not less than any 15-month period beginning on or after October 1, 1984, shall be allocated the following amount of disposal capacity available under subsection (b) for the 4-year period beginning January 1, 1986, and ending December 31, 1989:

"(A) Each pressurized-water reactor within a sited compact region shall be allocated 49,308 cubic feet of low-level radioactive waste disposal capacity.

"(B) Each pressurized-water reactor, other than those referred to in subparagraph (A), shall be allocated 41,832 cubic feet of low-level radioactive waste disposal capacity.

"(C) Each boiling-water reactor within a sited compact region shall be allocated 110,400 cubic feet of low-level radioactive waste disposal capacity.

"(D) Each boiling-water reactor, other than those referred to in subparagraph (C), shall be allocated 93,662 cubic feet of low-level radioactive waste disposal capacity.

"(2) Each commercial nuclear power reactor licensed to operate at full power after September 1, 1984, and in operation for not less than any 15-month period after issuance of the full power license beginning on or after October 1, 1984, shall be allocated the following amount of low-level radioactive waste disposal capacity available under subsection (b) for each month of operation during the 4-year period beginning January 1, 1986, and ending December 31, 1989 beginning with the sixteenth month following the date such reactor received it's full power operating license:

"(A) Each pressurized-water reactor within a sited compact region shall be allocated 1,027 cubic feet of low-level radioactive waste disposal capacity.

"(B) Each pressurized-water reactor, other than those referred to in subparagraph (A), shall be allocated 871 cubic feet of low-level radioactive waste disposal capacity.

"(C) Each boiling-water reactor within a sited compact region shall be allocated 2,300 cubic feet of low-level capacity.

"(D) Each boiling-water reactor, other than those referred to in subparagraph (C), shall be allocated 1,952 cubic feet of low-level radioactive waste disposal capacity.

"(3) For the purposes of this subsection and subsection (e), the term 'month of operation' shall include the entire sixteenth calendar month after a commercial nuclear power reactor receives its full power operating license and any month during which a commercial nuclear power reactor does not produce power by reason of ordinary maintenance.

"(4) The allocations of disposal capacity made under this subsection for any commercial nuclear power reactor may be used by the owner or operator of such reactor at any time during the 4-year period involved.

The owner or operator of more than one commercial nuclear power reactor may apportion the aggregate of its allocations under this subsection among such reactors as it determines to be appropriate.

"(5) Any State may, in accordance with its compact accept low-level radioactive waste in excess of the allocations described in this subsection * * * subsection (b), a State shall not reduce any allocation provided in this subsection.

"(d) REQUIREMENTS FOR ACCESS TO REGIONAL DISPOSAL FACILITIES.—(1) Each non-sited compact region, or State that is not a member of a compact region and does not have an operating regional disposal facility, shall comply with the following requirements:

"(A) By July 1, 1986, each such nonmember State shall ratify compact legislation or enact legislation indicating its intent to develop a site for the location of a low-level radioactive waste disposal facility within such State.

"(B) By January 1, 1988—

"(i) each non-sited compact region shall identify the State in which its low-level radioactive waste disposal facility is to be located and each compact region or the State in which its low-level radioactive waste disposal facility is to be located shall develop a siting plan for such facility and delegate authority to implement such plan; and

"(ii) each non-member State shall develop a siting plan for a low-level radioactive waste disposal facility and delegate authority to implement such plan.

"(C) By January 1, 1990, a complete application (as determined by the Nuclear Regulatory Commission or appropriate agency of an agreement State) shall be filed for a license to operate a low-level radioactive waste disposal facility within each non-sited compact region or within each non-member State.

"(2) If any non-sited compact region or non-member State fails to comply with any requirement of paragraph (1), any low-level radioactive waste generated within such non-sited compact region or non-member State may be denied access to the regional disposal facilities referred to in paragraphs (1) through (3) of subsection (b).

"(3) Any access to a regional disposal facility that is suspended under paragraph (2) shall be restored after the non-sited compact region or non-member State involved complies with such requirement.

"(e) ALLOCATIONS DURING 3-YEAR LICENSING AND CONSTRUCTION PERIOD.—(1) During the 3-year period beginning January 1, 1990, and ending December 31, 1992, each generator of low-level radioactive waste located within a non-sited compact region, or within a State that is not a member of a compact region, shall be provided the disposal capacity described in paragraphs (2) and (3) for such low-level radioactive waste in the regional disposal facilities referred to in paragraphs (1) through (3) of subsection (b) if a complete application (as determined by the nuclear Regulatory Commission or appropriate agency of an agreement State) has been filed for a license to operate a low-level radioactive waste disposal facility within such non-sited compact region or nonmember State.

"(2) Each commercial nuclear power reactor allocated disposal capacity under subsection (c) or licensed to operate at full power after September 1, 1988, and in operation for not less than any 15-month period beginning on or after October 1, 1988, shall be allocated the following amount of low-level radioactive waste disposal capacity available under subsection (b) for each month of operation during the 3-year period referred to in paragraph (1), subject to the limitations in paragraph (4):

"(A) Each pressurized-water reactor within a sited compact region shall be alocated 934 cubic feet of low-level radioactive waste disposal capacity.

"(B) Each pressurized-water reactor, other than those referred to in subparagraph (A), shall be allocated 685 cubic feet of low-level radioactive waste disposal capacity.

"(C) Each boiling-water reactor within a sited compact region shall be allocated 2,091 cubic feet of low-level radioactive waste disposal capacity.

"(D) Each boiling-water reactor, other than those referred to in subparagraph (C), shall be allocated 1,533 cubic feet of low-level radioactive waste disposal capacity.

"(3) In addition to the allocation described in paragraph (2), any such generator may use any capacity allocated to it under subsection (C) * * * December 31, 1989.

"(4) Commercial nuclear power reactors located within a non-sited compact region, or within a State that is not a member of a compact region, Shall not receive an allocation under paragraph (2) for any month before such compact region or State complies with the requirements of paragraph (1).

"(5) The allocations of disposal capacity made under this subsection for any commercial nuclear power reactor may be used by the owner or operator of such reactor at any time during the 3-year period involved. The owner or operator of more than 1 commercial nuclear power reactor may apportion the aggregate of its allocations under this subsection among such reactors as it determines to be appropriate.

"(6) A State may, at its discretion, accept waste in excess of the allocations described in this subsection. Notwithstanding subsection (b), a State shall not reduce any allocation provided in this subsection.

"(f) Inter-Reactor Assignment of Disposal Capacity Allocations.—Any commercial nuclear power reactor whose access to a regional disposal facility has not been suspended for noncompliance with the requirements of subsection (d) may assign any disposal capacity allocated to it under subsection (c) or (e) to any other commercial nuclear power reactor whose access to a regional disposal facility has not been suspended for noncompliance with the requirements of subsection (d). Such assignment—

"(1) shall be in writing (a copy of which shall be delivered to the affected compact commission and State and accompanied by the assignor's unconditional written waiver of any right to the allocation being assigned, within 10 days of the execution of such an assignment and at least 3 days prior the delivery of any low-level radioactive waste pursuant to the assignment);

"(2) may be made for valuable consideration;

"(3) shall be invalid if the low-level radioactive waste to be disposed of under such assignment is not—

"(A) of the same general type (as determined by the appropriate regulatory agency of the State in which the recipient regional disposal facility is located) as the low-level radioactive waste originally allocated disposal capacity under the interstate agreement under subsection (a)(3); and

"(B) delivered to the disposal facility to which the low-level radioactive waste referred to in subparagraph (A) was assigned under such interstate agreement; and

"(4) shall be nullified by any event rendering either the assignor-reactor or the assignee-reactor ineligible for an allocation under subsection (c) or (e) of subject to the denial of access to a regional disposal facility under subsection (d).

"(g) Additional Allocation for Unusual Volumes of Low-Level Radioactive Waste.—(1) In January of each year from 1987 through 1992, inclusive, the 3 States in which there are located the regional disposal facilities referred to in paragraphs (1) through (3) of subsection (b) shall (in consultation with the Nuclear Regulatory Commission and operators of commercial nuclear power reactors) enter into an agreement with each other for the allocation of disposal capacity in addition to that allocated under subsections (c) and (e) among commercial nuclear power reactors whose allocation under such subsections has been inadequate over the preceding 12 months due to—

"(A) increased waste volume resulting from operation of a reactor without discharge of radioactively contaminated water; or

"(B) necessary, but irregular, maintenance or safety procedures.

"(2) No low-level radioactive waste shall be accepted for disposal under paragraph (1) unless such waste has been reduced in volume to the maximum extent technologically feasible.

"(3) The total amount allocated under this subsection during the period beginning January 1, 1987, and ending December 31, 1992, shall not exceed 794,792 cubic feet.

"(4) The agreement entered into under paragraph (1) shall not be required to receive any additional consent of the Congress.

"(h) EMERGENCY EXEMPTION.—(1) If the Governor of any State (or, for any State without a Governor, the chief executive officer of the State) determines that there exists a threat to the public health and safety that may be mitigated by exempting the disposal of any low-level radioactive waste generated in that State from any limitation, allocation, or requirements established in this section, such Governor (or chief executive officer) shall notify the Nuclear Regulatory Commission and the Governor of the State in which any applicable regional disposal facility is located of such need for an exemption.

"(2) Within 30 days of the receipt of notification under paragraph (1), the Nuclear Regulatory Commission shall determine whether there exists a threat to the public health and safety that may be mitigated by exempting the disposal of any low-level radioactive waste from any limitation, allocation, or requirement established in subsections (a) through (e).

"(3) The Governor of the State in which the applicable regional disposal facility is located shall decide whether to grant the exemption requested and, in making such decision, may take the determination of the Nuclear Regulatory Commission into consideration.

"(4) Any agreement under section 274 of the Atomic Energy Act of 1954 (42 U.S.C. 2021) shall not be applicable to the determination of the Nuclear Regulatory Commission under paragraph (2).

"(i) SURCHARGES.—The disposal of any low-level radioactive waste under this section (other than low-level radioactive waste generated in a sited compact region) may be charged a surcharge by the State in which the applicable regional disposal facility is lo-

cated, in addition to the fees generally applicable for disposal of low-level radioactive waste in the regional disposal facility involved. Such surcharge shall not exceed—

"(1) in 1986 and 1987, $10.00 per cubic foot of low-level radioactive waste;

"(2) in 1988 and 1989, $20.00 per cubic foot of low-level radioactive waste; and

"(3) in 1990, 1991, and 1992, $40.00 per cubic foot of low-level radioactive waste.

"(j) ADMINISTRATION.—Each State in which a regional disposal facility referred to in paragraphs (1) through (3) of subsection (b) is located shall have authority—

"(1) to monitor compliance with the limitations, allocations, and requirements established in this section; and

"(2) to deny access to any low-level radioactive waste disposal facilities within is borders to any low-level radioactive waste that—

"(A) is assigned to a facility in another State under the agreement referred to in subsection (a)(3);

"(B) is in excess of the limitations or allocations established in this section; or

"(C) is not required to be accepted due to the failure of a compact region or State to comply with the requirements of subsection (d)(1).

"(k) NONDISCRIMINATION.—Except as provided in subsections (b) through (j), low-level radioactive waste disposed of under this section shall be subject without discrimination to all applicable legal requirements of the compact region and State in which the disposal facility is located as if such low-level radioactive waste were generated within such compact region.

"ASSURANCE OF FINANCIAL RESPONSIBILITY

"SEC. 6. The Nuclear Regulatory Commission and each agreement State shall ensure that each low-level radioactive waste disposal facility licensed by the Nuclear Regulatory Commission or by such agreement State is covered by bonding or other financial assurance (from the commencement of operations through decommissioning and long-term care) that provides that all financial requirements of operating a safe and environmentally sound facility will be complied with, including any requirement for site closure and decommissioning or corrective action prior to the expected time of license termination due to economic or health and safety reasons.

"FINANCIAL AND TECHNICAL ASSISTANCE

"SEC. 7. The Secretary shall, to the extent provided in appropriation Acts, provide to compact regions, States that are members of compacts, and States that are not members of compacts, that are determined by the Secretary to require assistance for purposes of carrying out this Act—

"(1) continuing technical assistance to assist them in fulfilling their responsibilities under this Act; and

"(2) at least through the end of fiscal year 1992, financial assistance to assist them in fulfilling their resonsibilities under this Act.

"CONSULTATION AND COOPERATION OF FEDERAL AGENCIES

"SEC. 8. The Nuclear Regulatory Commission, the Secretary of Energy, the Secretary of Transportation, and the Administrator of the Environmental Protection Agency shall consult and cooperate with compact commissions and States in carrying out the provisions of this Act.

"PERIODIC REPORT OF SECRETARY

"SEC. 9. (a) IN GENERAL.—The Secretary shall, not later than the expiration of each 5-year period following the date of the enactment of the Low-Level Radioactive Policy Amendments Act of 1985, prepare and submit to the Congress a comprehensive report regarding the operation of the national system for the management and disposal of low-level radioactive waste. Such report shall include an evaluation of the use by Federal agencies of each low-level radioactive waste disposal facility established under a compact or by a State, and an estimate of the anticipated use of each facility by all generators of low-level radioactive waste.

"(b) CONSULTATION REQUIREMENTS.—Before preparing the report required in subsection (a), the Secretary shall consult with each compact commission, the chief executive officer of each State, the operators of low-level radioactive waste disposal facilities licensed by the Nuclear Regulatory Commission or an agreement State, the principal generators of low-level radioactive waste, and the transporters of low-level radioactive waste.

"RESPONSIBILITIES OF THE COMMISSION AND AGREEMENT STATES

"SEC. 10. In order to ensure the timely development of new disposal facilities, the Nuclear Regulatory Commission or, as appropriate, Agreement State shall consider an application for a disposal facility license in accordance with the laws applicable to such application except that:

"(1) the Commission or Agreement State shall issue a final decision approving or disapproving the issuance of the license no later than 18 months after submission of the application; and

"(2) construction of the disposal facility may commence prior to issuance of the license.

"ALTERNATIVE DISPOSAL METHODS

"SEC. 11. The Nuclear Regulatory Commission shall within 12 months of the date of the enactment of this Act, by rule, promulgate criteria for the licensing of low-level radioactive waste disposal facilities that use disposal methods other than shallow land burial.

"RECLASSIFICATION OF CERTAIN RADIOACTIVE WASTE

"SEC. 12. Not later than December 31, 1986, the Nuclear Regulatory Commission, pursuant to authority under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) shall, by rule, promulgate minimal standards for the disposal of certain material classified as low-level radioactive waste. Such standards shall identify the low-level radioactive waste that is not required to be disposed of in a licensed low-level radioactive waste disposal facility due to its low radioactive material content and shall prescribe, as necessary, technical requirements and criteria governing the disposal of such waste to protect the public health and safety.".

"EFFECTIVE DATE

"SEC. 13. (a) EFFECTIVE DATE.—Sections 2 through 12 of this Act, as added by the Low-Level Radioactive Waste Policy Amendments Act of 1985, shall take effect on the date on which the Congress consents to the last of the compacts listed in subsection (b) having previously consented to the other five.

"(b) COMPACTS.—The compacts subject to consent as provided in subsection (a) are the—

"(1) Southeast Interstate Low-Level Radioactive Waste Management Compact;

"(2) Northwest Interstate Compact on Low-Level Radioactive Waste Management;

"(3) Rocky Mountain Low-Level Radioactive Waste Compact;

"(4) Central Interstate Low-Level Radioactive Waste Compact;

"(5) Central Midwest Interstate Low-Level Radioactive Waste Compact; and

"(6) Midwest Interstate Compact on Low-Level Radioactive Waste Compact.".

CIVIL RIGHTS REMEDIES EQUALIZATION ACT

CRANSTON (AND OTHERS) AMENDMENT NO. 584

(Ordered referred to the Committee on Labor and Human Resources.)

Mr. CRANSTON (for himself, Mr. STAFFORD, Mr. KENNEDY, Mr. WEICKER, Mr. KERRY, and Mr. RIEGLE) submitted an amendment intended to be proposed by them to the bill (S. 1579) to clarify that the remedies available for the enforcement of certain civil rights statutes are applicable to the State; as follows:

Strike out all after the enacting clause and insert in lieu thereof the following: That this Act may be cited as the "Civil Rights Remedies Equalization Act of 1985".

SEC. 2. Except as otherwise expressly provided by Federal statute, all Federal remedies available for a violation of section 504 of the Rehabilitation Act of 1973, title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, title VI of the Civil Rights Act of 1964, or the provisions of any other Federal statute prohibiting discrimination by recipients of Federal financial assistance are applicable with respect to a State to the same extent as those remedies are applicable with respect to any public or private entity other than a State.

SEC. 3. The provisions of section 2 are effective with respect to a remedy as of the date on which the statutory provisions under which the remedy is sought became effective.

PRIMARY CARE INCENTIVES

HATCH (AND OTHERS) AMENDMENT NO. 585

(Ordered to lie on the table.)

Mr. HATCH (for himself, Mr. QUAYLE, and Mr. KENNEDY) submitted an amendment intended to be proposed by them; as follows:

At the end of the bill add the following new section:

INCENTIVES UNDER THE MEDICARE REIMBURSEMENT SYSTEM FOR GRADUATE MEDICAL EDUCATION IN PRIMARY CARE SPECIALTIES

SEC. . (a) Title XVIII of the Social Security Act is amended by adding at the end thereof the following new section:

"INCENTIVES FOR GRADUATE MEDICAL EDUCATION IN PRIMARY CARE SPECIALITIES

"SEC. 1890. (a) The Secretary shall pay an incentive payment for each fiscal year to each hospital which, for such fiscal year—

"(1) complies with—

"(A) the minimum percentage for such fiscal year established by the Secretary

under section 799B of the Public Health Service Act; and

"(B) subsections (a) and (b) of section 799C of such Act; or

"(2) makes significant progress toward compliance described in subparagraphs (A) and (B) of paragraph (1).

"(b)(1) The amount of the incentive payment for a fiscal year for a hospital which meets the requirements of paragraph (1) of subsection (a) shall be equal to 10 percent of the amount of the payment under this title to such hospital for such fiscal year for reimbursement of direct costs of approved educational activities.

"(2) The amount of the incentive payment for a hospital which meets the requirements of paragraph (2) of subsection (a) shall be a portion of the incentive payment which would be paid under paragraph (1). Such portion shall be determined by the Secretary under regulations, and shall reflect the progress made by the hospital toward achieving full compliance described in paragraph (1) of subsection (a).

"(c) The Secretary shall reduce total payments to hospitals under this title for each fiscal year by a total amount equal to the total amount of the incentive payments made under this section for such fiscal year.".

(b) The amendment made by subsection (a) shall apply to fiscal years beginning with the first fiscal year for which the registry under section 799A of the Public Health Service Act is in effect.

COMPACT OF FREE ASSOCIATION

HOLLINGS AMENDMENT NO. 586

(Ordered to lie on the table.)

Mr. HOLLINGS submitted an amendment intended to be proposed by him to the joint resolution (H.J. Res. 187) to approve the "Compact of Free Association", and for other purposes; as follows:

At the appropriate place insert the following:

SEC. 2. POLICY.

The policy of this Act is—

(1) to prevent further disruption of the United States textiles and textile products markets, damage to United States textile and apparel manufacturers, and loss of jobs by United States workers by providing for orderly and non-disruptive growth of imports of textiles and textile products; and

(2) to implement the objectives of the Multi-Fiber Arrangement by requiring the effective enforcement of import levels of textiles and textile products contemplated by the Multi-Fiber Arrangement.

SEC. 3. FINDINGS.

The Congress finds that—

(1) the United States and most major textile producing countries are parties to the Multi-Fiber Arrangement, the purpose of which is to ensure the orderly growth of imports of textiles and textile products and to avoid disruption of the markets for textiles and textile products in importing nations;

(2) the Multi-Fiber Arrangement, which first entered into force on January 1, 1974, and which was most recently extended in December, 1981, through July 1986, contemplates a 6 percent annual rate of growth for imports for most exporting countries and provides for a lower rate of growth for imports from major exporting countries;

(3) since 1980, the objective of orderly growth of imports of textiles and textile products provided for in the Multi-Fiber Arrangement has not been achieved; from 1981 through 1984 imports of textiles and textile products into the United States have grown at an annual rate of 19 percent, far in excess of the 1 percent growth rate of the United States market for textiles and textile products during the same period and far in excess of the annual rate of import growth of less than 2 percent that prevailed during the period 1974 through 1980;

(4) the disruptive surge in imports of textiles and textile products which occurred from 1981 through 1984 resulted from the failure of the United States to enforce adequately its rights under the Multi-Fiber Arrangement and to extend coverage of the Multi-Fiber Arrangement to imports made of competing fibers;

(5) imports growth of apparel products has substantially outstripped the growth of the domestic market so that import penetration of the domestic market has more than doubled in the last 6 years, reaching a level of 50 percent in 1984;

(6) based on a nationwide audit of major retail outlets, the import penetration of such major items of apparel as trousers, blouses, shirts, suits, skirts and sweaters exceeds 50 percent of domestic consumption;

(7) since the most recent extension of the Multi-Fiber Arrangement, certain exporting countries have sharply increased their exports of textiles and textile products made in whole or in part from fibers not subject to the Multi-Fiber Arrangement with the effect of circumventing restraints agreed to under the Arrangement; the increased imports of these textiles and textile products have caused disruption of the United States market for textiles and textile products and have seriously undercut the effectiveness of the Multi-Fiber Arrangement;

(8) imports of textiles and textile products into the United States are predominantly the product of major exporting countries, with 5 large exporting countries now accounting for more than 50 percent of all imports of textiles and textile products;

(9) the domination of import trade by producers in the major exporting countries has limited participation in the United States market by other exporting countries, many of which share important trade and other national interests, and encourage mutually beneficial trade and investment, with the United States;

(10) a change in United States textile trade policy to afford the smaller exporting countries and countries in the Caribbean region a relatively greater share of imports of textiles and textile products would promote the national economic interests of the United States;

(11) the textile and apparel trade deficit of the United States was more than $16,200,000,000 in 1984, an increase of 53 percent over 1983, and accounted for 13 percent of the nation's overall merchandise trade deficit;

(12) the current level of imports of textiles and textile products, 9,800,000,000 square yard equivalents in 1984, represents over 1,000,000 job opportunities lost to United States workers;

(13) imported textiles and textile products now account for 38 percent (the equivalent of 3.2 million bales of cotton) of the annual cotton consumption in the United States; only one of five of the bale equivalents included in imported textiles and textile products is grown in the United States; the result of the massive increases in cotton textile and apparel imports has been a declining market share for, and a $1 billion loss to, domestic cotton producers in 1983 alone, which was only partially offset by Federal cotton program benefits; another result is that U.S. cotton producers, who are spending about $20 million annually in research and promotion efforts, have built markets not for themselves but for foreign growers;

(14) imports of wool products have doubled since 1980, creating major disruptions among domestic wool products producers and seriously depressing the price of United States produced raw wool; the United States has long recognized that imports of wool products pose particular problems for the wool products industries in the United States and has therefore adopted a policy of 1 percent import growth on wool products; this policy has been acknowledged in our bilateral agreements under the Multi-Fiber Arrangement and has been reviewed by the Textile Surveillance Body;

(15) as a result of this increased penetration and the very limited growth of the domestic market, the United States companies producing textiles and textile products identical, or similar, to those imported have been seriously damaged, many of them have been forced out of business, many have closed plants or curtailed operations, workers in such companies have lost employment and have been otherwise materially and adversely affected, and serious hardship has been inflicted on hundreds of impacted communities causing a substantial reduction in economic activity and lost revenues to local governments;

(16) the increase in imports and increased import penetration of the United States domestic market have occurred notwithstanding the fact that, through extensive modernization programs and investment in more modern equipment, productivity, as measured by output per man hour, in the textile mill products sector has increased in the last 10 years at the average annual rate of 4.2 percent and in the apparel sector at the average annual rate of 3.4 percent, as compared with the lower productivity growth of all manufacturing in the same period of 1.9 percent;

(17) the factors described above are causing serious damage, or the actual threat thereof, to domestic producers of textiles and textile products; as a result, market disruption exists in the United States requiring the new measures established under this Act;

(18) based on experience during the past ten years and on other factors, the growth of the United States market for textiles and textile products is unlikely to exceed an average annual rate of 1 percent during the next several years;

(19) if the rate of growth of imports of textiles and textile products into the United States that occurred since 1980 continues, plant closings will continue to accelerate, leaving the United Statres market with reduced domestic competition for imported products;

(20) in order to avoid further market disruption and deterioration of the situation confronting the United States industry producing textiles and textile products, which is already seriously damaged, it is essential—

(A) to require the establishment of import levels for textiles and textile products supplied by major exporting countries that reflect—

(i) the import level that would have occurred had imports from these countries grown since 1980 by the 6 percent or lower annual growth rate contemplated by the Multi-Fiber Arrangement, or 1 percent in the case of wool products, or

(ii) the actual import level resulting from restraints under a bilateral agreement with the United States providing for an annual growth rate of less than 6 percent.

whichever is the lesser,

(B) to require the establishment of import levels for textiles and textile products supplied by smaller exporting countries that provide a significant increase in their market shares to meet their development needs and to permit future growth in such shares consistent with the Multi-Fiber Arrangement, and

(C) to limit the future growth rate of imports of textiles and textile products into the United States to levels which reflect orderly growth as provided for in the Multi-Fiber Arrangement and the most recent Protocol extending the Multi-Fiber Arrangement;

(21) the establishment of import levels, and limitation of future import growth to levels, that reflect effective enforcement of the Multi-Fiber Arrangement and that also reflect the expected growth rate of the United States market for textiles and textile products will fulfill announced policy objectives of the United States regarding trade in textiles and apparel;

(22) as the Department of Defense has long recognized, a strong, viable and efficient domestic textile products industry is essential in order to avoid impairment of the national security of the United States;

(23) the developments that have led to the sharp increase in imports of textiles and textile products since 1980 may not have been foreseeable; nevertheless, the rights of the United States under international agreements should have been invoked in order to prevent increased quantities of textiles and textile products from being imported under such conditions as to cause or threaten serious damage to domestic producers of textiles and textile products in the United States; and

(24) the sharp increase in imports of textiles and textile products since 1980, and the effect of this increase on the United States textile and apparel industry and its workers, constitutes exceptional circumstances within the meaning of the Multi-Fiber Arrangement and its Protocol.

SEC. 4. AMENDMENTS TO AGRICULTURAL ACT OF 1956.

Title II of the Agricultural Act of 1956 is amended by inserting immediately after section 204 of such title the folllowing new sections:

"DEFINITIONS

"SEC. 204A. For purposes of sections 204B through 204D of this Act—

"(1) The term 'textiles and textile products' includes, but is not limited to, all man-made fibers, tops, yarns, piece goods, made-up articles, garments, and other textile manufactured products (which derive their chief characteristics from their textile components) made in whole or in part from any natural or man-made fiber, or blend thereof, that are classified under Schedule 3, part 6 of Schedule 6, parts 1, 4, 5, 7, or 13 of Schedule 7, part 1 of Schedule 8, or part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202);

"(2) The term 'category' means, with respect to textiles and textile products imported from each country, each of the following—

"(A) Each category of textiles and textile products idenfitied by 3-digit textile category number in the Department of Commerce publication 'Correlation: Textile and Apparel Categories with Tariff Schedules of the United States Annotated', dated January 1985;

"(B) A category consisting of the man-made fiber articles calssified under subpart E of part 1 of Schedule 3 to the Tariff Schedules of the United States; and

"(C) Each category consisting of each of the following products when, because of any fiber content, that product is not subject to the Multi-Fiber Arrangement:

"(i) yarn,

"(ii) fabric,

"(iii) apparel, and

"(iv) other textile products;

"(3) The term 'import sensitive category' means—

"(A) A category (other than a category applicable to textiles and textile products that are a product of a country in the Caribbean region) for which the ratio of imports to domestic production, as reported in the Department of Commerce publication "U.S. Production, Imports and Import/Production Ratios for Cotton, Wool and Man-Made Fiber Textiles and Apparel", equals or exceeds 40.0 for the preceding calendar year; or

"(B) A category covering wool products;

"(4) The term 'country' means a foreign country (other than Canada and the Member States of the European Economic Community as constituted on January 1, 1985), a foreign territory, or an insular possession of the United States;

"(5) The term 'major exporting country' means a country (other than a country in the Caribbean region) from which the United States imported an annual aggregate quantity of textiles and textile products under all categories that equalled or exceeded 1.25 percent of all textiles and textile products under all categories imported into the United States from all countries and from Canada and the Member States of the European Economic Community during calendar year 1984;

"(6) The term 'country in the Caribbean region' means the United Mexican States and a country eligible for designation as a beneficiary country under section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702);

"(7) The term 'wool product' means an article containing over 17 percent by weight of wool;

"(8) The term 'exporting country' means a country other than a major exporting country;

"(9) The term 'entered' means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States;

"(10) The term 'imported' means entered; and

"(11) The term 'Multi-Fiber Arrangement' means the Arrangement Regarding International Trade in Textiles, as extended by the Protocol done at Geneva, December 22, 1981.34

"LIMITS ON TEXTILE AND APPAREL IMPORTS

"SEC. 204B. (a) Notwithstanding section 204 of this Act or any other provision of law, the aggregate quantity of textiles and textile products classified under each category that is entered during calendar year 1985 shall not exceed—

"(1) in the case of textiles and textile products that are a product of a major exporting country, the lesser of an amount equal to 101 percent (A) of the aggregate quantity of such products from such country classified under such category that would have entered during calendar year 1984 if the aggregate quantity of such products from such country classified under such category entered during calendar year 1980 had increased by six percent annually, or 1 percent annually in the case of a category covering a wool product, during calendar years 1981, 1982, 1983 and 1984, or (B) if the United States has an agreement with such country providing for an annual growth rate for such category of less than six percent, of the aggregate quantity of such products from such country classified under such category that entered during calendar year 1984;

"(2) in the case of textiles and textile products that are a product of an exporting country, an amount equal to the aggregate quantity of such products from such country classified under such category that entered during calendar year 1984, plus an amount equal to (A) fifteen percent of such quantity, in the case of a category that is not an import sensitive category, or (B) one percent, in the case of a category that is an import sensitive category.

For purposes of this section, if during any calendar year after 1984 the United States imports from a country, other than a country in the Caribbean region, that is not a major exporting country an aggregate quantity of textiles and textile products under all categories that equal or exceeds 1.25 percent of all textiles and textile products under all categories imported into the United States from all countries and from Canada and the Member States of the European Economic Community during such calendar year, then such countries shall be considered to be a major exporting country for all succeeding calendar years.

"(b) For calendar years after 1985, the aggregate quantity of textiles and textile products classified under each category that may be entered during each such calendar year shall—

"(1) in the case of such products that are a product of a major exporting country, be increased by an amount equal to one percent of the aggregate quantity that could be entered under such category during the preceding calendar year; and

"(2) in the case of such products that are a product of an exporting country, be increased by an amount equal to—

"(A) in the case of a category (other than an import sensitive category), six percent of the aggregate quantity that could be entered under that category during the preceding calendar year, and

"(B) in the case of an import sensitive category, one percent of the aggregate quantity that could be entered under that category during the preceding calendar year.

"(c) If, under subsection (a) or (b), the aggregate quantity of textiles and textile products from a country that may be entered during a calendar year under a category is—

"(1) less than 1,000,000 square yard equivalents, in the case of a category covering yarn, fabric, made-ups, and miscellaneous products, other than wool products;

"(2) less than 700,000 square yard equivalents, in the case of a category covering apparel, other than wool products apparel; or

"(3) less than 100,000 square yard equivalents, in the case of a category covering wool products,

then, notwithstanding subsection (a) or (b), the aggregate quantity of textiles and textile products that may be entered from such country under such category during the calendar year shall be 1,000,000, 700,000 or 100,000 square yard equivalents, respectively. The amount prescribed in the preceding sentence shall be accorded growth subject to the provisions of subsection (b) beginning the first calendar year after the aggregate quantity of imports from such country under such category equals the minimum quantity prescribed under this subsection.

"(d) The Secretary of Commerce shall prescribe such regulations governing the entry, or withdrawal from warehouse, for consumption of textiles and textile products as may be necessary to carry out sections 204A through 204D of this Act.

"IMPORT LICENSING

"SEC. 204C. In order to ensure the equitable and efficient administration of section 204B of this Act, the Secretary of Commerce shall, within six months after the date of enactment of the Agricultural Act of 1956 Textile and Apparel Trade Enforcement Amendments Act of 1985, establish and administer an import licensing system under which an importer of any textiles and textile products from any country and from Canada and the Member States of the European Economic Community, will be required to present an import permit as a condition of entry. The Secretary shall charge a fee for import licenses in such amount as may be necessary to cover the cost of administration of the system.

"ANNUAL REPORT

"SEC. 204D. Not later than March 15, 1986, and March 15 of each calendar year thereafter, the President shall submit to the Congress a report on the administration of sections 204A through 204C of this Act during the preceding calendar year. Such report shall include detailed information about the implementation and operation of the limitations established under section 204B. All departments and agencies shall cooperate in preparation of this report as requested by the President."

SEC. 5. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by section 5 of this Act shall apply to textiles and textile products entered, or withdrawn from warehouse, for consumption after ——— —, 1985.

(b) CALENDAR YEARS 1985 AND 1986.—The Secretary of Commerce shall prescribe by regulation the aggregate quantity, if any, of textiles and textile products that may be entered under section 204B(a) or (c) of the Agricultural Act of 1956 as amended by this Act from each country under each category during the period beginning on the date of enactment of this Act and ending December 31, 1985. Notwithstanding subsection (a), to the extent that the aggregate quantity of imports of textiles and textile products from a country under a category entered after December 31, 1984, and before the date of enactment of this Act exceeds the quantity permitted entry for such country and such category during calendar year 1985 under section 204B(a) or (c) of such Act, the limit that would otherwise apply under section 204(b) for such category for such country for calendar year 1986 shall be reduced by the amount of such excess quantity.

EXCLUSION OF CERTAIN NET CAPITAL GAIN OF INSOLVENT TAXPAYERS

GRASSLEY (AND OTHERS) AMENDMENT NO. 587

(Ordered referred to the Committee on Finance.)

Mr. GRASSLEY (for himself, Mr. ARMSTRONG, Mr. BOSCHWITZ, Mr. BUMPERS, Mr. DURENBERGER, and Mr. ZORINSKY) submitted an amendment intended to be proposed by them to the bill (S. 418) to amend the Internal Revenue Code of 1954 to exclude certain net capital gain of insolvent taxpayers from the alternative minimum tax; as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. CERTAIN NET CAPITAL GAIN OF INSOLVENT TAXPAYERS EXCLUDED FROM ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Paragraph (9) of section 57(a) of the Internal Revenue Code of 1954 (relating to items of preference) is amended by adding at the end thereof the following new subparagraph:

"(E) EXCEPTION FOR GAIN OR LOSS FROM CERTAIN TRADE OR BUSINESS PROPERTY.—For purposes of subparagraph (A), in the case of property used in the trade or business of the taxpayer, gain or loss from the transfer of such property to a creditor in cancellation of a debt or from the sale or exchange of such property under threat of foreclosure shall not be taken into account in computing net capital gain if—

"(i) the taxpayer is insolvent (as defined in section 108(d)(3)) as of the time of such transfer or sale or exchange, or

"(ii) the taxpayer is, during periods immediately preceding such transfer or sale or exchange, generally not paying such taxpayer's debts as such debts become due (determined in a manner similar to the manner under section 303(h) of title 11).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1982.

WESTWAY HIGHWAY PROJECT

LAUTENBERG (AND OTHERS) AMENDMENT NO. 588

(Ordered referred to the Committee on Environment and Public Works.)

Mr. LAUTENBERG (for himself, Mr. BRADLEY, Mr. PROXMIRE, and Mr. HUMPHREY) submitted an amendment intended to be proposed by him to the bill (S. 826) to direct the Secretary of Transportation not to expend or obligate any Federal funds for design and construction of the westway landfill in New York City, NY; as follows:

On page 3, after line 20, add the following:

SEC. 4. SUBSTITUTION PROJECTS.

Subsection (e) of section 103 of title 23, United States Code, is amended by adding at the end thereof the following new paragraph:

"(10)(A) Notwithstanding paragraph (4) and any other provision of law, the Secretary shall withdraw approval of that portion of Interstate Highway 478 located in the State of New York that is know as 'Westway' if—

"(i) the Governor of New York and the appropriate officials of the local governments which are to be served by such portion of Interstate Highway 478 request the Secretary to withdraw such approval, and

"(ii) the Governor of New York provides assurance that the State of New York does not intend to construct a toll road in the traffic corridor that would be served by such portion of interstate Highway 478.

"(B)(i) Subject to the fiscal year limitation imposed by clause (ii), the Secretary is authorized to incur obligations for the Federal share of substitute highway or mass transit projects approved under this paragraph in an aggregate amount equal to the amount approved by law as the 1983 cost estimate of the portion of Interstate Highway 478 for which approval is withdrawn under subparagraph (A).

"(ii) There are authorized to be appropriated out of the Highway Trust Fund for the fiscal year in which approval of the portion of Interstate Highway 478 described in subparagraph (A) is withdrawn by the Secretary, and for each fiscal year thereafter, $220,000,000, for the purpose of paying the Federal share of substitute highway or mass transit projects approved under this paragraph. Such sums shall remain available until expended. The aggregate amount authorized under this clause shall not exceed the aggregate amount of obligations the Secretary is authorized to incur under clause (i).

"(iii) Notwithstanding any other provision of law—

"(I) the provisions of section 104 of the Highway Improvement Act of 1982 and of any other law imposing a limitation on obligations incurred for highway or mass transit projects shall not apply to obligations incurred with respect to any substitute highway or mass transit project approved under this paragraph, and

"(II) such obligations shall not be taken into account under section 104 of such Act or under such other law,

unless such other law specifically limits the applicability of this clause.

"(C)(i) A substitute highway or mass transit project may be eligible for Federal assistance under subparagraph (B) only if such project has been approved by the Secretary in accordance with such procedures as the Secretary may prescribe.

"(ii) The approval of the Secretary under this paragraph of the plans, specifications, and estimates for any substitute highway or mass transit project shall be treated as creating a contractual obligation of the United States to pay the Federal share of such project.

"(D) The Federal share of any substitute highway or mass transit project shall be 85 percent of the cost of such project.

"(E)(i) For purposes of this paragragh, the term substitute highway or mass transit project means any project described in clause (ii) which—

"(I) serves the same area that the portion of Interstate Highway 478 described in subparagraph (A) would serve,

"(II) is selected by the appropriate local officials of such area, and

"(III) is submitted by the Governor of New York to the Secretary for approval under this paragraph.

"(ii) The projects referred to in clause (i) are—

"(I) public mass transit projects involving the construction of fixed rail facilities or the purchase of passenger equipment (including rolling stock) for any mode of mass transit, or

"(II) projects authorized under any highway assistance program conducted under this chapter.

"(F) The provisions of paragraph (4) shall not apply with respect to the portion of Interstate Highway 478 described in subparagraph (A).".

● Mr. LAUTENBERG. Mr. President, today I am submitting, along with Senators BRADLEY, HUMPHREY, and PROXMIRE, legislation to facilitate the trade-in of the Westway highway project in New York City. I do not believe that the project, as presently designed, should be built. I do, however, believe that improvements to surface transportation on the West Side of Manhattan and in New York's extensive subway system are vital, not only to New Yorkers, but also to those who live in New Jersey and throughout the region.

To ensure that New York will be able to improve its transportation facilities, I favor a trade-in of the Westway highway project under section 103(e)(4) of the Federal highway statute. New York has until September 30 of this year to declare that they want to trade-in Westway. At present, they cannot build Westway, because they are enjoined from doing so by the U.S. District Court in Manhattan. There are proposals in Congress to stop this project, such as S. 826 introduced by Senator PROXMIRE of which I am a cosponsor. New York is therefore at the 11th hour to consider a trade-in. If they play chicken with the courts and Congress and lose, they stand to lose $1.71 billion in transportation improvement funding. I am offering this legislation to insure that New York will have the resources to make those improvements on a timely basis.

On April 21, I outlined in a statement in the CONGRESSIONAL RECORD my opposition to the Westway Highway project. Technically, the project is the construction of a 4.2-mile segment of I-478 from Battery Park to 42d Street on the West Side of Manhattan. As of today, the project cost is $2.25 billion, twice as large on a per-mile basis as any other segment in the Nation. The project, referred to as Westway, is designed to tunnel through more than 200 acres of landfill which will fill in the Hudson River. The State of New York is presently in U.S. District Court in New York, which has enjoined the start of the project. At issue is whether the U.S. Army Corps of Engineers, which issued a construction permit for this project, adequately assessed the environmental damage to the striped bass habitat in the Hudson which will result from Westway's construction.

My opposition to Westway is threefold: its cost to the highway trust fund far exceeds the transportation benefits to be derived from its construction; the benefits are perhaps primarily to real estate creation, an inappropriate use of Federal transportation dollars; and its construction will do permanent and irretrievable damage to a valuable striped bass habitat.

From the perspective of New Jersey, I have never been able to secure assurances from either the Corps of Engineers or the Environmental Protection Agency, that the construction of Westway will not ultimately lead to the curtailment of development of waterfront property in New Jersey.

Mr. President, opposition to the Westway project is not limited to Members of Congress from New Jersey. Given the potential that Westway's construction might lead to curtailment of development along the New Jersey shoreline, we from New Jersey have reason to be concerned. But, Mr. President, opposition to Westway did not originate nor is it limited to New Jersey citizens or legislators. Westway is a matter of national concern.

Earlier this year, the Environment and Public Works Committee reduced the obligation ceiling on all highway projects throughout the Nation. The budget, as passed by the Senate, assumes an obligation ceiling $1.7 billion below current program levels. We took this action to reduce outlays and the Federal deficit.

The Congressional Budget Office has testified before the Environment and Public Works Committee that the highway trust fund will not be able to pay for all the existing authorizations on the books. One way they suggest dealing with this potential crisis is to eliminate segments which are not of national significance. The Federal Highway Administration has determined that Westway is not an essential link in an interconnected system of Federal highways.

Mr. President, Congress passed the Atlantic Striped Bass Conservation Act to conserve the striped bass populations on the Atlantic coast. States have joined together in this conservation effort in the Atlantic States Marine Fisheries Commission. The Commission testified before the Environment and Public Works Committee in opposition to the Westway project. States from Maine to Florida urged the U.S. Army Corps of Engineers not to issue a permit for this project and for the Environmental Protection Agency to veto the permit if it was issued.

Westway is not a local project, nor is it merely a part of some interstate dispute. It is a matter of national concern. Westway is a relic of past transportation planning. It is a product of an era of grand designs and unlimited resources. It is not the era in which we live today.

Mr. President, it is not enough simply to oppose the construction of the Westway project. To do so would ignore the legitimate needs of New York City for better transportation. Hundreds of thousands of New Jersey residents travel into New York City every day to work, shop, recreate or go to school. They know all too well the need for better transportation in New York City.

It would be a tragedy for New York to lose an opportunity to improve its transportation because it played chicken with the Federal courts and the Congress. The legislation I am introducing today addresses the practical issues that arise from a Westway trade-in. I hope that New York will embrace this approach so that the region will get what it wants and needs: better transportation on the West Side of Manhattan.

Mr. President, if Westway was traded in today under current law, the State would be called upon to designate which alternative highway and mass transit projects it wished to construct. The State would be eligible over time for $1.71 billion in interstate transfer highway and mass transit funds. New York would compete for its funding along with the many States still drawing down funds from these two programs.

As a practical matter, the trade-in of Westway would come too late and be too large to be handled easily under current law. Because States receive their formula money through apportionment factors determined by the value of their trade-in versus all others in the country, the trade-in of Westway, which dwarfs all other trade-ins in terms of size, would cause other States to lose money. Funds for Illinois, Maryland, and Rhode Island would, to name just three States, be crowded out in an effort to give New York its just due under the formulas. In addition, the limit on interstate transfer expenditures would stretch out New York's payments well beyond the time that all other trade-ins should be funded.

To address these practical problems, this amendment would provide that the Westway trade-in be treated separately from all other trade-ins. I propose this to assure that States waiting for funding through the trade-in programs will stand a chance of getting their money and do not have to compete with Westway to do so. Funding to liquidate the Westway trade-in would be authorized under a special account. Over 8 years, some $220 million per year would be authorized until no more than $1.71 billion, the trade-in value of Westway under the 1983 interstate cost estimate, was expended. The Westway trade-in therefore would be treated in the manner assigned the Metropolitan Washing-

ton, DC, transit system under the Stark-Harris Program.

The $1.71 billion is a lot of money, but it is money New York is entitled to under current law. It is also far less money than the ultimate cost of building Westway. The current cost estimate of $2.25 billion is subject over time to cost overruns. Conservative estimates of its ultimate costs range from $3.5-4 billion. The monetary cost of Westway does not account for the damage done to the environment by its possible construction.

Mr. President, when the Senate takes up S. 826, sponsored by Senator PROXMIRE to prevent construction of the Westway highway, I hope it will act favorably on this amendment to that bill. I believe this amendment can ultimately save New York from a dangerous and counterproductive game of chicken with the Westway tradein deadline. This amendment will prove less costly to the Federal Government, more sensitive to the environment and more is Sync with current transportation needs in New York and throughout the Nation.

Mr. President, the Newark Star-Ledger has provided excellent coverage of the trial conducted by Judge Thomas Griesa in U.S. district court on the matter of the Westway permit. I believe my colleagues will be enlightened by this reporting on a most controversial project. I therefore ask unanimous consent that a series of articles regarding the Westway trial be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

CORPS, EPA CALLED TO DEFEND WESTWAY

(By J. Scott Orr)

WASHINGTON.—Top officials at the Army Corps of Engineers and the Environmental Protection Agency (EPA) told a Senate subcommittee yesterday that they did not feel additional review needed before the Corps issued its decision to allow the filling of 200 acres of the Hudson River for New York's Westway project.

Robert Dawson, acting assistant secretary of the Army for civil works, said in response to a question from Sen. Frank Lautenberg (D-N.J.) that he felt additional review of the decision to permit the Westway landfill would have been duplicative.

"I think a collective judgment was made that, after 10 or 12 years of study and restudy, little if anything would be gained by additional review," Dawson told the Senate subcommittee on environmental pollution chaired by Sen. John Chafee (R-R.I.).

"This issue will rise or fall in the U.S. District Court," Dawson added, referring to hearings before Judge Thomas Griesa in Manhattan to review the propriety of the Corps' decision.

"I remain unconvinced," Lautenberg said, "that EPA, the Corps or other agencies involved based their final decision on sound scientific findings. This is exactly the issue Judge Griesa has before his court, but it he gives the go ahead, Congress is going to have to take a hard look at whether this project should go forward."

The committee was looking at the Army Corps' record of issuing permits for dredging and filing of wetlands under Section 404 of the Clean Water Act. The Army Corps recently issued a permit for a landfill in the Hudson River for Westway, an estimated $6 billion highway planned for Manhattan's West Side.

"Review of the Westway project through the 404 process has been vitally important. It has highlighted significant problems with the project which, unfortunately, have been ignored." Lautenberg said.

"Westway is a prime example of the problem prompting these hearings, erosion of protection afforded by Section 404 of the Clean Water Act," he added.

"The federal agencies with responsibilities under Section 404 have historically opposed this project. Yet, after years of study, in a matter of days, their recommendations were summarily reversed in Washington. To my mind, there has never been a satisfactory explanation," Lautenberg said.

Also testifying yesterday was Josephine Cooper, assistant EPA administrator for external affairs, who said the agency also felt additional study of the proposal was unnecessary.

Lautenberg questioned Cooper on the agency's decision to reject EPA Regional Administrator Chris Daggett's recommendation that the EPA oppose the project. In addition, Lautenberg asked why the EPA did not seek a review of the plans by the Council on Environmental Quality (CEQ), a Reagan Administration advisory panel for environmental policy.

"A referral to the CEQ would very likely not have gained any more information with regard to the Westway situation," Cooper said. She added that Daggett's recommendation was not rejected, so much as "not accepted at headquarters."

Cooper added that the White House was interested in the status of Westway, but that there was no recommendation passed down to the agency.

"There were phone calls, mainly to ask what's going on, what's the status of the decision, where are you in the process, where are the other agencies, but that was the extent of the conversation, finding out what was going on," Cooper said.

She added that it is unlikely that the Administration had any role in recommending action on the issue. "I would have been privy to that kind of information," she said.

Joining Lautenberg in condemning the Corps' handling of wetlands permits was Brian Unger of the Sea Bright-based Clean Ocean Action, who attended the hearing but did not testify.

Unger condemned the Corps and the EPA for allowing the project to go forward without sufficient study of the migratory habits of striped bass, which use the Hudson River as a spawning grounds.

Unger, who has joined in calling on Congress to remove the Corps' authority to issue wetlands permits, said it is "ludicrous" to assume that the one-year study performed in the Hudson River could yield enough information about the bass population to decide on the projects effects on the habitat.

He added that he was not satisfied with Dawson's testimony. "We would certainly recommend that Mr. Dawson's nomination to be assistant Secretary of the Army should be throughly reviewed and question," Unger said after hearing the testimony.

CONFLICTING STATISTICS IRK WESTWAY JUDGE

(By David Schwab)

NEW YORK.—The federal judge who will decide whether to give the go-ahead to the controversial Westway project expressed some frustration yesterday at the differing statistics concerning the highway's potential environmental consequences.

During a hearing to determine whether to allow construction, U.S. District Court Judge Thomas Griesa said statistical measures of the potential harm to striped bass in the Hudson River are "extremely important."

But he expressed frustration at the different estimates presented by the Army Corps of Engineers and by environmental experts testifying for those opposing the project.

"The cross-examination of this witness indicated to me such enormous uncertainty with these figures that what does one do?" the judge asked. "The fish are not there lining up to be counted.

The judge's remarks followed a day of testimony from one environmental expert who was questioned by attorneys for both sides, as well as by the judge. The witness was asked about complex statistical techniques used to estimate the percentage of striped bass that swim in the portion of the Hudson River that would be filled in under the Westway project.

Griesa has been holding hearings to determine whether the most recent environmental impact statement prepared by the Army Corps is adequate. In 1982, he put a halt to the Westway project because the environmental impact statement was insufficient.

The estimated $8 billion Westway project would create a highway and 200 acres of new land for development, by filling in 240 acres of the Hudson River between 42d Street and Battery Park City. The Federal Highway Administration will pay for 90 percent of the project.

A crucial issue in determining whether to permit filling in part of the Hudson is whether the Corps had a "method in determining the percentage of striped bass affected before it approved a permit, Griesa said.

The figure used by the Corps in its final environmental impact statement is lower than initial estimates produced by the Corp's own computer models. The higher figures are cited by opponents of the project.

According to the federal government, 26 to 33 percent of the striped bass would be affected by the Westway project. opponents claim the number affected could be as high as 40 percent.

Yesterday, Douglas Heimbuch, an environmental scientist with Martin Marietta Environmental Systems of Columbia, Md., completed his testimony.

Heimbuch helped to develop a sophisticated statistical model for the Corps to determine the impact of the Westway project on juvenile striped bass. He later resigned his position when a proposed two-year study of the fish population was curtailed.

Testifying on behalf of a coalition of environmentalists opposing Westway, Heimbuch said the Corps has underestimated the percentage of bass that would be affected.

He noted the statistical evidence obtained by the Corps was mixed but added there was no basis for the government to select statistics that showed less of an impact.

Heimbuch also said a two-year study as originally contemplated would have produced more accurate results than the four-

month study conducted early last year by the Corps.

Attorneys representing the Corps and the New York State Department of Transportation have argued that the Corps properly rejected initial, higher estimates of the effect on the striped bass population in the Hudson. They said these figures were distorted because of problems with the testing procedures.

For example, the attorneys have argued that the model created by Heimbuch presumed the number of striped bass would remain constant as scientists took their samples. Instead, they said the evidence indicates the number of fish fluctuated during these periods.

Samples were taken from the Hudson River every 10 days during the first four months of last year. They were taken by the New Jersey Marine Science Consortium at various locations from Newark Bay to Peekskill, N.Y. including the site of the proposed Westway project.

WILDLIFE OFFICIAL SAYS WESTWAY COULD THREATEN EXISTENCE OF BASS

(By David Schwab)

NEW YORK.—an official of the U.S. Fish and Wildlife Service testified yesterday that the agency oposed building Westway because it believed that filing in a portion of the Hudson River could destroy important stocks of striped bass, and possibly endanger the species existence in the region.

Frank DeLuise, assistant chief of the branch of federal permits and licenses said filling in about 240 acres of the river, now a temporary home to a portion of the juvenile striped bass population, could kill off many of the fish.

"The only conclusion we could reach was that the removal of the Westway habitat would have a significant impact on the Hudson River stocks." DeLuise testified during a federal court hearing.

DeLuise, who until last July headed the agency's Long Island regional field office and was responsible for reviewing Westway project matters, rejected the lower estimates of the project's environmental impact prepared by the Army Corps of Engineers.

In February, the Corps issued a permit for the landfill over the objections of the wildlife service, as well as the federal Environmental Protection Agency and the National Marine Fisheries Service.

The objections by the service came in a Jan. 4 letter DeLuise wrote that he said was reviewed by Interior Secretary William Clark. The wildlife service is a part of the Interior Department.

The Corps determined that the landfill would not have a significant environmental impact, saying that most likely only about 26 percent of the juvenile stiped bass population could be found in the Westway area and the fish would move to other areas of the river.

Of this possibility, DeLuise said, "I don't believe the species can absorb that kind of impact."

DeLuise's testimony came during a trial presided over by U.S. District Court Judge Thomas Griesa, who will decide whether to permit construction of Westway to begin.

In 1982, Griesa blocked construction of the massive highway and development project after finding that environmental impact statements were insufficient.

Following additional studies, the Corps issued a new permit and government attorneys asked Griesa to lift his injunction. A coalition of environmentalists, however, filed suit claiming the new permit was improperly issued and that alternatives to Westway have not been considered.

In a related development yesterday, two New York congressmen announced they are organizing a fact-finding trip to Manhattan's West Side for members of the Senate and House committees that are considering legislation that would cut off funding for the controversial project.

The Federal Highway Administration would pay 90 percent of the estimated $6 million project cost.

During the court hearing, DeLuise testified that the impact on the striped bass in the Hudson is particularly significant because the species is threatened throughout the East.

Under direct examinaiton by Mitchell Bernard, an attorney representing Westway opponents, he said the fish have not been able to withstand many natural and manmade obstacles they have faced in recent times.

As a result, there has been a "precipitous decline" in striped bass stocks in the Chesapeake Bay and elsewhere and this "heightens our (the agency's) concern," he said.

DeLuise also testified that the Corps appeared to underestimate the percentage of striped bass that would be affected by the project by overlooking some of the experimental data that suggested otherwise, including that produced by the Corps' own sophisticated model.

The percentage of young bass affected by the landfill is one of the central issues in the trial. The Corps maintains that 26 to 33 percent might be displaced while opponents claim as many as 44 percent would be affected, with many perishing.

"In our estimate they (the Corps) looked at those things that would drive the number down. We were concerned some issues might drive it up," he said.

In addition, he said the agency found several flaws in the limited four-month study the Corps relied on in approving the landfill permit.

DeLuise said the study, shorter than the two-year study initially proposed by the Corps, did not measure the numbers of fish from October through December, when they appeared to be rising.

Without a second year of study, the Corps was unable to determine what might happen to those fish displaced by the landfill, he added. He said he "could not see the logic" in the Corps' assumption that the impact would be minimal.

The conclusions the Corps reached about the impact on the striped bass were also questioned yesterday by a second expert witness called by Westway opponents.

Joseph Mibursky, a University of Maryland professor who served as a consultant to the Corps, said the Corps underestimated the impact and should have conducted further studies.

Meanwhile, the Westway area is to be the destination of a congressional fact-finding trip being organized by New York Reps. Guy Molinari and Ted Weiss of Manhattan.

[From the Star-Ledger, June 21, 1985]

EPA POINTS TO DANGER OF WESTWAY LANDFILL

(By David Schwab)

NEW YORK—The federal Environmental Protection Agency (EPA) opposed the Westway project because the agency feared that filling in a portion of the Hudson River would have an "adverse impact" on significant numbers of striped bass and because other alternatives were not considered, an agency official testified yesterday.

Jay Benforado, who was responsible for assisting the EPA in its lengthy review of the controversial project, said the agency disputed the assertions of the U.S. Army Corps of Engineers. In February the Corps issued a landfill permit over the objections of EPA and two federal wildlife agencies after finding that Westway's environmental impact would be minimal.

During a hearing in federal court, Benforado, who works in the agency's office of research and development in Washington, testified that the Corps "underestimated" Westway's impact on the bass. In addition, the Corps' findings were "not justified by their presentation of the data," he said.

Benforado also said Westway would have an especially significant effect because stocks of striped bass have been declining in virtually all areas of the East Coast except the Hudson River. Westway construction calls for filling in 240 acres of the river that researchers say are frequently used by the fish during the winter months.

Called as a witness by opponents of Westway, Benforado gave testimony that was largely a summary of a Jan. 21 letter he helped to draft. In it, the EPA notified the Corps that there was no legal basis for issuing the landfill permit. The substance of the letter is considered essential to the case being presented by Westway opponents.

His testimony came during a trial presided over by U.S. Circuit Court Judge Thomas Griesa.

Griesa blocked the highway project in 1982 after finding that the environmental impact statements were insufficient.

Based on further studies, the Corps issued a new permit, but efforts to begin construction have been blocked by a coalition of environmentalists. They have filed suit claiming that the new permit was improperly issued and that alternatives to the highway were not considered.

In addition to commenting on the project's effect on the fish, Benforado briefly touched on two themes being presented by Westway opponents.

First, he testified that the EPA considered Westway primarily a transportation project and therefore believed that there were other alternatives that would pose less of a danger to the environment.

He said this was a "common sense" conclusion because 90 percent of the project is being funded by the Federal Highway Administration. The cost of the project is estimated at about $6 billion.

The Corps and Westway proponents, however, have argued that the project provides for more than a new highway and therefore there are no alternatives. They say this is because the landfill would also result in the creation of some 200 acres of real estate for future development.

Second, Benforado testified that he could find little explanation for changes the Corps made in its final environmental impact statement.

In its preliminary draft issued in May 1984, the Corps said Westway would have a "significant adverse impact" on the environment, especially considering the striped bass problem mentioned by the EPA and other agencies. This language was modified and toned down in the final draft issued in November.

Under questioning by Mitchell Bernard, an attorney representing Westway opponents. Benforado said these differences

were discussed by EPA officials in Washington and New York.

He testified that he was not aware of any "substantive contact" between the Corps and the EPA during this period or of any new data the Corps might have used to change its conclusions.

The EPA's objections to Westway were detailed in a letter sent to the Corps' district engineer Col. Fletcher Griffis, before he approved the crucial landfill permit. A cover letter signed by EPA regional administrator Christopher Daggett was followed by 15 pages of technical comments.

The letter said the Corps had failed to prove that the project would "not inflict an unacceptable adverse effect on the environment because of the loss of the striped bass habitat.

In his letter Daggett said the Corps had left "unanswered many crucial questions." He added that it is clear there would be an adverse impact" on a "significant proportion of the striped bass population that spends the winter months in the shallow waters that would be filled in by Westway.

He also said it was "unclear" whether a number of these fish would simply be displaced by the landfill as the Corps predicted or whether many would perish.

The letter said that the questions surrounding the striped bass were of "national importance" because of the decline in stocks throughout the East Coast.

[From the Star-Ledger, June 27, 1985]

WESTWAY BIOLOGIST TIED TO ROCKEFELLER

(By Arthur K. Lenehan)

The biologist on whom the Army Corps of Engineers relied in deciding to issue a construction permit for New York's Westway project admitted in court yesterday that while giving the Corps ostensibly independent advice, he was being paid a salary by the Rockefeller family, who have been among Westway's most ardent supporters.

Biologist William Dovel testified that he went to the Rockefeller offices in Rockefeller Center and consulted with a family representative about his analysis of Westway's environmental impact "in order to get paid."

He conceded that while continuing his relationship with the Rockefellers, he furnished "expert" advice to the New York regional office of the federal Environmental Protection Agency (EPA), and did not inform EPA officials the Rockefellers were paying him.

Dovel traced his involvement with Westway to the fall of 1983, when the Corps of Engineers asked him to serve as a part-time consultant. Dovel was one of the key participants in a Corps study of Westway's potential impact on Hudson River stocks of striped bass in early 1984. He was the only outside consultant who worked full time on the Corps' four-month bass study, a study cut short at the insistence of New York Gov. Mario Cuomo.

It was Dovel who later devised and promoted the "migratory theory" to explain the dense concentrations of young bass found in the area of the proposed Westway landfill. The study had shown that at times the Westway area attracted as many as 44 percent of the young striped bass in the river.

Essentially, Dovel's migratory theory held that the young fish were just "passing through" the Westway area, and thus would not be harmed if the area were filled in. The Corps eventually adopted that theory and made extensive use of Dovel's rationale in an environmental impact statement that largely absolved Westway of environmental problems.

The theory was credited and used by the Corps despite the protests of fisheries biologists in three federal agencies.

Yesterday, it was revealed that the migratory theory was developed, at least in part, at Rockefeller Center, about the same time the Rockefeller family was pressuring the White House and federal agencies to approve Westway. The fully developed migratory theory, together with accompanying documentation paid for by the Rockefellers, later was passed to the Corps of Engineers through Dovel, without notation as to its origin.

Dovel testified in Manhattan before U.S. District Court Judge Thomas Griesa, who is holding hearings to decide whether the Corps' environmental impact statement on Westway was prepared according to law.

The biologist told the judge that following the end of the bass study in May 1984, he handled another part time assignment for the Corps continuing into last summer. He said his consulting contract with the Corps lapsed in September. At that point, he said, he returned to his work as an "independent consultant" in marine biology, a business in connection with which he could cite only two clients, the Corps and the Rockefellers.

Dovel first mentioned the Rockefeller family under examination by Assistant U.S. Attorney Randy Mastro, one of the federal attorneys representing the government.

The witness said he had received "three months' salary" from a Rockefeller representative named George Lamb. He said he had understood Lamb to represent Laurence Rockefeller, brother to both Nelson Rockefeller, the late vice president, and David Rockefeller, former head of the Chase Manhattan bank and now a leading proponent of the Westway project.

Mastro quickly left the subject of the Rockefellers, but the topic came up again when Dovel was cross-examined by Mitchell Bernard, who represents a coalition of environmentalists opposed to the Westway project. Bernard had developed his own information about the relationship between Dovel and the Rockefellers, and he got Dovel to explain the relationship in some detail.

On Monday, Bernard produced copies of letters and memoranda bearing on the efforts of David Rockefeller to convince the Washington-based leadership of the EPA that the agency's New York regional officials were biased against Westway, favoring New Jersey interests. Those efforts were made between last September and January, according to the documents. Much of the material Bernard produced yesterday pertained to the same period, when the Westway decision hung in the balance.

Bernard elicited from the consultant testimony that Dovel had initiated contact with the Rockefeller family himself, soon after leaving his assignment with the Corps of Engineers. Dovel said he called Lamb at Rockefeller Center last September and set up an appointment to speak with him about Westway and the striped bass question.

At the time, Dovel had submitted no written analysis of his work on the bass study to the Corps, nor had he been asked for one, he testified. He said he had always believed Westway would have no impact on the fish and had seen no point in elaborating on that view.

Dovel added, however, that he had for several years unsuccessfully sought funding for a major academic paper on the striped bass, exclusive of its importance in Westway. Dovel has written papers in scientific journals and said he holds a bachelor's degree in biology from Bridgewater College.

He said the idea occurred to him that the Rockefellers might pay for his bass paper. He said he was aware that Lamb handled some "environmental matters" for the family.

"I remember telling George, and I will try to give you the essence of the conversation." Dovel testified, "that I was convinced no issue in the lower Hudson should be addressed without the availability of a good summary of the life history of the striped bass. And, in all probability, since Westway was a major issue, I may well have said it could be most beneficial for the Westway concern."

Bernard then read from an account of Dovel's conversation with Lamb, in what appeard to be a deposition.

"Do you remember telling him, and I quote. "'It was my feeling we needed this interpretation badly and that Westway could use it?' Do you remember telling that to Mr. Lamb?"

"That sounds familiar," Dovel responded.

"And Mr. Lamb agreed to fund your work right than and there, didn't he?" Bernard asked.

"He encouraged me to go ahead and start the work and said he probably would be able to arrange funding." Dovel answered.

The consultant recounted that, in September and October 1984, he spent eight weeks writing a first draft of a report on his migratory theory. For this work, Lamb paid him eight weeks' salary. Dovel said. He said he consulted with Lamb at least three times regarding the progress of the work, each time visiting Lamb at his office in Manhattan. If he had prepared a graphic or chart for the report, he routinely showed it to Lamb and explained it, Dovel said.

"I had discussions relative to the progress of my work in order to get paid," Dovel testified.

About December, Dovel said, he showed the draft of his report to Leonard Houston, the Corps of Engineers chief biologist on the Westway project. The migratory theory was nothing new to Houston, Dovel said, as he kept Houston posted on its evolution.

"Did you ever advise the Corps of Engineers that you were receiving payments from Laurence Rockefeller?" Griesa asked.

"I probably did," Dovel said.

"Whom did you tell?" Bernard asked.

"Probably Len Houston, said Dovel.

"When did you tell him?"

"I probably told him in early September that George Lamb had encouraged me to go ahead, and I would probably get funding," Dovel said.

A moment later the judge asked, "Did you tell Mr. Houston who Mr. Lamb was?"

"I assumed Mr. Houston knew who Mr. Lamb was," Dovel said.

Bernard produced a letter from Lamb to Col. Fletcher Griffis, the Corps officer who approved the building permit for Westway late in January.

The letter was dated Jan. 15 and was written on the stationery used by the Rockefeller brothers. The letterhead on the stationery refers not to any business or charitable concern, but only to the brothers' office address, 30 Rockefeller Plaza, Room 5600. Letters from David Rockefeller to the White House and the EPA on the subject of Westway were typed on the same stationery.

"I am writing in support of the Westway project," Lamb said in his letter to Griffis. At the end of the letter, he urged Griffis to provide funding for the work of a biologist Lamb expressly chose not to name.

"I will identify this biologist by noting that he was the one who found the fish," Lamb said, perhaps referring to earlier work Dovel had done on striped bass.

But Griffis would provide no funding for Dovel. Dovel testified that Lamb soon agreed to provide additional funds himself. Dovel said he received from Lamb another four weeks' salary toward finishing his report.

"That was to make final subtle changes, get it typed, that sort of thing," Dovel testified.

Only in connection with the final payments did Dovel hint at any discussion of a possible conflict of interest.

"I was aware that Mr. Lamb felt that this sort of work should be funded by environmental agencies," Dovel said. "But he felt so strongly that the work should be done that, if funds could not be found elsewhere, he would provide them.

Dovel explained that he spoke to New York officials of the EPA on Jan. 14, a time when the EPA's regional office was wrestling with the question of whether it should continue its longstanding opposition to Westway. David Rockefeller had been in EPA headquarters in Washington less than two weeks earlier, complaining to officials there that EPA's New York regional administrator, Christopher Daggett, was opposed to Westway solely because he favored New Jersey, Daggett's home state, over New York.

Records introduced in the Westway hearings show that Daggett attended the Jan. 14 meeting with Houston and others and questioned Houston closely about the adequacy of the Corps' bass study. The records show that Dovel told Daggett the studies were adequate in every respect. No mention was made of Lamb.

[From the Star-Ledger, June 23, 1985]

WESTWAY BIOLOGIST CONTRADICTS HIS OWN REPORT

(By Arthur K. Lenehan)

The biologist responsible for the analysis that led to federal approval of New York's Westway project testified in federal court in Manhattan yesterday that there were numerous errors and misstatements in his crucial report on Westway's potential impact on the Hudson River stocks of striped bass.

Under cross-examination by a lawyer representing Westway opponents, biologist William Dovel uniformly disavowed statements in his report that seemed to indicate Westway might cause environmental damage, as well as statements indicating there had been insufficient study of the project.

Referring to the bulk of his 130-page report, which favored Westway, Dovel said it was erroneous only in being stated too weakly. He said he would now use the word "conclusion" instead of the word "hypothesis" in numerous arguments favoring Westway. He said he would strengthen his endorsement of the project in other ways as well.

Dovel's repeated disavowals of statements in his striped bass report led U.S. District Court Judge Thomas P. Griesa to call his testimony "a bizarre situation."

The judge referred to Dovel's testimony of Wednesday, when the biologist admitted that he had accepted about three months' salary from the Rockefeller family in connection with work on his Westway report. The Rockefellers have been among Westway's most outspoken supporters. But their role in the preparation of Dovel's bass report was not publicly disclosed until Wednesday.

Dovel testified he had received two set of payments from Laurence Rockefeller, brother of the late Vice President, and New York Gov. Nelson A. Rockefeller. In his comments about Dovel's testimony, made while the witness was outside his courtroom, the judge referred to the final payments.

"When Mr. Dovel got another payment from Laurence Rockefeller, to have the thing typed up," the judge said of the report, "he didn't have it typed up with his conclusions, he had it typed up with something other than his conclusions."

At times, Dovel admitted spotting errors in his report as he reviewed it on the witness stand. He admitted that tenacious cross-examination was causing him to revise his report as he spoke. At other times, he claimed to have spotted errors months ago, and to have kept corrections in mind for months, without having written them down anywhere.

Of some three dozen changes Dovel said he would now make in his report, which was typed only three months ago, all were favorable to Westway.

Griesa recessed the hearings until Monday midway through the cross-examination of Dovel.

WESTWAY BIOLOGIST CONTINUES TO QUALIFY

(By Arthur K. Lenehan)

The biologist whose advice persuaded the Army Corps of Engineers to grant a construction permit for Westway continued to qualify and amend a critical report on the project while testifying yesterday at a federal court hearing in Manhattan.

Biologist William Dovel maintained through a second day of cross-examination that a report he wrote regarding the highway's impact on striped bass in the Hudson River did not reflect his own outlook at the time he wrote it.

Dovel has disavowed dozens of statements in his report that seemed to indicate he remained uncertain about the project's impact, at least in March when he last revised his report.

For example, Dovel rejected his earlier statement that the Westway area might be "uniquely beneficial" for young striped bass born in the upper reaches of the Hudson River.

"Now on page 49 of your report you talk about certain habitats being uniquely beneficial, is that right? asked attorney Mitchell Bernard, who represents environmentalists opposed to the project.

"Yes, but my definition of uniquely beneficial would be couched quite differently now," Dovel said.

"You've changed your definition of uniquely beneficial?" Bernard said.

"My definition of uniquely beneficial does not mean that areas natural or manmade are uniquely beneficial to the survival of the species," Dovel explained. "It means in this particular case of manmade areas that could be considered uniquely beneficial by some people simply increase the total area that is useable by the fish during the winter, and that these areas possess no special attribute."

Dovel's unwavering adherence to a line of analysis that favors the Westway project, even when that position has involved rejection of his own statements, prompted U.S. District Court Judge Thomas Griesa to question the witness's point of view.

"You're totally impartial on that point, aren't you?" Griesa asked after another of Dovel's disavowals. "You're not in any way acting as an advocate of the Corps of Engineers position, are you?"

"No," the witness said.

Dovel again answered questions about his acceptance of payments from the Rockefeller family in connection with his report on Westway. He conceded that, in the past three years, his one-man business as a consulting marine biologist has had only two clients, the Army Corps of Engineers and the Rockefellers. The Rockefellers have been among the most vigorous promoters of Westway.

Dovel has said he hopes to obtain further "grants" to complete his work on Hudson stocks of bass, and has not ruled out taking more money from the Rockefeller interest. He has said he has received about "three months' salary" from the family so far.

While the questions asked of Dovel have focused on those portions of his report that raise questions about Westway, by far the greater portion of the report is favorable to the project.

[From the Star-Ledger, July 3, 1985]

DOCUMENTS TRACE ROCKEFELLER ROLE IN FINANCING WESTWAY BASS STUDY

(By Arthur K. Lenehan)

Federal attorneys yesterday produced a sheaf of documents detailing how the Rockefeller family paid for and participated in the preparation of the environmental study that persuaded the Army Corps of Engineers to approve construction of Westway, a project with which the wealthy New York family has been closely associated.

The documents produced in U.S. District Court, Manhattan, showed that critical changes were made in the environmental study shortly after the author delivered a draft copy to the Rockefeller family offices in Rockefeller Center and collected a fee from a representative of the family. Without exception, the changes made in the document favored the Westway project.

The document's author, consulting biologist William Dovel, denied on the witness stand that Rockefeller representatives had discussed particular changes with him. But Dovel could not explain why certain key changes had been made. He again conceded on the stand that he views the Rockefeller family as a possible source of research funding in the future.

Discussing a related topic, Dovel testified that he went to Rockefeller Center and reported to Rockefeller representative George Lamb immediately following his delivery of a verbal report on Westway in the New York offices of the Federal Environmental Protection Agency (EPA). In his appearance before the EPA, Dovel presented himself as an unbiased, independent expert on fisheries.

Assistant U.S. Attorney Howard Wilson produced the Rockefeller documents at the start of yesterday's session before U.S. District Court Judge Thomas P. Griesa. Wilson indicated he had obtained the documents from the Rockefeller family offices. Wilson suggested he was producing them not for any purpose of his own, but rather to comply with Griesa's general instruction

that the U.S. Attorney's Office produce all available information pertinent to Westway.

Immediately after the material was produced, the attorney representing environmentalists opposed to Westway seized on it as a basis for questions regarding the integrity of the author. For more than two hours, Mitchell Bernard grilled biologist Dovel on his relations with the Rockefellers and the manner in which he had revised his report.

It was Dovel who devised what is now known as the "migratory theory" on Hudson bass. In essence, the migratory theory holds that dense concentrations of young bass found in the area of the proposed Westway landfill are just "passing through" the area, and thus would not be harmed if the area were filled in for construction of Westway. The Westway project would require the filling of some 200 acres of the Hudson on the West Side of Manhattan between 42d Street and Battery Park City. The threat of a serious environmental impact has delayed the road project for years.

Yesterday, Bernard pointed out that a draft of the Dovel report delivered to Rockefeller Center last December, and turned over by the Rockefellers this week, contained statements indicating that Dovel had regarded his migratory theory as speculative at the time he prepared the draft. Bernard read from Dovel's early draft. "At the present time, there is no way to determine the duration of stay for individual fish in the metro area." The attorney then went on to ask a series of questions relating to the statement.

"Would you say that is an important sentence in terms of evaluating the impacts of the Westway landfill on striped bass?" Bernard asked.

"I believe I answered that as yes before." Dovel said, referring to earlier testimony.

Bernard established that Dovel's theory presumed a rapid movement of fish into and out of the Westway area, and Dovel concurred. Then Bernard returned to the assertion in the draft given the Rockefellers. Finally, Bernard pointed out that the sentence in question had been removed from a second draft of Dovel's study, one that was prepared shortly after Dovel visited Rockefeller Center and delivered the first draft to Lamb.

"When did you decide to take that sentence out?" Bernard asked.

"I don't remember," Dovel said.

"So you just dropped that sentence out?"

"At this point, I can't tell you why I dropped it out," Dovel said.

Bernard pursued the topic, referring to the original draft of the report by the initials O-O-O, the designation given the draft for purposes of identification in court.

"Is it just coincidence that there is a series of crossouts and revisions of material from O-O-O that might impart some special importance to the Westway area?" Bernard asked.

"I think it is. I know it is," Dovel replied.

"I don't understand the answer," the judge interjected.

"The answer is it's purely coincidental," Dovel continued.

"Is it also just purely coincidental that you were being funded to make these revisions by Mr. Lamb or Mr. Lamb's funding source?" Bernard asked.

"Purely coincidental?" Dovel said.

"Is that relevant?" said Bernard. "Is it relevant that you were being funded to make these revisions by Mr. Lamb, or Mr. Lamb's funding source?"

"Absolutely not," Dovel said.

Shortly, thereafter, Dovel explained that in revisions of his report he had succeeded in working out a comprehensive description of bass movements in the lower Hudson, notwithstanding his own statement in the Rockefeller draft that his task was impossible. The scheme he worked out came to be known as the migratory theory.

"You had concluded from the available data what you say in his previous sentence was impossible to determine: is that correct?" Bernard asked.

"That's correct," said Dovel.

Dovel had testified previously that he received about "three months' salary" from Lamb, in payments that bracketed a period during which Dovel was frequently conferring with Corps of Engineers officials and occasionally explaining to them the contents of his evolving report on the bass. That period lasted from last autumn until January, when the Corps of Engineers announced its approval of Westway.

During the winter and spring of 1984, Dovel had been employed by the Corps as a field supervisor for a survey of Hudson bass. He was the only full-time consultant employed on the survey. He had testified earlier this week that he had approached Lamb in Rockefeller Center just after leaving employment with the Corps, and had proposed that the Rockefellers finance development of the migratory theory because the theory might be a key element in any decision on development in the lower Hudson.

Yesterday, Assistant U.S. Attorney Howard produced among the other Rockefeller papers a copy of a written proposal Dovel mailed to Lamb last October, shortly after Dovel's initial meeting with Lamb. In the proposal, referring to the expected results of work agreed upon, Dovel told Lamb. "I appreciate the applicability of such results to the current concerns in the lower Hudson and anticipate no delay in accomplishing the goal."

The U.S. Attorney's Office also produced a letter that Dovel sent to Lamb last Dec. 20. In the letter, Dovel referred to meetings with Lamb in Rockefeller Center to discuss the progress of work on his report.

"You have seen the rough graphics but not the text," Dovel told Lamb in the letter. "The text is ready and, regardless of additional efforts to improve the graphics concept, the text material should remain essentially in the current state. I believe the need for this contribution in the next few months compels us to move ahead promptly."

Bernard asked Dovel, "What was the compulsion?"

"First off, because the product was long overdue," Dovel said, referring to his own analysis. "Second, because there was a concern in the lower Hudson regarding Westway, it was appropriate to finish the product."

Dovel said several times that he did not know how George Lamb felt about Westway, or how the Rockefeller brothers felt. He testified that, as a result of his letter to Lamb on December 20, Lamb sent him money "probably by return mail." A draft of the report was being typed by year's end, Dovel said. He said that this first typed draft was delivered to the Rockefeller offices in January. This was the draft produced in court yesterday, and disavowed to a great extent.

"You said to Mr. Lamb that the text should remain in its current state. Did you mean that?" Bernard asked Dovel, in connection with the December letter describing the report.

"I'm sure that the first time I read the document, I saw that it would need some further work," Dovel said. He then went on to reject the draft's statements that evidence on the migratory theory was "circumstantial," that other important data he used were "limited" in scope and that there was "no obvious way to anticipate how fish activity would change" in the event Westway was built.

With respect to the last of the three assertions. Bernard wanted to know whether Dovel had believed the statement in question when he wrote it.

"Yes," Dovel said, "but I don't consider it important to the Westway situation."

"Why not?" Bernard asked.

He said that this first typed draft was delivered to the Rockefeller offices in January. This was the draft produced in court yesterday, and disavowed to a great extent.

"You said to Mr. Lamb that the text should remain in its current state. Did you mean that?" Bernard asked Dovel, in connection with the December letter describing the report.

"I'm sure that the first time I read the document, I saw that it would need some further work." Dovel said. He then went on to reject the draft's statements that evidence on the migratory theory was "circumstantial," that other important data he used were "limited" in scope and that there was "no obvious way to anticipate how fish activity would change" in the event Westway was built.

With respect to the last of the three assertions. Bernard wanted to know whether Dovel had believed the statement in question when he wrote it.

"Yes." Dovel said, "but I don't consider it important to the Westway situation."

"Why not?" Bernard asked.

"I think there is an obvious way to anticipate how fish activity would change." Dovel said.

"Isn't that the exact opposite of what you have written here?" Bernard exclaimed, brandishing some of the original pages delivered to Rockefeller Center.

"Yes." Dovel said.

Bernard noted that the letter to Lamb last Dec. 20 coincided with the Army Corps of Engineers' final analysis of Westway. The Corps of Engineers' final environmental impact statement on Westway had been published in November. The Corps was to announce its decision on a construction permit for Westway in January.

Bernard pointed out that the letter to Lamb included a list of expenditures necessary to complete the report and concluded. "Please advise me as to your response to this approach and the willingness of your source of financial support to cover these items."

There was also a postscript that read: "George, I have just reviewed the Corps' final impact statement. That statement uses my theory of migration as the only concept of organized movement of the young bass. Obviously, the final product is going to be criticized by a lot of experts. If you would like to talk about this. I'll call you.

Bernard hammered away at the significance of the postscript, referring to the Corps' final supplemental environmental impact statement by its acronym, FSEIS.

"Isn't it fair to say that you were appealing to Mr. Lamb for this new funding in order to defend, on behalf of the Corps, the anticipated criticism of the FSEIS?" Bernard asked.

"Absolutely not," Dovel said.

"It just has nothing to do with that?" Bernard said.

"Nothing whatsoever," Dovel said.

Dovel testified that Lamb paid him with checks from Jackson Hole Preserves, one of the Rockefeller brothers' philanthropic interests. He said he had received about $9,000 in salary from the Rockefellers in all. He explained that he and Lamb had agreed to defer some of the payments into 1985 in order to reduce Dovel's 1984 income tax liabilities.

"And what did you know at the time about Jackson Hole Preserves?" Bernard asked.

"Only that it was an interest of Laurance Rockefeller," Dovel said, referring to the brother of both the late Vice President Nelson Rockefeller and David Rockefeller, former head of the Chase Manhattan Bank in New York.

David Rockefeller has been one of Westway's key supporters. Lamb himself once wrote to the Corps of Engineers to endorse the project, using the stationery of the Rockefeller family offices.

Dovel testified that last January while he was at work on revisions of the report he had given Lamb, the New York regional office of the EPA sought his views on the striped bass question. The EPA at the time was deciding whether it should persist in its longstanding opposition to Westway.

Dovel said the request came from EPA Regional Administrator Christopher Daggett. Previous testimony in the Westway hearing has indicated that about the time Dovel received Daggett's request. David Rockefeller visited Washington and complained to ranking EPA officials that Daggett was biased on the Westway question, in favor of his home state of New Jersey.

Dovel said yesterday that within hours of reporting to Daggett, he went to Lamb's office at Rockefeller Center and told Lamb about his talk with Daggett.

Bernard asked Dovel what he told Lamb.

"It was a passing of friends in which I said I had a flight back to Florida in a few minutes," Dovel said.

"I said I'm simply stopping by to say that, at the request of Chris Daggett, I have given a copy of the work I am doing to the EPA workshop."

"You just stopped by to say that?" Bernard said.

"That's exactly right," Dovel said.

* * * * *

The marine biologist explained that he may seek further funding from the Rockefeller interests in the future. He said he last talked to Lamb in April and left the question of further funding in abeyance.

"In this case we have an understanding," Dovel said. "Since Mr. Lamb feels that this should really be the interest of federal environmental agencies, I would like him to hold off until we can see whether some more appropriate agency will be willing to fund the work."

"So you don't want further funding from Mr. Lamb?" Bernard asked.

"When I get ready to do the final graphics, I will want funding from anyone who will give it to me," Dovel said.

[From the Star Ledger July 9, 1985]

ARMY BIOLOGIST ADMITS ROCKEFELLER CONSULTANT GUIDED WESTWAY STUDY

(By Arthur K. Lenehan)

The Army Corps of Engineers biologist who handled the Corps environmental analysis of Westway admitted yesterday that he based his study on advice of an outside consultant he knew to be receiving money from the Rockefeller family, which has been among the project's most enthusiastic supporters.

According to Corps biologist Leonard Houston, fisheries consultant William Dovel informed him of his relationship with the Rockefellers during the final Corps review of Westway last fall. Houston said Dovel told him he was receiving money from "the Rockefeller Foundation." Houston said he knew then that the Rockefellers were outspoken advocates of Westway, and had seen letters from them to the Corps in defense of the project.

Houston said he mentioned the relationship between Dovel and the Rockefellers to his superiors, but heard no objection from them, and attached no significance to it himself.

"I didn't think it was anything special," Houston said.

Houston was testifying at continuing hearings on the Westway project at the federal courthouse in Manhattan. In earlier testimony, Dovel had said he had received at least $9,000 from a Rockefeller family representative named George Lamb over some six months. The payments from the Rockefellers bracketed the period of final Corps review of Westway, in which Dovel was a key adviser.

According to Dovel's earlier testimony, Lamb paid him to prepare a paper on the migratory movements of striped bass in the Hudson, a paper that was later to lay the basis for approval of the Westway project. The paper's critical rationale, eventually adopted by the Corps of Engineers, was that construction of Westway could not hurt young bass found in the area of the proposed landfill, since the fish were only "passing through" the area.

Yesterday, Houston said Dovel's rationale was so important to the decision to approve Westway he had recommended that the Corps append copies of the report to its enviromental impact statement. Houston said that suggestion was rejected by his boss, Col. Fletcher H. Griffis, because inclusion of the Dovel report would have taken too long.

"Ultimately I think it was Col. Griffis who said, 'No, I want you to go ahead. You know what Bill (Dovel) is saying. You have done your analysis. I don't want you to wait for Bill,' " Houston said.

In the latter hours of yesterday's hearing Houston became enbroiled in a lengthy analysis of his own written comments, as printed in the draft of the environmental impact statement published in May 1984. U.S. District Court Judge Thomas P. Griesa asked him to identify comments in the draft that were erroneous, and Houston picked out more than a score, all of which ascribed to the Westway area a special importance in the life cycle of the bass.

The main thrust of the opponents case against the project has been that the draft conceded Westway was environmentally unsound, and that this judgment was reversed in a final environmental impact statement on account of political pressure brought in the interim by the Rockefellers, Sen. Alfonse D'Amato and others.

[From the Star-Ledger, July 10, 1985]

JUDGE GRILLS ARMY CORPS BIOLOGIST ON WESTWAY STUDY INCONSISTENCIES

(By Arthur K. Lenehan)

The Army Corps of Engineers biologist who recommended approving New York's Westway project yesterday underwent a second day of technical cross-examination on inconsistencies in various drafts of the Corps' environmental impact statement on Westway.

The biologist, Leonard Houston, conceded at the federal courthouse in Manhattan that the rationales he used in the drafts and the conclusions he drew from those rationales did not always agree. Houston's explanation of the inconsistencies was that, in many cases, he had been thinking one thing and writing another.

U.S. District Court Judge Thomas P. Griesa became involved in discussion of the inconsistencies, as he had in such discussions previously during the current hearings on Westway. Noting that he was now six weeks into the Westway hearings, Griesa said yesterday he is still not satisfied with government explanations as to how the Corps could have predicted dire consequences from Westway in a draft environmental impact statement published in May 1984, then reversed that judgment in a final impact statement only six months later.

"Despite the fact that witnesses have been testifying here day after day after day after day, that question remains unanswered," Griesa said.

Environmentalists opposed to Westway have argued in court that the change in the Corps' analysis came about largely on account of political pressures brought by the Rockefeller family, New York Gov. Mario Cuomo, and U.S. Sen. Alfonse D'Amato (R-N.Y.), among others.

In a memorandum submitted to Griesa about a week ago, Assistant U.S. Attorney Howard Wilson, the lawyer representing the Corps, tried to dispose of this issue. In the memo Wilson argued that the changes in question were made because Houston had adopted one ecological theory over another and thus interpreted identical data differently.

Wilson proposed in his memorandum that Houston and the Corps at first expected severe harm to Hudson River stocks of striped bass because Houston initially accepted what he calls the "staging area" theory to explain dense concentrations of young bass found in the area of the proposed Westway landfill. As both Houston and Wilson have explained it, the staging area theory held that the fish needed the Westway area as a kind of halfway slop between the upriver spawning grounds where they are born and the coastal sea where they spend their adult lives.

Such a stop was necessary to the fish, the Corps said in its draft impact statement, because it afforded them rest, food and an opportunity to acclimate themselves to the marine environment before pushing out to sea.

The second theory Wilson mentioned in his memorandum was the "migratory theory," which held that the Westway area was not important to the fish found there because they were just "passing through" the area, or migrating.

Essentially, Wilson argued in his memorandum that the adoption of the migratory theory over the staging area theory naturally led the Corps to a reduced estimate of Westway's environmental impact.

Yesterday, Griesa interceded in the cross-examination of Houston after attorney Mitchell Bernard, who represents the environmentalists opposed to the project, introduced several unpublished drafts of the environmental impact statement and established that, long after Houston had abandoned any notion that Waterway was used

as a "staging area," he continued to predict that it would have drastic effects on the Hudson bass.

Picking up on Bernard's line of questioning, the judge asked the witness to step outside, and explained to the attorneys that, in his view, Houston's testimony seemed to contradict Wilson's memorandum.

Griesa commented that the apparent contradiction, considered together with other questions regarding Corps practices, presented "a web of issues about the bona fides of all this activity that went on at the Corps.

Cross-examination of Houston will continue today.

[From The Star-Ledger, June 22, 1985]

WESTWAY FOES SHOW EVIDENCE OF SELECTIVE EDITING ON KEY EPA ADVISORY

(By David Schwab)

NEW YORK—Westway opponents tried to show yesterday that federal environmental officials in the region toned down their criticisms of the project at the direction of superiors in Washington.

During a hearing in federal court, attorneys representing a coalition of environmental groups presented a series of documents in an attempt to show that some of the harshest criticisms made by Environmental Protection Agency (EPA) officials in New York were subsequently deleted from documents later reviewed in Washington.

The changes concerned a Jan. 21 letter EPA officials in New York sent to the U.S. Army Corps of Engineers in which the EPA opposed the granting of a landfill permit. Over its objections, and those of two federal wildlife agencies, the Corps issued a permit in February to allow the filling-in of 240 acres of the Hudson River.

Government attorneys representing the Corps concede there were some changes made in the letter before it was sent to the Corps. They say these changes were irrelevant because there was no change in the agency's basic opposition to the project.

But attorney Mitchell Bernard, who represents Westway opponents, told U.S. District Court Judge Thomas Griesa that without these changes the Corps would not have been able to grant the permit. This is because of the EPA's initial finding that Westway would have a "significant adverse impact" on striped bass in the Hudson River.

"At the last minute, at what appears to be the highest level of the EPA, that criticism was cleansed." he said. "There was a recognition by the EPA that the conclusion of significant impact meant the permit had to be denied."

In an effort to show how these changes came about, Bernard questioned for a second day, Jay Benforado, an EPA official who helped to review in Washington initial drafts of the EPA comment letter. The final letter was issued by Christopher Daggett, EPA regional administrator in New York.

Of the changes in the documents, Benforado testified that it was his "general impression" that officials in Washington considered "the tone of the (initial) letter was strong" and that "you could get to the same place by not taking such a strong position."

When asked who was responsible for the final changes, Benforado said it was done "at the senior level."

According to the documents, there were several differences between the initial drafts of the letter and the final version, which were obtained through Freedom of Information requests.

For instance, initial drafts said the Westway project would have a "significant adverse impact" on striped bass in the Hudson River; the word "significant" was removed from the final version. Westway opponents say this is important because by law the Corps would have had to reject the permit if it resulted in a "significant" impact.

Also, the EPA's initial drafts of the letter noted that the Corps had changed its own mind about the project's impact on the population of striped bass with little or no data to support it. In the final version, these comments by the EPA were eliminated, according to the documents cited by Westway opponents.

These changes by the Corps are considered an essential issue in the trial. Griesa, who will decide whether to permit construction of Westway to begin, has called upon the Corps to provide a full explanation of the documents.

In its preliminary environmental impact statement, the Corps found Westway would have a "significant adverse impact" on the striped bass that use the shallow waters that would be filled in by Westway.

In its final version of the impact statement, the Corps concluded the project would most likely have a "perceptible" effect that would have a "minor impact."

[From the Star-Ledger, July 23, 2985]

WESTWAY FOES CHARGE CORRUPTION

(By Arthur K. Lenehan)

The attorney representing environmentalists opposed to New York's huge Westway project charged yesterday in federal court in Manhattan that the Army Corps of Engineers' decision to approve the project was tainted by political corruption.

Attorney Mitchell Bernard recalled that a published draft of the Corps' environmental impact statement on Westway foresaw grave damage to Hudson River stocks of striped bass. He suggested that the Corps reversed that finding in its final impact statement, calling Westway's impact "minor," because in the interim Corps offficials had buckled under political pressures brought by Westway advocates.

Bernard referred to documents from the federal Environmental Protection Agency (EPA), introduced as evidence during hearings on Westway. The documents described conversations between ranking EPA officials in Washington and financier David Rockefeller, a leading Westway proponent. Related testimony at the hearings established that the Rockefeller family had paid $9,000 to the biologist on whose advice the Corps relied in approving Westway.

"The corruption point is in my mind an added point, an inference that can reasonably be made based on the EPA documents, the chronology of events, and particularly from the absence of any rational explanation for the changes that were made," Bernard said.

Bernard asked U.S. District Court Judge Thomas P. Griesa to reverse the Corps' approval of Westway. The judge reserved decision. He had explained previously that he intends to decide the Westway case toward the end of this month.

Yesterday, Griesa rejected the main defense of the Corps offered by Assistant U.S. Attorney Howard Wilson in his own summation. Wilson told the judge that, in the minds of Corps officials, there was no substantial difference between the Corps' draft impact statement and the final version. Wilson argued that although the Corps, indeed, had predicted an "important" or "significant adverse impact" in the draft, Corps officials had always believed that Westway's impact would be "minor." Any appearance to the contrary was due to the Corps' inadvertent misuse of words, Wilson said.

The Corps' use of the term "significant adverse impact" in its draft environmental impact report, and the subsequent elimination of the term from the final report, has been one of the major issues in the Westway case.

The term is a standard of federal environmental law and in itself virtually would have compelled denial of a construction permit for Westway, had it remained in the final impact statement.

"I'm the first person to admit, your honor, that a lay person reading that document and seeing 'significant adverse impact' would think that meant a major impact," Wilson told the judge. He went on to argue that the opposite was true. Then Griesa interrupted.

"Does important mean minor?" the judge asked.

"Yes, your honor," Wilson said. "In the context of this case, it does. Important means you can't even see it. That's not the way you and I talk, but that's the way the document is written. I understand your honor's frustration with the language in this document. It doesn't always say what the author says it says."

The judge said he found Wilson's explanation "unrealistic."

"If we recognize that the draft environmental impact statement built up a picture of what was clearly a significant impact, in any normal usage of the word . . . the words are all there . . . and we recognize that there was a substantial change in the final, then we'll be dealing with the issues. We're not dealing with the issues now," the judge said.

Griesa said he thought it was "beyond any argument" that the Corps had radically changed its position on Westway. Wilson responded that he would have trouble continuing his summation if that was the judge's conviction. Wilson did continue only after Griesa encouraged him to do so.

Both Wilson and Paul Curran, who represented the State of New York before Griesa, sharply disagreed with Bernard's assertion of undue political influence or, as Bernard put it more than once, a "fix" of the Corps' decision.

"I say to your honor that that is a smear," Curran said, "because there is no evidence of that in this record."

Wilson noted that Col. Fletcher Griffis of the New York office of the Corps of Engineers wrote his Washington superiors of his intention to approve Westway two days before he announced his decision publicly.

"Certainly if the fix was in, how come the people in Washington don't even know the outcome of the colonel's decision two days before?" Wilson asked rhetorically.

"I don't like the word fix," Griesa said, a moment later. "I could be dealing with some very serious issues here. We're talking about impugning the integrity of officials in Washington."

The judge then went on to explain that he himself was puzzled by the Corps' reversal of its Westway analysis, and particularly concerned about meetings between Griffis and his Washington superiors just before the reversal.

"Why were they there? What was the meaning of their being there?" the judge wondered aloud.

Griesa also expressed doubts about the testimony of the biologist paid by the Rockefellers. The biologist, William Dovel, worked on a Corps study of Westway's impact on striped bass, then took money from the Rockefellers to prepare an analysis that minimized that impact. Dovel's study which was uniformly rejected by other fisheries biologists, eventually became the pivotal element in the Corps' decision in favor of Westway.

"I've got to ask you," the judge told Wilson yesterday, "whether an important decision like this one, a decision important for the community, the state, and the nation, should rest in any degree on the testimony of an individual who has testified in this courtroom the way he (Dovel) has, and produced the documents he has produced."

Wilson argued that the credibility of the government witnesses was beyond question. Griesa said he had his doubts.

"Suppose that I do not accept the testimony that the impact analysis was unchanged," the judge said. "Suppose I don't accept that. As a juror, I would then have to consider the reliability of the other phases of the testimony, I think the same applies to a judge."

Griesa will decide whether the Corps' final environmental impact statement was prepared according to law. He threw out an initial impact study three years ago, and forbade any construction work on Westway pending the submission of an adequate new study.

Westway would be built on a 240-acre landfill in the Hudson, on the West Side of Manhattan between 42d Street and Battery Park City. Besides a new highway, it would provide about 200 acres of new parkland and commercial property. It would cost about $6 billion, of which 90 percent would be paid from federal highway funds.●

ALASKA NATIVE CLAIMS SETTLEMENT ACT AMENDMENTS

MURKOWSKI AMENDMENT NO. 589

Mr. DOLE (for Mr. MURKOWSKI) proposed an amendment to the amendment of the House to the bill (S. 444) to amend the Alaska Native Claims Settlement Act; as follows:

Strike out all after the enacting clause and insert:

SECTION 1. The Alaska Native Claims Settlement Act (85 Stat. 688, 43 U.S.C. 1601-28), as amended, is further amended by adding at the end thereof the following new sections.

SEC. 34. (a) For purposes of this section the following terms shall have the following meanings:

(1) the term "The Agreement" or "Agreement" means the agreement entitled "Terms and Conditions Governing Legislative Land Consolidation and Exchange between NANA Regional Corporation, Inc., and the United States" executed by the Secretary of the Interior and the President of NANA Regional Corporation, Inc., on January 31 and January 24, 1985, respectively.

(2) the term "transportation system" means the Red Dog Mine Transportation System described in Exhibit B of the Agreement.

(3) the term "NANA" means NANA Regional Corporation, Inc., a corporation formed for the Natives of Northwest Alaska pursuant to the provisions of this Act.

(b) Except as otherwise provided by this section, the Secretary shall convey to NANA, in accordance with the terms and conditions set forth in the Agreement, lands and interests in lands specified in the Agreement in exchange for lands and interests in lands of NANA, specified in the Agreement, upon fulfillment by NANA of its obligations under the Agreement, provided, however, that this modified exchange is accepted by NANA within 60 days of enactment.

(c)(1) The Secretary shall convey to NANA, pursuant to the provisions of paragraph A(1) of the Agreement, the right, title and interest of the United States only in and to those lands designated as "Amended A(1) Lands" on the map entitled "Modified Cape Krusenstern Land Exchange," dated July 18, 1985. The charges to be made pursuant to paragraphs B(1) and D(27) of the Agreement against NANA's land entitlements under this Act shall be reduced by an amount equivalent to the difference between that acreage conveyed pursuant to this subsection and the acreage that would have been conveyed to NANA pursuant to paragraph A(1) of the Agreement but for this subsection.

(2) Notwithstanding the provisions of paragraph A(3) of the Agreement, the Secretary shall not convey to NANA any right, title and interest of the United States in the lands described in such paragraph A(3) and the Secretary shall make no charge to NANA's remaining entitlements under this Act with respect to such lands. Such lands shall be retained in federal ownership but shall be subject to the easement described in Exhibit D to the Agreement as if the lands had been conveyed to NANA pursuant to paragraph A(3) of the Agreement.

(d)(1) There is hereby granted to NANA an easement in and to the lands designated as "Transportation System Lands" on the map entitled "Modified Cape Krusenstern Land Exchange," dated July 18, 1985, for use in the construction, operation, maintenance, expansion and reclamation of the transportation system. Use of the easement for such purposes shall be subject only to the terms and conditions governing the construction, operation, maintenance, expansion and reclamation of the transportation system, as set forth in Exhibit B to the Agreement.

(2) The easement granted pursuant to this section shall be for a term of 100 years. The easement shall terminate prior to the 100-year term:

(i) if it is relinquished to the United States; or

(ii) if construction of the transportation system has not commenced within 20 years of the enactment of this subsection. Computation of the 20-year period shall exclude periods when construction could not commence because of force majeure, act of God or order of a court; or

(iii) upon completion of reclamation pursuant to the reclamation plan required by Exhibit B to the Agreement.

(3) Within 90 days after enactment of this section the Secretary shall execute the necessary documents evidencing the grant to NANA of the easement granted by this section.

(4) Except as regards the trail easement described in Exhibit D to the Agreement (to which the "Transportation System Lands" shall be subject as if such lands had been conveyed to NANA pursuant to paragraph A(1) of the Agreement), access to the lands subject to the easement granted by this section shall be subject to such limitations, restrictions or conditions as may be imposed by NANA, its successors and assigns, but NANA and its successors and assigns shall permit representatives of the Secretary such access as the Secretary determines is necessary for the monitoring required by this section.

(e) The easement granted by this section makes available land for the transportation system, and is intended to be sufficient to permit NANA to comply with the laws of the State of Alaska which may be necessary to secure financing of the construction of the transportation system and the operation, maintenance or expansion thereof by the State of Alaska or by the Alaska Industrial Development Authority.

(f) The easement granted to NANA by this section may be reconveyed by NANA, but after any such reconveyance the terms and conditions specified in Exhibit B of the Agreement shall continue to apply in full to the easement.

(g) NANA is hereby granted the right to use, develop and sell sand, gravel and related construction materials from borrow sites located within the easement granted pursuant to this section as required for the construction, operation, maintenance, expansion and reclamation of the transportation system, subject to the terms and conditions specified in Exhibit B of the Agreement.

(h)(1) The construction, operation, maintenance, expansion and reclamation of any portion of the transportation system on any of the lands subject to the easement granted to NANA by this section shall be governed solely by the terms and conditions of the Agreement, including the procedural and substantive provisions of Exhibit B to the Agreement, as if the lands covered by the easement granted to NANA by this section had been conveyed to NANA pursuant to Paragraph A(1) of the Agreement.

(2) The Secretary of the Interior, acting through the National Park Service, shall monitor the construction, operation, maintenance, expansion and reclamation of the transportation system, as provided in the Agreement. Any complaint by any person or entity that any aspect of the construction, operation, maintenance, expansion or reclamation of the portion of the transportation system on the lands subject to the easement granted to NANA by this section is not in accordance with the terms and conditions specified in the Agreement shall be made to the Secretary in writing. The Secretary shall review any such complaint and shall provide to NANA or its successors or assigns and to the complainant a decision in writing on the complaint within 90 days of receipt thereof. If the Secretary determines that the activity made the subject of a complaint is not in accordance with the terms specified in the Agreement, and NANA or its successors or assigns disagrees with that determination, the dispute shall be resolved according to the procedures established in Exhibit B to the Agreement.

(i) The Secretary shall make available to NANA and its successors and assigns the right to use sand, gravel and related construction materials located in Sections 23, 24, 25, 26, 35, and 36 of Township 26 North, Range 24 West, Kateel River Meridian, Alaska, if the Secretary determines either (1) that use of such sand, gravel or related construction material is necessary because there is no other sand, gravel or related con-

struction material reasonably available for the construction, operation, maintenance expansion or reclamation of the transportation system; or (2) that use of such sand, gravel or related construction material is necessary in order to construct, operate, maintain, expand, or reclaim the transportation system in an environmentally sound manner, consistent with the requirements of Exhibit B of the Agreement. The right to use such sand, gravel and related construction material shall be subject to the terms and conditions of Paragraph A of Exhibit B of the Agreement and such other reasonable terms and conditions as the Secretary may prescribe.

(j) Notwithstanding Paragraph D(23) of the agreement, the Secretary shall not agree to any amendment to the Agreement without first consulting with the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate and shall transmit copies of the text of any amendment to the Agreement to those Committees at the time of his agreeing to any such amendment.

SEC. 35. (a) The terms and conditions of this section are solely applicable to the lands described in paragraph A(1) of the agreement, which is defined by section 34(a)(1) of this Act and modified by section 34, and shall not affect the relinquishment by NANA described in section B(1) of such Agreement.

(b) NANA Regional Corporation, Inc. ("NANA"), may convey by quit-claim deed to the United States all of its interest in the surface and subsurface estate in any lands described in subsection (a) of this section, provided, however, NANA can relinquish only lands that are compact and contiguous to other public lands within the Krusenstern National Monument and, if the lands to be relinquished have been disturbed by NANA, the Secretary * * *

(c) NANA may relinquish any interest it has under selection applications filed pursuant to this Act, as amended, in the surface and subsurface estate in lands described in subsection (a) of this section by formally withdrawing such application pursuant to this section, provided, however, NANA can relinquish only interests in lands that are compact and contiguous to other public lands within the Krusenstern National Monument and, if the lands have been disturbed by NANA, the Secretary must first determine that such disturbance has not rendered the lands incompatible with Monument values. Whenever NANA formally withdraws a selection application pursuant to this section, it shall be entitled to designate and have conveyed to it lands outside the boundaries of Cape Krusenstern National Monument and any other conservation system unit, as established and defined by the Alaska National Interest Lands Conservation Act (Public Law 96-487; 94 Stat. 2371, et. seq.) pursuant to any of its pending selection applications filed under either section 12(b), 12(c) or 14(h)(8) of this Act. Lands conveyed to NANA under this subsection shall be of a like estate and equal in acreage to the interest which NANA relinquished, and when the lands are conveyed to NANA, the conveyance shall be charged against the same entitlement of NANA as if the lands had been conveyed pursuant to the relinquished selection applications. Lands received by NANA pursuant to this subsection are Settlement Act lands.

(d) The provisions of this section shall remain in effect only until December 18, 1991.

(e) Nothing in this section shall be deemed to alter or amend in any way NANA's selection rights or to increase or diminish NANA's total entitlement to lands pursuant to this Act.

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce that the Small Business Committee will hold a series of field hearings on the impact of the various tax reform proposals on small business. On August 16, 1985, there will be a hearing at the Clark County PUD Building, in Vancouver, WA, convening at 9:15 a.m. On August 19, 1985 there will be a hearing held at the Jackson Federal Building, in Seattle, WA. It will begin at 1:30 p.m.

On August 26, 1985, the Small Business Committee will hold a hearing in West Memphis, AR, and on August 27, 1985 there will be another hearing in Fort Smith, AR. A time and place for these two hearings will be announced at a later date. In the meantime, if anyone needs more information they can call Stewart Hudson, of the committee staff at 224-5175.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. DOMENICI. Mr. President, I would like to announce for the information of the Senate and the Public that the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources will conduct a hearing to discuss the Department of Energy's "Mission Plan for the Civilian Radioactive Waste Management Program," which was released on July 10, 1985. The hearing will take place Thursday, September 12, 1985, beginning at 9:30 a.m. in SD366 in the Senate Dirksen Office Building in Washington, DC.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Subcommittee on Energy Research and Development, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510.

For further information regarding this hearing, please contact Ms. Marilyn Meigs on the subcommittee staff at 202-224-4431.

SUBCOMMITTEE ON ENERGY REGULATION AND CONSERVATION

Mr. NICKLES. Mr. President, I would like to announce for the information of the Senate and the public, that the Subcommittee on Energy Regulation and Conservation of the Committee on Energy and Natural Resources has scheduled an oversight hearing on Tuesday, September 24, 1985, beginning at 9 a.m. in room SD-366 in the Senate Dirksen Office Building in Washington, DC.

Testimony will be received on innovative approaches in industrial energy efficiency. Those wishing to testify or submit a written statement for the hearing record should write to the Subcommittee on Energy Regulation and Conservation, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510.

For further information regarding this hearing, please contact Mr. Al Stayman 202-224-2366.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROTH. Mr. President, the Senate Committee on Governmental Affairs will hold a series of hearings on S. 1527, the Civil Service Pension Reform Act of 1985 beginning on Monday, September 9 at 10:00 in room 106 of the Dirksen Senate Office Building. The committee will continue the hearings on Wednesday and Thursday, September 10 and 11 at 10:00 a.m., in room 342 of the Dirksen Senate Office Building.

For further information regarding these hearings, please contact Wayne Schley at 224-4751.

SUBCOMMITTE ON ENERGY REGULATION AND CONSERVATION

Mr. NICKLES. Mr. President, I would like to announce for the information of the Senate and the public, that the Subcommittee on Energy Regulation and Conservation of the Committee on Energy and Natural Resources has scheduled an oversight hearing on Thursday, September 19, 1985, beginning at 9:30 a.m. in room SD-366 in the Senate Dirksen Office Building in Washington, DC.

The purpose of the hearing is to review the Federal Energy Regulatory Commission's notice of proposed rulemaking on regulation of natural gas pipelines after partial wellhead decontrol, RM85-1-000.

Those wishing to testify or submit a written statements for the hearing record should write to the Subcommittee on Energy Regulation and Conservation, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510.

For further information regarding this hearing, please contact Mr. Howard Ussem 202-224-2366.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Thursday, August 1, at 4:30 p.m., to mark up S. 616, the Farm Bill, provided that when the budget resolution is brought up in the Senate, the committee will no longer be authorized to meet.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

EXPANDED CAPITAL OWNERSHIP

● Mr. SYMMS. Mr. President, today I am inserting the third of three statements on expanded capital ownership for the benefit of my colleagues and the American people. This final statement by Senator RUSSELL B. LONG is also taken from his floor comments on November 17, 1983, in support of the Employee Stock Ownership Act of 1983. His full testimony on that date, with the assistance of his aide Jeff Gates, is probably the best practical description ever prepared on the operations, history, and rationale of expanding capital ownership in the United States. Making it possible for virtually all Americans to have a stake in the action where they work is the essence of the American dream. What better way to end conflicts between workers and owners than enabling all workers to earn a growing share in the equity growth and profits in the companies for which they work. I highly commend to your attention these new tools for making the American free enterprise system work more efficiently and more justly for all. The ESOP demonstrates how we can finance faster rates of investment, while offering a new labor deal that can be a model of justice for workers everywhere.

I ask that the statement be printed in the RECORD.

The statement follows:

TECHNOLOGY FOR IMPROVING THE QUALITY OF ECONOMIC OPPORTUNITY

(By Hon. Russell B. Long)

Our private property approach to economic matters recognizes the indisputable interplay between economic rights and political rights. Our Founding Fathers recognized that individual liberties and a democratic form of Government cannot long endure unless the majority of citizens have a high degree of economic independence. Thus, protection of the concept of private property was embodied in the Bill of Rights.

This forward-looking group also recognized that a private enterprise system was the most natural economic structure—a structure that evolved from the actions of a free people. It had not been forced; it had grown. It had not been enforced; it had come on its own.

As the 1980 Republican platform reminds us:

The widespread distribution of private property ownership is the cornerstone of American liberty. Without it neither our free enterprise system nor our Republican form of Government could long endure.

Consequently, the 1980 Republican platform pledges the Reagan administration "to help millions of Americans . . . to share in the ownership of the wealth of their nation."

If a Nation is to be politically free, it must structure its social contract to first insure economic freedom. Economic freedom implies the right to participate freely in the economy and the right to a just return for one's participation. Our concern for equality of economic opportunity is closely linked to those ideals. . . ."

In a capital-intensive economy such as ours, the right to earn a living involves more than the right to work and the right to a just return for work done. True economic opportunity involves the right to economically participate by means consistent with the existing state of technology.

At our labor-saving, cost-containing insistence. American engineers, scientists, and managers have been remarkably successful at destroying the very employment that Governments—again, at our insistence—have been directed to promote.

Rather than break the relationship between effort and reward or, more accurately, between input and outtake, the expanded ownership concept suggests that we recognize—and adjust to—the increasingly dominant role that capital inputs play in the productive process.

Our full employment approach—both to providing economic opportunity and also to solving the income distribution problem—simply does not reflect the extent to which productive capital is now the factor most fully employed in providing the basic goods and services of a modern economy.

THE BENEFITS OF GROWTH

A century ago, President Lincoln understood the importance of widespread ownership, and he signed legislation insuring that the opportunity to own capital was within the reach of all. The philosophy underlying the Homestead Act of 1862 should be applied at every step of the Federal Government's relationship with its people. Why not use the public sector to build productive capital in reasonable-sized holdings into the vast majority of American households who presently own little if any?

President Reagan, in a July 1974 speech to the Young Americans for Freedom, explained the historical precedent for a national policy of expanded ownership and endorsed the uniquely American opportunity that such a policy would represent.

In a similar vein, Senator Hubert Humphrey explained his support of expanded ownership in a letter to the editor of the Washington Post not long before his death:

Throughout my career as a public servant, I have viewed full employment as a top priority goal for this country. And I continue to do so. But I recognize that capital, and the question of who owns it and therefore reaps the benefit of its productiveness, is an extremely important issue that is complementary to the issue of full employment.

I see these as twin pillars of our economy. Full employment of our labor resources and widespread ownership of our capital resources. Such twin pillars would go a long way in providing a firm underlying support for future economic growth that would be equitably shared.

Attention must be given to new ways to distribute the benefits of this growth more widely. Despite all the fine populist oratory and good intentions of great men like Franklin Delano Roosevelt, Harry Truman, Dwight Eisenhower, John Kennedy, and Lyndon Johnson, the distribution of wealth among Americans in relative terms, is about the same today as it was when Herbert Hoover succeeded Calvin Coolidge.

The already-rich of this Nation should warmly welcome this new dimension to our free enterprise economy. ESOP-type financing techniques are designed to avoid the redistribution of ownership of existing capital for the simple reason that we cannot build a broadly based private property economy on the expropriation of anyone's property.

The aim is to strengthen, not to further erode, the rights of private property ownership, and certainly we would not need to tax the rich nearly so much if we worked harder at broadening the base of those who have an opportunity to become rich.

The American people need and deserve a chance to own a stake in the U.S. economy—an economy of their own making. It is time to acknowledge the important role of the individual in our capital-intensive economy, and provide working Americans with access to ownership of the productive capital with which they work.

CREATING A WELCOME CONTEXT FOR TECHNOLOGY

Expanded capital ownership is a type of corporate responsibility that is consistent with the goals of American business. The free enterprise system is based on production for profit, not for employment. The concern is for the rational, efficient production of goods and services, generally with little thought given to just how consumers are to get the purchasing power to buy those goods and services.

The need for economy and efficiency is indisputable. U.S. business holds a franchise from the American public in large part because we believe that we can best achieve our economic goals by relying on private initiatives.

However, if we are to create a self-sustaining economic system and one in which Government plays only a minor role, as the business sector suggests it should, then the private sector itself must play a greater role in solving the economy's income distribution problem. This will become increasingly important once the private sector begins to take advantage of the recently enacted supply-side tax incentives to apply the latest advances in technology.

One of the market's greatest strengths is its ability to stimulate and harness new technologies and resources, and to direct innovation into socially desirable directions. The historically demonstrated power of market incentives to influence the pace and direction of technological change warrants every effort to retain such incentives as part of our economic and tax policy.

However, while these technological changes on balance create gains in the form of higher living standards, almost every one of them causes a loss of income to some firms and individuals.

A Carnegie-Mellon study, for example, indicates that industrial robots have the potential to eliminate 2 million jobs in the metal-working industry by 1990, and the Upjohn Institute for Employment Research contends that robots in Michigan will replace three times as many workers as they will provide new jobs. The trend toward increased automation seems likely to continue. Indeed, the Commerce Department insists that batch manufacturing companies must automate if they are to compete successfully in international markets.

With the advent of microelectronics, the jobless growth already apparent in agriculture, which now employes only 3.2 percent of the U.S. work force, is spreading beyond agriculture and manufacturing and into the economy's tertiary sector-finance, insurance, government services, et cetera.

According to Department of Labor statistics, from 1960 to 1980, the service sector accounted for more than 85 percent of new jobs. It is in the service sector, however,

that most experts are predicting that the chief impact of this new technology will be felt. Moreover, it is those with low-level clerical and analytical skills who will be most affected, particularly women and minorities.

As a nation, the American people have greatly benefited from the remarkable labor-saving advances of the past century. As individuals, however, they have not fared as well. Due to the way in which those advances were financed, they continue to find themselves left with only their labor as their stock in trade.

Thus, each round of new investment further threatens their power to earn a living. Instead of being part owners of the system, they find themselves pitted against it. If this new technology is to have a welcome context for its use, we must begin to strike a new balance between social and economic objectives.

Our present supply-side, investment-based strategy can make the U.S. economy more successful-more growth oriented and less redistribution oriented. However, unless the benefits of this new growth are widely shared, for example, through a combination of employee ownership and job sharing, we may find ourselves 10 to 20 years from now with a population even more in need of governmental transfer payments.

WHY ESOP FINANCING?

Capital ownership is most emphatically a social opportunity, indeed, a socially created opportunity. It is the institutions of society and, more specifically, the institutions and conventions of finance that determine who will be the owners of productive capital that has yet to be created.

Capital ownership, however, is an opportunity historically reserved for a relative few. That is due to the simple fact that the ownership of new wealth is largely a function of the ownership of existing wealth. The current structure of our most widely used financing techniques insures that the rich will, in fact, continue to get richer.

The vast majority of Americans cannot afford capital ownership. Most working Americans owe rather than own: they accumulate debts rather than assets. Daily economic survival, not savings and investment, is their primary concern, and the less our technologically advanced economy needs their labor, the less they are able to save their way to capital ownership. Inflation, of course, further penalizes their thrift.

Concentrated wealth holdings contirbute to the cumulative and self-reinforcing nature of the concentration of wealth and income. The concentration of stock ownership leads to a situation where those who currently own stock are those best able to save significant amounts and, thus, best able to make additional investments, thereby increasing their stock ownership.

What the individual needs is access to the financial logic of self-liquidating debt—the logic used every day by businesses in borrowing to invest in productive assets that will pay for themselves. Most Americans lack assets to pledge as security for a loan to acquire income-producing capital; consequently, those who do not now own are unlikely to own in the future. Access to this type of financing simply is not available to the enormous number of Americans born into families without substantial capital assets.

Lacking access to cash or credit, they are instead encouraged to save their way to capital ownership. Thrift, they are told is their financial opportunity. I think of this as the Marie Antoinette approach to expanded ownership. Only instead of suggesting. "Let them eat cake," they recommend, "Let them buy stock." That financial philosophy brought us the concentrated pattern of ownership that we have today and, unless that philosophy is changed, our ownership pattern will remain largely unchanged.

If we are to break this monopoly of participation in the ownership of productive assets, we must first resolve the financial "catch-22" that requires accumulated savings or assets as a condition of capital ownership. ESOP type financing suggests that we approach this dilemma by broadening access to the financial logic of self-liquidating corporate debt.

The very purpose of corporate debt is to enable a business to acquire productive assets before it has saved the funds to pay for them. Instead, the acquisition is made on terms where the newly acquired assets will pay for themselves out of the earnings they generate.

Widespread access to this type of credit must be distinguished from the widespread access to consumer credit. Consumer credit produces no marketable wealth; rather, it is simply an advance against future purchasing power. Although originally developed to narrow the purchasing power gap, in the long run it only widens it; the end result is to mortgage future purchasing power, not to increase it. . . .

ESOP-type financing is of a different sort. It is producer credit—credit for the acquisition of productive assets rather than for consumer articles.

ESOP financing involves access to credit for the financing of assets which are calculated to generate earnings with which to repay the debt incurred over a reasonable period of time, and which can then go on to generate purchasing power for their owners, their productiveness preserved by reserves set aside for depreciation, or, as it is now termed, "cost recovery."

This approach puts the concept of thrift in a new and more workable context. Capital ownership is still attained by the individual in lieu of consumption. Only now the income generated by newly acquired productive capital is saved and applied to repay the debt incurred. . . .

A MODEL OF WORKABILITY

If we continue to rely solely on traditional techniques of finance, those techniques will continue to allocate productive credit primarily to the already wealthy. With that approach, the concentrated ownership of newly created capital is virtually assured, and the rich-get-richer legacy of U.S. capitalism will continue unabated.

That would show a great failure of foresight on our part, because not only will we continue to have an unworkable form of capitalism here in the United States, we will also have a form of capitalism unsuitable for imitation abroad.

We need a more hopeful model, a working model of what we would advocate for other nations. We need to be able to show people all over the world how the increasing prosperity of our private property economy spreads out and reaches Americans in all walks of life. Unless we have such a model, other nations will continue to see the false promises of socialism as a more attractive alternative.

By encouraging widespread employee ownership in the United States, we would be making good on our promise of a better life for our people and challenging other nations to do likewise. Such an approach could provide the leadership that is needed to encourage other nations to move our way rather than follow the Socialist path.

Although some nations continue to move in the direction of nationalized ownership, I do not believe that they do so because they necessarily think that State ownership will solve their problems. Rather, I see it as an act of desperation; they simply cannot think of a better solution.

State ownership has enormous drawbacks; experience has taught us that time after time. All too often, both freedom and efficiency are sacrificed in the name of equity. Yet even basic equity is sacrificed as a privileged bureaucratic elite emerges in place of the property-owning elite that socialism and communism claim they are designed to replace.

Socialism and communism are not alternatives; rather they are largely a reaction to the abuses of early models of capitalism.

A PRINCIPLED APPROACH TO FOREIGN POLICY

In recent testimony before the Finance Committee, Secretary of State Shultz suggested that what the United States needs is policies and programs "to get ahead of history." Employee stock ownership is just such a program. It not only increases the constituency for a private property economy, at the same time it undercuts the primary rationale for communism.

The path that expanded ownership takes faces in exactly the opposite direction from that taken by those who favor ownership by the State. Expanded ownership financing seeks to steadily increase the number of capital owners instead of preventing anyone from owning capital by making the State the only owner.

Employee ownership has far-reaching implications for those who share the democratic vision. By advocating employee ownership abroad, we can take a more principled approach to foreign policy, an approach that stands a far better chance than others to insure that a nation will realize its democratic ideas.

It is difficult to imagine an enduring democracy without widespread private property. Democracies are stable because people participate in them. A dictatorship—whether it be a dictatorship of the left or of the right—is unstable because people do not participate. Participation in ownership can contribute to stability by providing a broad base of support for economic and political reforms.

A principal objection to private property development is that not enough people own some of it. That has been a primary criticism of American capitalism throughout history.

Unfortunately, in many parts of the world capitalism is portrayed simply as an economic system in which a nation's productive wealth is concentrated in the hands of a privileged few.

It is a remarkably shortsighted strategy for us to expect other nations to move in the direction of a private enterprise economy when we ourselves have failed to set the U.S. economy on a sure path toward widespread capital ownership.

In an address to the American Legion convention in Washington, D.C., on February 22, 1983, President Reagan touched on this point in outlining America's foreign policy strategy. As the President explained:

There is no more damaging misconception than the notion that capitalism is an economic system benefiting only the rich. Economic freedom is the world's mightiest engine for abundance and social justice

. . . . Developing countries need to be encouraged to experiment with the growing variety of arrangements for profit sharing and expanded capital ownership that can bring ecnomic betterment to their people.

The encouragement of employee ownership abroad could become a crucial factor in the U.S. foreign policy, particularly in resolving the developmental paradox of stability versus growth. It is difficult to have economic growth without stability; yet stability is elusive without a strong economic base. And, of course, where Marxism succeeds, or is seen as likely to succeed financial capital flows out of the country, further compounding the problem of financing development.

The coupling of development financing with employee ownership could provide an environment in which assistance is more likely to succeed and in which more people in the assisted country have an opportunity to share in that success.

It has also come to my attention that Pope John Paul II issued a papal encyclical on September 15, 1981, title "Laborem Exercens" (On Human Work), that addresses this subject. In this letter to Roman Catholic bishops, the pontiff places particular emphasis on the dignity and the rights of workers and gives special attention to the question of ownership of the means of production.

In addition to defending the right of workers to form labor unions as an "indispensable element" of modern society and as a vehicle "for the struggle for social justice," the encyclical suggests that each person, on the basis of his work, should be "* * * fully entitled to consider himself as a part owner of the great workbench at which he is working with everyone else. A way toward that goal could be found by associating labor with the ownership of capital, as far as possible * * *."

This farsighted and outspoken church statesman then goes on to cite the "need for ever new movements of solidarity" and suggests that union demands "can and should also aim at correcting—with a view to the common good of the whole of society—everything defective in the system of ownership of the means of production or in the way these are managed."

American's free enterprise system has been on the defensive for 65 years in a struggle that, it seems, cannot be won with simple neutrality. If we expect other nations to follow our lead, we should take the ideological offensive. We need to demonstrate how a government can operate to insure that its working people have an opportunity to become active partners in a nation's economic progress.

If we hope to prevail over those we oppose, we need to confront them with an idea that is better. In this battle for people's minds, we must make it clear not only what we are against but also what we are for. Employee ownership is the type of idea that we can all be for.

In a democratic nation in which only a few people are citizens, the solution is not to destroy citizenship but to make it possible for all to become citizens. Similarly, in an industrialized nation in which only a few people are owners of capital, the solution is not to destroy private ownership but to make it possible for all to become owners.●

SINKING HOMES

● Mr. SIMON. Mr. President, I saw a United Press International story the other day about Mr. and Mrs. Jack Phillips, of Sesser, IL whose home is sinking because of a coal mine 600–700 feet below their home.

This Nation is going to find that happening more and more, and the sooner we face up to this problem, the better.

Some years ago, I tried to get an amendment adopted putting a tax of 3 cents per ton on coal. That money would have been set aside to pay up to 50 percent of the cost of private or public loss caused by coal subsidence.

We still need to do that.

I recognize that in the present atmosphere, such a bill could not pass, but I ask to have printed in the RECORD the story of Mr. and Mrs. Phillips, to remind us that here is a problem that has not been faced, that must be faced sooner or later.

The article follows:

FAMILY'S HOME DROPS IN ON COAL MINE

SESSER, Ill.—Jack and Stacie Phillips and their four children spent Tuesday night in a motel because their $350,000 "dream home" south of town is sinking.

The Phillips were unsuccessful in their efforts in court and before the Illinois Department of Mines and Minerals to stop Old Ben Coal Co. from using the longwall mining system in extracting coal 600 to 700 feet below their home.

Mrs. Phillips said cracks began appearing in their 2½-story, 12-room home on July 6, just four years after they moved in.

"You can stick your fist into one crack in the steel-reinforced basement and see daylight through it." Mrs. Phillips said.

Cracks have appeared in walls throughout the house, she said. One of two 60-foot chimneys is crumbling, and the other is cracking, she said.

The 108-foot-long house has dropped about six inches on the east end, and the worst is yet to come, she said. "An engineer has predicted it will drop two feet on the west end and five feet on the east end," she said.

"It's unbelievable," Mrs. Phillips said. "There are cracking, popping and ripping noises."

She said they had to abandon a building used in the grave monument business they operated on their 80-acre farm.

Springs have developed along a creek that runs through the property because of the sinking.

Old Ben uses the longwall mining system that permits almost complete recovery of coal at its No. 21 mine near Sesser in Franklin County. Old Ben, which employs about 2,000 miners, also has applied for longwall permits at three other mines it operates in the county. It says the system is more efficient and permits it to remain competitive in the coal business.

Old Ben is the only mining company in Illinois using the longwall technique, in contrast to the room-and-pillar system of mining, which leaves pillars of coal to support the roof. Subsidence in room-and-pillar is more gradual, sometimes occurring years after a mine is abandoned.

Coal industry observers in Illinois say other mining companies are watching closely the outcome of the Phillips case.

The Phillipses and their attorney, Ivan Elliott, Jr., of Carmi, contend that the mineral rights obtained by Old Ben around 1910 were based on the room-and-pilar mining system.

"They can say that it's legal for them to take that coal and disturb the surface, but I'll never believe it," Mrs. Phillips said.

The Phillipses were denied a temporary restraining order against the longwall system. Elliott said a permanent injunction request hearing is pending, as is another administrative hearing next Tuesday in Springfield before the Department of Mines and Minerals.●

ENVIRONMENTAL AND ENERGY STUDY CONFERENCE ORGANIZES TASK FORCE ON TOXIC EMERGENCIES

● Mr. GORTON. Mr. President, as cochairman of the Environmental and Energy Study Conference, I am proud to announce today the formation of a Task Force on Toxic Emergencies to examine the readiness of our local communities to respond to accidents involving hazardous materials.

We need only look to recent headlines to appreciate the increasing frequency—and the serious threat—of accidental releases on hazardous materials. A train derails in Arkansas, forcing the evacuation of 1,200. Some 10,000 are evacuated in California during a fire at a pesticide facility. Firefighters in Washington, DC are forced to let a hotel fire burn for nearly 2 hours while they await information on whether deadly PCB's are present.

The threat to our health and safety is not limited to a few high risk areas. Virtually every community in the country needs at least some level of preparation for an emergency involving hazardous materials. It will be the job of the Task Force on Toxic Emergencies to assist local communities in reaching a prudent level of readiness.

The members of the Task Force on Toxic Emergencies will work with local officials and industry representatives to assess emergency response procedures. The task force will also examine the risks posed by local manufacturing and storage facilities and by the transport of hazardous materials. The study will also review, for the benefit of the local communities involved, Federal emergency assistance programs, State programs and regulations, and private industry efforts to promote planning and training.

Most accidents are dealt with by local firefighters and police. The decisions they make in the first few minutes can often make the difference between life and death, between a quickly contained incident and severe environmental contamination. These incidents can be as difficult to control as they are dangerous. For their own safety, and for the safety of the communities they protect, it is critical that "first responders" have the information, training and equipment they need in those first few minutes.

My cochairman, Representative BILL GREEN, and I have asked the study conference's covice chairmen, Senator ALBERT GORE, JR. and Representative BOB WISE, to head the task force. Their experience with this issue both in their home States and here in Congress make them particularly well qualified to head this effort.

The task force itself is a bipartisan group representing every region of the country:

Congressman Thomas R. Carper.
Congressman Don Edwards.
Congressman Dante B. Fascell.
Senator Albert Gore, Jr.
Congressman John J. LaFalce.
Congressman Mel Levine.
Congressman Bob Livingston.
Congressman Lynn Martin.
Congressman George Miller.
Congressman John R. Miller.
Congressman Bruce A. Morrison.
Senator Claiborne Pell.
Congressman Don Ritter.
Congressman Jim Saxton.
Congressman Peter J. Visclosky.
Congresswoman Barbara F. Vucanovich.
Congressman Bob Wise.

I am proud that the study conference has initiated this effort and I look forward to sharing our findings with our colleagues.●

STAR WARS

● Mr. SIMON. Mr. President, on July 11 a large majority of the University of Illinois physics faculty and graduate students signed a statement condemning the SDI Program as being "technically dubious and politically unwise." Their hope is that their scientific colleagues across the country will refuse to accept funds to work on star wars development projects. I support the physicists' statement, and I endorse their right to petition their fellow scientists.

The physics faculty is near-unanimous in their support for this statement: to date, those who have not signed are not now on campus and no one has refused to sign. These are not people who are reacting to unfounded fears of nuclear devastation, or people who are attempting to mask their political concern with technical credentials. Their political opposition is openly stated. Their technical backgrounds and experience leads them to conclude that, however well individual components or technical systems might work by themselves, it will never be feasible to integrate such a massive undertaking in the face of Soviet countermeasures. The director of the University's new National Center for Supercomputing Applications—one of four such centers—signed on to the statement as well, warning that the kind of computer software programs necessary to make SDI work is not even close to the horizon of technological developments.

These physicists are not saying anything new. Ever since the President's proposal, qualified physicists and engineers have repeatedly argued that the kind of strategic defense sought by the President could not be achieved except through enlisting the aid of the Soviet Union. Such a proposition, however, is made ever more unlikely by the shape and direction of the SDI Program as now conceived: radical reductions in Soviet offensive nuclear arms do not seem likely, and prospective violations of the ABM Treaty ensure that both countries will not be idle as their adversary forges ahead in these new arms race technologies. The end result is a vicious cycle in which both offensive and defensive weapons are researched, tested, developed and produced. The only defense we have in the nuclear age comes to us not in the form of orbital laser battle-stations, but in our willingness to engage in political courage and negotiate fair and equitable treaties limiting and reducing nuclear weapons and weapons tests.

Mr. President, I ask that the physicists' statement be printed in the RECORD.

The statement follows:

STATEMENT ON STAR WARS

The Congress is a present considering a massive expansion of the Strategic Defense Initiative (Star Wars Program). It seems likely that large amounts of money will soon be made available for scientific research under the Program. University-based scientists are already being invited to apply for funding under this program.

We believe that the Star Wars Program is technically dubious and politically unwise. Anti-ballastic missile defense of sufficient reliability to defend the population of the United States against a Soviet first strike is not technically feasible in the foreseeable future. A system of more limited capability will only serve to escalate the arms race by encouraging the development of both additional offensive overkill and an all-out competition in anti-ballistic missile weapons. The Program will make arms-control negotiation even more difficult than it is at present. The Program is a step toward precisely the type of weapons and strategy most likely to trigger a nuclear holocaust.

For these reasons, we believe that the Star Wars Program represents, not an advance towards genuine security, but rather a major step backwards. Accordingly, as working scientists, we will not apply for or accept support from the Strategic Defense Initiative Organization, which funds Star Wars research. We encourage other sceintists and technical personnel to join us in this refusal. We hope, together, to presuade the public and the Congress not to support this deeply misguided, dangerous, and enormouly expensive program.●

NEW EXTRADITION TREATY WITH GREAT BRITAIN

● Mr. BOREN. Mr. President, in the past months the forces of terrorism—of fear and violence—have been on the increase. The forces of law and civilization have seemingly been unable to cope with the rising tide of bombings, hijackings, and killings which have swollen to over 500 incidents per year.

Far more disturbing than the actual number of terrorist attacks has been the increasing level of coordination and cooperation among terrorist groups and the nations which sponsor them. It is time that those nations which are committed to the preservation of international peace and security take steps toward working together to stop this campaign of murder and fear.

A step in this direction has already been taken with the signing of the supplementary extradition treaty with the United Kingdom. Traditionally, criminals have been able to avoid extradition by claiming that their crimes were political in nature. This exemption, meant to protect those whose only real crime was to disagree with the policies of their governments, could easily be twisted into providing a legal haven for terrorists. This supplementary treaty removes violent crimes from the list of "political" offenses and so removes the protection of the law from those who are its sworn enemies. I am pleased to see that a hearing is being held today on this constructive measure and I urge its speedy ratification by the Senate.

Mr. President, I would hope that President Reagan would continue this type of endeavor with all our friends with whom we have extradition treaties.

National frontiers must not be barriers to the prosecution of known terrorists. That is why, in a further step in this direction, I am cosponsoring S. 1373, which my good friend from Pennsylvania [Mr. SPECTER] authored, to extend U.S. legal jurisdiction to cover terrorists who attack or murder U.S. citizens on foreign territory. Thus, regardless of the attitude of the government of a country where a terrorist act occurs, the United States has a legal basis for bringing the terrorist back to the United States to face justice. It is imperative that we act now to reduce the legal obstacles to prosecuting terrorists.

We can no longer afford to lurch from crisis to crisis, each time swearing that we are now going to, once and for all, cure the cancer of terrorism and then letting our resolve and initiative slip away.

The legal framework for prosecuting terrorists and making them pay for their actions will make progress toward controlling this virulent disease. However, more international cooperation and greater national determination are needed. The democratic countries of the world must act with unity and confidence in demonstrating to these merchants of fear that there is no room for their barbaric and dastardly acts in or civilization. A long struggle lies ahead of us, but by acting

promptly and decisively, we can and shall win out.●

ECONOMIC CANCERS

● Mr. SIMON. Mr. President, I guess we all like to read things we agree with.

But David Broder's column on the cancers that we face in our economic picture seems to me so obvious, and yet it is not obvious to many in the House and Senate and to many in the administration and to many in the public.

We can continue to skip along, blindly ignoring reality, or we can face it.

Obviously, I hope we will face it and heed David Broder's advice.

Just in case my colleagues in the House and Senate have not read this hard-hitting, straightforward column, I submit it for the RECORD.

The column follows:

THE COUNTY HAS ITS OWN CANCER

WASHINGTON.—George F. Will is exactly right in saying that President Reagan's illness will save the lives of thousands of potential cancer victims by ending their procrastination in getting tests and treatment for their own cases.

If this were a rational world, it would also end the government's mindless procrastination in dealing with the problem of runaway federal deficits.

Those deficits are the cancer in our economic system, and the longer they are left untreated, the more certain and painful will be the end of our current prosperity.

It must have struck someone that four days after the President's surgery and two days after the diagnosis of colon cancer, Federal Reserve Chairman Paul A. Volcker was issuing the same diagnosis for the economy.

"When you operate on borrowed money to the extent that we have," he said in congressional testimony, "you are living on borrowed time." It is exactly the same point—indeed, almost a word-for-word paraphrase—that Walter F. Mondale made in his Democratic convention acceptance speech a year ago last week and that many others of both parties have made before and since.

There is no serious challenge to that proposition among those businessmen, bankers and economists who look seriously at the picture or, for that matter, among many of the administration and congressional officials who are struggling with it.

Yet Senate Majority Leader Bob Dole, R-Kan., one of those who clearly understands the threat, has said that the government is "surrendering to the deficit."

Dole expressed that bitter view in criticizing the unwise budget concessions Reagan made just before his hospitalization. The White House has mismanaged this year's budget process starting with the unrealistic defense spending numbers of last January and continuing up through the cave-in on Social Security cost-of-living adjustments of which Dole complained.

But there is no one so blame-free in this process that he can walk away from responsibility if it collapses—as it recurrently has threatened to do. For the congressional budget-makers to quit in disagreement would be exactly as indefensible as it would have been for the President's doctors to throw up their hands when they found the new—and cancerous—polyp.

The basic strength of the American economy is being sapped by three cancers, closely linked and feeding each other. The first is the budget deficit, brushing $200 billion a year. When added to the existing trillion-dollar-plus national debt, it guarantees that a multiplying share of each year's tax collections will be consumed simply in paying runaway interest payments on the debt.

The second cancer is the rising tide of foreign borrowing—$100 billion a year from now until at least 1990, according to the latest Congressional Research Service estimate. This year, that borrowing has made the United States a debtor nation for the first time in 70 years.

By next year, we may be the world's biggest debtor. The rapid growth of that foreign debt almost strips us of control of our own economic future. More and more of our future income will be sent abroad to pay those foreign creditors, and if they put the squeeze on us by withdrawing their funds, we could in truth be "a pitiful, helpless giant."

The third cancer is the steadily worsening foreign trade deficit, estimated by Secretary of Commerce Malcolm Baldrige in the mind-boggling $140-$150 billion range this year. That measures the inability of the American economy to hold its own in international competition. It explains why, in a time of seeming prosperity, we are continuing to lose jobs in manufacturing, and seeing industry after industry overwhelmed by foreign competitors.

None of these facts is in dispute—any more than the President's diagnosis was subject to debate. Yet we continue to be lulled by stock-market highs and summer sloth into thinking there will not be a day of reckoning.

Ignoring these economic cancers is as stupid and criminal as it would have been to say of Ronald Reagan, "Hell, he can't be sick. Look at that tan he's got."

When Reagan's problem was diagnosed, his doctors did not hesitate or procrastinate. They did the surgery. He accepted the pain and discomfiture in order to achieve what should be a cure.

Every diagnosis of our economic cancer leads to the recommendation that the budget deficit must be cut—with whatever short-term pain and discomfiture—by dealing with defense, domestic spending, entitlements and taxes.

If Reagan's doctors had shrunk from doing what his life and health required, they would have been denounced and replaced. If this administration and Congress attempt to sneak off on vacation in August without acting on the budget deficit, they deserve no better treatment.

If they—and we—can't read the message we've been sent, and summon the will to act on it, we deserve the fate we will surely suffer.●

JUDGE PICKING

● Mr. SIMON. Mr. President, one of the tasks which the Senate has is approving judges. I serve on the Judiciary Committee where that responsibility is even more pointed.

I confess, I am less than completely satisfied with the job that we are now doing. I have conveyed to members of the American Bar Association some concerns I have in this area.

Recently, I read a speech by my former colleague in the Illinois General Assembly and later my former colleague in the U.S. House of Representatives, U.S. Circuit Judge Abner J. Mikva, on the whole question of judicial selection.

It does not provide any magic formulas, for none exists. But it does contain common sense that can be helpful to us.

I ask unanimous consent that Judge Mikva's remarks be inserted at this point, and I urge my colleages to read them.

REMARKS BY U.S. CIRCUIT JUDGE ABNER J. MIKVA TO THE DISTRICT OF COLUMBIA BAR ASSOCIATION

JUDGE PICKING

At the Constitutional Convention, legend has it that Ben Franklin suggested that Supreme Court nominations be made by lawyers. Fraklin thought that lawyers would want to eliminate their strongest competitors, and so would nominate only the ablest lawyers. If a keen intellect were the only quality sought in judges, Franklin's suggestion may have had some merit. But the Convention opted for a judicial selection procedure that incorporates more than simply judgments of ability, giving the power to the President, to be exercised "by and with the Advice and Consent of the Senate."

I confess that even after my years in the Congress, I overlooked the significance and the complexities of that nomination process. I remember the day, over five years ago, that I was called by the Attorney General to tell me that President Carter was going to nominate me for one of the new judgeships on the U.S. Court of Appeals for the D.C. Circuit. I remember wondering what the President's timetable was, and how long it would be before I moved to my new offices down the street.

What naivete! At the time I thought the only cause for delay would be the period of time required for the ABA and the FBI to review my credentials and past. I saw no reason for worry—after all, I had spent 25 years in the fishbowl we call electoral politics. I had no ghosts in my closet that campaign opponents had not previously exposed. My financial affairs were uncomplicated, current and public—I was broke, but out of debt. Everything I had said and done was in the unrelenting limelight of a public forum—first as a member of the Illinois State Legislature, and then, for five terms, as a Member of the United States Congress.

The nomination process began to operate as I had envisioned. From time to time, I would hear from lawyers, former classmates, and neighbors that the FBI has spoken to them about me. I was teased by my friends in the Senate about how they would finally give me a plurality that was larger than my election pluralities of the last few years. I was asked to fill out some lengthy questionnaires for the FBI and for the American Bar Association. None of the questions were embarrassing. On the contrary, I enjoyed the opportunity to brag about past experiences that I thought qualified me for my new job—the time I had spent practicing law before I came to Congress, my law clerk days to Supreme Court Justice Sherman Minton, my oral advocacy days before the Supreme Courts of the United States and of Illinois, as well as various Courts of Appeals and District Courts.

To complete my feeling good symphony, I was a member of the fraternity-sorority we call the Congress of the United States—the Congress always did well by its own. All in all, I was feeling pretty good.

The excitement began to crumble when a friend advised me that the National Rifle Association was considering opposing my appointment. My first reaction was puzzlement—not that the NRA and I had not previously clashed. We had on many occasions. But I had not made gun control a high priority of mine for several years, even though I had continued to sponsor a bill banning the sale and distribution of handguns. In any event, I could not understand why the NRA would rather see me stay in Congress where I could raise their hackles than go to the court where I would have no influence or voice about the policy issues of gun control. When I thought hard about the role of judges, the NRA's opposition seemed to pose little threat.

Unfortunately, I was wrong. Regardless of what I had been taught and what I believed about the role of judges in deciding issues of social policy, the NRA began pressing its views. In May of 1979, the executive director of the NRA's lobbying arm announced I was "unfit for judgeship," that my views were "those of a Fascist," and my attitudes those of a "tin-pot dictator." It began to appear that he was not really for me. While I continued to receive support from the media and from friends on the Hill, the NRA was producing results. One Senator who earlier had volunteered his support, embarrassedly explained that he had not been aware of the NRA's opposition, and told me there was no way he could support me. The Senator candidly said, "You have to understand the folks back home. They would take after me with no mercy if I supported someone whom the NRA opposed." The same scenario unfolded in Senate office after office. I became a household word in little towns in Mississippi and Montana and Idaho.

The story came out all right for me. The Senate gave me an enthusiastic sendoff, by a vote of 58 to 31—I was confirmed. Not quite the overwhelming plurality I had anticipated—but better than any constituents had given me in Congress. The NRA reportedly spent a million dollars in their effort to prevent my confirmation. But the memories of that battle, and the oddity of single issue opposition to a candidate for a nonelectoral role has remained close. Unfortunately, the process is neither new nor diminished. Indeed, the current political challenges to important constitutional cases—abortion, busing, prayer in the schools,—have caused the selection of judges to become a hot political issue. In the last campaign the Democratic candidate tried to make Supreme Court selections a capaign issue. While it didn't fly, it did focus some attention on the institution—and how it gets its judges. In 1980, the Republican party included in their platform a plank pledging to "work for the appointment of judges at all levels of the judiciary who respect traditional family values and the sanctity of innocent human life."

This new, or revived attention is beginning to make a difference. Take, for example, Joseph Rodriguez, New Jersey's Public Advocate. Following his nomination, he was subjected to a test of his "liberal" philosophies. Some members of the Senate Judiciary Committee sent an eight page questionnaire to Rodriguez, asking him to spell out his opinions on the Equal Rights Amendment, abortion, the death penalty and school prayer. The questions did not address Rodriquez's general philosophy, but rather sought answers that would indicate the way Rodriguez would decide cases that raised certain issues.

For example, question 9 asked:

"Is it unconstitutional for state or local governments to give tuition vouchers to parents of all children who attend nonpublic schools? Does it make any difference whether most of these children attend religious school, provided that the law makes no distinction between religious and nonreligious schools?"

Another question asked:

"Keeping in mind that unions are private associations rather than governments, do you think that the granting of exclusive representation powers to unions by the National Labor Relations Act is unconstitutional?"

The Senators also sought a list of all political contributions Rodriguez had ever made as well as a list of all organizations to which Rodriguez had ever belonged. Rodriguez deftly filled out the questionnaire without answering a single question. Suprisingly, the Senators backed off, possibly sensing that the questionnaire raised more serious questions about judicial independence than about Mr. Rodriguez's qualifications. Rodriguez was eventually confirmed.

One local nominee was blocked, however, even though his professional credentials were impeccable, and even though he had performed brilliantly in a public office, building a deserved reputation as a hardliner in the criminal justice field—because he had contributed to gun control organizations and financially supported pro-choice candidates for public office. Another potential judicial nominee was shot down early, even though both of his state's Senators supported him, apparently because he had served too well as a public defender.

Is this substantive screening by the Senate and by other political forces a new phenomenom? Only since 1795. George Washington was unable to obtain the confirmation of one of his nominees to the Supreme Court for interesting reasons. Washington nominated former Justice John Rutledge for Chief Justice of the United States. Rutledge had left the Court before the seat of the Chief Justice became open. Washington nominated Rutledge to the Chief Justice position, and assumed that his nomination of the man who was an author of the Constitution as well as a former Supreme Court Justice would meet no resistance. The Great Communicator of his time had enjoyed remarkably successful relations with the Congress, and had every reason to assume that Rutledge would be the new Chief Justice.

Unfortunately, a few weeks after his nomination, Rutledge attacked the Jay Treaty, which was designed by Washington to ease tensions with Great Britain. To the Federalists, who strongly supported the treaty, Rutledge's opposition called into question his views on foreign policy—whatever that had to do with his capacity to serve as Chief Justice of the United States. After a bitter debate, the Senate refused to confirm Rutlege.

The desire to install likeminded judges also transcends party and political labels. During the confirmation hearings of Justice John Paul Stevens, Senator Kennedy pressed Stevens for his views on numerous topics. At one point he asked: "As a private citizen, what are your views on the Equal Rights Amendment?" Contrast this to question 11 of the questionnaire sent to Rodriguez which asked: "Would you give your present personal opinion with regards to the Equal Rights Amendment?"

Like the Equal Rights Amendment, the question of race has been raised at confirmation hearings by people on both ends of the political spectrum. Harold Carswell's name did not make it through the Senate once his 1948 campaign pledges to support white supremacy surfaced. Taking a different view of race relations, some Southern Senators delayed the confirmation of Justice Potter Stewart for four months in 1959 after he admitted to the Judiciary Committee that he had no intention of voting to overturn *Brown* v. *Board of Education.*

Is this a politicization of the Court system? Is it bad? Is it new, or getting worse? Is it avoidable? The answers are as complicated as the interplay between the three branches of government, and I cannot give you any precise answers. Let me give you instead some highly *obiter dicta.*

First of all, the questions raise another question. What kind of a judiciary do we want? The major pronouncements of our federal courts—the ones that most directly affect the social and economic life of the nation—those decisions unavoidably have political impact. Over 100 years ago, Alexis de Tocqueville commented that "there is hardly a political question in the United States which does not sooner or later turn into a judicial one." We expect judges to be impartial, but our courts are not isolated from the political domain.

The Washington Post once ran an editorial deploring the view that a person with political beliefs is unfit to serve as a judge. The Post suggested that if we really want to avoid judges who have been exposed to politics, we should breed a class of judges. These judges would be selected in early childhood, trained to make decisions as Little League Umpires, and would be shielded from the pressing questions of our times. The editorial pointed out that this system might well improve the quality of baseball umpires but it would not do much for the judiciary.

We do not want judges who are completely devoid of political content, for that means they have spent no time in the mainstream of American life and have no connection with the hearts and minds of the American people. Being detached from day-to-day partisan affairs is one thing; being wholly divorced from the world of real people is something else. Judges need to know something about legal theory, but they also need to know something about the real world. Justice Rehnquist recognized this when he said:

"Proof that a Justice's mind at the time he joined the Court was a complete *tabula rasa* in the area of constitutional adjudication would be evidence of lack of qualification, not lack of bias."

If we acknowledge that politics and the judiciary have some enduring connection, why not use litmus tests—like abortion, prayer in the schools, the Equal Rights Amendment—to determine the political leanings of potential judges? Many people argue that litmus tests are simply a new way of doing what Presidents and Senators have always done. The problem with litmus tests is that they aim at much more than just an assessment of political views or preferences.

A president may certainly nominate judge who share his world view. What a president may not do is use the nomination process as a means to amend the Constitution or recast

important constitutional precedents. A President may want judges who start out sharing his values. What he ought not seek is judges who forget or are willing to forego the anti-majoritorian purpose of the Bill of Rights. During the 1980 Presidential campaign, then-candidate Reagan said:

"Time and again in recent years, we have seen the Supreme Court override public opinion concerning school prayer, forced busing, the treatment of criminals . . . There must be new justices on the Court, women and men who respect and reflect the values and morals of the American majority. I pledge to make such appointments."

President Reagan's goals in appointing Justices are very similar to those of President Roosevelt when the Supreme Court began to strike down his New Deal Legislation:

"[If the Supreme Court strikes down the Wagner Act, the Social Security Act, and other pieces of New Deal legislation], Congress can enlarge the Supreme Court, increasing the number of justices from nine to twelve or fifteen."

While the specific court packing plan FDR proposed died aborning, FDR did get to appoint Justices who shared his New Deal views, including Hugo Black. Justice Black met opposition from all quarters when he was nominated, due to his advocacy of New Deal legislation while a Senator and his alleged membership of the Ku Klux Klan as a young lawyer in Alabama. Upon Black's confirmation, former President Hoover remarked, "The Court is one-ninth packed." The media was equally critical of Black: the Chicago Tribune dubbed his nomination "the worst [the President] could find," while the New York Herald Tribune called it "a nomination as menacing as it is unfit." We all know that Justice Black went on to a long and distinguished career of confounding his critics. The line we are concerned about in judicial selection is between a judge who constantly remembers who appointed him and a judge who remembers that popular decisions can be made easily by the popular branches of government, but that his function is to protect minority rights from majority passions. By minorities I mean not only racial, religious and political groupings—I include every defendant in every criminal case—by definition a minority is one who the public-square judges of the French Revolution would guillotine first and try later. Think of any important criminal law precedent where a constitutional right was upheld. Every one of these cases would have been decided differently if the decision had been by referendum—Miranda, Monte Durham, Mapp versus Ohio, Escobedo, Gideon.

And that is why the Senate, as the reflector of popular will, must also be circumscribed in its inquiries. What the Senate ought not do is determine, through questioning, a nominee's views on emerging constitutional doctrine, on issues likely to face courts in the near future. Why? Because these questions are really a signal to a nominee that he will become a judge only if he promises to be obsequious, to be a yes man to the powers that be. During Justice Thurgood Marshall's confirmation hearings, he was asked by Senator McClellan whether society must always sacrifice its security and safety in order to provide every conceivable right to suspects in criminal cases. Marshall answered that he did not believe that a society should give up its security. The question may have sounded innocent, but Senator McClellan's rejoinder makes clear that it was intended as a sharp warning to Marshall to cut back on the rights of the accused; Senator McClellan told Marshall:

"I hope that [belief] will have some influence with you, as you weigh some of these cases. It is one man's decision that often determines what the Constitution is."

The Constitution clearly does not permit the judiciary to be a subdivision of the Senate, nor judges to serve as inferior officers to the President. Just as the President must not seek to impact the independent and frequently unpopular judgments of the judges, the Senate also cannot use its confirmation power to create judicial I.O.U.'s. Justice Rehnquist has said that:

"For [a nominee] to express any but the most general observation about the law would suggest that, in order to obtain favorable consideration of his nomination, he deliberately was announcing in advance, without benefit of judicial oath, briefs, or argument, how he would decide a particular question that might come before him as a judge."

I am also disturbed by another message of these judicial I.O.U.'s. I think that when we ask prospective judges their views on an issue likely to arise in the future, we are locking those judges into a position. Today's litmus tests tell nominees that when the question is abortion, the answer is no, and when the question is prayer, the answer is yes. Do we want judges who have decided the outcome of a case even before looking at its facts? Do we want judges who disregard statutes and regulations to reach a particular result? The constitutional prohibition on advisory opinions tells us that justice is achieved by well-informed, concrete decisions, rather than by mere hypothetical speculation.

There is still another defect to the litmus test approach to picking and confirming judges. The test is always about a single ailment—a single cause. It tells you little about the rest of the corpus. What must be avoided is the selection of a nominee based solely on how he or she would decide a particular issue. Judges are appointed for life. No one can really predict what issues will be important in ten or twenty years. Andrew Jackson wanted to appoint a justice who would oppose the Bank of the United States. He found him in Roger Taney. Twenty years after President Jackson left office, Chief Justice Taney was still around to author the Dred Scott opinion. President Jackson's appointee almost succeeded in throwing out the Union with the Bank.

I would like to raise one last difficulty with the overinvolvement of popular concerns and institutions in judicial selection. We can agree that Judges and the appointment process are not without political content, but to be effective, courts must operate outside of the political sphere. There is a tendency, I think, to become so mesmerized by the awesome trappings of the judiciary and its historical power that we overlook just how fragile the court's power is. The legislature controls the money, the executive the army; all the judiciary has is its own moral authority. The Supreme Court's mandates are obeyed not because of police in the streets but because of public perceptions of the Court's legitimacy. When the Court is perceived as an apolitical, wise and impartial tribunal, the American people have evinced a willingness to abide by its decisions. But if the Court is viewed as simply a Congress in black robes, the Court's ability to perform its constitutional function is threatened. Former ABA President William Reece Smith, Jr. said:

"Attempts to politicize the judiciary lend legitimacy to the notion that federal judges make the law solely according to their own private viewpoints and prejudices. . . That implication . . . confounds the public's perception of the legal system and encourages disrespect of the vital role that judges play in our government."

What should a wise President and a forebearing Senate do in the best of worlds? I believe close examination should be made of a potential jurist. As Senator Ervin once remarked about nomination hearings:

"[If the Senate] ought not to be permitted to find out what [a nominee's] attitude is toward the Constitution, or what his philosophy is, [then] I don't see why the Constitution was so foolish as to suggest that the nominee for the Supreme Court ought to be confirmed by the Senate."

It is perfectly fair for presidents and senators to seek judges who share their view of the role of government in American life, who in the long run will do what presidents and senators believe is best. But to assess this compatibility, it is not merely unnecessary, it is patently offensive, to ask of a potential judge what he or she will decide in a future case. Nominees usually have made a public record, whether in past decisions, in writings, or in speeches. I do not believe there is an inherent impropriety in a nominee appearing before the Senate Judiciary Committee, although until fairly recently, nominees, including my former boss, Justice Minton, regularly declined the invitation. Some limits on a nominee's questioning by the Committee are required. Perhaps Felix Frankfurter, in refusing to answer certain questions in his confirmation hearings, said it best:

"My attitude and outlook on relevant matters have been fully expressed over a period of years and are easily accessible. I should think it is not only bad taste, but inconsistent with the duties of the office for which I have been nominated for me to attempt to supplement my past record with present declarations."

Justice O'Connor, at her 1981 confirmation hearings, was asked a litany of abortion-related questions. Numerous Senators attempted to extract her views on abortion in general and the Supreme Court's decision in Roe versus Wade in particular. Justice O'Connor consistently refused to respond to these inquiries, believing them to be beyond the scope of permissible questioning at a confirmation hearing. Justice O'Connor's approach seems to have been fair and correct: the Court's integrity remained intact, and she was confirmed by a vote of 99 to 0.

The litmus test, then, of a good appointment and confirmation procedure is restraint. There ought to be executive restraint—while the President is entitled to appoint people he likes and respects, he ought not exact or expect any pledge of fealty to the Chief. Some of the best of Justices and judges have confounded their appointees, whether we talk of John Marshall or Earl Warren, or William Brennan. There ought to be Senatorial Restraint. The Senators may have understandable curiosity about the candidates views on the hot issues of the day. They can look but they better not touch. As Senator Eastland said, "If the nominee thinks that the question is improper, he can decline to answer. And that when he declines his position will be respected." Satisfying a Senator's curiosity is not the way to enhance judicial independence.

And the nominees themselves must exercise restraint. Knowing which questions are

properly posed to a nominee, and which are not, is perhaps the best litmus test of the qualities we want in a judge—the ability to judge and the exercise of good judgment. What a nominee will decide in a particular case tells us nothing about the nominee's judgment. But the refusal to respond to improper questions, invoking, as Senator Ervin once said, the "judicial fifth amendment," tells us that this nominee possesses the independence and courage we ought to want in our judges. And history tells us that when Senators display restraint and respect, and when nominees display good judgment, confirmation will not be denied. Felix Frankfurter, Sandra Day O'Connor, Thurgood Marshall, and Joseph Rodriguez all refused to answer certain questions; all were confirmed.

Mostly, we come back to the questions of the beginning. Do we really want a "popular" judiciary? Do we want a judiciary that has no strong views on anything, except the importance of being confirmed? I think not. What we want are women and men with integrity, with wisdom, with good judgment, and with the strength to take unpopular positions. I think that nominees who would answer the current breed of litmus tests lack these necessary qualities. Perhaps we can all take a lesson from Judge Bork of the D.C. Circuit. In a recent interview published in the District Lawyer, he was asked whether he could identify any Supreme Court doctrines that he regards as particularly worthy of reconsideration in the 1980's. His response? "Yes I can, but I won't." I think Abraham Lincoln would have liked Judge Bork, and not just because they both spent their formative years in Illinois. When Lincoln sought to appoint a Justice, he wanted a person with certain views, but he knew better than to ask. Instead, Lincoln said:

"We cannot ask a man what he will do, and if we should, and he should answer us, we should despise him for it."●

PARENTS EDUCATING PARENTS

● Mr. NUNN. Mr. President, I would like my colleagues to know of a special recognition received by the Parents Educating Parents Program of the Association for Retarded Citizens of Georgia. On June 11, 1985, PEP received a Distinguished Service Award from the National Council on Communicative Disorders [NCCD], which is 22 national professional and consumer organizations concerned with communicative disorders. NCCD seeks to provide recognition to companies, unions, organizations, and individuals who have made outstanding contributions to the cause of improving the lives of individuals with communicative disorders. These disorders cover a very wide range of conditions from the loss of language which can follow a stroke, to hearing loss which affects millions of Americans, to the communicative problems of individuals who have had their larynx or voice box surgically removed and to individuals with cleft palate, cerebral palsy, and many other conditions which affect the ability to communicate in society. PEP received the award for the important work they do in educating parents about the handicapping condition of their child, about the school's responsibilities, and about appropriate professional services.

I am pleased to have been involved with the Association for Retarded Citizens of Georgia for a number of years, and I am especially glad that NCCD has given national recognition to Parents Educating Parents, a project that Georgians have been proud of for quite some time. I would like to commend Mildred Hill, the executive director of the ARC of Georgia, and Bonnie Webb, the coordinator of Parents Educating Parents, for their hard work and dedication to assisting children with disabilities. Parents Educating Parents is a statewide project that is funded by a grant from the U.S. Department of Education, Department of Personnel Preparation, to provide information and training to parents of handicapped children. Approximately 75 to 90 percent of the targeted parent population have children with some type of communicative disorder. Through a newsletter, the Education Update, and a series of annual workshops, Parents Educating Parents shares information with thousands of concerned parents and professionals in Georgia, other States, and seven foreign countries.

In the past, the NCCD has provided awards to Bell Laboratories for their research accomplishments in computer responses to speech, to Johns Hopkins University Applied Physics Laboratory and the National Science Foundation for conducting a national search for applications for personal computing to aid the handicapped, and to the National Head Injury Foundation for focusing national attention on the problem of head injuries.

In addition, they have provided awards to Malcolm Fraser, a successful businessman and stutterer who created the Speech Foundation of America, to the Trace Center at the University of Wisconsin for its research and development of computer assisted communication for severely handicapped individuals, and to the Cerebral Palsy Research Foundation of Kansas for its multifaceted work in the provision of services to thousands of multiply handicapped young adults in Kansas. This award was presented last year by my colleague, Senator NANCY KASSEBAUM, who is very familiar with this center and its director, John Jonas.

NCCD has also recognized Gov. William Winter of the State of Mississippi for his work in improving that State's educational services. NCCD tries to particularly highlight the contribution made by businesses in providing greater access and accommodation to individuals with communicative disorders. It has honored IBM for its long-standing commitment to hiring the handicapped as well as to Union Carbide Corp., Nuclear Division, and Integrated Microcomputer Systems, Inc., of Rockville, MD. All of these companies have fine records in seeking out, hiring and accommodating to the needs of individuals with communicative disorders.

NCCD has also provided for individual recognition to persons who can provide all of us with a model for overcoming one's own disabilities. The winners in this category have included Clyde Cochran Berger, who is a elderly gentleman who grew up in Kansas with cerebral palsy and struggled to complete his education. Mr. Berger is a speech-language pathologist at the Institute of Logopedics in Wichita, KS, and an active writer and speaker describing to others his own struggles and accomplishments. In 1983, the award was given to Ross Milheiser, a top executive with Philip Morris, Inc., who provided access for employees of Philip Morris to effective treatment for stuttering and who was the creator of a film on the problems faced by stutterers in society and the rehabilitation services that are available. Winners in 1984 included Geri Jewell, the actress-comedienne, and Ken Levinson, an accounting executive with Northrop Corp., an advocate for deaf individuals.

At the awards banquet for 1985, Hyatt hotels was recognized for their program of providing television captioning equipment in all 75 of their hotels to facilitate the mobility of hearing impaired travelers. Also receiving an award was AT&T for their efforts in accommodating to the needs of handicapped employees and providing leadership in the accommodation that employers can make to workers with communication impairments. The United Auto Workers was also awarded for their successful efforts in achieving the first nationally negotiated labor union contract to cover both hearing aids for all of their workers and retirees and speech-language pathology services for the children of their employees.

Receiving the award for outstanding individual accomplishment in overcoming a handicap was Mrs. Esther Kratzer Everett of Williamsville, NY. Mrs. Everett had her larynx surgically removed but has learned to speak both with and without an electronic assistive device. In spite of the laryngectomy, she serves as president of her own insurance, investment, and real estate firm and is vice chairman of the New York State Republican Party and president of the New York State Federation of Republican Women. She is an active speaker and advocate for the employability of alaryngeal speakers and is truly a model for other individuals who must suffer this type of operation and who fear for how they can continue to communicate as effective-

ly as they did before this type of surgery.

Mr. President, I am very proud that Parents Educating Parents was welcomed into this impressive list of organizations and individuals. The awards program of NCCD is meant to provide recognition for the very hard work that is being done by thousands of individuals around the country to make sure that individuals with speech, language, and hearing handicaps are fully integrated into the mainstream of American life. This involves a great deal of both public and private activity. In the public sector, the National Institute of Neurological and Communicative Disorders and Stroke, part of the National Institutes of Health, plays a leading role in providing for basic research in this area. The Department of Education's Office of Special Education and Related Services led by Assistant Secretary Mrs. Madeleine Will plays a crucial role in providing for a range of activities for those with communication impairments in our Nation's schools. The Medicare and Medicaid Programs also have crucial roles to play in getting services to these individuals. I congratulate NCCD on bringing to our attention those corporations and unions and other organizations who are actively involved in doing what public programs are often unable to do.

The member organizations of NCCD include: the American Speech-Language-Hearing Association; the Academy of Rehabilitative Audiology; the Division of Children With Communicative Disorders, Council for Exceptional Children; the National Association for Hearing and Speech Action; the Council of Graduate Programs in Communications Sciences and Disorders; the Alexander Graham Bell Association for the Deaf; Speech Communication Association; National Easter Seal Society; the Association for Children and Adults With Learning Disabilities; the National Black Association for Speech, Language and Hearing; the National Council of State Boards of Examiners for Speech-Language Pathology and Audiology; the Society of Medical Audiology; the Association of Service Programs in Communicative Disorders; Consumers Organization for the Hearing Impaired; the National Council on Stuttering; the American Society for Deaf Children; the Orton Dyslexia Society; Self-Help for Hard of Hearing People, Inc.; Psi Iota Xi; Audiological Resource Association; the American Association for Mental Deficiency; and the National Head Injury Foundation.●

MEDICAL RESEARCH

● Mr. SIMON. Mr. President, I was in the State of Oregon the other day to attend my high school reunion. High school reunions are both a joyous occasion and a dramatic reminder that time is moving on all of us.

While I was there, I read an inspiring story in the Eugene Register-Guard about a Mrs. Jan Brehm and her unusual conditon in which her brain is manipulated by a certain biochemical condition to cause panic attacks.

I am inserting the article in the RECORD for my colleagues to read.

But it reminded me that either the Federal Government or some drug company had to do research to make possible this family having hope.

Those who would reduce our research dollars, whether it is for the National Institute of Mental Health, or for systic fibrosis, or arthritis, or any one of a host of problems our civilization still faces, are doing a great disservice.

While I was at the high school reunion, I learned that two of the members of our classs are now fighting the battle against cancer. What if we spent a few dollars less on weapons of destruction and a few dollars more on cancer research? Would we be better off? Of course we would.

I am grateful to Bill Bishop, the reporter who wrote the story, and to Mrs. Brehm and her family and to her psychiatrist, Dr. Tom Foster, who noted the condition. I want future generations to be appreciative of our efforts to conquer sickness and disease. I do not want future generations to look back and say, "These were leaders of little vision."

Mr. President, I ask that the article to which I have referred be printed in the RECORD.

The article follows:

[From the Register-Guard, Eugene, OR, July 20, 1985]

ILLNESS SPURS PANIC BOUTS FOR VICTIMS

(By Bill Bishop)

One minute, Jan Brehm was immersed in the routine of dinner dishes in the kitchen of her Eugene home.

Moments later, she was running around the block—adrenaline pulsing through her shaky, sweaty body—fleeing in panic from nothing at all.

Brehm, 31, suffers from panic disorder.

Because of a biochemical condition, her brain triggers full-blown panic reactions for no apparent reason at all. Luckily, medication can correct the problem, and Brehm was able to get help soon after her first panic attack last October.

Since then, though, she has heard of other cases that have gone untreated for years and now she openly discusses her condition so that others who have panic disorder may seek help.

"It is the most frightening thing I've ever been through," says the 31-year-old mother of two. "The worst part is, you think you are losing your mind. You think you are going crazy. You think you're mentally ill. But you aren't. It's physiological. I am one of the fortunate ones who got help early. Many people don't get help because they are so afraid."

Help, for Brehm, is a tiny purple pill called Xanax. It is one of several medications that correct the chemical imbalance that triggers panic disorder. With Xanax, Brehm's life has returned to normal, except for one relapse in July after she began to cut down on her dosage.

"The drug does not make you feel good; it's not an upper, it's a normalizer," she says. "You can still feel all normal emotions. But it (the brain) just does not trigger the panic."

Sufferers of panic disorder who go without treatment frequently develop phobias that amplify the effects of the disorder, says Dr. Tom Foster, a psychiatrist at the Eugene Hospital and Clinic.

"I would guess there are a lot of people out there who are suffering and who aren't coming forward," Foster says "This is part of the larger problem of all psychological distress. It's a stigma that our culture has on all psychological matters. We have this idea that these things are not real conditions, that they are not equal to 'real' illness.

"I can think of several people who went five, six, seven years from the onset (of panic attacks) until the time they got something done about it."

The disorder has been described and recorded throughout medical history. It was called "Soldier's Heart" during the Civil War, Foster notes.

But only in the past five years have researchers begun to understand the disorder and to develop treatments.

"I think five years ago it was less well-understood and therefore, less diagnosed," Foster says. "There is something different, biologically, about these people.

"The statistics vary about what percentage of people have this," he says. "According to the people doing the research, the disorder is apparently common. They report good success (in treating the disorder). This is a condition with hope to it. You can make a difference. No one, of course, can promise, but it's not a pessimistic condition at all. People often have substantial improvement (after treatment)."

Foster says the difference between panic attack and normal anxiety is like the difference between a thunderstorm and a lawn sprinkler. The jitters you might feel before speaking in public won't even register on the panic attack scale.

"The panic attack is a very intense, attack-like wave of both physical and psychological symptoms," he says. "The attack will last several minutes, rarely longer. The person will have a tightening in the chest. They will sweat. They will have trouble breathing. They will just feel awful. At the same time, they often will feel like there is impending doom. They feel like they are going to die, that they are going crazy, that they are losing control. It looks like what it sounds like. Imagine the worst thing you can; this is it. The big one. The end. It's really bad."

After the attack subsides, the sufferer will continue feeling upset, edgy, anxious and depressed. Because of the intensity of the experience, sufferers of panic disorder frequently are ashamed of their behavior and refuse to seek help. Some of them develop agoraphobia; they stay away from places or situations that have triggered panic previously or may trigger it.

Sometimes the agoraphobia becomes so dominant that the sufferer will refuse to leave the house, to mingle in crowds or to go anyplace from which they cannot easily flee if panic sets in, Foster says.

"For some reason we don't understand well, there is a female predominance—80 percent of the persons with this were women. The onset (of attacks) can be between the ages of 15 and 35," says Foster, who estimates he has treated 75 to 100 panic disorders in his nine-year career.

"A friend of mine goes through it real bad," Brehm says. "She's gone through it for five years. She used to call me, crying, and I used to say to her, 'Get yourself together. You're in control of your life,' and all those kinds of things. And she would say to me, 'You will never know the pain of this until you experience it.'

"My faith has had a lot to do with this. At first I thought God had dealt me a bad card. I believe in healing and I realize that He is using this to bring out good in my character. I believe the suffering has caused more good than bad for me because it has given me compassion for the people who go through it," Brehm says.

The disorder also drew her closer to her husband, Chris.

"It was real hard for him," she says. "He had to handle the kids. He had to take care of everything. In a way it has brought us much, much closer because I am so strong and independent and I've always been that way. All of a sudden, when I was sick, I was so dependent on him and it did a really neat thing in our relationship."

On top of the added family duties, Chris also had to cope with his wife as she worked her way back to normalcy.

"You can't really expect the person to get well on their own," he says. "You can't put that much pressure on them. You find yourself frustrated."●

FRESH THINKING AND THE ILLINOIS ECONOMY

● Mr. SIMON. Mr. President, for our Nation to compete on the international trade scene, we need to encourage people to think creatively. For our domestic economy to thrive, we need innovation and fresh thinking. In a weekly column I write for newspapers in my home State, I have told about a man who keeps coming up with new ideas at an age when others have retired from inventive thinking. I ask that the column be reprinted in the CONGRESSIONAL RECORD.

The column follows:

FRESH THINKING AND THE ILLINOIS ECONOMY

On July 15, one of my neighbors in Southern Illinois will turn 89. We can all learn from him.

He is Wayman Presley, who retired at age 65 as a mail carrier and started a travel business in rural Southern Illinois. It is now the fourth largest travel agency in the nation, doing many millions of dollars worth of business each year.

But that is not what is remarkable about Wayman Presley. He is one of the most creative persons I know. He erupts with ideas like Mt. St. Helens erupts with lava. Some are good; some are not so good. But the flow continues, and if you separate the good from the not-so-good, the result is fresh thinking on a whole range of subjects—thinking that is tempered with the wisdom that only time can provide.

His latest idea I at first dismissed as one of his weaker ideas, but there is a good possibility I was wrong.

This idea grew out of his childhood.

When he was a boy he would run a stick along a picket fence and he found he could count the clicks, even when he ran full-speed along the fence. He found he could count the stitches as his mother worked on a sewing machine. And in some way that he did not understand—and still does not—he found it helped him with his school work.

He has invented a simple plastic "Klickerstick" where students can do the same. He tested it with some students and it helped their school work.

A group called Applied Research Consultants had Professor Jack McKillip of Southern Illinois University test it.

They tested 508 fourth and fifth graders, half of whom used the Klickerstick and half of whom did not. After five weeks, the users tested 16.2 percent better than the nonusers, and a year later they tested 29.3 percent better.

Listening scores were much higher; logic was somewhat higher; and self-esteem had grown more.

Why?

I don't know the answer, nor does the professor at SIU, nor does Wayman Presley.

I am asking the National Institute of Education, the nation's federal education laboratory, to do further evaluation. It could be that Wayman Presley at the age of 88 has made his most significant contribution.

But even if it should not work out, Wayman Presley's example of thinking creatively is what we need as a nation, and what we particularly need in Illinois.

It is easy for a nation or a state or individual to "get in a rut."

We did not get a man to the moon by sticking to all of the old ideas; we had to venture forth.

If the United States is to stay competitive with the rest of the world, if we are to provide jobs for people, if we are to improve the quality of our education, part of the answers will come from new ideas, from fresh thinkers, from the Wayman Presley of this nation.

I'm proud to have him as an Illinois citizen.●

CABLE COMMUNICATIONS POLICY ACT OF 1984

● Mr. GORE. Mr. President, I was one of the cosponsors of section 705 of the Cable Communications Policy Act of 1984. I worked closely with Senator GOLDWATER, Congressmen ROSE and TAUZIN and others, to include this section which was intended to promote the greatest possible public access to the benefits of satellite technology.

I have been informed recently of two satellite program services, CNN and ESPN. At these prices home Earth station viewers are being charged a 1,000-percent markup over the price that cable television operators pay for these same signals. CNN and ESPN cite section 705 of the Cable Communications Policy Act of 1984 as support for their actions.

These marketing plans conflict directly with Congress' intention that marketing plans adopted pursuant to section 705 be the result of "good faith marketplace negotiations" for the development of a system for the sale of unscrambled signals to home satellite Earth station owners. There were no negotiations.

There can be no doubt that such negotiations are required. The committee report made clear Congress' intention concerning systems for marketing unscrambled signals:

Authorization for the viewing of unscrambled signals ". . . is made available pursuant to a marketplace negotiation. (House report H.R. 4103)

In my floor statement accompanying the introduction of that legislation, I also reiterated the requirement for marketplace negotiations:

The intention of the legislation is not to force programmers to establish a marketing program for home earth stations, but to make it clear that nothing in the legislation is meant to foreclose the establishment of a marketplace for the selling of such programming to home Earth station users in negotiations between parties . . . it must be done in good faith and not as a mechanism to deny home viewing of the satellite-delivered television programming.

The cosponsors of the Cable Communications Policy Act also made the requirements of marketplace negotiations plain:

It should be emphasized that the intention of section 705 is that if there is a marketing plan for unencrypted signals, it will be the result of good faith marketplace negotiation for the programming. The plan cannot be unilaterally imposed." (Senator Barry Goldwater—Chairman, Senate Communications Subcommittee)

. . . I believe that programmers can negotiate fair arrangements should they wish to market unscrambled signals. But no unrealistic or sham marketing plan can be tolerated. . . . (Congressman W.J. (Billy) Tauzin)

I believe Congress should keep an eye on this issue to make sure the paramount interest of the public in viewing of satellite television is not abused. My understanding is that any marketing plan must be negotiated in good faith and realistically designed to facilitate authorized viewing. (Congressman Charlie Rose)

It appears that satellite program suppliers are being coerced by cable television system operators to scramble satellite signals as soon as possible to stifle open competition between cable and the Earth station industry. CNN and ESPN have "offered" plans which would, effectively force home Earth station viewers to pay unreasonable fees to watch unscrambled signals as a prelude to scrambling.

I know that one or more trade associations or other representatives have been willing to negotiate a payment plan for the sale of satellite programming signals to the home Earth station viewer—it is appropriate that the parties be paid. But CNN and ESPN have chosen to ignore these representatives and seek to impose a marketing system adopted without any negotiation.

I am disappointed at the approach both CNN and ESPN have taken toward home Earth station viewers, particularly in light of the clear re-

quirements of section 705. Consensus on the language included in section 705 was reached only after exhaustive negotiation with representatives of satellite programmers, cable interest and home Earth station users. It is a compromise of individual industry self-interests to benefit the public interest. The actions of CNN and ESPN seem to be a substantial breach of the good faith compromises which made possible the adoption of the Cable Communications Policy Act. It is my opinion that the marketing systems these programmers are attempting to impose unilaterally on home satellite Earth station viewers are inconsistent with section 705 of the Communications Policy Act, and therefore are invalid and have no effect.●

REMEMBERING ADLAI STEVENSON

● Mr. SIMON. Mr. President, nearly 30 years ago, Adlai Stevenson stirred many in this country when he challenged Dwight Eisenhower for the Nation's highest office. Later, he represented this Nation well as Ambassador to the United Nations. Through his years of public service, including those as Governor of Illinois, Adlai Stevenson was an example for all of us and he sparked an interest in politics among many of those unmoved to that point by the political scene. In a column I write for newspapers in my State, I have recognized Adlai Stevenson for his contributions on the 20th anniversary of his death. I ask to have that column reprinted in the CONGRESSIONAL RECORD.

The column follows:

REMEMBERING ADLAI 20 YEARS LATER

In July, the nation noted the 20th anniversary of the death of Gov. Adlai E. Stevenson, father of the former senator of the same name and the most prominent Illinois citizen on the national scene since Abraham Lincoln.

Looking back through those years, what did he contribute?

I speak with some prejudice since I had the good fortune to work with him a little. I was never part of any "inner circle," not a prominent player on his stage, but a bit player on the edges who had the chance to see and observe.

We are still too close in time to make many sweeping judgments, but a few conclusions can be safely drawn.

He contributed a "style" that brought into political life a whole generation of political leaders.

How often I have heard people say, "I got interested in politics after listening to Adlai Stevenson speak." He did it in the same way his rival and friend John F. Kennedy did. Both brought a sense of wordsmanship, challenge and vitality that appealed to many who were not turned on by the politics they had seen up to that point.

In a post-war period when there was a tendency on the part of many Americans to turn inward, to ignore the rest of the world, he spoke with an uncommon vision and understanding. He told us that the future of this nation would be increasingly entwined with the fate of other nations.

He spoke about arms control when we vaguely understood—but did not really understand—the immensity of the nuclear weapons power we would soon be amassing. He told us the course we were on—and are on—can only lead to the end of civilization. We listened a little; not enough.

As governor he practiced a combination of common sense and compassion. And he spoke about them as a national leader.

In the decades preceding Adlai Stevenson, Illinois had not been blessed with many honest governors. But to catalog him simply as an honest governor is to understate his leadership example.

Yes, he did order the state police to finally crack down on massive gambling and prostitution that many local officials around the state were paid to ignore.

But he also vetoed appropriations that were excessive and fought for programs that improved educational opportunities and helped the most disadvantaged in our society.

Perhaps it can be summed up by saying he appealed to the best in all of us.

Leadership can either pander to your fears and to the selfish that is part of all of us, or it can dream dreams and escalate hopes and make us work for those hopes, and we are better for having made the struggle even if we do not achieve all of our goals.

His funeral service was in a small Unitarian church in Bloomington, Ill. In a few benches sat the most powerful figures in the nation to pay him homage.

But the great homage we must pay is to remember.

To remember and to dream.

To create new goals and to appeal to one another not out of fear or greed, but to appeal knowing there is the spark of the noble in all of us, just as there is the beast in all of us.

If we appeal to the noble, we can achieve much for ourselves and even more for future generations.●

AL SHANKER—THE FUTURE OF AMERICA

● Mr. SIMON. Mr. President, one of the more remarkable leaders on the American scene today is Al Shanker, president of the American Federation of Teachers.

A few weeks ago, I read a speech of his which touched on many things that ought to be of concern to every Member of the House and Senate and to all serious thinking Americans.

He is talking about the future of our country, as we build it through education.

Al Shanker has shown remarkable courage in saying things that offend a few people, but things that need to be said.

From time to time, I may differ slightly on some viewpoints that he has, but clearly he is a leader in fact, as well as in name.

I urge my colleagues to read the speech that he gave to the New York State United Teachers Convention. It is filled with wisdom.

I ask that his remarks be printed at this point.

The remarks follow:

THE MAKING OF A PROFESSION

(By Albert Shanker)

I have spent more than 30 years standing before groups of teachers like this one, arguing for unionism, collective bargaining, better salaries and working conditions. Today I stand before you not to ask that we abandon these goals—far from it—but to argue that unless we go beyond collective bargaining to teacher professionalism, we will fail in our major objectives: to preserve public education in the United States and to improve the status of teachers economically, socially and politically.

It is unusual for me to be advocating professionalism. My experience with the way the word professional is used in schools has not been good. There was the long battle of "professional" versus "unionist," a battle we've largely won, to convince teachers that it was not unprofessional to work to improve their salaries and conditions through effective organizing, militant struggle and political action. And there was the way the word professional was used so often to beat teachers down. A few examples from my early teaching experiences will explain why I haven't liked the word very much.

I can remember my first exposure to it as a teacher. I started teaching in a very tough elementary school. I had great doubts as to whether I would make it, and, after a couple of weeks, the door was opened and the assistant principal stood there. I remember thinking, "Thank God, help is coming." I kept motioning him in, but he continued to stand there, sort of pointing at something, for what seemed like a very long time but was probably only 30 seconds. Finally he said to me, "Mr. Shanker, there are a couple of pieces of paper on the floor over there. It is very unsightly and very unprofessional." Then he left.

Soon thereafter I went to my first faculty conference. In those days not many men taught in elementary schools; there was only one other male teacher in that school. At the faculty conference the organizational chart of the school was distributed, including a schedule of duties—who had hall patrol, lunch patrol and so forth, including "snow patrol." Snow patrol, by tradition, was assigned to the male teacher. On snow days he gave up his lunch period and walked around outside the building, warning kids not to throw snowballs at each other. Sure enough, Mr. Jones and Mr. Shanker were now assigned to snow patrol. Mr. Jones raised his hand and was called on by the principal. The teacher said, "Now that there are two men on the faculty to handle snow patrol, would it be okay to rotate—you know, the first day of snow he goes, and the next day I go?" The principal frowned at him and replied, "Mr. Jones, that is very unprofessional. First of all, it is unprofessional because the duty schedule has already been mimeographed, as you see. Secondly, I am surprised that you aren't concerned that one child might throw a snowball at another and hit him in the eye, with permanent damage. It's very unprofessional of you."

So that was my second run-in with this new and unusual use of professional and unprofessional. The next came a short time later.

A teacher in Westchester County, New York, made national headlines, a man named James Worley, who had been teaching for many years. Principals had come and gone in his school, and all had had unre-

served praise for James Worley. His file was loaded with marvelous recommendations.

Then a new principal arrived. One of his first acts was to require all the teachers in the school to submit detailed lesson plans two weeks in advance; such additional work, he asserted, was within their professional responsibilities. His colleagues complied, but Worley refused. He pointed out that he had been teaching successfully for many years and was regarded by supervisors, colleagues, parents and students as an excellent teacher. Of course he planned. He knew what material had to be covered and roughly when he would cover it. The submission of a lesson plan represented not only an attack on his dignity as a teacher, but a very wrong notion as to how effective education took place. Successful teaching depended on an interchange with the students, which might take more or less time, so that a specific plan and rigid adherence to it would not be the mark of a good teacher but, rather, of a poor one. At stake, Worley said, was his professional integrity.

The principal fired Worley for insubordination, and the school board upheld the firing, which was appealed unsuccessfully to the State Tenure Commission and then to the State Commissioner of Education, James V. Allen. At every stage the case made headlines, and every government body was flooded with letters. One of those that went to Commissioner Allen was from the writer Paul Goodman. Goodman includes it as an appendix in the 1982 Vintage edition of his book Growing Up Absurd. Here is what Goodman wrote about Worley and his "insubordination":

"In content, his original protesting action (refusing to prepare a two-week lesson plan) seems to me beyond doubt correct. I myself have taught every age from ten-year-olds through Ph.D. candidates and older adults; it has been my universal experience that formal preparation of a lesson plan beyond the next hour or two is not only unrealistic but can be positively harmful and rigidifying, for it interferes with the main thing, the contact between the teacher and his class. Worley's disagreement with the administrative order is, to me, simply evidence that he is a good teacher and knows what the right teaching relation is. A teacher who would seriously comply with the order would likely be a poor teacher. (Our model must always be the Socratic dialogue, for the aim is not to convey some information but to get the information across as part of the student's nature and second nature, so he can make an individual and creative use of it.) On the other hand, if the compliance is not serious it is a waste of time; and, as you know well, teachers are burdened with paper work, much of which is absolutely necessary.

"In form, his protest was certainly insubordinate. But obviously each of us has the moral and social duty to draw the line somewhere against obedience to error. Worley has drawn it at a very crucial point, namely, where the order interferes with the right performance of the job. In the end this is the sacred and final obligation of every professional, to do the work and to defend the conditions under which the work can be done well. . . .

". . . We cannot afford to throw away good teachers to save face for mistaken administrators. It is the glory of good administration precisely to smooth the path for objective work to proceed. Therefore I urge you to intervene in this case and reinstate Mr. Worley."

Goodman's and the other appeals fell on deaf ears. On March 24, 1960 Commissioner Allen issued his decision, upholding the firing on grounds that Worley was clearly insubordinate. It was regrettable, Allen said, that "the students have been deprived of the services of a teacher, regarded by nearly everyone as a superior teacher," but even worse that a poor example had been set of the kind of cooperation between teachers and administrators that is necessary for schools and, between other people, for the functioning of society.

So Worley stayed fired, and things have not changed much in the years since. Obeying orders is still more important than professional judgment, and insubordination is still the thing the principal can fire you for. It is still not a question of what is the right or wrong thing to do but, rather, of who has the power to tell whom what to do. We are a long way from being a profession, as many of us and the larger society understand that word.

And, yet, unless we get there, the public schools are going to continue to face disaster. The signs are clear and ominous.

Here in New York, a tuition tax deduction/credit bill is on the floor of the State Senate. Other states are moving in this direction. If such bills pass, it will just be the beginning of an annual fight in each legislature over the size of the tax break for nonpublic schools—and the corresponding decrease in the budget for public education. The appointments Ronald Reagan will make to the Supreme Court will not help.

The President and the Secretary of Education will keep pushing tuition tax credits and vouchers on the national scene. Only the huge budget deficit prevents a major national move at this time.

The polls show that about half the American public now supports tuition tax credits.

Private school enrollment nationally went from 10% of school-age children a decade ago to about 15% today, a huge 50% increase.

The school reform movement gave us a period of relief, more money, public concern, support from the political and business communities. But if there are no results, there will be a backlash against public education. Improvements in achievement are not easy to obtain, and they don't come fast.

We are in the same situation as the steel and automobile industries were 10 or 15 years ago. They could see the tough competition that was coming, but they were unable to take action quickly enough. We can see what's likely to happen to public education. One million teachers are going to have to be replaced in eight years. Even with more money and better conditions, we will not get the good teachers we need unless teachers are treated very differently than they are today. Bright college graduates are not going to come into our schools to teach unless they are treated as professionals. And without them we have very little hope of rescuing our own "industry." I am going to go into this at great length later, for I believe that professionalizing teaching in order both to attract the calibre of teacher that we need and give that person the optimum conditions to do the job is the most important issue facing American education today.

A REVOLUTION BEYOND BARGAINING

I believe there has to be a second revolution in American public education, one that builds upon the revolution we in the AFT made a quarter of a century ago when we plunged into collective bargaining. Collective bargaining has been a very powerful instrument. Through it we have increased teachers' salaries, limited class size, removed some of the more onerous non-teaching chores, given teachers a powerful political voice in their communities and in the country. Surely we cannot abandon it; if teacher salaries have slipped in recent years in relation to those of other occupations, think of how much more they would have slipped without that collective strength. Teachers need and must jealously guard the right to bargain collectively. And, yet, we have not been able to achieve all that we had hoped for through the bargaining process, and it is now time to go beyond it to something additional and quite different.

We learned early on that the negotiating process would not meet all of our needs. In New York City—and I daresay everywhere that a union represents teachers—we would go through a long process of listening to our members, usually at lunch and after-school meetings. We collected bargaining "demands," the items teachers wanted, often as many as 700 or 800. While some of these dealt with salary, class size and similar issues, many more had to do with professional matters, the items different groups of teachers—math teachers, English teachers, physical education teachers and others—wanted that would make their professional lives more satisfying.

Collecting the demands was one thing, getting them addressed, another. We went to the bargaining table under the assumption that boards of education would resist the salary demands but be open to a discussion of ways to reorganize the schools so that teachers and children would be happier and more productive. But quite the opposite was the case. Typically the school board said: You're a union. We'll be happy to talk with you about the salaries and working conditions teachers want. But we will not talk to you about anything that's good for children, because you weren't elected to represent the children. Professional issues are not subject to negotiation.

And so there we were. Teachers had gone from being weak and unorganized to being strong unionized employees with considerable power. But many of the issues they wanted to deal with could not be taken up at the negotiating table. Substantial improvements were made, but they fell short of creating the professional workplace that our members wanted then and want today.

If we are to achieve that professionalism, we have to take a step beyond collective bargaining—not to abandon it, but to build on it, to develop new processes, new institutions, new procedures which will bring us what teachers want in addition to what we get from collective bargaining: status, dignity, a voice in professional matters, the compensation of a professional. And I don't mean professional in the Orwellian sense in which it was used when I taught and is still often used today. A professional is not a person who merely follows orders. A professional is a person who is an expert, and by virtue of his or her expertise is permitted to operate fairly independently, to make decisions, to exercise discretion, to be free of most direct supervision. No one stands over a surgeon at the operating table, directing the surgeon to cut a little to the left or to the right. The surgeon is trusted to make the appropriate medical decision, and, of course, because of that trust and the expertise involved, is generally very well compensated. The question for us is: How do we get

there, how do we achieve professional status, responsibility and salaries for teachers?

THE CHANGES IN AMERICAN WORK STYLES

American work and American workers have changed dramatically in the last thirty years or so, as those of us who served on the AFL-CIO Committee on the Evolution of Work learned in the course of our research. If I had asked my parents, "Why are you working?" they would have thought I was crazy; the only reason they were working was to feed and clothe and shelter the family. It never dawned on them to think of a job primarily in terms of pride or satisfaction. Today, however, the answers pollsters get when they ask the question are quite different. The first response is not: because I have to earn a living. Instead, people say something like this: because I'm able to express various interests that I have through my job; because I get satisfaction; because I am respected on the job; because I'm allowed to do my work the way I think best, and I do it very well, and I like that.

Moreover, when the pollsters went further and asked what workers thought of the boss, the answers were even more surprising. The expectation was that there would be a fair amount of hostility expressed. On the contrary, roughly 70% of all employees in the United States say that their boss is good to work for, helpful when presented with problems. They like working at their jobs. They think well of unions—but only for the worker down the block who has a rotten boss, not for themselves. They believe unions create adversarial relationships that bring rigid rules in their wake. Before you know it, says the typical worker, I won't be able to exercise the judgment that I now exercise; the rules will infringe upon my ability to do my job well, and I won't get the same amount of satisfaction from it.

So, more and more frequently in the industrial world workers—and they are educated workers these days—are being treated with dignity and respect. But not in the educational workplace—and not teachers. Teachers are not accorded the trust and confidence that are becoming routine in the modern factory; our schools are the last bastions of the rigid 19th century industrial hierarchy. Two recent efforts at major overhaul, one in education, the other in the automobile industry, are worth comparing.

As the education reform reports were being issued, the California Business Round Table, composed of the chief executive officers of the 80 or so largest corporations in that state, persuaded the legislature and the governor to enact major new education law. The state came up with $2.7 billion in new money for education over a two-year period, badly needed in the wake of Proposition 13—but also with a piece of legislation 150 pages long that prescribed for teachers what textbooks to use, how many hours students should be instructed in this subject and that subject, virtually everything that teachers were expected to do. There is no other occupation that is regulated in this way by state legislatures, and California is by no means unique. The Regents Action Plan in New York and the Part 100 Regulations designed to implement it suffer from the same apparent lack of confidence in teachers, as do similar plans in other states. (Some of this, of course, probably stems from the thinking that anyone willing to accept a job today at the low starting salaries of teachers bears careful watching!) The hazard of this approach, aside from the demoralization it creates within the ranks of existing teachers, is that no bright young self-directed college graduate will want to become a teacher, to enter a field in which there is no opportunity to exercise judgment or make professional decisions.

The American auto industry, on the other hand, has learned a valuable lesson from its Japanese competitors. Instead of supervising workers to death, rewarding the good ones and firing the bad ones—and later recalling the lemons that this poor procedure manufactures—Japan treats its workers differently. It accords them lifetime job security, and involves each and every one of them in constantly trying to make the system of production better. The result is that the Japanese, carefully consulting those who actually do the job, have discovered how to make the product right to begin with, which is far less expensive than the recall/remake process that American cars have gone through.

A couple of years ago, Myron Tribus, director of the Center for advanced Engineering Study at M.I.T., wrote and article entitled "Deming's Way" about the ideas of W. Edwards Deming, the father of Japanese quality control. It appeared in the Spring 1983 issue of New Management, published by the Graduate School of Business Administration at the University of Southern California. The Deming Manager, Tribus wrote, "believes that he and the workers have a natural division of labor: They are responsible for doing the work within the system, and he is responsible for improving the system. He realizes that the potentials for improving the system are never ending, so he does not call upon consultants to teach him how to design the 'best' system. He knows that doesn't exist. Any system can be continuously improved. And the only people who really know where the potentials for improvement lie are the workers themselves. . . .

"Under Deming's Way," Tribus continued, "the manager understands that he needs the workers not only to do work, but to improve the system. Thus he will not regard them simply as flesh and bone robots, but as thinking, creative human beings."

American industry is catching on. There is a true story about a Ford small truck plant that was so bad it was about to go out of business. But before closing it down, Ford decided to try the Japanese method. It would ask each worker what was wrong, how the procedure and the product could be improved. For example, one of the managers approached a worker who was working in a pit. He had a fairly heavy tool, and every 15 or 20 seconds or so as a new truck came by just above him on the assembly line, he would pull the trigger on the tool and tigthen a bolt. The manager came up to him and the conversation went something like this:

MANAGER. "Look, this place is going to close down soon unless we improve. So you've got nothing to lose, and I'm asking all the workers here about things that go wrong. Tell me honestly, Jack, when you try to tigthen these bolts, do you ever miss?"

JACK. "Yes, I do."

MANAGER. "How often do you miss?"

JACK. "Well, about every six minutes or so I don't tigthen one of the bolts."

MANAGER. "Why is that?"

JACK. "Well, it's a very hard job. You have to keep looking up all day and holding the tool, and I get a crick in my neck. And every once in awhile, I get a muscle spasm and my head jerks away so that I can't look up, and when the spasm has passed, so has the truck and I haven't tightened it. I feel bad about it, but there's nothing I can do."

MANAGER. "Do you have any ideas about what we can do?"

JACK. "Yes, I do. I've been thinking about this for a long time. There are really two things you can do. One is to put a little pedal under my foot so that every time I feel a crick, I press the pedal and the assembly line will stop for a second, and as soon as I shake off the crick, I would tighten the bolt. Of course, it would mean that every six minutes or so the assembly line would stop for a couple of seconds, but you would get all the bolts tightened. And the other thing is—could you have me standing on top of the truck holding this tool down, because that would be a lot easier and a lot more natural than looking up and holding the tool up?

That's what the Ford management did in that plant. It went around to all the workers and sought their ideas about solving problems. And then Ford redid the entire plant in accordance with the wishes of the employees. The result was that the plant became the best in the entire Ford Motor Company anywhere in the country. It's a classic case.

How much of that happens in schools? When a decision is made to change anything about the organization of a school, the curriculum, the materials or anything else, that decision is made by legislatures, state education departments, school boards, superintendents, principals. And as long as those who govern schools keep making this same mistake in thinking—that all they have to do is have supervisors watching the teachers to see who's good and who's bad and reward some and punish others—they're going to keep having the failures and the "lemons" who are "recalled" for remediation and dropout prevention. The only thing that's going to turn the schools around is to start turning the decision-making as to what works and what doesn't work over to the people who are actually doing the work and know what's happening in classrooms.

School managers have to understand that the enterprise benefits when people exert substantial control over their work environments. The May 13, 1985 issue of Fortune recounts a laboratory experiment, detailed in In Search of Excellence, the best-seller about successful management by Thomas J. Peters and Robert H. Waterman, Jr. The subjects were given some hard puzzles to solve and some proofreading to do, with a raucous radio tape as background accompaniment. Half were given a button to push if they wanted to stop the noise; the other half had no such button. The half with the button solved five times more puzzles and made a quarter of the proofreading errors of those with no button. But nobody ever pushed a button. "The mere fact that people perceived that they had a modicum of control over their destiny—the option of pushing the button—led to an enormous improvement in performance," wrote Fortune. The magazine then told the story of a Ford Motor assembly plant in Edison, N.J., which reads like a sequel to the story of Jack-in-the-pit that I just talked about. Here is what happened:

"Every person on the line in the huge facility was given access to a button that he or she could push to shut down the line—quite a gutsy move on the part of the plant manager. The results we're sharing occurred during the first ten months of the experiment (the results since then have been consistent with those at the start). To begin

with—no surprise here—Edison, New Jersey, is not like an industrial psych lab. People push their buttons at Edison. To be precise, they shut the facility down 30 times the first day and about ten times a day thereafter. The ameliorating news is that after the first day the average shutdown lasted only about ten seconds—just time enough to make a quality adjustment, a tweak, a twist, a turn, to tighten up a nut or bolt.

"Productivity in the plant did not change. Three other indicators, however, are worthy of note. The number of defects per car produced dropped during the first months of the experiment from 17.1 per car to 0.8 per car. The number of cars requiring rework after they had come off the line fell by 97%. And the backlog of union grievances plummeted. Moreover, the change in attitude was as extreme as the numbers. One old pro on the line commented, 'It's like someone opened the window and we can breathe.'

"And along with the opened-up atmosphere came exactly the things you pray for: the side benefits of ownership. Story after story emerges of the following sort. There had traditionally been difficulties with seat-cover installation. A line employee worked up a method using Saran Wrap in appropriate places to increase slipperiness and thus make it easier to set covers. He did the entire experiment on his own, at home. He then brought the results to work and shared them with his colleagues."

The major struggle in education over the next period will be attracting and retaining good teachers, and unless there is this kind of change, we will lose it. Even if we were to get better salaries and some improvement in working conditions, intelligent, well-educated people today, people who have other options, will not work for long in a traditional type of factory, and that's what the public schools of this country are. They will not work in a place where they are not trusted, where they are time-clocked, where they're supervised, where they're observed, where they are treated as people to be pushed around and instructed and regulated. The future of education depends very heavily on making teaching a profession and giving teachers—like even the assembly line workers at Ford—a modicum of control over their environment.

WHAT DOES A PROFESSION MEAN?

What does it mean to have a profession, to be a professional? First, you cannot have a profession without high standards. Teaching does not have high standards today, nor is it perceived as having high standards. College professors will steer the brighter students away from careers in teaching because they're "too smart for that." We are not getting our share of such students because they don't want to go into a profession that reputedly anybody can get into, where the rites of passage are perceived as easy, undemanding, and where the job itself is often a way station on the road to something else. If I were the president of the American Federation of Ex-Teachers, I would have a much larger constituency. There are more ex-teachers than teachers—sometimes it seems that everyone out there, everyone I encounter when I walk down the street or check into an airport or do a television interview, is an ex-teacher. Why is that? How many ex-surgeons are there? How many people go through the trouble of becoming an actuary and then decide to do something else? Raising the standard of entry into the profession will attract many of the higher-caliber young people who are gravitating toward other careers; indeed, we have evidence in California, for example, that as soon as a tough teacher examination was announced, more people lined up to take it—and with more solid academic credentials—than had applied to teach in recent previous years.

Second, there is no profession without a knowledge base. I have not suggested that we should take the power away from school boards and superintendents and principals because we're teachers and we want more power; that isn't it at all. We ought to have the power to make the decisions because we know more—more about what is right and wrong to do in the education of children, more about what distinguishes a good textbook from a poor one, more about all sorts of issues in education. Some of these things we do know, some we don't yet and ought to develop. So raising the standards also means expanding the knowledge base and demonstrating that we have it.

Third, there is no profession without a well-established set of collegial relationships—not a set of supervisory relationships but a set of peer relationships. Doctors do not have an absolute right to do anything they want to do. No doctor is going to say to you: Well, any other doctor would give you the following pills and that would take care of the problem, but I don't like that—it's boring—so I'm going to give you something different and see what happens. Doctors don't behave that way. They act in accordance with a knowledge base and in accordance with what all of their peers expect on the basis of that knowledge.

Part of what we need to attract people into teaching is the development of this set of collegial relationships. Most people do not want to spend a working lifetime locked in a room with 25 to 35 children. While there is a certain amount of satisfaction in that, unless it is supplemented by the different satisfactions that come from a relationship with colleagues and adults and other professionals, the relationship with children exclusively leads to extreme isolation and drives many out of the classroom and away from the profession.

Fourth, there is no profession unless the practitioners are seen as acting in the interest of the clients. And here we have a problem. At one time we were viewed as quite powerless, given flowers for our lapels on Teacher Recognition Day, patted on the head. Then along came this adversarial procedure known as collective bargaining. The pendulum has swung, and virtually no one now views teachers as being pattable on the head—the pooch barks, and even bites. We tend to be viewed today as though we are acting only in our own self interest. Teachers want better salaries and smaller classes so their lives can be made easier. (The public rarely considers that what we want may be good for children.) That image is standing in the way of our achieving professional status. We must act on behalf of our clients and be perceived as acting that way.

We have a decision to make. We can continue working away only at collective bargaining. But if that is our decision, I predict that in 10 or 15 years from now we will find that we have largely been on a treadmill. In good years we will make some gains and in bad years we will have to work very hard just to hold onto them, just to stand still. But right now there is low pay, linked to low standards, linked to an absence of trust, because you can't trust people who are willing to work for so little and have been brought in on those low standards. All this leads to an excess of supervision and to generally low prestige. On a national basis that's where teachers are in mid-1985. This situation has to be changed. Teachers must be viewed as professionals, as experts whose judgment can be counted on, who act on behalf of their clients, who are not supervised and rated and evaluated constantly, who have a peer relationship with other teachers.

There are some steps that ought to be taken, and some of them we can take ourselves. I am going to list five ideas. There are undoubtedly others.

1. A national teacher examination

Last January I proposed that there be a tough national teacher examination, similar to those for the bar and for medicine. This would not be a government examination. Rather, it would be devised initially by a commission composed of outstanding people in education and perhaps similarly qualified people in the other professions who have had some experience in administering professional examinations. Ultimately there would be a national Teacher Professional Practices Board, composed of the practitioners themselves, to update and administer the exam, but at the beginning it would be useful to have well known experts, so that the examination would get wide publicity that would increase the pressure on states and local districts to require it for certification.

The exam would consist of three parts. First there would be a stiff test of subject matter knowledge—not the cheap type of examination that can be machine scored but, rather, something that requires candidates to think and to write and to organize their thoughts and be able to persuade. The second part, probably given on a different day, would test knowledge of pedagogy, educational issues, the ability to apply educational principles to many different student developmental needs and learning styles. And the third part of the examination would be an internship program of from one to three years in which teachers would actually be evaluated on the basis of how well they work with students and with their colleagues.

With the exception of "A Nation of Risk" nothing in education in the past five or six years has gotten as much attention and editorial support as my proposal of a demanding national examination. Indeed, I believe that the next few months will see the launching of the commission to develop such an examination. But aside from having touched a sensitive public nerve, the idea is getting support because we have put ourselves and our union on the line in behalf of it. In the National Press Club speech, I said that within a few years after the establishment of such an examination, the American Federation of Teachers would refuse to accept into membership any newly hired teacher who had not passed the exam. I was signalling the public that we, the teachers, care about the quality of teachers, that we care about what happens in schools, that we are even prepared to make an organizational sacrifice in terms of not recruiting into membership or collecting the dues of people who do not meet the standards.

The day after that speech I went out to Utah, where we are organizing teachers. The morning I arrived in Utah, the local headline said, "Union Boss Supports Teacher Tests." I spoke at a couple of places in Salt Lake City, and the next day the headline said, "Speaker Reiterates Support for National Test." By the third day, the head-

line said, "Educator Supports Teacher Testing." Within three days I went from being a union boss to being an educator, and that's what this is all about—what our role is going to be and how the public sees us.

2. Expanding choices for parents, students and teachers

I believe that we in the teacher union movement ought to support the greatest possible choice among public schools by parents, students and teachers. The current system of placing kids in school on the basis of geography is one that was designed a long time ago, when most people who sent their children to school were not educated and wouldn't have been able to make an informed decision about a school; parents looked up to teachers and accepted the authority of government. But times have changed, and most of the public is just as well educated as teachers, some more educated. The day of automatic agreement that one's child will attend such and such school is over; parents shop for public schools when they move to a different community, and many will seek nonpublic alternatives if what they regard as a decent public school is not available to them. Students who drop out or attend high school only sporadically may be telling us not necessarily that they don't want school at all but that they don't want the particular school they're going to. Attendance is much higher and dropout rates are much lower in those public schools—vocational and option academic high schools—that students themselves have chosen to go to.

We now permit some choice among junior high and high schools within a single school district. Why not expand that, and permit much greater choice within the district and even across some district lines? I am talking about offering parents and students more options, not about conferring legal rights or instituting some sort of voucher system. In most school districts today, when a parent seeks a waiver of bureaucratic rules for a child to attend a school different from the one assigned—a school that is not an available option—the answer is generally no. Such a request creates more paperwork, and bureaucracies tend to be insensitive to requests for individual treatment. But the bureaucracy must be moved to be more flexible. The more public school choices we offer parents and students, the better are our arguments against destructive schemes like tuition tax credits and vouchers. Wider public school choice will very substantially negate the argument for giving money to parents to send their children to private schools. Incidentally, this is not as revolutionary as one might think: a number of school systems in Massachusetts which started out attracting kids to "magnet" schools for purposes of integration are now using choice as the primary means of placing students in schools, and there is a sort of friendly competition among the schools in a district for youngsters. Surely a competition among public schools, where everyone competes under the same ground rules, is a lot healthier than a private versus public competition which is inherently unequal and unfair because the rules don't apply to all.

I discussed earlier that idea that a professional must be seen to be acting in the interests of the client. But most clients choose the professionals they see—a doctor, a lawyer, an accountant. Children are the only clients who are perceived as the captives of the professionals who deal with them, captives of a given school and teacher. If, as occasionally happens, there is poor chemistry between a teacher and a student, even a within-school choice ought to be available. It is not in that student-client's interest to be stuck with the same teacher all year—and, by the way, it is not in the teacher's interest either. Suppose, for example, that a tired and pressured teacher snaps at a young child. The child goes home, refuses to eat, resumes an old pattern of bedwetting and won't come to school over the succeeding days. Of course, there is value in having a child learn that in the real world one has to get along with many different people, but there are times when that won't work, when the particular child is just not ready for that particular lesson. And while it's not the job of the school to replicate the comforting bosom of the family, nevertheless there has to be concern and a humane orientation. Here, too, flexibility is critical. The child should be given another teacher.

Expanding public school choice—within schools, among schools in a district, among districts—would go a long way toward reducing the resentment, toward getting rid of the notion that people are captives.

Nor should choce be restricted to parents and students. Teachers need and deserve more options than they now have. For example, while there is much talk in education today about career ladders, those who recommend them for teachers haven't really taken a hard look at what passes for career ladders in the business world. Very few people, even in giant corporations, move straight up a ladder within one firm. Typically a person starts working for one company, gets some experience and a good reputation and maybe even a promotion or two. But pretty soon he or she is lured away by some other company, often with a salary increase and other "perks" as well as new and bigger responsibilities. That pattern repeats itself, and by mid-life the executive may well have worked for half a dozen businesses, improving her salary and status all along the way.

But teachers are stuck. If a 10-year teacher attempts to move to another school district, he or she will almost invariably find that the new district will not credit more than a fraction of that prior experience toward salary. Even if the new district has a better salary schedule, therefore, the incoming teacher is likely to lose or, at best, to stand still. He may also lose pension credit. Teaching may be the only occupation in this country where if you move voluntarily from one place to another, you have to suffer for it—the only occupation you have to leave in order to improve your lot. And that situation is probably another vestige of a time when schools could get smart women teachers on the cheap because women had few other career options. One of the elements of widening choice in public schools ought to be freedom for teachers to move around without penalty. Just as we ought not to lose students to private schools because of lack of sufficient choice in public education, we ought not to lose teachers to other jobs because they have no real mobility in teaching. And, of course, in failing to grant full credit for prior public school experience, school districts also prevent themselves from competing for talented teachers from other districts. I don't know of any business that could stay in business very long if it denied itself the opportunity to compete for talent. We ought to be pointing out to the business community this very unbusiness-like bind that school districts and teachers are in, captives just as much as children denied more choice in schools.

3. A professional teacher board

One of the things we might do to bring about the needed revolution does not require local, state or national legislation. We could create—perhaps first through a coalition of locals, then regionally within a state and eventually even on a statewide basis—a "Professional Teacher Board." It would be made up of outstanding teachers, selected through a process which we would develop. The board would be independent, even though initially appointed by the union, in the same sense that the Supreme Court of the United States is independent even though the justices are appointed by presidents—and most presidents have been surprised by the actions of their appointees.

The purposes of this professional board would be many. Let me suggest a few:

It would develop standards and an ethical code for the profession. It would, for example, administer the national teacher examination on a state level. It could inspect the practice of out-of-license teaching, which may be inimical to the idea of high subject area qualifications determined by examination. It could determine that, beyond ascertaining that the truth has been fairly reached, a union does not have the obligation of defending a teacher against discharge based upon immoral or criminal conduct; the board might well determine that there is certain immoral conduct toward children—child abuse, for example—which would prompt the board itself to seek a teacher's discharge and the revocation of certification.

The board could handle various types of complaints from parents. For example, is a teacher propagandizing for a particular point of view rather than teaching the various sides of a controversial political issue objectively—that is, teaching students to think? To what extent, in such cases, is academic freedom infringed upon?

The board could set up procedures to evaluate textbooks. Textbook selection is a national disgrace. Textbooks are selected by school boards who have no knowledge at all of what makes a good textbook. There are various trends—short, easy to read sentences that can rob a book of meaning or interest; the required inclusion of various gender, racial and ethnic references so that all groups are accounted for; demands for the elimination of evolution and inclusion of creationism. No one seems to be asking whether the book is a good textbook; whether students can read and understand it; whether, if a student has missed the lesson, he can understand the material from reading the book at home; whether the illustrations are clear and properly captioned; whether the questions which are asked are the questions that will help the student comprehend.

There is a new knowledge base about textbooks. Teachers who have studied it (and others who will) should be able to stand up before a school board or other body and demonstrate what's right and what's wrong about a textbook from a highly authoritative standpoint, much as a doctor or lawyer might explain the fine points of a case to a group of laymen. This kind of knowledge is power. The teacher professional board could establish a committee of such knowledgeable teachers to evaluate the textbooks, make this kind of analysis and earn the kind of professional respect that precedes professional empowerment.

Finally, like all other professional boards, the professional teacher board should be

prepared to play an honest part when the question of incompetence is raised. If a teacher in a given school district is brought up on charges of incompetence, the board ought to select three outstanding teachers from somewhere else in the state who do not know either the teacher or the supervisor involved. That group of three should visit the teacher so accused and issue an independent report that evaluates the judgment of the principal or other supervisor. Of course, in order for this procedure to work, the three teachers have to be absolutely independent, the only direction from the union being that they're on jury duty as professional jurors and are to call it as they see it as teachers and as professionals.

What I am talking about is a process of peer appeal. The teacher would still have the right to a hearing panel and to go to court. But I see four possible scenarios that might be played out: (1) both the teacher and the supervisor agree in writing that the decision of the teacher review panel is binding; (2) the teacher agrees but the principal refuses, in which case the refusal of the principal to allow a trio of outstanding teachers to review the decision should be taken into account by any existing panel in law; (3) the principal agrees but the teacher refuses, in which case that refusal ought also to be taken into account by the existing panel in law, and (4) both parties refuse in which case existing procedures are followed without the intervention of the teacher review panel.

I am not proposing an abandonment of due process. Due process means that the decision of the supervisor is subject to outside review. I am suggesting that outstanding professionals from within teaching but from outside the immediate situation are just as equipped as—indeed, probably more so than—a panel of outside lawyers or other citizens to do an honest and professional job.

This could, of course, be the most controversial function of the teacher professional board, but we do not have the right to be called professionals—and we will never convince the public that we are—unless we are prepared honestly to decide what constitutes competence in our profession and what constitutes incompetence and apply those definitions to ourselves and our colleagues.

4. A different kind of career ladder

Most of the teacher career ladder proposals I've seen are merely devices to give a handful of people more money than others. Many, perhaps most, are a kind of cover-up for merit pay. I'm not opposed to a career ladder in principle, if somebody can come up with a real one. And there is something that might be called a career ladder that does make sense.

We have been talking about some new roles for teachers. For example, we have said that no new teacher should just be dumped into a classroom to sink or swim, with essentially the same responsibilities the first day on the job as the teacher will have 20 or 30 years into a career. We have talked about a real internship and I've called for it as part of the certification process. A good internship program, of course, will be conducted by experienced teachers, the veterans who have the most to offer the rookies, and, as in our AFT local in Toledo, Ohio, these senior teachers will play a role not only in the training of the new teachers but in determining which pass muster. Since the training of teachers is at least in part the responsibility of colleges and universities, I propose that the teachers who train newcomers during an internship period be given official employment status and rank on the faculties of area institutions of higher education that offer teacher training programs.

This would have a number of immediate benefits. First, the teacher trainers would receive additional compensation, some of which would come from the college or university; in Toledo the outstanding teachers who are selected to train others serve for a limited period and are replaced with outstanding others, so there would be an opportunity for many to be part of such a program. Second, there would be an automatic change in the image and status of such teachers and undoubtedly some spillover in the public mind to elementary and secondary teachers in general. Third, one of the most valid criticisms of colleges of teacher education is that courses are given by many people who have never themselves taught in elementary and secondary schools but, rather, are scholars and theorists. Clearly we still need the theorists and the researchers, but such faculties ought to be leavened by those who have had considerable classroom experience and continue to practice in the classroom. Such linkage would make that possible. For that matter, there would be considerable overlap in the functions, since the classroom teacher has a built-in opportunity to engage in research in his or her own school setting.

Moreover, there is no reason to limit university employment status to classroom teachers who train other teachers. We have said that teachers expert in textbooks should be the ones to evaluate and select them, largely because they are the people who use them in classrooms and know what makes sense and what doesn't, know a textbook that does the job from one that doesn't. Why shouldn't such teachers who are engaged in textbook evaluation at the school or district level also give the courses that teach teachers-to-be how to do this? Or, as another example, what of the teachers who are designing curriculums? Isn't this a skill appropriately learned, at least to start, at the university level? Why shouldn't the curriculum creators impart their knowledge and experience to those studying to be teachers?

Education may be the only profession in which the practitioners ultimately say that very few of their professional preparatory courses actually prepared them for the realities of the job. Isn't this a way to get more beef into the teacher education program—and at the same time to provide some upward mobility to classroom teachers . . . without taking them out of the classroom for good? And isn't that what a career ladder should be all about?

Furthermore, this continuity between the practice of teaching and the academic training of the next generation of teachers will constitute another step toward professionalism. Legions of doctors and lawyers both practice their profession and teach in the institutions which train their future colleagues. It is a major hallmark of a true profession.

5. Restructuring the delivery of education

It is time to consider a wholesale restructuring of the way in which educational services are delivered, for teaching will not be a genuine profession unless such restructuring is accomplished.

There are two million public school teachers in the United States. Half of them will retire and be replaced in the next decade. The cohort of those who will be entering college is about 20 percent smaller than the equivalent cohort a decade ago, and more of them, proportionately, will be minority young people who have not yet achieved the same rate of academic success as their nonminority peers. There is going to be a talent shortage in this country, and, given the increased demand for talent by new and revamped industries and by other agencies of government, there is very little chance that public education will get enough career teachers of the caliber we need in terms of the new standards we are calling for. The demographics are against us.

So are the economics. We know that vastly increased teacher salaries will be needed to recruit and retain good teachers. But if you were to give two million teachers each a thousand dollar raise, the cost would be $2 billion. Of course, a thousand dollar increase doesn't do very much—it certainly wouldn't solve the recruitment and retention problems. Suppose we gave each teacher a 50 percent increase. That would still not make us a very well paid profession, but it would cost $30 billion. Title I at its highest point was about $3.5 billion, so there is no likelihood at all of giving two million teachers a 50 percent raise. And it wouldn't do much good either, because as soon as we raise salaries substantially, so will IBM and other talent-intensive companies, because they are not about to close up shop just because the schools need teachers.

So we are not going to get either the talent or the money to replace a million teachers soon and another million some years later. What do we do? Part of the answer is to consider what it is that teachers do and whether part of it can be accomplished in some other ways, freeing teachers to do what only they can, tasks akin to what genuine professionals do, perhaps a smaller number of career teachers earning genuinely professional salaries, say in the $75,000-$85,000 range in 1985 dollars. Let me suggest a structure.

Three of the major education reports in the wake of "A Nation at Risk" dealt with what actually goes on in classrooms, those by Ernest Boyer, Theodore Sizer and John Goodlad. Enormously sympathetic to teachers, they nevertheless were extremely critical of how teachers teach. They found that most teachers spend an inordinate amount of their teaching time, up to 85 percent, lecturing, with very little exchange with a students. And, of course, since most teachers' lecture styles are not as entertaining as the previous evening's television fare, the attention span of the students (or even adults, for that matter) is not very long. Now, some of what teachers are lecturing about today can be dealt with much more effectively with the new technology. A well-produced half-hour video cassette on how the Eskimos live in Alaska is likely to communicate memorable information much better than any lecture, and in a medium which has already grabbed today's students from infancy on. The technology is here. Either we will seize it and use it to our advantage—to free teachers for what it is they can do uniquely, professionally—or it will be imposed on us in some unthinking attempt to replace some teachers without improving the work lives, status or salaries of the others.

Suppose that in addition to the technology there were substantial numbers of very bright college graudates who came into teaching for a variety of reasons—to repay a college loan, meet a scholarship commit-

ment, fulfill some personal idealism in the same way people went into the Peace Corps—but who did not intend to stay more than five years or so. And suppose that a good deal of the normal classroom work were turned over to these very bright and idealistic "transients" who would not be regarded as career teachers, who would not have quite the same rites of passage into the profession (but would, nevertheless, have to demonstrate smarts and skills), who would be trained by the career teachers and work under their guidance and mentorship—and who could, of course, should they ultimately want to, pursue a path to the level of career teacher.

Who would the career teachers be, and what could their lives be like? first of all, they would be people who intended to make teaching their life's work and who got into the profession only with great difficulty, by meeting all of the very high standards I discussed earlier. They would be engaged not mainly in lecturing students but in actively coaching students, teaching thinking skills, stimulating creativity, working with students on rewriting papers, helping students learn to reason, argue and persuade. No machine can replace good teachers in these tasks, yet given the reality of life in today's public schools, the best teachers are left with too little time to perform them. In Horace's Compromise Ted Sizer talks about the typical high school teacher with anywhere from 150 10 175 students to see every day, and how it is virtually impossible to assign even two written pieces a week. Assuming 10 minutes per student per paper—a ridiculously small amount of time to mark the paper and go over it with the student—two themes a week would require 58 hours. Part of the restructuring I've proposed would be to ensure that teachers have far fewer students and are able to spend an appropriate amount of time with each. In addition, the career teachers would train the novice teachers, evaluate textbooks, select other materials, design curriculums, serve on the professional practice boards that set and monitor the standards for the profession, be part of university faculties and engage in a variety of other activities both with students and with their colleagues.

There would not be two million such career teachers. The numbers would be substantially smaller, perhaps only a third as many. But such teachers would earn $75,000 to $85,000 a year in today's terms. They would be true professionals in every sense of the word. And we would have created a delivery system in which the public could have a substantial amount of confidence, because both the career teachers and the "transient" teachers would have been selected only from among the best and brightest college students and, too, schools would be structured in such a way that important goals which are not being addressed well today—the teaching of critical thinking skills, for example, or the selection of first-rate textbooks—would be fully realized.

There is much more we could do to restructure schools and create a profession. Why shouldn't teachers have the capacity to teach from their strengths? Some elementary school teachers have a particular bent for math, others would prefer to focus on the teaching of reading skills. Why shouldn't teachers be able to trade off with their colleagues, not only in different subjects but in different aspects of the same subject; some teachers have a particular knack for teaching writing, while others are especially talented in stimulating an appreciation of poetry—why must both kinds be English teachers and do everything? Doctors and lawyers don't have difficulty in recommending colleagues with different specialties and different strengths.

Another major change would be to restructure our school calendar into shorter time units, perhaps terms no longer than six weeks, in which less material and fewer concepts are fully taught. This would give teachers and students a better opportunity to zero in on anything gone amiss. The longer the wait, the harder it is to tell what's wrong—and waiting a year makes such analysis untimely and correction harder. That's why some students drop farther and farther behind. If we empowered teachers to improve the system—like Deming's managers—they might consider using time in much more varied ways, moving youngsters along at their own pace. The rigid school year encourages youngsters (and sometimes teachers) to follow the Scarlet O'Hara path—"I'll think about it tomorrow." After all, missing a few days in September or October doesn't seem very important when the reckoning doesn't come until June, but often by December a child is too far behind to catch up, and the syndrome of failure sets in. Creative thinking on the shape of the school year is long overdue.

There are undoubtedly many other good ideas for our schools, and classroom teachers, if they have the opportunity, will come up with some of the best. But change is overdue. Our schools are organized today exactly the way they were a century ago. Other institutions are finding different and better ways to operate for these different times. We can continue, through collective bargaining, to make some incremental changes in salaries, in the size of classes and in some other areas. But if that's all we do, we are likely to draw into teaching ever lower segments of the talent pool, with disastrous results for us, for our students, for public education and for the country.

I am convinced that we will not attract the best and the brightest who are graduating today if teachers continue to be treated as they currently are, as workers in an old-fashioned factory who may not exercise judgment and discretion, who are supervised and directed by everyone from the state legislature down to the level of the school principal. In order to turn that around, we have to take a number of serious steps such as those I've discussed.

Many of us will ask how—even whether—these changes will be accepted by our members. They are huge and revolutionary. But this is not the first time we've had a vision of what needed to be done. How many thought a quarter of a century ago that more than half a million teachers would join a union? We did. How many thought that government bodies would sit at the table and deal with us as equals? Or allow a dispute between the "sovereign" government and public "servants" to be argued on the merits and decided by outside impartial arbitrators? We who lead teachers were once only a handful of believers with a vision, but we accomplished what most thought impossible. Now we have a new vision, but with the same goals.

Some weeks ago I heard a fascinating speech by a Terence Deal, a writer who specializes in organizational cultures. He talked about the difference between teachers and other employees. He had walked into a nationally known cosmetics company, approached someone who turned out to be a secretary and asked, "What do you do here?" Instead of telling him about her job, she talked about what a wonderful company it was, how they were increasing sales, how they had opened a big Latin American branch and would move into the European market within two years. She was filled with enthusiasm and clearly felt she was playing a very important part in her company. Then Deal visited IBM and bumped into someone who was obviously cleaning the place. Again he asked, "What do you do here?" And this custodial fellow started talking about IBM, how it's the greatest company in the world, how they were going to be first with a new chip and what sort of computer would be next. Clearly the man had a tremendous sense of pride and felt important and integral to the operation of IBM. Then Deal walked down a few blocks and into a local school. He approached someone and asked his question, "What do you do here?" "Oh," said the person, "I'm only a teacher."

We have to take the steps that will make teaching a true profession, so that when someone walks into a school and asks what a person does, no one will ever again reply, "I'm only a teacher."●

HERBERT M. DAVIDSON: A CHAMPION

● Mr. CHILES. Mr. President, we lost a remarkable man last Thursday—July 25—with the passing of Herbert M. Davidson, publisher of the Daytona Beach, FL, News-Journal and inveterate champion of people's rights and interests.

My first impression of Mr. Davidson was that he was a man of humanity and conscience, and that view never changed over the years, Those qualities were reflected in the pages of his newspaper and in everything he did. The deep respect and admiration he enjoyed were well earned, and there will always be a special place reserved for him in the memories of those who had the opportunity to know him well.

A full accounting of his life and contributions in his 89 years would be impossible, but I would like to recognize some highlights, using some excerpts from last Friday's edition of the newspaper he developed with his father and edited for over half a century:

He was a gentle, stubborn, dedicated and visionary man whose principles became a part of his community.

The Civic League of the Halifax Area described Herbert Davidson as a man of "consummate honesty, absolute integrity and indomitable courage" and gave him its distinguished service award in 1970.

The Florida Bicentennial Commission honored him in 1976 as one of Florida's patriots, saying he "made the world a better place to live." The commission particularly cited Mr. Davidson's courage and integrity as an editor, his battles against bad government and corrupt politicians, and his leadership on behalf of better black-white relations.

Mr. Davidson was honored throughout the South for his leadership in the quest for racial justice. He was a life fellow of the Southern Regional Council and had been president of the Florida Council on Human Relations.

Mr. President, Herbert Davidson had an unrequited love for journalism, showing up at the office daily right up to the day of his death. A little about his outstanding career.

While a student at Columbia University School of Journalism, he worked at the Kansas City Star, later started a military weekly while in the Army overseas in World War I, then gained experience on the Portland Journal and Los Angeles Examiner before he and his wife, Liliane, traveled Europe, earning expenses writing for six newspapers back home. Mr. Davidson worked awhile with the Paris bureau of the International News Service, then returned to work for the Chicago Daily News:

Mr. Davidson became a friend of the late Clarence Darrow and, at the famed defense attorney's special request, he was sent in 1925 by the Daily News to cover the Scopes "monkey trial" in Dayton, TN.

He and his father took over the Daytona Beach newspapers in December 1928:

Mr. Davidson's editorial wars against political corruption in the late 1920's and early 1930's toppled a political ring whose leaders had bragged: "We own the jail!" Led by the News-Journal, voters who once had been gripped by fear turned out the rascals at City Hall and brought reformers in.

Because News-Journal reporters were denied access to City Hall records then, Floridians today have a right to "see the books." Editor Davidson and his father fought all the way to the State Supreme Court to win a 1934 landmark decision affirming the rights of Florida citizens to inspect public records.

Mr. Davidson was arrested twice on the issue of press freedom—in 1952 and 1971—in cases that were first steps toward the U.S. Supreme Court decision which overturned the infamous "right to reply" law.

Herbert Davidson chaired the committee that led in 1949 to the establishment of the University of Florida's journalism school, and he persuaded Rae Weimer to come South from New York to become the first dean of what became one of the Nation's finer colleges of journalism and communications.

Yes, he left his mark on journalism, but he also used his talent and resources constantly for the community:

His newspapers supported symphony orchestras and sports programs alike. They insisted on first class public education. They helped Bethune-Cookman College, Daytona Beach Community College and Embry-Riddle Aeronautical University to flourish. They made city beautification household words, did all they could to strengthen business and encourage the fine arts, and helped countless charity drives to go over the top.

And here's final testimony to his wisdom:

He was a lifelong Democrat whose heroes included Franklin D. Roosevelt, Hubert Horatio Humphrey, and Adlai Stevenson. Mr. Davidson championed the Democrats because he believed they had the best interests of the ordinary people of the United States—and the world—at heart.

Herbert M. Davidson will be sorely missed.●

WLADYSLAW WYRWA

● Mr. D'AMATO. Mr. President, I urge my colleagues in support of S. 1467, legislation introduced by Senator BOSCHWITZ and endorsed by Assistant Secretary of State for Human Rights and Humanitarian Affairs, Elliott Abrams, that I have been happy to cosponsor. This bill requires that Wladyslaw Wyrwa, a Polish national who helped numerous Jews escape the Nazis during World War II, shall be considered to have been lawfully admitted to the United States for permanent residence.

Put very simply, Mr. Wyrwa is a hero, a Polish Catholic who has received the highest medal of honor from Yad Vashem, the Israeli Government's Holocaust Memorial. Such merit and distinction, however, may very well cause this individual great difficulty if he is forced to return to Poland.

Mr. Wyrwa came to this country in 1981 at the invitation of some of those whose lives he saved. He found employment among their friends, settled in New York, and has come to feel that the United States is his true home. In the words of Assistant Secretary of State Abrams:

I don't know how you repay someone for the heroism he showed during the Holocaust, but surely it is not too much to ask that we let him live here in the United States if he does not want to return to Poland.

This is legislation of outstanding merit. I urge my colleagues to give it their full and enthusiastic support.●

HERBERT SCOVILLE, JR.

● Mr. DODD. Mr. President, I rise to note with great sadness the passing yesterday of Herbert "Pete" Scoville, Jr., outstanding scholar, dedicated public servant, and a wise and eloquent advocate for arms control.

Pete Scoville was blessed with extraordinary talents and during his rich and productive life he served our Nation in many capacities. He was one of our leading scientists; a man who worked as a pioneer in nuclear energy and weapons research. He also served with great distinction at the Central Intelligence Agency and as an Assistant Director of the Arms Control and Disarmament Agency.

After leaving Federal service, Pete Scoville dedicated himself full-time to the task of educating the American people and public officials about the nature of nuclear weapons, the dangers of an unbridled arms race, and the absolute necessity of a broad national effort to establish arms control as a fundamental element of our national security policy.

It is important to emphasize that Pete Scoville was not a convert to the cause of arms control. He was not one of those scientists who first participated in the development of weapons of mass destruction and later, having recoiled from the results of their work, regretted their earlier activities. Pete Scoville did not have to undergo such a conversion because he always realized the importance of arms control and advocated it. His voice must have been a fairly lonely one in the early 1950's at the Pentagon, calling for a nuclear test ban treaty. Nevertheless, he never let up in his principled struggle to infuse our armaments policies with sanity.

He helped us all to understand that our Nation's security cannot be guaranteed by building more weapons of increased sophistication. A sane national security policy has to rest on a judicious balance between arms modernization policies and vigorous arms control efforts. These two elements are not mutually exclusive, in fact they must mutually reinforce each other.

We, who are Members of Congress, owe a particularly important debt to Pete Scoville. He was often with us on Capitol Hill, testifying at hearings, or educating a legislator one-on-one. His articles, books, and other works form a valuable contribution to the arms control debate. As a member of several of our most distinguished arms control advocacy groups he shares the credit for the enormous influence these groups have had on our public debate about this most crucial issue.

Mr. President, today when we are called upon to advance billions of dollars against vague promises for a new weapons system that rightfully belongs on the pages of a science fiction novel rather than on the drawing boards of our engineers, it may be instructive to recall these words Pete Scoville wrote 16 years ago:

All manner of fantastic new systems are being designed every day; new submarines, thousands of mini-missiles spread all over the nation, new large missiles buried in rock mountains, new supersonic bombers armed with missiles. The expenditures required to develop these future technological dreamchildren will make present costs pale by comparison.

How sadly correct he was.

Pete Scoville had his home in Connecticut, therefore my State feels a special loss with his departure. Beyond that, our Nation lost a great and dedicated scientist, a wise teacher. I dedicate these brief remarks to his memory with gratitude for his outstanding service.●

THE LINE-ITEM VETO

● Mr. SYMMS. Mr. President, I wish to bring to the attention of my colleagues an excellent editorial appear-

ing in Idaho's largest newspaper supporting the line-item veto.

On July 26, the Idaho Statesman stated that "corraling the Federal deficit seems to be a job that is beyond Congress' control," a fact which justifies giving the President the line-item veto.

Idaho's senior Senator JIM MCCLURE and I have long supported the line-item veto and will continue to do so as long as Congress continues to demonstrate its inability, or lack of will, to reduce Federal spending.

The editorial also points out that 43 States, Idaho included, have given their Governors the line-item veto. So far, none of those States have experienced the horrors that line-item veto opponents claim will beset the Federal Government.

Mr. President, I ask that this excellent editorial be printed in the RECORD.

The editorial follows:

[From the Idaho Statesman, July 26, 1985]

WHERE WE STAND: WEAK CONGRESS DENIES REAGAN POWER HE NEEDS

Corraling the federal deficit seems to be a job that is beyond Congress' control—a prime reason why President Reagan should be given the power to veto parts of discretionary spending bills.

But a bill that would have given the president the line-item veto fell victim to a filibuster in the Senate and has been pulled from further consideration. That's bad news. A Congress that is proving daily its inability to reduce federal spending significantly at least should have given the president the power it refuses to exercise.

Forty-three governors, including Idaho's John Evans, have the line-item veto, which allows them to say no to specific portions of a bill. But the president must either accept or reject an entire bill. Congress has a habit of tacking on myriad riders and amendments to spending bills, often forcing the president to swallow a lot of pork with important legislation.

The issue here is responsibility. As Sen. Edward Kennedy, D-Mass., "When 100 senators and 435 representatives have primary responsibility for the budget, no one is adequately responsible." That's been painfully obvious this year as budget-cutting rhetoric gave way to more spending. Someone needs to take responsibility for reducing the deficit and the president is the logical one.

Opponents, such as Sen. Mark Hatfield, R-Ore., maintained that giving the president the line-item veto would damage the delicate balance of power between the executive and legislative branches. The president could wreak political mischief, opponents say, by holding a local works project captive for a favorable vote on an issue dear to the president. But such game-playing goes on now, with congressmen tagging unrelated riders onto crucial spending bills.

If Congress had to limit its bills to specific subjects and were restricted from attaching unrelated amendments—as is the Idaho Legislature—the need for the line-item veto would not be as great. But chances are slim that Congress would divest itself of this self-serving process.

Those who fear a shift in the power balance need look no further than the 43 states that have the line-item veto. Gov. Evans, for example, has used it sparingly, the last time in 1983, according to Legislative Council Director Myran Schlechte.

The bill before the Senate even had an important safety feature—the measure would have expired two years after passage unless Congress reauthorized it.

Congress has proved consistently that it's impotent to reduce the deficit. A president armed with a line-item veto would have been our best hope of getting a handle on that red-ink monster. It also would have added truth to President Truman's adage: "The buck stops here."●

EDWARD J. MARKEY—REMARKS BEFORE THE GROUPE DE BELLERIVE, GENEVA

● Mr. KENNEDY. Mr. President, recently, several Members of the Senate and I traveled to Geneva as official observers to the arms talks. While in Geneva, I attended a colloquium sponsored by the groupe de Bellerive concerning nuclear proliferation and nuclear war. Representative MARKEY of Massachusetts spoke at the colloquium and I would like to include his remarks in the RECORD for all my colleagues to read because they concern a topic which is cause for growing concern: nuclear proliferation. Congressman MARKEY outlines a valuable proposal to help control the spread of nuclear materials to nonnuclear weapons states. In an age of increasing terrorist incidents, the need to halt proliferation is even more imperative in order to prevent a terrorist use of a nuclear weapon.

The remarks follows:

REMARKS OF THE HONORABLE EDWARD J. MARKEY BEFORE THE GROUPE DE BELLERIVE, GENEVA, JUNE 29, 1985

First, let me say how pleased I am to have the opportunity to be with you today, and to exchange views with so many people who are also struggling to find the political and technical keys to progress in nuclear arms control and disarmament.

As Chairman of a Subcommittee of the United States Congress which oversees civil energy development, including nuclear energy, I have been greatly disturbed to see the U.S. civilian energy budget decline in recent years, while the energy department's budget for nuclear weapons has almost doubled.

Hand-in-hand with this unprecedented surge in spending for the research, development, and production of nuclear weapons, there has been a steady disintegration of U.S. Nonproliferation Policy—almost a "Laissez Faire" attitude toward the nuclear weapons programs of so-called "threshold" nuclear powers.

These ominous developments have been matched by five years of fruitless negotiation here in Geneva, allegedly directed at major "reductions" in superpower arsenals.

I do not know the Soviet view of the present situation with respect to proliferation, but the Reagan Administration apparently believes it can squeeze through another NPT Review conference without coming to grips with the fundamental contradictions in its present policies.

I believe that if the major nuclear powers are unwilling, as a minimum requirement, to abandon military strategies which contemplate the first use of nuclear weapons to deter conventional as well as nuclear threats, then the appeal of nuclear weapons in world politics is certain to become universal.

After all, if nuclear weapons really do confer immunity from conventional attack, why shouldn't every nation have one?

One cannot chant the mantra of nuclear deterrence with unbridled enthusiasm, and, at the same time, attempt to silence other nations when they seek to add their voices to the nuclear chorus.

The old double-standard of nuclear deterrence for the few, and nuclear denial for the many, has obviously run its course.

To those outside the superpower conflict, or who somehow manage to see beyond it, the two-way tunnel-vision of the Soviet Union and the United States is truly stupefying.

While the Reagan Administration wastes time here in Geneva trying to sell the Soviet Union on the president's vision of a "stabilizing" defensive arms race in space, and while the Soviet Union responds by becoming utterly engrossed in deflating these space war fantasies, some 260 commercial power reactors worldwide are churning out 45 metric tons of bomb-useable plutonium every year—the equivalent of 6,000 nuclear weapons.

As long as this plutonium stays locked-up in spent fuel rods, nations or militant subnational groups can not steal or divert the five kilograms required to build a bomb.

Unfortunately, some twenty percent of the world's storehouse of plutonium has already been separated-out, and some countries want to separate even more—to fuel their current generation of power reactors through so-called "thermal recycle", or to use in "breeder" reactors which produce even more bomb-useable plutonium.

If present trends continue, by the year 2000, there could be as much as 400 tons of bomb-useable plutonium circulating in world commerce—nearly twice the combined plutonium stockpile of the two superpowers.

I do not believe the world is ready for widespread traffic in separated plutonium.

I do not believe the world will ever be ready for it.

The converging trends of increasing terrorism by sub-national groups, and the wider dispersion of nuclear fuel cycle technology, raise a frightening prospect.

The hostage airliners of today could be merely precursors of the hostage cities of tomorrow.

Regardless of our divergent viewpoints—East and West, North and South—can we not agree at least on one thing? That a world already strained to the breaking point can scarcely endure the added threat of nuclear terrorism.

From New York to New Delhi to Beirut, we will all be vulnerable.

There is only one solution to the nuclear terrorist threat that will actually afford real security.

We must bite the bullet.

We must take the required medicine straight-up.

Those who still harbor dreams of breeding plutonium as a boundless source of power must give up their cherished illusions.

We must deny potential terrorists even the possibility of building or obtaining nuclear bombs.

And that means stopping the worldwide spread of nuclear-weapons-useable materials—plutonium and highly-enriched uranium, as well as the technology to produce it.

In contrast to the Ford and Carter Administrations, I am sorry to have to report to you that the Reagan Administration seems bent on making the world a convenient place for nuclear terrorists big and small. Paralleling its disinterest in meaningful arms control, it has taken a relaxed attitude toward sensitive nuclear exports to countries which have not signed the NPT.

And joined, unfortunately, by a number of advanced industrial countries, it is acquiescing in the development of a plutonium economy abroad as the pretext for eventually resurrecting the breeder reactor at home.

Fortunately, these views are not shared by many in Congress.

At least some of us believe that the current nonproliferation regime must be drastically reformed, and soon.

What are some of these changes?

First, we must cope with the fundamental contradiction between Articles One and Four of the NPT, the so called "non-assistance" and "assistance" clauses of the treaty.

Article One obliges the nuclear weapons states "not in any way to assist, encourage, or induce" any non-weapon state to acquire nuclear weapons.

But Article Four established the "inalienable right" of all parties to participate in the "fullest possible exchange of equipment materials, and scientific and technical information for the peaceful uses of nuclear energy."

That latter injunction has meant that the treaty does not bar possession of, or commerce in, weapons-useable nuclear materials, or the technology required to make them.

If we truly want to limit the spread of nuclear weapons among nation states, and preclude the threat of nuclear terrorism, we must act soon.

The non-assistance clause of Article One must be expanded to include all parties to the treaty, not just nuclear weapon states. As we know from painful experience in recent years, major transfers of nuclear bomb technology have originated from non-weapon states.

Second, weapon and non-weapon states alike must agree to expand the non-transfer obligation of Article One to include weapons useable nuclear materials, and the technology to make them.

This ban on commerce in plutonium and high-enriched uranium would apply to weapons and non-weapons states alike.

It would mean the end of commercial separation of plutonium. The continuation of such a ban beyond, say, five years, could be made contingent on the adoption by the nuclear-weapon states of a parallel negotiated ban on the production of plutonium and high-enriched uranium for military purposes.

It would also mean the conversion of research reactors worldwide to the use of low-enriched uranium fuel, a step which I'm pleased to say, we have just recently decided to move ahead with in the United States.

I am fully aware that there is formidable opposition to the course I am proposing. But I believe that after all the alternatives are carefully considered, it will prove to be the only approach that affords true security from the threat of nuclear violence.

But while we are planning for the transition to a world without the production of weapons-useable materials, there is something we must do right away.

Because the requirement for full-scope safeguards under Article Three of the treaty has been interpreted to apply only to receiving countries that are also party to the treaty, supplier nations have been free to export sensitive equipment to non-treaty nations that refuse to accept full-scope safeguards.

This has created an absurd situation—there is now a relative advantage in nuclear trade for those countries which stay outside the NPT, leaving them little incentive to ratify the treaty.

The upcoming review conference should consider requiring that full-scope safeguards be a condition of all transfers of nuclear material and equipment by suppliers party to the treaty.

Finally, Article Five, which permits the weapons states to conduct peaceful nuclear explosions on behalf of the non-weapons states, should be stricken from the treaty, as it perpetuates the myth that there are potentially beneficial peaceful uses for nuclear explosions.

Instead, I believe the nuclear-weapons states should begin fulfilling their obligations under Article Six of the treaty by halting nuclear explosive tests.

Our deepening understanding of the global environmental and economic consequences of nuclear war between the superpowers has underscored the mounting worldwide political awakening to the nuclear issue.

As President Raul Alfonsin of Argentina has so eloquently stated, "nuclear war between the superpowers threatens to deprive citizens and future generations of every nation of their most fundamental right—the right to life."

But we must not allow righteous indignation at the fundamental inequity, moral blindness, and political paralysis of the superpower arms race to blind us, or to paralyze our response to the imminent threat of nuclear terrorism and regional nuclear wars.

As our distinguished convenor, Prince Sadruddin, has so trenchantly written, "unpretentious little bombs that the Americans and Soviets would barely deign to count in their estimates of each other's firepower could blow a big hole in world peace."

MAURITANIA

● Mr. SIMON. Mr. President, a few weeks ago I visited Mauritania, Senegal, and the Soviet Union. I want to share my impressions with my colleagues and I shall do it in three separate floor statements.

Today I would like to talk briefly about Mauritania.

This country, with 1.7 million people, is the most sparsely populated country in Africa, and for good reason. The Sahel Desert poses a real threat to human, animal, and vegetable life.

Mauritania has 419,229 square miles, more than seven times the space of the State of Illinois. It faces the problems which the desert creates.

This past year it was able to produce only 9 percent of the food it consumed. Were it not for the generous aid of the United States and other countries, most of the people of Mauritania would have faced death.

Even as it is, life is grim for many people in Mauritania. The life expectancy is 45 years. One out of every seven babies born dies shortly after birth. Only 4 percent of the population goes to secondary school, and the literacy rate is 17 percent.

That is the grim side of things.

The other side I found in the spirit of the people of Mauritania—a spirit I came to admire and respect in my brief time there.

There is another, immediate problem on which we can be of assistance. The Ministry of Hydraulics has about $7 million worth of International Harvester trucks and drilling equipment that are important to the lifeline of that country, but are lacking spare parts and the expertise to put those spare parts in. I'm advised that with a grant of about $275,000 this important function in Mauritania could continue. I urge my colleagues on the Foreign Affairs Committee to include this in the next budget.

The two long-range problems Mauritania faces are the water problem and the education problem.

On the water problem, Mauritania is talking about the possibility of digging 1,800 wells and doing some other things. I do not oppose digging the wells, but I think it is inevitable that as those wells are dug, the water table will drop, and that those wells cannot provide adequately for the future water needs of this huge nation.

There is perhaps no more graphic illustration of the need for an inexpensive means of converting salt water to fresh water than the Mauritanian economy and landscape.

The sensible thing would be for the United States, Saudi Arabia, and Mauritania to join in a desalinization plant. Research is needed in this area, and the sooner we get on with the job, the sooner the problem is going to be solved—not only for Mauritania, but for our country, for the Saudis, for Israel, for a host of countries around the face of this Earth. I will be proposing a congressional mandate to increase efforts to study this problem.

In the next supplemental appropriation, I may offer an amendment suggesting that we move to at least 10 scholarships, 7 undergraduate, and 3 graduate, and I will insert into the RECORD a letter I am sending to the chairman of the Senate Foreign Relations Committee asking him to study this matter closely.

Right now, the United States offers three scholarships to Mauritania, and the Soviets offer approximately 100.

Senator MATHIAS, Senator PELL, Senator LUGAR, and the others who are urging us to do more in the area of scholarships are providing leadership we need in a direction we need, and I wish to join in that effort.●

AMENDING THE EQUAL CREDIT OPPORTUNITY ACT

● Mr. D'AMATO. Mr. President, I rise today in support of S. 1486, a bill to

amend the Equal Credit Opportunity Act [ECOA] championed by my distinguished colleague from Kansas, the majority leader. This bill, which I have cosponsored, will strengthen current Federal prohibitions against discrimination in business credit. I support this bill because I believe that all those who wish to start their own business should have an equal opportunity to do so.

The act being amended prohibits discrimination on the basis of race, sex, marital status, and age. It also authorizes the Federal Reserve Board to exempt nonconsumer transactions from certain key requirements of ECOA, including the ban on inquiries into the credit applicants marital status.

The Federal Reserve Board's ability to supersede the ECOA antidiscrimination requirements has been a point of contention since enactment of the act in 1977. The bill which I am cosponsoring would amend the ECOA to require that any exemption from the act's requirements be narrowly defined and be promulgated only after public hearings have been held. This bill does not eliminate all ECOA exemptions, but rather requires that they be more narrowly defined and more carefully documented.

This bill is an attempt to ensure that all Americans have equal access to the commercial credit market. It is through commercial loans that new ideas reach the drawing board and eventually a waiting market. Every individual deserves a fair shake when it comes to business ventures. This is the very basis of our free enterprise system.

I am pleased to support S. 1486. I urge its adoption.●

THE AMERICAN RED CROSS AND FAMINE IN AFRICA

● Mr. DANFORTH. Mr. President, it has been my privilege to serve as cochairman of the American Red Cross Africa Famine Relief Campaign for 1985. When Americans became aware of the appalling suffering in Africa—the worst in this century—they reacted with compassion, and generosity. Initially, the Red Cross set $5 million as its goal for its African Famine Relief. However, the outpouring of support was so great that in 3 months contributions amounted to $15 million. Funds are still being contributed. Some donations have been large (one foundation gave $1 million), but the majority of the money came from the general public. Americans of all stripes and ages were touched by press accounts and photos of African youngsters with swollen bellies and bodies, more bone than flesh.

The American Red Cross determined that the money raised for Africa would not defray any overhead expense. It channeled all of the funds immediately to the League of Red Cross and Red Crescent Societies in Geneva. These affiliated organizations carry on relief operations in 14 of the most afflicted African nations.

By donating such a large part of the $70 million sought by the League for its 1985 estimate of African needs, American Red Cross chapters and volunteers have shown considerable enterprise and ingenuity in two critical ways. First, they focused public attention on the urgent need. Second, they provided the most precious relief commodity possible—cash.

In Orange County, CA, for instance, school students mounted a "Give a Bill and a Can" campaign. This effort not only generated funds for the suffering African nations, but also a can of food for the hungry in their own community.

The drive, which took place in 70 local schools, resulted in $31,705 being contributed to the American Red Cross. One high school class alone raised $4,000. The Girl Scouts brought in a donation of $700. A local restaurant attracted 150 people to a champagne brunch, and the proceeds—a $25 contribution from each person—went directly to the "Bill and Can" drive.

When an American Red Cross delegation recently visited Ethiopia, Mali, Mauritania, and Senegal, it was noted that the feeding camps lacked recreational equipment for use by the children. This prompted American grade school younsters to act. They assembled Red Cross "friendship boxes," which they filled with sports equipment and such practical items as sewing kits.

In opening their hearts and pocketbooks to help the starving, Americans devised many ways to focus attention on the famine in Africa:

In Washington, DC, embassies and local African restaurants joined forces to auction African art.

In Baltimore, Johns Hopkins University students held a 1-day fast; the University's food service sent the amount it would have spent on food preparaton to the Amercian Red Cross.

In Alabama, a restaurant held an all-day festival and donated the proceeds to African Famine Relief.

In California, a restaurant held a special celebrity dinner for contributors.

In New York, a food store donated the price of a quarter-page newspaper advertisement to boost the campaign.

Church members have also played a leading role. The General Missionary Baptist Convention of Georgia raised $125,000. The 10 congregations of the Gospel Spreading Church of God collected $7,550 for the American Red Cross. Wendell M. Green—a Washington, DC pastor—described his church collection as "more of a heart-giving thing than just giving of an offering." He said one little boy gave all the money he had, $5, saying, "If I had more, I'd give it."

One of the personal notes received by the Red Cross was from a man in Florida. It accompanied a check for $55.60. The note read:

> This is in memory of my daughter, Raimie, who was killed in a school bus-train accident while trying to save the life of another child.
>
> The amount is what was in her piggy bank. Since she was an active donor to charitable organizations, I feel that she would be proud to know that her savings are being used to help the starving in Africa.

The U.S. Postal Service presented $787,000 to the Red Cross, a sum raised by it employees and members of the National Association of Letter Carriers, the National Rural Letter Carriers, the National League of Postmasters, and the Post Office Mail Handlers.

Despite the ongoing efforts of governments and humanitarian agencies such as the Red Cross, there still is terrible need on the African continent. Solving even the short-term emergency problems will take time—something the victims of hunger don't have. The Red Cross notes that a $4 donation will feed a starving child for a month. A contribution of $98 is enough to save a small village for the same period.

Before the American Red Cross launched its African Famine Relief Campaign, its Board of Governors dispatched a factfinding team to four of the worst-affected countries. Its mission was to assess the need for Red Cross food assistance, to see how the help already being rendered was being managed, and to measure the actual delivery of Red Cross assistance to those who needed it most.

Through the generosity of Pan American World Airways, the American Red Cross delegation traveled 7,500 miles between hemispheres and continents. The members made up a cross-section of the United States. The delegation was composed of an Episcopal minister, a bank vice president, the head of a university, a college student, an accounting firm president, a nurse, an international management firm consultant, two civic leader Red Cross volunteers, a school supervisor, members of the American Red Cross Board of Governors, and two famous personalities—Mel Blount of professional football and Charlton Heston. The factfinding group was organized into five groups. They visited Mali, Senegal, Mauritania and Ethiopia.

What they reported should make the Red Cross proud. It was their opinion that the Red Cross is among the most effective, attentive and efficient of all government agencies and church and private groups helping the famine victims. As a conduit of such a

large portion of the $70 million sought by the League's relief program, the American Red Cross felt that it had responsibility to monitor the help in order to assure that donations were being put to good use. When Americans give so generously, they have a right to know that their contributions are being used effectively.

The Red Cross is making a significant contribution to the relief effort. It is chartering aircraft to shuttle grain and other food stuffs to the more remote regions affected by the dropout. Tons of food have been purchased and are being distributed. Medical teams are helping the malnourished regain their health. Land transport has been purchased to haul humanitarian assistance across nearly trackless, parched and dusty wasteland. And an inventory of spare parts for these vehicles are on hand for repairs which are frequently needed under such harsh conditions.

The terrible need in Africa still persists. Red Cross figures show that 187 million people in 27 nations suffer the threat of starvation.

Through their contributions to the Red Cross and other organizations, the American people have shown that they will not turn their back on this tragic situation. Americans from every walk of life have shown that everyone can take a part in this lifesaving effort. For those who have not done so already, contributions can be sent to the nearest Red Cross chapter and designated for American Red Cross African Famine Relief.●

SUPERCLUSTERS: LARGEST KNOWN STRUCTURES IN THE UNIVERSE

● Mr. DOMENICI. Mr. President, I invite the attention of my colleagues to a recent announcement by the National Science Foundation on July 16, 1985, entitled "Astronomers Find Largest Known Structure in Universe, An Assemblage of Galaxies." I am especially proud to note that the discoverers are two fellow New Mexicans, Dr. Jack O. Burns, an associate professor of astronomy at the University of New Mexico, and David J. Batuski, a graduate student at the University of New Mexico.

Their work essentially established the fact that the Perseus-Pisces Supercluster in the northern sky is approximately three times as large than previously believed.

In a 2-year effort of data collection and analysis, these New Mexico astronomers have substantially refined the three-dimensional map of the universe. Their primary observations were done at Kitt Peak in Arizona with an intensified image dissector scanner on the 84-inch telescope. They have identified a star structure, an assemblage of galaxies and clusters of galaxies that make up the largest known structure in the universe—more than 1 billion light-years in length.

According to the NSF release:

The largest previously reported similar structure, called a filament, was an assemblage or association of galaxies about 700 million light-years long, discovered in November 1982. A light-year is the distance light travels in a year at a speed of 186,000 miles per second—about 6 trillion miles.

In the article "Superclusters: Giants of the Universe,"—Astronomy, April 1984—Mr. Laurence A. Marschall reminds us that:

Our own Milky Way Galaxy is itself a member of a cluster of galaxies—the "Local group," as astronomers call it. Because we are embedded in it, the Local Group is more difficult to recognize than the great cluster in Virgo. . . .

The Local Group is a small and sparsely populated cluster, containing only a few dozen members. Rich clusters of galaxies, like the one in Virgo, contain hundreds or thousands of galaxies of all types. These rich clusters invariably contain near their center one or two of the largest types of galaxies known—giant elliptical galaxies, which may contain as much material as 50 spiral galaxies like our Milky Way.

To help put the above discussion of galaxies into perspective, it is helpful to remind ourselves about the size of our home galaxy, the Milky Way within the Local Group. If we imagine ourselves in space looking at the Local Group of a few dozen galaxies and searching for our Sun, we would have to magnify our view of the Local Group by about 400 billion times to see the part of the Milky Way containing the Sun. The National Geographic Picture Atlas, Our Universe, 1980, (pp. 237-9), further clarifies the size of the Milky Way as containing some 200,000 billions stars. Viewed on edge, our spiral galaxy is 100,000 light-years across. In the suburban area, on the Orion arm and about 30,000 light-years from the center, is our Sun. At its estimated speed of 220 kilometers per second, our Sun takes 230,000,000 years to circle the Milky Way Galaxy—1 galactic year.

It is quite a leap indeed to understand the vast dimensions of not only our own home galaxy, but its relationship to the Local Group, and the relative smallness of this group in comparison to the supercluster of galaxies verified by Dr. Burns and David Batuski.

It is quite an honor for the University of New Mexico to have its reputation enhanced by the fine work of these scientists. Dr. Burns earned his doctorate from the University of Illinois. He joined the faculty of the University of New Mexico in the fall of 1980. At the age of 32, Dr. Burns can be proud of his huge discovery. I know that he and his wife Cathleen are also proud of their twins—a boy and a girl—born in March of this year.

Dr. Jack O. Burns did his pre- and post-doctoral work in radio astronomy at the National Radio Astronomy Observatory in Charlottesville, VA. He then did field work at the Very Large Array (radio telescope) in Socorro, NM, before taking his post at the University of New Mexico in Albuquerque.

David J. Batuski, age 36, served 13 years in the U.S. Air Force where he spent 3 years at the Kirtland Air Force Base research facility in Albuquerque. Deciding to pursue his first love, David returned to graduate school in astronomy at the University of New Mexico—a long way from the farm where he was raised in Pennsylvania.

Mr. President, I believe that all of my colleagues will join me in this expression of our profound gratitude for the inspiring work of Jack Burns and David Batuski. The new enthusiasm and excitment they have brought to all of our lives deserves our attention. It is also gratifying to be a part of the Government that helps to make this type of effort possible.

Before inserting the National Science Foundation announcement and an article from the Albuquerque Journal, Sunday morning, July 21, 1985, I would like to close with a quotation from Laurence A. Marschall's article on "Superclusters: Giants of the Universe":

We may at last have discerned the largest objects in the universe. . . . Yet the search for a complete understanding of the structural framework of the universe is just beginning. We have mapped only a short pace outward toward the limits of the universe. The Space Telescope, with the ability to penetrate several times farther and several times fainter, should change these figures significantly in just a few years. For those who would understand the largest structures in existence, there are exciting times ahead.

I ask to have printed in the RECORD the NSF announcement and the newspaper article in connection with this subject.

The material follows:

ASTRONOMERS FIND LARGEST KNOWN STRUCTURE IN UNIVERSE, AN ASSEMBLAGE OF GALAXIES

Astronomers have identified the largest known structure in the universe, an assemblage of galaxies and clusters of galaxies more than one billion light years in length, the National Science Foundation (NSF) reported today.

The largest previously reported similar structure, called a filament, was an assemblage or association of galaxies about 700 million light years long, discovered in November, 1982. A light year is the distance light travels in a year at a speed of 186,000 miles per second—about six trillion miles.

The newly discovered system of galaxies was found in the northern region of the sky by Dr. Jack O. Burns, an associate professor of astronomy, and David J. Batuski, a graduate student, at the University of New Mexico. The large filament is in the direction of two constellations, Perseus and Pegasus, and lies between 200 million and one billion light years from earth.

The detection and study of such superclusters of galaxies is helpful to astronomers trying to learn more about the evolution of the universe. One group holds that galaxies were formed when super-cluster-size clouds of gas fragment and condense. Another school holds that relatively small galaxy-size structures formed first and then clustered as gravitational forces took hold and drew them together as the universe aged.

"We feel quite strongly that our data favor the model in which the superclusters formed first and galaxies later fragmented from supercluster clouds," Dr. Burns told the NSF.

"With such a model, the universe must be dominated by some form of dark or unseen matter such as exotic particles predicted recently by high energy physicists."

Dr. Burns explained that in order for structures of this size to be formed, more gravitationlal force, and therefore more mass, is needed than is present in luminous matter—stars and galaxies.

"Therefore," he said, "we must postulate the existence of a dominant component of the universe consisting of non-luminous matter."

The New Mexico astronomers used an Intensified Image Dissector Scanner—an electronic spectrograph—on the National Optical Astronomy Observatories' 84-inch (21.-meter) telescope on Kitt Peak in Arizona. The spectrograph allowed the researchers to determine distances of the galaxies and, therefore, three dimensional positions of the galaxies within the filament.

"This technique allowed us to recognize, for the first time, the existence of this filament," Dr. Burns said.

The researchers reported their finding to the NSF which funded their research and in an article to be published December 1 in the Astrophysical Journal.

UNM SCIENTISTS SPOT GALAXY SUPERCLUSTER

(By Julie Clausen)

Scientists from the University of New Mexico say they have spotted a supercluster of galaxies that is believed to be the largest known entity in space.

The discovery of the snakelike cluster lends support to a new picture that has developed in recent years of how the universe formed after the Big Bang. According to the Big Bang theory, all matter and energy in the universe was concentrated in a very small volume that exploded about 10 to 20 billion years ago.

The cluster of galaxies is a billion light-years long, said Jack O. Burns, a UNM astronomer. A light-year is almost six trillion miles. The supercluster is a snakelike filament, so its distance from Earth ranges from 500 million to a billion light-years, Burns said.

Burns and UNM graduate student David Batuski found the supercluster while they were refining their three-dimensional map of the universe. The map covers an area that extends a billion light-years from Earth.

Using photographic plates and the Abell catalog, a listing of galaxy clusters compiled by George Abell about 25 years ago, the researchers scanned the sky with a telescope at Kitt Peak National Observatory near Tucson for possible superclusters in the direction of the constellations Pegasus and Perseus.

The telescope was used to verify the presence of a supercluster by measuring the distances of the galaxies within the supercluster from each other.

Burns and Batuski used UNM computers to plot the positions of the galaxies using computer-generated graphics. Additional computer models were used to try to understand how the structures were formed.

"The universe now appears much more stringy or filamentary than we had thought before," Burns said. For two years, Burns and Batuski have been developing a map of the universe that Burns says looks like a Swiss cheese or a sponge. The universe's dense areas—superclusters—are surrounded by larger voids.

Because of the extreme size of the supercluster, the researchers' discovery lends support to a theory first proposed in the 1970s by Russian astronomer Yakov Zel'dovich that superclusters were the first masses to form out of the hot soup that would become the universe. The theory says the pull of gravity then caused the matter to collapse into a pancake, which fragmented to form galaxies and finally, stars.

The previously accepted model of the creation of the universe proposed that galaxies formed first and only later grouped together to form superclusters.

Scientists believe that formation of such a cluster would require more gravitational force than has previously been attributed to all the known luminous galaxies and stars, Burns said.

"The universe must be dominated by some form of dark or unseen matter," he said.

The largest supercluster previously found was about 700 million light-years long and was reported in 1982 by Cornell University scientists, Burns said.●

COUNCIL OF INTERNATIONAL PROGRAMS

● Mr. METZENBAUM. Mr. President, on August 12, people from over 80 countries will meet at Baldwin-Wallace College to celebrate the 30th anniversary of the Council of International Programs.

The Council of International Programs—a nonprofit organization that receives support from the U.S. Information Agency—began 3 decades ago in my home city of Cleveland.

Its mission?

To strengthen the work of human services professionals from around the world by providing to them an opportunity to work with their counterparts here in the United States.

This, I am pleased to say, is a mission that CIP has performed in a truly outstanding manner. Since 1956, 6,000 professionals from 110 countries have lived and worked in the United States under CIP auspices.

And these, Mr. President, are not just any foreign visitors.

These are the people from other countries who are committed to serving their own people. They are educators, medical workers, people involved with youth programs and leaders in community development activities.

Their presence here enriches us.

It creates personal and professional ties between our country and others.

And it has a direct, long-term impact on the quality of social services available to people in every part of the world.

Mr. President, I have long supported the work of CIP and extend to all who will gather at Baldwin-Wallace on August 12 my best wishes for a memorable conference.●

THE 196TH ANNIVERSARY OF THE U.S. CUSTOMS SERVICE AND THE 195TH ANNIVERSARY OF THE U.S. COAST GUARD

● Mr. D'AMATO. Mr. President, I rise today to honor both the U.S. Customs Service and the U.S. Coast Guard. These two fine institutions serve as the guardians of our borders by preventing the illegal importation and exportation of contraband, fraudulent goods, undeclared goods, and drugs. They also save lives and collect duties. Such services have gone unrecognized for some time and now, as we approach their 200th birthdays, it is time to give credit where it is due.

On July 4, 1789 the First Tariff Act was passed by Congress. Then, on July 31, 1789, Congress created 59 Customs districts for 11 States. North Carolina and Rhode Island were not included because they had not yet ratified the Constitution and joined the Union. President Washington officially created the Service on August 3, 1789 when he appointed 59 collectors, 33 surveyors, and 10 naval officers. In 1790, North Carolina and Rhode Island ratified the Constitution and seven more Customs districts were established.

Customs has the unique characteristic of having been established one month before the Treasury Department, its parent department. It is sometimes known as the child that is older than its parent. In 1927, Customs became a separate bureau, although its Commissioner is appointed by the Secretary of the Treasury.

Today the U.S. Customs Service enforces the Tariff Act of 1930, enforces export control laws, intercepts illegal high-technology exports to Soviet bloc countries, suppresses illegal narcotics traffic, enforces reporting requirements of the Bank Secrecy Act, and enforces a whole range of trade regulations and quotas. The Service has representatives in London, Bonn, Hong Kong, Mexico City, Seoul, and Tokyo to name just a few places.

The Customs Service is not alone in its international role. The U.S. Coast Guard, the oldest continuous seagoing service, due in part to the fact that the Navy was disbanded for a period after the Revolutionary War, is also located abroad. Its worldwide service covers Germany, Turkey, Japan, Spain, and England, but is not limited to those countries.

The Coast Guard was established in 1790 to collect customs duties—closely

related to the Customs Service—as the Federal Government was fiscally weak. It was even called the revenue cutter service and the revenue marines at times. In 1967, the Department of Transportation was created and later the Coast Guard was transferred to that Department. Not only does the Coast Guard save lives and rescue boats and boaters, but it also helps control the in and outflow of marine traffic that marks the background for so much of our country's smuggling.

Mr. President, while we struggle to preserve domestic tranquility and 1 in every 4 American families is victimized by crime that is all too frequently drug related, the efforts of these two organizations become increasingly important. For instance, from January 1, 1985 until July 15, 1985 the Coast Guard seized 857,864 pounds of marijuana, 94 vessels, 6,072 pounds of cocaine valued at almost $225 million, and made 340 arrests.

From 1977 to 1980, the Customs Service seized 12,214,353.4 pounds of marijuana valued at $5,761,673,850; 8,551.8 pounds of cocaine valued at $2,579,390,037; and 857.5 pounds of heroin valued at $452,758,571. These figures only skim the surface of the illicit substances flowing across our massive borders. These are the borders that heroin crosses to rob our youths of their dreams and often their lives. These are the very same borders that, if left unprotected, will be crossed by the terrorists who are not thwarted in sufficient time.

Tragic isn't it?

Mr. President, these two services have long protected the American people, the American economy, and American safety as a whole. We must not pull the rug out from beneath those who protect our Nation or we won't see another 200 years of the same proud service.●

THE UAW CLEBRATES ITS 50TH ANNIVERSARY

● Mr. RIEGLE. Mr. President, on Monday, August 26, the United Auto Workers, one of the oldest and proudest labor organizations in the United States, will celebrates its 50th anniversary. On this occasion, I would like to pay tribute to this great American institution, whose valiant struggle to protect and improve the lives of working men and women throughout the country is a model for all of the labor movement, here and throughout the world.

As a native of Flint, MI, where General Motors was born and where the UAW signed its first-ever contract with that automaker. I have followed the progress of the UAW during my years in Congress and as a private citizen with a special sense of admiration and respect.

Founded in 1935, in the wake of the Great Depression, the UAW was formed to address the special problems that confronted workers in the young and growing auto industry. Automobile workers responded enthusiastically to organizing initiatives and by 1937 the fledgling union had grown to a membership of nearly 300,000.

Bolstered by this extraordinary success, UAW leaders decided in early 1937 that the union was numerically strong enough to demand formal recognition from the big three automakers: Ford, GM, and Chrysler. With this goal strongly in mind, the union singled out GM as a test case because of its refusal to discuss collective bargaining with the UAW, and called a "sitdown" strike against the company. The result was a landmark in American labor history; the legacy of solidarity which has long been the trademark of the UAW dates from the famous 1937 Flint sitdown strike.

As the country geared up for World War II, UAW leaders showed foresight and patriotism in their call to mobilize the vast resources and idle capacity of the auto industry to produce fighter planes and other war materials. Recognizing the need to promote national unity and harmony in the wake of Pearl Harbor, the UAW leadership met on December 8, 1941, and adopted a voluntary no-strike pledge for the duration of the war. Nevertheless, UAW leaders continued to work vigorously to protect the collection bargaining rights of its members and to win equal pay and equal treatment for the thousands of women who entered the work force during the war.

Following the election of Walter Reuther to the union presidency in 1946, the UAW entered new negotiations with the major auto makers and called on the industry to share the benefits of their increased productivity with the workers. These negotiations produced the wage policy that has resulted in UAW members being among the best paid workers in the United States. In addition to attaining the first cost-of-living allowance from GM, the UAW won the first fully employer-paid pension program in any mass-production industry from the Ford Motor Co.

Having already achieved significant success in its goal to protect the rights and interests of its own members, the 1950's and 1960's saw the UAW's social vision expanding to encompass others from all walks of life. The UAW joined the fight for human justice and against prejudice and racism which still threaten the liberty and freedom of so many Americans. Walter Reuther and other UAW leaders walked side by side with Dr. Martin Luther King Jr. throughout the South and in his famous 1963 March of Washington.

At the same time, the UAW used its enormous strength and influence to help workers in other occupations. In addition to being among the first unions to help finance the United Farm Workers in their campaign for justice in California, it aided striking hospital workers in Charleston, SC, and gave funds to teachers trying to organize their own local unions.

After the tragic death of Walter Reuther in May 1970, Leonard Woodcock took over the reins of the UAW and continued to pursue Reuther's noble quest for social justice and progress as well as better conditions for workers throughout the country. This period saw the union leading the growing national protest against the Vietnam war and repeatedly testifying on Capitol Hill for national health insurance, environmental measures, welfare reform, and civil liberties. Meanwhile, on its own collective bargaining front, the UAW won a tough new health-and-safety program, pension gains, restrictions on the corporation's right to demand overtime, and benefit increases.

Douglas Fraser succeeded Leonard Woodcock as president of the UAW and under his leadership, the union again broke new and historical ground, proving that labor, management and Government can all work together toward a common goal. In this case, the UAW's contributions to the Chrysler loan guarantee legislation have helped bring about a complete turnaround of that automaker. The UAW role in the Chrysler legislation helped save hundreds of thousands of jobs all across this country. The union made still another breakthrough when Douglas Fraser was named to the Chrysler board of directors—the first step ever for a union into the boardrooms of America.

Today, under the leadership of Owen Bieber, the United Autoworkers Union is still making progress for working men and women and their communities. As the world of work is changing, as we grow into a worldwide economy, as we enter another industrial revolution, the UAW is in the forefront with new ideas and new concepts to help us adapt to these times.

As the UAW celebrates its 50th year of distinguished service to its members and the community at large, I think it is only appropriate that we in the Senate commend this fine organization and its leaders for the great contributions they have made to our society. Through it all, the UAW has kept—and will continue to keep—its original goal to bring dignity to the American workplace.●

THE JAPANESE THREAT TO U.S. JOBS

● Mr. HEINZ. Mr. President, I would like to call to the attention of my colleagues an article in the July 28 New York Times Magazine by Theodore H. White, entitled "The Danger From Japan."

Mr. White argues, and I am in agreement with him, that the noble principle of free trade is undermined by two factors. First, the whole world does not abide by it, those that do, such as the United States, are thus at a disadvantage. Second, in a world of free trade the cheapest producers will be those who dominate production; since advanced technology is now largely internationalized the United States cannot hope to simultaneously keep relatively high wages and its competitiveness.

Japan since the war has exploited both these factors. The Ministry of Finance sets the exchange rates and stimulates savings and investment. The Ministry of International Trade and Industry targets Japanese industries that are to grow, by giving them no interest loans and high tariffs to fend off competition. Wages are still on average lower than in the United States, although in this area the newly industrializing countries [NIC's] are a more dangerous threat to U.S. manufacturers. In contrast, American markets welcome foreign exports-advertising agencies eagerly explain how to dominate the consumer market. In Los Angeles alone there are 1,500 Japanese firms; in Japan, American companies are largely excluded. Not surprisingly, going on 2 million jobs have been lost in the manufacturing sector in the last 6 years in the United States; in the last 15 years Japanese exports to the United States have increased more than 10 times. White quotes the Secretary of Commerce Malcolm Baldrige:

America's pursuit of free trade is like Sir Galahad's quest for the Holy Grail.

Mr. White's conclusion is, I think, worthy of my colleagues attention. What we need is an overall trade policy. We need to move away from the current ad hoc arrangements to something more embracing.

Mr. President, I ask that the article be printed at this point in the RECORD.

The article follows:

[From the New York Times Magazine, July 28, 1985]

THE DANGER FROM JAPAN

(By Theodore H. White)

No sense of irony stained the spectacle of victory aboard the U.S.S. Missouri, no sense of shadows to rise years later.

We were all too bedazzled by the splendor of the day—for here was American power at its zenith. We had won the war, totally, and the men who had won it, soon to become legend, were all there on the veranda deck in pressed suntans or navy whites. A band had been swinging through "Anchors Aweigh" as we gathered that morning, but as the climax approached a hush fell; silence stretched like a blanket over our murmurings.

None of us of course knew what America would make of the victory, or the Japanese of their defeat. But the power was all ours and stretched, visibly, as far as the eye could see. The Third Fleet had come in from offshore and now crowded Tokyo Bay—flattops and battleships, cruisers and destroyers, guns trained on the land we had laid waste. There was no question but that we had won this war.

It was Sunday, Sept. 2, 1945, there on the other side of the dateline, and the skies, after a Saturday drizzle, stretched gray. But this was no guarded and hidden schoolhouse, with only a handful present to watch, as at the surrender of German forces only four months earlier at Rheims. Douglas MacArthur's sense of drama insisted that all the world be there to witness, and we were several hundreds thick on the foredeck.

The Missouri had been swept clean. The Stars and Stripes above the mainmast was the same that had fluttered over the Capitol on the day Japan attacked Pearl Harbor; it had just been flown out from Washington. The flag of Commodore Perry, who had pried Japan open to the West 90 years before, was draped on the rear turret, with the 31 stars of the then half-grown union faded but clear. And on each of the three 16-inch guns clung our sailors in white, holding on by a handgrip, or with their legs curled tight about the barrels.

Just in front of the turret was the surrender table, draped in a navy-blue coverlet, bare but for the documents. There the Japanese would sign. A few minutes before the appointed hour we heard the piping that announced the launch carrying the Japanese was alongside. We watched them come aboard: Mamoru Shigemitsu, the Japanese Foreign Minister, in morning coat and striped trousers; Gen. Yoshijiro Umezu, Chief of Staff of the army, in his starched brown uniform. Shigemitsu limped, for he had been crippled years before by Japanese terrorists who had tried to kill him, considering him a man of peace. But that brought him no sympathy from us now as he grasped the rail to pull himself up, then limped to the table of surrender.

I bristled at the sight of them. I had seen the Japanese blast and flame Chungqing, the city I had lived in years before, then bring their planes down to machine-gun people in the streets. Japanese had shot at me, I had fired at them, and so the luxury of this moment was one I enjoyed. Others, too, hated the Japanese—perhaps all except Douglas MacArthur, who saw them as he saw all Orientals, as errant little brown brothers who must be rebuked, but then brought into Western civilization. Yet that day he was taskmaster and conqueror.

A few minutes after 9, General MacArthur himself appeared, and the Japanese came forward. No one helped Shigemitsu, but some Americans more generous than I brought him a chair to sit on as he signed the surrender. Next came Umezu, the brown pock marks on his cheeks swelling and falling as he clenched his jaws. He wanted no chair; he stood stiffly, unfolded like a jackknife, then bent and signed the paper. Neither said anything. Then MacArthur spoke, for peace and conciliation—rather well, I think now as I read his text 40 years later. Then all the others signed. I notice, as I follow the notes I made on my copy of the text, that when the Dutch representative signed, the sun broke through the clouded morning, and the scene began to glisten.

At this point happened the episode that stands out sharpest among the memories of that day—the flyover. As MacArthur intoned "These proceedings are closed," we heard a drone and looked up. It is difficult to recall now, after years of floundering and blunder, how very good we were in those days, with what precision we ordered things. Four hundred B-29s had taken off from Guam and Saipan hours before to arrive over the Missouri at this precise minute of climax. They stretched across the rim of the horizon, and their heavy droning almost instantly harmonized with a softer buzzing as 1,500 fleet aircraft from our flattops joined them. The B-29s had burned out Japan's cities, dropped the two big bombs; the fleet aircraft had sunk the Japanese Navy. Now the killing arms of our power, the air forces, slid down from their height in the sky to circle low over the armada of American ships. Then, still very low, they disappeared across the sky, over two cities they had left in ruins, first Yokohama, then Tokyo, as if brandishing our power over the people who had dared, without warrant and with planned deceit, to attack and bloody us at Pearl Harbor.

We had won out over them. We lost more than 100,000 men to prove we could not be lacerated without warning, without seeking revenge.

Except that America's revenge on Japan was of such an extraordinary character as to befuddle all scholars who claim that history has a logic of its own. What we are faced with now is the idea that events contradict history's logic. Perhaps we did not win the war, perhaps the Japanese, unknown even to themselves, were the winners.

It had taken us years to get to Tokyo Bay. But that story had begun with an idea, as all wars do.

As a very young reporter, I had gone to Asia, and there became acquainted with the crowning Japanese idea: "The Greater East Asia Co-Prosperity Sphere." The slogan was scrawled across the walls of all the regions I visited. from Manchukuo to North China, down finally to Hanoi in 1940, when the Japanese took over Vietnam. And they meant to go further: to Thailand (with its tin), Malaya (rubber), Indonesia (oil and timber). The Japanese idea was simple: that Japan was the leader of East Asia, and so it should harness Asia, with its resources, its genius of mind, its hundreds of millions of people, and all would grow prosperous—Japan most of all.

But the Chinese, both Nationalist and Communist, had resisted. And, as the Japanese did their best to beat the Chinese into submission, America said: No. Franklin Roosevelt imposed his embargo on Japanese trade—no scrap metal, no oil, nothing that would help Japan pursue its purpose of conquest. The noose had thus tightened about Japan in 1941, whereupon they atacked us and hoped, having hurt us, that we would negotiate on their terms. Tactically, the attack on Pearl Harbor was one of the most brilliantly executed strokes of the war. But politically, it was most unwise, for America fought back.

Today, 40 years after the end of World War II, the Japanese are on the move again in one of history's most brilliant commercial offensives, as they go about dismantling American industry. Whether they are still only smart, or have finally learned to be wiser than we, will be tested in the next 10

years. Only then will we know who finally won the war 50 years before.

So we must go back to Japan at that weekend of surrender and see what we made of it.

The eye recalls almost nothing sharp of those first three days. Both Tokyo and Yokohama were wasteland. Here and there was a speckle of corrugated iron shacks where the bombed-out victims of our raids lived. Spikes of smokestacks rose above rubble. In the streets trudged the Japanese—forlorn and shabby. Along the country roads trickled the first of their demobilized soldiers, their belongings slung over their shoulders. All of Japan was open to us, except for the Emperor's palace in Tokyo, behind its moat and earthen walls. The 11th Airborne Division had arrived to protect him from all intruders—Americans and Japanese alike.

A few days before we entered Japan, an intelligence officer had briefed a few of us correspondents on how delicate that mission would be: Japan was still fully armed, with 57 divisions in the home islands. Some units were violent. There had already been one assault on the Emperor's palace in the days since he had radioed his submission to us; it had been beaten off. The Emperor was our key. "In essence," concluded the officer, "we've achieved a coup d'état. Our coup has been to take the Emperor. We've given him the widest latitude in telling his people how to take defeat. But, when they learn he takes orders from us, that we're using him to restore order, there's no telling how the mechanism will react."

So, when we flew in on Friday, Aug. 31, before the surrender, the soldiers in my plane were taking apart, fingering, reassembling their guns as soldiers always do before assault, ready to shoot if this surrender was a trap.

But it was no trap; the Japanese *had* surrendered; the Emperor had defused the Japanese war machine, still capable of one last explosive bloodletting. The airfield perimeter had been guarded immediately by the 11th Airborne. The Japanese had not only obeyed our orders to remove all propellers from their planes at Atsugi Airfield, our point of descent, but the planes themselves had been bulldozed into a junk-heap at the far corner.

That first weekend of reconnaissance and tingling fear we roamed the streets of Yokohama with strut and swagger. We took over the new Grand Hotel on the Bund—just up the street from the offices of the House of Mitsui. So I strolled down to visit it.

The House of Mitsui was one of the grand *zaibatsu*, those great Japanese merchant trading houses that we meant to abolish but did not. I walked in with Jim Stewart of the Office of War Information, who spoke fluent Japanese, and we were ushered into an executive's suite.

His face I have forgotten; in my notes his name reads simply "Fujiro," and he spoke fine English. When he understood that we had come not to arrest him but to talk, he relaxed. I wanted to pick up the threads of the story of defeat and surrender.

Fujiro told it well: It had been four months since the last ocean-going vessel of Japan's far-flung merchant marine had made it safely back to Yokohama, Japan's largest port. It had been more than a year since Kawasaki, the nation's oil port, had received a tanker from the East Indies. Yokohama was prostrate, he said. He guessed that 200,000 people had been killed in our bombings and 700,000 had fled.

But the Americans were not hated, he assured us. The people hated their army. "Why no planes, no guns to defend us?" He spat out names like Tojo, Oshima, Shiratori. The people expected them to be executed. People hated the United States bombers, but the first Americans to land were well-behaved. Jim Stewart remarked that, unlike the Japanese, American soldiers did not rape. Fujiro acknowledged this.

Then to his plea. Hunger. Food. Let Japan work to support herself. Japan could still make ships—"let us make ships to earn our way." Some textile mills remained; the Japanese could still make cloth to earn a living. But Japan needed food most of all—one-third of all its food in the closing days of the war had come out of China. Japan could sell us tea and silk, but it needed food.

What were the plans now of the House of Mitsui? we asked. He replied: "Frankly, gentlemen, until your military tells us what to do, we have no plans." Before we left, he poured us a toast: "To your safe arrival!" We drank; the House of Mitsui bowed as if we were not only liberators but allies.

These days, the House of Mitsui is thriving again, its trading net spread from steel mills in China to refineries in Iran to operations in America—the whole world has become its "Greater Co-Prosperity Sphere."

Food, then, that weekend and that month was of the essence.

There is a strange and wonderful thing about Americans, of which I am proud. In war we bomb, we kill, occasionally our soldiers are savage, too—although when an American officer goes berserk, we try him in our own military courts, as we did Lieut. William Calley for the massacre at Mylai. But Americans abhor starvation, and they are very good at organizing to help all starving people—defeated Germans, defeated Japanese, Ethiopians subject to Marxism.

So, in the first few days of occupation, our rage evaporated in the task immediately at hand: to feed the Japanese people we had conquered.

What MacArthur was up against were the essentials that geography forces on anyone who governs Japan. Japan is a nation of four rocky islands—with a combined area that is smaller than California. Seventy-two percent of the land is mountain and rock, useless for anything but tourism and scenery. Only 16 percent is tillable. When, a century ago, the Japanese were a nation of 30 million people, they could barely feed themselves and infanticide was a common practice. Their internal history has thus been scorched with savage civil wars. Then, when Japan was opened, the coiled aggressions so long turned against each other turned against their neighbors—China first, then the Russians, then Korea.

But the Japanese add to their poverty of physical resources two extravagantly useful conditions. They have, first, a sharply indented coastline, with natural ports inviting deep water to their shore. England has the same advantage, which once gave that nation, and now gives Japan, access to all the world's resources of ore, oil, foods, timber; by cheap shipping, Japanese can draw raw materials from anywhere and can send competitive manufactures anywhere, too.

To this gift of geography is added a gift of genetics, a striking quality of mind. We often think of the Japanese as less than innovative but, technically, they are superb adapters and producers. We learned that in the war against them: their torpedoes were better and faster than ours . . . until we learned to make ours better. Their initial combat plane—the Zero—was a superlative machine; it could turn, dart, wheel away and mock American flying machines. No matter that Americans had invented the airplane and the flattop; when the war started, Japan had in several arms superior, if derivative, technology. What licked them was American bravery, the mobilization of then-Superior American science and industry, and their own blundering politics that led them to challenge us.

Whether Americans made an equal blunder in entering Asia in 1945 is something historians will debate for decades to come. But if we did blunder in that fall seaon of 1945, the blunder stemmed from mercy and generosity. Both mercy and generosity proposed a peace the like of which had never been granted before to any conquered nation—except, perhaps, the Germany defeated only months before.

Our first challenge in those early weeks was, of course, the simple mechnanics of occupation. But then we faced the problem of how to govern the now-abject nation—above all, how to feed it. Japan's hospitals were full of the diseases of malnutrition. MacArthur ordered at once that our occupying forces distribute their rations to Japanese civilians from Army kitchens. He then ordered that all the 3½ million tons of food stockpiled for our own armies for the projected landings of October and November be rushed in. Yet still there was not enough. He himself described it best in a cable to the War Department in the spring of 1946—a spring of imminent starvation. We must either feed the Japanese or starve them, he wrote, and then we must face the consequences. "Starvation breeds mass unrest, disorder, violence. Give me bread or give me bullets," he finished in a grandiloquent MacArthurian flourish.

The next paragraph of MacArthur's reminiscences is a single sentence: "I got bread."

MacArthur had, almost immediately after moving his headquarters from Yokohama to Tokyo, set about creating a new Japan. Of the Emperor, he demanded that a new prime minister be immediately named. By October, the Emperor had replaced his uncle, the nominal prime minister at the time of surrender, with Baron Shidehara, to whom, on his first visit, MacArthur explained America's wishes for the new Japan.

MacArthur's directives were cut from the cloth of American good will. Japan (so ran his first directive) must completely emancipate Japanese women; must let workers organize in unions; ban abuse of child labor; abolish secret police. Further, Japan must reorganize its education system and "democratize" its industrial system. He left it to Shidehara to work out the details.

It was this broad grant of latitude that was most important. The Japanese could pick and choose their way through MacArthur's directives. The way they chose to implement them allowed their industry, their universities, their ingenuity to flourish. And the rebirth of Japan since its defeat is a parable of history. If one speeds up the interaction of ideas and drive, it becomes a drama.

It is impossible to blame the Japanese for accepting American mercy and the American invitation to thrive. Neither Congress nor the United States War Department wanted to feed Japan indefinitely or pay for its recovery. It was up to the Japanese to work their own way back, to remove themselves from the backs of the American taxpayer.

A young lieutenant with the 27th Infantry Division was among the first to land in that week after the surrender; his company had

fought in the battle of Okinawa; it had entered with 180 men and come out with only 20. That young combat lieutenant, Malcolm Baldrige, is now Secretary of Commerce, and he recalls the desolation in Japan. "We sent them," he recalls now, "blood-fractionating technology on humanitarian grounds. Today the company we gave the technology to competes with Americans around the world. We sent them technicians from the Underwriters Laboratory to certify that Japanese products were up to American standards, fit for export. Today U.S. companies fight to get their exports certified for entry into Japan." Baldrige is both wise and somber. The Japanese, as Government policy, are undermining one American industry after another. But Baldrige, as a senior administration official, must restrain his forebodings in public.

To understand his bitterness one must again go back to the story of governing ideas. Early in 1947, as Japan was thawing from defeat, we sponsored something called GATT—the General Agreement on Tariffs and Trade, with headquarters in Geneva. GATT embodied an idea almost two centuries old, the idea of Adam Smith. Smith believed that history moves in stages, and, because he lived at the dawn of the Industrial Revolution, he denounced the outworn ideas of mercantilism—the world stage was now set for "free trade." An "invisible hand," Smith held, should and would shape the flow of goods from one nation to another, wherever "comparative advantage" in production would draw wares from one country to another.

By the mid-1940s, American thinking had made a holy cause of "free trade." Our conventional analysis of the second World War held that both Hitler and the Japanese had violated the theology of "free trade," staking out spheres of economic dominance with bayonets, thus bringing war. Now, however, in 1947, GATT would enforce free trade in all the non-Marxist world, eliminating tariffs and barriers, and allowing goods to flow freely from country to country. We were at our peak in the history of commerce. Thus—onward and upward to the sunlit plateau of world prosperity and peace.

For the Japanese it must have seemed to good to be true, and it took them several years to learn that the Americans had rewarded them with a world market far larger then the Great East Asia Co-Prosperity Sphere. The Americans had given them an invitation to the world trading game in total ignorance of what Japanese genius and tactics might accomplish. As late as 1954, a haze of victory still clouded American thinking. Said John Foster Dulles, Secretary of State, at a National Security Council meeting in August of that year, I "told Premier Yoshida frankly that Japan should not expect to find a big American market because the Japanese don't make the things we want. Japan must find markets elsewhere for the goods they export." It would be at least 30 years before history proved Dulles wrong, before our trade deficit with Japan grew to the thunderhead of an estimated $45 billion for 1985.

There were, of course several things wrong with the ideas that begot GATT. First was the belief that all the world would behave by the rules codified by GATT. We could not entertain the idea that some nations would race, like broken-field runners, through the new rules of tariffs and trade; that GATT would be riddled and pock-holed by subsidies, regulations, quotas and barriers that made mockery of the idea of free trade.

But the more important thing that went wrong with GATT was almost too simple to consider. If all people of the world were entitled to equally free trade, then the cheapest producers would be those who paid their people least, yet mastered world-class technology. In other words, nations whose workers were grateful for starvation wages could conquer the markets of countries like America, whose workers demanded the world's highest wages. The only way thus to compete was by efficiencies of production, in which the Japanese steadily strove to match the Americans, or by wage standards with which American workers could not compete, or both. Asian standards of living would have to go up or our standards would go down until an equilibrium would be reached.

In the 40 years since defeat, Japan has grown to be a giant. Japan has passed the Soviet Union in industrial production and stands as world class No. 2 to our No. 1. If the present Japanese expansion of production continues, it will be, in 20 years, a greater industrial power than the United States.

When the Japanese looked out from their world of ruins in the months after defeat, disaster drew self-examination as tight as skin about every individual as well as the community. "Japan was smashed," says one American industrialist. "It's industry was shattered or obsolete. Every institution had failed them . . . . There was no leadership, no model for creating a new Japan except that which America forced on it." So MacArthur and his staff became the leadership, America the model.

What the Japanese have done since in remodeling the American model is no less than spectacular. They have devised a system of government-industry partnership that is a paradigm for directing a modern industrial state for national purposes—and one designed for action in the new world of global commerce that the United States blueprinted.

The Japanese have a tangled bureaucracy that baffles foreign intruders, but one must recognize at least the two main players in the game to understand the dynamics of the Japanese trade thrust.

The Ministry of Finance comes first. In the words of one American Ambassador to Japan, "it has the ultimate call." Its policies set the exchange rate of the yen, keeping the currency undervalued in order to keep export prices low. It stimulates savings and investment, finances industry by directing the allocation of funds through the banks it controls. The Ministry of Finance provides the launching pad from which MITI directs the guided missiles of the trade offensive.

MITI—the Ministry of International Trade and Industry, the second major player in the game—is a totally new Japanese invention. MITI targets those Japanese industries that are to grow, targets the countries and markets to be penetrated. It can adjust depreciation rates for favored industries; coordinate research into arcane technologies—for example, into the fifth generation of computers. (Its only American rival in such research is the Pentagon, which can afford to match Japan's Incorporated budget).

Sometimes MITI makes mistakes—as in the overbuilding of the Japanese steel and shipbuilding industries, now in surplus capacity because of competition from South Korea. More often it is wise enough to put to sleep industries that can no longer compete. The island of Kyushu once employed 200,000 coal miners; only 7,000 remain there because oil and coal come cheaper from abroad—and so Kyushu has become a thriving center for electronics. MITI defines strategies; Japanese private enterprise follows through with zest. No better marriage of government planning and private enterprise has ever been seen.

The Japanese have caught the essence of Adam Smith—that history moves through its stages as opportunity and technology beckon. Nor is it alone in seeing the perspectives of the world America fostered. Although Jean Monnet designed Europe's Common Market, America has its godfather. Europe also presses to orient its industries to national purpose. West Germany, Europe's foremost industrial power, presses hardest. But the Germans expend much of their energies within the Common Market we sought to build. In American commerce, trade with West Germany is large, yet marginal. In 1971, when America first fell into the trade deficit that forced us off the gold standard, Germans exported $3.7 billion worth of goods to America, Japan $5.9 billion. Last year, the Germans shipped $16.9 billion—but the Japanese shipped $60.4 billion. The Germans, somehow, evoke little American bitterness because we understand their culture, establish American plants there without hindrance. The Japanese provoke American wrath because they are a locked and closed civilization that reciprocates our hushed fear with veiled contempt.

Few American businessmen abroad would qualify as Knights of the Round Table. American oil companies once, in the prime of their power, could make and unmake governments. But many American businesses have been welcomed overseas, if only because they usually pay higher wages than competitors. Most of all, they have been restrained by American antitrust laws from the kind of nationally coordinated trade offensive captained by MITI against all other countries.

American industry grew up in partnership with European industry. But Japan rouses different fears. Behind Japan ("the Big Dragon," some call it) march the "four little dragons" (Korea, Hong Kong, Taiwan, Singapore) following in its path. And behind loom China and India, desperate as they are to raise their standards of living—at the expense of American standards, if necessary.

The Japanese are far ahead in the race for world trade markets, and they are moving now to yet another stage. Their export surplus gives them huge sums to invest—in the Middle East and America—so that Japanese capital is moving from penetration to control. Japanese are beginning to supply venture capital for the seedbeds of American technology, from Silicon Valley in California to Route 128 in Boston. They hover over the Draper Laboratories in Massachusetts—the national laboratories that devise the guidance system of our missiles—and acquire what patents security lets free to the public. In the Los Angeles area alone, the Japanese have installed or acquired 1,500 firms. Their acquisitions in our banking system have grown significantly; contrarywise, Americans are all but excluded from Japanese capital markets. And, by the doctrine of GATT, all this is entirely legal.

Yet what is legal may also be unfair. While Japan's tariff rates are, in broad economic terms, roughy equal to those of other industrial nations, they are spiked with special tariffs in industries that are considered vulnerable to foreign competition. In addition, Japanese markets are protected by a maze of so-called nontariff barriers to

trade—many of which fall outside the reach of GATT regulations. We cannot sell our exports freely in Japan, whether beef, tobacco, citrus fruits, or leather goods. Consumer markets, too, are closed by regulations that the Japanese attribute to "cultural differences."

What Japanese does import from us are, chiefly, those raw materials always taken by master nations from colonial nations—grain, cotton, ores, fuel. We still ship to Japan a few remaining high-technology items, like aircraft, and some telecommunications and high-powered computers in which we hold a narrowing lead. But the Japanese continue to squeeze that lead, because their infant-industry-protection laws are planned to give them time to catch up. They will not buy American satellites until they learn to make their own. Corning Glass Works has had a fiber-optics patent pending in Japan for 12 years; in this time, the Japanese have learned to make fiber optics of their own that they now sell to America. Crude oil may be sold to Japan; but the Japanese will not buy our refined oil. American products certified here must go through slow, tedious re-testing in Japan before entering the Japanese market, while Japanese technology catches up.

American markets for Japanese goods are not only open but come with an invitation. The United States Census makes its marketing information open to all; for a fee anyone can buy its tapes that define, area by area, county by county, income group by income group, where Toyota, Sony, Hitachi, Honda can best space their distributorships; and American advertising agencies will, for a fee, translate consumer appetite into market conquest. No nation that thinks of itself as an assembly of consumers can resist Japanese penetration. But a nation that thinks of itself as a community has reason for alarm.

Today not a single consumer radio is made in America, although Americans invented the modern radio; not a single black-and-white television set is made here, although America invented television. The few companies that assemble color television sets in the United States could not exist without imported parts made in Asia, although color television was originally developed in America. Almost all our video-cassette recorders are made in Japan; so are most hand-held calculators, watches, a huge share of our office machinery, and most high-fidelity audio equipment. Only one American motorcycle manufacturer remains (Harley-Davidson); the Japanese hold 95 percent of our market. Only one American piano manufacturer remains (Steinway). The Brooklyn Navy Yard, where the conquering U.S.S. Missouri was launched in 1943, no longer exists.

The American automobile and steel industries were the first to be hit by Japan's trade offensive—they were vulnerable. Emerging from the war fat, stuffy and complacent, content largely with obsolescent equipment and practices, shortsighted American management let its technologies fall well behind those developing elsewhere. In 1966, the Japanese shipped only 63,000 automobiles to America; by 1970, MITI had stimulated the shipment of 415,000. Americans found Japanese cars to be good cars; they consumed little gasoline, they were cheaper; their fit-and-finish were splendid, and with the rise in gasoline prices, the American appetite for Japanese automobiles soared. But when the Reagan Administration this spring released Japan from negotiated voluntary quotas on car exports to the United States, Japan announced that it would raise its shipment to 2.3 million autos to America, as if we were a controlled colonial market. It was too much. By a vote of 92 to 0, the Senate declared Japanese trade practice unfair. But it was a belated revolt; this summer, American consumers are gobbling up Japanese automobiles faster than the Japanese can gear up to ship them.

This year, apparently, MITI's chief target is the American electronic industry. Last year, the trade deficit with Japan in electronics surpassed our trade deficit in automobiles—reaching $15.4 billion of our total adverse balance with Japan of $37 billion. The American semiconductor industry is reeling from assault. The Japanese, without mercy, propose to wipe out our supremacy in this industry, based on our own research and invention. Hitachi, now an electronics exporter, was blasted to bits by our bombers in the last two weeks of the war as one of the leading Japanese armsmakers. But Hitachi is now on the counterattack, its tone martial again. Here, for example, is Hitachi's directive this year to its offices in Denver, where it is trying to take away the semiconductor market from America's Intel Corporation and Advanced Micro Devices. It reads: "Win with the 10 percent rule! Find AMD and Intel sockets. Quote 10 percent below their prices! If they requote, go 10 percent again. Don't quit till you win!"

A benign prosperity temporarily soothes the American economy. In the six years since 1979, America has added 6,000,000 jobs to its total work force. But these are mostly service jobs. In the skill-and-brawn base of American production, not only have real wages fallen, but the job base is shriveling. In machinery production, in these six years, the United States has lost 288,000 jobs; in primary meal-making (such as steel) we have lost 439,000 jobs; in fabricated metals, 241,000 jobs; in motor-vehicle production, 118,000 jobs; in textiles, 186,000 jobs. All in all, on the line, in the old shops, where Americans make things, we have lost 1,834,000 jobs.

No industry in America has been harder hit by Asian competition than the American garment industry, which has lost 155,000 jobs in the last six years alone. One should listen to Sol Chaikin, an air corps veteran of the China war theater against Japan.

Chaikin is now the president of the International Ladies Garment Workers Union. Once, in the early 1950s, his union counted 230,000 workers in New York City alone. Today he counts only 100,000 and they work at the lowest-paid union jobs in the city.

"Ours," says Chaikin, "is the most competitive industry in America. It's a cheap industry to get into and we have 15,000 ladies-garment manufacturers in the U.S.A. They all have the most modern machinery, but the Asians have the same machinery and they work for less and for longer hours. The Japanese once were our chief competitors, but Japanese wage rates have now risen to levels comparable to ours. The Japanese now buy American designs, open factories with new machinery in Singapore and Hong Kong, ship the fabrics from Japan, and export from offshore. In Korea and Taiwan, they pay 57 cents an hour; in Hong Kong, $1.08 an hour; and in Sri Lanka they pay $5.00 a week. In New York, our workers get only $175.00 a week take-home pay—and they pay almost $1 for a subway fare each way."

Chaikin knows that his workers in New York cannot compete with Asian standards of living. "It's as if we were being poured into a Mixmaster with China, India, Japan, Taiwan; they've homogenized the international labor market and are squeezing us out like toothpaste." Chaikin insists that some garment jobs, at least, must be preserved for American working people, that the American market should be shared with Americans. But there is no high-technology ladder to leap over cheap Asian wages when it comes to handwork. Of blue-collar jobs in America, one in seven is held by a textile-garment-apparel worker. The National Academy of Engineering estimated in 1983 that, of 2,000,000 jobs in the garment-textile industry, only 750,000 would be left in 10 years. Chaikin's back is up against the wall.

Less than a mile from Chaikin's union headquarters is the elegant executive suite of the Radio Corporation of America. Chairman of the Board Thornton F. Bradshaw is another combat veteran, whose destroyer was put out of action by the Japanese Navy in the last months of the war. Bradshaw, if anyone, is an authentic statesman of American industry. He is unworried about RCA, which is happy and prosperous. His view is entirely different from Chaikin's, for his company has adjusted to the world market. But RCA long ago gave up on penetrating Japan. Its creator, Gen. David Sarnoff, thought the American market was enough, and licensed to Japan and the rest of the world the technologies RCA has patented—technologies that underlie much of modern electronics production. RCA prospers from its lead in advanced electronics—from its satellites, from its arms contracts (like the Aegis guided missile cruiser), from its broadcast net, NBC, from its marketing of imported parts and products, from manufacturing television sets. But, despite RCA's prosperity, Bradshaw is deeply worried—about America as an industrial community where both work ethic and practice have decayed.

Bradshaw is concerned for America's economy as a whole, Chaikin for his working people—both equally honorable concerns. But neither believes that any reasonable persuasion can slow the Asian trade surge unless the American Government acts—sooner rather than later. What is needed is a structural change in American life and thinking, as sweeping as Japan's in 1945-1950—from factory floor to research labs and universities, from reduction of the Federal budget deficit, to a total review of our trading policies.

So the story moves to Washington.

Washington is always in crisis—small crises, acute crises, lurking crises. But the trade crisis is quite extraordinary for the anarchy of ideas that prevails. Ideas clash in perception of a world that has totally changed since the days of victory. Trade, as we designed it, has become completely global, and America has become the last open gaming table for world adventurers. Within the confusion of Washington's thinking, however, at least three truths are taken as paramount.

The first truth, the starting point of all thoughtful conversations, is the overwhelming burden of the overvalued dollar.

"When I was dealing with Japan the problem was different," says Robert S. Strauss, Jimmy Carter's trade representative from 1977 to 1979. "I talked in a universe of tariffs . . . of trade . . . nontrade . . . cultural barriers . . . political difficulties." Strauss, a very suave, but very tough man, is remembered as one of the few American trade representatives who have been able to out-negotiate the Japanese. For a brief period, his

tenacity caused the impermeable membrane of Japanese resistance to yield. "Now," he says, "you're talking about a world where trade has reached $2 trillion a year, but capital flows have reached a magnitude of $20 trillion a year, swirling around the world like a jet stream. It drops off here because of safety and high interest rates, and pushes the dollar up. It makes the trade problem look like a pygmy problem. It distorts everything, and leaves the poor American exporter, no matter how good or efficient, like a runner doing a sprint with an anvil under his arm.

"The Japanese don't adjust the yen every day. But you don't have to be a genius to know that when the Bank of Japan coughs, everyone gets the sniffles. But we have no policy. Even if we started now, we couldn't work things out in a year, or five. We need a strategy."

There comes next the second truth: Japan's "unfair" trading practices, its regulations, rules, restrictions, quotas. Says Secretary of Commerce Baldrige: "Japanese export policy has as its objective not participation in, but dominance of, world markets. Japanese trade policies assume as a *right* protection of their industries that are emerging, like satellites, depressed industries like paper and chemicals, politically important industries like agriculture, socially sensitive industries like leather . . . .

"In 1983, we took 30 percent of Japan's overseas exports, in 1984, 35 percent. In practical terms, this means that all the net increase in Japanese domestic employment in recent years is attributable to sale to the United States. . . . America's pursuit of free trade is like Sir Galahad's quest for the Holy Grail."

From the National Association of Manufacturers to the AFL-CIO, one catches the alarm in vivid language. "There are six to eight main interacting trade-and-production groups, or 'keiretsu,'" says one association official, who asked not to be identified. "They buy and sell chiefly to their own subsidiaries, and they divide Japan's market up. When we squeeze, they'll allot, say, 11 percent of a particular market to all importers. They are opaque, insensitive people, who don't know that they have brought us to the edge."

Says Lane Kirkland, president of the AFL-CIO, the man most concerned for the fate of American workingmen, who last visited Japan this winter, "To hear the Japanese plead for free trade is like hearing the word 'love' on the lips of a harlot."

The last body of truths comes from the engineering community—it is the most serious, most somber, most challenging. It is that the Japanese are very, very good, better at some things than Americans. They are brilliant, efficient, aggressive people who prize education as much or more than Americans—and have learned to use it. John Gibbons is the head of Congress's Office of Technology Assessment—he is a physicist, who comes to Congress from the Oak Ridge Labs of the Atomic Energy Commission. He starts the story of Japan's renaissance with the occupation:

"The most important thing we did after the war was to reorganize it; we democratized it; we lifted the burden of arms from it, and they poured resources into education. We helped them. We gave free doctorates in nuclear science to their students and brought them to Oak Ridge. But you have to realize that the Japanese already had traditional skills and techniques; they were superb in alloying metals, in ceramics, in fermentation—out of the broths they knew how to brew came the fermentation know-how vital to biotechnologies.

"They are ahead of us in productivity in automobiles, in steel, in robotics. We are ahead in fundamental research, but they get all our science papers and research, and they add to that their mastery of 'process technology,' translating fundamental research into the making of things. They recruit their managers from the factory floor; we get ours out of law schools."

In Gibbons's view, the challenge lies, above all, to American technology and education. Unless we can translate our lead in fundamental research into practice, then others will be the chief beneficiaries of our science and laboratories.

In a few days in Washington, one can trace a trail of irritations blistering under the bland rhetoric that still binds the Pacific alliance together.

Start at the State Department with middle-level officers who deal daily with the Japanese—and one hears language almost unheard elsewhere in that labyrinth of quiet diplomats. "Japan," said one, who asked not to be identified, "is a protectionist nation: They have no sense of moderation; they are an island nation looking out on the rest of the world as plunder from a protected bastion. Negotiations are tedious, painful—oh, so painful—and, when they yield, they yield with no grace. It's not only quotas on beef, citrus fruits, leather, but even on our catsup and peanut butter.

"In 1981, they banned American metal baseball bats. We had the technology for making a safe cap for metal bats. The Japanese made a metal bat with a plastic plug top; a plug flew off at a baseball game and struck a spectator. So all metal bats, safe and dangerous, were banned. We negotiated for three years, we had to get them to change 18 laws and regulations; we had to get the consent of the Japanese Softball Association. Then, when the Japanese learned to make safe metal caps, they reopened the market. Last year, we finally managed to export 350 metal bats to Japan!"

This is the voice of a working deplomat in the State Department. The bureaucracy bows to political leadership. But it remains the national political scouting force abroad, and cannot help but observe politics at home. Its officers do not blink at the reality that Americans want to buy cheap quality goods; no one forces them to buy Japanese goods. Nor can they blink at the fact that no fewer than 30 states now have their own offices in Japan soliciting Japanese investment. But they cannot blink either at the fact that so much of American industry is being wiped out, and that the men and women discarded scream to Congress.

At the supreme level, President Reagan deals with Premier Yasuhiro Nakasone of Japan, who yields and, with exquisite courtesy, goes on television to urge his people to sample American and foreign imports. But at the working level, each negotiation is a tormented, ad hoc, item-by-item bargaining.

A shawl of self-restraint drapes over most official American spokesmen; to be accused of "Japan-bashing" is considered "protectionist" or, worse, "racist." Foremost among those who thus speak for the old free-trade tradition, one finds Secretary of State George P. Shultz. "There is great sentiment for protection around the country," he told a gathering of the American Stock Exchange recently, "but in my opinion it's wrong . . . it's bad . . . this is a matter of deep conviction on my part." But no such restraint binds Congress, or the unions who influence so many constituencies. Congress is entertaining half-a-dozen bills right now sponsored by afflicted Congressmen; it is even considering a 25 percent tariff on all imported goods.

Congress is where one can best see the deadlock of ideas, as shoe workers, garment workers, steel workers, auto workers demand protection. But Senator Christopher Dodd of Connecticut is typical of a Congressman in the middle; he is a young, liberal, thoughtful Democrat, and knows that foreign trade is essential to America. He comes from that state in the Union that is most dependent on foreign trade—25 percent of Connecticut's gross state product goes into exports. But Dodd also sits on the Senate Foreign Relations Committee, which he describes as torn between "bumper-sticker patriots," and those who believe that world peace rests on world trade.●

POLISH-AMERICAN HERITAGE MONTH

● Mr. D'AMATO. Mr. President, I rise today to reiterate my great admiration for Poland, its people, and its descendants here in the United States. Being a cosponsor of Senate Joint Resolution 146, legislation to designate this month as Polish-American Heritage Month, I am proud to further illuminate the struggles and the triumphs of the Polish peoples.

The story of the Polish struggle for survival is a long one. In 800 A.D., slavic tribes in what is now Poland united under the Polane and by 1025 Boleslaw I was crowned King. Struggling through the Middle Ages, the Polish Empire emerged in the 1500's at its pinnacle.

However, in 1772 Austria, Prussia, and Russia partitioned Poland. This began the ongoing struggle of the Polish people to preserve their freedoms and national solidarity. In this century alone, there have been three major geographical realignments. This includes 1939, when Nazi Germany and the Soviet Union, without respect for the self-determination of previously free peoples or even life itself, illegally divided Poland for their own devices. For a while Poland disappeared from the face of Europe, but not from the heart of Europe.

The Poles have suffered much, but have given more—they have given themselves. When Joseph Conrad left Poland, one could hardly have imagined that, after having learned English at 18 years old, he would go on to become the quintessential English writer of his period.

In the United States, we have enjoyed the talents of many Polish-Americans. After Germany moved through Europe, Wanda Landowska left her Paris school and came to America to grace us with her music. As harpsichordist, pianist, and composer, she enlivened the world and transcended the misery of what was occurring in her home country.

With the artistry of Wanda Landowska and Joseph Conrad, the world is a better place, as is America graced with the fortitude of such distinguished Polish-American leaders as Senator Edmund Muskie. Senator Muskie helped break ethnic barriers that this Senator knows all too well. Let us not forget the world leadership of a man I mentioned the last time I spoke on this topic: Pope John Paul II.

Mr. President, let us never forget the differing components that have created this great country and made us all Americans.

Thank you, Mr. President.●

DR. NORMAN J. ORNSTEIN

● Mr. MOYNIHAN. Mr. President, last Friday, July 26, I introduced into the RECORD a passage from Norman J. Ornstein's recent essay, "The Politics of the Deficit," which appeared in "Essays in Contemporary Economic Problems", a volume edited by Philip Cagan for the American Enterprise Institute. In my remarks, I referred to Dr. Ornstein as a "respected economist." He is most assuredly respected, but he is in fact a political scientist, and one of our distinguished students of the Congress. Through an error in transcription, for which I alone am responsible, I am also to be read referring to him as a "conservative." He is not that either, in the accepted sense of an advocate of certain policies. Nor yet is he a "liberal" political scientist. He keeps his politics to himself and reserves his objectivity for the profession he serves so well.

I apologize to the Senate and most especially to Dr. Ornstien.●

DR. YURIY ORLOV AND HELSINKI MONITORING GROUPS RELEASE

● Mr. D'AMATO. Mr. President, I rise today as a cosponsor of Senate Joint Resolution 166, introduced by my good friend and colleague, the senior Senator from Minnesota. This resolution appeals for the release by the Soviets of Dr. Yuriy Orlov and other members of Helsinki monitoring groups.

Today we commemorate the 10th anniversary of the signing of the Final Act of the Conference on Security and Cooperation in Europe. It is a sober commemoration, however. Soviet and Eastern bloc respect for human rights has not improved since 1975. These nations have not lived up to either the spirit or the letter of the Helsinki Final Act.

When the accords were signed, monitoring groups were formed within the Soviet Union and its satellites. Although such groups thrived in the beginning, by the late seventies they faced annihilation. One of the most harshly treated monitoring groups was the Moscow Helsinki Watch Group.

This group was founded by Dr. Yuriy Orlov in 1976. Because of his efforts, Dr. Orlov was arrested in 1977 and sentenced to 7 years at hard labor and 5 years of internal exile. Dr. Orlov is currently forced to live in a remote part of Siberia where his health has deteriorated. He suffers from chronic illness and has lost all of his teeth.

His fate is shared by most of the members of the Moscow Helsinki Watch Group. Fifty-one members of that ill-fated group are incarcerated in prisons, labor camps, psychiatric hospitals, or are serving terms of exile. Eighteen members of the group have had to emigrate. Most tragically, three have died as a result of years of mistreatment at the hands of the ruthless Soviet regime. Such atrocities have been repeated throughout Eastern bloc nations. These actions are the ultimate proof of Moscow's contempt for the Helsinki Final Act.

Senate Joint Resolution 166 calls upon the Government of the U.S.S.R. to release Dr. Yuriy Orlov from exile and allow him to emigrate. This resolution also urges the President to instruct the Secretary of State to raise the case of Dr. Orlov publicly and privately with the Soviet Government. As a man of great hope, I think the release of Dr. Orlov would be a great first step toward beginning a new Soviet era of respect for human rights and to justify its signature on the Helsinki Final Act.

I urge my colleagues to join with me in cosponsoring of this important resolution.

Thank you, Mr. President.●

APPEAL OF SEPARATED SPOUSES

● Mr. LUGAR. Mr. President, I recently received an appeal from a group of Soviet citizens separated from their American spouses. One of the authors is Irina McClellan who has not even been permitted to see her husband since their marriage in 1974. This is the longest unresolved binational marriage case in which the American and Soviet spouses have not been permitted to be reunited.

Another of the authors of the appeal is Yuriy Balovlenkov who recently ended a prolonged hunger strike begun on March 25 to call attention to his efforts to be reunited with his wife and children in the United States. He was briefly hospitalized in mid-June and remains in serious condition.

Members of Congress as well as the U.S. Government have consistently urged Soviet authorities to adopt a more favorable attitude toward Soviet citizens who have applied to be reunited with their American spouses. In bilateral meetings, including those between Foreign Ministers, the United States has repeatedly stressed its desire to see these cases resolved. The Department of State maintains a list of those Soviet citizens who want to be reunited with their American spouses, but have been denied exit permission. It is presented to the Soviets at regular intervals and at the highest levels.

The authors of this appeal are included on the list of separated spouses, but their cases are of particular concern because they represent some of the longest enforced separations of husband and wife. The Department of State and the U.S. Embassy in Moscow have raised these cases repeatedly. Unfortunately, the Soviet Government has not been responsive to American efforts. While the Soviets claim to respect the principle of family reunification, their actions belie their words.

I ask that a copy of the appeal of the separated spouses as well as brief descriptions of the efforts which each of the authors of this appeal has made to obtain Soviet exit permission be printed in the RECORD.

For these Soviets, harassed by their own Government and denied the opportunity to live with their American spouses, U.S. support is the one hope that the Soviet Government will fulfill its Helsinki commitment and allow them to rejoin their families. Ten years ago, the Soviet Government promised to "deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family."

Mr. President, I intend to do whatever I can to encourage the Soviet Government to keep that pledge.

The material follows:

APPEAL OF SEPARATED SPOUSES

We appeal to you for help. Today, ten years after the signing of the Helsinki Agreement, we citizens of the Soviet Union remain forcibly separated from our wives, husbands and children. All our efforts, as well as those of our spouses, to reunite our families have been without success. We have been refused the right to live together with our loved ones for untenable or fictitious reasons, or, in some cases, for no reason at all. Our repeated appeals to the leadership of the Soviet Union remain unanswered. We have been deceived and even mocked by the official representatives of the very country which claims to be a guiding force in the forefront of the movement for security and cooperation in Europe. With every year, enduring in this forced separation from our loved ones, we continue to hope that at some point, the high humanitarian principles which have been enunciated will be fulfilled and will replace our bitterness and disillusionment.

If you still believe in the ideals to which you obligated yourself ten years ago in the concluding act of the Helsinki Conference, we appeal to you for help in proving that the words of the act were not empty fairy tales. For we are convinced that so long as national borders separate husbands and wives, parents and children, the people of the world will remain as far from the ideals of cooperation and mutual accord as in the worst periods of human history. So long as

national borders divide even one family, there will be no peace in the world.

Respectfully,

Yuriy Balovlenkov, Roman Kuperman, Sergey Petrov, Irina McClellan, Elena Kapland, Mikhail Iossel, Andrei Planson, Tamara Tretyakova, Matvey Finkel, Elena Rose.

CASE HISTORIES

YURIY BALOVLENKOV

Elena Kusmenko, an American citizen, married Yuriy Balovlenkov in December 1978. They have two daughters by their marriage. Only one has ever seen her father. Balovlenkov went on a hunger strike of several weeks' duration in the spring and summer of 1982 with the objective of gaining exit permission. At a July 1982 press conference, the Director of the Moscow Office of OVIR stated that Balovlenkov had only been "temporarily" refused exit permission. At that time, he reportedly received private assurances that his case would be favorably resolved by January 1985. In February 1985 Embassy Moscow made a representation to the MFA in support of Balovlenkov's request that his previously denied application for exit permission be reviewed. The Soviets denied his appeal in May, and he again made a new application. He has been on a hunger strike since March 25 protesting Soviet denials of his applications to be reunited with his wife and children. He was hospitalized at his own request on June 14.

ROMAN KUPERMAN

Fran Pergericht, an American citizen, married Roman Kuperman on February 24, 1982. Both are Jewish. Mr. Kuperman did not apply for Soviet exit permission until after his marriage. His father reportedly was a Colonel in the Soviet army, but does not oppose his son's efforts to be reunited with Ms. Pergericht. Mr. Kuperman's first application for exit permission was denied in March 1982. Subsequently, he has been denied three more times, most recently in January 1985. The Soviets have on several occasions denied Kuperman's wife the right to visit him in the Soviet Union.

SERGEY PETROV

Virginia Johnson and her Soviet spouse Sergey Petrov were married in February 1981. Mr. Petrov has been refused Soviet exit permission a number of times since then. He joined Balovlenkov and a number of other separated spouses in an unsuccessful hunger strike during the spring/summer of 1982. His last application was made on October 1984.

IRINA MC CLELLAN

Irina and Woodford McClellan were married in 1974. This is the longest unresolved binational marriage case in which the American and Soviet spouses have not been permitted to be reunited. She last applied for permission to emigrate in August 1984. Since their marriage, the McClellans have not been permitted even to see one another. All of Professor McClellan's applications to visit his wife have been denied over the past ten years. Mrs. McClellan's August 1984 application for exit permission had been solicited by OVIR, making her denial all the more difficult to understand.

ELENA KAPLAN

Gary Talanov (formerly Kaplan) married his Soviet spouse Elena Kaplan in April 1978 in Moscow. Elena last applied for Soviet exit permission in September 1984. She has been refused at least five times in applying for Soviet exist permission since their marriage. Elena again applied for exist permission in September 1984 and was denied.

MIKHAIL IOSSEL

Edith Luthi married Mikhail Iossel in August 1981 while she was in the Soviet Union for a six-week study tour. Since then, Iossel has applied for an exit visa three times and has been refused on each occasion. The couple has one son. To increase their chances of reuniting, Iossel quit his job as a computer programmer soon after the marriage. His father, a physicist, recently retired.

ANDREI PLANSON

Andrei Planson who married Carolyn Justice, an American citizen in 1981. He has been refused an exit visa on six occasions. He has not yet seen their newborn son. The couple believe that Planson's father's job as an engineer dealing with sensitive matters may be the major impediment to their reunification, an explanation given to them in 1982 by a Leningrad party official. Although the father has since been fired from his job and expelled from the Communist Party, the Soviet authorities have stated that Planson's situation remains unchanged.

TAMARA TRETYAKOVA

Tamara Tretyakov married Semyon Livshits (who has since changed his name to Simon Levin) in 1978 in the Soviet Union. Mr. Levin emigrated to Israel a month later in 1978 and subsequently moved to the U.S. later that same year. His wife was forced to remain in the USSR as she was about to give birth to their child. Since then she and their son, Mark, have applied for exit permission to join Simon, and have been repeatedly refused. The reason given is that Tretyakova had worked on a military construction site. In early 1985, Tretyakova went on a hunger strike in an attempt to encourage officials to allow her to join her husband in the U.S. She was finally persuaded to end her hunger strike and is still slowly recovering. In late April, Simon was awarded custody of their son Mark by an Illinois court. He has also been trying to obtain a visa to visit his wife and son in the Soviet Union, but has been constantly denied.

MATVEY FINKEL

Susan Graham and her Soviet spouse Matvey Finkel were married in December 1979 in Moscow. Since that time, Mr. Finkel has been denied exit permission numerous times, most recently in June 1984.

ELENA ROSE

Elena Rose is a Soviet citizen, married to Scott Jeffrey Rose of Austin, Texas. The couple has been married since 1983. Elena and her step-daughter, Julia Vadimovna Begun, have twice been denied permission to emigrate since their first application in December 1983.●

S. 1084, A BILL TO AUTHORIZE APPROPRIATIONS FOR THE CORPORATION FOR PUBLIC BROADCASTING

● Mr. MOYNIHAN. Mr. President, I rise today to ask that I be added as a cosponsor to S. 1084, a bill to authorize appropriations for the Corporation for Public Broadcasting [CPB].

I have been, and will continue to be, a strong supporter of public broadcasting. I am therefore, very concerned about its present and future funding.

Last year, I first cosponsored S. 2846, and then, after President Reagan exercised his "pocket veto" authority to kill that bill, I voted for a compromise funding measure, S. 607. This too, was vetoed by the President.

S. 2846 had 52 Senate cosponsors, was reported unanimously by the Senate Commerce Committee, and passed this body by a voice vote. The bill also enjoyed strong support in the House, which approved it by a vote of 302 to 91. Despite this broad-based support, the President claimed it would have increased Federal support for public broadcasting "too much, too fast." In fact, the legislation barely would have made up for the deep cuts in CPB's authorization during the early years of the administration.

The legislation I cosponsor today would authorize expenditures of $200 million for CPB in fiscal year 1987, $20 million less than its authorization in fiscal year 1983. I do so not because I wish to cut funding for this important organization, but rather because the President has made it clear that he will not accept anything more.

I am deeply disappointed with the administration's position. One year ago, in his veto message for S. 2846, the President acknowledged that, "Public broadcasting constitutes an important national resource and contributes to the diversity of news, information, and entertainment choices available to the public." The President has compared television, its programs, and its stars to neighbors who provide continuity and reassurance to their viewers. And, the President has committed himself to excellence in education.

I am troubled, because at the same time that the President makes statements such as these, he seeks to cut funding for an organization that promotes learning among our children with such programming as "Electric Company," "Mr. Roger's Neighborhood," and "Sesame Street." I do not worry that such cuts will make it harder to invite such distinguished guests as the "Morning Edition" to breakfast, "The McNeil-Lehrer New Hour" to dinner, or "Upstairs, Downstairs" for an evening at home.

Mr. President, this bill reflects the political realities of the President's previous vetoes of authorizations for the CPB. I continue to favor the level of support in the original authorization passed last year, but given the pressing need to approve forward funding for public broadcasting in this Congress, I do support S. 1084.●

51-059 O-86-38 (Pt. 16)

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS

● Mr. RUDMAN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35 which would permit Mr. David M. Strauss of the staff of Senator QUENTION BURDICK to participate in a program, sponsored by the World Affairs Council, to be held in Jordan and Israel from August 3 to August 11, 1985.

The committee has determined that participation by Mr. Strauss in the program in Jordan and Israel, at the expense of the World Affairs Council, to meet with Jordanian and Israeli officials, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 which would permit Mr. Timothy Ridley of the staff of Senator FRANK LAUTENBERG to participate in a program in Taipei, Taiwan, sponsored by Soochow University, from August 2-10, 1985.

The committee has determined that participation by Mr. Ridley in the program in Taiwan, at the expense of Soochow University to discuss United States-Taiwan relations, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 which would permit Mr. Robert B. Van Cleve of the staff of Senator JOHN DANFORTH to participate in a program sponsored by the World Affairs Council, to be held in Jordon and Israel, from August 3-11, 1985.

The committee has determined that participation by Mr. Van Cleve in the program in Jordan and Israel, at the expense of the World Affairs Council, to meet with Jordanian and Israel officials, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 which would permit Mr. Owen D. Ambur, of the staff of Senator JAMES ABDNOR, to participate in a program in Taipei, Taiwan, sponsored by Tunghai University, from August 3-10, 1985.

The committee has determined that participation by Mr. Ambur in the program in Taipei, Taiwan, at the expense of Tunghai University, to discuss United States-Taiwan relations, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 which would permit Miss Margaret P. Calhoun, a member of the staff of Senator STEVE SYMMS, to participate in a program in Southern Africa, sponsored by the South Africa Foundation, from August 17-29, 1985.

The committee has determined that participation by Ms. Calhoun in the program in Southern Africa at the expense of the South Africa Foundation, to meet with government and business leaders, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 which would permit Mr. Dwight A. Howes of the staff of Senator JOHN HEINZ to participate in a program in Taipei, Taiwan, sponsored by Tunghai University, from August 2-10, 1985.

The committee has determined that participation by Mr. Howes in the program in Taipei, Taiwan, at the expense of Tunghai University, to discuss United States-Taiwan relations, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 which would permit Mr. Gordon Riggle, a member of the Senate Armed Services Committee, to participate in a program in Taipei, Taiwan, sponsored by Tunghai University, from August 2 to August 10, 1985.

The committee has determined that participation by Mr. Riggle in the program in Taipei, Taiwan, at the expense of Tunghai University, to discuss United States-Taiwan relations, is in the interest of the Senate and the United States.●

DEPARTMENT OF STATE APPOINTEES

● Mr. McCLURE. Mr. President, before the Senate enters its August recess, there is one matter of some import we should address. This will not require debate or a vote, but over the long run it may be more important than much of the legislation we have been considering in the last several weeks.

It is no secret that many Senators have been seriously concerned about the overall tendency of appointments within the Department of State. In fulfilling their responsibility as Members of this Chamber, they have questioned the policy positions of some nominees; they have sought ample time to investigate the records of certain nominees; they have challenged the propriety of other nominations. In a few cases, Senators have voted against some nominations.

These activities have been within the rules of the Senate. They have demonstrated the rights and responsibilities, not only of individual Senators, but of the Senate itself.

It was, therefore, a matter of grave concern to me—and I think to other Senators as well—to read in the Wall Street Journal of July 9 an article in which anonymous officials at the State Department demonstrated, at best, ignorance of the Senate's role in foreign policy matters and, at worst, contempt for that role. By explicitly likening senatorial opposition to certain departmental nominees to the despicable kidnaping of Americans by terrorists in the Middle East, those officials have done nothing to minimize future problems in the Congress. On the contrary, they have demonstrated the arrogance and lack of judgment which underlie the problems the Department has had in recent months.

One comment in particular deserves close attention, not only by the Senate but by the President as well. According to the Journal, "Some of the other detained nominees, however, joke about taking matters into their own hands: 'Personally, I'm calling for an air strike if someone will give me the map coordinates for Senator HELMS' house,' says one, tongue in cheek." That verbal bravado was not only out of place; it was in sharp contrast to the pathetic weakness demonstrated at the same time by those responsible for the implementation of our foreign policy in the Middle East. No wonder the quoted official hid behind the cloak of anonymity. It is unfortunate that departmental functionaries do not speak with equal vigor in defense of U.S. interests in international affairs.

I never thought this would need to be said, but apparently it does: If the President's appointees at the Department of State do not understand the difference between Senators "holding hostage" certain dubious nominations and terrorist holding innocent hostages in Beirut, then it is incumbent upon the President to do either of two things. He must explain the difference to his appointees and make sure they learn the lesson, or he must secure other appointees who will not confuse the two in the first place.

I trust that no one in the administration will mistake this for routine griping. The prerogatives of the Senate are something I have always taken seriously, even when they are exercised by those with whom I personally disagree and for purposes contrary to my own. That is why I urge officials both in the White House and at the State Department to consider carefully the damage that has already been done, and the inconveniences that might still be engendered, by failure to understand the legitimate ways in which Members of the Senate carry out the responsibilities assigned them by the Constitution.●

REV. I. DEQUINCEY NEWMAN

● Mr. HOLLINGS. Mr. President, the Reverend I. DeQuincey Newman resigned from the South Carolina Senate today for health reasons. Rarely have I known a man of such distinction. He is a living testimony to the transformation this country has undergone in the last 30 years, a figure of dignity and strength. In October of 1983 he became the first black person elected to the South Carolina Senate since Reconstruction, and the numbers from that election speak volumes about Reverend Newman as an individual and about the changes he helped bring about in our society. In a district that was only one-third black, he won a 54-percent majority.

Reverend Newman's victory is illustrative of the newest phase of the civil rights movement in America—the influx of black Americans into mainstream politics. One year after his election, three other black men followed him into the State senate after the implementation of a single member district reapportionment plan. This evolution of our political structures is healthy for the Nation. It brings thousands of black politicians into the political process and allows them to reap the benefits of the seeds sown by the great civil rights leaders who came before them.

Reverend Newman, however, is a special case. His service in the senate is truly the result of his own labors. He has pried open the door of opportunity at every step of the political process, and then he has walked through it. He paved the way for blacks to participate in the Democratic Party. Then, he was a leader in the fight for electoral reform that provided entry into public service for blacks. You see, Reverend Newman is not only today's beneficiary of the civil rights struggle—he was also yesterday's leader. He walked with Martin Luther King, Jr. and Roy Wilkins, and was South Carolina's foremost civil rights activist as NAACP field secretary more than 20 years ago. In the years when equal opportunity and equal justice under the law were only a dream for the people of his race, Reverend Newman was on the front line fighting the battles that dismantled the structure of segregation and discrimination. He led the sit-ins, the boycotts, and the demonstrations that roused the conscience of a nation and led to peaceful social revolution. He was once arrested at Myrtle Beach. How far we have come in the last 30 years. And through it all, the Reverend I. DeQuincey Newman was there.

I owe much to Reverend Newman. And for that matter, so does our Nation. It was he who guided me on hunger tours of my State during my first full term as U.S. Senator. He showed me that in this, the greatest and wealthiest of all nations, people were slowly starving to death. Those hunger tours gave me the information and resolve I needed to lead the successful fight in Washington for expanded hunger and nutrition programs.

Mr. President, the people and the government of South Carolina have benefited greatly from the wisdom and expertise of this inspirational individual. I am only sorry that we had to wait so long for him to take public office, and that his tenure had to be so short.●

NATIONAL HIGH-TECH MONTH

● Mr. D'AMATO. Mr. President, I am pleased today to join as a cosponsor of Senate Joint Resolution 165, introduced by my distinguished colleague from Illinois, which designates October 1985 as National High-Tech Month. We should not only be concerned about high tech during October, but throughout the year as well. Therefore, I am pleased to support this resolution that calls attention to the importance of high tech for all of America.

National High-Tech Month celebrates past scientific achievements and inspires future advancement. It is essential that we continue to heighten public awareness and commitment to the technologies that make this country strong and prosperous. Our children must be provided with the necessary scientific information to enhance their understanding of the complexities with which we live.

We need programs that stimulate student interest in science and mathematics, which are vital for continued U.S. technological strength and development. The youth of this Nation need to have educational opportunities that expand their understanding and contributions to the field of high tech. A national focus on high tech will greatly enhance the future of America. To facilitate this goal, one of the highest national interests should be to maintain and to continue to develop U.S. technological strength.

Mr. President, this resolution provides an opportunity to focus public attention on the importance of science and technology. It is part of our continuing effort to make certain that our children are given every opportunity to advance in the field of high tech. Our children must be prepared for tomorrow by understanding the future of high technology today. Therefore, Mr. President, I urge my colleagues to join me in supporting "National High-Tech Month."●

THE BUSINESS TRANSFER ACT OF 1985

● Mr. ROTH. Mr. President, earlier this year I introduced the Business Transfer Tax Act of 1985 [BTT]. At the time I stressed that the BTT should be an integral part of any basic tax reform package that this Congress considers. In the time that has passed since the bill introduction, I have become increasingly convinced that the BTT should, and will, become a part of the tax reform package that will be produced by this body.

I am especially gratified by the support for this concept shown by members of the Senate Finance Committee. In hearings and in public appearances many Finance Committee members have endorsed the concept of a BTT and it is my feeling that if that committee were to mark up a bill today that the BTT would be an important part of that bill.

There has been considerable response to the President's tax reform proposal and it is the nature of this response that indicates just how crucial an addition a BTT would be. In order for tax reform to be politically viable it must enjoy broad support from the most productive sector of our economy—the middle class. As it is currently formulated, the President's plan cannot hope to achieve the type of middle class support it needs. The plan must be altered and the best way to achieve the desirable result is a further reduction of marginal tax rates.

The plan is also seriously deficient in the way it treats business capital. In 1981 there was a philosophy in this administration that held that removing the bias against investment in physical capital was essential to long run economic growth. In the current document there seems to be an almost singular obsession in removing differences in effective tax rates across investments even if it leads to an increase in the overall cost of capital to American business and a decrease in overall investment. An increase in the bias against investment runs counter to a progrowth philosophy but such an increase is evident in the President's proposal.

A third area of deficiency concerns personal savings. A New York Times editorial of July 5, 1985 makes the point that the Japanese have enjoyed such success internationally because of their tax treatment of saving and resultant hefty savings rates. The editorial gones on to say that if tax reform does not address the bias against saving in our Tax Code, then we would be missing a grand opportunity.

These three deficiencies in the President's plan can be corrected if the BTT is incorporated into tax reform. The BTT will also be a big step toward correcting biases against American goods in the international trade arena.

Mr. President, when we return from the August recess I will propose a package that corrects the three problems with the administration plan and

creates a revenue neutral package by implimenting a BTT. This package will transform the President's plan into one that will enjoy broad middle class and business support. It will transform the plan from one with no promise of accelerated economic growth into one that will set the stage for economic growth for years to come. And finally, my package will result in a Tax Code that will aid us in international markets rather than to render us less than competitive.

Specifically, I will propose further rate reduction from the President's plan. I intend to offer a rate structure with the same brackets as the President's plan but with the rates set at 15, 20, and 25 percent.

Second, I intend to make permanent adjustments in the area of capital recovery. The administration's CCRS system is much less generous than the combination of ACRS and the ITC which produces an economic value roughly equivalent to expensing. I am currently weighing options that will allow me to propose a capital recovery system that retains much of the value of current law while equalizing effective tax rates across investments.

Third, the package will contain new individual savings incentives to lessen the bias against personal saving.

There are other areas on both the individual and corporate side that I may wish to address but the three things I just mentioned will provide the basic framework.

Of course the element that makes all these things possible is the BTT. The BTT will provide the revenues to make sure that the package does not increase the deficit. On the other hand, I will vigorously oppose efforts to use the BTT to increase the total tax burden on Americans.

Mr. President, when I first introduced S. 1102 it was with the understanding that the bill was offered for discussion purposes and was not to be considered a final product. Any time a brandnew tax system is proposed it is bound to contain problems of a technical nature. I freely solicited input from my colleagues and from the business community. The response was most gratifying. I found in the business community general support for the concept and a desire to change the course of American tax policy to reflect our country's position in the world economy of today.

Beyond the general support expressed so far, I find that the business community is constructively studying the specific details of S. 1102. I have already received a series of communications which identify both substantive and technical questions that need to be addressed for specific industries or for the BTT as a whole. For instance, the bill currently allows the BTT as a credit only against the employer's share of FICA taxes. This could result in a larger net BTT payment than is justified. For basic industries which have large carryovers of income tax credits and net operating loss carryovers, the impact of a large new BTT liability is a concern. Some intellectual labor intensive industries view the BTT/FICA credit approach as too harsh. Companies which import raw materials and other goods from their own foreign affiliates are raising concerns about the appropriate means for including such costs in the BTT base.

During the recess I will be taking a look at the concerns of these and other industries. In some cases we will agree. In other cases we will disagree. I can assure all concerned that I am open to discussion on all issues and the general support I have already received assures me that we can fashion a tax package with the BTT as its cornerstone which will provide economic benefits for the middle class, and provide an environment of growth for years to come.●

TRANSPORTATION SAFETY RULES

● Mr. DANFORTH. Mr. President, yesterday, Secretary Dole announced the Department of Tranportation's adoption of new safety rules dealing with alcohol and drug abuse on the railroads. I commend the Secretary for her determination to address this serious problem and for her efforts to develop comprehensive rules that would protect the public and railroad employees from the consequences of on-the-job use of alcohol and drugs. The new rules demonstrate once again that the Secretary is dedicated to saving lives and to improving safety in all the transportation modes.

One year ago, I chaired a hearing to examine the seriousness of the alcohol and drug abuse problem on the railroads and to review what the Federal Government could do to combat the problem.

During that hearing, the tragic dimensions of this problem were only too well documented. For example, Secretary Dole testified that her Department found in a study that 23 percent of railroad operating employees were problem drinkers, that 5 percent of all employees reported to work very drunk or got very drunk while on duty at least once during the study year, and that 13 percent of all employees reported to work a little drunk one or more times during the survey period. Further, the department identified 48 train accidents and incidents since 1975 which were caused by alcohol or drug-impaired employees. These accidents and incidents resulted in 37 fatalities and more than $34 million in property damage.

At the hearing, Secretary Dole announced that she was proposing new safety rules dealing with alcohol and drug abuse on the railroads. Yesterday, the rules became final. The rules: prohibit employees from reporting to work impaired by alcohol or drugs and prohibit on-the-job alcohol or drug use; mandate post-accident toxicological testing for significant accidents; authorize the railroads to test employees for alcohol or drug impairment where there is just cause; require improved accident reporting; mandate preemployment drug screening; and require policies to promote early identification and rehabilitation of problem drinkers or drug users.

The new rules are the first Federal rules dealing with this problem in the railroad industry, and are the product of a long and painstaking process. I am hopeful they will greatly improve railroad safety. In the fall, I plan to hold additional hearings on the problem of alcohol and drug abuse on all the transportation modes. In the meantime, I want to bring these new rules to the attention of our colleagues, and to commend Secretary Dole. The new rules are an important addition to her impressive list of safety initiatives, which includes a rule to require automobiles to have high-mounted stop lights, a rule to require the retrofitting of railroad tank cars carrying liquid flammable gases, a new program to provide for low-cost improvements at railroad-highway grade crossings, a rule to minimize the possibility of serious fires in aircraft cabins, and a rule to tighten the standards governing the use of alcohol and drugs before flight by airline pilots and attendants.●

BAD NEWS ON FOREIGN STEEL IMPORTS AND U.S. STEEL PRODUCTION

● Mr. HEINZ. Mr. President, the International Iron & Steel Institute [IISI] has just released the crude steel production figures for the first half of 1985, and the news is bad. Compared to the first 6 months of 1984, U.S. steel production has dropped by 12 percent. Of the 30 major world producers of crude steel sampled, only Denmark has a greater decline.

In contrast, steel production has increased by 5.7 percent in the United Kingdom and by 4 percent in the Federal Republic of Germany. Production has also increased in newly industrializing countries [NICs] like Brazil—up 7 percent—and Venezuela—up 13.4 percent. These increases have occurred despite a 1-percent drop in the production of the 30 major producers of crude steel. This rise in the steel production of certain European Community Countries and some NIC's in the face of lower United States and world steel production is indeed a worrisome development. It means that less efficient producers are delaying

adjustment and forcing their unemployment on the United States.

That U.S. steel production is down and foreign steel production is up is clearly revealed in the American Iron & Steel Institute's [AISI] June figures for imports of steel mill products. Steel imports rose sharply in June to 2.4 million tons. The June import penetration level is at 28 percent which is substantially higher than the 18.5 percent level set by the President. Canada—up 41 percent—and the EEC—up 19.9 percent—have been the worst violators during this most recent import surge.

The link between lower U.S. steel production and rising steel imports is obvious. We must, therefore, take steps to equalize the pace of adjustment in countries such as the United Kingdom, Federal Republic of Germany, Brazil, and Venezuela, so that the amount of steel imported into the United States is reduced. As I have also stated before, we must make the President's voluntary export restraint agreements comprehensive to include Canada; and we need to renew and expand our steel agreement with the European Community.

Ignored, the steel crisis can only grow worse. I urge Senators to promptly consider some response to this problem. I ask that the IISI and AISI data I have mentioned be printed at this point in the RECORD.

The material follows:

MONTHLY CRUDE STEEL PRODUCTION

[In thousand metric tons]

	June 1985	May 1985	June 1984	Percent change June 1985/1984	6 months 1985	6 months 1984	6 months Percent change
Belgium	906	976	1,046	−13.4	5,490	5,877	−6.6
Denmark	43	43	36	19.4	233	301	−22.6
Federal Republic of Germany	3,649	3,406	3,221	13.3	20,522	19,732	4.0
France	1,674	1,692	1,644	1.8	9,965	9,924	0.4
Italy	2,093	2,143	2,160	−3.1	12,368	12,470	−0.8
Luxembourg	328	329	316	3.8	2,008	1,992	0.8
Netherlands	489	450	478	2.3	2,736	2,776	−1.4
United Kingdom	1,449	1,449	1,264	14.6	8,205	7,764	5.7
Economic Community total	10,631	10,488	10,165	4.6	61,527	60,836	1.1
Austria	384	385	378	1.6	2,385	2,440	−2.3
Finland	[1] 240	247	193	24.4	1,417	1,330	6.5
Norway	[1] 68	70	81	−16.0	454	461	−1.5
Portugal	54	49	55	−1.8	332	329	0.9
Spain	1,167	1,232	1,183	−1.4	7,199	6,949	3.6
Sweden	379	472	394	−3.8	2,616	2,527	3.5
Turkey	[1] 380	393	339	12.1	2,343	2,070	13.2
Yugoslavia	[1] 345	355	355	−2.8	2,075	2,094	−0.9
Canada	[1] 1,220	1,263	1,254	−2.7	7,302	7,649	−4.5
United States	6,622	7,103	7,208	−8.1	40,919	46,524	−12.0
Argentina	257	238	256	0.4	1,272	1,268	0.3
Brazil	1,691	1,759	1,474	14.7	9,598	8,966	7.0
Chile	54	29	50	8.0	343	358	−4.2
Mexico	[1] 585	601	613	−4.6	3,660	3,741	−2.2
Venezuela	[1] 250	255	230	8.7	1,511	1,332	13.4
Australia	529	531	524	1.0	2,986	3,049	−2.1
India	868	791	815	6.5	5,357	5,280	1.5
Japan	8,765	9,159	8,719	0.5	53,500	52,150	2.6
Republic of Korea	1,136	1,143	1,084	4.8	6,604	6,399	3.2
South Africa	[1] 675	700	598	12.9	4,058	3,780	7.4
Taiwan (Republic of China)	[1] 430	445	457	−5.9	2,457	2,582	−4.8
Nigeria	34	27	10	240.0	133	94	41.5
Total 30 countries	36,764	37,735	36,435	0.9	220,048	222,208	−1.0

[1] Estimated.

IMPORTS OF STEEL MILL PRODUCTS FOR JUNE 1985

Country of origin	June 1985 net tons	May 1985 net tons	Percent change June 1985 May 1985	June 1984 Net tons	Percent change June 1985 June 1984	1985 year-to-date net tons	1984 year-to-date net tons	1985–1984 percent change year to date
Japan	629,233	562,191	+11.9	433,803	+45.1	3,480,663	3,218,756	+8.1
European Economic Community	666,174	555,727	+19.9	342,035	+94.8	3,537,690	2,668,439	+32.6
Canada	319,607	225,679	+41.6	278,343	+14.8	1,538,481	1,684,220	−8.7
All Others	746,751	617,238	+21.0	721,787	+3.5	4,427,553	4,885,920	−9.4
Total	2,361,765	1,960,835	+20.4	1,775,968	+33.0	12,984,387	12,457,334	+4.2

IMPORTS AS A PERCENT OF DOMESTIC APPARENT SUPPLY

[Because shipment data takes longer to compile, the tables below will always be a month behind the import date above]

Time period	Shipments	Plus imports	Minus exports	Equals apparent supply	Imports as a percent of apparent supply
May 1985	6,519,065	1,960,835	84,930	8,394,970	23.4
May 1984	6,948,118	1,997,646	90,031	8,855,733	22.6
Year-to-date 1985	30 881,771	10,622,622	371,921	41,132,472	25.8
Year-to-date 1984	32,841,363	10,681,262	402,066	43,120,559	24.8●

VENTURE MAGAZINE ARTICLE ADVOCATING PASSAGE OF SMALL BUSINESS PARTICIPATING DEBENTURE (SBPD) LEGISLATION

● Mr. WEICKER. Mr. President, last Thursday, July 25, 1985, I introduced S. 1498, legislation to create a small business participating debenture (SBPD). This financing instrument, which is designed to open up new sources of capital for our Nation's small businesses, was one of the top five recommendations of the 1980 White House Conference on Small Business. It was also the No. 1 recommendation of the 1982 and 1984 SEC Government-Business Forums on Capital Formation mandated by Congress. The participants of these forums, as well as the small business community, strongly support the creation of an SBPD as a much needed measure to help fill the capital formation needs of small business.

Mr. President, in the December 1984 issue of Venture magazine, a monthly publication addressed to venture capitalists and other entrepreneurs, Arthur Lipper III, the publisher and chairman of Venture magazine, urged the Congress to legislate quickly to make SBPD's a fact of life for small businesses. It is the thinking of Mr. Lipper and others that will, in the final analysis, help Congress to see the need for passing this important legislation to ensure that our small businesses will have access to affordable capital necessary to expand and create new jobs.

I ask that Mr. Lipper's article be printed in full in the RECORD.

The article follows:

CHAIRMAN'S COMMENT

The unemployment conundrum: It is generally accepted that one of America's most pressing problems is that of under- and unemployment. The problem is particularly acute because it affects both youth and minorities. Unemployment is at it most socially disruptive when found in combination, when minority youth are unsuccessful in their search for meaningful employment.

It is also generally recognized that our country's largest companies' primary management objective is increased productivity, which is reflected as an ongoing attempt to reduce the number of employees per unit produced. Only the most optimistic of future-tellers would predict that, in aggregate, the larger U.S. companies will ever again create a single net new job. At best, only replacement jobs will be created and their numbers, in the case of many companies, will decrease as managers allow attrition to function as the most painless and politically acceptable means of accomplishing their objective.

It is a fact that, of the net new jobs created, more than 66% will be created by companies employing fewer than 20 people. And more than 75% of net new jobs are created by companies that have been in business for less than five years.

It is broadly believed that most new companies fail during their first five years to achieve the financial predictions and objectives of their founders and frequently, particularly in their first year, fail financially. Further, it is known that most small companies are only marginally profitable after compensating their owner-managers.

Therefore, it can be observed that one of our country's major socioeconomic problems is being addressed, albeit inadequately, by companies that themselves are financially frail. Obviously, this is a dilemma of national significance.

Two questions arise: Is there anything the federal government can do to help? Should government even try to help? I am of the view that the government *must* attempt to help young businesses. The future economic, and perhaps social, stability of this country rests not only with small businesses, but even more so with young businesses. These young businesses usually start small but frequently do not remain so. These soon-to-be-*not*-so-small businesses are of special interest to our readers.

The federal government can assist in at least three areas. The first is by legislating that, in the first five years of a company's existence, retained earnings be tax free. The second is that the government adopt VENTURE Magazine's policy of sponsoring "profit education" by encouraging teacher training in free enterprise economics. The broader the understanding of the principles of profit making, the more positive will become the popular attitudes regarding free enterprise. The third area of assistance is a recognition of the essential role performed by entrepreneurial investors. In accepting the risk of total financial loss, they provide the fuel to set the process in motion. Such positive recognition could take the form of deferring a capital gains tax for funds reinvested in other new businesses within a specified period. A similar capital gains tax deferral is already available to homeowners purchasing a new home with proceeds from the sale of their former home. Certainly company formation, which is reflected in job creation, is as worthy of tax relief as individual residential upgrading.

To further induce owner-managers of businesses not only to hire but also to educate youth, particularly those who may be socioeconomically disadvantaged, tax incentives could be offered to companies for employees who can demonstrate significant skill enhancements, to the point that they are worth more to their employers and to themselves. In other words, a tax credit for promoting new workers *on the basis of demonstrated merit and contribution* specifically over those with greater seniority. This would create a significantly increased competition by entry-level employees in terms of striving for excellence, which can only benefit the enterprise and establish a continuing positive attitude by rewarding extra effort. Managers should be assisted in their need to continually improve the quality of available human resources.

The importance of investors: Finally, as readers of my book, Venture's *Guide to Investing in Private Companies*, know, I believe that in certain cases investors should be rewarded for their risk assumption by sharing in an investee company's revenues (rather than, or in addition to, profits) by holding a Revenue Participation Certificate. The Treasury could propose such payments be classified as long-term capital gains rather than income and yet still be deductible to the company. In this way companies could negotiate a lesser percentage payment due to the more favorable tax effect for the recipient. In any case, Congress should legislate quickly (an oxymoron) Small Business Participaitng Debentures. These instruments could provide lenders with a fixed return, plus profit participation, and a long-term capital gains tax result, while allowing the companies to deduct the payments.

If you believe some of the above thoughts could be constructive if enacted and applied, send a photocopy of this page (permission granted) to your representatives in Washington. Incidentally, the best description of Washington I've heard is, "a city of 35 sq. mi. surrounded by reality" and I should know; in 1945 I served as a U.S. Senate page and had a wonderful opportunity to learn the workings of a democracy that was designed to be, and once was, a meritocracy.—Arthur Lipper III, Chairman.●

THE VOYAGE OF CHRISTOPHER COLUMBUS

● Mr. D'AMATO. Mr. President, I rise today in honor of the upcoming anniversary of the voyage of Christopher Columbus. Just 2 weeks ago we celebrated National Space Week to honor the successful missions of our own space shuttle and the breaking of Earth's boundaries. In the face of such mammoth achievements, it is helpful to keep a keen perspective of our progress by looking back on endeavors such as Columbus'.

On August 3, 1492, Columbus left Palos, stopped briefly in the Canary Islands and then bravely continued on to the New World. While this may seem insignificant in comparison to reaching the Moon, we must remember that, in 1492, the Atlantic still was believed by most wise men to end by flowing off the edge of the world.

It had taken Columbus years of pleading with both Portugal and Spain to receive a commission to set sail. In the end, Christopher Columbus was about to approach Charles VIII of France when the court of Spain called him back. As we all know, Ferdinand and Isabella finally did lend their finances and support to the voyage.

Expecting to find an easier route to the Far East, the *Nina*, the *Pinta*, and the *Santa Maria* sailed on through August, September, and into October. How could Columbus have believed he would quickly reach China or Japan? Evidently, Marco Polo, who Columbus used for information, had never been to Japan and had incorrectly placed it 1,500 miles east of China. Also, Columbus utilized two bad theories of Ptolemy: His underestimate of the globe's circumference and his overestimate of the eastward extension of Asia.

In the end, it all seemed plausible to Columbus, who died without knowing he was wrong, and to the Spanish court. Then final arrival in what was thought to be the Far East must have been breathtaking. Around 10 o'clock on the night of October 11, 1492, Columbus saw a light. The *Pinta* was sent ahead and a sailor named Roderigo de Triana made the first unques-

tionable sighting at 2 in the morning. The anchors were then lowered and the brave explorers anxiously waited offshore until dawn.

We can only imagine the exhilaration they felt when dawn rose on the New World that October morning. To the men of the *Nina*, the *Pinta*, and the *Santa Maria*, the sight of the island of San Salvador must have been more exciting than the view of the astronauts looking from space on the Earth, for Columbus and his crew were beholding the vision of a heretofore undreamed of world.

The courage that guided Columbus 493 years ago is still with us today. When scientists open up the atom to see untold answers to the questons of science and when composers create symphonies from imaginary notes in their mind, then we know the challenger spirit is still alive.

Every October 12 we celebrate Columbus finding the New World and in a catalytic way spurring the creation of the United States. However, on August 3 we can celebrate the fortitude and courage that it took to convince Western Europe that more did exist and to convince those who would sail on the voyage that they would not drop off the edge of the Earth.

Thank you, Christopher Columbus for challenging superstition and moving mankind forward and thank you, Mr. President, for providing me the opportunity to make these few remarks today.●

COLORADO DAY

● Mr. ARMSTRONG. Mr. President, with these words a New York newspaper greeted Colorado's admission to the Union on this day in 1876: "There is something repulsive in the idea that a few handfuls of miners and reckless bushwackers should have the same representation in the Senate as Pennsylvania, Ohio, and New York."

While I have no doubt that those sentiments are no longer shared by New York newspapers nor certainly by my colleagues from Pennsylvania, Ohio, and New York, I could not let this day pass without stopping to pay homage to the "few handfuls of miners and reckless bushwackers" who fought for Colorado statehood.

It was not an easy fight.

Enabling legislation allowing Colorado to become a State first passed the Congress in 1864. According to one account, the motives were more political than civic. My party, the Republicans, were worried about the reelection of President Lincoln and hoped to bring some more electoral votes to his side by rushing through statehood for some of the Republican leaning territories—Colorado included.

Unfortunately, the Colorado voters rejected the proposed State constitution and with that put to an end this early chance for statehood. President Lincoln, as we know, was reelected without the help of Colorado electoral votes.

Advocates for statehood tried again a year later. They wrote another State constitution; squeaked this one past the voters by less than 200 votes; and ran head on into opposition from the new President, Andrew Johnson. President Johnson refused to issue the proclamation of statehood and argued that, with the first defeat by Colorado voters, the enabling legislation was no longer valid.

Colorado lived, some say suffered, under territorial government for another 10 years.

On December 8, 1873, in the first session of the 43d Congress, House bill 435 was introduced "to enable the people of Colorado to form a constitution and State government, and for the admission of the said State into the Union on an equal footing with the original States."

The bill was reported to the Committee on Territories and debated on the House floor on June 8, 1874. A few amendments were discussed; someone asked about the value of salt springs; and then the bill was passed 171 to 66.

On February 24, 1875, the Senate debated H.R. 435 at some length; considered a number of amendments; and then passed the bill by a vote of 42 to 12.

With amendments adopted by both Houses of Congress, more work was needed before the bill was ready for final passage. But reflecting the troubled history of Colorado statehood, that final action was another cliffhanger.

On the last day of the session, March 3, 1875, a motion was made in the House to pass both the Colorado and New Mexico statehood bills and to agree to the Senate amendments. That motion failed.

We do not know the details, but can imagine a series of quick meetings off the floor or in the House cloakroom to work out the problem. Whatever the nature of these conversations, they were successful. Later that same day another motion was offered to pass just the Colorado bill with Senate amendments and not the New Mexico bill. That motion was adopted and enabling legislation for Colorado statehood passed into law.

Colorado went to work on a new State constitution, put that to the voters on July 1, 1876, with a favorable result, and on August 1, 1876, President Grant issued the necessary proclamation for statehood.

Thanks to those "few handfuls of miners and reckless bushwackers," we celebrate today as Colorado Day.●

SALUTE TO POLISH AMERICANS

● Mr. SIMON. Mr. President, on Wednesday, July 31, House Joint Resolution 106 was signed into law designating this August as Polish-American Heritage month. I believe that Polish-Americans have played an important role in American society and have greatly contributed to the rich fabric of American life.

Americans of Polish descent have fought in our wars, helped guide our national policy, and have enriched all of our lives through their leadership in the educational, business, cultural, scientific, Government, athletic and entertainment worlds.

I believe that this month will be a very special time for Polish-Americans throughout this country, and I am especially proud to represent one of the largest concentrations of Polish-Americans in the United States.

Finally, I hope that this commemorative month will not only serve to unite Polish-Americans across the country but will also give the rest of the Nation a chance to experience the beauty, splendor and richness of the Polish culture.●

SILVER ANNIVERSARY OF A REVOLUTIONARY PRODUCT

● Mr. MOYNIHAN. Mr. President, this year marks the 25th anniversary of commercial use of a machine without which we could not function: the plain-paper copier.

In 1960, the world's first such machine was sold by the Haloid Xerox, Inc., a company know in its headquarters city, Rochester, NY, but not much known elsewhere. A single, clear copy produced by the Xerox 914—so named because it could produce copies up to 9 by 14 inches—cost 5 cents, one-third the price of an inferior copy produced by other copying machines of the time.

The company changed its name that year; its product changed forevermore that way the world works.

Writing in the New York Times, on Janaury 14, 1972, James Reston said the Xerox system "now dominates the Federal Government and influences the flow of information in every other big institution in the country."

Today, much the same can be said for all countries. Every second, 18,750 plain-paper copies are made worldwide; 592 billion such every year. Not all, the good folk in Rochester would acknowledge, are made by Xerox products, but our language suggests otherwise.

How often do we hear, "I'd like a xerox of this"; or, "Will you xerox 10 copies of this?" and who among us does not refer to the Xerox machine, even if the copier in question is made by another company? An occasional product is fortunate enough, good

enough, to have its trade name fixed in the public mind as the generic name. But it is rare, if not unique, for the trade name to enter our vocabulary as noun, verb, and adjective. This Xerox has done.

Mr. President, on August 20, 1985, David T. Kearns, the chairman and chief executive officer of the Xerox Corp. will present the original 914 machine to the Smithsonian Museum. It belongs there, alongside the Wright Brothers' Flyer I and the other technological marvels that changed our world.

I take an especial pride because the Xerox Corp. is based in New York. But we can all happily acknowledge the past and continuing success of this great American company. It has established a record none can copy.●

PROTECTION AND ADVOCACY FOR MENTALLY ILL PERSONS ACT OF 1985

● Mr. SIMON. Mr. President, yesterday the Senate approved by unanimous consent the bill S. 974, the Protection and Advocacy for Mentally Ill Persons Act of 1985. I would like to register my strong support for this bill, which I was pleased to be able to cosponsor.

I have one area of disagreement with the bill which was brought to the floor, but in general it is a good and much needed piece of legislation. Mentally ill persons are among the most vulnerable in our society, and are among the most likely to be victims blamed for their own crime. Senator WEICKER and his staff deserve great credit for the concern they have shown for this vulnerable group of persons and for bringing the problem of abuse and neglect of mentally ill persons in residential facilities to our attention.

The Subcommittee on the Handicapped staff report—the result of a 9-month investigation, with onsite inspection of 31 facilities for mentally handicapped persons in 12 States—is a thorough documentation of the conditions in our state-run institutions today. For those of us who would like to believe we have progressed to a humane attitude and treatment toward persons with mental handicaps, the report is extremely disturbing. The testimony we heard before the subcommittee reinforced the findings of the report in a number of areas.

For example, because the Joint Committee on Accreditation of Hospitals and Health Care Finance Administration reviews of institutions occur at predictable times and are primarily a paper review of the overall condition of the institution, they are ineffective in remedying individual cases of abuse. Internal advocacy systems for institutions are hampered by lack of authority to investigate reports of abuse or bring about disciplinary action. Advocacy efforts are also seriously limited in their effectiveness by the lack of sufficient and reliable funding. Testimony also documented the failure of the Office of Civil Rights of the Department of Justice to take prompt action to end flagrant abuses of the civil rights of institutionalized persons.

S. 974 would provide a modest funding authorization for State protection and advocacy organizations to investigate complaints of abuse and neglect of mentally ill persons in residential facilities. This is one relatively small but vital step toward solving the problems we have seen documented. Senator WEICKER has stated that he will be taking additional steps through further legislation to address the problems that will not be remedied by this bill. He will have my strong support in those efforts. The record shows there is a great deal more to be done to ensure that mentally handicapped persons are given the care and treatment they need to develop their potential, in addition to being assured of the simple justice of freedom from abuse.

I am grateful to Senator WEICKER for agreeing to treat Puerto Rico as a State for purposes of the allocation of funds under this bill. We too frequently treat Puerto Rico in a discriminatory manner when it comes to distributing Federal funds. This occurs despite the fact that there are more Americans living in Puerto Rico than in 25 of our States, and despite the fact that the per capita income of Puerto Rico is only 35 percent of our national average. Any social problem which is related to poverty—and most do have that relationship—is a problem for Puerto Rico as much or more than any other State. I am pleased that this bill does not make the common error of ignoring that reality.

I am also pleased that this bill will permit protection and advocacy agencies to assist individuals who are being discharged from an institution and ensure that their rights are protected as they make the transfer from the institution into a community setting. The discharge process is critical if these individuals are to be successfully placed in the community and not to be found sometime later among the homeless on our streets. The number of homeless in this country is now estimated to be possibly as high as 2 million, and an estimated one-third of our homeless are said to have experienced some form of mental illness. To whatever extent the wholesale emptying of State institutions may have contributed to this situation, we may hope that this bill will prevent the post institutional needs of patients from being ignored in the future.

I regret that S. 974 includes a provision which would establish a dual standard for the payment of attorneys who litigate on behalf of mentally ill persons. Unlike attorneys now awarded fees under other statutes—who are paid on the basis of the prevailing market rate—attorneys who successfully litigate under this legislation would be eligible for reimbursement only for documented expenses. This dual standard is discriminatory in its effect upon low-income persons who must rely upon public advocates, and sets a troublesome precedent for other fee-shifting statutes. A cost-based fee award may be unworkable from a practical accounting perspective. It assuredly will reduce the services—and the effectiveness of services—available to those who most need them. Although I support S. 974 because of its overall benefit to persons who are mentally ill, I hope the bill which moves through the House and conference will not include this double standard for the attorneys of the poor.●

EMPLOYEE EDUCATIONAL ASSISTANCE

● Mr. MOYNIHAN. Mr. President, I would like to inform my colleagues about a report recently published by the American Society for Training and Development [ASTD], entitled "Employee Educational Assistance: Who Pays? Who Benefits?" ASTD is an umbrella organization representing more than 50,000 employers engaged in training and retraining workers, from entry level employees to top management. Its report is the first significant and comprehensive study ever undertaken to assess the impact of tax exempt employee educational assistance, as permitted under section 127 of the Tax Code. The results are noteworthy.

Of 319 employers who responded to ASTD's questionnaire—ranging in size from 43 to 100,000 employees and with a combined employment of 6.6 million—309 offered employee educational assistance. The survey determined that 72 percent of employees receiving educational assistance at these companies have annual salaries under $30,000. The survey also found that lower paid employees are more likely to participate; those earning under $15,000 were twice as likely to receive assistance as those earning over $50,000.

Another beneficiary of educational assistance, according to this study, are the companies which provide the assistance. Apart from helping lower level employees move up the ladder—a good proportion of them women, minorities and the unskilled—educational assistance improves performance on the job, and hence productivity, according to 96 percent of the respondents. And 54.4 percent of the compa-

nies said it helps their employees learn basic skills such as reading and writing.

The tax exemption for employee educational assistance is scheduled to expire December 31, 1985. Legislation I am sponsoring with 18 of my Senate colleagues, S. 558, would make section 127 a permanent part of the Tax Code. President Reagan's most recent tax reform plan endorses our proposal. I believe the ASTD study demonstrates most forcefully the worthiness of current law in this area and the need for congressional action to guarantee a permanent tax exemption for employee educational assistance.

Mr. President, I ask that the full text of the ASTD study, "Employee Educational Assistance: Who Pays? Who benefits?," be printed in the RECORD. I also ask that another ASTD publication, "Taxation of Educational Assistance to Employees," a very informative question and answer discussion of the tax treatment of employee educational assistance, be printed in the RECORD.

The material, except for charts and graphs which are not reproducible in the RECORD, follows:

EMPLOYEE EDUCATIONAL ASSISTANCE: WHO PAYS, WHO BENEFITS

INTRODUCTION

Employee Educational Assistance provisions, added to the Internal Revenue Code in 1978 (Section 127), allow employees to receive educational aid from employers without it being considered personal income. This education provision is due to expire December 31, 1985. In order to gather data on educational assistance use, and to aid in consideration of the extension, the American Society for Training and Development initiated a study of employer-provided educational assistance in the Winter of 1984.

The study was conducted on behalf of the 50,000 employer-based members of the American Society for Training and Development. Motorola, Inc. chaired an ASTD task force on educational assistance that led to the development of the survey instrument. ASTD Government Affairs Director Dorothy Walsh supervised the study. The survey was mailed to 1,000 private and public employers in late February. At the March 29 cutoff date, 319 employers responded. The resulted were tabulated in April.

The study, one of the largest conducted on educational assistance, includes data from a broad cross section of industries and employers. Responding employers include about six percent of today's labor force. Responses ranged from organizations with 43 employees to organizations with more than 100,000 employees.

The survey results show that educational assistance (typically tuition-aid) is a small but important part of work place training and retraining. It is especially significant for upgrading employees, creating incentives for upward mobility, and providing remediation and basic skills training.

Findings from the survey include: 97% of all respondents have educational assistance plans; 87% of respondents with less than 500 employees have educational assistance plans; 72% of participants in educational assistance courses earn less than $30,000 per year; 96% of respondents said educational assistance was used for improving skills on-the-job.

The highest participation rate (14%) was found in organizations with less than 500 employees; 54.8% of respondents said educational assistance helps employees learn basic skills like reading and writing; 91% of respondents cited the local community college as a provider of educational assistance courses.

The survey also found that employers are complying with the requirements of Section 127. For example, 97 percent post announcements, and many employers print materials or brochures on educational assistance. 100 percent responded that other taxable benefits or compensation is not reduced for those employees receiving educational assistance. The law specifically states that educational assistance programs cannot discriminate in favor of employees who are officers, owners or highly-compensated. Our survey data shows that in every case, employers offer educational assistance to a broad cross section of employees with the highest participation rates in the low- to middle-salary levels.

We submit these findings as evidence of the value of educational assistance to participants and in the interest of maintaining the nation's competitive advantage.

Without Section 127, employers will be forced to go back to confusing, vague and discriminatory pre-1979 regulations for educational assistance. Employers would either have to withhold taxes on all educational assistance to employees or determine, on an individual basis whether each course an employee takes is "related" to present job responsibilities. The inevitable result would be to discourage employers from providing educational assistance.—Curtis E. Plott, Executive Vice President, American Society for Training and Development.

What Is Employee Educational Assistance and Who Offers It?

Employee educational assistance (e.g. "tuition aid") is the practice or program of payment, by an employer, of expenses incurred by or on behalf of an employee for courses to benefit the employee.

Sample Educational Assistance Plans:

"The company views your continuing formal education as an essential element in your life-long learning. Employees need to continue the learning process in order to keep up with the rapid rate of technological change."—Metals company.

"It is the company's intent to provide educational opportunities to all eligible employees, to increase their effectiveness on the job and improve their potential. This lessens the need for seeking talent on the outside to meet the needs of the company and reduces the possibility of job obsolescence of employees."—Electronics company.

"It is our policy to encourage the self-development of full-time, regular employees. Whenever such development will improve the employee's effectiveness and value on the job and/or will help to prepare the employee for positions of greater responsibility within the company, we're prepared to absorb part of the cost."—Small manufacturer.

"Every full-time employee is eligible to participate. People who have been with the company less than 90 days may participate only at the discretion of the plant manager."—Illinois manufacturer.

"Our police labor agreement allows $1,000 for educational expenses for uniformed officers. All other employees are eligible, as required for their jobs."—Pennsylvania city government.

"Full-time employees must have been in the employ of the hospital for at least six continuous months prior to the beginning of the course. Part-time employees who have completed five years of service and have been scheduled for 20 hours or more per week are eligible for a total of one-half the reimbursement amount of full-time employees."—Medical center.

Who is Eligible for Educational Assistance?

Percent of all employees eligible for educational assistance by salary levels:

Salary level:	*Percent eligible*
Under $15,000	94.2
$15,000 to 29,999	96.8
$30,000 to 49,999	98.2
$50,000 and over	98.1
Not specified	93.4
Total for all employees	96.6

Source: Table 3.

(Note: In some cases, new employees are not eligible until they have been with the employer for some months.)

Publicity given educational assistance program:

Question: Do you provide employees with information about your program through postings, etc.?

Answer: Yes, 97% No, 3%.

Question: Do you publish materials on your program?

Answer: Yes, 75%, No, 25%.

(Note: Some of those replying "no" include information on their educational assistance program in general brochures.)

Source: Table 4.

Who Participates in Educational Assistance?

"At my age, going back to school was hard. I didn't know a thing about electronics. I think the future jobs are in the electronics area. In addition to tuition help, employees who've been laid off and not receiving UI because of full-time school, are eligible to receive a training allowance equal to half the employee's normal weekly pay."—Laid-off female employee receiving educational assistance.

"Former employees on layoff, who have six months' service, will be able to obtain tuition aid up to $1,200 per year for approved courses. Former employees on layoff will be eligible to receive a training allowance of 50% of weekly pay for a minimum of eight weeks while attending."—Large midwest manufacturer.

"The job-related distinction often seems both ambiguous and restrictive . . . If a person with little or no work experience is employed in an entry-level position, and receives education from his employer to advance to a job requiring some greater skills, the value of that education may be taxable. This discourages self-improvement."—Joint Committee on Taxation Revenue Act of 1978.

"Taking this class will allow me to graduate with an Associates Degree, upgrading my position from LPN to RN."—Hospital employee.

If we did not have a tuition reimbursement plan, many/most of our hourly and office employees would not take advantage of training offered by area colleges."—California manufacturer.

"Tuition aid is particularly valuable for our lower-income employees, who would not otherwise pursue further education."—Tire manufacturer.

"Educational assistance also aids our employees who are on layoff."—Electronics firm.

"Employer-provided educational assistance provides an opportunity for minorities, low-income and first generation employees to gain formal academic credentials, which impact on their mobility in the work place and their standing in the community. Continuing and lifelong learning, through formal academic endeavors, is a sure way to help prevent obsolescence."—New England insurance company.

"Both the city and its employees will benefit if the work force is properly trained. Continuous job and career-related education is encouraged."—City government.

Salary levels:	Percent
$15,000 and under	22.0
$15,000 to $29,999	49.1
$30,000 to $49,999	24.3
$50,000 and over	4.6

Source: Table 6.

Percent of employees participating in educational assistance by size of organizations:

Number of employees:	Percent participating
Less than 500	14.4
500 to 999	14.0
1,000 to 2,999	8.1
3,000 to 9,999	8.7
10,000 to 24,999	5.3
25,000 and over	5.0
Average for all organizations	5.6

Source: Table 7.

"Among our students taking courses through educational assistance, 79 percent said their companies paid for all costs. Thirteen percent received three-fourths, 7 percent received half, and 1 percent a fourth of the costs."—Eastern community college.

"Among our participating employees, many take more than one course a year. Employees earning over $35,000 are ineligible for educational assistance."—Medium-sized employer.

"The company will reimburse qualified employees 50 percent of the cost of tuition and certain fees up to $500 each fiscal year."—Eastern county government.

"The company will pay the education institution directly for approved courses. This payment method greatly reduces the financial burden on the employee."—Hospital.

"The company will reimburse registration fees and tuition up to $2,500 per year."—A bank.

"The course of study you select must be one that has relevance to your current or projected career within the firm."—Illinois firm.

How Much do Employers Spend on Educational Activities?

Expenditures by Size of Employing Organization:

Number of employees:	Average expenditures
Under 500	$18,121
500 to 999	46,538
1,000 to 2,999	60,984
3,000 to 9,999	631,807
10,000 to 24,999	434,969
25,000 plus	2,123,764
Average for all organizations	624,833

Source: Table 9.

Impact on other programs:

Question: If one of your employees receives educational assistance, will this reduce any taxable benefit or compensation (e.g., wages) the employee is otherwise entitled to receive?

Responses: No, 100% Yes, 0.

Question: Do you provide educational assistance courses in-house that are not intended to improve employee performance on the job?

Only 32 of the 319 respondents said they offered any educational assistance programs in-house. These courses represent about 8.2% of their total educational assistance plan (average was 5%).

When courses are offered in-house, they tend to be remedial and job-related. Examples cited included remedial education, arithmetic, literacy and other basic-skill classes, English as a second language and business courses.

"It is not the company's intent to reimburse an employee for pursuing a preplanned college education."—Medium size firm.

"Courses must be of an educational or technical nature and related to the employee's present job duties or those to which he/she will be assigned in the foreseeable future as determined by his/her manager."—Entertainment company.

"Among our students taking courses with help from their employers, these are the most popular: computer science, electrical technician, business management, mechanical technician, accounting, civil engineering technician."—Eastern community college.

"This plan does not cover short seminars and noncredit courses, hobbies or sports classes unless part of an approved degree program."—West Coast Manufacturer.

"If you start an approved course and are subsequently laid off, you will still be reimbursed for successfully completing the course."—Manufacturer.

What courses do employees take?

Educational Assistance stimulates productivity: 97.3% of all respondents said employees receiving educational assistance take some courses to improve their performance in their current jobs. 86.2% of all respondents said at least one-half of the courses directly improve employees', skills for their jobs.

Educational Assistance helps upward mobility of employees: 52.4% of all respondents said at least ¼ of all employees receiving educational aid take courses in basic educational skills. The category "basic skills" (e.g., reading, writing, math, GED, etc.) was cited by 54.8% of all respondents.

Between 25% and 49% of employees participating in educational assistance take courses that could lead to a bachelor's degree, and thus a promotion, higher wages or expanded job responsibilities.

Educational Assistance encourages collaboration between employer and local community colleges: 42.7% of all respondents said at least ⅓ of all their employees receiving educational assistance take courses at local community or junior colleges.

The category "community or junior college" was cited by 91.7% of all respondents. Employees take a variety of courses including word processing, computer literacy, business English or technical, vocational classes.

Educational Assistance is not used extensively for graduate school: 76% of all respondents said none of their employees receiving educational assistance take courses that could lead to a law degree. In all cases, of those respondents who allow employees to take legal courses, less than ¼ of all participating employees take legal courses; 50% of all respondents allowed courses that could lead to an MBA. These participating employees, however, take less than 24% of all courses allowed. Only 7 of 309 respondents said more than 50% of participating employees take courses that could lead to an MBA; 5% of participating employees receive educational assistance for other graduate-level courses (e.g., engineering).

"Continued education for our employees is a must, not a luxury."—Hi-tech company.

"Illiteracy costs us thousands of dollars in lost productivity."—Metals company.

"60% of our courses are taken to enhance current job skills; and 40% for career advancement."—A large company.

"Growth and development of employees through educational assistance is viewed as a direct benefit to the company's profitability."—Aircraft manufacturer.

Employers follow Internal Revenue Service guidelines: 94% of all respondents prohibited sports, games or hobby courses. To the extent sports-type courses were allowed, the classes tended to be either fulfillment of degree requirements or directly connected to company product lines.

"There are grade and dollar requirements. You must earn a "C" or better in undergraduate courses. The annual maximum support available is $800. At the graduate level, you must receive a grade of "B" or better and the maximum amount per year is $1,000."—Small manufacturer.

"The educational assistance program provides substantial financial assistance if you take, on your own time, from an approved educational institution, approved courses of an educational or vocational nature, which will benefit both you and the company."—Midwest oil company.

"The company will refund up to 80 percent of your expenses for approved courses. Books and laboratory fees are not eligible for refunds."—New York publisher.

"The company encourages employees to enroll in courses of study that will enhance professional growth and development. Courses may be taken will be mutually beneficial to both you and the company. All courses for which you wish to be reimbursed must be approved prior to their beginning by your supervisor and the Human Resources Director. Upon completion of the course with a "B" or better, the company will reimburse you for tuition and books."—Small communications firm.

How do Employers Feel about Educational Assistance Activities?

Attitude	Most common response
Used primarily by highly-paid employees	Strongly disagree.
Used by all employees including lower- and middle-paid.	Strongly agree.
Helps lower-paid employees as other employees may more easily pay for their own education.	Agree.
Is viewed as helping the advancement of minorities and women.	Do.
Is viewed as an integral part of employee training and development.	Strongly agree.
Is considereed a "perk" with little relationship to the job.	Strongly disagree.
Helps employees receive new skills to help with technological and other work place needs.	Agree.

Source: Table 11.

"I was able to use my education assistance to learn skills that are immediately applicable on the job"—A data processing employee.

"Going to school is important for a better future and to help me become a more valuable employee"—Tooling and fabrication employee.

"70% of our participants are in the first five years of their employment careers."—Service industry.

Who Conducted the Study?

What Types of Organizations Responsed?

This study was conducted on behalf of the 50,000 employer-based members of the American Society for Training and Development to provide data on the scope and characteristics of employer-provided educational assistance today.

Motorola, Inc. chaired a task force on educational assistance that led to the development of the survey instrument. The survey was conducted under the leadership of Curtis Plott, executive vice president for the American Society for Training and Development, and John Robinson, manager of research and development at Motorola's Corporate Training and Education Center. Dorothy Walsh, ASTD director of government affairs, coordinated the national planning and supervised the study. Statistical consultation and development of tables was done by Robert Calvert, Jr., a consultant to ASTD and a former deputy assistant administrator for statistical services at the National Center for Education Statistics. Within ASTD, Diane Charles and Adam Stoll processed incoming forms and, with Motorola, made follow-up calls. Motorola developed the case studies and contributed to the production of the final report.

A total of 1,000 survey forms was mailed to employing organizations selected at random from the ASTD membership and other private and public sector employer lists. 340 surveys were returned. As of the cutoff date (March 29, 1985), 319 employers had responded and 309 said they offered educational assistance to employees. The tables dealing with educational assistance are based on these 309 responses.

The 309 responses represent a good cross section of employers by size (as shown in Tables 9 and 10) and type of activity (as shown in Table 1). Total employment by responding employers was 6,609,932 or approximately six percent of today's labor force of 110,000,000.

TABLE 1.—PERCENT OF RESPONDENTS OFFERING EDUCATIONAL ASSISTANCE PROGRAMS BY TYPE OF INDUSTRY AND TOTAL EMPLOYMENT

Type of industry	Number responding	Total employment	Percent with educational assistance
Agriculture, forestry and fishing	4	53,845	100
Mining and construction	6	13,031	83
Manufacturing	133	3,921,434	100
Transportation	11	260,364	91
Communications	20	1,214,826	100
Public utility	17	136,531	100
Retail and wholesale trade	12	386,704	83

TABLE 1.—PERCENT OF RESPONDENTS OFFERING EDUCATIONAL ASSISTANCE PROGRAMS BY TYPE OF INDUSTRY AND TOTAL EMPLOYMENT—Continued

Type of industry	Number responding	Total employment	Percent with educational assistance
Finance, accounting, and banking	34	128,657	100
Insurance	13	154,308	100
Health, hospitals, and related	32	87,983	97
Government	24	218,513	87
Other (educational institutions, research institutes, consulting organizations, etc.)	13	33,736	85
Totals	319	6,609,932	97

A broad cross section of employers offers educational assistance to employees.

TABLE 2.—PERCENT OF RESPONDING EMPLOYERS OFFERING EDUCATIONAL ASSISTANCE BY SIZE OF EMPLOYING ORGANIZATION

Total number of employees	Number of organizations	Percent offering educational assistance
Under 500	38	87
500 to 999	33	97
1,000 to 2,999	79	99
3,000 to 9,999	57	98
10,000 to 24,999	36	100
25,000 and over	76	99
Totals	319	97

TABLE 3.—PERCENT OF ALL EMPLOYEES ELIGIBLE FOR EDUCATIONAL ASSISTANCE BY SALARY LEVEL OF EMPLOYEES

Salary level	Percent eligible— 100	75 to 99	50 to 74	25 to 49	24 or less	Average eligibility
Under $15,000	85.2	8.0	1.9	1.9	3.0	94.2
$15,000 to 29,999	88.3	7.8	2.0	0.6	1.3	96.8
$30,000 to 49,999	92.1	4.5	2.8	0.6	0.0	98.2
$50,000 and over	95.1	3.1	0.0	0.6	1.2	98.1
Not specified	73.9	17.4	4.3	2.2	2.2	93.4
Total for all organizations	89.1	6.6	1.9	1.0	1.4	96.6

Note: Some organizations reported less than 100% eligibity as new employees often are not eligible and part-time staff may not be eligible.

TABLE 4.—*Extent to which employers publicize availability of educational assistance programs by size of organization*

Do you provide employees with information about your program through postings, etc.?

Total number of employees:	Percent
Under 500	89
500 to 999	97
1,000 to 2,999	98
3,000 to 9,999	97
10,000 to 24,999	100
25,000 and over	98
Totals	97

Note: Table based on organizations providing educational assistance programs (309 out of 319 responding organizations).

TABLE 5.—RATE AT WHICH ELIGIBLE EMPLOYEES PARTICIPATE IN EDUCATIONAL ASSISTANCE PROGRAMS BY SIZE OF ORGANIZATION AND SALARY LEVEL OF EMPLOYEE

[In percent]

Salary level	Under 500	500 to 999	1,000 to 2,999	3,000 to 9,999	10,000 to 24,999	25,000 and over	Total by salary level
Less than $15,000	5.7	14.7	7.2	8.7	5.0	6.6	6.7
$15,000 to $29,999	15.3	13.0	7.7	14.7	5.6	5.5	6.2
$30,000 to $49,999	12.8	17.1	7.5	14.6	7.6	6.7	7.5
$50,000 and over	8.3	14.6	2.8	3.7	1.7	3.8	3.8
Level not specified	14.2	13.0	10.2	7.0	5.1	5.0	5.2
Total by size of organization	14.4	14.0	8.1	8.7	5.3	5.0	5.6

Lower-paid employees participate in educational assistance programs at a greater percentage than more highly-paid employees.

TABLE 6.—PROPORTION OF TOTAL PARTICIPANTS IN EDUCATIONAL ASSISTANCE BY SALARY LEVEL

Salary level	Total participants	Percent of total participants	Percent of total employees
Under $15,000	16,512	22.0	12
$15,000 to $29,999	36,893	49.1	44
$30,000 to $49,999	18,199	24.3	37
$50,000 and over	3,422	4.6	7
Total	75,026	100.0	100.0

The largest participation rates are in the lower salary ranges.

TABLE 7.—*Educational assistance participation rates by size of organization*

Number of employees:	Percent of Eligible Employees Participating
Less than 500	14.4
500 to 999	14.0
1,000 to 2,999	8.1
3,000 to 9,999	8.7
10,000 to 24,999	5.3
25,000 and over	5.0
Total for all organizations	5.6

TABLE 8.—AVERAGE AMOUNT OF EDUCATIONAL ASSISTANCE BY SIZE OF EMPLOYING ORGANIZATION AND SALARY LEVEL OF EMPLOYEE

Salary level of employee	Number of employees in organization— Under 500	500 to 999	1,000 to 2,999	3,000 to 9,999	10,000 to 24,999	25,000 plus	Average for all employees
Under $15,000	$250	$388	$294	$432	$355	$426	$400
$15,000 to $29,999	318	439	366	1,051	417	480	596
$30,000 to $49,999	536	591	644	1,765	623	729	870
$50,000 and over	999	2,187	951	2,583	779	1,161	1,710
Not specified	392	458	471	497	498	380	400
Average by size of organization	376	456	421	1,014	488	429	491

TABLE 9.—AVERAGE AMOUNT SPENT ON EDUCATIONAL ASSISTANCE BY SIZE OF EMPLOYING ORGANIZATION

Number of employees	Number of respondents	Total employment by respondents	Total spent on educational assistance	Average per organization
Under 500	32	7,864	$579,871	$18,121
500 to 999	26	19,868	1,210,828	46,538
1,000 to 2,999	64	112,780	3,903,988	60,984
3,000 to 9,999	52	281,716	32,854,619	631,807
10,000 to 24,999	33	531,845	14,345,492	434,969
25,000 plus	51	4,322,852	108,312,701	2,123,764
Total	258	5,276,925	161,207,499	624,833

TABLE 10.—PARTICIPANTS IN EDUCATIONAL ASSISTANCE AND TOTAL DOLLARS OF ASSISTANCE BY SIZE OF ORGANIZATION AND SALARY LEVEL OF PARTICIPANTS

Salary level	Size of organization, number of employees— Under 500		500 to 999		1,000 to 2,999		3,000 to 9,999	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Under $15,000	262	$65,477	421	$142,148	1,707	$502,099	1,939	$838,124
$15,000 to $29,999	327	104,130	585	256,617	3,452	1,261,078	6,818	10,236,641
$30,000 to $49,999	146	78,289	153	90,476	934	620,380	3,910	6,901,912
$50,000 and over	23	22,975	22	48,120	58	55,167	2,422	6,252,280
Level not specified	788	309,000	1,473	673,467	3,109	1,465,264	17,369	8,625,662
Totals	1,546	579,871	2,654	1,210,828	9,260	3,903,988	32,458	32,854,619

Salary level	Size of organization, number of employees— 10,000 to 24,999		25,000 and over		Total	
	Number	Amount	Number	Amount	Number	Amount
Under $15,000	2,516	$890,783	10,123	$4,314,217	16,968	$6,752,848
$15,000 to $29,999	6,080	2,535,754	35,185	16,843,179	52,447	31,237,399
$30,000 to $49,999	3,487	2,167,450	16,780	12,232,498	25,410	22,091,005
$50,000 and over	297	231,516	3,267	3,786,258	6,089	10,396,316
Level not specified	17,092	8,519,989	187,285	71,136,549	227,116	90,729,931
Totals	29,472	14,345,492	252,640	108,312,701	328,030	161,207,499

Educational assistance is offered by a broad cross section of employers and participation rates concentrate in the lower salary ranges.

Note: Since the survey did not address the definition of cost, some respondents included such items as overhead and administrative costs. And many organizations don't collect data on educational assistance by salary and cost.

TABLE 11.—EMPLOYER ATTITUDES TOWARD EDUCATIONAL ASSISTANCE PROGRAMS.

[In percent]

Employer-provided educational assistance is—	Strongly agree	Agree	Disagree	Strongly disagree	No opinion	Total
1. Primarily designed for and used by highly-compensated employees	0.3	1.6	32.2	64.6	0.3	100
2. Utilized by employees in a variety of compensation ranges, including lower- and middle-paid levels	58.5	39.3	1.6	0.3	0.3	100
3. Benefits the lower-paid employees because the higher-paid employees can more easily deduct educational assistance as a job-related expense	17.3	41.6	16.7	7.1	17.3	100
4. Viewed by my organization as a way to assist job advancement by minorities and women	23.1	52.2	7.1	1.6	16.0	100
5. Viewed by my organization as an integral part of the training and development of employees	48.0	44.4	5.1	0.6	1.9	100
6. Considered primarily a "perk" in my organization, which has little to do with the effectiveness of the employee on the job	1.0	4.2	36.7	56.8	1.31	100
7. One way my organization helps employees receive new skills because of changing workplace needs (technology, etc)	43.6	50.0	3.9	0.6	1.9	100

TUITION REIMBURSEMENT CASE STUDY SUMMARY

Effect of educational assistance upon employee's career

Carol L. returned to her company as a production assembler after raising her family. She advanced through the system and attended some junior college classes. Although she always had an interest in furthering her career through education, the demands of raising a family and the scheduling of time posed problems. However, when a new program became available at a local university, Carol decided to concentrate on her education. This accelerated program of one, full-semester class a month allowed her the opportunity of a college degree.

Without employer encouragement and educational assistance, Carol would not have achieved her present position as production manager.

A high school drop out, Charles M. entered a federally-funded training program. He attended technical school for five months and again dropped out. In 1979, Charles was employed as a tester analyzer. Taking advantage of the educational assistance program, Charles has pursued his goal of an AA degree in electrical engineering. He plans to continue his education and become a certified engineer and group leader in radio frequency products. Charles believes that his education courses have aided him in his present position as engineering lab technician.

In the early 1970's, Blanche R. entered the local community college to continue her career growth. She recognized that she needed a broader educational background than the company internal development courses offered. In 1982, she received her AA and today needs only one semester to complete her BA in business administration. Her education, combined with her practical background, has enhanced her value to her company.

As a black single parent, Blanche, who is financially responsible for her invalid parents, is strongly aware that her career advancement would have been jeopardized without educational assistance.

As a specialist production training senior, Yvonne A. can look back with pride on her 18 years with her employer. Starting her career as an assembler in a manufacturing area, Yvonne later transferred into a training department. Because of a desire for further career growth, she began classes at a community college for her AA. She then attended a university life experience credit program. Her advancement from illustrator to her present position as special production trainer has coincided with her educational progress.

In 1970, Donna T. joined her employer as an entry-level secretary in the patent department. The availability of educational assistance made the idea of a college degree a realistic goal. After several general business courses at a junior college, she transferred to a university. She rapidly advanced as a legal secretary and a paralegal. In June 1980, Donna graduated with a BA in business management. Based on her education and career background, Donna chose to pursue a career in industrial relations. Currently, Donna is taking courses in an industrial relations masters program.

Donna has found that her combination of legal and business experience has been a

definite asset to her career; it has resulted in a 60% increase in salary in less than 4 years.

A shortage of teaching positions made Janice W. reassess her career choice. During her employment as a secretary, Janice began to investigate different job opportunities. Her vocational testing at her community college showed a definite strength in technical areas. Printed circuit board layout design became her chosen specialty. With educational assistance, she has completed various drafting, CAD and electronics classes. In 1981 she was hired for a new product, entry-level position. In six months she was transferred to a base station group where she acquired practical experience in drafting and design.

Janice's efforts to redesign a "T" connector resulted in product cost reduction of $12.98 and a co-inventor patent application was made. Her advancement has helped her operating group become more competitive.

"The main reason I went back to school was because my children were grown and I wanted to upgrade myself at work. Last summer [during the time Section 127 had expired], my employer withheld one-third of my tuition reimbursement money. I thought it was unfair for me to get penalized. I know of at least a dozen people at the bank who did not register this semester because they feared a tax on their education. They may have small children, or they are mothers on their own. $100 doesn't seem like a lot, but, in today's economy, you need the $100."—Bank employee.

"12.1% of our total educational-assistance participants earned promotions or job upgrading."—Medium-size firm.

"Among participants in our program, 22% are from minority groups and 53% are women."—Communications firm.

"Women and minority employees use our tuition program at a rate greatly exceeding their employment representation. Over half of our participants are hourly employees or low-level supervisors."—A large manufacturer.

"Most of our employees must attend training to keep up with changes in technology. Also, many must continue their studies to maintain licenses. Many of our lower-ranking staff use tuition reimbursement to prepare for higher level jobs."—Medical center.

"Our program is used primarily by employees in clerical or lower-paying jobs to advance within the organization. They acquire skills required to maintain their position or employment. All courses must be in a work-related area and all must be approved by the personnel office, which adheres closely to this policy."—Ohio manufacturer.

Female and Minority Participation:

Question: Do you keep records on participants in your educational assistance programs by sex, racial/ethic groups?

Most respondents do not collect demographic data on educational assistance. A few employers, however, sent sample demographic breakdowns or anecdotal information.

Here is a sample:

Participation Rate:

Minority, 32%; nonminority, 61%; male, 164; female, 279.—An insurance company.

Male, 70%; female, 30%; minority, 26%.—Large bank.

Minority participation, 23%; caucasian participation, 75%; minority male, 320; minority female, 160.—New York electric company.

50% female; 60% of those females are minorities.—A banking association

Female, 57%; male, 42%; minority, 25%.—A small company.

Salaried employees, 15%; hourly employees, 84.3%.

Courses: Basic skills, 100; associate of arts, 450; bachelor's, 125; master's, 125; 800 employees.—A Maryland company.

Nonmanagement, 75.5%; management, 24%; caucasian male, 368; minority male, 140; caucasian female, 560; minority female, 392.—A local government.

Male, 62%; female, 37.3%; caucasian, 85%; minority, 15%.—Power company.

EMPLOYER TUITION REFUND PLAN: EMPLOYEE UTILIZATION AT ONE LARGE COMPANY, CALENDAR YEAR 1982

[In percent]

Annual salary ranges	Percentage of employees by salary range—	Cumulative	Percentage of employees in this range completing a course	Percentage of participating employees in this range—	Cumulative
$5,000 to $19,999	23	23	11.0	35	35
$20,000 to $24,999	17	40	8.1	18	53
$25,000 to $29,000	23	63	5.3	17	70
$30,000 to $34,999	10	73	10.5	14	84
$35,000 to $44,999	12	85	6.5	11	95
$45,000 to $64,999	10	95	3.7	4	99
$65,000 and over	5	100	.4	1	100

Total employees: 40,063.

Summary: 40% of the employees earn less than $25,000. Of these employees, 53% completed courses; 73% of the employees earn less than $35,000. Of these employees, 84% completed courses.

The highest rate of completion is by employees in the lowest salary range, employees making less than $20,000 per year (11%).

Of all employees who participate, the greatest percentage are those in the lowest salary range (35%).

TUITION AID SURVEYS

1985—Opinion Research Corporation—Employers Offering Tuition Aid Plans: Under 350 employees, 71%; 351-1,000 employees, 80%; 1,001-2,500 employees, 88%; 2,501 and above, 93%.

1984—Hewitt Associates: N = 655; 96% have tuition aid plans.

1984—Valley National Corp: N = 75; 96% have tuition aid programs.

1984—Jos. O'Neill—Conference of Small Private Colleges: N = 655; 96% have tuition aid programs.

1983—U.S. Department of Labor: N = 1,273; 60% have tuition aid plans.

1982—National Institute for Work and Learning: N = 430; 56.2% have tuition aid plans.

1980—Jos. O'Neill—Conference of Small Private Colleges: N = 358; 98% have tuition aid programs.

1979—Industrial Relations News: N = 363 employers; 90% have tuition aid programs.

1979—Conference Board—79% have tuition aid programs for nonexempt production and operations personnel; 91% for nonexempt office and clerical staff.

1978—AT&T 100 of Fortune 500; 93% have tuition aid plans.

1977—Employers Assn. of Detroit: 96% have tuition aid plans.

1977—Bureau of National Affairs: N = 141 employers, ½ with 1,000 employees or more, and ½ with less than 1,000; 91% have tuition aid plans.

1977—City of Milwaukee: 28 private sector organizations; 100% with tuition aid, 13 public sector organizations; 77% with tuition aid.

1977—American Assn. of Industrial Management of New England hourly nonexempt employees, 77%; clerical, technical, salaried, nonexempt employees, 86%; supervisory, professional, exempt employees, 89%.

ADULT EDUCATION DATA

1981—National Center for Education Statistics Data. 5.1 million participants in adult education take courses paid for by the employer (job-related and nonjob-related courses). Total adult education participants is 21.2 million; 54% of all adult education participants are women; 60% of all adult education courses are taken to advance in a job or get a job; 12.2 million courses are taken with the employer as the source of payment; 54.5% of all participants in adult education earn less than $25,000.

Source: National Center for Education Statistics (U.S. Department of Education) Participation in Adult Education, 1981.

SUMMARY

The ASTD survey tends to be in agreement with other studies and national surveys on tuition aid. Available research from the federal government on adult education tends to correspond to this survey's results.

The responses received by the ASTD survey, as well as the information, brochures and other materials sent, show that educational assistance:

Is offered by a broad and diverse cross section of employers.

Is utilized by employees at different compensation levels with the highest concentration in the lower salary ranges.

Stimulates human resource development and improves performance in the work place.

Provides upward mobility and career development.

Helps laid-off workers to obtain new skills.

Allows employers to offer cost-effective programs for upgrading skills of employees.

Encourages workers to keep up to date with new technological and industrial developments.

AMERICAN SOCIETY FOR TRAINING AND DEVELOPMENT.

EMPLOYER EDUCATIONAL ASSISTANCE SURVEY

This short survey seeks information on educational assistance, such as tuition aid, which you make available to your employees. All responses to our survey will be treated confidentially, will not be released to any outside organization or federal agency, and the results will be presented in national summary tables only.

General Information

1. Name of person completing this survey form ————.

2. Title/position ————.

3. Company/organization name: ————.

4. Company/organization address: ————.

5. Office phone (area code): ————.

6. Brief description business or activity: ————.

Are you responding for your entire organization or a component? Entire organization —— Component ——.

Please specify and give total number of employees: ————.

Educational Assistance Program

7. Does your organization have an educational assistance program? This is broadly defined as a practice or program of payment by an employer of expenses incurred, by or

on behalf of an employee, for education courses for the benefit of the employee.

—— Yes. If yes, go on to item 8.

—— No. If no, please indicate how many persons are employed by your organization here: ——. Then skip to item 15.

8. Please answer the following short questions with either a "Yes" or "No."

a. Do you keep records on participants in your educational assistance programs by sex, racial/ethnic group?

Yes —— No ——.

If yes, please submit a current demographic breakdown.

b. Do you provide employees with information on the availability of your educational assistance program? (e.g., posting)

Yes —— No ——.

c. Do you provide educational assistance programs in-house that are not intended to improve employee performance on the job?

Yes —— No ——.

If yes, what (rough) proportion of your total educational assistance plan do these courses represent? ————.

9. Do you publish materials on your program? Yes —— No ——.

If so, please send us copies of any announcements, employee guidelines, and reports.

10. Please indicate (based on your estimates) what percentage of employees receiving educational assistance take courses or instruction in each of the categories below:

[In percent]

	More than 75 percent	50 to 74	25 to 49	10 to 24	5 to 9	Less than 5	0
Education for current job							
Basic educational skills (e.g., High school/GED							
Community or junior college							
Bachelor's degree program							
MBA program							
Law school							
Medical school							
Other graduate level							
Hobbies, recreation, sports							
Other (Please specify)							

11. By general salary range, what is your total number of employees, how many are eligible for educational assistance programs, how many participated, and what was your cost? Reply for 1984 or for most recent year for which you have data. (If no actual data are available, please estimate.) Answer based on: Actual data —— or Estimate —— for year ending —— 1981.

Salary range	Total number of employees in your organization	Total number of eligible for educational assistance programs	Number of participants in educational assistance programs	Total spent
$15,000 and under				
$15,001 to $30,000				
$30,001 to $50,000				
Over $50,000				

12. If an employee receives educational assistance, will this reduce any taxable benefit or compensation (e.g., wages) the employee is otherwise entitled to receive? Yes —— No ——.

13. The following list of short statements reflects the thoughts of some regarding employee educational assistance programs. Please check the appropriate response which best expresses your opinion.

	Strongly agree	Agree	Disagree	Strongly disagree	No opinion
Employer-provided educational assistance:					
1. Is primarily designed for and used by highly-compensated employees					
2. Is utilized by employees in a variety of compensation ranges, including lower and middle-paid levels					0
3. Benefits the lower paid employees because the higher paid employees can more easily deduct educational assistance as a job-related expense					
4. Is viewed by my organization as one way to assist job advancement by minorities and women					
5. Is viewed by my organization as an integral part of the training and development of employees					
6. Is considered primarily as a "perk" in my organization that has little to do with the effectiveness of the employee on the job					
7. Is one way my organization helps employees receive new skills because of changing work place needs (e.g., technology, competition)					

14. Additional Comments: ————.

15. Please return this survey by March 29, 1985, or as soon as possible.

Taxation of Educational Assistance to Employees

In 1978, Congress added a special provision to the Internal Revenue Code (section 127) that exempts from taxation education provided under employer educational assistance programs. Today these programs provide valuable training to millions of American workers. In order to increase understanding of educational assistance, the American Society for Training and Development has asked the law firm, Kilpatrick & Cody to review current law and legislative proposals. This pamphlet describes—in simple question and answer format—the tax rules that apply to educational assistance programs and legislative proposals to extend section 127 provisions.

In addition, this pamphlet describes the tax rules for similar education aid that does not qualify for exemption under section 127. Since section 127 is scheduled to expire on December 31, 1985, these rules could become critical to employers maintaining educational assistance programs and to their employees. These rules are also important for understanding the purpose and need for section 127, since it was the problems and complexities of these rules that sparked the 1978 enactment of section 127.

Except as otherwise noted in the text, the tax rules summarized in this pamphlet are those in effect on January 1, 1985.—Curtis E. Plott, Executive Vice President, American Society for Training and Development.

SECTION 127

1. What education aid can qualify for tax-free treatment under Code section 127?

Education aid that an employer provides pursuant to a qualifying educational assistance plan can be excluded from federal gross income under section 127. To qualify, an educational assistance plan must not discriminate (i.e., favor highly-paid employees) and must meet certain other requirements described in Q/A-6 below. A qualifying plan may be designed to pay or reimburse expenses incurred by employees for education or to provide employees with education directly. "Education" is defined broadly by section 127 and includes "any form of instruction and training that improves or develops the capabilities of an individual." Reg. Sec. 1.127-2(c)(4). A typical example of an educational assistance plan is an employer "tuition aid" program.

2. What education aid does not qualify for tax-free treatment under Code section 127?

Section 127 does not exclude from gross income education aid provided under a plan that fails to meet the requirements described in Q/A-6 and Q/A-7. It also does not apply to:

Meals, lodging or transportation related to education;

Tools or supplies (other than text books) if they may be retained after the course is completed; or

Education involving sports, games or hobbies unless the education involves the business of the employer or is required as part of a degree program.

The maximum amount that an employee can exclude under section 127, in any calendar year, is $5,000.

3. How does the $5,000 cap on the exclusion under section 127 operate and what special problems does it present?

The $5,000 cap on the exclusion under section 127 applies on an individual employee basis. Thus, regardless of the number of different employers that an employee has during the year, the employee may exclude only $5,000 of education aid under section 127. However, whether an employee's education aid in excess of $5,000 is subject to tax depends upon its tax status under other provisions of the tax law. (These other provisions are explained in Q/A-13 through Q/A-16 below.) For example, if under a qualifying section 127 program an employee receives $6,000 of education aid in a year, and $1,000 would be excludible under other tax law provisions, the entire remaining $5,000 is excludible under section 127. Therefore, for employees receiving education aid in excess of $5,000 annually, the tax provisions described in Q/A-13 through Q/A-16 have particular significance.

Applying the $5,000 cap may also involve questions of valuation. Some employers hire instructors directly, for a few courses, and provide their employees with in-kind education aid. In these situations, whether more than $5,000 of education aid is provided to any employee apparently depends upon the "fair market value" of the education. Reg. Sec. 1.61-2T Q/A-5. The employer's cost for the education cannot be used in applying the cap (even though it might be more easily determined and might roughly reflect the fair market value.) Specifically, IRS temporary employee benefit regulations

only permit dollar limitations on employee exclusions to be applied based upon employer cost when the limitation is phrased in terms of employer cost. Reg. Sec. 1.61-2T Q/A-5 and Q/A-7. Although two bills presently pending in Congress (H.R. 1356 and S. 558) would modify the language of section 127 in this regard, the $5,000 limitation is not currently phrased in terms of employer cost. Therefore, at present, the $5,000 cap should be applied based on the fair market value of education received.

In valuing in-kind education aid for this purpose, employers should consider the price of comparable education provided on an arms-length basis. Reg. Sec. 1.61-2T Q/A-5 and Q/A-12. Because of this, the burden of valuation will fall most heavily on those few employers that provide unusual courses or that provide instruction under unusual circumstances, *e.g.*, individualized instruction.

Valuation burdens may also fall on certain employers that do not provide education in-kind. If an employer receives tuition discounts from an educational provider, it may be necessary to apply the $5,000 cap based on the undiscounted price of the education. This possibility is suggested by the Service's recently-stated position regarding valuation of employer-provided cars. In that context, the Service has indicated that the value of the cars must be determined "without regard to any group or volume discount" that may have reduced their purchase price. Reg. Sec. 1.61-2T Q/A-13. Therefore, to apply the $5,000 cap, it may be necessary for employers to keep records based on the *undiscounted* price of education provided to employees.

4. Do withholding taxes apply to education aid that is excludible under section 127?

Education aid is not subject to Social Security, unemployment or income tax withholding if, at the time provided, it is reasonable to believe that the aid will be excludible under section 127. Internal Revenue Code Sections 3121(a)(18), 3306(b)(13), and 3401(a)(18). The "reasonable belief" standard that governs an employer's withholding obligation is intended to protect an employer that acts reasonably from under-withholding liability in the event an employee's exclusion is ultimately denied. The IRS has explained this same standard in a different context (*i.e.*, in connection with moving expense reimbursements) by saying: "The reasonable belief . . . may be based upon any evidence reasonably sufficient to induce such belief even though such evidence may be insufficient upon closer examination by the district director or the courts finally to establish that [an exclusion] is allowable. . . ." Reg. Sec. 31.3401(a)(15)-1(a).

In practice, withholding on section 127 education aid has not generated extensive controversy; however, there are certain areas where questions can arise. To apply properly the $5,000 cap explained in Q/A-3, an employer must know the amount of education aid an employee has received from all employers during the year. For example, a mid-year hire may have received substantial education aid at a previous job. Therefore, a cautious employer may wish to have employees indicate the amount of any education aid received from other employers as part of an application or claim for education aid. While IRS guidance is not expected soon, it is understood that the IRS will at least consider exempting employers from any need to inquire about the amount of education aid provided by other, unrelated employers.

The problems of valuing certain types of education aid that arise in connection with the $5,000 cap were described in Q/A-3. Because of this limitation on the amount excludible under section 127, it is possible that an employer might be subject to underwithholding liability if it undervalues the education aid provided to an employee. However, an employer's exposure in this regard is limited significantly by the reasonable belief standard that governs the withholding obligation. While valuation is inevitably burdensome, so long as an employer's valuation of education aid is made in good faith and based on reasonable evidence, the employer should be generally immune from underwithholding liability.

5. Is education aid that is exempt from federal income tax under section 127 also exempt from state income taxes?

Since many state income tax statutes follow federal rules in defining gross income, education aid that is excludible under section 127 will generally be exempt from state income taxes as well. Nonetheless, there may be exceptions (for example, Georgia law may treat section 127 as expired), and therefore current local tax laws should be consulted.

6. In order to qualify under section 127, what requirements must an educational assistance plan meet?

In order to qualify under section 127, an educational assistance plan must be nondiscriminatory (see Q/A-7) and must meet the other requirements described in Q/A-6. An educational assistance plan that does not meet these requirements is not able to provide education aid that is excludible under section 127.

Separate written plan

To qualify, an educational assistance plan must be a separate written plan of an employer. This means that the terms of the plan must be set forth in a separate document, or documents, drafted to provide employees with only "qualifying educational assistance" (as defined below). Reg. Sec. 1.127-2(b). At least in the case of unfunded plans, the degree of formality of the document(s) appears largely up to the individual employer. IRS regulations impose only great requirements, and unfunded educational assistance plans are generally exempt from the plan document (and other) requirements of the Employee Retirement Income Security Act of 1974. Reg. Sec. 2510.3-1(k).

Qualifying educational assistance

The education aid provided under the plan must be solely "qualifying educational assistance." Reg. Sec. 1.127-2(c). This operational requirement compliments the similar documentary requirement described above. "Qualifying educational assistance" is defined as employee education aid, other than aid for meals, lodging and the other nonqualifying items listed in Q/A-2. Reg. Sec. 1.127-2(c). Under IRS regulations, a plan is not deemed to provide solely qualifying educational assistance if "in form or operation" it permits employees to choose between education aid and any taxable remuneration. Reg. Sec. 1.127-2(c)(2) (e.g., cafeteria plans). However, an employer may design its plan to be part of a more comprehensive program that permits employees to choose among various nontaxable benefits. Reg. Sec. 1.127-2(b).

Exclusive benefit

A qualifying educational assistance plan is permitted to benefit only the "employees" of an employer. Reg. Sec. 1.127-2(d). For this purpose, the regulations under section 127 define "employee" to include:

A retired, disabled or laid-off employee;

An employee on leave of absence; or

A self-employed individual. Reg. Sec. 1.127-2(h)(1).

Thus, for example, a retraining program solely for disabled and laid-off employees could qualify under section 127. However, a program which provides education aid for employees' spouses and dependents (who are not themselves employees) would not qualify under section 127. Reg. Sec. 1.127-2(d).

Reasonable notice

An employer must also provide its employees with the opportunity to benefit from an educational assistance plan by giving them fair notice of its terms. Reg. Sec. 1.127-2(g). IRS regulations do not impose specific requirements regarding form, content or timing for this notice; rather, they require only that an employer provide "reasonable" notice of a plan's availability and terms to those employees who are eligible to participate.

An educational assistance plan which is nondiscriminatory and which meets the foregoing requirements will qualify under section 127. If an employer wishes, a plan may be submitted to the IRS for a ruling on its qualification; however, an IRS ruling is not required. Reg. Sec. 1.127-2(a).

7. What nondiscrimination standards must an educational assistance plan satisfy?

In order to qualify under section 127, an educational assistance plan must satisfy two nondiscrimination standards—a 5 percent limitation on benefits for significant owners, and a general requirement for nondiscriminatory eligibility.

A plan meets the 5 percent limitation in any plan year only if no more than 5 percent of the plan's cost for such year is for education aid provided to "over 5 percent owners" (or their spouses and dependents who are employees). Internal Revenue Code (IRC) Sec. 127(b)(3). An individual is an "over 5 percent owner" if, on any day during the year, he/she owns more than 5 percent of either the capital or profits interest in the employer (if an unincorporated business), or more than 5 percent of the employer's total number of outstanding shares (if the employer is a corporation). Reg. Sec. 1.127-2(f)(2). In determining an individual's stock ownership in the employer, certain attribution rules are applied, i.e., the individual is deemed to own stock that is owned by certain related individuals or entities. Reg. Sec. 1.127-2(f)(2)(iii). Similar rules apply in determining an individual's ownership in an unincorporated business. Reg. Sec. 1.127-2(f)(2)(iii). (Ownership is determined in accordance with regulations under section 414(c).) IRS regulations require the 5 percent limitation to be applied based on the plan year that is specified in the written plan document; this plan year may be either the calendar year or the employer's fiscal year. Reg. Sec. 1.127-2(f)(1).

Nondiscriminatory eligibility

In order to satisfy the nondiscriminatory eligibility requirement, an educational assistance plan must make education aid available to employees on terms that do not discriminate in favor of employees who are officers, shareholders, self-employed or highly compensated, or in favor of their spouses or dependents who are employees. Internal Revenue Code Sec. 127(b)(2). While this permits education aid to be made available on a selective basis, the group eligible must

constitute a "nondiscriminatory classification" of employees. For this purpose, the longstanding nondiscriminatory classification standards used in connection with qualified retirement plans (Sec. 410(b)(1)(B) are generally controlling. Reg. Sec. 1.127-2(e)(1). (For an example of a nondiscriminatory classification, see Rev. Rul. 83-58, 1983-1 C.B. 95.) Also, as in the retirement area, employees subject to collective bargaining may be disregarded in testing an eligibility classification, so long as educational assistance was the subject of good faith bargaining between the parties. However, in determining the scope of a classification, a plan's terms are not automatically accepted on their face. Instead, the availability of education aid to various employees is determined based on all the characteristics of the plan. Reg. Sec. 1.127-2(e)(1). For example, if a plan purports to be open to all employees, but only provides education aid for courses at the undergraduate level, only employees qualified to take courses at that level are deemed to be eligible in testing the plan. Unless this group constitutes a nondiscriminatory classification of all employees (other than employees who may be disregarded because of collective bargaining), the plan will not qualify under section 127.

If an educational assistance plan makes education aid available on a nondiscriminatory basis, disproportionate *utilization* of the program by employees who are officers, shareholders, etc. will not disqualify the plan. IRC Sec. 127(c)(5)(A); Reg. Sec. 1.127-2(e)(2)(i). Further, education aid will not be considered unavailable to eligible employees merely because the plan conditions reimbursement of expenses on successful completion of the course, attainment of a particular grade or satisfaction of a reasonable condition subsequent (such as remaining employed for one year after completion of the course). IRC Sec. 127(c)(5)(B); Reg. Sec. 1.127-2(e)(2)(ii). These special rules are important safeguards that help protect properly designed educational assistance plans from concerns about discriminating in operation. In essence, an educational assistance plan is required to provide a nondiscriminatory opportunity. Except as necessary to satisfy the 5% limitation, it need not compel nondiscriminatory utilization of that opportunity.

8. What reporting requirements apply to an educational assistance plan?

If an employer maintains an educational assistance plan during any "year" beginning after 1984, the employer is required to file an information return with the IRS setting forth the following information:

The number of employees of the employer;

The number of employees of the employer eligible to participate in the plan;

The number of employees who actually participate in the plan;

The total cost of the plan during the year; and

The employer's name, address, taxpayer identification number and type of business. IRC Sec. 6039D(a).

Reporting is apparently required with respect to the taxable year of the employer. See, H.R. Rep. No. 861, 98th Cong., 2d Sess. 1175(1984) (legislative history of section 6039D's predecessor). Therefore, an employer with a taxable year that begins on July 1 should not have to report on the operation of its plan during the first six months of 1985. The IRS is authorized to establish the due date for this information return. IRC Sec. 6039D(a). While no guidelines have yet been issued, it appears the Service may require these returns to be filed within just a month or two after the close of an employer's taxable year.

In reporting the cost of a plan, presumably an employer should only include the cost of education aid that is actually provided under the plan. Therefore, if an employer provides, for example, in-house training to employees as part of its operational activities (as a cost of doing business), but not under the plan, it should not be necessary to determine and include the cost of this training as part of its return. For those few cases where in-house training is provided pursuant to the terms of a section 127 plan, special rules apply. The employer should report the cost of all "direct" expenses, such as instructor's salaries and the cost of books and supplies; "overhead" expenses like utility and copying costs need not be reported. H.R. Rep. No. 1049, 98th Cong., 2d Sess. 7, n.2 (1984).

In addition to the reporting requirements outlined above, Code section 6039D gives the IRS the authority to require particular employers to file an additional return providing further information about their educational assistance plans. IRC Sec. 6039D(c) (e.g., information on employer cost by salary ranges might be required). If such additional reporting is required, it should only affect a small sample of employers maintaining educational assistance plans. The penalty for failing to file either information return is $25 for each day that the failure continues, up to a maximum of $15,000. IRC Sec. 6652(f).

The same legislation that enacted the reporting requirements described above, also contained a statement of congressional intent that may necessitate additional reporting. H.R. Rep. No. 1049, 98th Cong., 2d Sess. 7 (1984). Specifically, the legislative history of P.L. 98-611 indicates that employers should report to employees, who terminate during a year, the value of educational assistance received during that year. This information is intended to assist these employees in determining whether their educational assistance has exceeded the $5,000 annual cap. No IRS guidelines have been issued to clarify this requirement and it is not clear what penalty, if any, applies in the event an employer fails to provide this information.

EXPIRATION OF SECTION 127

9. When does section 127 expire?

Section 127 is currently scheduled to expire on December 31, 1985. Unless existing law is changed, educational assistance received after December 31, 1985 will not be excludible from income under section 127.

10. Have any proposals been made to extend section 127?

Yes, several. The President's tax reform proposal and at least two bills currently pending in Congress, S. 558 and H.R. 1356, would all make section 127 a permanent provision of the Internal Revenue Code. (The President's proposal also would make certain other changes to section 127; see Q/A-17 below).

11. If section 127 expires, would educational assistance become taxable?

As explained in Q/A-13 below, some education aid that is nontaxable under section 127 can also qualify for tax-free treatment under other provisions of the tax law. If section 127 expires, the taxability of education aid would be determined in accordance with these provisions. In addition, even if section 127 were to expire on December 31, 1985, Congress could restore the provision retroactively later on. For example, section 127 has already expired once before, on December 31, 1983. Thereafter, on October 31, 1984, P.L. 98-611 retroactively reinstated section 127 and extended the provision through December 31, 1985.

12. What withholding obligations would apply to education aid if section 127 expires?

If Congress declines to extend section 127, withholding taxes would apply to any education aid that is not excludible under other provisions of the tax law (see Q/A-13 and Q/A-14 below). On the other hand, if, when section 127 expires, it appears that the provision may be eventually restored, the answer is less clear. As explained in Q/A-4, education aid is not subject to withholding taxes if, at the time provided, it is reasonable to believe the aid will be excludible under section 127. If section 127 expires December 31, 1985, and early in 1986 it appears that section 127 will be retroactively re-enacted, then arguably an employer could "reasonably believe" that education aid provided at that time would ultimately be excludible under section 127. Nonetheless, when section 127 last expired, the Treasury Department indicated informally that it rejected this interpretation. Apparently in Treasury's view, section 127's likelihood of re-enactment could not be considered in determining whether withholding was required. The issue in 1984 was eventually defused by Congress, since the re-enactment of section 127 included a provision that waived penalties and interest for failures to withhold during 1984, P.L. 86-611, Sec. 1(g)(4). Nonetheless, Treasury's position in 1984 highlights the risks facing any employer who chooses not to withhold on otherwise taxable education aid in the event that section 127 should again expire.

NONCOMPENSATORY EDUCATION AID

13. Does any education aid qualify for tax-free treatment without regard to section 127?

Yes, education aid which qualifies as "noncompensatory" is excludible from the recipient's gross income without regard to section 127. Rev. Rul. 76-71, 1976-1 C.B. 308. In order to be considered noncompensatory, the education aid:

Must be for education that would meet the standards for an employees business deduction (see Q/A-16 below), and

Must be received pursuant to an employer plan that provides only job-related education aid. Rev. Rul. 76-62, 1976-1, C.B. 12; Rev. Rul. 76-352, 1976-2 C.B. 37.

For this purpose, and employer plan meets the "job-related" test if it makes available only education that improves an employee's effectiveness for the duties of his job. Rev. Rul. 76-71, 1976-1 C.B. 308; Rev. Rul. 76-62, 1976-1 C.B. 12.

14. Do withholding taxes apply to noncompensatory education aid?

The Internal Revenue Service has ruled that noncompensatory education aid is not subject to Social Security, unemployment or income tax withholding. Rev. Rul. 76-71, 1976-1 C.B. 308. Nonetheless, in practice, many employers find it difficult to determine whether particular education aid qualifies as noncompensatory.

15. What tax treatment applies to education aid that is not excludible under Section 127 and that fails to qualify as noncompensatory?

Education aid that is not excludible under Section 127 and that fails to qualify as noncompensatory is includible in the gross

income of an employee and is subject to withholding taxes; however, if the education involved satisfies the standards in Q/A-16, the employee may claim an offsetting business deduction for the amount included in his income. Rev. Rul. 76-352, 1976-2 C.B. 37. Since this deduction affects the computation of the employee's "adjusted gross income," it is available even if the employee does not itemize his deductions. IRC Sec. 62(2)(A); Reg. Sec. 1.62-1(f)(1). The practical effect of the deduction is to exempt the education aid from federal income taxes. Still, it does not cancel out any Social Security or unemployment taxes that have been withheld by the employer. Therefore, for employees who earn less than the Social Security wage base ($39,600 in 1985) the deduction will be less valuable than a comparable exclusion.

16. What education expenses are deductible as employee business expenses?

In order for an employer's education expenses to be deductible, they must be for education that satisfies the following requirements:

The education must *either* (1) maintain or improve skills needed by the employee for his current job, or (2) meet the employer's express requirements for retaining the job;

The education must not qualify the employee for a new trade or business; and

The education must not be needed to satisfy the *minimum* educational requirements of the employee's job. Reg. Sec. 1.162-5.

Maintains or improves skills

The deductibility of an employee's education expenses depends to a large degree on the relationship of the education to his current job. Education that provides *new* skills, or which supports skills that are only remotely related to the duties of a current job, generally will not satisfy the "maintains or improves" standard of the Regulations. See, *McIlvoy v. Commissioner,* 38 T.C.M. 142 (1979). This serves to disallow deductions for personal enrichment education that is not employment motivated; *McAuliffe v. Commissioner,* 40 T.C.M. 987 (1980) (literature courses); *Mullen v. Commissioner,* 29 T.C.M. 925 (1970) (philosophy courses). However, it also denies deductions for employment-motivated education that relates more to advancement than to an employee's current job. *Smith v. Commissioner,* 41 T.C.M. 1186 (1981) (foreman taking MBA program). Because the focus is solely on an employee's current job, it appears that lower-level workers (whose jobs tend to be narrower) often have the greatest difficulty in satisfying the "maintains or improves" standard of the regulations. Compare, *McIlvoy v. Commissioner,* 38 T.C.M. 987 (1979) (lower-level engineer denied deduction for MBA expenses); and *Beatty v. Commissioner,* 40 T.C.M. 438 (1980) (engineer with some managerial duties allowed deduction for MBA-type expenses).

Express requirements of the employer

In some cases where the education does not maintain or improve current job skills, a deduction may be available because the education satisfies the express requirements of the employer. The requirements must be imposed by the employer for a bona fide business reason (or be a requirement of law) and must be a condition of the employee's retaining "his established employment relationship, status or rate of compensation." Reg. Sec. 1.162-5(c)(2). In addition, only the least education necessary to retain the employee's position will qualify under this standard. Reg. Sec. 1.162-5(c)(2).

New trade or business

Expenses incurred for education that qualifies an employee for a new trade or business are not eligible for deduction. However, education that prepares an employee for a "change of duties" does not fail this test if the new duties involve the same general type of work. Reg. Sec. 1.162-5(b)(3)(i). Thus, for example, a classroom teacher may train to become a guidance counselor or principal; however, a nonlawyer may not deduct expenses for law school courses required by his employer if they could lead to taking the bar examination. Reg. Sections 1.162-5(b)(3)(i)(c) and (d), and (b)(3)(ii) Example (2); Rev. Rul. 76-62, 1976-1 C.B. 12. In general, the Tax Court has tended to apply the "new trade or business" test rather narrowly. (See, for example, the following cases where deductions were denied: *Browne v. Commissioner,* 73 T.C. 723 (1980) (bookkeeper/return preparer's courses toward an undergraduate accounting degree); *Burt v. Commissioner,* 40 T.C.M. 1164 (1980) (music courses taken by church's minister of music—disallowed because could be used for teacher's position); *Josephs v. Commissioner,* 39 T.C.M. 138 (1979) (technician's engineering courses).)

MINIMUM EDUCATIONAL REQUIREMENTS

Expenses for education that is necessary to satisfy the minimum educational requirements for an employee's job will not qualify for deduction. The fact that an employee already has a job does not establish that he has met the minimum educational standards for the position. Reg. Sec. 1.162-5(b)(2)(i). Thus, some education that meets the "express requirements of the employer" will not qualify for deduction because it is needed to satisfy the "minimum educational requirements" for the position. For example, a temporary teacher studying for a bachelor's degree in order to obtain a permanent position may not deduct the cost of the education. Reg. Sec. 1.162-5(b)(2)(iiii). On the other hand, once an employee has initially satisfied the minimum educational requirements for his job, any subsequent increases in those requirements are not considered in determining the deductibility of his education expenses. Reg. Sec. 1.162-5(b)(2)(i).

The rules for determining the deductibility of education expenses are detailed and complex. Because they depend upon a case-by-case determination of the facts, they have been a fertile source for taxpayer litigation. In addition, this same complexity has made it difficult and burdensome for employers to determine their withholding obligations on education aid that does not qualify for exclusion under section 127.

PRESIDENT REAGAN'S TAX PROPOSAL

17. What changes would President Reagan's Tax Proposal make to section 127?

In addition to making section 127 a permanent provision of the Internal Revenue Code, the President's tax reform proposal would make several other significant changes in section 127:

The $5,000 cap would be eliminated;

The percentage limit on aid to significant owners would be modified; and

Two new utilization-based tests for nondiscrimination would be added.

Percentage limit

The current percentage limit on education aid for significant owners would generally be liberalized (and made more complicated) by the President's proposal. The percentage limit used for the test would be increased from 5% to 25%, while the group to whom the limit applies would be significantly changed. Under the proposal, the 25% limit would apply to the 20 highest-paid members of the "prohibited group." In general, the term "prohibited group" refers to:

Employees owning at least 1% of the employer;

Employees paid at least $50,000 annually;

Employees within the highest-paid 10%; and

Family members of these employees.

In addition, an employee, who is a prohibited group member in one year, would also be considered a prohibited group member in the two succeeding years. In applying the 25% limitation, only education leading to a degree would be considered and, therefore, employers would have to segregate degree and nondegree education in testing their plans.

New nondiscriminating tests

The proposal's new tests for nondiscrimination would, in contrast to present law, focus on the *utilization* of educational assistance under a plan. Under the first test, the percentage of prohibited group members actually receiving education aid under the plan could not exceed 125% of the percentage of other employees receiving aid. For example, if 20% of nonprohibited group employees received aid, then no more than 25% of the prohibited group could receive education aid under the plan. Under the second test, the average *amount* of education aid provided to members of the prohibited group could not exceed 125% of the average amount of aid provided to other employees. Thus, if the average education aid provided to nonprohibited group employees were $300, then the average amount of aid for prohibited group members could not exceed $375. In applying this second test, as in the case of the 25% limitation, only education leading to a degree would be considered.

Under the proposal, the penalty for failing a nondiscrimination test would fall solely on the prohibited group. Therefore, if a plan failed either utilization test or the 25% percentage limit described above, education aid provided to prohibited group members would not be excludible under Section 127. However, the aid apparently still could be tax-free under other tax provisions (see Q/A-13 through A/A-16).●

THE EXPERIMENTS OF DR. D. EWEN CAMERON

● Mr. METZENBAUM. Mr. President, I have long believed that when a person makes a mistake, the sooner he or she owns up to the mistake and does his or her best to rectify it, the better it is for all concerned. This principle applies as much to governments as to individuals, and I respectfully suggest that principle should be particularly applicable to the CIA-funded brainwashing experiments on unwitting Canadian citizens in the late 1950's and early 1960's. But, instead of making public apology and rectification to the Canadian citizens whose lives were wrecked by those experiments, the CIA has adamantly resisted the efforts of the Canadian victims of the experiments and their Government to obtain some recompense for the damage to the victims' lives.

The CIA was able to keep its actions secret from the Canadian people and the Canadian Government and from the American public until John Marks used the Freedom of Information Act in 1977 to break the story with his book "The Search for the Manchurian Candidate." At that time, the then CIA Director, Adm. Stansifield Turner, was aghast at what had happened and promised the Senate that he would find the people who had been subjected to these unwitting brainwashing experiments and would seek assistance for them. But that never happened. Instead, the CIA is even today stonewalling any fair settlement with the nine victims of the CIA-funded brainwashing experiments who have brought suit in the U.S. district court here.

The Washington Post did a great public service last Sunday in its story on one of the victims of the CIA-funded experiments and I am placing that story in the RECORD along with a number of editorials and pieces from the leading United States and Canadian newspapers which have called on the CIA to rectify its past errors in Canada.

Mr. President, I am as aghast as Admiral Turner at what the CIA did in Canada. But, I am even more aghast at the refusal of the United States Government to resolve this matter with the Canadian victims of the CIA actions. The suit of these nine victims has been pending for over 5 years and, instead of seeking a settlement on some reasonable basis, our Government and the CIA have placed every conceivable roadblock in the path of these victims. These people are now elderly—Louise Weinstein, the subject of the Post piece, is 79—and any further delays in fair recompense could literaly deprive some of the victims of any compensation at all. A fair settlement would serve the interests of justice and decency.

I ask that the material to which I have referred to be printed in the RECORD.

The material follows:

[From the Washington Post, July 28, 1985]

THE EXPERIMENTS OF DR. D. EWEN CAMERON

(By David Remnick)

Harvey Weinstein, a quite bearded man who practices psychiatry at Stanford University, say there are days when he is "ashamed" of his profession, nights when he cannot stop thinking about the Canadian psychiatrist who "ruined my father's life . . . Left him with nothing. It's nightmare that never ends."

With funding from the CIA, the late Dr. D. Ewen Cameron did a series of mind-control experiments on 53 people, including Harvey Weinstein's father, Louis, a prosperous Montreal businessman. All had come to the Allan Memorial Institute of McGill University in Montreal between 1957 and 1961 for treatment of various psychological ailments.

The experiments, Weinstein, say, left his father "a human guinea pig, a poor pathetic man with no memory, no life. He lost his business, he lost everything." Weinstein is one of nine plaintiffs in a lawsuit, seeking damages from the CIA.

To erase or "de-pattern" personality traits, Cameron gave his subjects megadoses of LSD, subjected them to drug-induced "sleep therapy" for up to 65 consecutive days and applied electroshock therapy at 75 times the usual intensity. To shape new behavior, Cameron forced them to listen to repeated recorded messages for 16-hour intervals, a technique known as "psychic driving," Cameron and the CIA were interested in brainwashing and the ability to redirect thought and action. The patients did not consent to the treatment and were never told they were being used for research.

"When you're 13 years old and you see your father—an independent, kind, smart person—become a different man before your eyes, it's impossible to accommodate that," Weinstein says. "I remember one of his first visits home from the hospital. He didn't talk much, and when he did talk it made no sense. When he wasn't sleeping he was drowsy. He asked us things about his parents, even though they'd been dead for years. His memory was gone. At night once, when I was in bed, I saw him come into my room and urinate on the floor, He didn't know where he was.

"My father has ended up feeling guilty that he had done something to deserve this punishment. He is convinced the CIA listens to his telephone. He's ashamed, embarrassed. My mother died without seeing the end of this. It will be a tragedy if my father dies without restoring some sense of dignity to his life." Today Louis Weinstein lives alone in Montreal, cared for by his two grown daughters.

No one knows the whereabouts of all the subjects, some of whom may be dead. But Louis Weinstein and eight others, including Velma Orlikow, the wife of a New Democratic Party member of the Canadian parliament, claim they have been injured irreparably the the experiments. "I'd say Velma operates at about 20 percent of capacity," David Orlikow says. "It's horrific."

The CIA's involvement in mind control experiments has been coming to light for years. The suit filed by the group against the U.S. government has been pending here in U.S. District Court since December 1980 before Judge John Garrett Penn. The plaintiffs originally asked for $1 million each in damages but have cut that to $175,000. The government has offered to pay $25,000. The group's attorney, Joseph Rauh Jr., calls the settlement offer "demeaning" and contends that the CIA has managed to delay the proceedings by "stonewalling."

The CIA's counsel, Lee Strickland, declined to comment on the case. Agency spokeswoman Kathy Pherson said, "We don't comment on cases under litigation. It's inappropriate to try cases in the press."

In Cameron's defense, Brian Robertson, the present director of the Allan Institute, and James Farquhar, a psychiatrist there, wrote in the Montreal Gazette that "we have not been able to uncover a single shred of evidence that Dr. Cameron knew of the CIA connection with his research funding." They said Cameron's work "must be placed in its historical context" and that "in Cameron's day [researchers] were not expected to inform their patients of the nature of their research in the way that they are today."

The CIA has asked Judge Penn to block Rauh from taking depositions from two key agency figures—Stacey Hulse and John Knaus, who have been publicly identified as former CIA station chiefs in Ottawa. They are both retired.

Cameron, who died of a heart attack while mountain climbing in 1967, had been one of the most prominent psychiatrists in North America. A former president of both the Canadian and American psychiatric association, he was selected to diagnose Nazi figures, including Rudolf Hess, during the Nuremberg trials. (He declared Hess sane.) But for his work on brainwashing and mind control, critics have called him a "mad scientist."

"We hanged Nazis for doing the sort of things Cameron did," says Rauh.

"Cameron wanted to be up there with Freud," says David Orlikow. "He wanted that stature, so he would do anything. Anything! It was horrific."

Since World War II, U.S. intelligence agencies have been interested in the techniques of controlling behavior and thought. The military was especially intrigued by interrogation techniques used on American POWs during the Korean War. Brainwashing entered the American vocabulary.

The CIA's first major project in the area, called Artichoke, was rudimentary compared to Mkultra, which succeeded it in 1953. Through front organizations, the CIA channeled about $10 million to dozens of universities and independent researchers.

In one highly publicized experiment an Army employe, Dr. Frank Olson, was given LSD without his knowledge. He was hospitalized and days later jumped out a window to his death.

Few people knew much about Mkultra and cases like those of Frank Olson until 1977, when requests for documents under the Freedom of Information Act exposed the nature and breadth of the CIA's activities. Such intelligence experiments have since been outlawed.

Former CIA director Richard Helms had ordered papers concerning the experiments in Montreal destroyed in 1973, but in 1977, acting on a Freedom of Information Act request by writer John Marks, then CIA director Adm. Stansfield Turner announced that some files had not been destroyed. Those documents form the basis of what is generally known about the work of D. Ewen Cameron.

A CIA chemist, Sidney Gottlieb, supervised the Mkultra project from within the agency, documents show. A CIA doctor, Lt. Col. James L. Monroe, worked undercover and ran the Society for the Investigation of Human Ecology, the organization that channeled money to Cameron and the Allan Institute.

Rauh contends that Cameron knew the CIA was interested in his work and actively solicited the grant. With the CIA's approval (and with checks drawn against U.S. Treasury funds), documents show that Monroe got at least $60,000 to Cameron.

Velma Orlikow:

"I suffer from chronic depression which sometimes becomes acute. I call those periods my 'black holes.' I don't see anybody and I won't leave the house. I can't read and I used to love to read. I can't write a letter. I have unexplained fears. I wake up at night afraid and I don't know why. I'm trying to limp through my life like someone who's been in a terrible accident that leaves them crippled.

"Dr. Cameron could be cruel if you didn't do exactly what he wanted. He was a god figure to the patients. He'd say to me,

'What's the matter with you, lassie?' I still hear his voice sometimes."

Ewen Cameron was born in Scotland and educated at the University of Glasgow, the Glasgow Royal Mental Hospital and at Johns Hopkins. He first won a measure of fame for setting up mobile psychiatric clinics in the '30s in Canada.

During the war, Cameron was part of an international committee of psychiatrists and social scientists who studied the origins and nature of Nazi culture. He published numerous articles on mass psychology during wartime.

Cameron began the Allan Memorial Institute in 1943 with the help of a grant from the Rockefeller Foundation. He gave numerous speeches on "the problem of Germany" and believed that the psychology and forces that gave to rise to Nazism may have been longstanding in German culture.

Although he was based in Montreal, Cameron became an American citizen and angered many in the bilingual community of Montreal for being an insistent English speaker.

More and more, Cameron came to believe in the possibility of changing the human mind, of altering thought and behavior patterns. But rather than experiment in psychotherapy, what Freudians have called "the talking cure," Cameron believed in quicker, organic means, including drugs and electroshock. He began experimenting on organic ways of controlling schizophrenia.

The experiments of 1957-1961 were done on patients, mostly women, who entered the Allan Institute voluntarily, usually at the recommendation of a private physician.

Louis Weinstein went to the institute suffering from respiratory and digestive difficulties caused by anxiety. After undergoing the complete treatment of LSD and other drugs, electroshock and psychic driving, Weinstein is, in his son's words, a "lost soul . . . My father has no social sense, how to keep clean, how to carry on a conversation." "They took his self away from him."

Velma Orlikow suffered from depression after the birth of her daughter. After several years of treatment with a private psychiatrist in Winnipeg, she entered the Allan Institute to speed her progress. Without being told the nature of the injections, she was given shots of LSD on 14 occasions and went through psychic-driving sessions. She found the treatments frightening but, according to her testimony, Cameron persuaded her to continue until 1963. Now Orlikow says she cannot concentrate well, can no longer read books or magazine articles.

Dr. Mary Morrow approached Cameron for a fellowship in psychiatry, but Cameron thought, after a physical exam, that Morrow appeared "nervous" and admitted her as a patient instead. For 11 days, Morrow says she underwent de-patterning experiments that included electroshock treatment, and barbiturates. The treatment resulted in a brain anoxia—not enough oxygen reaching the brain—and she was hospitalized. Today Morrow suffers from prosopagnosia—she cannot recognize people's faces.

The list goes on. Robert Logie, a native of Vancouver, says he cannot hold a steady job or sleep without the help of drugs. He suffers from severe depression and still dreams about the experiments. Lyvia Stadler of Montreal has been institutionalized.

In his court claim, Rauh claims that not only did the experiments have "no likely therapeutic value," they also violated the accepted standards of medical experimentation as formulated at the Nuremberg War Crimes Trials and ratified in the Charter of the United Stated Nations.

"The frustration is incredible," Harvey Weinstein says. "It's impossible to know, to ever know, what kind of life my father might have led, what kind of lives all these people might have led, if this had never happened. So much has been stolen from my father and everyone like him."

[From the Washington Post, August 1, 1985]

LOUIS WEINSTEIN'S NIGHTMARE

Last Sunday this newspaper carried a story that illustrated, in personal and human terms, a court case we have written about in this space. A Stanford University psychiatrist, Dr. Harvey Weinstein, described to Post reporter David Remnick the condition of his father, Louis, who was treated at a Montreal hospital in the late '50s for respiratory and digestive difficulties caused by anxiety. He is now, says his son, "a lost soul . . . a human guinea pig, a poor, pathetic man with no memory, no life . . . It's a nightmare that never ends." Louis Weinstein had been, without his knowledge or consent, the subject of horrible psychiatric experiments involving LSD, sleep deprivation, massive shock therapy and attempted brainwashing. The CIA financed those experiments in an attempt to learn more about mind-control techniques, and Mr. Weinstein and eight other Canadians who were similarly treated are now suing the U.S. government for redress.

It is possible to believe that the intelligence agency did not intend to harm innocent civilians in these experiments and simply put its faith in the psychiatrist who carried out the work. He was, after all, a former president of both that American and Canadian psychiatric associations and had a fine reputation. It is also possible to believe that the doctor, D. Ewen Cameron, did not foresee the terrible results of his experiments. Some psychiatrists have said, in his defense, that his work "must be placed in its historical context," since it was conducted at a time when informed consent was not generally required and when the long-term effects of powerful new drugs were unclear.

But it is not possible to consider it acceptable that such experiments be carried out on people without their knowledge or consent, *And* it is not possibe to refute facts: the Canadian plaintiffs were the involuntary subjects of Dr. Cameron's experiments. They have been grievously and permanently injured. And American taxpayers' money financed that research. The damages they seek—$175,000 each—are hardly more than symbolic and can in no way compensate for ruined lives and decades of suffering. Yet their case has dragged on in the U.S. District Court here for almost five years because the CIA refuses to settle or even to cooperate. There is no overriding security interest at stake here, only a few individuals and this nation's honor. It is shameful not to apologize and settle.

[From the Washington Post, February 19, 1984.]

THE CIA'S CANADIAN VICTIMS

Remember how shocked you were when you learned that the CIA, using your tax money, had financed a series of psychiatric experiments on some unsuspecting fellow citizens? One victim, Frank Olsen, committed suicide as a direct result of having been given LSD in such "research." When this horrible history came to light during the Church committee investigation in the 1970s, apologies and compensation were offered, and assurances given that such conduct would never be repeated. But the shame lingers.

Now we learn that CIA-financed psychiatric experiments were not confined within U.S. borders. Canadian citizens were also involuntary and unwilling objects of experimentation in this grotesque program, and some were permanently and seriously injured. It happened at the Allen Memorial Institute, the psychiatric branch of the Royal Victoria Hospital in Montreal, in the late '50s. Dr. D. Ewen Cameron, who was once president of the Canadian Psychiatric Association, used CIA money to conduct experiments on mind control, brainwashing and behavior modification. His subjects were 53 patients who were given large doses of LSD and numerous electric shock treatments and were drugged into prolonged periods of sleep—weeks at a time—while attempts were made to brainwash them. These patients had all come to Dr. Cameron for treatment. Neither they nor their families were told that they were to be subjects in an experiment—let alone an experiment paid for by the CIA. Many still suffer the effects of this outrageous treatment; nine victims, including the wife of a member of the Canadian Parliament, have sued the United States for compensation.

The U.S. government is stonewalling these Canadians in their effort to obtain redress. A Feedom of Information Act request produced documentary evidence that the experiments occurred and that the United States officially apologized to the Canadian government—but not to the individual victims—for having financed them. But the apology itself has not been produced in spite of a request from Ottawa that a copy be made available to the litigants. Nor has the United States offered to do the right and sensible thing—settle these claims immediately and avoid a trial that would be difficult for those who have been injured and embarrassing to the agency responsible. That course would restore our valued good relations with the Canadians and do justice to innocent victims. It would signify a further rejection by this government of a policy abandoned years ago. It is the only right and decent thing to do.

[From the Washington Post, Apr. 18, 1985]

THE VICTIMS OF MKULTRA

Nine Justices of the Supreme Court this week agreed that Congress gave the CIA broad powers to conceal information obtained from intelligence sources. Justices Brennan and Marshall, in a concurring opinion, would have defined "intelligence sources" more narrowly, so as to protect only those persons who supplied information with a promise of confidentiality. But even they agreed with the result in the case at issue.

It is reasonable that the CIA be given special exemptions from the Freedom of Information Act, and in principle the court's decision is understandable. However, this is more than a case of dry statutory interpretation. It involves real human beings who were severely injured and who need help.

In the '50s, the CIA embarked on a program, "MKULTRA," to experiment with forms of mind control in order to catch up with what was assumed to be dramatic Soviet and Chinese advances in this field. Eighty institutions and 185 private researchers had contracts with the CIA to

perform this work. Many individuals became, without their consent, the subjects of psychiatric and drug experiments. With a few exceptions, it is not known who these people are or what has become of them. The plaintiffs in the case the Supreme Court decided this week tried to force the CIA to turn over records of the experiments so that the victims could be traced and informed. They were unsuccessful.

From the few known cases, the results of the experiments were horrible. Some subjects, given LSD, were permanently mentally impaired. Some committed suicide over drug-induced fears and depressions. Some research was carried out in Canada, where a private psychiatrist experimented on patients at the Royal Victoria Hospital in Montreal. A group of surviving victims, one the wife of a member of the Canadian Parliament, has sued the U.S. government for compensation; the CIA persists in denying liability, and the case has dragged on in court for more than four years. In another case involving an American whose family discovered the CIA's involvement in his suicide only years after the fact, compensation was awarded. But most of those who were the subjects of the MKULTRA experiments still do not know it.

These victims of government action must be found and cared for. The courts will not order the CIA to reveal the required information, but the agency, acting on its own, can trace many victims through its contractors. If this isn't done, Congress, which ultimately makes the rules governing CIA activity, can order a search and provide compensation for the Canadians as well as the Americans involved. It is the only just and honorable thing to do.

[From the Washington Post, Mar. 26, 1983]

WHAT WAS THE CIA UP TO IN CANADA?

All Canadians owe a debt of gratitude to David Broder for his March 13 column ["There's a Gorilla in the Hemisphere"] based on Lawrence Martin's invaluable book, "The Presidents and the Prime Ministers." Both the Broder piece and the Martin book expose a long history of ham-handed U.S. arrogance toward its Canadian neighbor. I am writing to attest to an additional instance of American callousness—the CIA-sponsored brain-washing experiments performed on unsuspecting Canadian citizens.

In those CIA-funded experiments during the late 1950s and early 1960s, patients at a Montreal mental hospital were subjected to some or all of the following procedures. They were given LSD and were "depatterned" by receiving large doses of drugs and/or intensive electro-shocks two or three times a day until they were reduced to a vegetative state. Some patients were subjected to "psychic driving"—tape recording repeated the same message over and over when played through speakers in the patients' pillows or headphones from 6 a.m. until 9 p.m. each day until the message had been repeated some one-quarter to one-half million times. Finally, to make some of the patients forget what had been done to them, powerful drugs were administered that caused them to sleep for a one week to 10 days.

All of this was done without even informing our government here in Canada, much less telling the patients who had come to the hospital seeking therapy that they were subjects of brainwashing experiments. As a Canadian citizen and a member of Parliament, the arrogance of the CIA angers me; but as a husband that anger knows no bounds—for my wife was one of the patients used as a guinea pig in the CIA-sponsored brainwashing experiments. I speak from distressing personal knowledge when I say that the CIA has caused great suffering and unhappiness to the Canadian citizens who were victimized by those unwitting experiments.

Concepts of justice and fairness require a person who injures another to recompense his victim, yet the U.S. government has consistently acted to conceal its wrongdoing and to shirk its responsibility. The CIA files relating to this program were ordered destroyed in 1973, but due to an oversight a limited portion of those documents survived and were found four years later. At that time, CIA Director Stansfield Turner promised the U.S. Senate that experimental subjects would be located and notified—yet not one Canadian victim has ever been contracted by the CIA.

To this day the U.S. government denies all responsibility toward the Canadians who were victims. When my wife and other Canadians who had been patients at the hospital approached the CIA seeking recompense, they encountered a stone wall of opposition. Those Canadian citizens were forced to sue for the compensation due them—a suit that the United States has resisted with all the resources available to it.

It is bad enough when, as Mr. Martin relates, the United States tries to station missiles in Canada with the purpose of making us a target for the Russians and when U.S. industries pollute so badly that acid rains kill our forests; but when the United States comes up here and uses our citizens as guinea pigs and then denies all responsibility, only one question remains: with friends like these.

DAVID ORLIKOW.

[The writer is a member of Parliament from Winnipeg.]

[From the Los Angeles Times, Feb. 6, 1984]

HORROR STORY

In all decency, the U.S. government should move promptly to settle the long-pending lawsuit brought against it by nine Canadian citizens who were the unknowing subjects of medical experiments 27 years ago in a Montreal hospital.

This is a horror story that came to light seven years ago, and the horror has never ended for the victims. The Central Intelligence Agency secretly funded a 25-year experiment in the control of the human mind. Involved were several medical research institutions and government hospitals in the United States and Canada.

Without their knowledge, selected patients in the Montreal hospital were given heavy doses of LSD. A member of the Canadian Parliament, David Orlikow, first learned of the experiments in newspaper accounts. His wife had entered the Montreal hospital for treatment of depression during the time of the experiments. She said that she had been given doses of hallucinogenic drugs, and, in the 27 years since, she said that she has been unable to concentrate and even now is unable to read an entire magazine article. Another victim, according to a report in the New York Times, said that the experiments left her with no memory of the births of her four children.

The Canadian government had not shown much interest in the suit until after the case was discussed recently on a nationwide Canadian television program. The Canadian embassy in Washington then sent a note to the U.S. State Department asking the United States to give relevant documents to the attorneys for the nine Canadians. Foreign Minister Allan J. MacEachen of Canada said that he was considering an appeal to the International Court of Justice in The Hague in behalf of the subjects of the experiments. His statement was considered a move to persuade the United States to settle the suit, which was filed in federal court in Washington, seeking $1 million for each victim.

The evidence is plain. There is no way to reconcile the CIA-sponsored medical experiments on unknowing subjects with conduct worthy of this nation. They never should have been permitted, and the U.S. government should meet its obligation to negotiate a settlement without dragging the victims through the ordeal of long and tortuous legal proceedings.

[MacLean's magazine, June 10, 1985]

UNWITTING GUINEA PIGS FOR THE CIA

(By Allan Fotheringham)

Montreal's Allan Memorial Institute was grateful to get the money back in the late 1950s. As part of the Royal Victoria Hospital's funding, the annual grants coming from the Cornell University medical school's "Society for the Investigation of Human Ecology" were most welcome. Particularly since the financing was going to the brilliant Dr. Ewen Cameron, the Scottish-born doctor who has been called "the godfather of Canadian psychiatry." He was the first professor of psychiatry ever appointed at McGill, then known as one of the finest medical schools on the continent. Cameron's stature was such that when he presented his startling and severe new treatment for schizophrenia before the Second International Congress for Psychiatry in Zurich in 1957, the grand old man of the profession, Dr. Carl Jung himself, was in the audience listening. Jung seemed surprised at Cameron's harsh "de-patterning" methods, but the medical fraternity seldom attacks its own, now does it? It is the tightest union in the world, tighter even than the one the lawyers inhabit.

As it happens, old Carl Jung had reason to raise his eyebrows. The Society for the Investigation of Human Ecology has turned out to be a front for the celebrated U.S. Central Intelligence Agency and the good Dr. Cameron was using Canadians as guinea pigs in brain-washing experiments.

For 20 years, between 1953 and 1973, the CIA spent $25 million in attempts to learn how to control the human mind. The excuse was that the Soviets and the Chinese might be perfecting techniques in that esoteric field. The CIA front run through Cornell was involved with more than 50 universities in 21 countries. The idea was for the CIA to subsidize research by recognized academics who had no idea of their sponsor—nor the real purpose of the "research."

The code name for the grisly project was MKULTRA. The CIA in 1973 illegally burned the MKULTRA documents and Dr. Cameron's family, after he was killed in a mountaineering accident in 1967, destroyed his files. But the U.S. Freedom of Information Act (which, unlike the Canadian version, actually frees information) has unveiled the goods on the CIA experiments with the minds of 53 patients at the Allan Institute.

The medical excuse was the need for speed. Psychiatrists were impatient with the long and laborious treatment through psychoanalysis as developed by Sigmund Freud

and Jung. They wanted swifter methods of restoring mental balance, and Dr. Ewen Cameron was a pioneer in the field.

In the United States the early experiments—often using the then-little-known drug LSD—were conducted on unsuspecting prisoners, prostitutes and other "undesirables" who functioned on the fringe of society. In Montreal, Cameron used ordinary people who came to him with severe problems. He used "sleep therapy," in which patients were heavily drugged and knocked out for as long as 65 days—disturbed several times a day through heavy electroshock treatments. His methods to repattern the troubled brain was something called "psychic driving"—patients tucked away in a "sleep room" where taped messages played up to half a million times were repeated into their drugged ears from speakers under their pillows. In a box in a stable behind his lab, Dr. Cameron put patients in total isolation—deprived completely of all sensory stimuli: nothing to see or hear or smell or feel. One woman was in the box for 35 days, allowed out only for toilet breaks and meals. At least one patient, Marian Jackson Robinson, died of what was called a stroke.

Val Orlikow is the wife of David Orlikow, the veteran NDP MP from Winnipeg North. She checked into the Allan Institute in 1956, suffering from neurosis and postpartum depression. Within two weeks she (unknowingly) began to receive heavy doses of the new drug LSD—14 treatments in all over two months. One thing the CIA was curious about was what techniques could be used to break down those interrogated by its agents and whether disinformation could be lodged in their memories. Mrs. Orlikow has lost the ability to concentrate, cannot read books or abide crowds and has probably suffered brain damage. Bob Logie of Vancouver, another guinea pig, lives on a disability pension (Cameron put him in a drug-induced sleep for 23 days) and still has nightmares over his stay at the Allan Institute.

Nine of the victims have sued the CIA, originally asking for $1 million each. It has dragged through U.S. courts for five years now, and the nine have reduced their demands—while legal costs drag on—to $175,000 apiece. They are represented by 74-year-old Joseph Rauh, one of the great civil liberties lawyers of this century. He and his junior partner have spent two years on the case. Orlikow and his clan have no money.

The U.S. refuses to budge on its offer of $25,000 to each of the nine. It admits guilt. Former CIA director Stansfield Turner says the experiments were "unethical" and left him "aghast." Joe Clark, supposedly our external affairs minister, says he has personally appealed to Secretary of State George Shultz—with no result. Rauh says he's appalled that Ottawa hasn't the guts to submit the case to the World Court in The Hague. There's the suspicion Ottawa is shy because of its own involvement in the Cameron experiments.

The Mulroney government makes much of its new, close, intimate relationship with the White House. This might be a very good test of the credibility of that claim. You say $25,000 measly bucks for lives ruined?

[From the Toronto Globe and Mail, Mar. 20, 1985]

THE COLD SHOULDER OF THE CIA

Guided apparently by the philosophy that you can't make an omelet without breaking a few eggs, the Central Intelligence Agency has taken many a bizarre misstep in its mission to make the world safe for democracy. One of its more appalling blunders was the funding of brainwashing experiments on patients at the Allan Memorial Institute in Montreal 25 years ago.

Quietly, the U.S. Government has acknowledged the episode and apologized for the CIA's hand in experiments involving the use of LSD and other powerful drugs, shock therapy and "psychic driving" by the use of tape recordings. There remains, however, a stubborn reluctance to make decent amends.

The suit filed in the U.S. District Court more than four years ago, on behalf of nine of the brainwashing victims, has been stonewalled. In an attempt to work around this, External Affairs Minister Joe Clark recently proposed a meeting of government officials and lawyers from both countries to settle the suit. This has been rejected by the U.S. Government, deepening the frustrations that have arisen from legal delays.

There have also been dark hints at Canadian complicity in the experiments. Scott Kragie, the U.S. Justice Department lawyer representing the CIA, says he is convinced that the late Dr. Ewan Cameron, the prominent Canadian psychiatrist under whom the experiements were conducted, would have conducted them with or without CIA funding, and that the Canadian Government knew about the experiments, helped pay for them and could have stopped them.

New Democratic Party MP David Orlikow, whose special interest in the subject stems from the fact that his wife, Velma, was one of the patients, has found no evidence that Canadian funding of Dr. Cameron's work was of anything but a general nature—the funding that would naturally flow to the research work of an eminent psychiatrist. The more sinister aspects of what went on at the Institute were, he believes, the exclusive product of CIA funding.

This is more or less conceded by the CIA, which believes the resulting suffering could be adequately soothed by a compensation offer of $20,000 to each victim. We think not.

[From the Toronto Globe and Mail, Jan. 18, 1985]

ON THE CIA'S BEHALF

The U.S. Central Intelligence Agency went shopping in Montreal in the late 1950s, and, using a front group called the Society for the Investigation of Human Ecology, financed the experiments of a renowned psychiatrist into the re-programming of human behavior. With the help of $60,000 contributed by the CIA between 1957 and 1960, Dr. D. Ewen Cameron subjected 53 patients to drug therapy with the hallucinogen LSD, electric shock treatment and chemically-induced sleep for up to 65 days.

Dr. Cameron died in 1967. When the news broke years later that the CIA had been behind his experiments, nine of his ex-patients launched a suit against the U.S. Government for $1-million each. Washington has now, on the CIA's behalf, offered an out-of-court settlement of $20,000 each—an astonishingly inadequate sum. As lawyer Joe Rauh says, "They are still saying to us this is a nuisance case and that's all you're going to get."

Some nuisance. When one patient, Velma Orlikow, entered the Allan Institute voluntarily in 1956 for treatment of neurosis and post-childbirth depression, she received instead 14 injections of LSD, administered without her knowledge, and a treatment called "psychic driving"—an attempt to break down her personality and rebuild it.

The Canadian Government has sent several sharp diplomatic notes to Washington, condemning the CIA's actions as an infringement of Canadian sovereignty, and has made 10 informal representations to the U.S. State Department for speedy compensation; the State Department in turn, says Canadian Ambassador Allan Gotlieb, "is trying to be helpful and is sensitive to our desire to expedite a solution or a settlement."

We see little evidence of it. The realism of a demand for $1 million may be open to debate, but the pitiful offer of $20,000 per head is an insult to the nine ex-patients and the Canadian Government, which is rightly indignant at the CIA's involvement, on Canadian soil, with psychological experiments on Canadians. More than two decades on, this sordid affair remains to be reasonably settled.

[From the Toronto Globe and Mail, Jan. 25, 1984]

SAYING THEY'RE SORRY

The U.S. Government has said it is sorry that the Central Intelligence Agency funded the brainwashing of Montreal patients 25 years ago. We know this only because news of the apology leaked out. The U.S. Government refuses to make it public, and the Canadian Government says it can find no written copy of the apology.

It's a bizarre twist to a bizarre tale. The central character was Dr. D. Ewen Cameron, a respected psychiatrist who, before his death in 1967, served as president of the Canadian, American and World Psychiatric Associations. He was also director of McGill University's Allan Memorial Institute. It was here that, using $19,000 contributed by the CIA through a group called the Society for the Investigation of Human Ecology, Dr. Cameron treated patients with the hallucinogen LSD, electro-shock therapy and prolonged drug-induced sleep.

In 1979, former U.S. State Department official John Marks wrote that 53 people had undergone the treatments. One of them was Velma Orlikow, wife of Canadian MP David Orlikow, who entered the institute voluntarily in 1956 for treatment of neurosis and postchildbirth depression. What she received were 14 injections of LSD, administered without her knowledge, and a treatment, using pre-recorded tapes, called "psychic driving"—an attempt to break down her personality and rebuild it.

The CIA's interest was simple. It was intrigued by the thought that a spy's mind could be re-programmed with new patterns of behavior, and found in Dr. Cameron a phychiatrist willing to experiment on unsuspecting patients.

No one seemed to mind. Maurice Dongier, chairman of McGill's psychiatry department, said in 1979 that the experiments were designed to deprogram individuals who had anti-social delusions. (He added that they were found to have no practical application for spies. "In that sense, I guess you could say the CIA lost their money.") Barbara Wainrib, a psychologist who worked with Dr. Cameron at the institute, said he had been motivated by "a sincere desire to find some way of counteracting the schizophrenic pattern . . . He took drastic measures. My God, he took drastic measures. But in those days we all had a feeling that these drastic measures were for a very important goal—undoing the malfunctioning logical systems of schizophrenics."

Nine of those patients are now suing the U.S. Government for $1-million each. (Mrs. Orlikow has already sued the Royal Victoria Hospital, administrator of the institute, and received an out-of-court settlement of $65,000.) They say they were never told they were participating in experiments, and that their lives were all but destroyed by the treatments.

What they need now is the text of the U.S. apology and related documents. Last May, the U.S. Government asked the Canadian Government to "withhold from public disclosure the documents in question." A spokesman for the External Affairs Department, who could find no copy of the apology, said no information provided by the U.S. could be released without that country's permission. Since then, according to David Orlikow, officials from External Affairs have offered to provide any documents that will help his wife's case. "I am prepared to take them at their word, but on the basis of their slowness to date, I hope we will not be disappointed."

We share this hope. If it is too late to undo the harm done by Dr. Cameron, it is not too late for the CIA, which financed his experiments, to compensate the victims. Canada should do all it can to help.

[From the Vancouver Sun, Jan. 18, 1984]

MIND GAMES

When it was disclosed last year that the United States army had helped accused war criminal Klaus Barbie escape arrest by the French in 1949, the U.S. government studied the matter, admitted its guilt, and issued a prompt apology.

Canadians may well be wondering why there hasn't been a similar public apology for the Central Intelligence Agency's actions in funding nightmarish mind experiments on 50 patients at a Montreal hospital in the late 1950's.

True, there was a private apology made to the Canadian government after the experiments were disclosed in 1977, but that was apparently limited to regret that Canada hadn't been informed that the U.S. had paid for the experiments.

Declassified CIA documents indicate the spy agency admitted to itself that the experiments were "immoral and inhuman." But that hasn't prevented the agency and its government from blocking access to key files by a group of nine Canadians seeking redress in the courts.

The obstruction has provoked the Canadian government to exert diplomatic pressure and to threaten to take the case to the International Court of Justice in the Hague.

Unquestionably the Canadian litigants are entitled to some answers at least, for there is no denying they underwent terrible ordeals: exhaustive bombardment with tape-recorded messages, vicious electric shocks, repeated doses of mind-altering drugs, and sensory deprivation. For the victims, mostly women, the legacy is one of depression, amnesia, nightmares, brain damage, and Lord knows what else—thanks to secrecy surrounding the project, not all the names are known.

Blame rests not only with the CIA, which thought the experiments might shed light on wartime brainwashing techniques. The wife of Winnipeg MP David Orkikow, who suffered permanent brain damage after being injected with LSD on 14 occasions, sued the Montreal hospital where the experiments were conducted and won a $65,000 out-of-court settlement.

Dr. Ewan Cameron, the prominent Canadian psychiatrist who conducted the tests, apparently with determination, is dead, so the extent of his complicity in the outrage may never be fully known.

But all who do have knowledge of the episode should realize an obligation to do what they can to put the victims' minds at rest, at the very least. Secrecy is hardly merited on national security grounds, considering that the techniques and experiments involved have been utterly discredited.

The courts may find that the cases merit money damages too, which would be a small price toward expiating the crimes committed against that most fragile and precious of things, the human consciousness.

And finally, public apologies—simple things, really—are always respected among civilized people.

As The New York Times said in acknowledging the important gesture inherent in the U.S. government's mea culpa in the Barbie case: "How rare it is for a proud and powerful nation to admit shabby behavior."●

APPEAL FOR RELEASE OF HELSINKI FINAL ACT MONITORS

Mr. DOLE. Mr. President, I ask unanimous consent that the Foreign Relations Committee be discharged from further consideration of Senate Joint Resolution 166, to appeal for the release of Dr. Yury Orlov and other Helsinki Final Act monitors, and I ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 166) to appeal for the release of Dr. Yury Orlov and other Helsinki Final Act monitors.

The PRESIDING OFFICER. The question is on agreeing to the joint resolution.

The joint resolution was agreed to.

The preamble was agreed to.

The joint resolution, with the preamble, reads as follows:

S.J. RES. 166

Whereas on August 1, 1975, thirty-five nations, including the United States of America and the Union of Soviet Socialist Republics signed the Final Act of Security and Cooperation in Europe (the Helsinki Final Act); and

Whereas the Helsinki Final Act commits participating states to respect human rights and fundamental freedoms and confirms the right of the individual in each participating state to know and act upon his rights and duties in this field; and

Whereas, on May 12, 1976, Doctor Yury Orlov and his colleagues announced the formation of the Helsinki Watch Group and more than one hundred people openly became members of the group and its affiliates; and

Whereas today, fifty-one Helsinki Watch members are incarcerated in prisons, labor camps, psychiatric hospitals, or are serving terms of exile; and

Whereas three Helsinki Watch members have died after years of mistreatment in Soviet labor camps and twenty others have been released after serving sentences but live under the constant threat of resentencing or new arrest; and

Whereas eighteen Helsinki Watch members have emigrated to the West because of the threat of imprisonment in the Union of Soviet Socialist Republics; and

Whereas Doctor Yury Orlov, a sixty-year-old physicist and founder the Moscow Helsinki Watch Group was arrested in February 1977 and sentenced to seven years in a strict regime labor camp and five years of internal exile; and

Whereas Yury Orlov now lives in complete isolation in a remote part of Siberia in a workers' dormitory where he is abused and persecuted by local officials, where food is scarce, and proper medical care unavailable; and

Whereas Yury Orlov is in poor health, aggravated by years of harsh prison regimen, and suffers from kidney disease, the after effects of a skull injury, and other chronic illnesses; and

Whereas Doctory Yury Orlov has been denied employment in his scientific field, prevented from communicating with scientific colleagues abroad, and prohibited from receiving mail and journals: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Senate expresses its deepest concern about Doctor Yury Orlov and calls upon the Government of the Union of Soviet Socialist Republics to release him from exile and allow him to emigrate with his wife to the West, and urges the President of the United States to instruct the Secretary of State to raise the case of Doctor Yury Orlov publicly and privately with the Soviet Government, including the August 1 meeting in Helsinki, Finland commemorating the tenth anniversary of the Helsinki Final Act, at the 1986 session of the United Nations Commission on Human Rights, and at the November meeting in Geneva between President Reagan and Chairman Gorbachev.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONFEREES ON H.R. 2942

Mr. DOLE. Mr. President, I move that the Senate insist on its amendments to H.R. 2942, request a conference with the House on the disagreeing votes thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Messrs. D'AMATO, HATFIELD, STEVENS, BUMPERS, and HARKIN conferees on the part of the Senate.

SUPPORT FOR THE FARM CREDIT SYSTEM

Mr. BYRD. Mr. President, on behalf of Mr. ZORINSKY, I send to the desk a Senate resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 211) expressing the sense of the Senate regarding the need to maintain and assist the farmer-owned institutions of the Farm Credit System during this period of stress in agriculture.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ZORINSKY. Mr. President, this resolution is designed to provide assurances to Farm Credit System borrowers and investors. The resolution will place the Senate on record as recognizing the responsibility of the Federal Government to maintain a viable farm credit system.

May farmers are in a desperate financial bind because of high real interest rates, stagnant farm prices, rising production costs, and an erosion in the value of farm assets.

The severe financial problems of our Nation's farmers are adversely affecting the single most important source of agricultural credit—the Farm Credit System. The system has suffered record losses on loans over the past 4 years although—in its entirety—the system continues to show positive earnings.

Loan losses and the continued deterioration of the agricultural economy have been of great concern to the individuals and institutions who invest in Farm Credit System bonds. These investors provide billions of dollars in capital that the Federal land banks, production credit associations, and banks for cooperatives lend to farmers.

This understandable concern on the part of investors has resulted in the system having to pay higher interest rates to obtain capital. If this continues, farmers will have to pay more for their credit at a time when interest rates are generally declining.

The resolution notes that Congress created the Farm Credit System 50 years ago and that it provides an essential service—not just for farmers but the entire Nation.

Further, the resolution states that the Federal Government stands ready to assist the Farm Credit System if assistance is needed.

I believe the Farm Credit System has the resources to resolve its basic financial problems. However, if Federal assistance is needed, system borrowers and investors can rest assured that Congress will not allow the system to become impaired. The resolution will make that point clear.

I urge my colleagues to support the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 211

Whereas agriculture is the Nation's most basic industry, and its associated production, processing and marketing segments, together, provide more jobs than any other single industry;

Whereas it is in the Nation's interest to carry out an agricultural policy that will ensure an adequate and dependable supply of food and fiber at reasonable prices;

Whereas producers are the basic element in the food and fiber system and their ability to make a profit and meet their financial obligations is critical to their remaining in business;

Whereas the availability of an adequate source of sound credit is crucial to accomplish the objective of improving the income and well-being of American farmers;

Whereas for that purpose Congress more than fifty years ago created the farmer-owned institutions of the Farm Credit System, which lend only to agriculture and are directly tied to the success of that industry;

Whereas the cooperative Farm Credit System is today the single largest agricultural lender in the United States and provides essential financial services to many thousands of farmers and ranchers through production credit associations and Federal land bank associations: Now, therefore, be it

Resolved, That it is the sense of the Senate that it is in the best interest of the Nation that the farmer-owned and farmer-controlled cooperative Farm Credit System be maintained as a strong and viable source of credit for agriculture and that the Federal Government stands ready to assist efforts by the System in maintaining the System's ability to perform its vital role in financing U.S. agriculture during this time of financial stress in the farming sector.

SEC. 2. It is further the sense of the Senate that the Farm Credit System fully mobilize its resources to continue to address the financial problems of troubled farm credit banks and associations and their borrower-members.

SEC. 3. It is further the sense of the Senate that the leadership of the Farm Credit System work with the Governor of the Farm Credit Administration and the Secretary of Agriculture in furnishing to the Agriculture Committees of Congress as soon as practicable, but not later than September 10, 1985, a report on the present condition of the System and its ability to meet the credit demands of U.S. agriculture in 1986 and future years, including recommendations for any legislation the Secretary and the Governor deem necessary.

SEC. 4. The Secretary of the Senate shall transmit copies of this resolution to the President, the Secretary of Agriculture, and the Governor of the Farm Credit Administration.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

JOINT REFERRAL

Mr. DOLE. Mr. President, I ask unanimous consent that the bill introduced today by Senators LAXALT and HECHT dealing with the proposed settlement of legal disputes involving Pyramid Lake be jointly referred to the Committees on Indian Affairs, Energy and Natural Resources, and the Judiciary, provided that if the Indian Affairs Committee reports the measure, the Energy Committee and the Judiciary Committee have 15 calendar days in which to report the measure or be automatically discharged.

The PRESIDING OFFICER. Without objection, it is so ordered.

REFERRAL OF S. 1504

Mr. DOLE. Mr. President, I ask unanimous consent that S. 1504, administrative law judge compensation, be re-referred to the Committee on Labor and Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR INDEFINITE POSTPONEMENT—S. 1105

Mr. DOLE. Mr. President, I ask unanimous consent that Calendar No. 260, S. 1105, the Federal Contractors Employees Flextime Act, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL CONTRACTORS FLEXTIME BILL

Mr. ARMSTRONG. Mr. President, I am delighted that S. 1105, the Federal Contractors Flextime bill has been added to the Defense Authorization bill. I have introduced this legislation as a separate bill many times and am very pleased that it has been added to the Defense Authorization bill with such bipartisan support.

Not often does Congress have the opportunity to enact legislation that will save taxpayers at least $1 billion in this decade and at the same time increase industry's productivity, improve employee morale, reduce labor costs, save energy, and modernize the workplace. Yet this is what Walsh-Healey reform legislation will accomplish if passed by Congress.

Under current law, Federal agencies allow Federal employees to work flexible work schedules. This legislation was enacted by Congress 3 years ago, but Congress failed to allow the same benefits to Federal contractors in the private sector. In essence, Federal contractors in the private sector must pay their employees overtime pay for hours worked after an 8-hour workday. This prevents employers and employees from benefiting from flexible work schedules such as 4 days a week, 10 hours a day workweek.

This legislation, will create permanent statutory authority for alterna-

tive work schedules for Federal contractors in the private sector. The Senate passed this legislation once before in 1980, but it was dropped in conference. It is time that we provide these Federal contractors in the private sector the same benefits other Government contractors and other workers in the private sector enjoy.

A year ago the Grace Commission reported that the current Walsh-Healy Act drives up Federal contract costs by reducing competition and artificially inflating labor costs. The Commission estimated that this outdated law costs the Federal Government between $673 million and $1.3 billion annually, reports the Grace Commission. The Congressional Budget Office—in a just-released study—estimates that once Walsh-Healey reform is fully implemented that annual savings to the Government will exceed $550 million annually.

The Commission specifically recommended that the current law be amended to eliminate the now required 8-hour-a-day threshold from the overtime-pay requirement, while retaining the 40-hour-per-week requirement.

The Commission stated that the 8-hour-per-day overtime provision in this act "is out of step with the times" and serves only to increase costs to the Government for work performed by these contractors. "Changes in the composition of the work force, particularly the influx of women and working mothers, have substantially altered the needs and characteristics of the average American workers. The patterns of working the 40-hour workweek have also shifted so that flexibility has replaced tradition as the basis of work schedules."

In addition to the advantages to the Federal Government, the Grace Commission listed a number of advantages that Walsh-Healey reform would have on the private economy;

MORE JOBS

Experience at the corporate level with compressed workweeks has resulted in an increase in the total number of jobs. Increase in productivity, competitiveness, and the number of shifts employed translates into more job opportunities.

BENEFITS TO EMPLOYEES

The compressed workweek shows that employee morale and job satisfaction increase as a result of the increased flexibility of a compressed workweek. This is a result of reduced commuting costs and actual time spent commuting, allowing for increased blocks of leisure time for family commitments, education opportunities, and personal fitness.

BENEFITS TO EMPLOYERS

Compressed workweeks provide benefits and more flexibility for employers including decreased overtime costs, more efficient use of plant and office facilities, and increased employee productivity due to better employee morale.

BENEFITS TO THE COMMUNITY AT LARGE

In addition to creating more jobs, the Commission's report stated that studies on the compressed workweek provide benefits to the community due to reduction in traffic congestion, air pollution, energy consummation, and also better service to the public as a result of increased hours of operation.

Mr. President, this legislation has one objective and one aim: To allow Federal contractors the option of alternative work schedules. The benefits of flex time, however, go far beyond less Government interference in the private sector. There are distinct advantages for companies who have chosen to implement the alternative schedule that should be noted. In addition to the Grace Commission, numerous other studies have been conducted on the optional "compressed workweek." These studies, including those done by the Comptroller General, the Bureau of Labor Statistics," The Revised Workweek: Results of a Pilot Study of 16 firms," and the National Center for Energy Management and Power "Feasibility Study of a System of Staggered Industry Hours," point out many of the same conclusions found by the Grace Commission, such as: first, greater productivity—higher weekly output, improved use of plant equipment, and improved employee morale; second, improved working conditions—reduced employee working costs, increased job satisfaction, and ease in recruitment: and three, energy conservation—reduction in fuel costs associated with commuting, and reduction in energy usage for heating and cooling plants or offices.

One possible advantage of particular interest to me deals with the problem of air pollution. We now have evidence, as a result of a study released by the Denver Regional Council of Governments in cooperation with the Denver Federal Executive Board, examining the travel habits of some 7,000 Federal employees on the compressed workweek schedule in the Denver area. The study concludes that the compressed workweek is one of the most effective transportation management actions that Denver's Federal agencies can take in addressing the concern of air pollution and traffic congestion.

It has been estimated that neither providing free transit service at peak periods for everyone in the area, nor an extensive and complicated program of carpool matching would even equal the impact on air pollution that resulted from only 7,000 employees on a compressed workweek. Imagine what would result if all employees of Federal contractors in the study were allowed to shift to a 4-day workweek.

A change in the Walsh-Healey Act will not in any way affect the Fair Labor Standards Act, which governs all workers and provides that overtime premiums be paid whenever employees work more than 40 hours a week. The proposal will not impact the collective bargaining process, nor will it conflict with any of the Federal labor laws. Nothing in this amendment shall be construed to cover employees specified in the Walsh-Healy Act and the Contract Work Hours and Safety Standards Act. Finally, the bill does not mandate a compressed workweek, it only restores to American business and workers serving the Federal Government the basic freedom of choice.

Mr. President, in the past, we have heard many unions and workers testify that Government employees are eager to see the Federal Employee Flexible Work Schedules Act become permanent. The same is true for the employees in the private sector working on a Federal contract. Many private sector collective bargaining agreements across the Nation encompass the 4-day, 40-hour workweek. Many labor contracts in my own State of Colorado include provisions for a compressed workweek—and are merely waiting for Congress to update the archaic law. In my opinion, it is only fair for Federal contractors to have the same advantages that private-sector and Government employees do.

Many labor contracts in my own State of Colorado include provisions for a flexible workweek—and were waiting for Congress to update that archaic law. I am glad to say that all workers and their employers will now be able to benefit from flexible work hours.

Mr. President, I would like to compliment the conferees for their wise decision to include this very important reform legislation in the Defense Authorization bill. I would especially like to thank Senator GRAMM for adding the Walsh-Healey reform legislation to the Senate Defense Authorization bill and seeing it successfully through the Conference. I would also like to thank Senator NICKLES, and his labor counsel Chuck Carroll, for all their work on this legislation over the years. Senator NICKLES held hearings on this legislation this year and led its unanimous passage in the Senate Labor and Human Resources Committee just recently. I would also like to express my appreciation to Senator HATCH, as chairman of the Senate Labor and Human Resources Committee and Senator GOLDWATER, chairman of the Senate Armed Services Committee, for their help and support of Walsh-Healey reform legislation. Without their help final passage of this legislation would not have been possible.

Mr. President, last but not least, I would like to conclude my statement

by thanking the "Walsh-Healey Coalition" members for their diligent work on this legislative effort. This coalition, composed of private sector companies who have long ago recognized the benefits of Walsh-Healey reform, has been working on this issue for years to inform Congress and the public on the benefits of this much needed reform. It is largely due to their tireless efforts that this legislation has now become so popular resulting in its final passage. Mr. President, I would like to include the names of this coalition in the RECORD with a special thanks from me on the work they have done to spread the word on this important issue.

THE WALSH-HEALEY COALITION

Eli Lilly and Company; Caterpillar Tractor Company; American Electronics Association; Phillip-Morris USA; Printing Industries of America; Aluminum Company of America; U.S. Chamber of Commerce; American Gear Manufacturers Association; Deere & Company; Exxon Corporation USA; J.P. Stevens & Co., Inc.

The Business Roundtable; Procter and Gamble; Brick Institute of America; A.H. Robins Company, Inc.; FMC Corporation; Recreation Vehicle Industry; National Association of Manufacturers; Mobil Oil Corporation; National Utility Contractors Association; Burlington Industries, Inc.; TRW, Inc.; National Association of Home Builders; DuPont; Milliken & Company.

Aerospace Industries Association; Allied Corporation; American Textile Machinery Association; Thompson, Mann & Hutson; Electronic Industries Association; Motorola, Inc.; Pfizer, Inc.; National Federal of Independent Business, Inc.; RCA Service Company.

Rubber Manufacturers Association; Blue Bird Body Company; Bristol-Meyers; Harris Corporation; Truck Body & Equipment Association; Springs Industries; Labor Policy Association; Associated Builders & Contractors; Associated General Contractors; American Textile Manufacturers Institute; Shell Oil Company; Wood Machinery Manufacturers Association.

ALASKA NATIVE CLAIMS SETTLEMENT ACT AMENDMENTS

Mr. DOLE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 444.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 444) entitled "An Act to amend the Alaska Native Claims Settlement Act", do pass with the following amendment:

Strike out all after the enacting clause, and insert:

That, the Alaska Native Claims Settlement Act (85 Stat. 688, 43 U.S.C. 1601-28), as amended, is further amended by adding at the end thereof the following new sections:

"SEC. 34. (a) For purposes of this section the following terms shall have the following meanings:

"(1) the term 'The Agreement' or 'Agreement' means the agreement entitled 'Terms and Conditions Governing Legislative Land Consolidation and Exchange between NANA Regional Corporation, Inc., and the United States' executed by the Secretary of the Interior and the President of NANA Regional Corporation, Inc., on January 31 and January 24, 1985,

"(2) the term 'transportation system' means the Red Dog Mine Transportation System described in Exhibit B of the Agreement.

"(3) the term 'NANA' means NANA Regional Corporation, Inc., a corporation formed for the Natives of Northwest Alaska pursuant to the provisions of this Act.

"(b) Except as otherwise provided by this section, the Secretary shall convey to NANA, in accordance with the terms and conditions set forth in the Agreement, lands and interests in lands specified in the Agreement in exchange for lands and interests in lands of NANA, specified in the Agreement, upon fulfillment by NANA of its obligations under the Agreement.

"(c)(1) The Secretary shall convey to NANA, pursuant to the provisions of paragraph A(1) of the Agreement, the right, title and interest of the United States only in and to those lands designated as 'Amended A(1) Lands' on the map entitled 'Modified Cape Krusenstern Land Exchange', dated July 18, 1985. The charges to be made pursuant to paragraphs B(2) and (27) of the Agreement against NANA's land entitlements under this Act shall be reduced by an amount equivalent to the difference between that acreage conveyed pursuant to this subsection and the acreage that would have been conveyed to NANA pursuant to paragraph A(1) of the Agreement but for this subsection.

"(2) Notwithstanding the provisions of paragraph A(3) of the Agreement, the Secretary shall not convey to NANA any right, title and interest of the United States in the lands described in such paragraph A(3) and the Secretary shall make no change to NANA's remaining entitlements under this Act with respect to such lands. Such lands shall be retained in Federal ownership but shall be subject to the easement described in Exhibit D to the Agreement as if the lands had been conveyed to NANA pursuant to paragraph A(3) of the Agreement.

"(d)(1) There is hereby granted to NANA an easement in and to the lands designated as 'Transportation System Lands' on the map entitled 'Modified Cape Krusenstern Land Exchange', dated July 18, 1985, for use in the construction, operation, maintenance, expansion and reclamation of the transportation system. Use of the easement for such purposes shall be subject only to the terms and conditions governing the construction, operation, maintenance, expansion and reclamation of the transportation system, as set forth in Exhibit B to the Agreement.

"(2) The easement granted pursuant to this section shall be for a term of 100 years. The easement shall terminate prior to the 100-year term:

"(i) if it is relinquished to the United States; or

"(ii) if construction of the transportation system has not commenced within 20 years of the enactment of this subsection. Computation of the 20-year period shall exclude periods when construction could not commence because of force majeure, act of God or order of a court; or

"(iii) upon completion of reclamation pursuant to the reclamation plan required by Exhibit B to the Agreement.

"(3) Within 60 days after enactment of this section the Secretary shall execute the necessary documents evidencing the grant to NANA of the easement granted by this section.

"(4) Except as regards the trail easement described in Exhibit D to the Agreement (to which the 'Transportation System Lands' shall be subject as if such lands had been conveyed to NANA pursuant to paragraph A(1) of the Agreement), access to the lands subject to the easement granted by this section shall be subject to such limitations, restrictions or conditions as may be imposed by NANA, its successors and assigns, but NANA and its successors and assigns shall permit representatives of the Secretary such access as the Secretary determines is necessary for the monitoring required by this section.

"(e) The easement granted by this section makes available land for the transportation system, and is intended to be sufficient to permit NANA to comply with the laws of the State of Alaska which may be nesessary to secure financing of the construction of the transportation system and the operation, maintenance or expansion thereof by the State of Alaska or by the Alaska Industrial Development Authority.

"(f) The easement granted to NANA by this section may be reconveyed by NANA, but after any such reconveyance the terms and conditions specified in Exhibit B of the Agreement shall continue to apply in full to the easement.

"(g) NANA is hereby granted the right to use, develop and sell sand, gravel and related construction materials from borrow sites located within the easement granted pursuant to this section as required for the construction, operation, maintenance, expension and reclamation of the transportation system, subject to the terms and conditions specified in Exhibit B of the Agreement.

"(h)(1) The construction, operation, maintenance, expansion and reclamation of any portion of the transportation system on any of the lands subject to the easement granted to NANA by this section shall be governed solely by the terms and conditions of the Agreement, including the procedural and substantive provisions of Exhibit B to the Agreement, as if the land covered by the easement granted to NANA by this section has been conveyed to NANA pursuant to Paragraph A(1) of the Agreement.

"(2) The Secretary of the Interior, acting through the National Park Service, shall monitor the construction, operation, maintenance, expansion and reclamation of the transportation system, as provided in the Agreement. Any complaint by any person or entity that any aspect of the construction, operation, maintenance, expansion or reclamation of the portion of the transportation system on the lands subject to the easement granted to NANA by this section is not in accordance with the terms and conditions specified in the Agreement shall be made to the Secretary in writing. The Secretary shall review any such complaint and shall provide to NANA or its successors or assigns and to the complainant a decision in writing on the complaint within 30 days of receipt thereof. If the Secretary determines that the activity made the subject of a complaint is not in accordance with the terms specified in the Agreement, and NANA or its successors or assigns disagrees with that determination, the dispute shall be resolved according to the procedures established in Exhibit B to the Agreement.

"(i) The Secretary shall make available to NANA and its successors and assigns the right to use sand, gravel and related con-

struction materials located in Sections 23, 24, 25, 26, 35 and 36 of Township 26 North, Range 24 West, Kateel River Meridian, Alaska, if the Secretary determines either (1) that use of such sand, gravel and related construction materials is necessary because there is no other sand, gravel and related construction materials reasonably available for the construction, operation, maintenance, expansion or reclamation of the transportation system; or (2) that use of such sand, gravel and related construction materials is necessary in order to construct, operate, maintain, expand, or reclaim the transportation system in an environmentally sound manner, consistent with the requirements of Exhibit B of the Agreement. The right to use such sand, gravel and related construction materials shall be subject to the terms and conditions of Paragraph A of Exhibit B of the Agreement and such other reasonable terms and conditions as the Secretary may prescribe.

"(j) Notwithstanding Paragraph 23 of the Agreement, the Secretary shall not agree to any amendment to the Agreement without first consulting with the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate and shall transmit copies of the text of any amendment to the Agreement to those Committees at the time of his agreeing to any such amendment.

"SEC. 35. (a) NANA Regional Corporation, Inc. ('NANA'), may convey by quit-claim deed to the United States any interest it has in the surface or subsurface estate in any lands located within the boundaries of any Conservation System Unit, as established and defined by the Alaska National Interest Lands Conservation Act (Public Law 96-487; 94 Stat. 2371, et seq.) and conveyed to NANA pursuant to this Act, as amended. Whenever NANA executes a quit-claim deed pursuant to this subsection, it shall be entitled to designate and have conveyed to it any lands outside the boundaries of a Conservation System Unit covered by any of its pending selection applications filed under any of the entitlement provisions of this Act, as amended, without regard to the entitlement provision under which such application was filed. Lands conveyed to NANA pursuant to this subsection shall be of a like estate and equal in acreage to that conveyed by NANA to the United States. The lands conveyed to NANA pursuant to this subsection shall be in exchange for the lands conveyed by NANA to the United States and there shall be no change in the charges previously made to NANA's land entitlements with respect to the lands conveyed by NANA to the United States. Lands received by NANA pursuant to this subsection are Settlement Act lands.

"(b) NANA may relinquish any interest it has under selection applications filed pursuant to this Act, as amended, in the surface or subsurface estate in any lands located within the boundaries of the Cape Krusenstern National Monument or any other Conservation System Unit, as established and defined by the Alaska National Interest Lands Conservation Act (Public Law 96-487; 94 Stat. 2371, et seq.), by formally withdrawing such application pursuant to this subsection. Whenever NANA formally withdraws a selection application pursuant to this subsection, it shall be entitled to designate and have conveyed to it lands outside the boundaries of a Conservation System Unit pursuant to any of its pending selection applications filed under any of the entitlement provisions of this Act, without regard to the entitlement provision under which the application was filed. Lands conveyed to NANA under this subsection shall be of a like estate and equal in acreage to the interest which NANA relinquished, and when the lands are conveyed to NANA, the conveyance shall be charged against the same entitlement of NANA as if the lands, had been conveyed pursuant to the relinquished selection applications. Lands received by NANA pursuant to this subsection are Settlement Act lands.

"(c) The provisions of this section shall remain in effect only until December 18, 1991.

"(d) Nothing in this section shall be deemed to alter or amend in any way NANA's selection rights or to increase or diminish NANA's total entitlement to lands pursuant to this Act.".

AMENDMENT NO. 589

Mr. DOLE. Mr. President, I move that the Senate concur in the House amendment with the further Senate amendment in the nature of a substitute which I send to the desk on behalf of Senator MURKOWSKI.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE] for Mr. MURKOWSKI, proposes an amendment numbered 589.

Mr. DOLE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after the enacting clause and insert:

SECTION 1. The Alaska Native Claims Settlement Act (85 Stat. 688, 43 U.S.C. 1601-28), as amended, is further by adding at the end thereof the following new sections.

SEC. 34. (a) For purposes of this section the following terms shall have the following meanings:

(1) the term "The Agreement" or "Agreement" means the agreement entitled "Terms and Conditions Governing Legislative Land Consolidation and Exchange between NANA Regional Corporation Inc., and the United States" executed by the Secretary of the Interior and the President of NANA Regional Corporation, Inc., on January 31 and January 24, 1985, respectively.

(2) the term "transportation system" means the Red Dog Mine Transportation System described in Exhibit B of the Agreement.

(3) the term "NANA" means NANA Regional Corporation, Inc., a corporation formed for the Natives of Northwest Alaska pursuant to the provisions of this Act.

(b) Except as otherwise provided by this section, the Secretary shall convey to NANA, in accordance with the terms and conditions set forth in the Agreement, lands and interests in lands specified in the Agreement in exchange for lands and interests in lands of NANA, specified in the Agreement, upon fulfillment by NANA of its obligations under the Agreement, provided, however, that this modified exchange is accepted by NANA within 60 days of enactment.

(c)(1) The Secretary shall convey to NANA, pursuant to the provisions of paragraph A(1) of the Agreement, the right, title and interest of the United States only in and to those lands designated as "Amended A(1) Lands" on the map entitled "Modified Cape Krusenstern Land Exchange," dated July 18, 1985. The charges to be made pursuant to paragraphs B(1) and D(27) of the Agreement against NANA's land entitlements under this Act shall be reduced by an amount equivalent to the difference between that acreage conveyed pursuant to this subsection and the acreage that would have been conveyed to NANA pursuant to paragraph A(1) of the Agreement but for this subsection.

(2) Notwithstanding the provisions of paragraph A(3) of the Agreement, the Secretary shall not convey to NANA any right, title and interest of the United States in the lands described in such paragraph A(3) and the Secretary shall make no charge to NANA's remaining entitlements under this Act with respect to such lands. Such lands shall be retained in federal ownership but shall be subject to the easement described in Exhibit D to the Agreement as if the lands had been conveyed to NANA pursuant to paragraph A(3) of the Agreement.

(d)(1) There is hereby granted to NANA an easement in and to the lands designated as "Transportation System Lands" on the map entitled "Modified Cape Krusenstern Land Exchange," dated July 18, 1985, for use in the construction, operation, maintenance, expansion and reclamation of the transportation system. Use of the easement for such purposes shall be subject only to the terms and conditions governing the construction, operation, maintenance, expansion and reclamation of the transportation system, as set forth in Exhibit B to the Agreement.

(2) The easement granted pursuant to this section shall be for a term of 100 years. The easement shall terminate prior to the 100-year term:

(i) if it is relinquished to the United States; or

(ii) if construction of the transportation system has not commenced within 20 years of the enactment of this subsection. Computation of the 20-year period shall exclude periods when construction could not commence because of force majeure, act of God or order of a court; or

(iii) upon completion of reclamation pursuant to the reclamation plan required by Exhibit B to the Agreement.

(3) Within 90 days after enactment of this section the Secretary shall execute the necessary documents evidencing the grant to NANA of the easement granted by this section.

(4) Except as regards the trail easement described in Exhibit D to the Agreement (to which the "Transportation System Lands" shall be subject as if such lands had been conveyed to NANA pursuant to paragraph A(1) of the Agreement), access to the lands subject to the easement granted by this section shall be subject to such limitations, restrictions or conditions as may be imposed by NANA, its successors and assigns, but NANA and its successors and assigns shall permit representatives of the Secretary such access as the Secretary determines is necessary for the monitoring required by this section.

(e) The easement granted by this section makes available land for the transportation system, and is intended to be sufficient to permit NANA to comply with the laws of the State of Alaska which may be necessary to secure financing of the construction of the transportation system and the oper-

ation, maintenance or expansion thereof by the State of Alaska or by the Alaska Industrial Development Authority.

(f) The easement granted to NANA by this section may be reconveyed by NANA, but after any such reconveyance the terms and conditions specified in Exhibit B of the Agreement shall continue to apply in full to the easement.

(g) NANA is hereby granted the right to use, develop and sell sand, gravel and related construction materials from borrow sites located within the easement granted pursuant to this section as required for the construction, operation, maintenance, expansion and reclamation of the transportation system, subject to the terms and conditions specified in Exhibit B of the Agreement.

(h)(1) The construction, operation, maintenance, expansion and reclamation of any portion of the transportation system on any of the lands subject to the easement granted to NANA by this section shall be governed solely by the terms and conditions of the Agreement, including the procedural and substantive provisions of Exhibit B to the Agreement, as if the lands covered by the easement granted to NANA by this section had been conveyed to NANA pursuant to Paragraph A(1) of the Agreement.

(2) The Secretary of the Interior, acting through the National Park Service, shall monitor the construction, operation, maintenance, expansion and reclamation of the transportation system, as provided in the Agreement. Any complaint by any person or entity that any aspect of the construction, operation, maintenance, expansion or reclamation of the portion of the transportation system on the lands subject to the easement granted to NANA by this section is not in accordance with the terms and conditions specified in the Agreement shall be made to the Secretary in writing. The Secretary shall review any such complaint and shall provide to NANA or its successors or assigns and to the complainant a decision in writing on the complaint within 90 days of receipt thereof. If the Secretary determines that the activity made the subject of a complaint is not in accordance with the terms specified in the Agreement, and NANA or its successors or assigns disagrees with that determination, the dispute shall be resolved according to the procedures established in Exhibit B to the Agreement.

(i) The Secretary shall make available to NANA and its successors and assigns the right to use sand, gravel and related construction materials located in Sections 23, 24, 25, 26, 35 and 36 of Township 26 North, Range 24 West, Kateel River Meridian, Alaska, if the Secretary determines either (1) that use of such sand, gravel or related construction material is necessary because there is no other sand, gravel or related construction material reasonably available for the construction, operation, maintenance, expansion or reclamation of the transportation system; or (2) that use of such sand, gravel or related construction material is necessary in order to construct, operate, maintain, expand, or reclaim the transportation system in an environmentally sound manner, consistent with the requirements of Exhibit B of the Agreement. The right to use such sand, gravel or related construction material shall be subject to the terms and conditions of Paragraph A of Exhibit B of the Agreement and such other reasonable terms and conditions as the Secretary may prescribe.

(j) Notwithstanding Paragraph D(23) of the Agreement, the Secretary shall not agree to any amendment to the Agreement without first consulting with the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate and shall transmit copies of the text of any amendment to the Agreement to those Committees at the time of his agreeing to any such amendment.

SEC. 35. (a) The terms and conditions of this section are solely applicable to the lands described in paragraph A(1) of the Agreement, which is defined by section 34(a)(1) of this Act and modified by section 34, and shall not affect the relinquishment by NANA described in section B(1) of such Agreement.

(b) NANA Regional Corporation, Inc. ("NANA"), may convey by quit-claim deed to the United States all of its interest in the surface and subsurface estate in any lands described in subsection (a) of this section, provided, however, NANA can relinquish only lands that are compact and contiguous to other public lands within the Krusenstern National Monument and, if the lands to be relinquished have been disturbed by NANA, the Secretary

* * * * *

(c) NANA may relinquish any interest it has under selection applications filed pursuant to this Act, as amended, in the surface and subsurface estate in lands described in subsection (a) of this section by formally withdrawing such application pursuant to this section, provided, however, NANA can relinquish only interests in lands that are compact and contiguous to other public lands within the Krusenstern National Monument and, if the lands have been disturbed by NANA, the Secretary must first determine that such disturbance has not rendered the lands incompatible with Monument values. Whenever NANA formally withdraws a selection application pursuant to this section, it shall be entitled to designate and have conveyed to its lands outside the boundaries of Cape Krusenstern National Monument and any other conservation system unit, as established and defined by the Alaska National Interest Lands Conservation Act (P. L. 96-487; 94 Stat. 2371, *et. seq.*) pursuant to any of its pending selection applications filed under either section 12(b), 12(c) or 14(h)(8) of this Act. Lands conveyed to NANA under this subsection shall be of a like estate and equal in acreage to the interest which NANA relinquished, and when the lands are conveyed to NANA, the conveyance shall be charged against the same entitlement of NANA as if the lands had been conveyed pursuant to the relinquished selection application. Lands recieved by NANA pursuant to this subsection are Settlement Act lands.

(d) The provisions of this section shall remain in effect only until December 18, 1991.

(e) Nothing in this section shall be deemed to alter or amend in any way NANA's selection rights or to increase or diminish NANA's total entitlement to lands prusuant to this Act.

Mr. MURKOWSKI. Mr. President, I rise today in support of S. 444, a bill to amend the Alaska Native Claims Settlement Act. This legislation was passed by the Senate by unanimous voice vote on July 18, 1985. The House of Representatives, by unanimous voice vote, passed the Senate bill with an amendment in the nature of a substitute on July 29, 1985. I ask the Senate today to approve an amendment in the nature of a substitute to the Senate bill as amended by the House.

As passed by the House, this bill would grant to Nana Regional Corporation, Inc., a corporation created under the Alaska Native Claims Settlement Act and owned by the Native people of northwest Alaska, an easement across Cape Krusenstern National Monument. A road connecting the Red Dog mineral deposit with a port site on the Chukchi Sea will be constructed on this easement. The Red Dog mineral deposit is a world class lead/zinc/silver prospect owned by Nana. The bill would also ratify, in modified form, a land exchange agreement between Nana and the Department of Interior which consolidates and reduces Nana's inholdings in the Cape Krusenstern National Monument.

The Red Dog Mine is landlocked and it is located northeast of Cape Krusenstern National Monument. Before the mine can be developed, an access road and port site will have to be built. A September 1984, environmental impact statement for the project determined that the environmentally preferred as well as economically acceptable route for such an access road was across the monument.

Mr. President, this legislation is exceptionally important to Nana, the native corporation which selected and received the lands containing the Red Dog deposit pursuant to the Alaska Native Claims Settlement Act [ANCSA]. Since that selection, Nana has negotiated an agreement with Cominco Alaska, a mining company, to develop that deposit. Passage of this legislation will permit actual development of Red Dog to begin in the near future. Timely development of the Red Dog Mine is essential if the Nana shareholders are to enjoy the potential benefits of ANSCA.

At the present time there is no economic base within the Nana region that can offer even remotely sufficient job opportunities to the residents. This is an area comparable in size to the States of Rhode Island and Delaware combined with a population of less than 5,000 and an unemployment rate of about 70 percent. As a result, many of Nana's residents are seeking employment outside the region, creating a great deal of dislocation. Development of the Red Dog Mine will change all of that. When fully developed, the mine will employ approximately 400 individuals, most of whom will be residents of the Nana region and Nana shareholders. The estimated life of the project is 50 years, and the annual income from these jobs is estimated to be approximately $15 million.

S. 444, as passed by the House, recognizes the importance of permitting the proposed road across the monument. All of the Federal agencies and two conservation organizations which have reviewed this proposed road have concluded that the route across the monument is economically and environmentally preferable to any other route. More importantly, the residents of the area who have used these lands for subsistence purposes for hundreds of years, agree.

Passage of the bill today will ensure that construction of the road can be initiated as soon as possible. This will enable the mine to be developed expeditiously, which will greatly benefit the Native people of the Nana region, the State of Alaska and our Nation.

The House-passed bill, amended in several significant respects, the bill passed by the Senate. I have thoroughly reviewed those changes and find them acceptable with a few exceptions. The amendments proposed in this substitute address the concerns that I have with the House-passed bill.

The amendments all deal with the portion of the House-passed bill which created section 35 of ANCSA. Basically, that section would have carried the impact of this legislation outside of the Cape Krusenstern National Monument. The amendments I have proposed would limit the impact of the bill to only Cape Krusenstern. I understand that this approach is acceptable to the House of Representatives and the bill passed by the Senate tonight should be enacted by the House immediately after the August recess.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas.

The motion was agreed to.

SPECIAL GOLD MEDAL FOR GEORGE AND IRA GERSHWIN

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of House Joint Resolution 251, to provide for a special gold medal for George Gershwin and Ira Gershwin, reported out of the Banking Committee today.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 251) to provide that a special gold medal honoring George Gershwin be presented to his sister, Frances Gershwin Godowsky, and a special gold medal honoring Ira Gershwin be presented to his widow, Lenore Gershwin, and to provide for the production of bronze duplicates of such medals for sale to the public.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (H.J. Res. 251) was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RE-REFERRAL OF S. 1313

Mr. DOLE. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of S. 1313, a bill to amend the Federal Trade Commission Act to allow certain actions by States attorneys general and it be referred to the Commerce Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATUS QUO NOMINATIONS

Mr. DOLE. Mr. President, as in executive session, I ask unanimous consent that during the adjournment of the Senate over until September 9, 1985, that all the nominations pending in the Senate remain in the status quo, with the exception of the following: Rosalie Silberman, Charles A. Trabandt, James W. Spain, Winston Lord, Raymond D. Lett, Richard H. Francis, Ann Brunsdale, Helen Marie Taylor, William McGinnis, Sidney Lovett, Richard John Neuhaus, W. Bruce Weinrod, and John Norton Moore.

Mr. BYRD. Mr. President, reserving the right to object, and I will not object, the last four names, I do not have.

Mr. DOLE. And also William Bradford Reynolds.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

RECESS APPOINTMENTS

Mr. BYRD. Mr. President, statements by administration officials have recently appeared in the press which border on total disregard for constitutional principles. I refer specifically to statements pertaining to the Senate's responsibility to advise and consent in Presidential appointments, and the authority granted to the President for recess appointments.

On June 27, 1985, the Senate Judiciary Committee rejected the nomination of William Bradford Reynolds for the position of Associate Attorney General. On July 16, the Washington Post contained a report that administration officials were "considering the possibility of installing Reynolds" as Associate Attorney General "as a recess appointee after the Senate adjourns August 2, sources said."

Further discussing the possiblilty of a recess appointment for Mr. Reynolds, an article in the Washington Post the following Day, July 17, quoted an unnamed White House official as saying "The tail is not going to wag the dog on these nominations. That Committee has to understand who is the President of the United States * * *. We expect to get our people confirmed * * *."

Mr. President, I have no desire to lecture the White House on constitutional law. The President's lawyers know full well that the recess appointment clause which appears in the U.S. Constitution was not created as a political loophole to thwart the will of the Senate. Article III, section 2, provides that officers of the United States shall be appointed by the President "with the advice and consent of the Senate." That appointment process was initiated by this administration when Mr. Reynolds was nominated for the position of Associate Attorney General. The nomination was rejected by the Senate Judiciary Committee on June 27, 1985, by a vote of 8 to 10. To attempt now to circumvent that rejection by making a recess appointment of Mr. Reynolds to the same position during our August break would make a mockery of the Senate's role. It would be wholly inappropriate and unacceptable, and I have so informed the White House, on behalf of Senate Democrats, in my letter to the President of July 16.

The recess appointment clause appears in article III, section 2, of the U.S. Constitution. It provides that:

The President shall have power to fill up all vacancies that may happen during the recess of the Senate, by granting commissions which shall expire at the end of their next session.

Mr. President, when the Constitution was drafted, the framers recognized the practical realities of their time. Communications were slow and uncertain. Travel from one 18th century American city to another was measured in terms of days rather than hours. Accordingly, in order to make American Government effective, the framers allowed the President to make appointments during "the recess of the Senate." I stress the word "the." In the early days of this Republic, as now, there was a recess of the Senate between sessions.

The phrase "the recess"—again emphasizing the word "the"—should be borne in mind, and should be read in context of the entire clause which then states that the recess appointment "shall expire at the end of their next session." Read in that way, it seems to me that the recess appointment clause was included in the Constitution as a practical solution to filling essential Government positions in the horse and buggy age during the recess which occurred betwen the sessions of the Congress.

Mr. President, this is not the first time this administration has misinter-

preted the purpose of the recess appointment power. During the 24-day recess for the Fourth of July holiday in 1984, 17 recess appointments were made. In several cases, those recess appointments avoided serious and probing debate by the Senate on controversial issues. And there was no evidence that the needs of the Government required any of those appointments to be made as recess appointments.

Last year I introduced a Senate resolution in an attempt to make it absolutely clear that the recess appointment clause should not be used by any administration to thwart the will of the Senate, to skirt the "advice and consent" clause of the Constitution, or to avoid potential controversy. My proposal was introduced toward the end of the last term of the Congress and was not processed before the Senate adjourned for the year.

Because this issue is so fundamental to maintaining the delicate balance of powers which was incorporated into our constitutional system, and in view of the recurrence of this problem in the context of the Reynolds nomination, I am introducing a resolution on the same subject again today.

My resolution expresses the sense of the Senate that the exercise of the power to make recess appointments should be confined to a formal termination of a session of the Senate, or to a recess of the Senate, protracted enough to prevent it from discharging its constitutional function of advising and consenting to executive nominations. In addition, it expresses the sense of the Senate that the President should refrain from using his recess appointment powers unless there is a formal termination of a session of the Senate, or a recess that lasts longer than 30 days. Finally, my resolution expresses the sense of the Senate that a recess appointment should not be made of any individual whose nomination to the same office has been previously rejected by the Senate, or the appropriate Senate committee, during the same Presidential term.

By introducing this resolution, I am not suggesting that the President should never use his recess appointment power. Nor am I suggesting that there might never be a situation in which a recess appointment is necessary. In fact, I even recommended the use of the recess appointment power myself when an appointment was necessary to ensure that one of our important Government boards would have a quorum in order to continue to conduct its business.

However, the kinds of situations I have described today do not involve that kind of an emergency. The business of government, and the Department of Justice in particular, will, I am confident, function with efficiency during the month of August without a commissioned official serving in its No. 3 slot.

I am sure the administration is well aware of the practical purpose which was served by including the recess appointment clause in the Constitution. Introduction of this resolution is not intended to suggest that the issue is unclear. Senate Democrats have gone on record, separate and apart from this resolution, in their conclusion that Mr. Reynolds should not be a recess appointee. We went on record again this week in a letter to the President which expressed our views on the subject of recess appointments generally. However, I do believe the entire Senate should be on record in reinforcing our constitutional role with respect to Presidential appointments, and stating that we will not stand idly by and witness an erosion of our responsiblity and our duty under the law.

Mr. President, I ask unanimous consent that the text of my resolution, the two Washington Post articles, and my letters to the President, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

The cosponsors of the resolution are: Mr. Byrd (for himself), Mr. Bradley, Mr. Chiles, Mr. Lautenberg, Mr. Leahy, Mr. Melcher, Mr. Dodd, Mr. Mitchell, Mr. Ford, Mr. Matsunaga, Mr. DeConcini, Mr. Hart, Mr. Biden, Mr. Baucus, Mr. Eagleton, Mr. Bumpers, Mr. Exon, Mr. Johnston, Mr. Inouye, Mr. Levin, Mr. Nunn, Mr. Pell, Mr. Proxmire, Mr. Riegle, Mr. Sarbanes, Mr. Sasser, Mr. Zorinsky, Mr. Simon, Mr. Kerry, Mr. Hollings, Mr. Bentsen, Mr. Stennis, Mr. Bingaman, Mr. Rockefeller, Mr. Cranston, Mr. Kennedy, and Mr. Harkin.

S. RES. 213

Whereas, the United States Constitution in Article II, Section 2, Clause 2, vests in the Senate the power to give its advice and consent to presidential appointments,

Whereas, the Appointments Clause specifies the method clearly preferred by the Framers for the regular appointment of Officers of the United States,

Whereas, the Appointments Clause has been judicially determined to be an aspect of the principle of separation of powers woven into the United States Constitution (*Buckley* v. *Valeo*, 424 U.S. 1 (1976)),

Whereas, the reasons behind the Recess Appointment Clause, Article II, Section 2, Clause 3, like those supporting the pocket veto power, have been largely superseded by modern methods of instantaneous communication and the modern practice of Congress with respect to abbreviated intrasession adjournments (*Kennedy* v. *Sampson*, 511 F.2d 430 (D.C. Cir. 1974)),

Whereas, the adherence to Appointment Clause procedures, unlike a recess appointment that thereafter may be rejected by the Senate, precludes subsequent challenges with respect to the appointee's rightful exercise of significant authority pursuant to the laws of the United States; Therefore be it

Resolved, That it is the sense of the Senate that—

(1) The exercise of the power to make recess appointments should be confined to a formal termination of a session of the Senate, or a recess of the Senate, protracted enough to prevent it from discharging its constitutional function of advising and consenting to executive nominations;

(2) As the President as well as the heads of Executive and military departments are authorized to detail officers of the United States to fill vacancies in offices at all levels of the Federal Government, Chapter 33, Title 5, United States Code, which details are valid for at least thirty days, no recess appointment should be made when the Senate stands adjourned or recessed within a session for a period of less than thirty days; and

(3) No recess appointment should be made of any person to any office—

(a) if such person has previously, during the same presidential term, been nominated for appointment to such office; and

(b) (1) the Senate has voted not to give its advice and consent to such appointment; or

(2) the appropriate committee of the Senate has voted not to report such nomination to the Senate.

[From the Washington Post, July 17, 1985]

DEMOCRATS OPPOSE REYNOLDS PROMOTION: SENATORS WARN REAGAN AGAINST RECESS APPOINTMENT OF REJECTED JUSTICE DEPARTMENT NOMINEE

(By Howard Kurtz and Juan Williams)

Senate Minority Leader Robert C. Byrd (D-W.VA.) urged President Reagan yesterday not to name William Bradford Reynolds as associate attorney general during Congress' August recess, saying such a move "would be an insult to the Senate and an affront to the Constitution."

In a letter to Reagan on behalf of all 47 Democratic Senators, Byrd reminded the President that the Senate Judiciary Committee rejected Reynolds for the Justice Department's No. 3 position last month.

He said that "a recess appointment of the same individual to the same position would be inappropriate and unacceptable."

Even Republicans cautioned against a recess appointment. Senate Majority Whip Alan K. Simpson (R-Wyo.) said he did not want to see "a subterranean campaign of some kind that would be a distraction from the heavy work load we have around here."

The swift reaction appeared to let much of the steam out of efforts to revive the Reynolds nomination. However, Simpson and Majority Leader Robert J. Dole (Kan.) said they would support a "discharge petition" to force the nomination to the floor.

Dole said there was "widespread" GOP support for that idea.

Reynolds, who has headed the Justice Department's Civil Rights Division for the last four years, was voted down 10 to 8 amid criticism that he had been lax in enforcing civil rights laws and has misled the Senate Judiciary Committee in sworn testimony.

Republicans Arlen Specter (Pa.) and Charles McC. Mathias Jr. (Md.) joined the eight committee Democrats in opposition.

Byrd's letter to Reagan cited a report in yesterday's Washington Post which said that White House officials are calling senators to gauge whether they have enough support to force the Senate to vote on Reynolds' nomination.

But even if such a move is successful, key senators acknowledged, opponents would filibuster the nomination.

The Republicans are unlikely to bring the matter to the floor unless they can muster the 60 votes needed to break a filibuster—a

prospect made more unlikely by yesterday's Democratic criticism.

The Post article also said that some administration officials, anticipating a filibuster, are considering giving Reynolds an unusual recess appointment that would allow him to serve through 1986 without Senate confirmation. "The president's laywers know better than that," Byrd said. "That's not what the recess appointment is for." Sources said that if the administration promotes Reynold in August, it would also have to give recess appointments to several top Justice Department officials because an angry Senate would refuse to approve them.

"You wouldn't even get a U.S. attorney through," a Senate official said.

Despite yesterday's negative reaction and the considerable obstacles in their path, some administration officials remain adamant in their desire to promote Reynolds.

These officials, led by Attorney General Edwin Meese III, have argued strongly in the administration that the fight for the nomination should be continued.

First, they believe the Reynolds defeat unfairly tarred the president's civil rights record.

Both White House and Justice Department officials are convinced that Reynolds was "nit-picked to death" by opponents who seized on discrepancies in his statements, rather than challenged on what they see as the heart of the administration's civil rights policy, its opposition to racial quotas.

Second, several administration officials contend that the president needs to have the Judiciary Committee "in line" before a possible Supreme Court nomination. They anticipate at least one opening soon, possibly to succeed Justice Lewis F. Powell Jr. who was recently hospitalized. "The tail is not going to wag the dog on these nominations," said a White House official. "That committee has to understand who is the president of the United States and this is not a good experience to have as we approach bigger battles.

"We expect to get our people confirmed, not to expose them to shooting-gallery politics that embarrasses the president. There will not be a seond Brad Reynolds . . . there shouldn't be a first.

Many in the administration believe they should not be in a position of defending their policies after a landslide reelection victory last November. They also want to respond to negative votes by Specter and Mathias.

"Winning starts with having your own team in line," a White House official said.

But some leading Republicans said the White House should accept defeat rather than spend more political capital on a fight it is unlikely to win.

[From the Washington Post, July 16, 1985]

WHITE HOUSE HOPES TO REVIVE REYNOLDS PROMOTION AT JUSTICE: RECESS APPOINTMENT, FORCED VOTE CONSIDERED

(By Howard Kurtz and Mary Thornton)

White House officials are checking whether they have enough support to force a vote by the full Senate on William Bradford Reynolds' nomination as associate attorney general, which was rejected by a Senate committee last month.

Some administration officials are also considering the possibility of installing Reynolds in the Justice Department's No. 3 job as a recess appointee after the Senate adjourns Aug. 2, sources said. They said some department officials believe that if the nomination were forced to the Senate floor, and, as expected, encountered a filibuster, a recess appointment could be justified.

"If they do that, this place would shut down," said one high-level Senate official. "They'd go absolutely berserk. It would be an open declaration of war."

Senate Majority Leader Robert J. Dole (R-Kan.) is taking a formal head count of Republicans to gauge the chances of approving a "discharge petition" to bring Reynolds' nomination to the floor.

"If the president wants us to push Brad Reynolds, then we're going to help," Dole said yesterday.

Republicans and Democrats said the alternative—a recess appointment—would be an unprecedented affront to the Senate Judiciary Committee, which turned down the nomination after three weeks of contentious debate. Committee members said they voted against Reynolds, now head of the Justice Department's Civil Rights Division, because he repeatedly misled the panel in sworn testimony and had a lax "four-year record of enforcing civil rights laws.

Under the rarely used procedure of naming a presidential appointee while Congress is in recess, experts say, Reynolds could serve as associate attorney general without confirmation during the 99th Congress, which runs through 1986.

Attorney General Edwin Meese III told reporters last week that he considers the Reynolds nomination to be "still before the Senate. No decision has been made with regard to the next step."

Reynolds did not respond to inquiries yesterday. His spokesman, John Wilson, declined comment on the possibility of a recess appointment, saying, "Some people who oppose him are floating that story."

Meese and other top department officials were at an American Bar Association conference in London and could not be reached.

White House lobbyists have been calling senators in recent days to assess the depth of support for moving Reynolds' nomination to the floor. This would require a majority of voting senators to approve a discharge petition, an unusual device to force an issue from a reluctant committee to the full Senate.

"They're not necessarily trying to raise the Titanic," a Senate official said of the administration. "They're just trying to find out how deep it's buried."

GOP officials cautioned that the Reynolds nomination could tie up the Senate for weeks, while Dole is trying to deal with the federal budget deficit and other key legislation.

"It's not a high priority," one said of the nomination. "We've known all along it would be . . . tough getting the votes. The White House would have to make a . . . convincing case that the votes were there."

A Democratic senator said recently that he told White House officials that resurrecting the Reynolds nomination is "a no-win proposition for the Republicans."

"It would be a source of embarrassment to the Republican senators to make them walk that plank," the senator said. "Either you vote against your president, or you vote for a guy who's painted as being terrible on civil rights."

But there may be some support for Dole's efforts. Judiciary Committee Chairman Strom Thurmond (R-S.C.) would support an effort to bring the nomination to the floor, according to a spokesman.

On June 27, the committee voted, 10 to 8, against the nomination, with Republicans Arlen Specter (PA) and Charles McC. Mathias Jr. (MD) joining all eight Democrats in opposition. Two subsequent votes on reporting the nomination to the floor—either with no recommendation or a negative recommendation—failed on a 9-to-9 tie.

President Reagan and others have complained that Reynolds' critics opposed the nominee on ideological grounds and raised questions about his testimony as a way to explain their votes against him.

While the nomination has remained in dispute, the administration has not moved to fill several other vacancies in the Justice Department. Among those widely reported to be in line for top jobs are Herbert E. Ellingwood, chief of the Merit Systems Protection Board, to head the Office of Legal Policy; Charles J. Cooper, a deputy to Reynolds, to head the Office of Legal Counsel, and Carolyn B. Kuhl, now a deputy in the Civil Division, for Reynolds' civil rights post.

UNITED STATES SENATE,
OFFICE OF THE DEMOCRATIC LEADER,
Washington, DC., July 16, 1985.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I am writing to you at the instruction of the Democratic Conference with respect to the attached article concerning Assistant Attorney General William Bradford Reynolds which appeared in this morning's Washington Post.

According to the Post report, Administration officials are "considering the possibility of installing Reynolds" as Associate Attorney General "as a recess appointee after the Senate adjourns Aug. 2, sources said."

As you know, on June 27, the Judiciary Committee failed to report Mr. Reynolds' nomination to the Senate by a vote of 8-10. The Conference has asked me to inform you that in view of the Committee's action, a recess appointment of the same individual to the same position during the August break would be inappropriate and unacceptable. We urge you not to make this recess appointment.

Sincerely,

ROBERT C. BYRD.

UNITED STATES SENATE,
OFFICE OF THE DEMOCRATIC LEADER,
Washington, DC., July 30, 1985.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As the Congress approaches adjournment for the August break, I would like once again to convey my views, and those of the Democratic Conference, on the subject of recess appointments. This same matter was the subject of my letter to you on August 6 of last year when I expressed my deep concern about the number of recess appointments which had been made during our brief July 1984 recess.

The forthcoming August recess should not, in our judgment, be considered the kind of extended recess contemplated by Article III, Section 2, Clause 3, of the Constitution. Rather, recess appointments should be limited to circumstances when the Senate, by reason of a protracted recess, is incapable of confirming a vitally needed public officer. Any other interpretation of the Recess Appointments clause could be seen as a deliberate effort to circumvent the Constitutional responsibility of the Senate to advise and consent to such appointments.

I would therefore ask that you refrain from making any recess appointments during the August break.

Your personal attention to this matter would be appreciated.

Sincerely,

ROBERT C. BYRD.

Mr. MATSUNAGA. Mr. President, I am privileged to join the distinguished minority leader in cosponsoring his resolution which calls on the President of the United States to respect the constitutional authority of the Senate to "advise and consent" on Presidential appointments to major Federal offices.

Article II, section 2 of our Constitution provides that officers of the United States shall be appointed "by and with the advice and consent of the Senate." While it also vests in the President the authority to fill temporarily any vacancies which may occur when the Senate is in recess, we must remember that this authority was granted at a time when the Congress was in session only 3 or 4 months each year and in recess for lengthy periods of 8 to 9 months. The state of the Nation's roads and Postal Service, too, made it impossible at that time for Senators to be notified and to return to the Capital to consider Presidential nominations in between sessions or during recesses. Today, the Senate is in session practically year-round and modern transportation and communication systems mean that the administration and Senators need never be out of constant touch.

Why then has the current administration used the Presidential "recess appointment" authority so frequently and so flagrantly? Many of us fear that this authority is being used to thwart the will of the Senate, as expressed by its standing committees, or to place in office candidates whose qualifications will not withstand a thorough examination. The Byrd amendment will serve to preserve the Congress as a coequal branch of Government, with specific constitutional prerogatives, which chief executives under stress tend to overlook.

Mr. President, I urge early and favorable consideration of the Byrd resolution.

SUSAN WEISS MANES

Mr. BYRD. Mr. President, it has been said that life is a series of changes—some profound, some seemingly insignificant, and many others in between. For those of us who serve here in the Senate, this is true no less than for others. One of the ways in which change manifests itself for those of us who have served a number of terms here is when members of the Senate staff are given and accept career opportunities which move them away from this Chamber.

When a staff member has earned the trust and respect of a Member for whom he or she has worked, such departures always are bitter-sweet for the Member. It goes without saying that the staff member's contributions to the vital work that is done in this place will be missed very much. But on the other hand, of course, one must share in the pleasure when another person—particularly one who has worked so capably, energetically, and effectively—has an opportunity to grow or build professionally or explore other areas of life which the pressures of the Senate did not permit.

And so it is with a member of the senior Senate staff who will be departing at the end of this week. Susan Weiss Manes has been an employee of the Senate now for 8 years. She began her service as a legislative assistant for Floyd Haskell, a former Senator from Colorado. Later she served in that same role for Senator DON RIEGLE of Michigan, moving on to become staff director of the Senate Subcommittee on Alcoholism. In 1982, she joined the staff of the Democratic Policy Committee as Director of the Domestic Policy Office, and currently serves as staff director for the committee.

During this period of public service, it is clear that Senators recognized Susan's keen mind, unflagging energy, and determination to do nothing less than the best work. In fact, her capabilities and dedication were responsible for her path to occupancy of her current post which is one of the key Senate staff offices.

I know, too, because I have watched her relationships with her colleagues—both those on the Policy Committee staff and others—that she is held in the highest esteem by her peers. Such respect from those with whom one works on a day-in, day-out basis is not freely bestowed. It must be earned the old-fashioned way by being a man or woman whose word always is fully dependable; by settling for no less than the best work product; by having a genuine interest and concern for fellow human beings and by not being too busy or distracted to demonstrate that interest and concern to all with whom one comes in contact; and by unswerving allegiance to fundamental principles which she carefully chose as the basis and motivation for her life.

We who labor here in the Senate, Mr. President, are very fortunate to be aided by a great many staff members who also labor diligently in pursuit of the public good. Without them, this great institution would grind to a halt, and the public's business would go undone regardless of what we Members may have invested. But even among a group which sets a high standard, some inevitably will stand out. Susan Manes is such a person.

Consequently, I have no doubt that Susan deserves one of the most valued compliments that I believe can be paid: On many occasions, Susan made a difference for good by what she did or what she said.

I know I am joined, Mr. President, by all who worked with Susan here—Senators and staff—in offering her our thanks for a job well done and our best wishes in her future endeavors.

EXPRESSIONS OF APPRECIATION

Mr. BYRD. Mr. President, I have nothing, except I wish to congratulate the distinguished majority leader on the high performance that he has demonstrated in carrying out the responsibilities of the majority leader. He, at all times, has been very courteous and considerate with respect to the minority. I feel that he deserves the thanks of all Senators on this side. He has sought at all times to be cooperative with the minority leader and always understanding with respect to the times when perhaps the minority leader could not approve of various matters which the distinguished majority leader may have sought to put before the Senate.

I feel that he has done his duty, he has done it honorably, and I do not think anyone else in the Senate other than I could really understand the problems that the distinguished majority leader has had to confront. It is not an easy task. You cannot please everyone, and many times he pleases no one. I wish him a very restful recess, and a safe journey. I understand he is going to be going to China. I know that he will enjoy that visit, and I wish him Godspeed and good luck.

Mr. DOLE. Mr. President, I thank the distinguished minority leader. I certainly appreciated his cooperation. In fact, as I indicated earlier today, we have actually accomplished not everything—but the calendar is fairly clean. For that reason we would be able to come back on the fourth, and probably not do much the balance of that week. But we will come back on the ninth, and there will be votes on the ninth. So we will be in action when we return. But it has been possible through largely the cooperation of the distinguished minority leader, because he has been pushing on his side, and I have been pushing on my side to help my distinguished majority whip, Senator SIMPSON. I know Senator CRANSTON has been doing pretty much the same.

So we have covered a lot of matters. Some have been hanging around here for several years. Some we have accomplished, some we have been successful with, and I am frankly relieved to have sort of the budget behind us for awhile.

I think we have spent a great deal of time on that. Maybe we have become too focused on the budget. But I can

advise my colleagues when we come back, there is going to be a lot of work to do in September, and October, and probably November even without tax reform. If tax reform comes from the House, obviously we will do what we can to complete action in the Senate.

But I appreciate not only the courtesies extended to me by the minority leader, but also the counsel from time to time and the fact that we have never taken each other by surprise. It is very helpful and reassuring. I have learned that it is impossible to please everyone most of the time. But I enjoy the work.

Mr. BYRD. If the distinguished majority leader will allow me, I apologize for taking additional time. I do want to extend my thanks, felicitations, and commendations to the distinguished Republican whip, who has been at all times at his post of duty, and at all times he has been very congenial, most cooperative, and I enjoy working with him.

I also want to compliment Mr. CRANSTON, the minority whip, who never ceases to be cooperative, understanding, and hard working, and I want to express appreciation for the hard work and the good work that he has done for the minority, and with the minority and also in cooperation with the majority.

I thank also DANNY INOUYE, our very highly respected secretary of the Democratic conference, who can always be counted upon, who works hard, is a good Senator, and a great American.

I thank all Senators on both sides of the aisle for the courtesies that have been extended to me and my staff. I congratulate our staff and the director, Susan Manes; the deputy staff director, Scott Bunton; members of the Democratic floor staff, Abby Suffold, Charles Kinney and Marty Paone. The highly skilled and dedicated policy issues staff; and the Communications staff headed by Linda Peek.

I also want to commend and thank the secretary for the minority, David Pratt, and his able staff for their excellent work.

I thank the distinguished majority leader.

Mr. SIMPSON. Mr. President, I surely will not prolong the evening, but just very quickly say my appreciation to the majority leader for his remarkable guidance of this Senator in his new duty as assistant majority leader, and also to the Democratic leader for his patience, extreme patience, kindness to me in these rather rambunctious first 7 months of my tour of duty, and ups and downs thereof. Both of them are remarkably patient. It has been an extraordinary experience, a great experience for me, and particularly a pleasure to serve with them both, and I have come to know and enjoy them both. I appreciate that and deeply so. I thank them both.

I thank also Senator CRANSTON who, of course, I learned to work with through the Veterans' Affairs Committee, a rare treat also, and I thank the leaders.

Mr. DOLE. Mr. President, I want to thank the Presiding Officer [Mr. TRIBLE] for his patience and his overtime. I appreciate that very much.

PROGRAM FOR SEPTEMBER 9, 1985

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate convenes on Monday, September 9, 1985, the journal of the proceedings be approved to date; that the call of the calendar be dispensed with; that no resolutions come over under the rule; that following the recognition of the two leaders under the standing order, there be a special order in favor of the Senator from Wisconsin [Mr. PROXMIRE] for not to exceed 15 minutes, to be followed by a period for the transaction of routine morning business not to extend beyond 1 p.m., with statements therein limited to 5 minutes each; provided, further, that the morning hour be deemed to have expired.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEES TO FILE REPORTS ON WEDNESDAY, AUGUST 28, 1985

Mr. DOLE. Mr. President, I ask unanimous consent that during the adjournment of the Senate over until September 9, 1985, committees may file reports between the hours of 10 a.m. and 3 p.m. on Wednesday, August 28, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. Mr. President, I just indicate when we come back on the 9th of September, we will convene at 12 noon, the two leaders under the standing order have 10 minutes each; there will be an order in favor of the Senator from Wisconsin [Mr. PROXMIRE] for not to exceed 15 minutes; routine morning business not to extend beyond the hour of 1 p.m., with statements limited therein to 5 minutes each.

At the hour of 1 p.m. there will be 3 hours of debate on the antiapartheid conference report, to be equally divided. At the hour of 4 p.m. on Monday, the cloture vote will occur.

Additional rollcall votes could occur during Monday's session. I think I can count on the cloture being invoked, and it may be possible to complete action on that conference report on the 9th of September, hopefully; if not, then on the 10th.

I am advised by the distinguished Senator from Wyoming that the immigration bill is ready. It can be disposed of in a fairly short time. So there will be a number of legislative opportunities as soon as we return.

ADJOURNMENT UNTIL MONDAY, SEPTEMBER 9, 1985

Mr. DOLE. Mr. President, I move, in accordance with the provisions of House Concurrent Resolution 179, that the Senate stand in adjournment until 12 noon on Monday, September 9, 1985.

The motion was agreed to; and at 11:13 p.m., the Senate adjourned until Monday, September 9, 1985, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate August 1, 1985:

DEPARTMENT OF STATE

Herbert Stuart Okum, of the District of Columbia, a career member of the Senior Foreign Service, class of minister-counselor, to be the deputy representative of the United States of America to the United Nations, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

Hugh Montgomery, of Virginia, to be the alternate representative of the United States of America for Special Political Affairs in the United Nations, with the rank of Ambassador.

DEPARTMENT OF THE TREASURY

George D. Gould, of New York, to be Under Secretary of the Treasury, vice Norman B. Ture, resigned.

Charles O. Sethness, of Massachusetts, to be an Assistant Secretary of the Treasury, vice Thomas J. Healey, resigned.

THE JUDICIARY

Brian B. Duff, of Illinois, to be U.S. district judge for the northern district of Illinois, vice a new position created by Public Law 98-353, approved July 10, 1984.

COPYRIGHT ROYALTY TRIBUNAL

J.C. Argetsinger, of Virginia, to be a commissioner of the Copyright Royalty Tribunal for the term of 7 years from September 27, 1984, vice Douglas Coulter, term expired.

DEPARTMENT OF ENERGY

Donna R. Fitzpatrick, of the District of Columbia, to be an Assistant Secretary of Energy, conservation and renewable energy, vice Joseph J. Trible, resigned.

Anthony G. Sousa, of Hawaii, to be a member of the Federal Energy Regulatory Commission for a term expiring October 20, 1988, reappointment.

FEDERAL DEPOSIT INSURANCE CORPORATION

L. William Seidman, of Arizona, to be a member of the board of directors of the Federal Deposit Insurance Corporation for a term of 6 years, vice William M. Isaac, term expired.

EXECUTIVE OFFICE OF THE PRESIDENT

James C. Miller III, of the District of Columbia, to be Director of the Office of Management and Budget, vice David A. Stockman, resigned.

IN THE NAVY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370.

To be admiral

Adm. Sylvester R. Foley, Jr., [redacted], 1310, U.S. Navy.

DEPARTMENT OF DEFENSE

Robert B. Sims, of Tennessee, to be an Assistant Secretary of Defense, vice Michael Ira Burch, resigned.

NATIONAL CREDIT UNION ADMINISTRATION

Elizabeth Flores Burkhart, of Texas, to be a member of the National Credit Union Administration Board for the term of 6 years expiring April 10, 1991, reappointment.

U.S. INSTITUTE OF PEACE

The following-named persons to be members of the board of directors of the U.S. Institute of Peace for the terms indicated:

For terms of 2 years expiring January 19, 1987:

Sidney Lovett, of Connecticut, new position.

Richard John Neuhaus, of New York, new position.

W. Bruce Weinrod, of the District of Columbia, new position.

For a term of 4 years expiring January 19, 1989:

John Norton Moore, of Virginia, new position.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 1, 1985:

DEPARTMENT OF LABOR

Michael E. Baroody, of Virginia, to be an Assistant Secretary of Labor.

NATIONAL SCIENCE FOUNDATION

Richard S. Nicholson, of Virginia, to be an Assistant Director of the National Science Foundation.

DEPARTMENT OF STATE

John Gunther Dean, of New York, a career member of the Senior Foreign Service, class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to India.

Frank Shakespeare, of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Portugal.

OFFICE OF PERSONNEL MANAGEMENT

Constance Horner, of the District of Columbia, to be Director of the Office of Personnel Management for a term of 4 years.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

WITHDRAWAL

Executive nomination withdrawn from the Senate August 1, 1985:

The nomination of Capt. Leon Paul Georges, Medical Corps, U.S. Navy, for promotion to the permanent grade of commodore, pursuant to title 10, United States Code, section 624, which was sent to the Senate on January 3, 1985.

51-059 O-86-39 (Pt. 16)

HOUSE OF REPRESENTATIVES—*Thursday, August 1, 1985*

The House met at 10 a.m.

The Reverend Robert A. Rusbuldt, Emmanuel Baptist Church, Penn Yan, NY, offered the following prayer:

If my people, which are called by my name, shall humble themselves, and pray, and seek my face and turn from their wicked ways; then will I hear from heaven, and will forgive their sin, and will heal their land.—II Chronicles 7:14.

God, our Heavenly Father, thank You for the dedication of these men and women in this great Chamber. We pray for wisdom, understanding, and justice to prevail in their dealings with each other and for the good of our land.

Help them to seek their strength from above and may they lead our people in the proper paths. We know that our Congress faces difficult problems and decisions, but may You give them the insight to see clearly the way they should go for the good of our great Nation.

May the blessing of Your love rest upon our President. We pray for his physical needs and for complete healing in his body.

We commit our thoughts to Thee for we pray in the name of our Lord Jesus Christ. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. SENSENBRENNER. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SENSENBRENNER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 272, nays 125, answered "present" 4, not voting 32, as follows:

[Roll No. 285]

YEAS—272

Ackerman	Feighan	Miller (WA)
Addabbo	Fish	Mineta
Akaka	Flippo	Moakley
Alexander	Florio	Mollohan
Anderson	Foglietta	Montgomery
Andrews	Foley	Moody
Annunzio	Fowler	Moore
Anthony	Frank	Morrison (CT)
Applegate	Franklin	Morrison (WA)
Archer	Frost	Mrazek
Aspin	Fuqua	Murphy
Atkins	Garcia	Murtha
AuCoin	Gejdenson	Myers
Barnard	Gephardt	Natcher
Barnes	Gibbons	Nelson
Bateman	Gilman	Nichols
Bedell	Glickman	Nowak
Bellenson	Gonzalez	O'Brien
Bennett	Gordon	Oberstar
Berman	Gradison	Obey
Bevill	Gray (IL)	Olin
Biaggi	Gray (PA)	Ortiz
Boggs	Green	Owens
Boland	Guarini	Panetta
Boner (TN)	Hall (OH)	Pease
Bonior (MI)	Hall, Ralph	Pepper
Bonker	Hamilton	Perkins
Borski	Hammerschmidt	Petri
Bosco	Hansen	Pickle
Boucher	Hatcher	Price
Boxer	Hawkins	Quillen
Breaux	Henry	Rangel
Brooks	Hertel	Ray
Broomfield	Holt	Regula
Brown (CA)	Howard	Reid
Broyhill	Hoyer	Richardson
Bruce	Hubbard	Rinaldo
Bryant	Huckaby	Robinson
Burton (CA)	Hughes	Rodino
Bustamante	Hutto	Roe
Byron	Hyde	Rose
Campbell	Jenkins	Rostenkowski
Carper	Johnson	Rowland (CT)
Carr	Jones (OK)	Rowland (GA)
Chappell	Jones (TN)	Roybal
Cheney	Kanjorski	Rudd
Clinger	Kaptur	Russo
Coats	Kastenmeier	Sabo
Coelho	Kennelly	Savage
Coleman (TX)	Kildee	Scheuer
Collins	Kleczka	Schneider
Conyers	Kolter	Schumer
Cooper	LaFalce	Sharp
Coyne	Lagomarsino	Shelby
Crockett	Leath (TX)	Sisisky
Daniel	Lehman (CA)	Skelton
Darden	Lehman (FL)	Slattery
Daschle	Leland	Smith (FL)
de la Garza	Levin (MI)	Smith (IA)
Dellums	Levine (CA)	Smith (NE)
Derrick	Lipinski	Snyder
Dicks	Long	Solarz
DioGuardi	Lowry (WA)	Spratt
Dixon	Luken	St Germain
Donnelly	Lundine	Staggers
Dorgan (ND)	MacKay	Stallings
Dowdy	Manton	Stark
Downey	Markey	Stenholm
Duncan	Martinez	Stokes
Dwyer	Matsui	Stratton
Dyson	Mavroules	Studds
Early	Mazzoli	Sweeney
Eckart (OH)	McCain	Swift
Eckert (NY)	McCloskey	Synar
Edgar	McCollum	Tallon
Edwards (CA)	McCurdy	Tauzin
English	McEwen	Thomas (GA)
Erdreich	McHugh	Torres
Evans (IL)	McKinney	Torricelli
Fascell	Mica	Towns
Fawell	Mikulski	Traficant
Fazio	Miller (CA)	Traxler
Valentine	Weiss	Wolpe
Vander Jagt	Wheat	Wortley
Vento	Whitehurst	Wright
Visclosky	Whitley	Wyden
Volkmer	Whitten	Wylie
Walgren	Williams	Yates
Walker	Wilson	Yatron
Watkins	Wirth	Young (MO)
Waxman	Wise	

NAYS—125

Armey	Gunderson	Parris
Badham	Hartnett	Pashayan
Bartlett	Hendon	Penny
Barton	Hiler	Porter
Bentley	Hillis	Pursell
Bereuter	Hopkins	Ridge
Bilirakis	Hunter	Ritter
Bliley	Ireland	Roberts
Boehlert	Jacobs	Roemer
Boulter	Kasich	Rogers
Brown (CO)	Kolbe	Roukema
Burton (IN)	Kramer	Saxton
Callahan	Latta	Schaefer
Carney	Leach (IA)	Schroeder
Chappie	Lent	Schuette
Cobey	Lewis (CA)	Schulze
Coble	Lewis (FL)	Sensenbrenner
Coleman (MO)	Lightfoot	Shaw
Combest	Livingston	Shuster
Conte	Lloyd	Sikorski
Coughlin	Lott	Siljander
Courter	Lowery (CA)	Slaughter
Craig	Lujan	Smith (NH)
Dannemeyer	Lungren	Smith, Denny
Daub	Mack	Smith, Robert
DeWine	Madigan	Snowe
Dickinson	Marlenee	Solomon
Dornan (CA)	Martin (IL)	Spence
Dreier	Martin (NY)	Stangeland
Durbin	McCandless	Strang
Edwards (OK)	McGrath	Stump
Emerson	McKernan	Sundquist
Evans (IA)	McMillan	Swindall
Fiedler	Meyers	Tauke
Fields	Michel	Taylor
Frenzel	Miller (OH)	Vucanovich
Gallo	Molinari	Weber
Gekas	Monson	Whittaker
Gingrich	Moorhead	Wolf
Goodling	Nielson	Young (AK)
Gregg	Oxley	Zschau
Grotberg	Packard	

ANSWERED "PRESENT"—4

Davis	Kostmayer
Dymally	Lantos

NOT VOTING—32

Bates	Heftel	Rahall
Chandler	Horton	Roth
Clay	Jeffords	Selberling
Crane	Jones (NC)	Shumway
DeLay	Kemp	Skeen
Dingell	Kindness	Smith (NJ)
Ford (MI)	Loeffler	Thomas (CA)
Ford (TN)	McDade	Udall
Gaydos	Mitchell	Weaver
Hayes	Neal	Young (FL)
Hefner	Oakar	

□ 1020

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendments of the House with amendments

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

to bills of the Senate of the following titles:

S. 817. An act to authorize appropriations under the Earthquake Hazards Reduction Act of 1977 for fiscal years 1986 and 1987, and for other purposes;

S. 818. An act to authorize appropriations for activities under the Federal Fire Prevention and Control Act of 1974; and

S. 1195. An act to require that a portion of the mail of Congress and the executive branch include a photograph and biography of a missing child.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 63. An act to encourage the rendering of in-flight emergency care aboard aircraft by requiring the placement of emergency first aid medical supplies and equipment aboard aircraft and by relieving appropriate persons of liability for the provision and use of such equipment and supplies;

S. 974. An act to provide for protection and advocacy for mentally ill persons;

S. 1106. An act to provide for the use and distribution of funds appropriated in satisfaction of judgments awarded to the Saginaw Chippewa Tribe of Michigan in dockets numbered 57, 59, and 13E of the Indian Claims Commission and docket numbered 13F of the U.S. Claims Court, and for other purposes;

S. 1349. An act to provide for the use and distribution of funds awarded in docket 363 to the Mdewakanton and Wahpekute Eastern or Mississippi Sioux before the U.S. Court of Claims and Claims Court;

S. 1515. An act to authorize a partial transfer of the authority of the Maine-New Hampshire Interstate Bridge Authority to the States of Maine and New Hampshire; and

S. 1529. An act to authorize appropriations for State and community highway safety grants, and for other purposes.

REV. ROBERT A. RUSBULDT

(Mr. CAMPBELL asked and was given permission to address the House for 1 minute.)

Mr. CAMPBELL. Mr. Speaker, I ask my colleagues to join me this morning in welcoming Rev. Robert A. Rusbuldt, senior pastor of the Emmanuel Baptist Church in Penn Yan, NY.

Reverend Rusbuldt has pastored churches in New York and New Jersey, and he is currently completing his 30th year in the ministry. Under his leadership, new church buildings have been erected, programs for the elderly, needy, and youth have been established, and many people have gained new confidence and direction in their lives through his ministry and several radio programs.

Throughout his distinguished service, Reverend Rusbuldt has served as president of the Eastern New York Bible Conference, president of the Finger Lakes Pastor's Fellowship, and a member of the board of directors of the Mid-State Baptist Youth Camp.

He has always provided special attention to our young people, giving leadership to an excellent school at Emmanuel Baptist Academy. Moreover, he has worked tirelessly to improve and enhance the spiritual, physical, and intellectual needs of our youth. I know he brings to his church, community, and spiritual mission a special dedication, understanding, and vigor that is an inspiration to all.

I have had the pleasure of knowing Reverend Rusbuldt through his son, and my former legislative director, Bob Rusbuldt. Mr. Speaker, it is an honor to have Reverend Rusbuldt as our guest chaplain today.

APPOINTMENT OF CONFEREES ON H.R. 1714, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT, 1986

Mr. FUQUA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1714) to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. HENRY. Mr. Speaker, reserving the right to object, may I inquire as to whether this has been cleared with the gentleman from New Mexico [Mr. LUJAN]?

Mr. FUQUA. If the gentleman will yield, it has been cleared with the ranking minority member.

Mr. HENRY. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Florida? The Chair hears none, and appoints the following conferees: Messrs. FUQUA, BROWN of California, NELSON of Florida, ANDREWS, TORRICELLI, LUJAN, WALKER, and LEWIS of Florida.

AN INDEPENDENT AGENCY FOR SOCIAL SECURITY

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, the announcement by President Reagan that he would agree to an immediate removal of Social Security from the unified budget is startling, yet welcome, news.

The House should "call and raise" him by agreeing to split the budget and also passing a bill which I and 62 other Members, have introduced, H.R. 825, making Social Security an independent agency. While the unified budget and an independent agency for Social Security are two separate issues, they are intertwined and it should naturally follow that if Social Security is made an independent agency, then it should be removed from the unified budget.

The Social Security Subcommittee, chaired by the gentleman from Oklahoma, Mr. JONES, held hearings earlier this year on both issues and has indicated that he will pursue the matter.

Mr. Speaker, making Social Security an independent agency will remove Social Security from politics as much as possible. Whether we have a board or commission, there is always an element of politics depending upon who is President, but we can minimize the influence of politics and restore the confidence of the people in the system by creating an independent agency.

Some of my colleagues on the other side of the aisle may have been surprised by what the President has proposed. But we should proceed with all due speed, accept the President's offer to remove Social Security from the unified budget and go him one better by also making it an independent agency.

THE DANGERS OF AN OUT-OF-CONTROL NATIONAL DEBT

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SENSENBRENNER. Mr. Speaker, "A national debt, if it is not excessive, will be to us a national blessing." This statement, Mr. Speaker, was made in a letter to Robert Morris by Alexander Hamilton, the founder of our financial system. Secretary Hamilton realized the dangers an out-of-control national debt would hold for our young Nation. Today, our debt grows daily. When the Congress returns in September, one of our first tasks will be to raise the debt ceiling over the $2 trillion mark.

The collapse of the budget process, mounting deficits, and the failure of any significant movement toward a balanced budget compelled me to become a member of CLUBB—Congressional Leaders United for a Balanced Budget. CLUBB was founded in October 1983, as a bipartisan, bicameral coalition to coordinate Senate, House, and State forces working to enact the balanced budget/tax limitation amendment.

Article V of the Constitution provides a method for States to call a constitutional convention if two-thirds of the States call for a convention. Thirty-two States, two short of the required number of States, have called for a constitutional convention and more State legislatures are planning to debate and perhaps pass additional

resolutions calling for a convention. The Senate Judiciary Committee recently approved legislation establishing procedures for holding a constitutional convention.

As the ranking Republican member of the Judiciary Subcommittee on Civil and Constitutional Rights, I welcome the opportunity to explore the need for establishing procedures for a constitutional convention, thereby negating the concern over a "runaway convention."

Justice John Marshall endorsed the concept of constitutional change when he wrote in 1821, "The people made the Constitution and the people can unmake it. It is the creature of their own will, and lives only by their will."

Mr. Speaker, Chief Justice Marshall recognized the Constitution as a living, breathing document, one that could be changed if the circumstances required it. I believe change is warranted because of the historic and debilitating deficits we are now incurring. The danger of fiscal collapse is ever present. It is my belief a constitutional mandate is needed to force both the Congress and the Executive to come to grips with the deficit, and the cost of the deficit's interest payments.

The Business Roundtable estimated the Federal debt currently totals approximately $8,750 for every adult in the Nation. The interest alone on that debt will cost about $980 for every taxpaying American this year. I urge Members of this House and all legislative bodies to join together to amend the Constitution either through the traditional method in which the last 25 amendments have been approved or through the legislative mechanism established by our Founding Fathers in article V of our Constitution.

□ 1030

REPRESSION IS WIDESPREAD

(Mr. FOGLIETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOGLIETTA. Mr. Speaker, human rights are very much in the national consciousness right now. The state of emergency in South Africa has made us once more realize that the basic freedoms we enjoy here are not widespread. Unfortunately, repression is widespread—even among those we call our allies.

In South Korea, the government of Chun Doo Hwan has once more demonstrated its determination to silence democratic voices of opposition to its policies. Kim Dae Jung, South Korea's most passionate advocate of democratic rights, is again under house arrest. Having returned to South Korea from his exile in the United States to carry on the peaceful struggle for democracy, Kim has found himself frozen out, his rights subject to the whims of the Chun government.

Kim has been placed under house arrest to prevent him from attending the national convention of the New Korea Democratic Party. Instead of being allowed to attend as a simple delegate and leader, and thus giving credibility to the Chun government's claims of belief in human rights, he has been banned. His arrest has given the opposition all the proof it needs that Chun will never allow democracy, and made a mockery of the promises of a truly free South Korea made by Chun in his state visit earlier this year.

The United States should protest loudly Kim's arrest, and demand his release. To do any less undermines our protests of injustice elsewhere in the world, and gives tacit approval to actions which cannot be justified.

The Chun government should release Kim Dae Jung.

CONFERENCE REPORT ON H.R. 1460, ANTI-APARTHEID ACT OF 1985

Mr. FASCELL submitted the following conference report and statement on the bill (H.R. 1460) to express the opposition of the United States to the system of apartheid in South Africa, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 242)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1460) to express the opposition of the United States to the system of apartheid in South Africa, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Anti-Apartheid Action Act of 1985".

FINDINGS AND DECLARATIONS

SEC. 2. The Congress finds and declares that—

(1) the policy and practices of apartheid—

(A) deliberately separates millions of South African "migrant" workers from their families;

(B) denies meaningful, democratic participation in the political process to the majority of the South African population;

(C) consigns the mass the South African citizenry to lives of economic and educational deprivation;

(D) denies black citizens of South Africa the right to travel freely within their own country;

(E) leads to the arbitrary government confiscation of the private property legally owned by black South African nationals; and

(F) tries to deprive many South African citizens of South African citizenship;

(2) the policy and practice of apartheid is repugnant to the moral and political values of democratic and free societies, and runs counter to United States policies to promote democratic governments throughout the world and respect for human rights; and

(3) it is the policy of the United States to promote peaceful change in South Africa through diplomatic means, but also, where necessary and appropriate, through the adoption of other measures, in conjunction with our allies, in order to reinforce United States opposition to apartheid.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "national of the United States" means—

(A) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States; or

(B) a corporation, partnership, or other enterprise if—

(i) natural persons who are nationals of the United States own or control, directly or indirectly, more than 50 percent of the outstanding voting securities;

(ii) natural persons who are nationals of the United States own or control, directly or indirectly 25 percent or more of the voting securities, and natural persons of another nationality do not own or control an equal or larger percentage;

(iii) any natural person who is a national of the United States operates the corporation, partnership, or enterprise pursuant to the provisions of an exclusive management contract;

(iv) a majority of the members of the board of directors are also members of the comparable governing body of a corporation or legal entity organized under the laws of the United States, any State or territory thereof, or the District of Columbia; or

(v) natural persons who are nationals of the United States have authority to appoint the chief operating officer;

(2) the term "Secretary" means the Secretary of State; and

(3) the term "South Africa" refers to the territory that constituted the Republic of South Africa on May 31, 1961.

SCHOLARSHIPS FOR BLACK SOUTH AFRICANS

SEC. 4. Section 105(b) of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end thereof the following new paragraph:

"(2)(A) Of the assistance provided under this section by the Administrator of the agency primarily responsible for administering this part of this Act—

"(i) for the fiscal year 1986, $8,000,000;

"(ii) for the fiscal year 1987, $11,000,000; and

"(iii) for the fiscal year 1988 and each fiscal year thereafter, $15,000,000,

shall be used to finance education, training, and scholarships for black South Africans who are attending universities, colleges, and secondary schools in South Africa and who are selected in accordance with subparagraph (B). Of the funds available under the preceding sentence to carry out this subparagraph, not less than one-third shall be available only for assistance to full-time teachers or other educational professionals pursuing studies toward the improvement of their professional credentials.

"(B) Of the funds provided in subparagraph (A) for each fiscal year, 50 percent shall be available for educational assistance for black South Africans in accordance with section 802(c) of the International Security and Development Cooperation Act of 1985.

The remainder of the funds in each fiscal year which are not made available under the preceding sentence shall be available to finance scholarships for individuals selected by a nationwide panel or by regional panels composed solely of members of the teaching profession appointed by the United States chief of diplomatic mission to South Africa. No such individual may be selected through any contract entered into with the agency primarily responsible for administering this part of this Act.".

HUMAN RIGHTS FUND

SEC. 5. (a) Section 116(e)(2)(A) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "1984 and" and inserting in lieu thereof "1984,"; and

(2) by inserting after "1985" a comma and the following: "and $1,500,000 for the fiscal year 1986 and for each fiscal year thereafter".

(b) Section 116 of such Act is amended by adding at the end thereof the following new subsection:

"(f) Of the funds made available to carry out subsection (e)(2)(A) for each fiscal year, $350,000 shall be used for direct legal and other assistance to political detainees and prisoners and their families, including the investigation of the killing of protesters and prisoners, and for support for actions of black-led community organizations to resist, through nonviolent means, the enforcement of apartheid policies such as—

"(1) removal of black populations from certain geographic areas on account of race or ethnic origin,

"(2) denationalization of blacks, including any distinctions between the South African citizenships of blacks and whites,

"(3) residence restrictions based on race or ethnic origin,

"(4) restrictions on the rights of blacks to seek employment in South Africa and live wherever they find employment in South Africa, and

"(5) restrictions which make it impossible for black employees and their families to be housed in family accommodations near their place of employment.".

EXPANDING PARTICIPATION IN THE SOUTH AFRICAN ECONOMY

SEC. 6. (a) The Congress declares that—

(1) the denial under the apartheid laws of South Africa of the rights of South African blacks and other nonwhites to have the opportunity to participate equitably in the South African economy as managers or owners of, or professionals in, business enterprises, and

(2) the policy of confining South African blacks and other nonwhites to the status of employees in minority-dominated businesses,

is an affront to the values of a free society.

(b) The Congress hereby—

(1) applauds the commitment of nationals of the United States adhering to the principles set forth in section 10 to assure that South African blacks and other nonwhites are given assistance in gaining their rightful place in the South African economy; and

(2) urges the United States Government to assist in all appropriate ways the realization by South African blacks and other nonwhites of their rightful place in the South African economy.

(c) The Secretary of State and any other head of a department or agency of the United States carrying out activities in South Africa shall, to the maximum extent practicable, in procuring goods or services, make affirmative efforts to assist business enterprises having more than 50 percent beneficial ownership by South African blacks or other nonwhite South Africans.

EXPORT-IMPORT BANK OF THE UNITED STATES

SEC. 7. Section 2(b)(9) of the Export-Import -Bank Act of 1945 is amended—

(1) by striking out "(9) In" and inserting in lieu thereof "(9)(A) Except as provided in subparagraph (B), in"; and

(2) by adding at the end thereof the following:

"(B) The Bank shall take active steps to encourage the use of its facilities to guarantee, insure, extend credit, or participate in the extension of credit to business enterprises in South Africa that are majority owned by South African blacks or other nonwhite South Africans. The certification requirement contained in clause (c) of subparagraph (A) shall not apply to exports to or purchases from business enterprises which are majority owned by South African blacks or other nonwhite South Africans.".

LABOR PRACTICES OF THE UNITED STATES GOVERNMENT IN SOUTH AFRICA

SEC. 8. (a) It is the sense of the Congress that the labor practices used by the United States Government—

(1) for the direct hire of South Africans,

(2) for the reimbursement out of official residence funds of South Africans and employees of South African organizations for their long-term employment services on behalf of the United States Government, and

(3) for the employment services of South Africans arranged by contract.

should represent the best of labor practices in the United States and should serve as a model for the labor practices of nationals of the United States in South Africa.

(b) Notwithstanding any other provision of law, the Secretary of State and any other head of a department or agency of the United States carrying out activities in South Africa shall promptly take the necessary steps to ensure that the labor practices applied to the employment services described in paragraphs (1) through (3) of subsection (a) are governed by the principles set forth in section 10(a).

EMPLOYMENT PRACTICES OF UNITED STATES NATIONALS IN SOUTH AFRICA

SEC. 9. (a) Any national of the United States that employs more than 25 persons in South Africa shall take the necessary steps to ensure that those principles relating to employment practices set forth in section 10(a) are implemented.

(b) No department or agency of the United States may intercede with any foreign government or any national regarding the export marketing activities in any country of any national of the United States employing more than 25 persons in South Africa that is not implementing the principles relating to employment practices in South Africa set forth in section 10(a).

STATEMENT OF PRINCIPLES

SEC. 10. (a) The principles referred to in sections 8 and 9 of this Act are as follows:

(1) Desegregating the races in each employment facility, including—

(A) removing all race designation signs;

(B) desegregating all eating, rest, and work facilities; and

(C) terminating all regulations which are based on racial discrimination.

(2) Providing equal employment for all employees without regard to race or ethnic origin, including—

(A) assuring that any health, accident, or death benefit plans that are established are nondiscriminatory and open to all employees without regard to race or ethnic origin; and

(B)(i) implementing equal and nondiscriminatory terms and conditions of employment for all employees, and (ii) abolishing job reservations, job fragmentation, apprenticeship restrictions for blacks and other nonwhites, and differential employment criteria, which discriminate on the basis of race or ethnic origin.

(3) Assuring that the pay system is equitably applied to all employees without regard to race or ethnic origin, including—

(A) assuring that any wage and salary structure that is implemented is applied equally to all employees without regard to race or ethnic origin;

(B) eliminating any distinctions between hourly and salaried job classifications on the basis of race or ethnic origin; and

(C) eliminating any inequities in seniority and ingrade benefits which are based on race or ethnic origin.

(4) Establishing a minimum wage and salary structure based on the appropriate local minimum economic level which takes into account the needs of employees and their families.

(5) Increasing, by appropriate means, the number of blacks and other nonwhites in managerial, supervisory, administrative, clerical, and technical jobs for the purpose of significantly increasing the representation of blacks and other nonwhites in such jobs, including—

(A) developing training programs that will prepare substantial numbers of blacks and other nonwhites for such jobs as soon as possible, including—

(i) expanding existing programs and forming new programs to train, upgrade, and improve the skills of all categories of employees, including establishing and expanding programs to enable employees to further their education and skills at recognized education facilities; and

(ii) creating on-the-job training programs and facilities to assist employees to advance to higher paying jobs requiring greater skills;

(B) establishing procedures to assess, identify, and actively recruit employees with potential for further advancement;

(C) identifying blacks and other nonwhites with high management potential and enrolling them in accelerated management programs; and

(D) establishing timetables to carry out this paragraph.

(6) Taking reasonable steps to improve the quality of employees' lives outside the work environment with respect to housing, transportation, schooling, recreation, and health, including—

(A) providing assistance to black and other nonwhite employees for housing, health care, transportation, and recreation either through the provision of facilities or services or providing financial assistance to employees for such purposes, including the expansion or creation of in-house medical facilities or other medical programs to improve medical care for black and other nonwhite employees and their dependents; and

(B) participating in the development of programs that address the education needs of employees, their dependents, and the local community.

(7) Implementing fair labor practices, including—

(A) recognizing the right of all employees, regardless of racial or other distinctions, to self-organization and to form, join, or assist

labor organizations, freely and without penalty or reprisal, and recognizing the right to refrain from any such activity;

(B) refraining from—

(i) interfering with, restraining, or coercing employees in the exercise of their rights of self-organization under this paragraph,

(ii) dominating or interfering with the formation or administration of any labor organization or sponsoring, controlling, or contributing financial or other assistance to it, except that any employer may permit employees to confer with the employer during working hours without loss of time or pay,

(iii) encouraging or discouraging membership in any labor organization by discrimination in regard to hiring, tenure, promotion, or other condition of employment,

(iv) discharging or otherwise disciplining or discriminating against any employee who has exercised any rights of self-organization under this paragraph, and

(v) refusing to bargain collectively with any organization freely chosen by employees under this paragraph; and

(C)(1) allowing employees to exercise rights of self-organization, including solicitation of fellow employees during nonworking hours, (ii) allowing distribution and posting of union literature by employees during nonworking hours in nonworking areas, and (iii) allowing reasonable access to labor organization representatives to communicate with employees on employer premises at reasonable times where there are no other available channels which will enable the labor organization to communicate with employees through reasonable efforts.

(b) It is the sense of the Congress that in addition to the principles enumerated in subsection (a), nationals of the United States subject to section 9 should seek to comply with the following principle: taking reasonable measures to extend the scope of influence on activities outside the workplace, including—

(1) supporting the unrestricted rights of black businesses to locate in urban areas;

(2) influencing other companies in South Africa to follow the standards of equal rights principles;

(3) supporting the freedom of mobility of black workers to seek employment opportunities wherever they exist, and making provision for adequate housing for families of employees within the proximity of workers' employment; and

(4) supporting the rescission of all apartheid laws.

(c) The Secretary may issue guidelines and criteria to assist persons who are or may be subject to section 9 in complying with the principles set forth in subsection (a) of this section. The Secretary may, upon request, give an advisory opinion to any person who is or may be subject to this section as to whether that person is subject to this section or would be considered to be in compliance with the principles set forth in subsection (a).

(d) The Secretary may require all nationals of the United States referred to in section 9 to register with the Department of State.

(e) Notwithstanding any other provision of law, the Secretary may, to such extent or in such amounts as are provided in appropriation Acts, enter into contracts with one or more private organizations or individuals to assist the Secretary in implementing this section.

ADVISORY COMMITTEE

SEC. 11. (a) The Secretary shall establish an Advisory Committee—

(1) to advise the Secretary with respect to the implementation of those principles set forth in section 10(a), and

(2) to review periodically the reports submitted pursuant to section 12(a) and, where necessary, to supplement the information contained in such reports.

The Advisory Committee shall be composed of at least 12 members appointed by the Secretary from among persons in the United States and South Africa representing trade unions committed to nondiscriminatory policies, representatives of business (including the American Chamber of Commerce in South Africa), and the academic community, and from among community and church leaders, including those in South Africa, who have demonstrated a concern for equal rights. In addition to the appointed members of the Advisory Committee, the United States Ambassador to South Africa shall be a member of the Advisory Committee, ex officio. The Committee shall be authorized to meet in the United States Embassy in South Africa or such other location as the Secretary may designate.

(b) Members of the Advisory Committee shall be appointed for 3-year terms, except that of the members first appointed, four shall be appointed for terms of two years, and four shall be appointed for terms of one year, as designated at the time of their appointment. Any member appointed to fill a vacancy occurring before the expiration of the term for which the predecessor of such member was appointed shall be appointed only for the remainder of such term.

(c) The Secretary shall provide the necessary clerical and administrative assistance to the Advisory Committee.

(d) Members of the Advisory Committee shall serve without pay, except that, while away from their homes or regular places of business in the performance of services for the Committee, members of the Advisory Committee shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

IMPLEMENTATION

SEC. 12. (a) The Secretary shall submit an annual report to the Congress describing—

(1) the extent to which each national of the United States referred to in section 9 has implemented each of the principles set forth in section 10(a);

(2) the progress each national of the United States referred to in section 9 has made since the previous annual report in implementing each of those principles;

(3) the actions the Secretary has taken to encourage implementation of those principles, by nationals of the United States as well as any person who is not a national of the United States and who employs at least 25 individuals in South Africa, as well as any related actions taken by other departments or agencies of the United States Government;

(4) any other information that the Secretary believes is appropriate relating to the implementation of those principles by nationals of the United States as well as any person who is not a national of the United States and who employs at least 25 individuals in South Africa;

(5) in the first five annual reports issued pursuant to this subsection, the extent to which each of the 100 largest foreign investors in South Africa who are not nationals of the United States have implemented the principles set forth in section 10(a);

(6) in the sixth and subsequent annual reports issued pursuant to this subsection, the extent to which each of the 200 largest foreign investors in South Africa who are not nationals of the United States have implemented the principles set forth in section 10(a); and

(7) recommendations by the Secretary for action which the Congress or the President could take to encourage implementation of those principles by persons who are not nationals of the United States and who employ at least 25 individuals in South Africa, including an analysis of the extent to which the imposition of restraints on imports into the United States from such persons would encourage implementation of those principles.

(b) The Secretary shall publish and make generally available to the public each annual report submitted pursuant to subsection (a).

(c) The Secretary may, to such extent or in such amounts as are provided in appropriation Acts, enter into contracts with one or more private organizations to assist the Secretary in preparing the report required by subsection (a).

(d) Each national of the United States referred to in section 9 of this act shall submit directly to the Secretary, or through an organization with which the Secretary has a contract under subsection (c)—

(1) detailed and fully documented annual report on the progress of that person in implementing the principles set forth in section 10(a); and

(2) such other information relating to implementation of the principles set forth in section 10(a) as the Secretary shall be regulation direct.

The reports and information required by this subsection shall be submitted at such times as the Secretary shall by regulation require.

(e) There are authorized to be appropriated such sums as may be necessary to the Department of State to carry out the provisions of this section. The Secretary may establish an office to carry out such provisions.

(f) Upon the request of any national of the United States subject to the provisions of this section and section 10 which is made within 60 days after the publication of the Secretary's report pursuant to subsection (b) of this section, the Secretary shall afford an opportunity for a hearing, within 90 days after such publication, in which such person may comment on the contents of such report.

(g)(1) The Secretary shall make available to the Advisory Committee established pursuant to section 11, and may make available to the public, information obtained pursuant to subsection (d) that relates to the employment practices of nationals of the United States subject to section 9 with respect to blacks and other nonwhite employees.

(2) Notwithstanding any other provision of law, the Secretary shall not make available to the Advisory Committee or disclose to the public any information that would harm the competitive position or the proprietary interests, or would reveal trade secrets or confidential commercial or financial information, of any national of the United States required to submit reports under subsection (d), as defined under regulations of the Secretary.

(h) The Secretary shall make all reasonable efforts to verify the information submit-

ted under subsection (d), including the establishment of arrangements with nationals of the United States subject to section 9 for onsite monitoring, at least once every two years, of their activities and facilities in South Africa.

(i) The Secretary shall make reasonable and continuing efforts to promote the implementation of sections 9 and 10 and any regulations issued to carry out those sections.

NUCLEAR TRADE BETWEEN THE UNITED STATES AND SOUTH AFRICA

SEC. 13. (a) Except as provided in subsection (b) and notwithstanding any other provision of law—

(1) no license may be issued for the export to South Africa of goods or technology which are to be used in a nuclear production or utilization facility, or which, in the judgment of the Secretary of State, are likely to be diverted for use in such a facility;

(2) no authorization to engage, directly or indirectly, in the production of any special nuclear material in South Africa may be given;

(3) no license may be issued for the export to South Africa of component parts or other items or substances especially relevant from the standpoint of export control because of their significance for nuclear explosive purposes; and

(4) no retransfer to South Africa of any goods, technology, special nuclear material, components, items or substances described in paragraph (1), (2), or (3) may be approved.

(b) The provisions of subsection (a) shall not apply if the Secretary of State determines and certifies to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that the Government of South Africa is a party to the Treaty on the Non-Proliferation of Nuclear Weapons, done at Washington, London, and Moscow on July 1, 1968.

EXPORTS TO SOUTH AFRICAN GOVERNMENT

SEC. 14. (a) No computers, computer software, or goods or technology intended to service computers may be exported, directly or indirectly, to or for use by any of the following entities of the Government of South Africa:

(1) The military.

(2) The police.

(3) The prison system.

(4) The national security agencies.

(5) ARMSCOR and its subsidiaries or the weapons research activities of the Council for Scientific and Industrial Research.

(6) The administering authorities for the black passbook and the book of life systems.

(7) Any other entity which implements restrictions on where nonwhites are permitted to live or work.

(8) Any other entity that administers programs which directly discriminate against nonwhites.

(9) Any local, regional, or homelands government entity which performs any function of any entity described in paragraphs (1) through (8).

(b) Computers, computer software, and goods or technology intended to service computers may be exported, directly or indirectly, to or for use by an entity of the Government of South Africa other than those set forth in subsection (a) only if—

(1) the services provided by the entity will benefit nonwhites, or both whites and nonwhites; and

(2) a system of end use verification is in effect to ensure that the computers involved will not be used for any function of any entity set forth in subsection (a).

The restriction set forth in paragraph (1) shall apply only to exports with a contract value of $100,000 or greater. The President may waive such restriction if he determines that a computer sale to an entity which serves whites only is necessary for humanitarian purposes.

(c) The President shall provide a detailed report to the Congress 12 months after the date of the enactment of this Act and annually thereafter on the implementation of the requirements set forth in paragraphs (1) and (2) of subsection (b).

(d) For purposes of this section, the term "computer" includes any computer that is the direct product of technology of United States origin.

PROHIBITION ON LOANS TO THE SOUTH AFRICAN GOVERNMENT

SEC. 15. (a) No national of the United States may make any loan or other extension of credit, directly or through a foreign affiliate of that national of the United States, to the Government of South Africa or to any corporation, partnership or other organization which is owned or controlled by the Government of South Africa, as determined under regulations which the President shall issue.

(b) The prohibition contained in subsection (a) shall not apply to—

(1) a loan or extension of credit for any educational, housing, or health facility which—

(A) is available to all persons on a nondiscriminatory basis; and

(B) is located in a geographic area accessible to all population groups without any legal or administrative restriction; or

(2) a loan or extension of credit for which an agreement is entered into before the date of the enactment of this Act.

(c) The President shall issue the regulations referred to in subsection (a) not later than 90 days after the date of the enactment of this Act.

REPORT AND POLICY ON ECONOMIC SANCTIONS

SEC. 16. (a) It shall be the policy of the United States to impose economic sanctions against the Government of South Africa if, within 12 months after the date of the enactment of this Act, but not later than January 1, 1987, significant progress has not been made toward ending the policy of apartheid.

(b) The President shall, by means of both bilateral and multilateral negotiations with other nations, develop appropriate multilateral economic sanctions against the Government of South Africa. Not later than 12 months after the date of the enactment of this Act, and at intervals of 12 months thereafter, the President shall submit to the Congress a report on the status of such negotiations. Each such report shall contain a detailed assessment of exports to South Africa from other countries of computers and other technology the export of which from the United States is prohibited under section 13 or 14 on this Act.

(c) The President shall prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate within 12 months after the date of the enactment of this Act, but not later than January 1, 1987, and every 12 months thereafter, a report on the extent to which significant progress has been made toward ending the system of apartheid, including—

(1) a detailed assessment of the extent to which the Government of South Africa has made significant progress towards meeting the following conditions:

(A) Eliminating the system which makes it impossible for black employees and their families to be housed in family accommodations near the place of employment;

(B) Eliminating all policies that restrict the rights of black people to seek employment in South Africa and to live wherever they find employment in South Africa;

(C) Eliminating all policies that make distinctions between the South African nationality of blacks and whites;

(D) Eliminating removals of black populations from certain geographic areas on account of race or ethnic origin;

(E) Eliminating all residence restrictions based on race or ethnic origin;

(F) Entering into meaningful negotiations with truly representative leaders of the black population for a new political system providing for the full national participation of all the people of South Africa in the social, political, and economic life in that country and an end to discrimination based on race or ethnic origin;

(G) Achieving an internationally recognized settlement for Namibia; and

(H) Freeing all political prisoners;

(2) a determination by the President as to whether significant progress has been made in meeting the conditions described in clauses (A) through (H) of paragraph (1); and

(3) if the President determines under paragraph (2) that significant progress has not been made, a recommendation as to which of the following sanctions should be imposed:

(A) A ban on new commercial investment in South Africa.

(B) a denial of most-favored-nation status to South Africa.

(C) A ban on the importation of coal, uranium ore, and uranim oxide from South Africa and Namibia.

(D) Other economic or political sanctions.

(d)(1) Any joint resolution which—

(A) would enact part or all of the sanctions described in clauses (A) through (D) of subsection (c)(3), and

(B) is introduced in the Senate after the date of receipt of the report required by subsection (c),

shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976, except that, for purposes of section 601(b)(3)(A) of such Act, a reference to the "same certification" shall be deemed to be a reference to the report required by subsection (c).

(2) A joint resolution which is described in paragraph (1) and which is introduced in the House of Representatives after the date of receipt of the report required by subsection (c) shall be considered in accordance with paragraphs (1) through (5) of section 17(e).

PROHIBITION ON THE IMPORTATION OF KRUGERRANDS; WAIVER AUTHORITY

SEC. 17. (a) No person, including a bank, may import into the United States any South African Krugerrand or any other gold coin minted in South Africa or offered for sale by the Government of South Africa.

(b) For purposes of this section, the term "United States" includes the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

(c)(1) The President may waive the prohibition contained in subsection (a) for a period of not more than 12 months if—

(A) the President determines that one or more of the conditions set forth in subsection (d) are met,

(B) the President submits that determination to the Congress, and

(C) a joint resolution is enacted approving the President's determination.

(2) The President may waive the prohibitions contained in subsection (a) for additional 6-month periods if, before each such waiver—

(A) the President determines that an additional condition set forth in subsection (d) has been met since the preceding waiver under this subsection became effective,

(B) the President submits that determination to the Congress, and

(C) a joint resolution is enacted approving the President's determination.

(d) The conditions referred to in subsection (c) are the following:

(1) The Government of South Africa has eliminated the system which makes it impossible for black employees and their families to be housed in family accommodations near the place of employment.

(2) The Government of South Africa has eliminated all policies that restrict the rights of black people to seek employment in South Africa and to live wherever they find employment in South Africa.

(3) The Government of South Africa has eliminated all policies that make distinctions between the South African nationality of blacks and whites.

(4) The Government of South Africa has eliminated removals of black populations from certain geographic areas on account of race or ethnic origin.

(5) The Government of South Africa has eliminated all residence restrictions based on race or ethnic origin.

(6) The Government of South Africa has entered into meaningful negotiations with truly representative leaders of the black population for a new political system providing for the full national participation of all the people of South Africa in the social, political, and economic life in that country and an end to discrimination based on race or ethnic origin.

(7) An internationally recognized settlement for Namibia has been achieved.

(8) The Government of South Africa has freed all political prisoners.

(e)(1) All joint resolutions introduced in the House of Representatives and the Senate shall be referred immediately to the appropriate committees.

(2) If the committee of either House to which a joint resolution has been referred has not reported it at the end of 30 days after its introduction, the committee shall be discharged from further consideration of the joint resolution or of any other joint resolution introduced with respect to the same matter.

(3) A joint resolution under this subsection shall be considered in the Senate in accordance with the provisions of section 601(b)(4) of the International Security Assistance and Arms Export Control Act of 1976. For the purpose of expediting the consideration and passage of joint resolutions reported or discharged pursuant to the provisions of this subsection, it shall be in order for the Committee on Rules of the House of Representatives to present for consideration a resolution of the House of Representatives providing procedures for the immediate consideration of a joint resolution under this subsection which may be similar, if applicable, to the procedures set forth in section 601(b)(4) of the International Security Assistance and Arms Export Control Act of 1976.

(4) If before the passage by one House of a joint resolution of that House, that House receives a joint resolution with respect to the same matter from the other House, then—

(A) the procedure in that House shall be the same as if no joint resolution had been received from the other House; but

(B) the vote on final passage shall be on the joint resolution of the other House.

(5) In the computation of the period of 30 days referred to in paragraph (2) there shall be excluded the days on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain or because of an adjournment of the Congress sine die.

(6) For purposes of this subsection, the term "joint resolution" means a joint resolution the matter after the resolving clause of which is as follows: "That the Congress, having received on a determination of the President under section 17(c) of the Anti-Apartheid Act of 1985, approves the President's determination.", with the date of the receipt of the determination inserted in the blank.

MINTING GOLD BULLION COINS

SEC. 18. (a) Section 5112(a) of title 31, United States Code, is amended by adding at the end thereof the following new paragraphs:

"(7) A fifty dollar gold coin that is 32.7 millimeters in diameter, weighs 33.931 grams, and contains one troy ounce of fine gold.

"(8) A twenty-five dollar gold coin that is 27.0 millimeters in diameter, weighs 16.966 grams, and contains one-half troy ounce of fine gold.

"(9) A ten dollar gold coin that is 22.0 millimeters in diameter, weighs 8.483 grams, and contains one-fourth troy ounce of fine gold.

"(10) A five dollar gold coin that is 16.5 millimeters in diameter, weighs 3.393 grams, and contains one-tenth troy ounce of fine gold.".

(b) Section 5112 of title 31, United States Code, is amended by adding at the end thereof the following new subsection:

"(i)(1) Notwithstanding section 5111(a)(1) of this title, the Secretary shall mint and issue the gold coins described in paragraphs (7), (8), (9), and (10) of subsection (a) of this section, in quantities sufficient to meet public demand, and such gold coins shall—

"(A) have a design determined by the Secretary, except that the fifty dollar gold coin shall have—

"(i) on the obverse side, a design symbolic of Liberty; and

"(ii) on the reverse side, a design representing a family of eagles, with the male carrying an olive branch and flying above a nest containing a female eagle and hatchlings;

"(B) have inscriptions of the denomination, the weight of the fine gold content, the year of minting or issuance, and the words 'Liberty', 'In God We Trust', 'United States of America', and 'E Pluribus Unum'; and

"(C) have reeded edges.

"(2)(A) The Secretary shall sell the coins minted under this subsection to the public at a price equal to the market value of the bullion at the time of sale, plus the cost of minting, marketing, and distributing such coins (including labor, materials, dies, use of machinery, and promotional and overhead expenses).

"(B) The Secretary shall make bulk sales of the coins minted under this subsection at a reasonable discount.

"(3) For purposes of section 5132(a)(1) of this title, all coins minted under this subsection shall be considered to be numismatic items.".

"(c) Section 5116(a)(2) of title 31, United States Code, is amended by inserting after the first sentence the following new sentence: "The Secretary shall acquire the gold for the coins issued under section 5112(i) of this title by purchase only from natural deposits in the United States or in a territory or possession of the United States, or from reserves of gold held by the United States.".

"(d) Section 5118(b) of title 31, United States Code, is amended—

(1) in the first sentence, by striking out "or deliver"; and

(2) in the second sentence, by inserting "(other than gold and silver coins)" before "that may be lawfully held".

(e) The third sentence of section 5132(a)(1) of title 31, United States Code, is amended by striking out "minted under section 5112(a) of this title" and inserting in lieu thereof "minted under paragraphs (1) through (6) of section 5112(a) of this title".

"(f) Notwithstanding any other provision of law, an amount equal to the amount by which the proceeds from the sale of the coins issued under section 5112(i) of title 31, United States Code, exceed the sum of—

(1) the cost of minting, marketing, and distributing such coins, and

(2) the value of gold certificates (not exceeding forty-two and two-ninths dollars a fine troy ounce) retired from the use of gold contained in such coins.

shall be deposited in the general fund of the Treasury and shall be used for the sole purpose of reducing the national debt.

"(g) The Secretary shall take all actions necessary to ensure that the issuance of the coins minted under section 5112(i) of title 31, United States Code, shall result in no net cost to the United States Government.

(h) This section shall take effect on October 1, 1985, except that no coins may be issued or sold under section 5112(i) of title 31, United States Code, before October 1, 1986.

STUDY OF HEALTH CONDITIONS IN THE "HOMELANDS" AREAS OF SOUTH AFRICA

SEC. 19. The Secretary of State shall conduct a study to examine the state of health conditions and to determine the extent of starvation and malnutrition now prevalent in the "homelands" areas of South Africa and shall, not later than December 1, 1985, prepare and transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth the results of such study.

REGULATORY AUTHORITY

SEC. 20. (a) The President shall issue such regulations, licenses, and orders as are necessary to carry out—

(1) the provisions of section 14 prohibiting certain exports to South African Government entitles;

(20 the provisions of section 15 prohibiting loans to South African Government entitles; and

(3) the provisions of section 17 prohibiting the importation of Krugerrands.

(b)(1) The Secretary shall issue such regulations as are necessary to carry out—

(A) the provisions of section 9;

(B) the provisions of section 10(d), relating to registration; and

(C) the provisions of section 12(d) requiring the submission of reports.

(2) The regulations of the Secretary first issued under paragraph (1) shall be issued not later than 120 days after the date of the enactment of this Act.

(c) Before issuing final regulations under this section, the President and the Secretary shall publish in the Federal Register the regulations proposed to be issued and shall give interested persons, including the Advisory Committee established pursuant to section 11, at least 30 days to submit comments on the proposed regulations. The President and the Secretary shall, in issuing the final regulations, take into account the comments so submitted.

(d) The first annual report of the Secretary under section 12(a) shall be submitted to the Congress not later than one year after the date on which final regulations issued under subsection (b)(2) of this section are published. Each subsequent annual report shall be submitted not later than the end of each 1-year period thereafter.

ENFORCEMENT AND PENALTIES

SEC. 21. (a) The President with respect to his authorities under section 20(a), and the Secretary with respect to his authorities under section 20(b), shall take the necessary steps to ensure compliance with the provisions of this Act and any regulations, licenses, and orders issued to carry out this Act, including establishing mechanisms to monitor compliance with this Act and such regulations, licenses, and orders. In ensuring such compliance, the President and the Secretary may conduct investigations, hold hearings, administer oaths, examine witnesses, receive evidence, take depositions, and require by subpoena the attendance and testimony of witnesses and the production of all books, papers and documents relating to any matter under investigation.

(b) Except as provided in subsection (d)—

(1) any person, other than an individual, that violates the provisions of this Act, or any regulation, license, or order issued to carry out this Act shall be fined not more than $1,000,000;

(2) any individual who violates the provisions of this Act or any regulation, license, or order issued to carry out this Act shall be fined not more than $50,000, or imprisoned not more than 5 years, or both; and

(3) any individual who violates section 17(a) or any regulations issued to carry out that section shall, instead of the penalty set forth in paragraph (2), be fined not more than 5 times the value the krugerrands or gold coins involved.

(c)(1) Whenever a person commits a violation under subsection (b)—

(A) any officer, director, or employee of such person, or any natural person in control of such person who knowingly and willfully ordered, authorized, acquiesced in, or carried out the act or practice constituting the violation, and

(B) any agent of such person who knowingly and willfully carried out such act or practice,

shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

(2) Paragraph (1) shall not apply in the case of a violation by an individual of section 17(a) or of any regulation issued to carry out that section.

(3) A fine imposed under paragraph (1) on an individual for an act or practice constituting a violation may not be paid, directly or indirectly, by the person committing the violation itself.

(d)(1) Any person who violates any regulation issued under section 10(d) or 12(d) or who, in a registration statement or report required by the Secretary, makes any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading, shall be subject to a civil penalty of not more than $10,000 imposed by the Secretary. The provisions of subsections (d), (e), and (f) of section 11 of the Export Administration Act of 1979 shall apply with respect to any such civil penalty.

(2) Any person who commits a willful violation under paragraph (1) shall upon conviction be fined not more than $1,000,000 or imprisoned not more than 2 years, or both.

(3) Nothing in this section may be construed to authorize the imposition of any penalty for failure to implement the principles set forth in section 10(a).

TERMINATION OF PROVISIONS OF ACT

SEC. 22. (a) If the President determines that the system of apartheid in South Africa has been abolished, the President may submit that determination, and the basis for the determination, to the Congress.

(b) Upon the enactment of a joint resolution approving a determination of the President submitted to the Congress under subsection (a), the provisions of this Act, the amendments made by this Act, and all regulations, licenses, and orders issued to carry out this Act, shall terminate.

(c) For purposes of subsection (a), the "abolition of apartheid" shall include—

(1) the repeal of all laws and regulations that discriminate on the basis of race; and

(2) the establishment of a body of laws that assures the full national participation of all the people of South Africa in the social, political, and economic life in that country.

APPLICABILITY TO EVASIONS OF ACT

SEC. 23. This Act and the regulations issued to carry out this Act shall apply to any person who undertakes or causes to be undertaken any transaction or activity with the intent to evade this Act or such regulations.

CONSTRUCTION OF ACT

SEC. 24, Nothing in this Act shall be construed as constituting any recognition by the United States of the homelands referred to in this Act.

And the Senate agree to the same.

From the Foreign Affairs Committee on all provisions (except section 17 of the Senate amendment) and modifications committed to conference:

DANTE B. FASCELL,
STEPHEN J. SOLARZ,
DON BONKER,
HOWARD WOLPE,
GEO. W. CROCKETT, JR.,
MERVYN M. DYMALLY,
HOWARD BERMAN,
TED WEISS,
ROBERT GARCIA,
WM. BROOMFIELD,
MIKE DEWINE,

From the Banking, Finance and Urban Affairs Committee for section 17 of the Senate amendment and modifications committed to conference as additional conferees for the following sections: Section 3; section 4; section 5; sections 14(6) and 14(7) of the House bill; and section 8; section 15 of the Senate amendment:

FERNAND J. ST GERMAIN,
HENRY GONZALEZ,
FRANK ANNUNZIO,
PARREN J. MITCHELL,
STEPHEN L. NEAL,
DOUG BARNARD, JR.,
BRUCE A. MORRISON,
CHALMERS P. WYLIE,
STEWART B. MCKINNEY,
JIM LEACH,
JOHN HILER,

Managers on the Part of the House.

RICHARD G. LUGAR,
CHARLES MCC. MATHIAS, JR.,
NANCY LANDON KASSEBAUM,
JOHN HEINZ,
CLAIBORNE PELL,
PAUL SARBANES,
ALAN CRANSTON,
BILL PROXMIRE,

For section 15 of the Senate amendment:

TED KENNEDY
(in lieu of Mr. CRANSTON),

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1460) to express the opposition of the United States to the system of apartheid in South Africa, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SHORT TITLE

The House bill cited the act as the Anti-Apartheid Act of 1985.

The Senate amendment cited the act as the Anti-Apartheid Action Act of 1985.

The conference substitute is the same as the Senate provision.

FINDINGS AND POLICY DECLARATIONS

The House bill contains two congressional expressions of U.S. foreign policy: (1) Encouraging all nations to adopt policies guaranteeing broad human rights, civil liberties, and individual economic opportunities; and (2) condemnation and eradication of apartheid in South Africa.

The Senate amendment states that the policy and practice of apartheid harms the human rights of black South Africans, is repugnant to values of democratic societies, and runs counter to American efforts to promote democratic forms of government. It also declares that it shall be American policy to promote peaceful change in South Africa through diplomatic means, but where necessary through other measures as well.

The conference substitute is the same as the Senate provision.

POLICY ON SANCTIONS

The Senate amendment states that it shall be the policy of the United States to impose economic sanctions against the Government of South Africa if, within 18 months of enactment but not later than March 1, 1987, significant progress has not been made toward ending apartheid.

The House bill did not contain a comparable provision.

The conference substitute is the same as the Senate provision, with an amendment changing the time period to within 12 months but not later than January 1, 1987.

NEGOTIATIONS ON SANCTIONS

The House bill provides that the President shall attempt to persuade other governments to adopt economic restrictions similar to those in this bill and that the President report annually to Congress on the status of such negotiations.

The Senate bill directs the President to develop appropriate multilateral economic sanctions against the Government of South Africa through negotiations with other nations and to report annually to the Congress on the status of such negotiations.

The conference substitute is the same as the Senate provision.

REPORT ON STATUS OF APARTHEID

The House bill requires an annual report on progress or lack thereof by the South African Government in eliminating apartheid.

The Senate amendment requires the President to transmit to Congress by March 1, 1987, and annually thereafter, a report on the extent of progress made toward ending apartheid, including a Presidential determination as to whether significant progress has been made.

The conference substitute is the same as the Senate provision with an amendment changing the date to January 1, 1987, and inserting the conditions provided for in the House waiver provisions for the House provisions that would prohibit new investments in South Africa and the importation of krugerrands.

ADDITIONAL ANTI-APARTHEID MEASURES

The House bill contains a sense of Congress that the United States should take additional measures unless the South African Government makes progress toward eliminating apartheid.

The Senate amendment provides that in the event the President determines that significant progress has not been made toward abolishing apartheid, a recommendation is to be made to the Congress as to which of the following sanctions should be imposed: A ban on new commercial investment in South Africa, a ban on the importation of krugerrands, a denial of most-favored-nation tariff status to South Africa, or other economic or political sanctions.

The conference substitute is the Senate provision with an amendment removing from the list of prospective sanctions the ban on the importation of krugerrands and adding a ban on the importation of coal and uranium.

RESTRICTIONS ON NEW INVESTMENTS

The House bill requires the President to prohibit U.S. persons from making directly, or through a foreign affiliate, any investment (including bank loans) in South Africa. It exempts from this prohibition: (1) A loan or extension of credit for educational, housing, or health facility which are available to all persons and accessible to all population groups, or a loan agreement entered into before enactment of this act; (2) an investment of earnings from a business enterprise in South Africa established before enactment of the bill and which is made in the same business enterprise; and (3) the purchase, on a securities exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934, of securities in a business enterprise in South Africa established before enactment of the bill.

The Senate amendment authorized a ban on new investment as one of the prospective sanctions which the President may impose if he determines that no significant progress toward abolishing apartheid has been made and Congress approves.

The conference substitute is the same as the Senate provision.

PROHIBITION ON IMPORTATION OF GOLD COINS

The House bill prohibits importation of South African krugerrands or other gold coins from South Africa.

The Senate amendment provides for a similar prohibition after 18 months if the President determines there is no significant progress toward abolishing apartheid and Congress approves.

The conference substitute is the same as the House provision.

MINTING OF U.S. GOLD COINS

The Senate amendment provides for minting of a U.S. gold coin.

The House bill did not contain a comparable provision.

The conference substitute is the same as the Senate provision with an amendment adding language to provide that: (1) The gold coins shall be legal tender at their face value; (2) the Secretary of the Treasury shall make bulk sales of the coins at suitable discounts; (3) the profits from the sale of the coins shall be used solely to reduce the national debt; (4) the Secretary of the Treasury shall take all necessary action to assure there is no net cost to the government; and (5) a reaffirmation of current law that the coins and other gold and silver coins cannot be obtained dollar for dollar from the Secretary of the Treasury.

WAIVERS OF RESTRICTIONS ON NEW INVESTMENT AND IMPORTATION OF GOLD COINS

The House bill provides that the President may waive the prohibitions on new investment and gold coins for not more than 12 months if the President determines that one or more of eight conditions have been met and Congress approves the determination.

The Senate amendment does not contain a comparable provision.

The conference substitute is the same as the House provision, except it applies only to the ban on the importation of krugerrands.

EXPORTS OF COMPUTERS TO THE SOUTH AFRICAN GOVERNMENT

The House bill amends the Export Administration Act of 1979 to prohibit the direct or indirect export of computers, computer software, or goods or technology intended to service computers to or for use by the Government of South Africa or any corporation, partnership, or other organization controlled by the Government of South Africa.

The Senate amendment contains a comparable provision but specifies the government agencies of South Africa affected by the prohibition. It does not amend the Export Administration Act.

The conference substitute is the same as the Senate provision with an amendment adding several entities to the proscribed list. This provision restricts sales to the South African government of computers, computer software or goods or technology intended to service computers, allowing such sales only to those entities of the South African Government whose services are of benefit to nonwhites, or both whites and nonwhites except that this restriction may be waived if the sale is necessary for humanitarian purposes. The provision prohibits sales of computers and related parts and software to South Africa's military, police, and agencies which enforce apartheid, including national security agencies. This term is defined broadly to include all those entities that have a national intelligence function.

A major purpose of this legislation is to make certain the ban is complete on computer sales to the South African police, military, and other entities that enforce restrictions on blacks' freedom of movement, as well as on entities which have no beneficial impact on the nonwhite community. It is intended to close loopholes in current regulations, such as those relating to personal computers, and to prevent circumvention of the ban by the South African Government.

It is expected that in enforcing this ban, the administration will put into effect a system of end-use verifications on all computers covered by this provision sold to the South African Government, and on all computers for which spare parts and servicing are permitted. The end-use verifications must be adequate to assure that the computer in question is not used for prohibited purposes. The President is required to provide a detailed annual report to the Congress on the enforcement of the end-use verification system.

Computer companies are urged not to sell small- and medium-sized computers or to provide software or spare parts for computers owned by entities whose services are not available to nonwhites, even though the legislation explicitly bans such sales only if they have a contract value over $100,000.

NUCLEAR EXPORTS

The House bill prohibits all nuclear cooperation between the United States and South Africa, including prior licenses or authorizations.

The Senate amendment prohibits the export of goods or technology to be used in any South African nuclear production or utilization facility, prohibits the authorization to engage, directly or indirectly, in production of special nuclear material in South Africa, prohibits the export to South Africa of component parts or other items or substances relevant because of their significance for nuclear explosive purposes, and prohibits the retransfer to South Africa of any of these goods, technology, special nuclear material, components, items, or substances unless the Secretary of State certifies that South Africa has become a party to the Treaty on the Non-Proliferation of Nuclear Weapons.

The conference substitute is the same as the Senate provision.

LABOR PRACTICES OF THE U.S. GOVERNMENT IN SOUTH AFRICA

The Senate amendment directs the Secretary of State to take necessary steps to apply fair employment (Sullivan) principles to U.S. Embassy and contracts for services.

The House adopted a similar provision which applied only to Embassy direct hire personnel in H.R. 2068 (The Department of State authorization bill).

The conference substitute is identical to the Senate provision.

EMPLOYMENT PRACTICES OF U.S. NATIONALS IN SOUTH AFRICA

The Senate amendment imposes mandatory fair employment practices for U.S. nationals controlling companies in South Africa. It establishes reporting requirements for U.S. companies and for the Secretary of State on U.S. and foreign company compliance.

The House bill contains no comparable provision.

The conference substitute is the Senate provision with an amendment establishing an advisory committee and procedures for onsight inspection.

REGULATORY AUTHORITY

The House bill requires the President to issue regulations to carry out the act.

The Senate amendment contains regulatory authority in the provisions dealing with computer exports and employment practices.

The conference substitute is a combination of the two provisions.

ENFORCEMENT AND PENALTIES

The House bill provides authority for the President to ensure compliance with the act and sets forth penalties for violation.

The Senate amendment contains specific violation provisions in the provision on computer exports and labor practices.

The conference substitute is the same as the House provision.

TERMINATION OF PROVISIONS OF THE ACT

The House bill provides for termination of the provisions of the act upon enactment of a joint congressional resolution concurring in a Presidential determination that apartheid has been abolished.

The Senate amendment contains no comparable provision.

The conference substitute is the same as the House provision.

SCHOLARSHIPS FOR BLACK SOUTH AFRICANS

The Senate amendment sets aside $15 million of the funds authorized for the education and human resources account for the Agency for International Development for scholarships for black South Africans to attend South African universities, colleges, and secondary schools. It provides for the U.S. Ambassador to appoint the selection panels who will select students for the assistance.

The House bill contains no comparable provision.

The conference substitute is the Senate provision with an amendment setting the funding levels at $8 million in fiscal year 1986, $11 million in fiscal year 1987, and $15 million thereafter and allocating half the funds for scholarships in accordance with the selection process described in the Senate amendment and half the funds for nongovernmental antiapartheid groups to carry out education, training, and scholarship programs.

HUMAN RIGHTS FUND

The Senate amendment makes permanent section 116(c)(2)(A) of the Foreign Assistance Act of 1961 which provides assistance for human rights and increases the funding for these human rights grants to $1,500,000 annually. Twenty percent of the funds are reserved for legal defense of victims of apartheid. In addition, authority to make these grants is transferred to the Assistant Secretary of State for Human Rights and Humanitarian Affairs.

The House bill contains no comparable provision.

The conference substitute is the Senate provision with an amendment changing the 20 percent to $350,000 and expanding the criteria to include aid to community groups nonviolently resisting apartheid. These funds are intended to be in lieu of, not additional, to similar authority provided in chapter 4 of Part II of the Foreign Assistance Act of 1961.

EXPANDING PARTICIPATION IN THE SOUTH AFRICAN ECONOMY

The Senate amendment urges the U.S. Government to assist in all appropriate ways the realization by South African blacks of their rightful place in the South African economy.

The House bill contains no comparable provision.

The conference substitute is the Senate provision.

OVERSEAS PRIVATE INVESTMENT CORPORATION

The Senate amendment makes OPIC insurance and guarantees available for joint ventures between American investors and black South Africans and waives the requirement for a government-to-government agreement.

The House bill contains no comparable provision.

The conference substitute is the House position.

EXPORT-IMPORT BANK

The Senate amendment instructs the Export-Import Bank to take active steps to encourage use of its facilities by business enterprises owned by black South Africans and waives the Evans amendment which prohibits Eximbank activities in South Africa.

The House bill contains no comparable provision.

The conference substitute is the Senate provision.

HEALTH CONDITIONS IN THE HOMELANDS

The Senate amendment directs the Secretary of State to conduct a study and to report to Congress on health conditions in the Homelands.

The House bill contains no comparable provision.

The conference substitute is the Senate provision.

APPLICABILITY TO EVASIONS OF ACT

The House bill makes provisions of the bill applicable to persons who act to evade those provisions.

The Senate amendment contains no comparable provision.

The conference substitute is the House provision.

CONSTRUCTION OF THE ACT

The House bill provides that nothing in the act is to be construed as U.S. recognition of the "Homelands".

The Senate amendment contains no comparable provision.

The conference substitute is the House provision.

IMPORTS OF COAL AND URANIUM FROM SOUTH AFRICA/NAMIBIA

The House in H.R. 1555 (foreign aid bill) contains a provision which prohibits imports of coal and uranium from South Africa/Namibia.

The Senate amendment contains no comparable provision.

The conference substitute is to provide that this is one of the sanctions which may be imposed in the future if the Government of South Africa does not achieve significant progress in abolishing apartheid.

From the Foreign Affairs Committee on all provisions (except section 17 of the Senate amendment) and modifications committed to conference:

DANTE B. FASCELL,
STEPHEN J. SOLARZ,
DON BONKER,
HOWARD WOLPE,
GEO. W. CROCKETT, Jr.,
MERVYN M. DYMALLY,
HOWARD BERMAN,
TED WEISS,
ROBERT GARCIA,
WM. BROOMFIELD,
MIKE DEWINE,

From the Banking, Finance and Urban Affairs Committee for section 17 of the Senate amendment and modifications committed to conference as additional conferees for the following sections: Section 3; section 4; section 5; sections 14(6) and 14(7) of the House bill; and section 8; section 15 of the Senate amendment:

FERNAND J. ST GERMAIN,
HENRY GONZALEZ,
FRANK ANNUNZIO,
PARREN J. MITCHELL,
STEPHEN L. NEAL,
DOUG BARNARD, Jr.,
BRUCE A. MORRISON,
CHALMERS P. WYLIE,
STEWART B. MCKINNEY,
JIM LEACH,
JOHN HILER,

Managers on the Part of the House.

RICHARD G. LUGAR,
CHARLES MCC. MATHIAS, Jr.,
NANCY LANDON KASSEBAUM,
JOHN HEINZ,
CLAIBORNE PELL,
PAUL SARBANES,
ALAN CRANSTON,
BILL PROXMIRE,

For section 15 of the Senate amendment:

TED KENNEDY
(in lieu of Mr. CRANSTON),

Managers on the Part of the Senate.

REQUEST TO MAKE IN ORDER CONSIDERATION ON THURSDAY, AUGUST 1, 1985, OR ANY DAY THEREAFTER OF SENATE CONCURRENT RESOLUTION 32, FIRST CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1986

Mr. GRAY of Pennsylvania. Mr. Speaker, I ask unanimous consent that it shall be in order to consider at any time on Thursday, August 1, or any day thereafter, the conference report on Senate Concurrent Resolution 32, the first concurrent resolution on the budget for fiscal year 1986, or any amendment reported in disagreement from the conference, that all points of order against the conference report be waived, that it shall be in order for the House by motion to recede from its amendment with an amendment or amendments, and the previous question shall be considered as ordered on such motion.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. WALKER. Mr. Speaker, reserving the right to object, I would like to ask, if I may, the ranking Republican on the Budget Committee if he could answer a couple of questions from our perspective about it.

Could the gentleman give us some idea as to what the Budget Committee is likely to come to the House with in terms of first-year savings in the resolution?

Mr. LATTA. If the gentleman will yield, I would be happy to respond to the gentleman.

We are about $55 billion hard savings. We have taken out the contracting in, and we have, I think, crafted a budget that will be bipartisan that we can support on our side. We did not get everything that we wanted in the conference in the way of savings and termination of programs.

I might say to the gentleman that I have been on every conference since the Budget Act came into being and this has been the most difficult conference of them all, and the longest. There were differences on taxes and differences on COLA's, but through hard work on both sides, I think that we have come up with something that we can support.

Overall, we have about $276 billion in savings in 3 years, no new taxes, we have preserved COLA's, and I think it is something that we can be satisfied with when it comes.

Mr. WALKER. Further reserving the right to object, can the gentleman give us some idea as to how much of that $276 billion over 3 years is reconciled in the proposal?

Mr. LATTA. If the gentleman will yield further, about $68 billion at the moment, but we have not quite completed our conference.

Mr. WALKER. Mr. Speaker, I thank the gentleman, and further reserving the right to object, I would be very glad to yield to the gentleman from Pennsylvania [Mr. GRAY] if he has any comments.

Mr. GRAY of Pennsylvania. I thank the gentleman for yielding.

Mr. Speaker, I think that the gentleman from Ohio, the ranking member of the Budget Committee, has adequately described the situation. I think those terms are in the ballpark. We still have a way to go. We have not completed a budget resolution.

All this unanimous-consent request does is allow us, if we are able to complete one when the conference resumes at 11:30, if we are able to complete one it essentially allows this body to act on it before we depart.

Mr. WALKER. Further reserving the right to object, Mr. Speaker, I appreciate that explanation.

One question I am getting from our side is, with the gentleman's unanimous-consent request, can we assume that the gentleman does have hopes that we will get this before us sometime yet in this legislative day?

Mr. GRAY of Pennsylvania. If the gentleman will yield further, the reason we are bringing this unanimous-consent request before the body is because we do have just that hope.

Mr. LATTA. Mr. Speaker, will the gentleman yield to me?

Mr. WALKER. Further reserving the right to object, I would be glad to yield to the gentleman from Ohio.

Mr. LATTA. I thank the gentleman for yielding.

Let me say that is my extreme hope that we can do that this afternoon.

Mr. WALKER. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. SMITH of Iowa. Mr. Speaker, reserving the right to object, do I understand this proposal would increase budget authority for defense by $10 billion over 1985?

Mr. GRAY of Pennsylvania. If the gentleman will yield, at this time we do not have an agreement on a budget authority for the entire budget, and there has not been a finalization of the 050, or the defense number.

Mr. SMITH of Iowa. Further reserving the right to object, I think it is premature to make this request because I remember what happened last October 1. We were in conference on the continuing resolution. There was an agreement made by others to increase budget authority for the Defense Department by $8 billion. That became the floor for the defense part of the bill in conference.

A budget resolution is a goal for the Appropriations Committee. This is more binding on the House than the authorization bill. The authorization bill is a mere authorization and appropriations can be and are often less. We are talking here about a goal for the appropriation. You lock in a $10 billion increase in the goal for the authorization, and when we get into the conference on the continuing resolution on October 1, we will be required to take $10 billion out of other programs or else the deficit reduction will be cut by $10 billion. There is no other way to do it.

I think the House is entitled to a separate vote on whether or not they want to eliminate the freeze on military. If the majority want to vote to go up $10 billion, I would accept it but we ought to have a separate vote. If we grant a unanimous-consent request on this, there is no possibility. That eliminates the necessity to go to the Committee on Rules. The Committee on Rules will not have the opportunity to give us a separate vote on that.

For the last 3 weeks we have been passing little piddling thousand-dollar decreases to get bills down to the authorization or 1985 level on those bills, and we should not have one bill with a goal for a $10 billion increase that would, way more than offset all that we have done in the last 3 weeks on appropriations bills.

For that reason, I have to object, Mr. Speaker.

The SPEAKER. Objection is heard.

Mr. SMITH of Iowa. I will further reserve the right to object if somebody wants to say something.

Mr. GRAY of Pennsylvania. Mr. Speaker, if the gentleman would like me to respond, I will be glad to respond.

The SPEAKER. Does the gentleman ask unanimous consent to strike part of the remarks that he just made?

Mr. SMITH of Iowa. I do.

The SPEAKER. The gentleman reserves the right to object?

Mr. SMITH of Iowa. Yes.

Mr. GRAY of Pennsylvania. If the gentleman will yield, let me respond to the distinguished gentleman, who is a senior member of the Committee on Appropriations, on which I also serve, and simply say at this time all this does is allow us to bring before the body a budget resolution conference report if we should achieve one. We do not know what the final figures will be, and certainly there are many Members who will have concerns about those final figures in a variety of areas.

There will be those who will dispute the target or the ceiling in function 050, or defense. There may be those who will dispute and have strong feelings about the low-income programs that some of us are hoping will be fully funded. There will be those who will not agree with certain assumptions with regard to eliminations, et cetera.

However, let me remind the body that we will have ample opportunity to express our wills individually on all of these issues because there will be a defense conference report of the authorizing committee that will come before this body some time. There will also be a defense appropriation bill that will come before this body, as the gentleman knows, which will come out of the committee on which he serves. There will be authorizations and appropriations committee bills where this House will have an opportunity.

All the budget resolution does is set a target and a ceiling. I would point out to the body, and particularly to those members of the Committee on Appropriations, that so far, the bills that have come forth from the Committee on Appropriations—I think there have been about four of those bills that have passed this House—are $8 billion below the target set.

Thus, when you vote for the budget resolution, if there is a vote today, which I hope there will be, so that we can go home and tell the American people that we do have a budget, all this does is allow us to do that. We will be saying that these are the ceilings, these are the optimum targets.

However, as everyone knows, you will get an opportunity to vote on authorization bills, on conference reports, and on appropriations bills where this body will be able to work its legislative will if there are those who do not want to reach the ceiling.

So I would hope that we would not delay the possibility of passing a budget, sending a strong message to the financial markets of this Nation and to the American people that we are quite serious about fiscal responsibility simply because we see a ceiling and we are concerned about it. We will have an opportunity to work our will on the defense authorizing conference report as well as the appropriations bill, as well as others.

□ 1040

Mr. SMITH of Iowa. Mr. Speaker, here is the problem: If you get this unanimous consent, then when you come back with the resolution, we will have waived the 3-day rule; we will have also waived the 5 hours of debate. We then will not have an opportunity for a separate vote on whether or not we want to freeze the military. The only possibility of getting that, as I understand it, is if we do not waive those rules, and go to the Rules Committee, and the Rules Committee can grant a rule for a separate vote on an amendment freezing the military function at the 1985 level.

I think, after we have struggled on eight appropriation bills for 3 weeks to reduce $8 billion below the 1985 level, we ought not pass a budget resolution under this procedure and increase the military function by $10 billion over 1985 and more than offset what we have done in the last 3 weeks.

Mr. GLICKMAN. Mr. Speaker, will my colleague, the gentleman from Iowa yield?

Mr. SMITH of Iowa. Yes; I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Speaker, I guess what concerns me, I say to my colleagues, No. 1, as I understand it, whatever allocation would come in from the Budget Committee, it is a maximum allocation that could then be cut in the appropriation bill or in a separate vote on the authorization bill.

No. 2, if my colleague will yield further, what we are doing here is basically delaying the process because it appears to me that if an objection is raised right here, we will in fact go to the Rules Committee. The House will basically take up this same budget after a rule has been passed, and we will be here Friday or Saturday to do that kind of thing, and in fact we will end up with the same budget that the gentleman is proposing now.

Mr. SMITH of Iowa. Mr. Speaker, all I want is a separate vote on whether or not we are going to freeze military before September 30. We are going to get that military appropriations bill as the last bill this year, after we have done all this cutting. Then we are going to go over to the continuing resolution conference and the Senate conferees are going to say, "Hey, we have already agreed on this; the goal was for a $10 billion increase," and that will be the end of it and all of our work on other bills will be down the drain.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, I wonder if I could address the chairman of the Budget Committee, the gentleman from Pennsylvania [Mr. GRAY], and make this inquiry:

Whatever the figure that the conference committee might reach on the 050 function, the defense function, would be, would it not, a maximum figure that would then be subject to further action in the appropriations process, and even in the unresolved authorization process, to determine what the actual level of authority for defense would be; is that correct?

Mr. GRAY of Pennsylvania. Mr. Speaker, if the gentleman will yield further, the gentleman from Washington is absolutely correct. It is a maximum. It does not mean that the House is limited in its actions.

Mr. SMITH of Iowa. As a practical matter, it does not work that way.

Mr. FOLEY. Mr. Speaker, if the gentleman will yield further, I think it is important to emphasize this point: that we are in no sense, in accepting a figure for the defense function, saying that is the minimum figure or that that figure is not subject to further consideration downward possibly by the appropriation process.

Mr. RUSSO. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. Mr. Speaker, before I yield further, let me have the attention of the gentleman from Pennsylvania.

Would the gentleman from Pennsylvania—and I would not object if he would do this—agree to amend his request to provide that the House shall have a separate vote on whether or not to increase defense over 1985?

Mr. RUSSO. Mr Speaker, will the gentleman yield on that point before he gets an answer from the chairman?

Mr. SMITH of Iowa. I would like to have an answer to that question.

Mr. RUSSO. I think I can clarify that for the gentleman from Iowa if I can bring up what happened at the meeting.

Mr. SMITH of Iowa. I would like to have the chairman of the committee respond to that.

Mr. GRAY of Pennsylvania. Mr. Speaker, if the gentleman will yield further, the answer to the gentleman's question is that that would violate the rules of the House, as I understand it, with regard to the unanimous-consent request with regard to the Budget Act.

Mr. SMITH of Iowa. But by unanimous consent, we can waive the rules of the House. You can do that by unanimous consent. I am just asking the gentleman, will he amend his unanimous-consent request to do that?

Mr. RUSSO. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. Mr. Speaker, will the gentleman yield to me?

Mr. SMITH of Iowa. I would like for the chairman of the committee to answer.

Mr. FOLEY. Mr. Speaker, while the gentleman is consulting, will the gentleman yield to me?

Mr. SMITH of Iowa. Yes; I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, would it meet the gentleman's purpose if he were assured that in the consideration of the authorization bill on the Department of Defense authorization, a separate vote could be obtained by Members on the figure of that authorization level?

Mr. SMITH of Iowa. Mr. Speaker, as a practical matter, I went through this last year, and I know what happens. Regardless of what is in the authorization, if we have your goal and we have established it by a vote in the House and the Senate and the goal is $10 billion over 1985, when we get in that continuing resolution conference, they are going to say, "Hey, you have already decided that. You have decided that, so you take it out of other things." Then you will have reconciliation, and I know what they will be on. They will be on fisheries, they will be on law enforcement, they will be on the things that the administration did not request.

Mr. FOLEY. Mr. Speaker, will the gentleman yield further?

Mr. SMITH of Iowa. Yes; I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, I think it is, with respect, not a situation where the budget figure controls the authorization figure except as a maximum where the budget figure controls the appropriation figure, except as a maximum, and I think I can assure the gentleman that there will be an opportunity, regardless of what figure is set in the budget, for a lower figure, including a level of the previous position of the House to be considered in the authorization and the appropriation process.

Mr. SMITH of Iowa. Mr. Speaker, we need to do it in this process right here. What is wrong with unanimous consent to give us a separate vote on that? If the majority does not want it, all right, the majority said so.

What is wrong with the majority having an opportunity to vote on that?

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. Yes; I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Speaker, I thank the gentleman for yielding under his reservation.

Let me just say to my good friend—and he is my good friend; as a matter of fact, we came to this Congress together, and we know something about what goes on around here—let me say that if we start amending the budget process to permit individual votes on everything that comes along, then we are going to have to go down the list and have individual votes on all the things that we have agreed on. We have never done this, and the gentleman knows that.

As has been explained by the gentleman from Washington, we will have an ample opportunity, as the gentleman well knows, when the appropriate spending bills come along to offer amendments. You can make your voice known then.

Certainly this is a very tenuous situation that we face, and let me stress this. This has not been easy. We have had a Senate that has been very, very difficult to deal with, and if we start doing these things, this is going to fall apart. I want to assure the gentleman that may happen, and he does not want that. I know he does not want that. The American people and the financial markets are waiting on action by this House on this particular piece of legislation. I am certain the gentleman would not want the finger pointed at him as the individual who stopped the budget resolution in its tracks. If we do what you want, I can assure the gentleman there is not going to be any conference report on the budget; it is not going to pass, and it will come all apart.

The gentleman from Pennsylvania and everybody who has been working on this have had the country's interests at heart in all of this. I could start and name function after function that I disagree with, and I would like to have a separate vote, but I do not want to prolong the procedure. We could go on for days arguing about all these things, and we do not want that.

Mr. SMITH of Iowa. Mr. Speaker, I am not talking about separate votes on everything. I am talking about a vote on just one thing, and that one thing is the biggest function in the budget and it determines whether we are going to have a freeze or whether we are not going to have a freeze.

Mr. PANETTA. Mr. Speaker, will the gentleman yield?

Mr. LATTA. Mr. Speaker, if the gentleman will yield for just one further thing—defense is taking the biggest cut, $27 billion out of the $55 billion in savings that comes out of 050. Does the gentleman know that? That is what is coming out of that particular function in the budget resolution.

The SPEAKER. The Chair will call for regular order.

Is there objection to the request of the gentleman from Pennsylvania?

Mr. SMITH of Iowa. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

THE BALANCED BUDGET AMENDMENT: THE TIME IS NOW

(Mr. SLAUGHTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SLAUGHTER. Mr. Speaker, the time has come to make a serious effort to end the many years of deficit financing by this body. For 25 of the last 26 years, Congress has had to borrow money to finance the programs it has authorized. Our national debt now totals over $1.8 trillion. The interest on this debt is staggering: Last year it totaled $111 billion, a full 13 percent of the Federal budget.

This is fiscal irresponsibility, and it is time for it to end.

I am cosponsoring House Joint Resolution 27, the balanced budget amendment, as the best first step toward responsibility.

For the answer to soaring deficits is certainly not more taxes; the answer is fiscal responsibility. This body must discipline itself to establish priorities for financing Federal programs. Those with highest priority will get financed; those with lower priority must be cut back or eliminated. The answer is possible if only Congress would learn how to say "no."

Years of experience have shown that Congress cannot or will not do this; it cannot discipline itself to establish priorities. It seems that the only thing this body can say is "yes."

This balanced budget amendment would force Congress to establish national priorities for Federal spending. And it is only through establishing these priorities that we can begin to make some real progress toward reducing deficits. I think this can be done and I think it must be done.

I urge my colleagues to join me in supporting this amendment.

□ 1050

SAVE AMERICAN JOBS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, a recent news article reports that AT&T plans to move production of residential telephones to Singapore. These phones are currently produced in Shreveport, LA—and although this is not in my district this move is illustrative of what is happening to American jobs. About 875 jobs will be lost at the Shreveport plant, and over the next 5 years, AT&T will invest $30 million in the Singapore operation, which will employ 1,000 workers who will be paid 25 percent of what American workers would be paid.

Unfortunately, this is not just an isolated incident. Increasing numbers of U.S. multinational corporations are turning their backs on American workers, setting up operations overseas and across the Mexican border. What this means is jobs for foreign laborers and more unemployed Americans. This has got to stop. This is crazy!

I have introduced a bill, the Foreign Subsidiary Tax Equity Act, that would discourage American corporations from moving overseas by plugging the current loophole in the Tax Code by requiring these runaway plants to pay tax on the income generated in tax haven countries.

The time has come for Congress to take action to stop American corporations from pulling up stakes and taking away American jobs. American workers need our help! I urge all of you to cosponsor H.R. 1914, the Foreign Subsidiary Tax Equity Act.

CONGRESSWOMAN HOLT RETIRING FROM HOUSE

(Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HOLT. Mr. Speaker, after some months of prayer and deliberation, I am announcing that I will not seek reelection to an eighth term in the House of Representatives.

The reason I have decided to retire from the House is that I simply want more time with my wonderful husband, Duncan, and our seven grandchildren.

Mr. Speaker, serving in this House has been a high honor of which I dreamed when I was a schoolgirl many years ago. I thank God that I have had this great privilege. I tried to represent my constituents to the best of my ability and I cherish the many wonderful friends I have come to know in this body.

I truly love this House and all that it means to this great, free country.

THE BUDGET RESOLUTION

(Mr. WHITTEN asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. WHITTEN. Mr. Speaker, as most of you know, I was cochairman of the committee that promoted the Budget and Impoundment Control Act and then served upon the Budget Committee. The Budget Act today is far different than was intended.

Let me just say to you that our appropriation bills are under the House-passed budget resolution. I hope the Senate will agree with us.

Again we are living within the House passed resolution, but to go and add $10 billion to the debt as insisted upon by the Senate is to step backward. It means little if there is no payment on the debt or deficit. In fact, none of the proposed budget resolutions require any reduction in either the debt or the deficit. If what we save goes to increase the carryover or the expenditures for military spending, it only means a transfer from domestic programs.

When we set up the Budget Committee, we did so because 42 percent of Federal spending was going around the annual review of our Committee on Appropriations. Now, after 10 years of operating with the Budget Act, 46 percent of our expenditures are beyond the annual appropriations review.

Not only that, but only 15.1 percent of spending is subject to action of Congress for discretionary spending. The other is tied down and in effect mandatory or for military spending.

The projected spending, however, for the Department of Defense as submitted in the budget for the next 5 years would increase to a figure which would leave nothing to run the domestic economy. I tell you now, defense must have public support. It must have behind it a strong economy, or we will have no defense. Military spending is just as dependent on our economy and our domestic programs as can be.

We just got through with a supplemental appropriation bill, which will come up again today. We argued and fussed with each other about every dime when it was to be used in this country. When we were asked to and did provide $2,250 million for increased foreign aid for the last 2 months of the fiscal year, August and September, we heard no criticism, no discussion, no editorialism—nothing. They took it for granted that it was necessary to increase foreign aid.

We argue and fuss with each other about doing anything to protect our own country. I tell you again, you have given us a total figure and we are living within it. We in the House do have a budget resolution. All we need to do is insist that our Senators will agree with us. We cannot afford to go into debt further when we have such a large deficit—and we must reduce the deficit and the debt. Nothing in the budget resolution that we deal with requires that.

Again, not a dime that you heard discussed in savings goes to reduce the deficit or the debt. We hope it will, but, if you are going to save it on one side and increase spending on the other side, we will go backward. We don't have to have the Senate to agree. We can draw the line and in conference insist that it be kept.

I ask you, give our Appropriations Committee a total figure as you have done and let us work it out as we are doing. Do not listen to a couple of economists to upset our hard work.

Our committee held hearings with thousands of witnesses with many years of experience. We are holding the line. Don't give our savings away—$10 billion.

LET US NOT FORGET THE SEVEN AMERICANS HELD HOSTAGE IN LEBANON

(Mr. O'BRIEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'BRIEN. Mr. Speaker, on January 8, 1985, negotiations between Israel and Lebanon for the withdrawl of Israeli forces from southern Lebanon were suspended.

The United States and the Soviet Union agreed to open wide-ranging arms control talks in Geneva.

In New York, the jury in the trial of Gen. William Westmoreland's charges of libel against CBS began hearing the defendant's case.

First Lady Nancy Reagan was Time magazine's cover story for the week.

The Cubs lost relief pitcher Tim "White Shoes" Stoddard when he signed with the San Diego Padres.

And at 7:30 a.m., that morning of January 8, 1985, Father Lawrence Jenco my friend, was kidnaped at gunpoint in Beirut on his way to work as director of Catholic Relief Services for Lebanon.

Today marks the 205th day Father Jenco has been held hostage in Lebanon.

Today is the 503d day William Buckley has been held hostage in Lebanon.

Today is the 450th day of captivity for the Rev. Benjamin Weir.

Terry Anderson, the Associated Press bureau chief in Beirut, has been held hostage for 138 days today.

Today is the 52d day Thomas Sutherland has been held hostage.

Today is the 65th day of captivity for David Jacobsen.

Today also marks the 240th day since the disappearance of Peter Kilburn in Beirut.

Mr. Speaker, America has had a hostage crisis in Lebanon 500 days old. As each of us returns nightly to our homes, to eat supper with our families, to sit with them in a family room, to watch a ballgame, a movie, a favorite program, to enjoy a cup of hot coffee and a piece of homemade cake, let us not forget the seven Americans still held hostage in Lebanon. Pray for them.

THE SLAUGHTER IN SOUTH AFRICA

(Mr. OWENS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OWENS. Mr. Speaker, for the second time in this century, millions of human beings are about to be slaughtered by a racist, diabolical government. In the 1930's and the 1940's, it was the government of Adolf Hitler in Nazi Germany who perpetrated the slaughter against the Jews. In the 1980's, it is the racist Government of South Africa about to slaughter their fellow countrymen.

The storm troopers, commanded from Johannesburg, have descended on the black townships with blitzkrieg speed and efficiency and isolated those townships and are now about to make those townships concentration camps.

We are going to witness a slaughter unlike any we have seen before and this time we cannot say that we did not know it was going on. We can expect the South African Government to dig in if it has no more pressure from the U.S. Government.

I urge all of my colleagues to understand what is going on and to join the Congressional Black Caucus members in requesting that the President revise his constructive engagement policy immediately and call on the South African Government to free Nelson Mandela and allow Nelson Mandela, who is the only recognized leader of all of the South African blacks, to participate in meaningful negotiations.

They should also call upon the South African Government to set a timetable for the granting of full and equal rights to the black population of South Africa.

WHAT IS A TERRORIST?

(Mr. COURTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COURTER. Mr. Speaker, for some, the word "terrorist" is an epithet, a label governments apply to an enemy's guerrilla fighters but never to their own.

But this makes no sense. A terrorist is a man who deliberately seeks out the innocent, who deliberately maims or murders the uninvolved, for the purpose of enhancing the political shock effects of his crime.

It is therefore not true that "one man's terrorist is another man's freedom fighter." No murderer of innocents is fighting for freedom. It is equally false to pretend that every government prosecutes foreign terrorists while sheltering its own violent zealots.

We have been waiting since December for Iran to bring to the bar of justice the Shiites who murdered two American passengers on a Kuwaiti airliner at Tehran airport. We are still waiting for Nabih Berri, who carries the title of Lebanese Minister of Justice, to see justice done for the murder of Robert Stethem. On the other hand, in Israel, 15 Jewish terrorists have just been convicted under Israeli law for crimes against Arab lives and property. The judges condemned their countrymen to prison, some for life sentences.

Mr. Speaker, some governors rule according to their inclinations, while others rule according to law.

□ 1100

COMMEMORATION OF BRIDGEWATER, VA, SESQUICENTENNIAL

(Mr. OLIN asked and was given permission to address the House for 1 minute.)

Mr. OLIN. Mr. Speaker, today, the small town of Bridgewater, VA, will begin a 10-day celebration of its sesquicentennial—the 150th anniversary of its charter being granted by the Virginia General Assembly.

Bridgewater is a fine example of a small Shenandoah Valley town. Settled in the mid-1700's, first by the Scotch-Irish, then by the English, Dutch, Welsh, and Germans, the early community served as a prosperous port on the North River, one of the three forks of the Shenandoah River.

It has survived the Civil War, with opposing troops on each side of the river; it has survived disastrous floods; and it has prospered, by the efforts of hardworking, churchgoing people who share a spirit of community and commitment. The influence of Bridgewater College, a small, private school founded in 1880, extends well beyond the town, preparing teachers, doctors, lawyers, ministers, business and community leaders for service throughout Virginia and the Nation.

Bridgewater is one of the treasures of the Shenandoah Valley. I am pleased to offer my congratulations as the celebration begins on its 150th birthday. I hope all of you will be able to visit us sometime.

SUPREME COURT ATTEMPTS TO SEVER GOVERNMENT AND RELIGION

(Mr. BARTON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Speaker, I would like to address the Supreme Court's so-called neutrality principle of religion, especially as it relates to the school prayer issue.

On June 4, 1985, in the case of Wallace versus Jaffree, the Supreme Court declared unconstitutional an Alabama statute authorizing a 1-minute period of silence in all public schools for meditation or voluntary prayer. While the Court allowed for the period of silence, it stated that the use of the phrase, "for meditation or voluntary prayer," respected the establishment of religion and thus violated the first amendment.

Justice Stevens, who deliberated the opinion of the Court, states that the Alabama statute "is not consistent with the established principle that the Government must pursue a course of complete neutrality toward religion."

Does the Court mean to imply that this self-declared neutrality requires the Government to be wholly secular and devoid of any acknowledgement of a Supreme Being and Creator?

That would, indeed, be odd, for the Supreme Court itself begins its sessions with the invocation, "God save the United States and this Honorable Court." And we ourselves begin each session with a specific prayer to a very specific God.

Therefore, I would like to suggest that the Supreme Court's so-called neutrality is nothing more than an attempt to remove any connection whatsoever between Government and religion.

In order to get religion back in the public schools, we need to sign Discharge Petition No. 1 at the desk today.

THE RACKETEER WEAPONS AND VIOLENT CRIME CONTROL ACT OF 1985

(Mr. RODINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RODINO. Mr. Speaker, with my distinguished colleague from New Jersey, Mr. HUGHES and joined by Congressemen GREEN and WHITEHURST, I am today introducing a bill to help law enforcement officers combat crime by keeping guns out of the hands of criminals. This bill provides for a reasonable waiting period before a handgun can be purchased to ensure that potential criminals cannot obtain a handgun. At the same time, it also attempts to address some concerns of sportsmen and gun dealers.

Over 100 police chiefs have called for a waiting period. So do the major police organizations, who have urged me to submit this bill. They have good reason: Two-thirds of all police officers who died in line of duty last year were killed by handguns.

Public opinion polls show an overwhelming majority of the people support a waiting period. Newspapers endorse it. The Attorney General's 1981 Task Force on Violent Crime recommended it. And many sportsmen—tired of seeing reasonable law enforcement measures destroyed in their name—think it's a good idea.

As a nation, it is time to take the guns out of the hands of criminals.

COMPARABLE WORTH

(Mr. MONSON asked and was given permission to address the House for 1 minute.)

Mr. MONSON. Mr. Speaker, one of the controversial issues reemerging here is that of comparable worth—or equal pay for different work. The creative minds behind this proposal claim comparable worth is the same as equal pay. This is simply not true. Equal pay is the legal requirement that an employer must pay equal wages to men and women who do the same work. Comparable worth requires equal wages for jobs that are dissimilar but are thought to have the same worth.

As I have explained this difference to residents of my district in Utah, many have been surprised that Congress would spend time debating such a preposterous idea. Still, many are fooled by the rhetoric that this concept means fairness and equality.

The theory of comparable worth has many major flaws. First, it fails to address the reasons for the wage gap and presumes discrimination on the mere existence of a wage difference. Second, it ignores the civil rights and equal pay laws already on the books. Third, it assumes that each job has a measurable economic worth that can be scientifically and pragmatically determined and compared to different jobs.

I urge my colleagues in this body to look beyond the superficial and misleading language on this concept and examine the many flaws associated with it. Comparable worth is a concept that will not stand up under close scrutiny.

IT IS TIME TO BRING HOME THE REST OF THE HOSTAGES

(Mr. MINETA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MINETA. Mr. Speaker, for more than a year now Rev. Ben Weir has languished as a hostage in Lebanon. The Reverend Weir is one of seven such hostages whose fate concerns me deeply.

Reverend Weir's father-in-law lives in my district; and during the last year I have come to know and admire Rev-

erend Weir's family as they struggle to obtain his release.

We must not forget these hostages. We cannot allow this case to slip from our consciousness. We must insist that our Government do absolutely everything possible to bring these seven people back.

Frankly, I say this because along with many of the hostage families, I am not convinced that bringing these seven back is a top priority of this administration or of our State Department.

The hostage families tell me they feel that the administration is doing little, if anything, to bring these people home. At the time of the TWA hijacking, our President said he was committed to bringing all of the hostages home. Yet once the TWA hostages came home, we have seen the White House's focus on this problem dissolve and fade into vague statements.

Reverend Weir has been held for 450 days. It is time to bring him and the others home.

LET US SOLVE THE IMPUTED INTEREST IMPASSE

(Mr. HARTNETT asked and was given permission to address the House for 1 minute.)

Mr. HARTNETT. Mr. Speaker, as we prepare to leave Washington for our 5-week summer recess, I must remind my colleagues that because Congress has failed to act in a timely manner, thousands of seller-financed transactions of real estate are on hold and our economy will suffer substantially from this impasse.

You will all remember that on two occasions in the past year, this body has voted nearly unanimously to address the imputed interest problem created by the 1984 Tax Act. However, we have succeeded in passing only stopgap relief which expired more than a month ago. Still remaining is adoption of a conference report—and it is that action which this body should take before concluding our legislative agenda this week.

It is my understanding that the differences in the imputed interest bills passed by the House and Senate are few. Only nongermane, minor areas of disagreement remain.

Please join me in urging the leadership in the Ways and Means Committee to work in a bipartisan spirit to remove the serious uncertainty which exists in this marketplace because of the lack of a final imputed interest solution.

PLEASE MEET WITH US, MR. PRESIDENT, ON THE STATE OF EMERGENCY IN SOUTH AFRICA

(Mr. LELAND asked and was given permission to address the House for 1 minute.)

Mr. LELAND. Mr. Speaker, South Africa has now become a Fascist nation without question. On just yesterday the South African Government imposed the worst kind of cruelty on black people; the South African Government on yesterday, Mr. Speaker, denied black people the right to participate in public funerals.

Mr. Speaker, we have asked for a meeting, those of us in the Congressional Black Caucus, with the President of the United States to discuss with him the state of emergency in South Africa.

The President has yet to respond positively to that request.

We urge the President to sit down with those of us who care about the humanity of the people of South Africa, to meet with us. Over 900 people are incarcerated, Mr. Speaker, just as a matter of going to demonstrations against the imposition of the state of emergency, the curtailment of any kind or any inkling of human rights in South Africa.

Little schoolchildren are being arrested because they sing freedom songs in South Africa. Many hundreds of people now are suffering from all kinds of physical impairment and death, Mr. Speaker.

Something has to be done. Can we please get the President to respond positively to this issue?

TWO-TRILLION-DOLLAR DEBT PLUS INEFFICIENT BUDGET EQUALS A SCANDAL

(Mr. CRAIG asked and was given permission to address the House for 1 minute.)

Mr. CRAIG. Mr. Speaker, the dog days of summer are here. With Congress out of town in August the press is known for reporting scandals—real or imagined.

I know of one scandal that deserves the examination of the American press. The scandal is perpetrated here in this great building. It is a growing debt—$2 trillion and a budget process that, even when it works, is factually dishonest.

There is one way that Congress can come clean—can make this system honest again. That way is adopting a balanced budget tax limitation amendment to the U.S. Constitution. It's time has come.

PRESIDENT REAGAN SHOULD MEET WITH BLACK CAUCUS ON DETERIORATING SITUATION IN SOUTH AFRICA

(Mr. CONYERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONYERS. Mr. Speaker, I join with the Chairman of the Congressional Black Caucus and its entire membership to join in a request that that body be permitted to meet with the President of the United States at his earliest convenience with reference to the deteriorating situation in South Africa.

I hope that many Members in the Congress on both sides of the aisle will join in urging that this meeting between the President and this part of the House of Representatives, the Congressional Black Caucus, be agreed to and be arranged at his earliest convenience.

As is well known, the situation in South Africa is deteriorating, deteriorating at a rate faster than the news can report it. The U.S. Government and especially through the House of Representatives and the Senate have now taken measures to restrain the apartheid government and our relationship to it in a conference that was reported only last night. We are moving, but I think a meeting between the American black Representatives in Congress and the President of the United States is imperative.

Mr. Speaker, I urge that all of us join with the Congressional Black Caucus in facilitating this request and seeing that such a meeting is held forthwith.

THE IRS IS LICKING ITS CHOPS ON THIS ONE

(Mrs. VUCANOVICH asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. VUCANOVICH. Mr. Speaker, I don't believe we should be leaving this Chamber for the August break without resolving an important issue.

As you know, the House and Senate have passed legislation enabling homeowners and small businessmen to use seller financing in the sale of their property.

However, there has been no conference on this matter and therefore, as of July 1, 1985, the IRS started licking its chops.

They see these transactions going on as we speak and without any law to protect the seller; the IRS may begin to penalize these sellers.

It is our job to provide certainty in the marketplace and nothing is happening.

I call on the chairman of the Ways and Means Committee to move quickly

to a conference so that we can go home and tell our constitutents that the IRS has been held at bay.

POLISH-AMERICAN HERITAGE MONTH

(Mr. KLECZKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KLECZKA. Mr. Speaker, today marks the first day of Polish-American Heritage Month. It is a time to honor the important role that Poles and Polish-Americans have played in developing our Nation's culture and history.

This is an opportunity to send a message to Poles struggling for freedom and democracy in their country. We can send that message by honoring Poland's native sons and daughters who have brought with them ideas and talents nurtured over centuries of Polish history. We stand in solidarity with those brave individuals seeking to stem the tide of social injustice in Poland.

Poles and Polish-Americans have played important roles in shaping America's political and military history. Glancing back through the pages of history, we note names such as Casimir Pulaski and Thaddeus Kosciusko, heroes from the Revolutionary War, or more recently, Zbigniew Brezezinski and Edmund Muskie, to name only a few.

Polish-Americans have also contributed to America's cultural, educational, scientific, athletic, and entertainment heritage. Without a doubt, our Nation has been greatly enriched by the contribution of Polish-Americans.

Mr. Speaker, as a representative of a district with a large Polish-American constituency, and as a Polish-American myself, I am proud to rise in recognition of the first day of Polish-American Heritage Month. During this month, let us be especially cognizant of the important contribution that Poles and Polish-Americans have made to the patchwork of our Nation's heritage.

□ 1120

BIRTHDAY OF FRANCIS SCOTT KEY

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, today marks the 206th anniversary of the birthday of Francis Scott Key, a man who made many valuable contributions to his native State of Maryland but gave his greatest gift to the country, our national anthem.

Born in Frederick, MD, August 1, 1779, Key was the son of a lawyer and a descendant of the original settlers in Maryland. He was raised on the beliefs that founded this Nation: freedom of speech, freedom of religion, and the right to bear arms.

At Fort McHenry, in Baltimore, the British met their first major upset in the War of 1812. It was this battle which inspired Francis Scott Key to write the famous words: "Oh, say, does that star-spangled banner still wave, o'er the land of the free and the home of the brave?"

Yes, my distinguished colleagues, thanks to American patriots such as Francis Scott Key throughout history, the flag does still wave. Two hundred and six years later, Key's words are as powerful and true as the day he wrote them. We, in Maryland, are proud on this day as should be the rest of this great country.

MISSING CHILDREN: SHAWN MICHEAL GERDON

(Mr. NELSON of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELSON of Florida. Mr. Speaker, every mother and father can understand how it feels to see their children after being apart even for a short time. But tragically, many parents in our Nation live each day in uncertainty about the welfare and whereabouts of their sons and daughters. I am delivering these comments today because I want to help bring attention to the problem of missing children.

I have been informed by the National Center for Missing and Exploited Children that one of my young constituents in Florida has disappeared and is now listed as missing by the Center. According to the information provided to me by the National Center for Missing and Exploited Children, Shawn Micheal Gerdon was abducted by his father on November 16, 1979. He has not been seen or heard from since. In this photograph, the latest one we have of Shawn, he is shown at age 3.

Shawn was born on March 10, 1977, now 8 years old, has blonde hair and brown eyes. He is from Melbourne, FL. The National Center for Missing and Exploited Children has asked that anyone having information about Shawn, please call 1-800-843-5678.

I would like to add that special efforts are now underway in my home State of Florida to help find missing children. The Adam Walsh Child Resource Center, located at 227 South Orlando Avenue, Winter Park, FL, (305) 629-1811, and the Missing Children Help Center, at 410 Ware Boulevard, Suite 400, Tampa, FL, (813) 623-KIDS, are excellent organizations designed to bring our sons and daughters home.

Each year 1.8 million children disappear. I urge all Americans to join us in helping to locate these youngsters.

SELLER-FINANCED PROPERTY TRANSACTIONS IN TAX LIMBO

(Mr. DREIER of California, asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, at this moment, it remains to be seen whether or not we will pass a budget resolution before adjournment. Yet it appears that we will break for the August recess without taking care of some other vital business.

In May, we passed legislation protecting the rights of private property owners to use seller financing in the sale of property.

The Senate passed this measure in June. No conference has taken place and on July 1, 1985, seller-financed transactions went into tax limbo.

I ask the Ways and Means Committee to solve this dilemma before we go home.

THE TIME HAS COME FOR U.S. SANCTIONS AGAINST APARTHEID

(Mr. FAUNTROY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FAUNTROY. Mr. Speaker, it has been 2 weeks now since the racist apartheid regime in South Africa declared a state of emergency, and with every passing day, the iron fist of Fascist repression has tightened. Twenty-five more people have been killed; 1,300 have been arrested without charge and without recourse. Only on yesterday, the regime added to the ban on blacks owning property and blacks voting and blacks' freedom of movement, a ban on the right of blacks to bury those who are being killed by the apartheid regime.

It is a sad time in world history. Quite frankly, however, we have seen some signs of hope as the world's conscience and its leaders have begun to respond. Last week, our ally in the free world, France, decided to do what we have been pondering for nearly 1 year now; banning new investments and the sale of Krugerrands in France.

The United Nations has now met and voted to recommend that member countries act voluntarily to impose sanctions. The tragedy is that we, in the United States, have, in response to the emergency, forfeited our rightful position at the forefront of this moral crusade.

The administration not only refused to agree to mandatory sanctions, but has maintained that it will not alter its position on constructive engage-

ment. We must meet with the President on this critical question and I hope that Members of conscience in the House will join the Congressional Black Caucus in requesting that meeting.

THE WOMEN OF AMERICA DO NOT WANT COMPARABLE WORTH

(Mr. ARMEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARMEY. Mr. Speaker, a recent nationwide poll conducted by Decision/Making/Information shows some very interesting results. The poll, conducted between November 26 and December 4, 1984, sampled 2,704 adult Americans and focused on a broad range of issues but concentrated primarily on specific issues of concern to women.

Here are some of the key findings: 80 percent of all female respondents favor providing more information about existing laws as a means of eliminating sex discrimination rather than passing more laws. Only 18 percent of the respondents would choose the passage of more laws.

Only 56 percent of the female respondents have heard of comparable worth. Of those who have, over 26 percent are only slightly familiar with the issue.

In general the poll showed that among the issues that particularly affect women, the most important topic was equal pay for equal work. Discrimination, of course, was also important. Interesting, though, was the way women felt about how remedies for discrimination should be carried out. Respondents tended to feel that private industry, or women themselves, should remedy discrimination in the workplace.

In short, not even the women of America want comparable worth. What they want, and what they rightly should receive, is better enforcement of equal pay laws for that already exists on the books.

AMERICA'S MASSIVE INTERNATIONAL TRADE DEFICIT—AN ISSUE BURNING THROUGHOUT THE NATION

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, over the last several months, many of my colleagues and I have taken to this floor in an effort to highlight the issue of America's massive international trade deficit. Our goal has been to elevate an issue which was dormant here in Washington, but has been burning for a long time throughout this Nation. From the industrial heartland in the Midwest, to the high tech centers on both coasts; from the breadbasket of the Great Plains, to the textile communities of the South; from the timber centers of the Pacific Northwest to the oilfields of the Southwest—patience is running out. The House of Representatives has pushed and pushed this administration. We have done everything within our power to get the Reagan administration to grab hold of this issue and move it to the front burner—to take charge and lead our Nation on trade. America's standard of living is at stake. Nothing less.

Now, as we prepare to return to our districts, the ball is in the administration's court. We hope that we have been able to wake them up down there at the other end of Pennsylvania Avenue. We hope that during this next month, the administration will formulate a plan of attack on the trade deficit as the new Trade Representative makes his first official trip to Japan. Then, when Congress comes back, we can work together to solve this problem and give American workers and businesses a fair shake.

(Mrs. MARTIN of Illinois asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

[Mrs. MARTIN of Illinois addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

REVOLVING DOOR

(Mr. BENNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BENNETT. Mr. Speaker, Since the House-Senate conference on the Defense authorization bill issued its report, there has developed some confusion as to the precise meaning of section 921 in that report, the "revolving door" provision. Some of the press have covered the revolving door matter in a rather awkward and inaccurate manner, and I would like to address some of these questions, briefly.

For example, some press reports said that the House-Senate language covered "the" primary person negotiating a contract, when actually that was changed in conference to say "a" person. This was done for the express purpose of not requiring the coverage to be limited to principal leadership.

Then some press went on to say that I was satisfied with the conference. Well, of course, anybody knows I was not very satisfied with it. But I had two things on my mind: One was the pressure to conclude the conference and the other one was that there is my conflict-of-interest bill which has been approved by the House Armed Services Committee and which will be coming to the floor dealing with the question of the revolving door issue. This bill may help solve this problem in a much better way.

The third thing which has been said in the press is that there are very few people covered by this bill. As a matter of fact, there are many thousands covered by the bill. The only way in which you could arrive at saying that not very many people are covered is by saying it does not include the military. But it does include the military. In conference, just prior to agreeing on the language we would use this very question was discussed, and I said that the words "in Federal employment" were broad enough to cover the military. I have since been advised by legislative counsel that they are indeed broad enough. The actual language is on page H6523 in the CONGRESSIONAL RECORD on July 29, 1985, and is as follows:

PART B—PROCUREMENT PERSONNEL MATTERS

SEC. 921. POST-GOVERNMENT-SERVICE EMPLOYMENT BARS ON SENIOR DEFENSE OFFICIALS

Whoever being a Presidential appointee in Federal employment acts as a primary government representative in the negotiation of a government contract or the settlement thereof with a defense contractor shall not within two years after the termination of said activities with such contractor accept employment from that contractor and upon a knowing violation of this provision the employee shall be punished, upon conviction, with a prison term of up to one year and a fine of up to $5,000 and said defense contractor shall forfeit up to $50,000 in liquidated damages to the Federal Government which shall be provided for in the contract. The Secretary of Defense shall implement this provision by appropriate regulations.

I think this language is very clear. It includes both military and civilian employees of the Federal Government. This is what we intended; and we discussed it in detail in connection with the other phrase "a Presidential appointee", concluding that it would reach down to captains in the Army and comparably in the other services.

Webster's Dictionary tells us that "employment" means: "the state of being employed with a job that pays wages or a salary." That clearly applies to both civilian and military employees of the Federal Government.

When the Office of Management and Budget lists total Federal employment in its "Special Analyses, Budget of the United States Government" it lists civilian and military employment. When OMB wants to distinguish between the two it referes to "Federal civilian employment", and, of course, that makes sense. Unless one distinguishes, it is common practice to assume that Federal employment refers to both military and civilian. That's what the conferees intended

and that is what the English words mean.

Finally, the managers report makes clear on page H6647 of the July 29, 1985, CONGRESSIONAL RECORD, that the House and Senate bills were both concerned with limiting the post-Government employment activities of Department of Defense employees. The report notes that the Senate bill covers "employees (O-4 or GS-11 and above)," that is, "employees" clearly refers to both civilian and military employees. The report further notes that "the House receded with an amendment which would add a new provision to the Senate bill * * *."

I will take this matter up in more detail in September, but I would also like to say that my conflict-of-interest bill which was approved by the Armed Services Committee will also be coming to the floor. If, for whatever reason, the revolving door situation in the Department of Defense is not adequately addressed through the amendments to the authorization bill we will have another opportunity to do so when my separate revolving door bill comes before the House.

STUDENTS TO END NATIONAL DEFICITS WILL S.E.N.D. A MESSAGE TO CONGRESS

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, today Congressman ANDY JACOBS and I announce the creation of a brand new nationwide youth organization. It's called Students to End National Deficits [S.E.N.D.].

These young people will no longer sit quietly by while Congress drowns their future in a flood of red ink. No, they're going to start speaking out. Loudly, eloquently and persistently.

They will no longer tolerate $200 billion deficits, or the big-spending compromises which cause these deficits year after year. No, they're going to demand action. Now; and no more excuses.

These young debt busters, who stand to pay for all this fiscal profligacy, just might arouse the conscience of America. Let me ask any college student who wants to know more about Students to End National Deficits to write or call my Washington office.

America's young people are angry about the burdens Congress is placing on their future and Congress is going to hear from them.

UNITED STATES MUST ACT NOW FOR PEACE IN SOUTH AFRICA

(Mr. CROCKETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CROCKETT. Mr. Speaker, Commonsense tells us that the only way to prevent a bloody racial struggle in South Africa is for the Government to talk—now and face to face—with credible black leaders. Yet, the Pretoria regime, in its obstinacy, travels in the opposite direction. It refuses to meet with Bishop Tutu and it continues to imprison more and more black leaders.

Mr. Speaker, the recent tragic developments in South Africa bring us back again to the crucial point noted in the Mandela Freedom Resolution adopted by the last Congress and sent to President Reagan. If the United States is to be a catalyst for peace in the South Africa situation, then President Reagan must publicly urge South Africa's white leaders to unconditionally release Nelson Mandela from prison and to participate with him and other black leaders in meaningful talks aimed at ending apartheid.

Mr. Mandela is key to any meaningful negotiations. The United States, like the British Foreign Office and the U.N. Security Council, can focus on this important need to free Mandela and, by doing so, demonstrate both to black South Africans and to the international community our commitment to the abolition of apartheid.

CONGRESS SHOULD NOT RECESS UNTIL IT HAS A BUDGET

(Mr. KASICH asked and was given permission to address the House for 1 minute.)

Mr. KASICH. Mr. Speaker, yesterday 49 of my colleagues joined me in sending you a letter urging consideration for keeping the House in session until a responsible budget has been passed by Congress. We believe that the House has the responsibility to address the deficit issue now and must not leave for the recess until this task is completed.

While I am very encouraged by recent news that the budget conferees are making substantial progress, we must all resist the temptation to make unreasonable demands on the budget negotiators. I hope the rejection of the Budget Committee's chairman unanimous-consent request does not signal the House's unwillingness to adopt a reasonable deficit reduction package. As with all conference committee compromises—and the Members here know it—no one will ever be totally satisfied. However, Chairman GRAY and Mr. LATTA are attempting to hammer out a bill that meets the concerns of this House, including defense spending, and I say let's give them a chance.

While you may or may not agree with this opinion, I think we must agree that the House should not go on vacation, Members of Congress should not go on vacation until they complete our most important assignment, and that is to have a budget. I think we owe the American people that much.

WESTWAY LANDFILL

(Mr. GUARINI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUARINI. Mr. Speaker, bipartisan support of a bill to bar construction of the Westway landfill in New York City continues to grow. Liberals, conservatives, Republicans, Democrats from every quarter of our State and Nation are united against this megahighway and private real estate development which would consume between $4 billion and $10 billion from our highway trust fund.

The damaging Westway landfill will eliminate a vital striped bass industry, and it paves over a significant part of the Hudson River. Moreover, New Jersey's lowlands would face severe flooding and drainage.

Public officials, private citizens, taxpayers, and environmental groups have gone on record opposing the project. Our colleague TED WEISS, in whose district Westway would be built, has fought it for more than 10 years. He favors trading in Westway for an alternate highway and aid to mass transit, and so do 74 of the cosponsors of H.R. 1888.

Westway is a threat to the future of our Federal Highway Program, our fiscal crisis, and our environment. I urge your support for H.R. 1888 and an amendment to the transportation appropriations bill which will be offered as a measure to prevent construction of the Westway landfill.

THE BALANCED BUDGET AMENDMENT

(Mr. DELAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELAY. Mr. Speaker, I am addressing the House today to talk about an issue which is a high priority to my constituents, the balanced budget amendment. As a matter of fact, polls have shown that this amendment is a national priority.

The people of this Nation want their elected Representatives to act responsibly. Yet this Congress has failed to balance the Federal books for the last 15 years. We have now entered an era of seemingly perpetual $200 billion deficits. Why? Because there is no fundamental rule that says the budget must be balanced. There are laws that say we should have a balanced budget. The rules of the House are supposed to help us do that. But those rules are easily ignored and easily abused.

We've already done that numerous times this year.

The American people deserve, and the American people demand, a guarantee of fiscal sanity. A guarantee that their future and their children's future will not be spent away for political convenience. And this guarantee must ensure that our Nation will not be taxed into poverty to finance the spending programs which have created our present deficit.

The remedy is, of course, drastic. As a strict believer in the sanctity of our Constitution, I do not take this lightly. But such a serious and fundamental problem calls for drastic action. I implore my colleagues to heed their constituencies and get behind the balanced budget/tax limitation amendment.

□ 1140

KIM DAE JUNG UNDER HOUSE ARREST

(Mr. FEIGHAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FEIGHAN. Mr. Speaker, the only effective human rights policy is a vigilant and consistent human rights policy. Though we may protest violations at different times, our disapprobation means nothing if our eyes are easily diverted or our censure soft. The danger, of course, is that with the passage of time we lose the sharpness with which we originally view a problem. Such is the case today in South Korea.

When Kim Dae Jung made his return trip to South Korea in February, the attention of the world focused on a U.S. democratic ally that had no freedom of the press, arbitrary political rights, curtailed freedom of speech, and a president with virtually unchecked constitutional powers.

But the attention that Mr. Kim's return focused on his country produced results. In the months that followed, 13 political opposition leaders had their political rights restored. Kim Dae Jung was released from House arrest and allowed to meet with other political opposition leaders. For the first time in years, Mr. Kim's picture appeared in the newspapers. And in a surprisingly strong showing, the new Korea Democratic Party, the party of Kim Dae Jung and Kim Young Sam, surpassed the Government-sanctioned opposition in the national assembly elections.

Many of us in the Congress who had spoken out against the political repression in South Korea were equally vocal in our praise of these signs of progress. Yesterday, however, we learned that Kim Dae Jung had once again been placed under house arrest. He was told not to leave his home just hours before the start of his party's political convention. Mr. Speaker, this is the same capricious and peremptory political censorship we had all hoped to see an end of in South Korea. It has no place in a full democracy, and it is my sincerest hope that my colleagues in the Congress will join me in decrying this action against Kim Dae Jung.

President Chun must know that our attention continues to focus on our friend, South Korea, and that we still hold his government to the highest standards of political pluralism and democratic principles.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON A BILL MAKING APPROPRIATIONS FOR FOREIGN ASSISTANCE AND RELATED PROGRAMS FOR FISCAL YEAR 1986

Mr. OBEY. Mr. Speaker I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the bill making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1986, and for other purposes.

Mr. MYERS of Indiana reserved all points of order on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

SUPPORT EXPRESSED FOR THE CONFERENCE REPORT ON SOUTH AFRICA

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, I will support the conference report on South Africa. Furthermore, I urge the President to sign that conference report, and I will actively fight to override any veto. I share with the eloquent members of the Black Caucus their anguish and concern over the repression in South Africa.

However, we must be concerend about oppression whether it is against blacks by whites in South Africa; against blacks by blacks in Ethiopia; against Islamic Afghans by Russians in Afghanistan, or by Russians oppressing Poles, Lithuanians, Ukrainans and over other Russians in the Soviet Union.

For every black arrested in South Africa, there are literally a thousand whites arrested in the Soviet Union. For every black killed in South Africa, there are literaly a thousand Muslims killed by Soviets in Afghanistan.

Today we stand with the Black Caucus on behalf of human rights in South Africa. In September, when we return from the recess, I hope the Black Caucus will join us in forming a truly nonracial human rights effort that looks at the entire world and seeks freedom and rights for every human being in every country.

BEING PROTECTIVE OF AMERICA IS NOT PROTECTIONISM

(Mr. LEVIN of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVIN of Michigan. Mr. Speaker, a couple of days ago the Prime Minister of Japan delivered his country's plan to ease its huge trade surplus with the United States. Among other things, he said that he, "Does not understand the attitude of the U.S. Congress."

Mr. Prime Minister, as Congress adjourns today, let me try to explain our attitude. It is based on an assessment of the needs of our individual districts and States. It is based even more so on an assessment of our Nation's needs.

Your country has targeted American industries for Japanese economic efforts. We feel it is time for our Nation to target our industries in order to preserve them.

Your country has organized itself to expand its industrial base. We feel it is time for America to organize itself to preserve our industrial base.

If the shoe were on the other foot, and we are not producing many shoes anymore in the United States, if you had a $40 billion trade deficit with the United States, you would not depend only on the good will of America. Your country would act. That is why we in Congress are insisting that Japan act and that our own administration act.

Being protective of America is not protectionism. Our efforts in Congress are not, it should be clear, anti-Japanese; they are pro-America.

THE HOUSE DESERVES AN APOLOGY

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, one of the basic rules that we operate under in this body is the rule which says that we as Members are not to ascribe intent to that which another Member is doing. The basic rule, because what we attempt to do is have a spirit of comity in which what a Member is doing is considered to be serious.

Those rules not only apply to us as Members, they apply to the officers who serve this House. We in the minority have been told that those officers serve this House on a bipartisan basis. Today we have a memo from the Office of the Doorkeeper, in which the Doorkeeper or his staff has taken upon themselves to ascribe intent to

amendments to be offered by members of the minority.

This memo, relating to the Pay Equity Act, describes amendments to be offered by Mr. BURTON as dilatory and frivolous. Amendments to be offered by Mr. ARMEY as dilatory. I would say that that is absolutely unacceptable. It is unacceptable under the rules of this House. It is unacceptable as a manner in which officers of this House treat members of the minority.

I think that those two Members deserve an apology. I think the House deserves an apology from the officer.

THE LEADERSHIP WILL COME FROM HERE, NOT THE WHITE HOUSE

(Mr. MITCHELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MITCHELL. Mr. Speaker, I certainly do not want to be dilatory in the presentation of my remarks.

Mr. Speaker, a number of my colleagues have been in the well of this House to speak out against the infamous conduct of the Government in South Africa. Indeed, my associate, Mr. GINGRICH of Georgia, just joined in that effort. I greatly fear that we are going to witness a bloodbath in South Africa unless this Nation takes the leadership that it should.

The tragedy of a bloodbath is that when people are caught up in a frenzy, white South Africans who have fought against apartheid will be hurt by blacks. There is no reasoning that goes on during a bloodbath.

Let me indicate to you that while I applaud the efforts of the Congressional Black Caucus to have a meeting with the President, I know that the President is not going to meet with us. He is not going to do it. During his entire administration he has chosen the people that he wants to meet with; only those who knuckle under to him and espouse his point of view.

I do not think that the President is going to move to free Nelson Mandela; he just does not have that kind of mentality insofar as people of color are concerned in other parts of the world. But I am not discouraged by these things.

On the other hand, I am very encouraged that in a Senate-House conference which ended last evening, there was an agreement that we would take strong sanctions against South Africa. So the leadership will come from here, this Congress, not from the White House.

WE NEED TO ACT DURING A DETERIORATING SITUATION IN SOUTH AFRICA

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, a few minutes ago I joined Chairman FASCELL before the Rules Committee requesting a rule on the conference report on the House-Senate agreement on the South African antiapartheid bill. I want to indicate that while I opposed this legislation when the issue was before the House, I believe the conference report reflects not only a fair and reasonable compromise, but also reflects a need to act in view of the deteriorating situation in South Africa in recent weeks.

Mr. Speaker, I want to say that I believe it is most urgent and morally right that this body stay in session until we have an opportunity to act on this important legislation.

THE 100TH ANNIVERSARY OF THE KANYAKU IMIN IN HAWAII

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, it is indeed an honor and privilege for me to rise today in commemoration of the 100th anniversary of the first arrival of the "Kanyaku Imin" or the "government contract immigrants" who came from Japan to Hawaii.

As a nation of immigrants, we are all justly proud of the diversity of our ethnic heritage and of the tremendous contributions that each group has made to our country. This year, we in Hawaii are honoring the largest group of immigrants, the Japanese, who came to Hawaii, beginning in 1885, 100 years ago. They came as immigrant contract labors to toil in our sugarcane fields and were the backbone of our early farm labor force, responsible in large measure for the successful development of our largest and most important agricultural enterprise, the sugarcane industry in Hawaii. The Japanese remained to become an integral and respected part of our community.

We are honoring this group of immigrants with a year-long series of activities and festivities in recognition of their contributions and accomplishments. As is true of many immigrant groups, their contributions were more recognized and appreciated as a group effort, in this instance, of providing the labor essential for a fledgling sugar industry rather than for individual achievements and sacrifices which nonetheless did occur. They fulfilled their contracts and acquitted themselves with honor.

Without overshadowing or detracting from the splendid accomplishments of the "Kanyaku Imin," no tribute to them would be complete without mentioning the contributions of their sons and daughters, products of their upbringing and a true credit to them, through whom they realized their finest hopes and aspirations. Today, they include two U.S. Senators, a Governor, a mayor, a State school superintendent, numerous other elected officials, many members of our judiciary, and outstanding professionals and businessmen. Not too many years ago, the list also included a university president, a State supreme court chief justice and a Congresswoman.

For all this, the "Kanyaku Imin" are grateful and humbly proud, that in this land of opportunity, all this was possible in one generation. Today, many are American citizens by choice and not by accident of birth.

Mr. Speaker, this gentleman expresses his gratitude to and salutes the "Kanyaku Imin."

□ 1150

OUR ACTION ON APARTHEID ONLY A DROP IN THE BUCKET

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, I, too, am very grateful that there has been an agreement regarding the conference report on the apartheid issue. I, however, think that while I welcome that, I think it is only a first step in the right direction. It is an initial step. Frankly, it is a drop in the bucket.

We want an end to apartheid in South Africa. I think our country could be demonstrating its leadership qualities more by showing the kind of vision and force that other countries are doing in that direction.

TAKE SOCIAL SECURITY OUT OF UNIFIED BUDGET

On another subject, I am gratified to see that there is movement in taking the Social Security trust fund out of the unified budget. I have had a bill to do that which I have introduced with many bipartisan cosponsors for the last 4 years. It is H.R. 151. Let us catch that momentum. Let us depoliticize Social Security, take it out of the budget, the way it was when President Roosevelt signed it into law 50 years ago.

It would be very fitting if we did that this year because this is the 50th anniversary of that great social program and it would be appropriate to put it back where it belongs—out of the unified budget—so that we would not try to get our hands on what belongs to the senior citizens and the disabled people of our country.

IMPUTED INTEREST/SELLER FINANCING CONTROVERSY

(Mr. KOSTMAYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOSTMAYER. Mr. Speaker, the country is increasingly frustrated at the inability of Congress to act, at the inability of the House and Senate to agree on legislation.

The budget for 1986 is the most outstanding example,

But, another issue of concern to many, including many in my congressional district, is the imputed interest/seller financing controversy.

Some 15 months ago Congress promised realtors and others that the rules regarding seller financed real estate sales would be settled by the July 1, 1985 interim deadline which was established.

Now, in spite of the fact that both the House and Senate have passed bills which would permit seller financed transactions, while at the same time stop the potentially abusive mismatch of interest income and deductions that can permit tax avoidance, that deadline has passed.

Right now realtors and all those wishing to sell property are in a quandary. They don't know if future legislation will be retroactive to July 1, 1985. They don't know what the rules will be.

These taxpayers are losing faith with the Congress, Mr. Speaker, and with good reason. I hope the House and Senate managers of the respective imputed interest bills can get together.

We need a bill to resolve this important and outstanding issue.

A MEASURE TO PREVENT USE OF BANKRUPTCY AS BOTH A SHIELD AND A SWORD

(Mr. BOSCO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOSCO. Mr. Speaker, today I submit the names of 65 cosponsors from both sides of the aisle for H.R. 2870, a measure to prevent bankruptcy from being used as both a shield and a sword.

A good example of what we are trying to prevent is Texas Air Corp.'s attempt to take over Trans World Airlines at a time when Texas Air's major subsidiary, Continental Airlines, is in chapter 11, owing almost a billion dollars to banks, insurance companies, suppliers, travel agents, ticket holders and a host of other victims. This same company now seeks to take over another of our Nation's largest airlines.

I thank our colleague, Mr. MINETA, for scheduling hearings on this subject as a majority of the Public Works Committee are now co-sponsors, and I encourage the Department of Transportation to give this transaction extraordinary scrutiny. Those who use our bankruptcy laws as a shield against creditors cannot at the same time use the same laws as a sword to conquer others.

ON BEING A PROTECTIONIST

(Mr. JENKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JENKINS. Mr. Speaker, it always amazes me that we want to inflict a sense of guilt upon ourselves when it comes to the question of protecting American industry and jobs. We have no hesitancy whatsoever to be called protectionists when we want to defend our country through military buildup. That is a protectionist attitude, and we should have it.

But it always amazes me that when we talk about trade, and when we talk about American jobs, when we talk about American industry, we shy away from the term "protectionist." There is nothing wrong with it. It is not alien to our basic thinking to want to protect American jobs, American industry. That is the reason we are strong today.

As we go back into our districts over the holidays, over the recess, I want my colleagues to go into the little mills, whether it is the lumber mills of the Far West or the steel mills of Minnesota or the automobile plants of Ohio and Michigan, or the textile mills of the South. I want my colleagues to talk to those people they do not hear from too much, those people who simply work day in and day out, pay their taxes, defend their country in times of emergency, and yet are beginning to lose everything that they believe in, because of our fear of the term "protectionism". Let us not be afraid to protect anything that is good for America.

I urge Members to do that and do not have a sense of guilt. There is nothing wrong with it.

ENVIRONMENTAL MISPERCEPTIONS ABOUT NEVADA

(Mr. REID asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REID. Mr. Speaker, it's interesting how perceptions are developed. Some are passed from person to person. Others are transmitted through the media. Still others are developed from firsthand experience.

Recently, Public Lands Subcommittee Chairman JOHN SEIBERLING, other Members of Congress and I had the opportunity to get such firsthand knowledge of Nevada, information that will be used to dispel environmental misperceptions about the State.

We viewed more than 1 million acres of potential wilderness areas. In Nye County alone we spent 2 days touring more than three quarters of a million acres.

And what beauty we saw:

Areas with high peaks, wild lands and trout streams, as well as bighorn sheep, mountain lions and deer.

Geological landmarks that attest the former glaciation that shaped the highest great basin mountains.

A mountain with meadows and aspens, where elk roam freely.

Volcanic rock formations, dramatic cliffs, limestone geology, and even prehistoric archeological sites.

I'm proud that this sampling of Nevada geography not only creates a positive perception but also provides a critical foundation for those of us in Congress now working on wilderness legislation to protect Nevada lands for generations to come.

□ 1200

REVIEW OF 1960 ARTICLE SHOWS SITUATION IN SOUTH AFRICA HAS WORSENED

(Mr. DYMALLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DYMALLY. Mr. Speaker, more than 25 years ago I met a young soldier in the Army who was also a radio announcer for the U.S. Information Service and a writer. Twenty-five years ago he wrote about the oppression and the repression in South Africa. The magazine in which his article appeared became defunct and the article was lost. Much to my delight, he sent me a copy of the article last week.

Have things changed in South Africa? Yes, they have gotten worse. The situation today in South Africa, with the oppression, the fascism, the racism, the bigotry, the hate, and the discrimination, is worse today than it was in 1960 when I met my friend, who is now the State senator from Watts that famous community in California. My friend and senator, Bill Green, pointed out that the situation in South Africa, Mr. Speaker, is worse now than it was when he wrote that article in 1960.

Today this House, indeed the Congress, will have an opportunity to send at least a first message, if not a strong message. I hope that all the Members on both sides of the aisle will join in sending that message, not only to South Africa but to the President of the United States. And I say to my friend, the gentleman from Georigia [Mr. GINGRICH], that the Congressional Black Caucus accepts his challenge to join in a bipartisan, biracial effort to bring about human rights all over the world, including South Africa.

A LOSS OF DIGNITY

(Mr. FRANK asked and was given permission to address the House for 1 minute.)

Mr. FRANK. Mr. Speaker, I was somewhat surprised that among the momentous issues we were to talk about today was the accusation that the Doorkeeper had hurt the feelings of some Members on the minority side. I believe it would be a mistake for people to accept the assertion that some impropriety had been committed because the Doorkeeper characterized certain amendments. As I heard the characterization, I would agree that it was less than accurate. It seemed to me excessively flattering.

I am a little surprised that some of the Members on the other side who are great believers in very vigorous debate and who are not always averse to imputing mistakes to people on the other side can be so sensitive when people respond. It seems to me that sensitivity ought not to be a one-way street. I would just remind my colleagues to muse on the general principle that one rarely looks more ridiculous than when one is excessively concerned about one's dignity.

Mr. Speaker, the principle of open and free debate is a very important one, and it seems to me it ought even to extend to the Doorkeeper of this institution.

HOUSE ARREST OF KIM DAE JUNG

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEASE. Mr. Speaker, this week Kim Dae Jung has been placed under house arrest, just days before the new Democratic Party is scheduled to hold its political convention in South Korea. This cynical display of power by the Government of South Korea represents a serious setback to the ongoing effort to secure a restoration of basic human rights and democratic institutions in that country.

I commend my colleague, Congressman ED FEIGHAN, for leading the effort to protest the placement of Kim under house arrest. Hopefully, the Reagan administration will take appropriate action.

FURTHER SUPPORT FOR ENTERPRISE ZONES SOUGHT FROM THE PRESIDENT

(Mr. GARCIA asked and was given permission to address the House for 1 minute.)

Mr. GARCIA. Mr. Speaker, yesterday my colleague, the gentleman from New York [Mr. JACK KEMP] and I once again introduced a bill that we have been sponsoring since the days of Jimmy Carter—The Urban Enterprise Zone Act. Last year, in the 98th Congress, we had 283 cosponsors. In the 99th Congress I believe we will probably get over 300 cosponsors.

Mr. Speaker, it is my hope that the President, who every year in his State of the Union Message, either asks the Speaker to give him enterprise zones as a birthday present or asks us as Members of Congress to work with him on this issue, will take an active role in seeing that this legislation is passed. I do not often agree with the President, but on this issue I do. I, therefore, hope that he will make every possible effort, using all his persuasive powers to help us pass an enterprise zone bill. I believe we can make good use of enterprise zones. In some States they are presently in place, and they are working without Federal taxes, without the benefit of the support of Congress and of this legislation. We certainly need something to cut back on the high unemployment in our inner cities.

COMMISSION ON THE U.S. HOUSE OF REPRESENTATIVES BICENTENARY

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the resolution (H. Res. 249) establishing the Commission on the U.S. House of Representatives Bicentenary, and ask for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

Whereas the House of Representatives was established under the Constitution in the year 1789;

Whereas in the year 1989 the House of Representatives will celebrate the bicentennial of its establishment under the Constitution;

Whereas the House of Representatives for the past two hundred years has reflected the will and strength of the people of the United States and has, in its historical development, adhered to our national heritage of individual liberty and the attainment of equal and inalienable rights; and

Whereas it is appropriate and desirable to provide for the observation and commemoration of this anniversary: Now, therefore, be it

Resolved,

SECTION 1. ESTABLISHMENT.

There is established in the House of Representatives the Commission on the United States House of Representatives Bicentenary (hereinafter in this resolution referred to as the "Commission").

SEC. 2. FUNCTIONS.

It shall be the duty of the Commission to oversee the planning and direction of the commemoration of the bicentennial of the House of Representatives through an appropriate program of publications, exhibits, symposia, and related activities. The objective of this commemoration is to inform and emphasize to the Nation the role of the House of Representatives through two hundred years of growth, challenge, and change. The Commission is directed to develop a program, in consultation with the Office for the Bicentennial of the House of Representatives, that will draw upon the resources of current and former Members, scholars, and the general public.

SEC. 3. COMPOSITION.

(a) IN GENERAL.—The Commission shall be composed of 8 members appointed by the Speaker (in consultation with the minority leader) as follows:

(1) Six Members of the House, of whom not more than 3 shall be members of the same political party; and

(2) Two former Members of the House, of whom not more than 1 shall be members of the same political party.

The majority leader and the minority leader shall be ex officio members of the Commission.

(b) DESIGNATION OF CHAIRMAN.—The Speaker shall designate one of the members of the Commission to serve as Chairman of the Commission.

(c) VACANCY.—Any vacancy in the membership of the Commission shall be filled in the same manner as the original appointment.

(d) DEFINITION.—As used in this section, the term "Member" means a Representative in, or a Delegate or Resident Commissioner to, the Congress.

SEC. 4. ADMINISTRATIVE MATTERS.

(a) RULES OF ORGANIZATION.—The Commission may make such rules with respect to its procedure as it considers necessary.

(b) QUORUM.—A majority of the members of the Commission shall constitute a quorum for the transaction of business.

SEC. 5. POWERS

(a) IN GENERAL.—In order to carry out its functions, the Commission is authorized to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings as it deems necessary.

(b) ACQUISITIONS.—The Commission is authorized to acquire any work of art, historical object, document or material relating to historical matters, or exhibit for placement in the House wing of the Capitol or the House office buildings.

SEC. 6. STAFF.

The Commission shall be staffed by the Office for the Bicentennial of the House of Representatives and shall have full supervisory powers over such Office. The Commission may also draw upon the staff support of such other employees of the House or its support agencies as may be agreed to by mutual consent.

SEC. 7. PAYMENT OF EXPENSES.

The expenses of the Commission shall be paid from money appropriated to the Office for the Bicentennial of the House of Representatives.

SEC. 8. PERIODIC REPORTS.

The Commission may submit periodic reports on its activities to the House. Any such report which is made when the House is not in session shall be filed with the Clerk of the House.

SEC. 9. TERMINATION.

The Commission shall cease to exist at the end of the 99th Congress, unless otherwise provided by law or resolution.

Mr. ALEXANDER (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from Arkansas?

Mr. WALKER. Mr. Speaker, reserving the right to object, I reserve the right to object simply to make certain that I understand the procedure here. It is my understanding that this has been cleared by the minority?

Mr. ALEXANDER. Yes, the gentleman is correct. Mr. Speaker, if the gentleman will yield and if I may respond further, the resolution is for the purpose of establishing a Commission on the Bicentenary of the U.S. House of Representatives. It has been cleared by the minority. There are no funds required for its implementation, and it is simply for the purpose of planning, directing, and consummating a program for the commemoration of the bicentenary of the U.S. House of Representatives.

Mr. WALKER. Further reserving the right to object, Mr. Speaker, I appreciate the gentleman's explanation, and I am particularly appreciative of his making the point that this is a resolution that requires no new funding, and that in fact any expenses that will be incurred from this will be out of the office for the bicentennial in the House of Representatives, and that that is previously appropriated money.

Mr. ALEXANDER. Yes, the gentleman is correct. The Bicentenary Commission will be paid for and administered by funds and staff that are currently provided for.

Mr. WALKER. It is also my understanding that the representation on the Commission is equal between the majority and the minority in this particular instance?

Mr. ALEXANDER. Yes, it is equal, and it is bipartisan in makeup.

Mr. WALKER. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from Arkansas?

There was no objection.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

A PLEA TO THE PRESIDENT TO REPUDIATE OPPRESSION IN SOUTH AFRICA

(Mr. WHEAT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHEAT. Mr. Speaker, last week I joined with my colleagues in the Congressional Black Caucus in sending a telegram to the President of the United States requesting an urgent meeting on the crisis in South Africa. Mr. President, we sought that meeting to bring you a message of deep concern about the deteriorating situation in that troubled country.

Last night the conference committee on this body and of the other body endorsed that message and called upon the Congress to pass the Anti-Apartheid Act of 1985. Upon passage of that legislation, Mr. President, we will call upon you to carry our message to the world, and our message is a simple one: The United States will no longer condone oppression in South Africa.

While you are sincere in your efforts to engage the South African Government in constructive dialog, that Government and the rest of the world perceive constructive engagement as tacit American approval of oppressive practices in South Africa. Mr. President, even the mere perception that Americans would tolerate South African repression is morally repugnant, and we call upon you now to repudiate that offensive misperception.

□ 1210

THE INSANITY OF APARTHEID

(Mr. DELLUMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELLUMS. Mr. Speaker, I rise this morning to join with all my colleagues who have taken the well to challenge the insanity of apartheid, the cruelty and oppression of the reality of what is taking place in South Africa at this very moment and to raise the point that a number of my distinguished colleagues, as well as this gentleman, have asked the President of the United States for a terribly important meeting to discuss this incredible issue.

Over the last several days we received a report that Mr. Botha of South Africa refused to meet with Bishop Desmond Tutu, but there are those of us who reside in this Chamber who have a compelling, obvious, yet not exclusive interest in what is taking place in South Africa, who have the right to expect more from our President.

We can understand ignoring Bishop Tutu in the context of the madness of South Africa, but this is obstensibly a democratic society.

The President of the United States, whether or not we agree ideologically, is the President of all the people and in my estimation has a moral, a political, and intellectual obligation to meet with all of the persons who are duly elected and respected representatives of major constituents in this country. The President has a profound obligation and, indeed, a responsibility to meet with us on this incredible issue.

USE OF OFFICIAL GOVERNMENT MAIL TO LOCATE MISSING CHILDREN

Mr. McCLOSKEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1195) entitled "An Act to require that a portion of the mail of Congress and the executive branch include a photograph and biography of a missing child," with Senate amendments to the House amendments thereto, and concur in the Senate amendments to the House amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments to the House amendments, as follows:

Page 3, line 15, of the House engrossed amendment, before "Section" insert "(1)".

Page 3, after line 18 of the House engrossed amendment, insert:

(2) Section 733 of title 44, United States Code, is amended by inserting after the second sentence of the second undesignated paragraph the following: "Franks may also contain information relating to missing children as provided in section 3220 of title 39.".

The SPEAKER pro tempore (Mr. TORRES). Is there objection to the request of the gentleman from Indiana?

Mr. HANSEN. Mr. Speaker, the minority has no objection.

There was no objection.

A motion to reconsider was laid on the table.

NATIONAL SCHOOL-AGE CHILD CARE AWARENESS WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 60) to designate the week beginning September 1, 1985, as "National School-Age Child Care Awareness Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Reserving the right to object, Mr. Speaker, and I will not object, but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation, I yield to the gentleman from Maine [Mr. McKERNAN] who is the chief sponsor of House Joint Resolution 60.

(Mr. McKERNAN asked and was given permission to revise and extend his remarks.)

Mr. McKERNAN. Mr. Speaker, every day 3 to 6 million children return home to an empty house after school. Single-parent families, two working parent families, are in fact a reality in this country. Over 50 percent of women with young children

are in the work force today and therefore have child care needs.

This country needs to address our child care needs and we especially need to address the needs of those who return home to an empty house, so-called latch-key children. Especially those needs are children who return home to an empty house after school and also who need care before school.

I hope that the House will pass this resolution because I believe that by passing it we can call attention to what is a growing problem in this country through the designation of the first week of September as "National School-Age Child Care Awareness Week," and that will heighten the awareness of this growing national problem.

Mr. HANSEN. Mr. Speaker, under my reservation, I yield to the gentleman from New York [Mr. GARCIA].

Mr. GARCIA. Mr. Speaker, with the permission of my colleague, the gentleman from Utah, I yield to my colleague, the gentlewoman from Louisiana [Mrs. BOGGS].

Mrs. BOGGS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, as the chair of the Crisis Intervention Task Force of the Select Committee on Children, Youth and Families, I certainly do not object to this resolution, but applaud it, because it will be a great encouragement and help to all the people who are engaged in the very compelling business of child care in the United States.

I thank the gentleman for yielding.

Mr. McKERNAN. Mr. Speaker, will the gentleman yield further?

Mr. HANSEN. Mr. Speaker, under my reservation, I yield to the gentleman from Maine.

Mr. McKERNAN. Mr. Speaker, I just want to commend the gentlewoman from Louisiana for her work in the Select Committee on Children, Youth and Families, on this important issue. It is one that we really highlighted in the last session of Congress in the Select Committee on Children, Youth and Families and it is one that I think her leadership has made a big difference in throughout the country, and I thank the gentlewoman for supporting this resolution.

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 60

Whereas more than half of the children in the United States are in families in which both parents are in the work force;

Whereas more than one in five children in the United States are in a one-parent family;

Whereas changes in the composition of American families and the American work force have resulted in an increased demand for child care for children of all ages;

Whereas the demand for child care for school-age children has increased at a greater rate than the availability of school-age child care;

Whereas estimates show that millions of school-age children between the ages of six and thirteen, often referred to as latchkey children, may return alone after school to an empty house or in the supervision of a slightly older brother or sister;

Whereas research studies have indicated that children in self and sibling care run greater physical and psychological risks, including accidents and feelings of fear and loneliness, than children who are cared for by an adult;

Whereas the Congress has begun to examine the issue of child care and the role of Federal and State government, the private sector, and parents in providing child care;

Whereas the parents, communities, employers, and agencies serving youth that have recognized the shortage of adequate and affordable school-age child care have developed after school programs for children in their communities; and

Whereas many more parents, communities, employers, and agencies serving youth need to address the problems facing these children and to maximize the use of State and Federal resources in collaboration with these efforts: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning September 1, 1985, is hereby designated as "National School-Age Child Care Awareness Week" and the President is hereby authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate programs and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL DRUNK AND DRUGGED DRIVING AWARENESS WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 137) to designate the week of December 15, 1985, through December 21, 1985, as "National Drunk and Drugged Driving Awarness Week," and ask for its immediate consideration.

The clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, but simply would like to inform that House that the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation, as the chief sponsor, I would like to speak to it for just a moment.

Mr. Speaker, in 1981 I had the opportunity of going to the White House and talking to the President of the United States about the problem of drunk driving. I pointed out to him that 26,000 people a year died as a result of drunk driving and 450,000 people a year suffered because of bad backs, paraplegics, quadraplegics, and injuries such as that.

He picked up a memo and he penned a letter to Secretary of Transportation Lewis. Out of that came the Presidential Commission on Drunk Driving, on which I had the privilege to sit with my colleague, the gentleman from Maryland [Mr. BARNES].

We found a lot of things, Mr. Speaker, that were very interesting. We found that in America we do not take this too seriously. I notice today we are very serious about the problem in South Africa, and it truly is a problem, the problem in Chile and the problems in other areas, and they are truly problems; but here in America we seem to think it is all right to get ourselves up to a 0.05 blood alcohol count or 0.10, whatever it may be, getting in 2 tons of steel barreling down the road and kill 26,000 people per year.

We further found that the people in America who talk about this issue, especially our very respectful law enforcement people, have very little knowledge on how to recognize someone who is drinking and driving.

We found in this Commission that they actually use the archaic discovery methods of touching their nose, counting to 10 backward, doing one-legged pushups, and we find, and I say this very respectfully, that all over our 50 States they cannot identify a person who has been drinking and driving.

We further found, Mr. Speaker, that someone who gets in an S-turn with just a 0.05 blood alcohol count cannot make it. No one in America can make an S-turn with a 0.05 blood alcohol count.

We further found that all of our laws were to a 0.10 or 0.08. So we find in America that we are letting all these people loose every night to get in their cars with 2 tons of steel and go out and kill people. We can only recognize by archaic methods 26,000 of them that are killing people. It is absolutely amazing that we find this.

Out of this, however, Mr. Speaker, we were fortunate enough to have almost 40 States that have considered new drunk driving laws. Along came people who started things like Mothers Against Drunk Driving, Students Against Drunk Driving, Rid the Roads of Drunk Drivers, and fortunately we are starting to mitigate this problem in America.

If I may say in the most respectful terms, Mr. Speaker, I notice that every night we go to receptions around here and if people would carry in their wallets, as I do, and I am a teetotaler, that says, a card that says, "Know

your capacity"—that says that one drink will bring you above a 0.05 and then we noticed that our colleagues and the rest of us from both Houses and the executive branch go to these receptions, we have a drink or they have a drink at every one of these, and then get in their cars and go out on the road.

I would assume that the vast majority of these people who should be an example to the world find themselves with those who actually would lead to it. I hope the good Lord blesses them as they go out on the roads, because fortunately it has not come back to haunt this body or the body next to it, because of their own capacity of handling intoxicating beverages.

It would seem to me, Mr. Speaker, if I may say so, that it really is not too bright to get in a car after having a few drinks. Can we not let somebody else drive us? Can we not take a taxi, and above all the laws which are merely speed bumps, what we really should do is, like our friends from Sweden who we talked to, on this Presidential Commission on Drunk Driving, have in our hearts and in our minds that we do not want to kill other Americans. If we get down to that, the laws absolutely do not mean a thing.

I would hope that we would realize that to drink and drive is absolutely stupid, as it is to take drugs and drive.

□ 1220

Mr. HANSEN. Mr. Speaker, I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I rise in support of House Joint Resolution 358, designating the week of December 15 through December 21 as "National Drunk and Drugged Driving Awareness Week." As an original cosponsor of this measure I wish to thank the gentleman from Utah [Mr. HANSEN] and the gentleman from Maryland [Mr. BARNES] for introducing this important piece of legislaiton.

Drunk and drugged driving has risen to epidemic proportions. Over the past decade our country has witnessed the death and injury of millions of Americans; death and injury directly attributable to alcohol and/or drug abuse. This horrifying social cost is further compounded by the tremendous economic cost of over $20 billion each year. The tragic effect on our Nation's youth is especially alarming: drunk and drug-related driving is the leading cause of death of thousands of teenagers today.

As the ranking minority member of the Select Committee on Narcotics, I can attest to the select committee's involvement is not only the drug abuse problem, but the alcohol problem as well. Although the phrase "driving under the influence" is most often associated with alcohol, we must not ignore the fact that drug-related driving incidents are also an ever-increasing problem.

Drug use in our Nation has grown considerably, among both the young and old. While we will continue to crack down on drunk and drugged drives alike, there is no substitute for an increased awareness among our parents, our teachers, and children on the disasterous effects of drunk and drugged driving. In this regard, I would like to commend the gentleman from from Utah and my colleagues for establishing "Drunk and Drugged Driving Awareness Week" each year since 1982 during the December holiday season.

The designation of National Drunk and Drugged Driving Awareness Week has a special significance at that time of year as the holiday season is a time of good will toward our neighbors and friends. Observance of this week will serve as a timely reminder and continue to draw attention to the serious effects of drunk and drugged driving.

Once again, I commend the gentleman for introducing House Joint Resolution 358 and urge my colleagues to fully support its adoption.

Ms. OAKAR. Mr. Speaker, will the gentleman yield?

Mr. HANSEN. I yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Speaker, I want to also extend my commendation to the gentleman. I think this is a very important symbol of a horrendous thing that is taking place.

I have one of my former staff members who was hit by a drunk driver and her future fiance was killed. She is now in a kind of comatose state and has been for about 2 years. When you see the reality of how this affects a family, and everyone on the Hill who knew Mora, it just really hits home.

This kind of event happens to thousands of Americans every year, and indeed, hundreds every day, and I think that we really have to do something in our country to end this horrendous tragedy which takes more lives than I think any war we have ever participated in.

So I really want to congratulate you, and certainly I think we will pass this unanimously.

Mr. HANSEN. Mr. Speaker, I appreciate the kind words of the gentlewoman from Ohio [Ms. OAKAR] and the gentleman from New York [Mr. GILMAN].

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 137

Whereas traffic accidents cause more violent deaths in the United States than any other cause, approximately forty-four thousand in 1984;

Whereas traffic accidents cause thousands of serious injuries in the United States each year;

Whereas more than 60 per centum of drivers killed in single vehicle collisions and 45 per centum of all drivers fatally injured in 1984 had blood alcohol concentrations above the legal limit;

Whereas the United States Surgeon General has reported that life expectancy has risen for every age group over the past seventy-five years except for Americans fifteen to twenty-four years old, whose death rate, the leading cause of which is drunk driving, is higher now than it was twenty years ago;

Whereas the total societal cost of drunk driving has been estimated at over $24,000,000,000 per year, which does not include the human suffering that can never be measured;

Whereas there are increasing reports of driving after drug use and accidents involving drivers who have used marijuana or other illegal drugs;

Whereas driving after the use of therapeutic drugs, either alone or in combination with alcohol, contrary to the advice of physician, pharmacist, or manufacturer, may create a safety hazard on the roads;

Whereas more research is needed on the effect of drugs either alone or in combination with alcohol, on driving ability and the incidence of traffic accidents;

Whereas an increased public awareness of the gravity of the problem of drugged driving may warn drug users to refrain from driving and may stimulate interest in increasing necessary research on the effect of drugs on driving ability and the incidence of traffic accidents;

Whereas the public, particularly through the work of citizens groups, is demanding a solution to the problem of drunk and drugged driving;

Whereas the Presidential Commission on Drunk Driving, appointed to heighten public awareness and stimulate the pursuit of solutions, provided vital recommendations for remedies for the problem of drunk driving;

Whereas most States have appointed task forces to examine existing drunk driving programs and make recommendations for a renewed, comprehensive approach, and in many cases their recommendations are leading to enactment of new laws, along with stricter enforcement;

Whereas the best defense against the drunk or drugged driver is the use of safety belts and greater safety belt usage would increase the number of survivors of traffic accidents;

Whereas an increase in the public awareness of the problem of drunk and drugged driving may contribute to a change in society's attitude toward the drunk or drugged driver and help to sustain current efforts to develop comprehensive solutions at the State and local levels;

Whereas the Christmas and New Year holiday period, with more drivers on the roads and an increased number of social functions, is a particularly appropriate time to focus national attention on this critical problem;

Whereas designation of "National Drunk and Drugged Driving Awareness Week" in each of the last three years stimulated many activities and programs by groups in both the private and public sectors aimed at curbing drunk and drugged driving in the

high-risk Christmas and New Year holiday period and thereafter; and

Whereas the activities and programs during "National Drunk and Drugged Driving Awareness Week" have heightened the awareness of the American public to the danger of drunk and drugged driving: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of December 15, 1985, through December 21, 1985, is designated as "National Drunk and Drugged Driving Awareness Week" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL ADULT DAY CARE CENTER WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 229), designating the week beginning September 22, 1985, as "National Adult Day Care Center Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation, I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, as my colleagues know, I have long been committed to improving the quality of life for all people, both in the United States and abroad. Today, I am pleased to be able to give my support to the recognition of a program that improves the quality of life for our elderly and their families. I am proud to cosponsor House Joint Resolution 229, a bill to designate the week of September 22, 1985, as "National Adult Day Care Center Week." I thank the gentleman from Michigan [Mr. HERTEL], for bringing this legislation before the House.

Adult day care is an organized program of structured activities designed to maintain or improve the physical, mental, and emotional functioning of frail, dependent, or isolated persons. Adult day care is a cost-effective alternative that can prevent premature or inappropriate institutionalization, provide respite to caregivers, curtail health care costs, and enable individuals to maintain their independence.

Our Nation has been experiencing the aging of our population. With improved nutrition and medical technology, more people are living longer. The group of persons aged 60 and older is the largest growing segment of our population. With this "graying of America" has come the need to provide support for those no longer able to be totally independent.

At the same time, we seem to be overburdened with health care and service costs. It is important, therefore, that we find innovative and cost-effective ways to provide the services needed by the people of this great country, especially our elderly. Day care programs for adults may be one way to accomplish this.

Adult day care programs provide various activities and services in a social group setting. These may include exercise; health and mental health screening; assistance with improving skills needed to perform activities of daily living, including the provision of occupational and physical therapy; reality orientation; and discussion group exercises to maintain or improve communication skills and memory. Nutritious, well-balanced meals are also provided.

An important function of adult day care is to prevent or delay costly institutionalization and to maintain independence. Many of our elderly have been prematurely or inappropriately placed in an institutional, long-term care facility, such as a nursing home, simply because the individual and his or her family had no alternative. More than 25 percent of those in nursing homes do not need to be there. Adult day care programs enable individuals to maintain their independent living by providing a safe, professional environment for them to spend 6 to 10 hours during the day. Adult day care also provides an important respite for families who want to care for their elderly relatives, but are hesitant to leave them alone during the day. A structured, supportive day program enables families to care for their elderly relatives at home while relieving the time and financial burden that home or institutional care places on family members. Many centers also offer support groups and other programs for the caregivers of the elderly. Day care is a welcome alternative to institutionalization for many individuals and their families.

According to the National Institute on Adult Day Care [NIAD], many activities will be held during "National Adult Day Care Center Week." The approximately 1,000 adult day care centers nationwide will be providing educational programs and holding open houses and ceremonies to increase the public's awareness about adult day care. Additionally, several new adult day care centers will be opening during the week of September 22.

I am proud to be able to say that one of the centers scheduled to open during "National Adult Day Care Center Week" is located in my 22d Congressional District of New York, which I am proud to represent. Homemaker Service of Orange County, Inc., a nonprofit organization, is scheduled to open its adult day care center in Middletown, NY, during the week of September 22. This program is an innovative combination of public and private resources working together to provide a needed service in a cost-effective manner, providing a savings to both the individuals and to the public. This program was initially funded through a grant by the Orange County Office for the Aging, and is now funded by a grant from the city of Middletown's Community Development Block Grant Program as well as through private sources. I am proud of the cooperative efforts made by the private and public sectors in my district and look forward to joining in the events marking "National Adult Day Care Center Week."

The theme selected by the National Institute on Adult Day Care is "adult day care: Rising to the Challenge." I encourage my colleagues to join in actively supporting "National Adult Day Care Center Week," to assist Adult Day Care programs to indeed be able to "Rise to the Challenge" of informing the public about this alternative long-term care program and improving the quality of life for all of our senior citizens.

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 229

Whereas there are 1000 adult day care centers nationwide providing a safe and positive environment to partially disabled adults and senior citizens in need of daytime assistance and supervision;

Whereas adult day care centers provide necessary health maintenance functions and medical care, including medication monitoring, therapies, and health education, and are operated by professional staffs who identify the need for additional health services and make appropriate referrals;

Whereas adult day care centers provide opportunities for social interaction to otherwise isolated individuals and assist them in attaining and maintaining a maximum level of independence; and

Whereas these centers offer relief to families who otherwise must care for disabled elderly persons on a twenty-four-hour-per-day basis: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning September 22, 1985, is designated "National Adult Day Care Center Week".

The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SENSE OF CONGRESS COMMENDING MEDICARE ON ITS 20TH ANNIVERSARY

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate concurrent resolution (S. Con. Res. 9) expressing the sense of the Congress that Medicare be commended on its 20th anniversary for the program's success in protecting older Americans against the high cost of health care, and ask for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation, I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I rise in strong support of Senate Concurrent Resolution 9, recognizing the 20th anniversary of the Medicare Program. As a cosponsor of this measure, I commend the gentleman from Florida, the distinguished chairman of the Select Committee on Aging, Mr. PEPPER, for introducing the House companion bill, House Concurrent Resolution 88. I urge my colleagues to join in supporting this measure which demonstrates our firm commitment to maintaining the integrity of the Medicare Program.

Since the inception of the Medicare Program 20 years ago, countless individuals—the infirmed, the elderly, and the disabled, have enjoyed protection under this program. Indeed, over 28 million older persons and 3 million disabled individuals make Medicare the single largest personal health care financing program in the United States. Hundreds of thousands of physicians and more than 20,000 hospitals, nursing homes, home health agencies, labs, and clinics participate in the Medicare Program.

In more recent years the Medicare Program has had to respond to both the growing elderly population in this country and to the rising health care costs. Congress has been able to address in part, the changing face of health care in this Nation by increasing Medicare benefits to include hospice and health maintenance organization [HMO's] services. Our task is, however, by no means finished. Throughout this Congress, as we continue in the fiscal year 1986 budget process, and as we attempt to enact significant deficit reduction measures, we must make the continued solvency of the Medicare Program our top priority. I believe that efforts to control escalating health care costs while improving the delivery of health care, is one of the most difficult and pressing dilemmas facing this Congress. By adopting this resolution we will be recognizing the enormous success of this program while reaffirming our commitment to the elderly and the disabled to protect their continued access to quality health care.

Accordingly, I urge my colleagues to commemorate the 20th anniversary of the Medicare Program by adopting Senate Concurrent Resolution 9.

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 9

Whereas Congress authorized Medicare in 1965 under title XVIII of the Social Security Act to consist of hospital insurance and supplemental medical insurance;

Whereas Medicare has contributed immeasurably to the security, improved health and extended longevity of older Americans;

Whereas Medicare provides health insurance coverage to thirty-one million aged and disabled persons, and is the largest personal health care financing program in the United States;

Whereas over half of all physicians serve Medicare patients, and over twenty thousand organizations—hospitals, nursing homes, home health agencies, labs, and clinics participate in Medicare;

Whereas Medicare is one of the most vitally important and successful programs in the history of the United States, without which many older Americans could not afford basic health care; and

Whereas one of the greatest social issues facing our Nation today is maintaining the integrity of Medicare to ensure the health and well-being of all older Americans: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Medicare be commended on its twentieth anniversary for the program's success in helping to protect older Americans against the high cost of health care.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

RECOGNIZING 50TH ANNIVERSARY OF RURAL ELECTRIFICATION PROGRAM

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture be discharged from further consideration of the resolution (H. Res. 144), recognizing the 50th anniversary of the Rural Electrification Program, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 144

Whereas in 1935, most of rural America did not have electric lighting—nine out of ten farms were without central station electricity;

Whereas fifty years ago, on May 11, 1935, President Franklin D. Roosevelt created the Rural Electrification Administration (REA) by signing Executive Order 7037;

Whereas since 1936, Congress has passed and the President has signed legislation strengthening the role of the Rural Electrification Administration in assisting rural electric systems to ease the burdens of farm labor and meet the power needs of America's farmers, ranchers, and rural residents;

Whereas today, rural United States has electric power, nearly one thousand membership-owned rural electric systems provide service to about twenty-five million people in forty-six States, Puerto Rico, and the Virgin Islands;

Whereas Rural Electrification Administration borrowers have established a record of responsibility in meeting their repayment obligations unmatched in any other Federal program of financial assistance;

Whereas since 1961 Rural Electrification Administration borrowers have helped establish and expand more than twenty thousand commercial and industrial enterprises and community facilities that have created nearly one million new jobs; and

Whereas the Rural Electrification Administration, its borrowers, and rural people have formed a partnership that has brought electric power to those who live off the main roads and outside of the cities, thereby permitting them more fully to contribute to and share in the American dream: Now, therefore, be it

Resolved, That it is the Sense of the House of Representatives that—

(1) the Rural Electrification Program must continue to provide financing and technical assistance at reasonable cost to ensure that the modern living standards of rural Americans and the quality of their communities are preserved through access to reliable and competitively priced electricity;

(2) the fiftieth anniversary of the creation of the Rural Electrification Administration and the Rural Electrification Program should be recognized; and

(3) the people of the United States and Federal and State governmental agencies are encouraged to commemorate, on the occasion of the fiftieth anniversary of the Rural Electrification Administration, the past accomplishments and continuing

achievements of America's Rural Electrification Program with appropriate ceremonies and activities paying tribute to the thousands of rural electrification leaders throughout the Nation, who, in partnership with their Government, have made the United States Rural Electrification Program the symbol of hope and a model of excellence for other nations throughout the world.

● Mr. DE LA GARZA. Mr. Speaker, I rise in support of House Resolution 144, recognizing the 50th anniversary year of the Rural Electrification Program. This resolution, which I introduced with the Honorable EDWARD R. MADIGAN, ranking minority member of the Committee on Agriculture, has the support of 147 cosponsors. The resolution, as amended, was unanimously approved by the Committee on Agriculture on July 30, 1985.

The amendment in the nature of a substitute that I offer was adopted unanimously by the Committee on Agriculture. It differs from the resolution as originally introduced only to reflect the fact that the 50th anniversary date of the Rural Electrification Program has already passed—it was observed on May 11, 1985. This amendment does not alter the meaning nor the intent of the original resolution.

It was 50 years ago that President Franklin D. Roosevelt signed an Executive order creating the Rural Electrification Administration. In those 50 years, the REA has worked with rural residents across the United States to better the quality of life of farm families and other rural residents through its Rural Electrification Program.

The Rural Electrification Program has an impressive record of accomplishments over the past 50 years. By working cooperatively with the REA, rural residents have built nearly 1,000 member-owned rural electric systems that provide electric power to about 25 million people in 46 States, the Commonwealth of Puerto Rico, and the Virgin Islands. In the process, the REA has created nearly 1 million jobs, and improved the living standards of millions of rural Americans.

As important as the past accomplishments of the Rural Electrification Program, however, is the work ahead. Low commodity prices, high real interest rates, plummeting land values, heavy debt loads, and declining export markets have brought serious economic problems to farm families and small towns across rural America. Reasonably priced electric power is an important farm input. The Rural Electrification Program can continue to make electricity available to the American farmer at a reasonable cost, through the Nation's rural electric cooperatives.

House Resolution 144 expresses the sense of the House of Representatives that the Rural Electrification Program must continue to provide reasonably priced financing and technical assistance for rural electric systems that serve rural residents. I urge my colleagues to join me in commending the Rural Electrification Program for 50 years of service to rural America, and in expressing our support for the program's continued success.●

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. DE LA GARZA

Mr. DE LA GARZA. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. DE LA GARZA: Strike out the text of the preamble and the resolution and insert in lieu thereof the following:

Whereas in 1935, most of rural United States did not have electric lighting, and nine out of ten farms were without central station electricity;

Whereas fifty years ago, on May 11, 1935, President Franklin D. Roosevelt created the Rural Electrification Administration by signing Executive Order 7037;

Whereas since 1936, Congress has passed and the President has signed legislation strengthening the role of the Rural Electrification Administration in assisting rural electric systems to ease the burdens of farm labor and meet the power needs of the Nation's farmers, ranchers, and rural residents;

Whereas today, rural United States has electric power, and nearly one thousand membership-owned rural electric systems provide service to about twenty-five million people in forty-six States, the Commonwealth of Puerto Rico, and the Virgin Islands;

Whereas Rural Electrification Administration borrowers have established a record of responsibility in meeting their repayment obligations unmatched in any other Federal program of financial assistance;

Whereas since 1961, Rural Electrification Administration borrowers have helped establish and expand more than twenty thousand commercial and industrial enterprises and community facilities in rural areas that have created nearly one million new jobs; and

Whereas the Rural Electrification Administration, its borrowers, and rural people have formed a partnership that has brought electric power to those who live off the main roads and outside of the cities, thereby permitting them more fully to contribute to and share in the American dream: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) the rural electrification program must continue to provide financing and technical assistance at reasonable cost to ensure that the modern living standards of rural Americans and the quality of their communities are preserved through access to reliable and competitively priced electricity;

(2) the fiftieth anniversary year of the creation of the Rural Electrification Administration and the rural electrification program should be recognized; and

(3) the people of the United States and Federal and State governmental agencies are encouraged to commemorate the fiftieth anniversary year of the Rural Electrification Administration and the past accomplishments and continuing achievements of the Nation's rural electrification program with appropriate ceremonies and activities paying tribute to the thousands of rural electrification leaders throughout the Nation, who, in partnership with their Government, have made the United States rural electrification program the symbol of hope and a model of excellence for other nations throughout the world.

Mr. DE LA GARZA (during the reading). Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from Texas [Mr. DE LA GARZA].

The amendment in the nature of a substitute was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2372, RAILROAD SAFETY IMPROVEMENT ACT OF 1985

Mr. WHEAT, from the Committee on Rules, submitted a privileged report (Rept. No. 99-243), on the resolution (H. Res. 250) providing for the consideration of the bill (H.R. 2372) authorizing appropriations for carrying out the Federal Railroad Safety Act of 1970, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 1460, ANTI-APARTHEID ACT OF 1985

Mr. WHEAT, from the Committee on Rules, submitted a privileged report (Rept. No. 99-244) on the resolution (H. Res. 251) waiving certain points of order against the conference report on the bill (H.R. 1460) to express the opposition of the United States to the system of apartheid in South Africa, and for other purposes, which was referred to the House Calendar and ordered to be printed.

□ 1230

NATIONAL FAMILY WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 31) to designate the week of November 24 through November 30, 1985, as "National Family Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, but I simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation of objection I yield to the gentleman from Indiana [Mr. MYERS].

Mr. MYERS of Indiana. I thank the gentleman for yielding.

Mr. Speaker and colleagues, I thank the chairman and the ranking Member for bringing this issue up.

Back in 1970, a constituent of mine who was a schoolteacher, and still is a schoolteacher but not a constituent any longer, brought the idea of observing National Family Week to me. I introduced it in that year, and I have been introducing it every year since 1970. In fact, this year it is the only observation that I have introduced or cosponsored.

The purpose of the National Family Week is simple: It sets aside a specific time during the year to pay homage to the one institution which has given so much meaning to human life and provided a stable structure to our society. It recognizes the importance of the family as the foundation of American life and the fundamental role the family has played in securing those values upon which our Nation was founded.

Today, more than ever, recognition of the American family is important.

Mr. Speaker, I regret that we cannot make this permanent legislation because of an agreement that the committee has to not consider these for payment status. Since 1972 the President has proclaimed the week including Thanksgiving, which is most appropriate, in my judgment, as National Family Week as a tribute to the American family.

Mr. Speaker, I urge my colleagues to support this legislation which is most appropriate.

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 31

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the week of November 24, 1985, through November 30, 1985, as "National Family Week", and inviting the Governors of the several States, the chief officials of local governments, and the people of the United States to observe such week with appropriate ceremonies and activities.

AMENDMENT OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GARCIA: Amend line 5 by inserting after "November 30, 1985," "and the week of November 23, 1986, through November 29, 1986,".

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from New York [Mr. GARCIA].

The amendment was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

TITLE AMENDMENT OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mr. GARCIA: Amend title so as to read: "Joint resolution to designate the week of November 24 through November 30, 1985, and the week of November 23 through November 29, 1986, as 'National Family Week'."

The title amendment was agreed to.

A motion to reconsider was laid on the table.

NATIONAL NEIGHBORHOOD CRIME WATCH DAY

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 168) designating August 13, 1985, as "National Neighborhood Crime Watch Day," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution as follows:

S.J. RES. 168

Whereas neighborhood crime is of continuing concern to the American people;

Whereas the fight against neighborhood crime requires people to work together in cooperation with law enforcement officials;

Whereas neighborhood crime watch organizations are effective at promoting awareness about, and the participation of volunteers in, crime prevention activities at the local level; and

Whereas citizens across America will soon take part in a "National Night Out", a unique crime prevention event which will demonstrate the importance and effectiveness of community participation in crime prevention efforts by having people spend the period from 8 to 9 o'clock postmeridian on August 13, 1985, with their neighbors in front of their homes: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That August 13, 1985, is designated as "National Neighborhood Crime Watch Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate programs, ceremonies, and activities.

Mr. COUGHLIN. Mr. Speaker, I rise in strong support of Senate Joint Resolution 168 designating August 13, 1985 as "National Neighborhood Crime Watch Day." It is the Senate companion to House Joint Resolution 312 which I introduced earlier this year.

I am pleased that the Congress, by enacting this joint resolution, will be recognizing both the effectiveness and the growth of local crime watch organizations throughout the Nation.

The National Association of Town Watch is a national organization whose purpose is to promote and assist local crime prevention groups which work in cooperation with law enforcement officials. The National Association of Town Watch is sponsoring "National Night Out" on August 13, 1985, when neighbors are urged to spend the hour of 8–9 p.m. on their lawns, porches, and steps in front of their homes as a demonstration of community support for volunteer efforts to reduce crime in their neighborhoods. It is based on the idea that neighbors looking out for one another where they live and work is the most effective form of crime prevention.

A similar event last year successfully highlighted the efforts of local crime prevention programs, generated support for crime watch activities, and signaled to criminals that neighborhoods are pulling together to fight crime.

I urge that the resolution be passed.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SOCIAL SECURITY DAY AND SOCIAL SECURITY WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 300) designating August 14, 1985, as "Social Security Day," and the week of August 11, 1985, through August 17, 1985, as "Social Security Week", and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation of objection, I yield to my good friend, the gentleman from Texas [Mr. BUSTAMANTE].

Mr. BUSTAMANTE. Mr. Speaker, I thank the gentleman from Utah for yielding.

Mr. Speaker, I rise to urge passage of House Joint Resolution 300, which declares August 14, 1985 as "Social Security Day" and the week of August 11-17, 1985, as "Social Security Week." I thank the gentleman from New York [Mr. GARCIA] and the gentleman from Utah [Mr. HANSEN] for their support on this resolution.

On August 14, 1935, President Franklin Delano Roosevelt signed the Social Security Act into law. Fifty years later, Social Security is a vital system. In 1984 at least 36 million people received benefits under the Social Security Act. At the same time, more than 116 million workers continue to contribute over $200 billion annually to the Social Security trust funds.

Social Security is the most significant legislative and social achievement of the 20th century. Each time we use our Social Security number, we are reminded of how much Social Security has become a part of our lives.

House Joint Resolution 300 has received the endorsement of the National Gray Panthers, the National Association of Area Agencies on Aging and the National Association of State Units on Aging. These organizations and others across the country are planning their own programs for the August 14 anniversary. The Social Security Administration has also scheduled a week-long program of activities. Furthermore, the governors of a dozen States, including my State of Texas, have issued proclamations declaring August 11-17 as "Social Security Week."

A congressional resolution will enhance this anniversary celebration. I thank my colleagues for their support, and I hope this golden anniversary will be a memorable occasion.

Mr. HANSEN. Mr. Speaker, under my reservation of objection, I yield to the gentleman from Pennsylvania [Mr. COUGHLIN].

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 300

Whereas the original Social Security Act, which was signed into law by President Franklin Delano Roosevelt on August 14, 1935, represents the most significant social and legislative achievement of the 20th century;

Whereas, in the words of President Roosevelt, the Social Security Act represents the cornerstone of the Nation's commitment "to protect Americans from the hazards and vicissitudes of life";

Whereas basic income security under the Social Security Act has been provided to the elderly since 1935, to their survivors and dependents since 1939, and to disabled workers since 1956, and has included medical insurance coverage of the elderly and the disabled since 1965;

Whereas, in 1984, at least 36,000,000 people received benefits under the Social Security Act;

Whereas more than 116,000,000 workers jointly contributed over $200,000,000,000 annually to the Social Security Trust Funds;

Whereas, before the enactment of the Social Security Act, two-thirds of our Nation's elderly Americans had no means of support, except that which could be obtained from their friends, families, and private charities; and

Whereas, because of the protections of the Social Security Act more than 85 percent of elderly Americans have incomes above the poverty line and 14,000,000 other Americans who would otherwise have incomes below the poverty line have incomes above it: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) August 14, 1985, is designated as "Social Security Day", and the week of August 11, 1985, through August 17, 1985, is designated as "Social Security Week".

(b) The President is authorized and requested to issue a proclamation—

(1) commemorating August 14, 1985, as the 50th anniversary of the signing into law of the Social Security Act; and

(2) calling upon the people of the United States to observe the week of August 11, 1985, through August 17, 1985, with appropriate, ceremonies, and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Joint Resolution 300, just passed, as well as on the commemorative legislation passed today, including House Resolution 144.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

CONFERENCE REPORT ON H.R. 2068, FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1986 AND 1987

Mr. MICA. Mr. Speaker, pursuant to the order of the House of Thursday, July 25, 1985, I call up the conference report on the bill (H.R. 2068) to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the U.S. Information Agency, the Board for International Broadcasting, and for other purposes, and ask unanimous consent that the statement of managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 30, 1985, at page H6812.)

Mr. MICA (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER pro tempore. The gentleman from Florida [Mr. MICA] will be recognized for 30 minutes and the gentlewoman from Maine [Ms. SNOWE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida [Mr. MICA].

Mr. MICA. Today we bring to the floor the conference report on the Foreign Relations Authorization Act, known in this body as the State Department authorization. It has within it security for U.S. embassies and our personnel abroad, U.S. Information Agency, the Board for International Broadcasting, and other foreign affairs activities.

Mr. Speaker, I would like my colleages to know that, of course, we passed a freeze on this legislation when it moved through this body some months ago. I think they would be proud to know that not only has that freeze been maintained in this conference report, but we are $200 million, over a 2-year period, below that freeze figure.

I think we still carry out the vital functions of the State Department and related agencies and activities.

Some of the major provisions in the bill include diplomatic security, of course, some legislative initiatives regarding secure actions on fraud, visa, passport, and the like, and trying to strengthen our efforts to combat illegal and illicit drugs.

Mr. Speaker, we have a number of other items in the bill, but suffice it to say this: We have worked out some 95, I believe it was over 100 amendments

in contention, have come up to an agreement that I think all sides have come to approve.

The other body has already approved this legislation. I would like to commend the other body and its chairman for the diligent work they have done on this legislation, and the staff, to take 100 amendments in contention and work it out with as little trouble was really quite a feat in that time.

□ 1240

Also, I would like to commend my ranking minority member, Ms. SNOWE, for the work that she has done; the Foreign Affairs Committee staff for the fine job they have done; in particular the leadership of our chairman, Congressman FASCELL of Florida, the tremendous job he has done.

I think this is the smoothest and the best approach we have seen in a number of years on this legislation, and I am very proud to present it to the House in this fashion.

Mr. Speaker, today we bring to the floor the conference report on the Foreign Relations Authorization Act which provides funding authority for the Department of State, security for the U.S. embassies and personnel abroad, the U.S. Information Agency, the Board for International Broadcasting, and other related foreign affairs activities.

The conference substitute is approximately $200 million under the House-passed freeze level for fiscal years 1986 and 1987.

Some of the major provisions of the bill include:

Greater funding of security to our diplomats;

New legislative authorities to strengthen counter-espionage efforts;

Further strengthening of efforts to combat illicit drugs;

Funding to speed modernization of broadcasting facilities of the Voice of America and Radio Free Europe/Radio Liberty;

New authority for a scholarship program for undergraduate students from developing countries designed to counter Soviet efforts particularly in the Western Hemisphere; and

New arms control initiatives, including a 2-year authorization for the arms control and disarmament agency.

I want to commend the chairman of the Foreign Relations Committee in the other body and his staff for their exhaustive efforts and their spirit of cooperation. I would also like to thank our House Foreign Affairs staff for their efforts over the last few weeks, and I would particularly like to thank the gentleman from Florida, the chairman of the full committee, Mr. FASCELL, for his guidance in managing this bill.

Mr. Speaker, I will not belabor the discussion, but urge my colleagues to support the conference report.

Several technical problems have been discovered in the conference report since it was filed last night.

Although section 113 reflects a change in the date by which the UNHCR is directed to comply with the section's specified audit, that new date is not reflected in the managers' statement. It was also the intent of the managers that the conference report language specify that the term "independent consultancy" as used in the bill, means a recognized, management consulting firm which is independent from the United Nations.

The conference report also indicates that the House provision establishing a commission in the Department of State to investigate Soviet and international Communist behavior has been accepted by the conference committee. Instead, it is the understanding of the conference committee that State Department's Bureau of Intelligence and Research will perform the study.

In section 812, entitled "Japan-United States Security Relationship," the word "should" in subsection 812(c) was intended to read as "shall."

In addition, in section 813(b) of the bill entitled, "Diplomatic Equivalence and Reciprocity," the reporting requirement is stated as a "sense of the Congress." The committee of conference intended that the Secretary of State and the Attorney General shall prepare a report for the Congress pursuant to section 813, and that the sense of the Congress phrase be deleted.

Section 150(c) was intended to provide that the nomination, appointment, and initiation of the new Office of Inspector General would be accomplished, or substantial progress made on or before 6 months after the date of enactment of this act. This would coincide with the report requirement in subsection (c). It is recognized that, during this period of time, the Department would continue to perform inspection functions under existing law, that is under section 209 of the Foreign Service Act.

After negotiations of the managers on a provision entitled, "Employees of the United Nations," dealing with the extent to which international civil servants employed by the United Nations are required to return all or part of their salaries to their respective governments, an error was made in recording the agreement on subsection (c). Section 151(c) of the legislation should now read: (c) reduction in contribution if substantial progress not made.—If the Secretary of State determines pursuant to subsection (b) that substantial progress has not been made in correcting this practice, the United States shall thereafter reduce the amount of its annual assessed contribution to the United Nations by the amount of that contribution which is the U.S. proportionate share of the salaries of those international civil servants employed by the United Nations who are returning any portion of their salaries to their respective governments.

I would also note that the conferees share in the concern over the worsening U.S. trade deficit, particularly the imbalance in trade between the United States and Japan. We do not want this problem exacerbated in the area of air-freight services. We believe that the viability of U.S.-flag-carrier freighter services is essential to the development of U.S. exports and to our national defense through the Civil Reserve Air Fleet Program.

In particular, the conferees are aware that the Japanese recently received valuable additional air-freight rights in the course of bilateral negotiations. The conferees request that no further expansion of Japanese access to U.S. air-freight markets occurs during the period covered by this authorization in order to enable the U.S. Government to state a clearly defined policy on international air-freight service. That policy statement shall encompass the already established congressionally mandated goals for U.S. air-freight service and shall be formulated jointly and submitted to the appropriate committees of Congress by the Departments of State, Commerce and Transportation, and the U.S. Trade Representative.

The conference report as printed in the CONGRESSIONAL RECORD also contains a sentence on page H6837 relating to employees of the United Nations which reads as follows: "The conference substitute does not make mandatory a reduction in the U.S. contribution to the United Nations." It was the intent of the managers that this sentence be deleted from the conference report.

Mr. HAWKINS. Will the gentleman yield?

Mr. MICA. I yield to the gentleman.

Mr. HAWKINS. Mr. Speaker, I would like to ask the gentleman from Florida some questions of clarification.

It is my understanding that language under sections 112 and 118 of the conference agreement will permit the Secretary of State the descretion to make determinations respecting the applicability of section 2(f) of the State Department Basic Authorities Act and any other law administered by the Secretary of State to individuals employed by contract to perform personal services abroad.

The Committee on Education and Labor is concerned that the language "any other law administered by the Secretary" could be construed to grant the Secretary of State authority to decide questions of eligibility of such individuals for medical and disability

51-059 O-86-40 (Pt. 16)

benefits under the Federal Employees Compensation Act [FECA].

Is it your understanding that the authority to decide such questions is exclusively that of the Secretary of Labor?

Mr. MICA. The distinguished Chairman is absolutely correct. We have discussed that, and the answer is yes.

Mr. HAWKINS. If the gentleman will yield further, is it also your understanding that in no way can the language in sections 112 and 118 of the conference report be construed to affect the Secretary of Labor's existing authority under FECA to determine questions involving an individual's employment relationship with the U.S. Government?

Mr. MICA. The Chairman is correct, yes.

Mr. HAWKINS. Can we, therefore, conclude that the language as expressed in the conference agreement is consistent with the position of the House?

Mr. MICA. Yes, Mr. Chairman.

Mr. HAWKINS. Can we also conclude that the conference agreement is consistent with the recommendations contained in Secretary Brock's letter of July 29, 1985, to the chairman, Mr. FASCELL, and the ranking Republican member, Mr. BROOMFIELD?

Mr. MICA. Yes, Mr. Chairman; that is also correct. That is with respect to the provisions in the FECA.

Mr. HAWKINS. Mr. Speaker, I would ask that that letter be included in the RECORD. It is my understanding that a letter from the Secretary of State regarding this matter is en route and is consistent with the language of the conference agreement.

Mr. MICA. Yes; that is also my understanding.

Mr. HAWKINS. I would ask that this letter also be included in the RECORD upon its arrival. I thank the gentleman for this clarification.

The letters follow:

U.S. DEPARTMENT OF LABOR,
SECRETARY OF LABOR,
Washington, DC, July 29, 1985.

Hon. DANTE B. FASCELL,
Chairman, Committee on Foreign Affairs, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This is to request that the House conferees agree to an amendment on H.R. 2068, a bill to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the United States Information Agency and the Board of International Broadcasting, and for other purposes. The amendment would be consistent with what we believe to be the intent of the House in adopting two provisions concerning the availability of Federal workers' compensation benefits for persons hired pursuant to personal service contracts under authority created by this legislation. By separate letter we are requesting that the Senate conferees recede to the House with the same amendment.

This action by the conferees is necessary in order to prevent the bill from establishing an unfortunate precedent for coverage under the Federal Employees' Compensation Act (FECA). FECA provides workers' compensation benefits to Federal employees and persons who are deemed to have an employment-type-relationship with the Federal Government. Sections 110 and 115(b)(3) of the Senate substitute, however, would go beyond this current FECA approach by explicitly providing benefits for individuals who have no employment-type relationship with the Federal Government. Specifically, the Senate substitute would make FECA benefits available to independent contractors who have entered into business relationships with U.S. missions abroad whenever any such contractor is injured on the job. This would not only be contrary to the intent of the FECA, but also open the door to extention of the program to cover other independent contractors, both within the U.S. and abroad.

The House bill contains language that was intended to solve this problem. Even though we believe that the intent of the House is clear, the text of the House provisions seems to indicate that those hired under contract authority are not Federal employees for any purpose, including FECA, regardless of the nature of their actual employment relationship with the Federal Government under traditional legal concepts. Accordingly, we recommend that the conferees accede to the position of the House in this matter, but accept an amendment of the House provisions to help ensure that the intent of the House is properly effectuated.

A copy of appropriate amendments is enclosed. The amendments would use language first suggested by the Administration in S. 659. The language is identical to that used in connection with personal service contract authority in the Foreign Assistance Act (22 U.S.C. 2396(a)(3)). The amendments state that personnel hired under the personal service contracts in question are not Federal employees with respect to laws administered by the Office of Personnel Management. By not specifying the status of these personnel under FECA, which is adminstered by the Department of Labor, it allows this Department to determine—as it has for many years in similar situations—whether an individual has the necessary employment relationship with the Federal Government to establish FECA coverage.

The amendments would also affect the application of the provisions in question to the Federal Tort Claims Act (FTCA). Both the House bill and Senate substitute deal with FTCA coverage in connection with the personal service contracts involved in the same manner as they deal with FECA coverage. Our proposed amendments would, as with FECA, allow case-by-case determinations of employment status for FTCA purposes.

Thank you for your attention to this matter.

The Office of Management and Budget advises that it has no objection to the submission of this letter to the Congress.

Very truly yours,

WILLIAM E. BROCK.

U.S. DEPARTMENT OF LABOR,
SECRETARY OF LABOR,
Washington, DC, July 29, 1985.

Hon. WILLIAM S. BROOMFIELD,
Ranking Minority Member, Committee on Foreign Affairs, House of Representatives, Washington, DC.

DEAR BILL: This is to request that the House conferees agree to an amendment on H.R. 2068, a bill to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the United States Information Agency and the Board of International Broadcasting, and for other purposes. The amendment would be consistent with what we believe to be the intent of the House in adopting two provisions concerning the availability of Federal workers' compensation benefits for persons hired pursuant to personal service contracts under authority created by this legislation. By separate letter we are requesting that the Senate conferees recede to the House with the same amendment.

This action by the conferees is necessary in order to prevent the bill from establishing an unfortunate precedent for coverage under the Federal Employees' Compensation Act (FECA). FECA provides workers' compensation benefits to Federal employees and persons who are deemed to have an employment-type relationship with the Federal Government. Sections 110 and 115(b)(3) of the Senate substitute, however, would go beyond this current FECA approach by explicitly providing benefits for individuals who have no employment-type relationship with the Federal Government. Specifically, the Senate substitute would make FECA benefits available to independent contractors who have entered into business relationships with U.S. missions abroad whenever any such contractor is injured on the job. This would not only be contrary to the intent of the FECA, but also open the door to extention of the program to cover other independent contractors, both within the U.S. and abroad.

The House bill contains language that was intended to solve this problem. Even though we believe that the intent of the House is clear, the text of the House provisions seems to indicate that those hired under contract authority are not Federal employees for any purpose, including FECA, regardless of the nature of their actual employment relationship with the Federal Government under traditional legal concepts. Accordingly, we recommend that the conferees accede to the position of the House in this matter, but accept an amendment of the House provisions to help ensure that the intent of the House is properly effectuated.

A copy of appropriate amendments is enclosed. The amendments would use language first suggested by the Administration in S. 659. The language is identical to that used in connection with personal service contract authority in the Foreign Assistance Act (22 U.S.C. 2396(a)(3)). The amendments state that personnel hired under the personal service contracts in question are not Federal employees with respect to laws administerd by the Office of Personnel Management. By not specifying the status of these personnel under FECA, which is administered by the Department of Labor, it allows this Department to determine—as it has for many years in similar situations—whether an individual has the necessary employment relationship with the Federal Government to establish FECA coverage.

The amendments would also affect the application of the provisions in question to the Federal Tort Claims Act (FTCA). Both the House bill and Senate substitute deal with FTCA coverage in connection with the personal service contracts involved in the same manner as they deal with FECA coverage. Our proposed amendments would, as with FECA, allow case-by-case determinations of employment status for FTCA purposes.

Thank you for your attention to this matter.

The Office of Management and Budget advises that it has no objection to the submission of this letter to the Congress.

Very truly yours,

WILLIAM E. BROCK.

U.S. Department of State,
Washington, DC, August 7, 1985.

Hon. AUGUSTUS HAWKINS,
CHAIRMAN, COMMITTEE ON EDUCATION AND LABOR, HOUSE OF REPRESENTATIVES.

Dear Mr. Chairman: In connection with the pending enactment of H.R. 2068, the State Department authorization bill for FY 86-87, I would like to clarify our understanding as to the intent and effect of sections 112 and 118 of the bill.

Sections 112 and 118 concern the overseas contracting authority of the Secretary of State. It is the position of the Administration—and we understand that this position is consistent with that of the managers of the bill for the House of Representatives and the Senate—that neither sections 112 or 118 contained in the Conference Report may be construed so as to affect the Secretary of Labor's existing authority under the Federal Employees Compensation Act to determine questions involving the employment relationship of any individual with the United States Government and the application of any benefits under that act to any such individual. It is further understood by the Administration that the terms "any other law administered by the Secretary (of State)" may not be construed, and is not intended to grant the Secretary of State any authority to decide questions of eligibility of such individuals for medical and disability benefits under the Federal Employees Compensation Act.

In addition, the Department of State is in full accord with Secretary Brock's letter of July 29, 1985 on the same subject with respect to the Federal Employees Compensation Act.

I would appreciate it if you could make this letter a matter of record in connection with the enactment of this measure.

With best wishes,

Sincerely,

WILLIAM L. BALL III,
Assistant Secretary
Legislative and Intergovernmental Affairs.

Mr. MICA. Mr. Speaker, I yield such time as he may consume to the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Speaker, I want to commend the gentleman from Florida, the chairman of the Subcommittee on International Operations, the gentlewoman from Maine, the ranking minority member, and the other members of the subcommittee, all of whom were conferees, for the outstanding job they did in handling this complex legislation so adroitly, first in the House and then in conference.

Agreement on this major legislation where there were more than 90 differences between the House and Senate versions is another strong indication of congressional determination to work in a bipartisan manner to assure that the views of Congress are taken into account in the shaping of our national security policies.

Increasingly America's security and our economic welfare are linked to events around the globe. We have no choice other than full involvement in world affairs. To be successful the United States must maintain a strong, first-rate diplomatic establishment just as we sustain a strong military.

Congressman DAN MICA, chairman of our International Operations Subcommittee, and his colleagues on the subcommittee have done an outstanding job in crafting legislation which will assure that the President has the kind of foreign policy instruments needed to protect and promote American interests abroad. I also want to commend my counterpart, Senator RICHARD LUGAR, for the vigorous leadership he has displayed in assuring that both this bill and the foreign aid bill will soon be law.

I would like to take this opportunity to commend the Senate and the House, and in particular the two subcommittee chairmen, the distinguished gentleman from Washington [Mr. BONKER], and the distinguished gentleman from Florida [Mr. MICA], as well as the gentlewoman from Maine [Ms. SNOWE], for their successful effort to establish in this legislation a clear statutory basis for international telecommunications satellite policy. This provision assures that, as the international telecommunications networks enters upon a newly competitive era, the United States will firmly support policies that assure the continued viability of Intelsat. Intelsat has served well U.S. national and foreign policy interests since it was created by the Communications Satellite Act of 1962, and this provision will assure that it will continue to be able to do so.

Finally, I would like to thank the members of the full committee staff and the staff of the International Operations Subcommittee for the excellent job they did in assisting us with this very important legislation.

Mr. MICA. Mr. Speaker, I reserve the balance of my time.

Ms. SNOWE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join with my colleague from Florida in urging the House to adopt the conference report for the State Department authorization, and I want to take this opportunity to commend him for his excellent leadership on this legislation. He has managed this legislation in a fair, efficient manner during the entire process, from subcommittee hearings through the resolution of over 90 differences in conference. I also would note for the Members of the House the speed with which this legislation has moved through the legislative process. This authorization, along with the foreign aid bill, are the first major authorizations to be passed in final form. I think all the members of the full Foreign Affairs Committee, particularly our chairman and ranking Republican, deserve considerable credit for the work they have done.

I would also like to thank my colleagues on the International Operations Subcommittee for their valuable contribution. Each of the members played an important role in the development of this authorization, and it was because of their efforts that we have before the House legislation that should receive your strong support. And I should not go on without also praising the efforts of our staff. Their work over the past 2 weeks is responsible for what was certainly the most cooperative and productive conference I have ever experienced.

At every stage of this bill's progress through the House, those involved have worked together in a genuine spirit of cooperation and compromise. I am pleased to say that that process continued during conference. The conference report we have before us now represents a fair compromise with the other body, contains a number of important new initiatives, and comes in below a freeze from last years appropriations,

Unlike the foreign aid bill, the issues contained in the State Department authorization do not create headlines. But while the foreign aid bill is Congress' strategic input into U.S. foreign policy, the State Department authorization deals with the tactical nuts and bolts of foreign policy. Through the State Department authorization, Congress has great influence on the structure and direction of U.S. foreign policy. This bill authorizes appropriations, and establishes policies for a wide array of bodies, such as the State Department, the U.S. Information Agency, the Board for International Broadcasting, and a range of international organizations.

Expenses and fiscal constraints have been constantly in our minds as we have worked to fashion this bill. The conference report is $70 million below fiscal year 1985's appropriated level. We achieved these reductions even while maintaining the important modernization programs of Voice of America, Radio Free Europe, and Radio Liberty.

The heart of the bill, of course, is authorization for the basic functions of the Department of State. Although the State Department is the smallest of the Federal departments, it is involved in many vital areas not usually thought of as core State Department activities. Such efforts range from international drug control, to combating terrorism, to control over the export of sensitive technology.

Many of the new initiatives contained in the bill were requested by the administration, but the legislation before us is very much an expression

of congressional will. Probably the most significant new initiative in the bill is the first congressional action on the Inman panel report on overseas security, on which my colleague on the International Operations Subcommittee—the gentleman from Florida—served so ably. The improvements contained in this bill for security measures at the Department of State and U.S. missions abroad, is a reflection of the Inman panel's call for a new security ethic at the Department of State. But while the increased profile for embassy security in the bill is significant, the task before us is far more vast than can be fully addressed in this legislation. I can assure the Members of the House that we will continue working to implement the full scope of the Inman panel recommendations, so that U.S. missions abroad will cease to be easy targets for terrorist threats.

I would like to draw special attention to several other provisions relating to the State Department. During subcommittee hearings, the State Department requested that its permanent authority to provide funding for United Nations and Middle Eastern peacekeeping forces be abandoned. I, and other members of the Subcommittee, felt that such an action would move in the wrong direction. We believed that it would be more productive to bring Congress earlier into peacekeeping decisions by requiring yearly authorization for the appropriation of funds for U.N. peacekeeping forces. I am pleased that this provision was retained in the conference report.

This bill also addresses the thorny issue of reform in the U.N. budget process. For the first time, both bodies passed provisions dealing with needed financial reform in the United Nations, and the final legislation before us would give the President leverage to encourage real reform at the United Nations. Agreement was reached that if the United Nations has not instituted weighted voting on budget matters after two more General Assemblies, the United States would cut back its contribution to no more than 20 percent of the U.N. budget. Presently, the United States is assessed 25 percent of the U.N. budget, but we have one lone vote on deciding how much money the United Nations should spend, and how our money should be used. Let me assure my colleagues that this provision will carry out the intent of Congress.

The automatic majority of votes on spending proposals from countries that provide negligible funding, is a direct cause of the U.N.'s fiscal irresponsibility. Thanks to the efforts of my colleague from New York [Mr. SOLOMON], who offered the House provision on the United Nations, we are all aware of the excessive salaries and pensions of U.N. employees. What may not be as well known, is the number of needless projects and programs that get underway because of the current voting practices at the United Nations.

For instance, in the midst of the severe and tragic famine in Ethiopia, the United Nations decided to build a new multimillion-dollar conference center in Addis Ababa, the capital of Ethiopia. Of course, the United States is still expected to pay a quarter of the costs.

The provision in the conference report, however, should not be construed as anti-United Nations. This is made clear in the statement of managers, and in fact the bill authorizes a full U.S. contribution to the United Nations for the next 2 years in anticipation that progress will be made. There is a growing consensus on both sides of the aisle, in both bodies, and in the United Nations itself, that budget reform will be key to the continued health and viability of the United Nations.

Before moving away from the Department of State, I would like to mention that the conference report contains the basic language passed by the House expressing our concern over the murder of DEA agent Camarena in Mexico, and that country's slow progress in taking action against drug traffickers that endanger all U.S. citizens unfortunate enough to be mistaken for drug agents. A compromise was reached that would urge in the strongest terms that the State Department issue a travel advisory for the most dangerous areas of Mexico until the cases of a number of murdered and missing Americans are resolved.

Another major provision in the State Department bill authorizes funding for the U.S. Information Agency. Last year USIA began a much needed modernization program. The subcommittee looked carefully at actual outlays in this program at USIA, and decided that the administration's request for the agency could be scaled back without endangering the modernization program.

The bill also shifts a requested $3.3 million for USIA's new Worldnet Television Program to the Book Program, which has long suffered, the subcommittee believed, from insufficient funding. This shift provides for more controlled and purposeful growth in Worldnet.

The bill and the conference took several important actions relating to the National Endowment for Democracy, which has been controversial in the past. Subcommittee members and conferees approached this issue with the determination to arrive at agreements that all sides could support. We provide in this bill for full disclosure of the Endowment's actions as if it were a Government agency to reassure those who questioned its activities. We did this, however, without placing an undue burden on the small staff and resources of the National Endowment for Democracy. We reached agreement with the other body on support for the important activities of the party institutes, while ensuring that the institutes have no financial connection with the parties, and have no involvement in political campaigns, whether foreign or domestic.

A third major area in the legislation is authorization for the Board of International Broadcasting, which oversees the activities of Radio Liberty and Radio Free Europe. There are two significant provisions relating to the Board for International Broadcasting. One provision allows for the inauguration of a radio program to Soviet-occupied Afghanistan, if it proves technically feasible. Another provision urges increased broadcasting to the Jewish population in the Soviet Union, and calls for a study on the advisability of establishing a separate Radio Maccabee to broadcast to Soviet Jewry.

I urge my colleagues to vote for passage of this legislation, so that before we begin the August district work period, we can take some pride in having achieved final passage this week on the two key foreign affairs authorizations: The foreign aid bill, and the State Department authorization. This will have been a considerable accomplishment, especially considering the difficulties with the foreign aid bill over the past few years. Such an accomplishment would be due largely to the energy and spirit of cooperation of the chairman of the Foreign Affairs Committee, the gentleman from Florida, and the ranking Republican of the committee, the gentleman from Michigan.

In addition, I have nothing but praise for my colleague from Florida on the subcommittee for his leadership on this legislation. As the new chairman of the International Operations Subcommittee, the gentleman did an exemplary job managing the bill, and as the new ranking Republican on the subcommittee, I always found him cooperative, and most of all fair. I look forward to working with him on other issues to be considered by the subcommittee and on oversight of these agencies.

Mr. Speaker, we have brought the House a sound authorization bill, and I urge the Members to support the conference report.

Mr. MICA. Mr. Speaker, will the gentlewoman yield?

Ms. SNOWE. I yield to the gentleman from Florida.

Mr. MICA. I would just like to take a moment to thank the gentlewoman for the very fine compliments and say that the cooperation that we have seen on this subcommittee, the full committee and on the floor of this House I think has been unmatched

this year, and it would not have been possible without your work and the work of the minority, and we are very pleased that we have come this far this way.

Ms. SNOWE. Mr. Speaker, I thank the gentleman for his comments and also his exemplary leadership on this issue. Not only has he been cooperative but he has been fair in every respect.

So I would urge, Mr. Speaker, passage of this conference report.

Mr. Speaker, I now yield such time at he may consume to the distinguished ranking Republican on the Committee on Foreign Affairs, the gentleman from Michigan [Mr. BROOMFIELD].

Mr. BROOMFIELD. Mr. Speaker, I offer my support for the conference report before us. Thanks to the hard work of both Members and staff and the spirit of cooperation which has prevailed, the report before us was made possible. I urge my colleagues to adopt the conference report for the State Department authorization.

The conference report we have before us represent a fair compromise with the other body. The report contains a number of important new initiatives and has authorization levels below the 1985 freeze levels.

Through the State Department authorization, Congress has great influence on the direction of U.S. foreign policy.

This bill authorizes appropriations, and establishes policies for a wide array of bodies. These include the State Department, the U.S. Information Agency, the Board for International Broadcasting, and a range of international organizations.

Unlike the foreign aid bill, which was recently passed, the issues contained in the State Department authorization do not create headlines. The authorization, however, is critical in that it deals with the nuts and bolts of foreign policy.

It is commendable that fiscal constraints have been carefully considered in the crafting of this bill. The conference report is not only $150 million below the House-passed bill, but is $70 million below fiscal year 1985's appropriated levels as well.

Although the State Department is the smallest of the Federal department, it is involved in many vital areas not usually thought of as traditional diplomatic activities.

The most significant new intiative in the bill is the first congressional action on the Inman panel report on overseas security. The improvements contained in this bill for security measures at the Department of State and U.S. missions abroad are a reflection of the Inman panel's call for a new emphasis on security at the Department of State.

Another important aspect of the bill is a call for financial reform in the United Nation's budget process. A key provision allows for the inauguration of a radio program to Soviet-Occupied Afghanistan and urges increased broadcasting to the Jewish population in the Soviet Union.

I urge my colleagues to support this conference report and pass the State Department authorization.

Ms. SNOWE. Mr. Speaker. I yield such time as he may consume to the gentleman from Arizona [Mr. MCCAIN].

Mr. MCCAIN. Mr. Speaker, I thank the gentlelady from Maine [Ms. SNOWE] for yielding to me, and I would also like to echo her views concerning the outstanding work of our subcommittee chairman, the gentleman from Florida [Mr. MICA], who has done yeoman-like work in order to achieve a bipartisan and widely supported piece of legislation.

I do not believe that it could have been possible without the active participation and leadership of Congresswoman SNOWE.

I would like to discuss the issue of the National Endowment for Democracy, which has been the subject of a great deal of scrutiny and debate over the last few years. Valid concerns have been raised.

And I believe that this bill addresses most of these concerns. Some of those concerns were allegations of improper grants to questionable organizations; possible use of NED funds for direct involvement in a country's political activities, and the question of funding for the Democratic and Republican Party institutes.

I believe that beginning at the subcommittee level, these issues were largely resolved. The USIA now has the right to audit the National Endowment for Democracy. Language setting out restrictions on grant activities including consultations with U.S. chiefs of missions overseas is included.

Specific language on limitations of the activities of the party institutes, a very important item, is in this bill.

The conference substitute leaves full coverage of the Freedom of Information Act in place, yet it relieves some of the Freedom of Information Act's burden.

The USIA will be responsible for all costs and litigation relating to requests for the release of information.

There was some questions about how the grants were made and the decisionmaking process that was involved. I believe that the Freedom of Information aspect of this bill will clear up a lot of controversy surrounding that issue.

□ 1250

The National Endowment for Democracy has an important role to play and has already made great strides in aiding the establishment of Democratic institutions in other countries. With the language included in this year's authorization, I believe we have made it more accountable to the American taxpayer, important changes have been made, and I believe they deserve our support.

Ms. SNOWE. Mr. Speaker, will the gentleman yield?

Mr. MCCAIN. I yield to the gentlewoman from Maine.

Ms. SNOWE. Mr. Speaker, I want to compliment the gentleman for his efforts in this area and I am pleased the conference committee accepted his recommendation and initiative. The gentleman from Arizona certainly has made a valuable contribution in developing the proper approach to opening up the files and providing access to the documents at the National Endowment for Democracy.

Mr. Speaker, the Members of the House should know the contribution the gentleman has made, because it was his insight that led to an appropriate solution without creating an undue burden on the agency. So I want to commend the gentleman for his leadership on this issue and also other issues within the jurisdiction of the subcommittee.

Mr. MCCAIN. I thank the gentlewoman from Maine.

Mr. SUNDQUIST. Mr. Speaker, will the gentlewoman yield?

Ms. SNOWE. I yield to the gentleman from Tennessee.

Mr. SUNDQUIST. I thank the gentlewoman for yielding.

Mr. Speaker, I would like to take this opportunity to express my appreciation to the distinguished chairman of this committee, the distinguished chairman of the subcommittee as well as the distinguished gentleman from Michigan, our ranking member [Mr. BROOMFIELD], and the distinguished gentlewoman from Maine for their cooperation and their assistance and understanding. I wanted to express it not only to all of you but to the staff as well.

Ms. SNOWE. I thank the gentleman for his comments.

Mr. GILMAN. Mr. Speaker, will the gentlewoman yield?

Ms. SNOWE. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentlewoman for yielding, and I join my colleagues in commending the distinguished chairman of the subcommittee, the gentleman from Florida [Mr. MICA], our ranking minority member, the gentlewoman from Maine [Ms. SNOWE], and our distinguished chairman, the gentleman from Florida [Mr. FASCELL] and our ranking minority member, the gentleman from Michigan [Mr. BROOMFIELD], for bringing this measure to the floor in such an expeditious manner, similar to the ex-

peditious manner in which we adopted the foreign aid bill just a few days ago.

I want to particularly commend our staffs for having worked out the numerous complex issues that were involved in this measure, saving valuable time on the floor and in conference.

This measure, Mr. Speaker, deals with some extremely important issues: Security of diplomatic posts, the National Endowment for Democracy, and particularly those sections relating to narcotics trafficking which strengthen the International Narcotics Matters Bureau's personnel system and increase interagency cooperation with respect to the sharing of information on drug traffickers. We also urge new extradition treaties and the creation of a new International Commission on Narcotics.

With regard to security, this conference report provides authority, as provided in the House, but not the Senate bill, for State Department special agents to make arrests and carry firearms as they discharge their duties. The Senate accepted House provisions for the protection of foreign missions.

We have in this conference report a requirement that the Secretary of State increase his efforts to negotiate updated extradition treaties relating to narcotics offenses.

The conference report also contains information on such issues as an earmark for expenses associated with certain games for the handicapped, such as the Special Olympics—referred to the statement of the managers, because of a typographical error, as the "Senior Olympics", games organized by the National Handicapped Sports and Recreation Association, and other important international events sporting events, such as the Pan American Games, to be held in Indianapolis, IN, in 1987.

Mr. Speaker, this bill also includes provisions providing for a scholarship program aimed at disadvantaged students from developing countries to study in the United States. The committee has found that under present arrangements, an insufficient number of underprivileged students are reaching our shores for college study. The fact is that many of the bright, but disadvantaged, to manage to reach positions of influence in their home countries. The bulk of such students are now coming to the Soviet Union for their university studies. We should be making opportunities available for all sorts of individuals to come and study here, and the conference substitute, which tracks a provision of the House foreign aid bill, does just that.

The bill contains compromise language on the degree to which Japan is currently meeting its obligation to defend the West. I think it is unfortunate that the Congress now singles out just one of many of our allies who may be lacking in some respect, in our view, with respect to their contributions to the defense of the West. It is possible that this language may be counterproductive in our efforts to continue to engage Japan in constructive discussions on the efforts they may make in the future, and perhaps does not sufficiently recognize the efforts that have been made up to this point by the Japanese Government under the leadership of Prime Minister Nakasone. I would not want the language of the bill or the report to be misinterpreted in Japan as indicating anything near widespread dissatisfaction with the Japanese effort. I think that the Japanese effort may be misunderstood, but is substantial and increasing. It is possible that the report called for in this bill, while perhaps singling out one of the allies unjustly, will make it easier for the American people, and the Congress, to see just how well Japan is doing, and laying some fears to rest, while allowing us to concentrate on the areas in which more progress might be needed.

Mr. Speaker, while this legislation is highly complex and technical, and it is not by any means glamour legislation, it is necessary for the operation of the American foreign policy machinery. Moreover, it contains certain items by which the Congress has been able to express its will on important policy matters. I congratulate once again the Members and staff who have worked so hard on the legislation and urge my colleagues to support the conference report.

Ms. SNOWE. Mr. Speaker, I reserve the balance of my time.

Mr. MICA. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. COLEMAN].

Mr. COLEMAN of Texas. I thank the chairman, the gentleman from Florida, for yielding this time to me.

Mr. Speaker, there has been a great deal of concern by a number of members of the border caucus with respect to the original language contained in the measure mandating to the State Department that a travel advisory be issued for the state of Jalisco in Mexico, and certainly I wanted to have the gentleman from Florida respond, if he would, as to what the language now contains and what the intent of the committee is.

Mr. MICA. Essentially, the language now has gone from a mandatory travel advisory to a recommendation to the Secretary of State to issue a travel advisory if he deems so appropriate.

The Secretary is also required every 90 days to supply a report to the Congress on the progress made on this situation.

I might indicate that I am fully aware of the sensitivity of this issue, and that was addressed by the conferees in attempting to make a recommendation, as they would with any country that they have some concerns that there might be a problem with.

Our comment from the State Department was, No. 1, they welcome this recommendation; No. 2, they will give us comment as to the Secretary's feelings as to how far Mexico has gone to comply with our desires in this particular case.

Mr. COLEMAN of Texas. And I would just reiterate that it is up to the Secretary of State to make that determination rather than the Congress.

Mr. MICA. The gentleman is correct.

Mr. COLEMAN of Texas. I thank the gentleman. I want to just tell the gentleman that I very much appreciate the fact that this committee has worked with our caucus.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. COLEMAN of Texas. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding, and want to commend the gentleman from Texas [Mr. COLEMAN], and the border caucus for their efforts to combat narcotics trafficking.

Mr. Speaker, I welcome the gentleman's concern about the Mexican trade advisory issue. We have addressed that issue with the Secretary of State and have been informed that the Department of State does not feel at this time that the conditions in Mexico warrant the imposition of a travel advisory. The Department further advises that information on the Camerena and other disappearance cases have been provided to the State Department and is presently available to the Congress, and that the State Department is continuing monitoring the safety of our citizens in all countries and issues travel advisories as warranted. The State Department notes that the Mexican Government is fully aware of the concerns of the Congress in regard to this issue and has taken additional steps to improve the safety of Americans in Mexico.

I might add that both our Foreign Affairs Committee and the Select Committee on Narcotics are closely monitoring developments with regard to the narcotics issue in Mexico.

Mr. COLEMAN of Texas. I thank the gentleman. I appreciate the language of the committee and the work it has done in this area.

Mr. MICA. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington [Mr. BONKER].

Mr. BONKER. I thank the chairman for yielding. I want to take this opportunity to commend the gentleman from Florida [Mr. MICA] and the ranking minority Member [Ms. SNOWE] for a really extraordinary task of resolving the 90-some issues in this authori-

zation bill, and actually being able to accomplish it without a formal session of the conferees. We are proud of the efforts that were made and the final product.

I think the chairman understands my disappointment with respect to the conferees' decision which in effect will allow the appointment of Defense Department personnel as part of the U.S. permanent delegation at Cocom in Paris, but I am pleased to see that our language on Intelsat, as we amended the bill in the House, has remained intact. I want to note that this Intelsat language, of course, will supersede any report language by any other committee of this body.

Mr. MICA. Mr. Speaker, will the gentleman yield on that point?

Mr. BONKER. I yield to the gentleman from Florida.

Mr. MICA. I would just like to say, for the record, with regard to the Cocom issue, my disappointment is as strong and as great as the gentleman's, and I cannot tell him how much I am concerned about it. I expect to pursue this directly and hope the gentleman will join me with the Secretary of State as soon as we complete this legislation.

Mr. BONKER. I appreciate the chairman's comments and his support of our efforts to see that the State Department be retained as our representative of the U.S. delegation at Cocom.

Mr. Speaker, as we today consider the conference report on H.R. 2068, the State Department authorization bill, I would like to call to my colleagues attention two important issues in this legislation.

The decision of the conferees to allow the appointment of Defense Department personnel to the U.S. permanent delegation at Cocom—the international coordinating committee on multilateral export controls located in Paris—is a serious setback for U.S. foreign policy interests in general, and American exporters, specifically. Amid intense administration lobbying and at the insistence of the Senate majority conferees, a House provision to retain the State Department as the single U.S. voice at Cocom was deleted from the final legislation. That action also permits $2 million of Defense Department funds to be used for the expansion of the Cocom facilities.

Although the Secretary of State retains the legal authority to represent the United States at Cocom, it will now be most difficult for the State Department to exercise that responsibility. Defense Department personnel alone will outnumber diplomatic representatives, and other U.S. departments and agencies will now demand permanent representation at Cocom comparable to the Defense Department's presence. This loss of control by the State Department will cause interagency disagreements on export control policy previously settled in Washington to erupt in Paris, confusing and irritating our allies who participate with us in controlling the export of advanced technologies through the Cocom process. Any semblance of unity in U.S. policy and negotiating positions will be lost. This has happened all too often in the past, when various departments and agencies sent mere advisors to Cocom. It will be a far more serious problem with them permanently represented there. The net effect of this multiagency permanent U.S. delegation can only be less U.S. effectiveness, thereby weakening multilateral export control efforts at a time when they are the most critically needed.

I intend to continue my efforts to achieve unity and efficiency in U.S. export control administration by restoring exclusive State Department representation on U.S. positions at Cocom. I will reintroduce my amendment shortly as a separate bill, and look for a legislative vehicle to send that provision to the President's desk as soon as possible.

In the meantime, the American business community should make no mistake about it—the administration, stretching to the maximum extent possible its discretionary authorities under the Export Administration Act, has turned over the U.S. export control system to the Department of Defense. This militarization of the Cocom process has been done unilaterally, in violation of the rule of consensus that governs Cocom. No other Cocom nation has appointed military personnel to its permanent delegation at Cocom, and no common policy to do so has been adopted by Cocom.

I predict the practical effect of these developments will be greater delays and rejections of the more than $10 billion in proposed U.S. exports which must clear Cocom each year. These obstacles will occur from broader export controls insisted upon by the Defense Department officials, and from retaliation against U.S. export control demands.

The responsibility for these developments and the damage to U.S. trade, which I believe will be severe, now rests squarely on the shoulders of the Reagan administration and the senior majority members of the Senate Foreign Relations Committee and the Senate Banking Committee who insisted on this action. U.S. companies, large and small, encountering problems at Cocom with their export licenses should hereafter address their complaints and appeals for help to those who have given the Defense Department the controlling hand in U.S. export control policy.

On the issue of U.S. telecommunications satellite policy, Congress in this legislation establishes a clear and definitive statutory basis for U.S. policy initially prescribed by the Communications Satellite Act of 1962. The legislation commands U.S. support for competition in international satellite service, to the extent that this competition does not prevent Intelsat's global network from serving the unifying aims laid down in the 1962 act.

The legislation accomplishes two principal objectives. First, it codifies in statute Presidential Determination No. 85-2, and the conditions established thereunder by Secretary of State Shultz and Secretary of Commerce Baldrige. This determination provides that, in order to meet our international obligations and to avoid significant economic harm to Intelsat, U.S. sponsored separate international satellite systems must be coordinated with Intelsat pursuant to article XIV(d) of the Intelsat Agreement, and must be limited to providing private, customized telecommunications services. They must not be interconnected to public, switched networks. As indicated in the Statement of Managers, the Congress anticipates that the President will review Determination No. 85-2 from time to time, to see if its terms continue to serve the aims of protecting the viability of Intelsat and ensuring an efficient and responsive telecommunications system, as well as other U.S. interests, and, further, that he will recommend to the Congress any changes he finds may be necessary.

Second, the legislation assures U.S. support for an amendment to the Intelsat Agreement, article V(d), necessary to ensure that Intelsat has the tools to compete in the new competitive environment that the United States is taking the lead in establishing. Such an amendment must authorize Intelsat in exceptional circumstances to establish cost-based charges for individual traffic routes. Without such an amendment, Intelsat could be artificially constrained from meeting competition. The terms of this important provision in the conference report, which was much discussed when the legislation was on the House floor in May, are virtually identical to the original House version. Its substance is unaltered: The Secretary of State has discretion in determining the scope and character of an appropriate amendment, but he must support amending article V(d) to confer, in meaningful form, the authority for Intelsat to establish cost-based rates for individual routes.

In this regard, I would note that certain language touching on this issue appears in the Statement of Managers of the Conference Report on the fiscal 1985 supplemental appropriations bill, H.R. 2577. This report language would appear to make U.S. support for an amendment to article V(d) contingent upon the absence of a Presidential de-

termination that such an amendment is not in the national interest. Such language, similar to language offered and rejected while H.R. 2068 was before the House, was also offered and also rejected in connection with the conference. It is inconsistent with a basic purpose and the express provisions of this legislation. As mere report language, is overridden by it. I understand that there are other provisions of this report language which could be construed to make U.S. support for an appropriate amendment to article V(d) discretionary or contingent. These are likewise superseded by the adoption of this bill.

In addition to the above provisions taken from the House bill, the conferees reported a new subsection c(2). This subsection, to ensure that rates by Intelsat are cost-based, the Secretary of State after consultation with the Secretary of Commerce and the chairman of the Federal Communications Commission shall instruct Comsat, the U.S. signatory to Intelsat's Operating Agreement, to ensure that significant documentation is provided by Intelsat to verify that such rates are in fact cost-based. As explained by the Statement of Managers, the new subsection also provides that the Government shall see that such documentation is made available to interested parties on a timely basis. This new subsection does not necessarily contemplate the provision of any further information by Intelsat to Comsat or the U.S. Government than is now routinely provided. Comsat, as a holder of 23 percent of the voting power on Intelsat's Board of Govenors, has immediate access to all information about Intelsat's revenues and costs, and the basis for its charges, and such information is promptly made available to the U.S. Government by Comsat.

I should emphasize that the limitations in the new subsection on disclosure and dissemination of Intelsat financial information are intentional and very important. In particular, the less precise and less carefully delimited provisions in the report of the fiscal 1985 supplemental appropriations conference report—providing for the "release" of such information, and providing for disclosure of information about "allocation of costs" as well as information about "revenues and costs"—are overridden by the legislation now before the House. Such provisions were offered and specifically rejected in connection with the conference on H.R. 2068.

● Mr. HYDE. Mr. Speaker, on July 18, I introduced H.R. 3043, to require the Secretary of State to promulgate regulations which would, for the first time, allow the United States to monitor and control improper or illegal activities of certain employees of the U.S. Secretariat.

This legislation was introduced as a free-standing bill because the State Department authorizations bill had already been considered in the House and because intelligence authorizations were considered under a restricted rule. Fortunately, Senator WILLIAM V. ROTH, of Delaware, successfully offered nearly identical language as an amendment to State authorizations in the other body. The goal of H.R. 3043 was to draw attention to this serious problem and to assist House conferees to accept this important language.

Our colleague, Mr. RUDD of Arizona, pointed out the report of the Senate Select Committee on Intelligence, Senate Print 99-52, reveals a relentless abuse of the U.N. personnel system and unrestricted travel by Soviet and other employees of the Secretariat. This House will lose a great friend of freedom when the gentleman from Arizona leaves this body. He, more than many of us, saw the pressing need to control the information hemorrhage to the enemies of freedom caused by this egregious loophole.

I wish to commend the 40 bipartisan cosponsors who have joined me in sponsoring H.R. 3043. And I particularly commend the distinguished chairman of the Committee on Foreign Affairs, Mr. FASCELL of Florida; the ranking Republican member of Foreign Affairs, Mr. BROOMFIELD of Michigan; the chairman and ranking Republican of the Subcommittee on International Operations, Mr. MICA of Florida and Ms. SNOWE of Maine for their assistance in preserving the other body's language with technical amendments as contained in H.R. 3043. Of course, I also salute the other conferees for addressing this pressing problem.

It is my hope that the Secretary of State will work closely with interested Members of Congress, the intelligence community, and individuals vitally concerned with drug smuggling so as to effectively apply stringent standards to those few United Nations employee who have exploited their privilege of living in the United States to break our laws and raid information sources.

Section 141 of the conference report to accompany H.R. 2068 is a major breakthrough and is a shining example of bipartisanship and cooperation between both Houses of Congress.●

● Mr. GOODLING. Mr. Speaker, I go on record today as being opposed to the outrageously high level of funding authorized in the conference report on the Foreign Assistance Act authorizations for fiscal years 1986 and 1987.

It is unconscionable that Congress should vote nearly $13 billion in foreign assistance at a time when our own citizens are being asked to bear the brunt of domestic spending cuts, many of which will affect the elderly and youths seeking an education. We owe it to our senior citizens to keep the promises made to them in the past, and yet I constantly receive letters from members of this community which urge me to vote for measures which would entail considerable sacrifice on their part in order to reduce the escalating national debt. These people understand that we cannot continue to spend vast amounts in excess of revenues without risking bankruptcy.

Furthermore, it is deplorable to note that half the amount authorized is earmarked for military aid, rather than economic or development assistance. All countries, with the possible exception of one, need humanitarian and economic aid, not our security assistance, in the amounts we send.

Please understand that I am not insensitive to the plight of many of our allies, who are threatened with either vast social problems or the imminent threat of totalitarian aggression. I am, however, suggesting that we must first put our own house in order, lest we shortly find ourselves in a position where we are powerless to help ourselves, let alone the rest of the world.●

Ms. SNOWE. Mr. Speaker, having no further requests for time, I yield back the balance of my time.

Mr. MICA. Mr. Speaker, having no further requests for time, I yield back the balance of my time.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HENRY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 350, nays 74, not voting 9, as follows:

[Roll No. 236]

YEAS—350

Ackerman	Bereuter	Broyhill
Addabbo	Berman	Bruce
Akaka	Bevill	Bryant
Anderson	Biaggi	Burton (CA)
Andrews	Bilirakis	Bustamante
Annunzio	Bliley	Byron
Anthony	Boehlert	Callahan
Applegate	Boggs	Chandler
Aspin	Boland	Clay
Atkins	Boner (TN)	Clinger
AuCoin	Bonior (MI)	Coats
Badham	Bonker	Cobey
Barnard	Borski	Coelho
Barnes	Bosco	Coleman (MO)
Bartlett	Boucher	Coleman (TX)
Bateman	Boxer	Collins
Bates	Breaux	Combest
Bedell	Brooks	Conte
Beilenson	Broomfield	Conyers
Bennett	Brown (CA)	Cooper

Coughlin	Kaptur	Rahall
Courter	Kasich	Rangel
Coyne	Kastenmeier	Ray
Crockett	Kennelly	Regula
Daniel	Kildee	Reid
Darden	Kleczka	Richardson
Daschle	Kolbe	Ridge
Daub	Kolter	Rinaldo
Davis	Kostmayer	Robinson
de la Garza	Kramer	Rodino
Dellums	LaFalce	Roe
Derrick	Lagomarsino	Rose
DeWine	Lantos	Rostenkowski
Dickinson	Leach (IA)	Roth
Dicks	Leath (TX)	Roukema
Dingell	Lehman (CA)	Rowland (CT)
DioGuardi	Lehman (FL)	Rowland (GA)
Dixon	Leland	Roybal
Donnelly	Lent	Sabo
Dorgan (ND)	Levin (MI)	Savage
Dornan (CA)	Levine (CA)	Saxton
Dowdy	Lewis (CA)	Scheuer
Downey	Lewis (FL)	Schneider
Duncan	Lightfoot	Schuette
Durbin	Lipinski	Schumer
Dwyer	Livingston	Seiberling
Dymally	Lloyd	Sharp
Dyson	Long	Shaw
Early	Lott	Shelby
Eckart (OH)	Lowery (CA)	Sikorski
Eckert (NY)	Lowry (WA)	Siljander
Edgar	Lujan	Sisisky
Edwards (CA)	Lundine	Skeen
Edwards (OK)	Mack	Skelton
Emerson	MacKay	Slaughter
Erdreich	Madigan	Smith (FL)
Evans (IL)	Manton	Smith (IA)
Fascell	Markey	Smith (NE)
Fawell	Marlenee	Smith (NJ)
Fazio	Martin (NY)	Snowe
Feighan	Martinez	Snyder
Fiedler	Matsui	Solarz
Fish	Mavroules	Spratt
Flippo	Mazzoli	St Germain
Florio	McCain	Staggers
Foglietta	McCloskey	Stallings
Foley	McCollum	Stangeland
Ford (MI)	McCurdy	Stark
Ford (TN)	McDade	Stokes
Fowler	McGrath	Stratton
Frank	McHugh	Studds
Franklin	McKernan	Sundquist
Frost	McKinney	Sweeney
Fuqua	McMillan	Swift
Gallo	Meyers	Synar
Gaydos	Mica	Tallon
Gejdenson	Michel	Tauke
Gephardt	Mikulski	Tauzin
Gibbons	Miller (CA)	Taylor
Gilman	Miller (OH)	Thomas (CA)
Gingrich	Miller (WA)	Thomas (GA)
Glickman	Mineta	Torres
Gonzalez	Mitchell	Torricelli
Goodling	Moakley	Towns
Gordon	Molinari	Traficant
Gradison	Mollohan	Traxler
Gray (IL)	Moore	Udall
Gray (PA)	Morrison (CT)	Valentine
Green	Morrison (WA)	Vander Jagt
Gregg	Mrazek	Vento
Grotberg	Murphy	Visclosky
Guarini	Murtha	Volkmer
Gunderson	Myers	Vucanovich
Hall (OH)	Natcher	Walgren
Hall, Ralph	Neal	Waxman
Hamilton	Nelson	Weiss
Hammerschmidt	Nichols	Wheat
Hatcher	Nowak	Whitehurst
Hawkins	O'Brien	Whitley
Hayes	Oakar	Whitten
Heftel	Oberstar	Williams
Henry	Obey	Wilson
Hiler	Olin	Wirth
Hillis	Ortiz	Wise
Holt	Owens	Wolf
Hopkins	Oxley	Wolpe
Horton	Packard	Wortley
Howard	Panetta	Wright
Hoyer	Parris	Wyden
Huckaby	Pease	Wylie
Hutto	Pepper	Yates
Hyde	Perkins	Yatron
Ireland	Pickle	Young (AK)
Jeffords	Porter	Young (FL)
Johnson	Price	Young (MO)
Jones (NC)	Pursell	Zschau
Jones (TN)	Quillen	

NAYS—74

Archer	Hertel	Rogers
Armey	Hubbard	Rudd
Barton	Hughes	Russo
Bentley	Hunter	Schaefer
Boulter	Jacobs	Schroeder
Brown (CO)	Jenkins	Schulze
Burton (IN)	Jones (OK)	Sensenbrenner
Campbell	Kanjorski	Shumway
Carney	Kindness	Shuster
Carper	Latta	Slattery
Chappie	Luken	Smith (NH)
Cheney	Lungren	Smith, Denny
Coble	Martin (IL)	Smith, Robert
Craig	McCandless	Solomon
Dannemeyer	McEwen	Spence
DeLay	Monson	Stenholm
Dreier	Montgomery	Strang
English	Moorhead	Stump
Evans (IA)	Nielson	Swindall
Fields	Pashayan	Walker
Frenzel	Penny	Watkins
Gekas	Petri	Weaver
Hansen	Ritter	Weber
Hartnett	Roberts	Whittaker
Hendon	Roemer	

NOT VOTING—9

Alexander	Crane	Kemp
Carr	Garcia	Loeffler
Chappell	Hefner	Moody

□ 1310

Messrs. HANSEN, RUDD, and JENKINS changed their votes from "yea" to "nay."

Mr. DICKINSON changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. GARCIA. Mr. Speaker, during rollcall vote No. 286, the vote on the conference report on the State Department authorization, I was unavoidably detained and missed the vote. Had I been present, I would have voted "aye."

CORRECTING ENROLLMENT OF H.R. 2068, FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1986 AND 1987

Mr. MICA. Mr. Speaker, I send to the desk a concurrent resolution (H. Con. Res. 181) to correct the enrollment of the bill H.R. 2068, and ask unanimous consent for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 181

Resolved by the House of Representatives (the Senate concurring), That, in the enrollment of the bill (H.R. 2068) to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the United States Information Agency, the Board for International Broadcasting, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

(1) At the end of title I of the bill, after section 154, insert the following new section:

"SEC. 155. SOVIET AND INTERNATIONAL COMMUNIST BEHAVIOR.

"Not later than one year after the date of enactment of this section, the Secretary of State shall prepare and transmit to the Speaker of the House of Representatives, and to chairman of the Committee on Foreign Relations of the Senate, an unclassified report on the advisability of establishing a permanent office in the Department of State to study Soviet and international Communist behavior that violates the concepts of national sovereignty and peace between nations. In conducting the study required by this section, the Secretary may make use of suitably qualified journalists and scholars.".

(2) In the table of contents contained in section 1(b), after the item relating to section 154, insert the following new item:

"Sec. 155. Soviet and international Communist behavior.".

(3) In section 812(c), strike out "The President should submit" and insert in lieu thereof " The President shall submit".

(4) In section 813(b), strike out "It is the sense of the Congress that the Secretary of State and the Attorney General should" and insert in lieu thereof "The Secretary of State and the Attorney General shall" and strike out "should transmit" and insert in lieu thereof "shall transmit".

(5) In section 151, amend subsection (c) to read as follows:

(c) REDUCTION IN CONTRIBUTION IF SUBSTANTIAL PROGRESS NOT MADE.—If the Secretary of State determines pursuant to subsection (b) that substantial progress has not been made in correcting this practice, the United States shall thereafter reduce the amount of its annual assessed contribution to the United Nations by the amount of that contribution which is the United States proportionate share of the salaries of those international civil servants employed by the United Nations who are returning any portion of their salaries to their respective governments.

Mr. MICA (during the reading). Mr. Speaker, I ask unanimous consent that the concurrent resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. TRAFICANT). Is there objection to the request of the gentleman from Florida?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MICA. Mr. Speaker, I ask unanimous consent that all members may have 5 legislative days in which to revise and extend their remarks on the conference report on H.R. 2068, just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

□ 1320

A POINT OF PERSONAL PRIVILEGE

Mr. BURTON of Indiana. Mr. Speaker, I rise to a point of personal privilege.

The SPEAKER pro tempore. The gentleman from Indiana [Mr. BURTON] wishes to state a point of personal privilege, and the gentleman is recognized.

Mr. BURTON of Indiana. Mr. Speaker, this morning the Doorkeeper's office issued the floor today report, and in this report, the integrity of myself and another member of the minority, I believe, was impugned because it stated that we were offering more than 100 dilatory and frivolous amendments to a very important piece of legislation, that being the pay equity bill, which is going to be debated later today, and I feel that is enough reason for a point of personal privilege.

I serve on the Committee on Post Office and Civil Service, and I have worked long and hard on this particular piece of legislation and proposed a number of amendments in committee, as well as a substitute. Along with my colleague, I considered it an affront when the majority party Doorkeeper indicated on the floor today that our amendments were frivolous and dilatory.

I have since talked with the Doorkeeper of the majority party, Mr. Molloy. He was very kind and said it was an error. We accept that, and we hope it does not happen in the future. Both sides should be respected in this body as far as their amendments are concerned, and I feel confident in the future that they will be.

Mr. Speaker, if my colleague, the gentleman from Texas [Mr. ARMEY], does not have a request for time, I yield back the balance of my time.

A POINT OF PERSONAL PRIVILEGE

Mr. ARMEY. Mr. Speaker, I, too, rise on a question of personal privilege.

The SPEAKER pro tempore. The Chair will inquire, does the gentleman rise for the same reason as the previous one?

Mr. ARMEY. For the same reason, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Texas [Mr. ARMEY] is recognized.

Mr. ARMEY. Mr. Speaker, the gentleman from Indiana [Mr. BURTON], I think, explained the situation very well. I was offended by this language, and I did talk to the Doorkeeper and he, being the gentleman that he is, gave me an explanation. It was an error on their part.

Unfortunately, a member of his staff copied the exact language by which my amendments were described as "dilatory" and the amendments of the gentleman from Indiana [Mr. BURTON] as "dilatory and frivolous" from the Democrat Study Committee's morning report. Obviously, we cannot expect the Doorkeeper's staff to be responsible for such language as appears in the Democrat Study Committee's report, and I did indeed accept his apology. I think he was quite a gentleman about it. He gave us a full explanation.

I do not choose to take the entire hour that I have allotted for this discussion, for two reasons: first, although I am prepared to discuss each and every one of these amendments and demonstrate them not to be dilatory, I do not believe I need to explain that at this point. We will have ample opportunity to do that during the debate on the bill. The other reason is, if indeed I were to take that hour and delay the day's work and perhaps even preempt some bills from being brought to consideration today, that indeed would be dilatory, and I would not want to do that to this body.

Mr. Speaker, I yield back the balance of my time.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 3011, DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1986

Mr. YATES. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to correct any technical and grammatical errors in the engrossment of the bill H.R. 3011, making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1986, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

WAIVING CERTAIN POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 1460, ANTI-APARTHEID ACT OF 1985

Mr. WHEAT. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 251 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 251

Resolved, That all points of order against the conference report on the bill (H.R. 1460) to express the opposition of the United States to the system of apartheid in South Africa, and for other purposes, and against consideration of the conference report are hereby waived. The conference report shall be considered as having been read when called up for consideration.

The SPEAKER pro tempore. The question is, Will the House now consider House Resolution 251?

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LOTT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 349, nays 75, not voting 9, as follows:

[Roll No. 287]

YEAS—349

Ackerman	de la Garza	Hendon
Addabbo	Dellums	Henry
Akaka	Derrick	Hertel
Alexander	DeWine	Hiler
Anderson	Dickinson	Hillis
Andrews	Dicks	Hopkins
Annunzio	Dingell	Horton
Applegate	DioGuardi	Howard
Aspin	Dixon	Hoyer
Atkins	Donnelly	Hubbard
AuCoin	Dorgan (ND)	Huckaby
Barnard	Dowdy	Hughes
Barnes	Downey	Hutto
Bateman	Duncan	Hyde
Bates	Durbin	Jacobs
Bedell	Dwyer	Jeffords
Beilenson	Dymally	Jenkins
Bennett	Dyson	Johnson
Bentley	Early	Jones (NC)
Bereuter	Eckart (OH)	Jones (OK)
Berman	Edgar	Jones (TN)
Bevill	Edwards (CA)	Kanjorski
Biaggi	Edwards (OK)	Kaptur
Bilirakis	Emerson	Kasich
Bliley	English	Kastenmeier
Boehlert	Erdreich	Kennelly
Boggs	Evans (IL)	Kildee
Boland	Fascell	Kindness
Boner (TN)	Fazio	Kleczka
Bonior (MI)	Feighan	Kolbe
Bonker	Fiedler	Kolter
Borski	Fish	Kostmayer
Bosco	Flippo	Kramer
Boucher	Florio	LaFalce
Boxer	Foglietta	Lagomarsino
Breaux	Foley	Lantos
Brooks	Ford (MI)	Leach (IA)
Broomfield	Ford (TN)	Lehman (CA)
Brown (CA)	Fowler	Lehman (FL)
Brown (CO)	Frank	Leland
Broyhill	Franklin	Lent
Bruce	Frenzel	Levin (MI)
Bryant	Frost	Levine (CA)
Burton (CA)	Fuqua	Lightfoot
Bustamante	Gallo	Lipinski
Byron	Garcia	Livingston
Campbell	Gaydos	Lloyd
Carney	Gejdenson	Long
Carper	Gekas	Lowery (CA)
Chandler	Gephardt	Lowry (WA)
Chappell	Gibbons	Luken
Clay	Gilman	Lundine
Clinger	Gingrich	Lungren
Coats	Glickman	MacKay
Coelho	Gonzalez	Madigan
Coleman (MO)	Goodling	Manton
Coleman (TX)	Gordon	Markey
Collins	Gradison	Marlenee
Conte	Gray (IL)	Martin (IL)
Conyers	Gray (PA)	Martin (NY)
Cooper	Green	Martinez
Coughlin	Gregg	Matsui
Courter	Guarini	Mavroules
Coyne	Gunderson	Mazzoli
Crockett	Hall (OH)	McCain
Daniel	Hamilton	McCloskey
Darden	Hatcher	McCurdy
Daschle	Hawkins	McDade
Daub	Hayes	McGrath
Davis	Heftel	McHugh

McKernan	Richardson	Swift
McKinney	Ridge	Synar
McMillan	Rinaldo	Tallon
Meyers	Robinson	Tauke
Mica	Rodino	Tauzin
Mikulski	Roe	Thomas (CA)
Miller (CA)	Roemer	Thomas (GA)
Miller (OH)	Rose	Torres
Miller (WA)	Rostenkowski	Torricelli
Mineta	Roukema	Towns
Mitchell	Rowland (CT)	Traficant
Moakley	Rowland (GA)	Traxler
Molinari	Roybal	Udall
Mollohan	Russo	Valentine
Moody	Sabo	Vander Jagt
Morrison (CT)	Savage	Vento
Morrison (WA)	Saxton	Visclosky
Mrazek	Scheuer	Volkmer
Murphy	Schneider	Walgren
Murtha	Schroeder	Walker
Myers	Schuette	Watkins
Natcher	Schulze	Waxman
Neal	Schumer	Weaver
Nelson	Seiberling	Weber
Nichols	Sensenbrenner	Weiss
Nowak	Sharp	Wheat
O'Brien	Shelby	Whitehurst
Oakar	Sikorski	Whitley
Oberstar	Sisisky	Whittaker
Obey	Skelton	Williams
Olin	Slattery	Wilson
Ortiz	Slaughter	Wirth
Owens	Smith (FL)	Wise
Panetta	Smith (IA)	Wolf
Pease	Smith (NE)	Wolpe
Penny	Smith (NJ)	Wortley
Perkins	Snowe	Wright
Petri	Solarz	Wyden
Pickle	Spratt	Wylie
Porter	St Germain	Yates
Price	Staggers	Yatron
Pursell	Stallings	Young (AK)
Rahall	Stark	Young (FL)
Rangel	Stokes	Young (MO)
Ray	Stratton	Zschau
Regula	Studds	
Reid	Sweeney	

NAYS—75

Archer	Hansen	Ritter
Armey	Hartnett	Roberts
Badham	Holt	Rogers
Bartlett	Hunter	Roth
Barton	Ireland	Rudd
Boulter	Latta	Schaefer
Burton (IN)	Leath (TX)	Shaw
Callahan	Lewis (FL)	Shumway
Chappie	Lott	Shuster
Cheney	Lujan	Siljander
Cobey	Mack	Skeen
Coble	McCandless	Smith (NH)
Combest	McCollum	Smith, Denny
Craig	McEwen	Smith, Robert
Dannemeyer	Michel	Snyder
DeLay	Monson	Solomon
Dornan (CA)	Montgomery	Spence
Dreier	Moore	Stangeland
Eckert (NY)	Moorhead	Stenholm
Evans (IA)	Nielson	Strang
Fawell	Oxley	Stump
Fields	Packard	Sundquist
Grotberg	Parris	Swindall
Hall, Ralph	Pashayan	Taylor
Hammerschmidt	Quillen	Vucanovich

NOT VOTING—9

Anthony	Hefner	Loeffler
Carr	Kemp	Pepper
Crane	Lewis (CA)	Whitten

□ 1340

Mr. DANNEMEYER changed his vote from "yea" to "nay."

Mr. SWEENEY, Mrs. BENTLEY, and Mrs. SMITH of Nebraska changed their votes from "nay" to "yea."

So (two-thirds having voted in favor thereof) the House agreed to consider House Resolution 251.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The gentleman from Missouri [Mr. WHEAT] is recognized for 1 hour.

Mr. WHEAT. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Mississippi [Mr. LOTT] and pending that, I yield myself such time as I may use.

Mr. Speaker, this rule would permit consideration of the conference report on H.R. 1460, the bill to express the opposition of the United States to the system of apartheid in South Africa.

Mr. Speaker, under the rules of the House conference reports are privileged and are considered in the House under the hour rule with no amendments in order. In this instance, the conferees reached agreement on this matter just last night and the report was filed in the House this morning. This rule simply facilitates expeditious consideration of the conference report by waiving all points of order, including any point of order against consideration of the conference report. In addition, the rule provides that when the conference report is called up for consideration, it shall be considered as having been read.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I object to considering this rule at this time for the simple reason that Members do not have an opportunity to review the conference report. This rule waives all points of order against the conference report. Ordinarily, the Rules Committee specifies what points of order it is waiving. But this was brought up in the Rules Committee as an emergency matter, and on such short notice that the Parliamentarian did not have adequate time to determine just what provisions violate which rules.

We were told that there is a possibility this violates the scope rule for conference reports because this contains a sanction relating to the importation of uranium and coal that was not contained in either the House- or Senate-passed versions. Under House rules, a scope violation, if sustained on a point of order, would prevent the consideration of the conference report.

We are also told that there are nongermane provisions and a reappropriation provision in this conference report. We don't know any of this for sure because there was not time to thoroughly examine this bill before a rule was reported. And there certainly is not time for the House to learn what the conferees have done before it votes on this. This is no way to legislate. I urge defeat of this rule so that we can come back another day when we have a better idea of what we are doing.

Mr. Speaker, I reserve the balance of my time so that I might be able to respond if there are any comments the chairman would like to address to me.

Mr. WHEAT. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. PEPPER], chairman of the Committee on Rules.

PERSONAL EXPLANATION

Mr. PEPPER. Mr. Speaker, I unavoidably missed the vote on the rule to bring up this resolution. If I had been here, of course I would have supported it.

Mr. LOTT. Mr. Speaker, I yield back the balance of my time.

Mr. WHEAT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we recognize that we are bringing up this measure under expeditious proceedings of the Rules of the House of Representatives. However, in light of the fact that this measure has been debated thoroughly by the House before and there is ample time allotted the rule and under the rules of the House for consideration of the measure, we would ask that the House proceed to adopt the rule and consider this important legislation.

Mr. Speaker. I move the previous question on the resolution.

The previous question was ordered.

□ 1350

The resolution was agreed to.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2577) entitled "An act making supplemental appropriations for the fiscal year ending September 30, 1985, and for other purposes.".

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 2, 5, 6, 7, 14, 23, 29, 35, 41, 45, 51, 57, 63, 65, 70, 75, 77, 87, 91, 92, 102, 109, 121, 130, 131, 132, 147, 150, 153, 164, 166, 167, 168, 178, 180, 183, 194, 199, 200, 202, 203, 204, 211, 214, 230, 234, 235, 249, 257, 258, 260, 261, 272, 289, 299, 307, 330, and 340 to the above-entitled bill.

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate numbered 112 with an amendment as follows: After "legislation" at the end of the last sentence, insert: "; except that this sentence shall not apply after May 15, 1986".

The message also announced that the Senate recedes from its amendment numbered 262 to the above-entitled bill.

CONFERENCE REPORT ON H.R. 1460, ANTI-APARTHEID ACT OF 1985

Mr. FASCELL. Mr. Speaker, I call up the conference report on the bill (H.R. 1460) to express the opposition of the United States to the system of apartheid in South Africa, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 251, the conference report is considered as having been read.

(For conference report and statement, see prior proceedings of the House of today.)

The SPEAKER pro tempore. The gentleman from Florida [Mr. FASCELL] will be recognized for 30 minutes, and the gentleman from Michigan [Mr. BROOMFIELD] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conference report that we are considering is an important conference report because, on its adoption, the Congress of the United States will be making a statement on behalf of the American people with regard to the deplorable situation in South Africa.

There are many ways to interpret legislative action. I just want to give my own. As far as the details of the conference report are concerned and the legislation that will be considered, as you know, the bill was overwhelmingly adopted in the House, went to the other body and at that time it did not seem that there would be any strong action taken, considering the nature of the bill that was passed in the other body.

But a series of unfortunate, but yet dramatic, events took place and the whole atmosphere changed and it became more important than ever for us to make the statement which we are making today in this bill to indicate our disassociation from the Government and the actions of the Government of South Africa.

While I recognize the limitations of economic sanctions or any kind of sanctions, I think it is proper to state that the legislation makes a moral statement that far exceeds any economic leverage, as important as economic leverage may be.

It is for that reason that I personally think that this conference report is vital and particularly appropriate at this time.

We must make it clear not only to that Government, but to the rest of the world that we are disassociating in the strongest possible way by taking this legislative action, imposing an economic sanction, to demonstrate our position.

I want to compliment the distinguished gentleman who is the chairman of the Subcommittee on Africa, Mr. WOLPE, and Mr. SOLARZ, The Black Caucus, the Members of the minority, my colleague, Mr. BROOMFIELD from Michigan and others who have worked very, very diligently in a real bipartisan effort to bring you a measure which all of us, or at least most of us can genuinely support even though I know there are earnest and sincere differences of opinion as to the value of such action, that is economic sanctions.

But I dare say even though there may be disagreement or maybe differences of opinion with respect to the value of economic sanctions in bringing about a change in another government, I think there can be absolutely no difference of opinion, I would submit, on the issue that now is the time for the American people to make this moral statement.

The SPEAKER pro tempore. The gentleman from Florida [Mr. FASCELL] has consumed 4 minutes.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I, too, join in offering my strong support for this bipartisan report that we have before us. We have what I call a very reasonable compromise, given the seriousness of the present situation in South Africa. While I originally opposed the House bill on this issue, much has happened in recent weeks that demands action by the House today.

I deplore the ongoing violence in South Africa and believe that sanctions are imperative and morally right. We must tell that government that America is concerned about the shameful system of apartheid in South Africa and the senseless bloodshed in that land. Pressure on South Africa cannot, however, be unilateral; we need the support of our allies if this effort is to succeed.

The report basically calls for immediate and weighty sanctions against the South African Government; Krugerrands, computers, nuclear goods, and bank loans would be affected. Additional sanctions are to be imposed in the future if no progress is made ending apartheid.

While sanctions by our country against South Africa are necessary, the cooperation of our allies in the effort is also essential and imperative. Pressure on the Government cannot be done by the United States alone. Over the years I have been a supporter of the policy of constructive engagement. That approach to our relations with South Africa has been useful and some progress has been made. The U.S. business in that country voluntarily complied with the provisions of the Sullivan code and South African blacks benefited from those efforts.

In recent months, however, the tension between groups in South Africa has increased and much senseless bloodletting has occurred. Something has to be done. I urge the Congress to pass this conference report.

Mr. Speaker, it is not only essential, I think it is morally right to do so.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. BROOMFIELD] has consumed 2 minutes.

Mr. FASCELL. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. WOLPE].

Mr. WOLPE. Mr. Speaker, I think that the conference agreement that was reached last night was in many respects historic for this institution and for our country. I cannot tell you how proud I was personally as an American and as a Member of this institution to see House and Senate conferees, on a totally bipartisan basis, express a commitment to move in a new direction in our relationship toward South Africa. The conference agreement that was passed, a very creative and constructive agreement, will send to South Africans an unmistakable message that, henceforth, the United States will no longer enter into an accommodation with apartheid.

We are also signaling the South African regime that if the Afrikaners attempt to maintain the system of apartheid, and if they continue to manifest the repression and brutality that we have seen so much in evidence in recent days, that they will be increasingly isolated in their relationship to the United States and to the international community and they will experience increasing economic and political costs as a consequence of that repression and that brutality.

My colleagues, there is a terrible tragedy in the making in South Africa. Unless the international community joins with forces within that country that are seeking to eliminate the system of apartheid, a bloodbath will be inevitable.

□ 1400

The white minority regime will abandon apartheid, will agree to enter into negotiations with the credible black leadership of the majority of the population, only at that point when it concludes that it has more to lose than to gain by attempting to hold on to apartheid.

Throughout the debate on sanctions, those who have resisted the imposition of sanctions have argued that they will only hurt the black population. My colleagues, there is no argument that has been advanced in this debate that is more off target.

The reality is that it has been the current ambivalence of American policy which, on the one hand, verbally condemns apartheid but, on the other, practices business as usual that

has done more than anything else to compound the repression and to add to the violence. This is because the message that has been heard by the Afrikaners is that they indeed do have a free hand to do what they will. We have signaled them in advance that there was not going to be any response, no matter how repressive they became internally and no matter how aggressive they were in their actions toward their neighboring states.

Make no mistake about it: Blacks in South Africa are themselves engaging in a policy of economic pressure and economic sanctions. They are pursuing boycotts now throughout the country, not because they wish to inflict economic hardship upon the black majority, but because they understand that it is that economic pressure, both internally and externally, that represents the only hope to avoid a massive bloodbath in South Africa.

We are in this legislation beginning to send straight signals to the South African Government. We are letting them know in advance that this system of apartheid cannot be maintained indefinitely, and it is up to the Afrikaners to take steps now to enter into negotiations with the black majority to achieve a new political order in which all citizens of South Africa will indeed be citizens of their own country, and full participants in the political system of that country.

Let me say one other thing, Mr. Speaker. There are some very profound moral issues at stake, and that is why I was so proud of my colleagues last night. And I want to pay tribute to the Republican leadership as well as the Democratic leadership, to Mr. BROOMFIELD as well as Mr. FASCELL on our side, and to the Republican as well as Democratic leaders in the Senate, for their willingness to join together in a genuinely bipartisan way.

I cannot tell you how important that unity is in terms of what we are conveying to the South Africans and to the rest of the world.

Mr. Speaker, I urge my colleagues on both sides of the aisle to speak with one voice in voting to approve the conference report.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio, Mr. CHALMERS WYLIE, a member of the conference committee and ranking member on the Committee on Banking, Finance and Urban Affairs.

Mr. WYLIE. Mr. Speaker, I rise in strong support of the conference report on H.R. 1460, the Anti-Apartheid Act.

The recent deterioration of events in South Africa lead me to the conclusion that the time is right to take stronger steps against the Government of South Africa. We do this with the fervent hope that our actions will aid all of the people in South Africa.

Mr. Speaker, other conferees more knowledgeable than I have and will address many important foreign policy aspects of this conference report. Since I was appointed as conferee on several sections because of my service as the ranking Republican member on the House Banking Committee, I will confine my remarks to the provisions under our jurisdiction.

First, the conferees adopted the House provision to immediately ban the importation of Krugerrands. The President may waive this ban if certain conditions are met as set forth in this conference report.

Second, the conferees agreed to a House amendment to the Senate provision which provided for the minting of U.S. gold coins to compete with the Krugerrand. This House amendment offered by my friend Mr. ANNUNZIO, the chairman of our Consumer Affairs and Coinage Subcommittee, creates four new gold coins which are both legal tender and have face values of $50, $25, $10, and $5. These coins truly will be American gold coins which should compete fiercely against the Krugerrand on the world markets. The significance of this coin is heightened by the symbols we will have on the 1-ounce gold coins; that is, a symbol of liberty on the obverse side and a family of American eagles on the reverse side.

The gold for these coins is to be acquired only from natural deposits in the United States or from the gold reserves held by the United States. All the profits from the sale of these coins are to be used for sole purpose of reducing the national debt.

Moreover, at my suggestion, Chairman ANNUNZIO graciously accepted language which states that the Secretary of the Treasury shall ensure that the minting of these gold coins will not result in any net cost to the U.S. Government.

In all fairness, I must tell my colleagues that the Treasury Department does not support these gold coins. Having said that, I have to believe that they will like the version adopted by the conferees more than the original Senate language, which provided for a legal tender coin without an assigned face value. In a letter to Senator JAKE GARN, chairman of the Senate Committee on Banking, Housing, and Urban Affairs, dated April 19, 1985, Mrs. Katherine Ortega, Treasurer of the United States, pointed out that the unprecedented nature of the Senate proposed coin was addressed by President Reagan's Gold Commission, on which I served, which stated that the legal tender status of such gold bullion coins "could compel their acceptance by private creditors for debts or by the Treasury for taxes. Formidable problems involving profits and losses to private creditors and debtors could arise in assigning gold coins legal tender status at a fluctuating rate." Mrs. Ortega went on to say that a legal tender coin of the realm whose value would depend entirely upon the fluctuations of the precious metal market would represent a major departure from 200 years of coinage legislation.

I also should note that while nominal face values have been specified for the gold coins established by this act, the coins will be sold and traded at their market values. Specifically, I believe that the conferees meant to prohibit frivolous litigation based upon the disparity between face value and market value. Transactions, involving these coins will be valued at market, not face, value.

Clearly, this American gold coin will give people all over the world a chance to vote with their pocketbooks in favor of an American gold coin symbolizing liberty and freedom and against the abhorrent practice of apartheid in South Africa.

For those of my colleagues who are concerned that such a gold coin will reestablish a gold standard, let me assure you that this is not the case. We already have on the books a gold coin as part of the 1984 Olympics program, and earlier this year the Congress enacted a gold coin as part of the Statue of Liberty restoration effort. The gold coin in this legislation is no different from earlier Government coins authorized by this body. The face values of the proposed coins are nominal and unrelated to the market value of the coins. Their market value is determined by their content. Thus, the so-called $50 piece, which contains 1 troy ounce of fine gold, would be worth about $328 at the current price of gold.

Moreover, the bill expressly provides for the sale of these coins at a price equal to the market value of the gold content of the coins, plus markup for production and marketing. The dollar value of the coin, therefore, is determined by world gold market—demand and supply—conditions, not by a conversion ratio between a specified quantity of gold and paper dollars fixed by U.S. public authorities.

As I read the amendment, it is not, therefore, inconsistent with the findings of the President's Gold Commission.

Section 15 of this report prohibits loans to the South African Government or to any corporation owned or controlled by that Government. Certain loans for educational, health, and housing facilities to help the people of South Africa are exempted. These provisions were contained in both House and Senate versions of the legislation.

Moreover, Mr. Speaker, there is language in this report which instructs the Export-Import Bank to take active steps to encourage the use of its pro-

grams by Africans. While not affecting the present restrictions on Eximbank transactions for South Africa, this provision will make it possible for nonwhite businesses to get Eximbank assistance.

In conclusion, Mr. Speaker, I urge adoption of this conference report. It is a timely step for this Nation to take in protest of the repugnant racial policies of South Africa.

Mr. FASCELL. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. ANNUNZIO], the chairman of the Subcommittee on Consumer Affairs and Coinage of the Committee on Banking, Finance and Urban Affairs.

Mr. ANNUNZIO. Mr. Speaker, I strongly support the conference report, and I want to commend the gentleman from Florida, [Mr. FASCELL], Mr. BROOMFIELD, and the other members of both sides of the Foreign Affairs Committee, for the outstanding job that they have done in bringing this legislation to the floor.

As you know, this legislation contains a ban on the sale of Krugerrands. It also contains provisions for the striking of a new series of U.S. gold coins, which I predict will become the most popular gold coins in the world.

Under the compromise legislation, four gold coins will be minted; a 1-ounce gold coin having a face value of $50, ½-ounce gold coin having a face value of $25, a ¼-ounce gold coin having a face value of $10 and a ⅒-ounce gold coin having a face value of $5. These coins will be legal tender.

The other body included in its legislation provisions for the gold coins, but did not assign face values or make the coins legal tender. Without such distinctions, the coins are really not coins, but medallions; or if you will, merely pieces of jewelry. But by assigning the coins value and making them legal tender, we make them much more attractive to the numismatic and investment communities. Experts around the country have told me that without legal tender face value the new U.S. coins would not sell.

While the Krugerrand does not have a face value and is quasi-legal tender, it should be noted that in recent months the sale of Krugerrands in this country has plummeted. The most popular gold piece now is the Canadian Maple Leaf, which does have a face value and is legal tender. More than three times the number of Maple Leafs are now being sold in this country compared to Krugerrands.

Not only will the new U.S. gold coins take away sales from Krugerrands, but if and when the situation in South Africa is stabilized and that country becomes a member of the international humanitarian world, the United States' coins will still be big sellers because of their legal tender status and face value requirements.

The compromise legislation further provides that rather than limiting private distribution and sales rights to a single concern, the Secretary of the Treasury shall make bulk sales at suitable discounts to any dealers, retail outlets, financial institutions, or anyone else who wants to sell the coins. Of course, the size of the discount will be determined by the number of coins purchased.

The compromise legislation also requires that the profits from the sale of these coins be used to retire the national debt. This is an important provision because I think it is the first time in the history of our Government that we will have an ongoing program to retire the national debt. While I have sponsored legislation in the past that would call for a one-time contribution to retire the national debt, such as the proceeds from the George Washington commemorative coin, my new national debt reduction program will go on as long as gold coins are produced. And I would add, there is no such cutoff in the legislation.

The contribution to retire the national debt could be substantial. And depending on the source of the gold used for the coins, the national debt reduction could reach as high as $300 per coin—a significant amount when you consider that other gold coins are selling in the millions in this country.

Mr. Speaker, I want to commend the members of the House Banking Committee who served as conferees on the gold coin provision; particularly the gentleman from North Carolina [Mr. NEAL,] and the gentleman from Ohio [Mr. WYLIE.] It is significant that both of these gentlemen were members of the Presidential Gold Commission, and both members supported strongly the legislation before us in this conference report.

I also want to commend the gentleman from Maryland [Mr. MITCHELL,] who thoughout the conference was a champion of the new gold coin program, and who made one of the most eloquent speeches in that conference, on the evils of apartheid, that I have heard in my 21 years in Congress.

The issuance of these coins would have no effect on the Nation's monetary policy. The coins would be legal tender for their face value, like all U.S. coins. But since the bullion content of the coins is well above the face value of the coins, the coins will not circulate. This is the same approach taken by Canada in issuing its "Maple Leaf," a 1-ounce gold bullion coin, which has a $50 face value. That coin has been a popular bullion coin, and has had no adverse effect on Canadian monetary policy.

These coins will be handled the same way the public now treats the gold coins previously issued by the United States. Gold coins issued in the 19th and early 20th century are still legal tender and will be redeemed for their face value by the United States. None are ever presented for redemption however, since the coins' intrinsic bullion value are far in excess of their face value. The marketplace, not the face value, will determine their actual value as they are bought and sold in the public domain.

In fact, if a gold coin was presented to the United States for redemption, it would be a windfall for the Government. The coin, which would have been sold to the public for its bullion value, would be repurchased for its far lower face value. It could then be resold to the public at its bullion price.

Unlike some legal tender bullion coins issued by some other countries, the fixed legal tender value of the coins eliminates any problem of valuation. For legal tender purposes the coins are worth the value stamped on them, regardless of the value of their bullion content. This not only avoids valuation problems in the unlikely event they are used as legal tender, but solves the problem of how to account for them for measuring the amount of money in circulation. Simple multiplication of the number issued by the face value provides the answer.

The legislation would not deplete our gold reserves. The gold for the coins would be obtained in the same manner that gold used in U.S. commemorative coins is obtained. The gold could come from stocks already held by the Treasury. If the Secretary preferred, the gold could be purchased on the open market. The determination whether to use existing stocks or to purchase additional gold would be left to the Secretary, just as current law provides. There would be no change in the Secretary's authority to maintain the U.S. gold stocks at the level deemed appropriate.

The coins will be sold to the public at a price equal to the market value of the gold or silver at the time of sale, plus the cost of minting, marketing, and distribution.

In order to provide the mint with ample time to prepare to mint and issue the coins, no coins could be sold before October 1, 1986. However, the mint could begin work on the program on October 1, 1985. This will provide sufficient leadtime to develop outstanding designs for the coins, design an appropriate and effective distribution system and mint sufficient coins for an initial inventory.

The coin program will involve no net cost to the Government. Indeed, the revenues raised by the domestic and foreign sale of these coins will constitute substantial revenue to the United States that will be used solely to reduce the national debt. And the

availability of U.S. gold bullion coins will surely attract precious-metals buyers formerly dependent on foreign issues.

Over $500 million can be generated each year by the sale of U.S. bullion coins. At the current gold price of $327 per ounce the United States would realize a gain of $285 per ounce since the gold is carried on the books at $42.22 per ounce. If sales of gold coins were to average only 2 million ounces annually, a figure that is very reasonable, the United States would realize a gain of $570 million. In a situation where even the smallest saving would strike a blow against the deficit, these earnings would be a major contribution.

The minting of these new American coins will aid in reducing our record trade deficits. The Commerce Department has estimated that over 1 billion dollars' worth of foreign gold bullion coins were imported into the United States in 1984.

Most Americans would prefer to purchase U.S. coins and this legislation will provide the coins they seek. Every year, countless individuals contact the Consumer Affairs and Coinage Subcommittee asking for the United States to produce gold bullion coins. Many, if not all, of these individuals will buy an American gold bullion coin rather than a foreign bullion coin. Indeed, the coins are likely to become the standard by which all other bullion coins are measured.

I urge the adoption of the conference report.

Mr. BROOMFIELD. Mr. Speaker, I yield 6 minutes to the gentleman from Indiana [Mr. BURTON], who is a member of the Subcommittee on Africa of the Committee on Foreign Affairs.

Mr. BURTON of Indiana. Mr. Speaker, first of all I would say that there is unanimity in this Chamber and in this Congress as far as the opposition to the policy of apartheid in South Africa is concerned. Nobody likes that form of government; the racial repression that exists; we would all like to see that change.

My problem with this legislation is not that it attacks the policy of apartheid which we all abhor, but that it goes so far as to hurt the very people that it purports to help.

□ 1410

In addition to that, I think it bodes ill, in the long run, for the free world.

I would like to tell why on those two points.

First of all, banning the Krugerrand. If the free world all joins together in banning the Krugerrand, a lot of black people who work in the mines are going to lose their jobs. There are about 600,000 blacks who work in the gold mines of South Africa today. Each one of those people is responsible for feeding five other human beings. That is 3 million people who would be adversely affected if the mines were shut down.

If this legislation is passed here, and around the world the other free governments follow suit, many thousands of people are going to lose their jobs. They are not going to be able to put food on the table. The very people we want to help. Now, those people are going to be ripe for revolution. They are going to be grasping for existence, and the people who are Marxists over there, the revolutionaries who do exist and who are trying to undermine a number of governments in Africa, in addition to South Africa, are going to have their way with a lot of them. And those people are going to be very active in trying to change the governmental structure over there from what it is to a Marxist form of government.

What if that happens? If that happens, Mr. Speaker, in my view you would have, in just a matter of days or weeks, Soviet ships in those ports. What does that mean? Forty percent of the free world oil supplies go around the Cape of Good Hope, the southern tip of Africa. And if the Soviets controlled the southern tip of Africa in a time of crisis, they could hamstring the free world as far as energy is concerned. Our NATO allies, Britain, France, all of the NATO allies, would be in jeopardy, as well as the United States of America, because many of our oil supplies come around the Cape of Good Hope as well.

In addition to that, you will see up here a number of charts that I have brought out for argument. I would like to explain what they mean. Many of the minerals that are depicted on these charts are vital to the survival of the United States of America. Platinum is one. We get 49 percent of our platinum from South Africa. Chromium, we get 55 percent of our chromium from South Africa. Manganese, we get 39 percent of our manganese from South Africa. Cobalt, 61 percent of our cobalt comes from Zimbabwe and Zaire to the United States of America, but it comes through South Africa. And 44 percent of vanadium comes through South Africa.

These minerals are vital to the military security and economic health of this country. Now, if the Soviet Union gets control of South Africa, it is going to hurt, or if one of the U.S.S.R. surrogates gets control, it is going to hurt severely the United States of America and may threaten the very existence of the free world.

You may say, "Well, what about the Soviet Union, are they dependent upon South Africa or the African Continent for their existence?"

If you look at this chart here, the second chart, it shows that the U.S.S.R. is almost independent as far as their needs are concerned. They have these minerals within the confines of the U.S.S.R. The only exception that they really have to worry about is cobalt, and they get the majority of their supply of cobalt from Cuba, one of their satellite countries.

Mr. Speaker, I think there are a lot of problems with this legislation. One of the problems, as I stated before, is the impact on the people we want to help, the blacks. But in addition to that, Mr. Speaker, I think there is a real risk, a real long-term risk to the free world.

Many of my colleagues have stood up here and they have said, "Well, we have to show moral leadership, the free world has to get involved, and we have to do something about it."

I agree with that. But how far do we go? We went pretty far in a country called Rhodesia. We stopped buying chromium from Rhodesia. The Soviet Union became the only market we had, and we were buying chromium produced in Rhodesia from the Soviet Union after it became Zimbabwe, and we were paying three times the price. Imagine what it would do to us if we had to deal with them on the same basis with these other vital minerals. And, of course, you have seen what happened to Zimbabwe since they have gone Communist. The Government is headed back toward the dark ages and not into the future like it had been previously. They have a very repressive Government. Blacks are preying upon blacks. There is blood running in the streets. Now they have a one-party totalitarian Communist government. I submit to you if we follow the same train of thought that we followed in Zimbabwe, we are going to have the same thing in South Africa.

We stuck our nose into Iran, as did many other free world countries, talking about the repression over there. We got rid of the Shah all right, but look what we got in his place. The Ayotollah Khomeini.

We need to do something about the apartheid policies of South Africa; we need to put presssure upon this Government. But not the way we are talking about it in this piece of legislation. If we do it, I think we are sowing the seeds of massive revolution in that country. There will be no constructive change in the Government. We run the risk of a Marxist takeover, and it is going to bode very ill, in my opinion, for the entire free world.

Mr. FASCELL. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS. I thank the chairman.

Mr. Chairman, I, too, want to command the conferees for reporting out this piece of legislation, and I am glad the Congress has agreed to a package of economic sanctions against the apartheid regime in South Africa. Among the sanctions, as already has

been said, is a ban on the Krugerrands, which I think is very, very important, because I do not want to see citizens of the United States of America continue to buy these gold coins that are created by near-slave labor and human suffering. But even as I applaud the actions of the Congress I cannot help but feel that more should be done to protect against the crimes in South Africa. Since the imposition of the state of emergency just 11 days ago, over 25 people have been killed and over 1,200 arrested by the South African police.

Now, to add further insult to injury, the South African Government has also today, or recently, announced that they were going to prohibit outdoor funeral services for those who happened to die of unnatural causes. This law is testimony, I believe, to the brutal policies of the South African police. If Pretoria truly wishes to defuse the tensions that often accompany such funerals, they should stop supplying the corpses for the funerals.

In light of these terrible crimes, as I said before, we need to do a great deal more. I believe that one of the things we need to do is to call for disinvestment in South Africa. Total United States disinvestment in South Africa would provide the slap in the face that I believe South Africa needs, and I certainly would urge all of us to consider that in the very near future.

But before we reach for our calculators to come up with figures and graphs such as we have just seen on the board over there on the other side of the well, we need to examine the value of a human life; one live in dignity, in freedom, and in self rule. It is my belief that the value of a human life lived in dignity, lived in freedom, lived in self rule is far more important than the possibility of lost dollars from the sale of Krugerrands or from disinvestment. I think what we ought to join France's example of imposing strong sanctions and taking a hard line against the system of apartheid; and I strongly urge the passage of this conference report and its speedy signing by the President.

Mr. BROOMFIELD. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. LEACH], a member of the Committee on Foreign Affairs.

Mr. LEACH of Iowa. Mr. Speaker, I would like to make three brief points: The first relates to strategic issues, the second to coinage, and the third to moral. Strategically, some argue that our Government shouldn't stand up for abstract moral points because moral posturing tends too frequently to undercut our strategic position. Actually, the problem in South Africa is the obverse. Failure to stand up for moral principles jeopardizes U.S. national security. After all, ending apartheid is the most important foreign policy issue to the rest of sub-Saharan Africa, and these countries are in total more important than South Africa.

In addition, can there be any doubt that sometime in the not-too-distant future there will be majority rule in South Africa? Do we want to go down as the one country in the free world which, while paying lipservice to anti-apartheid sentiments, is viewed in the region and in South Africa as conducting a policy legitimatizing the very government which established and maintained apartheid? If such a perception remains the case, can we be expected to count on maintaining access to all the strategic minerals the gentleman from Indiana [Mr. BURTON] identified?

Regarding coinage, it must be stressed that banning the importation of Krugerrands and offering an American gold coin alternative is both a deficit reduction measure and good for our balance of payments. The gentleman from Illinois [Mr. ANNUNZIO] and the gentleman from California [Mr. LEWIS] should be commended for their efforts to craft a new gold policy that does not imply return to the gold standard but allows the average American citizen, at his or her option, to purchase and save American gold with confidence.

Finally, and most importantly, with regard to the moral issues at stake in this bill, we should all understand that ending apartheid in this century is as great a social imperative as ending slavery in the last.

The Republican Party was born a little more than a century ago in the smoldering cradle of apartheid-like conditions. All we ask of this Republican President is that he advance a foreign policy consistent with the views of the first Republican President, Abraham Lincoln.

Apartheid is an issue that can't be ignored. Its meaning is too great; its results too important.

Mr. FASCELL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Maryland [Mr. MITCHELL], without whose efforts the conference would not have been successful.

Mr. MITCHELL. Mr. Speaker, first of all I want to go on record as saying that in many years of service in this House, I will remember that conference committee as one of the finest opportunities and experiences that I have had as a member of the this legislative body.

I am not going to call the names. You know what you did. You rose to the occasion, and you did so magnificently. I am just profoundly grateful that I could be a part of that.

□ 1420

In every society, we have certain rules that operate. They can be called mores, folkways, laws, and customs. But in our society and in other societies, there is something that transcends all of those things. That is called a moral imperative. That is what this legislation is, it is a moral imperative.

Those who would argue about possible political consequences down the line; those who would argue against the legislation in terms of the economic factor, forget, but were reminded by my colleague, that America took the high moral imperative when it took a position against slavery despite all those who counseled against taking that position.

They forget that time and time again we have taken a high moral position even though it might have had adverse political and economic circumstances, and that is what we have got. In this legislation we have got a moral imperative and this House must rise to the occasion and support.

There will always be those who will say the legislation is too weak or the legislation is too strong. I do not care about that. I know what I care about; I care about the courage of the conferees and the courage of this House in saying this is a moral imperative from which we will not back off; this is right for this Nation and its conscience.

Let me just say we have very few issues that we deal with in this House that transcend political partisanship. This is the one. This is the one real encounter this year, and I urge your total, total support for it.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska [Mr. BEREUTER].

Mr. PURSELL. Mr. Speaker, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Michigan.

Mr. PURSELL. I thank the gentleman for yielding to me.

Mr. Speaker, I want to say that I am very proud to be in the House today. This is one of our finest hours. In the spirit of Lincoln, BILL BROOMFIELD, DANTE FASCELL, I think this is a great opportunity, and I hope and dear pray that the President of the United States signs this conference report.

Mr. BEREUTER. I thank the gentleman for his comments.

Mr. Speaker, this Member was disappointed not to be able to vote for the bill to impose new sanctions against South Africa that was passed by the House of Representatives a few weeks ago. I simply felt it was not responsible to support one specific element of that bill.

Indeed, the only provision that I could not support and that compelled me to vote against the bill prohibits all investment, direct or indirect, in new or existing business enterprises in South Africa. While the case for these sanctions is persuasive to some, a compelling case can also be made against such sanctions. As the Washington

Post editorial said, "There is a serious, respectable, nonracist case against (this) sanction."

Last night, the conference committee resolved the differences between the two bills. The Houses agreed to impose a ban on the sale of Krugerrands in this country. The measure would also ban the sale of goods used in nuclear production and computers and bank loans to the South African Government. Dropped from the agreement was the House provision banning new investments in South Africa. Certainly I support the ban on the sale of Krugerrands because I believe prohibiting the sale of Krugerrands to be step of great symbolic and economic significance.

This will be one of this year's most important policy declarations by the United States of America. I urge the President to sign this legislation.

International pressure is rising against South Africa. France recently banned further investments in the country. The United Nations Security Council denounced the "barbarism" of apartheid, even though sanctions were vetoed. When White House Press Liaison Larry Speakes talked about American "repugnance," he reflected a general feeling in this country. With this resolution, the voice of the United States will be clearly heard in South Africa and in the world community. I urge my colleagues to support this legislation.

Mr. FASCELL. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. OWENS].

Mr. OWENS. I thank the gentleman for yielding to me.

Mr. Speaker, I rise in support of the conference report. With the imposition of the state of emergency, the South African Government has escalated the barbarity of their oppression of the black majority of the country. Urgent and meaningful action is needed from all of the nations of the civilized world. The sanctions included in this conference report are far too weak, nevertheless, we welcome this report as an important first step which will send a timely message to the Government of South Africa. We hope the President will hasten to sign this measure into law.

It is still important to note, Mr. Speaker, that events in South Africa are escalating daily. More and more deaths are occurring and more and more arrests are being made. There is no reason to believe the figures being released by the South African Government. The number of deaths each day are far greater than the body count that is being officially listed. The number of arrests is also far greater. The occupation of the black townships by storm troopers is the first step toward the conversion of these isolated townships into deadly concentration camps. There is every reason to believe that millions will be slaughtered by the racist inhuman Government of South Africa unless there is more forceful action by the civilized world under the leadership of the United States.

For the second time in one century we do not want to witness the slaughter of millions of innocent human beings. Beyond the sanctions included in this report there must be more stringent sanctions including the prohibition of all new investment in South Africa. As a matter of U.S. policy our Government should also demand that South Africa immediately release Nelson Mandela and begin negotiation with Mandela who is the only recognized leader among all segments of the South African black population. The United States must also demand that South Africa immediately establish a timetable for the granting of full political rights to all South African blacks. The time for action is now. When Hitler was committing massive atrocities against the Jews most of the world pretended they didn't know it was happening. This time no nation can use that excuse. This time we know that new death camps are being prepared. This time we must all act before it is too late.

Mr. FASCELL. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. HAYES].

Mr. HAYES. I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of the conference report. Dishonesty and hypocrisy has reached a level unparalleled in the history of mankind in South Africa through the Botha regime's efforts to justify accelerated atrocities against the black majority in that rich country.

For those supporters of a policy of constructive engagement and opposing economic sanctions to have the audacity to say "it's out of our concern for the economic well being of blacks in South Africa" as a reason to oppose sanctions against the apartheid government by this great citadel of democracy is ludicrous, hypocritical, and dishonest.

A position in this respect bolsters the threats by the Botha government to fire people who join and support the fight for freedom, both economic and political. Anyone who has any knowledge of the history and growth of South Africa's apartheid regime must know and acknowledge the fact that current South African economic growth did not result from concern for the well being of the black majority, most of whom had jobs that the whites would not perform because of their laborious nature and low pay. Furthermore, the jobs were too few in number.

Who's kidding who? Release those social, political, and economic hostages who outnumber their legalized captors better than 4 to 1.

With respect to support for sanctions, we can reemploy some of our laid-off workers in the automobile, steel, and coal industries who have lost their jobs as a result of plant closedowns and United States investments in South Africa.

We can not longer continue down the failed path of President Reagan's constructive engagement. I urge my colleagues to vote for the conference report on H.R. 1460 as a step toward the end of world recognized injustice in South Africa.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. EDWARDS].

Mr. EDWARDS of Oklahoma. I thank the gentleman for yielding me this time.

Mr. Speaker, in 1978, I think it was October 1978, I rose on this floor to speak in favor of censuring the Government of South Africa, and I voted to censure South Africa at that time.

Now, we are told that since that time there has been progress in that country. I will not deny there has been some progress, but that progress has been minimal, and that progress has been largely cosmetic.

Some of my friends seem to have a strange attachment to South Africa. South Africa for some reason in their minds rises to the status of special friend. Mr. Speaker, no nation which represses its citizens and denies basic human freedoms is a friend of mine or of the principles on which this country was founded. There must be no more rationalizations. If what is happening in South Africa does not stir moral outrage, what will?

This is not an economic issue. Communist revolutions do not come from the granting of basic human freedoms. No Member of this House should vote against this resolution.

Mr. FASCELL. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. I thank the gentleman for yielding to me. I rise in support of H.R. 1460, the Anti-Apartheid Act, and H.R. 2068.

Under the system of apartheid millions of South Africans have been forceably removed from their homes and families to areas called homelands. Blacks earning only a fraction of what whites earn in the workplace—attempts to unionize being met with imprisonment—these are only a few examples of the uncivilized ways in which the South African Government treats the majority of its population who are blacks.

In the past several weeks the protests of blacks have been met with violence on the part of the South African Government. Thousands of blacks

have been arrested including children as young as 8 years of age.

The bloodshed must stop. The South African Government is unwilling to meet with black civil rights leaders. Constructive engagement has not worked as a means of dealing with the South African Government. Institutionalized racism still exists and less than half of the U.S. corporations doing business in South Africa have voluntarily signed the Sullivan principles.

H.R. 2068 and H.R. 1460 will send a clear message to the Government of South Africa, and to the rest of the world, that the United States clearly will not tolerate their antihumanistic, racist, apartheid policies.

Mr. FASCELL. Mr. Speaker, I yield 2 minutes to the gentleman from the District of Columbia [Mr. FAUNTROY].

Mr. FAUNTROY. I thank the gentleman for yielding to me.

Mr. Speaker, I rise, first of all, to commend members of the conference on both sides of the aisle for having quizzed themselves so well, valiantly contending for the stronger measure passed by the House.

At this point, I am already looking beyond 1460, because I am confident that the Members of this House who voted for that stronger measure are going to support this as a means of sending a message to South Africa.

I am looking beyond it because when we voted on this measure back in June, no state of emergency had been established in South Africa, and 1,300 people to date have not been arrested without charge and without recourse; 25 people have not been killed as a result of that emergency.

□ 1430

Those who had been accustomed to at least providing those victims of racist, Nazi, Fascist oppression had not been denied the right to bury them in public funerals, nor had we the moral leadership which we sought to exert seized by France, and saying that we would do what the House proposes to do without delay.

So I am hopeful that as we pass this measure that we look to stronger indications to the South African Government that we will no longer cooperate with their blind march toward racism, violence, bloodshed, and ultimately destruction, but will reward them when they turn up the road toward true democracy, toward dialog, and toward full self-determination.

Mr. BROOMFIELD. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. SILJANDER], the ranking member on the Subcommittee on Africa.

Mr. SILJANDER. I thank the gentleman for yielding this time to me.

Mr. Speaker, the violence in South Africa must stop. The bloodshed of innocent people, blacks against blacks, whites against blacks, it must stop. I, as one Member, feel that we, as the greatest Nation on the Earth, a great and free democracy that holds up high the symbols of truth and fairness and liberty and justice, that we should do all we can do, and we have a responsibility to do all we can do to encourage those who are under oppression in other countries to be released.

We call on the Government of South Africa to release the majority to become part of the political and economic and social system fully in that country. We call upon the apartheid racist regime to cease and desist in their pass laws, detention laws, and all the other apartheid laws that made that country an abomination of human rights and freedom.

All of the messages in Congress, be it the House bill, the Senate version, the conference committee report, several substitutes offered by the gentleman from California [Mr. ZSCHAU], myself and others, we have all called for the dismantlement of apartheid. That concept is elementary.

I hope the Government of South Africa hears this message loudly and very, very clearly: That there is not one Member, white or black, young or old, who could possibly, by any remote stretch of the imagination, support a system that stabilizes the apartheid system in that country.

I have made the arguments against sanctions on the floor, in the subcommittee, in the full committee, and last night and through the day in conference, so I will not go through those same arguments again. I believe philosophically that sanctions are the wrong approach to prompt change in that nation. The grain embargo failed against the Soviets. Sanctions against Cuba failed, and indeed, I think the sanctions against Nicaragua will also fail. I believe that banning Krugerrands is merely symbolic, a symbolic gesture that they claim is against the Government, but truly it is against the people.

But I must say there are some good things about H.R. 1460, although I intend to vote against the bill. I offered mandatory Sullivan principles as an option to sanctions. On the floor it has lost, but now, with enthusiasm, both the House and the Senate are adopting the same idea. I also proposed on the floor an amendment to make the U.S. Embassy in South Africa conform to the Sullivan principles. It passed this House.

The SPEAKER pro tempore. The time of the gentleman from Michigan [Mr. SILJANDER] has expired.

Mr. ZSCHAU. Mr. Speaker, I yield an additional 1½ minutes to the gentleman from Michigan.

Mr. SILJANDER. So that amendment is also included in this conference report.

Scholarships for black South Africans, assistance to black businesses, are also part of the Siljander substitute, which are also part of this conference report.

I think the major issue that I have found extremely offensive in the House version that passed this body was the fact that we banned all new business to South Africa. I did not believe that that would have been an effective deterrent ot the apartheid system. That is the mainstay, the cornerstone, from my point of view, of the House bill. That was also taken out and not accepted in the conference report.

Democracy, I hope, will be the option, as we are hoping it will be in Angola with the successful repeal of the Clark amendment, and a repeal of military aid to Mozambique.

So the Africa policy in the last 6 to 8 months, from this gentleman's point of view, has been quite successful. I hope South Africa will change and will change very, very soon. This provision, in my opinion, will not fully engage change as necessary, so I intend to vote against the provision, but regardless of what happens in this House and in the Senate, and what the President finally decides ultimately to do, I hope and pray that apartheid will change and that people will be free. Let us hope and pray.

Mr. FASCELL. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. DYMALLY].

Mr. DYMALLY. I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of the Anti-Apartheid Act.

Mr. Speaker, symbolizing justice and humanity to much of the world, America must act, and do it quickly, to bring comfort and support to South Africa's antiapartheid movement. This Government's continuing debate over the proper course of action has only encouraged the current regime in South Africa. Indeed, our collaboration is clear. President Botha's recent declaration of the state of emergency constitutes a deliberate plan to decapitate the antiapartheid movement. While the Johannsburg police detained 1,000 blacks, the Reagan administration announced that this action fails to warrant a shift in constructive engagement with the Botha government. Carel Boshoff, the chairman of the rightwing Afrikaner secret society, Broederbond, even praised the Reagan administration last week for not interferring in South African affairs. This is the same man who has claimed that only white salvation will bring peace to South Africa. The same man who predicts that in a race war, South Africa's blacks will be no match against the minority white society. The same man who claims that the black threat

to South Africa reminds him of the Jewish threat to Germany.

Mr. Speaker, our association with South Africa is against our best interests. Let us welcome a new, just approach, embrace the antiapartheid movement, and support the Anti-Apartheid Act.

Mr. FASCELL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. CROCKETT].

Mr. CROCKETT. I thank the gentleman for yielding this time to me.

Mr. Speaker, I have a great sense of pride on this occasion. The chairman of my committee, the Committee on Foreign Affairs, is from my native State of Florida, and he has expressed what I believe is the majority sentiment of this country with respect to what is happening in South Africa.

Both the ranking minority member on the Committee on Foreign Affairs, my colleague, the gentleman from Michigan [Mr. BROOMFIELD], and the chairman of our Subcommittee on Africa, the gentleman from Michigan [Mr. WOLPE], are colleagues of mine from the State of Michigan, so the State of Michigan itself is proud of the bipartisan contribution these two sons of Michigan have made.

I have no illusions, Mr. Speaker, that the passage of this conference report is going to immediately bring about changes in South Africa. I think by and large the conference report, on which I had the honor to serve as a conferee, is essentially symbolic, but I expect it to do two things:

First, to convince all doubters that the majority of the American people believe that the administration's policy of constructive engagement has been a dismal failure.

Second, to carry home to the new rulers of South Africa, to the Bishop Tutu's, to the Nelson Mandela's, and to the others who represent the future rulers of that great country, the clear message that the people of the United Stats are behind them in their fight for liberation.

I commend the conference report to my colleagues.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from California, Mr. JERRY LEWIS.

Mr. LEWIS of California. I thank the gentleman for yielding this time to me.

Mr. Speaker, I would really like, in my short time, to attempt to make a couple of points.

The first relates to the general issue itself, the conference report that is before us. Frankly, as I sat and listened earlier to my colleague, the gentleman from Indiana [Mr. BURTON], express his concerns, I could not help but want to recognize that, indeed, in this very delicate circumstance I can understand why a public policy maker would have concerns of that kind.

Having said that, it is my view that the House owes a deep debt of gratitude to Chairman DANTE FASCELL, and to my ranking member, the gentleman from Michigan [Mr. BROOMFIELD], for dealing with this very, very difficult circumstance. It has got to be clear to anybody who will but take a look that the difficulties in South Africa are difficulties that we cannot ignore.

□ 1440

When we have a circumstance in which at least two-thirds of the people of a country are not given even the basic vestige of what we know as civil rights in this country, indeed we know that circumstance is going to change. For once, as America attempts to take the side of that which is morally correct, let us hope our policy allows us, as that change takes place, to land on the right side of the curve, because we have a fundamental and critical interest in South Africa.

Having said that, let me say that I attended the conference for another purpose, not as a member of the conference but, rather, to deal with the issue of whether America should participate in this process by way of issuing American gold coins. I want to express my deep appreciation to my colleague, the gentleman from Illinois [Mr. ANNUNZIO], for his great cooperation and making possible the progress we have made in connnection with that work.

The SPEAKER pro tempore. The time of the gentleman from California [Mr. LEWIS] has expired.

Mr. BROOMFIELD. Mr. Speaker, I yield an additional one-half minute to my colleague, the gentleman from California [Mr. LEWIS].

Mr. ANNUNZIO. Mr. Speaker, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Speaker, I thank the gentleman for yielding. I want every Member of this House to know the important role that the gentleman from California has played in the gold coin portion of this legislation.

Much of the gold coin provision which we are voting on today was taken from H.R. 1123, introduced on February 19 by Mr. LEWIS, along with the gentleman from California [Mr. DIXON], and 237 other Members of the House.

It was the hard work and tireless efforts of the gentleman from California [Mr. LEWIS] that provided the push for the Gold Coin Program. And while I had differences in the technical aspects of the legislation, I never for 1 minute had a difference with the gentleman from California for the laudable purposes of the legislation.

Had the conference not addressed the gold coin issue at this time, the Consumer Affairs and Coinage Subcommittee, which I chair, was scheduled to hold hearings on the gentleman's legislation in September. And I am certain that the committee would have reported the legislation and it would have passed the House floor.

So while the conference did not directly pass the Lewis bill, it did pass the Lewis principle. The gentleman from California deserves the plaudits of every Member of the House as well as everyone in this country who was interested in a Gold Coin Program.

Mr. LEWIS of California. Mr. Speaker, I thank my colleague, the gentleman from Illinois [Mr. ANNUNZIO], for his comments.

Mr. Speaker, I want to make a few remarks here just before final adoption by the House of Representatives of the conference report on H.R. 1640 in regard to the coins authorized in that legislation. As the distinguished chairman of the Banking Subcommittee on Consumer Affairs and Coinage has acknowledged, the substance of the Senate amendment that was accepted by the conferees to this legislation is the same as H.R. 1123, which I introduced on February 19, so I think it is useful to explain for the RECORD what we are doing here by agreeing to the Senate amendment.

The chairman has suggested that the gold bullion coins will not become a circulating medium of exchange. In this detail, I believe history will prove him wrong. The fictional dollar values assigned in the conference will not cause the gold coins never to circulate. As the distinguished ranking member of the Banking Committee, Mr. WYLIE, a member of the conference committee, stated in his remarks a few minutes ago, the coins will circulate at their market value.

The fictional face value on the gold coins was necessary to assure the legal tender status of the gold coinage in international trade, and to assure that foreign nations will be required under the General Agreement on Tarriffs and Trade to permit the duty-free import of U.S. coins.

Nevertheless, I am proud that the conferees have accepted the Senate amendment—the U.S. gold bullion coins that we initiated here by introducing H.R. 1123. I want to congratulate my colleague from California, Mr. DIXON, for the help he has given us in bringing this legislation forward. We are proud that the bullion coin legislation has been cosponsored by every member of the Black Caucus as well as the entire Republican leadership. Without his very early support and endorsement of this positive solution to the problem of the Krugerrand, it would never have been possible to achieve this degree of success.

The idea of a U.S. bullion coin, which is before us today as the Senate amendment to H.R. 1460, has received

the endorsement and cosponsorhip of over 238 of our colleagues. This overwhelming show of support for the idea of a U.S. gold coinage is a tribute to the bipartisan spirit in the Congress when the time for a new idea has truly come.

The idea for this gold coinage was first presented to Congress by the report of the Gold Commission in 1982. The Gold Commission was a special, joint commission with representatives from the Federal Reserve, the Council of Economic Advisors, the Joint Economic Committee, the Senate and House Banking Committees, and the public. The 17-member Commission was chaired by the Secretary of Treasury, who is presently the Chief of Staff at the White House. One of the Gold Commission's most active members was our former colleague, Ron Paul of Texas, who had made the reestablishment of a U.S. gold coinage his primary mission in his four terms in Congress.

The Gold Commission's duty was to sit in judgment on the controversy surrounding the role of gold. There were voices demanding a "return to the gold standard" and a mixture of opinions regarding the role of monetary policy and alternative regimes the United States might adopt to stabilize our system. The Gold Commission was mandated to study and recommend a policy to the Congress that would set the role of gold in our monetary system, with as little regard for politics or prejudice as might be possible. Its report to the Congress was transmitted on March 31, 1982.

The sole recommendation of the Gold Commission was Ron Paul's proposal for a U.S. gold coinage. That is the substance of the Senate amendment to H.R. 1460 before the House today. The Gold Commission, like the Congress today, supported the concept of a gold coinage with a common consensus that such a coinage will be an overall benefit to our monetary system.

To quote the report of the Gold Commission:

> Among those who support the proposal, two conceptions of the character of the demand for such coins are evident. Some of us expect the demand for such coins to be an investment demand, similar to the demand for Krugerrands, Maple Leafs, Mexican pesos, and other foreign coins that have found a market in this country. Others expect the demand for such coins to be (or have the potential to be) a demand for their use as money. Their value would change from day to day as the value of the gold content of the coin fluctuated in the free gold market.
>
> Some advocates of this proposal see such coins as facilitating development of a dual monetary system, which would impose an additional degree of discipline on discretionary operation of monetary policy.

This was the case that Congressman Paul put before the Gold Commission, and he carried the Secretary of the Treasury and the overwhelming majority of the Gold Commission with him.

The clear intent of the Commission in its recommendation to the Congress was to create competition in these two aspects of the monetary system: First, between gold coins from different issuers, to let the American public have the opportunity to satisfy a strongly revealed demand for such coins in a way that would not require them to extend a hand to a symbol of apartheid or to a foreign sovereign; and second, between forms of money, as in a dual monetary system with the parallel, concurrent circulation of gold ounces and paper dollars—with the clear implication that without an exclusive circulation for the one form or the other, there could evolve some greater implicit discipline on the monetary authorities.

In the 99th Congress, my colleague, Mr. DIXON, and I have worked to bring the Gold Commission's recommendation to this final stage. On February 19 of this year, we introduced H.R. 1123 to create a coin similar to the Gold Commission's recommendation and be positioned in the world coin market so as to reduce substantially, if not eliminate, the circulation of foreign gold coins in this country, particularly the Krugerrand from South Africa.

On March 7, the majority leader, Mr. DOLE, and Senator CRANSTON, the minority whip in the Senate and a member of both the Senate Foreign Relations Committee and Senate Banking Committee, introduced an identical bill, and that measure is before this House today as the Senate coinage amendment to H.R. 1460.

Although there have been no committee hearings and no reports in this Congress on the gold coinage, the Banking Committees of the House and Senate have thoroughly examined the merits of the proposal in the previous Congresses, and of course we have the report of the Gold Commission as part of the legislative history of this monetary reform.

I believe that history will unfold an evolution in the role of these new U.S. gold coins. From a small but auspicious beginning, millions of American will become owners of gold bullion coins. When the day comes—and it will—when the paper dollar once agains depreciates rapidly due to an irresponsible and inflationary monetary policy, our people will turn to their bullion coins and find in our action today the foundation for monetary stability.

Mr. FASCELL. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. ADDABBO].

Mr. ADDABBO. Mr. Speaker, I thank the gentleman from Florida, and I rise in strong support of this conference report.

Mr. Speaker, the events of the past several weeks have awakened us to the fact that the situation in South Africa can no longer be ignored and can no longer be swept under the rug through a policy of constructive engagement.

For years the administration has been promising us that if we just went along with a policy of friendly persuasion, things would begin to improve. We have continued to receive assurances from the White House that things were improving. The events of recent weeks have shown that this is simply not the case.

The state of emergency imposed by the government in Pretoria is vivid evidence that that the situation is not only not getting better but is in fact getting worse. Whatever few human rights the black population of South Africa had have been brutally revoked by this desperate move.

As the leader of the free world, this Nation can no longer sit quietly by and while a government that has enjoyed our support becomes increasingly oppressive. The time has come to remove our heads from the sand and recognize that our policy of constructive engagement has been a failure. The time has come to impose severe and meaningful sanctions against South Africa, ones that will forcefully demonstrate our disdain for their blatant violation of human rights.

I stand today in support of the measures this Congress is considering against South Africa. How many times can we afford to stand by and allow the Communists to exploit an intolerable situation to their own advantage while we do nothing? Haven't we learned from bitter experience what can result when people of good will and fine intentions close their eyes to brutality?

There is still time for us to act. The blood of innocent people has already begun to flow in South Africa, and unless the civilized world is prepared to stand up and demand that it be stopped, I am afraid that the results will be tragic.

I strongly urge my colleagues to take action now. Perhaps if the government in Pretoria is finally convinced that we are serious about our opposition to their actions they will begin to take respect for human rights seriously. As we voted for the original legislation, we must now support this conference report.

Mr. FASCELL. Mr. Speaker, I yield 30 seconds to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I speak with honor and pride today that I am a Member of this House which is considering the conference report on H.R. 1460, the Anti-Apartheid Act, which I have cosponsored.

My regret is that the Congress did not adopt this legislation last year. Although the House adopted a similar bill, the Senate did not do so. If the Congress had taken a stand, perhaps lives in South Africa would have been saved. Perhaps we would not be witnessing the dire situation which exists in South Africa today.

In speaking in favor of the legislation when the House debated it in June, I said that we must realize the long-term implications of our present relationship with South Africa. I said that most people agree that the walls of apartheid will be torn down, and that most people agree that the longer the walls remain standing, the more violent will be the means to bring them down. We are now witnessing that violence. We must not delay another day in taking a stand for our Government against the evil of apartheid.

The legislation which we have before us today clearly demonstrates our distaste for apartheid. It takes important steps to end our country's financial support for the South African system. In the legislation: We end bank loans to South Africa, we prohibit the importation of South African gold coins, we prohibit the sale of computer equipment to South Africa and we seek to end new investment by American companies in South Africa unless there is significant change in the apartheid system.

Some say that this legislation is not enough. That we must end all American investment in South Africa. That is true. We can continue to work toward that goal, and if no progress occurs implement such a policy. But the legislation which we have before us today is an excellent start. It ends our country's misguided policy of "constructive engagement" and in its place makes clear that we have no tolerance for the immoral system of apartheid.

I urge my colleagues to adopt this legislation. I am honored to vote to bring freedom and justice to all of the people of South Africa.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. DEWINE], who signed the conference report.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. DeWINE. I yield to my friend, the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding, and I rise in very strong support of this measure, which is long overdue, to bring justice and equal opportunity to South Africa. I commend the leadership of our Committee on Foreign Affairs and of the Subcommittee on Africa for bringing this measure to the floor before we recess and, hopefully, in time to save additional lives.

Mr. Speaker, I hope that all of my colleagues will be able to support this legislation, an important step in the increased American pressure that should be brought against the South African Government in an effort to persuade it to end its current harsh, discriminatory policies.

The recent events in South Africa emphasize the need for this legislation. Some forces in South Africa will use the present unrest as an excuse to press for the repeal of the modest reforms that have been made up to this date. We must speak to those forces, and let them know that we expect progress, not reaction, in the face of current tensions. Obviously, the system in South Africa cannot be changed overnight. But we expect measured, real change to come about.

This bill provides immediate sanctions in the form of a cutoff of loans to the South African Government, a banning of the importation of Krugerrands, and a halt to shipments of computers to that country. The bill calls for increasing sanctions in the months and years ahead if South Africa fails to heed the call of the international community and the great majority of its own people and if it fails to undertake serious reforms.

I was pleased to support the original bill when it came to the House floor, and I am happy to support this compromise version of the legislation.

Mr. DEWINE. Mr. Speaker, I voted against this bill when it came on the House floor. I voted against it in committee and subcommittee. But last night I signed the conference committee report.

Make no mistake about it, this is a much superior bill than the one we sent out of this House, and it is superior for several reasons. First of all, it does have mandatory Sullivan principles in it. It allows the United States to continue and to expand its constructive role in South Africa. It has mandatory Sullivan principles for all U.S. companies doing business in South Africa.

The second main reason that I am supporting this bill is because the House bill was all front loaded. It did everything right away. This bill is a much more reasoned, logical approach. It does a few things at first, and then it tells the Government of South Africa, "This is what we are going to do, and this is how you can avoid it if you will grant some very basic, elementary human rights."

Mr. Speaker, I urge my colleagues to support this conference report. I urge my President to sign the bill. It is a good bill, it is a constructive bill. No one on either side of the aisle knows, frankly, what good this bill will do. We do not honestly know. Sometimes I think both sides overestimate our ability to control events in South Africa, but it is right that we try, and this is the right bill to do it with.

Mr. FASCELL. Mr. Speaker, I yield 30 seconds to the gentleman from New York [Mr. GARCIA].

Mr. GARCIA. Mr. Speaker, very quickly, I would like to say that from the magic moments when Randall Robinson and our colleague, the gentleman from the District of Columbia, Mr. WALTER FAUNTROY, started the demonstrations in front of the South African Embassy, to the point where so many of us demonstrated in front of that embassy, to the magic moment yesterday when in fact I was honored to be one of the conferees to sign that conference report, I have believed that peaceful and constructive and meaningful demonstrations can bring about change, and I think that was the product of yesterday's debate.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Mr. Speaker, I was a Member who offered one of the two substitutes considered by this Congress when this issue was before us at an earlier point in time, and I, too, am happy today to stand and urge my colleagues to support the conference report.

Let me point out what we have included in this particular package. I want to commend those Members on both sides of the aisle of the Foreign Affairs Committee and the Banking Committee for an outstanding job of bringing about a bipartisan program for justice in South Africa. That is what this is. It is the positive action that we talked about, with Sullivan proposals, the scholarships for the blacks, and the conditional investment as well.

I consider that positive because it says there are certain things we are going to do today. We are going to tell the Government of South Africa, "Clean up your act. Bring justice to all your people or a year from now we are going to take tougher actions. But you be the judge."

What we are really doing today, then, is we are going beyond the positive actions of conditional investment and the positive actions I have mentioned to include some sanctions, something many of us on our side of the aisle opposed earlier. Why should we do that today? I believe that the sanctions included in this bill are a legitimate response to the state of emergency and the actions that are occurring by the South African Government today, and I say that it would be wrong for the greatest free republic in the world to not have some kind of response for the rest of the world to know that we still are the bastion of freedom and we want to send that signal to the world, that bipartisan plan for justice.

Mr. Speaker, that is what we are doing today. I commend my colleagues for this action, and I join with them in their very positive action on this particular proposal.

Mr. FASCELL. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. BERMAN].

Mr. BERMAN. Mr. Speaker, I would like to commend the principal sponsors of this bill, the gentleman from Michigan, the gentleman from Pennsylvania and the gentleman from New York. Throughout their long and distinguished careers in this body, they have worked tireless for a just and humane policy toward South Africa. We are deeply indebted to them for dedicating so much of their enormous talent, their unbounded energy and their great wisdom to this cause.

The sanctions in this bill will not force the South African Government to immediately grant equal rights to blacks.

But those who rule in South Africa should understand the bill's full meaning.

It means that the United States has joined the peaceful protest against apartheid—we will use nonviolent pressure to hasten the end of racial domination.

And this bill means that we do not regard the oppressors in South Africa as allies. Their rigid adherence to apartheid is the best friend the Soviet Union has in Africa.

One of the bill's sanctions—the restriction on computer sales to the South African Government—directly affects the enforcement of apartheid.

As the originator of the ban on computer sales to the South African Government which the House passed in the Anti-Apartheid Act, and as the conferee who negotiated the compromise which appears in this bill, I would like to comment on the computer sanctions.

These are significant new restrictions on computer sales to the South African Government. They close huge loopholes in current regulations.

It is important to note that the sanctions apply to all future sales of computers, software or goods or technology intended to service computers—whether or not such sales may be subject to long-term contracts or leasing arrangements. Explicit language in the House bill applied the sanctions to exisiting contracts. This was dropped in conference only because it was no longer necessary. The House bill amended the Export Administration Act, which contains a contract sanctity provision exempting contracted exports from foreign policy controls. The computer sanctions in this bill are free standing. They do not fall under the Export Administration Act, and therefore need no special provision to assure that they apply to all exports, whether subject to a contract or not.

The bill imposes a total ban on computer sales to South Africa's military, police and apartheid-enforcing agencies.

The ban applies to sales of all computers of any size. Current regulations, by contrast, impose no controls on personal computer sales to South Africa's police or apartheid-enforcing agencies. Exceptions for personal computers are inappropriate in the South African context. Any personal computer can be outfitted with a hard disk with a memory of 2,000 pages, or, using a modem, can become a terminal for a mainframe and have access to its memory bank. The South African Government can use personal computers in local and regional offices, as well as central government mainframe computers, to enforce controls on blacks.

The sanctions explicitly cover software and servicing for American computers already owned by the South African Government. Current regulations exempt from controls software and servicing for goods previously licensed.

The ban on sales to the military, police and apartheid-enforcing agencies covers all computer sales for any purpose. Current regulations allow computer sales to these entities if it is somehow determined that the computer will not contribute significantly to security or apartheid functions.

Finally, all computers sold to any entity of the South African Government are subject to the end use verification requirement. The verification procedures must be adequate to assure the computers are not used for police, military or apartheid-enforcing purposes. Currently, there are no such controls over computers sold to most agencies of the South African Government.

Mr. Speaker, I was disturbed by the active lobbying which some computer companies did to minimize restrictions on computer sales to the South African Government—particularly Control Data, IBM, and Hewlett-Packard.

To be fair, these companies argued from the beginning that they did not wish to sell new computers to South Africa's military, police, or apartheid-enforcing agencies. But they did want to continue to serve and provide software for computers previously sold or leased to these agencies. They insisted on continuing to sell to other agencies of the South African Government—even those which do not in any way benefit blacks.

As far as I know, computer industry spokesmen were the only business representatives who mounted an active campaign against sanctions in this bill. Their actions are surprising, given that their product contributes so directly to apartheid, and sales to the South African Government represent such a tiny fraction of their worldwide profit.

Recall that when some American companies unknowingly contracted to sell nerve gas chemicals to Iraq, those companies appealed to the Government for sanctions to relieve them from any obligation to fulfill the nerve gas contracts. I would have thought that American computer companies would take a similar view of their business with the South African Government. A total ban on computer sales to the Government would relieve them of any obligation to sell a computer that might be used to oppress blacks.

Were it not for computer company lobbying, this bill might have contained the original House ban on all computer sales to the South African Government. It would have been much stronger. Even though this bill requires verification procedures, it is going to be very difficult to prevent the South African Government from using any computer at its disposal to maintain controls over the daily lives of blacks.

I would urge the computer companies voluntarily to halt all sales to the South African Government, following the example of American banks. Some things are more important than profits.

If the computer companies are determined to sell the South African Government, I would note that much of the burden for end use verification will fall on their shoulders. I would urge them to be thorough and conscientious to assure there is no diversion of their computers to use in enforcing apartheid.

Finally, I would note that the Statement of Managers urges computer companies not to sell computers of any size to South African Government agencies which provide no services to nonwhites. Although the law prohibits only sales above $100,000 to such agencies, I would urge the companies to sell computers only to government entities which provide valuable services to blacks in South Africa.

□ 1450

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California [Mr. ZSCHAU], a member of the Foreign Affairs Committee.

Mr. ZSCHAU. Mr. Speaker, I rise in strong support of the conference report. I want to commend the conferees and the authors of this legislation for their leadership.

When H.R. 1460 was before the House earlier this year, I voted against it. Although I supported its objective of helping to bring an end to apartheid, I felt that it contained provisions that would be counterproductive to that objective. In particular, I opposed the ban on new investment. Many U.S.

companies are playing a constructive role in bringing about fair employment practices and a better life to black South Africans. These companies, which subscribe to the Sullivan principles, should be encouraged to expand and help bring about change rather than being stifled.

I offered an amendment to the House bill that would have restricted the ban on new investment to only those companies that did not abide by the Sullivan code. My amendment was defeated. However, I'm pleased that the concept of my amendment is in this conference report. The Sullivan code is made mandatory, and there is no ban on new investment by U.S. companies.

I was also concerned about the blanket ban on computer sales to the Government of South Africa contained in the House bill. We should not be selling computers for use by the South African Government in administering apartheid. In fact, current export regulations restrict that. However, I feel that U.S. companies should be able to compete for the business of South African Government agencies that have nothing to do with the enforcement of apartheid and which provide valuable services to nonwhites as well as whites. In this conference report, the computer ban is targeted to restrict computer sales only to those agencies that enforce apartheid. That is as it should be.

This conference report, in my opinion, is a balanced and responsible action. It is important that it is balanced and responsible. However, it is essential that it is an action. The time for talk is past. The time for action is now.

Mr. Speaker, I urge my colleagues to support this conference report, and I urge the President to sign this legislation into law.

Mr. BROOMFIELD. Mr. Speaker, I yield 1 minute to the distinguished gentleman from California [Mr. LAGOMARSINO], a member of the Foreign Affairs Committee.

Mr. LAGOMARSINO. Mr. Speaker, I am one of those who voted against the bill when it passed the House, but I must point out to my colleagues that this is not the same bill. In my opinion, the House-passed bill would have been counterproductive, would have done more damage than good. I think the bill as drafted by the conference committee is appropriate. It makes a statement that we should all make and I think it may well help the situation in South Africa.

Mr. Speaker, I ask my colleagues to vote for the bill.

Mr. BROOMFIELD. Mr. Speaker, to conclude the debate now on our side, I yield the remaining time to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding.

I rise in support of this conference report. Over the last 2 hours, I have been circulating on the floor among Republican Members who voted against this bill when it left the House. A letter to the President, which I intend to read at this point, along with the signatures of the Members who have signed the letter, is as follows:

HOUSE OF REPRESENTATIVES,
Washington, DC, August 1, 1985.

THE PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: On June 5, 1985, the House of Representatives voted by an overwhelming margin to immediately impose economic sanctions on South Africa. Subsequently, the Senate on July 11 passed its version of sanctions against the South African government by an even larger margin. We opposed the House bill believing many of its provisions to be ineffective and counterproductive.

However, we are now prepared to support the agreement reached last night by House and Senate conferees. We believe the Conference Report to be a fair and reasonable compromise between the House and Senate positions. Furthermore, the persistent and escalating violence in South Africa requires our country to respond immediately to this crisis.

We respectfully urge you not to veto this measure because it is an important statement of U.S. policy for the future. It has bipartisan support in both Houses which is almost certainly substantial enough to override a veto. Given our strong support for this measure, we would be compelled to actively work for such an override, should it become necessary. We urge you to accept the Conference Report on H.R. 1460.

Mr. Speaker, that letter is signed by myself, Messrs. BROOMFIELD, GINGRICH, HENRY, GUNDERSON, CRAIG, HILLIS, Mrs. VUCANOVICH, Messrs. STRANG, BEREUTER, DREIER, ZSCHAU, LAGOMARSINO, WHITTAKER, DEWINE, and COBEY.

We will have other signatures before this day is over. I expect to nearly double that number.

I think it is a signal to the President that those 127 people who voted against this bill when it left the House is not a base upon which to build a veto. In fact, that base is deteriorating.

The President ought to sign this bill. It is a good bill at a good time.

Mr. Speaker, I thank the gentleman again for yielding.

Mr. WOLPE. Mr. Speaker, I yield 4 minutes for purposes of closing the debate to the gentleman from New York [Mr. SOLARZ].

Mr. FORD of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Tennessee.

Mr. FORD of Tennessee. Mr. Speaker, today marks an historic beginning for the U.S. Congress. While we have always been able to battle the disgusting practice of apartheid with rhetoric, we have the opportunity today to put the U.S. Congress on record against the policies of the South African Government. I want to ask our colleagues in the other body at this time to approve the conference report to H.R. 1460. Let America again be looked upon as the primary defender of world rights and liberties.

Obviously, the legislation is a first, albeit important, step in the fight against apartheid. No one in the Congress should overlook the significance of today's legislation. Unless the South African Government changes its ways, more needs to be done in the future. However, I am concerned that while the measure we have before us today may soon become law, it still might lack the full support of the administration.

Mr. Speaker, we are not the only nation with an interest in this matter. The case for bringing economic sanctions against South Africa by the international community at the United Nations is a continuing one. The world body needs the backing of the United States to pass meaningful sanctions against the South Africans. I am very concerned that the administration might not support the limited sanctions we are considering today. Such a lack of support would break the back of those advocating an end to the apartheid system. Thus, I will be introducing legislation in September which would express the sense of the Congress that this institution expects the administration to uphold these sanctions should they become law. In such a highly visible world forum as the United Nations, the potential damage that might result to the anti-apartheid movement from administration inaction is enormous.

Mr. Speaker, should H.R 1460 become law, it must mark the end of the policy of constructive engagement. Let us not be the one nation standing in the way of social reform in South Africa. In the face of new regulations banning even outdoor funerals, I call upon the President to support this legislation, and to meet with members of the Congressional Black Caucus to hear our concerns on this matter.

Mr. SOLARZ. Mr. Speaker, this is an extraordinarily significant achievement. For the first time since the establishment of apartheid in 1948, 37 years ago, the United States will be going on record as making clear our opposition to apartheid by deed, as well as by word.

The adoption of this conference report will send a message to the minority regime in South Africa that the United States will not continue to conduct business as usual with them in the absence of any meaningful progress for the elimination of apartheid.

It will send a message to the indigenous majority within South Africa that the United States is on the side of

change, rather than on the side of the status quo in that country.

A little bit earlier, the gentleman from Indiana [Mr. BURTON] said that he was fearful of the consequences for the West if an unfriendly government should one day come to power in South Africa. Well, let me tell my friend, the gentleman from Indiana, and the other Members of this House, that sooner or later, the black majority in South Africa will inevitably be in a position to determine their own destiny and when that day comes, the United States will be in a much better position to have a truly constructive relationship with South Africa if, in the interim, we have made it clear that we are on the side of change, rather than on the side of the status quo.

Mr. Speaker, I want to use this opportunity to close the debate to make a plea to the President of the United States, who has here an opportunity to create a genuine bipartisan consensus with respect to our foreign policy toward South Africa, not only a consensus among Democrats and Republicans in the Congress, but a consensus between the Congress and the executive branch itself.

We are much more effective abroad when we are united at home. How wonderful it would be if we could all stand up in the Rose Garden of the White House, Republicans and Democrats alike, together with the President of the United States, and say to South Africa and the rest of the world that the United States, at long last, is prepared to use its influence, its resources, to help bring about the elimination of apartheid in South Africa.

I would say to the President of the United States, "Mr. President, after the murder of 500 blacks in South Africa in the last year alone, most of them by the security forces of that country, after the establishment of the state of seige, after the withdrawal of the U.S. Ambassador to South Africa from Pretoria and the withdrawal of the South African Ambassador to the United States from Washington, after the establishment of sanctions against South Africa by Canada and France and the call for sanctions against South Africa unanimously by the Security Council of the United Nations, the time has come for us to finally write the obituary for the policy of constructive engagement.

"It was tried, but it did not work, and it created the impression that the United States was somehow in sympathy with the Government of South Africa without producing any meaningful progress toward the elimination of apartheid."

□ 1500

We need a new policy, the policy embodied in this conference report which calls for the elimination forthwith of apartheid in South Africa.

● Mrs. KENNELLY. Mr. Speaker, we are dealing with many issues today, but few are more important or timely than the adoption of this conference report. The events of the last few weeks have proven—if further proof were needed—that the Government of South Africa ruthlessly represses its black citizens. Just yesterday, new restrictions were imposed on funerals, which are the only form of political expression left to South African blacks.

Many Americans have watched in horror and frustration the deteriorating situation in South Africa. And they have asked a single question: What is our Government, one that is founded on respect for human rights and human freedom, what is our Government doing to end this tragedy? The answer to that question is in this legislation. The measures it proposes are quite simply the least we can do.

There have been many speeches made about the situation in South Africa. But this bill speaks more loudly and more effectively than even the most eloquent words. It is our opportunity to demonstrate our commitment to racial justice and political liberties, not just at home but abroad.

Mr. Speaker, there should be no controversy about this conference report. The House has agreed to these provisions. The Senate has agreed. I hope the White House will come to agree as well. But now it is time for us to act. I urge my colleagues to adopt this conference report.●

● Mr. DE LUGO. Mr. Speaker, I rise in support of H.R. 1460, the Anti-Apartheid Act, as reported by the conference committee. While this Member would have preferred to see the Congress pass the measure previously approved by the House, the compromise represented by the conference report imposes economic sanctions on South Africa and indicates the steps we are willing to take if conditions in that country do not improve.

At present, the situation in South Africa is deteriorating. The 500 dead and over 1,200 arrests in the past year, and the current state of emergency that accelerated these statistics, speak of a situation which the United States must not continue to ignore. Our current policy of constructive engagement is an embarrassment. The South African Government has graphically illustrated the fact that it is unimpressed by this country's quiet, and unenthusiastic, disapproval of apartheid. Our credibility as a nation concerned with civil rights and willing, as we have done most recently in the case of Nicaragua, to express this conviction in concrete terms is on the line here. We must, at a minimum, vote in favor of the Anti-Apartheid Act.●

● Mr. LEVINE of California. Mr. Speaker, we have before us the conference report on H.R. 1460, the Anti-Apartheid Act. It is a good bill, and I urge my colleagues to support it.

This bill imposes an immediate ban on the importation of Krugerrands, prohibits loans to the South African Government, puts limitations on exports of computers to the South African Government, and imposes limitations on the export of nuclear goods and technology.

Additional sanctions are to be imposed if, after a 12-month period, the South African Government makes no progress toward ending apartheid. The sanctions can be eased if the Government makes progress. These additional sanctions include a ban on new U.S. investment in South Africa, prohibition of the imports into the United States of coal or uranium from South Africa, and the revocation of the most-favored-nation tariff status South Africa now enjoys with the United States.

Mr. Speaker, South Africa's practice of apartheid—institutional racism—is brutal and utterly inhumane. It is contrary to any standard of civilized society, and it must be stopped.

The Reagan administration's policy of constructive engagement is a failure. It has done nothing to ease the plight of South Africa's 22 million blacks. Rather, internal repression has escalated dramatically over the last 4 years. Black South Africans cannot vote or run for public office or have a voice in their own destiny. The South African Government's homelands policy has resulted in over 9 million black South Africans being stripped of their citizenship in the land of their own birth. The South Africa Government has increased its oppression of trade unions. Its policies have resulted in the deaths of blacks fighting for their rights and freedom. Constructive engagement has aligned the United States—our country—with the repression of white rule in the eyes of South Africa's black majority. America should stand for justice in South Africa. It is right and it will best serve our national interest.

Now South African President Botha has declared a state of emergency in that country. Repeatedly we see footage of black South Africans demonstrating for their rights and freedoms. Repeatedly we hear stories of more deaths of black South Africans, killed in the pursuit of these goals.

Mr. Speaker, as citizens of the United States, where freedom and equality are held precious and inviolable, we must support these overriding principles on behalf of an oppressed people. Black South Africans have made it clear that even if sanctions create hardships for them in the short run, they are willing to bear the burden to achieve political and eco-

nomic freedom in the long run. The struggle in South Africa is not about jobs or investments. it's about justice and dignity and political freedom.

South African Bishop Desmond Tutu, recipient of the 1984 Nobel Prize for Peace, has said that no amount of repression can contain the millions of black South Africans who are determined to be free. Let us join with them and help them achieve their aspirations. Support this bill.

Thank you.●

● Mr. HAWKINS. Mr. Speaker, it is now quite evident that in the past few weeks the policy of constructive engagement with South Africa has had very negative consequences. Coupled with the recent crackdown by South African authorities and the resulting deaths and arrests of South African blacks, President Reagan appears to have no choice now but to sign this historic legislation.

In conference, members of the President's own party have clearly repudiated the Reagan administration's policy of constructive engagement by agreeing to the conference report on the Anti-Apartheid Act of 1985. It is now up to the whole Senate to follow the leadership of Senator LUGAR, chairman of the Senate Foreign Relations Committee, and put the entire Senate on record in opposition to the apartheid system.

The Senate and ultimately the President, by agreeing to and signing the bill, will usher in a new era in U.S. foreign policy. We will serve notice to the world that the United States will be willing to use economic sanctions to protect the human rights of people across the world. Clearly, the American people are making the struggle for human dignity their own struggle. Surely the President and Senate cannot ignore now the will of the American people manifesting itself in an overwhelming 380–48 repudiation of constructive engagement.

If our great Nation is committed to equality and justice, then we must honor our own standards here and abroad and immediately disassociate ourselves from the appalling system of apartheid. As Bishop Desmond Tutu, Nobel Peace Prize winner, remarked, "Economic restrictions are black South Africa's only chance. The argument that blacks would suffer most from greater economic pressure is moral humbug." Today, my collegues, we can set into motion a forceful and realistic attack on South African apartheid. A policy that will enfranchise black South Africans with dignity and respect, and the political privileges that citizens all over the free world too often take for granted.●

● Mr. MATSUI. Mr. Speaker, South Africa's policy of apartheid represents vicious, institutionalized racism. It is a practice that has not ended with the administration's policy of constructive engagement. The fact is constructive engagement is a failed policy, and the time has come to stop providing support to a nation whose practices so completely belie our own democratic traditions of fairness and equality under the law. It is time to repudiate the policy of constructive engagement.

The failure of constructive engagement is evidenced by this mornings headlines. In response to increasingly vocal opposition to apartheid the white minority government of South Africa has banned outdoor funerals with any political content. Rather than working with black leaders to ease tensions, the Government has removed the only manner in which blacks were able to demonstrate their opposition to the Government.

Mr. Speaker, I support this legislation which will impose economic sanctions against South Africa. Economic sanctions can be a legitimate tool of foreign policy, and I am convinced that this would be an appropriate and effective means to bring about change in South Africa. It would, in any case, leave no question where the United States stands on the abhorrent policy of apartheid.

The economic sanctions in the Anti-Apartheid Act of 1985 are just and represent a critical first step in disassociating the United States from the cruel and racist policies of South Africa. I urge adoption of this legislation.●

● Mr. GRAY of Pennsylvania. Mr. Speaker, I rise to once again express my deep concern that our Government recognize the brutality endemic to the apartheid regime in South Africa, and that we as a nation abandon, without further delay, our policy of constructive engagement.

Mr. Speaker, France, Canada, and other members of the world community of nations are taking firm and unequivocal stands in response to Pretoria's unprecedented crackdown against the black people of South Africa. We can no longer continue to cling to a policy which has failed so completely and so tragically. South Africa must be made to understand that if it does wish to be considered a member of the western community of nations, there are certain standards which must be met. Simply claiming to be anti-Communist is not enough. If South Africa insists on its right to reject and defy all tenents of social and political justice and decency, we must insist upon our right to disassociate completely from that tyranny.

The international community is already doing precisely what I am advocating here tody. France, Sweden, Canada have all taken a stand. European parliamentarians are protesting en masse.

My concern, Mr. Speaker, is that the United States of America not be the one country clinging tenaciously to the apartheid regime while all other nations, great and small, do their parts to hasten the dismantlement of the repulsive system.

On March 7, 1985, I introduced the Anti-Apartheid Act of 1985. On July 31, House and Senate conferees agreed to ban bank loans to the South African public sector, ban nuclear trade with South Africa, ban computer exports to the Government of South Africa, and end the importation of South African Krugerrands into this country.

Constructive engagement clearly reflects neither the will of the American people nor the rising international tide in opposition to apartheid. I commend House and Senate conferees on the leadership they have shown. I trust that this bipartisan, bicameral position makes clear the urgency of implementing a new and enlightened South African policy.●

● Mr. BROOKS. Mr. Speaker, I want to take this opportunity to commend the distinguished chairman of the Foreign Affairs Committee, the gentleman from Florida, for his outstanding and effective effort in bringing legislation important to the national interest to the floor in a timely manner. It is my understanding that over the past 2 weeks, the foreign Affairs Committee had three bills in conference simultaneously. To complicate the situation even further, it was necessary to interrupt the foreign aid conference, to take up and pass the Micronesian compact legislation. This was all accomplished smoothly.

We all owe our thanks to Mr. FASCELL, his committee, especially the ranking minority member, the gentleman from Michigan [Mr. BROOMFIELD] for demonstrating a true spirit of constructive bipartisanship.●

● Mr. FRENZEL. Mr. Speaker, when the South African sanctions passed the House I voted "no." In general, I thought the motivation good, the moral statement even better, but that the results would be harmful to all parties involved, particularly the black people of South Africa.

In general, I don't like sanctions. On the record, they have not been successful. I don't like sending messages by shooting ourselves or other relatively innocent bystanders in the foot.

In general, I like the policy of constructive engagement. I believe we are more effective working with foreign governments than we are when we threaten them. I like having U.S. firms, using Sullivan principles, standing as an example and a symbol in South Africa.

But, conditions have taken us past the in general stage and the personal preference state. The situation in South Africa has worsened, and continues to do so.

The conference report has taken us past the send-a-message stage. It is a vast improvement over the previously passed House bill. Both the carrots and the 1-year stick are helpful

It is now time for the Congress to act.

For those of us who don't like sanctions, who want to keep the U.S. presence as a symbol in South Africa, it is time to acknowledge the need for action.

There is a cost to us, and to the people, black and white, of South Africa. There are times when people of good will must accept some costs in the name of principle. One speaker today said that moral question had become predominant.

I am forced to conclude he is right. I must vote for this bill.●

● Mr. MORRISON of Connecticut. Mr. Speaker, I was honored to participate in the conference on the Anti-Apartheid Act of 1985. I urge support of this most essential piece of legislation.

The sanctions that conferees agreed on against South Africa include banning the importation of Krugerrands, halting new U.S. bank loans, banning the sale of nuclear technology, applying the Sullivan principles to U.S. firms with more than 25 employees, minting new U.S. gold coins to compete with the Krugerrand, and providing $34 million of AID funds for scholarships for black South Africans. I believe that these sanctions send a message to the South African Government that apartheid must end, that they cannot continue to oppress 23 million of its citizens. The sanctions also send a message to our Government that we don't want to be constructively engaged with a government that practices legally mandated racism.

The situation in South Africa has deteriorated drastically in the past week. Since the Government established a state of emergency 11 days ago, 25 persons have been killed and 1,259 have been arrested. In addition, a ban on outside funerals for anyone who has died of unnatural causes in any of the black townships was established today. The state of emergency grants broad powers to the South African defense force and to the South African police (including the railways police and the prisons service). Those forces are authorized to "apply * * * such force as he under the circumstances may deem necessary * * *" to prevent even a suspected danger to public order. They are authorized to arrest and detain without a warrant or charge for up to 14 days. However, that 14-day period can be extended for an indefinite period pursuant to a written notice issued by the Minister of Law and Order. Detentions under the state of emergency do not have to allow access to legal counsel or family. The names of those detained may be withheld and any unauthorized distribution of the names is punishable by up to 10 years imprisonment or a substantial fine. It is important to note that new powers are an extension of far-reaching powers authorized under preexisting statutory law. The Internal Security Act of 1982 had already given the police broad powers to curtail the civil liberties of South Africa's black citizens. The 1982 act gives a police officer of the rank of lieutenant colonel or higher the power to detain a person incommunicado for the purposes of interrogation.

The conferees agreed that President Reagan must recommend stiffer sanctions for congressional approval, if the South African Government does not take one of several steps to end its oppressive and racist system of apartheid. These sanctions include a ban on new private U.S. investment in South Africa, a denial of most-favored-nation tariff status, and a prohibition on coal, uranium, or both. The steps that would be considered progress under the conference include an end to forced relocations, negotiations for a new political system with full rights for nonwhites, a settlement of the status of South African-controlled Namibia, freedom for all political prisoners, access to jobs and joint family housing for nonwhites, and an end to denationalization practices of segregation.

I urge support for the Anti-Apartheid Act of 1985. The United States must take a stand against apartheid.●

● Mr. MINETA. Mr. Speaker, I rise to offer my support to the conference report on H.R. 1460, the Anti-Apartheid Act of 1985. While I would wish for stronger measures, such as the imposition of an immediate ban on new investments in South Africa, I can support this bill because it is the first definitive action that this Congress has taken to express its abhorrence of apartheid.

Congress hereby states that the past pressures on the South African minority rule government have failed to effect substantive changes in that country's racist policies. In fact, many in this country and in this Congress believe that the administration's policy of "constructive engagement" has been equivalent to tacit approval of apartheid and to support for Mr. Botha's white-supremacist rule.

The increasing violence and unmitigated police brutality in South Africa show us that the situation is becoming worse. The state of emergency imposed by Pretoria demonstrates that the government plans to deal with the rising level of anger in the black community by implementing more repressive policies and by arresting opposition figures. Yesterday's new ban on mass outdoor funerals, the only means for blacks in South Africa to express dissent, makes this legislation most timely.

Mr. Speaker, this bill deserves our strong support. It is a long overdue change in our policy toward South Africa. The Anti-Apartheid Act of 1985 signifies unequivocally the beginning of the end of the fruitless policy of "constructive engagement."●

● Mr. MOODY. Mr. Speaker, over the past few months we have seen America's attention focused on two crises in Africa. In sub-Sahara Africa we have witnessed the starvation of hundreds of thousands of people who have had their lives devastated by the worst that nature has to offer; and America has responded.

Even as we are helping to feed starving people in Africa we have been witnessing another disaster. This disaster represents the worst that man has to offer. The present Government of South Africa survives on the basis of a repugnant system of racial servitude. Again America is responding. The frustration and anger of the American people is represented in this legislation. These economic sanctions passed by the House and Senate are the first step in using America's influence to end the system of apartheid. We realize that total change will not occur overnight. But this measure will send a clear message to South Africa and also put them on notice that the United States intends to exert whatever pressure it is capable of.

This antiapartheid legislation is a first step; it is by no means the final action. No matter what it takes—complete economic isolation, severance of diplomatic relations, and the cessation of all political contacts between our country and South Africa—apartheid must end.

This legislation is also warning to the Reagan administration. While black South Africans are being murdered and imprisoned on a daily basis, President Reagan continues to stand by his bankrupt policy of constructive engagement. The Reagan administration knows that it cannot maintain this policy.

Mr. Speaker, let there be no mistake about what we are doing here today. We are taking a largely symbolic but important action step. But this is not the end of our pressures against the racist apartheid regime in South Africa; this is the beginning of the end of apartheid.●

● Mr. CONYERS. Mr. Speaker, earlier today, the House overwhelming approved the conference report on the Anti-Apartheid Act. It eventually will be approved by the Senate as well. While the act, as agreed to by the House and Senate conferees, is not as strong as some of us would have liked, it represents the best legislative proposal that could be obtained at this time.

Economic sanctions, at times, are more symbolic than effective. The Anti-Apartheid Act, a highly bipartisan measure, is important in that it signals to the world community and Pretoria that the Congress and the American people are committed to severing its relationship with, and support of, the most racist government on the planet. We want South Africa to open its doors of freedom to all of its citizens.

More importantly, the overwhelming support for the Anti-Apartheid Act signals to the Reagan administration that the constructive engagement policy has not only been a failure, but it has resulted in South Africa believing that the United States, while giving lipservice to apartheid, encourages for South Africa to conduct business as usual. Why should South Africa change its racist policies when it feels it has the backing of the most powerful government in the world?

Constructive engagement has permitted the United States to become the largest trading partner and second-largest foreign investor in South Africa. It also has become a toothless euphemism disguising military, economic, and diplomatic support to Pretoria which, until recently, has gone almost totally unnoticed.

Late last year, the Free South Africa Movement began; members of the Congressional Black Caucus and other Members of Congress were arrested almost daily at the South Africa Embassy. These arrests were instrumental in bringing the apartheid issue, which has existed for well over a century, to the front burner. Since that time, hundreds of thousands of Americans have, in a variety of ways, joined in showing their disapproval of South Africa's policies, and the administration's policy of passivity.

In fact, at this very moment, a large protest march is occurring in Detroit in which its citizens, as they have in the past, are again demanding an end to the terror in South Africa and responsible action from our Government in Washington.

Constructive engagement has resulted in the loss of over 500 lives in South Africa during the past year; additionally, thousands of innocent people being arrested. It has provided the minority government in South Africa with the boldness to thumb its nose at the world community, and impose incredible restrictions on 24 million individuals because they happen to be black.

Considering the events of the past several months in South Africa, where blacks have been brutally murdered by the South African police while attending funerals of others who also have been killed by the police, the administration should have taken the initiative to declare its constructive engagement policy toward South Africa ineffective and inefficient, and a total failure. Perhaps the actions that the Congress has taken today will cause the administration to reexamine its attitude to South Africa.

This is the same administration which so eagerly provided military and CIA support to rebels committed to destroying the current government which came to power as the result of overthrowing the infamous Somoza dictatorship. In fact, many of the rebels are former members of the Somoza regime. Recently, the administration has declared the Nicaraguan government a threat to our national security, and had no problems imposing economic sanctions.

Mr. Speaker, freedom is a very precious thing, and people will do anything to get it. Time is growing short for South Africa to peacefully end its apartheid system. In fact, one might say the revolution has already begun. Our American Revolution was started over the issue of freedom, and once it started there was no way of stopping it.

The burning desire for freedom stops for no one. Nor can it be stopped. Black South Africans will be free one day; it's just a matter of time. As Bishop Desmond Tutu, South Africa's 1984 Nobel Peace Prize winner, has reminded us, no amount of repression can contain 24 million people determined to be free.

There are some who say that economic sanctions will hurt South African blacks more than it will the white minority. Yet, American firms employ less than 1 percent—66,000—of South Africa's black population. Yet, American corporations control 70 percent of the computer market, 45 percent of the oil market, and 33 percent of the automotive market. These businesses are the jugular vein of the highly sophisticated South African police state, without which Pretoria could not maintain its political and economic structure.

The House, by overwhelmingly approving the Anti-Apartheid conference report, has taken the position that it will stand on the side of freedom. I urge President Reagan to not only sign this important legislation when it reaches his desk, but to also actively support it as well, and ensure that this legislation will be enforced to the fullest extent. This is an issue which the administration can ill afford to be out of synch with the wishes of the Congress and the majority of the American people.●

● Mr. WEISS. Mr. Speaker, the conference report before us today, which imposes sanctions against the apartheid Government of South Africa, embodies a moderate compromise forged from this bill from the House and Senate. Neither the Senate nor the House version, by itself, would have accomplished all that I would like to see done regarding South Africa. Neither bill would have forced the South African Government to abandoned its racist policies and grant economic and political rights to the nonwhite majority in that country.—nor does this conference report.

The report nevertheless accomplishes something very important. It backs with action the emerging consensus that we should not contribute economically or politically, to the preservation of the abhorrent apartheid system. It demonstrates the commitment of the American people to serious reform in South Africa, and it does so without equivocation. It thereby enables us to join nations around the world that have taken concrete steps in support of the oppressed majority in that troubled country. France, Sweden, Norway, Denmark, Australia, and others have adopted laws or taken other actions specifically directed against apartheid. In great Britain, for example, more than 120 local authorities, in cities and towns which include over two-thirds of the country's population, have joined a nationwide campaign of disinvestment.

There can be no doubt that actions of this kind have a strong impact in South Africa. The Pretoria government hears the voices from around the globe that indicate a growing isolation of their country. Black people in South Africa hear also, and are strengthened to press on with their struggle for political equality.

The South African Government has displayed a defiant mood in recent weeks. Outbreaks of political unrest and renewed resistance to white rule in black communities were met with the imposition of a "state of emergency" for the first time in 25 years. Under the emergency, the authorities' far-reading power to detain people without charge, to carry out searches and seizures, and to control the press were expanded still further. President Botha's response to the resulting international outcry was to declare, "No self-respecting country can allow any other country, large or small, to dictate to it how it should be governed."

In spite of its tough words, Pretoria has good reason to be alarmed. This bill imposes economic sanctions for the first time in the history of United States-South African relations, to be followed by tougher U.S. sanctions a year from now if conditions do not improve. By themselves, the exact a tangible cost to the South African economy. Perhaps more important they are the beginning of a process that could lead to comprehensive multilateral sanctions and the economic and political isolation of South Africa's white supremacist government from the rest of the world.

Its defiant rhetoric to the contrary, the South African Government has always demonstrated a craving for acceptance by the other nations of the world. It has invested in public relations campaigns for foreign consumption; it has sought to capitalize on signs that the United States, or other countries, may be ready to acquiesce in the survival of institutionalized white supremacy in south Africa.

In the context, the Reagan administration's refusal to consider a change in policy toward South Africa is a moral outrage and an embarrassment to the Congress and to the American people. Its reluctance even to criticize the violent actions of the South African Government serves only to support apartheid and to encourage Pretoria in its repressive and brutal policies.

We in the House today will demonstrate our disgust both for apartheid and for "constructive engagement" by voting overwhelmingly to adopt this conference report.●

The SPEAKER pro tempore. All time of the gentleman from Florida [Mr. FASCELL] has expired.

The gentleman from Michigan [Mr. BROOMFIELD] has 1 minute remaining.

Mr. BROOMFIELD. Mr. Speaker, I yield back the balance of my time.

Mr. FASCELL. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BROOMFIELD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device and there were—yeas 380, nays 48, not voting 5, as follows:

[Roll No. 288]

YEAS—380

Ackerman	Boland	Coelho
Addabbo	Boner (TN)	Coleman (MO)
Akaka	Bonior (MI)	Coleman (TX)
Alexander	Bonker	Collins
Anderson	Borski	Conte
Andrews	Bosco	Conyers
Annunzio	Boucher	Cooper
Anthony	Boxer	Coughlin
Applegate	Breaux	Courter
Aspin	Brooks	Coyne
Atkins	Broomfield	Craig
AuCoin	Brown (CA)	Crockett
Barnard	Brown (CO)	Daniel
Barnes	Broyhill	Darden
Bartlett	Bruce	Daschle
Bateman	Bryant	Daub
Bates	Burton (CA)	Davis
Bedell	Bustamante	de la Garza
Beilenson	Byron	Dellums
Bennett	Campbell	Derrick
Bentley	Carney	DeWine
Bereuter	Carper	Dickinson
Berman	Chandler	Dicks
Bevill	Chappell	Dingell
Biaggi	Clay	DioGuardi
Bilirakis	Clinger	Dixon
Bliley	Coats	Donnelly
Boehlert	Cobey	Dorgan (ND)
Boggs	Coble	Dowdy
Downey	Lagomarsino	Rodino
Dreier	Lantos	Roe
Duncan	Latta	Roemer
Durbin	Leach (IA)	Rogers
Dwyer	Lehman (CA)	Rose
Dymally	Lehman (FL)	Rostenkowski
Dyson	Leland	Roukema
Early	Lent	Rowland (CT)
Eckart (OH)	Levin (MI)	Rowland (GA)
Edgar	Levine (CA)	Roybal
Edwards (CA)	Lewis (CA)	Russo
Edwards (OK)	Lewis (FL)	Sabo
English	Lightfoot	Savage
Erdreich	Lipinski	Saxton
Evans (IA)	Livingston	Scheuer
Evans (IL)	Lloyd	Schneider
Fascell	Long	Schroeder
Fawell	Lott	Schulze
Fazio	Lowery (CA)	Schumer
Feighan	Lowry (WA)	Seiberling
Fiedler	Lujan	Sensenbrenner
Fish	Luken	Sharp
Flippo	Lundine	Shaw
Florio	Lungren	Shelby
Foglietta	MacKay	Sikorski
Foley	Madigan	Sisisky
Ford (MI)	Manton	Skeen
Ford (TN)	Markey	Skelton
Fowler	Martin (IL)	Slattery
Frank	Martin (NY)	Smith (FL)
Franklin	Martinez	Smith (IA)
Frenzel	Matsui	Smith (NE)
Frost	Mavroules	Smith (NJ)
Fuqua	Mazzoli	Smith, Robert
Gallo	McCain	Snowe
Garcia	McCloskey	Solarz
Gaydos	McCurdy	Spence
Gejdenson	McDade	Spratt
Gekas	McEwen	St Germain
Gephardt	McGrath	Staggers
Gibbons	McHugh	Stallings
Gilman	McKernan	Stangeland
Gingrich	McKinney	Stark
Glickman	McMillan	Stokes
Gonzalez	Meyers	Strang
Goodling	Mica	Stratton
Gordon	Michel	Studds
Gradison	Mikulski	Sundquist
Gray (IL)	Miller (CA)	Sweeney
Gray (PA)	Miller (WA)	Swift
Green	Mineta	Swindall
Gregg	Mitchell	Synar
Grotberg	Moakley	Tallon
Guarini	Molinari	Tauke
Gunderson	Mollohan	Tauzin
Hall (OH)	Montgomery	Thomas (CA)
Hamilton	Moody	Thomas (GA)
Hammerschmidt	Moore	Torres
Hatcher	Morrison (CT)	Torricelli
Hawkins	Morrison (WA)	Towns
Hayes	Mrazek	Traficant
Heftel	Murphy	Traxler
Hendon	Murtha	Udall
Henry	Natcher	Valentine
Hertel	Neal	Vander Jagt
Hiler	Nelson	Vento
Hillis	Nichols	Visclosky
Holt	Nowak	Volkmer
Hopkins	O'Brien	Vucanovich
Horton	Oakar	Walgren
Howard	Oberstar	Walker
Hoyer	Obey	Watkins
Hubbard	Olin	Waxman
Huckaby	Ortiz	Weaver
Hughes	Owens	Weber
Hunter	Oxley	Weiss
Hutto	Panetta	Wheat
Ireland	Parris	Whitehurst
Jacobs	Pashayan	Whitley
Jeffords	Pease	Whittaker
Jenkins	Penny	Whitten
Johnson	Pepper	Williams
Jones (NC)	Perkins	Wilson
Jones (OK)	Petri	Wirth
Jones (TN)	Pickle	Wise
Kanjorski	Porter	Wolf
Kaptur	Price	Wolpe
Kasich	Pursell	Wortley
Kastenmeier	Rahall	Wright
Kemp	Rangel	Wyden
Kennelly	Ray	Wylie
Kildee	Regula	Yates
Kleczka	Reid	Yatron
Kolbe	Richardson	Young (AK)
Kolter	Ridge	Young (FL)
Kostmayer	Rinaldo	Young (MO)
Kramer	Roberts	Zschau
LaFalce	Robinson	

NAYS—48

Archer	Hall, Ralph	Quillen
Armey	Hansen	Ritter
Badham	Hartnett	Roth
Barton	Hyde	Rudd
Boulter	Kindness	Schaefer
Burton (IN)	Leath (TX)	Schuette
Callahan	Mack	Shumway
Chappie	Marlenee	Shuster
Cheney	McCandless	Siljander
Combest	McCollum	Slaughter
Dannemeyer	Miller (OH)	Smith (NH)
DeLay	Monson	Smith, Denny
Dornan (CA)	Moorhead	Snyder
Eckert (NY)	Myers	Stenholm
Emerson	Nielson	Stump
Fields	Packard	Taylor

NOT VOTING—5

Carr	Hefner	Solomon
Crane	Loeffler	

□ 1520

Mr. McCANDLESS changed his vote from "yea" to "nay."

Mr. SWINDALL and Mr. LUGAN changed their votes from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GEJDENSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 144, adopted earlier today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries, who also informed the House that on the following date the President approved and signed a joint resolution of the House of the following title:

On July 31, 1985:

H.J. Res. 106. Joint resolution designating August 1985 as "Polish American Heritage Month."

SUPPLEMENTAL APPROPRIATIONS ACT, 1985

Mr. WHITTEN. Mr. Speaker, I move to take from the Speaker's table the bill (H.R. 2577) making supplemental appropriations for the fiscal year ending September 30, 1985, and for other purposes; with a Senate amendment to the House amendment to Senate amendment No. 112 thereto, and concur in the Senate amendment to the House amendment to the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment to the House amendment to Senate amendment No. 112, as follows:

Resolved, That the Senate agree to the amendment of the House of Representatives to the amendment of the Senate numbered 112 with an amendment as follows: After "legislation" at the end of the last sentence, insert; "except that this sentence shall not apply after May 15, 1986".

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the further amendment of the Senate to the Senate amendment No. 112 to H.R. 2477.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. WHITTEN] will be recognized for 30 minutes and the gentleman from Massachusetts [Mr. CONTE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may require.

May I say to my colleagues that the amendment adopted yesterday, after further study, appears to create more problems than it solved. We all agree we would prefer to have legislation authorizing projects; we all recognize that we would like to have our legislative committees doing authorizations.

May I say that we agree it would be much better if we could have authorizations and not have to proceed as we did. We are in accord with the feelings of the leadership of the legislative Committee on Public Works. As I said, the amendment adopted yesterday, upon further study, creates more problems than it solves.

The Senate, in looking it over, decided to give time for authorizations until May 15, 1986.

So what they have done is amend the provision that passed the House by adding the following words: "except that this sentence shall not apply after May 15, 1986."

So on yesterday we had a prohibition against initiating public works projects that were listed in that bill until we had legislative authorizations. May I repeat that the amendment of yesterday prohibited the initiation of construction of the projects that were listed in the bill until authorized by legislation.

It also prohibited the initiation of construction of those that had already been authorized.

In order to straighten the matter out, to give the legislative committee ample time in which to pass legislation which I hope they can do, the Senate added the following words: "except that this sentence shall not apply after May 15, 1986."

We discussed this with the leadership of the legislative committee; we are in accord; and this will give ample time, hopefully, for the Congress to pass legislation.

Again, the Senate amendment will release funds for those projects that are already authorized along with those that have not been, those that have been pending for a long time upon enactment of authorizing legislation on May 15, 1986.

Mr. Speaker, at this time I yield to the gentleman from New Jersey [Mr. HOWARD], the chairman of the committee of legislative authorization.

Mr. HOWARD. Mr. Speaker, I thank the gentleman for yielding me some time.

Mr. Chairman, as I understand this as it came back from the other body, it states that the action that was taken by the House on yesterday will be in effect until May 15, 1986, unless the Congress passes other water resource legislation before that time.

Mr. WHITTEN. That is correct.

Mr. HOWARD. I thank the gentleman. I would just like the Members to know that this does seem in one way like a reasonable situation. It is saying, we are going to give you close to a year to get your act together to be able to pass water resource legislation; go to conference with the other body; and have it signed into law.

However, on the other hand, it could also be a signal to the Members of the other body to say, "If you can just hang in there, and do not cooperate, and do not work, and see that no legislation is passed by May 15, then we will have our power grab back again, and that will be the law."

I would like to state for the information of the Members of the House that I have spoken with the chairman of the Committee on Environment and Public Works in the other body; we do know that their water resource bill is out of their committee and is now pending, sequentially, before the Finance Committee in the other body, and the Senator from Vermont, chairman of that committee, has just recently assured me that he will make every effort to see to it that they have their bill out and we can go to conference and have a law, not by May 15, but by the end of this year.

□ 1530

We certainly will have our bill on the floor here by early October. So if we can get that promised cooperation from the other body, then I believe that all of our work would have been for a good purpose and we would have straightened out this whole matter.

I wish to thank the gentleman from Mississippi for yielding me the time to make this statement.

Mr. WHITTEN. Mr. Speaker, may I say that we appreciate the fine work the gentleman does, and we join with him in hoping that we can get cooperation on the other side of the Capitol to follow the authorization process. We will be cooperative in every way that we can.

Mr. HOWARD. I thank the gentleman. We will keep our eye on them.

Mr. WHITTEN. Mr. Speaker, I yield such time as he may require to the gentleman from New Jersey [Mr. ROE].

Mr. ROE. I want to thank the chairman of the Appropriations Committee for yielding to me.

Let me suggest in following up Chairman HOWARD's discussion that we have been working assiduously with Chairman WHITTEN, and Chairman HOWARD, and others, and Members of the other body, to get this matter resolved.

I think it is important for the Members to understand where this is going because you will all have a stake in this decision that is being made.

Let me suggest a couple points. One, yesterday there was an issue that had arisen with a number of the Members that had to do with authorized projects. I think that matter has to be clarified.

In the amendment that we offered and was adopted yesterday, it did put an umbrella over those 21 authorized projects.

Now, I have had a discussion with Chairman BEVILL and Chairman WHITTEN, and it was not the intent of the Public Works Committee to hold back authorized projects. Now what we are planning on doing—and I would recommend to our Appropriations Committee—is in other vehicles that are coming along, to remove that particular situation that has created a slight impediment on those projects that have already been authorized.

I would appreciate a colloquy with the gentleman from Alabama so that we are in concurrence with that understanding.

Mr. BEVILL. If the gentleman will yield, the gentleman is absolutely correct. This was obviously his intention, but this does clear this up. If I may, at this point, I would like to thank the gentleman for his cooperation and effort on this, because we have all spent a lot of time on this, Chairman HOWARD, and Mr. EDGAR, and many

others who have participated in it. So if I may at this point, I would like to make this point here also that the gentleman is interested in about the preliminary work. And here is a statement that will cover that:

Initiation of construction as proposed in amendment 112, which is all of the Corps of Engineers projects in this supplemental, is not intended to preclude work or actions essential to construction. It is fully intended that all the planning, design engineering, land acquisition, and bridge relocations necessary to prepare for construction of any project should proceed to the point where actual project construction may proceed when authorized and funding is available.

So I just wanted to clear that up. The gentleman is interested in that also.

Mr. ROE. That is our understanding of what the legislation will do.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. I am sorry, I was distracted when you explained your proposal. Where is that language going to be placed?

Mr. BEVILL. This is going to be placed in the supplemental at the appropriate point, simply to clear that up——

Mr. MYERS of Indiana. In the bill?

Mr. BEVILL. In the supplemental, so that they can go right on with the preliminary work as intended when our bill left our committee, because they did not intend to restrict that part. But no construction. But preliminary work, studies, and that sort of thing.

Mr. MYERS of Indiana. If the gentleman will continue to yield, this will have to go back to the other body then, because they have not cleared this.

Mr. ROE. No.

Mr. BEVILL. No; I see what your question is. It is in the report.

Mr. MYERS of Indiana. Oh, in the report?

Mr. BEVILL. Yes.

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. ROE. I yield to the gentleman from New York.

Mr. KEMP. I appreciate the gentleman yielding. He has been very gracious in explaining the situation to several of us who have authorized projects in the conference agreement. For those projects which have done the preliminary work and are ready for construction in 1986, could the gentleman give me some assurance that those projects are going to be left on track as this legislation moves forward?

Mr. ROE. I would like to respond to the gentleman. The answer is yes on that. This morning we reviewed every one of the 21 authorized projects that are in this bill with the Corps of Engineers.

Mr. KEMP. Including Ellicott Creek?

Mr. ROE. Yes, including Ellicott Creek and including every one that everyone called to our attention. The report we have in writing back from the corps is that it will not have an effect because all of those projects will be scheduled for consideration and construction in 1986.

Mr. KEMP. That is correct.

Mr. ROE. So therefore, as far as we are concerned, we do not see where you will have a problem with those issues, provided one of 2 things: the timeframe that is covering over in the Senate languages goes to May of next year, early May 1986, some action has to take place on the authorizing legislation between both bodies. That is one controlling date.

Mr. KEMP. Will the gentleman yield on that?

Mr. ROE. I yield to the gentleman.

Mr. KEMP. What about those projects that are authorized?

Mr. ROE. I am talking about authorized projects. And I would recommend, I say to the gentleman from New York, those projects that are authorized, if we can get additional language in another piece of legislation, such as, for example, the 1986 appropriations bill, that could help move it faster. But we see no impediment to what you are trying to achieve.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield for a clarification?

Mr. ROE. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. I do not think we should mislead the gentleman. I know the gentleman does not intend to.

Mr. ROE. I do not think I mislead him.

Mr. MYERS of Indiana. His project that he is vitally concerned about, Ellicott Creek in New York, cannot start with construction—they can do anything, which has mostly already been done there—construction may not start until May 15, 1986, or until subsequent legislation is passed, such as H.R. 6, providing for cost sharing. One of the things would have to be done before construction could start.

Mr. ROE. I do not want to complicate it. I have checked out in depth with the Corps of Engineers on all 21 of those projects. If the Appropriations Committee were to deprive all the money in the world to finish it, it would not make any difference because the plans and specifications will not be ready to go to bid until early 1986.

What the gentleman is saying, and correctly so, the controlling date under the Senate language is May 1986, so it is not going to impede any of the timeframe on the Ellicott Creek project.

Mr. KEMP. I thank the gentleman.

Mr. Speaker, I rise in strong support of the motion to recede and concur in the Senate amendment.

While I would have preferred the immediate availability of construction funds for those projects such as the Ellicott Creek flood control project which are authorized and which have cost-sharing agreement, my ultimate objective is to obtain the funding and complete the project as quickly as possible.

The Ellicott Creek project was originally authorized in 1970, was reauthorized in 1981, and has been covered by a cost-sharing agreement since 1982. The only obstacle preventing completion of the project has been the inability of Congress to reach a concensus on water policy so that new start construction can be funded.

My constituents already have waited too long to see this project built. This past winter, Ellicott Creek flooded, devastating the area. The most frustrating aspect is that if the flood control project had been in place, the creek would have been contained.

My colleagues from western New York and I have worked tirelessly to obtain this construction funding. I am extremely pleased that with passage of this legislation our efforts finally will be rewarded. The real beneficiaries of our action will be the residents living near the creek who no longer will need to worry about the devastation and pain that previous flooding has caused. With completion of this project, that kind of flooding will be a thing of the past.

Mr. ROE. Let me conclude on this. I usually have a tendency to be very loquacious and I have a tendency to be very fierce in my approach. I am a lot calmer today. I find it more difficult to speak when I am calmer. I think that we are making great progress. But let me say to the other Members here, those who are not directly involved at the moment, as the situation unfolds, we have a job to do. As Chairman HOWARD pointed out, by the end of September or early October we will be in a position of coming back to the House, after going to the Rules Committee, of course, coming back to the House with H.R. 6. We would hope in H.R. 6 that we will receive the strong support from the Appropriations Committee and all the Members of the House. So we are on schedule, as rapidly as possible, in our authorizing legislation.

I talked to Senator HATFIELD, the chairman of the Appropriations Committee in the Senate, and he has assured me that he will extend all of his effort and help on the Senate side, as Chairman HOWARD has talked to other Members, to get the program going so

we can get an authorizing piece of legislation through.

So it is going to behoove us, if I may, before I give up the rest of my time, it is going to behoove us, once we move after today, once we get that bill onto this floor, to put all of our efforts in with the Senate, to ask and implore of the Senate to move as rapidly as possible on an authorizing bill so that we can go ahead and get these matters straightened out.

Mr. ROEMER. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Louisiana.

Mr. ROEMER. Is it your belief that the May 15 date will in fact help you pressure the process to completion of H.R. 6? Is that your position?

Mr. ROE. Well, I think that the May 15 date is reasonable. In candor, somebody said to me, before we got to this agreement, what do you think the Senate will do? And I said, "If I knew that, I would be king."

So I have no idea. I think what happens with Members of the House, and, if I may say, next year we will all be seeking the suport of our constituencies, it would behoove the Members of the House who are affected to ask their fellow Senators to be cooperative in the efforts we are trying to put forth.

Mr. ROEMER. I thank my colleague.

□ 1540

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this conference agreement, as further amended by the other body.

The Senate addition would provide that the so-called escrow language, which made the initiation of construction of new starts contingent upon the enactment of cost sharing legislation, shall not apply after May 15, 1986. This provides a 9-month period in which to enact such legislation—in my view, clearly an adequate time. I believe that as amended by the Senate, this language is consistent with the House position adopted on the floor last evening, and is worthy of all of my colleagues' support.

Mr. Speaker, there was a great deal of uncertainty on the floor last evening with regard to the operative effect of the language under consideration regarding the water projects. Because of that, I think it is important to clarify for the sake of the legislative record exactly what we have done, and propose to do, it this conference agreement is adopted. In order to do that, I would appreciate the attention of the gentleman from Mississippi, the chairman of the committee, and the gentleman from Alabama, the chairman of the Energy and Water Development Subcommittee, as well as the gentleman from Indiana, the ranking minority member of the Energy and Water Development Subcommittee.

As I understand it, upon the enactment of this supplemental, the initiation of construction of all of the 41 projects listed in amendment No. 112, whether currently authorized or not, would be suspended until after May 15, 1986, unless cost sharing legislation is enacted before that time.

If cost sharing legislation is enacted before May 15, 1986, construction on authorized projects could move forward in accordance with the conditions contained in such legislation.

In other words, if cost sharing legislation is enacted by May 15, 1986, any of these projects that are authorized, or that subsequently become authorized, can proceed upon enactment of the cost sharing legislation.

If cost sharing legislation is not enacted by May 15, the language originally contained in the conference agreement becomes operative. In other words, projects for which cost sharing agreements have been entered into with the Corps of Engineers can proceed, provided that such agreements have been entered into by June 30, 1986. That includes projects that are authorized, as well as projects in this bill that are currently unauthorized. Construction on those projects can be initiated after May 15, 1986, provided that a cost sharing agreement is signed by June 30.

Is that the understanding of my colleagues on the committee?

I yield to the gentleman from Mississippi [Mr. WHITTEN] for his response.

Mr. WHITTEN. May I say that the language in the Howard amendment controls. The gentleman's interpretation seems to be OK.

May I repeat again that all of the projects listed there are under this same restriction, but when the restriction should die after May 15, 1986, or when the Congress passes an authorization, either one would change it. Otherwise, after May 15, they proceed.

I would like to call attention to the fact that the amendment of the House adopted yesterday says that the "initiation of construction" shall be subject to enactment of legislation. So in the meantime, they must proceed with all of the preliminary work including plannning, design, engineering, land acquisition, bridge relocation the removal of obstructions, and other things that might be necessary to expedite or carry out the project properly.

Mr. CONTE. I thank the chairman and I yield to the gentleman from Alabama [Mr. BEVILL].

Mr. BEVILL. I thank the gentleman for yielding to me.

Mr. Speaker, the gentleman is correct right down the line, and after May 15, 1986, if no further action is taken and no authorization bill is put through under the Howard-Roe Amendment, as agreed, these projects, all 41, are authorized and may proceed to construction.

Mr. CONTE. I thank the gentleman and I yield to the ranking minority Member of the Public Works Committee, Mr. MYERS of Indiana.

Mr. MYERS of Indiana. I thank the gentleman for yielding.

Mr. Speaker, the gentleman from Massachusetts has very accurately portrayed and described the exact conditions for these 41 projects which was completely, completely confused yesterday. I thank the gentleman.

One thing, I think though, that we ought to add here. As a practical matter, it seems to me that there are some projects, a number of them in the country where we have been advised by the Army Corps of Engineers that they were negotiating for local involvement. They might hold up on those negotiations until after May 15. So you have only a very narrow window from May 15 to June 30, which might reduce the number that might be able to be negotiated.

I doubt if those are going to be very seriously negotiated because they do not know what will be in H.R. 6 for sure until it becomes law. Hopefully, we can get H.R. 6 passed sooner than that so we will close that window and they can start negotiating seriously. But I do think we ought to be aware of that.

Mr. CONTE. All the more reason why they should be moving on a fast track.

Mr. MYERS of Indiana. If the gentleman will yield, that is right. Yesterday, with what we put in the amendment, it put the emphasis and importance and the necessity upon this body to pass H.R. 6 or something similar because none of them were really going to move until we had something of substance. So this puts it really back and narrows down the time.

Mr. CONTE. I thank the gentleman from Indiana.

Mr. CARNEY. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman.

Mr. CARNEY. I thank the gentleman.

Mr. Speaker, I was over at my office watching the colloquy and I have a unique situation of having a project where all the engineering, all the environmental impact statements, everything is completed. It is an authorized project; it was appropriated in the supplemental. The problem that I face is that the EIS requires the project be dredged at a certain time so as not to spoil the breeding time of fin fish and shellfish and that time is April.

Do I understand that I still am subjected to that May 15th date?

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman.

Mr. MYERS of Indiana. Two things I would say to the gentleman. I am not sure the EIS can be amended. I doubt if it can. That is out of the control of the Congress to do anything about that.

What we could do, in the regular 1986 bill, which is in the process already passed here, in the other body, I think that is one of the remedies that we can make in the 1986 bill which is in the legislation now. I believe we can correct that in the 1986 bill. Hopefully, the EIS could be amended, but that is not in our power to do that.

But we can, Congress does have the authority to change yours in the 1986 bill.

Mr. CONTE. Or quickly pass H.R. 6.

Mr. MYERS of Indiana. H.R. 6, sure. But he might not be able to wait until whenever that might happen.

Mr. CARNEY. If the gentleman would yield further, at any rate, the project would still be alive through passing H.R. 6, then that May 15 date no longer is in effect?

Mr. CONTE. No.

Mr. MYERS of Indiana. If the gentleman would yield further, I cannot speak for the committee or the other body, but the chairman, I am sure, is here, and he will say that we will do the best we can to get it through the bill. That is the best we can do. We will take care of the gentleman; he has been very much interested in this project, and has been a supporter of the committee. We will do everything we can to help you.

Mr. CARNEY. Thank you very much.

Mr. BEVILL. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman.

Mr. BEVILL. I would say to the gentleman that whatever your problem is, we will solve it.

Mr. CARNEY. Thank you, Mr. Chairman.

Mr. CONTE. Mr. Speaker, this agreement is acceptable to the administration, and provides our best opportunity in years to proceed with much needed water projects, while also effecting important cost-sharing reforms.

I urge the adoption of this amendment and this conference report.

Let me also pay special tribute to our chairman, the gentleman from Mississippi. He has worked tirelessly on this effort, and deserves all of our thanks for a job well done.

Mr. WHITTEN. I thank the gentleman; I appreciate that.

Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. LAFALCE].

Mr. LAFALCE. I thank the gentleman for yielding to me.

Mr. Speaker, I would like to give special praise to the distinguished chairman, JAMIE WHITTEN, and ranking minority member of the Appropriations Committee SILVIO CONTE, and the Appropriation Subcommittee on Energy and Water Development, TOM BEVILL and its ranking minority member JOHN MYERS, but also special praise to the chairman of the Public Works Committee JIM HOWARD, and the ranking minority member, GENE SNYDER, and the chairman of the Water Resources Subcommittee of Public Works, BOB ROE, and its ranking minority member ARLAN STANGELAND, for being so amenable to the concept of compromise in order to get projects that have been authorized for as long as 15 years, such as the Ellicot Creek project in my congressional district and Congressman JACK KEMP's congressional district.

Sometimes we thought that the circumstances were going to make this a permanent inevitability, but today's legislation is going to mean it is definitely a "go" concept. That all work other than construction can take place between now and May 15, and that on May 15, construction begins. Thank you very much.

□ 1550

Mr. CONTE. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky [Mr. SNYDER].

Mr. SNYDER. I thank the gentleman for yielding this time to me.

Mr. Speaker, I want to concur in what generally has been said here in regard to the acceptance of the additional language that has been added by the other body.

We all recognize the fact, of course, that if in fact they were not sincere that they could stonewall our legislative committee past that date and get the original language, but as has been well laid out here today, at my request the chairman of our full committee has talked to the chairman of the corresponding committee in the other body and has a commitment. The chairman of our subcommittee has talked to the gentleman on Appropriations over there who has had considerable concern about his project.

They have given their word that they intend to move and enact legislation yet this year, even before the May 15 deadline. Their bill has been reported out of the legislative committee, the Committee on the Environment and Public Works, and is now over in the Finance Committee.

Our bill has been reported out of the Committee on Public Works and we are working with the other committees to which we have sequential referrals.

There is no reason at all why, with the assurances of the gentlemen in the other body that they do intend to proceed, that their motives are not such as could be, that we should not be able to have this legislation enacted into law even by the end of this calendar year.

So with those assurances, I want to say I appreciate so very much the tolerance of the gentlemen who have handled this bill in the Committee on Appropriations with our efforts yesterday, and appreciate the efforts and support of the House in adopting the language that was put forward by the Committee on Public Works yesterday.

I think we have a reasonable solution here, and I support it.

Mr. CONTE. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. STANGELAND].

Mr. STANGELAND. I thank the gentleman for yielding this time to me.

Mr. Speaker, I would like to associate myself with the remarks of the distinguished chairman and ranking republican of the Committee on Public Works and Transportation, as well as my good friend and colleague, the chairman of the Subcommittee on Water Resources.

I, too, would like to commend the chairman of the full Committee on Appropriations, the gentleman from Mississippi [Mr. WHITTEN], and the chairman of the subcommittee, the gentleman from Alabama [Mr. BEVILL], as well as the gentleman from Massachusetts [Mr. CONTE], and the gentleman from Indiana [Mr. MYERS].

Mr. Speaker, I, too, welcome the commitment that we are making today to enactment of a comprehensive water project authorization bill. I firmly believe that we can meet the 9-month deadline called for by the Senate amendment. What we have lacked in the past is the commitment by the Senate leadership to moving an authorization bill. In their action today, I believe that the Senate has given us that commitment and I look forward to working with them to achieve passage of the first major authorization bill in this area since 1970.

Mr. WHITTEN. Mr. Speaker, I yield myself 2 minutes.

I do this to thank my colleague, the gentleman from Massachusetts [Mr. CONTE], and all the members of the conference: Mr. BOLAND, Mr. NATCHER, Mr. SMITH of Iowa, Mr. ADDABBO, Mr. YATES, Mr. OBEY, Mr. ROYBAL, Mr. BEVILL, Mr. LEHMAN, Mr. DIXON, Mr. FAZIO, Mr. MCDADE, Mr. MYERS, Mr. COUGHLIN, Mr. KEMP, Mr. REGULA, and Mr. O'BRIEN as managers on the part of the House and Mr. HATFIELD, Mr. STEVENS, Mr. WEICKER, Mr. MCCLURE, Mr. LAXALT, Mr. GARN, Mr. COCHRAN, Mr. ANDREWS, Mr. ABDNOR, Mr. KASTEN, Mr. D'AMATO, Mr. MATTINGLY, Mr. RUDMAN, Mr. SPECTER, Mr. STENNIS, Mr. BYRD, Mr. PROXMIRE, Mr. INOUYE, Mr. HOLLINGS, Mr. CHILES, Mr.

JOHNSTON, Mr. BURDICK, Mr. LEAHY, Mr. SASSER, Mr. DECONCINI, Mr. BUMPERS, and Mr. LAUTENBERG as managers on the part of the Senate.

I said earlier that I did not know of any time we have faced a tougher problem than to go into a conference with 27 Senate conferees and with 341 Senate amendments. Notwithstanding that, in three separate meetings over a period of 5 days, we got together and without exception agreement was reached by the conferees on every issue.

Not only do I wish to thank them for it, but I also wish to thank the leaders on the authorizing committee, the House Committee on Public Works and Transportation. It is time we pull together for the good of the country, and they can count on us being on their side.

Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. EDGAR].

Mr. EDGAR. I thank the gentleman for yielding this time to me.

Mr. Speaker, I want to say to my colleagues in the House that I support the action of the Senate, and I would urge passage of the conference report and passage of this particular issue.

Yesterday I stood on the floor and argued against the Whitten amendment and said that the procedure was unfair and the substance was unfair.

Today I take the well of the House and say that the procedure is fairer and the substance is fairer, and I think that we can live within the 9-month pressure to get out a substantive policy bill from the authorization committee.

I want to commend my colleagues on the Committee on Appropriations, both majority and minority, and I want to commend my colleagues on the House Committee on Public Works authorizing committee.

I think we have increased, in the last 24 hours, the pressure in both bodies to come out with substantive reform in the area of water policy. I commend everyone for their action. I think everybody is a winner. Let us all declare victory and go home.

Mr. CONTE. Mr. Speaker, I have no further requests for time.

Mr. WHITTEN. Mr. Speaker, I yield myself 1 minute only to say that this is a vital, far-reaching supplemental that covers the entire Government. I give just one instance of the importance of this supplemental. But to emphasize what this covers, let me say that it provides needed funds for important programs within the jurisdiction of all 13 appropriation subcommittees, 13 Cabinet-level agencies, the legislative branch, the Judiciary, the Postal Service, the District of Columbia, 10 major independent agencies such as the Veterans' Administration, and scores of other independent agencies. There is a real need to act rapidly. I have here a letter from the Acting Budget Director calling attention to the fact that the Commodity Credit Corporation will be out of money by August 5, which reads as follows:

DEAR MR. CHAIRMAN: As Congress prepares to adjourn for the August District Work Period, I wish to inform you that funding to support the Department of Agriculture's Commodity Credit Corporation activities will be exhausted by August 5 unless Supplemental Appropriations are approved prior to the Congressional adjournment. In addition, the Federal Crop Insurance Program will cease operations the month of August if additional funds are not made available.

If funding for these programs expires, promises that have been made by the Federal government to our farmers will have been broken and hundreds of millions of dollars in assistance will be unavailable to farm families.

Accordingly, we strongly urge the Congress to act on the 1985 Supplemental Appropriations Bill prior to adjournment.

Sincerely,

JOSEPH R. WRIGHT, JR.,
Acting Director.

We need to move ahead. I urge all my colleagues to support this measure.

Mr. WHITTEN. Mr. Speaker, under leave to revise and extend, I am inserting a table in the RECORD at this point which compares the final conference agreement with the budget request, the House action, and the Senate action, on H.R. 2577, a bill making supplemental appropriations for the fiscal year ending September 30, 1985:

51-059 O-86-41 (Pt. 16)

SUPPLEMENTAL APPROPRIATIONS, FY 1985 (HR 2577)

	Supplemental Request	House	Senate	Conference	--- Conference compared with --- House	Senate
TITLE I						
CHAPTER I						
DEPARTMENT OF AGRICULTURE						
Office of the Secretary (rescission)	---	---	-69,000	---	---	+69,000
Departmental administration (rescission)	---	---	-149,000	-49,000	-49,000	+100,000
Agricultural Research Service (rescission)	---	---	-1,000,000	-1,000,000	-1,000,000	---
Cooperative State Research Service	---	1,500,000	7,200,000	6,500,000	+5,000,000	-700,000
Funds made available by P.L. 98-473	---	---	---	(700,000)	(+700,000)	(+700,000)
Total, Cooperative State Research Service	---	(1,500,000)	(7,200,000)	(7,200,000)	(+5,700,000)	---
Animal and Plant Health Inspection Service	---	10,650,000	19,650,000	19,650,000	+9,000,000	---
Rescission	---	---	-400,000	-400,000	-400,000	---
Economic Research Service	---	500,000	---	500,000	---	+500,000
Rescission	---	---	-50,000	-50,000	-50,000	---
Statistical Reporting Service	1,560,000	1,560,000	1,560,000	1,560,000	---	---
Rescission	---	---	-100,000	-100,000	-100,000	---
Agricultural Marketing Service	---	---	850,000	700,000	+700,000	-150,000
Rescission	---	---	-150,000	---	---	+150,000
Packers and Stockyards Administration (rescission)	---	---	-85,000	-85,000	-85,000	---
Federal Crop Insurance Corporation:						
Subscription to capital stock	50,000,000	50,000,000	50,000,000	50,000,000	---	---
Federal crop insurance corporation fund (authority to borrow)	113,000,000	113,000,000	113,000,000	113,000,000	---	---
Commodity Credit Corporation:						
Reimbursement for net realized losses 1/	2,935,790,000	3,935,790,000	3,935,790,000	2,935,790,000	-1,000,000,000	-1,000,000,000
Farmers Home Administration:						
Salaries and expenses	16,866,000	17,000,000	16,866,000	17,000,000	---	+134,000
Rural Electrification Administration (rescission)	---	---	-100,000	---	---	+100,000
Soil Conservation Service (rescission)	---	---	-2,000,000	---	---	+2,000,000
Food and Nutrition Service:						
Food stamp program	318,856,000	318,856,000	318,856,000	318,856,000	---	---
Rescission	---	---	-5,000,000	---	---	+5,000,000
Temporary emergency food assistance program	---	4,270,000	10,000,000	7,000,000	+2,730,000	-3,000,000
Foreign Agricultural Service (rescission)	---	---	-100,000	-100,000	-100,000	---
Total, Chapter I:						
New budget (obligational) authority	3,436,072,000	4,453,126,000	4,464,569,000	3,468,772,000	-984,354,000	-995,797,000
Appropriations	(3,323,072,000)	(4,340,126,000)	(4,360,772,000)	(3,357,556,000)	(-982,570,000)	(-1,003,216,000)
Authority to borrow	(113,000,000)	(113,000,000)	(113,000,000)	(113,000,000)	---	---
Rescissions	---	---	-9,203,000	-1,784,000	-1,784,000	+7,419,000
CHAPTER II						
DEPARTMENT OF COMMERCE						
General Administration						
Salaries and expenses	992,000	992,000	369,000	992,000	---	+623,000
Rescission	---	-499,000	-499,000	-499,000	---	---
Bureau of The Census						
Salaries and expenses (rescission)	---	-241,000	-241,000	-241,000	---	---
Periodic censuses and programs (rescission)	---	---	-791,000	---	---	+791,000
Economic and Statistical Analysis						
Salaries and expenses (rescission)	---	-433,000	-433,000	-433,000	---	---
Economic Development Administration						
Economic development assistance programs	---	---	30,730,000	30,730,000	+30,730,000	---
(Limitation on guaranteed loans)	(-167,000,000)	---	---	---	---	---
Salaries and expenses (rescission)	---	-120,000	-120,000	-120,000	---	---
International Trade Administration						
Operations and administration:						
(Limitation on direct loans)	(-6,000,000)	---	---	---	---	---
(Limitation on guaranteed loans)	(-8,333,000)	---	---	---	---	---
Participation in United States expositions (rescission)	---	-6,000	-6,000	-6,000	---	---
Minority Business Development Agency						
Minority business development (rescission)	---	-305,000	-305,000	-305,000	---	---
United States Travel and Tourism Administration						
Salaries and expenses (rescission)	---	-468,000	-468,000	-468,000	---	---

1/ Requested in the FY 1986 budget document as a permanent indefinite appropriation.

SUPPLEMENTAL APPROPRIATIONS, FY 1985 (HR 2577)

	Supplemental Request	House	Senate	Conference	--- Conference compared with --- House	Senate
National Oceanic and Atmospheric Administration						
Operations, Research and Facilities	75,000,000	---	126,600,000	126,100,000	+126,100,000	-500,000
Fishermen's contingency fund	500,000	500,000	500,000	500,000	---	---
Fishermen's guaranty fund	2,500,000	---	2,500,000	2,500,000	+2,500,000	---
Fisheries loan fund (rescission)	---	-1,550,000	---	---	+1,550,000	---
Federal ship financing fund, fishing vessels	25,104,000	25,104,000	25,104,000	25,104,000	---	---
Portion applied to debt reduction	-20,700,000	-20,700,000	-20,700,000	-20,700,000	---	---
Total, Federal ship financing fund	4,404,000	4,404,000	4,404,000	4,404,000	---	---
Patent and Trademark Office						
Salaries and expenses (rescission)	---	-1,472,000	-1,472,000	-1,472,000	---	---
National Bureau of Standards						
Scientific and technical research and services (rescission)	---	---	-1,019,000	-500,000	-500,000	+519,000
National Telecommunications and Information Administration						
Salaries and expenses (rescission)	---	-183,000	-183,000	-183,000	---	---
Public telecommunications facilities, planning and construction (rescission)	---	-32,000	-32,000	-32,000	---	---
Total, Department of Commerce	83,396,000	587,000	159,534,000	160,967,000	+160,380,000	+1,433,000
RELATED AGENCIES						
DEPARTMENT OF TRANSPORTATION						
Maritime Administration						
Operations and Training (deferral disapproval)	---	(8,500,000)	(8,500,000)	(8,500,000)	---	---
Rescission	---	---	-888,000	---	---	+888,000
Federal Trade Commission						
Salaries and expenses	3,811,000	3,811,000	3,811,000	3,811,000	---	---
Small Business Administration						
Salaries and expenses (rescission)	---	-27,601,000	-27,601,000	-27,601,000	---	---
(By transfer)	(2,400,000)	---	---	(2,400,000)	(+2,400,000)	(+2,400,000)
Business loan and investment fund	---	27,601,000	---	27,601,000	---	+27,601,000
DEPARTMENT OF JUSTICE						
General Administration						
Salaries and expenses (rescission)	---	-166,000	-166,000	-166,000	---	---
Working capital fund (rescission)	---	-3,000,000	---	---	+3,000,000	---
United States Parole Commission						
Salaries and expenses	---	100,000	---	100,000	---	+100,000
Legal Activities						
Salaries and expenses, general legal activities	1,348,000	874,000	574,000	574,000	-300,000	---
Rescission	---	-470,000	-470,000	-470,000	---	---
Salaries and expenses, Antitrust Division (rescission)	---	-65,000	-65,000	-65,000	---	---
Salaries and expenses, United States attorneys and marshals	9,832,000	---	12,103,000	12,103,000	+12,103,000	---
Rescission	---	-889,000	-889,000	-889,000	---	---
(By transfer)	(16,116,000)	---	(3,000,000)	(3,000,000)	(+3,000,000)	---
Fees and expenses of witnesses	1,300,000	1,300,000	800,000	800,000	-500,000	---
Rescission	---	---	-309,000	-309,000	-309,000	---
(By transfer)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	---	---
Assets forfeiture fund	5,000,000	5,000,000	5,000,000	5,000,000	---	---
Salaries and expenses, Community Relations Service (rescission)	---	-43,000	-43,000	-43,000	---	---
Interagency Law Enforcement						
Organized crime drug enforcement	635,000	635,000	635,000	635,000	---	---
Federal Bureau of Investigation						
Salaries and expenses	1,500,000	---	1,500,000	1,500,000	+1,500,000	---
Rescission	---	-3,505,000	-3,505,000	-3,505,000	---	---

SUPPLEMENTAL APPROPRIATIONS, FY 1985 (HR 2577)

	Supplemental Request	House	Senate	Conference	--- Conference compared with --- House	Senate
Drug Enforcement Administration						
Salaries and expenses	2,700,000	3,300,000	20,000,000	20,000,000	+16,700,000	---
Rescission	---	-876,000	-876,000	-876,000	---	---
Immigration and Naturalization Service						
Salaries and expenses (rescission)	---	-947,000	-947,000	-947,000	---	---
Federal Prison System						
Salaries and expenses	900,000	900,000	900,000	900,000	---	---
(By transfer)	(2,183,000)	(2,183,000)	(2,183,000)	(2,183,000)	---	---
Rescission	---	-451,000	-451,000	-451,000	---	---
National Institute of Corrections (rescission)	---	---	-894,000	---	---	+894,000
Buildings and facilities (rescission)	---	-13,000	-13,000	-13,000	---	---
Office of Justice Programs						
Justice Assistance (rescission)	---	---	-2,031,000	---	---	+2,031,000
Total, Department of Justice	23,215,000	1,684,000	30,853,000	33,878,000	+32,194,000	+3,025,000
RELATED AGENCIES						
Legal Services Corporation						
Payment to the Legal Services Corporation	---	4,000,000	8,000,000	8,000,000	+4,000,000	---
Commission on the Bicentennial of the United States Constitution						
Salaries and expenses	331,000	331,000	331,000	331,000	---	---
DEPARTMENT OF STATE						
Administration of Foreign Affairs						
Salaries and expenses	73,342,000	73,342,000	73,342,000	73,342,000	---	---
(By transfer)	(13,779,000)	(13,779,000)	(11,781,000)	(12,781,000)	(-998,000)	(+1,000,000)
Rescission	---	-2,432,000	-2,432,000	-2,432,000	---	---
Acquisition, operation, and maintenance of buildings abroad	167,579,000	167,579,000	170,579,000	167,579,000	---	-3,000,000
Acquisition, operation, and maintenance of buildings abroad (special foreign currency program)	2,000,000	2,000,000	2,000,000	2,000,000	---	---
Emergencies in the diplomatic and consular service	4,000,000	2,000,000	---	1,000,000	-1,000,000	+1,000,000
Payment to the Foreign Service Retirement and Disability Fund	5,399,000	5,399,000	5,399,000	5,399,000	---	---
Total, Department of State	252,320,000	247,888,000	248,888,000	246,888,000	-1,000,000	-2,000,000
International Commissions						
International Fisheries Commission	2,000,000	---	---	---	---	---
(By transfer)	---	---	(2,000,000)	(1,200,000)	(+1,200,000)	(-800,000)
Other						
Fishermen's Protective Fund	1,000,000	---	1,000,000	1,000,000	+1,000,000	---
RELATED AGENCIES						
Arms Control and Disarmament Agency						
Arms control and disarmament activities	4,321,000	3,946,000	4,321,000	4,134,000	+188,000	-187,000
Board for International Broadcasting						
Grants and expenses	---	13,753,000	---	13,753,000	---	+13,753,000
Commission on Security and Cooperation in Europe						
Salaries and expenses	---	---	150,000	75,000	+75,000	-75,000
United States Information Agency						
Salaries and expenses (rescission)	---	-3,879,000	-433,000	-2,879,000	+1,000,000	-2,446,000
Educational and Cultural Exchanges	---	---	10,000,000	10,000,000	+10,000,000	---
Acquisition and construction of radio facilities	---	6,648,000	---	6,648,000	---	+6,648,000
Total, United States Information Agency (net)	---	2,769,000	9,567,000	13,769,000	+11,000,000	+4,202,000

SUPPLEMENTAL APPROPRIATIONS, FY 1985

	Supplemental Request	House	Senate	Conference	--- Co[illegible]	[illegible] with --- Senate
THE JUDICIARY						
Supreme Court of the United States						
Construction	5,500,000	---	---	---	---	---
Courts of Appeals, District Courts, and Other Judicial Services						
Salaries of Judges	3,098,000	3,098,000	3,098,000	3,098,000	---	---
Salaries of supporting personnel	5,548,000	5,548,000	5,548,000	5,548,000	---	---
Defender services	17,575,000	21,992,000	17,575,000	21,992,000	---	+4,417,000
Fees of jurors and commissioners	1,700,000	1,700,000	1,700,000	1,700,000	---	---
Expenses of operation and maintenance of the courts	13,526,000	13,526,000	13,526,000	13,526,000	---	---
Rescission	---	-4,417,000	-4,417,000	-4,417,000	---	---
Space and facilities	2,384,000	2,384,000	2,384,000	2,384,000	---	---
Court security	1,492,000	1,492,000	1,492,000	1,492,000	---	---
Total, courts of appeals, district courts, and other judicial services (net)	45,323,000	45,323,000	40,906,000	45,323,000	---	+4,417,000
Administrative Office of the United States Courts						
Salaries and expenses	86,000	86,000	86,000	86,000	---	---
Federal Judicial Center						
Salaries and expenses	51,000	51,000	51,000	51,000	---	---
United States Sentencing Commission						
Salaries and expenses	2,350,000	2,350,000	2,350,000	2,350,000	---	---
Total, The Judiciary (net)	53,310,000	57,810,000	43,393,000	47,810,000	---	+4,417,000
Total, Chapter II:						
New budget (obligational) authority (net)	423,704,000	326,579,000	481,359,000	534,416,000	+207,837,000	+53,057,000
Appropriations	(444,404,000)	(401,342,000)	(554,058,000)	(604,438,000)	(+203,096,000)	(+50,380,000)
Rescissions	---	(-54,063,000)	(-51,999,000)	(-49,322,000)	(+4,741,000)	(+2,677,000)
Appropriation for debt reduction	(-20,700,000)	(-20,700,000)	(-20,700,000)	(-20,700,000)	---	---
(By transfer)	(35,978,000)	(17,462,000)	(20,464,000)	(23,064,000)	(+5,602,000)	(+2,600,000)
(Limitation on direct loans)	(-6,000,000)	---	---	---	---	---
(Limitation on loan guarantees)	(-175,333,000)	---	---	---	---	---
(Deferral disapproval)	---	(-8,500,000)	(-8,500,000)	(-8,500,000)	---	---
CHAPTER III						
DEPARTMENT OF DEFENSE--MILITARY						
PROCUREMENT						
Aircraft Procurement, Navy (by transfer)	---	(240,000,000)	---	---	(-240,000,000)	---
Shipbuilding and Conversion, Navy 1981/1985 (by transfer to United States Coast Guard, Acquisition, construction, and improvements) 1/	---	---	(6,240,000)	(6,240,000)	(+6,240,000)	---
RELATED AGENCIES						
Humanitarian Assistance for Nicaraguan Democratic Resistance	---	---	24,000,000	---	---	-24,000,000
(By transfer)	---	---	(14,000,000)	---	---	(-14,000,000)
Enhanced security countermeasures capabilities	---	---	50,000,000	35,000,000	+35,000,000	-15,000,000
Total, Chapter III:						
New budget (obligational) authority	---	---	74,000,000	35,000,000	+35,000,000	-39,000,000
(By transfer)	---	(240,000,000)	(14,000,000)	---	(-240,000,000)	(-14,000,000)
CHAPTER IV						
DEPARTMENT OF DEFENSE - CIVIL						
Department of the Army						
Corps of Engineers - Civil						
Construction, general (new starts)	---	50,000,000	48,000,000	48,000,000	-2,000,000	---
Flood control, Mississippi River and tributaries Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee (new starts)	---	1,000,000	800,000	800,000	-200,000	---
Rescission	---	---	-1,000,000	---	---	+1,000,000
General investigations	---	1,200,000	1,200,000	1,200,000	---	---
Rescission	---	---	-2,000,000	---	---	+2,000,000

1/ Transfer out not counted in Chapter III, but is counted in Chapter X (Dept. of Transportation).

SUPPLEMENTAL APPROPRIATIONS, FY 1985 (HR 2577)

	Supplemental Request	House	Senate	Conference	--- Conference compared with --- House	Senate
Construction, general	---	7,500,000	22,500,000	22,500,000	+15,000,000	---
Rescission	---	---	-4,000,000	---	---	+4,000,000
Flood Control and Coastal Emergencies		25,000,000	10,000,000	25,000,000	---	+15,000,000
Operation and maintenance, general		2,600,000	---	2,600,000	---	+2,600,000
Rescission		---	-8,000,000	---	---	+8,000,000
Total, Department of Defense - Civil	---	87,300,000	67,500,000	100,100,000	+12,800,000	+32,600,000
DEPARTMENT OF THE INTERIOR						
Bureau of Reclamation						
Construction program (new starts)	---	20,850,000	14,300,000	14,300,000	-6,550,000	---
Rescission	---	---	-2,571,000	---	---	+2,571,000
Operation and maintenance (rescission)	---	---	-1,540,000	---	---	+1,540,000
INDEPENDENT AGENCY						
Tennessee Valley Authority						
Tennessee Valley Authority Fund	---	5,000,000	---	5,000,000	---	+5,000,000
Rescission	---	---	-1,538,000	---	---	+1,538,000
DEPARTMENT OF ENERGY						
Energy supply, R&D activities (rescission)	---	---	-2,676,000	---	---	+2,676,000
Atomic energy defense activities (rescission)	---	---	-8,280,000	-8,280,000	-8,280,000	---
Departmental administration (rescission)	---	---	-2,786,000	---	---	+2,786,000
Total, Department of Energy	---	---	-13,742,000	-8,280,000	-8,280,000	+5,462,000
Total, Chapter IV:						
New budget (obligational) authority	---	113,150,000	62,409,000	111,120,000	-2,030,000	+48,711,000
Appropriations	---	(113,150,000)	(96,800,000)	(119,400,000)	(+6,250,000)	(+22,600,000)
Rescissions	---	---	(-34,391,000)	(-8,280,000)	(-8,280,000)	(+26,111,000)
CHAPTER V						
FOREIGN ASSISTANCE						
FUNDS APPROPRIATED TO THE PRESIDENT						
Multilateral Economic Assistance						
International Financial Institutions						
World Bank Group						
Contribution to the International Bank for Reconstruction and Development:						
Paid-in capital	30,000,925	30,000,925	30,000,925	30,000,925	---	---
Limitation on callable capital subscriptions	(370,023,735)	(370,023,735)	(370,023,735)	(370,023,735)	---	---
Contribution to the Inter-American Development Bank:						
Fund for special operations	72,500,000	72,500,000	72,500,000	72,500,000	---	---
Inter-American Investment Corporation	3,000,000	3,000,000	3,000,000	3,000,000	---	---
Inter-regional paid-in capital	40,001,171	40,001,171	40,001,171	40,001,171	---	---
Limitation on callable capital subscriptions	(849,000,244)	(849,000,244)	(849,000,244)	(849,000,244)	---	---
Contribution to the Asian Development Bank:						
Development fund	91,232,340	91,232,340	91,232,340	91,232,340	---	---
Total, International Financial Institutions	236,734,436	236,734,436	236,734,436	236,734,436	---	---
Department of State						
International organizations and programs:						
(By transfer)	(5,686,000)	---	---	---	---	---
(By transfer, unobligated balances)	---	(5,686,000)	(2,843,000)	(3,600,000)	(-2,086,000)	(+757,000)
Bilateral Economic Assistance						
Agency for International Development						
Payment to the Foreign Service Retirement and Disability Fund	1,302,000	1,302,000	1,302,000	1,302,000	---	---
Economic support fund	2,258,000,000	2,008,000,000	2,258,000,000	2,258,000,000	+250,000,000	---
African Development Foundation						
Appropriations (deferral disapproval)	---	(2,287,000)	(2,287,000)	(2,287,000)	---	---
Funds Appropriated to the President						
Nicaragua						
Nicaraguan humanitarian assistance	---	27,000,000	---	27,000,000	---	+27,000,000
Assistance for implementation of a Contadora agreement	---	2,000,000	---	2,000,000	---	+2,000,000

SUPPLEMENTAL APPROPRIATIONS, FY 1985 (HR 2577)

	Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
Department of State						
Migration and Refugee Assistance (by transfer)	---	---	(12,500,000)	(12,500,000)	(+12,500,000)	---
Total, Chapter V:						
New budget (obligational) authority	2,496,036,436	2,275,036,436	2,496,036,436	2,525,036,436	+250,000,000	+29,000,000
(By transfer)	(5,686,000)	(5,686,000)	(15,343,000)	(16,100,000)	(+10,414,000)	(+757,000)
(Limitation on callable capital subscriptions)	(1,219,023,979)	(1,219,023,979)	(1,219,023,979)	(1,219,023,979)	---	---
CHAPTER VI						
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Housing Programs						
Rental housing assistance (rescission of contract authority, indefinite)	-528,940,000	-528,940,000	-528,940,000	-528,940,000	---	---
(Limitation on annual contract authority, indefinite)	(-23,367,000)	(-23,367,000)	(-23,367,000)	(-23,367,000)	---	---
Payments for operation of low-income housing projects (rescission)	---	-75,000,000	---	---	+75,000,000	---
Management and Administration						
Salaries and expenses (rescission)	---	-6,919,000	-6,919,000	-6,919,000	---	---
Salaries and expenses (by transfer)	(2,671,000)	---	(4,000,000)	(4,000,000)	(+4,000,000)	---
CONSUMER PRODUCT SAFETY COMMISSION						
Salaries and expenses	---	500,000	500,000	500,000	---	---
ENVIRONMENTAL PROTECTION AGENCY						
Salaries and expenses	---	5,000,000	---	4,000,000	-1,000,000	+4,000,000
Research and development (rescission)	---	-4,125,000	---	-4,125,000	---	-4,125,000
Abatement, control and compliance	---	15,000,000	25,000,000	20,000,000	+5,000,000	-5,000,000
Buildings and facilities	---	---	500,000	500,000	+500,000	---
EXECUTIVE OFFICE OF THE PRESIDENT						
Office of Science and Technology Policy	---	---	120,000	120,000	+120,000	---
FEDERAL EMERGENCY MANAGEMENT AGENCY						
Salaries and expenses (rescission)	---	-786,000	-786,000	-786,000	---	---
Salaries and expenses (by transfer)	(3,100,000)	---	(3,100,000)	(1,105,000)	(+1,105,000)	(-1,995,000)
Emergency management planning and assistance (rescission)	---	-1,287,000	-1,287,000	-1,287,000	---	---
Emergency food and shelter program	---	---	110,000,000	20,000,000	+20,000,000	-90,000,000
GENERAL SERVICES ADMINISTRATION						
Consumer Information Center (rescission)	---	-63,000	-63,000	-63,000	---	---
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION						
Research and development	---	---	40,000,000	40,000,000	+40,000,000	---
Research and program management (rescission)	---	-6,000,000	-6,000,000	-6,000,000	---	---
NATIONAL SCIENCE FOUNDATION						
Research and related activities	---	---	100,000	100,000	+100,000	---
Rescission	---	-1,000,000	-1,000,000	-1,000,000	---	---
DEPARTMENT OF THE TREASURY						
Office of Revenue Sharing, salaries and expenses (rescission)	---	-90,000	-100,000	-100,000	-10,000	---
VETERANS ADMINISTRATION						
Compensation and pensions	175,000,000	175,000,000	175,000,000	175,000,000	---	---
Readjustment benefits	---	44,200,000	---	---	-44,200,000	---
Medical Care (rescission)	---	---	-3,520,000	-3,520,000	-3,520,000	---
Medical and prosthetic research (rescission)	---	-150,000	---	---	+150,000	---
Medical administration and miscellaneous operating expenses (rescission)	---	-2,109,000	-1,322,000	-2,109,000	---	-787,000
General operating expenses (rescission)	---	-2,000,000	---	---	+2,000,000	---
Construction, minor projects (rescission)	---	-377,000	---	-377,000	---	-377,000

SUPPLEMENTAL APPROPRIATIONS, FY 1985 (HR 2577)

	Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
Total, Chapter VI:						
New budget (obligational) authority	-353,940,000	-[illegible],000	-198,717,000	-295,006,000	+94,140,000	-96,289,000
Appropriations	(175,000,000)	(351,720,000)	(351,720,000)	(260,220,000)	(+420,520,000)	(-91,000,000)
Rescissions	---	(-[illegible],000)	(-20,997,000)	(-26,286,000)	(+73,620,000)	(-5,289,000)
Rescission of contract authority	(-528,940,000)	(-528,940,000)	(-528,940,000)	(-528,940,000)	---	---
(By transfer)	(5,771,000)	---	(7,100,000)	(5,105,000)	(+5,105,000)	(-1,995,000)
(Limitation on annual contract authority, indefinite)	(-23,367,000)	(-23,367,000)	(-23,367,000)	(-23,367,000)	---	---
CHAPTER VII						
DEPARTMENT OF THE INTERIOR						
Bureau of Land Management						
Management of lands and resources	---	45,000,000	45,500,000	115,500,000	+70,500,000	+70,000,000
Rescission	---	-1,900,000	-2,900,000	-2,900,000	---	---
Land acquisition (by transfer)	(2,000,000)	---	---	---	---	---
Construction and access	---	---	825,000	825,000	+825,000	---
Oregon and California grant lands (By transfer)	(3,000,000)	---	---	---	---	---
Rescission	---	-[illegible],000	-350,000	-350,000	---	---
Working capital fund (rescission)	---	-2,951,000	-2,951,000	-2,951,000	---	---
Total, Bureau of Land Management (net)		[illegible],000	40,124,000	110,124,000	+71,325,000	+70,000,000
United States Fish and Wildlife Service						
Resource management	---	1,200,000	1,200,000	1,200,000	---	---
Rescission	---	-1,900,000	-1,900,000	-1,900,000	---	---
Construction and anadromous fish (By transfer)	(4,000,000)	---	---	---	---	---
Rescission	---	-40,000	-40,000	-40,000	---	---
Land acquisition	---	---	1,000,000	1,000,000	+1,000,000	---
Total, United States Fish and Wildlife Service (net)		[illegible],000	260,000	260,000	+1,000,000	
National Park Service						
Operation of the national park system	---	[illegible],000	9,560,000	9,560,000	---	---
Rescission	---	-4,300,000	-4,300,000	-4,300,000	---	---
National Recreation and Preservation (rescission)	---	---	-94,000	---	---	+94,000
Construction (rescission)	---	-397,000	-397,000	-397,000	---	---
Land and water conservation fund (rescission of contract authority)	---	-30,000,000	-30,000,000	-30,000,000	---	---
Construction (trust fund) (deferral disapproval)	---	[illegible],672,000	(34,672,000)	(34,672,000)	---	---
Land acquisition and state assistance	---	---	22,000,000	22,000,000	+22,000,000	---
(By transfer)	(3,216,000)	---	---	---	---	---
Rescission	---	---	-52,000	-52,000	-52,000	---
Total, National Park Service (net)		[illegible],000	3,283,000	3,189,000	+21,948,000	+94,000
Geological Survey						
Surveys, investigations, and research (rescission)	---	-1,269,000	-1,269,000	-1,269,000	---	---
Minerals Management Service						
Leasing and royalty management (rescission)	---	-1,764,000	-1,764,000	-1,764,000	---	---
Payments to States from receipts under Mineral Leasing	800,000	800,000	800,000	800,000	---	---
Total, Minerals Management Service (net)	800,000	-964,000	-964,000	-964,000	---	---
Bureau of Mines						
Mines and minerals (effect of new deferral)		(-1,355,000)	(-1,355,000)	(-1,355,000)	---	---
Office of Surface Mining Reclamation and Enforcement						
Regulation and technology	4,800,000	4,800,000	4,800,000	4,800,000	---	---
Rescission	---	---	-546,000	---	---	+546,000
Abandoned mine reclamation fund (effect of new deferral)	---	(-3,233,000)	(-3,233,000)	(-3,233,000)	---	---

SUPPLEMENTAL APPROPRIATIONS, FY 1985

	Supplemental Request	House	Senate	Conference	--- Conference compared with --- House	Senate
Bureau of Indian Affairs						
Operation of Indian Programs	---	[illegible]	23,423,000	23,423,000	+3,605,000	---
Proposed transfer 1/	(4,900,000)	[illegible]	---	(4,900,000)	---	(+4,900,000)
Proposed transfer 2/	---	---	(4,900,000)	---	---	(-4,900,000)
Rescission	---	[illegible]	-2,800,000	-2,800,000	---	---
Construction (by transfer)	(12,830,000)	---	---	---	---	---
(Deferral disapproval)	---	[illegible]	(8,025,000)	(8,025,000)	---	---
(Effect of new deferral)	---	[illegible]	---	(-3,000,000)	---	(-3,000,000)
Utah Paiute Trust Fund	---	[illegible]	30,000	30,000	---	---
Total, Bureau of Indian Affairs (net)	---	[illegible]	20,673,000	20,673,000	+3,605,000	---
Territorial and International Affairs						
Administration of territories	1,994,000	[illegible]	1,994,000	1,994,000	---	---
Rescission	---	[illegible]	-107,000	-107,000	---	---
Total, Territorial and International Affairs (net)	1,994,000	[illegible]	1,887,000	1,887,000	---	---
Total, Department of the Interior (net)	7,594,000	[illegible]	61,682,000	132,322,000	+97,878,000	+70,640,000
RELATED AGENCIES						
DEPARTMENT OF AGRICULTURE						
Forest Service						
Forest research (rescission)	---	[illegible]	-462,000	-462,000	---	---
State and private forestry (rescission)	---	[illegible]	-232,000	-232,000	---	---
National forest system	61,247,000	[illegible]	62,140,000	61,247,000	---	-893,000
Rescission	---	[illegible]	-6,067,000	-6,067,000	---	---
Construction	---	[illegible]	675,000	1,568,000	---	+893,000
Rescission	---	[illegible]	-961,000	-961,000	---	---
Land acquisition	---	[illegible]	7,000,000	7,000,000	+7,000,000	---
Rescission	---	[illegible]	-68,000	-68,000	---	---
Total, Forest Service (net)	61,247,000	[illegible]	62,025,000	62,025,000	+7,000,000	---
DEPARTMENT OF ENERGY						
Fossil energy research and development (deferral disapproval)	---	[illegible]	(8,350,000)	(39,154,000)	(+229,000)	(+30,804,000)
Rescission	---	---	-1,600,000	---	---	+1,600,000
(Effect of new deferral)	---	---	---	(-1,600,000)	(-1,600,000)	(-1,600,000)
Fossil energy construction (effect of new deferral)	---	[illegible]	(-860,000)	(-860,000)	---	---
Naval petroleum and oil shale reserves (effect of new deferral)	---	[illegible]	(-181,000)	(-181,000)	---	---
Economic regulation (rescission)	---	[illegible]	-102,000	-102,000	---	---
Emergency preparedness (rescission)	---	[illegible]	-51,000	-51,000	---	---
Strategic petroleum reserve (deferral disapproval)	---	[illegible]	(270,738,000)	(270,738,000)	---	---
Strategic petroleum reserve (effect of new deferral)	---	[illegible]	(-156,000)	(-156,000)	---	---
SPR petroleum account (deferral disapproval)	---	[illegible]	---	(290,070,000)	(-536,958,316)	(+290,070,000)
Alternative fuels production (effect of new deferral)	---	[illegible]	(-23,000)	(-23,000)	---	---
Total, Department of Energy (net)	---	[illegible]	-1,753,000	-153,000	---	+1,600,000
DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Health Services Administration						
Indian health services (rescission)	---	[illegible]	-161,000	-161,000	---	---
SMITHSONIAN INSTITUTION						
Salaries and expenses	---	---	300,000	---	---	-300,000
National Gallery of Art						
Salaries and expenses	---	---	400,000	400,000	+400,000	---
Total, Chapter VIII						
New budget (obligational) authority (net)	68,841,000	[illegible]	122,493,000	194,433,000	+105,278,000	+71,940,000
Appropriations	(68,841,000)	[illegible]	(181,667,000)	(251,367,000)	(+105,330,000)	(+69,700,000)
Rescissions	---	[illegible]	(-59,174,000)	(-56,934,000)	(-52,000)	(+2,240,000)
(By transfer)	(29,966,000)	[illegible]	(4,900,000)	(4,900,000)	---	---
(Deferral disapproval)	---	[illegible]	(321,785,000)	(642,659,000)	(-536,729,316)	(+320,874,000)
(Effect of new deferral)	---	[illegible]	(-5,808,000)	(-10,408,000)	(-1,600,000)	(-4,600,000)

1/ Proposed transfer from National Capital Region Arts and Cultural Affairs program.
2/ Proposed transfer from Road Construction.

SUPPLEMENTAL APPROPRIATIONS, FY 1985 (HR 2577)

	Supplemental Request	House	Senate	Conference	--- Conference compared with --- House	Senate
CHAPTER VIII						
DEPARTMENT OF LABOR						
Employment and Training Administration						
Program administration (limitation on trust fund transfer)	(-162,000)	---	---	---	---	---
Training and Employment Services	---	---	5,117,000	5,117,000	+5,117,000	---
State Unemployment insurance and employment service operations:						
(Limitation on trust fund transfer)	(-40,767,000)	---	---	---	---	---
(Limitation on trust fund transfer)	---	(30,000,000)	---	(20,000,000)	(-10,000,000)	(+20,000,000)
Departmental Management						
Assistant Secretary for Veterans Employment and Training (limitation on trust fund transfer)	(-119,000)	---	---	---	---	---
Total, Department of Labor:						
Federal funds	---	---	5,117,000	5,117,000	+5,117,000	---
Trust funds	(-41,048,000)	(30,000,000)	---	(20,000,000)	(-10,000,000)	(+20,000,000)
DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Health Resources and Services Administration						
Health resources and services	---	---	3,200,000	2,000,000	+2,000,000	-1,200,000
HMO Loan & Loan Guaranty Fund	---	---	1,720,000	1,720,000	+1,720,000	---
Centers for Disease Control						
Disease control	---	---	5,000,000	---	---	-5,000,000
National Institutes of Health						
National Cancer Institute	---	---	3,000,000	3,000,000	+3,000,000	---
Alcohol, Drug Abuse and Mental Health Administration						
Alcohol, drug abuse, and mental health	---	---	1,000,000	---	---	-1,000,000
Social Security Administration						
Payments to social security trust funds	3,500,000,000	3,500,000,000	3,500,000,000	3,500,000,000	---	---
Limitation on administrative expenses (trust funds)	(-9,176,000)	---	---	---	---	---
Office of Human Development Services						
Family Social Services:						
Entitlement activities	43,904,000	79,495,000	79,495,000	79,495,000	---	---
(By transfer)	(2,500,000)	---	---	---	---	---
(By transfer: unobligated balances)	(33,091,000)	---	---	---	---	---
Human Development Services	---	6,000,000	16,000,000	11,000,000	+5,000,000	-5,000,000
Total, Department of Health and Human Services	3,543,904,000	3,585,495,000	3,609,415,000	3,597,215,000	+11,720,000	-12,200,000
DEPARTMENT OF EDUCATION						
Rehabilitation Services and Handicapped Research	---	---	715,000	715,000	+715,000	---
Vocational & Adult Education	---	---	148,220,000	101,963,000	+101,963,000	-46,257,000
Libraries	---	---	5,000,000	---	---	-5,000,000
Office of Postsecondary Education						
Student financial assistance	---	287,000,000	289,482,000	289,482,000	+2,482,000	---
Guaranteed student loans	664,846,000	720,346,000	720,346,000	720,346,000	---	---
RELATED AGENCIES						
Railroad Retirement Board: (Limitation on administration)	(3,098,000)	---	---	---	---	---
United States Institute of Peace (deferral disapproval)	---	---	(4,000,000)	(4,000,000)	(+4,000,000)	---
Total, Chapter VIII:						
New budget (obligational) authority	4,208,750,000	4,592,841,000	4,778,295,000	4,714,838,000	+121,997,000	-63,457,000
(By transfer)	(35,591,000)	---	---	---	---	---
(Limitation on administration)	(-12,274,000)	---	---	---	---	---
(Limitation on trust fund transfer)	(-41,048,000)	(30,000,000)	---	(20,000,000)	(-10,000,000)	(+20,000,000)
(Deferral disapproval)	---	---	(4,000,000)	(4,000,000)	(+4,000,000)	---

SUPPLEMENTAL APPROPRIATIONS, FY 1985 (HR 2577)

	Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
CHAPTER IX						
LEGISLATIVE BRANCH						
SENATE						
Expense Allowances for the Vice President Pro Tempore, Majority and Minority Leaders, Majority and Minority Whips, and the Chairmen of the Majority and Minority Conference Committees Chairman of the conference of the majority; Chairman of the conference of the minority.....	6,000	---	6,000	6,000	+6,000	---
Salaries, Officers and Employees						
Administrative, clerical, and legislative assistance to Senators.....	1,136,000	---	1,136,000	1,136,000	+1,136,000	---
Representation allowances for the Majority and Minority Leaders.....	---	---	20,000	20,000	+20,000	---
Contingent Expenses of the Senate						
Inquiries and investigations.....	3,448,000	---	---	3,000,000	+3,000,000	+3,000,000
Sergeant at Arms and Doorkeeper of the Senate.....	4,708,000	---	7,258,000	7,258,000	+7,258,000	---
Total, Senate.....	9,298,000	---	8,420,000	11,420,000	+11,420,000	+3,000,000
HOUSE OF REPRESENTATIVES						
Payments to Widows and Heirs of Deceased Members of Congress						
Gratuities, deceased Members.....	---	75,100	75,100	75,100	---	---
Salaries, Officers and Employees						
Office of the Postmaster.....	130,000	130,000	130,000	130,000	---	---
Committee Employees						
Professional and clerical employees (standing committees).....	2,799,000	2,799,000	2,799,000	2,799,000	---	---
Allowances and Expenses						
Official Expenses of Members.....	5,603,000	5,603,000	5,603,000	5,603,000	---	---
Supplies, materials, administrative costs and Federal tort claims.....	250,000	---	---	---	---	---
Stenographic reporting of committee hearings.....	100,000	---	---	---	---	---
Miscellaneous items.....	122,000	---	---	---	---	---
Total, House of Representatives.....	9,004,000	8,607,100	8,607,100	8,607,100	---	---
JOINT ITEMS						
Official Mail Costs						
Expenses.....	11,853,000	11,853,000	11,853,000	11,853,000	---	---
GENERAL ACCOUNTING OFFICE						
Salaries and expenses.....	6,121,000	---	5,000,000	5,000,000	+5,000,000	---
Total, Chapter IX: New budget (obligational) authority.....	36,276,000	20,460,100	33,880,100	36,880,100	+16,420,000	+3,000,000
CHAPTER X						
DEPARTMENT OF TRANSPORTATION						
Office of the Secretary						
Working capital fund (decrease in limitation on working capital fund).....	---	(-30,000)	(-1,000,000)	(-1,000,000)	(-970,000)	---
Coast Guard						
Operating expenses.....	---	---	1,500,000	---	---	-1,500,000
Acquisition, construction, and improvements.....	---	---	27,700,000	27,700,000	27,700,000	---
(By transfer from Shipbuilding, Navy).....	---	---	(6,240,000)	(6,240,000)	(+6,240,000)	---
Alteration of bridges.....	8,400,000	8,400,000	8,400,000	8,400,000		---

SUPPLEMENTAL APPROPRIATIONS, FY 1986 (HR 2577)

	Supplemental Request	House	Senate	Conference	--- Conference compared with --- House	Senate
Federal Aviation Administration						
Operations	---	---	2,000,000	2,000,000	+2,000,000	---
(By transfer)	(15,000,000)	---	(15,000,000)	(15,000,000)	(+15,000,000)	---
Facilities and equipment (Airport and airway trust fund) (rescission)	---	-10,000,000	-12,000,000	-12,000,000	-2,000,000	---
Federal Highway Administration						
(Decrease in limitation on general operating expenses)	---	(-439,000)	(-439,000)	(-439,000)	---	---
Railroad-highway crossings demonstration projects	---	5,300,000	9,340,000	14,640,000	+9,340,000	+9,300,000
Motor carrier safety (rescission)	---	-164,000	-164,000	-164,000	---	---
National Highway Traffic Safety Administration						
Operations and research:						
(By transfer)	(7,200,000)	---	---	---	---	---
Rescission	---	-808,000	-808,000	-808,000	---	---
Seat belt and passive restraint program (rescission)	---	-7,500,000	-2,000,000	-7,500,000	---	-5,500,000
Highway traffic safety grants (rescission)	---	-250,000	-250,000	-250,000	---	---
Federal Railroad Administration						
Railroad research and development (rescission)	---	-170,000	-170,000	-170,000	---	---
Rail service assistance	68,932,000	68,932,000	68,932,000	68,932,000	---	---
Appropriation for debt reduction	-60,281,000	-60,281,000	-60,281,000	-60,281,000	---	---
Rescission	---	-90,000	-90,000	-90,000	---	---
Settlements of railroad litigation	4,328,000	4,328,000	4,328,000	4,328,000	---	---
Appropriation for debt reduction	-4,223,000	-4,223,000	-4,223,000	-4,223,000	---	---
Northeast corridor improvement program (rescission)	---	-200,000	-200,000	-200,000	---	---
(Deferral disapproval)	---	---	(30,000,000)	(30,000,000)	(+30,000,000)	---
Railroad Rehabilitation and Improvement Financing Funds (limitation on new loan guarantees)	---	(6,500,000)	---	(6,500,000)	---	(+6,500,000)
Total, Federal Railroad Administration (net)	8,756,000	8,296,000	8,296,000	8,296,000	---	---
Saint Lawrence Seaway Development Corporation						
(Decrease in limitation on administrative expenses)	---	(-30,000)	(-30,000)	(-30,000)	---	---
Research and Special Programs Administration						
Research and special programs (by transfer)	(850,000)	(425,000)	(700,000)	(650,000)	(+225,000)	(-50,000)
Total, Department of Transportation (net)	17,156,000	3,274,000	42,014,000	40,314,000	+37,040,000	-1,700,000
RELATED AGENCIES						
Interstate Commerce Commission						
Salaries and expenses	4,463,000	3,150,000	2,000,000	2,180,000	-1,970,000	+180,000
Panama Canal Commission						
Capital outlay (by transfer)	(3,900,000)	(2,220,000)	(1,700,000)	(1,700,000)	(-520,000)	---
Payments to the Republic of Panama (by transfer) 1/	(2,186,000)	(2,186,000)	(2,705,000)	(2,705,000)	(+519,000)	---
Total, Chapter XI						
New budget (obligational) authority	21,619,000	6,424,000	44,014,000	42,414,000	+35,990,000	-1,600,000
Appropriations	(86,123,000)	(9,110,000)	(124,200,000)	(128,100,000)	(+37,990,000)	(+3,900,000)
Rescissions	---	(-9,182,000)	(-15,682,000)	(-21,182,000)	(-2,000,000)	(-5,500,000)
Appropriations for debt reduction	(-64,504,000)	(-64,504,000)	(-64,504,000)	(-64,504,000)	---	---
(By transfer)	(29,136,000)	(4,831,000)	(26,345,000)	(26,295,000)	(+21,464,000)	(-50,000)
(Change in limitation on administrative expenses)	---	(-469,000)	(-469,000)	(-469,000)	---	---
(Limitation on working capital fund)	---	(-30,000)	(-1,000,000)	(-1,000,000)	(-970,000)	---
(Deferral disapproval)	---	---	(30,000,000)	(30,000,000)	(+30,000,000)	---
CHAPTER XI						
DEPARTMENT OF THE TREASURY						
Office of the Secretary (rescission)	---	-969,000	-969,000	-969,000	---	---
Federal Law Enforcement Training Center (rescission)	---	-75,000	-75,000	-75,000	---	---
Financial Management Service:						
Salaries and expenses	10,040,000	10,000,000	10,000,000	10,000,000	---	---
Rescission	---	-972,000	-972,000	-972,000	---	---
Total, Financial Management Service (net)	10,040,000	9,028,000	9,028,000	9,028,000	---	---

1/ Senate considered request of 2,705,000 based on informal amended request (May 9).

SUPPLEMENTAL APPROPRIATIONS, FY 1985 (HR 2577)

	Supplemental Request	House	Senate	Conference	--- Conference compared with --- House	Senate
Bureau of Alcohol, Tobacco, and Firearms	1,900,000	1,900,000	1,900,000	1,900,000	---	---
Rescission	---	-397,000	-397,000	-397,000	---	---
Total, Bureau of Alcohol, Tobacco, and Firearms (net)	1,900,000	1,503,000	1,503,000	1,503,000	---	---
United States Customs Service:						
Salaries and expenses	2,200,000	2,800,000	14,400,000	15,000,000	+12,200,000	+600,000
Rescission	---	-1,223,000	-1,223,000	-1,223,000	---	---
Subtotal, Customs operating accounts (net)	2,200,000	1,577,000	13,177,000	13,777,000	+12,200,000	+600,000
Operations and maintenance, air interdiction program	---	---	11,000,000	11,000,000	+11,000,000	---
Customs forfeiture fund	6,000,000	6,000,000	6,000,000	6,000,000	---	---
Customs services at small airports	42,000	42,000	42,000	42,000	---	---
Total, United States Customs Service (net)	8,242,000	7,619,000	30,219,000	30,819,000	+23,200,000	+600,000
Bureau of the Mint (rescission)	---	-87,000	-87,000	-87,000	---	---
Bureau of the Public Debt (rescission)	---	-52,000	-52,000	-52,000	---	---
Internal Revenue Service:						
Salaries and expenses (rescission)	---	-198,000	-198,000	-198,000	---	---
Processing tax returns (rescission)	---	-781,000	-781,000	-781,000	---	---
Examinations and appeals (rescission)	---	-1,588,000	-1,588,000	-1,588,000	---	---
Investigations, collections and taxpayer service	2,400,000	2,400,000	2,400,000	2,400,000	---	---
Rescission	---	-1,633,000	-1,633,000	-1,633,000	---	---
Subtotal, IRS operating accounts (net)	2,400,000	-1,800,000	-1,800,000	-1,800,000	---	---
Federal tax lien revolving fund	9,000,000	9,000,000	9,000,000	9,000,000	---	---
Total, Internal Revenue Service (net)	11,400,000	7,200,000	7,200,000	7,200,000	---	---
United States Secret Service	4,100,000	4,400,000	5,400,000	5,400,000	+1,000,000	---
Rescission	---	-1,465,000	-1,465,000	-1,465,000	---	---
Total, United States Secret Service (net)	4,100,000	2,935,000	3,935,000	3,935,000	+1,000,000	---
Total, Department of the Treasury (net)	35,682,000	27,102,000	50,702,000	51,302,000	+24,200,000	+600,000
UNITED STATES POSTAL SERVICE						
Payment to the Postal Service Fund	---	168,620,000	168,620,000	168,620,000	---	---
EXECUTIVE OFFICE OF THE PRESIDENT						
National Critical Materials Council	---	200,000	---	200,000	---	+200,000
INDEPENDENT AGENCIES						
General Services Administration						
Federal Buildings Fund:						
Limitation on availability of revenue:						
New construction	---	(22,617,000)	---	(22,617,000)	---	(+22,617,000)
Construction and acquisition of facilities	(4,225,000)	(7,225,000)	(4,225,000)	(7,225,000)	---	(+3,000,000)
Alterations and major repairs	---	(1,108,000)	---	(1,108,000)	---	(+1,108,000)
Real property operations (transfer to construction and acquisition of facilities)	---	(-3,000,000)	---	(-3,000,000)	---	(-3,000,000)
Design and construction services	---	(83,000)	---	(83,000)	---	(+83,000)
Subtotal, Federal Buildings Fund	(4,225,000)	(28,033,000)	(4,225,000)	(28,033,000)	---	(+23,808,000)
Real property activities (rescission)	---	-2,000,000	-2,000,000	-2,000,000	---	---
Program direction (rescission)	---	-1,204,000	-1,204,000	-1,204,000	---	---
Subtotal, Federal Buildings Fund (net)	---	-3,204,000	-3,204,000	-3,204,000	---	---
Personal Property Activities:						
Personal property operating expenses (rescission)	---	-300,000	-300,000	-300,000	---	---
General supply fund (rescission)	---	-30,848,000	-30,848,000	-30,848,000	---	---
Subtotal, Personal Property Activities (net)	---	-31,148,000	-31,148,000	-31,148,000	---	---

SUPPLEMENTAL APPROPRIATIONS, FY 1985 (HR 2577)

	Supplemental Request	House	Senate	Conference	--- Conference compared with --- House	Senate
Federal Property Resources Activities:						
Operating expenses (rescission)	---	-207,000	-207,000	-207,000	---	---
Expenses, disposal of surplus real and related property (rescission)	---	-1,832,000	-1,832,000	-1,832,000	---	---
Subtotal, Federal Property Resources Activities (net)	---	-2,039,000	-2,039,000	-2,039,000	---	---
General Activities:						
General Management and Administration						
Salaries and Expenses (rescission)	---	-403,000	-403,000	-403,000	---	---
Office of Information Resources Management:						
Operating Expenses (rescission)	---	-45,000	-45,000	-45,000	---	---
Federal telecommunications fund (rescission)	---	-415,000	-415,000	-415,000	---	---
Automatic data processing fund (rescission)	---	-145,000	-145,000	-145,000	---	---
Office of the Inspector General (rescission)	--	-35,000	-35,000	-35,000	---	---
Allowances and Office Staff for Former Presidents (rescission)	---	-19,000	-19,000	-19,000	---	---
Working capital fund (rescission)	---	-8,000	-8,000	-8,000	---	---
Subtotal, General Activities (net)	---	-1,070,000	-1,070,000	-1,070,000	---	---
Total, General Services Administration (net)	---	-37,461,000	-37,461,000	-37,461,000	---	---
National Archives and Records Administration						
Operating Expenses (rescission)	---	-166,000	-166,000	-166,000	---	---
Office of Personnel Management						
Salaries and expenses (rescission)	---	-1,161,000	-1,161,000	-1,161,000	---	---
Payment to civil service retirement and disability fund	40,965,000	40,965,000	40,965,000	40,965,000	---	---
Total, Office of Personnel Management (net)	40,965,000	39,804,000	39,804,000	39,804,000	---	---
Total, Chapter XII:						
New budget (obligational) authority (net)	76,647,000	198,099,000	221,499,000	222,299,000	+24,200,000	+800,000
Appropriations	(76,647,000)	(246,327,000)	(269,727,000)	(270,527,000)	(+24,200,000)	(+800,000)
Rescissions	---	(-48,228,000)	(-48,228,000)	(-48,228,000)	---	---
(Limitation on availability of revenue)	(4,225,000)	(28,033,000)	(4,225,000)	(28,033,000)	---	(+23,808,000)
CHAPTER XII						
FEDERAL FUNDS 1/						
Criminal Justice Initiative	14,180,000	---	14,180,000	14,180,000	+14,180,000	---
Total, Federal Funds	14,180,000	---	14,180,000	14,180,000	+14,180,000	---
DISTRICT OF COLUMBIA FUNDS 2/						
Operating Expenses						
Governmental direction and support	(4,553,000)	---	(4,295,000)	(4,553,000)	(+4,553,000)	(+258,000)
Economic development and regulation	(9,873,000)	---	(9,849,000)	(9,873,000)	(+9,873,000)	(+24,000)
Public safety and Justice	(26,680,000)	---	(21,681,000)	(26,680,000)	(+26,680,000)	(+4,999,000)
(Rescission)	(-300,000)	---	---	(-300,000)	(-300,000)	(-300,000)
Public education system	(6,835,000)	---	(5,251,000)	(6,835,000)	(+6,835,000)	(+1,584,000)
(Rescission)	(-11,794,000)	---	(-8,500,000)	(-11,794,000)	(-11,794,000)	(-3,294,000)
Human support services	(9,598,000)	---	(7,866,000)	(9,598,000)	(+9,598,000)	(+1,732,000)
Public works (rescission)	(-875,000)	---	(-875,000)	(-875,000)	(-875,000)	---
Washington Convention Center Fund	(324,000)	---	(500,000)	(324,000)	(+324,000)	(-176,000)
Repayment of loans and interest (rescission)	(-1,473,000)	---	(-1,473,000)	(-1,473,000)	(-1,473,000)	---
Repayment of general fund deficit	(3,500,000)	---	---	(3,500,000)	(+3,500,000)	(+3,500,000)
Short-term borrowings (rescission)	(-1,250,000)	---	(-1,250,000)	(-1,250,000)	(-1,250,000)	---
Adjustments	(3,576,000)	---	(3,576,000)	---	---	(-3,576,000)
Personal Services	---	---	(8,327,000)	---	---	(-8,327,000)
Total, Operating Expenses	(49,247,000)	---	(49,247,000)	(45,671,000)	(+45,671,000)	(-3,576,000)
Capital Outlay	(23,400,000)	---	(5,750,000)	(23,400,000)	(+23,400,000)	(+17,650,000)

1/ The District communicated this request to the Committee May 28, 1985.
2/ These estimates are contained in the Mayor's May 6, 1985 request to the Council and the May 28, 1985 Communication on Federal Funds.

SUPPLEMENTAL APPROPRIATIONS, FY 1985 (HR 2577)

	Supplemental Request	House	Senate	Conference	--- Conference compared with --- House	Senate
Enterprise Funds						
Water and Sewer Enterprise Fund	(10,801,000)	---	(10,801,000)	(10,801,000)	(+10,801,000)	---
Total, enterprise funds	(10,801,000)	---	(10,801,000)	(10,801,000)	(+10,801,000)	---
Total, District of Columbia funds	(83,448,000)	---	(65,798,000)	(79,872,000)	(+79,872,000)	(+14,074,000)
Total, Chapter XII:						
New budget (obligational) authority (net)	14,180,000	---	14,180,000	14,180,000	+14,180,000	---
District of Columbia Funds	(83,448,000)	---	(65,798,000)	(79,872,000)	(+79,872,000)	(+14,074,000)
Operating Expenses	(99,140,000)	---	(77,896,000)	(95,564,000)	(+95,564,000)	(+17,668,000)
Rescissions	(-15,692,000)	---	(-12,098,000)	(-15,692,000)	(-15,692,000)	(-3,594,000)
TITLE I - GENERAL SUPPLEMENTALS						
TOTAL - New budget (obligational) authority (net)	10,428,185,436	11,685,724,536	12,594,017,536	11,604,382,536	-81,342,000	-989,635,000
Appropriations	(10,929,329,436)	(12,465,129,536)	(13,334,835,536)	(12,317,542,536)	(-147,587,000)	(-1,017,293,000)
Appropriations for debt reduction	(-85,204,000)	(-85,204,000)	(-85,204,000)	(-85,204,000)	---	---
Authority to borrow	(113,000,000)	(113,000,000)	(113,000,000)	(113,000,000)	---	---
Rescissions	---	(-278,261,000)	(-239,674,000)	(-212,016,000)	(+66,245,000)	(+27,658,000)
Rescission of contract authority	(-528,940,000)	(-528,940,000)	(-528,940,000)	(-528,940,000)	---	---
(Deferral disapproval)	---	(1,190,175,316)	(366,572,000)	(687,446,000)	(-502,729,316)	(+320,874,000)
(Effect of new deferral)	---	(-8,808,000)	(-5,808,000)	(-10,408,000)	(-1,600,000)	(-4,600,000)
(Limitation of trust fund transfer)	(-41,048,000)	(30,000,000)	---	(20,000,000)	(-10,000,000)	(+20,000,000)
(By transfer)	(142,128,000)	(272,879,000)	(88,152,000)	(75,464,000)	(-197,415,000)	(-12,688,000)
(Limitation on callable capital subscriptions)	(1,219,023,979)	(1,219,023,979)	(1,219,023,979)	(1,219,023,979)	---	---
(Limitation on availability of revenue)	(4,225,000)	(28,033,000)	(4,225,000)	(28,033,000)	---	(+23,808,000)
(Change in limitation on administrative expenses)	(-12,274,000)	(-469,000)	(-469,000)	(-469,000)	---	---
(Limitation on indefinite contract authority)	(-23,367,000)	(-23,367,000)	(-23,367,000)	(-23,367,000)	---	---
(Change in limitation on direct loans)	(-6,000,000)	---	---	---	---	---
(Change in limitation on guaranteed loans)	(-175,333,000)	---	---	---	---	---
(Limitation on working capital fund)	---	(-30,000)	(-1,000,000)	(-1,000,000)	(-970,000)	---
(District of Columbia funds net)	(83,448,000)	---	(65,798,000)	(79,872,000)	(+79,872,000)	(+14,074,000)
TITLE II - INCREASED PAY COSTS						
LEGISLATIVE BRANCH						
Senate						
Salaries, officers and employees	4,468,000	---	4,468,000	4,468,000	+4,468,000	---
Office of the Legislative Counsel of the Senate	37,000	---	37,000	37,000	+37,000	---
Senate policy committees	50,000	---	50,000	50,000	+50,000	---
Total, Senate	4,555,000	---	4,555,000	4,555,000	+4,555,000	---
House of Representatives						
House leadership offices	91,000	91,000	91,000	91,000	---	---
Salaries, officers and employees	1,176,000	1,176,000	1,176,000	1,176,000	---	---
Committee employees	1,012,000	1,012,000	1,012,000	1,012,000	---	---
Committee on Appropriations (Studies and Investigations)	16,000	---	---	---	---	---
Members' clerk hire	4,136,000	2,636,000	2,636,000	2,636,000	---	---
Standing committees, special and select	970,000	---	---	---	---	---
Allowances and expenses	844,000	669,000	669,000	669,000	---	---
Total, House of Representatives	8,245,000	5,584,000	5,584,000	5,584,000	---	---
Joint Items						
Joint Economic Committee	75,000	75,000	75,000	75,000	---	---
Joint Committee on Printing	23,000	8,000	8,000	8,000	---	---
Capitol Guide Service	20,000	10,000	10,000	10,000	---	---
Total, Joint Items	118,000	93,000	93,000	93,000	---	---
Congressional Budget Office						
Salaries and expenses	245,000	123,000	123,000	123,000	---	---

SUPPLEMENTAL APPROPRIATIONS, FY 1985 (HR 2577)

	Supplemental Request	House	Senate	Conference	--- Conference compared with --- House	Se
Architect of the Capitol						
Office of the Architect of the Capitol: Salaries	119,000	75,000	75,000	75,000	---	
Capitol buildings	154,000	100,000	100,000	100,000	---	
Capitol grounds	53,000	100,000	100,000	100,000	---	
Senate office buildings	260,000	-	---	---	---	
House office buildings	340,000	123,000	123,000	123,000	---	
Capitol power plant	70,000	70,000	70,000	70,000	---	
Library buildings and grounds: Structural and mechanical care	90,000	90,000	90,000	90,000	---	
Total, Architect of the Capitol	1,086,000	558,000	558,000	558,000	---	
Library of Congress						
Salaries and expenses	2,610,000	1,833,000	1,833,000	1,833,000	---	
Copyright Office: Salaries and expenses	399,000	199,000	199,000	199,000	---	---
Congressional Research Service: Salaries and expenses	917,000	500,000	500,000	500,000	---	---
Books for the blind and physically handicapped: Salaries and expenses	106,000	---	---	---	---	---
Collection and distribution of library materials (special foreign currency program)	11,000	---	---	---	---	---
Total, Library of Congress	4,043,000	2,532,000	2,532,000	2,532,000	---	---
Government Printing Office						
Office of Superintendent of Documents: Salaries and expenses	109,000	---	---	---	---	---
General Accounting Office						
Salaries and expenses	5,674,000	---	---	---	---	---
Botanic Garden						
Salaries and expenses	36,000	36,000	36,000	36,000	---	---
Office of Technology Assessment						
Salaries and expenses	306,000	143,000	143,000	143,000	---	---
Total, Legislative Branch	24,417,000	9,069,000	13,624,000	13,624,000	+4,555,000	---
THE JUDICIARY						
Supreme Court of the United States						
Salaries and expenses	281,000	---	---	---	---	---
Care of the building and grounds	20,000	---	---	---	---	---
Total, Supreme Court of the United States	301,000	---	---	---	---	---
United States Court of Appeals for the Federal Circuit						
Salaries and expenses	87,000	87,000	87,000	87,000	---	---
United States Court of International Trade						
Salaries and expenses	98,000	98,000	98,000	98,000	---	---
Courts of Appeals, District Courts, and other Judicial Services						
Salaries of Judges	1,910,000	1,910,000	1,700,000	1,910,000	---	+210,000
Salaries of supporting personnel	9,150,000	9,150,000	9,150,000	9,150,000	---	---
Defender services	375,000	375,000	375,000	375,000	---	---
Bankruptcy Courts: Salaries and expenses	2,540,000	2,540,000	2,540,000	2,540,000	---	---
Total, Courts of Appeals, District Courts, and other Judicial Services	13,975,000	13,975,000	13,765,000	13,975,000	---	+210,000
Administrative Office of the United States Courts						
Salaries and expenses	452,000	452,000	452,000	452,000	---	---
Federal Judicial Center						
Salaries and expenses	90,000	90,000	90,000	90,000	---	---
Total, The Judiciary	15,003,000	14,702,000	14,492,000	14,702,000	---	+210,000

SUPPLEMENTAL APPROPRIATIONS, FY 1985 (HR 2577)

	Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
EXECUTIVE OFFICE OF THE PRESIDENT						
The White House Office						
Salaries and expenses	204,000	204,000	204,000	204,000	---	---
Executive Residence at the White House						
Operating expenses	57,000	57,000	57,000	57,000	---	---
Special Assistance to the President						
Salaries and expenses	13,000	13,000	13,000	13,000	---	---
Council on Environmental Quality and Office of Environmental Quality						
Council on Environmental Quality and Office of Environmental Quality	5,000	---	---	---	---	---
Office of Administration						
Salaries and expenses	68,000	68,000	68,000	68,000	---	---
Office of Management and Budget						
Salaries and expenses	352,000	352,000	352,000	352,000	---	---
Office of Federal Procurement Policy: Salaries and expenses	15,000	15,000	15,000	15,000	---	---
Total, Office of Management and Budget	367,000	367,000	367,000	367,000	---	---
Office of Science and Technology Policy						
Office of Science and Technology Policy	20,000	---	20,000	20,000	+20,000	---
Total, Executive Office of the President	734,000	709,000	729,000	729,000	+20,000	---
DEPARTMENT OF AGRICULTURE						
Office of the Secretary	129,000	65,000	129,000	65,000	---	-64,000
Departmental Administration	300,000	220,000	300,000	220,000	---	-80,000
Office of Governmental and Public Affairs	62,000	42,000	42,000	42,000	---	---
Office of the Inspector General (by transfer)	(431,000)	(431,000)	(431,000)	(431,000)	---	---
Office of the General Counsel	206,000	---	---	---	---	---
(By transfer)	---	(188,000)	(188,000)	(188,000)	---	---
Agricultural Research Service	---	4,084,000	4,084,000	4,084,000	---	---
National Agricultural Library	64,000	64,000	64,000	64,000	---	---
Statistical Reporting Service: Salaries and expenses	538,000	538,000	538,000	538,000	---	---
Economic Research Service: Salaries and expenses	489,000	489,000	489,000	489,000	---	---
Agricultural Cooperative Service	---	36,000	36,000	36,000	---	---
World Agricultural Outlook Board	34,000	34,000	34,000	34,000	---	---
Foreign Agricultural Service	274,000	274,000	274,000	274,000	---	---
General Sales Manager (transfer from Commodity Credit Corporation)	(54,000)	(54,000)	(54,000)	(54,000)	---	---
Federal Crop Insurance Corporation						
Administrative and operating expenses	502,000	502,000	502,000	502,000	---	---
Office of Rural Development Policy						
Salaries and expenses	10,000	---	---	---	---	---
Rural Electrification Administration						
Salaries and expenses	324,000	324,000	324,000	324,000	---	---
Farmers Home Administration						
Salaries and expenses	8,046,000	8,046,000	8,046,000	8,046,000	---	---
Soil Conservation Service						
Conservation operations	---	8,196,000	8,196,000	8,196,000	---	---
(By transfer)	(8,365,000)	---	---	---	---	---
River basin surveys and investigations	---	252,000	252,000	252,000	---	---
Watershed planning	---	172,000	172,000	172,000	---	---
Watershed and flood prevention operations	---	1,543,000	1,543,000	1,543,000	---	---
Resource conservation and development	---	320,000	320,000	320,000	---	---
Great Plains conservation program	---	216,000	216,000	216,000	---	---
Animal and Plant Health Inspection Service						
Salaries and expenses	---	2,266,000	2,266,000	2,266,000	---	---

SUPPLEMENTAL APPROPRIATIONS, FY 1985 (HR 2577)

	Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
Federal Grain Inspection Service						
Salaries and expenses	58,000	58,000	58,000	58,000	---	---
Agricultural Marketing Service						
Marketing services	841,000	841,000	841,000	841,000	---	---
(Increase in limitation on administrative expenses)	(753,000)	(753,000)	(753,000)	(753,000)	---	---
Funds for strengthening markets, income, and supply (section 32) (increase in limitation)	(150,000)	(150,000)	(150,000)	(150,000)	---	---
Office of Transportation	27,000	27,000	27,000	27,000	---	---
Food Safety and Inspection Service						
Salaries and expenses	11,396,000	11,396,000	11,396,000	11,396,000	---	---
Food and Nutrition Service						
Food program administration	1,000,000	1,000,000	1,000,000	1,000,000	---	---
Human Nutrition Information Service	37,000	37,000	37,000	37,000	---	---
Packers and Stockyards Administration	85,000	85,000	85,000	85,000	---	---
Forest Service						
Forest research	---	964,000	1,164,000	1,164,000	+200,000	---
State and private forestry	--	209,000	209,000	209,000	---	---
National forest system	--	10,688,000	10,688,000	10,688,000	---	---
Construction	---	1,777,000	---	---	-1,777,000	---
Land acquisition	---	30,000	---	---	-30,000	---
Total, Department of Agriculture	24,430,000	54,795,000	53,332,000	53,188,000	-1,607,000	-144,000
DEPARTMENT OF COMMERCE						
National Oceanic and Atmospheric Administration						
Operations, research, and facilities (by transfer)	---	(2,783,000)	(5,860,000)	(4,860,000)	(+2,077,000)	(-1,000,000)
DEPARTMENT OF DEFENSE--MILITARY						
Military Personnel						
Military personnel, Army	483,249,000	442,249,000	417,249,000	417,249,000	-25,000,000	---
(By transfer)	---	---	(25,000,000)	(25,000,000)	(+25,000,000)	---
Military personnel, Navy	359,633,000	224,819,000	---	---	-224,819,000	---
(By transfer)	---	(114,814,000)	(339,633,000)	(339,633,000)	(+224,819,000)	---
Military personnel, Marine Corps	116,840,000	116,840,000	106,840,000	106,840,000	-10,000,000	---
(By transfer)	---	---	(10,000,000)	(10,000,000)	(+10,000,000)	---
Military personnel, Air Force	417,679,000	275,312,000	224,825,000	254,825,000	-20,487,000	+30,000,000
(By transfer)	---	(112,367,000)	(142,854,000)	(112,854,000)	(+487,000)	(-30,000,000)
Reserve personnel, Navy	26,619,000	26,619,000	4,619,000	4,619,000	-22,000,000	---
(By transfer)	---	---	(22,000,000)	(22,000,000)	(+22,000,000)	---
Reserve personnel, Marine Corps	3,078,000	3,078,000	3,078,000	3,078,000	---	---
Reserve personnel, Air Force	12,776,000	2,976,000	2,976,000	2,976,000	---	---
National Guard personnel, Air Force	17,532,000	17,532,000	17,532,000	17,532,000	---	---
Total, Military Personnel	1,437,406,000	1,109,425,000	777,119,000	807,119,000	-302,306,000	+30,000,000
(By transfer)	---	(227,181,000)	(539,487,000)	(509,487,000)	(+282,306,000)	(-30,000,000)
Operation and Maintenance						
Operation and maintenance, Army	200,400,000	14,470,000	10,466,000	10,466,000	-4,004,000	---
(By transfer)	---	(147,000,000)	(119,300,000)	(119,300,000)	(-27,700,000)	---
Operation and maintenance, Navy	230,800,000	72,952,000	7,119,000	7,119,000	-15,833,000	---
(By transfer)	--	(135,148,000)	(180,829,000)	(180,829,000)	(+45,681,000)	---
Operation and maintenance, Marine Corps	10,600,000	---	---	---	---	---
(By transfer)	---	(8,488,000)	(8,488,000)	(8,488,000)	---	---
Operation and maintenance, Air Force	120,300,000	---	---	---	---	---
(By transfer)	---	(75,133,000)	(90,346,000)	(90,346,000)	(+15,213,000)	---
Operation and maintenance, Defense Agencies	106,530,000	89,230,000	81,230,000	81,230,000	-8,000,000	---
(By transfer)	---	---	(8,000,000)	(8,000,000)	(+8,000,000)	---
Operation and maintenance, Army Reserve	8,300,000	7,336,000	7,336,000	7,336,000	---	---
Operation and maintenance, Navy Reserve	1,600,000	600,000	1,400,000	1,400,000	+800,000	---
Operation and maintenance, Marine Corps Reserve	200,000	150,000	150,000	150,000	---	---
Operation and maintenance, Air Force Reserve	8,800,000	7,300,000	7,300,000	7,300,000	---	---
Operation and maintenance, Army National Guard	15,000,000	13,194,000	13,194,000	13,194,000	---	---
Operation and maintenance, Air National Guard	18,500,000	15,091,000	15,091,000	15,091,000	---	---
National Board for the Promotion of Rifle Practice, Army	14,000	12,000	12,000	12,000	---	---
Total, Operation and Maintenance	721,044,000	170,335,000	143,298,000	143,298,000	-27,037,000	---
(By transfer)	---	(365,769,000)	(436,963,000)	(406,963,000)	(+41,194,000)	---

SUPPLEMENTAL APPROPRIATIONS, FY 1985 (HR 2577)

	Supplemental Request	House	Senate	Conference	--- Conference compared with --- House	Senate
Family Housing						
Family housing, Army	3,439,000	---	1,700,000	---	---	-1,700,000
Family housing, Navy and Marine Corps	1,493,000	---	---	---	---	---
Family housing, Air Force	1,454,000	---	---	---	---	---
Total, Family Housing	6,386,000	---	1,700,000	---	---	-1,700,000
Total, Department of Defense--Military	2,164,836,000	1,279,760,000	922,117,000	950,417,000	-329,343,000	+28,300,000
(By transfer)	---	(592,950,000)	(946,450,000)	(916,450,000)	(+323,500,000)	(-30,000,000)
DEPARTMENT OF DEFENSE--CIVIL						
Cemeterial Expenses, Army						
Salaries and expenses	53,000	53,000	53,000	53,000	---	---
Corps of Engineers - Civil						
General investigations (by transfer)	(2,200,000)	(2,200,000)	(2,200,000)	(2,200,000)	---	---
General expenses (by transfer)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	---	---
Soldiers' and Airmen's Home						
Operation and maintenance	324,000	324,000	324,000	324,000	---	---
Total, Department of Defense--Civil	377,000	377,000	377,000	377,000	---	---
(By transfer)	(5,200,000)	(5,200,000)	(5,200,000)	(5,200,000)	---	---
DEPARTMENT OF ENERGY						
Energy Programs						
Energy Information Administration	495,000	495,000	495,000	495,000	---	---
Federal Energy Regulatory Commission	1,627,000	1,627,000	1,627,000	1,627,000	---	---
Total, Department of Energy	2,122,000	2,122,000	2,122,000	2,122,000	---	---
DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Food and Drug Administration						
Salaries and expenses	---	3,535,000	3,535,000	3,535,000	---	---
Health Services Administration						
Indian health services	---	9,297,000	4,650,000	7,000,000	-2,297,000	+2,350,000
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Management and Administration						
Salaries and expenses (by transfer)	(2,712,000)	(2,712,000)	(2,712,000)	(2,712,000)	---	---
DEPARTMENT OF THE INTERIOR						
Bureau of Land Management						
Management of lands and resources	---	2,000,000	3,000,000	2,000,000	---	-1,000,000
(By transfer)	(2,000,000)	---	---	---	---	---
United States Fish and Wildlife Service						
Resource management	---	2,000,000	4,000,000	4,000,000	+2,000,000	---
National Park Service						
Operation of the national park system	---	8,700,000	8,700,000	8,700,000	---	---
(By transfer)	(10,700,000)	---	---	---	---	---
Office of Surface Mining Reclamation and Enforcement						
Regulation and technology	---	455,000	455,000	455,000	---	---
(By transfer)	(455,000)	---	---	---	---	---
Geological Survey						
Surveys, investigations, and research	---	4,464,000	4,464,000	4,464,000	---	---
Bureau of Indian Affairs						
Operation of Indian programs	---	5,000,000	---	5,000,000	---	+5,000,000
(By transfer)	(5,000,000)	---	(5,000,000)	---	---	(-5,000,000)

SUPPLEMENTAL APPROPRIATIONS, FY 1985 (HR 2577)

	Supplemental Request	House	Senate	Conference	--- Conference compared with --- House	Senate
Departmental Offices						
Office of the Solicitor	---	306,000	306,000	306,000	---	---
(By transfer)	(406,000)	---	---	---	---	---
Total, Department of the Interior	---	22,925,000	20,925,000	24,925,000	+2,000,000	+4,000,000
(By transfer)	(18,561,000)	---	(5,000,000)	---	---	(-5,000,000)
DEPARTMENT OF JUSTICE						
General Administration						
Salaries and expenses	1,068,000	1,068,000	1,068,000	1,068,000	---	---
United States Parole Commission						
Salaries and expenses	160,000	160,000	160,000	160,000	---	---
Legal Activities						
Salaries and expenses, General Legal Activities	3,308,000	3,308,000	3,308,000	3,308,000	---	---
Salaries and expenses, Antitrust Division	665,000	665,000	665,000	665,000	---	---
Salaries and expenses, United States Attorneys and Marshals	6,151,000	6,175,000	6,151,000	6,175,000	---	+24,000
(By transfer)	(1,636,000)	(1,636,000)	(1,636,000)	(1,636,000)	---	---
Salaries and expenses, Community Relations Service	135,000	135,000	135,000	135,000	---	---
Total, Legal Activities	10,259,000	10,283,000	10,259,000	10,283,000	---	+24,000
Interagency Law Enforcement						
Organized crime drug enforcement	43,000	43,000	43,000	43,000	---	---
Federal Bureau of Investigation						
Salaries and expenses	15,270,000	15,270,000	15,270,000	15,270,000	---	---
Drug Enforcement Administration						
Salaries and expenses	4,682,000	4,682,000	4,682,000	4,682,000	---	---
Immigration and Naturalization Service						
Salaries and expenses	9,561,000	9,561,000	9,561,000	9,561,000	---	---
Federal Prison System						
Salaries and expenses	7,345,000	7,345,000	7,345,000	7,345,000	---	---
Federal Prison Industries, Incorporated: (Limitation on administrative and vocational training expenses)	(104,000)	(104,000)	(104,000)	(104,000)	---	---
Total, Department of Justice	48,388,000	48,412,000	48,388,000	48,412,000	---	+24,000
DEPARTMENT OF LABOR						
Labor-Management Services						
Salaries and expenses	526,000	---	---	---	---	---
Pension Benefit Guaranty Corporation						
Pension Benefit Guaranty Corporation fund (increase in limitation)	(244,000)	---	---	---	---	---
Employment Standards Administration						
Salaries and expenses	1,819,000	---	---	---	---	---
(Limitation on trust fund transfer)	(5,000)	---	---	---	---	---
Black lung disability trust fund	176,000	176,000	176,000	176,000	---	---
Total, Employment Standards Administration	1,995,000	176,000	176,000	176,000	---	---
Occupational Safety and Health Administration						
Salaries and expenses	1,176,000	---	---	---	---	---
Mine Safety and Health Administration						
Salaries and expenses	1,435,000	---	---	---	---	---
Bureau of Labor Statistics						
Salaries and expenses	932,000	---	---	---	---	---

SUPPLEMENTAL APPROPRIATIONS, FY 1985 (HR 2577)

	Supplemental Request	House	Senate	Conference	--- Conference compared with --- House	Senate
Departmental Management						
Salaries and expenses	1,070,000	---	---	---	---	---
Office of the Inspector General	288,000	---	---	---	---	---
Assistant Secretary for Veterans Employment and Training (limitation on trust fund transfer)	(143,000)	---	---	---	---	---
Total, Departmental Management	1,358,000	---	---	---	---	---
Total, Department of Labor	7,422,000	176,000	176,000	176,000	---	---
DEPARTMENT OF TRANSPORTATION						
Federal Highway Administration						
(Limitation on general operating expenses)	(1,716,000)	---	---	---	---	---
National Highway Traffic Safety Administration						
Operations and research (by transfer)	(367,000)	---	---	---	---	---
Federal Railroad Administration						
Office of the Administrator (by transfer)	(212,000)	---	---	---	---	---
Railroad safety (by transfer)	(201,000)	---	---	---	---	---
Urban Mass Transportation Administration						
Administrative expenses (by transfer)	(609,000)	---	---	---	---	---
Federal Aviation Administration						
Operations (by transfer)	(22,000,000)	(3,112,000)	(3,112,000)	(3,112,000)	---	---
Headquarters administration (by transfer)	(386,000)	---	---	---	---	---
Operation and maintenance, Metropolitan Washington Airports (by transfer)	(524,000)	(505,000)	(505,000)	(505,000)	---	---
Coast Guard						
Operating expenses	---	15,000,000	---	15,000,000	---	+15,000,000
(By transfer)	(18,000,000)	(3,275,000)	(18,275,000)	(3,275,000)	---	(-15,000,000)
Reserve training (by transfer)	(1,468,000)	(1,025,000)	(1,025,000)	(1,025,000)	---	---
Maritime Administration						
Operations and training (by transfer)	(552,000)	(552,000)	(552,000)	(552,000)	---	---
Saint Lawrence Seaway Development Corporation						
(Limitation on administrative expenses) (increase in limitation)	(20,000)	---	---	---	---	---
Office of the Inspector General						
Salaries and expenses (by transfer)	(323,000)	---	---	---	---	---
Research and Special Programs Administration						
Research and special programs (by transfer)	(306,000)	(300,000)	(300,000)	(300,000)	---	---
Office of the Secretary						
Salaries and expenses (by transfer)	(875,000)	(65,000)	(65,000)	(65,000)	---	---
Total, Department of Transportation	---	15,000,000	---	15,000,000	---	+15,000,000
(By transfer)	(45,823,000)	(8,834,000)	(23,834,000)	(8,834,000)	---	(-15,000,000)
(Increase in limitation)	(20,000)	---	---	---	---	---
DEPARTMENT OF THE TREASURY						
Office of the Secretary						
Salaries and expenses	657,000	657,000	657,000	657,000	---	---
Office of Revenue Sharing						
Salaries and expenses	72,000	---	---	---	---	---
Federal Law Enforcement Training Center						
Salaries and expenses	102,000	102,000	102,000	102,000	---	---
Financial Management Service						
Salaries and expenses	1,229,000	1,229,000	1,229,000	1,229,000	---	---

SUPPLEMENTAL APPROPRIATIONS, FY 1985 (HR 2577)

	Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
Bureau of Alcohol, Tobacco and Firearms						
Salaries and expenses	1,339,000	1,339,000	1,339,000	1,339,000	---	---
United States Customs Service						
Salaries and expenses	6,246,000	12,492,000	12,492,000	12,492,000	---	---
Bureau of the Public Debt						
Administering the public debt	849,000	849,000	849,000	849,000	---	---
Internal Revenue Service						
Salaries and expenses	1,500,000	1,821,000	1,821,000	1,821,000	---	---
Processing tax returns	4,704,000	14,384,000	14,384,000	14,384,000	---	---
Examinations and appeals	21,193,000	28,539,000	28,539,000	28,539,000	---	---
Investigation, collection and taxpayer service	4,800,000	20,453,000	20,453,000	20,453,000	---	---
Total, Internal Revenue Service	32,197,000	65,197,000	65,197,000	65,197,000	---	---
United States Secret Service						
Salaries and expenses	2,214,000	2,214,000	2,214,000	2,214,000	---	---
Total, Department of the Treasury	44,905,000	84,079,000	84,079,000	84,079,000	---	---
ENVIRONMENTAL PROTECTION AGENCY						
Salaries and expenses	5,423,000	5,423,000	5,423,000	5,423,000	---	---
GENERAL SERVICES ADMINISTRATION						
Federal Buildings Fund:						
Limitation on availability of revenue:						
Construction and acquisition of facilities	(-7,781,000)	---	(-7,781,000)	---	---	(+7,781,000)
Real property operations	(5,682,000)	(-2,099,000)	(5,682,000)	(-2,099,000)	---	(-7,781,000)
Program direction	(1,469,000)	(1,469,000)	(1,469,000)	(1,469,000)	---	---
Design and construction services	(630,000)	(630,000)	(630,000)	(630,000)	---	---
Total, Federal Buildings Fund	---	---	---	---	---	---
Operating expenses, personal property (by transfer)	(2,200,000)	(2,200,000)	(2,200,000)	(2,200,000)	---	---
General management and administration: Salaries and expenses (by transfer)	(2,200,000)	(2,200,000)	(2,200,000)	(2,200,000)	---	---
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION						
Research and program management	23,300,000	21,300,000	21,300,000	21,300,000	---	---
OFFICE OF PERSONNEL MANAGEMENT						
Salaries and expenses	917,000	917,000	917,000	917,000	---	---
Salaries and expenses (increase in limitation)	(448,000)	(448,000)	(448,000)	(448,000)	---	---
VETERANS ADMINISTRATION						
Medical care	72,524,000	152,524,000	122,524,000	152,524,000	---	+30,000,000
General operating expenses	7,932,000	6,000,000	3,500,000	3,500,000	-2,500,000	---
Construction, minor projects (limitation on administrative expenses)	(371,000)	---	(371,000)	(371,000)	(+371,000)	---
Total, Veterans Administration	80,456,000	158,524,000	126,024,000	156,024,000	-2,500,000	+30,000,000
OTHER INDEPENDENT AGENCIES						
ACTION						
Operating expenses	233,000	---	---	---	---	---
Administrative Conference of the United States						
Salaries and expenses	12,000	12,000	12,000	12,000	---	---
Commission of Fine Arts						
Salaries and expenses	2,000	2,000	2,000	2,000	---	---
Commission on Civil Rights						
Salaries and expenses	122,000	122,000	122,000	122,000	---	---
Commodity Futures Trading Commission						
Commodity Futures Trading Commission	272,000	272,000	272,000	272,000	---	---

SUPPLEMENTAL APPROPRIATIONS, FY 1985 (HR 2577)

	Supplemental Request	House	Senate	Conference	--- Conference compared with --- House	Senate
Equal Employment Opportunity Commission						
Salaries and expenses	2,900,000	2,900,000	2,900,000	2,900,000	---	---
Federal Communications Commission						
Salaries and expenses	1,830,000	1,830,000	1,830,000	1,830,000	---	---
Federal Election Commission						
Salaries and expenses	116,000	116,000	116,000	116,000	---	---
Federal Emergency Management Agency						
Salaries and expenses (by transfer)	(2,472,000)	---	(2,472,000)	---	---	(-2,472,000)
Federal Home Loan Bank Board						
(Limitation on non-administrative expenses, corporate funds)	(720,000)	---	---	---	---	---
(Limitation on administrative expenses, corporate funds)	(1,110,000)	(1,110,000)	(1,110,000)	(1,110,000)	---	---
Federal Labor Relations Authority						
Salaries and expenses	167,000	167,000	167,000	167,000	---	---
Federal Mediation and Conciliation Service						
Salaries and expenses	234,000	234,000	234,000	234,000	---	---
Federal Mine Safety and Health Review Commission						
Salaries and expenses	36,000	---	---	---	---	---
Federal Trade Commission						
Salaries and expenses	1,450,000	1,450,000	1,450,000	1,450,000	---	---
Intelligence Community Staff						
Intelligence community staff	174,000	174,000	174,000	174,000	---	---
Intergovernmental Agencies						
Advisory Commission on Intergovernmental Relations						
Salaries and expenses	17,000	17,000	17,000	17,000	---	---
Delaware River Basin Commission						
Salaries and expenses	2,000	2,000	2,000	2,000	---	---
Susquehanna River Basin Commission						
Salaries and expenses	2,000	2,000	2,000	2,000	---	---
International Trade Commission						
Salaries and expenses	549,000	300,000	300,000	300,000	---	---
Interstate Commerce Commission						
Salaries and expenses	1,000,000	500,000	1,000,000	1,000,000	+500,000	---
Merit Systems Protection Board						
Salaries and expenses	194,000	194,000	194,000	194,000	---	---
Office of the Special Counsel	44,000	44,000	44,000	44,000	---	---
Total, Merit Systems Protection Board	238,000	238,000	238,000	238,000	---	---
National Capital Planning Commission						
Salaries and expenses	22,000	22,000	22,000	22,000	---	---
National Science Foundation						
Program development and management (limitation on administrative expenses)	(1,670,000)	(1,670,000)	(1,670,000)	(1,670,000)	---	---
United States Antarctic program activities	750,000	750,000	750,000	750,000	---	---
National Transportation Safety Board						
Salaries and expenses	199,000	199,000	199,000	199,000	---	---
Pennsylvania Avenue Development Corporation						
Salaries and expenses	18,000	18,000	18,000	18,000	---	---

SUPPLEMENTAL APPROPRIATIONS, FY 1985 (H.R. 2577)

	Supplemental Request	House	Senate	Conference	--- Conference compared with --- House	Senate
Securities and Exchange Commission						
Salaries and expenses	1,045,000	1,294,000	1,045,000	1,045,000	-249,000	---
Smithsonian Institution						
Salaries and expenses	1,906,000	1,906,000	1,906,000	1,906,000	---	---
Salaries and expenses, National Gallery of Art	363,000	363,000	363,000	363,000	---	---
Salaries and expenses, Woodrow Wilson International Center for Scholars	16,000	16,000	16,000	16,000	---	---
Total, Smithsonian Institution	2,285,000	2,285,000	2,285,000	2,285,000	---	---
Total, Other Independent Agencies	13,675,000	12,906,000	13,157,000	13,157,000	(251,000	---
United States Holocaust Memorial Council						
Holocaust Memorial Council	13,000	13,000	13,000	13,000	---	---
United States Tax Court						
Salaries and expenses	350,000	350,000	350,000	350,000	---	---
TITLE II - INCREASED PAY COSTS						
TOTAL - New budget (obligational) authority	2,456,768,000	1,744,391,000	1,335,730,000	1,415,470,000	-328,921,000	179,740,000
(Increase in limitations)	(862,000)	(598,000)	(598,000)	(598,000)	---	---
(Limitation on administrative expenses)	(3,861,000)	(1,774,000)	(2,145,000)	(2,145,000)	(371,000)	---
(Trust fund transfer)	(148,000)	---	---	---	---	---
(By transfer)	(89,654,000)	(619,188,000)	(998,237,000)	(944,765,000)	(325,577,000)	(-53,472,000)
TITLE I - GENERAL SUPPLEMENTALS						
Chapter II:						
Agriculture:						
New budget (obligational) authority	3,436,072,000	4,453,126,000	4,464,569,000	3,468,772,000	-984,354,000	-995,797,000
Appropriations	(3,323,072,000)	(4,340,126,000)	(4,360,772,000)	(3,357,556,000)	(-982,570,000)	(-1,003,216,000)
Rescissions	---	---	(-9,203,000)	(-1,784,000)	(-1,784,000)	(-7,419,000)
Authority to borrow	(113,000,000)	(113,000,000)	(113,000,000)	(113,000,000)	---	---
Chapter III:						
Commerce, Justice, State and the Judiciary:						
New budget (obligational) authority	423,704,000	326,579,000	481,359,000	534,416,000	+207,837,000	+53,057,000
Appropriations	(444,404,000)	(401,342,000)	(554,658,000)	(604,438,000)	(+203,096,000)	(+50,380,000)
Rescissions	---	(-54,063,000)	(-51,999,000)	(-49,322,000)	(+4,741,000)	(+2,677,000)
Appropriation for debt reduction	(-20,700,000)	(-20,700,000)	(-20,700,000)	(-20,700,000)	---	---
(By transfer)	(35,978,000)	(17,462,000)	(20,464,000)	(23,066,000)	(5,602,000)	(2,600,000)
(Limitation on direct loans)	(-6,000,000)	---	---	---	---	---
(Limitation on guaranteed loans)	(-175,333,000)	---	---	---	---	---
(Deferral actions - net)	---	(8,500,000)	(8,500,000)	(8,500,000)	---	---
Chapter III:						
Defense:						
New budget (obligational) authority	---	---	74,000,000	35,000,000	+35,000,000	-39,000,000
(By transfer)	---	(240,000,000)	(14,000,000)	---	(-240,000,000)	(-14,000,000)
Chapter IV:						
Energy and Water Development:						
New budget (obligational) authority	---	113,150,000	62,409,000	111,120,000	-2,030,000	+48,711,000
Appropriations	---	(113,150,000)	(96,800,000)	(119,400,000)	(+6,250,000)	(+22,600,000)
Rescissions	---	---	(-34,391,000)	(-8,280,000)	(-8,280,000)	(+26,111,000)
Chapter V:						
Foreign Operations:						
New budget (obligational) authority	2,496,036,436	2,275,036,436	2,496,036,436	2,525,036,436	+250,000,000	+29,000,000
(By transfer)	(5,686,000)	(5,686,000)	(15,343,000)	(16,100,000)	(+10,414,000)	(+757,000)
(Limitation on callable capital subscriptions)	(1,219,023,979)	(1,219,023,979)	(1,219,023,979)	(1,219,023,979)	---	---
Chapter VI:						
Housing & Urban Development-Independent Agencies:						
New budget (obligational) authority (net)	-353,940,000	-389,146,000	-198,717,000	-295,006,000	+94,140,000	-96,289,000
Appropriations	(175,000,000)	(239,700,000)	(331,220,000)	(260,220,000)	(+20,520,000)	(-91,000,000)
Rescissions	---	(-99,986,000)	(-26,997,000)	(-26,284,000)	(+73,620,000)	(-5,287,000)
Rescission of contract authority	(-528,940,000)	(-528,940,000)	(-528,940,000)	(-528,940,000)	---	---
(By transfer)	(5,771,000)	---	(7,100,000)	(5,105,000)	(+5,105,000)	(-1,995,000)
(Limitation on indefinite contract authority)	(-23,367,000)	(-23,367,000)	(-23,367,000)	(-23,367,000)	---	---
Chapter VII:						
Interior and Related Agencies:						
New budget (obligational) authority (net)	68,841,000	89,155,000	122,493,000	194,433,000	+105,278,000	+71,940,000
Appropriations	(68,841,000)	(146,037,000)	(181,667,000)	(251,367,000)	(+105,330,000)	(+69,700,000)
Rescissions	---	(-56,882,000)	(-59,174,000)	(-56,934,000)	(-52,000)	(+2,240,000)
(By transfer)	(29,966,000)	(4,900,000)	(4,900,000)	(4,900,000)	---	---
(Deferral disapproval)	---	(1,179,388,316)	(321,785,000)	(642,659,000)	(-536,729,316)	(+320,874,000)
(Effect of new deferral)	---	(-8,808,000)	(-5,808,000)	(-10,408,000)	(-1,600,000)	(-4,600,000)
Chapter VIII:						
Labor, Health and Human Services, and Education:						
New budget (obligational) authority	4,208,750,000	4,592,841,000	4,778,295,000	4,714,838,000	+121,997,000	-63,457,000
(By transfer)	(35,591,000)	---	---	---	---	---

SUPPLEMENTAL APPROPRIATIONS: FY 1985 (HR 2577)

	Supplemental Request	House	Senate	Conference	Conference compared with House	Conference compared with Senate
(Limitation on administration)	(-12,274,000)	---	---	---	---	---
(Limitation of trust fund transfer)	(-41,048,000)	(30,000,000)	---	(20,000,000)	(-10,000,000)	(+20,000,000)
(Deferral actions - net)	---	---	(4,000,000)	(4,000,000)	(+4,000,000)	---
Chapter IX:						
Legislative Branch:						
New budget (obligational) authority	36,276,000	20,460,100	33,880,100	36,880,100	+16,420,000	+3,000,000
Chapter X:						
Transportation:						
New budget (obligational) authority	21,619,000	6,424,000	44,014,000	42,414,000	+35,990,000	-1,600,000
Appropriations	(86,123,000)	(90,110,000)	(124,300,000)	(128,100,000)	(+37,990,000)	(+3,800,000)
Rescissions	---	(-19,182,000)	(-15,682,000)	(-21,182,000)	(-2,000,000)	(-5,500,000)
Appropriation for debt reduction	(-64,504,000)	(-64,504,000)	(-64,504,000)	(-64,504,000)	---	---
(By transfer)	(29,136,000)	(4,831,000)	(26,345,000)	(26,295,000)	(+21,464,000)	(-50,000)
(Change in limitation on administrative expenses)	---	(-469,000)	(-469,000)	(-469,000)	---	---
(Limitation on Working capital fund)	---	(-30,000)	(-1,000,000)	(-1,000,000)	(-970,000)	---
(Deferral actions - net)	---	---	(30,000,000)	(30,000,000)	(+30,000,000)	---
Chapter XII:						
Treasury Postal Service & General Government:						
New budget (obligational) authority	76,647,000	198,099,000	221,499,000	222,299,000	+24,200,000	+800,000
Appropriations	(76,647,000)	(246,327,000)	(269,727,000)	(270,527,000)	(+24,200,000)	(+800,000)
Rescissions	---	(-48,228,000)	(-48,228,000)	(-48,228,000)	---	---
(Limitation on availability of revenue)	(4,225,000)	(28,033,000)	(4,225,000)	(28,033,000)	---	(+23,808,000)
Chapter XIII:						
District of Columbia:						
New budget (obligational) authority	14,180,000	---	14,180,000	14,180,000	+14,180,000	---
District of Columbia funds (net)	(83,448,000)	---	(65,798,000)	(79,872,000)	(+79,872,000)	(+14,074,000)
Operating Expenses	(99,140,000)	---	(77,896,000)	(95,564,000)	(+95,564,000)	(+17,668,000)
Rescissions	(-15,692,000)	---	(-12,098,000)	(-15,692,000)	(-15,692,000)	(-3,594,000)
TITLE I - GENERAL SUPPLEMENTALS						
TOTAL - New budget (obligational) authority (net)	10,428,185,436	11,685,724,536	12,594,017,536	11,604,382,536	-81,342,000	-989,635,000
Appropriations	(10,929,329,436)	(12,465,129,536)	(13,334,835,536)	(12,317,542,536)	(-147,587,000)	(-1,017,293,000)
Appropriations for debt reduction	(-85,204,000)	(-85,204,000)	(-85,204,000)	(-85,204,000)	---	---
Authority to borrow	(113,000,000)	(113,000,000)	(113,000,000)	(113,000,000)	---	---
Rescissions	---	(-278,261,000)	(-239,674,000)	(-212,016,000)	(+66,245,000)	(+27,658,000)
Rescission of contract authority	(-528,940,000)	(-528,940,000)	(-528,940,000)	(-528,940,000)	---	---
(Deferral disapproval)	---	(1,190,175,316)	(366,572,000)	(687,446,000)	(-502,729,316)	(+320,874,000)
(Effect of new deferral)	---	(-8,808,000)	(-5,808,000)	(-10,408,000)	(-1,600,000)	(-4,600,000)
(Limitation of trust fund transfer)	(-41,048,000)	(30,000,000)	---	(20,000,000)	(-10,000,000)	(+20,000,000)
(By transfer)	(142,128,000)	(272,879,000)	(88,152,000)	(75,464,000)	(-177,415,000)	(-12,688,000)
(Limitation on callable capital subscriptions)	(1,219,023,979)	(1,219,023,979)	(1,219,023,979)	(1,219,023,979)	---	---
(Limitation on availability of revenue)	(4,225,000)	(28,033,000)	(4,225,000)	(28,033,000)	---	(+23,808,000)
(Increase in limitation on administrative expenses)	(-12,274,000)	(-469,000)	(-469,000)	(-469,000)	---	---
(Limitation on indefinite contract authority)	(-23,367,000)	(-23,367,000)	(-23,367,000)	(-23,367,000)	---	---
(Change in limitation on direct loans)	(-6,000,000)	---	---	---	---	---
(Change in limitation on guaranteed loans)	(-175,333,000)	---	---	---	---	---
(Limitation on Working capital fund)	---	(-30,000)	(-1,000,000)	(-1,000,000)	(-970,000)	---
(District of Columbia funds net)	(83,448,000)	---	(65,798,000)	(79,872,000)	(+79,872,000)	(+14,074,000)
TITLE II - INCREASED PAY COSTS						
TOTAL - New budget (obligational) authority	2,456,768,000	1,744,391,000	1,335,730,000	1,415,470,000	-328,921,000	+79,740,000
(Increase in limitations)	(862,000)	(598,000)	(598,000)	(598,000)	---	---
(Increase in limitation on administrative expenses)	(3,861,000)	(1,774,000)	(2,145,000)	(2,145,000)	(+371,000)	---
(Trust fund transfer)	(148,000)	---	---	---	---	---
(By transfer)	(89,654,000)	(619,188,000)	(998,237,000)	(944,765,000)	(+325,577,000)	(-53,472,000)
GRAND TOTAL						
TOTAL - New budget (obligational) authority (net)	12,884,953,436	13,430,115,536	13,929,747,536	13,019,852,536	-410,263,000	-909,895,000
Appropriations	(13,386,097,436)	(14,209,520,536)	(14,670,565,536)	(13,733,012,536)	(-476,508,000)	(-937,553,000)
Appropriations for debt reduction	(-85,204,000)	(-85,204,000)	(-85,204,000)	(-85,204,000)	---	---
Authority to borrow	(113,000,000)	(113,000,000)	(113,000,000)	(113,000,000)	---	---
Rescissions	---	(-278,261,000)	(-239,674,000)	(-212,016,000)	(+66,245,000)	(+27,658,000)
Rescission of contract authority	(-528,940,000)	(-528,940,000)	(-528,940,000)	(-528,940,000)	---	---
(Deferral disapproval)	---	(1,190,175,316)	(366,572,000)	(687,446,000)	(-502,729,316)	(+320,874,000)
(Effect of new deferral)	---	(-8,808,000)	(-5,808,000)	(-10,408,000)	(-1,600,000)	(-4,600,000)
(By transfer)	(231,782,000)	(892,067,000)	(1,086,389,000)	(1,020,229,000)	(+128,162,000)	(-66,160,000)
(Increase in limitations)	(862,000)	(598,000)	(598,000)	(598,000)	---	---
(Limitation on callable capital subscriptions)	(1,219,023,979)	(1,219,023,979)	(1,219,023,979)	(1,219,023,979)	---	---
(Limitation on availability of revenue)	(4,225,000)	(28,033,000)	(4,225,000)	(28,033,000)	---	(+23,808,000)
(Change in limitation on administrative expenses)	(-8,413,000)	(1,305,000)	(1,676,000)	(1,676,000)	(+371,000)	---
(Limitation on indefinite contract authority)	(-23,367,000)	(-23,367,000)	(-23,367,000)	(-23,367,000)	---	---
(Limitation of trust fund transfer)	(-40,900,000)	(30,000,000)	---	(20,000,000)	(-10,000,000)	(+20,000,000)
(Change in limitation on direct loans)	(-6,000,000)	---	---	---	---	---
(Change in limitation on guaranteed loans)	(-175,333,000)	---	---	---	---	---
(Limitation on Working capital fund)	---	(-30,000)	(-1,000,000)	(-1,000,000)	(-970,000)	---
(District of Columbia funds net)	(83,448,000)	---	(65,798,000)	(79,872,000)	(+79,872,000)	(+14,074,000)

Mrs. BENTLEY. Mr. Speaker, one of the 20 authorized projects included in the water resources supplemental appropriations bill is near and dear to my heart—namely that of deepening the main ship channel leading into the Port of Baltimore which project was authorized 15 years ago in 1970.

I wish to take this time to commend the work of Chairman WHITTEN and Mr. BEVILL of the Appropriations Committee, Chairman HOWARD of the Committee on Public Works and Transportation, Chairman ROE and Mr. STANGELAND of the Subcommittee on Water Resources in their contribution to the passage of the water resources supplemental appropriations bill. Their efforts are most appreciated in resolving the difficult problem of funding both authorized and unauthorized water projects.

In my home State of Maryland, the Port of Baltimore which is an authorized water project is close to having all the preliminary work necessary completed before actual port development begins. The State of Maryland is prepared to meet the Federal Government's cost-sharing formula and proceed with dredging in the Chesapeake Bay. The State has conducted a study of its own in order to reduce the overall cost of the project by more than $110 million by narrowing the width of the 50-foot channel. Maryland has indicated it will sell its World Trade Building and issue bonds to provide the funds for its share of the costs prior to the 50-foot channel. The sum of $53 million already has been invested by Maryland to build up Hart Miller Island as a disposal site for anticipated dredging sludge.

The entire Maryland delegation has been working to bring this about and is behind it all the way. After the dredging, larger ships will be free to enter the Baltimore Port. Greater means for trade will create more jobs and a stronger economy with the importation and exportation of goods. The steel industry will greatly benefit from an increase of maritime trade.

The Baltimore ship channel is also vital to providing the measure for the United States to improve its exports—of coal and grain—and thus keep our balance of trade. It is a project also equally important to keeping a steel mill alive—by allowing deeper draft ships—more heavily laden with iron ore to call on our steel mill—and therefore providing cheaper steel.

In conclusion, Mr. Speaker, I wish to express my praise in the action by this Congress in working to bring about new water construction projects that have been in the waiting for over a decade. Our water resource infrastructure needs such as inland waterways and port development have managed to continue to contribute to this Nation's economic development over this past 10 years without necessary funding. However, today with the decision of both the House and Senate to reach an agreement on the House/Senate conference report of the supplemental appropriations bill for fiscal year 1985 on the funding of water construction projects, we can rest assured that necessary investments will be provided to our Nation's water projects. We can expect greater economic growth resulting from today's action by this Congress.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

A motion to reconsider was laid on the table.

SENSE-OF-CONGRESS RESOLUTION ON SETTLEMENT OF SCHEDULED BASEBALL STRIKE

Mr. CHAPPELL. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor be discharged from further consideration of the resolution (H. Res. 252) to urge negotiators for major league baseball owners and players to quickly settle their differences and avoid a scheduled players' strike, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 252

Whereas baseball is America's national pastime;

Whereas major league baseball is an important source of family-oriented entertainment for millions of Americans;

Whereas major league baseball teams are a source of local pride for fans in communities across the Nation, as well as providers of substantial revenues and employment opportunities in related businesses.

Whereas the Major League Baseball Players Association has voted to strike on Tuesday, August 6, 1985, unless they have reached a new collective-bargaining agreement with team owners by then;

Whereas a prolonged players' strike would result in the cancellation of hundreds of baseball games, the loss of millions of dollars to related businesses, and endanger the long-term interests of the sport; and

Whereas those who would suffer greatest during a baseball players' strike would be the fans: Now, therefore, be it

Resolved, That it is the sense of the House that the Major League Baseball Players Association and team owners have a responsibility to the baseball fans of America to ensure that the current season is not interrupted, and that the parties and the Commissioner of Baseball should do everything in their power to avoid a strike by players.

Mr. CHAPPELL (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CHAPPELL. Mr. Speaker, this is a resolution introduced by the gentleman from Massachusetts [Mr. CONTE] and myself which touches the question of the proposed strike or planned strike of August 6, 1985, by the Major League Baseball Players' Association if they have not by that time reached a collective-bargaining agreement with the team owners.

It simply provides that it is the sense of the House that the Major League Baseball Players' Association and team owners have a responsibility to the baseball fans of America to ensure that the current season is not interrupted and that all the parties, including the Commissioner of Baseball, should do everything in their power to avoid a strike by players.

Mr. Speaker, I urge its passage.

Mr. CONTE. Mr. Speaker, I rise in strong support of this resolution introduced by my good friend BILL CHAPPELL, the Democratic baseball coach, and myself.

Mr. Speaker, this resolution urges those individuals negotiating a contract for major league baseball players and league owners to come to a speedy settlement on the differences facing them. A prompt resolution of the problems will avoid a baseball strike—which no one, I think, wants to see.

Baseball is America's pasttime. It is America's sport. The fans in this country have great pride in their State's or community's baseball teams, and they do not want to see a strike. A baseball team produces millions of dollars in revenue to local communities. They provide jobs to small businesses and, as I said, are a great source of pride to their host cities.

The Major League Baseball Players' Association has voted to strike on August 6—less than 1 week from now—unless they reach a new collective-bargaining agreement with team owners. We do not want to see this happen. It would result in the cancellation of games; a prolonged strike could postpone the World Series—and since at least some of those seven games will hopefully be played in Boston this year, where it can snow very early, I certainly don't want to see a World Series being played on Thanksgiving.

Thus, I would urge my colleagues to support this resolution, and send a message to the baseball players, management, and league owners that the Congress urges a speedy settlement to the differences separating them. The resolution doesn't take sides; it merely

urges everyone involved to recognize their responsibility to the baseball fans of America and the host cities of America's major league baseball teams. We don't want a strike. We want the problems resolved as soon as possible, fairly, for all sides.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO FILE SUPPLEMENTAL REPORT TO ACCOMPANY HOUSE REPORT 99-230 ACCOMPANYING H.R. 1, HOUSING ACT OF 1985

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the Committee on Banking, Finance and Urban Affairs may be permitted to file a supplemental report to accompany House Report 99-230, the report to accompany H.R. 1, the Housing Act of 1985.

The committee inadvertently excluded the explanation of title V of H.R. 1 from the committee report that was filed on July 26, 1985. This supplemental report would represent the committee's explanation of title V of the committee reported bill, H.R. 1.

Mr. Speaker, I have checked with the minority, and they are in agreement.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

□ 1600

MAKING IN ORDER ON THIS LEGISLATIVE DAY CONSIDERATION OF SENATE CONCURRENT RESOLUTION 32, FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1986

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that if the Committee on Rules reports a special order providing for the consideration of the conference report and any amendment in disagreement on Senate Concurrent Resolution 32, it shall be in order to consider the same on this legislative day notwithstanding the provisions of clause 4(b) of rule XI.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 3008, FEDERAL EQUITABLE PAY PRACTICES ACT OF 1985

Mr. WHEAT. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 241 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 241

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3008) to promote equitable pay practices and to eliminate discrimination within the Federal civil service, and the first reading of the bill shall be dispensed with. All points of order against the consideration of the bill for failure to comply with the provisions of clause 2(l)(6) of rule XI and section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) are hereby waived, and all points of order against the bill for failure to comply with the provisions of clause 5(a) of rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be considered for amendment under the five-minute rule, and each section shall be considered as having been read. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Missouri [Mr. WHEAT] is recognized for 1 hour.

Mr. WHEAT. Mr. Speaker, for the purposes of debate only, I yield 30 minutes to the gentleman from Mississippi [Mr. LOTT], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 241 is an open rule providing for consideraton of H.R. 3008, the Federal Equitable Pay Practices Act of 1985. The rule provides for 1 hour of general debate to be divided equally between the chairman and ranking minority member of the Committee on Post Office and Civil Service. The rule further provides that the bill shall be considered for amendment under the 5-minute rule and that each section of the legislation shall be considered as having been read.

All points of order against consideration of the legislation for failure to comply with clause 2(l)(6) of rule XI, that is the 3-day layover rule for committee reports, are waived. Although the Post Office and Civil Service Committee ordered the bill reported on July 24, 1985, the report was not actually filed until July 29th. Since the printed copy of the report has not been available to Members for the required 3 days, a waiver of clause 2(l)(6) of rule XI is necessary.

All points of order against consideration of the bill for failing to comply with secton 402(a) of the Congressional Budget Act are also waived. Section 402(a) provides that it shall not be in order to consider any bill which authorizes the enactment of new budget authority for a fiscal year unless that bill has been reported on or before May 15 preceding the beginning of such fiscal year.

H.R. 3008 indirectly authorizes the enactment of new budget authority. Since the bill will become effective upon enactment, that is in fiscal year 1985, and since it was not reported on or before May 15, 1984, a waiver of section 402(a) of the Congressional Budget Act is needed.

Mr. Speaker, the rule also waives clause 5(a) of rule XXI against consideration of the bill. Clause 5(a) of rule XXI prohibits appropriations in a legislative bill.

Section 9 of H.R. 3008 provides that funds appropriated to the Office of Personnel Management for general operating expenses be made available to carry out this act. This provision allows previously appropriated funds to be used for new activities and thus, constitutes an appropriation. Since H.R. 3008 is not an appropriations measure, a waiver of clause 5(a) of rule XXI is needed.

Finally, the rule provides for one motion to recommit.

Mr. Speaker, H.R. 3008 established an 11 member "Commission on Equitable Pay Practices". The commission will be responsible for hiring a consultant and overseeing its study of the Federal pay and classification systems. The study, which will last no longer than 18 months, will determine if and to what extent, a Federal employee's classification and wages are affected by sex, race and ethnicity. After the study is completed, the commission will present its findings, conclusions and recommendations regarding administrative and legislative remedies to the President and Congress.

Mr. Speaker, over the past 20 years, Congress has taken great strides to ensure that all of our citizens have equal rights under the law. The Education Amendments of 1972; the Rehabilitation Act of 1973; the Age Discrimination Act of 1975 and the Civil Rights Act of 1964 are all measures which Congress enacted to ensure that no citizen be denied rights because of race, ethnicity or sex.

We have accomplished a great deal in this body and the other body but when a women earns 62.8 cents for every dollar that a man earns, it is clear that inequality still exists. Mr. Speaker, this injustice must be eradicated in order that this country realize equality. H.R. 3008 will bring us one step closer to our realization.

I urge that we adopt the rule so that the House can proceed to consideration of this important measure.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, why would anyone want to oppose a simple little 1-hour, open rule providing for the consideration of an innocuous sounding bill called the Federal Equitable Pay Practices Act? Surely we are all for open rules and equitable pay practices.

But in this case there's more involved than meets the eye. If there weren't, the proponents of this legislation wouldn't mind if the House followed its normal rules and took the time to at least read the report on this bill. But no, this rule waives the 3-day report availability requirement meaning that many Members will have no idea what's in the bill or what they are voting on. Ignorance may be bliss for some, but when it comes to legislative, it's inexcusable.

Why then is there such a big rush to pass this bill prior to the August recess? Is this a necessary authorization that must be enacted before the new fiscal year? No. And yet, many other must authorization bills continue to languish in our Rules Committee while we merrily put the appropriations cart before the authorization horse. And now, to add insult to injury, we inject a $2 million study commission bill.

Is this a special emergency situation that cries out for an immediate Federal response? No. This isn't a disaster relief bill. It's a big buck consultant relief bill that will take anywhere from 18 months to 2 years to complete. There's no rush to start this compared to our more urgent budgetary situation and our must authorization bills. The fact is, I heard nothing during our Rules Committee hearing on this to even hint that this involved an emergency situation that might justify waiving our 3-day rule. This is not something we should do lightly if we value our brains.

So what's the rush? One witness, the gentleman from Indiana [Mr. BURTON], pointed out that there is a court decision expected in August in the Ninth Circuit Court of Appeals that will have an important bearing on this issue. Could it be that the proponents fear that decision could undermine this legislation? At the very least, couldn't our action on this wait until September when we can make a more informed judgment on the basis of that decision? What's the rush?

But then I began to take a closer look at this fine-sounding bill, and it slowly dawned on me why someone would want to rush this through. On the one hand we are told this is going to be a bipartisan, balanced, and objective Commission. But, when you look at this bill you find the deck is stacked: 4 employee organization representatives of labor, women, and minorities, plus 2 democratic appointees; that's 6 of the 11 members, a clear quorum and voting majority.

We are told that it is important that no member appointed to the Commission is currently employed by the Government either as a careerist or political appointee, "in order to promote objectivity and to allow the Commission to function independently of any policy or program of any administration." And yet the bill turns around and places on the Commission the "highest elected officials of the two largest Federal employee unions," and one representative each from Federal women's and minority employee organizations. Is it expected that these Commissioners will promote objectivity or will not promote the policies and programs of the organizations they represent and are paid by?

We are told that this bill only authorizes a little study by a consultant to be hired by the Commission. And yet the bill turns around and gives the Commission authority to determine which differentials in the study are discriminatory and to recommend any administrative as well as legislative actions. We are giving the Commission quasi-judicial authority to both determine which differentials are discriminatory and how they may be remedied by administrative action. This comes close to the kind of authority which currently resides in the EEOC and Civil Rights Commission. So it's more than just a little study.

We were told, however, by the chief sponsor of this bill in her testimony before the Rules Committee, that this neither establishes a national pay policy, nor prescribes any specific remedies; it only "reaffirms the principles outlined in our civil rights laws which prohibit discrimination" in setting pay for Federal workers. And yet, the bill in section 6 only says that it "shall not be construed to limit any of the rights or remedies" provided under the Civil Rights Act and other antidiscrimination laws. It says nothing about not expanding those rights and remedies. And that's because this new theory of comparable worth would do just that—establish new rights and remedies.

I would think we would give serious and second thoughts to a study which could be used in a court of law to prove that a certain pay system or job classification system is inherently discriminatory because a certain sex, ethnic group, or minority group is disproportionately represented. And yet that prospect is not farfetched. That's what the Washington case was about as I understand it.

Mr. Speaker, we made a simple little attempt in the Rules Committee to bring Congress and the judicial branch under existing law—title VII of the Civil Rights Act which prohibits everyone else from discriminating. The amendment was proposed by the gentlelady from Illinois [Mrs. MARTIN]. And yet it was turned back on a party-line vote. How is it that we are so ready to tell the rest of government that it might have discriminatory job or pay systems under a new comparable worth theory, when we aren't yet willing to bring ourselves under existing civil rights laws? When you can justify that one for me I'll vote for this rule. In the meantime, I won't.

□ 1610

Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. TAYLOR], a member of the Post Office and Civil Service Committee.

Mr. TAYLOR. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, House Resolution 241 is the rule under which the House is being asked to consider one of the most controversial issues I have seen in my 13 years of membership here in this body, whether we will have a comparable worth study of Federal civil service jobs.

I join my colleague, the gentleman from Mississippi [Mr. LOTT], in urging the defeat of this rule.

Mr. Speaker, this rule waives one of the primary rules of the House, the rule requiring reported bills and committee reports to be available for 3 days before the bill can be called to the floor for consideration.

This rule should be rejected because it is unfair to the Members of this House. This rule attempts to short circuit the legislative process. This rule tosses aside the rules of the House, in order to make it possible to ramrod the bill through the House as quickly as possible, without adequate time to fully explore and resolve the issues presented in this legislation.

This rule asks the House to rush to judgment, 1 day before we are scheduled to adjourn for our district work period, on a very controversial and a very complex bill, the so-called Federal equitable pay practices legislation.

Mr. Speaker, the committee report has not been available for the required 3 days. It has only been available since about 1 p.m. today. That is simply not enough time. It is simply not fair to the Members of the House to force hasty consideration on this bill.

The Members of the House deserve an opportunity to examine the legislation, to read the committee report, to prepare questions for debate and to prepare amendments.

This rule does not give them enough time to do that, so from that standpoint it is procedurally unfair.

Mr. Speaker, if the Members are upset because the Rules Committee granted this waiver, they should also be concerned about the speed with which this legislation was handled in the Committee on Post Office and Civil Service. It may not be a new legislative record, but it sure was quick.

The bill was introduced on July 16, and here we are today on the floor of the House 2 weeks later. During the time I have been privileged to serve as the ranking minority member of the Committee on Post Office and Civil Service, I cannot recall our acting that fast on any other piece of legislation.

Mr. Speaker, the issues involved in this legislation are highly controversial, and because we are on the verge of taking them up with such haste, there is a genuine concern that the House will be acting in a rash or careless manner.

My good friend and colleague, the gentlewoman from Ohio [Ms. OAKAR], is quite sincere in her belief that this study of pay differentials called for in the bill is merely an effort to determine whether we have discrimination based upon sex or upon race or in regard to the setting of pay rates.

Mr. Speaker, I applaud the gentlewoman from Ohio for her determination and I have no reservations about her intentions. When one looks at the criteria contained in the bill, however, one sees that it is based on the notion that Federal civil service jobs have a measurable, economic worth which can be determined logically and compared objectively to other and different jobs.

This is an ill-conceived notion, because Federal civil service jobs do not have a measurable, economic worth, and they cannot be compared objectively to each other. The study is, therefore, dedicated to doing something which in my judgment, is impossible.

Mr. Speaker, the theory that underlies this bill is often referred to as the comparable worth theory, which holds that jobs have intrinsic, measurable values, and dictates that salaries be based on those determined values.

□ 1620

One of the most controversial aspects of the bill is that it embraces the proposition that differences in income between men and women and the concentration of women in certain occupations are proof of discrimination.

Mr. Speaker, equal opportunity is the law of this land, and one that we all embrace. Equal pay for equal work is the law. But comparable worth is not the law, at least not yet.

Mr. Speaker, I might add that every agency of the Federal Government has an equal opportunity division within it to see to it that the laws of our land are obeyed, to see to it that we do not have discrimination in pay rates based upon sex or race. I think it works quite well. The avenues for redress of grievances are open to all Federal employees and welcome and should be.

But this bill does not address those issues of equal opportunity.

Since the bill appears to define discrimination on the basis of the comparative value of different jobs, it does present a significant departure from the clear standard of the Equal Pay Act. I do not see how we can have equal pay for equal work, which is the law, and also have equal pay for unequal work.

Because the bill calls for a commission to determine the existence of discrimination on the basis of the comparative value of different jobs, the bill gives rise to substantial concern, not only in the civil service, but also in the private sector.

Mr. Speaker, these are unchartered waters. This is a whole new area. The whole area is a prescription for confusion, confrontation, dissension, and litigation, and probably a great deal of indigestion. Since there are a great number of amendments that have already been placed in the RECORD, I do not think it is time at this late hour, as we prepare to adjourn, to consider this controversial piece of legislation, and I would urge the defeat of this rule and yield back the balance of my time.

Mr. LOTT. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. SENSENBRENNER].

Mr. SENSENBRENNER. Mr. Speaker, I rise in opposition to the rule and to H.R. 3008 as reported by the House Committee on Post Office and Civil Service.

H.R. 3008 has been cloaked as a mere study. However, as drafted, H.R. 3008 would radically change existing antidiscrimination laws by sanctioning a commission to conduct a study which recognizes a presumption of discrimination when job evaluations cannot explain every detail in the wage gap.

As reported, H.R. 3008 would:

First, trigger expensive litigation if wage adjustments were not made pursuant to this study. The State of Washington, for instance, may be liable for hundreds of millions of dollars as a result of its comparable worth study;

Second, set a dangerous precedent for private sector employers; and

Third, provide a congressional endorsement of the fundamentally flawed concept of comparable worth.

Although H.R. 3008 defines job evaluation techniques as objective, job evaluations are inherently subjective. For example, comparable worth job evaluators rated a nurse to be worth 150 points in Wisconsin; 124 points in Iowa; 79 points in Minnesota and 108 points in Washington.

It's interesting to note that unions are some of the strongest supporters of comparable worth to end the wage gap. These unions are the same entities who negotiated the current contracts which they now claim are low. These are the same unions that negotiated the various contracts in industries dominated by male workers that have high wages. These are the same unions that have kept and still keep women from apprenticeship in various trades and industries. They come to this issue with unclean hands.

Apart from the economic issues, the legal precedent H.R. 3008 would establish is far-reaching. With the exception of AFSCME versus State of Washington which is on appeal, the courts have unanimously refused to accept job evaluation studies. In *American Nurses Association* v. *Illinois*, 606 F. Supp. 1313 Judge Kocoras stated "because jobs do not have an intrinsic value that can be scientifically measured, the limitations inherent in job evaluation techniques prohibit the proposed extension of title VII. This conclusion would be significantly weakened.

I urge my colleagues to vote "no" on H.R. 3008 and I insert in the RECORD a document entitled "a legal analysis of H.R. 3008" and a letter to the editor.

A LEGAL ANALYSIS OF H.R. 3008 as Reported

On July 24, H.R. 3008 was reported out of the House Post Office and Civil Service Committee with a committee amendment.

The amendment changes language in the bill regarding a presumption that discrimination is the cause of otherwise unexplained wage differentials in the Federal workforce between predominantly men's and women's jobs or jobs disproportionately represented in terms of race or ethnicity (defined as being of Hispanic origin). Instead of asserting that discrimination is the cause of the wage differentials left unexplained by job-content economic analyses, the amendment states that discrimination may be the cause, and assigns this determination of casualty to a commission that H.R. 3008 would establish.

The claim is made that the committee amendment renders an exceedingly bad bill relatively innocuous and, therefore, supportable by opponents of comparable worth. The argument behind this claim is that the amendment removes from the bill the conclusion that, as a matter of law, any unexplained wage differentials arrived at by the studies mandated by the bill are the result of discrimination. The Myers amendment, the argument goes, at least raises the possibility that the commission may decide that discrimination does not account for these unexplained wage differentials or that it only explains a portion of them.

The amendment does not ameliorate any of the problems that we previously objected to in this bill, however. To begin with, it makes no sense to delegate to a politicized commission the responsibility to determine what, if any, portion of the unexplained wage differentials is attributable to discrimination, particularly in view of the composition of the commission as structured under H.R. 3008, which favors proponents of comparable worth.

Second, the amendment preserves the earlier expectation that the methods the bill specifies for identifying discrimination, job-content and economic analyses, can in fact do so with any precision. It would be a complete misuse of these methods to identify discrimination with the wage differentials, or any part of them, which these methods leave unexplained. Job evaluation is inherently subjective. The results of this analysis will not be bias free, but will instead reflect the opinions of the commission and the consultants chosen to execute the study.

Moreover, economic analysis is not a precise science. It can arrive at varied results through different methodologies, the choice of different variables, or the omission of other variables, some of which are simply not measurable. If variables are chosen for study that do not explain pay differentials as fully as variables that were not used, then the unexplained differential—a differential likely to be labelled a result of discrimination—will be greater. There are legitimate differences of opinion among researchers regarding the importance of different variables, and analysts arrive at extremely different conclusions with respect to the portion of wage differentials which cannot be explained.

Finally, it must be pointed out that the Committee amendment does not change the irrebuttable presumption of discrimination under H.R. 3008. Once the commission has

concluded that differentials are the result of discrimination, its determination must be accepted as final, and the government would be unable thereafter to rebut charges of discrimination by plaintiffs seeking implementation of the comparable worth study results. Such a presumption well may be extended to private employers that are contractors for the government through the auspices of the Office of Federal Contract Compliance.

The more far-reaching effect of H.R. 3008 on private sector cases is not addressed by the committee amendment. With the exception of the district court judge in *AFSCME* v. *State of Washington*, 578 F. Supp. 846 (D Wash. 1983), currently on appeal, courts have refused unanimously to accept job evaluation studies as evidence of discrimination in Title VII cases. With the passage of H.R. 3008, a bill that explicitly claims to carry out the intent of Title VII, it will be difficult for defendants in Title VII cases to rebut charges of discrimination based on job evaluation studies. The conclusion of Judge Kocoras in *American Nurses' Association* v. *State of Illinois*, 606 F. Supp. 1313 (N.D. Ill. 1985), that "[b]ecause jobs do not have an intrinsic value that can be scientifically measured, the limitations inherent in job evaluation techniques prohibit the proposed extension of Title VII" would be weakened significantly. Future plaintiffs filing Title VII suits against private employers would be able to make a strong argument that the results of job evaluation studies can suffice to prove discrimination on the basis of race, sex or ethnicity.

[From The Sounder, July 25, 1985]

COMPARABLE WORTH RAPPED

TO THE SOUNDER: The July 18th issue of The Sounder had a letter from a Madison special interest group praising the legislature and Gov. Earl for the budget passed and comparable worth.

Praise should go to those legislators that represent this area that voted no on the budget which included comparable worth.

An 18 per cent increase is a slap in the face to the residents of this state. The big spenders should be told where the door is.

Comparable worth is the most ridiculous idea to be jammed down our throats since raising the sales tax 1 per cent to relieve property taxes and then not applying it to property tax relief.

Comparable worth should not be called pay equity, but what it really is: equal pay for unequal work. This is an experiment that Wisconsin taxpayers are going to pay a lot of money for. The money will be mostly spent administering a program that directly conflicts with free enterprise and the law of supply and demand. Actually, it is perfect for creating a larger governmental bureaucracy.

The letter in The Sounder referred to business supporting pay equity. Sure business supports pay equity under a different definition. I would interpret and I'm sure the survey respondents did also assume pay based on equal would mean pay based on equal pay for equal work. Comparable worth tries to compare on a subjective basis one job with another job—and has little or no business support anywhere in the free world.

When are the people of the State of Wisconsin going to wake up and get rid of the element here that comes up with experiments like comparable worth? Are we that financially sound in this state to undertake such a project? I hardly think so and our governor should know that too!

Sincerely,

JAMES H. HEINZELMAN,
3526 W. Fredonia-Kohler Rd.,
Fredonia, WI 53021.

Mr. LOTT. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. MYERS].

Mr. MYERS of Indiana. Mr. Speaker, I thank my friend from Mississippi for yielding this 5 minutes. I take this time in the rule to speak for the rule and for the bill because I have been told that even though I am the ranking Republican member of the subcommittee that reported this bill that I shall not control the time today. So I take this time today on this rule to say I support the rule and I support the bill.

For my support I have received some criticism from some in this body and from some throughout the country because I am a conservative. I am not supposed to be for new ideas, I guess, or fairness. And I am sorry about some of the statements that have been made and will be made, and probably some of the distortions that may be made about what is in this bill.

I commend our chairman, the gentlewoman from Ohio [Ms. OAKAR]. I have found her to be most cooperative on some of the differences we have had on my side, the Republican side, where there were many serious disagreements. I had some disagreements with H.R. 27, but our chair was most cooperative. Not completely, this is not exactly the bill that I would like to see. There are still some questions about this bill, and there may be some amendments that I may support that come along. But in the whole, in the main, I do support the thrust of this bill.

I thank our chair for being cooperative to even changing the bill number by reintroducing the bill to satisfy the wishes and the questions that the minority raised, the Republicans on the committee. She changed the composition of the committee to make it more bipartisan, more equitable in the commission because there were serious questions, rightfully so, about the composition, being slanted. It may be slanted one way or the other right now. But at least it is much more fair than it was originally.

The authority in section 7 is where I had the most disagreement which does spell out the job to be done by the commission, and by the consultant that will be hired by the commission. There was a presumption of guilt that was written into H.R. 27, and originally into H.R. 3008, the bill we have here. But the chair and the majority, even though they had the votes to push their bill if they wanted to, they did cooperate in softening the langauge. This is language that was changed in the full committee. It is on page 12 of the bill and it is lined out. It says:

Any portion of a differential identified under paragraph (1) which cannot be accounted for by the application of job content and economic analysis is inconsistent with the general policy expressed in section 2(a) that sex, race, and ethnicity should not be among the factors considered in determining any rate of pay.

This, in the judgment of some of us, would trigger and would cause reason for some unnecessary lawsuits. That was changed and that language was struck and a softer approach was taken, through the insistence of some of us in the minority. It is not completely satisfactory in the entire section, and there are some questions in my mind. But some of these things will come up on debate, I am sure, and we will clarify what the intent is here.

But no one can disagree that we have not already, through our hearings and through the mail we have received, we know that there are reported some irregularities, some statistical differences in pay between men and women employed by the Federal Government. We do not know why this is so, and that is the purpose of this study.

□ 1630

But those who say we give extra judicial authority to the commission or the consultant, that is not in today's bill. I do not think they have read the bill we have today. There is a pay gap, we all recognize this.

As a parent of two children who happen to have been born female, through no fault of theirs or mine, I guess, that I know about, I think they should be paid just as much for the same work as if they had been born male. Now I cannot say that my children or yours or you wife or your sister or your aunt, mother, grandmother should be paid less because they were born female and are willing to work for less. This is a study to see if that really occurs in the Federal Government. It does not touch anybody outside the Federal Government. I do not understand the fear that some people have.

But nevertheless, this is just a study.

The cost, some will object to, there is going to be no cost to the Federal Government as far as forcing a pay increase that we know of unless they are already paying Federal employees who happen to be females less.

It is going to cost something for the study, but I think it is a fair one and I support it.

Mr. WHEAT. Mr. Speaker, I yield 7 minutes to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I simply want to support the rule but I especially want to thank the ranking minority member of the subcommittee, Mr. MYERS of In-

diana, for the magnificent cooperation he has given me. I want to say that we have had hearings for 4 years on the spirit of the bill, which was begun by Congresswomen SCHROEDER, Ms. Ferraro, and myself as three subcommittee chairs. In this year alone we had more than 55 witnesses, both pro and con. We were very happy to accommodate the minority in letting the individuals they wished to testify.

It has been an absolute pleasure to work with the ranking minority member of the subcommittee. It is true that one of the reasons I reintroduced the bill with 102 cosponsors on both sides of the aisle is because I wanted to show that the issues that some of the witnesses brought up were considered. We could accommodate those things. Last year our bill which passed the House approved 413 to 6 in the last session, we had the study based on job content alone. This is the type of study that is being used all over the country—and there are some 45 of them.

They only require really job content. GAO and the gentleman from Indiana and a number of individuals who testified said: "Well, what about the marketplace?" In evaluating, we felt that that was fair. We do not say in any way, shape or form that this disparity between a man's wage and a woman's wage is necessarily discrimination.

What we are saying is, do a study and evaluate the job content and look at the market factors. We added the market factor issue in, in the spirit of cooperation with the gentleman from Indiana and some of his witnesses because we were attempting to be totally objective about this.

The gentleman from Indiana pointed out that he thought the composition of the commission ought to be more bipartisan. We did add that. In all honesty, I have questions about who the President might appoint or who OPM might appoint. But we added that section and it is much more in line with what the Senate is doing. What Senator EVANS, a very fine Republican, and Senator CRANSTON introduced—a similar bill.

The other question that came up time and time again was the question of race, minorities and Hispanics? It seemed as if the classification system did in fact have minorities, as well as women, at the bottom of the barrel. We added race and ethnicity to take care of them.

But the gentleman is absolutely correct when he says that we have really tried to accommodate the spirit of a bipartisan bill. I for one want to applaud the gentleman from Indiana for all of his work. He was at every single hearing. He was the first minority member I have seen while I have chaired a committee who has always been at every meeting. He is also on a very important committee, the Committee on Appropriations. Yet he always took the time to be there to hear all of the witnesses, pro and con.

So I simply want to say that I know how difficult it is when you are in a situation where many people, who are often supporters of yours, are really trying to get you to be motivated to change your mind. We all undergo those pressures. That is nothing new, that is part of the American way. I know the gentleman from Indiana has really gotten it from all sides. I appreciate that. I want him to know publicly how deeply moved I am by the fact that he would take the floor during the rule, since he apparently cannot get time as the ranking minority member of the subcommittee, in the general debate which is somewhat unusual. I would be delighted to give the gentleman time from my side if he wants it. I want to thank him for all his work irrespective of how he votes. He has been a gentleman, he has been an absolute man in terms of being the ranking member of that committee and I look forward to working with him closely in the future. I want to thank the gentleman very much.

Mr. MYERS of Indiana. For a response, would the gentlewoman yield?

Ms. OAKAR. I yield to the gentleman from Indiana [Mr. MYERS].

Mr. MYERS of Indiana. We have certain buzz words that have been used frequently on this bill. "Comparable worth" has been used to describe this bill. Again because some of us objected to the way comparable worth, how do you relate one job to another and say they are comparable when they are entirely different? But the chair took that out and we thank you for it.

Ms. OAKAR. As the gentleman knows, that is one of the problems with the Civil Rights Commission's definition. The Commission claimed comparable worth was the disparity between the man's wage and the woman's wage. Nobody is, not even the most ardent advocate of pay equity, agrees with that definition. We do not agree with that definition. So what we do is we take all of the language related to comparable worth because we have not examined the classification system of Federal employees, that is the GS-1 through GS-18 system, since 1923. What we are asking for is a study on how we classify our Federal employees, no more, no less. Comparable worth, that language is not in the bill.

I appreciate the gentleman's raising that because people want to use that code word and I frankly reject the definition of the Civil Rights Commission myself. So I thank the gentleman.

□ 1640

Mr. LOTT. Mr. Speaker, I yield 3 minutes to the gentlewoman from Illinois [Mrs. MARTIN].

Mrs. MARTIN of Illinois. Mr. Speaker, first of all, my thanks to the gentleman from Louisiana for his kind words in his speech. I come here in a rather odd situation; I do not oppose the concept or idea of reexamining a system, because for many reasons the Congress to some degree is in a management position and can dictate and direct and should direct looking at how people, regardless of color or sex or age are paid; Congress must make sure that those classifications reflect not only a market, but reflect the spirit of fairness and equity that Congress should want as an example to the people.

There have been a few mistakes made in speeches when we suggest that the Congress, who has passed other laws that now wishes to take this additional step is somehow incredibly virtuous for doing so.

The reason that Congress cannot claim unsullied purity is because the Congress had not got itself under the same scrutiny that it has imposed on others.

I am here because I find it offensive to not be able to amend this bill so that the Congress of the United States would not have to be examined; would have to agree to civil rights for its employees.

This afternoon, many of us voted in favor of a stance speaking about 16 million people in South Africa who are held under a dreadful system called apartheid.

Many of us now are going to support examining the Federal pay system on the Executive level. But when it comes time to look at ourselves, it is amazing how quickly we run away.

The gentleman from Louisiana mentioned; I was there last year, and the year before. We are all, when we look at any bill, looking at a kind of Rorschach test, and we bring to it our own experience.

One of the reasons to have a broad representation in the Congress of the United States is to get that broad range of experience. Just as no white Member can become black, just as no Anglo Member can say they understand totally the Hispanic, can any of the gentlemen here understand what it is like to hear again and again that there is no discrimination against women in the overwhelmingly male Congress of the United States. Then because men say there is none, the Congress can avoid the law of the land.

I say to the gentleman Members of this Congress on both sides of the aisle, it is wrong to impose on others rules that one does not first impose on oneself, and to deny civil rights and to deny our own employees what other employees in business, State, local, every other governmental unit have, is wrong.

Therefore I oppose this rule. Not because the bill is a bad bill; not because we should not look at the Executive government; but because it is time to first look at ourselves, and it is time, indeed, for Congress to decide that it, too, should obey the law of the land.

Mr. WHEAT. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas [Mr. ROBINSON].

Mr. ROBINSON. Mr. Speaker, I, too, find myself in a very unusual situation coming to the floor today, speaking in favor of this rule, because I am normally one on my side that joins forces with my good friend from Mississippi and the gentlewoman from Illinois and certainly my good friend from Missouri.

I want the membership to know that I have another side to my personality. I am a Democrat that believes in fairness, one that believes in equity, and one that believes in justice; and that is what we are talking about today; we are talking about justice.

I would like to address briefly a couple of points that have been made. One of the speakers said, "What's the hurry? Why should we get in a hurry to study inequities in our pay practices on the Federal level?"

Well, there is a reason why we should get in a hurry: The last time we looked at this was 1923. I think 62 years is long enough without evaluating our pay and classification system; 62 years, and we have not examined how we treat our employees on the Federal level.

Also, it was mentioned that this was going to cost too much. Well, let me share with you what the real costs are today; the real costs are the numerous lawsuits that we are settling or losing in our Federal courts because we have not implemented a fair pay system.

Also, it has been said that if we have a study something bad is going to happen. I do not think anything bad is going to happen. I have heard some of my colleagues on the floor during special orders talking about all the economic theories and all of that, and I listened to all of it, but my basic problem is one from conviction and one from conscience: How can I go home and look at my three daughters—I have three daughters and three sons. I know not only in my mind, I know in my heart if they go to work for the Federal Government; the one government that is supposed to be setting the example, that my three sons will have an advantage over my three daughters, and that is not right.

I also would be remiss if I did not stand and speak out for the many constituents that I have in my district in Arkansas that are not being treated fairly.

In closing, I would just like to say this: This is not a conservative issue; this is not a liberal issue; this is a fairness issue, and I urge my colleagues, please vote for the rule.

Mr. WHEAT. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. I think the American women and minorities would like to know the names, specifically, of the businesses that endorse what the chamber is doing. Can you do that?

Mr. BURTON of Indiana. Well, I assume that is an implied threat, but we will not worry about that.

Ms. OAKAR. No, it is not an implied threat. Why don't you name the names?

Mr. BURTON of Indiana. Well, sure, I would be happy to. But I do not know if you want me to go through this whole litany, and I sure can't do it in 1 minute.

Ms. OAKAR. I think you should.

Mr. BURTON of Indiana. OK. The Amercian Hotel & Motel Association; the American Iron & Steel Institute; the American Legislative Exchange Council; the American Paper Institute; the American Retail Federation; the American Society for Personnel Administration.

Ms. OAKAR. No. I mean specific businesses. Anybody can name corporate institutions.

Mr. BURTON of Indiana. Lennox Industries; Caterpillar Tractor; Citizens for America; Master Printers of America.

Ms. OAKAR. No, that is not what I am talking about. Can you name a specific business, corporation——

Mr. BURTON of Indiana. Did I not just mention one? Are your listening? I said Caterpillar Tractor. Did you not hear me?

Ms. OAKAR. Oh, Caterpillar Tractor. OK. You named one.

Mr. BURTON of Indiana. Well, I could name you a litany of them, but I cannot do it in the time allotted to me.

Ms. OAKAR. I suggest you put that in the RECORD, because my businesses are telling me they did not take a stand on this issue, and some are for it. And they belong to the local chamber. They are thinking about the national.

The SPEAKER pro tempore. The time of the gentlewoman from Ohio [Ms. OAKAR] has expired.

Mr. WHEAT. Mr. Speaker, I yield 6 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I rise in strong support of H.R. 3008, the Federal Equitable Pay Practices Act of 1985. Let me say two things which, at first blush, sound contradictory. First, H.R. 3008 is the most important civil rights legislation to come to the House floor this session. Second, H.R. 3008 is a rather modest bill, in that it merely requires an independent study of whether the pay gap between men and women in the Federal Government is due to discrimination.

These two statements are really not a contradiction. There is undoubtedly a large wage gap between men and women in the Federal Government. Some of this gap is surely due to entirely reasonable factors, such as hours of work, seniority, educational level, and the like. But some of this gap cannot be explained by these factors. The study will determine if, where, and how severe women's wages are held down by illegal discrimination. Once we know the location and extent of the disease, we can act deliberately to remove it.

H.R. 3008 deals with discrimination against minorities, as well as discrimination against women. This is an important addition. It will help us locate instances where wages of an occupation are held low because most of the occupants are black or Hispanic.

For the second year in a row, Members have the opportunity to cast their votes for or against economic fairness for women employed by the Federal Government. Last year, 413 of us voted to take the first step toward eliminating discrimination. Unfortunately, the other body balked. They agreed, however, to have the General Accounting Office develop the framework for a pay equity study. On March 1, 1985, GAO released its findings. H.R. 3008 is directly based on that GAO report. H.R. 3008 is, therefore, even sounder and more carefully developed than the legislation we passed last year. Indeed, the American delegation to the U.N. Conference on Women came back with a resolution supporting pay equity. The President's own daughter led that delegation. Who are we to say no to Maureen Reagan?

H.R. 3008 says that the Federal Government will not tolerate discrimination in any form. It does not change the basic law on discrimination; it merely finds out whether that law is being violated. H.R. 3008 is a natural successor to the Equal Pay Act of 1963 and the Civil Rights Act of 1964—and essential to tackle the subtle forms of discrimination that have succeeded the blatant discrimination of 20 years ago.

The Federal Government is the largest single employer in the Nation. As such, it should set an example for the private sector. Yet, in attacking pervasive, subtle forms of discrimination, the Federal Government is lagging far behind the 35 States and numerous towns and cities that have already begun studies of their wage-setting practices.

Yesterday, I received a new GAO report entitled "Description of Selected Nonfederal Job Evaluation Systems," which described how States and private companies have dealt with the issue of discrimination against women. It shows how careful implementation

of corrective action can cure the problem without causing economic damage to the employer. The evidence should lay to rest concerns of some that correcting pay discrimination against women will bankrupt the Government. States such as Minnesota, and towns like Colorado Springs, CO, have identified steps to correct discriminatory pay practices without busting the budget.

H.R. 3008 requires a study of Federal classification and pay practices to determine if any elements discriminate on the basis of sex, race, or ethnicity. It acknowledges that women and minorities are clustered in the lowest grades in the Federal Government and asks why.

We took a first look at the wage gap in our 1982 hearings on pay equity. In joint hearings that Gerry Ferraro, MARY ROSE OAKAR and I held, we found that women are concentrated in a few, low-paying occupational categories. The largest occupational category in the Federal Government is secretary; 99 percent of secretaries are women and the average pay is $15,800. The second largest is clerk-typist. It is 96 percent women and the average pay is $11,600.

The General Accounting Office [GAO] released a study on November 27, 1984, of occupational segregation in the Federal Government and found that women are concentrated in grades 7 and below, while men are concentrated in grades 10 and above. GAO reported that at grade GS-6, women hold 75 percent of the jobs, while men hold 25 percent. Employees at grade 6 earn between $16,000 and $20,000. At grade GS-13, women hold only 12.4 percent of the jobs, while men fill 87.6 percent of the positions. Employees in grade 13 earn between $36,000 and $47,000.

Is this because the Federal Government intentionally discriminates against women? No. Rather, it's because the Federal Government sets its wages based on what the private sector does. Private sector wages show the effects of years of sex based discrimination. Remember, 25 years ago it was perfectly legal to advertise for male-only or female-only, or white-only jobs, and to pay the female-only and black-only jobs considerable less than would be paid to the white-male jobs. The civil rights legislation of the early 1960's made that type of discrimination illegal, but the pay systems in place now carry the baggage of those earlier years.

Is the market going to take care of this? It hasn't so far. In fact, the pay gap between men and women has increased in the past 20 years. This is because the number of women entering the labor force has burgeoned during this period.

Should the Office of Personnel Management do this study? OPM did what it claimed was a pay equity study. In a letter to me yesterday, however, the GAO said, "in our opinion, the OPM draft report does not achieve the objectives of a pay equity study." We need an outside study, free of partisan politics. We need a study beyond reproach, done by an independent consultant under the guidance of a blue ribbon panel. And, that is what H.R. 3008 contains.

Is the pay gap between men and women due to different levels of experience, education, and hours of work? Some, but not all. The National Academy of Sciences concluded that these factors explained only a part of the pay differential. No study has shown that these factors explain more than half the wage differential. Does discrimination explain the other half? We don't know. That's why we need H.R. 3008.

The bill does not prejudge the question of how much of the existing wage gap is due to discrimination. A study may determine that much of the gap is caused by other factors. But it's a little like having chest pains. You should find out if it's indigestion or a heart attack.

Some of our colleagues have become pamphleteers against this legislation. One missive states "comparable worth, in the short run, would bring about a decline in productivity * * * in the long run, * * * certain economic stagnation." Certainly, Robert Isaacs, the mayor of Colorado Springs, CO, doesn't buy this. Over the past 5 years, Colorado Springs has implemented a plan to eliminate sex-based wage discrimination for its city employees. As Mayor Isaacs put it:

> We did something fair and just, and in return we got ourselves great employee morale, lower turnover, and higher productivity. Isn't that what the private sector's always looking for?

The pamphleteers say that under comparable worth "pay scales would be subject to the whims of wage boards, instructed to ignore market factors * * *." This statement betrays ignorance of the Federal pay system. Federal employees wages are already set administratively. Right now, today, an administrative wage board, known as OPM, compares the worth of electricians and nurses, plumbers, and teachers. H.R. 3008 aims at finding out whether illegal discrimination enters into these wage determinations. Moreover, Federal wages are capped by legislation—many Federal employees think wages now are set or frozen at whim. Federal employees, especially senior managers and engineers are now paid under a wage system that ignores market factors, since the Government simply can't compete with IBM. It's been reported that back in 1964, Robert McNamara took a pay cut of $575,000 to come to work for the Federal Government. His wage, and those of his successors, have been set in ignorance of market factors.

Another pamphlet says "A comparable worth study * * * could * * * [lead to] implementing this disastrous system of wage setting within the Federal Government, and eventually extending this practice to private businesses. This is exactly what has happened in Washington State * * *." My, my. I did not know that Washington State private firms had their wages set by the State government. I sit on the Armed Services Committee and I haven't heard any complaints from Boeing about Washington State trying to adjust Boeing's pay scales.

The facts are that H.R. 3008 is only a study of the Federal Government and its employees. The bill does not make a pay policy for the Federal Government. It does not automatically increase anyone's wages. It does not give Congress, or anyone else, the power to set wages for private sector employees. Yet, by identifying wage discrimination, it serves as the most important civil rights legislation to come before this House. I urge my colleagues to support this legislation.

Mr. BURTON of Indiana. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. As I understand it, the gentlewoman indicated there has not been a study on this issue in the past.

Mrs. SCHROEDER. There has not been a study on the Federal classification system since 1923.

Mr. BURTON of Indiana. Well, I have before me a list of studies, 22 studies of Federal pay and classification, since 1949. Twenty-two.

Mrs. SCHROEDER. We are talking about looking for discrimination. The issue is, as you understand, the bill that took discrimination out was in 1964, which was clearly after 1923. Pre-1964 you could advertise jobs as women's jobs, as black jobs, and you could not afterward.

But I think what we want to make perfectly clear is, yes, indeed, there have been those kinds of studies. But the law changed drastically in 1964.

What the Washington case and what other cases have been about is going back to look at the classification system to find if the pre-1964 jobs that were advertised as black or Hispanic or white or women have got discrimination cranked into the classification system along with the other things. That is all the study is looking at. That is what is going on in cities, that is what is going on in States, that is what we would like to see go on in the Federal Government, because we are now 22 years behind complying with the 1964 law.

Mr. BURTON of Indiana. Will the gentlewoman yield?

51-059 O-86-42 (Pt. 16)

Mrs. SCHROEDER. Well, I yielded to the gentleman, and you cannot tell me of a Federal study to come forward to show that we are complying with the 1964 law.

Mr. BURTON of Indiana. Well, I have one right here that was done in 1984, "Equal Worth, Comparable Worth and Market Worth, a Federal Job Study of the Federal Government's Pay Classification and Qualification System for Employment" by the U.S. Office of Personnel Management. It is right here. Would you like to see a copy of it?

Mrs. SCHROEDER. Yes, but in our opinion, that OPM draft did not achieve those objectives.

Mr. BURTON of Indiana. Oh, in your opinion.

Mrs. SCHROEDER. If I can yield to the chairwoman, we know exactly about that study, and she has been an expert on this. Let me yield to the chairwoman, and tell him about that study.

Ms. OAKAR. If I could just quote from the letter from GAO, whose appointed Director is appointed by the President, he says: "In our opinion, the OPM draft report does not achieve the objectives of pay equity study as you have defined them."

We also have another letter from Mrs. Cornelius, who is the Acting Director of OPM right now, in which she implies that they are going to discard that study. As you know, that was held by——

The SPEAKER pro tempore. The time of the gentlewoman from Colorado [Mrs. SCHROEDER] has expired.

Mr. WHEAT. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. I was just going to say that I think the study, if they want to bring it up during the course of debate, I would love to bring up that study. And Dr. Devine, who is no longer with us, thanks to the Republican controlled Senate, has confirmed it.

Mrs. SCHROEDER. We would be very happy to discuss that study, which was not a study at all, according to objective agencies and people of both parties. But we are right back to where we were. I think this is a very simple request. It is long overdue. It is just, it is fair. And all of the other things that are being thrown up I honestly think are smokescreens. So let us proceed and let us get on with it. Really, I do think over 200 years is long enough.

□ 1700

Mr. WHEAT. Mr. Speaker, I yield 1 minute to the gentleman from Arizona [Mr. RUDD].

Mr. RUDD. I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in opposition to H.R. 3008, the so-called Federal Equitable Pay Practices Act. This legislation is not about equal pay for equal work. That policy has already been the law of the land for more than 20 years. This legislation proposes to implement the concept of equal pay for unequal work through the subjective setting of wages by some Government-appointed board of "experts" without regard to market factors. It is one step closer to a government-controlled and planned economy.

Just last week, a letter was hand-delivered to my office by the Concerned Women for America [CWA], the largest women's organization in the country with over 500,000 members, in strong opposition to this legislation.

CWA's president, Beverly Lahaye, accurately pointed out that this legislation "paves the way for transforming our society from a free enterprise system, in which the marketplace and the laws of supply and demand operate to set wages, to a socialistic or planned economy in which Government officials, judges or consultants determine wages according to an arbitrary and subjective point system * * * a study opens the door for court-ordered imposition of pay equity or comparable worth as occurred in a case involving the State of Washington * * * pay equity may cost the Federal Government over $6 billion."

If put into place nationwide for all employment, the cost could skyrocket to as much as $320 billion.

Let's be clear what we're voting on in this legislation. It is not simply a study of Federal pay practices. If a study is conducted and inequities are discovered—a near certainty given the biased makeup of the proposed board—the Government would be required to implement the recommendations or stand a good chance of a lawsuit as happened in Washington State in the case of American Federation of State, County and Municipal Employees [AFSCME] Versus the State of Washington. In that case, the court ordered the State to immediately raise the wages of 15,500 State employees in predominantly female job classifications, and awarded back pay to the employees retroactive to September 1979.

Pay equity, or comparable worth, completely redefines discrimination. It is based on the erroneous assumption that every job has a measureable economic worth that can be judged free of bias and that dissimilar jobs can be objectively compared. It would prohibit an evaluation of other vital wage determinants such as the marketplace, unions, benefit packages, seniority and individual merit. It ignores the economic forces of supply and demand in the labor market.

To demonstrate the folly of this concept, in the Washington case, a clerical supervisor got higher ratings than a chemist; an electrician was given the same number of points for knowledge, skill and mental demands as a beginning secretary; and truck drivers ranked at the bottom, below telephone operators or retail clerks. Comparing dissimilar jobs, compensating for different working conditions, motivations, merit and changing demands of the marketplace cannot be done objectively or accurately by any Government entity. Only the dynamics of the marketplace can fairly and accurately determine their value.

This legislation is not concerned with equity. It is a clear and dangerous step toward Government control of our economy, and I urge its defeat.

Mr. LOTT. Mr. Speaker, I yield the balance of my time to the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. I thank the gentleman for yielding.

Mr. Speaker, I have listened to the debate on the rule and I have heard a debate on the bill, and I think therein is my basis for objecting to this rule at this time. If nothing else, we have seen in this last 45 or 50 minutes what a tremendously important, complex, and complicated issue we are dealing with here. One that has not only fascinating and complex substantive dimensions to it, but also methodological dimensions to it that are just incredibly fascinating.

The idea that a regression model with 27 variables may have been considered an inadequate study fascinates me when one with 4 variables was considered quite adequate and acceptable.

So we have here then a rule that says let us talk about all of these very intriguing, complicated, difficult issues on a subject that everybody must concede is critically important in 1 hour. I object to the rule.

Mr. WHEAT. Mr. Speaker, I yield 2 minutes to the distinguished chairman of the Post Office and Civil Service Committee, the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Mr. Speaker, I have been watching with some puzzlement some of this debate here. First of all, how anybody could suggest with a straight face that this is anything more than a study in its present form is amazing to me because I think that there ought to be a requirement for better reading comprehension skills as a condition precedent to sitting in this body.

Second, for those of you who are concerned that this commission is likely to do anything, the only thing they can do is write a report which they will send to the President of the United States. And if the President acts crazy and radical, he will send us outrageously expensive legislation which GENE TAYLOR and I will promptly begin studying for the next 10 years.

You do not have to worry about the process suddenly being substituted. There is nobody who is going to get a bill out of our committee that is going to put us out of the business of being the committee that will ultimately decide what pay is.

What is the alternative to this study? The alternative is the legislation already pending in this Congress that would, without a study, impose some form of comparable worth measure in our Federal payroll system, and I am unwilling at this point to move with a bill like that because I do not know what the consequences of that would be. I really do not know whether we know enough about it to know how to apply it. I think that this is a responsible way to go about getting to the nub of the whole problem that is raised by people who accurately give us on the committee examples of whole areas of the Government where, because of the nature of the people who populate the jobs, they seem to get left out when adjustments are made.

Mr. BURTON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman.

The SPEAKER pro tempore. The time of the gentleman from Michigan [Mr. FORD] has expired.

Mr. WHEAT. Mr. Speaker, I yield 2 additional minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. I continue to yield to the gentleman.

Mr. BURTON of Indiana. I share your concern about this, that is why I have a substitute, which I will propose later, because I think it should be looked into.

One of the questions I have——

Mr. FORD of Michigan. If the gentleman will let me reclaim part of my time. If the gentleman had a serious substitute, I would be willing to sit down and talk to him about it. But when I see him notify us that he is going to offer 80-some amendments to this bill, ranging in everything from the kitchen sink to the back door, I do not think that the gentleman is demonstrating the kind of sincerity about wanting to improve this bill or improve the study that would warrant serious consideration of his substitute. So I probably will have to oppose that along with the other 80 amendments that you have.

Mr. BURTON of Indiana. If the gentleman will yield, I understand. Let me just ask if it is a big concern as it appears to be to all the people in the Chamber today, why is it that we get a committee report at 1 o'clock today and we are asked to move this thing forward immediately? Why not give the Members of this body a little time to study that report so they can be conversant with the subject matter?

Mr. FORD of Michigan. I certainly do not want to offend the gentleman or anyone else. He was the one who insisted that GENE TAYLOR insist on the full period of time for the minority members of the committee to write a minority report on the bill, and to accommodate that, we ran up against this adjournment date. That is not a problem we thought was going to happen.

We did not anticipate the gentleman's, at least I did not, enthusiastic opposition to the bill which materialized to my knowledge rather late. When I saw the ranking minority member on the committee changing the bill in a form that made it acceptable to him, I said, "My God, if you can satisfy JOHN MYERS, certainly nobody is going to complain." I was shocked to find that the other gentleman from Indiana does not quite agree with JOHN MYERS.

Mr. WHEAT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we have used almost all the allotted time for this debate. Not only of the rule, but it appears, of the bill. There seem to be two major objections as to why this rule should not pass today.

One of those being that the rule is not completely open and specifically in regard to allowing the amendment of the gentlewoman from Illinois to be included. There are those of us who indicated in the Rules Committee that we were empathetic to the kinds of concerns that the gentlewoman was raising.

But specifically in regard to the question of why her particular amendment should be put on this bill, she replied that she would be willing to try anything. Mr. Speaker, it is not necessarily appropriate that that particular amendment be put on this rule and in fact, since that was a change, call it a change in the Civil Rights Law of 1964, and this bill is merely calling for a study, the Rules Committee quite rightfully did not allow a waiver of germaneness to allow that particular amendment to be discussed.

In light of the fact that it is very clear that the provisions of this piece of legislation are well known to both sides of the aisle, that it has been through 4 years of testimony in the House of Representatives; that some 80 to 100 amendments are now waiting on the floor for consideration of this particular rule, there does not appear to be any question but that we are not proceeding in undue haste. In fact, the question would better be put, is there any reason to delay? Since there is no obvious reason to delay, I would move the previous question and urge that the resolution be adopted.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the resolution.

There was no objection.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LOTT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 292, nays 133, not voting 8, as follows:

[Roll No. 289]

YEAS—292

Ackerman	Dwyer	Kostmayer
Addabbo	Dymally	LaFalce
Akaka	Dyson	Lantos
Anderson	Early	Leach (IA)
Andrews	Eckart (OH)	Lehman (CA)
Annunzio	Edgar	Lehman (FL)
Anthony	Edwards (CA)	Leland
Applegate	English	Lent
Aspin	Erdreich	Levin (MI)
Atkins	Evans (IA)	Levine (CA)
AuCoin	Evans (IL)	Lewis (FL)
Barnard	Fascell	Lipinski
Barnes	Fazio	Lloyd
Bateman	Feighan	Long
Bates	Fish	Lowry (WA)
Bedell	Flippo	Luken
Beilenson	Florio	Lundine
Bennett	Foglietta	MacKay
Bentley	Foley	Manton
Bereuter	Ford (MI)	Markey
Berman	Ford (TN)	Martinez
Bevill	Fowler	Matsui
Biaggi	Frank	Mazzoli
Boehlert	Frenzel	McCloskey
Boggs	Frost	McCurdy
Boland	Fuqua	McDade
Boner (TN)	Garcia	McHugh
Bonior (MI)	Gaydos	McKernan
Bonker	Gejdenson	McKinney
Borski	Gephardt	Meyers
Bosco	Gibbons	Mica
Boucher	Gilman	Mikulski
Boxer	Glickman	Miller (OH)
Breaux	Gonzalez	Mineta
Brooks	Goodling	Mitchell
Brown (CA)	Gordon	Moakley
Brown (CO)	Gray (IL)	Mollohan
Bruce	Gray (PA)	Montgomery
Bryant	Green	Moody
Burton (CA)	Guarini	Morrison (CT)
Bustamante	Gunderson	Morrison (WA)
Byron	Hall (OH)	Mrazek
Carper	Hamilton	Murphy
Carr	Hatcher	Murtha
Chandler	Hawkins	Myers
Chappell	Hayes	Natcher
Clay	Heftel	Neal
Clinger	Henry	Nelson
Coelho	Hertel	Nichols
Coleman (MO)	Holt	Nowak
Coleman (TX)	Hopkins	O'Brien
Collins	Horton	Oakar
Conte	Howard	Oberstar
Conyers	Hoyer	Obey
Cooper	Hubbard	Ortiz
Coyne	Huckaby	Owens
Crockett	Hughes	Panetta
Daniel	Jacobs	Pease
Darden	Jeffords	Penny
Daschle	Jenkins	Pepper
Davis	Johnson	Perkins
de la Garza	Jones (NC)	Petri
Dellums	Jones (OK)	Pickle
Derrick	Jones (TN)	Price
Dicks	Kanjorski	Pursell
Dixon	Kaptur	Rahall
Donnelly	Kastenmeier	Rangel
Dorgan (ND)	Kennelly	Ray
Dowdy	Kildee	Regula
Downey	Kindness	Reid
Duncan	Kleczka	Richardson
Durbin	Kolter	Ridge

Rinaldo	Smith (NJ)	Visclosky
Robinson	Snowe	Volkmer
Rodino	Solarz	Walgren
Roe	St Germain	Watkins
Roemer	Staggers	Waxman
Rose	Stallings	Weaver
Rostenkowski	Stark	Weiss
Roukema	Stokes	Wheat
Rowland (GA)	Stratton	Whitley
Russo	Studds	Whitten
Sabo	Swift	Williams
Savage	Synar	Wilson
Scheuer	Tallon	Wirth
Schneider	Tauke	Wise
Schroeder	Tauzin	Wolf
Schumer	Thomas (CA)	Wolpe
Seiberling	Thomas (GA)	Wright
Sharp	Torres	Wyden
Shelby	Torricelli	Wylie
Sikorski	Towns	Yates
Sisisky	Traficant	Yatron
Skelton	Traxler	Young (AK)
Slattery	Udall	Young (FL)
Smith (FL)	Valentine	Young (MO)
Smith (IA)	Vander Jagt	
Smith (NE)	Vento	

NAYS—133

Archer	Hammerschmidt	Parris
Armey	Hansen	Pashayan
Badham	Hartnett	Porter
Bartlett	Hendon	Quillen
Barton	Hiler	Ritter
Bilirakis	Hillis	Roberts
Bliley	Hunter	Rogers
Boulter	Hutto	Roth
Broomfield	Hyde	Rowland (CT)
Broyhill	Ireland	Rudd
Burton (IN)	Kasich	Saxton
Callahan	Kemp	Schaefer
Campbell	Kolbe	Schuette
Carney	Kramer	Schulze
Chappie	Lagomarsino	Sensenbrenner
Cheney	Latta	Shaw
Coats	Leath (TX)	Shumway
Cobey	Lewis (CA)	Shuster
Coble	Lightfoot	Siljander
Combest	Livingston	Skeen
Coughlin	Lott	Slaughter
Courter	Lowery (CA)	Smith (NH)
Craig	Lujan	Smith, Denny
Dannemeyer	Lungren	Smith, Robert
Daub	Mack	Snyder
DeLay	Madigan	Solomon
DeWine	Marlenee	Spence
Dickinson	Martin (IL)	Spratt
DioGuardi	Martin (NY)	Stangeland
Dornan (CA)	McCain	Stenholm
Dreier	McCandless	Strang
Eckert (NY)	McCollum	Stump
Edwards (OK)	McEwen	Sundquist
Emerson	McGrath	Sweeney
Fawell	McMillan	Swindall
Fiedler	Michel	Taylor
Fields	Miller (WA)	Vucanovich
Franklin	Molinari	Walker
Gallo	Monson	Weber
Gekas	Moore	Whitehurst
Gingrich	Moorhead	Whittaker
Gradison	Nielson	Wortley
Gregg	Olin	Zschau
Grotberg	Oxley	
Hall, Ralph	Packard	

NOT VOTING—8

Alexander	Hefner	Miller (CA)
Crane	Loeffler	Roybal
Dingell	Mavroules	

□ 1720

Mr. OLIN changed his voice vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONDEMNING PASSAGE OF RESOLUTION 3379 IN THE U.N. GENERAL ASSEMBLY

Mr. YATRON. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the Senate joint resolution (S.J. Res. 98) condemning the passage of Resolution 3379, in the U.N. General Assembly on November 10, 1975, and urging the U.S. Ambassador and U.S. delegation to take all appropriate actions necessary to erase this shameful resolution from the record of the United Nations, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 98

Whereas, on November 10, 1975, the thirtieth session of the United Nations General Assembly adopted Resolution 3379 which sought to legitimize the lie, first perpetrated at the United Nations General Assembly by representatives of the Union of Socialist Soviet Republics in 1963, that Zionism is a form of racism; and

Whereas Resolution 3379 of the thirtieth United Nations General Assembly directly contravenes the most basic principles and purposes of the United Nations Charter and undermines universal human rights values and principles; and

Whereas that infamous resolution threatens directly the integrity and legitimacy of a member state by singling out for slanderous attack the national movement which gave birth to the State of Israel; and

Whereas the adoption of Resolution 3379 by the thirtieth United Nations General Assembly constituted one of that organization's darkest moments and may fuel the flames of antisemitism and anti-Zionism; and

Whereas the United States Congress sharply condemned the passage of Resolution 3379 ten years ago "in that said resolution encourages antisemitism by wrongly associating and equating Zionism with racism": Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress—

(1) soundly denounces and condemns any linkage between Zionism and racism;

(2) considers UNGA Resolution 3379 to be a permanent smear upon the reputation of the United Nations and to be totally inconsistent with that organization's declared purposes and principles;

(3) unequivocally states that the premise of UNGA Resolution 3379 which equates Zionism with racism is itself clearly a form of bigotry; and

(4) formally repudiates UNGA Resolution 3379, and calls upon the Parliaments of all countries which value freedom and democracy to do the same.

● Mr. YATRON. Mr. Speaker, I rise in strong support of Senate Joint Resolution 98. This resolution condemns the passage of U.N. Resolution 3379, which was adopted by the General Assembly in November of 1975 and calls on the U.S. Ambassador to the United Nations to erase this shameful resolution from the record of the United Nations.

Mr. Speaker, U.N. Resolution 3379 seeks to legitimize the vicious lie that Zionism is a form of racism. Originally sponsored by the Soviet Union, this initiative is an insult to the American people and reflects poorly on the nations which voted for it. The adoption of this resolution represents the nadir of the United Nations. It is an affront to the American people and is an outright form of bigotry.

Mr. Speaker, it is not suprising that this U.N. initiative was first put forth by the Soviet Union. After all, the Soviet Union symbolizes anti-Semitism in its lowest form. U.N. resolution 3379 is a blatant lie and an exercise in double speak. It is an attack on a democratic nation which respects human rights, Israel.

Mr. Speaker, U.N. Resolution 3379 makes a mockery of the United Nations. To make matters worse, similar resolutions are regularly sponsored in various U.N. agencies and conferences, and the United States must do all it can, power to prevent their adoption. As a supporter of the United Nations, it seems to me that if we must continue to expend our resources to defeat initiatives designed to attack the Jewish people and Israel, the United States should reconsider its policy toward the entire U.N. system.

In conclusion, Mr. Speaker, by calling on the parliaments of all countries to repudiate U.N. Resolution 3379, Senate Joint Resolution 98 sends a clear signal to our friends in the international community that resolutions attacking Zionism and Israel will be viewed as an attack on the United States and will not be tolerated. I urge my colleagues to adopt this resolution.●

● Mr. FASCELL. Mr. Speaker, I rise in support of Senate Joint Resolution 98, condemning the passage of Resolution 3379, in the U.N. General Assembly on November 10, 1975, and urging the U.S. Ambassador and U.S. delegation to take all appropriate actions necessary to erase the resolution from the record of the United Nations.

Senate Joint Resolution 98 was passed by the Senate on July 9. A companion measure, House Joint Resolution 3379, was introduced in the House by the Honorable JOSEPH J. DIOGUARDI. At the outset, I would like to take this opportunity to commend the chairman of the Subcommittee on Human Rights and International Organizations, the Honorable GUS YATRON, as well as my other colleagues on the committee, in particular the ranking minority member, the Honorable WILLIAM S. BROOMFIELD, and the

Honorable BENJAMIN A. GILMAN for their continuing interest and efforts on behalf of this and related issues.

Passage of U.N. Resolution 3379, a decade ago, served no useful function then, nor does it now. It should be repudiated. It made an inaccurate and unfair linkage equating Zionism with racism. That resolution not only had no beneficial results, but instead has proved detrimental by provoking feelings of anti-Semitism, and attacks on the State of Israel and its people. As the Helsinki accords, with precepts embracing universal human rights principles, now celebrate their 10-year anniversary, it is timely to underscore those principles here.

Over the years, there have been resolutions and actions in the United Nations too numerous to cite here which have repeatedly singled out and targeted Israel for abuse and/or exclusion from various U.N. bodies or conferences. Such activities, which tend to politicize the organization and divert attention away from the true purposes and goals of the United Nations, are not in the best interests of the United Nations or the world community.

The resolution now before us denounces UNGA Resolution 3379, and urges other freedom-loving nations to also repudiate that resolution. Mr. Speaker, I urge the adoption of Senate Joint Resolution 98.●

● Mr. BROOMFIELD. Mr. Speaker, I offer my support of the resolution before us.

As my colleagues well remember, the United Nations passed Resolution 3379 in 1975. That resolution claimed that Zionism was a form of racism. It is interesting to note that it was the Soviet Union that first presented that lie at the United Nations in 1963. Given the human rights record of that police state, their criticism is somewhat like the pot calling the kettle black.

That unfortunate resolution contravenes the basic principles of the U.N. Charter. It undermines human rights values and principles. It already threatens the legitimacy of a member state by slandering it with untruths.

Over the years, much criticism has been directed at the United Nations. Many Members of this body have defended that organization. A resolution of this nature, however, only fuels the fires of anti-United Nations sentiments in the Congress and in America. That resolution undermines the credibility, the balance, and the integrity of the United Nations. It makes Israel appear to be a whipping boy for the many bigoted countries around the world which oppose the existence of that country.

It is incumbent upon all of us here today to make a statement about this injustice. The passage of that unfortunate resolution has stained the good reputation which the United Nations deserves. I call upon my colleagues to join me in condemning any linkage between Zionism and racism.●

● Mr. GILMAN. Mr. Speaker, I rise in strong support of the resolution (S.J. Res. 98) condemning the passage of Resolution 3329, in the General Assemby on November 10, 1975, and urging the U.S. Ambassador and U.S. delegation to take all necessary actions to expunge the resolution from the record.

Mr. Speaker, the equation of Zionism with racism is one of the worst libels ever to be spoken; it is the most odious statement ever made by the General Assembly of the United Nations.

Mr. Speaker, the General Assembly resolution of which we speak today has come to have a life of its own. It was bad enough that the General Assembly passed it. But the slander it contains has been repeated and debated time and time again in forums associated with the United Nations, injecting unwanted division and tensions into what should be useful and productive meetings on international affairs.

As a former member of the U.S. delegation to the United Nations General Assembly, I know that the statements of that body can and often do result in much good; but the character of the United Nations itself has been degraded by this racism resolution, casting doubt on all the good work that is done there. This I regret very much.

I would like to thank the gentleman from Pennsylvania [Mr. YATRON] and the gentleman from New York [Mr. SOLOMON], the distinguished chairman and ranking member of the Subcommittee on Human Rights and International Organizations, and the leadership of the Committee on Foreign Affairs, for bringing this matter to the House floor for our consideration today. I would like to thank all those who have worked on this issue, in the other body and in the general public, for keeping this issue before us. The Equation of Zionism with racism is slander which we can and must erase from the records of the international community.●

● Mr. SOLOMON. Mr. Speaker, I strongly support this resolution. Ten years ago this autumn, the United Nations adopted a resolution that condemned Zionism as a "form of racism," a "racialist and imperialist ideology," and a "threat to world peace." On the 10th anniversary of the adoption of that resolution by the United Nations, it is important for our country to again go on record in opposition to it.

When the U.N. Social, Humanitarian, and Cultural Committee first considered the anti-Zionism resolution, our representative, Leonard Garment, called the resolution "a supreme act of deceit * * * and a massive attack on the moral realities of the world." He went on to describe the resolution as an official U.N. endorsement of anti-Semitism. And concerning passage of the resolution, he said, "I choose my words carefully when I say that this is an obscene act."

Later on, in the General Assembly, our Ambassador, DANIEL PATRICK MOYNIHAN, who now serves as senior Senator from my home State of New York, made many of the same points Mr. Garment expressed in committee and went on to discuss the serious repercussions the anti-Zionism resolution was likely to have throughout the world. Despite the fact that we were defeated, our men at the United Nations, Leonard Garment and PAT MOYNIHAN, put forth a sterling effort and made our country's revulsion at this resolution crystal clear to every delegate from every country at the United Nations.

Without taking much more of the committee's time, Mr. Chairman, let me just conclude with two observations based on what Leonard Garment and PAT MOYNIHAN told the United Nations a decade ago.

First, they made very clear that the passage of a resolution intended to discredit the State of Israel would have the ironic effect of discrediting the United Nations itself. And that has certainly proven to be true. I can think of no better example than the anti-Zionism resolution to illustrate the radical departure of the United Nations from the ideals and principles that led to its own founding back in 1945.

Perhaps no single event in the U.N.'s entire history has held up the United Nations to more disrepute than the passage of the anti-Zionism, anti-Israel resolution in 1975.

Secondly, our Ambassador and his associates emphasized that the American people would never forget the anti-Zionism resolution. Indeed, PAT MOYNIHAN rose in the General Assembly to declare a day of infamy when the resolution passed. He recognized then, as all of us have, that the anti-Zionism resolution was a frontal assault on the legitimacy of the State of Israel, as well as an attack on Jewish people in the United States.

And so, it is very important that we, as representatives of the American people, pass a resolution once again calling public attention to the monstrous lies that were propagated by the U.N. General Assembly. I hope that passage of the resolution before us can contribute to a more constructive atmosphere at the United Nations itself by making clear that all people of all countries who value freedom and democracy reject the blatant anti-Semitism and the perverted sociology that led to U.N. Resolution 3379.●

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1730

GENERAL LEAVE

Mr. YATRON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on Senate Joint Resolution 98, just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

TEXT OF AMENDMENT MODIFYING 1961 DEFENSE NUCLEAR COOPERATION AGREEMENT BETWEEN THE UNITED STATES AND FRANCE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-92)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed.

(For message, see proceedings of the Senate of today, Thursday, August 1, 1985.)

FEDERAL EQUITABLE PAY PRACTICES ACT OF 1985

The SPEAKER pro tempore. Pursuant to House Resolution 241 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3008.

□ 1732

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3008) to promote equitable pay practices and to eliminate discrimination within the Federal civil service, with Mr. KILDEE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentlewoman from Ohio [Ms. OAKAR] will be recognized for 30 minutes and the gentleman from Indiana [Mr. BURTON] will be recognized for 30 minutes.

The Chair recognizes the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Chairman, today the House is considering a bill, H.R. 3008, the Federal Equitable Pay Practices Act of 1985. H.R. 3008 is quite direct and quite straightforward.

As many of you know, I chair a subcommittee related to how we pay and what benefits classified Federal employees receive.

H.R. 3008 is quite direct and forthright. The bill simply requires a study to determine whether the Federal pay and classification systems are effective in terms of gender, race, and Hispanic origin. It establishes an 11-member bipartisan commission to select and oversee an independent consultant who performs the study. The commission reviews the consultant's findings, issues a report with its views and recommendations to the President and to the Congress.

The commission then disbands within 90 days after the reports are submitted.

We have not studied this type of information since 1923 when the classification system for Federal employees existed.

My bill passed the House, which was slightly different, but the same thrust of the bill passed the House last year 413 to 6. There were no Democrats who voted against it and very few Republicans who did not support the bill.

I know that apparently this year there has been some kind of misrepresentation of the bill. That is why I would like to clarify what the bill does.

The Senate has introduced a bill that is very, very similar. It is a bipartisan bill, introduced by Senator EVANS of the State of Washington, along with the distinguished Senator from California, Senator CRANSTON. They have had extensive hearings, just as we have, from people who agreed with the substance of the bill and people who disagreed and wanted to make recommendations. That is why when I reintroduced the bill with 102 cosponsors on the first day of introduction in a bipartisan fashion, we added the qualification related to the study of an economic analysis. That was the recommendation of the minority. We added that.

The other thing we added was a different makeup of the Commission at the recommendation of the minority, a bipartisan commission to select members of it.

The other thing we added after we had countless hearings and after we saw what indeed a number of States and local governments are doing, we added that we felt not only women should be looked at in terms of the perspective of the classification system, we felt minorities—and I want to emphasize this to my colleagues because this is not only a women's issue, it is a family issue and it is an issue that relates to minorities as well—we added minorities and we added Hispanics, because in various studies that have been done in the classification system, we know that Hispanics, blacks, and women are clustered on the bottom rungs of the classification system, so we added those.

It is interesting to me that we have such a cross-section of individuals who support the bill. There is the Congressional Black Caucus, the Congressional Women's Issue Caucus, our Hispanic Caucus, the Federation of Business and Professional Women, nurses, teachers, Latin American citizens, their league, the National Political Congress of Black Women, the League of Women Voters, hardly a radical group, and various industrial unions, unions whether they are blue-collar representatives or white-collar representatives, all the AFL-CIO representatives, and we could go on and on about who really is for the bill.

What we are talking about basically is the fact that the Federal Government really should take a look at how it treats its classified employees, something that I have, as the Chair of the subcommittee, jurisdiction over.

When GAO, at the request of people like Senator STEVENS and others, and myself, did a preliminary study in terms of the Federal work force, for example, they found that the disparity between white-collar workers who were male and female was $11,000 annually.

Now, we are not saying necessarily that the disparity is due solely to discrimination, but we are saying that it is interesting that we have not taken a look at that system and what contributes to that disparity.

We also know that this is a national phenomenon. I want to make this very, very clear. Every study should be made internally and on an individual entity. One study for one State does not relate to a study that another State does.

□ 1740

We believe very strongly that our study only applies to federally classified employees. It does not apply to any corporations, although a number of very fine corporations, like AT&T, United States Steel, J. Byron and Sons department store chain in the South, have done their own internal studies, made recommendations, and ultimately it is my understanding, made changes. But we do not believe that this study should apply to any other group, only classified Federal employees.

So all of the fear tactics that relate to this issue are for naught. We know that 45 States, 45 States have either completed their study or are in the process of completing a study. My own State of Ohio, I am proud to say, is about to complete its study on how it treats its own employees, its own State employees.

It is interesting that many States have implemented their studies and they have found that, in fact, that it did not bankroll their payroll. As a matter of fact, what happened was that they increased their productivity and the morale of their workers. They also in some cases, they testified, increased the economy of their State when they made the necessary changes, and I know we have very fine authorities who can speak to that.

Mr. Chairman, I simply want to take these few minutes to say that I for one, think, and this is very important to me, that I am privileged to be a Member of this body. This is the same body that passed the Civil Rights Act in the 1960's. This is the same body that passed the Equal Pay Act in the 1960's. This is the same body that passed the Fair Credit Act in the 1970's that gave women an opportunity for access to fairness issues in terms of credit. This is the same body that introduced the 19th amendment that gave women the right to vote, which they ultimately received in 1920.

Mr. Chairman, I have been somewhat dismayed by the tone of the rhetoric used with repect to this issue. I consider myself a red-blooded American woman, proud of her roots as an American, proud of the contributions of her parents, and brothers, and sisters. I really must say I have been somewhat dismayed by the rhetoric in various speeches, when most of us are not here.

But nonetheless, let us today, at long last, lift this Chamber to the loftiness that it can have in terms of dialog. We are the Chamber that passed the Civil Rights Act. I think it is about time we deal not with personalities, and not in issues that will somehow alienate people. I think it is about time we deal with issues that relate to fairness.

We can do it. We have done it before and shown that the Congress can show off its best qualities. Let us do it today. It is about time. And it is about time we treated our minorities, and women who have served the Federal Government for many years with justice.

Mr. Chairman, I reserve the balance of my time.

Mr. BURTON of Indiana. Mr. Chairman, I yield 4 minutes to the gentlewoman from Maine [Ms. SNOWE].

Ms. SNOWE. Mr. Chairman, I rise in support of H.R. 3008, the Equitable Pay Practices Act of 1985. This legislation calls for a study of the Federal wage and classification systems to make sure that we are paying fairly the men and women who work for the Federal Government. And I would like at the outset to remind my colleagues that essentially the same legislation passed this body last year by a vote of 413 to 6.

I want, however, to express my disappointment that the legislation we are considering today only addresses the problem of wage discrimination in the executive branch. This problem is not confined to those in the executive branch, and a number of us have worked for some time to address the problem of employment discrimination among our own employees: The men and women who work for the Congress.

In fact, this issue was raised on June 22 last year during debate on the rule for the legislation of the gentlewoman from Ohio. At that time, the Rules Committee had refused to waive the germaneness requirement against an amendment to incorporate the legislative branch into the study. During debate on the rule, a commitment was made to bring my legislation to the floor before the end of the session.

Well, another year has passed. Today we are considering legislation for a study of the executive branch for the second time, and I regret to say that neither my legislation nor other legislation to address the problem of employment discrimination in the legislative branch has been considered by the House.

I would like to acknowledge the concerted efforts of those who have worked hard to see that our commitment to fair employment practices and compensation extends to the legislative branch as well. The gentleman from California, Mr. HAWKINS, the former chairman of the House Administration Committee, held hearings on my legislation last year, and was as sincere in his effort to eliminate discrimination in the legislative branch as he is in his commitment to eliminate discrimination against all workers. I am also pleased that the gentleman from California, Mr. PANETTA, held hearings just last week on my legislation, as well as several other proposals before his subcommittee.

Hearings on this problem, however, are not sufficient. As we move to consider this bill today I only wish we could coordinate our efforts on this issue so that Federal employees in both the executive and legislative branches would receive the protections due them.

These concerns aside, Mr. Chairman, I rise in support of H.R. 3008 because it is a fair and straightforward approach to addressing an important problem. The Federal wage system established in 1923 has never been reviewed in its entire 62 year history. I don't think there is anything left we haven't studied, let alone ignored, for 62 years.

H.R. 3008 would simply provide for this long overdue study of compensation in those occupations which are held predominantly by one sex, or by one racial or ethnic group. The purpose of this study is to ensure that the Federal Government—the Nation's largest employer—is complying with the laws which prohibit employment discrimination.

Let me reassure my colleagues on a couple of counts, since you have been subjected to an onslaught of misdirection and disinformation in recent days. This bill calls for a study, and only a study.

It applies to the Federal Government's civil service.

It does not affect State and local Government nor does it affect the private sector.

It will not create any sort of national wage scale or pay policy. Following completion of the study, a bipartisan commission will recommend remedies in the event that discriminatory practices are found. Implementation of the many possible remedies will require adoption of legislation by the Congress. In short, this is a very deliberate process being proposed here, not a headlong rush into uncharted territory.

Why then, Mr. Chairman, is the House nervous about acting? Why is there trepidation and concern about taking a step already taken by 22 different States? Twenty-two States, Mr. Chairman, have already completed or are in the process of completing similar studies. Six States have actually moved ahead to implement their findings. Only 5 States in the Nation have not examined the issue of sex-based wage discrimination through pay equity studies, legislation or collective bargaining.

Five States, Mr. Chairman, and the Congress of the United States. Not only have most of the States proceeded apace, but local governments, city governments have acted where the Congress has faltered.

Colorado Springs, CO hasn't been afraid to act.

Virginia Beach, VA hasn't been afraid to act.

Bellevue, WA hasn't been afraid to act.

Los Angeles and Long Beach CA haven't been afraid to act.

Each of these cities, and others, have moved ahead to study and to take action to eliminate discrimination, while the Congress argues about reviewing the Federal Government's own wage system for the first time in 62 years.

We have the ability to perform this review. Job evaluations, rather than being purely subjective, have been used in this country for over 50 years. Two-thirds of all employees in the U.S. companies that use some form of job evaluation to compare dissimilar jobs. I find it most ironic that the only time job evaluation techniques are called into question is when they are used to identify illegal wage discrimination. Since we are able to identify

wage discrimination, we have a responsibility to use that ability.

A pay equity study of the Federal Government will do us no harm, Mr. Chairman. Those who point to the lawsuit in Washington State do so with fine intentions but with muddled facts. Washington State was sued not because its wage-setting practices were inequitable, but because the State continued the discriminatory practices for 10 years after they were identified. I, for one, have enough faith in my colleagues to know that if any discriminatory practices were exposed, that they would not hesitate nor delay to act to rectify them promptly.

Mr. Chairman, we have before us today a simple question of fairness under the law of the land.

We are talking about the fact that 80 percent of the women working for the Federal Government are concentrated in grades 1 through 7, while 85 percent of the men can be found in grades 10 through 15.

We are talking about the $9,000 earnings gap between what the Government pays women and what it pays men.

We are saying today that the Congress has a responsibility to find out why these women are concentrated in lower grades, and why they earn substantially less than men.

We are saying that the Congress passed this legislation by a vote of 413 to 6 last year, and that the situation demands just as strong a vote again this year.

Ms. OAKAR. Mr. Chairman, I would ask how much time has been consumed.

The CHAIRMAN. The gentlewoman from Ohio [Ms. OAKAR] has consumed 9 minutes and the gentleman from Indiana [Mr. BURTON] has consumed 4 minutes.

Mr. BURTON of Indiana. Mr. Chairman, I yield 3 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON. Mr. Chairman, I thank the gentleman from Indiana for yielding to me and I rise in support, strong support of the bill.

I want to address the reality of Connecticut's experience in this regard, because I think it is important for the Members to try to get a grasp of what this study means to people in their lives and to our society.

Connecticut passed exactly this kind of legislation. We did this study. Let us look at the result.

First of all, it did not create economic crisis nor class war. What did happen is that the hand of underpaid employees was strengthened at the bargaining table. Data led, research led to information, information led to the power to redress historic inequities. So instead of a 5-percent wage increase being adopted for everyone, a 2-percent wage increase was adopted for everyone, and the rest of the money was set aside in an equity fund.

□ 1810

What was done with the equity fund? It was used to increase the salaries of those that the study had shown were relatively underpaid, considering their responsibilities and the qualifications that they had for the job.

What we are doing here is to adopt a bill that will do the study to provide information, then the next step as to what we shall do, as a consequence of that information, how we shall act, how we shall implement its findings, is indeed up to us and nothing will happen automatically, nothing will happen without our support.

But we will have the data through which we can understand and address inequities that are not malicious. They are not there because someone does not care about women, they are there because there historic presumptions many decades ago when those salaries were set.

I call your attention to the fact that clerical jobs right now in which woman dominate have salaries ranging from $238 down $146. Similar jobs, clerical jobs in which men dominate, have salaries that start at $288; and remember the top of the other category was $238—and if I have more time later one I will tell you the other categories in detail—but these go all the way up to $441.

Now that is not because anyone wanted to disadvantage women, but because many, many years ago when there were very few opportunities for women in the work force, obviously supply was great and demand was small, and supply and demand did establish a low wage base. From that base we have been providing the same increments to women that we have provided to men from a higher wage base.

So, Mr. Chairman, I look forward to the debate that follows and urge my colleagues in supporting what is a good and sound piece of legislation.

Ms. OAKAR. Mr. Chairman, I yield 1½ minutes to the gentleman from Maryland [Mr. BARNES].

Mr. BARNES. Mr. Chairman, there has been a great deal of criticism of this bill. Those who misunderstand this legislation most have charged that it will cause every kind of mischief except clog kitchen sinks. I'd like to quote a warning from another member, a criticism that my colleagues by now will find familiar:

> Although this bill may have motives in the finest tradition of gallantry, it actually is about as ungallant as a kick in the shins.
>
> Testimony before the subcommittee suggests that its enactment would worsen rather than improve job opportunities for women . . . under compulsion of this bill, employers who contend that the employment costs for women are higher than for men will tend to cut back on female employment . . . this legislation has the laudible objective of equal pay for women. If, in practice, it leads to fewer jobs for women, the victory will be Pyrrhic.

The Member of this body responsible for that dire prediction was Representative Paul Findley of Illinois, a member of the House Education and Labor Committee in 1963. He was addressing the House on H.R. 6060, which we know today as the Equal Pay Act of 1963.

Twenty-two years later, we are here again, rebutting the same arguments applied to H.R. 3008, the Federal Equitable Pay Practices Act. Democrats and Republicans recognized the demagoguery in the Findlay argument, and rejected it overwhelmingly—just as today, we are not going to be deterred by similar rhetoric.

H.R. 3008 does not expand the law, it does not threaten the private market place or labor markets with Government intervention, it will not lower anyone's pay, and it will not bust the budget.

If you believe these claims you have not studied H.R. 3008. You have not reviewed the General Accounting Office report upon which this bill is based, and you have not reviewed the legislative history that underlies Federal nondiscriminatory pay setting practices.

This legislation follows existing law: The Equal Pay Act of 1963 was developed by the Department of Labor by then Secretary Willard Wirtz. In Secretary Wirtz's letter to the President of the Senate, Lyndon Johnson, he explained that the legislation:

> . . . has as its purpose the elimination of discrimination in wage rates based on sex where men and women performing comparable work for the same employer . . . those employers would be prohibited from paying a lower wage to one employee than they pay to an employee of the opposite sex in the same place of work for work of equal character requiring equal skill.

The debate today over the use of the concept of comparability closely parallels the debate of over 20 years ago. In the House, the language "equal work" was substituted for "comparable work" in an early version of the equal pay bill that the House and Senate considered but did not enact. In 1963, both the House and Senate made it clear that the legislation's use of equal pay for equal work would not be limited. The Senate openly struggled with the application of comparable worth:

> With reference to the application of the equal pay concept, it was made plain in our hearings that for a number of years knowledge has been accumulating on means to test the relationship between jobs. Knowledge of this kind will be useful in determining "equal work" and "equal skills" for the purpose of administering S. 1409.
>
> The National War Labor Board during World War II and the Wage Stabilization Board during the Korean war were required to make comparisons of jobs for "equal pay"

purposes. Their experience as well as the experience of arbitrators under contract provisions for equal pay, proves comparisons can be made successfully and put to the practical end of administering a Federal equal pay policy as contained in S. 1409.

H.R. 3008 does not subscribe to any "comparable worth" theory: critics charge that H.R. 3008 would lock the Government into a particular theory of comparable worth. Nothing in this legislation endorses such a theory. What we want to do is conduct a study along the lines the Senate charged us to follow 22 years ago.

We want to "use the experience we have in making pay comparisons," which goes back to World War II, to determine whether the Federal Government is following the Equal Pay Act of 1963, and section 2000e of the Civil Rights Act of 1964.

As the distinguished chairwomen of the Compensation and Benefits Subcommittee, my good friend, Ms. OAKAR has stated, the Federal Government has never run such a check on itself, and it's high time.

We are not, as has been charged, prejudging the results, stacking the Commission, or trying to fabricate a basis for changing Federal pay. What we want to know is: (a) what factors that make up Federal jobs appear to be gender related, and (b) what other economic and nondiscriminatory factors contribute to the yawning gap in the wages paid to men and women who work for the Federal Government.

I, personally will not rest until I know why women on average in Federal service make $12,000 a year less than men; and why most women are clustered at the very low end of the Federal pay scale and men dominate the highest paying jobs. If there is discrimination in the Federal pay system, there should not be a Member in this body who shrinks from having the facts laid out before us.

Our Federal Government Service Task Force ran a study on the consequences of low-paying Federal jobs on single women. We found that in Montgomery County, MD, my district, a single mother earns less than she needs to provide basic necessities to her family if she's a GS-7 secretary. Yet GS-level 7 and below are where women in Government are clustered. So this study goes beyond the equities, because we are talking about both fairness and need.

We do have the tools to do the study: Some Members still insist that after 22 years we still do not have the tools to complete the study H.R. 3008 proposes. The National Academy of Sciences disagrees, and reports that "job evaluations do provide a systematic method of comparing jobs to determine whether they are fairly compensated." The Academy also confirms that pay studies have served to reduce discriminatory differences in pay. Well, it's no surprise, we had the tools in World War II, and we have them now.

A number of my colleagues have already addressed the question of the cost of a pay equity study to Government. I agree with the gentlelady from Ohio, if we do this right, it's going to save the Government money. It's going to be a boom for Federal workers and for the taxpayer. I'm convinced of that because we have always strengthened ourselves when we have gone after the facts about discrimination and laid them open to the publics conscience.

I am sure my colleagues will agree that after 22 years, the time has come for the Federal Government, as an employer, to accept its responsibility to study this important problem.

Mr. BURTON of Indiana. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. I thank the gentleman for yielding.

Mr. Chairman, I suppose it might be observed that I have been as visible with respect to this bill as any Member of the House, and I have even heard it said that I have been very tough on the bill. I suppose that is true, but if I am tough there is another side of my character as well. I am a Republican who believes in fairness, in equity, in equal rights and the Government's responsibility to guarantee and protect rights. I am also a father of a daughter for whom I want the very best and the husband of a very intelligent and bright professional woman emerging in her profession, and I am very concerned about all of these issues.

Mr. Chairman, I have a commitment that is deep and abiding to equal pay for equal work. But I also have several problems with this bill.

It is said that it is only a study. Now one of the things that distinguishes us as intelligent beings is that not only do we study but we study our studying. I have tried to do that in this case.

I found that the procedures and personnel by which we would establish this study lead me to grave concern. The study that is going to be productive must be objective. I have a concern about the commission and its composition.

Can it be objective when it is comprised of a balance of members who have already been on record as endorsing comparable worth? Will it lead to foregone conclusions regarding comparable worth? Would it set the stage for judicial implementation without congressional approval, as has been the unfortunate experience in other cases when only a study was authorized?

It is also argued that there has not been a study. I would suggest there have been studies that have been ignored.

The Office of Personnel Management has recently completed a study with a very good model. Multiple regression models are very fascinating instruments and one with 27 variables is a very good model, especially when others that have been cited have as little as four variables.

The OPM study was professional and a well done job.

Mr. Chairman, that study concluded:

The effects of a society-wide imposition of such a scheme by the government are not difficult to predict. There would be class war. Contrary to comparable worth assumptions, it would not even be a sex based conflict. Rather, it would set blue collar men and women against white collar men and women.

That would be indeed unfortunate and quite likely an unfair outcome.

The U.S. Commission on Civil Rights did a study. They came to a similar conclusion.

These studies have been discounted, if not ignored. Is it possible that the sponsors of this bill want a study that can trump those studies?

I know what it is like to want things. I know how sincere the Members who support this bill are in what they want. But it is also absolutely imperative that, if you are going to study, you remain objective and scientific.

Comparable worth would be, in my estimation—and I have studied this several years—discriminatory. It would penalize blue-collar men and blue-collar women. It would penalize union jobs. It would penalize, and this I think is one of the most tragic things of all, women who have already made that step to nontraditional occupations. These are fears that I have.

Women in America do not even want comparable worth. Recent polls show that 80 percent of the women want to use enforcement of existing laws to end discrimination rather than passing new laws.

This is extremely important.

I am gravely concerned with the failure of U.S. Government agencies to enforce civil rights and equal rights legislation. I would be the first to be in the forefront to compel the enforcement of these laws.

Mr. Chairman, I have seen things such as sexual harassment go unpunished in universities, and I have seen Government agents for this Government encourage young women to let the case drop rather than to take up their case for them.

I would like to see this body consider the need and the alternative productiveness of taking those existing laws and those existing agencies, putting their feet in the fire and bringing justice to American men and women through the implementation and enforcement of those laws.

□ 1800

Ms. OAKAR. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. MITCHELL].

Mr. MITCHELL. Mr. Speaker, of course I am in strong support of this legislation. We have been reading recently about the mounting hysteria and fear concerning the disease AIDS, and I do not think there is a single Member of this House that would not be on record saying we have got to take exhaustive studies to look at what is causing this disease.

I respectfully suggest to you that discrimination based on race or on sex, on ethnic origin is a disease, and for the life of me I cannot understand why there is this godawful fear about a study.

Maybe I do think I can understand it. I think there are some who are afraid of what we might find out; some who have deluded themselves into thinking that there is no longer a problem in terms of sex discrimination; well, that is not the way to operate. Let us find out what the problem is and do something about it.

Ladies and gentlemen of this House, the Social Security Administration employs more than 80,000 people across the country. Of that 80,000, 3 percent are black males. That is all.

Walk into any agency, and as you move up toward the higher floors of the agency, it gets whiter and whiter and maler and maler. That is because the lower level jobs are consigned to those of us who are minority and those who are women.

You know, you almost got an opportunity to avoid me in this House. I worked as a clerk for the Social Security Administration at night, and I was a file clerk; I worked from 4 to 12, and I could see myself working my way up the ladder; one day becoming the Administrator for Social Security; and it dawned on me that that would never happen.

It would never happen. And so, when I realized the fruitlessness of that pursuit because I was black and male, I decided to join the Membership, and I know all are delighted that I made that decision.

Mr. BURTON of Indiana. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Speaker, I rise in strong opposition to H.R. 3008, the Federal Equitable Pay Practices Act of 1985, and I do so for three reasons.

First of all, the bill is a bad management bill. Second, it is very costly, and its effect on the budget is something that we cannot afford today; and third, I strongly believe that we have current laws to prevent any inequities that are in our pay practices.

Let us talk about the bad management aspects of this bill. First of all, it is supposed to determine pay equity, and if one is going to determine pay equity in the U.S. economy, one is going to have to consider market forces. Nowhere in this bill are market forces mentioned one time. The closest we get is a mention of "other forces" in one of the subparagraphs.

If there is only one person in this country, whether he be male, female, white, black, whatever; who has a skill that is in great demand, we are going to pay that individual more than if there are 10,000 people.

So I think that this bill is not being honest when it talks about pay equity, without mentioning market forces.

Second, I would like to point out is that the study has no flexibility at all. In fact, the study is precluded from coming up—the Commission is precluded from coming up with any recommendation that prevents a lowering of a grade or the lowering of a rate of pay.

Now, I do not believe that there is not one pay grade, one grade in the Federal system that is not rated too highly, and I do not believe that there is not one Federal worker somewhere in this country that is not being paid too much money.

So we have got a commission that, the only thing they can do is recommend that everybody's pay be raised, or everybody's grade be raised. That is like an automobile mechanic, if you took your car in and he says there is something wrong—he says, well the only thing to do is buy you a new car; let us go out and buy you a Cadillac. I do not think that is right.

Lastly, in order to enforce this study's commission, we would have to set up, in my opinion, a vast Federal bureaucracy to go in and look at all the multiple pay rates and pay grades and make sure that they are exactly as they should be.

As a second item, I would like to point out that the cost in the budget immediately is estimated to be anywhere from $5 billion to $8 billion. Now, those are conservative estimates.

If we get into the entire economy and not just in the Federal part of the pay system, it is estimated that it could cost as much as $320 billion. Now in these times of budget restraints, I think we need to be concerned about that.

The last point is that we have an existing Equal Pay Act that has been in existence I believe since 1963, and so I really do not feel that we need to be even considering the study at this point in time.

So for those reasons; I think it is bad management; I think the effect on the budget is too costly; and I think we have current law today that will solve the problem.

I do not feel that we need to enact this legislation at this time.

Ms. OAKAR. Mr. Chairman, I would like to inquire of the Chair the time I have used and the time the minority has used.

The SPEAKER pro tempore. The gentlewoman from Ohio [Ms. OAKAR] has 17½ minutes remaining, and the gentleman from Indiana [Mr. BURTON] has 14 minutes remaining.

Ms. OAKAR. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. SIKORSKI], a distinguished member of the committee who, by the way, introduced the study in Minnesota.

Mr. SIKORSKI. Mr. Speaker, while the way of life that flourished at Tara has gone with the wind, the plantation mentality of inequality still lingers in 1985. Some private sector organizations with a stake in this discrimination oppose a study of discrimination against women in the public sector.

Look at the fact. While women comprise 46 percent of the Federal work force, about half; 85.5 percent of them are concentrated in just the lower 8 of all civil service job classes, and make 63 percent of what their male counterparts earn. Some in this body would have us believe that this occurs because, and I quote: "Women have different motivational needs than men" And I quote: "Men work longer hours than women."

Well, Senator Fulbright once said, "We are handicapped by policies based on old myths rather than current realities." Let us look at the myths and the realities.

Myth 1: Implementing Federal pay equity will bankrupt the Government.

Fact: In Minnesota, we successfully implemented full pay equity for State employees at a cost equivalent to just 1 percent of the State's annual payroll over 4 years. Others have done it for less.

Myth 2: Pay equity discriminates against men.

Fact: Minnesota implemented pay equity with no reductions, no freezes in salaries for male-dominated jobs, and so have others.

Myth 3: Pay equity undermines collective bargaining in seniority.

Fact: Minnesota made all of the salary adjustments within the framework of collective bargaining, and so have others.

I was one of the chief authors of the landmark law in Minnesota, and I assure you that the myths swirling around like gooey slop are wholly refuted by the real life experience in Minnesota.

In fact, the pay equity system was so successful for the State work force that the Minnesota Legislature, in 1984, extended pay equity to local governments as well.

The Minnesota Commissioner of Employee Relations testified before the subcommittee:

Our experience demonstrates that all the terrible things that might happen do not

happen when, in fact, you institute a pay equity program.

And we are just talking about a study.

□ 1810

If you want the truth about pay equity, look to Minnesota and over 100 other governments around America where the system is working. Don't be deceived by fabricated, biased rhetoric from those who pay lip service to equality, those who say, "I'm for equal pay for equal work, but * * *." They simply want to preserve the economic stake in the current system of discrimination.

Mr. BURTON of Indiana. Mr. Chairman, I yield 4 minutes to the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. I would like to thank the gentleman from Indiana for yielding this time, and I rise in opposition to this bill.

I would like to talk about what comparable worth means and does not mean. Comparable worth means paying women and men the same, even though they are doing different work. It does not mean paying women and men the same for doing the same or substantially the same work or work of equal effort, skill and responsibility, because that is already required by the Federal law, the Equal Pay Act of 1973, which covers all employment.

It does not mean paying women and men the same for doing different work if women are denied employment in better paying jobs, because title VII of the Civil Rights Act of 1964 prohibits any discrimination in employment because of sex.

There are no women's jobs or men's jobs.

It does mean paying women more than they now earn in certain jobs which comparable worth advocates claim are not paid as much as employers should pay because they are jobs done mostly by women.

It does mean that women who work should earn more, because it is not fair that, on average, women who work are paid less than men who work. How much less depends upon who is talking. The League of Women Voters, in a recent bulletin, said women are paid only 63 cents for every dollar earned by men. It also reports that black women are paid even less, 58 cents, and Hispanic women less again, 53 cents for every dollar paid to men.

I draw the conclusion from that study that means black and Hispanic women earn less than white women.

Perhaps the best way for each of us to evaluate comparable worth is to look at the work force with which we are now most familiar and see how we think it would work. If you are an employer, including Members of Congress, with a staff and committee responsibilities, how do you think the average earnings of all women and men employees compare? If they are not about equal, would that mean sex discrimination? What jobs would you compare with what? What intrinsic value would you assign the individual jobs or classes of jobs, and how would you translate that intrinsic value into money? What would be fair?

I urge a vote against any comparable worth or pay equity legislation proposed in the name of protecting women against sex discrimination in Federal employment. Unless you plan or intend to pass a law requiring that half of all Federal employees in all grades be women, there is nothing more to legislate about.

Ms. OAKAR. Mr. Chairman, I yield 2½ minutes to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS. Mr. Chairman, I rise in very strong support of this legislation.

A few minutes ago, someone made mention of it as H.R. 3008, and we could not help but smile at that when we were sitting on the other side of the smile, saying that it sounded almost like some kind of a spy number. Actually, there is no spying going on here. All we are talking about is a study. Everybody knows what we mean by a study. A study is something that we are going to look into a matter to see what actually does exist. That is something that I think is very much needed. There is no question in my mind, for example, that there are some very definite pay inequities within the Federal Government system, its overall system.

For example, I have never worked for the Federal Government but I have worked for governments in my life, except for working for the Federal Government now, and even at that time I found that very often people who are doing the same identical jobs, let alone those that are very comparable, but the same identical jobs, were being paid all kinds of different salaries. One person might be a GS-5, who had the same amount of longevity on the job, who was in an identical position, but because that person was black or because that person was a woman, another person would be paid only as a GS-4. Promotions are not given on an equal and same sound basis. So there is no question about there being inequities.

It seems to me that this Government, which is in fact a most democratic system of government in the world, ought to be applauding legislation such as this. We should not just now, as a matter of fact, in 1985, be talking about this legislation. We should have done it a long time ago. We should have had a study and this Government should be operating on a very fair, equitable basis for all of its employees.

It is my belief that a government such as ours owes it to itself, owes it to the citizens of this country to feel proud of itself, to say that yes, indeed, we are equitable in our pay system for our entire Government and all the jobs that we have to do.

A final point: I was very happy that a Member on the other side of the aisle mentioned about black women getting less money than perhaps some of the men. Now, black people period get less pay when it comes down to equity in Federal Government than all the rest of those employees who happen to be working for our Government.

Mr. BURTON of Indiana. Mr. Chairman, I yield 1 minute to my colleague, the gentleman from North Carolina [Mr. COBEY].

Mr. COBEY. Mr. Chairman, I rise to relate a North Carolina experience. Recently our distinguished Governor, Jim Martin, and a former very respected Member of this body, testified before the Civil Service Subcommittee and shared what happened in North Carolina. In North Carolina, in 1984, the general assembly passed legislation directing a pay equity study be conducted and authorized $650,000 for the effort. Once they realized the broad implications of the comparable worth doctrine, they came back this year and, after careful deliberation, in April, our Legislature overwhelmingly, with a bipartisan vote, terminated this comparative worth study. I think this body should know that.

I include this letter in the RECORD at this point:

STATE OF NORTH CAROLINA,
OFFICE OF THE GOVERNOR,
Raleigh, NC, July 25, 1985.

Hon. WILLIAM COBEY,
House of Representatives,
Washington, DC.

DEAR BILL: As you know, I recently had the opportunity to testify before the Civil Service Subcommittee of the United States Senate on North Carolina's experience with respect to the controversial subject of comparable worth, or pay equity as proponents call it. Since the House of Representatives may soon consider a comparable worth bill on the floor, I thought it might be worthwhile for me to share with you the reasons why North Carolina rejected a similar type of pay equity "study" of its own State employees.

In June 1984, the North Carolina General Assembly passed legislation directing that a pay equity study be conducted, and authorizing $650,000 for this effort. Although named a "pay equity" study, the impetus for ratifying this provision came from a Report by a State Task Force on Comparable Worth. This report recommended the development of an equitable job evaluation and pay system that would establish the comparable worth of State jobs on the basis of a point factor system.

Similar to the pending House bill pertaining to the federal workforce, our legislation directed, among other things, the creation of a "Pay Equity Advisory Committee"; that the Study encompass all of the State's clas-

sified employees' that a consultant be hired to conduct the Study; and that the consultant examine certain dissimilar State jobs based on a point factor comparison. In December 1984 the State hired a consultant to conduct the Study.

From the beginning, it was apparent that it would be difficult to successfully complete the Study. Problems evolved into two categories: problems with the logistics of Study itself, and more importantly, problems and concerns from a broad range of citizens on the basic comparable worth doctrine.

It was these broader concerns on the comparable worth doctrine and its implications that ultimately proved the most convincing. Foremost was the concern that there was no way of accurately estimating what the cost of salary adjustments, if any, might be. And, if the completed study recommended adjustments beyond the ability of the State to pay, then we might have directed ourselves into a situation similar to the State of Washington, where a study was commissioned, but the results not acted upon, after which a federal court somehow concluded that the study itself was invested with the power to compel its advice to be implemented. Second was the concern that comparable worth introduces an artificiality into wages and salaries, at odds with market rates. Finally, there was significant concern expressed that the move by the State toward comparable worth signalled an eventual requirement that the doctrine be forced upon private enterprise, in lieu of our traditional supply and demand approach to setting wages.

When the State legislature reconvened in February of this year, it began a careful reevaluation of the Study requirement. After careful deliberation, in April the legislature, by an overwhelming bipartisan vote, terminated the comparable worth Study.

We are now making what we believe to be better efforts to pay our employees fairly and equitably to trying to improve our existing classification system, and developing an improved way of providing pay incentives to those employees who are better performers. We believe this is the way to provide the opportunities our employees are looking for.

Best personal wishes.

Sincerely,

JAMES G. MARTIN.

Mr. COBEY. Mr. Chairman, in closing, I want to say that I am for fairness, I am for strongly enforcing existing laws. When I was the athletic director at the University of North Carolina, before I left the job I made sure that there were 13 women's sports and 13 men's sports.

Ms. OAKAR. Mr. Chairman, I yield 2 minutes and 20 seconds to the gentlewoman from Tennessee [Mrs. LLOYD].

Mrs. LLOYD. Mr. Chairman, I rise in support of H.R. 3008, and I urge my colleagues to also support this bill. Perhaps, Mr. Chairman, I come from an entirely different perspective.

On November 15, 1984, I was one of only 2 women Members who spoke and voted against the equal rights amendment. It wasn't easy—it was one of the most difficult positions I've had to take as a Member of this body. But it was my stong conviction then, and it is now, that an equal rights amendment should be abortion neutral as well as neutral on other vital social values. I feel that I represent the overall sentiment of my district and the majority of women in this country who want equal rights legislation that corrects discrimination but does not destroy the protections which this Nation has developed to preserve the institution of the family.

Now, by and large, most people who oppose the equal rights amendment express the classic view—"I want women to have equal pay for equal work. I want women to have equal advantages. I just don't want this ERA."

This philosophy is real, alive, justified and thriving. Nevertheless, discrimination against women in the workplace does exist. It is often overlooked and as yet unaddressed.

To underline this, I'd like to read a portion of a letter I recently received from one of my constituents who typifies so many women in our society. "I am an educated, professional employment counselor with 20 years experience in the work force. I am presently managing a temporary employment agency. I have full responsibility for marketing, interviewing, job placements, plus general office duties such as typing, filing, telephone, payroll, billing and computer operations. My salary is the same amount that my 19-year-old son earns as a gas station attendant.

So it seems very strange indeed to me that no Member of this body would advocate unequal pay for equal work, yet would oppose this legislation. This bill authorizes a study of Federal (not private or public sector) but a Federal study of pay equity that includes all compensation including job content and market factors to determine if Federal pay practices are fair and commensurate.

This study is long overdue. The standards used for the present Federal classification—were developed 62 years ago and have never since been reviewed for discrimination.

I applaud the dedicated women who choose to stay at home and do without money for the extras we now deem essentials, a new color TV, a VCR or an extra vacation. The sacrifices of these homemakers is rewarded in nonmonetary ways. But the cold grim fact is that more and more women must work for their families to survive. Statistics show that over 50 percent of all women work outside the home—not just for the pleasure of it. Many women work to provide shoes for their children's feet, to pay for ever rising house and energy payments, medical bills and feed their families.

On behalf of these women, I urge my colleagues to think with their heart as well as their intellect and support this legislation that merely calls for a study of the equity of Federal pay practices. For just a second, put yourself in the place of the millions of women who are the breadwinners for their families—and are coming home with half a loaf.

If you said you don't support ERA—but you support equal opportunity for women, this is an opportunity to prove it.

□ 1820

Mr. BURTON of Indiana. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. SHUMWAY].

Mr. SHUMWAY. I thank the gentleman for yielding me this time.

Mr. Chairman, during the years that it has been my privilege to serve in this body, I have seen us time and again take an idea that may be unpopular, may be unable to stand on its own merits, and package that idea in a very attractive setting, give it a very appealing title, and bring it to this floor and run it through this legislative process, and I think we are doing just that here today.

We have a bill that has some very insidious aspects to it. It has been put in a very attractive package. We have been told that it is only a study; that it only applies to Federal employees; that it is not comparable worth, that it is something more nicely called "Pay Equity." Something which has been given a very high-sounding title, "The Federal Equitable Pay Practices Act of 1985."

No doubt there will be many Members in this Chamber who will come in and vote for this bill because it sounds good, it looks good. But if it were more appropriately packaged and titled, perhaps the title being something like "The Anti-Free Enterprise Act of 1985," I wonder how many Members would be inclined to vote for it, and I wonder how many Members would feel like they had done their duty to their country when they go home tonight after a long day.

Mr. Chairman, this bill represents bad policy for America; it represents bad law if it is enacted. It represents a step backward for the women of this country. Frankly, I resent those inferences that have been made by prior speakers that those of us who very much believe and sincerely want to see equality for men and women in this country, somehow are not telling the truth when we say we oppose this bill because we do not see this as the means for bringing about that kind of equality.

Mr. Chairman, we have laws on the books that are designed to get at the very discrimination that so many speakers have spoken about this afternoon, and certainly those laws need to be enforced. They need to be applied. I, as one Member of this body, would very much support that kind of application. There is nothing wrong with the Equal Pay Act of 1963 as a vehicle for reaching this kind of discrimina-

tion. There is nothing wrong with title VII of the Civil Rights Act of 1964 as a vehicle for addressing discrimination, and certainly we need to enforce those laws.

For us to adopt this bill today, we are going to make a gross departure from the free enterprise system which has always been the hallmark of the economy of this great country, a radical intrusion on that system, and one which I think is going to penalize those women of this country who have worked so hard within their job setting and now have made it as corporate officers, as responsible job holders throughout the marketplace.

We are also going to give a slap in the face to the thousands of women who are working hard to achieve equality of opportunity in that marketplace and in the job sector.

Mr. Chairman, I suggest that this bill does not represent free enterprise, and it does not represent the American way. I hope it is defeated.

Ms. OAKAR. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. GARCIA].

Mr. GARCIA. I thank the gentlewoman for yielding.

Mr. Chairman, first, I would like to congratulate my colleague from the State of Ohio who has chaired this through committee and to the floor. I would just like to say to my colleagues who are here, and I listened to the debate very carefully, and in the 45 seconds that I have left, this is 1985. It is not 1930 or 1940; it is 1985. Some of you may sit back and say, "You remember the good old days when it was just the one breadwinner who used to bring the bacon home and deliver the food for the house and pay the rent?"

In 1985 we are living in such a society where in most cases you have two breadwinners. Where you need that extra paycheck, and all my colleague from Ohio is asking for is a study. I cannot understand why this matter is so complex. Let us do it; let us study, and then let us come back. But remember: This is 1985.

Mr. BURTON of Indiana. Mr. Chairman, I yield 1 minute to the gentleman from Utah [Mr. MONSON].

Mr. MONSON. I thank the gentleman for yielding time to me.

Mr. Chairman, it is unfortunate that we try and paint people into corners and make them appear less than what they really are.

If we are only talking about equal pay or pay equity we don't need a study. It doesn't take a study to determine if someone is being paid less than someone else for doing the same work. You just have to look at the numbers. A wage gap does not mean that women or minorities receive less for doing the same job. In fact, existing law already prohibits employers from doing that. It also ignores seniority, merit, or other legitimate factors that may contribute to a gap. Besides the Bureau of Labor Statistics already show wage gaps are narrowing.

Jobs do not have an intrinsic or absolute value. Therefore you cannot assign a measurable economic worth on a scientific and pragmatically determined basis between different jobs. Market value principles is the only valid means of making these judgments.

The alternatives are to ensure that women and minorities have equal access to all jobs. This also must include equal access to education, training programs, and other elements that lead to higher paying jobs. This access is already assured by existing laws.

Let's not start trying to apply unjustifiable methods of comparing different jobs in the name of protecting rights. The costs are too high, the results only divisive. If someone is not being paid equally to another there are simple administrative solutions. A new study will not improve on that at all. Let's defeat H.R. 3008.

Ms. OAKAR. Mr. Chairman, I yield 1 minute to the gentlewoman from Louisiana [Mrs. BOGGS].

Mrs. BOGGS. I thank the gentlewoman for yielding me this time.

Mr. Chairman, I rise in support of H.R. 3008, and I am in such good company when I do so. This bill passed out of committee 18 to 4. A similar bill passed this House last year, with only six nay votes against it. Forty-five States, including my own of Louisiana, have undertaken similar studies. Those who should know the most intimately about the need for its passage, the federally employed women, and international, bipartisan membership organization that represents the concerns of over 800,000 women employed by the Federal Government have this to say about urging its passage:

"A wage differential between male and female workers exists in the Federal work force." Federally employed women can expect to earn 63 percent of wages of all men. A large portion of this wage gap can be directly attributed to the occupational segregation within the Federal workplace.

Although women comprise nearly half of the workers of the general schedule classification system, 73 percent of all women are in GS grades 1 through 8. This occupational segregation directly results in lower wages for women. The average salary for Federal women workers in the GS system is $18,864 per year as compared to $30,229 per year for men.

The General Accounting Office [GAO] recently released a report entitled, "Options for Conducting a Pay Equity Study by the Federal Pay and Classification System." This report illustrates how the Federal classification system can be studied for sex-biased wage discrimination. The Federal Equitable Pay Practices Act of 1985, H.R. 3008, would utilize the suggestions contained in the GAO study by providing for a study of the Federal wage and classification systems to determine if they are affected by discrimination based on sex, race, and hispanic origin. "The study would evaluate civil service jobs using both job content and economic analyses and would be conducted by a private consultant hired by a bipartisan commission.

This simple, straigh' 'orward—and just—legislation aims to accomplish a study to ensure that our civil service wage and classification systems are free of bias.

Mr. BURTON of Indiana. Mr. Chairman, I yield 2 minutes to the gentlewoman from Maryland [Mrs. BENTLEY].

Mrs. BENTLEY. I thank the gentleman for yielding me this time.

Mr. Chairman, I am very concerned about the cost of government, and I find this bill singularly silent on the potential cost of implementing the so-called study required in the bill. I am sure that this study is not undertaken with any expectation other than that it will justify a massive increase in the payroll cost in these classified positions.

Why then is there nothing about these potential costs in the bill? There is a great deal of rhetoric about protecting civil rights and precluding discrimination. There seems to be no consideration of the civil rights of the class which never gets a break. Who sees to the civil rights of the taxpaying citizen? Who protects the woman who must pay for social experiments in wage and price controls with taxes which could better be used to take care of her needs and those of her family?

Just this week two Members of this body sent out a letter on this bill and the experience in their home State of Washington with this suit resulting from a study mandated by their legislature. One of them says that the cost of conforming to that decision would be only a few million. The other claimed the cost as more than a half billion dollars. That allegation included some chilling numbers. The cost was estimated as one-eighth of the State's annual general fund budget. The effect would be that, in order to pay for that one judgment, every tax in the State's arsenal would have to be raised 12.5 percent a year. We simply cannot be so indifferent to the damage we do to the taxpayers as to ignore such a massive potential cost to them. If the State of Washington is in jeopardy for a half billion dollars, what might the Federal cost add up to.

I urge you to strip the mask of secrecy from this move to change our economic system and at least find out the immediate dollar cost.

□ 1830

Ms. OAKAR. Mr. Chairman, I yield 1 minute to the chairman of the Congressional Black Caucus, the gentleman from Texas [Mr. LELAND].

Mr. LELAND. I thank the gentlewoman for yielding this time to me.

Mr. Chairman, I am here on behalf of myself and the members of the Congressional Black Caucus, in support of H.R. 3008, the Federal Equitable Pay Practices Act. Our colleague, the gentlewoman from Ohio, is to be commended for once again coming forward with legislation to examine wage discrimination against women in the Federal sector. With H.R. 3008, she has gone a bold step further, showing the foresight and intestinal fortitude—to also include a study of wage discrimination based on race. This is a valiant step and certainly one that needs to be taken.

Contrary to what some of our colleagues and others are saying about this legislation, it would provide for a study to determine if, and to what extent, job classification and wages are affected by sex, race, or ethnicity. It is curious to me that so many people are concerned about the future threat of lawsuits that might result if racial or sexual discrimination is found. It seems to me that they fear the study will find such discrimination, and they just don't want their fears confirmed in black and white. You see, they're aware of the statistics: While accounting for nearly 50 percent of the Federal work force, approximately 78 percent of female employees are in grades 1–6, while 85 percent of men are in grades 10–15. Likewise, they are aware of the results of these statistics: Black and white women in the Federal work force earn only 62 cents and 63 cents, respectively, for every dollar earned by their white, male counterparts. It is clear from this that at the very least, the Federal Government is not the role model it should be. I want to know if this disparity is based on race or sex. If it is, not only is it morally wrong, but it is illegal and must be changed.

It is sad that 20 years after passage of the Civil Rights Act, which mandated equality for all Americans regardless of race or sex, we are still concerned with economic racism and bigotry that continue to keep women and racial minorities at the bottom of the socio-economic ladder. However, with H.R. 3008, this body has a chance to take a giant step in furtherance of the ideal of equality for all Americans, regardless of race or sex. Earlier today, this body showed compassion, intelligence and a firm belief in the principles upon which this Nation was founded and voted favorably on anti-apartheid legislation. I am asking my colleagues, on both sides of the aisle, to call upon those same qualities once more today and support H.R. 3008.

Mr. BURTON of Indiana. Mr. Chairman, I yield 1 minute to my colleague, the gentleman from North Carolina [Mr. COBLE].

Mr. COBLE. I thank the gentleman for yielding this time to me.

Mr. Chairman, my colleague from North Carolina previously reviewed with Members what occurred in the North Carolina Legislature in 1983. I was a member of that body. I voted against the appropriation of $650,000 to conduct a study on this very issue.

Something did not ring true, it seemed to me, at that time that that was the proper vehicle. As my colleague told members, this past session of our legislature repealed that appropriation because they concluded, as well, that it was not the proper vehicle.

It is my belief, Mr. Chairman, that this is the inappropriate forum to address this problem. It needs to be addressed, but it needs to be addressed and resolved in the marketplace.

I urge my colleagues to vote accordingly when it comes time.

Ms. OAKAR. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. WEISS].

Mr. WEISS. I thank the gentlewoman for yielding this time to me.

Mr. Chairman. I rise in strong support of the Federal Equitable Pay Practices Act of 1985. The Federal Compensation System, which sets the wages for the largest employer in the country, was established in 1923. Since 1923, employment patterns and family structures in this country have changed dramatically. The Federal Compensation System has not. As a matter of fact, there has never been a thorough study of the Federal civil service to determine if the changes in employment have been reflected in the Federal Compensation System. A comprehensive wage study is long overdue.

I want to commend the gentlewoman from Ohio [Ms. OAKAR] for her extensive examination of our Nation's pay system conducted as Chair of the Subcommittee on Compensation and Employee Benefits. It is through her diligence and persistence that we are able to consider this good, sound piece of legislation today. This initiative, The Federal Equitable Pay Practices Act of 1985, which would establish a temporary study commission, has over 100 cosponsors from both sides of the aisle, and has been endorsed by numerous labor unions and organizations representing millions of this country's working population.

Pay equity is not a new concept. On the contrary, all but five States have initiated activity to study their pay systems. Sixteen States are conducting or have completed pay equity studies. And in some instances on both the State and local levels, employee contracts have been renegotiated with an eye toward eliminating discriminatory factors.

In my home State of New York, an extensive study negotiated by the Civil Service Employees Association, AFSCME, and the State's Office of Employee Relations, is near completion. This 2 year project has focused on the practices of three bargaining units covering approximately 100,000 State employees.

There are a number of reasons why a valid comparision is possible between New York's initiative and the one we are considering today. New York State, as the third largest public employer in the country, is the largest jurisdiction to conduct such a job evaluation. The New York study, like the Federal proposal, has not focused strictly on instances of sex discrimination, but racial discrimination as well. Additionally, New York State hiring practices had also never been assessed to determine whether assumptions about jobs and the assignment of job titles to salary grade had been distorted by the sex or race of the typical job incumbent.

It is clear from the preliminary results of New York's job content survey that a pay equity study can be successfully carried out in a large public jurisdiction with a diverse work force. And, it is worth noting that many of the recommendations offered by those conducting the New York State study have been included in this bill.

From the amount of serious debate and activity pay equity has received in recent years, it is evident that discrimination has managed to creep into numerous pay systems. A recent General Accounting Office study reported that women, while comprising nearly half of the Federal work force, are clustered at the lower end of the pay scale. Approximately 78 percent of women are clustered in grades 1 to 6, earning an average of $9,000 a year less than their male counterparts. Conversely, 85 percent of the male employees in the Federal Government occupy jobs in grades 10 to 15. According to Census Bureau data, women employed by the Federal Government earn an average of 62.8 percent of the wages of their male counterparts.

Many argue that the setting of wages can only be fairly determined in the marketplace. While wage setting cannot be divorced from the forces of supply and demand. It is also true that patterns exist in which certain jobs have historically been closed or open to particular persons on the basis of race and sex. The National Academy of Sciences estimates that at least 50 percent of wage discrepancy is due to discrimination. Job discrimination is a historic reality.

Opponents of pay equity also argue that the pay gap will close with the entrance of more women into less tra-

ditional, higher paying jobs. It is estimated, however, that this will not happen before the end of this century. Obviously this does not provide a solution for those who are in the workforce today.

Women have taken jobs that were available to them, but did not choose to earn lower pay. There is no justification to continue to pay women less for the work that they do or to expect them to change careers. More importantly, society cannot afford to sacrifice the work that women are now doing.

Changes in the structure of the American family have greatly altered the roles that women play in our society. The number of female-headed families grew by 1 million between 1979 and 1983. It is expected that by 1990 one child in four will live in a single parent household.

Hearings held recently by the Subcommittee on International Relations and Human Resources, which I chair, detailed the dramatic rise in the numbers of women and children in poverty. Today about half of female-headed families live below the federally determined poverty level.

In light of the startling and increasing rate of poverty among single parent families, nonenforcement of existing sex discrimination laws by the Federal Government is inexcusable. And it is truly distressing for the chairman of the U.S. Civil Rights Commission to pronounce that married male breadwinners are entitled to higher wages on the ground that "you have to give some kind of respect to traditional family values."

It is the job of the Federal Government to set an example for the country by properly following and enforcing existing labor laws. Today's bill will not change the existing laws or add new ones. Rather, the Commission will study Federal pay and classification systems with regard to title VII of the Civil Rights Act of 1964 and the Fair Labor Standards Act of 1938.

As the laws have already been determined, voluntary study and compliance at the Federal level will save the Government costly and time consuming law suits. Instead of ignoring or restructuring the procedure for handling the tremendous backlog of law suits which have already been filed, the Government will have the opportunity to operate as a fair and unbiased employer. The only affect this study hopes to have on State and local entities and the private sector will be to show that the Federal Government, too, is concerned with discrepancies in the existing wage system and is willing to make necessary corrections.

Last year, this body voted overwhelmingly in favor of pay equity legislation. That proposal, which was in fact stronger than the one we are considering today, passed by a vote of 413 to 6. It is my hope that, with the swift passage of H.R. 3008, we can get on with the effort to secure equality in the workplace.

A thorough examination of the Federal pay and classification system is long overdue. I believe that the legislation we are considering today outlines an objective and reasonable approach for reviewing this system, and for making recommendations where necessary. I urge that the House approve H.R. 3008 without substantive and weakening amendment.

Mr. BURTON of Indiana. Mr. Chairman, may I inquire how much time I have remaining?

The CHAIRMAN. The Chair will advise the gentleman from Indiana [Mr. BURTON] that he has 3 minutes remaining.

Mr. BURTON of Indiana. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, my colleagues have time and again said, "Why do you object to a study?" We certainly do not object to a study. There have been 22 studies of Federal pay and classifications since 1949.

There was a study completed just this last year, the equal worth, comparable work and market worth of Federal jobs, a study of the Federal Government's pay classification and qualification systems for employment, by the United States Office of Personnel Management.

It depends on whether or not one likes the study. The gentlewoman from Ohio, as I understand it, asked the GAO to make a comparison of this with what it was intended to do, to find out if it was a competent study, and based upon the guidelines, as I understand it, of her request, they said it did not qualify as a competent study.

It depends on one's point of view. I think it is a good study. It is a very comprehensive study. But let us look at the reasons why we are concerned about the study that the gentlewoman is talking about in this piece of legislation.

A similar study was taken in the State of Washington which resulted in a $1.1-billion judgment. We have 30 times as many employees as the State of Washington. If we have a judgment rendered of the magnitude that was rendered in the State of Washington, we are going to be looking at a $30-billion judgment, $30 billion.

There have been a number of States that have had studies of this type that have pending litigation—the State of Alaska, the State of California, the State of Connecticut, the State of Hawaii, the State of Illinois, the State of Michigan, the States of Missouri, New York, Oregon, Rhode Island, and Washington. I want to tell my colleagues that according to the Justice Department, if this legislation is passed, they are absolutely certain that there will be a similar suit filed against the Federal Government which could amount to as much as $30 billion or more.

My colleague, the gentleman from Minnesota, a few moments ago, indicated that in his State it only cost them 4 percent of the State budget in order to come up with a pay equity agreement. Four percent of the Federal payroll——

Mr. SIKORSKI. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I do not have time. I am very sorry.

Mr. SIKORSKI. I did not say 4 percent of the State budget, and I resent the gentleman saying that.

Mr. BURTON of Indiana. Four percent of the State payroll.

Mr. SIKORSKI. Will the gentleman yield so I can set the record straight?

Mr. BURTON of Indiana. It was 4 percent of the State payroll. But 4 percent of the Federal payroll, if we use that percentage, is $2.4 billion. We are in a budget crunch right now. We have been arguing for the past few days over whether or not we are going to get a budget.

If we follow his train of thought and we come up with a 4-percent solution, we are looking at at least $2.4 billion added to the Federal deficit, which is something I do not think we can tolerate right now.

Mr. Chairman, I think that this legislation is misguided and I am very hopeful that I am able to convince my colleagues on the other side of the aisle to consider the substitute which I will offer later in the debate on this legislation, which will really study this issue in depth, and if they want another study, I think this study will accomplish the goals that they are seeking.

Mr. Chairman, I yield back the balance of my time.

Ms. OAKAR. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. I thank the gentlewoman from Ohio, the chair of the committee, for yielding this time to me.

Mr. Chairman, I rise in very strong support of this legislation. I am interested to hear that this legislation may undermine the economic system of our Nation, may undermine the free enterprise system of our Nation, and may subject us to litigation.

First of all, if it does that, it seems to imply that there is something very much amiss, and the arguments that were used were clearly arguments used in almost every instance where progress was made in fairness to employees. Whether it was labor legislation, equal opportunity legislation, whatever it was, the arguments that we hear on this floor today have historically been used to keep people in

their place. In this case, it is women to be kept in their place.

If we are not doing anything wrong in Federal personnel policy, we have nothing to fear from a study which will give us the facts.

So I urge my colleagues to strongly support this legislation when it comes to a vote.

Currently, 47 million women are employed in the United States. Of these, a record 19.5 million are working mothers. That translates into 6 out of 10 women with children under 18 years old that are working. Fourteen years ago, 6 out of 10 stayed home. These working mothers are not part-time workers—a full 71 percent work full time.

Yet the Bureau of Labor Statistics reported in May that the median weekly earnings of women were 66 percent those of men. Women earned $268 at the median while men earned $404.

More importantly—among major occupational groups, women are separated from men by an unexplainable chasm in earned wages.

Men employed in executive, administrative, and managerial occupations had median earnings at $601 compared with $363 for women. Among professional specialty workers, men earned $554 while women earned $400.

These statistics go on and on. They reflect a strong likelihood of a structural inequity in our Nation's wage system. Unfortunately, our Federal wage system is not immune from this potentiality. Similar gaps in wages exist for Federal workers. Average male salary—$30,229; average salary for women was $18,864 in October 1983.

We cannot merely assume away the possibility that such wage gaps are the result of discrimination in violation of the Civil Rights Act. We owe it to ourselves and our employees to be certain of the reasons for such wage differentials. There has never been a full and complete study of the Federal Pay and Classification Systems since its inception in 1983.

It is time we had one. H.R. 3008 meets this need by mandating a study of the Federal Pay and Classification Systems to determine whether they are affected by discrimination based on sex, race, or Hispanic origin.

Only Federal jobs will be studied and recommendations are limited solely to Federal Civil Service. This bill does not put into place a national employment-pay equity policy for the country or even the Federal Government. Nor, does this bill presume that any existing wage gap is due to discriminatory practices. It only requires a complete study of our pay and classification system.

Congresswoman OAKAR deserves to be commended for her efforts to secure a fair and reasoned approach to this study. Her bill establishes an 11 member bipartisan commission to oversee this study which will guarantee representation by both Houses of Congress, the President and the Office of Personnel Management. This commission will hire a consultant to perform an 18-month study, comment on the study and disband.

In this way, we will be provided with a complete and accurate review of the wage gap which exists between sexes in Federal employment and whether that gap is attributable to such factors as responsibility, effort, qualifications, seniority, education or other factors exclusive of sex, race, and ethnicity. We can then move forward based on data and not heresay.

Mr. Speaker, I congratulate Congresswoman OAKAR for her continued leadership in this field of pay equity. We should know if our Federal Civil Service is stained with discrimination and should quickly move to be certain that we are in full compliance with our civil rights laws. Equality and fair treatment must continue to be our goals to ensure a fair employment system supported by the high morale and productivity of all employees.

I urge all Members to support H.R. 3008.

Ms. OAKAR. Mr. Chairman, I yield 1 minute to a very distinguished Member of Congress, the gentlewoman from Connecticut [Mrs. KENNELLY] who has been supportive of this legislation in every instance.

Mrs. KENNELLY. I thank the gentlewoman for yielding this time to me.

Mr. Chairman, it has been said that a little knowledge is a dangerous thing—and certainly that would be one's impression listening to the opponents of the Federal Equitable Pay Practice Act.

To hear them talk, you would think that a little knowledge about Federal wage differentials and pay practices would whip up the winds of universal economic disaster, if not cause the immediate collapse of Western civilization. It just isn't so.

Rarely have we seen so much exaggeration and misinformation generated about one piece of legislation particularly one that was adopted in committee by a lopsided vote of 18 to 4, and which passed the House in a somewhat different form only a year ago with just six votes in opposition.

We don't often have to spend so much time saying what a bill does not do, but let me reiterate just two of the things this one does not do.

First, it does not send out an army of Federal bureaucrats to impose a standardized wage scale or mandatory pay increases on private American businesses. In fact, the bill applies only to the Federal work force, and it does not even impose any sort of pay system on them.

The bill provides for a study, a simple study, which would investigate whether sex, race, or Hispanic origin are factors used in setting pay. H.R. 3008 specifically requires that the study not assume that discrimination exists on those grounds. It requires that there be an investigation of all the ingredients which are used in setting pay, including seniority, merit, job content, and market forces.

Second, the Federal Equitable Pay Practices Act does not set up an irresponsible or biased Commission to oversee this study. If the Commission is stacked, it is in favor of the Office of Personnel Management: 5 of the 11 members on the Commission are either the Director of OPM or OPM appointees. The other six members are the Comptroller General of the United States and individuals appointed by the President and the majority and minority leaders of the House and Senate.

The Federal pay and employment classification system now in place has not been reviewed in a comprehensive manner since it was first established over 60 years ago. Yet preliminary information indicates that the average earnings gap between men and women working in the Federal Government is $9,000 a year. Eighty percent of the women are concentrated in grade 7 and below, while 85 percent of the men in the Federal work force are concentrated in grades 10 through 15. Maybe sex discrimination plays absolutely no part in these enormous discrepancies, but it is high time we found out what does play a role.

It has been said that what you don't know won't hurt you. Perhaps Members of Congress won't be hurt by self-imposed ignorance on the subject of equitable pay practices. But the women and minorities and people of Hispanic origin who work for the Federal Government might be hurt with every paycheck if we refuse to accept our responsibility to know why inequities exist in Federal pay practices. I urge my colleagues to vote in favor of the Federal Equitable Pay Practices Act rule.

□ 1840

Ms. OAKAR. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. HAYES].

Mr. HAYES. Mr. Chairman, I thank the gentlewoman from Ohio.

Mr. Chairman, I rise in strong support of H.R. 3008. As a former trade unionist, in that capacity before being elected to this great body, I negotiated and fought and picketed for pay equity in the private sector of our society. I can do no less as a Member of this Congress as a matter of conviction and commitment.

Usually it is a situation where people readily accept the appointment of

commissions and designations of studies for these kinds of issues as a method of depth for this kind of action which is being requested. This is a mild resolution, a mild bill, and certainly I believe this bill, H.R. 3008, outlines a thoroughly objective and reasonable approach to review our pay classifications for our employees.

Mr. Chairman, as Members of Congress we have an obligation to fight discrimination wherever it may exist. We need not fear or should not fear a study of the Federal Government pay and classification system. I certainly support this bill.

Ms. OAKAR. Mr. Chairman, I yield 1 minute to the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Chairman, I rise to speak in support of H.R. 3008, the Federal Equitable Pay Practices Act of 1985. I commend my distinguished colleague, MARY ROSE OAKAR, Secretary of the House Democratic Caucus, for presevering on this issue and reintroducing this excellent bill. There has been a lot of discussion of this measure, and a lot of claims concerning its intent and consequences. Let's understand what this bill does and does not do.

First, let's look at what it does not do.

This bill does not propose any new law whatever, or any new standards for equitable pay. It simply proposes a study to determine whether the Federal pay and classification systems are consistent with current law—with title VII of the Civil Rights Act of 1964 and section 6(d) of the Fair Labor Standards Act of 1938.

It does not affect State or local government or private employers in any way. The bill proposes a study of the Federal Government only. It seeks to ensure that the Federal Government's own house is in order, that its own pay and classification systems are designed and enforced in accordance with current law and are not discriminatory.

The bill does not impose, directly or indirectly, any new Federal regulations on the private sector. Yet even job evaluations in the private sector do not require or lead to regulation of the market. Pay scales can reflect the market and be nondiscriminatory. Many large companies already have job evaluation systems to ensure that their job and wage systems do not violate Federal antidiscrimination laws. They obviously don't consider themselves to be tampering with the market.

Even though perfect objectivity obviously is impossible, the study proposed by the bill is not impossible to achieve. it is possible to identify and correct discriminatory pay practices. Forty-five States have already examined the issue, through studies, legislation, or collective bargaining. The GAO has conducted a study of the methodologies the proposed Commission would use, and concluded that such a study is indeed feasible and that the study "would provide Congress with a comprehensive analysis of the pay equity issue."

The bill does not presume, nor will the Commission presume, that wage differentials are discriminatory. After the study, wage differentials unexplained by economic and job content analysis may be deemed discriminatory. This would be left to the judgment of the bipartisan, representative commission.

The bill does not provide for or mandate implementation of the Commission's recommendations, although I would hope that, if wage discrimination in the Federal Government were found, it would be eliminated.

The bill does not open the way for extensive, costly litigation. Should discriminatory practices exist in the Federal pay or classification systems, this study would enable the Government to take steps to end them promptly, thus avoiding possible litigation.

Finally, this bill does not threaten our way of life with extinction. Opponents of the bill predict that it will cause the "destruction of our economic strength," the "death of our free enterprise system," "loss of individual liberty," and "social chaos." Similar dire predictions were made when the Equal Pay Act, the minimum wage, and the child labor laws were enacted. Our free market system is strong and is only strengthened by laws embodying the American ideal of equality, such as H.R. 3008.

Now, let's take a look at what this bill does.

H.R. 3008 does demonstrate the Federal Government's commitment to our civil rights laws and to the elimination of wage discrimination.

It is crucial that American women and minorities have economic equity and an equal chance for economic self-sufficiency. Greater economic opportunity for all means greater long-term economic growth. From the standpoints of both productivity and simple justice, women and minorities must not be second class economic citizens. Our economy and our integrity cannot afford it.

The Federal Government is the Nation's largest employer, and probably its most visible employer. It also represents the beliefs and values of the American people. Surely it is encumbent upon us to see that our employment practices are scrupulously legal, and nondiscriminatory.

The bill does represent a broad, nonpartisan consensus that the time has come to look at the employment practices of the Federal Government. Last Congress, a similar bill passed the House with 413 votes. This year's bill has broad, bipartisan cosponsorship.

Opponents of this bill say that the rectification of discriminatory job and wage practices will be too expensive. Mr. Speaker, discrimination isn't a cost to be factored into a cost-benefit analysis, nor is its eradication. Discrimination is a moral outrage and a violation of the law, and its eradication is a moral obligation and a legal necessity.

I really believe that we all agree, proponents and opponents of the bill alike, that our goal in this area is a "gender-blind," "race-blind" society in which all individuals have equal opportunity to compete in our economic system. And I think we all agree that we have made a great deal of progress in eliminating barriers to equal economic opportunity. But we have not reached our goal yet, and we disagree on how to reach it. Opponents of the bill tell us that if we resolve to stop discriminating in the future, the market will take care of inequities. I agree with my friend Congresswoman OAKAR, and my colleagues who joined me in cosponsoring H.R. 3008, that this is not enough. Yes, we must look to the future, but we cannot ignore the past. While this bill only calls for a study, we cannot just ignore remaining, present discrimination created by past economic, social, and legal conditions and hope that it will go away. If people have been wrongfully placed at a disadvantage in our competitive economic system, we must seek out these inequities and remedy them. Only then will we have an economic system we can be proud of as Americans. H.R. 3008 recognizes our obligation, as Federal legislators, to look to our Federal wage and classification systems, to ensure that no Federal employee is at a wrongful economic disadvantage.

Ms. OAKAR. Mr. Chairman, I yield myself the remainder of my time.

Mr. Chairman, I have heard much misinformation on the floor today by those who oppose the bill. They would have us believe that there are going to be all kinds of lawsuits because of this study on how we treat our classified Federal employees.

They mentioned the State of Washington. The reason the people succeeded in that case was because the Federal judge ruled they were discriminated against under the Civil Rights Act, title 7. It was not because of a study that that was done.

Forty-five States have either implemented a study or are in the process of implementing a study, and somehow the Sun is still shining and the rivers in this country are still flowing. That kind of fear tactic should not dissuade the Members.

This is a simple study. We have not done one since 1923. No one is trying to set up a national pay scale. I would be opposed to that. I believe very strongly in the free enterprise system.

But we do have jurisdiction over how we treat classified Federal employees, and we know we have not looked at how we classify them in a fair manner and an equitable manner since 1923. We also know we have not looked at how we classify not only women but minorities, and this is why we added minorities to this study.

Mr. Chairman, anyone who really believes that more than half of the population ought to be treated fairly in this country will support this legislation. Anyone who believes that Hispanic men and black men ought to be treated fairly will support this legislation. I ask my colleagues not to be swayed by the fears that people will give them. It is very interesting to me that those fears exist and have existed when we have addressed practically every piece of civil rights legislation.

The CHAIRMAN. The time of the gentlewoman from Ohio [Ms. OAKAR] has expired.

Mr. NIELSON of Utah. Mr. Chairman, I do not rise today in opposition to equal pay for equal work, and I do not rise in opposition to efforts to eliminate sex-based wage discrimination, wherever it may exist; I do rise in strong opposition to H.R. 3008, a bill proponents suggest will merely require a study of Federal employment practices, and particularly to the hasty manner in which it has been—is being—rushed to the floor for consideration by the full House.

Now much has been said about this bill and the confusing and controversial theory of comparable worth it pretends not to advocate. At the risk of repeating some of the valid concerns that have already been raised by many of my distinguished colleagues, I would like to share one of my own.

H.R. 3008 represents an "end run" effort by its proponents to pass legislation that would set the stage for converting the theory of comparable worth into public policy. Now they aren't exactly calling it comparable worth. They realize that there is some resistance in Congress to what at present is nothing more than a theory that has no agreed upon meaning or definition. Instead, they call it pay equity, and who could be against equal pay for equal work? After all, isn't that the law? Isn't that what pay equity means? Well, at one time it did, but apparently not any more. Now we hear it defined as "equal pay for work of equal value"—or in other words, comparable worth. Sound confusing? It sure does.

Proponents will argue: Now wait a minute. H.R. 3008 only calls for a study. We're only suggesting that someone should take a look at the Federal pay and classification system, to see if any sex-based wage discrimination is taking place. That's all.

Again, it sounds innocent enough: just a study. In reality, the advocates of comparable worth are trying to accomplish through the courts what they have not been able to accomplish through the legislative process: the implementation of comparable worth as public policy. They are fully aware of the recent experience of the State of Washington. It, too, commissioned "only a study," but what it got was a court decision sustaining a lawsuit which accused the State of practicing sex-based wage discrimination, based on the comparable worth theory. Proponents know full well that if the so-called pay equity study mandated by H.R. 3008 finds any discrepancies in wage compensation between male and female Government employees working at similar jobs—which would be, according to this bill, evidence of discrimination—it would lay the legal groundwork for filing the same type of lawsuits against the Federal Government.

Mr. Chairman, let's be up front about it. H.R. 3008 is a comparable worth bill. It is based on the comparable worth theory. Therefore, passage of H.R. 3008 would be interpreted as a congressional endorsement of comparable worth. I urge my colleagues to reject comparable worth. Vote "no" on H.R. 3008.

● Mr. MOODY. Mr. Chairman, I rise in stong support of H.R. 3008, the pay equity bill introduced by my colleague, Congresswoman MARY ROSE OAKAR.

There is no denying that this has become a controversial issue—even more surprising because of last year's support for a similar measure in this House. Can it be that we have turned our backs on wage discrimination and equality for woman and men?

Those of you who say no, and yet do not plan to vote for H.R. 3008, how can you deny a Federal study to resolve the most pressing questions about this issue?

Despite all the controversy, over 100 States and cities have undertaken studies of their wage scales, and in some cases have made changes in response to the discovered imbalance in pay. Nor has this been limited to the public sector. In 1984, the Rand Corp. found that, on average, women in the national work force are paid 64 cents for every $1 paid to men—an appalling discrepancy. In my own State of Wisconsin, we have conducted a study of the salary structure of State employee to determine whether wage inequities exist between comparable jobs, and our neighboring State of Minnesota is successfully implementing a pay equity plan approved for the State in 1982.

As representatives to our Federal Government, we should be leading the way on this issue. The controversy surrounding it affects all of us as workers as employers who must deal with wage structures and job evaluation, and as taxpayers and consumers who must feed our families.

I urge your support for this important study—we have nothing to fear from the facts if our intentions are workable.●

● Mr. LIVINGSTON. Mr. Chairman, equal pay for equal work. No one can argue with that concept, and in fact, it has been the law of the land in America for many years.

We Americans are firmly on record as being against discrimination of all kinds. We have passed laws, and our courts have ruled on numerous occasions that discrimination of any kind will not be tolerated.

Now, many of you may have heard of comparable worth, a theory of job evaluation being touted in Congress as a cure-all for sex-based wage discrimination. It sounds good, but it could very well cause far more problems that it seeks to resolve.

Comparable worth would allow the Government, the courts, and boards of "experts" to mandate wage adjustments to equalize the pay of men and women in different occupations that are judged to be comparable in skill and responsibility.

If you're wondering how the Government—or anybody else—can determine the worth of a job better than the free marketplace, the answer is it can't. Comparable worth prevents economic freedom; it flies in the face of the laws of supply and demand. In sum, comparable worth ignores the role of competition, individual experience, and merit when determining the "worth" of a job.

Most comparable worth advocates prefer a white-collar evaluation system like the Factor Evaluation System, which the Federal Government used in a recent comparable worth study of Federal employees. In short, the study completely refutes the validity of using comparable worth theories for eliminating discrimination.

Indeed, the study showed that imposing such a pay system could cause a class war. It could set blue collar people against white collar people, rich against poor, employees against employers, men against women.

Consider these conclusions of the Government's study:

Custodial worker men and laundry worker women would be cut from $16,000 to about a $10,000 clerical worth.

Food service worker women and laborer men would get a $5,000 pay cut relative to clerk-typist women.

Storeworker women and forklift operator men would received at least $4,000 less relative to nursing assistant women.

Sewing machine operator women and warehouse worker men would re-

ceive about $3,000 less compared to women secretaries.

Comparable worth would not only fail to eliminate sex-based wage discrimination, but it would probably worsen the problem. By offering higher wages for what feminists call dead end jobs, comparable worth would diminish the incentive for a worker in a female-dominated occupation to vault the barriers into a previously male-dominated job. After all, why push to be a chemist when you can remain a clerical supervisor and make just as much or more money?

As a result, our society would be riddled with more sex-segregated jobs than ever before—and the bureaucracy necessary to cope with this maze of regulation would become incredibly huge.

Women, the very people that comparable worth advocates purport to help, seem to recognize the folly of this job evaluation method. In a nationwide survey of 2,704 adult Americans conducted late last year, only 18 percent of all female respondents favored the passage of new laws as a means of combatting sex-based wage discrimination.

Certainly we should continue to work to eliminate discrimination of all kinds, and particularly wage discrimination against women.

What women truly want, and what they should rightfully receive, is better enforcement of the two equal pay laws that are already on the books. Proper enforcement of two statutes—the Equal Pay Act and title VII—guarantees equal pay for equal work to all workers, and that's as it should be.

Equal pay for equal work is the American way. But a federally arbitrated comparable worth board is not the way to go.●

● Mr. FAUNTROY. Mr. Chairman, I rise in support of H.R. 3008, the Federal Equitable Pay Practices Act of 1985, sponsored by my distinguished colleague from Ohio, Congresswoman MARY ROSE OAKAR, chair of the Subcommittee on Compensation and Employee Benefits.

I am proud to be an original cosponsor of this important, fair, and long overdue legislation which authorizes an 18-month study of the Federal pay and job classification systems to determine whether they are administered and operated in a manner consistent with current law, which prohibits discrimination on the basis of sex, race, and ethnicity.

The Federal Government, the Nation's largest employer, lags far behind the rest of the country in addressing the issue of pay equity. While the majority of States have already begun to examine their own pay systems and many are implementing corrective changes, it is incumbent upon us in the Congress to enact legislation that will examine the relationship between antidiscrimination laws and Government pay practices.

It is past time for the Federal Government to begin to address the issue of pay equity. To those who argue that we will be endorsing comparable worth, I say you are wrong. Mandating this study will not be an endorsement of any policy other than fair pay practices in the Federal Government, a goal upon which we already agree. In passing H.R. 3008, the Congress would be upholding its responsibility to exercise public policy oversight.

H.R. 3008 is a well-crafted bill, seeking simply to provide us with an evaluation of our Federal pay practices. Therefore, I urge my colleagues to support the Federal Equitable Pay Practices Act of 1985.●

● Mr. GUNDERSON. Mr. Chairman, today, the House of Representatives will take up H.R. 3008, the Federal Equitable Pay Practices Act of 1985, and I am in wholehearted support of this measure to study the Federal Government's job classification and pay systems.

H.R. 3008 was reported out of the House Post Office and Civil Service Committee, with bipartisan support, on July 24, and since that time a barrage of information has flooded our offices opposing the intent of this legislation and the study. These red flags of caution and warning I contend are unwarranted. Are those in opposition to a study of the Federal work force afraid of what may be discovered?

Pay equity concept is evolving into an important issue of the 1980's. As an issue of this decade, pay equity is not a new or innovative idea of our times. At an International Labor Organization Conference held in Rome in 1951, 80 nations passed a resolution supporting comparable worth. Additionally, more than 100 comparable worth/pay equity initiatives now exist at various governmental levels around the country. Six States have implemented comparable worth/pay equity policies, and other States are in the process of studying their State's pay classification and compensation systems. I contend now is the appropriate time for the Federal Government to review its classification and wage systems to determine if ethnic origin, gender, or race are elements used in setting pay scales in the Federal work force.

H.R. 3008 establishes a bipartisan Commission on Equitable Pay Practices to oversee a study conducted by an independent, private consultant on the Federal classification and wages. The study will take into consideration positions of classified employees of the Federal Government, it will not affect local or State public sector employees or the private sector work force.

H.R. 3008 offers important technical revisions that were not included in H.R. 5680, which was passed by the House last year. The revisions include a March 1985 GAO recommendation on how to conduct a pay equity study by expanding the study to determine if economic variables such as education, locality, merit, productivity, senority, veterans status, and work experience are associated with occupational pay differentials. Economic analysis joined with job content analysis will provide for a well-rounded approach to the study.

The questions asked by this legislation, and determined by a careful study are legitimate. An undertaking of this nature will essentially provide the administration and Congress with information and recommendations to determine if Federal pay practices are consistent with section 6(d) of the Fair Labor Standards Act of 1938 and title VII of the Civil Rights Act of 1964.

The Federal classification and pay systems were established by the Classification Act of 1923, and since that time there has not been a general review of the system. I believe now is an appropriate time to address this matter. It would be rather naive to think that some Federal positions have not become institutionalized, over the years, by a particular gender or race. Let's not push aside a factfinding study of the classification and wage systems and an opportunity to improve the Federal Government as a responsible and fair employer.

The Federal Equitable Pay Practices Act of 1985 is a laudable piece of legislation to assist the administration and Congress in identifying, and if need be address, any forms of discrimination that may exist within the Federal pay system. I strongly urge my colleagues to seriously consider favorably H.R. 3008.●

● Mr. FRENZEL. Mr. Chairman, I was a cosponsor of the predecessor bill to H.R. 3008, H.R. 27. I signed on to that early bill not as an ardant supporter of the concept of comparable worth, but as one who is concerned about some of the allegations of inequities in our Federal pay scales. I felt that the sponsor's suggestion that a study be made of the Federal pay and classification system to determine whether there are inequities was a good idea.

Unfortunately, opponents of the comparable worth idea have unfairly represented this bill as something far more extensive than it is. The study will examine the Federal Government only—it will not translate to the private sector in any way. The bill does not implement the findings of the study.

There have been many comments by some of our colleagues in the past few weeks which have attempted to explain why there may be disparities that are perfectly normal which account for the fact that 78 percent of federally employed women are concen-

trated in the low end of the pay scale. They raise some good points, but, if true, I believe the points will be confirmed in the study as well.

Other opposition to the bill centers around the fact that a costly court case could arise from any failure of the Federal Government to implement recommendations included in the pay study. Or that the court would determine that the study's recommendations must be implemented by the Federal Government. The bill, H.R. 3008, does say that. I guess I have more faith in the courts than that.

I have many questions about the feasibility of developing a rating system or another method to determine a fair system of comparable worth. In general, I want most decision to be made in the market place. However, I do not have any objection to a bill which appears only to study the Federal pay system for possible inequities. In my opinion, the issue has been blown way out of proportion.●

● Mr. MATSUI. Mr. Chairman, I rise today to speak in favor in H.R. 3008, the Federal Equitable Pay Practices Act of 1985, which calls for a study of the Federal pay and classification systems to determine whether they are marred by sex-based wage discrimination.

As the largest single employer in the nation the Federal Government should be a model of legal compliance for all. But we are behind in this area. To date all but five States have examined the issue of sex-based wage discrimination.

We can not ignore the evidence that the Federal pay and classification systems may be biased. A GAO report showed a pay differential of almost $12,000 between male and female Federal Government employees. The study pointed out that women are clustered into relatively few occupations near the lower end of the pay scale while men are predominantly found in jobs with higher grades.

This legislation before us today is not revolutionary. It is not a nationwide comparable worth program. This bill was reported out of the Post Office and Civil Service Committee by a vote of 18–4. A similar bill passed the House of Representatives last year by a vote of 413–6. This legislation merely reaffirms the law of the land, which states that sex, race and ethnicity are not factors that may be used to determine the rate of pay for any person or any position.

We can eliminate discrimination in our time, but we can not do so if we deny that it exists or if we refuse to join in the effort to determine the extent of the problem.

Support of H.R. 3008 is support for a fair, objective study of discrimination in the pay practices of the Federal civil service. The public has a right to know if the wage practices of its Government are within the law.●

● Mr. GREEN. Mr. Chairman, I should like to commend my colleague from Ohio, chair of the Subcommittee on Compensation and Employee Benefits, and a fellow member of the Congressional Caucus for Women's Issues, for her work on the issue of pay equity.

The legislation before us today, the Federal Equitable Pay Practices Act of 1985, mandates a study on the Federal pay and classification systems to determine whether they are affected by discrimination based on sex, race or ethnicity. The current system for so-called white collar workers, the General Schedule, appears to evaluate positions in a fashion that comports with the principles of gender equity and pay equivalance. Variations in pay and class/grade determination are based on differences in the difficulty, responsibility and qualification requirements for the work performed. In addition, determining factors include the amount of supervision required and the amount of independent judgment which is necessary. These criteria would appear to discount discriminatory factors. However, I believe it is important to look at the system to ensure that, in fact, they do.

The prevailing rate system, which covers what are traditionally referred to as "blue collar" positions, applies to those in trades or crafts, or in skilled, semiskilled, or skilled manual labor occupations. Clearly, these are fields where there traditionally has been little female participation. In addition, the prevailing rate system provides that wages must be maintained in line with prevailing wages for comparable work in the private sector within a local wage area. The question will be how to deal with disparities in the two systems while accounting for factors unique to each.

The issue of pay equity, or "comparable worth," is complex. Women's roles in society have changed dramatically, particularly in the last two decades. I think it is important to note that achieving full equality for women is a multi-faceted process. Those of us who have taken a lead in this effort are attempting to address all aspects of the issue through studies and proposed reforms in pension and tax laws, education, child care and civil rights. All of these subjects contribute to the complexity of the pay equity issue, and how they are dealt with at present and in the coming years will have a lot to do with progress toward per equity.

This legislation takes an appropriate first step in addressing comparable worth questions. It is only a study, which will allow us to determine from its results what our next step should be. It takes into account the recommendations of the General Accounting Office [GAO] for conducting such a study. It will include job content analysis, based on factors such as skill, effort, responsibility and qualifications. Further, it will also contain an economic analysis, to show the extent to which differences in pay may be attributed to factors such as merit, seniority, work experience and locality.

Eliminating discrimination is a complex and difficult task. It is slow and tedious. It required acceptance of the fact that most problems in society are not the subject of a simple cause and effect relationship. But it must continue to remain high on our agenda. Indeed, "comparable worth" is an issue worth looking at.●

● Mr. GEPHARDT. Mr. Chairman, I rise to speak in support of H.R. 3008, the Federal Equitable Pay Practices Act of 1985. I commend my distinguished colleague, MARY ROSE OAKAR, Secretary of the House Democratic caucus, for persevering on this issue and reintroducing this excellent bill. There has been a lot of discussion of this measure, and a lot of claims concerning its intent and consequences. Let's understand what this bill does and does not do.

First, let's look at what it does.

H.R. 3008 does demonstrate the Federal Government's commitment to our civil rights laws and to the elimination of wage discrimination.

It is crucial that American women and minorities have economic equity and an equal chance for economic self-sufficiency. From the standpoints of both productivity and simple justice, women and minorities must not be second-class economic citizens.

Greater economic opportunity for all means greater long-term economic growth. As an economy, as a society, we cannot afford the tragic waste of human potential, human skill and knowledge, that occurs when we deprive women and minorities parity in the work force.

But just as important, as a nation great in both economic and moral strength, we cannot afford to deprive American citizens of an equal opportunity to develop their potential and contribute to their society to the full extent of their ability, without artificial and discriminatory economic disadvantages.

Mr. Chairman, I have two young daughters—two energetic and talented daughters. I am concerned for their future, as any father would be. I want my daughters to be able to go where their talents and their determination lead them. As a father proud of his daughters, as an American proud of his country, I do not want my daughters to have to struggle against discrimination. I want no woman, no member of a minority group, no American citizen, to have to struggle against discrimination.

We must not place women or minorities at an unfair and illegal economic disadvantage. Our economy and our integrity cannot afford it.

The Federal Government is the Nation's largest employer, and probably its most visible employer. It also represents the beliefs and values of the American people. Surely it is encumbent upon us to see that our employment practices are scrupulously legal, and nondiscriminatory.

The bill does represent a broad, nonpartisan consensus that the time has come to look at the employment practices of the Federal Government. Last Congress, a similar bill passed the House with 413 votes. This year's bill has broad, bipartisan cosponsorship.

Opponents of this bill say that the rectification of discriminatory job and wage practices will be too expensive. Mr. Chairman, discrimination isn't a cost to be factored into a cost-benefit analysis, nor is its eradication. Discrimination is a moral outrage and a violation of the law, and its eradication is a moral obligation and a legal necessity.

I really believe that we all agree, proponents and opponents of the bill alike, that our goal in this area is a "gender-blind," "race-blind" society in which all individuals have equal opportunity to compete in our economic system. And I think we all agree that we have made a great deal of progress in eliminating barriers to equal economic opportunity. But we have not reached our goal yet, and we disagree on how to reach it. Opponents of the bill tell us that if we resolve to stop discriminating in the future, the market will take care of inequities. I agree with my friend Congresswoman OAKAR, and my colleagues who joined me in cosponsoring H.R. 3008, that this is not enough. Yes, we must look to the future, but we cannot ignore the past. We cannot just ignore remaining, present discrimination created by past economic, social, and legal conditions and hope that it will go away. If people have been wrongfully placed at a disadvantage in our competitive economic system, we must seek out these inequities and remedy them. Only then will we have an economic system we can be proud of as Americans.

H.R. 3008 recognizes our obligation, as Federal legislators, to look to our federal wage and classification systems, to ensure that no Federal employee is at a wrongful economic disadvantage.

Now, let's look at what this bill does not do.

This bill does not propose any new law whatever, or any new standards for equitable pay. It simply proposes a study to determine whether the Federal pay and classification systems are consistent with current law—with title VII of the Civil Rights Act of 1964 and section 6(d) of the Fair Labor Standards Act of 1938.

It does not affect State or local government or private employers in any way. The bill proposes a study of the Federal Government only. It seeks to ensure that the Federal Government's own house is in order, that its own pay and classification systems are designed and enforced in accordance with current law and are not discriminatory.

The bill does not impose, directly or indirectly, any new Federal regulations on the private sector. Yet even job evaluations in the private sector do not require or lead to regulation of the market. Pay scales can reflect the market and be non-discriminatory. Many large companies already have job evaluation systems to ensure that their job and wage systems do not violate Federal antidiscrimination laws. They obviously don't consider themselves to be tampering with the market.

Even though perfect objectivity obviously is impossible, the study proposed by the bill is not impossible to achieve. It is possible to identify and correct discriminatory pay practices. Forty-five States have already examined the issue, through studies, legislation, or collective bargaining. The GAO has conducted a study of the methodologies the proposed Commission would use, and concluded that such a study is indeed feasible and that the study "would provide Congress with a comprehensive analysis of the pay equity issue."

The bill does not presume, nor will the Commission presume, that wage differentials are discriminatory. After the study, wage differentials unexplained by economic and job content analysis may be deemed discriminatory. This would be left to the judgment of the bipartisan, representative Commission.

The bill does not provide for or mandate implementation of the Commission's recommendations, although I would hope that, if wage discrimination in the Federal Government were found, it would be eliminated.

The bill does not open the way for extensive, costly litigation. Should discriminatory practices exist in the Federal pay or classification systems, this study would enable the Government to take steps to end them promptly, thus avoiding possible litigation.

Finally, contrary to some claims, this bill does not threaten our way of life with extinction. Opponents of the bill predict that it will cause the "destruction of our economic strength," the "death of our free enterprise system," "loss of individual liberty," and "social chaos." Similar dire predictions were made when the Equal Pay Act, the minimum wage, and the child labor laws were enacted.

Our free market system is strong and is only strengthened by measures embodying the American ideal of equality, such as H.R. 3008.●

● Mr. BEDELL. Mr. Chairman, I rise today in support of H.R. 3008, the Federal Equitable Pay Practices Act of 1985.

H.R. 3008 mandates a study of the Federal pay and classifications systems for discrimination based on sex, race, and ethnicity.

As the Federal wage and classifications system has never been studied for evidence of discrimination, I believe that the study mandated by H.R. 3008 is clearly warranted. Indeed, as our labor market has certainly changed dramatically over the past several generations, it is important to clarify whether or not this vital system is organized in the most equitable and fair manner possible.

Pay equity simply means that wages and classifications are based on skill, effort, responsibility, and the working conditions of an occupation. It requires that jobs not be evaluated on the basis of sex or race.

The Government Accounting Office has issued a report that makes recommendations as to how a pay equity study might best be conducted. H.R. 3008 will take these into consideration in providing Congress with a comprehensive analysis of the situation.

This is an important study, indeed, an important step toward a better understanding of where discrimination might exist in our Federal wage and classification system, and what we might do to correct it.●

● Mr. CONYERS. Mr. Chairman, I rise to support H.R. 3008, the Federal Equitable Pay Practices Act of 1985, a proposed 18-month study to determine whether our Federal pay and classification systems are affected by discrimination based upon sex, race or ethnicity.

As a government, we pride ourselves on being part of a nation which places great importance on fairness and equity. As a nation we have come a long way to correct unfairness in our society, however, we still have a long way to go.

I want to commend our colleague, the gentlewoman from Ohio, Representative MARY OAKAR, who has championed this bill which seeks to identify the problems of chronic pay inequities in the Federal Government, the Nation's largest employer, and thereby, move us closer to our goals of social and economic justice for all our citizens. It is my pleasure to be a cosponsor of this important legislation.

According to studies by the U.S. Census Bureau, and the General Accounting Office [GAO], the disparity between income of Federal employees who are male and female is an average of $9,000.

A study prepared by the GAO revealed that federally employed women

earn an average of 62.8 cents for every dollar earned by males employed by the Federal Government. That data also demonstrated that black women working for the Federal Government earn an average of 62.2 cents for every dollar earned by a male. When we compare all sectors—Federal, State and local government, and private—white females earn 59.2 cents for every dollar paid to a male, black women earn 54.7, and Hispanic women earn 51.2 cents.

The GAO also examined the extent to which federally employed women are clustered into relatively few occupations at the lower end of the pay scale. They found that even though women comprise 44 percent of the Federal work force, approximately 78 percent of the female employees were clustered in grades 1 to 6. On the other hand, 85 percent of the male employees occupied jobs in grades 10 to 15.

The wage gap is a persistent problem, one which has remained fairly static since the mid-1950's, and will remain so unless corrections are made. Neither the free market nor antidiscrimination laws—as currently enforced—have made a dent in the gap. This situation has persisted in spite of the Civil Rights Act of 1964 and the Equal Pay Act of 1963.

Mr. Chairman, there are some who ask: Why do we need such a study in 1985? The reason is clear: no study has ever examined this Federal concern since 1923 when the wage plan for paying the Nation's Federal civil servants was implemented. H.R. 3008 merely seeks to identify the cause of the problem. There are others who have expressed skeptism, arguing that the study is politically motivated. However, there is no need to fear the study because it is a bipartisan effort which had passed the House last year by a vote of 413 to 6.

This study focuses exclusively on the Federal Government. In addition, the 11-member bipartisan Commission which will oversee the study has only 18 months to make its final report, and 90 days after fulfilling its responsibilities, the Commission's authority will end.

All but five States have already addressed this issue. Some 39 have done research, while 22 are currently conducting evaluations of the pay classifications of State employees. In addition, seven States are implementing pay equity adjustments as a result of such studies. Many of these States, as well as some cities, have taken the lead in implementing pay equity policies to eliminate wage discrimination in their governments. Should not the Federal Government examine its own wage system, and follow the example being set by such States?

The mechanics of this legislation reflect national concern through a bipartisan team which will oversee the use of two types of research methods to be applied in this study as recommended by the GAO in its March 1984 study. One research method to be used, job content analysis, rates entry-level positions so that jobs are value based on factors such as skill, effort, responsibility, qualifications, and working conditions. To complement that technique, another method, economic analysis, will measure the extent to which pay differentials can be attributed to factors such as seniority, merit, productivity, education, work experience, veterans' status, locality, or other factors exclusive of sex, race, or ethnic origin.

The Congressional Budget Office [CBO] estimates that H.R. 3008, if enacted by September 1986, will cost between $1.5 and $2 million over the fiscal years 1986 and 1987. This bill specifies that the study is to be paid for with the regularly appropriated funds of the Office of Personnel Management. The GAO concluded that a pay equity study is feasible, and a study using both economic and job-content analyses would provide Congress with a comprehensive analysis of the pay equity issue.

This bill is not a back-door attempt to override market forces in determining wages for women and minorities. Rather, it is merely a means to determine if the Federal Government is adhering to existing antidiscrimination laws. Criticisms that this bill will severely disrupt the economy are only a repeat of false alarms sounded by those who announced a similar fate if the Equal Pay Act, minimum wage, and child labor laws were enacted.

In all those cases, the predicted economic chaos never came to pass. I believe that adoption of this legislation will be another important step in continuing the longstanding, bipartisan opposition to discrimination in this country.

After 60 years of experience with the Federal wage structure it is time for a comprehensive study which will give us the clarity to move the Nation forward. The Federal Government has the responsibility of developing, implementing, and enforcing legislation that will eliminate pay inequities based on race, sex, or ethnicity. Certainly it has a responsibility to make sure it is not discriminating as well. We can only bring honor to ourselves and the Nation by passing H.R. 3008 without further reservation, and I encourage my colleagues to support this important legislation.●

The CHAIRMAN. All time has expired.

Pursuant to the rule, the bill will be considerd by sections, and each section shall be considered as having been read.

The Clerk will designate section 1.

The text of section 1 of the bill is as follows:

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Equitable Pay Practices Act of 1985".

Ms. OAKAR. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KILDEE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3008) to promote equitable pay practices and to eliminate discrimination within the Federal civil service, had come to no resolution thereon.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST AND PROVIDING PROCEDURES FOR CONSIDERATION OF CONFERENCE REPORT ON SENATE CONCURRENT RESOLUTION 32, FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1986

Mr. DERRICK, from the Committee on Rules, submitted a privileged report (Rept. No. 99-248) on the resolution (H. Res. 253) waiving points of order against and providing procedures for the consideration of the conference report (S. Con. Res. 32) setting forth the congressional budget for the U.S. Government for the fiscal years 1986, 1987, and 1988 and revising the congressional budget for the U.S. Government for the fiscal year 1985, or any amendment in disagreement thereto, which was referred to the House Calendar and ordered to be printed.

CONFERENCE REPORT ON SENATE CONCURRENT RESOLUTION 32, FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1986

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 253 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 253

Resolved, That all points of order against the conference report on the concurrent resolution (S. Con. Res. 32) setting forth the congressional budget for the United States Government for the fiscal years 1986, 1987, and 1988 and revising the congressional budget for the United States Government for the fiscal year 1985, or against the consideration of the conference report or of any amendment reported from conference in disagreement, are hereby waived. The

conference report or any amendment reported from conference in disagreement shall be considered as having been read when called up for consideration. If the conferees report in disagreement and the House acts first, it shall be in order to consider, without intervening motion, a motion, if offered by the chairman of the Committee on the Budget, that the House recede from its amendment and concur with an amendment or amendments, such motion shall not be subject to a demand for a division of the question, such motion shall be debatable for not to exceed one hour, to be equally divided and controlled as provided by clause 2(b) of rule XXVIII, and the previous question shall be considered as ordered on such motion. If the Senate acts first and further amends the House amendment, it shall be in order in the House to consider, without intervening motion, a motion, if offered by the chairman of the Committee on the Budget, that the House either concur in or disagree to the Senate amendment, such motion shall be debatable for not to exceed one hour, to be equally divided and controlled as provided by clause 2(b) of rule XXVIII, and the previous question shall be considered as ordered on such motion.

SEC. 2. The Chairman of the Committee on the Budget shall have unitl September 6, 1985 to print in the CONGRESSIONAL RECORD allocations of budget outlays, new budget authority, and new entitlement authority to committees, and said allocations shall be considered to be the allocations required to be printed in the joint statement of managers on Senate Concurrent Resolution 32 pursuant to section 302(a) of the Congressional Budget Act of 1974 (Public Law 93-344).

□ 1850

The SPEAKER. The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, I yield the customary 30 minutes for purposes of debate only to the gentleman from Ohio [Mr. LATTA]. Pending that, I yield myself such time as I may consume.

Mr. Speaker, this rule waives points of order against and provides procedures for the consideration of the conference report to accompany Senate Concurrent Resolution 32, the first concurrent resolution on the budget for fiscal year 1986, or any amendments reported in disagreement thereto. Before I discuss the provisions of this rule, Mr. Speaker, I would like to note that this rule was drafted in order to provide the House with a number of options, or contingencies, so that the Members of the House would be able to respond to action on this legislation in the other body.

As our colleagues may be aware, the conference committee on the concurrent resolution on the budget for fiscal year 1986 agreed to a budget resolution several hours ago. Upon conclusion of the conference, however, there remained some question as to the order and the form in which this agreement would be considered in each Chamber of Congress.

The Committee on Rules, therefore, was faced with the question of how best to ensure timely consideration of the agreement while not knowing at the time we were meeting precisely in what form the budget resolution would be considered. This rule, therefore, covers all potential contingencies as to which Chamber would consider the matter first, as well as the form in which the agreement might be considered in the House.

Subsequent to this rule being ordered reported, we have been advised that the House will consider this budget agreement before it is taken up in the other body, and that we will act amendments in disagreement rather than on a conference report. Therefore, I will discuss only those provisions of this rule which are applicable to our current situation.

Quite simply, this rule waives all points of order against the conference report and against consideration of the conference report, and the amendment in disagreement will be considered as having been read.

This rule also makes in order a motion, without intervening motion, that the House recede and concur with an amendment or amendments. The motion would not be subject to a demand for a division of the question and would be debatable for 1 hour to be equally divided and controlled by majority party and minority party as provided by clause 2(b) of rule XXVIII. The previous question on the motion would be considered as ordered.

Section 2 of this rule provides that the Chairman of the Budget Committee, Mr. GRAY, has until September 6, 1985 to print in the CONGRESSIONAL RECORD spending allocations which are deemed to be allocations required by section 302(a) of the Budget Act. This section of the Budget Act requires that committee spending allocations be included in the joint statement accompanying a conference report on any budget resolution. Because the budget agreement was reached only hours ago, the Budget Committee will need some time to provide accurate allocations. By providing that these allocations be printed in the CONGRESSIONAL RECORD when we return in September, this provision will allow the Budget Committee sufficient time to accurately allocate the spending totals among the House committees.

Mr. Speaker, it is necessary for the House to waive points of order against this conference report if we are to have an opportunity to complete action on the first budget resolution prior to the start of the August district work period. As is often the case, conference committees have concluded action on very important legislature of pressing national interest within hours of a scheduled adjournment. The rule before the House at present is necessary to facilitate the consideration of the budget resolution before adjournment. Moreover, this rule is similar to the rule adopted by the House earlier today, by voice vote, to provide for consideration of the conference report to accompany H.R. 1460, the Anti-Apartheid Act.

As our colleagues will recall, the House passed House Concurrent Resolution 152, the first concurrent resolution on the budget for fiscal year 1986, on May 23. Diligent efforts have been underway since that time to produce a conference agreement on the first budget resolution. The House conferees on the first budget resolution, led by the gentleman from Pennsylvania and chairman of the House Budget Committee, Mr. GRAY, have worked tirelessly over the last several weeks to produce a conference agreement.

While we have worked consistently toward a conference agreement on the first budget resolution, Mr. Speaker, I believe the Members of the House have also made some very pragmatic and appropriate decisions about imposing the discipline of the Budget Act on this Chamber even without final adoption of a budget resolution, as well as providing for the orderly handling of the appropriations measures for the coming fiscal year.

With the start of this recess, Mr. Speaker, the House will have concluded action and adopted 8 of 13 general appropriation bills for fiscal year 1986. The consideration of these appropriation measures was greatly facilitated by House adoption of a measure reported from the Committee on Rules, House Resolution 231, a resolution providing special budget procedures for the fiscal year 1986 budget process.

House Resolution 231, which the House adopted on July 24th, had the very important effect of providing that the House-passed budget resolution would be considered final adoption of a budget resolution for fiscal year 1986, for purposes of the Budget Act provisions triggered by such action, until final adoption by the House and the Senate of a concurrent resolution on the budget for fiscal year 1986. Not only did this action facilitate the business of providing funds for the Government, but it also activated the provisions of the Budget Act which served to keep the spending provided in these appropriation measures within the limits that the House agreed to in its budget resolution.

Under the provisions of House Resolution 231, Mr. Speaker, upon adoption of the conference report to accompany Senate Concurrent Resolution 32 by the House and the Senate, the provisions of House Resolution 231 will cease to apply. Specifically, the House-passed budget will be replaced by the provisions of the conference report, once it is adopted in both

Chambers, as final adoption of the budget resolution for fiscal year 1986.

Mr. Speaker, I realize that some of our colleagues may be hesitant about supporting a rule that expedites consideration of this conference report. I would respond, however, that if this rule is not adopted, we will not have an opportunity to finalize the budget for fiscal year 1986 before adjournment. With the start of fiscal year 1986 on October 1, 1985, this is simply not a measure which we can delay.

As a member of both the Committee on Rules and the Budget Committee, as well as serving as a conferee on the budget resolution, I am acutely aware of the concerns of Members on both sides of the aisle that the Congress cannot continue to work on budgetary legislation for the next fiscal year without a budget resolution in place. I have shared these concerns. I believe we have reached a satisfactory conference agreement, and we must put it in force.

Mr. Speaker, I urge adoption of the rule, and subsequently, the conference report to accompany Senate Concurrent Resolution 32, the first concurrent resolution on the budget for fiscal year 1986.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from South Carolina, in my opinion, has more than adequately described this rule. I agree with his description.

Mr. Speaker, I have no requests for time and reserve the balance of my time.

Mr. DERRICK. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Speaker, I want to say that I am very disappointed that a separate vote was not allowed on function 050. It denies the House an opportunity which it has not had this year to determine whether or not they want a freeze in the budget. If this resolution replaces the House resolution that we adopted 2 weeks ago, it says we do not want to freeze the budget. It is disappointing to me that we were not given an opportunity for a separate vote, but I will make my arguments on the bill.

I just think it is a tragedy when this House is not having an opportunity to voice its will on function 050 when that is the only function that is going to be exceeded with regard to the freeze.

Mr. DERRICK. Mr. Speaker, I thank the gentleman.

I would respond to the gentleman that the Speaker of the House this morning has stated that he will request of the Rules Committee a rule on the authorization bill that will allow the House to exercise its will on that particular matter.

□ 1900

Mr. DERRICK. Mr. Speaker, having said that, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. GRAY of Pennsylvania submitted the followed conference report and statement on the Senate concurrent resolution (S. Con. Res. 32), setting forth the congressional budget for the U.S. Government for the fiscal years 1986, 1987, and 1988, and revising the congressional budget for the U.S. Government for fiscal year 1985:

CONFERENCE REPORT (H. REPT. No. 249)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 32), setting forth the congressional budget for the United States Government for the fiscal years 1986, 1987, and 1988 and revising the congressional budget for the United States Government for the fiscal year 1985, having met, after full and free conference, been unable to agree on a conference report because the conference decisions have changed certain budget figures outside the scope of the conference. As set forth in the accompanying Joint Explanatory Statement, the conferees do propose a congressional budget incorporated in a further amendment for the consideration of the two Houses.

WILLIAM H. GRAY III,
JIM WRIGHT,
THOMAS J. DOWNEY,
MIKE LOWRY,
BUTLER DERRICK,
VIC FAZIO,
GEO. MILLER,
MARTIN FROST,
DELBERT LATTA,
JACK KEMPS,
LYNN MARTIN,
BOBBI FIEDLER,
BEAU BOULTER,
Managers on the Part of the House.

PETE V. DOMENICI,
WILLIAM L. ARMSTRONG,
NANCY LANDON KASSEBAUM,
RUDY BOSCHWITZ,
SLADE GORTON,
LAWTON CHILES,
J. BENNETT JOHNSTON,
JIM SASSER,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 32), setting forth the congressional budget for the United States Government for the fiscal years 1986, 1987, and 1988 and revising the congressional budget for the United States Government for the fiscal year 1985, report that the conferees have been unable to agree. This is a technical disagreement, necessitated by the fact that in some instances the conference decisions include figures which (for purely technical reasons) would fall outside the range between the corresponding House and Senate provisions.

It is the intention of the conferees that the following amendment will be considered in the House and in the Senate.

The managers on the part of the House and the Senate submit the following joint statement in explanation of the action agreed upon by the managers:

The substitute language which is to be offered (and which should be considered the language of the concurrent resolution as recommended in the conference report for purposes of section 302(a) of the Congressional Budget Act of 1974)—hereinafter in this statement referred to as the "conference substitute"—is as follows:

That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1985 is hereby revised and replaced, the first concurrent resolution on the budget for fiscal year 1986 is hereby established, and the appropriate budgetary levels for fiscal years 1987 and 1988 are hereby set forth.

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1985: $736,500,000,000.
Fiscal year 1986: $795,700,000,000.
Fiscal year 1987: $869,400,000,000.
Fiscal year 1988: $960,100,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1985: $0.
Fiscal year 1986: $3,000,000,000.
Fiscal year 1987: $5,100,000,000.
Fiscal year 1988: $7,600,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $44,800,000,000.
Fiscal year 1986: $50,900,000,000.
Fiscal year 1987: $56,100,000,000.
Fiscal year 1988: $61,200,000,000.

and the amounts for Federal Insurance Contributions Act revenues for old-age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $186,200,000,000.
Fiscal year 1986: $200,400,000,000.
Fiscal year 1987: $216,800,000,000.
Fiscal year 1988: $248,000,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1985: $1,062,100,000,000.
Fiscal year 1986: $1,069,700,000,000.
Fiscal year 1987: $1,137,950,000,000.
Fiscal year 1988: $1,216,450,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1985: $946,300,000,000.
Fiscal year 1986: $967,600,000,000.
Fiscal year 1987: $1,024,100,000,000.
Fiscal year 1988: $1,073,000,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1985: $209,800,000,000
Fiscal year 1986: $171,900,000,000.
Fiscal year 1987: $154,700,000,000.
Fiscal year 1988: $112,900,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1985: $1,847,800,000,000.
Fiscal year 1986: $2,078,700,000,000.
Fiscal year 1987: $2,301,900,000,000.
Fiscal year 1988: $2,507,000,000,000.

and the amounts by which the statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1985: $24,000,000,000.
Fiscal year 1986: $230,900,000,000.
Fiscal year 1987: $223,200,000,000.
Fiscal year 1988: $205,100,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987, are as follows:

Fiscal year 1985:
(A) New direct loan obligations, $52,850,000
(B) New primary loan guarantee commitments, $69,350,000,000.
(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1986:
(A) New direct loan obligations, $34,400,000,000.
(B) New primary loan guarantee commitments, $80,150,000,000.
(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1987:
(A) New direct loan obligations, $32,150,000,000.
(B) New primary loan guarantee commitments, $79,050,000,000.
(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1988:
(A) New direct loan obligations, $31,400,000,000.
(B) New primary loan guarantee commitments, $84,000,000,000.
(C) New secondary loan guarantee commitments, $68,200,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments, for fiscal years 1985 through 1988 for each major functional category are:

(1) National Defense (050):

Fiscal year 1985:
(A) New budget authority, $292,600,000,000.
(B) Outlays, $249,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $302,500,000,000.
(B) Outlays, $267,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $323,400,000,000.
(B) Outlays, $285,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $346,800,000,000.
(B) Outlays, $303,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1985:
(A) New budget authority, $24,700,000,000.
(B) Outlays, $17,200,000,000.
(C) New direct loan obligations, $11,500,000,000.
(D) New primary loan guarantee commitments, $10,300,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $21,300,000,000.
(B) Outlays, $18,850,000,000.
(C) New direct loan obligations, $9,900,000,000.
(D) New primary loan guarantee commitments, $12,300,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $20,100,000,000.
(B) Outlays, $17,300,000,000.
(C) New direct loan obligations, $9,600,000,000.
(D) New primary loan guarantee commitments, $12,300,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $19,900,000,000.
(B) Outlays, $16,450,000,000.
(C) New direct loan obligations, $9,700,000,000.
(D) New primary loan guarantee commitments, $12,300,000,000.
(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1985:
(A) New budget authority, $9,100,000,000.
(B) Outlays, $8,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $9,100,000,000.
(B) Outlays, $8,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $9,050,000,000.
(B) Outlays, $8,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $9,300,000,000.
(B) Outlays, $9,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1985:
(A) New budget authority, $900,000,000.
(B) Outlays, $5,500,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $5,900,000,000.
(B) Outlays, $5,550,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $4,100,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $5,850,000,000.
(B) Outlays, $5,150,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $4,950,000,000.
(B) Outlays, $4,450,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1985:
(A) New budget authority, $13,100,000,000.
(B) Outlays, $13,000,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $13,100,000,000.
(B) Outlays, $13,000,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $13,200,000,000.
(B) Outlays, $12,750,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $13,150,000,000.
(B) Outlays, $12,950,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1985:
(A) New budget authority, $27,000,000,000.
(B) Outlays, $23,300,000,000.
(C) New direct loan obligations, $13,800,000,000.
(D) New primary loan guarantee commitments, $5,700,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:
(A) New budget authority, $18,300,000,000.
(B) Outlays, $15,550,000,000.
(C) New direct loan obligations, $13,600,000,000.
(D) New primary loan guarantee commitments, $6,400,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $17,700,000,000.
(B) Outlays, $16,250,000,000.

(C) New direct loan obligations, $11,400,000,000.
(D) New primary loan guarantee commitments, $5,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $16,200,000,000.
(B) Outlays, $13,750,000,000.
(C) New direct loan obligations, $10,500,000,000.
(D) New primary loan guarantee commitments, $6,900,000,000.
(E) New secondary loan guarantee commitments, $0.
(7) Commerce and Housing Credit (370):
Fiscal year 1985:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $5,500,000,000.
(C) New direct loan obligations, $6,500,000,000.
(D) New primary loan guarantee commitments, $26,900,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1986:
(A) New budget authority, $7,700,000,000.
(B) Outlays, $3,700,000,000.
(C) New direct loan obligations, $5,000,000,000.
(D) New primary loan guarantee commitments, $28,200,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1987:
(A) New budget authority, $7,700,000,000.
(B) Outlays, $3,450,000,000.
(C) New direct loan obligations, $5,300,000,000.
(D) New primary loan guarantee commitments, $29,900,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1988:
(A) New budget authority, $7,850,000,000.
(B) Outlays, $5,200,000,000.
(C) New direct loan obligations, $5,400,000,000.
(D) New primary loan guarantee commitments, $31,700,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
(8) Transportation (400):
Fiscal year 1985:
(A) New budget authority, $29,400,000,000.
(B) Outlays, $26,000,000,000.
(C) New direct loan obligations, $300,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $26,850,000,000.
(B) Outlays, $25,800,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $28,900,000,000.
(B) Outlays, $27,700,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $29,750,000,000.
(B) Outlays, $28,100,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1985:
(A) New budget authority, $8,300,000,000.
(B) Outlays, $8,400,000,000.
(C) New direct loan obligations, $1,700,000,000.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $6,950,000,000.
(B) Outlays, $8,050,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $7,300,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $7,200,000,000.
(B) Outlays, $6,850,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1985:
(A) New budget authority, $32,100,000,000.
(B) Outlays, $30,400,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $8,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $31,550,000,000.
(B) Outlays, $30,850,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $9,000,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $32,350,000,000.
(B) Outlays, $31,350,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $9,400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $32,950,000,000.
(B) Outlays, $32,100,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $9,600,000,000.
(E) New secondary loan guarantee commitments, $0.
(11) Health (550):
Fiscal year 1985:
(A) New budget authority, $33,600,000,000.
(B) Outlays, $33,500,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $250,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $36,000,000,000.
(B) Outlays, $34,900,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $250,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $38,400,000,000.
(B) Outlays, $37,800,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $250,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $41,100,000,000.
(B) Outlays, $40,700,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
(12) Medical Insurance (570):
Fiscal year 1985:
(A) New budget authority, $72,000,000,000.
(B) Outlays, $65,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $81,500,000,000.
(B) Outlays, $69,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments. $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $90,600,000,000.
(B) Outlays, $76,400,000,000.
(C) New direct loan obligations, $0.
(D) New secondary loan guarantee commitments. $0.
Fiscal year 1988:
(A) New budget authority, $94,200,000,000.
(B) Outlays, $84,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1985:
(A) New budget authority, $164,500,000,000.
(B) Outlays, $128,900,000,000.
(C) New Direct loan obligation, $14,300,000,000.
(D) New primary loan guarantee $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $155,100,000,000.
(B) Outlays, $119,050,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:

(A) New budget authority, $163,750,000,000.
(B) Outlays, $124,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $2,300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $172,400,000,000.
(B) Outlays, $130,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments $1,800,000,000.
(E) New secondary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1985:
(A) New budget authority, $198,700,000,000.
(B) Outlays, $189,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $207,200,000,000.
(B) Outlays, $200,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0,
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $224,750,000,000.
(B) Outlays, $214,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $264,600,000,000.
(B) Outlays, $228,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1985:
(A) New budget authority, $27,400,000,000.
(B) Outlays, $26,400,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $16,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $27,450,000,000.
(B) Outlays, $26,800,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $17,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $27,550,000,000.
(B) Outlays, $27,250,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $18,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $27,900,000,000.
(B) Outlays, $27,650,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $20,900,000,000.
(E) New secondary loan guarantee commitments, $0.
(16) Administration of Justice (750):
Fiscal year 1985:
(A) New budget authority, $6,700,000,000.
(B) Outlays, $6,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $6,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $7,050,000,000.
(B) Outlays, $7,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $7,200,000,000.
(B) Outlays, $7,150,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1985:
(A) New budget authority, $5,700,000,000.
(B) Outlays, $5,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $5,500,000,000.
(B) Outlays, $5,450,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $5,300,000,000.
(B) Outlays, $5,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $5,500,000,000.
(B) Outlays, $5,450,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(18) General Purpose Fiscal Assistance (850):
Fiscal year 1985:
(A) New budget authority, $6,400,000,000.
(B) Outlays, $6,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $6,500,000,000.
(B) Outlays, $6,500,000,000.
(C) New direct loan obligations, $0
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $2,000,000,000.
(B) Outlays, $3,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $2,100,000,000.
(B) Outlays, $2,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(19) Net Interest (900):
Fiscal year 1985:
(A) New budget authority, $129,200,000,000.
(B) Outlays, $129,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $142,300,000,000.
(B) Outlays, $142,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan commitments, $0.
Fiscal year 1987:
(A) New budget authority, $152,500,000,000.
(B) Outlays, $152,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $155,000,000,000.
(B) Outlays, $155,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(20) Allowances (920):
Fiscal year 1985:
(A) New budget authority, $500,000,000.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, −$2,100,000,000.
(B) Outlays, −$1,650,000,000.
(C) New direct loan obligations, $0
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, −$2,000,000,000.
(B) Outlays, −$1,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, −$700,000,000.

(B) Outlays, −$500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(21) Undistributed Offsetting Receipts (950):

Fiscal year 1985:

(A) New budget authority, −$32,400,000,000.

(B) Outlays, −$32,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, −$39,900,000,000.

(B) Outlays, −$39,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitment, $0.

(E) New Secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, −$37,100,100,000.

(B) Outlays, −$37,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, −$40,900,000,000.

(B) Outlays, −$40,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

RECONCILIATION.

SEC. 2. (a) Not later than September 27, 1985, the committees named in subsections (b) through (z) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(b) The Senate Committee on Agriculture, Nutrition, and Forestry shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $1,250,000,000 in outlays in fiscal year 1986, $0 in budget authority and $2,050,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $4,600,000,000 in outlays in fiscal year 1988.

(c) The Senate Committee on Armed Services shall report changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to achieve savings of $0 in budget authority and $100,000,000 in outlays in fiscal year 1986, $0 in budget authority and $200,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $300,000,000 in outlays in fiscal year 1988.

(d) The Senate Committee on Banking, Housing, and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $2,374,000,000 in budget authority and $2,814,000,000 in outlays in fiscal year 1986, $2,828,000,000 in budget authority and $3,685,000,000 in outlays in fiscal year 1987, and $2,998,000,000 in budget authority and $3,821,000,000 in outlays in fiscal year 1988.

(e) The Senate Committee on Commerce, Science, and Transportation shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follow: $328,000,000 in budget authority and $310,000,000 in outlays in fiscal year 1986, $133,000,000 in budget authority and $119,000,000 in outlays in fiscal year 1987, and $135,000,000 in budget authority and $130,000,000 in outlays in fiscal year 1988.

(f) The Senate Committee on Energy and Natural Resources shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to achieve the following; savings of $5,485,000,000 in budget authority and $5,403,000,000 in outlays in fiscal year 1986, increases of $291,000,000 in budget authority and $147,000,000 in outlays in fiscal year 1987, and savings of $337,000,000 in budget authority and $314,000,000 in outlays in fiscal year 1988.

(g) The Senate Committee on Environment and Public Works shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) by combination thereof, as follows: $0 in budget authority and $200,000,000 in outlays in fiscal year 1986, $0 in budget authority and $850,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $1,050,000,000 in outlays in fiscal year 1988.

(h)(1) The Senate Committee on Finance shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiciton other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, (C) any combination thereof, as follows: $0 in budget authority and $3,307,000,000 in outlays in fiscal year 1986, $0 in budget authority and $7,951,000,00 in outlays in fiscal year 1987, and $0 in budget authority and $10,908,000,000 in outlays in fiscal year 1988.

(2) The Senate Committee on Finance shall report changes in laws within the jurisdiction of the committee sufficient to increase revenues as follows: $1,800,000,000 in fiscal year 1986; $3,000,000,000, in fiscal year 1987; and $3,600,000,00 in fiscal year 1988.

(i) The Senate Committee on Governmental Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $3,219,000,000 in outlays in fiscal year 1986, $0 in budget authority and $4,421,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $4,986,000,000 in outlays in fiscal year 1988.

(j) The Senate Committee on Labor and Human Resources shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $670,000,000 in budget authority and $170,000,000 in outlays in fiscal year 1986, $860,000,000 in budget authority and $535,000,000 in outlays in fiscal year 1987, and $1,085,000,000 in budget authority and $960,000,000 in outlays in fiscal year 1988.

(k) The Senate Committee on Small Business shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $448,000,000 in budget authority and $509,000,000 in outlays in fiscal year 1986, $564,000,000 in budget authority and $972,000,000 in outlays in fiscal year 1987, and $1,060,000,000 in budget authority and $998,000,000 in outlays in fiscal year 1988.

(l) The Senate Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and

outlays, or (3) any combination thereof, as follows: $300,000,000 in budget authority and $300,000,000 in outlays in fiscal year 1986, $400,000,000 in budget authority and $400,000,000 in outlays in fiscal year 1987, and $450,000,000 in budget authority and $450,000,000 in outlays in fiscal year 1988.

(m) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee sufficient to reduce outlays by $1,250,000,000 in fiscal year 1986; to reduce outlays by $2,050,000,000 in fiscal year 1987; and to reduce outlays by $4,600,000,000 in fiscal year 1988.

(n) The House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce outlays by $100,000,000 in fiscal year 1986; to reduce outlays by $200,000,000 in fiscal year 1987; and to reduce outlays by $300,000,000 in fiscal year 1988.

(o) The House Committee on Banking, Finance and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $2,374,000,000 in budget authority and $2,814,000,000 in outlays in fiscal year 1986; $2,828,000,000 in budget authority and $3,685,000,000 in outlays in fiscal year 1987, and $2,998,000,000 in budget authority and $3,821,000,000 in outlays in fiscal year 1988.

(p) The House Committee on Education and Labor shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $670,000,000 and outlays by $470,000,000 in fiscal year 1986; to reduce budget authority by $860,000,000 and outlays by $835,000,000 in fiscal year 1987; and to reduce budget authority by $1,085,000,000 and outlays by $1,260,000,000 in fiscal year 1988.

(q) The House Committee on Energy and Commerce shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,513,000,000 in budget authority and $3,947,000,000 in outlays in fiscal year 1986, $1,246,000,000 in budget authority and $5,008,000,000 in outlays in fiscal year 1987, and $1,401,000,000 in budget authority and $6,512,000,000 in outlays in fiscal year 1988.

(r) The House Committee on Government Operations shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce outlays by $0 in fiscal year 1986; to reduce outlays by $3,526,000,000 in fiscal year 1987; and to reduce outlays by $4,956,000,000 in fiscal year 1988.

(s) The House Committee on Interior and Insular Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $4,000,000,000 and outlays by $4,000,000,000 in fiscal year 1986; to increase budget authority by $1,504,000,000 and outlays by $1,504,000,000 in fiscal year 1987; and to increase budget authority by $1,029,000,000 and outlays by $1,029,000,000 in fiscal year 1988.

(t) The House Committee on Judiciary shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $570,000,000 and outlays by $70,000,000 in fiscal year 1986; to reduce budget authority by $610,000,000 and outlays by $285,000,000 in fiscal year 1987; and to reduce budget authorty by $635,000,000 and outlays by $510,000,000 in fiscal year 1988.

(u) The House Committee on Merchant Marine and Fisheries shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $300,000,000 and outlays by $300,000,000 in fiscal year 1986; to reduce budget authority by $100,000,000 and outlays by $100,000,000 in fiscal year 1987; and to reduce budget authority by $100,000,000 and outlays by $100,000,000 in fiscal year 1988.

(v) The House Committee on Post Office and Civil Service shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $3,219,000,000 in outlays in fiscal year 1986, $4,421,000,000 in outlays in fiscal year 1987, and $4,986,000,000 in outlays in fiscal year 1988.

(w) The House Committee on Public Works and Transportation shall report changes in laws within the jurisdiction of that committee sufficient to reduce outlays by $200,000,000 in fiscal year 1986, to reduce outlays by $850,000,000 in fiscal year 1987, and to reduce outlays by $1,050,000,000 in fiscal year 1988.

(x) The House Committee on Small Business shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $448,000,000 in budget authority and $509,000,000 in outlays in fiscal year 1986, $564,000,000 in budget authority and $972,000,000 in outlays in fiscal year 1987, and $1,060,000,000 in budget authority and $998,000,000 in outlays in fiscal year 1988.

(y) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $300,000,000 and outlays by $300,000,000 in fiscal year 1986; to reduce budget authority $400,000,000 and outlays by $400,000,000 in fiscal year 1987; and to reduce budget authority by $450,000,000 and outlays by $450,000,000 in fiscal year 1988.

(z) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee sufficient to reduce the budget deficit by $5,027,000,000 in fiscal year 1986; to reduce the budget deficit by $7,245,000,000 in fiscal year 1987; and to reduce the budget deficit by $9,362,000,000 in fiscal year 1988.

MISCELLANEOUS PROVISIONS

AUTOMATIC SECOND BUDGET RESOLUTION

SEC. 3. (a) If the Congress has not completed action by October 1, 1985, on the concurrent resolution on the budget required to be reported under section 310(a) of the Congressional Budget Act of 1974 for fiscal year 1986, then, for purposes of section 311 of such Act, this concurrent resolution shall be deemed to be the concurrent resolution required to be reported under section 310 of such Act.

(b) In the House of Representatives, section 311(a) of the Congressional Budget Act of 1974, as made applicable by subsection (a) of this section, shall not apply to bills, resolutions, or amendments within the jurisdiction of a committee, or any conference report on any such bill or resolution, if—

(1) the enactment of such bill or resolution as reported;

(2) the adoption and enactment of such amendment; or

(3) the enactment of such bill or resolution in the form recommended in such conference report;

would not cause the appropriate allocation for such committee of new discretionary budget authority or new spending authority as described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 made pursuant to section 302(a) of such Act for fiscal year 1986 to be exceeded.

TAX REFORM

SEC. 4. (a) The Congress finds that—

(1) the existing tax structure of the United States distorts economic activity, leading to an inefficient use of national resources and a weakening of our domestic economic vitality and competitive posture in international markets;

(2) the relating tax burdens among various taxpayer categories are manifestly unfair insofar as they arise from differences in the capabilities of taxpayers to take advantage of complicated tax laws;

(3) the ability of the Federal Government to plan and conduct rational fiscal policy is frustrated by elaborate schemes to avoid taxation and the unintended effects of tax incentives and penalties;

(4) progressive erosion of voluntary compliance threatens the fiscal integrity of our public finances and the confidence of our citizens in the Federal Government's capacity to govern; and

(5) a number of plans, each designed to simplify and reform the Tax Code, have been before the Congress for a time sufficient to allow for extensive analysis and evaluation.

(b) It is therefore the sense of the Congress that tax reform should be adopted as soon as possible, and that it should incorporate the following principles and objectives:

(1) efficiency and responsiveness to market conditions in the economic activities of American businesses and consumers;

(2) simplicity of structure and lower marginal tax rates;

(3) a fair and equitable distribution of the tax burden among all taxpayers, with relief for those below the poverty level, and incentives to bring them into the work force;

(4) a broader tax base, with deductions essential to avoid genuine hardship or to protect the economic security of the American people; and

(5) increased incentives for work, saving, and investment.

CBO SCOREKEEPING REQUIREMENTS

SEC. 5. It is the sense of the Senate that because the Senate requires timely reporting of legislative action on spending bills, and because the Senate requires continual control over the budget, the Director of the Congressional Budget Office shall issue a weekly report during periods when the Senate is in session detailing and tabulating the progress of congressional action on bills and resolutions providing new budget authority and changing revenues and the public debt for a fiscal year, including, but not limited to the requirements set forth in Public Law 93-344, section 308(b).

FARM LOSS DEDUCTION

SEC. 6. It is the sense of the Senate that revenues should be increased and it is assumed that tax legislation will be enacted to limit to the national median family income the amount of farm loss which may be deducted against nonfarm income, and it is further assumed that revenues derived from enactment of such legislation be used to reduce individual income tax rates and to assure that full-time, family-size farm operators will not be disadvantaged by unfair competition from high-income taxpayers with substantial nonform income.

ENHANCED TAX LAW ENFORCEMENT

SEC. 7. It is the sense of the Congress that revenues should be increased and it is assumed that the Committees on Finance and Ways and Means will develop legislation to reduce the tax enforcement gap, estimated by the Internal Revenue Service at $92,000,000,000 in fiscal year 1986. It is further assumed that such legislation should provide for increased and improved enforcement and collection, through audits, examinations, and other steps designed to identify and eliminate tax cheating and increase revenue collections from individuals and corporations currently evading Federal taxes, and that the legislation should include steps designed to increase voluntary compliance with tax laws and that such steps may include increased staff for taxpayer assistance, speedier processing of returns and provision of public information designed to build public trust and understanding of Internal Revenue Service enforcement efforts and that such legislation should also provide that the resources of the Internal Revenue Service shall be increased to accomplish full enforcement of United States tax laws, increasing voluntary compliance.

INTERNATIONAL MONETARY CONFERENCE

SEC. 8. It is the sense of the Congress that the Administration should consider convening a high level meeting of the major industrial countries for the express purpose of exploring options to improve the functioning of the international monetary system, including measures to stabilize currency exchange rates, reduce interest rates, promote maximum domestic and world economic growth, and help assure domestic price stability.

COMMITTEE REVIEW OF THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

SEC. 9. It is the sense of the House of Representatives that—

(1) each of its standing committees should review and study, on a continuing basis, those portions of the President's Private Sector Survey on Cost Control affecting subjects within its jurisdiction;

(2) each of its standing committees should, in its consideration of any bill or joint resolution of a public character within its jurisdiction, review those portions of the President's Private Sector Survey on Cost Control pertaining to such bill or resolution; and

(3) each report of any such committee on a bill or joint resolution of a public character should contain—

(A) an identification of each recommendation of the President's Private Sector Survey on Cost Control implemented in such bill or resolution and the estimated dollar amount of program cost savings or revenue enhancement as a result of the implementation of each such recommendation; and

(B) a statement setting forth each recommendation of the President's Private Sector Survey on Cost Control pertaining to such bill or resolution, the disposition of each such recommendation, and the reasons for such disposition.

LIMITATION ON BENEFITS TO ALIENS

SEC. 10. It is the sense of the Congress that functional totals should be reduced to reflect a limitation on the amount of social security benefits paid to illegal and nonresident aliens. It is assumed that the Finance Committee and the Ways and Means Committee will report legislation to accomplish the required changes in law. Such legislation may limit benefits to the amount of wage-earner's contribution plus interest, unless the wage-earner is a citizen of a country with which the United States has a treaty or totalization ageement and that this provision would apply to individuals becoming eligible on or after January 1, 1986.

EXPLANATION OF CONFERENCE SUBSTITUTE

The following tables show the functional allocations and budget aggregates included in the conference substitute. The numbers in the fiscal year 1985 columns reflect revisions of the second budget resolution for fiscal year 1985. The fiscal year 1986 columns show the budget aggregates and functional allocations for the first budget resolution for fiscal year 1986. The columns for fiscal year 1987 and fiscal year 1988 show budget aggregates and functional allocations which the conferees consider appropriate for those years.

CONFERENCE SUBSTITUTE, FIRST BUDGET RESOLUTION, FISCAL YEAR 1986

[In billions of dollars]

Function	Fiscal year 1985		Fiscal year 1986		Fiscal year 1987		Fiscal year 1988	
	Budget authority	Outlay	Budget authority	Outlay	Budget authority	Outlay	Budget authority	Outlay
050 National defense	292.60	249.40	302.50	267.10	323.40	285.20	346.80	303.90
150 International Affairs	24.70	17.20	21.30	18.85	20.10	17.30	19.90	16.45
250 General science and space	9.10	8.70	9.10	8.90	9.05	8.90	9.30	9.00
270 Energy	0.90	5.50	5.90	5.55	5.85	5.15	4.95	4.45
300 Natural resources	13.10	13.00	13.10	13.00	13.20	12.75	13.15	12.95
350 Agriculture	27.00	23.30	18.30	15.55	17.70	16.25	16.20	13.75
370 Commerce and housing credit	12.60	5.50	7.70	3.70	7.70	3.45	7.85	5.20
400 Transportation	29.40	26.00	26.85	25.80	28.90	27.70	29.75	28.10
450 Community and regional development	8.30	8.40	6.95	8.05	6.90	7.30	7.20	6.85
500 Education, training, employment and social services	32.10	30.40	31.55	30.85	32.35	31.35	32.95	32.10
550 Health	33.60	33.50	36.00	34.90	38.40	37.80	41.10	40.70
570 Medical insurance	72.00	65.90	81.50	69.20	90.60	76.40	94.20	84.90
600 Income security	164.50	128.90	155.10	119.05	163.75	124.20	172.40	130.60
650 Social security	198.70	189.00	207.20	200.80	224.75	214.00	264.60	228.10
700 Veterans benefits	27.40	26.40	27.45	26.80	27.55	27.25	27.90	27.65
750 Administration of justice	6.70	6.30	6.90	6.80	7.05	7.00	7.20	7.15
800 General government	5.70	5.70	5.50	5.45	5.30	5.20	5.50	5.45
850 General purpose fiscal assistance	6.40	6.40	6.50	6.50	2.00	3.20	2.10	2.10
900 Net interest	129.20	129.20	142.30	142.30	152.50	152.50	155.00	155.00
920 Allowances	0.50		−2.10	−1.65	−2.00	−1.70	−0.70	−0.50
950 Undistributed offsetting receipts	−32.40	−32.40	−39.90	−39.90	−37.10	−37.10	−40.90	−40.90
Total spending	1,062.10	946.30	1,069.70	967.60	1,137.95	1,024.10	1,216.45	1,073.00
Revenues		736.50		795.70		869.40		960.10
Deficit		736.80		−171.90		−154.70		−112.90
Debt subject to limit		1,847.80		2,078.70		2,301.90		2,507.00
Change in revenues				3.00		5.10		7.60
Change in public debt limit		24.00		230.90		223.20		205.10

FISCAL YEAR 1985 BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES

[In billions of dollars]

	House passed	Senate passed	Conference agreement
Budget authority	1,039.10	1,055.60	1,062.10
Outlays	941.65	949.10	946.30
Revenues	736.05	736.20	736.50
Deficit	205.60	212.90	209.80
Debt subject to limit	1,857.40	1,849.30	1,847.80
Change in revenues			
Change in public debt limit	33.60	25.50	24.00
FUNCTION			
050 National defense:			
Budget authority	291.55	292.60	292.60
Outlays	252.00	252.00	249.40
150 International affairs:			
Budget authority	24.95	25.30	24.70
Outlays	17.50	18.00	17.20
250 General science, space and technology:			
Budget authority	9.10	9.10	9.10
Outlays	8.80	8.70	8.70
270 Energy:			
Budget authority	−2.90	1.60	0.90
Outlays	2.85	6.50	5.50
300 Natural resources and environment:			
Budget authority	13.00	12.70	13.10
Outlays	13.10	13.10	13.00
350 Agriculture:			
Budget authority	22.55	24.80	27.00
Outlays	18.95	21.00	23.30
370 Commerce and housing credit:			
Budget authority	6.60	12.60	12.60
Outlays	2.95	5.60	5.50
400 Transportation:			
Budget authority	29.35	29.60	29.40
Outlays	26.20	26.10	26.00
450 Community and regional development:			
Budget authority	6.80	8.40	8.30
Outlays	7.85	8.70	8.40
500 Education, training, employment and social services:			
Budget authority	32.65	31.60	32.10
Outlays	31.10	30.30	30.40
550 Health:			
Budget authority	33.55	33.60	33.60
Outlays	33.50	33.50	33.50
570 Medical insurance:			
Budget authority	71.75	71.80	72.00
Outlays	65.20	65.20	65.90
600 Income security:			
Budget authority	160.50	162.80	164.50
Outlays	129.25	128.60	128.90
650 Social security:			
Budget authority	195.50	195.50	198.70
Outlays	189.30	189.30	189.00
700 Veterans benefits and services:			
Budget authority	27.40	27.20	27.40
Outlays	26.50	26.30	26.40
750 Administration of justice:			
Budget authority	6.65	6.50	6.70
Outlays	6.45	6.40	6.30
800 General government:			
Budget authority	5.80	5.80	5.70
Outlays	5.85	5.80	5.70
850 General purpose fiscal assistance:			
Budget authority	6.40	6.40	6.40
Outlays	6.40	6.40	6.40
900 Net interest:			
Budget authority	129.95	129.70	129.20
Outlays	129.95	129.70	129.20
920 Allowances:			
Budget authority	0.30	0.30	0.50
Outlays	0.30	0.30	
950 Undistributed offsetting receipts:			
Budget authority	−32.35	−32.40	−32.40
Outlays	−32.35	−32.40	−32.40

FISCAL YEAR 1986 BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES

[In billions of dollars]

	House passed	Senate passed	Conference agreement
Budget authority	1,062.90	1,069.50	1,069.70
Outlays	967.25	965.00	967.60
Revenues	794.10	793.60	795.70
Deficit	173.15	171.40	171.90
Debt subject to limit	2,089.70	2,086.50	2,078.70
Change in revenues	1.45	0.90	3.00
Change in public debt limit	232.30	237.20	231.00

FISCAL YEAR 1986 BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES—Continued

[In billions of dollars]

	House passed	Senate passed	Conference agreement
FUNCTION			
050 National defense:			
Budget authority	292.60	302.50	302.50
Outlays	267.10	273.10	267.10
150 International affairs:			
Budget authority	21.75	21.20	21.30
Outlays	18.60	17.80	18.85
250 General science, space and technology:			
Budget authority	9.10	9.10	9.10
Outlays	8.90	9.00	8.90
279 Energy:			
Budget authority	6.10	5.20	5.90
Outlays	5.75	5.10	5.55
300 Natural resources and environment:			
Budget authority	13.10	12.20	13.10
Outlays	13.00	12.50	13.00
350 Agriculture:			
Budget authority	18.55	17.20	18.30
Outlays	15.80	14.50	15.55
370 Commerce and housing credit:			
Budget authority	8.85	6.80	7.70
Outlays	4.60	3.40	3.70
400 Transportation:			
Budget authority	28.40	27.20	26.85
Outlays	26.45	26.10	25.80
450 Community and regional development:			
Budget authority	7.55	6.60	6.95
Outlays	8.15	7.90	8.05
500 Education, training, employment and social services:			
Budget authority	32.05	30.10	31.55
Outlays	31.15	30.30	30.85
550 Health:			
Budget authority	36.10	35.70	36.00
Outlays	35.60	35.30	34.90
570 Medical insurance:			
Budget authority	81.95	81.90	18.50
Outlays	68.25	68.30	69.20
600 Income security:			
Budget authority	158.25	155.40	155.10
Outlays	121.75	116.60	119.05
650 Social security:			
Budget authority	207.20	207.40	207.20
Outlays	100.80	194.90	200.80
700 Veterans benefits and services:			
Budget authority	27.45	26.70	27.45
Outlays	26.80	26.10	26.80
750 Administration of justice:			
Budget authority	6.90	6.80	6.90
Outlays	6.80	6.70	6.80
800 General government:			
Budget authority	5.35	5.30	5.50
Outlays	5.30	5.20	5.45
850 General purpose fiscal assistance:			
Budget authority	5.35	6.50	6.50
Outlays	5.65	6.50	6.50
900 Net interest:			
Budget authority	140.95	142.39	142.30
Outlays	140.95	142.30	142.30
920 Allowances:			
Budget authority	−4.90	−1.60	−2.10
Outlays	−4.40	−1.60	−1.65
950 Undistributed offsetting receipts:			
Budget authority	−39.75	−35.00	−39.90
Outlays	−39.75	−35.00	−39.90

FISCAL YEAR 1987 BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES

[In billions of dollars]

	House passed	Senate passed	Conference agreement
Budget authority	1,134.30	1,132.80	1,137.95
Outlays	1,028.50	1,011.10	1,024.10
Revenues	866.00	866.30	869.40
Deficit	162.50	144.80	154.70
Debt subject to limit	2,320.70	2,312.70	2,301.90
Change in revenues	1.70	2.00	5.10
Change in public debt limit	231.00	226.20	223.20
FUNCTION			
050 National defense:			
Budget authority	312.70	323.40	323.40
Outlays	285.20	292.10	285.20

FISCAL YEAR 1987 BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES—Continued

[In billions of dollars]

	House passed	Senate passed	Conference agreement
150 International affairs:			
Budget authority	20.55	20.40	20.10
Outlays	16.90	17.10	17.30
250 General science, space and technology:			
Budget authority	9.05	9.00	9.05
Outlays	8.90	8.80	8.90
270 Energy:			
Budget authority	6.05	5.20	5.85
Outlays	5.35	4.60	5.15
300 Natural resources and environment:			
Budget authority	13.40	12.60	13.20
Outlays	12.80	12.40	12.75
350 Agriculture:			
Budget authority	17.95	17.70	17.70
Outlays	16.95	15.80	16.25
370 Commerce and housing credit:			
Budget authority	9.30	5.60	7.70
Outlays	5.00	2.30	3.45
400 Transportation:			
Budget authority	30.45	27.90	28.90
Outlays	28.95	27.70	27.70
450 Community and regional development:			
Budget authority	7.80	6.70	6.90
Outlays	8.05	7.10	7.30
500 Education, training, employment and social services:			
Budget authority	33.00	30.70	32.35
Outlays	32.10	29.90	31.35
550 Health:			
Budget authority	38.60	38.20	38.40
Outlays	38.30	37.80	37.80
570 Medical insurance:			
Budget authority	91.55	91.20	90.60
Outlays	75.55	74.80	76.40
600 Income security:			
Budget authority	167.40	164.90	163.75
Outlays	127.80	120.60	124.20
650 Social security:			
Budget authority	224.75	225.50	224.75
Outlays	214.05	205.90	214.00
700 Veterans benefits and services:			
Budget authority	27.65	26.80	27.55
Outlays	27.35	26.20	27.25
750 Administration of justice:			
Budget authority	7.05	6.90	7.05
Outlays	7.00	6.90	7.00
800 General government:			
Budget authority	5.30	5.40	5.30
Outlays	5.20	5.20	5.20
850 General purpose fiscal assistance:			
Budget authority	1.95	2.00	2.00
Outlays	2.90	3.20	3.20
900 Net interest:			
Budget authority	150.95	152.10	152.50
Outlays	150.95	152.10	152.50
920 Allowances:			
Budget authority	−4.60	−1.60	−2.00
Outlays	−4.25	−1.60	−1.70
950 Undistributed offsetting receipts:			
Budget authority	−36.55	−37.80	−37.10
Outlays	−36.55	−37.80	−37.10

FISCAL YEAR 1988 BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES

[In billions of dollars]

	House passed	Senate passed	Conference agreement
Budget authority	1,212.80	1,212.90	1,216.45
Outlays	1,080.00	1,060.20	1,073.00
Revenues	955.60	955.90	960.10
Deficit	124.40	104.30	112.90
Debt subject to limit	2,536.50	2,525.50	2,507.00
Change in revenues	3.10	3.40	7.60
Change in public debt limit	215.80	212.60	205.10
FUNCTION			
050 National defense:			
Budget authority	335.40	346.80	346.80
Outlays	303.90	313.00	303.90
150 International affairs:			
Budget authority	20.60	20.70	19.90
Outlays	16.20	16.70	16.45
250 General science, space and technology:			
Budget authority	9.10	9.30	9.30
Outlays	8.95	9.00	9.00

FISCAL YEAR 1988 BUDGET AGGREGATES AND FUNCTIONAL CATEGORIES—Continued

[In billions of dollars]

	House passed	Senate passed	Conference agreement
270 Energy:			
Budget authority	5.15	4.90	4.95
Outlays	4.65	4.20	4.45
300 Natural resources and environment:			
Budget authority	13.65	12.80	13.15
Outlays	13.20	12.50	12.95
350 Agriculture:			
Budget authority	15.0	17.00	16.20
Outlays	15.00	12.90	13.75
370 Commerce and housing credit:			
Budget authority	9.50	6.10	7.85
Outlays	6.70	5.10	5.20
400 Transportation:			
Budget authority	31.30	27.30	29.75
Outlays	29.50	27.40	28.10
450 Community and regional development:			
Budget authority	8.10	7.10	7.20
Outlays	7.95	6.70	6.85
500 Education, training, employment and social services:			
Budget authority	33.70	31.30	32.95
Outlays	32.95	30.40	32.10
550 Health:			
Budget authority	41.15	40.80	41.10
Outlays	40.80	40.30	40.70
570 Medical insurance:			
Budget authority	95.55	94.80	94.20
Outlays	84.60	82.70	84.90
600 Income security:			
Budget authority	175.80	173.90	172.40
Outlays	133.85	125.70	130.60
650 Social security:			
Budget authority	264.65	266.10	264.60
Outlays	228.30	220.00	228.10
700 Veterans benefits and services:			
Budget authority	28.05	27.20	27.90
Outlays	27.80	26.70	27.65
750 Administration of justice:			
Budget authority	7.20	7.00	7.20
Outlays	7.15	7.00	7.15
800 General government:			
Budget authority	5.45	5.50	5.50
Outlays	5.45	5.50	5.45
850 General purpose fiscal assisstance:			
Budget authority	2.10	2.10	2.10
Outlays	2.10	2.10	2.10
900 Net interest:			
Budget authority	153.85	153.90	155.00
Outlays	153.85	153.90	155.00
920 Allowances:			
Budget authority	−3.45	−0.60	−0.70
Outlays	−3.15	−0.50	−0.50
950 Undistributed offsetting receipts:			
Budget authority	−39.75	−41.10	−40.90
Outlays	−39.75	−41.10	−40.90

Economic Assumptions

The conferees accepted the economic assumptions shown in the table below as the basis for the revenue, spending did credit estimates in the conference substitute. These economic assumptions are the same as those used by the President in his FY 1986 budget submission in February. Both the House- and Senate-passed budget resolutions were based on these economic assumptions.

[In billions of dollars]

	Calendar years			
	1985	1986	1987	1988
Gross national product:				
Current dollars	$3,948.2	$4,284.8	$4,642.8	$5,016.8
Percent change	7.8	8.5	8.3	8.1
Constant (1972) dollars	$1,702.5	$1,770.6	$1,841.4	$1,915.1
Percent change	3.9	4.0	4.0	4.0
GNP deflator (percent change, year over year)	3.8	4.4	4.2	3.9
CPI–W (percent change, year over year)	4.1	4.3	4.2	3.9
Unemployment rate—Civilian (percent)	7.1	7.0	6.7	6.4
3-month Treasury bill rate (percent)	8.1	7.9	7.2	5.9
Memo: GNP, current dollars, fiscal year	$3,868.5	$4,198.5	$4,550.9	$4,921.7

Revenues

The House resolution provided a revenue floor of $736.05 billion in FY 1985, $794.10 billion in FY 1986, $866.00 billion in FY 1987, and $955.60 billion in FY 1988. It provided that revenues be decreased by $0.15 billion in FY 1985, and increased by $1.45 billion in FY 1986, $1.70 billion in FY 1987, and $3.10 billion in FY 1988.

The Senate resolution set a revenue floor of $736.20 billion in FY 1985, $793.6 billion in FY 1986, $866.30 billion in FY 1987, and $955.90 billion in FY 1988. It provided that revenues be increased by $0.9 billion in FY 1986, $2.0 billion in FY 1987, and $3.4 billion in FY 1988.

The conference substitute sets a revenue floor of $736.5 billion in FY 1985, $795.7 billion in FY 1986, $869.4 billion in FY 1987, and $960.1 billion in FY 1988. It provides that revenues should be increased by $3.0 billion in FY 1986, $5.1 billion in FY 1987, and $7.6 billion in FY 1988.

Function 150: Export-Import Bank

It is the intention of the conferees that up to $1.8 billion may be made available for the Export-Import Bank loan programs. The allocation made pursuant to section 302 of the Congressional Budget Act to the Senate Committee on Appropriations contained in this Statement of the Managers assumes a funding level of $1.2 billion for this program. In the event that the relevant appropriations measure provides a higher level of funding, an additional allocation equal to the amount in the measure, but in any event no higher than $600 million in budget authority and $50 million in outlays for fiscal year 1986 will be made to the Senate Committee on Appropriations at the time such measure is reported.

When an allocation is made to the House Committee on Appropriations pursuant to section 302, such allocation will be accorded identical treatment.

Function 300: Superfund

The conference agreement assumes that the revenues associated with the reauthorization of the Superfund program will be sufficient to cover Superfund outlays. In developing the funding levels assumed for the Superfund program, the conferees do not intend to prejudice the final outcome of reauthorization legislation.

Function 400: Transportation Trust Funds

As in the past, the conferees have followed the general policy of assigning reconciliation instructions to authorizing committees of jurisdiction. No instructions have been given to the Appropriations Committees. However, the conferees recognize that in the instances of certain transportation trust funds, jurisdiction over spending decisions has historically been shared, and the imposition of obligation limitations has been a desirable budget control device, permitting all accounts to be considered in setting spending priorities within certain budget functions. In making reconciliation instructions, therefore, the conferees do not intend to alter existing jurisdictional relationships, and expect that such relationships will continue as in the past.

Function 400: Panama Canal Commission

The Conferees assume that any undistributed discretionary program reductions in Function 400: Transportation will not affect any treaty requirements related to the Panama Canal Commission.

Function 450: Housing Development Action Grants

The conference agreement assumes continued funding for the Housing Development Actions Grants (HoDAG) program from funds allocated to the assisted hosing program.

Function 550: Health

Medicaid report language

The Conference agreement assumes $450 million in medicaid savings over three years from enhanced State efforts to collect payments from third party insurers. It is the intention of the conferees that collection efforts not adversely affect beneficiaries or States which make a reasonable effort to obtain payments. The conferees believe that there are cost effective techniques available to States to meet this goal without resulting in a loss of Federal funding or disruption of the medicaid program. Furthermore, the conferees intend that there will be no loss to States of Federal medicaid funds if collection efforts do not result in initially projected savings.

It is also the intent of the conferees that legislation which requires States to collect payments would be sufficient to meet the reconciliation assumptions.

Function 600: Scoring of Debt Forgiveness for Public Housing

The Managers agree that scorekeeping for reconciliation savings from assumed debt forgiveness for public housing notes should not be done in such a way as to require program reductions in place of the intended financing changes.

Function 650: Social Security

The conferees have assumed some savings for administrative support in the Social Security Administration. It is not intended that these savings should result in staff reductions, office closings or otherwise have an adverse impact upon services to social security beneficiaries.

Reconciliation Instructions

The Senate resolution contained instructions regarding increased spending directed to 13 Senate committees and 14 House committees. The House amendment contained instructions of this nature directed to 10 House committees. The conference substitute contains instructions directed to 11 Senate committees and 14 House committees.

The Senate resolution provided that instructed committees would respond by June 30, 1985. The House amendment provided that instructed committees would respond within 30 calendar days of final action on this budget resolution. The conference substitute provides that committees must respond by September 27, 1985.

Neither the Senate resolution nor the House amendment contained instructions to change revenues. The conference substitute contains instructions to the Senate Finance Committee and the House Ways and Means Committee to increase revenues.

SUMMARY OF RECONCILIATION SAVINGS BY SENATE COMMITTEE

[In millions of dollars]

Senate committee	Fiscal year 1986		Fiscal year 1987		Fiscal year 1988		Total fiscal years 1986–88	
	Budget authority	Outlay	Budget authority	Outlay	Budget authority	Outlay	Budget authority	Outlay
Agriculture, Nutrition, and Forestry		−1,250		−2,050		−4,600		−7,900
Armed Services		−100		−200		−300		−600
Banking, Housing, and Urban Affairs	−2,374	−2,814	−2,828	−3,685	−2,998	−3,821	−8,200	−10,320
Commerce, Science, and Transportation	−328	−310	−133	−119	−135	−130	−596	−559
Energy and Natural Resources	−5,485	−5,403	291	147	−337	−314	−5,531	−5,570
Environment and Public Works		−200		−850		−1,050		−2,100
Finance		−3,307		−7,951		−10,908		−22,166
Governmental Affairs		−3,219		−4,421		−4,986		−12,626
Labor and Human Resources	−670	−170	−860	−525	−1,085	−960	−2,615	−1,665
Small Business	−448	−509	−564	−972	−1,060	−998	−2,072	−2,479
Veterans' Affairs	−300	−300	−400	−400	−450	−450	−1,150	−1,150
Total reconciliation (spending)	−9,605	−17,582	−4,494	−21,036	−6,065	−28,517	−20,164	−67,135
Total reconciliation (revenues)		+1,800		+3,000		+3,600		+8,400

SUMMARY OF RECONCILIATION SAVINGS BY HOUSE COMMITTEE

[In millions of dollars]

House committee	1986		1987		1988	
	Budget authority	Outlay	Budget authority	Outlay	Budget authority	Outlay
Agriculture Committee		−1,250		−2,050		−4,600
Armed Services Committee		−100		−200		−300
Banking, Finance and Urban Affairs Committee	−2,374	−2,814	−2,828	−3,685	−2,998	−3,821
Energy and Commerce Committee	−1,513	−3,947	−1,246	−5,008	−1,401	−6,512
Education and Labor Committee	−670	−470	−860	−835	−1,085	−1,260
Government Operations Committee				−3,526		−4,956
Interior and Insular Affairs Committee	−4,000	−4,000	1,504	1,504	1,029	1,029
Judiciary Committee	−570	−70	−610	−285	−635	−510
Merchant Marine and Fisheries Committee	−300	−300	−100	−100	−100	−100
Post Office and Civil Service Committee		−3,219		−4,421		−4,986
Public Works and Transportation Committee		−200		−850		−1,050
Small Business Committee	−448	−509	−564	−972	−1,060	−998
Veterans' Affairs Committee	−300	−300	−400	−400	−450	−450
Ways and Means Committee: deficit reduction		−5,027		−7,245		−9,362

FISCAL YEAR 1985—CREDIT BUDGET TARGETS

[In billions of dollars]

	House passed	Senate passed	Conference agreement
Total new direct loan obligations	51.95	52.80	52.85
Total new primary loan guarantee commitments	68.80	69.40	69.35
Total new secondary loan guarantee commitments	68.25	68.20	68.20
FUNCTION			
150 International affairs:			
New direct loan obligations	10.05	11.50	11.50
New primary loan guarantee commitments	10.30	10.30	10.30
270 Energy:			
New direct loan obligations	2.65	2.10	2.10
New primary loan guarantee commitments	.10	.10	0.10
300 Natural resources and environment:			
New direct loan obligations	.05	.10	0.10
New primary loan guarantee commitments			
350 Agriculture:			
New direct loan obligations	13.80	13.80	13.80
New primary loan guarantee commitments	5.70	5.70	5.70
370 Commerce and housing credit:			
New direct loan obligations	6.55	6.50	6.50
New primary loan guarantee commitments	26.45	27.00	26.90
New secondary loan guarantee commitments	68.25	68.20	68.20
400 Transportation:			
New direct loan obligations	.30	.30	.30
New primary loan guarantee commitments	.30	.30	.30
450 Community and regional development:			
New direct loan obligations	1.75	1.80	1.70
New primary loan guarantee commitments	.15	.20	.20
500 Education, training, employment and social services:			
New direct loan obligations	1.15	1.10	1.20
New primary loan guarantee commitments	8.75	8.80	8.80
550 Health:			
New direct loan obligations	.05		.05
New primary loan guarantee commitments	.25	.20	.25

FISCAL YEAR 1985—CREDIT BUDGET TARGETS—Continued

[In billions of dollars]

	House passed	Senate passed	Conference agreement
600 Income security:			
New direct loan obligations	14.30	14.30	14.30
New primary loan guarantee commitments			
700 Veterans benefits and services:			
New direct loan obligations	1.30	1.30	1.30
New primary loan guarantee commitments	16.80	16.80	16.80
920 Allowances:			
New direct loan obligations			
New primary loan guarantee commitments			

FISCAL YEAR 1986—CREDIT BUDGET TARGETS

[In billions of dollars]

	House passed	Senate passed	Conference agreement
Total new direct loan obligations	38.05	30.10	34.40
Total new primary loan guarantee commitments	74.60	80.60	80.15
Total new secondary loan guarantee commitments	68.25	68.20	68.20
FUNCTION			
150 International affairs:			
New direct loan obligations	10.35	8.20	9.90
New primary loan guarantee commitments	10.30	12.30	12.30
270 Energy:			
New direct loan obligations	2.10	2.10	2.10
New primary loan guarantee commitments	4.10	4.10	4.10

FISCAL YEAR 1986—CREDIT BUDGET TARGETS—Continued

[In billions of dollars]

	House passed	Senate passed	Conference agreement
300 Natural resources and environment:			
New direct loan obligations	.05	.10	.05
New primary loan guarantee commitments			
350 Agriculture:			
New direct loan obligations	13.90	11.70	13.60
New primary loan guarantee commitments	5.70	9.00	6.40
370 Commerce and housing credit:			
New direct loan obligations	5.90	4.20	5.00
New primary loan guarantee commitments	27.10	28.40	28.20
New secondary loan guarantee commitments	68.25	68.20	68.20
400 Transportation:			
New direct loan obligations	.15	.20	.20
New primary loan guarantee commitments	.30	.30	.30
450 Community and regional development:			
New direct loan obligations	1.30	1.20	1.10
New primary loan guarantee commitments	.15	.20	.20
500 Education, training, employment and social services:			
New direct loan obligations	1.10	1.10	1.10
New primary loan guarantee commitments	9.05	9.00	9.00
550 Health:			
New direct loan obligations	.05		.05
New primary loan guarantee commitments	.25	.20	.25
600 Income security:			
New direct loan obligations	1.85		
New primary loan guarantee commitments		1.80	1.80
700 veterans benefits and services:			
New direct loan obligations	1.30	1.30	1.30
New primary loan guarantee commitments	17.65	15.30	17.60
920 Allowances:			
New direct loan obligations			
New primary loan guarantee commitments			

FISCAL YEAR 1987—CREDIT BUDGET TARGETS

[In billions of dollars]

	House passed	Senate passed	Conference agreement
Total new direct loan obligations	37.00	27.90	32.15
Total new primary loan guarantee commitments	73.00	81.30	79.05
Total new secondary loan guarantee commitments	68.25	68.20	68.20
FUNCTION			
150 International affairs:			
New direct loan obligations	10.75	7.80	9.60
New primary loan guarantee commitments	10.75	12.30	12.30
270 Energy:			
New direct loan obligations	2.10	2.10	2.10
New primary loan guarantee commitments			
300 Natural resources and environment:			
New direct loan obligations	.05	.10	.10
New primary loan guarantee commitments			
350 Agriculture:			
New direct loan obligations	12.15	10.20	11.40
New primary loan guarantee commitments	5.75	9.00	5.60
370 Commerce and housing credit:			
New direct loan obligations	6.15	4.20	5.30
New primary loan guarantee commitments	28.65	30.10	29.90
New secondary loan guarantee commitments	68.25	68.20	68.20
400 Transportation:			
New direct loan obligations	.15	.10	.10
New primary loan guarantee commitments	.30	.30	.30
450 Community and regional development:			
New direct loan obligations	1.70	1.10	1.20
New primary loan guarantee commitments	.20	.20	.20
500 Education, training, employment and social services:			
New direct loan obligations	1.10	1.10	1.10
New primary loan guarantee commitments	9.35	9.40	9.40
550 Health:			
New direct loan obligations	.05		.05
New primary loan guarantee commitments	.25	.30	.25
600 Income security:			
New direct loan obligations	2.30		
New primary loan guarantee commitments		2.30	2.30
700 Veterans benefits and services:			
New direct loan obligations	1.20	1.20	1.20
New primary loan guarantee commitments	18.75	17.40	18.80
920 Allowances:			
New direct loan obligations	−.70		
New primary loan guarantee commitments	−1.0		

FISCAL YEAR 1988—CREDIT BUDGET TARGETS

[In billions of dollars]

	House passed	Senate passed	Conference agreement
Total new direct loan obligations	36.45	27.30	31.40
Total new primary loan guarantee commitments	76.90	85.50	84.00
Total new secondary loan guarantee commitments	68.25	68.20	68.20
FUNCTION			
150 International affairs:			
New direct loan obligations	11.00	7.90	9.70
New primary loan guarantee commitments	11.20	12.30	12.30
270 Energy:			
New direct loan obligations	2.15	2.10	2.10
New primary loan guarantee commitments			
300 Natural resources and environment:			
New direct loan obligations	.05		.05
New primary loan guarantee commitments			
350 Agriculture:			
New direct loan obligations	11.80	9.10	10.50
New primary loan guarantee commitments	5.75	9.00	6.90
370 Commerce and housing credit:			
New direct loan obligations	6.65	4.50	5.40
New primary loan guarantee commitments	30.45	31.90	31.70
New secondary loan guarantee commitments	68.25	68.20	68.20
400 Transportation:			
New direct loan obligations	.10	.10	.10
New primary loan guarantee commitments	.30	.30	.30
450 Community and regional development:			
New direct loan obligations	1.95	1.30	1.30
New primary loan guarantee commitments	.20	.20	.20
500 Education, training, employment and social services:			
New direct loan obligations	1.15	1.10	1.10
New primary loan guarantee commitments	9.60	9.60	9.60
550 Health:			
New direct loan obligations	.05		.05
New primary loan guarantee commitments	.30	.30	.30
600 Income security:			
New direct loan obligations	1.75		
New primary loan guarantee commitments		1.80	1.80
700 Veterans benfits and services:			
New direct loan obligations	1.10	1.20	1.10
New primary loan guarantee commitments	20.90	20.10	20.90
920 Allowances:			
New direct loan obligations	−1.30		
New primary loan guarantee commitments	−1.80		

MISCELLANEOUS PROVISIONS

APPROPRIATIONS CAPS

The Senate resolution provided a point of order against the consideration of an appropriations bill in the House or Senate if the enactment of that bill would cause total aggregate budget authority to exceed the amounts stated for function 050, National Defense, or the amounts stated for nondefense discretionary activities.

The House amendment contained no such provision.

The Senate receded to the House.

AUTOMATIC SECOND BUDGET RESOLUTION

The Senate resolution provide that this resolution shall be deemed to be the second concurrent resolution on the budget for FY 1986 for the purposes of section 311 of the Budget Act if Congress has not completed action on a second resolution by October 1, 1985.

The House amendment provided language virtually identical to that of the Senate resolution which achieved the same result. The House amendment further provided that committees would be held harmless against a point of order under section 311 of the Budget Act for violation of spending ceilings if those committees remain within their section 302(a) allocation for FY 1986. In addition, the House amendment provided that if any off-budget programs contained in a list in the House report are brought into the unified budget, the budget authority and outlays for those programs shall not be included in determining violations of section 311 of the Budget Act. The House amendment also provided that if Congress subsequently adopts a second budget resolution for FY 1986, all of the provisions of this section will cease to apply.

The House conferees receded to the Senate with an amendment making the provision holding committees harmless applicable only to the House.

TAX REFORM

The Senate resolution contained language regarding the need for tax reform. The provision presented certain findings of the Senate regarding the inequities and disadvantages of the current tax structure. It also expressed the sense of the Senate that tax reform legislation should be adopted as soon as possible, incorporating specified objectives and principals.

The House amendment contained language identical to the Senate provision, except that it expressed the findings and sense of the House.

The Senate conferees receded to the House with an amendment to express the sense of the Congress.

CBO SCOREKEEPING REQUIREMENTS

The Senate resolution contained a provision expressing the sense of the Senate that CBO should make weekly reports when the Senate is in session regarding the current status of congressional action with respect to the limitations on spending, revenues and the public debt established by the most recent budget resolution.

The House amendment contained no such provision.

The House conferees receded to the Senate.

FARM LOSS DEDUCTIONS

The Senate resolution contained a provision expressing the sense of the Senate that legislation should be enacted to limit to the national median family income the amount of farm-related losses which can be deducted against nonfarm income, and that the resulting additional revenues should be used to reduce individual income tax rates, and to assure that family-operated farms do not suffer a disadvantaged as against farm operations with substantial nonfarm income.

The House amendment contained no such provision.

The House conferees receded to the Senate.

ENHANCED TAX LAW ENFORCEMENT

The Senate resolution contained a provision expressing the sense of the Congress that legislation should be reported by the Senate Finance Committee and enacted to increase compliance with the tax code. Such legislation should concern improved enforcement and collection, increased staff, and efforts to improve taxpayer assistance. The resulting increased revenue could be used to reduce income tax rates, reduce the deficit, or other unspecified purposes.

The House amendment contained no such provision.

The House conferees receded to the Senate with an amendment referencing the House Ways and Means Committee and deleting the language regarding use of the increased revenue.

INTERNATIONAL MONETARY CONFERENCE

The House amendment contained a provision expressing the sense of the Congress that the Administration should call for the convening of an international conference to discuss the stabilization of currency exchange rates, the reduction of interest rates, the promotion of maximum economic growth, and the assurance of domestic stability.

The Senate resolution contained no such provision.

The Senate receded to the House with an amendment.

GRACE COMMISSION REVIEW

The House amendment contained a provision expressing the sense of the House that all House committees should review the findings of the President's Private Sector Survey on Cost Control relating to programs within their jurisdiction and consider those findings during their review of legislation. Each report accompanying legislation should identify those recommendations im-

plemented in that legislation, their budgetary impact, and an explanation of every recommendation which relates to the legislation and a discussion of its disposition.

The Senate resolution contained no such provision.

The Senate conferees receded to the House.

LIMITATION ON BENEFITS TO ALIENS

The Senate resolution contained a provision expressing the sense of the Congress that social security benefits paid to illegal and nonresident aliens should be limited to the amount of the wage-earner's contribution plus interest and states the assumption that the Senate Finance Committee will report legislation to accomplish this. This limitation would apply to individuals becoming eligible after January 1, 1986.

The House amendment contained a provision identical to the Senate provision except that it referenced the House Ways and Means Committee instead of the Senate Finance Committee.

The House conferees receded to the Senate with an amendment referencing the House Committee on Ways and Means.

ANNUAL DETERMINATION OF CREDIT ACTIVITY THROUGH THE APPOROPRIATIONS PROCESS

The Senate resolution provided that it shall not be in order to consider legislation authorizing new direct loan obligations of loan guarantee commitments which does not limit such activity to amounts appropriated in advance. Legislation reported in response to the reconciliation instructions contained in this resolution is exempted. Legislation regarding Commodity Credit Corporation price support and related programs in operation on January 1, 1985 is also exempted.

The House amendment contained no such provision.

The Senate conferees receded to the House.

ELIMINATION OF DISTINCTION BETWEEN "UNIFIED BUDGET" AND "OFF-BUDGET" SPENDING

The Senate resolution contained a provision expressing the sense of Congress that the distinction between "unified budget" and "off-budget" spending should be terminated, and that the budget authority and outlays for so-called "off-budget" agencies should be included in the budget totals.

The House amendment contained no such provision.

The Senate conferees receded to the House.

The conferees intend that the functional and aggregate totals included in this resolution, reflecting both "on-budget" and "off-budget" spending, will govern for the purposes of the congressional budget process, scorekeeping, and enforcement. It is not the intent of the conferees to prejudice the action of committees of jurisdiction in their legislative oversight of program not presently included in the unified budget of the federal government.

WIC FUNDING

The Senate resolution contained language expressing the sense of the Senate that the full amount of appropriations for FY 1985, currently being withheld from obligations by OMB, should be apportioned among the states, pursuant to public law.

The House amendment contained language indentical to the Senate provision, except that it expresses the sense of the Congress.

The conference substitute does not contain this language.

CONFORMING OVERTIME REQUIREMENTS

The Senate resolution contained language expressing the sense of the Congress that the overtime requirements contained in the Walsh-Healey Act and the Contract Work Hours and Safety Standards Act should be conformed to the Fair Labor Standards Act.

The House amendment contained no such provision.

The Senate conferees receded to the House.

MINIMUM TAX

The Senate resolution contained a provision expressing the sense of Congress that a minimum tax should be enacted so that all corporations and individuals with economic income will pay tax, and that the resulting revenue should be used to reduce individual income tax rates and to increase threshold amounts for tax payments by individuals when tax reform legislation is considered.

The House amendment contained no such provision.

The Senate conferees receded to the House.

ALLOCATION OF BUDGET AUTHORITY AND OUTLAYS TO SENATE COMMITTEES

Pursuant to section 302 of the Congressional Budget Act, the conference substitute makes the following allocation of budget authority and outlays among the committees of the Senate.

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SEC. 302 OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1985

[In millions of dollars]

Committees	Direct spending jurisdiction		Entitlements funded in annual appropriation acts	
	Budget authority	Outlay	Budget authority	Outlay
Appropriations	576,084	531,709		
Agriculture, Nutrition, and Forestry	15,528	24,086	12,420	132
Armed Services	38,499	26,620	147	208
Banking, Housing, and Urban Affairs	20,649	14,960		
Commerce, Science, and Transportation	1,719	267	346	356
Energy and Natural Resources	1,024	373	54	56
Environment and Public Works	15,571	933	6	6
Finance	504,055	477,641	43,639	46,229
Foreign Relations	15,466	13,375		
Governmental Affairs	51,890	33,345	(1)	(1)
Judiciary	570	477	78	76
Labor and Human Resources	4,071	2,657	6,083	5,952
Rules and Administration	45	9		
Small Business	485	378		
Veterans' Affairs	1,502	1,141	15,317	15,416
Select Indian Affairs	445	443		
Not allocated to committees	−185,503	−183,113		
Total, budget	1,062,100	946,300	78,088	68,432

[1] Less than $500,000,

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SEC. 302 OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1986

[In millions of dollars]

Committees	Direct spending jurisdiction		Entitlements funded in annual appropriation acts	
	Budget authority	Outlay	Budget authority	Outlay
Appropriations	565,410	552,084		
Agriculture, Nutrition, and Forestry	18,198	17,275	213	218
Armed Services	40,622	28,068	165	165
Banking, Housing, and Urban Affairs	6,710	3,215		
Commerce, Science, and Transportation	1,651	−151	352	358
Energy and Natural Resources	−2,468	−2,839		
Environment and Public Works	16,266	573	6	6
Finance	540,805	510,642	46,622	46,723
Foreign Relations	15,208	13,000		
Governmental Affairs	54,043	34,687	[1]	[1]
Judiciary	512	439	82	82
Labor and Human Resources	4,273	2,608	5,568	5,572

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SEC. 302 OF THE CONGRESSIONAL BUDGET ACT, FISCAL YEAR 1986—Continued

[In millions of dollars]

Committees	Direct spending jurisdiction		Entitlements funded in annual appropriation acts	
	Budget authority	Outlay	Budget authority	Outlay
Rules and Administration	45	8		
Small Business	309	153		
Veterans' Affairs	1,502	1,316	15,557	14,525
Select Indian Affairs	458	457		
Not allocated to committees	−193,756	−193,935		
Total, budget	1,069,700	967,600	68,564	68,647

[1] Less than $500,000.

WILLIAM H. GRAY III,
JIM WRIGHT,
THOMAS J. DOWNEY,
MIKE LOWRY,
BUTLER DERRICK,
VIC FAZIO,
GEO. MILLER,
MARTIN FROST,
DELBERT LATTA,
JACK KEMP,
LYNN MARTIN,
BOBBI FIEDLER,
BEAU BOULTER,
Managers on the Part of the House.

PETE V. DOMENICI,
WILLIAM L. ARMSTRONG,
NANCY LANDON KASSEBAUM,
RUDY BOSCHWITZ,
SLADE GORTON,
LAWTON CHILES,
J. BENNETT JOHNSTON,
JIM SASSER,
Managers on the Part of the Senate.

Mr. GRAY of Pennsylvania. Mr. Speaker, I call up the conference report on the Senate concurrent resolution (S. Con. Res. 32), setting forth the congressional budget for the U.S. Government for fiscal years 1986, 1987, and 1988, and revising the congressional budget for the U.S. Government for the fiscal year 1985.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER. The Clerk will read the report.

The Clerk read the report.

Mr. GRAY of Pennsylvania (during the reading). Mr. Speaker, I ask unanimous consent that the conference report be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MOTION OFFERED BY MR. GRAY OF PENNSYLVANIA

Mr. GRAY of Pennsylvania. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. GRAY of Pennsylvania moves, pursuant to House Resolution 253, that the House recede from its amendment to Senate Concurrent Resolution 32 and concur with an amendment as follows:

Strike out all after the resolving clause of S. Con. Res. 32 and insert in lieu thereof the following:

That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1985 is hereby revised and replaced, the first concurrent resolution on the budget for fiscal year 1986 is hereby established, and the appropriate budgetary levels for fiscal years 1987 and 1988 are hereby set forth.

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1985: $736,500,000,000.
Fiscal year 1986: $795,700,000,000.
Fiscal year 1987: $869,400,000,000.
Fiscal year 1988: $960,100,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1985: $0.
Fiscal year 1986: $3,000,000,000.
Fiscal year 1987: $5,100,000,000.
Fiscal year 1988: $7,600,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $44,800,000,000.
Fiscal year 1986: $50,900,000,000.
Fiscal year 1987: $56,100,000,000.
Fiscal year 1988: $61,200,000,000.

and the amounts for Federal Insurance Contributions Act revenues for old-age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1985: $186,200,000,000.
Fiscal year 1986: $200,400,000,000.
Fiscal year 1987: $216,800,000,000.
Fiscal year 1988: $248,000,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1985: $1,062,100,000,000.
Fiscal year 1986: $1,069,700,000,000.
Fiscal year 1987: $1,137,950,000,000.
Fiscal year 1988: $1,216,450,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1985: $946,300,000,000.
Fiscal year 1986: $967,600,000,000.
Fiscal year 1987: $1,024,100,000,000.
Fiscal year 1988: $1,073,000,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1985: $209,800,000,000
Fiscal year 1986: $171,900,000,000.
Fiscal year 1987: $154,700,000,000.
Fiscal year 1988: $112,900,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1985: $1,847,800,000,000.
Fiscal year 1986: $2,078,700,000,000.
Fiscal year 1987: $2,301,900,000,000.
Fiscal year 1988: $2,507,000,000,000.

and the amounts by which the statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1985: $24,000,000,000.
Fiscal year 1986: $230,900,000,000.
Fiscal year 1987: $223,200,000,000.
Fiscal year 1988: $205,100,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1984, October 1, 1985, October 1, 1986, and October 1, 1987, are as follows:

Fiscal year 1985:

(A) New direct loan obligations, $52,850,000

(B) New primary loan guarantee commitments, $69,350,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1986:

(A) New direct loan obligations, $34,400,000,000.

(B) New primary loan guarantee commitments, $80,150,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1987:

(A) New direct loan obligations, $32,150,000,000.

(B) New primary loan guarantee commitments, $79,050,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1988:

(A) New direct loan obligations, $31,400,000,000.

(B) New primary loan guarantee commitments, $84,000,000,000.

(C) New secondary loan guarantee commitments, $68,200,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, new primay loan guarantee commitments, and new secondary loan guarantee commitments, for fiscal years 1985 through 1988 for each major functional category are:

(1) National Defense (050):

Fiscal year 1985:

(A) New budget authority, $292,600,000,000.

(B) Outlays, $249,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1986:

(A) New budget authority, $302,500,000,000.

(B) Outlays, $267,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:

(A) New budget authority, $323,400,000,000.

(B) Outlays, $85,200,000,000.

(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $346,800,000,000.
(B) Outlays, $303,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(2) International Affairs (150):
Fiscal year 1985:
(A) New budget authority, $24,700,000,000.
(B) Outlays, $17,200,000,000.
(C) New direct loan obligations, $11,500,000,000.
(D) New primary loan guarantee commitments, $10,300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $21,300,000,000.
(B) Outlays, $18,850,000,000.
(C) New direct loan obligations, $9,900,000,000.
(D) New primary loan guarantee commitments, $12,300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $20,100,000,000.
(B) Outlays, $17,300,000,000.
(C) New direct loan obligations, $9,600,000,000.
(D) New primary loan guarantee commitments, $12,300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $19,900,000,000.
(B) Outlays, $16,450,000,000.
(C) New direct loan obligations, $9,700,000,000.
(D) New primary loan guarantee commitments, $12,300,000,000.
(E) New secondary loan guarantee commitments, $0.
(3) General Science, Space, and Technology (250):
Fiscal year 1985:
(A) New budget authority, $9,100,000,000.
(B) Outlays, $8,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $9,100,000,000.
(B) Outlays, $8,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $9,050,000,000.
(B) Outlays, $8,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $9,300,000,000.
(B) Outlays, $9,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(4) Energy (270):
Fiscal year 1985:
(A) New budget authority, $900,000,000.
(B) Outlays, $5,500,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $5,900,000,000.
(B) Outlays, $5,550,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $4,100,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $5,850,000,000.
(B) Outlays, $5,150,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $4,950,000,000.
(B) Outlays, $4,450,000,000.
(C) New direct loan obligations, $2,100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1985:
(A) New budget authority, $13,100,000,000.
(B) Outlays, $13,000,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $13,100,000,000.
(B) Outlays, $13,000,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $13,200,000,000.
(B) Outlays, $12,750,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $13,150,000,000.
(B) Outlays, $12,950,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1985:
(A) New budget authority, $27,000,000,000.
(B) Outlays, $23,300,000,000.
(C) New direct loan obligations, $13,800,000,000.
(D) New primary loan guarantee commitments, $5,700,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $18,300,000,000.
(B) Outlays, $15,550,000,000.
(C) New direct loan obligations, $13,600,000,000.
(D) New primary loan guarantee commitments, $6,400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $17,700,000,000.
(B) Outlays, $16,250,000,000.
(C) New direct loan obligations, $11,400,000,000.
(D) New primary loan guarantee commitments, $5,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $16,200,000,000.
(B) Outlays, $13,750,000,000.
(C) New direct loan obligations, $10,500,000,000.
(D) New primary loan guarantee commitments, $6,900,000,000.
(E) New secondary loan guarantee commitments, $0.
(7) Commerce and Housing Credit (370):
Fiscal year 1985:
(A) New budget authority, $12,600,000,000.
(B) Outlays, $5,500,000,000.
(C) New direct loan obligations, $6,500,000,000.
(D) New primary loan guarantee commitments, $26,900,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1986:
(A) New budget authority, $7,700,000,000.
(B) Outlays, $3,700,000,000.
(C) New direct loan obligations, $5,000,000,000.
(D) New primary loan guarantee commitments, $28,200,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1987:
(A) New budget authority, $7,700,000,000.
(B) Outlays, $3,450,000,000.
(C) New direct loan obligations, $5,300,000,000.
(D) New primary loan guarantee commitments, $29,900,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1988:
(A) New budget authority, $7,850,000,000.
(B) Outlays, $5,200,000,000.
(C) New direct loan obligations, $5,400,000,000.
(D) New primary loan guarantee commitments, $31,700,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
(8) Transportation (400):
Fiscal year 1985:
(A) New budget authority, $29,400,000,000.
(B) Outlays, $26,000,000,000.
(C) New direct loan obligations, $300,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $26,850,000,000.
(B) Outlays, $25,800,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1987:
(A) New budget authority, $28,900,000,000.
(B) Outlays, $27,700,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $29,750,000,000.
(B) Outlays, $28,100,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1985:
(A) New budget authority, $8,300,000,000.
(B) Outlays, $8,400,000,000.
(C) New direct loan obligations, $1,700,000,000.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $6,950,000,000.
(B) Outlays, $8,050,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $7,300,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $7,200,000,000.
(B) Outlays, $6,850,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1985:
(A) New budget authority, $32,100,000,000.
(B) Outlays, $30,400,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $8,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $31,550,000,000.
(B) Outlays, $30,850,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $9,000,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $32,350,000,000.
(B) Outlays, $31,350,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $9,400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $32,950,000,000.
(B) Outlays, $32,100,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $9,600,000,000.
(E) New secondary loan guarantee commitments, $0.
(11) Health (550):
Fiscal year 1985:
(A) New budget authority, $33,600,000,000.
(B) Outlays, $33,500,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $250,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $36,000,000,000.
(B) Outlays, $34,900,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $250,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $38,400,000,000.
(B) Outlays, $37,800,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $250,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $41,100,000,000.
(B) Outlays, $40,700,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
(12) Medical Insurance (570):
Fiscal year 1985:
(A) New budget authority, $72,000,000,000.
(B) Outlays, $65,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $81,500,000,000.
(B) Outlays, $69,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $90,600,000,000.
(B) Outlays, $76,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $94,200,000,000.
(B) Outlays, $84,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1985:
(A) New budget authority, $164,500,000,000.
(B) Outlays, $128,900,000,000.
(C) New direct loan obligations, $14,300,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $155,100,000,000.
(B) Outlays, $119,050,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $163,750,000,000.
(B) Outlays, $124,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $2,300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $172,400,000,000.
(B) Outlays, $130,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $1,800,000,000.
(E) New secondary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1985:
(A) New budget authority, $198,700,000,000.
(B) Outlays, $189,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $207,200,000,000.
(B) Outlays, $200,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $224,750,000,000.
(B) Outlays, $214,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $264,600,000,000.
(B) Outlays, $228,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1985:
(A) New budget authority, $27,400,000,000.
(B) Outlays, $26,400,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $16,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $27,450,000,000.
(B) Outlays, $26,800,000,000.

(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $17,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $27,550,000,000.
(B) Outlays, $27,250,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $18,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $27,900,000,000.
(B) Outlays, $27,650,000,000.
(C) New direct loan obligations, $1,100,000,000.
(D) New primary loan guarantee commitments, $20,900,000,000.
(E) New secondary loan guarantee commitments, $0.
(16) Administration of Justice (750):
Fiscal year 1985:
(A) New budget authority, $6,700,000,000.
(B) Outlays, $6,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $6,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $7,050,000,000.
(B) Outlays, $7,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $7,200,000,000.
(B) Outlays, $7,150,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1985:
(A) New budget authority, $5,700,000,000.
(B) Outlays, $5,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $5,500,000,000.
(B) Outlays, $5,450,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $5,300,000,000.
(B) Outlays, $5,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $5,500,000,000.
(B) Outlays, $5,450,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(18) General Purpose Fiscal Assistance (850):
Fiscal year 1985:
(A) New budget authority, $6,400,000,000.
(B) Outlays, $6,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $6,500,000,000.
(B) Outlays, $6,500,000,000.
(C) New direct loan obligations, $0
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, $2,000,000,000.
(B) Outlays, $3,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $2,100,000,000.
(B) Outlays, $2,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(19) Net Interest (900):
Fiscal year 1985:
(A) New budget authority, $129,200,000,000.
(B) Outlays, $129,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, $142,300,000,000
(B) Outlays, $142,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan commitments, $0.
Fiscal year 1987:
(A) New budget authority, $152,500,000,000.
(B) Outlays, $152,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $155,000,000,000.
(B) Outlays, $155,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(20) Allowances (920):
Fiscal year 1985:
(A) New budget authority, $500,000,000.
(B) Outlays, $0.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, −$2,100,000,000.
(B) Outlays, −$1,650,000,000.
(C) New direct loan obligations, $0
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, −$2,000,000,000.
(B) Outlays, −$1,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, −$700,000,000.
(B) Outlays, −$500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 1985:
(A) New budget authority, −$32,400,000,000.
(B) Outlays, −$32,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1986:
(A) New budget authority, −$39,900,000,000.
(B) Outlays, −$39,900,000,000.
(C) New direct loan obligations, $0.
(D) New direct loan obligations, $0.
(E) New Secondary loan guarantee commitments, $0.
Fiscal year 1987:
(A) New budget authority, −$37,100,100,100.
(B) Outlays, −$37,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, −$40,900,000,000.
(B) Outlays, −$40,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guaranteed commitments, $0.
(E) New secondary loan guarantee commitments, $0.

RECONCILIATION.

SEC. 2. (a) Not later than September 27, 1985, the committees named in subsections (b) through (z) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on hte budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(b) The Senate Committee on Agriculture, Nutrition, and Forestry shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in

laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $1,250,000,000 in outlays in fiscal year 1986, $0 in budget authority and $2,050,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $4,600,000,000 in outlays in fiscal year 1988.

(c) The Senate Committee on Armed Services shall report changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to achieve savings of $0 in budget authority and $100,000,000 in outlays in fiscal year 1986, $0 in budget authority and $200,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $300,000,000 in outlays in fiscal year 1988.

(d) The Senate Committee on Banking, Housing, and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) change in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $2,374,000,000 in budget authority and $2,814,000,000 in outlays in fiscal year 1986, $2,828,000,000 in budget authority and $3,685,000,000 in outlays in fiscal year 1987, and $2,998,000,000 in budget authority and $3,821,000,000 in outlays in fiscal year 1988.

(e) The Senate Committee on Commerce, Science, and Transporation shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $328,000,000 in budget authority and $310,000,000 in outlays in fiscal year 1986, $133,000,000 in budget authority and $119,000,000 in outlays in fiscal year 1987, and $135,000,000 in budget authority and $130,000,000 in outlays in fiscal year 1988.

(f) The Senate Committee on Energy and Natural Resources shall report (1) changes in laws within its jursidiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, or (3) any combination thereof, sufficient to achieve the following: savings of $5,485,000,000 in budget authority and $5,403,000,000 in outlays in fiscal year 1986, increases of $291,000,000 in budget authority and $147,000,000 in outlays in fiscal year 1987, and savings of $337,000,000 in budget authority and $314,000,000 in outlays in fiscal year 1988.

(g) The Senate Committee on Environment and Public Works shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) by combination thereof, as follows: $0 in budget authority and $200,000,000 in outlays in fiscal year 1986, $0 in budget authority and $850,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $1,050,000,000 in outlays in fiscal year 1988.

(h)(1) The Senate Committee on Finance shall report (A) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (B) changes in laws within its jurisdiciton other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, (C) any combination thereof, as follows: $0 in budget authority and $3,307,000,000 in outlays in fisal year 1986. $0 in budget authority and $7,951,000,00 in outlays in fiscal year 1987, and $0 in budget authority and $10,908,000,000 in outlays in fiscal year 1988.

(2) The Senate Committee on Finance shall report changes in laws within the jurisdiction of the committee sufficient to increase revenues as follows: $1,800,000,000 in fiscal year 1986; $3,000,000,000, in fiscal year 1987; and $3,600,000,00 in fiscal year 1988.

(i) The Senate Committee on Governmental Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $3,219,000,000 in outlays in fiscal year 1986, $0 in budget authority and $4,421,000,000 in outlays in fiscal year 1987, and $0 in budget authority and $4,986,000,000 in outlays in fiscal year 1988.

(j) The Senate Committee on Labor and Human Resources shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $670,000,000 in budget authority and $170,000,000 in outlays in fiscal year 1986, $860,000,000 in budget authority and $535,000,000 in outlays in fiscal year 1987, and $1,085,000,000 in budget authority and $960,000,000 in outlays in fiscal year 1988.

(k) The Senate Committee on Small Business shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $448,000,000 in budget authority and $509,000,000 in outlays in fiscal year 1986, $564,000,000 in budget authority and $972,000,000 in outlays in fiscal year 1987, and $1,060,000,000 in budget authority and $998,000,000 in outlays in fiscal year 1988.

(l) The Senate Committee on Veterans' Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $300,000,000 in budget authority and $300,000,000 in outlays in fiscal year 1986, $400,000,000 in budget authority and $400,000,000 in outlays in fiscal year 1987, and $450,000,000 in budget authority and $450,000,000 in outlays in fiscal year 1988.

(m) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee sufficient to reduce outlays by $1,250,000,000 in fiscal year 1986; to reduce outlays by $2,050,000,000 in fiscal year 1987; and to reduce outlays by $4,600,000,000 in fiscal year 1988.

(n) The House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce outlays by $100,000,000 in fiscal year 1986; to reduce outlays by $200,000,000 in fiscal year 1987; and to reduce outlays by $300,000,000 in fiscal year 1988.

(o) The House Committee on Banking, Finance and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $2,374,000,000 in budget authority and $2,814,000,000 in outlays in fiscal year 1986; $2,828,000,000 in budget authority and $3,685,000,000 in outlays in fiscal year 1987, and $2,998,000,000 in budget authority and $3,821,000,000 in outlays in fiscal year 1988.

(p) The House Committee on Education and Labor shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $670,000,000 and outlays by $470,000,000 in fiscal year 1986; to reduce budget authority by $860,000,000 and outlays by $835,000,000 in fiscal year 1987 ;and to reduce budget authority by $1,085,000,000 and outlays by $1,260,000,000 in fiscal year 1988.

(q) The House Committee on Energy and Commerce shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $1,513,000,000 in budget authority and $3,947,000,000 in outlays in fiscal year 1986, $1,246,000,000 in budget authority and $5,008,000,000 in outlays in fiscal year 1987,

and $1,401,000,000 in budget authority and $6,512,000,000 in outlays in fiscal year 1988.

(r) The House Committee on Government Operations shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce outlays by $0 in fiscal year 1986; to reduce outlays by $3,526,000,000 in fiscal year 1987; and to reduce outlays by $4,956,000,000 in fiscal year 1988.

(s) The House Committee on Interior and Insular Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $4,000,000,000 and outlays by $4,000,000,000 in fiscal year 1986; to increase budget authority by $1,504,000,000 and outlays by $1,504,000,000 in fiscal year 1987; and to increase budget authority by $1,029,000,000 and outlays by $1,029,000,000 in fiscal year 1988.

(t) The House Committee on Judiciary shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $570,000,000 and outlays by $70,000,000 in fiscal year 1986; to reduce budget authority by $610,000,000 and outlays by $285,000,000 in fiscal year 1987; and to reduce budget authorty by $635,000,000 and outlays by $510,000,000 in fiscal year 1988.

(u) The House Committee on Merchant Marine and Fisheries shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $300,000,000 and outlays by $300,000,000 in fiscal year 1986; to reduce budget authority by $100,000,000 and outlays by $100,000,000 in fiscal year 1987; and to reduce budget authority by $100,000,000 and outlays by $100,000,000 in fiscal year 1988.

(v) The House Committee on Post Office and Civil Service shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $3,219,000,000 in outlays in fiscal year 1986, $4,421,000,000 in outlays in fiscal year 1987, and $4,986,000,000 in outlays in fiscal year 1988.

(w) The House Committee on Public Works and Transportation shall report changes in laws within the jurisdiction of that committee sufficient to reduce outlays by $200,000,000 in fiscal year 1986, to reduce outlays by $850,000,000 in fiscal year 1987, and to reduce outlays by $1,050,000,000 in fiscal year 1988.

(x) The House Committee on Small Business shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in Section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $448,000,000 in budget authority and $509,000,000 in outlays in fiscal year 1986, $564,000,000 in budget authority and $972,000,000 in outlays in fiscal year 1987, and $1,060,000,000 in budget authority and $998,000,000 in outlays in fiscal year 1988.

(y) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce budget authority by $300,000,000 and outlays by $300,000,000 in fiscal year 1986; to reduce budget authority by $400,000,000 and outlays by $400,000,000 in fiscal year 1987; and to reduce budget authority by $450,000,000 and outlays by $450,000,000 in fiscal year 1988.

(z) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee sufficient to reduce the budget deficit by $5,027,000,000 in fiscal year 1986; to reduce the budget deficit by $7,245,000,000 in fiscal year 1987; and to reduce the budget deficit by $9,362,000,000 in fiscal year 1988.

MISCELLANEOUS PROVISIONS AUTOMATIC SECOND BUDGET RESOLUTION

SEC. 3. (a) If the Congress has not completed action by October 1, 1985, on the concurrent resolution on the budget required to be reported under section 310(a) of the Congressional Budget Act of 1974 for fiscal year 1986, then, for purposes of section 311 of such Act, this concurrent resolution shall be deemed to be the concurrent resolution required to be reported under section 310 of such Act.

(b) In the House of Representatives, section 311(a) of the Congressional Budget Act of 1974, as made applicable by subsection (a) of this section, shall not apply to bills, resolutions, or amendments within the jurisdiction of a committee, or any conference report on any such bill or resolution, if—

(1) the enactment of such bill or resolution as reported

(2) the adoption and enactment of such amendment; of

(3) the enactment of such bill or resolution in the form recommended in such conference report;

would not cause the appropriate allocation for such committee of new discretionary budget authority or new spending authority as described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 made pursuant to section 302(a) of such Act for fiscal year 1986 to be exceeded.

TAX REFORM

SEC. 4. (a) The Congress finds that—

(1) the existing tax structure of the United States distorts economic activity, leading to an inefficient use of national resources and a weakening of our domestic economic vitality and competitive posture in international markets.

(2) the relating tax burdens among various taxpayer categories are manifestly unfair insofar as they arise from differences in the capabilities of taxpayers to take advantage of complicated tax laws.

(3) the ability of the Federal Government to plan and conduct rational fiscal policy is frustrated by elaborate schemes to avoid taxation and the unintended effects of tax incentives and penalties;

(4) progressive erosion of voluntary compliance threatens the fiscal integrity of our public finances and the confidence of our citizens in the Federal Government's capacity to govern; and

(5) a number of plans, each designed to simplify and reform the Tax Code, have been before the Congress for a time sufficient to allow for extensive analysis and evaluation.

(b) It is therefore the sense of the Congress that tax reform should be adopted as soon as possible, and that it should incorporate the following principles and objectives:

(1) efficiency and responsiveness to market conditions in the economic activities of American businesses and consumers;

(2) simplicity of structure and lower marginal tax rates;

(3) a fair and equitable distribution of the tax burden among all taxpayers, with relief for those below the poverty level, and incentives to bring them into the work force;

(4) a broader tax base, with deductions essential to avoid genuine hardship or to protect the economic security of the American people; and

(5) increased incentives for work, saving, and investment.

CBO SCOREKEEPING REQUIREMENTS

SEC. 5. It is the sense of the Senate that because the Senate requires timely reporting of legislative action on spending bills, and because the Senate requires continual control over the budget, the Director of the Congressional Budget Office shall issue a weekly report during periods when the Senate is in session detailing and tabulating the progress of congressional action on bills and resolutions providing new budget authority and changing revenues and the public debt for a fiscal year, including, but not limited to the requirements set forth in Public Law 93-344, section 308(b).

FARM LOSS DEDUCTION

SEC. 6. It is the sense of the Senate that revenues should be increased and it is assumed that tax legislation will be enacted to limit to the national median family income the amount of farm loss which may be deducted against nonfarm income, and it is further assumed that revenues derived from enactment of such legislation be used to reduce individual income tax rates and to assure that full-time, family-size farm operators will not be disadvantaged by unfair competition from high-income taxpayers with substantial nonform income.

ENHANCED TAX LAW ENFORCEMENT

SEC. 7. It is the sense of the Congress that revenues should be increased and it is assumed that the Committees on Finance and Ways and Means will develop legislation to reduce the tax enforcement gap, estimated by the Internal Revenue Service at $92,000,000,000 in fiscal year 1986. It is further assumed that such legislation should provide for increased and improved enforcement and collection, through audits, examinations, and other steps designed to identify and eliminate tax cheating and increase revenue collections from individuals and corporations currently evading Federal taxes, and that the legislation should include steps designed to increase voluntary compliance with tax laws and that such steps may include increased staff for taxpayer assistance, speedier processing of returns and provision of public information designed to build public trust and understanding of Internal Revenue Service enforcement efforts and that such legislation should also provide that the resources of the Internal Revenue Service shall be increased to accomplish full enforcement of United States tax laws, increasing voluntary compliance.

INTERNATIONAL MONETARY CONFERENCE

SEC. 8. It is the sense of the Congress that the Administration should consider convening a high level meeting of the major industrial countries for the express purpose of exploring options to improve the functioning of the international monetary system, including measures to stabilize currency exchange rates, reduce interest rates, promote maximum domestic and world economic

growth, and help assure domestic price stability.

COMMITTEE REVIEW OF THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

SEC. 9. It is the sense of the House of Representatives that—

(1) each of its standing committees should review and study, on a continuing basis, those portions of the President's Private Sector Survey on Cost Control affecting subjects within its jurisdiction;

(2) each of its standing committees should, in its consideration of any bill or joint resolution of a public character within its jurisdiction, review those portions of the President's Private Sector Survey on Cost Control pertaining to such bill or resolution; and

(3) each report of any such committee on a bill or joint resolution of a public character should contain—

(A) an identification of each recommendation of the President's Private Sector Survey on Cost Control implemented in such bill or resolution and the estimated dollar amount of program cost savings or revenue enhancement as a result of the implementation of each such recommendation; and

(B) a statement setting forth each recommendation of the President's Private Sector Survey on Cost Control pertaining to such bill or resolution, the disposition of each such recommendation, and the reasons for such disposition.

LIMITATION ON BENEFITS TO ALIENS

SEC. 10. It is the sense of the Congress that functional totals should be reduced to reflect a limitation on the amount of social security benefits paid to illegal and nonresident aliens. It is assumed that the Finance Committee and the Ways and Means Committee will report legislation to accomplish the required changes in law. Such legislation may limit benefits to the amount of wage-earner's contribution plus interest, unless the wage-earner is a citizen of a country with which the United States has a treaty or totalization ageement and that this provision would apply to individuals becoming eligible on or after January 1, 1986.

Mr. GRAY of Pennsylvania (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. Under the rules, the gentleman from Pennsylvania [Mr. GRAY] will be recognized for 30 minutes, and the gentleman from Ohio [Mr. LATTA] will be recognized for 30 minutes.

PARLIAMENTARY INQUIRY

Mr. FRANK. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. FRANK. Mr. Speaker, is the gentleman from Ohio [Mr. LATTA] opposed to the bill?

Mr. LATTA. Mr. Speaker, I am not opposed to the bill.

Mr. FRANK. Mr. Speaker, I believe then that under rule XXVIII, a Member in opposition to the bill is entitled to 20 minutes.

The SPEAKER. The gentleman is correct. Under the rule, the gentleman is entitled to one-third of the time.

The gentleman from Pennsylvania [Mr. GRAY] will be recognized for 20 minutes, the gentleman from Ohio [Mr. LATTA] will be recognized for 20 minutes, and the gentleman from Massachusetts [Mr. FRANK] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. GRAY].

Mr. GRAY of Pennsylvania. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we have before us the budget for 1986. What you will find, if you look at this document, is that we left the House with a budget resolution that reduced spending by $56.2 billion in 1986, and a total deficit reduction in fiscal years 1986 to 1988 of $259.1 billion.

Mr. Speaker, I am pleased to inform my colleagues that after a very lengthy and a very long conference, we have come forward with a conference agreement that has a deficit reduction in fiscal year 1986 of $57.45 billion, a total reduction of the deficit in fiscal years 1986 to 1988 of $279.56 billion, and a remaining deficit in fiscal year 1988 of $112.9 billion.

Let me stress to the Members of this body the components of the conference agreement.

First of all, I would like to point out that this conference agreement maintains the bipartisan approach of the House on the COLA units. Social Security and other retirement programs have been fully funded, as was the case in most of the major proposals before the House.

Second, I would also point out to my colleagues that the low-income and high-priority programs that we had in the House-passed budget resolution were maintained. This includes full inflation adjustments for these low-income programs, and increases above inflation for selected health programs, accommodating House committee action on nutrition programs.

With regard to reductions in the domestic section, the conference agreement includes $22 billion in domestic program reduction beyond those assumed in the House-passed resolution. However, the House was able to resist efforts by the other body to terminate many programs, including UDAG, CDBG, EDA, Tennessee Valley Authority, and Appalachian Regional Commission. Important programs such as assisted housing, rural housing, and Superfund are funded near levels assumed in the House resolution or House appropriation bills.

All veteran programs are funded at the House-passed levels in 1986.

In the area of Medicare and Medicaid, the savings of $11 billion in Medicare and $450 million in Medicaid are assumed over 3 years. This represents a slight increase above the House position. In Medicare, it represents an increase of about $1.2 billion, and in Medicaid, it assumes a reduction of $450 million with regard to the third-party reimbursements, which will not be scored against Federal contribution to States or to the States themselves, thus preserving the intention of the House to provide full inflation for this low-income health program.

The conference agreement includes language stating that it is the intention of the conference that the collection efforts not adversely affect any of the beneficiaries or States which make a reasonable effort to make reductions.

Let me also add that the distinguished Ways and Means Committee chairman and his members have been given responsibilities which they have historically met with regard to revenues, and there is not in this budget a proposal with regard to inclusion of State employees.

Let me conclude, Mr. Speaker, by pointing out that we had a long and difficult conference. However, given the political reality with regard to the administration's position on revenues, given the reality of the House's bipartisan position with regard to the COLA unit, I believe, Mr. Speaker, when we look at this reality, that we have come forth with a deficit reduction package, and a budget that moves us in the right direction with strong deficit reduction over 3 years of $279.65 billion, and at the same time we have returned with a greater deficit reduction in fiscal year 1986 than when we left the House.

Let me also point out in the area of function 050, military spending, what we have done is in that area we have adopted the same position of the House/Senate conferees of $302 billion in budget authority, and the outlays for 1986 as well as any outyears, or the outlay interpretations of the House of Representatives.

Let me just say in conclusion, Mr. Speaker, this document, like all budget documents that reflect a process is not a perfect one. I am sure that Members will find fault with one area or another, things that they would have liked to have seen done differently.

However, I believe when we look at the whole, when we look at the entire document and understand that it represents ceilings, it represents ceilings which allow our appropriations and authorizations committees to work under, I believe that this body will agree with this chairman and the House conferees that this is a good budget, considering those realities.

I would urge my colleagues to adopt it with an "aye" vote.

□ 1910

Mr. FRANK. Mr. Speaker, I yield 4 minutes to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Speaker, I thank the gentleman for yielding.

First, Mr. Speaker, I want to point out that as has been indicated here before, when you vote "yes" on this resolution, you are voting that you prefer this resolution to the one the House overwhelmingly adopted 2 weeks ago.

This resolution becomes a substitute for the budget resolution we passed just 2 weeks ago, which confirmed that we would use the House budget resolution passed earlier in the year.

Now what does adopting a new resolution mean? It means that we are already, after 2 weeks, abandoning the principle of freeze. The Committee on Appropriations was told to proceed with the idea that we are going to freeze all these budgets this year, and to adopt budgets that, under these various functions, would be at freeze level or below.

Eight appropriations bills have been acted upon in the House so far. They are a total of $8 billion below the 1985 appropriations level.

This resolution in one fell swoop adds $10 billion, that is $10,000 million to function 050, more than the amount that has been cut out in these eight appropriation bills and it reverses the instructions we were given 2 weeks ago.

Now how can you expect the Appropriations Committee in these bills to stand by the idea of the freeze if the House now abandons the freeze in this bill? That would give us new instructions. "Forget about the freeze." That is the way it will be interpreted.

Now, do not kid yourselves, we are going to have a continuing resolution. There are only about 20 days left in this Congress before the new fiscal year. We are going to be over there October 1st working on a continuing resolution and at that time, you will have a limit on the amount of budget authority within which to work. An additional $10 billion will have been absorbed in this resolution; it instructs us that $302 billion is the goal instead of the $292 billion for function 050, the military. That means that there will be a bigger squeeze than ever on other functions.

How are they going to make that up? Look at what you are voting for here if you vote "yes."

One way they do in this resolution is to reconcile part of that by taking $2.454 billion out of Medicare. That is this year. Next year $3.452 billion and the year after that $4.949 billion.

On the other hand, defense will go from $292 billion in 1985 to $302 billion in 1986 to $323 billion in 1987 to $346 billion in 1988.

That is $54 billion by 1988. That is the goal that you are setting when you say "yes" to this resolution. On the other hand the agriculture function is cut 40 percent in that period.

Each Member has a right to believe that that is the way we ought to proceed with this budget, but anyone who is serious about cutting budgets, should know there is no way that you can vote "yes" for this as a preference over the budget we adopted 2 weeks ago and say that you are voting for freezes across the board in this fiscal year.

The past 3 weeks, we have had about 25 votes on the floor to cut a few thousand dollars out of a number of programs. Some Members who voted for all of those will now vote for this resolution and they will say then "I voted 25 times to cut the budget," but this one time will more than offset all that they did if they voted for all of those cuts.

We are just putting a squeeze on the wrong people, it is the wrong message to send; an "aye" vote for this resolution tonight is a vote to abandon the freeze, the freeze principle that we have had so far this Congress. It is a vote for reconciliation to take more out of Medicare, to take more out of SBA, take more out of programs that the President wanted to cut far below freeze level.

I urge you to vote "no" on the resolution.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me say to my good friend from Iowa who was just in the well that he has been in a lot of conferences and in every conference there is give and take. No one, no one ever expects to come back from conference, certainly on a bill of this magnitude, with the same exact bill that went over there. There is another body that we have to be concerned with. If the gentleman had sat in on some of the conferences that we had and had seen the difficult time that we had getting the figures that he wanted, and we know that he is interested in more than just one function of this budget, I do not think he would be down there protesting quite as loudly as he is now.

Also let me point out that we came to the outlay figure, that low outlay figure on 050 that was passed by the House. Do not overlook that fact.

Let me say when we came down to that figure, we gave a lot. We also have to think about the appropriations process.

You know, the gentleman serves on the Committee on Appropriations. We merely set the parameters. The Committee on Appropriations is going to say how much money we are going to vote for 050 or any other function. So let us not make a mountain out of a molehill.

I think this conference committee under the able leadership of the gentleman from Pennsylvania [Mr. GRAY] has done an admirable job, an admirable job. Let us not tear him and his work down.

I said early on I am going to support this because we got $55 billion in savings. We have taken out that contracting in or contracting out, whatever you want to call it. We have come up with some savings to reduce the debt.

You can vote against those savings if you like and go home and try to answer to the people that you represent, who have been clamoring for lower interest rates in this country. Listening to Mr. Volcker, he says "Give me $50 billion in reductions and it will bring interest rates down."

The gentleman from Iowa [Mr. SMITH] represents a very good agricultural area. Who is hurting from high interest rates any more than the farmer? He can answer that. We want to bring those interest rates down so we are going to put the ball in Mr. Volcker's court when we pass this piece of legislation and say "Bring the interest rates down."

For those people who are interested in bringing the interest rates down, to vote and go back home and say "I voted to bring interest rates down by voting a $55 billion savings in expenditures," I do not know whether you could put that line across. They will not follow that in Ohio. They might follow it in Iowa, but not in Ohio.

Let me say further that we have done something in this budget that is extremely important, especially to the Members on our side. One of the reasons I am supporting this conference report is that we put teeth, teeth into this conference report. We have increased those reconciliation numbers to $68 billion. We have come up from 37, as this resolution passed the House. We are doing something about reducing expenditures.

Let me say further that everybody watches what the National Federation of Independent Businesses think about legislation, as to how it affects their businesses across this country.

I have in my hand a letter dated today from that association, commending the conference committee report on its piece of work and saying "Once again, FIB commends you for your reference and are pleased to support the conference report as a key small business vote."

That is dated today, August 1, 1985.

The business people of this Nation know what they want and they know that tonight they want an affirmative vote from this House in support of this conference report.

Oh, I could get up here and start to pick it apart. I could get up here and go down the line on those things that happened in the conference committee

that I did not support. I could have said to BILL GRAY, "I am not going to support the conference report if you don't give me this, that, or the other thing."

I realize that we have a conference report, over $900 billion. To pick it apart by some little function, even though we are talking about $10 billion out of almost a $1 trillion budget, we have got to consider the ramifications of what you are attempting to do.

So let us not torpedo a $55 billion savings in 1 year, $277 billion in savings over 3 years to bring that whopping deficit down by saying "I did not get exactly as I wanted. So I am going to vote against it."

That will not sell in Ohio, I do not think it will sell in America.

□ 1920

We ought to support this conference report, and the work of BILL GRAY and his committee.

Mr. GRAY of Pennsylvania. Mr. Speaker, I yield 1 minute to the gentleman from South Carolina [Mr. DERRICK].

Mr. DERRICK. Mr. Speaker, we have a budget resolution before us tonight, a resolution that many of us thought would not be here just 3 or 4 days ago, a resolution that the American people want, need, and deserve.

It is like everything else that happens in this House, in this town. It is not an absolute; it is a compromise. There is a lot in there I do not like, and I am sure that applies to everyone here.

The fact of the matter is, it gives some order to our fiscal spending, and we should pass it tonight. Now, there are those who suggest that because we have the $302 billion Pentagon budget authority that they are not going to support it.

Well, our Speaker told us this morning that he was going to request of the Rules Committee that the Rules Committee give a rule on the DOD authorization bill, that would allow the House to exercise its will; 302 versus 292.

I am going to vote for the 292, then, but I am going to also vote for this budget resolution because the country needs it, and do not forget, we need it for our credibility when we go back home.

Mr. FRANK. Mr. Speaker, I yield 5 minutes to the distinguished chairman of the Appropriations Committee, the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Speaker, I am going to vote for this resolution but it is important to understand that this resolution increases military carryover $10 billion more than we agreed to a few weeks ago.

I said earlier that I was chairman of the committee that set up and promoted the Budget Committee. I served on it the first time. Why? 42 percent of our spending was avoiding annual review through our committee.

We agreed to the House passed budget resolution, we do not need the Senate to agree. We just need to make them follow our budget, which we passed a few weeks ago.

Our committee has reduced spending in appropriation bills about $9 billion.

So I just want to say I am going to vote for this resolution. So I am going to vote for it, but I hope you will help me hold the House budget.

I hope our Appropriations Committee can hold the line as we are doing, and I hope we have the help of our friends on the Budget Committee.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentlewoman from California [Ms. FIEDLER].

Ms. FIEDLER. Mr. Speaker, first of all I would like to simply make a couple of comments about the process that it took to bring us to this point, and I would like to offer my personal commendations to the chairman, Chairman GRAY, and to our ranking member, DEL LATTA, and to PETE DOMENICI, who did such an outstanding job of sticking with it.

I have served on conference committees ever since I came to the conference, I have never been involved in a more difficult conference. There were tremendous political issues which had to be resolved on both sides; both the House and the Senate as well as on both sides of the aisle in each respective body, and the stick-to-itiveness that was shown on the part of our leadership is something that each and every Member of this House ought to applaud.

Because very frankly, had they not stuck to their effort, we would not have a budget before us today, and it did take a good deal of compromise and conciliation on everyone's part.

I do not think that there is a Member on the floor that believes that this is the best of all possible worlds when it comes to a budget. But it was the budget that we were able to negotiate, doing the very best job that we could, to take into consideration the variety of competing interests, and frankly we sweated blood over many of those competing interests, all of which will be reflected in the debate this afternoon, and that will be felt here on the floor.

So I just simply want to offer my strongest commendations to our leadership, to those who served on the committee, and to ask the strong support of the Members who will vote today, for one basic reason; and that is, that when you take a look at what the alternative is to voting for this budget resolution, higher and higher Federal spending: On the House version alone we will spend $20 billion less in the next 3 years if this budget resolution is passed.

That in itself is significant reason for us to vote aye when the time comes on this budget, because the alternative is putting us deeper and deeper into debt; something that I do not think there is anyone on this floor wants to see take place.

Mr. GRAY of Pennsylvania. Mr. Speaker, I yield to the gentleman from Illinois [Mr. ROSTENKOWSKI].

APPOINTMENT OF CONFEREES ON H.R. 2475, SIMPLIFICATION OF IMPUTED INTEREST RULES

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2475) to amend the Internal Revenue Code of 1954 to simplify the imputed interest rules of sections 1274 and 483, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference requested by the Senate.

The SPEAKER pro tempore (Mr. HOWARD). Is there objection to the request of the gentleman from Illinois?

Mr. FRENZEL. Mr. Speaker, I reserve the right to object, this is the report on imputed interest, which all the Members of the House——

The SPEAKER pro tempore. Will the gentleman withhold? This is the appointment of conferees, the Chair would state to the gentleman.

Mr. FRENZEL. Mr. Speaker, I reserve the right to object.

Mr. Speaker, this issue deals with imputed interest, which all the Members of the House are anxious to dispatch.

I had very strong objections to the procedures. The distinguished chairman has persuaded me that the way in which he is handling it is the most expeditious way to satisfy all of the Members of the body.

Mr. Speaker, I therefore withdraw my reservation of objection.

Mr. SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois? The Chair hears none, and without objection, appoints the following conferees: Messrs. ROSTENKOWSKI, GIBBONS, PICKLE, RANGEL, STARK, DUNCAN, ARCHER, and VANDER JAGT.

There was no objection.

MAKING IN ORDER ON TODAY OR ANY DAY THEREAFTER, CONSIDERATION OF CONFERENCE REPORT ON H.R. 2475, SIMPLIFICATION OF IMPUTED INTEREST RULES

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that it be in order at any time today or any day thereafter to consider the conference report on the bill, H.R. 2475, that all points of order against the conference report be waived, and that the conference report be considered as read when called up for consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. GRAY of Pennsylvania. Mr. Speaker, I yield 30 seconds to the gentlewoman from California [Mrs. BOXER].

Mr. FRANK. Mr. Speaker, if it is in order, I would yield my friend an additional 30 seconds.

The SPEAKER pro tempore. The gentlewoman from California is recognized for 1 minute.

Mrs. BOXER. I thank the gentlemen for yielding.

My colleagues, I think that our country is waiting for us to act on this deficit, and thanks to the persistence and the patience of our chairman, BILL GRAY, we have a budget, and it was not easy.

Many options were taken off the table right at the start; but we have a budget and we have a deficit reduction of $56 billion.

Do I think the defense number is too high; I say to my friend from Massachusetts? Yes, I do.

□ 1930

But this House will have the opportunity to work its will on that number when we come back from recess and vote on the defense authorization conference. In this budget I think it is important for my colleagues to understand that we save programs for the very poor, we save transit, we save nutrition, we save Superfund, and we got a big deficit reduction. I urge support.

Mr. FRANK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am appreciative genuinely of the very good work done by the gentleman from Pennsylvania, who chairs the Budget Committee. I am delighted I voted for him. He was presented with a very difficult situation, given the extremism that existed at the White House, given the rigidity that existed elsewhere, in places the rules prohibit me from mentioning. I think the gentleman from Pennsylvania did an excellent job, and I have no criticism to make of that. But I cannot vote for a final product which substantially increases not just this year but in the year after and the year after that, what we call the out years, but which normal people call next year and the year after, provides for a 3-percent increase in the military over and above inflation.

The people who have insisted on this, the President and a group to whom I cannot refer still have not gotten the message that we do not want to go along with increase after increase after increase in the military while the poorest of the poor are imposed upon.

This House turned down last week any significant vote of funds to house people who were desperately poor. We have a homelessness crisis, and we lament that homelessness crisis, and then we vote to cut funds for the desperately poor in public housing. Do Members think that the poor come periodically from Mars? Do they not understand where the poor come from? They come from people who do not have enough places to live. And we are denying them places to live because we have got a fund in next year and the year after, real growth in the tens of billions of dollars over and above what the Pentagon now has.

I want to make one little aside and allude to an earlier debate, because sometimes Members are sincere, but not always. We heard a great deal of lamentation and weeping before, over a bill that deals with potential sex discrimination in pay because the report was not ready in time. And Members on the other side were distraught that the report had only come out at 1 o'clock and here we are voting. We just had an explanation that the report on this bill will be ready in September. And the extent to which that has disarranged my friends on the other side is not visible to the naked eye or even to long-term software contact lenses. In other words, people who are prepared to vote for this whambam and thank you, under these circumstances, people who are prepared to vote without a report in this quickest of the quick, who then will allude again to the terrible problem about how rushed they are in pay equity, will have to search long and far before they will find anyone who will believe them.

So, please, spare us, having greased the skids, any lamentation about the lack of time on pay equity. You cannot vote after hours of debate, we are going to be told, on a commission to study the subject of sex discrimination, but you can pass a resolution covering the entire budget for the entire United States of America for 2 years to come, with a report that will be published in September, in about an hour and a half. So let us keep clear who is talking about what.

Now, let us go back to this budget question. The question is, as the gentleman from Ohio said to my friend from Iowa, don't you want to reduce the deficit? We do. If the only change—I would like an awful lot of changes, I say to my friends here—but if the only change were to be to cut that military number I would enthusiastically support this budget, as much as I dislike it. But in its current form, you are asking us to give an increase to the military so we can cut community development block grants and take a little bit more out of Medicare. And I understand that it was a sense of responsibility on the part of my friends on the Budget Committee who said, "Well, we cannot allow there to be no budget at all." I would not want there to be no budget at all. But continuing to feed the notion at the Pentagon that they can spend without regard for the drain they levy on our resources is a mistake. And that is what this budget does.

So I would hope that we would reject this and ask that a conference reconvene and simply come back with a smaller military number. I would be satisfied with that. So let us isolate the question to the continued increase. We are told, "Well, wait a minute, this is just the authorization. The appropriation will be coming. The House will later work its will." Well, when the authorization came out on the military, the military authorization, people said, "Well, it is the budget that will control it." The budget people said, "It is the military authorization." And now they both say it is the appropriation. We are going from Winken to Blinken to Nod here, and I am afraid that there is not anywhere that we ever catch up with it. Each one is pointing to the other, and by the time we are through we are going to have $300 billion voted for defense unnecessarily, and it is not going to be anybody's fault, it is going to be 6 other committees. By the time we are through, the Committee on Merchant Marine and Fisheries is going to be blamed for continuing to bust the budget for the Pentagon.

Maybe we will get some clarification from people. I was glad to hear the chairman of the Appropriations Committee say he does not intend to be bulldogged on this. But we have a budget, with the best efforts of our negotiators, because of the people with whom they had to negotiate, because they apparently said, "If you do not continue to fuel the Pentagon," and we got this from the President and we got it from his colleagues elsewhere, and we are told, apparently, by others, "If you do not continue to feed the Pentagon and give them far more than anybody else in percentage terms, in real terms, in the out years, in the in years, everywhere you can, then there will be no budget."

I do not think we should give in to that kind of extortion by the Pentagon.

Mr. Speaker, I reserve the balance of my time.

Mr. GRAY of Pennsylvania. Mr. Speaker, I yield 2½ minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Speaker, I have heard the remarks of my friend and colleague, a gentleman greatly respected in this House, the gentleman from Massachusetts. And I would say to him and to my colleagues who have been with me on so many battles in the past that if someone had come to you in January and said to you that we will have a budget that does not touch entitlements, that actually raises every poor person's program by inflation, that does not touch Social

Security, that does cut some domestic programs but in a way that all of our constituencies out there have said they can live with, because they have to bear some of the pain, and that came much closer to a freeze on defense—and I would remind the gentleman from Massachusetts that even the House-passed resolution was not to freeze, but much closer to a freeze than to the President's proposal—could we of this persuasion get that kind of budget? You would have said to me, "You're crazy. Take it if you can get it."

Well, the chairman of this committee, the gentleman from Pennsylvania, has endeavored and labored and worked hard, and he has gotten there. I say to my friend from Massachusetts he ordered his hamburger medium rare. The hamburger came back medium. And instead of eating the hamburger, he sent it back to the kitchen. And that is going to leave a lot of people hungry, because the next hamburger is going to be well done.

The fact of the matter is, as all of us know, we do not have a majority in the Senate that are of our political thinking; we do not have a person in the White House who is of our thinking; we do not even have a majority in this House that is of our thinking. And given all of that, we have done very, very well.

It is easy to vote "no" and walk away. But I can assure my colleagues, particularly my colleagues who believe in the programs that I believe in, that this is the best we can do with having a budget. And if we do not have a budget, we will do considerably worse for the things we believe in.

I wish to engage in a brief colloquy with the chairman.

Mr. Chairman, is it true that reconciliation savings from public housing will cover financing only for those units which are currently in the pipeline?

Mr. GRAY of Pennsylvania. That is correct.

Mr. SCHUMER. And as I understand it, this change in financing was insisted upon by the Senate conferees and that the conferees agreed that if the contemplated savings are not achieved by this change, the Banking Committee will not be forced to make reductions in other programs.

Mr. GRAY of Pennsylvania. That is also correct.

Mr. SCHUMER. In other words, the reconciliation procedures will not under any circumstances require further reductions to be made in housing programs by the House Banking Committee.

Mr. GRAY of Pennsylvania. The gentleman is correct.

Mr. SCHUMER. I thank the chairman.

□ 1940

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. BOULTER].

Mr. BOULTER. I thank the gentleman for yielding.

Mr. Speaker, as a conferee, I just want to thank my chairman and my ranking minority member for not giving up. I strongly support this budget resolution.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of the heroic efforts of the gentleman from Massachusetts in opposition to the conference report.

Mr. Speaker, here we are again. The House is considering a budget resolution after it has passed most of its appropriations bills. It is, regrettably, our custom to vote heroically for a budget resolution after we have spent most of the money.

The resolution does no bad. Neither did any of its predecessors. It is supposed to make great savings from the deficit baseline. So did its predecessors.

The resolution calls for a deficit reduction of $55 billion. That's a bigger claim for savings than some previous budgets, but the Republic's path to outrageous deficits and debt has been paved with the same kinds of claims.

The resolution still contains unreal revenues. Not only is the growth assumption egregiously overstated at 4 percent, but the multibillion-dollar offshore oil revenue which everyone agrees cannot be achieved is still included. The administration has revalued its growth prediction to 3 percent, and the consensus of leading economist is even lower. I can't tell how much the revenue is inflated but surely the figure exceeds $10 billion.

Expenses on the other hand are understated, often just as egregiously as revenues are overstated. Interest assumptions are even harder to pin down than growth rates. My judgment tells me our scenario is unreasonably optimistic.

Only once in the history has the Budget Act actually worked. The year was 1981. The fiscal year was 1982. The secret was reconciliation. One of the allegedly strong points of this resolution is that it has more reconciled savings than our original bill. But, only $18 billion of the claimed spending reductions of over $50 billion are reconciled.

But, worse than the small amount of reconciliation, I fear that committees of jurisdictions will not carry out their reconciliation instructions. The House has no way to enforce reconciliation, and the precedent is that it has tolerated, or even encouraged, noncompliance. My own committee has plenty of room to maneuver without expense reductions, and is unlikely to reduce one dime of the costs within its jurisdiction. Other committees may be worse. They usually are.

And let us consider the defense function. Our brave managers have raised the House's budget authority by a mere $10 billion. They have cleverly kept the outlay figure down, but that is pure illusion. Once budget authority is appropriated, it is always spent, and usually sooner than later.

I believe the defense figure is too high to encourage sound management. The public's lack of confidence in the Department of Defense did not occur out of thin air. Another increase this year will simply be a disincentive for the Pentagon to improve its procedures. The defense number is simply too high. It, like all the spending, is simply too much.

The dead giveaway that there is no intention to realize any actual saving is that committee allocations will not even be published until late in September. By then the House will have passed the rest of its appropriations bills. It is no act of rashness to predict another $220 billion deficit for fiscal year 1986.

The other dead giveaway is the fact that the House has already appropriated $19 billion more than its 1985 budget called for. History verifies the House's fiscal inclination. History also verifies the House's attempt to cover up its profligacy with unreal budgets.

I acknowledge the hard work of our managers. I admit the resolution is better than the House's first resolution. But I charge that it is inadequate, that it is a continuation of the old shell game. I wish I could take it seriously, but I cannot.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Colorado [Mr. BROWN].

Mr. BROWN of Colorado. I thank the gentleman for yielding me this time.

Mr. Speaker, this budget calls for higher spending, not lower spending. It proposes a $21.3 billion increase in fiscal year 1986. Adjusting for inaccurate assumptions, the measure will result in a $40 to $50 billion increase. Tax revenues in the resolution are overestimated by $10 to $30 billion. In reality this budget resolution does not make significant reductions in our deficit. It ignores the problems rather than solving them.

Some have said that it is all we can pass. I don't accept that. Our Nation and our freedoms are too important to be allowed to be drowned in a sea of red ink.

Who here can honestly say that we cannot go 1 year without increasing spending? We can and we must do better than condemn our country and

our people to economic stagnation brought on by ever-rising Federal deficits.

The bottom line is that Congress needs to reduce the deficit. This budget plan assumes savings that are not there, revenue that will not materialize and deficit reduction that is imaginary.

Mr. FRANK. Mr. Speaker, I yield 2 minutes to the gentleman from New Hampshire [Mr. GREGG].

Mr. GREGG. I thank the gentleman for yielding me this time.

Mr. Speaker, I do want to rise with others and congratulate the Budget Committee on their hard work. But I must take some exception to the final product. Although we have not had a great deal of time to study this issue, it does seem to me that the only substantive and hard cut in this budget, not the only one, but one of the few, is defense.

In fact, if you look at the economic assumptions, it looks like, as the gentleman from Colorado just mentioned, that there is at least a $20 billion overestimate in taxes. There is about an $8 billion estimate of savings and income security, and one has to wonder how that can occur when you are already adding within the categories of income security $400 million for the nutrition program, and there are no other cuts in the income security area.

There is also an assumption that agriculture will be reduced by approximately $8 billion. Now, I think that anybody who has been on this floor over the last few months and watched what has happened when agricultural bills have come to this floor has to conclude that that assumption is hopeful at best.

It appears to me that as I look at this, that what this budget does is basically maintain the deficit at $200 or $200-plus billion. It is, unfortunately, illusory. At best it is a Band-Aid over an open wound in an artery, and we need a tourniquet on that artery.

We simply cannot afford to put off and thus amplify what will definitely be a day of reckoning if we do not act affirmatively on the budget at this time, and make some substantial cuts, not only in the defense area, but also in the social spending areas.

The SPEAKER pro tempore. The Chair will inform the Members that the gentleman from Pennsylvania [Mr. GRAY] has 9 minutes remaining; the gentleman from Ohio [Mr. LATTA] has 10 minutes remaining; and the gentleman from Massachusetts [Mr. FRANK] has 5½ minutes remaining.

Mr. GRAY. Mr. Speaker, I yield 30 seconds to the distinguished gentleman from Florida [Mr. MACKAY].

Mr. MACKAY. I thank the gentleman for yielding me this time.

Mr. Speaker, I speak for a group and I speak to a group who supported the Leath amendment, who may themselves think that this has not gone far enough. Certainly, that has been expressed by Mr. BROWN and Mr. GREGG.

I would say to them only this: That this issue is moving very rapidly. The issue we have to face tonight is whether our conferees got all that we could get this time. I believe that we are not at the end; we are at the beginning of this issue. I believe we will be back and I urge an affirmative vote on this. Our choice is this or nothing. I think nothing is not acceptable.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentlewoman from Illinois [Mrs. MARTIN].

Mrs. MARTIN of Illinois. I thank the gentleman for yielding me this time.

Mr. Speaker, the conference is finally over. Most of us were under 25 years old when it started, and we are quite grateful to be here tonight. The leadership in this conference deserve the credit they are getting.

May I point how varied the conferees were. There are the redneck radicals from the right, such as myself. Liberals. The other body, for whom it was often distasteful to sit with any of us, I suspect. People with strong ties to unions; people who believe that America should be run like a business, and yet somehow a majority of these people unwillingly have come together to say we believe you should vote for this conference.

Parents always love their children; it is one of the great miracles, because sometimes a person's babies are not terribly attractive. As a politician, you cannot tell a parent, "Good grief, that kid has got your uncle's nose and it looks dreadful." Or, "For heaven's sake, the child looks as if it is already 80 years old; send it back." In fact, one learns to look at this child that the parents adore and say, "My, what an interesting-looking baby."

I would suggest to you that this is a very interesting-looking budget. That it is not beautiful, that it is not one that through the years will be held up as an ideal, but it is still produced, a baby, that should have its life, and should be supported.

It does not have what I want in it. It does not have nearly enough. Its parameters were too narrow. The egos were often too great, and it is still the best we could do and, frankly, better than I thought we would ever get 4 months ago.

It is not a great "yes" vote, but a "no" vote is totally irresponsible for the future.

Mr. GRAY. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Speaker, would the gentleman from Massachusetts yield me an additional minute?

Mr. FRANK. Mr. Speaker, I yield 30 seconds to the gentleman from California.

Mr. FAZIO. I thank both gentlemen for yielding me this time.

Mr. Speaker, I would like to lend my voice to those who were saying that the responsible vote is an "aye" vote for this budget conference report. I would like to direct my colleagues who have some doubt, some question about whether or not we have stood behind the domestic spending programs that I know are so essential to the economic recovery and the personal health and safety of so many areas and individuals.

There is no question that when this budget was introduced this year, it was a blueprint for the demolition of the domestic state of this country. We have not gone along with that blueprint. There were 22 programs proposed for elimination; we have only eliminated 6. UDAG grants, Community Development Block Grants, EDA. Tennessee Valley, Appalachian Regional Commission still exist, agreed, at lower levels, to help the people of those areas who need it desperately.

Veterans programs have been maintained. Mr. FORD would indicate his support for this bill because we have not interfered with his committee's oversight responsibilities in Federal retirement. We have, I think, acted responsibly in the context of continuing, I am afraid, the process of dismantling domestic programs. We had cut some $176 billion prior to this year under the Reagan administration in domestic programs; we continue that.

We had added $112 billion in defense, and I am afraid we continue that, but we do it in the most modest way. In addition, we have kept the Appropriations Committee's ability to make the changes that it understands to be basic and fundamental.

I ask with all that in consideration for an "aye" vote.

Mr. FRANK. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. OBERSTAR].

□ 1950

Mr. OBERSTAR. I thank the gentleman for yielding this time to me.

Mr. Speaker, I want to join in the litany of praise for Chairman GRAY and the work that he has done in bringing this budget through the maze that it has followed over many months and for preserving a number of programs that are important to the fabric of our society and to the structure of our economy.

The issue is not whether BILL GRAY has done a good job or not. The basic issue is whether or not this House should agree to a budget resolution that treats defense spending far more favorably than nondefense spending.

The conference agreement makes no cuts whatsoever in defense spending when we measure that item on the same scale as cuts in nondefense

spending. All of the deficit reduction contained in the conference agreement comes from making further cuts in domestic programs, $10 billion more in defense, and nothing in this budget resolution says where we are going to pay for it. How are we going to cover that?

Instead, we are told that this issue will be put off when we consider the conference agreement on the military budget or when we take up the appropriation bill on military spending. That is the wrong forum in which to make this decision. That issue should be decided here in the context of this conference report on this budget where that issue ought to be debated.

The purpose of a budget is to resolve the matter of priorities, of national priorities that we want for this country. The House should not capitulate now on the theory that we can fight this issue out later in the appropriations process. That pushes it off to the wrong forum at the wrong time in the wrong decisionmaking process. Now is the time to say "no" to the largest increase in military spending we have had in the history of this country. This is the wrong budget at the wrong time.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. I thank the gentleman for yielding time to me.

Mr. Speaker, tonight, having lost the war, we are declaring victory and going home.

The conference report presented is too little and far too late. The budget agreement that has emerged from the conference is 2½ months after deadline. And it claims to include savings which are hollow, meaningless, and not backed by binding reconciliation.

About 2 weeks ago, Mr. Speaker, eyeball to eyeball, both sides of the conference committee blinked and approved spending increases for both defense and Social Security. This tentative agreement, confirmed tonight, tightens and screws on our children who will have to pay these further deficits this Congress is about to pile on them.

In January of this year, as part of a comprehensive plan to drastically reduce the Federal deficit, I called for an across-the-board budget freeze as a first step. The reponse from my constituents was overwhelmingly favorable. Many Social Security recipients wrote me saying that they would willingly accept a COLA freeze if Congress also froze defense spending and all other Federal functions.

Unfortunately, the conference did not have the guts to truly tackle the monster on runaway Federal spending. Instead, what they have placed before the House is only a few bricks in the rubble of the budget process. That process has actually worked only once since it was established 11 years ago; 1981 was the only year this body had the courage to adopt full binding reconciliation. Unfortunately, this budget, like almost all the others, fails to include significant binding reconciliation, and the savings shown will evaporate as they have so often before.

Furthermore, the lateness of this budget make it largely irrelevant. Waiting and waiting for budget courage, the Appropriations Committee finally went ahead with the appropriations process without a budget and has already completed action on the majority of its bills. What are we supposed to do, go back and rewrite them with only 20 working days before the end of the fiscal year? The only purpose a vote in favor of this resolution will serve is to falsely justify the last 6 months of wasted time spent on a measure rammed through the House at the last possible moment after all the signficant cuts had been compromised and stripped away.

Mr. Speaker, many, however, have worked hard on the package and do deserve praise and I commend the House Republicans, particularly, the gentleman from Ohio [Mr. LATTA] for their hard work. My greatest praise, however, I must reserve for my Republican colleagues in the other body and especially its exemplary majority leader, for their truly courageous efforts to solve America's deficit crisis. If we are ever to save our children's economic future, we will need to make the kind of hard choices they were willing to make.

The bottom line, Mr. Speaker, is this: The "compromise" agreed to in this resolution was "I get mine and you get yours" and the kids get the bill.

The two largest items, defense and Social Security, each get substantial increases over the 3-year period and the remaining functions supposedly will carry the burden of the deficit reduction claimed, but there is little reconciliation to force them to do so.

When the appropriation process finally ends, little actual savings will have been achieved and huge deficits will remain which will be passed on to our children to bear, their legacy from a Congress, like so many others which preceded it, unable to show the courage, unwilling to make the hard choices needed to protect them.

Mr. LATTA. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, just to keep the record straight, let us not confuse the figures. Defense is taking more out of these cuts in this proposal than any other function. It represents one-third of the budget, taking half of the cuts.

Actually, there is $27.5 billion being taken out of 050. Did the gentleman understand that—$27.5 billion? How much is coming out of nondefense, discretionaries? The figure happens to be $22.3 billion.

So let us not confuse the figures. Let us have them straight.

Mr. FRANK. Mr. Speaker, I yield myself 20 seconds.

Mr. Speaker, I just want to respond to the gentleman from Ohio that $27 billion is not coming out of anything except Caspar Weinberger's fantasy. The reason they can talk about how much they are reducing it is that they pumped it up so incredibly that it looks like six incredible hulks.

If you measure it in a rational way from what has been spent, in fact it is going to get great increases and great increases and great increases.

Mr. GRAY of Pennsylvania. Mr. Speaker, the gentleman from Pennsylvania yields 30 seconds to the gentleman from California [Mr. MILLER], a member of the committee.

Mr. MILLER of California. I thank the gentleman for yielding this time to me.

Mr. Speaker, and Members, first of all I, too, would like to commend the chairman of this committee because it is very clear under the circumstances in which we had to operate, with the intervention of the White House, the missteps in the Senate, I do not believe there is another chairman in this House who could have pulled this budget together in the fair and equitable fashion that Chairman GRAY did. I think we all owe him a great deal of indebtedness, whether or not we are going to vote for this budget. I think he has made the House proud and I think he has provided the kind of leadership that has allowed the gentleman from Ohio [Mr. LATTA] and others to work with this in a fashion that we have never seen before.

Mr. Speaker, I would hope my colleagues would vote for this budget. It provides for protection and for increases for poor people's programs. If you do not like the defense figure, the first week in September you will get to come back and vote on the authorization bill and the amendment to cut it.

The SPEAKER pro tempore. The Chair will state that the gentleman from Pennsylvania [Mr. GRAY] has 7 minutes remaining, the gentleman from Ohio [Mr. LATTA] has 7½ minutes remaining, and the gentleman from Massachusetts [Mr. FRANK] has 2 minutes and 40 seconds remaining.

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. KEMP].

Mr. KEMP. I thank the gentleman for yielding this time to me.

Mr. Speaker, it has been said before but it needs to be said again that there is no more controversial, no more comprehensive economic statement that we are going to make in this body than that which we make tonight.

It is impossible to get a compromise in which we can have people on both sides of the aisle and both sides of Capitol Hill all agreeing on everything. I want to say, as the previous speaker, a partisan Democrat, said in paying tribute to Chairman GRAY, let me say to my colleagues on the conservative side of the aisle that it would have been absolutely impossible to reach a compromise, to reach a budget that can bring down the deficit to 2½ percent of GNP by 1988, to bring down the deficit by $57.5 billion in 1986, or almost $280 billion over 3 years had it not been for the efforts of the gentleman from Ohio [Mr. LATTA] and the efforts of the gentleman from New Mexico, the chairman PETE DOMENICI.

But the Congress is not run by DEL LATTA or PETE DOMENICI; it is run by those of us on both sides of the aisle who have very strong feelings about defense, as this Member does, as does Mr. LATTA and the members of our committee.

The gentleman from Pennsylvania deserves credit and I want to stand up here publicly and tell my colleagues, as one who has been working with him over a number of weeks and months, he has kept his word, he has worked hard, he has been fair, he has been straight, he has protecterd programs that were important to the poor, to the handicapped, to the indigent, to the cities, while at the same time recognizing that there were things on our side of the aisle that were incredibly important not just to the Republicans but to the White House.

This has been an incredible experience. This is the first budget where I have stood up in the well of the House and felt emotionally or subjectively that I wanted to support it, and I want to say to my colleagues, if you are not for raising taxes or cutting Social Security, you have no reason to oppose this compromise. If you want to cut Social Security, if you want to cut the COLA's, if you want to raise taxes, if you want to balance the budget off the backs of the working men and women of America or the poor, then vote against it.

But if you believe responsibly in bringing about a budget compromise that unites the center right and the center left of the political spectrum, then it seems to me you owe it to yourself and your community and your country and the economy, the people you represent, to join those of us on both sides of the aisle from different political parties, at different ends of the Capitol, to support it.

□ 2000

I want to emphasize one thing once again. There is $57 billion of deficit savings, with strong efforts made by the gentleman from Pennsylvania and other leaders of the Democratic Party to give us on the Republican side what we think is important, enforcement procedures and reconciliation—not everything that we wanted, nor did we give everything that they wanted to the other side.

This is a very important statement to the financial markets that we are serious about bringing down the deficit, which is about 4½ to 5 percent of GNP today, down to about 2½ percent of GNP over the next 3 years, with any luck at all from the Central Bank of the United States which could be and should be lowering its interest rates in the short term and midrange right now.

Mr. PURSELL. Mr. Speaker, will the gentleman yield?

Mr. KEMP. I would be glad to yield to my friend from Michigan, who has had such an important contribution to make by being one of the leaders of the 92 Group.

Mr. PURSELL. Mr. Speaker, I want to congratulate the gentleman from New York [Mr. KEMP] for his statement tonight. No budget could be a disaster tonight. We need this budget. I do not think there are $55 billion of real savings here; I think it is more like 38 or 39, but that is a step in the right direction. I want to credit the Group 92 for putting a budget here with hard numbers approved by CBO, delivered and introduced on time. And to my task force, I want to congratulate them for being constructive and trying to build that coalition to achieve our national goals, addressing the deficit.

Mr. KEMP. I want to say to my friend from Michigan that I totally agree with his statement about the responsibility of the 92 Group for helping fashion the final product, but I want to assure him, from this gentleman's standpoint and that of other Members of the Republican Party who served with him on his budget, all of us are convinced there is a lot more than $38 billion here, and with any luck at all, with a little more growth and lower interest rates, we are going to have a much better budget picture in 1986, much better than has been predicted by those who say the sky is falling and we are going to hell in a handbasket. We are not unless we let it happen, and what Chairman GRAY and the gentleman from Ohio, Mr. DEL LATTA, have helped us to do is to make sure that we pass a policy choice here tonight that can help us move in the right direction.

Mr. PURSELL. Mr. Speaker, it is evident that much agonizing and many hours of work have gone into the budget conference report. I would like to commend the conferees for their effort and the production of a conference report prior to the recess.

In closely following the budget process this year as chairman of the 92 Group's Task Force on the Budget, in which we developed a budget of our own, it also is evident that in the House-passed budget resolution and in this conference report there are contained many of the proposals that the 92 Group Budget Task Force worked out over 4 months of lengthy deliberations and that were contained in the 92 Group's budget plan, "A Blueprint for Balance." That plan, an early historic document in that it was the only budget, I might add, that was introduced into the House in compliance with the time parameters of the Budget Act, was—in the opinion of the 92 Group—the most fair and equitable way to accomplish what should be our No. 1 priority, reducing the Federal deficit. I would like to commend the 92 Group Budget Task Force for its tireless work and the hard political decisions its members made in adopting the document, a document which represents a spirit of open-mindedness and constructive compromise.

I would also like to commend the House Budget Committee and the budget conferees for recognizing the value of and real and attainable savings contained in the 92 Group budget resolution and for incorporating its proposals into their documents.

Personally, and somewhat reluctantly, I rise in support of the budget conference report. My reluctance stems from reservations which the 92 Group of House Republicans and which I have concerning the report: First, its high defense budget authority figure and the lack of linkage between defense budget authority and outlay numbers. The conference report takes the other body's budget authority figure of $302.5 billion and the House outlay figure of $293.5 billion. Even if you take into account an apparent slowing in spend-out rates at the Pentagon, outlays still are a function of not only past years' budget authority figures but current year's as well. I'm not sure that the relationship contained in the conference report is valid. As for the higher defense budget authority number—some $10 billion higher than what this body approved in the House-passed defense authorization—we plan to fight that out on the floor when the defense authorization conference report and defense appropriations bills are considered, to try to keep defense spending at, or as close as possible to a freeze level; second, we are concerned about the lack of specifics Members have in their hands in terms of the policy guidelines that achieve the projected outlay savings contained in the conference report. It is unfortunate that this is the case. Because of that, we are considering a budget for its own sake. But, certainly, it does contain some savings. It does contain some guidelines. But how real those savings are, at this point, we don't know. That is unfortunate.

We in the 92 Group were conscientious about having the Congressional Budget Office analyze all our outlay savings proposals. We have real, attainable, and credible savings in the 92 Group budget proposal. For credibility is of the utmost importance if guidelines are to be followed. But, in the interest of providing at least some guidelines and of showing the American people we are concerned about deficit reduction, at this late hour, and despite the reservations I've expressed, I ask the support of the Members of this House for the budget conference report and urge its approval.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. KEMP. I am glad to yield to my friend, the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, I want to thank the gentleman for yielding, and I want to join him in his commendations of Chairman GRAY and DEL LATTA and also Senator DOMENICI on the the other side. But I also want to say to colleagues that the gentleman in the well deserves a great deal of credit for what is happening right now.

Mr. KEMP. I do not want to lose any votes on the left side of the aisle.

Mr. LAGOMARSINO. I think without the work of the gentleman, we might not have been here tonight.

Mr. KEMP. I appreciate the words of my friend, the gentleman from California.

Let me just conclude, Mr. Speaker, by saying that BILL GRAY deserves not only the thanks but the admiration of every Member on both sides of the aisle, as does DEL LATTA, and I thank them both for the pleasure of working with them.

The SPEAKER. The gentleman from Massachusetts [Mr. FRANK] has 2 minutes and 40 seconds remaining.

Mr. FRANK. Mr. Speaker, I yield myself just 10 seconds to say that I now understand what the word, "reconciliation" means in the budget process, because we have just seen the reconciliation of the gentleman from New York and the senior Senator from Kansas.

Mr. Speaker, I yield 1 minute to the gentleman from Connecticut [Mr. MORRISON].

Mr. MORRISON of Connecticut. Mr. Speaker, I thank the gentleman for yielding time to me.

Before saying anything further, I would like to join my colleagues in commending Chairman GRAY for a good job and a hard job. But I regretfully rise in opposition to this budget.

If there is going to be $57 billion in savings in outlays, they are only going to be achieved with a lower budget authority figure in defense. Otherwise the figure that is being used is a promise that cannot be kept.

A yes vote tonight, while it may seem responsible, will open the door for losing this opportunity for saving the money we have to save this year and in the years to come. The plain fact is that this budget resolution, by giving in completely to the Senate on budget authority, makes the only real decision with respect to the defense spending. It is a decision that we are going to regret in the future if we do not make a strong statement against it tonight.

Mr. GRAY of Pennsylvania. Mr. Speaker, I yield 30 seconds to the gentleman from Texas [Mr. FROST], a member of the committee.

Mr. FROST. Mr. Speaker, I rise in support of the budget, a product that I believe this House can be proud of. It gives us the opportunity to demonstrate tonight that this House can govern, that it can pass a budget, and that it can answer the pleas of the country that we get on with the country's business.

Mr. GRAY of Pennsylvania. Mr. Speaker, I yield 30 seconds to the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. Mr. Speaker, I rise not only to pay tribute to the chairman of my Budget Committee, but also to indicate my desire to vote with him.

I do so for three principal reasons, and I think this is one point that has not been made this evening. That is that the conference committee report recommends a spending level for next year of $6 billion less than what the President asked the Congress to spend. Not only that, there is about $30 billion less than what the President requested over the next 3 years.

The next point that I think has not been emphasized is the fact that this conference committee report recommends a deficit of $50 billion less than what the President wanted when he offered his budget to the Congress.

Those points need to be made and made clear to the American public because the Congress is making an effort to get spending under control, and I believe this conference committee report is a great step in the right direction.

The SPEAKER. The time of the gentleman from Kansas [Mr. SLATTERY] has expired.

Mr. SLATTERY. Mr. Speaker, I ask the gentleman for 30 additional seconds.

Mr. GRAY of Pennsylvania. Mr. Speaker, I yield an additional 15 seconds to the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. Mr. Speaker, the last point I would like to make to my colleagues on the left who are concerned about the level of defense spending is this: let me just remind them that we are talking about spending ceilings, not spending floors. We will have an opportunity to come back here and vote on that defense level and determine whether we are going to spend $292.5 billion or whether we are going to spend $303 billion. Let us keep that in mind. We are talking about spending ceilings, not spending floors.

The SPEAKER. The gentleman from Massachusetts [Mr. FRANK] has a minute and a half remaining.

Mr. FRANK. Mr. Speaker, I yield 45 seconds to the gentleman from New York [Mr. WEISS].

Mr. WEISS. Mr. Speaker, if the question here were on the capacity and integrity of the gentleman from Pennsylvania, Mr. BILL GRAY, whom we all respect and admire, this budget would pass unanimously; but it is not on him that we will be voting. It is on the issue itself. It is on the budget.

I voted for the budget the first time around. But as it has re-emerged from conference budget it is really a betrayal of everything we have been talking about. We are talking about a budget which, because of the $10 billion defense increase, is going to be driving the domestic programs for the poor and for the middle class to be cut this year and next year and the year after. Before long, we will be asked to take that $10 billion out of the hides of the American people.

We do not have to play Ronald Reagan's game of destroying essential programs enacted for the benefit of the people of this country. We should not be doing it. We ought to vote no on this budget. Let's defeat it. Then let the Budget Committee come back with one that does service to the American people. In that way we will be doing our job properly.

Mr. GRAY of Pennsylvania. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I rise in support of this conference report, and I would like also to compliment the very able chairman of the Budget Committee, the gentleman from Pennsylvania [Mr. GRAY], and the gentleman from Ohio [Mr. LATTA], the ranking minority member, and especially the gentleman from Texas, Mr. MARVIN LEATH, who is a former member of the Committee on Veterans' Affairs for his work. I commend the other members of the conference committee as well.

The Nation's veterans have been treated fairly, in my opinion, in this budget report. Let me say as chairman of the Committee on Veterans' Affairs that we will have to find $1.1 billion in savings over 3 years, and this is not smoke and mirrors. But I think we can find these savings without really hurting the basic benefits for veterans and their dependents.

The numbers that have come back in function 700 for veterans are close to the numbers that passed in the House, and I again want to commend

the conferees for that. The veterans have been protected in this conference report, and I stand here fully in support of this report.

Mr. FRANK. Mr. Speaker, I yield such time as he may consume to the gentleman from Oregon [Mr. WEAVER].

Mr. WEAVER. Mr. Speaker, I rise in strong opposition to the budget resolution.

Mr. Speaker, the budget resolution before the House is a charade, a farce; it would be comic if it were not tragic. I do not blame the House Budget Committee and its chairman. Only three areas exist in which the staggering, gruesome, obscene deficits can be dealt with. They are the military, Social Security, and taxes. The House has refused to touch Social Security, the other body and the President refused to deal with the military, and the President refuses to deal with taxes. So the Budget Committee never had a chance.

We are heading for disaster, for a collapse in our economy, a depression that will make the 1930's look like a garage sale. Our pathetic attempts to deal with the gross idiocy of the deficits only illuminate the tragic scene about to occur in our great Nation.

The real culprit in the budget debacle is the President. He refuses to deal with reality and is living in economic fantasy. His refusal to pay for the military spending he has exploded into the atmosphere of this country is the single most devastating policy to come from the White House in our era.

When the Republican leadership of the other body brought forth an oil import fee and other aspects which in their small way attempted to deal with reality, the President torpedoed those leaders of his own party.

I vote against this budget resolution because I refuse to endorse the charade, the falseness, the unreality inside it, wrapped in a ribbon of rhetoric though it be.

□ 2010

Mr. FRANK. Mr. Speaker, I yield my remaining 30 seconds to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Speaker, we are operating under a budget now, we adopted it 2 weeks ago. The question tonight is, Should we substitute the budget before you for the budget we are now operating under? Both budget resolutions call for practically the same amount of cuts, $56 billion or $57 billion in 1986.

The question is, Which one do you prefer? This one increases the military function $10 billion, takes it out of other programs, including Medicare, agriculture, small business, and several other programs. It also means abandoning the concept of a freeze at no more than the 1985 level.

I say that we would be better off under the resolution we are now operating under. The Appropriations Committee has been operating under it now for 3 weeks. We have done a pretty good job and let us not change in the middle of the stream here and go to a budget resolution that I think is inferior to what we now have.

Mr. LATTA. Mr. Speaker, I yield the balance of my time to the gentleman from Mississippi [Mr. LOTT].

Mr. LOTT. Mr. Speaker, I would like to start off by commending the distinguished chairman of the Budget Committee. The fact of the matter is whether you agree with what he has done in this product here tonight, he has handled this whole process masterfully and I admire the work he had done.

I also want to commend our ranking member, the gentleman from Ohio [Mr. LATTA], for the work he has done and the conferees for the work they have done in the last 3 days.

The truth of the matter is the conference on this budget resolution did not even begin until 3 days ago. If our friends in the other body had gotten down to serious negotiations in the trenches, where they should have been, giving and taking a little bit a month ago, we could have done this before now and we might have gotten a much better budget resolution; but in spite of that, I think a good job has been done. Oh, it is not everything I would like to have. From my viewpoint, I think it cuts too much out of defense and it does not cut enough out of domestic spending programs, but we have got a pretty good budget here tonight and I urge my colleagues on this side of the aisle, on both sides of the aisle, to vote for it.

Have you noticed tonight across the aisle on both sides we have people that agree and disagree, Republicans and Democrats. Do you know what that indicates to me? It is probably a pretty good budget. We have a got a chance here for the first time in a long time, maybe the first time, to have a genuinely bipartisan budget resolution. Let us not miss that opportunity.

Now, what are the options? What if we defeat this here tonight? How silly are we going to seem if we walk away from this, throw our hands up in the air and go home and say, "Well, what the heck, it wasn't all I wanted, so I said, no, thanks."

I will tell you what some of the options are—no budget resolution, the collapse of the budget process and when we come back some of you that think that it does not cut enough out of defense, well, it may go the other way from what you think.

One of the options will be that some of our friends around the city might say, "Well, wait a minute. Maybe we ought to do something with Social Security."

Again, how many times are we going to hear that? How many times is that going to be back on the table?

So to my friends on this side of the aisle, you think tax increases are gone for the rest of the year or forever? Forget it. If we do not pass the budget resolution here tonight, let me tell you, tax increases are going to be back on the table.

It is time to get serious about this. It does do some good things. There are $68 billion in reconciliation here. That is more than we had in the House resolution when it originally passed. It only had $37 billion. That is more than the gentleman from Ohio had in his original bill; so there are real reconciliation savings here.

There are other features that are good. It terminates four programs. It ought to terminate a lot more, but it terminates four. It reduces outlays for Medicare. It eliminates some of the phony savings; so there are real important things here, but the important thing, in my opinion, is if we walk away from this, what is the perception? The perception will be very negative, that we could not do it.

Some people say, well, it is not $55 billion or $56 billion in savings, it is only $39 billion. The last time I checked buckets on the Mississippi, $39 billion was not chicken feed. I would rather have $39 billion in savings than no savings; so think about the perception, what it does to the financial markets.

Also, most importantly, think about the economy and if you are thinking about the economy, adopt this budget resolution.

Mr. Speaker, I commend the people that have worked to get us this far tonight.

Mr. GRAY of Pennsylvania. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Speaker, let me add my voice to those who have praised the gentleman from Pennsylvania, BILL GRAY, for a job well done. He has done this job as well as it can be done.

Mr. Speaker, if you are thinking of voting against this budget, just think of two things that this vote means. First, if you vote against the conference report, you are saying that you are in favor of a deficit for 1986 of $229 billion, rather than one of $171 billion; and by 1988 you are willing to have a deficit of $244 billion, instead of a deficit of $112 billion. That is what the vote is about.

Second, it is about faith. If we do not pass this budget tonight, people all over the world and all over this country are going to lose faith in where our economy is going. We have a $150 billion trade deficit. The Third World countries that are in debt to the

United States hang in the balance on whether or not we pass this budget. The American people and others are lending their support to this.

Mr. GRAY of Pennsylvania. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. PANETTA], a former member of the Budget Committee.

Mr. PANETTA. Mr. Speaker, I rise in support of the budget resolution and obviously join in commending both sides for the work that was done here, particularly Chairman GRAY for the work that he did.

No one questions that we face a major crisis in the deficit. We are bleeding. It is a cancer that is bleeding and bleeding badly and if it is allowed to continue, frankly, it is going to destroy all our priorities.

This resolution is not a cure for that cancer, no one is saying that it is; but when you are bleeding badly, you need first aid. You need a tourniquet and this resolution is a step in that direction to try to protect some of the priorities we care about and to try to achieve some of the savings.

I wish the White House had joined with the Congress in developing a common package to deal with this problem that faces taxes, faces entitlements, and faces defense. That did not happen; so we tried to work with the resolution that the leadership in the Congress was able to put together.

It is precisely because this is a crisis that we cannot afford to walk away from this resolution, because if we walk away from this resolution, we walk away from that crisis.

Support the budget resolution.

Mr. GRAY of Pennsylvania. Mr. Speaker, to close out the debate on this issue, I yield the balance of the time to the distinguished gentleman from Texas [Mr. WRIGHT], the majority leader, the ranking member of the Budget Committee.

Mr. HORTON. Mr. Speaker, will the gentleman yield for one point?

Mr. WRIGHT. I yield to the gentleman from New York.

Mr. HORTON. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I want to point out that this budget resolution does include full funding for 1986 for revenue sharing. I want to commend the gentleman from Pennsylvania and the other members of the committee for arranging that. That is very important.

Mr. WRIGHT. Mr. Speaker, I thank the gentleman from New York.

This is not a perfect resolution, Mr. Speaker. In an imperfect world, by imperfect creatures, we deal with imperfect works. Just so, we have an imperfect resolution in the sense that it does not satisfy anyone completely, and yet it happens to be the very best that we could achieve under the circumstances.

Let us just ask ourselves if it is not a lot better than inaction. This budget resolution, achieved through the bipartisan cooperation to a degree that I have never seen before on a budget resolution in the entire history of this process, reduces the deficit projected by President Reagan by $57 billion for the coming fiscal year and by some $279 billion in the next 3 fiscal years.

Now, those reductions in deficits are worth securing, if you believe as I believe that it is just fundamentally dishonest and wrong to continue to live on a credit card economy, piling upon the backs of our children and grandchildren the responsibility of paying for things that we will have used up and worn out before they came of age.

□ 2020

Yes, it would have been nice, highly desirable, if we had been able to achieve greater deficit reductions. Bear in mind, however, that we have achieved these by the historic process of consensus. We have achieved them without breaking our promise to the Social Security recipients or any of the other retirees of this country.

We have achieved them without increasing taxes or adding any new taxes.

We have done so without yielding to some of the demands on the part of the other body that we should impose such things as user fees upon first-term purchasers of homes, or that we would make it more difficult for young Americans of modest economic circumstances to get a college education.

We have done it by freezing domestic spending, by very nearly freezing military spending, allowing a modest $15 billion increase next year over this year's expenditure level.

I know there are some who feel that $302 billion is too much. But let me suggest this: These figures are ceilings. There is no requirement that the ceilings be reached. The requirement simply is that they may not be breached, and it is altogether possible that in that level of spending, and in other levels of spending we may be able to achieve still greater reductions.

If we do so while still maintaining our compassion and our responsibility to those less fortunate in our society, as the chairman and the ranking minority member and the members of our committee have insisted they do, then we will have performed a service worthy to be remembered. And we will have performed a service to our particular time and our particular moment of history.

For those reasons I urge that we vote resoundingly for this resolution.

● Mr. BEDELL. Mr. Speaker, I rise in reluctant opposition to this conference report on the budget resolution for fiscal 1986. I realize the heroic efforts made by the conferees, and I commend Chairman GRAY for his attempts to achieve a budget that slows the growth of our budget deficits without hurting many vitally important programs.

We all know what the problem is—the deficit. We all know there are no easy answers and no perfect answers. I believe the issue that we must vote on today is whether this conference report is an acceptable answer to our budget problems. Many Members have said that, although this budget is not perfect, the responsible thing to do is to vote for the budget that the conference has reported. On the contrary, I believe that the responsible vote is to reject this conference report and its $10 billion increase for defense.

Since the beginning of this year, a bipartisan group of Members concerned about the deficit has advocated an across-the-board freeze as the first step toward dealing with the deficit problem. A freeze would only slow the growth of the deficit, but it seems the only practical answer to our problems. I have voted on more than dozen occasions this year to freeze budget authority and appropriations in fiscal 1986 at the 1985 level. These have been hard choices, votes cast against programs I believe in.

The House has also voted on numerous occasions to freeze spending at this year's level. On May 23, 1985, I joined the majority of my colleagues in supporting the first budget resolution, House Concurrent Resolution 152. This House budget resolution would freeze fiscal 1986 defense spending at the fiscal 1985 level of $292.6 billion. The House upheld this position when it voted 301 to 115 to reduce the defense authorization bill by $10 billion in order to bring it into line with the House budget resolution.

Recently, when it seemed that conflicts between the Senate and the President might prevent passage of a legally binding budget, we in the House took the extraordinary step of voting to make the budget resolution we passed in May binding upon all of our appropriations bills. This vote reaffirmed yet again our commitment to freezing spending.

Despite these demonstrations of House intent, this budget conference report permits budget authority for defense spending to increase to $302 billion in fiscal 1986. There is no way of getting around the fact that this money will eventually be spent, and that the defense budget will continue to increase faster than inflation in the outyears.

This increase in defense spending runs counter to several House-passed amendments in the defense authorization bill including: funding cuts of $3.2 billion for 22 weapons systems, an additional $1.2 billion in funding cuts for 12 MX missiles that the House decided were not needed to keep our country

secure, and restrictions on funding for R&D activities relating to the strategic defense initiative.

Iowans of all political beliefs have told me that they support an across-the-board budget freeze which includes the military. I therefore reluctantly oppose this budget.●

● Mr. DIOGUARDI. Mr. Speaker, I rise today reluctantly, to vote for passage of the budget resolution. I voted against every other budget package brought before the House because some of those budgets contained inflated savings. As a certified public accountant, I did not feel that I could support such budgets. Today's budget contains similarily inflated savings. However, as an American, I could not return to my constituents and tell them that we in Congress had failed in our primary duty.

This budget contains no cuts in the Social Security Program, other retirement programs, or tax increases. If it did, I would vote against it.

This is the first step on a long road toward fiscal sanity. It is a hesitant step but one that must be taken. I do not support the cuts in mass transit embodied in this budget and the cuts in many programs vital to the people of my district, such as community development block grants. I am sure, however, that many other Congressmen will vote for this package in spite of the cuts that it contains which injure their constituents. This is not the best program, but it is much better than no program at all. The Nation stands at a precipice and must take a step back. I commend my colleagues on both sides of the aisle for the long hours they put in to produce this document. Thank you Mr. Speaker.●

● Mr. GROTBERG. Mr. Speaker, I rise in support of Senate Concurrent Resolution 32, the conference report on the first concurrent budget resolution for fiscal year 1986. A dark cloud that has been hanging over the Capitol for the last few months is lifting now, as we pass this budget resolution. This is certainly probably the toughest budget compromise any Congress has ever had to hammer out since the inception of the Budget Act more than a decade ago. I congratulate the conferees, all of them, from both sides of the aisle and both Chambers in the Congress for their hard work and perseverence. The conference agreement is a fair one—no one is too unfairly gouged.

Specifically, I am pleased that $55 billion in hard budget cuts for fiscal year 1986 is achieved in this agreement. Second, the conferees have agreed to the Senate numbers for the defense function, allowing for 0-3-3 percent real growth during fiscal years 1986-87-88. Third, no changes have been made in the conference report dealing with cost-of-living adjustments for retirement programs. Fourth, as far as domestic cuts are concerned, I am pleased that the following has been accomplished by the conferees: Small Business Administration: $2.5 billion in savings—similar to the savings contained in the House Small Business Committee's reauthorization of the Small Business Administration; Amtrak: 15 percent cut in fiscal year 1986 as opposed to a 40-percent cut in the Senate-passed resolution achieved by fiscal year 1988; civilian pay: a 1-year pay freeze for Federal employees, saving $5 billion in fiscal year 1986; general revenue sharing: full funding for fiscal year 1986; termination of the program in fiscal year 1987; postal subsidies: 14 percent cut, instead of elimination as contained in the original Senate-passed version; and farm programs: $7.9 billion in cuts, versus $14.5 billion in Senate resolution.

Finally, Mr. Speaker, I am glad that the conferees have not approved any further taxes. We are not at the "last resort" yet, more spending cuts are needed. The conference report has teeth in it—the reconciliation process is alive and strong. I urge my colleagues to vote with me in support of this concurrent resolution. The voters in my district did not send me to Congress to do anything but reduce the $200 billion Federal budget deficits. This is a good start.●

● Mr. EDGAR. Mr. Speaker, as chairman of the Subcommittee on Hospitals and Health Care of the Committee on Veterans' Affairs, I would like to commend the conferees on their successful completion of the conference on the first concurrent budget resolution. We all know the hard work and difficult choices involved in that endeavor. I am particularly pleased that the conferees have achieved for our Nation's veterans a budget that is very close to that passed by the House of Representatives. This restatement of our commitment to these brave men and women will be appreciated throughout our country.●

The SPEAKER. All time has expired.

Under the rule, the previous question is ordered.

The question is on the motion offered by the gentleman from Pennsylvania [Mr. GRAY] that the House recede from its amendment to Senate Concurrent Resolution 32 and concur with an amendment.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, on that I demand the yeas and nays.

PARLIAMENTARY INQUIRY

Mr. FRENZEL. Mr. Speaker, I have a parliamentary inquiry. Is this the motion to recommit?

The SPEAKER. This is on the adoption of the motion to recede and concur.

Mr. FRENZEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 309, nays 119, not voting 5, as follows:

[Roll No. 290]

YEAS—309

Ackerman	Erdreich	MacKay
Akaka	Evans (IL)	Manton
Alexander	Fascell	Martin (IL)
Andrews	Fazio	Martin (NY)
Annunzio	Feighan	Martinez
Anthony	Fiedler	Matsui
Aspin	Fish	Mavroules
Atkins	Flippo	Mazzoli
AuCoin	Foley	McCain
Badham	Ford (MI)	McCloskey
Barnard	Ford (TN)	McCollum
Barnes	Fowler	McCurdy
Bartlett	Franklin	McDade
Bateman	Frost	McEwen
Bellenson	Fuqua	McHugh
Bennett	Gallo	McKernan
Bentley	Gejdenson	McKinney
Berman	Gekas	McMillan
Bevill	Gephardt	Meyers
Biaggi	Gibbons	Mica
Bilirakis	Gingrich	Michel
Bliley	Glickman	Mikulski
Boehlert	Goodling	Miller (CA)
Boggs	Gordon	Mineta
Boland	Gray (PA)	Moakley
Boner (TN)	Grotberg	Molinari
Bonior (MI)	Guarini	Mollohan
Bonker	Hall (OH)	Monson
Borski	Hall, Ralph	Montgomery
Boucher	Hamilton	Moody
Boulter	Hammerschmidt	Moore
Boxe:	Hansen	Moorhead
Breaux	Hatcher	Morrison (WA)
Brooks	Hawkins	Murtha
Broomfield	Heftel	Natcher
Broyhill	Hendon	Neal
Bruce	Henry	Nichols
Bryant	Hiler	Nielson
Burton (CA)	Hillis	Nowak
Burton (IN)	Holt	O'Brien
Bustamante	Horton	Oakar
Byron	Howard	Obey
Callahan	Hoyer	Olin
Campbell	Hubbard	Ortiz
Carney	Huckaby	Oxley
Chandler	Hughes	Packard
Chappell	Hunter	Panetta
Cheney	Hutto	Parris
Clinger	Hyde	Pashayan
Coats	Ireland	Pepper
Cobey	Jeffords	Pickle
Coble	Jenkins	Price
Coelho	Johnson	Pursell
Coleman (MO)	Jones (NC)	Quillen
Coleman (TX)	Jones (OK)	Rahall
Combest	Jones (TN)	Rangel
Conte	Kaptur	Ray
Cooper	Kasich	Reid
Coughlin	Kemp	Richardson
Courter	Kennelly	Ridge
Coyne	Kindness	Rinaldo
Daniel	Kleczka	Ritter
Darden	Kolbe	Robinson
Daschle	Kolter	Roe
Daub	Kostmayer	Roemer
Davis	Lagomarsino	Rogers
de la Garza	Lantos	Rose
Derrick	Latta	Rostenkowski
DeWine	Lehman (CA)	Rowland (CT)
Dicks	Lehman (FL)	Rowland (GA)
Dingell	Lent	Russo
DioGuardi	Levin (MI)	Sabo
Dixon	Levine (CA)	Saxton
Donnelly	Lewis (CA)	Schaefer
Dowdy	Lewis (FL)	Scheuer
Downey	Livingston	Schneider
Duncan	Lloyd	Schulze
Durbin	Long	Schumer
Dwyer	Lott	Sharp
Dyson	Lowery (CA)	Shaw
Eckart (OH)	Lowry (WA)	Shelby
Eckert (NY)	Lujan	Shuster
Edgar	Luken	Siljander
Edwards (OK)	Lundine	Sisisky
Emerson	Lungren	Skeen

Skelton	Sweeney	Wheat
Slattery	Swift	Whitehurst
Slaughter	Swindall	Whitley
Smith (FL)	Tallon	Whittaker
Smith (NH)	Tauzin	Whitten
Smith (NJ)	Taylor	Williams
Smith, Robert	Thomas (GA)	Wilson
Snowe	Traxler	Wirth
Snyder	Udall	Wolf
Solarz	Valentine	Wolpe
Spence	Vander Jagt	Wortley
Spratt	Vento	Wright
St Germain	Visclosky	Wyden
Stallings	Volkmer	Wylie
Stokes	Vucanovich	Yatron
Strang	Walgren	Young (AK)
Stratton	Walker	Young (FL)
Sundquist	Waxman	Young (MO)

NAYS—119

Addabbo	Gilman	Porter
Anderson	Gonzalez	Regula
Applegate	Green	Roberts
Archer	Gregg	Rodino
Armey	Gunderson	Roth
Barton	Hartnett	Roukema
Bates	Hayes	Roybal
Bedell	Hertel	Rudd
Bereuter	Hopkins	Savage
Bosco	Jacobs	Schroeder
Brown (CA)	Kanjorski	Schuette
Brown (CO)	Kastenmeier	Seiberling
Carper	Kildee	Sensenbrenner
Carr	Kramer	Shumway
Chappie	LaFalce	Sikorski
Clay	Leach (IA)	Smith (IA)
Collins	Leath (TX)	Smith (NE)
Conyers	Leland	Smith, Denny
Craig	Lightfoot	Solomon
Crockett	Lipinski	Staggers
Dannemeyer	Mack	Stangeland
DeLay	Madigan	Stark
Dellums	Markey	Stenholm
Dickinson	Marlenee	Studds
Dorgan (ND)	McCandless	Stump
Dornan (CA)	McGrath	Synar
Dreier	Miller (OH)	Tauke
Dymally	Miller (WA)	Thomas (CA)
Early	Mitchell	Torres
Edwards (CA)	Morrison (CT)	Torricelli
English	Mrazek	Towns
Evans (IA)	Murphy	Traficant
Fawell	Myers	Watkins
Fields	Nelson	Weaver
Florio	Oberstar	Weber
Foglietta	Owens	Weiss
Frank	Pease	Wise
Frenzel	Penny	Yates
Garcia	Perkins	Zschau
Gaydos	Petri	

NOT VOTING—5

Crane	Gray (IL)	Loeffler
Gradison	Hefner	

□ 2030

The Clerk announced the following pair:

On this vote:

Mr. Gray of Illinois for, with Mr. Crane against.

Messrs. LEACH of Iowa, REGULA, and WEBER changed their votes from "yea" to "nay."

Mr. VOLKMER changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

A moton to reconsider was laid on the table.

□ 2040

Mr. GRAY of Pennsylvania. Mr. Speaker, I move that the House recede from its amendment to the title of Senate Concurrent Resolution 32.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania [Mr. GRAY].

The motion was agreed to.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF HOUSE AMENDMENT TO SENATE CONCURRENT RESOLUTION 32, FIRST CONCURRENT BUDGET RESOLUTION—FISCAL YEAR 1986

Mr. GRAY of Pennsylvania. Mr. Speaker, I ask unanimous consent that in the engrossment of the House amendment to Senate Concurrent Resolution 32, the Clerk be authorized to correct section numbers, punctuation marks, and cross-references.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

GENERAL LEAVE

Mr. GRAY of Pennsylvania. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the measure just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CONFERENCE REPORT ON H.R. 2475, SIMPLIFICATION OF IMPUTED INTEREST RULES

Mr. ROSTENKOWSKI submitted the following conference report and statement on the bill (H.R. 2475) to amend the Internal Revenue Code of 1954 to simplify the imputed interest rules of sections 1274 and 483, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 99-250)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2475) to amend the Internal Revenue Code of 1954 to simplify the imputed interest rules of sections 1274 and 483, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I—AMENDMENTS TO IMPUTED INTEREST RULES

SECTION 101. SIMPLIFICATION OF GENERAL IMPUTED INTEREST RULES.

(a) Reduction of Imputation Rate From 120 to 100 Percent; Elimination of Separate Testing Rate.—

(1) AMENDMENTS OF SECTION 1274.—

(A) Subparagraph (B) of section 1274(b)(2) of the Internal Revenue Code of 1954 (defining imputed principal amount) is amended by striking out "120 percent of".

(B) Clause (ii) of section 1274(c)(1)(A) of such Code is amended to read as follows:

"(ii) in any other case, the imputed principal amount of such debt instrument determined under subsection (b), and ".

(C) Paragraph (2) of section 1274(c) of such Code is amended by striking out "the testing amount" and inserting in lieu thereof "the imputed principal amount of such debt instrument determined under subsection (b)".

(D) Subsection (c) of section 1274 of such Code is amended by striking out paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(2) AMENDMENTS OF SECTION 483.—

(A) The last sentence of section 483(b) of such Code (defining total unstated interest) is amended by striking out "120 percent of".

(B) Subparagraph (B) of section 483(c)(1) of such Code is amended to read as follows:

(B) under which there is total unstated interest."

(b) INTEREST RATES REDETERMINED EACH MONTH.—

(1) IN GENERAL.—Paragraph (1) of section 1274(d) of such Code (defining applicable Federal rate) is amended by striking out subparagraphs (B), (C), and (D) and inserting in lieu thereof the following:

"(B) DETERMINATION OF RATES.—During each calendar month, the Secretary shall determine the Federal short-term rate, mid-term rate, and long-term rate which shall apply during the following calendar month.

(C) FEDERAL RATE FOR ANY CALENDAR MONTH.—For purposes of this paragraph—

"(i) FEDERAL SHORT-TERM RATE.—The Federal short-term rate shall be the rate determined by the Secretary based on the average market yield (during any 1-month period selected by the Secretary and ending in calendar month in which the determination is made) on outstanding marketable obligations of the United States with remaining periods to maturity of 3 years or less.

"(ii) FEDERAL MID-TERM AND LONG-TERM RATES.—The Federal mid-term and long-term rate shall be determined in accordance with the principles of clause (i).

"(D) LOWER RATE PERMITTED IN CERTAIN CASES.—The Secretary may by regulations permit a rate to be used with respect to any debt instrument which is lower than the applicable Federal rate if the taxpayer establishes to the satisfaction of the Secretary that such lower rate is based on the same principles as the applicable Federal rate and is appropriate for the term of such instrument."

(2) RATE APPICABLE TO ANY SALE OR EXCHANGE.—Paragraph (2) of section 1274(d) of such Code (relating to rate applicable to any sale or exchange) is amended to read as follows:

"(2) LOWEST 3-MONTH RATE APPLICABLE TO ANY SALE OR EXCHANGE.—

"(A) IN GENERAL.—In the case of any sale or exchange, the applicable Federal rate shall be the lowest 3-month rate.

"(B) LOWEST 3-MONTH RATE.—For purposes of subparagraph (A), the term 'lowest 3-month rate' means the lowest of the applicable Federal rates in effect of any month in the 3-calendar-month period ending with the 1st calendar month in which there is a binding contract in writing for such sale or exchange."

(c) Rate Increased to 110 Percent in Case of Sale-Leaseback.—Section 1274 of such Code (relating to determination of issue price in the case of certain debt instruments

issued for property) is amended by adding at the end thereof the following new subsection:

"(e) 110 PERCENT RATE WHERE SALE-LEASEBACK INVOLVED.—

"(1) IN GENERAL.—In the case of any debt instrument to which this subsection applies, the discount rate used under subsection (b)(2)(B) or section 483(b) shall be 110 percent of the applicable Federal rate, compounded semiannually.

"(2) LOWER DISCOUNT RATES SHALL NOT APPLY.—Section 1274A shall not apply to any debt instrument to which this subsection applies.

"(3) DEBT INSTRUMENTS TO WHICH THIS SUBSECTION APPLIES.—This subsection shall apply to any debt instrument given in consideration for the sale or exchange of any property if, pursuant to a plan, the transferor or any related person leases a portion of such property after such sale or exchange."

SEC. 102. LOWER DISCOUNT RATE IN CASE OF CERTAIN SALES WHERE STATED PRINCIPAL AMOUNT DOES NOT EXCEED $2,800,000.

(a) General rule.—Subpart A of part V of subchapter P of chapter 1 of the Internal Revenue Code of 1954 (relating to original issue discount) is amended by inserting after section 1274 the following new section:

"SEC. 1274A. SPECIAL RULES FOR CERTAIN TRANSACTIONS WHERE STATED PRINCIPAL AMOUNT DOES NOT EXCEED $2,800,000.

"(a) LOWER DISCOUNT RATE.— In the case of any qualified debt instrument, the discount rate used for purposes of sections 483 and 1274 shall not exceed 9 percent, compounded semiannually.

"(b) QUALIFIED DEBT INSTRUMENT DEFINED.—For purposes of this section, the term 'qualified debt instrument' means any debt instrument given in consideration for the sale or exchange of property (other than new section 38 property within the meaning of section 48(b)) if the stated principal amount of such instrument does not exceed $2,800,000.

"(c) ELECTION TO USE CASH METHOD WHERE STATED PRINCIPAL AMOUNT DOES NOT EXCEED $2,000,000.—

"(1) IN GENERAL.—In the case of any cash method debt instrument—

"(a) section 1274 shall not apply, and

"(B) interest on such debt instrument shall be taken into account by both the borrower and the lender under the cash receipts and disbursements method of accounting.

"(2) CASH METHOD DEBT INSTRUMENT.—For purposes of paragraph (1), the term 'cash method debt instrument' means any qualified debt instrument if—

"(A) the stated principal amount does not exceed $2,000,000,

"(B) the lender does not use an accrual method of accounting and is not a dealer with respect to the property sold or exchanged,

"(C) section 1274 would have applied to such instrument but for an election under this subsection, and

"(D) an election under this subsection is jointly made with respect to such debt instrument by the borrower and lender.

"(3) SUCCESSORS BOUND BY ELECTION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), paragraph (1) shall apply to any successor to the borrower or lender with respect to a cash method debt instrument.

"(B) EXCEPTION WHERE LENDER TRANSFERS DEBT INSTRUMENT TO ACCRUAL METHOD TAXPAYER.—If the lender (or any successor) transfers any cash method debt instrument to a taxpayer who uses an accrual method of accounting, this paragraph shall not apply with respect to such instrument for periods after such transfer.

"(4) FAIR MARKET VALUE RULE IN POTENTIALLY ABUSIVE SITUATIONS.—In the case of any cash method debt instrument, section 483 shall be applied as if it included provisions similar to the provisions of section 1274(b)(3).

"(d) OTHER SPECIAL RULES.—

"(1) AGGREGATION RULES.—For purposes of this section—

"(A) all sales or exchanges which are part of the same transaction (or a series of related transactions) shall be treated as 1 sale or exchange, and

"(B) all debt instruments arising from the same transaction (or a series of related transactions) shall be treated as 1 debt instrument.

"(2) INFLATION ADJUSTMENTS.—

"(A) IN GENERAL.—In the case of any debt instrument arising out of a sale or exchange during any calendar year after 1989, each dollar amount contained in the preceding provisions of this section shall be increased by the inflation adjustment for such calendar year. Any increase under the preceding sentence shall be rounded to the nearest multiple of $100 (or, if such increase is a multiple of $50, such increase shall be increased to the nearest multiple of $100).

"(B) INFLATION ADJUSTMENT.—For purposes of subparagraph (A), the inflation adjustment for any calendar year is the percentage (if any) by which—

"(i) the CPI for the preceding calendar year exceeds

"(ii) the CPI for calendar year 1988.

For purposes of the preceding sentence, the CPI for any calendar year is the average of the Consumer Price Index as of the close of the 12-month period ending on September 30 of such calendar year.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection, including—

"(1) regulations coordinating the provisions of this section with other provisions of this title,

"(2) regulations necessary to prevent the avoidance of tax through the abuse of the provisions of subsection (c), and

"(3) regulations relating to the treatment of transfers of cash method debt instruments."

(b) EXCEPTION FOR ASSUMPTIONS.—Subsection (c) of section 1274 of such Code is amended by adding at the end thereof the following new paragraph:

"(4) EXCEPTION FOR ASSUMPTIONS.—If any person—

"(A) in connection with the sale or exchange of property, assumes any debt instrument, or

"(B) acquires any property subject to any debt instrument,

in determining whether this section or section 483 applies to such debt instrument, such assumption (or such acquisition) shall not be taken into account unless the terms and conditions of such debt instrument are modified (or the nature of the transaction is changed) in connection with the assumption (or acquisition)."

(c) TECHNICAL AMENDMENTS.—

(1) Section 483 of such Code is amended by striking out subsection (e) and by redesignating subsections (f), (g), and (h) as subsections (e), (f), and (g), respectively.

(2) Paragraph (1) of section 483(e) of such Code (as redesignated by paragraph (1)) is amended by striking out "7 percent" and inserting in lieu thereof "6 percent".

(3) Subsection (g) of section 483 of such Code (as redesignated by paragraph (1)) is amended to read as follows:

"(g) CROSS REFERENCES.—

"(1) For treatment of assumptions, see section 1274(c)(4).

"(2) For special rules for certain transactions where stated principal amount does not exceed $2,800,000, see section 1274A.

"(3) For special rules in case of the borrower under certain loans for personal use, see section 1275(b)."

(4) Paragraph (4) of section 280G(d) of such Code is amended by striking out "in accordance with section 1274(b)(2)" and inserting in lieu thereof "by using a discount rate equal to 120 percent of the applicable Federal rate (determined under section 1274(d)), compounded semiannually".

(d) CLERICAL AMENDMENT.—The table of sections for subpart A of part V of subchapter P of chapter 1 of such Code is amended by inserting after the item relating to section 1274 the following new item:

"Sec. 1274A. Special rules for certain transactions where stated principal amount does not exceed $2,800,000."

SEC. 103. RECOVERY PERIOD FOR 18-YEAR REAL PROPERTY EXTENDED TO 19 YEARS.

(a) In General.—Clause (i) of section 168(b)(2)(A) of the Internal Revenue Code of 1954 (relating to amount of deduction for 18-year real property) is amended by striking out "18-year recovery period" and inserting in lieu thereof "19-year recovery period".

(b) TECHNICAL AMENDMENTS.—

(1) The following provisions of the Internal Revenue Code of 1954 are amended by striking out "18-year real property" each place it appears in the text and headings thereof and inserting in lieu thereof "19-year real property":

(A) Section 168 (relating to accelerated cost recovery system).

(B) Section 57(a)(12) (relating to preference for accelerated cost recovery deduction).

(C) Section 312(k)(3)(A) (relating to earnings and profits).

(D) Subparagraphs (A), (B), and (C) of section 1245(a)(5) (relating to gain from dispositions of certain depreciable property).

(2) The table contained in subparagraph (A) of section 168(b)(3) of such Code (relating to election of different recovery percentage) is amended by striking out "18, 35, or 45" and inserting in lieu thereof "19, 35, or 45 years".

(3)(A) Subparagraph (B) of section 168(f)(1) of such Code (relating to components of section 1250 class property) is amended by redesignating clause (iii) as clause (iv) and by inserting after clause (ii) the following new clause:

"(iii) BUILDINGS PLACED IN SERVICE BEFORE MAY 9, 1985.—In the case of any building placed in service by the taxpayer before May 9, 1985, for purposes of applying subparagraph (A) to components of such buildings placed in service after May 8, 1985, the deduction allowable under subsection (a) with respect to such components shall be computed in the same manner as the deduction allowable with respect to the first component placed in service after May 8, 1985."

(B) Clause (ii) of section 168(f)(1)(B) of such Code is amended by striking out "March 15, 1984, the" and inserting in lieu thereof "March 15, 1984, and before May 9, 1985, the".

(C) Clause (iv) of section 168(f)(1)(B) of such Code, as redesignated by subparagraph (A), is amended by striking out "or (ii)" and inserting in lieu thereof ", (ii), or (iii)".

(4) Clause (ii) of section 168(f)(12)(B) of such Code (relating to limitations for property financed with tax-exempt bonds) is amended—

(A) by striking out "15-year real property" each place is appears in the heading and the text and inserting in lieu thereof "19-year real property", and

(B) by striking out "15 years" and inserting in lieu thereof "19 years".

(5) Paragraph (2) of section 48(g) of such Code (relating to special rules for qualified rehabilitated buildings) is amended by striking out "18" in subparagraphs (A)(i) and (B)(v) thereof and inserting in lieu thereof "19".

(6) The table contained in subparagraph (B) of section 47(a)(5) of such Code (relating to special rules for recovery property) is amended by stiking out "For 15-year, 10-year, and 5-year property" and inserting in lieu thereof "For property other than 3-year property".

(7) Clause (i) of section 57(a)(12)(B) of such Code (relating to real property and low-income housing) is amended by striking out "18 years" and inserting in lieu thereof "19 years".

SEC. 104. SPECIAL RULE FOR CERTAIN WORKOUTS.

(a) GENERAL RULE.—Sections 483 and 1274 of the Internal Revenue Code of 1954 shall not apply to the issuance or modification of any written indebtedness if—

(1) such issuance or modification is in connection with a workout of a specified MLC loan which (as of May 31, 1985) was substantially in arrears, and

(2) the aggregate principal amount of indebtedness resulting from such workout does not exceed the sum (as of the time of the workout) of the outstanding principal amount of the specified MLC loan and any arrearages on such loan.

(b) SPECIFIED MLC LOAN.—For purposes of subsection (a), the term "specified MLC loan" means any loan which, in a submissoin dated Jun 17, 1985, on behalf of the New York State Mortgage Loan Enforcement and Administration Corporation had one of the following loan numbers: 001, 005, 007, 012, 025, 038, 041, 042, 043, 049, 053, 064, 068, 090, 141, 180, or 188.

SEC. 105. EFFECTIVE DATES.

(a) SECTIONS 101 AND 102.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by sections 101 and 102 shall apply to sales and exchanges after June 30, 1985, in taxable years ending after such date. The amendment made by section 2 of Public Law 98-612 shall not apply to sales and exchanges after June 30, 1985, in taxable years ending after such date.

(2) Regulatory authority to establish lower rate.—Section 1274(d)(1)(D) of the Internal Revenue Code of 1954, as added by section 101(b), shall apply as if included in the amendments made by section 41 of the Tax Reform Act of 1984.

(b) SECTION 103.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by section 103 shall apply with respect to property placed in service by the taxpayer after May 8, 1985.

(2) EXCEPTION.—The amendments made by section 103 shall not apply to property placed in service by the taxpayer before January 1, 987, if—

(A) the taxpayer or a qualified person entered into a binding contract to purchase or construct such property before May 9, 1985, or

(B) construction of such property was commenced by or for the taxpayer or a qualified person before May 9, 1985.

For purposes of this paragraph, the term "qualified person" means any person whose rights in such a contract or such property are transferred to the taxpayer, but only if such property is not placed in service before such rights are transferred to the taxpayer.

(3) SPECIAL RULE FOR COMPONENTS.—For purposes of applying section 168(f)(1)(B) of the Internal Revenue Code of 1954 (as amended by section 103) to components placed in service after December 31, 1986, property to which paragraph (2) of this subsection applies shall be treated as placed in service by the taxpayer before May 9, 1985.

(4) TECHNICAL CORRECTION.—The amendment made by paragraph (6) of section 103(b) shall apply as if included in the amendments made by section 111 of the Tax Reform Act of 1984.

(5) SPECIAL RULE FOR LEASING OF QUALIFIED REHABILITATED BUILDINGS.—The amendment made by paragraph (5) of section 103(b) to section 48(g)(2)(B)(v) of the Internal Revenue Code of 1954 shall not apply to leases entered into before May 22, 1985, but only if the lessee signed the lease before May 17, 1985.

TITLE II—AMENDMENTS TO BELOW-MARKET INTEREST RULES

SEC. 201. CERTAIN LOANS TO QUALIFIED CONTINUING CARE FACILITIES EXEMPT FROM BELOW-MARKET INTEREST RATE RULES.

(a) IN GENERAL.—Section 7872 of the Internal Revenue Code of 1954 (relating to treatment of loans with below-market interest rates) is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) EXCEPTION FOR CERTAIN LOANS TO QUALIFIED CONTINUING CARE FACILITIES.—

"(1) IN GENERAL.—This section shall not apply for any calendar year to any below-market loan made by a lender to a qualified continuing care facility pursuant to a continuing care contract if the lender (or the lender's spouse) attains age 65 before the close of such year.

"(2) $90,000 LIMIT.—Paragraph (1) shall apply only to the extent that the aggregate outstanding amount of any loan to which such paragraph applies (determined without regard to this paragraph), when added to the aggregate outstanding amount of all other previous loans between the lender (or the lender's spouse) and any qualified continuing care facility to which paragraph (1) applies, does not exceed $90,000.

"(3) CONTINUING CARE CONTRACT.—For purposes of this section, the term 'continuing care contract' means a written contract between an individual and a qualified continuing care facility under which—

"(A) the individual or individual's spouse may use a qualified continuing care facility for their life or lives,

"(B) the individual or individual's spouse—

"(i) will first—

"(I) reside in a separate, independent living unit with additional facilities outside such unit for the providing of meals and other personal care, and

"(II) not require long-term nursing care, and

"(ii) then will be provided long-term and skilled nursing care as the health of such individual or individual's spouse requires, and

"(C) no additional substantial payment is required if such individual or individual's spouse requires increased personal care services or long-term and skilled nursing care.

"(4) QUALIFIED CONTINUING CARE FACILITY.—

"(A) IN GENERAL.—For purposes of this section, the term 'qualified continuing care facility' means 1 or more facilities—

"(i) which are designed to provide services under continuing care contracts, and

"(ii) substantially all of the residents of which are covered by continuing care contracts.

"(B) SUBSTANTIALLY ALL FACILITIES MUST BE OWNED OR OPERATED BY BORROWER.—A facility shall not be treated as a qualified continuing care facility unless substantially all facilities which are used to provide services which are required to be provided under a continuing care contract are owned or operated by the borrower.

"(C) NURSING HOMES EXCLUDED.—The term 'qualified continuing care facility' shall not include any facility which is of a type which is traditionally considered a nursing home.

"(5) ADJUSTMENT OF LIMIT FOR INFLATION.—

"(A) IN GENERAL.—In the case of any loan made during any calendar year after 1986 to which paragraph (1) applies, the dollar amount in paragraph (2) shall be increased by the inflation adjustment for such calendar year. Any increase under the preceding sentence shall be rounded to the nearest multiple of $100 (or, if such increase is a multiple of $50, such increase shall be increased to the nearest multiple of $100).

"(B) INFLATION ADJUSTMENT.—For purposes of subparagraph (A), the inflation adjustment for any calendar year is the percentage (if any) by which—

"(i) the CPI for the preceding calendar year exceeds

"(ii) the CPI for calendar year 1985.

For purposes of the preceding sentence, the CPI for any calendar year is the average of the Consumer Price Index as of the close of the 12-month period ending on September 30 of such calendar year."

(b) CLARIFICATION OF APPLICATION OF BELOW-MARKET INTEREST RATE RULES TO LOANS TO QUALIFIED CONTINUING CARE FACILITIES.—Paragraph (1) of section 7872(c) of such Code (relating to below-market loans to which section applies) is amended by adding at the end thereof the following new subparagraph:

"(F) LOANS TO QUALIFIED CONTINUING CARE FACILITIES.—Any loan to any qualified continuing care facility pursuant to a continuing care contract."

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 7872(c) of such Code is amended by inserting "and subsection (g)" after "subsection".

(2) Subparagraph (E) of section 7872(c)(1) of such Code is amended by striking out "or (C)" and inserting in lieu thereof "(C), or (F)".

SEC. 202. TIME FOR DETERMINING RATE APPLICABLE TO EMPLOYEE RELOCATION LOANS.

Subsection (f) of section 7872 of the Internal Revenue Code of 1954 (relating to treatment of loans with below-market interest rates) is amended by adding at the end thereof the following new paragraph:

"(11) TIME FOR DETERMINING RATE APPLICABLE TO EMPLOYEE RELOCATION LOANS.—

"(A) IN GENERAL.—In the case of any term loan made by an employer to an employee the proceeds of which are used by the employee to purchase a principal residence (within the meaning of section 1034), the de-

termination of the applicable Federal rate shall be made as of the date the written contract to purchase such residence was entered into.

"(B) PARAGRAPH ONLY TO APPLY TO CASES TO WHICH SECTION 217 APPLIES.—Subparagraph (A) shall only apply to the purchase of a principal residence in connection with the commencement of work by an employee or a change in the principal place of work of an employee to which section 217 applies."

SEC. 203. SECTION 7872 OF THE INTERNAL REVENUE CODE SHALL NOT APPLY TO NON-LOAN PAYMENTS TO CERTAIN RESIDENTIAL HOUSING FACILITIES FOR THE ELDERLY.

(a) GENERAL RULE.—For purposes of section 7872 of the Internal Revenue Code of 1954, payments made to a specified independent living facility for the elderly by a payor who is an individual at least 65 years old shall not be treated as loans provided—

(1) the independent living facility is designed and operated to meet some substantial combination of the health, physical, emotional, recreational, social, religious and similar needs of persons over the age of 65;

(2) in exchange for the payment, the payor obtains the right to occupy (or equivalent contractual right) independent living quarters located in the independent living facility;

(3) the amount of the payment is equal to the fair market value of the right to occupy the independent living quarters;

(4) upon leaving the independent living facility, the payor is entitled to receive a payment equal to at least 50 percent of the fair market value at that time of the right to occupy the independent living quarters, the timing of which payment may be contingent on the time when the independent living facility is able to locate a new occupant for such quarters; and

(5) the excess, if any, of the fair market value of the independent living quarters at the time the payor leaves such quarters (less a reasonable amount to cover costs) over the amount paid to the payor is used by an organization described in section 501(c)(3) of such Code to provide housing and related services for needy elderly persons.

(b) SPECIFIED INDEPENDENT LIVING FACILITY FOR THE ELDERLY.—For purposes of this section—

(1) IN GENERAL.—The term "specified independent living facility for the elderly" means—

(A) the Our Lady of Life Apartments owned by a Missouri not-for-profit corporation with the same name,

(B) the Laclede Oaks Manor owned by the Lutheran Health Care Association of St. Louis, Missouri, and

(C) the Luther Center Northeast owned by the Lutheran Altenheim Society of Missouri.

(2) REQUIREMENTS.—A facility shall not be considered to be a specified independent living facility for the elderly—

(A) if it is located at any site other than the site which it occupied (or was in the process of occupying through construction) on the date of the enactment of this Act, or

(B) if its ownership is transferred after such date of enactment to a person other than an organization described in section 501(c)(3) of the Internal Revenue Code of 1954.

SEC. 204. EFFECTIVE DATES.

(a) SECTION 201.—

(1) IN GENERAL.—The amendments made by section 201 shall apply with respect to loans made after the date of enactment of this Act.

(2) SECTION 7872 NOT TO APPLY TO CERTAIN LOANS.—Section 7872 of the Internal Revenue Code of 1954 shall not apply to loans made on or before the date of the enactment of this Act to any qualified continuing care facility pursuant to a continuing care contract. For purposes of this paragraph, the terms "qualified continuing care facility" and "continuing care contract" have the meanings given such terms by section 7872(g) of such Code (as added by section 201).

(b) SECTION 202.—The amendment made by section 202 shall apply to contracts entered into after June 30, 1985, in taxable years ending after such date.

(c) SECTION 203.—The provisions of section 203 shall apply as if included in section 172(a) of the Tax Reform Act of 1984.

And the Senate agree to the same.

DAN ROSTENKOWSKI,
SAM M. GIBBONS,
J.J. PICKLE,
CHARLES B. RANGEL,
PETE STARK,
JOHN J. DUNCAN,
BILL ARCHER,
GUY VANDER JAGT,
Managers on the Part of the House.

BOB PACKWOOD,
W.V. ROTH,
JOHN HEINZ,
DAVID DURENBERGER,
RUSSELL B. LONG,
LLOYD BENTSEN,
SPARK M. MATSUNAGA,
DANIEL PATRICK MOYNIHAN,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2475) to amend the Internal Revenue Code of 1954 to simplify the imputed interest rules of sections 1274 and 483, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

I. SIMPLIFICATION OF GENERAL IMPUTED INTEREST RULES

A. THE IMPUTED INTEREST RULES

Present laws

The imputed interest rate

Overview

Under the imputed interest rules, whether there is adequate stated interest in a debt instrument issued for nonpublicly-traded property is determined by reference to an appropriate "test rate." Where adequate interest is not stated, the imputed interest rules recharacterize a portion of the principal amount of the debt instrument for income tax purposes using a somewhat higher "imputation rate." The amounts of principal and interest as recharacterized will generally determine the seller's "amount realized" the buyer's basis in the property, and the amount of interest deductions and interest income for the buyer and the seller, respectively. The test rate for a debt instrument subject to the imputed interest rules is the rate in effect on the first day there is a binding contract for the sale or exchange of the property. All test and imputation rates are applied using semiannual compounding.

"Test rates" and "imputation rates"

General rule.—For sales or exchanges after December 31, 1984, of new property eligible for the investment credit, and for all sales or exchanges after June 30, 1985, the test rate is 110 percent of the "applicable Federal rate," and the imputation rate is 120 percent of the "applicable Federal rate."

Special rule for certain transactions before July 1, 1985.—For sales or exchanges after December 31, 1984, and before July 1, 1985, of property other than new property eligible for the investment credit, the test rate for "borrowed amounts" not exceeding $2 million is 9 percent. The test rate for borrowed amounts exceeding $2 million is a "blend" of 9 percent on the first $2 million and 110 percent of the applicable Federal rate (the "AFR") on the excess. In applying the $2 million limitation, all sales or exchanges that are part of the same transaction (or a series of related transactions) are treated as one transaction, and all debt instruments arising from the same transaction (or a series of related transactions) are treated as one debt instrument. The imputation rate for transactions during this same period is 10 percent for borrowed amounts up to $2 million and a blend of 10 percent and 120 percent of the AFR for borrowed amounts exceeding $2 million.

Other lower test and imputation rates.—The test rate for certain sales of homes and farm property after June 30, 1985, may not exceed 9 percent. This exception generally is limited to $250,000 for sales of homes and $1 million for sales of farms.

Applicable Federal rate.—The applicable Federal rate ("AFR") for a debt instrument is the lower of two published rates, one specified by the Tax Reform Act of 1984 (the "1984 Act") and one specified in temporary Treasury regulations. The statutory rate is based on the weighted average of yields over a period of six months for marketable obligations of the United States Government with a comparable maturity. Such rates are redetermined at six-month intervals for three categories of debt instruments: short-term maturity (three years or less), mid-term maturity (more that three years but not in excess of nine years), and long-term maturity (more than nine years).[1]

The rates determined under the temporary Treasury regulations are intended to reflect more accurately the current marketplace.[2] These rates are computed monthly

[1] Appropriate adjustments to the rates are to be made for application to debt instruments, the interest on which is wholly or partly exempt from tax (sec. 1288).

[2] The mechanism provided by the temporary regulations is intended to respond to a problem that may exist where interest rates decline after the period in which the Federal rates were determined.

using the same methodology described above, except that the rates reflect the average yields for one-month periods. In any month, the lower of the six-month rate or the monthly rate is the AFR. However, in cases where the monthly rate for either of the two preceding months is lower than the AFR for a particular month, the test rate for that month is the lower of the two such rates.

Exceptions.—The imputed interest rules do not apply to the obligor on a debt instrument incurred in the acquisition of personal use property, to the sale of certain patents, to certain annuities, and to transactions involving a sale of property with a sales price of not more than $3,000.

Method of accounting

Interest income and expense on debt instruments that are issued for property and that do not require the current payment of interest generally must be accounted for on the accrual method of accounting unless one of the following exceptions apply.

The accrual accounting requirement does not apply to (1) debt instruments issued for nonpublicly-traded property in transactions that are excepted from the imputed interest rules, (2) debt created in the sale of certain small businesses and farms, (3) debt created in the sale of a principal residence, and (4) debt created where the total payments are less than $250,000.

Assumptions

The assumption of the following debt obligations in connection with the sale or exchange of property, or the taking of property subject to such debt obligations, does not result in the application of the imputed interest rules, provided that the terms and conditions of the obligation are not modified in connection with the sale: (1) loans that were made before October 16, 1984, and assumed after December 31, 1984, in connection with the sale of property the purchase price of which does not exceed $100 million and (2) all loans assumed in connection with the sale of a residence, certain farms, and certain trades or businesses.

House Bill

The imputed interest rules

Overview

The House bill makes four basic changes to the imputed interest rates. First, the House bill generally reduces the test rate from 110 percent of the AFR to 100 percent of the AFR. Second, the House bill provides for lower imputed interest rates for certain smaller transactions. Third, the House bill provides that the imputation rate would be the same as the test rate (i.e., there would be no higher "penalty rate" where inadequate interest is stated). Finally, the House bill revises the computation of the AFR from a semiannual rate to a monthly rate.

Lower overall imputed interest rate

Under the House bill, the imputed interest rate (i.e., the test rate and the imputation rate) is reduced to 100 percent of the AFR.

Lower imputed interest rates for certain smaller transactions

The House bill places a limit on the imputed interest rates in smaller transactions that do not involve new property eligible for the investment tax credit. Under these rules, where the amount of seller financing [3] does not exceed $2 million, the House bill provides that the imputed interest rate cannot exceed 9 percent.[4] Where the amount of seller financing exceeds $2 million but is less than $4 million, the imputed interest rate cannot exceed a "blend" of 9 percent on a specified portion of the seller financing and the 100 percent of the AFR on the remainder. The portion of the seller-financing eligible for the 9 percent rate is equal to $2 million reduced dollar-for-dollar by the amount of seller financng over $2 million. Where the amount of seller financing is $4 million or more, the imputed interest rate is equal to 100 percent of the AFR. The $2 million and $4 million thresholds amounts will be indexed for inflation beginning after 1988.

For sales of new property eligible for the investment credit, the imputed interest rate for a seller-financed debt instrument is equal to 100 percent of the AFR regardless of the amount of seller financing.

Elimination of the penalty rate

Under the House bill, the imputation rate for a debt instrument that fails to state adequate interest will be the same as the test rate for that instrument. Accordingly, there is only one "imputed interest rate" for a transaction and there is no separate "penalty rate" where a debt instrument does not state adequate interest for any reason.

Determination of the applicable Federal rate

Under the House bill, the sole mechanism for determining the AFR will be the one currently prescribed by the temporary Treasury regulations. The alternative mechanism under present law for determining the six-month rate prescribed by the 1984 Act will be eliminated.

Under these revised rules, the AFR will be computed using the same methodology as under present law, except that the rates will be determined on a monthly basis and the rate will reflect the average yields for one-month periods. In addition, the AFR for a particular month may be used as the imputed interest rate for contracts for sales or exchanges entered into in that month and the next two succeeding months.

Regulatory authority

The House bill authorizes the Treasury Department to issue regulations specifying the circumstances in which transactions will be treated as "part of the same transaction or related transactions" for the purpose of applying the $2 million and $4 million limitations. The House bill also provides that the Treasury Department is authorized to issue regulations under which taxpayers would be permitted to demonstrate that, in appropriate circumstances, a rate lower than AFR provided by the statute, but calculated according to the same principles as the AFR,[5] is a more appropriate imputed interest rate for a particular debt instrument. Finally, the House bill authorizes the Treasury Department to issue regulations regarding the relationship of the imputed interest provisions to other Code provisions.

Method of accounting

The House bill provides that, in the case of certain debt instruments that otherwise would be subject to the accrual accounting requirement, interest income and expense arising from such debt instruments may be accounted for on the cash receipts and disbursements method of accounting. To be eligible for such treatment, (1) the stated principal amount of the debt instrument cannot exceed $2 million, (2) the debt instrument must arise from the sale of property by a cash-basis taxpayer who is not a dealer in the type of property sold, and (3) the lender and the borrower must jointly elect such treatment. A debt instrument meeting these requirements is to be known as a "cash-method debt instrument."

Special rules are provided relating to the treatment of taxpayers who are the successors to either the issuer or holder of a cash-method debt instrument. The Treasury Department is authorized to issue regulations prescribing rules to prevent abuses of the special treatment afforded to cash-method debt instruments.

Assumptions

Under the House bill, if an existing debt instrument is assumed in connection with the sale or exchange of property (or if the property is acquired subject to an existing debt instrument), the imputed interest rules will not apply to such existing debt instrument by reason of such assumption (or aquisition) unless either the terms of the existing debt instrument are modified in connection with the transaction or the nature of the transaction is changed.

Effective date

The provisions of the House bill relating to the amendment of the imputed interest rules are effective for sales or exchanges occurring after June 30, 1985.

Senate amendment

The imputed interest rules

The Senate amendment generally follows the House bill with certain modifications. Under the Senate amendment, in general, the amount of seller financing that would be eligible for the 9 percent rate is $2 million for all transactions where the amount of seller financing does not exceed $4 million. In transactions involving the sale of farm property or real property used in certain closely held trades or businesses, $2 million of seller financing would be eligible for the 9 percent rate, provided the total amount of seller financing did not exceed $9 million. Also under the Senate amendment, an imputed interest rate of 110 percent of the AFR would apply to any sale-leaseback transaction or any transaction involving a sales price in excess of $25 million. In addition, where the AFR exceeded 12 percent, the imputed interest rate for certain transactions would be limited to the sum of 12 percent and one-third of the excess of the AFR over 12 percent.

The authority granted to the Treasury Department to provide regulations that would permit taxpayers to prove that a lower imputed interest rate is appropriate would be effective as if it were contained in the 1984 Act.

Method of accounting

The Senate amendment is the same as the House bill.

Assumptions

The Senate amendment is the same as the House bill.

Conference agreement

The imputed interest rules

The conference agreement generally follows the House bill with the following modifications. Under the conference agreement, where the amount of seller financing does

[3] The amount of seller financing is measured by the stated principal amount of the seller-financed debt instrument.

[4] As under present law, all rates will be compounded semiannually.

[5] That is, rate that is calculated by reference to Treasury obligations with similar maturity.

not exceed $2,800,000, the imputed interest rate generally may not exceed 9 percent. Where the amount of seller financing is greater than $2,800,000, the imputed interest rate is generally 100 percent of the AFR. An imputed interest rate of 110 percent of the AFR, however, applies to sale-leaseback transactions. Indexing of the $2,800,000 threshold for the 9 percent rate (and the $2 million threshold for cash-method debt instruments) begins after 1989.

The effective date of the regulatory authority relating to the use of a lower imputed interest rate is the same as in the Senate amendment. In this regard, the conferees intend that the regulatory authority be exercised in a manner so that the lower rate would be permitted only in circumstances where it can be demonstrated that both the rate recalculated based on the same principles as the AFR and the rate at which the borrower can borrow funds on an arm's length basis is lower than the AFR that otherwise would be applicable to the borrower's debt instrument. Further, it is intended that the rate permitted under the regulations would be not less than the borrower's arm's length borrowing rate.

The conferees understand that where a sale or exchange takes place after June 30, 1985, pursuant to a binding contract entered into on or before that date, the imputed interest rates for such a transaction are to be determined pursuant to the provisions of the conference agreement using the applicable Federal rates in effect on the date the binding contract was entered into. For example, if a seller executes a binding contract on March 15, 1985, with a buyer to purchase nonpublicly-traded property with seller financing of $3 million and the transaction is closed on July 15, 1985, the test rate is 100 percent of the AFR for March 15, 1985.

Under the conference agreement, the imputed interest rules will not be applied to the issuance or modification of certain specified debt instruments held by the New York State Mortgage Loan Enforcement and Administration Corporation provided such issuance or modification is in connection with the workout of such debt instruments and the principal amount of indebtedness resulting from such workout does not exceed the sum (as of the time of the workout) of the outstanding principal amount of the specified debt instrument and any arrearages thereon. The conferees understand that the rate of interest charged with respect to the arrearages shall be not less than the rate on the related loan. The conferees intend no inference in adopting this provision regarding the appropriate income tax treatment of such debt instruments or of other debt instruments in similar circumstances. Specifically, the conferees intend that no inferences be taken from the adoption of this provision that any arrangements existing prior to or resulting from these workout agreements is properly considered as debt for tax purposes.

Method of accounting

The conference agreement is the same as the House bill and the Senate amendment.

Assumptions

The conference agreement is the same as the House bill and the Senate amendment. The conferees are concerned about the extent to which the assumption rules apply when the terms of the debt are modified. The conferees expect that the Treasury Department will issue regulations, consistent with the purposes of these provisions, regarding the proper tax treatment of all parties in transactions where the terms and conditions of the obligation are modified or changed in connection with the transfer of property.

B. ACCELERATED COST RECOVERY SYSTEM

Present law

In general, domestic real property placed in service after March 15, 1984, and qualifying as recovery property, may be depreciated on an accelerated basis under ACRS over an 18-year period, under tables of recovery percentages prescribed by the Treasury Department. These tables reflect a "mid-month" convention for property placed in service after June 22, 1984. Taxpayers may also elect to depreciate such property on a straight-line basis over 18, 35, or 45 years. The recovery period under ACRS for low-income housing described in sections 1250(a)(1)(B) (i), (ii), (iii) or (iv) is 15 years and no mid-month convention is used.

Under transitional rules provided by the 1984 Act, property placed in service after March 15, 1984, pursuant to binding contracts entered into, or where construction was commenced by or for the taxpayer, prior to March 16, 1984, may be eligible for a 15-year recovery period. Special rules under the 1984 Act are also provided relating to components of real property placed in service prior to March 16, 1984, that are placed in service on or after that date.[6]

House bill

Under the House bill, the minimum recovery period for domestic real property qualifying as recovery property generally is increased from 18 years to 19 years. However, this change in the recovery period does not affect the ACRS provisions relating to low-income housing (the recovery period of which remains at 15 years).

The provision of the House bill relating to the ACRS recovery period for real property is generally effective for property placed in service after May 8, 1985. Transitional rules similar to those under the 1984 Act are provided for property that is placed in service after May 8, 1985, and before January 1, 1987, where there was a binding contract to construct or acquire the property, or where construction was begun by or for the taxpayer before May 9, 1985. Special rules apply to components placed in service after May 8, 1985.[7]

Senate amendment

The Senate amendment is the same as the House bill with the exception that a conforming amendment relating to the eligibility of lessee-incurred costs for the rehabilitation tax credit (secs. 46 and 48(g)) is not effective for leases executed prior to May 22, 1985, if the lessee signed the lease before May 17, 1985.

Conference agreement

The conference agreement is the same as the Senate amendment. The conferees intent that the recovery percentages to be computed by the Treasury Department be done on a more exact basis than is current practice. Specifically, if the Treasury Department provides that depreciation may be calculated by applying specified percentages to the basis of the property, the conferees intend that the percentage be expressed to at least the nearest tenth of a pecentage point. Similarly, separate percentage rates should be provided for each month during a taxable year during which the property may be placed in service.

[6] Sec. 168(f)(1).

[7] Sec. 168(f)(1).

II. BELOW-MARKET LOAN PROVISIONS

Present law

Section 7872 of the Code, added by the 1984 Act, generally provides that certain loans that bear interest at a below-market rate, are to be treated as loans bearing interest at the market rate accompanied by a payment or payments from the lender to the borrower which are characterized in accordance with the substance of the particular transaction (e.g., gift, compensation, dividend, etc.). The market rate of interest for purposes of section 7872 is assumed to be 100 percent of the AFR at the time the loan is made in the case of a term loan or, in the case of a demand loan, 100 percent of the AFR in effect over the time that the loan is outstanding. The monthly rate provided by the temporary Treasury regulations under the imputed interest rules does not apply for this purpose.

Section 7872 applies to (1) loans where the foregone (i.e., below-market) interest is in the nature of a gift, (2) loans to an employee from an employer or to an independent contractor from one for whom the independent contractor provides services, (3) loans between a corporation and a shareholder of the corporation, (4) loans of which one of the principal purposes of the interest arrangement is the avoidance of any Federal tax, and (5) to the extent provided in Treasury regulations, any below-market loan if the interest arrangement of such loan has a significant effect on any Federal tax liability of either the lender or borrower. The provisions of section 7872 generally apply to term loans made after June 6, 1984, and to demand loans made after that date (or demand loans outstanding after June 6, 1984, which are not repaid before September 17, 1984). However, the below-market loan rules do not apply to loans made to elderly care facilities before June 6, 1984, that are contingent on the continued residence of the lender at the facility. The application of section 7872 is limited by certain *de minimis* exceptions and, for certain gift loans, by the net investment income of the borrower. In addition, transactions covered by the last category above (i.e., number 5) would not be effective prior to the issuance of such Treasury regulations.

Below-market loans made by individuals pursuant to arrangements providing for the satisfaction of personal needs in retirement may be considered to come within either of the last two categories.

House bill

No provision.

Senate amendment

Loans to continuing care facilities

Overview

Under the Senate amendment, certain below-market loans to a "continuing care facility," made pursuant to a "continuing care contract" are excepted from the below-market loan provisions of the Code. Thus, under the Senate amendment, such loans will not be treated as bearing an interest rate equal to the applicable Federal rate and no additional payments will be treated as made from the lender to the borrower. Loans to continuing care facilities pursuant to continuing care contracts would be subject to the below-market loan provisions to the extent that the criteria for the exception are not met.

Continuing care contract

A continuing care contract is an arrangement between an individual or a married

couple and a continuing care facility that meets five requirements. Under the first requirement, a retired individual or couple must be entitled to the use of the continuing care facility for the remainder of the individual's life or both married spouses' lives. Under the second requirement, such use must commence with residence in a separate, independent living unit provided by the continuing care facility.

Under the third requirement, during the period in which the individuals reside in the independent living units, the continuing care facility must be obliged to provide such individuals with various "personal care" services. Under the fourth requirement, the continuing care facility must also undertake to provide long-term nursing care for those individuals who are no longer capable of living independently, even with the aid of personal care services. Under the fifth requirement, the continuing care contract must require the continuing care facility to provide the personal care and long-term nursing services without substantial additional cost to the individual (i.e., there must be a significant insurance-like element for the individual).

Continuing care facility

A continuing care facility is one or more facilities that are designed to provide services under continuing care contracts and substantially all of the residents of which have entered into continuing care contracts.

Limitations

The exception is available for a loan only as of the calendar year in which the lender has attained age 65. A loan from either or both members of a married couple where only one spouse has attained age 65 will be treated as qualifying for the exception if both of the spouses are to reside in the continuing care facility. The exception applies only to the extent that the principal amount of a loan, when added to the aggregate outstanding amount of all other previous loans between the lender (or if the lender is married, the lender and the lender's spouse) to any continuing care facility, does not exceed $90,000. This amount is indexed for inflation.

Special rule for certain payments

Payment arrangements meeting specified requirements, between an individual and an elderly care facility meeting specified requirements are not treated as loans for purposes of the below-market loan rules. In general, the payment arrangement is one where an initial payment and a portion thereof that is refundable is based on the fair market value of residential accommodations supplied to the individual by the elderly care facility.

Effective date

The provisions of the Senate amendment relating to below-market loans to continuing care facilities pursuant to continuing care contracts are generally effective with respect to such loans that are made after the date of enactment. All such loans made on or before the date of enactment are expected from the below-market loan rules. In addition, any Treasury regulations relating to the application of the below-market loan rules to loans made to any elderly care facilities are prohibited from taking effect prior to January 1, 1986.

Employee relocation loans

The Senate amendment modifies the below-market loan rules with respect to so-called "employee relocation loans." An employee relocation loan is a loan from an employer to an employee, the proceeds of which are used by the employee toward the purchase of a principal residence in connection with commencement of work by the employee at a new principal place of work. The purchase of the principal residence must occur in a situation where any moving expenses incurred by the employee would be deductible under section 217 of the Code.

In the case of such employee relocation loans, the rate used for determining whether the loan is a below-market loan to which additional interest will be imputed, in the AFR for the month in which the employee enters into a written contract for the purchase of the principal residence, rather than the month in which the loan is made.

The provisions of the Senate amendment relating to employee relocation loans are effective for loans made pursuant to purchase contracts entered into after June 30, 1985.

Conference agreement

Loans to continuing care facilities

The conference agreement generally follows the Senate amendment with certain modifications. First, the requirement that the continuing care facility own or operate substantially all the facilities used to provide services under a continuing care contract is effective without regard to when a facility began operating (or a contract for the construction of the facility was entered into). Second, no restrictions are placed on the effective date of any Treasury regulations relating to the application of the below-market loan rules to loans made to elderly care facilities.

The provision in the Senate amendment relating to whether specified payment arrangements are to be treated as loans for purposes of the below-market loan rules is limited to three specified elderly care facilities that would not qualify as continuing care facilities under the Senate amendment. In this regard, the conferees confirm that the below-market loan rules of the 1984 Act and the changes made to those rules by this bill only apply to transactions that are loans for Federal income tax purposes. The conferees specifically intend that the provisions of the bill do not define, and do not alter, the prior law rules relating to what transactions are, or are not, to be treated as loans. In addition, the conferees understand that a payment to a continuing care facility pursuant to a continuing care contract frequently is wholly or partially refundable for a relatively brief period (e.g., six months) essentially for consumer protection purposes pursuant to State law or regulations. The conferees also understand that payments to a continuing care facility are often refundable on a declining pro rata basis over a somewhat longer period (often up to eight years). The conferees understand that such payments ordinarily would be treated as the advance payment of fees and not as loans under present law.

In addition, certain technical modifications have been made to the language contained in the Senate amendment.

Employee relocation loans

The conference agreement follows the Senate amendment.

DAN ROSTENKOWSKI,
SAM M. GIBBONS,
J.J. PICKLE,
CHARLES B. RANGEL,
PETE STARK,
JOHN J. DUNCAN,
BILL ARCHER,
GUY VANDER JAGT,
Managers on the Part of the House.

BOB PACKWOOD,
W.V. ROTH,
JOHN HEINZ,
DAVID DURENBERGER,
RUSSELL B. LONG,
LLOYD BENTSEN,
SPARK M. MATSUNAGA,
DANIEL PATRICK MOYNIHAN,
Managers on the Part of the Senate.

Mr. ROSTENKOWSKI. Mr. Speaker, I call up the conference report on the bill (H.R. 2475), to amend the Internal Revenue Code of 1954 to simplify the imputed interest rules of sections 1274 and 483, and for other purposes, and I ask unanimous consent for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois.

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that the statement of managers be read in lieu of the report.

Mr. DUNCAN. Mr. Speaker, I reserve the right to object.

The SPEAKER pro tempore. The Chair will state that the gentleman from Illinois [Mr. ROSTENKOWSKI] has called up the conference report, and pursuant to the order of the House of today, the conference report is considered as having been read.

The gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 30 minutes and the gentleman from Tennessee [Mr. DUNCAN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, H.R. 2475 provides a permanent solution to the controversy surrounding the imputed interest rules enacted in the Deficit Reduction Act of 1984. Last fall, Congress passed temporary legislation modifying the original imputed interest rules. This stopgap legislation expired on July 1, 1985. On May 21, 1985, the House of Representatives passed H.R. 2475 by a unanimous vote of 425 to 0. The bill was passed by the Senate with amendments on June 26, 1985. Under my unanimous-consent request, the differences between the two bills would be reconciled, and the imputed interest problem will be resolved at long last.

Under the compromise, transactions with seller financing of $2.8 million or less would require an imputed interest rate of the lesser of 9 percent, or 100 percent of the Federal rate. The 9 percent rate is not available for new property eligible for the investment tax credit. For seller financing in excess of $2.8 million, the imputed interest rate is 100 percent of the Federal rate. Both parties in transactions under $2 million may elect to use the cash method of accounting. The $2 million and $2.8 million thresholds will be indexed for inflation beginning after 1989. This structure closely resembles the structure passed by the House. A Senate amendment is included to provide that seller financing for sale-leaseback transactions must use an imputed interest rate equal to 110 percent of the Federal rate.

My unanimous-consent request provides that certain "workout agreements" of "specified MLC loans" will be exempted from the imputed interest rules. However, the bill does not contain any inference regarding whether any indebtedness existing prior to or resulting from these workout agreements are properly considered debt for tax purposes. My request also includes a technical Senate amendment relating to the treatment of employee relocation loans for the purchase of a principal residence in connection with a job-related move. In the case of such a loan, the rate in effect on the date that the purchase contract becomes binding.

Finally, my request includes a Senate amendment dealing with life care facilities. Specifically, loans of $90,000 or less made by a taxpayer age 65 or older to a "continuing care facility" pursuant to a "continuing care contract" would be exempt from the below-market loan rules enacted in the 1984 act. A continuing care facility is one which is owned or operated by one entity providing services under a continuing care contract where substantially all of the residents entered the facility pursuant to a continuing care contract. Furthermore, as stated in the Senate Finance Committee report, payments to a continuing care facility are often refundable for a relatively brief period—that is, 6 months)—or on a declining, pro rata basis over a somewhat longer period, often up to 8 years. It is intended that these payments will be treated as advance payments of fees, and not as loans. This provision would also exempt certain elderly care centers run by certain charitable and religious organizations in the St. Louis, MO, area.

Consistent with both the House and Senate bill, my request includes a 1-year increase from 18 to 19 years, in the depreciation recovery period for real estate—other than low-income housing—in order to ensure that the bill is revenue neutral. My request includes a minor change in the effective date of this provision to accommodate certain leasing transactions caught in the pipeline by the effective date in the original House bill. To avoid any unintended revenue loss, the Treasury Department is directed to precisely determine the new depreciation rates.

Except for the provisions lengthening the depreciation period for real property, the bill will apply to sales or exchanges after June 30, 1985. However, the Treasury regulatory authority to establish lower rates in certain circumstances will apply as if included in the Deficit Reduction Act of 1984.

Mr. Speaker, we are presenting to the House a bipartisan compromise that addresses legitimate concerns raised by last year's imputed interest rules. I urge the House to again give unanimous approval to H.R. 2475 as it did last May.

□ 2050

I reserve the balance of my time.

Mr. DUNCAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the gentleman from Illinois, the distinguished chairman of the Ways and Means Committee, in requesting the House to approve the conference report on H.R. 2475.

The issues raised by H.R. 2475 are not new to this body. The original House version of the bill represented an excellent compromise of the various concerns affecting seller financing transactions. The other body made only minor amendments to the substantive thrust of the original House bill but did add certain unrelated amendments. The conference report accepts some of those amendments while rejecting others. On balance, in view of the importance of achieving enactment of permanent seller financing rules, I urge the House to expeditiously approve this agreement.

Some urgency is appropriate because the stop-gap provisions enacted last fall expired on June 30, 1985. Were it not for this deadline, I might prefer to spend more time examining some of the other body's amendments to determine whether further modification of them would be helpful. We can, of course, do this through an oversight process in the future. In any event, I think it is important that we resolve this matter as expeditiously as possible, because many taxpayers are potentially affected adversely by the expiration of the stop-gap rules. Further delay in resolving this matter will only serve to create uncertainty which is both disruptive and unfair to taxpayers. I urge the House to approve the conference report.

Mr. DAUB. Mr. Speaker, will the gentleman yield?

Mr. DUNCAN. I yield to the gentleman from Nebraska.

Mr. DAUB. Mr. Speaker, I rise in support of the work of the conferees, particularly, and point out to my colleagues that this is going to be not only helpful to the realty industry, which has had some degree of uncertainty, but to the farm agricultural sales, which have had a real tough time deciding what the rules are going to be, and it is going to be very helpful to us in agriculture. I want to thank the committee.

Mr. ROSTENKOWSKI. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. DUNCAN. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. ARCHER], a member of the Committee on Ways and Means.

Mr. ARCHER. I thank the gentleman for yielding.

Mr. Speaker, I took a very, very strong role in opposing the imputed interest rules from its inception in the conference committee when it was adopted. I have played, hopefully, an active role in designing this effort to lift the onerous restrictions place by those imputed interest rules.

I have signed this conference report. It is not everything that I would have liked. But it certainly does go a long, long way in eliminating the very, very dire consequences of the imputed interest rules on most transactions. I am not satisfied with the life care provisions that the Senate put in, but that was a quid pro quo to get this conference report passed and to lift the restrictions that would otherwise apply.

So I urge adoption of the conference report.

Mr. DUNCAN. Mr. Speaker, I yield 1 minute to the gentleman from Minnesotta [Mr. FRENZEL], a member of the committee.

Mr. FRENZEL. Mr. Speaker, this conference report should be adopted. I have serious objections to two extraneous amendments, both of which were described by the chairman. I have reservations about the procedures. However, the need to restore certainty in the marketplace exceeds the reservations which I have.

Also, our need to get out of here is important, as well. We have all been recorded on this matter before. I think it is unnecessary to have another recorded vote. I hope the bill will be promptly adopted.

Mr. DUNCAN. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. MCGRATH], a member of the committee.

Mr. MCGRATH. I thank the ranking minority member for yielding time to me.

Mr. Speaker, I rise in support of the conference report. I congratulate the chairman and the ranking minority member for their efforts during this conference.

Mr. DUNCAN. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Speaker, I want to thank the gentleman for yielding, and I support what he is trying to do.

Mr. Speaker, a number of Members have asked if we are going to bring up H.R. 3008. The minority leader of the subcommittee and I, out of deference and respect to the Members, have decided to win the bill in September.

Mr. LOWERY of California. Mr. Speaker, the Federal debt, now more than $1.3 trillion, has quadrupled during the past 8 years. In the past 22 years, while our population has grown 27.5 percent, prices have grown 246 percent, and the Federal budget has grown 1,000 percent. While I will support this budget resolution it is unfortunately nothing more than a heavy fog in the face of a budgetary forest fire. Year in and year out, we have spent more than we have taken in, creating a series of increasing deficits which have placed this nation in economic danger. There is no place left to hide, no one left to whom we can pass the buck. Congress must now face some tough decisions.

Not only do deficits indicate improper management of our Federal funds, but they also create serious difficulties for our economy. High interest rates and low economic growth interact to create an uneven field upon which our industry and workers must play. In this vicious cycle, the more the Federal Government spends, which many Democrats would have us believe to be beneficial, the less money there is for our economy. In short, there is no way to have full employment and balanced growth in our present budget environment.

Earlier today, the budget conferees approved a resolution that will, according to the Congressional Budget Office, cut some $39 billion from Federal deficit in fiscal year 1986—some $17 billion less than the $56 plus billion originally discussed. While I will support final passage of this measure, I have some serious reservations concerning its long-term effectiveness in reducing the chronic Federal deficit. Gentlemen, this measure is simply milk toast. Bargaining has given the House its COLA money and the Senate its defense money. This resolution is nothing more than another in a series of big-spender you-get-yours-and-I'll-get-mine deals that have driven our Federal deficit up to the $200 billion level.

Mr. Speaker, in my estimation, this resolution amounts to a surrender of our budget process to the deficit and partisan posturing. There is no way we can reduce our deficit below $100 billion by 1988 without making some of the tough decisions facing Congress, such as the cost of across-the-board COLA's and runaway domestic spending and getting cost-effective defense spending. Although, Senate Concurrent Resolution 32 is our last chance before recess to make a dent in our deficit, I want to remind my colleagues that this legislation is only a beginning. We must acquire the intestinal fortitude to make the tough decisions facing our children's and their children's future.

I want to conclude, Mr. Speaker, by urging all my colleagues not to let this chance for some deficit progress slip away and support Senate Concurrent Resolution 32. Let us not settle for another budgetless year.

● Mr. ROTH. Mr. Speaker, I rise in support of this legislation. Final enactment of this bill will eliminate a great deal of confusion and uncertainty as to the future of seller-financing of real estate.

With this bill common sense will prevail as public policy. The imputed interest rules we approved last year as part of the Tax Reform Act were properly motivated toward eliminating abuses in seller-financed real estate transactions. But, properly motivated or not, they were unfair and caused havoc in the real estate industry.

In closing a tax loophole we tightened a noose around the necks of honest homeowners, farmers, and small businesspeople who wished to engage in routine real estate transactions.

For a number of months, many people have been uncertain as to whether Congress would finally act to rectify last year's injustice. Many people have been hesitant to negotiate the sale of their homes, farms, and businesses, and I am certain our economy has suffered as a result. But today we were restoring some uniformity and certainty to the marketplace.

This compromise represents a good faith effort to restore some sense and sensibility to the Tax Code. Our colleague, the chairman of the Ways and Means Committee, and others who have worked so hard on this legislation deserve credit for responding to the concerns of the Congress and the American people. As a realtor I know the impact of seller financing issue on real estate transactions. The House action is the appropriate action.●

Mr. DUNCAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. WEISS. Mr. Speaker, I ask unanimous consent to make a personal explanation on certain missed votes and to have the statement appear in the appropriate place in the permanent RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WEISS. Mr. Speaker, because of obligations in my congressional district, I was not present for part of the session on July 16, 1985, and I consequently missed three rollcall votes, those numbered 226, 227, and 228. Had I been present, I would have voted "yes" on all three of those votes.

AUTHORIZING SPEAKER TO DECLARE RECESSES TODAY

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that it may be in order for the Speaker to declare recesses at any time today, subject to the call of the Chair.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. STRANG. Mr. Speaker, reserving the right to object, may I ask the gentleman why?

Mr. FOLEY. If the gentleman will yield, it is anticipated, Mr. Speaker, that following the action of the House in adopting the conference report on the budget that the House would be awaiting Senate action on the budget and the adoption of the adjournment resolution by the other body. Since we have not programmed legislation during this late part of the evening, pending the action of the Senate, it was the intention to declare a recess until the Senate reports its action to the House.

Mr. STRANG. I thank the gentleman for his explanation, and I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZING THE SPEAKER TO ACCEPT RESIGNATIONS, AND TO APPOINT COMMISSIONS, BOARDS, AND COMMITTEES, NOTWITHSTANDING ADJOURNMENT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Wednesday, September 4, 1985, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, SEPTEMBER 4, 1985

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday, September 4, 1985, may be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

APPOINTMENT AS CHAIRMAN OF COMMISSION ON U.S. HOUSE OF REPRESENTATIVES BICENTENARY

The SPEAKER pro tempore. Pursuant to the provisions of section 3 of House Resolution 249, 99th Congress, the Chair, without objection, appoints the gentlewoman from Louisiana [Mrs. BOGGS], as Chairman of the Commission on the U.S. House of Representatives Bicentenary.

There was no objection.

DESIGNATION OF THE HONORABLE JIM WRIGHT TO ACT AS SPEAKER PRO TEMPORE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS UNTIL SEPTEMBER 4, 1985

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC, *August 1, 1985.*

I hereby designate the Honorable Jim Wright to act as Speaker pro tempore to sign enrolled bills and joint resolutions until September 4, 1985.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

The SPEAKER pro tempore. Without objection, the designation is agreed to.

There was no objection.

□ 2100

GENERAL LEAVE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentleman from Massachusetts [Mr. MAVROULES].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

POSTAL SERVICE HARDSHIP DELIVERY POLICY

(Mr. ROWLAND of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROWLAND of Georgia. Mr. Speaker, on behalf of myself and the distinguished gentleman from California, the Honorable EDWARD R. ROYBAL, chairman of the House Subcommittee on Treasury and Postal Service Appropriations and the Select Committee on Aging, I introduced yesterday legislation that will require the U.S. Postal Service to prescribe regulations relating to the delivery of mail to physically handicapped individuals.

On December 20, 1984, Mrs. Lois Martin, an elderly resident of Baxley, GA was fatally struck by a passing motorist as she attempted to cross a frequently traveled highway to retrieve her mail. Mrs. Martin was 79 years of age, wore hearing aids in both ears and had impaired vision. It is quite possible, had an alternative method of mail delivery been available to Mrs. Martin, this tragic situation could have been avoided.

Although the Postal Service has a policy that provided door delivery for individual customers for whom regular delivery would place an extreme hardship, it is ambiguous at best, and provides no written criteria for determining eligibility. The current hardship delivery policy consists of a one-sentence paragraph in the Postal Operations Manual and the Domestic Mail Manual. I find it disturbing that written guidelines exist nowhere within the Postal Service to provide guidance for postal officials who are charged with making a decision on who qualifies.

Thus, this legislation will require the Postal Service to develop written criteria and guidelines for the granting of a hardship delivery exception to the regular mail delivery and publish such information in the Federal Register for public comment. The bill is designed to codify the current Postal Service policy and directs them to identify to the best of their ability those individuals for whom the policy was originally designed.

It is extremely unfortunate that such a tragic situation had to occur prior to this matter receiving some attention. However, the offering of this bill today may very well prevent such a situation from reoccurring in my district or some other congressional district with similar circumstances. While the measure does not mandate any particular individual as being eligible for an alternative method of mail delivery, it provides the mechanism for making a determination.

[From the Baxley News-Banner, Jan. 10, 1985]

CHRISTMAS TRAGEDY REMEMBERED

Dear Mr. Gardner, Christmas has just passed, but our families' was not a Christmas to remember. We lost our grandmother Christmas day in a tragedy that was unnecessary and one that, we feel, could have been prevented.

On Dec. 20 I left work and drove the eight miles home to find my husband's grandmother, Lois Martin, lying on the highway. She was struck by a car as she was coming back from her mailbox, which is across the highway from her house. I won't go into the gory details of what I saw as she lay unconscious on Highway 15 S. She was rushed to Appling General Hospital and then transferred to Ware Memorial Hospital in Waycross, where she lay semiconscious for five days. She died on Christmas Day.

As my husband, Keith, and I sat in the hospital watching and waiting to see what would happen, we wondered what could be done to prevent a tragedy like this from happening again.

Grannie Martin's mailbox has been on her side of the highway for at least 30 years, that we know of. Two years ago she was told, as we were, that our mailboxes would have to be put across the highway. Keith's family contacted the post office to see what could be done to get Grannie's mailbox moved back to her side of the highway. They were told that the mailbox could not be moved and that if it was moved, she would no longer be served.

Please keep in mind that we are talking about a 79 year old woman who had had cataract surgery on both eyes, and hearing aides in both ears. The post office is asking her to cross a busy highway to get her mail.

On Dec. 27, the day of the funeral, someone asked Mrs. Dyal (Keith's mother) if the post office had informed us of a "hardship case delivery". We had not been told anything about this. We have since found out more about it. A simple letter from her doctor would have taken care of the matter IF we had known about it. The post office had told us nothing could be done, and we took them at their word.

Two days before Mother's Day in 1984 Grannie was almost hit by a car. The car went in the ditch to avoid running into her. Again the post office was contacted to see if we could move the mailbox. We received the same reply . . . no.

We found out since this accident that Grannie, herself went to the post office in December to ask again about getting the mailbox moved from across the highway and again the same reply . . . no.

I realize that there are laws and regulations that have to be observed by the postal service, but NO ONE, especially not a 79 year old lady should have to cross a busy highway to get their mail! What happened to helping senior citizens or just plain old common courtesy?

Since Grannie's death we have found out about many people that have to walk across a highway to get their mail and of the many "close calls" they have had.

Mr. Gardner, there are many people throughout the area where we live that have small children, including myself, and many elderly people that have to walk across the highway to get their mail. We as a family and we the community out on Hwy. 15 S. want to see that something is done to prevent a tragedy like this from happening again. We realize that it is too late to save Lois Martin's life but through our effort and yours we would like to see that something is done about getting the citizens' mailboxes moved to their own side of the highway.

The day after the accident someone moved our mailbox, Grannie Martin's mailbox, and the mailbox of another elderly

couple down the road from us back to our side of the highway in an effort to help save us from the tragedy that Grannie suffered. We have yet to receive any mail in our box, Grannies' box, or the couple down the road's box.

I am issuing a plea to the people of Appling County that are interested in avoiding further tragedies. Please join us in our effort to get mailboxes moved from across highways all over the county. If you will help, please feel free to contact us at any time.

Thank you,

KEITH AND JOAN DYAL.

BAXLEY, GA.

DIALOG ON NICARAGUA

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. ALEXANDER. Mr. Speaker, many of our Members have addressed the subject of violence this morning in South Africa, Afghanistan, and the Soviet Union, and I would like to talk about violence in Central America.

I have here a summary of a recent dialog between Dr. Wayne Smith, former head of the U.S. interest section in Cuba and Sandinista officials, reporting on the fact that Nicaraguans remain ready to negotiate political concerns of Americans in Central America, which include prohibition of foreign bases, the withdrawal of foreign military personnel, the halting of military buildup, and the halting of cross-border support for guerrillas.

What remains, Mr. Speaker, is a U.S. policy that seeks a political rather than a military solution. Knowing of Members' interest in the recent developments in Central America, I am including a copy of this summary in the RECORD and forwarding the same to Members of Congress so that they will have this report available during the recess.

JULY 30, 1985.

Hon. BILL ALEXANDER,
Cannon House Office Building, Washington, DC.

DEAR CONGRESSMAN ALEXANDER: I returned last week from a trip to Managua during which I had the opportunity to talk with President Daniel Ortega, to Acting Foreign Minister Tinoco, and to various other Nicaraguan leaders. On the basis of these conversations, I would say it is quite clear that the Nicaraguans remain ready to address our security concerns in the area. As part of a regional settlement, they would be prepared to do the following.

To prohibit foreign bases. The Nicaraguans would agree not to permit any Soviet or Cuban bases on their territory. This would of course be subject to on-site verification. In return, they would expect the other Central American countries also to prohibit foreign bases. This would mean that U.S. advance bases in Honduras would have to be dismantled.

To withdraw foreign military personnel. The Nicaraguans are also prepared to negotiate a formula for the drastic reduction of foreign military personnel in the area. Since the formula presented to the draft Contadora treaties was unacceptable to El Salvador and Honduras, it would probably be better to concentrate on a numerical limitation. That is perfectly acceptable to the Nicaraguans, provided the limit is balanced and reciprocal.

To halt any military buildup. The Nicaraguans are prepared to sit down with their neighbors at any time to work out a formula for the imposition of ceilings on the size of armies and restrictions on the number and nature of their armaments.

To halt cross-border support for guerrillas. The Sandinistas are prepared to commit themselves not to engage in the provision of material support to the guerrillas in El Salvador or to any other groups in Central America. They would submit to on-site verification procedures. The other side of the coin would be that the United States, Honduras, and Costa Rica would have to halt their support for the contras.

The Sandinistas are prepared to negotiate not only these security-related issues but also a series of commitments related to human rights, political pluralism, and national reconciliation. They are not going to accept the conditions for an internal dialogue put forward by the so-called Declaration of San Jose, but they do not reject a dialogue with some elements of the opposition. Certainly we are likely to encourage more progress in these internal matters through diplomacy than through military action.

It seems quite clear to me that we could achieve most of our objectives, especially those which are security-related (and they are the most important ones to us) through negotiations leading to verifiable international agreements. It is equally clear, however that the Administration has no real interest in the negotiating option. This was illustrated anew a few days ago. On July 22 the foreign ministers of the Contadora countries called on the United States and Nicaragua to resume their bilateral talks. Nicaragua almost immediately reiterated its wilingness to do so. As you know, however, the United States has refused the Contadora request. Given that the Nicaraguans are prepared to negotiate and to co-operate with the Contadora process, while we refuse, it is difficult to understand how the Administration can seriously argue that we must continue funding the Contras so as to pressure the Sandinistas to negotiate. If we wanted to negotiate, the Sandinistas would be ready to sit down with us right now. Further, we cannot say we are cooperating with the Contadora process and at the same time press ahead with our so-called "secret" war against Nicaragua. The two things are mutually exclusive.

Having studied our present policy toward Nicaragua in some detail, I have concluded that it is essentially counter-productive; certainly it does not achieve our objectives. I am further persuaded that the Contadora process cannot succeed under present conditions. If it is to work, the United States itself must become directly involved. I have prepared a paper which outlines these conclusions in greater detail. For your convenience, the summary of that paper is reproduced below. I hope you find it useful:

AN ALTERNATIVE POLICY FOR NICARAGUA

I. Summary

The Reagan administration's policy toward Nicaragua is one of weakness and ineffective bluster. Rather than preventing a second Cuba, it leads inexorably toward one. Rather than making the use of American troops unnecessary, it will, if followed to its logical conclusion, almost certainly culminate with U.S. military involvement. Rather than "containing" a Marxist regime, the Reagan policy leaves it unfettered and enhances its international standing. Far from being the tough, resolute approach portrayed by the President, present policy is one of confusion and ineffective measures which detract from, rather than enhance, our image as a great, self-confident power that knows how to protect its interests with a minimum of force.

The United States has legitimate concerns in Nicaragua and is right to be suspicious of Sandinista intentions. Present policy, however, does not effectively address those concerns or advance sensible U.S. objectives. The most urgent U.S. aims should be: 1) to prohibit the establishment of any Soviet or Cuban bases; 2) to bring about the withdrawal of foreign military personnel; 3) to halt all cross-border support for guerrillas and other subversive groups; and 4) to place a ceiling on military establishments so that no one country, Nicaragua or any other, be in a position to threaten its neighbors. Beyond these security-related objectives, the United States should also want to promote pluralism, human rights and economic well-being in the area.

None of the objectives outlined above is served by present policy. The Administration speaks in cliches of "supporting democracy" and "stopping communism", but it has not been able to explain in over three years time how funding the contras accomplishes those purposes. In fact, of course, it does not. Funding the contras is more a public relations gimmick than a policy. The contras do not have the capability to overthrow the Sandinistas, nor has their war against the latter advanced any of the U.S. objectives outlined above. Quite the contrary, thanks to present U.S. policy and the activities of the contras, there are more Cuban advisers in Nicaragua now than four years ago, a closer military relationship between Managua, Havana and Moscow, and greater tensions.

In addition to being ineffective, moreover, present U.S. policy toward Nicaragua violates international norms, is inconsistent with our traditional values, divides rather than unites the U.S. body politic and is not supported by our allies. No major government in the world supports our clandestine war against the Sandinistas. No government outside Central America supports our economic embargo against Nicaragua. Rather than upholding rule of law, present policy undermines it.

What the U.S. should be doing is to so bind and restrain the Sandinistas through verifiable, international agreements as to achieve all our security-related objectives and most of the others as well. This could be done. The Sandinistas have recently reiterated that as part of a regional accommodation inspired by the Contadora process, they would commit themselves not to permit any foreign bases on their soil, to send home Soviet and Cuban military personnel, to halt any support for guerrillas operating in other countries and to place restrictions on the force levels and weapons of their armed forces. The United States would not simply trust the Sandinistas to abide by these agreements. Of course not; rather, there would be means of verification and if the Sandinistas violated the agreements, the United States and other OAS countries would be in a position to take measures against Nicaragua under the provisions of

multilateral agreement and in full accordance with international law. By working through international conventions, the United States would be upholding international law and at the same time achieving our objectives in the area. That would be a tremendous improvement over present policy which neither upholds rule of law nor achieves U.S. objectives.

A change of policy is urgently needed. However it has from time to time attempted to disguise it, the Administration's present approach is one of trying to bring about the ouster or capitulation of the Sandinistas by force. This will not succeed unless the United States uses its own armed forces, with all the risks and consequences that implies. Yet, we do *not* have to oust the Sandinistas to secure our objectives; they can be achieved through multilateral diplomacy resulting in the sort of verifiable agreements outlined above. So far, however, while rhetorically supporting the Contadora process and other diplomatic openings, the Administration has in fact done everything it could to undermine them. As its objective has been to get rid of the Sandinistas, it has had no interest in any regional settlement which would have left them in power. Quite the contrary, it has sought to prevent any such accommodation. If the Administration holds to its present positions, the Contadora process cannot succeed—which is just what the Administration wants. It would thus be free to pursue its confrontational policies unencumbered by the compromises implied by negotiations, and since it is not a direct party to the Contadora process, it would avoid responsibility for the failure of that process.

The key to reversing that equation and opening the way to effective diplomacy, and the point on which opponents of the present policy could usefully concentrate their efforts, is to bring about the direct engagement of the United States in the process of multilateral negotiations. The logic of this is unassailable. If the United States feels such a strong responsibility for the outcome of the situation in Central America that it is willing to use force, then it stands to reason that it should also feel, and take, some responsibility for the outcome of the negotiating process. It makes no sense at all for the Administration constantly to emphasize how deeply interested we are in Central America, and how important are our security interests there, but at the same time to stand aside from diplomatic efforts to produce a peaceful solution. The United States should actively join the Contadora nations, the Central American states, and other interested parties, in a concerted effort to produce a regional accommodation satisfactory to all. If it does not, U.S. policy in Nicaragua will either fail or will lead to full-scale U.S. military involvement.

Sincerely,

WAYNE S. SMITH,
Scholar in Residence.

A VETO-PROOF PRESIDENT

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DORNAN of California. Mr. Speaker, today is day 503 in terrorist captivity for William Buckley, our Lebanon American Embassy political officer. It is day 450 in terrorist captivity for Rev. Benjamin Weir, who has now been held 6 days longer than the longest held of the 52 U.S. Embassy hostages in Tehran during the Presidency of Jimmy Carter. President Ronald Reagan does indeed have another serious hostage crisis on his hands. Instead of 52 Americans there are 7, equally as important to all of us, equally as precious to their families. We will not forsake then.

Mr. Speaker, the other reason I have asked to address my colleagues today is that I have in my hand a historical letter that makes the 40th President of our United States, Ronald Reagan, veto-proof in this House of Representatives, therefore veto-proof in this 99th Congress. A letter similar to this is being circulated on the Senate side to reinforce the statement to the liberal big spenders in this Congress that the President can and should veto any spending bill he chooses with no fear of override. Here are the signatures of 145 Members, plus 2.

They promise with their signature that they will sustain the veto of our President on any spending bill in this Congress that is a budget-buster.

I will read two paragraphs from the letter, and then insert the letter in the RECORD. The White House has asked me to hold this letter until the Congress comes back from the August district work period. This is an insurance policy under the President's pillow that this Congress will now have to be serious about spending cuts.

The letter starts "Mr. President, the overwhelming majority of the American people spoke loud and clear last November," 49 States' worth of overwhelming votes. "They want the deficit reduced through spending reductions, not tax increases. That is our goal, and we believe, as you do, that such an approach is necessary to achieve sustained economic prosperity.

The concluding paragraph, "Therefore, Mr. President, we, the undersigned Members of Congress will support your veto of any spending bill that fails to achieve serious deficit reduction * * *" The dynamics of power have changed. The President's veto mechanism is now fail safe.

Ronald Reagan is now a veto-proof President for the rest of this 99th Congress.

Mr. Speaker, the full body of my letter follows:

HOUSE OF REPRESENTATIVES,
Washington, DC, July 24, 1985.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: The American people spoke loud and clear last November. They want the deficit reduced through spending reductions, not tax increases. That is our goal, and we believe, as you do, that such an approach is necessary to achieve sustained economic prosperity.

As Members of Congress who believe that serious efforts are needed to bring spending under control, we are concerned about, indeed downright frustrated by, the intransigence of some Members to permit real spending reductions to be achieved.

The deadlocked House-Senate negotiations and the tendency of Congress to submit to special interest pressure have many of us questioning whether we will have a budget at all this year. In the event that the current deficit reduction effort fails, we believe it is important that you have a "failsafe" mechanism available so that progress on the deficit can still be made.

The more the budget negotiations drag on, the more apparent it becomes that a veto strategy may be the only way to get spending under control.

Therefore, Mr. President, we, the undersigned Members of Congress, will support your veto of any spending bill that fails to achieve serious deficit reductions, consistent with FY 1986 savings of some $56 billion.

Again, Mr. President, we stand with you all the way.

Best regards,

ROBERT K. DORNAN.
DELBERT L. LATTA.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Before declaring a recess the Chair will entertain special orders.

CATARACT SURGERY FRAUD, WASTE AND ABUSE: A LEGISLATIVE RESPONSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. PEPPER] is recognized for 5 minutes.

● Mr. PEPPER. Mr. Speaker, I have introduced a package of reform legislation which I believe will correct a number of very serious problems brought to light by a recent investigation of the Subcommittee on Health and Long-Term Care of the House Select Committee on Aging and result in a savings to the Medicare Program of over $4 billion during the next 3 years.

Results of the subcommittee's 2 year investigation, released at a hearing July 19, 1985, revealed massive amounts of fraud, waste, and abuse surrounding cataract surgery, the most common major surgical procedure paid for by the Medicare Program. We found that roughly half of the Nation's $3.5 billion annual bill for cataract surgery is lost to fraud, waste, and abuse. Losses to the Medicare Program alone will total over $1.5 billion this year.

Cataract surgery, which in 1981 required a 3-day stay in a hospital, now requires a 3-hour visit to a hospital on an outpatient basis. Improved surgical techniques and hospital cost containment have contributed largely to a shift from the hospital to an outpatient setting (either in the hospital or a free standing surgical clinic). Today 8 of 10 cataract operations are per-

51-059 O-86-44 (Pt. 16)

formed on an outpatient basis. Intuitively, one would think that savings would accrue to the Medicare Program by eliminating hospital stays and the attendant services which accompany the stay. This has not been the case.

Medicare pays no less than $2,400 for cataract surgery performed on an inpatient in the hospital basis where costs are controlled by the new prospective payment system [PPS]. When the same surgery is performed in the same hospital, even by the same doctor, but on an outpatient basis, Medicare is paying up to several times this amount—as much as $5,700—for using only 3 hours of hospital resources. While PPS was intended to reduce Medicare costs by putting a limit on the amount paid for services provided in a hospital, the same rules don't apply to outpatient services. Medicare seems to be giving providers a "carte blanche" for what should be less expensive services.

Another factor fueling fraud, waste and abuse in cataract surgery relates directly to the price of the artificial lense or [IOL] implanted in the eye during the procedure and Medicare reimbursement practices associated with the IOL. In 1984, Medicare paid from $300 to $750 apiece for these lenses. The manufacturing cost for an average quality IOL is from $35 to $50. Under PPS, many hospitals have gone to competitive bidding for their IOL's and have reduced costs by over 50 percent to under $100 per lense.

The first bill of my reform package, H.R. 3061, will end Medicare's senseless overpayment for cataract surgery performed on an outpatient basis by capping what it will pay for this surgery (including the cost of the IOL implanted) to some percentage less than the rate established under PPS for inpatient cataract surgery. This bill would save the Medicare Program over $1 billion this year and at least $4 billion over the next 3 years.

The second bill of the package calls for an annual review to be performed by the Congressional Office of Technology Assessment of changes in technology and skill associated with artificial devices and organs and their implantation. The bill requires OTA to report to Congress how Medicare payments should be altered to reflect these changes. This would keep Medicare payments in line with rapidly changing technology and skills. Having no formal mechanism to do this has resulted in unreasonable and wasteful reimbursement. For example, the fee paid to physicians for cataract surgery is now around $1,200. This rate was established prior to 1981 when the procedure took 3 hours. Now a surgeon can perform the same surgery in 20 to 30 minutes, but Medicare has not altered its payments.

It is obvious that with vast differences between the manufacturing cost and the final price Medicare pays for these IOL's—as much as $715—profit margins are high. We found that some manufacturers of these lenses are trying to stave off true competitive bidding by taking $50 to $150 out of their profits to buy off some physicians and gain a competitive edge. The subcommittee uncovered evidence of improper inducements, kickbacks, bribes, and other illegal marketing practices throughout the IOL industry. Inducements ranged from outright payments of cash to physicians, in the form of $50 to $100 deposits in foreign bank accounts, for each lense purchased, to free stock in the manufacturer, free lasers and other cataract surgery equipment, keys to resort condominiums, second homes, and medical skiing seminars.

Over 1 million IOL's will be implanted in the eyes of Americans in 1985, costing on the average of almost $400 apiece. Medicare will pay for approximately 816,000 of these lenses at a cost of about $325 million. Evidence gathered by the subcommittee suggests that half the price of each lense is lost to fraud and improper inducements resulting in a loss to the Medicare Program of about $160 million this year. I believe that by including the IOL in a capped payment for outpatient surgery, as H.R. 3061 would do, much of this fraud will be eliminated.

We were distressed to learn that another type of improper inducement offered by IOL manufacturers to doctors performing cataract surgery, payments per lense for "phony" consultant work, has de facto approval from the Federal Government. The Food and Drug Administration [FDA] oversees the approval process for new IOL's. Manufacturers can pay doctors to serve as "investigators" implanting their as yet unapproved lenses and reporting any adverse consequences. The FDA has no controls over what is being paid to doctors and admits that they do not use the data provided by these "investigators." The subcommittee found that this has led to widespread use of "legalized kickbacks" to doctors simply for using a certain manufacturer's IOL.

The third and final bill of my reform package would limit what manufacturers could reimburse physician "investigators" to no more than what it reasonably costs the doctors in time over that required for normal patient care to serve as investigators (such as the filling out of forms or reporting of adverse consequences.) This will establish Government oversight which should effectively squeeze out what are now "legalized kickbacks" in the investigation of nonapproved medical devices.

At a moment in time when the Congress is struggling to find ways to reduce the soaring Federal deficit, often by making difficult and painful program reductions, I cannot in good conscience ignore this grand scale squandering surrounding cataract surgery. I believe that with the changes called for in my package of legislation, we could continue to provide necessary and effective cataract surgery, enjoy its rich benefits, while saving the American taxpayer and the Medicare program over $4 billion over the next 3 years.

I strongly urge my colleagues to join me in supporting this timely and important reform legislation.●

RACKETEER WEAPONS AND VIOLENT CRIME CONTROL ACT OF 1985

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. RODINO] is recognized for 5 minutes.

● Mr. RODINO. Mr. Speaker, I am today introducing the Racketeer Weapons and Violent Crime Control Act of 1985, a crime fighting bill that will significantly strengthen our Nation's gun laws. Joining me in sponsoring this bill are Representatives WILLIAM HUGHES, BILL GREEN, and G. WILLIAM WHITEHURST.

This legislation will close a major loophole in the Gun Control Act of 1968 by providing a reasonable waiting period before a handgun can be purchased to ensure that criminals, drug addicts, mental incompetents, and other undesirables cannot get their hands on a gun. This is a critical crime control provision. It allows law enforcement agencies 15 days to check the records of a prospective purchaser of a handgun, and it provides time for an impassioned potential killer to "cool off."

This bill also bans the transfer and possession of machine guns and silencers, which are weapons of assassins and terrorists and have no sporting use at all. At the same time, it attempts to meet some of the concerns of sportsmen and gun dealers by lessening penalties for technical violations of gun regulations and eliminating paperwork that has no law-enforcement purpose.

As such, this is a balanced measure. It strengthens the gun laws with the goal of reducing crime, and it provides sportsmen and gun dealers relief from regulations not needed for crime control.

There is good reason why a waiting period is not only desirable but essential. The Gun Control Act of 1968 lists various classes of individuals that are not eligible to buy firearms. But Federal law currently offers no way to enforce this provision, except for an honor system in which the purchaser assures the gun dealer that he is not a drug addict or a felon. This enforcement loophole is best dramatized by

the history of the handgun used in the attempt to kill President Reagan. As the 1981 Attorney General's Task Force on Violent Crime states:

> Since drug addicts, felons, mental defectives, and the like are not the best risk for the "honor system", a waiting period * * * is sensible and necessary to effect the purposes of the Act.

In other words, handguns must be kept out of the hands of the wrong people. This is a view strongly held by major law enforcement organizations, who have urged me to submit waiting period legislation and hold hearings on it. In letters to Members of Congress, these organizations—which include the Fraternal Order of the Police, the International Association of Chiefs of Police, the National Troopers Coalition, the Police Foundation, the National Organization of Black Law Enforcement Executives, and the Police Executive Research Forum—state that "there is an urgent need for stronger, not weaker, Federal handgun laws," and call for the adoption of a national waiting period.

They have good reason for their position: Two-thirds of all police who died in the line of duty last year were killed by handguns.

The waiting period is also popular with the American people. A 1981 Gallup Poll showed that 91 percent of Americans favor it. Newspapers around the country have endorsed it. And many sportsmen—tired of seeing reasonable law enforcement measures destroyed in their name—think it is a good idea.

Recent research bears out the need for a waiting period. Studies by the Rand Corp., indicate that a small number of repeat offenders commit a high proportion of the violent crimes—it is estimated that 6 percent of the offenders are responsible for 50 to 70 percent of the violent crimes. A reasonable waiting period, therefore, will enable the FBI and the local police to screen out these repeat offenders when they come to buy a handgun. The result can only be fewer crimes and better public safety.

Indeed, where waiting periods have been in effect, they have been highly effective. In the first 6 months the law was on the books in Broward County, FL, 37 prospective purchasers were prevented from buying a handgun. California's attorney general said that 1,200 felons were rejected in 1981.

Even the National Rifle Association has acknowledged the utility of a waiting period. In a pamphlet, "On Firearms Control," the NRA stated that "a waiting period could help in reducing crimes of passion and in preventing people with criminal records or dangerous mental illness from acquiring guns." The NRA notes that "a waiting period should be clearly specified, fixed, and reasonable in time, after which the firearm should be delivered unless the purchaser is disqualified by the police." This is exactly the intent of my bill.

The handgun murder rate in America is 100 times greater than England's and 200 times greater than Japan's. Twenty-thousand Americans die from handguns each year, an average of over 50 handgun deaths per day. There are now over 60 million handguns in this country. One is sold every 12 seconds. America is being armed with handguns at an alarming rate. Handgun death has become a ghastly, depersonalized statistic. How many more violent crimes and deaths are necessary before we begin to put the brakes on this national tragedy? The waiting period is an idea whose time has come.

I do not claim this legislation will stop crime. But it could help curb the criminal violence that takes innocent lives and causes frightened citizens to arm themselves in a spiraling search for a balance of force against terror.

As a nation, we must do something about the fact that our staggering rate of handgun crime and death is a direct result of the ease with which any criminal can obtain a handgun. At stake, in the end, is the confidence of the people in the Government's ability to maintain the safety of its citizens. This bill will aid hunters and sportsmen and at the same time keep handguns—and machine guns—away from dangerous individuals. This is an approach that makes sense.

The Judiciary Committee will be holding hearings this fall on this bill and other legislation to amend the Gun Control Act of 1968.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky [Mr. MAZZOLI] is recognized for 5 minutes.

● Mr. MAZZOLI. Mr. Speaker, I was unavoidably absent on Friday, July 26, 1985. Had I been present, I would have voted:

"Yea" on roll No. 262, approval of the Journal for Thursday, July 25, 1985;

"Nay" on roll No. 263, House Joint Resolution 236, waiving certain points of order against the consideration of H.R. 3036, Treasury-Postal Services appropriations for fiscal year 1986;

"Yea" on roll No. 264, the Nelson Substitute to the Jacobs Amendment to Treasury-Postal Services appropriations for fiscal year 1986; and

"Yea" on roll No. 265, the Jacobs amendment as amended by the Nelson substitute to reduce the appropriation for allowances and office staff for former Presidents by $219,400.●

HOUSE CREDIT UNION—A LEADER IN CUTTING CONSUMER LOAN COSTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, many Members of this body have complained that at a time when interest rates are falling rapidly in the business sector, there is no corresponding decrease in rates charged on consumer loans.

While the rates charged to consumers on loans have not decreased, there has been a severe decrease in the amount of interest paid to consumers on their savings accounts. Thus, consumers are facing a double load—lower rates on their savings and higher rates on their loans.

This trend has occurred throughout the country, but I am happy to report to the Members of this body that the Wright Patman Congressional Federal Credit Union, which serves the House of Representatives, is taking every opportunity to cut rates charged on consumer loans.

This year alone, the credit union has made across-the-board cuts in its consumer loan fees. And this week, the credit union took another bold step to cut loan costs. The credit union charges 18 percent a year on its outstanding loan balances for credit card accounts, a figure which already is among the lowest in the country; particularly when you consider that the credit union does not charge an annual fee for its card. On Tuesday, the credit union cut the credit card rate from 18 to 16.8 percent, and made the new rate available not just to new purchases, but on all existing credit card balances. This is an extra break for members who have outstanding balances. And, it is one of the first times that I have heard of a financial institution making a credit card reduction retroactive.

Mr. Speaker, at a time when financial institutions are being criticized by not cutting consumer loan rates, it is good to know that the House's very own financial institution is a leader in cutting consumer costs.●

PIVOTAL DAYS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. MACKAY] is recognized for 5 minutes.

● Mr. MACKAY. Mr. Speaker, each year, after the session has concluded, and the dust has cleared, it becomes obvious that 1—or maybe 2 days were pivotal for the course of the entire year. Tuesday was such a day, and it would be wrong to continue business as usual, without at least a token rec-

ognition of the importance of Tuesday's events.

Tuesday, the leadership of both Houses of Congress formally gave up on the effort to deal significantly with our country's staggering budget deficits. They had been moving toward an across-the-board spending freeze, including defense and entitlements. Coupled with a modest tax on imported oil, this would have balanced the Federal budget in 3½ years.

That leaves our budget conferees trying to appear serious about deficit reduction, with defense, entitlements, and revenues off the table. The result will be marginal at best. In fact, the odds are that by next January this year's so-called $50 billion deficit reduction package will be totally irrelevant. By that time, it will be clear that next year's budget deficit will still be $200 billion, and that within a year, the international trade deficit, which is a direct result of our reckless fiscal policy, will make America the biggest debtor nation in the history of the world.

For those who think the trade deficit is a kind of esoteric economic term, I invite you to look closely at the agonizing decisions now facing the Governments of Mexico and Brazil, our fellow debtors. Those governments are being required to restrict imports and maximize exports in order to pay their debts.

Clearly, the people of Mexico and Brazil are having to reduce their living standards in 1985, to pay the bills run up by the reckless spending of their governments in the seventies.

Just as clearly, the time is short until America's citizens are going to have to reduce their living standards to pay the bills for this government's reckless spending.

Already the political columnists are analyzing last Tuesday decision, to see which party won, and which lost. When the full impact of America's new status as the world's leading debtor is felt, the answer will be clear: Nobody won last Tuesday. All of us lost, and particularly our young people whose living standards will have to be reduced, to pay the bills for our reckless spending.●

TRIBUTE TO HERBERT SCOVILLE, JR.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. MAVROULES] is recognized for 5 minutes.

● Mr. MAVROULES. Mr. Speaker, a brilliant and caring man passed away earlier this week. Herbert Scoville, Jr.—known to most everyone as "Pete"—died on Tuesday, July 30, at the age of 70. Those of us who had the privilege to know Pete will never forget his uniquely compassionate and inspiring manner. Above all, though, I am certain the world will remember him as a man with a rare sense of social responsibility and a restless mind ever searching for better ways to lessen global tensions and conflict—a true champion of peace.

Among the many well-deserved tributes that may be paid to Pete Scoville, I should like to say that he especially deserves recognition for his valuable contributions to the cause of nuclear arms control. Throughout his professional life, Pete maintained a tremendous vision and hope for a world free from the specter of nuclear war. He very ably combined and applied his unusual talent, drive, scientific expertise and government experience to this pursuit.

Regretfully, I cannot possibly do justice to the full breadth and depth of his professional life, but I will take the time to point out some of the highlights of Pete's outstanding record of service to this country within the Federal Government, a prominent phase within a long and illustrious career of public service. To name a few of the many positions he held from the mid-1940's through the 1960's, he served as: Director for Science and Technology in the U.S. Arms Control and Disarmament Agency; Assistant Director for Scientific Intelligence and Deputy Director for Research in the Central Intelligence Agency; technical director of the Armed Forces special weapons project in the Department of Defense; senior scientist on the Los Alamos contract in the Atomic Energy Commission; a member of the National Defense Research Committee; and a consultant to the President's Science Advisory Committee.

I should like to focus on a particular aspect of Pete Scoville's role in the field of nuclear arms control during his time in the Government—his critical and lasting contributions to both the concept and the design of independent treaty verification procedures. Pete Scoville earned his Ph.D. in physical chemistry during World War II—as the first nuclear weapons made their terrifying debut before the world. Shortly thereafter, he joined an effort shared by American scientists and policymakers searching to find the safest ways to deal with birth of these weapons into a world rife with conflict. Through these early experiences, Pete Scoville became a strong believer and a committed exponent of the need for bilateral arms control agreements. From the start, it was clear to arms control advocates that perhaps the greatest difficulty that would obstruct successful negotiations was the lack of independent means of verifying agreements. Under the direction of Pete Scoville, U.S. intelligence programs successfully produced crucial independent technical means of treaty verification, which significantly lessened the need to rely on onsite inspection. The existence of countless arms control agreements in force today—the Hotline agreement, Limited Test Ban Treaty, Outer Space Treaty, Nonproliferation Treaty, ABM Treaty—to name a few—all depend in large measure on this crucial verification technology. Putting this in perspective, we begin to appreciate the tremendous contributions made by scientific experts who are genuinely and innovatively committed to arms control, as Pete Scoville was.

In closing I would like to call upon my colleagues today to join me in remembering and honoring Pete Scoville, with great respect and gratitude, for his outstanding service to his country, his ideals and the pursuit of peace.●

● Mr. AuCOIN. Mr. Speaker, it is with great sorrow that I rise today in commemoration of the beloved Herbert Scoville, Jr., whom many of us had the privilege to work with in his untiring efforts to promote international cooperation and world peace. Specifically, I would like to highlight the later years of Pete's life—to recognize the immeasurable contribution he made to the public movement to bring the arms race under control.

Following an outstanding scientific career in the U.S. Government, Pete Scoville devoted the last 15 years of his life working with numerous public interest organizations and campaigns committed to arms control and the prevention of nuclear war. For example, Pete Scoville was one of the principal founders and served as president of the Arms Control Association, a wing of the Carnegie Endowment for International Peace; he was an active board member of the Center for Defense Information, the Council for a Livable World and the Union of Concerned Scientists among others; and he was a key initiator of many important public campaigns such as the National Campaign to Stop the MX and the National Campaign to Save the ABM Treaty.

Through all these ties, Pete devoted much of his time and energy to educating the public on the nuclear threat and on ways that citizens can work together to reduce it. Pete was able to teach us to treat this most profound issue seriously, but not to despair. He inspired people to join him in a struggle for change.

"Patience," "clarity," "dedication," and "strength" are just some of the words that come to mind when we think of how Pete Scoville presented his message to the American public. In spite of his two illnesses, arthritis and cancer, he never stopped encouraging and teaching others to use their minds and their political powers effectively. Health permitting—he maintained a busy schedule of speaking tours across the country. Without question, Pete

was a "mover" in the arms control community at large.

Pete Scoville made us understand that global peace—or rather the constant and growing struggle to achieve global peace—is inescapably linked with the most important and fundamental institutions of humanity. To explain his deep and driving personal commitment to this struggle, let me repeat some words of his own on the subject. The following is a brief statement he made in 1981 when accepting the prestigious Rockefeller Public Service Award. On that occasion, he said:

Without peace we will never achieve the goals that my fellow award recipients have worked so effectively for—goals of a better life for the children of this world, more satisfying family relationships, more stimulating and more secure employment opportunities, and for improved health for all. Yet this simple truism is largely ignored as the world concentrates its energies, its resources, its manpower and its wealth on more devastating ways to wage war, on more efficient means of causing death. Just to show that I can be optimistic, there really is a strong, public ferment against this nuclear madness at last brewing across the country and across the world. It must be nurtured, it must be fertilized, and propagated across the lands. This award, in my view, is a recognition of its vital importance. Let us fervently hope that the public outcry will be in time.

Pete Scoville was indeed a man of great humility, wisdom and foresight. We will miss him very dearly. Mr. Speaker, I hope we shall do justice to the legacy of this very special man by remembering him and his message of peace—and most importantly, by heeding his message through our actions.

At this point I would also like to submit for the RECORD the following statement presented on Herbert Scoville's behalf, for his nomination as the recipient of the 1981 Rockefeller Public Service Award.

NOMINATION OF HERBERT SCOVILLE, JR.

Dr. Herbert Scoville, Jr., is especially deserving of the 1981 Rockefeller Public Service Award, not only because he embodies in full measure the "courage, sensitivity, and vision" which John D. Rockefeller sought to find and promote in establishing the awards, but also because he has contributed significantly to the international search for cooperation and peace through distinguished careers in both public and private service.

Earning his doctorate in physical chemistry during World War II, Dr. Scoville was one of many scientists who helped earn that conflict the appellation of "Wizard War"—a label that might as well be applied, with less approving connotations, to the potential nuclear conflict that has hung like a dark cloud over mankind ever since 1945. In the middle 1950s—when the advent of thermonuclear weapons and intercontinental missiles made it clear beyond doubt that warfare had entered a decisively new era of sudden destructiveness—Herbert Scoville turned his considerable scientific ability and talent for persuasion to the task of achieving controls over and reductions in these new weapons of mass destruction. Up to that time, the United States, the Soviet Union and other states had sought through disarmament talks in the United Nations to put back in the bottle the awful genie released by nuclear fission and fusion. Part sincere, part rhetorical, and always conducted in a corrosive atmosphere of fear, these talks had proved increasingly fruitless. The marriage of hydrogen weapons to long-range missiles started a new tremor of concern, of fear that the weapons could end civilization as we have known it and that man could find no means to avoid such a fate.

Dr. Scoville, or Pete, as he is known to thousands who have heard and been touched by him, attended the East-West Surprise Attack Conference of 1958 and has spoken of the oppressive weight felt by many of the participants as they realized fully the difficult but unavoidable responsibility they shared for finding a means of resolving the existential dilemma of nuclear weapons in a world of acute hostility and tension. Out of such experiences was born the concept of arms control and Pete Scoville was one of its midwives. His contribution was of two kinds. He was a persistent advocate of arms control within the government. Moreover, and at least equally important, he was a director of and major contributor to efforts to find ways of independently verifying arms control agreements, that is, without the necessity of onsite inspection which had proved one of the most impenetrable obstacles to agreements to limit or reduce nuclear and thermonuclear weapons.

It is not often appreciated, even today, that the advances arms limitation was able to achieve in the 1960s and 1970s—the Hot-Line Agreement, the Limited Test Ban Treaty, the Outer Space Treaty, the Non-Proliferation Treaty, the Seabed Treaty, the Interim Offensive Weapons Agreement, the ABM Treaty, the Biological Weapons Convention, the Threshold Test Ban the Peaceful Nuclear Explosions Treaty, the Environmental Modification Convention, and SALT II—depend in some measure on independent means of verification, for which the technology was larely pioneered by the United States. The development of this technology was not an accident and was in large measure in the hands of Dr. Scoville. He worked on this problem for eight years as Director of Research and Assistant Director for Scientific Intelligence at the Central Intelligence Agency (1955-1963). Not longer after the Arms Control and Disarmament Agency was established late in 1961, he was appointed Assistant Director for Science and Technology and continued to build the all-important technical base on which all successful arms limitation to date has rested. While others, especially those outside of government disputed the merits of arms reduction and limitation, Dr. Scoville was an increasingly important figure among that small band of men and women who were doing something positive to achieve it in a quite but practical way. His work earned him no accolades, or recognition as statesman or peacemaker; outside of the small group seriously persuing arms control his name was scarcely known. Yet his scientific acumen and judgment and his perseverance made it possible for others to gain public applause as the promoters of arms limitation, especially nuclear arms limitation. These are the hallmarks of courage, vision, and sensitivity in confronting possibly the most dire collective threat that mankind has ever faced.

Though it is difficult to judge such different things, perhaps the more courageous part of Pete Scoville's lifelong career of science in the public service began when he left ACDA in 1969. Since that time, he has been a tireless and articulate advocate of arms control, a knowledgeable originator of arms limitation concepts and proposals, and an inestimable source of inspiration and support to all others who see the essential rationality of negotiated security. He has put all this scientific knowledge and political wisdom in the service of arms control and reduction. Withal, he has been during this time crippled by arthritis and must walk with two canes. Refusing any special treatment, Pete Scoville has made of his canes symbols of courageous pursuit of a vision of a more cooperative and less fearful world.

His reputation is both national and international. He has served on numerous official arms control delegations and advisory panels. He has conducted many private conferences on the entire range of arms limitation issues. He has actively participated in nearly all Washington-based organizations seeking to create public awareness of the contribution of arms control to American and international security; he has advised countless other organizations, universities, and research institutes in this country and abroad. He originated the Arms Control Program of the Carnegie Endowment for International Peace and was a founder of the Arms Control Association, of which he is now President.

In addition to his work with private and official organizations, Dr. Scoville has been a tireless writer on arms limitation. His articles appear not only in specialized journals but also, and more frequently, in newspapers and periodicals where they are available to the broader public. He has written two books—one an explanation of strategic weapons and the other on the MX missile system—and has contributed to several others. Dr. Scoville's public speaking schedule has been at least as full as his writing program; he has addressed audiences throughout the United States, as well as in Europe and Asia, again making no distinction between attentive and mass audiences. At the same time, he has also remained available to discuss the issues of arms control at length with the press or with students and other researchers. Each year he is called upon to testify before Congress on some aspect of arms limitation, usually not once but several times.

It would be difficult indeed to find an exponent of the limitation of weapons of mass destruction who has been more prolific and persevering than Pete Scoville or who has been at such pains to explain this seemingly complex subject to the layman. He has dedicated his experience, his scientific insight, and his considerable energy not just to a safer and more cooperative world but to explaining to people in comprehensible terms how such a world can be achieved. He has given hope and inspiration to the many who labor under the fear of wholesale destruction or the end of the kind of society and values that man has sought with such constant difficulty.

In all this, Pete Scoville has retained two essential characteristics: his humanity and his scientific standards. He remains a warm, humorous, and congenial individual equally at ease in any situation and equally respected by advocates and skeptics of arms control. Pete has also been at considerable pains to ensure that, in his writing and speaking, his discussion of technical matters is scientifically correct; he will not compro-

mise his scientific training and standards to facilitate his arguments, which continue to be based on a deep and certain knowledge of the science and technology that are involved.

He continues to read deeply and widely in the field and increases his own knowledge as he increases that of others. Pete does not merely clamor for an end to the burden of the secret of nuclear weapons, he provides practical answers to this problem that are consistent with both technology and politics. He was, for example, the most persistent advocate in the late 1960s and early 1970s for flight test and deployment limitations on the multiple, independently targetable re-entry vehicle, an innovation which nearly all now concede has severely prejudiced U.S. and international security and fueled the qualitative strategic competition.

The progress that has been achieved to date in arms limitation and that must be achieved in the future if man is to avoid the destruction of modern society owe a large debt to the efforts of this one man. While others have contributed as specialists to this achievement, Pete Scoville has contributed as both specialist and explicator. It can be said with considerable confidence that no American has done more to carry the message of arms limitation to the broadest possible audience; in a democracy, this is essential.

Alfred North Whitehead wrote that "Duty arises out of our potential control over events." Perhaps no duty today is more significant than our potential control over the events we call collectively the arms race. Without effective effort in this area, other human activity to improve our condition would become largely irrelevant. Few indeed have seen this duty more clearly, pursued it more vigorously or with more vision, or shown more humility and humanity in their dedication to a peaceful world free of the threat of nuclear destruction than Herbert Scoville, Jr.●

PEANUT PRICE SUPPORT AMENDMENTS OF 1985

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. LUNDINE] is recognized for 5 minutes.

● Mr. LUNDINE. Mr. Speaker, today, I am introducing the Peanut Price Support Amendments of 1985. This bill will eliminate the current system of poundage quotas for peanuts and substitute a straightforward loan support program parallel to those for corn, wheat, soybeans, rice, and other crops.

The Lundine amendment to the Food and Agriculture Act of 1981 passed the House by a 91-vote margin, essentially with similar provisions to those proposed this year. Unfortunately, a similar amendment offered in the Senate by Senator LUGAR failed by four votes. Since the problems with the peanut program which existed in 1981 continue to exist today, I hope my colleagues will reaffirm their support of these reforms again this year.

The current program of Government controls for peanuts designates two classes of peanuts—quota peanuts for domestic use and additionals for export. This complicated program results in artificially high peanut product prices for U.S. consumers and an injustice to thousands of farmers denied the right to grow peanuts for the U.S. edible market.

The Government's two-tier price system establishes a higher support price—$550 a ton—for domestic edible peanuts—quota peanuts—and a lower support price ($185 per ton) for export, feed, meal, and oil peanuts—additionals.

This program allows only those farmers who hold poundage quotas the legal right to grow edible peanuts for U.S. consumption. Since these poundage quotas are set by the Federal Government well below U.S. demand for edible peanuts, the price paid for raw peanuts in this country is about two times greater than the price paid for U.S. peanuts exported to other countries.

American farmers are prohibited from growing peanuts for the domestic edible market unless they were enfranchised with that right when the peanut program began in the 1930's, or have purchased the right from the original quota holder at significant cost.

This bill will eliminate the artificial distinction between quota and additional peanuts. The Secretary of Agriculture would be required to establish one level price support that would apply to all peanuts. In establishing this level, the Secretary would be required to take into consideration such factors as the cost of production and world market prices, as well as supply and demand for peanuts.

Current law gives peanut growers who hold poundage quotas a far better deal than other farmers receive. An American Peanut Product Manufacturers Institute study estimated that peanut price supports "have been set 80 percent above USDA defined production costs * * * when land costs are excluded, and 60 percent above when the inflated costs of land are included."

It is the American consumer who must bear the cost of this feudal program. Agricultural economist Merrill J. Bateman, Ph.D., testifed earlier this year before the House Agriculture Committee's Subcommittee on Tobacco and Peanuts, on the adverse effect of the peanut program on the U.S. consumer. Bateman said:

> The constricted supply of raw peanuts, coupled with a high price-support level, has ensured that the American consumer is paying more than necessary for peanut products. While the current program is not a substantial drain on the Treasury, it does add some $250 million each year to the nation's food bill through a consumer subsidy or "hidden tax" on peanut products.

We now have further evidence that because the 1985 crop of peanuts is larger than usual, due to good growing conditions, the cost to the Treasury will be significantly higher this year.

The price for peanut butter, which is an important source of protein and a dietary staple for many low-income families, is inflated because of the current program. USDA data indicates that 12 peanut quota holders earn an additional $250,000 each year as a result of the consumer subsidy on peanut products, which adds 13.5 percent to the cost of every jar of peanut butter sold in America. In fact, American consumers would save between $250 to $300 million annually if the current peanut price support program were eliminated. Clearly, American consumers are underwriting the low cost of peanuts enjoyed by foreign consumers by paying higher domestic prices for the same quality U.S. product.

While supporters of peanut subsidies may argue that the cost of peanut products is more significantly influenced by the cost of ingredients other than peanuts, prices of finished peanut products have closely reflected raw peanut prices, both up and down. For example, as a result of the 1980 drought, raw peanut prices increased due to reduced supply and the price of peanut products at the consumer level increased accordingly. Conversely, when the weather improved in 1981, supplies increased and consumer product prices declined.

If the present system of Government controls is eliminated in favor of the plan I have proposed, domestic consumption of peanuts could increase by about 200 million pounds annually. This translates into nearly 1 pound of additional roasted or salted peanuts, peanut butter, and other highly nutritious peanut products per U.S. consumer.

It is no wonder that peanut growers who can produce peanuts for 15 cents per pound and are guaranteed more than 28 cents per pound by the Government would work to keep the current program. However, Government interference in peanut production is not in the best interest of consumers, nor those farmers who wish to grow peanuts for the domestic market and who are currently prohibited from doing so. The abolition of Government controls on the supply and marketing of peanuts would ensure consumers of an adequate supply at reasonable prices, increase efficiency within the peanut industry and keep U.S. peanut producers competitive with foreign growers.

I believe that this bill offers a fair and equitable arrangement for both peanut producers and consumers and I urge my colleagues to support it.●

THE NATIONAL PLANNING FOR PEACE COMMISSION ACT OF 1985

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. SEIBERLING] is recognized for 30 minutes.

Mr. SEIBERLING. Mr. Speaker, after the travail we have just gone through over the budget resolution, I hardly need to belabor the point when I say that the Congress is today faced with extraordinarily difficult choices about how to reduce the huge Federal deficits which we have run up over the past few years. The magnitude of the problem is so great that we often lose track of the impact of spending cutbacks on the American public. This is the case not just with reductions in various human services programs, but with the impact of cutbacks for Government procurement on Americans whose jobs are intertwined with Federal spending.

Defense spending is clearly out of control, with a self-generating momentum that defies efforts to make significant reductions. One reason making cuts in defense is so difficult is that, whether we like to acknowledge it or not, the defense budget is the largest public works program the Nation has ever known. Every Federal contract for weapons procurement provides jobs for Americans. And every time we try to eliminate overpriced, outmoded, or inefficient weapons systems, Members of Congress are faced with the possibility of job losses in their congressional districts.

If we were to set up a national program which provided Federal assistance and expertise to communities facing dislocations because of shifts in Federal spending, we could minimize the disruptions which such shifts may cause. Such a program would in turn make it easier for the Congress to assess defense programs strictly on their merits.

We already have a name for such a program: "economic conversion." Indeed, economic conversion has been the subject of a great deal of discussion in recent years, but not much action. Thus far, almost nothing has been done in a practical way at the Federal level to facilitate the development of a rational economic conversion plan. Our colleagues TED WEISS and NICHOLAS MAVROULES have both introduced economic conversion legislation in the 99th Congress, as they have in previous years. I am a cosponsor of both bills. Their legislation deserves our consideration and support. It is needed to deal with the very real problems faced by communities, defense industries, and their workers, when cutbacks or changes in military plans shut down bases or military procurement programs. But economic conversion should be seen as more than simply damage limitation. It is also a great opportunity.

Why, in the face of all the evidence that absolute military superiority is unachievable, do we and the Soviets continue to spend ever larger amounts of money on ever more exotic weapons? Why, on the 40th anniversary of the bombing of Hiroshima, is it seemingly impossible for us to agree on sensible cuts in nuclear weapons? In a brilliant article in the September, 1983 edition of Harvard magazine, the distinguished author, Francois Leydet, suggests that the answer is simply because neither the leaders of the United States nor the Soviet Union have the wisdom or courage to believe that such cuts are really possible.

As Leydet notes, we and the Soviets have become "nukeaholics," addicted to the arms race and unable to believe that it can be stopped, just as hopeless alcoholics are unable to believe they can stop drinking. Says Leydet:

> Before the alcoholic can stop drinking, he must believe it can be done, and he must believe that life without alcohol will be better than life with it. There must, in other words, be a shift of perception, a change in his subjective reality. The same applies to the nukeaholic.

What will it take to bring about that shift of perception that will enable the nukeaholics to get off their arms race binge? An impartial observer from another planet might expect that the very real danger of mutual suicide in a nuclear holocaust would be enough. Today, 40 years after Hiroshima, the threat has reached mind-boggling proportions. Yet the superpowers seem as far as ever from kicking their nuclear habit. Perhaps because the threat has never materialized—except for the people of Hiroshima and Nagasaki—it does not yet produce the kind of utter desperation that brings an alcoholic to the outlook that makes his recovery possible.

The cost of the arms race does, of course, affect most of us in a very immediate way, through higher taxes, inflation, enormous deficits, cutbacks in human services, and the loss of business and jobs to countries, like Japan, that are not pouring their human and material resources down the military drain. The doubling of our national debt to $2 trillion in only 5 years is but one measure of the enormous cost of the arms race to the people of the United States. And, as we in Congress know only too well, that cost continues to mount at an ever-increasing rate, despite all efforts to get it under control.

A few days ago, I inserted into the RECORD a speech by the president of Time Inc., in which he pointed out the connection between the arms race and the loss of American business to foreign competitors. The people of the Soviet Union are paying an equally heavy price for the continued diversion of a huge portion of their smaller national economic resources to the maintenance of their war machine.

Unfortunately, because of the complexity of national and international economic relationships, it is difficult for people, even in the United States, to get a very clear picture of the cost each nation is paying for our collective failure to bring an end to the arms race. Yet, if we are to achieve the psychological shift needed to extricate ourselves from this predicament, we are going to need a detailed, coherent plan showing what could be done with the resources that could be reallocated as a result of genuine disarmament.

Mr. Leydet, in his article, states that it is time we developed such a plan and challenged the Soviets to make similar plans of their own. He puts it this way:

> Once both of us, Americans and Russians, have developed a clear, coherent picture of what we would like to do with the vast natural, financial, and human resources we are now squandering on the arms race, it will be time to sit down together and compare notes. That's the conference that might really lead to disarmament.
>
> The task of envisioning a future and of making concrete plans for it, in which our respective resources are allocated to peaceful rather than warlike purposes, must start now, long before anything tangible comes out of the Geneva talks. Mind you, the two processes are in no way incompatible: rather, they need to be simultaneous and synergic.
>
> As things stand today, the most telling sign that the present regimes in Washington and Moscow have no faith in, or commitment to, a serious disarmament strategy is the total absence of any planning for peace.
>
> The clearest signal we could give the Soviets (and they to us) that we are serious about peace would be to come up with a well-though-out plan for the reallocation of resources once we have agreed to a freeze, followed by a gradual, annually increasing cutback in military spending.

At present, we have no clear idea how we would reallocate Federal resources currently slated for defense if we and the Soviets reached agreement on substantial arms reductions. Would we cut taxes? Increase funding for job training? Improve our health care system? Upgrade our schools? The possibilities are limited only by our imagination. Once we develop a clear idea how we might best reallocate resources at the Federal level, we can work out a comprehensive national plan for helping communities, defense industries, and the Nation to make an easy transition from our long binge of military spending.

With these thoughts in mind, I am today introducing the National Planning for Peace Commission Act of 1985. The Commission, comprised of 20 leading experts on the economy and economic conversion, from Government, business, labor, and the academic communities, would be charged with assessing the pressing national needs

that we are not currently able to meet because of defense spending, with evaluating changes in Federal tax and other policies that would facilitate a shift from defense spending to meeting such needs, and with helping communities and businesses adjust to an economy not dominated by the arms race.

Other than the Secretaries of Defense, Labor, Commerce, and Health and Human Services, all members of the Commission would be appointed by the Speaker of the House and the President pro tempore of the Senate. The Commission would be empowered to hold hearings and meetings around the country, if necessary. Its ultimate goal would be the development of an economic conversion blueprint for congressional consideration. This plan would be due in 2 years. Although the Commission would go out of existence after 2 years, my bill would require regular updates of the economic conversion master plan by a working group comprised of representatives of the Departments of Energy, Defense, Interior, Agriculture, Education, Labor, Commerce, and Health and Human Services, as well as the Office of Management and Budget, the Council of Economic Advisers, the Environmental Protection Agency, and the Council on Environmental Quality.

The National Planning for Peace Commission Act of 1985 is not an alternative to the Weiss or Mavroules bills. It is, however, a companion piece. Its enactment would draw national attention to the need for better adjustment planning for communities, bring about a plan for the reallocation of Federal resources and economic adjustment, and build a national consensus in favor of such a plan. This is not simply a bill to appeal to liberal "peace activists." Changes in defense spending strike me as inevitable, and enactment of my bill could provide the Congress with the best information and the best possible recommendations of how to curtail or redirect Federal spending to maximize its productive use, how to assist constituents to deal with the adjustments of a real disarmament program, and, most important, how the enormous resources released from the arms race could produce higher living standards and a more stable, prosperous nation.

Of course, conversion need not be limited to military-related factories. For example, the U.S. Department of Energy recently decided to abandon the gaseous centrifuge enrichment plant [GCEP] in Portsmouth, OH, and to walk away from a $3 billion investment in the centrifuge technology. This decision adversely affects between 600 to 1,200 workers in Portsmouth, OH, as well as over 700 jobs elsewhere in the State, and leaves idle and unused a Federal facility which has been under construction for the last 10 years. With a comprehensive conversion plan in place, the Federal Government would be better set for quick action to minimize the kind of disruption the GCEP decision will inevitably cause in the lives of the workers, their families, and the communities in which they live. And an existing Federal economic conversion plan could help ensure that the taxpayers' GCEP plant would be quickly put to productive use instead of sitting idle and wasted.

It is high time that we acknowledged the need for a national economic conversion plan, and moved ahead to develop one.

The full text of the Leydet article follows:

PLANNING FOR PEACE

(By Francois G. Laydet)

The French have a facetious saying: "L'alcool tue lentement. Nous, on s' enfout, on n'est pas pressé" ("Alcohol kills slowly. We don't give a damn, we're in no hurry"). When I contemplate the real costs of the arms race to us, to our Soviet adversaries, and to the rest of the world, that French phrase keep haunting me.

There is a "rest of the world," you know. Nearly 90 percent of humanity is neither American nor Russian, yet its future is held hostage in the confrontation of the superpowers. It is a world of immense beauty, immense variety, immense potential—and immense problems. It is a world ravaged by cancers of hunger, disease, runaway population growth, and environmental decay.

While we and our Soviet partners, interlocked in our danse macabre, with eyes only for one another, with ears only for the strains of the security-through-strength martial bands, whirl ever closer to the final abyss, all these processes of planetary degradation go unattended for lack of concern, lack of commitment, and lack of funds. Prisoners of our ideologies, obsessed with a thirst for unachievable military security, which we indulge at the expense of social and life-support systems that are every bit as vital to long-term security, we and the Russians remain unable or unwilling to face the fact that these global trends, if not reversed, will do us in just as surely as a nuclear holocaust will. We just shrug: *"Nous, on s'en fout, on n'est pas pressé."*

Most experts on the disease of alcoholism agree that if an alcoholic wants to turn his life around, the first thing he has to do is to stop drinking. Only then can he begin to deal with all the other problems his drinking has caused or enabled him to ignore. You can say the same thing about what I've come to call *nuke-aholism.* We have got to stop nuclear arms race before we can begin to address effectively the ills that beset our society, Soviet society, and the society of mankind in general.

But before the alcoholic can stop drinking, he must believe it can be done, and he must believe that life without alcohol will be better than life with it. There must, in other words, be a shift of perception, a change in his subjective reality. The same applies to the nukeaholic.

Do you feel, as I do, that it is time we sobered up? That we need to get off this catastrophic arms race binge? If so, you will perhaps agree we might try to view the U.S.-Soviet stand-off from a different angle.

In the final chapter, "Coming up for Air," of a Union of Concerned Scientists book titled *Beyond the Freeze: The Road to Nuclear Sanity,* there is a paragraph that states:

"The threat of nuclear holocaust has been a fact of life for so long that it seems naïve to contemplate plans the United States and U.S.S.R. can make once that danger recedes, *Yet it may be the attractiveness of those plans that convinces the two superpowers of the need to abandon the costly arms race* [emphasis added], for both the dream of affluence in the capitalist United States and the promise of a socialist utopia in the U.S.S.R. are in great jeopardy. Both countries are beset by grave domestic problems that are growing all the worse because of the massive drain on their resources for military purposes."

I italicize one sentence in that paragraph because it seems to suggest the very mind shift that is essential if we and our Soviet rivals are to extricate ourselves from the arms race. I submit that it is time right now for us to start making plans—real, detailed, coherent plans—for the eventual reallocation of our resources.

It is time right now for us to challenge the Soviets to make similar plans of their own.

Once both of us, Americans and Russians, have developed a clear, coherent picture of what we would like to do with the vast natural, finanical, and human resources we now are squandering on the arms race, it will be time to sit down together and compare notes. That's the conference that might really lead to disarmament.

Both we and the Russians would need to approach this conference table sans truculence, sans braggadocio, sans recriminations and accusations about who was to blame for launching and perpetrating and escalating the Cold War. We both would need to enter these discussions with a spirit of humility, a recognition of being in a common mess, a sincere desire to help one another out of our predicament and to invest a part of our released resources, human and material, in what David Brower, archdruid of the environmental movement, has called a Marshall Plan for the Planet.

"Look," we'd say to the Russians, "our whole infrastructure—the vast, vital network of roads, bridges, sewers, rails, and mass-transit systems—is heading towards collapse. The cost of needed repairs around the country could run to $3 trillion. Where will we find that kind of money?"

"You think you've got it tough," the Russians might answer us. "We don't even have the network we need of roads and bridges and sewers and rails. It's so bad that much of our agricultural product is lost because we can't get it to market. We need 3 trillion rubles. Where will we find that?"

"We've got a big problem on our southern border," we'd throw in. "The only way to stop the horde of illegal immigrants, short of stationing a million-man army on the Mexican border, would be to help Mexico straighten out its economy so its people could find jobs at home and wouldn't need to come north. But that means foreign aid on a major scale. Where's that money to come from?"

"We're so strapped we can't even consider foreign aid on any significant scale," the Russians would reply. "And yet we're well aware of the needs of the Third World. But what can we do?"

"Do you suppose the arms control boys in Geneva could help us out?" we might ask.

"They will—if we both lean on them good and hard," the Russians might answer.

A naive fantasy? Perhaps not.

What I am suggesting is that there is a lot of work to be done, on our side and on the Soviet side, to prepare for peace. This work needs to be just as hard-headed and just as detailed as the preparations being made by our respective military establishments for a possible war. And it goes far beyond the goal of the Geneva arms control talks, which is to avert nuclear war. Indispensable as that goal is, both we and the Russians need to remind ourselves that there is much more to real peace than the mere absence of war. The task of envisioning a future, and of making concrete plans for it, in which our respective resources are allocated to peaceful rather than war-like purposes, must start now, long before anything tangible comes out of the Geneva talks. Mind you, the two processes are in no way incompatible: rather, they need to be simultaneous and synergic.

As things stand today, the most telling sign that the present regimes in Washington and Moscow have no faith in, or commitment to, a serious disarmament strategy is the total absence of any planning for peace.

The clearest signal we could give the Soviets (and they to us) that we are serious about peace would be to come up with a well-thought-out plan for the reallocation of resources once we have agreed to a freeze, followed by a gradual, annually increasing cutback in military spending.

The most persuasive evidence Congress could give that it considers real peace to be at least a possibility would be passage of a bill such as H.R. 229, the Defense Economic Adjustment Act. The purpose of this bill is to help prepare communities, industries, and workers for a transition to civilian production should the day come when, as a result of international arms control agreements, there would be substantial reductions in defense contracts.

But we'll never do any of this unless we break out of our hypnotic trance. Just over two centuries have passed since we declared our independence from Great Britain. I think the time now has come to declare our independence from the Soviet Union (and vice versa). In a sense, much of our policy is made not in Washington but in Moscow. Obsessed by what we observe Russia to be doing, by what we think she may be doing, by what we think she may be thinking of doing, we have lost our independence of action. We cultivate dubious friendships abroad; we squander our resources at home on military hardware; we neglect the most fundamental material, social, and spiritual underpinnings of our society—not because we prefer to do so but because we have convinced ourselves that the Kremlin allows us no other options. We've let expediency subvert our ideals, fear cloud our vision, reflexes abort reflection, frantic scrambles to cope with the crisis of the month divert us from creative, imaginative planning for the kind of future we choose.

It is high time, I submit, that we stop blaming the Russians for all of our and the world's ills, that we get our eyes off them for a while, that we make a priority of putting our own house in order, that we take a good hard look at our own deficiencies, that we develop a vision of what a peaceful America—and eventually a peaceful world—would mean in specific terms, not just as a romantic ideal.

Besides continuing to press for a nuclear weapons freeze, there is nothing of greater moment that the "peace movement" in this country could do in the immediate future than to draw up a preliminary blueprint for a conversion to a peace economy.

To help us in the task we will need to enlist the help of like-minded experts in the business, labor, academic, environmental, educational, and political communities.

Assume, we would tell them, that an agreement could be negotiated with the Soviets that would bind each side to reduce its defense expenditures over a ten-year period from the present annual level of $200 billion plus to perhaps $20 billion. Assume that each side would agree to invest the money thus saved in economically productive, socially useful, environment-enhancing programs, including greatly stepped-up aid to "have-not" countries for ecologically sound development. These programs would be mutually verifiable, and would provide hard evidence of the cutback in military spending since such a cutback would be the only possible source for the funding.

Assume all this to be true, we would tell our experts. You have hundreds of billions—eventually trillions—of dollars to play with. How can they do most good? How can they be invested to rehabilitate our decrepit infrastructure, to rejuvenate our industrial plants, to speed the transition to a renewable energy base, to halt the erosion of our topsoils, to preserve our natural and scenic resources, to salvage our decaying cities, to extend medical care to all, to upgrade our standards of education, to put our unemployed—including our hard-core unemployed—to work, to give to all our people a new hope, a new interest in the future, a sense that they are needed, a sense that there is work, important work, for them to do—work that would, incidentally, offer ample profits to interested private enterprise?

How much, we would ask the experts, of the money saved from defense could we afford to invest in helping to assure that peoples throughout the world have at least the minimum requirements for a fully human existence? How much could we allocate to the protection and repair of the essential natural life-support systems of the planet? How could we extend massive foreign aid to developing nations, regardless of the ideologies of their governments, but with sufficient controls to ensure that the aid gets to the people we mean to help and does not merely serve to prop up this or that repressive regime of whatever ideological coloring? Could we make such aid contingent on an equal reduction in the recipient country's production and importation of arms?

That, I submit, is the homework we in the peace movement need to do if we want to be taken seriously and to have a real impact on policy.

Yes, I am advocating that we think and plan "as if." As if the Cold War were over. As if we had more pressing concerns than the relative number and throw-weight of our and the Russians' ICBMs. As if the human race had more important decisions to make than whether to commit itself to the free-enterprise or centrally planned organization of production. As if we wanted our beautiful planet to survive.

I advocate it because, like the authors of *Beyond the Freeze*, I believe that it is the attractiveness of just such a plan that will convince both us and the Soviets of the need to halt the arms race. Imagine our next president going to his Soviet vis-à-vis and saying to him, "Look, here is our blueprint for peace. Here is how we want to spend our resources. There is no threat in this to you. How can you help us? How can we help you? How can we both help humankind?"

Perhaps I am a dreamer, but I suspect the response might surprise Mr. Reagan!

□ 2120

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. SEIBERLING. I am happy to yield to my colleague, the gentleman from New York [Mr. WEISS], who has taken the lead in this kind of project, and I am happy to be a cosponsor of his bill.

Mr. WEISS. Mr. Speaker, I thank the gentleman for yielding.

I simply want to compliment him on a very important statement and a very important introduction of his legislation. As the gentleman knows, we witness in this chamber year in and year out the arms race and the defense budget sort of driving everything that goes on in the Congress and in the country. We witness time after time Members being persuaded to vote for legislation which they may not have voted for because they suspected they were not doing the best thing for the country, but they were sort of jobnailed into voting for it because the alternative was to suffer job loss in their districts.

So I think the gentleman's proposal and the gentleman's commitment over the years is extremely important. What is significant also is that this is not a first-time entry by the gentleman. He not only talks about vision for the future, he votes day in and day out to help us come closer to achieving that vision. I want to compliment the gentleman from Ohio [Mr. SEIBERLING].

Mr. SEIBERLING. Mr. Speaker, I thank the gentleman, and I appreciate the work he has done in this field, which has been monumental indeed.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. LUNGREN] is recognized for 60 minutes.

[Mr. LUNGREN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 179. Concurrent resolution providing for a conditional adjournment of the House from August 1 or 2 to September 4, 1985, and a conditional adjournment of

the Senate from August 1 or 2 to September 4 or 9, 1985; and

H. Con. Res. 181. Concurrent resolution to correct the enrollment of the bill H.R. 2068.

The message also announced that pursuant to the provisions of section 276 of title 22 of the United States Code, as amended, the Vice President appoints Mr. SIMPSON and Mr. ZORINSKY as members of the Senate delegation to the Interparliamentary Union Conference to be held in Ottawa, Canada, on September 2-7, 1985.

MY ADVICE TO THE PRIVILEGED ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, at this hour and after having approved the resolution that will bring us into recess until the days immediately following Labor Day, it is well to ponder on just where we are out in the real world. We just voted—that is, the majority voted—for the approval of a budget resolution that from the very beginning, as well as the President's budget proposal, as well as the Senate majority budget proposal, from the very outset are predicated on a fundamental misperception and erroneous predicate.

I pointed this out during the time that we had the first debates on the budget resolution for this year. It is well to point out that for 3 years we have not had a budget resolution in compliance with the 1974 Budget Reform Act, I was 1 of 10 that did not vote for it.

Now, my advice on this evening for the privileged orders as I have been since almost the outset of this Congress, this first session of the Congress—because I think we are living in similar times in which perforce we must face the fundamental basic issues that all through our history from the very inception of our nationhood we had to face: the basic question of whether the people or a privileged elite would be making the key decisions that would determine the economic, the fiscal, the monetary well-being of that particular people.

This was the issue that confronted our country when it was just beginning to shape itself into nationhood, when you had an amorphous, a rather not quite yet shaped union, and in that beginning struggle these great leaders and this great people were confronted with these basic issues, but they had to make decisions in the context of a population—in the 13 Colonies anyway—of just barely some 3 million in a very definitely agricultural type of society. But the issues have been the same all through mankind's history and societal experience when it comes to the basic forces at work within a beginning structured community.

In our case the first issue arose when the Continental Congresses were first organized in order to try to seek some consolidation of position, of outlook, that would unite them as a common thread in this very beginning of the 13 Colonies as a Nation. That issue was, as it has been all along: what would be the banker, the financial agency, for this group or, at that beginning period, aggregation? In the Congresses charters were issued to private individuals to form the Bank of North America, at that time in Philadelphia. Afterwards and during the Confederacy, that is, during the period of the Articles of Confederation, which soon dissolved, and with the calling of the Constitutional Convention, a firm resolve was made by those leaders, enlightened, cultured, and very conscious of the fact that they were fighting for freedom in its very rawest definition—freedom from what has been called by the historians a mercantile system.

We have got to think in terms of trying to consider what we have done today. We are a great multiple Nation, a pluralistic country, a vast country of 230-some million inhabitants, with first place power now in the world's structure, but under attack as to its ability to uphold what the political scientists call its hegemony, its power, its influence, over those areas throughout the globe that, as a result of two great convulsions known as World War I and World War II, have resulted in the United States inescapably having to confront destiny.

But we have heard the debates, like the discussion we had this evening with respect to this last-minute reconciliation between the Senate and the House and apparently with some kind of understanding from the President on what would be and what would not be acceptable as a net budgetary target or figure. But, as I say, when the captain and the kings have departed for the August recess, the fact of the matter is that they have departed into a future that is illusory, and the vary basis upon which we agreed on a so-called budget resolution is at best tenuous and in reality unsupportable, the reason being the reality of the existence of the problems confronting us, every one of which has not been confronted basically, beginning with the overall perception of the world as it is today in the 1980's, not as we would have it be, not with the mindset of our President and, I presume, the majority in this House after hearing these debates, a Europe, a 1947 Europe.

I believe that one of the basic premises that we must consider is that, unlike World War I, World War II has not terminated. Just recently we have had some newspaper discussion about something called the Helsinki agreements of about 10 years ago. That was the first effort made in the so-called postwar period to try to reach some kind of a basis upon which could be projected an eventual peace treaty. But the basic issue, the issue at the heart of the matter, as much as it was after World War I, is still with us after World War II, or during this sequella period after what most people consider to be World War II.

□ 2130

We have failed to differentiate between the hot shooting phase of a war and the relative inert period, but which still is in an environment of battle, of warfare, of conflict, of friction. Our economy reflects it. We are now an economy that is completely taken over on the basis of a garrison state, of a military type of endeavor and framework of reference.

Now, the steps by which this point has been reached have been gradual. As we look back in retrospect, we can see that it has been cumulative, but that was not the world and it was not the mind set of the leaders in and out of the United States in the 1940's, after 1945, in the 1950's with the beginning of the setting and the jelling of the so-called cold war.

Well, cold war was one way of expressing the fact that the hot shooting phase of the conflict had ended, but there was still some kind of conflict ongoing. In between, we had been involved in war and we have been challenged to confront the basic issue, which is a prime constitutional issue, one that brings forth in history the fact that it was an issue most bitterly debated, most hotly talked about and contested during the deliberations of the Constitutional Convention in Philadelphia, and that was where the exclusive power to declare war was deposited.

There was no question about it, when we see in article I and right before section 8 in clause 7, the fact that that power to declare was is exclusively mandated to the Congress. There are no ifs, ands and buts. In fact, it is just a simple terse statement of fact in the enumerated, the panoply of enumeration of powers granted by the Constitution to the Congress in article I. For good reason article I is the article that has to do with the Congress or the representative branch or the policymaking body of the Nation.

In article II, the executive branch, where for the first time such an office as we call the Presidency was considered, and that also took great debate. In the first 10 years of our national

existence, in the Continental Congresses, in the Articles of Confederation, they could not even think they wanted anything like the Presidency. There was no such comparable office. They feared it. They distrusted it. These were iminent minds. These were minds that knew at long last mankind in a new world would envision a new order, a new order of liberty, a new order in which God-given endowments and talents to the individual and his personality could flower to the fullest under an environment of total freedom, unrestrained by kings governing in the name of devine power.

So in the first sentence of the preface of the Constitution, right in the preamble, the whole thing is encompassed in those seven words, "We, the people of the United States, in order to form a more perfect union"—and so on. It did not say, "We, the Congress," or "I, the President." It said, "We, the people."

The people are the sovereign power. All power emanates from them, but you would not think so nowadays. Whenever we start talking about that, let us really remember that. Let us really remember every day, every minute, every hour, that we are merely agents of the people, that we have a grant of a trust only. We are not masters and we should not even try to think that way. It is the only place in the world where that basic concept is actually not only preached, but governs a nation.

We are confronted before the 200th anniversary of that Constitution, that is, of the real birth of our form of government, with the issue of whether or not we in our time redeem ourselves and reaffirm or whether or not we continue to succumb to this loss of faith, where we have entered into a period of twilight wars, Presidential wars, if you please, where Presidents whether they have or have not been directly or indirectly, through a delegation of constitutional power from the Congress or not, engaging the country in wars.

This President has done so. In the course of doing so, he has violated solemn treaties that at least for the foreseeable future have jeopardized our ability to lead morally and collectively those nations with whom we must share the future.

Destiny has said these are the nations of the new world. Not one in the Western Hemisphere shares our policies with respect to what this administration has done and continues to do; yet we budget and we appropriate and we hear great talk about how we are going to reduce the deficit, but the President himself even in sending over his version of the budget said quite candidly that it would not result in anything but for the next 3 fiscal years a built-in deficit of not less than $200 billion.

But why, why should that be? Then why tell the American people that we must have a constitutional amendment to balance the budget?

Just what point have we reached in our national destiny where we can with great glee conclude a session on the eve of momentous occurrences? Have we forgotten that just less than a month ago our Nation was in the throes of an agonizing dilemma, an ordeal with the hijacking of the airplane with those Americans? Have we forgotten as we trot off and enjoy some kind of rest perhaps for the majority or some trips throughout the world or just simply go back to our districts to have a chance to forget about this for a while, that there are seven Americans held captive in Lebanon alone? Was there no thought given to that as we depart?

Should we not be knowing for sure that while we are away lulled in a recess, there will be decisions that continue to be taken as a result of action or nonaction, budgetarily or appropriation-wise, in Central America?

What will be our reaction while we are gone—and I pray to the Lord that I am dead wrong—if we have a disastrous occurrence in which some of our servicemen are killed in Central America? What will be the reaction? What will be the request of the President? This has been overlooked. The Congress has refused to consider these facts.

Mr. DORNAN of California. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. Yes, I am glad to yield.

Mr. DORNAN of California. Mr. Speaker, I deeply appreciate the gentleman mentioning those seven hostages in Lebanon. I know they are always on his mind, as they are on mine.

Has the gentleman been able to come up with a concrete proposal to the President—I have really not—on what he could do to put maximum pressure upon the State of Lebanon, which really is in chaos and has no specific government, or the State of Syria, which has a very specific government under the leadership of President Assad; what does the gentleman think we could do to bring pressure during this break while we are enjoying the wonderful educational process of travel or enjoying our beautiful 435 districts in this country, in Hawaii and Alaska and all the other legislative designated areas, the Virgin Islands, Guam, and so forth, Puerto Rico, beautiful vacation lands?

Mr. GONZALEZ. And San Antonio, TX.

Mr. DORNAN of California. San Antonio, a beautiful district where I went through preflight training and did more pushups than I have ever done in my life or since in only a 3-month period—what are we going to do? What does the gentleman think the President can do to keep the world aware of these seven fine Americans that are in terrorist captivity?

□ 2140

Mr. GONZALEZ. If the gentleman will allow me, I have pondered that. I did when the President was Jimmy Carter and we had the Iranian captivity. And I pondered a long time.

As a great admirer and worshipper of the Constitution that governs us, I saw in that article I, section 8, clause 10, the anticipation on the part of those who voted that such things would continue to happen as had happened on the high seas, piracy, and a specific phrase that is in the Constitution in clause 10 about punishing, defining, and punishing the violations of the laws of nations, which I felt was a terrible, gross violation in the case of the Iranian capture of our Embassy officials and employees because that captivity, that type of hostage-taking had not occurred since the Crusades. It just had not happened.

You know, when our wars have broken out, like the first war, and then with Hitler, our Ambassadors in Berlin were taken in and placed in a hotel. We took theirs and put them in a hotel.

Mr. DORNAN of California. We sent them up to the Greenbrier in West Virginia. We had a nice soft, diplomatic word "interred."

Mr. GONZALEZ. That is right. But as soon as possible, they were allowed to go back to their land, and ours were allowed to come back.

Mr. DORNAN of California. Even under Adolf Hitler and the Tojo war lords,

Mr. GONZALEZ. That is right. That is right.

But in the case of Iran, this was absolutely something new, both internally and domestically where you have a theological, you have a religious government. It was a throwback in a way to the 11th century. And you had a hard thing to deal with.

I felt that the Constitution was telling us, hey, Congress, you have this power to define the offense, and punish for it, because right following that it says you will be and are hereby granted the power to give and issue letters of marque and reprisal.

So I wrote President Carter and I suggested two things, or three things really. One, that we should proceed through what we had then constituted, as we now have it, the United Nations. And sure enough, the United Nations, even Russia joined in condemning the Iranian action. But there is no power to enforce.

I suggested the second thing, and that was that more immediately would be to impound the assets within our reach, which were considerable. I used

to be chairman of the Subcommittee on International Finance, and I estimated that that amounted to about $11 billion. And if the banker in Iran hollered, as the President says, uncle, they would release those hostages or they would find some accommodation.

Well, that was not done. I had no immediate reaction to my letter. I had a short sort of an indirect response.

But then I alluded to the fact that the Congress had a responsibility under that article I, section 8, clause 10, and I introduced a resolution in which I said it is the sense of the Congress that under this section we shall, and perhaps through the executive branch, if necessary, issue letters of marque and reprisal.

Now in this case, I think that is really far more appropriate than the other two. As you say, this is no well-defined political entity of a State. You have a diffused, as you have had for years, hundreds of years, in what we call Lebanon now, so you do have that, you have that impossibility of affixing responsibility to any given scheme of government. But you do have little fiefdoms and little groups and apparently some of these are more or less, properly or improperly, attributed to the responsibility of having taken and still holding the seven American hostages.

Mr. DORNAN of California. There was a story in the Washington Post, if I may interrupt the gentleman, that it may be even one family, a large extended family, the Masawu family.

Mr. GONZALEZ. I saw that. I believe that it is very possible. I think it is very feasible.

I do not think we ought to throw the whole weight of the responsibility on the President. I believe we do have a responsibility that we can discharge.

So I have introduced, I formulated and introduced a resolution to that respect invoking in the name of the Congress article I, section 1, clause 10.

Mr. DORNAN of California. I think that is an excellent suggestion.

May I submit for you to ponder, and then I will let you get back to your excellent special order, and for the American citizens who may be with us still in the gallery, or what I call our extended gallery throughout the country; that is, thanks to the magic of cable television, to ponder if the direct action that Teddy Roosevelt recommended in 1904 when a Moroccan, although it was not the nation of Morocco then, a man by the name of Rosolo took an American, Petrocari, prisoner, and Roosevelt recommended in one simple sentence "Petrocari alive or Rosolo dead."

If the American Sixth Fleet was to pull up along the coast of Levant, the eastern Mediterranean, and seal off all access to the sea for both Syria and Lebanon and announce to the world that we thought we had the legal backing to sit there until either government, the confused situation in Lebanon or the government in Syria, either government leaned on this Masawu family to turn over our innocent Americans, including two religious people, and that at least would be direct action. I happen to be of the opinion that it would probably work, and I just submit that to the gentleman for his analysis.

Mr. GONZALEZ. I appreciate that.

Mr. Speaker, I just wanted to express my appreciation to the gentleman from California. I think that he and I are basically in agreement that this is an issue that we cannot quite overlook. We should not forget, certainly, and sometimes I believe timing, and in this case, of course, the judgment of the Commander in Chief and the President would be something that I guess we would have to defer to. In my humble opinion, at this point I think that with the diffusion of these centers of local power that perhaps a massive assault, or even a massive blockage would result only in the overuse, it may be an overstrained or an overcharged type of attack.

I would prefer an up-to-date, 20th-century version of a letters of marque and reprisal in which we could find ways and means to accomplish the same purpose. But instead of a sort of a shotgun approach, we use a 30-30 approach and single out and punish the culprits.

Obviously, whatever form or vestige of organized government exists has not had the power to control the deprivations, the piracies that have occurred, but even that is just a symptom of what I think the more fundamental issue is that we must resolve, both domestically as well as in confronting these powerful international forces now that impinge upon us domestically.

For example, Lebanon, we must never forget our policy or lack of policy in Lebanon has been very ill-defined since 1970 when the British pulled out after they and the Russians had installed the Shah of Iran. In 1970, and I made allusion to this last week, the so-called Nixon doctrine was that we would rely on client states, the Saudis, and the Iranians, to look after our interests in the gulf there.

□ 2150

I have always believed that if you have a business, any businessman will tell you you cannot delegate it. You have got to tend to your business. You keep your business, you keep it up, and it will keep you.

When we start getting client states, we become sort of the puppets and creatures and victims of those very client states that we think in our hubris, in are arrogance, that we actually are controlling. I think that also we have to have a review, a review of just what the facts are. The budget which was debated and the great opposition that I heard here this evening was to the point that it had an inordinate share of for defense or military or whatever you want to call it. I find that my quarrel with it is not so much the allocation of the funds but as to the overall emphasis on a proper and certainly invulnerable system of defense. But if we are going to think in terms of defense it is one thing. If we are going to think in terms of aggression, war, then we have to call the budget a war budget.

That is what I called it when the President, in an incremental, almost an exponential manner in the last 4 years has asked for that. But I quarreled with the allocation and the apportionment and the perversity of the priorities. The reason I quarrel is, as I have brought out here, when the President is saying that he has to get $20 billion for something that may never be developed, it may never be deployed, and I am not even speaking about star wars, and I am going back not to this President but to one of his predecessors, to his predecessor President Carter and the case of the MX where the military themselves have been in great conflict of opinion and where the very debates I have listened to here in a passionate way have shifted around so much that they have ended up in the very situation that was being contradicted to begin with.

Now when we say that we are going to demand an allocation of $20 billion, but the Secretary of Defense tells me, like he did last year and the year before, that is the Secretary of the Air Force, that the Air Force did not have and does not have the sufficient budget to give air pilot training time to our Air Force pilots, certainly there is something wrong with that priority because we may never deploy, we may never even construct a system of the MX. We may never even reach the stage where we can place into reality even a sort of prototype system of what has been known as the star wars, as it is popularly known. But we do know that we have men and women whose morale must be there, we must have a country that is worth defending. If in the meanwhile our infrastructure, which is a fancy word given by professors to the vitals of a community, its road system, bridges, sewage system without which you have no modern community, all of those are crumbling down around our ears throughout the country. The same President that is asking me, and I am certainly defense oriented, in fact I was attacked for being too defense oriented. I have been attacked always. I have been attacked as a hawk, I have been attacked as a dove. Yet I look at the source of the attack and realize

that it is predicated on an ignorance of the total role.

My utterances are all in the record. It is nothing that I have said now as compared to what I said 15 years ago. I am saying essentially the same thing.

What I am saying is that with the perversity in the priorities, with the abdication of our basic responsibility to go to the bottom of things whether it is our domestic needs, community development needs or our rural needs, and when the President comes to me and he says "80 percent of the thrust of the programs that I'm going to cut are going to be in the area which your subcommittee has jurisdiction over," that bothers me. What is that? Housing, both community development, rural as well as urban. Now as chairman of that subcommittee, and that is the largest subcommittee in the whole Congress; I have been privileged in the last 4 years to go into over 30 States as chairman.

I have been into every single agriculture-producing area of this country, whether the Eastern Shore which is just 1 hour and 15 minutes from here or elsewhere. I can take you to a situation where I saw labor camp situations that are atrocious. We just cannot reconcile them with America. They are just as bad, if not worse than some of the situations in the undeveloped Third World countries, so called.

Now that is just 1 hour and 15 minutes from the Nation's Capital. These are invisible people. It is the same thing elsewhere; I have been to southeast Bronx, I have been to east Brooklyn, I have been to Philadelphia. In fact, I was scheduled to take the subcommittee to the very area where the police in Philadelphia bombed and burned up entire neighborhoods, killing children, women, men. Now this is in America, in the United States, while we spend elsewhere.

He says we have to cut all of the housing programs; this is the President's recommendation.

In this budget which I cannot support—I cannot support what the so-called glorious compromise was: Look, we are not going to kill the programs, we are just going to compromise with the Senate and just barely, maybe, keep them a little bit alive.

But the country is not a stagnated country. Our country is a dynamic country, a growing country. That is why they started all this jazz about freeze. I said, "You don't freeze living material, you don't freeze living matter. The only thing you freeze is inert matter." Our country is bursting, it is dynamic, it wants outlets for growth and production. It does not want to see the fruits of its labor and its produce stolen through a system of international currency that is going to eventually relegate our workers to peonage. They have placed in competition with every peon and coolie of the world because they have been sold out, as I have been saying for 15 years, on and off of this floor.

These are the issues that we ought to be confronting so that we can face the Communists somewhere and say, "Sure, we are against communism, but who dares take on the Chairman of the Federal Reserve Board?" Who in the meanwhile, leading this army of voracious, voracious elements, the ones that Jefferson reviled against and also Andrew Jackson. Why did he kill the chartering of national banks in 1837, the Second U.S. Bank? Why did Lincoln the day he was killed and the week he was killed have uppermost in his mind what was happening in that area? Well, that was the year they passed the 1864 Currency Act, the 1865 National Bank Act and he foresaw and he said and he worried about it and he spoke about it.

□ 2200

Then you had the recurring panics and depressions of 1892 and 1893; 1908. That gave rise to the Congress, after a lot of hearings and the Peugot committee in the House of Representatives, they finally struck off the Federal Reserve Board system.

Today, I am absolutely depressed when my fellow Congressmen say, well, you do not want to interfere with the freedom and the independence of the Federal Reserve Board. You mean we are going to let this groups of unaccountable panjandrums, who are the hirelings of the dollar barons in our country? Who have sold us out?

Why, these same banks have speculated against the American dollar every day they could for the last 10, 12 years, since Richard Nixon took us off of the so-called gold exchange and devalued the dollar; went into the so-called floating rate of exchange, which meant that the American businessman—today, anybody trying to get what they call a consumer loan from a bank will not pay less than 17 percent interest. This is what is killing us. This is what is doing us in.

The budget we passed today, that is a bubble, just a bubble. We floated it up; it is going to burst just like the others, because they are predicated on the wrong and erroneous quality.

The other thing is, the President, for whatever reason has embarked on stimulating, fostering a spirit—in fact, I call it a psychosis of war toward Russia.

Well, George Washington warned us—he said, and I am going to quote exactly:

> The nation which indulges towards another an habitual hatred or an habitual fondness is in some degree a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its beauty and its interest.

Pick up the paper of last week, and you will see that the President entered into some kind of a treaty with the Chinese Communist regime, if you please. They are bold about it; make no bones. We do not know the details of that; nobody has bothered, in the Congress, to try to find out.

He entered into a secret deal. Part of it was that the Chinese Communists were supposed to buy 6 million metric tons of our wheat and grain. They reneged on that deal last year; that is why we had the farm crisis we were all reading about late last year.

But the reason was the Communist Chinese reneged on the deal. Yet, with great pomp and ceremony just last week, he had the Chinese President in the deal, the ramifications of which I do not know and I do not know of anybody else in the Congress that does.

I believe that these are the things that are making a joke of our actions and our activities and our debates and our talk.

The other notice last week was that the State of Israel was—the Ambassadors of Israel and Russia were meeting in Paris; and they were talking about some kind of a reconciliation.

Russia broke off diplomatic relations with Israel during the 1973—I believe that was the Yom Kippur war.

Now, one good thing is that if there is some reconciliation there, the United Sates undoubtedly will benefit by some kind a conciliatory move toward Russia.

Now, if we insist, however, as the President has continued to, in making the smallest country in the Western Hemisphere the scene of an East-West confrontation, making us the laughing stock of the world, any knowledgeable citizen throughout the world just laughs when General Haig says: "We are drawing the line in El Salvador, right here."

Four years later, and after $4 billion, we are nowhere near. Why? Because it is predicated on a misperception. There is no such thing as an East-West confrontation in these impoverished nations.

What is happening? It is very simple to see. It does not take an expert. You have these masses, well, now they exceed us in population by some 80 to 90 million, for the first time I guess about 15 to 20 years ago they exceeded our total population. It is another world there. They have taken oppression; their own oppressive, tyrannical master rulers have looked down upon them, treated them like dogs, killed them off like they did in El Salvador in the 1932 uprising—that was taken care of then.

Our interests; we are identified—you go to those countries and you will realize what a tremendous awe and power there is in Los Estados Unidos el Norte; the United States of the North, because the United States of the North, for instance, in Honduras, is

United Fruit. In Chile, Anaconda Copper, and the like.

So they are indistinguishable; our Government and those entities.

I think the time has come when we have got to read a little bit of that history. We have got to take time out for the sake of our children, grandchildren, and great-grandchildren; because the way we are going, we are growing no wiser, no better, no more civilized than the misdirected nations in Europe where you have these ancient rivalries and hatreds still boiling over, even after the war.

As a matter of fact, the great passion in some of the West German provinces or states is the Silesian refugee saying, "We've got to get Silesia back from Poland." And what is Minister Cole telling them? He is saying, well, now, wait a while, do not overcharge here; wait until we have a peace treaty.

Well, who here in this Congress has even conceived of the fact that anybody in Europe is talking about a peace treaty and defining those issues that even though they look as if they are buried, are percolating and churning and boiling underneath the surface?

That is what the President found out when he tried to get a joinder of West Europe, in trying to embargo the construction of the gas pipeline from Siberia into Western Europe. He soon found out that that pipeline, its management headquarters was over in the Ruhr; they call it Ruhr Gas. And the principal stockholders are Exxon and Mobil and the British Oil, and behind those entities are the Chase Manhattan Bank, the First City National—these are now tremendous multi-transnational entities. They can thumb their nose at any sovereign government.

In our case, we have been victimized, because once we have gone into this unsettled business of these vast exchanges, what they call the international currency exchange, which is now what? It is a speculative market. You have speculators speculating there like you do in the commodity exchanges in Chicago, and you have these very same banks, some of them trying to dodge taxes in Europe—and certainly taxes in the United States—so who talks about what I call the Latin dollar market, where not only in the Bahamas but in Panama we have this escaped capital now up in the hundred billion dollar range.

Well, every day—there is no such things as offices for this international market; you have these agents or hired hands of the banks at their computer 24 hours a day. Every day you have mass movements of over $75, $80 billion of this, and every one of that has an implication for our banking system, domestic banking system in the United States.

We are beginning, and we should have known, that if we had certain factors that were well-established since 20 years ago, 1965, some of us spoke out then, that we would have to anticipate, that we would have to try to do something.

I have not gotten up on this House floor to criticize or point my finger without having a corresponding suggestion, and I am delighted the gentleman from California [Mr. DORNAN] rose a while ago, because it gave me a chance to report on what, humbly, but very solitarily I have been trying to offer as thoughts, as resources.

Obviously, in reading the history and the contents of the Constitution, were in anticipation of such things as these.

□ 2210

We cannot afford that. No nation can. And how best to prepare I think is to soberly sit down and think, not to react out of emotion. Whether it is humility or humiliation, I believe our nation in its greatness can confront. What I am saying is that those of us serving in this great, vast body, are privileged class, and I am offering my advice to the privileged classes of America. As I said, my hero and the fellow I followed in this example was the famous Joel Barlow, the revolutionary poet. He was one of the ministers who served Washington's Revolutionary Army. But he was also a revolutionist and a great pamphleteer. He was a great friend of Tom Paine. He addressed such a message to the privileged orders of Europe. In my case, I am offering my messages with specific suggestions. All I have ever asked, as I have presented resolutions, is that they be duly considered by the committees that are set up for the purpose. I never have done anything frivolous. I think too much of this body and I have too much self respect in my membership of this body and how privileged a position it is to ever in frivolity offer anything. I do believe, though, most sincerely, like Shakespeare said, when we become arrogant, complacent, "but when we in our viciousness grow hard, Oh, misery on't! The wise gods seal our eyes. In our own filth drops our clear judgments. Make us adore our errors. Laugh at us while we strut to our confusion."

I appeal to my colleagues when we reunify, God willing, September 4, we pick up where we left off, realize that the real chore, no matter how politically feasible it is to explain and say we did something about the deficit, something about the budget, we have got to face the reality, for only we will be strutting to our own confusion if we do not.

PROPOSED PRISON CONSTRUCTION IN URBAN AREAS

(Mr. STOKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. STOKES. Mr. Speaker, recently, it has come to my attention that the mayor of Milwaukee, WI, and the Governor of the State have been embroiled in a 3-year dispute about a proposed $50.5 million prison in downtown Milwaukee.

Questions concerning the desirability and feasibility of building a prison in urban and residential areas are at the center of this particular controversy. This issue is not only controversial in Milwaukee but also in other areas around the Nation including my congressional district in Cleveland where State officials are planning to build a 500-bed medium security facility in a residential neighborhood.

Mr. Speaker, as State prison officials attempt to alleviate overcrowding in prison facilities by building new ones, more cities will be confronted with the tough prospect of having prisons built well inside city limits and possibly in residential areas.

While some prison reformers suggest that such a movement might increase the accessibility of family members to inmates, there has not been very much recent research on the overall impact of this proposal.

Specifically, there are few up-to-date studies which examine the impact of prisons in cities and residential areas on property value and security. Furthermore, to my knowledge, there also has been no substantial research exploring the balance between the number of new job opportunities which a prison facility brings with the decline in property values and opportunity for new residential development and construction.

In the Collinwood section of Cleveland, the State of Ohio plans to build a prison in the heart of a residential area. Within a 3-block radius of the proposed site on Coit Road, there are 626 housing units with 1,750 residents.

For the last several months, the proposed prison has been the source of great public debate in the Cleveland area with many area residents strongly opposing the construction of the prison.

Mr. Speaker, the debates in Milwaukee and Cleveland are indicative of the situation many urban centers may be faced with in the future. As a means of beginning the discussion in the Congress about this issue, I would like to insert in the RECORD newspaper articles on the proposed prison facility on Coit Road in Cleveland.

RESIDENTS WANT PRISON ELSEWHERE

(By Dave Rowe)

Put that thing someplace else.

That was the unmistakable theme as nearly 150 residents of the E. 140th Street and Coit Road neighborhood loudly applauded council's passage of a resolution opposing the state's plan to build a prison on the site of the old Fisher Body-Coit Road plant.

The resolution, passed unanimously, declares council's official objection to converting the old plant into a 500-bed medium security prison, largely due to "widespread community opposition."

Ward 10 Councilman Larry Jones, sponsor of the legislation, told council prior to the vote that in addition to worries about safety and housing values, his constituents also were concerned about being deprived of some of their constitutional rights.

"These are the people that pay the taxes, and pay the bills," he said, referring to the crowd in council chambers and an anti-prison crowd of more than 500 which attended a February hearing in Ward 10 conducted by the Ohio Department of Corrections. "It is unfair to impose a prison on my constituents against their wills."

Past potential sites for a "Northeast Ohio Reformatory"—originally intended to be a 1,250-bed facility located somewhere within Cuyahoga County—included Valley View and the E. 55th-Broadway area, causing Jones to say, "There, the communities got together and said, 'No.' We're basically saying the same thing."

The Coit Road area residents, many of whom stood outside with picket signs prior to the meeting, cheered loudest when Jones directly addressed Mayor George Voinovich.

"Mayor, it is unfair of you to support the prison against the will of the people," Jones said. "We're prepared to fight this issue all the way, but if the prison is built, we would not forget those individuals who allowed this to happen."

Voinovich, who along with Council President George Forbes, Gov. Richard Celeste, State Sen. Mike White (D-21) and State Rep. Ike Thompson (D-14) supports the concept of a Coit Road prison, gave no immediate response. After the meeting, he told reporters, "In the long run, I think a prison would improve the area—frankly, the safety of that area would be improved."

White, not present at the meeting but perhaps the loudest proponent of the Coit Road plan, has argued that demolition of the old auto plant and construction of the facility for mostly young, first-time offenders would mean an immediate $30 million in construction salaries, as well as more than 200 permanent jobs. He also has argued that the 49-acre Coit Road site is not suitable for any other type of development, saying, "I wish I had a Saturn plant to put in there, but I don't"

Jones, whose position is supported by Cong. Louis Stokes (D-21), argued Monday night that the site could be developed by private industry. "Instead of 200 jobs, we could be talking about 2,000 jobs," Jones said.

The decision, to come after a 13-member task force presently studying the issue delivers its recommendation, will be made by the department of corrections in conjunction with the area's elected representatives. The task force, composed of individuals selected by the elected officials and including planning director Hunter Morrison and director of economic development Gary Conley, has been told to deliver its report by May 10.

"We will not abide by their (the task force's) recommendation," Jones said Monday night. "This is a task force we have here tonight."

Besides a "task force" of angry residents, Jones also has been promised further support from some of his council colleagues.

"Instead of catching criminals, the state wants to put them into our neighborhoods as permanent resident," Ward 12 Councilman Dennis Kucinich said in vowing to work against the state's plan. "This involves the principle of local control—the right of the people to determine the future of their neighborhood."

Along similar lines, Ward 11 Councilman Michael Polensek said, "If we go and disregard their (residents') will, then we do not have a democratic body or a democratic system."

Jones, whose resolution passed through council's committee system intact and virtually unopposed, said it should have some impact on what finally happens.

"The whole city council is sending a message to the governor and the other officials telling them to choose another location," he said. "At least, I'm hoping it will have some effect on some of the advisory committee members."

Polensek, though, said it still is possible that the state will proceed with the projects in spite of the resolution. "If the state decides to go ahead and ram this down people's throats, it's be an uphill battle," he said.

[From the Plain Dealer, May 19, 1985]

PANEL PICKS COIT ROAD FOR PRISON—CLOSE VOTE, MINORITY REPORT KEEP DISSENSION ON SITE ALIVE

(By Harry Stainer)

A citizens advisory council recommended by a 5-4 vote yesterday that the state build a 500-bed reformatory on the site of the old Fisher Body plant at Coit Rd. and E. 140th St.

The proposal to build a state prison in Cleveland has been turned down at several other sites in the city since 1982. The delay in building it resulted in the size being reduced from the original $76 million and 1,250 beds to $35 million and 500 beds.

The chairman of the advisory council, the Rev. James G. Hannah, pastor of Central Christian Church, 697 E. 105th St., released copies of the majority report at a news conference at his church. Among those attending was State Sen. Michael White, D-21, of Cleveland, who has supported construction of a prison here.

A few hours later at a conference in the Bar Stop Co., a small business in the plant at 13227 Coit, the four members in the minority released their report opposing construction. Among those present were Councilman Larry A. Jones, D-10, and a representative of Rep. Louis Stokes, D-21, of Warrensville Heights, both of whom oppose the proposed site.

White said the group had agreed to abide by the majority decision and it was disquieting that the minority was holding a news conference.

Jones said that the agreement was to participate in the group and that he was speaking for the people in his ward who overwhelmingly opposed the Coit site.

Hannah, who as chairman did not vote on the issue, said that if there had been a tie, he would have voted to build the prison on Coit Rd. He was appointed to the group by the state.

Two members of the 13-member advisory council represented Mayor George V. Voinovich (a supporter of the site), but were not allowed to vote. The reason, Hannah said, was that the mayor's delegates did not attend the meetings or go on field trips. The group adopted a rule that the right to decide the issue should be given to those who attended at least three meetings, Hannah added.

The advisory council was to be the answer to delays on a decision to build a medium-security prison in Cleveland. Richard P. Seiter, director of the state Department of Rehabilitation and Correction, officially appointed the members, but elected officials submitted two names each for appointment.

Split votes appeared to indicate how difficult the decision was White, who favors the construction, saw his two voices on the council split, one for and one against. Stokes, who is against construction, saw his nominees split, one against and one abstaining.

Council President George L. Forbes' representatives both voted for construction. (City Council passed a resolution against the project, but Forbes, D-9, is a supporter.) Jones' people both voted against the project. And those named by State Rep. Ike Thompson, D-14, of Cleveland, voted for the project.

The majority voted for the prison, Hannah said, because construction would mean jobs, encourage economic development and clean up a neighborhood eyesore. Others pointed out that a local state prison would make visits easier.

The report recommended that 60% of the 215 people expected to be employed by the reformatory should be residents of Glenville-Collinwood, and that the state buy the 15 homes with backyards facing the site and use as many minority contractors as possible.

The report called for a permanent advisory committee that would be notified if more than 500 inmates were housed.

The minority report, said member Anthony Ray, concluded that despite discussion and trips to Grafton and Dayton, no evidence was submitted to support the theory that a prison could be put in a densely populated urban neighborhood.

The minority report said the 50-acre site was not large enough for a 500-bed prison, that it would create fear in the neighborhood and that the prison cells were designed for two beds, which indicates a future prison size of 1,000 beds.

Grafton, in Lorain County, would be a better choice, said the minority report, because of its space, and would be close to Cleveland for visitors.

The minority report said the wishes of only the people of Ward 10 were being ignored. Earlier proposals to build the prison in the Broadway and Valley View communities were dropped when residents protested.

The abstention came from Carl Anderson, who said he did not like the way Hannah directed the council activities.

[From the Plain Dealer, May 31, 1985]

COIT ROAD CHOSEN AS PRISON SITE

(By Joseph D. Rice)

COLUMBUS.—A 31-month search for a site for a medium-security prison in Cuyahoga County ended yesterday.

The 500-bed reformatory will be built on the site of the old General Motors Corp. Fisher Body plant at E. 140th St., and Coit Rd. in Collinwood, Richard P. Seiter, director of the state Department of Rehabilitation and Corrections, announced.

The facility will take a year to design and two more to build, said department spokesman Robert Prosser. It will house men

under age 30 who are in prison for the first time, Prosser said.

Cleveland architects Richard L. Bowen and Thomas Zung will design the reformatory, which probably will have four to eight buildings, Prosser said.

Prosser said Seiter assured the Rev. James Hannah, chairman of a citizens advisory committee that recommended the site, that the state would take "deliberate efforts" to involve minority contractors in the construction.

The facility will cost an estimated $39 million.

State Sen. Michael R. White, D-21, of Cleveland, said a permanent citizens committee would be formed soon to work with state officials on the prison.

"It will be involved in everything from the landscaping and the construction to any problems that may arise from integrating the facility into the community," White said.

White said the state agreed to give preference to area residents in hiring the 215 guards, clerks, teachers, social workers and others who will work at the reformatory. The annual payroll is estimated at $3.0 million.

Rep. Louis Stokes, D-21, of Warrensville Heights, who led the fight against the Colt Rd. proposal, said yesterday he would "continue to oppose this demeaning act by the governor. . . ." He and Councilman Larry A. Jones, D-10, planned a rally against the plan at 7:30 p.m. Thursday in New Calvary Baptist Church, 722 E. 150th St.

"In his decision to place a prison in the 21st District . . . against the wishes of the residents and property owners of the Colt Rd. area, Gov. (Richard F.) Celeste has once again displayed his disrespect and distain for the people in the 21st District," Stokes said.

"I have not given up the idea that there will not be a prison," said Jones, whose ward includes the site.

Mayor George V. Voinovich, in Washington yesterday to be briefed on President Reagan's tax proposal, said he had not been opposed to the Colt Rd. site.

"In the long run, it will provide jobs and . . . ultimately an improvement in the area," he said.

"I sympathize with the people who live in the area. As the mayor, I've got to look at the big picture. I can understand their opposition, but in the long run things often work out correctly.

Voinovich and other city officials had been lobbying to have the facility in Cleveland since the correction department announced in November 1982 that it had scarpped the site of the old Standard Oil Co. (Ohio) refinery in the Flats because of chemical contamination.

Considered in the ensuing search were an adjacent site at 2929 Broadway and sites at E. 40th St. and Woodland Ave.; W. 130th St. and Bellaire Rd.; Canal and Rockside roads in Valley View; and city-owned land in Warrensville Township.

In each case, the state met community opposition or found the site was too small, its terrain unsuitable or other problems.

A minimum of 50 acres was needed. The Coit Rd. site is about 50 acres.

"This (Coit Rd.) was the only available site in Cuyahoga County that could meet the design critiera," Prosser said.

The state had originally planned to build a 1,250-bed reformatory in Cleveland. Officials decided to put 750 of the beds in Grafton in Lorain County, where a 500-bed reformatory had been planned, when it could not find a suitable site here. Graton already has an honor farm.

Stokes and some residents of the Coit Rd. area had said the prison would lower property values and pose a security problem for residents. White said studies showed there was no basis for such fears and that the area would become safer and property values would increase.

Prosser said Seiter based his decision on the majority report of the advisory committee that studied the Coit Rd. site. The committee approved it by a 5-4 vote.

"This has not been an easy public decision to make but I sincerely believe the long-term results will prove it to be the correct one," Seiter wrote Hannah.

"Housing prices will automatically go down. Would you buy a house next to a prison?" Pearson asked.

"Now maybe everybody in the area will have to buy a gun. This is wrong, entirely wrong. I feel like the black politicians sold us out. I'm, going to wait and face them on election day."

But Sebe Young, an advisory council member who supported the site, said he believe the reformatory would bring jobs and attract service industries.

"I'm 65 years old. I saw this community deteriorate. I saw the exodus to the suburbs. People, grocery stores, everything," Young said.

Asked about people who oppose the prison because they fear for their safety, Young said, "That's kind of ludicrous. It's not a prison who's going to rape your daughter. It's the man who hasn't been sent to prison."

Prosser said the reformatory would be screened from nearby homes by landscaping and that two electrified fences would surround it.

The reformatory will be the area's first. It is one of 12 new facilities planned to meet the growing prison population, now totaling 19,500 in 12 institutions.

Neighborhood Is Hot About State Corrections Decision

(By Dave Rowe)

The state and its prison apparently are going to move in and already, residents of the Coit Road area are thinking seriously of moving out.

"I'm going to consider it, and so are a lot of my neighbors," said longtime Coit Road homeowner John Baker upon learning that the state now definitely plans to build a 500-bed, medium security reformatory on the site of the old Fisher Body plant. "The property values are going to go down, and who is going to want to live in a prison camp?"

"Why put this in a residential area? They could put it out in the country somewhere," Baker said. "We've got kids here; they can't go out and play next to a prison."

"I'm bitterly against the prison, and against what it represents," said Earl Ellis, Baker's neighbor. "We protested against this think and it didn't do a darn bit of good. We even had rich people from Bratenahl protesting and it didn't do any good.

"The state doesn't give a darn about anyone's property but its own."

During the debate preceeding last week's decision, corrections department officials and State Sen. Michael White (D-21) had maintained that a prison would pose no safety threat to the neighborhood and that property values would actually increase, due to housing needs of prison employes.

"That's not what's going to happen," argued Michael Moore, another Coit Road resident. Moore, who bought his home there 12 years ago, now is taking steps to sell it. "This neighborhood is going to become totally a rental area, which means it's going to go down. Right now, most people are homeowners, but a lot of them are saying they aren't going to stay."

Moore believes efforts of Ward 10 Councilman Larry Jones and Cong. Louis Stokes (D-21) have fallen short of convincing the state to build elsewhere largely due to the lack of accountability of other elected officials.

"I think the neighborhood has been totally sold out," Moore said. "It's been sold out by Mike White, (State Rep.) Ike Thompson and by Gov. (Richard) Celeste. It's been clear from the start that the majority of people are totally against it. I think that, if they gave it a little time, the Fisher Body plant could be developed."

Dave Champion, the Park Corp.'s first and still only tenant in the huge old plant, also is unhappy with the state's decision. "With all the problems of a start-up, I certainly didn't need this," said Champion, who leased space before the state's interest in the site became public knowledge.

Bar Stop Inc., Champion's business, began customizing steel coils there last month, but Champion now is looking into potential relocation sites. "I'm going to look at a site on E. 55th Street. I'd like to stay in this area."

In the minority of area residents pleased with the news was Vernon Hollins of Coit Road. "It's excellent—it means more jobs and what this neighborhood needs is more jobs," Hollins said. "A lot of people around here don't have cars. As long as they hire people from around here, it'll be all right."

Representative Stokes Adds Voice To Fight Against Prison

(By Jim Parker)

Some 300 residents of Wards 10 and 11 cheered, applauded and amened last night while their leaders, from Congress to City Council, told them why there should be no prison in the aging, changed Collinwood community.

Leading the ticket and telling his enthusiastic audience what it wanted to hear was Rep. Louis Stokes, D-21, of Warrensville Heights.

"It is rare that I find myself in the district on a Thursday night," the nine-term congressman said, "but there is a crisis situation confronting the community tonight, and we," he said gesturing around him at the gathered political and community leaders behind the pulpit, "are here to tell you the facts."

The facts, Stokes said, are that the first proposed chairman of the citizens advisory committee on the $39-million, 500-bed medium security prison was Walter A. Burks, president of Burks Development Co., employer of State Sen. Michael R. White, D-21, and a potential contractor on the job.

White is a chief sponsor of the proposal to put the prison in the abandoned General Motors site on Coit Rd. near E. 140th St.

Stokes acknowledged that modern penal thought advocates putting prisons nearer urban areas, but "it is unknown anywhere to build one in the inner city," he said.

"If the people in that area don't want a prison, then that is my position. I don't want a prison in that part of my congressional district," Stokes said.

Later, Stokes introduced his two appointments to the advisory committee, neither of whom, perhaps strangely, live in the area.

Martha Smith, introduced by Stokes as a prolific writer and a member of The Plain Dealer's Editorial Board of Contributors, said she was initially denied her vote when she explained she could not make a particular meeting and was told the vote would not be until the next day.

She said she was allowed to vote the next day by phone.

Carl Anderson, introduced by Stokes as a Boston College graduate and a trial attorney, said he was present at the meeting where the vote was taken, but left early to study some reports.

Anderson said he was called the next day and told a vote had been taken. He asked what it was and said he was told that if he voted the way they expected it would be 5-5.

"I felt I must abstain and must make public that the process is tainted," Anderson said he told the Rev. James Hannah, committee chairman.

The committee approved the hotly contested proposal 5-4. Anderson's no vote would have resulted in a tie that would have been broken by the chairman's vote.

Hannah said later the motion to vote was made by one of the minority voters, and said there was no ramrod. Hannah said he would have cast a yes vote if needed.

Councilman Larry Jones, D-10, was joined by Councilman Michael D. Polensek, D-11, in telling the mixed, but mostly black audience that it was not too late to fight and pointed to a unanimous resolution from council opposing the prison.

Also present and acknowledged by Stokes was David Kramer, 30, a Democratic candidate for mayor.

SOME THOUGHTS ON THE USE AND MISUSE OF POWER

(By Martha L. Smith)

I am a member of the committee which met to decide the suitability of the old Fisher Body auto plant as a site for a 500-1,000 bed prison. Even though I was part of the minority who felt a prison should not be built at that location, these thoughts are not primarily about the merits of either position. It is a look at the use and misuse of power.

I do not live in Collinwood and therefore am not directly affected by the final choice. What offends me as a black and as an American is the cavalier and insulting decision to build the prison despite the overwhelmng resistance of the community.

I joined the committee willing to consider the kind of sound evidence that might outweigh my basic conviction that it is rankest paternalism to presume to know what is best for another adult.

Certain local and state politicians, the Cleveland media and those who have the audacity to prescribe for others the medicine they would not take for themselves are afflicted with a malady suffered by many of our predecessors—the Tory who did not share the Minuteman's thirst for freedom, Dred Scott's master who was chagrined that this famous slave craved liberty. At the core, it is a lack of respect for people and a failure to understand that the end does not justify the means.

The ugly ghost of racial discrimination, still defying all attempts to lay it to rest, is a strong factor here. Two Greater Cleveland neighborhoods (both white) considered as possible sites for an urban prison declined that honor. They were respected. A black community which similarly declined was not.

A Plain Dealer editorial on the topic purposely confuses the bone of contention. "But several industries are near the site—which was a Fisher Body auto plant for decades—long before most of the current neighbors lived nearby. They knew that area before they moved in."

An industry and a prison are hardly synonymous. It adds insult to injury to suggest that this is so. Such a lame defense implies a lack of strong and convincing argument.

As a black American and a realist, I am quite aware of the need for prison reform. I subscribe fully to the idea that prisons should be accessible to visiting family and friends. I know that blacks are more likely than whites to be incarcerated for minor offenses, more likely to receive capital punishment. I know all the social and spiritual ills that feed the criminal justice system. I also know that it is highly lucrative, and reform is not the goal of many of those who profit from its present form.

What I fail to understand is how building a soon-to-be overcrowded prison on Coit Rd. will address prison reform issues. What I don't know is why white protests were honored and black protests were dismissed as the ignorant whining of persons who haven't enough sense to know what is good for them.

Another point must be made: It seems that the white politicians who represented the neighborhoods which turned down the golden opportunity to improve their communities with a prison listened to their constituents. They told prison director Richard Seiter thanks but no thanks. Some black politicial representatives apparently chose to do otherwise. They ignored their constituents. The oppressed turning oppressor is a sad and fascinating phenomenon.

If the prison is build on Coit Rd., in the face of overwhelming community opposition and insufficient space to humanely house 500 prisoners, it will be another chapter in the countless volumes on the misuse of power.

Force feeding, even for high and noble aims, is never the better way. When it is used to reach goals which, when shorn of rhetoric have little merit; it is not only dehumanizing but ultimately counterproductive.

IT SEEMS CHEAPER TO BUILD PRISONS

(By Richard M. Peery)

A couple of seemingly unrelated decisions in the past few weeks may tell more about the future of this community than all of the ballyhooed study plans that periodically paper the city. Cleveland is not known for civic cooperation, but seldom have a pair of actions from separate governmental agencies matched so well.

Among the cutbacks the Cleveland Board of Education is making to cope with a budget crunch is closing the Woodland Job Center, a unique training institution that gives another chance to school dropouts and pupils who require special counseling and remedial training to make it into the workaday world.

At the same time, Gov. Richard F. Celeste, Mayor George V. Voinovich and other leading local politicians have put their stamp of approval on a proposal to build a prison on the site of the former General Motors Coit Rd. factory where thousands used to work.

The job center's average enrollment has been about 500 students a quarter. The $38 million medium security reformatory is to have room for 500 inmates.

Only an uninformed cynic would suggest a deliberate connection. The decision makers in the school system certainly did not base the job center closing on communication with the prison builders. It's just that the facts dovetail so well.

But any similarity ends when it comes to the way community leaders have reacted to the two proposals. There was no response from local officeholders when the school board members said they were closing the job center reluctantly as a money saving move. On the other hand, a lot of elected officials have turned the prison's construction into a crusade.

These are politicans who remained absolutely silent as the school board laid off teachers' aides, reduced the staffs at magnet schools and got entirely out of the business of training adults in apprenticeship programs.

Yet, many of the politicians have shown the greatest compassion for the plight of prisoners in overcrowded jails. Their sympathy is certainly justified. Ohio's prisons are mass atrocities. State Sen. Michael White, D-21, is absolutely right when he says prisons should be built where family members and social service professionals have easy access to aid in rehabilitation.

But maybe just building more cells is an exercise in simplistic straw grasping rather than a serious way to meet the problems of overcrowded prisons and the fear of crime.

New prisons that are supposed to relieve overcrowding often have a way of becoming jammed beyond capacity themselves. There are more people behind bars now than ever before in history and they are serving longer sentences. Yet, the fear of crime does not seem to abate. Maybe we should be trying some other things with the money.

One of them could be keeping places like the Woodland Job Center open. Such schools might accurately be called prison-preventers because they train people to earn their own way. Poverty does not force anyone into a life of crime, but the best evidence is that it makes an illegal career harder to avoid. It's easier to be law-abiding when you have money in your pocket.

Records show that more than half of the job center's graduates have gone on to become wage earners. That's a lot when you consider the chances of the unskilled before they came to the school.

Of course, schools are less spectacular than prison projects. And those politicians whose mouths water when they smell construction contracts may not see the value of building people instead of buildings.

But wouldn't it be nice if they put as much energy into giving people a chance to keep out of jail as they do in fighting for new places to put them?

LINING UP AT THE TROUGH

A good case for building a prison in Collinwood is being undermined by the propensity of certain politicians to indulge in cronyism, conflicts of interests and political feuds.

The Coit Rd. decision was no sooner announced when it was learned that the property owner, Park Corp., is represented by Council President George L. Forbes' law firm. Park had had a hard time unloading the former Fisher Body plant. With the state coming to the rescue, it remains to be seen whether the state will buy it for the $300,000 that Park has said the property is worth.

In recent days, Rep. Louis Stokes has been blasting a potential challenger for his job—state Sen. Michael White—for promoting a prison in Cleveland to benefit White's private-sector boss, Walter Burks. White no longer works for the Burks Development Co., which was to oversee the prison construction. But having a different title in Burks' empire does not change the aroma of a conflict.

Nor is the air made any cleaner by the reported switch of Burks' contract from Colt Rd. to another prison project in Grafton. William Sykes, the state bureaucrat in charge of making crony decisions look rational, says no decision has been made on construction managers. Nonetheless, the word clearly is out in government and industry circles.

Burks also is co-manager of the W.O. Walker worker rehabilitation center being built, at long last, at Euclid Ave. and E. 105th St. The other manager is Snavely Construction Co., whose owner, Thomas Snavely, is a former business associate of Gov. Celeste's father, Frank.

Both Burks and Snavely are experienced construction people. For a contractor to have political ties is not unusual, especially to get government contracts. Since Burks is a longtime friend and supporter of the governor, he did not need White to put in a word with Celeste. But White did help rally public support for the Coit site. Otherwise, Cleveland would have lost the prison to Grafton, and with it a separate construction contract.

White stuck his neck out politically in behalf of the governor and the reform-minded concept of an urban location for a prison. He is savvy enough to have sought legal rulings on his ties to Burks. They may hold up technically, but they don't wash publicly. He and his wife both work for an employer getting a contract on a project White promoted.

The administration is right in seeking qualified minority contractors. And its deals with political chums may be no more rampant than in regimes that were more discrete. But the prison has dumped the governor into another quagmire. When Celeste promised an end to business as usual, nobody thought he meant doing business ineptly.

COIT CONTRACTORS GOT WORD EARLY

(By John S. Long)

The state officially announced the construction managers for the Coit Rd. and Grafton prisons yesterday, nearly three weeks after it quietly selected and informed the companies they would be getting the work.

Gilbane Construction Co. will operate in a combined venture with Burks Development Co. and Polytech Inc. as construction manager at the Coit Rd. site, although the state has yet to purchase the location from the Park Corp.

Construction managers at the Grafton prison will include Turner Construction Co. along with Ozanne Construction, Los Primos Inc. and Mary Zunt Associates.

Construction managers oversee building projects and generally are paid 5% of the total contract price. It is estimated each prison will cost $40 million, so construction managers on each project would divide $2 million.

The Plain Dealer reported last week the state had chosen Gilbane-Burks for Coit Rd. and Turner-Ozanne for Grafton before it had announced that Coit Rd. would be the location for the Cleveland area prison.

But the state considered switching the contracts because the administration of Gov. Richard F. Celeste feared conflict of interest charges since State Sen. Michael R. White, D-21, of Cleveland, a main force supporting the selection of the Coit Rd. site, is a business partner of Walter Burks, president of Burks Development Co.

White said last week he disagreed with the idea of switching the contractors because it added to the appearance of a conflict.

Yesterday he said Gilbane-Burks competed and won and should not be penalized because of its associates or because of unfounded innuendo. "They won without involvement from me or the governor's office," White said.

Burks was not the only politically connected firm to be awarded a construction-management contract yesterday.

Los Primos, a Canton-based minority firm, is owned by Roy Gutierrez, a Canton lawyer who is also chairman of the Stark County Democratic Party. Mary Zunt is a former Cleveland city councilwoman.

Los Primos and Mary Zunt do not have the construction management background the other firms have and will provide "less technical and more supportive services to the management team," said Gretchen Hall, state Department of Administrative Services spokeswoman. Hall said she did not know what those services entailed.

The Coit Rd. prison site has been a center of controversy among some area residents who said the prison would lower property values and be a security problem. This contingent has been led by Rep. Louis Stokes, D-21, of Warrensville Heights.

White has led those supporting the site. He has said studies show there was no basis for the fears. He predicted the area would become safer and property values would increase after the 500-bed prison was built.

The property had been a General Motors Corp. Fisher Body plant until the automaker halted production in August 1983. It was sold the next April.

[From the Akron Beacon Journal, June 19, 1985]

CONFLICT DENIED, CLEVELAND JAIL PACT AWARDED

(By John Funk)

Despite questions about conflict of interest, the Ohio Department of Administrative Services has awarded a Cleveland prison construction contract to a former employer of state Sen. Mike White, D-Cleveland, a chief proponent of the prison.

The department, a division of Gov. Richard F. Celeste's administration that awards contracts and makes purchases, awarded on Tuesday the construction of the Coit Road prison to a consortium of three companies, including the Burks Development Co.

Until June 1, Burks employed Sen. White as a sales representative. He also did administrative work for the company. Additionally, company president Walter Burks and White have been business partners in the recent past.

When it became clear that Burks was a contender for the $30 million Coit Road prison project, U.S. Rep. Louis Stokes, D-Warrensville Heights, and others raised questions about a possible conflict of interest. White acknowledged the appearance of a conflict but denied any and said he had kept state officials, including the attorney general, apprised on his situation.

White said last week that he had been cleared of any potential conflict of interest. He said his decision to quit Burks was unrelated.

Gretchen Hull, a spokesperson for Administrative Services, had no comment Tuesday on the question of conflict of interest.

Burks, a minority-headed company, will be paired with Polytech, another minority-headed company, and the Gilbane Building Co., a major contractor, Ms. Hull said.

Gilbane-Polytech is the joint venture contractor for the Sohio Building in downtown Cleveland.

"Obviously, the administration is anxious to aid and develop small, minority firms. And the best way is to link them with large companies like this," Ms. Hull said. Stokes could not be reached for comment Tuesday.

Administrative Services also awarded a second prison construction contract for $36 million in Grafton to a similar joint venture of minority-headed firms tied to a major contractor. That joint venture will involve the Turner Construction Co. and minority firms of Ozanne Construction, Los Primos and Mary Zunt Associates.

Ms. Zunt is a former Cleveland council member.

Ms. Hull said she could not comment on reports from sources close to the prison projects that the state had planned to switch the two projects to avoid the appearance of a conflict.

The state is negotiating to buy a 46-acre parcel at Coit Road and East 140th Street in Cleveland for the new 500-bed medium security prison, Ms. Hull said.

In addition to Stokes, Cleveland City Council is opposed to a prison at that location because it is a residential area.

[From the Plain Dealer, July 1, 1985]

STATE READY TO PAY 16 TIMES LAST PRICE OF PRISON SITE LAND

(By Joseph D. Rice and John Long)

Ohio has budgeted $3 million to $5 million to buy land for a prison site in Cleveland. The owner of the land paid $300,000 for it about a year ago. The state could have bought the land for $1.8 million about 18 months ago.

Daniel Shields, state public works director, said a new appraisal of the property, the former General Motors Corp.'s Fisher Body plant on Coit Rd. near E. 140th St., should be done by August.

State Corrections Director Richard P. Seiter said he expected to pay less than $3 million to $5 million for the land, but declined to discuss the amount he had in mind.

"But everybody that's dealt with me thinks I'm pretty cheap, from the corporations to the contract managers," said Seiter.

The state refused to pay $1.8 million for the land nearly 18 months ago. About three months later, GM sold the property to a non-profit group that resold it the same day to Park Corp., the present owner.

Park Corp. stands to reap millions in profit—as much as $8.5 million by one estimate—from sale of the land and auctioning equipment bought separately.

County Auditor J. Timothy McCormack assessed the property at $8.2 million in 1983 when GM said it was worth $4.8 million. Park Corp. has asked the county board of revision, which decides appeals on tax appraisals, to cut the value to $300,000.

Park bought it for $300,000 in April 1984 from the National Council for Community Development Inc. Park Corp. paid $200,000 for equipment GM left. The equipment was

assessed by the county at $3.9 million in 1984.

Earlier this month, Park auctioned off much of the equipment. Park officials did not return numerous calls from The Plain Dealer seeking to find out how much the equipment sold for. If the auction brought the full assessed value and the state paid $5 million, Park could realize a profit of $8.5 million.

GM closed the 65-year-old Coit Rd. plant in September 1983 and tried to sell the 1.6 million-square-foot building and its 46 acres or donate them to charity and take a tax deduction.

In late 1983, Ostendorf-Morris Co., a Cleveland company specializing in selling commercial property, approached the Ohio Department of Rehabilitation and Correction about buying the plant as a penitentiary site. Joseph Ditchman, Ostendorf-Morris vice president, said GM wanted $1.8 million but was open to offers.

Seiter said he rejected the offer because the state was looking then for at least 70 acres for a 1,250-bed medium-security prison. Earlier this year, Seiter changed plans and decided to move 750 of the proposed beds to the Grafton prison, in Lorain County, and build a 500-bed prison on the smaller Coit Rd. site.

In early 1984, GM offered the property to the National Council, a nonprofit New York corporation that tries to create jobs and build tax bases in cities. National Council initially rejected the idea.

"GM came to us and said they wanted to donate the property to us," said National Council Executive Director Robert W. Davenport. "We said, "That's very kind, but we have no way of taking care of it and won't accept it until we have a buyer for it."

Canter said under federal tax law, GM could not restrict future use of the property if the corporation wanted a tax deduction.

Davenport said the council did not restrict future use when it sold the plant to Park. "It was our understanding and Park's intention to subdivide it and turn it into smaller units, "Davenport said. "I have no reason to believe they (Park) weren't totally sincere when they took the property from us.

"Our whole public purpose is to create jobs for the community. We never would have stood still for the type of transaction (for a prison) that it is now likely to be.

"When I found out that was going to be turned into a prison, I was in a state of shock. That's not what we intended it to be," Davenport said.

Davenport said nothing can be done because Park owns the property. In future sales, he said, he will try to write in guarantees so the land will be used only to create jobs.

Davenport said he did not know how the sale price to Park was agreed on, and speculated it might have been the only offer the council received. But a realtor involved in the sale, who asked not to be identified, said many people had been interested in the property.

The PD, without mentioning names, described the deal to IRS spokesman Steve Pyrek in Washington and asked if the sale for below market value violated any laws.

Pyrek said of the transactions, "It doesn't sound to me as if it should be . . . but I'm no expert. It sounds real shady, but I don't know specifically if it is."

Pyrek said there was nothing wrong with a non-profit organization's obtaining property and selling it the same day, as long as "the charity sells the land for fair market value."

When asked whether the IRS considered a $300,000 price tag for land valued between $5 million and $8 million as fair market value, Pyrek said it depended on the specific circumstances of the sale.

"That brings up all sorts of questions," said Pyrek. "It could be a problem, it is quite possible that is a problem, but it is tough to generalize in cases like these."

"There is no obligation to sell at fair market value," Canter said. "The market value assumes you had a rational profit maximizer, with wherewithal to maximize potential Charities don't.

"If you are a charity and you receive a property, what are you going do do with it? You liquidate it. Any charity will liquidate as soon as possible," Canter said.

National Council found a buyer—Park Corp.—through Ostendorf-Morris.

The sale to the council and then to Park occurred about the month after Park officials learned the land had been discussed as a potential site for a prison, sources told The Plain Dealer. Soon after it purchased the Coit Rd. land, Park resumed sale talks with state corrections officials.

Davenport said the council got the GM plant in a "bargain sale. A bargain sale is the technical name for a donation which is (part) donation and part sale," explained Davenport in a letter to Rep. Louis Stokes' office.

Davenport told Stokes, D-21, of Warrensville Heights, an opponent of building a prison on Coit Rd., the council did not know Park Corp. would try to sell the land to the state for a prison.

"A prison does not meet the economic development objectives the council pursues," Davenport's letter said. "Had we any idea that the property would be so utilized, we would not have participated in the transaction."

The council also does not become involved in a piece of property with "a negative social, or economic nature," he wrote.

[From the Plain Dealer, July 7, 1985]

PLAYING "THE PRICE IS RIGHT"

In a deal with a repugnant odor, Ohio may spend two or three times as much as it could have spent 18 months ago for the Coit Rd. prison site.

Not that anything has been proven illegal, mind you, but something is seriously wrong when $3 million to $5 million is set aside for property that was offered for $1.8 million in late 1983.

Something is seriously wrong when estimated values and actual sales vary widely. The county auditor assessed the former auto plant at $8.2 million in 1983, but General Motors claimed it to be worth $4.8 million. In a tax writeoff, GM unloaded it for $300,000 to a charity, which instantly resold land and buildings for that amount, but profited by peddling $3.9 million in equipment for $200,000.

Something is seriously wrong when the state could wind up paying a whopping 10 to 16 times more than the Park Corp. paid for the same property in April 1984.

Perhaps the politically connected Park Corp. simply was practicing basic free enterprise by shrewd deals. If property and equipment resales bring top dollar, Park could realize more than $8 million on a $500,000 investment—made only after Park learned the state was interested in the site.

Perhaps something more is involved in this tidy arrangement that would involve millions of tax dollars. How can there be such wild swings in the value of a piece of property—from $8.2 million down to $300,000 them up to as much as $5 million—all in just two years?

The Celeste administration does not have to pay as much as is provided in the new state budget. The $5 million is maximum. Nor does Park, which must continue to do business in this city and state, need to ask an exhorbitant price

There are sound reasons that favor building a prison in Cleveland and using the Coit Rd. property. But so far the project has reinforced the state's experience that it is nearly impossible to do anything constructive in Cleveland because of chronic political infighting and money shenanigans. The price ploy as the kind of issue that twitches the nostrils of IRS sleuths, enrages the taxpaying public and enlivens a gubernatorial campaign.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. STRANG) to revise and extend their remarks and include extraneous material:)

Mr. PORTER, for 15 minutes, today.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. PEPPER, for 5 minutes, today.

Mr. RODINO, for 5 minutes, today.

Mr. MAZZOLI, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. MACKAY, for 5 minutes, today.

Mr. MAVROULES, for 5 minutes, today.

Mr. LUNDINE, for 5 minutes, today.

Mr. SEIBERLING, for 30 minutes, today.

Mr. GONZALEZ, for 60 minutes, today.

Mr. CONYERS, for 5 minutes, September 4.

Mr. CONYERS, for 5 minutes, September 5.

Mr. CONYERS, for 5 minutes, September 6.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SENSENBRENNER, during debate on H.R. 3008, in the Committee of the Whole, today.

Mr. COUGHLIN, during consideration of Senate Joint Resolution 168, today.

Mrs. BENTLEY, prior to the vote on the amendment in disagreement on the supplemental appropriations on water resources in the Committee of the Whole, today.

Mr. BROOKS, prior to passage of H.R. 1460, in the Committee of the Whole, today.

Mr. NIELSON of Utah, prior to the vote on House Resolution 241, today.

Mr. LOWERY of California, in support of the conference report on Senate

Concurrent Resolution 32, first concurrent resolution on the budget, fiscal year 1986, prior to the vote thereon.

Mr. STOKES, and to include extraneous matter, notwithstanding the fact that it exceeds 2 pages of the RECORD and is estimated by the Public Printer to cost $1,932.

(The following Members (at the request of Mr. STRANG) and to include extraneous matter:)

Mr. CHENEY in two instances.
Mr. RITTER.
Mr. SENSENBRENNER in two instances.
Mr. WOLF.
Mr. WORTLEY in two instances.
Mr. MOORHEAD.
Mr. LAGOMARSINO in two instances.
Mr. GOODLING in two instances.
Mr. GILMAN in three instances.
Mr. KINDNESS.
Mr. SAXTON.
Mr. FAWELL.
Mr. GREEN.
Mr. COBEY in two instances.
Mr. MCDADE in two instances.
Mr. CAMPBELL.
Mr. THOMAS of California.
Mr. GUNDERSON.
Mr. RINALDO.
Mrs. ROUKEMA in two instances.
Mr. LOTT in two instances.
Mrs. BENTLEY in two instances.
Mr. PURSELL.
Mr. DUNCAN.
Mr. MILLER of Washington.
Ms. FIEDLER.
Mrs. MARTIN of Illinois.
Mr. LENT.
Mrs. JOHNSON.
Mrs. VUCANOVICH.
Mr. DENNY SMITH.
Mr. GALLO.
Mr. PORTER in three instances.
Mr. COURTER.
Mr. LIVINGSTON.
Mr. JEFFORDS in two instances.
Mr. SWEENEY.
Mr. KEMP.
Mr. DORNAN of California in three instances.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. JACOBS in two instances.
Mr. TRAFICANT.
Mr. COELHO.
Mr. TALLON.
Mr. BEILENSON.
Mr. RANGEL in two instances.
Mr. PEASE.
Mr. MAZZOLI.
Mr. MINETA in two instances.
Mr. KANJORSKI.
Mr. DYMALLY.
Mr. SCHEUER.
Mr. HERTEL of Michigan.
Mr. DELUGO.
Mr. GORDON.
Mr. ACKERMAN.
Mr. MAVROULES.
Mr. GARCIA in three instances.
Mr. ANDREWS.
Mr. LANTOS in four instances.
Mr. LIPINSKI in three instances.
Mr. BARNES.
Mr. HAYES.
Mr. FASCELL in three instances.
Mr. MORRISON of Connecticut in three instances.
Mr. TALLON.
Mr. ROYBAL in two instances.
Mr. SCHUMER.
Mr. APPLEGATE in two instances.
Mr. SAVAGE.
Mr. YATRON.
Mr. MARKEY in three instances.
Mr. RICHARDSON.
Mr. SMITH of Florida.
Mrs. KENNELLY in two instances.
Mr. SOLARZ.
Mr. WAXMAN.
Ms. MIKULSKI in three instances.
Mr. STARK in three instances.
Mr. AUCOIN in three instances.
Mr. TORRES in two instances.
Mr. WIRTH in three instances.
Mr. CLAY in two instances.
Mr. ANTHONY in two instances.
Mr. STALLINGS.
Mr. EDGAR.
Mr. MILLER of California.
Mr. LUNDINE.
Mr. RALPH M. HALL.
Mr. HOYER in two instances.
Mr. FLORIO.
Mr. LIPINSKI in three instances.
Mr. MATSUI in two instances.
Mr. GRAY of Pennsylvania.
Mr. BEDELL.
Mr. HAWKINS in two instances.
Mr. STOKES in three instances.
Mr. KOSTMAYER in three instances.
Mr. BROOKS.
Mr. OBERSTAR.
Mr. WAXMAN.
Mr. FAUNTROY.
Mr. RAHALL in two instances.
Mr. LELAND.
Mrs. BOGGS.
Mr. BIAGGI.
Mr. HUBBARD in two instances.
Ms. OAKAR.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 63. An act to encourage the rendering of in-flight emergency care aboard aircraft by requiring the placement of emergency first aid medical supplies and equipment aboard aircraft and by relieving appropriate persons of liability for the provision and use of such equipment and supplies; to the Committee on Public Works and Transportation.

S. 974. An act to provide for protection and advocacy for mentally ill persons; to the Committee on Energy and Commerce.

S. 1106. An act to provide for the use and distribution of funds appropriated in satisfaction of judgments awarded to the Saginaw Chippewa Tribe of Michigan in dockets numbered 57, 59, and 13E of the Indian Claims Commission and docket numbered 13F of the United States Claims Court, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1349. An act to provide for the use and distribution of funds awarded in docket 363 to the Mdewakanton and Wahpekute Eastern or Mississippi Sioux before the United States Court of Claims and Claims Court; to the Committee on Interior and Insular Affairs.

S. 1515. An act to authorize a partial transfer of the authority of the Maine-New Hampshire Interstate Bridge Authority to the States of Maine and New Hampshire; to the Committee on Public Works and Transportation.

S. 1529. An act to authorize appropriations for State and community highway safety grants, and for other purposes; to the Committee on Public Works and Transportation.

SENATE ENROLLED BILL AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled bill and joint resolution of the Senate of the following titles:

S. 1195. An act to amend title 3, United States Code, to authorize the use of penalty and franked mail efforts relating to the location and recovery of missing children, and

S.J. Res. 180. Joint resolution commemorating the tenth anniversary of the signing of the Helsinki Final Act.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, pursuant to House Concurrent Resolution 179, I move that the House do now adjourn to meet at noon on Wednesday, September 4, 1985.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. GONZALEZ].

The motion was agreed to.

The SPEAKER pro tempore. Pursuant to the provisions of House Concurrent Resolution 179, 99th Congress, the House stands adjourned until 12 o'clock noon, Wednesday, September 4, 1985.

Thereupon (at 10 o'clock and 14 minutes p.m.), pursuant to House Concurrent Resolution 179, the House adjourned until Wednesday, September 4, 1985, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1804. A letter from the Comptroller General of the United States, transmitting a review of the President's ninth special message dated May 16, 1985, proposing two rescissions of budget authority, pursuant to 2 U.S.C. 685 (H. Doc. No. 99-93); to the Committee on Appropriations and ordered to be printed.

1805. A letter from the Director, Defense Security Assistance Agency, transmitting notice of proposed sale of defense articles in excess of $50,000,000 from inventories of regular components of the Armed Forces or

current production, pursuant to 10 U.S.C. 133b (96 Stat. 1288); to the Committee on Armed Services.

1806. A letter from the Director, Defense Security Assistance Agency, transmitting notice of proposed sale or transfer of defense articles to Norway in excess of $50,000,000 from inventories of regular components of the Armed Forces or current production, pursuant to 10 U.S.C. 133b (96 Stat. 1288); to the Committee on Armed Services.

1807. A letter from the Secretary of Education, transmitting a copy of final regulations regarding the final list of critical languages under title II of the Education for Economic Security Act, pursuant to GEPA, section 431(d)(1) (88 Stat. 567; 90 Stat. 2231; 95 Stat. 453); to the Committee on Education and Labor.

1808. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notification of the President's determination that it is important to U.S security interests to provide FAA funds to Jamaica under the special authority of section 614 of the act, pursuant to 22 U.S.C. 2364(a)(1); to the Committee on Foreign Affairs.

1809. A letter from the Director, Defense Security Assistance Agency, transmitting a notice of intent of offer to sell certain defense articles or services to Norway (Transmittal No. 85-47), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1810. A letter from the Director, Defense Security Assistance Agency, transmitting a notice of intent of offer to sell certain defense articles or services to Japan (Transmittal No. 85-48), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

1811. A letter from the Chief Immigration Judge, Executive Office for Immigration Review, Department of Justice, transmitting a report on the suspension of deportation of certain aliens of good character and with required residency when deportation causes hardship under section 244(a), Immigration and Nationality Act, pursuant to INA, section 244(c) (66 Stat. 214, 76 Stat. 1247); to the Committee on the Judiciary.

1812. A letter from the Acting Assistant Attorney General, Office of Legislative and Intergovernmental Affairs, transmitting a draft of proposed legislation to provide for comprehensive reforms and to achieve greater equity in the compensation of attorneys pursuant to Federal statute in civil and administrative proceedings in which the United States, or a State or local government, is a party; to the Committee on the Judiciary.

1813. A letter from the Secretary of State, transmitting a report on the origin, contents, destination and disposition of all humanitarian goods and supplies to countries in Central America, pursuant to Public Law 98-525, section 1540(e) (98 Stat. 2538); jointly, to the Committees on Armed Services and Foreign Affairs.

1814. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to reduce costs in the Medicare and Medicaid programs, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

1815. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend Indian health authorities, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, Energy and Commerce, and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FASCELL: Committee of conference. Conference report on H.R. 1460 (Rept. No. 99-242). Ordered to be printed.

Mr. MOAKLEY: Committee on Rules. House Resolution 250. Resolution providing for the consideration of H.R. 2372, a bill authorizing appropriations for carrying out the Federal Railroad Safety Act of 1970, and for other purposes. (Rept. 99-243). Referred to the House Calendar.

Mr. WHEAT: Committee on Rules. House Resolution 251. Resolution warning certain points of order against the conference report on H.R. 1460, a bill to express the opposition of the United States to the system of apartheid in South Africa, and for other purposes (Rept. 99-244). Referred to the House Calendar.

Mr. WHITTEN: Committee on Appropriations. Tentative report on subdivision of budget totals for fiscal year 1986 (Rept. 99-245). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1520. A bill to promote and expand the vitality of the United States copper industry; with amendments (Rept. 99-246, Pt. I). Ordered to be printed.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 1232. A bill to provide a comprehensive system of liability and compensation for oil-spill damage and removal costs, and for other purposes; with amendments (Rept. 99-247 Pt. I). Ordered to be printed.

Mr. DERRICK: Committee on Rules. House Resolution 253. A Resolution waving points of order on rules against and providing procedures for consideration of the conference report on Senate Concurrent Resolution 32, setting forth the congressional budget for the U.S. Government for the fiscal years 1986, 1987, and 1988 and revising the congressional budget for the U.S. Government for the fiscal year 1985, or any amendment in disagreement thereto. (Rept. 99-248). Referred to the House Calendar.

Mr. GRAY of Pennsylvania: Committee of Conference. Conference report on Senate Concurrent Resolution 32 (filed in disagreement). (Rept. 99-249). Ordered to be printed.

Mr. ROSTENKOWSKI: Committee of conference. Conference report on H.R. 2475 (Rept. 99-250). Ordered to be printed.

Mr. OBEY: Committee on Appropriations. H.R. 3228. A bill making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1986, and for other purposes (Rept. 99-252). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 6. A bill to provide for the conservation and development of water and related resources and the improvement and rehabilitation of the Nation's water resources infrastructure; with an amendment; referred to the Committee on Interior and Insular Affairs for a period ending not later than September 5, 1985, to the Committee on Merchant Marine and Fisheries for a period ending not later than September 15, 1985, and to the Committee on Ways and Means for a period ending not later than September 23, 1985, for consideration of such portions of the amendment as fall within the jurisdiction of those committees pursuant to clauses 1 (l), (n) and (v), rule X, respectively (Rept. 99-251, Pt. 1). Ordered to be printed.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 2817. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and for other purposes; with an amendment; referred, for a period ending not later than 10 calendar days after either the Committee on Public Works and Transportation or the Committee on Ways and Means reports the bill, whichever occurs first, to the Committee on the Judiciary for consideration of such portions of Titles I through III of the bill and amendment as fall within its jurisdiction pursuant to clause 1(m) of rule X, and to the Committee on Merchant Marine and Fisheries for consideration of such portions of titles I and II, except for section 206, of the bill and amendment as fell within its jurisdiction pursuant to clause 1(n) of rule X (Rept. 99-253, Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RODINO (for himself, Mr. HUGHES, Mr. WHITEHURST, Mr. GREEN, and Mr. TORRICELLI):

H.R. 3155. A bill to amend chapter 44 (relating to firearms) of title 18, United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. JONES of North Carolina (for himself, Mr. BIAGGI, and Mr. LENT):

H.R. 3156. A bill to revise, consolidate, and enact certain laws related to admiralty and maritime liability as subtitles I and III of title 46, United States Code, "Shipping"; to the Committee on Merchant Marine and Fisheries.

H.R. 3157. A bill to revise, consolidate, and enact certain laws related to maritime liability for personal property and goods as chapters 307 and 309 of title 46, United States Code, "Shipping"; to the Committee on Merchant Marine and Fisheries.

H.R. 3158. A bill to revise, consolidate, and enact certain laws related to maritime commercial instruments and liens and public vessels and goods as chapters 313 and 315 of title 46, United States Code, "Shipping"; to the Committee on Merchant Marine and Fisheries.

By Mr. BENNETT:

H.R. 3159. A bill to establish the Crisis Management Council for the purpose of studying international political, economic, and military happenings, and for other purposes; to the Committee on Foreign Affairs.

By Mr. JEFFORDS:

H.R. 3160. A bill to amend the Agricultural Act of 1949 to establish a permanent program to support the price of milk, to amend the Dairy Production Stabilization Act of 1983 to establish the National Dairy Re-

search Endowment Institute, and for other purposes; jointly, to the Committees on Agriculture and Ways and Means.

By Mrs. BENTLEY:

H.R. 3161. A bill to restrict payments to alien recipients of Social Security benefits and for other purposes; to the Committee on Ways and Means.

By Mr. BEREUTER:

H.R. 3162. A bill to require the President to take certain actions to obtain relief from nontariff trade barriers imposed by foreign countries against agricultural goods produced in the United States; to the Committee on Ways and Means.

By Mr. BERMAN:

H.R. 3163. A bill to amend title 17, United States Code, to clarify the derivative works exception to the termination of a copyright grant; to the Committee on the Judiciary.

By Mr. BIAGGI (for himself, Mr. JONES of North Carolina, and Mr. LENT):

H.R. 3164. A bill to amend section 607 of the Merchant Marine Act, 1936, to ensure consistent use of funds made available for capital construction of vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BONKER:

H.R. 3165. a bill to authorize additional appropriations for the Department of State for the fiscal year 1986 for the purpose of expanding and modernizing the facilities of the Coordinating Committee on Export Controls and to provide for appointment by the Secretary of State of the members of the U.S. Permanent Delegation to the Coordinating Committee; to the Committee on Foreign Affairs.

By Mr. BONKER (for himself, Mr. MICA, Mr. BERMAN, Mr. MACKAY, Mr. LEVINE of California, Mr. ROTH, Mr. BEREUTER, and Mr. ZSCHAU):

H.R. 3166. A bill to amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation; to the Committee on Foreign Affairs.

By Mr. BREAUX (for himself and Mr. YOUNG of Alaska):

H.R. 3167. A bill to establish a National Fish Hatchery System within the Fish and Wildlife Service, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BROOKS:

H.R. 3168. A bill to require the Director of the Office of Management and Budget to prepare an annual report consolidating the available data on the geographic distribution of Federal funds, and for other purposes; to the Committee on Government Operations.

By Mr. DELAY:

H.R. 3169. A bill to amend the Federal Water Pollution Control Act to authorize the Secretary of the Army to issue, on a nationwide basis, a general permit for the discharge of dredged and fill material into certain navigable waters; to the Committee on Public Works and Transportation.

By Mr. DELLUMS:

H.R. 3170. A bill to increase the rate of compensation of citizen members of the National Capital Planning Commission from $100 per day to the daily equivalent of the rate established for positions at level IV of the Executive Schedule, and to establish the responsibilities of such Commission relating to demolitions; to the Committee on District of Columbia.

By Mr. DYMALLY:

H.R. 3171. A bill to require persons who obtain or renew oil or gas leases with the United States to have a plan for contracting with minority firms for activities undertaken under the leases; to the Committee on Interior and Insular Affairs.

By Mr. EDGAR (for himself and Mr. YATRON):

H.R. 3172. A bill to direct the Administrator of the Environmental Protection Agency to conduct a national assessment of the extent to which radon gas formed from naturally occurring deposits of uranium is a threat to public health, to authorize a demonstration program to test methods of eliminating the threat to public health from radon gas, and to authorize disaster relief assistance for releases of radon gas; jointly, to the Committees on Energy and Commerce, and Public Works and Transportation.

By Mr. FAWELL (for himself, Mr. PORTER, Mr. HYDE, Mr. LIGHTFOOT, and Mr. GROTBERG):

H.R. 3173. A bill to amend the Fair Labor Standards Act of 1938 to provide as exemption from the minimum wage and overtime requirements of that act for employees of State and local public agencies, and for other purposes; to the Committee on Education and Labor.

By Mr. FRANK (for himself, Mr. GLICKMAN, Mr. STAGGERS, Mr. KINDNESS, Mr. CROCKETT, Mr. BERMAN, Mr. BOUCHER, Mr. SWINDALL, Mr. ACKERMAN, Mr. ANDREWS, Mr. BARNARD, Mr. BATES, Mrs. BOXER, Mr. BUSTAMANTE, Mr. COELHO, Mr. CONTE, Mr. CONYERS, Mr. COYNE, Mr. DELLUMS, Mr. DICKS, Mr. DONNELLY, Mr. DORGAN of North Dakota, Mr. ECKART of Ohio, Mr. EDGAR, Mr. EDWARDS of California, Mr. EVANS of Illinois, Mr. FAUNTROY, Mr. FAZIO, Mr. FORD of Tennessee, Mr. FUSTER, Mr. GARCIA, Mr. GEJDENSON, Mr. HALL of Ohio, Mr. HOYER, Mr. HAWKINS, Mr. HUGHES, Mr. HYDE, Mr. JACOBS, Mr. KILDEE, Mr. KOLBE, Mr. KOLTER, Mr. LELAND, Mr. LEVIN of Michigan, Mrs. LLOYD, Mr. LUNDINE, Mr. MACKAY, Mr. MARKEY, Mr. MARTINEZ, Mr. MATSUI, Mr. MINETA, Mr. MITCHELL, Mr. MOAKLEY, Mr. MRAZEK, Mr. O'BRIEN, Mr. OWENS, Mr. RAHALL, Mr. RANGEL, Mr. RIDGE, Mr. ROE, Mr. ROSE, Mr. RUSSO, Mrs. SCHNEIDER, Mrs. SCHROEDER, Mr. SLATTERY, Mr. SMITH of Florida, Mr. SOLARZ, Mr. STARK, Mr. STOKES, Mr. STUDDS, Mr. UDALL, Mr. VENTO, Mr. WHITEHURST, Mr. WILLIAMS, Mr. WIRTH, and Mr. WISE):

H.R. 3174. A bill to amend chapter 171 of title 28, United States Code, to allow members of the Armed Forces to sue the United States for damages for certain injuries caused by improper medical care; to the Committee on the Judiciary.

By Mr. GREEN:

H.R. 3175. A bill to require Romania to comply with the Consular Convention and Protocol of July 5, 1972, as a condition of continued preferential trade treatment; to the Committee on Ways and Means.

By Mr. HUNTER:

H.R. 3176. A bill to amend the Arms Export Control Act to increase the penalties for certain violations under that act; jointly, to the Committees on Foreign Affairs and the Judiciary.

By Mr. JEFFORDS:

H.R. 3177. A bill to amend the Older Americans Act of 1965 to require that all the members of the Federal Council on the Aging be appointed by the President, by and with the advice and consent of the Senate; to the Committee on Education and Labor.

By Mr. JENKINS (for himself, Mr. ANTHONY, Mr. FLIPPO, Mr. DARDEN, Mr. DE LA GARZA, Mr. FOLEY, Mr. MADIGAN, Mr. COELHO, Mr. THOMAS of Georgia, and Mr. THOMAS of California):

H.R. 3178. A bill to amend the Internal Revenue Code in order to clarify the right of cooperatives to net earnings and losses among patronage allocation units, and for other purposes; to the Committee on Ways and Means.

By Mrs. KENNELLY (for herself, Mr. PICKLE, and Mr. ARCHER):

H.R. 3179. A bill to amend the Internal Revenue Code of 1954 to provide that employees may make certain contributions to provide for cost-of-living protection under a defined benefit plan, and for other purposes; to the Committee on Ways and Means.

By Mrs. KENNELLY (for herself, Mr. RUSSO, Mr. ANTHONY, Mr. ARCHER, Mr. CAMPBELL, Mr. COOPER, Mr. DAUB, Mr. DOWNEY of New York, Mr. DUNCAN, Mr. GREGG, Mr. HEFTEL of Hawaii, Mr. JENKINS, Mr. SMITH of New Hampshire, Ms. SNOWE, and Mr. VANDER JAGT):

H.R. 3180. A bill to permanently exempt from the Federal unemployment tax wages paid to full-time students employed by summer camps; to the Committee on Ways and Means.

By Mr. KINDNESS:

H.R. 3181. A bill to provide for comprehensive reforms and to achieve greater equity in the compensation of attorneys pursuant to Federal statute in civil and administrative proceedings in which the United States, or a State or local government, is a party; to the Committee on the Judiciary.

By Mr. LEHMAN of California (for himself, Mr. PASHAYAN, Mr. COELHO, and Mr. THOMAS of California):

H.R. 3182. A bill to authorize the construction of the Mid-Valley Unit of the Central Valley Project; to the Committee on Interior and Insular Affairs.

By Mrs. LLOYD:

H.R. 3183. A bill to prohibit permanently the issuance of regulations on the taxation of fringe benefits; to the Committee on Ways and Means.

H.R. 3184. A bill to amend the Internal Revenue Code of 1954 to allow employers a tax credit for hiring displaced homemakers; to the Committee on Ways and Means.

By Mr. LUKEN:

H.R. 3185. A bill to amend the Clean Air Act to require the Administrator of the Environmental Protection Agency to determine the effectiveness of State vehicle emission control inspection and maintenance programs before implementing the additional State plan requirements under the Clean Air Act applicable to such programs; to the Committee on Energy and Commerce.

By Mr. LUNDINE (for himself, Mrs. ROUKEMA, Mr. FRANK, Mr. GRADISON, Mr. LEWIS of California, Mr. MOODY, Mrs. SCHNEIDER, Mrs. SCHROEDER, and Mr. STARK):

H.R. 3186. A bill to authorize a price support program for the 1986 and succeeding crops of peanuts; to the Committee on Agriculture.

By Mr. McCOLLUM (for himself and Mr. ROBERT F. SMITH):

H.R. 3187. A bill to amend the Immigration and Nationality Act to provide for a

United States Immigration Court, to reform adjudication procedures and asylum, and for other purposes; to the Committee on the Judiciary.

By Mr. McDADE:

H.R. 3188. A bill to strengthen the counterintelligence capabilities of the Department of Defense, to amend the Uniform Code of Military Justice to establish penalties for espionage in peacetime, to create a Presidential Commission to study the effectiveness of the changes made in this legislation, to provide increased penalties for espionage, and for other purposes; jointly, to the Committees on Armed Services, the Judiciary, Government Operations, and Foreign Affairs.

By Mr. MARKEY (for himself and Mr. SIKORSKI):

H.R. 3189. A bill to reform the Residential Conservation Service and the Commercial and Apartment Conservation Service; to the Committee on Energy and Commerce.

By Mr. MATSUI:

H.R. 3190. A bill entitled: "The Higher Education Disclosure Act"; to the Committee on Education and Labor.

By Mr. MONTGOMERY (by request):

H.R. 3191. A bill to amend title 38, United States Code, to require that non-Federal providers of hospital care and services receiving direct payment of Medicare funds for services to Medicare beneficiaries provide similar services to VA beneficiaries under similar VA payment policies; to the Committee on Veterans' Affairs.

H.R. 3192. A bill to amend title 38, United States Code, to clarify the authority of the Chief Medical Director or designee regarding disciplinary actions on certain probationary title 38 health care employees; to the Committee on Veterans' Affairs.

H.R. 3193. A bill to amend title 38, United States Code, to remove the requirement that the Administrator administer garage and parking appropriations and fees as a revolving fund; to the Committee on Veterans' Affairs.

By Mr. MURPHY:

H.R. 3194. A bill to expedite the hearing of claims under the Black Lung Benefits Act; to the Committee on Education and Labor.

By Mr. NEAL:

H.R. 3195. A bill to amend the Internal Revenue Code of 1954 to provide for floating social security tax rates for old-age, survivors, and disability insurance, to amend title II of the Social Security Act to eliminate the 3-percent trigger for cost-of-living adjustments, and to amend the Social Security Amendments of 1983 to provide that off-budget treatment for the OASDI trust funds and the hospital insurance trust fund take effect for fiscal year 1987 in lieu of fiscal year 1993; to the Committee on Ways and Means.

By Mr. OBERSTAR:

H.R. 3196. A bill to amend title 46, United States Code, to limit the liability for negligence of U.S. registered pilots navigating vessels on the Great Lakes so as to provide for reciprocal and equitable participation by United States and Canadian citizens in the pilotage of vessels on the Great Lakes; to the Committee on Merchant Marine and Fisheries.

By Mr. PACKARD (for himself, Mr. KINDNESS, Mr. DELAY, and Mr. SILJANDER):

H.R. 3197. A bill to amend title 5, United States Code, to provide that days of unused sick leave may not be taken into account for purposes of computing any annuity under the civil service retirement system; to the Committee on Post Office and Civil Service.

By Mr. PACKARD (for himself, Mr. DELAY, Mr. NIELSON of Utah, Mr. SILJANDER, and Mr. KINDNESS):

H.R. 3198. A bill to amend title 5, United States Code, to provide that not more than 50 days of unused sick leave may be taken into account in computing an annuity under the civil service retirement system; to the Committee on Post Office and Civil Service.

By Mr. RICHARDSON (for himself, Mr. ORTIZ, Mr. BUSTAMANTE, Mr. GARCIA, and Mr. GONZALEZ):

H.R. 3199. A bill to provide for the establishment of a United States-Mexico Free Trade and Co-production Zone, a United States-Mexico Bilateral Commission, a Multilateral Commission on Immigration, and United States-Mexico Joint Development Bank, and for other purposes; jointly, to the Committees on Foreign Affairs; Banking, Finance and Urban Affairs; and Ways and Means.

By Mr. ROTH (by request):

H.R. 3200. A bill to amend the Trading with the Enemy Act in order to terminate the Office of Alien Property, and for other purposes; to the Committee on Foreign Affairs.

By Mrs. ROUKEMA (for herself, Mr. ROBERTS, Ms. KAPTUR, Mr. WORTLEY, Mr. LAGOMARSINO, Mr. DAUB, Mr. DORNAN of California, Mr. LEACH of Iowa, Mr. OLIN, Mr. MCKERNAN, Mr. SCHAEFER, and Mr. COBEY):

H.R. 3201. A bill to provide that rates of pay for Members of Congress shall not be subject to adjustment under the Federal Salary Act of 1967 or subject to any automatic adjustment, to provide that any bill or resolution which would increase Members' pay or confer any tax benefit with respect to Members as a separate and distinct class may be passed or adopted (as the case may be) only by a recorded vote, and for other purposes; jointly, to the Committees on Post Office and Civil Service and Rules.

By Mrs. ROUKEMA (for herself, Mr. MATSUI, Mr. ROYBAL, Mr. RINALDO, Mr. PEPPER, Mr. SMITH of Florida, Mr. BUSTAMANTE, Mr. SUNIA, Mrs. SCHNEIDER, Mr. WORTLEY, Mr. HUGHES, Mr. BOEHLERT, Mr. BONKER, Mrs. KENNELLY, Mr. FLORIO, Mr. GLICKMAN, Mr. SHAW, Mr. ROBERTS, Mr. SMITH of New Jersey, Mr. LIGHTFOOT, Mr. CROCKETT, Mr. DICKS, Mr. MCKINNEY, Mr. EDGAR, Mr. MCKERNAN, Ms. OAKAR, and Mr. JEFFORDS):

H.R. 3202. A bill to prohibit the Secretary of Health and Human Services from changing reimbursement levels or methodologies for home health services under the Medicare program prior to October 1, 1986, or during a freeze period; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. ROYBAL:

H.R. 3203. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to provide for the establishment of employee stock ownership plans in a manner that will ensure that such plans are established by employers as permanent plans for the exclusive benefit of their employees; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. SMITH of Florida (for himself, Mr. LEHMAN of Florida, Mr. HUGHES, Mr. ROE, Mr. STUDDS, and Mr. HAWKINS):

H.R. 3204. A bill to amend the Internal Revenue Code of 1954 to facilitate home equity conversions through sale-leaseback transactions; to the Committee on Ways and Means.

By Ms. SNOWE (for herself and Mr. MCKERNAN):

H.R. 3205. A bill to amend chapter 30 of title 38, United States Code, to provide for education assistance for apprenticeship or other on job training under the new GI bill educational assistance program; to the Committee on Veterans' Affairs.

By Mr. STALLINGS (for himself, Mr. GRAY of Illinois, Mr. FAZIO, Mr. MARTINEZ, Mr. LEVIN of Michigan, and Mr. FROST):

H.R. 3206. A bill to provide for the minting and issuance of commemorative coins in recognition of great American scientists and their accomplishments; to the Committee on Banking, Finance and Urban Affairs.

By Mr. STALLINGS (for himself, Mr. MARTINEZ, Mr. MRAZEK, and Mr. LEVIN of Michigan):

H.R. 3207. A bill to provide for the minting of gold and silver bullion coins; to the Committee on Banking, Finance and Urban Affairs.

By Mr. STARK:

H.R. 3208. A bill to amend the Internal Revenue Code of 1954 to increase the dollar limit on the amount of compensation which may be deferred under State and local government deferred compensation plans and to provide that amounts deferred under such plans shall be included in income only when paid; to the Committee on Ways and Means.

H.R. 3209. A bill to require the Secretary of the Treasury to exhaust administrative procedure established within the Internal Revenue Service for resolving dispute with a taxpayer before sending such taxpayer a notice of deficiency; to the Committee on Ways and Means.

H.R. 3210. A bill to amend title XVIII of the Social Security Act with respect to payment reform under part A of that title, to amend the Internal Revenue Code of 1954 to permit continuation of health benefits coverage for certain uninsured individuals, and for other purposes; jointly, to the Committee on Ways and Means and Energy and Commerce.

By Mr. STENHOLM:

H.R. 3211. A bill to amend the Comprehensive Environmental Response, Compensation and Liability Act of 1980 to encourage the use of innovative technologies, including technologies used by small businesses, for the cleanup of hazardous substances; jointly, to the Committees on Energy and Commerce, Public Works and Transportation, and Science and Technology.

By Mrs. VUCANOVICH:

H.R. 3212. A bill to declare that the United States holds certain lands in trust of the Reno Sparks Indian Colony; to the Committee on Interior and Insular Affairs.

By Mrs. VUCANOVICH (for herself and Mr. REID):

H.R. 3213. A bill to settle certain claims affecting the Pyramid Lake Paiute Indian Tribe of Nevada, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WEAVER:

H.R. 3214. A bill to provide for the use and distribution of funds awarded to the Cow Creek Band of Umpqua Indians in United States Claims Court docket numbered 53-81L, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WEAVER (for himself and Mr. LOWRY of Washington):

H.R. 3215. A bill entitled: The Pacific Northwest Power Authority Act of 1985; jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

By Mr. WIRTH (for himself, Mr. BRYANT, Mr. LELAND, Mr. MARKEY, Mr. BATES, Mr. SCHEUER, Mrs. COLLINS, and Mr. WAXMAN):

H.R. 3216. A bill to amend the Communications Act of 1934 to increase the availability of educational and informational television programs for children; to the Committee on Energy and Commerce.

By Mr. WIRTH (for himself, Mr. SWIFT, Mr. LELAND, Mr. BRYANT, and Mr. WAXMAN):

H.R. 3217. A bill to amend the Communications Act of 1934 to authorize appropriations for public broadcasting; to the Committee on Energy and Commerce.

By Mr. DONNELLY:

H.R. 3218. A bill to amend the Internal Revenue Code of 1954 to reauthorize and expand the revenue sources for the Superfund program; jointly, to the Committees on Ways and Means, Energy and Commerce, and Public Works and Transportation.

By Mr. DORNAN of California:

H.R. 3219. A bill to provide a one-time amnesty from criminal and civil tax penalties for taxpayers who notify the Internal Revenue Service of previous underpayments of Federal tax and pay such underpayments in full with interest, and to provide that the revenues from such payments shall be used to reduce the Federal deficit; to the Committee on Ways and Means.

By Mr. SEIBERLING:

H.R. 3220. A bill to establish a commission to develop and submit to the Congress a comprehensive legislative plan for a conversion of defense-related industries and human resources of the United States to meet nonmilitary needs in the event of major international arms reductions; jointly, to the Committees on Armed Services and Government Operations.

By Mr. MOODY (for himself, Mr. MACKAY, Mr. DELAY, Mr. FRANK, Mr. DREIER of California, Mr. MCCAIN, and Mr. LEWIS of California):

H.R. 3222. A bill entitled: The National Motor Carrier Productivity and Safety Improvement Act; to the Committee on Public Works and Transportation.

By Mr. CRANE:

H.J. Res. 367. Joint resolution proposing an amendment to the Constitution of the United States providing that no person may be elected to the House of Representatives more than three times, and providing that no person may be elected to the Senate more than once: to the Committee on the Judiciary.

By Mr. MARTINEZ:

H.J. Res. 368. Joint resolution to designate the week of March 2, 1986, through March 8, 1986, as "National Young Writers' Week"; to the Committee on Post Office and Civil Service.

By Mr. MICA:

H.J. Res. 369. Joint resolution to proclaim October 23, 1985, as "A Time of Remembrance" for all victims of terrorism throughout the world; to the Committee on Post Office and Civil Service.

By Mrs. ROUKEMA:

H.J. Res. 370. Joint resolution conferring United States citizenship posthumously on Mrs. Mary Josephine Kaszkiewicz; to the Committee on the Judiciary.

By Mr. WIRTH (for himself, Mr. ADDABBO, Mr. AKAKA, Mr. ANDERSON, Mr. ANDREWS, Mr. BEDELL, Mr. BEILENSON, Mr. BERMAN, Mr. BEVILL, Mr. BIAGGI, Mr. BLILEY, Mr. BONER of Tennessee, Mr. BONIOR of Michigan, Mr. BONKER, Mr. BOSCO, Mr. BOUCHER, Mrs. BOXER, Mr. BROOKS, Mr. BROWN of Colorado, Mr. BRYANT, Mrs. BURTON of California, Mr. CAMPBELL, Mr. CARPER, Mr. COATS, Mr. COELHO, Mr. COLEMAN of Missouri, Mrs. COLLINS, Mr. CONTE, Mr. CONYERS, Mr. COOPER, Mr. COYNE, Mr. DANIEL, Mr. DARDEN, Mr. DELLUMS, Mr. DINGELL, Mr. DIXON, Mr. DONNELLY, Mr. DORGAN of North Dakota, Mr. DOWDY of Mississippi, Mr. DURBIN, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. EDGAR, Mr. EDWARDS of California, Mr. ENGLISH, Mr. ERDREICH, Mr. FASCELL, Mr. FAUNTROY, Mr. FAZIO, Mr. FISH, Mr. FLIPPO, Mr. FOLEY, Mr. FRANK, Mr. FROST, Mr. HALL of Ohio, Mr. HARTNETT, Mr. HAYES, Mr. HEFNER, Mr. HEFTEL of Hawaii, Mr. HORTON, Mr. HOYER, Mr. HUCKABY, Mr. HUGHES, Mr. HYDE, Mr. JACOBS, Mr. JENKINS, Ms. KAPTUR, Mr. KASTENMEIER, Mr. KEMP, Mr. KLECZKA, Mr. KOLTER, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LEHMAN of Florida, Mr. LELAND, Mr. LEVINE of California, Mr. MCGRATH, Mr. MCHUGH, Mr. MACK, Mr. MANTON, Mr. MARKEY, Mr. MARTINEZ, Mr. MATSUI, Ms. MIKULSKI, Mr. MILLER of Washington, Mr. MOAKLEY, Mr. MOODY, Mr. MORRISON of Connecticut, Mr. MORRISON of Washington, Mr. MURPHY, Mr. MURTHA, Mr. NATCHER, Mr. NEAL, Mr. NICHOLS, Mr. OBERSTAR, Mr. OWENS, Mr. PANETTA, Mr. RANGEL, Mr. RICHARDSON, Mr. RODINO, Mr. ROE, Mr. RUSSO, Mr. SABO, Mr. SAVAGE, Mr. SCHAEFER, Mr. SCHEUER, Mr. SOLARZ, Mr. STANGELAND, Mr. STRANG, Mr. STUDDS, Mr. SYNAR, Mr. TAUZIN, Mr. TORRICELLI, Mr. TOWNS, Mr. TRAFICANT, Mr. VENTO, Mr. VOLKMER, Mr. WAXMAN, Mr. WEISS, Mr. WOLPE, Mr. WORTLEY, Mr. WRIGHT, Mr. WYDEN, Mr. CARR, Mr. HALL of Texas, Mr. ANNUNZIO, Mr. DICKINSON, Mr. ALEXANDER, Mr. BENNETT, Mrs. BOGGS, Mr. BROWN of California, Mr. BRUCE, Mr. CLAY, Mr. COLEMAN of Texas, Mr. DICKS, Mr. DOWNEY of New York, Mr. FEIGHAN, Mr. FOWLER, Mr. GARCIA, Mr. GEJDENSON, Mr. GEPHARDT, Mr. GLICKMAN, Mr. GRAY of Pennsylvania, Mr. HAMILTON, Mr. HAWKINS, Mr. HOWARD, Mr. JONES of North Carolina, Mr. KOSTMAYER, Mr. LUKEN, Mr. MACKAY, Mr. MAVROULES, Mr. MICA, Mr. MILLER of California, Mr. MINETA, Mr. MOLLOHAN, Mr. NELSON of Florida, Ms. OAKAR, Mr. ROSE, Mr. ROWLAND of Georgia, Mrs. SCHROEDER, Mr. SCHUMER, Mr. SEIBERLING, Mr. SHARP, Mr. SIKORSKI, Mr. SISISKY, Mr. SLATTERY, Mr. SMITH of Florida, Mr. SPRATT, Mr. STALLINGS, Mr. SWIFT, Mr. THOMAS of Georgia, Mr. TRAXLER, Mr. VALENTINE, Mr. WALGREN, Mr. WALKER, Mr. WATKINS, Mr. WHITLEY, Mr. YOUNG of Missouri, Mr. SHELBY, Mr. UDALL, Mr. LEHMAN of California, Mr. TORRES, Mr. FUQUA, Mr. HUTTO, Mr. BARNARD, Mr. HATCHER, Mr. GRAY of Illinois, Mr. PRICE, Mr. MCCLOSKEY, Mr. VISCLOSKY, Mr. SMITH of Iowa, Mr. HUBBARD, Mr. PERKINS, Mr. BREAUX, Mr. ROEMER, Mrs. LONG, Mr. BARNES, Mr. DYSON, Mr. ATKINS, Mr. BOLAND, Mr. HERTEL of Michigan, Mr. KILDEE, Mr. LEVIN of Michigan, Mr. MONTGOMERY, Mr. REID, Mr. FLORIO, Mr. GUARINI, Mr. ACKERMAN, Mr. MRAZEK, Mr. ASPIN, Mr. ECKART of Ohio, Mr. AUCOIN, Mr. DERRICK, Mr. DASCHLE, Mr. FORD of Tennessee, Mr. GORDON, Mrs. LLOYD, Mr. BUSTAMANTE, Mr. LEATH of Texas, Mr. ORTIZ, Mr. STENHOLM, Mr. WILSON, Mr. OLIN, Mr. LOWRY of Washington, Mr. RAHALL, and Mr. WISE):

H.J. Res. 371. Joint resolution to designate March 16, 1986, as "Freedom of Information Day"; to the Committee on Post Office and Civil Service.

By Mr. GROTBERG (for himself, Mr. GORDON, Mr. BLAZ, Mr. DE LA GARZA, Mr. LAGOMARSINO, Mr. LEVIN of Michigan, Mr. FROST, Ms. KAPTUR, Mr. GALLO, Mr. SAXTON, Mr. BUSTAMANTE, Mr. COBEY, Mr. DIOGUARDI, Mr. STANGELAND, Mr. DWYER of New Jersey, and Mr. DAUB):

H. Con. Res. 182. Concurrent resolution calling upon the Members of the Congress to actively support the United States Savings Bonds Program; to the Committee on Ways and Means.

By Mr. ALEXANDER:

H. Res. 249. Resolution establishing the Commission on the U.S. House of Representatives Bicentenary; considered and agreed to.

By Mr. CHAPPELL (for himself, and Mr. CONTE):

H. Res. 252. Resolution to urge negotiators for major league baseball owners and players to quickly settle their differences and avoid a scheduled players' strike; considered and agreed to.

By Mr. DYMALLY:

H. Res. 254. Resolution expressing the sense of the House of Representatives that the President should heed the proposals offered by families of the seven Americans still held hostage and initiate diplomatic measures based on such proposals; to the Committee on Foreign Affairs.

By Mr. FORD of Tennessee:

H. Res. 255. Resolution expressing the sense of the House of Representatives that the President should support any resolution of the United Nations recommending the imposition of certain economic sanctions against South Africa; to the Committee on Foreign Affairs.

By Mr. GONZALEZ (for himself, Mr. COELHO, Mr. DE LUGO, Mr. GARCIA, Mr. ORTIZ, Mr. MARTINEZ, Mr. RICHARDSON, Mr. ROYBAL, Mr. TORRES, and Mr. FUSTER):

H. Res. 256. Resolution expressing the sense of the House of Representatives with regard to recent appointments to the National Advisory and Coordinating Council on Bilingual Education; to the Committee on Education and Labor,

By Mr. SAVAGE (for himself, Mrs. COLLINS, and Mr. HAYES):

H. Res. 257. Resolution expressing the sense of the House of Representatives that a South Chicago Community Hospital Kidney Transplant Center should be approved by the Illinois Health Facilities Health Planning Board; to the Committee on Energy and Commerce.

By Mr. JEFFORDS (for himself, and Mr. HAWKINS):

H. Res. 258. Resolution to express the sense of the House of Representatives with respect to educational considerations that should be reflected in any reform of the In-

ternal Revenue Code of 1954; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DORNAN of California:

H.R. 3221. A bill to waive the time limitations relating to the award of the Congressional Medal of Honor to Tibor Rubin for distinguishing himself by acts of valor during the Korean war; to the Committee on Armed Services.

By Mr. DORNAN of California:

H.R. 3223. A bill to permit Willie D. Harris to present a claim against the United States in the manner provided for in chapter 171 of title 28, United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. HUNTER:

H.R. 3224. A bill deeming a sailing vessel owned by the San Diego Council of the Boy Scouts of America to have been built in the United States for purposes of qualification for the coastwise trade: to the Committee on Merchant Marine and Fisheries.

By Mr. LOWRY of Washington:

H.R. 3225. A bill for the relief of Salaheddine Assaad Chatila, Ghamra Chatila-Homsi, and Zouhair S. Chatila; to the Committee on the Judiciary.

By Mr. McKERNAN:

H.R. 3226. A bill for the relief of Guy R. Allen; to the Committee on the Judiciary.

By Mr. WILSON:

H.R. 3227. A bill for the relief of Major Travis E. Kitchens, U.S. Air Force, Retired; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 13: Mr. MOORE.

H.R. 38: Mr. COBEY, Mr. DELAY, Mr. SAXTON, Mr. HILER, Mr. COMBEST, Mr. RINALDO, and Mr. STANGELAND.

H.R. 43: Mr. MCKINNEY, Mr. LEHMAN of Florida, Mr. KOSTMAYER, and Mr. DWYER of New Jersey.

H.R. 66: Mr. LIPINSKI, Mr. RAHALL, Mr. WORTLEY, Mrs. VUCANOVICH, Mr. SHAW, and Mr. MACK.

H.R. 67: Mr. LIPINSKI, Mr. RAHALL, Mr. WORTLEY, Mrs. VUCANOVICH, Mr. SHAW, Mr. DYSON, and Mr. MACK.

H.R. 77: Mr. HOYER, Mr. SCHEUER, and Mr. MOLINARI.

H.R. 106: Mr. CRANE.

H.R. 126: Mr. MRAZEK and Mr. CROCKETT.

H.R. 156: Mr. MCEWEN.

H.R. 203: Mr. BARTLETT.

H.R. 235: Mr. ROSE, Mr. SMITH of Florida, Mr. GONZALEZ, Mr. TOWNS, Mr. SUNIA, Mr. MITCHELL, Mr. OWENS, Mr. COELHO, Mr. WILSON, and Mr. SABO.

H.R. 237: Mr. BUSTAMANTE, Mr. HORTON, Mr. HOWARD, Mr. JONES of Tennessee, and Mr. LOTT.

H.R. 281: Mr. GILMAN.

H.R. 417: Mr. SCHAEFER.

H.R. 472: Mr. DORNAN of California, Mr. LATTA, Mr. ROGERS, and Mr. BLAZ.

H.R. 508: Mr. LEHMAN of Florida, Mr. FRANK, and Mr. BONIOR of Michigan.

H.R. 528: Mr. GALLO.

H.R. 585: Ms. SNOWE and Mr. MCKERNAN.

H.R. 615: Mr. CROCKETT, Mr. HUTTO, and Mr. TRAXLER.

H.R. 616: Mr. BEILENSON.

H.R. 734: Mr. AKAKA, Mr. ROE, Mr. HEFTEL of Hawaii, Ms. KAPTUR, Mr. WORTLEY, Mr. KINDNESS, Mr. BARTON of Texas, and Mr. SCHULZE.

H.R. 793: Mr. BOSCO.

H.R. 864: Mr. PARRIS.

H.R. 945: Mr. COBEY and Mr. LEATH of Texas.

H.R. 970: Mr. BEREUTER.

H.R. 979: Mr. WHITLEY, Mr. MARTINEZ, Mr. WHITEHURST, and Mr. CHANDLER.

H.R. 983: Mr. DE LUGO, Mr. WOLPE, Mr. EDWARDS of California, Mr. DELLUMS, Mr. ADDABBO, Mr. TORRICELLI, Mr. HALL of Ohio, Mr. SPENCE, Mr. FISH, Mr. NOWAK, Mr. HAMILTON, Mr. GORDON, Mr. ANDERSON, Mrs. LONG, Mr. FUQUA, Mr. EVANS of Illinois, Mr. HILLIS, Mr. BUSTAMANTE, Mr. BEILENSON, Mr. EDGAR, Mr. PERKINS, Mr. FAWELL, Mr. BROWN of California, Mr. CONTE, Mr. STENHOLM, Mr. LELAND, Mr. SEIBERLING, Mr. OLIN, Mr. OWENS, Mr. SPRATT, Mr. DURBIN, Mr. COUGHLIN, Mr. LENT, Mr. MOLLOHAN, Mr. FLORIO, Mr. LUKEN, Mr. MATSUI, Mr. GRAY of Illinois, Mr. HORTON, and Mr. MITCHELL.

H.R. 1021: Mr. PICKLE.

H.R. 1029: Mr. CAMPBELL.

H.R. 1059: Ms. MIKULSKI, Mr. HAYES, and Mr. MCCAIN.

H.R. 1068: Mr. MINETA, Mr. STUDDS, and Mr. MOAKLEY.

H.R. 1219: Mr. ZSCHAU, Mr. BIAGGI, Mr. RITTER, and Mr. KOLTER.

H.R. 1247: Mr. DELAY, Mr. CALLAHAN, Mr. WHITTAKER, and Mr. IRELAND.

H.R. 1294: Mr. SMITH of Florida.

H.R. 1355: Mr. BIAGGI.

H.R. 1572: Mr. STALLINGS.

H.R. 1613: Mr. FEIGHAN.

H.R. 1622: Mr. CONYERS.

H.R. 1648: Mr. JONES of North Carolina, Mr. SMITH of New Hampshire, and Mr. THOMAS of Georgia.

H.R. 1673: Mr. FEIGHAN.

H.R. 1765: Mr. FORD of Tennessee.

H.R. 1770: Mr. SABO.

H.R. 1853: Mr. BARNES and Mr. KILDEE.

H.R. 1875: Ms. MIKULSKI, Mr. BOEHLERT, Mr. PANETTA, Mr. DWYER of New Jersey, Mr. GUARINI, Mr. DONNELLY, Mr. RITTER, Mr. BONIOR of Michigan, and Mr. FEIGHAN.

H.R. 1918: Mr. MOORHEAD.

H.R. 2001: Ms. MIKULSKI.

H.R. 2020: Mr. FUSTER and Mr. WOLPE.

H.R. 2058: Mr. OWENS, Mr. MATSUI, Mr. MOAKLEY, Mr. CONYERS, Mr. DONNELLY, and Mr. MITCHELL.

H.R. 2134: Mr. BRUCE and Mr. MINETA.

H.R. 2164: Mr. ROYBAL, Mr. ANNUNZIO, Mr. BORSKI, Mr. NELSON of Florida, Mr. STALLINGS, and Mr. TRAFICANT.

H.R. 2235: Mr. WOLPE and Mr. LEHMAN of Florida.

H.R. 2255: Mr. FORD of Tennessee.

H.R. 2263: Mr. BATEMAN and Mr. SILJANDER.

H.R. 2280: Mr. LOWRY of Washington, Mr. OWENS, Mr. CLINGER, Mr. COELHO, Ms. OAKAR, Mr. WEAVER, Mr. CALLAHAN, Mr. TORRES, Mr. HOWARD, Mr. FOGLIETTA, Mr. SMITH of Florida, Mr. STALLINGS, Mr. MACK, Mr. RINALDO, and Mr. COLEMAN of Texas.

H.R. 2353: Mr. TRAFICANT.

H.R. 2383: Mr. COOPER.

H.R. 2440: Mr. O'BRIEN and Mr. STENHOLM.

H.R. 2472: Mr. WORTLEY.

H.R. 2523: Mr. DASCHLE.

H.R. 2530: Mr. ECKART of Ohio, Mr. CHANDLER, Mr. BATES, Mr. RINALDO, and Mr. MAVROULES.

H.R. 2578: Mr. ADDABBO, Mr. AKAKA, Mr. BROWN of California, Mr. CARNEY, Mr. DOWNEY of New York, Mr. FUQUA, Mr. HUGHES, Mr. LAFALCE, and Mr. MURPHY.

H.R. 2591: Mr. WEBER, Mr. GINGRICH, Mr. WALKER, Mr. ROTH, Mr. COBEY, Mr. MACK, Mrs. KENNELLY, Mr. WILLIAMS, and Mr. KOSTMAYER.

H.R. 2594: Mr. LEWIS of California.

H.R. 2596: Mr. WEBER, Mr. DENNY SMITH, Mrs. COLLINS, Mr. GROTBERG, Mr. WORTLEY, Mr. LAGOMARSINO, Mr. RINALDO, Mr. BLILEY, Mr. DWYER of New Jersey, Mr. FISH, Mr. BURTON of Indiana, Mr. SMITH of New Jersey, Mr. DORNAN of California, Mr. SWINDALL, Mr. VOLKMER, Mr. DIOGUARDI, Mr. LIVINGSTON, Mr. MONSON, and Mr. COBEY.

H.R. 2607: Mr. BEDELL, Mr. ROSE, and Mr. MCKERNAN.

H.R. 2621: Mr. GEJDENSON, Mr. OBERSTAR, and Mr. SCHEUER.

H.R. 2622: Mr. CLAY and Mr. MATSUI.

H.R. 2663: Mr. LEATH of Texas and Mr. HALL of Ohio.

H.R. 2685: Ms. MIKULSKI.

H.R. 2687: Mr. OBERSTAR, Mr. NIELSON of Utah, Mr. LAFALCE, Ms. MIKULSKI, and Mr. BARNARD.

H.R. 2709: Mr. SKELTON.

H.R. 2752: Mr. SENSENBRENNER, Mr. CONYERS, Mr. WOLPE, Mr. VOLKMER, Mrs. BENTLEY, Mr. KLECZKA, and Mr. WILLIAMS.

H.R. 2768: Mr. RANGEL and Mr. BADHAM.

H.R. 2773: Mr. WILLIAMS and Mr. REID.

H.R. 2782: Mr. BARNES, Mr. CHANDLER, Mr. HAYES, Mr. KASTENMEIER, Mr. MINETA, Mr. NEAL, Mr. RODINO, Mr. SCHEUER, Mrs. SCHNEIDER, Mr. SILJANDER, and Mr. SOLARZ.

H.R. 2785: Mr. BEREUTER.

H.R. 2786: Mr. BEREUTER.

H.R. 2793: Mr. SILJANDER.

H.R. 2803: Mr. SKELTON, Mr. FAZIO, and Mr. BEVILL.

H.R. 2827: Mr. GALLO.

H.R. 2839: Mr. MORRISON of Washington.

H.R. 2840: Mr. FORD of Michigan Mr. KOLTER, Mr. KILDEE, Mr. ROSE, Mr. MURPHY, Mrs. COLLINS, and Mr. SUNIA.

H.R. 2851: Mr. FEIGHAN.

H.R. 2854: Mr. MARTINEZ, Mr. RANGEL, Mr. HAWKINS, Mr. CONYERS, Mr. MITCHELL, and Mr. BEDELL.

H.R. 2870: Mr. KOLTER, Mr. APPLEGATE, Mr. EDGAR, Mr. TOWNS, Mr. MRAZEK, Mr. HOYER, Mr. RAHALL, Mr. CLAY, Mr. SIKORSKI, Mr. TRAFICANT, Mr. DWYER of New Jersey, Mr. NOWAK, Mrs. COLLINS, Mr. BORSKI, Mr. PERKINS, Mr. OWENS, Mr. COLEMAN of Texas, Mr. ROE, Mr. BERMAN, Mr. CARR, Mr. KANJORSKI, Mr. WISE, Mr. VENTO, Mrs. SCHROEDER, Mr. SAVAGE, Mr. GRAY of Illinois, Mr. SABO, Mr. LOWRY of Washington, Mr. HAYES, Mr. MANTON, Mrs. BOXER, Mr. MARTINEZ, Mr. DURBIN, Mr. MOODY, Mr. MOLINARI, Mr. BOEHLERT, Mr. DE LUGO, Mr. PURSELL, Mrs. BENTLEY, Mr. MCGRATH, Mr. LANTOS, Mr. VALENTINE, Mr. WHEAT, Mr. GINGRICH, Mr. LIPINSKI, Mr. BRYANT, Mr. MCEWEN, Ms. MIKULSKI, Mr. REID, Mr. CLINGER, Mr. GEJDENSON, Mr. LEHMAN of California, Mr. FLORIO, Mr. BONER of Tennessee, Mr. DARDEN, Mr. YOUNG of Missouri, Mr. RICHARDSON, Mr. GALLO, Mr. BRUCE, Mrs. SCHNEIDER, Mr. EVANS of Illinois, Mr. LUNDINE, Mr. MCCLOSKEY, Mr. ATKINS, Mr. TORRICELLI, Mrs. LONG, Mr. MCCAIN, Mr. DYSON, Mr. DYMALLY, Mr. BONIOR of Michigan, Mrs. VUCANOVICH, Mr. MURPHY, Mr. CARNEY, and Mr. DASCHLE.

H.R. 2873: Mr. DURBIN, Mr. FOGLIETTA, Mr. BENNETT, Mr. KOSTMAYER, Mr. KOLTER, and Mr. BRUCE.

H.R. 2876: Mr. FASCELL, Mr. TOWNS, Mr. WEAVER, Mrs. BOXER, Mr. JEFFORDS, Mr.

WHEAT, Mr. BONIOR of Michigan, Mr. MORRISON of Connecticut, Mrs. KENNELLY, Mr. MCKINNEY, Mrs. SCHNEIDER, Mr. STARK, Mr. MITCHELL, Mr. NEAL, Mr. BEDELL, Mr. YATES, Mr. EDWARDS of California, Mr. FAZIO, Mr. BERMAN, Mr. VENTO, Mr. LAFALCE, Mr. MARTINEZ, Mr. FRANK, Mr. CARPER, Mr. FAUNTROY, Mr. EVANS of Illinois, Mr. DELLUMS, Mr. ACKERMAN, Mr. CONYERS, Mr. DURBIN, Mr. SWIFT, Mr. WOLPE, Mr. MINETA, Mr. LEVINE of California, and Mr. ANDERSON.

H.R. 2879: Mr. COELHO.

H.R. 2904: Mr. DERRICK, Mr. DORGAN of North Dakota, Mr. LEVINE of California, Mr. OBERSTAR, and Mr. ROE.

H.R. 2936: Mr. SWEENEY and Mr. GINGRICH.

H.R. 2954: Mrs. LLOYD, Mr. MARTINEZ, Mr. FAZIO, Mr. DIOGUARDI, Mr. STOKES, and Mr. DURBIN.

H.R. 2955: Mr. FISH.

H.R. 2957: Mr. WEAVER, Mr. SEIBERLING, Mr. LEVINE of California, Mr. STARK, Mr. KASTENMEIER, Mr. FAZIO, and Mr. SUNIA.

H.R. 2958: Mr. WEAVER, Mr. SEIBERLING, Mr. LEVINE of California, Mr. STARK, Mr. KASTENMEIER, Mr. FAZIO, and Mr. SUNIA.

H.R. 3035: Mr. CROCKETT and Mr. BROOKS.

H.R. 3041: Mr. HOYER, Mr. SMITH of Florida, Mr. HORTON, Mr. THOMAS of Georgia, Mr. VOLKMER, Mr. LIVINGSTON, Mr. BONIOR of Michigan, Mr. WEISS, Mr. WOLPE, and Mr. LEHMAN of Florida.

H.R. 3043: Mr. STUMP, Mr. SMITH of Florida, Mr. MONSON, Mr. DAUB, Mr. LIPINSKI, Mr. HAMMERSCHMIDT, Mr. TAUKE, Mr. BILIRAKIS, Mr. WILSON, Mr. LEWIS of Florida, Mr. RIDGE, Mr. BEREUTER, Mr. WORTLEY, Mr. ECKERT of New York, Mr. SKEEN, Mr. DANNEMEYER, Mr. PORTER, Mr. ROTH, Mr. MOORHEAD, Mr. WHITEHURST, Mr. SAXTON, Mr. LUNGREN, Mr. SWEENEY, Mr. COBEY, Mr. SHUMWAY, and Mr. YOUNG of Florida.

H.R. 3057: Mr. MILLER of Washington, Mr. KINDNESS, Mr. COBEY, and Mr. DENNY SMITH.

H.R. 3064: Mr. HUGHES, Mr. SEIBERLING, Mr. BADHAM, Mr. JACOBS, and Mr. MRAZEK.

H.R. 3069: Mr. CONYERS.

H.R. 3075: Mr. CONYERS and Mr. WILSON.

H.R. 3082: Mr. BROWN of California and Mr. GEJDENSON.

H.R. 3083: Mr. BROWN of California.

H.R. 3084: Mr. CROCKETT.

H.R. 3100: Mr. JEFFORDS.

H.R. 3109: Mr. LAGOMARSINO, Mr. WORTLEY, Ms. MIKULSKI, Mr. BURTON of Indiana, Mr. COMBEST, and Mr. SILJANDER.

H.R. 3115: Mr. DASCHLE.

H.R. 3139: Mr. KANJORSKI.

H.J. Res. 1: Mr. ROGERS, Mr. WIRTH, Mr. SABO, Mr. SMITH of Florida, Ms. MIKULSKI, Mr. HOYER, Mr. MARTIN of New York, Mr. BOUCHER, Mr. REID, Mr. SISISKY, and Mr. KENNELLY.

H.J. Res. 27: Mr. GROTBERG and Mr. DASCHLE.

H.J. Res. 94: Mr. LIGHTFOOT and Mr. SAXTON.

H.J. Res. 142: Mr. BONER of Tennessee, Mrs. HOLT, Mr. APPLEGATE, Mr. JACOBS, and Mr. VALENTINE.

H.J. Res. 151: Mr. LIGHTFOOT, Mr. BOLAND, and Mr. PORTER.

H.J. Res. 171: Mr. WORTLEY, Mr. ATKINS, Mr. BURTON of Indiana, Mr. CHAPPELL, Mr. COATS, Mr. COLEMAN of Texas, Mr. DICKS, Mr. DURBIN, Mr. EDWARDS of Oklahoma, Mr. FASCELL, Mr. FAZIO, Mr. TRAFICANT, Mr. WILSON, Mr. HOWARD, Mr. KANJORSKI, Mr. KILDEE, Ms. OAKAR, Mr. OXLEY, Mr. PACKARD, Mr. QUILLEN, Mr. RITTER, Mr. RUSSO, Mr. SPENCE, Mr. SOLOMON, Mr. GEJDENSON, Mr. MORRISON of Connecticut, Mr. WORTLEY, Mr. BROOMFIELD, Mr. DORNAN of California, Mr. DAVIS, Mr. CONYERS, Mr. HILLIS, Mr. STRANG, and Mr. WHITTAKER.

H.J. Res. 207: Mr. DWYER of New Jersey, Mr. SUNIA, Mr. DORNAN of California, Mr. HAYES, Mr. ADDABBO, Mrs. BOXER, Mr. LELAND, Mr. DE LA GARZA, Mr. YOUNG of Missouri, Mr. SCHEUER, Mr. BRYANT, Mr. RANGEL, Mr. MITCHELL, Mr. HATCHER, Mr. CONYERS, Mr. BADHAM, Mr. THOMAS of Georgia, and Mr. BORSKI.

H.J. Res. 218: Mr. OWENS, Mr. STOKES, Mr. KOLTER, Mr. SMITH of Florida, Mr. SHUMWAY, Mrs. BOXER, Mr. WAXMAN, Mr. MARTINEZ, Mr. RAHALL, Mr. VENTO, Mr. SABO, Mr. MINETA, Ms. KAPTUR, Mr. LEVINE of California, Ms. OAKAR, Mr. UDALL, Mr. MAZZOLI, Mr. YOUNG of Missouri, Mr. HALL of Texas, Mr. DYMALLY, Mr. YATRON, Mr. CHAPPIE, Mr. HALL of Ohio, Mr. DASCHLE, Mr. CONYERS, Mr. BRYANT, Mr. ROE, Mr. HOYER, Mr. TORRICELLI, Mr. WEAVER, Mr. LELAND, Mr. DAUB, Mr. KLECZKA, Mr. WILSON, Mr. MOODY, Mr. YOUNG of Florida, Mr. ST GERMAIN, Mrs. MARTIN of Illinois, Mr. BADHAM, Mr. LEWIS of Florida, and Mr. SMITH of Iowa.

H.J. Res. 221: Mr. PORTER, Mr. GROTBERG, Mr. FAUNTROY, Mr. DYSON, Mr. DENNY SMITH, Ms. KAPTUR, Mr. MARTIN of New York, Mr. MONTGOMERY, Mr. ROBERTS, Mr. COYNE, Mr. WORTLEY, Mr. ARCHER, Mr. ROE, and Mr. SILJANDER.

H.J. Res. 223: Mr. LANTOS, Mr. STARK, Mr. ANTHONY, Mr. BORSKI, Mr. ORTIZ, and Ms. KAPTUR.

H.J. Res. 262: Mr. DANNEMEYER.

H.J. Res. 266: Mr. VOLKMER and Mr. HUBBARD.

H.J. Res. 277: Mr. SUNIA.

H.J. Res. 289: Mrs. BENTLEY, Mrs. BYRON, Mr. CHAPPIE, Mr. CONYERS, Mr. COLEMAN of Texas, Mr. HOYER, Mr. LUNDINE, Ms. OAKAR, and Mr. PEPPER.

H.J. Res. 296: Mr. KILDEE, Mr. MURTHA, Mr. SCHUETTE, and Mr. GUARINI.

H.J. Res. 300: Mr. COELHO, Mr. FLORIO, Mr. WAXMAN, Mr. STENHOLM, Mr. BORSKI, Mr. FUSTER, Mr. LANTOS, Mr. HALL of Texas, Mr. GALLO, Mr. DWYER of New Jersey, Mr. CHENEY, Mrs. BENTLEY, Mr. DYMALLY, Mr. WORTLEY, Mr. SKELTON, Mrs. BYRON, Mr. YATRON, Mr. KINDNESS, Mr. VOLKMER, Mr. MATSUI, Mr. DELLUMS, Mr. LAGOMARSINO, Mr. LUNDINE, Ms. KAPTUR, Mr. JONES of North Carolina, Mr. SLATTERY, Mr. MCEWEN, Mr. BONIOR of Michigan, Mr. MANTON, Mr. MACKAY, Mr. RINALDO, Mr. RAHALL, Mr. FEIGHAN, Mr. MOAKLEY, Mr. ACKERMAN, Mr. MCCLOSKEY, Mr. HANSEN, Mr. GREEN, Mr. BILIRAKIS, Mr. GEJDENSON, Mr. GARCIA, Mrs. BURTON of California, Mr. ANDREWS, Mr. TORRICELLI, Mr. MOLINARI, Mr. LOEFFLER, Mr. PRICE, Mr. PARRIS, Mr. STARK, Mr. O'BRIEN, Mr. DASCHLE, Mr. GEPHARDT, Mr. EARLY, Mr. STALLINGS, Mr. ANNUNZIO, Mr. LIPINSKI, Mr. HERTEL of Michigan, Mr. ROBINSON, Mr. ANTHONY, Mr. MCDADE, Mr. ALEXANDER, Mr. BRUCE, Mr. GORDON, Mr. TORRES, Mr. DURBIN, Mr. SYNAR, Mr. GRAY of Illinois, Mr. SPRATT, Mr. BIAGGI, Mr. WEAVER, Mr. OLIN, Mr. WISE, Mr. BOUCHER, Mr. HAYES, Mrs. LONG, Mr. BROWN of California, Mr. WIRTH, Mr. RANGEL, Mr. SWEENEY, Mr. PANETTA, Mr. WATKINS, Mr. NELSON of Florida, Mr. SIKORSKI, Mr. LUJAN, Mr. SKEEN, Mr. WOLF, Ms. FIEDLER, Mr. FRENZEL, Mr. MCHUGH, Mr. OBEY, Mr. AUCOIN, Mr. LEATH of Texas, Mr. MONTGOMERY, Mr. DANIEL, Mr. BARTLETT, Mr. VALENTINE, Mr. HOYER, Mr. REID, Mr. FUQUA, Mr. MORRISON of Connecticut, Mr. IRELAND, Mr. HEFNER, Mr. FRANK, Mr. FORD of Tennessee, Mr. HEFTEL of Hawaii, Mr. MINETA, Mr. ERDREICH, Mr. FIELDS, Mr. ROTH, Mr. GRAY of Pennsylvania, Mr. FAUNTROY, Mr. DYSON, Mr. RODINO, Mr. FRANKLIN, Mr. BENNETT, Mr. GUARINI, Mr. SAVAGE, Mr. PICKLE, Mr. LEVINE of California, Mr. DICKS, Mrs. KENNELLY, Mr. ATKINS, Mr. FOGLIETTA, Mr. WOLPE, Mr. MILLER of California, Mr. VENTO, Mr. MAZZOLI, Mr. RUSSO, Mr. HUBBARD, Mr. ROYBAL, Mr. KLECZKA, Mr. DARDEN, Mr. DAVIS, Mr. ROWLAND of Connecticut, Mr. SCHUETTE, Mr. COBEY, Mr. DOWNEY of New York, Mr. ROEMER, Mrs. LLOYD, Mr. MONSON, Mr. CARPER, Mr. MILLER of Washington, Mr. GROTBERG, Mrs. MARTIN of Illinois, Mr. UDALL, Mr. ANDERSON, Mr. EMERSON, Mr. FOWLER, Mrs. JOHNSON, Mr. MOLLOHAN, Mr. HUTTO, Mr. MURPHY, and Mr. MCGRATH.

H.J. Res. 308: Mr. BENNETT, Mrs. BOXER, Mr. BROYHILL, Mr. CARNEY, Mr. COURTER, Mr. DARDEN, Mr. DYSON, Mr. FRANK, Mr. GUARINI, Mr. RALPH M. HALL, Mr. HATCHER, Mr. JONES of North Carolina, Mrs. KENNELLY, Mr. MARTINEZ, Mr. REID, Mr. ROSE, Mr. SCHUETTE, Mr. SMITH of New Jersey, Mr. DENNY SMITH, Mr. STUMP, and Mr. THOMAS of Georgia.

H.J. Res. 314: Mr. WILSON, Mr. MOODY, Mr. NATCHER, Mr. BATEMAN, Mr. BRYANT, Mr. VANDER JAGT, Mr. ANNUNZIO, Mr. ADDABBO, Mr. DAUB, Mr. LELAND, Mr. DIXON, Mr. MARTINEZ, Mr. DYMALLY, Mr. SHUMWAY, Mr. ROE, Mr. MOAKLEY, Mr. STOKES, Mr. HAMMERSCHMIDT, Ms. KAPTUR, Mr. DEWINE, Mr. FEIGHAN, Mr. TOWNS, Mr. LIGHTFOOT, Mr. EARLY, Mr. YOUNG of Florida, Mr. DE LUGO, Mr. HYDE, Mr. VALENTINE, Ms. OAKAR, Mr. WORTLEY, Mr. BADHAM, Mr. ACKERMAN, Mr. DANIEL, Mr. DYSON, Mr. HANSEN, Mr. LANTOS, Mr. HOPKINS, Mr. DWYER of New Jersey, Mr. BEVILL, Mr. QUILLEN, Mr. BEREUTER, Mr. KASICH, Mr. MORRISON of Connecticut, Mr. WEISS, Mr. ROSE, Mr. MCGRATH, Mr. LAFALCE, Mr. VOLKMER, Mr. DERRICK, Mr. COATS, Mr. CHAPPIE, Mr. CROCKETT, Mr. DE LA GARZA, Mr. LUKEN, Mr. BERMAN, Mr. STALLINGS, Mr. IRELAND, Mr. TAUKE, Mr. REID, Mr. ANDREWS, Mr. OWENS, Mr. DARDEN, Mr. BONIOR of Michigan, Mr. RICHARDSON, Mr. FLORIO, Mr. COUGHLIN, Mr. CLINGER, Mr. AKAKA, Mr. DASCHLE, Mr. EMERSON, Mr. HORTON, Mr. KINDNESS, Mr. MONTGOMERY, Mrs. HOLT, Mr. BURTON of Indiana, Mr. HEFTEL of Hawaii, Mr. KEMP, Mr. FROST, Mr. MOLLOHAN, Mr. MURPHY, Mr. DORGAN of North Dakota, Mr. CLAY, Mr. LIVINGSTON, Mr. SABO, Mr. KOSTMAYER, Mrs. BOXER, Mr. YATRON, Mr. LAGOMARSINO, Mr. RAHALL, Mr. GUNDERSON, Mr. BATES, Mr. PARRIS, Mr. FAZIO, Mrs. ROUKEMA, Mr. BILIRAKIS, Mr. SUNIA, Mr. HERTEL of Michigan, Mr. LUJAN, Mr. ENGLISH, Mr. FISH, Mr. SMITH of Florida, Mr. O'BRIEN, Mr. JONES of Tennessee, Mr. ANTHONY, Mr. DELLUMS, Mr. FLIPPO, Mr. HUTTO, Mr. PORTER, Mr. HUGHES, Mr. HARTNETT, Mr. MAZZOLI, Mr. BARNES, Mr. FAUNTROY, Mr. DOWDY of Mississippi, Mr. SMITH of New Jersey, Mr. WIRTH, Mr. VENTO, Mr. WYDEN, Mr. CARR, Mr. HATCHER, Mrs. COLLINS, Mr. SOLOMON, Mr. MRAZEK, Mr. LEVINE of California, Mr. SISISKY, Mr. JEFFORDS, Mr. KOLTER, Mr. ROEMER, Mrs. BURTON of California, Mr. MCKERNAN, Mr. CONTE, Mr. MOORE, Mr. GORDON, Mr. FUQUA, Mr. MCCOLLUM, Mr. FASCELL, Mr. GUARINI, Mr. KILDEE, Mrs. BYRON, Mr. DONNELLY, Mr. FRANKLIN, and Mr. JACOBS.

H.J. Res. 320: Mrs. BENTLEY, Mr. BONER of Tennessee, Mr. TORRICELLI, Mr. GRAY of Illinois, Mr. VANDER JAGT, Mr. KOLTER, Mr. BILIRAKIS, Mr. FEIGHAN, Mr. BUSTAMANTE, Mr. RANGEL, Mr. COELHO, Mr. DEWINE, Mr. REID, Mr. DYSON, Mr. ANTHONY, and Mr. COURTER.

H.J. Res. 327: Mr. BOEHLERT, Mrs. JOHNSON, Mr. WEBER, and Mr. BEREUTER.

H.J. Res 351: Mr. STANGELAND, Mr. LAGOMARSINO, and Mr. WEBER.

H.J. Res. 356: Mr. BERMAN, Mr. SABO, Mr. WEISS, Mr. DIXON, Mr. WORTLEY, Mr. ROE, Mr. MARTINEZ, Mr. BRYANT, and Mr. MCGRATH.

H.J. Res. 357: Mr. BERMAN, Mr. GALLO, Mr. DWYER of New Jersey, Mr. WEAVER, Ms. KAPTUR, Mr. WEBER, Mr. KRAMER, Mr. MARTINEZ, Mr. ACKERMAN, Mr. MORRISON of Connecticut, Mr. HUGHES, Mr. EDWARDS of California, Mr. WORTLEY, Mr. ATKINS, Mr. YOUNG of Missouri, Mr. MATSUI, Mr. AUCOIN, Mr. SILJANDER, Ms. MIKULSKI, Mr. PORTER, Mr. BUSTAMANTE, Mr. ARCHER, Mr. MRAZEK, Mr. FRENZEL, Mr. BEILENSON, and Mr. SMITH of Florida.

H.J. Res. 363: Mr. MORRISON of Connecticut, Mr. BLILEY, Mr. LAGOMARSINO, Mr. ANNUNZIO, Mr. GALLO, Mr. DIOGUARDI, Mrs. LLOYD, Mr. RITTER, Mr. BURTON of Indiana, Mr. HORTON, Mr. HALL of Ohio, Mrs. SCHROEDER, Mr. FRANK, Mr. RAHALL, Mr. DELLUMS, and Mr. BUSTAMANTE.

H. Con. Res. 26: Mr. PORTER.

H. Con. Res. 36: Mr. MARTINEZ and Mr. ROYBAL.

H. Con. Res. 57: Mr. RITTER and Mr. TORRICELLI.

H. Con. Res. 102: Mr. COATS, Mr. NIELSON of Utah, Mr. PETRI, Mr. MRAZEK, and Mr. LUNGREN.

H. Con. Res. 129: Mr. LOEFFLER, Mr. WATKINS, Mr. OBERSTAR, and Mr. WHITEHURST.

H. Con. Res. 136: Mr. MARTINEZ, Mr. MRAZEK, Mr. HENRY, Mr. FISH, and Mr. BADHAM.

H. Con. Res. 141: Mr. MORRISON of Connecticut.

H. Con. Res. 169: Mr. EDGAR, Mr. JEFFORDS, Mr. AUCOIN, and Mrs. KENNELLY.

H. Con. Res. 175: Mr. TOWNS.

H. Res. 21: Mr. TAUKE, Mr. MILLER of California, and Mr. MCKERNAN.

H. Res. 76: Mr. GILMAN, Mr. DOWNEY of New York, Mr. WEISS, Mr. FISH, Mrs. BURTON of California, and Mr. MOAKLEY.

H. Res. 167: Mr. VALENTINE and Mr. BROWN of Colorado.

H. Res. 188: Mr. MOODY and Mr. LAFALCE.

H. Res. 219: Mr. SCHEUER, Mr. TRAFICANT, Mr. FORD of Tennessee, Mr. STARK, Mr. ECKART of Ohio, Mr. HEFNER, Mr. BUSTAMANTE, Mr. CONYERS, Mr. CARR, Ms. MIKULSKI, Mr. FISH, Mr. BRUCE, Mr. BOUCHER, Mr. OWENS, Mr. SISISKY, Mr. KILDEE, Mr. STALLINGS, and Mr. MCGRATH.

H. Res. 234: Mr. KINDNESS, Mr. STANGELAND, Mr. COBEY, Mr. SHUMWAY, Mr. DENNY SMITH, Mr. BADHAM, Mr. SWEENEY and Mr. MCGRATH.

H. Res. 247: Mr. CONTE, Mr. FAUNTROY, Mr. GILMAN, Mr. LEVINE of California, and Mr. MCGRATH.

EXTENSIONS OF REMARKS

TELECOMMUNICATIONS TRADE ACT OF 1985

HON. JAMES J. FLORIO
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. FLORIO. Mr. Speaker, the Telecommunications Trade Act of 1985, H.R. 3131, which we are introducing today is not intended to send our foreign competitors a "signal"; it is instead intended to convey a promise. The promise is that unless foreign markets are opened to competitive U.S. telecommunications equipment and services in the immediate future, the United States take unilateral action to restrict the access of foreign telecommunications firms to our own domestic market.

We do not make this promise in a vain effort to protect a noncompetitive industry. In almost every respect—quality, technological innovation—the U.S. telecommunications industry is comparable or superior to its foreign competition.

Instead, we make this promise in recognition that even America's most competitive industry cannot penetrate the formal and informal barriers that have kept most major foreign telecommunications markets closed to U.S. equipment and services.

The breakup of the AT&T system was the most recent of a series of regulatory and judicial actions which have had the effect of opening, on a nonreciprocal basis, the U.S. market to imports of telecommunications equipment. As a result, imports of telecommunications equipment into the United States have risen sharply.

The increasing access which foreign producers have gained to our domestic telecommunications equipment market has not been matched by equivalent market opportunity for U.S. equipment producers abroad. Foreign markets in the industrialized nations remain largely closed to U.S. telecommunications products, reflecting factors such as the strong preference of domestic post and telecommunications authorities for domestic suppliers, "buy national" industrial policies, and a variety of tariff and nontariff barriers. As as result of this lack of balance in market opportunities, the U.S. balance of trade in telecommunications equipment is deteriorating dramatically.

Last year alone, foreign telecommunications equipment coming into the U.S. jumped more than 25 percent over the year before. During the same time, U.S. telecommunications equipment exports remained almost constant. As a result, the U.S. telecommunications balance of trade has gone from a surplus of almost $1 billion in 1980 to a deficit of over $600 million in 1984.

Left untended, the situation promises to grow far worse this year. The Regional Bell Operating Cos. are planning major purchases of sophisticated equipment to maintain and update our Nation's huge telecommunications network. It now appears likely that a large share of these purchases may go to foreign suppliers most of whom, unlike American producers, are protected against foreign competition in their home markets. Unable to compete in foreign markets, American producers of telecommunications equipment may also soon be unable to compete in our own domestic market unless remedies are imposed.

We believe it is important for our trading partners to understand very clearly that we cannot, and we will not, stand idly by while one of our premier industries is destroyed due to unfair trade relations. Either the opportunity to compete in the international telecommunications market must be greatly increased, or new conditions governing foreign access and participation in our own domestic market must be implemented. The administration has expressed its concern over the imbalance in market opportunities in telecommunications equipment trade and is currently seeking to negotiate greater market access for U.S. companies abroad.

We are all hopeful that negotiations will produce the changes in policy that will allow U.S. firms to compete for their rightful share of foreign markets. This bill would provide ample time for negotiations to be held, their results implemented and their effects to be demonstrated before sanctions could be imposed in the U.S. market.

In the event these efforts do not yield immediate and significant benefits for American firms seeking access to foreign markets, we feel it is only fair that our trading partners know there is a strong and growing commitment in the Congress to impose sanctions on foreign access to the U.S. market.

This is a matter of the utmost importance to our Nation. We feel the bill we are introducing today provides a workable mechanism for achieving the goal of access to foreign markets that we all seek. The bill sets forth the following procedures for identifying foreign telecommunications markets that may be restricting participation for U.S. suppliers and the steps to be taken in order to open up those markets.

After contemplated negotiations occur—the bill does not take effect until July, 1986 to permit negotiations and their results to be felt—the Secretary of Commerce is required to determine whether any foreign country which might provide a substantial market for U.S. telecommunications suppliers is denying equivalent market access to U.S. producers of telecommunications equipment and services.

In addition to the Secretary's initial investigation, any interested person can petition the Secretary to find that a foreign market is denying equivalent access to U.S. suppliers.

If the Secretary finds that a foreign country is denying access, the President would be required to take enforcement action by directing the FCC to restrict access to the U.S. telecommunications market—the earliest time that a Presidential sanction could be imposed would be January or February of 1987. Such enforcement action would be directed at producers of foreign telecommunications equipment only.

If the President takes action under section 301 of the Trade Act of 1974, however, he would not be required to implement restrictions through the FCC.

The Secretary must conduct an annual review to determine whether the purposes of the act are being fulfilled.

The bill is sponsored by 26 Members, including 22 members of the Committee on Energy and Commerce. It should also be noted that the bill has strong support from our Republican colleagues, including Mr. LENT, the ranking minority member of the Subcommittee on Commerce, Transportation and Tourism which I chair, and Mr. RINALDO, the ranking minority member of the Subcommittee on Telecommunications, Consumer Protection and Finance.

The bill has also received strong industry backing. At this time, Mr. Speaker, I request permission to insert in the RECORD statements of support from the Electronic Industries Association, AT&T, and the U.S. Chamber of Commerce.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

ELECTRONIC INDUSTRIES ASSOCIATION,
July 26, 1985.

Hon. JAMES J. FLORIO,
Chairman, Commerce, Transportation, and Tourism Subcommittee, Energy and Commerce Committee, House of Representatives, Washington, DC.

DEAR MR. FLORIO: The Information and Telecommunications Technologies Group of Electronic Industries Association (EIA/ITG) has been provided with a draft copy of a bill which we understand will be introduced by yourself and Congressman Wirth. We have circulated the bill to our members, and they have overwhelmingly endorsed the approach you are taking to address our critical trade problem. They have also indicated that they want EIA/ITG to work on their behalf for passage of the bill and that they will also be working to line up co-sponsors.

Our members represent over 90% of the telecommunications equipment manufactured in the United States. On their behalf, I would like to thank you for your interest and support in helping us open up foreign markets to competitive US products.

Sincerely,

JOHN J. MCDONNELL, JR.,
Group Vice President, Information and Telecommunications Technologies Group.

Group list:
ADC Fiber Optics Corp.;
Allied Amphenol Products;
AMP Incorporated;
AMTEL Communications, Inc.;
The Antenna Specialists Company;
Artel Communications Corp;
AT&T Information Systems, Inc.;
AT&T Technologies, Inc.;
Augat Fiberoptics;
Bausch & Lomb;
Buehler LTD;
Bundy Corp;
Cablewave Systems, Inc.;
California Microwave, Inc.;
Codenoll Technology Corporation;
Comdial Corporation;
Computer Cable & Products, Inc.;
Contel Page Inc.;
Continental Telecom Inc.;
Control Data Corporation;
Controlonics Corporation;
Cooper Industries—Belden Electronic Wire & Cable;
Corning Glass Works;
Dynascan Corporation;
EG&G Princeton Applied Research;
Ensign-Bickford Industries;
Ericsson Communications;
Ericsson, Inc. Wire & Cable Operations;
Ferranti Electric Inc.;
Flight Connector Corp;
Fotec, Inc.;
Foxboro Company;
Fujitsu Business Comms of America;
G & H Technology Inc.;
General Cable Co.;
General Electric Company;
GTE Corporation;
Harris Corporation;
Hughes Aircraft Company;
Hustler Incorporated;
International Business Machines Corporation (IBM);
International Telephone & Telegraph Corporation (ITT);
Interoptics;
Jetronic Industries, Inc.;
E. F. Johnson Company;
Kaptron Inc.;
King Radio Corporation;
Ledex Inc.;
Arthur D. Little, Inc.;
M/A-COM, Inc.;
Madison Wire & Cable Corp.;
Magnavox Government & Industrial Electronics;
Methode Electronics Inc.;
Mitel Corporation;
The Mitre Corporation;
Motorola, Inc.;
NEC America, Inc.;
Nokia/Kinex Corporation;
Northern Telecom Inc.;
NovAtel Communications, Inc.;
Optelecom Inc.;
Panasonic Company;
Path Products Inc.;
Phone-Mate, Inc.;
Photon Kinetics Inc.;
PlessCor Optronics, Inc.;
Positronic Industries Inc.;
Quartz Products Corporation;
Racon Inc.;
Radio Shack;
Radio/Switch, Inc.;
REDCOM Laboratories, Inc.;
Reliance Comm/Tec.;
Repco Incorporated;
Roanwell Corporation;
The Rochester Corporation;
Rockwell International Corporation;
ROLM Corporation;
Scientific-Atlanta, Inc.;
Siecor Corporation;
Space Communications Company;
Specialized Systems, Inc.;
SpecTran Corp.;
Spectrum Planning, Inc.;
SRI International;
The Stackpole Corporation;
Stromberg-Carlson Corporation;
Sumitomo Electric Research Triangle, Inc.;
Technidyne Corporation;
Telautograph Corporation;
Telco Systems, Inc.;
Telemobile Incorporated;
Thomas & Betts Corporation;
Times Fiber Communications, Inc.;
TRW, Inc.;
Uniden Corporation of America;
United Telecommunications, Inc.;
Walker Equipment Corporation;
Wavetek Indiana Inc.

U.S. CHAMBER PRAISES EFFORTS TO OPEN TELECOMMUNICATIONS MARKETS

WASHINGTON, July 31.—The U.S. Chamber of Commerce today praised Reps. Timothy Wirth, D-Colo., and James Florio, D-N.J., for their leadership in introducing legislation seeking broader access for American exports to foreign telecommunications markets.

"American industry seeks truly free and open trade in telecommunications products and services," said Wolf Brueckmann, director of international investment policy for the Chamber. "We applaud the efforts of Wirth and Florio to address specific barriers to these products and services. We are encouraged by their continued willingness to work closely with the business community to develop credible negotiating leverage for our government to open telecommunications markets worldwide."

Brueckmann has been coordinating a working group of business associations and companies which has been active since last year with Senate and House committees working on telecommunications legislation. In further comments, the Chamber official emphasized that the following principles should be incorporated into any telecommunications legislation:

The air of U.S.-initiated negotiations should be to achieve open trade in telecommunications products and services.

Legislation should provide a mandate to the administration to negotiate the reduction or elimination of barriers to telecommunications trade and should include the authority to negotiate the elimination of any remaining U.S. barriers.

Progress toward greater access should be determined by monitoring the results of existing and future trade agreements to assure that all barriers are removed.

The U.S. Government should take flexible and credible action to enforce existing agreements and to restore competitive opportunities if negotiations fail to produce significant progress toward a more open market.

Any bilateral agreements entered into by the U.S. government should be supportive of future multilateral negotiations and the international trade and investment system.

To the extent possible, legislation should encourage the use of existing U.S. government trade authority.

The following statement was issued today by Gerald M. Lowrie, AT&T senior vice president for public affairs, regarding legislation introduced by members of the House Energy and Commerce Committee:

AT&T is encouraged that key members of the House Energy and Commerce Committee have focused attention in a bipartisan manner on the critical problems that American companies face in selling telecommunications equipment abroad.

As in the Senate, this is most encouraging because this matter goes beyond party and politics. It affects the creation of new jobs at home and the strengthening of America's competitive position abroad.

But beyond these major considerations is another. It is sometimes overlooked but it transcends international borders and trade barriers. For the fact is that, in the rapidly evolving Information Age, nations and their people everywhere stand to gain by having access to the most modern telecommunications technology and services. In a spirit of mutual accommodation, the United States is in a unique position to make a significant contribution in this effort providing it is allowed to do so.

So we welcome the House initiative along with previous legislation proposed in the Senate by Senator Danforth. AT&T will continue to speak out on this issue and will watch closely the efforts by the Administration and the Congress to forge effective new public policy in this key area.

Mr. WIRTH's subcommittee and the subcommittee I chair will hold joint hearings on this legislation on Wednesday, September 18, 1985. I urge my colleagues to give this initiative their strong support.

Thank you.●

HIGH TECHNOLOGY ACTIVE BUSINESS ACT OF 1985

HON. JUDD GREGG

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. GREGG. Mr. Speaker, I am pleased to join today with Mr. STARK

in introducing the High Technology Active Business Act of 1985, a bill that addresses the problem of the application of the personal holding company penalty tax upon small software companies.

The personal holding company penalty tax provisions were adopted decades ago, at a time when corporate tax rates were significantly lower than the top individual rates, to prevent the incorporation of passive investment activities in a closely held company. By contrast to this passive investment repository and "one-man corporation" case which Congress intended to address in adopting the personal holding company provisions, software companies clearly are engaged in substantial active business activities on an ongoing basis, including the continuous development of new software products and improvements, maintenance, and updates with respect to existing software products.

The personal holding company provisions are triggered in the case of small software companies because these companies, by reason of their size, are closely held and because the software industry sells its products by way of licenses to the general public—the so-called "box-top" license, computer manufacturers, and other customers. The software products are transferred via license for the fundamentally important business purpose of protecting the software company's proprietary rights in the software. However, the Internal Revenue Service has taken the position—which I believe to be an incorect interpretation of present law—that the income resulting from these transfers of software products, characterized as royalties, constitutes personal holding company income. As the result, the software company becomes subject to the 50 percent personal holding company penalty tax that is imposed on top of the regular corporate income tax already paid by the software company.

Since the personal holding company provisions were enacted to discourage the incorporation of passive investment activities, the imposition of this penalty tax on software companies conducting extensive active business operations on an ongoing basis produces unintended and extremely harsh results. This severe problem affects small software companies throughout the country. The imposition of this penalty tax—or the alternative, a dividend distribution of essentially all of the corporation's income—could well force many small software companies, which presently plow the bulk of their after-tax income back into the development of new software products, out of business by depriving these companies of the funds necessary to conduct current production activities as well as to undertake the R&D necessary to maintain their competitive edge.

I believe that the proposed legislation addresses this software personal holding company problem in a fair and carefully circumscribed manner by adopting a new exclusion from personal holding company income for computer software royalties that are earned by a company in the active conduct of a trade or business. Consistent with the "mechanical" nature of the personal holding company provisions, the legislation adopts a series of objective, numerical tests for determining whether the software royalties were derived from an active business. The structure and approach of this new exclusion are quite similar to the nearly one dozen other "carve-outs" from the personal holding company provisions that have been adopted by Congress over the years as various other types of active businesses have become entangled in the personal holding company provisions because these mechanical provisions have failed to keep pace with the changing way in which such companies do business. The proposed exclusion has been carefully crafted with various protections to ensure that it applies only to truly active business activities.

While the new exclusion for software royalties that are derived in the active conduct of a trade or business would be effective with respect to taxable years ending after date of enactment, the legislation also is intended to clarify the proper treatment of computer software royalties under present law for personal holding company purposes.

The legislation also includes a technical correction of an unintended problem that arises under changes to the minimum tax made by the 1982 Tax Act. Under the 1982 act, code section 174, R&D expenses are treated as a minimum tax preference item for personal holding companies—but not for corporations generally. As the result, startup high technology companies that are treated as personal holding companies because their only income during the startup phase is the interest derived from their balances of working capital have their loss carryforwards "tainted" such that, in future years when the loss carryforwards are offset against operating profits, the companies will be subject to minimum tax liability on 90 percent of the R&D that had been expended in the startup taxable years in which the loss carryforwards were generated. To address this problem, the legislation removes R&D expenses as a minimum tax preference item for personal holding companies.

I would expect this legislation to be noncontroversial and would hope that it can be promptly considered and enacted by Congress.●

STRESSING THE NEED FOR POSITIVE REFORMS WITHIN THE MULTILATERAL DEVELOPMENT BANKS

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. YOUNG of Florida. Mr. Speaker, the Reagan administration is in the midst of a major effort to reform the lending policies of the multilateral development banks to which we annually contribute millions of dollars from our foreign aid programs. Many of the reforms stressed by the administration are based upon those I suggested during my years of work overseeing funding for these programs.

It is no coincidence that at the forefront of the administration's effort to reform the policies of these multilateral banks is Deputy Assistant Secretary of the Treasury James W. Conrow, who formerly was my associate staff member responsible for foreign aid appropriations. Together, Jim and I called attention to many of the excesses and poor policies at these banks and developed sound alternatives to improve their lending policies. Among the recommendations we repeatedly made over the years was the importance of changing multilateral bank policies so that they promote economic growth through investments in private companies and organizations rather than continuing to loan money to Government agencies to create Government supported that stymie economic growth and development.

Jim Conrow delivered this message in May to the annual meeting of the Asian Development Bank. He said the United States will determine future levels of support for the banks based on our assessment of the effectiveness of the banks and the extent to which they develop significant policy reforms to encourage economic growth through the private sector.

The Wall Street Journal published on July 25 excerpts from Jim's speech and commented in an editorial that his "ideas are forming the basis of a new development consensus." Following my remarks I would like to include his remarks and the editorial because they are indicative of the important steps the Reagan administration is taking to reform the policies of the multilateral banks—reforms I have advocated for many years.

The articles follow:

[From the Wall Street Journal, July 25, 1985]

U.S. AGENDA FOR REFORMING ASIAN LENDING

At the annual meeting of the Manila-based Asian Development Bank in May, the U.S., the ADB's second-largest donor (after Japan), urged lending policies that help private businesses, not governments. That

stance was reiterated at a June 17 meeting of donor nations to the ADB's "soft-loan" window, the Asian Development Fund. The U.S., in a speech by James W. Conrow, a deputy assistant secretary of the Treasury, said it won't continue contributing unless the fund makes major policy changes. Though the meeting was confidential, we've obtained a copy of Mr. Conrow's talk and reprint portions of it below. (See related editorial nearby.)

While most of the world's great economic success stories of the past 30 years are located in the [Asia-Pacific] region, there is also a group of countries that for one reason or another continue to have serious economic problems. The Asian Development Fund . . . serves these countries. The ADF can potentially serve an invaluable function, if it can assist in transforming the problem cases into success stories—by acting as a catalyst for policy changes. . . .

We have been a supporter of the fund since it was created and fully intend to participate in the upcoming negotiations for the fourth replenishment. However . . . we have taken absolutely no decisions on the level of our participation. That will be partially dependent on the results of a review we have under way on the effectiveness of the various MDBs [multilateral development banks]. . . .

I can say that our participation will be critically dependent on the extent to which we are satisfied that the fund is prepared to adopt policy reforms that will enable it to assist in transforming the economies of its recipients more in line with those of the region's success stories.

The United States regards the present paper [prepared by the ADB] as a disappointing extrapolation of past replenishment exercises with little original thinking to meet present-day realities. . . . Let me now list some of our policy concerns and say why I think they are important.

Hardening of terms: The U.S. wants a comprehensive review of ADF terms and conditions, the first since the creation of the ADF.

The degree of the concessionality in ADF financing has increased sharply since 1961. . . . The present terms no longer reflect the high cost imposed on donors under intense budgetary constraints.

A comparatively modest hardening of terms would . . . significantly increase the number of development projects funded over time. . . . ADF must make this effort to become more self-financing. The Bank self-finances more than 30% of its lending, compared with less than 8% in ADF.

We would like to see . . . hardening the terms to, say, 3%-4% interest [from 1%] during the grace period and 5%-7% thereafter as well as a shortening of the grace period to seven years [from 10] and the repayment period reduced to 25 years [from 40]. . . .

Improved policies to help the private sector: [Management must] extend the benefits of equity lending to the private sector without a government guarantee to ADF countries. . . .

A further important element of this approach is to establish firm guidelines for the funding of para-statal organizations [state-owned or state-run companies]. The U.S. has an internal review of MDB assistance in privatization and assistance to para-statals under way. . . . We believe that assistance to para-statals . . . should be reduced sharply or eliminated in those instances where a viable private-sector alternative exists.

The ADF as a financial catalyst: [T]he ADF should maximize its development impact by funding more projects while taking a smaller share of each one by mobilizing other sources of funding.

Regularization of funding for [technical assistance]: We would like to see an enhanced role for technical assistance in the Bank's operations . . . to effect market-oriented growth policies.

The United States proposes that a small portion (1% to 2%) of ADF funds be earmarked for technical assistance in the ADF-eligible countries. . . .

Management of the ADB: The increased assistance to the private sector and an enhanced policy role for technical assistance will require strengthened personnel policies and, in many cases, personnel with different skills than those currently on board. . . . This will require effective evaluation and termination policies for those whose skills no longer match the Bank's needs.

[From the Wall Street Journal, July 25, 1985]

NO MORE EASY MONEY

Imagine that you're a bureaucrat in a poor country with little government revenue. You have a lonely job. Then one day along comes a well-dressed foreigner offering millions of dollars if only you'll write a proposal to build a dam, or an irrigation ditch or something. Do you say, no thanks, the private sector can do it better? Or do you take the money and run?

You take the money, or course. And that's more or less what has happened for 40 years as the world's big development banks have passed around easy money to the very poorest countries through their "soft-loan" windows.

These glory days are just about over, however. As part of its campaign to make the Asian Development Bank do more for real development, the Reagan administration is paying special attention to the bank's soft-loan window, the Asian Development Fund. Elsewhere on this page, we print excerpts from a confidential speech given last month by James W. Conrow of the U.S. Treasury to an ADF donors' meeting in Rome.

Mr. Conrow pulls few punches, saying that the U.S. won't contribute unless the ADF's policies change to promote growth. More than anything else, this means relying far less on governments and more on the private companies and individuals who are the real wellsprings of growth. In particular, the U.S. wants the ADF to stop creating government companies. But it also wants the ADF to set stiffer terms for borrowers, thus applying market discipline to development projects.

Some will try to portray all this as American stinginess, especially because ADF money goes to only the poorest Asian countries such as Bangladesh, Sri Lanka and Pakistan. But it is no accident that these South Asian countries, with large public sectors inherited in part from the British, have remained the poorest in Asia. The East and Southeast Asian countries that have relied more on the private sector have grown much faster.

Ideology hasn't much to do with the U.S. position. The issue is what works. In the past, ADF money has created government monopolies, thus foreclosing all possibilities for greater efficiency through competition among profit-minded private concerns.

What's going on here involves much more than just the Asian Development Bank. The ADF debate is really part of a sea change taking place in the philosophy of economic development. The Robert McNamara-World Bank orthodoxy of lending to governments is giving way to the East Asian example of incentive-led private growth. The tired dialogue of the rich North "aiding" the poor South is giving way to ideas about how the South can make itself rich.

In the case of the ADF, the U.S. is taking the visible lead. But ADB sources tell us that June's donors' meeting was actually one of the least contentious in years. Mr. Conrow's ideas are forming the basis of a new development consensus—one much more likely to really help the poor.●

STEEL RESEARCH INITIATIVE

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. WALGREN. Mr. Speaker, the Interior appropriations bill before the House today, H.R. 3011, includes $10 million for a cost-shared steel technology research and development initiative. This will provide funding for an initiative which the Science and Technology Committee accepted at my suggestion in the Department of Energy research and development bill, H.R. 1799.

The industry has been caught in a vicious cycle of weak demand, poor profitability, lagging investment, high costs, and technological advancement abroad. In the 1980's, the industry was hit with the "double whammy" of recession and subsidized imports flowing into our ports at levels as high as 33 percent. Steel jobs have been cut in half.

We have to be honest with ourselves and recognize that our steel industry has lost its technological advantage, a foundation which was key to steel employment in the two decades following World War II.

Study after study has emphasized the need for the industry to modernize. In the words of the Office of Technology Assessment, "The trend of improving and changing technology is necessary to maintain competitiveness, improve profitability, and improve product quality and innovations." Commendably, the steel industry, despite its adversities, has put over $10 billion into capital expenditures since 1980, much of this into modernization. Labor too has granted major concessions.

Despite these efforts, the industry is not strong enough to both meet the difficulties of the present market and to do basic research required for long-term competitiveness at the same time.

There really has been no comprehensive, long-range Federal strategy to address the underlying problems of the steel industry, unless it is the silent strategy of neglect. In my view,

the longer we avoid developing such a strategy, the more it is delayed, the more we lose. The longer we neglect the problem, the more intense Government involvement will be. By virtually allowing the demise of steel research and development over the past two decades, we have forfeited much of our industry.

AN R&D ROLE FOR GOVERNMENT

Government support for R&D is appropriate and not without precedent. The Federal Government subsidizes defense industries substantially through a guaranteed return on investments, promotion of export sales, and direct subsidy for research. In aerospace, 72 percent of total research and development expenditures come from the Federal Government. But less than 2 percent of steel R&D expenditures are supported by the Federal Government.

There is a role for Government. The President has certainly hinted at it. On August 30, 1984, he said, "We must maintain and increase our older industries ability to compete in the world." On October 13, 1984, he stated, "But we can't and won't be satisfied * * * until we modernize and make our older industries more competitive with new technologies."

STEEL TECHNOLOGY RESEARCH INITIATIVE

The steel technology initiative is a program to begin long-term, high payoff steel manufacturing research in DOE's national laboratories. It would involve scientists from Government, industry, and the Nation's universities in developing new "leapfrog technologies," that literally by-pass present modern steel making capacity.

The provisions in the DOE bill follow through on an initiative begun within the administration by the President's Science Advisor, Dr. G.A. Keyworth. In Dr. Keyworth's words, "We have done a poor job of harnessing our strength. We have to work together toward a common purpose, that of improving our industrial competitiveness abroad. We need a strong, new partnership among Government, universities and industry."

According to the Department of Energy, "The proposed Steel Industry/Federal Laboratory Initiative had the potential for a reduction by one-third of the expensive input required by today's technologies and a corresponding reduction in capital and operating costs targeted at 30 percent and 50 percent respectively, reflecting the flexibility, product control and energy savings associated with the exploratory technologies.

Steel industry scientists and engineers and their counterparts in the national labs have identified four areas of possible work: reduction of domestic raw material, including scrap, to liquid steel; production of near-net shape solids from liquid steel; development of universal grades of steel; and application of automatic processing technology.

The steel industry has agreed to commit $2.8 million in labor and services to this effort, and another $2.5 million authorization is included in H.R 1617, the National Bureau of Standards Authorization Act of 1985, now on its way to the President.

This Nation has the scientific minds and the technological know-how to bring this industry back. The industry and it workers are willing to share in the task. It only takes a commitment to do so. I hope we can provide the administration and the congressional commitment necessary to mate our technological genius with the needs of this crucial, renewable industry. It can be one step toward revival of one of our most basic industries and one step toward regaining our international competitiveness.

I am very grateful to the Appropriations Committee and my colleagues for their help and support on the steel technology R&D initiative.●

PETER C. GOLDMARK, JR.: AN OUTSTANDING PUBLIC SERVANT

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. SOLARZ. Mr. Speaker, I would like to pay tribute today to a good friend, a fellow Brooklynite, and one of America's outstanding public servants, Peter C. Goldmark, Jr. In a few weeks, Peter will step down from his position as executive director of the Port Authority of New York and New Jersey, a job he has held with great distinction for the last 8 years.

When he leaves the Port Authority, Peter will have completed 20 years of superb service in the public sector. Peter has worked for the office of economic opportunity, as a top aide to Major John Lindsay, as the human services secretary for Massachusetts, as the budget director for the State of New York, and as the executive director of the Port Authority.

In each of these positions, Peter has performed as a dedicated and imaginative public servant. His work and his philosophy of government call to mind Jacqueline Kennedy's description of her husband as "an idealist without illusions." He combines a singular capacity for generating new ideas with a sensible understanding of what is politically possible.

As budget director for Gov. Hugh Carey, Peter Goldmark was an unsung hero in resolving the fiscal crisis in the city of New York. As executive director of the Port Authority, he has made an extraordinary contribution to the economic resurgence of our region.

In years to come, we will reap the benefits of Peter's good works, from the Fishport that will bring jobs to south Brooklyn, to the Bathgate Industrial Park, which is already bringing jobs to the south Bronx. We will benefit as well from the leadership Peter has shown on the infrastructure issue. Peter has emerged as a national spokesman for rebuilding what he aptly calls our life-support systems and he has exerted a very positive influence on the Congress on this important question.

Peter's achievements are indisputably impressive, but what I find equally appealing is his avoidance of the inflated sense of self-importance that can be an occupational hazard of positions of power. Peter is not only a gifted man, but a gracious and generous one as well. He has a delightful sense of humor and an infinite capacity for puncturing pomposity. The respect he has gained over 20 years in public service is in no small measure due to the respect with which he has treated others.

The special qualities that have endeared Peter to his friends and given him a special standing in the public sector should make him eminently successful in his new position as a vice president of the Times Mirror Co. I know my colleagues in the New York and New Jersey delegations join me in wishing Peter well as he begins a new career. I trust that while Peter is leaving government, he is not abandoning the public arena, and that we can continue to call on him for guidance and good ideas in the years ahead.●

A TRIBUTE TO DR. HERBERT SCOVILLE, JR.

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. MARKEY. Mr. Speaker, I rise today in memory of a man whose passing will be sorely felt by many of my colleagues.

As you know, yesterday the arms control community lost one of its leading figures, with the death of Dr. Herbert Scoville, Jr.

In his many years of Government service—first as Deputy Director for Science and Technology for CIA and then as Assistant Director for Science and Technology at the Arms Control and Disarmament Agency, Pete Scoville worked tirelessly to advance the cause of arms control. He carried this commitment into private life, when he became president of the distinguished Arms Control Association.

In his many speeches and writings, Pete Scoville combined a deep commitment to the cause of nuclear disarmament with an impressive mastery of

the details of this complex and sometimes arcane subject. As anyone who has ever watched him debate can attest, he was invariably successful in presenting his case.

Pete Scoville's always incisive analyses of the crucial national security issues of the day have always been followed closely by those of us in Congress who have taken on the difficult task of fighting destabilizing weapons systems or promoting serious arms negotiations.

Those of us who have so often relied upon his wisdom and expertise in our deliberations on defense and arms control issues will miss him. We will miss his good advice, his gentle humor, and his dedication to controlling the nuclear arms race.

At this point I would like to insert into the RECORD a Washington Post article on Pete Scoville.

DR. HERBERT SCOVILE JR., EX-CIA OFFICIAL, DIES AT 70

(By Joseph D. Whitaker)

Dr. Herbert Scoville Jr., 70, a former deputy director of the CIA and assistant director of the U.S. Arms Control and Disarmament Agency who had written extensively on issues relating to arms control, died of cancer July 30 at Georgetown University Hospital. He maintained homes in McLean and Taconic, Conn.

Dr. Scoville began his campaign for nuclear arms control in the 1950s following the famed nuclear tests at Bikini Atoll. He argued at the Pentagon in 1954 for a test ban treaty and over the next three decades was a consistent opponent of a nuclear arms buildup.

Through his books, "Missile Madness" and "MX: Prescription for Disaster," and in speaking engagements in this coutnry and abroad, Dr. Scoville sought to lay the issues of arms control before the public.

Dr. Scoville said in a 1983 article in The Washington Post that he believed the U.S. was "drifting toward annihilation." "Somehow the public doesn't seem to be able to grasp the significance of the issue," he said. "They read these numbers—50 million will be killed in an atomic attack, whole cities wiped out. It's nothing they can conceive of. It has no meaning in their day-to-day lives.

"If an airplane crashes and 75 people are burned up, that's a disaster everyone can visualize," Dr. Scoville continued. "They can picture themselves in the airplane. But a nuclear war that destroys our society—that tends to be just numbers. It's too depressing and they don't see what they can do about it anyway."

From 1955 to 1963, Dr. Scoville worked for the Central Intelligence Agency, where he became the deputy director. For the next six years, he was the assistant director of the Arms Control and Disarmament Agency. He resigned from the federal service in 1969. Between 1958 and 1966, he also was a member of U.S. delegations to three disarmament conferences in Geneva.

Dr. Scoville was born in New York. He graduated from Yale University and earned his doctorate in physical chemistry at the University of Rochester. He moved to Washington in the early 1940s and went to work for the National Research Defense Committee.

He was president of the Arms Control Association and had served on the boards of the Union of Concerned Scientists and the Center for Defense Information. He also had served on the council of the American Association for the Advancement of Science.

In 1981, he received the Rockefeller Public Service Award from Princeton University. He also recevied the Hutchinson Medal from the University of Rochester.

Survivors include his wife, Ann Curtiss Scoville of McLean and Taconic; three sons, Anthony and Thomas, both of Washington, and Nicholas, of Los Angeles; a daughter, Molly Fitzmaurice of Washington, and six grandchildren.●

SEVEN STILL NOT HOME

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. KOLBE. Mr. Speaker, yesterday we had the opportunity to meet with seven American families. Though each was from a different part of the country, they shared a common bond that brought them together. Each family was missing one member, whether a father, a brother, or a husband. The missing family member is a hostage in Lebanon.

It is all too easy, now that 39 Americans have returned safely from their ordeal aboard TWA flight 847, to forget that seven Americans are still held by terrorists in Lebanon. It is too easy to allow the pain of the families we met yesterday to go unshared and too easy for the cries for release of their loved ones to go unheard. But we cannot allow these men to remain entombed in the dark cellars of Beruit. We cannot conduct business as usual in Lebanon or in the Middle East as a whole until these men are released.

On July 9, the House agreed to an amendment which I offered to prohibit aid to Lebanon until all Americans taken hostage in that country have been released. I am pleased that the conference committee agreed that the release of these men must be our first priority in Lebanon. All aid for Lebanon has been removed from the Foreign Assistance Act and specific language has been included in the conference report. To quote from that report:

> The conferees supported general U.S. policy in Lebanon * * * (but) believe that at this time higher priority must be given to obtaining the immediate release of the remaining American hostages in that country.

The time has come for terrorism to be destroyed before it can destroy us. By eliminating aid for Lebanon we have sent a clear signal to the Middle East that American cooperation in efforts for peace will depend on their respect for the sanctity of human life. We can and we will end the reign of terror which has claimed the lives of 269 American servicemen in the past two years and we will bring peace to a region which has been engulfed in anarchy and fratricide for decades.●

UPON INTRODUCTION OF LEGISLATION ON UNITED STATES-JAPANESE TRADE

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. JEFFORDS. Mr. Speaker, today I am joining with seven of my colleagues, Representatives CLINGER, FISH, GREEN, PURSELL, MCKINNEY, NIELSON, and SNOWE, in introducing legislation to address the current deplorable state of our trade deficit, particularly our staggering trade deficit with Japan. In addition, this legislation addresses the high cost of providing for our defense as well as that of our allies.

Our economy is being seriously impacted by the size and intractability of our trade deficit with Japan. Calls for increased quotas and tariff barriers are met with equally strong cries of distress from industries that are subject to retaliation and from the agriculture community, which is heavily dependent upon export sales. In addition, such solutions to the balance of payments problems would be greeted by a chorus of rejections by many of our trading partners, charging that such actions would violate our complex web of international trade agreements. This legislation avoids these pitfalls while making substantial progress toward alleviation of the trade deficit.

The rapid increases in defense spending over the past 4 years have come at a certain cost to our economic health. While we can rationalize these expenditures on behalf of our own defense, it becomes increasingly difficult to justify spending such large sums on the defense of Japan, particularly when we are being forced to cut back drastically on domestic spending. However, constitutional and political restrictions prevent Japan from contributing directly to its own defense. This legislation would allow Japan to relieve the United States of some of this burden without violating its own laws.

This legislation calls upon the President to inform Japan that in order to gain access to our markets, it must assume a fair share of its defense costs by manufacturing or constructing U.S. defense goods from our materials. The purchase of these materials would help redress our trade imbalance while the return of the finished goods to the United States would aid in reducing our defense expenditures. The Government of Japan would also be required to allow American products free and fair access to its domestic markets.

51-059 O-86-45 (Pt. 16)

I hope that others of my colleagues will join me in this initiative to reduce our stifling trade deficit while granting us some relief from the burden of providing for Japan's defense.●

CHARLES KIRKWOOD: AMBITION AND ACHIEVEMENT

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. RITTER. Mr. Speaker, during his boyhood in Bethlehem, PA, leisure was more than a luxury for Charles Kirkwood. It was an impossibility. His father scraped by, intermittently working as a steelworker and tending bar.

Some boys might only have dreamed of a different future life. But Charles Kirkwood did more. He worked hard enough that today he has achieved success beyond even the wildest imaginings of childhood.

First, there was acceptance as a scholarshop student at prestigious Williams College in Massachusetts. Then there was the law degree, with election to Phi Beta Kappa, from Harvard Law School.

Today, at age 50, Charles Kirkwood is far more than an international lawyer—founding partner of Caplan, Kirkwood, Russin & Becchi, with headquarters in Thailand and 24 offices around the world. He also is the benevolent patron of Shawnee Village, his private vacation community with 1,100 employees, and the largest employer in Monroe County of Pennsylvania.

This volunteer fireman—not chief—with the Shawnee Volunteer Fire Company each winter offers free season ski passes to dozens of Shawnee resident under age 18 and summer or part-time jobs to any youth willing to work hard. Town residents, and any employee, can receive free tickets to theatrical productions at the Shawnee Playhouse.

This weekend more than 300 persons are arriving at Shawnee, flying to the Poconos from throughout the free world, for a 3-day extravaganza to mark their friend's 50th birthday. But they should be celebrating something just as special: The unique opportunity in this Nation for boys and girls of aptitude and ambition to exceed even the fondest parent's wildest dream.●

STUDY PUBLISHED ON THE PROPOSED SALE OF CONRAIL

HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. ECKART of Ohio. Mr. Speaker, today the United States Railway Association published its long awaited study on the proposed sale of Conrail. In this study, the USRA examined the feasibility and viability of Conrail now and in the future and the impact of a Conrail-Norfolk Southern merger on other railroads and rail employment.

This independent analysis of this important issue shows that Conrail does have the ability to stand on its own financial feet and that it can continue to offer vigorous competition to the benefit of rail shippers across our Nation.

I would like to insert into the RECORD the summary of this report for my colleagues to share:

SUMMARY OF FINDINGS

CHAPTER 2. FINANCIAL OUTLOOK FOR AN INDEPENDENT CONRAIL

Compared to Conrail's May 1984 outlook, which was the basis of USRA's April 1, 1985 report, the revised Conrail traffic outlook is stronger as a result of more current estimates of the macroeconomic environment—specifically, reduced inflation rates and elimination of a recessionary cycle during the forecast period. While a nonrecessionary period of such duration could be regarded as unusual, it is typical of other current macroeconomic forecasts. Moreover, Conrail has been conservative in the industrial production index growth assumed during the forecast period. Conrail reasonably estimated traffic flows within the assumed economic environment.

Conrail's operating income was reasonably forecasted for the assumed traffic levels, and was based on rates of productivity improvement below historical accomplishments.

Conrail's maintenance and capital program estimates are appropriate to the current condition of the plant and the wear on plant implicit in projected traffic levels.

Morgan Stanley adopted the outlook prepared by Conrail for traffic, operating income, and capital spending needs.

Morgan Stanley's nonoperating income and financing assumptions during the outlook period differed from those used by Conrail, reflecting the assumption that the Morgan Stanley purchase proposal was implemented. Equipment purchases were assumed to be lease-financed, which USRA agrees is reasonable. This aspect of the projections was contained in a July 22, 1985 revision of Morgan Stanley's previous outlook and had the effect of improving net cash flow, after capital spending, to the point where projected dividend payments did not reduce cash balances below $500 million at any point during the outlook period.

Norfolk Southern's five-year outlook for Conrail employed macroeconomic and traffic assumptions substantially similar to Conrail's own forecast. Norfolk Southern's ten-year outlook for Conrail—that negative cash flows would occur in serious magnitudes in the 1990's, culminating in the need for renewed federal aid—was determined by USRA to be rebuttable. No one can say that the Norfolk Southern predictions will not possibly come true, but the specific reasons advanced for them can be refuted.

USRA found no reason to alter the Conrail viability conclusion reported in April. No one can guarantee the events of tomorrow, but all available evidence supports a finding that Conrail can generate positive cash flow for the foreseeable future. Traffic shortfalls compare to the forecast should not threaten Conrail's survival as long as the rail regulatory framework allows service to be shaped to meet the demands of the marketplace.

CHAPTER 3. TRAFFIC DIVERSION POTENTIAL OF AN NS/CR CONSOLIDATION

An NS/CR consolidation would divert traffic to its lines. At issue is only the degree to which such diversions would impact other carriers.

Estimates of traffic diversion prepared by the Norfolk Southern and the impacted carriers used reasonable procedures, well-developed and widely used in the rail industry. Differences in diversion estimates reflect subjective judgments about the divertability of specific traffic movements and differences in traffic samples rather than any methodological differences.

Traffic shifts are caused by both "simple diversion" and "source competition." Norfolk Southern and most other carriers only endeavored to forecast simple diversion. Others, notably CSX, estimated losses from source competition. USRA agrees that source competition is a real and potentially significant consequence of the NS/CR merger, but the volumes affected are likely to be significantly lower, at least in the near term, than CSX estimates.

For "simple diversion"—the shifting of current traffic from one railroad to another without a change in origin or destination—Norfolk Southern and many other carriers estimated impact. Part of the difference in estimated volumes diverted can be explained by Norfolk Southern's use of a base period in which traffic is low relative to later years (and today) and its inability to quantify the TOFC traffic moving through the Chicago and St. Louis gateways. There remain, however, other variances which only can be explained as differences in judgment as to the divertability of certain flows.

Norfolk Southern calculations of traffic diverted probably fall in the lower end of the likely range, while the impacted carriers' estimates represent the upper limits of likely effects.

USRA concluded that the most likely simple diversions generally would fall between estimates by Norfolk Southern and those of the other carriers except in the case of estimates made for GTW, Soo/Milw, ICG, and CNW, whose calculations are closer to the likely level of diversion than the estimates made by Norfolk Southern.

Carriers both large and small will be affected by diversion. CSX, with its major overlap of network with NS/CR, will suffer significant loss in absolute dollars. Smaller carriers, such as Grand Trunk Western, Illinois Central Gulf, Chicago and North Western, and Soo/Milwaukee, will lose substantial volumes of traffic in relation to their traffic bases. Larger carriers in the west will not escape the effects of diversions either, particularly those caused by the redirection of some of Conrail's current traffic over the Norfolk Southern line to Kansas City.

While generally the consolidation causes Norfolk Southern to gain traffic at the expense of other carriers, it is possible that modest traffic increases would be experienced by some of the railroads connecting with Norfolk Southern at Kansas City.

CHAPTER 4. COST SAVINGS RESULTING FROM AN NS/CR CONSOLIDATION

Within the scope of circumstances considered by Norfolk Southern, its assumptions and methodologies appear reasonable. USRA takes no exception to the Norfolk Southern estimates, considering the assumptions and level of detail of its planning.

Norfolk Southern staff characterized their estimates as "conservative." The estimates were made for internal Norfolk Southern decision-making purposes (whether to make a purchase offer for Conrail) and as such were judged by USRA to be much closer to "minimum, virtually certain" types of estimates that "potential maximum." Norfolk Southern acknowledged that lack of either access to confidential Conrail data or collaboration with Conrail staff precluded it from estimating all potential merger savings. USRA concluded for the above reasons that actual merger savings were likely to exceed the Norfolk Southern estimate.

The Norfolk Southern estimate of labor protection liabilities associated with estimated merger savings appears to be based on reasonable assumptions.

CHAPTER 5. EMPLOYMENT IMPACT OF AN NS/CR CONSOLIDATION

Norfolk Southern's estimates of NS/CR positions eliminated were derived directly from its merger savings analysis and, as such, are subject to the same conclusion: they represent credible estimates of the minimum likely impact; potential maximum impact is higher, but not precisely measurable.

CSX's estimates of its own job losses from an NS/CR consolidation were development from its traffic diversion estimates. USRA's conclusions concerning those underlying factors, reported in Chapter 3, thus apply to employment impact figures: the CSX estimates of diversion-related job loss are too high at least as "immediate" impact and probably even over two-three years after an NS/CR merger.

Morgan Stanley purported to estimate total rail industry job loss resulting from an NS/CR consolidation. Their approach was to accept and total the job losses where already calculated by individual carriers, then add carriers for which Morgan Stanley alone made the estimates. These aggregate carrier loss figures are probably higher than even the maximum likely impact, especially insofar as the CSX component of the total is concerned. Moreover, aggregation of such figures does not represent net rail industry impact, because diversion-related job loss at one carrier would be offset to some extent by employment gains at the carrier (NS/CR) benefiting from the diversions.●

SHOE RESTRICTIONS WARNING BY U.S. RETAILER

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. FRENZEL. Mr. Speaker, below is a letter to the President from a shoe retailer in my State who reminds us of dangers of establishing an import quota on footwear. I would recommend his advice to my colleagues.

TRADEHOME SHOE STORES, INC.,
St. Paul, MN, June 14, 1985.

Hon. RONALD REAGAN,
President of the United States, The White House, Washington, DC.

DEAR MR. PRESIDENT: Shortly you will be asked to act on the International Trade Commission's order to provide relief for the United States shoemaking industry.

As a small retailer in the upper midwest, I would urge you to go back to the original decision of a year ago, in which the International Trade Commission voted that the U.S. shoemaking industry did not need any special relief.

Implementation of import quotas will do nothing but delay the necessity of the U.S. industry to become more competitive. The answer to the dilemma is not a period of protectivism, but a sincere effort to install the latest state-of-the-art equipment and a change of their attitude as managers. It would appear to me that they have never heard of Tom Peters, or if they have, they do not understand what he is saying. Imposition of quotas would only make it more difficult for us to operate, as well as increase the retail prices of our shoes to a clientele which is already suffering from the conditions in the farm belt.

I understand the political implications and the efforts of the Congressmen from a few states like Massachusetts, Missouri and Tennessee. However, if we as a nation are going to regain our supremacy in world markets, we must be competitive in the world market in which we operate, and the shortsighted policy of the latest International Trade Commission vote will only delay the required efforts.

As a world power, we must look at the long-range necessities and I would urge you very strongly to reject this recommendation of the International Trade Commission.

Looking forward to hearing from you with reference to your views,

Sincerely yours,

HAROLD J. SMITH.●

FUNDING FOR THE STRATEGIC DEFENSE INITIATIVE

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. SHUMWAY. Mr. Speaker, the conference committee on the Defense Authorizations for fiscal year 1986 reported out its compromise bill this week, reminding us of our vital responsibility to provide for the national defense. We have, however, betrayed that responsibility in a critical area: funding for the strategic defense initiative. Although the conferees agreed to provide $2.7 billion for SDI next year, $200 million more than the House was willing to authorize, this level of funding remains $1 billion below what the administration requested for defense technologies research. By slashing the funds for SDI research, we relinquish both the opportunity for rapidly developing a nonnuclear defensive shield for our Nation and the prospects for achieving a significant and far-reaching arms accord with the Soviet Union.

The Soviet Union has been looking for just such a unilateral retreat from our commitment to strategic defense to confirm its own ascendancy in the development of several critical technologies. Without a single concession in Geneva, the Soviets could achieve their objective of restraining U.S. progress toward a defensive strategy while retaining their own virtual monopoly over advanced defensive technologies research. Soviet spokesmen have loudly criticized the SDI as a new, threatening element in the competition between the superpowers despite the fact that the U.S.S.R. has been pursuing the very same type of technologies for two decades. To use a favorite term of SDI critics, the "destabilizing" impact of strategic defense has been operating now for 20 years without an effective American response. Rather than bow to Soviet propaganda pressure and unilaterally reduce our commitment to researching defensive technologies, we must utilize our tremendous scientific capabilities to explore fully the potential for a world free from the theat of "mutually assured destruction." By clearly demonstrating an unwavering American commitment to research at a level consistent with the President's program goals, the United States would place pressure on the Soviets to move beyond its self-imposed arms control deadlock. The superpowers could then, as the veteran arms control negotiator, Paul Nitze, recently observed, proceed to "a serious discussion of how—should new defensive technologies prove feasible—our two sides could move jointly to a more stable strategic relationship, building upon the research efforts of both."

Before this important goal can be achieved, however, we must recognize and dismiss the deceptive criticism of the SDI promulgated by the Soviet Union, criticism that neglects to acknowledge the massive investment the U.S.S.R. has itself made, and continues to make, to create a shield of strategic defense. Alun Chalfont, chairman of the all-party defense committee in Great Britain's House of Lords, recently published an excellent commentary on this subject of Soviet defense research which I submit here and urge my colleagues to read. Given the prospect of an increasing Soviet strategic defense capability that would render useless our Nation's current deterrent forces and would be unmatched by any comparable U.S. defensive system, I believe we must provide full funding for our own research into promising defensive technologies.

MOSCOW'S STAR WARS PLAN: KEEPING FACTS UNDER WRAPS

(By Alun Chalfont)

The Soviet Union, unlike the United States, does not advertise its Star Wars research. Indeed, if it were to do so it would be difficult at the same time to characterize the U.S. program as "dangerous, destabilizing and provocative."

In 1984, a working group of the Committee of Soviet Scientists for Peace Against the Nuclear Threat published a report which concluded that space-based systems are too expensive, technically unattainable and easily neutralized by countermeasures—arguments now at the heart of the campaign in the West against the Strategic Defense Initiative (SDI). Yet in January this year, Nikolai Basov of the Soviet Academy of Sciences announced in Moscow that the Soviet Union would have no technological difficulty in matching the American SDI program.

It may be argued that the Soviet Union cannot really have it both ways. Either the SDI is dangerous, provocative and destablizing, or it is useless, expensive and easily neutralized; either it is technologically infeasible or it is well within the reach of Soviet military scientists.

On this last point the evidence of Mr. Basov must be thought to carry some weight. Since he won the Nobel Prize in 1964 for his work in quantum electronics, he has been one of the driving forces behind the Soviet strategic defense program.

Indeed, what appears to be a baffling contradiction in Soviet attitudes to strategic defense is easily explained if one simple proposition is accepted—namely that the Soviet Union has been engaged for many years on a secret program of research into space-based defense, and that it now fears it may be overtaken by a similar program that has all the weight of Western technology, industrial infrastructure and economic resources behind it.

The principal area of technology on which much strategic defence research is concentrated is that known as "directed energy." This includes (a) the laser, an intense beam of electromagnetic radiation aimed at a missile to penetrate its surface and damage its guidance system and warheads, (b) the radio-frequency weapon, involving electromagnetic radiation at wavelengths similar to those of radar, designed to damage the electronic components and circuits of a missile, and (c) particle beams, produced by a high-energy accelerator, which can cause not only thermal or mechanical damage but also secondary nuclear or X-ray effects deep inside the target missile.

Soviet research into laser weapons began as early as the 1960s. It is conducted by some of the best scientists and engineers in the Soviet Union, including Mr. Basov and the the man who shared the Nobel Prize with him in 1964, Alexander Prokhorov.

For many years, Western intelligence reports have suggested that the Soviet Union is at least as well advanced as the United States, and in some areas well ahead of it, in laser technologies for military application. It already has a ground-tested anti-satellite system (the only one in existence) and, according to some intelligence assessments, could have operational space-based systems before the end of the century.

Although Soviet research and development have tended to concentrate on laser technologies, impressive progress has also been made with particle beams. Research into nuclear accelerators has obvious applications in normal high-energy physics for peaceful purposes, but equally it has obvious military potential. Similarly, Soviet expertise in microwave weapon technology is at least as great as that of the United States.

None of this will come as a surprise to any serious student of Soviet strategy. The Soviet Union has never subscribed to the concept of Mutual Assured Destruction (MAD). Soviet strategists have consistently emphasized that their planning is based on the calculation that any war between the North Atlantic Treaty Organization and the Warsaw Pact will inevitably escalate into a nuclear war, which it is their purpose to win. In any case, they know that effective defence is an essential ingredient of a credible deterrent.

For these reasons the Soviets have placed far more emphasis than any NATO government on civil defence. They have protected Moscow with the only existing operational ballistic missile defence system and recently upgraded it. They have developed an orbital as well as a ground-based anti-satellite system.

Furthermore, they have built large phased-array radar systems, which some Western authorities believe to be in contravention of the Anti-Ballistic Missile Treaty, and they have begun to deploy a surface-to-air missile system (the SA X 12) which is capable of intercepting some types of Western ballistic missiles. It would be surprising, therefore, if Soviet scientists and military planners had not carried out serious research into space-based strategic defence systems. They do not, of course, have the kind of political system in which this has to be the subject of a presidential announcement; nor, if it had been announced, do they have the kind of press which would have been ready to produce Star Wars headlines and columns of hostile and derisive comment.

Those who suggest that the United States should abandon its strategic defence research program in the interests of successful arms-control negotiations might do well to ponder one significant aspect of the public debate. Within a month of President Ronald Reagan's SDI speech on March 23, 1983, a letter appeared in The New York Times attacking the initiative. It was signed by more than 200 Soviet scientists—a powerful blast, one might have thought, against the whole idea of strategic defence.

What might have escaped general notice at the time was that many of the signatories, including Mr. Basov and Mr. Prokhorov, have spent their professional lives designing Soviet strategic missile systems, military aircraft and nuclear submarines. The most interesting signature was that of Evgeny Velikhov, vice-president of the Soviet Academy of Sciences and the leading figure in Star Wars research in the Soviet Union. Perhaps he should have declared an interest.●

OUTSTANDING SENIOR CITIZENS

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. McEWEN. Mr. Speaker, I would like to take a moment to congratulate some of southern Ohio's most prominent citizens. These 11 Ohioans have earned the respect and admiration of their fellow citizens who nominated them to receive special awards from their home counties which honor the time and dedication they put into their own lives and the betterment of the lives around them.

As recipients of Ohio's 1985 Outstanding Senior Citizen Award, these 11 men and women exemplify the kind of caring and effort that Ohioans and Americans of all ages would do well to follow. For their individual service to their communities, I am proud to honor them. Chosen from other well-qualified applications it was only in this group of names that the spark was found deserving the title of "Outstanding Senior Citizen" to each of these 11 people.

MRS. ESTHER GREENE, ADAMS COUNTY

Adams County has chosen, from all the many senior citizens who donate time and effort to others, Mrs. Esther Greene as its "Outstanding Senior Citizen of the Year." As a resident of Adams County, Esther has dedicated the greater portion of her life to the future of Adams County. Her activities in such varied areas as the Valley View Shopping Center, the Business and Professional Womans Club and the Adams County Historical Society, to name a few, have been invaluable to the continued growth of the area. For her efforts, she is truly deserving of the title "outstanding citizen."

MRS. FLORA WUCHER, BROWN COUNTY

In Brown County, Mrs. Flora Wucher was chosen by the Brown Senior Citizens Council as the Outstanding Senior Citizen of 1985. Flora is truly an example to others of how to combine business and community affairs for the betterment of everyone. Her contributions to the businesses of Brown County as well as her involvement in such community activities as the Senior Nutrition Council are only a few examples of the time and effort she puts into making Brown County a better place for all those who reside there. She is truly the kind of person who is acclaimed by one and all as the proper recipient of this honor.

MR. VALSENT (BILL) KREBS, HIGHLAND COUNTY

The Highland County Senior Citizens Center nominated its own Bill Krebs for this award, and their pride has been rewarded. As 1985's Outstanding Senior Citizen in Highland County, Bill exemplifies the resource and talent that earns him this vote of thanks from the center, and all citizens in Highland County. An electronic engineer retired from Wright Patterson Air Force Base, Bill uses his experience to design and build such comforts and necessities in the center as cabinets, chairs, and special setups for different activities. He is a poet, too, and for his diverse and many talents the people of the center and Highland County are justifiably proud of him.

MS. MAE LAWRENCE, GALLIA COUNTY

Mae Lawrence brings to mind, for Gallia County, the ideal of the Outstanding Senior Citizen. As a dependable volunteer in the Senior Citizens Program, much of her time has been devoted to money raising projects and creative activities. To her coworkers and all who come into contact with her, she is an inspiration. Gallia County has chosen her for this award as just one small way to repay her for the many hours of selfless devotion she has given to the citizens who call Gallia County their home.

MRS. CECILE MC GINNIS, JACKSON COUNTRY

Cecile McGinnis, the mother of two daughters and wife of a minister, has made a tremendous impact on the lives of children and young people throughout Jackson County. Her contributions to the senior citizen organization for 11 years as well as the Jackson County Board on Aging are just a few of her many accomplishments. Her talents also extend to the spiritual side of Jackson County life. Often her duties would extend to Sunday school teaching, choir directing, and piano playing. In Jackson County, there is no person more worthy of this estimable honor of Outstanding Senior Citizen than Mrs. Cecile McGinnis.

MRS. SYLVESTA HOLLBACK, LAWRENCE COUNTY

Volunteering at Lawrence County General Hospital and the Senior Citizens Center in Sybene, OH, is just one of the many ways in which Sylvesta Hollback helps create a special place for others in Lawrence County. A willing worker, Sylvesta is also an active church and neighborhood worker. Her courage, too, is to be commended. She saved the life of a neighbor by bringing her mother to care for the children while she took the neighbor to the hospital for life-saving treatment. Lawrence County is proud to have her as a resident there, and so honors her with this award.

MR. EDGAR LEWIS, PIKE COUNTY

Pike County wishes to honor, for the Outstanding Senior Citizen of 1985 a person who is the epitome of reliability. Mr. Edgar Lewis is an active member of the Pike County Senior Citizens Center. His touch is felt throughout the center, whether in the work he performs in the volunteer programs or in the creative activities. He is also a major participant in the Outreach Program for other senior citizens. It is his spirit and nature that made one of his nominators describe him as a "free-hearted and jolly person that keeps everyone else smiling." For these contributions, Pike County takes pride in awarding him this title.

MR. AND MRS. JOHN HAMMON, ROSS COUNTY

In a departure from tradition, John and Ruth Hammond have been selected a double recipients of the Ross County Outstanding Senior Citizen Award for 1985. They are both retired from their jobs with the Mead Corp. and have belonged to the Senior Citizen Center for 6 years. Married for 55 years, they donate $1 for every year of marriage to the center on their wedding anniversary. Their donations do not stop there, through, for they do the same on their birthdays, and John donates paper for the monthly newsletter, totaling over 1,000 reams of paper through the years. Whether it be time or financial assistance, John and Ruth are always willing contributors to the Senior Citizens Center. They also serve on the Ross Co.'s, Committee for Elderly, Inc., board of directors at the monthly business meeting. Together they form a team that Ross County awards with the honor.

MRS. ELIZABETH FROWINE, SCIOTO COUNTY

Elizabeth Frowine is Scioto County's choice as this year's recipient of this honor. A long time worker with senior citizens, Elizabeth began her work in New Boston in 1967 and is presently a charter member of the New Boston Senior Center, holding such positions of trust as president and treasurer. Her ability also extends to the district presidency of the Ladies Auxiliary of Veterans of Foreign Wars, as well as chairman for Senior Citizen's Day for the past 2 years. I am sure her son, granddaughters, and great grandson join the other citizens of Scioto County in lauding this talented women upon her nomination as "Senior Citizen of 1985."

MRS. RUTH ONEY, VINTON COUNTY

Vinton County is proud to nominate a woman of diverse abilities, Mrs. Ruth Oney, as the winner of the 1985 Senior Citizens Award for Vinton County. Ruth has been treasurer of the Ray Senior Citizens Council for several years. She is also a member of the Vinton County Council on Aging and has served that organization as president. Presently she is serving the council as an at-large member of the executive committee. Her influence also extends into the many activities of the Corinth Church in Ray, where she is superintendent of the Sunday School classes and a participant in the bible school program. A 4-H leader and member of the Leo Grange, Ruth is also a devoted mother and grandmother. This award is one way Vinton County expresses its thanks to a woman who has devoted so much of her time and life to the works and people of the county.

All of these people, whatever their day to day occupations, have earned a place in the hearts and minds of the citizens of their counties. I am sure that my colleagues join me and all of southern Ohio in praise of these people who have contributed so much for the betterment of the lives of so many. They have given their time, spirit, and energy to their communities and counties, thus earning them the title, for each of their home counties, "Outstanding Senior Citizen of the Year 1985."●

HONEYWELL CHAIRMAN ADDRESSES TRADE RELATIONS WITH JAPAN

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. FRENZEL. Mr. Speaker, last week, Congressman DICK SCHULZE and I had the opportunity of participating in the 22d Annual Japan-United States Business Conference in Minneapolis sponsored by the Advisors Council on Japan-United States Economic Relations. This is the highest level business group consisting of company CEO's both from Japan and the United States who meet annually to discuss bilateral trade issues. They have been particularly involved during the last few years as our bilateral trade problems continue to mount.

The outgoing chairman of the group, Edson W. Spencer, presented the U.S. view of the status of bilateral relations between the United States and Japan. I thought Mr. Spencer did a great job communicating the responsibilities of both sides toward lowering the massive trade deficit we have with Japan.

His statement is printed below. I would recommend its content to my colleagues.

BILATERAL RELATIONS—THE U.S. VIEW

My task today is to give the conference an American view of the status of bilateral relations between the United States and Japan. Needless to say, the subject immediately turns to trade.

There is increasing agreement between our two countries on diplomatic initiatives. A common understanding is clear between our two countries on defense matters and the Soviet threat—and in that regard Japan is steadily increasing her commitment to increased spending in the interest of her own self-defense. There is an increasing willingness of our two nations to work together to fund emergency food and other aid programs in the less developed countries. Our President and Japan's Prime Minister have developed a close and trusting personal relationship. Nevertheless, tensions with Japan are running high on this side of the Pacific, thanks to the overwhelming burden the United States bears due to its massive trade deficit.

I want to quantify the problem with a series of charts (not included). Then I will make some suggestions for solutions.

There are four major resaons for the deterioration of the international payments position of the United States in the last five years.

First, in the 1970s the competitive position of American industry weakened. One reason of course was the new captal investments and rising technology levels of our foreign competitors. We let productivity

slip. We failed to keep up with plant modernization. We made non-competitive labor settlements in the U.S. that were even more non-competitive in the international marketplace.

Many of these factors have been corrected. Our older industries, in most cases, have modernized and production per man hour is internationally competitive. Our new industries in high-technology fields are state-of-the-art. Corrective action in rebalancing labor contracts is underway.

However, it should be noted that, partly because of the high standards of living in the U.S. but largely because of the strength of the dollar, our labor rates continue to be internationally non-competitive.

In addition, American business executives live with conditions that favor Japan and other international competition. We have a higher cost of capital due to tighter debt/equity standards set by our financial comminity. We are under entirely too much short-term pressure for earnings performance. I don't see meaningful change in either of these factors in the near term.

Second, real interest rates have been higher in the U.S. in the 1980s than in many other industrial countries. This is the result of a restrictive monetary policy to drive down inflation—very successfully, I might add—and is the result of our massive federal budget deficit. In addition, our country has been a safe political haven for the world's surplus cash, which has flowed into our country in massive amounts due to solid economic growth and a rising stock market. A non-competitive exchange rate is the result.

Third, we have the world's largest market, particularly for industrial products. Growth of market share in the U.S., even at the expense of profits, is an obvious target for our industrial competition in Japan, Asia, Europe and Latin America. This problem is particularly critcal when those competitors can sell at lower profit margins than are acceptable under American standards of financial measurement.

Fourth, our trading partners have not always given us the access to their markets that they enjoy in selling in our country. The European Common Market has high tariffs and a heavily subsidized agriculture. Many of the newly industrialized countries—Korea, Taiwan, India, Mexico, Brazil, and others—have high tariffs, import quotas and licenses, and restrictions on incoming investment. This created problems for our country, and Japan as well, as our two nations find export sales to the NICs restricted, at the same time as the very low labor costs of those countries enable them to invade the U.S. and Japan with low-cost imports.

Japan deserves credit and appreciation for having gone a long way to lower trade barriers in recent years. For most products, Japan today is an open market in a legal sense, although traditional buying habits, industry-government relations and distribution systems make Japan a tough market to penetrate. However, the Japanese market remained closed far, far too long, preventing American exporters from building up market position when they did enjoy a competitive advantage, even in some cases into the 1980s.

The results of the deterioration in our international trade and investment balances have created a political crisis in Congress that threatens our good political relations with Japan. This crisis is clearly growing as evidenced by the introduction last week of an import surcharge bill by the chairman of the House Ways and Means Committee. The Senate Finance Committee has sent to the Senate for action a bill that calls for retaliation against Japan.

What the charts don't say is that our trade deficit is estimated by the Federal Reserve to have cost some two million jobs and 2-3 percent lost growth in gross national product. These factors hit at the industrial heart of America, and at the voters who send their Senators and Representatives to Washington from our major industrial population centers. "De-industrialization of America" is a popular phrase, regularly linked to discussion of our trade deficit. And let me remind our Japanese friends that no American politician can stand idly by and watch our industrial base deteriorate.

Japan today bears the brunt of American criticism for this loss in jobs and gross national product. In the 1960s, it was Japanese textile imports that forced a reduction in our textile industry employment—a market that Japan subsequently lost as well. Then it was television sets. Then steel. Then autos. And now we see our semiconductor, computer and communication markets threated with Japanese imports.

In the cases where Japanese imports have forced a realignment of American manufacturers, Japanese exporters have provided high-quality, well-styled, favorably-priced products that have created a market of well-satisfied American customers. Unfortunately, these strong Japanese export industries grew up in a domestic market that was protected from American competition until well past the time when our industry enjoyed a competitive advantage and could build a market in Japan. To be fair, I should point out that Japan will find much the same problem arising as exporters in Korea, Taiwan, Hong Kong, Malaysia, India, Brazil, Mexico, and the PRC produce more competitive products with low labor costs, behind high protective walls. There are the reasons, then, that our trade balance has deteriorated.

The question is, what can be done to prevent friction caused by Japan's large and rising trade surplus with the U.S. from threatening all the positive progress between us in other economic, in political and in strategic matters?

To the U.S. government, I would say the following:

1. Make trade policy a high priority along with and as an equal part of budget and fiscal policy. The three are intimately entwined.

2. Get your own economic house in order. Further cut the budget for discretionary programs. Insist on a more effective and lower cost defense program. Cut out cost of living escalation in entitlements. Get the deficit down. As a result, help get the dollar down.

(As an aside, it is quite an anomaly for a conservative republican president to have presided over a classic keynesian economic recovery. Unfortunately, the long-term risks of continued deficits, negative trade balances, and a non-competitive rate of exchange have been ignored for too long.)

It is worth repeating, however, that even though our own economic house is not in order, Congress in its frustration is turning to protectionism, rather than standing by and doing nothing while the nation's industrial base declines.

3. When all other measures to cut budgets have been exhausted—then, and only then—increase taxes. We cannot make substantial cuts in the deficit without a tax increase—perhaps a specific tax to be spent only on deficit reduction. The alternative is further deep cuts in discretionary programs, which at some point will become politically unpalatable. Or a major cut in defense expenditures, which can only follow a major breakthrough in arms reduction negotiations. The tax increase, if enacted, should be some type of transaction tax that penalizes consumption, not investment. Incidentally, such a tax would put our tax system more in line with Europe and Japan, with some benefits to our export-import trade balance.

4. Use Section 301 of the Trade Remedies Bill of 1974, and use it aggressively. This is a powerful weapon in the hands of the President—not to restrict imports—but to penalize our trading partners for what we see as unfair trade practices that restrict our ability to sell in their markets. Unfortunately, our government has been far too benign in its use of actions Congress provided to negotiate for fair and equal trade practices. Laws already provide for adequate remedies. Mandatory retaliation in new protectionist laws is the wrong cure.

5. Continue to negotiate vigorously on all fronts to reduce international barriers to trade and investment flows. In this, we have a common interest with Japan.

To American businessmen, I would say:

1. Go after the Japanese market—the second largest in the world. Go after it with patience, persistence, understanding, and a willingness to invest for the long term. Also, recognize that Japan is a different market, and has to be approached very differently than California or Minnesota.

2. When you feel you are unfairly the victim of discrimination, move quickly and publicly to get the support of the U.S. Trade Representative's office and the President to initiate a 301 action.

Japan has its share of responsibility as well to help reduce trade friction between our two countries. Japanese businessmen in particular have a great interest in seeing that protectionist forces in the U.S. do not become so strong as to set in motion a series of steps that would reduce world trading opportunities. To our Japanese political and business friends, I would make the following suggestions:

1. Do something visible and immediate about increasing your imports—and from the undeveloped countries as well as from those trading partners with whom you enjoy large surpluses. There are many specific actions that can be taken, some of which have been suggested and are underway, others of which need immediate implementation.

2. Be sure that your U.S. trading partners have the same freedom of access to the Japanese market that your exporters and investors enjoy in the United States. You as businessmen are in a posiiton to do something about this.

3. Continue to expand productive investments in the U.S., so as to provide jobs and meet American demand for your products from American sources. This is how you will preserve your market share while contributing to our job market.

4. Expand your domestic economy. Draw more manufactured imports. Japan has not done its share of importing manufactured products from less developed countries, a well as from more advanced industrial countries.

5. Be sure your market is truly open to imports and investment and capital flows—not just on paper, but in attitudes. Japan will

eventually become as open a market for international consumer tastes as the U.S. and Europe. Because of Japan's massive trade surplus, it is important that that trend be accelerated.

Finally, let me say I am an optimist about our ability to solve the trade problem that is causing so much difficulty for both countries. Everyone attending this conference, from both sides of the Pacific, has a common interest in free trade, in fair trade, in limiting protectionism, in reduced barriers to investment flows, and in a stable world economic scene.

Some of the solution lies in our hands as businessmen interested in our own companies' futures. Much of it lies with our respective governments. There, too, we businessmen can be a powerful force for influencing the course of events. To the extent we are successful in influencing those political events, we can play a valuable part in preserving an open and properous trading world.●

KOREAN SECURITY AND THE UNITED STATES

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. McEWEN. Mr. Speaker, recently the gentleman from New Jersey addressed the second C.S.I.S. Council for Northeast Asia Forum in Seoul, Korea. His scholarly work regarding the mutual needs and interests of Korean security and the United States was one of the outstanding presentations of this conference.

Mr. Speaker, it is important to note that the leadership throughout the Pacific Basin attended this conference which studied the various crises that free nations face. Mr. COURTER's relentless work on this issue has earned the respect and admiration of his colleagues. I commend the gentleman from New Jersey for his effort and insert his comments for the consideration of the Members of the House in the RECORD:

KOREAN SECURITY AND THE UNITED STATES: MUTUAL NEEDS AND INTERESTS AN AMERICAN PERSPECTIVE

(Comments of Congressman Jim Courter)

Chairman Brzezinski, Dr. Kim, distinguished representatives of the Republic of Korea, Ambassador Sherman, congressional colleagues Badham and Blaz, ladies and gentlemen: Thank you for the opportunity to speak before you today, and for the opportunity to take part in what have been very valuable discussions.

In a book titled The Problem of Asia, published in 1900, a United States Navy Captain named Alfred Thayer Mahan described his countrymen as "distinctly averse to studying political problems (until they were) pressed home upon our consciousness by an immediate emergency." War with Spain, which pulled the U.S. into involvement in the Philippines, provided just such an exigency. At last, Mahan said, America was taking "a longer view." America's vision rose "gradually above the Antilles and the Isthmus, (and) saw beyond them the Pacific, Hawaii, and the beginning of momentous issues in China and Japan."

Eight decades later, in 1982, United States trade with Asia surpassed in volume our trade with Europe. This is but a small, silent statistic in technical books, but it is the key to a geopolitical change of immense importance. American ties to Europe have always been the strongest, by reasons of patrimony, sentiment, commerce, and alliance in war. While this instinctive American allegiance will endure, it seems certain that our ties to Asia will be strengthened in the next decades by immigration, trade, and political and cultural contacts, as well as by the harsh necessity of increasing danger in the Pacific. In Mahan's day, men talked of a dream—a great canal through the Isthmus to open the Pacific. Today men talk of another, parallel canal.

In certain respects, the Asian rim and the long Pacific basin have become the hope of developing nations the world over. Nowhere in the last decade has the predominance of capitalism become more dramatic. Following in Japan's wake, South Korea, Singapore, Hong Kong, Taiwan, and other small island and Isthmus countries are enjoying prosperity and economic growth rates which could never be matched by socialist and state managed economies. On the Asian subcontinent, giant and democratic India is moving toward a freer market model after years of quasi-socialism, with economic deregulation and dramatic tax rate reductions. Far to the South, New Zealand and Australia are striding toward robust economic expansion via increased competition and the incentives of tax cuts. A strong rate of economic growth is the only way to fund the great cost of defense which is made necessary by the threat from the Communist oligarchs. But no matter how high economic growth rates rise in the future, we realize the R.O.K. and the rest of the free nations of Asia cannot go it alone against the Soviet empire.

UNITED STATES SECURITY AND THE PACIFIC

The gifted French observer of American democracy, Alexis de Tocqueville, observed as early as the 1840's that America and Russia were two powers moving rapidly toward mutual domination of the world stage. He wrote that each would become so large that only the other would be a rival. Perhaps no more than a few Americans took note of that fascinating prediction. But in 1904 the American historian Albert Beveridge published The Russian Advance, and it's first sentence reflected a geopolitical movement begun by Peter the Great and fully achieved at last: "The Russian has arrived on the Pacific." The apparition of that "gray-clad militant figure standing on the frozen shores," Beveridge continued, has claimed "the acute attentions of every cabinet in Europe and of every thoughtful American citizen."

As World War Two ended, the U.S.S.R.'s armies advance into the rimlands of Eastern Asia, and reached far enough into Europe to occupy half its heartland. They were never to retire. Thus the Soviet Union became, and so it remains, the central security concern of the American people, and is such on both American shores.

Soviet power and Soviet designs will remain the chief American defense concern over the next decades. This is an undeniable fact of geopolitics. One could say that today America faces Russia as Britain did in the nineteenth century: as an "island" power which faces a much larger land power. Certainly America is a much larger island than Britain. But then, Russia has grown enormously as a land power; it now extends across twelve time zones from the Sea of Japan to the Elbe River. And the invasion of Afghanistan carried Soviet armies to within 300 miles of the Persian Gulf, threatening to split the continent in half. If now the Soviets destabilize or neutralize Pakistan, the Detroit News observes, "they will be able to use their Yemeni and Ethiopian bases on the east coast of Africa to surround the Persian Gulf effectively. They will have finally won the Great Game that pitted them against Britain a century ago. And if the same happens to Thailand, the gigantic pincer movement last attempted by the Berlin-Tokyo Axis 45 years ago will be achieved by the U.S.S.R."

Just as British security in the nineteenth century required that no continental European power come to dominate, and have the power to close, the European coastline and its centers of maritime trade, America would find it impossible to survive in the Pacific should all of Eurasia fall under the domination of a single government. Yet what has happened of late? The loss of the Vietnam war has left the Soviet Union with numerous ports and airfields in Indochina, particularly Cam Ranh Bay which controls the strategic juncture between Northeast and Southeast Asia. America closed some bases in the Philippines, and gave up sovereign authority over certain other basing areas. We surrendered formal control of the Panama Canal. We have pledged ourselves not to increase aid to Taiwan, and even discussed a gradual decrease of arms sales.

There have been reasons for some of these actions. But it is certain that most represent strategic losses which must be offset. Since the United States can do very little about the mass of Soviet power within Asia, it can and must do more to guarantee the freedom and strength of those countries on the Asian rim.

IMPORTANCE OF KOREA TO U.S. SECURITY

Our Mutual Defense Treaty, which officials of the Republic of Korea and the United States signed in 1953, affirms our mutual desire to strengthen peace, in the Pacific region. The signatories desired—and here let me quote exactly—"to declare publicly and formally their common determination to defend themselves against external armed attack so that no potential aggressor could be under the illusion that either of them stands alone."

These were fine words. But they were not only words. They expressed a brotherhood born in terrible battles a very few months before. Koreans were to fight alongside Americans again in Vietnam. Our military relations have continued to develop: The R.O.K. and the U.S. have established a joint military command for better coordination in Korea, and our annual "Team Spirit" exercises are the largest the Americans carry out anywhere in the world. 40,000 U.S. troops remain on the ground in Korea. Some Americans say that is too many; some say it is too few. The point is that they remain, as they have for three decades. The Department of Defense has regularly declared that "American forces will remain on the peninsula as long as the Korean people want them there."

Defense Secretary Weinberger has stated that "the defense efforts of Japan, China and Korea have the potential to affect the global balance of power more profoundly perhaps than those of any other countries in the world, outside the U.S. and the Soviet Union." Let us look for a moment at Japan

and China. Each has immense potential to help in protecting the Pacific countries. But each has its limitations. Japan's defense budget has increased by 7 percent each year for the last decade and a half, but it multiplies from a very small base. Japan's self defense is still unassured. The November 1976 Cabinet reaffirmation of the policy of holding military spending to one percent of the GNP paid dignified respects to the constitution Americans helped design so many years ago, but it is a policy which the Japanese must and are now considering amending. Ours is a world in which the Soviet Union routinely spends 14 percent of its enormous GNP on armed forces. North Korea spends 24 percent.

China fascinates Americans, who have a traditional habit of overestimating the part China plays, or will play, on the world stage. Its defenses are many men deep, but it still lacks the power to project force. China was in no position to interdict the Soviet-backed conquest of Indochina, or Soviet annexation of Afghanistan, even though Laos and Afghanistan's Wakhan Corridor both border on China. The celebrated border war with Vietnam was indecisive. It was most noteworthy, in fact, that Vietnam never felt compelled to withdraw its troops from Laos and Cambodia and redeploy them northward against China. That indicated much about Hanoi's expectations about the extent of the Chinese designs. There is something else which many Americans have overlooked: There are signs, especially since about 1981, that China's political and economic relations with the Soviet Union are much improved. Chinese contacts and exchanges with the Eastern European satellites are now commonplace. Peking has just announced that trade with the U.S.S.R. is to quadruple by 1990.

SOVIET POWER, SOVIET PLANS

The alliance of states opposed to further Soviet geopolitical gains in Asia is thus a very loose one, and includes an uncertain member. We can hardly avoid pondering this, since Soviet ground forces in eastern Asia have tripled in size since the mid-1960's. Tactical air forces have been doubled since 1970, and systematically modernized. Backfire bombers by the dozen have been deployed. SS 20 deployments cast an ominous shadow over Korea, China, Japan, portions of Alaska, the Philippines, and southern Asia. The Soviet Pacific fleet is the largest of their four Navies. The Merchant Marine, the incomparable ally of a navy in war or peace, surpassed in size that of the U.S. many years ago, and is easily the world's largest. And 13,000 men, 260 tanks, and 300 armored personnel carriers have been deployed on the southern Kurile Islands just north of Japan.

What are these new forces for? First, they can dominate the sea lanes of the Asian Pacific, and exclude other interested countries' ships. Second, Soviet power has been brought to bear to consolidate the newly-created Indochinese federation of Laos, Cambodia, and Vietnam. Vietnam is already a full member of the communist economic bloc. The same future awaits the two other countries. Soviet plans, Soviet money, and Soviet military advisors are behind this integration. Third, augmented Soviet power is intended to neutralize Korea and Japan, the economic giants to whom freedom of the seas is everything. Militarization of the Kuriles, repeated violations of Japanese airspace by fighters and bombers, frequent usage of the Japanese and Korean straits, and harassment of fishermen off Hokaido are all linked to this design. Fourth, the U.S.S.R. is serving notice to China that it is in no position to oppose Soviet grand strategy during peacetime or war.

A fifth Soviet foreign policy goal in Asia, of course, is support of the government of North Korea. The two countries signed a defense accord in May of last year. The celebrations during this past month of the first anniversary of Kim Il-Sung's 50-day tour of the Soviet and Eastern European bloc were enthusiastic, marked by militant rhetoric, and full of promises of further integration and further enterprises for "the international communist movement." So were press releases accompanying recent state visits to Pyongyang of a Czech Vice Premier and the Bulgarian dictator Todor Zhivkov. Regular North Korean involvement with Soviet allies from Syria and the P.L.O. to Cuba, Nicaragua and the last government of Grenada have served notice to Americans that North Korea is a global problem, not just a South Korean problem. Americans also tended to see the attack on the President and Cabinet in Rangoon in 1983 as indicative of the character of the North Korean regime, rather than as an excess of particular elements within its Army.

THE NORTH KOREAN THREAT TO THE SOUTHERN REPUBLIC

When Ambassador Sherman spoke on Korea to a distinguished audience at the Hoover Institution at Stanford University last year, he made the point that on a 120 mile front, North Korea possesses three-quarters as many artillery pieces as the U.S. Army has world-wide. North Korea has a 2 to 1 advantage in offensive weapons generally. Practically every able-bodied male is enrolled in the army, or its reserves, or some kind of militia. The country has less than half of the South's population, but maintains 150,000 more men standing to arms.

What are these capabilities for? Defense? Perhaps. But a state-sponsored act of mass assassination—and that was what the Rangoon bombing was—should tell us something of the North's intentions. So too should the simple fact that military analysts recognize North Korea's force configurations as offensive in character. The army is increasingly deployed forward along the demilitarized zone, and American officials believe there are some 10 new forward basing areas. Forward redeployment of what had been rear echelon forces continued even during delivery of the celebrated flood relief assistance of last autumn. One must consider too the tripling of the North's amphibious landing capabilities since 1971, and the tunnels, shocking in their size and potential efficiency as means of troop transport. These are not defensive assets.

PROJECTIONS FOR THE IMMEDIATE FUTURE

It seems likely that the dangers will remain on the Korean peninsula, and that the Republic of Korea, due to no fault of its own, will find it necessary to continue speaking of managing tensions rather than of ending them. First, there is no indication that Soviet military growth will abate. Second, there is every reason to believe that the economic gap between the two countries' economies will widen, and remain a continuing reproof to Northern pretensions about the superiority of communism. South Korean prestige will also be enhanced by the international economic talks scheduled for this autumn, the Asian Games slated for Seoul in 1986, and of course the Olympics in 1988. Third, if President Chun does step down from office when his term ends in 1988, he will have crowned a good period in the Republic's history with the nation's first peaceable transfer of power since the war. This will even further enhance the country's sense of well-being and its position in international forums as an exponent of democracy, and what is an advantage to the South will prove an irritant to the North. Lastly, if the Sino-Soviet rapprochement continues, the reservations both those powers now seem to hold about any conflict on the Korean peninsula could diminish.

It appears that there is little likelihood of Korean reunification in the near future. Certainly the Koreans want it. Most of the world wants it. But the operative question is and will remain: "Reunification on whose terms?" We see the same dilemna in Germany. The experience of South Vietnam should be sufficient to suggest that reunification on any terms can be a bad proposition.

North Korean politics are not expected to change. It seems unlikely that anything will break the present slow passage of power from Kim to his son. The latter already appears to be in charge of many day-to-day activities, and the extent of his father's enormous personality cult will protect him against many likely enemies. If these is a succesion struggle, it is not easy to project what effect it will have on the R.O.K.'s security. Most nations turn in upon themselves in times of internal crisis, but others hurl themselves outward as an alternative to, or as a means of dealing with, insoluable internal difficulties.

Were I to name, in one word or a few, those things which would benefit us most during these next years, they would be: Regional Cooperation, especially between Korea and Japan and China. Vigilance. Democratization. Americans look for continued movement in the R.O.K. towards greater self-government as a complement to its dynamic market economy. More freedom of elections, trade unions, and the press would strengthen Korea, not weaken it. I know that your democracy is young. But I believe Koreans recognize that Americans, wherever they are on the political spectrum, find it difficult—and, in the long run, impossible—to support governments which deny human and political rights. Democracy requires full freedom of vocal dissent from current policy, so long as that dissent is expressed peacefully. Granting fuller political rights to opponents would end Americans' uneasiness about the R.O.K., just as several sets of elections in El Salvador have silenced those who wished to end American economic and military aid to that once troubled and now startlingly successful country.

CONCLUSION

I noted de Tocqueville's prediction that, one day, the U.S. and Russia would each "hold in its hands the destinies of half the world." But his characterization of how each would hold its half is of equal interest. The American "combats the wilderness and barbarism," said this Frenchman, while Russia "combats civilization itself." "America's conquests are made with the plowshare, Russia's with the sword. To attain their aims, the former releases personal interest and gives free scope to the unguided strength of common sense of individuals. The latter in a sense concentrates the whole power of society in one man. One has freedom as the principle means of action; the other has servitude."

This distinction, made more than a century ago, recalls that between Athens and Sparta. It comes to mind in respect to the South and the North in Korea, too, and not only because of the upcoming Olympic Games. The power of the South, the national excellence of the South, is commercial. The R.O.K., like Athens, is outward-looking, maritime, ever bent on redoubling its contacts and its commerce abroad, and open and adaptive of the differing ways of the world. The power of the North is military, and its national character is marked by the militarization of the society, the pervasiveness of political organization and the refusal to permit anything to remain in the private realm, and suggestions of national xenophobia.

North Korea therefore suits the Soviet Union and its patterns of alliances, in which the tendency is always towards central control and discipline. And the South's independence suits as well the American pattern, best represented by NATO, whose divergences and disagreements are freely voiced and bare to the world. America believes that Korean self-interest will maintain and strengthen the present alliance with the U.S. without undue pressure from either party. Each comes freely to the agreement, which can be terminated by either at its pleasure, but which instead grows stronger year by year.

Soviet power can and must be confronted in Asia as surely as on the European continent. The R.O.K.-U.S. alliance will be an increasingly important dimension of this containment. America can no more afford to see Europe kept free while Korea and Japan are lost than it can hope to survive by fighting for Korea and Japan while Europe is overrun.

Let such necessities for mutual security be a sound foundation for all the other advantages of Korean-American friendship, trade, and cultural exchange. And let this alliance be an example, before the eyes of the world, of the best that can be struck by free men acting through the agencies of free government.●

LANGUAGE MINORITY STUDENTS DESERVE FEDERAL HELP

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. RICHARDSON. Mr. Speaker, recent articles in Time magazine and the Washington Post have focused on bilingual education and the instruction of American students whose native language is other than English. While the factual information contained in these articles is limited, they have drawn attention to a critical national problem—the continuing educational neglect of students who are limited in their English language proficiency [LEP].

As Congress develops the fiscal year 1986 Federal budget and appropriations bills, I hope that my colleagues will consider the educational plight of LEP students and their families. I also hope that my colleagues will reflect upon the Federal Government's profound responsibility to ensure that these children learn English and all the subject-matter skills taught in our schools.

Earlier this year, Dr. Sarah E. Melendez, president of the National Association for Bilingual Education testified before the House Appropriations Subcommittee on Labor, Health and Human Services, and Education on the need for increased Federal education aid for LEP students. Dr. Melendez' statement provides a cogent, comprehensive, and compelling analysis of the needs of LEP students and the Federal Government's responsibility for these students. Accordingly, I submit relevant portions of her statement for inclusion in the CONGRESSIONAL RECORD.

STATEMENT OF DR. SARAH E. MELÉNDEZ

Mr. Chairman, my name is Sarah E. Meléndez; I am the current president of the National Association for Bilingual Education (NABE). NABE is committed to helping all language-minority students learn English and succeed in school. NABE members—parents, teachers, administrators, and researchers—have found that soundly-implemented bilinegual education programs help children learn English, progress in subject matter areas, and remain in school through graduation.

We appreciate the opportunity to testify on funding for the bilingual education programs authorized under ESEA Title VII and the Vocational Education Act. These are the only Federal programs specifically designed to meet the special educational needs of language-minority Americans who are limited in their English language proficiency (LEP).

In requesting additional funding, I am cognizant of the compelling need to reduce Federal outlays. Voters want the Federal deficit reduced, and they expect their Representatives to exercise fiscal prudence.

I question, however, whether continued underfunding of bilingual education is a fiscally prudent course. The infinitesimal budget savings which accrue from the Administration's proposal to freeze Title VII funding will be more than offset in the outyears by expenditures to cope with and care for people who were denied the opportunity to succeed in school.

And so, I ask you to consider the following facts about these programs and the people they serve.

Funding for bilingual education programs has, in recent years, been cut to unacceptable levels.

The population of language-minority children who are limited in their English language proficiency (LEP) is one of the fastest growing student populations in America.

LEP children are the most educationally-needy in the United States.

LEP children are the most educationally-neglected students in our schools.

The Nation cannot afford the economic and social cost of continued educational neglect of LEP students.

The new Bilingual Education Act is worthy of increased financial support.

BILINGUAL EDUCATION FUNDING CUTS

Since FY 1980, funding for the bilingual education programs authorized under Title VII and the Vocational Education Act has been slashed by almost one-third. Indeed, last year's appropriation was almost $29 million less than that approved by Congress in FY 1980, and nearly $37 million less than the House mark in FY 1981. The impact of these drastic budget cuts has been amplified by continuing inflation.

GROWTH OF THE LEP STUDENT POPULATION

In 1978, the Federal government estimated that there were 3.6 million children, aged 4 to 18, whose home language backgrounds were other than English and who were limited in the speaking, understanding, reading and writing skills in English needed to succeed in the English-medium school.[1]

In 1978, three-quarters of all LEP students were born in the United States or in one of its outlying areas.[2] More than half of all LEP students had Spanish as their native language.[3] While there are no precise estimates of the number of American Indian LEP students, a 1978 ED study found that there were more than 24,000 LEP Navaho children of elementary school age.[4]

According to a Department of Education report issued last year, the number of LEP children of school age increased by 20 percent between 1978 and 1982—a growth rate two-and-one-half times that of the general school-aged population.[5] While the growth of the LEP student population poses a challenge to schools in all parts of the Nation, schools in some states are particularly hard-pressed to meet this challenge. Consider California where:

In the Spring of 1984, almost one-half million students were classified as limited-English-proficient by the California State Department of Education.

Approximately three-quarters of these LEP students had Spanish as their native language, more than 29,000 students spoke Vietnamese, another 18,000 spoke Cantonese, another 10,000 spoke Philipino/Tagalog, and so on.

Los Angeles County schools enrolled more than a quarter-million LEP students in the Spring of 1984.

More than 18,000 of the students attending the San Francisco Unified School District were classified as non- or limited-English proficient in 1984. Six years ago, fewer than 8,000 LEP students attended San Francisco schools.[6]

In the years ahead, more and more schools across the nation will confront the challenge now facing schools in California, Florida, Illinois, New York, Texas, and in our border states. Indeed, disproportionate growth in the LEP student population is expected to continue and accelerate through the end of the Century.

EDUCATIONAL NEEDS OF LEP STUDENTS

Mr. Chairman, there is in American today, no group of children who are more educationally needy than language-minority children who are limited in their English language proficiency (LEP).

LEP children have the educational needs of all other children. Some LEP children are gifted and talented, others have physical handicaps and learning disabilities. A dis-

---

[1] "The Condition of Bilingual Education in the Nation, 1982", A Report from the Secretary of Education to the President and the Congress, U.S. Department of Education, Page 2.

[2] *Ibid.*, Page 8.

[3] *Ibid.*

[4] *Ibid.*, Page 16.

[5] "The Condition of Bilingual Education in the Nation, 1984", A Report from the Secretary of Education to the President and the Congress, U.S. Department of Education, Page 13.

[6] Unpublished report, California State Department of Education, Bilingual Education Office.

proportionate number of LEP children are poor[7] and suffer the debilitating physical, emotional, and social consequences of poverty—poverty amidst affluence. And LEP children, like all American children, continue to be harmed by deeply-engrained gender-based stereotypes which persist in our schools and in our society.

Many LEP children and even more of their parents have suffered discrimination at the hands of private parties and the State. And while we have moved closer to the goal of a color-blind society, we cannot ignore the fact that our schools have been, and in some areas continue to be, a powerful engine of discrimination. The educational opportunities available to Indian, Hispanic, Asian, and other non-white children remain inferior to those generally available to majority students.

In addition to these barriers to educational success—barriers addressed through numerous Federal statutes and programs—LEP students face other barriers.

LEP students must learn English—a language other than their mother tongue—if they are to progress academically. And while teaching English to a LEP child is neither simple, nor quick, nor easy, it is a task that can and must be accomplished by our schools.

At the same time, LEP students must advance in their development of basic academic skills, and in their understanding of our world and our society. Mastery of English is an essential measure, but it is not the exclusive measure, of effective instruction for LEP students.

And finally, many LEP students must learn to appreciate and accommodate a culture different from their own. For those LEP students who are newcomers to this society, "culture-shock" is often compounded by the traumas of war, famine, and disaster—the forces that drive many families to our land.

EDUCATIONAL NEGLECT OF LEP STUDENTS

LEP students are not only the most educationally-needy children in our society, they are also the most educationally neglected.

In 1982, Education Secretary Terrel Bell reported:

"Although local school districts and States are making an effort, schools in general are not meeting the needs of LEP students. Only about a third of the [LEP students identified in a 1978 ED study] received either bilingual instruction—or instruction in English as a second language without the use of their home languages.

"Many schools are not assessing the special needs of language minority children. They are not assessing the English language proficiency of these children, much less the home language proficiency, as a basis for planning programs and providing services."[8]

And while the presence of most LEP students in a school district is the result of Federal actions (e.g., territorial annexation, diplomatic policies, and foreign military actions), the Federal government provides Title VII programs for only one of every 20 LEP students.

Last year's ED report on the "The Condition of Bilingual Education in the Nation" provided fruther evidence of the ongoing neglect of LEP students. "[In 1980-81], approximatly 500,000 teachers, or nearly one-quarter of the 2.3 million public school teachers in the United States, had limited English proficient students in their classes. Approximately 56,000 of these teachers were using a non-English language (NEL), with or without ESL, in the classroom. Almost twice as many or approximately 103,000 other teachers were using ESL only."[9]

Put another way, a majority of all teachers with LEP students in their classes were not providing bilingual instruction and they were not providing ESL instruction; they were not providing any special program of instruction for their LEP students. But what about the minority of LEP students who are receiving bilingual and/or ESL special instructional services? Once again, according to the ED report, the picture is dismal. Of the 56,000 teachers providing bilingual instruction, only 21,000 or 40 percent had full academic preparation. The lack of academic preparation was even more severe among teachers using an ESL-only instructional approach. Of the 103,000 teachers providing ESL-only instruction to their LEP pupils, only 11,000 had full academic preparation to do so.[10]

Make no mistake about it, the situation would be far worse were it not for the Bilingual Education Act. According to ED, teachers whose training was supported by Title VII were four times more likely to be academically prepared to instruct LEP students than teachers who did not receive Title VII supported training.[11]

NATIONAL COST OF EDUCATIONAL NEGLECT OF LEP STUDENTS

Earlier this year, the President's Commission on Industrial Competitiveness released its report on "Global Competition: The New Reality." This report, prepared by a panel of experts on industrial policy and world competition, highlighted the most flagrant manifestation of educational neglect—student dropouts. The report said:

"The high dropout rate in our secondary schools is contributing to the development of a growing, permanent underclass in our society. Twenty-six percent of students enrolled in school drop out. At this rate, our Nation is producing in excess of 1 million dropouts annually. The dropout rate among minorities is substantially higher—estimated by the Census Bureau in 1981 to be as high as 40 percent among blacks and 43 percent among Hispanics."[12]

The report noted that because of the demographic structure of our society, minority youth constitute the fastest growing segment of the young worker population and continued . . . "It is this fastest growing segment of the young worker population that is most likely to drop out of school and enter the work force without critical basic skills."

New approaches are required to address the problem of school dropouts and stem this loss of human resources. National attention must be focused on the severity of the problem, its causes, and its consequences. The Nation must act decisively to reduce the dropout rate dramatically or it will suffer more than a decline in competitive ability. If the dropout rate continues to accelerate, part of an entire generation could be lost to the productive process and to society. The quality of life for the Nation as a whole is at risk when large numbers of our youth fall by the wayside.[13]

This dire assessment by a Presidential Commission—a Commission made up of captains of industry and commerce—understates what we—the parents and educators of language-minority children—know all too well from first-hand experience.

We know that children who come to school with non-English language skills are not being taught English effectively. We know that LEP children are not being taught the other subjects and skills deemed essential in our society. We know that the academic gap between language-minority and English-language-background children generally grows throughout their tenure in our public schools. And we know that the frustration of school-induced academic failure causes nearly half our youth to drop out of school. We also know that many of our children resort to drugs, and some even to suicide, in a futile attempt to flee frustration and failure.

THE NEW BILINGUAL EDUCATION ACT: WORTHY OF INCREASED SUPPORT

Mr. Chairman, let me be clear. Title VII, regardless of funding level, cannot eliminate all the barriers which inhibit the academic progress of LEP students in our schools. It can, however, help schools bridge the barriers of language and culture which imprison so many of our youth.

This was the conclusion of Congress last fall when it reauthorized Title VII by enacting Public Law 98-511. Of all the education programs reauthorized by this act, the greatest amount of attention and energy was devoted to Title VII.

The "Academic Equity and Excellence Through Bilingual Education Act", which began as a comprehensive revision of Title VII cosponsored by more than 50 Representatives, was further expanded and refined in Committee by a bi-partisan group of Members. The product of this effort is a law, which in the words of Committee Chairman Hawkins, "takes into account, as never before, the needs of students, the aspirations of parents, the expectations of taxpayers, and the experience of educators."

The improvements to Title VII set out in the new legislation are too numerous to detail here. Nevertheless, certain new features of the revised Bilingual Education Act should be noted.

First, the new law requires reporting of basic educational data concerning the LEP population, their educational needs, and how those needs are being met through Federal, State, and local programs. The data reporting requirements of the new Bilingual Education Act focus on obvious measures of academic need and progress, and are designed to provide parents, educators, policymakers, and taxpayers with accurate information about this high-risk student population.

Second, Public Law 98-511 guarantees that parents will receive information about the placement and progress of students in Title VII programs, and gives parents the right to decline placement of their children in Title VII programs.

Third, the new law further strengthens Title VII by requiring that all classroom programs "provide structured English language instruction" (such as ESL) and "allow

[7] "The Condition of Bilingual Education in the Nation, 1982", page 13.
[8] *Ibid., Page 3.*
[9] "The Condition of Bilingual Education in the Nation, 1984", Page 18.
[10] *Ibid.*, Page 13.
[11] *Ibid.*, Page 24.
[12] "Global Competition: The New Reality", The Report of the President's Commission on Industrial Competitiveness, 1985, Vol. II, Page 143.
[13] *Ibid.*

a child to meet grade-promotion and graduation standards."

Fourth, Public Law 98-511 expanded Title VII's flexibility by authorizing two new programs: Special Alternative Instruction Programs which need not use a child's native language, and Developmental Bilingual Education Programs which bring LEP and English-proficient students together to learn English and second language.

Fifth, the revised Bilingual Education Act addresses the intergenerational problem of English illiteracy by creating a new Title VII grant for Family English Literacy Programs. These programs, which can be administered by non-profit community organizations as well as educational institutions, are exclusively focused on helping the parents of LEP students learn English so that they can be active and effective partners in the education of their children.

Sixth, Public Law 98-511 Addresses the national shortage of qualified teachers for LEP students by increasing the proportion of funds reserved for training and retraining, by strengthing standards for teacher pre-service and in-service training, and by focusing graduate-level training on neglected specialities such as special education for LEP students.

Because of these features and numerous other improvements, the revised Bilingual Education Act is a program which deserves expanded Federal support.●

DR. DAVID STEINBERG: ACHIEVING ACADEMIC EXCELLENCE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. SOLARZ. Mr. Speaker, today I would like to pay tribute to an old friend, staunch supporter, and outstanding academician. Dr. David Steinberg recently assumed the presidency of Long Island University, which I am proud to say is in my district in Brooklyn. A native New Yorker, Dr. Steinberg understands the complexities of city life, and he brings to LIU some specific recommendations for upgrading the university.

LIU, with an enrollment of approximately 20,000 students, is the ninth largest independent university in the Nation. There is a campus in downtown Brooklyn, which is generally referred to as LIU; there is C. W. Post College campus on the luxurious former Post estate in Old Brookville; the Southampton College campus on eastern Long Island, and rented facilities on the grounds of the Sisters of St. Joseph in Brentwood.

Dr. Steinberg's philosophy that "a university is a service organization to the community it surrounds" is exactly the kind of clear thinking that is needed in today's world. Making educational resources available to the entire community of 6.7 million people is a huge undertaking. This will include integrating the four colleges' libraries on to one computer for easy access, and bringing nationally known professors to teach and lecture at the university. If anyone can do it, Dr. Steinberg can.

Dr. Steinberg's qualifications for this position are without a doubt an example of how he will be able to effectively reach out to the community and integrate the four campuses. Educated at Harvard, Dr. Steinberg comes to LIU after serving as secretary, vice president, and executive assistant to the president of Brandeis University in Cambridge, MA. He has also served as a full professor at the University of Michigan for 10 years, and is one of the country's leading authorities on the Philippines.

I am confident that Dr. Steinberg will continue to make significant contributions to academia in his new role as president of Long Island University. On behalf of all Brooklynites, I welcome Dr. Steinberg to our town.●

BIAGGI LETTER SEEKS FULL SENATE HEARINGS ON UNITED STATES, UNITED KINGDOM SUPPLEMENTARY EXTRADITION TREATY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. BIAGGI. Mr. Speaker, today I wish to place into the RECORD a copy of a letter I have sent to Chairman RICHARD LUGAR of the Senate Foreign Relations Committee relative to a new Supplementary Extradition Treaty between the United States and the United Kingdom.

I am pleased to note that I was joined on this letter by 55 of my House colleagues and Senator PAUL SIMON. It calls upon the Senate committee to conduct full hearings on the Supplementary Treaty which was signed by the two governments on June 25 and forwarded by the President on July 17.

The concern that we have relates to the virtual elimination of the "political exception" category as well as the retroactive nature of the treaty.

Today the Senate Foreign Relations Committee conducted their first hearing on the treaty which they must report to the full Senate which must ratify it before it can be ratified. It was obvious from some of the observations and comments made during today's hearing that there will be careful and full consideration of the treaty by the committee.

At this point in the RECORD I would first like to insert the text of the Supplementary Extradition Treaty followed by a copy of the letter and the names of those who signed it.

LETTER OF TRANSMITTAL

THE WHITE HOUSE, *July 17, 1985.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Supplementary Extradition Treaty between the United States of America and the United Kingdom, with annex, signed at Washington on June 25, 1985.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the Supplementary Treaty.

The Supplementary Treaty adds to and amends the Extradition Treaty between the United States and the United Kingdom, signed at London on June 8, 1972.

It represents a significant step in improving law enforcement cooperation and combatting terrorism, by excluding from the scope of the political offense exception serious offenses typically committed by terrorists, e.g., aircraft hijacking and sabotage, crime against diplomats, hostage taking, and other heinous acts such as murder, manslaughter, malicious assault, and certain serious offenses involving firearms, explosives, and damage to property.

The Supplementary Treaty, in addition to narrowing the application of the political offense exception to extradition, will also help improve implementation of the current Extradition Treaty in several other respects. I recommend that the Senate give early and favorable consideration to the Supplementary Treaty and give its advice and consent to ratification.

RONALD REAGAN.

LETTER OF SUBMITTAL

DEPARTMENT OF STATE,
Washington, July 3, 1985.

The PRESIDENT,
The White House.

MR. PRESIDENT: I have the honor to submit to you the Supplementary Extradition Treaty between the United States of America and the United Kingdom of Great Britain and Northern Ireland, with annex, signed at Washington on June 25, 1985. I recommend that the Supplementary Treaty be transmitted to the Senate for advice and consent to ratification.

The Supplementary Treaty supplements and amends the Extradition Treaty between the United States and the United Kingdom, signed at London on June 8, 1972 (28 U.S.T. 227; TIAS 8468). The Supplementary Extradition Treaty would exclude specific crimes of violence, typically committed by terrorists, from the scope of the political offense exception to extradition. It therefore represents a significant step to improve law enforcement cooperation and counter the threat of international terrorism and other crimes of violence.

Article 1 of the Supplementary Treaty effectively limits the scope of Article V, paragraph (1)(c)(i) of the current Extradition Treaty—the political offense exception—by listing the crimes which shall not be regarded as offenses of a political character, namely: aircraft hijacking; aircraft sabotage; crimes against internationally protected persons, including diplomats; hostage taking; as well as murder; manslaughter; malicious assault; kidnapping; and specified firearms, explosives, and serious property damage offenses.

Article 2 of the Supplementary Treaty amends Article V, paragraph (1)(b) of the current Extradition Treaty by providing

that extradition shall be denied if prosecution would be barred by the statute of limitations of the requesting State. The current treaty provision permits the statute of limitations of either the requesting or requested State to apply.

Article 3 of the Supplementary Treaty amends Article VIII, paragraph (2) of the current Extradition Treaty by providing that the requesting State shall have as much as 60 days following provisional arrest to submit evidence in support of an extradition request, and that if by that time such evidence has not been submitted the person arrested shall be set at liberty. The current treaty allows only 45 days.

Article 4 of the Supplementary Treaty provides that its provisions shall apply to any offense committed before or after the entry into force of the Supplementary Treaty, but shall not apply to an offense committed before the Supplementary Treaty enters into force if the offense in question was not an offense under the laws of both Contracting Parties at the time of its commission.

Article 5 of the Supplementary Treaty provides that it shall form an integral part of the current Extradition Treaty and sets forth its territorial application for the United States and the United Kingdom, respectively.

Article 6 of the Supplementary Treaty provides that it shall enter into force upon the exchange of instruments of ratification and shall be subject to termination in the same manner as the current Extradition Treaty.

The Department of Justice joins the Department of State in favoring transmission of this Supplementary Treaty to the Senate at the earliest possible date.

Respectfully submitted,

GEORGE P. SHULTZ.

SUPPLEMENTARY TREATY CONCERNING THE EXTRADITION TREATY BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, SIGNED AT LONDON ON 8 JUNE 1972

The Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland;

Desiring to make more effective the Extradition Treaty between the Contracting Parties, signed at London on 8 June 1972 (hereinafter referred to as "the Extradition Treaty");

Have resolved to conclude a Supplementary Treaty and have agreed as follows:

ARTICLE 1

For the purposes of the Extradition Treaty, none of the following offenses shall be regarded as an offense of a political character:

(a) an offense within the scope of the Convention for the Suppression of Unlawful Seizure of Aircraft, opened for signature at The Hague on 16 December 1970;

(b) an offense within the scope of the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, opened for signature at Montreal on 23 September 1971;

(c) an offense within the scope of the Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents, opened for signature at New York on 14 December 1973;

(d) an offense within the scope of the International Convention against the Taking of Hostages, opened for signature at New York on 18 December 1979;

(e) murder;

(f) manslaughter;

(g) maliciously wounding or inflicting grievous bodily harm;

(h) kidnapping, abduction, false imprisonment or unlawful detention, including the taking of a hostage;

(i) the following offenses relating to explosives:

(1) the causing of an explosion likely to endanger life or cause serious damage to property; or

(2) conspiracy to cause such an explosion; or

(3) the making of possession of an explosive substance by a person who intends either himself or through another person to endanger life or cause serious damage to property;

(j) the following offenses relating to firearms or ammunition:

(1) the possession of a firearm or ammunition by a person who intends either himself or through another person to endanger life; or

(2) the use of a firearm by a person with intent to resist or prevent the arrest or detention of himself or another person;

(k) damaging property with intent to endanger life or with reckless disregard as to whether the life of another would thereby be endangered;

(l) an attempt to commit any of the foregoing offenses.

ARTICLE 2

Article V, paragraph (1)(b) of the Extradition Treaty is amended to read as follows:

"(b) the prosecution for the offense for which extradition is requested has become barred by lapse of time according to the law of the requesting Party; or"

ARTICLE 3

Article VIII, paragraph (2) of the Extradition Treaty is amended to read as follows:

"(2) A person arrested upon such an application shall be set at liberty upon the expiration of sixty days from the date of his arrest if a request for his extradition shall not have been received. This provision shall not prevent the institution of further proceedings for the extradition of the person sought if a request for extradition is subsequently received."

ARTICLE 4

This Supplementary Treaty shall apply to any offense committed before or after this Supplementary Treaty enters into force, provided that this Supplementary Treaty shall not apply to an offense committed before this Supplementary Treaty enters into force which was not an offense under the laws of both Contracting Parties at the time of its commission.

ARTICLE 5

This Supplementary Treaty shall form an integral part of the Extradition Treaty and shall apply:

(a) in relation to the United Kingdom: to Great Britain and Northern Ireland, the Channel Islands, the Isle of Man and the territories for whose international relations the United Kingdom is responsible which are listed in the Annex to this Supplementary Treaty;

(b) to the United States of America;

and references to the territory of a Contracting Party shall be construed accordingly.

ARTICLE 6

This Supplementary Treaty shall be subject to ratification and the instruments of ratification shall be exchanged at London as soon as possible. It shall enter into force upon the exchange of instruments of ratification. It shall be subject to termination in the same manner as the Extradition Treaty.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto by their respective Governments, have signed this Supplementary Treaty.

DONE in duplicate at Washington this twenty-fifth day of June, 1985.

For the Government of the United States of America:

———.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

———.

ANNEX

Anguilla
Bermuda
British Indian Ocean Territory
British Virgin Islands
Cayman Islands
Falkland Islands
Falkland Islands Dependencies
Gibraltar
Hong Kong
Montserrat
Pitcairn, Henderson, Ducie and Oeno Islands
St. Helena
St. Helena Dependencies
The Sovereign Base Areas of Akrotiri and Dhekelia in the Island of Cyprus
Turks and Caicos Islands

HOUSE OF REPRESENTATIVES,
Washington, DC, July 31, 1985.

Hon. RICHARD LUGAR,
Chairman, Senate Foreign Relations Committee, Washington, DC.

DEAR MR. CHAIRMAN: We, the undersigned, are writing to respectfully request that full hearings be conducted on the proposed Supplementary Extradition Treaty signed by the United States and the United Kingdom on June 25, and forwarded to the Senate by President Reagan on July 17.

We are aware that a hearing has been scheduled for August 1. A number of concerns have been raised about this treaty, concerns we share. In that regard, we believe that a full set of hearings are necessary to ensure that these concerns are registered and addressed.

This document is both extraordinary and significant in effect. Its ratification will result in the virtual destruction of the "political offense" exemption that since the 1870's has been a cornerstone of extradition law and treaty in both the United States and the United Kingdom. This treaty is unprecedented in many regards, not the least of which is the fact that it is retroactive upon ratification. The fact that the treaty establishes so many new precedents warrants that it be given full and careful consideration. It is interesting to note that this Supplementary Treaty is being considered within a time period of just over one month. The original Extradition Treaty, signed in London on June 8, 1972, required 4 years to negotiate.

We hope you will give consideration to our views. The need for expanded hearing beyond August 1 becomes evident as more examination of the treaty is undertaken. There are serious legal and political issues associated with this Supplementary Treaty,

and we are hopeful they can receive full attention before your distinguished Committee.

Sincerely,

MARIO BIAGGI,
Member of Congress.

Additional signers:

Senator Paul Simon, Reps. Marty Russo, Tom Downey, Norman D. Dicks, Joseph P. Addabbo, Thomas Foglietta, Paul Kanjorski, Joseph M. Gaydos, Bernard Dwyer, Joe Kolter, Hamilton Fish, Peter Rodino, Bill Richardson, Ron de Lugo, Lawrence J. Smith, Howard Wolpe, Anthony Beilenson, Mary Rose Oakar, Tom Ridge, Martin Olav Sabo, Mel Levine, Joseph Moakley, Silvio Conte, Barbara Mikulski, Joseph DioGuardi, Norman Lent, Robert Borski, Dean Gallo, Robert Roe, Nicholas Mavroules, Doug Walgren, Thomas Manton, James Traficant, Bob Edgar, Major Owens, Mike Lowry, Walter Fauntroy, Robert Mrazek, James J. Howard, Ronald Dellums, William Carney, Benjamin Gilman, Tom Lantos, Robert Garcia, Edolphus Towns, Albert Bustamante, Patricia Schroeder, Parren Mitchell, Jim Scheuer, Roy Dyson, Matthew Rinaldo, Lane Evans, William O. Lipinski, Frank Annunzio, John Conyers, Jr., and James Florio.●

SURVEY RESULTS

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. YATRON. Mr. Speaker, I would like to take this opportunity to apprise my colleagues of the results of a survey I recently conducted among the voters of Pennsylvania's Sixth Congressional District. We received a huge number of responses and the survey was a great success. The voters of the Sixth Congressional District have spoken out and expressed their opinions on a variety of current issues. I believe that the results are both interesting and informative. The results are as follows:

	Percent
(1) How would you like to see the budget deficit reduced?	
(a) Freeze all federal spending with no increases for inflation	13
(b) Allow increases in spending, but only at the inflation rate	21
(c) Cut domestic spending only	7
(d) Cut defense spending only	15
(e) Freeze all apending and achieve further spending reductions where possible	44
(2) Do you support a tax increase to reduce the deficit?	
(a) Yes	22
(b) No	68
(c) Undecided	10
(3) Do you believe the Superfund law should be strengthened to enable more waste sites to be cleaned?	
(a) Yes	69
(b) No	17
(c) Undecided	14
In considering tax reform, what should be done with the following current allowable personal tax benefits?	
(4) Deduction for home mortgage interest:	
(a) Retain	62
(b) Repeal	19
(c) Modify	19
(5) Deduction for general loan or credit interest:	
(a) Retain	49
(b) Repeal	26
(c) Modify	25
(6) Deduction for charitable contributions:	
(a) Retain	60
(b) Repeal	26
(c) Modify	23
(7) Deduction for state and local taxes:	
(a) Retain	69
(b) Repeal	15
(c) Modify	16
(8) Exclusions for employer-provided benefits like health and life insurance:	
(a) Retain	57
(b) Repeal	18
(c) Modify	25
(9) What is your opinion of a minimum tax on corporations?	
(a) Favor	81
(b) Oppose	11
(c) Undecided	8
(10) What is your opinion on the development of an anti-missile defense system?	
(a) Favor	57
(b) Oppose	26
(c) Undecided	17
(11) What is your recommendation on Conrail?	
(a) Sell to Norfolk Southern	17
(b) Maintain federal ownership	12
(c) Allow other companies to buy	27
(d) Offer shares of stock to the public	28
(e) Undecided	16

●

HOW TO STOP THE TIDE OF INFANT MORTALITY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. RANGEL. Mr. Speaker, I rise to bring the attention of my colleagues to an article in the July 23, issue of the Wall Street Journal. The article concerns the disturbing problem of infant death. While infant mortality is still decreasing, the rate of decrease is becoming slower and slower each year. In addition, the infant mortality rate continues to be twice as high for black babies as for white babies.

Mr. Speaker, the article suggests that part of the cause for this trend toward leveling off is the tremendous decrease in Federal funding for prenatal and immediate postnatal care. If we are to continue to control the tragedy of infant mortality, we must ensure that programs for young children and pregnant mothers receive the funding that they desperately need.

The text of the article follows:

HOW TO STOP THE TIDE OF INFANT MORTALITY

(By Alan L. Otten)

WASHINGTON.—We're in the middle of a bad trend," says Sara Rosenbaum of the Children's Defense Fund, "and for the administration still to come forward and cut prorams of proven effectiveness is unforgivable."

Replies Dr. James O. Mason, the ranking health official at the Department of Health and Human Services: "Until we know a lot more about why it's happening, simply throwing federal dollars at it won't work. Particularly if it's not met by increased concern at the community level and many other changes."

Ms. Rosenbaum and Dr. Mason represent the two sides in an escalating argument over what to do about a slower-than-expected drop in infant mortality rates—long regarded as a bellwether social indicator. As is so frequently the case in Washington, both sides are probably at least partly right.

SOME GOOD NEWS

There's some good news, to be sure. Infant mortality—deaths during the first year of life—continues to fall, for blacks as well as whites. The preliminary overall rate for 1984 was 10.6 deaths per 1,000 live births, a 57 percent drop since 1965.

But there's lots of bad news, too. Preliminary data show the rate of decline slowing over the past two years. Each year, 40,000 infants still die. The black infant mortality rate still is double the white rate. The incidence of low-birth-weight babies—5.5 pounds or less are 40 times likelier to die in the first month than are normal-weight babies—remains distressingly high, particularly among blacks. The proportion of pregnant women receiving prenatal care during the first trimester actually has been declining.

All this adds up to a situation the administration concedes is "disquieting" and "cause for concern," but which liberal groups insist is far more serious than that.

They want higher spending on a broad range of child and maternal health programs that the Reagan administration has cut back, frozen or allowed only minimal increases. The administration says it's spending more than its critics contend. Exact figures are hard to separate from broader health categories. But, for example, in one program, supplemental nutrition for infants and pregnant women, the administration is projecting a 2 percent increase in the current fiscal year, to $1.44 billion, a sum that liberals note will cover only the same number of individuals.

The Department of Health and Human Services predicts the nation still will meet one key goal set by the Public Health Service in 1979: to cut the overall infant mortality rate to 9.0 deaths per 1000 live births by 1990. However, it admits that other major infant and material health goals set for 1990 will be missed, some by wide margins, and, in particular, goals that affect blacks. Health and Human Services Secretary Margaret Heckler will try to shed more light on the administration's attitude in a speech to the National Urban League here today.

At some point, of course, infant mortality rates will reach an irreducible minimum, but most experts say the U.S. is nowhere near there yet. Largely because of its high proportion of low-birth-weight babies, the U.S. has been falling further behind other industrialized nations, in 1980 ranking behind 15 others, and their infant mortality rates continue to drop. The rate for U.S. whites alone still puts this nation only in 12th place.

TECHNOLOGY HELPED REDUCE RATE

Much of the U.S. decline in infant mortality over the past two decades has resulted from technological advances in the care of low-birth-weight and other problem births and to the steady spread of intensive-care units for the newborn. Now, says Dr. Vince L. Hutchins, head of maternal and child health programs at Health and Human Services, "we may be near the maximum" of what technology can do in this area.

Other factors also are making it hard to bring down infant mortality now, administration officials say: the large numbers of pregnant teen-agers, especially poor young women at high risk for problem births; smoking, drinking and drug abuse during pregnancy; and the reluctance of many poor women to seek early prenatal care, even when it's available.

"And why is it always federal money" that must solve these problems? Dr. Mason demands. "Primary responsibility for the achievement of the 1990 goals," he argues, rests with state and local health agencies and the pregnant women themselves.

The major federal responsibility right how, he says, is research to find out what's happening and why, "and that we take very seriously," with more than a dozen task forces at work.

Naturally, all this doesn't impress the critics. Sure, they say, it would be nice to reduce teen-age pregnancy, get pregnant women to stop smoking, and have state and local governments do more. But the federal government also must spend more, on everything from family planning and prenatal services to Medicaid and food programs for low-income people.

Administration cutbacks in prenatal and infant programs "have contributed significantly to the change of trend in the infant mortality rate," Dr. C. Arden Miller, a public health specialist at the University of North Carolina, writes in the July Scientific American. He accuses the Reaganites of "slavishly trying to implement an ideology, when the better course might be to allow some exceptions, especially cost-effective exceptions."

For example, a prestigious committee of the National Academy of Sciences' Institute of Medicine recently reported "overwhelming evidence" that early prenatal care makes for higher birth weights, and that every $1 spent on such care for low-income women would save more than $3 in care of low-weight babies after birth. Yet in 1982, slightly over one-fifth of all pregnant white women and well over one-third of pregnant black women didn't get first-trimester care.

Moreover, administration critics note, many areas of longtime unemployment and high poverty currently are experiencing level or even rising infant mortality rates, especially for older infants. "You are talking about a Third World phenomenon here in the U.S.," charges Ms. Rosenbaum. "Babies dying because of infectious diseases, poor nutrition, lack of access to basic medical care."

Paradoxically, White House support of right-to-life efforts to curb abortion could swell infant mortality figures. Unintended or unwanted pregnancies often produce high-risk babies, but since the Supreme Court's abortion decision, more women have chosen to abort unwanted pregnancies.

Studies by Michael Grossman and colleagues at the National Bureau of Economic Research conclude that the wider availability of abortion has been "the single most important factor in reducing the neonatal mortality rate" among blacks over the past two decades, and also helped cut the white rate. "If abortion were illegal," Mr. Grossman writes, "neonatal mortality, especially among blacks, would fall more slowly than otherwise, and might even rise."●

STAR WARS—A WASTE

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. MARKEY. Mr. Speaker, as we gather increasing evidence on the Defense Department's strategic defense initiative, one thing has become clear: It simply will not work. Here we are haggling over various ways to trim the country's budget, to tighten the belts of the needy and truly deserving. Meanwhile, we grant enormous increases in funding to a program that is technically impossible and strategically destabilizing.

It is easy to understand why universities would be anxious to receive star wars research funding. In today's market of rising costs of education, their mouths must surely water at the prospect of lapping up their share of the delectable star wars pie. Yet a few concerned scientists and universities have had the courage to speak out. Now we are beginning to see the snowballing effects of their movement to garner opposition to the program. Letters and petitions have been circulating nationwide among those scientists who recognize the star wars program for the boondoggle that it is. While the movement is substantial now, I would like to warn my colleagues who approved star wars funding to look for a massive wave of opposition from the scientific community in the fall.

Mr. Speaker, let us in Congress stop fooling ourselves. Star wars is going to be the biggest incident of defense waste and fraud ever—to the tune of almost $3 billion this year alone. Only this time, we aren't just throwing away our taxpayers' dollars. We are throwing away our national security.

At this point, I would like to call to the attention of my colleagues to a recent editorial from the Boston Globe. The text of the article follows:

PORK BARRELS IN THE SKY

Most scientsts who have studied it regard the Star Wars premise of a technical defense against nuclear attack as a fraud. No technology imagined, let alone developed, holds a faint hope of providing safety to populations. The radical escalation in Star Wars research sought by President Reagan and rubberstamped by Congress is a scam.

Technical innovation has been crucial to the U.S. economy. Scientists who are bribed into devoting their lives to "interesting" military problems, such as hardening computers to withstand the electromagnetic pulses in nuclear blasts, are not available to pioneer manufacturing techniques or robotics or biogenetics.

This "brain drain" affects the U.S. position in the world economy, just as the Apollo program, which drew European scientists in the 1960s, damaged the European economy.

For scientists, the moral issue in Star Wars centers on the acceptance of a bribe to do work that there is reason to believe will be, at best, wasteful and, at worst, corrosive to the peace. Scientists know they are being used by the government to manipulate Congress and public opinion.

Congress agreed with Reagan's first Star Wars funding requests in 1983, but the plan met with overwhelming criticism from the best-informed scientists and defense specialists.

As that criticism began to take its toll, co-opting scientists became important to continued congressional support. James Ionsen, who hands out federal Star Wars grants, said in a recent interview in Science. "This office is trying to sell something to Congress. If we can say that this fellow at MIT will get money to do such and such research, it's something real to sell."

Some see this largesse as the malice of a cynical administration, bamboozling the public to keep the arms race prominent and profitable. or, as MIT physicist Philip Morrison puts it, "to inoculate us against the possibility that peace will break out."

Even if there is no malice, the result is alarming. Kosta Tsipis, an MIT physicist specializing in defense issues, opposes random increases in funding for Star Wars. He is confident that the space-defense program will eventually collapse of its own weight. The issue that alarms him is the misallocation of scientific talent into areas of research that are virtually useless.

Whether malice or folly, Star Wars represents prodigious waste. Never before has so much money been thrown into military spending projects of such dubious strategic merit. Many of these barrels of intellectual pork have not been defined on anything but the back of an envelope. Serious scientists have a responsibility to blow the whistle until Congress listens.●

SAFE RIDE PROGRAM

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mrs. KENNELLY. Mr. Speaker, I was recently visited by three students from East Hartford, CT, Dennis McCabe, Brian Marcus, and Edward Fenton. They came to urge my endorsement for Safe Ride, a program to combat drunk driving. The Safe Ride Program plays an important role in preventing drunk driving among our teenagers, and provides our youths with a genuine awareness of the problems associated with drinking and driving. I believe their volunteer actions in the Safe Ride Program and the program itself are worthy of my colleagues attention.

Let me briefly describe the Safe Ride Program. It is run and financed by students to provide other students who might have been drinking on the weekend a safe ride home. Generally three volunteers are on duty every Friday and Saturday night from 9:30 p.m. to 1:30 a.m. One student acts as a dispatcher and receives incoming calls from teenagers who need a ride home. The other two volunteers are responsible for picking up the teenagers and driving them home safely. All volunteers in the Safe Ride Program are insured by the Boy Scouts of America.

The town of East Hartford, where Dennis McCabe, Brian Marcus, and Edward Fenton live, is one of many towns in Connecticut that has a Safe Ride Program. I would like to extend my sincere support and congratulations to the Safe Ride volunteers throughout the State. This includes my son, John Kennelly, who is a vol-

unteer. While Safe Ride is a simple concept, it is nonetheless effective, and I hope its fine example will encourage other communities both in Connecticut and across the country to start similar programs.

Again, I commend the fine work done by the students who are serving as Safe Ride volunteers and pledge my continued support to the values and awareness this program has generated.●

TESTIMONY OF JAMES W. COMPTON, PRESIDENT OF THE CHICAGO URBAN LEAGUE

HON. CHARLES A. HAYES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. HAYES. Mr. Speaker, I want to draw the attention of my colleagues to testimony of Mr. James W. Compton, president and chief executive officer of the Chicago Urban League, presented before a special session of the House Education and Labor Committee in conjunction with the National Urban League's annual convention which was held here in Washington during the month of July. The hearing, which I chaired in part, was on the subject of full employment. Mr. Compton's statement eloquently expresses the plight of the unemployed and the human costs of joblessness.

Mr. Speaker, because Mr. Compton's statement also makes a strong argument for the concept that every ablebodied American should have the right to productive and fulfilling paid employment as embodied in my bill, H.R. 1398, the Income and Jobs Action Act of 1985, I believe you and the rest of my colleagues will find it very interesting.

Mr. Compton's statement follows:

TESTIMONY OF JAMES W. COMPTON, PRESIDENT AND CHIEF EXECUTIVE OFFICER, CHICAGO URBAN LEAGUE, JULY, 24, 1985

Chairman Augustus Hawkins, distinguished members of the House Committee on Labor and Education, I am James W. Compton, president and chief executive officer of the Chicago Urban League. I thank you once again for providing me with this second opportunity and privilege of coming before the committee to address a full employment agenda for our Nation.

The Chicago urgan league, the oldest and largest race relations organization in Illinois, has been working for over 68 years to ensure equal access and opportunities in housing, education, employment, and economic development. The league's strategies toward this end include research, advocacy and direct services.

Coming from a city with 1.3 million blacks and over one-half million Hispanics and other minorities, I am here to express our concern about the pervasive and persistent unemployment which has idled too many of our people and too much of our Nation's productive potential. We are alarmed that disproportionate numbers of those sidelined by joblessness are minorities concentrated in the inner cities of urban areas such as Chicago. Especially affected are blacks, youths, and single-parent, largely female, heads of household.

Chicago, like most of our Nation's large urban center, was particularly hard-hit by the recession. Between 1979 and 1982, according to official reports, Chicago's unemployment rate skyrocketed from 7% to over 17% non-white workers were the main victims, as non-white unemployment rates soared from 11% in 1979 to 26% in 1983, the purported year of "recovery", declining only to 21% in 1984.

The situation is particularly critical for non-white youth. While white teenage unemployment fluctuated between 20% and 30% during the last six years, non-white teenage unemployment in the best of years was 40%, and in the worst of years, 66%. Against these odds, it is small wonder that staggering proportions of our young people are being forced to conclude that they have no chance to obtain and hold a decent job or to be self-sufficient. In 1984 only 16% of non-white teens in Chicago had jobs, and only three in ten were still active participants in the labor market.

We know that in Chicago our official statistics say:

Nonwhite workers are over twice as likely as white workers to be unemployed;

Center city workers are 1½ times more likely than suburban workers to be unemployed;

Teenagers are 2½ times more likely than adults to be unemployed.

But we also know that these unhappy official statistics, like current national policy, seriously downplay the scope of the problem. You are already familiar with most of the dimensions of this camouflage, so I will only mention them without comment:

The census undercount, particularly of young minority men;

The "hidden" unemployed, those not factored into official data because they have abandoned the futile search for employment;

And the underemployed, or those who work part-time but are in reality seeking full-time employment.

But a newer element in the underestimation of unemployment is only now emerging into full view. This newer problem is that the complex formula used for generating official estimates of employment and unemployment for local areas— the formula which was revised just before the recent recession—clearly seems to produce lower unemployment figures than the more straightforward sample survey data gathered by the U.S. Bureau of Labor Statistics.

These data were available for comparision with official statistics for only eight central cities in 1983. For six of the eight cities, including Chicago, the official unemployment statistics reported significantly lower unemployment rates—that is, two to five percentage points lower—than the more reliable survey data. We also know that for every year, beginning with 1980, there were substantial discrepancies between the two data sources in reporting the level of unemployment in Chicago. The gap was widest during the depts of recession.

Since the official statistics become the raw data for fueling public discussion, informing public policies, and allocating public funding, we would hope that this committee would investigate more throughly what appears to us to be a serious, consistent underestimation of actual unemployment in major cities like Chicago and possibly elswhere.

In spite of these deficiencies, there is every indication that the Federal Government intends to continue its current movement toward providing less rather than more reliable data. We are increasingly concerned with reports of significant cutbacks in staff, data collection and analysis, and slowed publication schedules at both the U.S. Census Bureau and the U.S. Bureau of Labor Statistics, but contrary to what President Reagan and some members of his administration may believe, supression and downplaying of the "bad news" of unemployment cannot hide the simple, glaring reality which confronts our Nation's economy.

The administration's strategy of blind trust in "market forces" and in "trickledown" benefits from a general economic "recovery" has not and cannot appreciably diminish the severe structural problems that block economic opportunities for blacks, other minorities and the poor.

Speaking from our own experience, after two years of purported "recovery", nearly 200,000 Chicago workers are still unemployed. This represents twice the number unemployed in the pre-recession year of 1979. Total employment in Chicago has dropped 2% since 1979, while the working age population has grown by 9%. Virtually all of the additional workers, I hasten to add, are non-white. In 1984, barely half the working age population in Chicago was at work, and less than half (46%) of the nonwhite population had jobs. Such trends auger that the situation, if left alone, will only worsen.

There are two major components to this crisis in employment in our cities. First, very simply, there are not enough jobs to employ everyone who would like to work in Chicago. We know that the structure of work is undergoing dramatic changes, jobs are shifting from cities to suburbs, from "rustbelt" to "sunbelt" or out of the country altogether. Manufacturing is declining, service industries are growing. And minorities in inner city areas such as Chicago are the heaviest losers. Not only are they suffering from local, regional, and national trends in the flight of jobs, but the data clearly show that within the central city itself minority communities, not the white communities, are continuing to experience the brunt of the job exodus. This is occurring because of declining employment opportunities in manufacturing and in the public sector in which minorities have become particularly heavily concentrated.

Optimists point to the growth in service industries as replacements for jobs lost elsewhere. We are skeptical of suggestions that the growth industries will provide enough jobs to employ all the workers dislocated by these shifts as well as the young workers entering the labor market. Without even looking at inner city and metropolitan employment patterns, we found that State figures suggest a potential shortfall of 500,000 jobs in Illinois by 1990. Moreover, the new jobs being created provide considerably less in the way of wages, benefits, security, and opportunities for advancement. For example, half the workers employed in eating and drinking establishments, a growth industry in Illinois, earned less than poverty level wages.

The second component of the employment crisis is that the "good" jobs of the future require advance skills and training which our current workforce lacks and which our inner city public schools are not

providing to our children. In 1984, the high school graduation rate in the Chicago Public Schools was less than 50%. Those who graduated from Chicago's Public Schools were far too often unable to read, write, or compute well enough to compete for college places or for decent jobs.

Far too often we continue to abandon our young people to the prisons of functional illiteracy, dead end jobs, and deteriorating communities from which there is no escape. The facts are too well documented for us to feign surprise or moral indignation when they turn to drugs, youth gangs, other forms of crime, or to public aid as their only means of survival.

The first step in addressing these problems, and one we have not yet taken as a nation, is to concede the fact that there are no cheap, quick, or easy solutions.

We must agree that eliminating or distorting statistics won't stop the rising tide of unemployment in Chicago or elsewhere. We must be realistic in recognizing that the elimination of programs that provide public service employment hinders the creation of extra jobs which are needed but are not coming to Illinois and Chicago.

Abandoning job training programs won't prepare our youth for meeting the future and becoming productive members of our society.

Ignoring the gross inadequacies in public education will compound and exacerbate our Nation's economic and social problems.

Proposing "solutions" such as the subminimum wage adds further insult to the indignity of joblessness and underemployment. One study conducted in Dayton, Ohio tends to suggest that providing an employer-incentive for hiring certain groups of people may stigmatize those groups and hamper rather than aid their hire by private sector employers.

Engaging in all out war on affirmative action is wrong when we know that blacks continue to be the chief victims of unemployment and underemployment and that well-designed affirmative action programs do work.

Highly competent empirical research has already been done on the benefits of early childhood education, the Job Corps Program, affirmative action, and various job training programs. Research has also shown the failure of programs based on a dual track system of education, employment and wages for prospective workers.

The Department of Labor has on file 16 years of reports by the Chicago Urban League. These records show between 500 and 700 or more minorities and women being placed annually in construction industry apprenticeship programs and in non-traditional jobs through our labor education advancement program [LEAP]. You have 8 years of reports on our computer training center which trains computer programmers and word processors and has an overall 85% job placement rate. In each of the last few years we have helped minority-owned businesses secure between $10-15 million in contracts as part of our affirmative action/minority business enterprise program. We work in 22 inner-city high schools to help students with an interest in math to improve their skills. We work with hundreds of teenage mothers, moving them toward economic independence, helping them to become better parents while coping with their own adolescence and—as demonstrated through several years of documented research—reducing significantly the birth rates among these mothers during the remainder of their teenage years.

There is no lack of good ideas and programs for addressing our current crises in employment. We simply have to exercise the national will to rescue our greatest source of wealth—our "human capital."

The failure of the past was not that too much was done for minorities and the poor. The failure of the "great society" was caused by a wavering of commitment, abandonment of compassion, and a national paralysis that impeded futuristic and realistic planning for securing America's economic vitality.

We must recognize that our Nation's unprecedented military buildup continues to be the main engine that powers and perpetuates the deepening crises. It has led to the most severe recession in 50 years and the biggest deficit in our Nation's 200 years of existence.

A moral commitment to peace and an end to the insane arms race—one which the human race cannot win—will provide the fundamental basis for converting our Nation's energies and ingenuity to the imperative of stimulating an economic rebirth.

Mr. Chairman, your efforts and those of your fellow committee members, offer us renewed hope.

Last year, as I stated in my introductory comments, we were privileged to speak in favor of two bills presented by members of this committee. Congressman Hayes' "Income and Jobs Action Act of 1985" still provides a cogent statement of a public policy that clearly and accurately addresses the problems of unemployment and income facing those in the basement of the American economy. It articulates goals and offers a framework to achieve them. It dispells that self-serving notion that human development may be left to the vicissitudes of an imperfect market system. It challenges the myth that a hands-off posture by government in the economic sphere will lead to greater profits, which, in turn, will solve our most pressing crises.

Congressman Hawkins' "Youth Incentive Employment Act" provides a specific blueprint for action to address the barriers confronting youth who are our most valuable and vulnerable asset. It draws upon a sound and tested program that for several years successfully provided low-income youth with wages, part-time jobs during the school year, and full-time employment during the summer. A basic requirement was that these youth had to be enrolled in school and making satisfactory academic progress. Several evaluation studies have confirmed the positive results of such programs. Participants were found to remain in employment longer, and were earning more than nonparticipants one year after completion of the program.

Despite the wisdom and practicality of these bills, and the pressing need for such initiatives, Congress has not mustered the will to act on this legislation. Obviously, it will require more than just a few voices in the wilderness to persuade our Nation that we must act—now.

As you return to Congress with our words on the record of concern, be assured of our solidarity and our resolve to add our voices to yours as you urge compassion and demand jobs and job training for every able-bodied American citizen who needs work and the opportunity to pursue happiness.

Thank you.●

OVEREATERS ANONYMOUS CELEBRATES 25TH ANNIVERSARY

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. WAXMAN. Mr. Speaker, I would like to make my colleagues aware that from September 27-29, Overeaters Anonymous will be celebrating its 25th anniversary at its convention in Anaheim, CA. This organization has been enormously helpful in providing a program of recovery from compulsive overeating and the many life-threatening illnesses associated with obesity and related disorders.

Patterned after Alcoholics Anonymous, the OA fellowship has helped to restore thousands to normal weight and healthy, productive lives. Like AA, Overeaters Anonymous does not specialize in professional counseling. Instead, its members extend to fellow compulsive overeaters only the shared experience and support that helped them recover.

Obesity and eating disorders are serious problems for millions of Americans—OA can and does help these people. We should all applaud the dedicated people of OA who attend to the well-being of their fellow citizens. Overeaters Anonymous, continued success means that many more people will successfully control their eating habits.●

THE CONSERVATION SERVICE REFORM ACT OF 1985

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. MARKEY. Mr. Speaker, today I and Congressman SIKORSKI are introducing legislation to preserve and improve two important Federal programs for energy conservation: The Residential Conservation Service [RCS] and the Commercial and Apartment Conservation Service [CACS].

The RCS Program, enacted originally as part of the 1978 National Energy Policy Act [NECPA], requires large electric and natural gas utilities to provide onsite "energy audits" to residents of buildings with four dwelling units or less. The CACS Program, enacted in 1980 in the Energy Security Act, establishes a similar service for certain commercial buildings and for residential buildings with five or more units. Both programs seek to provide reliable conservation information to energy consumers in order to encourage the implementation of conservation measures which will reduce

energy demand. The conceptual framework of the RCS and CACS programs is a simple one: To provide cheap conservation information to energy consumers in order to spur investment in conservation measures. The result is lower energy costs to the consumer, and a reduction in net energy demand for the Nation.

Both RCS and CACS are fledging programs. On the RCS side, those States which have taken an active approach to residential conservation have shown marked energy savings from the program. For instance, a January 1985 study by the Oak Ridge National Laboratory [ORNL] of the first 2 years of the Minnesota home energy audit and retrofit loan programs finds a statistically significant net energy saving of 2 to 3 percent. Similarly, an ORNL study of Connecticut's Conn Save Program concludes that it:

> Stimulates installation of additional conservation measures, it probably reduces household energy consumption, and it is likely to be cost-effective for both participants and the State as a whole.

As for CACS, the Department of Energy has now approved a total of 25 State plans. To date, however, only one State, Michigan, has its CACS Program actually in place. Early reactions from the State of Michigan indicate the potential for substantial energy savings through this program.

The legislation we introduce today addresses two frequent criticisms leveled at the RCS and CACS programs: First, that individual States should be allowed to "opt out" of the Federal RCS and CACS Programs in favor of State initiatives which might accomplish conservation by alternative means; and second, that the programs fail to link the information generated by the energy audits to the implementation of actual conservation measures. As to the first critique, the Conservation Service Reform Act of 1985 would allow the Governor of a State or the appropriate State agency to implement an alternative State plan to effectuate the conservation objectives of the RCS and CACS legislation. As to the second critique, our bill provides that the alternative State plans must include performance standards designed both to result in 5 percent annual participation in the program by eligible customers, and to achieve energy savings or reduction in peak electricity use of 10 percent annually for each customer participating in the program. This modest performance target, which would amount to a net annual decrease of 0.5 percent in energy use, could be met by the alternative State plan in a variety of ways.

We are passing through an era of false calm spawned by the temporary respite of falling energy prices. The temptation is to return to the pre-1970's mindset of central plant construction and lax conservation which preceded the passage of the RCS and CACS legislation of 1978 and 1980. We must resist the temptation. Conservation continues to be a vast and largely untapped energy resource which inures to the benefit of consumers, utilities, and the national security. I urge my colleagues to cosponsor this bill.

SECTION-BY-SECTION ANALYSIS

Section 1.—Short Title: The Conservation Service Reform Act of 1985.

TITLE I—RESIDENTIAL CONSERVATION SERVICE

Section 101.—Changes in certain plan requirements.

This section makes changes in certain plan requirements under the existing RCS program.

Extension of announcement date.—The bill would extend from January 1, 1985, to January 1, 1991, the last date on which utilities and participating home heating suppliers are required to issue announcements of the RCS program to their customers.

Elimination of arranging and listing requirements.—The bill would eliminate the requirements that covered utilities and home heating suppliers arrange for the installation and financing of conservation measures and provide a list of suppliers, contractors and financial institutions to residential customers. (However, the bill would not prohibit such activities by a utility.)

If a Governor or public utility wishes to revise a previously approved residential energy conservation plan to reflect this legislation's elimination of requirements relating to arranging and listing, this section explicitly permits such a change without requiring that a plan amendment be submitted to the Secretary of Energy.

In the case of states or public utilities that elect to continue a residential energy conservation plan approved by DOE prior to enactment of this legislation, the appropriate official in charge of such plan must notify the Secretary in writing that the announcement date requirement shall be extended to January 1, 1991, as required by this section.

Section 102.—Temporary programs.

The Secretary of Energy must approve or disapprove any pending applications for temporary programs under section 218(a) of the National Energy Conservation Policy Act (NEPCA) no later than 30 days after enactment. If the Secretary takes no action within 30 days, the temporary Program shall be deemed approved.

Section 103.—Alternative plans for residential buildings.

The bill allows an exemption from the requirements of the RCS program for states adopting an "alternative plan." This section would add new sections 226 and 227 to NECPA. Section 226 allows states to adopt an alternative plan, while section 227 allows utilities to develop alternative plans in states that choose to continue their existing RCS programs.

Alternative State plans (new section 226).—A Governor of any state or state agency authorized under state law may certify to the Department of Energy that the state will carry out an alternative plan. Any state which certifies an alternative plan shall continue to have such plan in effect for the five-year period after certification or until January 1, 1991, whichever occurs first.

Formulation of the plan.—In formulating an alternative plan, the Governor must hold a public hearing with opportunity for oral and written comments prior to certification.

Content of the plan.—In formulating an alternative plan, the Governor should be guided by the items set out under "Content of Plan," in section 226(d). The content of the plan is described below.

(1) The plan shall be designed to result in the dissemination of general energy conservation suggestions to all residential customers of utilities in the state. This is a minimal requirement of the plan to insure that general conservation information is available to all residential utility customers.

(2) In addition, the plan shall be designed to include result-oriented energy conservation programs. The state would have maximum flexibility in designing this class of program, keeping in mind that it should be designed to reach the targets set out in section 226(d)(2). Three broad types of approaches are named under this class of program. An alternative plan may include items from any of the three categories or a combination of these categories. The categories follow:

(a) Specific energy conservation suggestions regarding a customer's residential building;

(b) Programs designed to result in energy conservation improvements to the customer's residence; and

(c) Programs designed to result in load management improvements in the customer's residential building.

(3) The plan shall be designed to result in annual participation in the alternative program by at least 5 percent of the residential buildings served by natural gas or electric utilities included in the state plan. In the case of an alternative plan carried out by the state only, without utility involvement, the plan should be designed to reach at least 5 percent of the residential customers served by utilities covered under NECPA.

Section 226 also requires that the plan be designed to result in annual energy consumption reductions of at least 10 percent per household for buildings that participate in the energy conservation programs designed under section 226(d)(2). The Governor of the state shall define by rule the term "energy consumption reductions."

In the case of load management improvements included in the alternative program, the plan shall be designed to result in annual peak electricity demand reductions of an average of at least 10 percent in residential buildings served by such programs.

(4) The alternative plan shall be designed to benefit individuals with low or moderate incomes, as well as other individuals.

(5) The plan shall contain adequate procedures to assure that, if a public utility supplies or installs residential energy conservation measures, such actions shall be carried out in accordance with Section 216 of NECPA and at fair and reasonable prices and rates of interest.

(6) The plan shall contain adequate procedures for preventing unfair, deceptive or anticompetitive acts or practices.

(7) The plan shall be carried out by the states, by utilities within the state or a combination of both.

(8) The plan shall be consistent with DOE rules developed under NECPA in consultation with the Federal Trade Commission concerning unfair, deceptive or anticompetitive practices.

(9) The plan shall contain rules consistent with the rules under section 215(c) of NECPA concerning the accounting and payment of costs for the program.

(10) The plan shall contain provisions to assure that any person who alleges injury resulting from inadequate implementation shall be entitled to redress under state law or procedures established by the Governor, or the appropriate state agency. This provision is consistent with existing law governing the RCS program.

(11) The plan shall contain provisions described in section 213(b)(2)(B) of NECPA to insure that a utility will not inspect a furnace which uses a source of energy other than that provided by the utility unless the residential customer requests such inspection in writing. This provision is consistent with existing law governing the RCS program.

(12) The plan shall contain an analysis of the data and rationale used by the Governor or State agency to determine that the plan is likely to achieve the results described in paragraphs (1) through (4).

Certification.—The Governor or State agency which elects to certify an alternative State plan shall, in addition, certify that that plan meets the precedural and substantive requirements of the bill, that the plan is likely to achieve its objectives, and that the plan will be adequately implemented.

Annual report.—The state shall submit an annual report to DOE describing implementation of its alternative plan and reporting on the number of buildings reached and energy savings achieved within 60 days after the end of the one-year period to which the report applies. The report shall include an estimate of the actual energy savings resulting from the plan.

Administrative and judicial enforcement proceedings.—A resident of any state in which an alternative plan has been certified may, no sooner than one year after the program's certification, petition DOE to conduct a public hearing to determine if the alternative state plan has been adequately implemented. At the time that such a petition is filed, the state may opt to implement its previously approved RCS plan and thus halt the DOE hearing process.

If the Secretary finds the program has not been adequately implemented, he shall initiate Federal standby authority (implementing the regular RCS program) within 90 days after the petition is filed.

If the Secretary does not initiate Federal standby authority within 90 days, the petitioner may bring an action in U.S. District Court to require the Secretary to implement the alternative state plan. An individual who prevails in court in an action against the Secretary shall be awarded reasonable attorneys' fees and costs.

Alternative standards.—Under this provision, the Governor or appropriate state agency may establish an alternative standard to the annual participation rate of 5 percent under the alternative plan. Following a public hearing, the target may be reduced to no lower than 3 percent, if the state finds that any of three conditions exist: (1) customers will not be adequately informed of the program in the first year, (2) such a large number of eligible buildings is already equipped with conservation or load management improvements as to make it unlikely that the alternative program could achieve the bill's targets of 5 percent annual participation and 10 percent average annual energy savings, or (3) if the alternative program will primarily benefit low- or moderate-income individuals.

The first finding may be made only with respect to the first year of the alternative plan, if the Governor finds that the programs under the alternative plan are sufficiently new and unfamiliar as to require extra efforts at making their availability known to customers in their start-up phase.

Alternative utility plans: regulated utilities (new section 227).—In a state which does not have an alternative plan, an individual regulated utility may certify that it will carry out an alternative program if supported by the Governor.

The provisions applying to an alternative utility plan are similar to those governing an alternative state plan in formulation of the plan, content of the plan, annual report, and administrative and judicial enforcement proceedings.

Nonregulated utilities.—A non-regulated utility may be included in a state alternative plan only if the Governor has legal authority to include it or the non-regulated utility elects to be included in the state plan. A non-regulated utility may certify to DOE that it will carry out an alternative plan if the Governor does not include the utility in the state plan.

Section 104.—Reports and dissemination of information.

No later than January 1, 1987, and every two years thereafter, DOE shall submit a report to the House Committee on Energy and Commerce and the Senate Committee on Energy and Natural Resources, comparing predicted energy savings with actual savings achieved under both the RCS and alternative plans and identifying the most successful programs. DOE shall compile a summary of annual reports on alternative plans to be delivered annually to Congress.

Dissemination of information by DOE.—At least annually, the Secretary shall provide information to states and utilities, including technical assistance for calculating energy consumption reductions and information about the most effective programs.

Section 105.—Load management improvement defined.

Load management improvements are defined as those load management techniques included under the existing RCS program, plus the installation of any devices which reduce electricity demand during peak periods. The Governor of a state may add load management devices to those approved by DOE.

Section 106.—Limitation on supply and installation by public utilities.

NECPA prohibits utilities from directly installing or supplying conservation measures, as defined by NECPA for purposes of the RCS program. The existing law provides three types of exemptions from these prohibitions.

(1) A utility may, with the support of the Governor, petition DOE for a waiver from the prohibition. DOE may grant the waiver after making certain findings aimed at preventing anti-competitive activity.

(2) A utility may contract with an independent contractor to supply or install conservation measures. Under current law, no waiver is required for this exemption.

(3) A utility that supplied or installed conservation measures, or made substantial preparations to do so, may receive a "grandfather exemption" from DOE to continue such activity.

This section would amend existing law to provide an opportunity for a public review of potential competitive abuses in each of the three types of exemptions named above.

Additional requirements for waiver.—In granting a waiver to a utility from the prohibiton on supply and installation of energy conservation measures, the Secretary of Energy must make an additional finding that there will be no unfair competitive advantages to the utility in carrying out such activities.

The Governor may not support the petition of a regulated utility for a waiver to DOE unless the Governor provides advance notice of the waiver petition and opportunity for a public hearing. In order to support the petition, the Governor must make the same findings required of the Secretary in granting the waiver petition. The utility must make available to the Governor all relevant documents and records requested by the Governor.

Contracting exemption.—Utilities which installed, supplied or advertised residential conservation measures through contractors on the date of enactment of this Act may continue to supply and install those same measures without applying for a waiver.

New utility contracting programs, starting with the date of enactment of this legislation, are subject to the amended waiver process.

General exemption (grandfather provision).—No change is made in the grandfather provision under Subsection d(3) of Section 216 of NECPA, which exempts utilities from installation and supply prohibitions in states where a state law or regulation requires or permits such supply or installation.

However, the grandfather provision is narrowed for those utilities that received a grandfather exemption pursuant to subsection d(1) or d(2) of section 216. These provisions provide a grandfather exemption to utilities that supplied, installed, advertised, or prepared for such programs prior to the enactment of the 1978 National Energy Conservation Policy Act. Starting July 1, 1987, the grandfather exemption would remain in effect only for those utilities which, during the 12-month period prior to June 1, 1985, were installing and supplying those specific measures for which they had received the grandfather exemption.

State hearing for grandfathered utility.—If any person requests review of a grandfathered utility and includes adequate documentation of anti-competitive activity by the utility, the Governor shall review the grandfather exemption in a public hearing.

The exemption shall continue for a grandfathered utility if the Governor, following a public hearing, makes any of the following findings:

(1) The utility is not charging fair and reasonable prices and rates of interest.

(2) There are unfair competitive advantages to the utility.

(3) Such activity is inconsistent with the prevention of unfair methods of competitive or the prevention of unfair or deceptive acts or practices.

(4) The utility has not provided the Governor with all the documents he determines necessary to make the above findings.

Regardless of whether the Governor makes any of the above findings, the Governor may condition the continuation of the grandfathered activity on the provision of appropriate competitive safeguards by the utility in carrying out the activity.

TITLE II—COMMERCIAL AND APARTMENT CONSERVATION SERVICE

Section 201.—Alternative plans for commercial buildings and multifamily dwellings.

This section allows an exemption from the requirements of the CACS program for states adopting an "alternative plan." The section would add new sections 750 and 751

to NECPA. Section 750 allows states to adopt an alternative plan, while section 751 allows utilities to develop alternative plans in states that choose to continue their existing CACS programs.

Alternative State plans (new section 750).—A Governor of any state or state agency authorized under state law may certify to the Department of Energy that the state will carry out an alternative plan. Any state which certifies an alternative plan shall continue to have such plan in effect for the five-year period after certification or until January 1, 1991, whichever occurs first.

Formulation of the plan.—In formulating an alternative plan, the Governor must hold a public hearing with opportunity for oral and written comments prior to certification.

Content of the plan.—In formulating an alternative plan, the Governor should be guided by the items set out under "Content of Plan," in section 750(d). The content of the plan is described below.

(1) The plan shall be designed to result in the dissemination of general energy conservation suggestions to all residential customers of utilities in the state. This is a minimal requirement of the plan to insure that general conservation information is available to all residential utility customers.

(2) In addition, the plan shall be designed to include result-oriented energy conservation programs. The state would have maximum flexibility in designing this class of program, keeping in mind that it should be designed to reach the targets set out in section 750(d)(2). Three broad types of approaches are named under this class of program. An alternative plan may include items from any of the three categories or a combination of these categories. The categories follow:

(a) Specific energy conservation suggestions regarding the eligible customer's building;

(b) Programs designed to result in energy conservation improvements to the customer's building; and

(c) Programs designed to result in load management improvements in the customer's building.

(3) The plan shall be designed to result in annual participation in the alternative program by at least 5 percent of the eligible buildings served by natural gas or electric utilities included in the state plan. In the case of an alternative plan carried out by the state only, without utility involvement, the plan should be designed to reach at least 5 percent of the eligible customers served by utilities covered under NECPA.

Section 750 also requires that the plan be designed to result in annual energy consumption reductions of at least 10 percent per household for buildings that participate in the energy conservation programs designed under section 750(d)(2). The Governor of the state shall define by rule the term "energy consumption reductions."

In the case of load management improvements included in the alternative program, the plan shall be designed to result in annual peak electricity demand reductions of an average of at least 10 percent in buildings served by such programs.

(4) In the case of multifamily dwellings, the alternative plan shall be designed to benefit individuals with low or moderate incomes, as well as other individuals.

(5) The plan shall contain adequate procedures to assure that, if a public utility supplies or installs energy conservation measures, such actions shall be carried out in accordance with Section 713 of NECPA and at fair and reasonable prices and rates of interest.

(6) The plan shall contain adequate procedures for preventing unfair, deceptive or anticompetitive acts or practices.

(7) The plan shall be carried out by the states, by utilities within the state or a combination of both.

(8) The plan shall be consistent with DOE rules developed under NECPA in consultation with the Federal Trade Commission concerning unfair, deceptive or anticompetitive practices.

(9) The plan shall contain rules consistent with the rules under section 731(b) of NECPA concerning the accounting and payment of costs for the program.

(10) The plan shall contain provisions to assure that any person who alleges injury resulting from inadequate implementation shall be entitled to redress under state law or procedures established by the Governor, or the appropriate state agency. This provision is consistent with existing law governing the CACS program.

(11) The plan shall contain provisions described in section 710(b)(5)(F) of NECPA to insure that a utility will not inspect a furnace which uses a source of energy other than that provided by the utility unless the residential customer requests such inspection in writing. This provision is consistent with existing law governing the CACS program.

(12) The plan shall contain an analysis of the data and rationale used by the Governor or State agency to determine that the plan is likely to achieve the results described in paragraphs (1) through (4).

Certification.—The Governor or State agency which elects to certify an alternative State plan shall in addition certify that that plan meets the procedural and substantive requirements of the bill, that the plan is likely to achieve its objectives; and that the plan will be adequately implemented.

Annual report.—The state shall submit an annual report to DOE describing implementation of its alternative plan and reporting on the number of buildings reached and energy savings achieved within 60 days after the end of the one-year period to which the report applies. The report shall include an estimate of the actual energy savings resulting from the plan.

Administrative and judicial enforcement proceedings.—A resident of any state in which an alternative plan has been certified may, no sooner than one year after the program's certification, petition DOE to conduct a public hearing to determine if the alternative state plan has been adequately implemented. At the time that such a petition is filed, the state may opt to implement its previously approved CACS plan and thus halt the DOE hearing process.

If the Secretary finds the program has not been adequately implemented, he shall initiate Federal standby authority (implementing the regular CACS program) within 90 days after the petition is filed.

If the Secretary does not initiate Federal standby authority within 90 days, the petitioner may bring an action in U.S. District Court to require the Secretary to implement the alternative state plan. An individual who prevails in court in an action against the Secretary shall be awarded reasonable attorneys' fees and costs.

Alternative standards.—Under this provision, the Governor or appropriate state agency may establish an alternative standard to the annual participation rate of 5 percent under the alternative plan. Following a public hearing, the target may be reduced to no lower than 3 percent, if the state finds that any of three conditions exist: (1) customers will not be adequately informed of the program in the first year, (2) such a large number of eligible buildings is already equipped with conservation or load management improvements as to make it unlikely that the alternative program could achieve the bill's targets of 5 percent annual participation and 10 percent average annual energy savings, or (3) if the alternative program will primarily benefit low-or moderate-income individuals in multifamily dwellings.

The first finding may be made only with respect to the first year of the alternative plan, if the Governor finds that the programs under the alternative plan are sufficiently new and unfamiliar as to require extra efforts at making their availability known to customers in their start-up phase.

Alternative utility plans: regulated utilities (new section 751).—In a state which does not have an alternative plan, an individual regulated utility may certify that it will carry out an alternative program if supported by the Governor.

The provisions applying to an alternative utility plan are similar to those governing an alternative state plan in formulation of the plan, content of the plan, annual report, and administrative and judicial enforcement proceedings.

Nonregulated utilities.—A non-regulated utility may be included in a state alternative plan only if the Governor has legal authority to include it or the non-regulated utility elects to be included in the state plan. A non-regulated utility may certify to DOE that it will carry out an alternative plan if the Governor does not iclude the utility in the state plan.

Section 202(c)—Limitation on supply and installation by public utilities.

NECPA prohibits utilities from directly installing or supplying conservation measures, as defined by NECPA for purposes of the RCS program. The existing law provides three types of exemptions from these prohibitions.

(1) A utility may, with the support of the Governor, petition DOE for a waiver from the prohibition. DOE may grant the waiver after making certain findings aimed at preventing anti-competitive activity.

(2) A utility may contract with an independent contractor to supply or install conservation measures. Under current law, no waiver is required for this exemption.

(3) A utility that supplied or installed conservation measures, or made substantial preparations to do so, may receive a "grandfather exemption" from DOE to continue such activity.

This section would amend existing law to provide an opportunity for a public review of potential competitive abuses in each of the three types of exemptions named above.

Additional requirements for waiver.—In granting a waiver to a utility from the prohibition on supply and installation of energy conservation measures, the Secretary of Energy must make an additional finding that there will be no unfair competitive advantages to the utility in carrying out such activities.

The Governor may not support the petition of a regulated utility for a waiver to DOE unless the Governor provides advance notice of the waiver petition and opportunity for a public hearing. In order to support the petition, the Governor must make the

same findings required of the Secretary in granting the waiver petition. The utility must make available to the Governor all relevant documents and records requested by the Governor.

Contracting exemption.—Utilities which installed, supplied or advertised residential conservation measures through contractors on the date of enactment of this Act may continue to supply and install those same measures without applying for a waiver.

New utility contracting programs, starting with the date of enactment of this legislation, are subject to the amended waiver process.

General exemption (grandfather provision).—These provisions provide a grandfather exemption to utilities that supplied, installed, advertised, or prepared for such programs prior to the enactment of the 1978 National Energy Conservation Policy Act. Starting July 1, 1987, the grandfather exemption would remain in effect only for those utilities which, during the 12-month period prior to June 1, 1985, were installing and supplying those specific measures for which they had received the grandfather exemption.

State hearing for grandfathered utility.—If any person requests review of a grandfathered utility and includes adequate documentation of anti-competitive activity by the utility, the Governor shall review the grandfather exemption in a public hearing.

The exemption shall continue for a grandfathered utility if the Governor, following a public hearing, makes any of the following findings:

(1) The utility is not charging fair and reasonable prices and rates of interest.

(2) There are unfair competitive advantages to the utility.

(3) Such activity is inconsistent with the prevention of unfair methods of competitive or the prevention of unfair or deceptive acts or practices.

(4) The utility has not provided the Governor with all the documents he determines necessary to make the above findings.

Regardless of whether the Governor makes any of the above findings, the Governor may condition the continuation of the grandfathered activity on the provision of appropriate competitive safeguards by the utility in carrying out the activity.

Section 203.—Reports and dissemination of information.

No later than January 1, 1987, and every two years thereafter, DOE shall submit a report to the House Committee on Energy and Commerce and the Senate Committee on Energy and Natural Resources, comparing predicted energy savings with actual savings achieved under both the CACS and alternative plans and identifying the most successful programs. DOE shall compile a summary of annual reports on alternative plans to be delivered annually to Congress.

Dissemination of information by DOE.—At least annually, the Secretary shall provide information to states and utilities, including technical assistance for calculating energy consumption reductions and information about the most effective programs.

Section 204.—Load management improvement defined.

Load management improvements are defined as those load management techniques included under the existing CACS program, plus the installation of any devices which reduce electricity demand during peak periods. The Governor of a state may add load management devices to those approved by DOE.●

SUPPORT ELDERLY CRIME PREVENTION AND VICTIM ASSISTANCE ACT OF 1985

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. RINALDO. Mr. Speaker, as ranking minority member of the Select Committee on Aging, I am increasingly concerned about the rising tide of violent crime aimed at our Nation's elderly. I will cite just a few graphic examples:

A 69-year-old New Jersey woman was mugged on the steps of her home as she returned from a baby-sitting job. As a result of injuries sustained in the encounter, she is no longer able to drive, and faces physical therapy bills of $45 per hour. Although she was able to give police a detailed description of her attacker, he remains at-large.

An 89-year-old Illinois man was robbed in the elevator of a public housing project. The take: $4.90 and his wedding ring.

The home of an 83-year-old California man has been invaded six times in 2 years.

A New York woman of 72 was robbed of her purse and sexually assaulted at knifepoint on the street. She dropped dead of a heart attack 4 hours later.

Serious crime—murder, rape, arson, assault, robbery and burglary—affects 1 out of 10 households in this country each year. The rate of serious crime has jumped over 20 percent in the past two decades to the point where nearly 37 million Americans were victims of crime in 1983. Older individuals have an even more difficult time recovering from a criminal incident physically, economically, and psychologically than do younger victims.

The truth is that all senior citizens are victims of crime—not just those who have been robbed, or assaulted on the streets, or who have had their homes burglarized. Many older Americans, afraid to venture outside even during daylight, are virtual prisoners in their own homes.

I believe Congress can do more to help senior citizens. Federal anticrime activities affecting the elderly are now scattered through at least eight offices in three separate Cabinet departments, making it difficult for other Federal agencies, State and local governments, the law enforcement community and private citizens to learn exactly what is being done and what resources are available to help combat crime. Currently, five distinct offices in the Justice Department have rsponsibility for some aspect of the elderly crime problem. The Department of Housing and Urban Development shares responsibility for crime prevention in federally subsidized housing projects, and the Department of Health and Human Services' Administration on Aging is authorized to undertake a variety of anticrime initiatives on behalf of older Americans.

On July 30, Mr. Speaker, I introduced the Elderly Crime Prevention and Victim Assistance Act of 1985 to help remedy this current Federal hodge-podge and establish one central office to coordinate Federal crime prevention and assistance programs for the elderly and provide centralized information and technical aid on: Elderly crime statistics; training of judicial and law enforcement officers to address the needs of older individuals who are victims of crime; financial assistance available to carry out State and local programs which assist older victims; and research on, or assistance for, the reduction and prevention of crimes committed against older individuals.

My bill also requires this office to serve as a liaison with all Federal departments and agencies having aging programs, in order to enhance communication and ensure that opportunities for coordinated anticrime and victim assistance activities are maximized. It does not call for the establishment of a costly new bureaucratic layer of administration.

I am particularly pleased to note that joining me as original cosponsors of this legislation are Mr. ROYBAL, the chairman of the Select Committee on Aging, Mr. BIAGGI, the chairman of the Aging Committee's Subcommittee on Human Services who, as a former police officer, has an especially strong interest in fighting crime against the elderly, Ms. SNOWE, the ranking minority member of the Human Services Subcommittee, and Aging Committee colleagues, Mr. MCCAIN, Mr. VENTO, Mr. MANTON, and Mr. SAXTON.

I encourage all of my colleagues in the House to cosponsor H.R. 3120 and urge that the House Judiciary Committee hold hearings as soon as possible.

The text of the bill follows:

H.R. 3120

A bill to establish in the Department of Justice the National Resource Office Relating to Crimes Against Older Individuals

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Elderly Crime Prevention and Victim Assistance Act of 1985".

SEC. 2. NATIONAL RESOURCE OFFICE RELATING TO CRIMES AGAINST OLDER INDIVIDUALS.

(a) ESTABLISHMENT OF OFFICE.—There is hereby established in the Office of Justice Programs of the Department of Justice the National Resource Office Relating to Crimes Against Older Individuals.

(b) HEAD OF OFFICE.—The Office shall be headed by an Administrator who shall be

appointed by the Attorney General from among employees of the Department of Justice.

(c) DUTIES OF ADMINISTRATOR.—The duties of the Administrator are—

(1) to coordinate the activities of the Department of Justice which relate to—

(A) training of judicial and law enforcement officers to address the needs of older individuals who are victims of crime,

(B) providing financial assistance to carry out State and local programs which assist older individuals who are victims of crime,

(C) compiling and disseminating statistical information on crimes committed against older individuals, and

(D) research on, or assistance for, the reduction and prevention of crimes committed against older individuals,

(2) to establish a liaison with all Federal departments and agencies which carry out programs involving older individuals who are or may be victims of crime and to collect from such departments and agencies information regarding the operation of such programs,

(3) to disseminate to older individuals, organizations representing older individuals, law enforcement organizations, and State and local agencies information regarding the activities coordinated under paragraph (1) and information collected under paragraph (2), and

(4) to provide to such individuals, organizations, and agencies technical assistance to reduce or prevent the committing of crimes against older individuals.

SEC. 3. DEFINITIONS.

For purposes of this Act—

(1) the term "Office" means the National Resource Office Relating to Crimes Against Older Individuals, and

(2) the term "older individual" means an individual who is 60 years of age or older.

SEC. 4. EFFECTIVE DATE.

This Act shall take effect on October 1, 1985.●

U.S. CHURCH ACTIVISM STOKED BY APARTHEID, ISSUES DIVERSIFY

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. JACOBS. Mr. Speaker, the July issue of the International Barometer includes two stories of faith and conscience which deserve the attention of all Members of Congress.

Please read on:

[From the International Barometer, July 1985]

U.S. CHURCH ACTIVISM STOKED BY APARTHEID, ISSUES DIVERSIFY

What social and geopolitical issues that influence business are the United States-based churches addressing most vigorously?

Most churches identify with the two recent pastoral letters authored by the U.S. Conference of Catholic Bishops, titled "The Challenge of Peace: God's Promise and our Response" and "Catholic Social Teaching and the U.S. Economy." A number of specific issues of immediate consequence are being addressed by U.S. churches under the broad rubric of "peace and justice."

SURVEY

Earlier this year Dr. James Armstrong, former president of the National Council of Churches of Christ, wrote the heads of Protestant and Orthodox religious communities in the United States asking for information on issues being addressed, their priorities and potential courses of action.

Every major denomination responded, with the exception of the Southern Baptist Church.

Significantly, most responses came from internal church documents and communications with constituents.

The wide variety of resolutions, position papers and study documents have a direct bearing on American business. Expressing a collective conscience, they speak to millions of church members, and provide business an "early warning" of projected emphases and activities.

PRIORITIES

Atop nearly every list was apartheid in the Republic of South Africa, which appears to be a consensus issue akin to the civil rights and peace movements of the 1960s.

While apartheid is getting the most press, a number of domestic issues are pushing to the forefront as well: militarization and its effect on the economy, the farm crisis, agribusiness, environmental toxins, Third World marketing practices and the New International Economic Order.

Other, more traditional, priorities include family life, public education, racial justice, women's rights, abortion, euthanasia, capital punishment and pornography.

CONCERNS FOR APARTHEID EXPLODING

The focus on apartheid contrasts widely with the results of a 1984 attempt to assess issue priorities by the National Council of Churches of Christ.

A five-page report circulated last November by the NCCC failed to mention South Africa. It made reference to generalized peace and justice themes, but stressed "religious" issues, such as evangelism, spiritual renewal and congregational .

Responses to Dr. Armstrong's survey reveal a wide range of church concerns with subtle, but important differences.

The stress on apartheid requires our initial attention. Following, we will take an issue-by-issue look at trends in church activism.

THEOLOGICAL OPPOSITION TO APARTHEID

Many business-related concerns of the church are rooted in theological concerns.

Particularly instructive in this regard is the position of apartheid of the Reformed Church of America.

The Dutch Reformed Church of South Africa has provided the theological "justification" the Pretoria government uses to support apartheid. [Other churches in South Africa sharply disagree with it.]

The Reformed Church of America, though sharing the reformed tradition, has participated in anti-apartheid protests at various South African consulates.

An RCA press release explains that it joined forces with the "Free Africa Movement' specifically because it "firmly rejects" the DRC's "peculiar interpretation of the Christian faith."

Former Secretary General of the RCA, Dr. Arie Brouwer is now chief executive of the NCCC. This provides a broader base on which to showcase his concerns about South Africa.

BENCHMARK SULLIVAN PRINCIPLES

The American Baptist Church bases its South Africa stand on the Sullivan Principles, a series of requirements companies are asked to agree to that call for improved living and working conditions for black employees.

The ABC calls for divestment in those companies that have refused to sign the Sullivan Principles, or are not acting in accordance with signed pledges.

It also urges companies not to expand operations in the country until apartheid ends, and asks for withdrawal of funds from banks that have not agreed to stop making loans to South Africa.

MORE AGGRESSIVE APPEALS

The United Church of Christ was considering a more aggressive policy at its Fifteenth General Synod Meeting as Barometer went to press.

The proposal calls upon the United Church of Christ to "divest all financial resources from all companies doing business with South Africa . . ." and demands the United States halt "all U.S. government, scientific and military support" of Pretoria.

The American Lutheran Church urges the U.S. government to prohibit:

Any new investment not required to maintain market share;

Operations in Namibia, until it gains independence;

Loans from U.S. banks or any multilateral lending institutions in which the U.S. participates; and

Sale of Krugerrand gold coins in this country.

It also advocates support of economic sanctions against South Africa through the United Nations.

WORLD PEACE

A number of churches make world peace through disarmament a top priority.

The Church of the Brethren, historically a "peace church," is focusing its efforts against high-tech weaponry such as the MX missile and Star Wars, and joining many other religious bodies in calling for a nuclear freeze.

The Greek Orthodox Church calls for "the complete prohibition and thorough destruction of nuclear weapons."

MILITARIZATION AND THE MARKETPLACE

The Christian Church (Disciples of Christ)'s influential study "Seeking God's Peace in a Nuclear Age" explores the links between militarization and the marketplace:

"The long and successful partnership of the magistrates of the military and the marketplace continues to produce highly sophisticated armaments for the defense of their own personal interests . . ."

A report of the Joint Commission on Peace of the Episcopal Church discusses the affect of an increased military economy on those resources that serve basic human needs:

"Missiles, planes, munitions and tanks put money into the economy in the form of wages, but provide no products to absorb that money. . . . They do not become part of the production and consumption process, but rather, have a separate economic existence and are eventually discarded or destroyed in war. . . .

"Massive military expenditures divert from the national economy many of the irreplaceable and limited resources needed to provide for other basic human needs. . . .

"[These priorities have] denied the use of those human skills used in such endeavors

to industrial and commercial research efforts, which could increase productivity, develop new products, improve the quality of goods, provide items needed throughout the world, and strengthen the nation's ability to compete in world markets."

The American Baptist Church, the United Church of Christ and other sects voice similar concerns.

NEW ECONOMIC ORDER

Most church social action units see peace and economic justice as interrelated, but the focus seems to be shifting to economic justice.

A proposal to make the UCC a "Just Peace Church," offered at the recent General Synod, focuses on economic redistribution:

"[T]rade barriers, tariffs and debt burdens [must] not work against the poor and developing nations . . . poor nations must have a greater share in the policies and management of global economic institutions."

Specific recommendations call for:

Promoting popular participation in public policy;

Empowering the poor to make effective demands on social systems;

Encouraging decentralization and greater community control;

Redistributing existing and future assets, including land; and

Providing for self-reliant development, particularly in the area of food production.

A senior staff member of the Lutheran Church in America writes:

". . . [P]apers on issues such as plant closings, comparable worth, international debt crisis and unemployment are being prepared" that are consistent with the U.S. Catholic bishops' pastoral on the economy.

The "plant closing" paper advocates legislation for socially responsible decisions regarding plant closings, including "opportunities for cluster meetings where unemployed persons can develop networks that enable peer employment counseling, job referrals, talent banks and job retraining."

A 20-year-old paper on "poverty" still being circulated by the LCA also stresses a responsibility to "assure income adequate to secure the minimal standard of living," where a full employment economy is not possible.

UP ON THE FARM

Churches increasingly view the family farmer as suffering at the hands of agribusiness.

The Lutheran Church of America says:

"We are concerned with . . . where power flows from the hands of farmers and consumers to those institutions and corporations that have as their exclusive goal economic control, power and domination. . . .

"We recognize that market power passes from farmers and processors to retail chains, reducing competition in the marketplace. We should, therefore, be vigilant and resist any attempt to reduce such competition.

"We recognize that land once tilled by hundreds of thousands of farmers is passing into control of fewer and fewer people and we are anxious to preserve control in the hands of the family farmers."

The LCA acknowledges the need for large capital investment supporting farming, and the trends of increasing foreign investment and control of American agri-business.

But, it is critical of "cheap food policies, which artifically restrict food prices below the cost of production," the weakening market position of family farmers, and tax policies that attract non-farm investors.

The United Church of Christ is considering a pronouncement that says:

"Farming should provide a meaningful opportunity to earn a decent living, and owning farmland for speculative purposes should be prohibited.

"Ownership of agricultural land should be widespread in order to assure a democratic character to rural communities, as well as vigorous use of agricultural resources."

TWO STRATEGIES SEEK CORPORATE PRESSURE TO HELP END APARTHEID: SIT AND TALK OR STAND AND FIGHT

While corporate influence on South African apartheid is a consensus issue among leading church groups, a range of tactics is being used to prompt action.

The World Council of Churches (WCC) and the Interfaith Center on Corporate Responsibility (ICCR) of the National Council of Churches of Christ (NCCC) are each committed to what they describe as a "just, participatory and sustainable society." But these two influentrial ecumenical organizations appear to be employing quite different, although not mutually exclusive, tactics.

CONFRONTATION AND DEMANDS

ICCR's mainstay is "loyal opposition," according to executive director Tim Smith. This semi-confrontational mode is seen in the recent demands issued to 12 major U.S. corporations with operations in South Africa.

The companies—Burroughs, Chevron, Citicorp, Control Data, Fluor, Ford, General Electric, General Motors, International Business Machines, Mobil, Newmont Mining and Texaco—were called upon to "cease immediately all sales and service relationships with the South African government and government-owned corporations."

ICCR also demanded that, as a precondition to staying South Africa, the companies must require significant changes in the Pretoria government's polices, including:

Abandon the "homelands" policy;

End apartheid laws, such as flux control and the Group Areas Act;

Restore full political rights to all peoples, including freedom of speech, freedom of assembly and the right to vote;

Cease forced removals and population relocations;

Guarantee to all the right to own land;

Release unconditionally all polical prisoners, detainees and those charged with treason;

End the banning of organizations and individuals; and

Increase the public funding for black community education, health care, social and other services.

"Our patience has worn thin," with these companies, Smith said. Some of the targeted companies, such as Newmont and Fluor, "showed gross insensitivity to the situation," he said, while others are continuing 'business as usual' despite being very aware of what is happening in South Africa.

FOLLOW-UP THREATS

If the government has not made "significant progress" toward these goals, and if the companies fail to respond by the end of 1986, ICCR will intensify its campaign against the corporations.

Directed at the companies will be shareholder resolutions, divestments by ICCR-affiliated members of the NCCC [which have a combined portfolio of about $10 billion], "public witness" demonstrations, and "selective buying" campaigns.

Through the ICCR, church groups submitted 74 shareholder resolutions to 67 companies in 1985. South Africa-related measures comprise the largest groups of these, totalling 16.

[Significant numbers also deal with the issues of nuclear power, military contracts and the world debt crisis.]

WCC CONCILIATION

While ICCR has been extremely effective in its approach to the South African issue, the World Council of Churches, relying on the personal diplomacy of recently elected General Secretary, Dr. Emilio Castro, is moving toward a more conciliatory approach.

Castro is developing a consensus-seeking dialogue with business on apartheid and other subjects.

He recently embarked on a series of meetings with corporate executives in order to set the stage for cooperative efforts.

In April, Castro met with Helmut Maucher and Dr. Carl Angst, chief executive officers of Nestle, S.A., to discuss Nestle's marketing practices in the Third World and its corporate policies in the Republic of South Africa.

On June 11, Castro held separate meetings with senior executives of Ford Motor Company and General Motors Corp., including Ford's Chairman of the Board, Donald Peterson, and Louis Wilking, managing director of GMC-South Africa.

Castro voiced a deep concern over the international debt crisis and its impact on economic and human development in the Third World.

He asked that multinational corporate influence be applied to governments and international monetary agencies to ease the hardships imposed on the poor because of the "austerity programs" being enforced in conjunction with international aid.

SEEKS MEETING BETWEEN MNC EXECS AND SOUTH AFRICA'S BLACK LEADERS

Castro's most urgent pleas involved South Africa. He asked the companies to participate in a meeting of corporate executives with Nobel peace laureate Bishop Desmond Tutu and other black leaders.

Castro has a passion for justice in South Africa that appears to more than match that of those who would employ more direct methods. He sees the proposed meeting as a valuable information exchange and a powerful symbol to the South African government of the companies' willingness to include black leadership in discussions on corporate policies and apartheid.

One side effect, which is equally important: Castro's meetings seemed to be humanizing two sides that have long been both suspicious and antagonistic.●

STATE AND LOCAL GOVERNMENT EMPLOYEES SHOULD BE EXEMPT FROM THE FAIR LABOR STANDARDS ACT

HON. HARRIS W. FAWELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. FAWELL. Mr. Speaker, today I am introducing legislation with my distinguished colleagues from Illinois,

Mr. PORTER, Mr. GROTBERG, and Mr. HYDE, and from Iowa, Mr. LIGHTFOOT, which would relieve State and local governments of the burdensome overtime and minimum wage requirements of the Fair Labor Standards Act [FLSA].

In 1974, Congress passed Public Law 93-259, which extended FLSA coverage to most public employees. In 1976, the Supreme Court ruled in the National League of Cities versus Usery that Congress did not have the power to enforce the overtime and minimum wage requirements of the FLSA against States "in areas of traditional governmental functions." Thus, the National League of Cities decision made clear that municipalities, public schools, public hospitals, fire prevention, law enforcement, sanitation, public health, public parks and recreation, and traditional functions of State and local governments were exempt from FLSA coverage. This all changed with the Supreme Court's February 1985 ruling in Garcia versus San Antonio Metropolitan Transit Authority.

The Garcia case began in 1979 when the Department of Labor advised the Amalgamated Transit Union that publicly-operated local mass transit systems, such as the San Antonio Transit System, were not immune from FLSA coverage. In November 1981, the district court judge ruled in favor of the city of San Antonio and held that the Department of Labor could not constitutionally enforce the FLSA provisions against the San Antonio Metropolitan Transit Authority. In February 1982, after an appeal, the district court judge reaffirmed the earlier decision. The decision was appealed to the Supreme Court where it ruled the traditional/nontraditional doctrine established under the National League of Cities decision no longer applicable. The Court thus held that Congress does have the authority to apply the minimum wage and overtime requirements of the FLSA to the employees of State and local governments. In light of the fact that at the time of the Garcia decision, a majority of State and local employees were already exempt from the overtime and minimum wage requirements of the FLSA, the Supreme Court decided to bring a larger number of these employees under FLSA coverage, rather than exempt a small number of those public employees who were already covered by the act.

My bill would reverse the Garcia decision, and, basically, restore the conclusion reached by the Court in National League of Cities that occupations intrinsic to the operations of State and local governments would be exempt from the FLSA. Because the Court believes the traditional/nontraditional mechanism established under the 1976 decision is not workable, it appears to me that the most logical solution is not to bring all State and local employees under the FLSA, but to exempt the small number of those who had previously been covered. In essence, this bill returns us to the situation which existed prior to Garcia.

Until the Garcia decision was handed down, those traditional State and local employees not covered by the minimum wage and overtime provisions of the FLSA were protected under State laws and the collective bargaining agreements carefully worked out between employers and employees. Many of these agreements allow for compensatory time off in lieu of overtime payments because municipalities cannot afford to pay overtime at time and one-half, and because many employees prefer compensatory time instead of overtime pay. The FLSA prohibits State and local government from offering compensatory time in lieu of overtime. I have been given no reason to believe that the arrangements which have existed between State and local employers and employees for the last 8 years since the National League of Cities decision are not working. For this reason, the Federal Government should not interfere with a process that has proven workable.

The financial impact of Garcia on State and local governments is also onerous. At a Senate Labor and Human Resources Committee hearing last week, several mayors and Governors testified that cities and States would be hard pressed to maintain their current level of services if they had to pay the overtime required under the FLSA in lieu of compensatory time. In fact, it appears that most cities and states would be required either to reduce services for the same amount of tax dollars, or to raise taxes. If State and local governments choose to maintain current services, the cost to do so is estimated somewhere between $2 and $4 billion.

It is all too clear to me that the implementation of the Garcia decision would impose a severe financial strain on the budgets of State and local governments, and would take away State and local control over operations mandated to these governments under the 10th amendment. If the basic principles of the National League of Cities decision are not restored, I fear that the Federal Government will have transgressed the bounds of authority granted under the 10th amendment.

Mr. Speaker, the bill as introduced states:

H.R. 3173

A bill to amend the Fair Labor Standards Act of 1938 to provide an exemption from the minimum wage and overtime requirements of that Act for employees of State and local public agencies, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. OVERTIME REQUIREMENTS.

Section 13(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(a)) is amended by striking out the period at the end of paragraph (15) and inserting in lieu thereof "; or" and by adding after that paragraph the following:

"(16) any employee of a public agency which is a State, political subdivision of a State, or an interstate governmental agency.".

SEC. 2. CONFORMING AMENDMENTS.

(a) SECTION 7.—Subsection (k) of section 7 of such Act (29 U.S.C. 207(k)) is repealed.

(b) SECTION 13.—Paragraph (20) of section 13(b) of such Act (29 U.S.C. 213(b)(20)) is repealed.

SEC. 3. EFFECTIVE DATE.

No public agency which is a State, political subdivision of a State, or an interstate governmental agency shall be liable under section 16 of the Fair Labor Standards Act of 1938 for a violation of section 6 or 7 of such Act occurring before the date of the enactment of this Act with respect to any employee of the public agency.●

UDALL-CHENEY ACID RAIN BILL: THE VIEW OF THE NATIONAL GOVERNORS' ASSOCIATION

HON. DICK CHENEY

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. CHENEY. Mr. Speaker, my colleague Mr. UDALL and I have introduced H.R. 2679, legislation to control acid rain. Some time ago, we wrote and requested the views of the chairman and vice chairman of the National Governors' Association Committee on Energy and Environment as to the extent to which our bill is consistent with the National Governors' Association policy on acid rain. I believe our colleagues will be interested in the response we recently received from Governors Earl and Sununu on this question, which is reprinted in full below. Of particular note is that the Governors' Association Committee leaders emphasize that the control strategy proposed in the Udall-Cheney bill is "very consistent" with the National Governors' Association policy. They note that there is disagreement within the NGA concerning the funding of acid rain controls, with some Governors, "particularly those from the Midwestern coal States," interpreting NGA policy to mean a "national contribution," while others support the "polluter pays" approach. I believe the NGA letter makes clear that there is

strong support within the NGA for the control strategy in our bill. I infer as well that it is quite likely that there is very substantial support among the Governors for the "polluter pays" approach to dealing with this problem. For these reasons, I believe my colleagues in the House can reasonably expect support from many Governors for the approach taken in the Udall-Cheney acid rain bill. The letter follows:

NATIONAL GOVERNORS' ASSOCIATION,
Washington, DC, July 23, 1985.

Hon. DICK CHENEY,
U.S. House of Representatives, Longworth House Office Building, Washington, DC.

DEAR REPRESENTATIVE CHENEY: Thank you for your letter regarding H.R. 2679, the acid rain control legislation you recently introduced with Representative Udall. We very much appreciate the effort you have made to tailor your bill to reflect many of the recommendations of the National Governors' Association. We are happy to provide you with an assessment of the extent to which H.R. 2679 is consistent with the NGA policy.

As regards the control strategy for reducing sulfur dioxide emissions, we find your bill to be very consistent with the NGA policy. Specifically, the legislation mirrors the NGA policy in that it:

Incorporates the centerpiece of the NGA policy, the two phased, ten million ton reduction in sulfur dioxide emissions in the 31 states bordering or east of the Mississippi River. The phasing is designed to encourage the development of emerging, less costly control technologies during the second phase.

Provides a full opportunity for the EPA Administrator to make mid-course corrections in the second phase of emission reductions to reflect new research findings.

Preserves the flexibility for states and emitting facilities to develop their own approaches to reducing pollution rather than mandating the use of scrubbers on specific plants.

Allows emissions trading between states and substitution of nitrogen oxides reductions for sulfur dioxide reduction requirements on a two pounds (NO_x for one pound (SO_2) basis.

Does not limit growth from new sources so long as they meet the new source performance standards. It does require any plants which convert to coal in the future to meet a 1.2 pounds SO2 per million BTUs standard.

Requires Canada to achieve equivalent percentage reductions in emissions.

H.R. 2679 does contain a slightly tighter schedule for completion of second phase reduction requirements than recommended in the NGA policy. However, this difference is relatively minor when compared to the many provisions in the control strategy which are identical to NGA policy.

As we indicated in our discussion with you and Rep. Udall, the Governors remain divided over the question of what kind of funding approach should be taken in an acid rain control bill. The program funding section of the policy states: "The Governors believe that the acid rain control program requires the development of an equitable plan for financing emission reduction strategies and mitigating economic disruptions and job losses in affected states." The preamble states: "The Governors believe that acid rain is a national problem and that the significant cost of reducing acid rain should be shared by the states in a fair and equitable manner." This element of the policy has two general interpretations: Some Governors, particularly those from the midwestern coal states, interpret "shared by the states in a fair and equitable manner" to mean a national contribution for this national problem. Other Governors interpret this clause to mean that the polluter pays. As a result, we cannot evaluate definitively whether or not the emitter pays approach found in H.R. 2679 is consistent with NGA policy.

In closing we thank you for providing us the opportunity to comment on this legislation.

Sincerely,

ANTHONY S. EARL,
Chairman.
JOHN H. SUNUNU,
Vice Chairman.●

THE UNITED STATES-MEXICO BORDER REVITALIZATION ACT OF 1985

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. RICHARDSON. Mr. Speaker, today I am introducing a new positive approach to immigration, one that combines economic opportunity and jobs.

The issue of immigration has been considered as a domestic matter for too long. Last year's debate over the Simpson-Mazzoli immigration bill focused on the need for the United States to regain control of its borders by instituting employer sanctions or by increasing border enforcement.

What is evident to me is that immigration is a multilateral issue between the United States and other recipient nations and all nations whose lesser developed economies and/or internal political turmoil contribute to the flow of emigrants.

This view was confirmed by what members of the congressional Hispanic caucus saw and heard on their trip to Latin America last December. During our stop in Mexico, we found a willingness among Mexican officials to discuss important bilateral issues—including the problem of undocumented migration. The bill I am introducing today is in part a response to those talks.

The United States-Mexico Border Revitalization Act of 1985 would create a free trade land coproduction zone along the United States-Mexican border; establish a United States-Mexican Bilateral Commission; initiate a joint United States-Mexico Development Bank; and develop a Multilateral Commission on Immigration.

I am pleased to announce that as of today four members of the congressional Hispanic caucus are original cosponsors of the bill. Congressman HENRY B. GONZALEZ of Texas, Congressman ROBERT GARCIA of New York, Congressman ALBERT BUSTAMANTE, and Congressman SOLOMON ORTIZ of Texas.

I want to take this opportunity to outline the four major initiatives in the bill:

FREE TRADE ZONE

The recent peso devaluation in Mexico has created an economic crisis in the border region between our two countries. Most of the border region is economically depressed—it has one of the highest rates of unemployment; the lowest levels of income; health care services; educational attainment; and industrial development in the United States. Under my bill, the President is directed to enter into negotiations of the Government of Mexico for the purposes of establishing a United States-Mexican free trade and coproduction zone within approximately 200 miles of each border.

The zone would provide for the duty-free treatment of products grown, produced or manufactured within the zone. United States and Mexican businesses located in the zone would be eligible to tax incentives, similar to those offered in enterprise zone legislation now pending before the Congress. Businesses that are at least 35 percent Mexican-owned or 35 percent United States-owned will be considered eligible ventures under this act.

UNITED STATES-MEXICAN BILATERAL COMMISSION

Under the act, the President would be directed to appoint a bilateral commission, composed of 15 members of the public and private sectors in the United States and an equal number of representatives from Mexico. It will meet quarterly with the goal of strengthening the political and economic ties between our two countries. Areas of discussion are, but not limited to: Immigration; the free trade and coproduction zone; tariff and trade issues; transportation; energy and pollution.

UNITED STATES-MEXICO JOINT DEVELOPMENT BANK

My bill will provide for the establishment of a United States-Mexico Joint Development Bank with the authority to make economic development loans in Mexico and in the border regions of the United States. Assistance provided by the bank would be directed at improving employment opportunities. The Government of the United States and Mexico would contribute equally to the capital of the bank, with provisions for an initial U.S. contribution of $4 billion.

MULTILATERAL COMMISSION ON IMMIGRATION

Immigration is a multilateral issue. My bill recognizes that fact and creates a forum in the establishment of a commission where the United States and prime sending countries can discuss such immigration issues as: The

economic, political, and social factors that encourage legal and illegal immigration, the problem of border enforcement; the protection of rights of legal immigrants; and refugee relocation and refugee rights. The purpose of the commission will be to work out international agreements on immigration issues.

CONCLUSION

All of the problems of illegal immigration will not be solved with the initiatives proposed in my bill. But, it is time we in the Congress recognize that economic strife, the opportunity for a better life and freedom from religious or political persecution are the underlying reasons for the flow of illegal immigrants into the United States. My bill sets forth some new ideas for discussion in the immigration debate.

SUMMARY OF U.S.-MEXICO BORDER REVITALIZATION ACT

Title I—United States-Mexico Free Trade and Co-Production Zone:

Directs the President to enter into negotiations with the Government of Mexico for the purposes of developing and entering into a U.S.-Mexico Free Trade and Co-Production Zone Sector within 200 miles of each border;

Provides for duty-free treatment of products grown, produced or manufactured within a Zone Sector by a U.S.-Mexican business located in that Zone Sector and exported to a foreign country or introduced into the domestic commerce of the country in which the production or manufacture occurs;

Provides U.S. tax incentives to U.S. companies including: elimination of capital gains taxes on investment within the sector; an increase in investment tax credit for both personal and real property used in operation of eligible venture; income tax credits for employees; and continued availability of tax-exempt bond financing within the Sector beyond 1986 sunset;

Directs the President to submit the agreement to Congress and a bill implementing said agreement;

Directs the President to submit an annual report to Congress detailing the progress made during each period covered by the report in carrying out negotiations. If a bill implementing the Zone is enacted into law, directs the President to submit an annual report to the Congress detailing the operation and effect of the Zone during the period covered by the report;

Directs the President to evaluate the feasibility of establishing duty-free trade between the U.S. and Mexico on a national basis and shall submit to Congress a report and legislative recommendations on that evaluation.

Title II—United States Mexico Bilateral Commission:

Establishes a fifteen-member commission (there representatives each from the Senate, House and Executive Branch, academia and the private sector) that will meet quarterly with the goal of strengthening the political and economic ties between the U.S. and Mexico;

Areas of discussion include, but not limited to, immigration; Free Trade Zone; border region; tariff and trade; fishing rights; transportation; energy and pollution;

Directs the commission to submit an annual report to Congress.

Title III—United States-Mexico Joint Development Bank Act

Authorizes the President to enter into an agreement with Mexico to establish a United States-Mexico Joint Development Bank to make economic development loans in Mexico and in the border region of the United States;

Requires that assistance provided by the bank shall be directed at improving employment opportunities and enhancing the economic development of the geographic and economic sectors of Mexico which are the major sources of undocumented Mexican nationals who enter the United States and the U.S. and Mexico contribute equally to the Bank;

Directs the President to appoint the U.S. Directors of the bank. Authorizes the Secretary of the Treasury to subscribe to the capital stock of the bank. Authorizes appropriations to pay for such subscription.

Title IV—Multilateral Commission on Immigration:

Establishes a commission (U.S. representatives appointed by the President) that will have equal representation from the U.S. and the prime sending nations. The Commission shall work toward international agreements addressing immigration issues;

Areas of discussion will include, but are not limited to; economic, political and social factors that encourage illegal immigration; border enforcement; protection of the rights of legal immigrants; refugee relocation; and refugee rights;

Directs the Commission to submit an annual progress report to Congress.●

ISRAEL TURNS TO HIGH TECHNOLOGY

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. SCHUMER. Mr. Speaker, Hendrick Herzberg, a fellow of the Institute of Politics at Harvard University, and Christopher J. Matthews, administrative assistant in the office of the Speaker of the House, recently traveled to Israel as part of a program sponsored by the Jewish Community Relations Council of New York. During this tour, Mr. Herzberg and Mr. Matthews had a unique opportunity to observe an encouraging economic revolution in Israel—the development of a vibrant high technology industry.

An article describing their trip and observations was recently printed in the Baltimore Sun and I am reprinting it here in the hopes that my colleagues will take the time to read about this important development in the economy of one of America's closest allies.

[From the Baltimore Sun, July 21, 1985]

ISRAEL TURNS TO HIGH TECH

(By Hendrik Hertzberg and Christopher J. Matthews)

JERUSALEM.—Israel is in trouble—big trouble—and the Israelis are looking to high technology to save the day.

This time the terrain is economic, not military. Yet in many ways the challenge is as great as in any of Israel's wars. This month, the government took drastic measures to stave off disaster. Bypassing the Knesset, Israel's parliament, for the first time in the 37-year history of the modern Jewish state, the cabinet decreed emergency measures that could mean a cut of one-third in family income.

The economic battle has begun. But the new short-term austerity measures are not the whole story. For the long haul, Israel seeks to build a modern technological economy, the economic equivalent of its famed citizen army. To that end—and with the same dash and drive many of them showed as soldiers—the country's entrepreneurs, scientists and engineers are charging into the future.

They have the support of leaders in government, business and academia, who have pinned big hopes on state-of-the-art export industries. Increased exports are an answer—if only a partial answer—to the economic crisis.

The result is an all-out push in fields such as agro-technology, communications and, most important, health-care technology.

Some examples:

In an industrial park near the Weizmann Institute outside Rehovot, scientists from a company called Omikron have developed an artificial skin—a transparent, flexible film that can be used as a bandage. Placed over a wound or burn, it can be left on until the patient heals, when it sloughs off easily.

At the Afek kibbutz near Halfa, collective farmers turned medical technologists manufacture the Lympha Press, a sophisticated pneumatic "sleeve" that can be used to treat swollen legs.

In agricultural laboratories in Galilee, geneticists who developed the dwarf gladiola are about to come up with a four-pit watermelon that's orange instead of red. They hope its novelty value will turn it into a fad—the next kiwi.

At Laser industries in Tel Aviv, engineers supervise the manufacture of a compact, second-generation laser unit that enables eye doctors to perform follow-up surgery right in their offices, without anesthetics.

The stakes in these technological gambles are high—because Isreal's economic position is so precarious.

Israel suffered from inflation of 31 percent a month in 1984—an annual rate of 374 percent, the highest in the world except for Bolivia and Argentina.

It's been no better so far in 1985. In April, in fact, the annual inflation rate went above 700 percent.

In terms of daily life, the inflation has not been as bad as the figures make it sound, because all Israeli salaries have been indexed and most bank accounts "linked" to the dollar.

"The problem is, you have to spend a lot of time managing your daily position," said Israel Makov, president of InterPharm Laboratories, a six-year-old biotech firm. "You get your salary at the beginning of the month, and then you try to keep it from losing its value by the time you spend it. Do you put it in a two-day account? A one-week account? A two-week account? The less liquid you are, the more linked. In this country, everybody's a financier."

For individuals and for export businesses, which do most of the accounting in dollars anyhow, inflation has been merely a nuisance. But for the country at large, it is a symptom of deep economic distress.

Israelis often use proportional statistics to make their experiences more understandable to Americans. Thus, Israelis point out

that the 600 men they lost in the Lebanon invasion and occupation would be the equivalent in American terms of 36,000 fatalities.

By the same token, America's budget deficit, which this year is "only" $215 billion, would have to reach a staggering $650 billion before it would match Israel's as a percentage of gross national product.

Ditto for the trade deficit. At $5 billion, it's the equivalent in American terms of $812 billion. The actual U.S. figure, considered alarmingly high, is $113 billion.

Israel's main reason for moving into high-tech exports is to try to help solve its balance-of-payments problem, which is at the root of the rest of its economic difficulties. But there are also other reasons for the emphasis on high tech.

First, Israeli industries are denied access to many less-sophisticated markets. Israel cannot look to its neighbors as markets for basic industrial goods. Jordan and Saudi Arabia—let alone Syria. Libya and Iraq—can hardly be counted as potential Israeli export markets. Even Egypt has proved to be disappointing in this regard.

Nor does Israel see much possibility for sales in the rest of the Third World region that surrounds it. There are scant prospects for Israeli exports in the arc of Islamic countries from Pakistan to Morocco. And only a few other Third World countries are willing to risk the ire of Arab oil suppliers by trading with Israel.

That leaves Israel only one option: to make the kind of sophisticated products that can compete in European and American markets. In other words, it needs to leapfrog the lower-technology industries, whose markets have been slammed shut in its face, and challenge the more-advanced "First World" producers: the United States, Western Europe and Japan.

Second, Israel is forced to get along without the assistance of many of the big multinational corporations, because of Arab pressure. A visitor quickly notices the absence of many familiar brand logos. This is a country without Shell stations or Toyotas. (Subarus, however, are all over the place. They're the only Japanese car sold here.)

The boycott means Israel is shut off from many sources of investment and experience. But there is a positive side as well: As an economic island, Israel is obliged to be innovative and daring.

Third, high tech is a natural for Israel because of its highly trained work force and its superb educational system. The country's two great scientific universities, the public Weizmann Institute and the private Technion, are among the best in the world.

"It's all electronics now."

Ezer Weizmann, the man talking, helped create the modern Israeli air force. Pointing to an old photo on his office wall of himself in the open cockpit of a World War II vintage plane, he adds in clipped British tones: In my time, it was just me in my Spitfire with God as my copilot. Today it's all laser beams—and not just in warfare. In the economy, too."

"We've got to do what you're doing in the states," said Mr. Weizmann, who was minister of defense during the Camp David talks and now serves as a special adviser to Prime Minister Shimon Peres. "We need to build Silicon Valleys of our own."

Other Israeli officials strike similar themes.

Mordechai Gur, who later rose to become Israel's military chief of staff, was the Israeli ground commander who led the successful assault against Jordanian forces in the Six-Day War. It was he who captured the greatest prize of that war, the Old City of Jerusalem.

Today, Mr. Gur is helping to apply to the field of medical care the technological prowess the Jewish state displayed in battle. As minister of health, he holds the key government portfolio in the high-tech field. Israel, a country with one doctor for every 400 citizens (almost three times the proportion in neighboring Egypt), is counting heavily on its ability to exploit its high standard of medical care into a major export sector.

"We're working on a plan for what we call 'medical tourism,'" Mr. Gur recently told a group of U.S. visitors. "The idea is, if you need some elective surgery, you have it done over here—and while you're at it, you see a bit of Israel. You come over for medical treatment, and even with the trip and the tourism it's still cheaper than just the treatment at home."

But no matter how ingenious their marketing techniques, the Israelis cannot rely on increased exports to be the whole solution for Israel's economic woes.

To balance its economic order, the Jewish states also must cut its reliance on goods and services from abroad.

The steps announced this month—including a $750 million budget cut, layoffs of 9,000 government workers, and a stiff currency devaluation—will be acutely painful. They have evoked widespread protest because they will almost certainly mean sharply lower living standards and sharply higher unemployment.

For Israelis, high unemployment is especially painful because of Zionism's almost mystical view of the dignity of work. Also, authorities fear, many Israelis may simply pull up stakes and move to Denmark, Britain or, most often, the United States. There is nothing hypothetical about this danger. Already, 250,000 Israelis live and work in the United States—10 percent of Israel's entire population.

Even so, failure to deal with the underlying problems would threaten Israel's economic sovereignty. Israelis differ among themselves about almost everything, including economic policy, but one thing they all agree on is that more investment from, and trade with, the United States, especially in the crucial high-tech area, can only be all to the good.●

ANTIGUA

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. MICA. Mr. Speaker, I would like to direct my colleagues' attention to the economic development needs of the people and Government of Antigua.

Antigua and its sister island of Barbuda (Antigua) are located in the Leeward Islands of the Caribbean, nearly 250 miles southeast of Puerto Rico. Since obtaining its independence from Great Britain in 1982, Antigua has had a moderate democratic government. Relations between the United States and Antigua traditionally have been very warm, reflecting a long-standing friendship based on common goals for the Caribbean Basin. Antigua has repeatedly cooperated with the United States in every circumstance. Since 1941, the United States has maintained two military facilities on Antigua pursuant to military base agreements, under which for many years Antigua received no compensation. Antigua has also permitted the United States to establish and maintain a Voice of America station for purposes of broadcasting its messages throughout the Caribbean.

Antigua traditionally has supported U.S. interests in the eastern Caribbean; it has provided valuable assistance and cooperation with U.S. efforts to combat the growth of illegal drug trade in the region, and is an active member in the Regional Security System.

Antigua is a developing country which has made substantial efforts to overcome obstacles common to all developing countries and to become economically self-reliant. It has enthusiastically endorsed the Caribbean Basin Initiative [CBI] and has initiated negotiations with the United States on a bilateral investment treaty.

Recognizing the inherent risks involved in concentrating its development exclusively in the tourist industry, the Antiguan Government has made substantial efforts to diversify its industrial and commercial activities. It is actively encouraging investments in the production of livestock, export-oriented food crops, and light-manufacturing industries. The involvement of foreign investors and increased United States-Antigua trade is an integral component of achieving these objectives.

These efforts to attract foreign investment, however, are impeded by an infrastructure that is in critical need of rehabilitation and further development. For example, the recent growth in the Island's population and an increased influx of tourists have imposed strains on existing housing, communication, transportation, and utility facilities. In addition, the prolonged drought in 1984 severely strained the water supply system. These infrastructure requirements demand immediate attention. ESF assistance would go a long way in providing the means by which the Government could resolve these basic developmental requirements. Last year, Antigua received no ESF assistance, and other forms of U.S. economic assistance have not been distributed to Antigua quickly enough to satisfy many of its pressing financial requirements. I believe that ESF assistance would enable Antigua to work with the United States to strengthen an already healthy relationship and build a basis for a more productive and functional economy.●

UNEQUIVOCALLY AMERICAN

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. COELHO. Mr. Speaker, a more personal side of our colleague KIKA DE LA GARZA was featured in a recent article in the Washington Post.

As Michael Barone wrote, KIKA's story is "unequivocally American." A strong sense of family and ethnic identity have fostered his successes as a Texas attorney and 20-year veteran of the House. As chairman of the Agriculture Committee, KIKA has offered strong leadership and has certainly become one of the most important powers in Government.

I would urge all Members to read the article.

"UNEQUIVOCALLY AMERICAN"—THE POLITICS OF TWO POWERFUL HISPANICS

The two most powerful Hispanics in American government today are Kika de la Garza, chairman of the House Agriculture Committee in the year a new farm bill must be passed, and Henry Cisneros, mayor of San Antonio, our 10th largest city, and a member of the Kissinger commission on Central America.

Kika de la Garza's family has lived in the lower Rio Grade valley since the 1700s, long before it was the border. For years it was mostly scrub and desert, and even when he was growing up in the town of Mission in the 1930s, "we were three blocks away from the woods." His father worked for Hidalgo County and then for the U.S. Department of Agriculture; his father and uncle were active in local politics. They weren't a rich family, and as a kid de la Garza shined shoes on Main Street in McAllen; but it was accepted that "you were going to go to college—period."

Kika grew up speaking both English and Spanish. In grade school the Irish nuns spoke English but didn't ban Spanish; at the dinner table the language "depended on the conversation." In 1945, when he was 17, de la Garza left high school for the Navy to serve, unexpectedly, in peacetime. He returned home and attended Edinburg Junior College in the valley, and saved his GI Bill benefits for law school at St. Mary's in San Antonio, where most of the students were Hispanic. The dean was "a tough cookie," and he says, "99.9 percent passed the bar." At St. Mary's he was in ROTC and served in the Army artillery. He wasn't in Korea but was a general's aide.

On leave in 1952 de la Garza ran for the legislature and beat the rough-hewn local "machine." Any discrimination in the valley, school, the service, the legislature? "I never had a problem." He is an amiable man who has learned eight languages because "people appreciate hearing their own language." In 1964 Rep. Joe Kilgore retired. Lloyd Bentsen Sr., father of the senator and one of the valley's biggest landowners, "read me my responsibilities: my family, my people, my country." (Bentsen, now 92, says he has known de la Garza "since he could walk. He was always a real worker, ambitious.")

So the young man who had become one of the first Hispanic partners in a big McAllen law firm became, at major financial loss, the first Hispanic congressman from the valley—moderate to conservative, loyal to party, hard-working on district matters. He can hold the seat, if he wants, for life.

Heny Cisneros' father also worked for the government, as a civilian at San Antonio's Fort Sam Houston, and he rose to colonel in the Army Reserve. "For him, if a world was structured by grade," Cisneros says, "that was a fair world."

But his family was also in politics: his grandfather, Romulo Munguia, in the turbulent years following the 1910 revolution in Mexico, was a follower of Francisco Madero. Mexican revolutionary politics was a lethal business (for Madero and others), and Munguia moved to San Antonio, part of an exile community of political intellectuals in the first big city north of the border.

On the open, treeless lands of south Texas, San Antonio had even then just enough skyscrapers to look urban, though its economy depended on the military. Its population was about one-third Hispanic. Romulo Munguia and his son ran a print shop, which did a lot of political work.

Munguia was an anticlerical, but the church ran the only good schools, and Henry Cisneros attended Catholic High School for Boys, run by the Marianist Brothers. "I don't know if they intended it or not," he says, "but they created a Hispanic management group": 20 boys from the classes of 1960 to 1968 now hold high positions. Cisneros went from there to Texas A&M and was part of the military corps; he was contemplating a military career at a time when other national Democrats his age were protesting the Vietnam war. He's proud to be an Aggie, and proud that the governor appointed him to the A&M Board of Regents.

Cisneros' military career was cut short as the war wound down; he went to graduate school and got a PhD in urban studies; as a White House fellow he worked for Elliot Richardson. After Cambridge and Washington, he was offered a position teaching in San Antonio, and he and his wife returned there in 1974. He lives on the Hispanic West Side, near the small yellow bungalow where his parents still live. His uncle talked him into running for the council in a west side district in 1975; he ran for mayor in 1981 and beat an Anglo slow-growth advocate.

Cisneros revels now in planning for San Antonio's future, helping to build in a low-wage, public-sector city a strong high-tech private sector. He's proud of writing important papers—"Target '90," the city blueprint—himself, and proud that in a city once bitterly divided between Hispanics and Anglos, he's established a consensus politics on issues of his own choosing.

Talented political families, tough Marianist schools, military service, total fluency in English and Spanish and ease among Anglos and Hispanic the short relaxed 57-years old de la Garza and the ramrod-thin 38-years-old Cisneros have much in common. From their unusual corner of the United States, they stay in touch with Mexico, but their politics like their lives are unequivocally American.●

REUNIFICATION OF SIBLINGS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. GILMAN. Mr. Speaker, we have all heard reports of brothers and/or sisters who have been separated at birth or in early youth and have been joyously reunited after many years of searching. These happily ever after stories, while touching and happy, represent only a small fraction of the separated siblings. Unfortunately, many brothers and sisters are still searching for their siblings and indeed never reach the happy ending of being reunited.

A constituent of mine, Edward Branca, of Nanuet, NY, was moved by the story of a reunion of three triplets in New York in 1980. Since then, he has been deeply involved in trying to help separated siblings who are searching for each other. Mr. Branca has on numerous occasions provided various committees here on Capitol Hill with written testimony on the need for a plan of "siblings' rights." According to Mr. Branca, such a plan is necessary to ensure that no further siblings will be separated and denied the right to ever see each other again.

Recently, Mr. Branca submitted written testimony to the Senate Finance Subcommittee on Social Security and Income Maintenance Programs, which conducted a June 24 hearing on the Reauthorization of the Adoption Assistance and Child Welfare Act of 1980. He provided the subcommittee with incisive comments about separated siblings and outlined a proposed plan for "siblings' rights" which I would like to share with my colleagues. Accordingly, I request that his testimony be inserted at this point in the RECORD:

STATEMENT OF EDWARD BRANCA, JR.

I respectfully request Congress to consider enacting legislation, possibly as an amendment to the reauthorization of P.L. 96-272, to reunite brothers and sisters who are separated by adoption or foster care, and to prevent brothers and sisters from being unnecessarily separated in future adoptions and foster care placements. More often than we would like to think, brothers and sisters have been separated, often unnecessarily, and then denied the right to ever see each other again.

While I am not an expert on social service law, I believe few states have laws on their books to grant adoptees a right of reunion with brothers and sisters they have been separated from, even in cases where siblings were adopted by different families. While I have not done any research, I would guess that few states have laws on their books to require that, whenever possible, brothers and sisters who are available for adoption, be adopted by the same family. I was told by a person who lives in Maine, that Maine only stopped separating brothers and sisters a few years ago. I regret to say that my own

state of New York has not enacted a law to reunite separated siblings, even in cases where siblings who were separated as children have reached adulthood, and had been adopted by different families. A New York state bill, S4937-A/A5042-A, to require that whenever possible, brothers and sisters be adopted by the same family, has passed the state Assembly, though as of June 18th, it has not passed the state Senate. The following are some of the tragedies which have occurred when brothers and sisters were separated.

During the Great Depression, a group of siblings were placed in foster homes in western New York state. One of the children, Janet, returned one day from school, to be told by an older sister, that "Baby Lillian," their sister, had been taken away by the adoption authorities. Janet Gervaise has not seen her little sister for over fifty years.

Donald Booth, whom the 1981 ABC-TV. movie, "A Long Way Home" was based, was adopted by one family; his younger brother and sister were adopted by another. Don, who, according to the movie, greatly missed his siblings, did not see them again until all were adults.

Lorrine Brewer, who grew up in North Carolina foster care, has been unable to locate or obtain identifying information on her brother and sister who were adopted. It is a misdemeanor, under North Carolina law, to disclose information contained in adoption files.

Last year, after seeing a news report on the reunion of two brothers who had been separately adopted and denied contact with each other, I called the adoptive parent of one. When I asked her why the adoption agency didn't provide the childrens' adoptive parents with each others names and addresses, so that the children could keep in contact, she told me "they don't tell you that."

In 1983, a set of separately adopted identical triplets were reunited, at the age of fifty-seven.

The list of these tragedies could go on and on.

The International Soundex Reunion Registry, (ISRR), attempts to reunite adoption separated families by matching dates and places of birth. Emma May Vilardi, who Chairs the ISRR., states that, "Families of six to twelve children, all full siblings, were separated by adoption and foster care. War, depressions and the death of parent(s) are common denominators in the separation of large families." According to the ISRR's. 1984 annual report, 106 people, who know they have a twin they were separated from, are registered with the ISRR., in hopes their twin will also register.

I wish to point out how information given to adoptive families by adoption agencies can be false.

The February, 1981 issue of Good Housekeeping ran an article, "The Triplets Who Found Each Other," which is the true story of the accidental reunion in September, 1980, of a set of identical triplets who had been separately adopted shortly after their birth on July 12, 1961. The article stated that, after the triplets reunion, the adoption agency they were placed by, Louise Wise Services, told the triplet's adoptive parents that they were the last multiple birth babies who were separated. None of the triplet's adoptive parents had been told the children were multiple birth babies.

In May, 1985, I received a phone call from a woman who gave birth to brother-sister twins on June 23, 1969, eight years after the triplets were born. The "birthmother" surrendered the twins to Louise Wise Services. She told me that, shortly after the twins were born, she returned to Louise Wise Services, to see if the twins were being placed with the same family. Louise Wise told her that they would not attempt to place the twins together, unless prospective adoptive parents came to them requesting to adopt a set of twins. They would not ask prospective adoptive parents if they were willing to adopt a set of twins. So the twins were separated. When an adoption agency separately adopts siblings, it receives a fee from each set of adoptive parents, instead of receiving only one fee if the children are adopted by the same family. Louise Wise Services also conducted research on the effects of heredity by studying the multiple birth children it separated.

I have been told that Louise Wise Services separated many multiple birth babies, and has given false information to adoptees and adoptive parents.

PLAN FOR ENACTMENT OF "SIBLINGS' RIGHTS"

I have developed a plan to keep brothers and sisters together, in foster care and in adoption, and to reunite separated siblings. When I use the words "brothers," "sisters" and "siblings," I am, of course, referring to half-siblings as well as to full-siblings. I urge this plan be mandatory on states which receive federal aid for their foster care or adoption programs.

Siblings not be separated, in foster care or in adoption, unless absolutely necessary i.e. when no family is willing or able to take all the children in a sibling group.

II. That separated siblings, or, if they are minors, their legal parents, be allowed to obtain identifying information.

When siblings are minors, one (set of) parents should have a legal right to request a third party, perhaps the court, adoption agency or private organization, to contact the other (set of) parents to ask if they wish a reunion. If they agree, identifying information would be provided. If they decline, identifying information would not be provided, and the parent(s) notified of the turn down.

Adults should be allowed access to identifying information on their adult siblings without anyone's consent. (In many cases where siblings have been separated many years, the sibling won't be able to be located by the third party. Providing identifying information will help people in tracing their siblings.)

I do, though, believe it might be advisable if courts were allowed to withhold identifying information in cases where a sibling is developmentally disabled or suffering from serious mental illness. I do not believe that reunion should be denied in all such cases, as, in many such cases, brothers and sisters are the only family the person has left.

I urge that the right to obtain identifying information on siblings be allowed even in cases where a sibling(s) remain(ed) with the birthparent(s).

While I know revealing birthparents identity, even indirectly, is controversial, I urge that non-adopted, but separated, siblings be allowed reunion.

The Washington [state] Adoptee's Rights Movement, (WARM.), has been authorized in many of Washington's counties to act as "confidentual intermediary," to contact separated by adoption family members to ask if they wish a reunion. WARM. finds that ninety percent of the family members it contacts agree to a reunion. While I have no statistics on this, I assume that the vast majority of WARM's. intermediary contacts are on behalf of adoptees who wish to be reunited with their birthparents and vice versa. This, plus my own reading of adoption literature, as well as my own contacts with birthparents and other adoption separated and reunited people, has totally convinced me that the vast majority of birthparents wish to be reunited with surrendered children. I can only assume that, when the surrendered child has a brother or sister, the desire for a reunion is even greater.

I urge that the right to obtain identifying information apply to past adoptions and foster care placements, as well as to future cases. While I know Congress does not like to make regulations retroactive, I urge an exception be made to allow separated in the past brothers and sisters to be reunited. After all, these are cases where brothers and sisters who had nothing but each other left, were denied even each other. The information needed to reunite these siblings is locked away in a court or agency file, and denied to those, like Ms. Brewer, who need it most.

I suggest that Congress consider making the right to obtain identifying information enforceable by federal courts. Congress might wish to declare that the Constitutional protection of family relationships gives Congress the power to enact siblings' rights legislation.

III. That prospective adoptive and foster parents be informed if the child they plan to adopt, or take in as a foster child, has sibling(s), and, if so, if they are: (a) not surrendered, (b) available for adoption or foster care, and (c) have been adopted.

The fact that Louise Wise Services, and other adoption agencies, separated multiple birth babies, without telling the children's adoptive parents, explains why this regulation is necessary.

WHY STATE ADOPTION REGISTRIES ARE NOT THE SOLUTION

I believe that state adoption registries, which are being created by state legislatures in a number of states, including New York, are not the answer to the question of how to reunite separated siblings. I believe this for the following reasons.

Brothers and sisters who are separated had no say in the decisions which separated them from one another. Therefore, the law should make it as easy as possible for siblings, particularly adult siblings, to be reunited.

Professor Thomas Bouchard, of the University of Minnesota's Psychology Department, has studied about sixty-five sets of twins and triplets who were separated early in life, and reunited as adults. Professor Bouchard has told me that, while all his subjects have not had perfect reunions, none wishes the reunion had not happened. Professor Bouchard was not involved in separating siblings. He supports reuniting families who are separated.

A person who is active in helping adoptees search for birthfamily members, has told me that she knows of only a few reunions between separated siblings which were not successful. I thus believe that the vast majority of separated brothers and sisters wish a reunion.

State laws which govern adoption registries require that adoptees be adults before they may register. Most, if not all, state registries do not allow adoptive parents to register their minor children. To force parents to say to their child, that he may see his

brother or sister again when he is an adult, is nothing more than government mandated child cruelty.

In order to register with the New York state adoption registry, adoptees must be over the age of 21, been born and adopted in New York state, and pay a fee of at least $45,00. (No small amount to many adoptees.) For this fee, adoptees receive certain non-identifying information on their birthparents. For a "match" (reunion) to take place, one or both birthparents, as well as the adoptive parents (if living) must register. Also, more fees must be paid. The registry, by the way, is prohibited from soliciting a registration from anyone, or accepting registrations from separated siblings.

I would like to point out, that several states require or allow that amended birth certificates, which are issued to adoptees and adoptive parents (In most states, original ones are sealed), change not only the names of the adoptees parents, but the place of the adoptee's birth. A person adopted in any of these states, might not know where he was born, and thus not know which state registry, if any, he can register with. There are also siblings who were adopted by families in different states. Not to mention sibling are separated by foster care.

The following are some of the laws Congress has, in recent years, passed, which preempt state authority.

The Family Educational And Privacy Act of 1974 (Buckley Amendment), which requires school districts to grant access to student's school records to parents, and to persons over the age of 18 who have left school.

The equal access provisions of the math and science education law, which require school districts to allow students to conduct religious worship in school buildings, during non-school hours.

The law which requires states to enact a minimum drinking age of 21, in order to receive their full allotment of federal highway aid.

The following states change adoptees place of birth on amended birth certificates. (Information may not be up to date.)

States where place of birth must be changed: Kentucky, Mississippi, and North Carolina.

States where place of birth may be changed: California, Georgia, Illinois, New Jersey, and Wisconsin.

The following are addresses and telephone numbers of organizations mentioned in testimony.

International Soundex Reunion Registry, Emma May Vilardi, Box 2312, Carson City, Nev. 89702, Tel. 702 882-6270.

Good Housekeeping (commercial magazine), 959 8th Avenue, New York, NY 10019, Tel. 212 262-5700.

Louise Wise Services, 12 East 94th Street, New York, NY, Tel. 212 876-3050.

Washington Adoptee's Rights Movement, 220 Kirkland Avenue, Kirkland, Wash. 98033, Tel. 206 827-6680.

Professor Thomas Bouchard, Minnesota Center For Twin And Adoption Research, Psychology Department, Elliott Hall, 75 East River Road, University of Minnesota, Minneapolis, Minn. 55455, Tel. 612 373-0161.●

DR. WALTER SMITH IS NAMED FULBRIGHT SCHOLAR

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. FUQUA. Mr. Speaker, one of my warm personal friends and one of the Nation's outstanding leaders in the field of education has been named the recipient of a Fulbright Scholarship. Dr. Walter L. Smith, the immediate past president of the prestigious Florida A&M University in Tallahassee, FL, has received another honor in a long string of academic and professional accomplishments.

We are all aware of the prestige and significance of Fulbright Scholarships. This one is significant because Dr. Smith will carry his academic and administrative expertise to Malawi in south central Africa.

Dr. Smith is uniquely qualified for his opportunity and challenge. Not only will he leave a significant mark on education in that nation, he will be a worthy ambassador of good will for this Nation in that part of the world.

The Capital Outlook of Tallahassee printed an article announcing Dr. Smith's selection. It is with genuine personal pleasure that I ask its inclusion in the CONGRESSIONAL RECORD.

The article follows:

FORMER FAMU PRESIDENT SMITH TO LECTURE AS FULBRIGHT SCHOLAR

(By Jere Smith)

Dr. Walter L. Smith, immediate past president of Florida A&M University, has been selected as a senior Fulbright Scholar for the country of Malawi in south-central Africa.

The year-long lecture-research appointment will begin this fall during Smith's sabbatical leave from the State University System after an eight-year tenure as president at Florida's only historically black university. The Fulbright Grant provides subsidies for Smith to travel, lecture, carry out specified research projects and will support his dependent's education cost during the one-year period.

Smith's son, Walter II, 12, a prospective seventh grade student at Florida A&M University High School, will travel with his father to Africa this fall.

Smith, 50, was notified of his appointment last Thursday by Ronald Trowbridge of the Board of Foreign Scholarships on behalf of the United States Information Agency. In his letter to Smith, Trowbridge cited Smith's academic and professional achievements as the basis for his selection.

Part of Smith's application reflected his personal leadership and involvement in the education of blacks throughout the United States in general and in Florida specifically.

He was the chief architect of the state's first Conference on the Education of Blacks in Florida and later was appointed by the State Board of Education to chair a committee which grew out of that conference and which advises the Board on the education of blacks.

Congressman Don Fuqua, who recommended Smith's candidacy, indicated that he's "delighted that one of my constitutents was chosen for this high honor. This experience should be mutually beneficial to the parties; Malawi will have the resources of a prestigeous and experienced educator, while former FAMU President Smith will have an opportunity to expand his international professional exposure."

In 1971, as an African-American Institute Scholar, Smith studied in the countries of Ghana, Togo, Dahomey (Benin), and Nigeria. Since that experience, he has traveled to England, France, Germany, Kenya, Greece, the People's Republic of China and throughout the Caribbean.

In 1979, Smith was a United States Non-government Organization delegate to the International Conference on Science and Technology for Development in Vienna, Austria. It was during this conference that Smith participated in many debates on harnessing international resources to enhance the quality of life in Third World Countries, Congressman Fuqua, who chairs the U.S. House of Representatives Committee on Science and Technology, was a major spokesman at that conference in Austria.

More recently, Smith traveled with Gov. Bob Graham to Israel to enhance economic and education relations between that country and the State of Florida.

Dr. Frederick S. Humphries, president of Florida A&M University, sent a message of congratulations to Smith for having received the prestigious honor. He said that his predecessor's experiences in the international arena, his desire to raise the standards of academic excellence among black people everywhere, and his proven record of accomplishments will "certainly impact the nation's effort bring about world peace through understanding and education."

Nominations for Fulbright Scholarships are made by the Council for International Exchange of Scholars advisory committees and forwarded to the Board of Foreign Scholarships.

During his 12-month stint, Smith will help the University of Malawi develop its graduate programs at Chancellor's College and at other colleges in that country. He will also research problems related to access and articulation between that country's secondary schools and the University System.

Smith, who resigned July, 1984, is one of three senior administrators within the State University System to receive sabbatical leave within the past 12 months. Dr. Robert Marston, immediate-past president of The University of Florida, will return as a professor in the School of Medicine at Gainesville for the 1985-86 academic year. Dr. Barbara Newell, immediate-past chancellor of the State University System, will also begin her sabbatical leave this fall.●

HIROSHIMA '85

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. MARKEY. Mr. Speaker, the United Nations has proclaimed 1985 the "International Year of Animation," and to help commemorate this event, I would like to call the attention of my colleagues to a remarkable film festival which will take place from August 18 through August 23, in

Hiroshima, Japan. The theme of this animated film festival is "Love and Peace," and its purpose is to promote friendship and understanding among all the world's peoples and cultures.

The festival will take place in an auditorium in the Peace Park, and like the park itself, it is a reminder of the anniversary of the first atomic bomb dropped on Hiroshima 40 years ago this summer. But this festival is not a grim reminder of the past, rather it is a celebration of peace and progress to, in the words of its organizers, "spread the heartfelt message of Hiroshima in hopes of an everlasting peace for the world."

"Hiroshima '85," the first officially sponsored film festival in Asia, will present a wide range of animated films to an international audience of educators, artists, film makers, critics, producers, and journalists. I am pleased to report the work of U.S. animators will figure prominently at the festival. In addition to an entire program dedicated to the work of several other American film makers, there will be a special tribute to Chuck Jones, perhaps the most internationally honored animated film maker in the world today.

Mr. Speaker, I salute the work of the artists and organizers behind "Hiroshima '85," and wish them well in their efforts to promote peace throughout the world.●

MID-VALLEY UNIT ACT OF 1985

HON. RICHARD H. LEHMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. LEHMAN of California. Mr. Speaker, today I am introducing legislation which would authorize the construction of the mid-valley unit of the Central Valley project [CVP], located in California.

This legislation would authorize the delivery of supplemental surface water to approximately 4 million acres of intensively irrigated agricultural lands on the east side of California's Central San Joaquin Valley. This rich farmland faces a serious ground water overdraft problem which, if not resolved, would result in the loss of thousands of acres of productive land.

The legislation would implement a plan which would help preserve a portion of the economic and cultural development that already exists in the San Joaquin Valley of California, the Nation's most productive agricultural region. Supplemental surface water deliveries would help alleviate the heavy reliance upon ground water pumping and the negative impact on that limited natural resource which has resulted. Diversified family farming is the backbone of the agricultural economy of the region and water is the very essence which nourishes this thriving economy.

The concept of a mid-valley canal to provide additional water to the area has long had the support of water users, including local governments, the farm community, businessmen, and others who are concerned with the San Joaquin Valley ecosystem and the economic well-being of the region.

Various studies on the construction of a major conveyance facility to serve the eastern portion of the San Joaquin Valley were conducted in the 1950's and 1960's as part of the Central Valley project authorization and a proposed feasibility report on the east side division of the CVP was sent to the Secretary of the Interior in 1968. These initial studies made it apparent that a wide discrepancy existed between the existing supply of water and the consumptive demands of the entire region.

The need for this supplemental surface water was demonstrated in a joint study by the California Department of Water Resources and U.S. Bureau of Reclamation entitled, "Mid-Valley Canal, East Side Division, Central Valley Project, California, a Report on the Mid-Valley Canal Feasibility Investigation, U.S. Department of the Interior"—January 1981. The report conducted an extensive survey of the needs within the service area and the hydrologic, economic, and environmental considerations of constructing such a facility. The canal, as envisioned in this 1981 study, was a major conveyance facility to be constructed on the east side of the valley.

The study indicated that the service area faces an annual ground water overdraft of an estimated 1.5 million acre-feet. The Bureau of Reclamation indicated that local surface water supplies have been almost completely utilized and cannot realistically meet the long-term demands of the area. In addition, the report points out that overall basin irrigation efficiency is very high and additional conservation technologies would yield no appreciable irrigation supplies. The feasibility report concludes in part that over 440,000 acres of highly productive irrigated agricultural lands would have to be abandoned "within the foreseeable future unless a replacement supply can be imported."

Subsequently, the Bureau of Reclamation has included within its annual budgets for fiscal years 1985 and 1986, funds to conduct the "San Joaquin Valley Conveyance Investigation" to conduct updated studies. This investigation will evaluate the economic feasibility of various alternatives regarding the delivery, storage, and environmental impacts of implementing the concept of the mid-valley unit. The investigation will study the utilization of existing facilities as a means of producing a more cost-effective project. Complete consideration will have been given to resolving the present and anticipated ground water overdraft problem and meeting the water supply needs in the area, including water delivery systems, drainage, erosion, flooding, and fish and wildlife impacts. The Mid-Valley Water Authority is sharing in this cooperative investigation to be completed in 1986.

In addition, the legislation provides provisions to take into account the protection and enhancement of fisheries, wildlife, and recreation opportunties associated with the construction and operation of the project.

The mid-valley service area is comprised of irrigated agricultural lands in Merced, Madera, Fresno, Tulare, Kings, and Kern Counties. The area is represented by the Mid-Valley Water Authority, a joint powers authority formed in 1982 and comprised of 29 public agencies which serve the agricultural, municipal, and industrial water needs of the service area.

The authority represents a broad consensus of support for the project and as studies have already indicated there exists a dramatic need for the construction and operation of such a facility.

For the benefit of my colleagues, I have included a copy of the legislation.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Mid-Valley Unit Act of 1985".

SEC. 2. FINDINGS.

The Congress finds that—

(1) there is need for a federally constructed project to serve approximately 4 million acres of irrigated agricultural lands located in Merced, Madera, Fresno, Tulare, Kings, and Kern Counties, California;

(2) there is presently an overdraft of groundwater in these counties that would be alleviated by providing irrigation, municipal, and industrial water supplies;

(3) a federally constructed project would facilitate optimum conjunctive use and reuse of surface and underground water supplies enhancing the agricultural stability of the San Joaquin Valley; and

(4) fish and wildlife resources and outdoor recreation opportunities would be enhanced by construction of a project.

SEC. 3. AUTHORIZATION.

(a) AUTHORIZATION.—The Secretary of the Interior (hereinafter in this act referred to as the "Secretary"), acting pursuant to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), is authorized to contruct, operate, and maintain, the Mid-Valley Unit, as an addition to and an integral part of, the Central Valley Project, California, upon completion of a favorable Planning Report/EIS on the San Joaquin Valley Conveyance Investigation.

(b) PRINCIPAL WORKS.—The principal works of the Mid-Valley Unit shall consist of pumping plants, pumping generator plants, power plants, power transmission faciities, canals, channels, levees, drains, flood control works, pipelines, regulating reservoirs, off-stream and on-stream storage reservoirs, deep wells and pumps, and distribu-

tion systems and facilities consistent with the recommendations of relevant planning documents. The Secretary is authorized and directed to utilize, whenever feasible, existing water supplies, conveyance and storage facilities.

(c) PROVISION OF WATER.—The Secretary is authorized to provide water supplies for the irrigation of approximately 4 million acres of land in Merced, Madera, Fresno, Tulare, Kings, and Kern Counties, as identified in the Planning Report/EIS on the San Joaquin Valley Conveyance Investigation.

SEC. 4. FISH AND WILDLIFE ENHANCEMENT AND RECREATION.

The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the Mid-Valley Unit shall be in accordance with the provisions of the Fish and Wildlife Coordination Act (16 U.S.C. 661 et seq.) and the Federal Water Project Recreation Act (79 Stat. 213).

SEC. 5. WATER DELIVERY AND STORAGE AGREEMENTS.

The Secretary is authorized and directed to—

(1) execute a contract with the State of California for the wheeling, delivery, exchange, and storage of water through the facilities of the State Water Project of California for use in the Mid-Valley Unit; and

(2) execute contracts with the State of California for the construction or enlargement of conveyance and storage facilities for joint use.

SEC. 6. LOCAL COST-SHARING AGREEMENTS.

The Secretary may enter into agreements with the Mid-Valley Water Authority, a California Joint Powers Authority, for the provision of all or any portion of the authorized distribution facilities as the local contribution to the cost of the project.

SEC. 7. STATE AND LOCAL PUBLIC INTEREST.

In locating and designing the works and facilities authorized for construction by this Act, and in acquiring or withdrawing any lands as authorized by this Act, the Secretary shall give due consideration to relevant reports by the State of California, and shall consult with local interests who may be affected by the construction and operation of the works and facilities or by the acquisition or withdrawal of lands, through public hearings or in such manner as in his discretion may be found best suited to a maximum expression of the views of such local interests.

SEC. 8. AUTHORIZATION OF FUNDS.

There is authorized to be appropriated for construction of the Mid-Valley Unit as authorized in this Act, the sum of $——, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the types of construction involved herein.●

HANS HACKER: EAST LIVERPOOL'S YOUNG ARTIST

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. APPLEGATE. Mr. Speaker, many millions of people have come to America over the course of our history and the talents and skills that they have brought to our shores have contributed immensely to the arts and humanities of our Nation. Out of the many thousands of artists and painters who have come from foreign countries is one man who has brought joy and pleasure to the canvas: Hans Hacker, the youthful artist of East Liverpool, OH.

Hans Hacker developed his artistic skill in his native Germany where, by the age of 11 , he was well on the way to painting and selling his works of art. Coming from a family that was artistic to begin with—his father a commercial artist at a pottery and his mother an art teacher—Hans was well prepared to nurture the talents that he has expressed through his paintbrushes for well over half a century. Hans first embarked for America in 1932, joined by his wife but without their infant son who remained in Germany with Hans' parents. Coming to the town of East Liverpool, Hans worked for the Commercial Decal Co. while continuing to make frequent trips to Germany until 1939, when the spectre of war loomed ever larger in Europe.

Leaving the hills of Germany for the hills along the Ohio River was no major disruption for Hans and his wife, Johanna. Since coming to America, Hans has continued to create art from his surrounding environment—from the old buildings along Second Street in East Liverpool to the countryside of Columbiana County. There is nothing that Hans can't apply to canvas and the world around him is just waiting to fall under the stroke of his brush. As Hans would say, "I see beauty in practically everything." Hans served as the art and technical director at Commercial Decal's specialty division until his retirement in 1977, after his service of 45 years. But Hans has not retired from painting as he continues to create oil and watercolor paintings and is a frequent winner of awards at the many local art shows. Many of his works are given as gifts to the local community and raffled to raise funds for charitable organizations.

Mr. Speaker, Hans Hacker will be honored this month with an exhibition of his art sponsored by the East Liverpool Historical Society. I would like to extend my utmost recognition and that of the House of Representatives in saluting this talented artist. Most of all, the Philosophy of painting that Hans applies to his art are words that we should all remember:

You have to have the talent to begin with. It also depends on the environment you grow up in. You have to do it from when you were a youngster. Whatever you like, you put your heart and soul into it—it's what keeps me young.●

DAN RATHER ON INFLATION

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. MAVROULES. Mr. Speaker, for several months, it has been apparent that the economic recovery, which we hear so much about, is an uneven one, which has left behind several segments of our economic base—areas vital to our Nation's economic prosperity. Perhaps nowhere is this more evident than among our Nation's small manufacturers.

Last week, a report on the "CBS Evening News" highlighted this problem. In this report, which is reprinted below, Mr. Robert Lee, president of Hotwatt, Inc., of Danvers, MA, describes the difficult economic conditions which he and other small manufacturers are facing.

Mr. Speaker, my small business Subcommittee on Oversight and the Economy recently conducted a hearing on economic issues affecting small business. At this hearing, we learned that small business failures reached an all-time high in the first 4 months of this year, and that several sectors of the economy, particularly farmers and those involved in the domestic footwear industry, are in the midst of a very severe recession.

Don't get me wrong, there are segments of the population who are enjoying economic prosperity. Yet, for a large number of individuals, the words "economic recovery" have no meaning. Over the coming months, my subcommittee will continue to examine the economic health of our small manufacturers and other small businesses in an effort to ensure that our economic policies are designed to benefit all segments of the population.

CBS EVENING NEWS WITH DAN RATHER AS BROADCAST OVER THE CBS TELEVISION NETWORK

RATHER. The latest government report shows that June was another month of low inflation, with consumer prices up just two-tenths of a percent. So far this year, inflation is running at an annual rate of 3.7%. Low inflation is the kind of news consumers like to hear, but not all is well. As Jane Bryant Quinn reports, other economic road signs indicate slow going.

JANE BRYANT QUINN. Last May, President Reagan told businessmen that America was on a roll.

PRESIDENT RONALD REAGAN. (May 24). The economy has shown solid growth for the last nine quarters.

QUINN. But today, worried manufacturers want to know what the government has done for them lately.

BOB LEE. Some time, the customers whom we serve tell us that there's no business.

QUINN. In Bob Lee's small manufacturing plant in Danvers, Massachusetts, business started to fall apart in January. He has cut his workforce by more than 10%.

LEE. Profits have been squeezed down quite a bit. We've only really had one profitable month in the last six.

QUINN. The empty chairs and missing jobs in hundreds of factories like Bob Lee's are telling the politicians that something is very wrong. In the first six months of this year alone, America lost 221,000 jobs in manufacturing and it's getting worse.

IRWIN KELLNER [economist]. It's kind of an economic malaise, if you would. We're really in a recession, but, somehow or other, it just doesn't feel like an economic boom.

QUINN. And with reason. Ever since January, economic growth has been on the skids. Housing starts have been down this year. Business profits are hurting. Unemployment has gotten a little worse. The Administration hopes that the slowdown is over. Today, it reported a healthy 1.8% rise in new orders for consumer appliances and other durable goods. But despite this good news, many economists believe that the pace of business will remain slow.

KELLNER. We've had our economic recovery in '83 and in '84, and now from here on out we're just going to zig and zag up and down.

QUINN. Federal budget deficits have been catching part of the blame for the slow zigzag economy, because government borrowing pushed interest rates too high. But ironically, in a weak economy, government spending helps keep business going.

DAVID LEVY (economist). If we were to reduce the—the deficit, it will have exactly the opposite effect desired. It will hurt the economy severely.

QUINN. Hundreds of small manufacturers are crossing their fingers that they will not be hurt any more than they have already. Although, in shops like these a business upturn is not yet in sight.

Jane Bryant Quinn, CBS News, Danvers, Massachusetts.●

OPIC: ROOM FOR IMPROVEMENT

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. PEASE. Mr. Speaker, On September 30, 1985, the Overseas Private Investment Corporation's authorization is due to expire. Reauthorization bills are now proceeding through this Chamber and through the Senate.

OPIC's primary mission is to promote the economic and social development of lesser developed friendly nations by assisting U.S. private investments. The financial record of OPIC has been impressive in recent years. In 1984, its net income was $97 million, of which $74 million was interest earned on its holdings in U.S. Government securities. However, many of OPIC's projects have not been ones which most effectively promote development. Many projects have even been located in wealthier countries such as Saudi Arabia and Oman. Clearer statutory standards are now needed to assure that OPIC adheres to its developmental goals.

An article that will appear in the Council of Hemispheric Affairs' biweekly "Washington Report on the Hemisphere" by COHA Senior Research Fellow Frank Howard explores the performance of OPIC in light of its development goals and the current reauthorization proposals. For this reason, I encourage all of my colleagues to read the Howard article.

QUESTIONS ABOUT OPIC

(By Frank Howard)

In a year of struggles with the federal deficit, could anyone argue with a federal agency which showed an actual profit in 1984 of $97 million? Especially an agency dedicated to such objectives as the economic and social development of poorer countries, human rights, improving this country's balance of trade, and supporting U.S. small business? If the current Congressional reauthorization proceedings for the Overseas Private Investment Corporation (OPIC) are typical, few have any quarrels with this small but important federal agency. Nonetheless, although OPIC is all but unknown to the vast majority of Americans, the agency merits scrutiny, and measures should be taken to ensure that it more actively pursues its developmental goals—one of the original justifications for its existence.

OPIC insures billions of dollars of U.S. private investments overseas against political risks such as expropriation. Its insurance programs are especially attractive because it offers 20-year policy terms; private political risk insurers usually offer only 3-year periods of coverage. OPIC also provides direct loans and information services to U.S. investors as well as guaranteeing loans made by U.S. banks to them. All of its commitments are backed by the full faith and credit of the government.

The current four-year statutory authority for OPIC is due to expire September 30, 1985. As a self-sustaining agency, OPIC is largely exempt from the annual review to which other federal agencies are routinely subjected at appropriations time. Therefore the present reauthorization proceedings provide a rare opportunity for Congress to revisit the agency and determine that it is doing the job that in part earned it the right to exist.

The enacting legislation gave OPIC various, and possibly conflicting, statutory objectives. On one hand, OPIC is required to promote "the economic and social development of less developed friendly countries and areas," to give a preference to poorer countries, and to consider the effect of its programs on the "respect for human rights and fundamental freedoms."

On the other hand, OPIC is also required to prefer projects which further the "balance of payments and employment objectives of the United States," which "involve United States small business," and which are in countries that "are receptive to private enterprise."

OPIC has nearly total discretion in balancing these objectives. In recent years, the agency's emphasis has been on large projects and financial stability, at the expense of development.

OPIC's official reports play down its larger undertakings, advertising the small scale projects it has assisted through direct loan programs. A 1982 OPIC development report suggested that small business activities were a more cost-effective way to produce employment in the developing countries than large projects. In 1984, OPIC's small direct loan programs typically included $240,000 for a St. Kitts commercial fishing operation and $400,000 to a Grenadan nutmeg packaging plant.

For insurance undertakings, OPIC's graph summary in its 1984 report showed that of 124 newly undertaken activities in 1984, 13 were for over $10 million per client, which appears to be a modest portion. However, examining the actual dollar amounts and calculating their percentage reveals that the projects in excess of $10 million accounted for $942 million, or 83.7 percent of the total dollar amount of OPIC's 41.13 billion-worth of newly insured commitments.

Heading the list of countries receiving OPIC-insured U.S. investments in 1984 were the People's Republic of China and Chile. China had two projects totalling $278 million for oil exploration by Pennzoil Company and by Texaco, Inc. Chile had five backings totalling $242 million, including a $220 million gold and silver exploration effort by the St. Joe International Corporation. The projects in China and Chile alone accounted for 46.2 percent of OPIC's portfolio of new insurance in 1984.

Most of OPIC's loan activities in 1984 were not small direct allocations, but large guaranty undertakings. These were led by guarantees for loans of $40 million for an export fertilizer plant in Tanzania, $20 million for construction of a Hyatt International hotel in Egypt, and $20 million for a Brazilian fertilizer plant.

Statutory limitations now prevent OPIC from guaranteeing more than 10 percent of its total loan guaranty authority to any one bank's insured lending, and effecitve limit of $75 million per institution. OPIC wants the limit raised to 25 percent, arguing that many private U.S. financial institutions are now unwilling to lend to developing countries because of the current debt crisis afflicting the third world. However, the 10 percent limitation can be defended as honoring the reason why it was created: preventing OPIC from concentrating its loan guaranties among a narrow circle of lending institution. Raising the limit to $188 million per U.S. bank would only pave the way for further large-scale loan guaranty projects.

Another issue meriting attention is the development impact permitted by OPIC projects within the host countries. For example, the agency is assisting the construction of a $40 million fertilizer in Tanzania, a very poor country which surely needs outside investment. But in order to shelter it from local uncertainties, the project uses a so-called "island concept" which includes offshore bank accounts for revenues generated. Many of the multiplier benefits of this project for the rest of the Tanzania economy are thus lost.

Aside from the size of the efforts assisted by OPIC and their effects within the host countries, another important measure of the developmental impact of OPIC's projects is the extent to which they are located in the poorest of the lesser developed countries. OPIC is required to give "preferential consideration" to the least developed counties, with $680 or less in per capita income in 1979 dollars. The agency is also required to "restrict" its activities in countries with $2950 or more in per capita income in 1979 dollars. OPIC's own analysis provided by its 1984 audit statement shows 59 such projects in the poorest countries category, which was 42.1 percent of the total number of OPIC assisted projects in 1984. In dollar amounts, 44.6 percent of OPIC assistance was in these least developed countries. A statutory requirement

that at least 50 percent of the dollar value of OPIC projects be located in the least developed countries would provide a clear standard for such "preferential consideration."

In recent years the OPIC board has granted numerous exceptions to the $2950 guideline to authorize projects in countries such as Saudi Arabia, Oman and Israel. The justification for projects in wealthy, or better off and stable, countries is that they serve one or more specific U.S. interests, such as promoting small business. An outright prohibition on lending in wealthier countries would mandate that the agency concentrate its resources exclusively in countries in dire need of economic development. Such a prohibition would also benefit the private political risk insurance industry, which usually can compete with OPIC only in the wealthier countries.

A proposal has been made by Congressmen Don J. Pease (D-Ohio), Howard Berman (D-Calif.), and Don Bonker (D-Wash.), to prohibit OPIC from assisting projects in nations which fail to observe internationally recognized labor standards, such as freedom of association. It is thought that where workers are free to exercise labor rights, the economic benefits of U.S. investments will flow more fairly to the general population. Countries desiring U.S. investment would have an economic incentive to reform their often restrictive practices.

OPIC strongly opposes any moves to curtail its discretion based on the quality of labor practices of host countries. But Congress has already adopted a similar certification process in regard to countries eligible for the Generalized System of Preferences (GSP) in the trade area; applying those same standards to OPIC projects would make for consistency.

OPIC's approval of $242 million in projects in Chile is especially interesting both because that country has a notoriously poor record of recognizing labor and other human rights, and the action may signal a favorable nod by the United States toward the Santiago military regime at the very time that Congress has taken actions on human rights grounds against South Africa. The Administration also recently voted at the World Bank to allow a $55 million development loan to Chile, after abstaining from two similar such votes earlier in the year as a sign of displeasure with a state of siege imposed by the Pinochet dictatorship. While the state of siege was formally lifted on June 17, 1985, the day before the favorable U.S. vote at the World Bank, the Chilean government remains as dictatorial as ever.

Under the leadership of president Craig Nalen, OPIC has grown quickly, as its total assets rose to $907 million by the end of fiscal year 1984. Net income in 1984 was $97 million, although $74 million of that amount was interest derived from its holdings in U.S. securities. But this impressive record cannot be taken as the last word by Congress in evaluating OPIC's reauthorization legislation. The original development objectives of OPIC merit increased emphasis and statutory clarity.●

SOVIET PERSECUTION OF VLADIMIR AND CARMELLA RAIZ

HON. MICHAEL A. ANDREWS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. ANDREWS. Mr. Speaker, this week, Secretary of State George Schultz is in Helsinki for ceremonies commemorating the 10th anniversary of the signing of the Helsinki Final Act, which among other things was designed to reduce restrictions on human rights and enhance immigration from the Soviet Union and its allies. Yet 10 years after the signing of the accords, the human rights and emigration situation in the Soviet Union is at its lowest point since World War II. This is especially true of the plight of the Soviet Jews.

One of the most dramatic examples of the situation faced by Soviet Jews is the case of Vladimir and Carmella Raiz, a Jewish family that lives in Vilnius, Lithuania. The Raiz first applied to emigrate to Israel in 1972. The reason cited was family reunification and repatriation to the Jewish national homeland, both legal and valid reasons for emigration under Soviet and international law.

As a result of their application, Vladimir was forced to resign his job in 1974. By profession, he is a molecular biologist. Since then all attempts by Vladimir to gain employment in the scientific field have been turned down by Soviet authorities. He currently works as a letter carrier.

Carmella, his wife, is a violinist with the Vilnius Symphony Orchestra. Although she has been able to keep her job on a part-time basis, she is not allowed to travel with the orchestra, has been demoted, and has been denied pay raises granted to the other members of the orchestra.

Vladimir and Carmella were first refused the right to emigrate in 1973. At that time, the Soviets stated that Vladimir could not be allowed to leave because he had access to state secrets. Yet it was widely known that he was working on a project that was part of an international study of pepsin, and that the lab was receiving assistance from the West. Despite the fact that there were thus no compelling reasons to refuse his family's application, the Soviet again rejected the Raiz request in 1977.

During the pendency of the Raiz application to emigrate, has the Soviet Government permitted Vladimir and Carmella Raiz and their children, Moshe and Shaul, to lead a normal life? Tragically, the answer is "No." In addition to their employment troubles, the Raiz family is also denied the right to practice their Jewish faith without harassment.

A recent American visitor to the Raiz, the first person from the West to make contact with them in 2½ years, stated in an affidavit:

> The most serious problem facing Dr. Raiz and his family is the difficulty they have in practicing their Judism. In the past two years, Dr. Raiz and his wife have become devoutly religious Jews. They, and the rest of the Jewish community are allowed to use the synagogue in the city only twice a year. They are not allowed to use the synagogue for daily, sabbath, and holiday services or any other function.

The testimony goes on to state the Raiz are forbidden to obtain Jewish books or articles. They cannot purchase kosher food. In 1984, Carmella was questioned by the KGB for holding a passover Sedar ceremony in their home.

Contact with the West, with the exception of their sister in Israel, is almost nonexistent. Western visitors to Vilnius are chased away by the KGB. Telephone calls are disrupted. Mail from the West is not delivered. I have personally written the Raiz on three separate occasions by registered mail. All of these letters have been returned to me undelivered. Last March, my staff sent a birthday card to Shaul Raiz, who turned 3 this year. Even this was not delivered. In short, all attempts by my office to make contact with Raiz have been stopped by the Soviet authorities.

This year, I learned that Vladimir was being threatened by the Soviets with conscription into the Red Army. Also, there have been reports that he has been assaulted by local authorities on the streets. Most disturbing of all, Vladimir has been diagnosed with diabetes, and has sometimes slipped into a comatose state. We are not sure that he is receiving adequate treatment.

In recognition of the increasingly desperate situation faced by the Raiz I took the unusual step of making a personal appeal for help to visiting Politburo member Vladimir Scherbitsky, when I traveled with him to Austin on his visit to the United States last spring. At that time, I asked Mr. Scherbitsky and Ambassador Dobrynin to secure a visa for Vladimir and his family to travel to Houston so that he could receive treatment at the Texas Medical Center for his illness.

Mr. Scherbitsky accepted my request, and assured me that the appropriate local authorities would be asked to review the case, and that I would be kept informed of any developments by the Soviet Embassy. It has been 5 months since this promise was made, and I have received no information from the Soviets, in spite of the promise and a followup letter I sent to Ambassador Dobrynin in May.

Mr. Speaker, the tragic situation faced by the Raiz family, refusal of the right to emigrate, denial of the right to work in their profession,

51-059 O-86-46 (Pt. 16)

denial of the right to practice their Judaism, harassment, and isolation from their friends and supporters in the West, represents the lack of human rights and religious freedom in the Soviet Union today 10 years after the Soviets signed the Helsinki agreement. The stark reality of the current level of oppression demands from us continued vigilance and effort, until such time as those who want to emigrate are permitted to leave, and those who want to stay are assured of the protection of their human rights under the provisions of the Helsinki agreement.●

PROBLEMS IN SURINAME

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. GARCIA. Mr. Speaker, I am submitting for the RECORD an article by Rick Groeden of the Council on Hemispheric Affairs on the current situation in Suriname. I hope my colleagues find it interesting.

PRAGMATISM IN PARAMARIBO

(By Rick Groeden)

Plagued by falling commodity prices, near 30 percent unemployment, and subsistence living standards for half the population, Surinamese ruler Lt. Col. Desire Bouterse is renewing efforts to win United States and Dutch economic assistance. The two countries cancelled aid packages of $1.5 million and $1.5 billion, respectively following the December 1982 torture and killings of 15 opposition figures by followers of the Surinamese strongman. The colonel, however, has made recent gestures to moderate his authoritarian rule.

His reasoning stems from the realization that renewed economic growth hinges on desperately-needed infusions of foreign aid, not only from the U.S. and The Netherlands, but from international lending institutions as well. Following the lead of these two countries, these sources also have been less than cooperative, and a prospective $100 million International Monetary Fund loan is contingent upon a 10 percent reduction in state expenditures and a 30 percent devaluation of the guilder. Trying to meet U.S. and Dutch demands for political liberalization, Bouterse in January appointed 12 representatives of the military, labor and business to a cabinet under civilian Prime Minister Wim Udenhout, and created a National Assembly to draft a new constitution within two years.

But Bouterse indisputably has a tight grip on the assembly, since 14 of its 31 seats are occupied by military officials, with labor holding 11 and industrial associations, six. Moreover, the regime's fractious relations with labor—testy since a series of strikes over excessive taxes in February 1984 threatened to bring Bouterse's downfall—have thwarted substantive legislative activity within the government. On April 4, three ministers representing labor's Moederbond, the C-47 and Public Servants Organization Central Council (CLO) withdrew from the cabinet and demanded that Labor Minister Edmund Dankerlin resign. The three charged that Dankerlin, of the tiny, military-backed Progressive Workers Organization (PWO), had instituted personnel changes within the Ministry in an attempt to coopt legitimate labor interests. Although Bouterse withdrew official recognition of the boycotting trade unions the next day, a series of negotiations throughout the month eventually brought all but the C-47 back into government, the latter being replaced by the Federation of Surinamese Industry and Commerce (VSB).

U.S. officials view the promised constitutional transition to civilian rule warily. Although a State Department official affirmed that relations have improved between the two countries, he is "skeptical of a resumption" of the U.S. $1.5 million aid package in the foreseeable future. While Congress did authorize last month $50,000 in FY 86 International Military Education and Training (IMET) funds for the Bouterse regime—not subject to the rights restrictions affecting the economic aid—an administration spokesman noted that similar IMET sums for Suriname in previous years had been authorized, but not disbursed, by Washington.

The Netherlands has shown little inclination to rescind its embargo of its errant former colony. But a March 15 meeting in Brasilia between Bouterse and Dutch Foreign Minister Van den Brock—the first high-level talks between the countries since the December 1982 massacre—did produce agreement to pursue additional exchanges at the embassy level. A spokesman at the Netherlands chancery in Washington stated that the Dutch government wants "a way out of the present situation without losing face," and that minimal assistance might be reinstated "within a year." A Surinamese diplomat, while conceding that "Dutch assistance would be nice," noted that his country is seeking closer ties with other nations since Paramaribo is "hesitant to become dependent once again on Dutch development assistance."

Accordingly, Suriname's high-priority efforts to diversify its economic relations have borne some fruit. The European Development Fund, for one, has pledged $3.4 million for various economic projects in the country. In early March, Bouterse went to Libya to sound out prospects of securing a $100 million loan and Tripoli's cooperation in a possible joint oil exploration venture. But Brazil is rapidly emerging as Suriname's closest and largest benefactor, a pattern established shortly after the U.S. action in Grenada. As the Surinamese official put it, "there's an old Dutch saying: it's better to have a good neighbor than a far friend."

In 1983, the Reagan administration reportedly urged the then-ruling Brazilian military regime to pressure Suriname to cool its relationship with Cuba, and the Brazilians made it known they would not stand for a Marxist state on their own border. Since then, however, Brazil has supplied vital foodstuffs and other basic staples during the virtual Western financial boycott of Suriname. In addition, Brasilia has taken in an increased share of Suriname's bauxite exports, development and commercial agreements are in the works, and Brazilian firms are helping to modernize the country's telephone network. A military relationship may also have been established: last October, Brazil reportedly supplied Bouterse's armed forces with at least 16 small tanks and other military transport vehicles.●

FARRAKHAN REMARKS DESERVE OUTRAGE

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. BARNES. Mr. Speaker, at an event publicized mainly through word-of-mouth, the Reverend Louis Farrakhan, head of the Nation of Islam, recently addressed over 10,000 persons at the Washington, DC, Convention Center. In his remarks, Reverend Farrakhan continued his anti-Semitic attacks and other messages of bigotry and hatred. Perhaps just as dangerous as Farrakhan's outrageous remarks is the relative silence that has followed his visit. Aside from the following Washington Post editorial and Richard Cohen column, his words have gone essentially unchallenged by public officials and others in the Nation's Capital in what amounts to a collective disregard of his presence.

The question of economic equity among all races in our country will only be resolved through genuine, positive leadership which seeks to improve the quality of life for all people. I submit for the attention of my colleagues the Post editorial and column, which raise the same concerns.

[From the Washington Post, July 26, 1985]

FARRAKHAN BIGOTRY UNCHALLENGED

Call it religious freedom, but Louis Farrakhan is into bigtime bigotry for the masses—and too many people who know better are looking the other way. His garbage is drawing crowds too: some 10,000 people jammed into Washington Convention Center on Monday night to hear—and cheer—his stream of vicious anti-Semitic comments and his attacks against any and all leaders of blacks who might challenge his disgusting sermons. And judging from the sounds of silence in too many corners, Minister Farrakhan's preachings of hatred are effective. Where are the responsible and respected leaders who can recognize a Hitler in any color, who can be most effective in calling bigotry when they hear it?

Much of what Mr. Farrakhan spews could be coming from under a pointed hood of white linen: "Jews know their wickedness. . . . Whenever you put a black man in office and he betrays the best interest of the people who put him there, take him out, and if he does not repent . . . we will tar and feather them, hang them by a limb, chop off their heads." According to columnist Courtland Milloy, "he even makes the audience laugh when he mocks the Holocaust."

There are people of good will who suggest that if the press just ignores this man and his messages, he will disappear. Yet without a single well-publicized advance word of Mr. Farrakhan's latest visit—just posters and the spoken word along the streets—10,000 people show up to hear and cheer. He is news. He also is free to say what he wants just as others are free to listen if they choose. But where are those who are free to refute hatred? What happens to a society that blesses bigotry with official silence?

[From the Washington Post, July 26, 1985]

WHY THE SILENCE ON FARRAKHAN?

[By Richard Cohen)

The other night, the Rev. Louis Farrakhan, head of the Nation of Islam and once a ubiquitous presence at Jesse Jackson campaign rallies, came to town. With little advance publicity, he was able to draw anywhere from 10,000 to 15,000 persons to the Washington Convention Center to say, in the manner of the late Mr. Hitler, that "Jews know their wickedness."

Farrakhan had other things to say. We are told he mocked the Holocaust. We are told that he said, "Blacks will not be controlled by Jews" and that he declared blacks the chosen people—"the people of God." We are told these things in a newspaper column by Courtland Milloy in The District Weekly—not in The Washington Post's news account of the same event. That story did not mention Farrakhan's anti-Semitic remarks at all.

A troubling thing has happened with Farrakhan. The man is no longer controversial, and what he says is no longer considered news. Where once he was dogged by reporters asking him to justify himself, now he can fill a hall in the nation's capital, rant racism and not even have it mentioned in news accounts of the speech. Farrakhan's anti-Semitism has become something like his bow tie—just another personal and maybe quirky characteristic.

It goes without saying that someone named Cohen is not going to change any minds about Farrakhan. But that hardly means that others are not welcome to try. I refer, in fact, to those black leaders and journalists who have, in their discomfort, ignored what Farrakhan preaches, preferring not to deal with either him or his message, reserving their moral outrage instead for Ronald Reagan and his appointees to the Justice Department. Presumably they think Farrakhan will, like demagogues before him, simply go away. So far, though, he has not. And so far the relative silence of the black leadership (some had condemned him) has neither dampened Farrakhan's popularity nor muted his message.

When it comes to Farrakhan, we are told that we ought to ignore the man and concentrate instead on his audience. They are the poor, the downtrodden, the alienated. True. But demagogues always preach to these people. The Klan is not composed of orthodontists, the lynch mob of the Old South was not usually composed of the town elite and the Germans Hitler preached to were not without their grievances. But when violence is finally committed by people full of hate, it hardly matters that they have other, genuine grievances. What matters is that the innocent get hurt for no good reason.

The true tragedy of Farrakhan is that he is a digression. He has no program to make life better for ghetto dwellers. They are hardly poor because of something Jews have done, and the crisis in the Middle East has nothing to do with the job situation in the United States. Zionism is hardly "an outgrowth of Jewish transgression," as Farrakhan says, but even if Israel were to disappear tomorrow, Harlem would still be a slum and poor black teen-age girls would still be having babies. The sacrifice of the scapegoat solves nothing.

Anyone who can pull an audience of 10,000 without the benefit of an electric guitar is worthy of some attention. Anyone who preaches hate to that many people ought to be answered. This is particularly the case with Farrakhan because he comes credentialed by his erstwhile affiliation with Jackson. Like a combination Ed McMahon and Al Capone, he both warmed up the audience and supplied the bouncers. For that reason and because of his formidable personality and charisma, the man should not be ignored. That would smack of acquiescence, agreement—the notion that tolerance and justice are a luxury that's too rich for poor people, especially poor black people. History teaches, though, that it's not wise to patronize a hater.

The new media and the individuals they cover become infatuated with their own sense of importance. They all tend to think that reality exists only on television or the newspapers—that trees that fall unrecorded by video tape make no noise. But Farrakhan makes plenty of noise. His voice is still heard. Unfortunately, sometimes it's the only voice heard.●

INSURANCE RESERVES

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. CAMPBELL. Mr. Speaker, I would like to call to the attention of my colleagues the following New York Times article entitled, "Another Challenge to Insurers: Predicting Loss Payouts."

As stated in the article, the property and casualty industry as a whole is underreserved.

Analysts * * * have said that of the nation's 110 largest casualty insurers 50 had reserves as much as 10 percent below what researchers considered adequate, while 36 were deemed to be in even worse shape.

I, along with some of my colleagues, are concerned about the adequacy of reserves, and the underlying causes of underreserving. Mr. Speaker, I hope the Members of this body will carefully consider the points raised in this article, along with the added complications of the burdensome qualified reserve account [QRA] provision contained in the President's tax reform proposal.

The article follows:

ANOTHER CHALLENGE TO INSURERS—PREDICTING LOSS PAYOUTS

(By Eric N. Berg)

Insurance companies that provide general liability coverage for business are just now recovering from debilitating price wars and a drop in investment income. But they cannot seem to shake another threat to their well-being: an inability to come even close to predicting payouts on policy claims.

Fireman's Fund, the insurance subsidiary of the American Express Company, for instance, said last week that it had beefed up its loss reserves by $187 million to pay unexpectedly large claims already made and anticipated. Fireman's Fund was but the latest insurer to bolster its reserves, which reduces profits.

However, rather than having the bad news out of the way, analysts say, most insurance companies still have too little in reserves and will have to make up the difference soon. They expect the property and casualty industry, whose 1,300 companies in aggregate lost $2.9 billion last year, according to the Insurance Services Office, to turn in another poor earnings year in 1985, as a result.

"Just about every big insurer has reserve strengthening to do," said Charles L. Rouff, senior vice president for property and casualty insurance at Fred S. James, a big insurance broker. That means new charges against earnings, he said.

"Much of the losses reported in the industry this year have been from reserve strengthening, and there will be a lot more of that," said David J. O'Leary, director of research at Fox-Pitt, Kelton Inc., a Hartford securities firm specializing in the insurance industry. "For some insurers, this will involve a manageable amount of money; for others it will be substantial."

Analysts at his firm have said that of the nation's 110 largest casualty insurers 50 had reserves as much as 10 percent below what researchers considered adequate, while 36 were deemed to be in even worse shape.

Success in the insurance field has always depended on accurately predicting risk. An insurer would price policies based on the historicaly determined likelihood of loss. And, at least in the case of coverage for individuals, insurers were quite good at forecasting payouts since most casualties, such as car accidents and fires in the home, occurred with measurable frequency.

But for business insurance—particularly general liability insurance, such as product and construction liability, directors' insurance, and malpractice for doctors and accountants—predicting losses has proved to be much more elusive. Not only are juries granting plaintiffs huge sums in liability cases far above what was envisioned when the policy was written, industry experts say, but also, in many cases, courts are creating new types of liability.

The most prominent examples involve asbestos, the Dalkon birth-control device, the chemical Agent Orange and the recent court decision in New Jersey that a host, such as a tavern owner, could be held liable for the negligence of a guest who was served too much liquor.

In another case, the United States Fidelity and Guaranty Company, a Baltimore insurer, was ordered to pay the bulk of a $17.6 million award in a Jackson Township, N.J., pollution case. Although the amount has since been reduced, the figure is still well above what U.S. Fidelity had anticipated. To say the least, court interpretations such as these have made estimating future losses that much more challenging.

"It is clearly becoming more and more difficult to price these sorts of risks," said Kalman J. Ketzlach, controller of the Prudential Property and Casualty Insurance Company. "The past was more stable than the present and certainly more stable than the future will likely be."

"Liability," added Charles T. Bell, the director of investor relations at the Aetna Life and Casualty Company, "has a constantly changing definition. That has made it very hard to keep up."

In fact, many of the nation's property and casualty insurers have not kept up—not, at least, if they are being graded by the adequacy of their reserves.

Aetna, for example, recently told Wall Street analysts that the property and casualty insurance business as a whole is 8 percent to 10 percent underreserved. What that means is that reserves would not be sufficient to meet a huge increase in claims. Insurers would then have a choice: replenish

reserves, thus reducing profitability, or reduce net worth.

Indeed, some big insurers have already moved to bolster their reserve position by dipping into their net worth, or stockholders' equity. According to insurance experts, a number of companies have been quietly transferring money from their net worth accounts to their reserves, then replacing the transferred funds by tapping the capital markets.

LONG-LASTING CASES

Another of the difficulties in predicting future payouts on claims is that many cases drag on. Among the most commonly cited examples are those concerning Hurricane Alicia and a freeze that caused widespread property damage, not only to homes but to businesses, in the South.

Although the storm and the freeze both occurred in 1983, insurers say that damage claims are still coming in. "Sometimes you don't know for many years how much your true costs will be," said Mr. Bell of Aetna.

And some insurers say their biggest problem is not slim reserves but premuim rates that remain dangerously low.

Industry members are still recovering from a series of rate cuts between 1979 and 1984. Rates, in fact, have climbed sharply since the middle of last year. According to the Insurance Services Office, a trade group, property and casualty premiums rose 15 percent in the first quarter from the 1984 period.

But insurance analysts say that many companies continue to suffer losses in the underwriting side of their business. Few are willing to guess when the property and casualty industry as a whole might return to profitability.

"We will have to see another round of price increases before I can say the industry is at reasonable price levels," said David E. Ostwald, a spokesman for the group.

An expected boost in general liability reserves—

MAJOR BUSINESS INSURANCE COMPANIES AND THEIR RANKING BY WRITING OF GENERAL LIABILITY INSURANCE AND THEIR ANNUAL RESERVE LEVELS WITH 1985 ESTIMATE

[In millions of dollars]

	1983 reserve	1984 reserve	1985[1] reserve estimate
AIG	957	1,112	1,325
Travelers	1,075	1,270	1,525
AETNA	1,168	1,216	1,400
Crum and Forster (Xerox)	717	877	1,000
C.N.A.	852	991	1,190
St. Paul	701	879	1,050
Hartford Fire (ITT)	953	1,037	1,240
CIGNA	555	758	950
Liberty Mututal	954	1,239	1,425
Fireman's Fund (American Express)	554	623	725
U.S.F. & G.	530	557	675
Total	9,016	10,559	12,505

[1] Source and estimate: Fox-Pitt, Kelton, Inc. ●

RIDING OUT THE STORM

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. HERTEL of Michigan. Mr. Speaker, I would like to submit for the record an article on the incredible success of a Michigan credit union, during the period of the Chrysler Corp. layoffs several years ago when that corporation was fighting for its very existence. The innovative thinking and personal sacrifice of a group of people, already faced with the tragedy of job loss and payless weeks, saved their credit union and allayed the fears of their constituents concerned about possible loss of their savings. It is a story, in my judgment, worthy of calling to the attention of my colleagues.

[From the Michigan League Contact Magazine, May/June 1985]

RIDING OUT THE STORM

(By NCUA Board and Don Johnson)

The early eighties rained a host of problems on ABD Federal Credit Union. But, like its members' embattled sponsor, it persevered to make an amazing comeback.

At the end of 1979, ABD Federal Credit Union of Warren had assets of nearly $14 million, a membership base of 16,500 people and loans outstanding of $12.7 million. To all appearances it was as solid a credit union as anyone could find, one of the largest in the Northeast Chapter—and the largest of the seven Detroit-area credit unions serving Chrysler employees.

Therein, however, lay the rub. Chrysler Corporation was in a crisis situation, confronting a staggering set of problems, losing sales and running up monumental losses. In the end only a special arrangement with the U.S. Government and drastic action by management and employees pulled Chrysler out of its crisis—and while it lasted, the credit unions serving Chrysler employees were caught up in the situation as much as the company was.

The comeback of Chrysler is one of the most publicized stories in American industrial history. Largely unpublicized, but no less remarkable is the tale of how Chrysler credit unions hung on and managed to preserve themselves for their members' benefit. ABD FCU is a case in point.

The statistics tell part of the story. Within two years, by the end of 1981, the credit union's assets had plummeted to $7.8 million, a loss of more than 40 percent. There were 5,000 fewer members, and they held $6.4 million in loans—25 percent of which were in one stage of delinquency or another.

Statistics tell part of the story—but not all. They explain the depth of the crisis ABD FCU faced, but they do not explain its recovery. On the face of it, there was a hopeless situation in the making; no credit union could be expected to sustain itself under such circumstances. The condition of ABD FCU was, as National Credit Union Administration Supervisory Examiner Jack Parker bluntly put it, "desperate."

But the situation, as it turned out, was not a hopeless one. Plain hard work by board and staff, a willingness to confront upleasant realities and an equal willingness to struggle on all fronts contributed to the recovery, and so did he assistance of the League and NCUA.

Anticipation of events was a major factor. Even in 1979 it was obvious to credit union officials that hard times were in the offing. Three-year projections had been developed, indicating that even in the worst-case situation (massive layoffs, delinquency, shrinkage, etc.) the credit union could survive.

"Title II of the Federal Credit Union Act," explains Parker, "allows NCUA to provide assistance to credit unions, but it must be given judiciously. A prerequisite is a realistic and workable recovery plan. ABD FCU had developed one by the time the crisis came upon it."

The plan was comprehensive. It called for staff reductions, a cutback in employee benefits, the closing of branch offices, streamlining of operations, elimination of official travel expenses and the institution of service charges.

"We didn't exactly start counting paper clips," recalls one ABD FCU official, "but if we had been convinced it would have helped, we would have done that, too."

Nothing in the plan, however, could deal with one aspect of the situation: The abnormal volume of loan losses, combined with a shrinkage in earnings that precluded dividends. But, in the conviction that the credit union could eventually put itself back on an even financial keel, the NCUA allowed ABD FCU to defer losses during 1980 and 1981—losses totaling $918,000.

It also approved the mergers of two other financially troubled credit unions into ABD FCU. It might appear to be a strange approach on the surface, a compounding of the problem—but it wasn't. The National Credit Union Share Insurance Fund guaranteed the assets of the merged credit unions, avoiding a further drain on ABD FCU's reserves. The additional members only served to broaden and solidify the credit union's base, rather than shake it.

"These actions were key to our survival," says ABD FCU General Manager James Carson. "They gave us time, which we would not have had without such moves. We had to revise our operations, implement a realistic collections program, develop responses to various possible conditions. We couldn't consider ourselves out of the woods until a significant proportion of our unemployed members were back at work—or had found other jobs."

In the end, of course, Chrysler did make a comeback, and many were recalled to work. Other members found new jobs. The credit union passed the crisis point. An indication of the speed and substances of the recovery emerges from a glance at the statistics on ABD FCU's amortization of its 1980 and 1981 deferred losses. The credit union took care of $24,000 of the total $918,000 during 1982; $420,000 during 1983; and finally, $474,000 in 1984.

By October of last year, ABD FCU was clear of those deferred losses, and the NCUA assigned it the EWS code "2"—a significant change from its previous status.

It was a smaller credit union than in 1979; 12,000 members held slightly in excess of $11 million in assets. But it had beat the odds and survived. The sacrifices and the risks had paid off. There were still problems, of course, and the effects of the crisis will be long in disappearing—but the lessons will linger too.

"Everyone at ABD FCU," says Treasurer Livio Ottino, "can be proud of the results we achieved, volunteers and professionals alike. But it's important to remember that we didn't do it alone. We had the understanding, the cooperation and the assistance of NCUA. We were particularly fortunate in having an exceptionally competent and experienced field staff in our NCUA region, and in the Detroit area. We had the advice of our League and we had the backing of our colleagues in other credit unions in the area.

"Cooperation can prevail over long odds. That's certainly the main lesson we've all

learned or confirmed during this trying period. Our task now is to apply that lesson in the days ahead."●

THE MYTHS OF GUN CONTROL

HON. ALAN B. MOLLOHAN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. MOLLOHAN. Mr. Speaker, I would like to take this opportunity to insert in the CONGRESSIONAL RECORD an article which appeared in the July 15 issue of the NRA-ILA's Monitor.

This interview with Prof. James Wright, director of the University of Massachusetts' Social and Demographic Research Institute, is especially revealing in light of the recently passed bill in the Senate, S. 49, the Firearms Owner's Protection Act. Professor Wright, who has been studying the gun control question to the exclusion of everything else for the past 7 years, began his research holding views on this issue similar to those exposused by members of the antigun lobby. However, after exhaustive research covering every facet of this controversial problem, Professor Wright has found simply no basis for many of the outdated contentions of the antigun forces.

Mr. Speaker, it is especially interesting to note that Professor Wright believes that the most harmful type of gun law would be that directed at banning or restricting the so-called Saturday night special—those handguns variously defined as cheap, short-barrelled, or snubbies. Professor Wright has found that any ban on those types of firearm could only cause criminals to substitute better, more lethal weapons in their place. Additionally, Professor Wright points out that the most significant finding of his research was how little a role the over-the-counter gun transaction plays in the illegitimate gun market.

And finally, Mr. Speaker, Professor Wright has found that State laws have absolutely no effect on criminal carrying patterns, that is, most gun control laws can only serve to restrict the law abiding in their effort to protect their homes and their families. As Professor Wright points out, Why would they—criminals—be sensitive to gun laws when they aren't sensitive to laws against homocide or robbery?

Mr. Speaker, I encourage my colleagues to take a minute and read the following article. I believe the article sheds an important light on this very controversial issue.

JAMES WRIGHT: 7 YEARS' RESEARCH BRINGS NEW VIEW OF GUN CONTROL

(By Denise Tray Rosson)

MONITOR. What prompted you to do this study?

WRIGHT. We had a previous project with the National Institute of Justice in which we undertook a comprehensive review of all of the relevant gun-related literature in the U.S. That literature review subsequently appeared in book form as Under the Gun. The principal point of doing that review was to give the NIJ some advice and ideas on a research project that could close some of the gaps in this area of knowledge. A large-scale detailed survey of the "bad guys" themselves, and the where, how and why they carry firearms was a study that, in our judgement, really needed to be done.

MONITOR. Is this the first study of its kind?

WRIGHT. Well there have been other large-scale studies of prisoners, but none has focused specifically on guns and other weapons and prisoners.

MONITOR. Are the felons you interviewed basically representative of America's criminal population?

WRIGHT. I hope that they are. I believe in my heart of hearts that these results tell us something very important about the hard-core predatory portion of the criminal population. We have no juveniles in this sample and the first-time offenders are underestimated. But I can say generally that these are the general types of guys who end up doing time in state prisons.

MONITOR. What were some of the most surprising things you learned from your survey?

WRIGHT. First and foremost, I was surprised by how little a role the over-the-counter gun transaction plays in the illegitimate gun market. Overwhelmingly, the criminal gun market is an information market involving swaps, and trades between associates, private parties, drug dealers and so on. I guess that really isn't that surprising in some respects, but at least it surprised me.

I was also surprised, given the research others have done, at the role stolen firearms appear to play in servicing the criminal handgun demand. The men in my sample, who had stolen guns, reported stealing them from private residences but also reported stealing them quite regularly from high-volume sources including manufacturers, gun shows, shippers and even the military.

I was also quite surprised in how little interest the sample showed in the junk handguns or so-called "Saturday Night Specials." By and large, the men in my sample—particularly the more hard-core predatory types—preferred to carry, and actually carried much better handgun equipment than I had been led to believe, based on other handgun studies. My guess is that approximately one in six of the most recent handguns owned by these men would qualify as a "Saturday Night Special." The remaining five out of six are much better quality equipment.

MONITOR. Different states have different gun laws. For example, the gun laws are much more strict in New York and Massachusetts as opposed to Arizona and Texas. Did you find any differences in criminal carrying patterns and attitudes according to the states in which they lived?

WRIGHT. Truthfully, our data are not adequate to answer that. But any suspicion is that state laws have absolutely no effect on criminal carrying patterns. We asked the felons questions like, 'Have you ever registered your gun or applied for a permit?' and the portion that said 'No.' was essentially the same in every state regardless of whether the state had laws requiring permits or registration. My educated guess is that state laws or differences in state laws probably have very little effect on the firearm behavior of these types of people. In all honesty, they are rather indifferent to law as a matter of course. So why would they be sensitive to gun laws when they aren't sensitive to laws against homicide or robbery?

MONITOR. What about the retail laws that legitimate gun dealers comply with—do these laws affect the small, informal criminal market you mentioned earlier?

WRIGHT. Who can say for sure? Looking at the things these men told me, it is certainly possible that the principal consequence of the Gun Control Act of 1968 was to drive these (criminals) out of the over-the-counter market and into an informal market.

MONITOR. Your data indicate that the fear of encountering armed citizens and the threat of harsher penalties for the criminal misuse of handguns are effective crime deterrents. What did your sample say on these topics?

WRIGHT. The vast majority of my sample told me very clearly that the prospect of running into an armed victim makes criminals very nervous. Some 75 percent of the sample agreed that one reason burglars avoid occupied residences is that they fear being shot in the process. I also get very strong majority agreement that the smart criminal always tries to find out if his victim is armed. Whether it deters them from committing crimes is obviously a much more complicated question, but it certainly makes them nervous as they go about their business.

Additionally, about another 40 percent of the sample said they had been shot at, driven off, wounded or captured at some point during their career by an armed victim. Another 40 percent confessed that there had been at least one point in their carrer when they had chosen not to commit a crime because they had reason to believe their intended victim was armed. So I think the general run of results suggests, yes, armed victims do prevent some crimes. Unfortunately, we don't have a lot of information on who these victims are.

MONITOR. What about mandatory penalties for criminal misuse of a firearm?

WRIGHT. We asked the men in our sample, who had never committed any firearm related crimes, "Why not?' The possibility of getting a stiffer sentence for using a firearm in crime figured very high in their reasoning. So from that, one could infer that, for at least some segment of the criminal population, the prospect of a stiffer sentence, be it mandatory or conventional judicial practice, was listed as an important reason. Obviously the hard-core criminals aren't affected. But the guys who aren't quite as hard-core, not quite so predatory, do seem to consider stiffer sentencing and report it as one very good reason not to carry.

MONITOR. What is your opinion of the argument on behalf of banning handguns from the private citizenry in order to reduce the number of guns and therefore crime?

WRIGHT. Well, we asked (the felons) to imagine a world where there were no handguns. Essentially three-fourths of the hard-core predators said that they would carry sawed-off shotguns and rifles. Now would they? Who knows? My sense is that the possibility is sufficiently real that I don't want to test it, because of the drastically increased lethality of sawed-off long guns.

In the limiting condition, the argument is well made. If there were absolutely no guns

then there would be no guns to steal and none to use in crime. But we are not at that point in American history. There are 60 million handguns out there. Anything short of a house-to-house dragnet is not going to confiscate but a tiny fraction of them. And I would rather suspect our experience in attempting to ban handguns would be a repeat in our efforts during Prohibition. A complete ban on the legitimate manufacture, sale and possession would open up an enormously large and profitable market for organized crime. They showed us 50 years ago they could get into the booze business very quickly and make a hell of a lot of money on it. It is not that much more difficult to manufacture a serviceable handgun than to brew up a batch of gin. In the process, we would turn a lot of law-abiding citizens into criminals dealing in the black market.

Perhaps a national ban on handguns would reduce the handgun stock by some amount. But the people who would step forward and turn over their guns are the people we are not the least bit worried about. And, of course, the people that would be the last to come forward would be the people that we would like to disarm the most.

Even under the best of circumstances, we can only ban the manufacture and sale of handguns within the boundaries of the U.S. Other countries like Israel, Argentina, Brazil and Czechoslovakia would still make them, which means they could easily be smuggled in. So it is obvious there are severe limits on what we can do.

MONITOR. Based on your understanding of the criminal element, in general, what type of gun laws do you think would be most harmful/beneficial to society?

WRIGHT. As far as harmful, I think a ban on "Saturday Night Specials" would be very bad. Based on what these men have told me, I believe that if they were unable to get the small, cheap, junk handguns they would carry big, expensive handguns instead. And I am convinced, the bigger the gun the more powerful it is and the higher the death rate will be. I would hate to see us enact a piece of legislation that effectively required criminals to carry better, rather than worse, equipment.

For a variety of reasons I believe the mandatory sentences for the felonious use of firearms is probably advisable. I doubt if mandatory sentences have much effect on the hard-core predators, but they do serve to keep them off of the street for longer periods of time after they are caught. As far as criminals who don't use guns in crime, the mandatory penalties serve as incentives for keeping it that way, according to the survey.

I would also support legislation that would make it a felony offense to steal a firearm from a private residence, a gun dealer or wherever. Right now the theft of a gun is treated no more seriously than the theft of any other object of equivalent value.

I also would like to see firearm manufacturers, the NRA, and local police officers offer more education courses on the problem of firearm theft and bring to light some ways to prevent or at least make it more difficult to steal them by various storing methods.

MONITOR. You have been studying this problem for a long time. Have your feelings on the issue changed and do you see a viable resolution to the gun control controversy?

WRIGHT. I have been studying this issue, to the exclusion of everything else, for seven years. When I started I was of the standard opinion that if we had fewer guns we would have a better society. And I must say today that I am not at all sure that is the case. My own personal feelings about the gun control issue at this point in my life are filled with ambiguity. On one hand, I would like to see less crime and violence, and on the other hand I am not sure that the way to go about that is through the gun side of the issue. I am filled with deep ambiguity about the direction American policy should take towards firearms.

I do know there are literally tens of millions of households out there that own guns for perfectly legitimate reasons. These people constitute absolutely no threat to the social fabric of this country. I think they resent, rightfully, being implicated in the modern day crime problem. And whatever we do, we ought to guarantee people of this sort the right to own and keep firearms as they wish.●

TRIBUTE TO BERNARD D. GOLDSTEIN, M.D.

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. SCHEUER. Mr. Speaker, as Bernard Goldstein is about to leave EPA after 2 years of dedicated public service as Assistant Administrator for Research and Development, I would like to take a moment and pay tribute to Dr. Goldstein and some of his many accomplishments.

When Dr. Goldstein arrived at EPA the agency was reeling from a series of scandals that cast serious doubts as to the quality of the science it produced and left the morale of its employees in tatters.

The Office of Research and Development was quite literally decimated by massive budget cuts, departures of many of its most talented scientists and an atmosphere of fear and repression.

To address these problems and restore credibility to the EPA R&D Program, Bill Ruckelhaus lured Bernard Goldstein out of a prestigious academic position at Rutgers University.

As events demonstrated, Mr. Ruckelhaus made the right choice.

Since Dr. Goldstein became Assistant Administrator 2 years ago, the quality and timeliness of data used as the basis for EPA regulations have dramatically increased.

More importantly, the American people now have a renewed faith that EPA's research program is being conducted in the public interest, not in the interest of polluters.

Through his personal efforts in the scientific community, Dr. Goldstein has been able to stem the departures of skilled personnel, recruit outstanding scientists, and restore much needed morale to the Office of Research and Development.

Dr. Goldstein contributed significantly to the increased acceptability of risk assessment as a valuable decisionmaking tool.

He promoted an agencywide approach that differentiated risk assesment from risk management.

He also strengthened the consistency of the risk assessment process across EPA's regulatory offices by promulgating a series of guidelines which provides a clear and concise process for determining the risk from exposure to environmental pollutants.

Dr. Goldstein also labored long and well to fashion a personnel structure that promotes quality science.

In addition to attracting highly respected scientists to EPA's research program, he afforded greater recognition to meritorious laboratory and headquarters staff.

He also strengthened the career ladder concept which permits scientists to be promoted on the basis of superior research performance rather than on the assumption of supervisory responsibilities.

Dr. Goldstein initiated a Distinguished Visiting Scientist Program which bring academic scientists of national reputation to EPA's research laboratories.

Dr. Goldstein has achieved all of these things with a style, wit, and unpretentious manner that are as refreshing among high officials as they are uncommon.

His frankness and willingness to address controversial issues have earned him respect and admiration.

Dr. Goldstein's energy, enthusiasm, and commitment to the public interest evoke an image of a model public servant which has sadly all but disappeared from Government in the last several years.

We will miss Bernard Goldstein in public service, but look forward to his many years of continuing service as a strong voice for quality environmental research.●

DR. HENRY KISSINGER'S PERSPECTIVE ANALYSIS OF THE ADMINISTRATION'S CURRENT MIDDLE EAST POLICY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. LANTOS. Mr. Speaker, for some time both in public hearings of the Subcommittee on Europe and the Middle East and in private conversations, I have maintained that the so-called peace process in the Middle East is ill-timed. I was delighted to find that our former Secretary of State, Dr. Henry Kissinger, takes the same view.

I would like to share with my colleagues his extraordinarily thoughtful and perspective analysis of the administration's current Middle East policy.

The article follows:

LEAPING (SO SOON) INTO THE MIDDLE EAST

(By Henry A. Kissinger)

The Reagan administration seems bent on launching itself once again into the so-called Middle East "peace process" less than two years after the collapse of its previous effort and only a few weeks after the hostage crisis in Beirut. Those events should supply a warning to look—and think—before taking the leap.

The premises of the imminent peace offensive appear to be as follows: The main obstacle to peace in the Middle East has been the inability to engage the Palestinians as represented by the Palestine Liberation Organization—the PLO—in the peace process, due to the refusal of the PLO and Israel to deal with each other. Hence the search for some formula that will lure the PLO into recognizing Israel by the prospect of talks with the United States, while easing Israel's fear of an imposed peace by the prospect of direct negotiations between Israel and the Arabs.

In the most recent expression of this theroy King Hussein of Jordan has asserted, without contradiction from the PLO, that Yasser Arafat, its leader, is prepared to accept the relevant U.N. resolutions, especially Security Council resolutions 242 and 338. Since these resolutions presume the legitimacy of the state of Israel, Arafat is thus alleged to have met the preconditions of the 1975 U.S. understanding with Israel not to negotiate with the PLO until it recognized Israel. As another means to get around Israel's refusal to deal with the PLO, the king has proposed—and Israel and the United States seem to have accepted—the creation of a joint Jordanian-Palestinian delegation whose Palestinian component would be composed of individuals not technically members of the PLO but necessarily acceptable to it. This delegation would have at least one preliminary meeting with high U.S. officials, in all likelihood with Assistant Secretary of State Richard W. Murphy. All this is supposed to culminate in direct talks between the Jordanian-Palestinian delegation and Israel on the future of the West Bank. The end of the process foresees a Palestinian political unit on the West Bank loosely confederated with Jordan.

However, the key test of this minuet is not so much how to start negotiations as to define their objective. So far the chief actors have obscured their conflicting purposes by a fog of imprecisions. King Hussein, the most clearsighted of the principals, rightly perceives that he needs Palestinian support for the concessions without which Israel will not give up even part of the West Bank. But, as the target of several assassination attempts by the PLO, he knows that beyond the issue of the role of the PLO in negotiations looms the issue of the role of the PLO on the West Bank. He must aim for effective control of those portions of the West Bank he recovers; in other words, he must at some point seek to subdue the PLO.

As for the PLO, its objective is exactly the opposite. Once it is introduced into the negotiations, however convoluted the procedure, its goal must be ultimate sovereignty over at least the West Bank. Until now, the PLO has been reluctant to accept even this limited objective, because in its view the state of Israel, whatever its eastern borders, is located on the territory that at one time was home for most of the PLO's members or at least of their ancestors.

PLO leaders may be willing to muffle their ultimate objective of full sovereignty until the goal of American recognition has been harvested. But if they seriously pursue reconciliation with Israel, and a secondary role within Jordan, they may find themselves without followers.

The divided Israeli government, obsessed with politics, beset with domestic unrest and an unprecedented economic mess, would like the issue of negotiations to go away. Since that will not happen, it hides behind procedure so as to defer substance until after a new election or a change of government.

The American administration is divided between a top leadership eager to limit America's role to the promotion of direct negotiations and a bureaucracy determined to nudge these negotiations in the direction of its standard solution: the 1967 borders with minor modifications; a Palestinian entity that, however it starts, must wind up with sovereign attributes for the PLO; and some sort of neutral status for the old city of Jerusalem.

Given this plethora of views, deadlock is virtually guaranteed by the very expedient that is supposed to unlock the peace process: the Jordanian-Palestinian delegation composed of Palestinians acceptable to the PLO but not members of it. Whom and what precisely would such a group represent? why should it meet first and separately with a senior American official? How could its members be acceptable to both Israel and the PLO? The projected peace process in fact bids fair to produce a threefold split among the Palestinians: those who take their lead from Syria and refuse to recognize Israel; those who recognize Israel primarily to be accepted by the United States but who will resume the struggle at the earliest opportunity, and a minority sincerely interested in accommodation—whatever sincerity means on the shifting sands of Middle East allegiances.

Direct negotiations between the parties cannot possibly reconcile these differences, for the known positions are at bottom irreconcilable. Jordan requires the 1967 frontiers with "minor" modifications and a sovereign position in Jerusalem. I know of no Israeli government that would consider such terms or PLO rule over whatever is to be given up on the West Bank even—perhaps especially—after an election.

If there are to be significant changes in these positions, they must be extracted by a major engagement—and, let us be frank, pressure—by the United States on one or probably both sides. It has ever been thus—even in the negotiations between Egypt and Israel. And Egypt, as the largest and geographically most remote Arab country dealing with a territory to which Israel had little historical and emotional attachment, was in a much stronger position to be flexible than is little Jordan adjoining better armed and hostile neighbors and contesting a land to which Israelis attach Biblical significance.

The absolute maximum attainable—even with all-out U.S. engagement—would be akin to the plan put forward by the late Israeli foreign minister, Yigal Allon. It would retain key strategic West Bank areas for Israel, return populated areas to Arab control and perhaps create a kind of Vatican status for some Arab and Christian holy places in an undivided Jerusalem. (The last point was not part of the Allon plan.)

The projected peace process can succeed only if the United States is prepared to use all its influence to press both sides. If the United States is not fully committed to such a role, the negotiations will fail; Hussein, like Lebanese President Amin Gemayel, may be undermined by the peace process; American influence in the Middle East will be further weakened, and the whole area will have been thrown into turmoil. Those in the U.S. government—and it is my impression that they are the top officials—who seek to limit its role to merely bringing the parties together should ask themselves whether starting an uncertain and difficult "process" is worth such risks.

Negotiations, moreover, never occur in a political vacuum, especially in the Middle East. Historically, progress in Middle East negotiations has emerged from three factors; an Israel powerful enough to stand against any combination of Arab states; some evidence that radical Arab rhetoric and Soviet support are impotent; and a purposeful American policy that enables moderate Arab states to justify cooperation with America as indispensable to achieving at least some Arab objectives.

None of these conditions exists today. Israel is more divided than at any period in its history. Its unilateral withdrawal from Lebanon, its release of 1,000 convicted terrorists in exchange for only three prisoners of war, and its panicky ambivalence during the Beirut hostage crisis must have strengthened the hand of those radical Arabs who argue that in the end Israel will yield to pain if persistently administered.

As for America, one need only compare the original Reagan plan of 1982 with the final results in Lebanon and the West Bank to see the decline of its influence. Throughout 1983 the United States strove to expel Syria from Lebanon and to unify that country under Christian dominance. Less than two years later the United States required the assistance of Syria to extract 40 hijacked American hostages held by one of the many Moslem factions in a known location in Beirut. The decision-makers in the area judge America by its actions, not its assertions; they note the failure to retaliate for the murder of 240 Marines and the hijacking of 40 innocent hostages. It would be self-delusion to deny the growing perception that America may lack the means or the will to achieve its designs.

The confluence of these factors has defined Syria's growing role in the Mideast. The United States should have learned that excluding the tough, ruthless Syrians guarantees a major confrontation, which will be conducted by Damascus with characteristic guile and persistence. Before launching a new set of negotiations, an exploration of Syrian views would seem essential. And, if these views are rejected, the United States must be willing to devote the energy and resources to prevail in the resulting showdown. If the United States is not to demoralize its allies and undermine irretrievably the position of its Arab friends, it must clearly define its objectives before it commits itself.

Even then, the price of success will be tension with Israel, confrontation with Syria and constant uneasiness in Jordan. If the United States is not willing to pay that price, it would be reckless to launch a process on the basis of platitudes about "creating momentum" and "beginning exploration" put forward by a bureaucracy ingenious in devising formulas but rarely willing to face their consequences.●

NATIONAL TAX STUDY BRINGS DARK NEWS FOR WISCONSIN TAXPAYERS

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. SENSENBRENNER. Mr. Speaker, a recently released study by the Advisory Commission on Intergovernmental Relations [ACIR] holds some disturbing data on the economy of a number of States, including my State of Wisconsin. The study, entitled "Tax Capacity of the Fifty States," is a yardstick for measuring the tax capacity of each of the 50 State-local fiscal systems. The study provides a measure of the abilities of the States to raise tax revenues. It also measures tax effort on actual tax productivity in relation to a State's tax capacity.

The tax capacity measure pertains only to the level of economic resources in my State, resources that by common practice may be said to be potentially taxable. This method provides a sophisticated, yet understandable approach to measuring State and local fiscal capacity.

Therefore, Mr. Speaker, the results of this study provides a detailed nonbiased evaluation of where Wisconsin stands in relation to the Nation in its ability to tax and be taxed. The study found that the Great Lakes States are a region in severe fiscal decline. Since 1979, Wisconsin has marked a deep decline in its tax capacity or ability to pay. If, Mr. Speaker, Wisconsin's ability to be taxed was declining at the same rate taxes were on the decline, I would not have found the results so devastating. But this has not been the case.

The tax effort index was constructed to determine the amount of tax each State actually collects. The tax effort index is constructed first by dividing actual revenues by the tax capacity of each State, and then multiplying by 100. This formula will show that the State of Wisconsin, compared to all others, is above average in the extent to which it exploits its particular tax base. The study determined that Wisconsin ranked 5th in tax effort per capita, whereas it only ranks 38th in tax capacity or ability to pay.

Under the study, a general taxpayer in Wisconsin is taxed $1,230 per capita, as opposed to the general taxpayer's true ability to pay, which is only $964.30. Some specific example in the area of Wisconsin personal income taxes show per capita taxes are $354.14, while the true ability to pay is only $192.66. Property taxes is another concern where the yearly taxes per capita are $435.80, whereas property taxpayers ability to pay is only $318.92.

The results are of serious concern to me. At a time when Wisconsin is attempting to increase it's economic base, it clearly shows that overtaxation is disturbing the economic ebb and flow of the State to the point where there is an economic flow in only one direction: out of the State.

I contacted the ACIR to secure updated 1983 tax figures, and, Mr. Speaker, these numbers only underscore this dangerous trend. The 1983 preliminary data shows the per capita capacity for personal income taxes is $195.76, as opposed to $364.99 in revenue effort. Total property taxes show capacity at $359.04, as opposed to revenue per capita of $536.36. General sales taxes in Wisconsin have a tax capacity of $237.49 versus $254.57 in tax revenue.

At a time in our country's history when the Federal Government and almost all State and local governments are reviewing their tax structures with hopes of reducing the tax burdens of their citizens, I find these numbers not only disturbing but frankly inexcusable.

Mr. Speaker, I have supplied two tables which express my concern for our State's future. Table I indicates total taxes and tax capacities for all States in 1982 to serve as a yardstick as to where Wisconsin stands. Table II lists by tax Wisconsin's ability to pay versus actual taxes levied.

TABLE I.—TOTAL TAXES

State	Tax base[1]	Capacity per capita	Tax			Revenue per capita	Tax effort index
			Capacity index	Capacity	Revenue		
Alabama		$819.38	73.8	$3,229,191	$2,812,678	$713.70	87.1
Alaska		3,471.05	312.4	1,541,145	2,768,954	6,236.38	179.7
Arizona		1,062.80	95.7	3,073,607	2,821,799	975.73	91.8
Arkansas		871.79	78.5	2,011,224	1,633,901	708.24	81.2
California		1,287.97	115.9	31,808,920	31,422,611	1,272.33	98.8
Colorado		1,347.38	121.3	4,137,816	3,343,639	1,088.78	80.8
Connecticut		1,303.52	117.3	4,074,790	4,035,020	1,290.79	99.0
Delaware		1,276.96	114.9	766,178	643,354	1,072.26	84.0
Washington, DC		1,273.57	114.6	797,256	1,155,296	1,845.52	144.9
Florida		1,152.69	103.8	12,064,076	8,696,462	830.93	72.1
Georgia		929.71	83.7	5,251,011	5,031,029	890.76	95.8
Hawaii		1,301.73	117.2	1,297,825	1,366,673	1,370.79	105.3
Idaho		955.85	86.0	933,864	789,307	807.89	84.5
Illinois		1,094.41	98.5	12,548,523	13,432,790	1,171.53	107.0
Indiana		987.14	88.9	5,411,526	4,775,085	871.05	88.2
Iowa		1,065.98	96.0	3,097,751	3,264,237	1,123.27	105.4
Kansas		1,180.99	106.3	2,843,829	2,489,664	1,033.91	87.5
Kentucky		909.00	81.8	3,356,039	2,969,282	804.25	88.5
Louisiana		1,255.94	113.1	5,504,786	4,503,309	1,027.45	81.8
Maine		935.14	84.2	1,062,317	1,134,415	998.60	106.8
Maryland		1,106.11	99.6	4,723,100	5,017,092	1,174.96	106.2
Massachusetts		1,116.52	100.5	6,420,008	7,662,459	1,332.60	119.4
Michigan		1,031.25	92.8	9,400,836	11,313,150	1,241.02	120.3
Minnesota		1,100.08	99.0	4,546,619	5,059,809	1,224.25	111.3
Mississippi		785.53	70.7	2,018,030	1,864,137	725.63	92.4
Missouri		1,004.92	90.5	4,966,333	4,051,447	819.80	81.6
Montana		1,219.27	109.8	981,515	953,677	1,184.69	97.2
Nebraska		1,078.94	97.1	1,714,431	1,602,660	1,008.60	93.5
Nevada		1,674.31	150.7	1,466,691	920,801	1,051.14	62.8
New Hampshire		1,110.01	99.9	1,052,285	788,250	831.49	74.9
New Jersey		1,171.82	105.5	8,703,095	9,817,921	1,321.92	112.8
New Mexico		1,272.99	114.6	1,740,172	1,435,035	1,049.77	82.5
New York		1,019.29	91.8	17,905,923	30,421,002	1,731.71	169.9
North Carolina		905.50	81.5	5,450,199	5,104,468	848.06	93.7
North Dakota		1,278.22	115.1	858,962	709,800	1,056.25	82.6
Ohio		1,016.93	91.5	10,954,378	10,338,998	959.80	94.4
Oklahoma		1,399.38	126.0	4,514,415	3,534,924	1,095.76	78.3
Oregon		1,093.78	98.5	2,918,196	2,776,277	1,040.58	95.1
Pennsylvania		986.34	88.8	11,716,695	12,418,822	1,045.44	106.0
Rhode Island		903.65	81.3	861,181	1,143,165	1,199.54	132.7
South Carolina		822.05	74.0	2,652,751	2,541,409	787.55	95.8
South Dakota		970.50	87.4	673,524	611,371	880.94	90.8
Tennessee		859.31	77.4	4,000,956	3,421,304	734.82	85.5
Texas		1,447.54	130.3	22,189,306	14,560,652	949.88	65.6
Utah		957.14	86.2	1,503,675	1,456,748	927.27	96.9
Vermont		982.66	88.5	510,981	523,796	1,007.30	102.5
Virginia		1,039.23	93.5	5,700,169	5,117,989	933.09	89.8
Washington		1,128.04	101.5	4,823,492	4,475,083	1,046.56	92.8
West Virginia		1,020.79	91.9	2,001,772	1,720,750	877.49	86.0
Wisconsin		964.30	86.8	4,575,594	5,850,842	1,283.05	127.9
Wyoming		2,234.37	201.1	1,137,295	1,190,912	2,339.71	104.7
U.S. total		1,110.91	100.0	257,494,256	257,494,256	1,110.91	100.0

[1] No combined tax base can be reported.

Note.—All per capita amounts are in dollars; total amounts are in thousands of dollars.

TABLE II.—WISCONSIN'S ABILITY TO PAY VERSUS ACTUAL TAXES LEVIED

	Capacity per capita	Tax capacity index	Revenue per capita	Tax effort index
1979:				
General sales	$205.03	97.2	$173.67	84.7
Personal income	148.02	89.8	291.39	196.9
Total property	294.51	106.4	344.37	116.9
1981:				
General sales	220.58	91.2	190.11	86.2
Personal income	173.58	87.9	348.98	200.7
Total property	323.39	99.1	387.03	119.7
1982:				
General sales	229.26	88.0	202.54	88.3
Personal income	192.66	88.1	354.14	183.8
Total property	318.92	90.4	453.80	136.6
1983:				
General sales	237.49	85.8	254.57	107.2
Personal income	195.76	83.1	364.99	186.4
Total property	359.04	94.3	536.36	149.4 ●

THE 10TH ANNIVERSARY OF HELSINKI ACCORDS

SPEECH OF

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. BLILEY. Mr. Speaker, it is with a strong feeling of disappointment that I rise to take part in this commemoration of the 10th anniversary of the signing of the Helsinki Final Act.

This document was negotiated in good faith by the United States and the democratic nations of Europe with the expectation that the totalitarian regimes that dominate so much of Europe would also negotiate in good faith. Sadly, this has proven to be an erroneous assumption.

The West recognized that the concessions it was making on international borders would be used by the Soviet Union to legitimize and solidify its claim to a sphere of influence that would be sacrosanct and that would be tantamount to recognition of Soviet domination of the people and the nations of Eastern Europe. We recognized this fact and yet we proceeded because many people felt that the human rights language calling for free emigration, open borders, freedom of religion, and freedom of information flow were even more important than a tacit endorsement of the current political situation in Eastern Europe.

Now, 10 years later, it is perfectly clear to even the most ardent advocate of détente that the Soviet Union and

its puppets in Poland, East Germany, Czechoslovakia, Hungary, Bulgaria, and Rumania did not negotiate in truth or in good faith. This is evident because the Soviet Union and its subordinate states do not observe the human rights provisions of the Helsinki Final Act.

The Soviet Union flaunts its deception as it denies that Helsinki even had anything to do with human rights. As such, everyday that goes by is a black day for the prospects of peace and freedom. This is because everyday that goes by means one more day in prison, in the gulag, or in a mental hospital for the people inside the Soviet Empire who dared to believe their Soviet rulers and set up Helsinki Watch Committees. We do not hear from these people anymore. This is not only complete confirmation of Soviet violations of freedom of movement and information; it is also complete confirmation that the Soviet Union has not changed its policies since Stalin, that dissent will not be tolerated and that any questioning of the government will be treated as a crime against the state.

We have a most instructive lesson in how the Soviet Union negotiates and uses the good will and faith of the West against us. What stronger lesson could we ever be taught about how the Soviet Union honors its pledges than the Helsinki Final Act? How can we possibly continue to deceive ourselves on the good faith of the Soviet Union in arms control negotiations when that government defies peace each day with its refusal to honor its word at Helsinki?

A short list of Soviet compliance measures may prove instructive to anyone who still is in doubt?

First: Freedom of religion is guaranteed by Helsinki. Ever since 1980, the Soviet Union has conducted what has been called the "Brezhnev Pogrom" against Jews. By 1984, this resulted in the banning of the teaching of Hebrew. That doesn't sound like freedom of religion to me.

Second: Freedom of emigration is guaranteed by Helsinki. In 1979, more than 50,000 Jews were allowed to emigrate from the Soviet Union. In 1984, the total number was less than 1,000. With a list of visa applications that exceeds 200,000, that doesn't look like freedom of emigration to me.

Third: Freedom of communication is guaranteed by Helsinki. I have adopted a refusenik family in Moscow and I have written to them with no response. I cannot even find out whether they received my correspondence. This doesn't sound like freedom of communication to me.

So here we are, 10 years later, on the floor of the House of Representatives, reporting the sad and depressing lack of honor in the Soviet Government. Mr. Speaker, I have no soothing words to say to the prisoners of the Soviet Union and their family members in the West about how negotiations with the Soviets will guarantee their liberty. We have been led down that road too many times and too many miles to be fooled any longer. It is time for the Soviet Union to prove its respect for humanity to the rest of the world. They have been given this opportunity before and have been found wanting. It is now up to them; not to us. This Nation should not deal with the Soviet Union until clear and concrete improvements are made in the attitudes and actions of the Soviet Union toward the Helsinki Final Act which they negotiated, signed and pledged to abide by 10 long years ago.●

THE HELSINKI FINAL ACT

SPEECH OF

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. CONTE. Mr. Speaker, in just 2 days, on August 1, the world will observe an important anniversary. That date will mark the 10th anniversary of the signing of the Helsinki Final Act, an accord which calls for universal adherence to a widely accepted code of fundamental human rights.

As we approach this anniversary, it is a tragedy that despite the noble aims embodied in the Final Act's solemn pledges, the global assault on human rights continues. Sad evidence of this assault abounds: The harsh repression of dissidents and refuseniks in the Soviet Union; the savage indiscrimination between combatants and noncombatants in the Iran-Iraq war; the inability of workers to organize and freely express their views in Poland; the use of violence and terror to prop up a racist regime in South Africa; the practice of torture in nearly 100 countries. This list goes on and reminds us of our ever-pressing responsibility to promote global respect for human rights.

It is especially disturbing that on the 10th anniversary of the Final Act's ratification, the Soviet Union, one of its major signatories, continues to violate some of the accord's most fundamental terms. In compiling its dismal record on human rights, the Soviet Union has committed a long list of deplorable offenses; but its shameful mistreatment of Soviet Jews and the plight of Nobel laureate Andrei Sakharov immediately come to mind. During the past 5 years, the number of exit visas granted Soviet Jews has plummeted, while arrests and trials of Jewish activists and refuseniks has increased markedly. And over the same period, the fate of Sakharov has rested under constant question, as he and Yelena Bonner remain confined to internal exile in the city of Gorky.

The need for such abuses to come to an end should not be underestimated. In this age of superpower rivalry, when the world is haunted by the nuclear menace, any impediment to increased mutual understanding must be eliminated. The Soviet Union must cease its incessant trampling of human rights if a more stable peace, which is in the interest of us all, is to be established.

So Mr. Speaker, August 1 should stand not so much as a date of celebration, but as a date on which we must reaffirm our commitment to the promotion of human rights. The world is a better place for the signing of the Helsinki Final Act, but that event underscores the great weight of our responsibilities and the huge magnitude of the task which lies ahead.●

COMPARATIVE TRENDS IN WORLD WHEAT PRICES

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. GOODLING. Mr. Speaker, recently I had the opportunity to review an article entitled "Comparative Trends in World Wheat Prices—1980 to 1984," written by Todd Darr, one of my constituents.

This article, which will appear in a fall issue of the Monthly Labor Review, examines the United States and some of its major competitors for the world wheat market and discusses wheat prices, grading systems, et cetera, and their impact on the United States' standing in the international market for wheat.

Although I have shared a copy of this study with the chairman and ranking minority member of the House Agriculture Committee, I feel it is worthwhile reading for all Members of the House of Representatives in preparation for consideration of the 1985 farm bill. If you would like to review a copy of this report, please contact my office. The basic findings of the study are noted in the abstract reprinted below.

COMPARATIVE TRENDS IN WORLD WHEAT PRICES—1980 TO 1984

(By Todd Darr and Gerry Gribbons)

ABSTRACT

Argentinian prices for its exports of hard winter wheat have declined at a rate of 4.3 percent relative to U.S. prices over the five year period, 1980 to 1984. Likewise, Canadian prices for hard spring wheat exports from the port of Thunder Bay showed a rate of decline of 2.0 percent relative to U.S. hard spring prices. Prices for Australian white wheat trend well above U.S. prices for U.S. white wheat. An analysis of the other major U.S. competitor in the world wheat

market, the European Community, could not be carried out because of the lack of an appropriate price series, but available information suggests that the policy of export subsidization has allowed the Community to lower prices to or below U.S. levels.

The decline in prices relative to the United States corresponds with substantial gains in the market shares of Argentina, Canada, and the European Community in the 1980 to 1984 period. The U.S. share of world trade in wheat has declined by 5.6 percent in that period. Major markets in which the U.S. has lost shares or gained very little in the last five years include the Soviet Union, South America, Europe, and the Middle East. Price is only one variable affecting this change in market shares. U.S. policy and aggressive marketing strategies followed by the major wheat exporters which include promotional efforts through grading systems, special credit arrangements, and trade agreements were not analyzed empirically but also have worked in concert with price to determine the standing of the U.S. in the international market for wheat. ●

A TRIBUTE TO DREW KARPINSKI

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. GALLO. Mr. Speaker, today I rise to acknowledge professionalism of the highest degree. I rise to bring to the attention of all of my fellow Members of Congress the accomplishments of a constituent of mine, Mr. Drew Karpinski, of Mendham, NJ.

Earlier this month, Mr. Karpinski completed his term as president of the Professional Insurance Agents of New Jersey, and he finished with such a long list of accomplishments that his peers named him the "Agent of the Year." This is only the third time in the history of the organization that this award has been bestowed upon a president leaving office.

Recognition by one's peers is the highest mark of accomplishment. It is recognition by professionals who know the meaning of excellence. It is recognition by those individuals who know, from their own personal experience, just what it takes to get a job done, and, more importantly, what it takes to reach the top.

Drew Karpinski is deserving of this recognition. Because of his efforts, the Professional Insurance Agents of New Jersey have risen to new heights within their industry. Because of Drew Karpinski's vision and understanding of the changing environment within his industry, the educational programs, the membership programs, and the legislative action program of the association are now second to none.

Under Drew's leadership, the association looked not only to help itself and its own members, it also looked upon the quality of life around the association and ventured to improve that quality. The Professional Insurance Agent's involvement in the Special Olympics Program is worthy of the applause of each and every Member of Congress.

I am lucky to have a constituent like Drew Karpinski. Having people in one's district like Drew helps to improve the district. Their enthusiasm, their pride and their abilities are contagious. Those qualities spread, and make the district a better place in which to live.

Mr. Speaker, I thank you for the time to acknowledge Drew Karpinski's accomplishments. ●

HELSINKI: TEN YEARS AFTER

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. GARCIA. Mr. Speaker, today marks the 10th anniversary of the signing of the Final Act of the Conference on Security and Cooperation and Europe. There are a number of pros and cons regarding the Helsinki accords, but I believe that on balance, they have proven to be useful in making the world more aware of the human rights abuses suffered by so many individuals in Eastern Europe and the Soviet Union.

I have been fortunate enough to be a member of the House delegation to the North Atlantic Assembly, and more recently was afforded the honor of becoming the chairman of that body's civilian affairs committee. My work as a member of the civilian affairs committee has given me a great deal of exposure to the problems of East-West relations, particularly regarding human rights. If the Helsinki accords have done nothing else, they have at least served to further unify Atlantic Alliance nations in their fight against these abuses.

I am submitting for my colleagues perusal two articles from today's New York Times on the Helsinki accords by Stephen Larrabee, a former member of the National Security Council and by Jeri Laber, the executive director of Helsinki Watch.

To Many, Helsinki Means Hope

(By Jeri Laber)

Critics of the Helsinki process, who see it as a cynical charade enacted at the expense of human rights in the Eastern bloc, would like to see the United States nullify the accords. This would be a grave mistake.

It is true that the accords have been violated, almost from the moment they were signed. It is also true that the human rights situation in several Warsaw Pact countries is much worse today than it was 10 years ago. Repression has been brutal, blatant and often in arrogant defiance of Helsinki meetings in progress at the time. But these abuses, distressing as they are, make it all the more imperative that the Helsinki process continue. It is, after all, the only official East-West forum at which human rights violations are discussed.

Beyond this, and still more significant, the accords have provided a rallying point for people struggling for freedom and peace in the signatory countries. They have done so by encouraging private citizens in all European countries to "know and act upon their rights" by monitoring their own governments' behavior.

True, many of the citizens who took up this challenge soon became victims themselves. More than 50 Helsinki monitors in the Soviet Union are in prison or internal exile; others have been intimidated into silence or forced to emigrate. In Czechoslovakia, the authorities continue to persecute the more than 1,000 people who signed Charter 77 upholding Helsinki principles. The Polish Helsinki Committee, which operated openly during the Solidarity period, has been forced underground. A group that attempted to form in Rumania was snuffed out before it even began.

Nor is repression confined to the Warsaw Pact countries. In Turkey, 23 members of the executive committee of the Turkish Peace Association have been sentenced to eight years in prison.

Nevertheless, despite all this, courageous individuals continue to speak out, keeping the record and bearing witness to the sufferings of others. As recently as March, a group of Charter 77 signatories issued an appeal citing the Helsinki standards. Meanwhile, they and other human rights activists throughout the repressive countries of Europe continue to address their reports and appeals to the Helsinki forum. I have seen the Helsinki spirit at work in meetings with activists in Moscow, Prague, Warsaw, Budapest, Bucharest, Belgrade and Istanbul. Voices may lower but eyes light up when the word "Helsinki" is mentioned. To these people, "Helsinki" means hope.

If the United States were to pull out of the Helsinki process, this country would be abandoning these people and others like them who put their faith in the accords, sacrificing their freedom and sometimes their lives. We would also be squandering the moral force that the Helsinki accords have acquired as a result of those sacrifices. For the Russians, our withdrawal would be an ideological victory—a victory they in no way deserve.

Some Gains for the West

(By F. Stephen Larrabee)

When the Helsinki Final Act was signed 10 years ago today, it was heavily criticized in some circles in the West as a sellout and a Soviet victory. Such charges are as groundless today as they were then. Indeed, a decade later, many Soviet officials undoubtedly regret that Moscow ever signed the agreement.

The Russians' main gain—the one most vociferously denounced by Western critics—was the formal ratification of the postwar status quo in Europe. In fact, however, the postwar borders had been observed and implicitly accepted by the West for nearly two decades. They had also been explicitly acknowledged in the eastern treaties signed by West Germany and its eastern neighbors in the early 1970's. Thus, the West "gave away" nothing at Helsinki that had not already been agreed to and accepted. Moreover, in calling the frontiers 'inviolable" instead of "unchangeable," as the Soviet Union originally wanted, the Final Act preserved the possibility of a peaceful change

of the borders at a later date—and thus kept open the theoretical possibility of German reunification.

In return, the West got the Soviet Union to agree that human rights and other humanitarian concerns were an important component of East-West security. To be sure, the Soviet record of compliance on humanitarian issues has left much to be desired. But the very fact that Moscow signed the agreement has given the West an important diplomatic means by which to hold Moscow accountable for its actions. It provided a mutually agreed upon yardstick for measuring compliance and put Moscow on the defensive diplomatically.

Even on human rights, however, the record has not been entirely negative. On some issues, such as reunification of families and working conditions for journalists, there has been important progress. Moreover, in contrast to the Soviet Union, the compliance record in some East European countries, such has Hungary, has been quite good. In short, the Iron Curtain has not come down, but it has become more porous.

There have also been modest improvements on military matters. The Final Act contained provisions for a number of voluntary confidence-building measures—such as prior notification of troop movements and the sending of observers to maneuvers—designed to reduce the danger of surprise attack and diminish the prospects that a conflict would arise out of accident or miscalculation. Compliance by the Soviet Union and its allies has been less than perfect, but on the whole the act has led to more openness and predictability in military activities—two of its primary goals. Moreover, the agreement prepared the way for a set of more stringent and politically binding measures, now being negotiated in Stockholm.

On the economic level, a visible increase in East-West trade and investment has contributed in small but important ways to opening up the countries of the Eastern bloc. This interaction has not, however, proved to be the economic bonanza that Moscow anticipated. On the contrary, East-West trade has actually declined since 1980 as a result of the debt problems in Eastern Europe and the recession in the West.

Finally, the Helsinki experience has had a unifying effect within the Western alliance, leading to improved policy coordination and a greater say for the Western Europeans in allied consultative bodies. It has forged a new sense of cohesion and unity among the smaller, neutral countries of Europe and given them a forum for articulating their security concerns. It has meant new room to maneuver for the more independent Warsaw Pact countries like Rumania and strengthened the constraints against intervention by other pact members.

In short, the balance is far from negative. Rather than renouncing the agreement, as some critics demand, the United States should build on what has already been achieved and continue to press for improvements in those areas where compliance has been faulty.●

THE LESSONS OF HELSINKI

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. GUNDERSON. Mr. Speaker, a pall hangs over the gathering that is now taking place in Helsinki marking the 10th anniversary of the signing of the Helsinki accords. Contributing to that pall is the experience of 51 members of the Moscow Helsinki group or its affiliates who have been incarcerated in prisons, labor camps, psychiatric hospitals, or who are serving terms of exile. The hope and promise resulting from the signing of the accords on August 1, 1975, have been nearly dashed as the number of Soviet Jews allowed to emigrate has dropped from 51,000 in 1979 to 896 in 1984. As Andrei Sakharov approaches his 50 year of internal exile in Gorky, without trial or sentence, it is certainly difficult to muster much of a cheer for the anniversary of the accords.

But I contend that the lesson of Helsinki is not that the United States should forsake future negotiations and agreements with the Soviets and other Eastern bloc nations. The dismal record of Helsinki is not reason for us to throw up our arms and surrender to the temptation to never again risk signing an agreement that may not be honored by our adversaries.

The continued threats to human rights and dignity, as well as the potential for worldwide nuclear anihilation demands that we continue to strive toward improved levels of international understanding and cooperation. The untiring energy of individuals like Avital Shcharansky who refuses to halt her efforts to free her husband, Anatoly, from the Gulag to which Soviet authorities consigned him 7 years ago, demands that we work even harder to find a way to bring and end to the conflict and human suffering that plagues our world. The hopes and dreams of our children and our grandchildren demand that we learn from our mistakes and the mistakes of our adversaries, and continue the difficult march toward agreement and cooperation.

The Helsinki accords may have proved a disappointment, but they cannot be considered a failure. As long as we take the lessons of Helsinki with us the next time we pull our chairs up to the negotiating table, we will be one step closer to the realization of positive and meaningful agreements.

What are some of the specific lessons to be gleaned from the Helsinki experience, as well as from our experience with other agreements with the Soviets?

First, above all else, the Helsinki accords made the Soviet bloc's commitment to human rights, previously regarded by bloc countries strictly as their internal affair, open to international review and comment. It would have been preferable if the Soviet bloc adhered to both the spirit and letter of the accord, provisions, but the importance and value of publicizing violations should not be underestimated. By focusing attention on violations, we can ensure that important issues such as fundamental freedoms and human rights are never removed from the international agenda.

Second, while the United States should continue to strive to reach improved levels of understanding with the Soviets, violations of past accords drive home the fact that when negotiating and signing future agreements we must never allow our security or well-being to be dependent upon the supposed good will or trust of the Soviets. Agreements must be either verifiable, or of a nature such that violations would not threaten American security or safety. Soviet willingness to violate agreements must not preclude our willingness to undertake negotiations—it does however, demand our recognition of this reality.

Third, America must never view any agreement, treaty, or accord as a final solution to the problems confronting the world, but as valuable tools for the focusing of attention on critical issues and for helping nations move further away from potential conflict and war. Agreements are part of a process; they are rarely a final solution. To view them as a solution only opens the door to disillusionment and disappointment.

There are obviously other lessons that could be learned from Helsinki. But let us recognize, not dwell upon, the disappointments of the past 10 years. Let us learn from Helsinki, reaffirm our dedication to peace, and resolve to continue working toward international understanding, cooperation and human rights.●

HISTORY OF U.S. VIRGIN ISLANDS

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. DE LUGO. Mr. Speaker, today marks the 35th anniversary of the opening of the first radio station in the U.S. Virgin Islands and how this event is being celebrated gives me an opportunity to share with my colleagues in the House some of the fascinating history of the U.S. Virgin Islands.

The history of our special relationship with the United States began on March 31, 1917. At 3 in the afternoon on that date, official representatives of President Woodrow Wilson and King Christian X of Denmark met in St. Thomas to formalize the transfer of the Virgin Islands from Denmark to the United States.

The year 1917 was a transition year, not only for the U.S. Virgin Islands, but for the world as well. It marked the end of what in retrospect is seen

as the age of victorian genteel innocence, and the beginning of the 20th century, the age of technology, rapid social change, incredible scientific advances, and sadly, wars more massive than the world had ever seen before * * * the Yin and Yan of the modern age.

The next important event in this particular chain was March 13, 1926, the birth of Terence A. Todman, on St. Thomas. One of the Virgin Islands' most outstanding native sons, he is today the U.S. Ambassador to Denmark. He is a career diplomat in the finest sense of the phrase, and he has brought to his duties a sensitivity and a wealth of knowledge, understanding, and respect for the varied cultures of the world that has stood our Nation well. The appointment of Ambassador Todman to his current post in Denmark was a symbolic full circle that underscores the unique relationship between the United States, Denmark, and the U.S. Virgin Islands.

On August 1, 1950, radio station WSTA, the first radio station in the Virgin Islands, went on the air, 1950 was another significant year. The Korean conflict was just heating up, and the world was becoming embroiled in what would be known as the cold war, a contradiction in terms that belied the heat of the conflicts that ensued. In the Virgin Islands, our first native Governor, Morris de Castro, was inaugurated, another step forward for the U.S. Virgin Islands. WSTA became an instant hit, a true community station. As a young man fresh out of the service, I was fortunate to have been a part of the original staff of this pioneer station.

Continuing in that community spirit, the principals and staff of WSTA chose to celebrate its 35th anniversary and its commitment as a chronicler of all the bits and pieces of everyday community life that make a community and its culture unique. To celebrate this occasion, Addie Ottley has taken his popular "Morning Show" to Copenhagen, Denmark to broadcast his program live from Denmark to the Virgin Islands, using modern technology that was merely a dream when the Virgin Islands changed hands nearly 70 years ago. In this special broadcast this morning, WSTA paid tribute to Ambassador Todman, and in so doing, saluted the United States, Denmark, and the U.S. Virgin Islands.

The staff of WSTA and all the people of the U.S. Virgin Islands were honored to have received a message from the President of the United States for its historic broadcast this morning. President Reagan sent the following message which was read over the air this morning:

I am delighted to join the staff and listeners of Radio Station WSTA in St. Thomas and all the citizens of the Virgin Islands in paying special tribute to Ambassador Terence A. Todman. Let me also offer my warm congratulations on this 35th anniversary for the station.

Ambassador Todman has rendered great service to the Nation and to the people of the Virgin Islands in a variety of distinguished positions. In each of those posts he has been renowned for his skill, versatility, and his profound understanding of people of many different backgrounds. This understanding has been particularly noted in his current role as our Ambassador to Denmark, the country from which the United States purchased your beautiful islands. As a native of the Virgin Islands, he has demonstrated a unique appreciation for the special relationship between the Danish people and Americans, and has helped to make that great friendship even stronger. I know how proud his fellow islanders are of him and his efforts, and I join them in saluting his fine record of accomplishment in serving America and the Danish-American heritage of the Virgin Islands.

On behalf of WSTA and the people of the United States, I thank the President for this beautiful message. We are grateful for this special interest in the U.S. Virgin Islands and we all send him best wishes for his continued speedy and complete recovery.

Yes; the world has changed drastically since 1917 when the Virgin Islands changed hands. One reassuring constant that the people of the Virgin Islands know they can count on is the untiring effort of WSTA to bring meaningful cultural exchange programming for the benefit of all the people from all over the world who pass through the portals of the beautiful, peaceful, and free U.S. Virgin Islands.●

NUCLEAR WASTE SHIPMENTS THROUGH NEW YORK

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. ACKERMAN. Mr. Speaker, I insert my testimony of August 1, 1985, at the hearing held by the Energy and Commerce Committee's Subcommittee on Commerce, Transportation and Tourism.

TESTIMONY OF CONGRESSMAN GARY ACKERMAN ON NUCLEAR WASTE SHIPMENTS THROUGH NEW YORK

In "Animal Farm" George Orwell describes the corruption and decay of a society's ideals that strip individuals of their personal freedoms and rob them of their well-being. In a Democracy, public policy is supposed to be shaped by the people themselves, based on what will provide the greatest good for the greatest number. The Department of Energy/Department of Transportation proposal for their nuclear-waste route is a perfect example of this principle—in reverse. In this case, the greatest possible number of people would be put at the greatest possible risk.

The technology of the nuclear industry has raced ahead of our ability to keep up with the safety problems it leaves in its wake. We have scarcely mastered the difficulties of disposing of these highly radioactive wastes; we have done almost nothing to ensure their safe transport.

Is there even one person in this country who has never witnessed an accident on the freeway, never read about an overturned truck spilling its cargo? I would think not. But apparently, Department of Transportation officials don't drive and don't read newspapers. They insist that trucks carrying nuclear waste "cannot overturn," and that the containers "cannot leak"—much like the argument of a shipbuilder who claimed the *Titanic* could not sink.

Mr. Chairman and distinguished colleagues, the DOE's claim that the risk of incident is "infinitesimal" is absurd. It admits the possibility of a risk, however slight. It admits that as trucks roll through some of the most densely populated areas in the country—the City of New York and the Counties of Queens, Nassau, Westchester, and the Bronx—a disaster of catastrophic proportions could occur that would threaten the lives of millions of Americans. It admits all of this, but refuses to prevent it.

Even if one were to presume that the containers are leak-proof, one cannot presume that tractor-trailer trucks do not overturn.

The Department of Transportation has constructed its entire premise on a fantasy that ignores a key element: the New York City driver. It also pays little heed to driving conditions in New York City, and ignores national highway statistics. And under real highway conditions, this fantasy could quickly become a nightmare.

Everyone within the Metropolitan New York Area with a radio on in the morning hears almost daily of an overturned truck on the Long Island Expressway (L.I.E.), tying up major arteries all over the New York City region, and delaying hundreds of thousands of people. Can you imagine the panic and delay if it were a truck with nuclear waste, even if it were safe? Can you imagine the goings-on while waiting for experts to be flown in by helicopter to verify no leakage? DOE doesn't know for sure that its containers don't leak. DOT does know for sure that trucks overturn on the L.I.E. every day of the week.

We hear of overturned trucks on the L.I.E. hundreds of times during the year. We never hear of an overturned barge.

The question of where to route nuclear waste has no attractive answers. Every option is flawed to some degree. But to choose a route that endangers the safety of the greatest possible number of citizens is senseless. It flies in the face of reason. The report prepared for the City of New York verifies what common sense dictates: that there would be less danger to even fewer people if the waste were ferried across the Long Island Sound to our interstate road network for its trip West.

Let's put an end to this Orwellian "doublespeak," and do what is safest, and therefore best, for the largest number of people. Let us act responsibly and transport future shipments of dangerous, radioactive material by barge. And let us eliminate the "infinitesimal" risk that, in the City of New York, could become a full-fledged tragedy.●

I'M OK. YOU'RE OK.

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. JACOBS. Mr. Speaker, it seems to me that, often in the political arena, to ascribe blame is to excuse hate.

The following letter written by Dr. James Armstrong, vice president of the Committee on Dialog and Development, constitutes a departure from the deadly game of "good guys and bad guys" and ushers in the concept of "I'm OK. You're OK" for international and especially inter first, second, and third world relations.

It is the stuff of Ghandi and King and worth congressional attention:

COMMITTEE ON DIALOGUE AND DEVELOPMENT,
WASHINGTON, DC, MARCH 12, 1985.

The Rev. JAMES G. CALLAWAY, Jr.,
Executive Assistant to the Rector, Trinity Grants Program, New York, NY.

DEAR FATHER CALLAWAY: I wish to submit this request for the Trinity Grants Program to become an "early on" partner in the formation of the Committee on Dialogue and Development. The Committee (henceforth referred to as the CDD) has been incorporated to reduce the schism that currently exists between business leaders in the industrialized west and liberation theologians, Christian activists, and public leaders in the Third World.

The schism is reflected by the angry dismay many executives of transnational corporations feel when confronted by inaccurate and uninformed attacks on the free enterprise system originating in the Third World. They are mindful of the overt hostility directed against multinationals by an assortment of ecumenical pronouncements (see "Churches and the Transnational Corporations: An Ecumenical Program, "published by the World Council of Churches in 1983). At a meeting of CDD leaders with the staff of the International Division of the U.S. Chamber of Commerce, one of the Chamber staff members said, "Many Latin American businessmen feel the church is their most hostile critic."

On the other hand, Christian leaders in the Third World feel they have been mistakenly labeled Marxists for identifying with the poor on the basis of their biblical and theological perspectives. Their dismay and despair are registered when an affluent First World appears to turn a deaf ear to the world's hungry and oppressed. Both groups have "tuned each other out." They tend to listen to their own voices while discrediting their "enemies." The manifestation of this disharmony in the organized church is most discouraging when one realizes that the majority of corporate leaders are active church members who want to feel a sense of Christian mission in their vocation.

Although its self-image is "religious and ethical" the CDD will operate outside organized structures of the church. It will utilize contacts with the business community, academe, the public sector and church hierarchies and agencies to bring about dialogue between the two parties.

This broader dialogue will have three programatic methods to bring about harmony and forward movement in commonly held social goals.

(1) Conflict Prevention.—The CDD will seek to identify emerging issues pertaining to corporate activities and Third World reality with a potential for adverse impact—economic, social and cultural—on affected groups and societies. It will try to position itself in a way that will prevent an emerging issue from becoming a negative, societal problem. It will initiate special studies and research programs that will help corporate leaders and Third World activists identify emerging issues, delineate their magnitude and scale, and suggest directions and strategies for future action.

(2) Conflict Containment.—The CDD will work vigorously to encourage constructive dialogue and maintain open avenues of communication among the affected groups where public policy matters impact transnational corporations, local business communities and the living and working conditions of the people immediately involved. It will seek to bring about a constructive reapproachment between conflicting parties keeping in mind both the positive impact of corporate investments and activities and the need for balancing the interests of the various parties. Above all, it will try to involve the most significant groups with a stake in the issues, facilitating communications among them.

(3) Conflict Resolution.—The CDD will act in the role of an honest broker and a voice of reason, justice and compassion in social conflicts where positions have hardened and mutual distrust prevent serious discussions and/or negotiations between affected parties. It will explore and cultivate the common ground that will facilitate new levels of trust and develop bases for mutual understanding and cooperation.

Among others, the CDD has met with representatives of the following organizations that have engaged in significant business/church dialogue and interaction:

(a) Berkeley Center for Ethics and Social Policy;

(b) Trinity Center for Ethics and Corporate Policy;

(c) Center for Ethics and Religious Values at the University of Notre Dame;

(d) U.S. Council on International Business (re: its dialogue with the American Lutheran Church);

(e) Center of Concern (re: its educational program on the U.S. Catholic bishops' pastoral letter on "Catholic Social Teachings and the U.S. Economy");

(f) YMCA's Center for International Management Studies (re: the Dakar consultation on "Development and Multinational Enterprises");

(g) Interfaith Center on Corporate Responsibility;

(h) Interfaith Committee on Economic Justice (re: the Overseas Development Council's experience with "business briefings"); and

(i) Council of the Americas (re: Board Room dialogues for corporate executives).

The CDD expects to network and cooperate with these programs and to help facilitate their important learnings into the Third World arena.

There have also been conversations with Christian leaders from around the world. Their supportive guidance has proven invaluable. Some of the leaders consulted have been:

(a) Emilio Castro, general secretary of the World Council of Churches;

(b) Ernesto Cardinal Arns of Sao Paulo, Brazil;

(c) Julio de Santa Ana, former director of the WCC's Commission on the Churches' Participation in Development;

(d) Dr. Jose Miquez-Bonino, liberation theologian, academician and former president of the WCC (1975–1983);

(e) Dr. Kim Choon Young, Korean Council of Churches;

(f) Bishop Federico Pegura, president, Latin American Evangelical Council of Churches; and

(g) Dr. Rubem Alves, liberation theologian, academician, author and poet.

These religious leaders noted their concern for the financial instability of their countries because of the international debt crises, for widespread unemployment—especially among the young—and for the disastrous impact of poverty and hunger on the women and children of the Third World. They feel that their church's faithfulness will be measured by it's advocacy of the rights and needs of the poor.

The CDD is now in the process of testing the interest of financial leaders in United States and transnational companies. One executive at Morgan Guaranty Trust said it could be "an important program if you can find meaningful ways to implement it." A meeting with seven staff members, including the director of the International Division of the U.S. Chamber of Commerce, indicated their keen interest. They feel business in the developed world would be benefited by the CDD program. One staffer said, "If the right climate is created—then education can take place."

To implement the CDD program a "start-up fund" of $77,940 is needed for the first year's core budget. (It should be noted that it is possible to get underway with this small amount because of the volunteer commitment of board members, the utilization of consultants and the sharing of office space and secretarial resources.) Attached is a budget and statement of expenses and income to date. The budget is developmental and as CCD becomes more functional there will be a need for permanent staff members. A 20-percent reserve for operating contingencies has been added because of the unpredictability of initial costs without the benefit of prior experience.

The budget provides a modest sum to employ a part time executive director to coordinate present activities, service the board's governance and handle legal matters.

A similar sum is proposed for an organizational development consultant to guide the planning process for the new organization. This would enable a feasability study on CDD's potential to perform a unique, unduplicated service that would attract future funding and generate self-earned income through conference and seminar participation and publications. This person in cooperation with others will assume primary responsibility for developing lists of potential funders, resource persons, board members and future staff. He/she will also write grant proposals.

While CDD's mission will be global, there are dominant hemispheric considerations. A south Florida connection, linked with a university, seems highly desirable. A consultant has been identified who for a small stipend and expense reimbursement will establish local business, media, educational and institutional support to augment initial programs.

Consultation with members of the Council of Foundation's Committee on International Grant Making, and the Council of Americas, indicate their feeling that the CDD will offer a unique program. Most see a combination of church and corporate grants to provide necessary start-up funds.

Because of Trinity's historic relationship with the business community and its innovative grants program with a Third World priority, CDD would hope that Trinity would become an early partner with a $35,000 grant toward the first year start-up budget.

Thank you for encouraging this submission. I am deeply grateful to Dr. Parks, Dr. McCoy and Charles Schmidt for making yourselves available to our consultant Frank Kiehne and myself as we have explained our reason for being and have sought your guidance in this grant process.

Sincerely,

JAMES ARMSTRONG.●

GROWING POLARIZATION IN SOUTH AFRICA

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. RANGEL. Mr. Speaker, observers can only marvel at Pretoria's continuing inability to come to grips with what is happening among black South Africans. The white populace seems to have an uncanny habit of misperceiving and misinterpreting black grievances and black leaders. This became painfully obvious when President P. W. Botha summarily rebuffed Bishop Desmond Tutu's requests for a meeting.

It seems to me that Botha could decisively avert a bloodbath by opening a dialog with Bishop Tutu and ANC leader Nelson Mandela. These leaders are respected by all blacks, and would be able to allay the rage which has claimed hundreds of lives. Unfortunately, Botha has been obstinate in his refusal to strike a deal with them.

The fuse of revolution has been lit. If Pretoria does not relent, all of South Africa will be ravaged by rebellion and racial confrontation. I insert the following article in the hope that this trend does not continue.

The article from the Washington Post, July 31, 1985, follows:

SOUTH AFRICA: SETUP FOR A SHOOT-OUT?

(By William Raspberry)

Last week, Bishop Desmond Tutu was warning angry blacks that he would leave the country and perhaps even abandon the liberation struggle if there were any more lynch-mob attacks on suspected police informers.

This week, South African President P. W. Botha was refusing the Nobel Peace Prize winner's request for a meeting to find a way to end the violence.

The two events say a good deal about the moral and physical courage of the Anglican bishop and perhaps more about the dismal prospects for peace in that racial time bomb of a country called South Africa.

Tutu is respected around the world as a man of peace and yet held in high regard by South Africa's black militants. That combination of attributes made it possible for him to elbow his way through an enraged crowd three weeks ago to rescue a man suspected of being a police informer and, last week, to threaten to quit the liberation struggle if lynchings continued.

That same integrity would have made him almost uniquely able to lead the near-revolutionary black population and the white government away from the brink of chaos. He was willing, even eager, to try.

"I have tried; I have failed," he said the other day after Botha decided against meeting with him. Tutu first broached his interest in such a meeting during two broadcast interviews. Botha, perhaps looking to his right flank, said he could not respond to offers made through the media but was prepared to talk to Tutu or anyone else "provided a proper appointment is made."

Tutu, who might have bristled at the rebuff and turned away, instead sent Botha a formal request for a meeting. Botha's office at first announced his willingness to talk with Tutu but later rejected the bishop's request, adding—incredibly—that he would talk only with people who had denounced both violence and civil disobedience.

That new condition eliminated Tutu, who refuses—disobediently—to carry the "pass" that South African law requires all blacks to keep with them. The bishop, who already had risked his credibility among blacks by seeking the meeting with Botha, could hardly afford to be seen as begging for an audience. So that, presumably, is that.

But important questions remain. For instance, what does the Botha government have in mind? Surely its refusal to talk to Tutu is a calculated move implying that it sees no point in enhancing the credibility of black moderates. The result can only be to render the moderates irrelevant or, more likely, to radicalize them.

Tutu, and men like him, could have been bridges, making it at least theoretically possible for the two sides to come together. Does the bridge-blasting, implicit in Botha's rebuff of Tutu, mean that the government has given up on a peaceful resolution of the current crisis? Is the scene being set for a full-fledged shoot-out?

And what, if that happens, will be the position of the Reagan administration? The White House, while continuing to assert its opposition to economic sanctions, is at least more vocal in its apparent consternation with Botha's obstinance, particularly with his refusal to meet with Tutu. Will Botha's continued obstinance transform that consternation into active impatience?

What will be Ronald Reagan's reaction if Tutu and other moderates are jailed? Where will America be if the crisis escalates, whether into revolution or all-out repression? When, in short, will this country gather up the political and moral courage to declare just which side it is on?●

REMEMBER OUR HEROES

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. DYMALLY. Mr. Speaker, I wish to bring to your attention as well as that of my colleagues an important tribute paid by the city of Hawthorne, CA, and the Hawthorne Veterans Council to the war heroes of our country who gave their lives in defense of democracy around the world.

It is with great pleasure that I submit to the Members of this body the text of a letter I received informing me of this community service, and inviting my participation in the activities. Perhaps my colleagues may find the initiative taken by my constituents worth staging in their congressional districts. The message is quite clear: We as a Nation should always remember the honorable heroic sacrifices of our fellow men and women that made possible the liberty and freedom we now enjoy.

The following is the body of the letter. I urge you Mr. Speaker and Members of the House to respond.

JUNE 24, 1985.

DEAR ELECTED OFFICIAL: On behalf of the Hawthorne Veterans Council and the City of Hawthorne we wish to invite you to attend the opening ceremonies for the showing of the Vietnam Veterans Memorial replica, on Sunday, August 11, 1985, beginning at 1:00 p.m. The ceremony will be conducted in the park at the Hawthorne Memorial Center, 3001 West El Segundo Boulevard.

This showing of the Vietnam Veteran Memorial replica is being conducted as part of our "Remember Our Heroes" tribute that will be held in Hawthorne, August 11-18, 1985.

During this time the Hawthorne Veterans Council will honor America's heroic men and women who have fallen while serving their country in the defense of freedom in the Spanish-American, WWI, WWII, Korean and Vietnam Wars, as well as other conflicts around the world.

The memorial replica is a half-scale, 250-ft long model of the Vietnam Veterans Memorial in Washington, D.C. It is a solemn and fitting tribute to the 58,022 American heroes who answered their country's call and served, and died in Vietnam. The exhibit will be lighted and open 24 hours a day.

Organizations and individuals may participate in this meaningful tribute by arranging for, and placing floral arrangements either on the day the exhibit opens or sometime during the week. It would be appropriate to have your organization's name included in the arrangement.

We would welcome written greetings you may wish to send, should you be unable to attend the opening ceremony, and will display it along with proclamations and resolutions from the cities of Los Angeles County in a special area adjacent to the memorial.

In order that we may properly recognize your involvement at the ceremony, please respond by August 1st.

We sincerely hope that you can participate in this tribute as we honor our American heroes and re-kindle the spark of pride and freedom for which they have paid the ultimate price to preserve.

Sincerely,

OLIN LAMBERT,
Commander, Hawthorne Post 2075, Veterans of Foreign Wars.

DANNY BELFONTAINE,
Commander, Hawthorne American Legion Post 314.
GUY J. HOCKER, Jr.,
Mayor of Hawthorne.●

THE ADMIRALTY MAZE

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. JONES of North Carolina. Mr. Speaker, the maritime cargo and personal injury liability laws of the United States have evolved over the past 200 years through both statutory and case law. During all of this time the Congress has never done a thorough examination of this complex issue, with an eye toward rationalizing or making some type of logical sense out of these laws.

As a result, individuals who are injured have different remedies depending upon whether they are a seaman or a nonseaman, injured inside or outside of 3 miles of the coastline, and various other distinctions. The types of damages allowed varies, as well as the types of individuals allowed to sue in a wrongful death action. Cargo owners have different basis to recover for damaged goods depending upon whether the goods are being shipped to another point in the United States or to a foreign country.

You have to be an admiralty specialist in order to get through this maze. Over the years the Supreme Court has attempted to rationalize this system as best it could within the constraints of the statutes. However, even this has not removed many anomalies from the system.

In 1946 the Congress mandated that the 50 titles of the United States Code should be revised, consolidated, and enacted into positive law. To date, 21 titles have been codified. In 1983 those portions of title 46 related to vessel inspection and seamen were codified.

Subsequently, the committee staff began drafting a recodification of the maritime liability laws—including the Death on the High Seas Act, Jones Act—as it applies to personal injury cases—General Maritime Law, Carriage of Goods at Sea Act, Limitation of Liability Act, Public Vessel Act, and the Suits in Admiralty Act. In March of 1984, the first draft was circulated to interested parties; comments were received and analyzed and then included in draft 2, which was distributed in July. Again, comments were received and analyzed and changes based on these recommendations were included in a committee print circulated nationwide in January 1985.

The bills are the result of many hours of careful analysis by the committee staff on the comments we received on the committee print. These bills are the first attempt by the Congress to rationalize this system by standardizing these rights, remedies, and responsibilities. We have attempted to take the existing statutes, combine them with the case law, and develop a logical personal injury and death remedy system built on the current practice.

In dealing with cargo liability, we have repealed the old domestic system and made the current international system, which we have followed for nearly 50 years, apply to domestic shipments. We have also proposed to solve the "package" definition problem in the existing law by implementing the internationally recommended Visby amendments to the Hague Convention. However, we understand that some individuals in the administration and elsewhere favor the Hamburg Rules, which would totally replace COGSA. They feel that if we simply implement the Visby II amendments, the Hamburg Rules will not stand a chance of ever being implemented by the United States. Therefore, in order to be fair to all parties we have decided to put the Hamburg Rules on the table in this legislation for discussion. I, personally, have not taken a position on this Convention and plan on waiting until after the public hearing process is completed before I do so.

Most of the provisions these bills make no substantive change to law. When there are substantive changes, those can be broken down into two categories: First, totally new provisions to law, such as most of chapter 303 and section 30511; and second, when two provisions in the existing law are in conflict, a choice is made retaining one, as in differences in existing wrongful death provisions now contained in section 30505 and present types of damages allowed now contained in section 30507. The provision in the bill is in the current law but may not be applicable in all current cases.

These bills incorporate a number of provisions that the committee has adopted in the context of other legislation, such as requiring evidence of financial responsibility to protect against a corporation owning a single vessel getting out of paying claims in a disaster by not buying insurance.

By sticking as closely as possible to the existing system we hope not to create years of new litigation concerning the existing law. It is our desire to implement a system that will clearly define a person's liability and to put a reasonable limit on that liability and at the same time implement an easily understood system for fairly compensating individuals who are injured or killed on board vessels.

Since this is the first time this approach has ever been attempted, we recognize there may be some rough edges with this bill. We plan on being very open and flexible with this legislation as we have been during its drafting process. With the help of the administration and the various components of the maritime industry the goal of clarifying and codifying these laws can be achieved for the first time in 200 years. We look forward to receiving their input and working with them on this landmark legislation.●

THE 25TH ANNIVERSARY OF THE MARSHALL SPACE FLIGHT CENTER

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. FLIPPO. Mr. Speaker, this year marks the 25th anniversary of NASA's Marshall Space Flight Center in Huntsville, AL. The Marshall Center's contribution to our Nation's efforts in space exploration began shortly after our decision as a nation to meet the challenge presented by the Soviets' successful launching of the sputnik satellite and subsequent manned flights.

Propelled by the Von Braun team, who were then part of the Army Ballistic Missile Agency at Redstone Arsenal, the Marshall Center was responsible for the early pioneering efforts to meet the technical challenges presented by placing a man in space. Through these efforts, America quickly caught up with and surpassed the Soviets in what came to be known as "The Race for Space."

This period of time was also the beginning of America's fascination with space and space flight. What had once been the subject of writers' dreams was now happening before our eyes. Television brought us live coverage of the launches and splash downs of the Mercury and Gemini Programs and at once became the medium through which all people could share in the reality of space exploration.

In 1961, America inaugurated the youngest President ever elected, John F. Kennedy. President Kennedy shared the dream of space exploration and during his short time in office, made a commitment which was to dominate the world's attention for many years; to place a man on the Moon.

Manned flight to the Moon presented technical problems of a magnitude which had never been thought of before much less addressed. The solution developed by Marshall was the Saturn V booster, the most powerful rocket ever built. Marshall also had a hand in the development of additional hardware necessary for the Apollo Moon landing; the lunar rover bore

the signatures of Marshall technicians and scientists. All of America watched as Neil Armstrong's hands released the ladder of the lunar lander and effortlessly floated to the surface of the Moon, his feet leaving man's historic footprints deep in the Moon's dust. His voice beamed 238,000 miles back to Earth, "This is one small step for man, one giant leap for mankind." And what a leap it was. A leap made possible by the ingenuity and dedication of the men and women of the Marshall Space Flight Center.

Although all of these efforts and tremendous accomplishments contributed greatly to our understanding of space and our solar system, NASA scientists envisioned a space transportation system that would allow us to truly utilize space on a long-term basis for the betterment of mankind. A continuous presence in space would also necessitate a system that would be less costly than earlier programs.

In 1981 America launched the first reusable space system, appropriately called the space shuttle. America and the world watched in awe as a rather ungainly looking combination of shuttle, external fuel tank, and solid rocket boosters lifted from the launch pad at Cape Kennedy, and slowly rolled 180° placing the shuttle upside down as it moved down range. Several days later, the shuttle came back to Earth as no other spacecraft had returned before, landing on an airstrip like a modern jetliner.

The Marshall Center's Shuttle Program responsibilities include the development of the shuttle's main engines, the external tank containing the enormous amount of liquid hydrogen fuel needed for launch, and the solid rocket boosters used for liftoff. The accomplishment of the successful Shuttle Program rivals that of the Apollo Program. For the first time, man has a sustained access to space which has opened new doors in man's ability to utilize space on a continuous basis.

The Shuttle Program has also provided an opportunity for other major efforts in space which will be managed at Marshall. The various spacelab missions have provided scientists throughout the world with experimental data never before possible to obtain. Marshall will also have a major roll in the development and management of America's first permanent manned orbiting laboratory, the space station, scheduled to be in place within the decade.

Twenty-five years ago, it would have been hard to imagine the accomplishments we have made in space since that time. It would also be hard to imagine where we would be as a nation today, were it not for the contribution our space efforts have made in other fields. The development and maturation of technologies in the area of computer science, medicine, communications, new space-age materials, the list goes on and on. In the technology-driven world we live in today, it is comforting to know that we have at the Marshall Center, individuals with the know-how, the "right stuff," to meet the technological challenges we face in the future.●

A SALUTE TO JOHN M. TOUPS

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. WOLF. Mr. Speaker, Congressman STAN PARRIS and I are privileged today to bring to the attention of our colleagues in the Congress an unusual individual who has been selected for a special honor by his fellow citizens of northern Virginia. On September 7, 1985, the Virginia Community Foundation's Founders Award will be presented to John M. Toups, businessman and resident of McLean, VA, at a dinner at the Hyatt Regency Hotel in Crystal City, VA.

The Northern Virginia Community Foundation was formed in 1978 by a group of northern Virginia residents who wanted to return to the community some of the riches that they had received from it. Five areas of concern benefit from the foundation's endowment funds: The arts, education, health, youth and civic improvement.

The foundation receives charitable gifts from people from all walks of life with all levels of income—families, businesses, national corporations and foundations. Donations are used exclusively to benefit northern Virginia.

Each year, the foundation honors a citizen of northern Virginia who has made an unusual contribution to the life and prosperity of the community. The award is made to recognize the unselfish efforts of that individual and to promote awareness of the significance of individual's action in improving the quality of life for all members of the community.

This year, John M. Toups, chairman, president, and chief executive officer of Planning Research Corp., has been chosen to receive the 1985 Founders Award. In a few short years in northern Virginia, John Toups has made his leadership and influence felt in supporting the business community, in improving technical higher education, in supporting locally developed cultural activities, and in helping to solve the area's transportation problems.

John Toups is a member of the board of directors of the Fairfax County Chamber of Commerce, the Fairfax Symphony, the George Mason Institute Industrial Policy Board, the Tysons Transportation Association, the Washington Dulles Task Force and Fairfax County Neighborhood Watch/Crime Prevention Education, Inc. He has chaired and served on numerous committees and programs in Northern Virginia and in the Greater Washington area. He is president of the Professional Services Council, vice president of the National Security Industrial Association, and a director of the National Committee for Employer Support of Veterans Employment and of the Greater Washington Board of Trade.

He has helped his company become a significant factor for development and social commitment in the northern Virginia community. PRC officers and employees work on business, health, youth, educational, and cultural programs throughout the area, and the PRC building is opened to numerous community activities.

John Toups combines professional skills as a registered engineer with entrepreneurial skills as a businessman. When Toups Corp., a hydrology and land development engineering firm of which he was founder and president, was acquired by Planning Research Corp. in 1970, he became a PRC vice president. The company quickly recognized his abilities, and he became a PRC director in 1973, president in 1978, and chairman in 1982. Under John Toups' leadership, the international professional services company has grown from $280 million in revenue in 1980 to $375 million in 1985.

While its headquarters were still in Los Angeles, CA, PRC opened its first offices in McLean, VA, in 1970, John Toups moved the corporate headquarters from Washington, DC, to PRC's showcase building in the new Tysons/McLean development in 1981. PRC is now the third largest employer in northern Virginia, with more than 1,400 employees in McLean and Dulles, VA, and 7,500 employees worldwide.

Community leaders in northern Virginia also have quickly recognized not only John Toups' ability, but also his dedication to the well-being of his neighbors and his community. His friends, colleagues, and associates are inspired by his intelligence, integrity, and leadership in working to solve the community's problems and to enrich the lives of its citizens.

John M. Toups is a uniquely deserving recipient of the Northern Virginia Foundation's Founders Award.●

DR. DAVID BRUNELL, ARTISTIC AMBASSADOR

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. HAMILTON. Mr. Speaker, I rise today to recognize the outstanding

achievement of pianist and teacher Dr. David Brunell of Bloomington, IN. In 1985, Dr. Brunell represented the U.S. Government abroad as an Artistic Ambassador, sponsored by the U.S. Information Agency.

The Artistic Ambassador Program is a recent initiative of Charles Z. Wick, the Director of the U.S. Information Agency. Its purpose is to use the wealth of often undiscovered musical talent in the United States to enhance USIA's mission of cultural understanding. Under its program director, John Robilette, the Artistic Ambassador Program has sent 11 pianists to 33 countries where they have given public concerts, worked with students and faculties of conservatories, and occasionally lived with host families.

Dr. Brunell was a superb choice for the Artistic Ambassador Program, and has made many friends for America in six different countries. Through his personal example and his pianistic talent, Brunell, allowed people throughout the world to see what he is about as an American and as a musician. They liked what they saw. His impact and other Artistic Ambassadors like him can never be quantified or put into any statistical report, yet it may extend for generations.

David Brunell spent 5 weeks abroad, traveling to cities in Trinidad, Jamaica, Dominican Republic, Haiti, Costa Rica, and Mexico. His warm reception in each country shows that the splendor of music overcomes political differences. Often traveling into the provinces of these countries as a musical Ambassador for the United States, Brunell gave many people who have never seen this country perhaps the most vivid impression they will ever have of the United States.

Evaluations from our Embassies overseas have indicated a tremendous ground swell of affection and interest for those things American, particulary when we as a nation are represented through the innocence of music and cultural exchange. David Brunell ilicited no less than 31 press articles and captioned photographs in Dominican newspapers alone during his brief stay on the island of the Dominican Republic. Even the most leftist and anti-American newspaper in Santo Domingo praised the Artistic Ambassador Program and David Brunell's anticipated visit in an editorial which said, this is a "gift given in the spirit of 'good neighborliness' by the Government of the United States of America."

The American Embassy in Trinidad reported that:

> Several people approached the piano following the recital and said they hadn't heard such a talent in years. Perhaps not since Claudio Arrau visited Trinidad in the sixties. Many wanted to know how soon we could get him back here or why can't you get more performers with that kind of talent to appear here * * *.

The American Embassy in Jamaica rates Brunell's visit as:

> An unqualified success. A very accomplished pianist who captures his audience from the first note, Brunell had his audiences spellbound. He was an excellent Artistic Ambassador.

In the Dominican Republic, a major music critic and Juilliard graduate wrote of Artistic Ambassador David Brunell:

> it was not enough to call Brunell the Artistic Ambassador of the United States. After hearing his concert she felt "that his message of art and friendship would remain in the memory of the Dominican people for all times as that of an Ambassador-at-Large."

The American Embassy in Haiti proclaimed:

> Brunell is the most outstanding cultural program this post has seen in many years and, as one local journalist put it, "he has left an indelible mark on Haiti's musical annals." Brunell's talent, generosity of spirit and personality make him an ideal Artistic Ambassador.

Mexico reported that,

> David Brunell * * * established a standard of excellence * * * that will be extremely difficult to equal. The advance publicity for the Artistic Ambassador Program prompted the post to have great expectations of our first performing Artistic Ambassador. Brunell not only fully justified his advance notices, but his performances exceeded expectations * * *. David Brunell was a perfect choice to introduce the Artistic Ambassador Program and we hope to have more like him.

I want to emphasize that David Brunell is an outstanding citizen of Bloomington as well as the United States. His willingness to serve his country as an Artistic Ambassador makes me proud. I would like to express my gratitude to Dr. David Brunell for personally bringing the people of the world closer together through the magic of music, and my thanks also go to Charles Z. Wick at the U.S. Information Agency for initiating this unique and rewarding program.●

HALLEY'S COMET TIME CAPSULE

HON. H. JAMES SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. SAXTON. Mr. Speaker, today I rise to offer every youngster in the country the opportunity to contribute to a most unique project which is rapidly gaining national interest and popularity.

This project, which has taken root in Vincentown, NJ, in the heart of my 13th District, centers on the burial of a time capsule to mark the arrival of Halley's Comet early next year.

For some time now, school students throughout the country have been contributing poems, essays, and other original art to the capsule, which will be sunk in the ground on April 11, 1986, the same day that the comet will be closest to the Earth.

The capsule will be buried on the grounds of a historical one-room schoolhouse in the small, proud community of Vincentown, and marked by a plaque to assures its recovery 76 years from now, in the year 2061, when Halley's Comet reappears.

The Halley's Comet Time Capsule is an idea which originated with Mr. Joseph Laufer, associate dean of Community Services at Burlington County College, Pemberton, NJ.

Mr. Laufer states that "the return of Halley's Comet after 76 years provides a unique opportunity for youngsters to become aware of their responsibilities toward the people who will welcome Halley's Comet again in 2061.

Students who contribute to the capsule have a chance to share with future generations not just their creativity, but their concerns for the issues which faced us in the 1980's.

In reviewing the time capsule contributions thus far, Mr. Laufer has seen some interesting themes developing. Students have shown a keen concern for world peace and harmony, disarmament, social justice, and ecological matters.

Mr. Laufer says: "As an educator, I see the return of Halley's Comet as an invaluable pedagogical tool. In addition to being an opportunity to awaken an interest in astronomy, it has the much broader value of heightening intergenerational awareness and global unity."

I should also note Southampton Historical Society has been supportive of the time capsule. The historical society recently restored a one-room schoolhouse which was in use from 1860 to 1930, and it is the schoolhouse grounds which will hold the capsule.

Students, teachers, and others who are interested in participating in the 1986 Halley's Time Capsule project should write: Halley's Comet Time Capsule, Halley's Comet Society—USA, Box 2188, Vincentown, NJ 08088.●

TEXTILE AND APPAREL ACT

HON. WILLIAM W. COBEY, JR.

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. COBEY. Mr. Speaker, I urge my colleagues to support H.R. 1562, the Textile and Apparel Act of 1985, which, if enacted, would prevent the loss of 240,000 textile jobs in the United States this year alone.

The American fiber, textile, and apparel industry is our largest manufacturing industry. It is also the world's most modern and productive industry. However, we are presently facing

unfair competition from countries who subsidize their textile industries.

In 1974, the Multi-Fiber Arrangement [MFA] was organized as an international instrument of the General Agreement on Trade and Tariff. This was done to insure the orderly growth of world textile and apparel trade while avoiding the disruptive affects of that trade on individual markets. This trade agreement, signed by 43 countries, called for a 6-percent annual rate of growth for textile imports for most countries and a lower growth for major textile exporting countries. However, since 1980, textile products coming into the United States have grown at an average annual rate of 19 percent. Because of this, foreign imports now control over 50 percent of the U.S. clothing market, and this is only the beginning.

As I have stated, the U.S. textile industry has yielded one of the most productive work forces in the world. American textile and apparel firms are the largest manufacturing employers of women and minorities, and these companies are cost efficient.

Americans are strong supporters of fair play and open competition; but this sort of competition and fairness is not characteristic of the international textile market. Certain countries, such as, Taiwan, China, and Hong Kong, are subsidizing their textile prices to the detriment of American manufacturers. The final sale price of most textile imports does not represent the true or accurate product production costs. The prices of foreign goods are artificially reduced or subsidized. Without government subsidies, many foreign firms could not offer their goods in the American market at current prices.

It is unfair to expect our American textile firms to compete in this current situation. The continued flood of textile and apparel imports is drowning many of our communities, such as Wake, Franklin, Chatham, Orange, and Randolph counties in North Carolina. In the past 2 years alone, two textile plants in my district have closed. A recent study reported that textile employment in North Carolina has dropped to its lowest level in 35 years.

The administration argues that H.R. 1562 would lead to higher prices for American consumers because of decreased competition. The truth is that foreign imports are eliminating domestic production of many goods. After these goods are no longer produced in the United States, foreign producers would be free to set prices as high as they like. In economics, this type of action is known as predatory pricing, and we should not allow this to happen.

When President Reagan agreed to the 1981 MFA renewal agreement, he did so in good faith. Since that time, however, countries that signed the agreement have breached the contract. As a result, there has been a loss of over 500,000 jobs when dozens of textile and apparel plants in the United States have closed down.

The answer to the problem is for Congress to adopt H.R. 1562, the Textile and Apparel Act of 1985. This legislation would not violate any international agreement, but will fix 1985 import levels where they would have been if the multi-fiber arrangement had been propertly enforced since 1981.

Prospects are looking very favorable for ultimate passage of H.R. 1562. We currently have 287 cosponsors in the House and 53 cosponsors in the Senate. Passage of H.R. 1562 would encourage economic recovery in our textile industry and would create jobs for American workers, including many workers in my area of North Carolina.●

MADE IN SPACE SALE

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. RITTER. Mr. Speaker, from the beginning of the Space Program, NASA has had a special interest in the effects of weightlessness. Some of NASA's earliest studies were directed at propellant systems for rockets and structural welding in space. By the mid-1960's, however, the brief periods of weightlessness available in drop towers or on aircraft flights gave way to the longer microgravity experiments of the Apollo Program. Microgravity experiments were also conducted on sky lab and the Apollo-Soyuz project, jointly operated by the United States and the U.S.S.R. Most recently, microgravity research has taken place on the space shuttle.

The space shuttle opened a new era in microgravity science and applications. While opportunities for reflight and recovery of test samples were available before the shuttle, the shuttle permitted larger and more complex experiments than ever before. This combination of heavier payloads and repeated missions allows NASA to expand scientific and commercial research in space. For the 1980's and beyond, space-based microgravity research, especially materials processing will be one of the centerpieces of the U.S. Space Program.

Materials processing is one of the central elements of NASA's Microgravity Program, and is, in short, the science of processing ordinary and comparatively low-valued raw materials into crystals, chemicals, metals, ceramics, and countless other manufactured products.

Materials processing enables us to build modern computers to process information and communications systems to transmit it; enables us to build turbines for aircraft and electric power plants; makes possible revolutionary advances in the production of chemical and biological compounds, such as insulin; and, not surprisingly, by producing high-strength alloys and heat-resistent cermatic tiles, makes the Space Program possible.

Just as materials processing on Earth made the leap into space a reality, the Space Program today offers unique opportunities for materials processing. The most important benefit of processing in space is extended weightlessness. On Earth, gravity causes materials of different densities and temperatures to separate and materials to deform under their own weight. In the microgravity of an orbiting spacecraft, however, scientists can use unique materials processing techniques, techniques that are all but impossible on Earth. The results can lead to a material or a processing approach of scientific or commercial value.

On July 17, 1985, NASA announced the first sales of a product manufactured in space, plastic beads so small that 18,000 of them could fit on the head of a pin. The polystryene beads are 10 micrometers or about one 2,500th of an inch, in diameter; perfect spheres that small are virtually impossible to make on Earth because of the interference of gravity. The spheres were made by a chemical process developed by Dr. John Vanderhoff and associates in my congressional district at Lehigh University in Bethlehem, Pa.

The billions of spheres produced in the absence of gravity aboard several space shuttle flights are being purchased by producers of finely ground powder products such as paint pigments, inks, toners, chemicals, flour, and cosmetics as well as by technologists who monitor environmental particulate pollution from industrial and chemical plants.

The spheres also will be used by medical researchers who calibrate instruments to count blood cells and measure their shape and to perform a wide variety of diagnostic measurements. Moreover, the product is available to manufacturers as a reference in producing and distributing secondary measurement standards.

A vial containing about 30 million of the microbeads sells for $384; the proceeds will be split between NASA, which produced them, and the National Bureau of Standards, which measured and packaged them. There are 600 vials available for sale, of which a good number has already been sold.

The first fruits of materials processing in space have been realized; as mi-

crogravity research continues to develop, the benefits will become increasingly apparent on Earth. Like space, the opportunities offered by microgravity science and applications are vast and are only beginning to be explored.●

THE HOME HEALTH CARE PRESERVATION ACT OF 1985

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mrs. ROUKEMA. Mr. Speaker, today I am introducing the Home Health Care Preservation Act. This legislation would prohibit the Secretary of Health and Human Services from implementing any changes in reimbursement levels for home health care.

I offer this measure in direct response to the recent publication of regulations—July 5, 1985, Federal Register—by the Health Care Financing Administration [HCFA]. These regulations not only change the manner in which reimbursements are calculated, but also the amount of the reimbursement. These new regulations will strike a financial blow to that segment of our population least capable of absorbing it, our elderly.

The imposition of these new reimbursement methods comes at a time when the elderly who rely on home health agencies for care can least afford it. It seems likely that there will be a budget freeze for most Government programs, in a much-needed, overall effort to reduce our Federal deficit. A freeze, coupled with the change in reimbursement rates, will increase the out-of-pocket costs for our sick elderly while also discouraging home health care, which is proven to be far more cost effective and humane than long-term hospital or nursing home care.

As the General Accounting Office [GAO] noted in a report issued earlier this year, the implementation of Diagnostic Related Groups [DRG's] for hospital stays has resulted in the releasing of patients in a shorter period of time, and in physical conditions which demand continuing out-of-hospital care. Patients in need of longer and more technologically advanced treatment are being released to home health agencies as a result of these shorter hospital stays. The consequence of the DRG system is increased demand on the home health care system, and therefore, higher costs to the patient.

HCFA's new regulations demand that health care agencies take on a greater number of ill people with increased medical needs, while receiving a severly reduced level of reimbursement. The effect is to ration health care and cause serious deterioration in the quality of that care.

If home health care services are reduced, the only alternative for our sick elderly will be nursing home care. This option is not always the most appropriate or desirable and certainly not the most cost-effective method of treatment.

The cost for nursing home care is borne alternatively by society or the families of the elderly involved. A survey conducted by the Harvard Medical School's Massachusetts Health Care Panel found about half of all single people, 75 years or older, face poverty after 13 weeks in a nursing home. Those results are striking and point to a time when health care will become available only to the rich. Clearly, we must create a public policy to ensure long-term care for all our elderly.

Just as clearly, it is imperative that we delay the implementation of these onerous regulations. During consideration of the Orphan Drug Act—Public Law 97-415—the Congress commissioned a report from Brandeis University concerning alternatives to reimbursements for home health care. To date, only a preliminary report has been forthcoming. It indicates that the increases in home care are due to normal market factors and not, as HCFA contends, to inefficiency or over utilization of the program.

In addition, HHS has awarded ABP Associates of Cambridge, MA. a 5-year grant to set up a demonstration program to investigate alternative reimbursement methodologies. The grant proposal was due to Congress on January 1, 1985, and was to start in May of this year. No further action on this project has been taken, as it is under review by the Office of Management and Budget.

I implore OMB to undertake this study. Congress needs the time to analyze the results of these studies. The Home Health Care preservation Act would give Congress that time, and the opportunity to develop a method of method of reimbursement which is cost effective, fosters adequate quality health care. and equally important, humane to our nation's elderly.●

APPLAUD THE PRESIDENT'S PROPOSAL

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. LAGOMARSINO. Mr. Speaker, in the last 48 hours, the President has made a very significant and meaningful arms control proposal to the Soviet Union, which has thus far gone unanswered. Members of this body should applaud the President's proposal as well as his willingness to go the extra mile in offering his far-reaching and praiseworthy offer.

His proposal is in fact an offer to the Soviet Union to send a team of experts here to the United States to monitor a nuclear explosive test at our Nevada test site. The proposal is important for a number of reasons. As Members of this body know, some have called for the resumption of negotiations between the United States and the U.S.S.R. for the purpose of achieving a comprehensive nuclear explosive test ban. One of the key problems with a comprehensive nuclear test ban is that it is unverifiable, given present monitoring technologies and equipment. We are unable to monitor with sufficent accuracy the size of the Soviet nuclear tests, both to insure their compliance with existing arms control agreements and to prevent a Soviet technological breakthrough of one type or another. At low yields, it becomes virtually impossible for our external monitoring equipment to detect underground nuclear explosions, or pick them out from what might be slight tremors or earthquakes. And Members know that the Soviets have thus far refused to allow onsite inspection at their nuclear test facilities.

During House Foreign Affairs Committee hearings on legislation calling upon the President to immediately resume negotiations for the purpose of achieving a comprehensive test ban, we heard from Dr. Don Kerr, the director of Los Alamos National Laboratory, that in at least one instance we discovered a Soviet underground test through human intelligence only—that is, our state-of-the-art monitoring equipment failed to even pick up the signal of a test which had taken place. And, contrary to some claims, such low-level tests can be militarily significant and can impact upon the reliability and effectiveness of the nuclear stockpile.

It would be unwise for the United States, in our passion for arms control, to agree to a test ban if we cannot insure through verification that the other party is living up to the terms of the agreement. It is unfortunate but true that the Soviets have seen it in their interest to violate the terms of test ban treaties. Based upon a thorough evaluation of all available data, the U.S. Government has determined that the Soviet Union has repeatedly violated the Limited Test Ban Treaty and has likely violated the Threshold Test Ban Treaty. Such a poor track record of compliance should not be merely cast aside in an attempt to get arms control for arms control sake. The Soviets' noncompliant behavior must be taken into account prior to the resumption of negotiations.

Mr. Speaker, the President has made a serious offer to the Soviets. Some would perhaps even criticize him for asking for nothing in return—he did not ask that U.S. monitoring teams be allowed to travel to the Soviet test site to monitor Soviet nuclear explosive tests. But the fact is that this President has gone the extra mile in an effort to create a favorable climate for bilateral U.S.-U.S.S.R. arms control. We should applaud his courage and put the onus for fair, equitable, verifiable and mutual arms control where belongs: with the Soviet Union.●

H.J. RES. 106

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. MORRISON of Connecticut. Mr. Speaker, I commend my colleague, Representative ROBERT A. BORSKI, for introducing House Joint Resolution 106, designating August 1985 as Polish-American Heritage Month, and I am pleased that this important legislation has since become law.

Since the earliest days of our country, Poles and Polish Americans have played an important part in forging our great Nation. Poles numbered among the first American settlers at Jamestown in 1608. Count Casimir Pulaski, Thaddeus Kosciuszko, and Hyman Soloman were leading figures in the Revolutionary War. Brig. General Col. Joseph Karg figured prominently among the 6,000 Poles who served during the Civil War on both sides.

Between 1870 and the close of World War II, 2.5 million Poles arrived in America. Most joined strong Polish-American communities in the Northeast and upper Midwest, keeping alive their vibrant cultural and religious traditions. Today the Polish-American community is over 8 million strong, and continues to make a very special contribution to our nation.

Tragically, the vitality and love of freedom that is so much a part of the Polish tradition remains unfulfilled in Poland, which continues to suffer under the totalitarian rule of the Soviet Union. Nevertheless, recent events there, particularly the widespread May Day demonstration against the military regime, are signs that the solidarity movement is still alive and well in the hearts and minds of the Polish people. The January 1985 conviction of four secret police agents for the ruthless murder of Father Jerzy Popieluszko was a positive sign to those who pray for the restoration of human rights, freedom, and true independence in Poland.

These glimmers of hope are a tribute to the indominable Polish spirit and to the hard work of the Polish-American community, which has led the international effort to support the Polish people in their struggle.

Mr. Speaker, in celebrating the Polish-American Heritage, we will celebrate the pursuit of freedom and human dignity throughout the world, and we honor the very special contribution that Polish Americans have made to our Nation.●

OLYMPICS OF THE MIND

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. APPLEGATE. Mr. Speaker, I would like to bring to the attention of my colleagues the recent achievements of several junior high and high school students from St. Clairsville, OH. The students competed in the Olympics of the Mind and received many honors.

Competition was held in three divisions—elementary, junior high, and senior high school. Through regional and State competitions, the starting 20,000 Olympics of the Mind teams were eliminated down to 486 teams. At the world competition, a top team was picked in each of 13 divisions. Three St. Clairsville teams were among the 13 winners from Ohio who went on to world competition. They were a junior high team called the Hi Tech Smarty Pants which took 13th place in division II, another junior high team called the Ecology Dozers which took 9th place in division II, and the senior high team called the High School High Tech Smarty Pants finished in first place in division III. Members of the first place, gold medalists included David Banfield, team captain, Matt Weaver, Jennifer Bayat, Shu Tung, Reza Sutandi, and Tom Wisvari. The coaches for the team were Marshall Piccin, Paul Wolodkin, Dennis Johnson, and Debbie and Glen Stemen.

Olympics of the Mind is a program which promotes creative problem solving by children from kindergarten through senior high school. Begun in 1978, Olympics of the Mind has grown rapidly from a local New Jersey event to one of international scope.

Teams consisted of seven members. There were five different problems in this year's world finals. The team members from St. Clairsville's high school chose to build the robot Smarty Pants project.

The students had to build Sam, the robot, themselves and they could spend no more than $75 for the construction. They had to include lights that worked, remote control movements of the body and arms, and a voice box. The rules also stated that no team member was to touch the robot during its performance.

This year's world finals was held on June 6, 1985, and was held at the University of Maryland. The competition required the students to design a 10 minute skit with the robot. The assignment called for Sam to take the place of an ill student at school for a day.

The students' world presentation was graded in three categories: the 10-minute presentation of Sam's skit, their style, and dress as a team, and a spontaneous question-and-answer period with the judges.

This year, more than 4,500 students competed at the world finals—representing 486 teams from 41 States and 2 Canadian Provinces.

Again, I am proud to inform you that 13 teams from Ohio qualified for the world championships, and one, in particular, from my district, brought home gold medals. These gifted students from St. Clairsville are truly remarkable. Their knowledge and skill will be seen in their future endeavors, which will most assuredly be successful.●

DIVEST FROM SOUTH AFRICA

HON. GUS SAVAGE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. SAVAGE. Mr. Speaker, I once again wish to use this forum to protest the brutality of the white minority in South Africa and the immoral support thereof by this country under the name of constructive engagement.

On June 5, 1985, I spoke out on this floor calling for total divestment from South Africa. I pointed out at that time, that the issue in South Africa is even more pernicious than racism. The issue is fascism with its most sophisticated capacity for barbaric oppression of a substantial part of its own population.

South Africa's barbarism has long been on display. Its intensification over the recent period has been so atrocious that the government has now banned outdoor funerals for those who die of unnatural deaths—or in other words, those murdered by the South African Fascists.

The question for us must be what can we do to stop this brutality, to fight this fascism. At a minimum, we must prohibit any and all U.S. dollars from supporting the South African economy, for any support of a Fascist economy strengthens that brutal regime.

Mr. Speaker, I support the sanctions the conference has agreed to place on the South African Government. They go further than this country has yet gone, though still, not far enough. I urge my colleagues on both sides of the aisle to pressure the administra-

tion to abandon constructive engagement and to join the international movement against fascism, oppression, violence, and degradation practiced by the South African Government. Yet, as my colleague from Maryland stated, leadership on this issue will not come from the Reagan administration, it is up to us in the Congress. Let us be sure that we do not compromise with fascism. Let us not defy the memory of those who died fighting fascism during World War II nor contribute to the murder of its modern-day victims.●

HERITAGE DAY

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. GALLO. Mr. Speaker, the importance of tradition cannot be overstated. Annual events across the country, whether they be county fairs or musical gatherings, bring people together with a feeling of community pride.

Morris County, NJ, has been transformed during the past two decades from a grouping of rural communities to a growing suburban center of diversity and change.

The importance of events that bring people together in a spirit of community is even greater in areas which experience such levels of growth.

On September 7, Morris County Heritage Day will bring together the people of our area to celebrate our sense of community by emphasizing our diverse cultural heritages. By sharing our individual traditions, we can build a common tradition for the future.

Heritage Day began in 1977 as an annual celebration within the Morristown community. after several years of waining support, the event was reborn last year with a broader mission—to involve the county as a whole in the common sharing of individual cultural traditions.

We are a Nation of immigrants, who brought their unique traditions and cultural heritage with them to our shores. This process is ever continuing as people from all over the world choose to become Americans and raise their children in the American tradition.

An important part of that American tradition is the passing, from one generation to the next, of traditions brought to this county from the native lands of these new Americans.

Our traditional music, our tastes in food, our celebration of special holidays, and our appreciation of cultural diversity all stem from our own backgrounds as the descendants of immigrants who came before us to settle in America.

We are carrying on this tradition today through events such as Heritage Day, which bring together the people of Morris County to share our common heritage and to enrich that heritage by adding new traditions brought to us from other nations in the Americas, as well as from nations around the world.

This Heritage Day celebration deserves the support and active participation of all people in Morris County. By celebrating our uniqueness, we find our common heritage. ●

TRIBUTE TO JOE WROBLEWSKI

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. McDADE. Mr. Speaker, I would like to take this opportunity to honor a man from my district who has dedicated his life to serve his community and country.

Joe Wroblewski of Forty Fort, PA, has been elected as the president of Lions International. Joe will lead 1.5 million Lions in 159 countries and geographic areas. With Joe as their dedicated leader, the Lions will raise thousands of dollars to fund research for diabetes, eye and hearing disorders. They will educate the public on drug and alcohol awareness plus build parks, swimming pools and send kids to camp.

The community and humanitarian service that Lions provide to their home towns is embodied in Lion Joe.

For the past three decades Lion Joe has inspired the members of the Ashley Lions Club. He has been honored for his service by receiving nine President's Awards, an Extension Award, an Advancement Key Award and the highest honor that can be bestowed upon a Lion, the Ambassador of Goodwill Award.

While serving his community through the Lions, he was active in the Heart Association and the Catholic Youth Center. Lion Joe's list of achievements and activities could go on and on.

I am sure Joe would agree with me that his beautiful family is the foundation upon which he has built his life. His lively wife, Normajean, is his partner in life. His four children; Lisa, Joseph (Genevieve), Eric, and Marla (Bryan), and one granddaughter, Gennie are a source of constant pleasure to Joe and Normajean.

It is fitting that Joe has been selected as the Lions International President because he is a "king of the forest."●

THE HOME HEALTH CARE PRESERVATION ACT OF 1985

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. ROYBAL. Mr. Speaker, on July 9, 1985, just 4 days after the Department of Health and Human Services announced its new cost limits for home health care, the House Select Committee on Aging held a hearing on the impact of this and other cost containment measures on the elderly's access to long-term-care services. Through the testimony of witnesses and through two surveys conducted at my request for the hearing, we learned how recent regulations issued and proposed under Medicare and Medicaid are putting aged Americans in a tragic catch-22 situation.

On the one hand, the elderly are being discharged sooner and sicker from our hospitals due to pressures to limit length of stays under DRG's. Is the health care community being buttressed to absorb the greater need the elderly now have for inhome and nursing home care? No. Instead, what few public programs cover long-term care are being put to the cost containment test without adequate information on how beneficiaries will be affected.

The newly issued cost limits for home health care are a clear example of the priority this administration gives to savings—at any cost. In this instance, the cost is borne once again by the elderly who will find it harder and harder to get the home care they need and are fully entitled to.

I fully support measures that promote fiscal responsibility, but not when people are hurt. It is in this spirit that I endorse the Medicare Home Health Protection Act of 1985, introduced by Representative ROUKEMA to prohibit the Secretary of Health and Human Services from changing reimbursement levels for methodologies for Medicare home health services. It was also in this spirit that I, together with Representative RINALDO, and Senators HEINZ and GLENN, took action to forestall the administration's efforts to revoke the waiver of liability for Medicare providers. And, it is in this spirit that I will continue a detailed study of several regulations and internal procedures being instituted by the administration that serve to limit the elderly's access to essential long-term care services.●

GILMAN URGES PASSAGE OF ENDANGERED SPECIES ACT AUTHORIZATION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. GILMAN. Mr. Speaker, I rise in support of H.R. 1027, the Endangered Species Act authorization for fiscal years 1986, 1987, and 1988, which is designed to authorize programs that protect various plant and animal species from extinction. I commend the distinguished gentleman from Louisiana [Mr. BREAUX] for introducing this important piece of legislation.

H.R. 1027 authorizes a total of $139.4 million over a 3-year period, which represents a freeze at fiscal year 1985 levels for fiscal year 1986, with increases for fiscal year 1987 and fiscal year 1988. The funding levels authorized will enable the U.S. Departments of Interior, Commerce, and Agriculture to carry out various preservation and protection activities. Interior is responsible for land species through its Fish and Wildlife Service, Commerce is responsible for marine species through its National Marine Fisheries Service, and Agriculture is responsible for plants.

The Endangered Species Act [ESA] of 1973 was enacted to establish a strategy for protecting endangered species of fish, wildlife, and plants. A central part of the protection strategy is the listing of endangered or threatened species and their designated habitats. A final decision on listing a certain species as endangered is based on the best scientific and commercial data available regarding the status of the species.

H.R. 1027 requires Interior to implement a system to effectively monitor the status of species that are candidates for listing and authorizes Interior to use existing emergency listing authority whenever necessary to prevent significant risk to the well-being of any such species.

In addition, the measure also authorizes an experimental relocation plan for California sea otters, a species which has been listed as threatened since 1977. H.R. 1027 directs Interior to develop a plan for relocation and management of an experimental population of California sea otters. The bill stipulates that the plan include the age, number, and sex of the sea otters proposed to be relocated, the proposed relocation site, and the manner in which the sea otters will be captured, relocated, released, monitored, and protected. Interior is authorizing this measure to use all feasible, nonlethal means to capture any sea otter that travels outside of its protected area.

The relocation plan specified in H.R. 1027 could prove to be extremely helpful in removing the sea otter from the list of threatened species. If this plan is successful, it might also be used as a model plan to restore other threatened species to a safer level.

The authorization levels specified for fiscal years 1986-88 will ensure that the Departments of Interior, Commerce, and Agriculture will be able to continue to administer the valuable preservation activities assigned them under the ESA, and thus will ensure the continued existence of many of our Nation's dwindling plant and animal species. Accordingly, I urge my colleagues to join me in passage of this important measure.●

THE 27TH AMENDMENT

HON. CHARLES W. STENHOLM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. STENHOLM. Mr. Speaker, I rise today in support of the balanced budget/tax limitation amendment and urge this House to take the lead in making House Joint Resolution 27 the 27th amendment to the Constitution.

I couldn't say that 6 years ago. When I first came to Congress, I did not support such an amendment. There was no substitute for political courage, I felt. The Founding Fathers, in their wisdom, had bequeathed to us a flexible, living Constitution, that we should not clutter up with specific economic theory. There were other ways, through the budget process and by statute, to reduce the deficit and balance the budget.

But Mr. Speaker, 6 years in this House and $1 trillion in new Federal debt have been a sobering experience. Statutory approaches don't work—we have not achieved the balanced budgets literally required under current statutes. Some of us have cast those unpopular budget-cutting votes and survived to tell about it but, the truth is, institutional pressures from within the Government and political pressures from without, to protect this group or save that program, continue to prove overwhelming.

The Founding Fathers never anticipated the kinds of deficits we are running today. If they had, a balanced budget amendment would have been in the Constitution 198 years ago. Thomas Jefferson wrote in his later years that if "it were possible to obtain a single amendment to our Constitution," he wanted "an additional article taking from the Federal Government the power of borrowing."

Finally, requiring a balanced budget is no more theoretical, and no more rigid, than many of the limitations on our Government already in the Constitution. But it is fast becoming central to the issue of the very survival of our national economy.●

ENVIRONMENTAL AND ENERGY STUDY CONFERENCE ANNOUNCES TASK FORCE ON TOXIC EMERGENCIES

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. GREEN. Mr. Speaker, the number of incidents exposing our citizens and our environment to hazardous materials climbs every year. Because hazardous substances play a role in every part of our daily life—from the fuel that drives us to work, to the chemicals that produce synthetic fibers for our clothing, to the pesticides used in farming—we are surrounded by substances that, if accidentially released into our air or water, could wreak havoc as devastating as that at Bhopal, India, last December.

For this reason, the Environmental and Energy Study Conference is organizing a task force on toxic emergencies. As cochairman of the study conference, I am proud to announce this effort to work with local communities to assess their capabilities to deal with accidents involving potentially deadly materials.

The members of the task force on toxic emergencies will work with local officials and industry representatives to assess emergency response procedures. The task force will also examine the risks posed by local manufacturing and storage facilities and by the transport of hazardous materials. The study will also review, for the benefit of the local communities involved, Federal emergency assistance programs, State programs and regulations, and private industry efforts to promote planning and training.

Most accidents are dealt with by local firefighters and police. The decisions they make in the first few minutes can often make the difference between life and death, between a quickly contained incident and severe environmental contamination. These incidents can be as difficult to control as they are dangerous. For their own safety, and for the safety of the communities they protect, it is critical that "first responders" have the information, training, and equipment they need in those first few minutes.

We had a graphic example of the need for preparedness, planning, and training just this weekend in Washington, DC. Firefighters responding to an electrical blaze at the Washington Hilton Hotel waited 2 hours before entering the room and extinguishing the fire because of fears that the burning transformers contained highly toxic PCB's. As this incident shows, the time to assess the hazards around us

and train personnel in correct response procedures is before an accident occurs.

My cochairman, Senator SLADE GORTON, and I have asked the study conference's co-vice-chairmen, Representative BOB WISE and Senator ALBERT GORE, JR., to head the task force. Their experience both at home and in Washington with this issue makes them particularly well qualified to head this effort.

The task force itself is a bipartisan group representing every region of the country:

Congressman Thomas R. Carper (Democrat of Delaware).
Congressman Don Edwards (Democrat of California).
Congressman Dante B. Fascell (Democrat of Florida).
Senator Albert Gore, Jr. (Democrat of Tennessee).
Congressman John J. LaFalce (Democrat of New York).
Congressman Mel Levine (Democrat of California).
Congressman Bob Livingston (Republican of Louisiana).
Congressman Lynn Martin (Republican of Illinois).
Congressman George Miller (Democrat of California).
Congressman John R. Miller (Republican of Washington).
Congressman Bruce A. Morrison (Democrat of Connecticut).
Senator Claiborne Pell (Democrat of Rhode Island).
Congressman Don Ritter (Republican of Pennsylvania).
Congressman Jim Saxton (Republican of New Jersey).
Congressman Peter J. Visclosky (Democrat of Indiana).
Congressman Barbara F. Vucanovich (Republican of Nevada).
Congressman Bob Wise (Democrat of West Virginia).

I am proud that the study conference has initiated this effort and I look forward to sharing our findings with our colleagues.●

PUBLIC SERVANT RETIRES

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. MOORHEAD. Mr. Speaker, I would like to take this opportunity to call to the attention of my colleagues in the House of Representatives the retirement of a dedicated and effective public servant, Chief Charles David Mitchell of the City of Arcadia Police Department.

Chief Mitchell was born in Cambridge, OH and served in the U.S. Marine Corps as an assault section leader in the Korean conflict and later as a member of the Cambridge Police Department and the Ohio State Police before joining the Arcadia Police Department in September 1964 as a patrol officer. He later served as a motorcycle officer and within a few short years was promoted to police sergeant. He moved on to serve his community as a crime prevention officer working out of the police chief's office. In that position, he made his presence felt immediately through his involvement in programs such as community relations, policemen on campus and crime prevention activities and training.

Within a few years he was appointed top law enforcement officer in the City of Arcadia. During his 21 years with the Arcadia Police Force, Chief Mitchell helped mold a police department that is a source of pride to the community and the people who serve in his department. He utilized police patrol wagons to transport prisoners and his undercover narcotics operations. Also among his innovations was the establishment of the canine program which was the first of its type to utilize multiple handlers for the police dogs.

The residents of Arcadia and the wider community will miss Charles Mitchell's leadership in the maintaining of safety and welfare for themselves and their families. His concern for the community is further evidenced by his desire to continue to provide services to the city on a consultant basis after his retirement. His many innovations and accomplishments will benefit the residents of Arcadia for years to come.

Mr. Speaker, on behalf of myself and the residents of the 22nd Congressional District, I would like to express deep appreciation for the fine service Charles Mitchell has given to the community and our very best wishes on his retirement.●

FARMER OF THE YEAR IN TENNESSEE

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. GORDON. Mr. Speaker, it is my pleasure to take this opportunity to honor Mr. Edward Harlan, 29, who was recently named "Farmer of the Year in Tennessee." His life is testimony to the fact that he is not only a credit to his family, but to the Nation as well. His life story embodies that of a true American success story.

At age 19, Edward Harlan's father died of cancer leaving him the family farm near Columbia, TN. The farm stretched for more than 700 acres and had a debt mounting to thousands of dollars. Through persistence and hard work, Ed kept the family of four children together, and turned the family farm into a business success. When Ed took over the farm, it was burdened with inheritance fees and mortgage payments. During the 1970's he was able to work off the debts by increasing soybean, dairy, and grain operations and eliminating less profitable products such as sheep, swine, and horses. While working long days that often lasted hours after dusk, Ed produced 30,000 pounds of tobacco, milked 80 cows daily, and at the same time, earned a science degree from Columbia State Community College. During this time he also had to adjust quickly to new methods of farming technology—the use of computers, new feeding techniques, double-cropping, aerial herbicide, seed application, telemarketing, embryo transfer, and other new discoveries concerning genetics. Ed's continued positive outlook, his respect for tradition, and his stubbornness in knowing that he would make a success of the farm regardless of what trials befell, were factors that have determined his success.

It is through people such as Edward Harlan that we find the American spirit still alive, and it is through people such as him, that we find the qualities of the ideal American farmer.●

CONGRESSIONAL CALL TO CONSCIENCE FOR SOVIET JEWS

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. BEILENSON. Mr. Speaker, I would like to thank my colleagues who have organized the 1985 Congressional Call to Conscience for Soviet Jews, and to take a few moments to draw your attention to the plight of Boris and Elena Klotz and their two children.

Boris graduated from Moscow State University and works as a mathematician. Elena graduated from the Moscow Pedagogical Institute where she studied French and German; she is currently working at the Jewish kindergarten which her son, Mathew, attends. In December 1980, the Klotzes' were first refused visas on the grounds of the alleged secrecy of Elena's job, and since that time Boris has been demoted to a lesser job.

By granting the Klotz family permission to emigrate, the Soviet Union not only would indicate to the world its respect for the principles outlined in the Helsinki accords, but also would affirm its desire to improve the strained relations between the United States and the U.S.S.R. Such action would be particularly significant coming at this time as we mark the 10th anniversary of the Helsinki Final Act.

I fervently hope that Secretary Gorbachev will seek to reverse the continuing decline in Soviet Jewish emigration over the past several years,

and that the Klotzes will be among those who are finally allowed to join their families in Israel.●

CONGRESSMAN WILLIAM M. THOMAS SALUTES THE ANTELOPE VALLEY DOMESTIC VIOLENCE COUNCIL AND THE VALLEY OASIS SHELTER

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. THOMAS of California. Mr. Speaker, it is my privilege to call the attention of my colleagues to the Antelope Valley Domestic Violence Council; the Valley Oasis Shelter and its director, Jan Rochelle; and the citizens of Antelope Valley.

In 1980, the citizens of Antelope Valley saw a need in Antelope Valley to combat the high incidence of domestic violence that was found to occur in the area and formed the Antelope Valley Domestic Violence Council. Soon afterward, this council opened the Valley Oasis Shelter which, in 1985, will provide care, shelter, and counseling to over 400 women and their children.

This shelter is equipped with facilities to handle over 30 women and their children at one time. It provides food, clothing, housing, job training, and most importantly, counseling for the victim, the abuser, and their children. The Valley Oasis Shelter is working not only to rescue the victim from her environment, but to halt the cycle of abuse that may affect any children of the marriage.

The Antelope Valley Domestic Violence Council was begun by dedicated Antelope Valley citizens. Churches, businesses, schools, and service clubs joined together in a unique effort to provide this invaluable community service. This volunteer effort has continued since its inception, with over 50 community volunteers assisting the 6 regular staff members in running the shelter. In addition, the shelter receives over 80 percent of their funds from the Antelope Valley community.

The Antelope Valley Domestic Violence Council and the Valley Oasis Shelter are an excellent example of community resources joining together to solve a community problem. Rather than rely on the Federal Government to confront this social issue, Antelope Valley citizens have organized to produce this self-sustaining, effective answer to domestic violence. As Jan Rochelle, director of the Valley Oasis Shelter has said, "We are seeing positive change, and we're doing it with the help of every member of this community."

For its continuing efforts to reach victims of domestic violence and its inspiring community support, I believe the Antelope Valley Domestic Violence Council, the Valley Oasis Shelter and Director Jan Rochelle deserve the highest praise from this body.●

TRIBUTE TO LOUIE AND HILDA MARTIN

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. COELHO. Mr. Speaker, earlier this year, Mrs. Hilda Martin was named one of the Citizens of the Year by the Laton Chamber of Commerce in California.

Louie and Hilda Martin have lived in Laton for the past 40 years. During this time, Mrs. Martin has been very active in a wide variety of civic and community service organizations. She is a past president of the Laguna Mother's Club, the Laton High Home and School Club, the Laton Mother's Club, the U.P.P.E.C. Lodge in Riverdale and the I.D.E.S. Lodge in Hardwick. She was secretary of the fire commissioners for 10 years, and a C.D.C. instructor for 20 years. Mrs. Martin has been a member of the Kings County Dairywomen, the California Native Daughters of the Golden West, the Hanford Sacred Heart Auxiliary, the Fresno Cabrillo Club, and the Holy Family Guild. She is presently active in the Our Lady of Fatima Altar Society, the Our Lady of Fatima Choir, the Laton Lionesses, and the Laton Chamber of Commerce.

Civic involvement and community service is a tradition in the Martin household—Louie Martin was named Laton's Citizen of the Year in 1975 in recognition of his similar commitment to the community. On behalf of the people of Laton, I would like to thank both Louie and Hilda Martin for their long record of service and dedication to the Laton community, and I congratulate Mrs. Martin upon being named the city's Citizen of the Year.●

GOOD SAMARITANS MARVIN VERSCHURE AND BENJAMIN PAONI CITED FOR THEIR HEROISM

HON. GEORGE C. WORTLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. WORTLEY. Mr. Speaker, each new day brings something new, frequently the unexpected, sometimes opportunities to help another human being.

Last month, Monday, July 15, was a day three of my constituents will long remember.

In morning traffic, William Schultz of Lysander, NY, his seat belt fastened, was driving east on U.S. Route 690 in his sturdy 1974 Volvo near the Jones Road exit when he braked to a stop in a construction area. Driving a large Buick behind Schultz was Marvin VerSchure of Baldwinsville, NY. As VerSchure approached a rise in the highway, he was unable to see the halted line of cars ahead. He slammed into the rear end of Schultz's Volvo, causing the Volvo to collide with the car in front of it.

Schultz's car burst into flames. Fire spread to VerSchure's car but he was able to escape and go to the aid of Schultz whose shirt and beard were afire.

A worker on the construction site, Benjamin Paoni of Canastota, NY, and VerSchure pulled Schultz, a big man who is six feet four and weighs 250 pounds and then in shock, from his burning car. The rescuers dragged Schultz away to safety from the burning wrecks, smothered the flames burning his clothing and beard and placed him on an embankment to await the arrival of medics.

Schultz sustained burns and a whiplash. The seatbelt probably saved him from suffering more serious injuries. He was treated in a hospital emergency room and released, and is recovering from his injuries.

He has no memory of his rescue and events immediately following his accident. But he will always remember the good samaritans who saved his life.

Mr. Speaker, on Saturday, August 17, during the forthcoming recess, I will have the privilege of participating in a ceremony to honor the two heroes, Marvin VerSchure and Benjamin Paoni. The ceremony is being sponsored by the Vietnam Veterans of America, Central New York Chapter 103, of which William Schultz is a member.

With pride, I commend the deeds of these brave constituents of mine to the attention of our colleagues in the Congress of the United States.●

CONFERENCE REQUESTED

HON. ALAN B. MOLLOHAN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. MOLLOHAN. Mr. Speaker, I don't believe we should be leaving this Chamber for the August break without resolving an important issue.

As you know, the House and Senate have passed legislation enabling homeowners and small businessmen to use seller financing in the sale of their property.

However, there has been no conference on this matter and therefore, as

of July 1, 1985, the IRS started licking their chops.

They see these transactions going on as we speak and without any law to protect the seller—the IRS may begin to penalize these sellers.

It is our job to provide certainty in the marketplace and nothing is happening.

The needs of our constitutents make it imperative that we move quickly to a conference so that we can go home and tell our constituents the IRS has been held at bay.●

THE LEGAL FEES EQUITY ACT

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. KINDNESS. Mr. Speaker, today I have introduced a bill, to be known as the Legal Fees Equity Act, which I believe will help to correct some of the inequities that have arisen in the attorney compensation schemes created by Congress in more than 100 Federal statutes.

Although the bill as it is presently written may not be perfect and will most certainly be revised in some degree, it is a solid starting point that will provide Members with a vehicle with which to address the changes that are needed.

I look forward to working closely with my colleagues from both sides of the aisle on the Committee on the Judiciary as we address this most necessary area of reform and invite cosponsorship by all of our colleagues who believe that the Congress must bring order out of chaos in the matter of "fee shifting" provisions in our laws.●

HOUSE JOINT RESOLUTION 3

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. BEDELL. Mr. Speaker, on January 3, JIM LEACH and I reintroduced House Joint Resolution 3, a measure to prevent nuclear explosive testing. Since that time, House Joint Resolution 3 has gained the solid, bipartisan support of 196 of our colleagues.

Extensive hearings have been held on the merits of our proposal and I am pleased that the House Foreign Affairs Committee has reported House Joint Resolution 3 unamended for further consideration by the House when we return from the August recess. The committee filed its report on this measure on July 24 (Rept. 99-221) and I commend it to my colleagues' attention.

Because House rules preclude the addition of cosponsors after a committee has filed a report on pending legislation, I am, today, extending my remarks to add the cosponsorship of two other Members of the House who would like to associate their names with House Joint Resolution 3 and urge its passage. They are the Honorable SILVIO CONTE of Massachusetts and the Honorable DON FUQUA of Florida. Their support in this effort is deeply appreciated and raises the total number of cosponsors of House Joint Resolution 3 to 200.

Clearly, in light of recent events between the superpowers with respect to the issue of nuclear testing and in light of the 40th anniversary of the atomic bombing of Hiroshima and Nagasaki, I can think of no better action the Congress could take toward enhancing the prospects of ending the nuclear arms race than passage of House Joint Resolution 3.●

SUPPORT THE ITC FOOTWEAR DECISION

HON. WILLIAM W. COBEY, JR.

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. COBEY. Mr. Speaker, I rise in the hope of persuading my colleagues to support the International Trade Commission's recommendations on manufactured footwear goods. We must ensure that our domestic footwear industry is protected from further damage.

Our footwear industry has been devastated by the influx of imports: 105 factories closed in 1984; 13,300 jobs were lost; and 1984 production dropped 13.3 percent. In June, 77.7 million pairs of shoes entered the United States, compared to 57.8 million pairs in June 1984. Footwear imports now control over 75 percent of our domestic footwear market.

If the President upholds the ITC recommendations, our domestic footwear industry plans to embark on a massive 5-year modernization effort to become more competitive and productive. During the 5-year period, the U.S. footwear industry will adopt the technology that will lower its costs. This will make U.S.-made shoes price competitive with imports, which now have a price advantage because of lower wages overseas.

If the President fails to act, the results could be disastrous. In my district there is a good chance that additional footwear jobs will be lost at the Walker Shoe Co.'s Asheboro, NC, plant. The same result could occur at other footwear plants around the country.

The ITC recommendations were forwarded to the President on July 1. By law the President has 60 days to accept, modify, or reject the recommendations.

I urge my colleagues to express their support for the ITC ruling by contacting President Reagan. We must ensure that the President is aware of our strong resolve to prevent further footwear plant closings and job losses.●

NEW LEGISLATION

HON. BARBARA F. VUCANOVICH

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mrs. VUCANOVICH. Mr. Speaker, today I am privileged to introduce legislation to withdraw some 1,900 acres of public land located in Hungry Valley, NV, for use by the Reno-Sparks Tribal Colony.

The Reno-Sparks Indian Colony was established in 1917 through the purchase of a 20-acre tract of land by the Federal Government, for the amount of $6,000. This purchase was a direct result of the abolishment of certain treaties by the Congress in 1871, and the subsequent need to address various nonreservation Indian groups who had not been accommodated by the treaty allotment system.

The Reno-Sparks Tribal Colony's population has grown by more than 400 percent since that time, and for the past 15 years the colony has been working diligently to expand its land base for housing and economic development. Today's legislation is a balanced and well-planned culmination of these efforts.

Despite some initial misunderstandings about the colony's development intentions, this proposed withdrawal now has virtually unanimous support at the local level. Most importantly, enactment of this bill will trigger a contractual agreement between the colony and Washoe County, dated June 26, 1984, which provides for transfer to the county of 160 acres of colony lands located in nearby Lemmon Valley.

Finally, this bill provides for the cancellation of grazing privileges on only the 640 acres which the colony intends to develop for housing. It is my intention to cause as little disturbance as possible to the present grazing activities in Hungry Valley. I believe that this bill's grazing provisions will accomplish that goal.

I look forward to working with my colleagues toward this bill's swift enactment, and I ask unanimous consent that a copy of the bill, together with this statement, appear in the RECORD at this point.●

FLORIO BILL WOULD HONOR KOREAN WAR VETERANS

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Ms. MIKULSKI. Mr. Speaker, I would like to draw the attention of my colleagues to a recent news article which appeared in the Baltimore Sun newspaper. The article concerns a topic of great interest to the 1 million Americans who served in Korea during the Korean war.

My distinguished colleague from New Jersey, JIM FLORIO, is the principal sponsor of legislation which would establish a suitable memorial to the memory of those served in that brief yet brutal war. It is hard to believe that today, 35 years after the end of that war, there is no national memorial dedicated to those who fought and died in Korea.

Mr. Speaker, I am proud to be a cosponsor of H.R. 2205, the Korean War Memorial Act. I am glad to see the importance which my colleagues have attached this bill by guaranteeing its quick passage.

The article follows:

VETERANS SEEK MEMORIAL FOR KOREAN WAR COLLEAGUES

(By Ernest B. Furgurson)

WASHINGTON.—A House task force heard bipartisan, often emotional support yesterday for construction of a federally funded Korean Was memorial in the capital.

Senator John H. Glenn (D. Ohio), a Marine fighter pilot in World War II and Korea, was momentarily overcome and had to interrupt his testimony while telling of a friend who tried to carry on his combat job after being shot through the throat. He said, "We are not here to honor ourselves, but out of very profound respect for their sacrifices."

Witness after witness recalled yesterday that 54,000 Americans lost their lives in the Korean War, which began 35 years ago last month and ended 32 years ago this month. Yet it lasted less than a third as long as the Vietnam War.

Each witness also echoed one congressman's opinion that it was an "outrage" that the Korean conflict was the only American war not memorialized here.

Other legislators and representatives of veterans' organizations were unanimous in backing the proposal sponsored by Representatives James Florio (D. N.J.) and H. V. (Sonny) Montgomery (D. Miss.), chairman of the House Veterans Affairs Committee.

The sponsors accepted an amendment to make their measure match another, put in by Representative Stan Parris (R. Va.), and authorize the American Battle Monuments Commission to oversee design and construction of a memorial. About half the House already has signed on to co-sponsor one or the other of the bills.

The proposal would make available up to $5 million for a memorial. But the commission also can accept tax-deductible private, corporate or foundation contributions to offset the cost to taxpayers.

Representative Mary Rose Oakar (D. Ohio), chair of the task force on libraries and memorials, said she expected the measure to be cleared by the House Administration Committee by early August, and then to move quickly to passage. Comparable legislation has been introduced in the Senate.

Ms. Oakar emphasized that this legislation was "absolutely divorced" from a controversy that had arisen among private organizations who began commercial fundraising for such a memorial. Several previous bills that would have approved building a memorial here were sidetracked by that controversy.●

A BILL TO REAUTHORIZE AND EXPAND THE REVENUE SOURCES FOR THE SUPERFUND PROGRAM

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. DONNELLY. Mr. Speaker, 2 months from today the 5-year Federal Superfund Program to cleanup hazardous waste sites will expire. There is broad, bipartisan consensus that Superfund must be reauthorized and strengthened. Abandoned toxic waste sites have been discovered in every region of our country. They pose a very real threat to the health of our citizens and to our environment. People in many communities across America are troubled that their drinking water supplies may have been, or are in danger of being, contaminated by mishandled hazardous substances. When Congress first enacted Superfund legislation in 1980 to respond to this environmental crisis, the enormous scope of the problem of abandoned toxic waste was unknown.

What has been learned over the last 5 years is that the problem is more widespread than was ever imagined. The Environmental Protection Agency [EPA] has listed 812 sites on the national priority list [NPL] because those sites pose the greatest degree of threat to human health and the environment. EPA has recently calculated that as many as 2,000 more sites could be added in the next few years to the national priority list. The General Accounting Office estimates that number could reach as high as 4,000. The Office of Technology Assessment suggests that as many as 10,000 additional sites around the country could qualify for national priority listing.

There is no disagreement that the present level of funding for Superfund is inadequate if we are to accomplish the intentions of the Superfund Program, and rid our environment of toxic waste. There are a number of proposals that have been discussed as mechanisms for insuring adequate resources for the successful implementation of the Superfund Program into the next decade.

The administration has proposed a bill that would provide $5.3 billion over the next 5 years. That plan would continue the existing system of taxing 42 chemical feedstocks and petroleum, and would implement a waste end tax.

Last year the House passed a bill, H.R. 5640, that significantly raised the feedstock taxes and expanded the list of taxable substances. The taxable chemicals are either themselves hazardous, or are the basic components of all other major inorganic and organic hazardous wastes and substances. The majority of toxic chemicals discovered at Superfund sites are on the feedstock list, or are derivatives of those chemical building blocks.

The waste end tax is an idea that makes sense. While it can provide a dependable, substantial revenue component for Superfund, it also serves the purpose of providing economic incentives for the most environmentally sound methods of disposing of hazardous wastes. A waste end tax is in harmony with the goal of allocating the cleanup costs for hazardous waste directly to those industries which use and produce those hazardous substances.

Proposals for implementation of another new revenue source, the so-called corporate broad-based or manufacturers excise tax, are less readily justifiable in terms of direct relation to the problem of improperly-managed hazardous waste.

The Superfund revenue bill I am introducing today calls for a 5-year $12.15 billion program. It would implement a waste-end tax on the disposal and storage of hazardous waste at RCRA-licensed facilities. Waste received at landfills, land treatment, waste piles, and disposal impoundments, would be taxed at $25 per wet-weight ton. Dilute waste received at injection wells would be taxed at $5 per wet-weight ton. Waste rendered nontoxic by treatment would not be taxed. Hopefully, this form of system will reward and encourage those users and generators of hazardous waste who conscientiously manage their waste.

The bill would expand the list of taxable feedstock chemicals to 56, and raise the rates in several stages. The tax on petroleum would be increased. General revenues of $250 million per year would be allocated to Superfund. The problem of abandoned hazardous waste is clearly a national concern. It demands a more extensive commitment of resources than currently provided. I look forward to working with my colleagues in the busy days ahead to enact a workable and responsive Superfund bill. We owe it to the people of our country.●

REPORT ON IMPUTED INTEREST NEEDED

HON. ROBIN TALLON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. TALLON. Mr. Speaker, I am greatly troubled that once again in the rush of this Congress to adjourn, we are leaving behind in Washington a legislative task which is within a heartbeat of being concluded in a bipartisan and satisfactory manner. I am speaking of the need for this body to approve a conference report on imputed interest.

It is my understanding that, because of a concerted effort on the part of many on both sides of the aisle, all of the major areas of disagreement between the House and Senate imputed interest bills have been resolved. Only minor roadblocks stand in the way of Congress beginning the August recess with a solution in hand.

Mr. Speaker, as my colleagues are aware, stopgap legislation passed to temporarily specify the tax treatment of seller-financing expired on June 30. As each day passes, there is growing uncertainty in the marketplace over how to structure important real estate transactions.

As a strong supporter of the efforts made by so many in this body to achieve a solution to this problem, I urge my colleagues on the Ways and Means Committee to name conferees, resolve the differences which remain, and provide the homebuyers and sellers, agricultural interests, and small businesses who make frequent use of seller-financing with the directive necessary to conduct transactions of real property.●

CONGRESS MUST ACT TO HELP IN THE FIGHT AGAINST DRUGS

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. TRAFICANT. Mr. Speaker, I rise today to express my deep concern over the growing problem of drug abuse and the violence associated with international and domestic drug trafficking. The time has come for this Congress to take a firm stand to protect our youth from the devastating effects of drug abuse—and to protect our law enforcement officers in the field combating illicit drug trade.

I have introduced legislation, H.R. 2954, the Controlled Substances Penalties Act of 1985, that would address this problem head on. Most importantly, H.R. 2954 establishes a new, higher level of drug trafficking offenses. Stiffer penalties will be imposed in cases involving: 2 or more kilograms of cocaine; 1 kilogram or more of any other narcotic drug; 1 kilogram or more of PCP; and 25 grams or more of LSD. In all these cases, bond would automatically be denied—thus insuring that these offenders at least stand trial.

In these cases, first offenders would be subject to up to 30 years in prison and/or a maximum fine of $500,000. Second offenders would be subject to a maximum term of life imprisonment. In addition, those convicted would have to serve at least half of the imposed sentence before becoming eligible for parole.

When one examines the scope and nature of domestic and international drug trade, one will discover how large this problem has become. Drug abuse in this Nation continues to ravage our youth and drain our society. In addition to being a sheriff, I was also a drug counselor for 10 years. I have seen the tragic consequences of drug abuse. Those ultimately responsible for the poisoning of our youth and the ravaging of our way of life are the kingpin drug dealers who are responsible for the massive influx of narcotic drugs into this country.

In too many instances these drug kingpins—if apprehended—post bond, which is usually set quite high, and then flee the country. My bill would ensure that these drug kingpins stand trial and that, if convicted, they pay dearly for their crimes. Recent events have shown that these drug kingpins have openly declared war against our law enforcement officers in the field. We need to enact tougher laws to protect our law enforcement officers and to protect our society from poisonous drugs. We are in a war—whether we like it or not. It is a war we must win. Passage of H.R. 2954 would send a powerful message to the entire world that America has had enough and that we are serious about fighting drugs.

I urge all of my colleagues to take a good look at H.R. 2954 and lend it their full support.●

NASA'S NATIONAL SPACE TECHNOLOGY LABORATORIES IN THE BATTLE AGAINST WATER POLLUTION

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. LOTT. Mr. Speaker, in view of the recent House passage of H.R. 8, to renew the Federal Water Pollution Control Act. I think it timely to advise this Chamber of research activities undertaken by the National Space Technology Laboratories [NSTL] to assist in this Nation's efforts to assure a clean water supply. NSTL, located in Bay St. Louis in my district, has employed an unusual tool in the water pollution battle—the water hyacinth, long regarded as a weed that clogged streams and lakes.

Because of their beautiful lavender flowers, the water hyacinth was brought to this country by Japanese exhibitors in 1884, as part of the New Orleans Cotton States Exposition. The plants were given away as souvenirs and when many were thrown away in drainage canals, streams and swamps, the trouble soon began. Due to the lack of insects which controlled the water hyacinth's growth in its native environment, the plant grew at an explosive rate.

NASA studies now show that the water hyacinth, when used under controlled conditions, is ideally suited for purifying domestic as well as certain industrial wastewaters. They can be harvested and ground into fertilizers, used to produce biogas and fiber, and can be harnessed to produce large quantities of freshwater.

NASA's research into the potential benefits of the water hyacinth has been led by Dr. Billy C. Wolverton, Ph.D., a senior research scientist, and Rebecca C. McDonald, a research chemist, at NASA's National Space Technology Laboratories. The water hyacinth also shows promise for partially supplying life sustaining functions for space travel, including oxygen, food, pure water, and waste treatment. These functions of the water hyacinth could be useful on the NASA space station.

For the past 11 years, the water hyacinth has been tested at NASA's NSTL as an inexpensive method of treating wastewater. The vascular aquatic plants used in the early studies were floating species. This research led to the installation of a simple and cost effective wastewater treatment system at NSTL and development communities in Florida, Texas, and California.

NASA recently developed an advanced hybrid natural wastewater process that combines anerobic microbial filter technology with the vascular plant wastewater treatment technology; although this system was developed for domestic sewage, it has shown a potential for chemical waste and drinking water treatment.

One of the most important chemicals in use today is phenol; it is used to manufacture phenolic resins, epoxy resins, herbicides and nylon. It is also an important industrial and pharmaceutical solvent. Recent concerns about the discharge of large quantities of the chemical into the Mississippi River north of New Orleans and subsequent contamination of the city's drinking water demonstrated the need for efficient, inexpensive means of removing phenol and other toxic chemicals from contaminated drinking

water. NASA's advanced natural wastewater treatment process was tested successfully in meeting this challenge.

Thanks to NASA research, the dreaded water hyacinth is forming a new image. Instead of the uncontrollable aquatic monster it has been for a hundred years, it is now emerging as an ideal candidate for large scale nutrient removal and water purification systems. The water hyacinth promises to aid mankind in meeting its most basic problems of sustaining an acceptable quality of life here on Earth and also in the remoteness of space.●

A TRIBUTE TO MRS. J.C. MONCIER

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. DUNCAN. Mr. Speaker, each year high school students in Knoxville sponsor a walkathon for the St. Jude's Children's Hospital. These students will also collect money for the local empty stocking fund on weekends in the fall, and hand out food baskets, and toys for the needy before Christmas. These students are members of Knoxville's Teen Board, an organization of students from high schools throughout the city.

The force behind the teen board, and its founder was Mrs. J.C. Moncier. She died earlier this year, but left behind a legacy of good will, and young men and women more aware of the world and its needs.

She was a native of Knoxville, and the daughter of Mr. and Mrs. Herbert C. Sanford. Throughout her life she was active in welfare, civic, and club work. She began working with children in the John Tarleton Home, and proceeded to involvement in the Boy and Girl Scouts, First Christian Church youth group, PTA, Daughters of the American Revolution, the Ossoli Circle, and the Knoxville Junior League, as well as many others.

Mrs. Moncier was honored for her work by the Sertoma Club and the Exchange Club. She was selected to receive the key to the city of Knoxville by four mayors.

Her lasting tribute to the city of Knoxville, however, will be the teen board, which she founded in 1960. The loss of her daughter, Marty, in a car accident led her to reach out to teenagers and bred a love which has endured for the past 25 years. She was affectionately known as "Mama Mon" to succeeding generations of teenage students. She would cajole, lecture, or enthuse her young followers with visions of their responsibilities to others.

The teen board attracted many of the more fortunate teenagers in the city. Mrs. Moncier always reminded the young people of their good fortune, and the need to share that good fortune with others. She made clear the responsibilities which lay ahead for the students, and used their enthusiasm and energy to help the poor and needy.

This month, as the teen board of Knoxville celebrates its 25th anniversary, a special ceremony will be held to dedicate the organization's facilities to "Mama Mon." Those youngsters she helped over the past 25 years have now attained positions of stature in the community, and throughout the country. They will return to the teen board house to remember the spirit and love of a very special friend.●

WOMEN WARRIORS

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Ms. MIKULSKI. Mr. Speaker, I would like to take this opportunity to inform my colleagues of a film entitled "Women Warriors" which is being produced in my district. The film, produced by the Skill Development Institute in cooperation with the Maryland Nurses Association, Inc., is a 50-minute videotape about Army nurses who served in Vietnam.

This documentary will serve many purposes. First, it will provide the opportunity to portray women as decisive, independent leaders. Second, it will bring attention to the fact that women did, and continue to, serve this country in times of need. Third, it will show the vital contributions these brave women made under the demands of Vietnam. Finally, it will demonstrate the experiences of these nurses in Vietnam and how these experiences have affected their lives.

This program will enhance not only the image of the professional nurse but the image of women in general. For years, nurses have reacted negatively to their portrayals as dependent, nondecisive victims in movies and print media. This film will demonstrate the contribution these women have made thereby enlightening society to women's abilities, uniqueness, and professional commitment. This project provides an ideal medium for informing the public and other health care professionals of nurses' abilities to help create a more responsive health care system. Most of all, this production serves as valuable educational material to be included in teaching future nurses and health care professionals as well as Army, Navy, and Air Force trainees.

While infantry and other military personnel were fighting battles in Vietnam, the nurses were battling to save lives. These nurses were caregivers who received little caring. I am proud of these women and I am proud of the nurses in Maryland who are embarking on this project. I wish them great success and express my wholehearted support for this wonderful endeavor.●

SOUTH AFRICA

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. RANGEL. Mr. Speaker, I rise to ask President Reagan one simple question: Why, after so much bloodshed in South Africa, do you persistently defend massive American investment in that country?

There comes a time when a nation must take a principled stand for its own good. We are to closely allied to a nation which practices a racial hatred unprecedented since Nazi Germany. Our efforts under the doctrine of constructive engagement to bring about moderation in Pretoria have been futile. if anything, Pretoria has increased its repression of the black majority.

Our credibility is at stake. We can take no pride in how the Reagan administration has dealt with South Africa in the past. Nor can we take pride in how they have responded to the present crisis.

We are a nation founded upon the pillars of liberty, freedom, and equality. It is a shame, and downright hypocritical, for us to extend a helping hand to a regime based on intolerance, repression, and racial separation.

Mr. Speaker, how can we hope to win the hearts and minds of the poor in the Third World when we are supporting one of the worst regimes in history? If we are to defeat communism and dictatorship, we must present a higher moral alternative. The battle is not against some monolithic Marxist army, but against poverty and oppression in all guises and forms.

Now is the time, and South Africa is the place, to act. Let us more forward, before we lose yet another chance to prove that America is friend of those who cry out for freedom. Let us move forward, before extremists really do seize the opportunity to strike for their own narrow interests. We must do what is just.●

NEW LEGISLATION

HON. BARBARA F. VUCANOVICH

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mrs. VUCANOVICH. Mr. Speaker, today I am pleased to introduce legislation of prime importance to the State of Nevada.

For over 80 years, Indian water rights and related water resources issues along the Truckee and Carson River systems have been the focus of conflict in northern Nevada. There are some 15 separate lawsuits, many of them still pending, which have involved every major holder of water rights along these rivers. The result of this conflict has generated a variety of controversies within the State, and despite years of legal maneuvering, the problems remain. For example, the Indians' needs had not been met. The farmers have spent tens of thousands of dollars in legal fees to little or no avail. Finally, the growth of the Reno-Sparks area has been literally halted. Even when decisions were finally reached regarding one aspect of the rivers' operation or management, the outstanding problems, due to the complexity of issues and crosscutting litigation, prevented any real action.

Since 1981, the Reagan administration has encouraged the settlement of Indian water rights claims through negotiation rather than litigation. In the arid West, where competition for water is intense, litigated solutions to water problems generally result in nothing more than further litigation. Through negotiation we can bring the interested parties together and reach a solution that is acceptable to all of the parties involved. We have seen the effectiveness of such approaches as demonstrated by the Papago and Ak-Chin settlements which were enacted by the last Congress.

In negotiating the Pyramid Lake and Truckee River Settlement Act, which I am introducing today, I am happy to say that all of the parties involved in the settlement were active participants. These participants, which I commend, include: the Pyramid Lake Paiute Tribe, the Truckee-Carson Irrigation District, the Sierra Pacific Power Co., the Carson-Truckee Conservancy District, the cities of Reno and Sparks, the Washoe County Conservancy District, the States of Nevada and California and the Department of the Interior.

Key issues during the negotiations included the operation of Stampede Reservoir, which is part of the Washoe reclamation project in California; diversions from the Truckee River to the Newlands reclamation project, which is operated by the Truckee-Carson Irrigation District in conjunction with the operating criteria of the Secretary of the Interior; and the maintenance of the Pyramid Lake fisheries.

The eight major points of the proposed settlement to resolve these issues are:

First, the termination of litigation.

Second, the development of a fish propagation program funded by a settlement fund. The settlement fund will involve a one-time Federal appropriation of $21 million, and an $8 million contribution from the State of Nevada in the form of an interest-accruing trust fund account.

Third, the establishment of a minimum level for Pyramid Lake.

Fourth, the adoption of a "menu approach" for providing additional water flows into Pyramid Lake to meet the minimum level requirements. This "menu approach" includes a process for executing Stampede Reservoir operating agreement.

Fifth, the negotiation of Truckee River diversion criteria by the irrigation district and the Department of the Interior. This criteria must be agreed to by the State of Nevada and the Paiute Tribe.

Sixth, the creation of a $10 million tribal trust fund.

Seventh, the establishment of maximum damages payments of $7 million to the tribe by the Federal Government should the Pyramid Lake criteria not be met.

Finally, the ratification of the California-Nevada compact, which was approved by then-Governors Reagan and Laxalt in 1969.

It is critical that Congress understand that the operating criteria for Stampede Reservoir and the Truckee-Carson Irrigation District's diversions, both of which are contained in various sections of the proposed agreement, are subject to multilateral agreements. The settlement provides for a 12-month negotiating period with the potential for a 6-month extension. The entire settlement package is conditioned upon the successful resolution of these two issues.

Fortunately, the agreement itself does not require major construction or Federal financing. Direct Federal contributions would total $31 million for the settlement fund and the tribal trust fund. The Federal Government would also forgive a $1.5 million repayment contract with the Truckee-Carson Irrigation District and assume liability for Pyramid Lake level damages. The State of Nevada would provide $8 million for the settlement fund, roughly one-fourth of the total cost for implementing this agreement. This compares most favorably with the levels of Federal financing that were provided to earlier water rights settlements approved by this body.

This agreement represents a reasonable approach to solving the problems which have been generating controversy in Nevada for far too many years. It also represents a fiscally responsible approach to the problem. With that and the resolution of a long-standing problem concerning Nevada in mind, I would urge my colleagues in the House to expeditiously consider and approve this proposed settlement.●

SOCIAL SECURITY'S 50TH ANNIVERSARY

HON. FRED J. ECKERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. ECKERT of New York. Mr. Speaker, on August 14 we will mark the 50th anniversary of the most successful and valuable social program in our Nation's history, the Social Security Program, or as it is officially titled, the Old Age, Survivors and Disability Insurance Program [OASDI]. The Social Security Act was signed into law on August 14, 1935.

When Social Security began, as a reaction to the widespread economic insecurity of the Great Depression, a little more than 27 million workers were covered and taxes and benefits were modest. The size and scope of the program have been expanded in all ways since then, encompassing most employee groups, adding benefits for dependents, survivors and disabled, and covering a share of medical and hospital costs. Now 119 million workers and their employers contributed $186 billion in Social Security payroll taxes to the program last year and 36 million persons received $180 billion in benefits. The medicare programs involved more than $64 billion additionally in contributions and benefits.

The great majority of America's retired people now count on Social Security as the foundation for their retirement and it has vastly improved conditions of their retirement years. Millions of elderly Americans bank on the program for protection against loss of income, and for meeting potentially overwhelming medical expenses.

Though benefits were not paid for the first 5 years of the program, Social Security has today become a currently-financed program with workers and employers paying taxes to finance current benefits. While the first year's tax rate was 1 percent levied on $3,000 of income, today's program is financed by a combined tax rate of 14.1 percent shared by employees and employers on up to $39,600 of income. Where the first year's workers could have paid a maximum of $30 a year, today an employee may pay as much as $2,790 a year, and the amount is matched by the employer.

The Social Security Program has been troubled by financial difficulties in recent years as benefits paid have

exceeded income. The current tax rates finally produced a fund surplus for Social Security last year after the fund had incurred a deficit in 9 of the past 10 years. Changes made by the Social Security Amendments of 1977 and 1983 have restored the financial viability of the program and enabled experts to assure us that the financial condition of the program will remain healthy well into the next century. Congress must make certain it remains that way.

Cost-of-living increases in benefits were first provided in 1972 as a substitute for haphazard adjustments in benefits made by Congress to keep retirees abreast of the continuing inflation. In recent years the so-called COLA has been in controversy as part of the careful search for economies in all Government spending. I favor retaining the COLA as it is for Social Security retirees; it is a provision which should be preserved. Too many people depend upon Social Security benefits for their basic retirement income to tamper with this provision. There are many other areas of Government spending which can more properly bear reductions to meet the demands of our present serious efforts to reduce the ominous budget deficit. Cutting the deficit would be the most effective means of restraining inflation and the cost of living.

Social Security, during its short history, has brought a fundamental change to the outlook on aging for American families. They can plan and prepare with much greater confidence and feeling of security than in the past. Social Security, at 50, is a living monument to the best in partnership between the generations of our citizens, between workers and employers, between the people and their Government. It is a program truly of the people, by the people, and for the people.●

MEDICARE PAYMENT REFORM AND HEALTH CARE IMPROVED ACCESS ACT OF 1985

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. STARK. Mr. Speaker, today I am pleased to introduce the Medicare Payment Reform and Health Care Improved Access Act of 1985. It is a series of initiatives Senator KENNEDY and I developed to ensure that adequate health care is made available to millions of Americans who are now denied it.

When Senator KENNEDY and I announced our plan earlier this year, I indicated that an attempt would be made to include some of the provisions in the Medicare budget legislation considered by the Ways and Means Committee. I am happy to report that several of these measures were endorsed by the Ways and Means Committee this week as part of H.R. 3128.

One of our goals is to make health insurance available to Americans who currently lack it. In that regard, we would allow laid off workers as well as widows and divorced spouses of workers to purchase insurance through the employer-sponsored plans they were once affiliated with. The employer would not have to, but could, make a contribution in such instances. We would also encourage States to create subsidized insurance pools, not unlike those that now exist for auto insurance, to make sure that coverage was available to all at a reasonable cost. These provisions alone could help nearly 10 million Americans.

We also ask the Department of Health and Human Services to conduct demonstrations on how small businesses could offer health insurance coverage more cheaply.

Our second goal is directed at guaranteeing that hospitals meet their obligations to those who are unable to pay. We require hospitals to treat emergency patients properly and prohibit transferring emergency patients who have not been stabilized or transferring them in a callous and inappropriate fashion. Hospitals who ignore this obligation can be barred from the Medicare Program. Physicians who act improperly may face jail terms.

We also want to provide a special Medicare payment to hospitals with an abnormally high percentage of patients who are poorer, and thus sicker, than average. This will help these hospitals that are assuming this special responsibility to stay afloat. Our legislation also requires the Department of Health and Human Services to collect data to insure that inner city hospitals are appropriately compensated for their high labor costs.

We recognize that older Americans are spending a growing portion of their budget on health care and want to do something to moderate this disturbing trend. To that end, we create some demonstration programs to determine whether Medicare should pay for preventive services. Such programs can save money and lives by dealing with problems before they become acute.

And we propose limiting the hospital and nursing home deductible payable by the patient by tying future increases to increases in the amount Medicare pays hospitals. That means when we act to hold the Government's costs down, we will also be protecting the patient in future budget debates.

Finally, we want to make the Medicare reimbursement system fairer. We would abolish special payments for return on equity that are now made to proprietary hospitals. These special payments have no place in a prospective payment system.

We recognize the need for a new way to pay physicians and create a new physician payment commission to examine the various alternatives and make a recommendation. This panel will specifically ask whether we should use a relative value scale or diagnostic related group system to pay our doctors.

About half of these provisions are also included in H.R. 3128, including the requirement that widows and divorced spouses be permitted to buy health insurance coverage offered by employers. Also included are the physician payment reform studies, the preventive services demonstrations and the special payments for hospitals with a disportionate share of poor patients. This bill also includes strong sanctions for hospitals that refuse emergency care to patients.

It may be overly optimistic to expect that the remainder of this bill will be enacted this year, but I hope we can move on it during this Congress. I believe it accurately outlines the additional changes needed in our system and provides a blueprint for needed reform. I solicit the support of my colleagues as I work to enact the Medicare Payment Reform and Health Care Improved Access Act of 1985.●

STALIN'S COMPAIGN TO ERADICATE JEWISH CULTURE

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. AuCOIN. Mr. Speaker, 33 years ago, on August 12, 1952, 24 leading Jewish writers, artists, and poets were executed by the Soviet Government. This was the ultimate horror in Stalin's campaign to eradicate Jewish culture and Jewish life in the Soviet Union. While we reflect upon the tragedy of the past, we must recognize its implications and impact on the lives of Jews today in the U.S.S.R.

The night of the murdered poets culminated months of torture and questioning during a secret trial in which the victims were charged with being rebels and agents of American imperialism who wanted to "establish their own bourgeois national Zionist republic." An estimated 400 intellectuals perished under Stalin's attempts to dismantle Jewish culture in Russia. In the years following the dictator's regime, the executions stopped, but the Stalinist elements of Jewish persecution and cultural oppression continue today in the Soviet Union.

The flow of Jewish emigration has come to a virtual standstill. Daily media attacks on Zionism and Israel create an atmosphere of tension and

fear among Jews throughout the U.S.S.R. Unlike other national minorities in Russia, the Jews have no schools for their children and are prohibited from teaching their national language, Hebrew. Without adequate means of education, generations of Soviet Jewish children have grown up ignorant of their Jewish and Hebrew heritage.

Despite these obstacles, an intense desire for learning about their Jewish culture and Hebrew language persists. As education quotas, employment discrimination, and antisemitism increase, moves toward self-education make enormous strides amongst young people who have come to the conclusion that their only future as Jews is to live in Israel. Great pride in Israel and the hope of eventual freedom sustain the dedication of the emigration activists, or refuseniks.

Over the 33-year span since the night of the murdered poets the effects of August 12, 1952, live on in Soviet policy. May this date and the memory of the slain poets, writers, and intellectuals give emphasis and meaning to our efforts to help Soviet Jews today. We must let our friends in the U.S.S.R. know that we will not stand idly by while they face such oppressive conditions. So, let us not succumb to frustration or discouragement but rather find greater incentive to push yet further in our struggle on behalf of Soviet Jews.●

FRAMEWORK FOR BUSINESS INNOVATION

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Ms. MIKULSKI. Mr. Speaker, as chairwoman of the Oceanography Subcommittee, I've had the opportunity recently, along with my colleagues on the subcommittee, to begin exploring some of the new marine biotechnology industries that are emerging around the country.

I am convinced that many of the new jobs of the future will come from the hundreds of small, energetic companies that are incorporated each year.

Further, I am convinced that we in Government must play an active role in fostering the development of these new, growing companies that will be taking us into the future.

In the past, what we've had from the Federal Government is big-buck funding, big regulation, and no clear direction. What we need now, is for Government to set clear-cut national goals and make strategic use of capital and human resources. We need a framework for innovation.

One of today's magazines which is helping to identify some of these new companies along with ways in which we might fashion a private sector/public sector framework for innovation, is Venture magazine.

Venture is a magazine which all of my colleagues should read just as we read Time and Business Week. It's publisher, Mr. Arthur Lipper III, offers a number of new, thought-provoking ideas that merit our close attention and exploration.

For my colleagues' review and consideration, I am pleased to submit a recent editorial written by Mr. Arthur Lipper III.

CHAIRMAN'S COMMENT

The unemployment conundrum: It is generally accepted that one of America's most pressing problems is that of under- and unemployment. The problem is particularly acute because it affects both youth and minorities. Unemployment is at its most socially disruptive when found in combination, when minority youth are unsuccessful in their search for meaningful employment.

It is also generally recognized that our country's largest companies' primary management objective is increased productivity, which is reflected as an ongoing attempt to reduce the number of employees per unit produced. Only the most optimistic of future-tellers would predict that, in aggregate, the larger U.S. companies will ever again create a single net new job. At best, only replacement jobs will be created and their numbers, in the case of many companies, will decrease as managers allow attrition to function as the most painless and politically acceptable means of accomplishing their objective.

It is a fact that, of the net new jobs created, more than 66% will be created by companies employing fewer than 20 people. And more than 75% of net new jobs are created by companies that have been in business for less than five years.

It is broadly believed that most new companies fail during their first five years to achieve the financial predictions and objectives of their founders and frequently, particularly in their first year, fail financially. Further, it is known that most small companies are only marginally profitable after compensating their owner-managers.

Therefore, it can be observed that one of our country's major socioeconomic problems is being addressed, albeit inadequately, by companies that themselves are financially frail. Obviously, this is a dilemma of national significance.

Two questions arise: Is there anything the federal government can do to help? Should government even try to help? I am of the view that the government must attempt to help young businesses. The future economic, and perhaps social, stability of this country rests not only with small businesses, but even more so with young businesses. These young businesses usually start small but frequently do not remain so. These soon-to-be-not-so-small businesses are of special interest to our readers.

The federal government can assist in at least three areas. The first is by legislating that, in the first five years of a company's existence, retained earnings be tax free. The second is that the government adopt Venture Magazine's policy of sponsoring "profit education" by encouraging teacher training in free enterprise economics. The broader the understanding of the principles of profit making, the more positive will become the popular attitudes regarding free enterprise. The third area of assistance is a recognition of the essential role performed by entrepreneurial investors. In accepting the risk of total financial loss, they provide the fuel to set the process in motion. Such positive recognition could take the form of deferring a capital gains tax for funds reinvested in other new businesses within a specified period. A similar capital gains tax deferral is already available to homeowners purchasing a new home with proceeds from the sale of their former home. Certainly company formation, which is reflected in job creation, is as worthy of tax relief as individual residential upgrading.

To further induce owner-managers of businesses not only to hire but also to educate youth, particularly those who may be socioeconomically disadvantaged, tax incentives could be offered to companies for employees who can demonstrate significant skill enhancements, to the point that they are worth more to their employers and to themselves. In other words, a tax credit for promoting new workers on the basis of demonstrated merit and contribution specifically over those with greater seniority. This would create a significantly increased competition by entry-level employees in terms of striving for excellence, which can only benefit the enterprise and establish a continuing positive attitude by rewarding extra effort. Managers should be assisted in their need to continually improve the quality of available human resources.

The importance of investors: Finally, as readers of my book, Venture's Guide to Investing in Private Companies, know, I believe that in certain cases investors should be rewarded for their risk assumption by sharing in an investee company's revenues (rather than, or in addition to, profits) by holding a Revenue Participation Certificate. The Treasury could propose such payments be classified as long-term capital gains rather than income and yet still be deductible to the company. In this way companies could negotiate a lesser percentage payment due to the more favorable tax effect for the recipient. In any case, Congress should legislate quickly (an oxymoron) Small Business Participating Debentures. These instruments could provide lenders with a fixed return, plus profit participation, and a long-term capital gains tax result, while allowing the companies to deduct the payments.

If you believe some of the above thoughts could be constructive if enacted and applied, send a photocopy of this page (permission granted) to your representatives in Washington. Incidentally, the best description of Washington I've heard is, "a city of 35 sq. mi. surrounded by reality" and I should know; in 1945 I served as a U.S. Senate page and had a wonderful opportunity to learn the workings of a democracy that was designed to be, and once was, a meritocracy.●

HOME EQUITY CONVERSION—AN ESSENTIAL LOW-COST TAX REFORM TO AID CASH-POOR/HOUSE-RICH ELDERLY

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. SMITH of Florida. Mr. Speaker, today I am introducing the Home

Equity Conversion Act of 1985 which would clear the way for thousands of older homeowners to safely and fairly tap the equity in their homes without moving or taking out a mortgage.

Much of our country's elderly population are "house-rich" and "cash-poor." It is estimated that more than 70 percent of older Americans own their own homes and nearly 84 percent of those homes are owned free and clear. At the same time, 50 percent of all persons 65 and older live in households with incomes of less than $1,180 per month. This bill would enable the elderly to safely draw upon their home equity without having to choose between a steady flow of income in their later years and their lifelong homes. This type of transaction could prove to be an important economic answer for large numbers of elderly homeowners in the coming decades. The proposal would remove the technical difficulties in the Internal Revenue Code that prevent widespread use of a technique called the residential sale-leaseback.

This concept allows the owner of a home to sell his or her property to a buyer who agrees to rent it back to the seller on reasonable terms for an extended period of time. Properly structured, the transaction would generate a steady cash flow to an elderly homeowner without forcing the homeowner to give up his or her home. The homeowner would pay the lease payments out of the proceeds of the sale which may be in the form of cash or a combination of other funding. In the event that one spouse dies, the surviving spouse would be able to continue to use the home under this arrangement.

The elderly homeowner in this transaction would still qualify for the one-time capital gains tax exemption that is available to homeowners over age 55, and the purchaser/lessor would take depreciation on the value of the property even though the sellers retain occupancy rights for their lifetime.

This proposal could and should be an important part of Congress' tax reform effort. This measure provides much-needed financial assistance to our elderly with only a small impact on revenue. The Home Equity Conversion Act is an innovative method of assisting low-income elderly retain financial independence and their homes.

H.R.—

A bill to amend the Internal Revenue Code of 1954 to facilitate home equity conversions through sale-leaseback transactions

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled

SECTION 1. SHORT TITLE.

That this Act may be cited as the "Home Equity Conversions Act of 1985".

SEC. 2. DEPRECIATION IN SALE-LEASEBACK TRANSACTIONS.

Section 167 of the Internal Revenue Code of 1954 (relating to depreciation) is amended by inserting after subsection (h) the following new subsection:

"(i) SALE-LEASEBACK TRANSACTIONS.—

"(1) IN GENERAL.—In the case of property involved in a sale-leaseback transaction, the purchaser-lessor shall be recognized as the absolute owner of the property, and the deduction shall be allowed to the purchaser-lessor.

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) SALE-LEASEBACK.—The term 'sale-leaseback' shall include a transaction in which—

"(i) the seller-lessee—

"(I) has attained the age of 55 before the date of transaction,

"(II) sells property which during the 5-year period ending on the date of the transaction has been owned and used as a principal residence by such seller-lessee for periods aggregating 3 years or more,

"(III) obtains occupancy rights in such property pursuant to a written lease requiring a fair rental, and

"(IV) receives no option to repurchase the property at a price less than the fair market price of the property unencumbered by any leaseback at the time such option is exercised, and

"(ii) the purchaser-lessor—

"(I) is a person,

"(II) is contractually responsible for the risks and burdens of ownership and receives the benefits of ownership (other than the seller-lessee's occupancy rights) after the date of such transaction, and

"(III) pays a purchase price for the property that is not less than the fair market price of such property encumbered by a leaseback, and taking into account the terms of the lease.

"(B) OCCUPANCY RIGHTS.—The term 'occupancy rights' means the right to occupy the property for any period of time, including a period of time measured by the life of the seller-lessee on the date of the sale-leaseback transaction (or the life of the surviving seller-lessee, in the case of jointly held occupancy rights), or a periodic term subject to a continuing right of renewal by the seller-lessee (or by the surviving seller-lessee, in the case of jointly held occupancy rights).

"(C) FAIR RENTAL.—For purposes of subparagraph (A)(i)(III), the term 'fair rental' shall include a rental for any subsequent year which equals or exceeds the rental for the first year of a sale-leaseback transaction."

SEC. 3. CAPITAL GAINS EXCLUSION IN SALE-LEASEBACK TRANSACTIONS.

Subsection (d) of section 121 of the Internal Revenue Code of 1954 (relating to one-time exclusion of gain from sale of principal residence by individual who has attained age 55) is amended by adding at the end thereof the following new paragraph:

"(9) SALE OR EXCHANGE DEFINED.—For purposes of this section, the term 'sale or exchange' shall include a sale-leaseback transaction (as defined in section 167(i))."

SEC. 4. INCOME IN SALE-LEASEBACK TRANSACTION.

(a) GROSS INCOME.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by inserting after section 121 the following new section:

"SEC. 121A. INCOME IN SALE-LEASEBACK TRANSACTIONS.

"Gross income to the seller-lessee or the purchaser-lessor in a sale-leaseback transaction (and defined in section 167(i)) does not include any value of occupancy rights or discount from the fair market price of the property unencumbered by any leaseback, which is attributable to any leaseback."

(b) GAIN OR LOSS.—Subsection (b) of section 1001 of such Code is amended—

(1) by striking out "and" at the end of paragraph (1),

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof ", and", and

(3) by inserting after paragraph (2) the following new paragraph:

"(3) in the case of a sale-leaseback transaction (as defined in section 167(i))—

"(A) there shall not be taken into account any value of occupancy rights or discount from the fair market price of the property unencumbered by any leaseback, which is attributable to any leaseback, and

"(B) there shall be taken into account the cost of any annuity purchased for a seller-lessee by a purchaser-lessor."

(c) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by inserting after the item relating to section 121 the following new item:

"Sec. 121A. Income in sale-leaseback transactions."

SEC. 5. INSTALLMENT SALES IN SALE-LEASEBACK TRANSACTIONS.

Section 453 of the Internal Revenue Code of 1954 (relating to installment method) is amended—

(1) by redesignating subsection (j) as subsection (k), and

(2) by inserting after subsection (i) the following new subsection:

"(j) APPLICATION WITH SECTION 167(i).—

"(1) IN GENERAL.—In the case of an installment sale in a sale-leaseback transaction (as defined in section 167(i)), subsection (a) shall apply.

"(2) SPECIAL RULE FOR ANNUITIES.—In the case of an annuity purchased for the seller-lessee by the purchaser-lessor in a sale-leaseback transaction, the purchase cost of such annuity shall constitute the amount of consideration received by such seller-lessee attributable to such annuity and shall be deemed received in the year of disposition."

SEC. 6. BASIS OF ANNUITY RECEIVED IN SALE-LEASEBACK TRANSACTION.

Subparagraph (A) of section 72(c)(1) of the Internal Revenue Code of 1954 (relating to annuities) is amended by inserting before the comma "(including such amount paid by a purchaser-lessor in a sale-leaseback transaction as defined in section 167(i))".

SEC. 7. SALE-LEASEBACK TRANSACTION ENGAGED IN FOR PROFIT.

(a) FOR PROFIT PRESUMPTION.—Section 183 of the Internal Revenue Code of 1954 (relating to activities not engaged in for profit) is amended—

(1) by striking out "If" in subsection (d) and inserting in lieu thereof "(1) IN GENERAL.—If",

(2) by inserting after paragraph (1) of subsection (d) (as designated by paragraph (1)) the following new paragraph:

"(2) SALE-LEASEBACK TRANSACTION.—Any sale-leaseback transaction (as defined in section 167(i)), unless the Secretary establishes to the contrary, shall be presumed for purposes of this chapter to be an activity engaged in for profit.", and

(3) by inserting "(1)" after "subsection (d)" each place it appears in subsection (e)."

(b) USE OF DWELLING UNIT.—Paragraph (3) of section 280A(d) of such Code (relating to disallowance of certain expenses in connec-

tion with business use of home, rental of vacation homes, etc.) is amended by adding at the end thereof the following new subparagraph:

"(E) FAIR RENTAL IN A SALE-LEASEBACK TRANSACTION.—Any rental that constitutes a fair rental in a sale-leaseback transaction pursuant to section 167(i)(2)(C) shall be treated as a fair rental for purposes of subparagraph (A)."

SEC. 8. ACCELERATED COST RECOVERY SYSTEM IN SALE-LEASEBACK TRANSACTIONS.

Subparagraph (B) of section 168(e)(4) of the Internal Revenue Code of 1954 (relating to certain transactions in property placed in service before 1981) is amended by inserting "(except property acquired by the taxpayer in a sale-leaseback transaction as defined in section 167(i))" after "December 31, 1980".

SEC. 9. EFFECTIVE DATE.

The amendments made by this Act shall apply to sales after date of the enactment of this Act, in taxable years ending after such date.●

INTRODUCTION OF THE "BLACK LUNG BENEFITS AMENDMENTS ACT OF 1985"

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. MURPHY. Mr. Speaker, I rise today to introduce legislation that will significantly contribute to the elimination of the massive backlog of black lung claims at the Department of Labor. Many of my colleagues and I have been deeply concerned with this mounting problem. Numerous letters have been written to the Department of Labor urging prompt and concerted action to restore due process and basic fairness to black lung claimants who have in many cases been forced to wait several years before the appeals on their claims may be heard.

The Labor Standards Subcommittee which I chair has already conducted several field hearings around the coal fields and subsequently heard testimony in Washington, DC, from Department of Labor officials. It is fairly obvious by now that despite considerable increases in productivity in recent years, the present budget and personnel practices in the Department's Office of Administrative Law Judges are inadequate to adjudicate the more than 21,000 cases backlogged at that office. In addition to the need for more administrative law judges and support staff, testimony has been received by the subcommittee indicating one of the primary obstacles to efficient use of the existing staff is the fact that black lung appeals have been unfairly classified as lower graded work. Consequently, the full compliment of ALJ's at the Department cannot devote the majority of their time to hearing black lung cases which make up the largest volume of cases awaiting a hearing on appeal.

The bill would simply correct an error in the original language of the act which stipulated that some, but not all, of the appeals from decisions under the act be heard by GS-16 judges. By eliminating the so called 15/16 split the OALJ will be better able to assign their existing judicial staff in the most efficient manner. It will also assist the OALJ in recruiting the most talented individuals to fill any existing vacancies or future openings.

I believe that the relegation of black lung claims to a lower status was never intended by the Congress. This bill makes congressional intent quite clear on this subject. Claims under all titles of the act would now be heard by higher graded judges. This will allow the OALJ to manage the overwhelming black lung case load in the most productive manner. Under this amendment the victims of black lung can expect to see their claims receiving the priority that they deserve. It will also hopefully insure that justice, previously delayed if not denied, will once again be restored to our afflicted miners.

I urge my colleagues to join me in support of this amendment, I plan to move this legislation quickly through the Labor Standards Subcommittee when the Congress returns in September and I am hopeful of early action by the House.●

TRIBUTE TO MARGO ALBERT

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. TORRES. Mr. Speaker, this month a distinguished American woman died. Margo Albert, a dear friend of mine and a friend to countless people in artistic endeavors succumbed after an illness of several months. Her departure leaves each of us saddened, for her life enriched us so deeply in spirit. She taught us that we could be proud of our cultural roots as Hispanics in America.

Margo brought a special brand of vision, zeal, and social conscience to the arts and corporate boardrooms. She was able to transfer this commitment of conscience into a living and functional center: Plaza de la Raza.

There at Plaza, children and adults can develop the sounds of music, the methodology of the dance, the spin of the potter's wheel, the preservation of the visual and plastic arts, and the characterization of the dramas that she loved so much. She so inspired people to visit and appreciate this culture center that they, too, became addicted to its captivating aura.

Mr. Speaker, from the very beginning, when a fledging group of community activists approached a number of us at TELACU to save the old Lincoln Park boathouse from destruction, Plaza took form as an expression of cultural rennaissance in east Los Angeles.

The very same Carlos Garcia who is now Plaza's executive director was then a young lawyer who drew up the first articles of incorporation. The bearded Edward Bonilla served as Plaza's first president. Francis Crisostomo, Amelia Chamacho Libart, Nick Lucero, John Horan, and others volunteered their time as officers.

From the labor movement, an idealistic and progressive organizer, Frank Lopez, fashioned a program of captivating personalities of prominence to give Plaza an injection of cultural and capital stock. To open the eyes of the greater Los Angeles community, Frank Lopez secured the attention of Ruben Salazar, an Los Angeles Times journalist, who wrote extensively about the plight of the boathouse in Lincoln Park. Salazar was later martyred. Frank then introduced Plaza's board to a beautiful lady.

She was Marie Marguerita Guadalupe Teresa Estela Bolando Castilla y O'Donnell, better known by her professional name as Margo. She appeared before us and ushered in an era of development that eventually put Plaza de la Raza on the arts map. She was a resourceful woman of unlimited talents and energies. She had remarkable connections to the world of corporate America, the entertainment industry, and the political leaders of this Nation. She was the catalyst that brought diverse people together as participants, with the Hispanic community, in building the Plaza de la Raza as a lasting monument to the creativity of the peoples of Hispanic origin, something that she herself manifested.

Mr. Speaker, many of us in this Chamber want to join the voices of praise and adulation for a true patron of the arts. We join her surviving husband, Eddie Albert, her son, Edward, and her daughter, Maria Carmen, in mourning the loss of all of us of Margo.●

YOICHI OKAMOTO

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. MINETA. Mr. Speaker, today I would like to ask my colleagues to join with me in honoring the late Yoichi Okamoto, who was the official photographer of President Lyndon B. Johnson, and who redefined the role of the Presidential photojournalist.

Mr. Okamoto was an individual who was committed to excellence in his

51-059 O-86-47 (Pt. 16)

work and the remembrance of his heritage. He maintained a high standard in his work and urged his colleagues to do the same.

In a fitting testament to his friend, Howard Chapnick in Popular Photography magazine wrote of Mr. Okamoto, "The good photographers, the great photographers, have no final sense of self-importance. None of us is the repository of all journalistic wisdom. There's always something to learn. And, even in a position of awesome power, Oke sought and absorbed the opinions of his colleagues."

Michael Evans, the former photographer for President Reagan included a picture of Mr. Okamoto in his recent book, "People and Power, Portraits, from the Federal Village," writing, "Because of Okamoto, I got started in the presidential photography business." That is the sort of testament that Mr. Okamoto would be most proud of.

Mr. Speaker, I ask that you and our colleagues in the House of Representatives join with me in honoring the late Yoichi Okamoto for his contributions to our Nation's history and its preservation. I ask that Mr. Chapnick's fitting and poignant testament to his friend and colleague be inserted in the RECORD, and follow my remarks.

Thank you very much.

YOICHI OKAMOTO'S CAREER DEFINED THE QUALITIES NEEDED FOR SUCCESS BOTH AS PHOTOGRAPHER AND HUMAN BEING

(By Howard Chapnik)

My friend Yoichi Okamoto is dead at 69. Oke or Okie, as he was called by almost everyone who knew him, was an important figure in the short history of photojournalism. Perhaps young photojournalists can glean certain lessons from some of the reminiscences I will share with you about this remarkable man.

Yoichi Okamoto was not a giant in photography in the same sense as Kertész, Weston, Adams, or Penn. In photographic history, however, he will be remembered as the photographer who revolutionized photographic coverage of the American presidency.

It was Oke who seized the moment, the opportunity, and their challenge of visually documenting and making human and believable the larger-than-life figure of President Lyndon B. Johnson. No photojournalist before or since Okamoto has been able to produce a more complete historical photographic record of a president or a presidency.

In retrospect, I have been trying to sum up those of Oke's qualities, both as a human being and as a photographer, that contributed to his success. For one thing, Oke was a Renaissance Man, with a consuming interest in the world that surrounded him. Insatiable curiousity about people and places were intrinsic parts of his intellectual baggage. Music, art, literature, politics, sports, science, philosophy, and technology were his playing fields.

Inquisitiveness is indispensable to the photojournalist. It sharpens insight, gives depth and meaning to the photograph, and establishes a human communication bridge with the subject. This characteristic was what made Okamoto equally at home with the Indian elephant driver who came to the U.S. as President Johnson's guest, and with prime ministers, kings, and the world's political greats. Okamoto was genuinely interested to learn who people really were and what they believed, rather than to accept the facade they presented to the world.

Oke was meticulous and orderly in mind, body, and dress. Despite being a Nisei (a Japanese-born as a native of another country) in a Caucasian society, he was resolved to be more American than Mayflower descendants. He seemed to want to blend into the environment, to eliminate the apparent differences resulting from his Japanese ancestry.

The interment of Japanese Americans during World War II was a psychological scar that constantly impelled him to greater effort, greater concentration, greater accomplishment.

Oke blended so well that he reveled in telling the story of the time the President had important guests at the White House. Johnson sent his press secretary, George Reedy, to summon Oke for a photo session. Attesting to Okamoto's unobtrusiveness was his response to Reedy's call. "I've already been there," he said. Okamoto had taken his pictures, but had been the proverbial fly on the wall of the Oval Office. Nobody had noticed.

The lesson is clear. To penetrate beyond superficial, external levels, to reveal the complex real persona, a photographer must overcome his subject's camera-consciousness and become an accepted part of the environment.

I will never forget the day Oke was fired by President Johnson. I was in Washington visiting the U.S. Information Agency, where Okamoto had worked prior to becoming the presidential photographer. When I got to the picture department, I was surprised to find Oke putting his things into one of the desks.

"I've just been fired!" he said. The firing had been precipitated by a *Newsweek* article. The magazine had reported on Okamoto as the President's personal photographer who had shot 19,000 negatives over three months.

In the midst of an economic-austerity drive, the appearance of waste, combined with Johnson's mistaken feeling that Oke had generated a self-serving article, stimulated the rift.

Shortly thereafter, a guilt-ridden President reconsidered. The 19,000 negatives translated to five rolls of 35-mm film shot per day—hardly overshooting by any photojournalistic standard.

Oke became the only White House staffer to be fired and later rehired, demonstrating that resiliency is another prerequisite for the photojournalist.

John Durniak, former Time picture editor and Look managing editor, was a long-time friend and professional associate of Okamoto's. In recalling Okamoto's photographs of the Burger Supreme Court for Smithsonian magazine, Durniak said, "I can't think of anyone else who could have gotten that kind of cooperation. Oke had class. When he talked to people, they felt they were in the hands of a responsible individual, somebody who would not take advantage of them.

"I think that was one of the things that appealed to President Johnson. Oke was a student of human behavior. He understood President Johnson's moods. He knew where he should shoot and when it would be intrusive. He also knew that if Johnson read him out, it might be for five minutes, or five days, or five weeks. But it wasn't forever. They had one hell of a relationship, the depth of which only Johnson and Oke knew.

Class, depth, integrity, insight, human understanding, and sensitivity. These qualities are not required for every photo-journalistic assignment. Many successful people get along without them. But it surely helps when you're photographing on the Washington scene where political paranoia prevails and the photojournalist wants to be privy to moments of political history.

Durniak also remembers that Okamoto was never satisfied with his work. He always wanted to improve on what he was doing. Durniak remembers that "every six weeks during his White House stint, Okamoto would get together 25, 50, or 100 prints. he would send them out to four or five people he respected and ask, 'How am I doing? What did I miss?' "

According to Durniak, one of the people to whom Okamoto sent those prints was John Morris, former picture editor at The New York Times and the Washington Post, and Magnum picture-agency chief for several years.

"Morris would faithfully sit down and raise hell with his pictures," says Durniak. "As a result, Oke would push himself harder. And, never satisfed, he'd go the extra mile to keep himself sharp and make the most of the opportunities available to him." Another Okamoto lesson for us all.

The good photographers, the great photographers, have no final sense of self-importance. None of us is the repository of all journalistic wisdom. There's always something to learn. And, even in a position of awesome power, Oke sought and absorbed the opinions of his colleagues.

Lynn Johnson is a Black Star staff photographer who once worked as an assistant to Okamoto. Oke had followed her career with great interest. In one of his letters to her, he recounts a story which reflects his personal restraint and respect for individual privacy as being transcendent over professional photographic concerns. Getting the picture is not everything.

When Hubert H. Humphrey, the grand old man of liberalism, was dying of cancer, Oke was asked by a national magazine to photograph Humphrey in his final days. "I turned it down," he wrote to Lynn, "although it may have produced a great picture that left his image more indelible in the public mind. But it meant my asking Muriel (Mrs. Humphrey). I loved them, and I know they liked me. But just because she might have said 'yes,' I had to turn the assignment down."

Another letter to Lynn Johnson is worth quoting. Okamoto on female photographers: "Just remember—stay yourself and don't get tough! It happens to female photographers without their becoming aware of it."

For all his successes, Okamoto had two dreams that were never fulfilled before his death. One was the publication of a book including his landmark photographic work on the Johnson presidency.

The other was his energetic association with a Washington group of elder photographic statesmen called the "f65" group. Members included Life alumnus Bill Sumits, National Geographic's director of photography Bob Gilka, former Geographic photographer Volkmar Wentzel, and Washington photographer Fred Maroon. They had come together in the belief that there was a need

for a Washington-based photographic museum. This would combine in one central repository the disparate and diffused collections of photographs now housed in diverse collections (i.e. the Smithsonian Institution, the Library of Congress, the National Archives, the U.S. Air Force, etc.).

Oke was a good friend, a patient golf partner, an inspiring companion, and an important photojournalist, Marty Forscher said to me, "I didn't think I could love anybody as much as I loved Oke." Many people share that emotion. We'll miss him.●

PRO-LIFE GUN CONTROL

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. CLAY. Mr. Speaker, gun control is one of the most agonizing issues facing our Nation today. In 1980, more than 40 times as many people were killed by handguns in the United States than in Japan, Great Britain, Switzerland, Canada, Israel, Sweden, and Australia combined.

Just recently, the Senate overwhelmingly passed legislation which would relax standards on owning and possessing guns and firearms. Now it is the House's turn to debate this same issue. Will we stand around and hand out guns to every maniac and killer on the streets to murder our children? Something must be done to combat this deadly arsenal. As we begin debate on this critical issue, I commend to my colleagues the following article which appeared in the St. Louis Review, July 26, 1985:

PRO-LIFE GUN CONTROL

"Guns don't kill people—people kill people." "Don't outlaw guns—outlaw criminals." This is just a portion of the bumper-sticker rhetoric that supports the "right" of citizens to own and bear firearms. Once again the dubious logic and half-truths contained in these slogans seem to lose whatever meaning they might have as St. Louisans witness the tragedy of three small children lying dead—victims of a .22 caliber rifle allegedly wielded by their own mother. This was not a gangland-style massacre or even homicide perpetrated by an outlaw. Would it have occurred had the gun not been so readily available? We will never know. But we could reasonably assume that it might not have happened had the weapon not been in the home.

The long and arduous effects of gun-control advocates in our country have been aimed at preventing, or at least lessening, the likelihood of this kind of tragedy. The United States Catholic Conference, the social action arm of the National Conference of Catholic Bishops, has long been supportive of gun-control legislation. But those efforts were forestalled—at least temporarily—when the U.S. Senate recently passed the Federal Firearm Owners' Protection Act by an overwhelming majority. Now the debate moves to the House of Representatives, where the proposed legislation is likely to find more opposition.

In our opinion the debate over gun control highlights the inconsistencies that still dominate the much larger pro-life issue. Gun control is advocated by those lawmakers termed "liberal." They are often the same ones who oppose restrictions on abortion. The opposite is the case among many who are called "conservative." Favoring greater restriction and elimination of abortion, they steadfastly oppose greater gun control. This opposition is founded, of course, on the questionable interpretation of the Second Amendment to the Constitution, which protects the right of a "well-regulated militia" to bear arms in order to insure the "security of a free state."

The Catholic bishops of the United States are to be applauded for their efforts toward unifying and making more consistent all life issues. Human life is a gift of God, and civilized society must protect the right to life whenever it is threatened, whether by abortion, euthanasia, war, or violence of any kind. In the face of what appears to be the inherent contradictions involved in so much of the debate of pro-life legislation, perhaps it is the Gospel which must be brought to bear on our thinking and actions to protect life.●

SPARE PARTS—AN OLD STORY

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. BROOKS. Mr. Speaker, more than 2 years ago, the Committee on Government Operations first exposed the scandalous overpricing of military spare parts. Our investigation revealed that this situation was caused primarily by the lack of competition in the Defense Department's procurements. More often than not, the vendor with the best connections at the Pentagon received the awards rather than the ones with the best prices. The result is that unscrupulous contractors—aided and abetted by negligent, sometimes incompetent, procurement officials in the Department—gained windfall profits at the American taxpayer's expense.

Since our hearings on this issue, Congress has passed several important procurement reform measures, including the Competition in Contracting Act of 1984 (Public Law 98-369). We all sincerely hope that these efforts result in eliminating the waste, fraud and abuse that is plaguing DOD's procurement system. However, I want to caution my colleagues not to run home during the recess to tell their constituents that all of DOD's procurement problems have been solved. The Defense Department simply doesn't react quickly to procurement reform measures. Some say that DOD doesn't react at all.

Mr. Speaker, I want to take this opportunity to share with my colleagues a copy of an article sent to the committee by Mrs. Anna Hendrickson of Dyersburg, TN. The article was taken from the Commercial Appeal newspaper located in Memphis and was first printed on June 14, 1960, 25 years ago. Despite the date of the article, it could have been printed just this week because it is just as relevant now as then. The article follows:

25 YEARS AGO—JUNE 14, 1960

WASHINGTON.—The senator from Illinois, scholarly-looking Paul Douglas, held aloft a small lamp socket. He said it sold for 25 cents in retail stores but cost the Navy $21.10. There also was a set of wrenches. The Illinois Democrat told his colleagues the set cost the Army $29. Bought from a Washington tool company, he said, they cost $3.89. Douglas displayed eight small drill bushings which cost the Air Force $9.65 each. He said they were appraised for 25 to 50 cents. The items were among 10 which Douglas showed the Senate in attacking the military procurement system which he said sometimes pays six to 100 times the actual value of various equipment. He said he obtained the items in question from a state which received them as government surplus. He said they were accompanied by invoices showing their original purchase cost. He criticized the Defense Department for purchasing $19,700,000,000 or 86.4 percent, of its supplies last year by negotiated contracts instead of through competitive bids.

The above article refers to extensive hearings held by Senator Douglas on the spare parts procurement problems at DOD. Senator Douglas' Subcommittee on Defense Procurement of the Joint Economic Committee of Congress found that the lack of competition, poor procurement management, and a general disregard for the taxpayers money by DOD officials were the underlying causes of the problem. If that sounds a little familiar, it should. Twenty-five years later, the Congress has found that these same conditions still exist. All of us were horrified by the recent scandals of the $435 claw hammer. Can you imagine how much money has been wasted by DOD in those 25 years since Senator Douglas' hearings? Can you imagine how many defense contractors got fat and happy, with the help of their DOD friends, over that same period?

It should be clear that our recent efforts to reform DOD must only be considered a beginning. Keep in mind that for every reform measure we come up with, DOD will try to find at least two ways around it. As such, we must keep the pressure on the Department day-in and day-out with strong oversight, backed up by an effective authorization and appropriations process. In my view, if Congress is serious about reforming DOD procurement, it can forget about one more Presidential commission composed mainly of ex-DOD officials to study the problem. We already have an effective investigative function in the Government Operations Committee and the Authorization and Appropriations Committees. What we need is direct, forceful corrective action. Congress must force DOD to cancel costly and unjustified contracts, debar unethical

contractors, and fire Government officials who allow waste, fraud, and abuse to flourish in the programs they are responsible for.

Surely, the American taxpayer is tired of the incessant talk of reform while continuing to read of new procurement scandals virtually every day. It is time for action, not dialog.●

IT'S TIME TO STOP FRAUDULENT TEXTILE IMPORTS

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. LOTT. Mr. Speaker, in the last 5 years, 300,000 textile workers have lost their jobs because of imports that come to our shores virtually nonstop. And where there are laws and regulations intended to help manage imports, foreign producers ruthlessly ignore them.

I give you this example: On one day alone in May, the Customs Service seized more than $1 million in textile and apparel shipments that were believed to be fraudulent. Hong Kong, for example, shipped 439,000 dollars' worth of sweaters to New York but called them blouses. The surprises didn't stop there. Chinese ski pants were discovered in New Jersey, along with women's sweaters, girl's overalls, and even work gloves. the gloves were labeled "Made in Cyprus," but the Customs Service found that they were really made in Pakistan.

And these, Mr. Speaker, were only the illegally shipped imports that were discovered. One can only imagine how many fraudulent shipments find their way past inspectors and into stores.

Rigid enforcement of our trade rules is one of the objectives of the Textile and Apparel Trade Enforcement Act of 1985. We must ensure that foreign producers respect our laws as much as they cherish our market.●

RADON REDUCTION ACT OF 1985

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. EDGAR. Mr. Speaker, today I am introducing legislation with my Pennsylvania colleague Representative GUS YATRON to address the problem of radon contamination facing thousands of families living in a part of Pennsylvania and New Jersey known as the "Reading Prong."

Radon, a colorless, odorless, and tasteless gas that is produced by the decay of naturally occurring uranium deposits, has collected in several hundred homes built over the Prong, a seam of uranium several hundred miles long. When inhaled by the people living in these homes, radon is extremely hazardous, drastically increasing the residents' risk of lung cancer.

As of May 23, 1985, the Pennsylvania Department of Environmental Resources [DER] had tested 1,745 homes in the Pennsylvania part of the Reading Prong. Forty percent of these—698 homes—had radon present in quantities above the 0.02 working levels considered "acceptable." Approximately 20,000 additional homeowners in the Reading Prong area have asked to have their residences tested.

Once you find radon in your home, what can you do? There are few options now other than venting the radon through fans, open windows—in short, any method possible. And there is no guarantee, after you spend several hundred or several thousand dollars installing fans and venting equipment, that it will work. Sometimes it does, sometimes it doesn't.

Last month I had an opportunity to spend a morning with the people of Boyertown, PA, where the radon contamination problem is most serious. Not only do some residents of Boyertown have levels of radon in their homes which exceed the 0.02 WL deemed dangerous, they have levels as high as 13.6 WL! The radon contamination problem was discovered late last year when Stanley Watras, a construction engineer at the Limerick nuclear powerplant and a resident of Boyertown, realized that radon from his home was so high that his contaminated clothing was setting off alarms at work!

The people of Boyertown are rightly worried about the high cost of remedial action and the continuing danger of exposure while corrective measures are contemplated. The people of Boyertown are rightly terrified about the effect on their children. One couple has been told that the radon level in their home means that their children—aged 13, 11, and 8—are breathing the equivalent of the smoke from 21 packs of cigarettes every day and that their chances of developing lung cancer are one in eight.

The DER and the Federal EPA have cooperated in the testing program and have tried to be helpful. Yet Government agencies have pointed fingers and avoided action when asked the questions: Who will take responsibility for the health of the people of Boyertown? Who will decide if an emergency exists? What do we do when winter comes and we can no longer open our windows to help vent the radon?

Mr. Speaker, I don't know the answers to all of these questions, either. But I do think that we need to get the experts working on the answers now. Someone must take responsibility. That's why I am introducing this bill today with Congressman YATRON.

The Radon Reduction Act of 1985 takes three important steps: first, it calls on the Environmental Protection Agency to conduct a national assessment of the radon problem. I don't think that we can put together a comprehensive solution until we know the magnitude of the problem we are facing. My bill directs the EPA Administrator to identify what populated areas in our country might be likely to suffer from radon contamination, assess the level, if any, of radon contamination, and determine the level of radon which poses a threat to human health.

Next, the bill would have the EPA Administrator conduct a demonstration program to test methods of reducing or eliminating the threat to public health of radon. In order to bring some immediate relief to the residents of the Reading Prong, the legislation directs that the Prong be one site of the demonstration, and it authorizes $4 million to carry out the project.

Finally, it is clear that an emergency response may be needed. We can't ask people to stay in heavily contaminated homes this winter. We must give them some alternative. Therefore, my bill would amend the Disaster Relief Act to make a release of radon gas a disaster eligible for assistance from the Federal Emergency Management Agency [FEMA]. The bill would not supersede existing requirements for a State response prior to Federal involvement, but it would clarify the responsibility of the Federal Government should the Commonwealth of Pennsylvania decide to move in the crisis in the Reading Prong.

This situation will not go away if we ignore it, and we need to act with speed. I urge my colleagues to review and cosponsor this legislation, a balanced response to the radon crisis, so that we can move quickly to end this health threat to the people of the Reading Prong.●

NASA SPACE PROGRAM

HON. BERYL ANTHONY, JR.

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. ANTHONY. Mr. Speaker, the space program of NASA is a success story we have learned to accept as commonplace. The development of space exploration, space travel, and the militarization of space continue, but it does not make front-page news much anymore. Even a near failure of the space shuttle, such as recently occurred, only caused a brief blip in the news.

Despite the routine nature of today's space program, we should not lose sight of the fact that we are on the threshold of a major expansion of

space flight into the public domain. In the latest edition of Omni magazine, Adm. Alan B. Shepard, who traveled into space in the old Mercury program almost a quarter of a century ago, notes that we are very close to new tourist industry—space travel. I urge my colleagues who want to visualize these expanded frontiers to reflect on Admiral Shepard's article:

FIRST WORD

(By Alan B. Shepard, Jr.)

Is the space program losing the support of the American people? I doubt it, but as we near the twenty-fifth anniversary of America's first manned space mission, the Mercury III mission on which I flew, the question seems worth asking.

If you are like many Americans these days, you may have almost forgotten the space program. It has becomes easy to lose track of it, save for a few moments when the evening news reports that a shuttle has put another satellite into orbit and returned safely to Earth. Even die-hard space enthusiasts have had little to fuel their ardor. It is sad to watch NASA's shuttle schedule slip from a forecast of 50 flights this year to a reality of 17, disheartening to see Washington's small, efficient cadre of warriors against new technology already sniping at budget requests for a space station not yet begun.

All this is in sharp contrast with the glory days of space. Some 25 years ago, *Sputnik 1* caught the nation's attention as no technological event ever had. Suddenly, it seemed as if we were losing a race with the Soviet Union and would soon be dangerously far behind. Each manned Mercury flight brought hours of coverage on network television, followed closely by ticker-tape parades and endless interviews. The Gemini spacewalks continued the excitement. Then came the Apollo program, with its televised moonwalks—the ultimate in drama.

Then, suddenly, the fervor died. Perhaps in our eagerness to reach the moon we had forgotten that this was only part of a grander design. Perhaps it was just that Vietnam, oil shocks, and Mideast wars captured the attention of the nation at large. No matter. NASA's budget shrank, and following the end of the Apollo program, America's astronauts waited nearly six years for another flight.

Today it is easy to suspect that we have never fully recovered from the lean years of the early Seventies. The shuttle was at last finished, and it worked. In eight or nine years, the beginnings of our first permanent manned station will enter orbit, and the United States will finally have a base from which to work in space. Yet space seems to have taken on some of that characteristic dreariness that afflicts most government programs. Where is the old enthusiasm? Where are the banquets for shuttle crews returning from their journeys?

The answer is that they are in the romantic past—where they belong. Look at just one clue and it becomes easy to see the role of space in American society today. Many people deplore the idea of using space for military purposes. (Most seem to ignore the Soviet Union's primitive but functional space-based antisatellite system set up fully ten years ago.) Yet no one seems at all surprised that space should be seen as a battlefield. People easily accept this new technology as a logical source of weapons on which human survival could depend.

And that is the nature of space today. We have not lost interest in space, but it is no longer a crusade. It is a mature technology that earns its way by improving long-distance communications and weather reports. No one holds banquets for the phone company.

Several things convince me that this is not the whole story, however. Enthusiasm for space today is not lost or even obsolete; it merely awaits some new development, perhaps a major event, to focus on.

One bit of evidence is a movie. It seems these days that mass entertainment is dominated by the likes of Prince and Madonna, Hulk Hogan and Mr. T. Yet Hollywood's slick version of *The Right Stuff* managed to pack the movie houses for weeks. Clearly, the space program's early days remain good box-office material.

Another is SpaceWeek '85. In only six years, the national SpaceWeek activities have grown to include events in more than 100 cities. Between July 16 and July 24, each of these cities hosted lectures, parties, mall exhibits, science fairs—even an amateur rocket contest—all celebrating the wonder and value of manned spaceflight. More than a quarter million space enthusiasts were expected to attend.

Again, with encouragement from the White House, columnist Jack Anderson has established the Young Astronauts Council. Its goal: to recruit thousands of boys and girls between the ages of six and sixteen for future roles in space exploration. The program is sponsored by nearly a dozen major corporations.

Such programs are needed because it will be many years before another space spectacular galvanizes public awareness as Mercury, Gemini, and Apollo once did. But it will happen. In 15 or 20 years private enterprise will begin to carry private citizens into space, not to tinker with satellites but for vacations on the space station now being planned by NASA. Ten years or so later, we will finally send our first explorers toward Mars, on a mission as ground-breaking as the Apollo 11 flight was.

Enthusiasm will well up in us again. And this time it will not die out after a few short visits to the moon. Humanity is in space to stay. And once space travel becomes a common, if costly, form of tourism, everyone will know it.●

RIGHTS IN POLAND

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mrs. JOHNSON. Mr. Speaker, I want to bring to the attention of the House the recent, blatant repression of basic rights taking place in Poland.

In June of this year, the Polish Government announced its intention to withdraw many of the academic freedoms it granted to its colleges and universities in 1982.

At that time, it gave students the right to choose from different philosophy courses rather than requiring them to study Marxist-Leninism; it allowed them a choice of economics courses rather than forcing them to study the Socialist economic structure, and it allowed for some semblance of university self-management.

Recent actions make clear, however, that the Polish Government cannot tolerate academic freedom, for announced "reforms" will reclaim much of the power it granted to Polish universities 3 years ago.

The Polish Government has defended this reactionary move as a necessary retreat forced by the antistate and antisocialist tendencies of some university circles.

If the minimal academic freedoms granted to Polish students for 3 years have bred antistate and antisocialist tendencies in Poland's educational community, then isn't this simply more proof that the Soviet-sponsored system of Communist repression is morally and intellectually wrong for the people of Poland?

So let us not be misled. The Polish Government has little or no intention of granting any substantial freedoms to its citizens. We cannot allow ourselves to be distracted from the reality of oppression in Soviet dominated nations like Poland.●

TASK FORCE ON PLANT CLOSINGS AND WORKER DISLOCATION

HON. LYNN MARTIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mrs. MARTIN of Illinois. Mr. Speaker, plant closings create tremendous economic and personal disruptions within our communities. Unfortunately, northern Illinois knows only too well the effects of layoffs and plant closings. Specific industries, steel, machine tool, and autos to name a few, have been particularly hard hit. And just recently 360 employees were laid off in Oregon and Mount Carroll, IL. It is imperative that we give special attention to worker dislocation that occurs as a result of plant closings.

I am pleased that Secretary of Labor Bill Brock has created a Task Force on Plant Closings and Worker Dislocation. This task force will be assigned to examine the issue of plant closings, and to evaluate current programs and policies at the State, local, and Federal level. The task force will also assess all new proposals including both policy recommendations and Federal legislation. Some of the critical elements the task force will be examining are: advance notice of plant closings, joint labor-management outplacement, job search training, skill retraining, and extension of benefits.

The task force will be composed of three representatives from Labor, three representatives from business, three Members of Congress, three Senators, one representative from the

National Governors' Association, one representative from the U.S. Conference of Mayors, and two representatives from universities or private study groups.

There is no question in my mind that American technology can and will provide new designs, new industries, and new jobs for our workers. Adjustments and readjustments in the economy will not take place, however, without some dislocation of skilled workers. This task force will attempt to provide solutions by bringing together all existing programs to produce a comprehensive plan. While some dislocated worker problems are reduced by existing programs such as unemployment insurance, the Job Training Partnership Act, employment services, and trade adjustment assistance, these programs often provide only transitional assistance. We must seek solutions to ensure continuous long-term employment.

I am hopeful this panel can produce a meaningful report which can be used as the foundation for an effective response to the problems of plant closings.●

EPA INACTION ON ACID RAIN

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. FLORIO. Mr. Speaker, a recent article in the New York Times reports on a court ruling that the Environmental Protection Agency [EPA] must immediately act to stop the pollution that causes acid rain. The article, which I commend to my colleagues' attention, explains that the Agency has thus far taken no effective action to curb the pollution that is resulting in severe acid rain problems, especially in Canada.

This court decision is but the latest in a series of rulings which are a direct result of EPA's failure to implement the Nation's major environmental laws. The Agency's failure to act forces resolution of this difficult and important public policy issues into the courts, where judges are compelled to resolve them.

The New York Times article follows:

EPA Weighing Appeal of Ruling Requiring Steps to Curb Acid Rain

(By Philip Shabecoff)

Washington.—The head of the Environmental Protection Agency today ordered his staff to study the implications of a Federal court ruling requiring the agency to order states to reduce pollution that causes acid rain.

Lee M. Thomas, the agency's administrator, asked his staff to look at all options, from complying with the court decision handed down Friday to appealing it to a higher court. Agency officials, who spoke on condition they not be identified, said they thought it most likely that the court ruling would be appealed.

The decision, by Federal District Judge Norma Holloway Johnson, ruled in favor of New York and several other states, which had sued to require the E.P.A. to act on pollution from seven Middle West and border states that is crossing state boundaries and into Canada as acidic rain, snow, fog or dust.

DECISION ON CANADA ONLY

Judge Johnson's decision dealt only with the request for action against pollution crossing into Canada. It said that the E.P.A. must identify states responsible for that pollution and then order them to curb any emissions that cause acid rain to fall in Canada. The issue of interstate pollution is now pending before the United States Court of Appeals for the District of Columbia.

In a formal statement, the agency said that the Reagan Administration "has publicly recognized that acid rain is a serious environmental problem in the United States and Canada." The Administration has contended that more needs to be learned about acid rain before an expensive program to combat it is undertaken.

The E.P.A. said today that the states affected by the ruling are Kentucky, Ohio, Indiana, Illinois, West Virginia, Michigan and Tennessee.

The chief source of acid precipitation is the emission of oxides of sulfur and nitrogen from the burning of fossil fuels. Much of this pollution originates from coal-burning power plants, many of which are concentrated in the Middle West. The pollution is carried East and North by prevailing winds and falls on the Northeast and Canada, destroying life in vulnerable bodies of fresh water, and, some researchers say, damaging forests, man-made structures and endangering human health.

New York's Attorney General, Robert Abrams, as well as environmental groups, hailed the decision as a major step toward forcing the Administration to take action to reduce the pollution that causes acid rain.

But Joseph Dowd, general counsel of the American Electric Power Company, which operates large coal-fired power plants in the Middle West and would be heavily affected by Judge Johnson's decision, called the ruling a "shocker" and "very disturbing."

Mr. Dowd said he expected the E.P.A. to appeal the decision and that in any case, the nearly 80 utility companies that are party to the suit would appeal.

Mr. Abrams said that Judge Johnson's decision was "the most significant ruling yet in a four-year struggle to compel the Reagan Administration to curb sulfur dioxide emissions by midwestern power plants."

Richard Ayres, a lawyer for the Natural Resources Defense Council and chairman of the National Clean Air Coalition, an alliance of environmental, consumer and public health organizations, said the decision was another "tightening of the vice" on the Environmental Protection Agency to force it to act on acid rain.

Mr. Ayres said environmentals still believe legislation by Congress is needed to develop an effective program to curb acid rain.

Dr. Michael Oppenheimer, an astrophysicist for the Environmental Defense Fund, said the court decision would put pressure on Congress to shape an acid rain policy.

Bruce Jutzi, counselor for the environment at the Canadian Embassy here said: "Our first reaction was one of pleasure of having the court recognize that transboundary pollution is a matter of serious concern that should be dealt. We have been pressing that point for some time. In terms of what it means beyond that, we will have to read the decision very carefully." ●

WE SHELL OUT A PECK FOR THIS NUTTY PROGRAM

HON. STAN LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. LUNDINE. Mr. Speaker, I would like to submit for the consideration of the House an article by James Bovard that was printed in the Wall Street Journal, Monday, July 29. I feel that this article gives a clear and insightful account of an obsolete peanut program that warrants revision.

I am in strong agreement with Mr. Bovard's accurate description of the absurdity of the present two-tier price system for peanuts, which drives up the price and limits supply. After reading this article, I am sure that my colleagues will recognize that this feudal program is not only unnecessary, but also very costly to the American consumer.

We Shell Out a Peck for This Nutty Program

(By James Bovard)

Amazingly, consumers may soon get a break on the 1985 farm bill. When the Senate considers the agricultural bill this week, Sen. Richard Lugar (R. Ind.) intends to offer an amendment to terminate the current peanut program. If Sen. Lugar's amendment passes, the farm lobby's phalanx will be broken, and other farm programs might be defeated.

Sen. Lugar is targeting perhaps the most obnoxious farm program around. It slashes productivity, boosts costs, inflates prices, and sacrifices some farmers to other farmers. If consumers are ever to make a stand in the farm bill fight, the peanut program is a good place to begin.

Farmers cannot grow peanuts for their fellow citizens without a federal license. Thirty-six years ago, to reduce budget outlays under a generous price-support program. Congress closed off the peanut industry, distributing licenses to grow peanuts to existing farmers and prohibiting anyone else from entering the business. Feudalism still reigns, and the farmer who violates the peanut proscription is subject to heavy fines and ensnarement in the Agriculture Department bureaucracy.

The peanut program is particularly perverse because Congress has piled on one restriction after another over the years. In 1977, Congress, in an attempt to reduce budget outlays caused by peanut surpluses, began restricting the amount of peanuts to be sold in the U.S. The domestic peanut supply has been nearly halved since 1975. Thus has created an artificial shortage and shifted the cost of the peanut program from the government to consumers.

The peanut program is replete with the usual as policy flim-flams. By law, peanut support prices must be based on cost of production (COP). The Agriculture Department gets this "fair price" by averaging costs of the most productive and least competent farmers. The implicit premise is that

no matter how badly a farmer bungles his business, he is entitled to be reimbursed (in part) for his efforts.

In 1980, peanuts were hit by drought, which sharply reduced yields and thereby temporarily boosted per-pound production costs. Congress based its 1981 COP calculation on the 1980 drought year—which conveniently justified a 21% hike in price supports, from $440 to $555 a ton.

The COP figure is also a joke because the peanut program itself adds as much as 50% to a farmer's cost of production. Approximately half of all growers rent licenses to grow (called quota allotments) from outsiders, paying a tribute of up to $120 a ton for the right to grow goobers. The cost of renting allotments is added to the COP formula, which results in higher price supports, which drives up the rents for the privilege to grow peanuts, which results in higher COP . . . ad infinitum.

The quota system is also responsible for exhausting the soil and driving down peanut yields in many places. Quota allotments cannot be rented outside of the county they were originally allocated to in 1949. Peanut yields in parts of Texas have long been declining. While many acres with yields below 1,000 pounds have quotas, over a million acres with potential yields of 2,500 pounds or more are banned from producing for the domestic market.

The one good thing about the peanut program is also the element that proves that the whole shebang is unnecessary. As of 1981, any farmer could grow peanuts for export (called Additional Peanuts)—but with no real price guarantees from Uncle Sam. Peanut export sales are now far above mid-1970s levels. Georgia farmers are growing peanuts for export at $325 a ton—at the same time that Congress insists on paying farmers $555 a ton to produce for domestic consumption. Foreigners can buy U.S. peanuts much more cheaply than Americans can.

Though it is good that more farmers have finally been allowed to grow peanuts, the two-tier system sacrifices the newcomers to the old guard. By strictly limiting the domestic quota, the Agriculture Department reduces U.S. peanut consumption and thereby dumps a few hundred million tons of extra peanuts on the world market. This depresses prices received by American farmers growing peanuts for export.

The two-tier system is absurb. Peanut butter made from quota peanuts can be exported to Canada and Mexico, but peanut butter made from additional peanuts cannot. (The Agriculture Department fears the cheaper peanut butter made from additional peanuts could be reimported.) The additional peanuts themselves can be exported to Canada, and American peanut butter manufacturers are paranoid that canadian companies might be using cheap peanuts to make peanut butter and then sending it back across the border.

Congress gives peanut growers a far better deal than other farmers receive. An American Peanut Product Manufacturers Institute study estimated that peanut price supports "have been set 80 percent above USDA-defined production costs . . . when land costs are excluded, and 60 percent above when the inflated costs of land are included." The Institute differs with the Agriculture Department's method of calculating peanut production costs. APPMI estimates that net returns to peanut farmers are four to 10 times higher than returns from competing crops.

Consumers are, as usual, the victims of this farm program. The Agriculture Department estimates that the peanut program boosts peanut butter prices 13.5 percent. Public Voice for Food and Health Policy, a Washington consumer group, estimates that the peanut program mulcts consumers for $250 million to $300 million a year.

There is hope for reform. The peanut program was almost knocked off in 1981. That year, Rep. Stan Lundine (D., N.Y.) proposed terminating the program, and the House approved 250-159. Sen. Lugar proposed phasing it out, and the Senate initially approved, 56-42. (The Senate later reversed itself, 51-47, and Rep. Lundine's bill vanished in conference.) Now both Rep. Lundine and Sen. Lugar will try again. APPMI, other peanut-product manufacturers, and Public Voice are vigorously lobbying to persuade Congress to end the goober madness. The peanut program's opposition is stronger and better organized this year and appears to have a good chance of success. And if the peanut program can be knocked down, a domino effect could occur with the rapid demise of the honey, wool and sugar programs.

The peanut program artfully combines the worst traits of feudalism and central economic planning. Congress has a chance to end this program that makes a mockery of efficiency, fairness and property rights.

Mr. Bovard writes frequently on farm and other U.S. programs. ●

ANNUAL QUESTIONNAIRE

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. LENT. Mr. Speaker, in May I mailed my 15th annual questionnaire to my entire Fourth Congressional District in Nassau County, NY. The questionnaire has been a tradition thoughout my years in Congress, because I find it provides me with an accurate and invaluable gauge of my constitutents' positions on important national issues. Knowing their thoughts and opinions helps me do a better job representing them in Congress.

This year, two of the most important issues facing Congress are tax reform and reducing the budget deficit, issues which will directly affect Long Island working families. Acordingly, the 1985 questionnaire was designed in a way to help me obtain my constituents' opinions on these critical and timely matters.

As in past years, I was very pleased with the overwhelming response; over 10,000 people participated in this year's poll. I'd like to take this opportunity to thank all those people who took the time to fill out the questionnaire and to let me know what they think about the problems facing our Nation today.

The strong response reconfirms my conviction that the residents of the Fourth Congressional District are concerned citizens working for a more responsive, effective democratic government. Long Islanders are active on all levels of government and take a special interest in Federal matters. I'd like now to share these poll results with my distinguished colleagues.

The poll's first section dealt with the various proposals to reduce the Federal budget deficit. A large majority, over 76.5 percent, were opposed to a tax increase as part of a plan to reduce the deficit. A somewhat smaller majority—70 percent—said they favored an across-the-board budget freeze on all spending, both domestic and military, to reduce the Federal deficit. But well over two-thirds—69.4 percent—said "No" to a freeze on Social Security cost-of-living increases.

Respondents were more evenly split on the question of restricting federally guaranteed student loans to students from families with annual gross incomes of $32,500. Support for such an initiative was 53.7 percent, with 46.3 percent opposed.

An important issue for New York and Long Island is funding for mass transit operations. A total of 43.4 percent said they favored reductions with 56.6 percent against lower funding levels for mass transit.

The second half of the questionnaire focused on tax reform. Among respondents, there was a sharp division on the question of replacing the current 14-bracket graduated income tax system with a flat-rate tax plan which would eliminate most deductions and tax according to a single three bracket system with tax rates set a 15 percent, 25 percent and 35 percent of taxable income. Respondents favored the flat-rate tax concept by 53.7 percent, while 43.6 percent rejected the plan.

However, Fourth Congressional District residents overwhelmingly opposed the flat-rate tax reform plan if it eliminated the deduction for State income and sales taxes—82.2 percent—and the deduction for real property taxes—school and town—89.3 percent.

Somewhat smaller, though significant, majorities of constituents objected to the flat-rate tax reform plan if it taxed employee fringe benefits, such as health insurance coverage paid by employers—78 percent; build-up of values in life-insurance—78.5 percent; and capital gains—58.7 percent.

Congress is now deadlocked in negotiations on a budget reduction package. Tax reform is an equally complex issue, and there is certain to be heated debate in Congress over some of the more controversial provisions. I will fight to protect my Long Island constituents from unjust taxation, and I am gratified to have their support in the coming struggle. I hope that by sharing this information, my colleagues have gained a better understanding and appreciation for the

views of my Long Island constituents on these critical national issues. ●

NAA REPORT ON THE HELSINKI ACCORDS

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. GARCIA. Mr. Speaker, I am submitting for my colleagues' perusal excerpts from a report published last November by the North Atlantic Assembly Committee on Civilian Affairs on the "Implementation of the Humanitarian Commitments Entered into at the CSCE." It was prepared by the Rapporteur of the Subcommittee on the Free Flow of Information and People, Mr. Frans Vangronsveld, a member of the Belgian Senate, and a good friend and colleague of mine at the Assembly.

Since this week marks the 10th anniversary of the signing of the Helsinki accords, I felt it appropriate to share this report from the Assembly. The Assembly also publishes, under the auspices of the Civilian Affairs Committee, a quarterly publication entitled the Bulletin, dealing the humanitarian provisions of the Helsinki accords.

I would like to add that I have been privileged to be a member of the House delegation to the Assembly since coming to Congress, and last November I was given the honor of being elected chairman of the Civilian Affairs Committee. The committee, and the entire Assembly, deals with a whole range of issues affecting the Atlantic Alliance. It is a first-class organization, and I am proud to be a part of it.

I can make available to my colleagues copies of the Bulletin and Mr. Vangronsveld's report.

SUMMARY

I. IMPLEMENTATION OF THE HUMAN RIGHTS COMMITMENTS ENTERED INTO AT THE CSCE

The Rapporteur sets out from the following observaion: the signatories of the Helsinki Final Act and its follow-up do not all show the same commitment to implementing their human rights undertakings. The so-called "socialist" countries are in many cases determined not to implement them. The draft report draws up a picture, for each type of undertaking, of the violations of the Final Act. It notes that the picture is varied. Certain countries, like Hungary, have progressed, while others decline to move forward at all. Some areas—like religious freedom—seem more susceptible to change, while in others—such as freedom of association—there seems to be little likelihood of the situation improving.

To induce the signatory states to keep their promises, the draft report proposes that Western diplomacy be "conditionalised", so as to avoid the drawbacks of "linkage". In order to do this, each of the Alliance countries should be encouraged to adopt a different approach, as the various Alliance countries maintain relations of differing degrees with each of the communist countries. Care should be taken to avoid these countries reacting as a bloc, and this calls for coordinated but diversified diplomacy.

Public means represent a vital supplement to diplomacy, especially in a field which affects relations between peoples. The draft report calls for a separation between such activity and the diplomatic approach, with states resorting to public means in the event of failure of diplomatic channels, and the rest being left to private initiative and international communication by means of orders and documents.

* * * * * *

I. IMPLEMENTATION OF THE HUMANITARIAN COMMITMENTS ENTERED INTO AT THE CSCE

1. By the time the Madrid Conference closed some progress had been made in the field of human rights, particularly in the areas of the press and trades union rights. Since the signing of the Helsinki Final Act, however, there have been constant violations of the human rights commitments contrived therein. One is entitled to wonder what point there is in progress on paper while the actual situation has not improved.

2. The CSCE process has reached a crucial juncture. If no real progress is made in the field of human rights, the forthcoming meetings of the Conference will lose all credibility, since the Western signatories will know in advance that the commitments given by the Eastern bloc will have no practical value. This would not only tend to make our diplomacy look ineffective, but would increase cynicism both on the part of the Eastern bloc countries and even more so on the part of public opinion in the West, for which the natural tendency would be to look on these developments as an abstract game of concern to governments for reasons that have very little to do with human solidarity. It is therefore our Sub-Committee's task to see what means would be likely to bring about fuller and more balanced application of the commitments entered into the course of the CSCE process. In order to do this, we must first take stock of the extent to which these commitments have been violated, then examine the paths, both public and diplomatic, which would make it possible to bring pressure to bear on the signatories who appear to attach scant importance to honouring their promises—or indeed appear to be determined not to honour them.

A. EXTENT OF THE VIOLATIONS OF THE HELSINKI COMMITMENTS

3. This is not the place to detail the multiple violations of the human rights provisions of the Helsinki Final Act (Principle VII and Basket III in particular). We must settle for a brief survey of recent developments, attempting to pick out the most significant features. The *Bulletin* published by the International Secretariat for our Sub-Committee constitutes a sad catalog of these multiple violations. Ninety to ninety-five per cent of them were perpetrated by governments of the Eastern bloc.

4. However if we look more closely at the events of recent years we can detect a real disparity first of all between the conditions prevailing in the various countries of the Eastern bloc, and secondly between each of these countries and the Soviet Union. These differences serve to define the subtly shaded framework within which our countries' policies should be shaped, if they are to be realistic and effective. Actual conditions and pressures differ noticeably from one country to another, resulting in some unevenness in the degree of application of the various types of Helsinki commitment.

* * * * * *

G. ENCOURAGE CHANGES

66. The Helsinki process, continued in Belgrade and later in Madrid, represented an attempt to "Europeanise" human rights questions, giving each of the signatories a right to voice their views on the matters mentioned in the Final Act, and its follow-up, even in connection with affairs internal to another state. In other words, the principle of non-interference is retained, but it cannot be invoked by a signatory to the Act to stop its partners intervening in connection with specific instances on questions dealt with in the Act. Thus there is no longer any principle of non-intervention in Europe (Albania excepted). This is why it is indispensable for the governments of the Alliance to seize every opportunity to show their concern over the violations of the human rights provisions of the Final Act. Depending on the case, this should be done discreetly, by diplomatic methods, or else publicly. But it should never be forgotten that this is the major achievement of the CSCE process.

67. This opportunity opened up by the Final Act and its follow-up is rendered even more effective by the fact that societies of the Eastern countries differ widely from one another. The survey given above shows that there are now large discrepancies in governmental behaviour between countries of the Warsaw Pact, and, even more importantly, between the societies living under the "communists" regime. This variety is even more striking if one considers not only the human rights aspects of the internal situation of these countries, but on a more global level the societies taken as a whole. Their economic systems, their types of political organization and the power of the Communist parties, for example, also vary substantially from one country to another.

68. The CSCE process cannot claim any responsibility for this diversity, but, if it is used consistently, it indubitably represents a factor making for fluidity in relations between European States. Anything that can help to transform the societies dominated by the Communist States by moving them towards greater diversity must help to make the "bloc" a less monolithic unit grouping and therefore less a bloc than an alliance. It is obviously up to the citizens of these countries themselves to consolidate these changes, but Western nations must not and cannot stand idly by. Any movement in this direction represents an advance for European peace.

69. More formal consideration should however be given to the means which might make it possible to force the signatories of the Act to register some progress towards honouring their commitments. In this respect, the first principle must be precision. The Soviets and their satellites always prefer vague and "universally" applicable formulas to precise and concrete commitments. There is nothing surprising in this. The totalitarian regimes' "Newspeak" let them interpret general principles their own way: notions which for us have a precise meaning are so distorted as to become completely malleable, serving to say anything one likes and its precise opposite. This is why the constitutions of the Communist

countries detail rights which are often nonexistent in practice.

70. The prime objective for the free nations must therefore be to secure commitments from the leaders of the Eastern bloc countries and the USSR that are as precise and as verifiable as possible. The objective must be a situation in which compliance with the commitments can be monitored in a manner that leaves no room for doubt. In this respect, some progress was made in Madrid. The fact, for example, that replies to requests for visas for potential emigrants must now given within six months (and no longer "within a reasonable time") represents a veritable commitment. In the same way the provisions relating to press correspondents will make it possible to arrive at an incontrovertible verdict on the extent to which the Madrid provisions are being faithfully applied. This must be the path taken by the forthcoming follow-up conferences on human rights. It is quite obvious today that global promises have no practical value. However we should not delude ourselves: the further the countries of the Alliance proceed along this path, the more difficult it will be to reach agreements. The Soviets and their allies will take shelter behind a restrictive interpretation of the principle of non-interference, although they themselves completely ignore this principle in waging their constant ideological war against the West.

71. If paralysis is to be avoided, the approach to these negotiations must be one that avoids confrontation between our Alliance and the Eastern bloc. We should make due allowance for the fact that the influence which the Alliance and each one of the countries of the Alliance can exert on each of the countries of the bloc varies considerably. Our influence on Soviet society is minimal, but this is not the case for all the societies of the satellite countries, with which we have economic and human relations that offer us broader scope for action. On the other hand the nations of the Alliance have more or less developed relations with the East, and any human rights policy must take account of the partners' capacity for influence. Policies that are too universal can be dangerous inasmuch as they run the risk of strengthening the solidarity between the leaders of the "brother countries", whereas the aim should be to weaken this solidarity. To make progress along this path, your Rapporteur suggest consideration, in turn, of diplomatic methods and public means. * * * * *

CONCLUSION

90. Your Rapporteur would like to add that in his opinion parliamentarians from the member countries of the Alliance should be involved in the negotiations for the follow-up to the Final Act, following the United States practice, in order to make the public more familiar with these matters, which concern not only the States, but the citizens too. National delegations to the forthcoming meetings should at the very least include parliamentary observers, or better still contain parliamentarians as members of the delegation. The North Atlantic Assembly should likewise be involved in the prior consultation procedures of the member countries of the Alliance. This would make for greater consistency in the stances adopted within each of our countries, and also between the countries themselves.

91. The purpose of this report is to think of ways of introducing human rights consideration into the framework of inter-state negotiations, in order to assure them of their rightful place. All too often, questions relating to the citizens themselves are looked on as external to the normal field of foreign policy: they are then used for informational purposes or even propaganda purposes, or else in illustration of political considerations.

92. It is your Rapporteur's view that morality must have an integral place in the international concerns of democratic states and societies. This is not a matter of lapsing into other worldliness, but of making our moral objectives an integral part of our diplomatic practice. Human rights are one of the objectives of the Atlantic Alliance's international action. To come close to this objective, our nations must shape their international policy within this framework. Moral pressure must be backed up by political pressure. This is the price of consistency between our countries' foreign policies and the principles they invoke.

* * * * * *

SERGEANT YORK GUN

HON. DENNY SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. DENNY SMITH. Mr. Speaker, as some of my colleagues are aware, I have been a strong proponent since coming to Congress of the need for our Armed Services and the Office of the Secretary of Defense to place more emphasis on the importance of rigorous operational testing of our proposed weapons systems.

In my mind, this is an issue that is second to none when it comes to solving procurement problems at the Pentagon. It would be criminal to send our young fighting men weapons that are ineffective or that would fail on the battlefield because of a failure to conduct tough, combat-like tests on them beforehand.

A weapon system under heavy scrutiny by the Department of Defense, the Sergeant York Gun System, has recently been put through a series of trials and demonstrations conducted by the Army in order to measure the weapons capabilities.

While the test reports on this set of trials have yet to be completed, I thought my colleagues would be interested in reading the comments recently directed at me by Gen. James Maloney, our Army's commanding officer at Ft. Bliss, TX and the Army's chief proponent of the Sergeant York gun. The following is an article published by the Gannett News Service on August 1 containing General Maloney's statements:

SERGEANT YORK GUN

EL PASO, TEXAS.—Fort Bliss commanding officer Maj. James Maloney said Wednesday he was "infuriated" by a congressman's statements that Army tests on the controversial DIVAD anti-aircraft gun were skewed to give the illusion that the weapon performed better that it actually did.

And officers who participated in recent tests on the DIVAD, also known as the Sgt. York gun said it performed according to Army specifications.

Rep. Denny Smith, R-Ore., said videotapes of tests showed unmanned aircraft, called drones, still flying after Sgt. York rounds burst nearby.

Instead of waiting to see whether the aircraft would crash, Smith said, the Army used remote control detonation signals to destroy the drones in the air.

Maloney called a press conference to show El Paso media a videotape made during the four-day tests at White Sands Missile Range during June and to defend the weapon against the statements, which Smith made in a letter to Jack Krings, head of the Pentagon's operational test and evaluation agency.

"He is not doing this for the good of the nation," Maloney said of Smith's criticism. "He is ill-informed, he is misinformed, he is uninformed."

The DIVAD shells use proximity fuses and explode near their targets and shower the targets with tungsten pellets, Maloney said. During the tests, drones made 32 passes by two DIVAD guns. By the end of the live-fire tests, six of the seven aircraft had been destroyed. The tests involved both fixed-wing aircraft and helicopters.

Maloney said target destruction on the first pass was not a realistic expectation during the tests, which were limited by safety regulations.

He said the drones were outside the radius of the guns because when the shells "score a kill," the drone loses control and could crash into the guns, test instruments and spectators at the test site.

In tests, he said, "the probability of a kill would be a good deal lower than in an actual tactical situation."

And Maloney said Smith's charges that the Army's use of remote control detonation to destroy the aircraft to make tests appear more spectacular were absolutely false.

With the loss of control after a Sgt. York strike, Maloney said, there is no way to manipulate the aircrafts' crash position.

"I suggest you talk to the people who push the buttons to see why they do that," he said. "We did our absolute best to make these tests objective."

Maloney noted that Smith's criticism came just before Defense Secretary Caspar Weinberger makes a decision on whether to exercise an option to Order 117 additional Sgt. York units.

"He is in a position to do damage to the program," Maloney said, "because he has the immediate ear of the press."

But he said Smith had very little credibility in the Pentagon.

Maloney said the DIVAD system was not without its warts, but the problems were minor and could be corrected.

Lt. Joseph Pouliot, who was executive officer for the tests, and Lt Harry Pecotte, firing platoon leader, also defended the Sgt. York's effectiveness.

Pouliot said he was not a Sgt. York supporter before the tests, but now be considered it by far the best air defense gun in the world.

Each Sgt. York unit, which consists of two 10mm guns mounted on a chassis, costs $3.5 million, Maloney said, and the entire system, which inlcudes 614 units, would amount to $4.2 billion.●

THE SECRET AGENDA OF SUPPLY SIDE ECONOMICS

HON. GEORGE MILLER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. MILLER of California. Mr. Speaker, 4 years ago, this country embarked on one of the greatest fiscal experiments in history. The cure for huge deficits was a magical elixir called supply side economics.

Disbelievers warned that gigantic tax cuts—the key ingredient of the supply siders' recipe—would multiply the deficit, then in the $50 to $70 billion range. Supply siders, like Arthur Laffer, responded with a drawing on a napkin which proved their unorthodox theory.

In 1981, Congress passed President Reagan's tax bill, reducing Federal revenues by $750 billion. Over the course of the next 4 years, deficits have steadily increased, from about $70 billion when Mr. Reagan took office to deficits of $200 billion a year "as far as the eye can see," according to David Stockman.

The President continues to excoriate Congress as big spenders. But the exact opposite is true. In fact, Congress has appropriated less than the President has requested in every year but one.

Between 1982 and 1985, Congress cut nondefense spending by $176 billion to further reduce the deficit. But during the same period, at the insistence of the President, we increased military spending by $112 billion. Today, the Pentagon spends our tax money at the fantastic rate of $800 million every day of the year.

If Congress is not to blame, what is?

According to several reviews, it is supply side which has failed, and failed badly. The tax cuts of 1981 have added $115 billion to the current deficit, according to a study by the Federal Reserve Board.

During the period 1982-84, when the benefits of the supply side magic were supposed to appear, several of the leading economic indicators actually dropped, including personal savings rates, total savings, and gross private investment as a share of GNP.

Real GNP grew at a slower rate during the heyday of supply side economics than during the Carter administration.

There was a tiny increase in the share of GNP used for fixed nonresidential investment, but the increase was less than in the immediate pre-Reagan years.

And unemployment now seems permanently locked above 7 percent—a level which Mr. Reagan and the supply siders decried in 1980.

On the basis of this evidence, it would seem logical to conclude that supply side economics have failed to achieve its goals. But that would be an inaccurate assumption. For while supply side economics may have failed in its public purpose—to balance the budget and stimulate the economy—it has wildly succeeded in its private goal.

That secret agenda was to deplete the Federal Treasury through unsound tax policies in order to establish the political rationale and public mandate for slashing Federal spending for virtually every domestic program. Gone from the budget debates, for the most part, are serious discussions of the necessity or workability of specific programs. The budget battle is now only a race between Democrats and Republicans, Congress and the White House, to see who can cut more, regardless of the consequences and long-term costs.

This year, the House of Representatives made a very serious effort to reduce the deficit. We cut spending by $56 billion for next year, about equally from defense and from domestic programs. No one was spared except those few programs which serve the very poorest and neediest of our citizens. The House preserved Social Security and retirement plans. We did not raise taxes. And the President rejected not only the House plan, but multiple Senate deficit cutting initiatives as well.

Predictably, the President is now going to blame the Congress for the deficits which will continue to grow in 1986. That may be good campaign rhetoric, but it is simply not accurate. Responsibility lies solidly with the President and his economic strategists who have repeatedly rejected good faith efforts to cut the deficit.

It is important to remember that the President has had five opportunities to match his rhetoric with performance by sending a balanced budget to the Congress. Instead, he has submitted budgets with dramatically higher deficits every year he has served in office.

Vice President Bush was right in 1980 when he ridiculed supply side theory as "voodoo economics." We should have listened to him then, before the deficit was tripled under the supply side game plan.

A thoughtful analysis of the failure of supply side economics was published recently in the Washington Post by Dr. Robert M. Dunn, Jr., professor of economics at George Washington University.

I commend Professor Dunn's article to my colleagues.

The article follows:

BYE-BYE, SUPPLY SIDE—YOU NEVER DID MAKE MUCH SENSE, BUT THAT WASN'T THE POINT

(By Robert M. Dunn, Jr.)

Almost four years ago the Kemp-Roth tax cut became law with brave promises from supply-side economists that wonderful things were going to happen to the U.S. economy.

According to Arthur Laffer, a massive reduction in personal income taxes would produce such strong incentives to work, save and invest that the economy would almost explode with growth. The rapid increase in output and incomes would generate such an increase in tax revenues that all the losses from lowered tax rates would be recovered. Perhaps the economy might grow so rapidly that tax receipts would actually increase.

Even among supply-siders who doubted that quite all of the revenue losses could be recovered, there were confident predictions of more savings, more investment, faster growth and generally good times. The economy's increased capacity to produce was also supposed to make it possible to eliminate inflation without a recession.

It was a lovely vision, and because almost four years have passed since the tax cut was passed, and the rate reductions have long since been fully phased in, it now becomes possible to ask whether the vision has been realized. The answer is that it has not been, and that the supply-side arguments for personal income tax look rather silly.

Federal budget deficits of almost $200 billion make it obvious that the revenue losses have not been recovered. A recent econometric study by Henry Wallich and Darrel Cohen at the Federal Reserve Board concludes that the tax cuts of 1981 have contributed $115 billion to the current federal deficit, even after allowing for the small tax increases of succeeding years. Prof. Laffer's predictions that revenues would be fully recovered through more rapid economic growth can now be forgotten.

Comparing the performance of the U.S. economy during the three years after the tax cut with its performance during the four years of Jimmy Carter's administration provides little comfort for supply-side economics.

Personal savings rates actually declined slightly (from 6 percent to 5.8 percent) in 1982-84. The total savings rate for the economy fell sharply (from 15.8 percent of gross national product to 13.8 percent) because of massive federal government "dis-saving" in the form of huge budget deficits. Lower tax rates did not produce more savings.

Gross private investment also declined as a share of GNP after the tax cut (from 16.9 percent to 15.1), which hardly suggests an acceleration of capacity growth. There was a tiny increase—from 11 to 11.2 percent—in the share of GNP used for fixed nonresidential investment, which is mainly plant and equipment, but even that figure was lower in 1984 than in 1979 or 1980.

There apparently has been an increase in investment in equipment as a share of GNP, but that was caused by the combination of an investment tax credit and Accelerated Cost Recovery rather than personal income-tax cuts. In addition almost all of that growth was in computers, a form of investment that now seems to be flattening out.

Since there was no increase in savings or total investment as a share of GNP, it is not surprising that there was no acceleration of economic growth. Real GNP grew less rapidly in 1982-84 (2.8 percent a year) than in 1977-80 (3.3 percent a year). Although growth during 1984 was impressive, it has recently slowed, and the economy is now expected to grow by only about 2 percent during 1985. Inflation was reduced dramatically, but at the cost of a deep recession in 1982.

The supply-side revolution has been a flop. Almost four years after the passage of a massive tax cut, there has been a decline, in the savings rate, private investment has not increased as a share of GNP, growth of the economy has not accelerated and federal deficits have exploded, largely because of lost tax revenues.

If the promises of supply-side economics have failed so badly, why has the Reagan administration's management of the economy been so popular, and why did President Reagan enjoy such a landslide victory last November? The answer is that the claims of supply-side economics were never central to Reaganomics, and that on the issues about which his supporters really cared, he delivered.

First, people wanted inflation stopped. Price increases of 13.3 percent in 1979 were frightening, and Reagan presided over a sharp deceleration of that inflation. The fact that this was largely the work of a Federal Reserve chairman who was inherited from the Carter years is irrelevant. Reagan was in office when inflation slowed greatly, and he gets the credit.

Second, a large number of Americans wanted their taxes cut, and they didn't care greatly about the quality of arguments used to justify such a cut. For those who viewed April 15 as an annual financial mugging, the operative motto was, "Any port in a storm," and even a silly argument for tax cuts was a good argument.

Finally, many conservatives viewed a tax cut as a way to reduce government revenues and thereby to force Congress to cut spending for a variety of domestic programs. They would have been appalled if Laffer had been correct and Congress had had plently of money to spend on programs they despised.

Reagan did produce a large tax cut. Many domestic social programs have been cut. And Congress is under constant pressure to eliminate others. With inflation at about 4 percent the real economic goals of the Reagan revolution have been largely realized. Supply-side economics was only a fig leaf designed to give a modest intellectual respectability to a quite different agenda. It can now be viewed as a sideshow on which the curtain can be brought down. Goodby, supply side.●

STREAMLINE EXPORT LICENSING

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. AuCOIN. Mr. Speaker, our present system of export licensing is undermining the ability of U.S. firms to sell their products overseas and win against foreign competitors. It's costing them customers and profits abroad, and it's costing us jobs and payrolls at home.

We have a responsibility to protect our Nation's security by preventing the flow of critical military technologies to the Soviet bloc. But we also have a responsibility to this country's businesses to streamline a lengthy and cumbersome system and set reasonable control standards.

I understand that Georgetown University's Center for Strategic and International Studies will soon publish a study which will reveal that our export control system is hurting U.S. exporters, adding to the trade deficit and hindering high-technology innovation.

I look forward to reviewing this study. With a $130 billion trade deficit that's growing by the day, we must take steps to improve our export control policy. The recent passage of the Export Administration Act will help. Consideration of further reforms will also help. If there is one consistent concern I hear expressed from high-technology companies in my district, it is that the licensing process, in many ways, is neither sensible nor predictable. How can we expect our exporters to get to first base, if they can't even get up to bat?

Mr. Speaker, I hope Congress and the administration will take a close look at the Georgetown center's study when it's released. An article from the Washington Post on this subject follows:

STUDY RAPS EXPORT CONTROLS FOR DELAYS IN U.S. TECHNOLOGY

(By Michale Schrage)

A prominent conservative think tank plans to publish a report next month criticizing U.S. export controls and putting most of the blame for the narrowing defense technology lead over the Soviet Union on lengthy Pentagon procurement policies.

Entitled "Securing Technological Advantage: Balancing Export Controls and Innovation," the paper from Georgetown University's Center for Strategic and International Studies argues that the current list of militarily sensitive technologies is too broad and that "the present control system is overreaching in scope, inconsistent in application and overreliant on unilateral restrictions."

Primarily assembled by a panel of leading high-technology executives, the report further maintains that export controls have hurt U.S. companies abroad, exacerbated the trade deficit and had a chilling effect on high-technology innovation.

Export controls have proven to be one of the thornier policy issues faced by the Reagan administration. Defense hardliners, led by Richard Perle, undersecretary of Defense for international security policy, have aggressively pushed for tough export rules to minimize the chance of strategically important high technology falling into Soviet hands.

Commerce Department officials and representatives of leading U.S. technology companies insist that much of the regulated technology has marginal military importance and that the restrictions hurt U.S. companies competing with Japanese and European companies.

The Georgetown center's study, which has been circulating in both trade and defense circles, has drawn criticism from the Pentagon and cautious approval from a top Commerce Department official.

"It's tough, but we think it's wrong," said Stephen Bryen, an assistant to Perle. "It was put together by businessmen, and we made it very clear that we thought it was unbalanced."

"It's provocative," said William Archey, the Commerce Department's acting assistant secretary for trade adminstration. "It stresses the larger issues and points out that the cost of the controls has got to be looked at."

A major thrust of the report is that the Commerce Department's Commodity Control List, which enumerates some 150 categories that require specific export approval, and the Pentagon's semiclassified Militarily Critical Technologies List are simply too large and complex to be effectively implemented.

"Those lists are so extensive that they are very unwiedly to use," said CSIS panel chairman David Shore, RCA's staff vice president for the Strategic Defense Initiative. "There ought to be some prioritization."

Indeed, the panel pointed out that the larger question isn't purely export control, but encompasses technological application in defense systems. The report will say that the U.S. moves proven technologies to the field too slowly because of Pentagon acquisition policies that have long lead times.

The panelists, many of whom are defense contractors, argued that the U.S. habit of coupling new technology applications to the protracted acquisition cycle for major weapons systems discourages modernization of previously deployed equipment and allows it to become obsolete by the time it is replaced. Much of the difficulty experienced in preserving the U.S. technological edge is therefore of its own making."

The report called for the creation of a blue-ribbon panel to devise a new measure for strategically sensitive products emphasizing "process technologies" that enable high-technology components to be built, rather than the technological end products themselves. This recommendation is reminiscent of the "Bucy Report" on export controls issued a decade ago. Bucy, a former Texas Instruments executive, served on the Georgetown panel.

The CSIS paper also asserted that, despite multilateral efforts to define strategic technologies, foreign availability of high technology often undercut U.S. efforts to block Soviet access, and that assertion of "extraterritoriality" provisions has proven counterproductive.

For U.S. trade with allies, the panel recommended elimination of export licenses in exchange for a system of self-policing in compliance with the new regulations.●

NEVADA WILDERNESS

HON. BARBARA F. VUCANOVICH

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mrs. VUCANOVICH. Mr. Speaker, I have listened to the comments of my colleague from Nevada regarding the myths and realities of wilderness provisions in Nevada. If I understand him correctly he is an advocate of ranching and mining interests who have existing operations, permits, or claims within designated wilderness areas and their continued road access, vehicle, and equipment use within these wilderness areas. I commend him on this point and I reaffirm my invitation to

join the rest of Nevada's delegation in support of H.R. 1686 and S. 722.

These bills are the result of the Nevada peoples' call for a conservative wilderness bill. Already, at least half of Nevada's counties have adopted resolutions stating their opposition to wilderness within their jurisdictions. These are the people of Nevada voicing their desire for a designated wilderness that will not infringe upon the land they consider very special as is.

H.R. 1686 and S. 722 are reasonable proposals which seek to accommodate the interests of the people of our State. As their representatives in Congress we have an obligation and responsibility to listen to their message.●

INTRODUCTION OF LEGISLATION ON SECTION 457 PENSION PLANS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. STARK. Mr. Speaker, I am today reintroducing a bill to amend the IRC section 457 program which provides a deferred compensation pension option for State and local employees. This is a variation of a bill I introduced in the 98th Congress, H.R. 5178.

This year's bill would: First, raise the annual dollar limit on deferrals from $7,500 to $15,000; second, remove constructive receipt as an event causing an income inclusion for employees who have separated from service; and third, subject section 457 plans to the distribution rules generally applicable to qualified pension plans.

The section 457 program is not well known, but is described in the following material from the Library of Congress:

The ariticle follows:

Section 457 plans.—Section 457 of the Internal Revenue Code authorizes State governments (and their political subdivisions) to assist their employees in deferring compensation. Deferred compensation generally refers to wages earned in one period but not received until the worker has resigned, retired, or died. The wages that are deferred are not counted as taxable income until the employee received them (along with any accrued interest or earnings).

Section 457, created under the Revenue Act of 1978, was a response by the Congress to the IRS's intent to issue regulations that would have ended the favorable tax treatment of deferred compensation plans. Although deferred compensation plans have existed for at least 30 years, the first favorable ruling from the IRS did not come until 1960. The first favorable ruling on deferred compensation plans for public employees came in 1972. The IRS later determined that this ruling was incorrect. In January 1978, the IRS issued proposed regulations that would have ended the favorable tax treatment of deferred compensation plans—leading to the inclusion of Section 457 in the 1978 Revenue Act.

The following are the general requirements of Section 457 plans. Employees participate on a voluntary basis and up to 33⅓ percent of an employees "includible" income (up to $7,500) may be deferred. "Includible" income does not include amounts deferred under the plan (or other types of deferred compensation plans) or employer "pickup" plans. Thirty-three and one-third percent of "includible" income is equal to 25 percent of a nonparticipating employee's gross income. Employers may not make supplemental contributions to the plan. Distribution of the deferred compensation may only occur after separation from the employer or for unforeseeable emergencies. There is no penalty for distribution of funds before age 59½ (as is the case of IRAs). The full amount of the deferred compensation, including any earnings or property rights, must remain the property of the employer (State or local government) until distribution. The plan may provide employees with a range of investment options. Because of the property rights requirement necessary for favorable tax treatment, the plan may not be under obligation to transfer investments at an employee's request.

Several features of section 457 plans may make them less desirable to State employees than section 401(k) plans. Section 457 plans are less portable; they may only be rolled over into other section 457 plans within the same State. Section 401(k) plans may be rolled over into IRAs or other "qualified" plans. Because section 457 plans are not "qualified" plans they receive less favorable tax treatment at the time of distribution. Specifically, a lump sum distribution from a section 457 plan does not qualify for the special 10-year income averaging available to lump sum distribution from section 401(k) plans. Finally, the contribution limits for higher paid employees (generally those with gross income of over $30,000) are higher under section 401(k) plans.

Section 457 plans are, however, considered less difficult to administer. First, because they are not "qualified" plans, they do not have to conform to the rules governing such plans (such as the nondiscrimination provisions). Second, no employer matching is permitted under section 457 plans, while matching is permitted under section 401(k). Finally, the applicability (and, therefore, legality) of section 401(k) plans to State and local governments is more uncertain than 457 plans. Because 401(k) plans are essentially "profit sharing" plans, there is some question of their availability to the nonprofit public sector. A 1980 IRS General Counsel's memorandum does suggest, however, that tax exempt entities (including State and local governments) may be able to set up 401(k) plans.

The Council of State Governments report states that 30 of the 36 States which responded to their October, 1982 survey had set up deferred compensation plans for their employees. Three other States had passed enabling legislation but enrollment of employees had not begun at the time of the survey. The New York State study reports that about 80 percent of the States had implemented deferred compensation plans (the report was issued in November of 1983). The study also noted that, while comprehensive figures are not available on local governments, 700 counties have joined a deferred compensation plan offered by the National Association of Counties and the Conference of Mayors.

Data on participation in section 457 plans are limited. However, both of the studies reviewed for this discussion place participation at about 10 percent of eligible employees.

As the material indicates, the program has a number of shortcomings relative to other pension type plans. In particular, the $7,500 contribution level has become badly outdated since its 1978 enactment. The following comparisons, also from the Library, describe the contribution limits for various plans. Obviously, section 457 compares very poorly.

Plan type	Contribution limits
Qualified defined benefit plan	Employer may fund a pension benefit of up to 100 percent of employee's average compensation in highest 3 years not to exceed $90,000.
Qualified defined contribution plan.	Annual employer contribution, limited to lesser of 25 percent of employee's compensation or $30,000.
Profit-sharing and stock bonus plans.	15 percent of compensation for all participants in plan.
Section 401(k) salary reduction agreement.	Employee may elect to defer as much as 25 percent of pretax compensation up to $30,000 annually. (Employer usually provides a partial matching contribution.)
Section 457 salary reduction plan.	Employees may elect to defer receipt of up to 33⅓ percent of "includible income" (up to $7,500).
Section 403(b) tax-sheltered annuities.	Basic limit the same as for qualified defined contribution plans (discussed above) until year of retirement when more generous "catch up" contribution rules apply.
Simplified employee pension (SEP) plan.	15 percent of compensation up to $30,000 annually.

These shortcomings were brought to my attention by city officials in my congressional district. I hope that as the Congress rewrites the Internal Revenue Code of 1954, we will bring the State and local pension deferral program in line with other pension options.●

THE WORLD POLICE AND FIRE GAMES

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. MINETA. Mr. Speaker, this weekend in San Jose, CA, over 6,000 police and firefighters from every State in the Union and over 23 other countries will compete in 44 sporting events at the First World Police and Fire Games.

These games will be an historic sporting event that will combine police officer and firefighter athletes from all over the world. They will promote and encourage physical training and fitness which will result in heightened physical preparedness, mental awareness, and professional service to the citizens they serve. This international event will also promote camaraderie among public safety personnel throughout the world through the fellowship of sporting competition.

Mr. Speaker, I am proud that the city of San Jose, and the personnel of the host organizations—the San Jose

Police Department, the Police Amateur Athletic Foundation, along with the support agencies; the San Jose Fire Department, the Santa Clara County Sheriff's Department, the Santa Clara Police Department, the Santa Clara County District Attorney's Office, the Capitola Police Department, the Milpitas Police Department, the Alameda County Sheriff's Department, and the San Mateo County Sheriff's Department—have been responsible for this world class sporting event.

Therefore, Mr. Speaker, I would like to ask you and the rest of our colleagues in the U.S. House of Representatives to support the international spirit of the World Police and Fire Games next week, and commend the city of San Jose, the San Jose Police Department and its staff and volunteers for hosting the first such sporting event for police and fire athletes. Let us wish all the athletes welcome and good luck.

Let the games begin.●

LEASING OF BATHHOUSES AT HOT SPRINGS NATIONAL PARK

HON. BERYL ANTHONY, JR.

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. ANTHONY. Mr. Speaker, I would like to announce that the National Park Service at Hot Springs National Park, AR, has developed an historic property leasing program to begin the leasing of five historic bathhouses there. The historical, architectural, and esthetic entrepreneurs of the Nation should avail themselves of this opportunity.

The historic property leasing program has been established as a means to protect cultural resources while keeping direct Government expenses within reasonable limits. The National Park Service leases historic properties to individuals, groups, or organizations who assume the responsibility for rehabilitating and maintaining the property at little or no cost to the Government. Leasing historic property not only protects and preserves the property but also enhances scenic qualities and cultural resources. In addition, any proceeds from these leases are used to maintain, repair, and preserve National Park Service historic properties and to defray the costs of administering the program.

Under the auspices of this program, the National Park Service invites proposals from organizations, associations, or individuals to lease five historic bathhouses in Hot Springs National Park. These buildings reflect the eclectic architectural interests of the early 20 century and recall a period when the availability of leisure time and an interest in the therapeutic benefit of spas made Hot Springs a resort of national reputation. The bathhouses available for lease are the Hale, the Maurice, the Ozark, the Quapaw, and the Superior. Each building was exquisitely designed in either the Spanish or classical revival style. Proposals may address one bathhouse, a combination of several bathhouses, or the entire complex of five bathhouses. Proposals may involve for-profit or not-for-profit undertakings. The National Park Service will consider proposals on the basis of their effect on the historic character of both the bathhouses and the landscape of Bathhouse Row Historic District. To ensure that the property's historic and architectural values are respected, the National Park Service and the Secretary of the Interior have developed standards that the lessee must follow in carrying out preservation treatment and have specific requirements for construction and maintenance work. In addition, all proposals must be compatible with the National Park Service's mission to preserve our heritage and will be subject to the Service's planning and operational guidelines. The National Park Service shall retain approval authority over the preservation and maintenance of the grounds. The preservation work will be carried out and funded entirely by the lessee.

Under the provisions of the Economic Recovery Tax Act, a lessee who rehabilitates a National Register property to use for income-producing purposes and who leases the building for a minimum of 18 years may qualify for a tax credit of 25 percent of funds expended for rehabilitation. Proposers are advised that the President's tax reform proposal, introduced May 28, 1985, proposes repeal of the investment tax credits for rehabilitating historic structures, effective January 1, 1986.

If a proposal is accepted, the National Park Service will enter into a lease with the party involved under the authority of section 111 of the National Historic Preservation Act of 1966, as amended, and in accordance with 36 CFR 18, the regulations governing the historic property leasing program.

The five bathhouses available for lease are located on Central Avenue in downtown Hot Springs, AR. The city of Hot Springs, with a population of nearly 36,000, is located approximately 60 miles southwest of Little Rock. Potential lessees, including their architects and contractors, are encouraged to make a complete inspection of the properties available for lease in conjunction with the preparation of their proposals. Proposals will be accepted through September 20, 1985, at the Office of the Superintendent, P.O. Box 1860, Hot Springs National Park, AR 71902.

This is a very special project in the hearts of all Arkansans. One cannot ignore the fascinating past that surrounds the old bathhouses—always inviting the romance and excitement to be awakened once more out of the fading grandeur of those buildings. I am determined that the dignity and beauty of these treasures be restored, and I invite each of you to share in our pride as the era of greatness is restored to Bathhouse Row. It is a perfect opportunity to explore the creative and entrepreneurial side within yourself. I invite you to come visit bathhouses—and let your imagination run wild.●

NICARAGUA

HON. JOHN MILLER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. MILLER of Washington. Mr. Speaker, I wish to commend to my colleagues the following remarks by Mr. Ruffin. Mr. Ruffin is the executive director of the World Without War Council of Greater Seattle, an organization which has sought over the years to advance the political development of the international community toward a world order in which conflicts may be resolved without resort to violence. Under Mr. Ruffins' direction, the council has provided a valuable service to the Seattle community by fostering open public debate on American policy in Central America.

Although the following remarks are not intended to represent the views of the council, I believe that they define a central framework on which many Members of Congress can agree, independently of their disagreements over the Contra aid controversy.

TWENTY-ONE POINTS ON NICARAGUA—WITH EMPHASIS ON FOURTEEN

(By Holt Ruffin [1])

THE PRIMARY FOCUS

1. The primary focus should be on what is causing the killing and violence in Nicaragua and what can be done to end it, consistent with the desire of all Nicaraguans to fashion their political future free from the intervention or domination of other nations.

ON UNITED STATES-NICARAGUAN RELATIONS

2. While the actions of the United States toward Nicaragua have often deserved (and often received) much criticism, our record does not deserve the characterization of "yanqui enemy of humanity," as the Sandinista national anthem has it. Whereas Americans were divided in assessing the implications of a Sandinista-dominated government after the revolution, they were virtually unanimous in acclaiming the fall of

[1] The author is executive director of the World Without War Council of Greater Seattle. The views expressed here are his only and are not limited to represent the views of the organization, or any other people associated with it.

Somoza. The roughly $120 million in assistance we provided to the Sandinista government in its first two years in power was a significant expression of support and was more than we had given Nicaragua under Anastasio Somoza Jr. during his thirteen years in power.

3. The question is much less whether we should be involved than how. What kind of relationship would most benefit the people of Nicaragua, is desired by them, and would also be acceptable to the American people? The best analysis to date of Central American problems remains that of the National Bipartisan Commission on Central America (the Kissinger Commission Report). The President and Congress should move rapidly to implement—and be open to Nicaraguan participation in—the Report's imaginative and comprehensive proposals.

4. Excessive neglect, as much as excessive meddling, can be said to have been the major flaw in U.S. policy toward Central America. Narrow approaches of the realist school, as expressed for example in the excerpt below from a recent article in The New York Times, wisely emphasize the virtues of restraint but fundamentally miss the point.

What we need is a hardheaded America-first policy that focuses less on domestic (Central American) politics and more on keeping Soviet and Cuban bases out. What happens inside Central America is of little interest to us, and we should avoid trying to force either the right or the left to undertake political reform.[2]

The problem with such an approach is that it *has* in fact characterized United States policy toward Latin America and has contributed to the charge that we are prepared to countenance dictatorships, torture, violence, and political repression—so long as there was no communist threat on the horizon. When communist forces did threaten to take over a government, we began to speak of the need for political reform. Even then our attitudes toward fundamental human rights violations often seemed determined by, and subordinated to, the requirements of effectively meeting the communist threat. The moral shortfalls of this approach have also had practical drawbacks—among which are anti-American feelings in much of Latin America, fueled by a sense of fundamental disinterest and neglect on the part of the United States.

5. The Administration's statements on Nicaragua will be most persuasive if they avoid exaggeration or misrepresentation and present a balanced picture of the situation. The American people know that foreign policy issues are complex and are suspicious of simplifiers, be they Sandinista apologists or members of our government. It would be salutary if the President, while drawing attention to aspects of Sandinista behavior that should concern us, could acknowledge some of their beneficial aspects—e.g., their accomplishments in the field of public health. The American people want to know that our policy is based on a balanced view of the situation; to the degree the President can convince the public of this, support for his policies will strengthen, not weaken.

6. The Administration should consult as closely as possible with leaders of friendly Nicaraguan political forces and leaders of other nations in the region before adopting new policies or measures. The conomic sanctions (which have been opposed by many non-Sandinista Nicaraguans, as well as 23 heads of state in Latin America) are an example of an ill-considered action which might have been averted with more regional consultation. Multilateral diplomacy is slower, can be more difficult, and may sometimes be ineffecive—yet it is essential to resolving problems in Central America. For this reason, the Administration should make every effort to strengthen—and not ignore or oppose—the joint diplomacy of the nations of the region, and especially the Contadora group.

7. Any notions of using Nicaragua to square accounts with the Soviet Union and Cuba for Vietnam, Angola, Ethiopia, or Afghanistan—to prove that "communist revolutions are reversible"—should be resisted. There is an East-West dimension to the conflict in Nicaragua, but it would be unfair to the suffering people of that nation—to say the least—to let a desire to "teach a lesson" to the Soviet Union or Cuba undermine our efforts to accomplish the central task: strengthening peace and freedom in Nicaragua and other nations of the region.

ON THE CAUSES OF THE KILLING IN NICARAGUA AND HOW TO END IT

8. A genuine political conflict underlines the violence and killing in Nicaragua today. It is false to characterize those in the armed opposition as "mercenaries." The tragedy is that, six years after the civil war that toppled Somoza, Nicaraguans are still killing Nicaraguans for political reasons. The Sandinistas who fought against Somoza were Nicaraguans, willing to fight, kill and be killed for their political aims. They obtained substantial amounts of weapons, funds and assistance from other countries. They were not mercenaries. For the same reasons, it is wrong to call members of the NDF (Nicaraguan Democratic Force) mercenaries simply because they received substantial funds, weapons and technical assistance from the U.S. (and other sources). Outside support for one or both of the warring parties is a common feature of all civil wars.

9. It is inconsistent and hypocritical of the Sandinistas constantly to point out the number of ex-National Guardsmen (members of the army under Somoza) who are in the forces of the contras when it is the Sandinistas who have prevented the normal reintegration of ex-Guardsmen into Nicaraguan society. To give two thousand National Guardsmen who were captured or surrendered after the fall of Somoza harsh prison sentences (up to thirty years in jail), after denying them due judicial process, was not an act of national reconciliation. When members of the losing side in a civil war are stripped of their political and civil rights and imprisoned for long times—essentially for having been members of the losing side—it should not be surprising if some decide not to lay down their arms but to continue the struggle. They may see it as their only hope of reclaiming their national rights and freedom.

10. Wars can be ended—and avoided—in two ways: by the capitulation of one party to the conflict, or through a political process (negotiations leading to a treaty or agreement, or elections). In Nicaragua today, the government is asking the contras to capitulate; the contras are asking for a political process that will lead to internationally supervised, free and fair elections.

WHY A POLITICAL PROCESS DIRECTED TOWARD DEMOCRACY DESERVES SUPPORT

11. In the Orwellian world of the twentieth century, where the worst tyrannies routinely employ political doublespeak, it is easy to become confused about democracy's true meaning. What distinguishes democracy from "peoples' democratic republics" is the postulate that the dignity and freedom of the individual are fundamental. The state exists to serve the person, not vice-versa. From this simple, core idea flows everything else: the importance of people periodically being able to choose a government, the principles of majority rule but protection for minority rights, etc.

12. The Leninist idea of a "vanguard party," or "democratic centralism," clearly underlies Sandinista political philosophy. It is a far more sophisticated rationale for dictatorship than rule by an individual, but it is no less anti-democratic. Indeed, it can be more tyrannical. For individuals die and, with them, so often do their dictatorships. Spain's Franco and Portugal's Salazar are recent examples. But a party in control of the state apparatus need not die. If it combines its rule with extensive repression, censorship, and doctrinaire economic policies, it can make life miserable for generations of citizens. Herein lies the fear many Nicaraguans have for the future of their country. It does not augur well that the Sandinistas espouse Leninism and identify so closely with political regimes that have caused (and still cause) so much suffering and oppression.

13. Apart from making a simple but profound statement about the worth of the individual, democracy is mainly a process. It is a process through which political programs are fashioned, and not the political programs themselves. One democracy may agree on free health care for all its citizens; another may not. The differences in programs among democratic systems reflect the differences in value and traditions in the respective societies—differences which vary over time as well as across nations. Democracy is simply a mechanism through which members of a political community can participate in resolving the inevitable dilemmas posed by competing social objectives in a way that achieves the highest possible degree of agreement.[3] This enhances the legitimacy of government and reduces the likelihood of political violence and disorder. In this way democracy is the connection between peace and freedom: it provides the process of periodically renewing consent that confers legitimacy on a government and narrows, or eliminates, the moral basis for violent challenges to its authority.

14. Besides insuring participation, democracy also stresses the importance of limits to power. It is assumed that political leadership, no matter how "progressive," will abuse its power if not limited. Even "vanguard" parties can become retrograde dicta-

[2] Alan Tonelson, "What Central American Democracy?", *The New York Times*, May 22, 1985. Tonelson is associate editor of *Foreign Policy*.

[3] An example of the dilemmas of government is the trade-off between liberty and equality. Adherence to egalitarian social principles requires those who have more than others to share their "surplus." If they balk at doing so (say, by under-reporting tax liabilities) sanctions must be used or threatened—which compromises principles of freedom and individual liberty. Other examples of conflicting yet simultaneously valued social objectives are: stimulating economic growth and controlling the environmental effects of industry; fighting crime effectively and protecting individual rights, such as the right to privacy or the right (as some see it) to own a handgun.

torships. Without limits on power, people cannot live in peace, free to pursue their interests, protected from unauthorized intrusions by political authority into their private lives. Democracy thus fulfills two needs: the need for participation, and the need for limits on state authority.

THE FUNDAMENTAL PROBLEM IN NICARAGUA

15. The fundamental problem in Nicaragua today is the absence of liberty and instead the creation of a de facto one-party state with few limits on its authority. In this sense, the Sandinistas have replaced a dictatorship of the right with a dictatorship of the left. They have ignored an important distinction: while Nicaraguans agreed overwhelmingly on the goal of overthrowing Somoza, there was no such broad agreement on what kind of government should replace him. That choice has indeed never been made by the Nicaraguan people. Precisely because Somoza denied democracy to the nation, Nicaraguans were willing to support the armed insurrection of the Sandinistas. But this did not give the nine leaders of the FSLN the right to install a "Sandinista democracy" which would deny the nation thereafter any effective political choice.

16. To call upon the Sandinistas to establish democratic government is only to hold them to pledges they themselves made—both to their own people and to the international community. The failure of the Sandinistas to fulfill expectations of freedom and democracy in Nicaragua is a major reason for the absence of peace in their country today. their betrayal of promises made before coming to power began almost immediately after taking power. As early as April 1980 Humberto Ortega, minister of defense and brother of President Daniel Ortega, stated that elections in Nicaragua would not be like elections in Costa Rica, Venezuela, the United States, or other "bourgeois countries." Sandinista-style elections would occur only "to select the best among the revolutionary vanguard . . . for power has been conquered for ever by the people and it shall never be gambled again." [4]

In an article in Le Monde (May 3, 1984), Tomas Borge, the sole surviving founder of the Sandinista Party and currently Minister of the Interior, stated: "Anyone who fails to understand that a revolutionary power is a single power understands nothing." Other Sandinista leaders are quoted as saying, "There's no question of our losing the elections. We came to power at the point of a gun. We're not going to lose it through an election."

There are also the telling statements of Bayardo Arce (see Appendix A), a member of the Sandinista Directorate, in a speech given in May 1984. According to Foreign Report (August 23, 1984), published by The Economist in London, Daniel Ortega confirmed the authenticity of the remarks, which were secretly taped and published by a Barcelona newspaper. Their significance is heightened by the fact that Arce is head of the FSLN's Political Committee and as such managed the 1984 elections.[5]

17. For those who support the aspirations for freedom of the Nicaraguan people and are opposed to violence and the use of armed force, the central challenge today is how to persuade leaders of the political movement that seized state power after the fall of Somoza to submit to a truly democratic process that would put at risk the paramountcy of their "revolutionary vanguard party." Acccomplishing this goal, short of reliance on military measures, clearly will require more imaginative and concerted approaches than those adopted to date.

THE ROLE OF AMERICAN CITIZENS

18. American citizens have an important role to play in shaping U.S. relations with Nicaragua. They should begin, however, by trying to understand better the situation in Nicaragua and the events that led up to it. This is not always easy. A great deal of misinformation is purveyed under the guise of "public education." Those who concern themselves with Central America issues at the community level often have strong emotional attachments to highly simplified, sometimes doctrinaire, views—usually covering a narrow range of the political spectrum. Programs they sponsor are often designed not to expose participants to the relevant range of facts and opinions, but instead to reinforce one particular interpretation of events and one particular, morally "correct" approach. Other concerned citizens, with a different point of view, stay away from such programs, knowing that their point of view will not be represented and that real debate will not be encouraged. As a result of these factors, citizen understanding of U.S. policy or of the situation in Nicaragua is rarely deepened or clarified by public debate and discussion—in contrast to the healthier pattern that prevails for domestic policy issues.

19. Although the American public generally appreciates the difference between open and closed societies, it is a curious paradox that many domestic critics of the "credibility gap" in our foreign policy often grant leaders of political systems that control their press, and make routine use of propaganda and repression, more credibility and respect than they do representatives of our own government. One explanation is that our press has a responsibility to expose the lies of the American government rather than those of police states abroad; and that it discharges this responsibility in ways that suggest to the unwitting that other governments, including police states, are no more deceitful than ours is. While there is something to this argument, it does not excuse (or fully explain) the inordinately uncritical attitude many domestic critics of U.S. policy applying to statements of the Sandinistas on the one hand, and the unshakeable cynicism they reserve, on the other hand, for statements from the Administration. The evidence simply does not exist to indicate that our government is less credible than any dictatorship, of the left or right, that controls the press, punishes dissent, and makes routine use of deception and "disinformation." It is a measure of the problem, however, that this argument even needs to be made.

20. Americans who believe in democratic values and basic human rights, yet dissent from Administration policy, should make special efforts to insure that the Sandinistas do not misinterpret opposition to our government's policy as support for Sandinista politics. They can do this by communicating to the government in Nicaragua their concern over the conditions of political prisoners and the lack of access by clergy and officials of human rights organizations to prisoners in all the jails; by declaring their support for a free press, an independent church, free trade unions, and the protection of national minorities; and by endorsing the appeal for peace through negotiations in Nicaragua.

21. Finally, Americans should learn more about the democratic political opposition to the Sandinistas. Instead of accepting the line that they are "mercenaries" and somocistas, they should verify for themselves the background and credentials of the Nicaraguan Democratic Resistance and become familiar with its program. (See Appendix B for the text of their "Call for National Dialogue" issued in Costa Rica in early March 1985.)●

[4] Belli, Nicaragua: Christians Under Fire (Garden City, Michigan: The Puebla Institute, 1984), p. 24.

[5] The elections of November 1984 were seriously flawed, as evidenced by, among other things, the refusal of any Latin American head of state—except Fidel Castro—to attend Daniel Ortega's inauguration this past January.

THE HIGHER EDUCATION DISCLOSURE ACT

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. MATSUI. Mr. Speaker, I am introducing legislation today, the Higher Education Disclosure Act, which will require the public disclosure of gifts from foreign sources to American colleges and universities in excess of $100,000 in any 12-month period. This bill is an important step toward increasing public awareness of any conditions, implicit or explicit, attached to major gifts from foreign governments and other foreign sources to our institutions of higher education.

The Higher Education Disclosure Act is intended to promote academic freedom and avoid distortion of the educational process by requiring certain disclosures concerning large gifts to colleges and universities from foreign sources and large contracts between foreign sources and universities. In no way are gifts prohibited; the Act would simply establish a disclosure requirement which would promote academic freedom and the public's right to know.

Academic freedom is a basic principle which furthers liberty and justice in this country. Academic freedom is a necessary prerequisite to education, which in turn is vital to the development of an informed citizenry and the functioning of our democratic institutions.

Recent years have seen academic freedom and freedom in the educational process threatened, however, by financial arrangements with foreign sources which restrict what can be taught, who can teach and impose other conditions which distort the operation of the free marketplace of ideas at our universities by funding programs conditioned on the presentation of certain views. I am deeply troubled by this trend.

This legislation would not preclude universities from entering into such arrangements—that, too, would be contrary to academic freedom and would unreasonably stifle foreign contributions to U.S. educational institutions. This bill would merely require that universities which receive Federal financial assistance to disclose such arrangements with foreign sources. The act would promote academic freedom by ensuring that university communities and the public have full knowledge of the sources of all foreign grants or contracts and any conditions or restrictions, as to personnel or students to be benefited or viewpoints to be furthered, attached to such grants or contracts.

I greatly appreciate the leadership of the American Jewish Congress in the development of similar legislation in Statehouses across the country. Higher education disclosure statutes have been enacted in New York, Illinois and Florida. The Pennsylvania, Ohio, and Texas Legislatures are currently considering similar legislation. This admirable activity around the country underscores the value of a uniform, national statute.

I invite my colleagues to join me in supporting this necessary and important legislation.

H.R. 3190

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Higher Education Disclosure Act".

SEC. 2. DEFINITIONS.

For purposes of this Act—

(1) the term "contract" means any agreement for the acquisition by purchase, lease, or barter of property or for the rendering of services for the direct benefit or use of either of the parties;

(2) the term "foreign source" means—

(A) a foreign government, including an agency or subdivision of a foreign government;

(B) a legal entity, governmental or otherwise, created under the laws of a foreign government;

(C) a corporation, foundation, or association whose principal place of business is not the United States;

(D) a nonresident alien; and

(E) any other person or organization to the extent acting as an agent on behalf of a foreign source;

(3) the term "grant" means any gift or donation of money or property or any combination of gifts or donations of money or property;

(4) the term "institution" means any institution, public or private, in any State which—

(A) is legally authorized within such State to provide a program of education beyond high school,

(B) provides a program for which it awards a bachelor's degree (or provides not less than a two-year program which is acceptable for full credit toward such a degree) and/or more advanced degrees, and

(C) is accredited by a nationally recognized accrediting agency or association and to which Federal financial assistance is extended (directly or indirectly through another entity or person), or which receives support from the extension of Federal financial assistance to any of its subunits; and

(5) the term "Secretary" means the Secretary of Education.

SEC. 3. REPORTING REQUIREMENTS.

(a) GRANTS AND CONTRACTS FROM FOREIGN SOURCES.—Whenever any institution receives a grant from, or enters into a contract with, a foreign source, and the value of the grant or contract is $100,000 or more when considered alone or in combination with all other grants from, or contracts with, that foreign source in the preceding twelve months, the institution shall, within 30 days of the receipt of such grant or the entrance into such contract, file a disclosure report with the Secretary as to such grant or contract and all other grants from and contracts with the foreign source in the preceding twelve month period.

(b) CONTENTS OF REPORTS.—Each report to the Secretary required by this Act shall disclose:

(1) the name and address of the foreign source;

(2) the amount and date of the grant or contract;

(3) the full details of any conditions, restrictions, requirements, matching provisions, or designations of the grant or contract including its purpose or purposes; and

(4) the name, address, title, and qualifications of any person whom the grant or contract is explicitly intended to benefit.

(c) EXCEPTION.—Notwithstanding the provisions of subsection (b) hereof, if the foreign source is a natural person and no grant or contract as to which a disclosure report is required by this Act contains any conditions, restrictions, requirements, matching provisions, or designations, other than that the grant or contract is given or entered into for the benefit of the institution as a whole, the disclosure report shall be required to disclose only the nationality and country of residence of the foreign source.

(d) REPORTS ACCESSIBLE TO PUBLIC.—All disclosure reports required by this Act shall be filed with the Secretary or the Secretary's designee and shall be public record, open to inspection and copying during business hours.

SEC. 4. ENFORCEMENT.

(a) RESTRAINING ORDERS AND INJUNCTIONS.—Whenever it appears that an institution has failed to comply with the requirements of this Act, including any rule, regulation, order, or instruction promulgated thereunder, a civil action may be brought in an appropriate district court of the United States, or the appropriate United States court of any territory or other place subject to the jurisdiction of the United States, to request such court to enter a restraining order or a permanent or temporary injunction commanding such person to comply with such requirements.

(b) ASSESSMENT OF COSTS.—For knowing or willful failure to comply with the requirements of this Act, including any rule, regulation, order, or instruction promulgated thereunder, an institution shall pay to the Treasury of the United States the full costs to the United States of obtaining compliance, including all associated costs of investigation and enforcement.

(c) REGULATIONS.—The Secretary may promulgate regulations to carry out the ministerial duties imposed on the Secretary by this Act.●

BENIAMINO BUFANO COLLECTION OFFERED TO SAN MATEO COUNTY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. LANTOS. Mr. Speaker, this month marks the 15th anniversary of the death of Beniamino Bufano, an immigrant sculptor, and artistic trailblazer who is surely one of the great artists of the twentieth century. It gives me great pleasure to announce to my colleagues that my district, on the beautiful peninsula of San Mateo County, CA, has been offered the family collection of Bufano sculpture, paintings, and drawings. We are now searching for an appropriate setting in which to place these pieces to be enjoyed by all our citizens—young and old.

Let me tell you a little about Benny Bufano who may be seen as a citizen of the world, but who called California his home. Benny, though small in stature, was great in heart and talent. He created giant sculptures of steel and stone that tower above all who stop to contemplate them. One of his best known works, a statue of St. Francis of Assisi entitled "Peace," stands at the entrance to the San Francisco Airport greeting all travelers who pass through.

This statue, one of more than 150 Bufano made of St. Francis, is appropriately placed near the city named for the saint. As the statue of Peace it is characteristic of the guiding principle in Benny Bufano's life. He believed passionately in peace. He once said, "Peace is not something you shout from the rooftops. It's not something you preach. It's something you live. Peace is a fighting word. You have to believe in it hard enough to give your life for it."

And he did. He lived his life with the theme of peace touching everything he created from the first small mouse he carved when he was ten years old living in a New York railroad apartment, to the 12-ton, 17-foot figure of St. Francis carved in black marble now standing at the International Longshoremen's Hall near Fisherman's Wharf in San Francisco. His love of animals and nature was also exemplified through the hundreds of animals, sculpted in marble with simple, dramatic lines, rounded curves, and smooth surfaces. Children and adults alike are drawn to these seals, bears, cats, and birds. In the Hillsdale Shopping Mall in my district in San Mateo, CA, children climb and slide on the animals and hug or stroke them lovingly, as Mr. Bufano would have wished.

Benny Bufano, born in Italy, came to the United States as a 2 year old child—one of 15 children born to his immigrant parents, At 17, he won an art competition for submitting his concept of "The Immigrant in America."

After early years of neglect, the world came to recognize his genius. The 11th Congressional District hopes to give a permanent home to the Bufano collection offered to us by Benny Bufano's son, Erskine. This generous offer was made at a recent Congressional Arts Conference I held in my district bringing together business, government, and the arts. The placement of the collection in a Bufano Sculpture Park is dependent upon developing a teaching facility with modern equipment for casting sculpture molds. The project is an ambitious one, requiring resources and resourcefulness; but I am pleased to acknowledge this special offer to the peninsula by the Bufanos. I am confident we can bring the project to fruition, and provide a unique place of inspiration for artists, students, and visitors to San Mateo County, CA.●

A SALUTE TO THE PATRIOT AND MINUTEMAN OF THE YEAR IN THE FIFTH CONGRESSIONAL DISTRICT

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. LIPINSKI. Mr. Speaker, "Only in America"—an often used phrase, but one that has never been more appropriate than it is today.

Today we honor two Horatio Algers, two men that have lived the American dream. One came to this land of liberty as a 16-year-old, not being able to speak a word of English, with his only assets being a capacity for hard work and a love of freedom. The other was born in this republic, but to a poor family not long removed from the old country. But he too had a capacity for hard work and he too loved freedom, in fact, he loved it so much that he dedicated many years of his life to government and politics.

These two men achieved success in different professions but their qualities of character were the same: a blind faith in America, a dedication to the free enterprise system, an enormous ability for hard work, imagination, and initiative found only in the American culture, a belief in their own ideas and plans, a dedication to their community, city, State, and country that manifested countless humanitarian, civic, and charitable endeavors to help mankind and make their neighborhood and Nation a better place to live.

Yes, truly, these two men we honored on July 13, 1985, are Americans who have given as much to their country as their country has given to them.

Nick Perrino is a classic American success story who epitomizes what's right with America. Coming to the United States from Italy, Nick quickly made himself a part of America and proudly served in the Army during World War II, from 1941 to 1946. Nick was initially assigned to the food service section as cook. During his military stint, Nick quickly rose from the rank of private to messhall sergeant. In 1943, he was promoted to master sergeant and placed in charge of all messhalls on his post.

With the knowledge gained from his service experience, Nick founded his own business in 1947. This business, which has become a Chicago landmark, has continually expanded through the years. However, the Home Run Inn Pizza Restaurant is still located on the same site as it was in 1947. In addition to the restaurant trade, Nick has established a thriving frozen pizza business.

Over the years, Nick Perrino has not forgotten his past and has been an active participant in numerous charitable activities. He has been honored by the Chicago Boys Club of America as Man of the Year and actively helps other organizations in Chicago, such as United Cerebral Palsy, to raise funds for the needy.

A native Chicagoan, John Waner as a young man became involved in the construction field. This interest led him to years of participation within labor organizations. His eventual involvement in various trade organizations led him to serve on the Board of the United Auto Workers, the Joint Arbitration Board of Sheet Metal Workers, and the Joint Apprenticeship Board.

To show his devotion to education, Mr. Waner served as a trustee for Lewis University where he received an honorary doctorate of humanities degree. He proceeded to sponsor scholarships and youth activities and became an honorary student of Kennedy High School. He was awarded a bachelors of engineering degree for setting up the heating and air-conditioning course at Allied Institute of Mechanical Trades.

A successful entrepreneur, John Waner's skills in mortgage leanding, real estate appraisal, and the construction field promoted him to serve in an advisory capacity to four U.S. Presidents. Waner has directed such governmental agencies as the Federal Housing Administration and Department of Housing and Urban Development. During his 10 years with the Federal Government, he was recognized for pioneering efforts in neighborhood conservation and was saluted by his contemporaries and media for his outstanding performance.

Mr. Waner's community involvement is legend. To his credit in the realm of civic activities, he was the founder and first president of the Midway Kiwanis Club, one of the primary organizers of the Garfield Ridge Chamber of Commerce, chairman of the board of Garfield Ridge Bank & Trust, director of the Time Savings & Loan, and was appointed by the Cook County Assessor's Office to revamp real estate concepts. There is hardly an area of concern where John Waner's keen interest has not aided in the growth of the Southwest Side of Chicago. Mr. Waner for many years was the Republican ward comitteeman of the 23d ward, and had the great honor of running for mayor of Chicago against the legendary Richard J. Daley.

No recipients of the Patriot of the Year Award and Minuteman Award have been more deserving.●

OBSERVATIONS OF THE TEACHING PROFESSION

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. BROWN of California. Mr. Speaker, I would like to take this opportunity to discuss the current teacher crisis facing our Nation's schools. By 1990, an estimated 1 million new teachers will be needed in our elementary and secondary schools. However, at present, less than 5 percent of the Nation's college freshmen plan to enter the education field. Not only is the quantity of our teachers dwindling, but also the quality of our teaching force has declined. On such measures as the Scholastic Aptitude Test, students going into education rank last in performance in every ethnic group surveyed nationally. As stated in the national report on the state of schools, "A Nation At Risk," public education is a "rising tide of mediocrity."

Although some action has been taken, we must do more to improve the status of the teaching profession in order to attract high quality instructors. Public Law 98-377 is an example of legislation aimed at improving math and science education. This bill provides Congressional Merit Scholarships for those interested in a career in teaching, a program of grant to State and local educational agencies for improvement of precollege science and math education, and Presidential awards for excellence in education. This legislaiton is only a beginning, however. The teaching crisis will effect all courses of study, and similar programs should be developed for teachers in other disciplines.

According to national surveys, the most academically capable students

tend to leave teaching within 5-7 years to enter the private business sector. This "brain drain," however, should not necessarily be considered a crisis. On the contrary, it can be used to the advantage of the teaching profession. If recent college graduates considered teaching a "stepping stone" toward a business career, we would have a continual supply of high quality, energetic teachers. These teachers would not make up the entire teaching force, but they could provide a strong supplemental supply.

When asked why they left the academic world and entered private business, respondents listed personal/professional growth and greater opportunity to use abilities as more important than increased wages. This information shows that the teaching profession may not be challenging enough for many of the highly qualified people we would like to see in our public schools. Classroom teaching is often a flat, undifferentiated career without the variation in duties, responsibilities and advancement found in other professions. Simply increasing teaching salaries, a commonly prescribed solution, may not be enough to keep these qualtiy people in education. A sequence of career steps should be made available to teachers to provide both challenge and opportunity.

At present, schools of education are completely dependent on public schools as the job market for their graduates. If the demand for teachers is up, education schools lower their standards to attract students. With a continually fluctuating teacher demand, the quality of teacher credential programs is unstable and constantly changing. A solution to this problem is to teach generic teaching skills that apply to all learning environments, in and out of the public school room.

The art of teaching is no longer required solely in our schools. In 1982, Training magazine estimated that U.S. corporations were spending roughly $3 billion on training programs and providing 790,000 jobs in this area. There is a need for teachers outside of the education field, but current education programs do not cater to them. By diversifying the education of teachers, the teaching profession would gain more prestige and attract high caliber people. Although all skills required by schoolteachers and corporate trainers do not overlap, there is a body of knowledge that the professions find mutually beneficial. Instructional processes, learning theories, the development of instructional material, and counseling skills are all examples of such information.

Mr. Speaker, above all the teaching profession needs to be regarded with the same respect granted other professions, such as medicine and law, in order to attract and keep good teachers. By providing incentives for effective teachers and by diversifying and improving teacher education, I feel this goal will be attained. Our education system in the United States lies at the base of our democracy. The young minds of today will be the leaders of tomorrow, and we must take action now to guarantee the best education possible for future generations to come.●

ESPIONAGE AGAINST OUR OWN UNITED STATES OF AMERICA

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. McDADE. Mr. Speaker, today I am introducing legislation that addresses what is perhaps the most abhorrent of all crimes—espionage against our own United States of America.

The crime of espionage touches the lives and the liberties of every man, woman, and child in this country. The act of betraying one's friends and neighbors is so grotesque it demands the most severe penalty a society can offer. As a country, we must take all reasonable and prudent actions to prevent and deter those few of our citizenry who participate in this ultimate of crimes.

The headlines in recent newspapers told of the treason of the Walker family; Chris Boyce is called to testify to Congress about his act of betrayal and Hollywood makes another movie. Now is the time for us to stop talking about crime and to take positive action.

The legislation I am introducing today strengthens our national security in four ways:

First, it creates a Presidential commission to examine the impact on national security of our programs and policies related to the dissemination of information especially the Freedom of Information Act. This commission, made up of a major cross-section of individuals in this country, should have representatives of Aviation Week and the Washington Post to discuss their reporting and editorial policies; it should have representatives of the defense industry and the Government to examine their internal security controls; it should include the scientific community to discuss technological transfers.

The commission's job is to make recommendations for changes that would ensure our domestic security while not infringing upon our citizens' right to know, and always, of course, respecting the tenets of the first amendment.

Second, the bill places a one-for-one limit on foreign diplomats and agents in this country vis-a-vis our representatives in their country. No more can the Soviet Union station 3,000 agents within our borders while we have only a handful within theirs. We cannot continue to allow the Eastern bloc to station individuals within our borders whose sole purpose is to infiltrate our national security apparatus.

Third, to help deter and prevent future acts such as those committed by Chris Boyce and Robert Walker, my bill institutes random polygraph testing for individuals who have, and seek, access to highly classified material. This polygraph testing is specifically limited to the scope of security information—no lifestyle questioning would be allowed. The testimony before the Congress, Chris Boyce stated that polygraph testing would have prevented him from committing treason.

Fourth, to put teeth into our espionage laws, my bill would mandate a determinant sentence of life imprisonment or the death penalty be imposed for those individuals, both military and civilian, who are convicted of espionage for the Soviet Union, or other Communist countries as determined by the President. My bill would also include technology transfers to the list of treasonable offenses.

This legislation is needed as a quick response to the growing manace of espionage. I strongly urge passage of this legislation before additional aspects of our national security are compromised.

I include a brief seciton-by-section analysis of my bill in the CONGRESSIONAL RECORD following my remarks:

SECTION-BY-SECTION ANALYSIS

SEC. 1 Short Title

SEC. 2 Creation of a Presidential Commission

This section creates a commission made up of representatives of the communications, scientific, business, Government and the intelligence community to study the FOIA, how it impacts on the national security and to report to Congress within 90 days on what changes need to be made.

SEC. 3 Limitation on Foreign Diplomats and agents

This section limits the number of foreign diplomats and agents in the United States from any country to the same number of United States diplomats and agents within that particular foreign country.

SEC. 4 Polygraph Examinations

This section provides for random polygraph tests for individuals who seek access to classified information. Lifestyle questions are prohibited and $5,000,000 is authorized to DOD to upgrade its polygraph program.

SEC. 5, SEC. 6, SEC. 7. Legal Amendments

These three sections amend the UMCJ and the USC to provide mandatory life sentences, or the death sentence, for espionage with the Soviet Union or any other Communist country as declared by the President. Technology transfers are included as a new espionage offense.

SEC. 8. Effective Date

Upon enactment.●

CENSORSHIP—BRITISH STYLE

HON. MARIO BIAGGI
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. BIAGGI. Mr. Speaker, over the course of the past 2 days the British Government has again demonstrated to the world that when it comes to Northern Ireland—they are comfortable with a policy of selective morality and have no qualms about resorting to repressive measures unusual for a democracy.

The issue at this time involves an extraordinary intervention on the part of the British Government over a BBC documentary that was to be shown entitled "At the Edge of the Union." It was a program which among its content included an interview with one Martin McGuinness, an individual elected to the Northern Ireland Assembly in 1982 but who refused to take his seat. In addition the London Sunday Times had identified McGuinness as the chief of staff for the Provisional Irish Republican Army.

One of the purposes of the program was to compare the political philosophies of Sinn Fein and the Democratic Unionist Party, the political party associated with the militant Rev. Ian Paisy. On July 29, it was reported that the British Government had made a formal request of the BBC not to air the program on the grounds that it was against the national interest and worked to promote terrorism. The board of governors of the BBC elected to cancel a documentary on Northern Ireland. This decision overruled the position of BBC management which supported airing the program.

The British Home Secretary Leon Brittan was quick to say that he "does not wish to exercise powers of censorship" according to a Washington Post article of July 30 but "left open the possibility that he would use authority to do so granted to him in the license of the state-owned corporation.

As chairman of the bipartisan Ad Hoc Congressional Committee for Irish Affairs I am astounded by the British Government's action in this matter. Freedom of the press is considered a fundamental freedom in any democracy—yet we have a dramatic disregard for that freedom being practiced by a leading democratic nation.

There has been outrage registered in many quarters over the British Government's actions. According to an article in today's New York Times, the Association of British Editors called the BBC's action in canceling the program "a betrayal of its own best traditions." A spokesman for the Labor Party accused the BBC of acting as "Britian's thought police."

At this point in the RECORD I wish to insert four news articles, two from the Washington Post and two from the New York Times which chronicle the events just discussed.

Northern Ireland has suffered through a decade long state of emergency—civil liberties have been trampled on, human rights violated. We have political prisoners in Northern Ireland for as long as 15 years, and now we have censorship over programs that deal with the very basic political questions in Northern Ireland. Is there no limit to the evils of British direct rule over Northern Ireland?

[From the Washington Post, August 1985]

BBC CANCELS DOCUMENTARY—NETWORK BOWS TO GOVERNMENT IN UNPRECEDENTED ACTION

(By Karen DeYoung)

LONDON.—The board of governors of the British Broadcasting Corp. today canceled a documentary on Northern Ireland, scheduled to be aired next week, after the government asked for its withdrawal on grounds that it was "against the national interest."

The government-appointed board overrode approval of the program by the BBC management, saying it would be "unwise" for it to be "transmitted in its present form." The program, entitled "At the Edge of the Union," includes an interveiw with a man it says is believed to be chief of staff of the outlawed Irish Republican Army.

The board called for "further discussions" with the government, and Home Secretary Leon Brittan said he would be happy to meet on "the issue of terrorism and the way it is handled on television." Brittan has acknowledged that he has not seen the program, but was relying on "press reports" of its contents.

Both the government's public request and the board's acquiescence were unprecedented in the history of the corporation. Although state-owned, the BBC has prided itself on independence and has a reputation for objectivity. The government's power to stop a BBC broadcast has never been used.

Today's decision provoked an immediate outcry by opposition politicians as well as outside commentators, and expressions of shock from BBC staff members. They charged political interference and censorship, and journalists at the corporation met to consider union action.

Asked tonight if the government had influenced the board's decision, Chairman Stuart Young said, "Categorically no." The program "is not going to be transmitted," Young said in a televised BBC interview, "because the climate is not right . . . and that is vital, and that's what the decision was all about."

The incident marks the first government-media controversy here since Prime Minister Margaret Thatcher two weeks ago, in the wake of the TWA hijacking, called for voluntary media cooperation in limiting coverage of terrorist actions. She said the media encouraged terrorism by publicizing it.

In a previously scheduled live television interview tonight, Thatcher drew a direct parallel between those comments and the Northern Ireland documentary. "I do not believe that any great organization like the BBC should do anything which might be construed as furthering the objectives of the terrorists and I feel extremely strongly about it."

Recounting numerous IRA attacks, Thatcher acknowledged she had not seen the program, but said, "Anything which is shown which seems to help terrorists seems to me to be totally and utterly wrong."

"We don't censor," Thatcher said. "We never do. We request." But she said she was "very pleased" with the board's response to the government's request, "And I believe that most people will applaud it."

Critics of both the government and the board insisted today, however, that the canceled program was a questionable example of what Thatcher called "terrorist publicity."

Intending to highlight the seemingly irreconcilable differences in the British-ruled province, it features interviews with principals on the two sides of the controversy. One is a hard-line Loyalist, or Protestant supporter of British rule in the troubled province.

The other is Martin McGuiness, allegedly chief of staff of the IRA, the illegal armed wing of the Roman Catholic opposition, and an elected member of the province's assembly.

BRITAIN WANTS TV SHOW WITHHELD

LONDON.—The government has asked the British Broadcasting Corp. not to air a television program on Northern Ireland on grounds that it gives "succor to terrorist organizations" and is "against the national interest."

Home Secretary Leon Brittan said that he "does not wish to exercise powers to censorship" but left open the possibility that he would use authority to do so granted to him in the license of the state-owned corporation.

Two weeks ago, Prime Minister Margaret Thatcher called on the media to adopt a "voluntary code of conduct" to starve terrorists of the "oxygen of publicity," and government officials today made clear that they consider the BBC program, scheduled to air in 10 days, a test of media good will.

The program, entitled "At the Edge of the Union," contains a lengthy interview with Martin McGuiness, an elected member of the Northern Ireland Assembly who also is believed to be chief of staff of the Irish Republican Army.

The BBC governing board scheduled an emergency meeting Tuesday to discuss how to respond to the request. BBC managers defended the program as "responsible and balanced" and said it had gone through mandated screening procedures for documentaries dealing with the sensitive Northern Ireland issue.

A decision to withdraw the program would be likely to cause extreme protest from reporters and producers, many of whom feel they have fought a constant battle against various British governments, in particular Thatcher's, to present what they consider fair coverage of Northern Ireland.

Although none would speak for attribution, one called it a "litmus test" of the government-appointed board's independence. "It is a very, very important case," he said. "The issues are clear-cut, and there's no possibility of fudging on it."

The program counterpoints McGuinness with Gregory Campbell, described as a "hard-line Loyalist," a member of the largely Protestant majority in Northern Ireland that favors British rule.

Controversy over the BBC broadcast began indirectly, during a press conference Thatcher held in Washington Friday. A reporter for The Sunday Times of London asked her if she would disapprove of a sup-

posedly hypothetical program in which such an interview were featured.

Thatcher said she would "utterly condemn" it.

Once Thatcher found out that the "hypothetical" program was in fact on the BBC schedule, she ordered Brittan to investigate.

In a statement issued by the Home Office in his name today, Brittan said he "fully recognizes the freedom of the BBC in this matter; the government does not wish to exercise powers of censorship."

However, Brittan said he had "conveyed to the BBC in the strongest terms that . . . the program appeared to be giving succor to terrorist organizations by the opportunity for public advocacy of terrorist methods by the prominent member of the IRA. . . . It is contrary to the national interest that a program of the kind apparently envisaged should be broadcast" and Brittan "asked the BBC not to do so."

A Home Office spokesman said that neither Thatcher nor Brittan had seen the documentary.

The BBC is funded by a licensing fee charged all television owners. Although the BBC is operated under Royal Charter and theoretically immune from direct government interference, the government sets the level of the fee, and licensing legislation allows the Home secretary to "require the corporation to refrain" from broadcasting anything deemed inappropriate. That power, however, never has been used.

[From the New York Times, August 1985]

BBC DECIDES NOT TO SHOW PROGRAM ON ULSTER

(By Jo Thomas)

LONDON.—The British Broadcasting Corporation announced tonight that it had decided against showing "in its present form" a television program including an interview with a man said to be the chief of staff of the outlawed Irish Republican Army.

The decision was made by the BBC's board of governors, which viewed the program for the first time at a seven-hour meeting today, in response to a request from Leon Brittan, the Home Secretary. He asked the BBC on Monday to withdraw the program.

The interview is with Martin McGuinness, who was elected to the Northern Ireland Assembly in 1982 but refused to take his seat. The Sunday Times of London identified him this week as the I.R.A. chief of staff. Mr. McGuinness, 35 years old, has denied that he holds the post.

Although some viewed the BBC decision as yielding to Government pressure, Stuart Young, the BBC chairman, declared, "We have not yielded to pressure from any quarter whatsoever."

A political battle has been going on since it was announced that Mr. McGuinness was to be featured in a 45-minute documentary on the program "Real Lives" on Aug. 7. The debate has called into question the independence of the BBC, whose finances are under Government review, and the integrity of is coverage of Northern Ireland.

Will Wyatt, the BBC's head of documentary features, had defended the documentary as "careful, thoughtful and informative" and "not supportive of terrorists."

It compared Mr. McGuinness, a member of Sinn Fein, the political arm of the I.R.A. to Gregory Campbell, a leading member of the Democratic Unionist Party, led by the Rev. Ian Paisley.

Mr. Brittan, who as Home Secretary is responsible both for law and order and for broadcasting, said that he had not seen the program but that press reports indicated it lent "spurious legitimacy to the use of violence for political ends" and would be contrary to the national interest.

Prime Minister Margaret Thatcher, the target of an I.R.A. bombing in Brighton last year, said last week that she would "condemn them utterly" if BBC officials broadcast such a program. Earlier this month, the Prime Minister suggested that terrorists be starved "of the oxygen of publicity."

BBC DECISION ON INTERVIEW STIRS PROTEST

LONDON.—A political storm erupted today over a decision by the BBC to cancel the scheduled broadcast of a television documentary featuring a purported Irish Republican Army guerrilla leader.

The cancellation, which had been had been formally requested by the Home Secretary, Leon Brittan, at the direction of Prime Minister Margaret Thatcher, sparked a staff rebellion at the British Broadcasting Corporation today and searching questions in Parliament and elsewhere about the BBC's independence from Government control.

The Prime Minister, who told The Sunday Times of London last week that she would "utterly condemn" the BBC for showing such a program, said she was "very pleased" by the BBC's decision, which was announced Tuesday night by the BBC board of governors.

"I do not believe that any great body like the BBC should do anything which might be construed as furthering the objectives of terrorists," she said. "I feel extremely strongly about it."

"NOT THAT KIND OF PARTY"

But she added, "I'm never going to put censorship on—we are not that kind of party."

The Association of British Editors called the BBC's action in canceling the program "a betrayal of its own best traditions," and said it had handed the Irish Republican Army "one more victory in the propaganda war."

A parliamentary spokesman for the Labor Party, Robin Corbett, accused the BBC's board of governors of "acting as Britain's thought police." adding: "The problems of Northern Ireland cannot be hidden from people behind a blank TV screen. This is a disservice to democracy."

James Hawthorne, the controller of programs in Northern Ireland, said today that he would reign unless he received assurances that the decision by the BBC board of governors would not lead to further Government interference. Late this afternoon, he said he had been assured that "nothing has fundamentally changed."

PROTEST STRIKE PLANNED

Meanwhile, the union representing 2,000 BBC television journalists voted unanimously to hold a 24-hour protest strike on Aug. 7.

The 45-minute program, "At The Edge of the Union," is a portrait of two men at the extremes of the political divide in Northern Ireland, Gregory Campbell, a Loyalist politician, and Martin McGuinness, an elected member of the Northern Ireland Assembly who belongs to Sinn Fein, the political arm of the I.R.A.

The uproar began after a BBC publication, Radio Times, ran a three-page article about the program, with pictures of both men, extensive quotes from the interviews, and a mention that Mr. McGuinness was widely thought to be the chief of staff of the I.R.A., an assertion that has been denied by Mr. McGuinness. The assertion was repeated in a front-page story in The Sunday Times of London.

Mr. Brittan, the Cabinet Minister, chiefly responsible for both law and order and broadcasting, said today that it would be "an absurd form of muzzling," if he alone could not exercise the right of any citizen to say what he thought was in the public interest.

"THAT AMOUNTS TO CENSORSHIP"

Stuart Young, chairman of the BBC and a Thatcher appointee, denied that the BBC had bowed to pressure. But in an interview late Tuesday night, he said, "When the Home Secretary says that any program that deals with terrorist organizations should not be permitted to be broadcast, that amounts to censorship.

"There are well-tried and well-tested procedures adopted by the BBC of how the very difficult subject of terrorists should be handled," he said.

It was the bypassing of such procedures that outraged the BBC staff.

A statement issued today by the National Union of Journalists, which represents the journalists at the BBC, said, "We deplore the decision to override—apparently for the first time—the accepted procedure of the corporation whereby the responsibility for editorial decisions lies in the hands of the Director General.

"It is particularly dangerous in that it was a decision made as a direct result of Government pressure," the statement said.

The procedures for handling programs about terrorism, it added, "are designed to protect the BBC's independence and integrity. They should not be overridden."

"The Prime Minister has claimed that publicity is like oxygen for terrorists," said Clive Soley, a Member of Parliament and Labor Party spokesman. "The Provisional I.R.A. and the Protestant paramilitaries have had a massive amount of publicity out of this episode."

Neither of the two people interviewed is wanted for any offense, he said, and "they are entitled to stand for election under British law and have done so. But they are not allowed to be interviewed by the BBC. That is a clear example of censorship.

"Mrs. Thatcher made her statement on terrorism after the hijack a few weeks ago and felt she had to slow some form of reaction," Mr. Soley said, referring to the hijacking of an American airliner to Beirut last month.

Clement Freud, the Liberal Party spokesman on broadcasting, said: "The Government has powers under the Broadcasting Act to order the corporation not to publish certain material, but it has not had the courage to use these legal powers. Instead, it has chosen to lean on the relative of a member of the Cabinet. This is quite monstrous."

Mr. Young, the BBC chairman, is the brother of Lord Young, Minister without Portfolio and one of Mrs. Thatcher's closest advisers.●

TRIBUTE TO REV. EDWARD J. MAXA

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. LIPINSKI. Mr. Speaker, today I would like to take a moment to recognize and honor Rev. Edward J. Maxa, the recipient of the Ray McDonald Community Achievement Award for the month of July 1985.

Father Maxa, born in Oak Park Hospital, is a native of the Chicago area. He attended grammar school at Our Lady of the Mount School in Cicero and St. Odilo School in Berwyn. He began his preparation for the priesthood at Quigley Preparatory Seminary and was ordained at St. Mary of the Lake Seminary at Mudelein, IL, in 1959. Since then Father Maxa has served three parishes in the Lawndale and Little Village communities; Our Lady of Lourdes Church at 15th and Keeler, Epiphany Parish at 25th and Keeler, and Blessed Sacrament Parish at Cermak and Central Park Avenue. In 1969 Father Maxa became associate pastor at Blessed Sacrament Parish. When the Rev. Edmund Burke was transferred from the pastorate of blessed Sacrament to that of St. Francis Xavier Parish in Wilmette, Father Maxa was first made the acting pastor of Blessed Sacrament, and then in 1974 he was appointed pastor by Cardinal Cody.

During his years at Blessed Sacrament, Father Maxa worked to maintain and improve the program and buildings of the church and school. He taught religion and counseled the students as well as the adults of the parish. Father Maxa promoted the establishment of the Boy Scout and Cub Scout programs at the parish.

Learning that services in Spanish to Spanish-speaking members of the community were initiated in 1967 but terminated when the Spanish-speaking priest returned to Colombia, Father Maxa undertook the study of Spanish. Due to his tireless efforts, a weekly Spanish Mass and other Spanish services to the community began in January 1970.

During his service at the Epiphany Parish, Father Maxa was introduced to and became a member of the Kiwanis Club of Little Village. At various times he has served as club secretary, vice president, and twice as president. During these years Father Maxa was active in promoting the annual free community health fair, which the Little Village Kiwanis Club sponsored together with the Lawndale Clinic and the Chicago Board of Health. For the past several years, this health fair used the buildings and facilities of Blessed Sacrament Parish to provide examinations, tests, innoculations, and other health services to not only the students, but also to the adults and preschool youngsters of the parish.

Blessed Sacrament Parish is currently in a year-long celebration of the centennial of its beginning as a mission of St. Pius V Parish at Ashland Avenue and 19th Street. And with the assistance of Sister Suzanne Doolin, the School's new principal, a campaign to increase the community's awareness and use of the school is underway.

Mr. Speaker, I wish to thank Father Maxa for the unselfish dedication of his time and concern for the betterment of the southwest side community. He has truly earned the Ray McDonald Community Achievement Award for the month of July 1985.●

A TRIBUTE TO DR. CAROLYNE K. DAVIS

SPEECH OF

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 30, 1985

● Mr. PURSELL. Mr. Speaker, on August 9, Dr. Carolyne K. Davis will step down as Administrator of the Health Care Financing Administration. Dr. Davis has served in that post 4½ years, longer than any other Administrator. I would like to congratulate her on her tenure and highlight some of her major accomplishments.

There is no question that under Dr. Davis' administration Medicare and Medicaid have become more efficient and more solvent. In 1981, when Dr. Davis began her career at HCFA, everyone predicted Medicare would be bankrupt by 1986. Here we are, 1 year from that deadline and Medicare is strong and healthy—and expected to remain that way until the mid-1990's.

In 1982, Dr. Davis put into effect changes which revolutionized health care reimbursement charges for Medicare. Under her administration, HCFA launched the prospective payment system, which replaced the hospital cost reimbursement system with a system of flat payments called DRG's. Those reforms have been instrumental in bringing down national health care costs.

In spite of the fact Dr. Davis daily managed over 4,100 agency employees and last year implemented a budget of $99 billion, 10 percent of the total Federal budget, she still managed to maintain her ties to the medical community. During her tenure at HCFA, Dr. Davis published 37 articles, bringing her total career of publications to 51. Truly an impressive record.

In conclusion, I would like to say it has been my privilege to know and work with Dr. Davis. Prior to coming to HCFA, Dr. Davis served as an associate vice president for academic affairs at the University of Michigan. In addition, she was dean of the University's School of Nursing for 2 years. It was her outstanding work there not only in nursing but in the area of finance and budget reform that led to her appointment at HCFA. It is obvious today from her accomplishments at HCFA during the past 4½ years, that this Nation had benefited greatly from her background and leadership.

I wish her well in the future and hope that she will someday return to public service for this great Nation.●

"OUR LITTLE MISS"

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. HALL of Texas. Mr. Speaker, beauty and fine fiddle playing are two of the good things we brag about in the 4th Congressional District of Texas; and Jonna Fitzgerald handles them both with style. For this reason, Jonna has been added to our list of bragging rights as Miss Texas 1985.

Since she entered her first "Our Little Miss" Pageant as a 9-year-old, Jonna has dedicated herself to a pageant competition every year. After representing Mineola-Lake Country, Arlington, and Duncanville, the Tyler native was crowned Miss Greenville for her fourth year of competition in the Miss Texas pageant. The perseverance she claims as her best asset—and 12 years of experience—have brought Jonna to the realization of a dream.

An outstanding fiddle player, Jonna has selected her role models from the same field of music. Miss Texas 1973, Judy Mallett, inspired Jonna to begin playing the fiddle; another Tyler native, Texas fiddle player Johnny Gimble, is her hero.

Mr. Speaker, I am proud to have Jonna Fitzgerald as a representative of my district and the State of Texas. Her talents, beauty, and personal integrity exhibit the best our State has to offer. As she travels to the Miss America pageant in Atlantic City, NJ, this September, we Texans will be able to hold our heads high and brag on another native product of our great State—Miss Texas 1985, Jonna Fitzgerald.●

PUBLIC BROADCASTING AUTHORIZATION ACT

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. WIRTH. Mr. Speaker, today I am introducing the Public Broadcasting Authorization Act of 1985 which

will authorize appropriations for the Corporation for Public Broadcasting [CPB] for fiscal years 1988, 1989, and 1990, at $220 million, $246 million and $283 million respectively. This legislation also authorize funds for the Public Telecommunications Facilities Program [PTFP], administered by the Department of Commerce at $24 million for each of fiscal years 1986, 1987, and 1988.

As my colleagues recall, two public broadcasting authorization bills passed the House and the Senate during the last session of Congress. Both were vetoed by the President. Yet, despite these vetoes, the Corporation for Public Broadcasting was appropriated $200 million for fiscal year 1987, and the PTFP program was funded at $24 million for fiscal year 1985—nearly identical to funding as contained in the bill vetoed last October. Clearly, Congress has and will continue to support adequate funding for our excellent public broadcasting system.

In 1981, Congress cut funding for public broadcasting over 40 percent, and established a bipartisan commission to study alternative financing for public broadcasting. The Temporary Commission on Alternative Financing [TCAF] concluded its study in 1983 and reported to Congress that in the forseeable future, there exists no alternative to a strong base of Federal support of the public broadcasting system.

Federal support of public broadcasting comprise less than 20 percent of funds raised by the system. Other support comes from States and cities, foundations and corporations, and millions of satisfied listeners and viewers across the country. Yet, the Federal support provides a critical base from which other funds can be raised.

Public television and radio provide invaluable educational, cultural, and entertainment services not provided by commercial broadcasters. Public broadcasting, for example, is the only regular source of educational programming for our children. A generation of children have learned and excelled in school because Sesame Street, The Electric Company, and 3-2-1 Contact have given them the zest for learning. The Chemical People, The Brain, National Geographic, and NOVA series have allowed children and adults to explore critical issues in challenging new ways. Great Performances, Frontline, and Playhouse, have brought cultural enrichment to millions of Americans which they otherwise could not have afforded. Public broadcasting brings our Nation together by bridging cultural and economic gaps with diverse and excellent programming. Yet, many of these programs have been forced to cut planned productions and staff. The very existence of some is threatened.

We must put public broadcasting back on a sound financial footing; at the same time we must do all we can to reduce the massive Federal deficit. This legislation recognizes and incorporates both of these realities. The bill thus freezes the Facilities Program at the fiscal year 1985 level appropriated by Congress for the next 3 fiscal years. I know of no other Federal program that will be frozen for 4 years in a row. Incidentally, PTFP was authorized at this same level over a decade ago in 1974.

Moreover, as to CPB the legislation adopts the President's budget request of $246 million and $283 million for fiscal years 1989 and 1990 respectively. In order to make slightly more funds available to public broadcasting in the near future, the legislation adopts a funding level of $220 million for fiscal year 1988, only $6 million above the administration's request. This bill's fiscal year 1988 level is identical to that proposed by the gentleman from Ohio [Mr. OXLEY] who has not only strongly advocated the need for restraint in public broadcasting over the last few years, but who has also recognized the need to make some additional funding available for public broadcasting in the near term, above the administration's recommendation. While this additional $6 million is a minute amount in the context of the Federal budget, it is money that is critically necessary for the short term viability of the Nation's excellent public broadcasting system. It is worth noting that the $220 million proposed for fiscal year 1988 in this bill is the same level of funding that was authorized for CPB in fiscal year 1983.

This legislation meets our twin goals of providing realistic funding to preserve our public broadcasting system while being fiscally prudent. I urge my colleagues to join me in supporting this bill.●

TRIBUTE TO THE LATE HONORABLE CHARLES H. WEBER

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. LIPINSKI. Mr. Speaker, August 16, 1985, marks the 25th anniversary of the death of the Honorable Charles H. Weber, a dedicated public servant from the northside of the city of Chicago.

Charles Weber was a distinguished public servant for over 40 years. He was a member of the Illinois State Legislature for 32 years, a member of the Chicago City Council for 12 years, a Cook County commissioner for 4 years, and for 40 years the Democratic ward committeeman of Chicago's old 45th ward. Charles Weber was also a successful businessman as a real estate broker, tavern owner, ice cream parlor owner, gas station operator, and insurance broker.

Charles Weber also initiated many worthwhile community activities. He sponsored the first community-wide cleanup campaign, and he was responsible for the first Kid's Day back-to-school parties at Riverview Park for as many as 100,000 children. The Charles H. Weber Memorial Commission, made up of many of Mr. Weber's friends and former colleagues, exists for the purpose of reviving many of the fine community programs that he established.

Mr. Speaker, the 25th anniversary of the death of this legendary public servant is truly deserving of public recognition. His distinguished career is one in which we should all take notice of.●

PORTER PROTESTS ARREST OF ROALD ZELICHONOK

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. PORTER. Mr. Speaker, on June 11, 1985, Roald Zelichonok of Leningrad was arrested and accused of preparing slanderous material.

I believe his arrest stems from his 7-year quest to emigrate from the Soviet Union, during which time he and his wife have suffered greatly. When they originally applied to emigrate in 1978, Alec's scientific work was greatly restricted. Optimistic that he might receive permission to live in Israel, he studied and taught Hebrew to others. This led to searches of his apartment and the confiscation of his teaching materials.

In May, my staff assistant, Nancy Kohn, had the opportunity to visit Leningrad and meet with Mr. Zelichonok. In August 1982, I also visited Leningrad and had the opportunity to meet Mr. Zelichonok. Both Nancy and I were very impressed by our meetings, and felt that Mr. Zelichonok was a dedicated and intelligent man who was obviously deepy committed to his goal of living in Israel. We were deeply sadded to learn of his arrest last June.

Earlier this year, the postal authorities had withheld five letters Mr. Zelichonok had written to friends living abroad. His arrest was based on information contained in these letters. In addition, two other Leningrad citizens, Semion Borovinsky and Vladimir Lifshitz, had their apartments searched on similar charges.

It appears that the Soviet authorities are attempting to curtail communication between the refusenik community and the free world. It is part of an overall strategy to destroy Jewish culture by inducing fear and discour-

aging their activities to practice their religion.

Over 100 Members of the House have joined my colleague TOM LANTOS and I in sending a letter to the Procurator General of Leningrad expressing our concerns over the treatment of Roald Zelichonok. I too thank my colleagues for joining me in expressing their concern over this situation. I would like to include for the RECORD a copy of this letter.

CONGRESS OF THE UNITED STATES,
Washington, DC, August 1, 1985.

PROKURORU PNOMARYOVU (the Leningrad City Procurator),
Gorodsykaya Prokuratura, ul. Belinskogo 13, g. Leningrad, U.S.S.R., RSFSR.

SIR: We deplore the arrest of Roald Zelichonok on June 11, 1985.

As you know, Mr. Zelichonok has been charged with preparing slanderous material (Article 190-1 of the Criminal Code of the RSFSR). We have been informed that Soviet authorities confiscated five letters Mr. Zelichonok wrote to friends abroad and that his personal correspondence is being used against him.

In 1978 Mr. Zelichonok and his wife, Galina, applied for permission to emigrate to Israel. Following their application, the Zelichonok's apartment was searched and many of their books were confiscated. Mr. Zelichonok's professional contacts were severely restricted and his salary was frozen.

It appears that the recent arrest of Mr. Zelichonok is part of a campaign to harrass and intimidate Soviet citizens who have expressed a desire to emigrate.

We are particularly concerned that by interfering with mail communication, the Soviet authorities are attempting to curtail contacts between Soviet citizens and the West.

We urge you to drop the charges against Mr. Zelichonok, and to recognize his right to emigrate. The right to free emigration is guaranteed under the Helsinki Accords, the Universal Declaration on Human Rights and other international agreements to which the U.S.S.R. is a signator.

Sincerely,

John Edward Porter, Tom Lantos, Ben Erdreich, Martin Sabo, Bill Richardson, John Grotberg, Charles Schumer, Lane Evans, Bob McEwen, Morris Udall, Lynn Martin, James Jeffords, Nancy Johnson, Robert Torricelli, Larry Smith, Connie Mack, Joe Kolter, Brian Donnelly, Sander Levin, Mike Barnes, Chris Smith, Alan Wheat, Silvio O. Conte, Thomas Luken, George Miller, William Gray, Robert Young, Don Ritter, Patricia Schroeder, Mike Synar, Mario Biaggi, Barbara Mikulski, Mike Lowry, Joseph Addabbo, Norm Mineta, Robert Lagomarsino, Louis Stokes, Jack Kemp, Ted Weiss, Dan Lungren, James Scheuer, Peter Rodino, Berkley Bedell, Lawrence Coughlin, Norm Lent, William Lehman, Bob Edgar, Don Edwards, Hamilton Fish, Sidney Yates.

Tim Wirth, Frank Horton, Walter Fauntroy, Harry Reid, Anthony Beilenson, Bill Frenzel, Steve Barlett, Gary Ackerman, Charles Hayes, Albert Bustamante, Dean Gallo, Thomas Carper, Tom Tauke, Les AuCoin, Ben Gilman, Ed Feighan, Barney Frank, Thomas Foglietta, Herb Batemen, Ron Wyden, Marcy Kaptur, Vic Fazio, Martin Frost, John McCain, Dennis Eckart, Jim Moody, Barbara Kennelly, Robert Mrazek, Bernard Dwyer, Bill Nelson, Nick Mavroules, George Wortley, Mickey Leland, Ray McGrath, John Bryant, Frederick Boucher, Chester Atkins, Howard Berman, Peter Kostmayer, Bruce Morrison, Robert Dornan, Joe Moakley, Major Owens, Barbara Boxer, Fred Eckert, Bob Borski, Gerry Sikorski, Dick Durbin, Mathew G. Martinez, Fortney H. (Pete) Stark, Thomas Manton, Frank Wolf.●

HONORING RABBI HENRY E. KRAUS, OF TEMPLE BETH AMI

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. TORRES. Mr. Speaker, I ask my colleagues join me in honoring my friend Rabbi Henry E. Kraus on the occasion of his becoming Rabbi Emeritus.

Since coming to Congress I have had the pleasure of knowing Rabbi Kraus of Temple Beth Ami, West Covina, CA. He is well respected and admired by the community and the people of Temple Beth Ami.

Rabbi Kraus was ordained at the Jewish Theological Seminary at Budapest, Hungary, and received his Ph.D. from the University of Budapest. During the Second World War, after the Germans occupied Hungary in March, 1944, he was deported with his congregation by the Nazis to Auschwitz and later, Buchenwald. Although he was exempt from the anti-Jewish laws because of his father's extensive military service, he chose to go and be with his congregants. He was liberated from the German concentration camp in 1945 by the American Third Army.

After the war, Rabbi Kraus became Chief Rabbi of Western Hungary. He was a member of the governing body of Hungarian Jews and also a member of the Board of Governors of the Jewish Theological Seminary of Budapest where he lectured on Practical Rabbinate. Prior to Communist control and the Hungarian revolution he also lectured at the University of Budapest on philosophy and ancient history as well as serving as Army chaplain.

Mr. Speaker, in January of 1957 he came to this country to escape the Hungarian revolution. Since that time Rabbi Kraus has served with distinction as a member of the Rabbinical Assembly and served the western region as a vice president. He also served as president of the Los Angeles Eastern Area Board of Rabbis.

In 1975, in honor of his 35th anniversary of his ordination, 30 year liberation from the Nazi death camps and 18 years following the escape from behind the Iron Curtain, Israel honored him with the Ben Gurion Award. He became the first recipient of this award in California and the U.S. Congress honored him with a congressional tribute.

In 1978, on the 34th anniversary of his deportation to Auschwitz, he was honored by opening the session of the House of Representatives with a prayer.

Following 16 years of service to Temple Beth Ami and 46 years on the pulpit on June 1, 1985, he became Rabbi Emeritus. He currently serves as chaplain to the City of Hope Medical Center and the Los Angeles County Sheriff's Department, San Dimas station.

Mr. Speaker, I rise today on the floor of the House to honor Rabbi Henry Kraus on his becoming rabbi emeritus.●

INTERNATIONAL FAMILY PLANNING FUNDS IN DANGER OF BEING CUT

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. KOSTMAYER. Mr. Speaker, the long and difficult process toward settling the role of the United States in international family planning is nearing completion for this year.

The House and Senate salvaged the authorization of funding for two of the most important international family planning organizations—the International Planned Parenthood Federation [IPPF] and the United Nations Fund for Population Activities [UNFPA]. On July 10, the House eliminated the 16-percent earmark of the U.S. international population account for UNFPA and the House-Senate conference on the foreign aid authorization last week stripped the Kassebaum amendment which would have reversed the administration's cutoff of all U.S. funding to the IPPF.

All of this has occurred despite the fact that for more than a decade, U.S. law has prohibited the expenditure of all U.S. foreign aid funds for abortions or abortion-related activities. But abortion isn't the issue now; U.S. support for family planning may now be on the verge of being effectively terminated.

On July 8, the Agency for International Development reversed longstanding policy by declaring that recipients of AID funds advocating "natural" family planning no longer need inform their clients of the full range of family planning methods available. In effect, the U.S. Government will now provide scarce family planning funds to groups that advise people of the developing world to simply abstain in order to prevent unplanned preg-

nancies. And as an editorial from the July Washington Post states:

The most vocal groups advocating these restrictions make no bones about the fact that they oppose all "artificial" birth control.

The full Appropriations Committee recently made a 10-percent cut in the authorized total for the international population account—from $290 million—the fiscal year 1985 level—to $261 million. The committee also added language which says:

None of the funds made available in this bill nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive or involuntary sterilization.

This measure is severe and restrictive, but it places the ultimate decision on who and how much to fund international family planning programs with the President. Any attempt by the Congress to push through an automatic termination of funding of the UNFPA and other family planning organizations would be irresponsible and potentially disastrous. Such a cutoff would severely cripple voluntary family planning in Mexico, Brazil, Ethiopia and 100 other countries and should be vigorously opposed.●

TRIBUTE TO CHARLES SUMNER HIGH SCHOOL

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. CLAY. Mr. Speaker, on August 16, 1985, hundreds of graduates of the Charles Sumner High School from the years 1946-51 will gather in St. Louis, MO, from across our great Nation and from around the world for their reunion and to celebrate the 110th anniversary of their alma mater.

To most of us, when city of St. Louis is mentioned, we immediately think of the arch, beer, the place where the first ice cream cone and the hot dog orginated or of the football and baseball Cardinals. But, to many of us, especially blacks in these United States, it is the city that is home to the Charles Sumner High School.

Sumner High School was established in 1875 as the first formal attempt at education on the secondary level for black children in this country and has for 110 years stood straight and strong in providing service to a proud community buoyed up by her unique and significant black heritage, encircled by parents and relatives who have demanded leadership, cultural enrichment, and academic excellence from the onset and who have fought for and supported the highest standards and aspirations for the student body at this school, and supported by a totally dedicated faculty that has always been sensitive to the needs of the youth in our central city.

Sumner High School continues to strive for academic excellence, community leadership, and to further her traditional commitment to cultural enrichment.

In behalf of the thousands of students whose lives have been enriched by the Sumner tradition, I would like to compliment and praise those past and present faculty members and administrators of the Charles Sumner High School for the outstanding service that they have given not only to the city of St. Louis but to the Nation in general. I would also like to thank and acknowledge those thousands of graduates who have contributed so much not only to the St. Louis community but to the Nation as a whole.

I am sure that all of my colleagues join me in conveying my best wishes to this pillar of the St. Louis community and pray for its continued success.●

CHILDREN'S TELEVISION EDUCATION ACT OF 1985

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. WIRTH. Mr. Speaker, today I am introducing the "Children's Television Education Act of 1985," which is intended to advance the use of television as a positive educational investment for our future in our most precious national resource—our children. Senator LAUTENBERG today is introducing companion legislation in the Senate.

All television is educational—but the question is, what does it teach? For children, television is a powerful teacher of intellectual and cognitive skills as well as a teacher of social information. It is a young child's window on the world, providing a wealth of information about the world, its people, places, and events.

But television's primary role has evolved as one of entertainer, not educator. Despite television's tremendous educational potential, commercial concerns and appeals to mass audiences have become paramount. It is very important that each child have access to positive, age-appropriate educational programing over the public airwaves. The legislation which I am introducing today is one way to achieve this goal.

Recent reports, including that of the National Commission on Excellence in Education, have focused attention on some extremely troubling problems facing our educational institutions. These reports have called for a variety of solutions aimed at improving the quality of education, as well as the educational performance of our Nation's children. Certainly much can and should be done to improve education, but we have often overlooked the potential role of television as educator, both by itself and in coordination with our schools.

By the time an average child finishes formal education in this country, he or she has spent an astonishing 15,000 hours in front of the television set—significantly more time than is spent in the classroom. Television has become an integral part of everyday life for our younger generation—almost 4 hours of each waking day is spent learning from the television "curriculum."

Research demonstrates the power of television to teach. Programs such as Sesame Street have been instrumental in giving children greater reading and mathematical proficiency at an early age. 3-2-1 Contact has inspired a better understanding and appreciation of science and scientific concepts in young teenagers. Freestyle has taught children that their career choices need not be bounded by stereotypes based on gender. Programs such as Mister Rogers' Neighborhood and Fat Albert and the Cosby Kids have taught altruism, cooperation, and kindness toward others. CBS Storybreak and Reading Rainbow have revealed the wonders and treasures that books and the local public libraries hold for us all.

Research also shows that television can motivate children to learn about the world around them. At a very early age, a child's fascination with television can be effectively channeled into positive educational experiences. Yet for the most part, television's potential in this area is unrealized.

The Federal Communications Commission [FCC] has been involved in issues relating to children and television for over two decades, but has accomplished nothing. The FCC's failure to ensure that television broadcasters adequately meet the needs of the child audience is extremely disappointing to me and to all of those interested in the welfare of children.

In 1960, the Commission first determined that one way in which broadcast stations must meet their public interest obligation was to provide programming specifically designed for child audiences. Almost 15 years later, in its 1974 Children's Television Report and Policy Statement, the FCC reaffirmed its conclusion that broadcasters have a special obligation to serve children as a substantial and important community group. The FCC at that time issued a policy statement that instructed television stations to make a meaningful effort to increase the amount of programming for children, and to air informational programing for child audiences. However,

the implementation of this policy was voluntary, and no specific requirements in terms of amount of programming necessary to achieve this goal were specified.

In 1978, after results of a survey indicated that the television broadcasters were not meeting the needs of children, the FCC initiated a rulemaking to address the dearth of programming for children. Despite the fact that the Commission's staff report on the matter clearly indicated that television broadcasters were not complying with the 1974 policy statement, the FCC continued to procrastinate without taking any action that would effectively address this problem. In December 1983, the rulemaking was finally concluded only because of a court ruling. Unfortunately, its conclusion was all too predictable—again, the FCC did nothing.

In abrogating its responsibility to protect the public and the public interest, the Commission stated that available alternative programming services in media markets may be taken into account when broadcasters are determining the programming needs of children. This means that broadcasters may further minimize their programming aimed at children by simply pointing to the availability of such programming over nonbroadcast services, such as cable, or even to what is available through video disks.

This shortsighted ruling ignores the fact that close to half of all American homes still lack access to cable. Some homes will probably never have access to cable television. And the cost involved with cable and other new communication technologies ensures that these sources of programming will be available only to those families who can afford them—not to those who are having difficulty simply putting food on the table each day. Many children—the poor and the culturally disadvantaged, the very population who have least access to alternative sources of information—will never experience the luxury of alternative programming provided by new video sources.

There may, of course, be other ways to solve this problem. To their credit, the National Association of Broadcasters and its president, Edward O. Fritts, have indicated a willingness to work with me in order to devise ways in which commercial broadcasters might foster the development of alternative programming, including programming designed to meet the educational needs of children. To the extent that the marketplace provides adequate educational programming for children, a legislative solution may not be necessary. However, until that day is reached, we must do all that we can to ensure that children are served by the licensees of the public airwaves.

The "Children's Television Education Act of 1985" sets forth a series of findings concerning the tremendous educational potential of television and requires that rules be developed to maximize the use of television in educating children, and to increase the amount of educational programming specifically designed for children. The bill requires that each broadcaster provide a substantial amount of educational programming for children, specifying that amount as a minimum of 7 hours per week, at least 5 of which must air Monday through Friday.

The legislation specifically identifies the petition to deny procedure as the appropriate process for ensuring broadcasters' compliance with provisions of the bill. It therefore provides a method for local community groups to ensure that their children are being served by their local broadcasters.

The bill also directs the FCC to conduct an inquiry into the implications of programs created to promote toys or other products popular with children—the so-called program-length commercials. In the past, it was not unusual for toys based on characters featured in children's programs to be developed after a program attained "hit" status. Recently, however, a new trend has evolved in which a television series is released at the same time as a line of toys associated with the program theme or characters. Although these programs are entertaining to children, the program content itself—not just the commercials—is specifically designed to promote products to children. This trend is growing so fast that, according to one estimate, as many as 20 Saturday morning programs this fall will feature this approach. Many believe this trend is the direct result of the FCC's 1984 television deregulation order which freed broadcasters from any limitation on the number of commercial minutes that could be run per hour.

There are several concerns raised by program-length commercials. The first is the effect on a child's ability to tell the difference between programs and commercial content. The FCC had for many years held that a clear separation must be maintained between programs and commercials so that children can more easily discriminate between them. In its 1974 policy statement on children's television, the FCC also prohibited broadcasters from engaging in host-selling, whereby popular characters featured in program content also engage in commercial pitches during program breaks. Both of these requirements are designed to help children recognize the distinction between programs and advertisements, an ability which helps child viewers defend against the persuasive appeals in commercials. yet many charge that this new type of commercialization of program content further confuses the distinction between programs and advertisements for young children. Only a full inquiry will clarify the extent of the confusion such programming creates in young children, but so far the FCC has refused to conduct such an inquiry.

A second issue raised in the manner in which this trend will affect the future of children's programming in general. When this type of programming is purchased by television stations, an arrangement is typically included which allows the broadcaster to share in the profits generated from the sales of toys and other related products. I am concerned, as are many others, that the financial incentives offered by such programs may override other factors that should be weighed in a broadcaster's decision regarding selection of children's program content. A broadcaster's primary responsibility under the provisions of the Communications Act is to serve the public interest. It is not clear to me how the public interest is served by having such financial incentives weigh so heavily.

The inquiry mandated by this bill will establish a record for assessing these questions and others related to the program-length commercial format.

The bill directs the FCC to promulgate all other necessary rules within 180 days of enactment of the legislation. I urge my colleagues to join me in cosponsoring this important piece of legislation.●

GOLD AND SILVER COINS

HON. RICHARD STALLINGS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. STALLINGS. Mr. Speaker, I have introduced today two bills, the first of which would provide for the minting of gold and silver bullion coins, and the second of which would provide for the minting of gold and silver coins commemorating outstanding American scientists.

Americans have never had the opportunity to buy gold and silver bullion coins produced by the U.S. mint. Instead, investors in precious metals purchase South African Krugerrands, Canadian Maple Leafs, and Mexican Libertads in great numbers. American purchases of these coins contribute to our staggering balance-of-trade deficit.

At the same time, we continue to discuss the imposition of trade sanctions against the government of South Africa because of its policy of apartheid. Producing American-made bullion coins would offer a product to the world that would compete directly and effectively with bullion coins of other countries. The world would be offered legal tender U.S. bullion coins.

Because these coins would be legal tender currency of the United States, I expect that their sales would exceed the gold and silver bullion coin sales of all other producers combined.

The second bill I have introduced would provide for the issuance of gold and silver coins over the next 5 years which commemorate outstanding American scientists. These coins, unlike bullion coins, would appeal primarily to coin collectors instead of investors in precious metals. Only one other American coin has been produced in recognition of the accomplishments of an American scientist. That coin, a silver half dollar, was issued in 1952 in recognition of the noted agricultural chemist, George Washington Carver.

A series of commemorative coins honoring outstanding American scientists is long overdue, because their accomplishments have been so many and so great.

The wonderous feats being achieved in medicine, the marvels of outer space exploration, the power and speed of today's computers, and the wonders of the atom are but a few of the areas in which American scientists have played, and are continuing to play, such an important leadership role. I look back in history to the days when current day technologies were not even dreamed of, much less realized, and see how great an impact American scientists have made on the world. Scientists, and American scientists in particular, deserve some long overdue recognition for their astonishing accomplishments. The production of commemorative coins would be one means of recognizing their many fine accomplishments.

Enactment of these bills would carry a number of other advantages. First, it would provide some much needed relief to the American gold and silver mining industries, which are today facing serious problems, through no fault of their own. For example, silver mining interests in this country, including those in the State of Idaho, are threatened by the mere presence of the approximately 138 million ounces of surplus silver held by the U.S. Government in the National Defense Stockpile. Previous Government attempts to auction this surplus silver were unsuccessful and unduly disrupted the U.S. silver market. One significant advantage of using this silver in coins in that undue market disruptions are not created by use of the silver in this manner. Of course, the U.S. Government also owns large stocks of surplus gold which could likewise be put to advantage by its use to mint bullion and commemorative coins. Long term production and sales of silver and gold coins would add to the stability of market prices and would encourage more explorations and mining of American resources.

To the extent that surplus silver and gold is used in the production of these coins, the Treasury would realize a net income. In view of our current budgetary problems, the net income realized from the sale of precious metals in the form of coins would be indeed welcome. For example, based on discussions with Government officials and coin experts. I expect that sales of surplus silver from the National Defense Stockpile, even at today's depressed prices of about $6.25/troy ounce, would result in an income of some $862 million over a period of approximately 4 years. Over a comparable period of coin production—both bullion and commemorative—gold coin sales would result in income of about $8.6 billion to the Treasury.

In addition, American Scientists Commemorative Coins would have a surcharge of $7.00 for each silver coin sold, and a surcharge of $35 for each gold coin sold. Since about 4 million silver and 800,000 gold commemorative coins would be sold annually, a total of $56 million would be raised annually in surcharges, to be used for the sole purpose of retiring the national debt.

I urge my colleagues' consideration of these two measures.●

COMMEMORATING CHARTER DAY—THE 50TH ANNIVERSARY OF THE UAW

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. TORRES. Mr. Speaker, around the Nation and in many international circles workers will celebrate the 50th anniversary of the United Auto Workers of America. Historically the UAW has stood for those principles of social and economic justice that have made this country's labor movement a beacon of hope to those not fortunate enough to live under a banner of freedom and democracy.

The early ideals of the UAW's founders continue to transcend American political changes and the advent of a new technological-industrial revolution. The Reuther brothers, Walter, Roy, and Victor pioneered the many contractual provisions that give auto and aerospace workers a significant share in the economic gains of this country in return for their skills and work productivity. More than material gain, however, the UAW gives a worker something called dignity.

The succeeding battles by other UAW leaders like Leonard Woodcock, Doug Fraser and today's Owen Bieber continue to keep alive the hard-won gains made by UAW workers and their families.

Mr. Speaker, in region 6 those gains were won with the hard struggle and sacrifice of early UAW militants who stood up to the police clubs, death threats and jailings. Bill Goldman, John Allard, Noah Tanscher are among many I knew who paid that bitter price. They imbued into new young workers the fortitude of pride, hope and leadership that allowed them to carry the torch of solidarity into the ranks of men and women in the West.

Mr. Speaker, today this new breed of leaders continue to build on these traditions so typical of the UAW. Regional Director Bruce Lee epitomizes these very same values. I am proud to have been a colleague of his in our early organization career days. Further, I am honored that on this UAW Charter Day, region 6 will commemorate the 50th anniversary in my 34th Congressional District in the city of South El Monte.●

THE RIBBON—AN APPROPRIATE SYMBOL OF PEACE

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. LANTOS. Mr. Speaker, this Sunday August 4, thousands of Americans from all parts of our country will participate in a massive symbolic gesture of peace. On the 40th anniversary of the destruction of Hiroshima and Nagasaki by nuclear weapons, these Americans will tie a massive "ribbon" around the Pentagon.

This ribbon is actually thousands of 18-inch by 36-inch cloth panels with embroidery, applique, batik, quilting, knitting, silk screen, needlepoint, weaving, and many other mediums with a message based on the theme "What I cannot bear to think of as lost forever in a nuclear war." Some 17,000 panels—by individuals and groups throughout our country—will be tied together on Sunday as this symbol of peace—the ribbon—envelopes and surrounds a symbol of war—the Pentagon.

I am delighted that a number of groups and individuals from the peninsula are participating in this demonstration of the desire for peace. Four in particular have caught my attention.

The Morning Glory Montessori School of Burlingame has a wonderful panel with the handprints of 21 of the children at the school. The caption reads, "Today's Children—America's Future."

Another from Burlingame is by sister Mirian Moroney, S.M. Her beautiful applique of people with sun, trees, sky, and hills proclaims, "The Glory of God is a Human Being Fully Alive."

From Redwood City is a delightful colorful applique panel with the faces of six children and the names "Hanabal and Syracuse and Sarah and Mike." The title is simply, "People. . . ."

Laura M. Taylor, of San Carlos, has done an outstanding chain stich embroidery in red on white with the quotation of Edward Arlington Robinson:

"No there is not a glimmer nor a call,
For one that welcomes, welcomes when he fears,
The black and awful chaos of the night;
"But through it all beyond, above it all
I know the far-sent message of the years.
I feel the coming of the glory of the Light!"

Mr. Speaker, I commend the thousands of Americans—in my congressional district and throughout the Nation—who have taken the time to share their skills in giving us this message. This is a gentle reminder that peace must triumph over war, that the avoidance of nuclear holocaust must be our principal concern. When this message is emblazoned in the minds of all of us who share this planet—whatever our nationality—then we will indeed be able to "feel the coming of the glory of the Light."●

SALUTE TO PUBLISHERS PAPER

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. AuCOIN. Mr. Speaker, before we adjourn for the summer recess, I'm hopeful we will see a budget agreement between the House and the Senate that significantly reduces the deficit. I'd like to be able to bring the good news home to my constituents. Because they are deeply concerned by the state of our economy. They see, as I do, that failure to act now to control our budget, coupled with high deficits, and the serious competitive challenge we face in international trade, pose an extremely dangerous threat to the future growth of the U.S. economy.

In Oregon, we have to stabilize our base industries such as timber and agriculture while we at the same time move forward to encourage and develop new growth industries such as high technology. Private businesses, sometimes working alone, but often in a partnership with local, State, and Federal governments, have made and must continue to make investments in productivity, in competitiveness, in our resources, and ultimately in our most important asset—the well-being of our citizens.

I can think of many examples in my own district where these kinds of gains are being made. In new industries, and in old industries; our State depends on the health of its traditional timber and wood products industry. These areas have employed a huge portion of our population even when we were not in the best of economic times. And despite being old many of these industries have shown impressive competitiveness and innovative drive.

One of the best examples of a company that has changed and evolved and innovated is Publishers Paper in Newberg.

Publishers has 325 employees—a large number for a town the size of Newberg—with a payroll in 1984 of more than $23 million. These are high quality jobs that provide a good standard of living for those who hold them. The community of Newberg relies on this industry not only for jobs, but for the support of its infrastructure.

The mill runs 24 hours a day, 7 days a week and produces about 1,000 pounds of paper per day which is delivered to papers as far apart as the Oregonian, the Los Angeles Times and the Denver Post. It has become, with the hard work and dedication of its employees and management, one of the most efficient paper mills in the world.

It stands as an example of how capital investment in existing plants can make our traditional industry more competitive and efficient. In 1980 Publishers received the largest single manufacturing capital expansion in Oregon's history—$127 million was invested in new machinery that doubled the newsprint production.

Publishers has also focused significant attention on the area of recycling. Using 550 tons of recycled newspapers, a facility at the Newberg plant produces 475 tons of pulp per day making Publishers the largest user of recycled paper on the west coast. This has led to reduced costs and conservation of the resource—timber—that has made this industry such an important part of our State economy.

I salute the president of Publishers Paper, Mr. Web Ross, for his success in making this a model company for Oregon and for the country. And I salute all those who over the years have labored at the plant, who suffered through a rough recession, and who gave their all day in and day out—for without them, it could have been a much different situation than it is today.●

ELIMINATE QUOTA SYSTEM FOR PEANUTS

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mrs. ROUKEMA. Mr. Speaker, I am pleased to join today with my colleague, Congressman STAN LUNDINE, in introducing legislation to eliminate the current system of poundage quotas for peanuts. The present Government peanut program is nothing less than a Government-mandated monopoly in peanuts, which rewards a privileged few while stifling productivity and inflating consumer prices. I believe it is past time for Congress to allow a freer, more competitive market in peanuts to develop without the constraints of poundage quotas. This can only lead to significantly reduced prices to the consumer.

Peanuts are today the only food crop which still depends on rigid production restrictions and marketing controls to support its prices. Under the current program, the U.S. Government determines where peanuts are produced, who can produce them, and what amount is to be produced and marketed. I can find no justification for continuing this restrictive system, which is so much more preferential than any other crop program. While such a program may have been justified 40 years ago, it is plainly unacceptable under present economic conditions.

I believe that today's bill is necessary both for consumers who purchase peanut products, and for those farmers who wish to grow peanuts but are prevented from doing so by the current quota system. The Department of Agriculture estimates that the current peanut program adds an additional 13 percent to the cost of every jar of peanut butter. Consumers should not have to pay this significant subsidy solely for the enrichment of current growers.

In addition, farmers who wish to grow peanuts but are now prevented from doing so by the quota system would no longer be barred from planting their crop. Those areas of the country which efficiently produced peanuts in the 1930's, when quotas were handed out, may be less competitive as peanut-growing areas today. because of the quota system, however, farmers in areas which could now effectively grow peanuts as a rotation crop are unable to do so because they have no quota allotment. Farmers should be permitted to grow any crop which they believe will be profitable, and not have their options limited by 50-year-old Government quotas.

The bill we are introducing today would eliminate the artificial distinction between peanuts for domestic consumption and those for export. It would replace the outdated quota support system with a straightforward loan support program like those in place for corn, wheat, soybeans, rice, and other crops. One level of price support would apply to all peanuts, and would be set by the Secretary of Agriculture after considering production costs, world market prices, and the supply and demand for peanuts.

Let me make clear that the price support program included in today's

bill is designed to operate at no cost to the American taxpayer. Loan rates under this program are to be set at a rate below world market prices, so that they function only as a safety net to guard against unexpected market conditions. These price supports will not increase the Federal deficit in any way.

You will recall that Congressman LUNDINE offered an amendment to the Food and Agriculture Act of 1981 which essentially made the same changes we hope to make with today's bill. In 1981 this amendment passed the House by a 91-vote margin, only to fail by 4 votes in the other body. Now is the time to end this outdated and costly support program. I urge my colleagues to support this important legislation.●

ALEXANDER LYAKOV

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. PORTER. Mr. Speaker, I would like to call my colleagues attention to the plight of Lyudmila Nemseva and Dmitry Marchenko of Leningrad.

Their situation is one that is all too familiar to my colleagues, they have been denied permission to emigrate. In fact, on June 7, 1985, they were summoned to the Leningrad OVIR office and ordered to sign a paper stating that they would no longer be able to file applications to emigrate. They refused to sign the form, but an OVIR official signed the form for them. As a result, it appears that they will not be allowed to emigrate from the U.S.S.R. and join their family and friends living abroad.

Yesterday, I met with Alexander Lyakov who is currently on a hunger strike in solidarity with Lyudmila and Dmitry. All three of them have begun an open-ended hunger strike out of their frustration regarding the Soviet Government's policy to refuse them permission to emigrate. Although I do not support their plan to fast till death, I understand and sympathize with their serious situation.

The Soviet Government's callous attitude toward Lyudmila and Dmitry serves as a harsh reminder of their failure to respect basic human rights. This week marks the 10th anniversary of the signing of the Helsinki accords. These accords, which the Soviet Government voluntarily signed, commit that Government to allowing its citizens to emigrate. Thus it is particularly timely for the U.S. Congress to voice our concerns regarding the Soviet Government's failure to live up to the Helsinki accords, and to call upon them to stop their harrassment of citizens like Lyudmila and Dmitry.

I would like to submit for the RECORD a letter Alexander Lyakhov received from Lyudmila which reflects her feelings on her difficult situation.

LENINGRAD,
March 1984.

MY DEAR, ALEX: Hello! On March 20 I and Dima (the husband. A.L.) received another refusal in response to our application. (Application to leave the U.S.S.R. A.L.). There was no reason given—the same as the last time. Also they did not see the principle of family reunification in our case. (They only "see the principle" when the vyzov—invitation is from either children or parents. I assume this is the way it is put in the Declaration of Human Rights and The Helsinki Accord. I received my own vyzov from a cousin which did not stop me from leaving. But times change. And "Soviet Weekly" maintains that the procedures for those wishing to leave have been simplified! A.L.). And I am afraid it will be this way forever. 1978 will not come again. Then they obviously did not care about this "principle". Now the State decided to assume the role of our shepherd—of the ignorant children of it! The authorities have boldness to decide people's fates as they please even when the citizens have settled all their affairs as to property, money, etc. We are being treated like slaves, and indeed slaves we are! The Motherland becomes a jail, and the authorities—jailers. I curse my jailers. But unfortunately the curses are futile. This is like a prison wall and it is useless to throw oneself against it. Maybe it is possible to go around it? Or maybe there is a hole in it? I know that so many people have written to so many places, beginning with the OVIR (Department of Visas and Registrations. A.L.) and up to the United Nations, but never achieved anything. I understand that in a greater sense these letters are not at all without meaning since they open the world's eyes on truth as well as the lies and hypocricy. As for the authors of the letters they remain where they are with their rights existing on paper only. Slavery—this is the only definition for this State with its false liberties!

We will certainly fight for our right to live where we want to, will protest against lawlessness. I am not yet sure how, but we will. This uninvited guardian infuriates me. The Soviet Power tries to make us feel inferior, subnormal, or babies. Please give our gratitude to Mr. Porter for his support. (U.S. Congressman J. Porter, the Head of Congressional Human Rights Caucus. A.L.) On March 23 another family of 11 people was denied the same right. They are probably also "of great value" to the Soviet State although in their case the principle of family reunification can not be questioned even by those "standards". They would like their names to be known. Here they are: Kleiman Nina, her mother—Kleiman Lubov (85 years old), her mother-in-law Peisin Dveira (93 years old) (The authorities probably hope that while all this drags along the old gals may die out and leave them less insubordinate slaves to deal with! A.L.) Her husband—Peisin Daniil (65 years old), their daughter Novikova Elena (34 years old), the daughter's husband—Gorodnitsky Vladimir, their son—Peisin Boris (27 years old), the son's wife Bogolepova Irina, children Eugeny and Ilia 9 months old.

They have received refusals three times already: in 1981, 1982, and 1983. This is the fourth—1984. (Addresses follow).

These people are not under investigation, have no debts, and never had anything to do with anything secret—just as ourselves.

Myself and Dima (the husband. A.L.) are only interested in one and only thing, and the only thing we want is—to leave, just like all the refusniks. We do not want to get involved in politics, but it looks as if we were already involved in it. Our natural right to chose where we want to live has been made a political issue of here. The right to chose has been intirely usurped by the State. We are forced to struggle instead of living normal human lives.

Refusniks are people with no future in this country. We can only plan not farther than 6 month ahead in the hope that someone up there will have some mercy. Alex, it is so terrifying, I wonder if you can imagine!

Collecting numerous sparravkas (verifictions. The Number of those "has been cut down" if one is to believe "Soviet Weekly". A.L.) is a humiliating and exhaustive procedure. When I came to a Notary Public with my parents to verify their signatures on the paper stating that our mutual affairs were settled as to money and property (what property?!), the Notary Public began trying to convince my parents not to sign anything. Can you imagine such a "Notary Public" taking upon herself such a role?! My mother then became hysterical the way I had never seen before. She was told "she was destroying her daughter". I have already written to you about the scene at the Regional Komsomol Committee office. (She was summoned there to be told that she must be a fascist to want to go to a fascist country (the "fascist country" being Israel) and that she and her husband and future children would be first mercilessly exploited and then inevitably killed there. A.L.)

Absence of information turns people into walking mannequins. They will all sound the way they are being tuned. Propaganda is called here—anti-propaganda directed against some imperialist propaganda which does not exist for soviet people as it is jammed, confiscated, etc. We only know about psychological war of imperialism against us because of this counterwar conducted here—in the name of people. And this counterwar has increased extremely. Uncountable political briefings, books, newspaper and magazine articles, TV, and radio are telling us daily about ideological sabotage, psychological attacks, etc. conducted against us by some radiovoices that can not be heard (jammed. A.L.), books and papers that can not be seen (confiscated. A.L.). I am only surprised why people do not become eager to read, hear, and see all this they are daily told about so bountifully. Maybe it is because they also do not want to get mixed up in this dirty mess and hurry to get away from it by just doing exactly the way they are told to. All for the sake of undisturbed lives and being able to persue their own affairs. Trouble only comes when those personal affairs tend to disagree with what is called—State Interests. Many refusnics do not refile their applications to leave simply because they are afraid of losing their jobs. This is why the number of such applications has really decreased.

All this, naturally, is the way I see it and think about it. Foregive me for such a wild letter. I am exasperated really. My life is the same way it was. I work so far (Temporary job at a library. A.L.). My life is a shambles and it will be this way until I leave here. You know all the reasons.

Yours,

LOU.

(I have to explain here about the loss of jobs mentioned above. If people lose their jobs, it does not mean they are going to be unemployed. But having lost their jobs as doctors, lawers, teachers, etc. they would have to take jobs as unqualified help, low level and low income. Unemployment for any considerable period of time is in the USSR punishable by either exile with forced labour for up to 5 years, or imprisonment for up to 3 years). Footnote mine—A.L.●

HAPPY BIRTHDAY, EAST HAVEN

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. MORRISON of Connecticut. Mr. Speaker, today I would like to pay tribute to the town of East Haven, CT, in my Third Congressional District, which is celebrating its 200th birthday this year.

I would also like to extend my congratulations to East Haven's distinguished Mayor, Anthony Proto Jr., and all the members of the East Haven Bicentennial Commission—Joan Lindsay, Marie Cavallaro, Tess Farat, Patrick O'Leary, Charles Schegel, Jr., Michael Lawlor, Norman DeMartino, and Chairman John Brereton—for their hard work in planning and preparing for a year of celebration of East Haven's history.

I also want to congratulate the Ball Committee—Tess Farat, Marge Mitchell, Lois Amatruda, and Bill Cummings, the Parade Committee—Lee Mattei, Joan Lindsay, Jack Leary, and Bill Zampa, and Miss Bicentennial, Deborah Lynn Bast.

Mr. Speaker, East Haven has a long and proud history. The first settlers in what is now East Haven County, led by the Reverend John Davenport and Theopolius Eaton, purchased a tract of land there from Chief Momauguin and his sister Shaumpishuh in 1638. In 1639, the settlers held a convention and signed the constitution of the colony of East Haven.

As the area grew, East Haveners sought to become independent from New Haven, and finally achieved this goal when East Haven became a town in 1785.

Since that time, East Haven has undergone many changes, but has kept its historic character—not only in historic places like the East Haven Green, where Lafayette camped on his way to join Washington, the Old Stone Church, and Fort Nathan Hale, but in its citizens' special sense of independence and individualism.

Today East Haven has grown into a prosperous town of over 25,000. A new industrial park has brought in more light industry. Redevelopment in the town's center has spurred new investment and brings in shoppers from all over the area. The town is planning new efforts to take advantage of its greatest asset, its beautiful shoreline. East Haven's citizens face the future with confidence that their town will remain a very special place to live.

Mr. Speaker, and distinguished colleagues, please join me in wishing for East Haven and its citizens continued prosperity and progress in the centuries ahead.●

PERSONAL EXPLANATION

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. GOODLING. Mr. Speaker, I would like to take this opportunity to explain my vote against the Treasury, Postal Service and General Government Appropriation Act on July 30.

My position has been that, no matter how good certain provisions may be in authorization or appropriation legislation, I am committed to voting against any bills that provide amounts that are above a freeze at the 1985 level of funding, since all of these votes are taking place during a period when we don't have a budget finalized.

I support revenue foregone funding for the Postal Service and increased funding for the Customs Service, particularly for drug control. However, I have a difficult time believing that, after spending millions to modernize the IRS computer system, we need more employees. Unfortunately, some of them presently do not understand that they are, like I, public servants and have my staff spending hours helping people who should have been helped by employees of the IRS.

Although I supported the Frenzel amendment as amended by Congressman COLEMAN since it provided a reduction in funding, I could not support final passage of this bill as it still provided a total funding amount in excess of 1985 spending levels.●

GINETTA SAGAN—CHAMPION OF HUMAN RIGHTS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. LANTOS. Mr. Speaker, today is the 10th anniversary of the signing of the Final Act of the Conference of Security and Cooperation in Europe—popularly known as "The Helsinki Final Act." It is a most appropriate time to recognize individuals who have been champions of human rights around the globe.

I wish to pay tribute to a friend of mine, who has suffered first-hand for her convictions, a woman whose commitment to human rights is an inspiration to all who have been touched by her. It is a personal pleasure for me, especially today as the world's attention is focused on the Helsinki Final Act and on the need for an active representation for human rights, to pay a special tribute to Ginetta Sagan.

Ginetta is among those who experienced unimaginable pain and suffering, both mentally and physically, in the Fascists' inferno during World War II. The Italian Fascists attempted to kill her soul and her body, but she survived, never to forget the ordeals she endured.

When the Fascist secret police caught her in February 1945, her parents were already long dead at the hands of the Mussolini regime. Day after day, she was subjected to electric shocks, near drownings, and burnings. Worst of all, they tried to destroy her spirit: "you are alone; you are dead for the world; nobody cares about you," her captors often told her.

After 45 days of torture, just before her scheduled execution, Ginetta was saved by a near-miracle. Two German officers arrived, informing the Italians that she was being taken for further questioning. But the officers proved to be anti-Nazi Germans, who drove her to safety with friends in the Italian resistance.

Following the war, Ginetta worked tirelessly in the defense of human rights—for those who have suffered torture in Iran; held without charge in Chile or Cuba or Ethiopia; worked slowly to death in a Soviet gulag. Ginetta has been one of the driving forces behind the phenomenal growth of Amnesty International, the London-based human rights group, in the United States.

One thing must be understood, Ginetta said recently, whether it's a right-wing government or a leftwing one—a concentration camp is a concentration camp, and torture is torture.

Most notably, she turned her attention to the victims of Communist Vietnam's concentration camps, where prisoners are shackled inside of shipping containers for days in their own waste, many dying as the Sun turned the boxes into ovens; others suspended and swung to and from, beaten by guards as they choked on their own vomit and blood.

To further investigate the excesses of the Vietnamese Government, Ginetta formed her own human rights organization, the Aurora Foundation. Using funds from her family and a few close friends, she has undertaken the immense task of detailing the full dimensions of the crimes of the Vietnamese Communists. The Aurora Foundation's investigative work indicates that more than half a million people have passed through the concentration camps; between 25,000 and 40,000 are still there today.

Ten years ago today, President Ford stated after signing the Helsinki Final Act for the United States: "History will judge this conference not by what we say here today, but by what we do tomorrow—not by the promises we make, but by the promises we keep."

In her work and personal commitment to human rights, Ginetta Sagan is a powerful advocate for nations to uphold the promises they have made. Her courageous efforts turn the light of international publicity on outlaw nations so that individuals are not persecuted in the dark. I hope that all Members will join me in saluting her today, for her courage, her perseverance, and most importantly, her compassion.●

THE 10TH ANNIVERSARY OF THE HELSINKI ACCORDS

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. HOYER. Mr. Speaker, August 1, marks the 10th anniversary of the signing in Helsinki, Finland of the Final Act of the Conference on Security and Cooperation in Europe.

This week, Secretary of State Shultz led an American delegation to Helsinki to commemorate the signing of the Final Act 10 years ago.

Although the promise of the Helsinki accords has not been realized in the first decade of their existence, Secretary Shultz points out, "that the goals and principles that we set down here were worth striving for."

I would like to share Secretary Shultz' remarks on the Helsinki accords' 10th anniversary with my colleagues in the belief that we must use the principles set forth to continue to work to bring human rights, cooperation and freedom to all of the peoples and nations of Europe.

SECRETARY OF STATE GEORGE SHULTZ' CSCE 10TH ANNIVERSARY COMMEMORATION ADDRESS, HELSINKI, JULY 30, 1985

Europe, let us not forget, has been divided before, though never so starkly. Vastly different political systems have lived side by side on this continent for hundreds of years. Empires, constitutional monarchies, and dictatorships have stood beside republics and democracies. Religious wars over the centuries, have caused the deaths of countless innocents. And in this century alone, the people of Europe have endured two world wars that ravaged their continent. Only the heroic efforts of the Western democracies and the Soviet Union saved Europe from Hitler's tyranny. Yet Europe has outlived even these times of trouble.

And the modern idea of liberty, since the eighteenth century, has continued to grow and flourish. It has survived all the historic conflicts and divisions of Europe because, even in the dark moments, the aspiration of individuals to speak, think, and travel freely—throughout the continent—was never extinguished. Belief in the rights of man has deep roots in European philosophy and history.

For now, we all live uneasily with the brutal and artificial division of this continent, even as we search for ways to end it. But nothing in human history has proven irreversible.

Perhaps no one here of my generation can confidently expect that the walls and the barbed wire will magically disappear in our lifetime, but surely the division must be altered within the lifetimes of many who are alive today.

And yet there are some things for which we can hope, now: that the idea of liberty in Europe may continue to grow, even in those areas of darkness behind the walls, and that peace may reign over this continent, despite persistent confrontation between East and West. Today competing powers and political values are arrayed against each other in Europe. Their differences may be ultimately irreconcilable. We hope not. But tensions will exist so long as some persist in violating the most funadmental human rights. Yet can we not reduce the threat of armed conflict? Can we not achieve some greater measure of freedom for all Europeans, for all individuals? We, the inheritors of the European spirit, must keep it alive for future generations all across the continent.

These are the hopes that inspired the Helsinki Conference a decade ago. The statesmen at Helsinki understood that the twin goals of peace and greater freedom are intimately connected in Europe. They understood that we owed it to ourselves and to our children to keep the great European tradition alive, even in these difficult times.

Today we mark the tenth anniversary of the Helsinki Final Act. If any single lesson emerges from the history of the Final Act's first ten years, it is precisely that the interests of individual human beings are a fundamental part of security and stability in Europe. Greater security and a more stable peace among our nations depend on greater freedom for the people of Europe.

The Final Act was an expression of the humane European tradition. It affirmed the most basic human rights and fundamental freedoms. It called for a freer flow of information, ideas, and people. It offered the possibility for greater cooperation among states and peoples. It reaffirmed the basic principles of relations among states. And it recognized, it its structure and in its purpose, that security, economic ties, human rights, and contacts among people are all equally important—and related to each other. Peace encompasses the totality of our relations.

In signing the Final Act ten years ago, we recognized as governments that if we were to make progress toward greater security and more stable peace, we would have to go beyond the traditional agenda of govenments. We recognized that our security requirements must extend beyond walls and weapons, that they had to include finding ways to lessen suspicion, reduce obstacles, instill greater confidence, and increase contacts among the peoples of Europe.

And we recognized that these could only be achieved if commitments extended beyond our governments, to engage the hopes, good will, and efforts of our peoples, too.

And in fact, the Helsinki Final Act did engage the attention and enthusiasm of our peoples, because it appealed to all that has bound European civilization together over the centuries, and because it opened the door to a better future. The Final Act described ways to span the gulfs, to break down at least some of the walls that had been put in place since 1945. It offered a definition of our common security that was both comprehensive and precise. It gave the citizens of all participating states the hope that they could develop their full potential and contribute to a better, safer world. But above all it sought to preserve the rights of individuals.

The message of the Final Act was that we can reduce the divisions in Europe, that we can ease the sufferings they have caused, and that we can someday hope to see an undivided peaceful continent, if we are wise enough, practical enough, dedicated enough.

We all knew that it would not be easy to turn our hopes into reality. We knew that our expectations about what could be would have to be tempered by realism that progress might come slowly.

And we knew that, as President Ford said, "History will judge this Conference not by what we say here today, but by what we do tomorrow—not by the promises we make, but by the promises we keep." But we also knew that the goals and principles we set down here were worth striving for.

The genius of the Final Act was that it was not merely an expression of goals and principles; it was also a program of practical steps for turning our hopes into reality. It provided a standard toward which to strive and against which to measure our behavior. Perhaps we shall not soon see the day when all nations meet that standard, but the effort, in and of itself, could lead to a more secure peace, greater individual freedom, and thus a greater fulfillment of Europe's vast potential.

Can we look back over the past ten years and see some limited progress? I believe the answer is yes, though the reality of Europe's division remains. Let us review these past ten years, and, in keeping with the wisdom of the Final Act, let us judge the progress in the most practical, concrete terms. Pious declarations are cheap. Real progress can only be seen in its effect on human beings.

The Final Act has had some practical effect.

Today, journalists travel more easily between our countries. Large numbers of citizens in some East European countries have been reunited with their families in the West. By recalling what had been hoped for and what had seemed possible when the Final Act was signed, our review conferences at Belgrade and Madrid helped keep those hopes and possibilities alive. So, too, our recent meetings in Ottawa and our current negotiations in Stockholm keep our aspirations alive.

These achievements are not negligible. They have pointed the way we must take if we are to put our relations on a better and more stable basis in the future, and if we are to open up the possibility of freedom for all Europeans.

And yet, ten years after the signing of the Final Act, no one can deny the gap between hope and performance. Despite the real value of the Final Act as a standard of conduct, the most important promises of a decade ago have not been kept.

Let's look at the specifics.

In the Final Act, we all committed ourselves to treat in a positive and humanitarian way the applications of persons who wish to be reunited with members of their family. Yet, over the past five years, the number of Soviet citizens of Jewish nation-

ality permitted to emigrate, mainly for family reunification, fell from over 51,000 to 896. The regrettable trend is the same for Soviet citizens of German and Armenian nationality.

There are over twenty cases of American/Soviet marriages in which the Soviet spouse has been denied exit permission two or more times, in spite of specific provisions of the Helsinki Final Act. Yury Balovlenkov, who married an American citizen in 1978, was on a hunger strike from March 25 to July 4 protesting six years of continued denial. He has seen only one of his two daughters and is in terribly weakened health.

The Final Act confirms the right of the individual to know and act upon the provisions of the agreement. Yet the citizens' group set up in Moscow to monitor implementation of the Final Act in the Soviet Union disbanded in September 1982 for fear of further persecution. Here is a group of enthusiastic Soviet citizens who were pleased and proud of the decision of their government to sign the Helsinki Final Act. Yet today, Yuriy Orlov, the group's founder, languishes in remote Siberian exile after seven years in a labor camp. Founding member Anatoly Shcharansky, imprisoned on a false charge in 1977, has completed his term in the notorious Chistopol prison and is now serving out the rest of his thirteen-year sentence in one of the most brutal of Soviet labor camps. Imprisoned group member Anatoly Marchenko, currently serving a twelve-year sentence, has been permitted no correspondence with his family for more than a year. Group member Ivan Kovalyov's health has reportedly deteriorated badly since his transfer to labor camp. His wife and fellow group member Tatyana Osipova recently had her own five-year labor camp sentence extended by two years.

The founder of a peace group in Moscow, Sergei Batovrin, was first harassed, then put in a psychiatric ward, and then, when he persisted in advocating peace the way so many thousands of young people do in other countries, he was thrown out of his native land altogether. Other peace activists have met similar fates, as have those struggling for womens' rights and free trade unions. The founders of a Social Democratic party in Moscow were jailed in January of this year.

On June 14, Bogdan Lis, Adam Michnik, and Wladyslaw Frasyniuk were sentenced in Gdansk to terms ranging from two-and-a-half to three-and-a-half years on charges having nothing ostensibly to do with their real "crime" of leading the fight for free trade unionism—a right recognized in the Concluding Document of the Madrid Review meeting. In the Soviet Union, Vladimir Klebanov's efforts to found a free trade union put him in a psychiatric hospital for four years.

Nor has abuse of psychiatric treatment been limited to trade unionists and peace activists. In the Ukraine, Vladimir Khailo, an Evangelical Baptist, has been interned in psychiatric hospitals since 1980 for his faith and his efforts to emigrate with his wife and fifteen children. He has refused an offer of freedom in exchange for renunciation of his faith.

All who would live an active religious life according to their faith, whether Christian, Jewish, or Muslim, risk harassment, imprisonment, or confinement in psychiatric institutions. Baptists, Ukrainian and Lithuanian Catholics, Russian Orthodox, Seventh Day Adventists, and Pentacostals have all been increasingly subject to repression. Dina Shvedsova, Vasyl Kobrin, Father Alfonsas Svarinskas, Father Gleb Yakunin, Pastor Nikolai Goretoi, and Pastor Viktor Valter are only a few of the Christians currently serving sentences of up to twelve years in prison or exile in the Soviet Union because of their faith. A small community of Pentacostals from the village of Chuguevka in the Soviet Far East has suffered grievously in the past several months. Ten community elders have been sentenced to up to five years in labor camp and the rest fired from their jobs. Six families have been threatened with losing custody of their children.

At least sixteen Jewish cultural activists, including nine teachers of the Hebrew language, have been arrested in the Soviet Union since last July, and many have been convicted on obviously trumped-up criminal charges to three to four years of imprisonment and labor camp. Iosif Berenshtein, currently serving a four-year term, was savagely beaten and stabbed while in prison, and lost most of his vision. Yuly Edelshtein, who is serving a three-year term, is reportedly undergoing repeated beatings in his labor camp in Siberia, as part of an effort "to exorcise his religious fanaticism," according to camp authorities.

Abuzakar Rahimov, a Muslim from Tashkent in Soviet Central Asia, was sentenced to seven years in a strict regime labor camp in 1982 for distributing material about the Islamic faith, including translations from the Koran.

Last year in Czechoslovakia, seven priests and nuns were arrested for "obstructing state supervision over churches and religious orders."

Finally, the man who more than any other represents the ideals enshrined in the Final Act—Andrei Sakharov—remains totally isolated from the outside world—in exile, probably still in Gorky. Even as I speak, he may be in a hospital following his most recent hunger strike on behalf of decent medical treatment for his beloved wife. We have reason to believe he was force-fed to break his hunger strike.

We cannot talk about the Helsinki process without talking about human beings, for they are supposed to be the true beneficiaries of the Helsinki Final Act. The fate of these individuals, moreover, affects the actions of thousands, maybe millions, by showing what happens to those who dare exercise their rights and freedoms.

My country and most other countries represented here remain committed to the goal of putting the program of the Final Act into practice in all of its provisions. We know that hard work and patience are needed. We believe that the truest tests of political intentions are actual steps to improve cooperation among states, to enhance contacts among people, and to strengthen respect for individual rights. The provisions of the Final Act are indivisible. We must see progress in all areas. At next year's Vienna Review conference, we will have a chance to measure that progress again.

We are convinced that the future need not be as bleak as the recent past. As we look ahead toward the next decade of the CSCE process, we should also look back to the kinds of beneficial practical actions we listed then, and measure ourselves against the standards we set.

We have an opportunity at the Stockholm Conference to find concrete ways to increase confidence and security in the military field. The package of specified measures proposed by the Western participants in Stockholm addresses some of the causes of war—miscalculation and misinterpretation. These measures can help ensure that existing forces are never used. They encourage greater openness about military forces and exchanges of information that would increase mutual understanding and reduce the risk of surprise attack. As President Reagan stated in Dublin over a year ago, and more recently in Strasbourg, we are prepared to discuss the principle of non-use of force, a principle to which the United States is committed, if this will bring the Soviet Union to negotiate agreements that give concrete meaning to that principle. A solution should be possible that adds to our security and contributes to peace in Europe, and thereby, ultimately, to a better life for our peoples. We are prepared to move ahead in all areas in Stockholm.

We can contribute to our common security, to a more stable peace, and to the future vitality of European civilization by steps directly affecting people's lives. The freedom of individuals to determine their own destinies is not only a good ultimate objective; it is also a good place to start. Sustained improvements are vital; but concrete steps—to improve emigration, to allow spouses and dual nationals to unite with loved ones, to release human rights activities and religious teachers—these concrete steps are also important.

Each of us has the obligation to press forward wherever we can. One particularly urgent task is to stop the spread of chemical weapons. Too many times in recent years, these weapons have been brutally employed, not only against military forces, but against innocent civilians. The proliferation and use of these weapons represent an ominous warning that long-accepted constraints are breaking down. We must all look to the steps we can take to halt the use of these weapons now, to prevent further proliferation, and to invigorate the effort in Geneva to move towards a verifiable treaty that would genuinely ban these weapons forever.

The United States and the Soviet Union have an opportunity to help build a more secure world in the arms control negotiations currently underway in Geneva.

And in November our leaders will meet to examine the whole spectrum of issues before us. We are ready and willing to seize the opportunity. Let our two countries begin the patient, serious work of resolving problems and reaching agreements of benefit to us both, and to other countries as well.

Steps to reduce weapons and enhance security, steps to enhance economic and other exchanges, and steps to relieve the suffering and enrich the lives of individuals—all these reinforce each other. They are part of the same broad program of security and cooperation enshrined in the Helsinki Final Act. Taken together, they could lead us toward a new era in relations in Europe—one that could bring alive once again the promise of Helsinki and the larger promise of European history.

They are not massive or difficult steps to take. But they are important; they have a larger meaning. They require only courage and political will on the part of all of us.

I have been informed that the House and the Senate of the United States today passed a joint resolution commemorating the tenth anniversary of the signing of the Helsinki Final Act. This resolution expressed the strong support of the Congress for the human rights principles and humanitarian provisions of the Helsinki Final Act, condemned East Bloc violations of the Final Act and other international instruments,

and stressed the inherent link between respect for human rights and the achievement of lasting peace. Concern for human rights is a common value shared by all Americans. This concern reflects the basic principles upon which our nation was founded and by which we live on a daily basis.●

PODHORETZ ON SOVIET TRAFFICKING IN HUMAN BEINGS

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. COURTER. Mr. Speaker, because Marxist-Leninist governments see themselves as the virtual owners of the human "resources" living within their national borders, they make no distinction between emigres and traitors. Both are in some way dissatisfied with the state, and both are therefore taken to be enemies of the state.

Communist bureaucracies deal with requests to emigrate in many different ways. One of the common ones is acceding to the request and charging a bounty in cash. Vietnam made several billion dollars, by some accounts, in the course of arranging the departure of nearly 1 million unwanted ethnic Chinese. East Germany has sold thousands of political prisoners to West German relief organizations. Before American pressures brought about change in 1974, the Soviet Government charged an "education tax" on emigres which was as high as $26,400 for someone holding a doctorate.

Avital Shcharansky, the wife of the imprisoned dissident, now believes that the U.S.S.R. may propose—quietly of course—what would amount to a trade: the 400,000 would-be Jewish emigres for most favored nation tariff privileges from the United States. An account of the interview she gave Norman Podhoretz, the distinguished editor of Commentary magazine, has appeared in the New York Post together with his own remarks, and I recommend the article to my colleagues.

The article follows:

[From the New York Post, July 30, 1985]

CYNICAL SOVIET TRADE IN JEWS

(By Norman Podhoretz)

The other day I received a visit from Avital Shcharansky, whose efforts to free her husband Anatoly from the Gulag to which the Soviet authorities consigned him seven years ago have given a new dimension to the word indefatigable.

This was not the first time Mrs. Shcharansky had come to see me, but this time there was a difference. In previous visits she mainly had appealed for help in getting her husband out of prison. On this occasion, however, her emphasis fell on getting the 400,000 Jews waiting for permission to emigrate out of that larger prison known as the Soviet Union.

Mrs. Shcharansky thinks that a special opportunity to press the issue of Jewish emigration is provided by the meeting this week in Helsinki to commemorate the 10th anniversary of the agreement that was signed there by the Soviet Union, the United States and 33 other nations on Aug. 1, 1975.

More generally, she believes that the Soviets are now in such desperate economic straits that they would be willing to trade 400,000 troublesome Jews for the most-favored-nation (MFN) status to which a liberalized emigration policy might technically qualify them under the Jackson-Vanik Amendment.

Is she right? Are the Soviets now prepared to bargain in the currency of what are for all practical purposes Jewish hostages?

Perhaps. In the reports that have circulated recently of Soviet moves toward the restoration of diplomatic relations with Israel, which were broken off during the Six-Day War of 1967, mention has been made of offers to pay for certain political concessions by Israel with an increase in the number of Jews who would be allowed to emigrate.

Some who follow these matters closely think that the Soviets are also trying to wring political concessions, and not just MFN status, out of the United States in exchange for allowing larger numbers of Jews to leave.

The Soviets have been playing a similar game with the West Germans for some years now, exacting both hard cash and political accommodation for permitting a negotiated quota of East Germans to emigrate to the Federal Republic. Why then should they not try to open up a trade in Jews as well? So many Jews for the return of the Golan Heights to Syria, so many for MFN, so many for the cancellation of Star Wars.

Yet even if the Soviets are now ready to deal in this repulsive fashion, the United States should refuse to go along.

In Helsinki 10 years ago, the Soviets promised, among other things, to allow much freer emigration in exchange for what amounted to recognition by the West of their hegemony over East Europe. In restricting Jewish emigration so harshly (from 51,000 in 1979 to about 900 in 1984), the Soviets are thus brazenly violating the Helsinki accords. Thus too, in offering to exchange a higher emigration quota for economic or political concessions, they are demanding yet another *quid* for a *quo* they have never paid and are at best still unwilling to pay in full.

It is because the Soviets have refused to keep their part of the Helsinki bargain in general that a large group of Soviet dissidents living in exile recently issued a statement calling for its nullification by the West.

Not only, say these exiled dissidents, has the accord failed in its "initial goal" of promoting human rights in the Soviet Union and its East European satellites. It has "failed even to protect the Helsinki monitors" in those countries who have been imprisoned precisely for calling on the Communist authorities to observe its provisions. Among these monitors is Anatoly Shcharansky.

In English prose that touchingly bears the traces of their native Russian, the exiled dissidents go on:

"We tried to persuade Western governments to make release of these people a necessary condition to continue Helsinki process. It was not done in time and the situation is irreversible now. Irreversible are the deaths of imprisoned Helsinki monitors Oleska Tikhy, Valery Marchenko and Yuri Letvin from the Ukraine and Eduard Arutyunyan from Armenia. Irreversible are the many years spent in prisons and labor camps by the founders of the Helsinki Movement Yuri Orlov, Anatoly Shcharansky and other prisoners of conscience."

But the fate of the 400,000 Soviet Jews who have applied for permission to emigrate may not be irreversible. Instead of offering the Soviet Union rewards for letting some of them go—rewards, in other words, for partially keeping commitments for which it has already been exorbitantly paid—the United States ought to be threatening a cancellation of the Helsinki agreement unless the Soviets immediately begin living up to its provisions.

That would mean, as the exiled dissidents say, the release of Shcharansky and the other prisoners of conscience; and, as Avital Shcharansky adds, it would also mean the simultaneous granting of exit visas to the 400,000 Jews wishing to emigrate.

Mrs. Shcharansky thinks that the Soviets would give in to pressure of this kind; the exiled dissidents seem to be more skeptical. But we are not about to find out this week which of them is right. For the brutal and heartbreaking truth is that the chances of an American threat to nullify the Helsinki accord are almost nil.

What is most heartbreaking, however, is that even if such a threat were made, it would be no more credible than the empty threats we have repeatedly made to nullify all the other agreements, from the ABM treaty to the treaty banning the use of chemical weapons, that the Soviets have violated just as brazenly as they have done with the accord whose 10th anniversary is so farcically being celebrated in Helsinki this week. ●

NATIONAL FISH HATCHERY SYSTEM ACT

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. BREAUX. Mr. Speaker, today I am introducing a bill to establish a national fish hatchery system to be administered by the U.S. Fish and Wildlife Service within the Department of the Interior. Mr. YOUNG of Alaska has joined me as a cosponsor of this legislation.

Federal hatchery programs have been in a state of flux for the past several years. A number of facilities have been closed, and others have been proposed for closure by the administration. The type and level of production at many Federal hatcheries have been subject to change by the administration with little or no meaningful consultation with the States and other affected interests. The driving force for these closures and other changes has been the preception on the part of the administration that Federal fish hatchery programs have not necessarily been addressing priority Federal responsibilites. In some cases, I agree. However, I must take exception to the administration's approach to changing

these hatchery programs, an approach in which decisions have been made unilaterally by the Federal Government without a conscientious and open attempt to review alternatives or to involve the States, Indian tribes, environmental community, commercial and recreational fishery interests, or others in the process. Unfortunately, I think that the Congress must share the blame for this confused state of affairs since the Congress has made little effort to provide explicit policy directives for operation and management of federally funded fish hatchery facilities.

As the Members may be aware, the Fish and Wildlife Service currently operates 73 hatchery facilities. In addition, a variety of other agencies, including the Corps of Engineers, the National Marine Fisheries Service, and a number of State fish and wildlife departments either own or operate hatcheries to produce fish for the Federal Government. The legislation that I am introducing today attempts to provide clear congressional guidance for the operation of these many facilities. The bill outlines specific objectives for federally funded fish production activities, and provides a mechanism for the coordinated planning and implementation of these objectives with the active involvement of interested parties.

Mr. Speaker, the legislation I am introducing would identify hatchery responsibilities of the Federal Government in five primary areas: First, mitigation for impacts of Federal water projects; second, restoration of depeleted fish stocks of particular national significance; third, research and development related to fish culture; fourth, recovery of federally listed endangered or threatened species; and five, support for international and Indian treaty responsibilities. In addition, fish production for stocking waters on other Federal and Indian lands would be permitted if such production would not interfere with achievement of the above-mentioned primary responsibilities.

An important feature of the bill involves recovery of fish production costs associated with various objectives. Perhaps the most notable cost recovery aspect is the requirement in the bill that the beneficiaries of Federal projects which produce negative impacts on fishery resources be required to reimburse the costs of mitigating these fishery damages. This is a fiscally responsible approach which assures that those who benefit from Federal water projects have the opportunity to directly contribute to the mitigation of damages resulting from such Federal projects. I believe that this is in keeping with the user pay concept so commonly espoused by the administration.

Mr. Speaker, Mr. YOUNG and I introduced a similar bill in the 98th Congress for discussion purposes. The Subcommittee on Fisheries and Wildlife Conservation and the Environment, which I chair, held a hearing on that bill last fall, and the subcommittee benefited greatly from the many comments we received. Discussions on this legislation have been ongoing with the various agencies and interests since that time, and the bill I am introducing today reflects many long hours of work in revision of that initial legislation. I believe that today's bill includes substantial improvements in our approach to developing a comprehensive Federal fish hatchery policy. I am certain that this bill will generate further needed discussion of the Federal hatchery program, and I am anxious to continue our dialog with all of the various concerned parties as we move forward to provide long-term stability and guidance for Federal fish production activities.●

UNFINISHED BUSINESS

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. GALLO. Mr. Speaker, we all share a sense of satisfaction and relief over the safe return of the remaining 39 passengers of TWA flight 847 after 17 agonizing days of imprisonment. Yet, as we watched our fellow Americans pass unharmed out of the volatile Middle East, we must not lose sight of the unfinished business left behind.

The brutal beating and murder of Navy diver Robert Dean Stethem is a tragic event which will not be forgotten. Over 40 individuals witnessed this savage crime. We must support every reasonable effort to bring the murderers to justice. Moreover, we do not forget that there are still seven Americans—Rev. Benjamin Weir, Rev. Lawrence Jenco, William Buckley, Thomas Sutherland, Peter Kilburn, Terry Anderson, and David Jacobsen held captive in Lebanon.

I support President Reagan's notion which the State Department continues to convey—that Syrian President Hafez Assad and Amal leader Nabih Berri should work as hard to secure the release of the remaining seven Americans as they did, with extensive media attention, to "negotiate," the freedom of the 39 TWA hostages.

Today marks the 32d day that has passed since the release of the TWA hostages. While we must not be deterred from strengthening our efforts to correct past injustices, we can take immediate action to diminish the possibility of future terrorist acts against innocent Americans.

I have cosponsored two pieces of legislation which I believe accomplish these goals. H.R. 2827, the Anti-Hijacking Act of 1985, which has been introduced by my distinguished colleague, Congressman HOWARD, chairman of the Public Works and Transportation Committee, would call for important measures to improve the safety and security of individuals using international aviation.

House Concurrent Resolution 170, which I am an a original cosponsor of, goes beyond the condemnation of the unlawful hijacking and the savage murder of Robert Stethem by confirming the President's policy of not capitulating to international terrorist demands. The resolution introduced by my distinguished colleague, Congressman SILJANDER, also expresses our hope for the safe return of all the American hostages in Lebanon and just compensation for their suffering. In conclusion, the legislation calls for the proper punishment and retribution for the crimes and atrocities committed by the terrorists.

President Reagan must be commended for his swift actions to strengthen security at U.S. airports and aboard American carriers. Among the steps taken by the President which I strongly support are enhancing the Federal Air Marshals Program and new baggage security rules for checked and carry-on items.

International cooperation in combating terrorism is the foundation of a successful preventive security program. A concerted effort must be made throughout the civilized world to send international terrorists and their sponsors a clear message that we will never accede to them.●

SOVIET TECHNOLOGY AND HUMAN RIGHTS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. PORTER. Mr. Speaker, as cochairman of the congressional human rights caucus, I would like to call my colleagues' attention to an article from the Wall Street Journal, titled "Russian Campaign: Moscow's Bid To Close Its Technology Gap Will Test Gorbachev."

In this article, the author, Fredrick Kempe, discusses Soviet difficulties in dealing with the burgeoning computer industry. An initial fear of losing control of information left them far behind. With the ascent of Mikhail Gorbachev, however, a desire to catch up with the West has arisen among the top leaders.

Buying Western technology figures prominently in their plans to modernize. But, as the author notes, the Sovi-

ets are concerned with the negative impact their failure to live up to the Helsinki accords has had on trade relations. And they ought to be concerned. Our message to the Soviets must state that unless they grant their citizens basic human rights—including the right to emigrate and practice their religious beliefs—we will be less likely to assist them in any area, including technological innovation and growth.

The Soviets have recently been suffering from a decline in technological development, and they will continue to look to the United States to help support their continued economic growth. But until the Soviets make progress on the issue of respect for human rights, there is little hope that the United States will ever consider sharing important technological advancements.

At this point, I would like to submit the article for inclusion in the RECORD:

[From the Wall Street Journal, June 6, 1985]

MOSCOW'S BID TO CLOSE ITS TECHNOLOGY GAP WILL TEST GORBACHEV

(By Frederick Kempe)

VIENNA, AUSTRIA.—The computer's birth was the answer to Communist dreams: at last, a giant machine at party headquarters that could refine and guide Soviet central planners' commands.

Then the nightmares began. Entrepreneurs with blood new ideas, a suspect breed in Moscow, became the indispensable fonts of future technologies. Desktop computers replaced mainframe machines, raising questions about how the Soviets could continue to control information with so many potential printing presses around. For a long time, Soviet leaders wondered what to do, and in their wondering fell further behind. The military superpower was becoming a technological also-ran, and that frightened both army and industrial generals.

Now, under their new leader, Mikhail Gorbachev, the Soviets have conceded their inferiority and are combining a novel Western buying strategy with a crash internal development and educational program to try to close the gap.

A TOUGH RACE

"They have awakened to the fact that they have a major challenge on their hands," says Loren Graham of the Massachusetts Institute of Technology. "It is the toughest race they have been in for a long time. The problem is that the terms of competition are against them. They want to have the economic efficiency of the computer without losing control of information."

* * * * *

CENTRAL COMMITTEE ADVICE

A trade group within the Communist Party's central committee recently advised Soviet trade organizations to reduce business with companies that too strictly abide by Western technology restrictions, says Paul Zieber of the Institute for Eastern Markets Research in Hamburg. He says that this isn't an edict and probably won't affect large companies but that it is a general suggestion to avoid such companies "where it is reasonable."

The Soviets are generally skeptical about relying on U.S. companies. Nevertheless, the U.S. and the Soviet Union recently agreed to make it easier to trade between the two countries, and the Politburo has called for a revival of detente. In addition, a U.S. Jewish leader says he was recently contacted by a Soviet diplomat for a meeting about "reducing tension." The Soviets believe Jewish-American unhappiness with greatly reduced Jewish emigration is a major impediment to better relations.

Another part of the Soviet technology campaign is ensuring that contracted Western deliveries won't be interrupted. The Soviets want to avoid another embargo like the one that followed their invasion of Afghanistan. Hence, they increasingly demand that contracts with Western companies include provisions for heavy fines for nonfulfillment of deliveries. During recent U.S.-Soviet trade talks, the Soviets expressly said they wanted guarantees that contracts signed by U.S. companies would be honored.

Moscow also appears to be offering the inducement of more turnkey projects. Such projects—in which the contractor assumes responsibility for all phases of the job—would be less likely to be cut off by Western companies, could provide the Soviets with their own manufacturing capability and would help Moscow overcome local inefficiency that has caused millions of dollars of Western equipment to be wasted.

ERODED CAPABILITY

The third focus of the Soviet campaign is promoting internal technology progress. Increasing numbers of Soviet experts are calling for fewer Western imports. They advocate better education and the establishment of more scientific centers at regional levels to more speedily implement Soviet research findings. According to Philip Hanson, a Soviet technology expert at England's Univeristy of Birmingham, many of these Russians believe that importing Western technology has led to a decline in domestic research and development capabilities.

Radio Moscow's North American service recently said that although 60% of world steel output is made by the continuous casting process, a method developed in the Soviet Union, the Soviets themselves haven't made full use of the technique because of the improper application of inventions.

Moscow also wants to channel more than one million personal computers into education and to retrain "the vast army of teachers and organizers," Pravda said recently. One of the Politburo's first acts under Mr. Gorbachev was to order high schools to start training students in the use of computers beginning next fall.

"We must build a program somewhat like the one we developed to eliminate illiteracy after the October Revolution," A.P. Alexandrov, the president of the Soviet Academy of Sciences, said recently. It is "a program that is probably no less important in today's world."

But the Soviets have much to undo. Statistics that indicate technological progress have declined in recent years, according to Ron Amann, the director of the Center for Russian and East European Studies at the University of Birmingham. The number of new patents registered has been falling, and a recent article in Pravda says that only a third of the new patents are ever used in the economy at all. Another important indicator, the number of prototypes of new machines being put into operation, has been declining for five years at an average annual rate of 1.5% to 2%.

The Soviets face practical barriers as well. The quality of their telephone lines is generally too poor for computer networking, and their centralized economy isn't organized to provide the spare parts or services that any new computer customer needs.

The country also lost 50,000 programmers and data processors between 1972 and 1982, a brain drain caused by emigration to the U.S. and Israel, according to Mr. Hanson, who talked to 20 Soviet programmers now living in the West.

Moreover, the information that can be fed into computers is substandard. Health planners don't have sufficient information about infant mortality. Social planners don't know enough about average life expectancy. And economists complain that even the country's grain output is a state secret.

At the core of the problem is the system itself. The Soviets have indicated they will stop short of selling computers to the public, the only way Western experts believe they can create the intellectual ferment that would prevent the technological gap from increasing. Official publications have said that the Soviets' personal computer, the Agat, is intended for rental instead of sale, a practice that would ensure strict control over who has the machines.

"Every single word processor is a potential printing press," says Mr. Graham of MIT. "The day they accept computers into society is the day they are going to give up censorship."

Soviet central authorities even debate the minutiae of the technological age, such as whether computer games have a role under communism. Academician A. Yershov warned in Pravda that the country must overcome "excessive fascination with games." But Valentin Mikhailovich Ponomaryov, the director of the Leningrad Computer Center, bubbled in a Soviet interview that "games are not the privilege of children alone" and that they "can take away the fatigue one gets from hard work."

SOVIET HOTEL ROOMS

Until the Soviets can sort out their approach at home, their priority is making purchases abroad. They have already made their buying intentions so clear that 26 Western computer and electronics firms have opened offices or are operating out of hotel rooms in the Soviet Union, and twice as many are believed to be waiting. They are partially responding to the easing of restrictions by Cocom, a 15-nation group, including Japan, that monitors members' exports to Communist countries. Since the change, members are allowed to sell the Communists smaller capacity personal computers.

One of the tantalizing carrots being dangled by Moscow is construction of an advanced microcomputer factory in the Soviet Union. During Mr. Gorbachev's visit to Britain in mid-December, Ivan Velikhov, the director of a Soviet electronics company, met with representatives of ICL and other British computer companies.

The U.S. Export Administration Act has prohibited the sale of computer factories to the Soviet Union since 1981, and Cocom regulations would prohibit the turnkey project without unanimous approval of all members. A West European diplomat believes the Soviets know this but approached several Western companies anyway, hoping to divide the West over controls if they couldn't get the plant.

During his visit to England, Mr. Gorbachev warned British businessmen that Washington is their common enemy. "The policy of embargoes and sanctions to which some people resort from time to time is, frankly, aimed not only against the socialist

countries." he said. "It is also intended to weaken competitors, including some in Western Europe."

West European businessmen's complaints are increasing with each Soviet offer of contracts they can't fulfill. They say that they suffer in order to protect technologies that are available through non-Cocom countries, through unscrupulous companies or through countries that enforce the restrictions less strictly, such as Italy and Belgium.

"We are complying to an extent that really hurts," says Heinrich Vogel, the director of Cologne's Institute for Eastern and International Studies, which is sponsored by the West German government. "Many people are increasingly unhappy and fear that the U.S. is drifting into technology imperialism."

A West German executive says the Soviets took a new approach recently when he said he couldn't sell the high-tech energy-recovery gear Moscow wanted. "It is not interesting to me why you cannot sell. It is only of interest that you cannot sell," the businessman paraphrases a Soviet official as replying. The Soviet said he was confident he could find the equipment elsewhere, mentioned competing companies in Finland and Japan and suggested that the West German company's failure to deliver might cause it to lose less sensitive Soviet business.

WORRISOME STATISTICS

West Germans, the Soviets' largest Western trade partner, are particularly worried by statistics that show their exports to the Soviet Union fell by nearly 10% last year. At the same time, the Soviets increased trade with countries that don't have Cocom technology restraints. Austria's exports to the Soviet Union swelled by some 30%.

Concom technology-sale restrictions aren't the only factor in the trade decline, but West German officials fear the Soviets are increasingly picking the least risky supplier possible.

Mr. Vogel believes Soviet efforts to improve trade relations with Washington are aimed less at significantly increasing technology trade with the U.S. and more at removing U.S. barriers to the trade that Europe does with the Soviets.

"The lessons of the last 50 years," he says, "have led the Soviet Union to doubt how reliable a partner the U.S. will be even in the best political circumstances."●

THE EMPLOYEE STOCK OWNERSHIP PLAN IMPROVEMENTS ACT OF 1985

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. ROYBAL. Mr. Speaker, while much attention has been focused on hostile corporate takeover attempts in recent months, a particularly detrimental effect of this takeover mania has received little or no scrutiny by the Congress or the media. It involves the conversion of defined benefit pension plans into employee stock ownership plans [ESOP's] during or after hostile corporate takeover attempts.

This practice is part of a larger, accelerating trend among corporations terminating overfunded pension plans to recapture the excess assets remaining after a plan's liabilities have been satisfied. I introduced "The Plan Termination and Reversion Control Act of 1985"—H.R. 2701—on June 6 to protect employees and retirees from the adverse impact of these terminations. However, the particular dangers inherent in the conversion of pension plans into employee stock ownership plans in the context of hostile takeovers calls for additional legislation.

The problem in question has two principal forms. First, several employers have terminated their pension plans and used a replacement ESOP as a defensive tool to entrench management and fend off a hostile takeover attempt. Second, successful corporate takeovers have been followed by the termination of the target company's overfunded defined benefit pension plan and its replacement by an ESOP.

WHAT IS THE ROLE OF AN ESOP IN A HOSTILE TAKEOVER

ESOP's have become tools in boardroom acquisition strategies. They can be used as a poison pill to discourage hostile takeovers. Typically the corporation solicits proxies from its shareholders seeking to terminate its defined benefit pension plan, recapture excess assets from the terminated plan, and use the reversion of excess assets to buy back company stock and defeat the takeover attempt.

Since the employer will accumulate a large block of its own stock and will no longer have a defined benefit pension plan in place, a successor ESOP is usually created to serve as a reservoir for the repurchases stock and the principal retirement vehicle for workers. A large—if not controlling—block of stock is thus taken off the market—where it could be acquired by parties hostile to current management—and is instead placed in friendly hands, to be voted by plan trustees who are frequently corporate officers as well.

ESOP's are also becoming popular devices for companies which successfully complete a hostile acquisition of a target corporation. Many such takeovers are financed by the assumption of debt obligations. When the target corporation is acquired, some of its assets—or subsidiaries—may be sold to help pay off the debt assumed in the leveraged buy-out. In several recent cases, the target company's overfunded pension plan was terminated, and the reversion used to pay down the acquiring company's debt service.

As before, the target company's workers will now be without a pension plan, so a successor ESOP is often put in its place. Stock purchased during the takeover may be contributed to the plan. In many cases the ESOP uses a bank loan to purchase employer stock and the employer promises to make annual contributions to the plan to the ESOP can pay off the loan. In effect, the employer uses the ESOP as collateral to raise cash, with plan participants bearing the financial burden of the leverage.

HOW ARE WORKERS HARMED?

In both these cases employees and retirees are forced to suffer a loss of retirement income security so that management can manipulate the form of the company's pension arrangements to management's own advantage. Stocks purchased by or for an ESOP during a hostile takeover attempt are typically bought at substantially inflated prices, which usually decline immediately after the completion or failure of the takeover attempt. The loss of benefits and detrimental impact on worker's retirement income security can be severe.

Although ESOP's are regulated under the Employee Retirement Income Security Act of 1974 [ERISA], they were originally intended to encourage stock ownership, corporate participation and capital accumulation by employees. They are generally ill-suited to serve as an employee's sole retirement plan. An ESOP does not guarantee employees a specific benefit at retirement, as does a defined benefit plan. Nor is an ESOP funded by a diversified investment portfolio. ESOP's invest almost entirely in a single stock—the employer's—making workers extremely vulnerable to fluctuations in the stock's market price.

WHY IS CURRENT LAW INSUFFICIENT TO PROTECT WORKER INTERESTS?

Although the purchase of employer stock by an ESOP during a takeover battle represents a clear conflict in interest for plan trustees who are also corporate officials, judicial rules governing such fiduciary decisions are not uniform. Whether the adequate consideration paid for shares purchased by an ESOP may include a control premium—for a controlling block of shares—above their ordinary market trading price is a subject of controversy. Further, current law does not require full voting rights to be passed through to ESOP participants. If plan trustees who are also management officials retain the right to vote ESOP shares, employees are denied the ownership interests ESOP's were meant to create, and the employer can again take advantage of a clear conflict in interest.

HOW DO THE PROVISIONS OF THE BILL ADDRESS THIS ISSUE?

The bill I have introduced today would place the following four limits on the use of ESOP's during hostile takeover attempts:

First, the adoption of an ESOP would be subject to the vote of an absolute majority of employees in addition to any vote of shareholders;

Second, all benefits accrued by workers under the ESOP would have to vest immediately;

Third, voting rights for stock held by the ESOP would have to be passed through to employees, and any unallocated shares would have to be voted by plan trustees in the same proportion as those actually voted by employees; and

Fourth, an ESOP could not be created within 1 year of the termination of a defined benefit pension plan whose participants were workers covered by the new ESOP.

IN CONCLUSION

I urge my colleagues to consider the merits of this legislation, whether or not they have examined the larger questions surrounding the epidemic of hostile takeover activity.

Defined benefit pension plans are being held hostage by corporations threatened with hostile takeovers. Afraid that corporate raiders will mount a successful takeover attempt and use a pension-to-ESOP conversion to help finance the acquisiton, many target companies are inflicting precisely the same harm on their workers by using a pension-to-ESOP conversion as an antitakeover tool.

The Congress must not allow pension plans to continue as pawns in corporate acquisition strategies, nor tolerate the misuse of ESOP's for management purposes. Absent congressional action we will witness the steady erosion of retirement income security for thousands of American workers, and forfeit the integrity of ESOP's as a means to encourage individual capital accumulation and employee ownership.●

GOVERNMENT'S STOCK IN CONRAIL

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. KOSTMAYER. Mr. Speaker, one of the issues that still must be resolved by the House and the Senate is the future of the Federal Government's 85 percent stock interest in Conrail.

A sale of Conrail would have massive implications for Pennsylvania's Eighth Congressional District, and for the entire Commonwealth.

While I respect Transportation Secretary Dole's recommendation on February 8, 1985, that Norfolk Southern Corp. be given the opportunity to purchase the Government's 85 percent share, I cannot support it. This week, I became a cosponsor of a bill introduced by my colleague, Mr. ECKART of Ohio, which would allow a group of investors organized by Morgan Stanley and Co. to purchase the Government's stock interest in Conrail and return it to the private sector as a viable, independent railroad through a series of public offerings.

Mr. Speaker, I believe the Morgan Stanley public ownership proposal offers a number of important advantages over Norfolk Southern's offer:

First, the Morgan Stanley proposal would provide a better financial return to taxpayers. This proposal exceeds the Norfolk Southern offer by approximately $600 million because of the elimination of the tax losses to the Government which would result from a sale to Norfolk Southern.

Second, the Morgan Stanley proposal will preserve rail competition. This is very important to the steel industry as evidenced by the endorsement of the proposal by the American Iron and Steel Institute. I am concerned that facilities such as United States Steel's Fairless Works in my district would be negatively affected by a sale of Conrail to Norfolk Southern because less competition among railroads results in higher shipping costs.

Last, but certainly not least, the Morgan Stanley public sale proposal will provide better treatment for Conrail employees. I believe this proposal more adequately recognizes the significant sacrifices made by Conrail employees in returning the railroad to profitability. As I have already written to Transportation Secretary Dole on January 30, 1985, the disposition of the railroad raises significant economic issues for the region I represent. Philadelphia is the corporate headquarters for Conrail and my district is the home of a key switching yard which handles significant amounts of intermodal traffic. Many of my constituents work at these sites and the futures of these Conrail employees are terribly important to me and to the economy of my district. These employees have overwhelmingly expressed to me their support of the public sale proposal. Last week, members of the Railway Labor Executives' Association representing members of 19 rail labor unions endorsed the Morgan Stanley public sale option.

Mr. Speaker, I do not believe that a public offering of Conrail stock will leave the railroad in a questionable financial posture or recreate the situation which resulted in the bankruptcy of the Penn Central system. I urge my colleagues to support H.R. 2873, the Conrail Public Sale Act of 1985, and return the Federal Government's 85 percent share of stock to the public.

Mr. Speaker, I would like at this time to share with my colleagues the following editorial which appeared in the Bucks County Courier Times on May 17, 1985 on the subject of the Conrail sale.

[From the Bucks County Courier Times (Levittown, PA), May 17, 1985]

CONRAIL DEAL OFF TRACK

If the government truly wants to get out of the railroad business, it ought to get the most for its money.

Transportation Secretary Elizabeth Dole, with the backing of the Reagan administration, wants to sell Conrail, the government-subsidized freight rail line, to the Norfolk Southern Corp., a competing railroad operating out of Norfolk, Va.

Norfolk Southern is offering the government $1.2 billion for Conrail. Critics suggest that's not a fair asking price, but the Reagan administration continues to defend Mrs. Dole's choice. Thus far, the administration has done a poor job of defending that position.

From the Pennsylvania perspective, the sale of Conrail to Norfolk Southern would result in the closing of Conrail's headquarters in Philadelphia, and in Blair County, the line's maintenance yard, triggering both a local loss of jobs and revenue. Furthermore, a Conrail-Norfolk Southern merger would virtually eliminate competition for freight rail business along the East Coast. That would drive smaller lines out of business and drive up freight rail rates.

Finally, the sale of Conrail to Norfolk Southern would result in substantial tax advantages for the combined rail business, which would cost the United States government—and all taxpayers—even more money.

There is an alternative. That's the public sale of Conrail stock by Morgan Stanley & Co., a New York investment group. According to Morgan Stanley and its backers in Congress—including Conrail Chairman L. Stanley Crane and Sen. H. John Heinz, R-Pa.—the proposal would bring in $600 million more in revenues than the Norfolk Southern offer.

Without going into specifics, Mrs. Dole pooh-poohed Morgan Stanley's proposal as "not fundamentally different from some we have reviewed in the past." She went on to say that she thought the Norfolk Southern offer was still the best, though she did not say why.

According to Conrail's Crane, the Morgan Stanley proposal would have several advantages, including a continuation of fair competition for rail freight business, the most jobs and the best profit for the government.

What do Heinz and Crane know that the transportation secretary does not? Perhaps the question is best phrased the other way around. Obviously, the administration is bent on selling Conrail at a bargain-basement price to a rail line that is bound to take advantage of tax breaks to deprive the government of even more money.

If the administration can come up with a reason why it makes better business sense to lose $600 million, jobs and local revenue, now is the time. As matters now stand, the proposed sale of Conrail to Norfolk Southern ought to be derailed.●

A TRIBUTE TO OSCAR DE LA RENTA

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. GARCIA. Mr. Speaker, much is said today about the problems of suc-

cessfully mainstreaming Hispanics into the American way of life. We spend a great deal of time worrying about the high dropout rate of Hispanic students, about quality of education our children receive, about the health and housing of Hispanics, about our immigration problems and about under-representation of Hispanics in government.

The positive influence of Hispanics is not often brought to the forefront, and I think the time has come to point with pride to the many contributions Hispanics are making to American culture and business. The distinguished gentleman I stand to recognize today, Oscar de la Renta, is one example of the singular success stories Hispanics are creating for themselves in America.

When Mr. de la Renta left his home in the Dominican Republic 36 years ago, he planned to become an abstract painter. Instead, he discovered his talent for fashion design, and from the moment of that discovery started to build his extraordinarily successful career. After working in some of the most famous fashion houses of Europe, he came to the United States in 1963. Since that time, he has carved a truly unique niche in the industry as a leader of American fashion design. And although he has risen to the height of his profession, he has not forgotten the role of charity in the quality of life: He is the major patron of an orphanage for 270 children in Santa Domingo, Dominican Republic, and has recently taken into his own home a child found abandoned in the streets of that city.

Studies indicate that one cause for the high rate of high school dropouts among Hispanics is the lack of positive role models. Mr. de la Renta is among those all Hispanics can look to with pride as one who has seen the American dream and made it his own.

This year, during National Hispanic Heritage Week, Mr. de la Renta will participate in the first annual Hispanic Designers Fashion Show and Benefit, an event developed to spotlight the enormous influence Hispanic designers have in shaping the trends of the fashion industry. During that event, he will receive an award, not only for his outstanding achievements as a fashion leader, but for his place as a role model for all Hispanics.

Mr. Speaker, I am proud to add my voice in thanking Mr. de la Renta for his great contributions to the modern American culture.●

GOOD SAMARITANS MARVIN VERSCHURE AND BENJAMIN PAONI CITED FOR THEIR HEROISM

HON. GEORGE C. WORTLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. WORTLEY. Mr. Speaker, each new day brings something new, frequently the unexpected, sometimes opportunities to help another human being.

Last month, Monday, July 15, was a day three of my constituents will long remember.

In morning traffic, William Schultz of Lysander, NY, his seatbelt fastened, was driving east on U.S. Route 690 in his sturdy 1974 Volvo near the Jones Road exit when he braked to a stop in a construction area. Driving a large Buick behind Schultz was Marvin VerSchure of Baldwinsville, NY. As VerSchure approached a rise in the highway, he was unable to see the halted line of cars ahead. He slammed into the rear end of Schultz's Volvo, causing the Volvo to collide with the car in front of it.

Schultz's car burst into flames. Fire spread to VerSchure's car but he was able to escape and go to the aid of Schultz whose shirt and beard were afire.

A worker on the construction site, Benjamin Paoni of Canastota, NY, and VerSchure pulled Schultz, a big man who is six feet four and weighs 250 pounds and then in shock, from his burning car. The rescuers dragged Schultz away to safety from the burning wrecks, smothered the flames burning his clothing and beard and placed him on an embankment to await the arrival of medics.

Schultz sustained burns and a whiplash. The seatbelt probably saved him from suffering more serious injuries. He was treated in a hospital emergency room and released, and is recovering from his injuries.

He has no memory of his rescue and events immediately following his accident. But he will always remember the Good Samaritans who saved his life.

Mr. Speaker, on Saturday, August 17, during the forthcoming recess, I will have the privilege of participating in a ceremony to honor the two heroes, Marvin VerSchure and Benjamin Paoni. The ceremony is being sponsored by the Vietnam Veterans of America, Central New York Chapter 103, of which William Schultz is a member.

With pride, I commend the deeds of these brave constituents of mine to the attention of our colleagues in the Congress of the United States.●

WARREN BROOKES OUTLINES WHY INTEREST RATES ARE HIGHER THAN THEY NEED BE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. KEMP. Mr. Speaker, this article by Warren Brookes is one of the best and most persuasive arguments for a fresh look at monetary policy as a key to the interest rate dilemma.

It is must reading for Members who question how interest rates can be so high when inflation is so low.

Mr. Speaker, we owe Mr. Brookes, a debt of gratitude for his lucid style and remarkable insights into this complex issue.

WHAT'S KEEPING THOSE INTEREST RATES HIGH?

(By Warren Brookes)

With inflation rates now at mid-1960s levels of 1-3 percent, Americans are entitled to wonder why mortgages are still at 12 percent, and consumer loans at 18-21 percent.

Or why it is that when the interest rates banks pay for money (certificates of deposit—CDs) have fallen nearly 35 percent in the last eight months, the average loan rates banks are charging have fallen less than 15 percent?

The answers to these thorny questions are at the heart of the chasmic rupture that finally broke into the open June 20, between Federal Reserve Chairman Paul Volcker and Reagan-appointed Vice Chairman Preston Martin.

Superficially, the dispute was over Mr. Martin's curious decision to "go public" with his support for "a new look" at the way we are now handling the international debt crisis, and, by inference, his gentle knocking of the present "crisis management" approach of Mr. Volcker and the International Monetary Fund.

But the dispute is more fundamental: Mr. Martin (along with most classic free-market economists) believes the money and banking system exist to serve the economy—while Mr. Volcker and the Fed bureaucracy believe the economy must be manipulated to preserve the soundness of the money and banking system.

One sees money as merely a medium of exchange, a purely technical instrument to improve the efficiency of the real market for goods and services—the other sees it as the fundamental lever by which the economy is to be controlled—by banks.

Mr. Martin knows from firsthand experience that under Paul Volcker the U.S. economy has been made more fully hostage to the banking system than at any time in its history. Just read the minutes of the Fed's 1984 Open Market Committee (FOMC) meetings, when the board deliberately pushed the economy back toward the brink of recession.

For example, back on Aug. 21, 1984, with the recovery already showing signs of serious faltering because of the Fed's excessive tightening, "some members continue[d] to view the risks mainly in the direction of more rapid expansion . . .," and they voted to keep interest rates high deliberately to hold the recovery down.

On October 2, 1984, with the economy demonstrably falling flat on its face, the FOMC worried that "appreciably lesser restraint [of credit] might well induce a sharp decline in interest rates . . . and an unsustainably strong rebound in economic activity."

The net result of this kind of secret economic policy-making by unelected and unaccountable central bankers has been a combination of excessively high real interest rates and an excessively strong dollar, whose unprecedented 67 percent rise under Mr. Volcker was at least in part engineered to help debtor-nations compete more favorably against U.S. producers, and pay off their bad debts to the big banks at the expense of U.S. workers and farmers.

It is no coincidence that the moment Mr. Martin chose to speak out, Mr. Volcker was in Tokyo where, under his leadership, the Group of 10 nations gave their ringing continued endorsement to the present floating rate exchange system. This system has been in existence since 1971-72 when the Nixon administration abandoned the Bretton Woods Agreement which had kept the world's money and banking system on a loose tether to gold since 1945.

That decision wiped out money's final connection to real goods and services through gold, and made it necessary for the Fed to attempt to give paper money the value it doesn't intrinsically have, by periodic bouts of scarcity and tight money recessions.

The overall effects of the 1970's worldwide drift to fiat money controlled by central banks were both disastrously obvious (soaring inflation and interest rates) and institutionally dangerous, as the power and focus of the world economy shifted from goods producers to money manipulators, i.e. central bankers.

No wonder that even as industrial productivity and profitability began to sputter, the paper profitability of the nation's and the world's banking systems began to soar, even in the midst of more and more problems of credit-worthiness.

The primary focus of the Fed is not, after all, the economy's health, but banking profitability. And with its ascendancy over the last 15 years, not only have interest rates soared to unprecedented levels but the "spread" between the rate at which banks borrow money from us and the rate at which they lend it rose 300 percent, from 80 basis points (0.8 percentage points) in the mid-1960s to 340 basis points (3.4 percentage points) in the 1980s.

As a result, the financial industry's share of total profits in the U.S. economy has increased nearly 30 percent, while at the same time, through the so-called deregulation of 1980, the Federal Reserve banking system's share of financial profits has tripled.

Last month, Citicorp, Manufacturers Hanover, and Mellon Bank reported huge first-half profit increases of 23 to 51 percent, when most major industrial firms (like IBM) were reporting declines.

This is why the greatest impediment to monetary reform, (making money subordinate to economic policy, instead of its governing instrument), is the Fed, and its big-bank members.●

THE FEDERAL COUNCIL ON THE AGING

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. JEFFORDS. Mr. Speaker, today I am introducing legislation to amend the authority for the Federal Council on the Aging. This bill would restore prior law under which the entire membership of the Federal Council on the Aging was appointed by the President with the advice and consent of the Senate and, thereby, avoid a possible constitutional conflict over the appointment of the membership of this Council.

Since 1974, the Federal Council on the Aging has functioned as a 15-member body whose members serve staggered 3-year terms. The duties of the Council are to:

First, advise and assist the President on matters relating to the special needs of older Americans;

Second, review and evaluate, on a continuing basis, Federal policies regarding the aging and programs and other activities affecting the aging conducted or assisted by all Federal departments and agencies for the purpose of appraising their value and their impact on the lives of older Americans;

Third, serve as a spokesman on behalf of older Americans by making recommendations to the President, to the Secretary, the Commissioner, and to the Congress with respect to Federal policies regarding the aging and federally conducted or assisted programs and other activities relating to or affecting them;

Fourth, inform the public about the problems and needs of the aging by collecting and disseminating information, conducting or commissioning studies and publishing the results thereof, and by issuing publications and reports; and

Fifth, provide public forums for discussing and publicizing the problems and needs of the aging and obtaining information relating thereto by conducting public hearings, and by conducting or sponsoring conferences, workshops, and other such meetings.

The Council also submits reports to the President, who must transmit the reports to Congress with his comments and recommendations under section 204(f) of the Older Americans Act.

Section 204 of the Older Americans Act of 1984-(Public Law 98-459—however, changed the procedure for appointing members to the Council. The new procedure provides for the appointment of one-third of the Council membership by the President, one-third by the Speaker of the House of Representatives, and one-third by the President pro tempore of the Senate. In addition, Senate confirmation is no longer required. I believe this new procedure may raise some difficult constitutional issues.

Upon signing the Older Americans Act Amendments of 1984 into law, President Reagan stated:

> But in signing this important piece of legislation, I must note my strong constitutional reservations regarding the provisions that give the President pro tempore of the Senate and Speaker of the House the power to appoint two-thirds of the members of the Federal Council on the Aging. Under this legislation, the Council clearly remains within the executive branch. Under the Constitution, therefore, members of the Council should not be appointed by officers of the Congress. And, accordingly, I strongly urge the Congress to enact legislation to repeal these new appointment provisions before June 5, 1985.

Pursuant to the terms of the Older Americans Act, the Council assists, gives advice and reports to the President. Such activities have been held by the courts to be purely executive functions, and thus should not appropriately be performed by persons appointed by officers of Congress. The appointment of members of the Council by officers of the Congress, therefore, may conflict with the Appointments Clause of the Constitution—article II, section 2.

It should be noted that one individual has been appointed to Council membership under the congressional appointment authorities contained in the 1984 amendments to the Older Americans Act. While the bill that I am introducing today would nullify that individual's appointment, I have been assured by the White House Congressional Liaison Office that the Council member in question will be reappointed by the President.

I urge my colleagues to cosponsor this measure that is designed to restore prior law under which the Council successfully operated for 10 years, and eliminate any questions as to the constitutionality of the methods of appointment of members to serve on this important body.●

THE UPWARD BOUND PROGRAM AT CASE WESTERN RESERVE UNIVERSITY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. STOKES. Mr. Speaker, I would like to share with my colleagues some information on the Upward Bound Program at Case Western Reserve University in Cleveland, OH.

The program at Case Western Reserve University is part of the Federal program funded through the U.S. Department of Education. For 20 years, Upward Bound, through academic in-

struction and counseling, has provided incentive and assistance to disadvantaged students who are interested in attending college. Students in the program are from low-income families. In many of the families, neither parent attended college. Therefore, Mr. Speaker, the Upward Bound Program gives its students the motivation and support they might need to succeed. Without reservation, the Upward Bound Program has been successful.

Mr. Speaker, the program at Case Western Reserve University has been a model program. Since the program was initiated at Case Western Reserve University in 1966, the college placement rate of Upward Bound students has been 100 percent. The college graduation rate of its alumni is 98 percent.

I am pleased, today, to salute the Upward Bound Program and particularly to honor the staff and students associated in the Upward Bound Program at Case Western Reserve University. At this time, I would like to insert for the RECORD an article which appeared in the Cleveland Plain Dealer on the Upward Bound Program at Case Western Reserve University.

[From the Plain Dealer, July 19, 1985]

TEENS BOUND TO SUCCEED—PROGRAM GIVES EXTRA PUSH TOWARD COLLEGE ADMISSIONS

(By John Alden)

Steve Waite, a 1985 graduate of John F. Kennedy High School and president of the Upward Bound Program at Case Western Reserve University, spoke with pride about where he would be going to college next year.

"That's right," he said, "Oberlin College, the first school to admit women and blacks in the country."

This truth seemed important to him, seemed to give his goals an indentity, give all his work in the Cleveland schools and Upward Bound a touch of gilt trim. You could see a seriousness in his eyes, hear it in his voice, and tell it even from where he was sitting, on a couch in a dormitory at CWRU.

While other Cleveland 17-year-olds were out looking for fun or trouble, Steve was sitting in a stuffy dormitory room, talking about Upward Bound, a program that has him working eight hours a day, five days a week, on his future. He is attending college-level classes in physics, chemistry and natural sciences in preparation for a career in medicine.

The program's purpose is to give Steve and other Cleveland-area pupils an extra push, an extra bit of preparation, to help them get into the colleges they want. He said the program had extended his education beyond what he could have learned in public school. He is ready for college, he said.

"I have concepts in college physics," he said, "and it's like wracking my brain, so I know I'll be ready."

Upward Bound is a federal program funded by the U.S. Department of Education to enrich the education of students who show promise and desire to go to college. The program, more than 20 years old, mandates that two-thirds of its students must come from low-income families and families where neither parent went to college. The remaining third of the students must meet one of the other of the requirements, but not necessarily both.

The program is one of the few in the country to specialize in health sciences. Carrie Johnson is director of the program at CWRU. She said the 118 students from grades 9 throught 12 from Cleveland, Warrensville Heights, East Cleveland and Shaker Heights represented the most serious, goal-oriented students in the area. They have to be, she said, because the program demands a lot.

"It's not for everybody," Johnson said. "It's for someone who wants to learn, one who wants to go to college and get an education. That kind of kid will go far here." Last year, more than 400 applied for only 38 openings in the program. Students must have at least a C average even to be considered.

The program has two parts, the summer program on the CWRU campus and the school-year program at each student's high school. The summer program began June 23 and will last until Aug. 2. During this time, the pupils live in Tippit House at CWRU, except on weekends. In the mornings, they attend classes just like college students. In the afternoons, Johnson said, most students have paid internships at the Cleveland Clinic, Rainbow Babies' and Children's Hospital, the Cleveland Veterans Hospital or other medical institutions near University Circle.

The students are graded for their classwork, take mid-term and final examinations and must carry at least a C average to remain in the program.

During the school year, the students participate in after-school tutoring and counseling four days a week.

In addition, every Saturday morning they take three hours of extra schoolwork at their high schools. Throughout the process, counselors are always available to help with students' academic, social and personal problems. The students also go on field trips and cultural events such as plays and concerts.

Teachers for the summer program are provided from various sources, including Cleveland public schools, CWRU and the Ohio College of Podiatric Medicine. The teachers instruct pupils at the grade level they will be entering in the fall.

Selina Louie, a ninth-grader at the Cleveland School of Science said, "When I go to school again in September, I'll feel stronger, because I'll have an introduction to what I want to take."

And it's that feeling of control Johnson said, that makes the pupils try harder, try to get that edge, try to see what's ahead of them and not just the vagaries of being a teen-ager in Cleveland. It gives them a sense of pride, a taste of success, a willingness to accept challenges.

You cannot argue with success. Since the program was inaugurated in 1966, it has had a college placement rate of 100 percent. And once there, 98 pecent of the alumni have graduated in four years.

"I have them believing," Johnson said, "and I believe it, too. They're a special group of people.●

A CONGRESSIONAL TRIBUTE TO DOROTHY AND ALLAN JONAS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. ANDERSON. Mr. Speaker, I rise to pay tribute to two dear friends of mine, Dorothy and Allan Jonas, on the occasion of their 25th wedding anniversary. It is not ususual to celebrate a 25th anniversary, however, this anniversary is a celebration of true achievement.

Twenty-five years ago, these two people brought their families together, and united these two families have made a tremendous difference in the quality of the world in which we live. I must say that I am truly proud to know and be associated with these two giants for more than these 25 years.

Although no statement can adequately relate the remarkable achievements of these two people, I shall attempt to do just that. For purposes of clarity, I will describe their accomplishments separately. However, it must be understood that these two people have been equal partners and participants in each others activities.

A graduate of the Wharton School of Finance, and a torpedo officer in World War II, Allan Jonas moved to California in 1948. Allan has been a pioneer real estate developer, and he owns and operates his own company, Jonas & Associates, and is a general partner of Kibel, Jonas & Associates. He is a cofounder of the American Industrial Real Estate Association of Los Angeles, an organization designed to raise standards in that field. In addition to his tremendous achievements in business, Allan has taken the time to share his skills with young people. He created a course outline to assist young real estate specialists in the industrial area, which serves as the basis for a course at UCLA's Extension Program, for which he has served as both instructor and lecturer.

Although Allan's achievements in business are extremely impressive, his achievements in community and civic service have been extraordinary. For the past 30 years, Allan has devoted a great deal of time and expertise to civic and community entities. Allan's most devoted voluntary service has been with the American Cancer Society. He has served as the chairman of their national board of directors, as well as in a variety of other positions, traveling throughout the United States and the world working to seek a means to control cancer. In 1977, Allan toured the People's Republic of China at the request of its Government to exchange information with Chinese doctors and health officials on cancer research and tobacco abuse. Annually,

the American Cancer Society presents the Allan K. Jonas Lifetime Achievement Award at its annual banquet to the civic leader who has demonstrated a commitment to the volunteer sector.

Allan's wife Dorothy has shared in all of their accomplishments. Through the years, in spite of her vast personal achievements, she has remained extremely humble. However, I should like to mention just a few of the activities in which her devoted work has enhanced the quality of many lives. Dorothy has worked with the League of Women Voters, and has served as chair of the California Commission on the Status of Women; president of the advisory board of the rape treatment center at Santa Monica Hospital; chair of the education fund of the Los Angeles NOW Chapter; and founder and coordinator of the Los Angeles Women's Leadership Network. This short list of activities is hardly sufficient to reflect the extraordinary achievements of this truly remarkable woman.

It is with great pride that my wife, Lee, joins me in this celebration and tribute to this unusual couple who have given so much to us all. Our wishes are that they will continue for many years to give each other the happiness and fulfillment that they have given to so many. We also wish their family—Tony, Janet, Andy, Sheila, Bonnie, Doug, Larry, Sandra, Michelle, Amanda, Heather, Melinda and Scott—all the best in the years ahead.●

CURRENT ISSUE OF ARMED FORCES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. LAGOMARSINO. Mr. Speaker, I wish to bring to the attention of my colleagues an article in the current issue of Armed Forces Journal which recounts the dramatic success of two former members of the Delta Force unit in helping to prevent the overthrow of President Suazo of Honduras. As you know, Delta Force is the Pentagon's elite counterterrorist unit. The two former Delta Force personnel played pivotal roles in uncovering the plot against President Suazo as well as uncovering the evidence on an international drug-trafficking ring operating to finance the overthrow plot. These two individuals, retired Army Col. Charles Beckwith and retired Army Maj. Charles D. Odorizzi deserve tremendous credit and praise for their courage and for the effectiveness of their operation:

[From Armed Forces Journal International/ August 1985]

TWO DELTA FORCE VETERANS LED FBI BUST OF ASSASSINATION/DRUG RING

(By Benjamin F. Schemmer)

Two former members of "Delta Force," the Pentagon's elite counterterrorist unit, played pivotal roles in an FBI undercover operation that thwarted a massive, drug-financed plot to assassinate the President of Honduras last fall and overthrow his government.

The operation resulted in the seizure of 660 pounds of pure cocaine worth about $96 million on the street. The drugs were to help finance the coup d'état and pay off the "hit team," which one of the Delta Force veterans, retired Army Maj. Charles D. Odorizzi, was recruited to lead.

The operation yielded the most convincing "hard evidence" the United States has yet obtained directly linking international terrorism and large-scale drug trafficking. Heretofore, the US has not been able to publicly demonstrate that connection persuasively or show hard evidence of it to foreign governments whose help it needs to interdict the flow of narcotics.

The second Delta Force member involved was retired Army Col. Charles A. Beckwith, who created the unit and led it on the 1980 Iranian hostage rescue attempt. Odorizzi was in the unit during its formative years and retired in 1979. Heretofore, Odorizzi and Beckwith had been identified by the FBI only as "a private citizen," in Odorizzi's case, and "an informer" who told FBI agents in July of 1984 that he had just been asked to assassinate the President of Honduras. The two have been partners in a Texas-based security consulting firm, S.A.S. of Texas, Ltd.

Beckwith's and Odorizzi's identities had been carefully protected until the *Miami Herald* revealed their roles on January 10th, the day after a 33-count indictment against the 10 conspirators was entered in U.S. District Court in Miami, where the assassination and coup d'état were planned. Odorizzi was identified in the indictment only as "Jack," described as a "private citizen" who assisted an FBI undercover agent and the Bureau "during the course of the investigation." The 27-page indictment noted that Odorizzi met with the drug dealers behind the assassination plot at least 13 times between July 21st, 1984, and the time they were arrested last November 1st. One of the Assistant U.S. Attorneys prosecuting the case, Michael Runowicz, told *AFJ* that Odorizzi enticed the plotters to meet him in hotel rooms or on a yacht where their conversations could be recorded by the FBI. He said there are videotapes of several of the more "colorful" meetings in which Odorizzi was "persuaded" top handle the assassination.

Asked more about Odorizzi's role in the case, Runowicz told *AFJ*, "Chuck was magnificent; he assisted in the investigation of this operation at *tremendous* personal sacrifice." Runowicz said Odorizzi "volunteered. There was no arrangement [for him to work as a] paid informer—no payment."

Odorizzi has been reimbursed for his out-of-pocket expenses and, since the arrests, has earned the standard federal fee of $30 a day for the times he has testified before grand juries. Stanley Marcus, the U.S. Attorney for the Southern District of Florida, presented Odorizzi a U.S. Attorney's "Outstanding Law Enforcement Officer" award on July 18th, even though Odorizzi is not a law enforcement officer.

In addition to 300 kilos of cocaine, DEA, FBI, Customs, and Coast Guard personnel seized "in excess of 40,000 pounds of marijuana" during the operation, hundreds of thousands of dollars in cash, two aircraft and two ships used to smuggle other shipments or that were to be used during the assassination and coup d'état. The defendants had arranged to supply Odorizzi and an FBI undercover agent, "Carlos," with "submachine guns with silencers," "infrared aiming devices," "night vision goggles," "explosives," "aircraft," and "any other weapons and vehicles necessary to carry out the assassination of President Robert Suazo-Cordova," according to the indictment.

Elected in November of 1981, Suazo is the first democratically elected leader of Honduras in more than a decade. He became President in January of 1982 and is generally considered the "US' staunchest ally" in Central America. The US informed Suazo of the assassination plot soon after Beckwith and Odorizzi contacted federal authorities.

A key figure in the conspiracy was former Honduran Chief of Staff Maj. Gen. José Bueso-Rosa. He was ousted in March of 1984 in a shake-up of Honduras' military hierarchy and, while the assassination and coup were being plotted, was posted as Honduras' military attaché in Chile. The United States has requested his extradition. Newspaper reports say the request has been denied, but Runowicz told *AFJ* there "has been no official word of that." Bueso is charged with traveling to Miami several times to meet with Odorizzi to plot his government's overthrow.

The five-month-long FBI undercover operation tracked drug shipments involved in the plot into Florida, Tennessee, and Louisiana from at least six countries—Colombia, Panama, Belize, Haiti, Honduras, and Mexico. The indictment charges the defendants with racketeering, attempt to murder, conspiracy, and a host of drug-trafficking offenses; the first two go to trial August 26th.

The roles played by Odorizzi and Beckwith were so tightly held until the *Miami Herald* story broke that, *AFJ* has learned, not even the most senior Members of the Senate Intelligence Committee were told how the FBI broke the case. Because of its international and intelligence implications, the Committee's chairman and cochairman would normally be briefed on such an operation.

Until now, Odorizzi and Beckwith have declined comment on the case. Beckwith told *AFJ*, "Odorizzi did all the work. He's the one who deserves the thanks—him and the FBI. He can tell you, [the FBI] ran a textbook operation." Odorizzi told *AFJ* that he'd "just as soon not say anything until the trials are over."●

DAY OF COMMEMORATION FOR SENATOR JOHN C. STENNIS

HON. WAYNE DOWDY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. DOWDY of Mississippi. Mr. Speaker, I would like to bring to the attention of my colleagues a special day of commemoration for one of Mississippi's best known and most respected statesmen, Senator JOHN C. STEN-

NIS. On Saturday, August 3, the people of Senator STENNIS' hometown, DeKalb, MS, will host a day-long tribute to the Senator for his great service to Mississippi and to our Nation.

We in Mississippi have always been proud of Senator STENNIS for his distinguished and consistent leadership, his tenacity in the face of adversity, and his statesmanship in the Halls of the U.S. Congress. I personally have great admiration and regard for Senator STENNIS for his help and advice when I entered the public service. But we in Mississippi no longer have sole claim to the Senator. His long tenure and dedicated service to our country have made him equally special to citizens all across the Nation. He has been a trusted adviser to eight Presidents during his 38 years as a U.S. Senator. His work and outstanding career have gained him great respect and admiration from those who have served with him and those who have known him.

Yet, despite his many years in Washington, Senator STENNIS has never neglected nor forgotten his old friends and neighbors. He has always relied on them for support and advice. That his hometown neighbors are sponsoring this special day is a tribute to that fact.

On Saturday I will be in DeKalb, along with many of his friends and colleagues from around the country, to honor Senator JOHN C. STENNIS. I know my colleagues here join me in extending best wishes to this man who has served our Nation so well.●

A TRIBUTE TO CALVIN W. ROLARK

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. FAUNTROY. Mr. Speaker, I rise today on behalf of Calvin W. Rolark, a constituent of the District of Columbia, who deserves to be recognized for his distinguished record of public service to our community.

Calvin W. Rolark is the founder and president of the United Black Fund [UBF], an organization that for 16 years has provided financial support to numerous educational, social, health, and community programs throughout the metropolitan area. Under his capable leadership, the UBF has met the needs of thousands of youth, senior citizens, disabled persons, and others with special needs.

Mr. Rolark is also the editor and publisher of the Washington Informer newspaper and hosts the radio talk show, "Sound-Off" on WYCB-AM. In addition, he serves on the Mayor's committee for the handicapped, the Anacostia Economic Development Corp., the Board of the District of Columbia Development Corp., and is cochairman of the police chief's advisory council.

On Saturday, August 10, 1985, at the Bible Way Church, the Shaw Community Center Food Committee will present Mr. Rolark with the "1985 Humanitarian of the Year" award at their annual prayer breakfast. It is an honor well deserved and one given to an individual who has dedicated his life to helping the poor and disadvantaged.

As a member of the Shaw Community Center Food Committee, I am pleased to salute Calvin W. Rolark for his many contributions to the Washington community.●

LEGISLATION TO AMEND SECTION 607 OF THE MERCHANT MARINE ACT OF 1936

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. BIAGGI. Mr. Speaker, I am introducing legislation today to ensure that the Government's interest is protected when a change in control occurs in a U.S. corporation that has established a Capital Construction Fund [CCF] under the Merchant Marine Act of 1936. The chairman of the Merchant Marine and Fisheries Committee, WALTER JONES, and the ranking member of the committee, NORMAN LENT, join me in introducing this legislation.

The Capital Construction Fund was established in 1970 to promote the replacement and acquisition of U.S.-built vessels for the U.S. Merchant Marine. A company that contracts with the Government to set up a CCF deposits earnings into a tax-deferred CCF account. The money accumulated in the account must then be used to purchase U.S.-built vessels that are registered under the laws of the United States.

The legislation introduced today protects the Government's interest in seeing that the purposes of the CCF Program are not undermined when a corporate takeover occurs. As a tax-deferral program, the Government has a strong interest in ensuring that a CCF is used for the promotional purpose of replacing U.S. vessels and is not used as a source of readily available cash for a new management group.

This legislation requires the Secretary of Transportation to hold a hearing if the Secretary believes that the change in control of a corporation owning a CCF is contrary to the public interest. If, as a result of the hearing, the Secretary determines that the change in control is contrary to the public interest and will be used to loot the CCF, the Secretary may terminate the agreement. Moreover, even if the Secretary does terminate the agreement, if a nonqualified withdrawal—a withdrawal for purposes other than those qualified for tax deferral—occurs within 3 years after the takeover, another hearing shall be held to determine if the withdrawal is contrary to the public interest. If so, the CCF agreement must be terminated. When a CCF agreement is terminated by the Secretary, a penalty is imposed on the corporation. The penalty is a maximum of 50 percent of the withdrawal, net of taxes and interest imposed by other provisions of the CCF program.

I believe this legislation is necessary to deter targeting a corporation because it owns a valuable CCF account. At the present time a takeover of one of the U.S. largest and most profitable shipping companies is in progress. There is reason to suspect that a significant factor in this takeover attempt is the target corporation's CCF. A Government-sponsored and regulated promotional program should not act as an incentive to raid a corporation in order to drain its CCF account. Under this legislation, a full and fair hearing is required to protect the Government's interest in ensuring that the CCF Program is used for the proper purposes.

I believe that timely action on this legislation is necessary, and I urge my colleagues to join me and the cosponsors in supporting this legislation.

The text of the bill follows:

That section 607(i) of the Merchant Marine Act, 1936 (46 App. U.S.C. 1177(i)) is amended—

(1) by inserting "(1)" immediately before "Under";

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively; and

(3) by adding at the end of the subsection the following:

"(2)(A) For purposes of this paragraph, the term 'control' means the power, directly or indirectly, to direct the management or policies of a corporation.

"(B) The existence of control of a corporation and of a change in control of a corporation that is contrary to the public interest is determined by the Secretary. The Secretary is not required to consider minimum stock ownership in making that determination. Any director of the corporation in office before a change in control may request that the Secretary implement the provisions of subparagraph (C) of this paragraph. The Secretary has sole discretion to implement subparagraph (C). Trusts or other similar arrangements established or used to circumvent the purposes of this section are part of a change in control that is contrary to the public interest.

"(C) Notwithstanding another law, if a change in control contrary to the public interest occurs after July 31, 1985 in a corporation that has entered into an agreement under this section, the Secretary shall hold a hearing on the record to determine if the change in control is consistent with the purposes of the agreement (as provided in sub-

section (a) of this section) or with the purposes of this Act. The provisions of title 5, United States Code apply to the hearing.

"(D) If the Secretary determines, as a result of the hearing, that the change in control is not consistent with the purpose of the agreement or with the purposes of this Act, the Secretary may terminate the agreement.

"(E) Notwithstanding the provisions of subparagraph (D) of this paragraph, if a nonqualified withdrawal under subsection (h) of this section is made or requested within three years after the date on which the change in control occurs, the Secretary shall hold a hearing under the provisions of subparagraph (C) of this paragraph.

"(F) If the Secretary determines, as a result of the hearing, that the nonqualified withdrawal is not consistent with the purpose of the agreement of with the purposes of this Act, the Secretary shall terminate the agreement.

"(G) If the Secretary terminates an agreement under subparagraphs (D) or (F) of this paragraph, a penalty of not more than 50 percent of the amount of the net nonqualified withdrawal after calculation of taxes and interest shall be imposed. This penalty is in addition to any taxes and interest that may otherwise be applicable under this section.".●

THE 20TH ANNIVERSARY OF VISTA

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. HAWKINS. Mr. Speaker, throughout the United States there are over 2,400 volunteers working full time to help the poor help themselves. They are working in inner city ghettos, in rural Appalachia, in decaying neighborhoods and in isolated underserved areas of the United States. Quietly and without fanfare, they are finding jobs for underemployed and unemployed teenagers and single heads of households; they are recruiting and training hundreds of neighborhood residents to tutor illiterate adults; they are developing shelters for the homeless; and they are forming food pantries for the hungry.

Today's VISTA volunteers are not all cut from one mold. They come in all sizes and ages. Their backgrounds are as diverse as the communities to which they are assigned. Today's VISTA volunteer may be a welfare mother active in her community and willing to commit a year of her time and energy to help her peers. He or she may be a retired teacher or carpenter, looking for a new challenge. Or, he may be an unemployed factory worker who needs to make a career change. Today's VISTA volunteers usually serve in their home communities, where their knowledge of local needs and problems makes them especially valuable.

So VISTA has evolved over the last two decades. The program continues to serve poor people, but it also attracts as volunteers many poor people. A year of VISTA service at a local nonprofit organization can provide much needed work experience and training for an underprivileged individual. Many volunteers go on to paid staff positions at the nonprofit agency where they worked. Others find related jobs at social service agencies, where they can use the skills and expertise acquired in VISTA.

However, I am disturbed that neither VISTA or its parent agency, ACTION, is conducting any recruitment or public awareness efforts to attract persons with the broadest range of skills and experience to serve in the program. The current administration has limited opportunities for VISTA service to the local communities in which the applicant resides. In my view, ACTION's current policy is penalizing the poorest and neediest populations and denying many citizens the opportunity to serve the poor of this nation as VISTA volunteers.

So often, the poorest communities such as those in my district in south central Los Angeles are the least able to find individuals within the community who are willing to serve as VISTA volunteers and have the skills and resources essential to helping in the fight against poverty. These communities would greatly benefit from VISTA volunteers coming into the community from outside and working with local residents to find solutions to problems such as decaying neighborhoods, homelessness, unemployment, crime, drugs, inadequate health facilities, gang violence, dropouts and illiteracy.

Despite this administration's efforts to dismantle VISTA, the program has survived and has been an invaluable resource to the poor and disadvantaged. I am particularly impressed by VISTA's work in the fight against illiteracy. Experts estimate there are some 40 million Americans who are functional illiterates. Completing a job application, obtaining a driver's license, signing a rental lease, and many other routine tasks that we take for granted, are fraught with problems for the illiterate adult.

This year there are some 500 VISTA volunteers working in the area of literacy in 100 communities around the country. Through cooperative efforts with two national literacy organizations—Laubach Literacy and Literacy Volunteers of America—VISTA has made combating literacy a priority. According to Peter Waite, director of Laubach Literacy, "VISTA has been the single greatest resource to literacy programs over the last 10 years." Waite himself is a former VISTA volunteer.

But we still have a long way to go if we are to significantly impact on the myriad of problems facing America's poor. VISTA is national program, but its budget has been emasculated in recent years, leaving only enough money for 2,400 volunteers currently, compared with 5,000 in 1980.

Throughout the State of California the number of VISTA projects and volunteers has been slashed. In 1979, there were 250 VISTA volunteers assigned to 40 different projects in California. Today, there are only 15 projects and fewer than 80 volunteers. For instance, in the many migrant workers camps in California and around the country, where VISTA workers are desperately needed, there are only a handful of volunteers. VISTA is an invaluable resource, but it cannot begin to address the pressing needs of the poor in America with only 2,400 volunteers nationwide.

When President Lyndon Johnson launched the VISTA Program 20 years ago, he told the first group of new volunteers: "No aspect of the war on poverty will be more important than the work you do." His words are just as true today. As we honor VISTA and the more than 80,000 former VISTA volunteers let us pledge our continued support for the program.

We need VISTA's to provide the legal services so desperately needed by our elderly and indigent Americans. We need VISTA volunteers to help the growing number of "new poor" to become self-sufficient again. We need VISTA's to combat the tragic problem of infant mortality among the poor. We need VISTA's to find jobs for the millions of unemployed Americans.

Now, more than ever, we need the VISTA Program and the dedicated services its full-time volunteers provide. It costs only $7,600 to support one VISTA volunteer for 1 year. Let us allow this program to remain viable and to expand to meet the growing needs of our Nation's less fortunate citizens. It is a cost we can surely afford. It is a resource we cannot afford to lose.●

FAIR BANKING LEGISLATION

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. HUBBARD. Mr. Speaker, I received a copy of a July 2, 1985, letter from Thomas C. Simons, CLU, chairman and chief executive officer of Capital Holding Corp. of Louisville, KY, which was sent to each member of the Kentucky delegation.

H.R. 20, the Financial Institutions Equity Act of 1985, is of great concern to Capital Holding Corp. Tom Simons contacted all of the U.S. Representatives from Kentucky, wanting to alert us to his concerns and opposition to the legislation.

I would like to share his July 2 letter to the Members of Congress from Kentucky. I urge my colleagues to consider his views. The letter follows:

CAPITAL HOLDING CORP.,
Louisville, KY, July 2, 1985.

Re: H.R. 20.

DEAR KENTUCKY DELEGATION: As Chairman of Capital Holding Corporation, I am writing to you to ask that you oppose H.R. 20, the recently reported "non-bank" bill, when this measure comes before the House.

As you know, Capital Holding is one of Kentucky's larger corporate citizens, employing about 2,800 people throughout this state. We seek to provide for the financial services needs of middle income America. In order to do so, we acquired a Savings and Loan and a Consumer Bank from Parker Pen Company in 1984. In our view, this bill could severely restrict our capacity to provide competitive financial services to our market, and I strongly urge you to oppose it when it comes up for a vote.

We oppose this bill for several reasons. First, because the public in general and the business community in particular were not given a fair opportunity to provide input to the legislative process. Second, the grandfather provision and the tandem operations (cross marketing) prohibitions can seriously limit our marketing operations which we believe will, in turn, be harmful to our consumers, our employees and our shareholders.

Basically, H.R. 20 tries to solve problems that do not exist and ignores the real and pressing problems facing the nation's financial institutions. I will not expand this letter to list all of our objections to H.R. 20. Rather, I am enclosing a brief analysis which highlights the bill's inherent faults.

It will take only five or six minutes to read our analysis to see why we are concerned. I ask that you do so, and then that you vote against H.R. 20. Your vote will not only help ensure Capital Holding's continued growth, but it will also be in the best interests of Kentucky's consumers.

If you have any questions or would like more information, please give me a call. With my very best wishes,

Sincerely,

THOMAS C. SIMONS, C.L.U.,
Chairman and Chief Executive Officer.●

ROOSEVELT WRITES ABOUT SOCIAL SECURITY

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. NEAL. Mr. Speaker, on August 14 the Nation will celebrate the 50th anniversary of its Social Security program. As we contemplate this forthcoming event, it is appropriate that we review the conditions which impelled its enactment, and examine both its present status and its future.

Few Americans are as competent to provide that information as is former Congressman James Roosevelt, who was secretary to his father, President Franklin D. Roosevelt, and closely associated with him at about the time Social Security came into being. Mr. Roosevelt has written an inspired essay, which is being widely distributed for publication during the anniversary period. I would like at this point to insert the article into the RECORD and commend it to the attention of my colleagues:

SOCIAL SECURITY BANISHES FEAR: THE GREAT LEGACY OF FDR

(By James Roosevelt)

On August 14th we Americans join in observing the golden anniversary of our nation's great Social Security program. I look forward to that day with a real swelling of pride in my heart. My father regarded Social Security as one of the most important and far-reaching achievements of his Presidency. Fifty years of Social Security and twenty years of Medicare have allowed our nation to make great strides in rolling back the frontier of insecurity experienced by many of our nation's elderly.

Our celebration of the 50th anniversary of Social Security is a fitting occasion both to remember our past, and to renew our commitment for the future. There are few among us who cannot remember, either from first-hand experience or the accounts of family members and friends, the dire circumstances facing all our nation's people when the Social Security program was first conceived in the mid-1930's.

I was a young man just under 30 at the time, when this great nation was engulfed in the worst economic depression it has ever known. Nearly a third of our workers were in very desperate financial straits. Across this nation, people were extremely worried about their day-to-day security, and they were particularly worried about what would be their lot in life when they became old.

This we should keep foremost in our memories on the golden anniversary of Social Security—that virtually in the midst of a grave national economic crisis, the Social Security program laid the "cornerstone" for a new era in which millions of Americans would be able to live more decently, securely and independently than ever before in our country.

Today over 35 million Americans, young and old, receive retirement, disability or survivors benefits from Social Security. Today's Seniors are no longer as dependent on their children for financial support as they were fifty years ago. The Social Security cost-of-living adjustment (COLA) is credited with substantially reducing poverty among the nations's elderly and other vulnerable groups in society.

Over 118 million American workers now contribute to the system. The promise of a Social Security benefit in the future serves as the foundation upon which individuals and families across the nation plan for their long-term income security needs for themselves and their children.

To my mind, one of Social Security's greatest achievements to be honored this month is that it has actually kept its promise, month after month over five decades, to pay its beneficiaries. It is an amazing accomplishment that in these few decades since the Great Depression—when absolutely nothing in life was certain—older people as well as widows, survivors and the disabled now feel that their Social Security program can be counted on to pay benefits as a matter of rights, based on their past earnings and contributions.

The golden anniversary of Social Security is also a time to renew our commitment for the future. Today, Americans can look forward to a healthier and more prosperous retirement than at any other time in history. But it is up to us to preserve Social Security and Medicare so that these benefits may be enjoyed by our children and our grandchildren.

To preserve Social Security and Medicare for future generations we must reject misguided attempts to balance the budget with Social Security and Medicare savings. Well-meaning proposals to protect only the poor from Social Security and Medicare cuts would destroy public trust that these programs are fair and equitable.

Millions of Americans have made contributions into the system during their entire working lives. They believe that one day they would receive benefits in return which would be fair and stable. We must adequately finance Social Security and Medicare in the future to avoid new opportunities for those who would cut benefits or fundamentally change Social Security and Medicare.

Social Security has already been cut three times in the last nine years and Medicare three times since 1981. These recent short sighted attacks on Social Security and Medicare sometimes discourage me. But when I think of the past sacrifices of millions of Americans who built today's Social Security program, I know that we have to continue to fight against Social Security and Medicare benefits cuts. Working together, we will turn back those who would destroy Social Security and Medicare.

So we have much to be grateful for on this golden anniversary, and much work to commit ourselves to in the days ahead. On the 100th anniversary of Social Security in the year 2035, our grandchildren will thank us for what we do today.●

POLITICAL AND RELIGIOUS FREEDOM IN HAITI

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. BARNES. Mr. Speaker, I am deeply concerned about the human rights situation in Haiti. Haiti is not only the poorest country in the hemisphere, it is a country in which political freedom is severely limited. During the last several years, U.S. aid programs to Haiti have been increasing. At the same time, however, many Members of Congress have been concerned that progress toward political reforms in Haiti have been extremely limited. In an effort to make clear congressional concern over the human rights situation in Haiti, when the House passed the International Security and Development Cooperation Act of 1985 it made U.S. assistance to Haiti subject to an improvement on human and political rights. Yesterday, we sent that bill to the President and it makes U.S. aid dependent upon a determination by the President that the Government of Haiti is making progress toward improving the human rights situation in Haiti and progress toward implementing political reforms which are essential to the development of de-

mocracy in Haiti, such as progress toward the establishment of political parties, free elections, free labor unions, and freedom of the press.

Mr. Speaker, it has come to my attention that the Government of Haiti has just recently taken an action which brings into question its commitment to improving human and political rights. I have just received a copy of a protest issued by the Haitian Catholic Church. All seven of the bishops of the Episcopal Conference of Haiti issued a rare protest over the expulsion of three missionaries. In their statement, the bishops voice the concern that the Government of Haiti may be embarking upon an effort to persecute the Catholic Church. If these fears are realized, it will be an ominous sign for the future of freedom in Haiti.

So that all of my colleagues will have the opportunity to read the statement of the bishops of Haiti, I am enclosing the complete text in the CONGRESSIONAL RECORD. The material follows:

PROTEST BY THE HAITIAN BISHOPS

The Episcopal Conference of Haiti raises the strongest protest against the expulsion of the three Belgian missionaries from the Missionhurst congregation: Fathers Hugo Triest, Director of Radio Soleil, Jan Hostens, the rector of Port-a-Racquettes (La Gonave) and Yvon Pollefeyt, the rector of Montrouis.

A communique dated July 24, 1985, released by the State Ministers of the Interior and National Defense, Justice, and the Minister of Cults, read over national television at 9:30 a.m., informed the public of the revocation of their residency permits. Father Hugo Triest had 24 hours to leave the national territory, and the others 48 hours.

The Episcopal Conference of Haiti affirms complete disaccord with the expedited procedure used and the total lack of dialogue with the people concerned: the religious superiors and bishops of Haiti.

On July 22, 1985, Father Hugo Triest was physically harassed by police on the street on the pretext that he had a car accident. Taken in a military manner to the Department of Traffic Control, he was humiliated and then released without having been informed of the reason for his arrest. The next day, ordered to the Department of the Interior, he excused himself for not being able to come because his superiors were not informed beforehand, according to the rules of canonical law.

Concerning Father Jan Hostens, accusations were brought against him in a letter of April 8, 1985, signed by the Minister of Cults. The local Ordinary met with Father Hostens twice: on April 30 and June 24, 1985. The priest had declared with proof that these accusations were pure inventions of the head of the local tax collection agency who is at the same time Chief of the Volunteers for National Security of Port-a-Racquettes. The local Ordinary gave the priest the usual recommendations for avoiding any conflict.

Father Yvon Pollefeyt was reproached for his homily of April 25, 1985 on the Feast of St. Marc. The local Ordinary, after having complaints formulated against him by the Minister of Cults, took the measures specified in the code of the canonical law. The Minister of Cults was informed; the case was considered closed.

A mixed commission, established between the Episcopal Conference of Haiti and the Haitian Chancellory—composed of 2 Bishops, the Minister of Cults, and another Minister appointed according to the subject in question—charged with overseeing the church-state relationship, was not called together to study the reasons for revoking the priests' residency permits and the accusations brought against them. All the inquiries of the Episcopal Conference of Haiti, and the interventions of the Holy See, were in vain.

We ask ourselves why these exceptional means were used? We ask ourselves, why the malicious editorials of Radio National and the noxious articles in the governmental daily paper against the Catholic Church, while the same media often expresses hope for good relations between the Church and the State.

Faced with this state of affairs, the Episcopal Conference of Haiti asks itself perplexedly if the Church of Haiti is not confronted with a situation of persecution. Faced with this, we invite the people of God to observe a day of fasting and prayer Friday, August 2, 1985, for the intentions of the Church of Haiti.

With the release of this note, the Episcopal Conference of Haiti has decided, in conformity with the spirit of liturgical renewal, that the rectors and parish administrators in all the dioceses of Haiti, will celebrate TE DEUM and thanksgiving mass and requiem only on such occasions: Independence Day, Agriculture and Labor Day, Flag and University Day, the anniversary of the death of Dessalines, the anniversary of the Battle of Vertieres, and the anniversary of the day of the President's inauguration.

Released at the headquarters of the Episcopal Conference of Haiti on the Feast of Saint Anne and Saint Joachim.

Signed: Monsignor Francois Gayot, Bishop of Cap-Haitien, President of the Episcopal Conference of Haiti; Monsignor Francois Wolf Ligonde, Archbishop of Port-au-Prince; Monsignor Claudius Angenor, Bishop of Les Cayes; Monsignor Frantz Colimon, Bishop of Port-de-Paix; Monsignor Emmanuel Constant, Bishop of Gonaives; Monsignor Willy Romelus, Bishop of Jeremie; and Monsignor Leonard Laroche, Bishop of Hinche.

N.B.—This note will be read in all the churches and chapels of Haiti on the Sunday following its reception. ●

SUMMER CAMP EMPLOYMENT

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mrs. KENNELLY. Mr. Speaker, today, Mr. RUSSO, Mr. ANTHONY, Mr. ARCHER, Mr. CAMPBELL, Mr. COOPER, Mr. DAUB, Mr. DOWNEY, Mr. DUNCAN, Mr. GREGG, Mr. HEFTEL, Mr. JENKINS, Mr. MATSUI, Mr. MCGRATH, Mr. PICKLE, Mr. ROBERT C. SMITH (NH), Mrs. SNOWE, Mr. VANDER JAGT, and I are introducing a very simple measure to correct an inequity in the Federal Unemployment Compensation Tax Act [FUTA], while at the same time helping to reduce the high rate of youth unemployment throughout the Nation.

This bill would provide summer camps an exemption from paying the Federal unemployment compensation tax on the full-time students they employ—the majority of whom are camp counselors. Currently, tens of thousands of full-time students take temporary positions with camps during their summer vacations, and return to classes in the fall without qualifying for unemployment compensation benefits. Nonetheless, the camps which employ these young men and women are required to pay the full unemployment compensation tax for them.

With these considerations in mind, Congress in 1982 passed a temporary summer camp student employee FUTA exemption as part of the Tax Equity and Fiscal Responsibility Act [TEFRA]. The temporary exemption proved to be very successful. The American Camping Association, a national camping service and accreditation organization, last year completed a cost/benefit survey of the effect of the FUTA exemption during the 1983 summer season. This survey is of particular interest as it concluded that well over half of the estimated $1.7 million saved by the camps went right back into employing more summer youth counselors. The study also found that an additional $300,000 was used by camps to advance public service programs, such as providing scholarships to enable over 2,300 youngsters from low-income backgrounds to go to summer camp.

The bill we are introducing today provides for a permanent summer camp counselors exemption. A permanent exemption would bring the treatment of camps employing student counselors in line with the treatment under current law afforded other institutions similarly situated, such as schools employing full-time students, hospitals employing student nurses, and newspapers employing newspaper boys and girls.

Under current law, the existing exemptions involve full-time students, seasonal workers, educational activities, or some combination of these three. The exemption created by this bill meets all of these qualifications. By definition, the bill addresses only the employment of full-time students, on a temporary basis, by seasonal summer camps. Furthermore, almost all modern summer camps are in some respect educational as seen in programs such as Red Cross health and safety training, physical education, the arts, et cetera. In short, we feel that a particularly strong case can be made in support of the camp counselor exemption. This bill represents a modest yet positive improvement—in

terms of both equity and effect—in the administration of the Federal Unemployment Compensation Tax Act, and I urge the full support of our colleagues for its passage and implementation.●

REGARDING SELLER FINANCING

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. MATSUI. Mr. Speaker, for the past year and a half, I have been actively trying to achieve a fair and reasonable solution to the imputed interest issue. I have done so because thousands of homebuyers and sellers need legislative relief from the unintended effects of certain provisions of the 1984 Tax Act. Those provisions were never intended to apply to buyers and sellers of small properties such as homes, farms, and small businesses.

An interim law expired on June 30. We are now under the onerous provisions of the 1984 Tax Act. Seller financing of homes, farms, and other small properties will become increasingly confused, difficult, and near impossible under current law.

Congress promised a permanent solution by June 30. The House and Senate have passed bills. As a member of the Ways and Means Committee, I have taken a special interest in this legislation and have endeavored to enact reasonable and responsible legislation. We are very near final agreement. While the hour is late I hope we can reach a solution today. Our constituents expect the help we promised over a year ago.●

BILL INTRODUCED TO AMEND COPYRIGHT ACT OF 1976

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. BERMAN. Mr. Speaker, I am today introducing a bill to amend the Copyright Act of 1976 in order to clarify the intent of Congress when it adopted the "derivative works exception" to the termination provisions of sections 203 and 304 of the Copyright Act.

I approach this matter with great seriousness. When Congress legislates in the area of copyright, we are exercising a responsibility explicitly charged to us by the Founding Fathers. Equally important, I well understand the years of painstaking effort and compromise that produced the landmark Copyright Act of 1976.

But it is for those very reasons that I introduce this legislation and urge its speedy consideration and passage by this body. For in January of this year, the Supreme Court in a closely divided 5-4 decision misconstrued the intent of Congress with respect to a key provision of the act, and thereby deprived authors, songwriters, and other creators of important benefits Congress meant them to have.

In the Supreme Court decision to which I refer, Mills Music, Inc. against Snyder, the Court interpreted the "derivative works exception" to the "termination of transfer and licenses" provision in section 304(c). Section 304 extended the duration of subsisting copyrights from 56 to 75 years, but also gave authors or certain of their heirs the right to terminate any of the author's grants of rights and to reclaim full copyright ownership during the 19-year extension of the term. In so doing, Congress determined that authors who struck unremunerative bargains with publishers when their works were in their infancy should have the opportunity to renegotiate their old contracts.

However, Congress crafted the derivative works exception to carve out a right of continued utilization of derivative works, such as motion pictures and sound recordings. The derivative works exception was designed, it is commonly agreed, to protect the owners of such derivative works from having to renegotiate their rights, and thereby to protect the public which, after all, has an interest in the continued enjoyment of the derivative works.

When an author or his heirs exercise this termination right, the copyright reverts from the publisher to the persons filing the termination, but the privilege of utilizing derivative works is retained by the producer, manufacturer, or distributor—as the case may be—of the derivative work. The question addressed by the Court in *Mills Music* was to whom the owners of the derivative work must pay royalties. The amount of royalties is not in question; that amount is provided for in their licenses. Five members of the Supreme Court held that the publisher was still entitled to its share of the royalties; four members strenuously dissented that such a conclusion would render meaningless the termination right granted by the 1976 act, and that instead, all royalties should go to the author or his heirs.

Justice White's dissent bears quoting because of its clear explanation of the policy questions at stake:

> The derivative works clause reflects an accommodation between two competing concerns: that of providing compensation to authors, and that of promoting public access to derivative works. The majority apparently concludes that its interpretation of the Exception does justice to both of these concerns. But to promote public access to existing derivative works, it is necessary to go no further than to allow the owners of these works to continue to disseminate them. The rights of middlemen to receive royalties under terminated grants do not enter into the balance; regardless of who receives the royalties, the owner of the derivative work may continue to pay the same rate, and public access to the work will be unimpeded.
>
> By going further than necessary to effect the goal of promoting access to the arts, the majority frustrates the congressional purpose of compensating authors who, when their works were in their infancy, struck unremunerative bargains * * *

Shortly after the *Mills Music* decision, no less an authority than Barbara Ringer, Register of Copyrights at the time of the drafting and enactment of the Copyright Act of 1976, voiced her dismay at the *Mills Music* decision. In testimony delivered in April of this year before the Senate Subcommittee on Patents, Copyrights and Trademarks, Ms. Ringer stated that "The Mills case is not what Congress intended, and * * * it represents a windfall for publishers at the expense of authors and their families." Pointing out that she drafted the provision in question, she asserts that "The Supreme Court decision seriously undercuts what Congress intended and deprives authors of benefits that are rightfully theirs."

Ms. Ringer also notes that the 1976 act contains a second provision that parallels section 304, namely, section 203 establishing that authors and their heirs may terminate grants made after January 1, 1978, at the end of a prescribed period of years, but subject to the identical "derivative works exception" construed by the Court in the *Mills* decision. She points out that "Unless the Supreme Court's ruling is changed by Congress, its impact will continue into the indefinite future."

The bill I introduce today addresses both section 304 and section 203. It clarifies the intent of Congress when it enacted the Copyright Act of 1976, and properly restores to the creators who enrich our cultural life the benefits we meant for them to have.

H.R.—

A bill to amend title 17, United States Code, to clarify the derivative works exception to the termination of a copyright grant

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

CLARIFICATION OF DERIVATIVE WORKS EXCEPTION TO TERMINATION OF COPYRIGHT GRANT

(a) SECTION 203 GRANT TERMINATION.—Section 203(b)(1) of title 17, United States Code (relating to effect of termination of transfers and licenses granted by author), is amended to read as follows:

"(1) A derivative work prepared under authority of the grant before its termination may, after the effective date of termination, continue to be utilized under the terms of the license or other contract which authorizes the use of such derivative work. After the effective date of termination, all rights to enforce the terms of any such license or other contract and to receive royalties or other monies from any such continued utilization shall become the property of, and

such royalties or other monies shall be payable to, the person or persons in whom the reversion of rights are vested under this section. The privilege of continued utilization of a derivative work does not extend to the preparation after the termination of other derivative works based upon the copyrighted work covered by the terminated grant.".

(b) SECTION 304 GRANT TERMINATION.—Section 304(c)(6)(A) of such title (relating to termination of transfers and licenses covering extended renewal term) is amended to read as follows:

"(A) A derivative work prepared under authority of the grant before its termination may, after the effective date of termination, continue to be utilized under the terms of license or other contract which authorizes the use of such derivative work. After the effective date of termination, all rights to enforce the terms of any such license or other contract and to receive royalties or other monies from any such continued utilization shall become the property of, and such royalties or other monies shall be payable to, the person or persons in whom the reversion of rights are vested under this subsection. The privilege of continued utilization of a derivative work does not extend to the preparation after the termination of other derivative works based upon the copyrighted work covered by the terminated grant.".●

THE DISASTROUS BILINGUAL COUNCIL APPOINTEES

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. GONZALEZ. Mr. Speaker, together with nine of my colleagues, I am introducing a resolution expressing Congress' disapproval of the Secretary of Education's recent appointments to the National Advisory and Coordinating Council on Bilingual Education.

Congress last year reauthorized and substantially revised the Bilingual Education Act of 1968 through enactment of Public Law 98-511. This law was developed on the basis of congressional hearings on the existing Bilingual Education Act and the educational needs of limited English proficient Americans.

Section 752 of Public Law 98-511 requires the Secretary of Education to appoint a 20-member National Advisory and Coordinating Council on Bilingual Education. The purpose of this Council is to advise the Secretary, the Congress, and the President with respect to the condition of bilingual education in the Nation. The Council also advises on the administration and the operation of programs assisted under the Bilingual Education Act as well as other Federal programs for persons of limited English proficiency.

Last week, the Secretary of Education formally announced the appointment of 19 members to the National Advisory and Coordinating Council.

At least three of the appointees including the Chairman are vocal critics of bilingual education and publicly oppose the very existence of the law under which they were appointed. The appointment of these three individuals, and quite possibly others, calls into question the Secretary's repeated denials of an intention to dismantle the Department of Education and programs to assist disadvantaged persons.

The individuals to which I refer are Dr. Anthony Torres, Howard Hurwitz, and Robert Rossier. Mr. Torres, who served as last year's Council Chairman, is the newly appointed Chair of this year's Council. During a recent presentation, Mr. Torres announced the direction of the Council: "Our thrust is to get the Federal Government out of education, I admit it. The Federal Government never should have been in education."

When an incredulous member of the audience asked Mr. Torres why he would accept appointment to the Council if he opposes Federal education programs, Mr. Torres responded: "I thought it was obvious; because I want to dismantle the program as it exists. My philosophy is, my belief system, is that the Federal Government should not be in the funding of education programs."

How can Mr. Torres provide objective advice to the Secretary of Education to President Reagan, or to us, the Congress, about bilingual education programs for limited English proficient Americans when he wants to abolish all Federal education programs?

Howard Hurwitz has also been named by the Secretary as a member of the new Advisory and Coordinating Council. As with Mr. Torres, Mr. Hurwitz served last year on the Advisory Council authorized under the prior law. In fact, Mr. Hurwitz is reputed to be the author of the Advisory Council's annual report to Congress and the President issued last March. This report inexplicably reached conclusions and recommendations contrary to the overwhelming weight of evidence gathered during the course of the Council's hearings and throughout years of experience in bilingual education programs.

For example, the report's authors ignored the copious evidence presented in testimony before the Council by recommending a reduction in funding for bilingual education programs notwithstanding that the testimony clearly revealed a significant growth in the population of students in need of bilingual education and the State directors of bilingual programs testified to the need for increased, not decreased, funding.

Oddly enough, Mr. Hurwitz recommends less Federal assistance for limited English proficient students, yet increased Federal per diem money for himself and his colleagues on the Advisory and Coordinating Council. Its second major recommendation was: "Increase funding for the National Advisory and Coordinating Council."

Mr. Hurwitz holds such extreme views that he even championed the retention of two recent Secretarial appointees whose ideas on educational opportunities for the handicapped were so radical that they were forced to resign following an unprecedented outcry of public and congressional concern.

Mr. Speaker, I refer to an article by Mr. Hurwitz published in the May 18, 1985, issue of Human Events. The article, "Critics of Aid to the Handicapped are Correct," admonishes the Secretary of Education for accepting the resignations of two newly appointed Education Department officials—Eileen Gardner and Lawrence Uzell—who embarrassed the Secretary by publicly expressing their hostility to helping handicapped students. Specifically, referring to Mr. Uzell, Mr. Hurwitz writes: "He opposes the fed program, along with about everything else that ED does because he believes along with me and the President (at least until 1985) that the Department of Education should be abolished. Bennett believed that, too; but it's hard to refuse so schmaltzy a job. Even I take a little per diem from ED, as an adviser on bilingual education. I advise that the program be abolished." It is hard to imagine a more synical comment.

Like Mr. Torres and Mr. Hurwitz, the third appointee, Robert Rossier, is an outspoken opponent of the entire concept of bilingual education.

In a June 14, 1985 Washington Times article, Mr. Rossier describes bilingual education as "the new Latin Hustle". Mr. Rossier states:

> The ethnic politician in many cases does not care whether bilingual instruction is a valid method of teaching English. In fact, it may be politically advantageous for him if immigrants continue to rely on their native language instead of perfecting their English; since dependence on the home language tends to isolate the group and make it more manipulable.

Quite clearly, Mr. Rossier brings insensitivity and disrespect to his position on the Council.

The appointment of Mr. Torres, Mr. Hurwitz, and Mr. Rossier to the National Advisory and Coordinating Council on Bilingual Education clearly reflect an indefensible politicization in the Department of Education. These individuals who hold such hostile and extreme views on bilingual education have absolutely no place on a counsel whose purpose is to provide reasoned and objective advice to the Secretary, the President, and to us, the Members of Congress.

Ultimately, these individuals victimize the nearly 4 million children whose home language background are other than English and who are limited in the speaking, understanding, and writ-

ing skills in English needed to succeed in the English-medium school.

Mr. Chairman, in realizing the inevitable consequences of these politically-motivated appointees, we might consider the thoughts of George Beredy on the relationship between education policy and the national interest:

Education is a mirror held up against the fact of a people; nations may put on blustering shows of strength to conceal political weakness, erect grand facades to conceal shabby backyards and profess peace while secretly arming for conquest, but how they take care of their children tells unerringly who they are.

The recent appointments of Mr. Anthony Torres, Mr. Howard Hurwitz, and Mr. Robert Rossier demands our immediate attention and concern. They represent a destructive, cynical, and absurd political view. Worse, they seek more to disrupt and destroy education programs—precisely the opposite of congressional intent, and wholly contrary to the explicit purpose of the Council to which they have been named. The least Congress can do is express concern and disapproval, and on behalf of myself and my colleagues cosponsoring the resolution we are offering today, I urge the House to denounce these utterly indefensible appointments.●

TIBOR RUBIN NOMINATED FOR CONGRESSIONAL MEDAL OF HONOR

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. DORNAN of California. Mr. Speaker, the Congressional Medal of Honor is the highest award of valor our great Nation can bestow. It is awarded for acts of courage above and beyond the call of duty. There are countless numbers of instances where American men have selfishly risked their lives and never received recognition for their heroism. But when such heroism is brought to our attention, we should not hestitate to honor it.

At the outbreak of the Korean Conflict, Tibor Rubin volunteered to serve his new found homeland. Rubin was born in Hungary and spent 14 months in a Nazi concentration camp during World War II. After the war he emigrated to the United States and began his studies to become a citizen.

During the Korean Conflict, Cpl. Tibor Rubin served his chosen country and his fellow soldiers well. In the field, Corporal Rubin distinguished himself with valor on more than one occasion. But it wasn't until he was wounded, and then captured by the North Korean forces, that his exemplary conduct earned him the undying respect of those who served with him. It was for his courage and his dedication to the United States and his fellow soldiers during his ordeal in a North Korean POW camp that I now nominate Tibor Rubin for the Congressional Medal of Honor.

Mr. Rubin spent 44 months as a prisoner of war in Korea. Though suffering innumerable indignities himself, Mr. Rubin assisted other prisoners—often risking his own life well beyond the normal call of duty. He attended wounded men by cleansing their wounds to keep infection down; he fed the men who were unable to feed themselves. Often Mr. Rubin has jeopardized his own life by stealing food from the North Koreans, not for himself, but for those who were too weak, too infirm, to care for themselves. Stealing food was a "capital crime" if caught. Upon his release from the prison camp he hid the names of the men who were not yet released in his leg cast. Had this list been discovered, his own release would have been forfeited and his life imperiled. Once back in the United States, at his own expense and initiative, he personally contacted the families of those on his list. In many instances he was giving many of them their first information of the whereabouts and condition of their loved ones.

His unselfish acts were witnessed by many and only recently have their eyewitness accounts come forward. Each man believed that Corporal Rubin had already been recognized by his country for his acts of courage. It wasn't until many years later, at a gathering of ex-POW's that Rubin's former comrades learned that his deeds had gone unnoticed by all but those fortunate enough to have served with him.

Tibor Rubin received his U.S. citizenship in 1953. He is proud to be an American, and proud that he could serve his country. Tibor Rubin, without a doubt, clearly distinguished himself with gallantry and uncommon valor, at the risk of his life well above and beyond the call of duty, not once but many times over. He never asked for anything in return; he never sought recognition.

For his selfless acts of valor and risking his life of his fellow man beyond the call of duty, I nominate Tibor Rubin for our highest award of valor—the Congressional Medal of Honor.●

SOCIAL SECURITY—PARTNERSHIP WITH TOMORROW

HON. WAYNE DOWDY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. DOWDY of Mississippi. Mr. Speaker, on August 14 we will commemorate the 50th anniversary of the signing of the Social Security Act. In signing that act, President Franklin Roosevelt made a commitment of economic support to America's workers and their families. It is a commitment that has been upheld over the years by successive Presidents and the U.S. Congress. It is a commitment that I am proud to be a part of.

The Social Security System has provided many men and women with needed economic protection that is now almost taken for granted. Today the program is strong and in good shape to continue its work into the future. It is fitting that the theme for the 50th anniversary is "Social Security—Partnership With Tomorrow."

There are also unsung heros of the Social Security System who should be recognized on this occasion. I am speaking of the many men and women who make sure that the system functions properly and effectively: The Social Security workers and administrators. Particularly, I would like to commend Mississippi's district manager, Marvin P. Tatum. Mr. Tatum has been an energetic and committed employee of the Social Security System. He has conducted himself in a manner that has won him praise and respect from those who have worked with him. In my own dealings with Mr. Tatum, I have admired the efficient and helpful way in which he has conducted the Social Security Program in Mississippi.

On this occasion of Social Security's 50th anniversary, I salute Mr. Tatum and the many men and women across this country who have served so well and have contributed so much to the Social Security System.●

SUPPLEMENTAL RETIREMENT BENEFITS

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mrs. KENNELLY. Mr. Speaker, today I am pleased to introduce, along with Mr. PICKLE and Mr. ARCHER, legislation which will strengthen the Nation's private pension system by making it easier for employers and employees to protect their pension benefits from being eroded by inflation. Our bill does this by permitting employers and employees to purchase, through their defined benefit plans, supplemental retirement benefits.

The problem our bill addresses is simple. Even a modest rate of inflation can have a serious impact on retirees whose pensions, although based on perhaps the final 3 years of pay, are normally fixed at a flat rate upon retirement. Having concluded that automatic inflation adjustments are too costly, many companies have attempted to address this erosion problem by

granting periodic ad hoc pension benefit increases. However, such increases have been irregular, providing employees with little means of planning for their future economic security. Despite these problems, many companies and employees would like to see something done to protect the value of private pensions.

The legislation we are introducing today addresses this problem with a simple, voluntary solution. Basically, it permits employers and employees to jointly fund what we call supplemental retirement benefits through an employer's existing tax qualified pension plan or plans using employer contributions and employee accumulations in company savings-type programs (or defined contribution plans). More specifically, our bill allows:

Employer and employee cost sharing in providing supplemental retirement benefits;

An employer to condition its contribution for supplemental retirement benefits on the employee's agreement to share a portion of the cost;

Assurance that the employer's contribution to provide supplemental retirement benefits will not result in taxable income to the employee until benefits are received;

An employer to fund its contribution for supplemental retirement benefits over the employee's career through its established defined benefit pension plan; and,

Benefits to be subject to the joint and survivor protection of current law.

Virtually all of the recent tax reform proposals, including that of the Reagan administration, have recognized the need to encourage continuation of a sound private pension system. The supplemental retirement benefit proposal we are introducing does precisely that. It permits and encourages employers and employees to jointly look to the future and to devote company contributions and personal savings toward the purchase of inflation protection for their pensions.

Mr. Speaker, we believe this bill to be an important step in helping protect the real purchasing power of retirees living on private pensions, and hope it will be considered in this Congress.●

1985 CONGRESSIONAL CALL TO CONSCIENCE

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. OBERSTAR. Mr. Speaker, I rise today to express my indignation over the Soviet Union's systematic and blatant discrimination against and persecution of its Jewish citizens.

As a signatory of the Helsinki Accord's Final Act, signed 10 years ago this week, the Soviet Union has openly violated the spirit and intent of the accords time and time again. This disregard for human rights and fundamental freedoms has rightfully stirred outrage among this Congress and among all people who respect the theme of the Helsinki Final Act—to promote and protect a sense of dignity and equality among all citizens.

Mr. Speaker, I appreciate this opportunity to join the 1985 Congressional Call to Conscience and I call my colleagues' attention to the plight of Vladimir Livshitz.

Vladimir Livshitz is a hardworking, honest man who seeks nothing more than to provide for himself and his family that which we take for granted—freedom. Living in Leningrad with his wife and two children, Mr. Livshitz filed his family's first visa application for emigration to join family members in Israel in September 1981. The Soviet Government rejected that application in December 1981.

Since that time, the family has been refused permission to emigrate at least four times. Mr. Livshitz, a scientist of economics and applied mathematics, lost his job when he first applied for a visa in 1981 and has since been threatened with the charge of parasitism, which can carry a sentence of 1 year in prison. When Mr. Livshitz was sent by Soviet authorities to another plant, he was predictably told that "there was no work for him." On another occasion, Mr. Livshitz was asked by the employer to "retract this request for a visa to emigrate"—obviously meant as a condition for employment.

In November 1983, deprived of the right to support his family and denied a visa to join them in Israel, he resorted to a 3-week hunger strike. This fast ended when Mr. Livshitz was given low-level menial employment.

Recent reports offer even more discouraging news of the Livshitz' plight and the Soviet Government's shame. Three letters sent by Mr. Livshitz to friends in the United States, England, and Israel were stopped by the Leningrad City Post Office, sent to Soviet Customs, and held there because they "contained material harmful to the State." When Vladimir Livshitz complained of censorship and interference with individual liberty, he was informed by the procurator's office that this confiscation was in accordance with Soviet law and, therefore, he had no legal recourse.

As a result, Vladimir Livshitz, a refusnik for 4 years, sent the following telegram to Mr. Mikhail Gorbachev:

Repressions, threats, acts of reprisal and a demonstrative censorship of my letters forced me to declare on April 22 a 20-day hunger strike as a sign of protest against censorship of private correspondence and against other forms of persecution directed against Jews wishing to repatriate to Israel.

Mr. Livshitz' home was raided on June 11, at which time papers and letters were confiscated. After hours of questioning, Mr. Livshitz and several other Jewish detainees were released, but remain under KGB surveillance. His phone was then disconnected, clearly as a reprisal for his protest against the illegal confiscation of his mail by postal authorities.

Sadly, the tale of Soviet oppression goes on. As recently as July 9, Mr. Livshitz was taken to a police station at the main post office in Leningrad for questioning. He was told a telephone conversation with a friend in the West had been monitored and recorded. Again, books and docments in his possession were confiscated and forwarded to the Jewish Affairs Department of the KGB.

Mr. Speaker, I am outraged at the treatment Vladimir Livshitz has received. As representatives of the greatest democratic body in the world and as citizens of a free nation, we must continue to speak out against such heinous violations of human rights by the Soviet Union. We must impress upon the Soviet Government our commitment to basic human rights guaranteed in the Final Act of the Helsinki accords.

I am moved by the strength and conviction of the Vladimir Livshitz family and I am thankful for this opportunity to pay tribute to their struggle and the struggle of hundreds of thousands of other families in the U.S.S.R. suffering similar plights.●

PRODIGAL TAXPAYER ACT OF 1985

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. DORNAN of California. Mr. Speaker, today I am introducing legislation that I believe will help eliminate tax evasion and reduce the budget deficit.

The Prodigal Taxpayer Act of 1985 provides for a 1-year, nationwide amnesty for taxpayers who have failed to file or report their income accurately for all tax years prior to 1985—except in certain cases. Under the provisions of the prodigal taxpayer bill, delinquent taxpayers would be granted immunity from civil/criminal penalties, provided they file a statement with the Treasury Department, agreeing to pay their back taxes plus any interest that has accrued.

Revenues generated from the amnesty would be earmarked for a special account that would be used exclusively to reduce the deficit—no money generated would be available for increased spending.

Tax amnesty programs have been tried in Massachusetts, Illinois, and my home State of California, with successful results. In California, for instance, $144 million was raised in a 3-month amnesty. I firmly believe that an amnesty at the Federal level would be a bonanza, and that there is no good reason not to try it, especially with $200 billion deficits.

It has been estimated that anywhere from $90 to $120 billion in revenue due the Government was not paid last year. If the reaction to the State amnesties is any guide, then a reasonable revenue figure for a 1-year Federal tax amnesty is in the neighborhood of $25 to $35 billion. Such a revenue windfall would undoubtedly go a long way toward making our job of reducing the deficit much easier. I urge my colleagues to support this bill.●

NATIONAL POW/MIA RECOGNITION DAY

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mrs. LLOYD. Mr. Speaker, I recently attended a ceremony in Chattanooga, TN, commemorating July 19 as "National POW/MIA Recognition Day." This eloquent ceremony, not unlike those held in countless cities nationwide, was attended by veterans, their families, the families and friends of servicemen still unaccounted for, and many distinguished officials.

This resolution underscores our Nation's debt to all those men and women who have served to defend our freedom. It also recognizes the unique sacrifice of the families of unaccounted for Americans, and our Nation's debt to these brave men, women, and children. "National POW/MIA Recognition Day" serves to increase public awareness in the United States and throughout the world that there remain over 2,478 Americans still unaccounted for in Indochina.

I believe as long as there is the slightest chance that even one American may still be held captive, as long as there is even one American whose whereabouts is still unaccounted for, then the Congress must continue to press for a complete resolution of this issue. We must remain involved in POW/MIA accountability until every case is resolved and every family is relieved of the anguish and pain of uncertainty about the fate of their loved ones. As a nation, we must stand behind our fighting men and women. We must also keep faith with them and their families. I, personally, will continue my efforts to see that an accounting is made.●

THE RACKETEER WEAPONS AND VIOLENT CRIME CONTROL ACT OF 1985

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. HUGHES. Mr. Speaker, today I am pleased to join the very distinguished chairman of the Judiciary Committee, Mr. RODINO, and other distinguished Members of the House, in a major bipartisan initiative to strengthen our law enforcement respone to violent crime and racketeering.

The polls show us that the No. 1 domestic concern of the American people is the problem of violent crime and drug trafficking.

It is time to ban the sale of machine guns and silencers, the basic tools of racketeers, drug traffickers, and professional killers,

It is time to effectively prevent criminals from buying handguns, the No. 1 weapon of street criminals in America.

The bill we are introducing today is a reasonable, modest and balanced approach to the problem of violent crime and reform of our Federal firearms laws.

In recent years we have seen a dramatic increase in the use of machine guns by drug traffickers and terrorists. We have seen waves of gangland murders and assassinations by contract killers who use silencers.

Machine guns and silencers do not have a sporting purpose. The machine gun, fitted with a silencer, is the weapon of choice for the "narcoterrorists" on the American scene, the cocaine cowboys of south Florida. A silencer is an essential tool of professional killers.

Despite the spread of machine guns throughout the underworld, the abuse of handguns causes more deaths in America than any other weapon. Roughly 10,000 Americans are killed by handgun wielding criminals every year.

We need a better method to keep handguns out of the hands of criminals. It is time to require a short waiting period for the purchase of handguns to prevent criminals from buying a handgun without any check at all. It's my longstanding position that the burden of fighting firearm related crime must be placed on the criminals, not on law abiding citizens. Last fall, as we put together the Comprehensive Crime Control Act of 1984, we made sure that it included a 5-year mandatory prison sentence for criminals who carry firearms in the commission of a violent crime. Of course no law is a panacea, and some criminals will always be able to buy guns illegally. This bill, however, will be an important aid to law enforcement, and will help to prevent crime.

There is no doubt that a short waiting period to check the available records could help reduce crime and prevent people with criminal records or with a dangerous mental illness from acquiring handguns, without any impact on sportsmen. In fact, even the National Rifle Association took such a position a few years ago.

This bill differs significantly from other firearm reform legislation because it is designed both to strengthen law enforcement and to significantly reduce the regulatory burden on the Nation's sportsmen and firearms dealers. For too long the effort to fight violent crime has been polarized. It is time to cool down the rhetoric and move ahead in a practical, balanced and reasonable way to fight crime.

The sportsmen in my district support effective law enforcement. They resent the bum rap they are tarred with when extreme measures that would destroy effective law enforcement are advanced in their name. My constituents support a reasonable waiting period for handgun purchases. They know that machine guns and silencers are not used by sportsmen. They know that weapons must be kept out of the hands of the racketeers and professional killers.

Today, we are reaching out to the Nation's sportsmen to join us in modernizing our firearms laws to prevent crime and to advance equity for lawful firearms users.

We are going to work with the millions of gunowners and firearms dealers who share our concerns about crime, and who don't want unfair regulatory penalties or unnecessary record keeping.

For effective crime fighting measures like this to pass Congress we need the support of citizens everywhere. We need support from the city and from the country, from gunowners and sportsmen, from all Americans who are tired of violent crime, who want to be left alone, and who are tired of seeing the debate about firearms go nowhere.

Almost every law enforcement officer in America, and Americans from all walks of life, have been revulsed by the recent movement of legislation that would undermine effective firearms law enforcement. This action has brought the question of firearms back to the top of the congressional agenda. I am pleased to join Chairman RODINO and my colleagues today in this watershed initiative. I urge my colleagues to join us in cosponsoring this bill.

This is not the time for a retreat in the fight against crime. This is not the time to focus on what we can do to make America safe again.

As Chairman of the Subcommittee on Crime, I want to assure my col-

51-059 O-86-49 (Pt. 16)

leagues and the American people that soon after Congress returns from the Labor Day recess, the subcommittee will hold hearings on firearms legislation—on this bill, and on other pending measures, including the McClure-Volkmer bills. With responsible leadership, we can forge consensus legislation that will make American streets safer for everyone.

SUMMARY AND SECTION BY SECTION ANALYSIS

Racketeer Weapons and Violent Crime Control Act of 1985

SUMMARY

This bill significantly strengthens the Gun Control Act in three major areas, makes a number of other modernizations in the act and provides regulatory relief to the firearms owners and dealers in a number of areas.

First, it requires a 15-day waiting period to provide a record check of prospective handgun purchasers to determine if there is a criminal conviction, adjudication of mental incompetence or other disqualifying circumstance.

Second, it prohibits the transfer and possession of machine guns used by racketeers and drug traffickers to intimidation, murder and protection of drugs and the proceeds of crime.

Third, it prohibits the transfer and possession of silencers used in assassinations and contract murders.

Fourth, the bill eliminates a loophole in the licensing of firearms dealers by allowing the Secretary to consider whether applicable State law would bar a prospective licensee from any conduct required to carry out the business of the Federal licensee.

Fifth, the bill closes a number of loopholes concerning possession of firearms by illegal users of drugs.

Sixth, the bill also provides a number of "regulatory reforms" that the NRA and the Nation's gun owners, sportsmen, and licensed firearms dealers have long desired which will not compromise BATF's law enforcement capabilities.

(a) The bill allows licensed dealers to sell firearms at gunshows.

(b) It eliminates record keeping requirements for the sale of ammunition, except for large quantities, and eliminates record keeping requirements for transfers of curios between licensed collectors.

(c) It provides the Secretary, in cases of violations of the regulations of the GCA an alternative penalty, license suspension, as alternative to the only penalty currently available, license revocation.

(d) The bill expands the class of persons eligible to obtain relief from the disabilities imposed under the Act who have been convicted of a crime or who having once been mentally incompetent, have subsequently been adjudicated as restored to mental competence.

The bill also raises the annual license fees of licensed dealers, pawnbrokers, manufacturers and importers from $10, $25, $50 and $50 per year, respectively, to $200 per year.

SECTION-BY-SECTION ANALYSIS

Section 1 is the short title.

CRIMINAL RECORDS CHECK

Section 2 creates a waiting period of up to 15 days for a record check before a handgun purchaser is able to obtain possession of the handgun.

The record check is based on a sworn statement made by the prospective handgun purchaser on a form at the initiation of the purchase.

The licensee is required to mail the form to the "chief law enforcement officer" of the place of residence of the purchaser notifying the chief of the transaction, requesting the chief to confirm the address of the transferee, and requesting the chief to examine State and local official records of criminal convictions and adjudications of mental incompetency, readily available to such officer, and to report to the licensee whether any such records show any conviction or adjudication for the transferee.

The licensee is also required to mail the form to the FBI which shall examine Federal official records which may reveal any circumstance making illegal the receipt or possession of the handgun by the transferee and report to the licensee whether such records show any such circumstance.

The licensee may transfer the handgun as soon as he receives replies from the police chief and the FBI that they have no record of circumstances which would disqualify the prospective purchaser. If 15 days elapse and reports have not been received, the licensee may transfer the handgun. However, if at any time before delivery the licensee has received the reports and received information from the police chief or the FBI that receipt or possession by the transferee would be in violation of the law, the licensee may not transfer possession of the handgun. If, after transferring the handgun, the licensee receives the reports and they contain information that would disqualify the purchaser from legally purchasing the firearm, the licensee is required to notify the police immediately.

MACHINE GUNS

Section 3 prohibits the transfer and possession of machine guns.

The bill allows possessers of lawfully registered machine guns to continue their legal possession.

The bill enables a person to dispose of an unwanted legally registered machine gun by permitting the Secretary to buy a machine gun from such person.

SILENCERS

Section 4 prohibits the transfer and possession of silencers in the same manner as machine guns.

PREMISES OF SALE

Section 5 amends the GCA provisions permitting the sale of a firearm to a person who does not appear in person at the licensee's business premises to permit sale in person at a gun show (the premises of an organized event, open to the public, the principal purpose of which is the display, sale or trade of firearms and related items) in the state in which the licensee's business premises are located.

LICENSEES

Section 6. Subsection (a) aids law enforcement by broadening the circumstances to be reviewed by the Secretary in approving applications for a license under the GCA. Currently applicants for a license cannot be prohibited from transporting, shipping, or receiving firearms or ammunition under Federal law. The bill adds a requirement that applicants not be "prohibited by applicable State law from engaging in conduct necessarily incident to business subject to license" under the GCA (such as receiving or possessing firearms).

Subsection (b) would benefit the GCA licensees, It gives the Secretary an alternative sanction for violations of the GCA by licensees. It would allow the Secretary to suspend a license as an alternative to the sole penalty now available of revocation of the license. Revocation would remain an available sanction where appropriate.

RECORDKEEPING

Section 7 benefits GCA licensees. It would eliminate record-keeping requirements by licensed collectors with respect to transfers of curios to other licensed collectors.

This section would also eliminate record keeping in the sale of ammunition in quantities of less than 1,000 rounds. This would eliminate an enormous quantity of record keeping now required of licensed dealers which serves no law enforcement purpose.

RELIEF FROM DISABILITIES

Section 8 contains further benefits for the gun using public.

Subsection (a) contains two important reforms in the provisions of the GCA providing relief from its legal disabilities.

First, while the current law provides persons who have been convicted of a felony with the opportunity to apply to the Secretary for relief from the disabilities imposed by Federal law with respect to acquisition, receipt, transfer, shipment, or possession of firearms, current law denies that opportunity to persons who violated the GCA or the National Firearms Act. Many of the offenses under those acts are of an administrative nature. This subsection eliminates that limitation.

Second, the subsection recognizes that in the evolution of State law there are often provisions expunging criminal convictions for conduct that is no longer deemed criminal or felonious. The subsection directs the Secretary to make an annual review of State laws regarding expungement, and the elimination of disabilities arising from such convictions. The Secretary is then empowered, if consistent with the purposes of the GCA, to declare that each person obtaining relief under such State law is relieved from disability under Federal law.

Subsection (b) provides an opportunity to lawfully receive and possess firearms for a person who, having been adjudicated as mentally incompetent, has been subsequently adjudicated as restored to mental competency, if the court specifically finds that the possession of a firearm by the individual would not pose a danger to the individual or to the safety of the community. Such persons shall be relieved from the disabilities of the GCA incurred because of the original adjudication of mental incompetence.

LICENSE FEES

Section 9 raises the annual license fee for licensed firearms dealers, pawnbrokers, importers and manufacturers from $10.00, $25.00, $50.00 and $50.00 respectively, per year to $200.00 per year.

Subsection (b) would create a fund from the license fees received under the GCA to be used for "grants . . . to State and local governmental agencies for the purposes of providing assistance in enforcing this chapter or the operation of firearm safety programs operated under State or local law."

RECEIPT OF FIREARMS BY DRUG ADDICTS

Section 10 replaces and modernizes the prohibition on receiving firearms or ammuniton by a person "who is an unlawful user of or addicted to marihuana or any depressant or stimulant drug (as defined in section 201(v) of the Federal Food, Drug, and Cosmetic Act) or narcotic drug (as defined in section 4731(a) of the Internal Revenue Code of 1954)" by substituting "who is

an unlawful user of or addicted to a controlled substance as defined in the Controlled Substances Act".

Current law does not include hallucinogenic drugs that were controlled by the Controlled Substances Act, PCP, various tranquilizers, designer drugs or other substances that are added to the schedules of controlled substances by administrative action.

Section 11 contains the effective dates for the various sections.●

AT LONG LAST, A BREAKTHROUGH ON WATER PROJECTS

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. WYDEN. Mr. Speaker, I rise to congratulate and express my admiration and appreciation for the key members of the Public Works and Appropriations Committees who—literally overnight—were able to roll up their sleeves and hammer out an acceptable compromise on the funding of critically needed port and waterway development projects in the supplemental appropriations bill.

Congratulations are also clearly in order for Senator HATFIELD, chairman of the Senate Appropriations Committee, who has worked tirelessly for months to devise a cost-sharing arrangement acceptable to the administration and Budget Director Stockman—and one that local sponsors and waterway users could live with. Senator HATFIELD then spent many more hours convincing his colleagues in the Senate and colleagues on the supplemental appropriations conference committee to support the essence of this agreement.

Thanks to the tireless efforts of these distinguished Members of both bodies—and their willingness to compromise local and institutional concerns in the interest of economic development, jobs and new trade opportunities—we can finally start work on essential infrastructure development and modernization projects in many areas of this country. These include the Pacific Northwest, where—at long last—work can begin on a replacement of the antiquated lock at the Bonneville Dam on the Columbia River. Replacement and modernization of this lock is absolutely essential to our efforts in the Northwest to increase our stature as an international trade center and generate more economic growth. That's why I've introduced legislation in each of the last three Congresses to authorize a new lock—and that's why I'm so delighted that the logjam on this and other needed projects has finally been broken and construction can soon begin.

Finally, I want to reiterate my pledge to Chairman ROE—who, as usual, was a pleasure to work with—to do whatever I can to help him pass a comprehensive omnibus water resources bill this year. Today's developments are a critical step—but are far from being the final step—in our efforts in the Congress to ensure that the Federal Government plays a responsible role in contributing to this Nation's infrastructure development needs. We must continue the journey we started today.●

THE HISTORIC REHABILITATION TAX CREDIT ACT

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. KOSTMAYER. Mr. Speaker, the U.S. tax system has, by nearly unanimous agreement, accumulated many inefficient and unfair programs over the years. There is, however, one program which has enjoyed bipartisan support for its effectiveness. That program is the Historic Rehabilitation Tax Credit Act.

The Historic Rehabilitation Tax Credit Act provides for a 25-percent investment credit for the rehabilitation of a commercial or residential building listed in the National Register of Historic Places or located within a historic district. President Reagan, in his latest tax reform package, now proposes to eliminate the rehabilitation credits despite the unqualified success with which their application has been met.

As a measure of their effectiveness, consider the following:

Directly attributable to the incentive created by the rehabilitation credits in the 3 years following its enactment are the creation of 180,000 new jobs, a $4 billion increase in wages in local economies, and nearly $5½ billion in increased local retail sales and business activity.

Furthermore, the historic rehabilitation tax credit has contributed to the revitalization of countless communities which otherwise would have languished, unproductive and decaying.

According to the National Trust for Historic Preservation, 36,000 housing units have been rehabilitated since the tax credits were first enacted.

In my own district, in Bristol Borough, the waterfront area is the focus of a planned rehabilitation effort which promises to bring new life to an area which clearly has great potential but which needs a boost to successfully compete in today's real estate markets where profit maximizing investors are more inclined to finance the new and the modern.

The historic rehabilitation tax credit gives Bristol Borough just such a boost. Without it the waterfront would remain underutilized and underproductive.

And the the Bristol Borough waterfront is only one of thousands of similar sites around the Nation whose best, most realistic hope for recovery lies with the historic rehabilitation tax credits.

Among the proponents of the credits are the mayors of many of our Nation's largest cities. In June of this year the U.S. Conference of Mayors formally recommended to Congress that the rehabilitation tax credits be retained.

Ironically, just last fall, President Reagan himself hailed the rehabilitation credits for making the "preservation of our older buildings not only a matter of respect for beauty and history, but also of good economic sense."

Mr. Speaker, while I wholeheartedly believe that reform of our tax system is necessary and prudent, I believe that it is incumbent upon Congress to make sure that the reform itself is also prudent. The historic rehabilitation tax credits have proven their effectiveness and should be retained.●

S. 1147, THE ORPHAN DRUG AMENDMENTS OF 1985

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. WAXMAN. Mr. Speaker, yesterday the House passed S. 1147, the Orphan Drug Amendments of 1985, and sent the bill to the President for his signature. During our consideration of the bill, I failed to explain the significance of one of the sections of the bill.

Section 3 of S. 1147 concerns orphan drugs that are antibiotics. The amendments made by the section are technical in nature and were included in both the House-passed bill, H.R. 2290, and the Senate bill. They clarify the authority of the Food and Drug Administration [FDA] under the Orphan Drug Act of designate antibiotics as orphan drugs and to offer to the manufacturers of those antibiotics all the benefits of the act.

The technical changes in section 3 are necessary because the original drafting of the Orphan Drug Act made specific references to biologics approved under section 351 of the Public Health Service Act and to drugs approved under section 505 of the Federal Food, Drug, and Cosmetic Act. Unfortunately, these references left some confusion about coverage of antibiotics. There is no doubt that Congress intended for the original Orphan Drug Act to cover all drugs for rare diseases and conditions, regardless of whether the drugs are biologics, antibiotics, or other drugs. The goal of the

act is to make effective products for rare diseases and conditions available to the public.

Section 3 will clarify for the FDA that it has followed congressional intent by covering antibiotics in implementing the act.●

LOUIS O. (JEFF) GIUFFRIDA

HON. LINDY (MRS. HALE) BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mrs. BOGGS. Mr. Speaker, since 1981, Louis O. "Jeff" Giuffrida has served the Nation as the Director of the Federal Emergency Management Agency [FEMA]. His stewardship has been marked with several substantial improvements in the operations of this important agency. As of September 1, 1985, Jeff will leave FEMA and I think his decision to resign provides an opportunity to look at the positive results that have ensued from his work.

When Director Giuffrida came to FEMA, it was in its fledgling state. Its functions were scattered over many different sites. It had problems, as any new agency does and these were compounded by lack of coordination between many divergent views and different responsibilities and disciplines. During his tenure great progress has been made in several areas. The very first thing that Jeff set out to do was to have a baseline audit done by the GAO to provide guidance in addressing the challenges of understaffing and underfunding. He has put the FEMA house in order, has housed FEMA in one location and has led the Agency with very positive results in many areas.

Because the district I represent is often besieged by natural disasters, I have been especially interested in the emergency response to disasters. I have been extraordinarily pleased, not only with the kind of responses that have been put into effect, but also with the training capabilities that have been initiated. In short, through tireless service, Director Giuffrida has succeeded in making FEMA a viable and responsible member of the community of Federal agencies. I am most appreciative of his success and extend my personal thanks for his commitment, dedication, and hard work. Best wishes to him and his family in all their future endeavors.●

CSCE IN RETROSPECT

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. GARCIA. Mr. Speaker, today marks the 10th anniversary of the signing of the Final Act on the Conference on Security and Cooperation in Europe [CSCE], more commonly known as the Helsinki accords.

The success of the Final Act cannot be measured by traditional criteria. It is not a formal treaty; it is a statement of principles intended to facilitate East-West cooperation. It is also a by-product of détente, but its purpose goes beyond that much maligned description of United States-Soviet relations in the seventies. The Helsinki accords have forced Soviet and Eastern European governments to recognize a Western interpretation of human rights. They have also offered hope to the people of those nations. Yet, even this glimmer of hope was not achieved without exacting a significant cost both from the West and from Eastern bloc dissidents.

One of the costs was Western acceptance of present Eastern European borders, as well as providing the Soviets with an arena in which to call for European disarmament and more open trade. Initially characterized by its critics as a "sellout" to the Soviets, the successes and failures of the Final Act have largely been a reflection of the fluctuations of East-West relations.

Prior to the Soviet invasion of Afghanistan in 1979, the accords could be viewed as playing a role in the liberalization of the Soviet Government's attitude toward dissent. Conditions became even worse after 1979 and the freezing of United States-Soviet relations. Nonetheless, a welcome side effect of the accords was the spawning of human rights organizations in Eastern Europe and the Soviet Union. Groups such as Charter 77 in Czechoslovakia and Solidarity in Poland look to the Final Act as a source of inspiration.

Unfortunately, many of the individuals who took up the banner of the Final Act in Eastern Europe and the Soviet Union have been made to suffer for their efforts. Still, the Helsinki accords have offered hope and international recognition of the plight of these individuals where there had previously been very little. It is important to remember that the increase in human rights abuses in the East is not a reflection of the failure of the Helsinki accords. It is a reflection of increased East-West tension. The fact that the Soviets continue to criticize the accords is a sign that they must be having some effect, if only to remind the Soviets that they can no longer treat human rights violations as domestic policy.

It is also important to remember that only basket III of the accords deals directly with human rights. The other two baskets deal with such issues as cooperation in economic, science, and the environment, and there has been some improvement in these areas. Of course, basket I does contain the reference to the acceptance of existing frontiers in Eastern Europe. Yet, even this provision is not simply an acquiescence to Soviet hegemony in Eastern Europe. The accords also state that borders can be changed—peacefully—by mutual consent.

Another measurable benefit of the Final Act has been the review process, including conferences in Belgrade and Madrid, and more recently the human rights conference in Ottawa. The accords have forced the Soviet Union and the United States to talk to each other at a time when there was very little contact between the two nations.

In addition, the accords have helped foster an enhanced sense of unity among NATO nations. The monitoring of the accords, indeed the unanimous concern of NATO allies over human rights abuses, has built bridges not only among alliance nations but between NATO and organizations whose function it is to monitor compliance with the accords. This, in turn, has facilitated contact with individuals and groups in the Soviet Union and Eastern Europe, letting them know that the people and governments of the West have not forgotten their struggle.

As Chairman of the North Atlantic Assembly [NAA] Committee on Civilian Affairs, I can personally attest to the work being done by that organization to carefully scrutinize the implementation of basket III of the Final Act. Both in report form and through a quarterly publication entitled "The Bulletin," the NAA has continued to monitor Soviet and East European adherence to the accords. In fact, when I first began attending NAA meetings as a member of the House delegation, I was somewhat skeptical of the usefulness for someone like me becoming involved with an organization that is philosophically tied to a defense-oriented organization. I have found out since then that the NAA is much more than a rubberstamp organization for NATO defense policy. It is also concerned with human rights and peaceful cooperation between East and West.

Finally, when considering the usefulness of the Helsinki accords, it is important to remember that they in themselves cannot change policy. They have been and can continue to be a useful tool for forcing the Soviets to acknowledge at least some of their human rights abuses and, at best, to offer hope and recognition to the struggling people of Eastern Europe.●

WE MUST NOT ALLOW INSTITUTIONS TO BECOME THE PERMANENT PRISONS OF OUR NATION'S SENIOR CITIZENS AND HANDICAPPED INDIVIDUALS

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. RAHALL. Mr. Speaker, on Tuesday, July 23, 1985, I introduced legislation to amend title XIX of the Social Security Act to require States to provide for payment for reservation of nursing home beds under the Medicaid Program.

Current Federal regulations allow States to pay nursing homes for reserving a bed during a recipient's temporary absence from the facility if: one, the recipient's plan of care provides for absences other than for hospitalization; and two, the State's Medicaid plan provides for such payments and describes any limitations on the reserved bed policy. In other words, Federal regulation provides States discretion as to whether they wish to reserve nursing home beds for program beneficiaries and discretion as to the circumstances under which beds can be reserved.

Unfortunately, many States do not choose to provide the security that this option would provide. In many cases, a patient is forced to forgo the opportunity to participate in therapeutic recreation outside the home or even family visits because there is always the chance that the nursing home would have given someone their bed during their absence. At a time when we in Congress, and society as a whole, are advocating family and community participation in the care and welfare of our Nation's senior and handicapped citizens, this is a tragic occurrence. In my belief, it is also a contradiction to the original intent of Congress.

In an effort to correct this abhorrent situation, H.R. 3062 would make the reservation of nursing home beds for up to 15 days in any 12-month period a provision of the regulations—not an option to the States. Furthermore, a nursing home's ability to participate in the Medicaid Program would be contingent on its agreement to allow patients this 15-day period of flexibility.

Realizing the possible cost of this type of measure, I have included a provision which clearly states that the State plan under this title need not provide for payment to a skilled nursing or intermediate care facility for the reservation of a bed for any days on which the facility cannot demonstrate that there is an individual waiting for the use of that bed. This provision should prove to be quite a cost-saving measure and an improvement on the existing law.

H.R. 3062 is designed to reaffirm the commitment of Congress to the well-being and humanitarian treatment of our Nation's institutionalized citizens. I hope that my colleagues will realize the need for this legislation and join me in this effort; 15 days for every 12-month period is all this bill is asking; 15 days to visit one's family; to participate in therapeutic recreation; to have some sort of social interaction in other than a hospital setting. Can we justify denying senior citizens and handicapped individuals this small period of time outside an institution? In all good conscience, I cannot. I hope that my colleagues will feel as I do and lend their strong support to this legislation. ●

SECRETARY OF EDUCATION'S APPOINTMENT OF ROBERT ROSSIER

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. LELAND. Mr. Speaker, the Reagan administration has again shown its insensitivity to the concerns of the minority communities of this country. From the beginning, this administration has consistently made appointments detrimental to the interests and needs of our minority communities.

Today I find myself, once again, having to vehmently speak out against another Reagan administration appointee. President Reagan's Secretary of Education, William Bennett, has chosen to reappoint, to the National Advisory and Coordinating Council on Bilingual Education [NACCBE], Robert Rossier. Mr. Rossier has, through an article published in the Washington Times on June 14, 1983, shown himself to be insensitive and callous to the concerns of the Hispanic community. The NACCBE, the central advisory panel on bilingual education, is charged with the momentous responsibility of guiding and directing the Department of Education's policy for the education of Hispanic children in this country. To allow Mr. Rossier, whose article was entitled, "Bilingual Education: The New Latin Hustle," the opportunity to play a significant role in policymaking, is an affront to all the people who have worked diligently and tirelessly in an effort to secure equal educational opportunity for all children. Mr. Rossier states, "the ethnic politician in many cases does not care whether bilingual instruction is a valid method of teaching English," and that this program was maintained only to help bureaucrats, administrators and "power-seeking politicians." It is unconscionable that someone who holds such an extreme opinion of the Hispanic community, and its leadership, would be allowed to participate on a council, charged with serving the interests of that very community. His participation on the Council will only serve as an opportunity to dispense inflamatory rhetoric when, what is most needed, is thoughtful and objective analysis of the most effective methods of educating these children. The education of these children is the central issue. Mr. Rossier's comments only serve to divert us from our main objective.

Though I am a strong advocate of bilingual education, and frankly, am concerned about the recent policy direction this adminstration has taken, my objection to the appointment of Mr. Rossier is based, not only on his position on bilingual education, but, more importantly, on has slanderous and degrading attacks on the leadership of the minority community. Suggesting that people who have dedicated their lives to developing and refining methods of educating Hispanic children, are doing so simply to achieve some measure of political power, is deplorable. It is appalling that this administration would even consider, for appointment, someone who so openly insults and debases the integrity of the Hispanic community and its leadership. Mr. Rossier's appointment underscores the lack of sensitivity this administration has toward the Hispanic population of this country.

When will this administration learn that they cannot continue to blantantly ignore the needs and concerns of the minorities of this country. Appointments, such as Mr. Rossier's, only reinforces the ever-growing impression that this administration has a callous disregard for the needs and interests of the minority communities in this country. I call upon the Secretary of Education, Mr. Bennett, to withdraw this disgraceful appointment.●

UNITED STATES-SOVIET ARMS REDUCTION TALKS

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. FORD of Tennessee. Mr. Speaker, earlier this week, the United States and the Soviet Union traded proposals which each felt would be a step toward reducing the threat of nuclear war. While the Soviets offered the administraton a 5-month moratorium on the testing of nuclear weapons, the United States invited the Soviets to monitor a nuclear test in Nevada.

Ordinarily, these proposals might be considered as a new beginning to arms

reduction possibilities. In reality, it is unfortunate that neither side has begun to bargain seriously at this late date. These proposals have obviously been floated to try and win world opinion, and has failed at the very least to accomplish that. Let's at least give the American public and the international community credit for recognizing that.

It is time that both the United States and the Soviets get down to the hard decisions that need to be made. Our negotiators have been meeting with the Soviets for some time without results. Neither side has felt compelled to do anything about the current state of affairs. Although the time for game playing has ended, the two sides continue to go through the motions of arms reductions. If the current atmosphere surrounding United States-Soviet arms reduction talks continue, we can expect similar propaganda when Mr. Reagan faces off with Mr. Gorbachev in November. Unless the groundwork is laid now, the opportunities for a breakthrough in arms reduction will be lost for another 3 years.

Mr. Speaker, I call upon my colleagues at this time to once again consider the possibility of a mutual and verifiable freeze on, and reductions in, nuclear weapons. I do not accept the notion that such an agreement with the Soviets is impossible. Last week, I joined with many of my friends from both side of the aisle in cosponsoring the Comprehensive Nuclear Weapons Freeze and Reductions Act of 1985. Passage of this legislation would again express to the President how serious both the Congress and the American people feel about the arms race.

Mr. Speaker, I appeal to the President: Let's not let arms reduction slide for another 3 years. The freeze proposal is a serious alternative to what will otherwise be a never ending battle for nuclear stockpiles. ●

TREASURY-POSTAL APPROPRIATIONS BILL FOR 1986

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. AuCOIN. Mr. Speaker, I would like to commend the chairman of the subcommittee, Mr. ROYBAL and the ranking minority member, Mr. SKEEN, for their attention to the Customs issues in this bill.

Nothing could be more important as we battle a rising trade deficit of record magnitude. An effective and efficient Customs system is essential to exporters who are trying to move goods overseas in an increasingly competitive world marketplace.

The Columbia/Snake Customs District was just formed last year and its viability is critical to meet the current and future needs of a growing trade community. We, in Oregon, share the committee's support for adequate Customs staffing as a key element in maintaining critical services.

However, of paramount concern to me and the Columbia/Snake District is that the Customs Service not interpret the committee's action to provide additional personnel in certain areas of the country as justification to consolidate other districts, including the new Columbia/Snake District.

I appreciate the chairman's assurance that the additional personnel called for in this bill in no way signals support for district consolidations.

At a time when we should be doing all we can to expedite and promote trade, we cannot afford to be shortsighted in our approach to Customs Services and the important role they play in the international trade economy.●

GRACE UNDER PRESSURE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. DORNAN of California. Mr. Speaker, I believe that there is little doubt that the budget deficit is our No. 1 economic problem and must be dealt with swiftly and surely. In my view, the best way to deal with the deficit is to cut wasteful and extravagant Government spending—and there is a lot of it to cut.

One man who has taken the lead in bringing the deficit problem and solutions to it to the limelight has been J. Peter Grace, the 72-year-old chairman and chief executive officer of W.R. Grace & Co. His Commission's report on waste, fraud, and abuse in Government spending has rallied scores of Americans who are demanding that we, as representatives of the people, look into his Commission's findings and act on them. Mr. Grace has also inspired many of us here in Congress, resulting in the formation of the bipartisan Grace Commission caucus, on which I proudly serve.

To date, the overall response to the Grace Commission report by Congress has been woefully inadequate; indeed, it has been downright negligent. This is truly a shame because Mr. Grace and his colleagues have discovered countless legitimate initiatives to increase efficiency in Government. It is my contention that the Commission's recommendations are being overlooked either out of stupidity or liberal heavy handedness. In fact, precisely because the liberals have been such obstructionists in this matter, it has become necessary to introduce a resolution to force each committee to look into the Commission's findings and enact feasible recommendations, of which there are many.

Nobody likes to have an outsider tell them how to run their operation—least of all the liberal busybodies that control the House. However, when it comes to Government spending, it is obvious that we need some help. Therefore, Mr. Speaker, in support of the efforts of that fine gentleman, J. Peter Grace, I would like to submit for the historical record the following recent article on Mr. Grace and his Commission that appeared in the July edition of TWA Ambassador magazine:

[From TWA Ambassador, July 1985]

GRACE UNDER PRESSURE

(By D.J. Tice)

One day not long ago, J. Peter Grace was cooling his heels, waiting to appear on a radio talk show. An aide stepped into the room hoping to placate his impatient boss.

"You'll be on the air in five or ten minutes, Mr. Grace."

"Five or ten minutes!?" Grace snapped back. "That's a 100-percent variance!"

Peter Grace is a numbers man—a brilliant, single-minded, obsessive, or maniacal numbers man, depending on whom you talk to, but a numbers man in everyone's estimation, including Peter Grace's. "I just feel that numbers are the only game in town," says the 72-year-old chairman and chief executive officer of W.R. Grace & Company. "The numbers tell you exactly what the situation is. The only way you're going to find out about something is to look at the facts; and the facts are the numbers."

Like many things Peter Grace says, this is hard to disagree with and hard to believe all at once. "There's a lot more to running a business than numbers," insists Smith Barney analyst Jim Wilbur, one of Grace's numerous Wall Street critics. "If he's spending all that time with the numbers, maybe he's not spending the time he should with other aspects of the business."

The dean of America's corporate executives, who this September will celebrate his 40th anniversary at the helm of W.R. Grace (a tenure unmatched in the Fortune 500), is having none of it. He hasn't found any "aspects" of business that aren't questions of facts, and therefore best understood by the numbers. "In business, you have to understand what you're in, and what the categories are of the environment that you're in, and what the measuring yards are of what you're in, and then you can see whether within that environment you can meet certain goals. There are some people who are successful because they have great instincts, but it's all numbers, basically."

Managers at W.R. Grace, a $7-billion conglomerate spread-eagled across the economic landscape in a wondrous and bewildering tangle of businesses ("They're in tennis rackets, tacos, ammonia, and oil," snipes Wilbur) learn quickly to respect their chief's passion for the numbers. They learn, for example, to banish adjectives and adverbs from their reports and presentations, in accordance with an unwritten but entirely serious company rule. ("Mr. Grace says there's not an adjective or adverb in the world that can't be replaced by a number," said an aide. "He doesn't want to know that something's 'bad.' He wants you to define bad.") They learn that results that conform to projections are preferred to results that

exceed them. They learn that anything faintly resembling a major decision will require analysis on a "spreadsheet" of hundreds, sometimes thousands, of columns—spreadsheets that on occasion have stretched to 60 and 90 feet in length and have been tacked up on hotel-corridor walls so that Peter Grace could stroll along, contemplating every ratio and every trend line, like a salty old general inspecting his troops. And they learn to emulate their septugenarian boss's extraordinarily long workweeks at winter budget-review time, during which they are summoned, one by one, to a small oval meeting room on the Grace building's 48th floor, there to sit at a front table like a prisoner in the dock and endure Peter Grace's adversarial, excruciatingly detailed cross-examinations. Graphs, charts, and other illustrations are rarely welcomed. Grace takes his numbers straight.

"Overkill" concedes a close aide to Grace, "is a word you hear pretty often around here." It's also a word, or at least a sentiment, that's been heard pretty often of late in Washington, D.C., when the subject is Peter Grace. Grace was chairman of the President's Private Sector Survey on Cost Control, commonly known as the Grace Commission. During Ronald Reagan's first term, the Commission took a long, hard look at the federal government's numbers and last year produced a 21,000-page horror story, not counting 1.5 million pages of supporting documentation. In essence, the Grace Commission concluded that Washington's profligate spending habits are leading the nation down a short road to catastrophe. ("What does it mean? The end of freedom as we, our parents, and our grandparents have known it," writes Grace in his book about the Commission's findings, Burning Money.) Grace's most startling and galling contention is that the government's runaway deficits are entirely the result of waste, fraud, and Washington's utter disregard of elementary management principles. The Commission identified $424.4 billion that its says the federal government "burns" every three years—spending that could be cut, Grace argues, without sacrificing a single welfare program, a single weapons system, or anything else of importance, except to pork-barrel politicians.

"And we've just scratched the surface," Grace says. "We were only down there part-time. Put the same team down there full time and you'd increase that by 50 percent, easy."

Initial reaction to the Grace Commission report ranged from faint praise, accompanied by the conclusions that most of its 2,478 recommendations are politically impossible and that Grace himself is "one of the most radical fellows in or around government" (this from columnist George F. Will, not Jesse Jackson); to a detailed and impressive study of the study by the Congressional Budget Office and the General Accounting Office, which found Grace's numbers exaggerated (Grace in turn produced a study of the study of the study, which, not surprisingly, disagreed); to charges that Grace's report is "the most outrageous piece of statistical sleight of hand I have encountered" (from Democratic Congressman William Ford of Michigan), "on the verge of ridiculousness" (from former Democratic Congressman Richard Bolling), and "bordering on fraud" (from a spokesman for the Center for the Study of Responsive Law, a Ralph Nader offspring).

Peter Grace, who has launched an exhausting personal and corporate crusade to sell his view of Washington to the American people is, to put it mildly, unimpressed with his critics. To Representative Ford he responded, "When you stick a pig, it squeals." In *Burning Money* he writes: "When you speak of [cutting waste], you're threatening the mother lode of Congressional patronage, and all but the most rare and eccentric Congressmen will wail and fight against such a radical proposal like a cross, sleepy baby holding on to her Cabbage Patch doll."

This is not the sort of talk that gets one invited to a lot of Georgetown parties, but Grace doesn't seem to mind.

"I don't think anybody has any friends in Washington," he says.

Peter Grace carries a gun. That irresistibly curious fact has been reported so many times in business journals and elsewhere that Grace's .38 Cobra Special revolver must by now be the most conspicuous concealed weapon in New York City. Yet there may be more to Grace's pistol-packing than an elderly gentleman's eccentricity, more even than the official explanation of it—that Grace's name has appeared on several terrorist "hit lists." To study Peter Grace's past and to hear his thoughts on the present and the future is to detect a profound and consistent sense of vulnerability, of urgency. The world according to Grace—whether the business world or the political world—is a dangerous, unpredictable, even capricious place, where those who would endure had best be vigilant. Five years ago, in an interview with an internal company publication, Grace was served up the customary fat pitches. What did he consider his most important achievement in 35 years of leadership? "Surviving." What goal had motivated him to work so hard over the years? "Not to lose."

Such unduluted gravity would have been hard to predict from Joseph Peter Grace, who was born just prior to World War I into a life of fabulous wealth and unrelieved leisure. The Grace family's rise from poverty—closer to a Pershing II launch than a Horatio Alger tale—had been engineered by Peter's grandfather William Russell Grace. W.R. fled Ireland's 1846 potato famine as a teenager, established himself in Peru as a ship chandler, parlayed a small fertilizer business into a major international trading company, and became a tycoon and twice mayor of New York before his death in 1904.

W.R.'s son, Joseph Peter Grace, Sr., greatly expanded the company's textile and commodity operations in South America. He also founded the Grace Line steamship company, an airline, and a bank. By the time his son was born, J.P. had turned W.R. Grace & Company into a robust behemoth drawing some 92 percent of its earnings from Latin American operations. J.P., meantime, was drawing a salary equivalent to about $10 million a year in today's dollars.

"Nobody makes that kind of money anymore," says Peter Grace, who earned $868,000 last year.

At the tender age of eight, Grace got his first lesson in the vagaries of the marketplace and the indispensability of caution. In 1921, Warren Harding entered the White House promising a "return to normalcy," but "normalcy" proved not all that it was cracked up to be. The end of the war-inspired, worldwide economic boom sent commodity prices plummeting. W.R. Grace, then deeply invested in the commodities-trading business, was trapped, and gravely wounded. J.P.'s frenzy and anguish as he struggled to resuscitate his company made a lasting impression on his young son. A decade ago, Grace told *The Wall Street Journal*: "It's always been in the back of my mind that if my father, who was much more conservative than I am, almost went broke, then I have to be terribly careful."

Nevertheless, "playboy" is the word almost universally used to describe the young Peter Grace. It is, to be sure, a difficult image to reconcile with this balding, paunchy, slightly hard-of-hearing curmudgeon, known for his grueling, 80- to 100-hour workweeks (Grace reportedly shaves while using the toilet and has installed fluorescent reading lights in his limousines—all to make more time for work) and his just-the-facts-please sensibilities.

"Well," says Grace, "we had 60 servants on our place. I had 28 polo ponies, a yacht, and a place in Scotland where we went shooting every summer. So I guess you'd have to call that being a playboy. I played polo, I played hockey, I played golf. I didn't do any work. I just laid around. . . . I went through all the leading preparatory schools . . . the leading snot schools, and then I went to Yale."

A disdainful edge in Grace's voice tempts one to observe that such a youth couldn't have been all bad. "It was a disadvantage," he says, saving you the trouble. "The only thing that saved me was sports. When you live like that you don't learn how to live, how to sacrifice, how to suffer, determination. You don't learn any of those things in a life like that, but you do learn them in sports. Sudden-death overtime periods in hockey—you learn something about giving that extra amount."

Grace, married 44 years to his wife, Margaret, a former W.R. Grace secretary, has not seen fit to raise his own nine children in similarity lavish fashion. A devout Catholic who says without hesitation or embarrassment that his faith is the most important thing in his life, Grace sent his five sons, two of whom work at the company, and four daughters to parochial schools, and only to Catholic universities. "Most of the people who lived in my building at Yale were screwing girls three nights a week," he says. "I didn't think that was the best atmosphere to send my children to."

Grace himself escaped the disadvantages of privilege, somewhat reluctantly, upon his graduation from Yale in 1936, when his father ceremoniously put him to work as a lowly W.R. Grace mail clerk. To this day Grace recalls his feelings of frustration and loss at being forced to abandon his hockey, his polo, and his girlfriends (he had dated, among others, Kathleen Kennedy), and is still capable of expressing bitterness over the distasteful mixture of resentment and brown-nosing that greeted him in the mail room. In 1938, Grace's father dispatched his son to Peru, where W.R. Grace did nearly 70 percent of its business. There Grace was fully awakened to the enormity of his own naiveté and to the harsher realities of life by a cold shower of urine.

"I think it was the first night I was in South America. I was sent up to a 15,000-acre sugar estate, with 10,000 workers on one plantation and another 10,000 on another one, and as I walked down the street someone threw a pot of piss out the window and I got hit. They didn't even have sanitary facilities. Twenty-thousand people throwing their piss out the windows. So I wondered, 'How long are we gonna be able to sit in New York clipping coupons, taking dividends out of these properties, when the

people working here are living like this?' It scared the hell out of me."

Not everyone shared Grace's trepidations. W.R. Grace was prosperous and growing in the late 1930s; its profits quadrupled between 1935 and 1945. But Grace, with the guidance of Chilean economist Raul Simón ("The smartest man I ever met," Grace says), looked out across the Latin American landscape, and saw change fast approaching—disastrous change for an American company "sitting in New York clipping coupons."

"In Peru," Grace says, "about a third of the people were living [in the mountains], just cutting cocoa leaves. They didn't even speak Spanish, and everybody was wondering how soon they'd be absorbed into the economy. And, of course, they weren't going to be absorbed. [Simón] predicted, 'You'll never be able to borrow anything. The economies are going to go to hell, and you won't be able to get working-capital loans because they'll cut you off and only give it to local, national businesses. And then the currencies will go to hell. And then they'll expropriate your assets.' Well, I became convinced that he was right, and he was."

Thus began one of the extraordinary corporate transformations, and one of the extraordinary management careers, in American business history. The W.R. Grace & Company for which Peter Grace was working that first soggy night in Peru has vanished. Not a single sugar refinery, not a single paper or textile mill, not a single shipping route, not a single banking or insurance operation remains. In their place, Grace has tried just about everything, buying some 130 businesses and selling off perhaps half that many in the last 40 years.

If all that restless, not to say frantic, searching for the right business recipe has left Wall Street confused, if it has produced erratic and by some measures mediocre profits, it has also produced remarkable overall growth, with total assets climbing 39-fold in Grace's four decades, and has earned Grace the businessman's supreme accolade: most observers agree that Peter Grace saved his company from certain oblivion.

He began the remaking of W.R. Grace in 1945, when he became president after his father suffered a stroke. It took him six years to chose among oil, electronics, and chemicals as the new major trust for W.R. Grace. He chose chemicals in the end largely because he thought the price of oil too low and the technological requirements of the fast-changing electronics industry too great. Grace's blitzlike entry into the chemicals field in the early Fifties was almost certainly the most brilliant move of his career, yet it very nearly cost him his job in a 1952 "vote of confidence" before the board of directors—a year before W.R. Grace went public. The board had cause enough for concern: in his first seven years at the helm, Peter Grace had managed to reduce the company's earnings by more than half.

Things got better in a hurry, despite a disastrous failure in plastics. By 1962, chemicals accounted for well over 50 percent of W.R. Grace's sales—sales that had nearly tripled since 1950. (Today, W.R. Grace is the nation's sixth-largest chemicals producer). But the company's metamorphosis had only begun. In the early 1960s, Grace became enamoured of the idea of establishing a "General Foods of Europe," and hungrily began buying up Dutch chocolate makers, Italian pasta manufacturers, French restaurant chains, and the like. Most of those acquisitions faltered, as did others in footwear, office supplies, auto parts, and a host of other consumer businesses. By the early Seventies, Grace had undeniably succeeded in diversifying his company and severing it from its old Latin American roots, but what he held in his had looked a little like weed. Tangled and overgrown, W.R. Grace's consumer operations earned barely one percent on $1.6 billion in sales in 1974—although the chemicals business was churning along, making the company's overall numbers far more palatable.

A major international reassessment over the past decade, leading to dozens of divestitures, has made a good deal more sense of W.R. Grace's consumer division, now concentrated in specialty retailing (Herman's Sporting Goods, home-improvement stores, and Berman's leather outlets, among others) and restaurants (including El Torito's, T. J. Applebee's, and Del Taco). Consumer operations accounted for 36 percent of the corporation's sales and 14 percent of its earnings in 1983.

So much for the ammonia, the tennis rackets, and the tacos. W.R. Grace is also in the oil (and coal and gas) business—an ingredient Peter Grace added to his business mix in 1973, at the height of the energy crisis. There can be no doubting the short-term wisdom of that move, as Grace's natural resource division enjoyed an exhilarating run from its founding through 1981, when it turned in a tidy $182-million profit. Since then, the division has looked, at least to outsiders, like another candidate for divestiture. Natural resource earnings plummeted to $23 million in 1983, and recovered somewhat, to $44 million, last year. For his part, Grace concedes that the recent drop in energy prices and demand has "knocked the hell out of our earnings" (1984 corporate earnings were barely more than half the 1981 figure), but he remains confident that the business will rebound, and that his natural resource venture was "a good decision."

To the tastes of many on Wall Street, Grace's business recipe has always contained too many unpleasant surprises, of which the oil downturn is merely the latest. Analyst Wilbur complains that despite his relentless rushing about, Grace is "overly cautious." Offering the theory that Grace has welcomed the heavy investments of Germany's Friedrich Flick group, W.R. Grace's largest single stockholder, as a hedge against takeover bids or internal revolts, Wilbur adds, "He's run that company like he's managing his own portfolio. Most investors like to do their own diversifying."

Grace is not disposed to deny the latter charge, nor to significantly differ with Wilbur's analysis of W.R. Grace's so-so reputation on Wall Street. But where analysts detect weakness, Grace sees virtue: "The disadvantage of [diversification]," he says, "is that you can't specialize in one thing. You're never as good at any one thing as you'd be if you did nothing else. The advantage is that no one thing lasts very long—and they last less and less long [nowadays]. When one business goes down, another goes up, and that gives you a stability. We feel that that has helped us greatly over the last fifteen years.

"Now, when you get more stability downside, you get more stability upside, . . . so you get less growth possibility. But today, in the 1980s, I think most businesses are trying to retain earning power rather than trying to explosively add to it. Do you know many companies that are growing at fifteen or twenty percent per year? No, I don't either. I think there are more that are declining at fifteen percent a year. . . .

"I don't know of one stockbroker who doesn't recommend a diversified portfolio to his investors. We feel that we have the same obligation to our stockholders. Now that there are more and more institutional investors, they control the [stock market], and they care less about that. They do it all on computers. We had a big mutual fund sell out on our stock. We asked them why, and they said, "The computers showed that you were slightly overvalued."

"So the more you have completely disloyal investors, . . . the less [stability] matters to them. But if you were appealing, as we were when we started, to family investors, and individual investors who wanted to put their money away in a safe place, the diversification that we had definitely suited their books."

Grace utters these words in the W.R. Grace board room, high above Times Square on 42nd Street, but he couldn't be further removed from the "pure play" mentality of Wall Street if he were still in Peru. In this stubborn, fiercely self-certain defense of the pursuit of stability lies the essential, defining paradox of Peter Grace. He is indeed, as George Will suggests, one of the most radical fellows around. But he is a radical proponent of security, willing to go to any length—to transform his company and keep it in a state of turmoil for four decades, to confidently challenge the awesome inertia and entrenched traditions of Washington—just to keep the important things the way they are.

James Watt and Raymond Donovan notwithstanding, even hardened critics of the Reagan Administration are apt to grant it a knack for politicaly savvy, and thereby effective, appointments—Lane Kirkland and Claude Pepper to the Social Security commission, for example, Henry Kissinger to chair the Central America commission, William Ruckelshaus to head the EPA after its reputation became hazardous to the administration's heath, and more recently, Bill Brock, a fierce but respected foe of the AFL-CIO, to replace Donovan at Labor. The choice of Peter Grace as point man in the assault on federal waste demonstrated the same sort of mastery, or mischief if you prefer, as Grace brought to his assignment the qualifications Reagan values most in a tight spot—unassailable credentials and the kind of personality that can divert attention and criticism from Ronald Reagan.

Literally no one in America can match Grace's experience in managing a large bureaucratic organization. His demonstrated passions for diversification and precision accounting also recommended him highly as an advisor to Washington, the world's most diverse and unwieldy spender. What probably clinched Grace's appointment were his long-time criticism of government mismanagement (as a lifelong Democrat, no less), his reputation for tireless, even obsessive commitment to the tasks he undertakes, and a special talent for rough and tumble debate.

Despite Grace's impressive credentials, and despite the dearness of the waste issue to the president's heart, few had high hopes for the privately financed task force of corporate executives that Peter Grace was named to lead early in 1982. Many remembered the futility of the Hoover Commission of the late Forties and early Fifties, which correctly identified billions in waste but eliminated very little, blocked at every turn by special-interest patronage. Many others

pointed to the Reagan Administration's own energetic but largely ineffective assaults on waste in 1981 and 1982 and saw the Grace Commission as an attempt to cover a lack of fire with additional smoke. (No one, it appears, thought to turn one of the president's favorite anecdotes against him—the one about the politician who became so exasperated with government duplication that he appointed two task forces to study the problem.)

In any case, the Grace Commission report has proved a good deal more durable and influential than its supporters had expected and its critics had hoped. It's worth remembering that the Commission's intitial findings were made public not at the White House but, rather more inconspicuously, at the Commerce Department. Nonetheless, Reagan has, not for the first time, confounded Washington wisdom by doing exactly what he said he was going to do—deliver not just words but action on the Commission's report. Grace Commission recommendations worth $112 billion in three-year savings, by Grace's reckoning, were implemented in the 1985 budget or through direct administrative action. In his 1986 budget, Reagan has proposed somewhat more controversial Grace recommendations worth $128 billion in three-year savings—all of which require congressional approval. The administration is still studying Grace's remaining recommendations, worth a whopping $184 billion over three years. Although it is by no means clear that Congress will be receptive to Grace's notions of good government, the Commission has already accomplished more than most government-reform task forces, and has almost certainly set a record among endeavors of its kind for inspiring press attention, public outrage, and congressional protests.

And small wonder. The Grace Commission report is a government baiter's dream—literally thousands of pages of deliciously absurd examples of bureaucratic bungling and procedural paralysis. The national press had a jolly time in 1983 when the Commission leaked word of the $436 Pentagon hammer (see chart), yet the pricey hand tool is just one of hundreds of similar follies the Commission exposed. One Californian, reading of the Pentagon's hammer prices, mailed the IRS six hammers in lieu of the $2,400 he owed in back taxes. Grace swiftly advised him that he could have saved postage by mailing in 26 three-penny screws, for which Uncle Sam routinely pays $91 each. Other lowlights of the Grace report:

At the Department of Health and Human Services, a single letter requiring the Secretary's signature involves up to 60 people and takes, on average, 47 days to finish.

The Veterans Administration spends between $100 and $140 processing each medical claim. Private insurance companies average between $3 and $6 per claim.

In 1980, Congress appropriated $946 million in disaster-relief funds for victims of the Mount St. Helens eruption, and $386 million was spent on such relief. The remaining $560 million cannot be precisely traced.

In 1981, the average occupancy rate in military hospitals was 46 percent, compared with 80 percent in private hospitals. Meantime, the government paid private hospitals $550 million to care for military personnel.

On average, federal employees take 40 percent more vacation days and 60 percent more sick days than private workers. They retire earlier and draw penisons 200 to 500 percent larger than the best available in the private sector.

The federal government occupies four times all the office space in America's ten largest cities—approximately. In fact, the government doesn't know exactly how much office space it has, or where it is, or how much it is paying for it.

On average, it takes the government 366 days to negotiate an office-space-lease. The General Services Administration has announced the objective of reducing that to 238 days.

The Administrator of the Veterans Administration, the head of a $26-billion operation with 200,000 employees, must seek congressional approval and endure an eight-month wait for any reorganization he wants to implement—if it affects more than two employees.

On average, the federal government pays its bills 10.2 days before they are due, costing taxpayers, on average, $2.3 billion per year.

Here's a glimpse of how the government budgets: If a federal loan program lends $100 million this year, and collects, $50 million in repayments on previous years' loans, it will report just $50 million in outlays for this year. Don't try this at home.

The Department of Energy employs one supervisor for every three employees.

"It could not be more outrageous," says Grace of federal management. "Couldn't be more outrageous! . . . One of the first things the president asked me was to find out how many federal employees there are in California. [Reagan has long claimed that federal employees outnumber state employees in his home state, a claim critics have challenged.] I went to [Ed] Meese, who said he'd get [that information], but he's never gotten it. Noody can get it. Nobody has that kind of information. . . . There are no records! The OMB [Office of Management and Budget] didn't even know how many social programs there are. They told me there were 110 to 130. There are 963."

The federal government, as portrayed by Grace, is less a devouring beast than a dithering buffoon—utterly lacking in the most rudimentary information about its own operations (the army, Grace writes in Burning Money, "not only doesn't know how many computers it has, it doesn't know where they are, how much has been spent on them, and whether they should be maintained, upgraded, or replaced . . ."); utterly paralyzed by nonsensical rules and regulations that proliferate because federal managers, lacking information, have no other way to "control" their operations (for some bewildering reason, the military is prohibited from taking competitive bids when moving personnel to Alaska or Hawaii); and utterly stymied at every economizing turn by special-interest pressures (for six years, the National Weather Service has been trying to close 38 unneeded local weather stations—not one closing has been approved).

Such revelations, of course, are not exactly new. It was the enormity of Grace's numbers—far outstripping even Reagan's earlier estimates of government waste—that attracted attention. The most formidable challenge to those numbers, the CBO-GAO study, has pretty well withered away in the face of Grace's blistering, numerically daunting counterattack, which suggested that once all errors and artificial limitations in the CBO-GAO study are accounted for, it actually documents higher, not lower, savings from the Grace Commission's recommendations. In February of this year, CBO-GAO issued a second, and far friendlier, analysis of the Grace report.

Still, Grace's contention that fully sixteen percent of federal spending is waste (this would include the additional waste that he is sure would be uncovered if efforts like his are continued) barely begins to express the radicalism of his views, and the radical implications of the Grace Commission report. To begin with, Grace's prognosis for the future if nothing is done to control federal spending is, well, dire—a $2 trillion yearly deficit by the year 2000, a $13 trillion national debt ($169,000 per current taxpayer), and "the end of freedom as we know it." And even those disheartening numbers are understated, Grace insists, because they conform to the government's "bewildering" and "incomprehensible" accounting system. Unlike private businesses and smaller units of government, the federal government is not required to pay as it goes—to set aside funds this year for future obligations incurred this year. If we add in, as we must in reality, the obligations the government is incurring for future Social Security and federal pension payments, Grace's projected deficit for the year 2000 becomes $3.8 trillion. "Intergenerational rape," Grace calls it.

Grace, nevertheless, is by no means entirely gloomy about the future. He does not see the government's problems as insurmountable. Nothing to it, really—just rewrite the Constitution a bit. Although he never says as much, we can probably count on Grace's vote should the abolition of Congress ever come to a referendum. When he approaches the matter of congressional meddling in Burning Money, the normally blunt and earthy Grace betrays his earnestness by taking this side trip into abstract euphemism: "While the [Commission's] Survey certainly has no competence or desire to argue constitutional issues, still it appeared to us as professional executives and managers that there is a significant dollar cost to congressional encroachment in the management of federal agencies."

The federal government's essential problem, according to Grace, is that its day-to-day operations are "micromanaged" by 535 congressmen and senators who are vastly more concerned with the near-term good will of the folks back home than with the long-term welfare of the nation. The Commission's report cites scores of examples of Congress blocking perfectly sensible agency plans for streamlining. Of 4,000 Defense Department installations in the United States, for example, the Pentagon considers 312 important to the national defense. Why haven't the rest been shut down? Don't ask.

For the most part, Grace's congressional critics have responded to this kind of talk by charging that the Grace Commission exceeded its mandate to examine federal management practices and charged hell-bent into the realm of policy. Grace disagrees, while conceding that the line separating management and policy in Washington is too fine to walk. Grace, for example, argues that our welfare "policy" is that the income of all Americans should be raised above the official poverty line. He reasons that if that policy is to be effectively managed, it only makes sense to keep track of all the government aid—including "in-kind" aid such as rent subsidies, medical benefits, food stamps, and the like—that citizens receive, thus giving welfare agencies the information they need to ensure that additional help goes where it is most needed. To many in Congress, all questions about the defini-

tion of "need" are matters of "policy," as indeed, in a sense, they are. Grace counters that if keeping tabs on federal largesse runs counter to established policy, then that policy has been misrepresented to the American people. "The value of free school breakfasts and lunches is not taken into account in figuring out how many food stamps a family can get," he writes. "Is it heartless to suggest that the same child shouldn't be fed the same meal twice? Not at all. The object is to get the most benefits to the poorest people at the least cost to the taxpayers. It is not our objective to load up a lucky few with over-sized benefits while others go hungry and the taxpayers go broke.

In many other areas, the Grace Commission found federal programs that had a legitimate social purpose when they were first established, but which have long since been rendered obsolete by events. Far too many of these programs survive, Grace argues, because for every government program, needed or not, there is a constituency, and for every constituency, deserving or not, there is a vote-hungry congressman. Grace waxes sardonic on this phenomenon: "In 1825, when Army posts were isolated fortresses out on the wild frontiers of America, the government found it necessary to let the Army set up small grocery stores inside the posts. . . . Today, military commissaries number 358. . . . Such an isolated outpost as Washington, D.C., has six of them. Wild frontier towns like San Francisco and San Antonio have five. Remote San Diego and forlorn Norfolk, Virginia, have four."

Congress's tendency to preserve once-valid policies in perpetuity also helps explain the area of "waste" that seems to exasperate Grace most—the oversized pensions and fringe benefits of government workers. Those generous benefits, Grace explains, were initially instituted because government jobs were poorly paid compared with similar jobs in the private sector. That is no longer the case—except for management-level government workers—but federal fringe benefits continue to conform to the old realities.

Or, rather, to the ever-present reality of pressure-group politics. "If you're a congressman, you never hear from us, the ordinary working people," Grace says. "But these pressure groups organize the Congress so that the subcommittee on civil-service activities is composed largely of [representatives] from Virginia and Maryland and such—that's where [a lot of] these civil-service people live. If you're a congressman from those states, you don't vote against legislation that harms their interests, because if you don't vote their way, you're gonna lose [in the next election]."

Perhaps the one encouraging message that emerges from the Grace report is that there is a method to Washington's madness. We needn't be mystified, Grace says, by the irresponsibility of Congress once we understand the political forces at work on our representatives. Nor need we wonder long why federal management is inept once we grasp the degree to which government managers are handcuffed by congressional meddling and driven by powerful incentives to ineptitude. The federal manager, Grace says, will reap no reward for efficiency, for accomplishing more with less. Quite to the contrary, his power, prestige, and pay are determined by the number of employees he supervises and by the rank of those employees. Given those incentives, Grace says, we shouldn't be surprised that government managers scramble to involve as many highly paid people as possible in even the most elementary projects.

"The motivation of people in Washington is ridiculous," Grace says. "These people lead lives in fear of being exposed, completely defensive lives. Have you ever seen a hockey game? Then you've seen the team that's playing for a tie. They trail one wing, two defensemen never go down the rink, they never put less than four men on the opponent when he's trying to get into their goal. That's playing for a tie, and that's what these government people are doing. 'No trouble. I'll just stay 'till I'm 55, get my indexed pension, stay out of trouble, wait it out.' Tie ball game."

Doubtless the tie ball game syndrome is the affliction that debilitates most reform efforts in Washington. Even if all of Grace's recommendations were adopted—an exceedingly unlikely event—new inefficiencies and boondoggles would surely sprout like cherry blossoms along the Potomac so long as Congress, driven solely by parochial constituency interests, looms like a tyrannical board of directors over every federal agency and federal managers find rewards only in expanding their bureaucratic empires. Recognizing this, the Grace Commission recommended what amounts to a revision of the U.S. Constitution—a dramatic shift of power from the legislative to the executive branch—which is likely as appealing to congressmen as the prospect of being hanged.

Grace is, first, a mighty proponent of the "line-item veto," under which the president, like 43 governors, would be free to accept some portions of a bill and veto other portions, rather than being forced to accept or reject an entire legislative package as written. The line-item veto, Grace believes, would put an end to the "legislative riders" that sneak onto the most straightforward and essential appropriations bills like rats onto a ship, and through which Congress does most of its meddling in the government's day-to-day affairs. Some critics of the idea argue that the line-item veto would merely make Congress even more irresponsible, since the burden of weighing the merits of legislative riders would fall entirely on the president; others oppose it on constitutional grounds, insisting that the line-item veto would in effect permit the executive branch to write law—a power the founders invested solely in Congress.

But if constitutional purists are troubled by the line-item veto, they must be positively mortified by Grace's proposal for a new management office that would effectively prohibit Congress from interferring in the operational affairs of executive branch agencies. "We're going to operate the government like a company," Grace says. "We'll have a chief financial officer, a chief operations officer, and a computer czar. They'll report to high-level, tough business people who will tell them how to run their operations effectively. The top guy would report to the president, but he'd run the government, the operations. This would have nothing to do with policy. Once the policy is set, you'd turn the task over to him and he'd run it for you.

"We've got to get Congress to agree to this line-management structure, and then [Congress] wouldn't be running everything. Once they pass the legislation, the executive branch would say, 'Okay, we'll run it for you. Pass the bills and get out.' That's the way it ought to be. They'd pass, say, food stamps, and we'd figure out a way to stop fraud in food stamps. And there'd be no congressman to mess with it."

There is only one sure way to change things," says Peter Grace, "and that's to get everybody suffering so badly that they pay attention. It's like when New York City was going bankrupt. I was working on that [on the Citizens Budget Commission], and I was the one who had to go to the mayor and tell him that the banks weren't going to roll over the loans. We're watching money here like a hawk now because we went bankrupt. Maybe that's what will have to happen to the country. When people are going to sit up and take notice is when they're being screwed enough.

"That's the way it is with the world, because people don't think. Most people don't think. They don't know anything about the deficit. It's not hurting them right now, so why study it? People are naturally very selfish and ingrown. That's not everybody, but it's the majority."

At 72, Peter Grace has resolved the first great challenge of his life—to save his imperiled family business and build it into a secure corporate giant, largely invulnerable to the vagaries of any one marketplace. It is remarkable, though not at all surprising, that at this late date he has assumed so much personal responsibility for heading off yet another great, "unseen" peril—runaway spending—with such evident passion and, yes, pleasure. By his own reckoning, Grace is now working 60 hours a week on company affairs and 30 hours a week trying to persuade the American people that the economic house is built on sand, that Washington must be forced to enact sweeping reforms. Grace had committed millions of W.R. Grace dollars to a series of television and print advertisements that convey that message. He has helped form a speakers bureau that will, he hopes, bring the message to chambers of commerce, rotary clubs, and PTAs around the country. He has personally made hundreds of speeches and submitted to scores of interviews, and he means to keep at it.

And what if it can't be done? What if the tie ball game syndrome is incurable, and the federal government simply cannot be made efficient Should we then, as many conservative thinkers suggest, resign ourselves to the inefficiency of government and simply cut services to the level we can afford?

"I can't tell you, because I think it's so utterly ridiculous not to make it efficient before you start cutting services that I don't like to talk about it. What are you going to do if you can't eat tomorrow? Start stealing from grocery stores? I don't like that kind of question."

Later, though, he returns to it. "I think anything is possible. I really do. I think anything is possible. And even if it isn't possible . . . You know, Mother Theresa was on a street corner in Calcutta one day, and there were three bodies lying there, and she was working on one of them. And somebody asked her, 'Aren't you upset that you can't even get to all the bodies?' And she said, No. God created us not to be successful, but to be faithful.' So if you believe in something and you know it's right you have to be faithful to the cause, even if you're not going to be successful. That's life."●

FEDERAL COAL EXPORT COMMISSION TO BE ESTABLISHED

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. RAHALL. Mr. Speaker, this week the Congress passed S. 960, the International Security and Development Cooperation Act of 1985. Contained in this legislation as section 1304 is a provision which I authored that would establish a Federal Coal Export Commission. This provision is the product of a bill I introduced earlier this year, H.R. 1005, and which I offered as an amendment to the House version of the foreign assistance authorization bill, H.R. 1555.

It is important to note that for the first time, the Congress has passed legislation which has as a goal the expansion of the U.S. share of the international coal market. The legislation seeks to achieve this goal through the increased cooperation among all entities, both Federal Government and private sector, with an interest in the U.S. coal export trade.

The vehicle for this effort will be the Federal Coal Export Commission to be established under the auspices of the Secretary of Commerce. The Commission is to have 30 members with one-third representing Federal Government agencies and two-thirds representing the private sector.

The Federal seats are reserved for representatives of the International Trade Administration; the Energy, Transportation and State Departments; the Office of the U.S. Trade Representative; and the Export-Import Bank with consideration of the Agency for International Development.

The private sector seats are reserved for producers of export coal, coal labor, coal transporters, and financial institutions involved with coal exports.

Primary among the duties of the Commission will be to examine innovative methods of assisting U.S. coal exports through programs such as those of the Export-Import Bank and the Agency for International Development. It is no secret that the Export-Import Bank was essential to the development of the El Cerrejon coal mine in Colombia—a massive coal project which will not only displace U.S. coal exports in foreign markets, but which is today exporting Colombian coal to the United States. The Export-Import Bank has been relatively active in providing financial assistance to foreign coal projects. yet, when it comes to assisting the exportation of U.S. coal, I have found the Bank to have a dismal record. When such assistance is available, it is in the form of the bank's export credit insurance program; a program not highly responsive to the particular needs of U.S. coal exports.

As I stated on the House floor when I offered this provision as an amendment to the House foreign assistance bill on July 11, 1985, the Agency for International Development seems to try to be of some assistance to U.S. coal, but to date, has not been overly successful. The agency, at least, has stated that in no instance is it supporting the development of foreign coal which would compete with U.S. coal.

Both the Agency for International Development and the U.S. Export-Import Bank will, without a doubt, benefit through participation in the Federal Coal Export Commission. These Federal entities will learn, firsthand, from coal exporters and other Federal agencies with more expertise in coal matters just what type of financial assistance will be helpful to promote U.S. coal exports.

As the author of this legislation, I place great emphasis on the financial assistance element of the Federal Coal Export Commission's mandate, including efforts to expand the participation of coal producers in Export Trading Companies. However, the Commission is also to examine diplomatic channels to expanding the U.S. share of the international coal market and in this regard, the State Department has had a record of failure. It is my desire that through its participation in the Commission, the State Department will learn from the International Trade Administration and the private sector what types of concrete actions need to be taken with our trading partners, particularly the Japanese, with respect to increasing U.S. coal exports.

Another very important element of the Commission will be to examine domestic impediments to coal exports and I do not believe the Commission, in this regard, needs to waste its time and resources on any other issue but railroad rates on coal exports.

The Department of Transportation, as reflected by its blanket support for the decision on export coal rates made by the Interstate Commerce Commission, has virtually ignored the threat posed by unreasonable railroad rates to U.S. coal exporters. It is conceivable that if the Transportation Department and coal-hauling railroads are brought into a forum with coal producers and labor to discuss this matter, some benefit may be realized. This will, however, require a good faith effort by all parties.

Mr. Speaker, let me say in conclusion that new competition is being formed against U.S. coal exports aside from our historical competitors from Australia, Canada, South Africa, and Poland. This new competition is coming from Columbia, and possibly other South American countries such as Venezuela in the near future. The Federal Coal Export Commission will not be a panacea for the problems facing U.S. coal exporters, but it will provide a needed boost to our efforts to address many situations which can be handled by increased cooperation among the Federal and private sectors, and within those sectors.●

ACTION URGED TO REMOVE SOCIAL SECURITY TRUST FUNDS FROM THE UNIFIED FEDERAL BUDGET

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. YOUNG of Florida. Mr. Speaker, this morning I wrote my colleague from Oklahoma, JIM JONES, chairman of the Ways and Means Subcommittee on Social Security, urging the subcommittee to expedite consideration of H.R. 1385, legislation I introduced to accelerate the removal of the Social Security trust funds from the unified Federal budget effective October 1.

President Reagan endorsed my legislation yesterday and the subcommittee held hearings on the subject April 23. As I said in my testimony before the subcommittee, the Social Security system was established 50 years ago as an autonomous, self-supported program with independent trust funds financed by employee and employer contributions. The surplus in these trust funds cannot by law be commingled with general Treasury funds to pay for national defense, education, or agricultural programs, build roads or bridges, or pay for the interest on our national debt.

Still there are some who propose reducing Social Security benefits to lower the national debt. Such attempts, however, provide false budgetary savings because any savings made in the Social Security system cannot be used to reduce the Federal deficit. Accelerating the removal of the Social Security trust funds would return a sense of autonomy to the Social Security Program and will reassure our Nation's Social Security recipients that their benefits will no longer be in jeopardy.

Mr. Speaker, prompt action by Congress in this matter will prevent Social Security benefits from being the object of constant attack during next year's congressional budget process as they were throughout this year's budget negotiations.●

FISCAL YEAR 1986-87 FOREIGN AID AUTHORIZATION AND FISCAL YEAR 1985 SUPPLEMENTAL APPROPRIATIONS

HON. TIMOTHY E. WIRTH
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. WIRTH. Mr. Speaker, yesterday the House took two very important votes—on the conference reports for the fiscal year 1986 foreign aid authorization and supplemental appropriations for fiscal year 1985. I voted against both of these reports and want to take this time to explain my reason for doing so.

The reason is simple and straightforward: I cannot support policies designed to make military intervention our predominant tool of foreign policy, especially in Central America.

The supplemental appropriations bill contains $27 million for so-called "humanitarian" aid to the Nicaraguan Contras. The approval of this appropriation signals to the world that the United States advocates the overthrow of a government in a country with which we are technically at peace. This appropriation indicates our preference for fueling an illegal war instead of participating in the internationally recognized Contadora negotiating process. It means we would rather risk further bloodshed and the political destablization of our allies—such as Costa Rica and Honduras—than use diplomacy and economic development to heal the deep social and economic rifts from which the conflicts in Central America have emerged. I deeply regret Congress' lack of foresight and patience in ignoring this latter approach—one that is flexible and is the consensus policy adopted by our allies in the Organizaton of American States.

The inclusion of aid for the Contras in the supplemental is doubly regrettable because it compelled me to vote against an otherwise outstanding appropriations package. The most important provision in this package is the $1.5 billion in economic support funds for Israel. Thus far, Israel has done an admirable job of addressing its economic difficulties. For our most important ally in the Middle East, we can do no less than financially assist Israel's drive to overcome its economic problems.

The supplemental contained a number of other provisions of great importance to Colorado and the Nation.

A long delayed water storage project crucial to the long-term economic vitality of Colorado and the settlement of decades-old water disputes with Native Americans in the region was part of the package. The conference report provides start-up moneys for the Animas-La Plata project is southwestern Colorado. The authorization of these moneys provides the first concrete congressional support for Animas-La Plata since its initial authorization in 1968.

Federal assistance programs critical to thousands of Colorado farmers were also part of the supplemental appropriation package. The additional $2.9 billion to restore net losses to the Commodity Credit Corporation, combined with the $1 billion package recently approved, will assist many Colorado farmers who, with a near record crop on their hands, have few markets in which to sell their highly perishable product.

Finally, the additional appropriation of $318.9 million for the Food Stamp Program and additional funds for student financial assistance will serve to fulfill the important commitment we have made to assist countless needy families and deserving young people.

Yet despite the critical importance of funding for these programs, they pale in comparison to the commitment our country is making—by virtue of the supplemental—to an illegal and destabilizing war in Central America.

In contrast to my perspective on the supplemental, I have few reservations about voting against the conference reports on the fiscal year 1986 foreign aid authorization. This legislation is strewn with measures designed to involve the United States in conflicts around the world. It erodes our dedication to seeking the resolution of international conflicts primarily through diplomatic efforts rather than military.

Reflecting this attitude is the provision to repeal the Clark amendment, which prohibited U.S. military or paramilitary assistance to Angolan rebels. Although Congress did not match this repeal with the authorization of assistance for Angolan rebels, it has already had a devastating impact on efforts to remove the South African presence from Namibia and Cuban troops from Angola. Two days after the House voted for the repeal, the Government of Angola withdrew from sensitive negotiations which even the State Department acknowledged had a good chance of resolving the decade-old problems of occupied Namibia and the Cuban presence in southern Africa.

The foreign aid bill reinstates our military presence in Southeast Asia for the first time since 1975. It authorizes $5 million in military aid to Cambodian non-Communist rebels, even though their prospects for success are closely intertwined with those of the vicious and more numerous Communist Khmer Rouge forces, under the leadership of Pol Pot.

The bill also provides another $27 million in humanitarian assistance to the Contras. More importantly, it contains no language barring the Central Intelligence Agency—the same agency that illegally mined Nicaragua's harbors and financed the creation and distribution of assassination manuals—from distributing the aid to the Contras. With the Boland amendment due to expire on September 30, the lack of that restriction is ominous indeed.

In my critique of this rush to provide military assistance, I do not mean to imply that we should never assist rebel insurgencies. For example, I strongly support the conference report's authorization of $15 million in both fiscal year 1985 and fiscal year 1986 for the Mojaheddin of Afghanistan who are fighting the occupying forces of the Soviet Union. This case differs from the others I have cited because efforts at negotiation, under the auspices of the United Nations, have languished in the face of Soviet stonewalling. Moreover, the Soviet forces are presently engaged in a cruel—almost genocidal—attack on the Afghan people. The reports of indiscriminate Soviet bombing, maiming, and torturing of Afghan civilians must be met with a prompt and concrete response, something that we in the Congress have only begun to do.

There are numerous other reasons to oppose this legislation. First, the conferees have dramatically weakened the successful formula by which Congress has induced El Salvador to accelerate the democratization of its political system and bring an end to its terrible human rights abuses. The conferees replaced the House's explicit conditioning of aid on Presidentially certified progress toward democracy and human rights with report language that removes the stringency and effectiveness of the certification requirement.

Second, Congress is sending the wrong signal to the Marcos government of the Philippines by shifting the focus of our aid program back toward the military. At a time when the new people's army has spread throughout the archipelago and discontent with the Marcos regime is rampant, we must inform Marcos that the stability of the Philippines rests on his ability to engineer a peaceful transition to representative democracy. Our security consideration—namely our rights to Subic and Clark Air Force Bases—depend on such a transition and the continued good will of the Filipinos. Shifting more aid to the Philippines' military account will only encourage President Marcos to pursue a military strategy against the NPA—a strategy that will undermine Filipino hopes for democracy and long term U.S. security interests.

Third, the conferees may have done a disservice to the Middle East peace process by converting the House's firm restraints on arms sales to Jordan into

"sense of the Congress" language. I am strongly opposed to the sale of advanced weaponry to any Arab country that does not formally recognize Israel and enter into peace negotiations based on U.N. resolution 242.

After reviewing the conference report on the coming year's foreign aid authorization, I can find only several major provisions which truly serve our country's long-term security and foreign policy needs. Among them, first and foremost, is the authorization of $3 billion in military and economic aid to Israel, along with the $1.5 billion in fiscal year 1985 supplemental economic assistance. Our steadfast commitment to democracy and freedom in the Middle East is inextricably bound to the fate of Israel. I will always support necessary levels of aid to help Israel revitalize its economy and maintain its superior defenses.

I am also pleased that my colleagues retained the House provision concerning airport security which requires the Secretary of Transportation to pinpoint foreign airports with security deficiencies and grants the President the discretion to impose a boycott of such airports or to cut off American aid to the nations housing those airports. We must take every precautionary measure available to stem the tide of terrorism.

Mr. Chairman, to protect our country, to assist our allies, and to advance the spread of democracy, we need sound foreign aid legislation. We need legislation that emphasizes diplomacy and economic development and supplements those vital tools with a prudent security assistance program. By holding up this year's foreign aid bill to those objectives and conditions, we recognize how counterproductive this legislation truly is.

I am ready to support foreign aid legislation that represents our ideals and protects our interests. But neither the fiscal year 1986 foreign assistance authorization nor the fiscal year 1985 supplemental appropriations legislation, as reported by their conferees, fills these roles. Therefore, I must oppose these bills, although I do so with great reluctance in the case of the supplemental appropriations bill.●

WILLIE D. HARRIS' PRIVATE BILL

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. DORNAN of California. Mr. Speaker, today I am introducing a private bill to permit Willie D. Harris of Cerritos, CA, to present a claim against the U.S. Air Force. The bill would allow Mr. Harris the right to sue for damages for any injuries he suffered in connection with steroid injections administered to him by Armed Forces medical personnel during his service in the U.S. Air Force, provided that such injuries are determined to be the result of negligence on the part of such medical personnel.

As a result of ill-advised council and in ignorance of administrative and judicial remedies, Mr. Harris let his right to appeal the final, unfavorable Air Force administrative decision lapse. Due to the serious nature of his claims he deserves to have his right to bring his case to court reinstated. My bill, plain and simple, will give Mr. Harris a well-deserved day in court.

At 19, Mr. Harris could slam-dunk a basketball. But at 43, he can barely stand long enough to make a pot of coffee. Mr. Harris played basketball in the early 1960's for Kritland Air Force Base, NM. For 2 of those years he played on injured knees with the help of steroid injections. He did so upon the recommendation and concurrence of the military physicians assigned to the base at that time. His doctors now claim that the steroid treatments made him a cripple for life.

I have personally seen the thick scars from his five previous operations on his knees. He will be undergoing a sixth operation tomorrow, August 2, 1985, in Long Beach Veteran's Hospital. This operation will be an attempt to try and save his left kneecap. There is only a 50–50 chance that the doctors will succeed. Nothing will relieve the pain.

I believe that Mr. Harris was treated unfairly and this injury and as a result of mistreatment effectively killed the chance of pursuing a career in professional sports. Mr. Harris had a promising future in basketball. The old Oakland Oaks of the American Basketball Association had noticed him while he was on active duty, and upon his release offered him a tryout. At the time he was still unaware of the extent of his injuries. But the coaches and medical personnel of the Oakland Oaks told him that his knees would not stand up under the pressure of professional basketball.

It wasn't until 1972 that Mr. Harris learned that his knees were degenerating as a result of the steroid injections. His family life, his outlook, and even his pride have been affected. Mr. Harris told me, "After 18 years of pain and suffering and six knee operations—not to mention the pain medication—I hope this legislation will lead to some justice. I ask for your prayers for my surgery." Mr. Chairman, I ask my colleagues for their support in allowing Mr. Harris to pursue justice in the courts. Allow Mr. Harris to present his claim. Thank you.●

A TRIBUTE TO THE MICHIGAN FARMERS' HALL OF FAME

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. WOLPE. Mr. Speaker, I want to draw the attention of my colleagues to a little known but very significant institution that is located within my congressional district in southwestern Michigan.

I am speaking about the Michigan Farmers' Hall of Fame. This institution is truly unique—both in its mission and in its structure. It is the only such institution in the United States that is dedicated exclusively to recognizing the contributions of American farm families to our economy and our society. It is unique also in its exclusive dependence upon volunteers and private contributions for its support and operation. The Michigan Farmers' Hall of Fame is truly an organization "of the farmer, by the farmer, and for the farmer."

It was Willis Aukerman, a farmer and Prairieville community leader who, in May 1982, decided that it was time those who comprise the economic backbone of our country be given the kind of recognition that has always traditionally been reserved for our Nation's athletic heroes. Willis Aukerman's idea quickly caught on, and local farm and community leaders joined with him in an effort to ensure that Michigan farm families would receive long overdue recognition for their labors and for their many social and economic contributions. Thus, the Michigan Farmers' Hall of Fame was designed both to provide recognition to particularly outstanding farm families and to expand general public awareness of the multiple contributions of American farm families.

To date, the Michigan Farmers' Hall of Fame has inducted 22 couples and, on August 10 of this year, 10 more couples will be honored by their admission to the Hall of Fame. The nine-member volunteer board of directors is currently constructing a building to house the memorabilia of the inductees. Plans have also been laid for a museum that will house old farm machinery and utensils.

Mr. Speaker, it has been my privilege to work with Willis Aukerman and all the other farm and civic leaders whose commitment and dedication have provided the inspiration for the Michigan Farmers' Hall of Fame. I know that my colleagues will want to join with me in expressing our collective appreciation for this most meaningful tribute to those American farm families who have contributed so much to the social and economic well-being of our Nation.●

FULL FUNDING FOR WALLOP-BREAUX

HON. MAC SWEENEY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. SWEENEY. Mr. Speaker, a serious problem looms ahead for the people of Aransas County in the 14th District of Texas and for the entire country if we do not protect one of the best programs currently operating in the Federal Government. We must fight for full funding for the Boating Safety and Sport Fish Enhancement Act—the Wallop-Breaux fund.

This fund, operating successfully for over 30 years, provides money to promote natural resource protection and to enhance recreational opportunities for millions of Americans. The current program, as expanded by the Deficit Reduction Act of 1984, serves as a perfect example of the kind of program we need to keep Government spending down while at the same time contribute to the preservation of some of this country's most valued recreational resources.

The attitude of the Office of Management and Budget, which has proposed to use the trust fund money elsewhere, is heartless and foolish. It breaks the good faith agreement between the Federal Government and the sport fishermen who allowed themselves to be taxed on fishing equipment only because the money went to enhance the sporting opportunities they love.

I am especially concerned about the effect this action would have on the people of Aransas County. Cedar Bayou, located in Aransas County, TX, is one of the greatest sport fishing locations on the gulf coast. The bayou is an outlet from the inner bays of Aransas County to the Gulf of Mexico between Matagorda Island and San Jose Island. Cedar Bayou is essential to the flow of water and fish into and out of the bays. It was closed in the late 1970's and is now partially open, but not open nearly enough to allow for the proper flow of water and movement of fish.

Studies, conducted by the Texas Department of Parks and Wildlife in the 1960's, showed that millions of shrimp, crab, red fish, speckled trout, and many other fish larva were transported through this pass. Today, with Cedar Bayou's closure, the volume of fish in the inner bays has declined dramatically, and the adverse economic effects have been devastating.

A task force I appointed to study these effects has shown dramatic consequences for local businesses. Restaurants report 18 percent decreases in business. Motel business in the county plummeted 25 to 30 percent in 1984, and retail receipts dropped by 30 percent. The first 5 months of 1985 have proven even worse than the previous year. This crippling situation cannot continue much longer without permanent damage being done to this once thriving area.

We are on the verge of letting OMB commit a travesty against one of the most successful user fee programs ever established. I urge all of my colleagues to join with me to preserve this country's natural resources, wildlife preserves, and recreational areas. ●

OPPOSITION TO THE PRESIDENT'S TAX PLAN

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. HUBBARD. Mr. Speaker, I am hearing daily—by telephone calls, letters, and postcards—from my constituents about their views concerning the President's tax simplification proposal.

I received a July 11, 1985, letter from Tom Jones of Paducah, KY, which is concise and to the point. Mr. Jones is opposed to changing our income tax code, and believes the President's plan is a "tax increase in disguise."

I hope my colleagues will take a moment to read the views of my constituent. The letter from Tom Jones is as follows:

JULY 11, 1985.

CARROLL HUBBARD,
Rayburn House Office Building,
Washington, DC.

DEAR MR. HUBBARD, shortly, you will be voting on President Reagan's new Tax Bill.

For my part, I am perfectly satisfied with the present tax structure and from all of the material that I have read, the President's bill is a tax increase in disguise so I hope you will vote "NO" when the issue comes up to a vote.

Thank you.

TOM JONES,
Paducah, KY. ●

CONGRATULATIONS TO SAUL STERN

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. HOYER. Mr. Speaker, this month marks the 70th birthday of one of Maryland's most distinguished citizens, Saul Stern. This anniversary marks a life of great achievement.

Mr. Stern has had a career as an extremely successful businessman. He has not been content, however, to be involved solely in that area, his involvement in civic and charitable activities is as impressive as are his achievements in the business world.

Saul Stern is a graduate of the University of Chicago and its law school. During World War II, he served in the South Pacific as a communications officer.

Following his return from the war, Saul Stern joined his brother in the furniture business. The Sterns have built that business into one of the largest office furniture concerns on the east coast.

Among his numerous charitable activities, Mr. Stern has been a moving force in the Jewish Social Service Agency. He is the founder of the Jewish Institute on National Security Affairs and is its current president. Saul Stern's work on behalf of many causes of great concern to the Jewish community resulted in 1983 in his receiving the American Jewish Committee's award for Distinguished Community Service. This is but one of the many awards he has received.

Saul Stern has been deeply involved in activities of special benefit to the State of Maryland. Foremost in this area is his nearly two decades of service as a member of the Maryland State Planning Commission and as its chairman. He has also served as a member of the Board of the University of Maryland Hospital.

Finally, Saul Stern had devoted much of his time and energies to Democratic Party activities, and our party is the better for his involvement.

Mr. Speaker, later this month Mr. Stern's wife Marcia, his son Stephen, and many other family members and friends will be gathering to salute Saul Stern with a birthday celebration. I know that my colleagues will want to join me in sending our best wishes to Saul Stern, a man of great dedication and love of family, his faith, his community and his country. ●

TAX REFORM AND EDUCATION

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. JEFFORDS. Mr. Speaker, I understand the desire and need for tax simplification and tax fairness. I also believe that we should examine the use of tax expenditures for various national priorities. I would concur that such priorities as home ownership, pension programs, charitable giving, and health benefits should be among those categories maintained as priorities for tax incentives in any new system. However, it is difficult to believe that under present circumstances anyone would disagree with including the enhancement of our education system on any such list.

I was alarmed upon studying the tax reform proposal referred to as Treasury II, to find that there is a drastic shift away from direct and indirect incentives to assist education. Although

the exact figures are difficult to ascertain, it appears that the present Tax Code has in the neighborhood of $22 billion of tax incentives for education. Treasury II on the other hand, appears to retain only about 10 percent, or $2 billion, of those incentives.

This shift in priorities is of deep concern to me. It comes at a time when our Nation's education system has been designated at-risk. It comes at a time when States and local governments are already shouldering significant tax burdens. It comes at a time when many States and localities are undertaking efforts to improve the quality of their schools. And, it comes at a time of skyrocketing college costs. A nation where one out of every five adults is functionally illiterate has no business reducing its commitment to the support of education.

As ranking minority member of the Education and Labor Committee, I am today, along with the chairman, Mr. HAWKINS, introducing a resolution which states the sense of this body regarding tax reform and education. In any tax reform measure, education should be considered a national priority. Those deductions or credits which promote education should be retained. Tax reform should in no way impair the ability of State and local governments to maintain their education programs. If anything, tax reform should encourage the improvement of our Nation's education systems. Education is essential to growth, productivity and our status as a world leader. I can think of nothing more worthy of tax incentives than education.●

THE NATIONAL MOTOR CARRIER PRODUCTIVITY AND SAFETY IMPROVEMENT ACT

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. MOODY. Mr. Speaker, I am today introducing the National Motor Carrier Productivity and Safety Improvement Act of 1985. This bill would improve efficiency, increase competition, reduce paperwork and upgrade safety standards in trucking.

I am pleased to be joined on this bill by Mr. DELAY of Texas, Mr. FRANK of Massachusetts, Mr. MACKAY of Florida, Mr. DREIER, and Mr. LEWIS of California.

The emphasis of the bill is on improving productivity and thereby increasing national industrial competitiveness. It builds on the deregulation process begun with the Motor Carrier Act of 1980.

The 1980 act eliminated many burdensome, anticompetitive and anticonsumer regulations. It reduced hauling costs by $6 billion and created productivity gains throughout industry and commerce totalling $40 to $50 billion. But there are considerable productivity gains yet to be realized.

This bill would be an important step toward achieving these goals, while addressing many legitimate needs truck companies have for: First, upgraded and standardized safety requirements; and second, uniform and centralized licensing and registration procedures.

The National Motor Carrier Productivity and Safety Improvement Act would establish a new class of motor carrier called a national carrier, which a company could choose to be if it served three or more contiguous States. A national carrier would be able to compete in both interstate and intrastate hauling and would be eligible for nationally uniform registration fees, fuel taxes and third structure taxes—something truck companies badly need. ICC control over entry, rates and tariffs for national carriers would end, as would ICC's authority to grant antitrust price fixing immunity—something consumers and shippers badly need.

Safety and insurance requirements would be strengthened and transferred from the ICC to the Department of Transportation which would establish safety and fitness requirements for national carriers, maintain safety compliance records, and take action against unsafe, fly-by-night carriers.

State regulation would continue for purely intrastate carriers and ICC regulation would continue for carriers of household goods and for passenger buses.

With the current emphasis on improving the industrial productivity and competitiveness of our Nation, and with 5 years of experience under the 1980 Motor Carrier Act behind us, now is the time to initiate these additional needed reforms.

I urge my colleagues to support this legislation.●

EPA'S ILL-ADVISED INSPECTION PROGRAM

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. LUKEN. Mr. Speaker, today I am introducing permanent legislation to prevent the U.S. Environmental Protection Agency [EPA] from imposing a premature and ill-advised inspection and maintenance [I/M] program on Ohio. In the absence of discernible benefits to be derived from a vehicle inspection program, I consider the imposition of such a program inherently unjust and unjustifiable.

The EPA has recently threatened to cut off an estimated $130 million in Federal highway funds from Ohio, presumably because the State has failed to initiate an inspection plan in Cincinnati and Cleveland. This action was taken after the EPA reversed its decision to approve the State's plan to meet air quality standards and instead opted to pursue an I/M program.

My bill would prohibit the EPA from implementing such a program unless the agency can demonstate that I/M is the most cost-effective way to attain air quality standards under the Clean Air Act.

A recent report issued by the U.S. General Accounting Office bears out my contention that I/M is unnecessary to attain clean air in Cincinnati. The report concluded that I/M programs are controversial because their benefits are not always clear and their costs are considerable. In Ohio, the cost of starting such a program has been estimated to be around $4 million, with costs of operating and enforcing it expected to exceed $20 million per year. Motorists would have to pay $15 to $20 yearly for each automobile they own, with the greatest burden falling on those who can least afford it: those people who own older cars out of economic necessity.

The effectiveness of current I/M programs has not been properly evaluated, and several States with ongoing inspection programs have shown that the benefit of a slight improvement in air quality is not worth the cost, and that other less costly solutions may produce comparable air quality improvements.

In Ohio, this burdensome and costly program might produce, at best, marginal improvements in the air quality of the Cincinnati region, which is enjoying a summer of good air so far.

In conclusion, I want to emphasize that I am a staunch supporter of efforts to improve our Nation's air quality. However, I believe that we should pursue the most cost-effective method if we want to succeed in achieving this goal with the cooperation of all our citizens. Thus, I am introducing legislation today that will enable us to take this approach and I will pursue its expeditious passage this year.●

INTRODUCTION OF HOUSE JOINT RESOLUTION TO ESTABLISH NATIONAL FREEDOM OF INFORMATION DAY

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. WIRTH. Mr. Speaker, today I am introducing a joint resolution which authorizes the President to proclaim March 16, 1986 as National Freedom of Information Day.

This day marks the anniversary of James Madison's birthday. Mr. Madison, our fourth President and Father of the Bill of Rights, is the American most responsible for many of the constitutional freedoms we enjoy today, in particular freedom of speech and the press.

What Mr. Madison understood, and what we often take for granted, is the importance of free speech, free press, and the value of information in a democratic society. He envisioned a society in which the American people be truthfully informed about their Government, thus able to enjoy what he called a "peculiar freedom" to scrutinize the bureaucracy. He believed that through encouragement of interaction of the press and people, the Government would become more responsive to the people.

His idea was considered radical in his day. Today, however, it is hard to imagine not being afforded these freedoms in our society. Yet, because many Americans have never known any other way of life, they do not recognize how important the freedom of information is to the preservation of their other freedoms guaranteed by the Constitution.

A National Freedom of Information Day would serve as a reminder to the American people and the rest of the world the vital role these liberties have played in shaping this country.

Moreover, it is important to recognize that the freedom of speech and press mean more than just being able to express one's thoughts. They are catalysts that spark a flow of information. This is the most fundamental right of an American—the right to a free and robust marketplace of diverse and antagonistic ideas.

My resolution would establish a National Freedom of Information Day to honor both the man James Madison, and the principles for which he stood. I urge my colleagues to cosponsor this resolution.●

SENATE—*Wednesday, August 14, 1985*

REGULATORY PROGRAM OF THE U.S. GOVERNMENT—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE ADJOURNMENT—PM 73

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on August 8, 1985, during the adjournment of the Senate, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

The publication of *The Regulatory Program of the United States Government* marks a major milestone in our continuing effort to make government more accountable to the American people and more responsive to their needs. This document presents, for the first time, a comprehensive program of regulatory policy to be carried out over the coming year.

Regulations are a feature of almost every government program. Though many regulations accomplish worthwhile ends, we should not forget the huge hidden costs they entail. The Federal Government mandates tens of billions of dollars of expenditures every year—dollars paid for by the people but not included in any of the Federal budget accounts, not appropriated by the Congress, and not constrained by any spending limits.

Before 1980, these regulatory expenditures had grown out of control. More pages were published in the *Federal Register* in 1980 than during the entire period between 1936 and 1945—the first 10 years of the *Register*. Paperwork burdens had grown such that by 1980, almost two billion hours were expended annually by businesses and individuals to satisfy the Federal Government. Estimates are that Federal Government regulations imposed costs of over $100 billion annually by 1980, adding significantly to the burden imposed on the economy by excessive Federal spending. It has become essential that tools be developed to plan the rational evolution of Federal regulatory requirements.

In 1981, I issued Executive Order No. 12291 setting forth my regulatory principles and, under the Paperwork Reduction Act, my Administration mounted an attack to reduce the paperwork burden. These efforts have helped to reverse the trend of more intrusive and burdensome Federal regulations and paperwork. But more was needed.

The Regulatory Program is a critical step in this process. In order to see that the laws are faithfully executed, and that the policies of this Administration are reflected in the regulations issued under those laws, I issued Executive Order No. 12498 initiating this Regulatory Program. The Program covers the decisions that are within the scope of discretion afforded to the Executive agencies by law and describes the underlying policies and priorities that will influence those decisions.

To set goals and priorities for different programs, government officials must choose the right regulatory tools and identify legitimate needs for regulation as opposed to those that merely benefit special interests. Because some complex regulations take years to develop, involving studies, surveys, and the identification and selection of regulatory options, it is important that senior Federal officials be able to review regulatory options early in the rulemaking process and plan regulatory actions over a longer time horizon. It is also important that they examine and reexamine the nearly 200 volumes of existing regulations to see what regulations need to be modified or have outlived their usefulness.

This year's Regulatory Program is the first in an annual series that will document the efforts of my Administration to manage Federal regulatory programs. This should lead to an increased level of predictability, consistency, accountability, and rationality in Federal regulatory activity.

The objectives of the Regulatory Program are to:

—Create a coordinated process for developing on an annual basis the Administration's Regulatory Program;
—Establish Administration regulatory priorities;
—Increase the accountability of agency heads for the regulatory actions of their agencies;
—Provide for presidential oversight of the regulatory process;
—Reduce the burdens of existing and future regulations;
—Minimize duplication and conflict of regulations; and
—Enhance public and congressional understanding of the Administration's regulatory objectives.

All of this cannot be accomplished simply by publishing a book. This Regulatory Program is the end product of a long process of agencies planning their regulatory activities: gathering and reviewing information, evaluating past progress and program effectiveness, and setting goals and priorities. The publication of the Regulatory Program for 1985 is, however, only the first step in this annual planning process. The next step is for each agency to implement its part of this first Program, as planned and on schedule.

My goal remains to have a government that regulates only where necessary and as efficiently and fairly as possible.

RONALD REAGAN.

THE WHITE HOUSE, *August 8, 1985.*

MESSAGES FROM THE HOUSE RECEIVED DURING THE ADJOURNMENT

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on August 6, 1985, during the adjournment of the Senate received a message from the House of Representatives announcing that the House has passed the following bill, with amendments, in which it requests the concurrence of the Senate:

S.J. Res. 31. Joint resolution to designate the week of November 24 through November 30, 1985, as "National Family Week."

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker has signed the following enrolled bills and joint resolutions:

S. 960. An act to authorize international development and security assistance programs and Peace Corps programs for fiscal years 1986 and 1987, and for other purposes;

S. 1147. An act to amend the orphan drug provisions of the Federal Food, Drug, and Cosmetic Act and related laws,

H.R. 2068. An act to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the United States Information Agency, the Board for International Broadcasting, and for other purposes;

H.R. 2370. An act to amend the Public Health Service Act to extend the programs of assistance for nurse education;

H.R. 2577. An act making supplemental appropriations for the fiscal year ending September 30, 1985, and for other purposes;

H.R. 2908. An act to amend title XI of the Education Amendments of 1978, relating to Indian education programs;

S.J. Res. 98. Joint resolution condemning the passage of Resolution 3379 in the United Nations General Assembly on November 10, 1975, and urging the United States Ambassador and United States delegation to take all appropriate actions necessary to erase this shameful resolution from the record of the United Nations;

S.J. Res. 137. Joint resolution to designate the week of December 15, 1985, through December 21, 1985, as "National Drunk and Drugged Driving Awareness Week";

S.J. Res. 168. Joint resolution designating August 13, 1985, as "National Neighborhood Crime Watch Day"; and

H.J. Res. 251. Joint resolution to provide that a special gold medal honoring George Gershwin be presented to his sister, Frances Gershwin Godowsky, and a special gold medal honoring Ira Gershwin be presented to his widow, Leonore Gershwin, and to provide for the production of bronze of such medals for sale to the public.

Under the authority of the order of the Senate of January 3, 1985, S. 960, Senate Joint Resolution 98, Senate Joint Resolution 137, and Senate Joint Resolution 168 were signed on August 6, 1985, during the adjournment of the Senate by the President pro tempore [Mr. THURMOND].

Under the authority of the order of the Senate of January 3, 1985, S. 1147. H.R. 2068, H.R. 2370, H.R. 2577, H.R. 2908, and House Joint Resolution 251 were signed on August 7, 1985, during the adjournment of the Senate by the Vice President.

ENROLLED BILL SIGNED

Under the authority of the order of the Senate of January 3, 1985, the following enrolled bill was signed on August 2, 1985, during the adjournment of the Senate by the Vice President:

S. 1195. An act to amend title 3, United States Code, to authorize the use of penalty and franked mail efforts relating to the location and recovery of missing children.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that she had presented to the President of the United States the following enrolled bills and joint resolutions:

On August 2, 1985:

S. 1195. An act to amend title 3, United States Code, to authorize the use of penalty and franked mail efforts relating to the location and recovery of missing children.

On August 7, 1985:

S. 960. An act to authorize international development and security assistance programs and Peace Corps programs for fiscal years 1986 and 1987, and for other purposes;

S. 1147. An act to amend the orphan drug provisions of the Federal Food, Drug, and Cosmetic Act and related laws;

S.J. Res. 98. Joint resolution condemning the passage of Resolution 3379 in the U.N. General Assembly on November 10, 1975, and urging the U.S. Ambassador and U.S. delegation to take all appropriate actions necessary to erase this shameful resolution from the record of the United Nations;

S.J. Res. 137. Joint resolution to designate the week of December 15, 1985, through December 21, 1985, as "National Drunk and Drugged Driving Awareness Week"; and

S.J. Res. 168. Joint resolution designating August 13, 1985, as "National Neighborhood Crime Watch Day."

ADDITIONAL STATEMENTS

RETIRING CONGRESSWOMAN MARJORIE HOLT

● Mr. MATHIAS. Mr. President, my Maryland colleague, MARJORIE HOLT has announced her intention to retire from the Congress at the end of seven terms in the House of Representatives.

MARJORIE HOLT gained public confidence the old-fashioned way—by earning it. In her courthouse years, she learned the basics not only of politics, but of human nature. She also learned that politics is hard work and that she was willing to invest the time and effort it requires.

She earned the public confidence not just of her constituents but of all her colleagues, especially those of us in the Maryland delegation. She was the staunch ally working with the rest of us to preserve the Chesapeake Bay, to guarantee shipbuilding jobs at Sparrows Point, to strengthen the economy of the Port of Baltimore, and to defend the rights of Federal employees.

MARJORIE HOLT'S success as a Member of Congress is the product of her experiences, and she will be missed.●

THE BOY SCOUTS OF AMERICA'S DIAMOND JUBILEE

● Mr. WALLOP. Mr. President, the 1985 National Boy Scout Jamboree came to a close at the end of July, and as it did so, trees were sent home with each council and planted in their respective home States; this represented the theme of the jamboree, "the Spirit Lives On."

Indeed, the spirit does live on, and has for 75 years as the Boy Scouts of America celebrate their diamond anniversary in 1985. Some 75 plus years ago, William D. Boyce was lost in a London fog and was led to his destination by a young British Boy Scout who was, "doing a good turn." Later, because of this young scout, Boyce discussed bringing scouting over to America with Lord Baden-Powell, the father and creator of the Boy Scouts.

On February 8, 1910, the Boy Scouts of America were on their way as they became officially organized, and on June 15, 1965, Congress granted the Boy Scouts of America a Federal charter.

Since then, Boy Scouts around the country have been doing good turns, and having fun to boot. Boy Scouts have been learning about the outdoors, practicing first-aid skills, discovering out Nation's history, and researching new and experimental technologies.

Over 70 million people have participated in making the Boy Scouts of America a tradition which will live in the hearts and minds of people in the past, present, and future.

So, Boy Scouts, your 75th anniversary theme is appropriate, for you can have "Pride in the Past," as you pave the road for "Footsteps to the Future." I commend you.●

ADVANCE NOTIFICATION PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practices.

I wish to inform Members of the Senate that three such notifications have been received.

Interested Senators may inquire as to the details of these advance notifications at the office of the Committee on Foreign Relations, room SD-423.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, August 6, 1985.

In reply refer to: I-04584/85ct.

Dr. M. GRAEME BANNERMAN,
Deputy Staff Director, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. BANNERMAN: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Northwest Asian country tentatively estimated to cost $50 million or more.

Sincerely,

PHILIP C. GAST,
Director.

POLICY JUSTIFICATION

(U) The prime contractors will be Bell Helicopters Textron, Incorporated of Fort Worth, Texas and AVCO Corporation, Lycoming Division of Stratford, Connecticut.

(U) There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, August 6, 1985.

In reply refer to: I-04434/85ct.

Dr. M. GRAEME BANNERMAN,
Deputy Staff Director, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR DR. BANNERMAN: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act.

At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Southwest Asian country tentatively estimated to cost $50 million or more.

Sincerely,

PHILIP C. GAST,
Director.

POLICY JUSTIFICATION

(U) The prime contractor will be Bowen McLaughlin York of York, Pennsylvania.

(U) There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, August 6, 1985.

In reply refer to: I-04433/85ct.

Dr. M. GRAEME BANNERMAN,
Deputy Staff Director, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR DR. BANNERMAN: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Southwest Asian country for major defense equipment tentatively estimated to cost $14 million or more.

Sincerely,

PHILIP C. GAST,
Director.

POLICY JUSTIFICATION

(U) The prime contractor will be FMC Corporation of San Jose, California.

(U) There will be no adverse impact on U.S. defense readiness as a result of this sale.●

THE CORPS OF ENGINEERS' WORK IN THE CHESAPEAKE BAY

● Mr. MATHIAS. Mr. President, with the passage of the Energy and Water Development Appropriation Act, we assure the continuation of the U.S. Army Corps of Engineers' work in the Chesapeake Bay, including the shoreline erosion study and the proposed shoreline erosion demonstration projects. Let me share with my colleagues some information about what the Corps of Engineers is doing to help save the bay.

The shoreline erosion study, which will be continued this next fiscal year as a result of our action today, examines the critical problems of eroding shorelines in the Chesapeake Bay. The goals are to identify eroding areas, to compare low-cost solutions for treating those areas, and to make recommendations for Federal and State approaches in solving the problems.

Last month, my colleague, the Senator from Maryland, Mr. SARBANES, with EPA Administrator Lee Thomas, Secretary of the Interior Donald Hodel, the Governors of Maryland and Virginia, and others joined me for a tour of Chesapeake Bay. We went to view the problems of the bay and see the progress being made by the Federal agencies working on those problems. We saw firsthand the shoreline erosion of the bay including large gullies on steep slopes, slopes slumping into the water, and bulkheads and vegetated areas used to slow the erosion process.

Chesapeake Bay has over 6,000 miles of shoreline. Much of it is subjected to erosion of various degrees and a significant portion of it is eroding at a rapid rate. During the past century, over 45,000 acres of the land have been lost to the bay water's unrelenting action.

The need to take steps to prevent or control this erosion has been addressed in many reports, including "The National Shoreline Study," the EPA Chesapeake Bay Study, and the Corps of Engineers' "Existing and Future Conditions" study. In addition, one of the recommendations of the Governors of Maryland and Virginia, resulting from a Chesapeake Bay Conference, was to "* * * improve programs for stabilization of eroding shorelines to reduce the effects of sediment in the bay." This recommendation was based on concerns which went beyond the potentially large, immediate, and local effects of loss of land.

Sediment, resulting from shoreline erosion, causes a variety of problems. It is the significant cause of filling of the bay and its channels and harbors. This sediment not only contributes to shortening the life of the bay but also increases the need for channel and harbor dredging.

Perhaps even more important are the effects of sediment from eroding shorelines and other sources on the bay's plants and animals. In its report on the Chesapeake, the EPA concluded that high levels of sediment-induced turbidity have contributed to the significant decline of submerged aquatic vegetation, often called SAV, and of bottom-dwelling species. Sedimentation must be controlled if these organisms are to return to the bay in any numbers.

On our boat tour, we learned firsthand of submerged aquatic vegetation, the sea grasses of the bay, and how they are smothered by sediment, decreasing their productivity and leading to their decline. This eventually leads to the loss of habitat for the bay's organisms, which use the sea grasses for food and shelter. Clearly, sediment entering the bay's ecosystem is a large contributor toward the bay's recent decline, and while nothing can stop erosion entirely, we can learn more about how to slow the process and improve the quality of our bay's waters.

The boat tour opened a lot of eyes to the ecosystem problems of the bay, and that is why the Corps of Engineers' Shoreline Erosion Study and the proposed demonstration projects are so very important to the future health of the bay. The purpose of the study is to identify the magnitude and location of shoreline erosion problems and to recommend specific erosion control projects. Reduction in shoreline erosion will contribute to the restoration of the bay's living resources, as well as improve recreational opportunities.

The study is being conducted in two phases: A reconnaissance phase will determine the extent of the shoreline erosion problem, define the Federal activities needed, and identify non-Federal support for detailed study. The feasibility phase will consist of detailed site-specific investigations leading to recommendations for projects.

The reconnaissance phase was started in October 1984 and is scheduled for completion in March 1986 at a cost of $500,000. Progress Report 1 was completed in March 1985. The report identified 1,260 miles of shoreline for further study—490 miles in Maryland and 770 miles in Virginia—out of a total of 7,325 miles of shoreline investigated. Progress Report 2 was completed on July 25.

The feasibility phase, which will be cost-shared on a 50-percent Federal/50-percent non-Federal basis, will take 2½ years to complete.

The corps has completed a nationwide demonstration program as part of the Shoreline Erosion Control Demonstration Act of 1974. Under this program, several demonstration projects were done around the country, but none in the Chesapeake Bay. The program produced a series of reports which contained evaluations of low-cost shore protection measures. The major thrust of the program was toward private property owners and small local governments. The proposed Chesapeake Bay demonstration projects, likewise, are small-scale projects, intended to show bay landowners how they, as individuals, can make a difference and improve the bay's water quality.

Both the State of Maryland and the Commonwealth of Virginia have expressed interest in having the corps to demonstration projects during the feasibility phase of the Chesapeake Bay Shoreline Erosion Study. These projects would protect typical shoreline stretches, such as bluffs, beaches, and marshes, and would demonstrate to private property owners on the bay the low-cost solutions which are available and which can be instituted immediately.

The State of Maryland has requested the corps to plan, design, construct, and monitor an erosion control demonstration project on State property at Patterson Point Farm in Calvert County. The State of Maryland is paying 100 percent of the estimated cost of $150,000.

As you know, I have been an ardent supporter of the Chesapeake Bay over many years, and I view these current and proposed activities of the Corps of Engineers as absolutely essential in

the total ecosystem approach to cleaning up the bay. I hope my colleagues will agree and join with me in supporting a totally integrated Federal/State/local approach, including money for the corps' activities in the bay, so one day all of us will be able to say to our grandchildren, "I saved the bay."●

RAILROAD RETIREMENT

● Mr. SARBANES. Mr. President, 50 years ago, on August 29, 1935, the Railroad Retirement Act was signed into law by President Franklin D. Roosevelt. This act established the foundations of the current railroad retirement system.

It was in the rail industry that the first formal industrial pension plan in America was established in 1874. By 1925, more than three-fourths of all railroad workers in the United States were covered by pension plans. However, relatively few employees actually received benefits under these plans, and during the Great Depression of the 1930's these plans had difficulty meeting their obligations. Older workers consequently exercised rights to continue working and accounted for a disproportionate number of the industry's employees. Railway labor sought legislation to continue railroad pensions as part of a reliable and equitable national program.

Although prior railroad retirement legislation had been enacted in 1934, it was declared unconstitutional by the Supreme Court, and the 1935 act was also challenged in the courts. Nonetheless, the Railroad Retirement Board made its first annuity payments 11 months after passage of the 1935 legislation. While subsequent Railroad Retirement Acts were enacted in 1937 and 1974, the 1935 act was the cornerstone of the present railroad retirement system.

During the past 50 years, railroad retirement benefits of $77 billion have been paid by the board to 1,600,000 retired employees, 800,000 spouses, and 2,000,000 survivors; unemployment and sickness benefits have totaled almost $6 billion. The first retirement annuities awarded under the 1935 Railroad Retirement Act averaged $60 a month and no monthly benefits were payable to spouses or survivors. In 1985, nearly 1 million beneficiaries will receive retirement and survivor benefits of about $6 billion, and about 135,000 persons will receive unemployment and sickness benefits of about $200 million.

Throughout the history of the United States, the railroads have played a very crucial role as a catalyst to economic growth and job creation. This 50th anniversary occasion gives all of us the opportunity to renew our commitment to the railroad retirement system. It was established in a time of national crisis and has faced many challenges during the past five decades. However, the act has flourished under nine Presidents from both political parties and 25 Congresses. Although provisions of the Railroad Retirement Act undoubtedly will change, as they have in the past, the act must remain a commitment to the railroad retirees, who have planned for their retirement based on guarantees made by the Government and who have contributed so much to our national strength.●

PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD at this point the notification which has been received. The classified annex referred to in the covering letter is available to Senators in the office of the Foreign Relations Committee, room SD-423.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, August 1, 1985.

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 85-47 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to Norway for defense articles and services estimated to cost $126 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Director.

TRANSMITTAL NO. 85-47

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective Purchaser: Norway.
(ii) Total Estimated Value:

	Million
Major Defense Equipment [1]	$114
Other	$12
Total	$126

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: Seven thousand six hundred twelve TOW II guided missiles, 300 tubular launchers, ancillary equipment, and concurrent spare parts.

(iv) Military Department: Army (VGM).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending 31 March 1985.

(viii) Date Report Delivered to Congress: August 1, 1985.

POLICY JUSTIFICATION

NORWAY—TOM II MISSILES

The Government of Norway has requested the purchase of 7,612 TOW II guided missiles, 300 tubular launchers, ancillary equipment, and concurrent spare parts. The estimated cost is $126 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Norway; furthering NATO rationalization standardization, and interoperability; and enhancing the defense of the Western Alliance.

Norway needs these TOW II missiles to improve the tank-killing capacity of its infantry battalions. The new brigade concept of the Norwegian Army requires an approximate increase of 50% in antitank weapon systems. These brigades perform the forward land defense in northern Norway. Norway's highest priority is to upgrade their TOW's to TOW II missiles.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Hughes Aircraft Corporation of Tucson, Arizona.

Implementation of this sale is expected to require assignment of U.S. Government personnel and contractor representatives to Norway; however, the number of personnel and length of time they will be needed has not yet been determined.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

SOCIAL SECURITY

● Mr. SARBANES. Mr. President, today marks the 50th anniversary of the enactment of the Social Security Act. President Franklin D. Roosevelt signed the 33-page bill into law on August 14, 1935. After 50 years of evolution and growth, the Social Security system is today a major part of our national life. It has served us well by helping to assure the dignity and independence of the individual, the integrity of the family, and the stability of the community.

The Social Security Act is more than old age, survivors, and disability insurance and Medicare. It includes the Federal-State system of unemployment insurance and other benefits and service programs, including Supplemental Security Income [SSI], Title XX, Social Service Block Grants, maternal and child health care, and Medicaid. The Social Security Act is vital to the security of everyone—young, middle-aged, and old, and the Con-

gress has fortunately recognized this important fact throughout the history of the program.

This year also marks the 20th anniversary of the Medicare Program, an extension of the Social Security Program and the cornerstone of this Nation's commitment to adequate health care for 28 million older persons and 3 million disabled individuals. Clearly, without Medicare, millions of older Americans could not afford even the most basic health care services.

Since the Democratic Party, starting with Franklin D. Roosevelt, has had a longstanding commitment to Medicare and Social Security, I would like to insert the Presidential statement of the signing of the Social Security Act, August 14, 1935:

Today a hope of many years standing is in large part fulfilled. The civilization of the past hundred years, with its startling industrial changes, has tended more and more to make life insecure. Young people have come to wonder what would be their lot when they came to old age. The man with a job has wondered how long the job would last.

This social security measure gives at least some protection to thirty millions of our citizens who will reap direct benefits through unemployment compensation, through old-age pensions and through increased services for the protection of children and the prevention of ill health.

We can never insure one hundred percent of the population against one hundred percent of the hazards and vicissitudes of life, but we have tried to frame a law which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty-ridden old age.

This law, too represents a cornerstone in a structure which is being built but is by no means complete. It is a structure intended to lessen the force of possible future depressions. It will act as a protection to future Administrations against the necessity of going deeply into debt to furnish relief to the needy. The law will flatten out the peaks and valleys of deflation and of inflation. It is, in short, a law that will take care of an economic structure of vastly greater soundness.

I congratulate all of you ladies and gentlemen, all of you in the Congress, in the executive departments and all of you who come from private life, and I thank you for your splendid efforts in behalf of this patriotic legislation.

If the Senate and House of Representatives in this long and arduous session had done nothing more than pass this Bill, the session would be regarded as historic for all time.

The Social Security Act is by many measures the single most successful piece of domestic legislation ever created in the United States. From the words of the New Dealers come some lessons as fresh and true today as they were 50 years ago: A strong system of social policy is one that is inclusive—in everyone's interest—and flexible enough to evolve with the realities of the times. Economic security is a necessary component to economic progress, not a drain upon it. Problems of economic security should be considered as a whole, not as a fragmented set of issues, because they are a whole—resulting from a common source: the complex interdependencies of modern economic life.

The 1935 act represents a commitment made by this country to its citizens—a commitment upon which citizens have relied in planning their retirement years. The Social Security Act has flourished under 9 Presidents from both political parties and 25 Congresses. Although provisions of the Social Security Act undoubtedly will change, as they have in the past, the act will remain a dynamic and influential factor in American economic, social and political life.●

SOCIAL SECURITY AND THE DEMOCRATIC SYSTEM

● Mr. MOYNIHAN. Mr. President, August 14, 1985, marks the 50th anniversary of the enactment of the Social Security Act. By that act, the American Government made a solemn promise to the American people, and from one generation to another, that American workers and their families would be protected from the financial burdens of old age and disability, and American children from the worst ravages of poverty. No Government initiative since, and few before, has done more to improve the quality of life for more Americans.

Even more, Social Security is a bulwark of our democratic system. My friends from the Council Center for Senior Citizens in Brooklyn recently reminded me of President Franklin D. Roosevelt's words on this matter:

History proves that dictatorships do not grow out of strong and successful governments, but out of weak and helpless ones. If by democratic methods people get a government strong enough to protect them from fear and starvation, then democracy succeeds. If they do not, they grow impatient. Therefore the only sure bulwark of continuing liberty is a government strong enough to protect the interests of the people, and a people strong enough and well enough informed to maintain its sovereign control over its government.

I ask my colleagues to reflect on President Roosevelt's wisdom, and I especially thank my Brooklyn friends for their wisdom in bringing it to our attention.●

PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is available to the full Senate, I ask to have printed in the RECORD at this point the notification I have received. A portion of the notification, which is classified information, has been deleted for publication, but is available to Senators in the office of the Foreign Relations Committee, room SD-423.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, August 1, 1985.

In reply refer to: I-04583/85ct.

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding under separate cover Transmittal No. 85-48, concerning the Department of the Army's proposed Letter of Offer to Japan for defense articles and services estimated to cost $14 million or more. Since most of the essential elements of this proposed sale are to remain classified, we will not notify the news media.

Sincerely,

PHILIP C. GAST,
Director.

TRANSMITTAL NO. 85-48

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) (U) Prospective Purchaser: Japan.

(ii) Total Estimated Value:

Major Defense Equipment [1]	[deleted]
Other	[deleted]
Total	[deleted]

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: [Deleted].

(iv) (U) Military Department: Army (VPB).

(v) (U) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) (U) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) (U) Section 28 Report: Case not included in Section 28 report.

(viii) (U) Date Report Delivered to Congress: [Deleted].

POLICY JUSTIFICATION

[Deleted.]

(U) This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Japan; furthering rationalization, standardization, and interoperability; and enhancing the defense of the Western Alliance.

(U) The sale of this equipment and support will not affect the basic military balance in the region.

(U) There will be no adverse impact on U.S. defense readiness as a result of this sale.●

EXTENSIONS OF REMARKS

CLEAN CAMPAIGN ACT

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. NEAL. Mr. Speaker, certain parts of our Nation, including my own State of North Carolina, have been bombarded in recent elections with scurrilous, deceptive, misleading, distorted, and downright dishonest paid radio and television advertising. People are sick and tired of the lies, smears, statements used out of context, doctored photos, et cetera, yet are in a way powerless to do anything about it. One may say that they express their opinion at the ballot box, but oftentimes the real issues have been so obscured by these powerful, deceitful, slick, negative ads that the election contest boils down to those who believe the ads versus those who do not.

Sad to say, these ads continue to dominate some campaigns because they either work, or offer the best chance of electing a candidate who had little else but the attack ads to commend him or her to the electorate. Thus, organizations like the National Conservative Political Action Committee [NCPAC] have been able to say, through its spokesman Terry Dolan, that it could elect Mickey Mouse by using these tactics. As a consequence, a whole new political campaign specialty—the negative broadcast ad—has come into being. There is a ready market for the product, and a growing number of organizations and individuals willing to use it.

I believe, Mr. Speaker, that this kind of despicable campaigning—which does not even stop short of character assassination—is destructive of the democratic process. The strength of our system of government has been that the people, when given sufficient and accurate information, will arrive at proper decisions—whether in an election or on a jury in a court of law. The obfuscation of this information, by devious and deceitful propaganda, therefore deprives the people of a reliable basis for judgment.

This situation, has caused me grave concern for some time. I have searched for some remedy that would be, first, clearly constitutional; second, impeccably fair to all sides in an election campaign; and, third, contributive to, rather than destructive of, the democratic process. In most instances, any thinking along these lines eventually encountered the first amendment, which I consider to be one of our most cherished rights. In other instances, the road was blocked eventually by one objection or another. Then, Mr. Speaker, JOHN DANFORTH, Republican Senator of Missouri, introduced a bill which, I think, meets all the constitutional and fairness requirements, and which I believe would contribute in a meaningful way to the preservation of the democratic process. The bill was also sponsored in the other body by Republican Senator GOLDWATER and Democrats HOLLINGS and SIMON. It has been introduced on this side by my colleague, the gentleman from California [Mr. LANTOS] and I have joined him as cosponsor.

The thrust of the bill is that if any candidate for Federal office airs or causes or permits to be aired any radio or television ad attacking his opponent, and does not do it by using his own voice and/or facial likeness, the candidate at whom the ad is aimed shall be entitled to free and equal air time to respond. If such an ad is placed independent of the candidate, the equal-time requirement will automatically apply.

This, Mr. Speaker, seems to me to be a fair and rational approach to the problem. Senator DANFORTH has caused his bill to be studied by constitutional experts, and says they are satisfied that the bill would survive a constitutional test. It does not censor political advertising, because it permits a candidate or an organization to say whatever they wish. It imposes no prior restraint, and calls no individual or organization to account, except by requiring equal time for the opposition and holding the perpetrator of the ad up to public judgment.

A prominent newspaper in my district, the Winston-Salem Journal, has commented editorially on both the negative ad problem and Senator DANFORTH's bill. At this point, I insert an editorial from the Winston-Salem Journal into the RECORD:

ELECTIONS AS CONVERSATION

Sen. John Danforth of Missouri is not the best known member of the U.S. Senate, but he is one of the most thoughtful.

Danforth spoke recently to a prayer breakfast of the American Bar Association. His subject was campaign standards, or the lack of them. And, more generally, the incivility now accepted as commonplace on the American political scene. A lot of what Danforth said applies to the last Senate race in this state. Before the next one, it might be good to think about whether we want screaming and name calling to become the norm.

Elections are not just about who gets to represent us, they are meant to do two other things. First, they help to clarify and apply our values and beliefs. An election ought not to decide the minutiae of public policy but it does help to set direction and tone. Second, more important and today more in peril, an election is one American way of holding a town meeting. We are not an ancient Gr ~k city state or a Swiss village. We are not only too big and diverse for direct democracy, we are too impatient and pluralistic. And we are not only pluralistic as a society, but as individuals. We have other things to do.

Yet, one of the things that makes us a people is our ability to come together periodically and reason as citizens. Not only to set the context of governance, but to listen and discuss.

The other American approximation of the town meeting is the process of representation. It is not entirely new or accidental that campaigning in our nation is perennial, almost existential. In meeting with our representatives, individually or in groups, in person or by letter, we not only express opinions but carry on the dialogue of democracy. The essence of the democratic spirit is conversation, because only a few truths are self-evident and because public opinion is more than popular prejudice only if it is informed. This is the reason Jefferson was so keen on a free press. It is also the reason Madison created a system that moved slowly. We are encouraged to think and talk things through.

Just as representation is not just handing power over to another citizen but a constant give and take between equals, so an election is not like choosing from a menu. In America a campaign is a long, and sometimes rather bawdy, conversation.

Danforth has said our ongoing town meeting is being drowned out by political commercials and PACS. We do not become better informed by campaigns today but have our prejudicial reflexes tapped by types of propaganda. They are not just argumentative but shrill and slanderous. And this is so particularly in the South where once politics was most gentlemanly. Much money is spent, and much time too. But our choices are not increased, for the degree of manipulation attempted and mud thrown is all that is purchased. Our public space is shrinking, our representatives less responsive, though campaigning and campaign management have become a major American service industry.

Sen. Danforth makes some proposals. For example, when a candidate runs a negative commercial, he ought to have to use his own face and voice in the ad. Or, when a bill is paid for by interlopers, so-called independent spending, the candidate attacked should receive free time to respond. Campaign commercials should be run only in the month immediately preceding the election. And 30-second spots should be banned altogether.

Some will cry that free speech is abridged by proposals such as these. But we ban cigarette ads on TV and now propose to ban liquor in the interest of the common good. The purpose of free speech is the liberty to pursue truth, not to manufacture or debase it.●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

EXECUTION BY HUNGER, THE UNKNOWN HOLOCAUST

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. WAXMAN. Mr. Speaker, I am submitting for the RECORD a copy of a review of the book "Execution by Hunger, the Unknown Holocaust," by Miron Dolot. The review was written by Jack Miles, book editor of the Los Angeles Times, and it was published on Sunday, June 16.

END PAPERS

(By Jack Miles)

Last January, the Book Review received a review copy of "Afghan Refugees: Five Years Later," a 24-page booklet available free from the U.S. Committee for Refugees, 815 15th Street NW, Suite 610, Washington, DC 20005. Though the booklet was too short for review, I thought it worthy of mention: Information on Afghanistan was scarce enough that 24 pages seemed much.

When I read the booklet, I found some thing more than I had expected. "Over the past five years," wrote Allen K. Jones, its author, "the Soviets, along with forces of the current Afghan government, have been somewhat successful in gaining control of the cities and the roads linking them, but the resistance holds sway in the countryside. This balance could shift dramatically in favor of the Soviets, however, as they intensify their tactics, of killing off the civilian support population, terrorizing and driving off the survivors, and creating famine conditions."

Creating famine conditions. These last words caught my eye, for another, longer book, dealing with another Soviet famine, lay stalled on my shelf. I decided to read it.

"Execution by Hunger, the Hidden Holocaust" (Norton: $16.95; 231 pp.) is the first book-length, eyewitness account of the 1932-33 planned famine in Ukraine. The author, Miron Dolot, was 15 at the time. He describes the event as he lived through it.

Briefly, the Soviets induced a famine by confiscating the entire Ukrainian crop after the 1932 harvest—everything, down to the seed grain—and then sealing the border. Across the border, in the rest of the Soviet Union, there was no famine. But Ukrainians who tried to cross into Russia—that is, into the adjacent Russian Soviet Federated Socialist Republic—were stopped at the border. Those who made it across were forcibly repatriated.

In Ukraine itself, confiscation of the crop was not the only measure taken. A "Bread Procurement Commission" conducted house-to-house searches—*repeated* house-to-house searches—for hoarded grain or other provisions. Their logic was that if the crop had been confiscated and yet the people were still alive, then they must be hiding food somewhere. When the people turned to eating cats and dogs, it was declared that the state had urgent need of dog and cat skins; and the GPU—forerunner of the KGB—went on hunting expeditions.

How many died in the border-to-border death camp? The count can be made only indirectly, and different ways of doing it yield different results. The lowest estimate is 4.8 million, the highest 10 million. The book jacket speaks of 7 million.

Why did the Soviets do it? A full explanation must wait on the first full-dress scholarly treatment of the famine, a book to be published in England next year (at Hutchinson) by Robert Conquest and James Mace, under the auspices of the Ukrainian Research Institute of Harvard University. Another Harvard scholar, Adam Ulam, contributes an introduction to "Execution by Hunger" in which he mentions the Soviets' need to generate capital, their need to provision a vast internal police force, and Stalin's will to crush Ukrainian resistance to his collectivization of agriculture. These factors were operative elsewhere in the non-Russian Soviet Union, however. Only in Ukraine was the violence of the famine-weapon found necessary.

Why? Because only Ukraine (Dolot and other Ukrainians writing on this topic never say, as if their homeland were merely a region, "the Ukraine") was both large enough and nationalistic enough to challenge Russia itself. Once called, demeaningly, "Little Russia," as distinct from the "Great Russia" that grew outward from Moscow, Ukraine was and is a nation comparable to France in both area and population. Today, it constitutes 20% of the Soviet population and, thanks to fertile soil and a climate tempered by the Black Sea, grows 25% of the Soviet agricultural product.

After the fall of the czar, Ukraine declared its independence and was reconquered by the Red Army only with difficulty. In the 1920s, Soviet rule was tolerant; but with the rise of Stalin, russification and collectivization began with a vengeance. Ukrainian resistance grew apace, and the result was a struggle that Stalin told Churchill was more difficult for him than World War II. The climax of this struggle, Russia's climactic victory over Ukraine, and the definitive federation of the two most important nations in the Soviet Union came with the famine of 1932-33. With the intelligentsia dead or deported to Siberia and the rest of the population prostrate, Ukrainian resistance was at an end by spring, 1933, Stalin had won.

It is difficult to speak of Miron Dolot's book without speaking first, as I have, of history and geography. And yet the book remains deeply personal. Indeed, in a most striking way, it remains a boy's book. The author is now 70 years old. His tone of voice is fully, calmly adult. Nonetheless, he confines himself to reporting what the intelligent, observant 15-year-old that he was could take in.

Dolot's story has a natural and compelling structure. It opens in the prosperous, still largely undisturbed agrarian culture of his village, proceeds quickly through the fear and violence of the collectivization, climaxes with the horror of the famine, and ends with a rapid denouement his life after May, 1933; his ultimate escape to the West.

Dolot (a pseudonym) writes a steady, unadorned prose. He lets the awful events speak for themselves. And yet he is not concerned to maintain a blank, emotionless pose. When he cried, and he did, he tells us: It's a part of the story. And then he moves on. Once, once only, he tells us that he is weeping as he writes. The man knows what he is doing.

"One . . . Spring day we heard gunshots reverberating some distance from us. The sounds were coming from the east, and as the shooting approached closer, it was accompanied by the loud barking, whining, and yelping of dogs. At the same time, we heard some men shouting and laughing. This sounded very strange at a time when all the people in the village were downcast and silent. Suddenly, shots rang out in our own backyard, somewhere behind the barn, followed by the sound of a dog yelping and whining. We immediately recognized our dog, Latka. I ran out, and as I came to the place, I saw our Latka lying on the ground in a pool of blood, dead. Three gunmen stood beside her, looking down at her, talking and laughing. I broke out crying and tried to pet my dead dog. But my lamentations made no impression on the killers. One of them pushed me aside, took our Latka by her tail, and dragged her to the main road where a horse-driven cart already loaded with the bodies of other dogs and cats waited. Then all three of them mounted the car and drove away. After a while, we heard the sounds of more shouting in the distance, and of animals crying out in their death throes."

This little incident, however marginal to the main story, is told to near perfection. Dolot is no less equal to his more demanding material.

The harrowing core of the book covers the period from December, 1932, through April 1933. Ukrainians did not at first believe that when all their crop was taken, none would be brought back for them. The state had been harsh before, but it had never attempted—they could not believe it would attempt—extermination. Dolot's family survived by the ruse of burying a cache of food on government land, where the GPU would least expect it. Others were less resourceful; and as a winter of murderous cold and waist-deep snow set in, the smoke disappeared from one chimney after another.

With the first thaw, Dolot's mother sent Miron and his brother, Mikola, to the homes of families for whom she feared. In cottage after cottage, they found the body of a child, sometimes more than one child, neatly laid out as for burial—and the body of the despairing mother hanged from the roof beam. Typically, the man of the family had long since been sent to Siberia.

It was too late for the Dolot brothers to do more than bury the dead. It is too late for us to do even that much. And yet, as we learned recently at Bitburg, memory, even late, has its power.

Sen. Bill Bradley, D-N.J., and Rep. James Florio, D-N.J., succeeded in tacking $400,000 for a Ukrainian famine study commission to a major appropriations bill last October. President Reagan has named some of its members; others have yet to be named. Will this commission, will Dolot's or Conquest's book, will Harvard's Ukrainian Research Institute or a new film on the famine (screening at the Ukaninian Cultural Center, 4315 Melrose, June 30, 2 p.m.) do any good? The question is not easily answered. It might be asked, these days, with particular urgency in Afghanistan.●

COMMEMORATION OF THE 50TH ANNIVERSARY OF SOCIAL SECURITY ON AUGUST 14, 1985

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. GREEN. Mr. Speaker, August 14, 50 years ago, a law was enacted which changed the future for Ameri-

cans. This day marks the signing of the Social Security Act.

At that time, we were enduring the Great Depression. The U.S. population stood at 125 million. A quarter of the 35 million workers in the country were unemployed. And, as we recall the words of President Franklin Roosevelt, a third of Americans were "ill-housed, ill-clad, ill-nourished." Social Security was created to provide income security for the elderly; to provide compensation when there was a loss or reduction of income from work in old age.

Since 1935, the program has been expanded to include workers' families, certain dependents and survivors, and the disabled. Twenty years ago, the Medicare Program was enacted, to provide health care insurance for the elderly. Today, 9 out of 10 workers in the United States are earning protection under Social Security. About one out of every six persons in the country receives monthly Social Security checks. Over 24 million people age 65 and over, almost all of the Nation's older population, have health insurance under Medicare. Another 3 million disabled people under 65 also have Medicare coverage.

Social Security has been expanded dramatically since its inception. It has also suffered from financial problems, which we took action to alleviate 2 years ago, and continue to watch closely today. However, as we look back on the program's first 50 years, I believe it is important to note the significant changes that Social Security has made in people's lives. It has provided a cushion for Americans in their later years, to ensure that no one shall go without life's basic necessities because he or she is no longer able to work. Social Security has shown that America, when faced with a crisis such as the one we endured in the 1930's, can emerge from it with a positive means of preventing its repetition in the future.

It has sometimes been said that Americans value everything old except their people. Perhaps the most significant aspect of Social Security is that it demonstrates America's commitment to its elderly. That we shall celebrate the 50th anniversary of Social Security displays the value we place on our senior citizens and the program which support them.●

READING IS FUNDAMENTAL

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. KOSTMAYER. Mr. Speaker, a new report released by the Northeast Midwest Institute found that one in five adults in this country are unable to read well enough to function effectively in society.

I am appalled that some 60 million Americans are functionally illiterate, but I am even more disturbed by the fact that this number is increasing by approximately 2¼ million people each year.

Steady increases in adult illiteracy represent a personal tragedy for millions of individuals. Functional illiteracy is also a threat to our society as a whole, for it hampers the productivity of American workers, contributes to crime in the streets, and weakens our ability to defend our Nation.

Clearly, we must do all we can not only to promote adult literacy, but to prevent this problem from recurring in the next generation. As new technology continues to replace many jobs requiring manual labor and the service sector of the economy expands, our young people will have an even greater need for communications skills in the future.

Mrs. Elliot Richardson, who is chairman of the board of Reading is Fundamental, Inc. (RIF), addressed the need for prevention in her testimony before the House and Senate Education Subcommittees at a hearing on adult literacy. Mrs. Richardson emphasized the importance of encouraging children to read and to learn at an early age. She suggested that parents read aloud to their children and ensure that they have a wide variety of books to choose from.

As a parent, I found Mrs. Richardson's suggestions particularly constructive. There are no simple solutions for the problem of adult illiteracy, but we can lay the groundwork for a more literate and secure America if we follow the example of the RIF program in our homes as well as our schools. I commend Mrs. Richardson's testimony to my colleagues.

STATEMENT OF MRS. ELLIOT L. RICHARDSON, CHAIRMAN OF THE BOARD, READING IS FUNDAMENTAL, INC., AUGUST 1, 1985

Mr. Chairman, Members of Congress, thank you for giving me the opportunity to speak to you on a situation that threatens our economic health, our military preparedness, and even the democratic foundations of our country—the problem of illiteracy.

We are grateful that the committees are addressing the issue and hope that in their deliberations they will give serious consideration to the prevention of illiteracy. Our experience shows that this matter is of great concern to the public.

The members of this committee are well aware of the distressing facts that one in five American adults is functionally illiterate, that costs related to illiteracy exceed $225 billion annually, and so on.

Adult literacy efforts are working valiantly to help grown people open the doors now closed to them because they cannot read. Though excellent, these efforts cannot solve the problem alone.

According to current estimates, the number of functionally illiterate adults in this country is increasing by some 2¼ million each year.

In order to break into this vicious circle, we must not overlook our young. There are 67 million young people under age 18 growing up in America. Unless we take preventive measures, too many will add to the already alarming illiteracy statistics.

Experts have said that the current generation is the first in our nation's history to grow up less skilled in reading and writing than their parents.

Thirteen percent of all 17-year-olds in this country can already be considered functionally illiterate, though they are not yet counted as adults.

Eighty-five percent of the juveniles who appear before the courts are functionally illiterate.

And nearly one-third of our nation's young people drop out of high school before graduation; among inner city minority youth, drop-out rates often exceed 50 percent.

What can we do to prevent our young people from becoming the grim statistics of tomorrow? From my work in literacy programs for the last 16 years, I have learned that several factors are essential to preventing illiteracy.

The first is motivation—awakening in young people the desire to read and to learn. Although motivation is often regarded as something within, it can be sparked from without. We in Reading Is Fundamental have seen previously disinterested youngsters become avid readers through programs such as ours and the efforts of caring parents and concerned citizens.

Reading is a skill. Like other skills, it improves with practice. Extensive reading also quickens the capacity to think, to write, and to use verbal skills clearly and effectively.

According to a survey reported in Science '82, Fortune 500 executives rate communication skills as "the top priority for business leadership"—even more essential than financial, marketing, and technical know-how.

These executives are well aware that American businesses lose billions of dollars each year because so many employees don't know how to read, write, or think clearly and effectively.

The thousands of youngsters who write to RIF each year thank us again and again for helping them discover that reading is "fun." What they call "fun" is the ingredient that propels them to read. It is fun with a serious purpose and proven results.

The second element involves parents, a child's first and most influential teachers. Even before children go off to school, parents can nurture interest in reading by reading aloud to them, by providing a wide variety of books in the home, and by reading themselves.

Since its inception in 1966, RIF has emphasized the essential role parents play in their children's development as readers. Parents' strong support of RIF programs—nearly 40% of RIF's more than 98,000 volunteers are parents—and the deluge of mail we have received in recent months indicate that parents, even those who have difficulty reading, are eager to help their children. This year, some 40,000 parents have written to RIF for guidance and suggestions. RIF has developed publications to answer these needs.

The third essential element in preventing illiteracy is to ensure that children have an abundant supply of books. If motivated to read and free to choose what interests them, youngsters will read and continue to read, gradually building skills that are crucial to effective communication.

For almost 20 years, these three elements—motivation, parent involvement, and an abundant supply of reading materials—have helped Reading Is Fundamental reach millions of young people and turn them into readers. The recent NIE study, "Becoming a Nation of Readers," underscored the soundness of RIF's preventive approach.

Our future as a democracy is in the hands of our young people. We simply must provide the ounce of prevention that will assure that they grow up reading.

We need strong reading programs in our schools.

We need to help parents help their children.

We need to surround our young people with books, in their schools, their community libraries, and in their homes.

And we need the kind of visibility for the problem of illiteracy that this committee provides.

Thank you for inviting me to testify.●

H.R. 3067, DISTRICT OF COLUMBIA APPROPRIATIONS

HON. JOHN E. GROTBERG

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. GROTBERG. Mr. Speaker, on July 30, the House considered H.R. 3067, D.C. appropriations bill for fiscal year 1986. On the final amendment offered by our colleague from New Jersey, Mr. SMITH, which would bar the use of any funds in the bill to pay for abortions, I reluctantly voted "no." I did this because the amendment did not contain the "life of the mother exception," which has been a part of the so-called Hyde amendment since the mid-1970's. I am a strong supporter of the Hyde amendment, but felt that the Smith amendment, as offered, precluded Federal funding of abortions covered under the bill if the life of the woman was endangered. In Mr. SMITH's defense, he did attempt to ask unanimous consent to include the "life of the mother exception" in his amendment, but was prohibited from doing so by the chairman of the D.C. Appropriations Subcommittee, Mr. DIXON of California. I am hopeful that the conference report on H.R. 3067 will contain the Hyde amendment intact. If that is accomplished, I will have no hesitancy in voting for it providing the budgetary levels are lowered in the bill's final version.●

LIONS' INTERNATIONAL PRESIDENT HONORED

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. KANJORSKI. Mr. Speaker, it is my pleasure to bring to your attention a citizen of the 11th District who has risen to a position of great importance. As international president of the Lions, Joseph L. Wroblewski has shown his commitment and dedication to the fundamental values that have made the Lions such an important part of so many communities.

Joseph L. Wroblewski was born in the small town of Ashley, PA, in the heart of our State's anthracite coal mining region, just a few miles south of Wilkes-Barre. He attended Wilkes College and Eckels College of Mortuary Science, an affiliate of Temple University in Philadelphia. Soon after graduation in 1952, Wroblewski entered the Army, serving in Korea in the medical detachment of an artillery unit.

Returning 2 years later, one of the first things he did was marry the girl he left behind, Normajean. Soon thereafter, Joseph Wroblewski landed his first job with one of Wilkes-Barre's largest funeral homes. Eventually, he and his wife moved back to Ashley and opened their own business, which grew to 15 franchises in three States with more than 100 employees. Today, he still owns two funeral homes, an employment agency, and a travel agency.

While pursuing financial success, Joseph Wroblewski never failed to contribute in other ways to his community. He joined the Ashley Lions Club in 1954, and immediately took an active role. "I was impressed with the work the Lions performed in the field of sight conservation and in serving the needs of senior citizens," he recalls. He took an active role in raising funds for eye bank services, and assisting in the distribution of Christmas baskets to the shut-ins, elderly, and needy of the area. By the mid-1960's, his colleagues showed their appreciation for his hard work by electing him district governor of district 14-H.

In the 1970's, his attention turned to international Lionism, while still committing tremendous time and energy to projects in his own district. By 1976 Joseph Wroblewski had earned the support and respect of not only his fellow Pennsylvanians, but of Lions throughout the Nation. At the 1976 international convention in Hawaii he was elected international director for a 2-year term.

In 1982 he again received the support of his colleagues, and was elected third international vice president. His travels helped cement his commitment to relieving suffering throughout the world. As he noted, "I'm pleased we have adopted our long-term programs in drug awareness and diabetes education and are presenting them around the world." The 1,350,000 Lions members worldwide are a formidable resource in providing better medical facilities and services to the less fortunate in this Nation and abroad.

Mr. Speaker, the slogan introduced by the Lions during Joseph Wroblewski's term as international president sums up his long-standing commitment to improving his world "We Serve Better-Together." I know I speak for many of my colleagues in praising the invaluable work of the Lions. We of the 11th District of Pennsylvania are especially proud of Joseph L. Wroblewski, who has served with such distinction as their international president.●

TRIBUTE TO JANE HAGEDORN

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. GREEN. Mr. Speaker, I would like to draw to the attention of my colleagues the passing of a good friend, Jane Hagedorn, wife of New York publisher Charles Hagedorn.

Jane was known for her kindness and her quiet strength, a strength that undoubtedly helped her husband and their son, Chris, in their difficult task of maintaining the publication of quality newspapers in an era when many newspapers have been closed by economics and changes in society.

Jane's strength was also evident in the manner in which she handled her long and difficult illness. She concerned herself with the needs of others, her constant smile belied her pain.

Such courage and unselfishness are a legacy to those who knew Jane Hagedorn and a lesson for all of us. I know this loss has had a terrible impact upon her husband and their son, but I also know that they will do as she wished and carry on in the great tradition of journalism.●

THE 10TH ANNIVERSARY OF HELSINKI ACCORDS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. BIAGGI. Mr. Speaker, I wish I could rise today to celebrate the 10th anniversary of the signing of the Helsinki accords. However, I find that there is little to celebrate. The Helsinki accords recognizes the territorial and political status quo in Eastern Europe, which resulted from World War II. In return the West has gained little except broken promises and dashed hopes. After 4 years of initial improvement and progress in human rights, the situation began to deteriorate with the Soviet invasion of Afghanistan and has grown steadily worse.

Recently, we marked the 26th anniversary of Captive Nations Week, commemorating the millions of freedom-

loving people in Soviet-dominated countries throughout the world. This type of commemoration might not be necessary if the Soviet Union would uphold its part in the Helsinki accords. Of course the United States must continue to fight for freedom and human rights regardless of the Soviet stance. Let me repeat part of the statement I made on Captive Nations Week:

The United States since its inception, has championed fundamental freedoms. We must remain dedicated in our efforts to press for the recognition of basic human rights for all people. We must reaffirm our pledge of obtaining rights for nations under Communist dominion. We as a Nation must uphold the fundamental principle of self-determination and encourage the captive nations in their struggle for freedom from the oppression of the Soviet Union.

Although there has been increasing action and hope for the cause of oppressed people around the world, we must still focus on the latest examples of Soviet adventurism, whether in Europe, Africa, or Central America. The oppressive policies of the Soviets must be recognized and acted upon.

One of the indicators often used to gauge the ups and downs in Soviet human rights policy is the rate of Jewish emigration from the Soviet Union. In 1979 the rate stood at an all time high of 51,000. Since that time the flow has dwindled to almost nothing. In 1983 only 900 Jews were allowed to emigrate from the Soviet Union and the figures for the past few months are even lower. It is thought that at least 400,000 Jews presently reside in the Soviet Union and are unable to leave. In restricting Jewish emigration so harshly the Soviets are once again violating the Helsinki accords which allows the emigration of a people to their national homeland.

The plight of Soviet Jews has deteriorated. During the past year, we have seen the constant harassment of Hebrew teachers and Jewish cultural activists. A new strategy has been in use recently, by which Jews are brought to trial on trumped-up charges. We have a responsibility to do whatever is possible to make life easier for those repressed people who are forced to live under Soviet tyranny. The Soviet Jewry issue should be raised with high level Soviet officials whenever the opportunity arises. This 10th anniversary cannot be a very joyous occasion, but it can serve as reminder that there is much which must be done. The Soviets should be reminded of their part of the accords and held to it. At this time, I would like to insert into the RECORD the full text of an article which appeared in the Washington Post on July 31, 1985:

DON'T CELEBRATE THE HELSINSKI ACCORD; NULLIFY IT

(By Norman Podhoretz)

The other day I received a visit from Avital Scharansky, whose efforts to free her husband, Anatoly, from the Gulag to which the Soviet authorities consigned him seven years ago have given a new dimension to the word indefatigable.

This was not the first time she had come to see me, but this time there was a difference. In previous visits she had mainly appealed for help in getting her husband out of prison. On this occasion, however, her emphasis fell on getting out the 400,000 Jews waiting for permission to emigrate from that larger prison known as the Soviet Union.

Avital Scharansky thinks that a special opportunity to press the issue of Jewish emigration is provided by the meeting this week in Helsinski to commemorate the 10th anniversary of the agreement that was signed there by the Soviet Union, the United States and 33 other nations on Aug. 1, 1975. More generally, she believes that the Soviets are now in such desperate economic straits that they would be willing to trade 400,000 troublesome Jews for most favored-nation (MFN) status.

Is she right? Are the Soviets now prepared to bargain in the currency of what are for all practical purposes Jewish hostages? Perhaps. In the reports that have circulated recently of Soviet moves toward the restoration of diplomatic relations with Israel, broken off during the Six Day War of 1967, mention has been made to offers of pay for certain political concessions by Israel with an increase in the number of Jews who would be allowed to emigrate.

Some who follow these matters closely think the Soviets are also trying to wring political concessions, and not just MFN status, out of the United States in exchange for allowing larger numbers of Jews to leave.

The Soviets have been playing a similar game with the West Germans for some years now, exacting both hard cash and political accommodation for permitting a negotiated quota of East Germans to emigrate to the Federal Republic. Why then should they not try to open a trade in Jews as well? So many Jews for the return of the Golan Heights to Syria, so many for MFN, so many for the cancellation of "Star Wars."

Yet even if the Soviets are now ready to deal in this repulsive fashion, the United States refuse to go along.

In Helsinki 10 years ago, the Soviets promised, among other things, to allow much freer emigration in exchange for what amounted to recognition by the West of their hegemony over East Europe. In restricting Jewish emigration so harshly (from 51,000 in 1979 to about 900 in 1984), the Soviets are thus brazenly violating the Helsinki accord. Thus, too, in offering to exchange a higher emigration quota for economic or political concessions they are demanding yet another "quid" for a "quo" they have never paid and are at best still unwilling to pay in full.

It is because the Soviets have refused to keep their part of the Helsinki bargain in general that a large group of Soviet dissidents living in exile recently issued a statement calling for its nullification by the West. Not only, say these exiled dissidents, has the accord failed in its "initial goal" of promoting human rights in the Soviet Union and its East European satellites. It has "failed even to protect the Helsinki monitors" who have been imprisoned precisely for calling on the communist authorities to observe its provisions. Among these monitors is Anatoly Scharansky.

In English prose that touchingly bears the traces of their native Russian, the exiled dissidents go on: "We tried to persuade Western governments to make release of these people a necessary condition to continue the Helsinki process. It was not done in time, and the situation is irreversible now. Irreversible are the deaths of imprisoned Helsinki monitors Oleska Tikhy, Valery Marchenko and Yuri Letvin from the Ukraine and Eduard Arutyunyan from Armenia. Irreversible are the many years spent in prisons and labor camps by the founders of the Helsinki movement Yuri Orlov, Anatoly Scharansky and other prisoners of conscience."

But the fate of the 400,000 Soviet Jews who have applied for permission to emigrate may not be irreversible. Instead of offering the Soviet Union rewards for letting some of them go—rewards, in other words, for partially keeping commitments for which it has already been exorbitantly paid—the United States ought to be threatening a cancellation of the Helsinki agreement unless the Soviets immediately begin living up to its provisions.

That would mean, as the exiled dissidents say, the release of Scharansky and the other prisoners of conscience, and as his wife adds, it would also mean the simultaneous granting of exit visas to the 400,000 Jews wishing to emigrate.

Avital Scharansky thinks the Soviets would give in to pressure of this kind; the exiled dissidents seem to be more skeptical. But we are not about to find out this week which of them is right. The brutal and heartbreaking truth is that the chances of an American threat to nullify the Helsinki accord are almost nil.

What is most heartbreaking, however, is that even if such a threat were made, it would be no more credible than the empty threats we have repeatedly made to nullify all the other agreements, from the ABM treaty to the treaty banning the use of chemical weapons, that the Soviets have violated just as brazenly as they have the accord whose 10th anniversary is so farically being celebrated in Helsinki.●

TRIBUTE TO HAROLD D. WILKINS OF FLORIDA STATE UNIVERSITY

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. PEPPER. Mr. Speaker, in State university systems throughout the country, there are many dedicated individuals working in administrative capacities to make exciting things happen in education. These individuals deserve a great deal of credit for the growth and excellence of our State universities and, consequently, for the improvement of education in our country.

I am proud to take note of one such outstanding individual in Florida's State university system, Harold D. Wilkins, of Florida State University in Tallahassee, FL.

Hal is the president of FSU's foundation, a position he has filled for several years. Through his knowledge and expertise in obtaining funding for uni-

versity programs and activities, FSU has been able in the past 3 years, to establish three eminent scholars chairs; two in the School of Theater and the Mildred and Claude Pepper chair in social gerontology. In addition, funds for several other chairs are in the process of being collected. Under Hal's able leadership, Florida State University foundation raised $9.1 million in the last fiscal year. In addition to funding the eminent scholars chairs, these funds have been allocated for student scholarships, for establishing faculty chairs, for research and development in meteorology, computer science and other important areas and for recognizing the work of outstanding professors.

Hal Wilkins and his excellent staff of 21 dedicated individuals are to be warmly commended for their achievement at Florida State University. Their work does not benefit FSU alone but has far-reaching effects as it culminates in raising the quality of education for our citizens, some of whom will be on the cutting edge of history tomorrow.

I therefore, Mr. Speaker, ask my colleagues to join me in paying tribute to the numerous individuals who devote their lives to education and particularly to Florida's own Harold D. Wilkins, president of the Florida State University foundation.●

SMOKELESS TOBACCO

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mrs. COLLINS. Mr. Speaker, the prevalence of alcohol and illicit drugs in our society and their attraction to our children are well known. In recent months, public attention has been drawn to a new fad sweeping the country, one that has invaded our school playgrounds and college campuses. Although an age-old custom, smokeless tobacco, which refers to chewing tobacco and snuff, are the "in thing" among our Nation's youth, and its use is increasing at an alarming rate.

Over 22 million Americans are said to be using smokeless tobacco. Conservative estimates are that 8 to 10 percent of teenagers and preteens have taken up the pinch, chew, or dip habit. Individual State surveys have found even higher rates of use, up to one/third and higher among students in junior and senior high schools and in college.

One reason for this new found appeal is the increased fear over the dangers of cigarette smoking. Another is the Madison Avenue type advertising by producers of smokeless tobacco which features national sports stars and music celebrities aimed at enticing young, prospective users to "go smokeless."

A number of studies have found that smokeless tobacco is not a risk-free product. Oral cancer, dental disease, high blood pressure, and addiction are some of the findings researchers have uncovered. And while the volume of scientific information for smokeless tobacco products may not equal that compiled for cigarettes, it has raised a "red flag," prompting a number of major health organizations to voice strong concern and a call for action.

Only a handful of States have addressed this problem, however, either through product warning labels or minimum sales age limits. At the Federal level, the Federal Trade Commission has punted to the HHS, whose Office of Smoking and Health is now studying the issue. But because groups like the American Cancer Society, the American Medical Association, the American Dental Association, the National Cancer Institute, and even the U.S. Surgeon General have pronounced smokeless tobacco as detrimental to human health, we cannot afford to hold off action.

What is needed in my view is a comprehensive legislative solution. On July 25, I introduced the Smokeless Tobacco Control Act of 1985—H.R. 3078—which will not only make people more aware of the hazards associated with smokeless tobacco, but of the utmost importance, will make it more difficult for young people to get their hands on these potentially deadly products.

My three-part proposal will deal with this problem by requiring HHS to develop educational programs on the health risks of smokeless tobacco for use in our school systems and by health agencies. Grants to States will be authorized as an incentive to enlist help from the States in distributing these educational materials and in setting minimum sales age limits. My bill will also reinstate a Federal excise tax and will earmark the new revenues for the State grants and for cancer research. Lastly, my bill will prohibit producers of smokeless tobacco from deducting advertising expenses from their income taxes.

I believe my legislation will well serve the public health. It will meet the twin goals of making sure that those who wish to use these products are well informed about the inherent dangers, and it will discourage our Nation's children from engaging in an activity that might later result in serious health problems. I would urge my colleagues on both sides of the aisle to join me in working for the passage of this important and timely legislation.●

COMMEMORATING THE 250TH ANNIVERSARY OF THE FOUNDING OF THE FIRST CONGREGATIONAL CHURCH IN BLANDFORD, MA

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. CONTE. Mr. Speaker, it is with great pleasure that I rise today to pay tribute to the people of the First Congressional Church of Blandford, MA. On August 18, they will be celebrating the 250th anniversary of the founding of their church.

The founding of Blandford's First Congregational Church was truly a venture in American pioneering. The western part of the Commonwealth of Massachusetts is beautiful and can be very rugged, and 250 years ago it was still considered wilderness. The Blandford church has fit in well, it is a picturesque building in a picturesque setting.

Pastor Brian Case and the entire assembly—past and present—of the First Congregational Church can be very proud of their heritage as they celebrate this very special occasion. On August 18, a plaque will be dedicated at the church, and the assembly will gather to ask God's blessing so that they can continue to serve his purpose in the western part of the Commonwealth.

Mr. Speaker, I wish all the best to those who are a part of this special church. Their past has been a rich one. Their present is a productive one, and their future is full of promise. It has been my pleasure to share this tribute to the First Congregational Church of Blandford with my colleagues in the House. Thank you, Mr. Speaker.●

NATIONAL HEMOPHILIA AWARENESS MONTH

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. GREEN. Mr. Speaker, I should like to submit for the RECORD, additional cosponsors of House Joint Resolution 254, to designate the month of March 1986 as National Hemophilia Awareness Month.

Wayne Dowdy, James Scheuer, Roy Dyson, Gary Ackerman, Hamilton Fish, Henry Hyde, Alan Wheat, David Bonior, Louis Stokes, Geo. W. Crockett, Gerald Kleczka, Jim Moody, Dennis Hertel, Andy Jacobs, Fofo Sunia, Thomas Daschle, Frank McCloskey, Arlan Stangeland, John Bryant, John McKernan.

Claude Pepper, Frank Guarini, Lee Hamilton, Fernand St Germain, Bruce Morrison,

Albert Bustamante, Henry Nowak, Bill Carney, Carroll Campbell, Bill Frenzel, Ike Skelton, Fred Eckert, Willis Gradison, Stewart McKinney, Carroll Hubbard, Frank Horton, Tom Bevill, John Porter, Richard Shelby, Martin Sabo.●

COMMENDATION TO THE MONTEBELLO DISTRICT OFFICE OF THE SOCIAL SECURITY ADMINISTRATION

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. MARTINEZ. Mr. Speaker, as part of this years commemoration of the 50th anniversary of the Social Security Administration, I would like to take this opportunity to commend the Social Security Administration's district office in Montebello for the continued service to the community and their efforts on behalf of my constituents of the 30th District of California:

Whereas the Social Security Act was signed 50 years ago on August 14, 1935 and

Whereas Social Security is a significant and necessary support for these disabled or survivors of deceased workers and

Whereas Social Security is an important part of the retirement plans of millions of Americans and

Whereas the Social Security office in Montebello, California under the direction of Irene Kishita, District Manager, provides exemplary service to the public in administering the provisions of the Social Security Act to the 27,000 beneficiaries in the area.

Therefore, I Congressman Matthew G. Martinez, Representative of the 30th District in California, on behalf of the citizens of the District do hereby commend Irene Kishita and the Social Security Administration for the fine services they provide to those residing in our district.●

CONGRESSIONAL RECORD TRIBUTE—LUIS LAINER

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. WAXMAN. Mr. Speaker, it is with special pride and pleasure that I call to your attention a truly outstanding citizen of Los Angeles, Luis Lainer.

Luis was born in Mexico City and emigrated to Los Angeles with his parents as a young child. After his graduation from Yale Law School in 1968, he served as a VISTA volunteer for 2 years in a predominantly Puerto Rican neighborhood in New York City. Luis' experiences in the Williamsburg barrio left an indelible impression and formed the basis and direction his future life would take.

After returning to Los Angeles to practice law, he sought to recreate the idealism and sense of meaningfulness of his VISTA experience. Joined by a group of young professonals—lawyers, teachers, students, rabbis, and social workers—he founded Bet Tzedek, the House of Justice. Started as a storefront office over 10 years ago, Luis worked for a while as the only staff person performing all the necessary tasks himself—counseling, representing clients, recruiting and supervising volunteers, publicity, fundraising, and so forth. Bet Tzedek has flourished into a major community service agency serving, on a nonsectarian basis, thousands of aged, disadvantaged, and defenseless clients who are in danger of losing their homes, vital social benefits, and their dignity.

Although Luis is stepping down as president of the board, a position he has held since 1981, he will continue to serve on several important standing committees, including the executive and nominating committees which he will chair. In addition, the board has appointed Luis Lainer, president emeritus for life.

In his dedication to community service, Luis joins the other members of the illustrious Lainer family who have also committed their lives and resources to the well-being of others. His wife, Lee, and daughters, Jesse and Anne, have every reason to share in the joy and pride of Luis' life.

Terry Friedman, executive director of Bet Tzedek, perhaps best sums up the essence of Luis Lainer's spirit:

Some of us are dreamers. Others are doers. Few are both. Luis Lainer is that rare combination of dreamer and doer. More important, Luis is also a moral human being who, in every part of his life, sets the standard for the rest of us.●

THE 50TH ANNIVERSARY OF SOCIAL SECURITY

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. KOSTMAYER. Mr. Speaker, on August 14 we celebrate the 50th anniversary of the Social Security Program.

Social Security was established 50 years ago at the recommendation of President Franklin Roosevelt in reaction to the economic insecurity experienced by millions of elderly and unemployed workers during the Great Depression. President Roosevelt proposed a Federal system of old-age insurance, unemployment insurance and public assistance which was passed by the Congress and signed into law on August 14, 1935.

The original program covered 27 million workers. Since then the Social Security Act has been amended many times to meet the changing needs of our society. Last year 119 million workers and their employers contributed $186 billion in Social Security payroll taxes to the trust fund and 36 million received $180 billion in benefits.

The great majority of America's retired people count on Social Security as the foundation for their retirement. For many of them, it is the difference between security and poverty. Twenty-seven percent of our Nation's elderly people depend on their Social Security checks as their sole source of income.

In the past 50 years the Social Security Program has fulfilled its promise of providing security for America's workers. This anniversary gives us an excellent opportunity not only to recognize that achievement, but also to reaffirm our commitment to the program. That is why the theme of the anniversary celebration, "Social Security: Partnership With Tomorrow," is particularly appropriate.

Social Security represents a contract between the Government, retired workers and today's workers. Unfortunately, this year retired workers were once again threatened with the spectre of benefit cuts by those who would use the Social Security Program as a scapegoat for the irresponsible budget policies which have lead to record Federal deficits. Proposals to reduce Social Security benefits obscured the fact that the trust fund ran a surplus last year and that it is on sound financial footing for well into the next century. Such proposals also shook the confidence of today's workers in the future of the program.

We must use this 50th anniversary to restore the public's confidence in the Social Security Program and to reaffirm our Government's commitment to honor its contract with America's workers.●

DEROGATORY REMARKS OUGHT NOT GO UNCHECKED

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. FRANK. Mr. Speaker, last month, New York Mayor Ed Koch admitted that he had referred to our colleague, the gentleman from California [Mr. DELLUMS] as a "Zulu" and a "Watusi from Berkeley." Mayor Koch attempted to explain away these derogatory racial references to a very distinguished Member of this body with a disingenuous assertion that they were meant to be complimentary. I doubt very much that anyone—Mayor Koch included—believes this.

As I understand it, Mr. Koch uttered these distasteful remarks in the context of a discussion in which he defended the level of American aid to Israel. I am very much in agreement with Mr. Koch on this particular issue and it seems to me incumbent on those of us who are in agreement with Mr.

Koch that significant levels of aid to Israel are very much in America's interest to disassociate ourselves from the racism of his comments about Mr. DELLUMS.

Our colleague Mr. DELLUMS is a man who believes that public policy debates ought to be conducted on a very high level, and he is scrupulous on the floor and off in his efforts to avoid personalities and focus on real issues. In keeping with this, and with his general graciousness, Mr. DELLUMS chose not to make an issue of Mr. Koch's remarks and stated that he accepted Mr. Koch's explanation of them. That is I think a tribute to Mr. DELLUMS graciousness and distaste for personality politics, and not an indication that he is unduly credulous. Mr. DELLUMS' understandable unwillingness to engage in a name-calling spat with the mayor of New York in no way relieves any of the rest of us from the responsibility to speak out against Mayor Koch's unfortunate expression of sentiment in this case.

Juan Williams wrote an article for the opposite editorial page of the Washington Post which expressed dismay that so few people had publicly spoken out against the racial implications of Mayor Koch's remarks. I do not agree with everything Mr. Williams says in this article, but I believe its general thrust is accurate: Those who spoke out against the anti-Semitic remarks uttered by Jesse Jackson in 1984 are guilty of hypocrisy and inconsistency if they remain silent in the fact of similarly offensive ethnic slurs by Mayor Koch. Because I believe in this general point—that all of us have an obligation to speak out against bigoted remarks of any sort when uttered by significant public officials—I include Mr. Williams' article at this point in the RECORD:

OF ZULUS, WATUSIS . . .

(By Juan Williams)

In a soon to be published book, "I Koch—A Decidedly Unauthorized Biography," New York's Mayor Edward I. Koch is quoted as calling Rep. Ron Dellums (D-Calif.) a "Zulu warrior" and a "Watusi from Berkeley."

Koch admits the words are his. He says he intended them as compliments. He called Dellums after the quotation became public to tell the congressman that Watusis are "strong and tall" and the Zulus an "elegant and stylish" people.

Sure. And "Hymie" is a Jewish name.

According to Jack Newfield, a Village Voice writer who was the source for the quotation, Koch used the tribal references in 1976 during an acid volley against U.S. congressmen he felt were trying to reduce U.S. aid to Israel.

"He was specifically focusing on Dellums," Newfield said, "ignoring the substance of what Dellums had to say and then he called him a 'Watusi from Berkeley.' It was unmistakably hostile, derogatory and insulting. It was meant to be."

Dellums has decided to downplay it. The Berkeley congressman who has fought to avoid being labeled a "black militant" or the "congressman in bell-bottoms" is afraid that a personal response to Koch would allow his colleagues to dismiss him as an overly sensitive, angry black man.

But the incident begs comparison with the outcry last year when it was reported that Jesse Jackson privately referred to Jews as "Hymie" and rationalized it as a practice left over from his childhood.

In fact, Koch, in his role as a Jewish leader, led the way in condemning Jackson as an anti-Semite, largely on the basis of the "Hymie" comment. With that as his whip, Koch aired his suspicions that Jackson was an anti-Semite who favored Middle East policies that are antagonistic to Israel's best interests. His proof? The "Hymie" quote, Jackson's ties to Israel's enemies, the dark-skinned people in the Middle East. Jackson hugged Yasser Arafat, Koch reminded his audiences before urging unsuccessfully that Jackson not be allowed to speak at the Democratic convention.

Now Koch is in the hypocrite's corner. If he was so quick to throw stones at Jackson, he has no exemption from being stoned. No matter how expertly he dances away, by quickly admitting his intemperate words and calling Dellums to explain it all, he can't expect anyone to believe in his gut that he was complimenting the congressman.

Koch, who is running for reelection, should be haunted and harassed for every awful racist word revealed in his attack on Dellums. He should be questioned about it at every campaign stop.

Few would suggest that Jackson not be held accountable for his remarks. Why should it be different for Koch? There is no acceptable double standard on bigotry. Why don't Jewish leaders, in particular those who condemned Jackson at the hint of bigotry, condemn Koch?

Or can one group of Americans be freely slandered by a public figure while any hint of bigotry toward another group, in private conversation, is cause for moral outrage?

While proof of Jackson's animus toward Israel may lie in symbols, there is direct evidence of Koch's distaste for blacks. In a fiscal crunch he chose a Harlem hospital to be closed. After blacks gave him 60 percent of their vote in this first Democratic primary—a runoff against Mario Cuomo—he failed to support even moderate, establishment black politicians, stifling the growth of black political power in New York.

In 1981 he opposed David Dinkins, the city clerk, in his bid for Manhattan borough president. In 1982 he backed Alfred DelBello for the state's lieutenant governor's seat when Carl McCall, a moderate black candidate was running.

When it came to naming a superintendent for the New York City public schools, Koch chose Robert Wagner Jr. over Thomas Minter and Anthony Alvarado, a black and a Hispanic, respectively. Wagner was later denied the post because the state education commissioner found him to be unqualified for the job, having never taught school and lacking the necessary postgraduate degrees.

I wonder whether there will be a spate of newspaper articles casting doubt on the ability of Jewish reporters, in a town with a large Jewish population, to cover a Jewish mayor. It might seem crazy, but just such articles were written about black reporters after the Jackson incident.

But seriously, the absence of Jewish outcry at Koch's behavior toward blacks and his foul description of a black congressman amounts to the Jewish community's turning a blind eye to the sins of their own. The issue is not that Jewish leaders should condemn Koch so much as why they don't feel compelled to do it.

Not all Jews are defenders of Koch. Before the Dellums' name-calling became known, Rabbi David Saperstein of the Union of American Hebrew Congregations talked about Koch at an NAACP convention in Dallas:

"It is true that we have our ADL (Anti-Defamation League), and our Morris Abrams (vice-chairman of the Reagan administration's civil rights commission), and Ed Kochs . . . ," he said, "But make no mistake about it: to the majority of Jews and Jewish organizations their views are wrong."

More Jewish leaders needs to say the same and say it publicly and loudly.●

FOREIGN AID AUTHORIZATION AND SUPPLEMENTAL APPROPRIATIONS CONFERENCE REPORTS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1985

● Mr. WEISS. Mr. Speaker, we are voting today on two conference reports which in important ways are interrelated, the conference report on the supplemental appropriations bill, H.R. 2577, and the conference report on the foreign aid authorization bill, S. 960.

I am voting in favor of the conference report on the $13 billion supplemental appropriations bill for fiscal year 1985, for reasons which I first explained when the measure was originally before this House. The supplemental appropriations bill includes funding for many valuable programs which I support, including the Social Security trust fund, guaranteed student loans, food stamps, veterans' benefits, aid to Israel, family social services, and many other items. Nevertheless, my vote for the supplemental appropriations bill is a difficult one, since that bill also contains an appropriation of $27 million for the Nicaraguan Contras, which standing on its own I have always resolutely opposed and will continue to oppose. That is why I vigorously sought, in committee and on the floor, to exclude all Contra funding from the bill.

The conference report on the foreign aid authorization bill for fiscal years 1986 and 1987 presents a different set of choices. That bill also includes provisions which I support, including substantial authorizations for military and economic aid to Israel. But it is of critical importance that the failure of this authorization bill would not block such aid from flowing to Israel. Indeed, funds for Israel have generally been appropriated without a separate authorization in recent years, and I have consistently supported

such aid in votes on foreign aid appropriations in this House.

In many other respects, however, this bill sets a most unwise and dangerous course for American policy toward the rest of the world. During its consideration, we witnessed the spectacle of emotionalism and unreflective nationalism overwhelming rational considerations of foreign policy. In case after case, ill-considered amendments with far-reaching consequences were offered from the floor and approved with little debate. We have now become enmeshed, or are in the process of becoming enmeshed, in a half dozen or more wars on three continents, under vastly differing local conditions, with the motliest imaginable range of local proxies. An administration that professes to abhor terrorism has now been authorized, and thereby invited, to use state-sponsored terrorism as a deliberate instrument of policy around the world.

By repealing the Clark amendment, a cornerstone of our Southern Africa policy for almost a decade, this bill opens the door to U.S. military aid to terrorists whose main sponsor happens to be the Government of South Africa—a government which we voted this week to sanction.

By authorizing funding for the Contras in Nicaragua, under the fictitious banner of "humanitarian assistance," this bill subsidizes a band of terrorists whose principal targets have included teachers, health care workers, women, and children.

By exempting El Salvador and Honduras from the longstanding ban on U.S. training of foreign police, the bill opens the door to the very abuses, by Latin American police forces and the U.S. agencies responsible for training them, which led to the enactment of the ban in the first place.

The conference bill provides $70 million in military aid to the brutal and corrupt Marcos regime in the Philippines, almost three times that provided in the House bill.

The bill authorizes $5 million in military assistance to one faction of the guerrillas fighting to oust the Vietnamese forces from Cambodia. As laudable as that objective may be, if our recent experience in the region is any guide, we are not going to replace the Cambodian Government with one of our liking with $5 million, or $500 million, or even $5 billion. At the very best, this authorization will serve only to build unrealistic expectations among those we purport to be assisting. At worst, it will lead us down the bloody path of reintanglement in Indochina, and it may unwittingly contribute to the reinstallation of the Khmer Rouge, who were responsible for one of the worst genocides the world has yet seen. This is a mischievous provision which will come back to haunt us.

As the most comprehensive statement of the Congress on foreign policy, therefore, the bill is too seriously flawed for me to support. My vote against this bill should not be interpreted as signifying opposition to all foreign assistance, not as opposition to all foreign military assistance. The United States lags far behind many European nations in providing economic assistance to the developing countries, and this imbalance should be redressed. On the other hand, the United States has legitimate security interests in many areas of the world, and properly conceived foreign-aid programs can help to protect those interests. But this bill is neither well balanced nor properly conceived, and in the long run it will promote neither economic development nor national security. Let us hope that this turn in American foreign policy is as transitory as the emotionalism which spawned it.●

COMMENTS ON BUDGET RESOLUTION

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 1, 1985

● Mr. GAYDOS. Mr. Speaker, while I commend the members of the conference committee on the budget resolution for the many long and hard hours they have spent to develop the product we have just approved, I believe it is time that we put a halt to this concept of legislating in crisis.

I am appalled that we have almost no supporting material to back up the figures which we have been asked to support. The realization that the full conference report will not be in our hands until we return to Washington in September leads me to believe that the figures we have before us are guestimates, pulled out of the air to justify the cuts and freezes in some of the most important domestic programs in this country while permitting a substantial increase in military spending.

I am a firm believer in and strong supporter of the committee system, but I am not yet ready to surrender my vote without having before me some better justification for this document, especially when I see military spending increasing by inflation, plus 3 percent a year for the next 3 years while important programs such as urban development grants, revenue sharing, Medicare and Medicaid, and guaranteed student loans are being cut or frozen.

Just those few domestic programs alone are so vital to me and the people and communities I represent, that I cannot in good conscience support this document.

The demise of the steel industry in my district and the forced unemployment of so many people there, have driven too many cities, towns, and boroughs to the verge of bankruptcy. If it weren't for the funds from UDAG and revenue sharing, the people in those communities would have no services at all. I am dismayed by the agreement to cut UDAG funds by 20 percent for 1986, but I am dumbfounded by the 25 percent cut in revenue sharing for 1986 and the program's elimination in 1987.

Those revenue-sharing dollars are often the only funding source to keep some of the communities in my district alive. McKeesport would have to increase property taxes by 6 mills to make up the funds from the cut in revenue sharing. Clairton would need an 8-mill increase and Homestead a 7-mill hike. And those dollars just don't exist in those communities.

At the same time, we are led to believe that additional funds to trim the Federal deficit will be earned through savings in Medicare and Medicaid and the Guaranteed Student Loan Program. Those savings means cuts and reductions or stiffer means tests, no matter how nicely they put it. Where are we going to cut $450 million from Medicaid over the next 3 years? Or $11 billion from Medicare between 1986 and 1988?

It means that some deserving people, people who have no other resources, are not going to have the protection this Congress fought so hard to give them in the first place. It means the safety net is going to have a huge hole in it.

Then, of course, there is the Guaranteed Student Loan Program. At a time when we say we need as many college-trained young people as we can get to help us create and fill the new jobs in so many fields, we are saying: "I'm sorry, you'll have to find some other way of paying for the education we believe you are going to need. We have to save money by cutting $800 million from the GSL Program over the next 3 years."

What a waste. The military throws billions of dollars away through poorly operated and badly supervised purchasing programs, buying $400 hammers, $200 ashtrays, and so on, and we reward those wasters with an inflationary increase plus 3 percent a year. But, to those young people who will be the future leaders of this country, we say, "sorry."

Where is the balance? Where is the fairness and the understanding we have tried to provide for those Americans in need?

What am I supposed to tell the unemployed steelworker in my district who, today, can no longer afford to help their college-bound sons and daughters meet tuition and boarding expenses? How can I tell them I voted yes on this budget?

Mr. Speaker, I am sorry, but I cannot and will not vote in favor of this budget resolution.●